

# DAAWAT

## THE FINEST



# LT Foods



### Investor Presentation November 2017

# Safe Harbor

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 contract or 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.



# Contents



I

1HY18 Performance Highlights

---

II

Business Overview

---



\*All numbers on Consolidated Basis, unless otherwise stated



# 1HY18 Performance Highlights



## Financial Highlights – 1HY18 Vs. 1HY17 (Consol. Level)

- Topline growth of 5% to INR 1626 crore
- EBITDA increased by 7% to INR 205 crore
- EBITDA Margins expanded by 31 bps to 12.6%
- Profit Before Tax (PBT) improved by 27% to INR 113 crore
- Profit After Tax (PAT) at INR 71 crore, up by 22%
- Improvement in PAT Margin from 3.8% to 4.4%
- Contribution of branded revenue to overall revenue increased to c.62% (vs. 55%) realizations up by 12% (Rs. 68/Kg Vs. Rs.61/Kg) level
- Improvement in debt-equity ratio from 2.29 to 1.92 and current ratio from 1.06 to 1.10

# Strategic Highlights – LT Foods launched Brand “Kari Kari”

- During the last quarter, LT Foods entered into healthy snacks market with launch of premium rice based snacks “Kari Kari” through its JV with Kameda Seika
- The products are available in Delhi NCR and Bengaluru in modern trade and premium stores
- The initial response from the market is very encouraging



# Strategic Highlights - LT Foods Opened up a Plant in the US

- During the last quarter, LT Foods opened a plant in the US to manufacture organic ready to heat products
- The plant is set up in line with our growth strategy and in line with the changing consumer trends to expand our product offerings by leveraging our strong brand equity and distribution network of Royal



# Business Overview





# A family business with a 80 year history



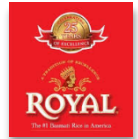
## 1985-1995

- The majority of business was private label
- Incorporation of LT Overseas Ltd
- Launched 'Daawat' brand in 1985
- 'Daawat' brand still in developing stages - started launching the brand internationally in c. 20 countries



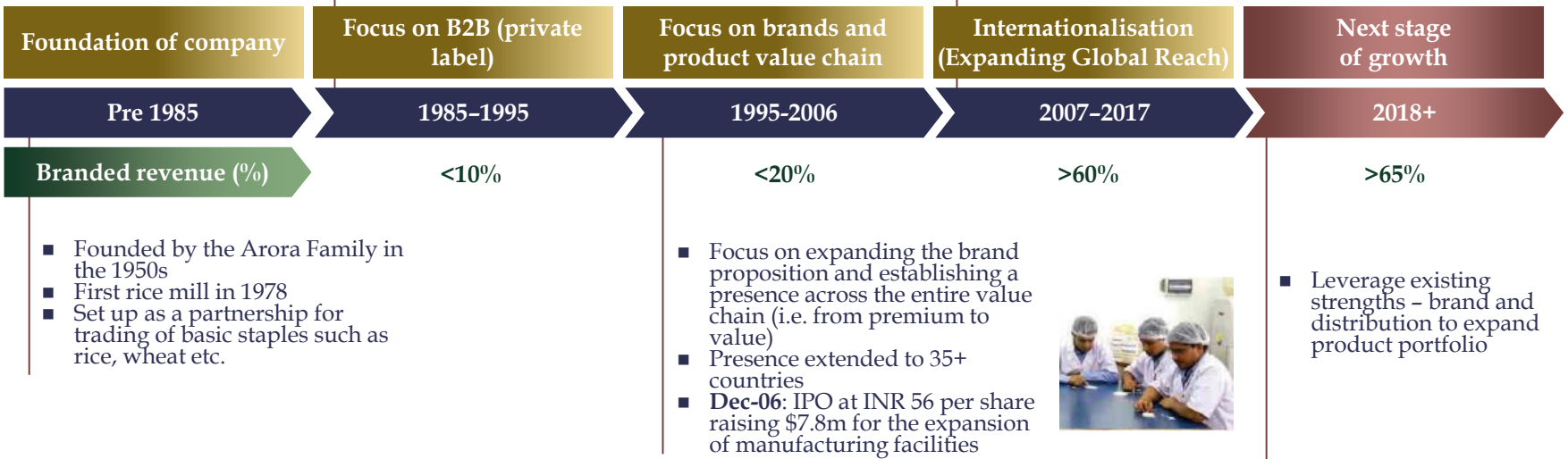
## 2007-2010

- Acquired 'Royal' brand in US
- Rabo PE invested equity capital of c.\$10m
- Launched four new variants of Specialist Range of Daawat Basmati Rice



## 2011-17

- Acquired 'Gold Seal Indus Valley', 'Rozana' and '817 Elephant' brands
- Launched 'EcoLife' - organic food brand in USA and India



*Evolution from a rice trader to a leading branded specialty rice player with a strong portfolio*

# Business Overview – Key Themes



1

# Leading branded food company...



*"The special language of love"*

- More than 30 years history
- Key positioning in premium basmati rice
- Caters to all customer segments with different sub-brands (e.g. Daawat Brown rice, Rozana, Chefs' Secretz)

Leading brand in India with c.21% market share in branded packaged Indian rice and c.35%<sup>1</sup> share of premium segment of Indian basmati rice

More than doubled revenues within last 4 years (FY13 to FY17)



*"#1 basmati rice in America"*

- Brand owned by LT Foods since 2007, and founded in the 80's
- Holds key position in premium segment of US basmati rice market
- Other products include Jasmine rice, Arborio rice, wheat flour and Couscous – now moving into the value added rice

#1 brand in the US with c.45%<sup>1</sup> market share in the US basmati rice market

Doubled revenues within last 4 years (FY13 to FY17)

## Other LT Foods brands



- Growing organic business in B2B segment with emerging brand presence of EcoLife
- Expanding our Brand portfolio inorganically as well.

Increased cross-selling opportunities at existing outlets, driving growth for distribution base

Unique brand identities with products anticipating key food trends

### Notes

- 1) As per management's estimates
- 2) Consumer U&A
- 3) AC Nielsen Q2FY17

*Strong portfolio of leading global and regional brands*

1

# ... with an extensive and growing product portfolio under the mega brands – Daawat and Royal (\*organically & inorganically)

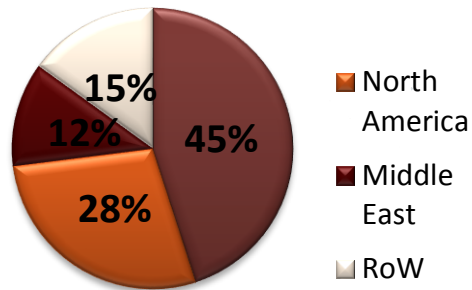


~ Contributes bulk of revenues ~

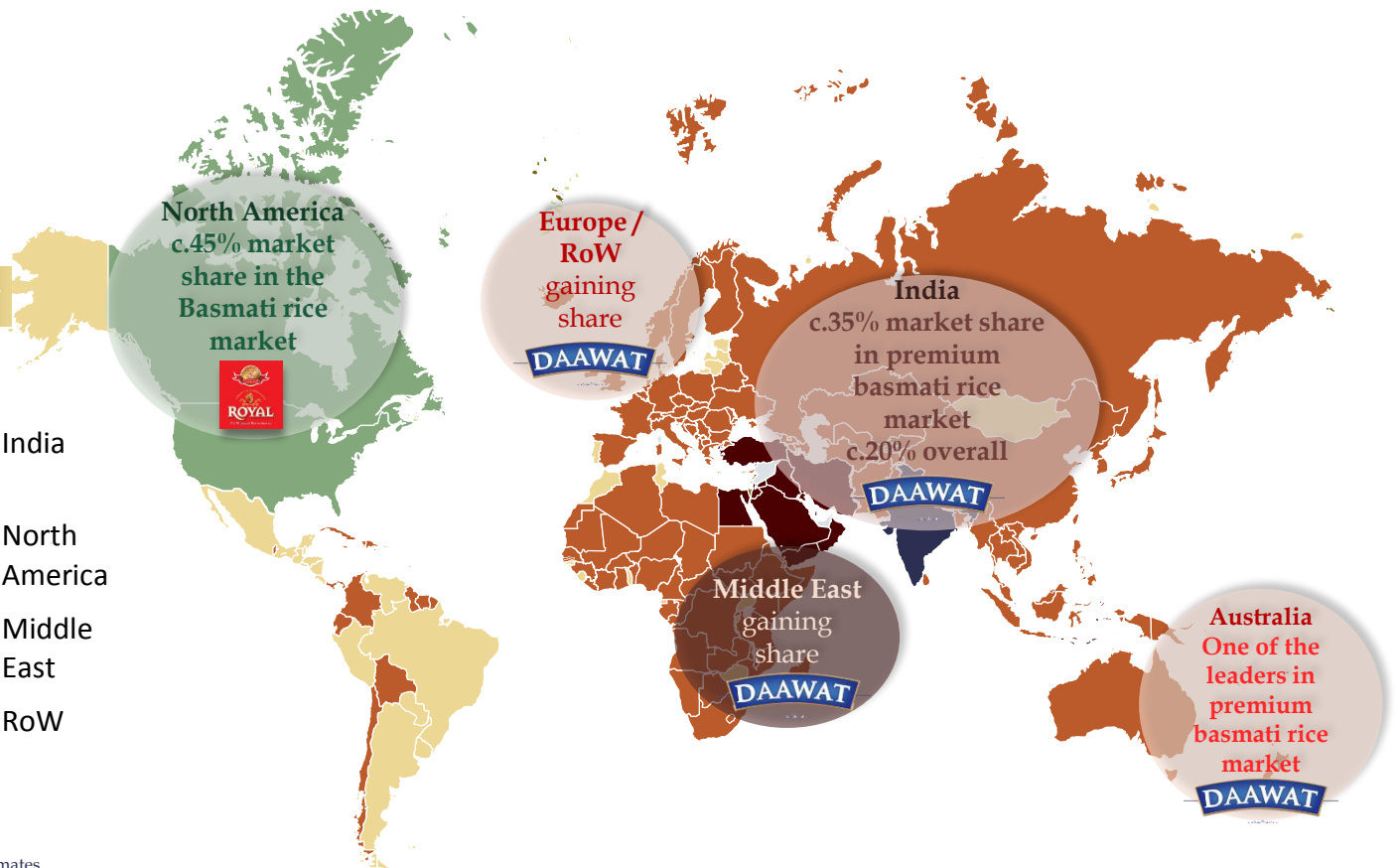
*Extensive branded rice portfolio complemented by growing product segments that support the core business*

## Strong international presence

FY17 Revenue by Geography



- India
- North America
- Middle East
- RoW



Notes

1) Market shares as per management's estimates

*Leading branded packaged foods company with a growing presence in over 65 countries*

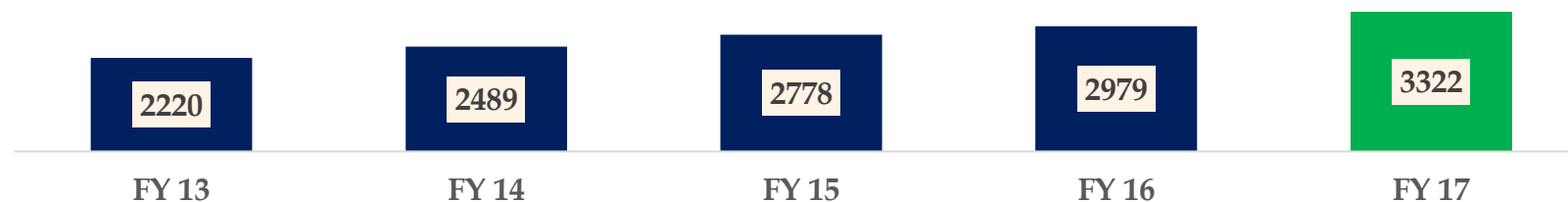
# 3 Value chain overview



*Benefits extracted at each stage of the value chain*

## Robust financial performance

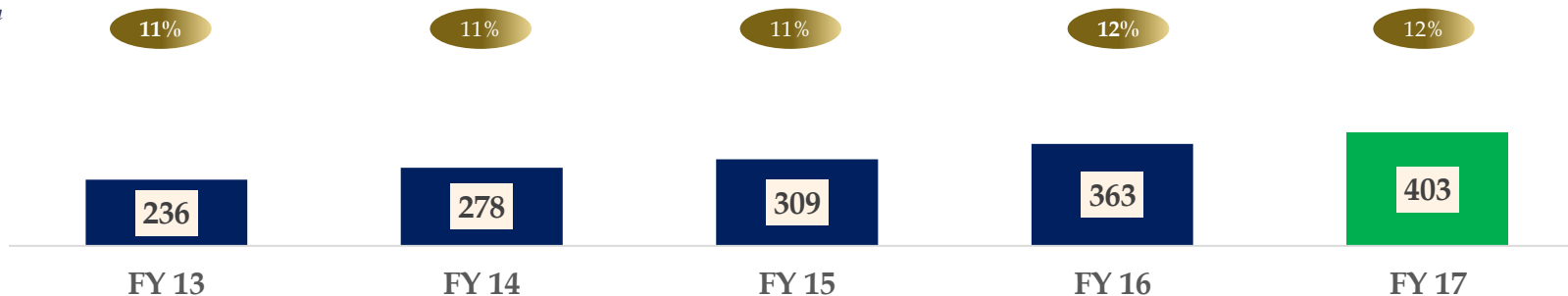
### Sales (INR Crore)



Note  
1 Excludes non-recurring revenue

### EBITDA (INR Crore)

Margin (%)



Note  
1 Excludes non-recurring revenue and expenses

*Demonstrated strong historical growth, driven predominantly by the branded business, both, in India as well as internationally*

# Management and Corporate Governance of International standard

## Corporate structure

- Key sourcing and product quality assurance functions are centralised in India
- Significant on the ground sales presence in India, the US and to a lesser extent in the Middle East, with other geographies covered through dedicated central resources
- India and US run independently, with HR & admin, IT, legal and corporate affairs centralised in India

## Management

- Highly experienced professional management team running day-to-day operations
- Family / promoters remain closely involved, preserving the heritage and culture of the business
- External consultants (EY, Accenture, McKinsey) hired when external expertise is required to install best systems or practices
- Well known experts on the Advisory Board including the former chairman of EY Mr. K.N.Memani and former Head of ITC Food Division Mr. Ravi Naware

## Control / transparency

- Grant Thornton auditing since 2010
- Well developed and transparent reporting structure in place
- Robust Internal Control Systems - world class consulting firm Protiviti appointed to further strengthen our systems and procedures
- As an initiative to foster transparency and pro-active investor communications, a full-fledged Investor Relations outreach programme has been initiated



*Professionally run organization with culture of control and transparency*





6

## Platform for further growth opportunities

Leverage existing strength...

I

Existing broad distribution platform and strong brands

II

Integrated Business Model

III

Established Supply Chain with strong customer base

IV

Strong Equity in Specialty Rice

...to support specific growth opportunities

Enable to gain share in Branded Business in India, Europe, US & Middle East

Enable us to gain share in Private Label in US, Europe and Middle East

Enable us to multiply the organic business in Europe and US

Enable us to launch Rice Value-Added products



*Leveraging existing strengths to focus on four key areas of opportunity*



# Platform for further growth opportunities

## Organic food

*ecoLife*

### *Product Portfolio -*

Rice, pulses, soya, spices, (small portions)

### *Rationale -*

- Leverage strength of existing supply chain and distribution
- Capitalise on global trend for organic products (15% growth in the US across the category)

*Stage of Development -* Launched in both India and the US

## Rice Based Products

- Organic RTH Rice
- Fortified Rice
- Sauté Sauces
- Instant Rice
- Rice Based Snacks
- Daawat Quick Cooking  
Brown Rice
- Rozana Gold Plus



---

**Company :**

---

LT Foods Limited.

CIN - L74899DL1990PLC041790

Ms Monika Jaggia

monika.jaggia@ltgroup.in

[www.ltgroup.in](http://www.ltgroup.in)

---