



February 4, 2020

**The National Stock
Exchange of India Ltd.**
Exchange Plaza, 5th floor
Plot No. C/1, G Block
Bandra Kurla Complex
Bandra (E)
Mumbai 400 051
Scrip Code –
TATAGLOBAL

BSE Ltd.
Corporate Relationship Dept.
1st Floor, New Trading Wing
Rotunda Building, PJ Towers
Dalal Street
Mumbai 400 001
Scrip Code - **500800**

**The Calcutta Stock
Exchange Ltd.**
7 Lyons Range
Kolkata 700 001
Scrip Code– **10000027**
(Demat)
27 (Physical)

**Sub: Analysts Presentation – Financial results for quarter and period ended
December 31, 2019**

Dear Sir/Madam,

Further to our letter dated January 08, 2020, we enclose herewith a copy of the Presentation for the analysts/investors on the financial results for the quarter and period ended December 31, 2019. A copy of the same will also be uploaded on the Company's website www.tataglobalbeverages.com

This is for your information and records.

Yours faithfully,

For **TATA GLOBAL BEVERAGES LIMITED**


Neelabja Chakrabarty
Vice-President & Company Secretary



Encl: a/a

TATA GLOBAL BEVERAGES LIMITED

11/13 Botawala Building 1st Floor Office No 2-6 Horniman Circle Fort Mumbai 400 001 India

Tel 91 22 6121 8400 Fax 91 22 6121 8499

Registered Office: 1 Bishop Lefroy Road Kolkata 700 020

Corporate Identity Number (CIN) - L15491WB1962PLC031425

E-mail id - investor.relations@tataglobalbeverages.com

Website address – www.tataglobalbeverages.com

TATA GLOBAL BEVERAGES

FLAVOURS
OF GROWTH

INVESTOR PRESENTATION
for
Quarter ended December 2019



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. Several factors could make a significant difference to the Company's operations. These include climatic conditions, economic conditions affecting demand and supply, government regulations and taxation, natural calamity, currency rate changes, among others over which the Company does not have any direct control.

Agenda

1 Executive Summary

2 Business Profile

3 Performance at a Glance

4 Business Performance

5 M&A Update

6 Quarterly Financial Performance

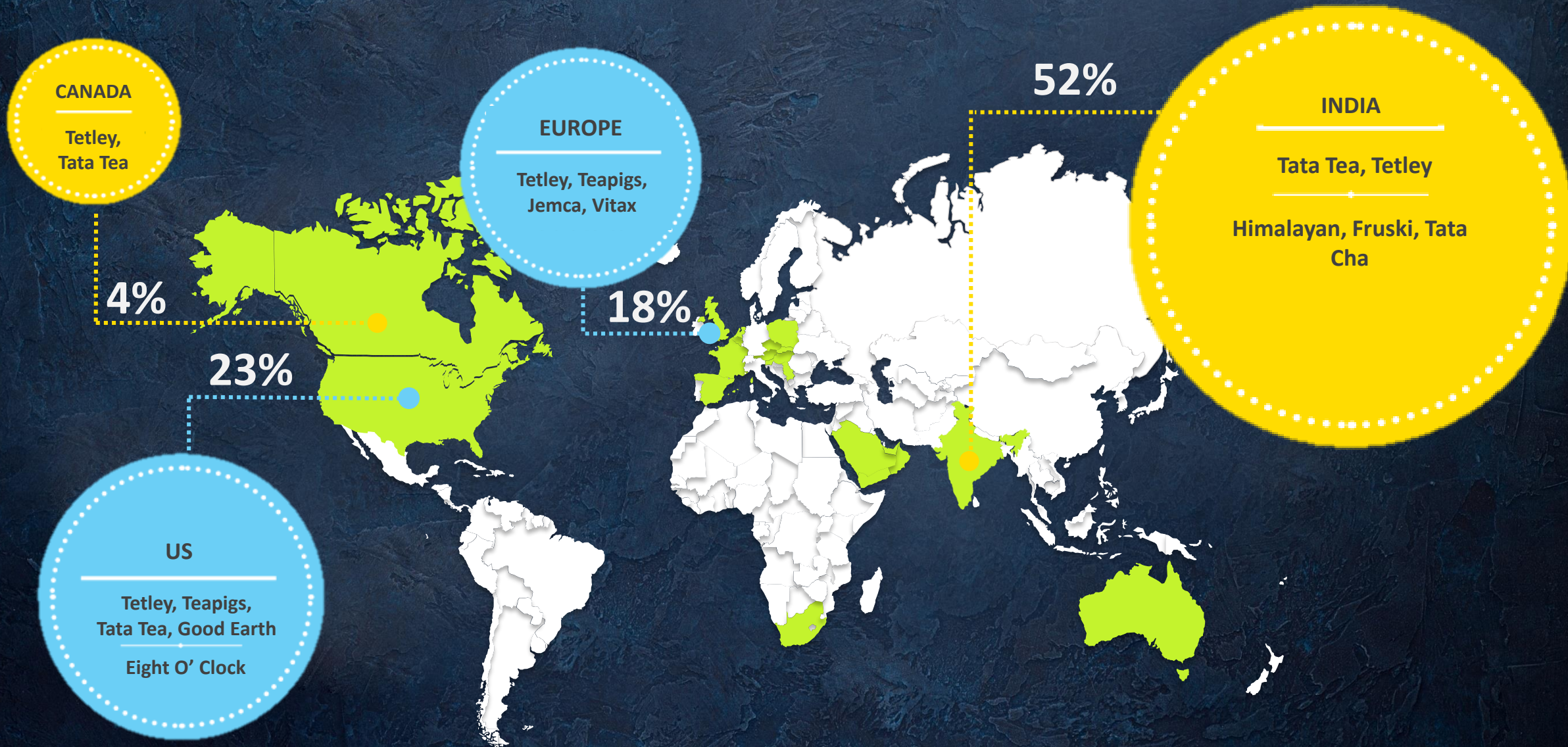
7 Recognition and Awards

8 Sustainability Initiatives

Executive Summary

- 1 Consolidated Revenue grew by 3% to INR 1,962Cr (Q3) and by 4% to INR 5,693Cr (YTD) with overall volume growth of 5% in Q3 and 6% for YTD
- 2 Consolidated EBITDA grew by 23% to INR 248Cr (Q3) and by 14% to INR 753Cr (YTD) over the last year
- 3 Consolidated Net Profit is higher by 25% in Q3 and by 30%, excluding one off items, on a YTD basis
- 4 India Branded Business grew by 7% in Q3 and 8% for YTD in volume terms
- 5 Our Subsidiary, Tata Coffee (including Vietnam) grew 25% in Q3 and 24% for YTD
- 6 Mr. Sunil Alaric D'Souza appointed as MD and CEO with effect from April 4, 2020
- 7 TGBL and TCL (Consumer Products Business) merger is in the final stages, effective date to be announced shortly
- 8 Sale of Czech business to Dr Muller Pharma completed in January 2020

Consolidated Revenue: Q3 – 1,962 INR Cr | 9M – INR 5,693 Cr (Branded Business – 87%)

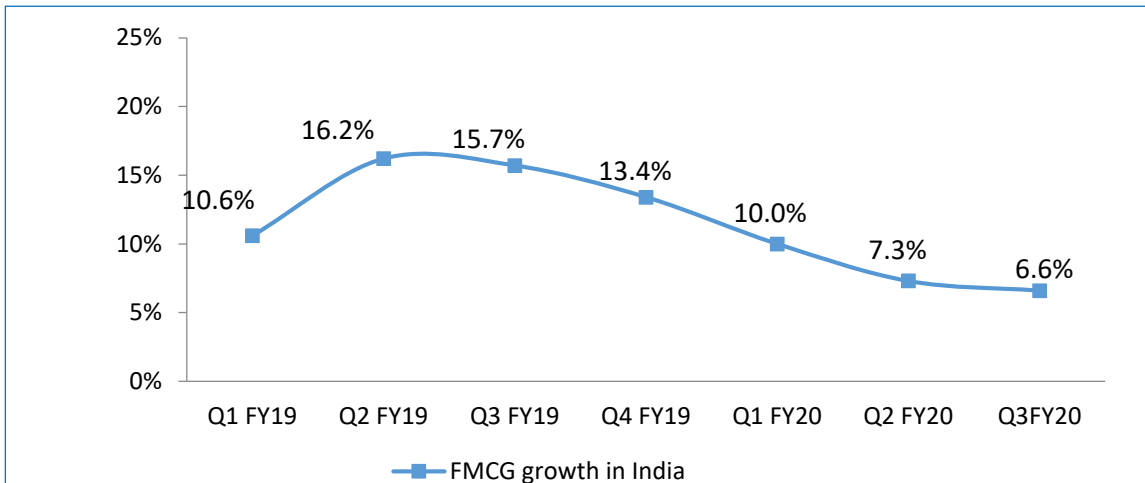


Non-Branded Business: Q3 – INR 239 Cr | 9M – INR 725 Cr (Tata Coffee - 86% and Others - 14%)

** Does not include inter-segmental eliminations*

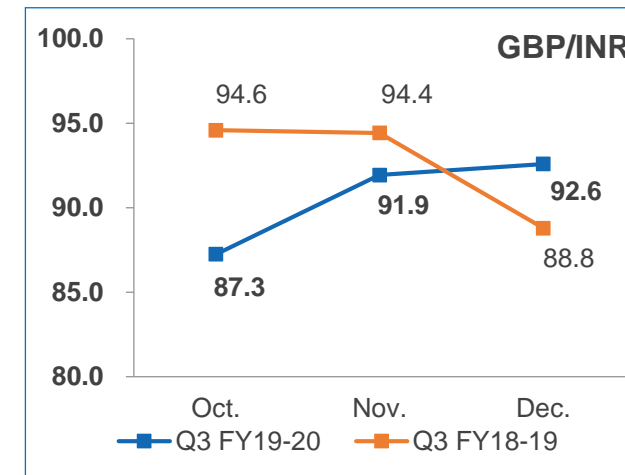
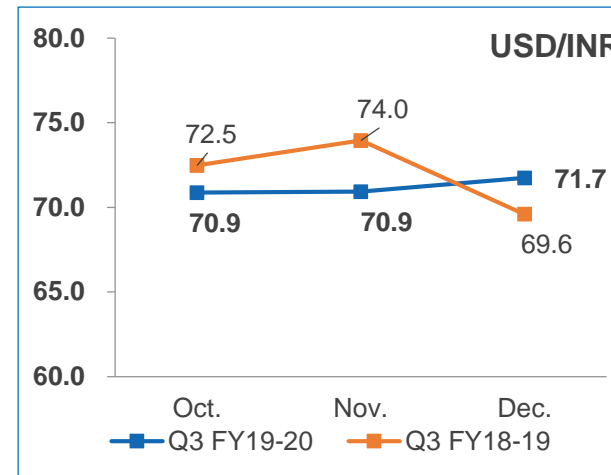
Market Context

FMCG growth in India*



- India FMCG value growth continue downward trend owing to weakening rural demand (0.5x of Urban)
- FY20 GDP growth estimated to be lower at 5% vs 6.8% (FY19)
- Inflation on rising trend (3.2% in Jul'19 → 7.4% in Dec'19)
- Household spending growth rate was significantly low at 2.7% for Q2FY20 (QoQ)

Exchange rates

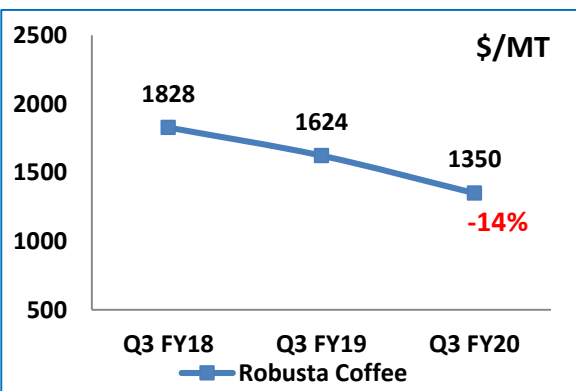
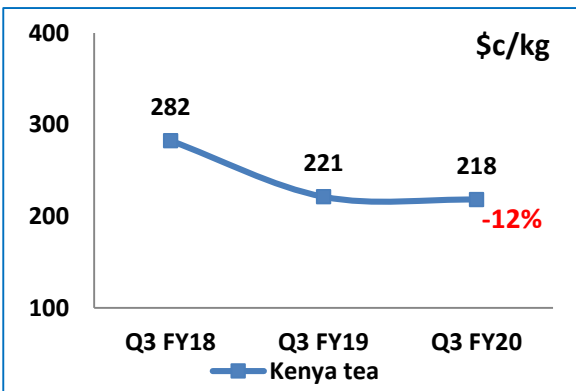
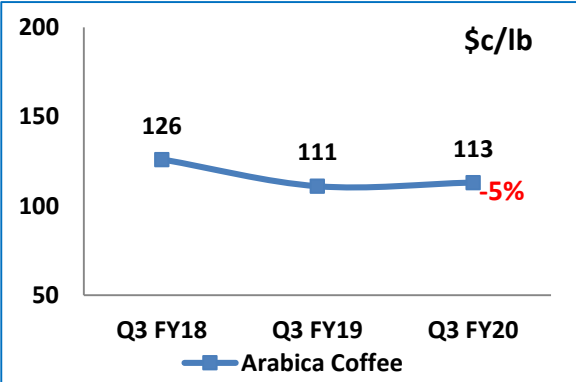
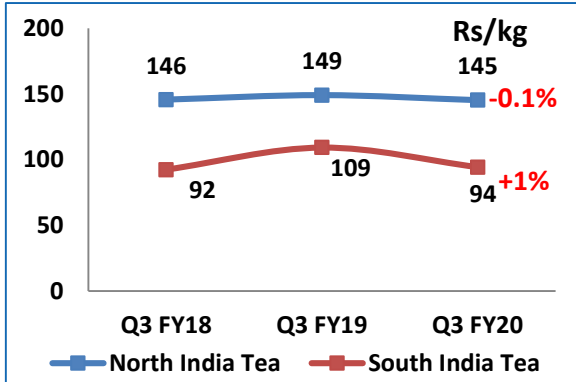


- In Q3FY20, Rupee has appreciated against USD by 1.2% yoy as compared to Q3FY19 (average of 71.2 vs 72) as well as appreciated against GBP by 2.2% (average of 90.6 vs 92.6)

Market Context

2 years CAGR

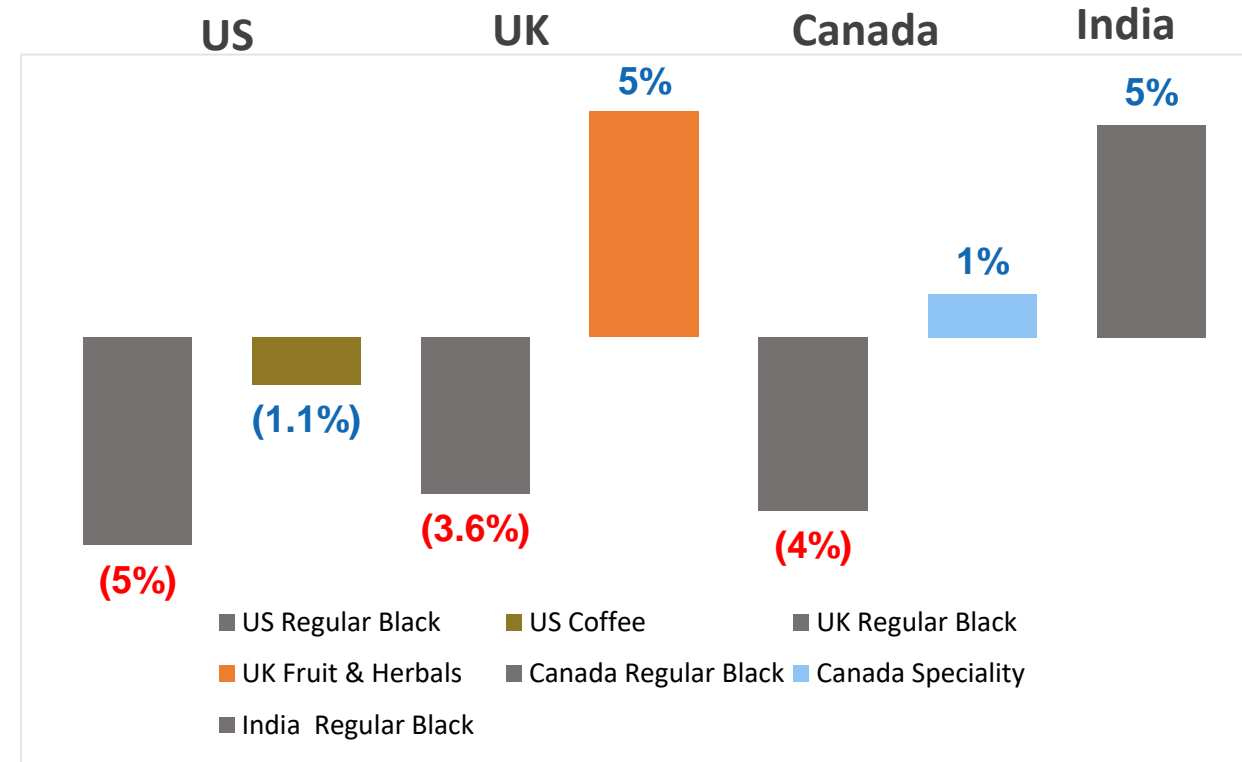
Commodity Costs#



- Tea prices in India continue to be benign
- Kenyan tea prices continue to see decline
- Coffee prices downward trend continues

#Source: North India and South India tea auction (Tea Board of India) | Mombasa tea auction (EATTA) | International Coffee Exchange

Category Growth Trends (Quarter)*



- Regular Black tea category declining or flat across key International markets. Growth led by Non-Black teas
- In India, both Black and Non-black tea are growing categories, however the growth has slowed down to ~5% in last quarter

Performance at a Glance (Q3)

**FLAVOURS
OF GROWTH**

In INR Cr



INDIA
(TGBL Standalone)



US Coffee



Other International
(UK, Canada and
Others)



Tata Coffee



CONSOLIDATED

Revenue	933	290	529	210	1962
Revenue Growth [Underlying Growth]	6%*	-3% [-2%]	-4% [-2%]	25%	3% [+4%]
Volume Growth	7%*	-2%	-1%	14%	5%

Key Brands





Business Performance

QUARTER ENDED DECEMBER 2019

GROWTH DRIVERS

- India branded tea sales grew 6% in Q3 and 7% for YTD led by both National and Regional brands
- Branded volumes grew by 7% in Q3 and 8% for YTD
- National brands are gaining market share
- Agni and Spice mix continues the grow on high double digits
- Lal Ghoda (LG) well integrated and delivering as per plans

OTHER UPDATES

- **Tata Tea Premium** kick-started its ‘**Desh Ki Chai**’ campaign with the launch of multi-regional marketing across UP, Delhi, Punjab & Haryana
- **Chakra Gold** new TVC rolled out in Tamil Nadu. Campaign aims to celebrate the local culture and re-establish its blend as specially crafted for regional taste

+6%

Branded Value Growth

+7%

Volume Growth

13.7%

(PY: 12.8%)

EBITDA Margin



Tata Tea Premium restage – New Packaging and Key visuals capturing the key elements of pride for each region.



Chakra Gold Special Edition Pack launch in Tamil Nadu.



7th Tata Cha outlet launched at Cunningham in Bangalore

GROWTH DRIVERS

- Revenue almost flat, growth in Discounters partly offset by decline in Grocery channel
- Tetley Black tea 12week and 4 week shares grows
- Strong SOV for Tetley at 35% driven by Cold Infusions & Masterbrand campaign activity

OTHER UPDATES

- Tetley's #NowWereTalking campaign has gained positive response on TV, Social media and Digital media platforms
- Focus is on margin expansion with cost optimization.
- Green tea category faces headwinds

17%*

Market share
(Value)

23%*

Market share
(Volume)



Tetley Tea 'Now We're Talking' gets tops #3 ITV-backed effective ad list for 2019.

W-link: <https://www.youtube.com/watch?v=PE8gVb6DrAw>



Ethnic range of specialty Indian flavored teas – Elaichi, Ginger and Masala launched for South Asian diaspora in UK & Europe.



Teapigs Pop-up Shop put up in Hong Kong.

GROWTH DRIVERS

- EOC K-cups and Private labels Coffee segments volumes grew in Q3, along with some decline in Bags coffee segment. However, on a YTD basis, Overall Coffee Volumes grew by 2%
- Good Earth tea grew by double digits in Q3

OTHER UPDATES

- Masterbrand Tetley 'Now We're Talking' campaign has now been extended to USA. It has received very strong online engagement and outperforming industry norms.
- Good Earth Ayurveda Launches on E-commerce.
- EOC Coffee continue to face headwinds due to increased competitive intensity

US Coffee

-2%

Volume Growth

13.1%

(PY: 8%)

EBIT Margin



Tetley 'Flavors of India' launched in 3 flavors on E-commerce.



Barista Blends introduced in 4 flavors.



Good earth has launched Ayurveda teas with a range of 3 caffeine free teas

GROWTH DRIVERS

+5%

Revenue Growth

- Revenue is up by +5% driven by higher black tea sales
- Super teas continue to grow and has achieved 3.2% Market share of Specialty tea category
- Continued improvement in profitability led by new innovations

OTHER UPDATES

- 3 new flavors launched in the Supers range Matcha, Antiox and Boost
- Integrated marketing campaign for Super Tea being run on Canada TV, Social media Influencers together with In-store shelf advertisement supported by wellness contest

40%*

Market share (Volume)

29%*

Market share (Value)



Tetley Super Teas awarded the 2019 Best New Product by Brand Spark International



Tetley has won the most trusted hot tea brand in Canada for the 6th year in a row.



Tetley Canada promoting Supers with 'Wellness Contest'

Tata Coffee* (inc Vietnam)

**FLAVOURS
OF GROWTH**

210Cr
Revenue

+25%
Revenue
Growth

+14%
Volume
growth

14.5%
EBITDA
Margin

GROWTH DRIVERS

- Topline grew by 25% driven by Vietnam sales, partly offset by lower TCL performance
- Domestic instant Coffee [IC] volumes at 2052 MT; 5th quarter in succession with over 2000 MT volumes

OTHER UPDATES

- Profitability improved mainly due to higher volumes and one time credit partly offset by lower realisation
- Tata Coffee launched AMA Trails with Taj Hotels (IHCL signed a management contract for nine heritage bungalows in Coorg and Chikmagalur)



Tata Coffee awarded 'Best Indian Coffee' at 4th Ernesto Illy International Coffee Awards



Ama Plantation Trails' heritage properties in Coorg and Chikmagalur

JV- Tata Starbucks

27%

Revenue
Growth

174

Stores

11

Cities in India

GROWTH DRIVERS

- 28 new stores opened till date.
- New city added- Vadodra.
- Strong focus on social media and loyalty program continues to drive customer engagement and sales.
- Food 3.0 continue to perform very well

OTHER UPDATES

- Barista Pride campaign re-introduced. A unique campaign where 174 stores across India serve a specially curated beverage
- Achieved 100% pay equity, approaching 30% gender diversity milestone
- Received the Most Admired International Brand Retailer of the Year by MAPIC India.



Bangalore International Airport



Mumbai-Nashik Highway



Vadodra, Gujarat

GROWTH DRIVERS

-4%*

Volume growth (excl. TWP Pouch)

- Himalayan grew in Q3, both in value and volume terms
- Himalayan continues to leverage its partnership with Conde Nast to build connect with the F&B world.
- Tata water Plus (TWP) PET continue to grow with distribution expansion.
- Focus on better product mix and hence descaling low price pouch business

OTHER UPDATES

- TGP volume decline, mainly in the states of Odisha and AP, impacted by adverse weather.
- Company has started the collection and re cycling of plastic waste and has met the committed 30% volume target for the year 2019.

5%

Himalayan Revenue Growth



Third edition of Condé Nast Traveller & Himalayan Top 50 Restaurant Awards 2019 held in Mumbai



The winner of Young Chefs contest gets a chance to visit and learn authentic flavors from Japan

3%

TWP PET Revenue Growth



New Product TGP Lychee flavor getting good response

Marketing Campaigns/Initiatives

FLAVOURS
OF GROWTH



Tata Tea Premium Delhi Campaign:

- An interesting route to evoke Dilli's regional pride by wrapping the Delhi metro, with visuals of its rich heritage. The **restage** is backed by a complete pack change.
- In Digital, a film on 'Dili Wali Wedding' has also been aired on platforms like Youtube, Facebook and OTTs like Hotstar and Sony Liv.

Web-Link of film: https://www.youtube.com/watch?v=iJx_KY6YsmA

Tata Tea Premium Uttar Pradesh Campaign:

- New TVC launched with '**DumdaarUP**' campaign which is aired on regional and geo-targeted channels. TVCs to be activated on other channels like Cinema theatres, etc.

Web-Link of TVC: https://www.youtube.com/watch?v=nv_9fOHbfcE



Chakra Gold New TVC rolled out in Tamil Nadu
Web-Link- www.youtube.com/watch?v=SABbr1MF5m4



Integrated **#NotYourAverageCupofTea** campaign for Tetley Supers Tea, Canada' across TV and Digital
Web-Link -<https://www.youtube.com/watch?v=WBp0ze2wNV8>



Tetley US launched '**Now we're talking**' campaign receiving very good online engagement.
Web-link-<https://www.youtube.com/watch?v=-2Fp74fvbM0>

M&A Update

FLAVOURS
OF GROWTH

Tata Chemicals Limited - Consumer Products Business

- The scheme for acquiring the Consumer Products Business of Tata Chemicals Limited is on track.
- The merger has been approved by the Hon'ble NCLT, Kolkata Bench and Mumbai Bench.
- Merger is in the final stages, effective date to be announced shortly

Sale of Tata Global Beverages Czech Republic Business

- In January 2020, 100% stake in TGB Czech business has been sold to Dr. Müller Pharma for Eur 4 mn., an established Czech company in the fields of medicine, cosmetics and food supplements.
- The sale is in line with our global strategy to focus on markets which have greater potential and scope for growth.



Management Updates

Appointment of Mr. Sunil Alaric D'Souza as MD and CEO (w.e.f. 4-Apr-20)



Mr. Sunil Alaric D'Souza has been appointed as Managing Director and CEO of TGBL with effect from 4th April 2020. Sunil has 25+ years of rich experience in the consumer goods industry, and in-depth understanding of the foods and beverages categories. He is currently the MD of Whirlpool India. Prior to Whirlpool, he has served in several leadership roles in Pepsico. He brings to bear strong focus on strategy, growth and execution, including inorganic growth. Sunil is an Alumnus of IIM, Calcutta and an Engineering graduate from the University of Madras

Appointment of Mr. Ajit Krishnakumar as Chief Operating Officer



Mr. Ajit Krishnakumar joined as Chief Operating Officer in January 2020. He has 20 years of global work experience which included responsibilities for strategy, corporate finance & M&A across various industries. As one of his key responsibilities at TGBL, he will lead the integration of the foods business of Tata Chemicals and the beverages business of Tata Global Beverages. In his previous role, he was Senior Vice President, Tata Sons in the Group Chairman's office, leading strategy for consumer businesses. Prior to Tata Sons, he had worked with Bank of America Merrill Lynch and Rothschild & Co., among others. He is an Alumnus of the University of Michigan, Ann Arbor and the University of Harford, Connecticut.



Financial Performance

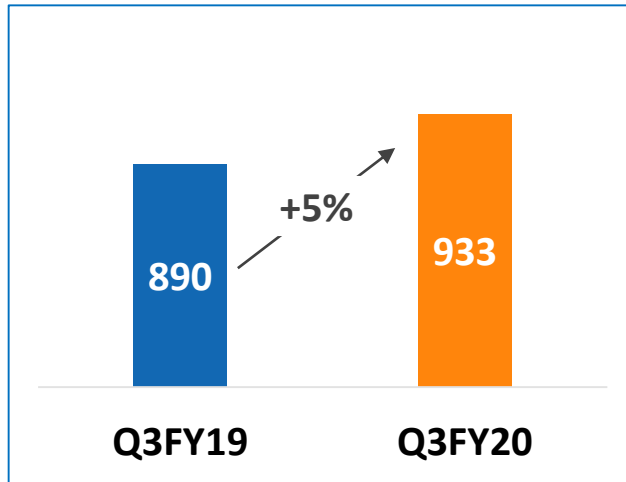
QUARTER ENDED DECEMBER 2019

Highlights — For the Quarter ending Dec 19

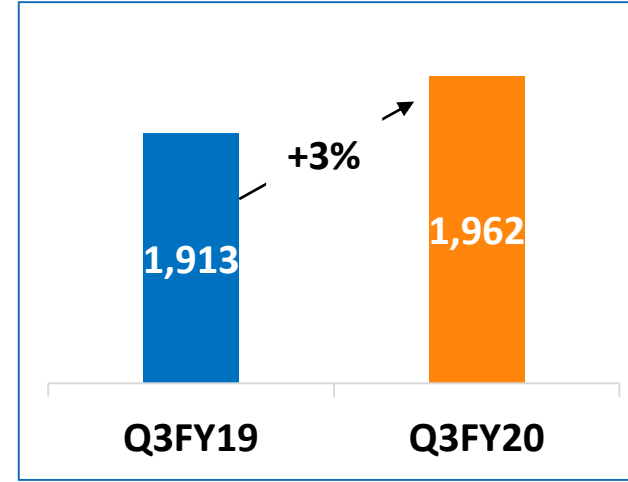
In INR Cr

**REVENUE FROM
OPERATIONS**

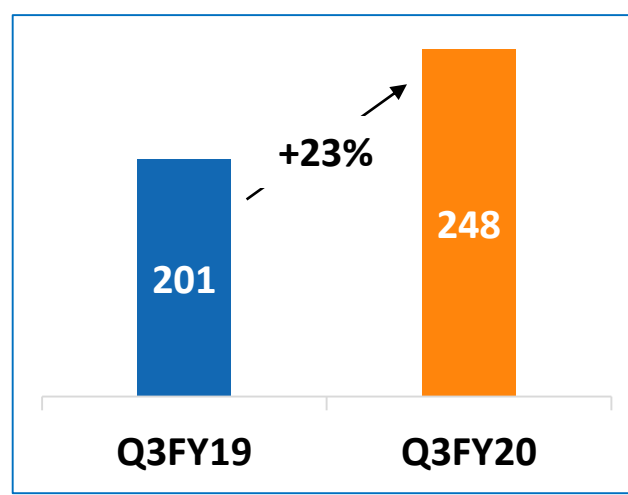
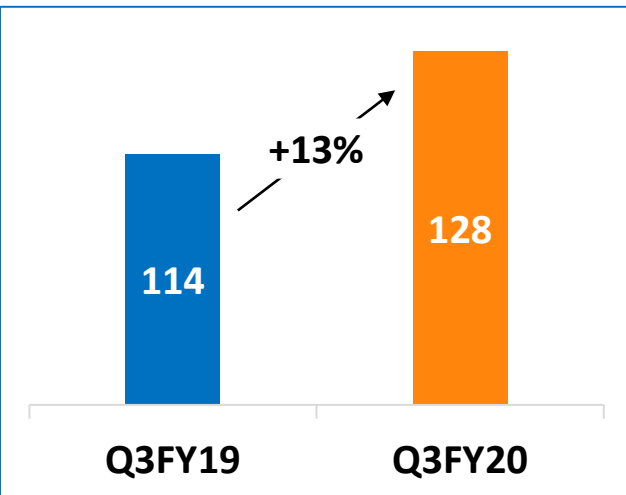
STANDALONE



CONSOLIDATED



EBITDA



REVENUE:

Group Revenue grew by 3% (4% in constant currency terms)

India Branded Business grows (Vol +7%; Value +6%)

Tata Coffee incl. Vietnam +25% – higher volumes and commencement of Vietnam sales

International Business declined by 2% - mainly US coffee and Europe (incl. UK)

EBITDA:

Group EBITDA, grew by 23 %

International Business profitability improves – mainly due to US partly offset by UK and Australia

India Business – profitability improves with favorable commodity prices and higher volumes partly offset by higher spend on brands

Tata Coffee incl. Vietnam – Improved profits with higher volumes.

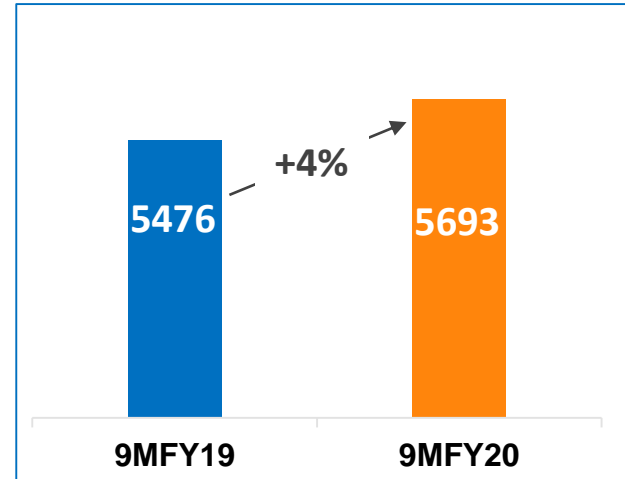
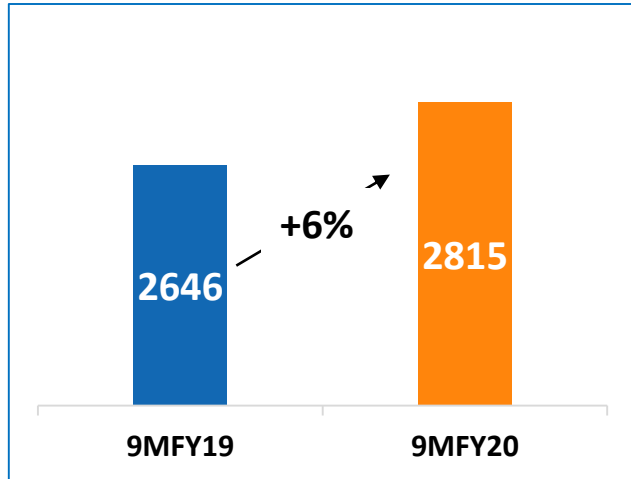
Highlights — For nine months ending Dec 19

In INR Cr

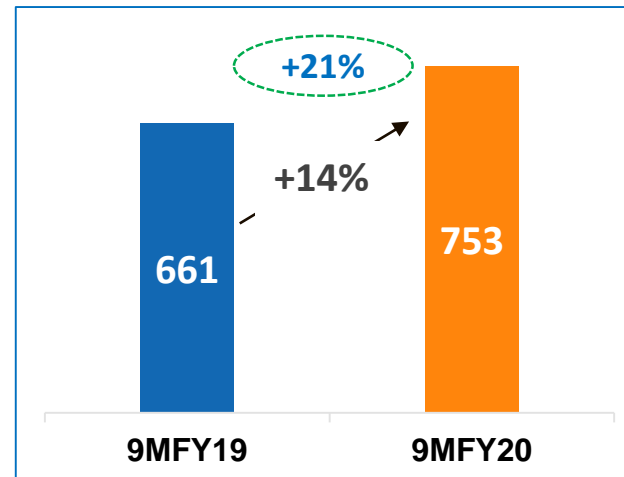
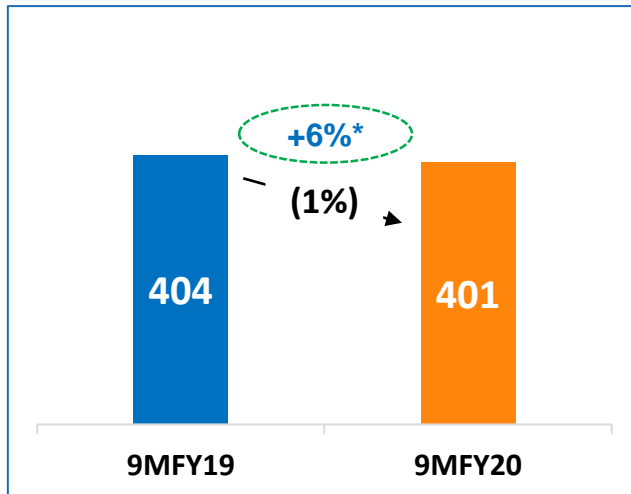
STANDALONE

CONSOLIDATED

**REVENUE FROM
OPERATIONS**



EBITDA



REVENUE:

Group Revenue grew by 4%

India Business grows (Vol +8%; Value +7%)

Tata Coffee incl. Vietnam - higher volumes and commencement of Vietnam sales

International Business declined - mainly due to US coffee (higher volumes impacted by value deflation) and Australia, partly offset by improved performance in Canada and Teapigs.

EBITDA:

Group EBITDA, excluding one-time income in previous year, grew by 21%

International Business profitability improves - mainly in US and Canada

India Business – Profitability improved (excluding one-time income in PY) with favorable commodity despite higher investment behind brands

Tata Coffee – Profits improved, excluding one time gain on sale of property in last year.

Financials: Standalone

Quarter Ended December				PARTICULARS	YTD December			Full year
Q3FY20	Q3FY19	Change%	Q2FY20	INR Cr	9MFY20	9MFY19	Change%	FY19
933	890	5%	914	Revenue from operations	2,815	2,646	6%	3,430
128	114	13%	125	EBITDA	401	404	(1%)	464
13.7%	12.8%		13.7%	%	14.2%	15.3%		13.5%
(1)	0		(2)	Exceptional items	(10)	-		-
22	22	1%	33	Other Income	93	156	(40%)	183
126	124	2%	134	PBT	418	502	(17%)	576
94	90	5%	100	PAT	300	358	(16%)	411
10.1%	10.1%		10.9%	%	10.7%	13.5%		12.0%

Standalone Net Profits :

- Profit before taxes (PBT) is higher by 2% for the quarter led by volume increase and benefit of lower commodity costs partly offset by increased spends behind brands.
- Profit after taxes (PAT) higher by 5% for the quarter on account of lower taxes due to reduction in effective rate on account application of lower rate

Financials: Consolidated

Quarter Ended December				PARTICULARS	YTD December			Full year
Q3FY20	Q3FY19	Change%	Q2FY20	INR Cr	9M FY20	9M FY19	Change%	FY19
1,962	1,913	3%	1,834	Revenue from operations	5,693	5,476	4%	7,252
248	201	23%	237	EBITDA	753	661	14%	837
12.6%	10.5%		12.9%	%	13.2%	12.1%		11.5%
(1)	-		(2)	Exceptional items	(10)	(25)	(58%)	(33)
26	23	15%	25	Other income	82	122	(33%)	157
196	176	11%	192	PBT	611	582	5%	735
140	121	16%	143	PAT	433	380	14%	474
7.2%	6.3%		7.8%	%	7.6%	6.9%		6.5%
136	109	25%	152	Group Net Profit (incl. JVs & Associates)	430	421	2%	457

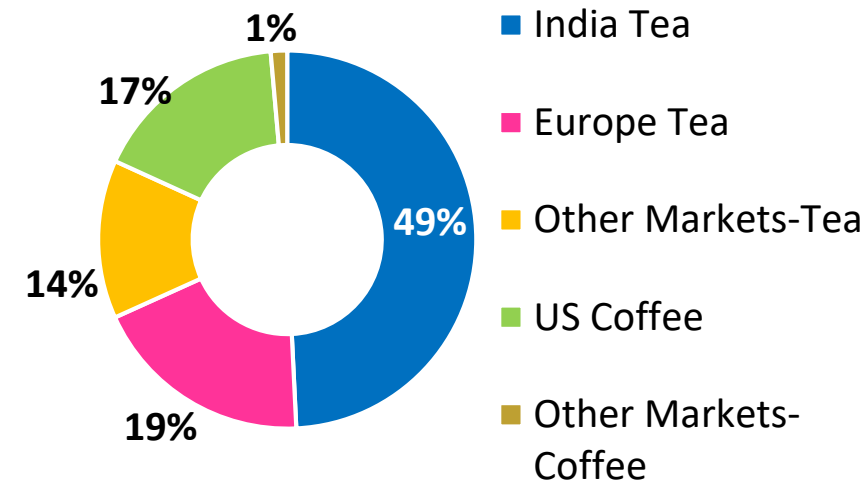
Group Consolidated Net Profits :

- Higher by 25% for the quarter mainly on account of lower taxes and improved performance of Associates and JV's
- On a YTD basis, Group Net Profit, excluding one time impact of taxes, is higher by 30%.

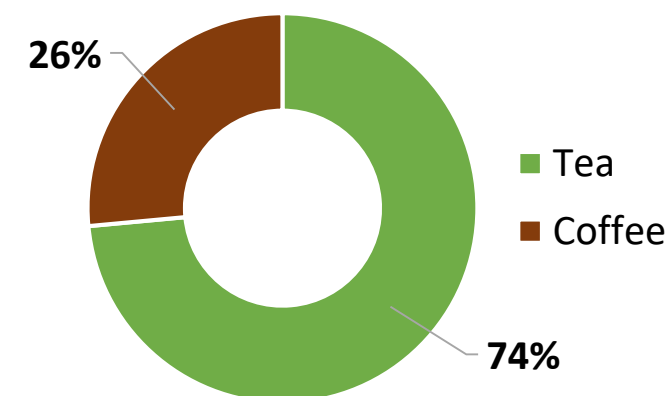
Segment-wise performance (For the Quarter)

PARTICULARS	SEGMENT REVENUE			SEGMENT RESULTS		
	INR Cr	Q3FY20	Q3FY19	Change%	Q3FY20	Q3FY19
Branded Business						
Tea	1,412	1,389	2%	175	168	4%
Coffee	314	326	(4%)	63	44	44%
Others	7	7	(2%)	(2)	(5)	(53%)
Total Branded Business	1,733	1,722	1%	236	207	14%
Non Branded Business	239	199	20%	8	6	33%
Less: Inter-segment Revenue	(10)	(8)				
Unallocated expense (net)				(48)	(37)	
Total	1,962	1,913	3%	196	176	11%

BRANDED BUSINESS REVENUE

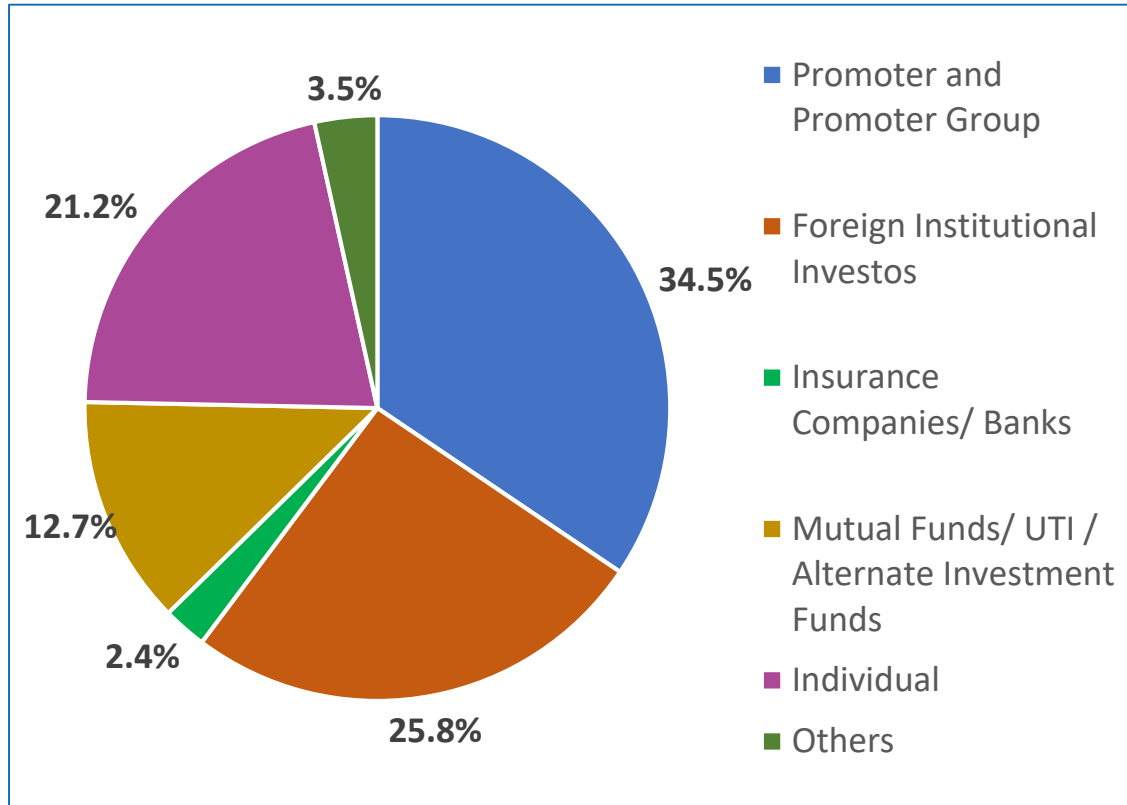


BRANDED BUSINESS RESULTS



Shareholding Pattern

SHAREHOLDING PATTERN as on 31st Jan 2020



STOCK DATA

BSE Ticker	500800
NSE Ticker	TATAGLOBAL
Market Capitalization (03-Feb-2020)	INR 235 Bn.
Number of Shares Outstanding	631.13 Mn.

Recognition and Awards

INFORMATION TECHNOLOGY



TGB won the "Cyber Risk Quantification Champion of the Year" by Data Security Council of India (DSCI)

WORKPLACE



Tata Starbucks received awarded as Top #100 Best Companies for Women in India 2019 by Avtar and Working Mother

SUSTAINABILITY



Tata Coffee awarded 'Best Indian Coffee' at 4th Ernesto Illy International Coffee Awards

PRODUCT



Great Taste Awards -Tetley is the highest awarded UK tea brand at the 'Oscars' of the fine Food and Beverages world. 1 Star - delivers fantastic flavour
2 Stars - above and beyond delicious

CSR



DARE School recognised as one of the Best Special Educational Schools in Brainfeed School Excellence Awards 2018

MARKETING



Tata Starbucks has received the Most Admired International Brand Retailer of the Year by MAPIC India.

Sustainability for Value Chain and Communities

Tata Global Beverages aims to support development programs for 1 million people in its supply chain



Trustea spreads sustainable agricultural practices to 500,000 workers



UNICEF's Improving Lives program to reach 250, 000 beneficiaries



Project Jalodari to provide water & sanitation for 5000 community members in Himachal and Assam.



Affordable Healthcare for 100,000 persons in Munnar and Assam



Extended Producer Responsibility (EPR) for 5000 tons plastic waste.
UK Plastics Pact – 100% recyclable, reusable, compostable by 2025

Sustainability for Climate & Business

CLIMATE LEADERSHIP



We are one of the 6 companies in India on CDP A- list

DECOUPLING EMISSIONS FROM GROWTH



Carbon footprint decreased 30% in 2010-19

RENEWABLE ENERGY



12% of the energy in production from solar power

CARBON NEUTRAL



Himalayan for USA is certified Carbon Neutral®

For More Information

**FLAVOURS
OF GROWTH**



www.tataglobalbeverages.com



www.twitter.com/TGBL



www.linkedin.com/company/tata-global-beverages



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