FundsIndia®

# Equity Research Desk ALPHA

## LT FOODS
NURTURING GOODNESS

## India's largest branded speciality rice exporter

Founded: **1990**
HQ: **Gurugram, Haryana**

Leading global branded speciality foods company

Presence across **85+ countries**

Portfolio includes **DAAWAT, Royal, Golden Star & 817 Elephant**

Strong leadership across Basmati, Jasmine rice and speciality foods

**Operations across India, US and key global markets**

### Subsidiaries

As of FY26, the company has 28 subsidiaries, 5 associates and 2 joint ventures.

### Growth Strategies

**India Growth Opportunity**

- DAAWAT household penetration: **64.4 lakh**
- Household penetration growth: **22.8% YoY**
- India market share: **23.1%**
- **40%+** e-commerce market share
- India revenue grew **19% YoY** in **Q1FY27**
- Targeting more than **2×** India revenue by **FY30**

**Margin Recovery**

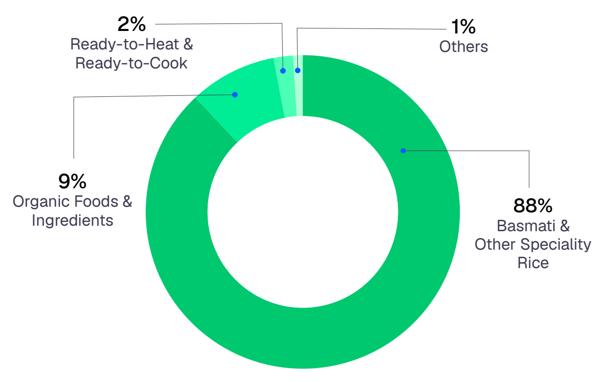
- Core basmati EBITDA margin: **~13%**
- US tariff reduced from **50%** to **10%**
- Organic business margin recovery underway
- Consolidated EBITDA margin expected to restore to **>12%**

**Premiumisation & New Categories**

- Expansion in Ready-to-Heat products
- Growing organic foods business
- Strong branded-food consumption trend

### Revenue Breakup - FY26

Total Revenue (FY26) - ₹11,023 crore




### Product Portfolio

**Branded Rice**

- DAAWAT – India
- Royal – USA
- Golden Star – USA
- 817 Elephant – Canada

**Value-Added Foods**

- Ready-to-Heat & Ready-to-Cook products
- Organic foods
- Rice-based convenience products

**Edge:** Strong global brands with leadership across premium rice categories.

### Financial Highlights

**Q1FY27**

- **Revenue:** ₹3,161 Cr (↑ 26% YoY)
- **EBITDA:** ₹363 Cr (↑ 20% YoY)
- **Net Profit:** ₹183 Cr (↑ 9% YoY)

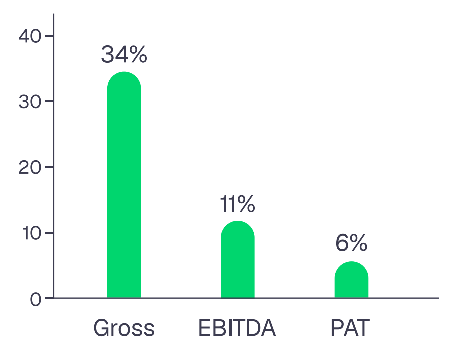
**FY26**

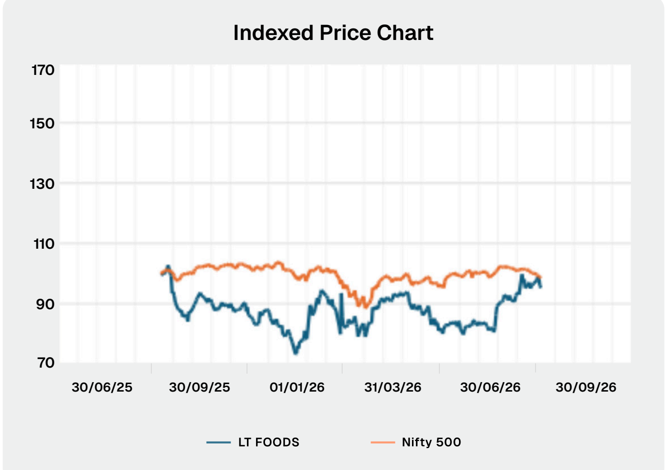
- **Revenue:** ₹11,023 Cr (↑ 26% YoY)
- **EBITDA:** ₹1,236 Cr (↑ 16% YoY)
- **Net Profit:** ₹625 Cr (↑ 2% YoY)

**Financial Performance ( 3 Years )**

- **Revenue CAGR:** ~16%
- **Net Profit CAGR:** ~14%
- **ROE:** ~15%
- **ROCE:** ~18%
- **Net Debt / EBITDA:** ~0.48x

### Margins-FY26

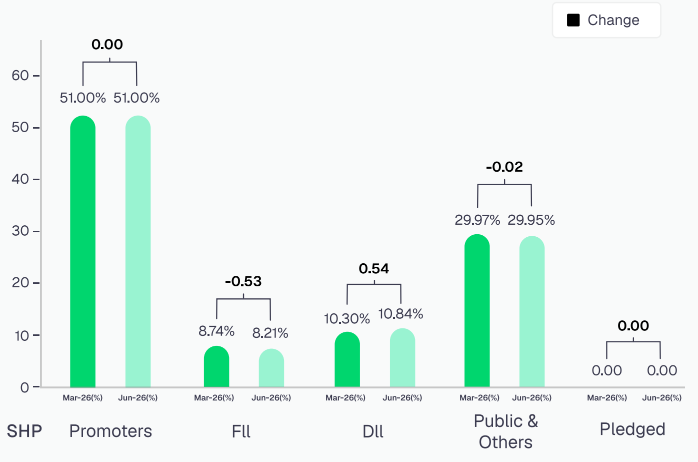



### Market Data

| | |
|---|---|
| CMP | ₹438 |
| Date | 11-Sept-2026 |
| Target Price | ₹518 |
| Upside Potential | 18% |
| 52 Week High/Low | ₹491/333 |
| NSE Code | LTFOODS |
| Market Cap | Small |
| Sector | FMCG |
| Rating | BUY |

### Shareholding Pattern




### Ratios - FY26

| | |
|---|---|
| ROE | 15% |
| ROCE | 18% |
| Div. Yield | 0.68% |
| PE Ratio ( x) | 24 |
| Face Value | 1.00 |
| EPS ( ₹) | 18 |

### Industry Outlook

- Rising demand for branded packaged foods
- Increasing premiumisation in rice consumption
- Growing Ready-to-Cook and convenience food categories
- Export opportunities supported by global demand

### Growth Drivers

**Brand Strength**

- Leadership across India, US and Canada

**India Opportunity**

- Expanding household penetration
- Growing e-commerce presence

**Margin Expansion**

- Better product mix
- Recovery in organic business
- Lower tariff impact

### Competitive Advantage

- Strong portfolio of global brands
- Leadership in premium rice categories
- Wide international distribution network
- Diversified revenue across geographies

### Peer Analysis

| Company | CMP(₹) | Mcap.(₹) | ROCE | ROE | 3Yr Sales CAGR | P/E | EPS (₹) |
|---|---|---|---|---|---|---|---|
| L T Foods | 438 | 15213 | 18% | 15% | 16% | 24 | 18 |
| KRBL | 421 | 9637 | 15% | 12% | 4% | 13 | 33 |
| AWL Agri Business | 185 | 24047 | 18% | 11% | 9% | 20 | 9 |

### Outlook

- India business expected to accelerate
- Margin recovery to support earnings growth
- Premiumisation and value-added products to drive profitability
- Global brands provide long-term growth visibility
- Recommendation: BUY | Target Price: ₹518
  Maintain a 20% stop-loss from entry price

### SWOT Analysis

**Strength**

- Strong global brands
- Presence across 85+ countries
- Leadership in premium rice categories

**Weakness**

- Exposure to commodity price fluctuations
- Dependence on export markets

**Opportunities**

- India growth potential
- Premiumisation trend
- Expansion in convenience foods

**Threat**

- Freight cost volatility
- Global trade and tariff changes



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