

Investor Presentation

For the quarter ended September 2024

TATA CONSUMER PRODUCTS

18th October 2024

A decorative graphic at the bottom of the slide featuring a wavy, layered design. The top layer is yellow, the middle is green, and the bottom is blue. The blue layer contains a pattern of small white dots.

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



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



₹ 15.2k crore consolidated revenue in FY24 with a market cap of ~₹118k* Cr



Reach of 263mn+ households in India and distribute to 4mn retail outlets



Among the top 10 FMCG companies in India



~4,500+ employees worldwide#



Largest salt brand in India



2nd Largest tea brand in India



3rd largest tea brand in UK & largest tea brand in Canada



#1 natural mineral water brand in India



National brand in pulses, spices, dry fruits and other staples



India's leading Desi-Chinese brand



4th largest R&G coffee brand in USA



Leading organic F&B and herbal supplements brand

* As of 30th September 2024

Does not include plantation workers



01

Executive Summary

Executive Summary

- Consolidated revenue growth was 13% in Q2FY25 (5% organic). During the quarter,
 - India Beverages¹ grew 3% (-4% organic), with tea volumes declining 4% YoY.
 - India Foods² revenue grew 28% (+9% organic). Volume growth was 1%.
 - International business recorded 7% revenue growth (5% in constant currency). Profitability improved significantly, +53% YoY.
- Growth businesses grew 15% organically. The RTD business was impacted by unfavourable weather and competitive actions.
- The newly acquired growth businesses of Capital Foods and Organic India continue to deliver improving quarterly run-rates with strong EBITDA expansion YoY. Capital Foods revenue grew 25% QoQ and Organic India revenue grew 45% QoQ.
- Consolidated EBITDA grew 11% with margin contracting 30bps to 14.9%. This was primarily led by higher input costs for the India tea business.
- Salt market share strengthened further, with 150bps gain on a MAT basis; India tea business saw a marginal value share loss of 20bps.³
- The incubation of the food services channel and pharma channel continues as planned with the pilots having started in September.
- The merger of our wholly-owned subsidiaries in India viz. NourishCo, Tata Soufull, and Tata Smart Foodz was successfully completed during the quarter in line with our ambition to simplify, synergise and scale the business.
- Tata Starbucks is now the largest café operator in India with 457 stores across 70 cities.

Note: Organic growth excludes Capital Foods and Organic India.

¹ Includes Packaged Beverages, Ready-to-Drink (RTD), and Organic India revenues.

² Includes Salt, Tata Sampann, Tata Soufull, Tata Sampann Yumside, and Capital Foods revenues. Volume growth excludes Capital Foods.

³ Source: Nielsen – MAT basis, Sep'24 vs Sep'23



02

Performance Overview

Key Businesses Snapshot – Q2FY25

In ₹ Cr (unless specified)	India Beverages	India Foods	International	Non-Branded	Consolidated
Revenue	1,380	1,368	1,017	462	4,214
Revenue growth	3% [-4%]	28% [9%]	7%	19%	13% [5%]
Constant currency growth			5%	19%	12% [4%]

Key Brands



Notes:

- India Beverages includes Packaged Beverages, Ready-to-Drink (RTD), and Organic India revenues (including overseas revenue). [] denotes organic revenue growth, excluding the impact of Organic India.
- India Foods Includes Salt, Tata Sampann, Tata Soufull, Tata Sampann Yumside, and Capital Foods revenues. [] denotes organic revenue growth, excluding the impact of Capital Foods.
- International includes International Tea and US Coffee businesses.
- Non-Branded incl. solubles and plantations businesses.
- Consolidated revenue after Inter-segment eliminations. [] denotes organic revenue growth, excluding the impact of Capital Foods and Organic India.
- The classification of our businesses in the table above has been provided for historical context and differs from that disclosed in the segment information in our financial results.

Key Businesses Snapshot – H1FY25

In ₹ Cr (unless specified)	India Beverages	India Foods	International	Non-Branded	Consolidated
Revenue	2,903	2,714	2,004	963	8,567
Revenue growth	4% [-2%]	29% [12%]	9%	26%	15% [7%]
Constant currency growth			7%	25%	14% [7%]

Key Brands



Notes:

- India Beverages includes Packaged Beverages, Ready-to-Drink (RTD), and Organic India revenues (including overseas revenue) w.e.f. 16th April 2024. [] denotes organic revenue growth, excluding the impact of Organic India.
- India Foods Includes Salt, Tata Sampann, Tata Soufull, Tata Sampann Yumside, and Capital Foods revenues. [] denotes organic revenue growth, excluding the impact of Capital Foods.
- International includes International Tea and US Coffee businesses.
- Non-Branded incl. solubles and plantations businesses.
- Consolidated revenue after Inter-segment eliminations. [] denotes organic revenue growth, excluding the impact of Capital Foods and Organic India.
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Summary of Group Performance – Q2FY25



₹ 4,214 Cr.

₹ 629 Cr.

₹ 424 Cr.

₹ 388 Cr.

₹ 367 Cr.

₹ 332 Cr.

	Revenue	EBITDA	PBT (bei)^	Group Net Profit (bei)^	Group Net Profit	Net Cash\$
Growth (YoY)	13%	11%	-16%	3%	1%	
Margin		14.9%	10.1%	9.2%	8.7%	
Margin expansion (YoY)		-30bps	-350bps	-80bps	-100bps	
EPS (Basic)				3.98	3.78	
EPS growth (YoY)				5.9%	3.8%	

^ before exceptional items.

\$ Cash and cash equivalents (net of total borrowings) as of 30 September 2024.

* Group Net Profit (bei) and EPS (bei) growth rates differ on account of higher share of non-controlling interests in the previous year.

Summary of Group Performance – H1FY25



₹ 8,567 Cr.

₹ 1,300 Cr.

₹ 889 Cr.

₹ 690 Cr.

₹ 656 Cr.

₹ 332 Cr.

	Revenue	EBITDA	PBT (bei)^	Group Net Profit (bei)^	Group Net Profit	Net Cash\$
Growth (YoY)	15%	16%	-11%	-4%	-6%	
Margin		15.2%	10.4%	8.1%	7.7%	
Margin expansion (YoY)		30bps	-300bps	-150bps	-170bps	
EPS (Basic)				7.15	6.83	
EPS growth (YoY)				-0.7%	-3.1%	

^ before exceptional items.

\$ Cash and cash equivalents (net of total borrowings) as of 30 September 2024.

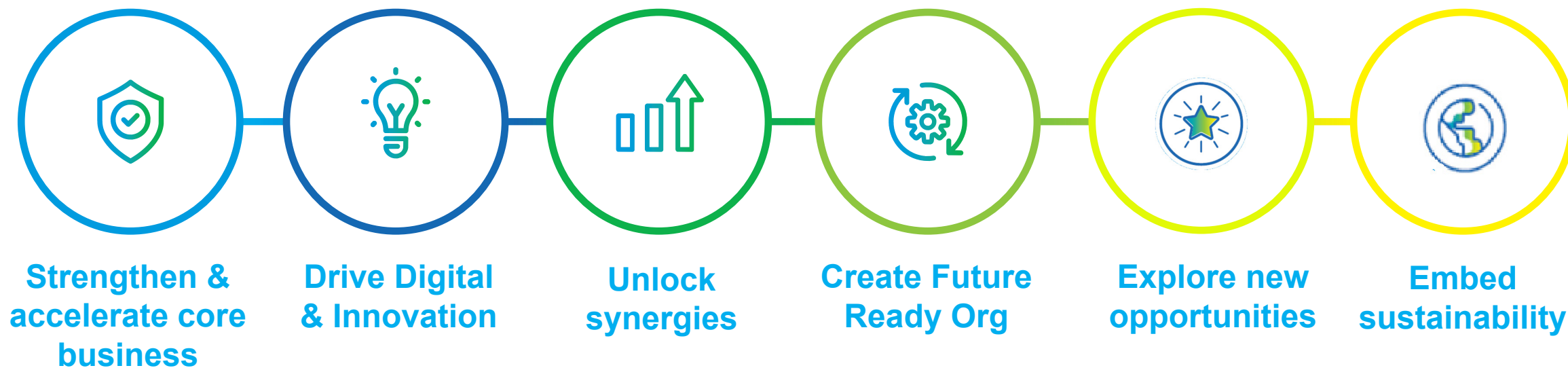
* Group Net Profit (bei) and EPS (bei) growth rates differ on account of higher share of non-controlling interests in the previous year.



03

Progress against Strategic Priorities

Strategic Priorities



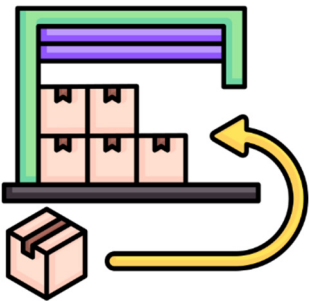


Strengthening General Trade & driving Channels of the future

General Trade

4.0m

Total Reach



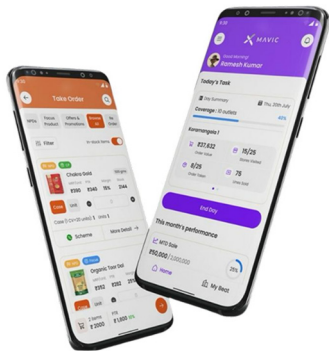
Auto-replenishment system implemented across 100% of distributors

1.6m

Direct Reach



Centralised planning and dispatch from facilities



New DMS, MAVIC rolled out to 100% of distributors

Modern Trade

17%



Q2FY25 revenue growth*

E-commerce

51%



Q2FY25 revenue growth*

*Does not include Capital Foods and Organic India



Incubating new channels to fuel growth

Food Services / HoReCa

- ❖ Pilot rolled out in 2 cities, Mumbai and Ahmedabad
- ❖ HoReCa-ready packs created across categories
- ❖ Initial results encouraging



Pharmacies

- ❖ Pilot initiated in 10 cities
- ❖ Distributors and sales personnel onboarding in progress
- ❖ Top pharmacy chains activated





India Business – Fuelling our brands across platforms



Q2 FY25
A&P-to-Sales*

7.5%

MAT Market share – Salt



Value +150 bps¹



MAT Market share – Tea



Value -20 bps¹



* India business
¹ Source: Nielsen – MAT basis, Sep'24 vs Sep'23



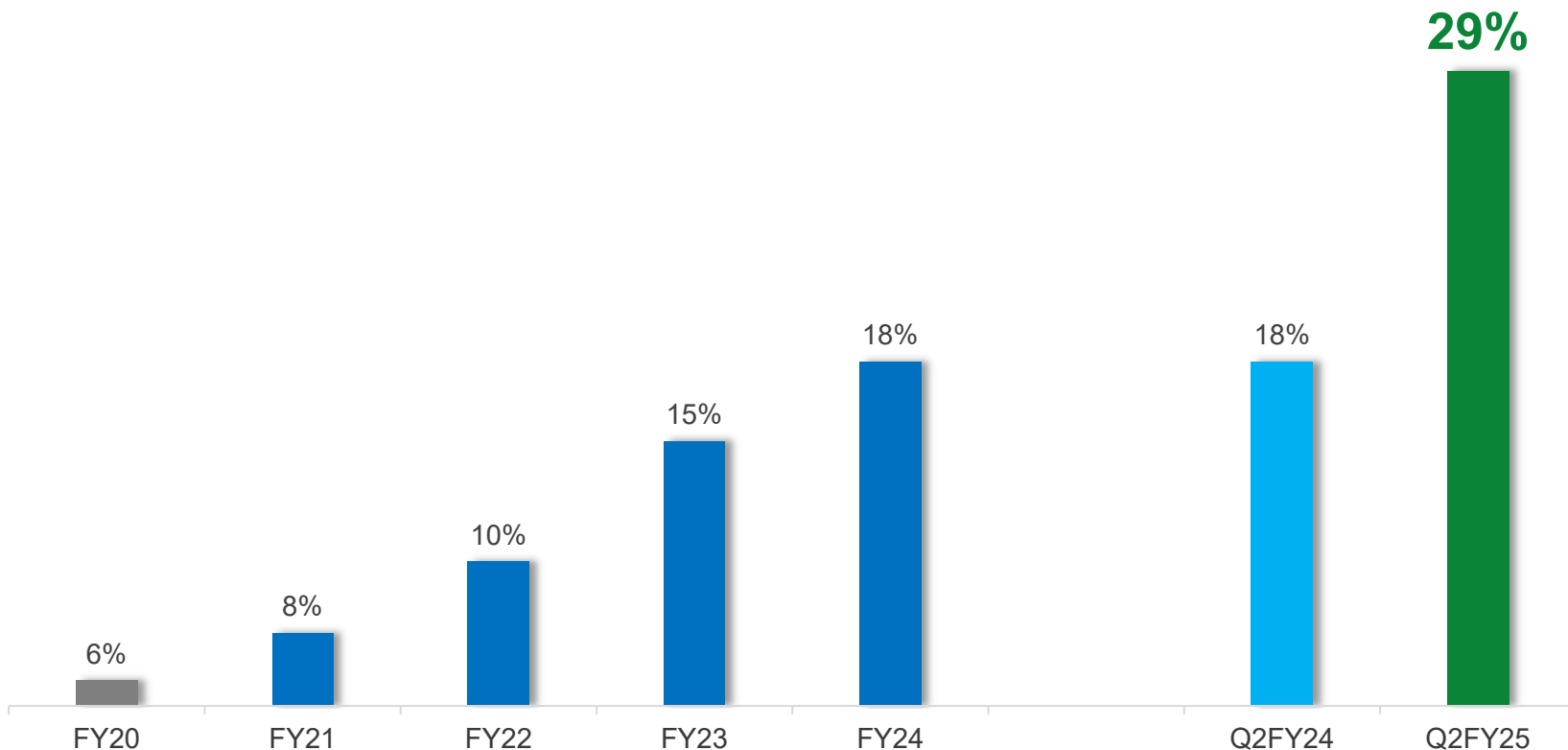
Continued focus on value-added innovation





Growth businesses are now a significant part of the India business

Growth Businesses as a % of India Business



Combined YoY
revenue growth

Q2FY25



85% [15%]

Includes overseas revenues for Capital Foods and Organic India.
[] denotes organic growth, excluding Capital Foods and Organic India



Striving towards a sustainable future



Tata Consumer Products was recognised as the:

- ❖ Most Sustainable Consumer Goods Company
- ❖ No. 2 in the Top 50 Most Sustainable Companies across sectors

– Business World's IMSC rankings, 2024

Publicly-stated Sustainable Supply Chain Policy released



04

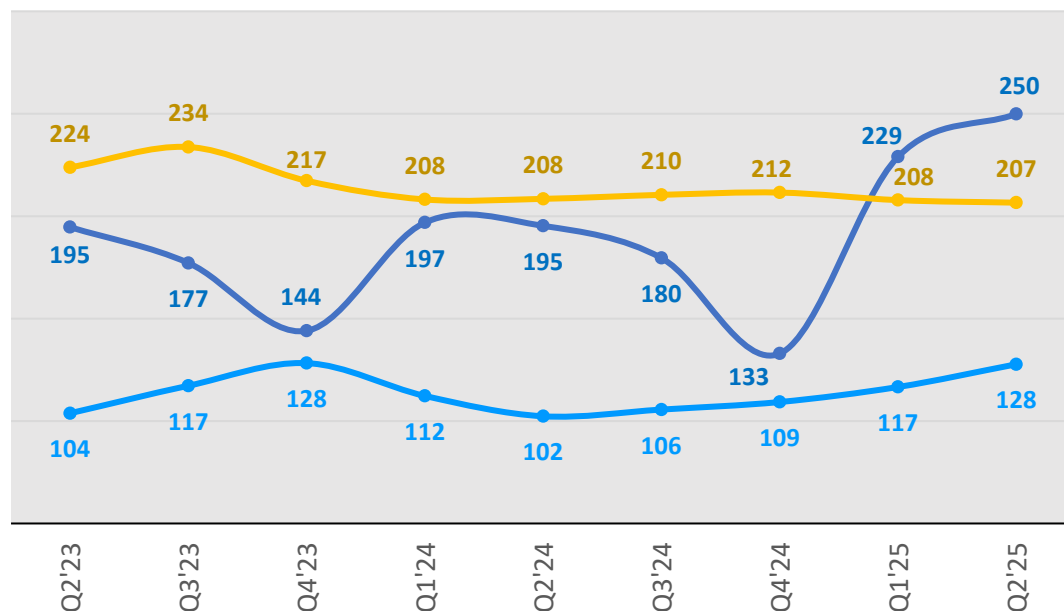
Macro environment

Key Commodities' movement



Tea

— N. India Tea (INR/kg) — S. India Tea (INR/kg) — Kenya Tea (\$c/kg)

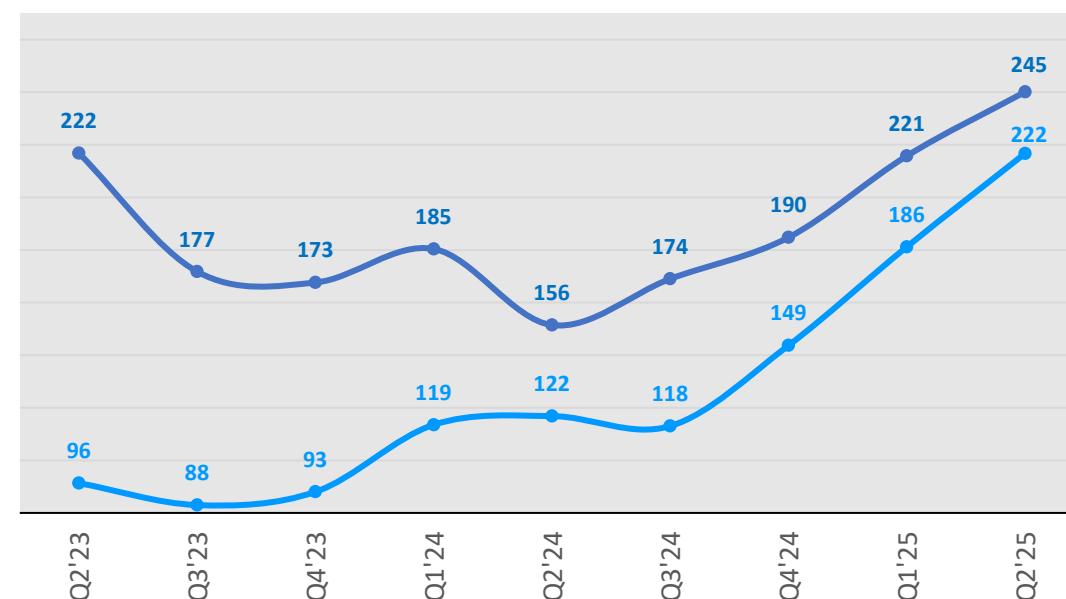


- Unfavorable weather conditions affected tea production in the country. **North India tea** prices were 28% higher YoY for the quarter.
- **South India tea** prices were also 25% higher YoY.
- **Kenyan tea** prices were stable YoY as well as QoQ.



Coffee

— Arabica Coffee (\$c/lbs) — Robusta Coffee (\$c/lbs)



- **Arabica** prices continued to scale to all time highs during the quarter.
- **Robusta** prices have touched record highs during the quarter due to global supply shortages. Averages prices for Q2 were 82% higher YoY.



05

Business performance

India Packaged Beverages



-3%
Net Revenue

-4%
Volume¹

-20bps
Tea Market Share²

Performance commentary

- Revenue for the quarter declined 3%, with volume declining 4% owing to soft demand.
- Raw tea prices saw significant inflation during the quarter. Staggered price increases have been actioned across brands.
- Coffee continued its strong trajectory and grew 29% during the quarter.

Other updates

- Tata Tea Premium launched its hyperlocal 2.0 campaign in the key markets of Uttar Pradesh, Punjab, and Haryana.
- Tata Tea Gold celebrates the West Bengal way of life via this refresher film Kuthkuthe2.0.
- Tata Tea Chakra Gold leaf tea launched new premium packs in Andhra Pradesh, Telangana, and Tamil Nadu.

1) Packaged beverages volume growth.

2) Source: Nielsen – MAT basis (value), Sep'24 vs Sep'23.

India Foods



+28%
Revenue Growth

+9%
Organic Revenue Growth¹

+1%
Volume Growth²

+150bps
Salt Market Share³

Performance commentary

- Salt revenue grew 2% with flat volumes during the quarter.
- Value-added salts continued their strong momentum and grew 26%; Rock salt registered record volumes.
- Tata Sampann had another strong quarter, with 26% growth.

Other updates

- Price increase announced in Tata Salt to combat the input cost increase.
- Tata Salt Crystal's new campaign in Tamil Nadu highlights its superior quality over local brands aiming to strengthen its leadership position in a key market.
- Whole spices launched under the Tata Sampann umbrella.

1) Organic Revenue Growth excludes Capital Foods. For more details on Capital Foods, refer to slide 26.

2) Volume growth excludes Capital Foods.

3) Source: Nielsen – MAT basis, Sep'24 vs Sep'23

*Source: Synchronize. Ad Recall among brands which invested spends on a similar range to Tata Salt on IPL.

Ready-to-Drink (RTD)



154Cr
Revenue

-11%
Revenue growth

+6%
Tata Copper+
revenue growth

Performance commentary

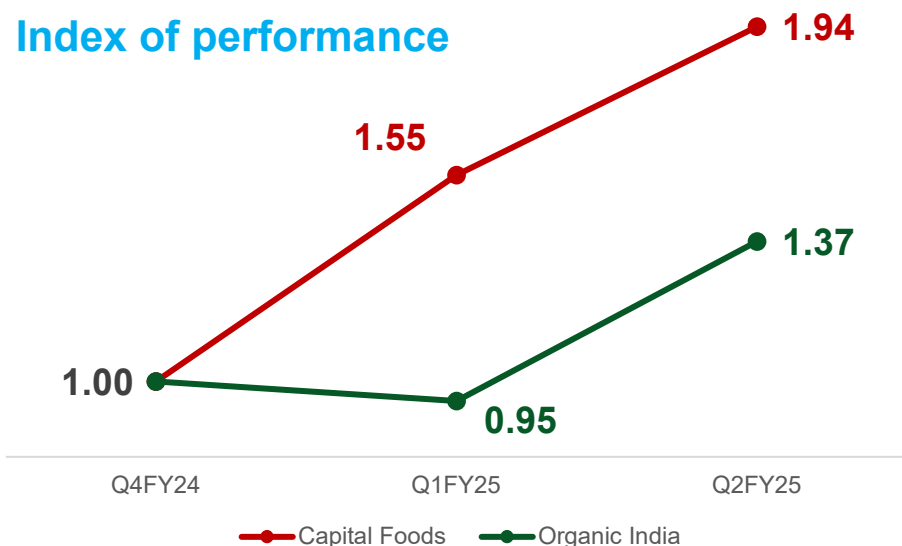
- Revenue for the business declined 11% owing to unfavourable weather and competitive pricing actions.
- Tata Gluco Plus' pricing was reset in response to competition with encouraging initial results.
- Expanded to premium segments with the launch of Tetley Kombucha and Tata Coffee Grand cold coffee.

Other updates

- Himalayan Saffron volumes doubled QoQ.
- Celebrated Himalayan Day with a new initiative to train Kashmiri farmers in modern farming practices to improve saffron yields.

New acquisitions – Capital Foods & Organic India

Index of performance



206Cr

Capital Foods
Revenue

102Cr

Organic India
Revenue

+31%

QoQ Growth

Performance commentary

- Integration of both businesses completed, Capital Foods and Organic India witness improving quarterly run rates.
- Gross margin for both businesses accretive to the Company, in line with expectations.
- Started realizing synergies in both the businesses with strong EBITDA margin expansion YoY.

Other updates

- Capital Foods now reaches over 500k outlets.
- Sampling-led activations for Organic India cumulatively reached 400k households in Q2.



Non-branded Business



+19%#
Revenue Growth



-2%#
Solubles Revenue

Performance commentary

- Revenue for the quarter grew 19%# led by exceptionally strong coffee realizations in the plantations business.
- The solubles business declined 2%# as multi-decadal high coffee prices impacted demand.
- EBIT margin for the business expanded 830bps YoY.

Other updates

- Arabica and Robusta bean prices continue to scale new highs; remain a key monitorable.

Non-branded business including Vietnam in constant currency terms.

Tata Starbucks (JV)



First pet-friendly store, Jaipur



First experiential store, Delhi



Highest altitude outlet (7,697 ft above sea level),
Manali-Leh Highway



First metro station store in Mumbai

19
Net new stores
opened during the
quarter

457
Total stores

70
Cities present

Performance commentary

- Revenue for the quarter grew 2%, in line with soft demand trends being witnessed by the sector.
- 19 net new stores added during the quarter. The total store count stood at 457 as of Sep'24.
- Entered 5 new cities during the quarter. Tata Starbucks is now present across 70 cities.
- Tata Starbucks is now the largest café operator in India based on store count.

Other updates

- Participation in Starbucks Rewards grew driven by a 2x growth in new member registrations.
- Tata Starbucks was recognized as one of India's best workplaces for women by Great Place To Work®.

International operations



UK

- Revenue for the quarter grew 7% (reported +10%).
- Strong improvement in operating margin driven by strong topline and structural interventions made earlier.
- Tata Consumer is now the no. 2 branded tea player ahead of Lipton and Twinings.

Revenue growth

+7%

Value market share*
Everyday black

20.1%

Value market share*
Fruit & herbal

9.7%



USA

- US coffee witnessed improving sequential trend, returning to growth, up 2%
- The US tea business registered a growth of 6% in Q2.

Coffee revenue growth

+2%

Tea revenue growth

+6%

Coffee bags
market share*

4.0%



Canada

- Tetley transitioned to new & improved sustainable packs during the quarter.
- Revenue for the quarter declined 2% (-2% reported) owing to destocking during this transition phase.
- The ethnic business in Canada continues to grow in line with expectations.

Revenue growth

-2%

Revenue growth in
specialty tea

+7%

Value market share*
(overall tea)

27.4%

Note: All numbers in constant currency unless specified

*Source: Nielsen – MAT basis, Sep'24 vs Sep'23



06

Financial Performance

Performance Highlights – Q2FY25



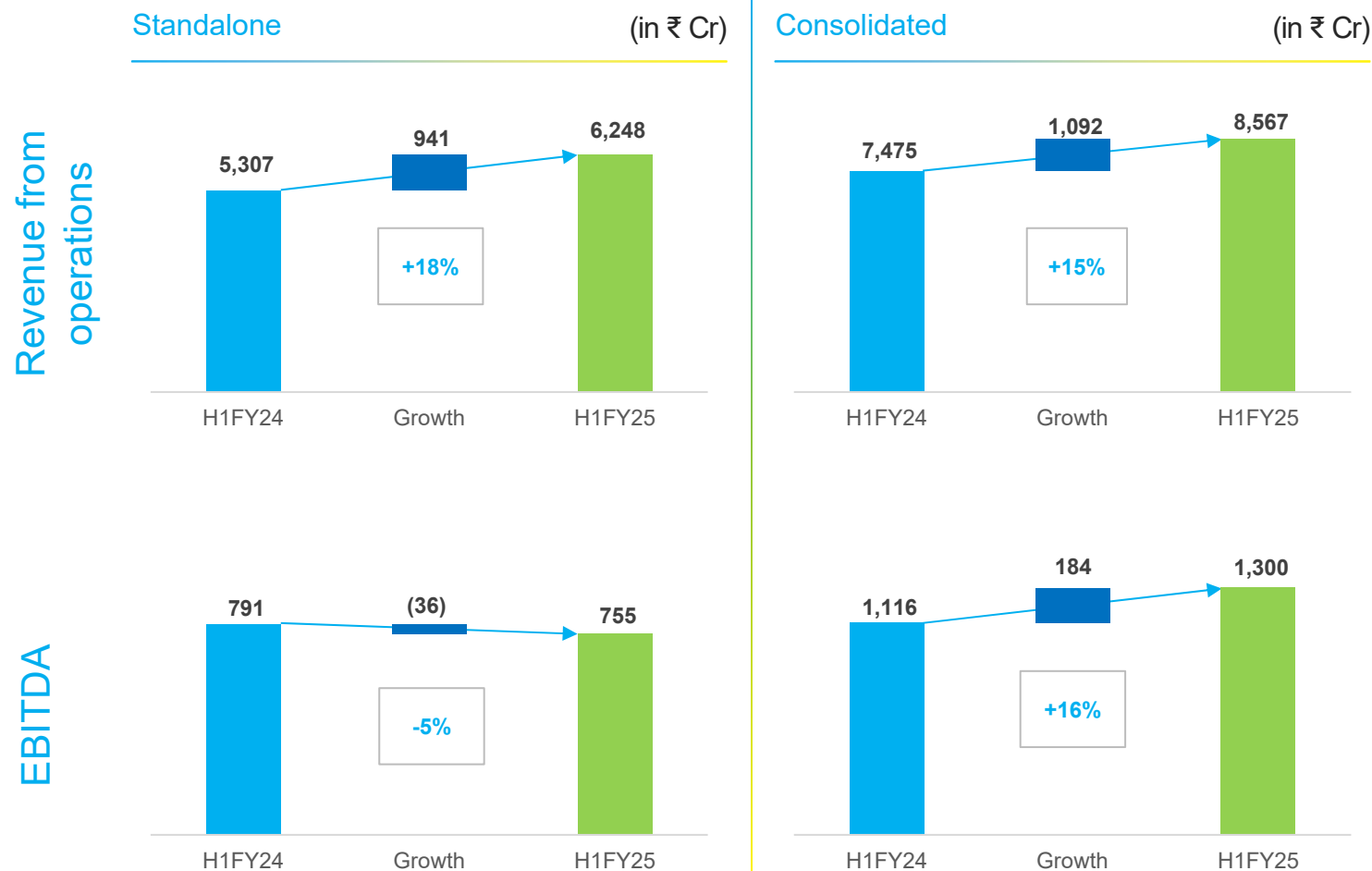
Consolidated revenue grew 13% (12% in constant currency terms) to Rs 4,214 Crs.

- **India business** grew 15%. Organically (net of acquisitions), growth was 2%.
- Constant currency (CC) growth in the **international business** was 5%.
- The **non-branded business** grew 19% in CC terms.

Consolidated EBITDA at Rs 629 Crs. (+11% YoY) with EBITDA margin at 14.9%.

- The **India business** EBITDA declined 4% YoY with margin contracting 250 bps. Organically, EBITDA declined 23% with margin contracting 380 bps led by tea cost inflation.
- **International business** EBITDA grew 40% (CC) YoY. EBITDA margin was 420 bps higher led by price increases and lower input costs.
- EBITDA for the **non-branded business** grew 70% (CC) with a margin expansion of 810 bps owing to better realizations.

Performance Highlights – H1FY25



Consolidated revenue grew 15% (14% in constant currency terms) to Rs 8,567 Crs.

- **India business** grew 15%. Organically (net of acquisitions), growth was 4%.
- Constant currency (CC) growth in the **international business** was 7%.
- The **non-branded business** grew 25% in CC terms.

Consolidated EBITDA at Rs 1,300 Crs. (+16% YoY) with EBITDA margin at 15.2%.

- The **India business** EBITDA grew 7% YoY, however, margin contracted 110 bps. Organically, EBITDA declined 8% with margin contracting 180 bps driven by tea cost inflation.
- **International business** EBITDA grew 38% (CC) YoY. EBITDA margin was 410 bps higher led by price increases and lower input costs.
- EBITDA for the **non-branded business** grew 70% (CC) with a margin expansion of 640 bps owing to better realizations.

Financials: Consolidated

Quarter ended Sep'24			Profit and Loss statement (all nos. in ₹ Crores)	Year-to-date Sep'24		
Q2FY25	Q2FY24	Change %		H1FY25	H1FY24	Change %
4,214	3,734	13%	Revenue from operations	8,567	7,475	15 %
629	569	11%	EBITDA	1,300	1,116	16%
14.9 %	15.2%	%		15.2%	14.9%	
480	475	1%	EBIT	1,003	940	7%
11.4 %	12.7%	%		11.7 %	12.6%	
424	505	-16%	PBT before exceptional items	889	1,000	-11%
(27)	(15)		Exceptional items	(44)	(20)	
(38)	(132)		Tax	(171)	(263)	
359	359	0%	PAT	673	718	-6%
8.5 %	9.6%	%		7.9%	9.6 %	
367	364	1%	Group Net Profit (incl. JVs & Associates)	656	702	-6%

Group Net Profit (GNP) for Q2FY25 was Rs 367 Crs, higher by 1%. GNP (before exceptional items) at Rs 388 Crs, grew 3% YoY

- EBITDA grew 11% driven by higher revenue and improved margin in international and non-branded, offset by a contraction in the India business margin.
- EBIT, however, grew 1% due to higher amortization on account of acquisitions.
- PBT(bei) declined 16% due to higher interest costs.
- The effective tax rate was lower on account of a one-time credit on the merger of wholly-owned subsidiaries.

Group Net Profit (GNP) for H1FY25 was Rs 656 Crs, lower by 6%. GNP (before exceptional items) at Rs 690 Crs, 4% lower YoY

- EBITDA grew 16% driven by higher revenue and improved margin in international and non-branded, offset by a contraction in the India business margin.
- EBIT, however, grew 7% due to higher amortization on account of acquisitions.
- PBT(bei) declined 11% due to higher interest costs.
- The effective tax rate was lower on account of a one-time credit on the merger of wholly-owned subsidiaries.

Financials: Standalone

Quarter ended Sep'24			Profit and Loss statement (all nos. in ₹ Crores)	Year-to-date Sep'24		
Q2FY25	Q2FY24	Change %		H1FY25	H1FY24	Change %
3,046	2,631	16%	Revenue from operations	6,248	5,307	18%
343	408	-16%	EBITDA	755	791	-5%
11.3 %	15.5%	%		12.1%	14.9%	
290	346	-16%	EBIT	648	678	-4%
9.5 %	13.1%	%		10.4%	12.8%	
236	376	-37%	PBT before exceptional items	529	737	-28%
(15)	(15)		Exceptional items	(25)	(20)	
2	(101)		Tax	(97)	(198)	
223	260	-14%	PAT	408	519	-21%

Standalone net profit for Q2FY25 at Rs 223 Crs, declined 14%

- EBITDA declined 16% despite a 16% growth in top line as tea cost inflation impacted margins.
- PBT (bei) declined 37% led by higher interest costs owing to the bridge financing taken for the acquisitions.
- The effective tax rate was lower on account of a one-time credit on the merger of wholly-owned subsidiaries.

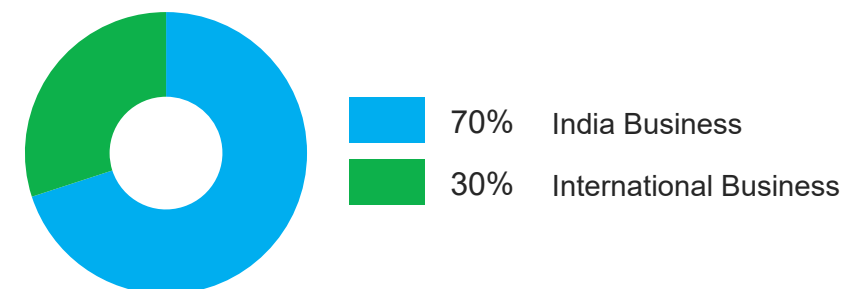
Standalone net profit for H1FY25 at Rs 408 Crs, declined 21%

- EBITDA declined 5% despite an 18% growth in top line due to an adverse mix and higher input costs.
- PBT (bei) declined 28% led by higher interest costs owing to the bridge financing taken for the acquisitions.
- The effective tax rate was lower on account of a one-time credit on the merger of wholly-owned subsidiaries.

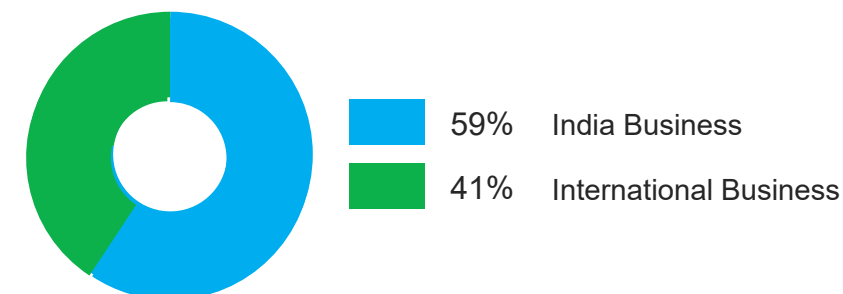
Segment-wise Performance Q2FY25

Particulars	Segment Revenue			Segment Results		
	Q2 FY25	Q2 FY24	Change	Q2 FY25	Q2 FY24	Change
₹ Cr						
India Business	2,655	2,404	10%	243	331	-26%
International Business*	1,116	950	18%	167	96	74%
Total Branded Business	3,771	3,354	12%	410	426	-4%
Non-branded Business	462	388	19%	106	57	86%
Others / Unallocated items	(19)	(8)		(119)	7	
Total	4,214	3,734	13%	397	491	-19%

Revenue – Branded business



Segment Results – Branded business

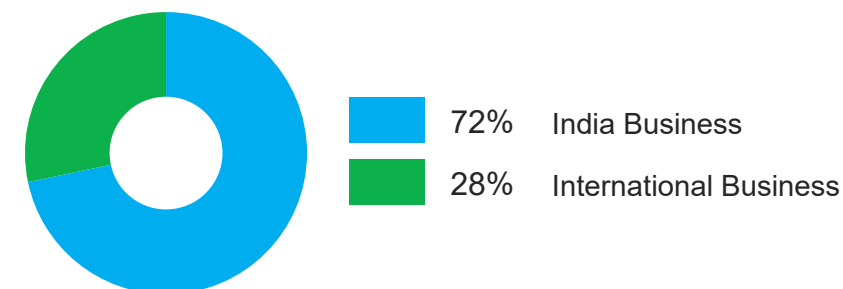


*International business includes the export sales of Capital Foods and Organic India worth Rs. 99 crs.

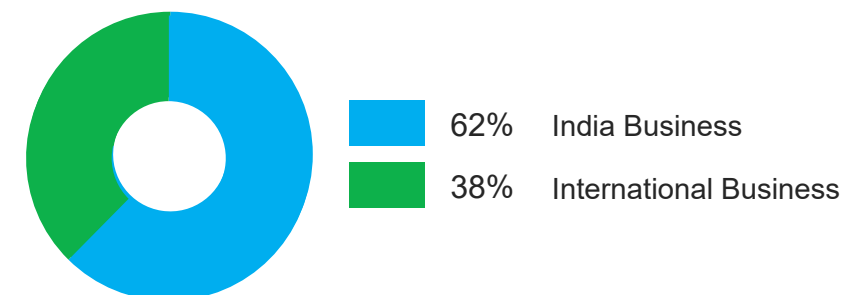
Segment-wise Performance H1FY25

Particulars	Segment Revenue			Segment Results		
	H1 FY25	H1 FY24	Change	H1 FY25	H1 FY24	Change
₹ Cr						
India Business	5,470	4,882	12%	569	659	-14%
International Business*	2,162	1,845	17%	343	212	62%
Total Branded Business	7,633	6,727	13%	912	871	5%
Non-branded Business	963	765	26%	202	107	89%
Others / Unallocated items	(29)	(17)		(269)	3	
Total	8,567	7,475	15%	845	980	-14%

Revenue – Branded business



Segment Results – Branded business



*International business includes the export sales of Capital Foods and Organic India worth Rs. 158 crs.



07

Closing remarks

To conclude

Macros

- Erratic weather patterns have affected tea and salt production in India, leading to input cost inflation.
- The global coffee category continues to face demand headwinds owing to record-high coffee prices.

Business

- India foods, International, and non-branded businesses delivered a strong performance; while India beverages had a soft quarter.
- Tea prices remain elevated; staggered price increases have been actioned in the India tea business.
- Announced a price increase in Tata Salt, effective October, to mitigate input cost inflation.
- Continue to build momentum in the new businesses of Capital Foods and Organic India.
- The rights issue was successfully concluded and short-term debt paid off; the company is now net cash positive.



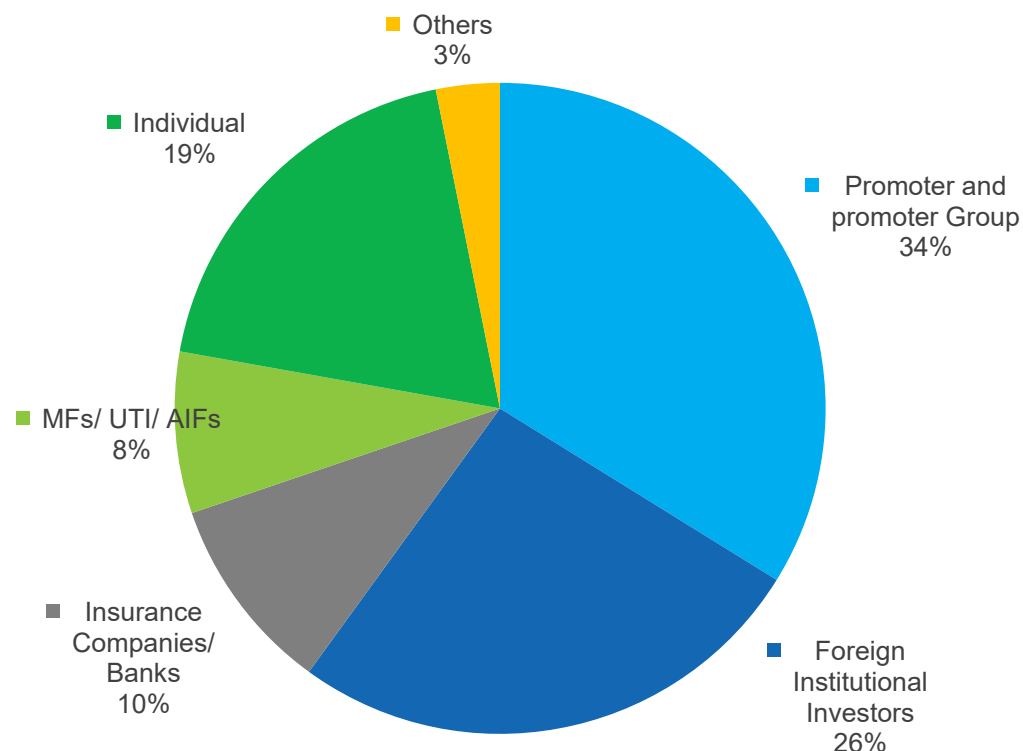


08

Other

Shareholding information

Pattern as on 30th September 2024



Stock data

BSE Ticker	500800
NSE Ticker	TATACONSUM
Market Capitalization (Sep 30, 2024)	₹ 1,184.3 bn
Number of Shares Outstanding	989.4 Mn

Thank You

For more information

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



tataconsumer.com



TataConsumer



tata-consumer-products/



tataconsumerproducts/