

LT Foods Ltd. Report

LT Foods Ltd. is a renowned Indian-origin consumer food company with a rich heritage and a global footprint. The company has been a key player in the rice industry, especially in the Basmati rice segment, and has expanded its portfolio to include a wide range of products catering to diverse consumer needs. This report presents a comprehensive analysis of LT Foods Ltd. using Power BI, showcasing various business metrics, financial data, and strategic insights that highlight the company's performance and market position.

Company Overview

LT Foods Ltd. operates as a leading consumer food company with a significant presence in the global market. The company specializes in the production and marketing of rice, particularly Basmati rice, and has diversified into organic foods, ready-to-eat meals, and other food products. With a strong commitment to quality, sustainability, and innovation, LT Foods has established itself as a trusted brand among consumers worldwide.

Brand Portfolio

The company boasts a robust brand portfolio that includes:

- ❖ **Daawat:** The flagship brand known for its premium quality Basmati rice.
- ❖ **Royal:** A leading brand in the U.S. market, catering to a multicultural audience.
- ❖ **Heritage:** A brand that offers traditional rice varieties.
- ❖ **Ecolife:** Focused on organic and sustainable food products, including rice, grains, and pulses.

Product Innovation and Expansion

LT Foods has continuously innovated its product offerings to align with evolving consumer preferences. Key developments include:

- ❖ Expansion into the **Ready-to-Eat (RTE)** and **Ready-to-Cook (RTC)** segments with products such as microwaveable Basmati rice, rice bowls, and RTC meal kits.
- ❖ Introduction of health-focused products like organic rice, quinoa, and other superfoods under the Ecolife brand.
- ❖ Development of new packaging formats and flavors to enhance consumer convenience and appeal.

Revenue Composition

The company derives its revenue from multiple verticals:

- ❖ **Rice Business:** Including Basmati and other specialty rice varieties.
- ❖ **Value-Added Products:** Such as RTC meals, snacks, and organic food items.
- ❖ **Other Staples:** Including pulses, grains, and flour-based products.

The diversification of revenue streams helps mitigate risks and ensures a steady flow of income from different product categories.

Geographical Revenue Breakdown

LT Foods has a well-established global presence with operations in over 80 countries. The geographical distribution of revenue is as follows:

- ❖ **North America (39%):** Driven by the strong performance of the Royal brand.
- ❖ **India (31%):** Supported by the popularity of the Daawat brand.
- ❖ **Europe (17%):** A growing market for organic and specialty food products.
- ❖ **Rest of the World (13%):** Includes emerging markets in Asia, the Middle East, and Africa.

Distribution Channels

The company employs a multi-channel distribution strategy that includes:

- ❖ **Direct Distribution:** Through retail chains, supermarkets, and hypermarkets.
- ❖ **Online and E-commerce Platforms:** Expanding presence on digital platforms.
- ❖ **Export Channels:** Leveraging strong relationships with international distributors and partners.

Profitability Analysis

The company has shown notable improvement in its profitability metrics:

- ❖ **Gross Profit, EBITDA, and PAT:** Witnessed consistent growth over the years.
- ❖ **Operating Costs:** Remained stable, with a reduction in depreciation and interest expenses as a percentage of sales.
- ❖ **Net Profit Margin:** Improved, indicating better cost management and operational efficiency.

Sales and Financial Performance

Over the years, LT Foods Ltd. has demonstrated consistent growth in its sales and profitability. Key financial highlights include:

- ❖ **Total Sales: ₹7,772K**
- ❖ **Production Cost Share: 81.85%** of total expenses
- ❖ **Net Profit: ₹501K**
- ❖ **Compounded Annual Growth Rate (CAGR):**
 - Sales: 14.85%**
 - Net Profit (PAT): 34.41%**

These figures indicate a strong upward trajectory in both top-line and bottom-line performance.

Segment Performance

The analysis of segment performance reveals:

- ❖ **Basmati Rice:** Contributes approximately **89.41%** of total revenue.
- ❖ **Ready-to-Cook and Organic Segment:** Accounts for about **10.28%** of revenue, highlighting the growing importance of value-added products.

The shift toward higher-margin products supports long-term profitability and brand value enhancement.

Balance Sheet Overview

LT Foods Ltd. maintains a strong balance sheet with the following highlights:

- ❖ **Asset Composition:**
 - Fixed Assets:** Form a major part of the total assets, indicating significant investment in production and infrastructure.
 - Current Assets:** Include inventories and receivables that support daily operations.
- ❖ **Capital Structure:**
 - Equity Share:** Increased over time, reflecting retained earnings and profitability.
 - Debt Share:** Decreased, indicating reduced reliance on external borrowings.

Key Financial Ratios

- ❖ **Debt to Equity Ratio: 1.03**, suggesting a balanced capital structure.
- ❖ **Return on Capital Employed (ROCE):** Improved, indicating better utilization of capital.
- ❖ **Asset Turnover Ratio:** Stable, reflecting efficient use of assets to generate revenue.

Cash Flow Analysis

The company has managed its cash flows efficiently:

- ❖ **Operating Activities:** Positive cash flow, reflecting strong core business operations.
- ❖ **Investing Activities:** Include capital expenditures for expansion and modernization.
- ❖ **Financing Activities:** Managed through a mix of debt repayment and equity financing.

Cost Structure

An analysis of the cost structure reveals:

- ❖ **Production Costs:** Account for approximately **81.85%** of total sales.
- ❖ **Operating Expenses:** Represent the remaining **18.15%**, including administrative, selling, and distribution expenses.

Strategic Positioning

LT Foods Ltd. has strategically positioned itself as a leading player in the global food industry:

- ❖ **Innovation and R&D:** Continuous investment in new product development.
- ❖ **Sustainability Initiatives:** Focus on organic farming, water conservation, and eco-friendly packaging.
- ❖ **Brand Building:** Consistent marketing efforts and consumer engagement.

Overall Assessment

Based on the current financial and operational data, LT Foods Ltd. demonstrates consistent growth, strong market presence, and efficient cost management. The company's expansion into value-added segments, stable cash flows, and balanced debt levels indicate a positive

outlook. With continued focus on diversification, sustainability, and global market penetration, LT Foods is expected to maintain steady performance and long-term financial stability.