



LT Foods Ltd.

DAAWAT

THE FINEST BASMATI



#1 in US



Business Update – March 2016

Safe Harbor

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Brand Acquisition



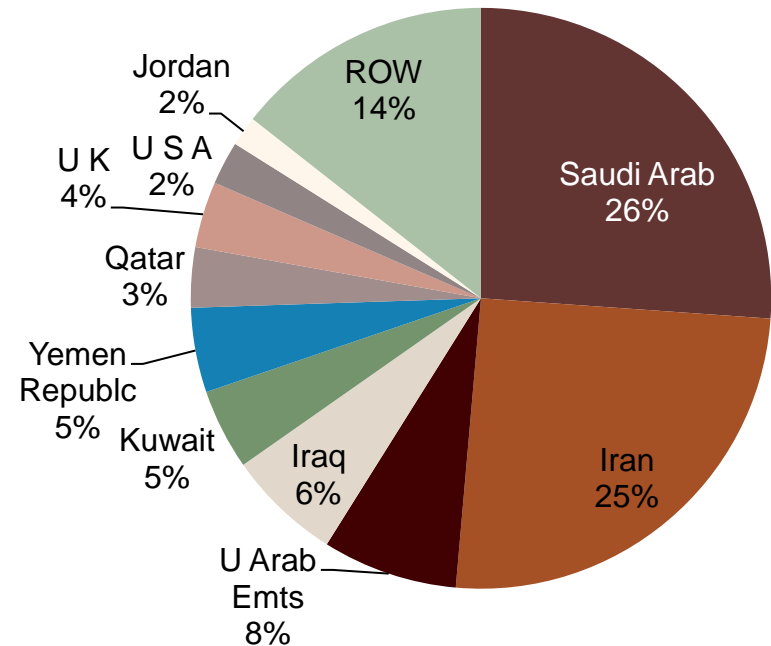
HUL Brands in Middle East



Middle East Opportunity

- Middle East has the largest basmati rice consuming population
- Rice is one of the most important staple food and is a major ingredient of some of the traditional dishes of the country
- Accounts for ~80% of the total basmati consumption in the world
- Middle east accounts for ~84% of basmati exports from India as of FY15
- Total exports from both Pakistan and India has grown at 28% CAGR over the last 4 years

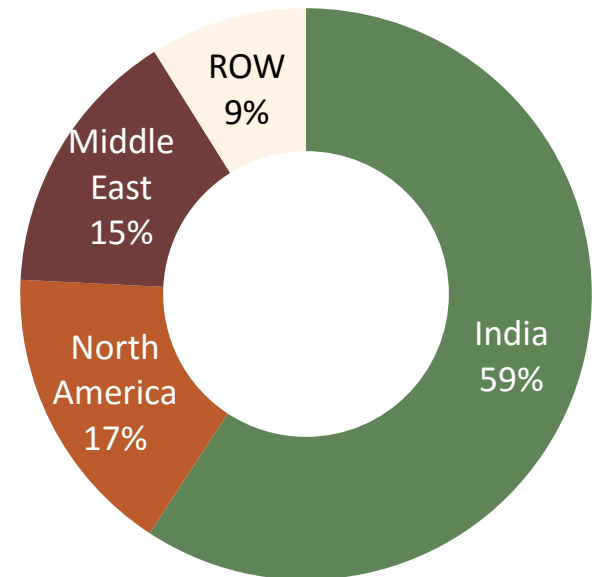
Major Export Region for FY15 % (in volume)



Current Presence of LT Foods in Middle East

- LT Foods is amongst Top 3 Basmati Players in key Geographies except Middle East
- The region is critical for strengthening LT Foods overall growth strategy, international footprint and Brand Recall
- Middle East accounts for only 15% of sale volumes of which 7% is branded and 8% is bulk sales
- Current presence is limited to Saudi Arabia, UAE and Kuwait

Geographic Breakup of Volume for FY15



Inorganic Opportunity

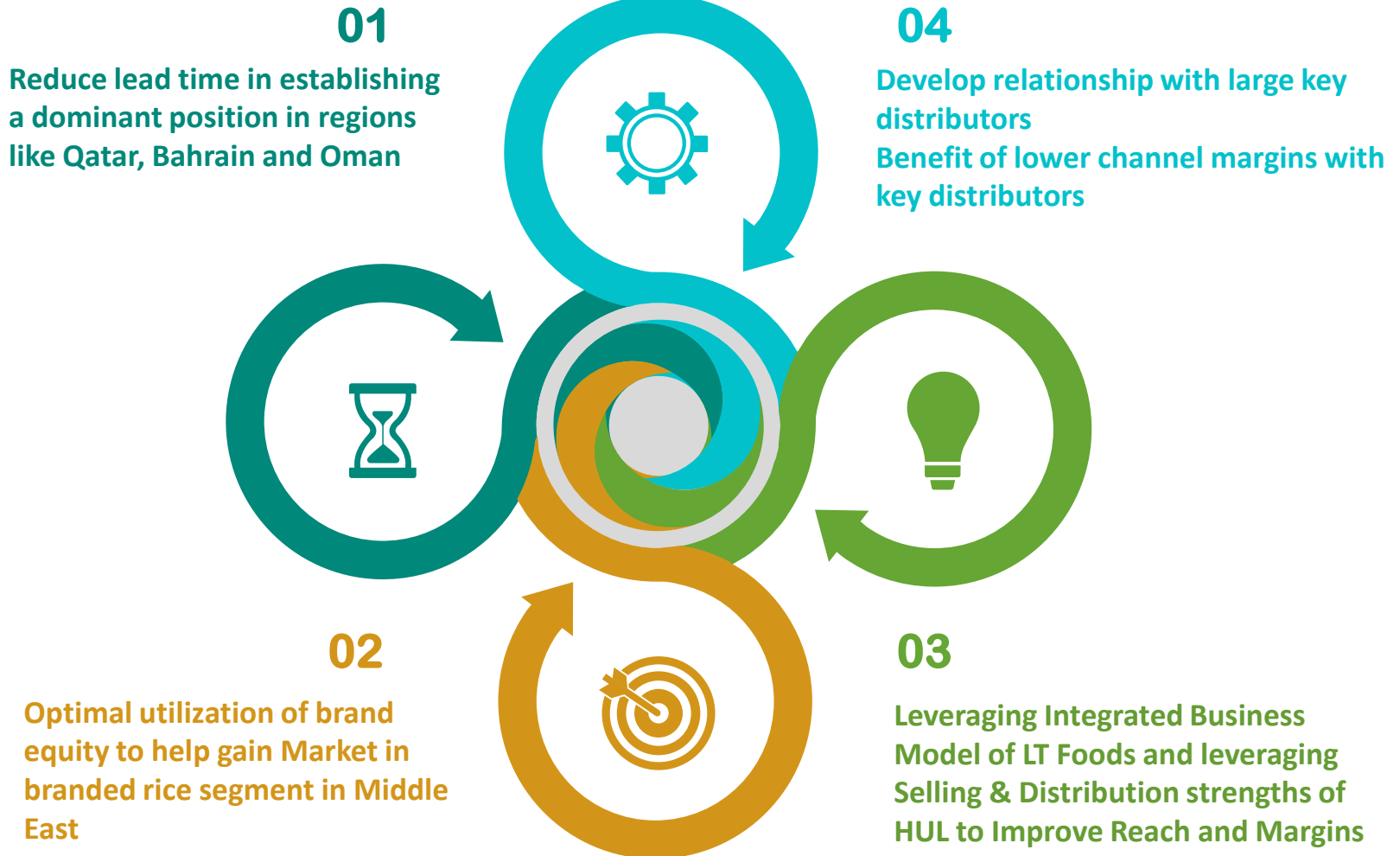
offers speed to gain stronger foothold with broader offering of Brands of High Recall Value

Acquisition - Branded Rice Business of Hindustan Unilever

- Acquired branded rice business of Hindustan Unilever focused in Middle East market
- Business include two iconic brands: 'Gold Seal Indus Valley' and 'Rozana'
- These brands enjoy high recall in the Middle East which will strengthen LT Foods position in this region
- Brands have more than 40 SKUs across various price points and packaging
- Total consideration of ~Rs 25 crs to be funded through debt and internal accruals
- The Brands registered a turnover of Rs 51 crs as of FY15



Strategic Rationale of the Acquisition



About LT Foods

DAAWAT
THE FINEST BASMATI



Evolved from a Rice Trader to...



1985-1995

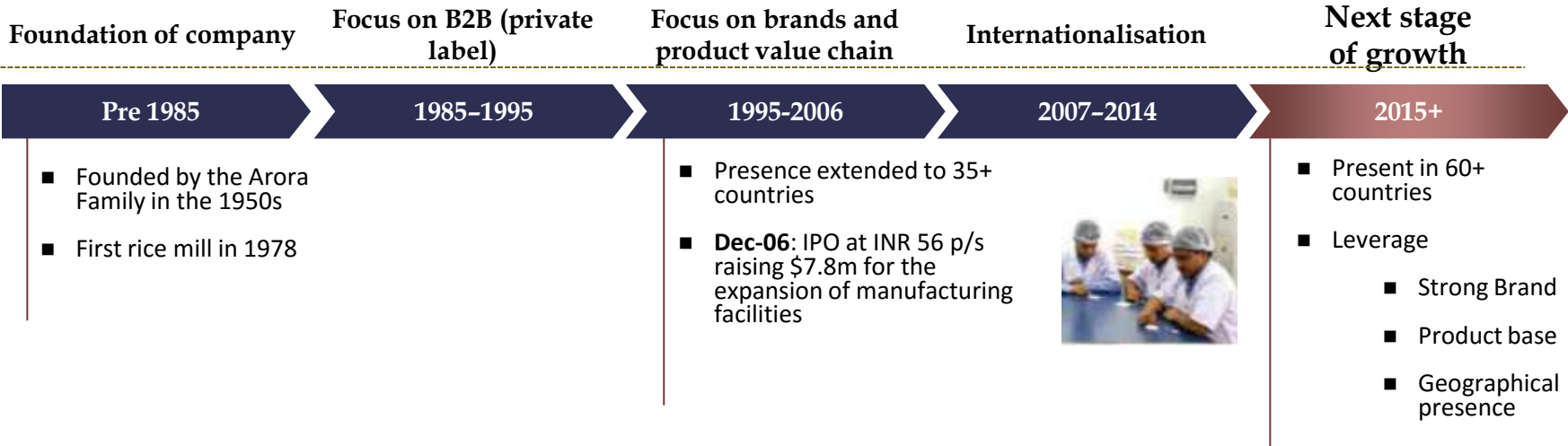
- Incorporation of LT Overseas Ltd
- Launched 'Daawat' brand in 1985
- 'Daawat' brand still in developing stages – launched the brand internationally in c. 20 countries

2007-2010

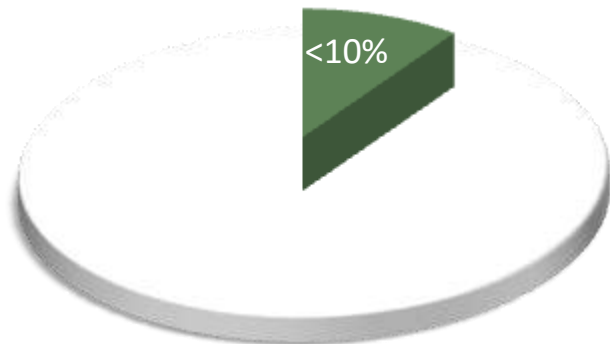
- Acquired 'Royal' brand in US
- Rabo PE invested equity capital of c.\$10m

2011-14

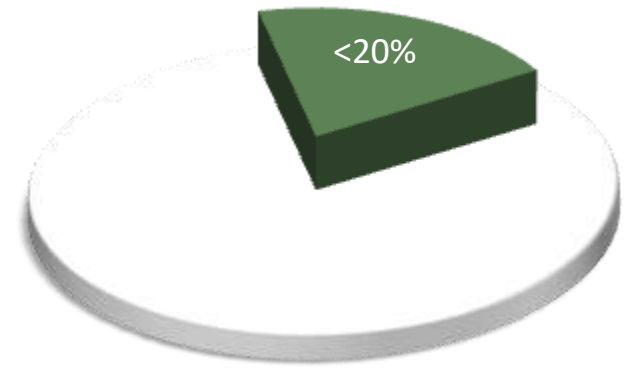
- Daawat reached #2 among basmati rice brands in India
- Launched value added staples and rice-based snacks



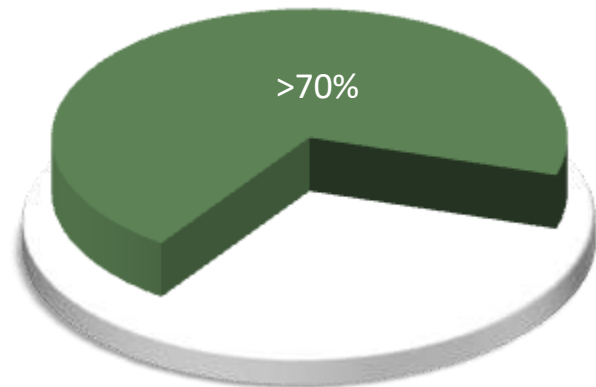
...A Leading Branded Speciality Rice Player...



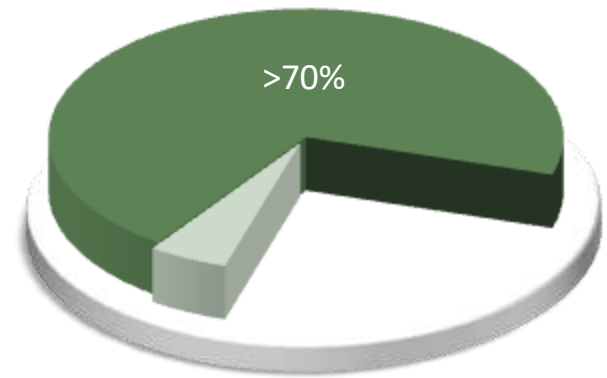
1985-95 Focus on B2B
(Private Label)



1996-2006 Focus on Brands &
Product Value Chain



2007-14 Internationalization



NEXT Stage of Growth

A Specialty Food Company...

Branded Basmati rice



Premium



Health



Horeca

Mid-price

Value

Value added staples



Wheat flour

Refined flour

Chickpea flour

Semolina

Flattened rice

Other products



Sauces



Oils



Organic food

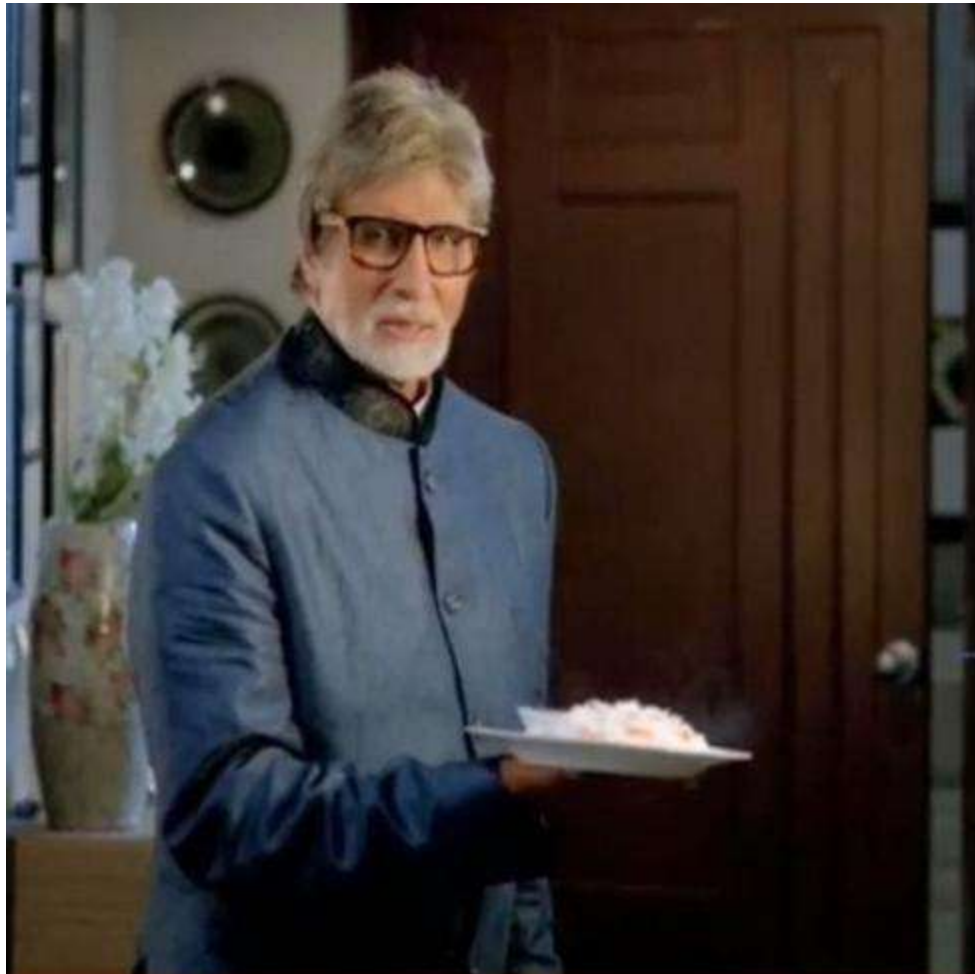
...with Leading Global & Regional Brands



#2 Brand in India



Safe Bhi Saaf Bhi



#1 Brand in US

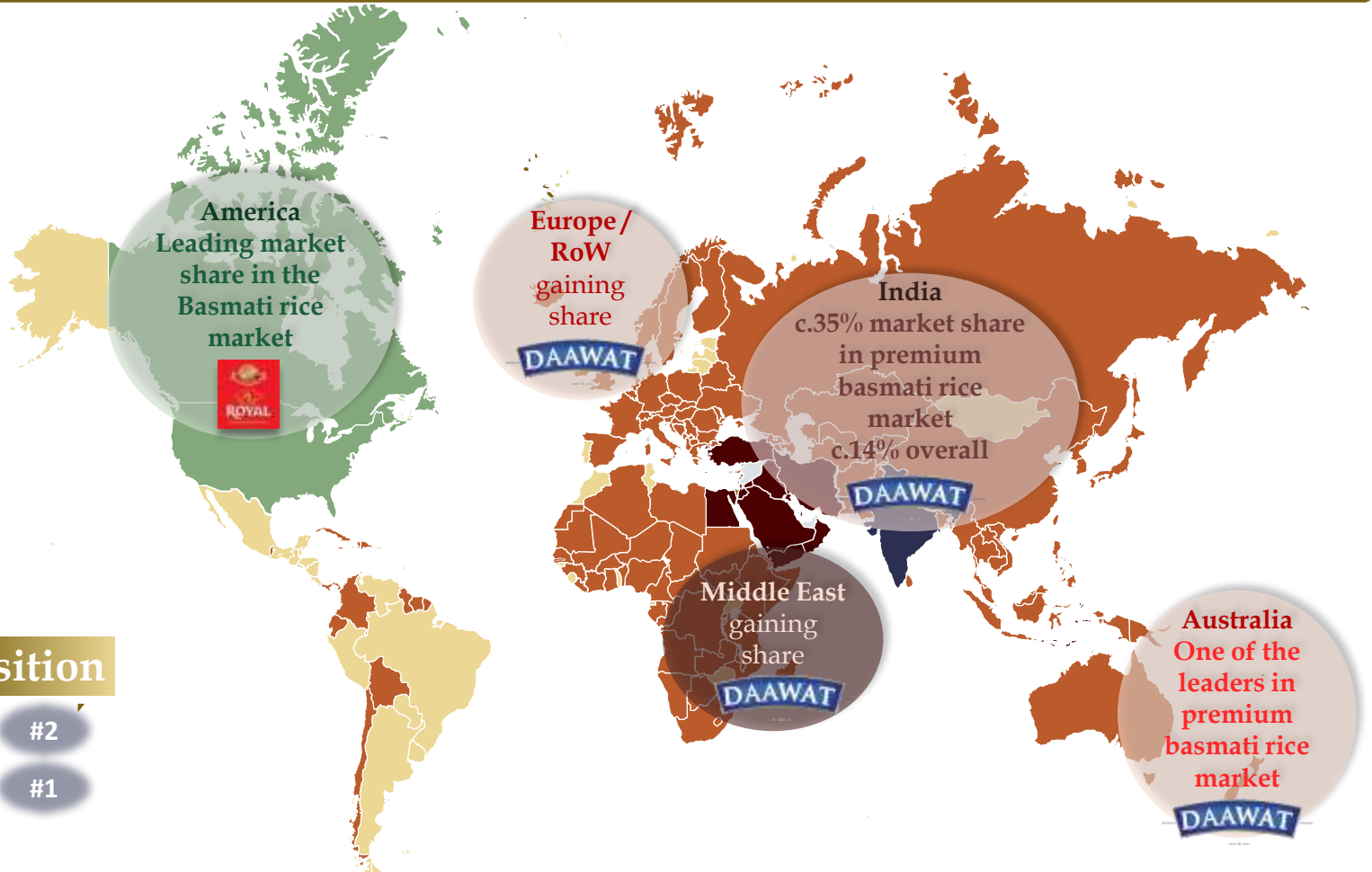


100% Organic



Grape Seed Oil

... Global Presence in over 60 Countries



Market position

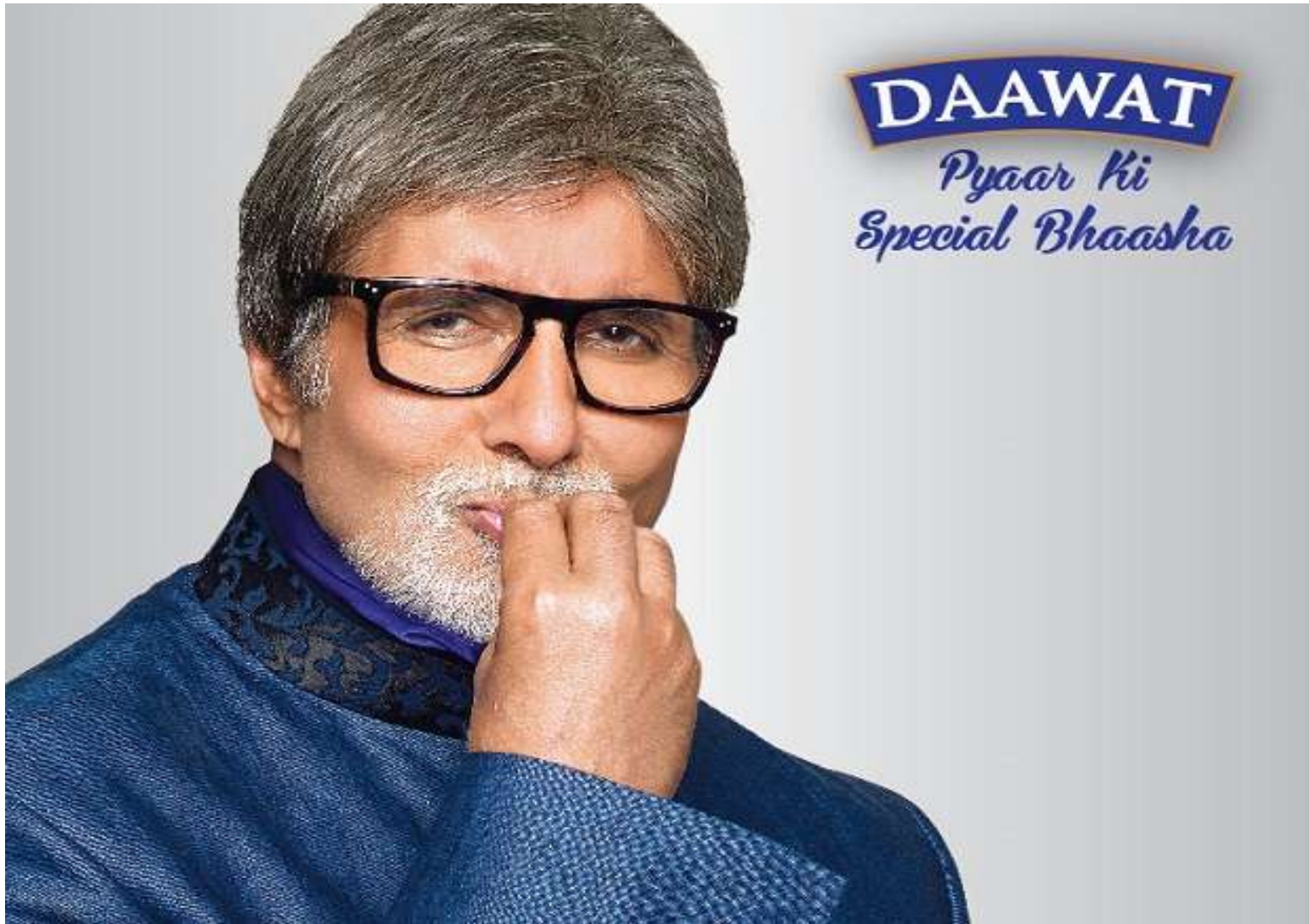
- India #2
- US #1

*Market shares as per management's estimates

... With State of the Art Manufacturing Facilities

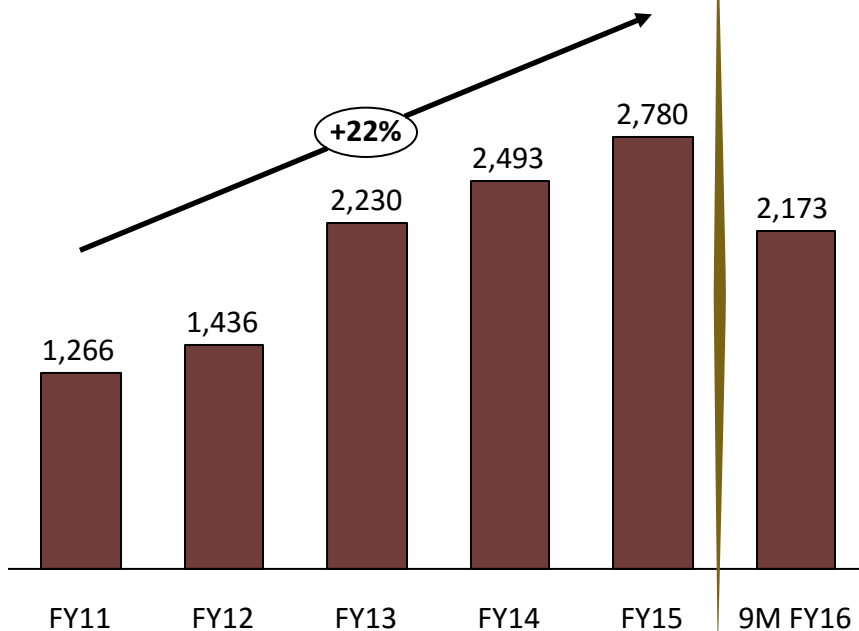
	Sonepat (Bahalgarh)	Sonepat (Kamaspur)	Bhopal	Amritsar	Varpal
					
	1999	2005	2008	1960	2010

Paddy capacity (TPH)	33	5 (organic rice)	26	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)
Accreditation	ISO, SQF, BRC, SA, Kosher, OU, Halal	ISO, NOP, NPOP, EEC and Kosher	FSSC, Halal, Kosher and BRC	ISO	FSSC and BRC
USP	1 st to have complete storage in 1 MT bags	100% organic facility with cold and CO ₂ treatment	1 st to get FSSC 22000 certification		Fully integrated and automated facility

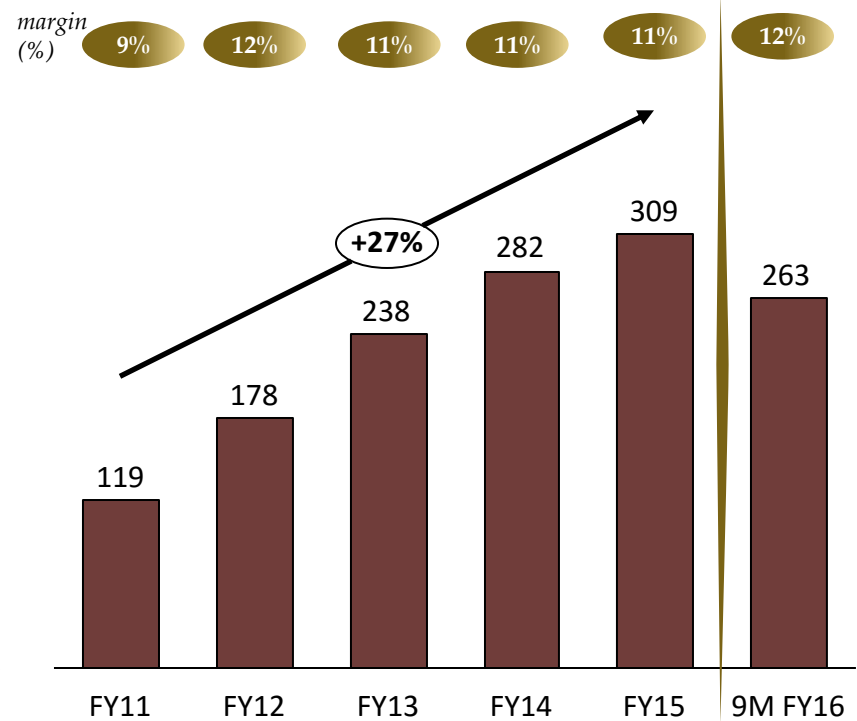


Improving Margin Profile

Revenues (Rs Crs)

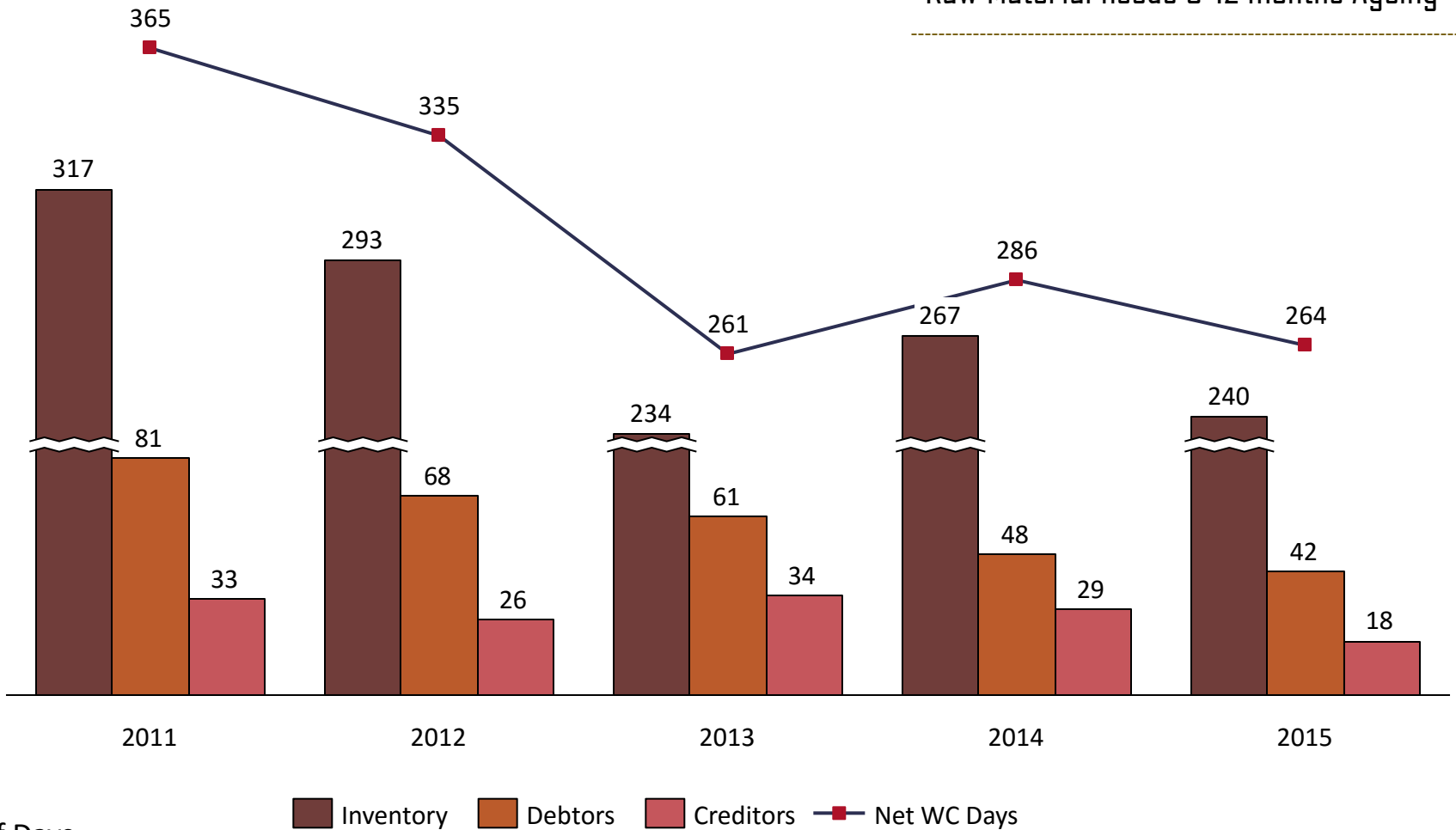


EBITDA (Rs Crs)



Improving Working Capital

Raw Material needs 9-12 months Ageing



Consolidated Profit and Loss Statement

Rs. Cr	3QFY16	3QFY15	YoY %	2QFY16	QoQ%	9M FY16	9M FY15	YoY%
Revenue	727	709	2%	691	5%	2,173	2,063	5%
Raw Material	504	547	-8%	493	2%	1,543	1,572	-2%
Employee Expense	21	19	10%	22	-3%	63	55	13%
Other Expenses	125	81	55%	86	45%	304	216	41%
EBITDA	76	63	22%	90	-15%	263	221	19%
EBITDA Margin	10.5%	8.8%		13.1%		12.1%	10.7%	
Other Income	0	0		0		1	1	
Depreciation	14	12	19%	14	1%	41	33	22%
EBIT	63	51	23%	77	-18%	223	188	19%
Finance costs	33	35	-5%	35	-7%	110	107	3%
Exceptional (Gain)/Loss	0	0		0		0	0	
PBT	30	17	81%	42	-28%	113	81	39%
Tax	12	6		16		40	27	
PAT	18	11	67%	26	-29%	73	54	35%
PAT Margin	2.5%	1.6%		3.8%		3.3%	2.6%	

Consolidated Balance Sheet

Rs. Cr	Sep-15	Mar-15
Shareholders Fund	518	463
Share Capital	26	26
Reserves & Surplus	491	436
Minority Interest	38	34
Total Non Current Liabilities	57	90
Long Term Borrowings	55	89
Other Non-Current Liabilities	2	1
Total Current Liabilities	1,571	1,858
Short Term Borrowings	1,179	1,550
Trade Payables	179	100
Other Current Liabilities	213	208
TOTAL EQUITY & LIABILITIES	2,184	2,445

Rs. Cr	Sep-15	Mar-15
Total Non Current Assets	419	425
Fixed Assets	302	311
Goodwill on Consolidation	78	74
Non Current Investments	6	7
Other Non Current Assets	33	33
Total Current Assets	1,765	2,020
Inventories	1,056	1,362
Trade Receivables	328	318
Cash & Cash Equivalents	43	21
Other Current Asset	338	319
TOTAL ASSETS	2,184	2,445



Company :

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