

Investor Presentation

TATA CONSUMER PRODUCTS

18th February 2022

FOR BETTER

Disclaimer

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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



National brand in pulses, spices and mixes



#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



₹ 11.6K crore consolidated revenue in FY21 with current market cap of ~₹69k* Cr.



Reach almost 200mn households in India and distribute to ~2.6mm retail outlets



Among the top 10 FMCG companies in India



~3000 employees worldwide

Update – recap of Q3FY22

- During the quarter, Consolidated Revenue grew 6% (ex International Foodservice business exits last year)– bringing 2-year CAGR to 13.4%.
- Overall, India business¹ grew 6% led by
 - India Beverages² business growth of 1%, with 6% volume growth
 - India Foods³ business growth of 16%, with 4% volume growth
- International business grew 2% ⁴ (-1% in constant currency terms), cycling an elevated base.
- In India Beverages, we have seen improved momentum month-on-month with 5% volume growth in tea during the quarter, bringing 2-year volume CAGR to 8%. We have also seen strong volume growth across the Sampann and Nourishco businesses.
- With tea inflation tapering off, we have seen a strong improvement in India Beverages EBIT margins, up 1110bps YoY. Inflation & investment in new businesses have impacted India Foods margin. We will dynamically manage all lines of the P&L to mitigate this going forward.
- Despite these inflationary pressures, EBITDA margin for the quarter was 14.6%, up 270 bps YoY, and up 70bps QoQ .
- We continued to invest behind our brands, with A&P in India business up 19%.
- In line with our strategic priority of exploring new opportunities, TCPL acquired Tata SmartFoodz Ltd. (TSFL), owner of the brand Tata Q. This will enable us to expand our portfolio into higher margin, value added categories and to cater to the growing consumer need for healthy, tasty and convenient food offerings.
- In order to further simplify our International business, we transitioned to a distributor led operating model in Australia.

¹ Includes India beverages & India Foods business, including NourishCo.

² Including NourishCo revenue, but volume doesn't include Nourishco volumes

³ Including Tata Soufull, Tata Q revenues. Volume doesn't include Soufull/Tata Q volumes

⁴ Like for like, adjusted for the impact of exit from International Foodservice business last year (Empirical in the US+ MAP coffee in Australia)

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Performance Overview

Key Businesses snapshot – 9MFY22



International Beverages

In ₹ Cr
(unless specified)

	India Beverages	India Foods	US Coffee	International Tea	Tata Coffee (incl. Vietnam)	Consolidated [#]
Revenue	3,811	2,149	940	1,506	767	9,250
Revenue Growth <i>Constant currency growth</i>	13%	19%	-4% -3%	0% -5%	12% 12%	8%[10%] 7% [9%]
Volume Growth	4%	12%	-6%	-5%	7%	

Key Brands



Note:

- a) India Beverages revenue includes India Packaged Beverages + NourishCo (subsidiary effective May'2020), but volume doesn't include Nourishco volumes.
- b) India Foods revenue includes Tata Soulfull (subsidiary effective Feb'21) and Tata Q (subsidiary effective Nov'21).
- c) 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)
- d) Tata Coffee incl. Vietnam and excl. USCoffee (EOC)
- e) Consolidated revenue includes other non-branded business and Inter-segment eliminations
- f) # Reported growth, [like for like growth, adjusted for International Food service business exits] .

Group Performance at a glance – 9MFY22



₹ 9,250 Cr.



₹ 1,291 Cr.



₹ 1,105 Cr.



₹ 776 Cr.



₹ 802 Cr.



~₹ 1,891 Cr.

	Revenue	EBITDA	PBT (bei)^	Group Net Profit	Group Net Profit (bei)^	Net Cash\$
Growth (Y-on-Y)	8%[10%]#	3%	2%	-9%	-1%	
Margin%		14%	11.9%	8.4%	8.7%	
Margin expansion (Y-on-Y)		-67 bps	-66 bps	-161 bps	-79 bps	
EPS				7.79 (EPS)		
EPS Growth (Y-on-Y)				-11% (EPS)		

[like for like growth net of International food service business exits]

^ before exceptional items

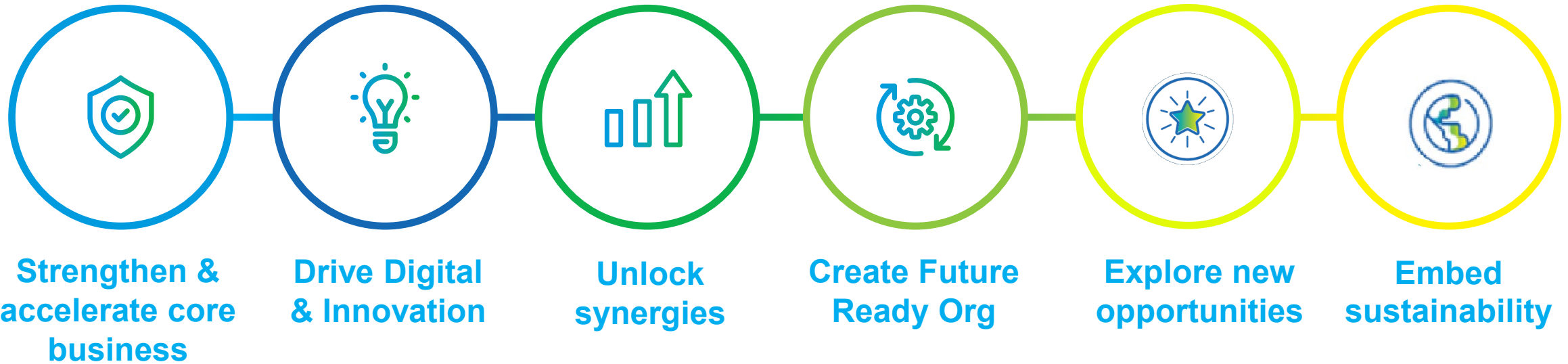
\$ Cash and Cash equivalents (net of total borrowings) as at December 31, 2021



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Strategic Priorities

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Strengthening the core – India Packaged Beverages



Tata Tea Agni relaunch - new Agni TVC with 3 Lead protagonists of Indian Hockey Team

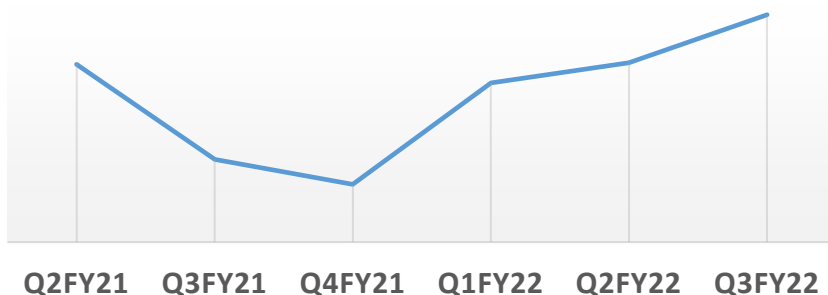


Tata Tea Chakra Gold new TVC is a toast to 'Ghanam' taste of Andhra Pradesh and Telangana, a land that loves everything fully loaded



Chakra Gold became the co sponsor of Big Boss TN – biggest reality TV show in the state

EBIT margin - India Beverages¹
coming back



¹ Includes Nourishco

² Branded tea market share, Source: Nielsen – Value share, OND'21 vs OND'20



Coffee volume



+65% YoY in Q3FY22



TTG care as % of TTG



5.2% in Q3FY22

Market share



Tea +89bps²



Strengthening the core – India Foods



Tata Salt Superlite
new digital films
creating awareness
on BP management
and lower sodium
intake



Tata Sampann Staples:
Strengthened our leadership in
branded Poha category on E-
Commerce channels by driving
consumer upgradation and
conversion to the larger pack
SKU and building consumer
stickiness



Salt volume growth bouncing back post price increase



Dec'21 volume highest in FY22



Sampann Volumes



+39% YoY in Q3FY22

Market share



Salt +476 bps¹

¹ Source: Nielsen – Value share, Salt, OND'21 vs OND'20



Continuing to focus on innovation – 1/2

Tata Sampann Dry Fruits



Tata Sampann Dry Fruits offer 100% Pure range of premium Nuts - cashews, almonds, pistachios and raisins

Tata Coffee Quick Filter



Filter coffee like taste in an instant coffee powder format

Tata Soufull No Maida Choco Ragi Bites



Ragi bites chocos now with no refined flour in a Rs 10 pack

Shuddh by Tata Salt



South first launch with a consumer-winning packaging design and equity of TATA brand name



Continuing to focus on innovation -2/2

1868 by Tata Tea



Launched 8 new variants of 1868 range of premium teas

Tata Tea Adrak Chai



Launched a new variant of Tata Tea Agni with adrak (ginger)

Tata Nature Alive



Launch of Mass Premium Natural Mineral Water to complement our existing range



Another strategic addition to our portfolio – Tata Q



- In line with our strategic priority of exploring new opportunities for growth, TCPL acquired Tata SmartFoodz Ltd. (TSFL), the owner of the brand “Tata Q” in November’21.
- TCPL has gained access to state-of-the-art MATS technology and TSFL’s in-house manufacturing and R&D capabilities.
- Will enable TCPL to capitalise on emerging consumer trends and growing demand for wholesome, convenient and trusted food items.
- TCPL would refresh and enhance the existing product portfolio. The technology can also be leveraged to create a strong pipeline of value-added products in other parts of TCPL’s food business.
- The category is expected to grow at a significant pace in India and presents a sizeable opportunity in overseas markets.
- Will capitalize on TCPL’s strength in Modern Trade and Ecommerce in India and its global presence to service a sizeable and fast-growing exports market (USA, Canada, UK and Australia account for majority of exports of RTE products - strong overlap with TCPL’s international footprint).
- Significant scope to also unlock synergies across procurement, manufacturing and logistics, among other functions.



Tata SmartFoodz integration update

Key Highlights (Nov'21 – Jan'22)



Sales & Operations Planning (S&OP) processes harmonized



Integration of **distribution network near completion** – TCPL domestic & international network being leveraged



Integrated organization structure completed; HR policies to be harmonized by April '22



~ **90%** critical **integration processes** completed across **10** functions; other synergy realization initiatives (e.g. sourcing) underway



Sales IT integration completed; Back-end IT (SAP) integration to be completed by Q1 FY23



Leveraging manufacturing facility for cost savings/portfolio expansion - WIP



Network optimization

Network optimization and operating model design for the foods 3P network





Dynamically managing P&L

Inflationary pressures



Freight



Packaging



Energy & other key
input costs



Additional investment in our new businesses

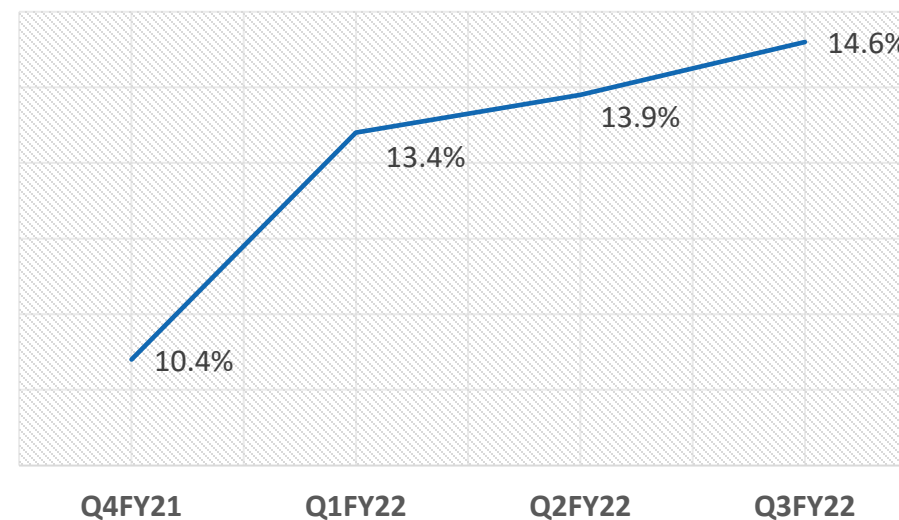


Still delivering improved EBITDA margins* QoQ

Pricing

Cost saving
initiatives &
rationalization of
discretionary spends

Improved mix



* Consolidated EBITDA margin for the Group

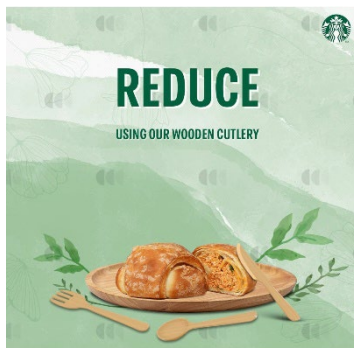


Key business contribution towards sustainability



Sustainability at Starbucks

Tata Starbucks embarks on building a sustainable future by taking meaningful steps and using the 3'R's – Recycle, Reduce and Reuse



TATA COFFEE LIMITED

Tata Coffee received the Sustainable Agriculture Award at the annual Federation of Indian Chamber of Commerce and Industry (FICCI) Agriculture Summit Awards 2021 under the '**Large Corporate**' category for significant on-ground interventions in sustainable agriculture development



Project Jalodari



Tata Consumer Products received 'Jury Special Award' under 'Beyond the Fence' category for Project Jalodari, our flagship water management programme at CII National Awards for Excellence in Water Management 2021



Srishti Trusts



Awarded the
CO 2022 Leadership award

Srishti Trusts received CO 2022 Leadership award organized by Aranya Naturals which rewards excellence in sustainable fashion business. Srishti trust emerged as a winner amongst hundreds of applicants for commitment across 6 leadership award criteria .