

Investor Presentation

For the quarter ended June 2023

TATA CONSUMER PRODUCTS

26th July 2023

A decorative graphic at the bottom of the slide featuring two overlapping wavy bands. The lower band is blue with white dots, and the upper band is green with yellow dots. The text 'FOR BETTER' is positioned in the bottom right corner of the blue band.

FOR BETTER

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.

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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



₹ 13.8K crore consolidated revenue in FY23 with a market cap of ~₹80k* Cr



Reach north of 200mn households in India and distribute to ~3.9mm retail outlets



Among the top 10 FMCG companies in India



~3500+ employees worldwide



01

Executive Summary

Executive Summary

- We had another strong quarter with consolidated revenue growth of 12% (11% constant currency) driven by strong growth in India business. Consolidated EBITDA grew 19%. During the quarter,
 - India Beverages¹ grew 10%, with tea volumes growing 3% YoY. NourishCo continued its momentum with a 60% revenue growth YoY.
 - India Foods² grew 24% with volumes up 6%. Tata Sampann delivered yet another strong quarter, growing 51% YoY.
 - International business recorded 7% revenue growth (-4% ex-acquisitions in constant currency)³, with EBIT growth of 11%.
 - Tata Starbucks opened 16 new stores during the quarter. Its top line grew 21% YoY.
- We continued to drive “India Growth”⁴ businesses – combined, they grew 58% and accounted for 20% of the India business during Q1FY24.
- While volume market share in tea was slightly lower on a MAT basis, it was broadly stable vs the same quarter last year. While the Tata Salt franchise gained share, overall salt market share saw a marginal dip led by the lower-priced brands in the portfolio.
- At the company level, the EBITDA margin expanded by 80bps YoY, led by improvement in both the India as well as International business. The profitability profile of our growth businesses improved significantly, primarily led by NourishCo.
- We continued to invest behind our brands with A&P-to-sales for our India Branded business at 7.1%.
- This was yet another busy quarter in terms of new launches with Innovation-to-Sales at 5%. Tata Soufull entered several new categories.
- We are strengthening distribution in Rurban towns and are on track to reach 4m outlets (numeric reach) by Sep’23.

¹ Includes NourishCo revenue, but volume doesn’t include Nourishco volumes

² Includes Tata Soufull, Sampann Yumside revenues. Volume doesn’t include Soufull/Sampann Yumside volumes

³ Excluding the impact of Joekels and Bangladesh stake consolidation that happened in Q4FY23

⁴ Includes Nourishco, Tata Sampann, Tata Soufull, and Tata Sampann Yumside businesses.

02

Performance Overview

Key Businesses Snapshot – Q1FY24

In ₹ Cr (unless specified)	India Beverages	India Foods	US Coffee	International Tea*	Tata Coffee (incl. Vietnam)	Consolidated
Revenue	1,444	1,033	364	530	340	3,741
Revenue growth	10%	24%	2%	10% [0%]*	13%	12% [11%]*
Constant currency growth			-5%	8% [-4%]*	11%	11% [9%]
Volume growth	3%	6%	-12%	7% [-11%]*	-6%	

Key Brands



Notes:

- a) India Beverages revenue includes India Packaged Beverages and NourishCo, but volume doesn't include NourishCo volumes
 - b) India Foods revenue includes Tata Soulfull 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

Summary of Group Performance – Q1FY24



₹ 3,741 Cr.

₹ 547 Cr.

₹ 495 Cr.

₹ 338 Cr.

₹ 341 Cr.

₹ 2,320 Cr.

	Revenue	EBITDA	PBT (bei)^	Group Net Profit	Group Net Profit (bei)^	Net Cash\$
Growth (YoY)	12% [11%]	19%	23%	22%	16%	
Margin		14.6%	13.2%	9.0%	9.1%	
Margin expansion (YoY)		80bps	110bps	70bps	30bps	
EPS (Basic)				3.41		
EPS growth (YoY)				23%*		

[] Constant currency growth.

^ before exceptional items.

\$ Cash and cash equivalents (net of total borrowings) as of 30 June 2023.

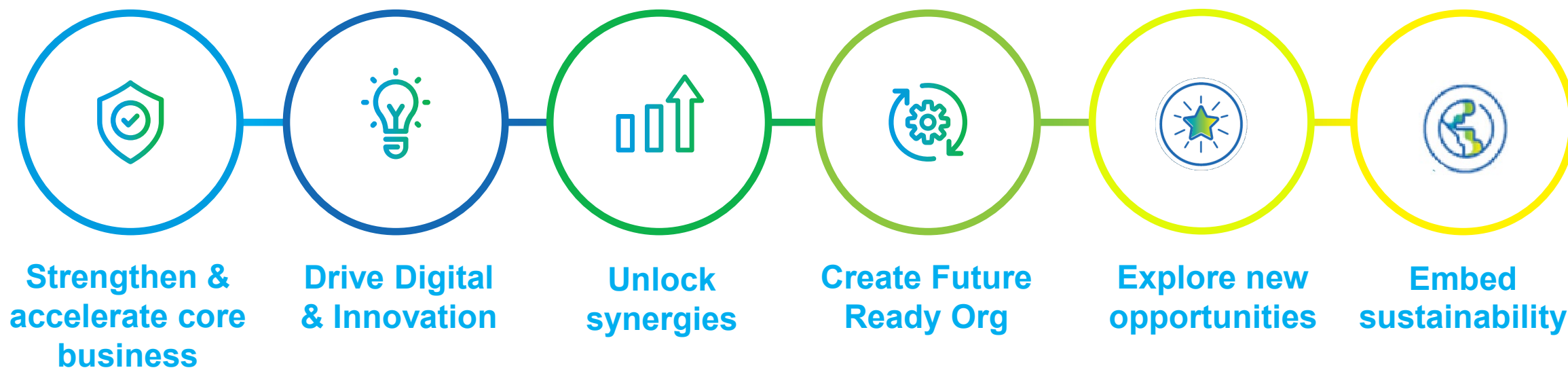
* EPS growth and Group Net Profit growth rates differ owing to acquisition of residual minority stake in Tata Consumer Products UK Group Limited from Tata Enterprises (Overseas) AG (TEO) in FY23



03

Progress against Strategic Priorities

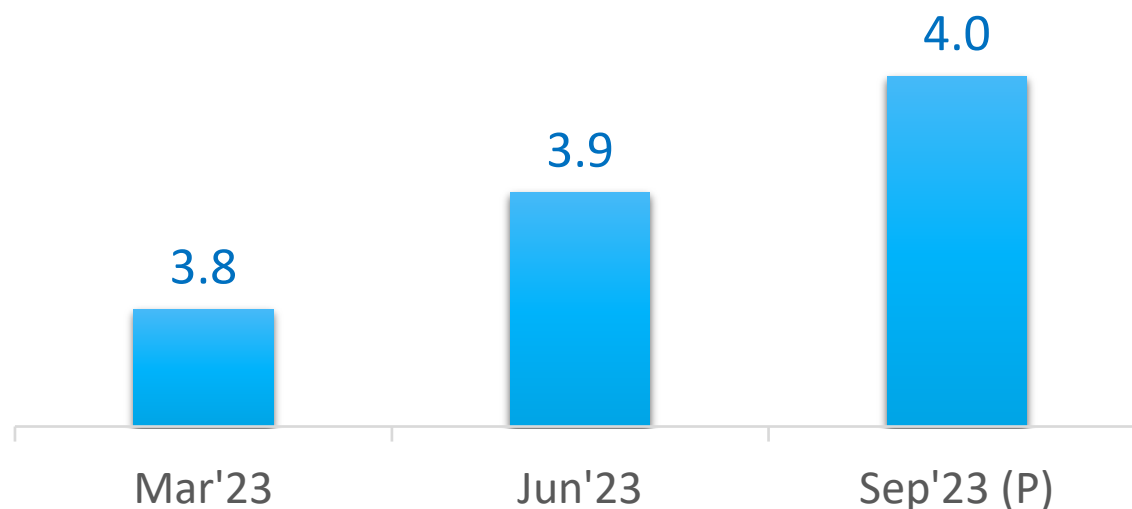
Strategic Priorities





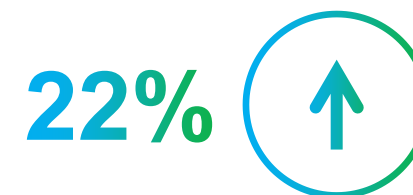
Progress on S&D; Momentum continues in alternative channels

Domestic Total Reach (outlets m)



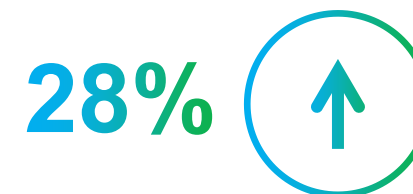
- ✓ On track to reach 4m outlets by Sep'23, effectively doubling our total reach since Sep'20.
- ✓ We continue to increase bandwidth at the front end through split routes for salesmen in Ten Lac Plus Population (TLP) towns. The results have been encouraging so far.
- ✓ Rurban focus – expanding direct distribution in smaller towns by upgrading sub-distributors/appointing new distributors.

Modern Trade



Q1FY24 revenue growth

E-commerce



Q1FY24 revenue growth



India Business – Powering our Brands



Tata Tea's new **Jaago Re** campaign is an appeal to dial up the public consciousness and inspire mobile mass action in the fight against climate change.

Tata Tea Gold Care celebrated **Mother's Day** through a personalized tea packaging campaign. The campaign reached an audience of 90mn +



Q1FY24 A&P-to-Sales
(India Branded Business)

7.1%

Market share – Tea



To aid category building in **unpolished pulses**, Tata Sampann launched the “I am Sorry” digital campaign featuring celebrity chefs Ranveer Brar and Sanjeev Kapoor to showcase the difference that quality ingredients make to a dish.



Volume -50 bps¹
Value -110 bps¹



Market share – Salt



Value -30 bps¹



¹ Source: Nielsen – MAT basis, Jun'23 vs Jun'22



Tata Soulfull: Expanding the portfolio



Tata Soulfull entered new categories with exciting new launches, expanding its Total Addressable Market (TAM)

- ✓ **NutriDrink+ Kids** is a smoothie mix with the goodness of 6 natural grains sweetened with Jaggery in mouth-watering flavors designed for kids.
- ✓ **NutriDrink+** offers grain-based drinks in two flavours, Almond and Cocoa Lite. It is aimed at adults and offers 10g of protein per serve.
- ✓ **Millet Granola**, packed with 20% crunchy millets and 24% Fruit & Nut, launched to complement the existing Muesli range further strengthening our offerings in the premium cereal category
- ✓ **Tata Soulfull Oats+** is a plain oats + 20% millets offering, that can be prepared in under 5 minutes, and offers the benefits of high fiber, high protein, and lasting energy.





Continuing the momentum on innovation (1/2)



Tata Coffee Gold Cold Brew

Steeped for more than 12 hours for a strong, rich velvety taste.
Launched in 3 flavours - Mocha, Classic and Hazelnut



Tata Spring Alive

Pristine packaged water with natural minerals intact,
competitively priced



1868 Range Extension and Tea Bags

Adding to our premium 1868 range with 4 variants of milk teas and
3 green teas. Launch of tea bags ensures flavour with convenience



Continuing the momentum on innovation (2/2)



Tata Sampann Rava Idli, Rava Dosa

Popular breakfast mixes to offer our consumers healthier options in a convenient format



Tata Sampann Daliya

Launched raw Daliya, marking our entry into a highly salient category in the North making it the perfect fit for Tata Sampann



Tata Sampann South Hing

Expanding our range of South Spices with a high value product - Asafoetida Powder (Hing) in line with our hyperlocal strategy



Tata Sampann Yumside International Cuisine

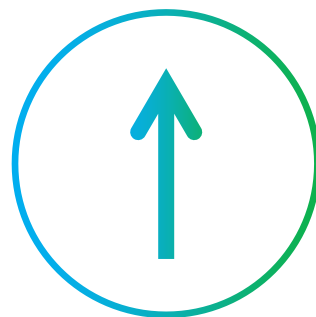
Global cuisine-based RTEs viz. pastas, noodles are currently only offered by Yumside in the Indian market and are a strong differentiated play



Momentum continues in the new Engines of Growth

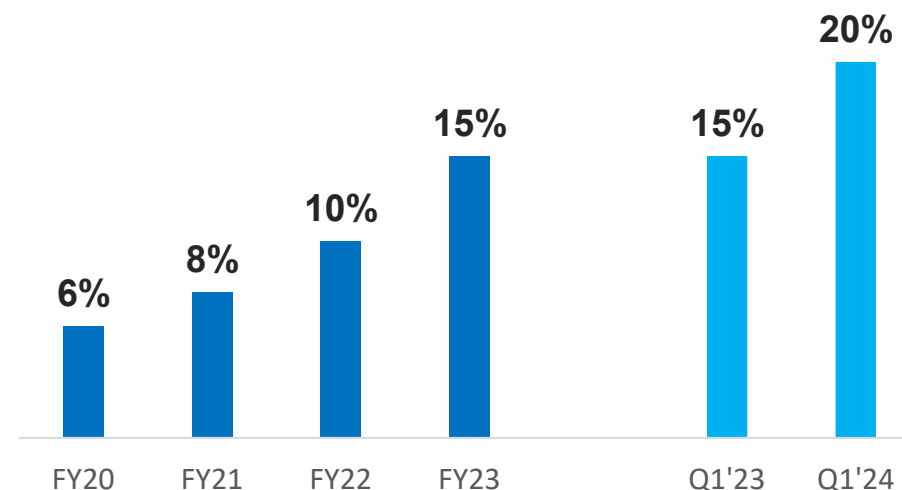


58%



Combined YoY
revenue growth
Q1FY24

Growth Businesses as a % of
India Branded Business



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



Striving towards a sustainable future

- Published Business Responsibility and Sustainability Report (BRSR) and a section dedicated to our Sustainability strategy, as part of the Integrated Annual Report FY23.
- Completed third-party verification of Tata Consumer's global GHG footprint for Scope 1 and 2 for FY23 as per ISO 14064.
- Tata Consumer was recognized among the Top 5 Most Sustainable Companies in BW Businessworld's annual ranking of India's Most Sustainable Companies.
- A campaign on "Let's Commit to Beat Plastic Pollution" on World Environment Day (WED) saw active employee- participation in various initiatives organized across various facilities.

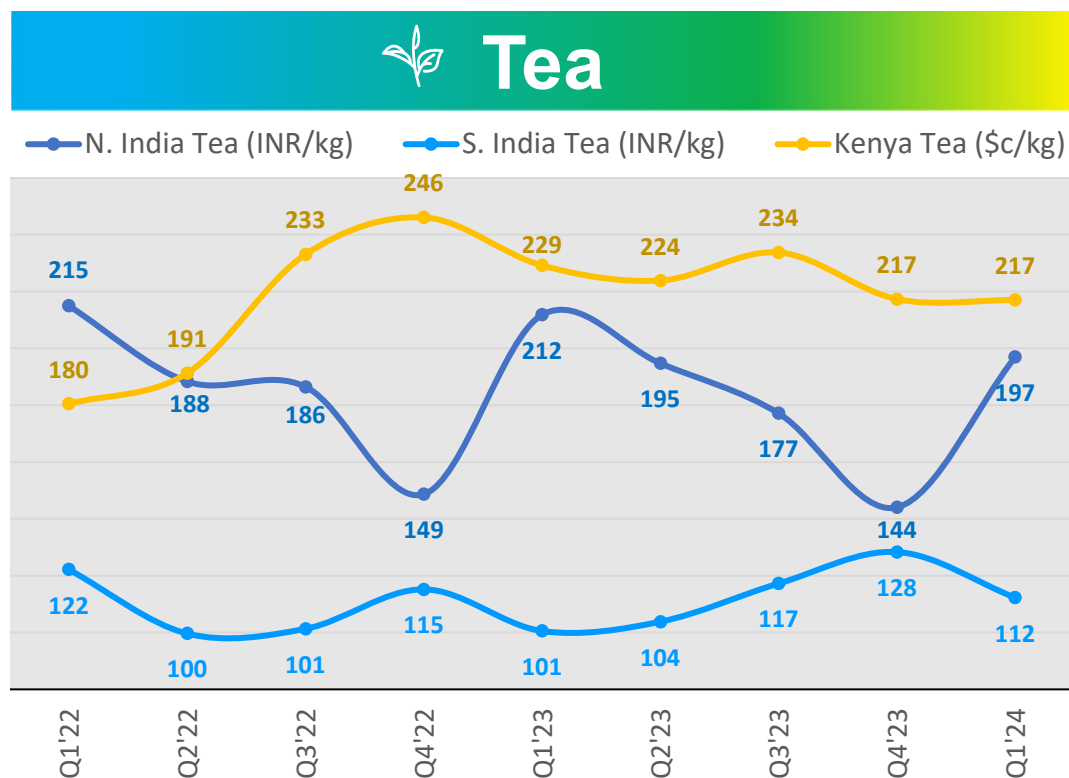




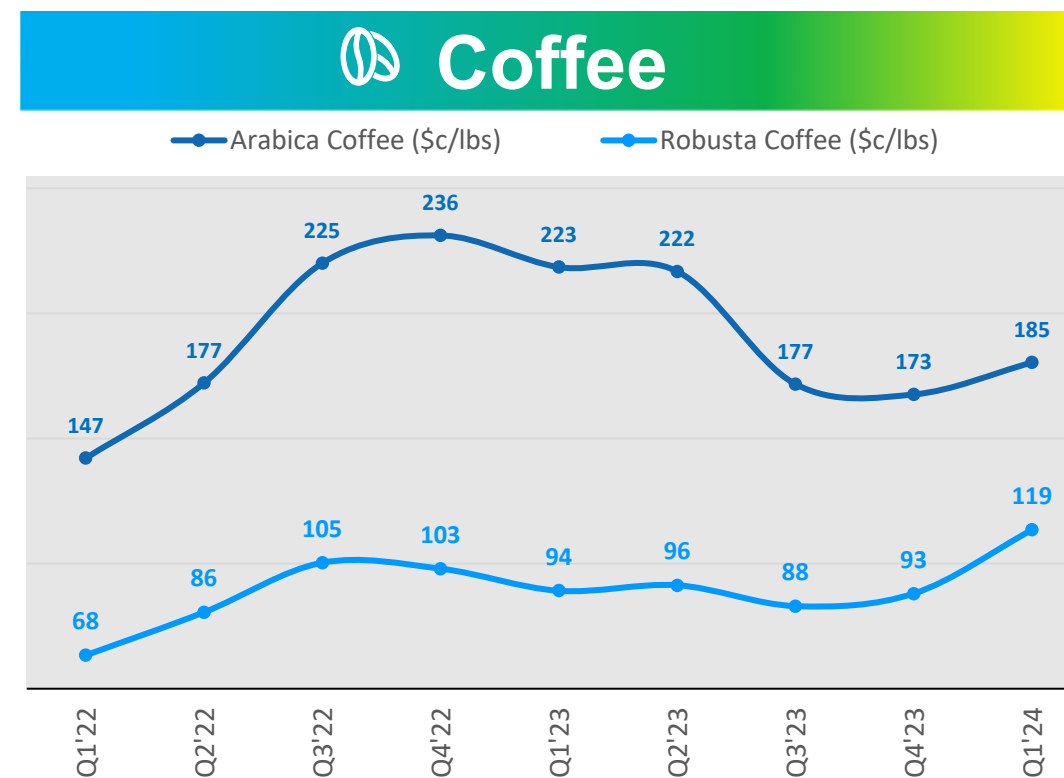
04

Macro environment

Key Commodities' movement

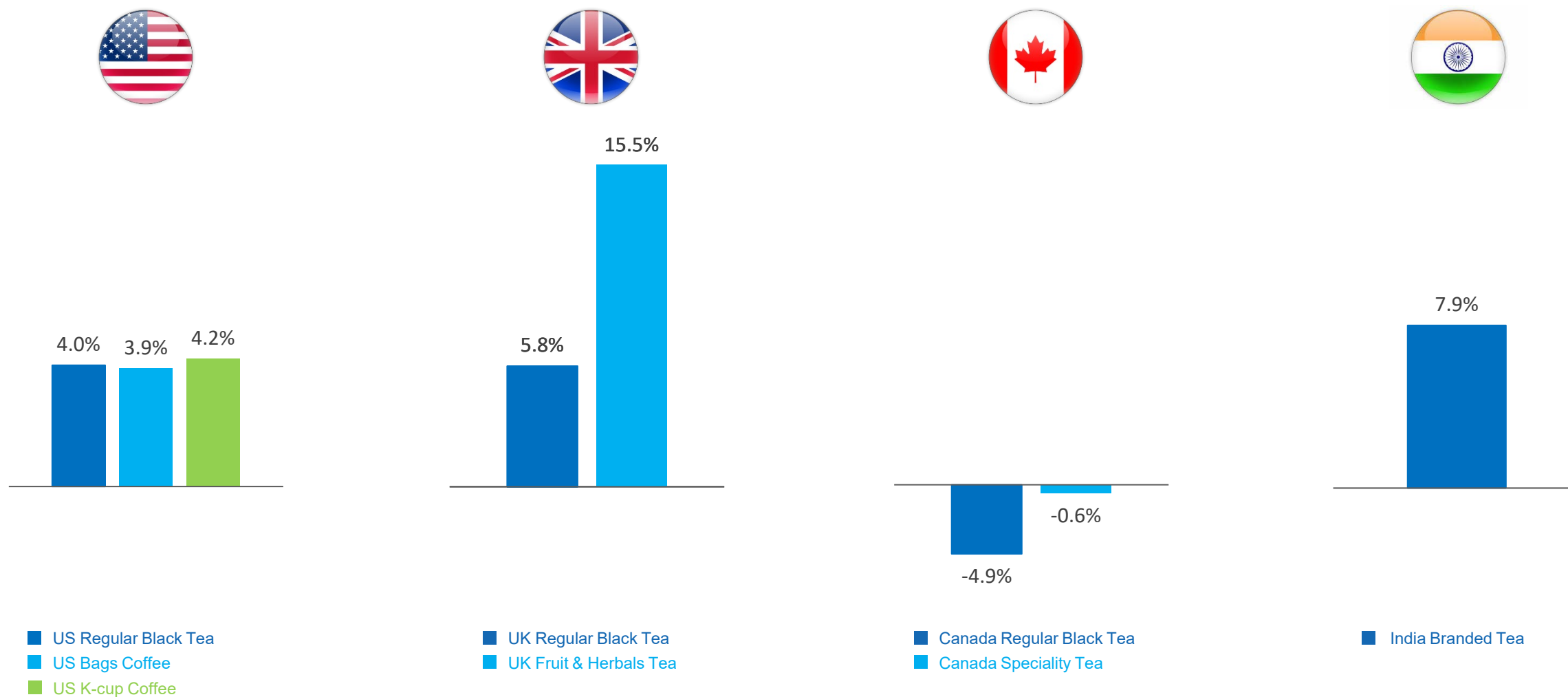


- **North India tea** prices increased in line with annual trends, as we entered the plucking season. Prices were 7% lower YoY.
- **South India tea** prices during the quarter were 11% higher YoY.
- **Kenyan tea** prices remained rangebound sequentially.



- **Arabica** prices for the quarter saw a slight uptick QoQ but were 17% lower YoY.
- **Robusta** saw a sharp increase with average prices for the quarter reaching \$c119/lbs owing to tight global supplies, up 27% YoY.

Market context – category growth rates (value)



Source: Nielsen: 12 weeks (Value) – Jun'23



05

Business performance

India Packaged Beverages



Tata Tea Premium launched a new Jharkhand pack, with a good initial response



Tata Tea Premium Dust Elaichi has seen good response since launch.

+2%
Revenue Growth

+3%
Volume Growth¹

-110bps
Market Share gain²

Performance commentary

- Revenue for the quarter grew 2%, with 3% volume growth, recording another consecutive quarter of positive volume growth.
- This brings the 4-year revenue CAGR of the business to 7% in Q1FY24.
- Both our largest brands, Tata Tea Premium and Tata Tea Agni recorded strong volume growth during the quarter.
- TCPL maintained market leadership in tea in the e-com channel for the 26th consecutive month.
- Coffee revenue grew 21% YoY during the quarter.

Other updates

- In the modern trade channel, our tea growth was 1.7x category growth across our top 4 customers.
- Tata Tea Premium won two silvers at the Shark Awards '23.

Note: all numbers in the grey panel are for Q1FY24, and growth is vs Q1FY23 unless specified otherwise

¹ Tea volume growth

² Source: Nielsen – Value share, Moving Annual Total (MAT) basis Jun'23 vs Jun'22

India Foods



Tata Salt's new campaign '**Tez Baccho Se Hi Toh Tez Desh Banta Hain**' emphasizes the crucial role of iodine as a key micronutrient, vital for the cognitive development of children.

+24%
Revenue Growth

+6%
Volume Growth

-30bps
Salt Market share¹

Performance commentary

- Salt revenue grew 18% during the quarter, on a high base of last year (Q1FY23 salt grew 20%). This brings the 4-year revenue CAGR of salt to 17%.
- Tata Sampann delivered strong performance during the quarter, growing 51% YoY, albeit on a soft base (Q1FY23 growth was 6%).
- Salt business margin remained in the normative range.
- The Tata Soufull portfolio continued its strong trajectory during the quarter, led by distribution gains for the existing portfolio and new innovations.

Other updates

- Soufull saw its highest-ever quarterly revenue in modern trade which was also its fastest-growing channel.
- **Rock salt** clocked its highest-ever monthly volumes in Jun'23.
- Both Tata Salt Immuno (Zinc fortified) and Shuddh by Tata Salt continued seeing strong traction with consumers
- Dry fruits had yet another strong quarter growing 100%+.

Tata Sampann Yumside launched its new campaign – **Aap Prem Se Khaiye, Duniya Rukegi** to legitimize taste credentials in a convenience driven category.



Note: all numbers in the grey panel are for Q1FY24, and growth is vs Q1FY23 unless specified otherwise

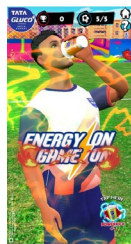
¹ Source: Nielsen – Value share, Moving Annual Total (MAT) basis Jun'23 vs Jun'22

NourishCo (100% Subsidiary)

National Campaign



GAMING



TGP Jelly TVC



Tata Gluco+ National campaign



Building Himalayan Spreads

293Cr
Revenue*

+60%

Revenue growth

10 mil

Cases each of Tata
Gluco+ and Tata
Copper+

Performance commentary

- The business recorded strong revenue growth of 60% during the quarter, on an elevated base (Q1FY23 growth was 110%), and despite adverse weather conditions.
- Our flagship drink Tata Gluco+ registered a growth of 61%. Tata Copper+ continues to do well and recorded a growth of 71%.
- Profitability for the business improved significantly led by lower costs and operating leverage.

Other updates

- GTM expansion and capacity addition drive continues to build national footprint.
- Tata Gluco+ Jelly saw its highest production and sale in Jun'23 on the back of capacity ramp-up.
- Seen a strong initial response to NPDs - Tata Spring Alive as well as Tata Coffee Cold Brew.

Note: all numbers in the grey panel are for Q1FY24, and growth is vs Q1FY23 unless specified otherwise

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



+11%#
Revenue Growth

+31%
Plantations
Revenue Growth

+2% #
Extractions
Revenue Growth

Performance commentary

- Revenue for the quarter grew 11%# led by the plantations business.
- The plantations business recorded 31% revenue growth during the quarter, primarily led by higher Arabica sales and coffee trading revenues.
- Overall extractions business grew 2%# YoY, due to unprecedented inflation in coffee prices impacting demand.
- The Vietnam business performed well, with strong sales and improved profitability, supported by increased sales of premium products.
- Profitability for the business improved driven by higher realization and lower costs.

Other updates

- The process of obtaining regulatory approvals for the proposed merger of TCPL with Tata Coffee is underway. The matter is currently in the final stages of the process with the NCLTs.
- Tata Coffee Vietnam received the “Food Safety Excellence Award” from the Confederation of Indian Industry at the 13th CII Food safety awards.

Note: all numbers in the grey panel are for Q1FY24, and growth is vs Q1FY23 unless specified otherwise
Tata Coffee including Vietnam in constant currency terms. Does not include EOC

Tata Starbucks (JV)



Tata Starbucks' national campaign "**It starts with your name**" reached 78 million customers.



We entered 4 new cities during the quarter including Agra and Aurangabad



16
Net new stores
opened during the
quarter

348
Total stores

46
Cities present

Performance commentary

- Revenue for the quarter grew 21% YoY.
- Added 16 new stores and entered 4 new cities during the quarter.
- The business remained EBIT positive, despite strong store addition.

Other updates

- Following the success of our pilot to enhance the relevance of Tata Starbucks to more consumer segments, the program was rolled out in select stores nationally and supported by a national-level campaign.
- My Starbucks Rewards loyalty program tender was at 25%.

International operations



UK

- Revenue for the quarter grew 1% in constant currency terms (reported revenue growth of 6%).
- All three of our brands, Tetley, Teapigs, and Good Earth gained value market share.
- Benefits of restructuring are beginning to flow through.

Revenue growth^ **+1%**

Value market share*
(everyday black) **19.4%**



USA

- Coffee revenue for the quarter declined 5%^ due to lapping of price increases as well as continued softness in the coffee category.
- Tetley continued its outperformance vs the mainstream black category during the quarter.
- Teapigs growth significantly outpaced the specialty tea category growth in volume and value terms.*

Coffee revenue growth^ **-5%**

Tea revenue growth^ **-3%**

Coffee bags market share* **4.1%**



Canada

- Revenue for the quarter declined 7%^ driven by tea category softness.
- Tetley continued to outperform the regular tea category during the quarter.
- Confirmed the listing for Live Teas 2.0 launch in Metro and Walmart.

Revenue growth^ **-7%**

Revenue growth in specialty tea^ **-13%**

Value market share*
(overall tea) **27.5%**

Note: all numbers in the grey boxes are for Q1FY24, and growth is vs Q1FY23 unless specified otherwise

^ Constant currency

* Nielsen – Value share, Moving Annual Total (MAT) basis – Jun'23

Tetley's transformation in the UK

TCP UK launched the new Tetley tea with a superior blend, plant-based tea bags, and recyclable packaging, delivering a step-change in future-proofing the business and driving the sustainability agenda.

Better Product



- ✓ Superior blend
- ✓ Improved packaging design & logo
- ✓ Stand-out secondary packaging

Better Factory



- ✓ State-of-the-art facility
- ✓ Patented manufacturing process for tea bags that don't split in the mug
- ✓ 100% Green energy
- ✓ Zero-waste-to-landfill

Better Planet



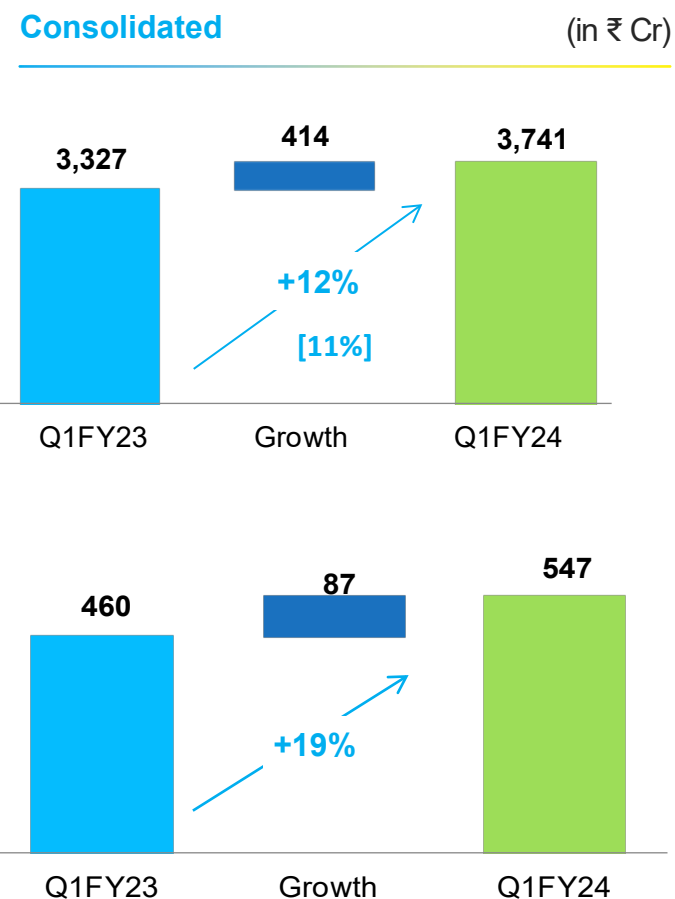
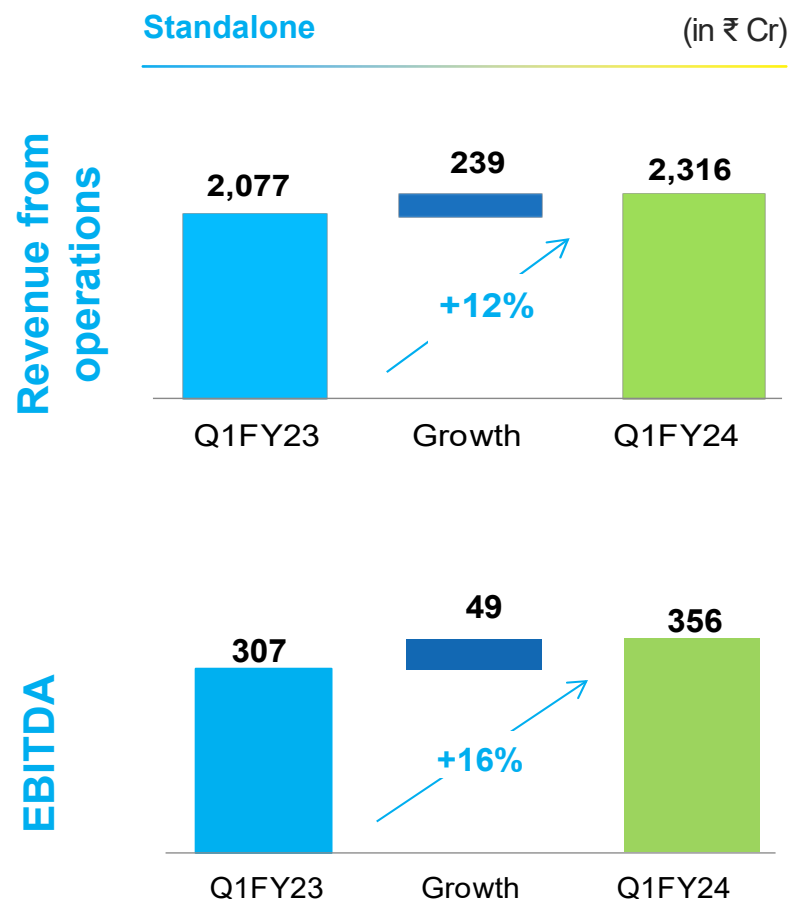
- ✓ 100% recyclable box
- ✓ Plant-based tea bags
- ✓ No plastic outers unlike key competitors
- ✓ Designed to be 25% smaller vs key competitors, resulting in lower carbon footprint



07

Financial Performance

Performance Highlights – Q1FY24



Consolidated Revenue at Rs 3,741 Crs

- The **India business** grew 16%.
- Constant Currency (CC) growth in the **International Business** was 3%, It was -4% on a like-to-like basis (excluding acquisitions).
- The **non-branded business** grew 5% in CC terms.

Consolidated EBITDA at Rs 547 Crs (+19% YoY) and EBITDA margin at 14.6%

- India business** EBITDA grew 19% YoY. EBITDA margin expanded 45bps, mainly driven by an improvement in gross margin.
- International business** EBITDA grew 9% YoY. The EBITDA margin was higher by 80bps mainly due to strong cost control.
- EBITDA for the non-branded business grew 18%. EBITDA margin expanded 200bps mainly due to better realizations.

Financials: Standalone and Consolidated

Standalone			Profit and Loss statement (all nos. in ₹ Crores)	Consolidated		
Q1FY24	Q1FY23	Change %		Q1FY24	Q1FY23	Change %
2316	2077	12 %	Revenue from operations	3,741	3,327	12 %
356	307	16 %	EBITDA	547	460	19 %
15.4 %	14.8%	%		14.6 %	13.8 %	
318	272	17 %	EBIT	465	387	20 %
13.7 %	13.1%	%		12.4 %	11.6 %	
379	319	19 %	PBT before exceptional items	495	403	23 %
(5)	(11)		Exceptional items	(5)	(24)	
(89)	(75)		Tax	(131)	(103)	
285	233	23 %	PAT	359	277	30 %
		%		9.6 %	8.3 %	
Group Net Profit (incl. JVs & Associates)				338	277	22 %

Net Profit at Rs 285 Crs, up 23% YoY led by:

- Revenue growth of 12%,
- Margin improvement driven by price increases taken in salt
- Lower exceptional costs and higher net finance income on account of higher yields and higher deployment

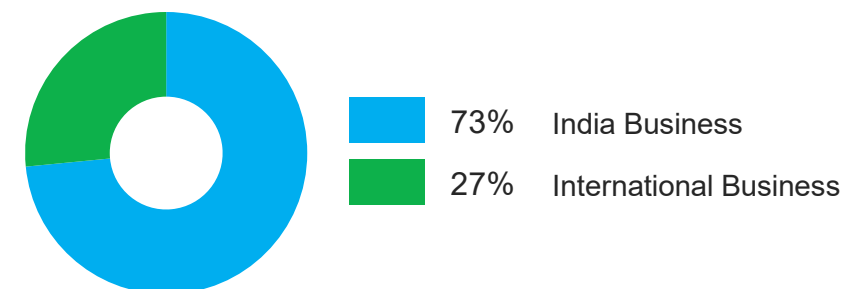
Group Net Profit at Rs 338 Crs, up 22% YoY led by:

- Revenue growth of 12%,
- EBITDA margin expansion led by price increases taken in Salt and International business and higher realisation in non-branded business.
- Lower exceptional costs and higher net finance income partly offset by adverse performance of APPL

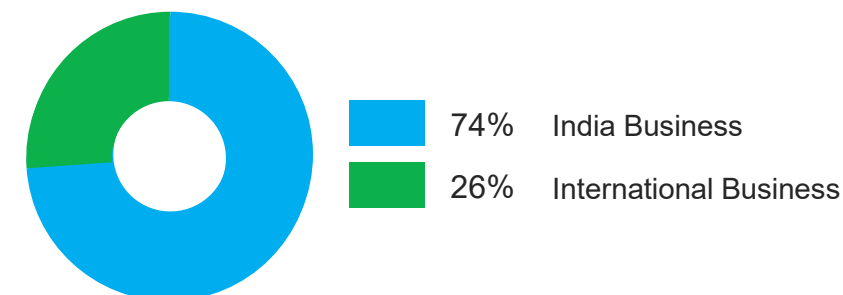
Segment-wise Performance Q1FY24

Particulars	Segment Revenue			Segment Results		
	Q1 FY24	Q1 FY23	Change	Q1 FY24	Q1 FY23	Change
₹ Cr						
India Business	2,478	2145	16%	328	273	20%
International Business	895	837	7%	116	104	11%
Total Branded Business	3,373	2,982	13%	444	378	18%
Non Branded Business	377	352	7%	50	39	27%
Others / Unallocated items	(9)	(7)		(5)	(38)	
Total	3,741	3,327	12%	489	379	29%

Revenue – Branded business



Segment results – Branded business





08

Concluding remarks

To conclude

Macros

- We continue to see improving demand trends for our core categories and remain cautiously optimistic going forward, subject to rural recovery and a normal monsoon.
- While global inflation begins to plateau, category demand trends in our key International markets need to be monitored.

Business

- In Q1FY24, we delivered double-digit topline growth with EBITDA margin expansion.
- The interventions we put in place for our India tea business have yielded positive results resulting in volume-led growth. However, the volume growth is still below our medium-term aspiration.
- In Salt business, despite steep price increases taken earlier, we have seen volume growth. Growth for the salt business in the remainder of FY24 will be led by volumes and premiumization.
- Our 'growth businesses' have been on a strong growth trajectory and have increased their contribution significantly over the last couple of years. Nourishco (our RTD business) continued its standout performance despite adverse weather conditions.
- Our JV, Tata Starbucks recorded a 21% growth during the quarter and now has 348 stores across 46 cities.
- In the international business, pricing actions and structural interventions have led to a sequential improvement in margins for 3 quarters now. However, demand softness continues to be an area to watch.
- Post NCLT approval, we expect to complete the integration of the Tata Coffee business in this financial year.
- Our EBITDA margin improved despite continuing investments in new businesses. Going forward we will continue to stay focused on driving profitable growth.



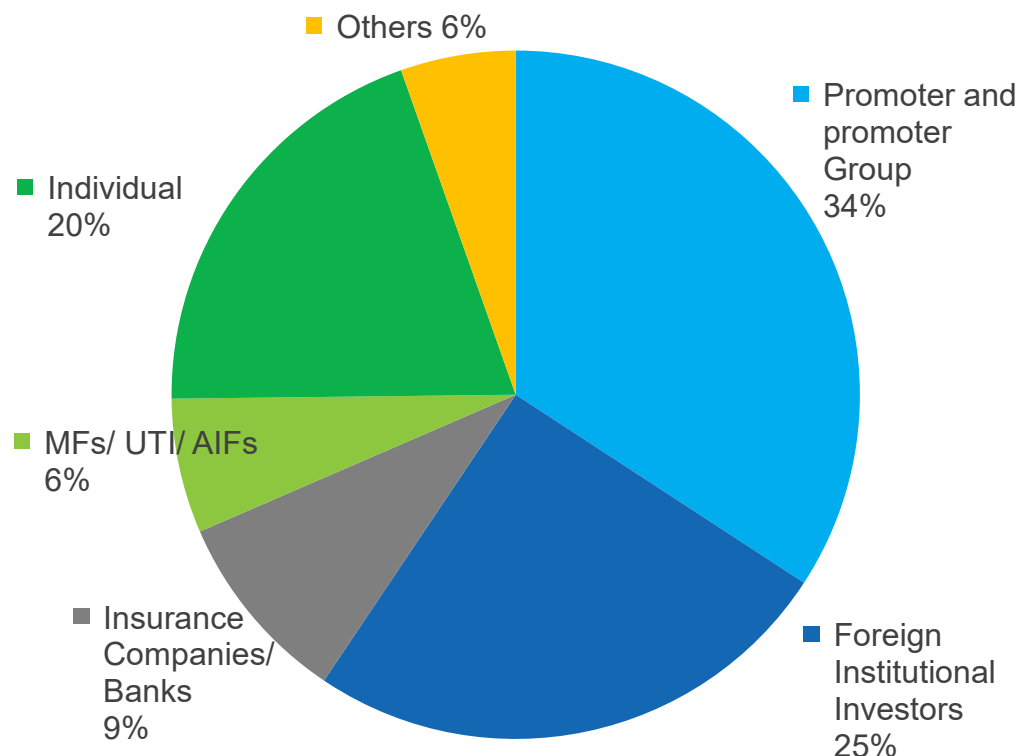


09

Other

Shareholding information

Pattern as on 30th June, 2023



Stock data

BSE Ticker	500800
NSE Ticker	TATACONSUM
Market Capitalization (Jun 30, 2023)	₹ 799.8 bn
Number of Shares Outstanding	929.0 Mn

Thank You

For more information

Institutional investors – Contact

Nidhi Verma

Head – Investor Relations & Corporate Communication

nidhi.verma@tataconsumer.com

Kaiwan Olia

Manager – Investor Relations

Kaiwan.olia@tataconsumer.com

Retail investors - Contact

investor.relations@tataconsumer.com

Call us at

+91-22-61218400

For media queries

nidhi.verma@tataconsumer.com

satya.muniasamy@tataconsumer.com

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



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TataConsumer



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