

# 60<sup>th</sup> Annual General Meeting

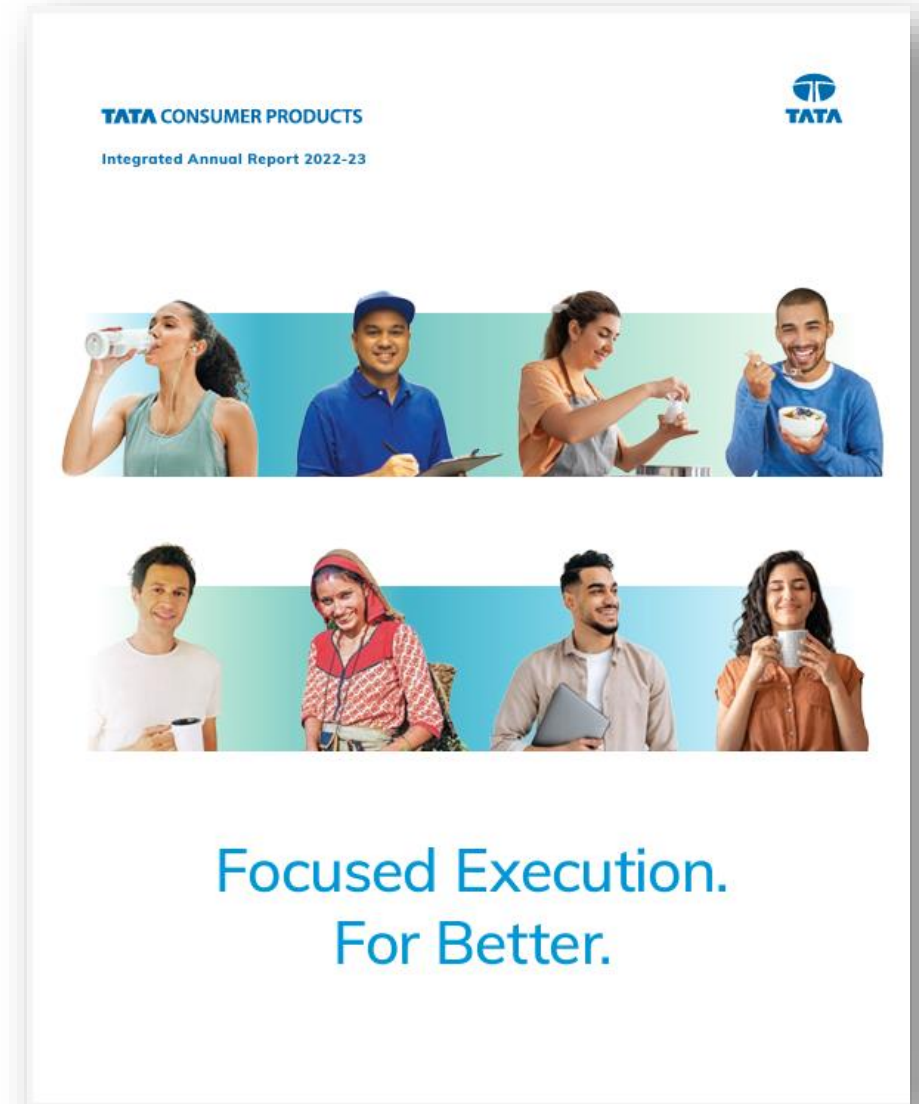


Financial Year 2022-23

## TATA CONSUMER PRODUCTS

Presentation by Sunil D'Souza  
Managing Director & CEO

6<sup>th</sup> June 2023



## 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

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About Us

02

Key Highlights & Financial  
Performance

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Progress against Strategic  
Priorities

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Business performance

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Awards & Recognitions

# We are Tata Consumer Products



Largest salt brand in India



2<sup>nd</sup> Largest tea brand in India



4<sup>th</sup> largest tea brand in UK & largest tea brand in Canada



4<sup>th</sup> 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



₹ 13.8K crore consolidated revenue in FY23 with current market cap of ~₹73k\* Cr



Reach north of 200mn households in India and distribute to ~3.8mm retail outlets



Among the top 10 FMCG companies in India



~3900+ employees worldwide

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# Key Highlights & Financial Performance

# Key Highlights - FY23

- Consolidated Revenue **up 11%** (10% in constant currency)
- Group Net Profit **up 30%**.

- Overall, India business<sup>1</sup> **up 10%** with **growth** across India beverages (+1%) & India foods (+26%)
- International business **up 8%**<sup>2</sup>

Consolidated EBITDA for the year **up 7% YoY**, with an EBITDA margin contraction of **50bps** YoY led by a volatile commodity environment

**Strong Free Cash Flow conversion** – FCF<sup>2</sup> to EBITDA ratio for FY23 nearly **100%**

Proposed **Dividend** Rs 8.45/share **up 40% YoY**

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

1 Includes India beverages & India Foods business, including NourishCo

2 +4%, Like-for-like, adjusted for the impact of Joekels and Bangladesh stake consolidation that happened in Q4FY23

3 Free Cash Flow is for before capex and tax

# Key Businesses Snapshot – FY23

In ₹ Cr (unless specified)	India Beverages	India Foods	US Coffee	International Tea*	Tata Coffee (incl. Vietnam)	Consolidated
<b>Revenue</b>	<b>5,051</b>	<b>3,666</b>	<b>1,489</b>	<b>2,100</b>	<b>1,360</b>	<b>13,783</b>
Revenue growth	1%	26%	15%	3% [1%]*	27%	11%
<i>Constant currency growth</i>			7%	5% [3%]*	25%	10%
Volume growth	-1%	2%	-11%	-4%	3%	

## Key Brands



### Notes:

- a) India Beverages revenue includes India Packaged Beverages + NourishCo, but volume doesn't include NourishCo volumes
- b) India Foods revenue includes Tata Soufull and Tata SmartFoodz
- c) International tea business includes UK, Canada, USA, Australia, Europe, Middle East, South Africa and Bangladesh
- d) Tata Coffee incl. Vietnam and excl. USCoffee (EOC)
- e) Consolidated revenue includes other non-branded business and Inter-segment eliminations

\* [ ] Revenue growth on a like-to-like basis, excluding the impact of Joekels and Bangladesh stake consolidation that happened in Q4FY23

# Financial performance – FY23



₹ 13,783 Cr.

₹ 1874 Cr.

₹ 1,634 Cr.

₹ 1,320 Cr.

₹ 1,174 Cr.

₹ 2,945 Cr.

	Revenue	EBITDA	PBT (bei)^	Group Net Profit	Group Net Profit (bei)^	Net Cash\$
Growth (YoY)	11% [10%]	7%	8%	30%	11%	
Margin		13.6%	11.9%	9.6%	8.5%	
Margin expansion (YoY)		-50bps	-30bps	140bps	Flat	
EPS				13.02		
EPS growth (YoY)				28%*		

[ ] Constant currency growth.

^ before exceptional items.

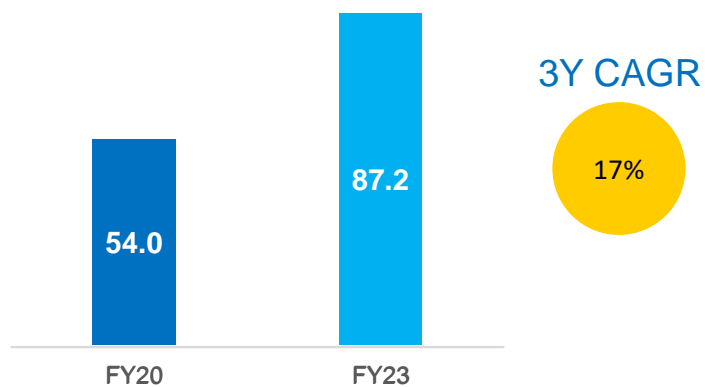
\$ Cash and cash equivalents (net of total borrowings) as of 31 March 2023.

^ Group Net Profit and EPS growth rates differ owing to acquisition of residual minority stake in Tata Consumer Products UK Group Limited from Tata Enterprises (Overseas) AG (TEO), thereby making it a wholly owned subsidiary in the preceding quarter ended 31st December 2022.

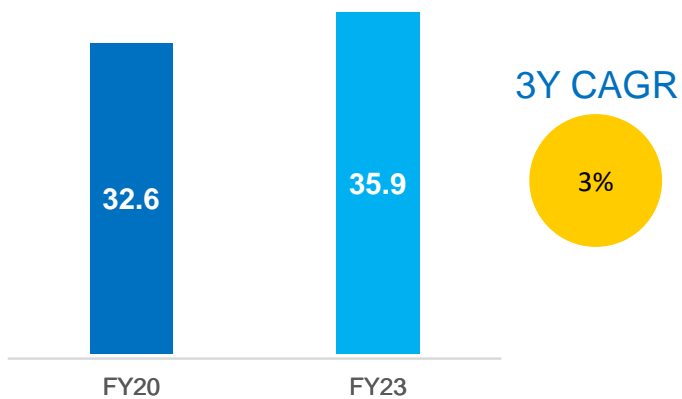


# 3-years since TCPL: driving profitable growth...

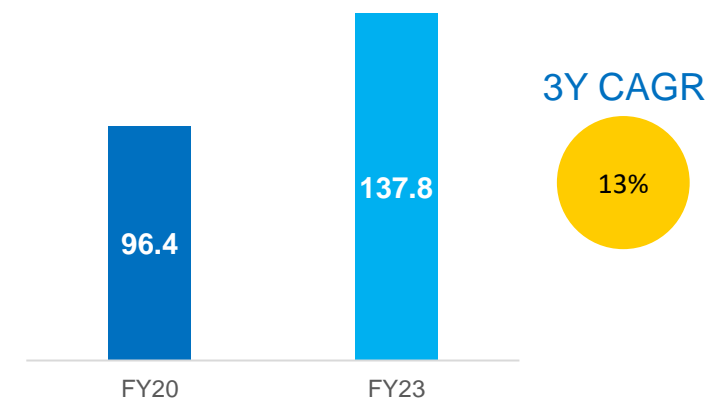
## Revenue – India



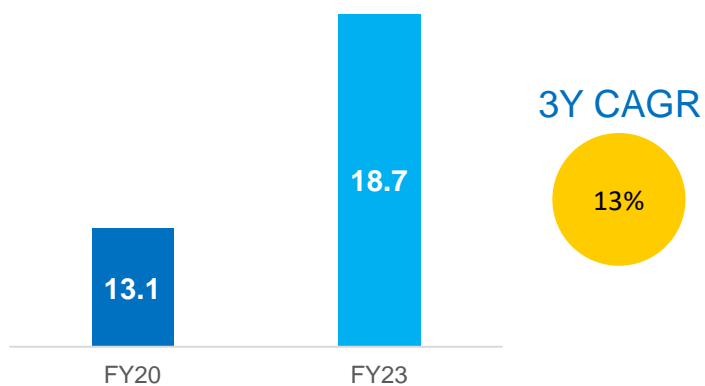
## Revenue – International



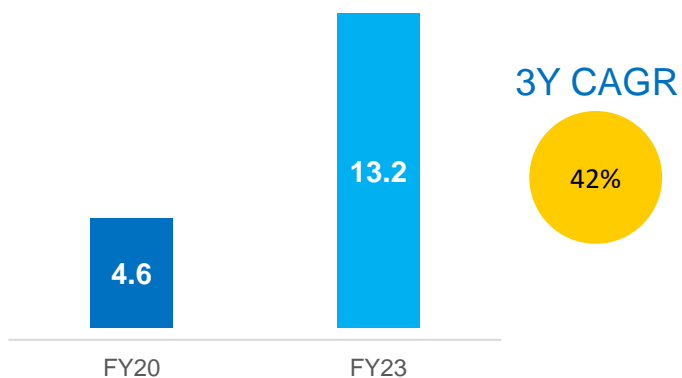
## Revenue – Consolidated



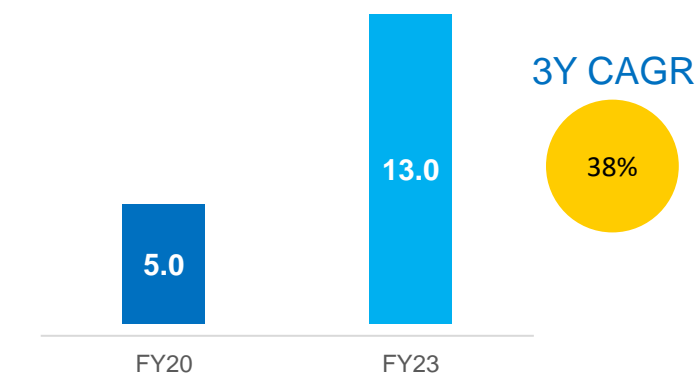
## Cons. EBITDA



## Cons. Group Net Profit



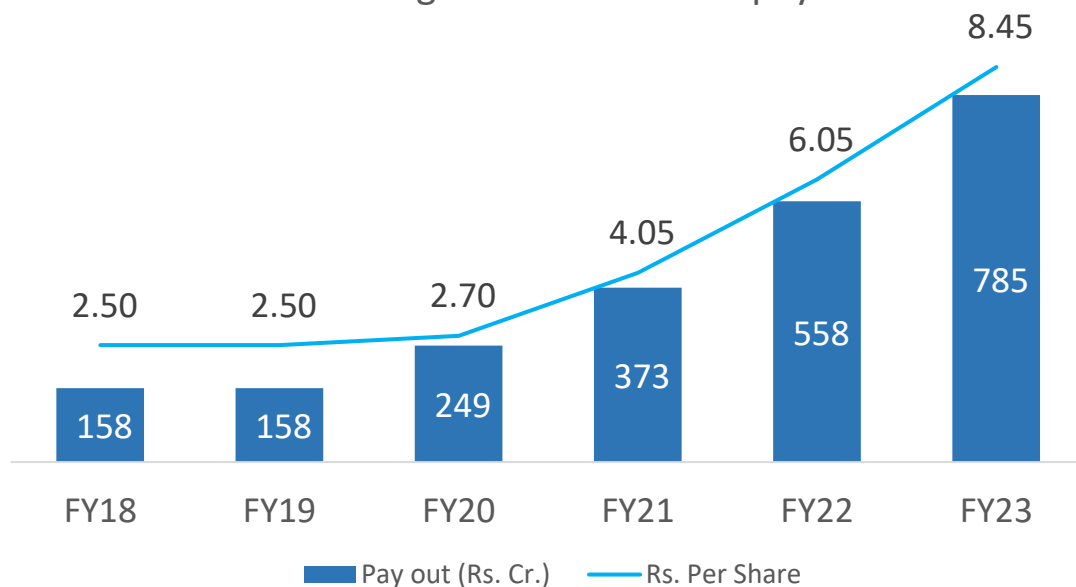
## EPS



All figures in INR billion except EPS

# Dividend and Market Capitalization

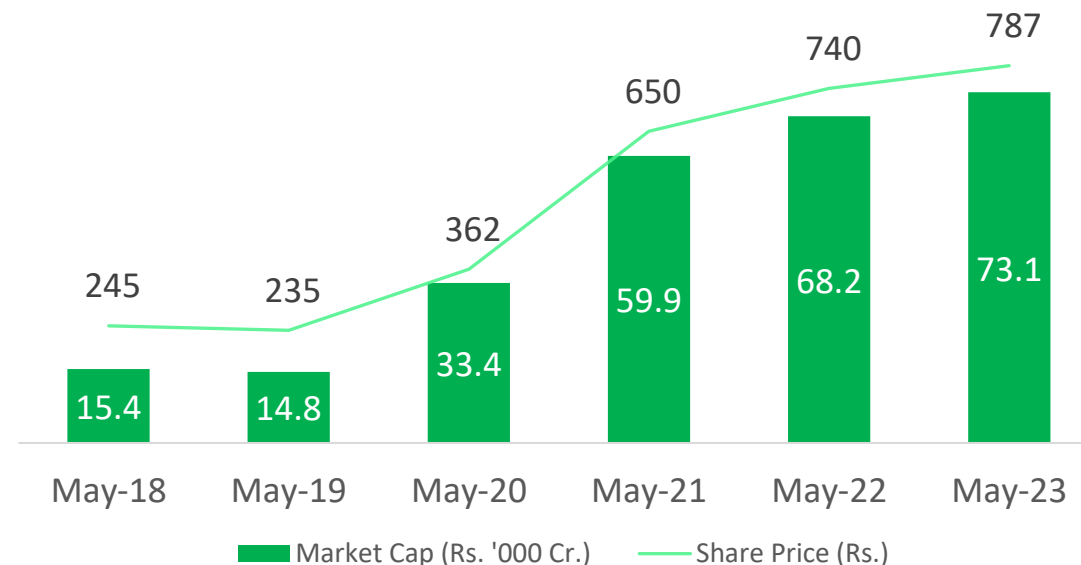
Consistent growth in dividend payout



## Dividend

- Proposed for FY2022-23 : Rs 8.45 per share
- Up 40% YoY

Step change in Market Capitalization



## Market Capitalization

- As of 15<sup>th</sup> May'23 the share price closed at Rs. 787 while market capitalization stood at ~Rs. 73k Cr.
- A 5 year/ 3-year CAGR of 29%/26% in share price, respectively<sup>#</sup>

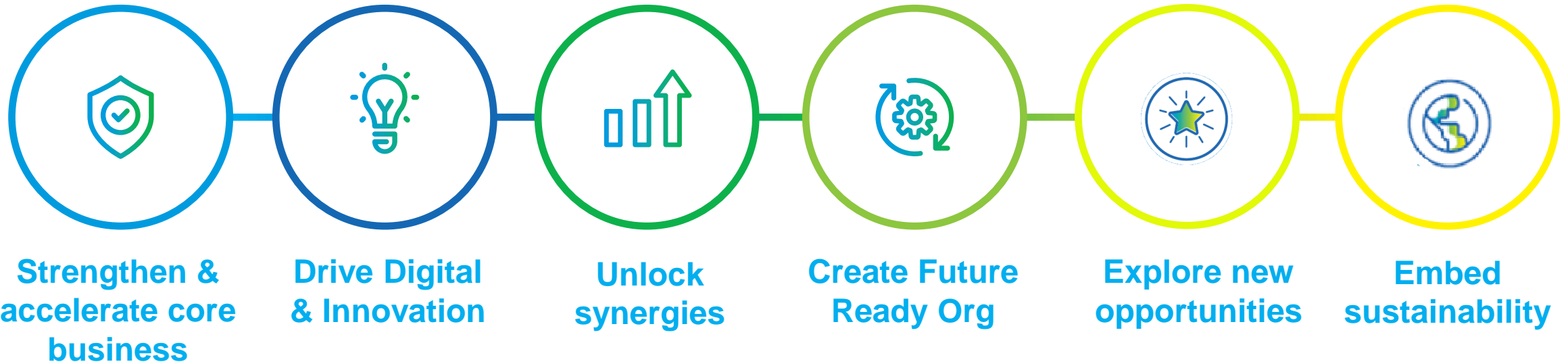
<sup>#</sup>Calculated at the end of 15<sup>th</sup> May of each year

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# Progress against Strategic Priorities

# Strategic Priorities

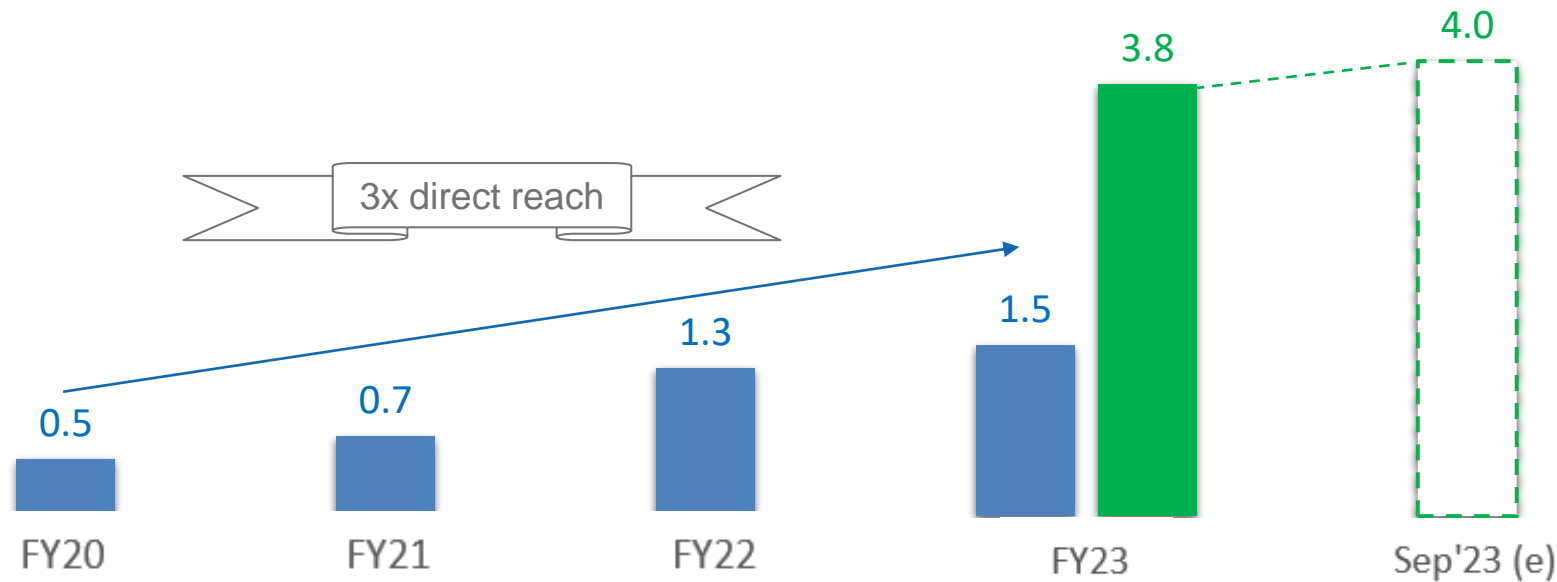
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# Progress on S&D – delivering on commitments

■ Direct reach (m outlets) ■ Total reach (m outlets)



**Sep'20:** Target to double direct reach in 12 months and total reach in 36 months

**Sep'21:** Direct reach of 1.1m outlets - target to move to 1.3m outlets by Mar'22

**Mar'22:** Direct reach of 1.3m outlets

**Mar'23:** Direct reach of 1.5m outlets. Well on our way to achieving 4m total reach by Sep'23

## S&D Agenda for FY24

- ✓ Increase total reach to 4m outlets
- ✓ Increase bandwidth at the front end through split routes for salesmen in Ten Lac Plus Population (TLP) towns.
- ✓ Add distributors/upgrade sub-Ds down the pop strata



# Winning in alternate channels – MT & E-commerce

## Modern Trade

FY23 revenue growth **21%** 

FY23 contribution to India revenue (ex. NourishCo) **14%** 

New SKUs on shelf in FY23 **69** 

## E-commerce

FY23 revenue growth **32%** 

FY23 contribution to India revenue (ex. NourishCo) **9%** 

NPD contribution in FY23 **10%** 

All numbers above are for FY23, and growth is for FY23 vs FY22



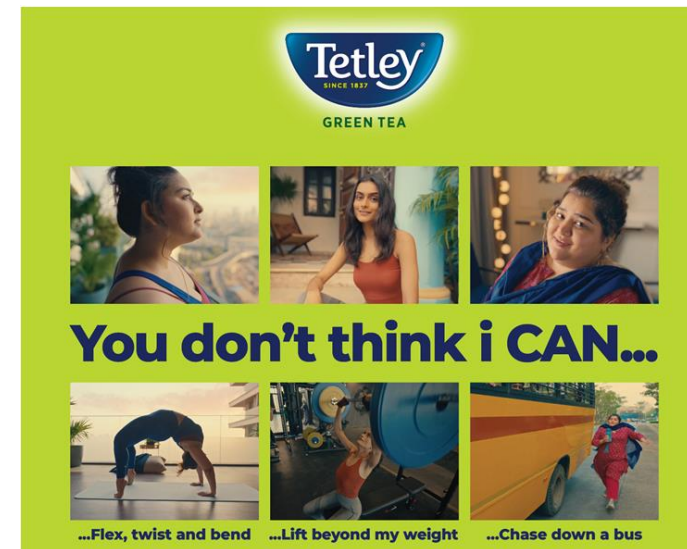
# Continuing our hyperlocal approach



Tata Tea Premium celebrated India's 75<sup>th</sup> Republic Day with its #DeshKiJhanki campaign.



Tata Tea Premium celebrated Lohri in Punjab with limited-edition festive packs and an impactful 360° campaign.



Tetley's made a bold statement this International Women's Day with its viral #everyBODYcan campaign.

## Market share – Tea



Volume -50 bps<sup>1</sup>  
Value -113 bps<sup>1</sup>

<sup>1</sup> Source: Nielsen – MAT basis, Mar'23 vs Mar'22



# Strengthening our Salt business through a multi-brand play

From mostly vacuum-evaporated salt, we now offer consumers a complete assortment across various types, benefits, and price points.

Segment	Assortment	Price index	Market share
Super Premium		>4.0x	 Salt +76bps <sup>1</sup>
Premium, Fortified, H&W		1.0-3.0x	Share of Value-Added Salts
Popular		1.0x	 FY20
Mass		0.6x	 FY23

<sup>1</sup> Source: Nielsen –Value Share, MAT basis, Mar'23 vs Mar'22  
Internal-Generic



# Upping the ante on innovation

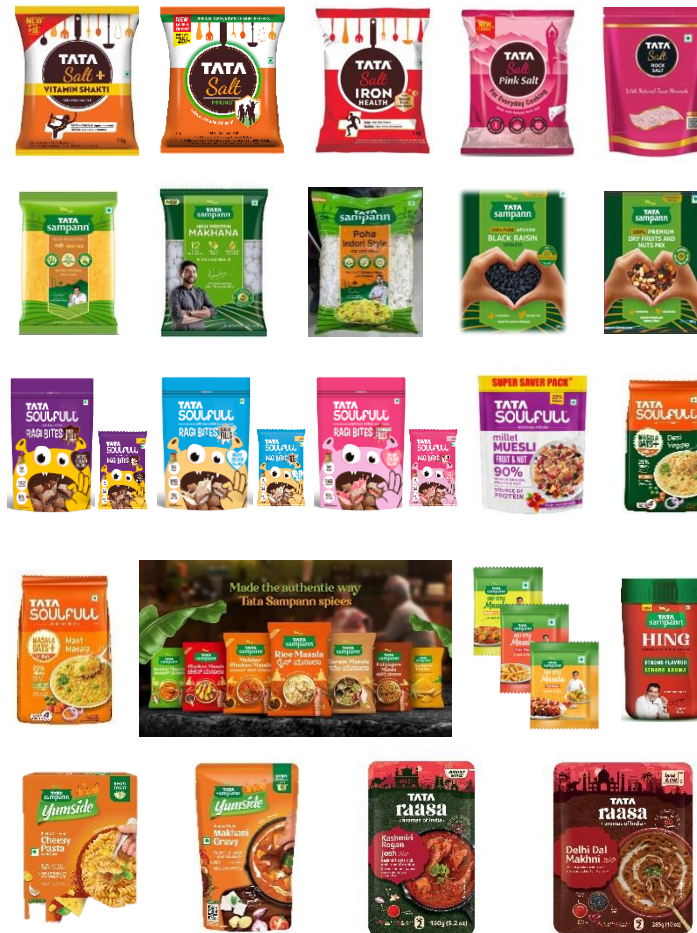
## Beverages



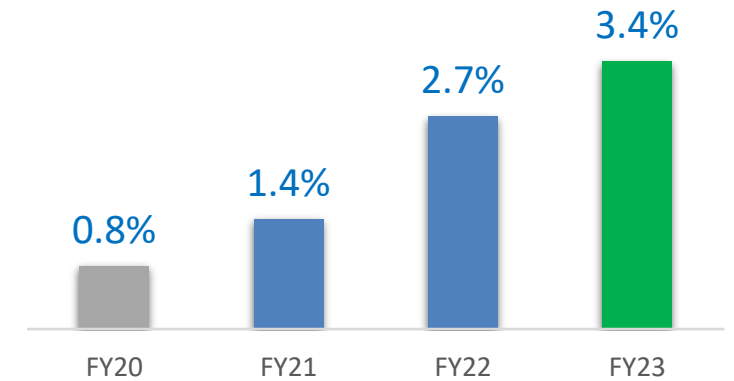
## New Categories



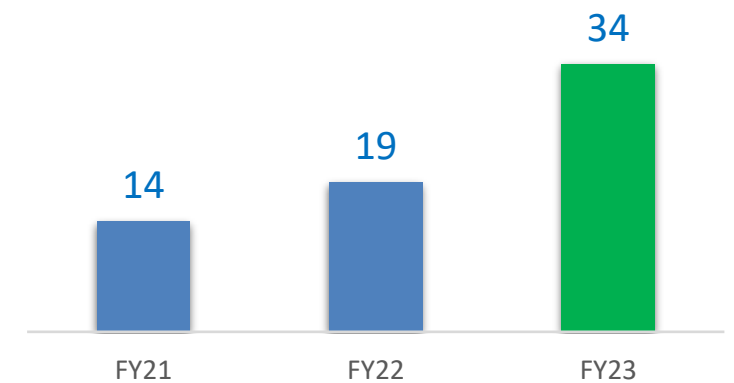
## Foods



## Innovation to sales

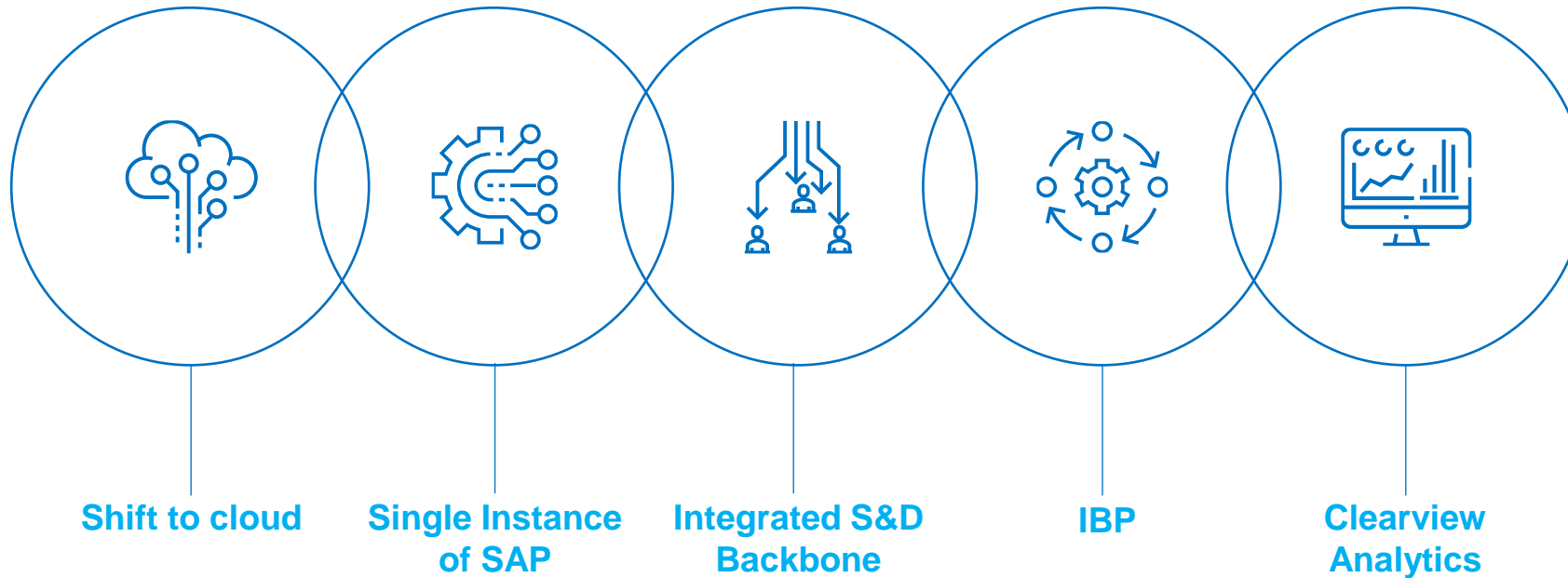


## Number of new launches per year



# Continued focus on Digital

## Journey So Far



## Next Frontier – Lead Themes



Data-driven NPD



AI/ML Led Procurement Org



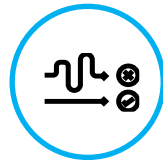
Data-driven Revenue Growth Management (RGM)



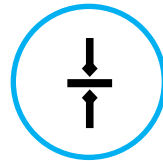
Data-driven Mktg & ROI-led spend allocation



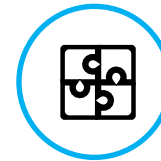
# Simplify, Align & Synergize



Simplify



Align



Synergize

## Consolidation of legal structure to drive efficiencies

Reduce the number of entities from 45 to ~25

### TATA CONSUMER PRODUCTS

TATA COFFEE

Composite Scheme of Demerger & Merger

### Consolidating ownership in JVs

Bangladesh



South Africa





# Momentum continues in the new Engines of Growth

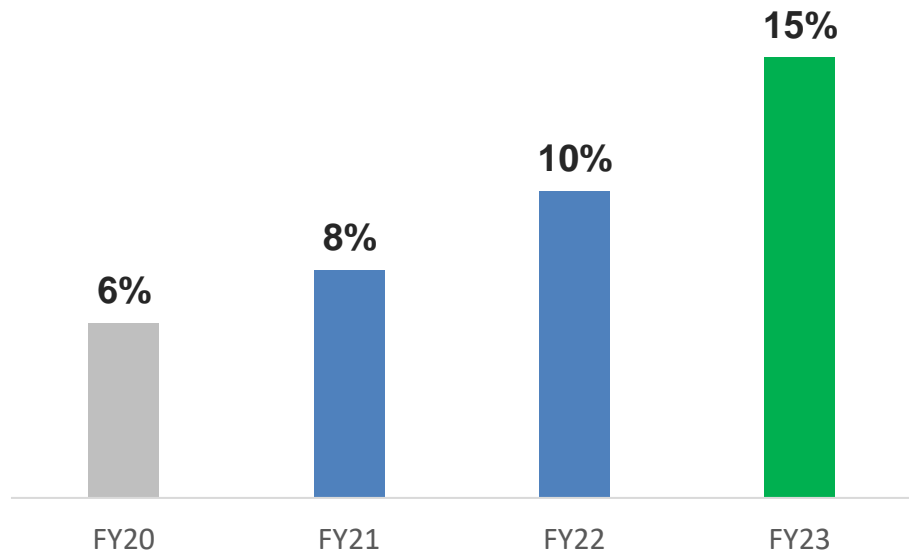


# 53%



## Combined YoY revenue growth FY23

### Growth Businesses as a % of India Branded Business



Growth businesses include Tata Sampann, NourishCo, Tata Soufull, and the RTE/RTC business (Tata Smartfooz). Tata Soufull & Tata SmartFoodZ became subsidiaries effective Feb'21 & Nov'21, respectively.



# Progress during the year on our acquisitions



Scaled to a net sales of INR 621 cr. in FY23, up from Rs 180 cr. in FY20.



Innovation-to-sales at 13%



Increased capacity to 2X of last year for Tata Gluco Plus and 2.5X for Tata Copper +



650k outlets covered, up 70%+ YoY



Soulfull revenue grew 100%+ YoY



Continued to capitalize on TCPL's extensive distribution network.



Drove accessibility and affordability with Rs. 10 No Maida Choco which now reaches 300k+ outlets.



Since its launch, Tata Soulfull Masala Oats + has been tracking ahead of internal KPIs.



Gearing up for the International Year of Millets, 2023.



Rebranded TataQ to Tata Sampann Yumside for domestic markets and Tata Raasa for international markets.



Revamped our recipes and formulations keeping consumer tastes and feedback at the forefront.



Introduced a host of new products and SKUs to augment the existing portfolio.



Tata Raasa delivered its first shipments to USA, UK, and Canada.





# Tata Starbucks scaling rapidly

Rs. **1,087** cr.

FY23 Net Sales

**333**

Total stores

**41**

Cities

**71**

New stores added in FY23

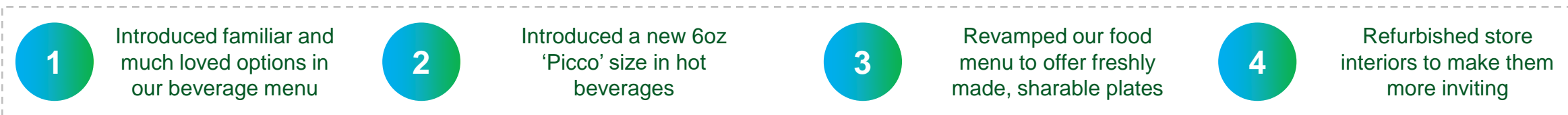
## Pilot programme

Tata Starbucks is looking to rapidly expand its presence in the coming years. To achieve this, we are looking to enhance its relevance for more segments of consumers



We ran a pilot in 2022 across four cities in India to:

- ✓ Drive familiarity among consumer segments
- ✓ Create more occasions for consumers to visit Starbucks
- ✓ Grow the consideration set for different types of consumers



The pilot stores demonstrated improved operating metrics. As such, these workstreams will be rolled out nationally in 2023.



# Striving towards a sustainable future – our sustainability goals

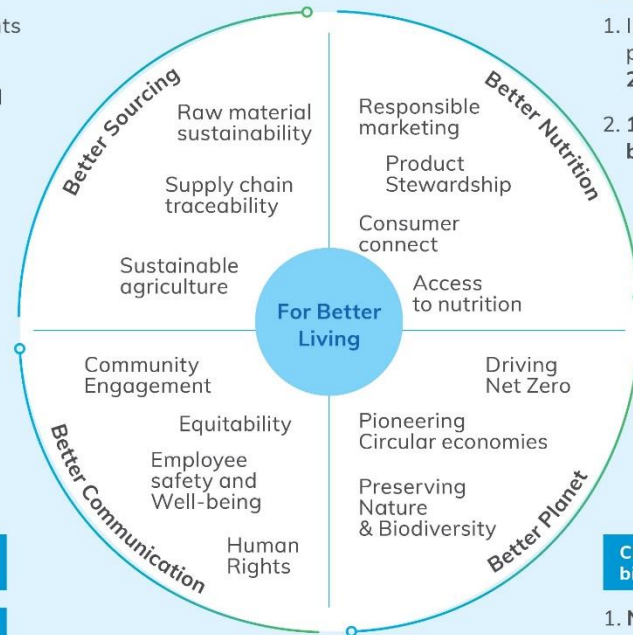
## TO BECOME A RESPONSIBLE FMCG LEADER

### Sustainable value chains from farm to shelf

1. **100%** Critical Supplier assessments across all geographies **by 2030**
2. **100%** Sustainably sourced critical raw materials **by 2040**

### Improved access to healthy, natural and safe food for all

1. Increasing the reach of our product portfolio from **200 Mn** households to **250 Mn** **by 2030**
2. **100%** Sustainable products by volume **by 2040**



### Enhance the quality of life, creating shared value for our communities

### Foster an equitable, inclusive and safe working culture

1. **2 Mn** beneficiaries **by 2030**
2. **50%** diverse workforce across all geographies **by 2030**

### Clean energy, replenished water, preserved biodiversity, pioneered circular economy

1. **Net Zero** **by 2040** across all geographies
2. **Water neutral** across all operations **by 2030**
3. **Zero waste** to landfill **by 2030** across all geographies
4. **100%** of packaging material to be recyclable, compostable or reusable across all geographies **by 2030**

Better Conversations

Corporate Governance

- During the year, we released our ESG strategy along with specific commitments across parameters.
- In the UK, we have switched to Green Electricity procurement completely.
- TCPL won Gold Award in the Climate Change category at the “ICAI International Sustainability Reporting Awards 2021-22”.



04

# Business performance



# India Packaged Beverages



Tata Tea Premium Celebrated Utkala Dibasa (Odisha Day) with its #UtkalaKiKala campaign inspired by Handlooms of Odisha

**-5%**  
Revenue Growth

**-1%**  
Volume Growth<sup>1</sup>

**-113bps**  
Market Share gain<sup>2</sup>

## Performance commentary

- Revenue for the year declined 5%, with 1% volume decline owing to weakness in some of our key markets and price corrections.
- This brings the 3-year CAGR of the business to 10%.
- We saw an improvement in Q4FY23 with revenue growing 1%, and 3% volume growth.
- TCPL retained market leadership in tea in e-commerce.
- Coffee revenue grew 31% YoY during the year led by new launches and roll-out in new geographies.

## Other updates

- Premium segment recorded growth during the year while the Economy segment was impacted by rural slowdown.
- Kanan Devan & TeaVeda continued their momentum during the year.



Tata Tea Teaveda was one of the fastest-growing brands during the year.

Note: all numbers in the grey panel are for FY23, and growth is vs FY22 unless specified otherwise

<sup>1</sup> Tea volume growth

<sup>2</sup> Source: Nielsen – Value share, Moving Annual Total (MAT) basis Mar'23 vs Mar'22

# India Foods



**Exploring fast growing consumer trends:** Tapped into the growing health and wellness trend with the launch of **Makhana**.

**Localizing Staples:** Catering to the state with the highest poha consumption, with a state-specific variant



**+26%**  
Revenue Growth

**+29%**  
Tata Sampann  
Revenue Growth

**+76bps**  
Salt Market Share  
Gain<sup>1</sup>

## Performance commentary

- For the year, salt grew 25%, delivering a three-year CAGR of 19%.
- The value-added salts portfolio grew to 4.5X, in part led by new innovations like Tata Salt Immuno.
- Tata Sampann delivered strong growth of 29%, with broad-based performance across the portfolio.
- Salt margin is almost back to its normative range now.
- Tata Soulfull portfolio grew 100%+ during the year, led by distribution gains for the existing portfolio and new innovations.

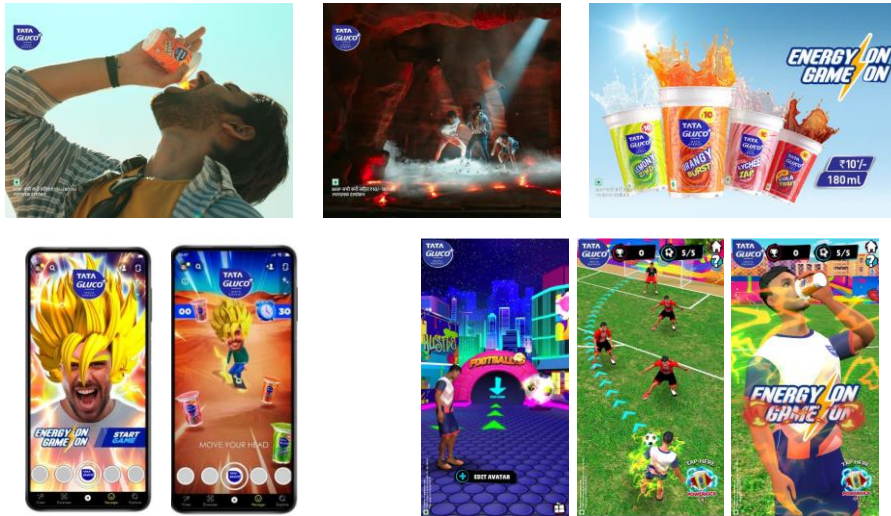
## Other updates

- India Foods business is now larger than International business
- The Ready-to-Eat portfolio was refreshed and rebranded as Tata Sampann Yumside in India and launched as Tata Raasa in the International markets.

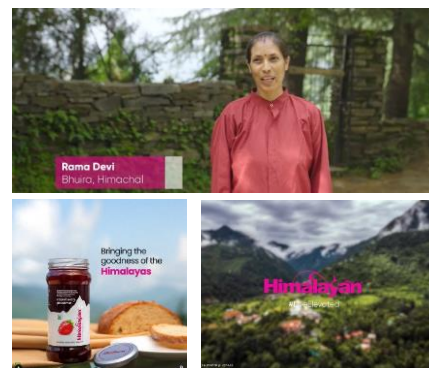
Note: all numbers in the grey panel are for FY23, and growth is vs FY22 unless specified otherwise

<sup>1</sup> Source: Nielsen – Value share, Moving Annual Total (MAT) basis Mar'23 vs Mar'22

# NourishCo (100% Subsidiary)



Tata Gluco+ rolled out its first national campaign



During the year, **Himalayan** strengthened its story of provenance by expanding into Honey and Preserves. This new foray has been doing well

**621 Cr**  
Revenue

**+80%**  
Revenue growth

**2.1x**  
Tata Copper+<sup>1</sup>

## Performance commentary

- Nourishco had a landmark year, recording Rs 621 cr. in net sales for the year, up 80% YoY.
- Himalayan water grew 85% YoY and was profitable.
- New products contributed 13% to NourishCo's FY23 sales.
- Tata Copper+ is >7x, Tata Gluco Plus is 2.2x and Himalayan is 3.3x their respective sizes vs FY21.
- Despite steep inflation, continued cost-saving initiatives helped drive margin improvement over the previous year.

## Other updates

- Himalayan was positioned as a provenance brand and extended into premium preserves and honey.
- The business now reaches nearly 650k outlets.

Note: all numbers in the grey panel are for FY23, and growth is vs FY22 unless specified otherwise  
<sup>1</sup> 110% revenue growth YoY

# Tata Coffee (inc Vietnam ex EOC) (~58% Subsidiary)

## TATA CONSUMER PRODUCTS



## TATA COFFEE

TCPL proposed a merger with Tata Coffee Limited (TCL) in March 2022 with the objective of unlocking synergies and creating a simpler organizational structure. TCPL and TCL shareholders have approved the merger.

The process of obtaining regulatory approvals is underway. The matter is currently pending with the NCLT in Kolkata and Bangalore for hearing of the petition seeking approval of the scheme.

**+25%#**  
Revenue Growth

**+17%**  
Plantations  
Revenue Growth

**+26% #**  
Extractions  
Revenue Growth

## Performance commentary

- Revenue for FY23 grew 25% in constant currency terms.
- The plantations business recorded 17% revenue growth during FY23, primarily led by higher realization in coffee.
- Overall extractions business grew by 26% # during FY23.
- EBIT margin for the extractions business expanded handsomely YoY led by the Vietnam business.

### Extractions

## Other updates

- Tata Coffee Vietnam received the “Food Safety Excellence Award” from the Confederation of Indian Industry at the 13th CII Food safety awards function.
- We commissioned a coffee liquid extraction plant in Vietnam.

Note: all numbers in the grey panel are for FY23, and growth is vs FY22 unless specified otherwise  
# Tata Coffee including Vietnam in constant currency terms. Does not include EOC.



# Tata Starbucks (JV)



Continued momentum with strong new city openings

Launched the Starbucks Tribute Blend, an ode to 3 coffee growing regions in the world



Launched Barista Pride – 320 unique creations by our baristas in 320 stores in January

71  
New stores opened during the year

333  
Total stores

41  
Cities present

## Performance commentary

- Revenue for FY23 grew 71%, albeit on a base that was impacted by the pandemic.
- The business was EBIT-positive for the year.
- Added 71 new stores and entered 15 new cities during the year – the highest-ever annual store addition.

## Other updates

- The My Starbucks Rewards loyalty program crossed 2.3 million, a 100% growth YoY.
- Introduced Picco, a new small-size for hot beverages, in select stores.
- Launched the first Starbucks Reserve store at the Flagship Mumbai location.
- FY23 women representation closed at 40.3% across the organization, with 20 all women stores.
- Tata Starbucks certified as Great Place to Work for the period ending Mar 2023.
- Partnership with TRRAIN : Supported skilling of 1000 women to provide a sustainable career, sponsored by Starbucks Foundation.

# International operations



## UK

- Revenue growth for the year was flat<sup>^</sup>.
- Completed the integration of Teapigs with our UK business to drive synergies.
- Implemented several price increases leading to strong sequential margin improvement.
- TCP UK is working to deliver the new Tetley tea - superior blend and tea bags along with cyclable packaging in 2023 in order to unlock brand equity, future-proof the business, and drive our sustainability agenda.

Revenue growth<sup>^</sup>

**Flat**

Value market share\*  
(everyday black)

**19.1%**



## USA

- Coffee revenue for FY23 grew 7%<sup>^</sup>.
- We implemented a series of price increases to mitigate input cost inflation which has resulted in strong sequential margin improvement.
- EOC K-cups continued to drive growth of the brand led by focused execution.
- Teapigs was the fastest-growing brand in Specialty tea, growing 4X the category.
- After the successful launch of Tata Raasa in ethnic channels, we are gearing up for its mainstream launch.

Coffee revenue  
growth<sup>^</sup>

**+7%**

Tea revenue  
growth<sup>^</sup>

**-2%**

Coffee bags  
market share\*

**4.2%**



## Canada

- Revenue for the year grew 9%<sup>^</sup>.
- Tetley maintained its market leadership position led by market share gains in the regular tea segment.
- Implemented a series of price increases to mitigate input cost inflation which has resulted in sequential margin improvement.
- The year saw the launch of “Live teas” specialty range and the introduction of the Tata World Foods portfolio.

Revenue growth<sup>^</sup>

**+9%**

Value market share\*  
(overall tea)

**27.7%**

Note: all numbers in the grey boxes are for FY23, and growth is vs FY22 unless specified otherwise

<sup>^</sup> Constant currency

\* Nielsen – Value share, Moving Annual Total (MAT) basis – Mar’23



09

# Awards

# Awards & recognition

During the year, we received several recognitions and awards for exemplary corporate performance, governance, sustainability, brand campaigns and operational excellence.

## Corporate



Won Gold for the Best Business/Financial Content (Print) at the India Content Leadership Awards and Conference 2022 by Inkspell and India Creative Industries Council



Recognised by the Indian Institute of Packaging with 5 Indiastar 2022 awards, by the SIES School of Packaging with 6 Star 2022 awards and by The World Packaging Organisation with a Worldstar 2022 award



Our learning intervention 'Catalyst' won 6 awards at the prestigious Brandon Hall Group HCM Excellence Awards 2022



Recognised for Growth Performance (F&B category) at Dun and Bradstreet Corporate Awards 2022



India's 4th Most Valuable Brand in the Food and Beverage category in the Brand Finance India 2022 Report



Ranked in Kantar's Brand Footprint Report 2022 as the 5th Most Chosen FMCG Brand in India



Our corporate website won the 2022 International Association of Business Communicators (IABC) Gold Quill Award of merit in the 'Communication Skills for the Web' category



# Awards & recognition

## Sustainability



Gold Award in **Category 2** –  
Climate Change of ICAI International Sustainability Reporting  
Awards 2021-22



Tata Consumer Products' **Beverages packaging centres** in  
Gopalpur and Kellyden won Silver in the India Green  
Manufacturing Challenge 2021-22 by the International Research  
Institute for Manufacturing



Tata Consumer Products UK won Gold Award in recognition of  
support to GroceryAid through **raising awareness, fund raising  
and volunteering**



Beverages packaging centre in Gopalpur awarded '**Outstanding  
performance in Food Safety**' at the 13th CII Food Safety  
Awards



The Dam Dim Packaging Centre received the First Prize in the  
**Consumer Goods category** at the National Energy  
Conservation Awards 2022 (NECA 2022)

## Brands



**Tata Tea Chakra Gold** won the **Brand of the Year**  
at Exchange4media's Indian Marketing Awards  
South 2022



**Tata Coffee Grand** won a bronze at the ET Shark  
Awards for its regional '**Sounds of Pongal**'  
campaign



Our **packaged beverage brands** won 8 Stevie  
awards at the 19th Annual International Business  
Awards for their **impactful brand PR campaigns**



**Tata Tea Premium** won 3 Gold and 1 Bronze at  
the Indian Marketing Awards for **impactful brand  
campaigns**



**Tata Soulfull** emerged as the winner of  
Exchange4media's D2C award at the e4m D2C  
Revolution Awards 2022

# Thank You



Last 10-year financials are available on [Historical financial data](#)



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