



TATA CONSUMER PRODUCTS*

TATA GLOBAL BEVERAGES

Investor Presentation

May 16, 2019

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

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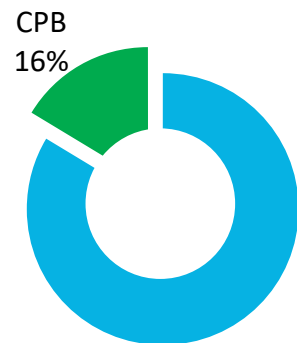
Appendix

Transaction Overview

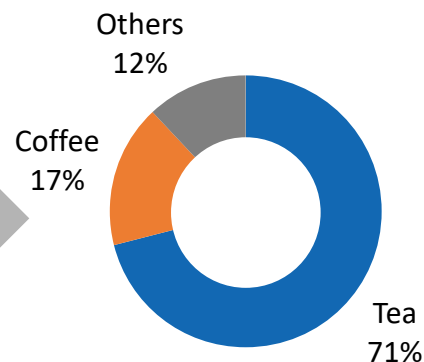
TATA GLOBAL BEVERAGES

Transaction Overview

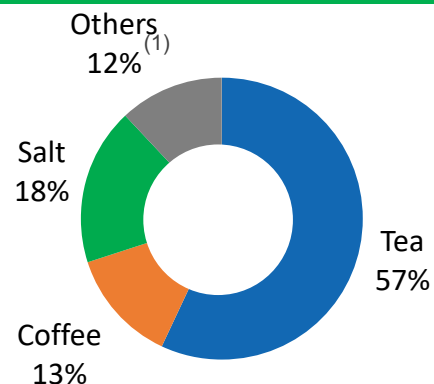
TCL FY19 Rev.: \$ 1,637 Mn



TGBL FY19 Rev.: \$ 1,051 Mn



TCPL FY19 Rev.: \$ 1,318 Mn



Revenue
(\$ Mn)

EBITDA (\$ Mn)

India Reach
(#households)

Categories

Key Brands

TATA GLOBAL BEVERAGES

\$ 1,051 Mn

\$ 121 Mn

110 mn



Tea



Coffee



Liquid
Beverages



TATA CHEMICALS CONSUMER PRODUCTS BUSINESS

\$ 268 Mn

\$ 46 Mn

140 mn



Salt



Other
Staples



New
Products



- 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

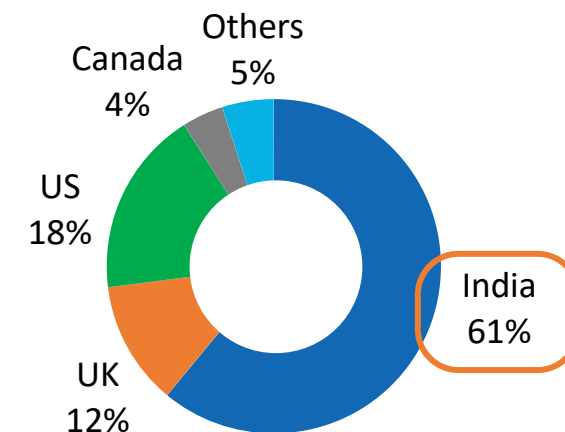
TATA GLOBAL BEVERAGES



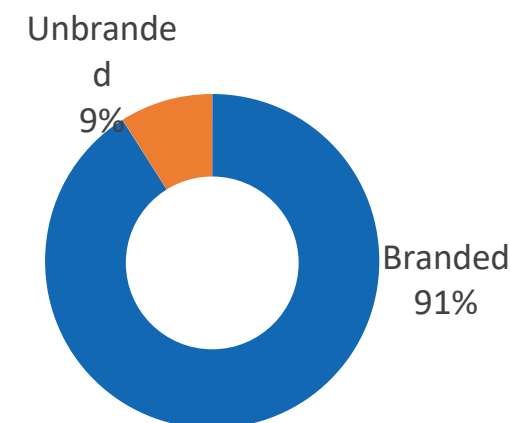
Creating India's Premier Diversified Consumer Company

- **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

Branded Revenue by Geographies



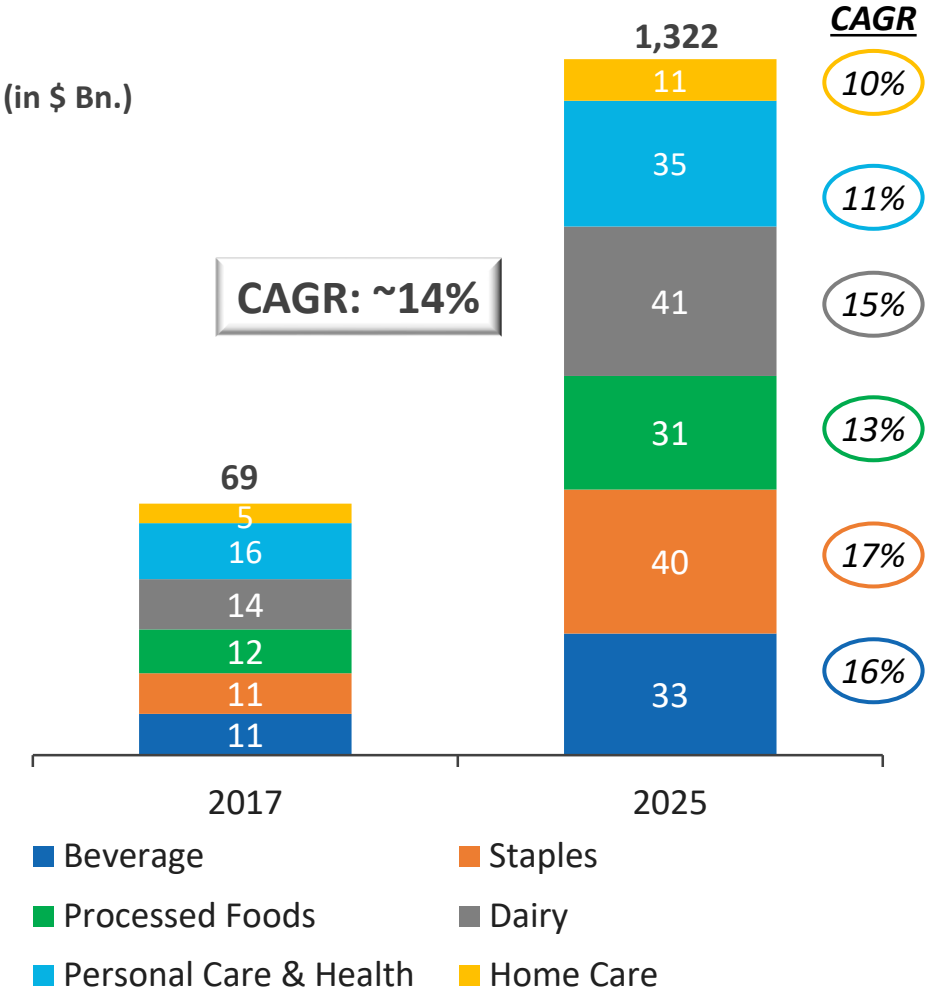
Total Revenue by Product Type





Large Addressable Market: Organized FMCG to Grow 3x by 2025

Strong growth in Consumption



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



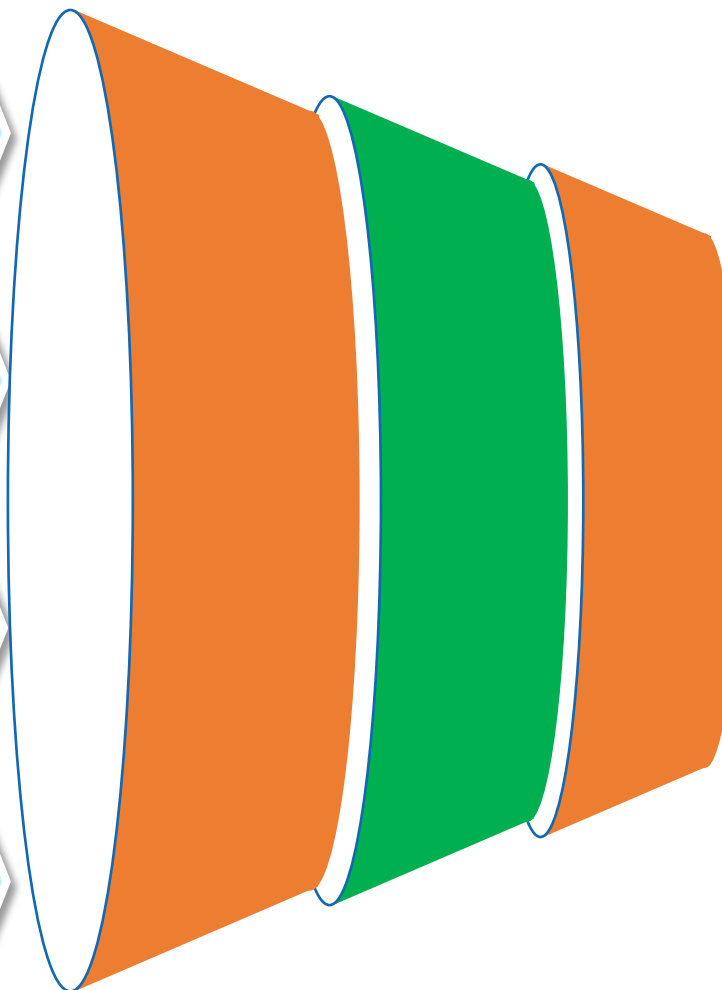
Iconic Market Leading Brands



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

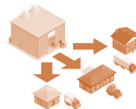


Stronger cash flows to invest in growth

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

TATA GLOBAL BEVERAGES



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

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



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

1

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/package foods



- Umbrella brand for liquid beverages



- Youth focused international tea brands



- Nutri-Supplements and Sweeteners



- Out-of-Home

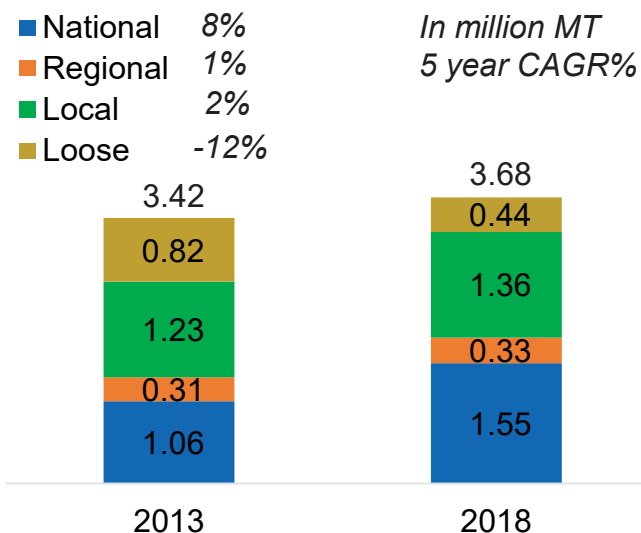
(1)

As per ET Brand Equity - Most Trusted Brands Survey, 2018

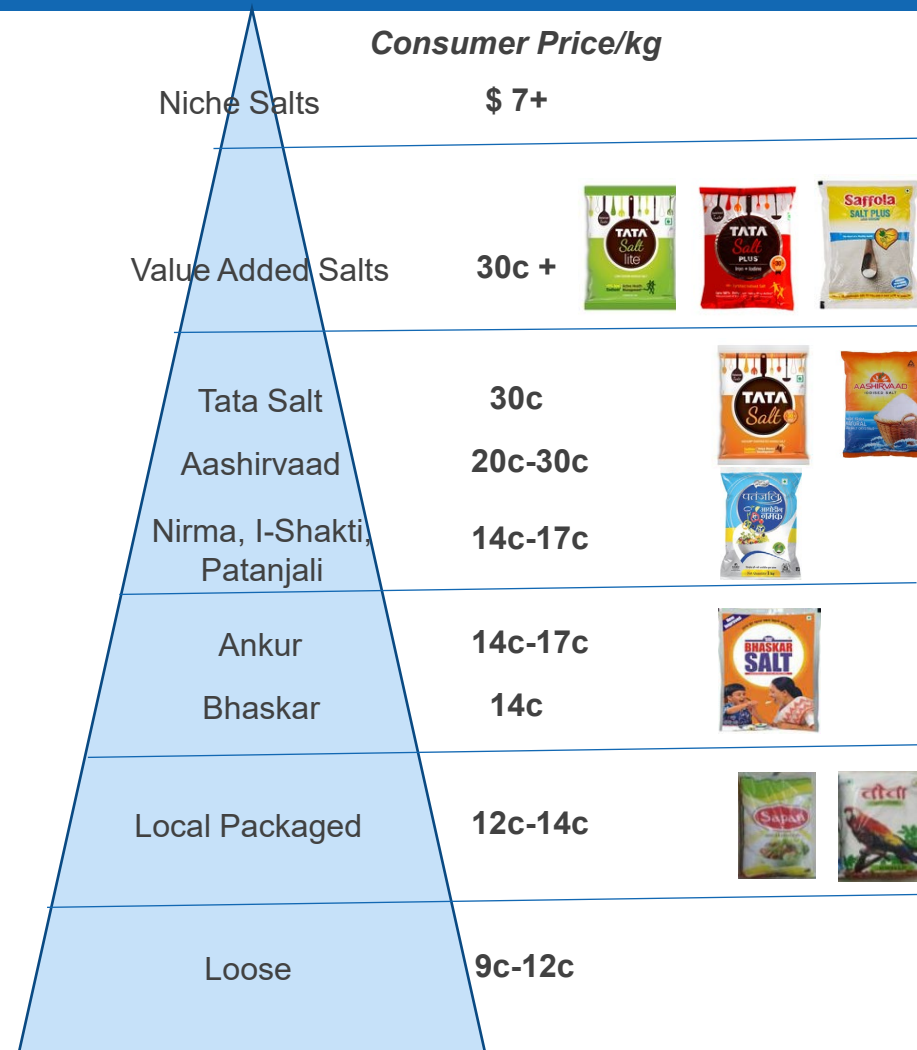
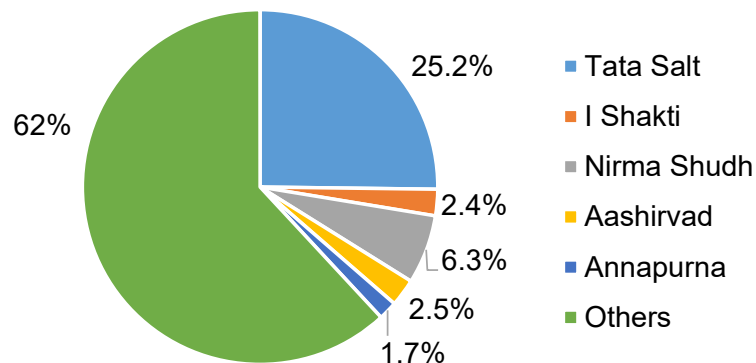
Tata Salt: Undisputed Market Leadership

- ✓ 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)



Market Share



1 TATA Sampann – Creation of a National Mega Food Brand



“Nourishing India”: Offering wholesome everyday nutritious food



Pulses & derivatives

\$ 23,000 Mn

~1%

- ✓ Unpolished dals , Besan and Organic dals
- ✓ Only national brand in pulses
- ✓ Reach: 175,000 stores



Spices and Condiments

\$ 21,700 Mn

10%

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



Snacks/ Ready-to-Cook

\$ 5,800 Mn

50%

- ✓ Ready-mixes and Snacks
- ✓ Differentiated propositions



Source: Euromonitor for market shares data

FY18 Market Size (\$ Mn)

Branded Penetration (%)

Brand Defining Award Winning Campaigns

Tata Tea - Jaago Re



Tata Salt - Desh ka Namak



Tetley - Green Tea



Tata Sampann - Goodness ki Shuruaat



Awards



Combined Distribution Prowess to Deepen Reach



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

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***



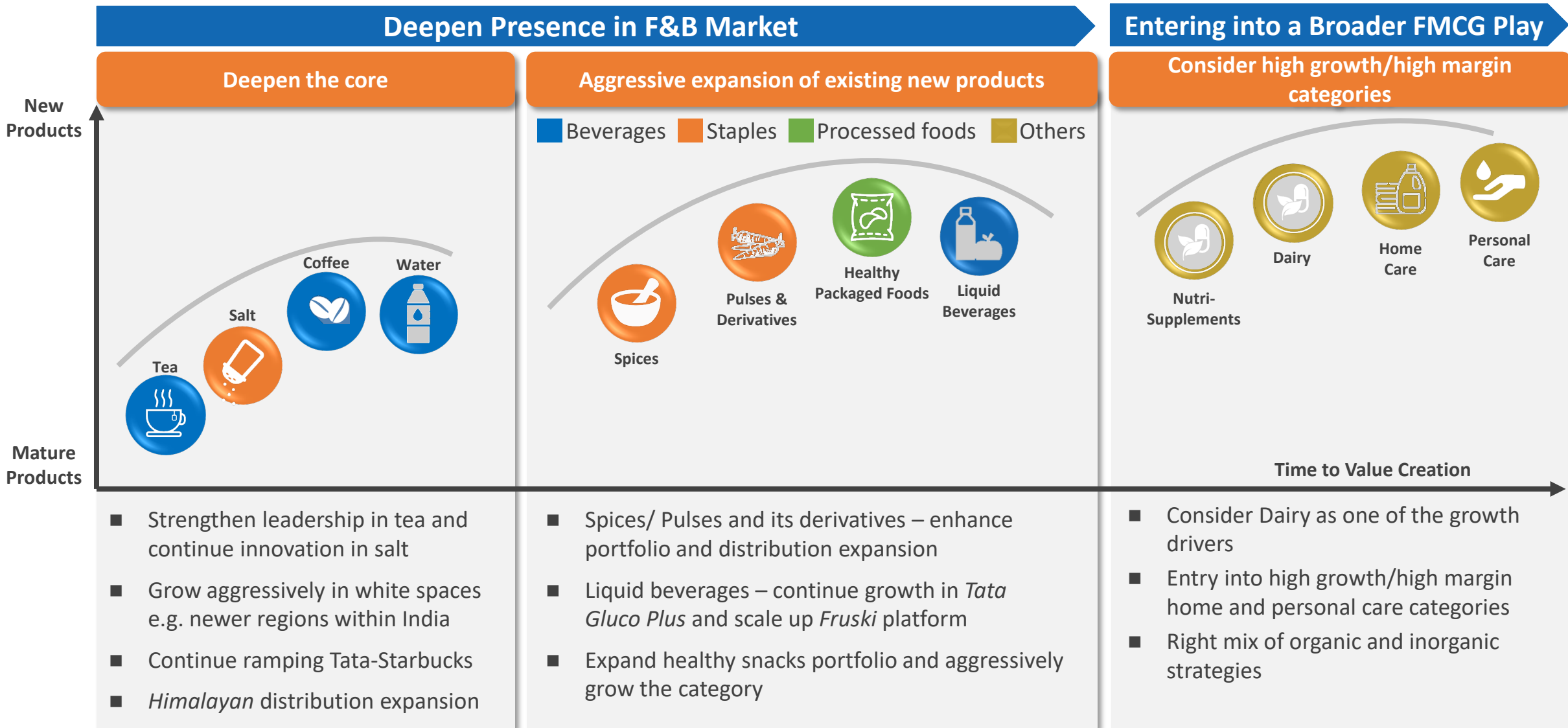
50:50 partnership with PepsiCo in India to distribute water products

- ***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



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



teapigs.



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

TATA GLOBAL BEVERAGES

Deal Summary

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

	Pre- Transaction	
	Shares O/S (Mn)	Holding (%)
Promoters	217	34.5%
Public	414	65.5%
Total	631	100.0%



	Post- Transaction	
	Shares O/S (Mn)	Holding (%)
Promoters	305	33.2%
Public	615	66.8%
Total	921	100.0%

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)

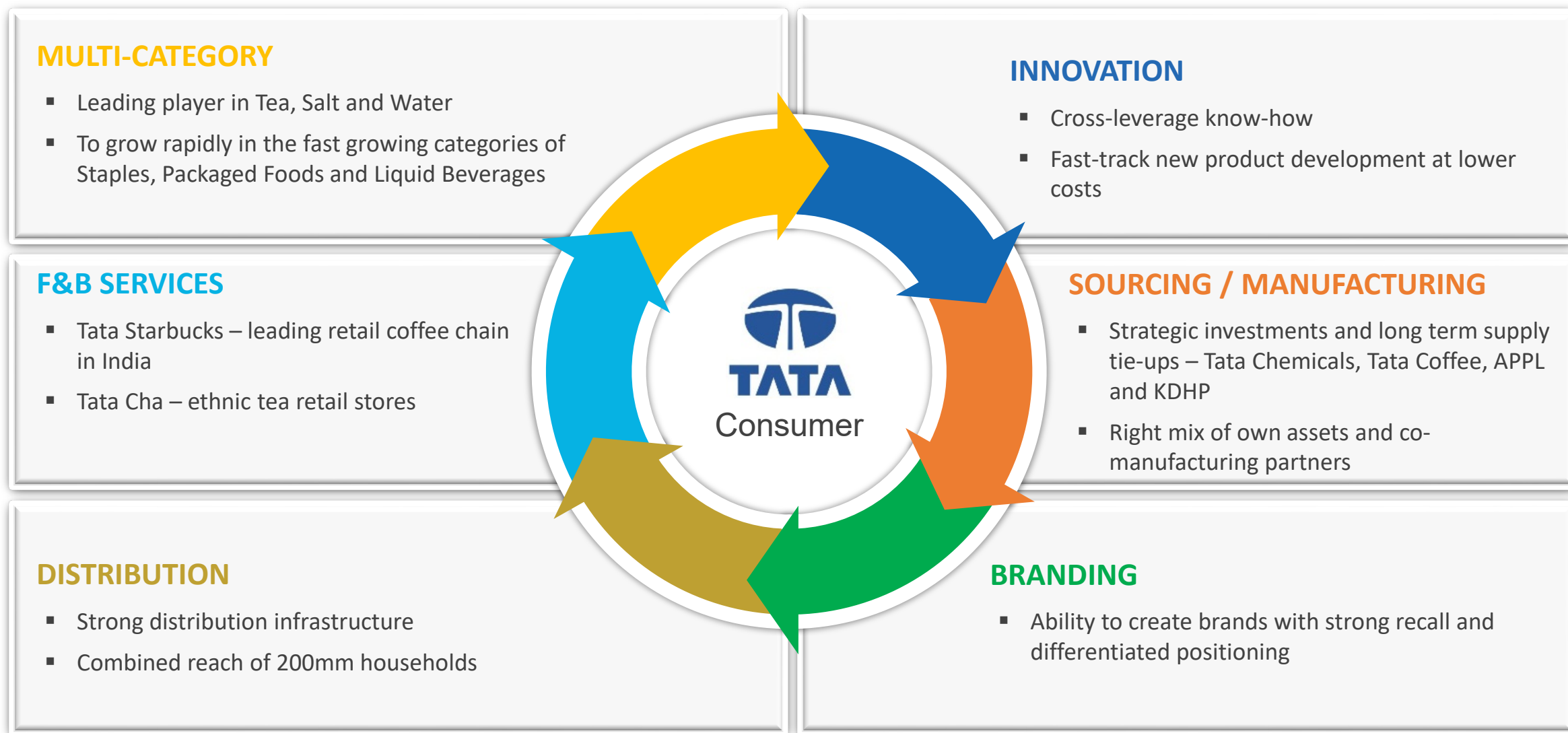
	Tata Global Beverages Limited		Consumer Products Business India - Branded	Combined	
	India - Branded	Total		India - Branded	Total
Revenue (\$ Mn)	458	1,051	268	725	1,318
EBITDA (\$ Mn)	71	121	46	117	167
EBITDA Margin (%)	15.5%	11.6%	17.1%	16.1%	12.7%
Net Profit (\$ Mn)		59	30 ⁽¹⁾		89
No. of shares (Mn) ⁽²⁾		631	-		921
EPS (\$/share) ⁽³⁾		9c	-		10c
Net Cash /(Debt) (\$ Mn)		104	-		104

(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



Appendix

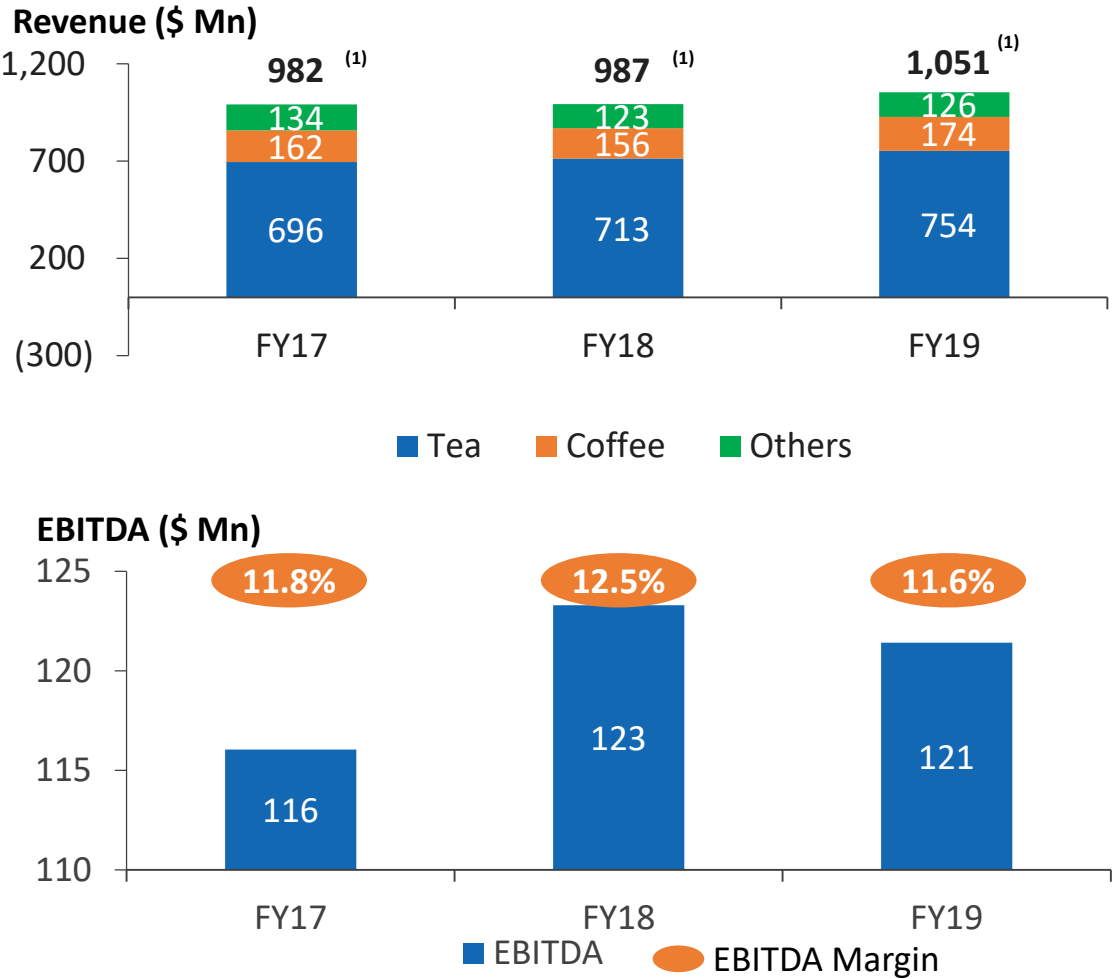
TATA GLOBAL BEVERAGES

TGBL – Overview

Description













- 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

Financial Snapshot



Notes : Total revenue adjusted for inter segment revenue of \$10 Mn in FY17, \$5.5 Mn in FY18 and \$4 Mn in FY19

TGBL – Branded Products Portfolio

Category	Products				
Tea	teapigs.				
					
Coffee					
Water					

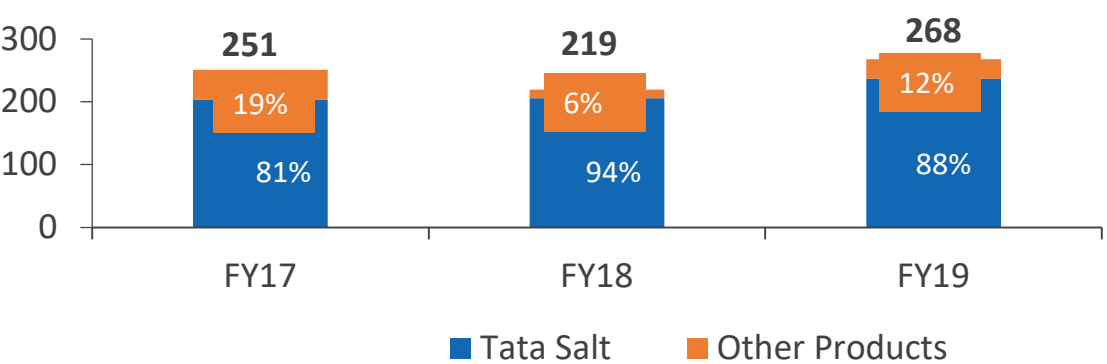
Consumer Products Business – Overview

Description

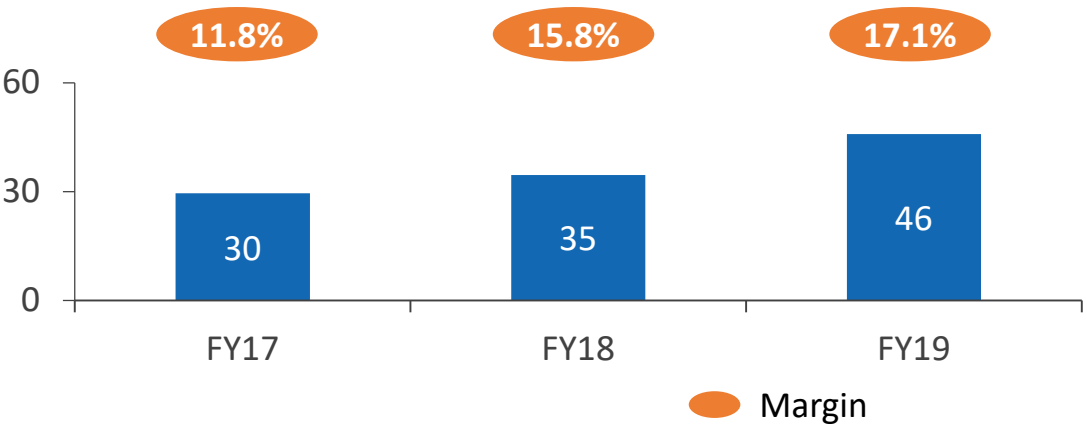
- CPB operates in food & non-food segments
- Portfolio backed by strong innovation & research
- Transformed itself from a single product business, “Iodising India”, to a business with a bouquet of offerings aimed at “Nourishing India”
- Strong salt platform – launched in 1983 Tata Salt is a market leader (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

Financial Snapshot





Revenue ((\$ Mn)



EBITDA ((\$ Mn)



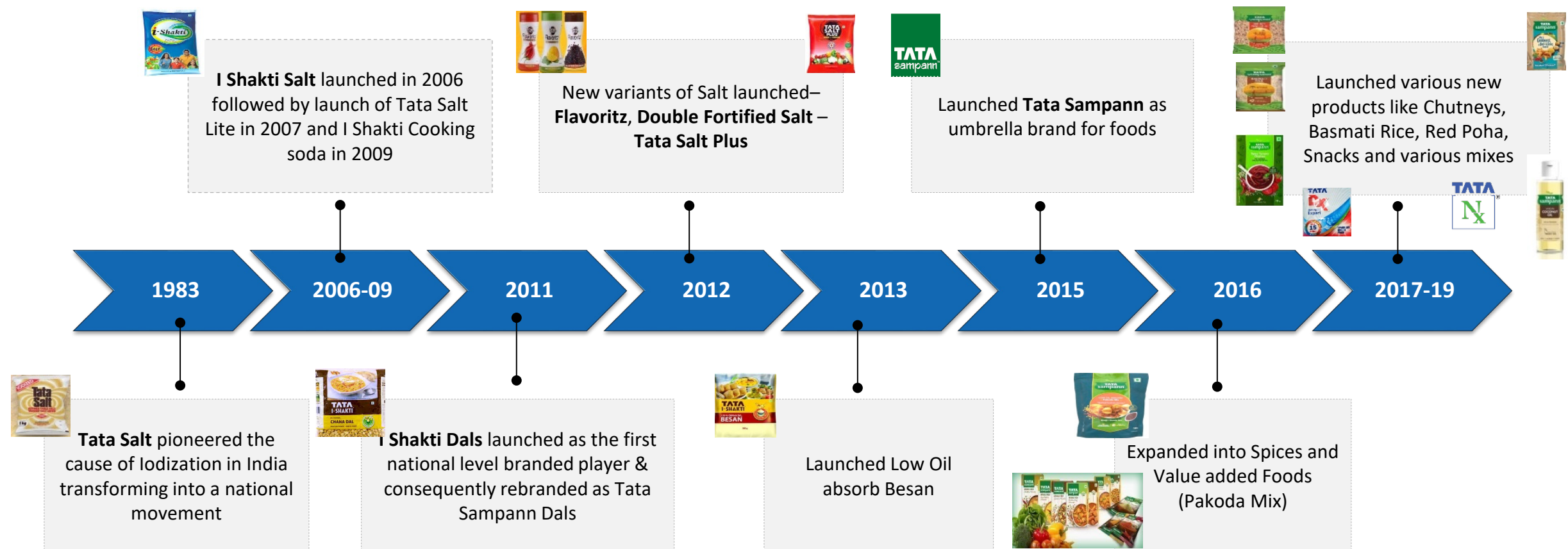
Consumer Products Business – Product Portfolio

Category	Products									
Salt										
Pulses										
Spices										
New products										

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



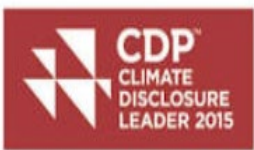
Sustainability Initiatives

SOURCING IT RIGHT



Specific Project with ETP and Tea Research Association

PROTECTING THE ENVIRONMENT



Tata Salt – 10%
packaging is 100%
recyclable



IMPROVING LIVES



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