TATA CONSUMER PRODUCTS LIMITED

For immediate use | PRESS RELEASE

Feb 7th, 2024

Results for the Quarter and nine months ending 31st December 2023

Consolidated Results:

Revenue from Operations for the quarter at Rs 3,804 Crores up 9%. For nine months ended, Revenue at Rs 11,279 Crores up 11%

Consolidated EBITDA for the quarter at Rs 576 Crores, grew 26% and for nine months ended EBITDA at Rs 1,692 Crores grew 25%

Profit before exceptional items for the quarter at Rs 513 Crores higher by 27%, Profit before exceptional items for nine months ended at Rs 1,513 Crores higher by 29%

Tata Consumer Products Ltd. today announced its results for the quarter ended 31st December 2023.

For the quarter, Revenue from operations increased by 9% (8% in constant currency) as compared to corresponding quarter of the previous year, mainly driven by strong performance in India business which grew 10%. Profit before exceptional items and tax at Rs 513 Crores is higher by 27%, despite higher investments behind brands, Group Net Profit before exceptionals at Rs 372 Crores is up 31% driven by strong operating performance.

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External-Generic

Driving Premiumisation through Innovation:

Some of the key Business updates are:

India

- For the quarter, the India Packaged Beverages business delivered 4% revenue growth.
- We continued to retain market leadership in tea in the E-commerce channel.
- Coffee continued its strong performance with a revenue growth of 32% for the quarter.
- Tata Coffee Grand was the special partner of Koffee with Karan , Season 8. The brand also partnered with Tamil Nadu rap artist Arivu to launch a song 'Kaapi Pattu' celebrating the state's love for coffee.
- Sonnets by Tata Coffee, our premium D2C offering launched Easy Pour packs, offering consumers the best of Tata Coffee in a convenient format. https://tatacoffeesonnets.com/collections/easy-pour

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- We leveraged Tata Coffee's estates to offer single origin, unadulterated, premium spices and honey under the 'Sonnets' brand. https://tatacoffeesonnets.com/collections/spices-honey
- Tata Tea Premium launched its 'No Compromise' TVC to reinforce its strong quality proposition.
- For the quarter, the India Foods business grew 13%, continuing its double-digit growth trajectory.
- The value added salt portfolio continued its strong momentum and recorded 23% revenue growth during the quarter, in line with our premiumisation agenda.
- Tata Salt launched a new campaign 'Purer than a 100 salts' to showcase the superior quality and purity of Tata Salt.
- Tata Salt launched Black salt (Kala namak) in a sachet format for the General Trade market.
- Tata Sampann portfolio recorded a robust growth of 40% for the quarter with robust volume growth.
- Tata Sampann extended its Dry Fruits range with the launch of salted and roasted nuts and seed mixes.
- Tata Sampann launched A1 grade cooking soda setting a new standard for quality assurance in a fragmented market.
- NourishCo, our RTD business, recorded strong revenue growth of 34%, bringing YTD growth to 41%. Himalayan, Tata Gluco+ and Tata Copper+ continued to record strong growth. The Tata Coffee cold brew launch was strengthened with the rollout of the can format for premium channels.
- We continued the momentum on innovation with our innovation-to-sales ratio at 5%+ in our India business for the third consecutive quarter.
- We continued to progress our S&D journey, expanding our total reach to 3.9 million outlets as of December '23. We have been focused on driving depth in existing geographies and widening our distribution in lower population strata towns and rurban areas and will now focus on rural areas as well.
- Alternate channels continued to fuel our growth agenda. We have launched 45 new SKUs in Modern Trade so far this year and Ecommerce now accounts for 10.7% of the India business.

- Following all necessary regulatory approvals, the merger of Tata Coffee with Tata Consumer Products has become effective from 1st Jan 2024.
- In line with our strategic priority to expand our total addressable market into adjacent high growth, high margin categories, we announced the acquisition of Capital Foods (owner of brands Ching's Secret and Smith & Jones) and Organic India. Ching's Secret and Smith & Jones will help strengthen our pantry platform and complement our Sampann brand. Organic India provides us with an opportunity to develop a Health & Wellness platform with a leading 'better for you' organic brand.
- We have already started integration of Capital foods. In line with our focus on execution, substantial progress on the front end has been achieved and work will soon start on the back end, support functions, process and organisation structure. We aim to complete this within 100 days.

International

- For the quarter, the International business revenue grew 11% (6% in constant currency)
- In the UK, teapigs and Good Earth continued to deliver strong growth. Joyfull, our recent millet based muesli launch continued to gain momentum.
- In the USA, Good Earth and teapigs continued to outpace category growth rates. Joyfull secured its first set of customer orders during the quarter.
- In Canada, brand activations were done targeting the Indian diaspora for Tata Tea and Tata Sampann spices during the Diwali festive season.

Tata Starbucks

- In line with our store addition plans, we added 22 net new stores during the quarter and entered 6 new cities. This brought the total number of stores to 392 across 55 cities.
- Celebrated International Coffee Week in October with virtual and in store customer interactions.
- Tata Starbucks was recognized as one of 'India's Best Workplaces for Women' by Great Place to Work.

Sunil D'Souza, Managing Director & CEO of Tata Consumer Products said

"We delivered strong operating performance with a revenue growth of 9% and EBITDA growth of 26%.

Our India tea business continued to benefit from our earlier interventions, yielding positive results resulting in a fourth consecutive quarter of volume led growth. We continued to see volume led growth in salt and recorded highest ever quarterly volume market share in salt. In both tea and salt, we saw premiumization at play with the premium portfolio in tea and the value added salt portfolio recording good growth. Our growth businesses (Tata Sampann, Tata Soulfull, NourishCo and Tata SmartFoodz) continued their strong momentum and have steadily increased their contribution. Tata Starbucks made consistent progress in its expansion agenda expanding its footprint to 55 cities.

Our Sales & Distribution buildout is progressing well, our total reach has expanded to 3.9 million outlets as of December '23. We have been focused on driving depth in existing geographies and widening our distribution in lower population strata towns and rurban areas and will now focus on rural areas as well. Alternate channels (modern trade & e-commerce) recorded good momentum and continue to be instrumental to our growth agenda.

We recently announced two acquisitions- Capital Foods and Organic India, which will enable us to expand our total addressable market into high-growth, high-margin spaces. Both these businesses are gross margin accretive, and we see potential to drive significant revenue and cost synergies over the medium term. We closed the Capital Foods transaction on 1st February and in line with our focus on execution, the first primary as well as secondary billing was done on 2nd February. Additionally, the front-end sales integration has been substantially completed already, with rest of the integration to be completed within the next 100 days."

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About Tata Consumer Products Limited

Tata Consumer Products Limited is a focused consumer products company uniting the principal food and beverage interests of the Tata Group under one umbrella. The Company's portfolio of products includes tea, coffee, water, RTD, salt, pulses, spices, ready-to-cook and ready-to-eat offerings, breakfast cereals, snacks and mini meals. Tata Consumer Products is the 2nd largest branded tea company in the world. Its key beverage brands include Tata Tea, Tetley, Eight O'Clock Coffee, Tata Coffee Grand, Himalayan Natural Mineral Water, Tata Copper+ and Tata Gluco+. Its foods portfolio includes brands such as Tata Salt, Tata Sampann and Tata Soulfull. In India, Tata Consumer Products has a reach of over 201 million households, giving it an unparalleled ability to leverage the Tata brand in consumer products. The Company has a consolidated annual turnover of ~Rs. 13,783 Crs with operations in India and International markets. Last 10-year financials are available on Historical financial data.

For more information on the Company, please visit our website www.tataconsumer.com

Disclaimer:

Some of the statements in this communication may be 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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