



LT Foods

DAAWAT
THE FINEST

Investor Presentation

May 2019



This presentation and the accompanying slides (the “Presentation”), which have been prepared by LT Foods Limited (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contractor binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

This presentation contains certain forward looking statements concerning the Company's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.



Q4 and FY19 Financial Highlight

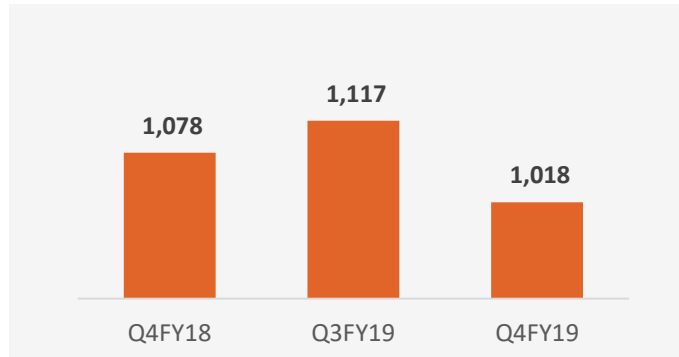


Earnings highlights – Q4FY19 & FY19

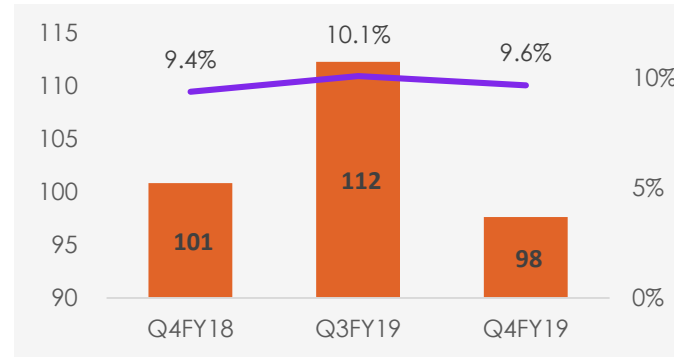
All Figures in Rs Cr unless specified
Quarterly % growth is YoY

Q4FY19

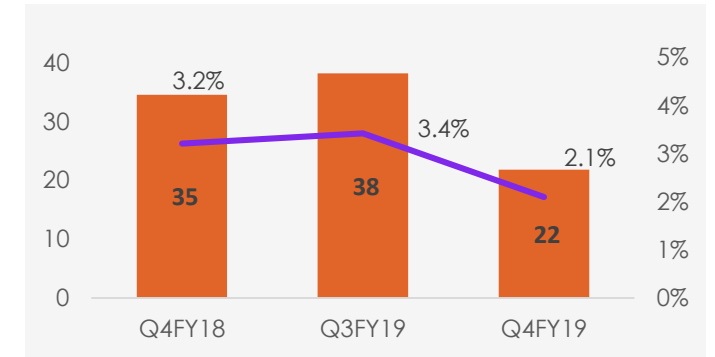
Revenue



EBITDA & EBITDA Margin

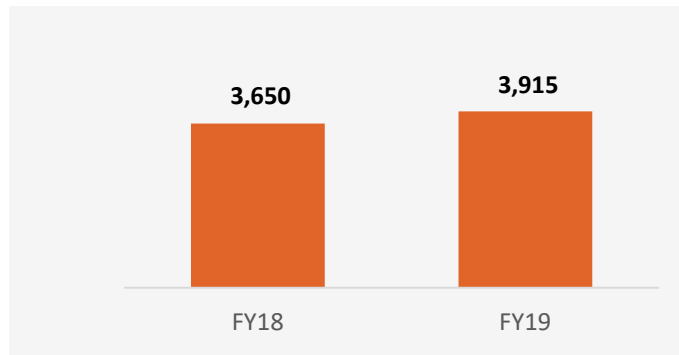


PAT & PAT Margin

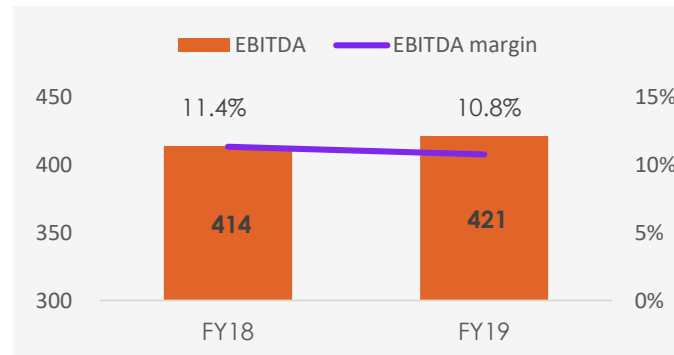


FY19

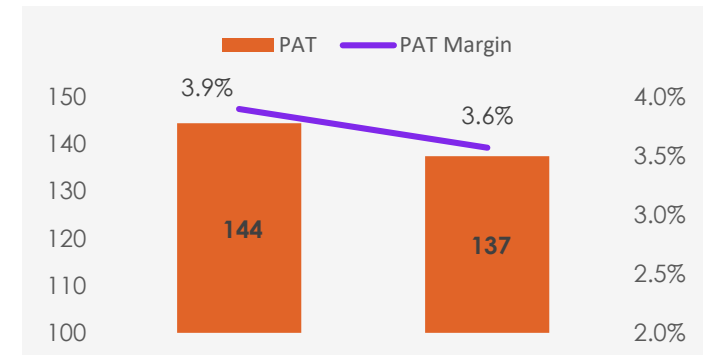
Revenue



EBITDA & EBITDA Margin



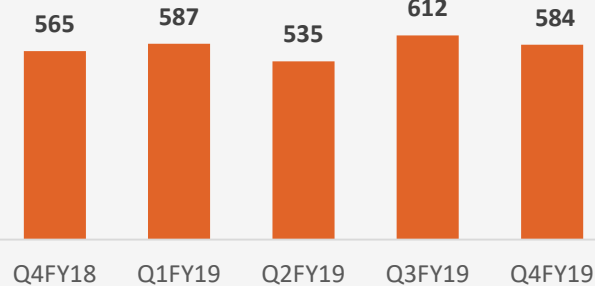
PAT & PAT Margin



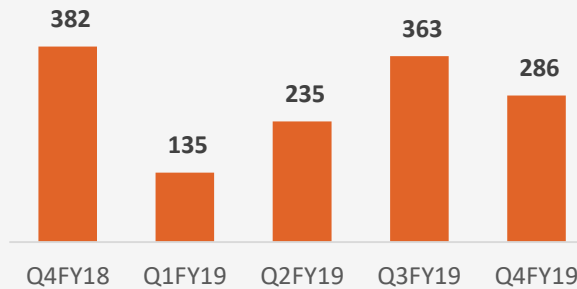
Earnings highlights - Business segment performance

All Figures in Rs Cr unless specified

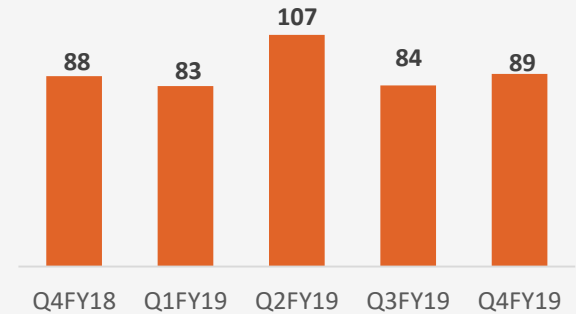
Branded Revenue



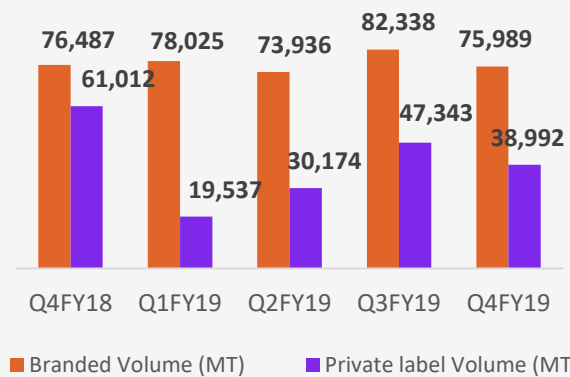
Private Label Revenue



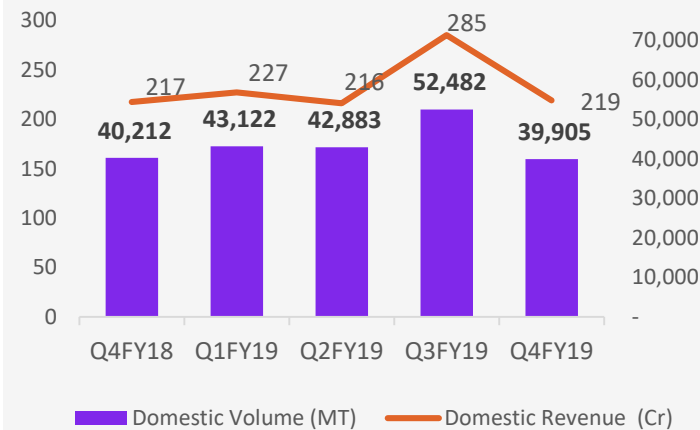
Organic Revenue



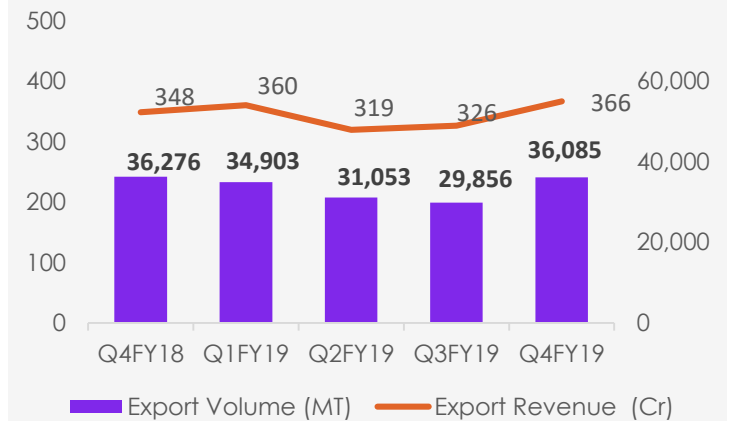
Branded & Private Label Volume



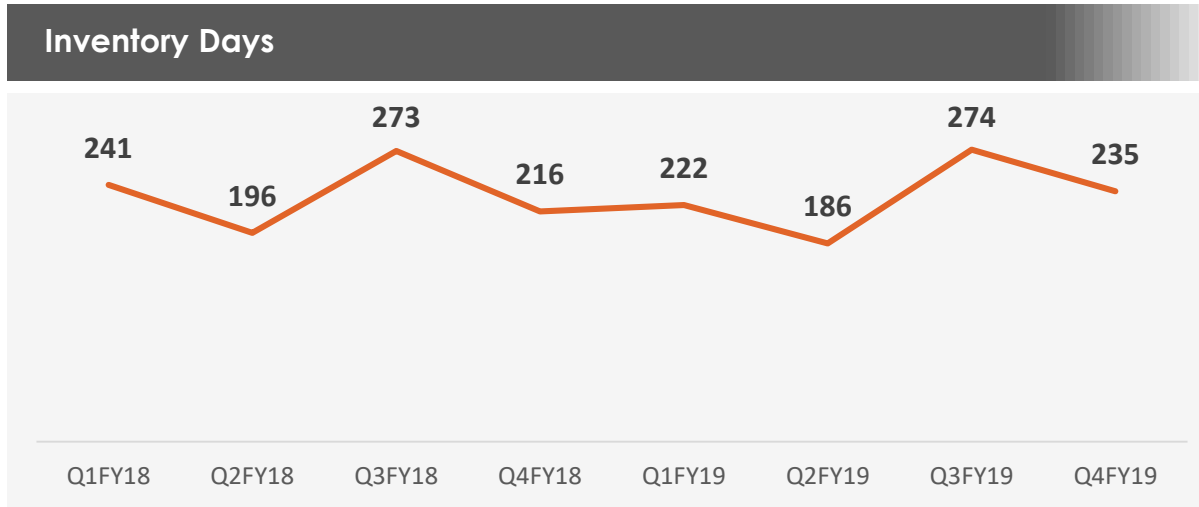
Branded Domestic Revenue & Volume



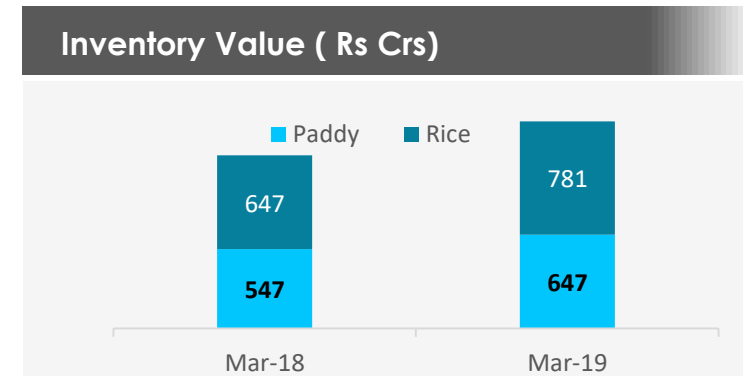
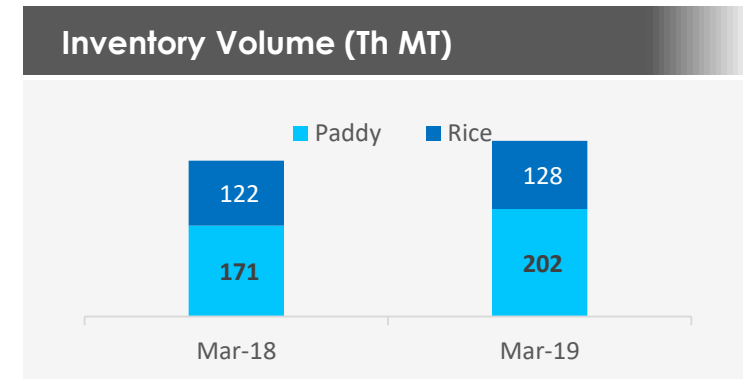
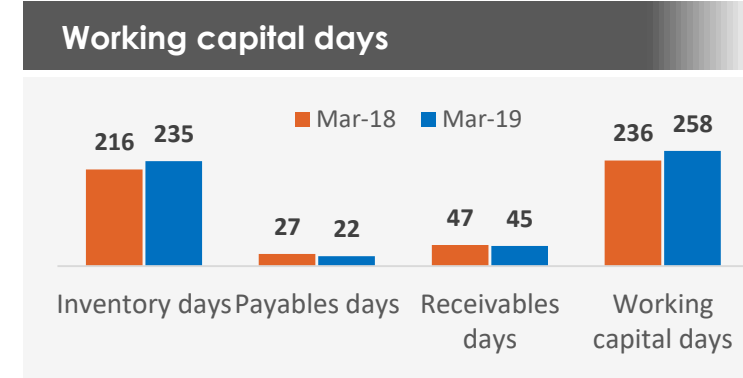
Branded Export Revenue & Volume



Earnings highlights – Inventory & Working capital



- Procurement of Paddy starts in Q3-Q4; this results in increase in inventory from Q3-Q4.
- Basmati Rice is aged for average 12-18 months to enhance & intensify taste, aroma ,and cooking characteristics. This requires company to maintain large inventory of paddy & rice.
- Inventory days have increased due to higher volume of paddy inventory.



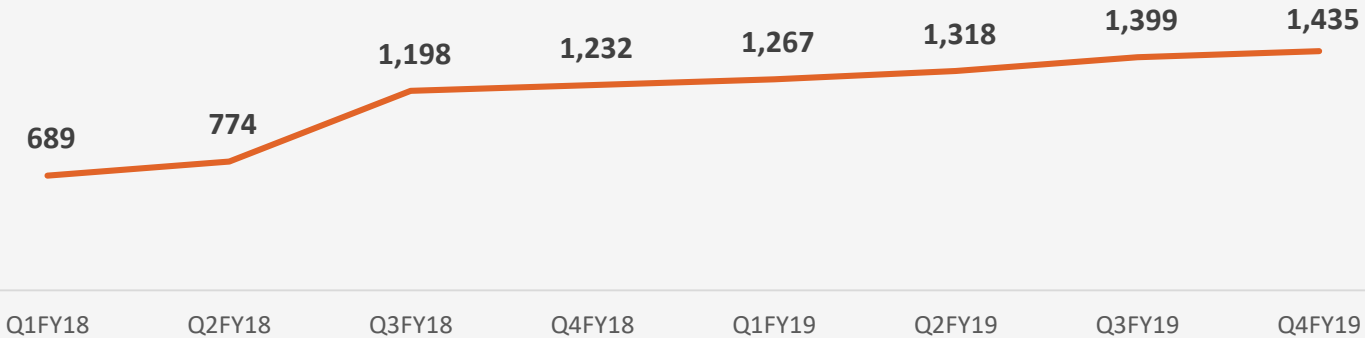
Earnings highlights – Key financial ratios

Net Debt/ Equity

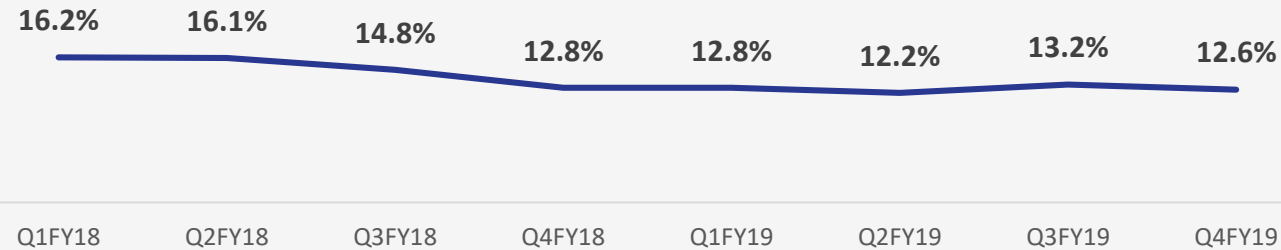


Net Worth

In Rs Cr



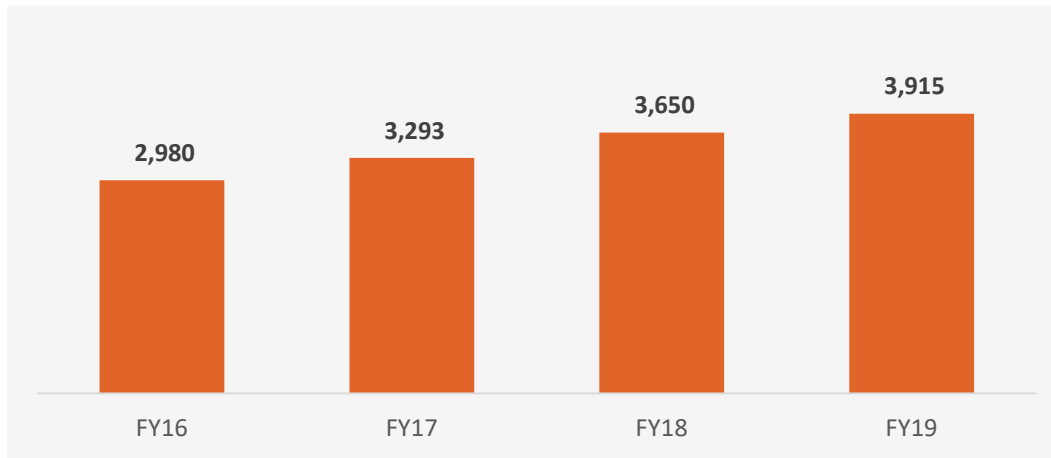
ROCE



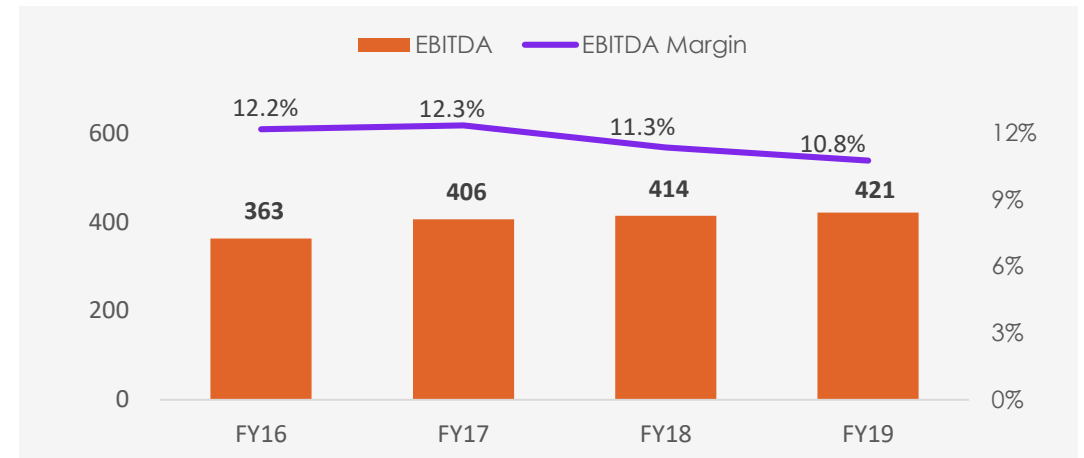
Our growth through the years

All Figures in Rs Cr unless specified

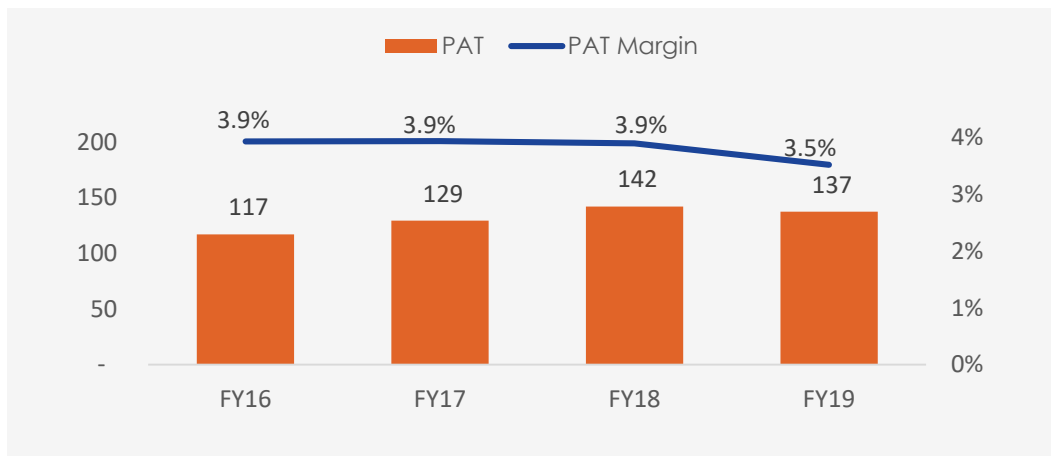
Revenue



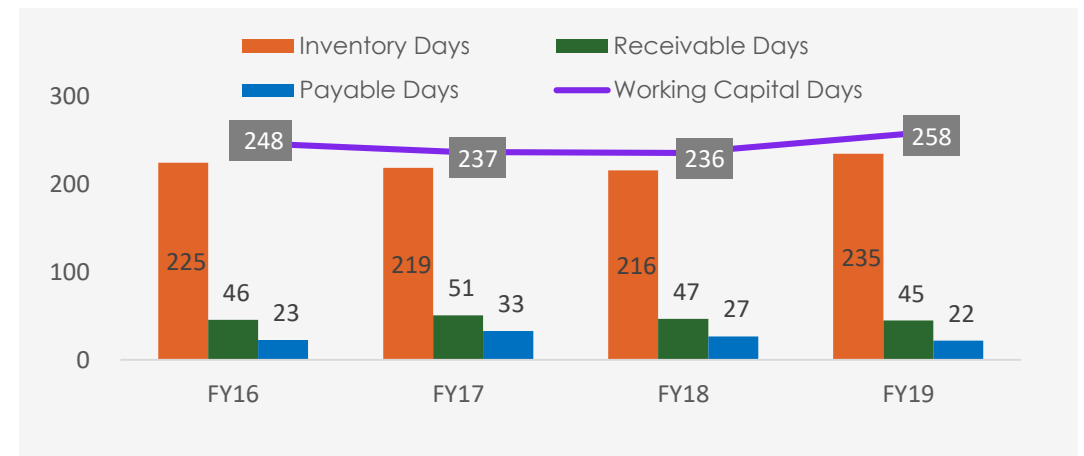
EBITDA & EBITDA Margin



PAT & PAT Margin



Working Capital





LT Foods – At a glance



LT Foods is a leading rice-based food company with strong global brands of basmati and other specialty rice, organic foods and rice-based convenience products



Iconic Brands

"DAAWAT" - the flagship brand is the leading brand in India and 65+ 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 span across the entire rice value chain

Operations include contract farming, procurement, storage, processing, packaging, and 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

40+ international distributors to cater to the global market

Strong Global Footprint

Presence across 65 countries

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

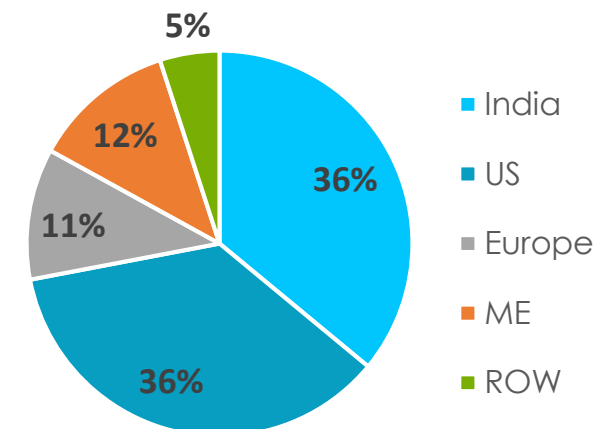
Manufacturing facility in Rotterdam (Netherlands) and three packaging facilities in the US along with 5 manufacturing facilities in India

Strong platform for new opportunities

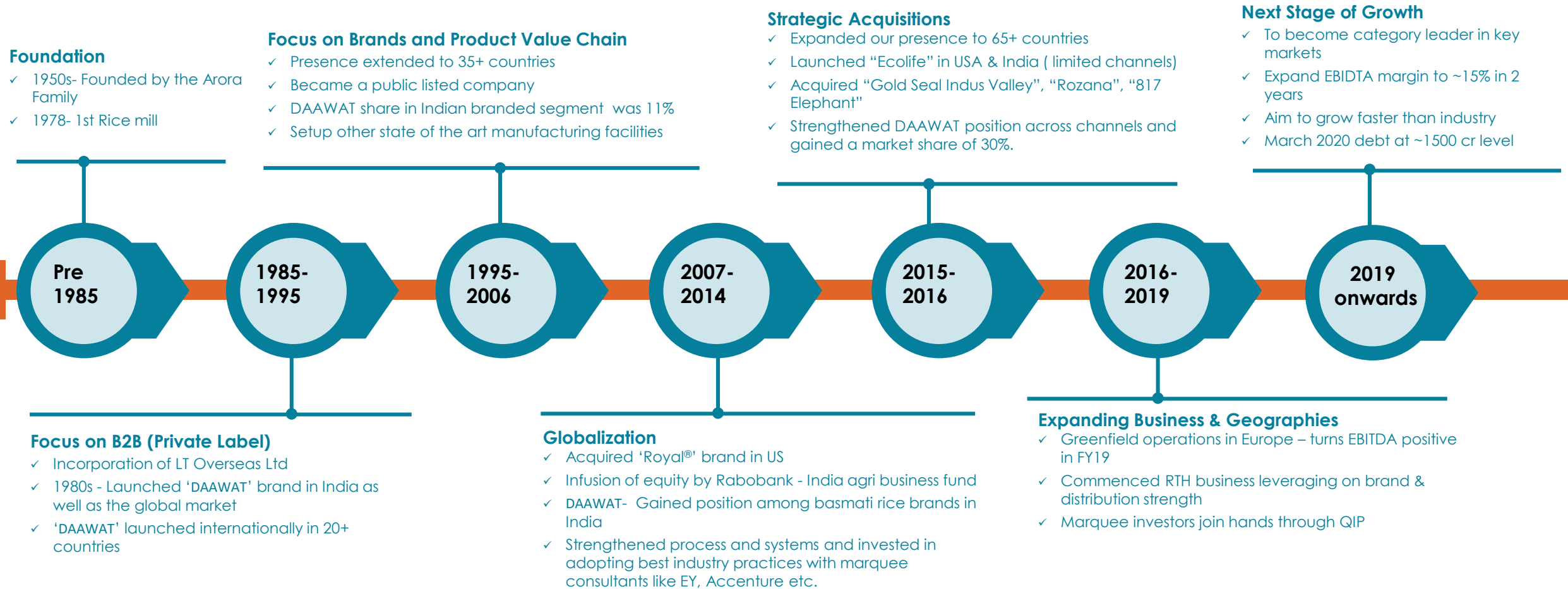
Strengthening our brands to capitalise on the new opportunities of growth.

Capturing value addition opportunities extensively across Basmati, Specialty Rice and Organic foods.

FY19 Revenue by Geography



Our 50-year journey from a bulk rice player to a leading rice-based food company...



Drivers of Growth



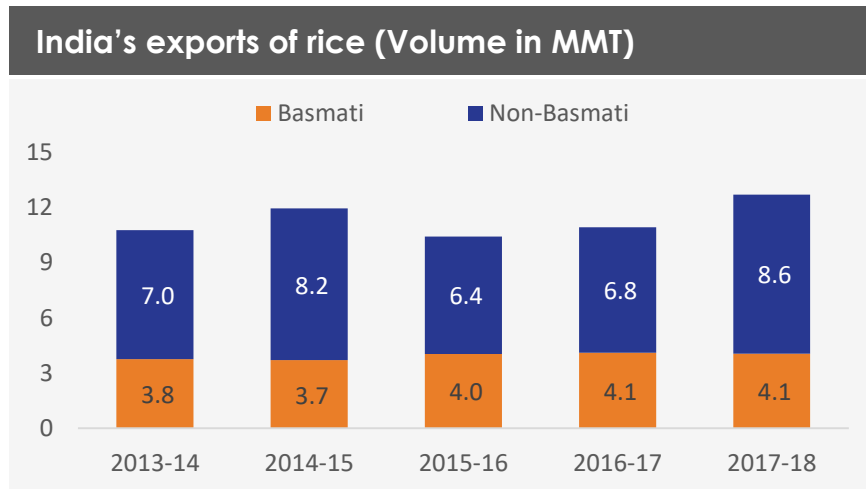


Creating Enduring Value

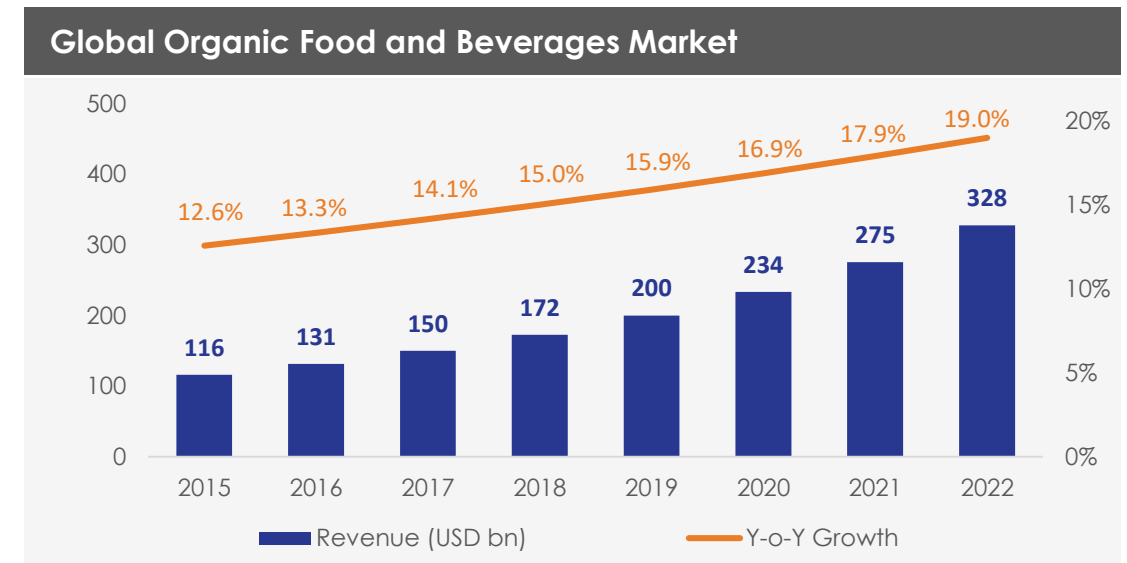


The opportunity landscape of quality food segment

- In 2017, India accounted for 23% of global rice production. India is also one of the greatest consumers of rice, (97 m tonnes in 2017).
- '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 7 MMT.
- Indian Basmati rice industry has grown to 2 MMT from 1.2 MMT in last 5 years.
- Rising disposable income; increasingly spending on premium quality grains is benefiting the basmati rice market.
- Majority of Basmati is exported (around 75%). Overseas markets for Basmati include the Middle East, U.S., U.K. and parts of EU.
- The Basmati Exports grew by over 11.13% in value terms during FY2018 over the previous year ¹.
- **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 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 \$323.09 billion by 2024 ².**



1 - Source: APEDA

2 - Allied market research

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.

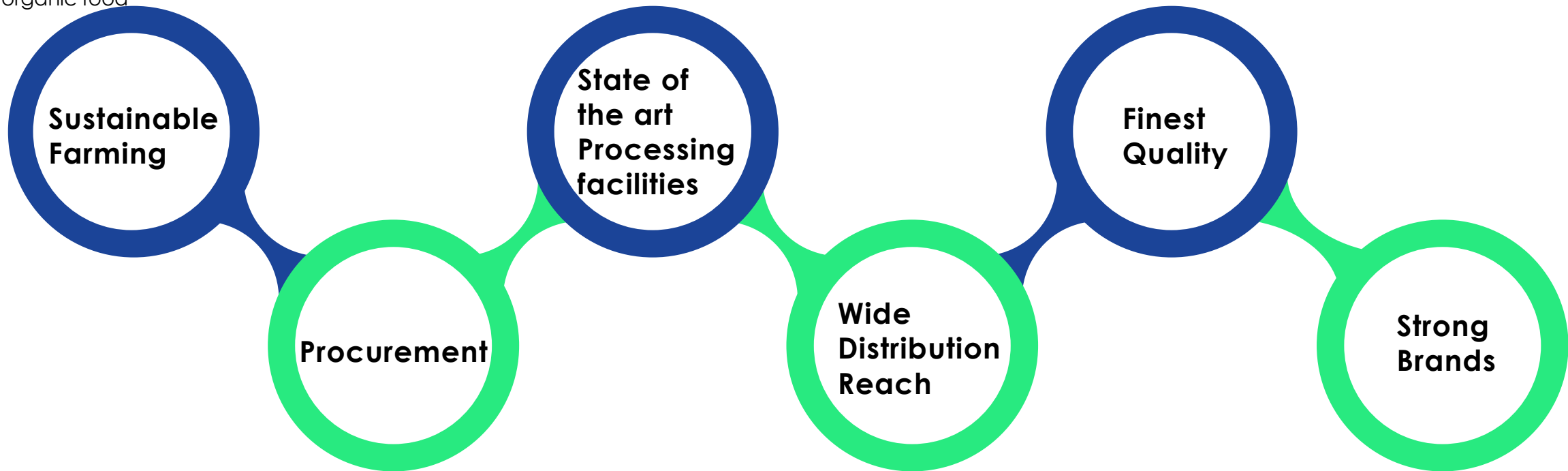
Associated with 80,000+ farmers with a land bank of 1.1 lakh hectares for organic food

State-of the-art packaging 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 mandis in basmati growing areas.

Present across 234 mandis with 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 40+ 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 65+ 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)	43	5 (organic rice)	35	6	12
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

- Deals 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 brown basmati, rice-based sauces and rice-based snacks

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, Okam, Trader's Joe

Majorly an ingredient business; recently launched Ecolife brand

Under 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, fortified rice and '5 minute meal-in-a-cup'.

- ✓ **'DAAWAT Rozana Gold Plus'** - a unique blend of flavoursome white basmati and fibre rich Brown Rice.
- ✓ This product leverages the innovative concept of introducing a 'high fiber blend' into the basmati rice category.
- ✓ Mix of 80% white basmati rice and 20% brown basmati rice



- ✓ 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.



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

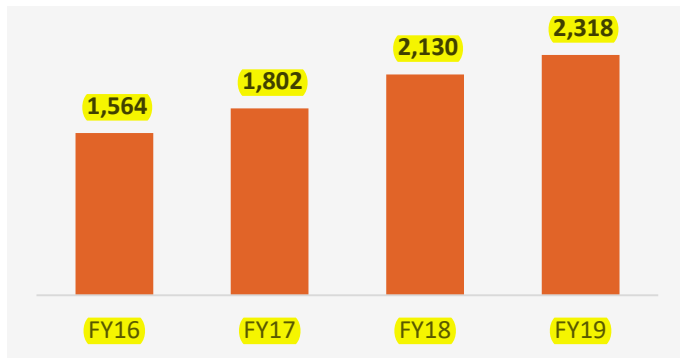


- ✓ DAAWAT Sauté Sauces

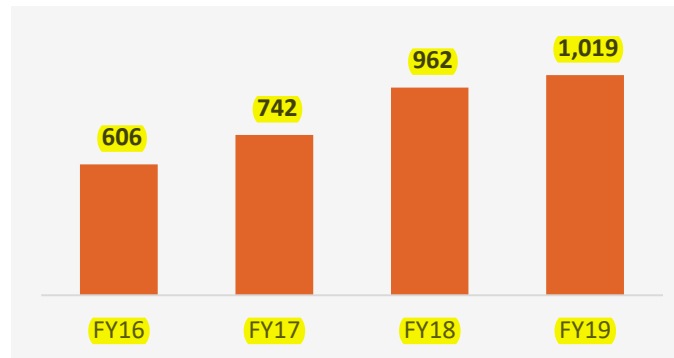
Business segment performance over the years

All Figures in Rs Cr unless specified

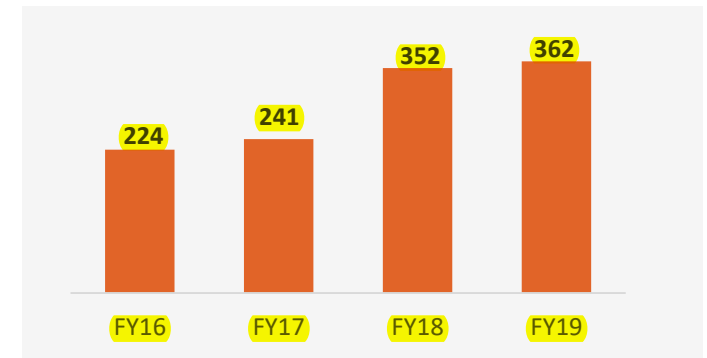
Branded Revenue



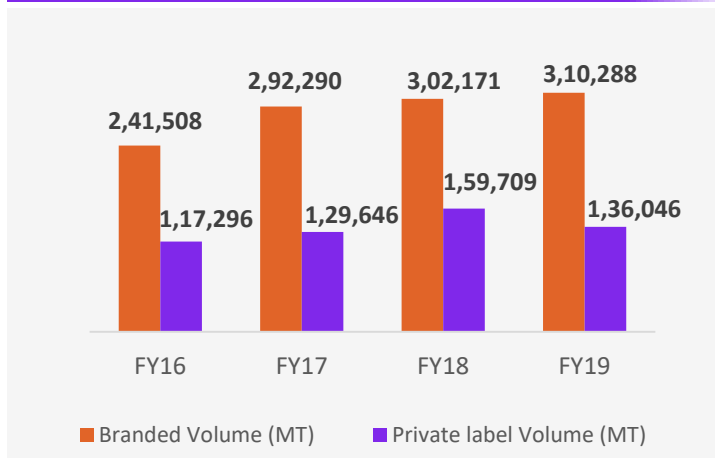
Private Label Revenue



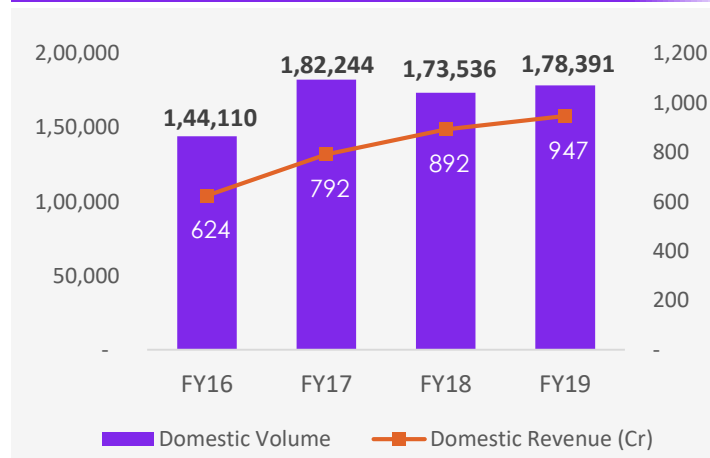
Organic Revenue



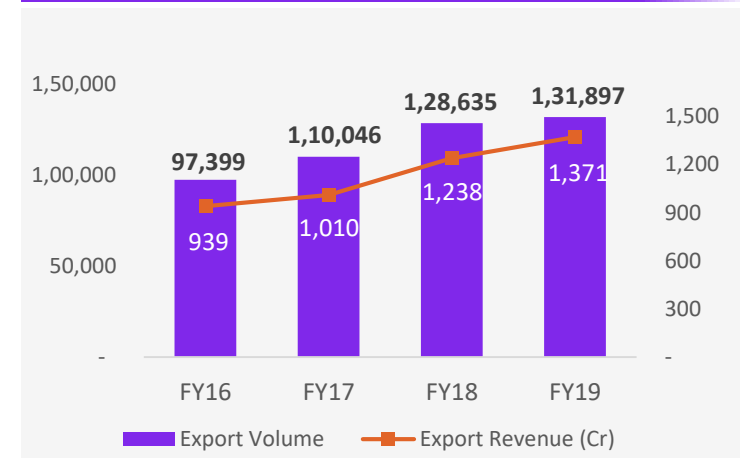
Branded & Private Label Volume



Branded Domestic Revenue & Volume



Branded Export Revenue & Volume



Building Strong Brands



Our strong brands drive superiority in core markets

27% Market share in India – Rural & Urban

29% Market share in India – Modern Trade

45% Market share of US basmati segment



By Reader's Digest

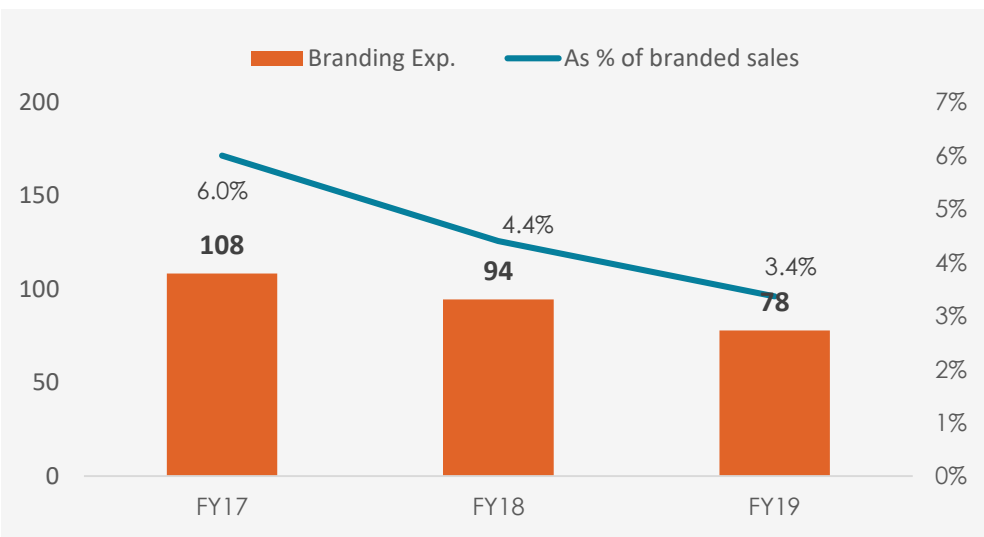


By Independent Organization



By Economic times

Branding expenses (Rs crs)



Source : AC Nielsen Q1-19

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 30 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



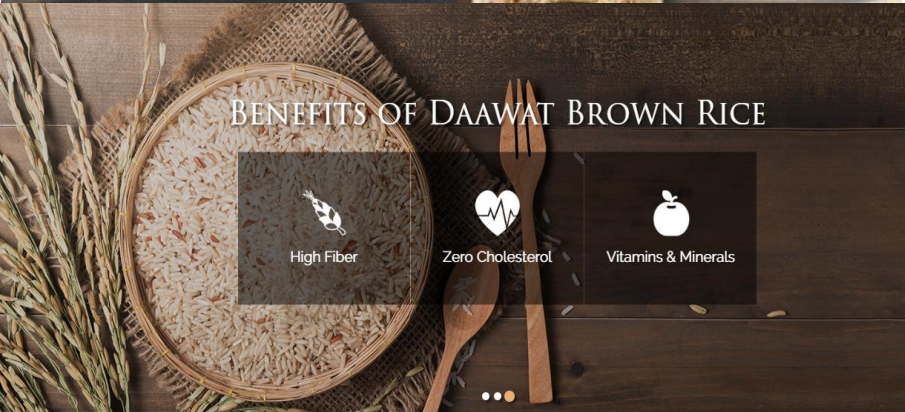
Offers branded Basmati rice and staples like wheat flour, refined flour, flattened rice, chickpea flour, and semolina



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



Our market-leading brands in action...



4.6+ mn recipe views
in YouTube in the last 6
months

**Highest
Subscriber** base in
our Category in YouTube

2,30,000+ visits to
Biryani corner on our
Website

1,30,000+ Fan Base
in Facebook



Brand DAAWAT (The Finest)

Leading brand in 65+ countries A legacy of over 30 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 and DAAWAT Rozana Gold Plus.

27%+ share in
branded rice
market in India

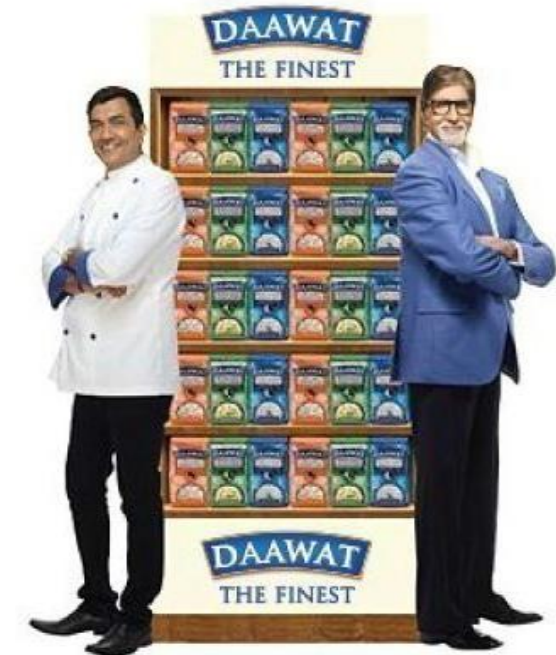


35%+ market
share in Premium
segment



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

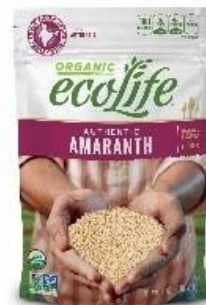
- Nature Bio Foods Limited (wholly owned subsidiary), has emerged as a trustworthy and innovative global leader in providing authentic organic ingredients to the global consumers.
- Range includes rice, pulses, oil seeds, cereal grains, spices and nuts.
- Ingredient business associated with marquee customers.
- 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 segment.

44% CAGR
between 2013 and 2018.

90% of business is
from ingredient
sales

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

Marquee Organic Ingredient Buyers



ecoLife





Deepening Global Presence



LT Foods is a globally significant player

Broadening our footprint globally, presence in 65 countries

USA; Canada

- #1 with 45% market share
- 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

Africa

- Strengthening our presence

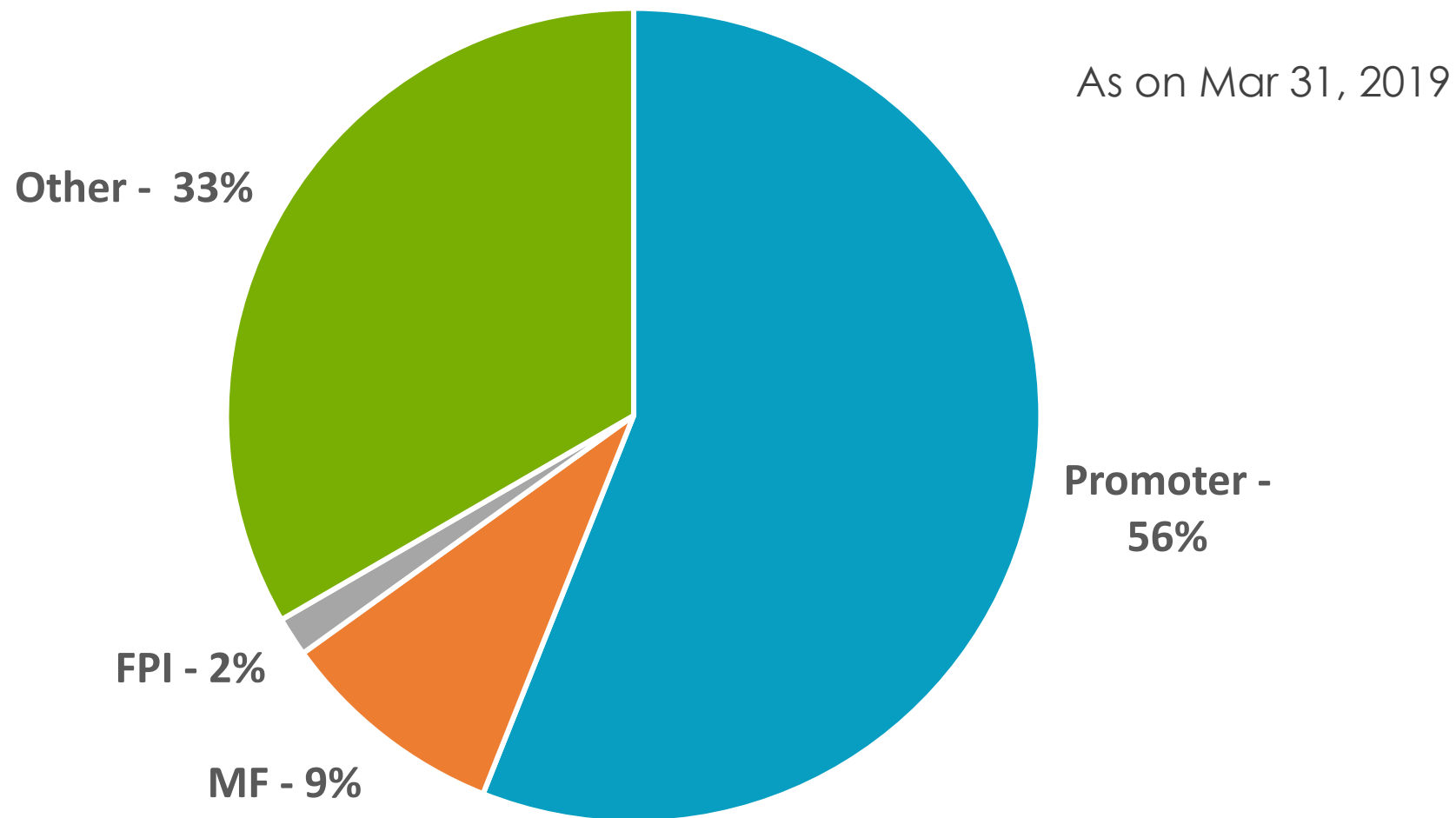
India

- Strong player with 27% market share
- 5 Manufacturing Facilities with total 100 + TPH capacity

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

- Commenced operations of manufacturing facility 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 within the Middle-East markets.
- Also helped us enter 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 in 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



Board of Directors



Investor Contact

Ms Monika Chawla Jaggia

Email - Monika.Jaggia@ltgroup.in

Tel - 0124-3055210



LT Foods



[DaawatBasmatiOfficial](#)

[AuthenticRoyalFoods](#)

CIN: L74899DL1990PLC041790

Website: <http://www.ltgroup.in/>

Address : Unit-134, 1st Floor,
Rectangle-1, Saket District
Centre, Saket,
New Delhi-110017



COOK WITH THE FINEST BASMATI

