

LT Foods Limited

Investor Presentation – Q1 FY24



LT FOODS
NURTURING GOODNESS

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Q1 FY24 Results Highlights



Key Developments



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Q1 FY24 Results Highlights



Q1 FY24 Segment Highlights (YoY)

Total Revenue

10% ↑

Basmati & Other
Specialty Segment

24% ↑

Convenience &
Health Segment

-6% ↓

Organic Segment*

-31% ↓

* Due to anti-dumping duty on Organic Soya imports in U.S.



Q1 FY24 Key Highlights (YoY)

REVENUE

10% ↑

EBITDA

27% ↑

Book Value
Per Share (₹)

₹ 84.6 ↑
(from ₹ 70.3)

EBIT

29% ↑

Return on Equity

19.2% ↑
(from 17.3%)

PBT

29% ↑

Return on Capital
Employed*

19.4% ↑
(from 17.7%)

PAT

44% ↑

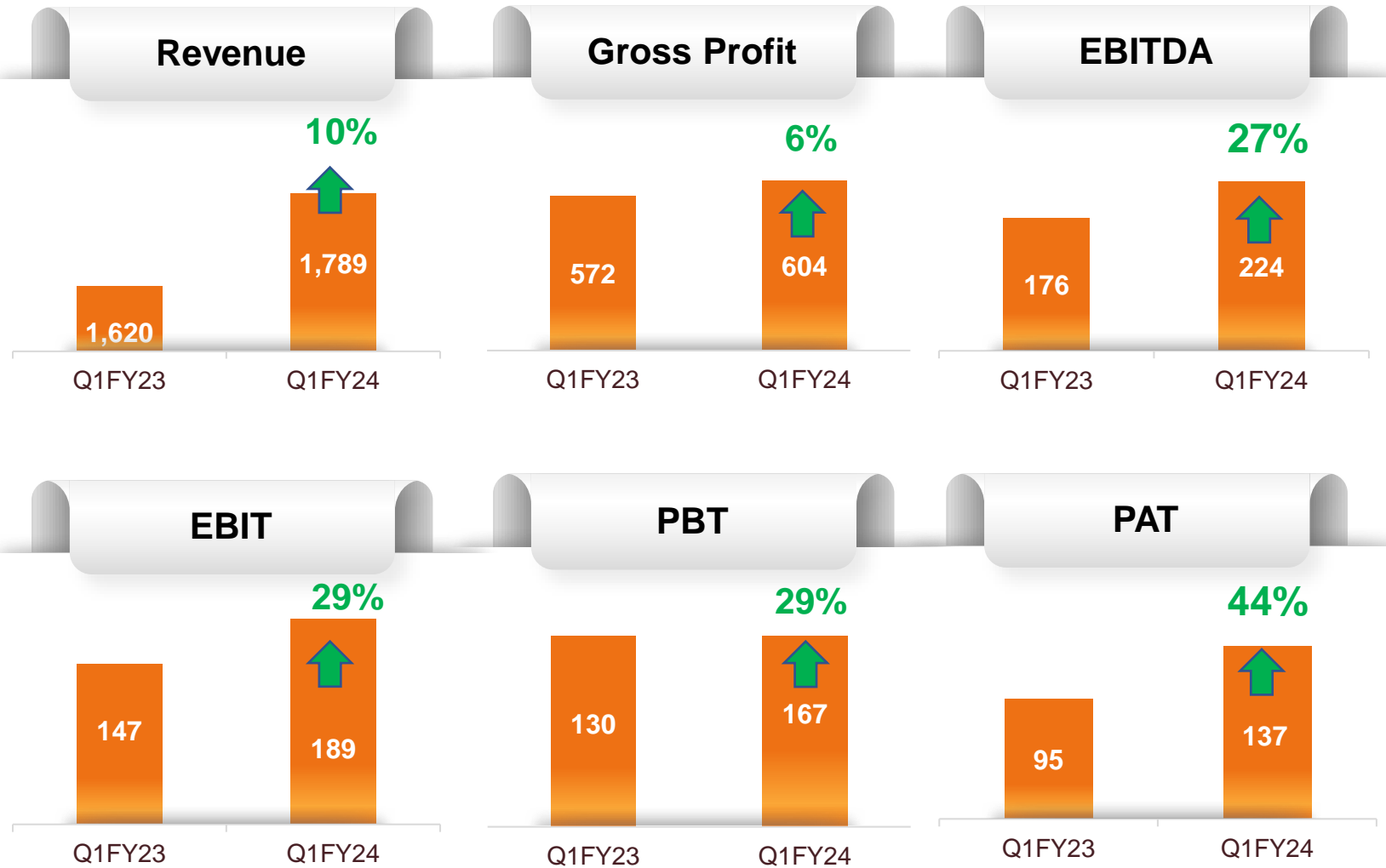
Cash Profit

39% ↑

* Normalized Return on Capital Employed – 20.1%



Q1 FY24 Financial Update



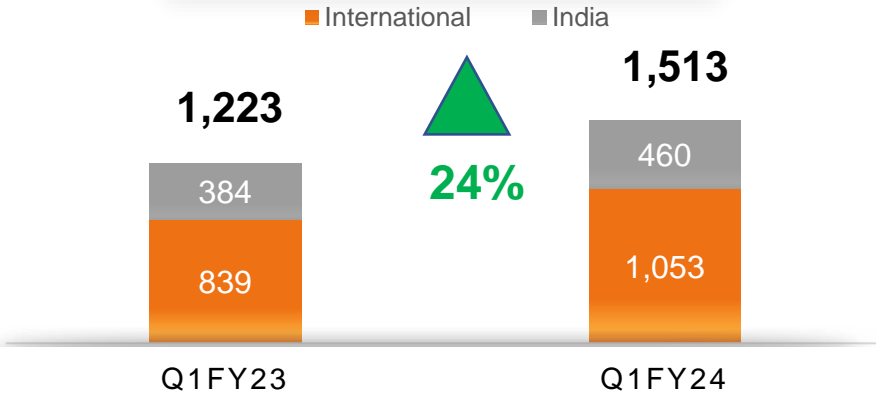
All Figures in ₹ Crore unless specified

- Revenue up 10% y-o-y aided by accelerated brand investments and scaling of distribution in Basmati & Other Specialty Rice segment
- Gross Profit up by 6% y-o-y & Gross Profit margin contracted by 150 bps (from 35.3% to 33.8%) on account of increase in input costs
- EBITDA up by 27%, Margins expanded by 167 bps (from 10.9% to 12.5%) due to:
 - Reduction in freight cost
 - Efficiencies at manufacturing level and benefit of scale
- PAT up by 44% y-o-y at ₹137 Crore

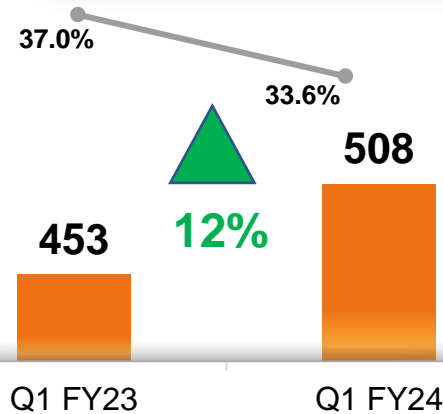
Segment Update – Basmati & Other Specialty Rice

Growing at a 3 Year CAGR of 13%

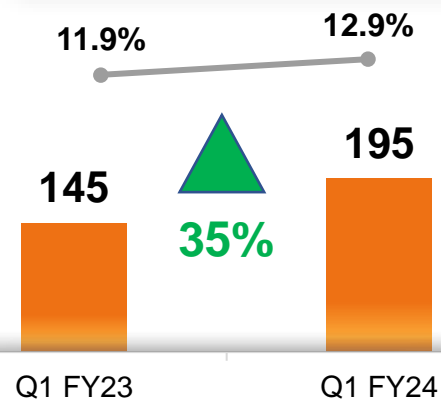
Revenue



Gross Profit & Margin



EBITDA & Margin

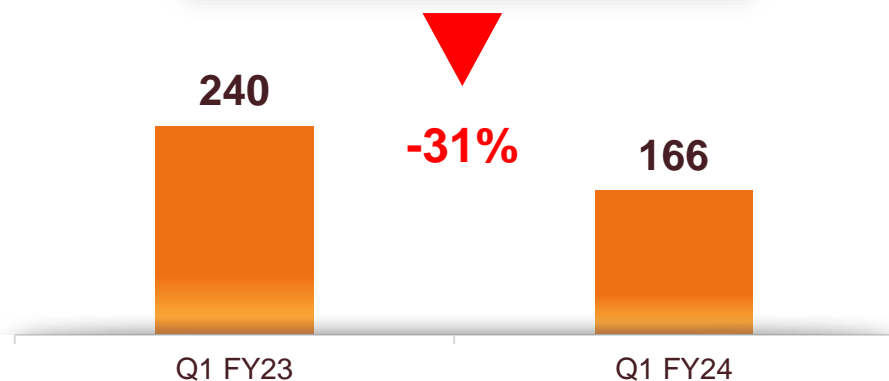


All Figures in ₹ Crore unless specified

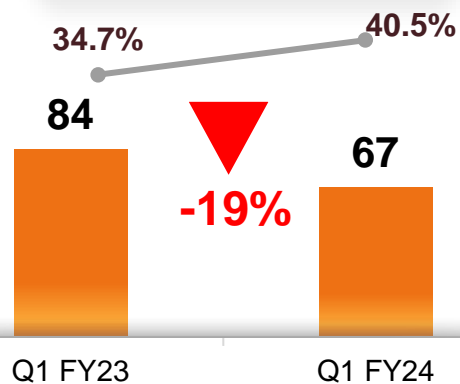
Segment Update – Organic Segment

Growing at a 3 Year CAGR of 10%

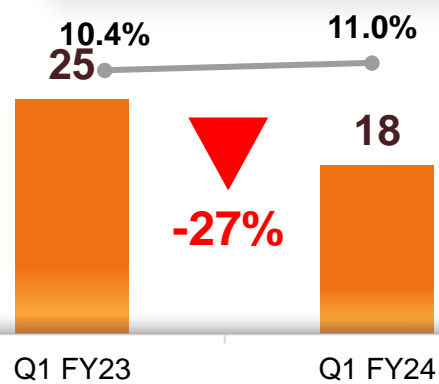
Revenue & Growth*



Gross Profit & Margin



EBITDA & Margin

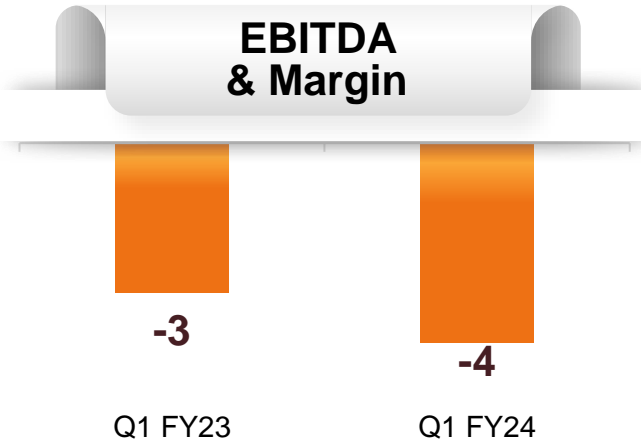
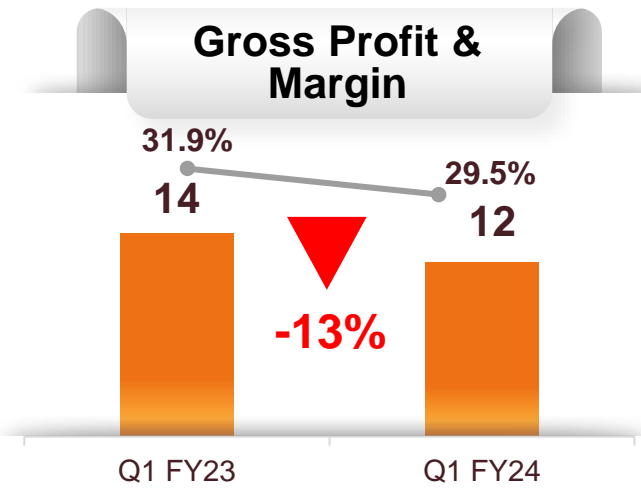
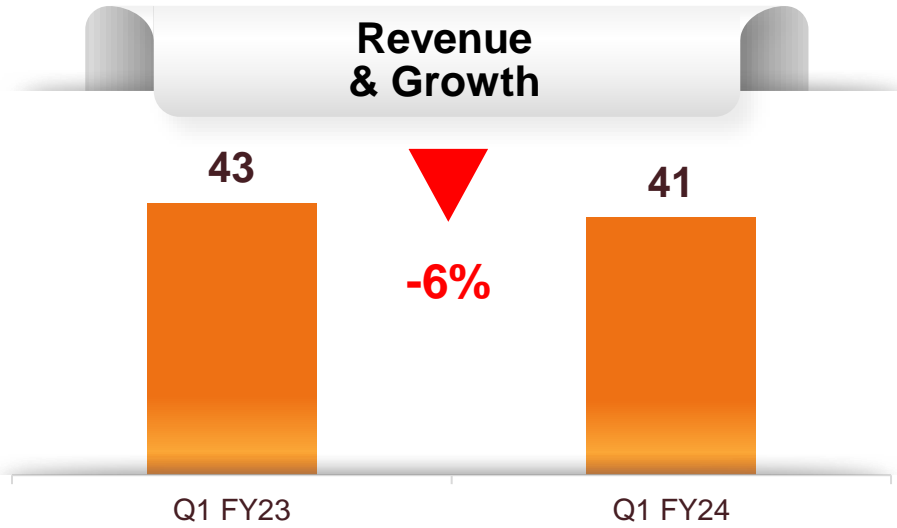


* Due to anti-dumping duty on Organic Soya imports in U.S.

All Figures in ₹ Crore unless specified

Segment Update – Convenience & Health Segment

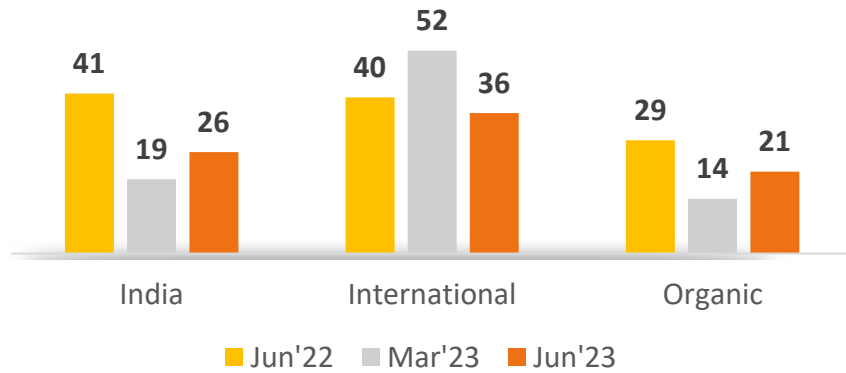
Growing at a 3 Year CAGR of 30%



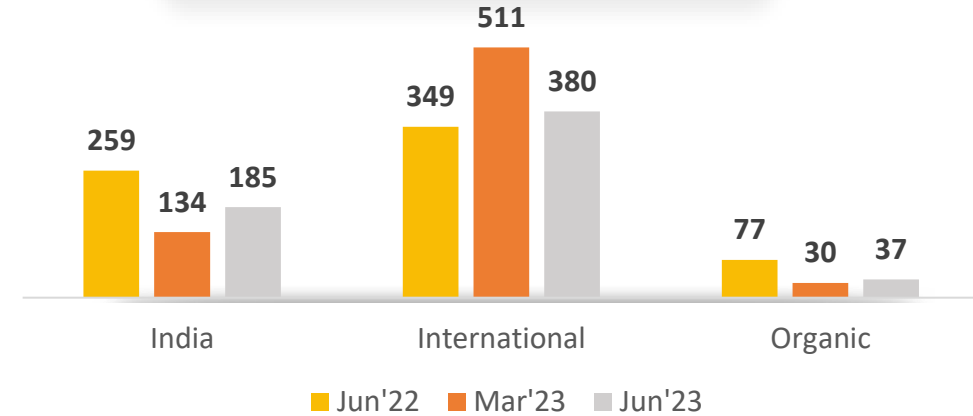
All Figures in ₹ Crore unless specified

Improving Working Capital Cycle

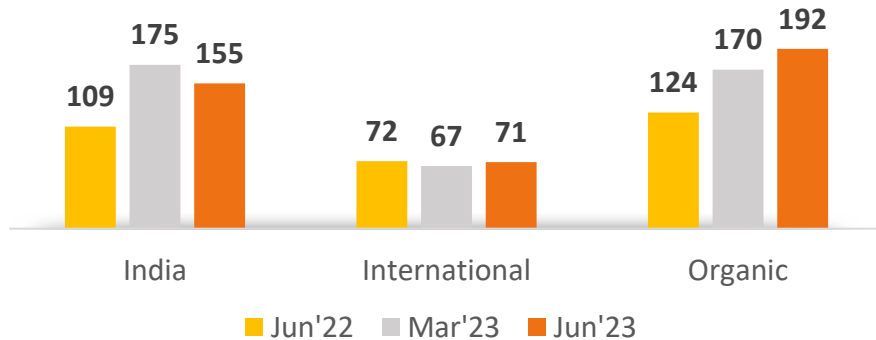
Debtors Days



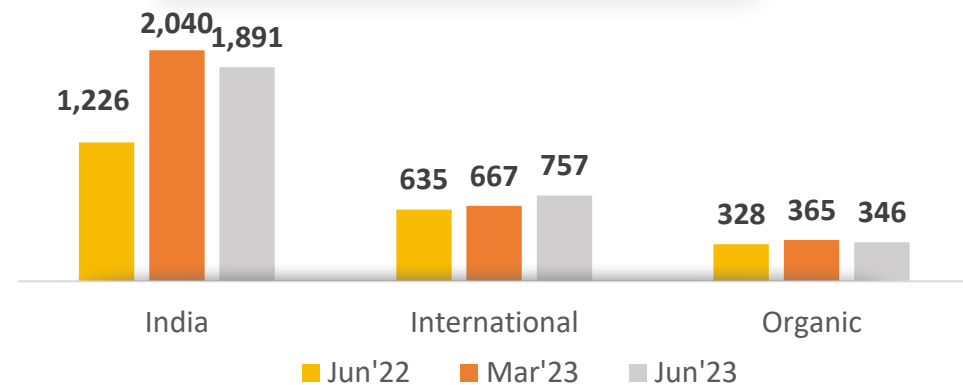
Debtors Amount (Rs. Cr)



Inventory Days



Inventory (Rs. Cr)





Key Developments

Key Developments

India

- Launched first-in-category, “Celebrating Rice Recipes” campaign with 4 creative renditions - Rajma Chawal, Kadhi Chawal, Biryani and Dal Chawal – aimed to communicate “Your favourite dishes deserve nothing but Daawat.”
- In another first-in-category, Daawat launched the ‘Biryani Champions League’ in Delhi & Kolkata to celebrate the Chefs who bring alive the delectable biryani experiences to all the Biryani lovers.
- Strengthened the Regional Rice portfolio with the launch of a new regional product – Devaaya Z- Jirasar 30 kg pack.
- Daawat Biryani broke all previous records, achieved ever highest number in two consecutive months (May & June).
- Daawat Biryani Kit continues to garner consumer preference across all platforms – E-Commerce, Modern Trade & select Retails.
- Becomes first-of-its-kind product to feature in the Top 5 Amazon Bestsellers list.



U.S.

- LT Foods Americas strengthened its market leadership in specialty rice, gaining 2% market share overall in Q1, with gains coming across Basmati, Sella and South Indian rice segments.
- Royal® gains number #1 position in the 5 lb basmati segment.
- E-commerce sales grew by 158%+ in Q1 FY24 compared to Q1 FY23, with strong return on advertising across platforms and operational investment into Amazon.



Daawat Biryani Champions League

Launched 'Daawat Biryani Champions League' to celebrate the Chefs who bring alive the delectable biryani experiences to all the Biryani lovers".



The competition was held in Kolkata on June 19, 2023, at ITC Sonar, Kolkata and in Delhi on June 24, 2023, at ITC Sheraton.

Strong Progress in Q1 FY24 in India backed by 360-Degree Marketing Campaigns



LT FOODS
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EID Campaign



TV – 12 days campaign
(Reach to 80L+ Core Audience)
3.7Cr+ views in Digital

3 Publications
56 Inserts
Market – Hyd, Delhi/UP AP Telangana

11 Influencers
1Cr + Views



Celebrating Rice Recipes



World's Longest Basmati Grains for your Favourite Biryani



Dal aur sirf Daawat Basmati



Rajma aur sirf Daawat Basmati



Kadhi aur sirf Daawat Basmati

37 Cities / 14.6Cr Impressions/ 5.1Cr Views

Health Campaign on Brown Rice



Digital Campaign
Views 52L+
Impressions 1.46 Cr+



25 Influencers
1.8Cr + Views

Volume Market Share %

29.8% ▲ **210 Bps** Gr.%

*As per AC Nielsen (MAT June 23 vs. MAT June 22)

Influencer Campaign



CAT A Influencer
No. of Influencers - 9
Total Views – 1.51 Cr



CAT B Influencer
No. of Influencers - 500
Total Views – 1.9 Cr



Nano Influencer
No. of Influencers - 1500
Total Views – 19 L+

Massive PR Coverage



World Biryani Day Campaign



Biryani Champions League





Strategy and Outlook

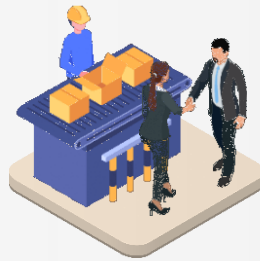
Capital Allocation Plan

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 strives 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



Growth

- Expanding our product portfolio, by introducing new products to increase appeal across consumer segments.
- Entering in new geographies and widening distribution channel.



Margin Expansion

- Building economies of scale and unlock synergies
- Adding efficiencies across the value chain
- Driving premiumisation



Investing in Capabilities

- Digital Transformation
- Create a Future Ready Organisation
- Automation



Being Responsible

- Embedding ESG in the culture of the organisation

We continue to 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 and 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%**

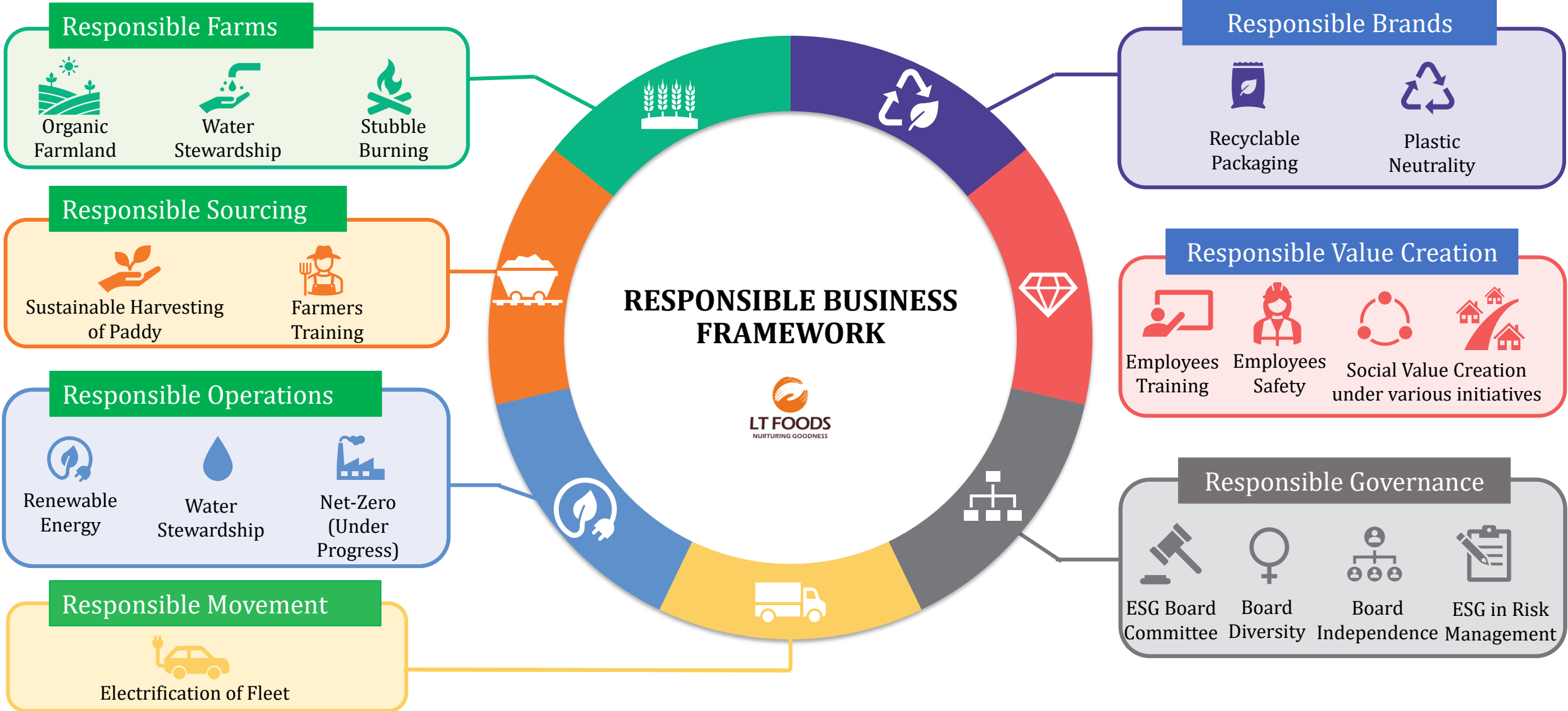
FY25: ROE **c. 20%**



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

(LT Foods Ltd.; Daawat Foods Ltd., Nature Bio Food Ltd., Eco Pure Specialities Ltd.)



Sustainable Harvesting of Paddy

Baseline : 13,000 farmers trained

FY23 : 16,525 farmers trained

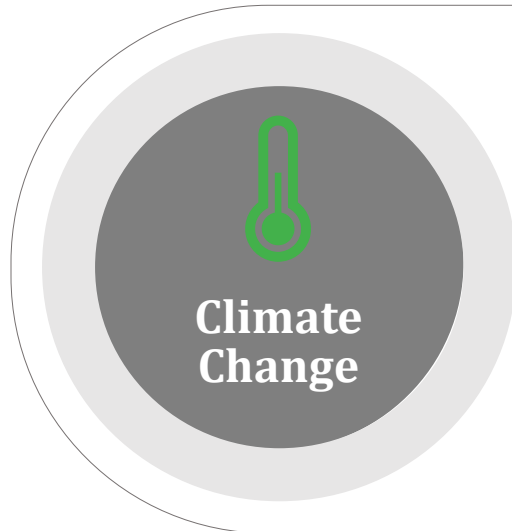
50,000 farmers to be trained on Sustainable Farming Practices by 2025 (Public private partnership with ICAR*)

Organic Farmland

Baseline : 1.4 lakh acre

FY23 : 1.64 lakh acre

2.5 lakh acres of organic farmland by 2030



Renewable Energy

Baseline : 46%

FY23 : 42%

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

Tree Plantation

Baseline : 1 Lakh

FY23 : 1.1 lakh

10 lakh trees by 2030

Net Zero Goal Ambition

Goal Setting Under Progress

*ICAR - Indian Council of Agricultural Research

Environment Scorecard and Goals

(LT Foods Ltd.; Daawat Foods Ltd., Nature Bio Food Ltd., Eco Pure Specialities Ltd.)



Water Conservation

Baseline : 110 Bn litres

FY23 : 110 Bn litres

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

Water Recharge

Baseline : 4 Ponds

FY23 : 7 Ponds

Renovation and construction of 100 Ponds by 2030



Plastic Neutrality

FY23 : 100% through EPR

100 % Plastic Neutrality by 2025

Sustainable Packaging

Baseline : 74%

FY23 : 74%

80 % Recyclable Packaging by 2025

*AWD – Alternate Wetting and Drying

*EPR – Extended Producer Responsibility

Social Scorecard and Goals

(LT Foods Ltd.; Daawat Foods Ltd., Nature Bio Food Ltd., Eco Pure Specialities Ltd.)



Infrastructure Development

Baseline : 10 Villages

FY23 : 40 Villages

Infrastructure development for 150 villages by 2030

Quality Education

Baseline : 19 Schools

FY23 : 30 Schools

Adopt 100 schools for infrastructure and quality education 2030

Safe and Clean Drinking water

Baseline : 20,000 beneficiaries

FY23 : 31,600 beneficiaries

Cover 5,00,000 beneficiaries by 2030

Women Health

Baseline : 5,000 beneficiaries

FY23 : 8,500 beneficiaries

1 Lakh beneficiaries



Training Hours

Baseline : 20 hours

FY23 : 23 hours

36 hours per person / year by 2025

Zero Fatality

Baseline : Nil

FY23 : Nil

We strive to maintain status of Zero Fatality

Gender Diversity

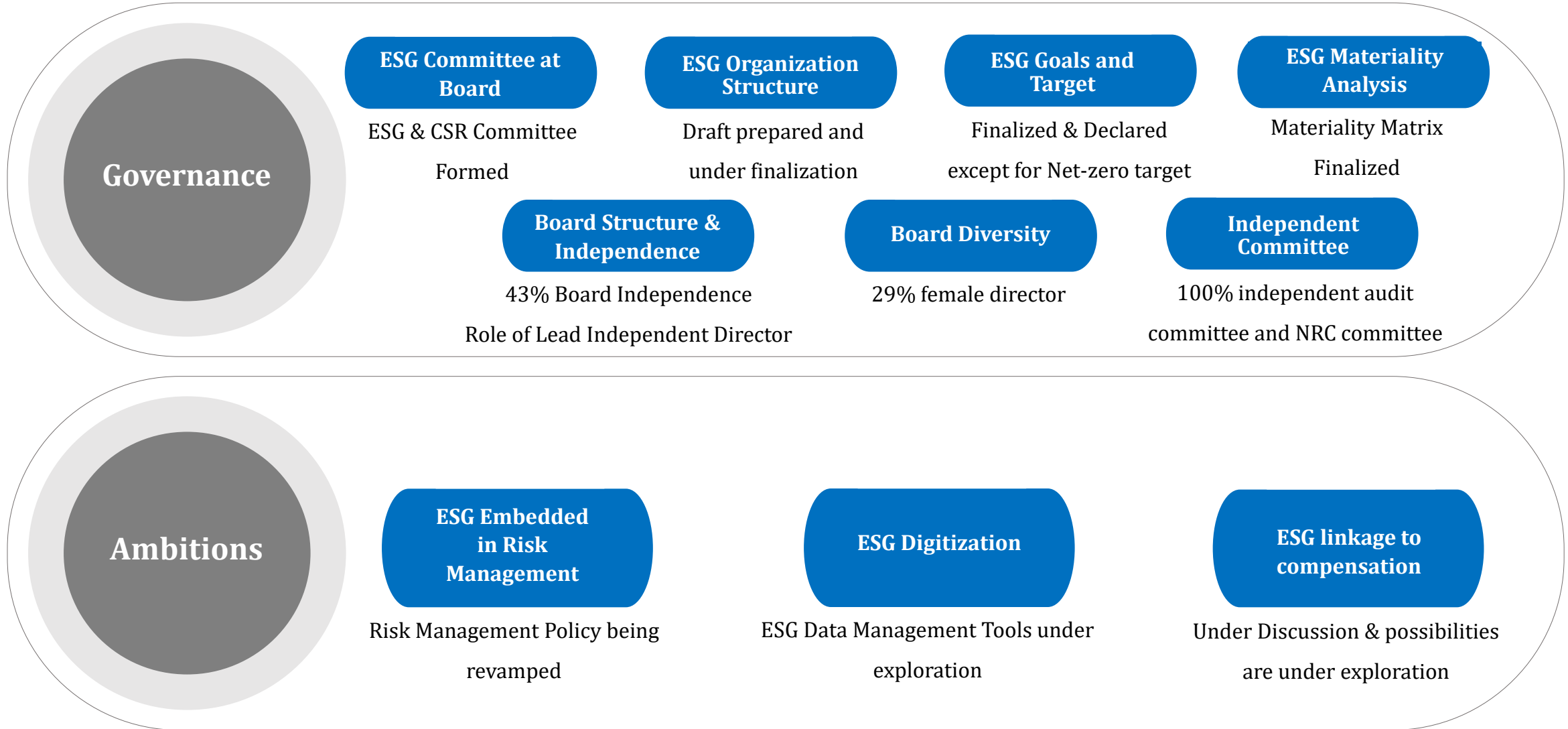
Baseline : 6%

FY23 : 7.7%

We aspire to have 10% Gender Diversity (White Collar employees) by 2025

Governance Scorecard and Goals

(LT Foods Ltd.; Daawat Foods Ltd., Nature Bio Food Ltd., Eco Pure Specialities Ltd.)



Shareholding Pattern

As on June 30, 2023



Shareholding Information

Mutual Funds, 2.84%

FII, 6.48%

Promoter, 51.00%

Others, 39.68%



Shareholder Information as on June 30 , 2023

BSE Ticker	▶	532783
NSE Symbol	▶	DAAWAT
Market Cap (₹ Cr)*	▶	4,572
% Free- float	▶	38.4%
Free Float Market Cap (₹Cr)	▶	1,755
Shares Outstanding (Cr)	▶	34.7
Industry	▶	Consumer Food


Promoter shares are unencumbered

* Share Price as on 30th June '23 (Closing Price: Rs 131.55)

Investor Contact

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