

Investor Presentation

For the quarter and nine months ended December 2021

TATA CONSUMER PRODUCTS

2nd February 2022

A decorative graphic at the bottom of the slide, featuring a wavy, multi-colored band in shades of yellow, green, and blue, with a pattern of small white dots scattered across it.

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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Outlook

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



₹ 11.6K crore consolidated revenue in FY21 with current market cap of ~₹69k* Cr.



Reach almost 200mn households in India and distribute to ~2.6mm retail outlets



Among the top 10 FMCG companies in India



~3000 employees worldwide

01

Executive Summary

Executive Summary

- During the quarter, Consolidated Revenue grew 6% (ex International Foodservice business exits last year)– bringing 2-year CAGR to 13.4%.
- Overall, India business¹ grew 6% led by
 - India Beverages² business growth of 1%, with 6% volume growth
 - India Foods³ business growth of 16%, with 4% volume growth
- International business grew 2%⁴ (-1% in constant currency terms), cycling an elevated base.
- In India Beverages, we have seen improved momentum month-on-month with 5% volume growth in tea during the quarter, bringing 2-year volume CAGR to 8%. We have also seen strong volume growth across the Sampann and Nourishco businesses.
- With tea inflation tapering off, we have seen a strong improvement in India Beverages EBIT margins, up 1110bps YoY. Inflation & investment in new businesses have impacted India Foods margin. We will dynamically manage all lines of the P&L to mitigate this going forward.
- Despite these inflationary pressures, EBITDA margin for the quarter was 14.6%, up 270 bps YoY, and up 70bps QoQ .
- We continued to invest behind our brands, with A&P in India business up 19%.
- In line with our strategic priority of exploring new opportunities, TCPL acquired Tata SmartFoodz Ltd. (TSFL), owner of the brand Tata Q. This will enable us to expand our portfolio into higher margin, value added categories and to cater to the growing consumer need for healthy, tasty and convenient food offerings.
- In order to further simplify our International business, we transitioned to a distributor led operating model in Australia.

¹ Includes India beverages & India Foods business, including NourishCo.

² Including NourishCo revenue, but volume doesn't include Nourishco volumes

³ Including Tata Soufull, Tata Q revenues. Volume doesn't include Soufull/Tata Q volumes

⁴ Like for like, adjusted for the impact of exit from International Foodservice business last year (Empirical in the US+ MAP coffee in Australia)

02

Performance Overview

Key Businesses snapshot – Q3FY22



International Beverages

In ₹ Cr
(unless specified)

	India Beverages	India Foods	US Coffee	International Tea	Tata Coffee (incl. Vietnam)	Consolidated [#]
Revenue	1,278	732	343	553	284	3,208
Revenue Growth	1%	16%	7%	-1%	34%	5%[6%]
Constant currency growth			6%	-5%	34%	4%[6%]
Volume Growth	6%	4%	-2%	-7%	31%	

Key Brands



no airs. no graces. just fine tea.



TATA CO.

Note:

- India Beverages revenue includes India Packaged Beverages + NourishCo (subsidiary effective May'2020), but volume doesn't include Nourishco volumes
- India Foods revenue includes Tata Soufull (subsidiary effective Feb'21) and Tata Q (subsidiary effective Nov'21)
- International tea business includes UK, Canada, USA, Australia, Europe and Middle East (Middle East has been regrouped from India Beverages in FY21 to International tea from FY22)
- Tata Coffee incl. Vietnam and excl. USCoffee (EOC)
- Consolidated revenue includes other non-branded business and Inter-segment eliminations
- # Reported growth, [like for like growth, adjusted for International Food service business exits]

Key Businesses snapshot – 9MFY22



International Beverages

In ₹ Cr
(unless specified)

	India Beverages	India Foods	US Coffee	International Tea	Tata Coffee (incl. Vietnam)	Consolidated [#]
Revenue	3,811	2,149	940	1,506	767	9,250
<i>Revenue Growth</i>	13%	19%	-4%	0%	12%	8%[10%]
<i>Constant currency growth</i>			-3%	-5%	12%	7% [9%]
<i>Volume Growth</i>	4%	12%	-6%	-5%	7%	

Key Brands



Note:

- India Beverages revenue includes India Packaged Beverages + NourishCo (subsidiary effective May'2020), but volume doesn't include Nourishco volumes.
- India Foods revenue includes Tata Soufull (subsidiary effective Feb'21) and Tata Q (subsidiary effective Nov'21).
- International tea business includes UK, Canada, USA, Australia, Europe and Middle East (Middle East has been regrouped from India Beverages in FY21 to International tea from FY22)
- Tata Coffee incl. Vietnam and excl. USCoffee (EOC)
- Consolidated revenue includes other non-branded business and Inter-segment eliminations
- # Reported growth, [like for like growth, adjusted for International Food service business exits] .

Group Performance at a glance – Q3FY22



₹ 3,208 Cr.



₹ 468 Cr.



₹ 401 Cr.



₹ 290 Cr.



₹ 300 Cr.



~₹ 1,891 Cr.

	Revenue	EBITDA	PBT (bei)^	Group Net Profit	Group Net Profit (bei)^	Net Cash\$
Growth (Y-on-Y)	5%[6%]#	28%	34%	22%	24%	
Margin%		14.6%	12.5%	9.0%	9.4%	
Margin expansion (Y-on-Y)		+270 bps	+280 bps	+130 bps	+148 bps	
EPS				2.88 (EPS)		
EPS Growth (Y-on-Y)				+21.5% (EPS)		

[like for like growth net of International food service business exits]

^ before exceptional items

\$ Cash and Cash equivalents (net of total borrowings) as at December 31, 2021

Group Performance at a glance – 9MFY22



₹ 9,250 Cr.



₹ 1,291 Cr.



₹ 1,105 Cr.



₹ 776 Cr.



₹ 802 Cr.



~₹ 1,891 Cr.

	Revenue	EBITDA	PBT (bei)^	Group Net Profit	Group Net Profit (bei)^	Net Cash\$
Growth (Y-on-Y)	8%[10%]#	3%	2%	-9%	-1%	
Margin%		14%	11.9%	8.4%	8.7%	
Margin expansion (Y-on-Y)		-67 bps	-66 bps	-161 bps	-79 bps	
EPS				7.79 (EPS)		
EPS Growth (Y-on-Y)				-11% (EPS)		

[like for like growth net of International food service business exits]

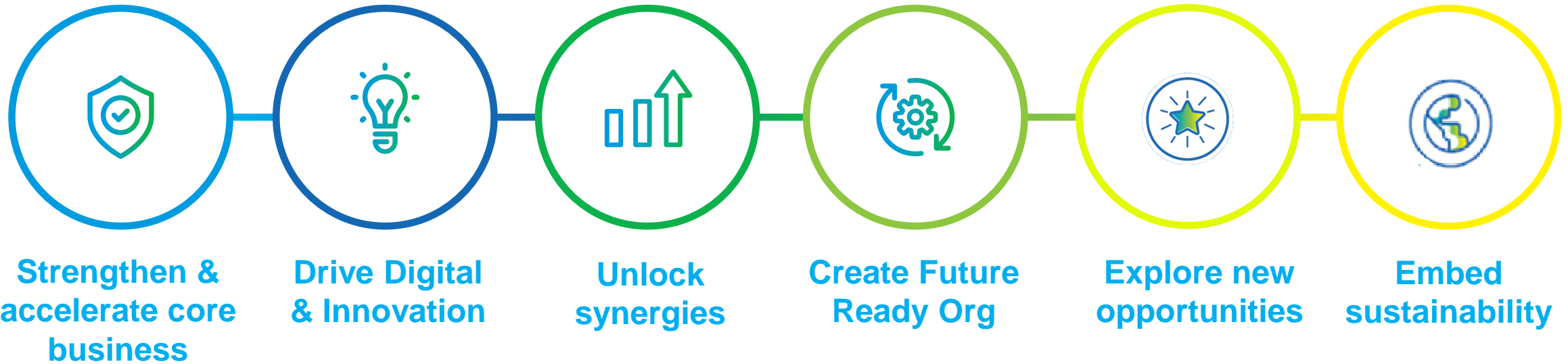
^ before exceptional items

\$ Cash and Cash equivalents (net of total borrowings) as at December 31, 2021

03

Progress against Strategic Priorities

Strategic Priorities





Strengthening the core – India Packaged Beverages



Tata Tea Agni relaunch - new Agni TVC with 3 Lead protagonists of Indian Hockey Team

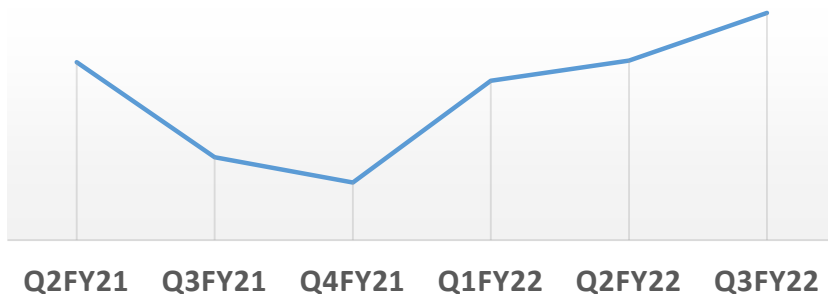


Tata Tea Chakra Gold new TVC is a toast to 'Ghanam' taste of Andhra Pradesh and Telangana, a land that loves everything fully loaded



Chakra Gold became the co sponsor of Big Boss TN – biggest reality TV show in the state

EBIT margin - India Beverages¹ coming back



¹ Includes Nourishco

² Branded tea market share, Source: Nielsen – Value share, OND'21 vs OND'20



Coffee volume



+65% YoY in Q3FY22



TTG care as % of TTG



5.2% in Q3FY22

Market share



Tea +89bps²



Strengthening the core – India Foods



Tata Salt Superlite
new digital films
creating awareness
on BP management
and lower sodium
intake



Tata Sampann Staples:
Strengthened our leadership in
branded Poha category on E-
Commerce channels by driving
consumer upgradation and
conversion to the larger pack
SKU and building consumer
stickiness



Salt volume growth bouncing back post price increase



Dec'21 volume highest in FY22



Sampann Volumes



+39% YoY in Q3FY22

Market share



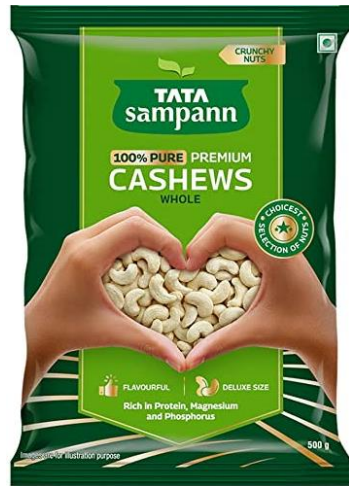
Salt +476 bps¹

¹ Source: Nielsen – Value share, Salt, OND'21 vs OND'20



Continuing to focus on innovation – 1/2

Tata Sampann Dry Fruits



Tata Sampann Dry Fruits offer 100% Pure range of premium Nuts - cashews, almonds, pistachios and raisins

Tata Coffee Quick Filter



Filter coffee like taste in an instant coffee powder format

Tata Soufull No Maida Choco Ragi Bites



Ragi bites chocos now with no refined flour in a Rs 10 pack

Shuddh by Tata Salt



South first launch with a consumer-winning packaging design and equity of TATA brand name



Continuing to focus on innovation -2/2

1868 by Tata Tea



Launched 8 new variants of 1868 range of premium teas

Tata Tea Adrak Chai



Launched a new variant of Tata Tea Agni with adrak (ginger)

Tata Nature Alive



Launch of Mass Premium Natural Mineral Water to complement our existing range



Another strategic addition to our portfolio – Tata Q



- In line with our strategic priority of exploring new opportunities for growth, TCPL acquired Tata SmartFoodz Ltd. (TSFL), the owner of the brand “Tata Q” in November’21.
- TCPL has gained access to state-of-the-art MATS technology and TSFL’s in-house manufacturing and R&D capabilities.
- Will enable TCPL to capitalise on emerging consumer trends and growing demand for wholesome, convenient and trusted food items.
- TCPL would refresh and enhance the existing product portfolio. The technology can also be leveraged to create a strong pipeline of value-added products in other parts of TCPL’s food business.
- The category is expected to grow at a significant pace in India and presents a sizeable opportunity in overseas markets.
- Will capitalize on TCPL’s strength in Modern Trade and Ecommerce in India and its global presence to service a sizeable and fast-growing exports market (USA, Canada, UK and Australia account for majority of exports of RTE products - strong overlap with TCPL’s international footprint).
- Significant scope to also unlock synergies across procurement, manufacturing and logistics, among other functions.



Tata SmartFoodz integration update

Key Highlights (Nov'21 – Jan'22)



Sales & Operations Planning (S&OP) processes harmonized



Integration of **distribution network near completion** – TCPL domestic & international network being leveraged



Integrated organization structure completed; HR policies to be harmonized by April '22



~ **90%** critical **integration processes** completed across **10** functions; other synergy realization initiatives (e.g. sourcing) underway



Sales IT integration completed; Back-end IT (SAP) integration to be completed by Q1 FY23

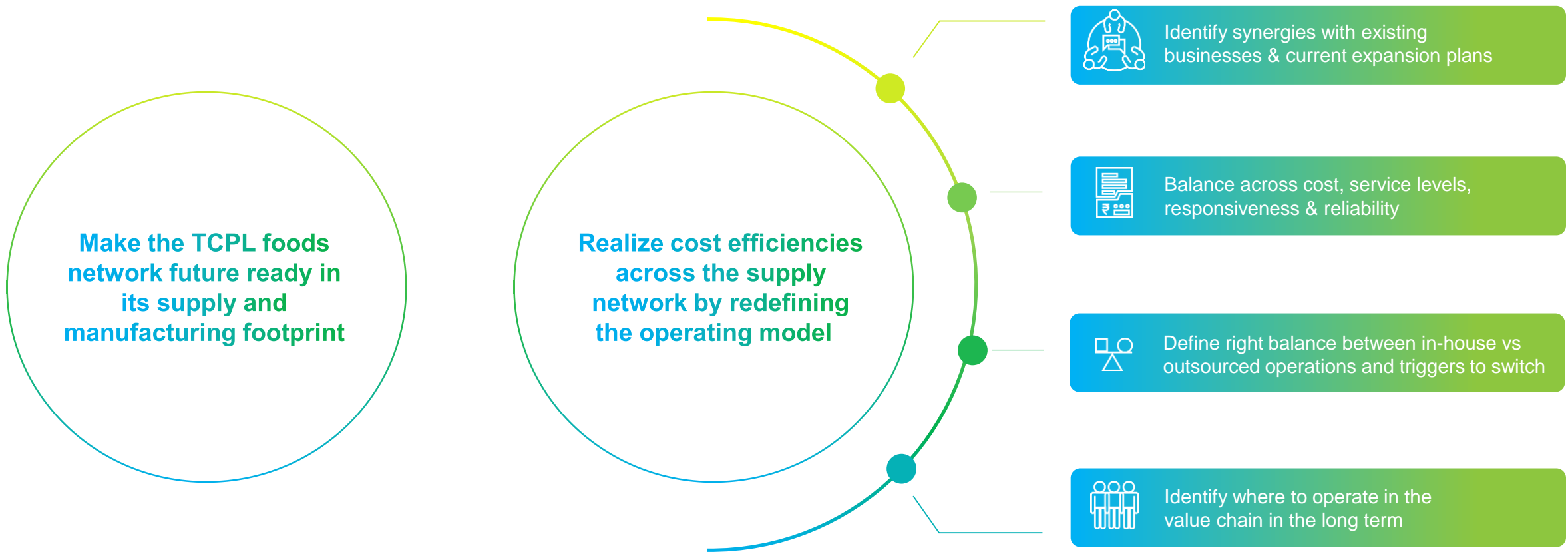


Leveraging manufacturing facility for cost savings/portfolio expansion - WIP



Network optimization

Network optimization and operating model design for the foods 3P network





Dynamically managing P&L

Inflationary pressures



Freight



Packaging



Energy & other key input costs



Additional investment in our new businesses

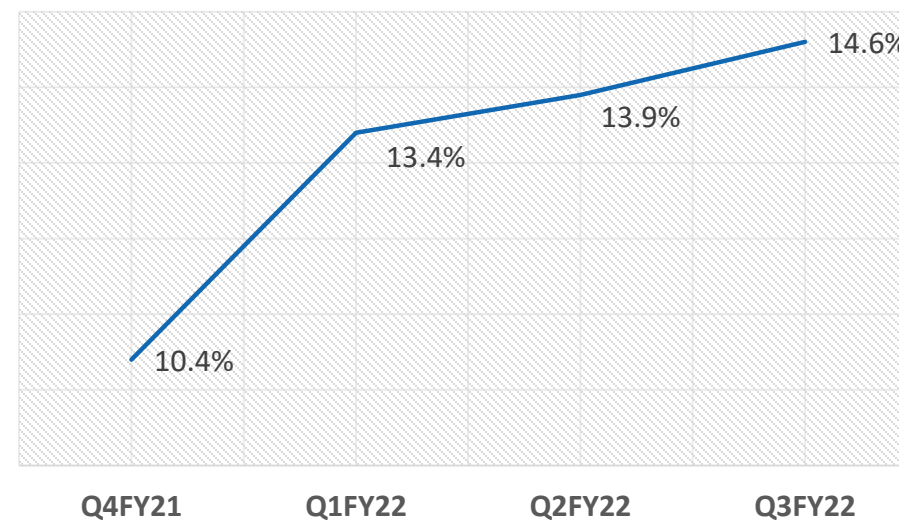


Still delivering improved EBITDA margins* QoQ

Pricing

Cost saving initiatives & rationalization of discretionary spends

Improved mix



* Consolidated EBITDA margin for the Group

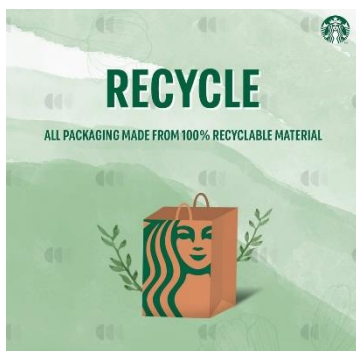


Key business contribution towards sustainability



Sustainability at Starbucks

Tata Starbucks embarks on building a sustainable future by taking meaningful steps and using the 3'R's – Recycle, Reduce and Reuse



TATA COFFEE LIMITED

Tata Coffee received the Sustainable Agriculture Award at the annual Federation of Indian Chamber of Commerce and Industry (FICCI) Agriculture Summit Awards 2021 under the 'Large Corporate' category for significant on-ground interventions in sustainable agriculture development



Project Jalodari



Tata Consumer Products received 'Jury Special Award' under 'Beyond the Fence' category for Project Jalodari, our flagship water management programme at CII National Awards for Excellence in Water Management 2021



Srishti Trusts



Awarded the CO 2022 Leadership award

Srishti Trusts received CO 2022 Leadership award organized by Aranya Naturals which rewards excellence in sustainable fashion business. Srishti trust emerged as a winner amongst hundreds of applicants for commitment across 6 leadership award criteria .

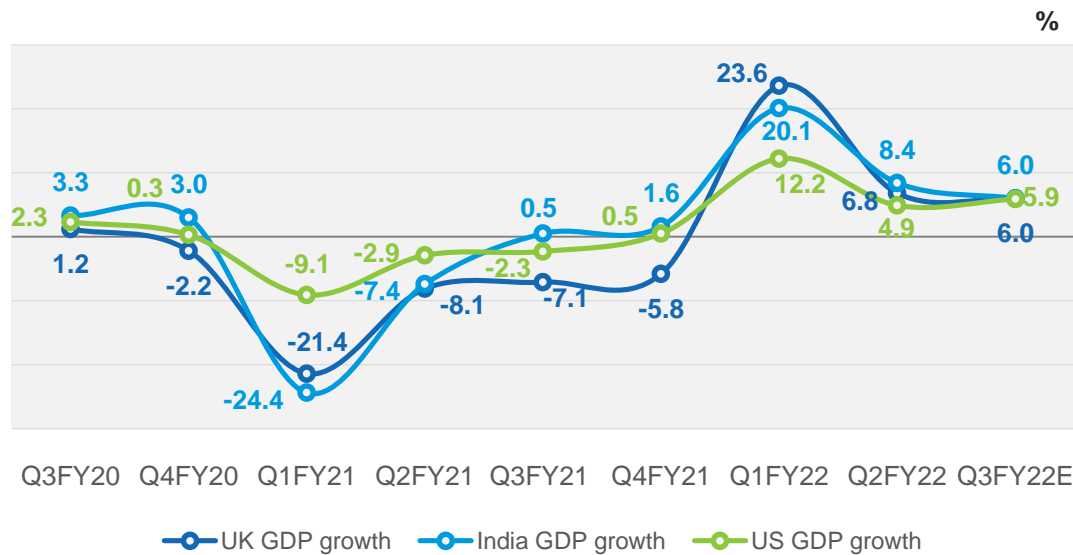


04

Macro environment

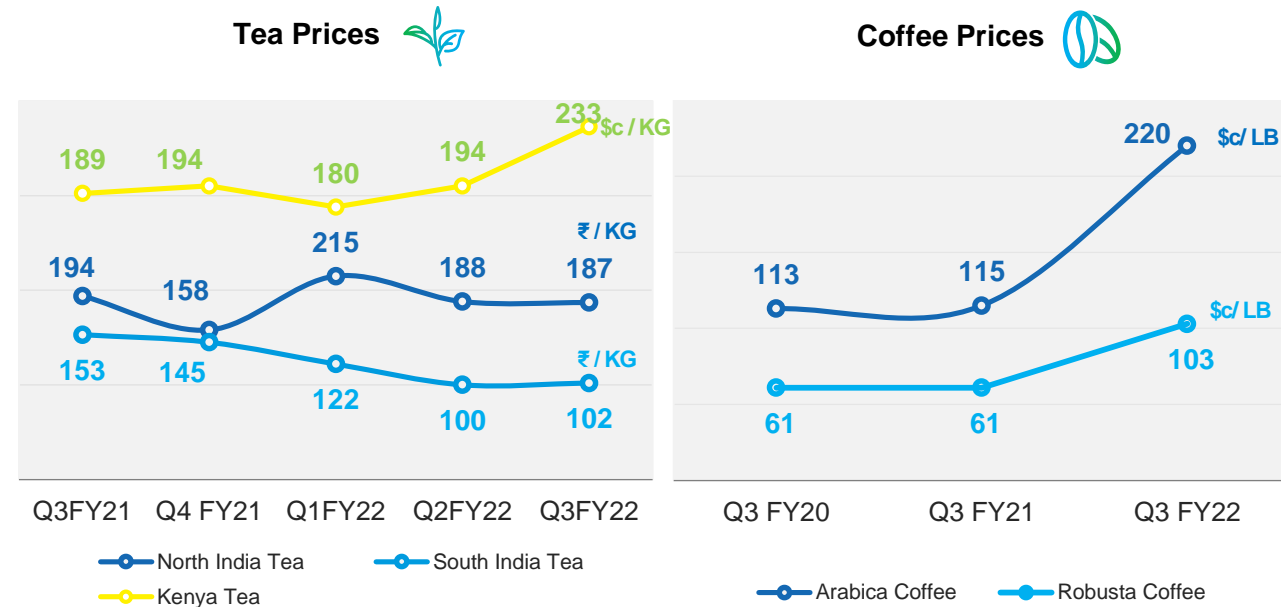
Macro and commodity overview

Global GDP growth trend



- India's GDP growth estimates for Dec quarter remain strong due to the pent-up demand and normalized economic activity. However, the emergence of third wave of COVID and persistent high inflation pose some challenges going forward.
- US & UK GDP growth estimates are also strong with strength in manufacturing output, rebound in home construction, improving labor market conditions and robust household spending despite high inflation and persistent COVID-19 infections.

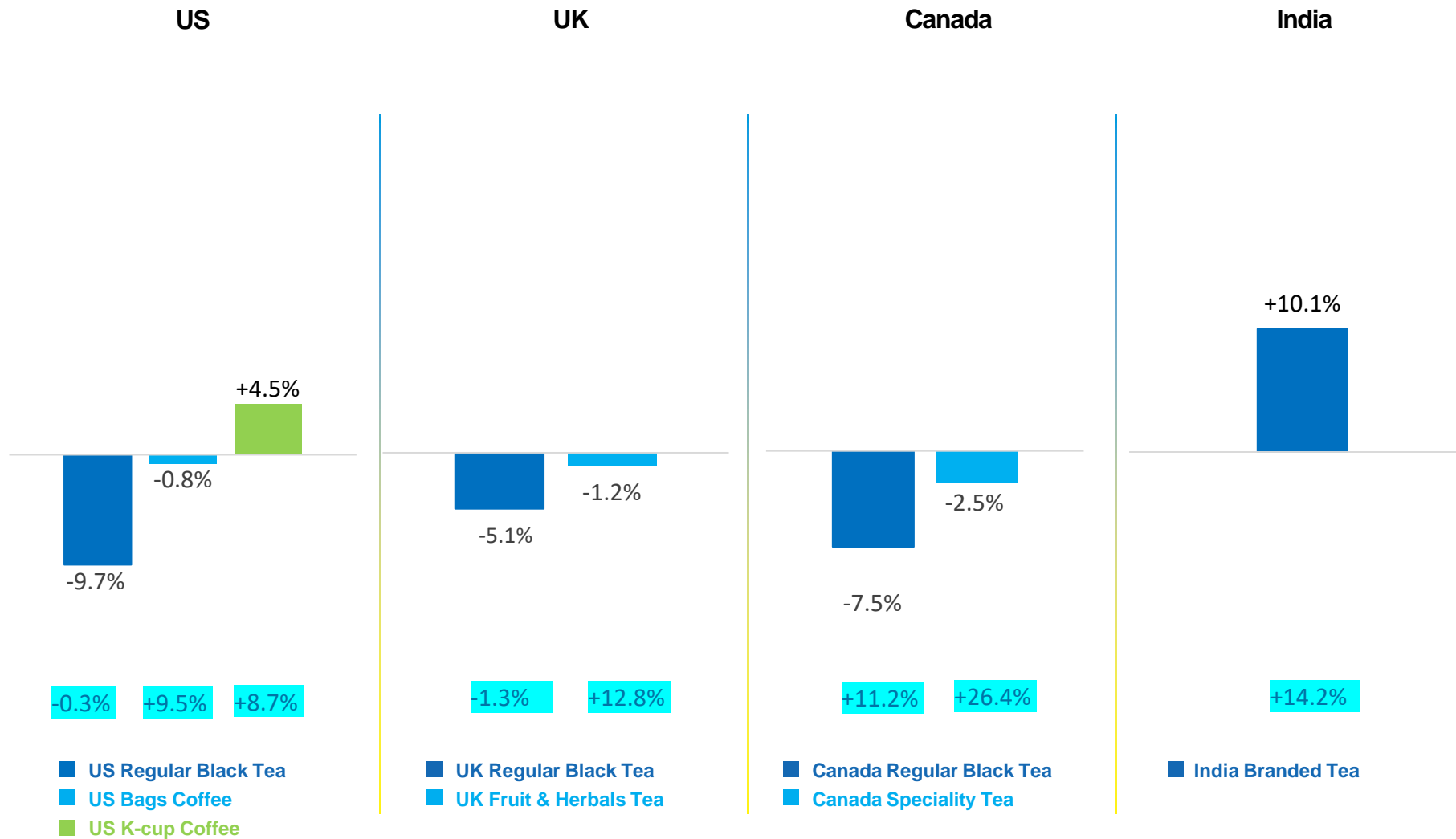
Commodity price trend



- The tea prices in India have remained range bound but continue to be higher than pre-covid levels
- Kenya tea prices saw an uptick QoQ and YOY led by minimum reserve regime introduced by the Government.
- Both Arabica and Robusta coffee prices continued to soar amidst global cues and were significantly higher YOY and QOQ

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

Market context – category value growth rates



- Regular black tea category witnessed decline in the US and the UK. In Canada, Regular black tea saw a decline due to lapping a high base led by COVID induced pantry loading.
- Non-black tea (Fruit & Herbal, Specialty, Decaf, Cold Infusions, etc.) declined in the UK and Canada due to an elevated base that saw higher in-home consumption.
- India branded tea category growth was driven by pricing as volume declined 1.6% during the quarter; however there has been an improving trend month-on-month.
- US Coffee (both Bags and K-cups) was lapping a high base quarter and K-Cups continued to outpace the category in line with the ongoing trend.

Source: Nielsen: 12 weeks (Value) – Dec'21

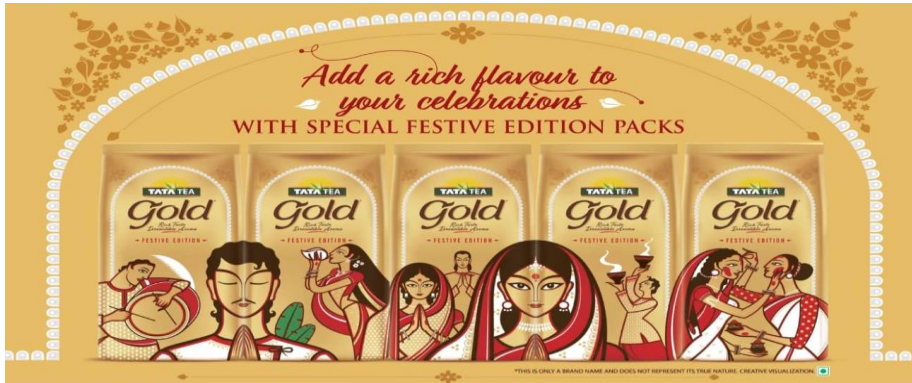
Base period growth rates



05

Business performance – India Q3FY22

India Packaged Beverages



Tata Tea Gold Festive Edition series exclusively designed to bring alive the joy of Durga Puja. The uniquely designed five-pack series celebrated the 5 special days and the associated rituals.



Tata Tea Agni pack along with Tata Tea Elaichi & Tata Tea Leaf were restaged in line with TT Agni Masterbrand architecture.

-1%
Revenue Growth

+6%

Volume Growth¹

+160bps
Market Share gain²

Performance commentary

- Revenue for the quarter declined 1%, despite a 6% volume growth driven by pricing. This brought 2-year Revenue CAGR to 19% and 2-year Volume CAGR to 8%.
- EBIT Margin for the segment has come back, expanding 1100bps YOY
- Coffee volumes grew 65%, albeit on a small base.
- Continually outpacing the tea category in E-commerce channel.

Other updates

- Kanan Devan gaining consistent shares in Tamil Nadu and Karnataka supported by 360-degree marketing campaigns.
- Reinforcing health and wellness proposition of Tetley Immune, with sustained on air campaign and in-store visibility.
- Tata Tea Chakra Gold launched in Karnataka

¹ Volume growth includes tea & coffee

² Source: Nielsen – Value share, Moving Annual Total (MAT) Dec'21 vs Dec'20

India Foods



Launch of Shuddh by Tata Salt – a South-first Solar Salt brand



Entered a new category – with the pilot of Tata Sampann Dry-fruits

+16%
Revenue Growth¹

+4%
Volume Growth

+407bps
Market share gain in salt²

Performance commentary

- Revenue for the quarter grew 16%, with a volume growth of 4%, bringing 2-year Revenue CAGR to 17%.
- Salt portfolio continued to grow double digit during the quarter.
- Premium salt portfolio grew by 29% by value.
- Tata Sampann portfolio grew strong double digits led by strong performance in pulses, besan and poha.
- EBIT margin for the quarter was impacted by inflation and higher investments behind new businesses.

Other updates

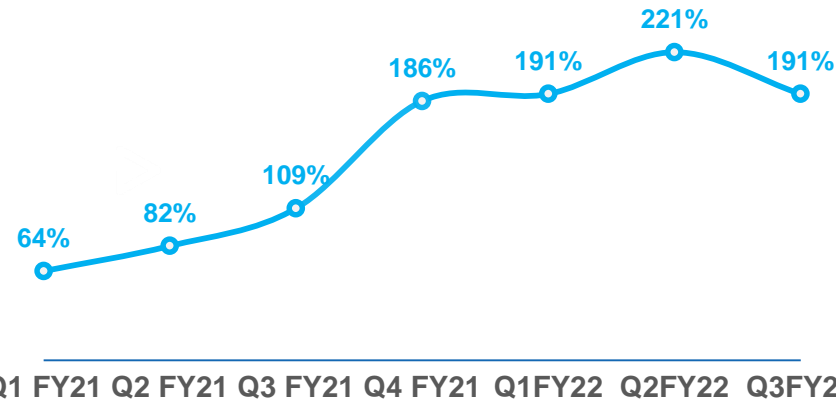
- Tata Salt Superlite launch extended to GT post encouraging results in MT and E-commerce channels
- First new brand launch from the Tata Salt stable in a decade – Shuddh – a solar salt in select markets to strengthen our mid-tier portfolio play.

¹ Includes Soufull, Tata Q, not included in the base quarter

² Source: Nielsen – Value share, Moving Annual Total (MAT) basis Dec'21 vs Dec'20

NourishCo (100% Subsidiary)*

Sales as a % of PY



72Cr
Revenue

+91%

Revenue growth

2.8x

Tata Copper Water[#]

Performance commentary

- Revenue for the quarter grew 91% bringing 2-year CAGR to 53%.
- The growth has been strong across products and geographies.
- Himalayan water turned EBIT positive, after breaking even last quarter.
- Several cost saving initiatives have been undertaken to offset inflation in commodity cost and freight rates.

Other updates

- Tata Fruski launched in new markets - Odisha, Bihar, Delhi NCR, UP and West Bengal after receiving strong response in pilot phase.
- Tata Nature Alive launched in select markets in North as a Mass Premium Mineral Water, to complement our existing range.
- TGP Jelly continues to drive high offtakes led by distribution expansion and increased on-ground activities.

[#] 182% YoY revenue growth in Q3



Tata Water Plus rebranded as Tata Copper Water to underscore its differentiation of added copper



Launch of Tata Nature Alive as a Mass Premium Natural Mineral water in select markets

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



Tata Coffee's Jumboor estate won two acclaimed awards – 'India's Best Coffee' and 'Best of the Best' – overall best coffee in the world, at the Ernesto Illy International Coffee Awards 2021. This was the **first time** that an estate from India won this prestigious award.

Tata Coffee won the FICCI Sustainable Agriculture Award-2021, for on-ground interventions undertaken to conserve Soil and Water at the plantations.



+33%#
Revenue Growth

+22%
Plantations
Revenue Growth

+36%
Extractions
Revenue Growth

Performance commentary

- Revenue for the quarter grew 33% as both extractions and plantations business grew strongly.

Plantations

- Growth driven by higher realization in coffee prices & pepper prices, that more than offset a decline in tea plantation revenue.

Extractions

- Overall extraction business grew 36%, despite challenges in shipping and container availability.
- Vietnam plant continued to operate at 98% capacity utilization, despite rising number of COVID cases in the country. Vietnam sales grew 17% led by premiumization and higher volumes.

Other updates

- OHSSAI Foundation, a not-for-profit organization, led by the Heads of HSE and Sustainability, Directors and CXOs of reputed companies recently awarded 4 of the units and Plantations with Gold and Silver Star awards for implementing best practices towards Safety and Sustainability.
- Cost optimization projects – Lean, Kaizen are yielding good results

Tata Coffee performance above includes Vietnam. Does not include EOC

Tata Starbucks (JV)



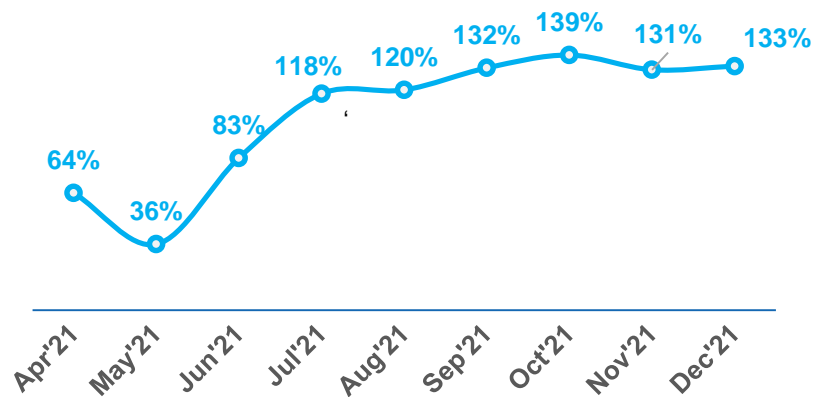
Starbucks launched its first ever Nitro Cold Brew store in India, operated solely by women baristas



Starbucks 190 promotion on delivery worked very well in attracting new customers and led to highest ever sales on delivery platform

Strong sequential recovery

Sales indexed to FY20 baseline



94%*
Stores reopened

246
Total Stores

19
Cities

Performance commentary

- Revenue for the quarter grew 60% on a relatively low base; it grew 37% indexed to Q3FY20 (baseline).
- Revenue saw strong recovery since the opening-up post second wave of COVID, but third wave is now creating operating challenges again.
- Dec'21 Same Store Sales came back to 100% indexed to Dec'19.
- Added 13 new stores during the quarter and entered two new cities – Trivandrum and Siliguri.
- Tata Starbucks was EBITDA + and close to PAT breakeven during the quarter.
- Tata Starbucks recorded its best ever Diwali season.

Other updates

- Introduced first ever 'Bake-In store' format in Mumbai, offering a delicious menu of freshly baked items inside the store.
- Celebrated Gandhi Jayanti with a Reusable cup day initiative; our effort towards a sustainable future which registered highest ever sales since inception.

* As of end of Dec '21



06

Business performance - International

UK



Rolled out a new National TVC 'for the love of tea, for the love of Tetley' evoking the culture of drinking tea and trust in Tetley's long-standing heritage



Celebrated 15 years of Teapigs - distributed free tea samples creating huge buzz across social media



Good Earth Kombucha and Good Energy listing at WH Smith

-4%
Revenue Growth[^]

-3%
Teapigs revenue Growth[#]

19.4%
Value Market share*
(in everyday black)

Performance commentary

- Revenue for the quarter declined 4% (ex-Teapigs, constant currency) led by softness in everyday black category.
- Specialty OOH and mainstream OOH channels saw strong growth during the quarter.
- Tetley F&H (led by Supers), Teapigs and Good Earth continued to gain share.
- Teapigs declined 3%, cycling an elevated base quarter which had 32% revenue growth.

Other updates

- Good Earth Kombucha cans and Good Energy RTD rolled out in WHSmith Travel Stores – high traffic locations in train stations/airports to drive visibility and trials.
- Launched Tetley on the D2C channel.
- Continued building Good Earth brand in H&W space, through social media influencers and by sponsoring relevant events.

[^] Constant currency ex Teapigs business [#] Constant currency growth
* Source: Nielsen – Value share, Moving Annual Total (MAT) basis – Dec'21

USA



Range extension of Flavors of America platform with introduction of new SKUs :

- Pennsylvania Dutch Butterscotch
- Colorado Rocky Road



Fun and quirky characters on Tetley British Blends packs launched during the holiday season

+6%
Coffee Revenue Growth[^]

Flat
Tea Revenue Growth[^]

4.4%
*Coffee Bags Market Share

Performance commentary

- **Coffee:** Revenue for the quarter grew 6% (constant currency), with growth across bags and K-cups.
- **Tea (ex Empirical):** Revenue for the quarter was flat (constant currency) due to pantry stocking that led to 18% growth in the base quarter.
- All Innovations seeing strong performance led by Barista blends and all K-cup NPDs.
- Teapigs continues to see strong growth outpacing the specialty category.
- Ecommerce saw strong growth for both our coffee and tea portfolio.

Other updates

- Recent innovations in coffee - Barista Blends, Flavors of America, Café Arriba gaining traction driven by increased distribution.
- Innovations in Tetley (Irish breakfast) and Good Earth (Sensorial and Sweet and Spicy) performing well with marketing support and improved distribution.

[^] Constant Currency, excluding Foodservice (Empirical)
Source: *Nielsen – Value share, Moving Annual Total (MAT) basis – Dec'21

Canada



Supporting Super Tea line with integrated campaign including TV sponsorship, digital and social media



For 8 years in a row!



-2%
Revenue Growth[^]

-10%
Revenue growth in Specialty tea[^]

28.2%
*Market share

Performance commentary

- Revenue for the quarter declined 2% (constant currency) due to a high base last year (Q3FY21 was up 24%). Regular tea grew 2%.
- Tetley regular continued to gain share* outpacing the category.
- Specialty tea declined 10%, lapping an elevated base that saw 41% growth last year.

Other updates

- Tetley emerged as “Most Trusted Tea Brand 2022” - Reader’s Digest, for the 8th consecutive year
- Limited edition ‘Be Still’ Tetley packs in collaboration with Sasha Exeter garnered strong social media, PR impression and created buzz
- E-commerce channel saw strong performance with listing of new SKUs and several initiatives to drive awareness, engagement and traffic to online marketplaces.

[^] Constant Currency
Source: *Nielsen – Value share, Moving Annual Total (MAT) basis – Dec’21

Awards & recognition



1. Best Corporate Website and Annual Report

Tata Consumer Products won the 4th edition of India Content Leadership Awards 2021 organized by InksPELL for the Best Corporate Website and Integrated Annual Report

2. Great Place to Work

TCPL got recognized by the Great Place to Work which reinforces our efforts on a journey of building and sustaining a High-Trust and High-Performance Culture



3. Most Purposeful Brand

Tata Tea emerges as the 'Most Purposeful Brand' in Kantar report 2021 in FMCG category. The report showcases how brand exhibit a clear sense of purpose from consumer standpoint and bolder social stance adopted during pandemic

4. Operational Excellence

Indore packaging center won a silver medal at 3rd CII FACE Kaizen Digital Competition. The team successfully presented the title 'System upgradation in the old ceka machine' amidst stiff competition from other national players



5. Manufacturing Competitiveness

Indore packaging center won the gold award in QCFI-2021 Bhopal Chapter convention. QCFI is an industry recognized institution representing the Quality Circle Movement in India

6. Performance Management

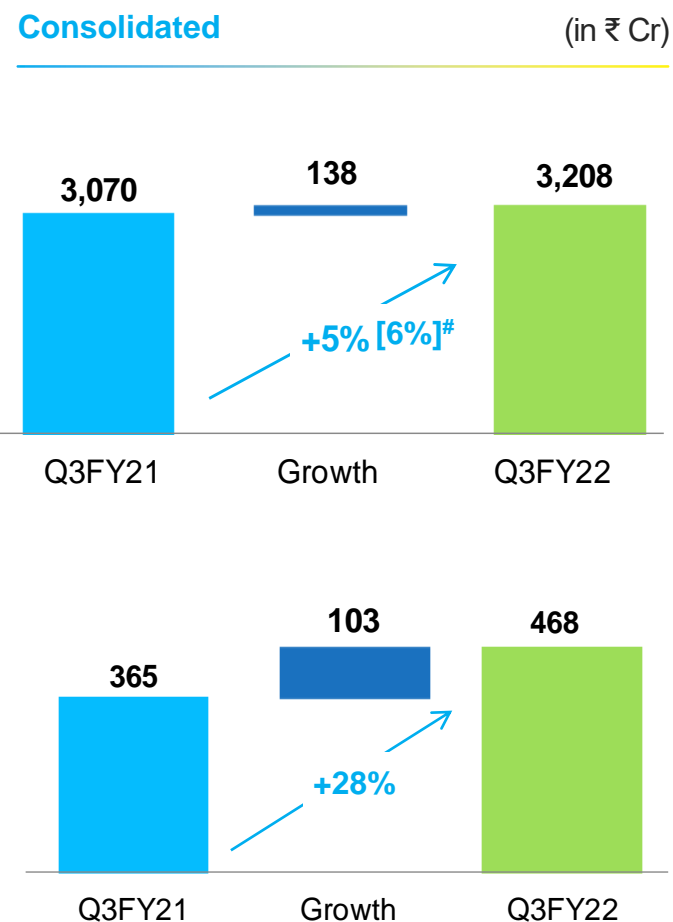
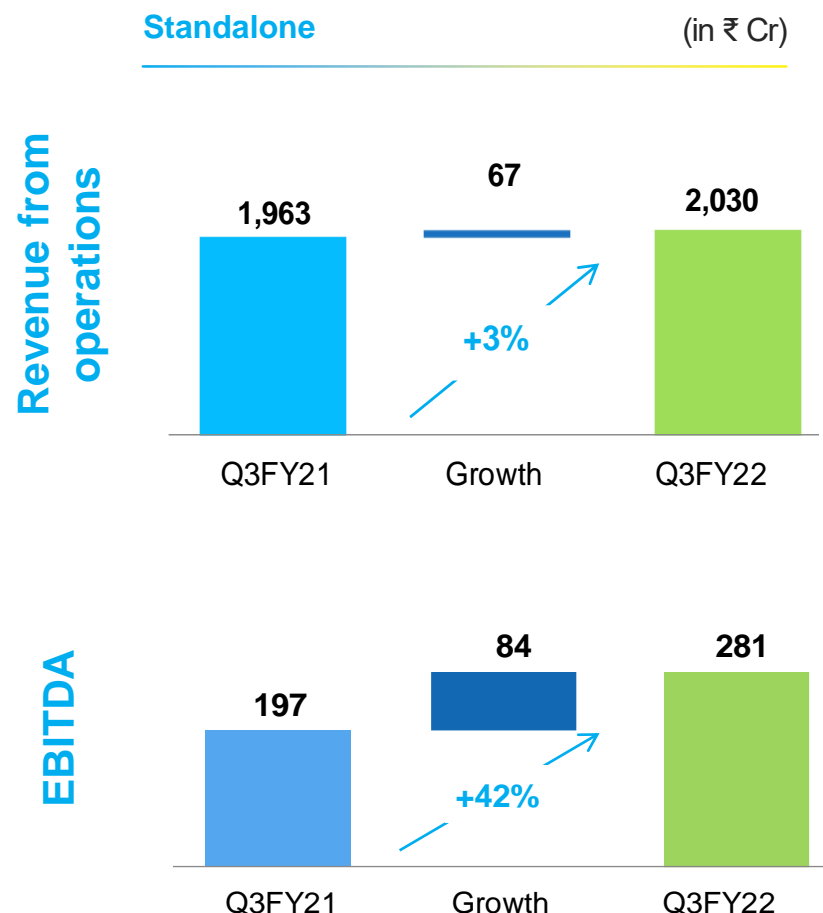
ICD Toopran (Tata Coffee) was awarded HR Achievers Gold Award -2021 for third consecutive year in the Best in Performance Management Review Process category by the Telangana Chambers of Commerce and Industry.



07

Financial Performance

Highlights – for the quarter ended Dec'21



REVENUE:

Growth in Topline, net of exits +6% (at constant currency +6%),

- India Branded Business +5%
- International Business flat, in constant currency terms, net of exits
- Non branded +26%, driven by Tata coffee extractions and plantations

EBITDA:

Group EBITDA grew by +28%

- Gross Margin improvement in India Beverages partly offset by inflation & investments in India Foods
- Improved performance in Int'l Business

[like for like growth net of International food service business exits]

Financials: Standalone

Quarter ended Dec'21			Profit and Loss statement (all nos. in ₹ Crores)	Year to date Dec'21		
Q3FY22	Q3FY21	Change %		9M FY22	9M FY21	Change %
2,030	1,963	3 %	Revenue from operations	5,984	5,304	13 %
281	197	42 %	EBITDA	823	777	6 %
13.8 %	10.0 %		%	13.8 %	14.6 %	
245	165	49 %	EBIT	717	684	5 %
12.1 %	8.4 %		%	12.0 %	12.9 %	
261	183	43 %	PBT before exceptional items	895	768	17 %
(9)	(6)		Exceptional items	(17)	(47)	
(65)	(40)		Tax	(199)	(183)	
187	136	38 %	PAT	680	538	26 %
9.2 %	6.9 %		%	11.4 %	10.1 %	

Profit after tax on a standalone basis for the quarter improved by 38% YoY on account of following :

- Gross margin improvement that was partly offset by
- Higher investment behind brands and higher other expenses, led by inflation.

Financials: Consolidated

Quarter ended Dec'21			Profit and Loss statement (all nos. in ₹ Crores)	Year to date Dec'21		
Q3FY22	Q3FY21	Change %		9MFY22	9MFY21	Change %
3,208	3,070	5 % ¹	Revenue from operations	9,250	8,565	8 % ²
468	365	28 %	EBITDA	1,291	1,253	3 %
14.6 %	11.9 %	%		14.0 %	14.6 %	
398	300	32 %	EBIT	1,085	1,064	2 %
12.4 %	9.8 %	%		11.7 %	12.4 %	
401	298	34 %	PBT before exceptional items	1,105	1,080	2 %
(13)	(6)		Exceptional items #	(33)	33	
(100)	(55)		Tax	(282)	(253)	
288	237	21 %	PAT	790	860	(8) %
9.0 %	7.7 %	%		8.5%	10 %	
290	237	22 %	Group Net Profit (incl. JVs & Associates)	776	856	(9) %

Group Consolidated Net Profits for the quarter grew 22% YoY on account of following :

- Revenue growth in both branded and Non-branded business
- Gross Margin improvement in India Beverages
- Improved performance in International Business
- Higher exceptionals and higher taxes for new investments

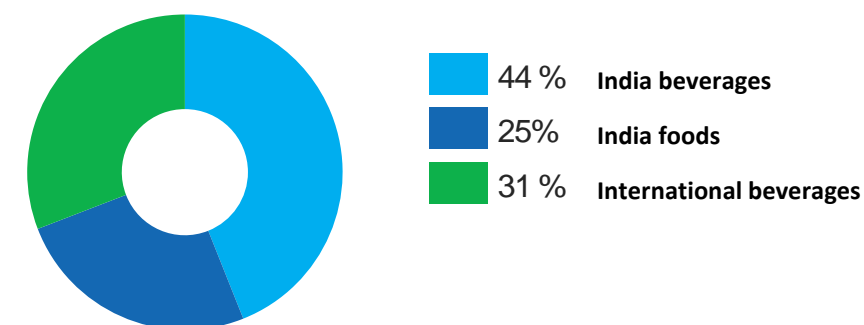
¹ like for like growth net of International food service business exits in Q3FY22 was 6%

² like for like growth net of International food service business exits in 9MFY22 was 10%

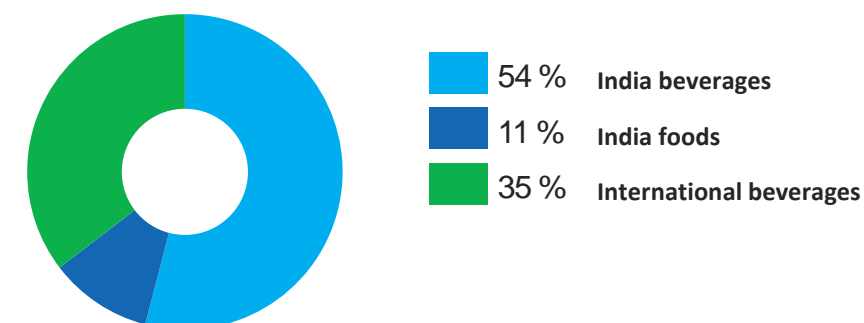
Segment-wise Performance

Particulars	Segment Revenue			Segment Results		
	Q3 FY22	Q3 FY21	Change (%)	Q3 FY22	Q3 FY21	Change (%)
₹ Cr						
India Beverages	1,278	1265	1%	220	77	185%
India Foods	732	631	16%	43	93	(54)%
International Beverages	897	937	(4)% ¹	144	125	16%
Total Branded business	2,907	2,833	3% ²	407	295	38%
Non branded business	312	246	27%	23	20	14%
Others / Unallocated items	(11)	(9)		(43)	(23)	
Total	3,208	3,070	5% ³	388	292	33%

Revenue - Branded business



Segment results – Branded business



1. Like for like revenue growth for International business, net of International food service business exits – marginal decline
2. Like for like revenue growth for Overall branded business +2% in constant currency
3. Like for like revenue growth for Total Group +6% in constant currency



08

Outlook

Outlook

Macros

- Third wave of COVID is underway in India, although it is less severe, some impact on business continues. We are hoping for a fast economic recovery this time, but Inflation remains a concern.
- The demand environment in our key International markets (US, UK, Canada) will remain volatile until the current wave subsides.

Business

- We have continued to deliver competitive growth in our core businesses - gaining market share both in tea and salt.
- India Packaged Beverages has seen a return to normalised margins, and this should continue. In terms of growth, we will be lapping an extraordinary base next quarter.
- India Foods business has continued to see share gains and volume growth in Salt and Sampann; the momentum should continue. However, inflation and investments in new businesses could have an impact on margins in the short term.
- Inflationary trends in the India business will be tackled through dynamic P&L management.
- Our Out Of Home businesses i.e. both Starbucks & NourishCo saw robust growth, but the third wave of COVID presents short term headwinds. We remain optimistic about a quick normalisation.
- In the US coffee business, we are taking price increases to mitigate commodity inflation.
- We will continue to work with Tata SmartFoodz team to drive efficiencies, unlock synergies and launch new products swiftly.
- We will continue to work on structural simplification in the International business.

Thank You

For more information

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



tataconsumer.com



TataConsumer



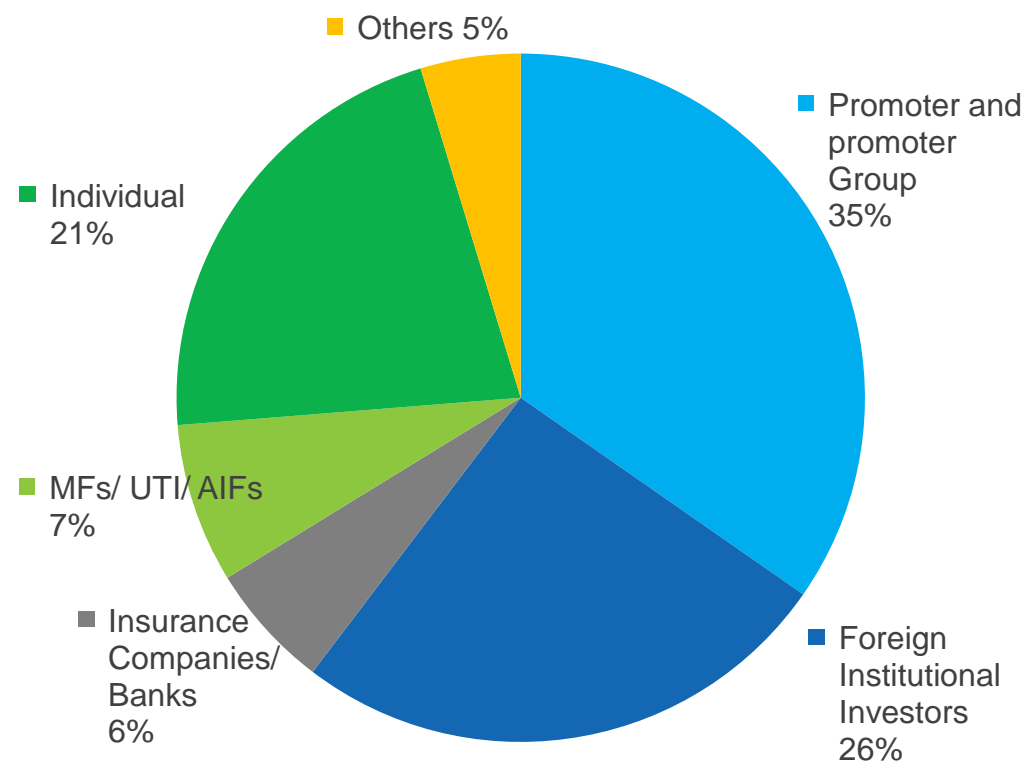
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Shareholding information

Pattern as on 31st December, 2021



Stock data

BSE Ticker	500800
NSE Ticker	TATACONSUM
Market Capitalization (Dec 31, 2021)	₹ 685.1 bn
Number of Shares Outstanding	921.6 Mn.