



LT Foods



# Investor Presentation

FY21 & Q4 FY21

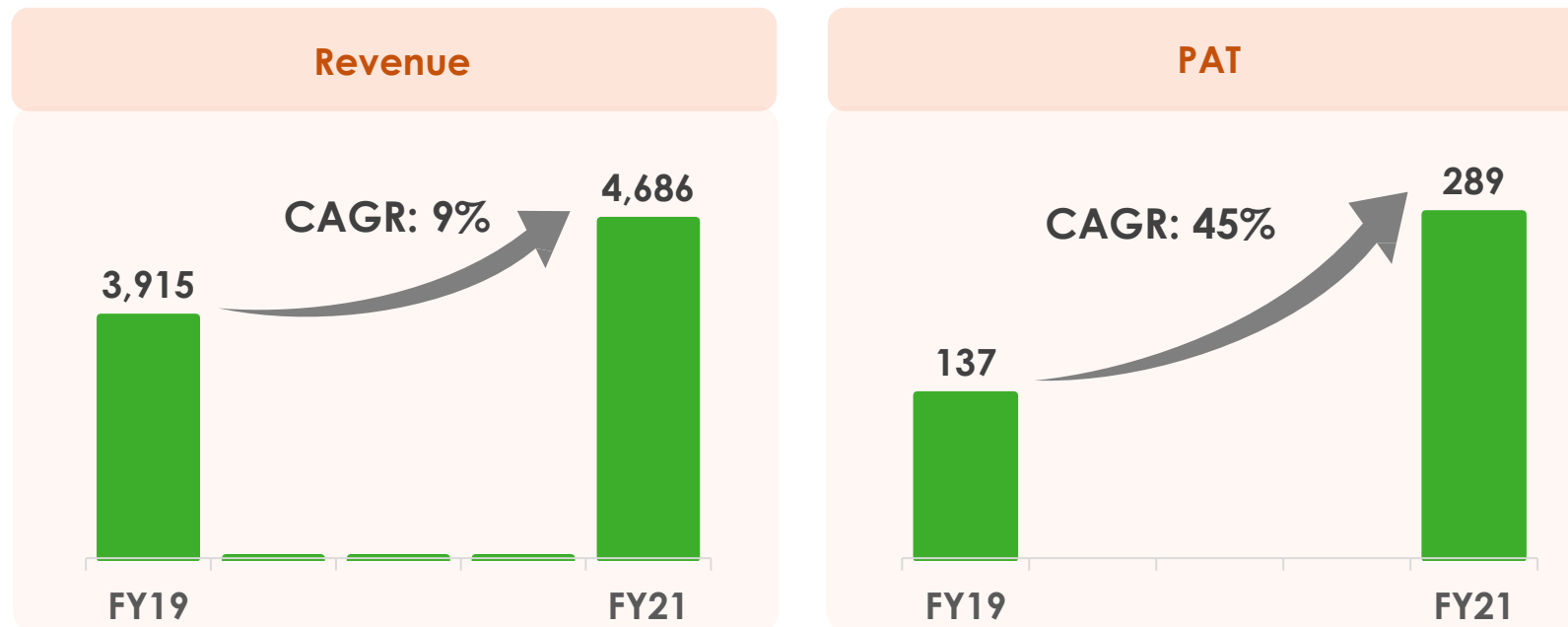
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# Maximising Shareholders Wealth by Strategic Focus towards Profitable Growth



**Growth in revenue is being supported by strengthening the brands, widening distribution network and increasing brand penetration across all consumer segments with product portfolio expansion in the Health & Convenience Platform. PAT Margins have expanded aided by growth in EBITDA, savings in Finance Cost and lower Effective Tax Rate**

All Figures in Rs. Cr unless specified



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## Key Highlights

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Marketing Initiatives

Strategic Focus

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# FY21 Key Highlights

**Total Revenue up by 12%**

**Basmati & Other Specialty Rice business up by 9%**

**Organic business up by 51%**

**New Products business up by 45%**

**Gross Profit up by 21%**

**EBITDA up by 18%**

**EPS up by 49%**

**Cash Profit up by 37%**

**Improvement in Debt to EBITDA ratio<sup>1</sup> (2.1x vs 2.9x)**

**Rs. 345 crore free cash flow generated during the year, which has helped in reducing debt by Rs. 205 crore**

**ROCE improved by 193 bps (15.6% vs 13.6%)**

**ROE improved by 283 bps (15.3% vs 12.5%)**

**ROCE<sup>1</sup> Normalised up by 200 bps (16.3% vs 14.3%)**

1. Capital Employed excludes the funds blocked in the fire insurance claim amounting to Rs. 134 Crore

## Q4 FY21 Key Highlights (Y-o-Y)

**Basmati & Other Specialty Rice business down by 7%**

**Organic business up by 11%**

**New Products business up by 30%**

**Gross Profit up by 5%**

**PBT up by 4%**

**Cash Profit up by 3%**

**Finance Cost down by 46%**

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# Right-to-Win

## Strong Global Brands to Provide Superior Consumer Experience

- Flagship Brands “Daawat” and “Royal” enjoy leadership positions in India and US with market share of 27% and 50% respectively
- Other brands such as Heritage, Devaaya, Gold Seal Indus Valley, 817 Elephant, Rozana also enjoy leadership position in other countries

## Robust Global Supply Chain

- Complete control on the value chain from “Farm to Fork”
- Global Supply chain hubs and strategically located manufacturing units across India
- Automated state of the art manufacturing units with less dependence on labour

LT Foods has well defined strategies in place for further Growth in Margin Expansion and Strengthening of Financial Metrics

## Distribution & Marketing

- Well entrenched distribution network in 60+ countries with 800+ distributors across globe
- Adopted Go-To-Market Strategies across geographies
- Enabled tele-ordering and partnered with delivery partners to reach to consumers in these unprecedented times
- Strengthened presence across digital platforms and launched digital campaigns to strengthen the brand share

## Culture of Excellence

- Resilient implementation of the strategies by LT Group’s Team Members
- Create a culture of entrepreneurship and organization – wide collaboration



# Navigating the second wave of COVID-19 in India

- **Implementing learnings from the first wave; better prepared to navigate any disruptions**
- **Vaccination Camps organized for the team members across different offices**
- **All the plants are operational across geographies**
- **Operating with optimal levels of inventory across the supply chain**
- **Getting regular and timely support from the packaging and logistics vendors**
- **Ensuring the availability of our products through our global supply chain hubs to our consumers**

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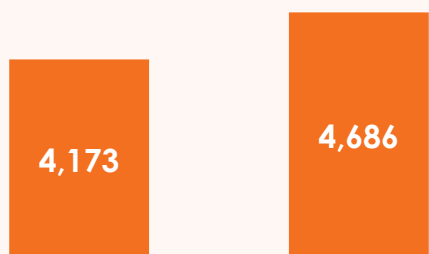
Strategic Focus

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# FY21 – Strong All Round Growth

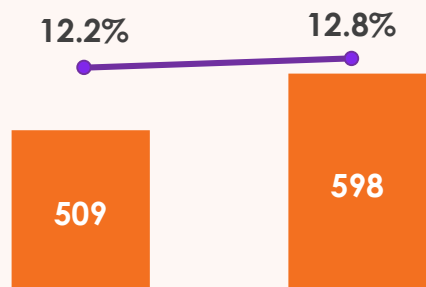
## Revenue



FY20

FY21

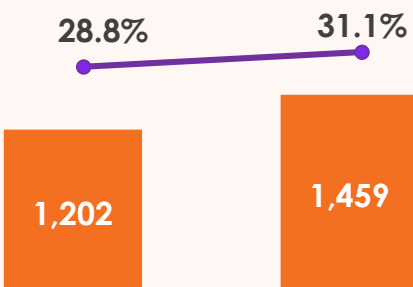
## EBITDA & EBITDA Margin



FY20

FY21

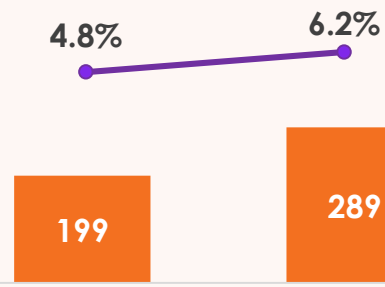
## Gross Profit & Gross Margin



FY20

FY21

## PAT & PAT Margin



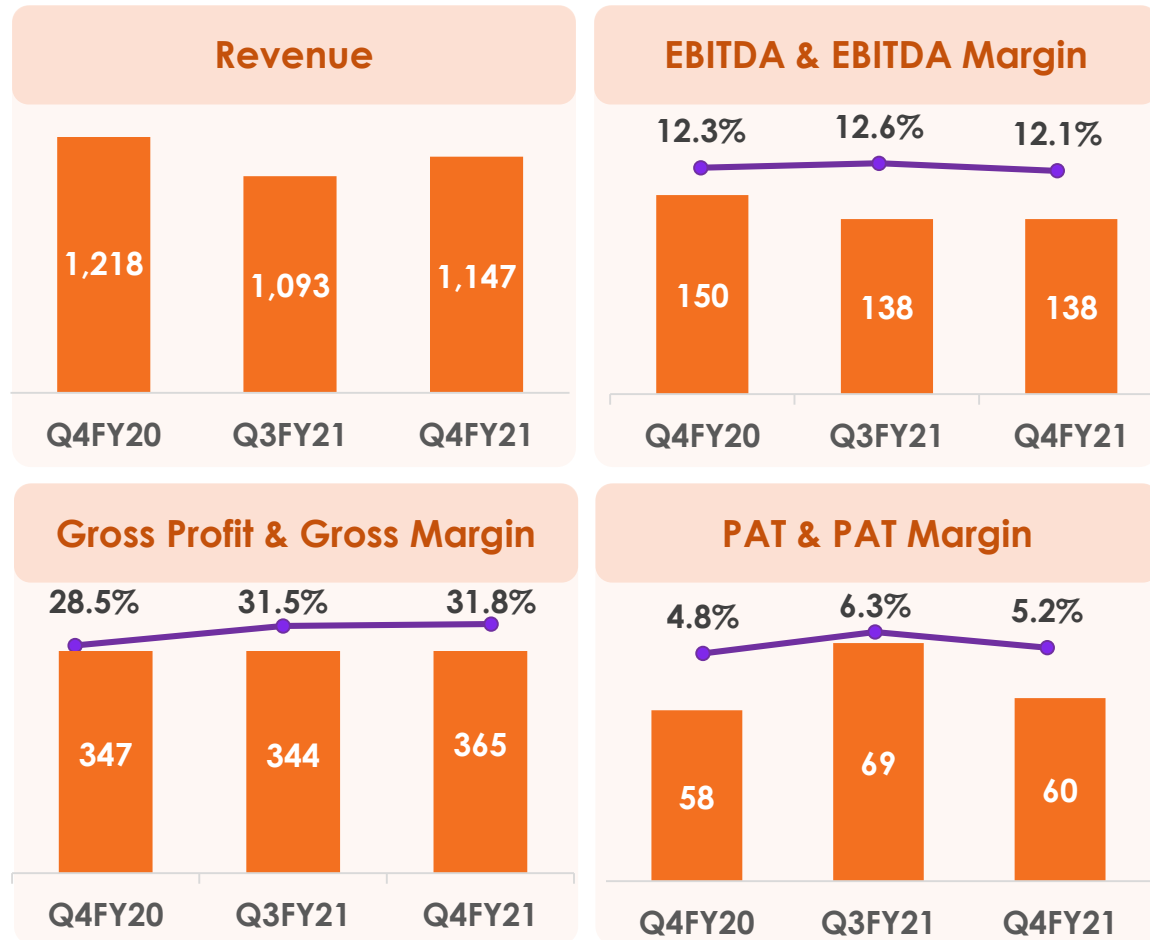
FY20

FY21

- Revenue up 12%, aided by growth in US, Europe and Organic business
- Gross Profit higher by 21% and the margins increased by 232 bps on y-o-y basis, due to:
  - Change in product mix towards higher margin products
  - Impact of lower input cost
- EBITDA higher by 18% and the margins increased by 58 bps on y-o-y due to increase in Gross Profit
- PAT increased by 45% y-o-y and margins have increased by 139 bps, aided by 34% saving in Finance Costs

All Figures in Rs. cr unless specified

# Q4 FY21 – Improving Operational Efficiencies along with savings in Interest Cost



- Revenue down 6% y-o-y, due to pandemic induced up-stocking in March last year
- Gross Profit higher by 5% and the margins increased by 328 bps on y-o-y basis, due to:
  - Change in product mix towards higher margin products
  - Impact of lower input cost
- EBITDA lower by 8% on y-o-y basis, due to investments in international operations aligning with our strategy to grow in those markets. The margins were marginally lower by 26 bps on y-o-y basis
- PAT increased 2% y-o-y and margins increased by 42 bps, aided by 46% saving in Finance Cost

All Figures in Rs. cr unless specified

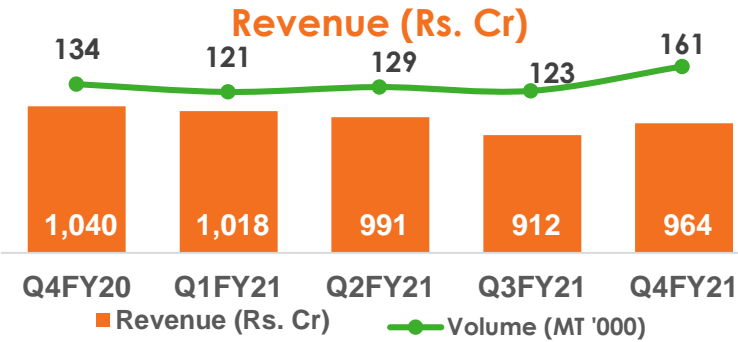


# Segment-Wise Revenue Break-Up

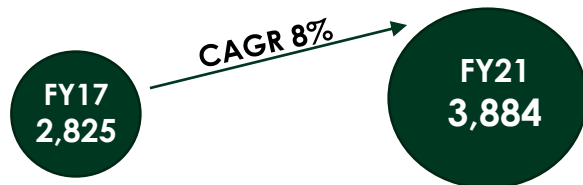
## Basmati & Other Specialty Rice



- ✓ Flagship brands Daawat and Royal
- ✓ Other global brands such as Indus Valley, 817 Elephant, Heritage, Devaaya and Rozana



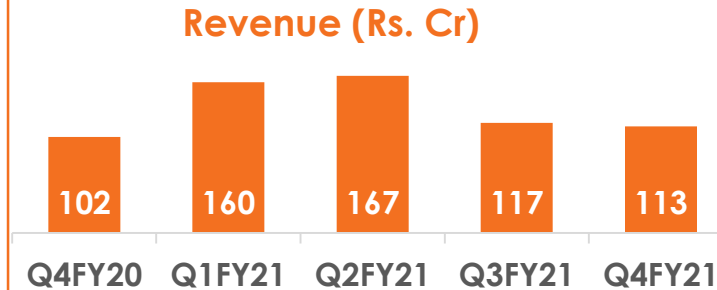
### Revenue Growth (Rs. Cr)



## Organic Business



- ✓ Diversified portfolio comprising of organic cereal grains, flour, pulses, oil and oil seeds, nuts, spices, herbs, millets and sweetener



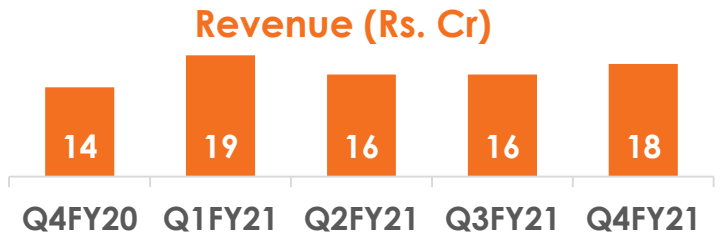
### Revenue Growth (Rs. Cr)



## New Product Portfolio



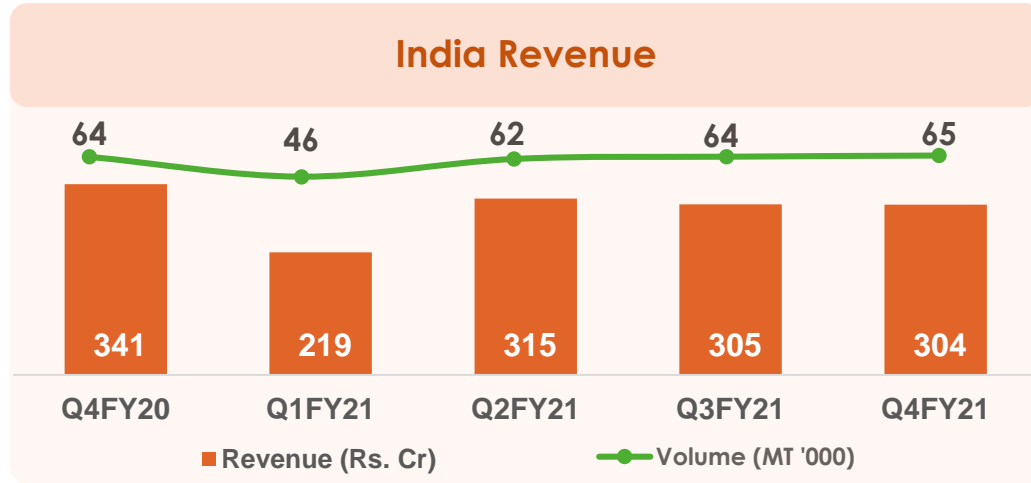
- ✓ Health Segment – Daawat Quick Cooking Brown rice, Daawat Sehat
- ✓ Convenience Segment – Daawat Sauté Sauces, Daawat Cuppa Rice, Royal Ready-to-Heat, Kari Kari



### Revenue Growth (Rs. Cr)

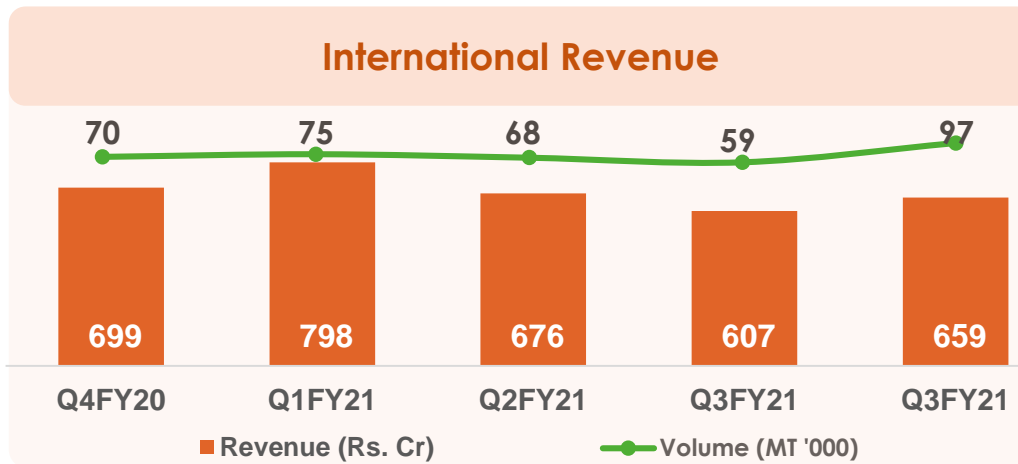


# Basmati & Other Specialty Rice Break-Up



The FINEST

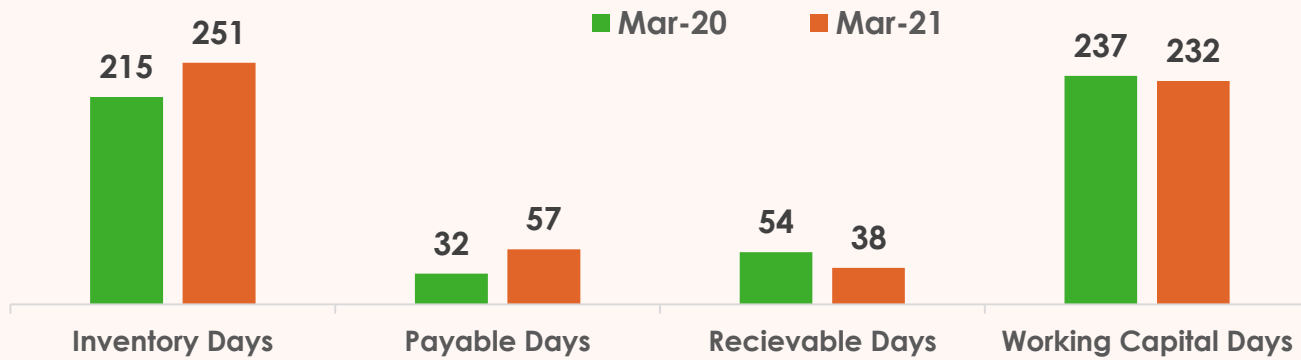
Devaaya



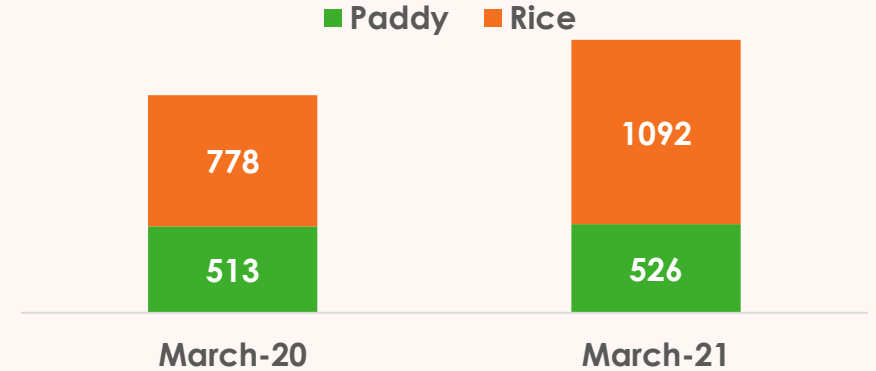
\* Q1 FY21 Basmati & Other Specialty numbers were re-instated

# Inventory and Working Capital

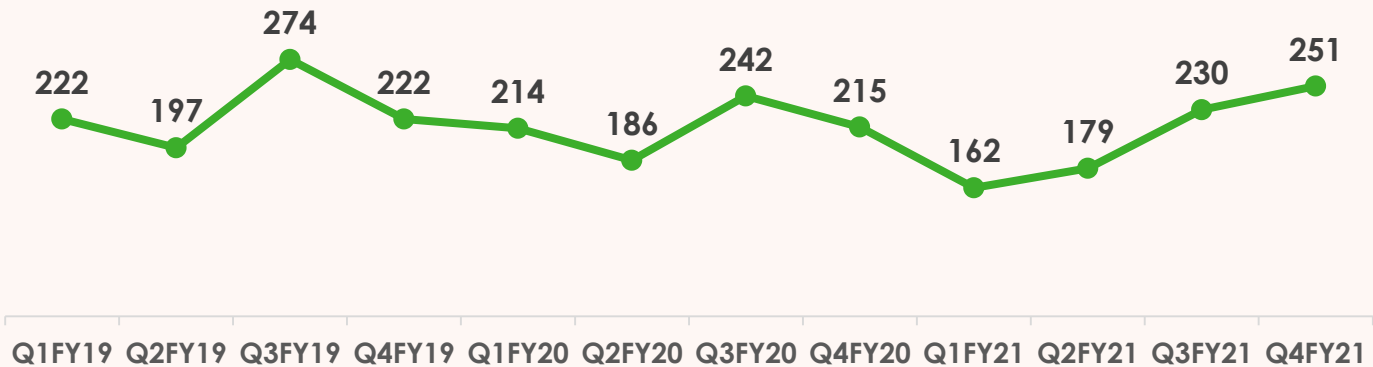
### Working Capital Days



### Inventory Value (Rs. Cr)



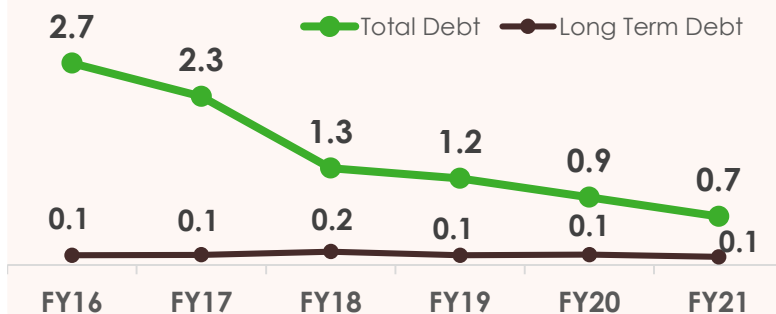
### Inventory Days



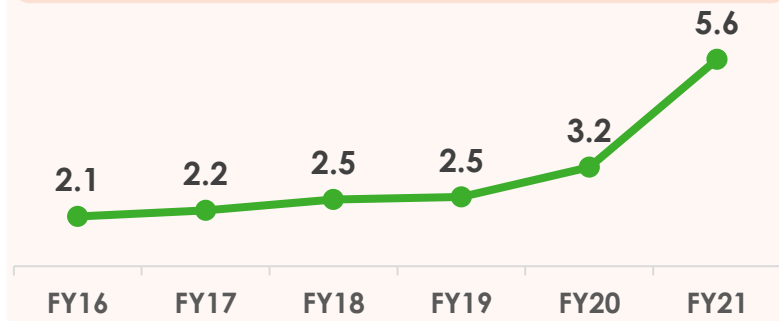
**The Company has taken a call to procure more to ensure supply of consistent superior quality**

# Key Financial Ratios and Other Growth Parameters

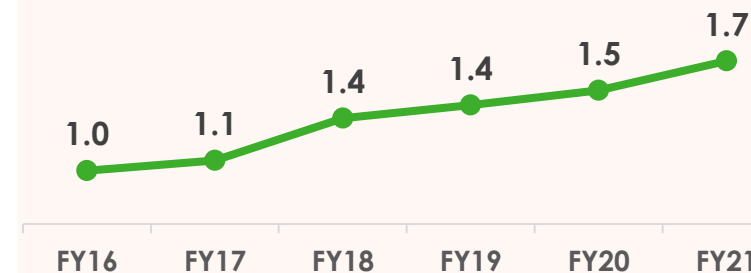
## Debt/Equity



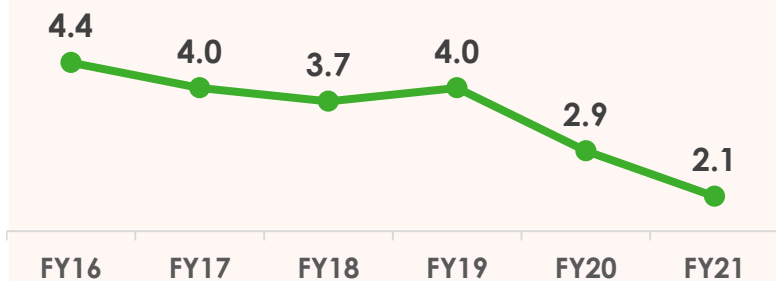
## Interest Coverage Ratio



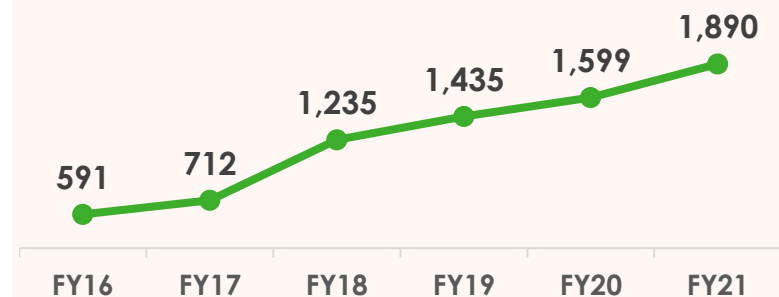
## Current Ratio



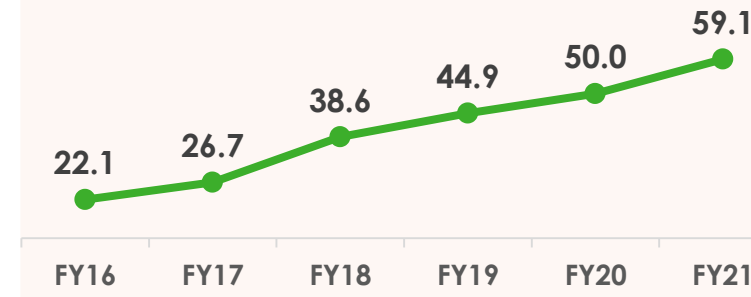
## Debt EBITDA Ratio



## Net worth (Rs. Cr)



## Book value per share (Rs.)



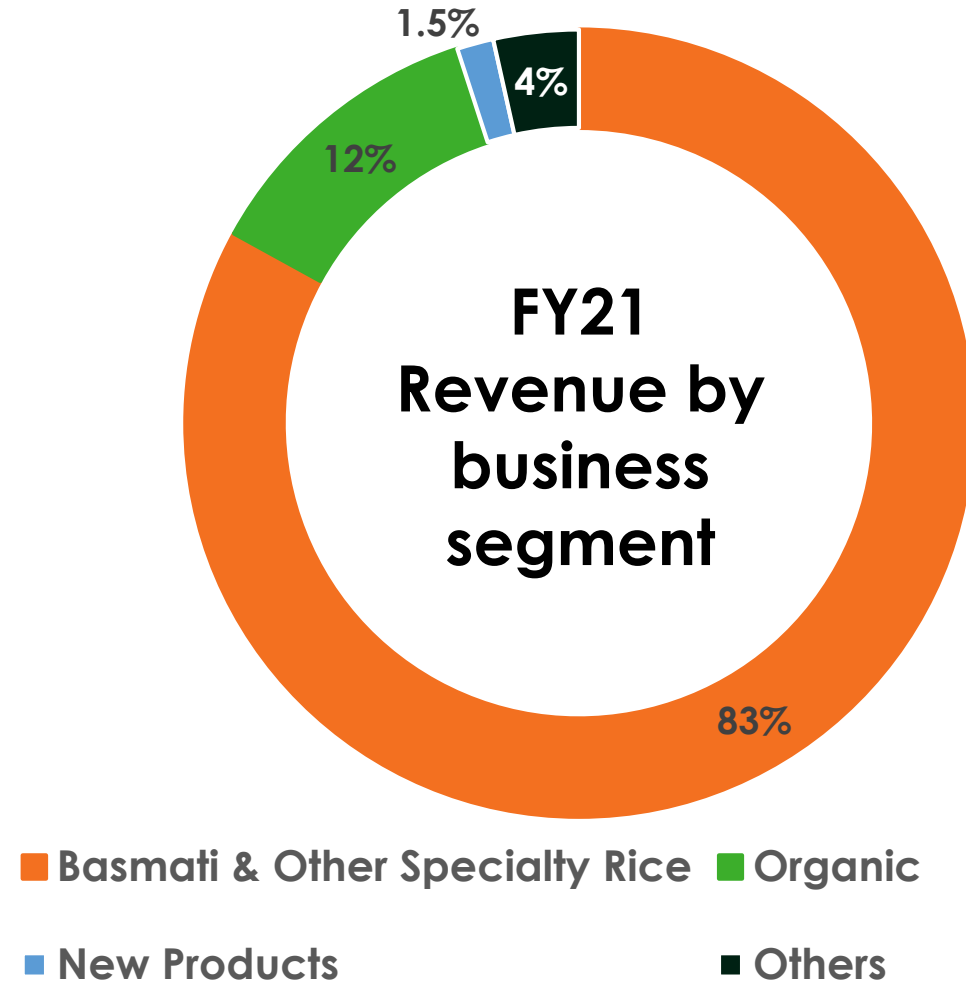
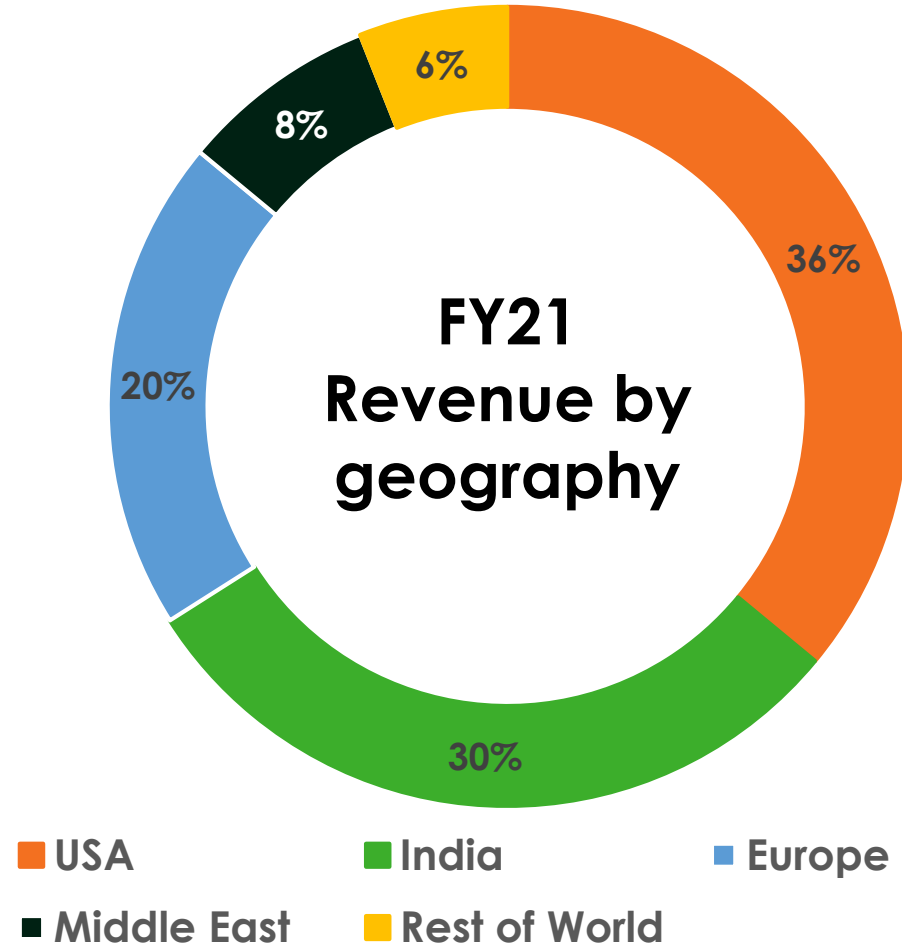
**Strength of Balance Sheet being reflected with Strong Credit Rating:**

**A- Positive outlook by CRISIL, IND A Positive outlook by Ind-Ra and BWR A+ Stable outlook by Brickwork**



# Global Footprint & Diversified Portfolio

Our diversified market presence as well as our balanced portfolio, serving a wider consumer audience, positions us to capitalize on emerging opportunities in the consumer food business.



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# 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 Organic business along with the new growth engines launched under the Health and Convenience 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

## 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 Repayment



Goal is to maintain our Debt/ EBITDA ratio less than 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

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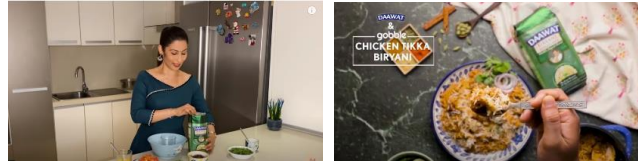




# Various Brand Initiative in Digital Space

## Influencer Campaign

Collaboration with Meghna – Food Instagrammer of the year and Gobblegrams



We continue to work with Key Influencers for Brand Integration



Total Views **10 lakhs +**

## Brown Digital Campaign

Searches for healthy food increased Brown Rice Campaign in multiple cities



Total Audience **124 lakhs +**  
Total Views **415 lakhs +**

Product availability through new channels



Daawat is currently market leader in leading Ecommerce platforms (35% in Amazon)



## Digital Advertising

Digital Film was launched in Delhi NCR with a robust media plan.



## Brand Daawat got verified on Instagram & Facebook

First Brand to get verified accounts amongst top 5 Brands in India



## Gujarat Specific Campaign in Digital



Total Audience Available **23 lakhs +**

Total Reach **21 lakhs +**

Total Views **70 lakhs +**

Strengthening our brands with consumer communication highlighting superior quality and product performance to capitalise on the new opportunities of growth

# Uninterrupted Customer Engagement even during Lockdown

Shared different easy to cook recipes with audience. As people stayed home and aimed to break the monotony in the kitchen  
*Very high engagement amongst female Audience*



**Total Reach**  
**260 lakhs**  
+  
**Total Views**  
**55 lakhs +**



Launch of 4 New TVCs  
*Zindagi Phir Sajegi with DAAWAT*

*World will start healing & there will be laughter, conversations & happiness, all this will happen over First meal*

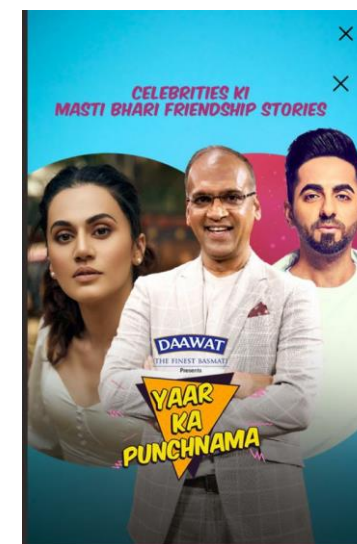


**Total Reach**  
**500 lakhs +**

**Total Views**  
**300 lakhs +**

Sponsorship & Brand Integration in Zee5 show - *Yaar da punch*

*Various celebrities talked about who would they call for PehliDaawat after lockdown is over*



**Total Reach**  
**200 lakhs +**  
**Total Views**  
**40 lakhs +**

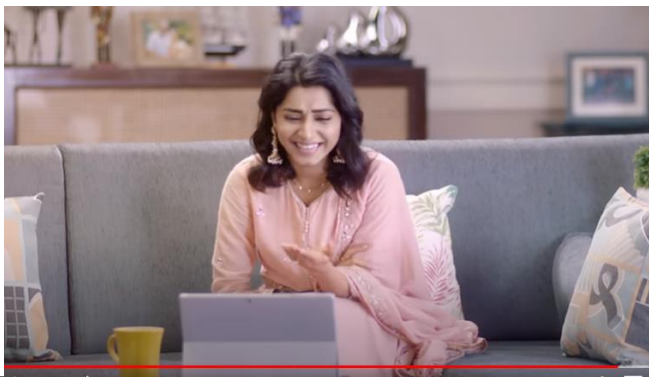




# Brand Visibility across different Occasions

## Launch of New TVC for Rakhi Festival

Daawat celebrates the unbreakable bond of siblings through the video, themed around 'Khud ki raksha karke apno ki raksha karein'.

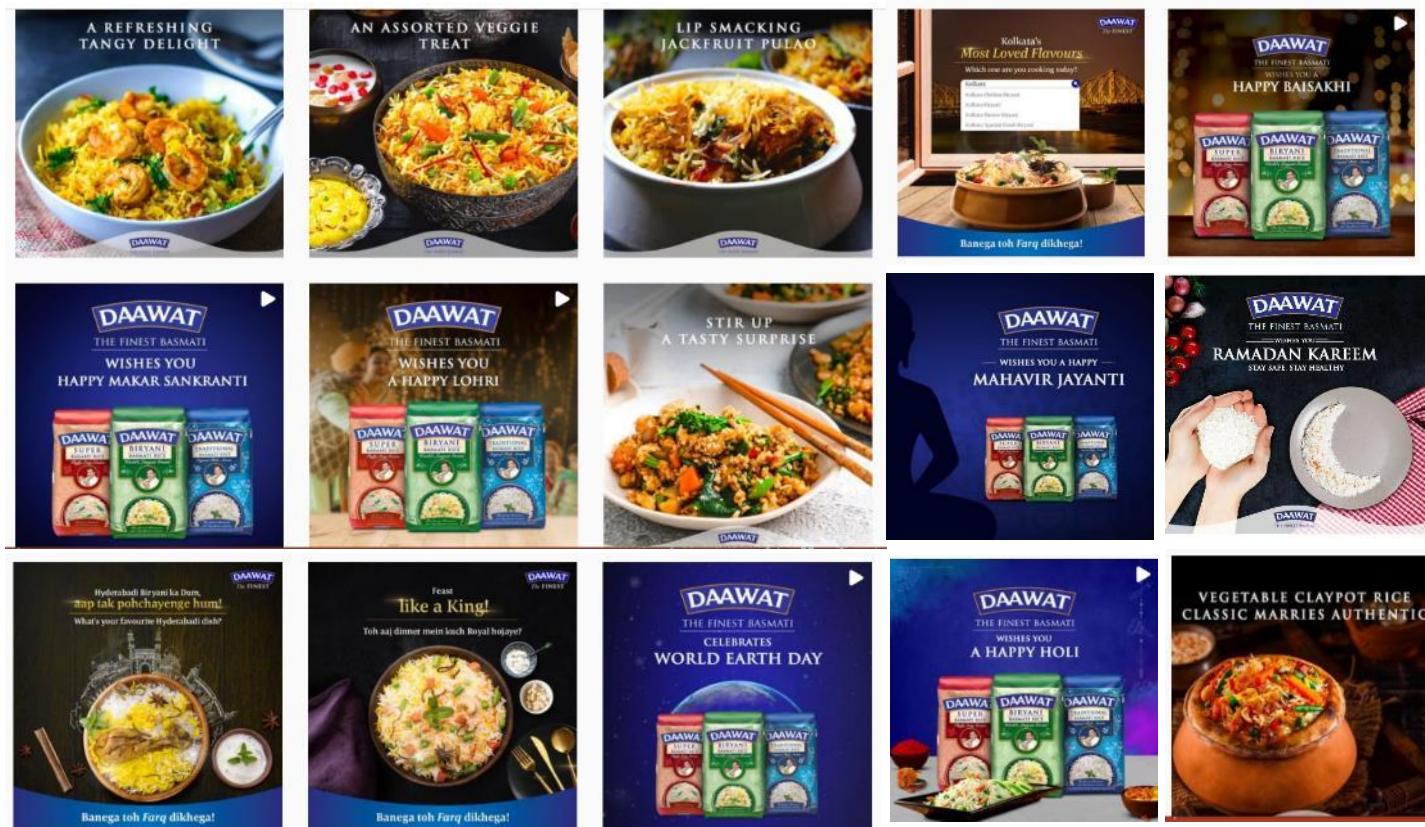


Total Reach  
275 lakhs  
+

Total Views  
83 lakhs +



Rakhi Campaign attracted massive PR coverage





# Strengthening Brand Equity for our brand Daawat in Indian Market

## Daawat Cuppa Rice



- Selling through 4 trade channels – FS, General Trade (Mumbai & Goa), E-Commerce (Amazon) & Exports (Middle East).
- Targeted sale from standalone mini-marts & supermarkets. Sampling Activation is being carried out in Mumbai to create awareness and generate trials.
- Packaging has been well-appreciated for being attractive, sturdy and with good shelf throw.

## Consumer Promotion



Media Campaign to communicate offer. 80L + views



Container free with Daawat Pulav and Dalia free with Daawat Brown Rice

## Making 'Out of Home' Brand Presence Stronger

### Bus Shelters in Delhi



### Dealer signboards for retailers in UP

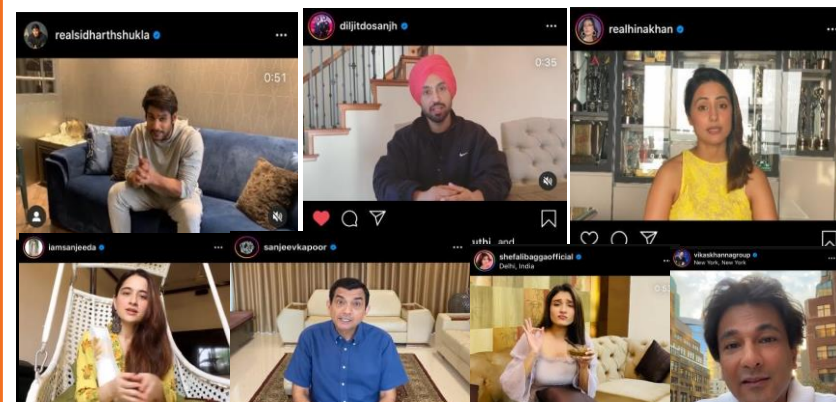


### Outdoor activity in Gujarat



## Engagement with Audience on who would they call for 'Pehli Daawat'

Different Celebrities shared their own story – 35 lakh+ views



## TV Campaigns in AP and Telangana

Became market leader in AP across all Channels



# Strengthening Brand Equity of our brand Daawat Globally

## Europe – Marketing Initiatives



### Launched Daawat “Boil in a Bag”



### Listed at Jumbo, the Dutch Supermarket Chain

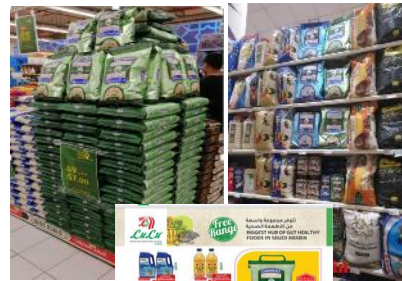


## Middle East - - Marketing Initiatives

Change of Arabic logo has now been implemented across all products in the region



DAAWAT has been launched in 2 big modern retail chains LULU and Danube.



Revamp Hadeel to the new look “Orange”, looks impactful and stands out in the shelf after launch a very good response from customers



### Daawat Cuppa Launched



### New Product Launched



### Influencer Kits ‘THE ON THE GO DAAWAT’ and ‘Card and Cup top Prompt Stickers’



The Kit consists of elements like a cloth bag in brand colors, a card addressing key moments to enjoy the products, SKUs available and QR Code to buy products online





# Strengthening Brand Equity of our brand Royal in America

## Print and Digital Advertising

Mixed media campaign to increase awareness amongst mainstream consumers of Royal® RTH

### Print Media



Total Impressions  
140 lakhs +

### Digital/Social

Strong social media presence focused on festivals, Influencer Campaign and the Holidays



Total Impressions  
180 lakhs +

## Programming Update

Drive top of the Mind Awareness for Royal and Daawat Products



## Increasing Consumer Demand in store through demo and displays

90+ Demos at Restaurant Depot and partnership with Avocado's From Mexico



Co-Branded Recipe Cards



Building awareness through End Cap and Shippers



Drive overall awareness and consideration of Royal RTH during mealtime planning

Digital coupon campaign to increase conversions



Total Impressions 1,100 Lakh

Omni-Channel campaign to increase consideration and conversion at regional grocery partner



Drive trial & awareness along with new launches



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# Strategic Focus



## Margin Expansion

- Change in Product Mix
- Efficiencies across value chain
- Economies of Scale



## 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



## Strengthen Financial Metrics

- Improve EBITDA margins by ~ 50bps - 100bps p.a.
- Strengthen the Balance Sheet
- Improve ROCE & ROE

Maximizing shareholder return through creating a fully integrated, global, sustainable, predictable, profitable and growing consumer business



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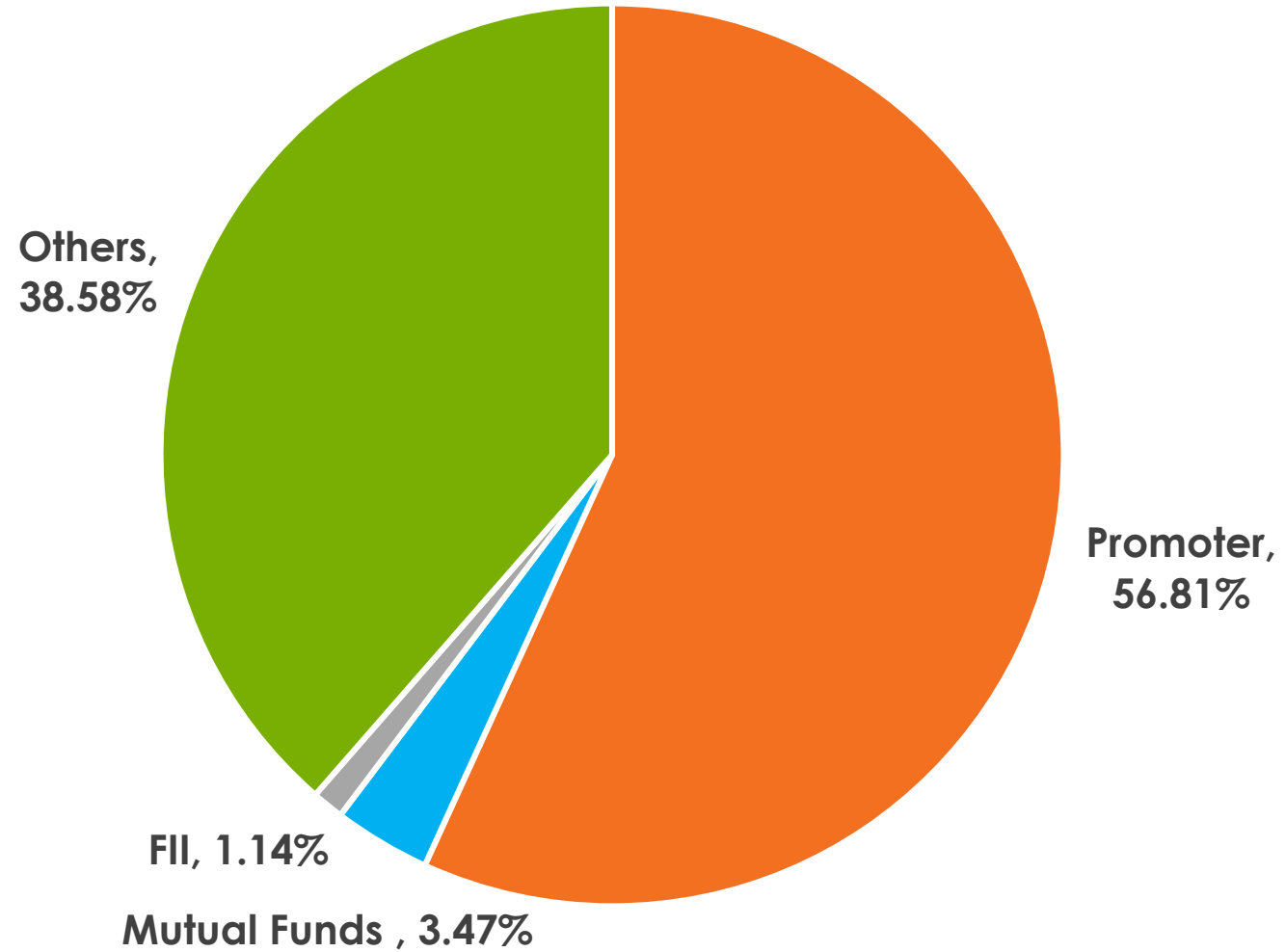
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# Shareholding Pattern

As on March 31, 2021





# Investor Contact

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## World of LT foods



Devaaya®



ecolife



KARI-KARI  
JAPANESE PREMIUM SNACKS

