

LT Foods Ltd.

HOLD

Sector: Packaged Foods

 13th January 2026

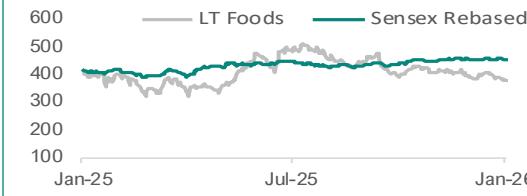
Key Changes	Target	Rating	Earnings	Target	Rs. 402
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Small Cap	LTFO:IN	83,878	LTFOODS	532783	12 Months

Data as of: 12-01-2026 18:00 hrs

Company Data			
Shareholding (%)	Q4FY25	Q1FY26	Q2FY26
Promoters	51.0	51.0	51.0
FII's	9.3	10.2	10.1
MFs/Institutions	5.9	7.2	8.3
Public	21.2	20.0	19.1
Others	12.6	11.6	11.5
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	-6%	-22%	-9%
Absolute Sensex	2%	2%	8%
Relative Return	-8%	-24%	-17%

*over or under performance to benchmark index



Consolidated (Rs.cr)	FY25A	FY26E	FY27E
Sales	8,681	10,806	11,601
Growth (%)	12.1	24.5	7.4
EBITDA	978	1,186	1,346
EBITDA Margin (%)	11.3	11.0	11.8
Adj. PAT	606	676	797
Growth (%)	6.0	11.5	17.9
Adj. EPS	17.5	19.5	22.9
Growth (%)	-2.4	11.5	17.9
P/E	20.9	18.7	13.4
P/B	3.3	2.8	2.1
EV/EBITDA	13.8	11.7	8.5
ROE (%)	16.8	16.2	16.6
D/E	0.3	0.4	0.1

Author: Vincent K A - Sr. Research Analyst

Strategic Investments to Drive Future...

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.

- Consolidated revenue rose 31% YoY (normalized growth 12% excluding Golden Star & U.S. tariff) to Rs. 2,766cr. North America (~46% revenue mix), grew 47% YoY (16% normalized), followed by India (30% mix) grew 13% YoY, Europe surged 31% YoY aided by new Rotterdam facility.
- Segment wise, Basmati revenue (87% mix) grew by 24%YoY, organic (10% mix) grew by 22%YoY while RTH/RTC-Ready to Heat/Cook (2% mix) declined by 5%YoY due to US capacity constraints.
- EBITDA grew 35% YoY to Rs. 309cr, EBITDA margin grew by only 30bps YoY to 11.2% due to higher ad-spend and outsourced costs in organic segment.
- LTF's subsidiary, Ecopure Specialities Ltd (Organic segment) has 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, and awaiting for final determination.
- LTF targets Rs. 1000cr each from the recently set up manufacturing facility in the UK and from the expanded distribution in Saudi Arabia in next 5 years. Adding to this, LTF announced 100% acquisition of Global Green Kft (Hungary), adding a €40mn revenue base, a third manufacturing hub (€15bn processed food market).
- EBITDA margin to improve with scale up in value added segments. RTC/RTE segment to grow at ~35%, breakeven at Rs.400cr revenue by FY27 (Rs.200cr-FY25).

Outlook & Valuation

LTF's recent initiatives towards expansion & diversification strategy support a strong long-term positive outlook and re-rating. The additional initiatives in the Europe and Saudi Arabia will support long-term volume outlook. The current uncertainty on the US tariff is continuing and the price negotiations are underway amidst strong demand. The margin impact in the organic segment is expected to normalise by next year. We expect PAT to grow at a 16% CAGR over FY25-27E. **We roll forward to FY28E EPS, value at 15x PE (3Yr avg 17x) to arrive at a target price of Rs.402, recommend HOLD due to recent correction in stock price.**

Quarterly Financials Consolidated

Rs.cr	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)
Sales	2,766	2,108	31.2	2,464	12.3	5,230	4,178	25.2
EBITDA	309	229	35.0	265	16.6	575	470	22.3
Margin (%)	11.2	10.9	30bps	10.8	40bps	11.0	11.3	-30bps
EBIT	250	184	35.3	213	17.1	463	383	20.7
PBT	229	200	14.6	228	0.4	457	408	12.1
Rep. PAT	164	148	10.4	169	-2.7	332	302	10.2
Adj PAT	164	148	10.4	169	-2.7	332	302	10.2
EPS (Rs)	5.1	4.6	10.4	5.3	-2.7	10.4	9.4	10.2

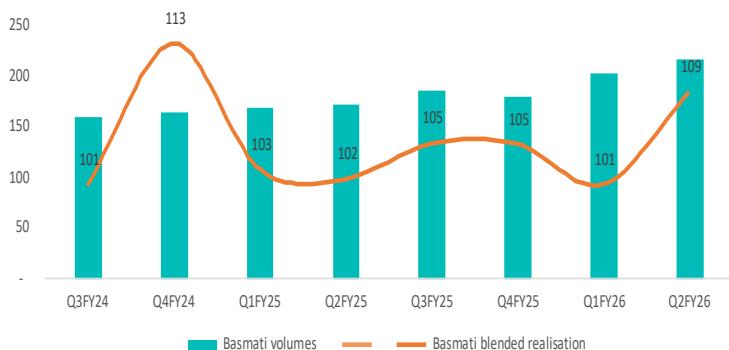
Key Highlights...

- Organic business expanded B2C footprint in Europe with Rotterdam facility; incremental ₹400cr revenue expected over five years.
- Household penetration of Daawat in India rose to 56.2 lakh homes (vs. 45.6 lakh in FY23); leadership in western region. Brand investments doubled YoY; major influencer campaigns and global activations boosted consumer engagement.
- Working capital days reduced to 174 from 195; inventory days improved to 187; net debt/EBITDA at 0.46x, indicating strong balance sheet health.
- Gross margin expanded YoY, helped by favourable crop procurement and stable basmati pricing trends, even as organic margins temporarily softened due to third party processing due to operational shift in Nature Bio Foods (Europe) during capacity scale up, but revenue momentum remains healthy and margins expected to normalize by Q4.
- US tariff pass-through remains in progress, with the 10% duty already absorbed and higher phase duties (25% and 50%) under active negotiation with retail partners.
- RTC/RTE capacity constraints in the US restricted volume capture despite strong demand; new plant commissioning expected to unlock growth and support breakeven by FY27.
- Middle East business recovering after a weak Q1, with Saudi Arabia branded sales reaching ₹28 crore; company remains focused on building presence over the next 5 years.

Revenue



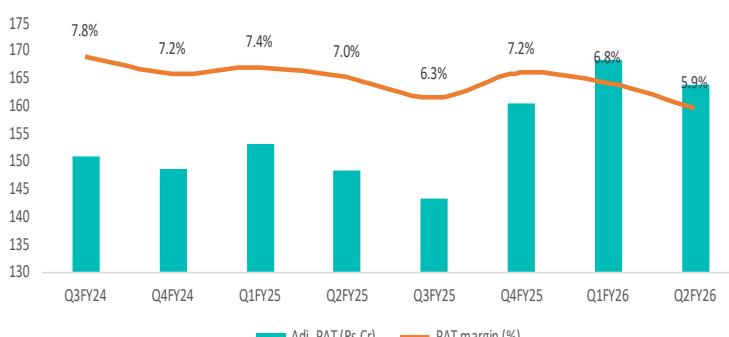
Basmati volumes & realisation



EBITDA



PAT



Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	10,243	11,597	10,806	11,601	5.5	0.0
EBITDA	1,129	1,357	1,186	1,346	5.0	-0.8
Margins (%)	11.0	11.7	11.0	11.6	-10bps	-10bps
Adj. PAT	663	818	676	797	1.9	-2.6
EPS	19.1	23.6	19.5	22.9	1.9	-2.8

Consolidated Financials

PROFIT & LOSS

Y.E March (Rs. cr)	FY21A	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	4,734	5,391	6,898	7,743	8,681	10,806	11,601	12,688
% change	14.4	13.9	27.9	12.2	12.1	24.5	7.4	9.4
EBITDA	559	561	663	908	978	1,186	1,346	1,497
% change	18.6	0.3	18.3	36.9	7.7	21.2	13.5	11.3
Depreciation	108	123	127	153	186	239	241	240
EBIT	451	438	536	755	793	946	1,105	1,257
Interest	87	69	82	83	88	126	110	70
Other Income	37	59	75	78	88	94	94	102
PBT	400	428	529	751	793	915	1,088	1,289
% change	42.8	7.0	23.7	41.9	5.6	15.3	19.0	18.5
Tax	109	114	140	203	209	241	286	339
Tax Rate	27.2%	26.7%	26.4%	27.0%	26.3%	26.3%	26.3%	26.3%
Reported PAT	275	292	403	572	606	676	797	943
Adj*	2	0	5	1	0	0	0	0
Adj PAT	272	292	397	572	606	676	797	943
% change	48.1	7.2	36.2	43.9	6.0	11.5	17.9	18.4
No. of shares (cr)	32.0	32.0	34.7	34.7	34.7	34.7	34.7	34.7
Adj EPS (Rs.)	8.6	9.1	12.6	17.9	17.5	19.5	22.9	27.2
% change	48.1	7.2	36.2	43.9	-2.4	11.5	17.9	18.4
DPS (Rs.)	1.0	1.0	0.5	1.0	1.2	1.2	1.2	1.2
CEPS (Rs.)	11.9	13.0	15.1	20.9	22.8	26.3	29.9	34.1

BALANCE SHEET

Y.E March (Rs. cr)	FY21A	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Cash		30	39	39	50	144	108	240
Accounts Receivable		494	618	682	684	752	947	1,049
Inventories		2,223	2,352	3,072	3,498	4,360	4,988	5,333
Other Cur. Assets		211	165	162	170	208	261	280
Investments		29	25	127	183	223	223	223
Gross Fixed Assets		1,331	1,429	1,593	1,849	2,278	2,458	2,508
Net Fixed Assets		794	822	910	1,072	1,315	1,256	1,065
CWIP		33	35	27	41	45	20	20
Intangible Assets		86	84	85	88	89	89	89
Def. Tax (Net)		28	24	25	32	42	42	42
Other Assets		201	209	203	239	244	326	350
Total Assets		4,128	4,372	5,333	6,058	7,423	8,259	8,692
Current Liabilities		683	911	1,295	1,565	2,134	1,942	2,146
Provisions		11	12	13	18	23	28	30
Debt Funds		1,506	1,262	1,184	907	1,261	1,611	1,061
Other Liabilities		145	159	48	197	151	191	212
Equity Capital		32	32	35	35	35	35	35
Reserves & Surplus		1,724	1,966	2,722	3,337	3,819	4,453	5,207
Shareholder's Fund		1,783	2,029	2,793	3,372	3,854	4,487	5,242
Total Liabilities		4,128	4,372	5,333	6,058	7,423	8,260	8,692
BVPS (Rs.)		53	61	78	95	109	128	149
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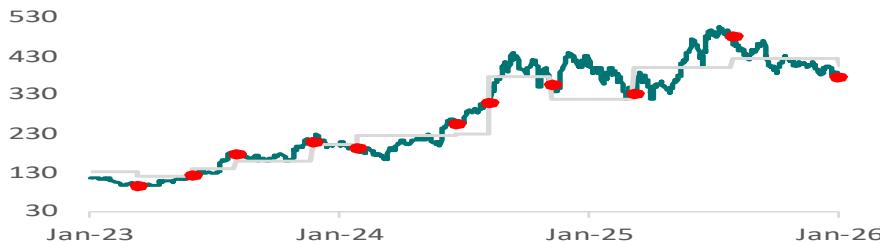
CASH FLOW

Y.E March (Rs. cr)	FY21A	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Net inc. + Depn.	383	415	584	758	792	915	1,037	1,183
Non-cash adj.	2	5	-43	-52	7	7	8	9
Other adjustments	97	92	59	125	41	133	118	79
Changes in W.C	-54	-1	-339	-80	-374	-1111	-271	-486
C.F. Operation	445	517	258	757	463	-63	884	777
Capital exp.	-114	-158	-154	-203	-239	-155	-50	-100
Change in inv.	14	4	-243	-6	-12	0	0	0
Other invest.CF	0	8	2	7	1	0	0	0
C.F - Investment	-100	-145	-395	-201	-250	-155	-50	-100
Issue of equity	0	0	382	0	0	0	0	0
Issue/repay debt	-225	-278	-157	-431	134	350	-550	-600
Dividends paid	-32	-32	-16	-35	-104	-42	-42	-42
Other finance.CF	-89	-47	-73	-72	-180	-126	-110	-70
C.F - Finance	-346	-358	136	-538	-150	182	-702	-712
Chg. in cash	-2	14	0	17	62	-36	132	-35
Closing cash	17	32	32	50	143	107	239	204

RATIOS

Y.E March	FY21A	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Profitab. & Return								
EBITDA margin (%)	11.8	10.4	9.6	11.7	11.3	11.0	11.6	11.8
EBIT margin (%)	9.5	8.1	7.8	9.8	9.1	8.8	9.5	9.9
Net profit mgn. (%)	5.7	5.4	5.8	7.4	7.0	6.3	6.9	7.4
ROE (%)	16.8	15.5	16.7	18.7	16.8	16.2	16.4	16.6
ROCE (%)	8.0	8.0	9.7	11.6	10.9	10.5	10.8	11.6
W.C & Liquidity								
Receivables (days)	43.2	37.7	34.4	32.2	30.2	28.7	31.4	31.6
Inventory (days)	153.2	154.9	143.5	154.9	165.2	157.9	162.4	160.3
Payables (days)	46.0	63.6	74.4	82.7	95.5	85.5	79.7	79.9
Current ratio (x)	1.7	1.8	2.0	2.1	1.9	2.1	2.3	2.8
Quick ratio (x)	0.3	0.4	0.4	0.3	0.3	0.3	0.4	0.5
Turnover & Leverage								
Gross asset T.O (x)	3.6	3.9	4.6	4.5	4.2	4.6	4.7	5.0
Total asset T.O (x)	1.2	1.3	1.4	1.4	1.3	1.4	1.4	1.4
Int. coverage ratio (x)	5.2	6.4	6.5	9.1	9.0	7.5	10.0	17.9
Adj. debt/equity (x)	0.9	0.6	0.4	0.3	0.3	0.4	0.2	0.1
Valuation								
EV/Sales (x)	2.8	2.4	2.0	1.7	1.6	1.3	1.1	1.0
EV/EBITDA (x)	23.5	23.0	20.6	14.7	13.8	11.7	9.8	8.5
P/E (x)	42.8	39.9	29.3	20.4	20.9	18.7	15.9	13.4
P/BV (x)	6.6	5.8	4.6	3.7	3.3	2.8	2.4	2.1

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
13-Jan-26	Hold	402

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.

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

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GRIEVANCES

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