

LT Foods Ltd.

BUY

Sector: Packaged Foods

06th March 2026

Key Changes	Target ▲	Rating ▲	Earnings ▲	Target	Rs. 518
Stock Type	Bloomberg Code	Sensex	NSE Code	CMP	Rs. 432
Small Cap	LTFQ:IN	80,016	LTFODS	Return	+20%
			BSE Code		
			Time Frame		
			12 Months		

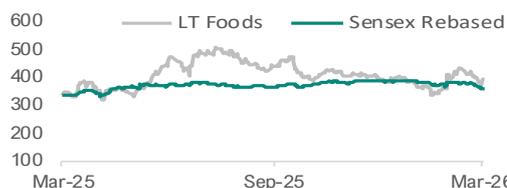
Data as of: 05-03-2026 18:00 hrs

Company Data	
Market Cap (Rs. cr.)	12,779
52 Week High — Low (Rs.)	518-290
Enterprise Value (Rs. cr)	13,463
Outstanding Shares (Rs cr)	34.7
Free Float (%)	39%
Dividend Yield (%)	0.8
6m average volume (cr)	0.1
Beta	1.6
Face value (Rs)	1.0

Shareholding (%)	Q1FY26	Q2FY26	Q3FY26
Promoters	51.0	51.0	51.0
FII's	9.3	10.1	8.9
MFs/Institutions	5.9	8.3	9.6
Public	21.2	19.1	18.1
Others	12.6	11.5	12.4
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	-1%	-11%	17%
Absolute Sensex	-7%	-2%	8%
Relative Return	7%	-9%	9%

*over or under performance to benchmark index



Consolidated (Rs. cr)	FY26E	FY27E	FY28E
Sales	10,918	12,162	13,561
Growth (%)	25.8	11.4	11.5
EBITDA	1,183	1,411	1,600
EBITDA Margin (%)	10.8	11.6	11.8
Adj. PAT	658	848	1,025
Growth (%)	8.6	28.9	20.8
Adj. EPS	19.0	24.4	29.5
Growth (%)	8.6	28.9	20.8
P/E	19.4	15.1	12.5
P/B	2.9	2.4	2.0
EV/EBITDA	12.0	9.7	8.2
ROE (%)	15.8	17.4	17.8
D/E	0.4	0.2	0.1

Author: Vincent K A - Sr. Research Analyst

Tariff Eases, Regional Expansions Will Aid Growth

LT Foods Ltd. (LTF) is a global consumer specialty company with an explicit focus on basmati rice, organic foods and ready to eat/cook (RTE/RTC) products. LTF is having a presence in more than 80 countries with significant regional exposure in the US, Europe, Middle East etc.

- Revenue grew by 24%YoY (normalized growth at 8% YoY excluding US tariff and Golden Star revenue) for Q3FY26, led by broad-based strength across geographies despite the US tariff headwind.
- Segment wise, Basmati revenue (86% mix) grew by 25%YoY, while organic (8% mix) declined by 7%YoY and RTH/RTC-Ready to Heat/Cook (1.5% mix) witnessed flat growth YoY.
- Gross margin improved 70bps YoY to 34.2%, supported by softer input costs and better procurement while EBITDA margin grew by only 20bps YoY to 11.2% due to increased spend on brand and strategic initiatives. Crop 2025 basmati production was lower than estimates due to weather related disruption and strong demand indicates higher prices.
- LTF's subsidiary, Ecopure Specialities Ltd (Organic segment) had received a preliminary notice from the US DoC for a CVD @ 340% (~Rs.170cr) on sales of Rs. 50cr (0.6% revenue mix) pertaining to CY23. As per the latest order, the duty has now been reduced to 75.5%.
- LTF targets Rs.1,000cr each from the recently set up manufacturing facility in the UK and from the expanded distribution in Saudi Arabia in next 5 years.
- EBITDA margin is expected to improve as the company scales up its value-added segments. The RTC/RTE segment is projected to grow at ~35% and is likely to achieve breakeven at around Rs.400cr in revenue by FY27 (Rs.200cr in FY25).

Outlook & Valuation

The strong focus on regional and product diversification is expected to support healthy earnings growth and re-rating. The recent initiatives of the company to expand in the UK and Saudi markets will support a long-term volume outlook. The US tariff has been reduced to 18% from 50% earlier, which will aid the demand; however, a short-term margin impact is expected due to the high-cost inventory in the US. Currently, LTF has only <9% exposure to the Middle East. **We value the stock at 17x on FY28 EPS (3Yr avg. 17x) to arrive at a target price of Rs.518 and recommend BUY due to healthy volume outlook.**

Quarterly Financials Consolidated

Rs.cr	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	9MFY26	9MFY25	YoY (%)
Sales	2,809	2,275	23.5	2,766	1.6	8,039	6,453	24.6
EBITDA	314	250	25.8	309	1.6	889	720	23.5
Margin (%)	11.2	11.0	20bps	11.2	0bps	11.1	11.2	-10bps
EBIT	251	204	23.2	250	0.7	714	587	21.6
PBT	220	198	11.4	229	-3.8	678	606	11.8
Rep. PAT	157	143	9.8	164	-4.0	490	445	10.1
Adj PAT	157	143	9.8	164	-4.0	490	445	10.1
EPS (Rs)	4.9	4.5	9.8	5.1	-4.0	15.3	13.9	10.1



Key Highlights...

- Saudi Arabian expansion continues, with branded sales reaching Rs. 35 cr in 9M and a five-year revenue ambition of Rs. 1,000 cr through deeper distribution and localization.
- The Rotterdam facility in Europe is enabling deeper retail penetration and multi-category B2C participation; management pegs the incremental revenue potential at ~Rs. 400 cr over five years, with near-term opex normalization as volumes scale.
- RTH/RTC business scaling, aided by strong demand for convenience foods and commissioning of new capacity that will support FY27 breakeven.
- Inventory days are down to ~255 and WC days to ~205 in 9M FY26, supported by tighter procurement, faster receivable turns (~27 days) and better payables leverage (~78 days).
- Management said the majority of the 50% U.S. tariff has been passed through, with some January consumption softness; they'll reassess trendlines by quarter end.
- Near-term margin will reflect higher-cost inventory bought under the previous tariff regime; benefits of the recent tariff reduction flow in as inventory cycles down.
- Basmati yields were below initial estimates across key states; the company continues its policy of covering a large share of annual needs, aiding price visibility.

Revenue



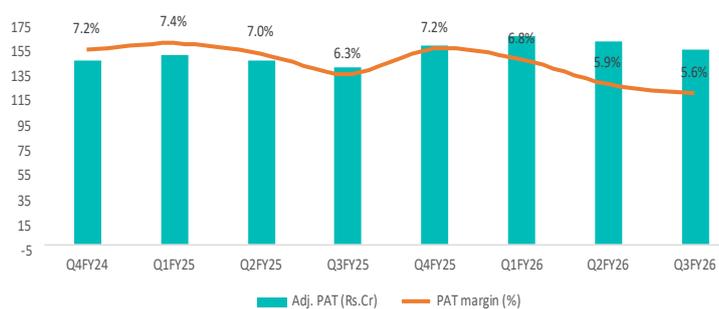
Basmati volumes & realisation



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	11,601	12,688	12,162	13,561	4.8	6.9
EBITDA	1,346	1,497	1,411	1,600	4.8	6.9
Margins (%)	11.6	11.8	11.6	11.8	0bps	0bps
Adj. PAT	797	943	848	1,025	6.5	8.7
EPS	22.9	27.2	24.4	29.5	6.7	8.5



Consolidated Financials

PROFIT & LOSS

Y.E March (Rs. cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	7,743	8,681	10,918	12,162	13,561
% change	12.2	12.1	25.8	11.4	11.5
EBITDA	908	978	1,183	1,411	1,600
% change	36.9	7.7	20.9	19.3	13.4
Depreciation	153	186	239	241	240
EBIT	755	793	944	1,170	1,360
Interest	83	88	126	110	70
Other Income	78	88	72	98	109
PBT	751	793	890	1,158	1,399
% change	41.9	5.6	12.2	30.0	20.8
Tax	203	209	234	304	368
Tax Rate	27.0%	26.3%	26.3%	26.3%	26.3%
Reported PAT	572	606	658	848	1025
Adj*	1	0	0	0	0
Adj PAT	572	606	658	848	1025
% change	43.9	6.0	8.6	28.9	20.8
No. of shares (cr)	34.7	34.7	34.7	34.7	34.7
Adj EPS (Rs.)	17.9	17.5	19.0	24.4	29.5
% change	43.9	-2.4	8.6	28.9	20.8
DPS (Rs.)	1.0	1.2	1.2	1.2	1.2
CEPS (Rs.)	20.9	22.8	25.8	31.4	36.4

CASH FLOW

Y.E March (Rs. cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Net inc. + Depn.	758	792	898	1,089	1,265
Non-cash adj.	-52	7	7	8	9
Other adjustments	125	41	133	118	79
Changes in W.C	-80	-374	-1188	-496	-594
C.F. Operation	757	463	-158	712	750
Capital exp.	-203	-239	-155	-50	-100
Change in inv.	-6	-12	0	0	0
Other invest.CF	7	1	0	0	0
C.F – Investment	-201	-250	-155	-50	-100
Issue of equity	0	0	0	0	0
Issue/repay debt	-431	134	350	-550	-600
Dividends paid	-35	-104	-42	-42	-42
Other finance.CF	-72	-180	-126	-110	-70
C.F – Finance	-538	-150	182	-702	-712
Chg. in cash	17	62	-131	-41	-62
Closing cash	50	143	12	-29	-91

BALANCE SHEET

Y.E March (Rs. cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash	50	144	13	-27	-89
Accounts Receivable	684	752	957	1,100	1,226
Inventories	3,498	4,360	5,052	5,591	6,215
Other Cur. Assets	170	208	264	294	328
Investments	183	223	223	223	223
Gross Fixed Assets	1,849	2,278	2,458	2,508	2,608
Net Fixed Assets	1,072	1,315	1,256	1,065	925
CWIP	41	45	20	20	20
Intangible Assets	88	89	89	89	89
Def. Tax (Net)	32	42	42	42	42
Other Assets	239	244	329	367	409
Total Assets	6,058	7,423	8,246	8,763	9,387
Current Liabilities	1,565	2,134	1,943	2,172	2,379
Provisions	18	23	28	32	35
Debt Funds	907	1,261	1,611	1,061	461
Other Liabilities	197	151	193	221	252
Equity Capital	35	35	35	35	35
Reserves & Surplus	3,337	3,819	4,435	5,242	6,225
Shareholder's Fund	3,372	3,854	4,470	5,277	6,260
Total Liabilities	6,058	7,423	8,246	8,763	9,387
BVPS (Rs.)	95	109	127	150	179

RATIOS

Y.E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	11.7	11.3	10.8	11.6	11.8
EBIT margin (%)	9.8	9.1	8.6	9.6	10.0
Net profit mgn.(%)	7.4	7.0	6.0	7.0	7.6
ROE (%)	18.7	16.8	15.8	17.4	17.8
ROCE (%)	11.6	10.9	10.3	11.4	12.4
W.C & Liquidity					
Receivables (days)	32.2	30.2	28.6	30.9	31.3
Inventory (days)	154.9	165.2	157.3	159.7	158.9
Payables (days)	82.7	95.5	84.4	76.5	77.1
Current ratio (x)	2.1	1.9	2.1	2.3	2.7
Quick ratio (x)	0.3	0.3	0.3	0.4	0.4
Turnover & Leverage					
Gross asset T.O (x)	4.5	4.2	4.6	4.9	5.3
Total asset T.O (x)	1.4	1.3	1.4	1.4	1.5
Int. coverage ratio (x)	9.1	9.0	7.5	10.6	19.4
Adj. debt/equity (x)	0.3	0.3	0.4	0.2	0.1
Valuation					
EV/Sales (x)	2.0	1.8	1.5	1.3	1.1
EV/EBITDA (x)	17.3	16.2	13.8	11.2	9.6
P/E (x)	24.2	24.8	22.8	17.7	14.6
P/BV (x)	4.4	3.9	3.4	2.8	2.4



Recommendation Summary (last 3 years)



Source: Bloomberg, Geojit Research

Dates	Rating	Target
7-Jun-23	Accumulate	142
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

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

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/ return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to BUY or downgraded to a HOLD, REDUCE or SELL.

Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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Geojit Investments Ltd. Registered Office: 7th Floor 34/659-P, Civil Line Road, Padivattom, Kochi-682024, Kerala, India. Phone: +91 484-2901000, Website : www.geojit.com/GIL . For investor queries: customer-care@geojit.com

GRIEVANCES

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