



May 28, 2020

**The National Stock Exchange of India Ltd.**

Exchange Plaza, 5th floor  
Plot No. C/1, G Block  
Bandra Kurla Complex  
Bandra (E)  
Mumbai 400 051  
**Scrip Code – TATACONSUM**

**BSE Ltd.**

Corporate Relationship Dept.  
1st Floor, New Trading Wing  
Rotunda Building, PJ Towers  
Dalal Street  
Mumbai 400 001  
**Scrip Code - 500800**

**The Calcutta Stock Exchange Ltd.**

7 Lyons Range  
Kolkata 700 001  
**Scrip Code – 10000027**  
**(Demat)**  
**27 (Physical)**

Dear Sir,

**Sub.: Presentation for the Virtual Analysts/Institutional Investor Meeting**

Further to our letter dated May 27, 2020, we enclose herewith a copy of the presentation for the Virtual Analyst/Institutional Investor meeting to be held on May 28, 2020.

A copy of the same will also be uploaded on the Company's website [www.tataconsumer.com](http://www.tataconsumer.com)

This is for your information and records.

Yours faithfully,

**For Tata Consumer Products Limited**



**Neelabja Chakrabarty**  
**Vice President & Company Secretary**

**TATA CONSUMER PRODUCTS LIMITED**

**(Formerly known as Tata Global Beverages Limited)**

11/13 Botawala Building 1st Floor Office No 2-6 Horniman Circle Fort Mumbai 400 001 India

Tel: 91-22-6121-8400 | Fax: 91-22-61218499

Registered Office: 1, Bishop Lefroy Road, Kolkata – 700 020

Corporate Identity Number (CIN): L15491WB1962PLC031425

Email: [investor.relations@tataconsumer.com](mailto:investor.relations@tataconsumer.com)

Website: [www.tataconsumer.com](http://www.tataconsumer.com)

# Investor Presentation

For the quarter ended March 2020

**TATA** CONSUMER PRODUCTS

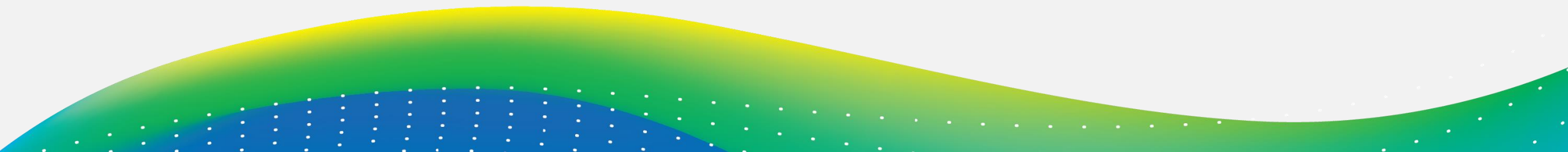
May 2020

A decorative graphic at the bottom of the slide featuring two overlapping wavy bands. The lower band is blue with white dots, and the upper band is green with yellow dots.

FOR BETTER

# Disclaimer

Certain statements made in this presentation relating to the Company's objectives, projections, outlook, expectations, estimates, among others may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections etc., whether express or implied. These forward-looking statements are based on various assumptions, expectations and other factors which are not limited to, risk and uncertainties regarding fluctuations in earnings, competitive intensity, pricing environment in the market, economic conditions affecting demand and supply, change in input costs, ability to maintain and manage key customer relationships and supply chain sources, new or changed priorities of trade, significant changes in political stability in India and globally, government regulations and taxation, climatic conditions, natural calamity, commodity price fluctuations, currency rate fluctuations, litigation among others over which the Company does not have any direct control. These factors may affect our ability to successfully implement our business strategy. The company cannot, therefore, guarantee that the 'forward-looking' statements made herein shall be realized. The Company, may alter, amend, modify or make necessary corrective changes in any manner to any such forward looking statement contained herein or make written or oral forward-looking statements as may be required from time to time on the basis of subsequent developments and events.



# Agenda

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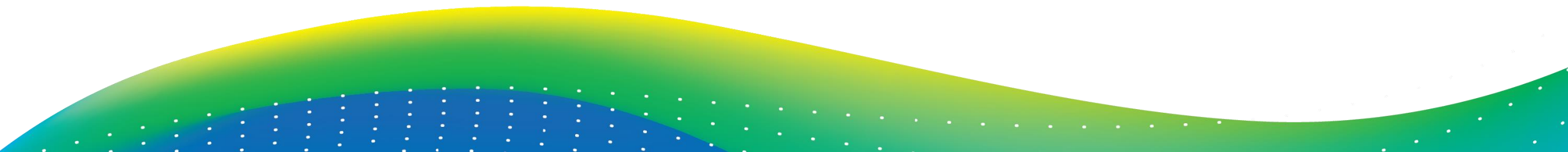
Responsible Business

07

Financial Performance

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Contact Information



# We are Tata Consumer Products



Largest salt brand in India



Largest tea brand in India  
by volume



3<sup>rd</sup> largest tea brand in UK &  
largest tea brand in Canada



4<sup>th</sup> largest R&G coffee  
brand in USA



Leading National brand  
in pulses in India



#1 natural mineral water  
brand in India

## In a nutshell



Integrated F&B company  
with rich heritage of Tata,  
aspiring for a larger share  
of the FMCG World



#2 branded tea player  
globally



₹ 9.6K crore consolidated  
revenue in FY20 and current  
market cap of ~₹33k Cr.



330+ million servings of our  
brands consumed every day



Among the top 10 F&B  
companies in India



2,250+ employees  
worldwide

01

# Company Overview

# Executive Summary

- Merger of the Consumer Products Business of Tata Chemicals with TGBL, completed in Feb'20 (merger appointed date : April 1, 2019), we are now TATA Consumer Products Limited
- Consolidated Revenue for the Year grew by 33% and by 35% in Q4. On a like to like basis, revenue grew by 4% for the Year and 6% in Q4
- Consolidated EBITDA for the Year grew by 56% and by 77% in Q4. On a like to like basis, EBITDA grew by 12%<sup>#</sup> for the Year and by 29%<sup>#</sup> in Q4
- India Beverages grew by 7% for the Year and 6% in Q4, while India Foods grew by 12% for the Year and 9% in Q4
- International Beverages (excluding Czech, which we have since exited) revenues for the Year were flat and grew by 7% in Q4 in constant currency
- Our branded businesses globally have been impacted by COVID 19 moderately, and our food service and Out of Home business continues to face significant headwinds
- Consolidated PBT (<sup>^</sup>bei) for the Year is higher by 41% and 54% for the Q4 mainly due to inclusion of Foods business
- Cash EPS for the Year is 11.02 versus 8.02 for last year, an increase of 37%
- We are happy to declare a dividend of Rs. 2.70 per share and we also welcome the shareholders of TATA Chemicals to our family.
- TCPL acquired the 50% stake of Pepsico in our JV, Nourshico Beverages Limited; to increase focus on liquid beverages

<sup>#</sup>comparable growth over previous year i.e. excluding impact of India Foods and INDAS 116

<sup>^</sup> bei - PBT before exceptional items

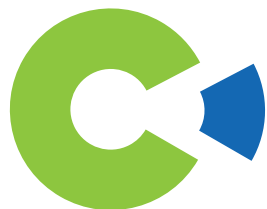
**TATA CONSUMER PRODUCTS**



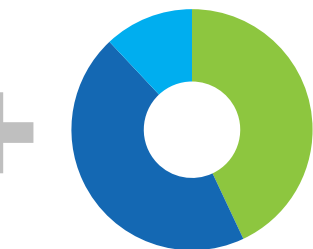
# Creation of Tata Consumer Products

Merger of consumer products business of TCL with TGBL has led to creation of Tata Consumer Products Limited (TCPL)

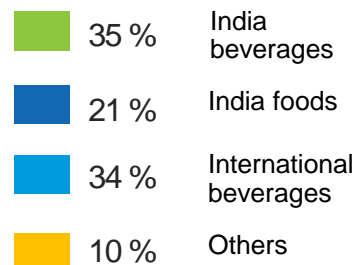
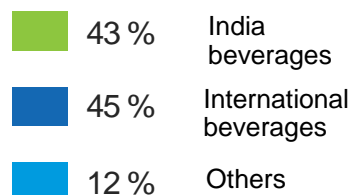
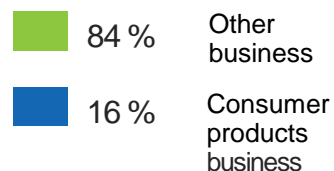
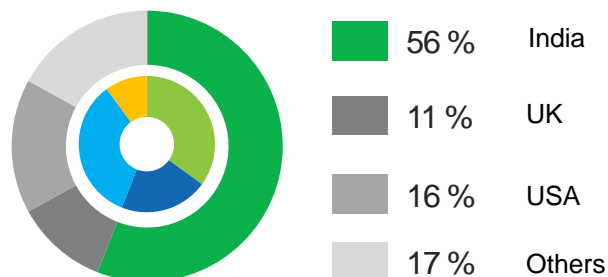
## Tata Chemicals Limited (TCL)



## Tata Global Beverages Limited (TGBL)



## Tata Consumer Products Limited (TCPL)



Note: Merger completed w.e.f 7th February 2020. TCL shareholders entitled to receive 114 shares of TGBL for every 100 shares of TCL.

## Genesis for creation of TCPL

- Creation of a sizeable Consumer company with enhanced scale and financial strength
- Tap the larger opportunity available in Foods & Beverages segment and not be limited only to beverages category
- Leverage the experience of operating in both Indian and International markets
- Potential to unlock significant synergies across distribution, marketing, innovation and supply chain
- Create a consumer company with a diversified portfolio of leading Indian and International brands like Tata Salt, Tata Tea, Tetley, Eight O' Clock and high growth potential brands like Tata Sampann and Tata Starbucks

## Update on integration

- Merger consummated in ~9 months. Scheme effective and operational from February 7, 2020 and the company name changed on February 10, 2020
- Received approval to list the new shares from BSE, NSE and CSE on March 18, 19 and 20 respectively
- Team created to managed the transition following the merger announcement; seamless Day 1 transition effected
- Dedicated team focused to ensure successful integration of businesses including the creation of a unified way of working and realization of synergies have been created



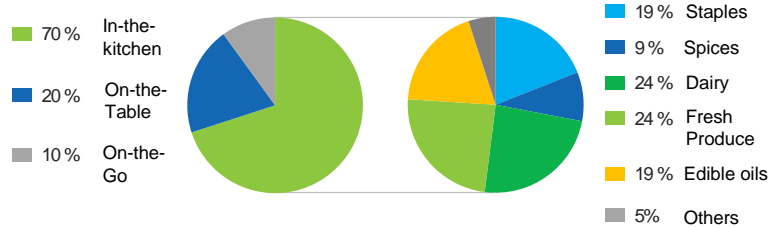
# India's Consumption Story

## ₹30 lakh crore market opportunity

Market skewed towards in-the-kitchen segment

Market size (2019):  
₹30 Lakh Cr.

In-the-Kitchen:  
₹ 21 Lakh Cr.

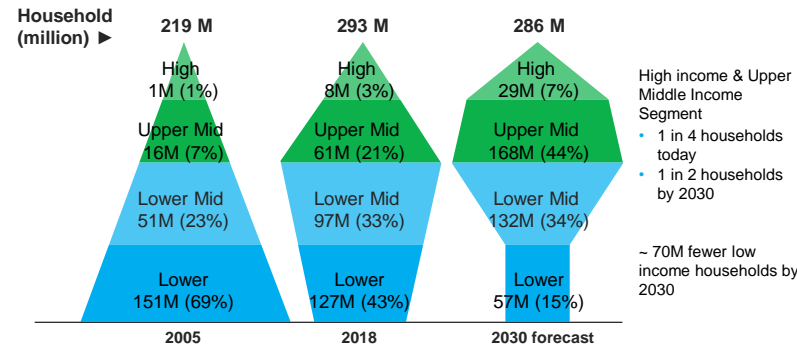


- In-the-Kitchen, the largest category in F&B basket is still untapped by organized players (Market share <10%)
- On-the-Go and On-the-Table categories are dominated by indulgent snacking offerings by national & local players
- All 3 categories are witnessing demand for healthy and better quality products, which represents a large opportunity for TCPL
- We aim to become a formidable player across the 3 categories, while focusing on offering products that are high in quality, innovative, delightful and made with goodness and care

Source: PwC, Edelweiss, WEF

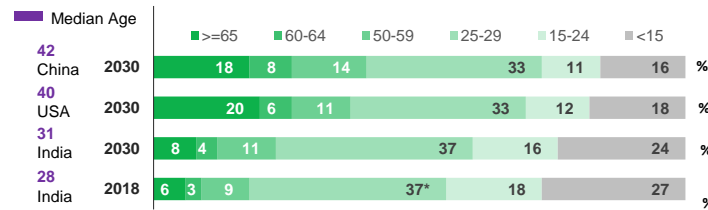
## Rapidly evolving consumer behaviour

Rising affluence of households



Rising affluence of Indian households will lead to premiumization and higher demand for healthy and convenient to use products

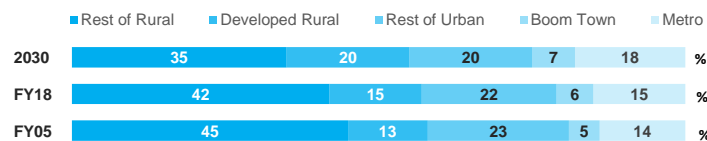
India's young consumer



\*Millennials born during 1981-2005 Generation Z (born post 2005)

India will witness the rise of the Gen-Z consumer who is tech savvy, aspirational and wants to engage with brands across multiple channels

Consumption across Urban and Rural



Gap between rural and urban consumption to narrow as infrastructure improves and supply chain strengthens

## Proven ability to win

TCPL is well positioned to ride next consumption wave with:

- Portfolio of market leading brands & high growth potential brands
- Deep understanding of consumers
- Presence across 200 mn HH
- Wide distribution network of over 2.5 mn retail outlets
- Innovation led organization with focus on health and well being products
- Legacy of Tata heritage

**Our key focus will be on health, well-being & convenience for consumers**

Growing by 5X, would still lead to market share of less than 5% for TCPL in the Indian F&B basket – **Indicating a large market opportunity.**

# Brand Promise – For Better

As Tata Consumer Products, we stand **‘For Better’** – a reflection of our commitment to improvement by pushing boundaries and aiming for better every day for all our stakeholders



## Consumers

A commitment to deliver better products that will help everyone fulfill aspirations & lead happier, healthier lives



## Employees

A rallying cry to aim for better, catalyzing growth and excitement



## Partners

Practices that are ethical and treat partners fairly









## Investors

Commitment to do better everyday for People, Planet and Profits



# Revenues at a Glance

				 International Beverages		
In ₹ Cr (unless specified)	India Beverages	India Foods	US Coffee	Other International (UK, Canada and Others)	Tata Coffee (inc Vietnam)	Consolidated
Revenue (FY20)	3,377	2,064	1,121	2,105	836	9,637
Revenue Growth	7%	12%	2%	0%^	19%	33%/4%#
Volume Growth	7%*	3%*	5%*	1%*	14%	6%#
Revenue (Q4)	755	524	299	577	214	2405
Revenue Growth	6%	9%	15%	8%^	6%	35%/6%#
Volume Growth	5%*	-1%*	15%*	3%^	-12%	3%#

## Key Brands



## Note:

a) Tata Coffee incl. Vietnam and excl. US Coffee (EOC)

b) Does not include inter-segmental eliminations

\* Branded business growth

# comparable revenue growth excluding India Foods

^ growth excluding Czech (exited during the year)

# Performance at Glance for the Year



~₹ 9,637 Cr.



~₹ 1,310 Cr.



~₹ 1,084 Cr.



~₹ 1,321 Cr.

	Revenue	EBITDA	PBT (bei)^	Net Cash\$
Growth (reported)	33%	56%	41%	
Comparable growth	4%#	12%#	6.5%#	
Margin expansion (reported)		+200 bps	+65 bps	
Comparable Margin expansion		+100 bps#	+20 bps	
Cash EPS			11.02	
Dividend (Rs. per share)			2.70	

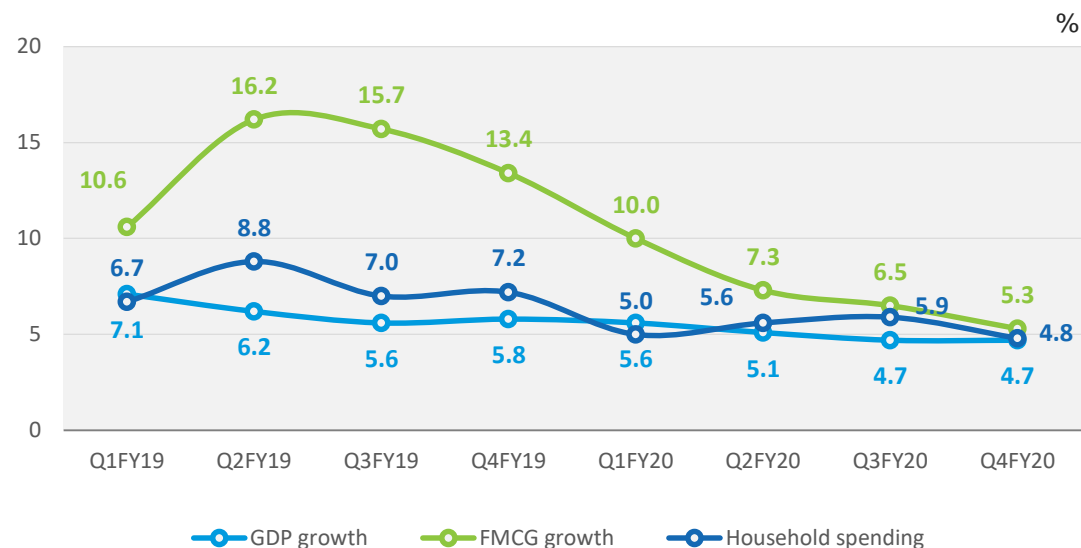
# comparable growth over previous year i.e. excluding impact of India Foods and INDAS 116

^ PBT before exceptional items

\$ Cash and Cash equivalents (net of total borrowings) as at end of the year (FY20)

# Market Context

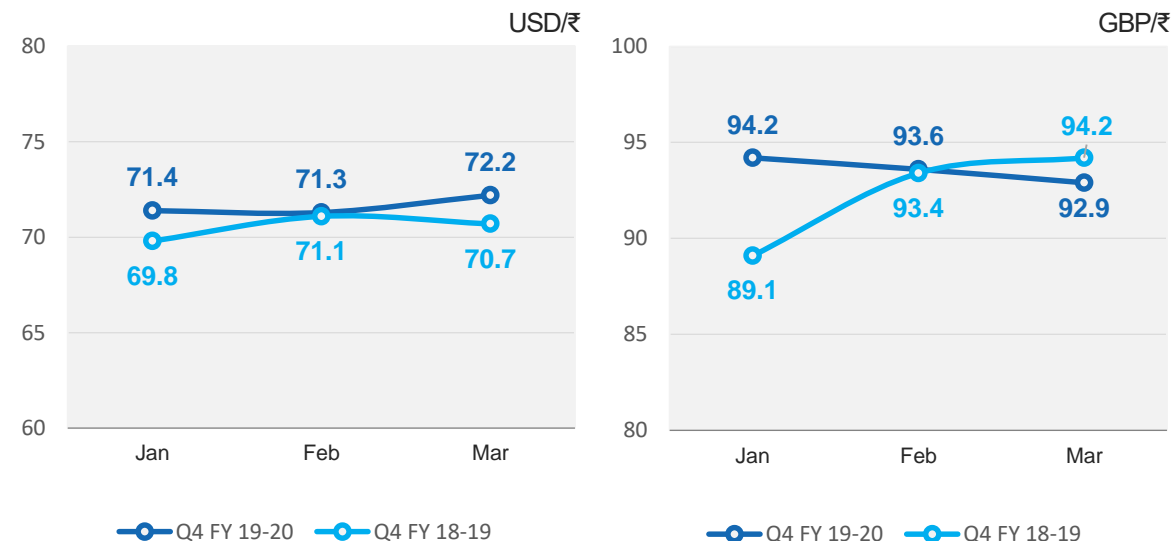
## Muted FMCG industry growth



- FMCG industry growth has witnessed decline since the last 4 quarters in-line with GDP growth
- Decline being led by weakening of rural demand, increase in unemployment and higher consumer inflation (4.62% in Oct'19 vs. 7.59% in Jan'20)
- As a result the household spending growth rate has declined to ~4.8% in Q4'20 vs. ~7.2% in Q4'19
- Industry growth in Q4'FY20 further decelerated due to COVID-19 impacted in March (3.3% growth in March)
- We expect higher demand for staple products category in the short term as compared to other discretionary items, which will further get intensified due to COVID-19

Source: \*Nielsen, NSO & tradingeconomics.com

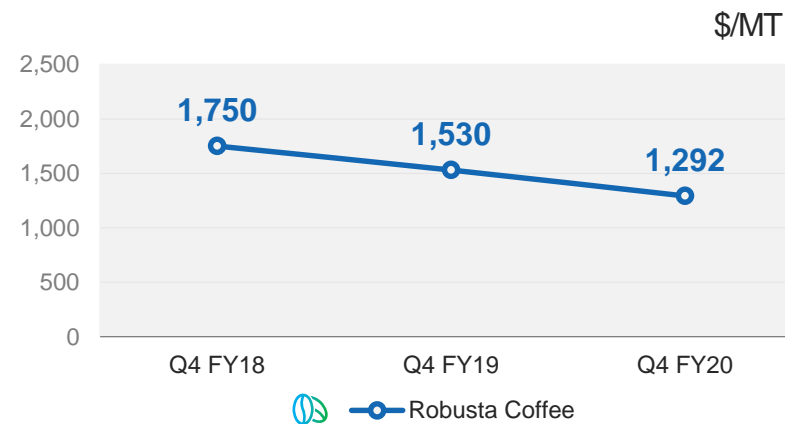
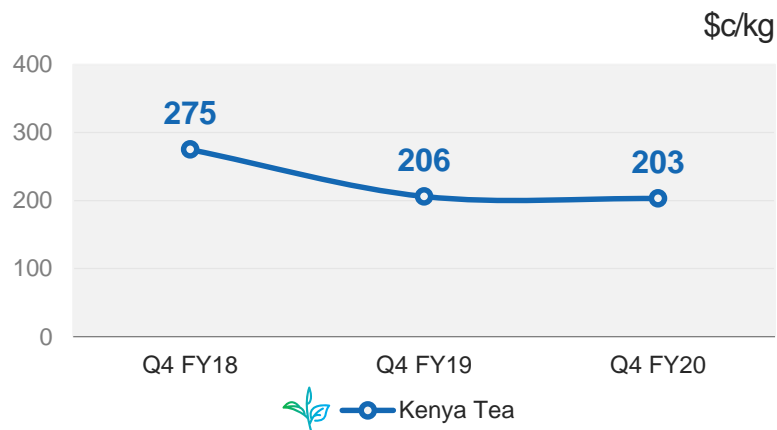
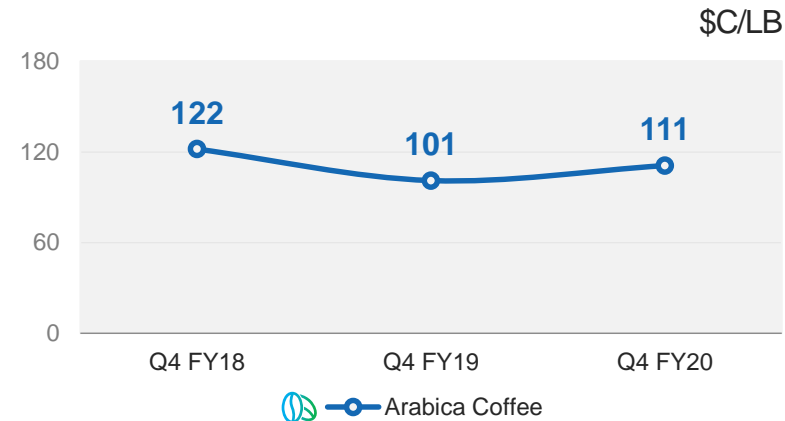
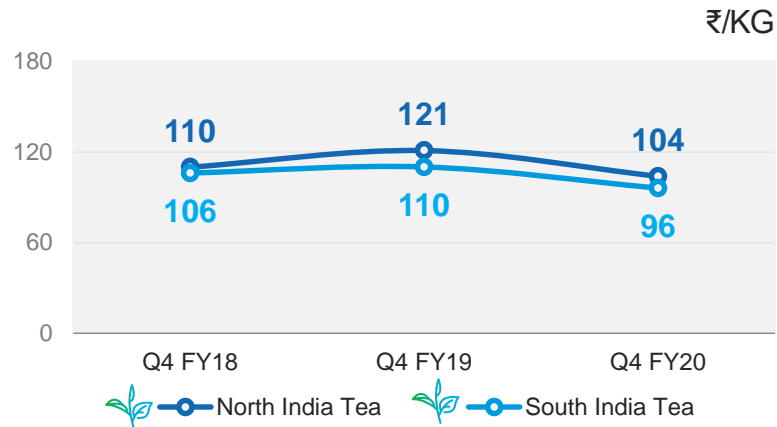
## Depreciation in Indian Rupee



- In Q4'FY20, Rupee depreciated against USD by 1.6% Y-o-Y, as compared to Q4'FY19 (average of 71.6 vs. 70.5). This sharp dip was primary due to sharp market sell off in the backdrop of COVID-19 impact
- Rupee also depreciated against GBP by 1.5% during the same period (93.5 vs. 92.2). However, there was an appreciation of Rupee against GBP of 1.3% in Mar'20, due to COVID-19 impact

# Market Context

## Declining commodity costs

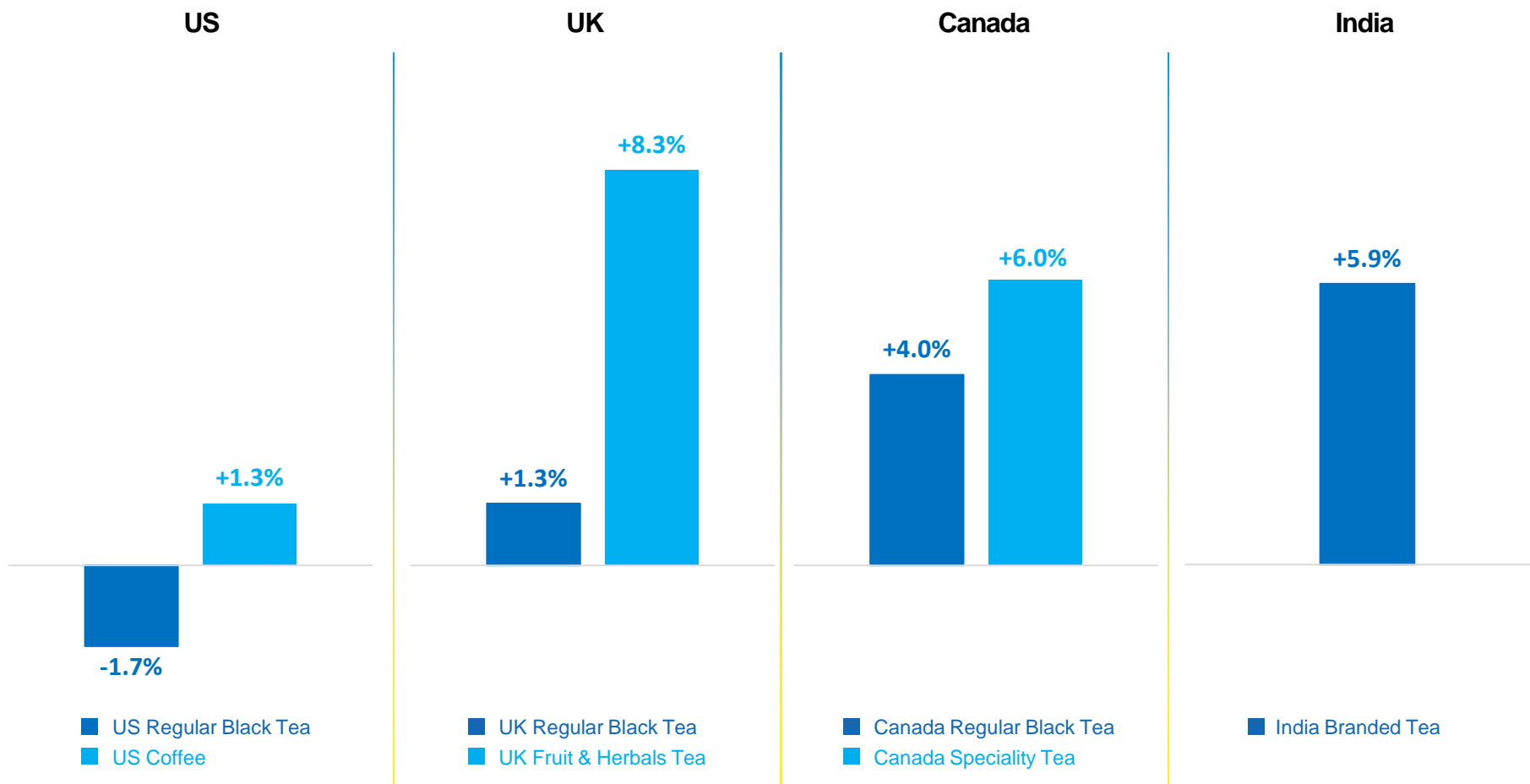


- Tea prices in India have seen a decline for some time, largely due to over supply from small tea growers
- However, there has been a sharp increase in prices due to temporary closer of tea estates in India due to COVID-19 impact
- The prices will continue to be strong till the time operations are back to normal
- Fall in Kenyan tea prices has arrested, and prices have stabilized, however might also see an uptrend in the short term
- Coffee prices continue to decline, especially for Robusta coffee

Source: North India and South India tea auction (Tea Board of India) | Mombasa tea auction (EATTA) | International Coffee Exchange

# Market Context for FY 20

## Mixed performance across categories (in value terms)



- Regular black tea continues to be the largest category share in the overall global tea market, it has been witnessing slow / declining growth across the markets
- Non-black tea (Fruit & Herbal, Specialty, Decaf, Cold Infusions, etc.) is witnessing strong growth in the International markets, led by shift in consumer preference for health & wellness products
- Indian market has witnessed growth of ~6% in Branded tea. Indian consumers continue to prefer Regular black Tea (predominant sub-category)
- Increasing number of tea cafes in Indian urban centres is helping reinvent the tea culture and growing the potential base of customers
- *There has been panic buying due to the Covid crisis, leading to upsurge in tea and coffee demand in International Markets in Qtr 4*

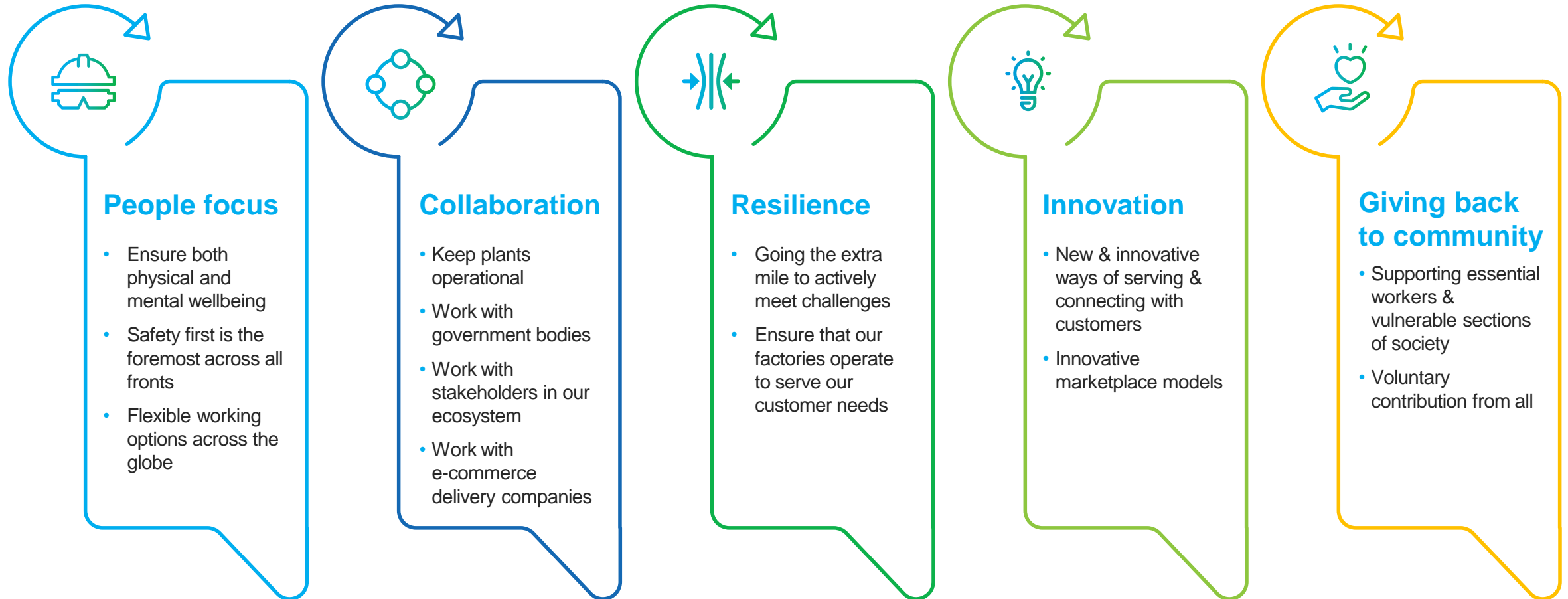
Source: Nielsen - Annual basis



02

# COVID-19 Update

# COVID-19: Business Roadmap



# COVID-19: Business Update



## International operations

- All our factories have been running flat out, and we continue to see high demand, with significant increase in in-home consumption with offices, bars and restaurants closed during the lockdowns.
- While the tea and coffee sales to our retail customers has increased 20-25% during this period, the B2B businesses we have in USA and Australia have suffered a sharp decline
- Preparations for normal business, post the lockdown are underway, including safety protocols, business plans, identifying growth opportunities, NPD launches, capacity build up, raw material supply continuity etc.
- We do expect contraction in demand gradually as consumers draw down on pantry stocks.



## India operations

- Almost all our Tea packaging units, Salt/Pulses packing centres and 3P Spices units are now operational with prescribed operating norms.
- Almost all our warehouses are now operational with a few operating with limited working hours and manpower. FG stock holding across depots are at a healthy levels
- New safety protocols have been rolled out basis notifications issued by various Govt Dept, and also FSSAI (Food Safety and Standards authority of India)
- To enable delivery to consumers , we have tied-up with E-commerce & Food Delivery providers
- Preparations for the end of lockdown are underway; including alternate capacities, extended working hours, hardship allowance, insurance cover for frontline workforce (own & contract)



## India – JVs and plantations

### Tata Starbucks

- All the stores in India were closed wef 22<sup>nd</sup> March, till mid of April
- We have now been able open ~30 outlets for delivery only

### NourishCo

- As most of the liquid products are consumed out of home, the impact has been quite significant
- As the shops are opening gradually, the revenues are crawling back to normalcy

### Plantations

- All the tea and coffee plantations in India were also shut till mid of April
- They are now operating albeit with lower work force

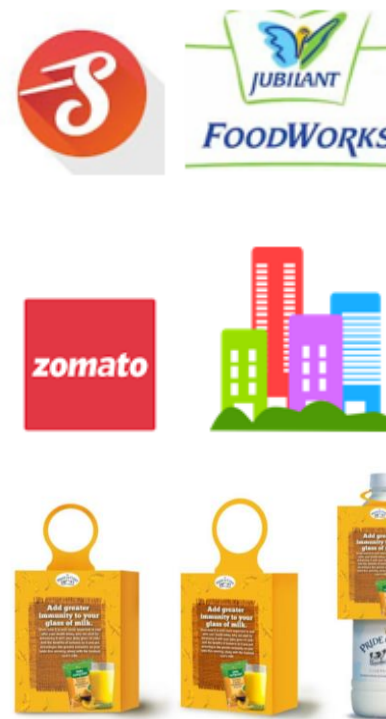
*\*This reflects the recent impact, which might change depending on further developments and economic conditions which is difficult to ascertain at this stage*

# COVID-19: New Ways of Working

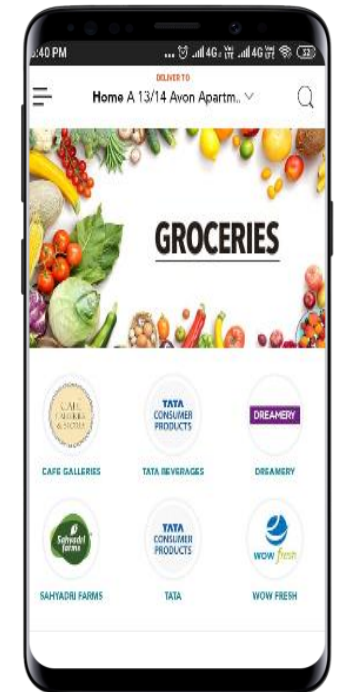
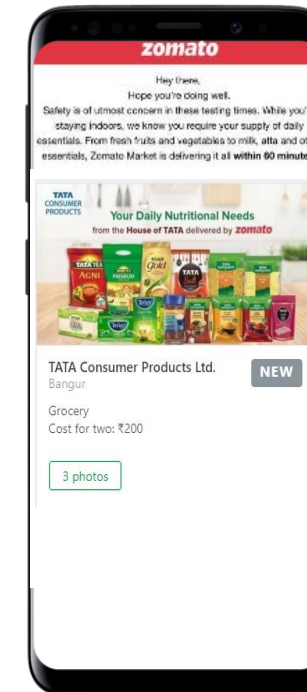
Social distancing measures being implemented across locations



Novel channels of distribution, tying up with e-commerce platforms & delivery providers



Tata Sampann Turmeric samples with Pride of Cows milk across Mumbai; another initiative under the #hardinhaldi campaign





# COVID-19: Support for Global Communities



Donation to Grocery Aid UK



Tata Gluco Plus and Water Plus being distributed



Donations to food banks and charities in USA



Tetley supporting NHS clinical staff by supplying tea



Tata Cha supporting Tata Tea's JaagoRe initiative by sponsoring over 5000 Chai, Breakfast kits for the elderly



Part of Government of India's 'Suraksha Store' Initiative



Consumer response on Facebook has been the highest in years led by sincere recognition and gratitude of Grocery workers and our Landover team



03

# Business Performance - India

# India: Beverages



Tata Tea Gold mixture re-launched with new blend & packaging in rest of Maharashtra



Tulsi green tea launched during the year



Tata Tea Premium re-stage campaign in Haryana

**+7%**  
Annual Revenue Growth

**+7%**  
Annual Volume Growth

## Performance commentary

- Tea sales grew 6% in Q4 and 7% for YTD
- Spice mix continues to see strong growth
- Tata Tea Premium gained market share driven by the restage campaign
- Volumes grew by 5% in Q4 and 7% for YTD
- The onset of COVID-19 impacted the primary sales in the month of March; however the revenues are gradually getting back to normal now

## Other updates

- We have tied up with Flipkart, Zomato, Swiggy and Domino's for delivery of all our products
- Tata Tea Gold & Tata Tea Premium launched in the UK & Europe
- Tata Tea Premium re-stage launched in Punjab & Haryana across hyper-local multi-media platforms
- Tata Tea #JaagoRe campaign launched to create awareness and encourage people to help the elderly



# India: Foods



Tata Salt installed a unique digital billboard at M.G. Road, Mumbai on Gandhi Jayanti. The billboard reinforced Bapu's learning of 'Cleanliness' thereby adding to brand love.

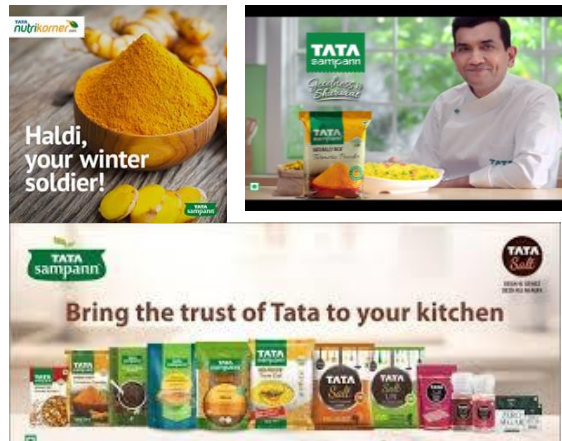


## +12%

Annual Revenue Growth

## +3%

Annual Volume Growth



Tata Sampann created a campaign 'Har Din Haldi' to address Immunity.

Tata NutriKorner – content to commerce platform is the largest branded food platform in the country

## Performance commentary

- Overall volume growth across all segments of Foods
- Significant traction in MT/online sales of TATA Sampann products
- The pulses segment is showing very positive growth momentum
- Revenue growth of 9% in the quarter & 12% YTD
- There has been significant increase in demand for both salt and pulses across the markets during the lock down period

## Other updates

- Recyclable packaging scaled up to ~ 1/3<sup>rd</sup> of Tata Salt volumes
- Content-to-commerce platform, Tata Nutri Korner ([www.tatanutrikorner.com](http://www.tatanutrikorner.com)), has been gaining strong traction
- With a strong focus on Advocacy, Tata Sampann continues to work with You Tube content creators in the country
- Ensured continuity of operations and catering to key staples demand across locations in March, despite severe constraints

# Subsidiary: Tata Coffee (inc Vietnam)



Premium single-origin coffee (100% Arabica) under brand 'The Sonnets' launched in 3 variants - Yellow Honey, Red Honey and Gold Honey



Tata Coffee MD, Chacko Thomas, received "Responsible CEO Award" at Tata VOLCON 2020

**+19%**  
Annual Revenue Growth

**+14%#**  
Annual Volume Growth

## Performance commentary

- Topline grew by 6% in Q4 and by 19% YTD, led by Vietnam sales, which commenced during the year
- **India**  
Second best Instant Coffee sales volume (annual) at 8,475 MT
- **Vietnam**  
Highest quarterly sales of ~1050 MT
- Profitability (FY20) marginally improved, excluding one-time gains in last year
- Q4 Sales and profits impacted due to lower volumes across segments

## Other updates

- Vietnam plant operating at Over 80% of its production capacity within one year of operations
- Tata Coffee forayed into e-commerce with [www.coffeesonnets.com](http://www.coffeesonnets.com), to make its finest estate coffees available to consumers across India

# Tata Coffee : including Vietnam. Does not include EOC performance

# NourishCo Beverages



## 181 Cr

Annual Revenue

## 30%

EPR\* Coverage

## 25%

Himalayan production solar powered

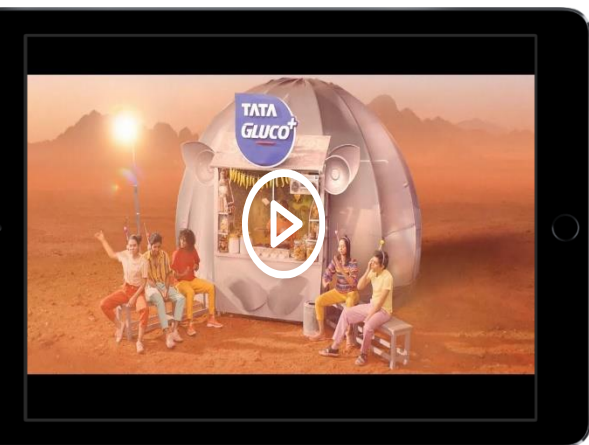
\*Extended Producer Responsibility (In 2019)

## Performance commentary

- Performance impacted across the board by COVID-19 (Q4) and unfavorable weather (prolonged monsoon) during the year resulting in lower sales for TGP
- **Tata Gluco Plus (TGP)**  
Good volume gains till Feb'20 wiped off with lockdown in peak beverages season
- **Himalayan**  
Good momentum prior to lockdown interrupted as majority of business dependent on Hotels, Restaurants and Airports declined steeply in March
- **Tata Water Plus (TWP) Pet**  
Revenue growth of 10% with volume growth of 12%

## Other updates

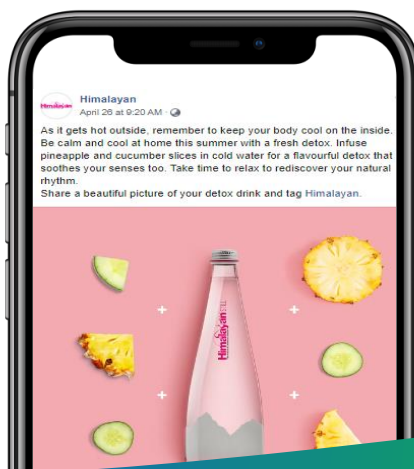
- **Acquisition**  
Acquisition of entire stake of PepsiCo in NourishCo and Rights over the "Gluco Plus/Gluco+" brand
- Deal closed on 18<sup>th</sup> May
- Total consideration of Rs 29 Cr
- Concentrate Supply for 5 years
- R&D support for 3 years



Tata Gluco Plus recently launched a series of 3 Ads, musical satires, with Malgudi theme music

**TATA CONSUMER PRODUCTS**

Himalayan social media campaign #RecipeforDetox





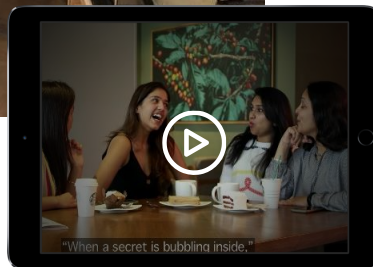
# JV: Tata Starbucks



Rajiv Gandhi International Airport, Hyderabad



Delhi-Haridwar Highway



'Count On Me Girl' campaign was all about appreciating the bond women share with one another

## +21%

Annual Revenue Growth

## 185

Total Stores in India

## 11

Cities

## Performance commentary

- 39 new stores opened in FY20
- Double digit growth in total transactions on y-o-y basis
- Achieved 100% pay equity, approaching 30% gender diversity
- New city added in Q4: Vadodara
- 30% revenues generated through the loyalty program
- Talent mix saw an increase in part timers, closing the year at almost 1/3<sup>rd</sup> of total work force

## Other updates

- The stores had to be closed ever since the lockdown was announced impacting the Q4 revenues
- Limited edition drinkware & lifestyle accessories launched collaborating with renowned fashion designer Vera Wang
- ~60 stores have opened till now for delivery and takeaway across all major cities
- The Opening of new stores have been put on hold till the opening of the lock down

04

# Business Performance - International



Tetley Tea 'Now We're Talking' continues in Q4



National distribution achieved for Aldi in the UK



Launch of Good Earth Teas in Sainsbury



Tea being delivered for inclusion in the UK Government's Care Packs

1%  
Annual Growth

21.3%  
Value Market share  
(in everyday black)\*

## Performance commentary

- Value outperformance in March from Everyday as well as other categories as shoppers stock up on staples
- Strong uplift in orders seen on e-commerce as more people preferring home deliveries
- Tea Pigs also performed very well on the back of the online boom
- Increased social media activity to engage with multiple stakeholders

## Other updates

- Record production at our factories even during the lock down period
- Prioritisation of customers to ensure maxim availability for the core range
- Tetley Tea included in the UK Government's DEFRA care packs, delivered weekly to ~1.5m people
- Cold Infusions sees performance slowdown due to seasonality

# DFRA – Department for Environment Food & Rural Affairs  
Source: \*Nielsen - Moving Annual Total (MAT) basis FY19

# USA



A limited-edition anniversary pack with a vintage caddy to celebrate 160 years of EOC

**5%**  
Annual Volume  
Growth in Coffee



Digital promotions of Tetley Iced Tea



Galentine's Day promotion of EOC

**7.4%**  
\*EOC Bag Volume Share

## Performance commentary

- Growth across EOC branded bags, K-cups and private labels
- 15% volume growth in Q4 and 5% for FY 20 in EOC
- All round increase in profitability due to better cost management and higher efficiency
- EOC & Tetley see strong growth in March driven by COVID-19 as consumers stock up their pantries
- Significant growth in online sales
- Food service business faces headwinds due to COVID-19

## Other updates

- EOC celebrated 160 years of existence; a limited-edition anniversary pack was launched
- EOC witnessed highest engagement and partnership, through a bespoke plan for Instagram with content targeted at the youth
- Early Riser by EOC & Good Earth Ayurveda received the 2020 Graphic Design USA Package Design Award

Source: \*Nielsen - Moving Annual Total (MAT) basis FY19



# Canada



Tetley Cold Infusions range of teas are sugar-free, caffeine free and made with natural flavours

VOTE  
FOR YOUR  
FAVOURITE  
PINK PACK!



Tetley Limited edition Pink Packs to support the Canadian Cancer Society



6%  
Annual Revenue  
Growth

28.9%  
Market share  
(Value)

## Performance commentary

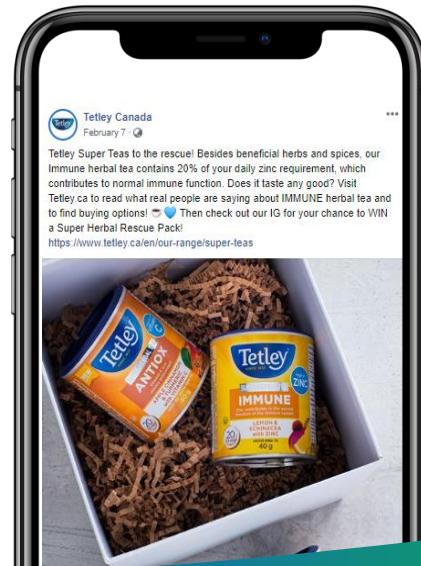
- COVID-19 panic buying in March inflated total tea value sales in double digits
- TCP remains the category's value & volume share leader
- **Specialty tea:** Super Teas have achieved a 3.9% value share of specialty tea (higher Tazo, Davids Tea and Tim Horton)
- The growth momentum continues as customers are still stocking teas

## Other updates

- Tetley Cold Infusions range of teas launched in Canada to cater to the growing trend of health and wellness
- With the 'Pink Pack Program', Tetley has contributed over US\$750,000 to support the cause of breast cancer
- Tetley Supers Wellness Contest in-store and on-line helped drive brand awareness; sampling efforts continued

Source: \*Nielsen - Moving Annual Total (MAT) basis

Tetley Super Support

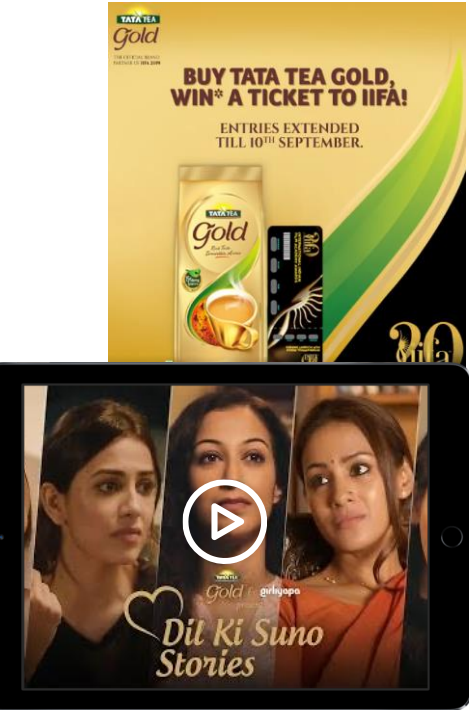


Social media campaigns promoting our 'Immune' herbal tea range

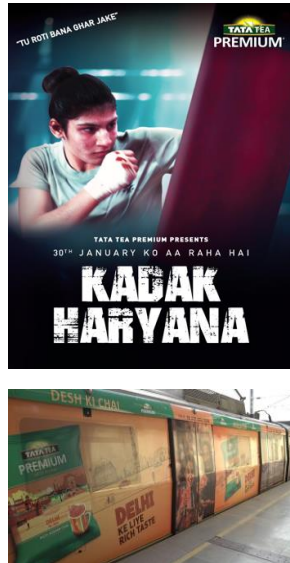
05

# Campaigns & Recognition

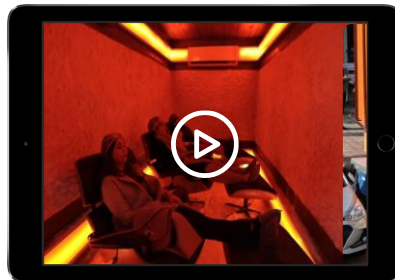
# Brand Campaigns: India



**Tata Tea** is the official brand partner of IIFA 2019 and Girliyapa TV series as part of #DilKiSuno campaign, which attempts to bring alive inspiring stories of consumers who have listened to their hearts and made their own path.



**Tata Tea Gold and Tata Tea Chakra** celebrate regional pride through hyperlocal campaigns

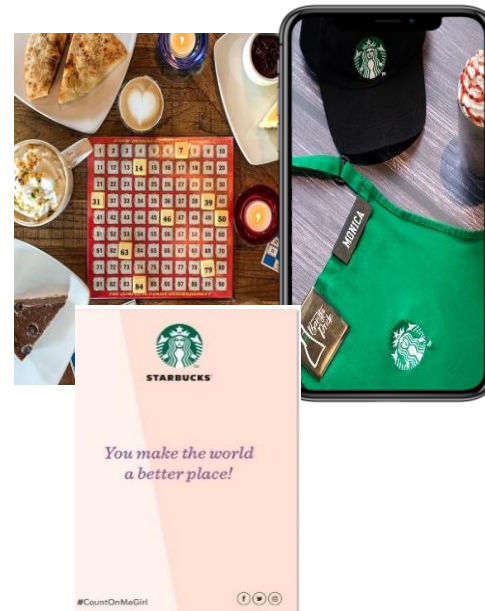


**Tata Salt** installed 'Salt Therapy' mobile vans in Delhi. This unique initiative leveraged the therapeutic benefits of salt to address health issues caused by air pollution



## Starbucks

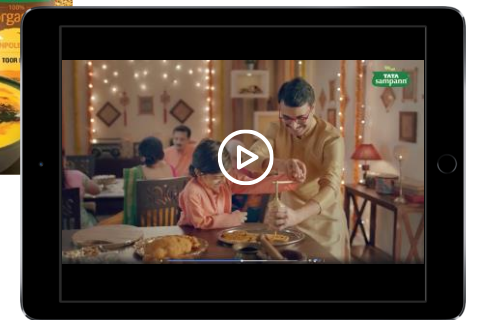
- #DiwaliGamesAtStarbucks to get together with friends and family
- Barista Pride to celebrate personal triumph of our partners
- #CountOnMeGirl to appreciate the bond that women share with one another on Women's Day



**Tata Salt** #SawalKijiyeApneNamakSe launched to educate consumers about the quality of their salt; the campaign won the EFFIES'20 Award



**Tata Sampann** launched #LautAayiDiwali digitally, involving nostalgia and celebrating the true taste and essence of the festival





# Brand Campaigns: International



**Tetley UK** 'Now We're Talking' campaign gets rated #3 on ITV-backed effective ad list 2019



**Tetley Canada** promoted the launch of Tetley Supers Tea through an integrated campaign #NotYourAverageCupofTea



**Tetley Canada** promoted Supers with "Wellness Contest"



**Tetley UK** promoted the launch of a new flavour and a new format of the Cold Infusions range



**Tetley Australia** launched Cold Infusions through a campaign for staying hydrated and featured popular comedian and actor Celia Pacquola



**Eight O' Clock Coffee USA** launched sweepstakes to celebrate its 160th anniversary

# Awards & Accolades



## 1. Risk management

"Best Risk Management Framework & Systems - FMCG" at India Risk Management Awards 2020

## 4. Product

Great Taste Awards -Tetley is the highest awarded UK tea brand at the 'Oscars' of the fine Food and Beverages world

## 2. Workplace

Top #100 Best Companies for Women in India 2019 by Avtar and Working Mother

## 5. CSR

Puneet Das, VP- Marketing- Tata Consumer Products, has been honored with The CMO Social Responsibility Award by exchange4media

## 3. Sustainability

One of the six companies in India to be recognized as "Climate Change Rising Stars" on the CDP India 2019 A List

## 6. Marketing

Tata Salt wins its first-ever EFFIE Award, a Bronze for its 'Sawaal Kijiye Apne Namak Se' campaign



06

# Responsible Business

# Sustainability: Value Chain & Communities



Tata Consumer Products aims to support development programmes for

**1 million community members**



Trustea spreads sustainable agricultural practices to 500,000 workers



Affordable Healthcare for 100,000 persons in Munnar and Assam



UNICEF's Improving Lives program to reach 250,000 beneficiaries



Extended Producer Responsibility India for 10,000 tons plastic waste. UK Plastics Pact – 100% recyclable, reusable, compostable by 2025



Project Jalodari to provide water & sanitation for 25000 community members in Himachal and Assam



Tata Chemicals Society for Rural Development empowering 50,000 lives



# Sustainability: Climate Change

## Climate leadership

We are one of the 6 companies in India on CDP A- list



## Renewable energy

12% of the energy in production from solar power

## Decoupling emissions from growth

Carbon footprint decreased 30% in 2010-19

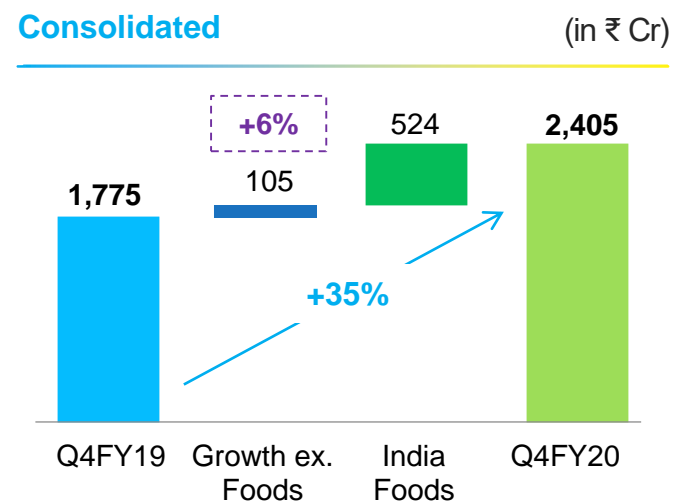
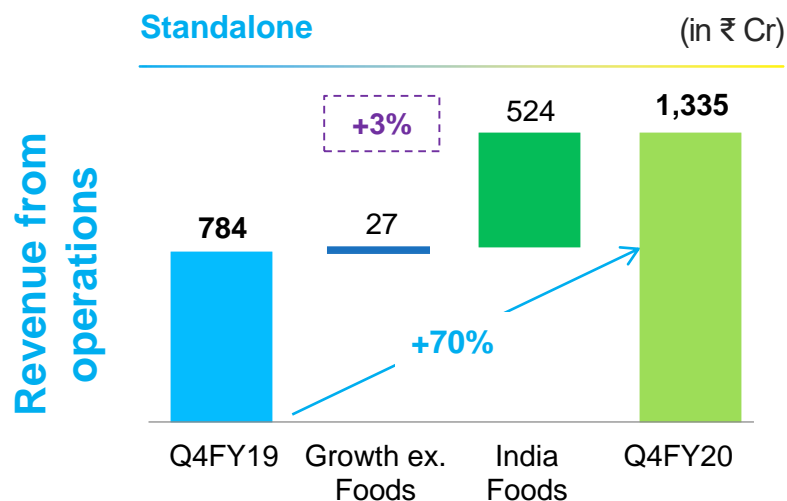
## Carbon neutral

Himalayan for USA is certified Carbon Neutral®

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# Financial Performance

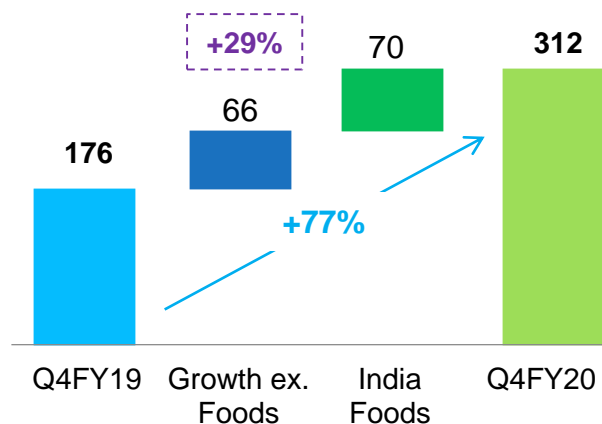
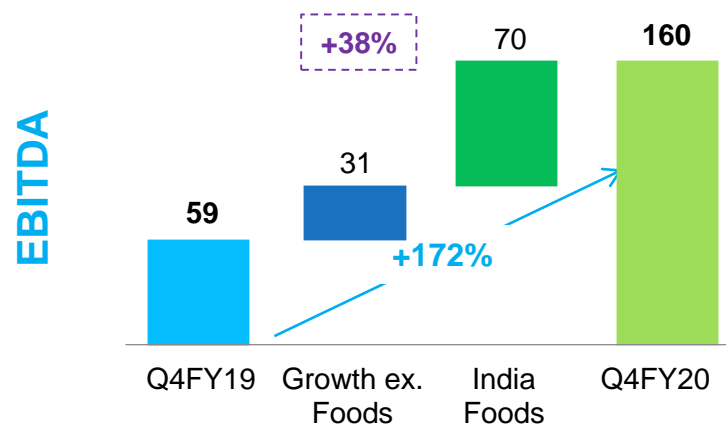
# Highlights – for the quarter ended March'20



## REVENUE:

**Group Revenue** grew by 35% (excluding impact of merger of India Foods revenue grew by 6%)

- **India beverages business** grew by 6% in value and 5% in volume terms
- **Tata Coffee** incl. Vietnam, achieved growth of 6% led by Vietnam partly offset by decline in domestic businesses
- **International Business** excluding Czech (exited during the year), grew by 7% in constant currency terms with growth across all businesses, except US Tea, with augmented buying seen across markets amidst Coronavirus outbreak



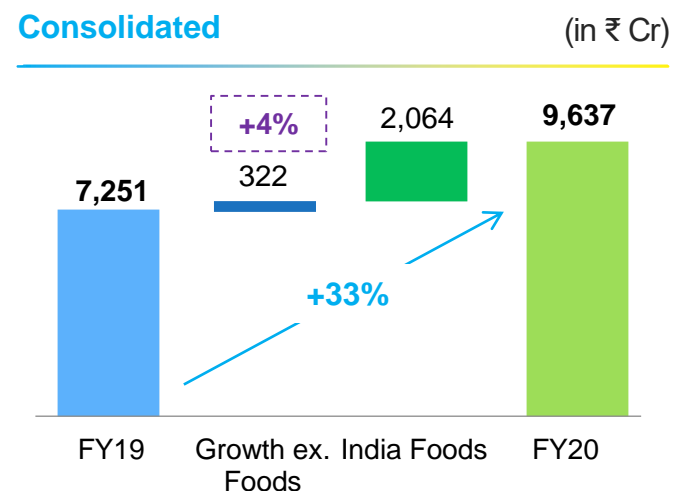
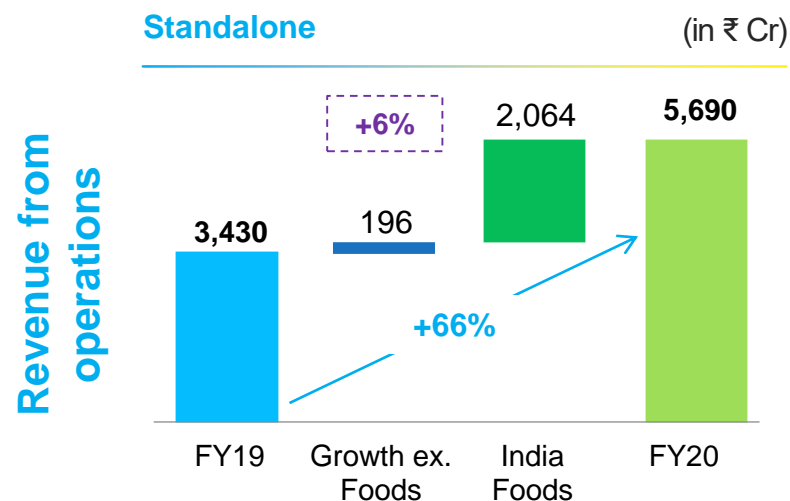
## EBITDA:

**Group EBITDA** growth of 77% (excluding impact of merger of India Foods and INDAS 116, EBITDA grew by 29%)

- **International Business** profitability significantly improved across all geographies (except US Tea) with higher sales, gross margin expansion and cost reduction initiatives
- **India beverages business** EBITDA improved (excluding one-time income in PY) despite higher investment behind brands
- **Tata Coffee** incl. Vietnam – profits lower than previous year

% represents comparable growth over previous year i.e. excluding impact of India Foods and INDAS 116

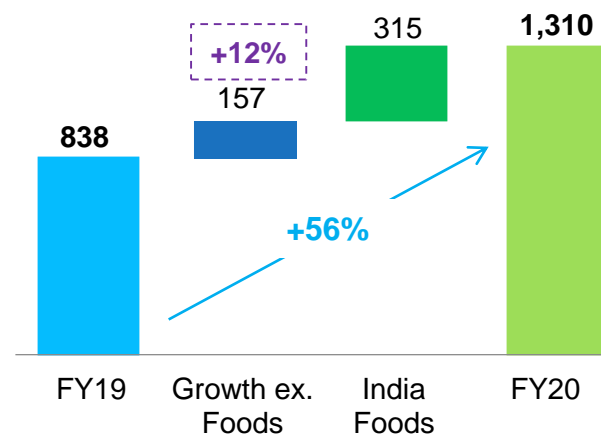
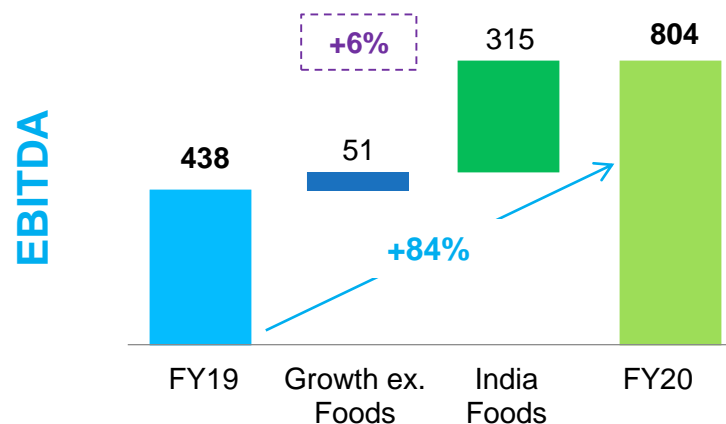
# Highlights – for the Year ended March'20



## REVENUE:

**Group Revenue** grew by 33% (excluding impact of merger of India Foods revenue grew by 4%)

- **India beverages business** grew by 7% in value and 7% in volume terms
- **Tata Coffee** incl. Vietnam, achieved good growth of 19% with the commencement of Vietnam sales
- **International Business**, excluding Czech (exited during the year), almost flat over previous year (with higher volumes impacted by value deflation)
- Canada and UK partly offset by underperformance in other markets



## EBITDA:

**Group EBITDA** growth of 56% (excluding impact of merger of India Foods and INDAS 116, EBITDA grew by 12%)

- **International Business** profitability significantly improved across all major markets with gross margin expansion and cost reduction
- **India beverages business** EBITDA improved (excluding one-time income in PY) with higher investment behind brands
- **Tata Coffee** incl. Vietnam – profits marginally improved, excluding one time gain on sale of property in last year.

% represents comparable growth over previous year i.e. excluding impact of India Foods and INDAS 116

# Financials: Standalone

Quarter Ended March'20			Profit and Loss statement (all nos. in ₹ Crores)	Year ended March'20		
Q4FY20	Q4FY19	Change %		FY20	FY19	Change %
1,335	784	70 %	Revenue from operations	5,690	3,430	66 %
160	59	172 %	EBITDA	804	438	84 %
12.0 %	7.5%	4.5 %	%	14.1 %	12.8 %	1.4 %
127	50	153 %	EBIT	689	407	70 %
9.5 %	6.4%	3.1 %	%	12.1 %	11.9 %	0.3 %
137	74	86 %	PBT before exceptional items	781	576	36 %
(41)	-		Exceptional items	(52)	-	
(25)	(20)		Tax	(206)	(165)	
71	53	33 %	PAT	524	411	27 %
5.3 %	6.8 %	(1.5%)	%	9.2 %	12.0 %	(2.8%)

**Standalone Net Profits for the year** is higher by 27% on account of :

- Higher EBIT - addition of India Foods business and higher operating profits from India beverages business (excluding one-off items of ₹ 25 Cr. in FY19)
- Lower taxation rate (adoption of lower tax rates)

Partly offset by:

- Higher exceptional items (mainly costs related to merger of India Foods business)

# Financials: Consolidated

Quarter Ended March'20			Profit and Loss statement (all nos. in ₹ Crores)	Year ended March'20		
Q4FY20	Q4FY19	Change %		FY20	FY19	Change %
2,405	1,775	35 %	Revenue from operations	9,637	7,251	33 %
<b>312</b>	<b>176</b>	<b>77 %</b>	<b>EBITDA</b>	<b>1,310</b>	<b>838</b>	<b>56 %</b>
13.0 %	9.9 %	3.1 %	%	13.6 %	11.6 %	2.0 %
248	143	73 %	EBIT	1,069	715	49 %
10.3 %	8.1 %	2.2 %	%	11.1 %	9.9 %	1.2 %
<b>248</b>	<b>161</b>	<b>54 %</b>	<b>PBT before exceptional items</b>	<b>1,084</b>	<b>768</b>	<b>41 %</b>
(264)	(8)		Exceptional items #	(275)	(33)	
(33)	(59)		Tax	(274)	(261)	
<b>(50)</b>	<b>94</b>		<b>PAT</b>	<b>535</b>	<b>474</b>	<b>13 %</b>
(2.1 %)	5.3 %	(7.4 %)	%	5.5 %	6.5 %	(1.0 %)
<b>(122)</b>	<b>36</b>		<b>Group Net Profit (incl. JVs &amp; Associates)</b>	<b>460</b>	<b>457</b>	<b>1 %</b>

**Group Consolidated Net Profits** for the year grew by ~1% against previous year on account of following :

- Increase in EBITDA - addition of India Foods business and higher operating profits from base business (higher by 12% excluding impact of INDAS 116)
- Lower taxation rate (adoption of lower tax rates in India)

offset by:

# Higher exceptional items mainly includes costs related to merger of India foods business and non-cash impairment loss on goodwill relating to the business in Australia and tea business in the US. The accounting impairment has been recognised due to a combination of factors like COVID related impact on specific out of home business segments, changes to discount rates due to market conditions and revision in business plan sensitivities.

- Higher losses from Associates and JV's due to business disruptions caused due to COVID-19 outbreak in India

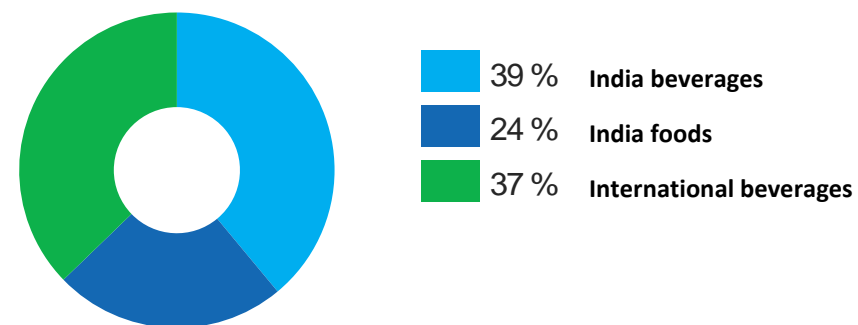


# Segment-wise Performance (for the Year ended Mar'20)

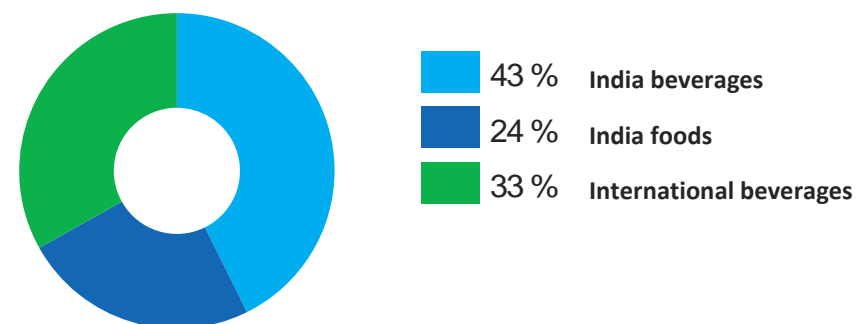
Particulars	Segment Revenue			Segment Results		
INR Cr	FY20	FY19	Change (%)	FY20	FY19	Change (%)
India beverages	3,377	3,168	7%	465	457	2%
India foods	2,064	-	- #	266	-	- #
International beverages	3,226	3,238	0%	361	277	30%
Total Branded business	8,667	6,406	35%	1,092	734	49%
Non branded business	975	842	16%	56	67	(17%)
Others / Unallocated items	(4)	3		(339)	(66)	
Total	9,637	7,251	33%	809	735	10%

# In FY20, Revenue growth for India Foods is 12% and; Segment results, excluding one-time costs and brand amortization arising out of merger, increased by 6%

## Revenue - Branded business



## Segment results – Branded business



# Consolidated Balance Sheet

All no.s in Rs Crores	FY20	FY19
<b>Total Equity</b>	<b>14,907</b>	<b>8,359</b>
Goodwill and Brands (Indefinite life)	9,427	3,785
Fixed Assets and other intangibles	2,042	1,571
Working Capital (Net)	1,675	1,663
<b>Operating Capital Employed</b>	<b>13,145</b>	<b>7,019</b>
Other Non-operating Assets (mainly Investments)	441	620
Net (Debt)/Cash & Cash Equivalents #	1,321	720
<b>Total Assets</b>	<b>14,907</b>	<b>8,359</b>
ROE % (Group Net Profit / Equity)	3.1%	5.5 %
ROCE % (EBIT / Operating CE)	8.1%	10.2 %
<b>ROCE % (excluding Goodwill and Brand with indefinite life)</b>	<b>28.7%</b>	<b>22.1 %</b>

- Change in Return on Operating Capital Employed (RoCE) and Return on Equity (RoE) is mainly due to addition of Goodwill and Brands (Indefinite life) consequent to merger of India Foods business during the year and higher exceptional items.  
However, excluding Goodwill and Brands (Indefinite life), RoCE has considerably improved with higher operating profits
- # Cash and Cash equivalents include other bank balances, current investments and ICDs

# Consolidated Cash Flow

Cash Flow (all no.s in Rs Crores unless specified)	FY20	FY19
<b>Net Cash from Operating Activities</b>	<b>1082</b>	<b>210</b>
Net cash from / (used in) Investing Activities	(673)	73
Net Cash used in Financing Activities	(308)	(224)
<b>Net increase in Cash and Cash Equivalents</b>	<b>101</b>	<b>59</b>
Foreign exchange adjustment	51	(20)
Cash and Cash equivalents as at beginning of the year	737	698
<b>Cash and Cash equivalents as at end of the year</b>	<b>889</b>	<b>737</b>
<b>Represented by -</b>		
<b>Cash &amp; Bank Balances</b>	<b>1121</b>	<b>967</b>
Less : Bank Overdraft	(232)	(230)
<b>Cash and Cash Equivalents</b>	<b>889</b>	<b>737</b>

- Increase in Free Cash flow is mainly on account of higher cash generation from Base businesses and impact of acquired India Foods business

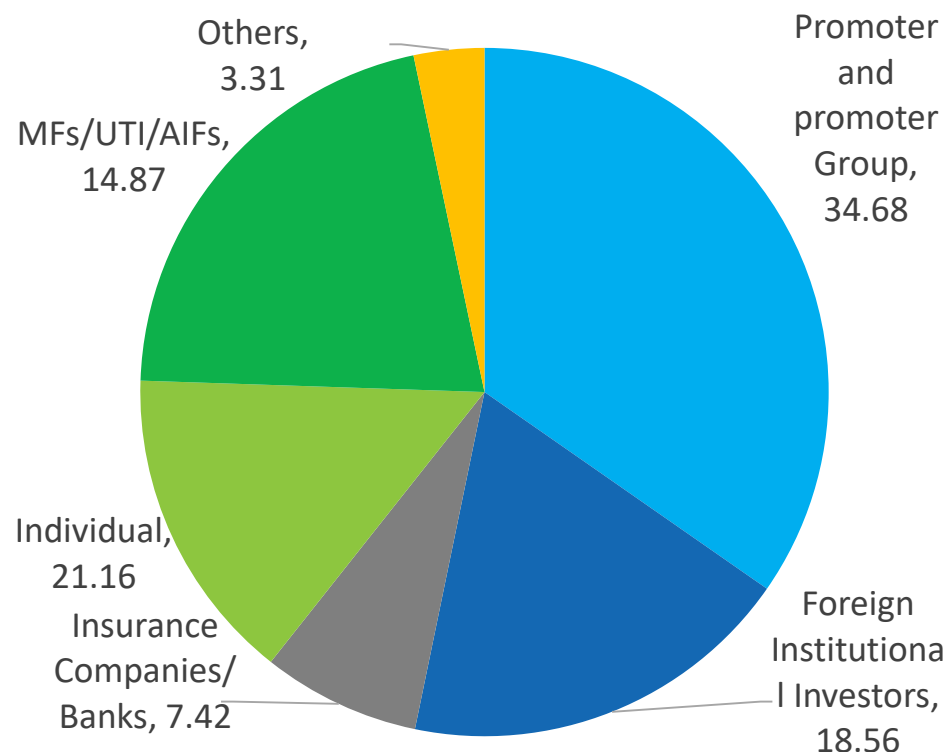
# Merger Accounting

Asset acquired pursuant to merger (all no.s in Rs Crores unless specified)	Life of Asset	Value of Asset
Goodwill	Indefinite	3,563
Tata Salt brand	Indefinite	2,093
Other Intangible assets	8-10 years	366
<b>Total Goodwill and Intangible Assets</b>		<b>6,022</b>
Other assets (net of liabilities)		77
<b>Total Net Assets acquired</b>		<b>6,099</b>

- Pursuant to the merger, Net assets acquired of Rs. 6,099 Crores as at April 1, 2019 which includes Goodwill of Rs. 3,563 Crores, Intangible assets (including Brands) of Rs. 2,459 Crores and other assets (net of liabilities) of Rs. 77 Crores.
- Assets to which indefinite life are ascribed to be tested for impairment annually

# Shareholding Information

## Pattern as on April 30, 2020



### Stock data

BSE Ticker	500800
NSE Ticker	TATACONSUM
Market Capitalization (30 April 2020)	₹ 324 Bn.
Number of Shares Outstanding	921.55 Mn.

- The paid-up capital has increased from ₹ 63 crores to ₹ 92 crores post issue of new shares to Tata Chemical (TCL) Shareholders
- The shares were allotted in the ratio of 114 shares of the Company for every 100 shares of ₹ 10 each of TCL held on the Record Date of 5th March 2020
- The Company has received the approval for Listing of new shares issued from BSE, NSE, & CSE on March 18, March 19, March 20, 2020 respectively
- TCPL will be part of the MSCI India Domestic Index wef 29<sup>th</sup> May 2020



# For more information

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## Contact us:

### Rakesh R Sony

Global Head of Strategy and M&A  
rakesh.r.sony@tataconsumer.com

### Abhishek Musahib

abhishek.musahib@tataconsumer.com

### Tanya Dere

tanya.dere@tataconsumer.com

### Satya Muniasamy

satya.muniasamy@tataconsumer.com

### Write to us at

investor.relations@tataconsumer.com

### Call us at

+91-22-61218400



tataconsumer.com



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