Retail Equity Research

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Company Update

LT Foods Ltd.

BUY

Sector: Packaged Foods

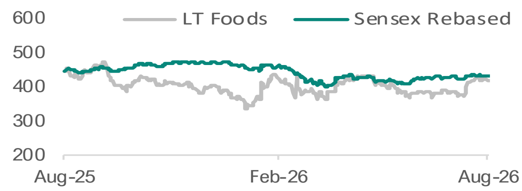
19th August 2026

Key Changes	Target	Rating		Earnings		Target	Rs. 514
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs. 428
Small Cap	LTFO:IN	76,910	LTFOODS	532783	12 Months	Return	+20%

Data as of: 19-08-2026 16:00 hrs

Company Data			
Market Cap (Rs. cr.)			14,480
52 Week High — Low (Rs.)			480-332
Enterprise Value (Rs. cr)			15,164
Outstanding Shares (Rs cr)			34.7
Free Float (%)			39
Dividend Yield (%)			0.7
6m average volume (cr)			0.1
Beta			1.6
Face value (Rs)			1.0
Shareholding (%)	**Q3FY26**	**Q4FY26**	**Q1FY27**
Promoters	51.0	51.0	51.0
FII's	9.3	8.7	8.2
MFs/Institutions	5.9	10.3	10.8
Public	21.2	18.4	18.4
Others	12.6	11.5	11.6
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	**3 Month**	**6 Month**	**1 Year**
Absolute Return	1%	-1%	-6%
Absolute Sensex	3%	-7%	-4%
Relative Return	-2%	6%	-3%

*over or under performance to benchmark index



Consolidated (Rs.cr)	FY26A	FY27E	FY28E
Sales	10,946	13,019	14,360
Growth (%)	*26.1*	*18.9*	*10.3*
EBITDA	1,159	1,452	1,690
EBITDA Margin (%)	10.6	11.2	11.8
Adj. PAT	625	791	1,026
Growth (%)	*3.3*	*26.5*	*29.7*
Adj. EPS	18.0	22.8	29.5
Growth (%)	*3.3*	*26.5*	*29.7*
P/E	23.2	18.3	14.1
P/B	3.2	2.7	2.3
EV/EBITDA	13.6	10.7	8.9
ROE (%)	14.9	16.2	17.8
D/E	0.4	0.2	0.1

Author: Vincent K A - Sr. Research Analyst

Tariff Eases, Regional Expansions to Aid Growth

LT Foods Ltd. (LTF) is a global consumer-focused specialty food company specializing in basmati rice, organic foods and ready to eat/cook (RTE/RTC) products. Its flagship brands include Daawat in India and Royal in North America. The company has a presence in more than 80 countries with significant regional exposure in the US, Europe, etc.

- Revenue grew 28% YoY (19% YoY excluding Golden Star) and 8% QoQ, reflecting broad -based strength across geographies.
- The core Basmati and specialty rice segment (89% of revenue) grew 34% YoY on 11% volume growth, while Organic Foods & Ingredients declined 13% YoY amid business restructuring and RTH/RTC products grew 13% YoY.
- Gross margin declined 210bps YoY to 32.6% due to changes in shipment terms, while EBITDA rose 20% YoY with a modest 60bps margin contraction to 11.5%. PAT grew 9% YoY.
- India business grew 23% in value and 12% in volume, with market share rising to 23.1%, supported by premiumisation and increasing household penetration.
- North America grew 49% YoY (normalised 27%), with Royal holding over a 60% share and Golden Star retaining its No.1 Jasmine rice position; a new 156,000 sq ft Texas warehouse (completion Jan '27) will expand distribution.
- Margin expansion is expected as value-added segments gain scale, with the RTE/RTC business targeted to achieve breakeven (Rs.400cr) by FY27-end and Organic EBITDA projected to recover to Rs.70-80cr.

Outlook & Valuation

The core basmati franchise continues to deliver strong volume-led growth, while market share gains in India reinforce the premiumisation thesis. Near-term margins face two transitory drags: the organic segment's shift from a wholesale model to a direct CPG (Consumer Packaged Goods) model and changes in related-party shipment terms. Regional expansion in North America, the UK/Europe investment phase and launches in the Middle East support the medium-term volume outlook, while the business has navigated tariff resets and geopolitical volatility without material impact. Branded, premium, and RTE/RTC products are expected to remain key growth drivers, delivering stronger growth than the broader portfolio. **We value the stock at 17x on FY28 EPS (3-yr avg. 20x) to arrive at a target price of Rs. 514 and maintain our BUY rating.**

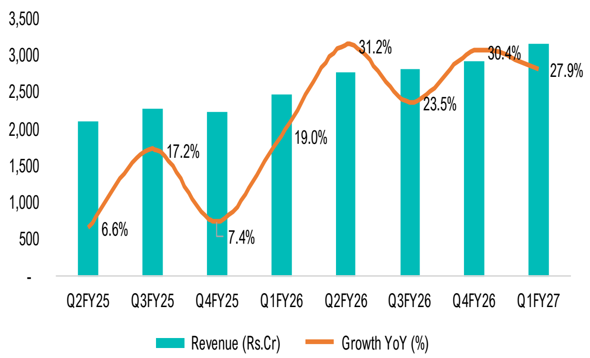
Quarterly Financials Consolidated

Rs.cr	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)
Sales	3,152	2,464	27.9	2,907	8.4
EBITDA	354	265	33.3	269	31.3
Margin (%)	11.2	10.8	50bps	9.3	200bps
EBIT	280	213	31.3	200	40.1
PBT	250	228	9.5	189	32.5
Rep. PAT	183	169	8.9	136	35.2
Adj PAT	183	169	8.9	136	35.2
EPS (Rs)	5.3	4.9	8.9	3.9	35.2

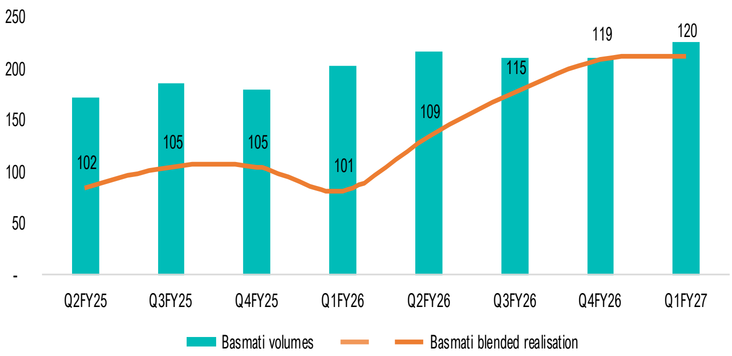
Key Highlights…

- India's share climbed to 23.1% on the back of premiumisation, wider distribution and rising penetration. In the US, Royal stayed above a 60% share, and Golden Star kept its lead in Jasmine rice.
- Freight rates surged from $200 to $4,000 due to regional shipping challenges in the Middle East, placing significant pressure on margins across Europe, the U.K., and Middle Eastern markets.
- The RTH/RTC segment is positioned for strong growth, with a new U.S. facility expected to support a doubling of the ready-to-eat business within three years, while the broader category targets 15-20% annual growth and breakeven at Rs.400cr revenue.
- Inventory days eased to 187 from 221 YoY, helping cut the overall working-capital cycle to 170 days from 195.
- U.S. tariff fluctuations led to pricing volatility; however, the tariff reduction from 50% to 10% helped improve gross margins.
- Nature Bio Foods is transitioning its organic segment to CPG model and investing in Europe, with EBITDA margins expected to improve from ~4% to 7-8% by FY27 end and reach double digits thereafter.
- Paddy costs remain elevated; however, with most acreage irrigated and a year's inventory already secured, management sees limited sourcing risk and expects to pass on any crop-driven inflation.

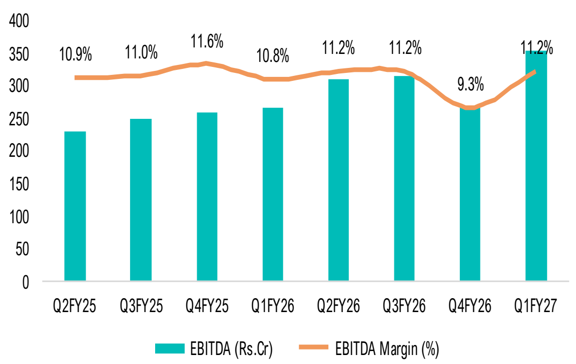
Revenue



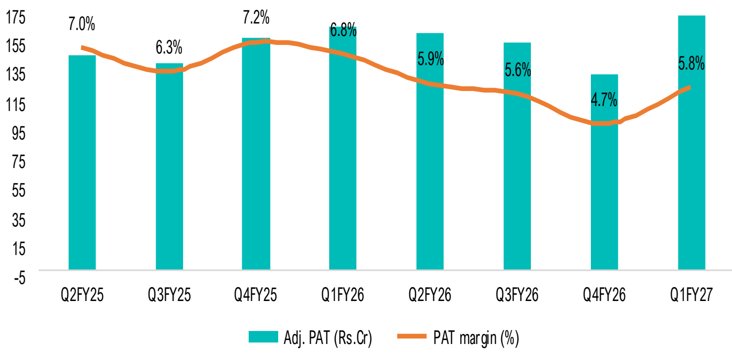
Basmati volumes & realisation



EBITDA



PAT



Change in Estimates

	Old estimates		New estimates		Change (%)	
Year / Rs cr	**FY27E**	**FY28E**	**FY27E**	**FY28E**	**FY27E**	**FY28E**
Revenue	12,162	13,561	13,019	14,360	7.0	5.9
EBITDA	1,411	1,600	1,452	1,690	2.9	5.6
Margins (%)	11.6	11.8	11.2	11.8	-80bps	0bps
Adj. PAT	848	1,025	791	1,026	-6.7	0.1
EPS	24.4	29.5	22.8	29.5	-6.7	0.2

Consolidated Financials

PROFIT & LOSS

Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Revenue	**7,743**	**8,681**	**10,946**	**13,019**	**14,360**
% change	12.2	12.1	26.1	18.9	10.3
EBITDA	**908**	**978**	**1,159**	**1,452**	**1,690**
% change	36.9	7.7	18.4	25.3	16.4
Depreciation	153	186	245	308	298
EBIT	**755**	**793**	**914**	**1,145**	**1,392**
Interest	83	88	131	146	117
Other Income	78	88	77	74	116
PBT	**751**	**793**	**860**	**1072**	**1391**
% change	41.9	5.6	8.5	24.6	29.8
Tax	203	210	241	282	366
Tax Rate	27.0%	26.5%	28.0%	26.3%	26.3%
Reported PAT	**572**	**606**	**625**	**791**	**1026**
Adj*	1	0	0	0	0
Adj PAT	**572**	**606**	**625**	**791**	**1026**
% change	43.9	5.9	3.3	26.5	29.7
No. of shares (cr)	34.7	34.7	34.7	34.7	34.7
Adj EPS (Rs.)	**17.9**	**17.4**	**18.0**	**22.8**	**29.5**
% change	43.9	-2.4	3.3	26.5	29.7
DPS (Rs.)	1.0	1.0	1.0	1.2	1.2
CEPS (Rs.)	20.9	22.8	25.1	31.6	38.1

BALANCE SHEET

Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	50	144	337	239	365
Accounts Receivable	684	752	860	1,034	1,141
Inventories	3,498	4,360	4,991	5,988	6,515
Other Cur. Assets	170	208	299	340	375
Investments	183	223	48	48	48
Gross Fixed Assets	1,849	2,278	2,840	2,990	3,090
Net Fixed Assets	1,072	1,315	1,632	1,475	1,277
CWIP	41	45	67	50	50
Intangible Assets	88	89	220	220	220
Def. Tax (Net)	32	42	79	79	79
Other Assets	239	244	532	642	748
Total Assets	**6,058**	**7,423**	**9,064**	**10,115**	**10,816**
Current Liabilities	1,565	2,134	2,595	3,137	3,218
Provisions	18	23	292	351	388
Debt Funds	907	1,261	1,610	1,310	910
Other Liabilities	197	151	47	47	47
Equity Capital	35	35	35	35	35
Reserves & Surplus	3,337	3,819	4,486	5,235	6,219
Shareholder's Fund	3,372	3,854	4,520	5,269	6,254
Total Liabilities	**6,058**	**7,423**	**9,064**	**10,115**	**10,816**
BVPS (Rs.)	**95**	**109**	**126**	**147**	**175**

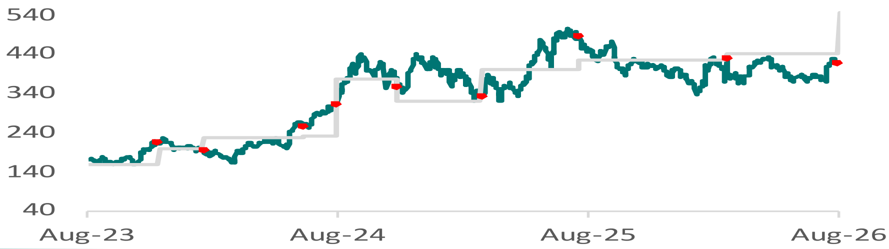
CASH FLOW

Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Net inc. + Depn.	**758**	**791**	**870**	**1,098**	**1,324**
Non-cash adj.	-52	7	-1	0	0
Other adjustments	125	42	107	146	117
Changes in W.C	-80	-374	-58	-721	-656
C.F. Operation	**757**	**463**	**910**	**523**	**784**
Capital exp.	-203	-239	-360	-133	-100
Change in inv.	-6	-12	-375	0	0
Other invest.CF	7	1	9	0	0
C.F – Investment	**-201**	**-250**	**-845**	**-133**	**-100**
Issue of equity	0	0	0	0	0
Issue/repay debt	-431	134	107	-300	-400
Dividends paid	-35	-104	-104	-42	-42
Other finance.CF	-72	-180	-130	-146	-117
C.F – Finance	**-538**	**-150**	**-127**	**-488**	**-559**
Chg. in cash	17	62	-62	-98	126
Closing cash	50	143	233	135	261

RATIOS

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	11.7	11.3	10.6	11.2	11.8
EBIT margin (%)	9.8	9.1	8.3	8.8	9.7
Net profit mgn.(%)	7.4	7.0	5.7	6.1	7.1
ROE (%)	18.7	16.8	14.9	16.2	17.8
ROCE (%)	11.6	10.8	9.7	10.9	12.3
W.C & Liquidity					
Receivables (days)	32.2	30.2	26.9	26.6	27.6
Inventory (days)	154.9	165.2	155.9	153.9	158.9
Payables (days)	82.7	95.5	94.7	93.4	94.2
Current ratio (x)	2.1	1.9	1.6	1.8	2.0
Quick ratio (x)	0.3	0.3	0.3	0.3	0.4
Turnover & Leverage					
Gross asset T.O (x)	4.5	4.2	4.3	4.5	4.7
Total asset T.O (x)	1.4	1.3	1.3	1.4	1.4
Int. coverage ratio (x)	9.1	9.0	7.0	7.8	11.9
Adj. debt/equity (x)	0.3	0.3	0.4	0.2	0.1
Valuation					
EV/Sales (x)	2.0	1.8	1.5	1.2	1.1
EV/EBITDA (x)	17.1	16.1	13.9	10.9	9.1
P/E (x)	24.0	24.6	23.8	18.8	14.5
P/BV (x)	4.4	3.9	3.3	2.8	2.4

Recommendation Summary (last 3 years)



Source: Bloomberg, Geojit Research

Dates	Rating	Target
9-Aug-23	SELL	160
29-Nov-23	SELL	201
2-Feb-24	Accumulate	226
28-Jun-24	SELL	230
14-Aug-24	BUY	378
13-Nov-24	SELL	322
18-Mar-25	Accumulate	393
06-Aug-25	SELL	424
06-Mar-26	BUY	518
19-Aug-26	BUY	514

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%
Not rated/Neutral			

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition: Upgrade No Change Downgrade

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