



LT Foods



Investor Presentation

9M & Q3 FY2020



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9M & Q3FY20 Financial Performance



9M FY20 Key Highlights

Branded Portfolio 76% vs 70%

- Branded Revenue up by 11%
- India Branded Business up by 6% and International Branded Business up by 16%

Gross Profit up by 10%

EBITDA¹ up by 12%

PAT up by 22%

Cash Generated from Operations up by 149%
(Rs. 269 cr vs Rs. 108 cr)

Improvement in Debt to EBITDA² ratio (3.3x vs. 3.9x)

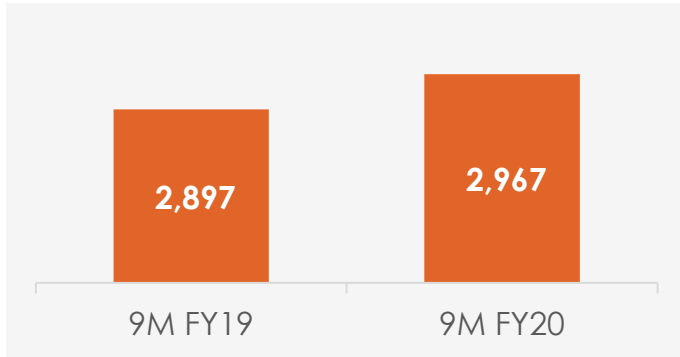
Net worth up by 12% to Rs.1,561 cr

ROCE improved by 80 bps (12.6% vs 11.8%)

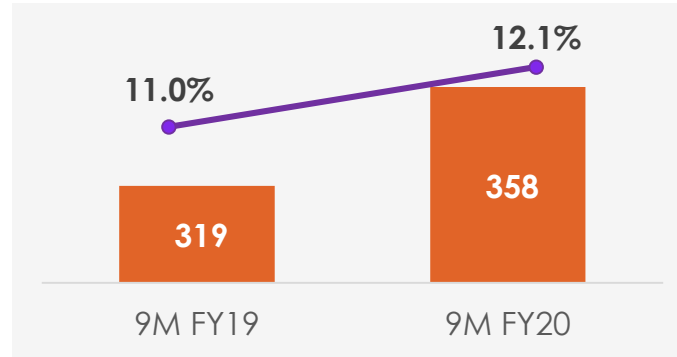
1. EBITDA includes impact of Rs. 11.7 crore on account of IND AS 116
2. Annualised EBITDA has been considered

9M FY20- Performance driven by Branded Revenue Growth and Improved Operational Efficiencies

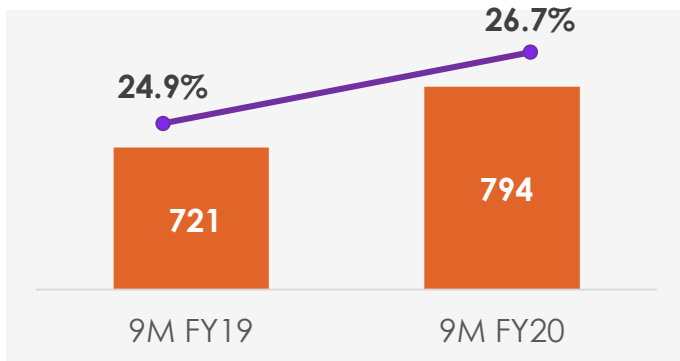
Revenue



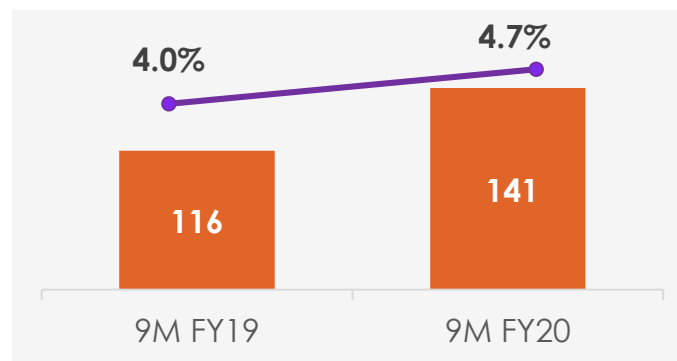
EBITDA & EBITDA Margin



Gross Profit & Gross Margin



PAT & PAT Margin



- Revenue up by 2.4%
- Gross Profit up by 10% and Gross Profit margin improved by c. 186 bps on driven by:
 - Higher growth of international branded business (16%)
 - Robust growth in Europe (104%)
 - Better realisation in USA
- EBITDA up by 12% and EBITDA margin improved by 107 bps driven by:
 - Better product mix
 - Operational efficiencies
- PAT of Rs.141 cr, increased by 22% and PAT margin improved by c. 76 bps

All Figures in Rs Cr unless specified

Q3FY20 Key Highlights

Branded Portfolio 76% vs 63% y-o-y

- Branded Revenue up by 6%
- International Branded Business up by 15%

EBITDA¹ margin up by 170 bps y-o-y

Gross Profit Margin up by 300 bps y-o-y

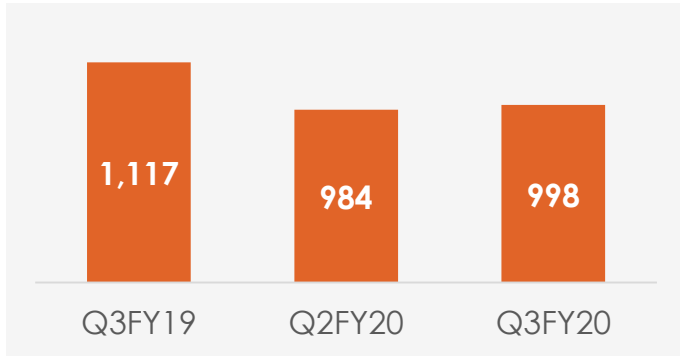
PAT up by 26% y-o-y

Debt down by Rs.70 cr y-o-y

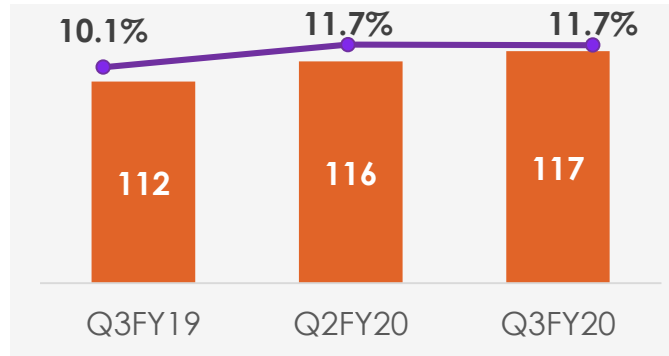
1. EBITDA includes impact of Rs. 4.0 crore on account of IND AS 116

Q3FY20 – Continued expansion in Profits

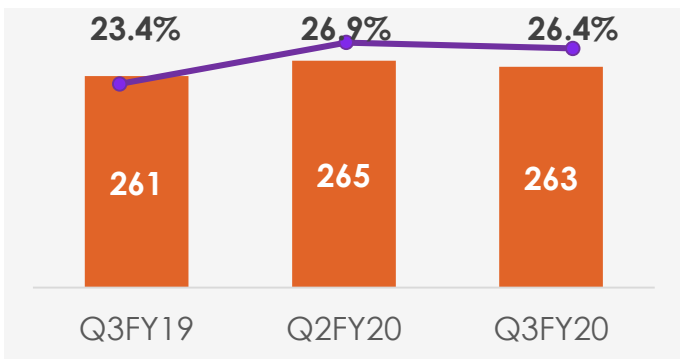
Revenue



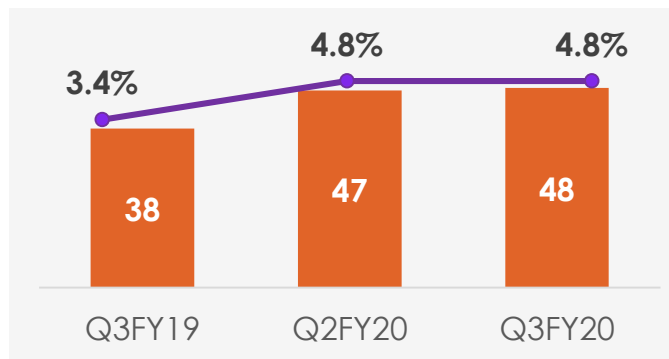
EBITDA & EBITDA Margin



Gross Profit & Gross Margin



PAT & PAT Margin



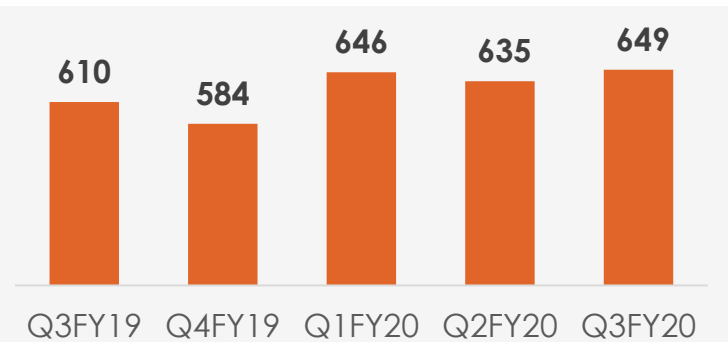
- EBITDA of Rs. 117 cr is higher by 4% and margins have increased by 170 bps on y-o-y
- Gross Profit Margins increased by 300 bps on y-o-y basis, due to:
 - Increase in GP Margins in the International Business
 - Change in product mix towards higher GP Margins
- PAT of Rs. 48 cr has increased by 26% y-o-y and margins have increased by 140 bps

All Figures in Rs Cr unless specified

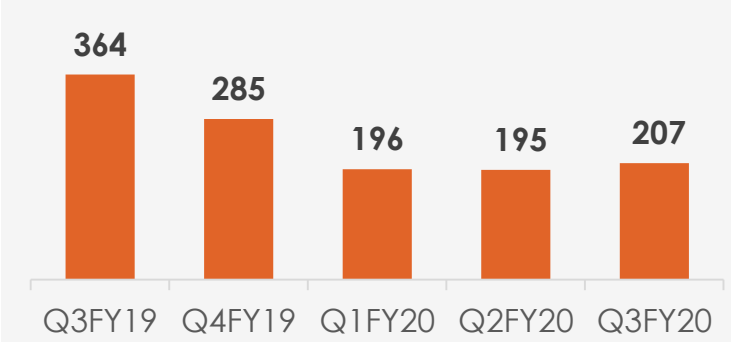
Business segment performance

All Figures in Rs Cr unless specified

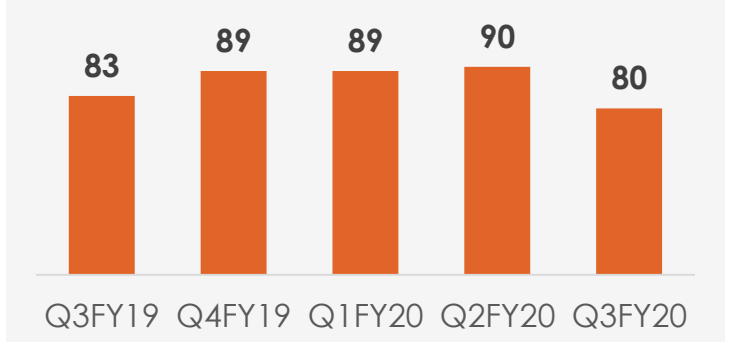
Branded Revenue



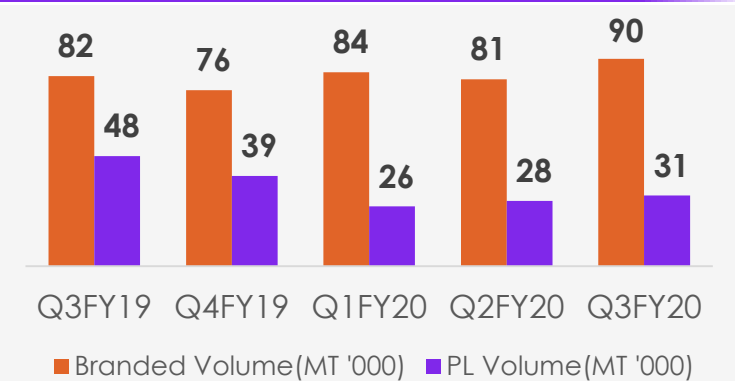
Private Label Revenue



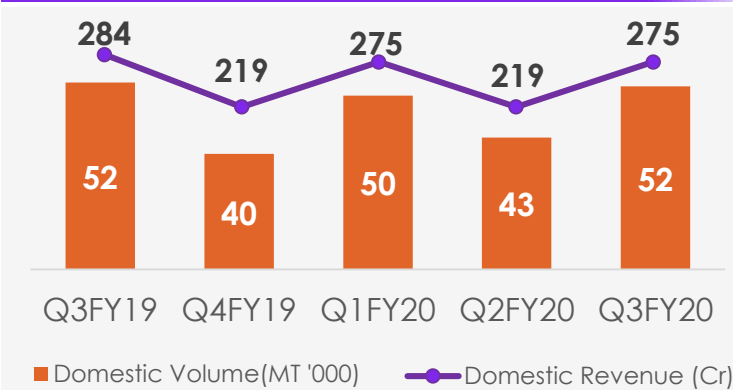
Organic Revenue



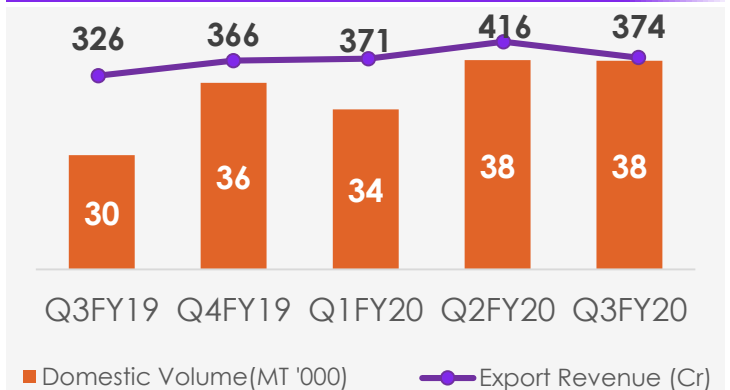
Branded & Private Label Volume



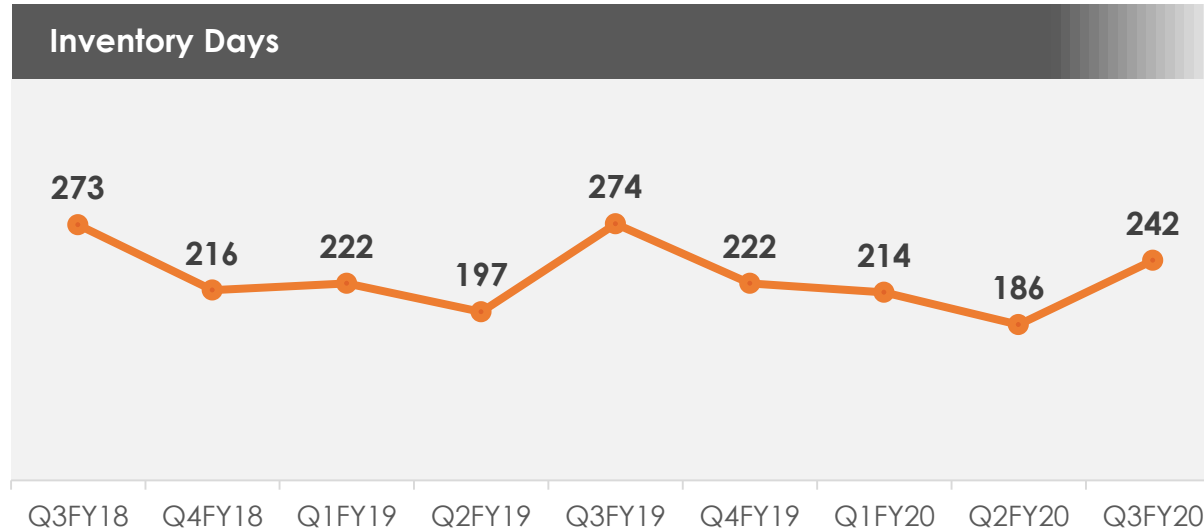
Branded Domestic Revenue & Volume



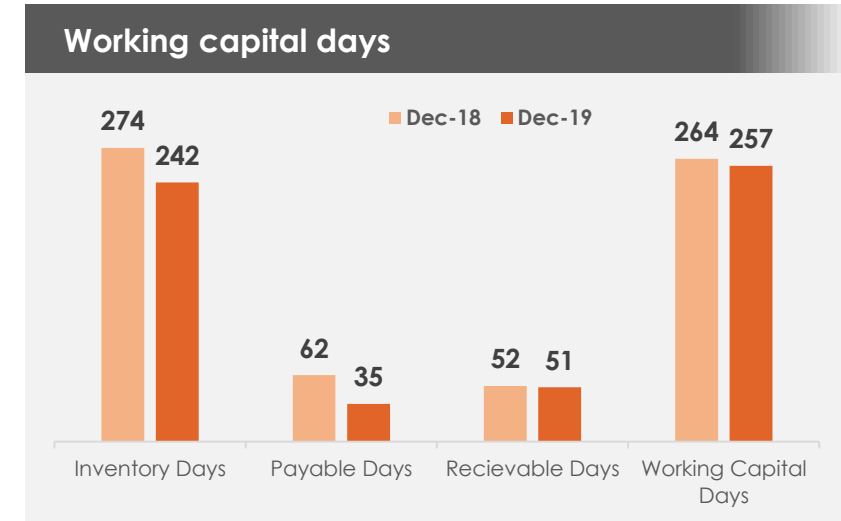
Branded Export Revenue & Volume



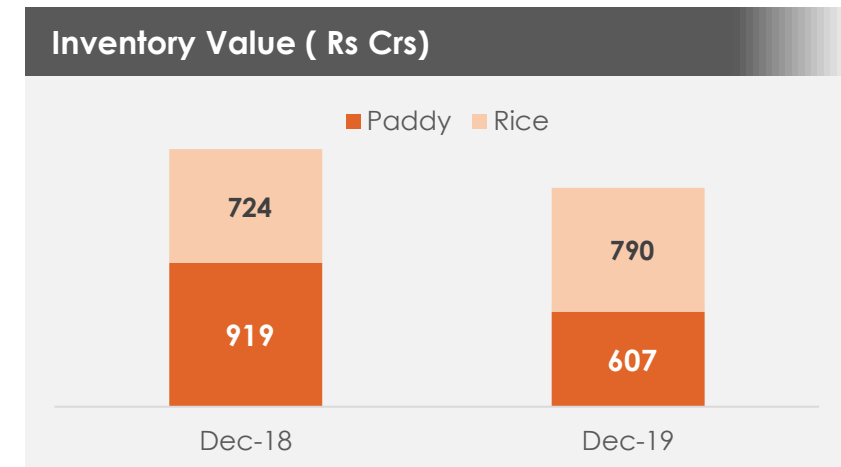
Inventory & Working capital



- Procurement of Paddy starts in Q3; this results in increase in inventory in 9M
- Basmati Rice is aged up to 24 months to enhance & intensify taste, aroma ,and cooking characteristics. This requires company to maintain large inventory of paddy & rice.

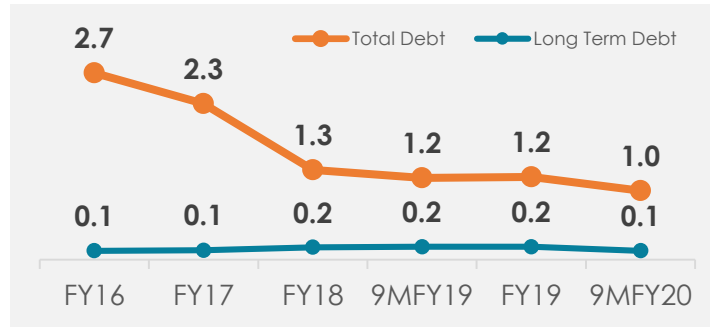


Working Capital Days have reduced by 7 days

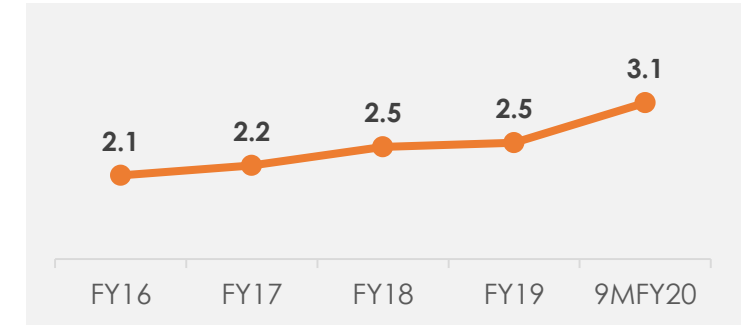


Key Financial Ratios

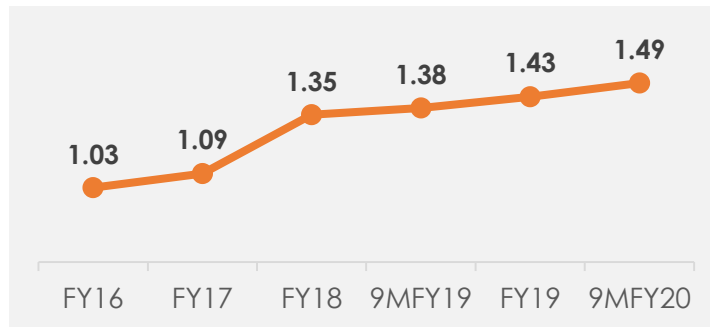
Debt/ Equity



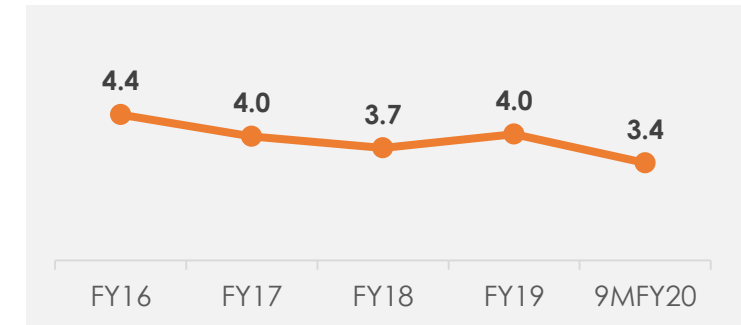
Interest Coverage Ratio



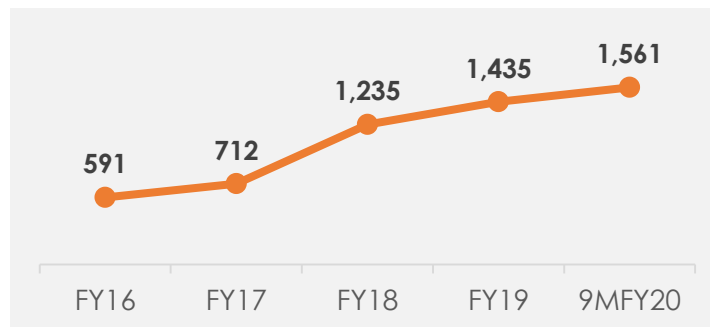
Current Ratio



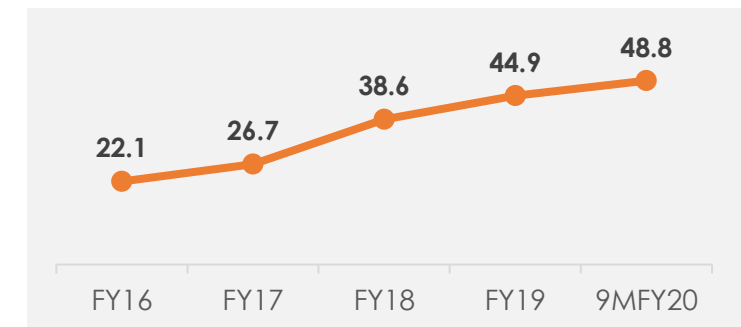
Debt EBITDA Ratio



Net Worth



Book Value per share



Strength of Balance Sheet being reflected with Strong Credit Rating: A- Positive Outlook (CRISIL)

Strengthening Strong Brand presence in Q3 FY20 ...



42 mn Impressions for Brown Campaign
Dominating Market Share in Brown Rice
Category – Extensive Media across Platforms



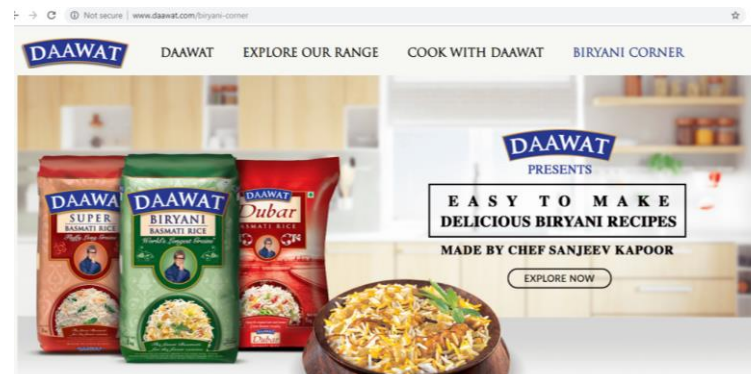
21+ mn views in YouTube on Brown
rice variant advertisements



Point Of Sale Visibility



7,600 TV Spots in 2 months campaign
in all key channels



3,10,000+ visits to Biryani corner on our
Website



Highest Subscriber
base in our Category in
YouTube



1,30,000+ Fan
Base in Facebook

.....Supported by our focussed advertising and promotional activities

Snapshot of our campaign



Daawat Created 12 most Searched Biryani recipes



92 Mn + Reach in YouTube

Launch of new digital film during Diwali

38 mn + impressions on our digital film during Diwali



“Iss Diwali mein Farq lao, Kise ki Diwali Khas Banao”

<https://youtu.be/uwDRWssBygA>

Value Added Products – Kari Kari

Crunchy, light, protein rich and premium rice based snack for guilt free snacking

- Kari Kari, a range of delicious and roasted snacks, is targeted to the discerning youth of today who prefer healthier snacking options
- Kari Kari was test launched 18 months ago by Daawat-Kameda (India) Private Limited, a JV between LT Foods Limited & Japan's largest rice crackers company-Kameda Seika, a USD 1 billion organisation
- Post successful test launch, the JV has set up a manufacturing facility in North India and commenced commercial production from December'19
- New facility will enable Pan India expansion of Kari Kari in the fast growing premium snack market



Currently
available in
150+ outlets

**Launched
online**



Newly Launched: Daawat Sehat

A range of fortified daily consumption basmati

- After the launch of highly successful Daawat Brown Rice, LT has launched another unique product, Daawat Sehat, to meet the health and nutritional needs of the consumer
- Daawat Sehat is a range of daily consumption basmati fortified with Iron, Vitamins and Folic Acid, and addresses the highly prevalent incidence of under nutrition amongst all children
- The brand is certified F+ by FSSAI

Consumer acceptance has been good

Certified with the FSSAI F+



Coverage in leading Dailies

Strategic Focus



Growth

- Solidify the leadership position in key markets
- Increase consumer penetration across segments to grow current market share
- Strengthen & widen distribution network
- Expand existing product portfolio and launch new products leveraging brand & distribution strength i.e. Rice based snacks, Ready to Eat and Ready to Cook
- Expand organic portfolio in value added segments

Margin Expansion

- Increase share of high margin products
- Manufacturing efficiencies
- Achieve economies of scale

Strengthen Financial Metrics

- Improve EBITDA margins by ~ 50bps - 100bps p.a.
- De-lever the Balance Sheet
- Debt to EBITDA ratio to < 3x
- Improve ROCE in line with EBITDA margins





LT Foods – At a glance



70 year old consumer food company delivering the finest quality rice & rice based food brands. Proud producers of organic agri ingredients, supplying them to leading businesses in Europe and the U.S for the past 25 years



Iconic Brands

"DAAWAT" - the flagship brand is the leading brand in India and 80+ countries

"Royal®" - the No. 1 and the largest selling basmati rice brand in North America



FY19 Financials

Net Sales

₹ 3,915crs

Net Profit

₹ 137 crs

EBITDA

₹ 421 crs

EPS

₹ 3.96

Integrated Operations – 'Farm to Fork'

Integrated operations across the entire rice value chain

From contract farming, procurement, storage, processing, packaging, to distribution

Wide Distribution Network

Access to 1,50,000 retail outlets, 3,600+ wholesalers, and 2,500+ modern trade stores in India

800+ distributors in India

100+ international distributors to cater to the global market

Strong Global Footprint

Established ground presence in the US, Europe and the Middle East

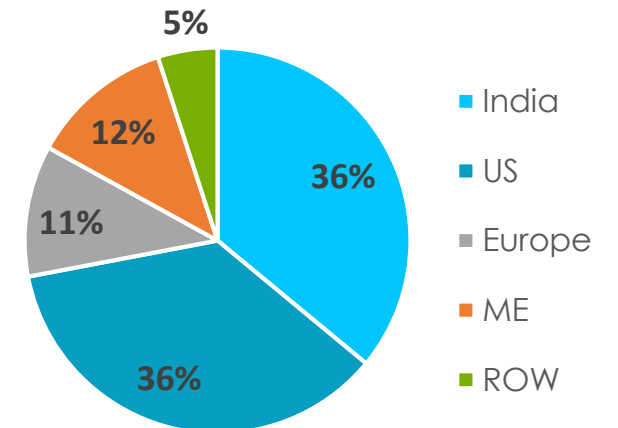
Manufacturing facility in Rotterdam (Netherlands) and three packaging facilities in the US and 5 manufacturing facilities in India

Set up new Ready-to-Heat facility in the US

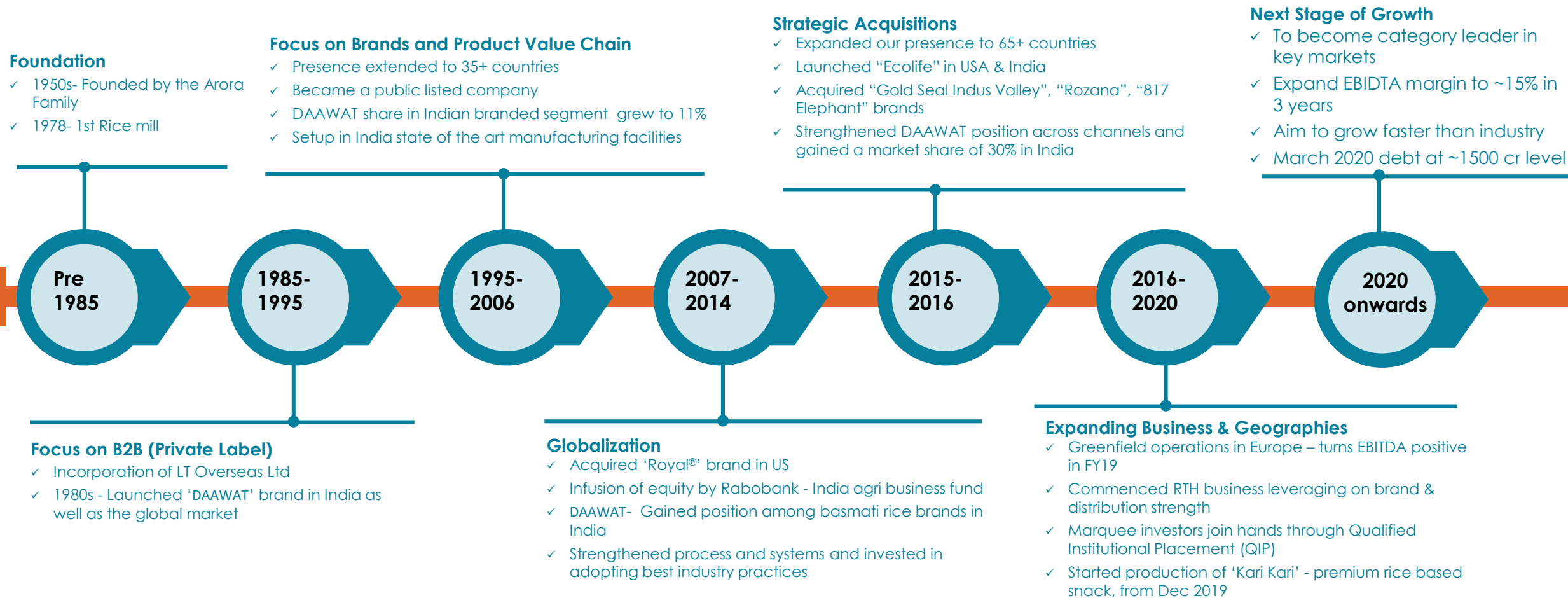
Strong platform for new opportunities

Strengthening our brands to capitalise on the new opportunities of growth. Capturing value addition opportunities extensively across Basmati, Specialty Rice and Organic foods segments

FY19 Revenue by Geography



Journey from a bulk rice player to a leading rice-based food company...



Business Goals



**Creating
Enduring
Value**



**Building
Strong
Brands**



**Deepening
Global
Presence**



Creating Enduring Value

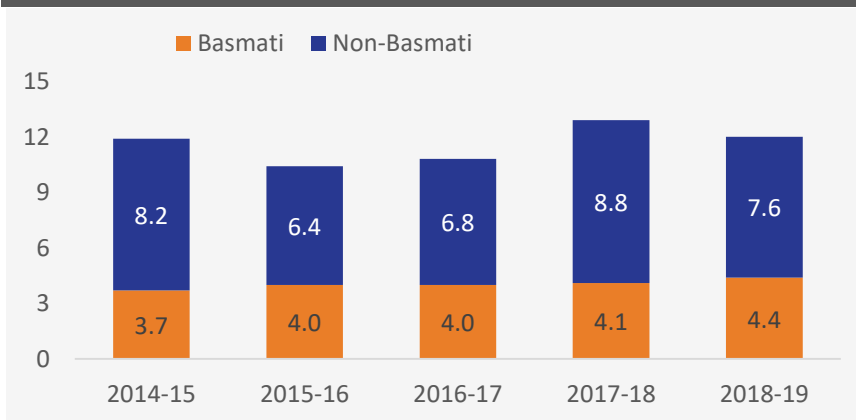


The opportunity landscape of quality food segment

Basmati

- India accounts for ~23% of global rice production. India is also one of the greatest consumers of rice, (~100 m tonnes in 2018)
- The export of basmati rice has increased from USD 3,209 million in 2016-17 to USD 4,712 million in 2018-19 ¹
- Indian Basmati Industry has grown to 2.1 MMT from 1.2 MMT in last 5 years
- 'Basmati' rice is the most premium, with superior product characteristics. India and Pakistan, are the only suppliers of Basmati in the world. Total size of the industry is 8.5 MMT out of which 6.5 MMT is produced in India
- Majority of Basmati is exported (around 75%). Overseas markets for Basmati include the Middle East, U.S., U.K. and parts of EU
- The outlook for the Indian Basmati rice industry continues to be favourable, supported by demand improvement from the international market and potential upside from branded demand/ premiumisation domestically**
- Rising disposable income; increasingly spending on premium quality grains is benefiting the basmati rice market**

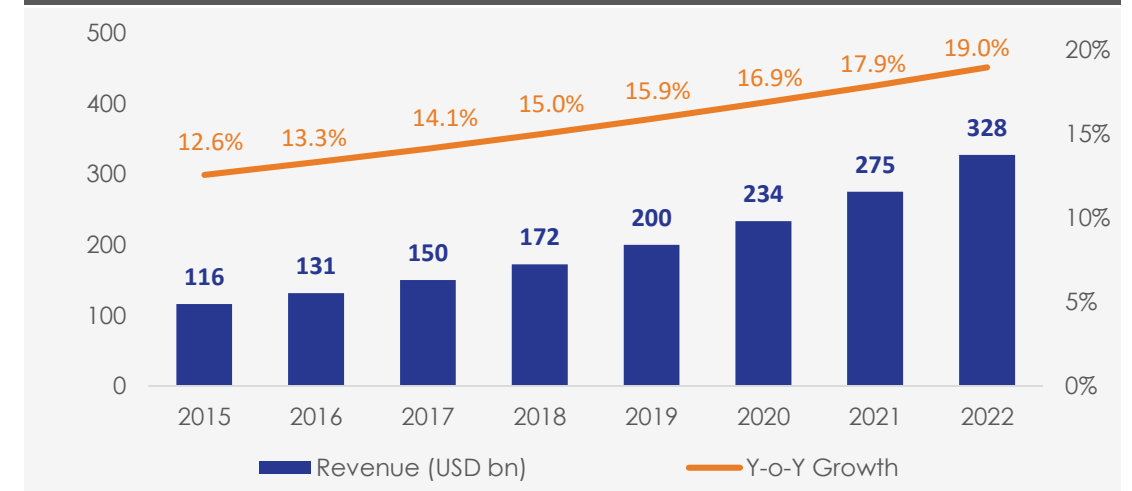
India's exports of rice (Volume in MMT)



Organic

- Rising affluence and urbanisation are changing consumption patterns in India
- Consumer behaviour and spending patterns are shifting with evolving Indian society and rising income
- Convenience food and health food are the two emerging trends arising out of the changing demographics of the country
- Organic food now has become a viable alternative for an increasing number of consumers. Organic packaged food and beverages is an emerging niche market in India
- The global organic food and beverages market is expected to reach \$328 billion by 2022 ²**

Global Organic Food and Beverages Market



Driven by 'Farm to Fork' – our integrated business model...

Robust backward integration through partnerships with farmers under Sustainable Rice Production Programs to deliver residue- compliant products.

Agri extension team supports farmers throughout the year for rice farming.

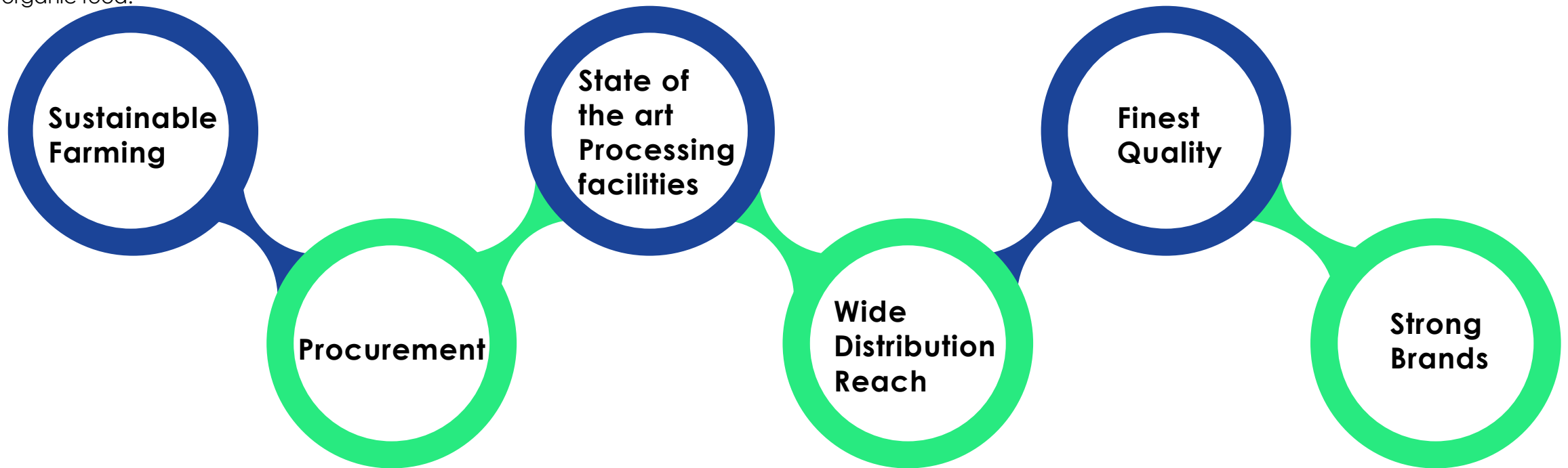
Associated with 80,000+ farmers with a land bank of 1.1 lakh hectares for organic food.

State-of the-art packaging and processing facilities not only in India but US and Europe as well.

Conferred with the coveted CII Food Safety Award in December 2017.

Continuous innovation of processes and systems to enhance competitive position and improve business process efficiencies.

All facilities certified by internationally acclaimed third-party certification and accreditation bodies.



A wide procurement network with strong quality control across all (Procurement markets) mandis in basmati growing areas.

Present across 234 Procurement markets (mandis) with a network of 270 agents.

Strong relationships with channel partners i.e. commission agents.

Strong Pan-India distribution serving 1,50,000+ retail outlets, 3,600+ wholesalers, and 2,500+ modern trade stores. Robust presence in HoReCa.

800+ distributors in India and 100+ international distributors. Leading direct reach coverage across the globe.

Brands with an offering for every occasion and every recipe across all price points and channels.

DAAWAT - Leading brand in India and 80+ countries; Royal® - Largest selling basmati rice brand in the North America.

...and our Integrated Manufacturing facilities

	Sonepat (Bahalgarh)	Sonepat (Kamaspur)	Bhopal	Amritsar	Varpal
Rice Capacity (TPH)	45	6 (organic rice)	36	6	13
Key products	Raw rice	Organic rice and snack	Rice, plain chips, chips seasoning, rice/wheat flour, brown rice	Rice and parboiled rice	Rice (golden, creamy, boiled, parboiled and raw)
Certifications	ISO, SQF, BRC, SA, Kosher, OU, Halal	ISO, NOP, NPOP, EEC and Kosher	FSSC, Halal, Kosher and BRC	ISO	FSSC and BRC



Europe Manufacturing Plant - Rotterdam, Netherlands – 8 TPH

US Manufacturing Plants – Los Angeles – 6 TPH, New Jersey – 10 TPH, Texas (RTH) – 25 pouches per minute



Perfectly positioned to leverage on the growing opportunity

Our Business Segments

Branded Business

- Includes the flagship brand 'DAAWAT' & 'Royal®' (No. 1 in US)
- Other brands in this segment include Indus Valley, 817 Elephant, Heritage, Devaaya and Rozana

Private Label

- Tie ups with large institutional customers
- Long-term partnerships across geographies

Organic

- Providing authentic organic ingredients to global consumers. Diverse portfolio, comprising of Cereal Grains, Flour, Pulses, Oil and Oil Seeds, Nuts, Spices, Herbs, Millets and Sweeteners

New Products

- Innovative products for health conscious and convenience-seeking consumers
- Includes quick cooking brown basmati rice, rice-based sauces, rice-based snacks and basmati rice fortified with Iron and Vitamins

Direct customers

Established channel partners across all segments

Large institutional customers

Institutional customers & direct consumers

Leveraging brand and distribution equity

Brands

DAAWAT, Royal®, Gold Seal Indus Valley, Rozana, Heritage, 817 Elephant

Mars, Walmart, Costco

Essentially an ingredient business; recently launched Ecolife brand

DAAWAT in health & convenience category, Kari-Kari

FY19 Revenue share

~59%

~26%

~9%

~6%

Raising the bar through continuous innovation

Product Innovation

- ✓ Two product innovation centres, one in Gurugram, India and one in California, USA, with a team of dedicated research personnel.
- ✓ In the process of developing additional products to expand its range of convenience foods and develop a healthy snack segment.
- ✓ Products under development include '90 second ready-to-heat' pouched rice and '5 minute meal-in-a-cup'.



- ✓ Successful launch of premium rice-based snacks brand '**Kari Kari**' for the Indian market with JV partner Kameda Seika



- ✓ '**DAAWAT Sehat**' basmati rice Fortified Rice with Iron, Vitamins and Folic Acid
- ✓ 1 bowl of this rice a day provides high daily dosage of essential nutrients



- ✓ 15 minute **DAAWAT Quick-Cooking Brown Rice** range.
- ✓ Made using the unique hydration enhancement technology (HET) which moisturizes the bran layer. This helps water penetrate the grain easily while cooking.



- ✓ DAAWAT Saute Sauces

Building Strong Brands



Our strong brands drive superiority in core markets

26% Market share in India – Rural & Urban

31% Market share in India – Modern Trade

45% Market share of US basmati segment

80+ Countries Present



By Independent Organization



By Economic times



By Reader's Digest

Source : AC Nielsen

Our strong brand portfolio

Wide range of brands, with an offering for every occasion and every recipe, enabling it to cater to various customer segments, across income groups and channels/geographies



The flagship brand, with a legacy of over 40 years, offers premium quality basmati rice



Strengthening our position in Saudi Arabia, UAE and Kuwait



The No. 1 and the largest selling basmati rice brand in the US



Leading brand in markets like Western India, Mauritius and Iraq



The organic food range includes rice, pulses, oil seeds, cereal grains, spices, nuts, fruits, and vegetables



Targeting the Indian & Middle Eastern ethnic population in US and Canada



Offers branded Basmati rice and staples like wheat flour, refined flour, flattened rice, chickpea flour, and semolina



Premium rice based snacks brand. Launched in India via a JV with a Japanese snack food major Kameda Seika



Brand DAAWAT (The Finest)

Leading brand in 80+ countries A legacy of over 40 years

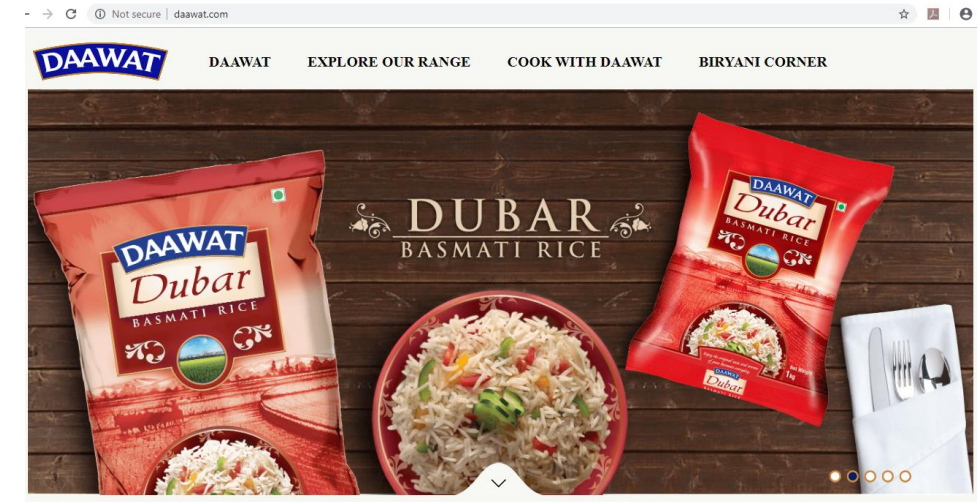
- Offering premium quality basmati rice across all points in India and globally.
- Consumer need based product range – recipe variants such as biryani and pulao, food service cooking need based range - DAAWAT Chef's secretz
- Equity extended to NPD - seven flavourful DAAWAT Rice Saute Sauces, DAAWAT Fast Cooking Brown Basmati Rice DAAWAT Rozana Gold Plus and Daawat Sehat



26%+ share in
branded rice
market in India

DAAWAT fast
cooking brown
rice growing at a
CAGR of 34%

Good response
of new products
in test launch



Brand Royal® (No. 1 in USA)

Largest selling basmati rice brand in the US

- The brand's product portfolio consists of Basmati rice, Jasmine rice, Arborio rice, wheat flour, and flavoured rice.
- Leveraging the brand's equity and distribution network, to expand the product portfolio in the US market.

45%+ share of
the US basmati rice
segment



39%+ share of
the branded
segment



Organic Foods

Organic business is one of the fastest growing segments in LT Foods

- Nature Bio Foods Limited (wholly owned subsidiary), has emerged as a trustworthy and innovative global leader in providing authentic organic ingredients to the global consumers.
- Range includes rice, pulses, oil seeds, cereal grains, spices and nuts.
- Ingredient business associated with marquee customers.
- Ecolife – Recently launched organic food brand.
- Introducing a range of organic “ready to heat” products for the overseas market with a facility in the United States.
- Rabobank has made an investment in this Company

21% CAGR
between 2015 and 2019.

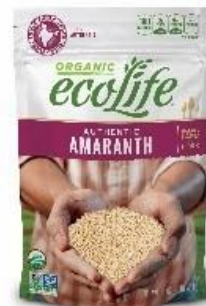
90% of business is
from ingredient
sales

First organic
company in the
country to be
conferred with the
coveted CII Food
Safety Award

ecoLife



Marquee Organic Ingredient Buyers





Deepening Global Presence



Broadening our Footprint Globally

Presence in over 80+ countries

USA; Canada

- #1 with 45% market share in USA
- Presence with flagship brand 'Royal®' and acquired brand '817 Elephant'

UK; Europe

- Well-entrenched sales network Operating 60,000 MT rice processing plant at Rotterdam
- Strengthening presence with DAAWAT brand

Middle East

- Brand '817 Elephant' helped penetration into ethnic population of ME.
- Strengthening presence in Saudi Arabia, UAE and Kuwait with acquisition of 'Indus Valley' & 'Rozana' brands

Far East

- One of the leading players in the branded and pvt label business

Australia

- Presence with strong sales network

India

- Strong player with 26% market share
- 5 Manufacturing Facilities with total 100 + TPH capacity

Africa

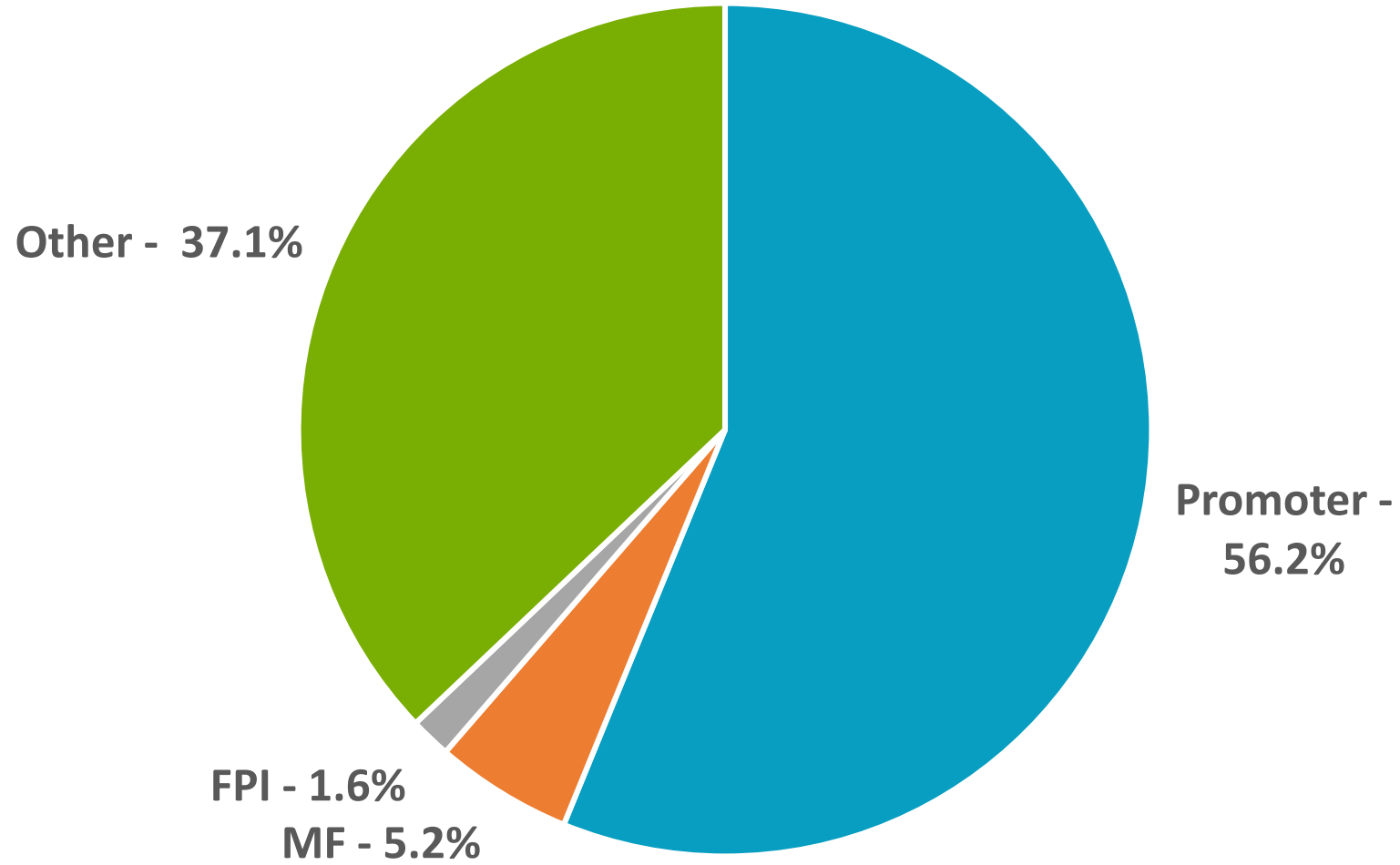
- Strengthening our presence

Augmented our capabilities in geographies where already present - such as the US and the EU; strengthening our presence through organic and inorganic routes in other geographies like the Middle East.

- Commenced manufacturing operations in Rotterdam, Netherlands, with a capacity of 60,000 metric tonnes per annum.
- In Europe, new processing unit will help save on the heavy import duty of 170 Euro/MT on white basmati rice.
- Established a ready-to-heat plant in Houston, USA.
- Organic business - subsidiaries in Netherlands and USA to cater more intensively to customers.
- Acquired brands of Gold Seal Indus Valley and Rozana are steadily growing, and improving our position in the Middle-East markets.
- Acquired brands helped entry into specific new markets of Qatar, Oman, and Bahrain. Leveraging these brands, reinforced our existing presence in Saudi Arabia, UAE and Kuwait.
- Brand '817 Elephant' acquisition is helping to strengthen our presence in Canada, USA, Australia, and Israel.
- Entered new markets like Ukraine, Madagascar, Congo, Uganda, China, Angola, Venezuela, Colombia and Thailand.

Shareholding pattern

As on December 31, 2019



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LT Foods



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DAAWAT
THE FINEST BASMATI
*Banega... toh
farq dikhega*

