

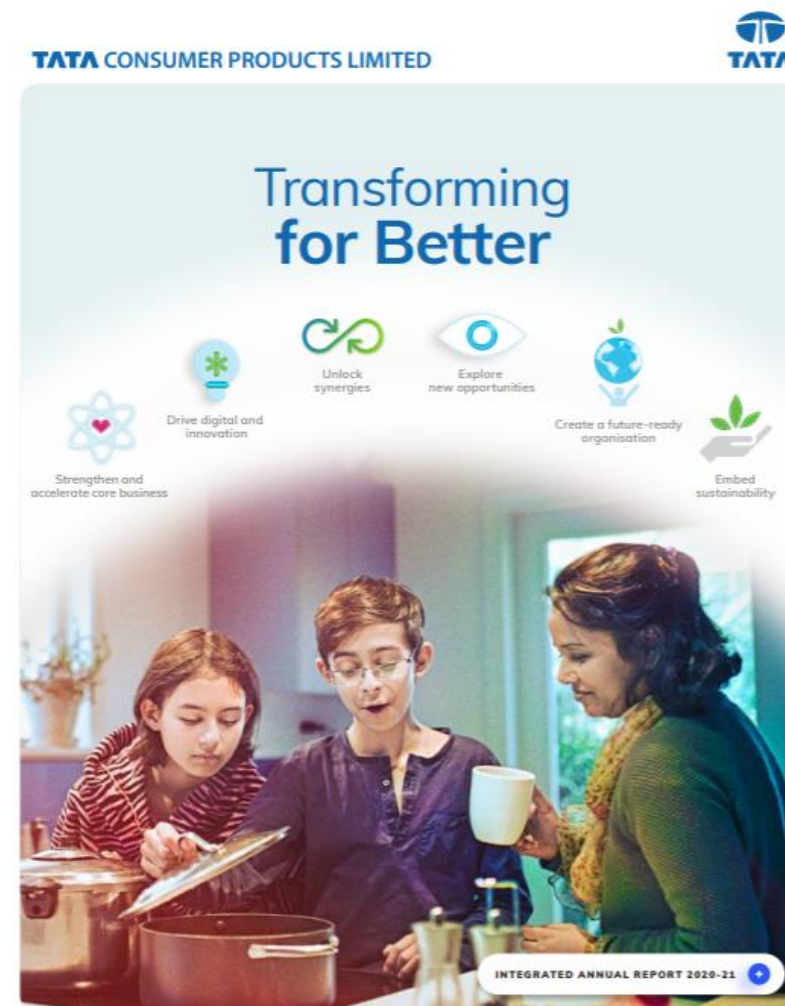
58th Annual General Meeting

Financial Year 2020-21

TATA CONSUMER PRODUCTS

Presentation by Sunil D'Souza
Managing Director & CEO

25th June 2021



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

01

About Us

02

Performance Highlights

03

Progress against Strategic
Priorities

04

Business performance –
India

05

Business performance –
International

06

Awards & Recognitions



01

About Us

We are Tata Consumer Products



Largest salt brand in India



2nd Largest tea brand in India



4th largest tea brand in UK & largest tea brand in Canada



4th 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



₹ 11.6K crore consolidated revenue in FY21 and current market cap of ~₹61k Cr.



Among the top 10 F&B companies in India



#2 branded tea player globally



Reach to almost 200mn households in India and distribution to ~2.4mm retail outlets



~3500 employees worldwide



01

Performance Highlights

Key Highlights - FY21

- Consolidated Revenue **up 20%** with Group Net Profit **up 102%**.
- We added c.**Rs. 2000cr** to topline this year
- Overall, India business¹ **up 29%** with **robust volume growth** across India beverages (+12%) & India foods (+11%)
- International business (ex. Foodservice) **up 12%**, with an underlying (constant currency) growth of **5%**

Consolidated EBITDA for the year **up 20% YoY**, with strong margin expansion in International & India Foods business. India beverages business faced margin pressure due to unprecedented inflation in raw tea prices.

Strong Free Cash Flow conversion – FCF² to EBITDA ratio for FY21 **101%, up from 81%** in FY20

Proposed **Dividend** Rs 4.05/share
up 50% YoY

Working Capital down from **59 Days** of Sales in FY20 to **42 days** in FY21

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

¹ Includes India beverages & India Foods business, including NourishCo as a subsidiary effective May'20.

² FCF to EBITDA ratio is for pre-tax Free Cash Flow

Key Highlights - FY21 (contd.)

During the year we **gained market share in both the core categories** of tea (190bps)³ and salt (160bps)³

India business integration is now complete.

We **continue to invest in building blocks for the future** - S&D infrastructure, Digital, A&P & Innovation

In line with **our strategic priority of exploring new opportunities**, we acquired 100% stake in Ready to Drink (RTD) business (**NourishCo**).

We also **expanded our foods portfolio** through acquisition of Kottaram Agro Foods Pvt Limited (**Soulfull**) – now Tata Soulfull

We also **rationalized our International business** – we exited coffee business in Australia (MAP) and foodservice business in the US (Empirical)

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

³ Nielsen, Value share, MQ'21 vs MQ'20

Key Businesses snapshot – FY21



International Beverages

In ₹ Cr
(unless specified)

	India Beverages	India Foods	US Coffee	International Tea	Foodservice (International)	Tata Coffee (incl. Vietnam)	Consolidated
Revenue	4,601	2,441	1,293	1,983	193	964	11,602
Revenue Growth <i>Constant currency growth</i>	36%	18%	15% 9%	10% 3%	-35% -39%	15% 14%	20% 18%
Volume Growth	12%	11%	7%	1%	-31%	9%	

Key Brands



Note:

- a) India Beverages includes Middle East and NourishCo (subsidiary effective May'20)
- b) India Foods includes Soulfull (subsidiary effective Feb'21) but the impact is not significant.
- c) International tea business includes UK, Canada, US, Aus and Europe.
- d) Tata Coffee incl. Vietnam and excludes USCoffee (EOC)
- e) Consolidated revenue includes other non-branded business and Inter-segment eliminations
- f) Foodservice (International) was divested w.e.f. 1 Apr'21.

Group Performance at a glance – FY21



₹ 11,602 Cr.



₹ 1,569 Cr.



₹ 1,342 Cr.



₹ 930 Cr.



~₹ 2,421 Cr.

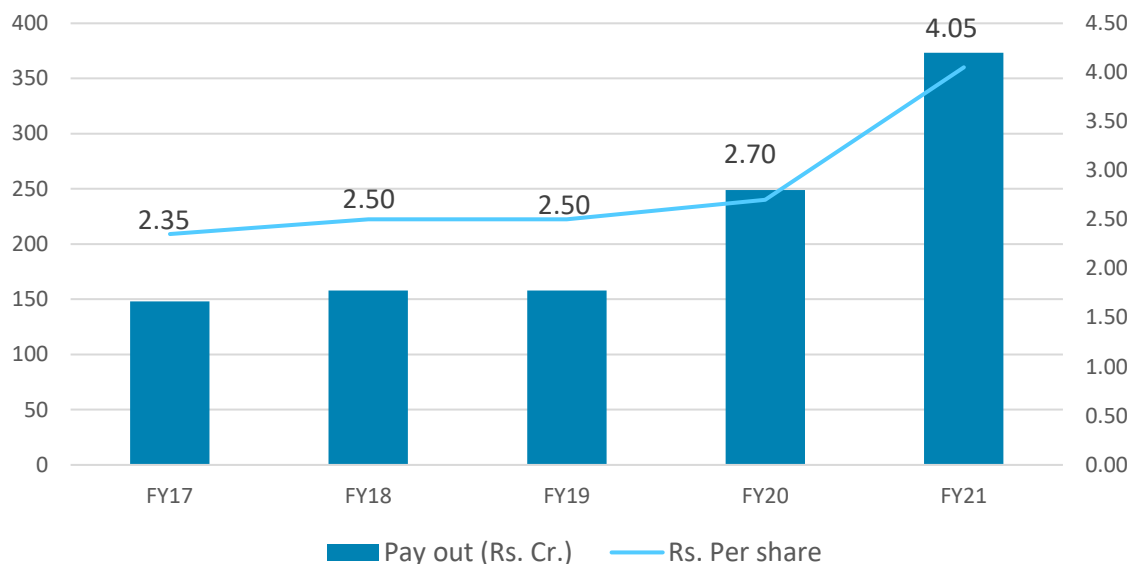
	Revenue	EBITDA	PBT (bei)^	Group Net Profit	Net Cash\$
Growth (Y-on-Y)	20%	20%	24%	102%	
Margin%		13.5%	11.6%	8.0%	
Margin expansion (Y-on-Y)		-10 bps	+40 bps	+320 bps	
EPS				9.30 (EPS)	
EPS Growth (Y-on-Y)				+86% (EPS)	

^ PBT before exceptional items

\$ Cash and Cash equivalents (net of total borrowings) as at Mar 31, 2021

Dividend and Market Capitalization

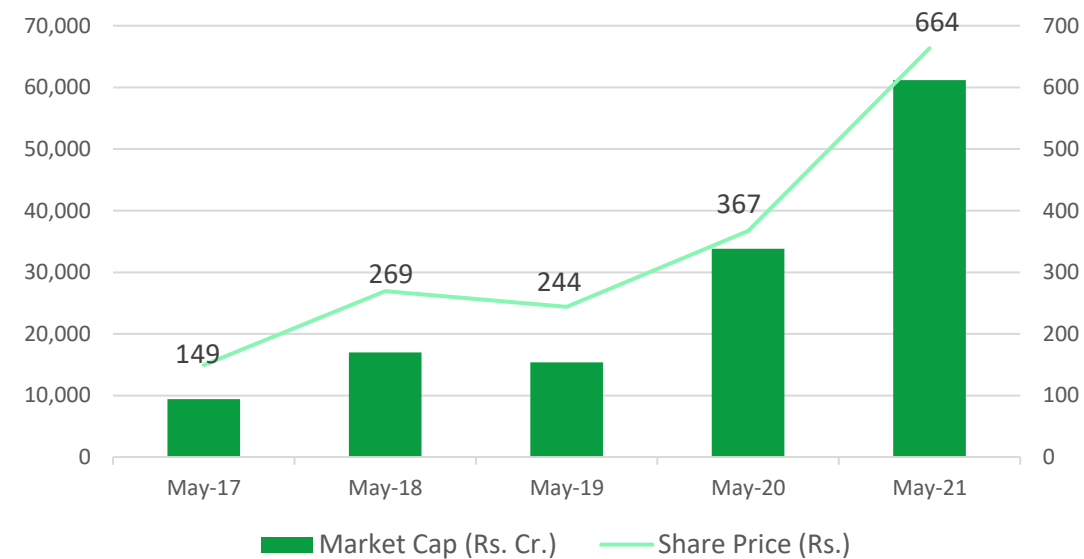
Consistent growth in dividend pay out



Dividend

- Proposed for FY2020-21 - Rs 4.05 per share
- Up 50% YoY

Step change in Market Capitalization



Market Capitalization

- As of 31st May'21 our share price closed at Rs. 664 and Market Capitalization stood at ~Rs. 61,200 Cr.
- A CAGR of 22.5% and 41.3% in share price over 10 years and 5 years respectively#

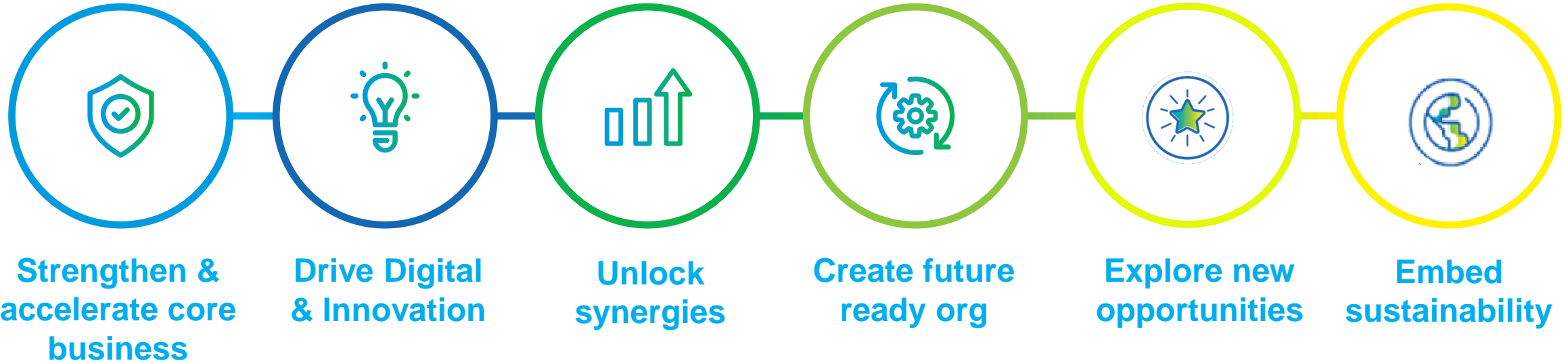
#Calculated at the end of 31st May of each year



03

Progress against Strategic Priorities

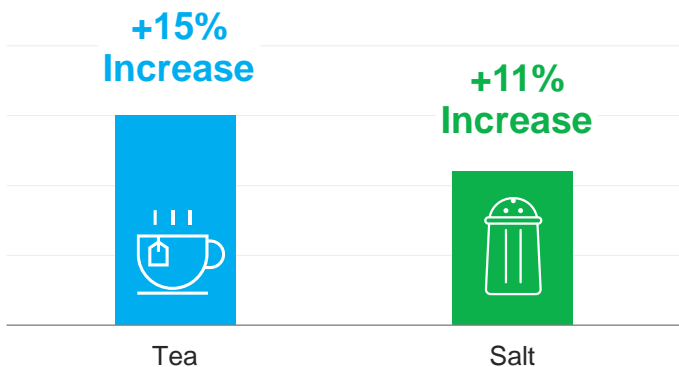
Strategic Priorities



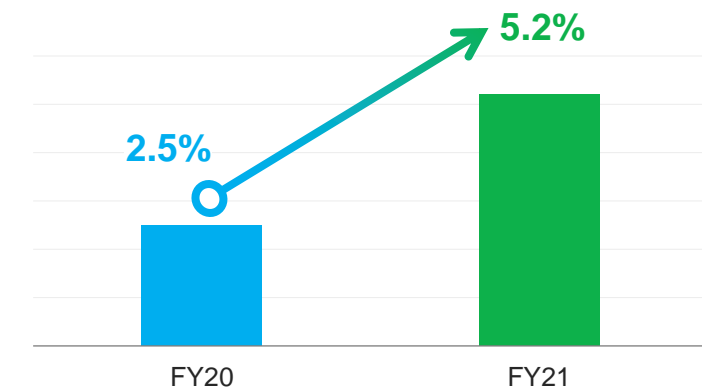


Jump shifting S&D execution

Numeric distribution



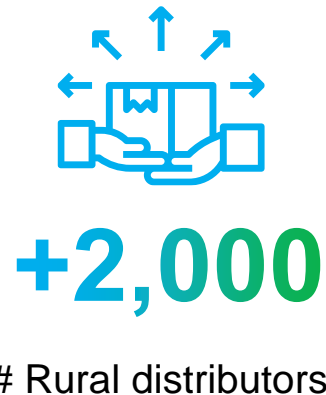
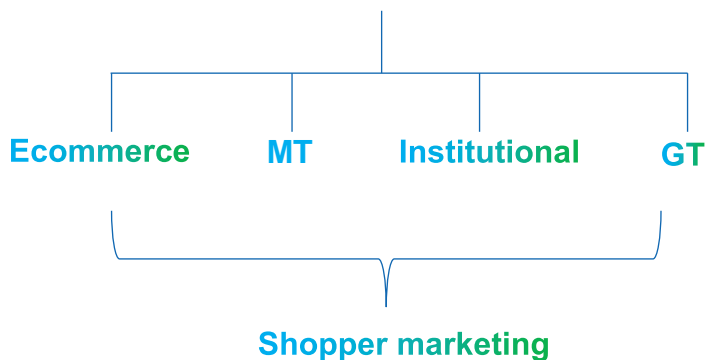
Ecommerce contribution (% of Sales)



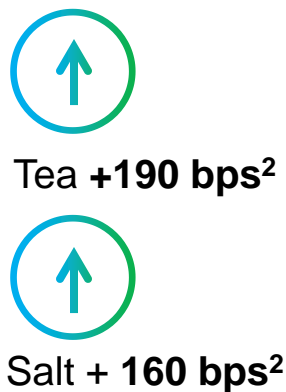
Direct coverage



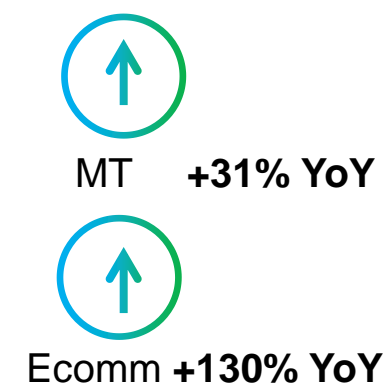
Dedicated Sales teams



Market share



Channel growth



All numbers are for FY21 vs FY20, unless specified otherwise.

¹ TSO stands for Territory Sales Officers

² Source: Nielsen – Value share, MQ'21 vs MQ'20

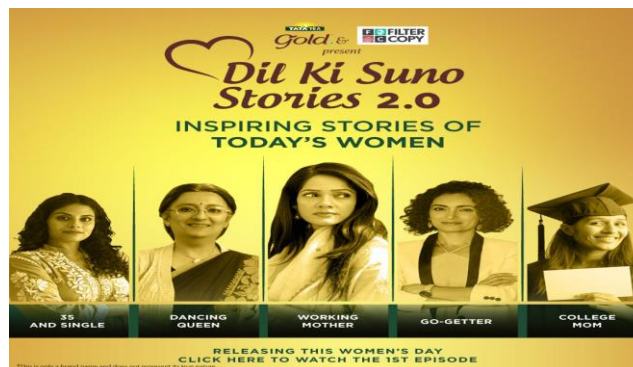


Powering our brands



Kanan Devan restage campaign celebrating the 'Unique Diversity' of Kerala

TATA Tea Gold celebrated Women's day by launching 'Dil Ki Suno'



Tata Tea Agni highlighting its value and strength positioning



Tata Salt Lite's #TakeltLite campaign focused on Urban India

Tata Salt #SawaalDeshKiSehatKa campaign



Influencer- led Digital & PR campaign to drive **Sampann** proposition of nutrition in every morsel



Driving premiumization

Beverages



Foods



D2C



<https://tatacoffeesonnets.com>

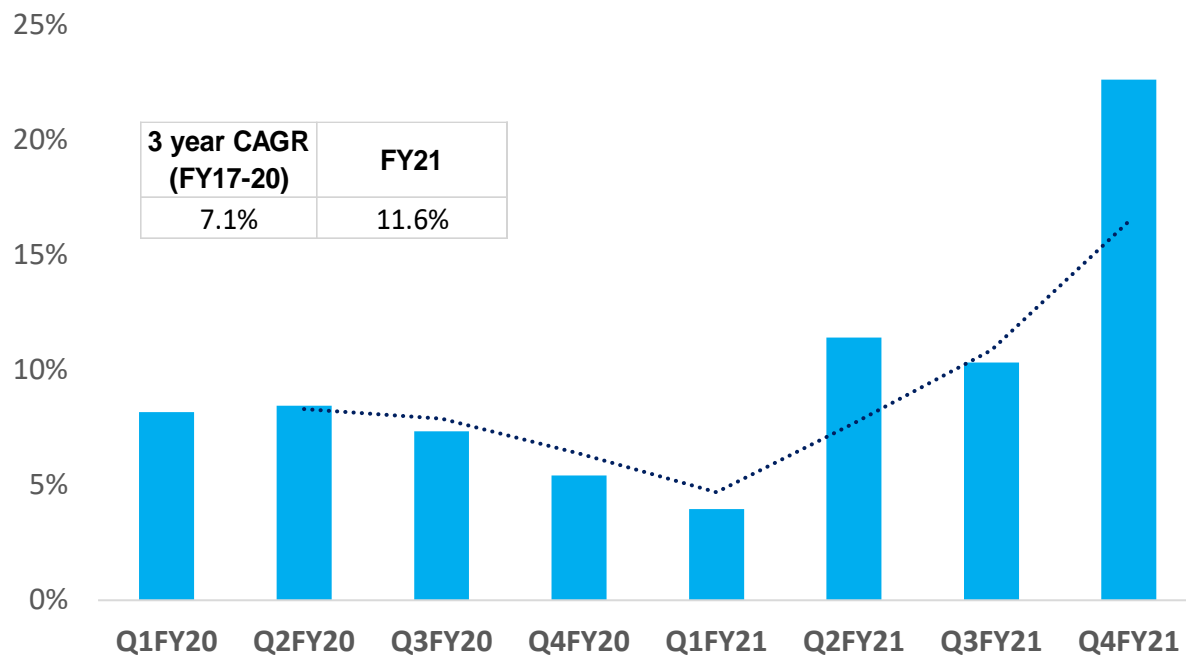


<https://www.tatatea1868.com>

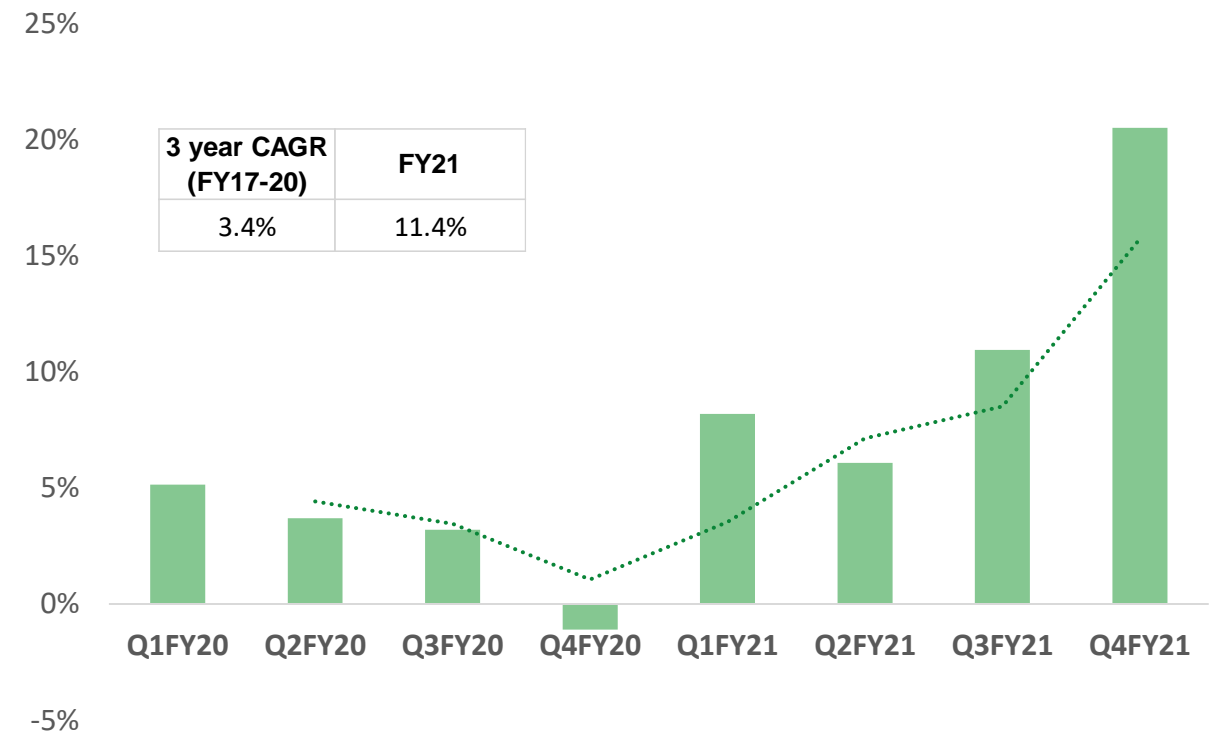


Volume growth acceleration across India business

India beverages volume growth trend

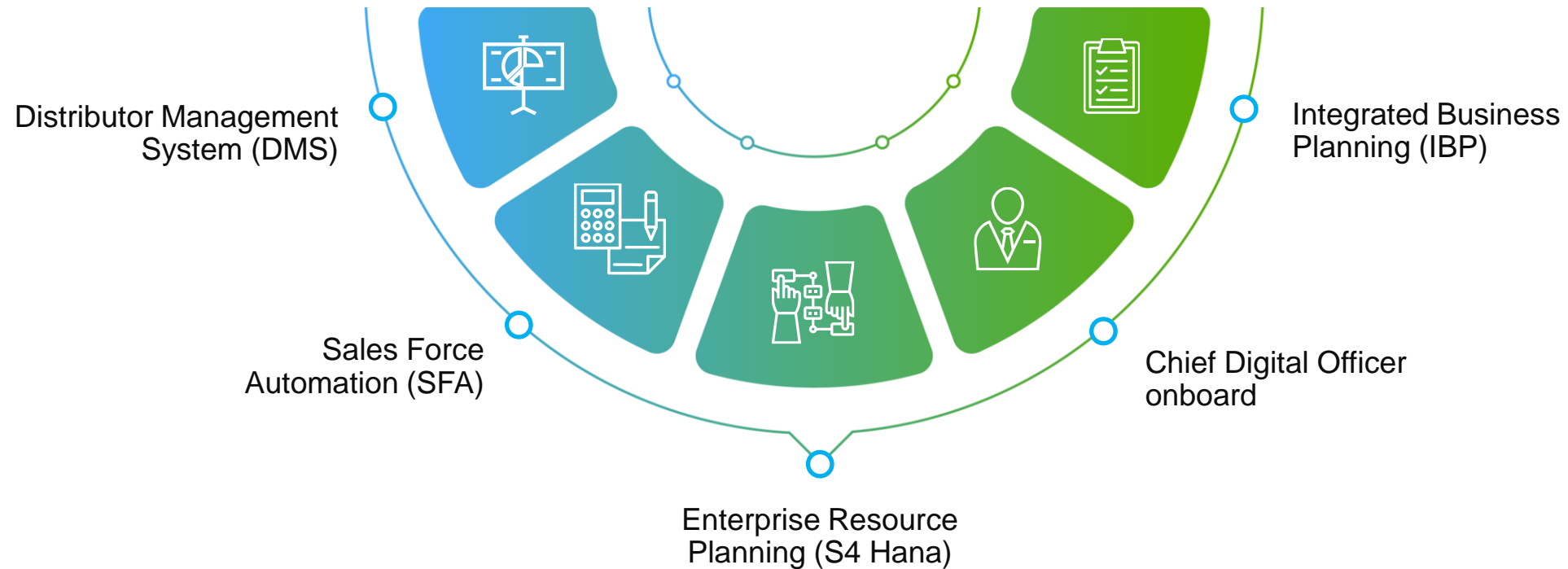


India foods volume growth trend





Digital transformation



Improved sales outcomes

Lower cost to serve

Lower working capital

Improved service levels

Lower supply chain costs



Fueling the innovation funnel





On track to deliver committed synergies



Initial pre-tax synergy estimate of **INR 100-150 Cr** in 18-24 months



Post-merger, **dedicated team** set up to analyze and realize synergies



Adopted a **first principle design**, internal best practices and benchmarking with **best-in-class FMCG** companies



Optimization of **S&D layers**



Superior **terms of trade** with channel partners



Supply Chain opportunities and consolidation of infrastructure



Scale efficiencies in marketing/packaging



Capitalising on inorganic opportunities

NourishCo



- Platform for future growth.
- Significant scope for geographic expansion (~35% country)
- Trusted brands with strong brand equity.
- Asset light model

NourishCo (100% subsidiary effective May'20)

Soulfull



- Strategic fit for our Health & Wellness portfolio.
- Significant scope for geographic expansion (15k outlets)
- Strong NPD pipeline.
- Fast-growing brand with a new addressable Target Group.
- Margin accretive



Building a future ready organisation



**Integrated
Org Structure**



**Capability
building**



**Systems & processes
harmonization**



**Purpose led
organization**



**R&D Structure
& Resources**



**Shopper
marketing**



**Talent in
Ecommerce**



**Dedicated
Integration
Management
Office (IMO)**



CDO



**Revenue
Management**



Dedicated IR



Continued focus on sustainability



Sustainable Sourcing

Sustainably Sourced tea ~100% internationally and ~60% in India

Water Management

Water, sanitation and hygiene for 25,000 members in Assam and Himachal

Climate Change

Reduced GHG EMISSIONS by 16%*; Improved renewable energy to 26%#

Waste Management

0 waste to landfill at all beverages factories; 71%** recyclable Salt packaging; 100% Extended Producer Responsibility in India

Community Development

Sustainable livelihoods, affordable healthcare to 750,000+ community members

* From 2010 to 2021 # For beverage business

**Exit March 2021



05

Business performance - India

India Packaged Beverages



Tata Tea Premium celebrates the State's pride on Odisha Day by collaborating with Odisha's well known sand artist.



+32%
FY21 Revenue
Growth

+12%
FY21 Volume
Growth¹

~100bps
Market Share gain²

Performance commentary

- Revenue for the year grew 32%, with 12% volume growth in tea.
- Coffee revenue grew 36% YoY with a volume growth of 19%.
- We gained 100bps value market share in tea, on a MAT basis during the year.
- EBIT margin for FY21 was 11% vs 15% in FY20, owing to unprecedented inflation in tea prices during the year.
- Working capital for the business stood at 48 days as of Mar'21 down from 78 days (DSO) as of Mar'20, despite extraordinarily high inventory led by raw tea inflation.

¹ Tea volume growth

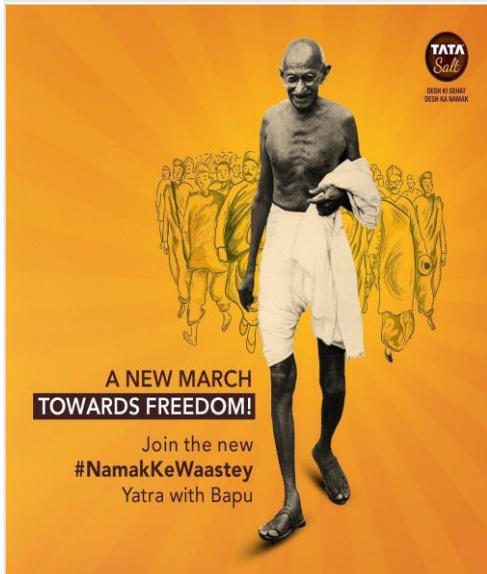
² Source: Nielsen – Value share, Moving Annual Total (MAT) basis Mar'21 vs Mar'20

India Foods

An initiative to celebrate home cooked food & create awareness about wholesomeness of Indian quintessential thali (plate)
#SampannPoshanThali



First Augmented Reality led campaign on the occasion of 91st anniversary of Dandi March, with Mahatma Gandhi delivering an important message about fight against COVID-19.



+18%
FY21 Revenue
Growth

+11%
FY21 Volume
Growth

+180bps
Market share gain*

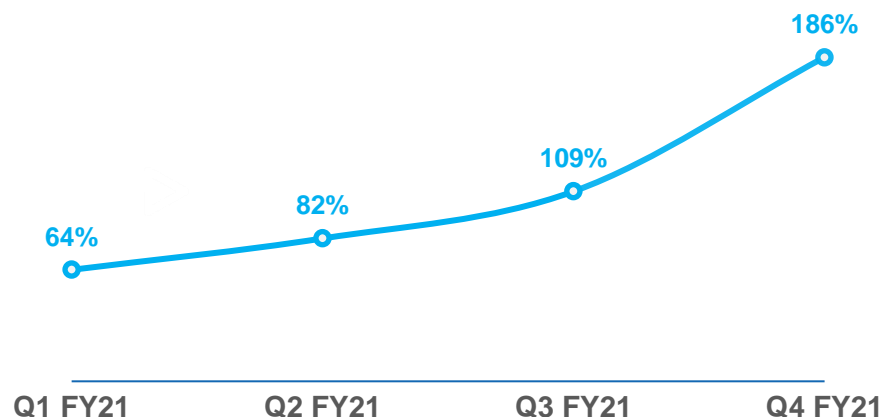
Performance commentary

- Salt revenue grew 17% during the year with 11% volume growth.
- Continued to drive premiumization with Value Added & Niche Salt Portfolio growing 75% during the year.
- Tata Sampann portfolio grew 26% during the year.
- Drove further Working Capital (WC) efficiencies - negative WC as of Mar'21.
- EBIT for the segment grew 45% in FY21, with a margin expansion of 288bps.

* MS in Salt, Source: Nielsen – Value share, Moving Annual Total (MAT) basis Mar'21 vs Mar'20

NourishCo (100% Subsidiary)*

Sales as a % of PY



Consumer Sampling of Tata Gluco Plus through Canter van in various markets, Fruski launched in Hyderabad and Vizag.

188Cr
FY21 Revenue

+4%

FY21 revenue growth

1.5x

Tata Water Plus[#]

Performance commentary

- Revenue for the year grew 4%, impacted by COVID induced lockdowns and reduced OOH consumption.
- TWP achieved highest ever volume during the year, growing 60% in volume terms in FY21.
- Fit for purpose GTM & strong cost optimization in Himalayan is yielding results – 76% expansion in retail footprint.
- Geographic expansion and capacity addition for the business on track.

[#] 53% revenue growth during the year

FY21 financials above are for the full year; however, Nourishco became 100% subsidiary w.e.f. May'20

Tata Coffee (inc Vietnam) (~58% Subsidiary)



Tata Coffee offers unique customized blends in Instant Coffee to cater to its diverse B2B customer base.



Tata Coffee Vietnam: Plant is running at near peak capacity and recorded highest ever sales in Q4, aided by new products and breakthroughs with new clients

+14%#

FY21 Revenue Growth

+24%

FY21 Plantations Revenue Growth

+12%

FY21 Extractions Revenue Growth

Performance commentary

- Revenue for the year grew 14% with EBIT growth of 69%.

Extractions

- Overall extraction business grew 12% in FY21, led by Vietnam, which more than offset the COVID induced decline in domestic extractions revenue.

Plantations

- Robust value growth in tea was driven by higher realization while coffee plantations revenue grew on the back of higher crop in FY21.

Tata Coffee including Vietnam. Does not include EOC

Tata Starbucks (JV)



Sanjeev's Kapoor Menu- introduced fusion menu with Tata Sampann ingredients



Introduced handcrafted ice-cream

94%
Stores re-opened*

221
Total Stores

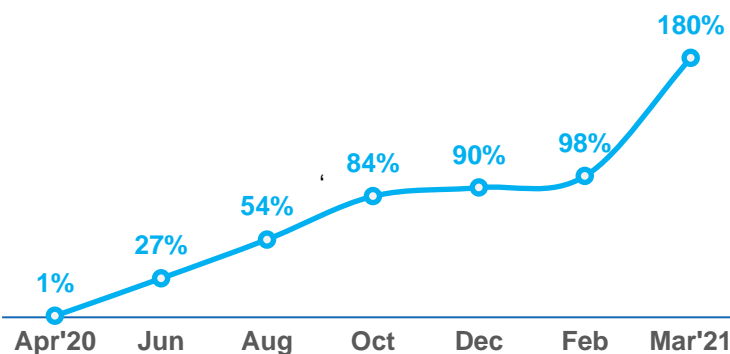
18
Cities

Performance commentary

- Revenue for the year declined 33%, driven by the adverse impact of COVID on out-of-home consumption.
- The business was EBITDA+ for the year.
- Business saw sequential recovery till February, but the second wave of COVID has impacted the recovery since.
- Added 39 new stores & entered 7 new cities during the year.
- Experimented with new store formats– drive through, small engine stores to capitalize on takeaway and delivery opportunity.
- Significant savings achieved during the year through rental renegotiations & overhead optimization.

Strong sequential recovery

Sales as a % of PY



* As of end of Mar'21



06

Business performance - International



Tetley enveloped OOH range relaunched with new product and packaging – 100% recyclable including envelope.



Good Earth Kombucha voted as 'Product of the Year' in Chilled and Fortified Drinks category.

+2%

FY21 Revenue Growth[^]

+18%

Teapigs revenue Growth[#]

20.0%

Value Market share*
(in everyday black)

Performance commentary

- Revenue for the year grew 2% (constant currency) with substantial growth in EBIT, partly benefitting from increased in-home consumption of tea led by the pandemic.
- EBIT growth was driven by strong overheads management and lower trade promotion coupled with stable commodity costs.
- Tetley grew share in the growing segments of Decaf, F&H and Green tea during the year.
- Pureplay online revenue more than doubled during FY21, with Tetley outpacing online tea category growth.

[^] Constant currency ex Teapigs business [#] Constant currency growth

* Source: Nielsen – Value share, Moving Annual Total (MAT) basis – Mar'21

USA

New espresso-based and flavored coffee offerings added to EOC Barista Blends



EOC expands fast growing 32-count K-Cups with its award-winning Decaf



ONE OF THE BEST DECAF OPTIONS EVER!

BY PJ
FROM UNDISCLOSED

VERIFIED BUYER

I absolutely love Eight O'Clock decaf! It's so very hard to find GOOD, flavorful decaf, especially in single serve format. I discovered this at Tuesday Morning a while ago, but due to the pandemic shutting down stores, I had to find it elsewhere. I did an internet search and, voila! I didn't realize I could order direct! I'm so happy!



Good Earth
Sensorial Blends
- bursting with the
flavors of nature,
all natural,
biodegradable
teabags



+9%

FY21 Coffee Revenue
Growth^

+16%

FY21 Tea Revenue
Growth^

4.6%

*Coffee Bags
Market Share

Performance commentary

- **Coffee:** Coffee had a strong year with revenue growth of 9% (constant currency) & volume growth of 7%, with K-cup growth outpacing Coffee bags.
- Innovation momentum continued with good performance of 32-count K-Cups and Barista Blends.
- **Tea (excluding Empirical):** Robust revenue growth of 16% during FY21, driven by innovation, new customer acquisition & Ecommerce.
- Good Earth & Teapigs grew faster than Tetley which also grew strongly.
- **Ecommerce** - Triple digit Portfolio growth in FY21.
- Exited from non-core foodservice business (Empirical JV).

^ Constant Currency, excluding Foodservice (Empirical)

Source: *Nielsen – Value share, Moving Annual Total (MAT) basis – Mar'21

Canada



Tetley Super Teas win Product of the Year for 2021 Consumer Survey



Strong influencer and social media campaigns for new Tetley Super Teas



Tetley Cold Infusion won Best New Product of the Year for 2021

+15%

FY21 Revenue Growth[^]

+35%

FY21 Revenue growth in Specialty tea[^]

29.3%

*Market share

Performance commentary

- Robust revenue growth of 15% (constant currency) in FY21.
- Tetley continues to be the #1 brand in the market with both regular and specialty teas outgrowing the category during the year.
- We are now the volume leaders in Specialty tea also in Canada (besides being market leaders in black tea).
- Strong YoY growth in profitability led by higher sales, lower promotions and strong control on overheads.

[^] Constant Currency

Source: *Nielsen – Value share, Moving Annual Total (MAT) basis – Mar'21

Awards & recognition



1. India Foods

Tata Salt received several awards at India Digital Marketing Awards 2020 and India Digiplus Awards 2021.

2. India Beverages

Tata Tea Premium won 'Disruptive brand of the year' at The Brands Disruption Awards'21.



3. Sustainable Development

TCPL Greenford UK office received an "Award for Recycling" by Paper Round; a recognition of our efforts towards UK's Net Zero target.

4. Operational Excellence

Kellyden and Indore Packaging Center won Silver in prestigious National Awards for Manufacturing Competitiveness 2019-20.



5. Risk Management

TCPL received the prestigious Masters of Risk award (FMCG category) at the 7th edition of India Risk Management Awards; a testimony to strong risk identification and mitigation practices at the Company.

6. Most Trusted Brand

Tetley Canada won 'Most Trusted Brand 2021' for the 7th consecutive year.

Thank You