

Investor Presentation

TATA CONSUMER PRODUCTS

March'21

FOR BETTER

Disclaimer

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Agenda

01

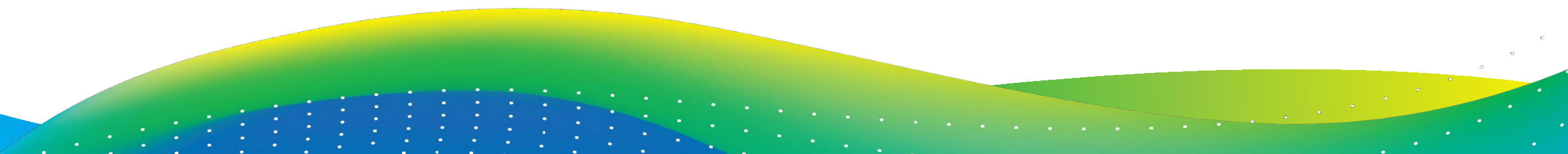
Executive summary

02

YTD Performance overview

03

Progress against Strategic
Priorities



Executive Summary (YTD 31st Dec' 20)

- During 9MFY21, Consolidated Revenue grew 18% YoY with Group Net Profit growth of 47%.
- Overall, India business[#] grew 25% led by
 - India Packaged Beverages business grew 26%, with 8% volume growth
 - India Foods business grew 17%, with 9% volume growth
- Branded International business (ex Foodservice) grew 15%, with an underlying (constant currency) growth of 8%.
- Consolidated EBITDA for the period was up 26% YoY, with strong margin delivery in International & India Foods business. India tea business margins were also largely stable despite a period of hyper inflation in raw tea prices.
- In line with our strategic intent of entering new adjacent categories, we have recently acquired [Kottaram Agro Foods Pvt Limited \(Soulfull\)](#).
- We are moving forward in our transformation journey while maintaining focus on volume growth & competitive market share performance.
- We continue to focus on building blocks for the future – S&D infrastructure, Digital, A&P & Innovation.

[#]including impact of NourishCo as a subsidiary effective May'20.

All growth numbers are vs same quarter previous year, unless specified otherwise

Key Businesses snapshot – 9MFY21



International Business

In ₹ Cr
(unless specified)

	India Beverages	India Foods	US Coffee	International Tea	Foodservice (International)	Tata Coffee (incl. Vietnam)	Consolidated
Revenue	3,396	1,800	980	1468	146	684	8,565
Revenue Growth <i>Constant currency growth</i>	30%	17%	19% 12%	13% 6%	-36% -40%	10% 8%	18% 16%
Volume Growth	8%	9%	10%	4%	-35%	6%	

Key Brands



Note:

- a) India Beverages includes Middle East and NourishCo (subsidiary effective May'20)
- b) International tea business includes UK, Canada, US, Aus and Europe.
- c) Tata Coffee incl. Vietnam and excl. USCoffee (EOC)
- d) Consolidated revenue includes other non-branded business and Inter-segment eliminations

Group Performance at a glance – 9MFY21



₹ 8,565 Cr.



₹ 1,253 Cr.



₹ 1,080 Cr.



₹ 856 Cr.



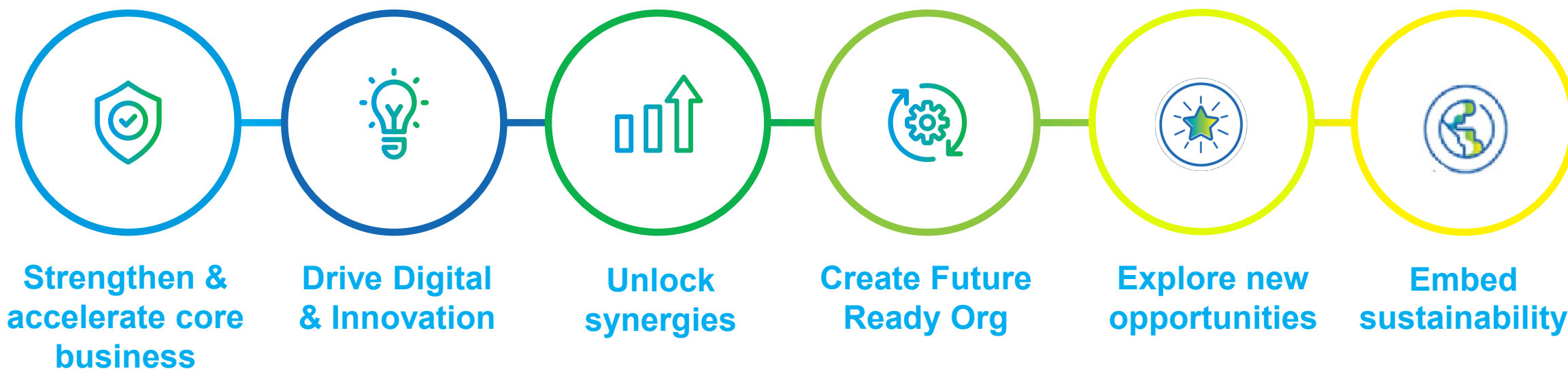
~₹ 1,550 Cr.

	Revenue	EBITDA	PBT (bei)^	Group Net Profit	Net Cash\$
Growth (Y-on-Y)	18%	26%	29%	47%	
Margin%		14.6%	12.6%	10.0%	
Margin expansion (Y-on-Y)		+80 bps	+100 bps	+190 bps	
EPS / Cash EPS				8.71 (EPS)	
EPS Growth (Y-on-Y)				+50% (EPS)	

^ PBT before exceptional items

\$ Cash and Cash equivalents (net of total borrowings) as at Dec 31, 2020

Strategic Priorities



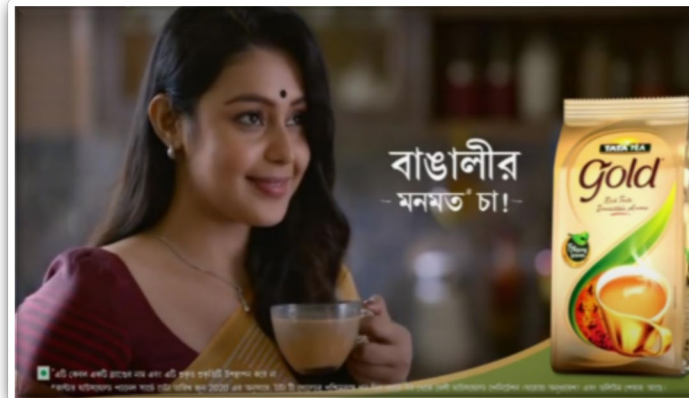


Strengthening & powering our brands



TATA Tea Chakra Gold, became the first TATA Tea brand to partner with an IPL team.

Tata Tea Gold - Shoojit Sircar directed film celebrates the unique Bengali culture code of extreme connoisseurship in F&B choices



#Spiceupyourhealth – Digital campaign aimed to drive awareness around natural oils in spices & Sampann brand proposition



First TV commercial for Tata Rock Salt premiered on KBC and Sony Liv in December

Launch of new national campaign to increase awareness of the importance of iodine for kids' mental development– **Tata Salt**





Fueling the Innovation Funnel - India

Tata Tea Tulsi



Goodness of green tea now with immunity boosting power of Tulsi

Tetley Green Tea Immune



Green tea now with immunity power of added Vitamin C

Tata Tea Gold Care



Tata Tea Gold with a blend of five herbs and spices

Tata Sampann Poha (Thin)



High in fiber and a source of protein

Tata Tea Quick Chai



Pre-boiled tea in exciting flavors of Masala and Ginger



Fueling the Innovation Funnel - International

UK

Tetley Tea



Range of herbal infusions from the UK tea brand.

Good Earth



Good Earth Kombucha brewed from the finest black teas and the loveliest live cultures.

USA

Tetley British blends



Tetley British Blends uniquely crafted with character notes from around the world

Quick Chai/ Tata Coffee



Lift and Shift launches from India to USA

Australia & Canada

Tetley Tea



Naturally fortified range of tea/herbal variants for Australia market

Tetley Immune+

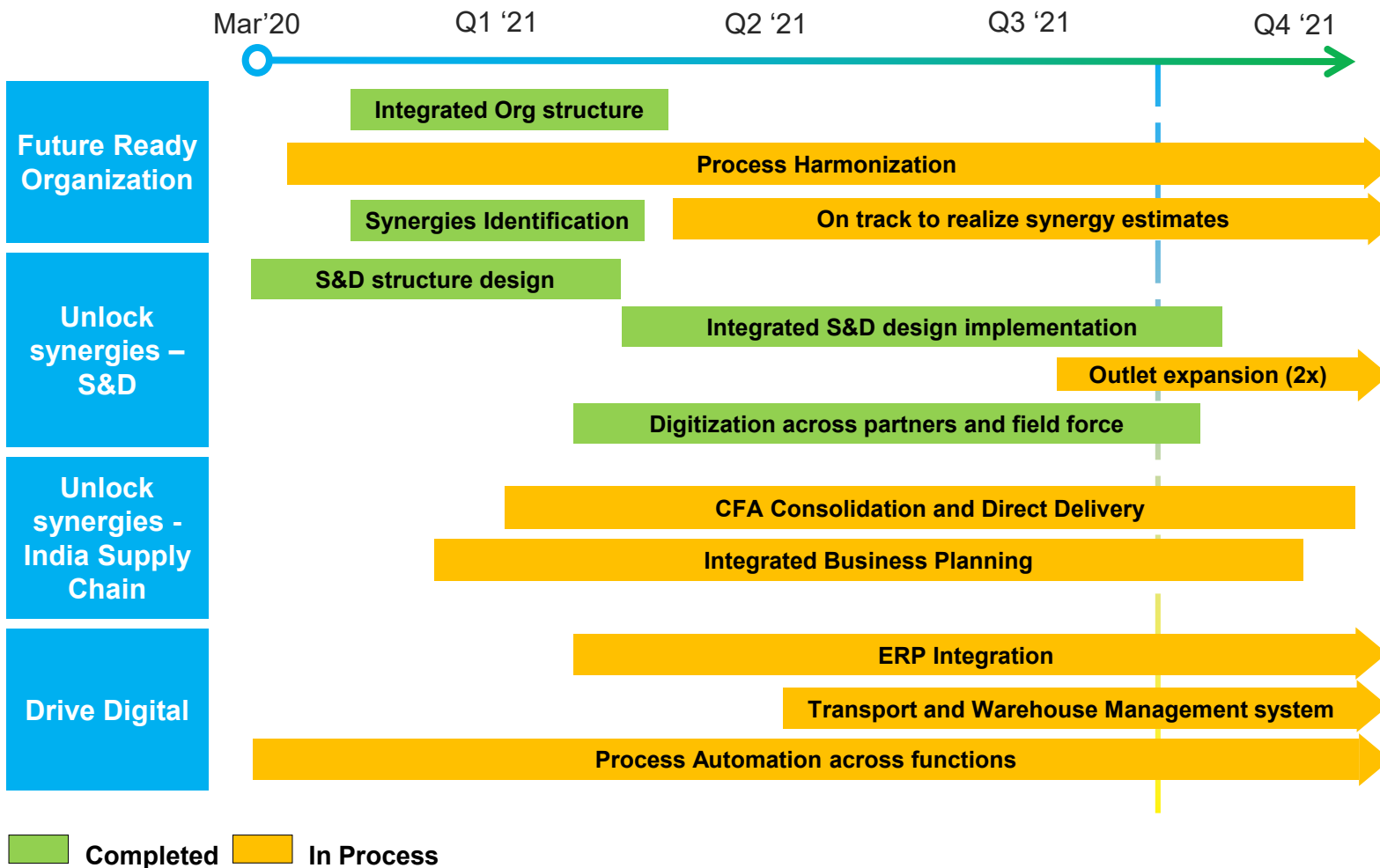


2 more Super Teas launched in Canada – strengthening our credentials in Health and Wellness space



Unlocking synergies

Broad timelines

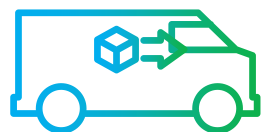


Status

- Integration expected to be substantially completed by Q4 FY21; to enable better execution of strategic roadmap
- Synergy identification completed and realization started from Q3 FY21
- Distribution channel partner consolidation done
- Channel partner digitization completed for urban distributors
- Integration of India ERP on track and will go-live in Q4FY21.
- CFA locations consolidated for North & East. Pan India consolidation to be complete by Q4.
- Integrated Business Planning Phase I (Demand planning) is live and Phase II will go live in Q4FY21.

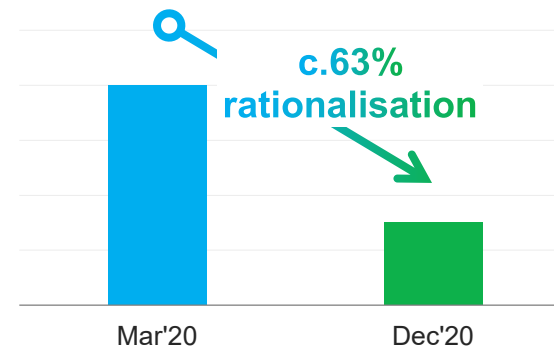
India integration update – S&D impact

Combined F&B portfolio

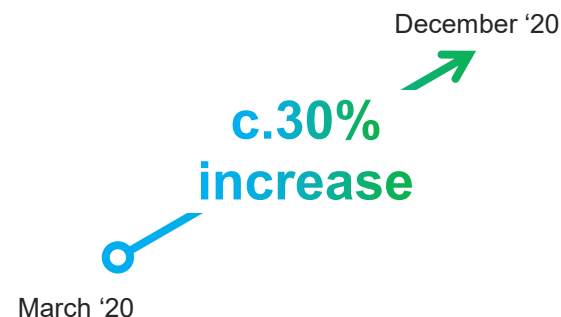


Selling the combined F&B portfolio to 100% of distributors

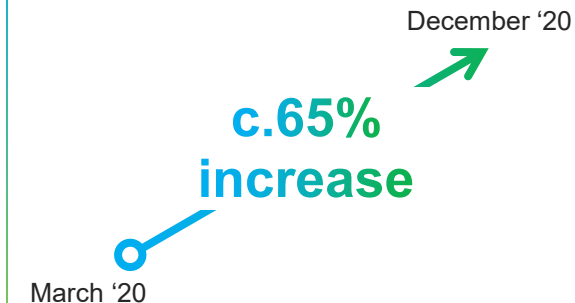
Consolidation of distributors



Dedicated Sales Reps



Outlets billed



Rural feet on street

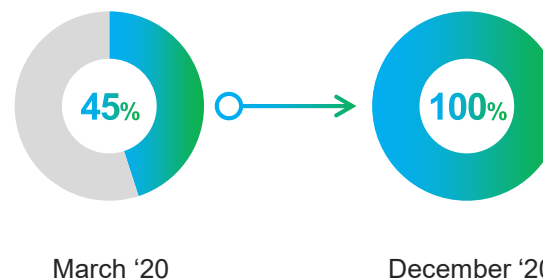


December '20 Vs. March '20

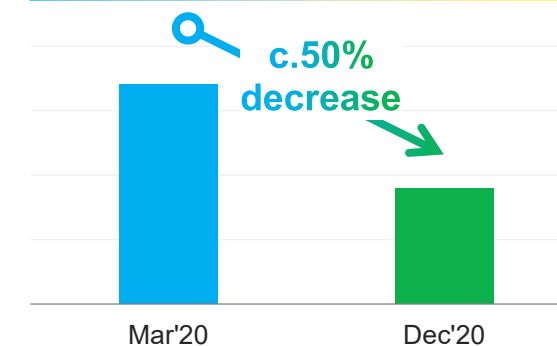
Modern Trade & Ecommerce

- Exclusive distributors
- Direct servicing model

Channel partner automation



Accounts Receivables (days)





New engines of growth

Sampann



Values Added Salt



Coffee



Nourishco





Acquisition of Kottaram Agro Foods Pvt. Ltd.

Summary

- In line with one of our strategic priorities to expand into new categories, we have acquired Kottaram Agro Foods Pvt. Ltd, the owner of the brand “Soulfull”.
- The **tuck-in** acquisition will enable us to have a play in the “**Better for You**” products category, leveraging their expertise in millets such as Ragi.
- The product portfolio straddles multiple consumption occasions - breakfast, snacking, mini-meals.
- Convenient, healthy, “No-Maida” offerings targeted for millennial families, kids and discerning health-conscious adults.
- Soulfull is a strong brand built in select urban markets with a reach of c.15,000 outlets, offering significant potential for geographic expansion.
- Led by young, passionate, purpose-led management team.
- In-house manufacturing and R&D capabilities.
- Strategy for portfolio expansion with a strong NPD pipeline.

Transaction overview

- Acquisition of 100% shares in Kottaram Agro Foods Pvt. for a consideration of ~Rs.156cr.
- Company has become a 100% subsidiary of Tata Consumer Products.
- Soulfull to be integrated with TCPL, including its Sales & Distribution system.
- Key management team to remain with the Company.



Ragi Bites



Millet Muesli



Smoothix



Oat Millets Meal

“Tata Soulfull” to leverage the Tata Consumer platform to expand its addressable market and accelerate growth



Strategic fit for our Health & Wellness portfolio

Value Creation

- Build a platform with differentiated offerings in the Health & Wellness space (*estimated market size of Rs. 20,000 Cr.*)
- Adjacent to the core category of “For Better” food products offered by TCPL
- Access to a fast growing brand with a new addressable Target Group
- Gives TCPL an opportunity to expand the portfolio into -
 - ✓ On-the-Table / On-the-Go categories
 - ✓ New consumption occasions – RTE breakfast and snacking
 - ✓ Fast growing category - cereals, mini meals, healthy snacks, protein drinks, etc. (*Categories growing @ 15%+*)
- Explore innovative formats in-line with current consumption trends
- Margin accretive addition to the business

Key synergies with TCPL

- Significant scope to expand distribution - 15,000 outlets (Soulfull) vs 2.4m total numeric reach (TCPL)
- Scope to unlock synergies in S&D, procurement/ manufacturing/ logistics
- Addition of ‘TATA’ to strengthen brand credentials
- Leverage our R&D capabilities for building a platform for the future
- Strong & passionate team to be supplemented with TCPL expertise

Timelines

- Operational integration with TCPL underway





Continued focus on ESG

For better planet



- **Climate Leadership** - TCPL is on CDP A- list in 2020, placing us in CDP's Leadership band, second year in a row.
- **Water Stewardship** - Project Jalodari in Himachal and Assam benefitting 25000 people directly.
- **Energy consumption** - Carbon footprint decreased 26% between 2010-20. 12% of energy consumption is from solar power.
- **Waste management** – On target for legislated plastic waste collection in India. UK Plastics Pact – pledge to have 100% recyclable/reusable/compostable packaging by 2025.

For better communities



- **Sustainable Sourcing** - Trustea Programme won **CII Food Future Foundation National Award** for Sustainable Sourcing in Dec'20. The programme verifies 680 mn kg of Indian tea, positively impacting over 6,00,000 workers and 57,000 small tea growers.
- **Childhood development** - UNICEF Malawi project initiated this year. UNICEF Improving Lives program in Assam to reach 250,000 beneficiaries.
- **Healthcare**- affordable healthcare for 100,000 people in Munnar & Assam. A proud supporter of **Canadian Cancer Society** through 'pink pack' sale contributing \$700,000 since launch.

Thank You