

## Avendus Capital Advises LT Foods on Investment of INR 455.5 Cr From SALIC for 9.22% Equity Stake

November 2022 • Mumbai



DEAL VALUE	INR 455.5 Cr
SERVICE	Private Equity
SECTOR	Digital, Technology & Consumer

The Board of Directors of LT Foods in its meeting today approved the preferential issuance of 27,408,164 equity shares, i.e. 7.89% equity stake in LT Foods, at INR 142.23 per share to SALIC, a Saudi Joint Stock Company that is owned by the Public Investment Fund of the Kingdom of Saudi Arabia. In addition, SALIC will acquire 1.33% equity stake through a secondary share purchase from the Promoters Group. Post completion of this transaction, SALIC will hold 9.22% equity stake in LT Foods. The promoters of the company will continue to hold the majority equity stake of 51%.

In a related transaction, LT Foods will purchase 29.52% equity stake in its subsidiary, Daawat Foods Ltd., from SALIC which was acquired in February 2020 through its subsidiary 'United Farmers Investment Company'. LT Foods will acquire this stake for INR 175.8 crore and post completion of the transaction it will hold 100% equity stake in Daawat Foods Limited.

Further, the Company will also enter into a Strategic Supply & Cooperation Agreement with SALIC to further support SALIC in its food security agenda along with giving LT Foods a significant access to a large market. The relevant transactions are subject to necessary regulatory approvals.

**| Avendus Capital acted as the exclusive financial advisor to LT Foods on this transaction.**

Speaking on the occasion, **Chairman of LT Foods, Mr. Vijay Kumar Arora** said, "Our partnership with SALIC is strategic in nature and goes beyond financial investment. The tripling of investment in LT Foods by SALIC is an expression of their confidence in our ability to grow faster than the market. Together, we have developed a deep understanding of the needs of consumers in the Middle East related to food products and it will open doors for LT Foods to further strengthen its presence in this segment."

"I take this opportunity to thank the management of SALIC for showing confidence in LT Foods' business model and growth strategy", he further added.

**Group CEO of SALIC, Sulaiman AlRumaih** said, "The extension of our partnership with LT Foods is in-line with SALIC's strategy to contribute to the food security objectives. Our 3 years old investment in Daawat Foods Ltd.,

gave us an understanding of the management style of LT Foods, their market and business understanding and their deep commitment to sustainability, innovation to always serve its consumers better. This gave us the confidence to increase our investment in LT Foods and build a strong strategic partnership with the Company.”

**Abha Agarwal, Executive Director and Co-head, Consumer, FIG & Business Services, Avendus Capital** said, “It is an honor for us to advise LT Foods, one of the leading consumer food company globally. Over the last 70 years, the company has built a legacy by creating multiple leadership brands across the globe and has continuously evolved to adapt to consumer needs and preferences. I’m sure that this new partnership with SALIC will accelerate LT Foods’ growth journey across products and geographies.”

## | About Avendus

**Avendus Group** is a leading financial services firm with a presence in the areas of Investment Banking, Institutional Equities, Wealth Management, Asset Management and Credit Solutions. Established in 1999 in Mumbai, India, Avendus is today present in 11 cities across India, US and Singapore. Avendus partners with the Indian entrepreneur ecosystem to provide differentiated solutions that enable clients to meet their strategic aspirations.

**Avendus Capital**, the investment banking arm, is consistently ranked among the top investment banks in the country on the back of its in-depth domain understanding and a best in the class track record of domestic and cross-border transactions. Avendus’ wide range of clients is testimony to its ability to serve its corporates throughout their life cycle – from growth stage funding to large-sized transactions, M&A advisory and access to public markets.

**Avendus Capital Inc**, located in New York, is an Avendus Group entity offering M&A and Private Equity syndication services to clients in the US.

For more information, please visit [www.avendus.com](http://www.avendus.com)

Deal Release Contact: Lynette D’souza Tel: +91 9920847823 Email: <a href="mailto:lynette.dsouza@avendus.com">lynette.dsouza@avendus.com</a>	Avendus Capital Private Limited Regd. Office: 901, Platina, 9th Floor, Plot No. C-59, Bandra Kurla Complex, Bandra (E), Mumbai 400051
--	--