



# TATA GLOBAL BEVERAGES

## Presentation on year end 14-15 results

Analyst Meet  
May 2015





# Agenda

- **Key Themes**
- **Performance Highlights**
- **Operating Performance Review**
- **Financial Review**





# Key Themes for 2014-15

- Improved turnover and profitability
- MAP acquisition adds to top-line growth
- Tea Auction price trends
  - Kenya auction prices reflects a reduction of prices against prior year.
  - Kolkata action prices reflect an increase again prior year.
- Coffee commodity - average costs flat
- Currency markets
  - Adverse impact on top line
  - Not Material on profitability
- Impairments taken for some businesses.
- Court order for MEMW merger with TGBL received and filed with ROC.

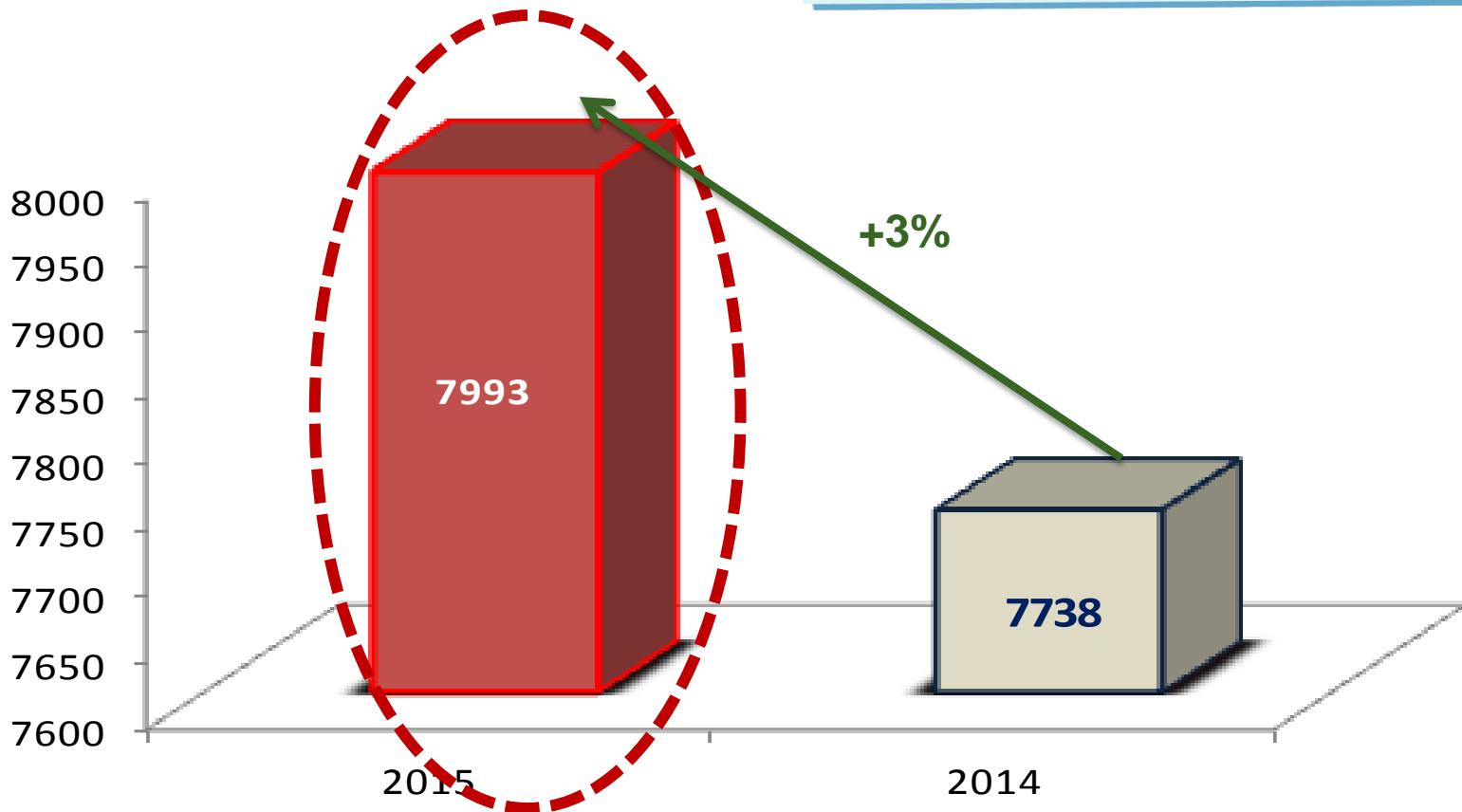




# Performance Highlights – Group Operating Income

## Operating Income

- At prior year fx rates operating income would be 5% higher.



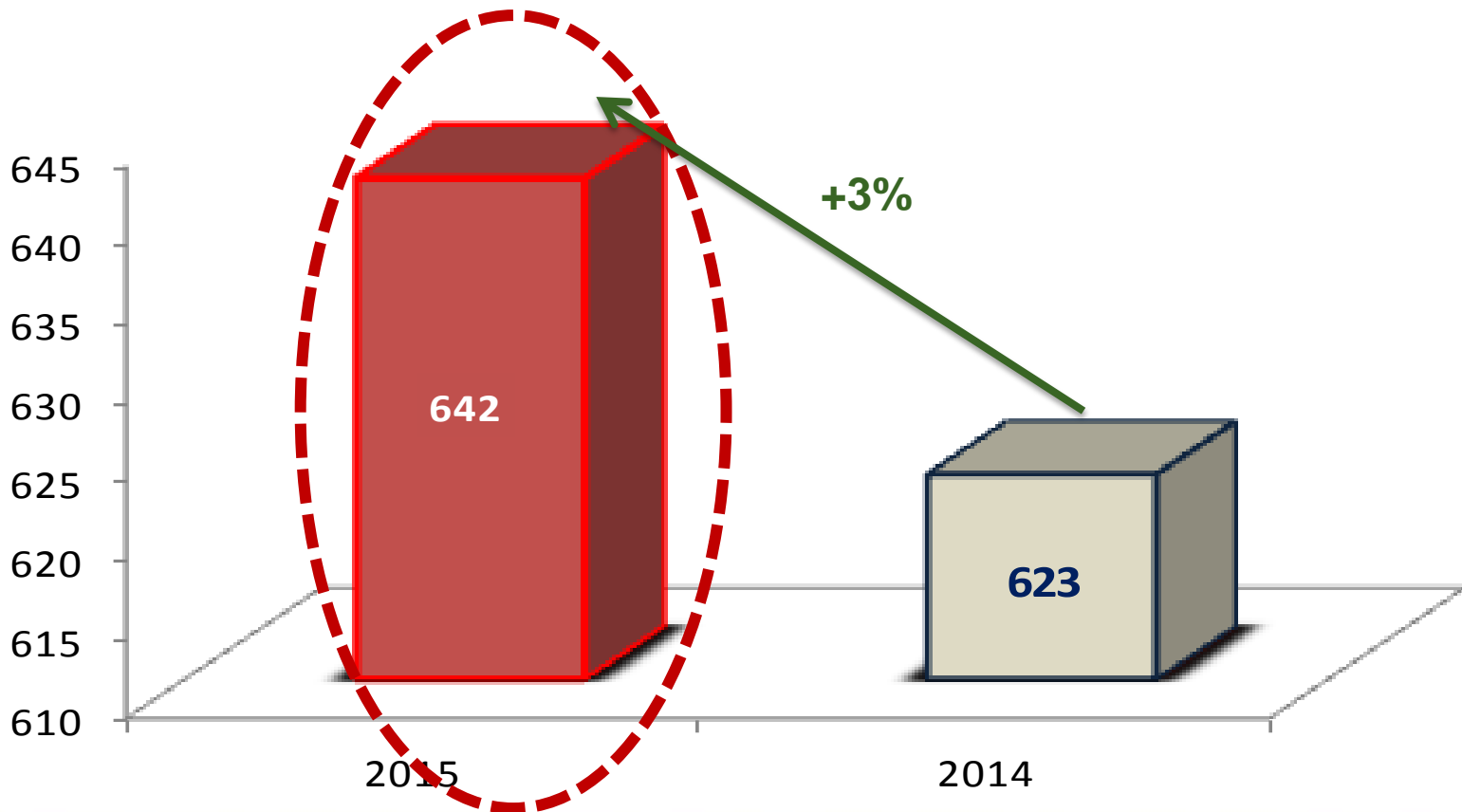




# Performance Highlights – Group Operating Profit

## Operating Profit

- At prior year fx rates operating profit would be 4% higher.





# Operating Performance highlights – South Asia

- 7% top-line improves – both volume and value increases
- Significant milestone of achieving 100m kgs of sales in a fiscal
- Maintained Volume and value leadership
- Price increases taken in most of the brands to offset the increase in tea commodity costs.
- Significant growth in Green tea
  - Continued association with Kareena Kapoor.
- Gemini records highest sale in the history of the brand – 2<sup>nd</sup> year in succession
- 49+ awards won for the PO49 campaign



# Operating Performance highlights – CAA – Canada, America

## Canada

- ☞ Sales improves over prior year
- ☞ Tetley masterbrand “variety” spot continues with a 5 second Cirque promotional tag.
- ☞ Specially designed limited edition Canadian Breast Cancer foundation pack is in store.
- ☞ New products listed are now gaining distribution
- ☞ Tata Tea Brands in Canada reflect good performance



## USA

- ☞ EOC - Improved momentum in base business after a soft H1
- ☞ EOC - Win-in-store initiative proving effective
- ☞ EOC - POD's volumes continue to grow.
- ☞ Tetley USA – modest performance







# Operating Performance highlights – CAA - Australia

- Robust topline growth
  - Improvement in F&H, green and main-strem black
  - New listing aids improvement insales.
- MAP acquisition adds Rs 72 crs to topline
- Green teas market share is up - now the no 3 player in the green tea market.
- Good growth in tea profitability.



**map**  
italian coffee







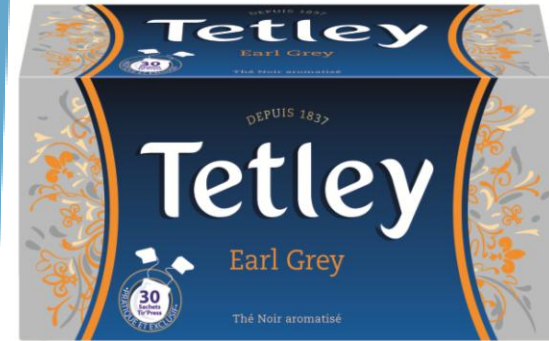
# Operating Performance highlights – EMEA

- In UK - Decline in UK Black tea market continues.
- UK- Teafolk “medieval castle continued airing.”
  - Strong promotional programme with good store visibility aligned to the advertisement air saw a robust growth in Tetley original
  - Tetley, chosen by Tesco, to be a part of a select group of brands to partner Tesco for their new price initiative – resulted in fantastic in-store visibility
- UK - Green tea is the star segment with volume growth.
  - Super Green teas sales performance encouraging
- UK - Tetley Decaff regained MAT volume leadership.
- Teapigs grows - reflecting growth across most channels
- Joekels business stable despite adverse economic conditions.



# Operating Performance highlights – EMEA cont'd

- Middle East - Good performance driven by strong growth in KSA and GCC
- France - Green tea performs well.
- Czech Republic – stable performance. Maintains volume and value leadership.
- Russia –
  - Despite adverse market conditions losses reduce
  - Good performance in the quarter in underlying terms – Grand FDC grows
  - Distribution expansion the key focus





# Operating Performance highlights – Other Branded Business

## Stable performance by the water business

### Himalayan

- Product continues to expand footprint in retail stores in Singapore.
  - Marketing campaign launched in October 2014
- Singapore – brand metric performance in par with one of the premium international brands
- A new TV Advertisement for Himalayan went live on Media in February'15.

### Tata Water Plus – significant increase in distribution

### Tata Gluco Plus – improved sales

- New advertisement, pack variants launched during the last quarter.

### Tata Starbucks now has 72 stores

- 29 new stores added during the year
- Present in 6 cities.







# Operating Performance highlights – Non Branded Business

## Non Branded Business

- Tata Coffee - profitability impacted
  - Lower plantation crop available for sale due to adverse weather and cyclical conditions.
  - Improved instant coffee sales
- Tea plantations – lower crop available due to adverse weather conditions impact profitability
- India and US instant tea operation stable
- China instant tea operation – Sales effort now key.





# TATA GLOBAL BEVERAGES

## Financial Performance

May 2015





# Performance Highlights

- Operating income higher by 3% (5% in constant currency)  
Operating profit higher by 3% (4% in constant currency)
  - Improved profitability in branded business
  - Lower crop impacts plantation sales and profitability
- Adverse impact of exceptional items
  - Impairments taken in some geographies – China, Russia and some eastern European brands
  - High exceptional income in the previous year
- Higher effective tax rate
- Lower Group consolidated profit





# Financial Highlights – For the year

Quarter ending March			Particulars (In Rs crores)	Year ending March		
Actual	PY	Variance		Actual	PY	Variance
1923	1910	13	<b>Total Operating Income</b>	7993	7737	256
163	154	9	<b>EBIT</b>	642	623	19
8	16	(8)	<b>Other Income</b>	70	82	(12)
(18)	(20)	2	<b>Finance Cost</b>	(82)	(87)	5
153	150	3	<b>Profit Before Exceptional Items</b>	630	618	12
(103)	(12)	(91)	<b>Exceptional Items</b>	(130)	89	(219)
50	138	(88)	<b>Profit Before Tax</b>	500	707	(207)
(35)	(39)	4	<b>Tax</b>	(216)	(184)	(32)
15	99	(84)	<b>Profit After Tax</b>	284	523	(239)
(24)	(20)	(4)	<b>Share of Profit from Associates</b>	(11)	(13)	2
13	(10)	23	<b>Minority Interest in consolidated profit</b>	(25)	(29)	4
4	69	(65)	<b>Consolidated Group Profit</b>	248	481	(233)
0.06	1.12		<b>Earning Per Share (Rs)</b>	3.93	7.77	
1.22	1.21		<b>Earning Per Share (Rs) – prior to exceptional items</b>	5.52	5.46	



# Regionwise income from operations

Quarter ending March			Particulars (In Rs Crores)	Year ending March		
Actual	PY	Variance		Actual	PY	Variance
499	490	9	CAA	2038	1928	110
527	587	(60)	EMEA	2206	2344	(138)
652	612	40	South Asia Brands	2812	2596	217
<b>1677</b>	<b>1688</b>	<b>(11)</b>	<b>Total Brands</b>	<b>7057</b>	<b>6867</b>	<b>189</b>
201	188	13	Total Non Branded Operations	758	735	23
45	33	12	Other and Eliminations	178	135	43
<b>1923</b>	<b>1910</b>	<b>13</b>	<b>TOTAL OPERATING INCOME</b>	<b>7993</b>	<b>7738</b>	<b>256</b>



# Balance Sheet

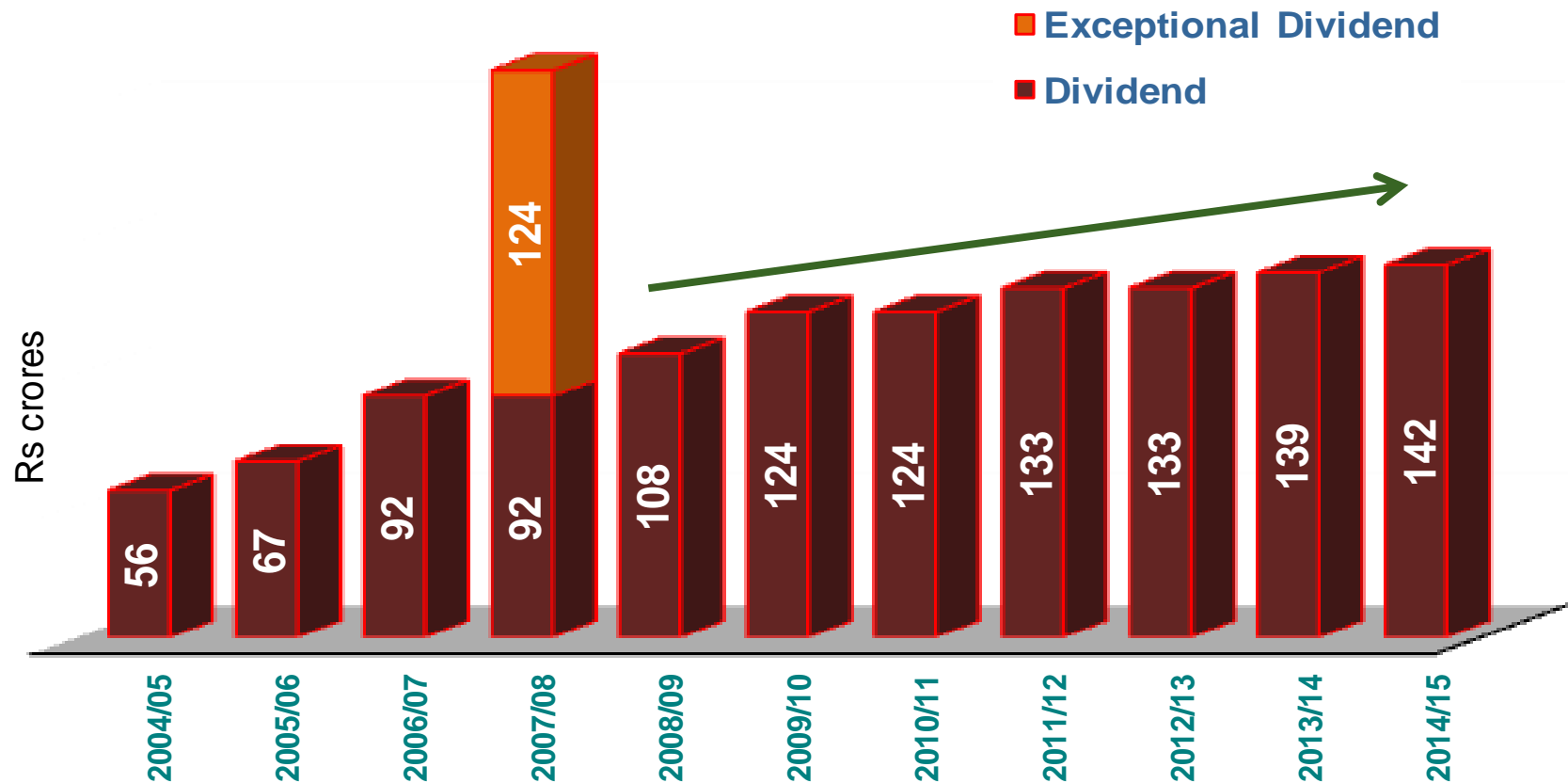
Particulars (In Rs Crores)	March 2015	March 2014
<b>SOURCES OF FUNDS</b>		
Shareholder's Funds	6368	6773
Borrowings	1324	1438
Non Current Liabilities	461	432
Current Liabilities	1358	1355
<b>TOTAL</b>	<b>9511</b>	<b>9911</b>
<b>APPLICATION OF FUNDS</b>		
<b>Fixed Assets:</b>		
Goodwill	3892	4188
Others Fixed Assets	1077	1052
Investments	622	611
Cash & Other Deposits	1225	1474
Non Current Assets	212	218
Current Assets	2483	2454
<b>TOTAL</b>	<b>9511</b>	<b>9911</b>

Prior period numbers have been reclassified / rearranged wherever necessary





# Dividend



Dividend declared 225%, same as PY. The slight increase is mainly on account of the merger.



# THANK YOU



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