

Investor Presentation

FY22 & Q4 FY22



LT FOODS
NURTURING GOODNESS



Safe Harbour Statement

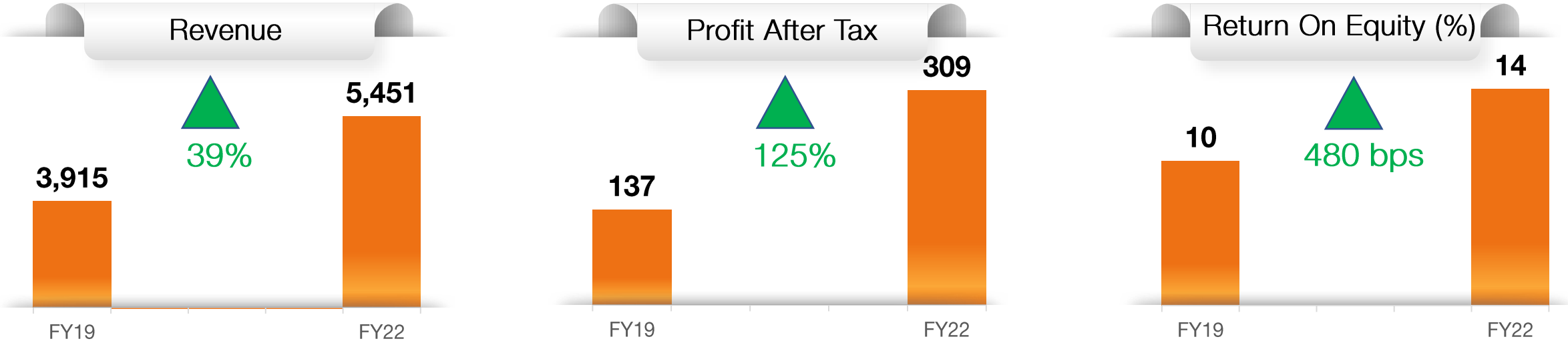
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Maximizing Shareholders Return by Strategic Focus towards Profitable Growth



Growth in Revenue is being supported by strengthening the brands, widening distribution network across globe and increasing brand penetration across all consumer segments with product portfolio expansion in Organic and Health & Convenience Platform. PAT Margins have expanded aided by growth in EBITDA and reduction in Finance Cost.

All Figures in ₹ Crore unless specified



Contents



Q4 FY22 Key Highlights (YoY)

Total Revenue

31% ↑

Profit Before Tax

24% ↑

Gross Profit

27% ↑

Profit After Tax

26% ↑

EBITDA

18% ↑

Earning Per Share

27% ↑

EBIT

20% ↑

Cash Profit

21% ↑



Q4 FY22 Performance Highlights (YoY)

Basmati & Other Specialty Segment

26% ↑

Organic Segment

3% ↑

Premium Portfolio

69% ↑

Health & Convenience Segment

68% ↑



FY22 Key Highlights (YoY)

Total Revenue

14% ↑

Health & Convenience Segment

62% ↑

Basmati & Other Specialty Segment

9% ↑

Gross Profit

14% ↑

Premium Portfolio

33% ↑

PBT

6% ↑

Organic Segment

19% ↑

PAT

7% ↑



FY22 Key Highlights (YoY)

Book Value Per Share

14%



Finance Cost

21%



Interest Coverage Ratio

7.2x
(from 5.6x)



Debt to Equity

0.5x
(from 0.7x)



Current Ratio

1.8x
(from 1.7x)



Debt to EBITDA

1.7x
(from 2.1x)



Working Capital Days

207
(from 235)

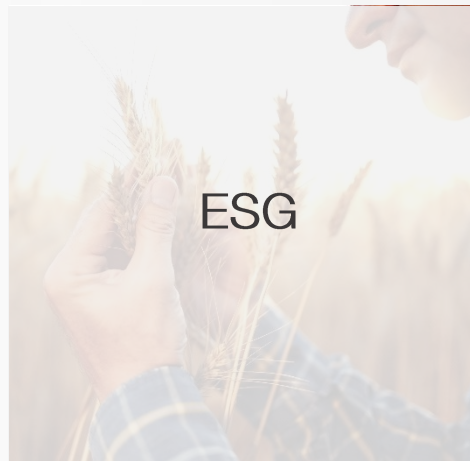


Debt Level

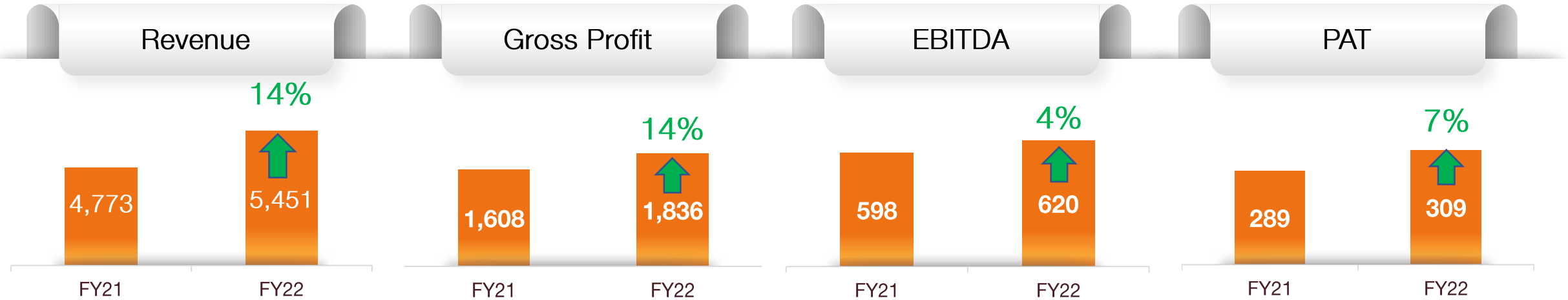
₹229 Cr.
(reduction)



Contents



FY22 – Financial Update



Revenue up 14% y-o-y basis aided by accelerated brand investments across all 3 business segments – Basmati & Other Specialty Rice, Organic and Health and Convenience business



Gross Profit up by 14% & Gross Profit margin remained stable at 33.7%



EBITDA up by 4%, Margins contracted by 116 bps due to:

Additional Investments in brands by 50 bps

Increase in steamer freight expenses by 180 bps

Efficiencies brought in at the Manufacturing level on account of Green Energy initiatives



PAT up by 7% at **₹309 Crore**

Cash Profit higher by 8% y-o-y basis at **₹432 Crore**

Business Segments

Basmati & Other Specialty Rice Segment

- Contributes c.79% to the overall revenue
- Present in Consumer as well as Strategic Private Label business
- Present in 60+ countries with Flagship brands Daawat, Royal and other regional brands – Heritage, 817 Elephant, Gold Seal Indus Valley, Rozana, Devaaya
- Present across all channels such as General Trade, Modern Trade, HORECA, E-Commerce, via 1200+ distributors in India and presence across 1,52,000 + retails outlets in India and 100+ distributors in international market
- Present across all price points from Specialty to Mid-Range to Value-Range in the consumer space, with a current growth rate 9% in the consumer business

79%

13%



Organic Segment

- Contributes c.13% to the overall revenue
- Diversified portfolio comprising of organic rice, cereal grains, soya based products, flour, pulses, oil and oil seeds, nuts, spices, herbs, millets, etc.
- Ground Presence in US & Europe to strengthen local presence in these markets
- Associated with 64,000+ farmer families and 94,000+ hectares of certified organic land



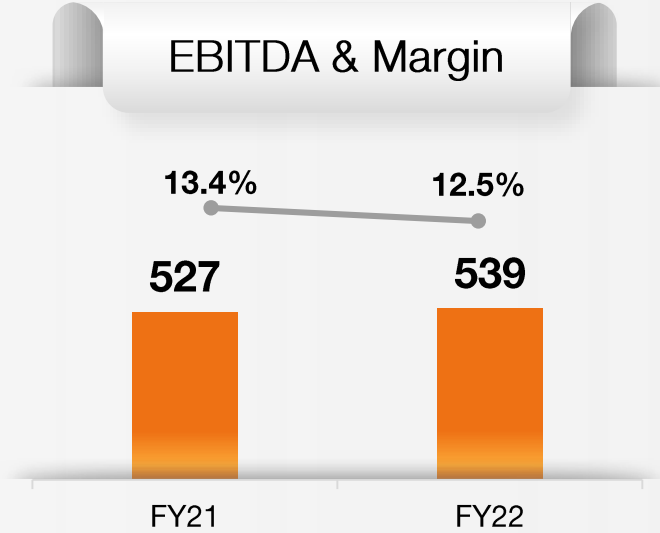
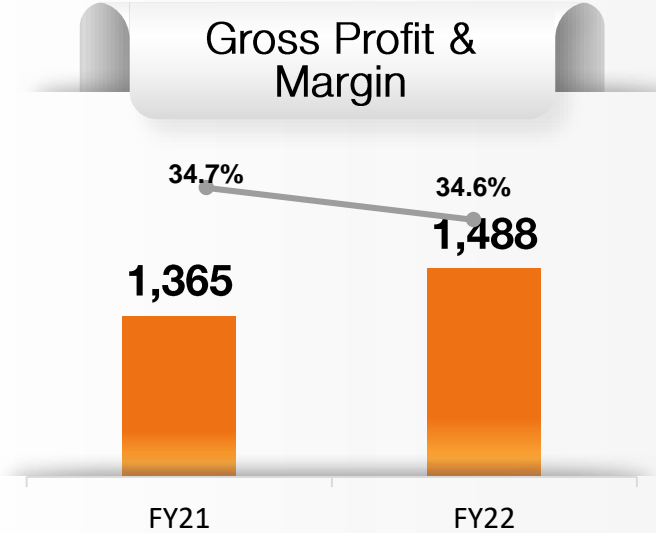
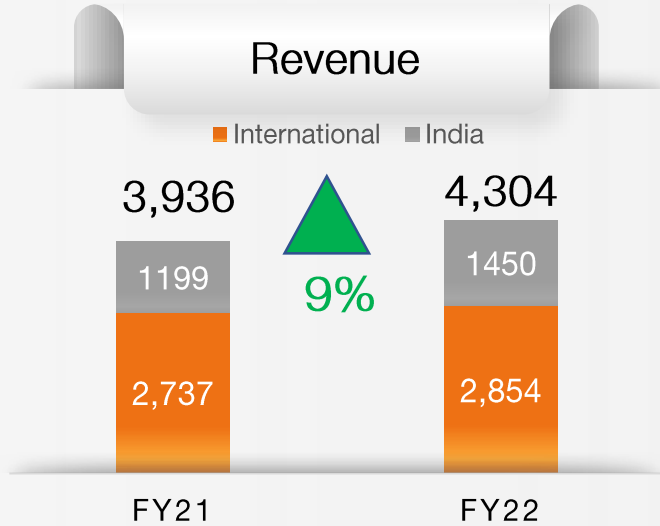
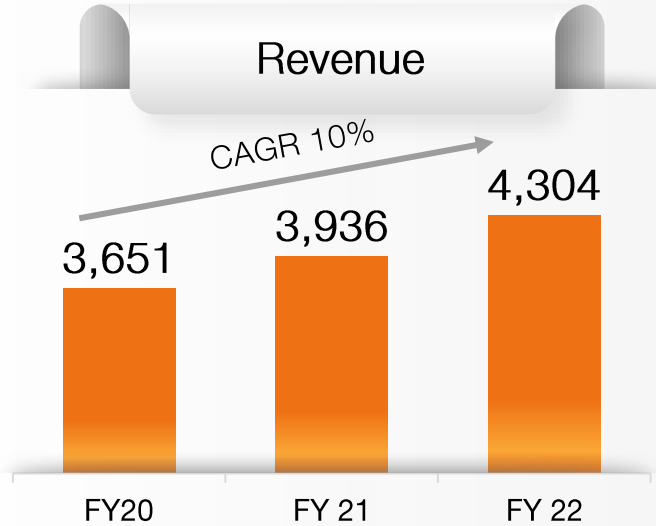
Health & Convenience Segment

- Contributes c.2% to the overall revenue
- Keeping a close tap on the changing consumer trends and launched products on the health and convenience platform
- Launched products on the Health Segment – Daawat Quick Cooking Brown rice, Daawat Sehat and Daawat Sauté Sauces, Daawat Cuppa Rice, Royal Ready-to-Heat, Kari Kari on the convenience platform
- Leveraging the strong brand equity and distribution network of flagship brands “Daawat” and “Royal”

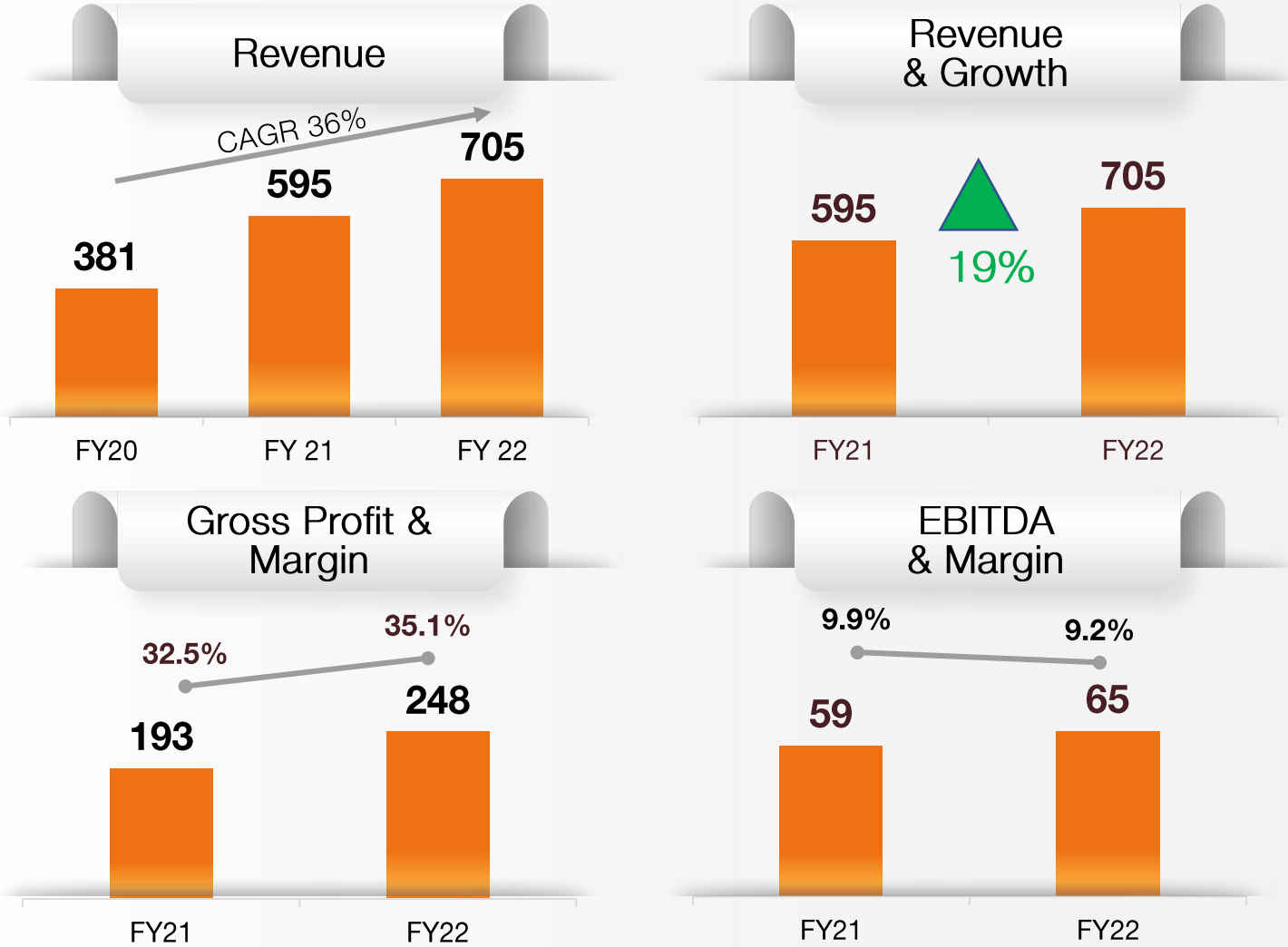
2%



Segment-wise Update – Basmati & Other Specialty Rice

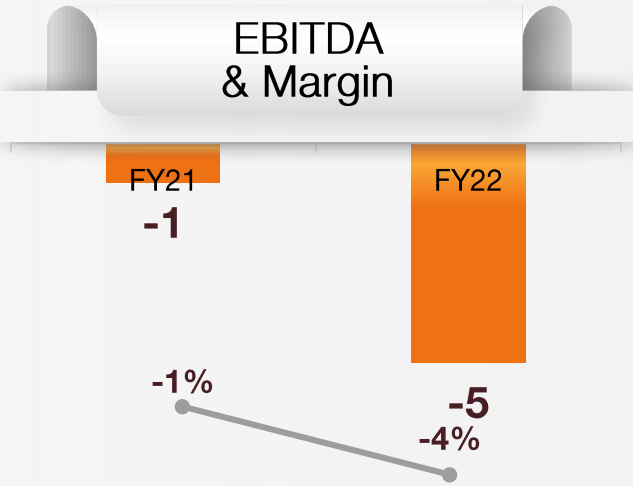
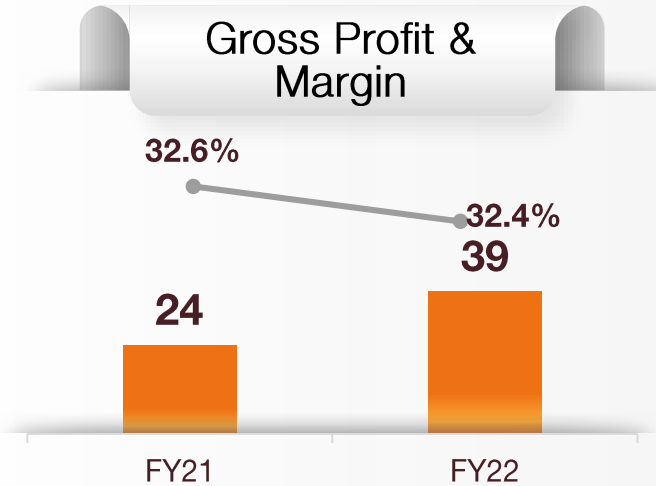
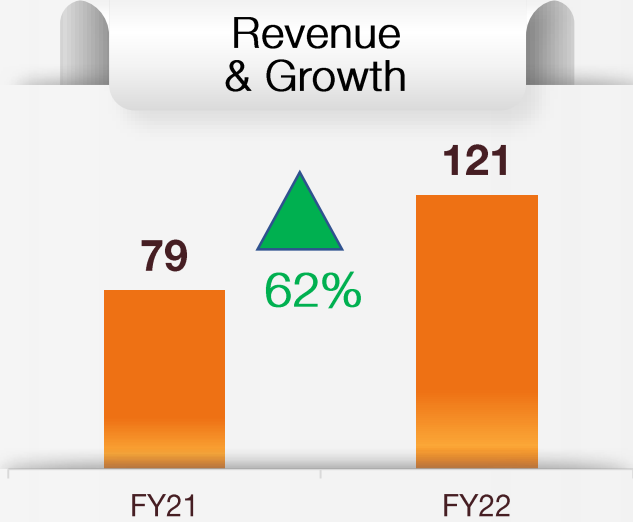
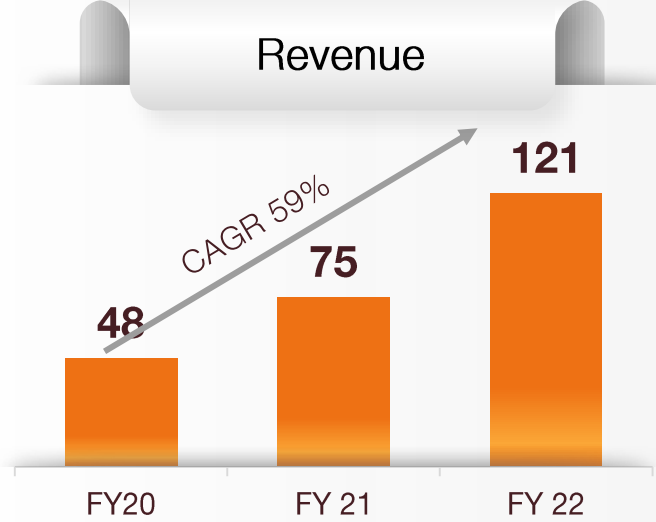


Segment-wise Update – Organic Segment



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

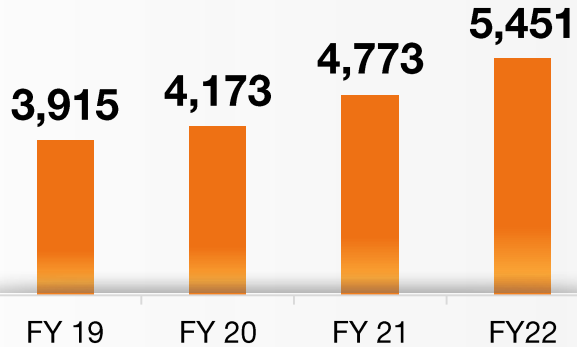
Segment-wise Update – Health & Convenience Segment



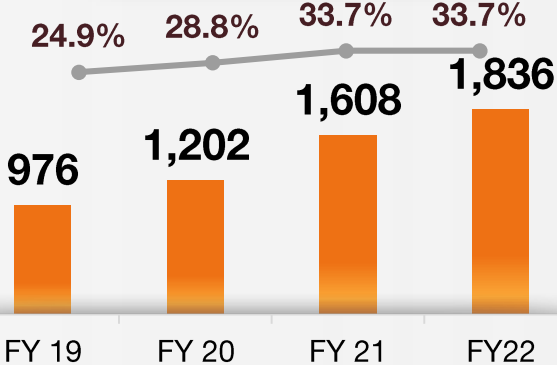
All Figures in ₹ Crore unless specified | EBITDA Margins are negative as this segment is in the Investment phase

Key Performance Metrics

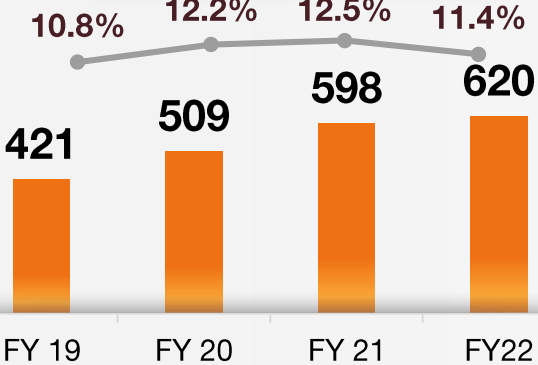
Revenue



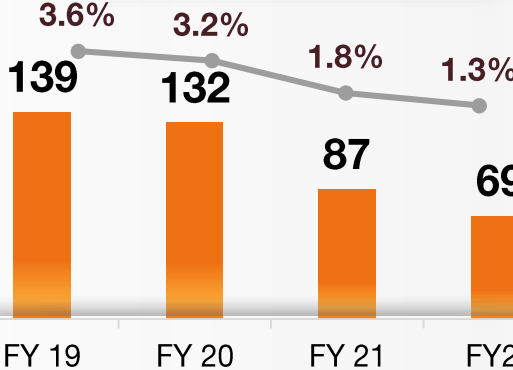
Gross Profit & Margin



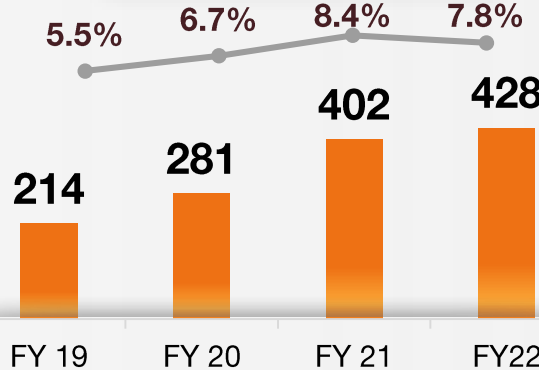
EBITDA & Margin



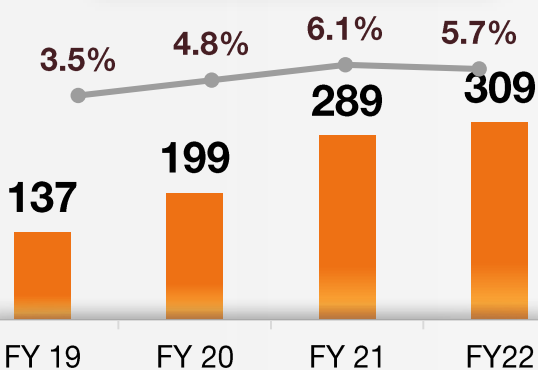
Finance Cost



Profit Before Tax & Margin



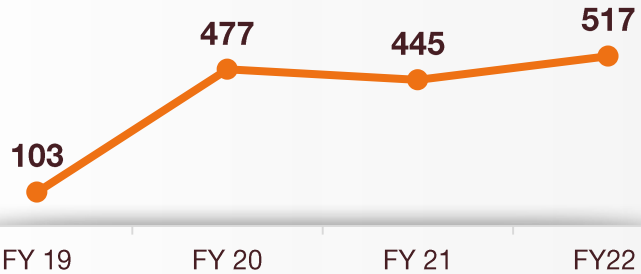
Profit After Tax & Margin



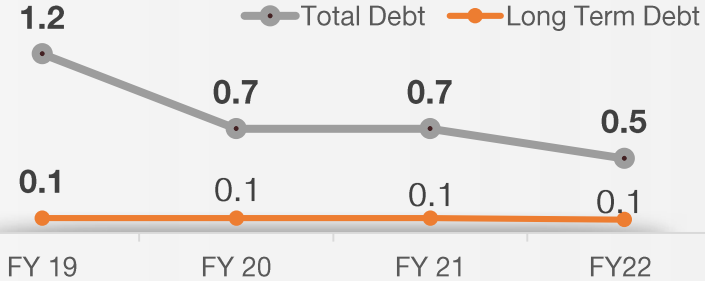
All Figures in ₹ Crore unless specified

Key Financial Ratios

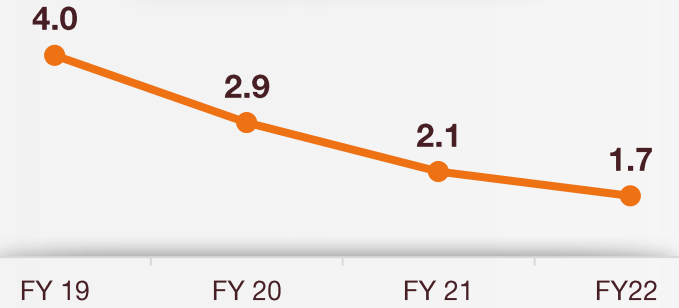
Cash Flow from Operations (₹ crore)



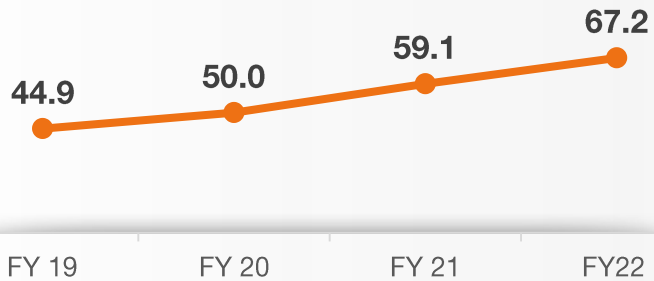
Debt/Equity



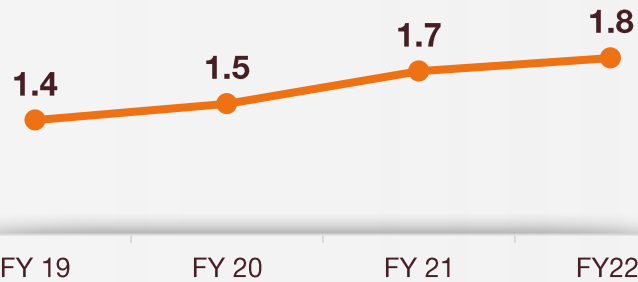
Debt EBITDA Ratio



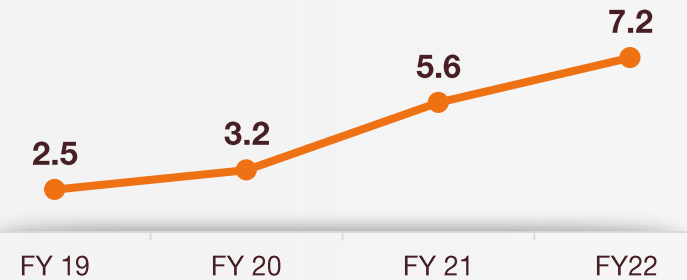
Book value per share (₹)



Current Ratio



Interest Coverage Ratio

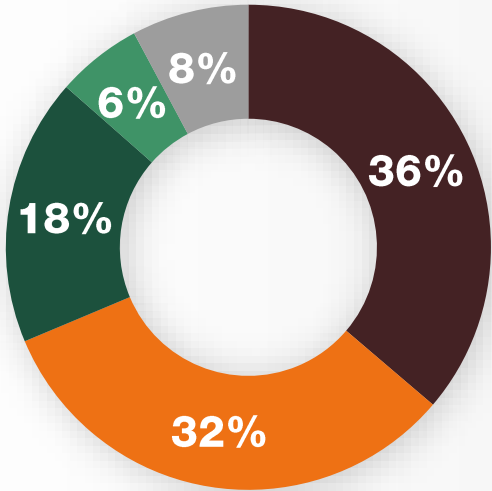


Strength of Balance Sheet being reflected with Strong Credit Rating:
A/Positive outlook by CRISIL and BWR/A+ Stable outlook by Brickwork

Global Footprint and Diversified Portfolio

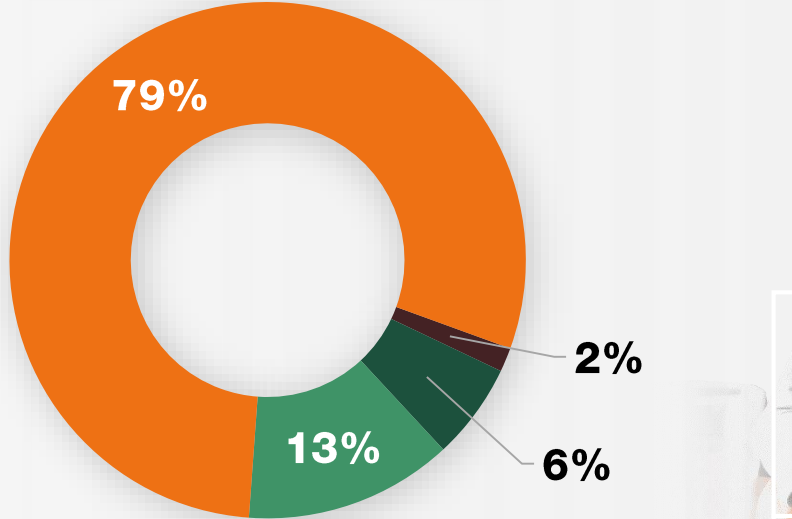
Our diversified market presence as well as our balanced portfolio, serving a wider consumer audience, positions us to capitalize on emerging opportunities in the consumer food business.

FY22 Revenue by geography



- USA
- Europe
- Rest of World
- India
- Middle East

FY22 Revenue by business segment

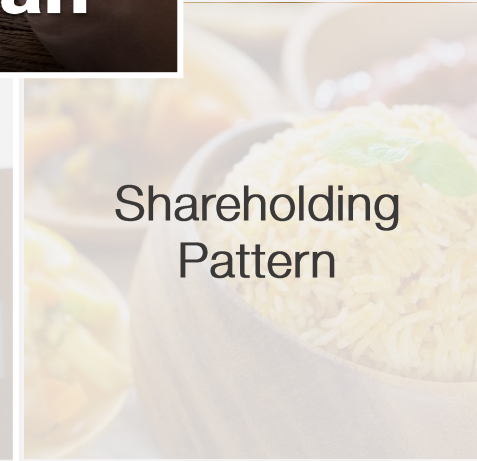
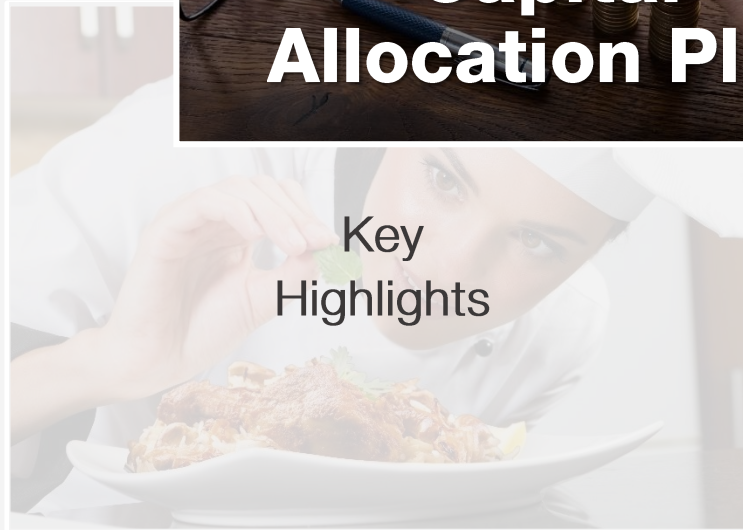
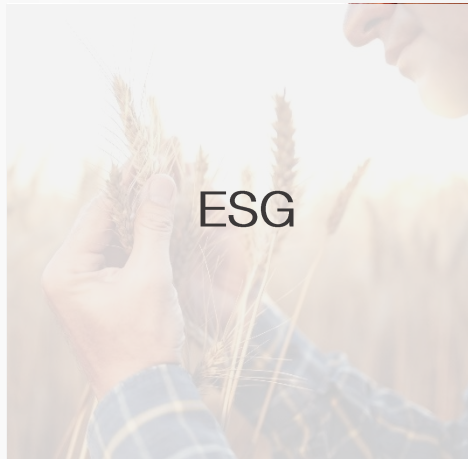


- New Products
- Organic
- Others
- Basmati & Other Specialty Rice

FY 22 Revenue – ₹ 5,451 crore



Contents



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 Reduction

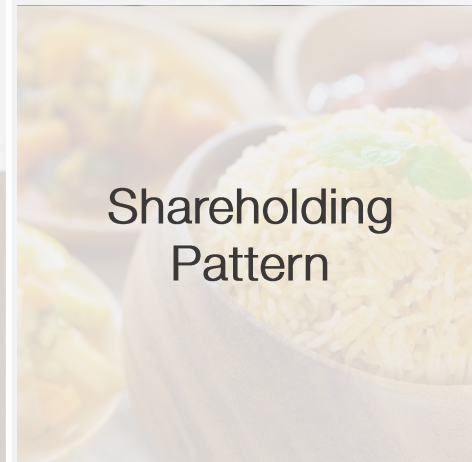
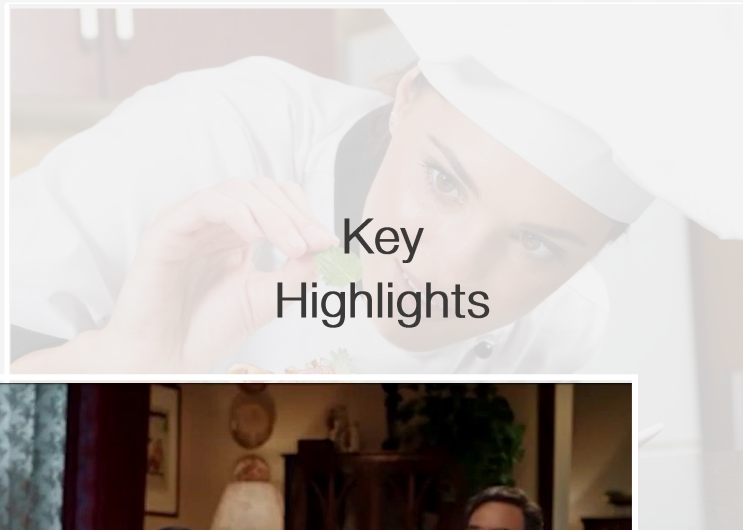
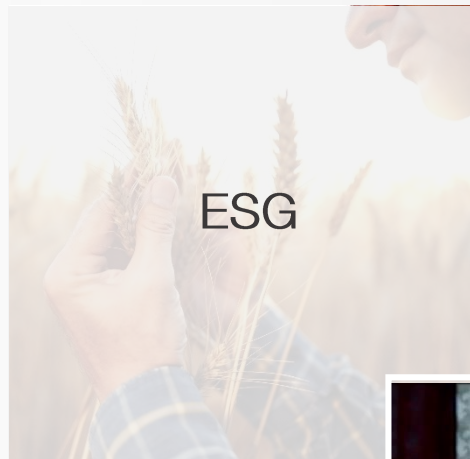
Goal is to maintain our Debt/EBITDA ratio between 2x-3x, though majority of our debt is Working Capital debt that is required to purchase paddy in the season and age it for minimum 12 months



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

Contents



Strategic Focus



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

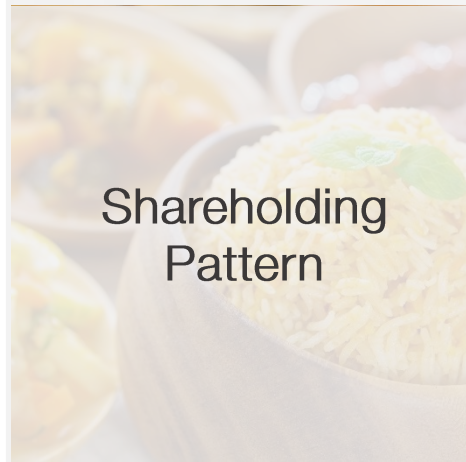
Strengthen Balance Sheet Metrics and enhance return ratios

ROCE **c. 23%**

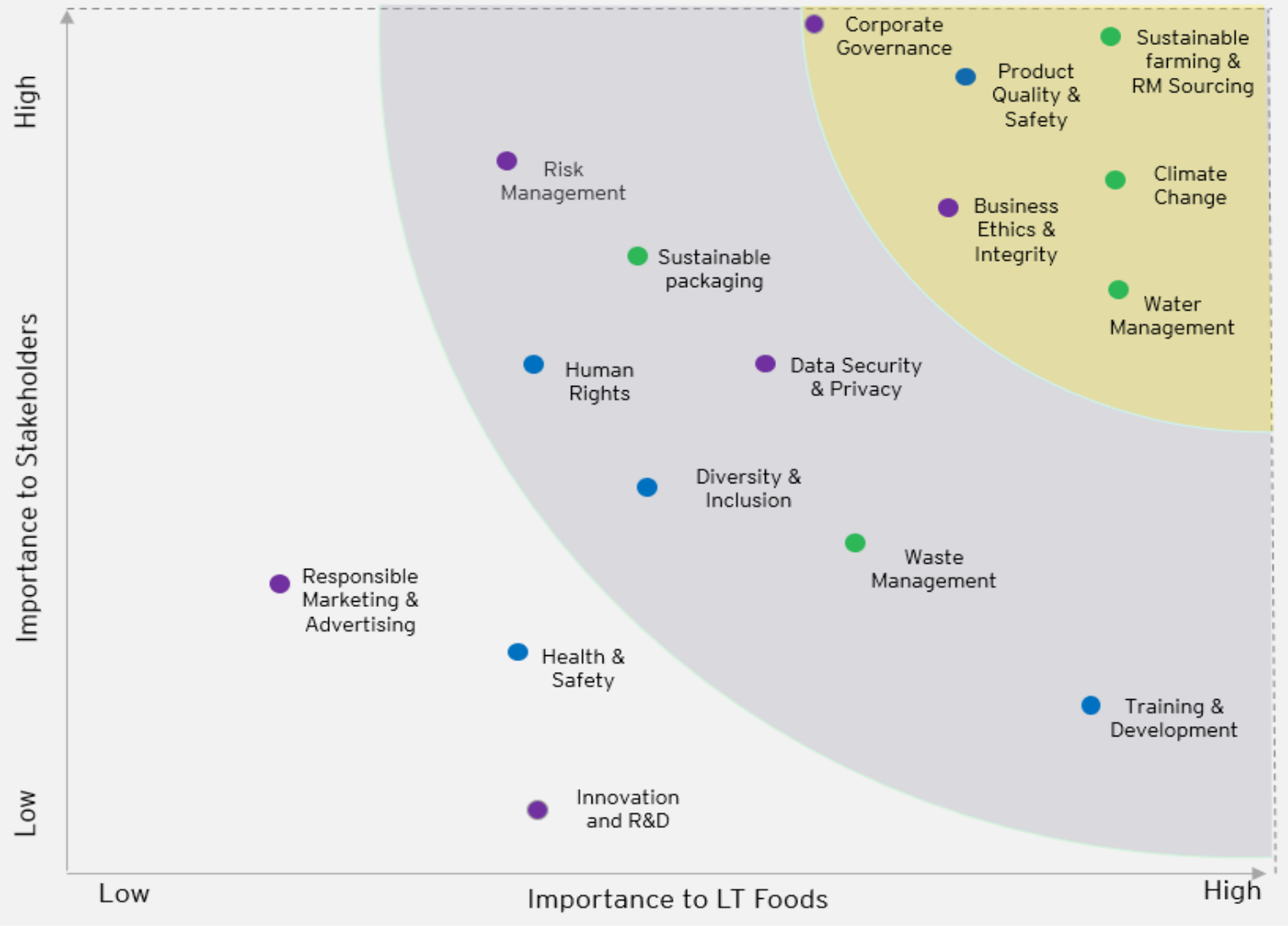
ROE **c. 20%**

Maximizing shareholders return by creating a Fully Integrated, Global, Sustainable, Predictable, Profitable & Growing Consumer Business

Contents



ESG Materiality Matrix



●	Environmental
●	Social
●	Governance

ESG - Environmental Indicators

Sustainable Farming



47,000 acres under land laser levelling and AWD (2020 and 2021):

- Reduction in Fertilisers cost by 27%
- Reduction in Pesticide cost by 26%
- 9% increase in paddy yield
- 26% increase in farmer profitability



1.4 lakh acres of organic certified farming

13,000 farmers trained on sustainable farming practices (2019 to 2022)



ESG - Environmental Indicators

Water Conservation

Water saving of ~113 Billion litres over 3 years through land laser levelling

Water Conservation Project covering 12 villages (11 stop dams and 4 ponds)

Zero water discharge and Rainwater harvesting facility at all factories

Sustainable Packaging

74% recyclable packaging portfolio

76 MT plastic waste collected and recycled from market during 2021-22

ESG - Environmental Indicators

Climate Change

46% electricity from renewable sources

1 Lakh trees planted (2020 to 2022)

170 acres of land destined to biodiversity

700 solar streetlights

2500 energy efficient cookstoves and solar lamps to rural families



ESG - Social Indicators



30+ ESG certification

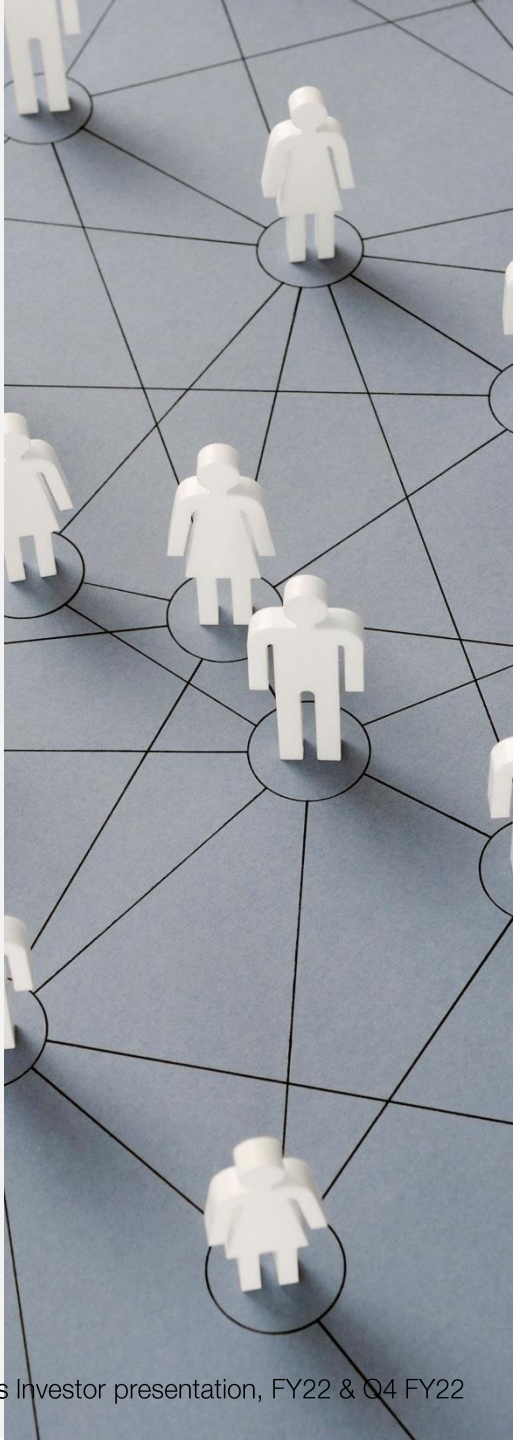


Zero fatality at workplace



27,000 MT fair trade certified products

**Baselining for LT Foods Ltd.; Daawat Foods Ltd., Nature Bio Food Ltd., Ecopure Specialities Ltd.)*



ESG - Social Indicators



Clean drinking water to over 20,000 beneficiaries



Infrastructure development for 10 villages (building, roads, drainage, community centre etc.)



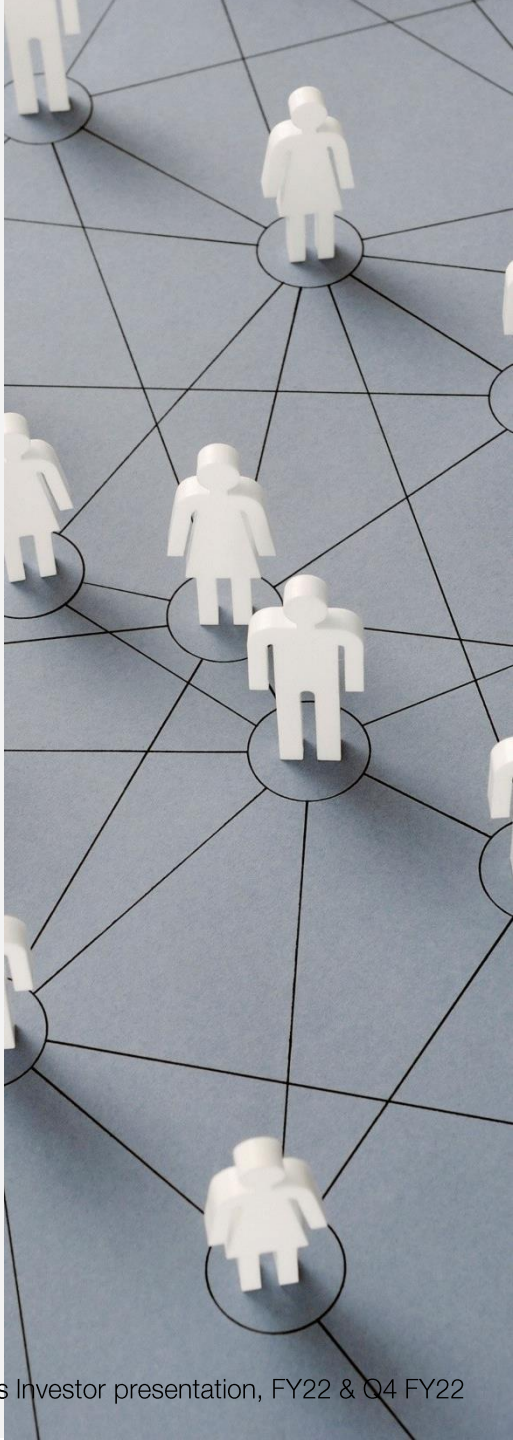
Awareness for menstrual hygiene and setting up sanitary pad units



Adopted 19 schools for improving infrastructure and quality education



**Baselining for LT Foods Ltd.; Daawat Foods Ltd., Nature Bio Food Ltd., Ecopure Specialities Ltd.)*



ESG - Governance Indicators



57% Independent directors



2 or less number of directorship of independent directors in other listed companies



100% Board Attendance



29% gender diversity at board

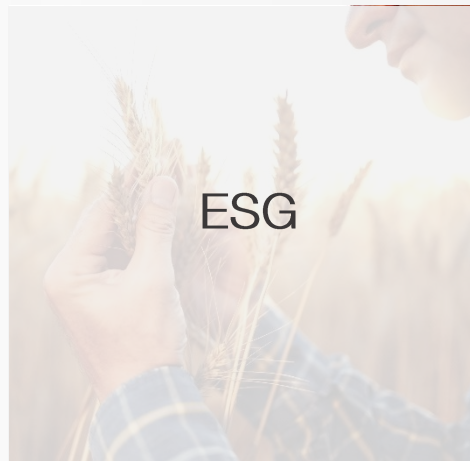
100% Independent

Audit Committee

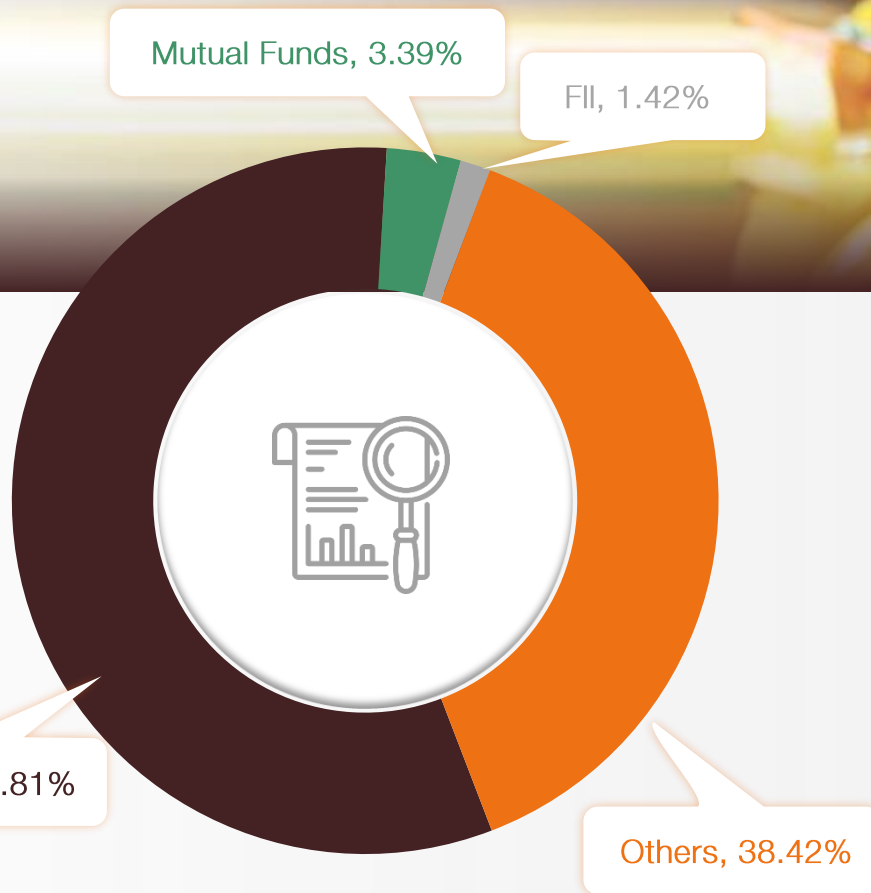
Nomination and Remuneration Committee



Contents



Shareholding Information



Shareholder Information as on Mar 31, 2022


BSE Ticker	▶	532783
NSE Symbol	▶	DAAWAT
Market Cap (₹ Cr)	▶	2498
% Free- float	▶	43.19%
Free Float Market Cap (₹Cr)	▶	1079
Shares Outstanding (Cr)	▶	32
Industry	▶	Consumer Food

Promoter shares are unencumbered

Investor Contact

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Sector – 15 Gurugram - 122001

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Unit-134, 1st Floor, Rectangle-1, Saket
District Centre, Saket, New Delhi-110017

World of LT Foods



Devaaya

ecoLife



KARIKARI
JAPANESE PREMIUM SNACKS