

LT Foods Limited

Investor Presentation – 9M & Q3 FY23



Safe Harbour

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.



INDEX



INDEX



9M & Q3 FY23 Results Highlights



Key Developments



Strategy and Outlook



ESG Framework and Goals



Shareholding Pattern



9M & Q3 FY23 Results Highlights

9M FY23 Segment Highlights (YoY)

Revenue

31% ↑

Organic Segment

8% ↑

Basmati & Other
Specialty Segment

33% ↑

Convenience &
Health Segment

51% ↑



Q3 FY23 Segment Highlights (YoY)

Revenue

31% ↑

Organic Segment

36% ↑

Basmati & Other
Specialty Segment

29% ↑

Convenience &
Health Segment

25% ↑



9M FY23 Key Highlights (YoY)

EBITDA

17% ↑

Book Value
Per Share (₹)

₹ 77 ↑
(from ₹ 65)

EBIT

20% ↑

Return on Equity

16.9% ↑
(from 15.7%)

PBT

21% ↑

Working Capital
Days

221 ↓
(from 226)

PAT

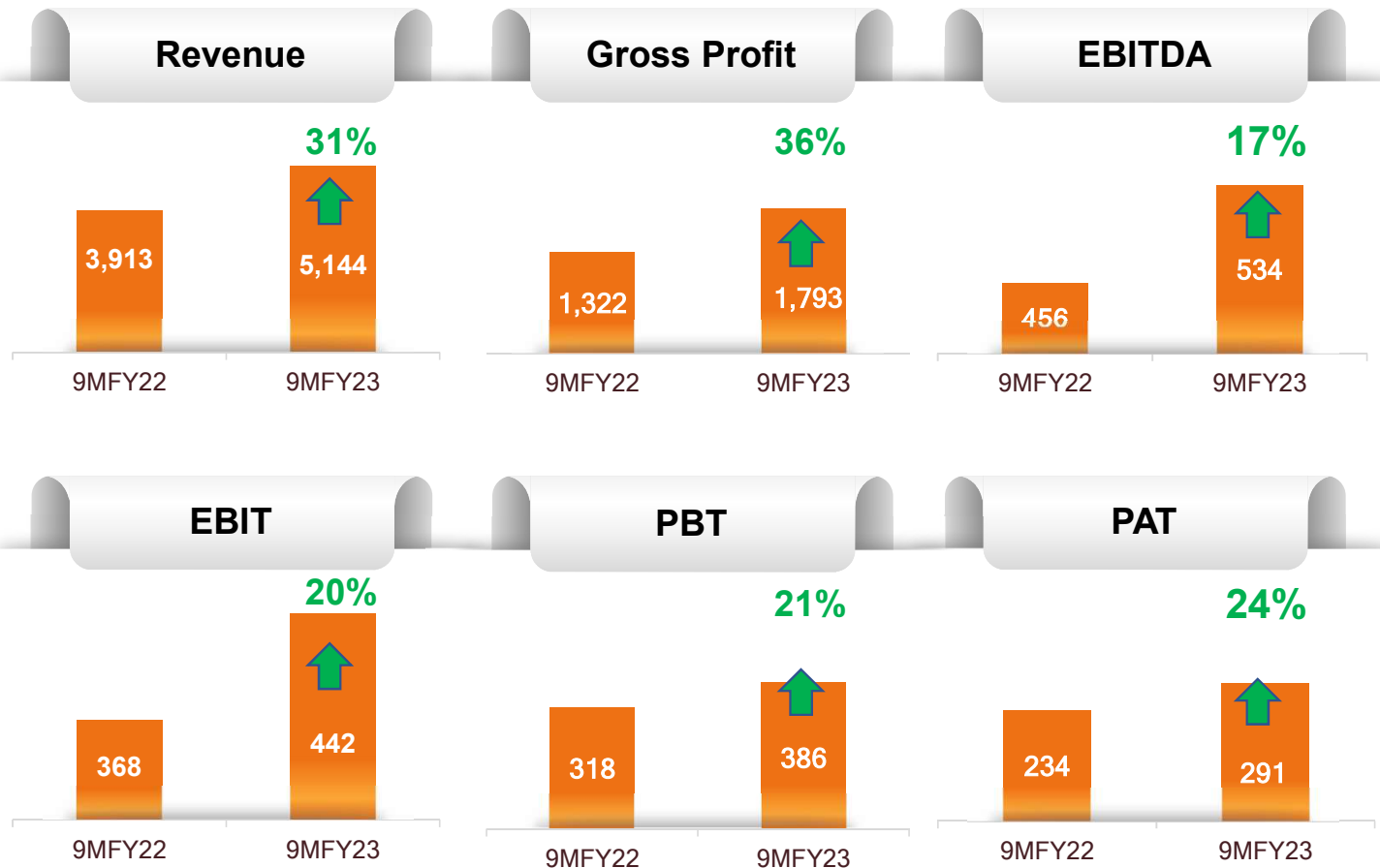
24% ↑

Cash Profit

19% ↑



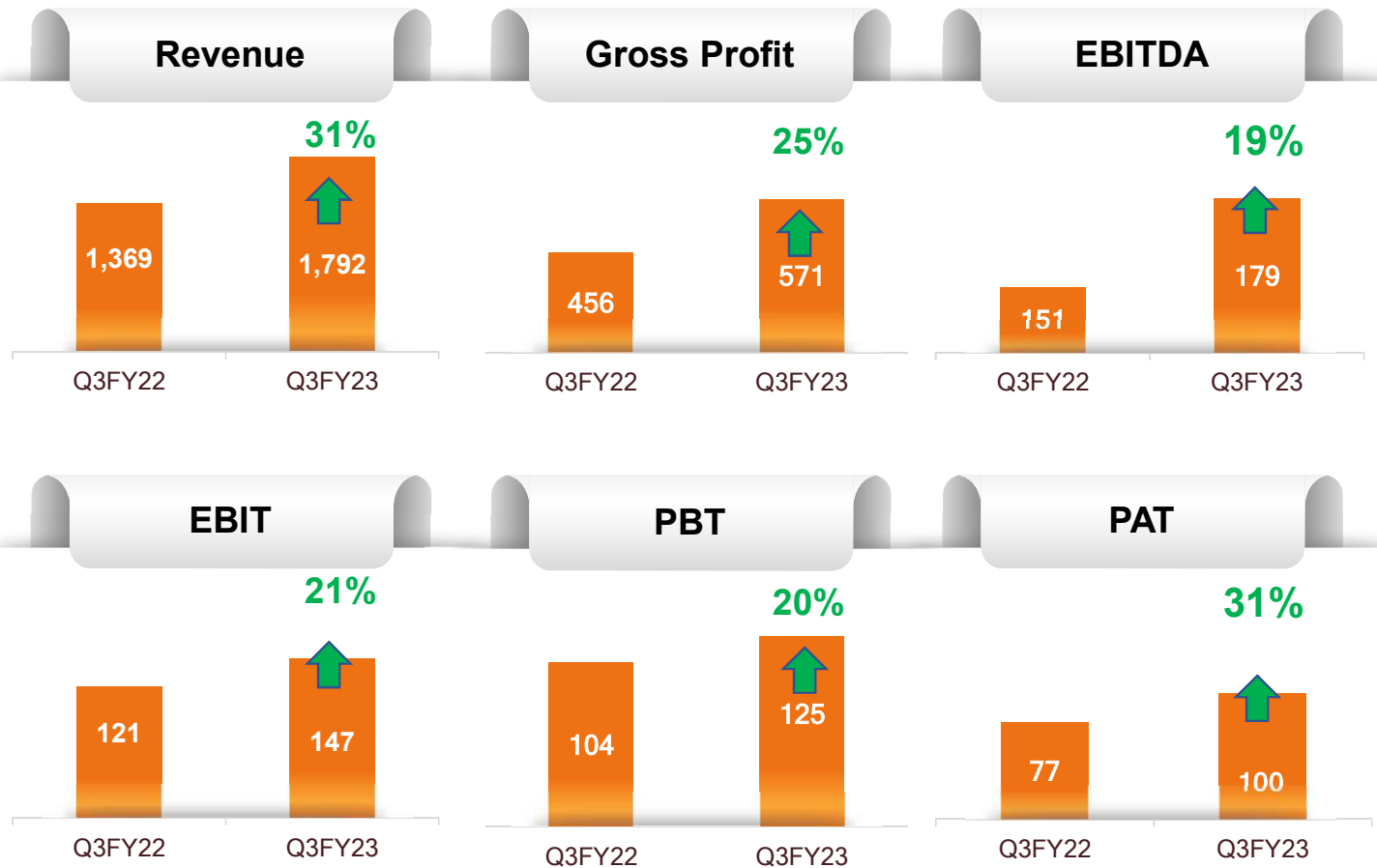
9M FY23 Financial Update



All Figures in ₹ Crore unless specified

- Revenue up 31% y-o-y aided by accelerated brand investments across all 3 business segments - Basmati & Other Specialty Rice, Organic and Convenience and Health business
- Gross Profit up by 36% y-o-y & Gross Profit margin expanded by 108 bps on account of change in product mix and partial price increase implemented due to increase in freight cost
- EBITDA up by 17%, Margins contracted by 129 bps due to:
 - Increase in freight expenses by 360 bps
 - Efficiencies at manufacturing level
- PAT up by 24% y-o-y at ₹291 Crore

Q3 FY23 Financial Update



All Figures in ₹ Crore unless specified

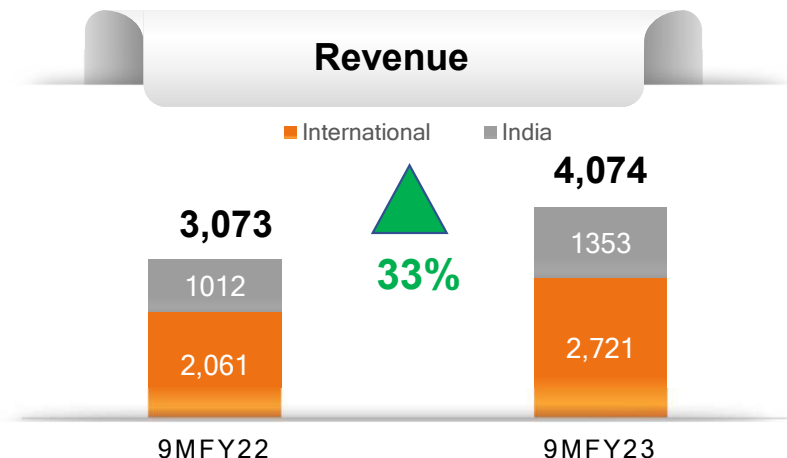
- Revenue up 31% y-o-y aided by accelerated brand investments across all 3 business segments - Basmati & Other Specialty Rice, Organic and Convenience and Health business
- Gross Profit up by 25% y-o-y & Gross Profit margin contracted by 144 bps on account of increase in input cost and reduction in freight cost
- EBITDA up by 19%, Margins contracted by 103 bps due to:
 - Due to increase in input cost
 - Reduction in freight cost
- PAT up by 31% y-o-y at ₹100 Crore

Segment Update – Basmati & Other Specialty Rice

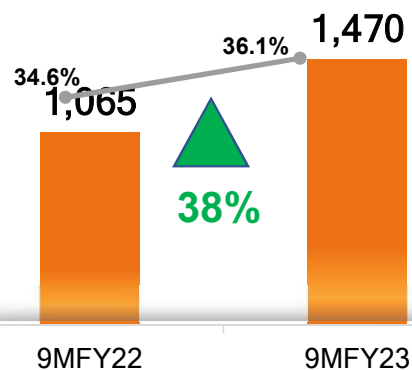
Growing at a 3 Year CAGR – 10%



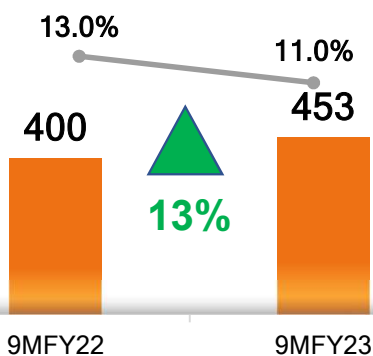
Revenue



Gross Profit & Margin



EBITDA & Margin



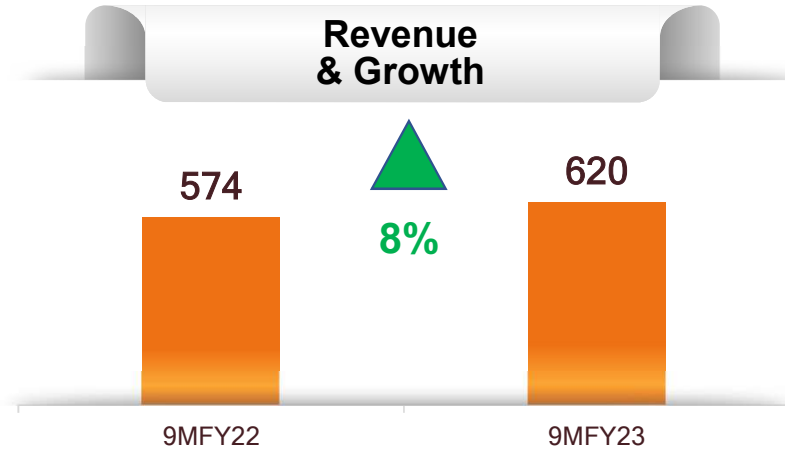
All Figures in ₹ Crore unless specified | Decline in EBITDA Margins on account of Exceptional increase in Freight Cost

Segment Update – Organic Segment

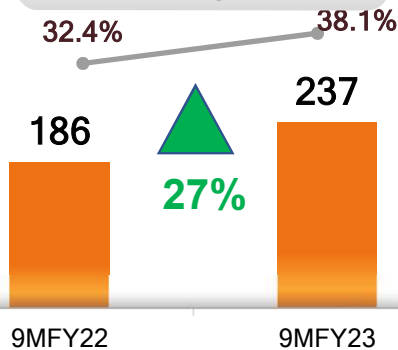
Growing at a 3 Year CAGR – 36%



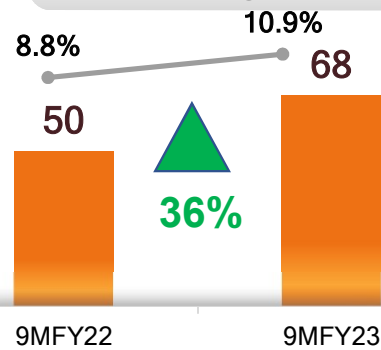
Revenue & Growth



Gross Profit & Margin



EBITDA & Margin

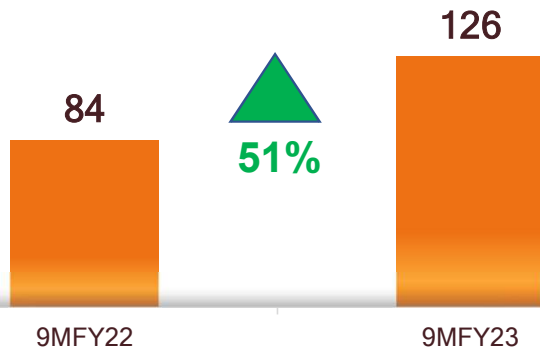


All Figures in ₹ Crore unless specified

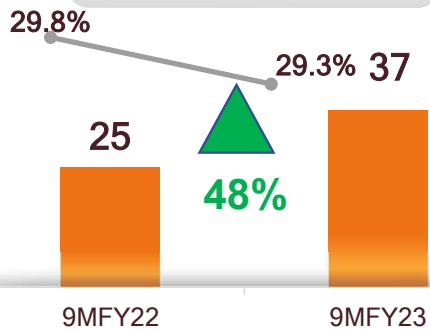
Segment Update – Convenience & Health Segment

Growing at a 3 Year CAGR – 59%

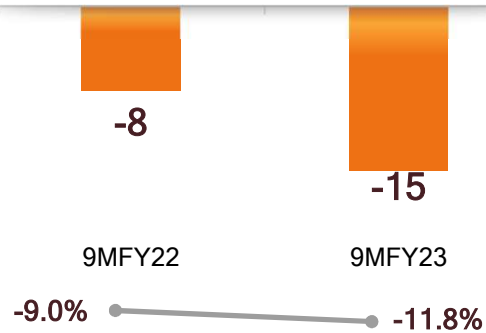
Revenue & Growth



Gross Profit & Margin



EBITDA & Margin



All Figures in ₹ Crore unless specified



Key Developments

Strong Progress in Q3 in India backed by 360-degree marketing campaigns



Market Share %

29.4% ▲ ^{Gr.%} **250 Bps**

Presence across retail outlets

1,78,956 ▲ ^{Gr.%} **12%**

As per AC Nielsen MAT'22 vs. MAT'21

DAAWAT Consuming
The FINEST Households

40.36 Lakh ▲ ^{Gr.%} **39%**

** As per Kantar MAT June'22 Vs. MAT June'21*

Key Developments-New Launches

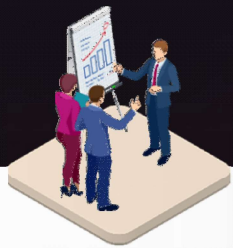
- Successful Launch of Superfood in its Category – Black Rice and Devaaya Weight Watchers
- Biryani kits have crossed the milestone of Rs. 4 crores during the year
- Share of Convenience and Health segment grown from 2% to 2.5% during the year



Strategy and Outlook

Capital Allocation Plan

We aim to balance the objectives of ploughing back earnings to support sustained growth, debt reduction and appropriate reward to shareholders through dividends



Growth

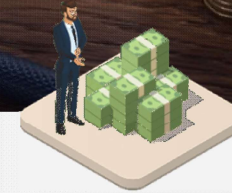
Utilizing the free cash flow generated for the growth in its Basmati and Other Specialty Rice segment and Organic business along with the new growth engines launched under the Convenience & Health platform. In addition to the above the same will be utilized for strengthening the brands, widening distribution network and increasing brand penetration across all consumer segments across geographies



Capex

To continue investing in automation/up-gradation based on increasing consumer base and to strengthen the supply chain network.

The investment to be in-line with Company's expected Return on Capital Employed



Debt Reduction

Goal is to maintain our Debt/ EBITDA ratio between 2x-3x, though majority of our debt is Working Capital debt that is required to purchase paddy in the season and age it for minimum 12 months



Dividend

The Company strive to maintain a steady stream of dividend to reward its shareholders. Effective 20-21, in the medium term the dividend pay-out ratio is expected to be in the range of 20%-30% of standalone profits

Way Forward

Focus on strategic pillars of Growth, Margin Expansion and Strengthening of Financial Metrics to create a fully integrated, global, strong, progressive, sustainable, predictable, profitable, and growing consumer business



Growth

Solidify the leadership position in key markets and grow current market share with target 5 Year Revenue CAGR of 10-12%

Strengthen & widen distribution network

Expand organic portfolio in value added segments

Expand existing product portfolio and launch new products leveraging brand & distribution strength i.e. Ready to Eat, Ready to Cook and Rice based snacks



Margin Expansion

Change in Product Mix

Efficiencies across value chain

Economies of Scale

Target 5 Year EBITDA Margin
Expansion of c. 140-150 bps



Strengthen Financial Metrics

Strengthen Balance Sheet Metrics and enhance return ratios

FY25: ROCE **c. 23%**

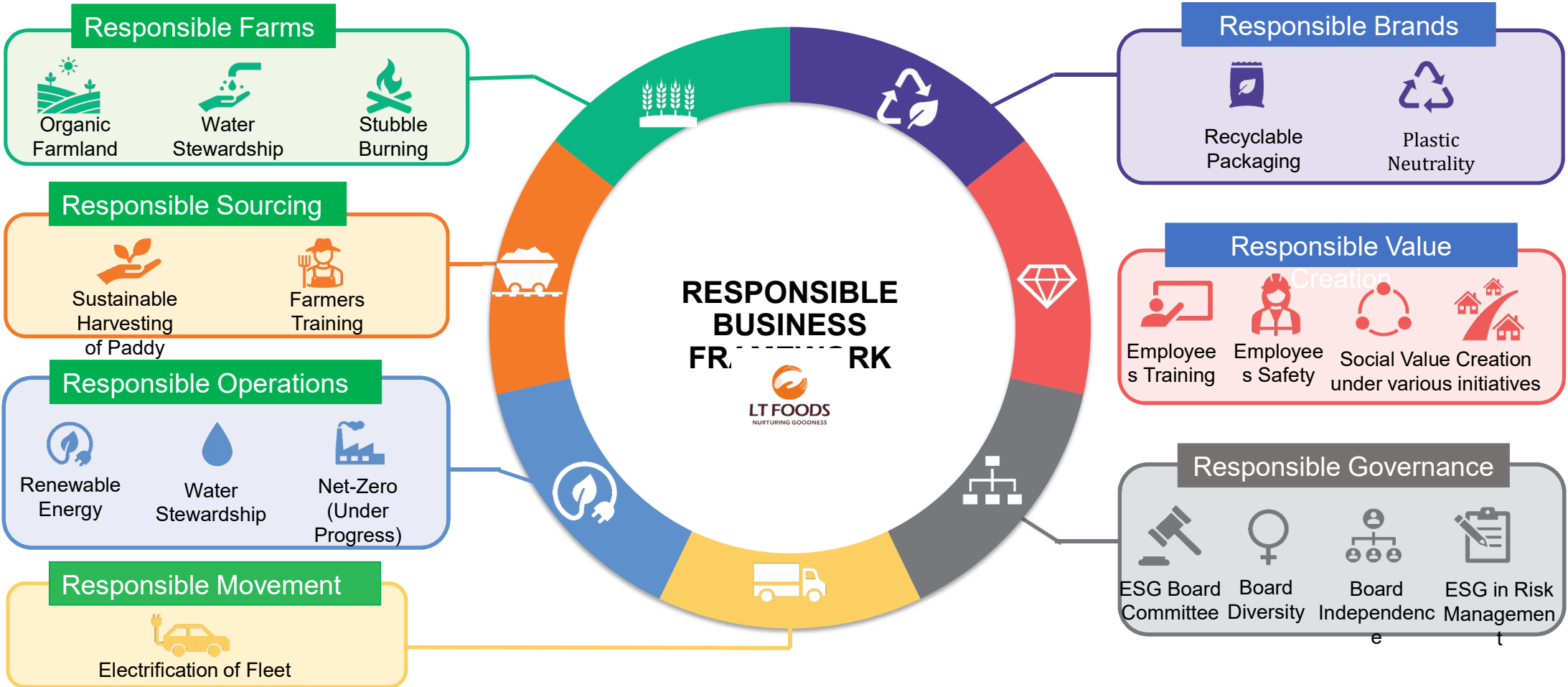
FY25: ROE **c. 20%**



ESG FRAMEWORK and Goals

ESG Framework

Responsible Farms | Responsible Sourcing | Responsible Operation | Responsible Brands | Responsible Movement | Responsible Governance | Responsible Value Creation



Environment Scorecard and Goals (India Operations)



Sustainable Harvesting of Paddy

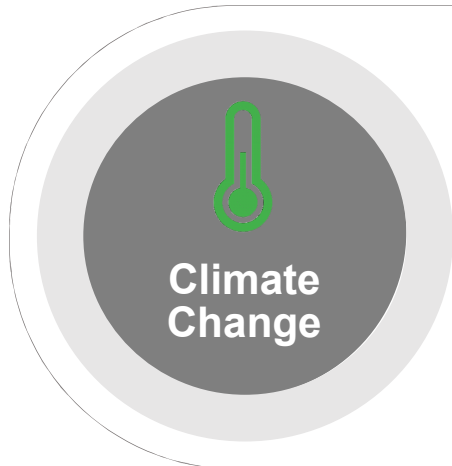
Baseline : 13,000 farmers trained

50,000 farmers to be trained on Sustainable Farming Practices by 2025
(Public private partnership with ICAR)

Organic Farmland

Baseline : 1.4 lakh acre

2.5 lakh acres of organic farmland by 2030



Renewable Energy

Baseline : 46%

56% Renewable Electricity
By 2025 (Solar + Husk + Wind)

Tree Plantation

Baseline : 1 Lakh

10 lakh trees by 2030

Net Zero Goal
Ambition

Goal Setting Under Progress

Environment Scorecard and Goals... (India Operations)



Water Conservation

Baseline : 110 Bn litres

140 billion liters of water saving through Land Laser Leveling / AWD / SRI in 60,000 acres by 2030

Water Recharge

Renovation and construction of 100 Ponds by 2030



Plastic Neutrality

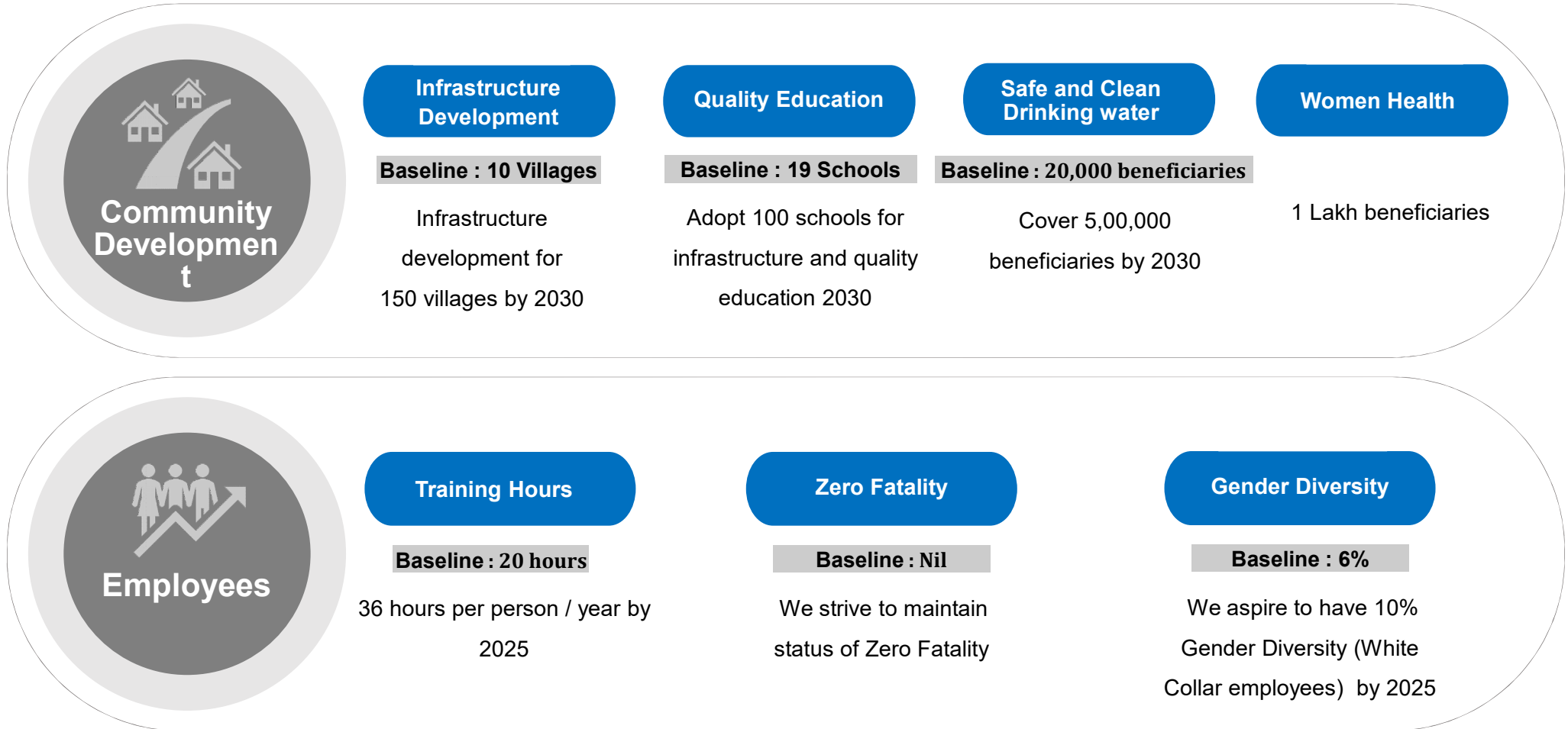
100 % Plastic Neutrality by 2025

Sustainable Packaging

Baseline : 74%

80 % Recyclable Packaging by 2025

Social Scorecard and Goals (India Operations)



Governance Scorecard and Goals (India Operations)

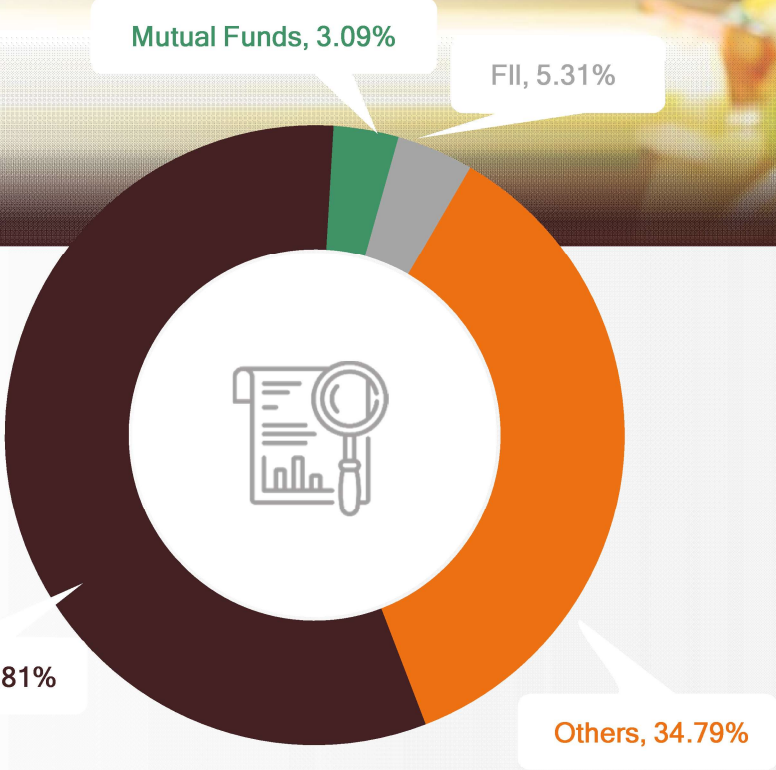




Shareholding Pattern

As on December 31 , 2022

Shareholding Information



Shareholder Information as on December 31, 2022

| | | |
|-----------------------------|---|---------------|
| BSE Ticker | ▶ | 532783 |
| NSE Symbol | ▶ | DAAWAT |
| Market Cap (₹ Cr)* | ▶ | 3,696 |
| % Free- float | ▶ | 43.19% |
| Free Float Market Cap (₹Cr) | ▶ | 1,596 |
| Shares Outstanding (Cr) | ▶ | 32 |
| Industry | ▶ | Consumer Food |

Promoter shares are unencumbered



* Share Price as on 31st Dec'22 (Closing Price: Rs 115.55)


Investor Contact




Ms. Monika Chawla Jaggia

 Monika.Jaggia@ltgroup.in  0124-3055210  ltgroup.in

 [DaawatBasmatiOfficialAuthenticRoyalFoods](https://www.facebook.com/DaawatBasmatiOfficialAuthenticRoyalFoods)  CIN: L74899DL1990PLC041790

 **Corporate Office Address:**
4th Floor, MVL I Park,
Sector – 15 Gurugram - 122001

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

World of LT Foods

