Investor Presentation

May 16, 2019

*Tata Global Beverages Limited to be renamed as Tata Consumer Products Limited
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Agenda

1. Transaction Overview
2. Tata Consumer: Creation of a Unified Platform
3. Unlocking the Platform’s Potential
4. Deal Summary & Pro-Forma Financials
5. Appendix
Transaction Overview
Transaction Overview

- TCL to de-merge its Consumer Product Business (CPB) into TGBL through a NCLT approved Scheme of Arrangement
- TCL shareholders will be entitled to receive 1.14 shares of TGBL for every 1 share of TCL
- Post the Transaction, TGBL to be renamed as Tata Consumer Products Limited

(1) Includes revenues from other businesses including water, pulses and spices
Tata Consumer: Creation of a Unified Platform
Creating India’s Premier Diversified Consumer Company

- Creates a sizeable Consumer player with enhanced scale and financial strength
  - Combined revenue of over $1,320 Mn, EBITDA of over $170 Mn
  - India to contribute >60% revenues of the combined Company

- Diversification into multiple product categories with high growth potential
  - 3x increase in domestic addressable market
  - Over 90% revenues from branded products

- Creation of unique portfolio of strong market leading brands in India
  - Tata Salt: #1 in branded salt
  - Tata Tea: #1 by volume and #2 by value in branded tea

- Significant international presence with sustained leadership position in key markets
  - Tetley is among the top 3 brands in UK and Canada
  - Eight O’Clock is the 4th largest player in coffee bags in the US

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(1) Includes revenues from other businesses including water, pulses and spices
Large Addressable Market: Organized FMCG to Grow 3x by 2025

**Strong growth in Consumption**

(in $ Bn.)

<table>
<thead>
<tr>
<th>Category</th>
<th>2017</th>
<th>2025</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beverage</td>
<td>69</td>
<td>1,322</td>
<td>16%</td>
</tr>
<tr>
<td>Processed Foods</td>
<td>5</td>
<td>35</td>
<td>11%</td>
</tr>
<tr>
<td>Dairy</td>
<td>16</td>
<td>41</td>
<td>15%</td>
</tr>
<tr>
<td>Personal Care &amp; Health</td>
<td>14</td>
<td>31</td>
<td>13%</td>
</tr>
<tr>
<td>Home Care</td>
<td>12</td>
<td>40</td>
<td>17%</td>
</tr>
<tr>
<td>Staples</td>
<td>11</td>
<td>33</td>
<td>16%</td>
</tr>
</tbody>
</table>

**CAGR: ~14%**

**Growth Drivers**

- **Increasing Income levels**: 1.4x between 2017 and 2025
- **Urbanization**: 49% by 2030 from 34% in 2017
- **Premiumization**: 1-3% yearly shift to premium products across categories
- **Shift to organized / branded sector**: Awareness, aspirations and impact of GST
- **Health & Wellness**: Rising awareness of healthier / natural alternatives
- **Rise of e-commerce**: 11% of retail sales by 2030

**Source**: Euromonitor, IBEF, Worldbank
Tata Consumer: Creation of a Unified Platform

- Deep Understanding of Consumers in India and Abroad
- Iconic Market Leading Brands
- Wide Consumer Reach
- Fast Growing Market Including Shift from Unorganized to Organized

Value Creation through Scale and Synergies

Strong financial profile to support inorganic and organic growth

Unified vehicle for Tata Group’s longer term and broader FMCG play
Combination to Unlock Significant Synergies

**Growth Drivers**
- Distribution multiplier driving higher outlet coverage and higher throughputs
- Focused new product development
- Stronger cash flows to invest in growth

**Efficiency Drivers**
- Superior terms of trade with channel partners
- Supply chain opportunities
- Scale efficiencies in areas such as marketing / packaging

*Based on a preliminary analysis, we expect that the combination would lead to a pre-tax synergies of 2-3% of combined India branded business revenues over the next 18-24 months*
Unlocking the Platform’s Potential
Enablers to Turbocharge the Consumer Platform

1. **Proven Brand Building Capabilities**
   - Track record of creating category defining brands
   - Leverage TATA brand across categories
   - “Sampann” and “Fruski” to drive food and liquid beverages respectively
   - Tetley and Eight O’ Clock to drive international strategy

2. **Strong Sales & Distribution Infrastructure**
   - Combined reach of 200 mm households
   - Broader portfolio to help deepen distribution
   - Sales & Distribution transformation underway to improve:
     - Channel efficiency
     - Sales productivity

3. **Innovation and New Product Development Capabilities**
   - Enhanced innovation capabilities across food and beverages
   - Strong pipeline of future launches
   - Right execution – from pilot to scale up

4. **Value Enhancing Acquisitions and Partnerships**
   - Target companies to fill capability/ portfolio gaps and reduce time to market
   - Partner with global leaders to bring in best-in-class products to Indian market
   - Strategic investments for sourcing and assured raw material supply

**Multi Category Consumer Major**
Proven Track Record of Building Category Defining Brands

Current Leading Brands
- #1 in category
- #8 most trusted brand\(^1\)
- #1 in category by volume
- #2 most trusted brand in hot beverages\(^1\)
- #1 in Canada / #3 in UK
- Over 180 year old heritage
- #1 natural mineral water brand in India
  - Captive aquifer at the foothills of Himalayas
- #4 R&G Coffee brand in US
  - Over 125 year old heritage

Brands of the Future
- Umbrella brand for staples/packaged foods
- Umbrella brand for liquid beverages
- Youth focused international tea brands
- Nutri-Supplements and Sweeteners
- Out-of-Home

\(^1\) As per ET Brand Equity - Most Trusted Brands Survey, 2018
Tata Salt: Undisputed Market Leadership

- Tata Salt is India’s first packaged iodised salt
- Vacuum evaporated and untouched by hand across the value chain
- ‘Tata Salt’ brand has consistently maintained its market leadership; reaches over 143 million households annually;
- Consistently ranked as #1 Most Trusted Foods Brand and featured in the Top 10 Most Trusted Brand across Consumer goods in 2016 and 2017
- Also sells I-Shakti Salt, which is a solar-evaporated variant at lower price point
- Manufacturing capacity with TCL in Mithapur of 1.1 million MT with plans to expand to 1.45 million MT

**Market Structure and Growth (Total Salt Market of ~$ 1 Bn)**

<table>
<thead>
<tr>
<th></th>
<th>National</th>
<th>Regional</th>
<th>Local</th>
<th>Loose</th>
<th>In million MT</th>
<th>5 year CAGR%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>3.42</td>
<td>0.82</td>
<td>1.23</td>
<td>0.31</td>
<td>1.06</td>
<td>-12%</td>
</tr>
<tr>
<td>2018</td>
<td>3.68</td>
<td>1.36</td>
<td>0.33</td>
<td>1.55</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Market Share**

- Tata Salt: 25.2%
- I Shakti: 2.4%
- Nirma Shudh: 6.3%
- Aashirvad: 2.5%
- Annapurna: 1.7%
- Others: 62%

**Consumer Price/kg**

- Niche Salts: $ 7+
- Value Added Salts: 30c +
- Tata Salt: 30c
- Aashirvaad: 20c-30c
- Nirma, I-Shakti, Patanjali: 14c-17c
- Ankur: 14c-17c
- Bhaskar: 14c
- Local Packaged: 12c-14c
- Loose: 9c-12c
**TATA Sampann – Creation of a National Mega Food Brand**

“Nourishing India”: Offering wholesome everyday nutritious food

**Pulses & derivatives**
- Unpolished dals, Besan and Organic dals
- Only national brand in pulses
- Reach: 175,000 stores

**Spices and Condiments**
- Pure Spices, Blended Spices and Chutneys
- Reach: 60,000 stores

**Snacks/ Ready-to-Cook**
- Ready-mixes and Snacks
- Differentiated propositions

Source: Euromonitor for market shares data

<table>
<thead>
<tr>
<th>Category</th>
<th>FY18 Market Size ($ Mn)</th>
<th>Branded Penetration (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pulses &amp; derivatives</td>
<td>$23,000 Mn</td>
<td>~1%</td>
</tr>
<tr>
<td>Spices and Condiments</td>
<td>$21,700 Mn</td>
<td>10%</td>
</tr>
<tr>
<td>Snacks/ Ready-to-Cook</td>
<td>$5,800 Mn</td>
<td>50%</td>
</tr>
</tbody>
</table>
Brand Defining Award Winning Campaigns

- Tata Tea - Jaago Re
- Tata Salt - Desh ka Namak
- Tetley - Green Tea
- Tata Sampann - Goodness ki Shuruaat

Awards
- Jaago Re
- Tata Salt Sehat ki Chuski”
- Tetley Green Tea
Combined Distribution Prowess to Deepen Reach

Product Basket

Distribution Strength

- 2.5mm retail outlets
- 5,000 Stockists/Distributors
- Reaching 2 lakhs outlets across 80K villages

Households

- 200mm households

S&D Transformation underway to enhance reach and improve channel efficiency

(1) All combined numbers based on initial estimates
Robust Innovation & New Product Development Capabilities

- New product development infrastructure includes:
  - Dedicated researchers for plantations and beverages across five R&D laboratories
  - World class Innovation Centre in Pune with dedicated scientists for consumer products
  - Over 50 patents filed till date across beverages and consumer products business

Select New Product Launches

- **Tetley Super Teas**
  - Supers platform is first of its kind in the world
  - Tea fortified with vitamins
  - Won Great Taste Awards in 2018

- **Tata Salt Plus**
  - India’s first national brand of packaged salt with iodine plus iron
  - Aimed at addressing and eradicating the prevalence of anaemia

- **Tetley Cold Infusion**
  - Launched Cold Infusions Fruit & Herbal range
  - Specifically developed to brew in cold water, attracting a new younger consumer into the Tea category

- **Tata Sampann Low oil absorption besan**
  - Scientific innovation driving differentiation
  - Prepared with unpolished dal
Value Enhancing Acquisitions and Partnerships

Experience in Executing and Integrating Complex Acquisitions

- Tetley – Launched in India in 2002 and is now amongst the leading green tea brands

Long Standing Partnerships to Bring World Class Experience to Indian Consumers

- 50:50 partnership in India; premier retail coffee chain (149 outlets)
- Sourcing alliance with Tata Coffee
  - 50:50 partnership with PepsiCo in India to distribute water products
  - Tata Gluco Plus emerged as a category leading brand in the mass instant energy RTD segment

M&A and Partnerships will Continue to be a Growth Driver

- New category entry
- Brand
- Scale
- Infrastructure
- Distribution
- Innovation
Vision: To Create a Multi-Category FMCG Major

Deeper Presence in F&B Market

1. Deepen the core
   - Strengthen leadership in tea and continue innovation in salt
   - Grow aggressively in white spaces e.g. newer regions within India
   - Continue ramping Tata-Starbucks
   - Himalayan distribution expansion

2. Aggressive expansion of existing new products
   - Spices/ Pulses and its derivatives – enhance portfolio and distribution expansion
   - Liquid beverages – continue growth in Tata Gluco Plus and scale up Fruski platform
   - Expand healthy snacks portfolio and aggressively grow the category

3. Entering into a Broader FMCG Play
   - Consider high growth/high margin categories
     - Dairy
     - Home Care
     - Personal Care

Time to Value Creation

- Consider Dairy as one of the growth drivers
- Entry into high growth/high margin home and personal care categories
- Right mix of organic and inorganic strategies
# International: Leverage the Complimentary Strengths

## Focus on Core Markets and Core Brands

### US
- Distribution expansion
- Regaining market share in coffee and tea
- Innovation-based playbook

### UK
- Aim to become #1 Tea brand
- Grow in non-black category

### Canada
- Extend market leadership
- Lead with innovation in non-black and adjacencies

## Leveraging Knowledge of International Markets

- Provides a front-seat view of changing consumer preferences
- Growing consumer consciousness for Health and Wellness
- Leverage our global insights and innovation capabilities to launch products and best practices in India
- Bringing global knowledge of supply chain, best manufacturing practices and talent to Indian operations
- With the enhanced portfolio, we have the opportunity to launch Indian Food products to our strong markets of US, UK and Canada
Deal Summary & Pro-forma Financials
Proposed Transaction

- Tata Chemicals (TCL) to de-merge its Consumer Products Business (CPB) as a going concern into TGBL in an all-equity transaction
- CPB to include all of its consumer businesses including salt, spices, pulses, snacks and nutri-supplements
- TGBL to enter into long term supply agreement with TCL for supply of salt
- Appointed Date of Merger: 1st April 2019*

Valuation / Entitlement Ratio

- TCL shareholders will be entitled to receive 1.14 shares of TGBL for every 1 share of TCL
- TCL shareholders to own 31.4% of the combined entity

Timelines

- Completion anticipated by Q4FY20/Q1FY21 subject to shareholder’s and regulatory approvals

Note: Transaction will not impact subsidiary or associate or JV companies of TGBL – such as Tata Coffee, Tata Starbucks, NourishCo, KDHP and APPL or its international business

* Subject to various approvals from Stock Exchanges, NCLT and other Regulators
## Pro-forma Financial Overview (FY19)

<table>
<thead>
<tr>
<th></th>
<th>Tata Global Beverages Limited</th>
<th>Consumer Products Business</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>India - Branded</td>
<td>Total</td>
<td>India - Branded</td>
</tr>
<tr>
<td><strong>Revenue ($ Mn)</strong></td>
<td>458</td>
<td>1,051</td>
<td>268</td>
</tr>
<tr>
<td><strong>EBITDA ($ Mn)</strong></td>
<td>71</td>
<td>121</td>
<td>46</td>
</tr>
<tr>
<td><strong>EBITDA Margin (%)</strong></td>
<td>15.5%</td>
<td>11.6%</td>
<td>17.1%</td>
</tr>
<tr>
<td><strong>Net Profit ($ Mn)</strong></td>
<td>59</td>
<td></td>
<td>30(^{(1)})</td>
</tr>
<tr>
<td><strong>No. of shares (Mn)(^{(2)})</strong></td>
<td>631</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>EPS ($/share)(^{(3)})</strong></td>
<td>9c</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Cash /(Debt) ($ Mn)</strong></td>
<td>104</td>
<td></td>
<td>-</td>
</tr>
</tbody>
</table>

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(1) CPB Net Profit is assuming marginal tax rate @34.99%
(2) Based on the swap ratio of 1:1.4 (TCL:TGBL)
(3) Not adjusted to include any potential amortization expense on intangibles
To Conclude: Integrated Platform Poised For Growth

**MULTI-CATEGORY**
- Leading player in Tea, Salt and Water
- To grow rapidly in the fast growing categories of Staples, Packaged Foods and Liquid Beverages

**F&B SERVICES**
- Tata Starbucks – leading retail coffee chain in India
- Tata Cha – ethnic tea retail stores

**DISTRIBUTION**
- Strong distribution infrastructure
- Combined reach of 200mm households

**INNOVATION**
- Cross-leverage know-how
- Fast-track new product development at lower costs

**SOURCING/MANUFACTURING**
- Strategic investments and long term supply tie-ups – Tata Chemicals, Tata Coffee, APPL and KDHP
- Right mix of own assets and co-manufacturing partners

**BRANDING**
- Ability to create brands with strong recall and differentiated positioning
Appendix
**TGBL – Overview**

- TGBL operates in natural beverages segment globally with portfolio of several international and domestic brands.
- Portfolio of tea coffee and water with operations in 40+ countries through 17+ brands
- Key brands include Tata Tea, Tetley, Himalayan, Eight O’ Clock
- Its subsidiary Tata Coffee Limited, is the largest Coffee Plantation and extraction Company in India
- Established a JV with Starbucks in 2012
  - Currently, operates 149 stores across locations in India
- TGBL also has a portfolio of water brands in India under NourishCo, its JV with PepsiCo since 2012
- Engaged in tea plantation through its associate companies
  - Amalgamated Plantations and Kanan Devan Plantations

**Notes**: Total revenue adjusted for inter segment revenue of $10 Mn in FY17, $5.5 Mn in FY18 and $4 Mn in FY19
<table>
<thead>
<tr>
<th>Category</th>
<th>Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tea</td>
<td><img src="image1" alt="teapigs" /> <img src="image2" alt="TATA TEA" /> <img src="image3" alt="GOOD EARTH" /> <img src="image4" alt="TATA TEA Gold" /> <img src="image5" alt="Tetley" /> <img src="image6" alt="TATA TEA Premium" /> <img src="image7" alt="JEMCA" /> <img src="image8" alt="vitax" /> <img src="image9" alt="GEMINI" /> <img src="image10" alt="TATA TEA AGNI" /></td>
</tr>
<tr>
<td>Coffee</td>
<td><img src="image11" alt="map" /> <img src="image12" alt="EIGHT O'Clock" /> <img src="image13" alt="GRAND" /></td>
</tr>
<tr>
<td>Water</td>
<td><img src="image14" alt="Himalayan" /> <img src="image15" alt="TATA GLUCO" /> <img src="image16" alt="TATA WATER PLUS" /></td>
</tr>
</tbody>
</table>
**Consumer Products Business – Overview**

- CPB operates in food & non-food segments
- Portfolio backed by strong innovation & research
- Transformed itself from a single product business, “Iodising India”, to a business with a bouquet of offerings aimed at “Nourishing India”
- Strong salt platform – launched in 1983 Tata Salt is a market leader (65%+ market share) in the branded iodised salt segment
  - Reach extends to over 143 million households annually and 1.9mm outlets
- In 2015, CPB launched the Sampann umbrella brand for foods including pulses and spices
- Designed to offer products derived from traditional Indian ‘staples’ and extending to modern Indian plate through ‘Convenience’ & ‘Snacking’ formats
- Recently, expanded into Chutneys, Basmati Rice, Red Poha, Snacks and various mixes
- Access to Innovation Centre in Pune

### Description

<table>
<thead>
<tr>
<th>Financial Snapshot</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue ($ Mn)</strong></td>
</tr>
<tr>
<td>FY17</td>
</tr>
<tr>
<td>251 (19%)</td>
</tr>
<tr>
<td><strong>EBITDA ($ Mn)</strong></td>
</tr>
<tr>
<td>FY17</td>
</tr>
<tr>
<td>30</td>
</tr>
<tr>
<td><strong>Margin</strong></td>
</tr>
<tr>
<td>FY17</td>
</tr>
<tr>
<td>11.8%</td>
</tr>
</tbody>
</table>
## Consumer Products Business – Product Portfolio

<table>
<thead>
<tr>
<th>Category</th>
<th>Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salt</td>
<td><img src="image1.png" alt="Image" /> <img src="image2.png" alt="Image" /> <img src="image3.png" alt="Image" /></td>
</tr>
<tr>
<td>Pulses</td>
<td><img src="image4.png" alt="Image" /> <img src="image5.png" alt="Image" /> <img src="image6.png" alt="Image" /></td>
</tr>
<tr>
<td>Spices</td>
<td><img src="image7.png" alt="Image" /> <img src="image8.png" alt="Image" /> <img src="image9.png" alt="Image" /></td>
</tr>
<tr>
<td>New products</td>
<td><img src="image10.png" alt="Image" /> <img src="image11.png" alt="Image" /> <img src="image12.png" alt="Image" /></td>
</tr>
</tbody>
</table>

**Notes**: (1) First phase launches have achieved 5-13% market share while second phase launches achieved 1-3% market share.
Tata Salt: The Journey of Iodizing to Nourishing India

Tata Salt pioneered the cause of iodization in India transforming into a national movement.


I Shakti Dals launched as the first national level branded player & consequently rebranded as Tata Sampann Dals.

New variants of Salt launched – Flavoritz, Double Fortified Salt – Tata Salt Plus.

Launched Tata Sampann as umbrella brand for foods.

Launched Low Oil absorb Besan.

Expanded into Spices and Value added Foods (Pakoda Mix).

Launched various new products like Chutneys, Basmati Rice, Red Poha, Snacks and various mixes.

Sustainability Initiatives

SOURCING IT RIGHT

Ethical Tea Partnership
Specific Project with ETP and Tea Research Association

PROTECTING THE ENVIRONMENT

Tata Salt – 10% packaging is 100% recyclable

IMPROVING LIVES

United Nations Children’s Fund

Ethical Tea Partnership
For any questions/queries please contact:

Rakesh Sony  rakesh.sony@tgbl.com  +91 22 6121 8400
Ibrahim Lodhger  ibrahim.lodhger@tgbl.com  +91 80 6717 1200
Satya Muniasamy  satya.muniasamy@tgbl.com  +91 80 6717 1200

www.tataglobalbeverages.com
Investor.relations@tgbl.com