



August 27, 2018

**National Stock Exchange of  
India Ltd.**

Exchange Plaza, 5<sup>th</sup> Floor,  
G Block, Bandra-Kurla Complex,  
Bandra East, Mumbai – 400 051  
Scrip Code: TATAGLOBAL

**BSE Ltd.**

Corporate Relationship Dept,  
1<sup>st</sup> Floor, New Trading Wing,  
Rotunda Building, PJ Towers,  
Dalal Street, Mumbai – 400 001  
Scrip Code : 500800

**Calcutta Stock Exchange  
Association Ltd.,**

7, Lyons Range,  
Kolkata – 700 001  
Scrip Code : 10000027 (Demat)  
27 (Physical)

**Sub: Presentation made at the Analyst's Meet**

Dear Sirs,

Further to our letter dated August 23, 2018, Pl. find enclosed the Presentation which is being made at the Analyst's Meet in Mumbai today.

A copy of the presentation is being uploaded on the Company's website [www.tataglobalbeverages.com](http://www.tataglobalbeverages.com)

This is for your information and records.

Yours Sincerely

For **TATA GLOBAL BEVERAGES LIMITED**

Neelabja Chakrabarty  
Company Secretary

*Encl : as above*

**TATA GLOBAL BEVERAGES LIMITED**

11/13 Botawala Building 1<sup>st</sup> 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](mailto:investor.relations@tataglobalbeverages.com)

Website address – [www.tataglobalbeverages.com](http://www.tataglobalbeverages.com)

# INVESTOR PRESENTATION

## QUARTER 1 FY 18-19



# TATA GLOBAL BEVERAGES

# 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

## AGENDA

KEY HIGHLIGHTS  
OF THE QUARTER

REGIONWISE  
PERFORMANCE

FINANCIAL  
OVERVIEW

# Key Highlights for the quarter



## Opportunities

- ✓ Improvement in operating performance aided by topline growth across branded businesses
  - ✓ India branded business grows 6%, led by volume growth of 8%
  - ✓ Green tea in India rebounds post campaign – gains 5.7% volume and 5.9% value market share
  - ✓ Top line improvement in EOC - 37% aided by Keurig direct sales
  - ✓ Growth in UK top line 6%, reflected through increase in our market share
- ✓ Good performance by Associates and JV's

## Challenges

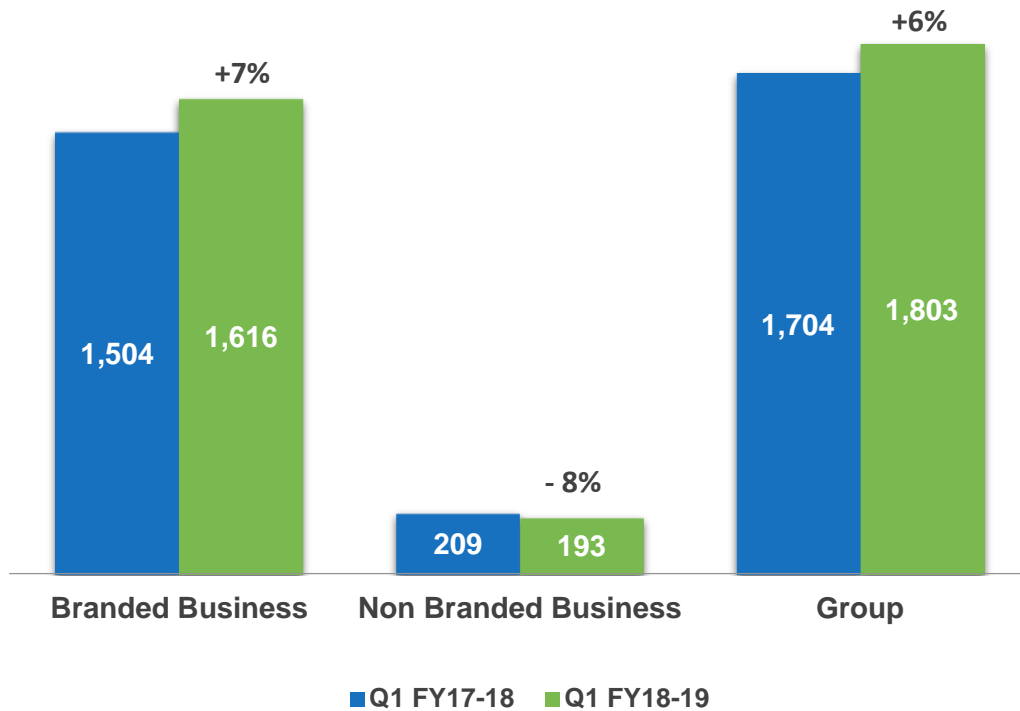
- ✗ Highly competitive intensity and declining black tea categories in Developed Markets
- ✗ India market – competitive headwinds
- ✗ Higher tea commodity cost in India
- ✗ Further improvement in performance of Tata Coffee Ltd to counter lower commodity price environment



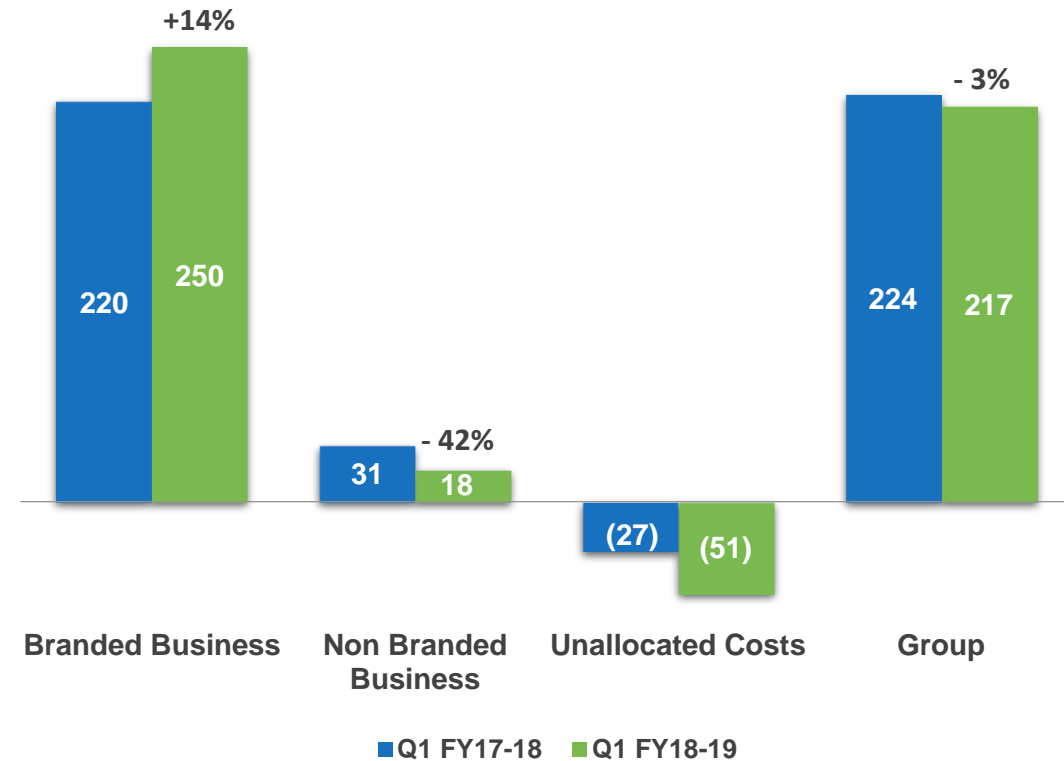
# Consolidated Financials – Quarter ended 30<sup>th</sup> June 2018



## Revenue (in INR cr)

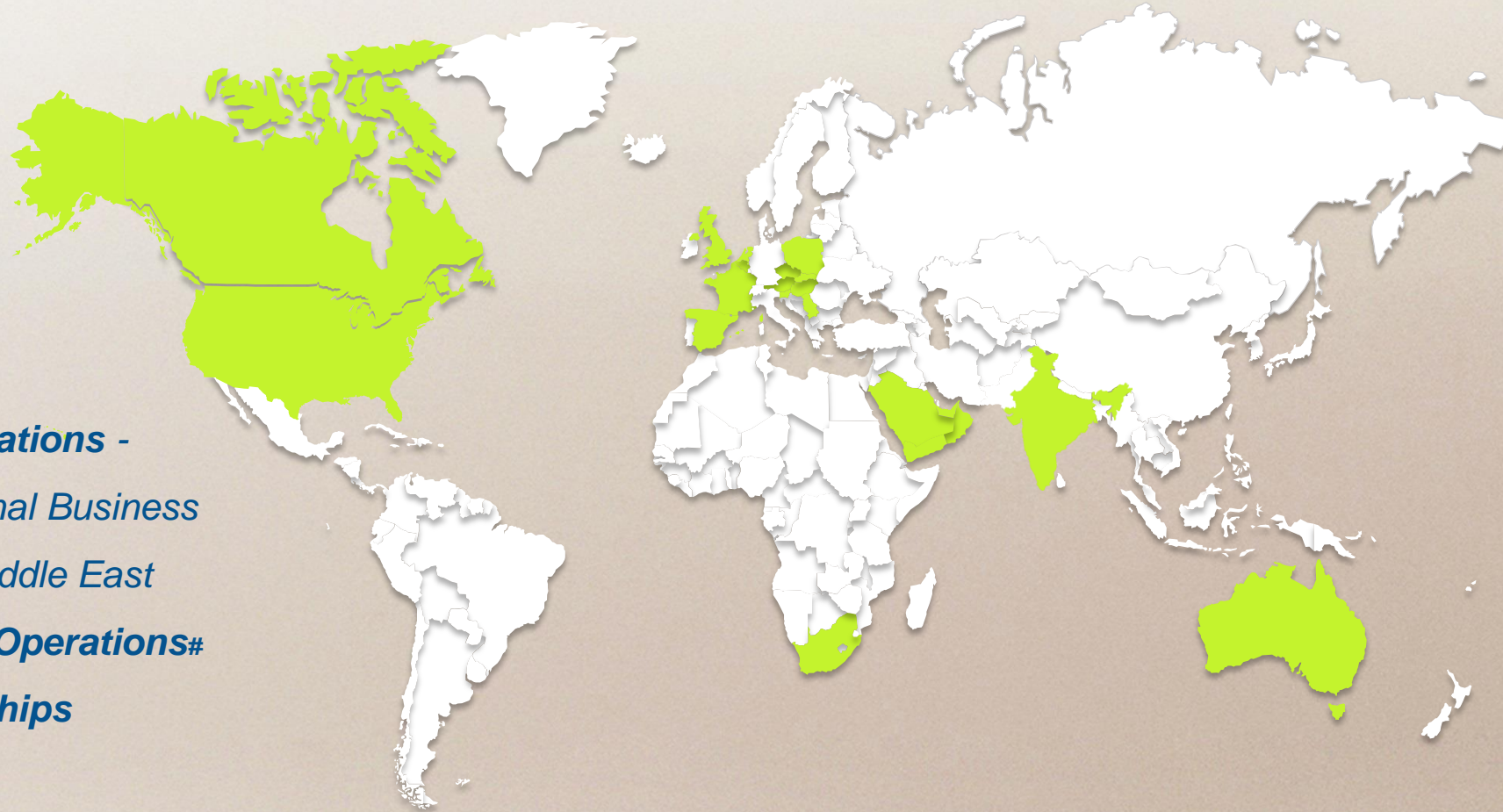


## PBT (in INR cr)



#Non Branded Business - Includes Tata Coffee Ltd and other B2B businesses

# REGIONWISE PERFORMANCE



- Branded Operations -**
  - International Business*
  - India & Middle East*
- Non Branded Operations#**
- JVs / Partnerships**

#Non Branded Business - Includes Tata Coffee Ltd and other B2B businesses

# India



- **Topline growth with improvement in operating profits**
  - Tea portfolio grows 8% in volume and **6%** in value terms
  - Branded Coffee also shows volume growth of **8%** though on a small base
- **Recent launches performing well –**
  - **Tata Tea - Chakra Gold Activ+ & Kanan Devan Duet** – gaining market share
  - **Tata Tea Elaichi Chai** continues to grow
  - **Tetley Green Tea** post ad campaign with Deepika Padukone as new brand ambassador, shows increase in value market share
- **New Initiative** - Out of home experience stores **Cha by Tata Tea in Bangalore**. Three store opened till date. Performance is as per KPIs
- Tata Tea brand moved to **#2 from #13 in ET Brand Equity** ranking of India's Most Trusted Brand in Hot Beverages Category







- **UK sales higher by 6%, driven by 4% volume growth**
  - Growth in market share in black tea category
  - Improved performance in Grocery segment
- In UK - #1 in Decaffeinated Tea and #2 Redbush and Green Tea in volume terms
- Overall decline in everyday black and high competitive intensity to keep pressure on operational performance
  - However non-everyday black tea category growing
- **Recent Launches in UK**
  - Tetley's Super Squash listed with major retailers. TV Advertisement live with instore display and sampling
  - Tetley Cold Infusions, designed to be brewed in cold water for a refreshing drink, available in a range of delicious fruit flavours.



# US & Canada



## US

- Improved Sales performance in US Coffee driven by
  - Direct Keurig K-cups sales
  - Higher private label sales
  - Partly offset by lower branded bag sales
- Growth in Good Earth sales (brand relaunched with new identity and positioning)
- **Himalayan in US** - Distribution arrangement with Talking Rain Beverage Company, good feedback received initially

## CANADA

- Sales growth of 3% despite aggressive competitive intensity
  - Driven by Speciality
  - EOC K-Cup and EOC Big Bags aids topline
- Continues to maintain the volume and value leadership



# Teapigs, Australia and Rest of Europe



## Teapigs - Sales higher by 5%

- Driven by growth in Foodservice, grocery and exports (France, Norway, and China) and US

## Australia -

- **Tea** - Kombucha (RTD) has had a good start and is tracking in line with KPIs
  - Focus on distribution and gaining momentum for the upcoming summer months.
- **Coffee** – Lower sales in the quarter

## Rest of Europe -

- Good growth in Western Europe led by Portugal with the limited edition cold brew mocktail blend in the RTD space





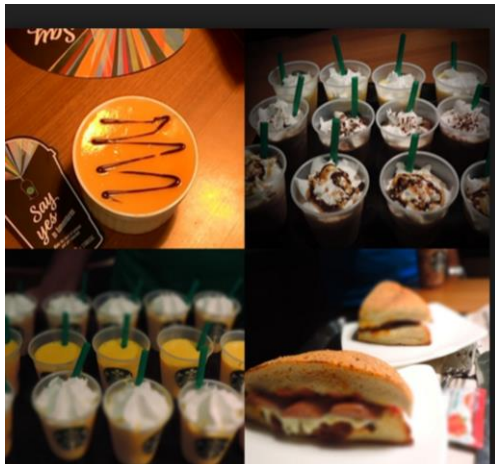
# Joint Ventures



## Tata Starbucks

Strong Topline growth continues driven by better in store performance and growth through new stores.

- 119 stores opened till date. 3 new stores added in Q1  
Mumbai -2, Chennai – 1
- All cities profitable
- The food share continues to be healthy >20%



## Bangladesh

Top line growth, tea cost impacts profitability

## Nourishco

Improved profitability driven by

- **Tata Gluco Plus** –
  - Continues to grow both in volume and value terms
  - New product, TGP+ Juice launched in March 2018 aides topline
- **Tata Water Plus** continues to grow on distribution expansions





# Other Businesses



## TATA COFFEE LIMITED

- Operating Income - lower sales in coffee extraction business
- Operating Profits - impacted due to pepper prices and tea crop loss
- State-of-the-art Freeze Dried Instant Coffee plant in Vietnam – setup progressing well, expected to be completed by the end of the financial year

## INSTANT TEA (B2B Business )

- Stable performance in sales and profit

## ASSOCIATES (Tea Plantations)

### KDHP

- Higher profitability due to improved volumes & realisation

### APPL

- Improved performance – driven by higher realisation and sales mix



# FINANCIAL OVERVIEW







# Financial Highlights for the Quarter

## REVENUE FROM OPERATIONS (Growth of 6% in value terms)

- Growth led by Branded business - Improvement in all 3 core markets of India, US and UK

## PROFIT BEFORE EXCEPTIONAL improves by 8%

- Improved operating performance driven by higher sales
- Higher other income
- Effective cost management

Partly offset by

- Higher tea commodity cost
- Underperformance in Tata Coffee Ltd

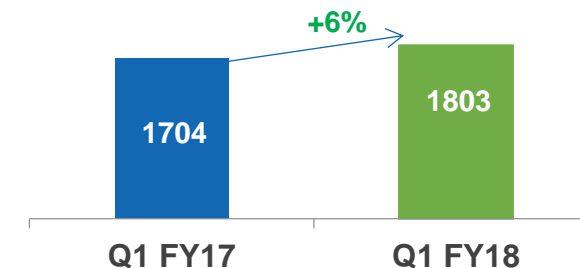
## EXCEPTIONAL ITEMS

- Current year represents redundancy cost relating to internal restructure. Previous year had gain on China disposal (Rs 5 cr)

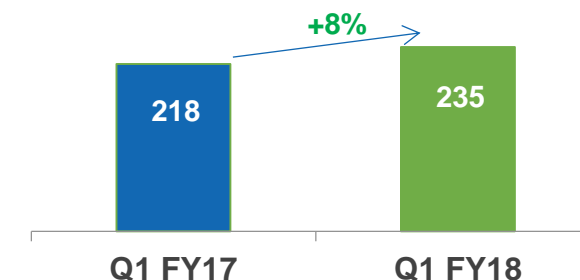
## GROUP NET PROFIT

- On a like to like basis, excluding exceptional items the **Group Net Profit is higher by 8%**

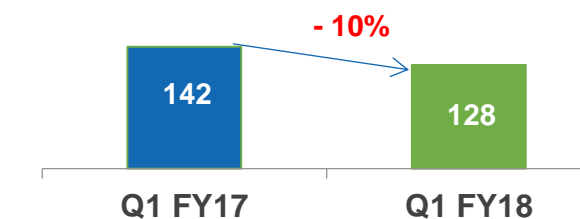
### REVENUE



### Profit before Exceptional



### Group Net Profit



# Financial Highlights for the Quarter ended June 2018



INR Crs PARTICULARS	Quarter ended June (Consolidated)			Quarter ended June (Standalone)		
	2018	2017	% Change	2018	2017	% Change
Revenue from Operations	1,803	1,704	6%	909	859	6%
EBIT	219	215	2%	160	154	4%
<b>EBIT %</b>	<b>12%</b>	<b>13%</b>		<b>18%</b>	<b>18%</b>	
Other Income	29	14	107%	60	45	33%
Finance Costs	(13)	(11)	18%	(4)	(3)	
<b>Profit Before Exceptional Items</b>	<b>235</b>	<b>218</b>	<b>8%</b>	<b>216</b>	<b>196</b>	<b>10%</b>
<b>PBT (before exceptional) %</b>	<b>13%</b>	<b>13%</b>		<b>24%</b>	<b>23%</b>	
Exceptional Items	(18)	5		-	19	
<b>Profit before Tax (PBT)</b>	<b>217</b>	<b>223</b>	<b>-3%</b>	<b>216</b>	<b>215</b>	<b>0%</b>
<b>Profit after Tax (PAT)</b>	<b>134</b>	<b>143</b>	<b>-6%</b>	<b>148</b>	<b>152</b>	<b>-3%</b>
<b>PAT %</b>	<b>7%</b>	<b>8%</b>		<b>16%</b>	<b>18%</b>	
Share of Associates and JVs	(6)	(1)				
<b>Group Consolidated Profit</b>	<b>128</b>	<b>142</b>	<b>-10%</b>			
<b>EPS (Rs.) – (not annualised)</b>	<b>1.84</b>	<b>1.97</b>		<b>2.35</b>	<b>2.42</b>	

Exceptional item for the current quarter represents redundancy costs relating to internal restructure. Corresponding quarter represent a gain from disposal of stake in China.



# Financial Highlights – OCI



INR Crs PARTICULARS	Quarter Ended June (Consolidated)			Quarter Ended June (Standalone)		
	2018	2017	Variance	2018	2017	Variance
<b>Consolidated Group Net Profit / PAT</b>	<b>128</b>	<b>142</b>	<b>(14)</b>	<b>148</b>	<b>152</b>	<b>(4)</b>
Changes in Fair Value of Equity Instruments	3	9	(6)	3	9	(6)
Exchange difference on translation of foreign operations	(0)	111	(111)	-	-	-
Others	28	6	22	3	0	3
<b>Other Comprehensive Income</b>	<b>31</b>	<b>126</b>	<b>(95)</b>	<b>6</b>	<b>9</b>	<b>(3)</b>
<b>Total Comprehensive Income</b>	<b>159</b>	<b>268</b>	<b>(109)</b>	<b>154</b>	<b>161</b>	<b>(7)</b>

## Other comprehensive income

- Changes in fair value of equity investment mainly reflects the movement in quoted share prices
- Others primarily represent actuarial gain / loss on retirement benefits and cash flow hedges
- Exchange difference reflects the impact of currency translation mainly on account of our overseas subsidiaries in UK in the PY



# Region-wise Revenue from Operations

PARTICULARS	Revenue - Quarter Ended June			
	2018	2017	Variance	%
International Business	770	702	68	+ 10% <sup>1</sup>
India & Middle East	846	802	44	+ 5%
<b>Total Branded Operations</b>	<b>1616</b>	<b>1504</b>	<b>112</b>	<b>+ 7%</b>
Non Branded Operations	193	209	(16)	- 8%
Others & Eliminations	(6)	(9)	3	
<b>Total Revenue from Operations</b>	<b>1803</b>	<b>1704</b>	<b>99</b>	<b>+ 6%</b>

1. Excluding Russia restructuring the growth is 12% at constant fx aided by higher pods sales on account of Keurig renegotiation.

#Non Branded Business - Includes Tata Coffee Ltd and other B2B businesses

# Segment Performance – Quarter ended June 2018



Particulars (INR Crores)	Segment Revenue			Segment Results			Capital Employed	
	June 18	June 17	% Change	June 18	June 17	% Change	June 18	June 17
<b>Branded Business</b>								
Tea	1314	1245	6%	210	183	15%	3557	3380
Coffee	292	250	17%	44	40	10%	1731	1599
Others	10	9		(4)	(3)	33%	30	26
<b>Total Branded Business</b>	<b>1616</b>	<b>1504</b>	<b>7%</b>	<b>250</b>	<b>220</b>	<b>14%</b>	<b>5318</b>	<b>5005</b>
Non Branded Business	193	209	-8%	18	31	-42%	1184	891
Less: Inter-segment Revenue	(6)	(9)						
Un-allocable items				(51)	(28)		1687	1542
<b>Total</b>	<b>1803</b>	<b>1704</b>	<b>6%</b>	<b>217</b>	<b>223</b>	<b>-3%</b>	<b>8189</b>	<b>7437</b>

#Non Branded Business - Includes Tata Coffee Ltd and other B2B businesses

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# COMPANY INFORMATION

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## **Equity Share details**

Bombay Stock Exchange (BSE) – **500800**

National Stock Exchange (NSE) – **TATAGLOBAL**

ISIN No – **INE192A01025**

(International Securities Identification  
Number)

## **Depository Receipt**

Luxembourg Stock Exchanges - **US8765692038**

London Stock Exchange - **TGBL**

[www.tataglobalbeverages.com](http://www.tataglobalbeverages.com)