Investor Presentation

Credit Suisse India Consumer Virtual Days

TATA CONSUMER PRODUCTS

11th August 21
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 June Quarter Summary

02 Performance overview

03 Progress against strategic priorities
June quarter recap

- During the quarter, Consolidated Revenue grew 11% YoY despite a challenging operating environment and a high base.

- Despite a severe second wave of COVID, India business performed well while International markets saw a decline owing to pantry loading in the base quarter.

- Overall, India business\(^1\) grew 25% led by
  - India Beverages\(^2\) business growth of 28%, with 3% volume growth
  - India Foods business growth of 20%, with 17% volume growth

- International business declined 13%, with an underlying (constant currency) decline of 16\(^3\), cycling an elevated base driven by pantry loading.

- EBITDA margin for the quarter was 13.4%, up 300 bps QoQ, but down 452bps YoY, driven by higher A&P investments in the India business in the current quarter and low-cost tea inventory that benefitted the base quarter.

- Group net profit declined 42% YoY, however, adjusted for exceptional items, it declined 27%.

- We continued to invest behind our brands to drive long term growth and we gained market share in both the core categories of tea and salt in India.

- We now have a harmonized Pan-India distribution system and have substantially completed the integration of Soulfull.

- We continue streamline operations & driving synergies, including network optimization in India & simplification of International business.

\(^1\) Includes India beverages & India Foods business, including NourishCo.

\(^2\) Including NourishCo, but volume doesn’t include Nourishco volumes

\(^3\) Like to like, adjusted for the impact of exit from International Foodservice business, the decline was 9% (12% in constant currency terms)
Performance Overview
### Key Businesses snapshot – Q1FY22

<table>
<thead>
<tr>
<th>In ₹ Cr (unless specified)</th>
<th>India Beverages</th>
<th>India Foods</th>
<th>US Coffee</th>
<th>International Tea</th>
<th>Tata Coffee (incl. Vietnam)</th>
<th>Consolidated²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>1,267</td>
<td>705</td>
<td>296</td>
<td>472</td>
<td>241</td>
<td>3,008</td>
</tr>
<tr>
<td><strong>Revenue Growth</strong></td>
<td>28%</td>
<td>20%</td>
<td>-18%</td>
<td>-3%</td>
<td>5%</td>
<td>11%</td>
</tr>
<tr>
<td><strong>Volume Growth</strong></td>
<td>3%</td>
<td>17%</td>
<td>-16%</td>
<td>-9%</td>
<td>-6%</td>
<td></td>
</tr>
</tbody>
</table>

#### Key Brands

- Tata Tea
- Gluco
- Himalayan
- Soulfull
- Eight O’Clock
- Tetley
- Teapigs
- Good Earth

**Note:**

a) India Beverages revenue includes India Packaged Beverages + NourishCo (subsidiary effective May’2020), but volume doesn’t include Nourishco volumes

b) International tea business includes UK, Canada, USA, Australia, Europe and Middle East (Middle East has been regrouped from India Beverages in FY21 to International tea from FY22).

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

d) Consolidated revenue includes other non-branded business and Inter-segment eliminations

e) # We exited Foodservice (International) business, adjusted for that, Consolidated Revenue grew 12% on a like-to-like basis (11% constant currency)
# Group Performance at a glance – Q1FY22

<table>
<thead>
<tr>
<th>Revenue</th>
<th>EBITDA</th>
<th>PBT (bei)^</th>
<th>Group Net Profit</th>
<th>Group Net Profit (bei)^</th>
<th>Net Cash$</th>
</tr>
</thead>
<tbody>
<tr>
<td>₹ 3,008 Cr.</td>
<td>₹ 403 Cr.</td>
<td>₹ 340 Cr.</td>
<td>₹ 200 Cr.</td>
<td>₹ 203 Cr.</td>
<td>~₹ 2,169 Cr.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Growth (Y-on-Y)</th>
<th>11%</th>
<th>-17%</th>
<th>-22%</th>
<th>-42%</th>
<th>-27%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin%</td>
<td>13.4%</td>
<td>11.3%</td>
<td>6.7%</td>
<td>6.8%</td>
<td></td>
</tr>
<tr>
<td>Margin expansion (Y-on-Y)</td>
<td>-452 bps</td>
<td>-476 bps</td>
<td>-608 bps</td>
<td>-345 bps</td>
<td></td>
</tr>
<tr>
<td>EPS</td>
<td>2.01 (EPS)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPS Growth (Y-on-Y)</td>
<td>-43% (EPS)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

^ before exceptional items
$ Cash and Cash equivalents (net of total borrowings) as at Jun 30, 2021
### Key Businesses snapshot – FY21

<table>
<thead>
<tr>
<th>In ₹ Cr (unless specified)</th>
<th>India Beverages</th>
<th>India Foods</th>
<th>US Coffee</th>
<th>International Tea</th>
<th>Foodservice (International)</th>
<th>Tata Coffee (incl. Vietnam)</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>4,601</td>
<td>2,441</td>
<td>1,293</td>
<td>1,983</td>
<td>193</td>
<td>964</td>
<td>11,602</td>
</tr>
<tr>
<td><strong>Revenue Growth</strong></td>
<td>36%</td>
<td>18%</td>
<td>15%</td>
<td>10%</td>
<td>-35%</td>
<td>15%</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Constant currency growth</strong></td>
<td></td>
<td></td>
<td>9%</td>
<td>3%</td>
<td>-39%</td>
<td>14%</td>
<td>18%</td>
</tr>
<tr>
<td><strong>Volume Growth</strong></td>
<td>12%</td>
<td>11%</td>
<td>7%</td>
<td>1%</td>
<td>-31%</td>
<td>9%</td>
<td></td>
</tr>
</tbody>
</table>

**Key Brands**
- Tata Tea
- Himalayan
- Soulfull
- Eight Mood
- Tetley
- Teapigs
- Good Earth

**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 US Coffee (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

<table>
<thead>
<tr>
<th>Growth (Y-on-Y)</th>
<th>Revenue</th>
<th>EBITDA</th>
<th>PBT (bei)^</th>
<th>Group Net Profit</th>
<th>Net Cash$</th>
</tr>
</thead>
<tbody>
<tr>
<td>20%</td>
<td>20%</td>
<td>24%</td>
<td>102%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Margin%</td>
<td>13.5%</td>
<td>11.6%</td>
<td>8.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Margin expansion (Y-on-Y)</td>
<td>-10 bps</td>
<td>+40 bps</td>
<td>+320 bps</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPS</td>
<td></td>
<td></td>
<td></td>
<td>9.30 (EPS)</td>
<td></td>
</tr>
<tr>
<td>EPS Growth (Y-on-Y)</td>
<td></td>
<td></td>
<td></td>
<td>+86% (EPS)</td>
<td></td>
</tr>
</tbody>
</table>

^ PBT before exceptional items

$ Cash and Cash equivalents (net of total borrowings) as at Mar 31, 2021
03

Progress against Strategic Priorities
Strategic Priorities

- Strengthen & accelerate core business
- Drive Digital & Innovation
- Unlock synergies
- Create Future Ready Org
- Explore new opportunities
- Embed sustainability
Fuelling our brands

**Tata Tea Chakra Gold Care** Driving awareness & trials of value added variant, Chakra Gold Care in TN

Ongoing hyperlocal campaigns across all core markets for Tata Tea Premium.

Scale up and expansion in southern markets of AP, Telangana and Karnataka.

**Tata Sampann Spices** #SpiceUpYourHealth in priority markets – with multimedia extensions in OOH / Print.

Tata Sampann Continues to be contextual on social media with participation in relevant occasions.

**India business** A&P Q1FY22

- **Tea**: +170 bps
- **Salt**: +370 bps

1 Standalone Financials
2 Source: Nielsen – Value share, JQ'21 vs JQ'20
Making consistent gains on reach & premiumization

Direct coverage

0.5M
as of Sep’20

0.82M
as of Jun’21

On track for 1M
by Sep’21

Pan-India Harmonized Distribution System

+3,000
# Rural distributors¹

Value growth in premium salts portfolio

Ecommerce +153% YoY
7.3% of Sales²

Institutional channel
+144% YoY

¹ total number of rural distributions as of June’21.
² % of India business (excl Nourishco) in Q1FY22
Strong momentum post second wave of COVID

### Urban direct outlets billed

<table>
<thead>
<tr>
<th></th>
<th>MAR'21</th>
<th>APR'21</th>
<th>MAY'21</th>
<th>JUN'21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indexed to Mar'21 levels</td>
<td>1.00</td>
<td>0.96</td>
<td>0.93</td>
<td>1.12</td>
</tr>
</tbody>
</table>

### India F&B revenue growth (%)

<table>
<thead>
<tr>
<th></th>
<th>Q4FY21</th>
<th>APR'21</th>
<th>MAY'21</th>
<th>JUNE'21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>41</td>
<td>36</td>
<td>11</td>
<td>22</td>
</tr>
</tbody>
</table>

### India F&B Volume growth (%)

#### India Foods

<table>
<thead>
<tr>
<th></th>
<th>Q4FY21</th>
<th>APR'21</th>
<th>MAY'21</th>
<th>JUNE'21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>21</td>
<td>30</td>
<td>8</td>
<td>14</td>
</tr>
</tbody>
</table>

#### India Packaged Beverages

<table>
<thead>
<tr>
<th></th>
<th>Q4FY21</th>
<th>APR'21</th>
<th>MAY'21</th>
<th>JUNE'21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>23</td>
<td>16</td>
<td>-7</td>
<td>3</td>
</tr>
</tbody>
</table>
Embedding Digital across the value chain

- Digital strategy and vision
- Enterprise data platform set-up initiated
- Continued focus on key business initiatives
Continuing the momentum on innovation - India

Tata Salt Super Lite

India's 1st and only salt with 30% low sodium than regular iodized salt

Tata Tea Chakra Gold Care

New dust blend that packs the traditionally known benefits of 5 natural ingredients

Eight O'Clock

A range of Premium International Coffee offerings; with its Single origin and flavored Roast & Ground coffees

Tata Sampann Dal Tadka Masala

Range of Dal Tadka Masalas to enhance the taste of everyday dals
Continuing the momentum on innovation – Intl.

<table>
<thead>
<tr>
<th>Himalayan - UK</th>
<th>Teapigs Kombucha UK</th>
<th>Teapigs Cold Brew UK</th>
<th>Good Energy - UK</th>
<th>Good Earth - Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Himalayan Natural Water – Launch of our premium mineral water in the UK.</td>
<td>Launch of 3 variants of Teapigs kombucha in cans</td>
<td>Launch of 6 variants of Teapigs cold brew in the UK. These all-natural infusions have been specially made to brew easily in cold water</td>
<td>Organic Natural Energy Drink with natural caffeine from Guayusa leaf. 2 variants launched in UK - Blood Orange and Tangerine, and Raspberry and Blueberry</td>
<td>Good Earth launched in Australia in 4 flavors – Hibiscus, Rose &amp; Sweet Berries, Tropical Mangos, Rooibos Chai and Ginger, Turmeric &amp; Lemon.</td>
</tr>
</tbody>
</table>
Soulfull integration update

Key Highlights

- Organization structure and policies harmonized
- Ensured billing through TCPL within ~45 days of deal closure; 3x GT outlet expansion achieved
- Completed critical process integration across 10 functions within 90 days of deal closure
- Completed Sales IT and related integration
- Preserved agility & entrepreneurial culture while integrating back-end into the TCPL India platform, including the innovation process
Recent changes in the Leadership team

Mr. Prashant Parameswaran  
Managing Director & CEO  
Tata Consumer Soulfull Pvt. Ltd.

Mr. Puneet Das  
President – Packaged Beverages (India and South Asia)

Ms. Deepika Bhan  
President – Packaged Foods (India)

Mr. T.V. Swaminathan  
Global Chief Digital Officer

Mr. Punit Gupta  
Senior Vice President – Strategy and M&A
Enhancing ESG disclosures

Introduction of an interactive tool on our website to enhance disclosures, reporting and ease of access.
Thank You

For more information

Nidhi Verma
Head – Investor Relations & Corporate Communication
nidhi.verma@tataconsumer.com

Write to us at
investor.relations@tataconsumer.com

Call us at
+91-22-61218400

Last 10-year financials are available on Historical financial data