



November 6, 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 – TATACONSUM

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 the quarter and half year ended September 30, 2020

Dear Sir/Madam,

Further to our letter dated October 20 and October 27, 2020 we enclose herewith a copy of the Presentation for the analysts/investors on the financial results for the quarter and half year ended September 30, 2020.

The same is also uploaded on the Company's website www.tataconsumer.com.

This is for your information and records.

Yours faithfully,

For **Tata Consumer Products Limited**


Neelabja Chakrabarty
Company Secretary



TATA CONSUMER PRODUCTS LIMITED
(Formerly known as 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: 91-22-61218499
Registered Office: 1, Bishop Lefroy Road, Kolkata – 700 020
Corporate Identity Number (CIN): L15491WB1962PLC031425
Email: investor.relations@tataconsumer.com
Website: www.tataconsumer.com

Investor Presentation

For the quarter ended September 2020

TATA CONSUMER PRODUCTS

6th November'20

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.

Agenda

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**Business Performance –
India**

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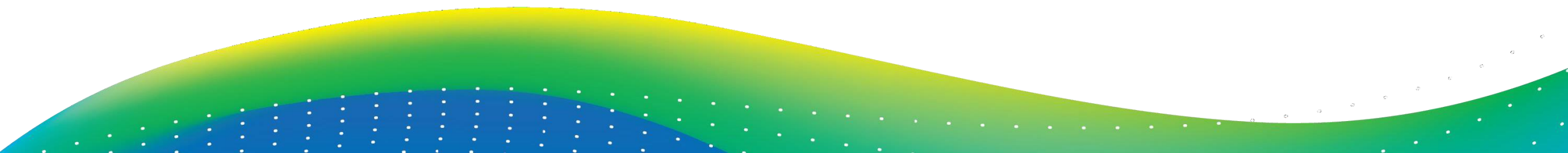
Responsible Business

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Financial Performance

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Outlook and Priorities



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



Leading National brand in pulses in India



#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



₹ 9.6K crore consolidated revenue in FY20 and current market cap of ~₹47k Cr.



Reach to almost 200mn households in India and distribution to ~2.2mm retail outlets



Among the top 10 F&B companies in India



2,250+ employees worldwide

01

Executive Summary

Executive Summary (for the Qtr ending 30th Sep'20)

- India Business grew strongly; while there was demand normalization in International markets with unwinding of pantry loading
- Consolidated Revenue grew 19% to INR 2,781Cr driven by strong growth in India Business
- Consolidated EBITDA grew 26% to INR 402Cr despite significant inflation in raw tea prices
- Overall, India Business[#] grew 25% led by
 - India Packaged Beverages Business grew by 29%; driven by volume and pricing
 - India Foods Business grew by 13%
 - Sequential improvement in NourishCo's performance
- Branded International Beverage Business, excluding Foodservice, grew 11%
- Consolidated PBT (bei[^]) for the Quarter is higher by 31% at INR 345Cr.
- While we have gained market share in tea and salt; navigating the unprecedented inflation in raw tea prices will be critical
- The integration of India Foods business with India Beverages business is progressing ahead of plan
- The reworking of S&D system showing results; expansion of outlet reach, significant increase in E-com contribution

[#]including impact of NourishCo as a subsidiary effective May'20.

[^] bei - PBT before exceptional items

Key Businesses snapshot



International Beverages

In ₹ Cr (unless specified)	India Beverages	India Foods	US Coffee	International Tea	Foodservice (International)	Tata Coffee (incl. Vietnam)	Consolidated
Revenue	1,120	580	301	444	56	243	2,781
Revenue Growth <i>Constant currency growth</i>	32%	13%	11% 4%	11% 1%	-23% -29%	17% 15%	19% 16%
Volume Growth	11%	6%	-3%	0%	-19%	8%	

Key Brands



Note:

- India Beverages includes Middle East and NourishCo (subsidiary effective May'20)
- International tea business includes UK, Canada, US, Aus and Europe.
- Tata Coffee incl. Vietnam and excl. USCoffee (EOC)
- Consolidated revenue includes other non-branded business and Inter-segment eliminations

Group Performance at a glance



₹ 2,781 Cr.



₹ 402 Cr.



₹ 345 Cr.



₹ 273 Cr.



~₹ 1,439 Cr.

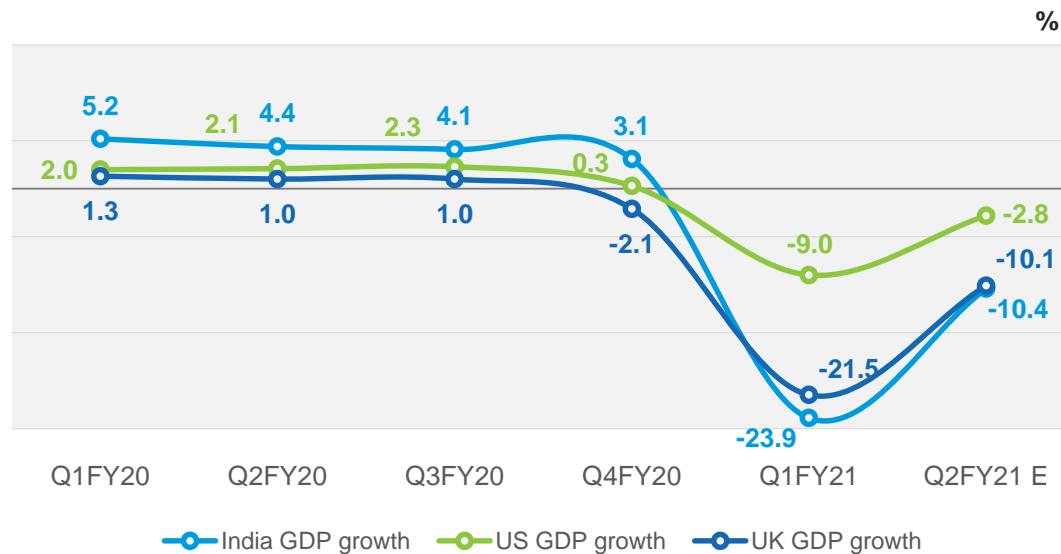
	Revenue	EBITDA	PBT (bei)^	Group Net Profit	Net Cash [§]
Growth (Y-on-Y)	19%	26%	31%	31%	
Margin%		14.4%	12.4%	9.8%	
Margin expansion (Y-on-Y)		+90 bps	+120 bps	+100 bps	
EPS / Cash EPS				2.79 (EPS) 4.08 (Cash EPS)	
EPS Growth (Y-on-Y)				+33% (EPS) +30% (Cash EPS)	

^ PBT before exceptional items

§ Cash and Cash equivalents (net of total borrowings) as at Sep 30, 2020

Macro and Commodity Overview

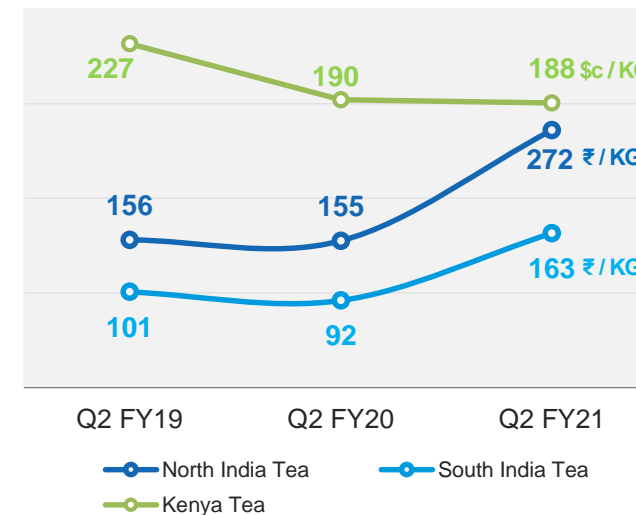
Sharp recovery in economic activity, post weakness in Q1



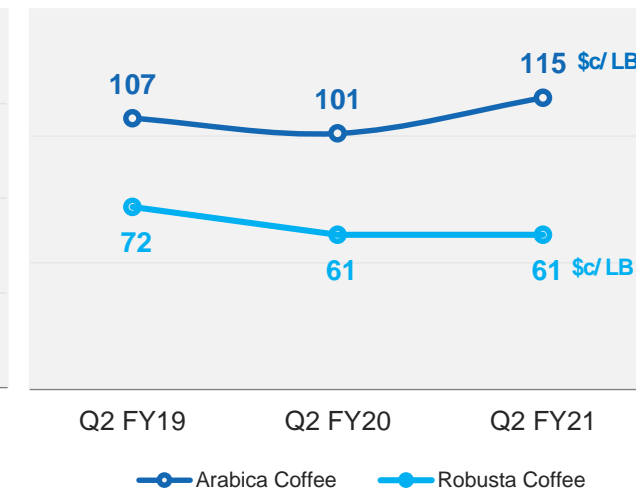
- India GDP growth was severely impacted in Q1FY21 with all segments, except agriculture, contracting. However, Q2FY21 GDP decline is expected to be lower with the economy seeing some recovery.
- US & UK GDP growth also registered significant decline in Apr-June. However, a sharp economic rebound is expected in Jul-Sep period.

Volatile commodity prices

Tea Prices



Coffee Prices

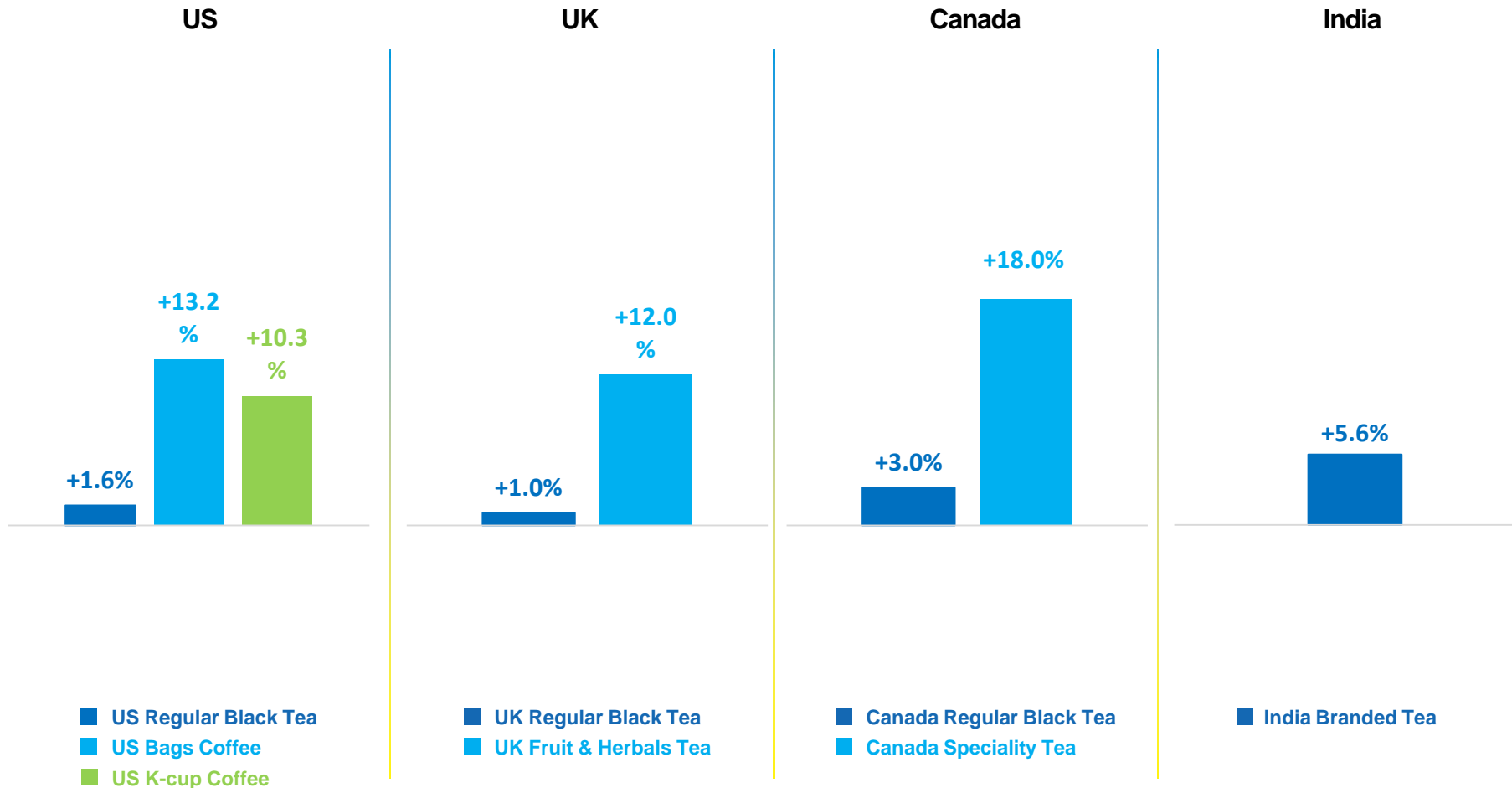


- Both North India Tea and South India Tea prices witnessed unprecedented inflation during the quarter. However, prices have started to taper off from Sep'20.
- Kenyan tea prices have remained stable YoY.
- Arabica coffee prices saw an uptick while Robusta coffee prices remained stable YoY.

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

Quarterly Category Performance

Mixed performance across categories and regions



- Regular black tea growth has softened in US and Canada as compared to high levels seen in Q1. In UK, Regular black tea growth is driven by competitive price landscape at Key retailer during July-Sep (while Sep grew modestly by 0.3%)
- Non-black tea (Fruit & Herbal, Specialty, Decaf, Cold Infusions, etc.) continue growth momentum in the International markets, led by health & wellness products, but the growth rates have reduced.
- With gradual lifting of lockdown/restrictions, Indian market has recovered from a decline of ~6% (Apr-Jun) to a growth of ~6% (Jul-Sep) in Branded tea with sequential improvement.
- US Coffee (both Bags and K-cups) Coffee continue to grow driven by strong promotional activity.

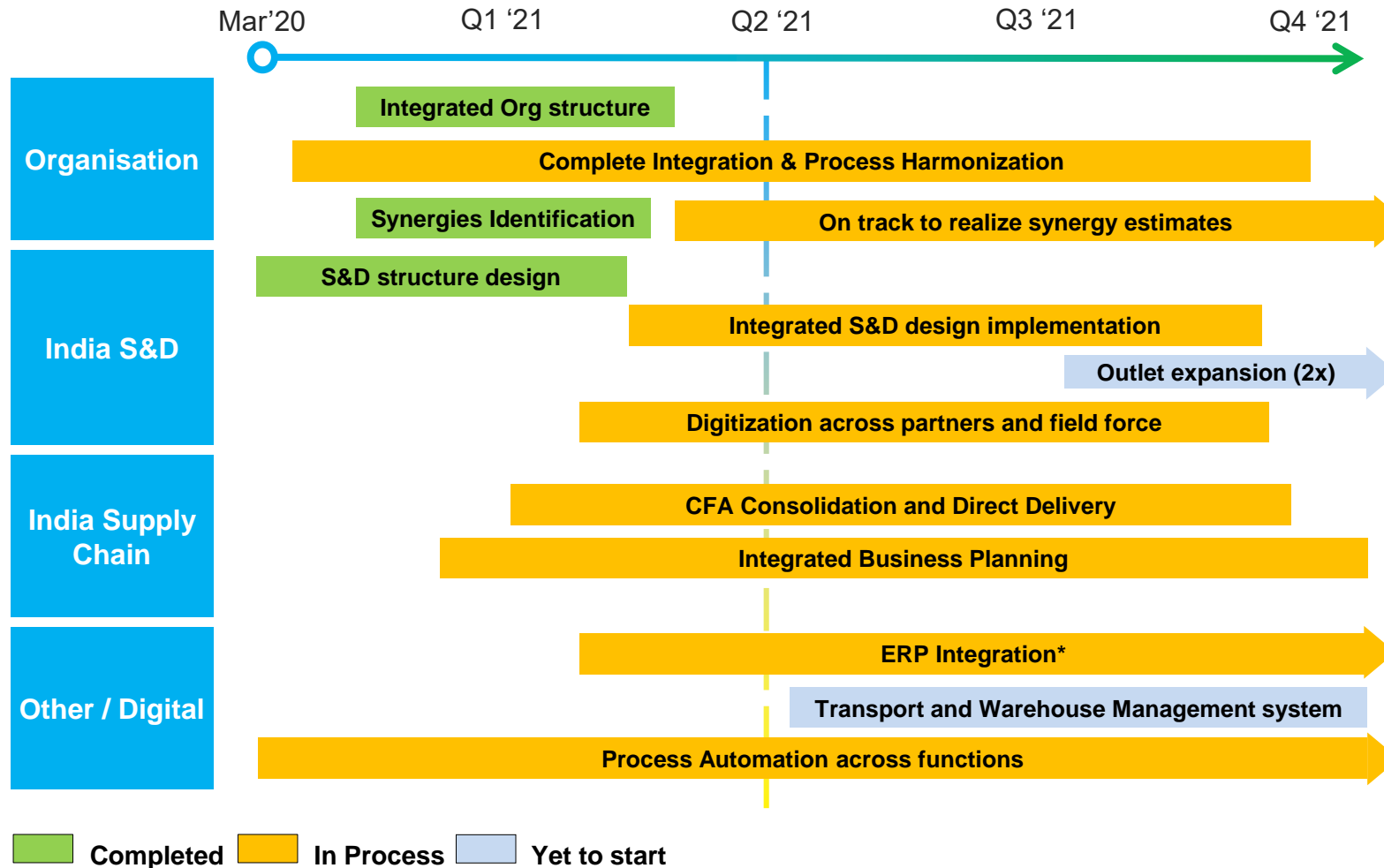
Source: Nielsen: 12 weeks (Value) – Sep'20

02

Integration Update

Key Integration milestones: Update

Broad timelines and Status



Impact

- Integration expected to be substantially completed by Q4 FY21; to enable better execution of strategic roadmap
- Synergy identification completed; on track to start realising benefits from Q3 FY21
- 2 of 3 stages of Distributor consolidation done; process expected to be completed by Q4 FY21
- Outlet reach expanded by ~12% till Sep'20

03

Business Performance - India

India Packaged Beverages



Celebrating local artisanship & pride in local culture (Independence Day: #DeshkaKulhad campaign)



Festival Special Packaging: Durga Puja pack (Tata Tea Gold) and Chhat Puja pack (Tata Tea Leaf)



Chakra Gold Poly-pack launched in TN

+29%
Revenue Growth

+12%
Volume Growth

Performance commentary

- Robust revenue growth across the portfolio, driven by higher volume and price realization
- Margins stable YoY despite unprecedented inflation in raw tea prices, delivered through dynamic P&L management.
- Market share gains (both in volume and value terms)*
- Navigating unprecedented tea inflation, balancing the volume and margin will be the key challenge in short term

Other updates

- Continued focus on evoking **regional pride** through hyper-local campaigns across brands
- Tata Tea Premium won Gold in 6 categories at the 'ET BE Shark Awards 2020', along with '**Brand of the Year 2020**'.
- Leveraging IPL association with **Chennai Super Kings** for Chakra Gold

*Source : Nielsen (Sep'20)

India Foods



“TATA Salt” is a co-sponsor for KBC 2020



Products from Tata Sampann portfolio

+13%
Revenue Growth

+6%
Volume Growth

Performance commentary

- Double-digit revenue growth across the Salt and Tata Sampann portfolio.
- Salt revenues grew 10% in Q2 with market share gains*.
- Value added salt portfolio has grown by ~100%.
- Pulses continue to deliver robust growth, up 35%.
- Our new launches Poha and nutria-mixes are showing strong traction and consumer offtake.

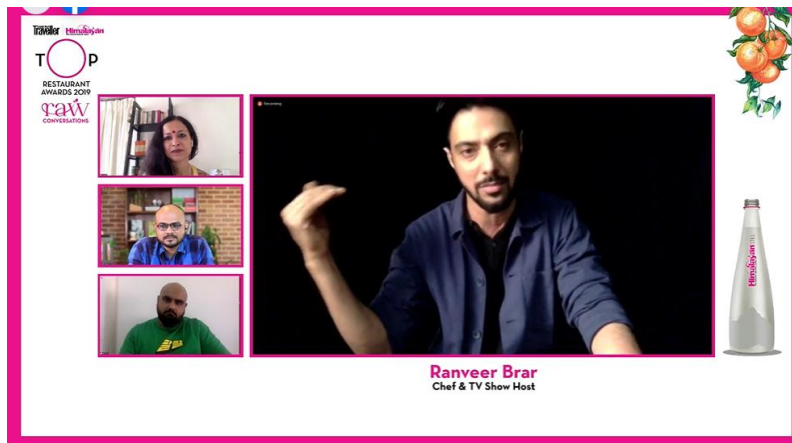
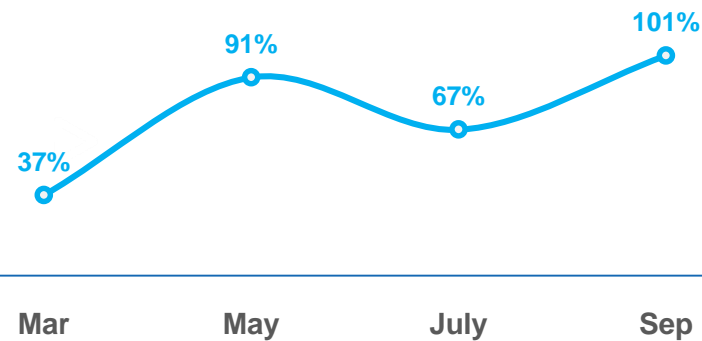
Other updates

- TATA Salt awarded as the **‘Most Trusted Brand in India’** by consumers in the Brandz survey done by WPP and Kantar
- Tata Sampann #spiceupyourhealth campaign positively impacting brand health parameters

*Source : Kantar World Panel

NourishCo (100% Subsidiary)#

Sales as a % of PY



Virtual events conducted themed #RawConversations, in partnership with Conde Nast, with renowned Chefs, Wellness experts, etc. on social media.

38 Cr
Revenue

87%
of Pre-Covid
Revenue levels

Performance commentary

- Sequential recovery in sales, both volume and value.
- Highest ever volumes achieved for Tata Water Plus in Sep'20
- Himalayan continues to face some headwinds with lockdown restrictions. However, gradual recovery of sales seen month-on-month.

Other updates

- Geographic expansion plan on track.
- Portfolio expansion plan underway.
- Successfully transitioned Himalayan to own distribution network in Sep'20.

#NourishCo performance for the quarter as separate legal entity

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



State-of-the-art Freeze-Dried Instant Coffee manufacturing facility in Vietnam with a capacity of 5,000 MT per annum.



Arabica berries from our Coffee Estate

+17%#
Revenue Growth

+6%
Plantations
Volume Growth

+11%
Extractions
Volume Growth

Performance commentary

- Topline grew by 17% (15% in constant currency terms) led by Vietnam primarily

Plantations

- Plantations business grew by 26% in value terms
- Significant growth in pepper volumes

Extractions

- Overall extraction business grew by 13% (+11% volume growth) led by Vietnam business
- Profits impacted by non-accrual of Export incentive (MEIS) on exports of coffee extraction

Other updates

- Vietnam plant now operating at ~90% capacity.

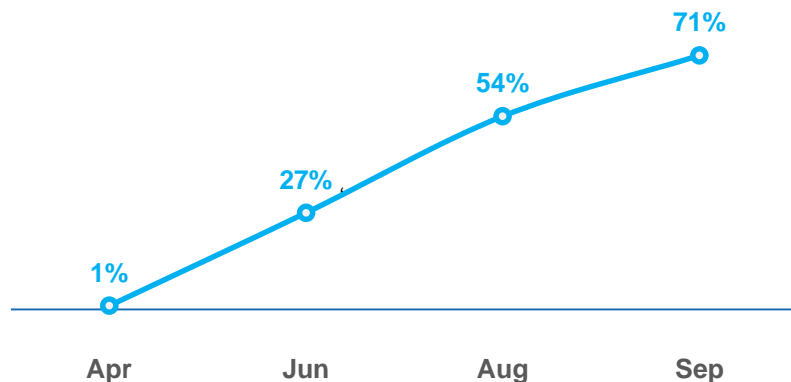
Tata Coffee including Vietnam. Does not include EOC

Tata Starbucks (JV)



Three All women stores opened during this year.

Sales as a % of PY



Strong month on month recovery

86%
Stores re-opened

196
Stores

12
Cities

Performance commentary

- Revenue recovering month-on-month, Sept ~70% of previous year.
- Significant savings achieved through rental renegotiations
- Launched dedicated store for Starbucks merchandise on Flipkart
- Opened 11 new stores and added one new city (Lucknow)
- MSR members: 8.13 lakhs : YoY%: +20%
- Launched the Mobile Order and Pay feature to allow customers to pre-order beverages on the Starbucks India App
- Presence across all home delivery platforms.

Other updates

- #StarbucksAtHome : Launch of 1 Litre Freshly brewed beverages created strong customer engagement on social media and led to strong sales
- #GiftAStarbucks campaign established a strong range of gifting options
- Recognized as 'India's top 100 companies to work for women' by Great Places to Work and Working Mothers and Avtar, 2020

04

Business Performance - International



Strong performance by Good Earth, achieved ~1% share (week) of Sainsbury's Tea Category



Tetley Herbals new range launched: Caffeine-free and natural ingredients.

4%
Revenue Growth[^]

20.5%
Value Market share
(in everyday black)*

Performance commentary

- Revenue growth of 4% (constant currency) with volume growth of 7%
 - Improved profitability on account of higher sales and improved gross margins
 - Discounter channel continues to be the biggest growth driver, with growth across Key Accounts.
 - Good Earth Tea and Kombucha performing well
 - OOH and Wholesale channel continue to face headwinds due to lockdowns.
- ## Other updates
- Cold Infusions category under pressure due to slowdown in OOH consumption.

Source: *Nielsen - Moving Annual Total (MAT) basis – Sep'20
^ constant currency

USA



New Good Earth Sensorial blends launched supported by product focused social media marketing

4%
Coffee Revenue Growth[^]

5.4%

*Bags Coffee Market Share

Performance commentary

- Coffee: Good revenue growth of 4% (constant currency), while volumes declined 3%
- Tea (excluding Empirical): Strong revenue growth of 11% against volume growth of 8%
- Good Earth Sensorial Blends seeing good traction



Full Flavored Black Teas with Distinguished Character

New Tetley British blends launched. Each blend is uniquely crafted with character notes from around the world

Other updates

- Food service (Empirical) business continues to face headwinds. However, the business is recovering month-on-month.

Source: *Nielsen - Moving Annual Total (MAT) basis – Sep'20
^ constant currency

Canada



New Tetley Super Tea (Immune+ and Sunshine) together with Herbal teas (Turmeric and Cinnamon) launched



Digital campaigns for Tetley Immune+ Super teas

1%

Underlying Revenue Growth^{^^}

25%

Revenue growth in Specialty tea^{^^}

29.5%

*Market share

Performance commentary

- Tetley #1 in Specialty tea category now in value terms also[^]
- Post a surge in Q1, demand in regular tea sales has seen a marginal down-tick.
- Revenue growth of 1% (constant currency)
- , against a volume decline of 7%; driven by a decline in foodservice business and discontinuation of ethnic teas.
- Improved profitability driven by rationalization of overheads

Other updates

- Cold infusions campaign supported with Digital video, TV and In-store activities during the quarter.

Source: Nielsen

*Moving Annual Total (MAT) basis – Sept'20

[^]latest 12 weeks (Sept'20)

^{^^} constant currency

Awards & Recognition



1. Most Trusted Brand

Tata Salt won the title of India's Most Trusted Brand for 2020 – third time in a row.

2. Brand of the Year

Tata Tea Premium won awards in 6 categories at the 'ET Brand Equity Shark Awards 2020', along with 'Brand of the Year 2020'.



3. Great Workplace

Starbucks recognized as Top #100 Work places for Women in India 2020 by 'Great Place To Work' and 'Avtar and Working Mother' (5 consecutive years)

4. Great Taste Awards

Tetley UK won 6 Great Taste Awards for 2020



5. Sustainability

Sampla and Pullivasal Packeting Centres awarded Silver prize in the 6th edition of the India Green Manufacturing Challenge

6. Packaging

Himalayan Sparkling and Tata Tea Tulsi Green won 'India Star awards' for excellence in packaging from IIP

05

Responsible Business

Sustainability: Value Chain, Communities & Climate



Tata Consumer Products aims to support development programs for

1 million community members

FOR BETTER COMMUNITIES



Trustea Program verifies 650 Mn. kgs of Indian Tea, positively impacting over 600,000 workers and 57,000 Small Tea growers.



UNICEF Malawi project on childhood development initiated.



Tetley's Follow the Frog campaign gets 500,000 impressions



#DeshKaKulhad supports Okhai artisans.

FOR BETTER PLANET

Climate Leadership

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



Water Stewardship

Project Jalodari in Himachal and Assam with Tata Trust

Decoupling Emissions from growth

Carbon footprint decreased 26% in 2010-20

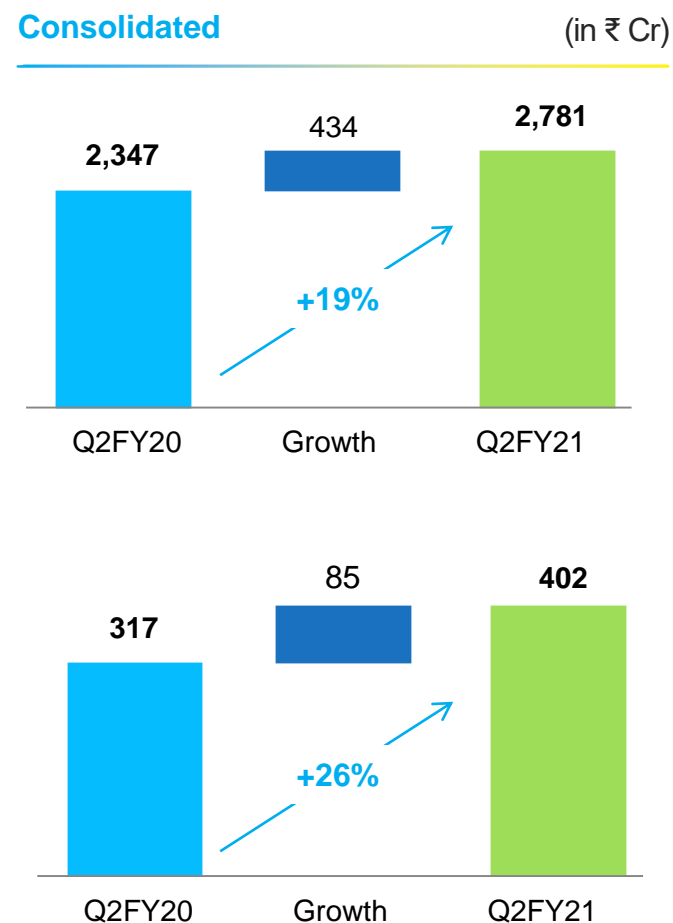
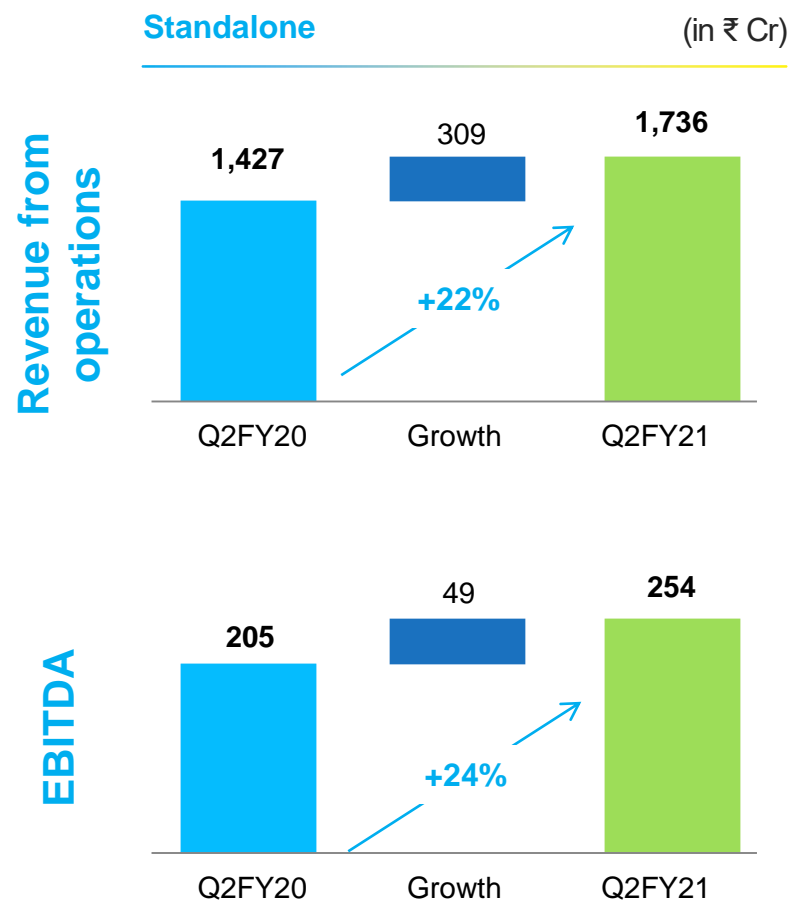
Circular Economy

UK Plastics Pact – 100% recyclable, reusable, compostable by 2025.

06

Financial Performance

Highlights – for the quarter ended Sep'20



REVENUE:

Group Revenue grew by 19% (constant currency 16%)

- **India Beverages** (including RTD) grew by 32%.
- **India Foods** higher by 13%.
- **International Business** excluding foodservice, grew by 11% (+2% in constant currency terms)
- **Tata Coffee** incl. Vietnam, achieved 17% growth

EBITDA:

Group EBITDA growth of 26%

- **India Foods and Beverages** profits improved with better realizations and cost saving initiatives
- **International business**, excluding foodservice, profit improvement across most geographies.
- Other Non-branded business in India also impacted due to uncertainty of Export incentives (non-accrual)

Financials: Standalone

Quarter ended Sep'20			Profit and Loss statement (all nos. in ₹ Crores)	Year to date Sep'20		
Q2FY21	Q2FY20	Change %		1HFY21	1HFY20	Change %
1,736	1,427	22 %	Revenue from operations	3,342	2,891	16 %
254	205	24 %	EBITDA	579	439	32 %
14.6 %	14.4%	0.2 %	%	17.3 %	15.2 %	2.1 %
223	178	25 %	EBIT	519	387	34 %
12.8 %	12.5%	0.3 %	%	15.5 %	13.4 %	2.1 %
250	206	21 %	PBT before exceptional items	585	449	30 %
(19)	(2)		Exceptional items	(40)	(10)	
(61)	(49)		Tax	(143)	(130)	
169	155	9 %	PAT	402	310	30 %
9.8 %	10.9 %	(1.1%)	%	12.0 %	10.7 %	1.3%

Standalone Net Profits for the Quarter is higher by 9% on account of :

- Higher revenue and dynamic cost management, despite unprecedented tea inflation.
- Partly offset by higher exceptional items (mainly costs related to Integration of India Foods & Beverages and redundancy costs)

Financials: Consolidated

Quarter ended Sep'20			Profit and Loss statement (all nos. in ₹ Crores)	Year to date Sep'20		
Q2FY21	Q2FY20	Change %		1HFY21	1HFY20	Change %
2,781	2,347	19 %	Revenue from operations	5,495	4,739	16 %
402	317	26 %	EBITDA	888	671	32 %
14.4 %	13.5 %	0.9 %	%	16.2 %	14.2 %	2.0 %
339	259	31 %	EBIT	763	555	37 %
12.2 %	11.0%	1.2 %	%	13.9 %	11.7 %	2.2 %
345	264	31 %	PBT before exceptional items	782	572	37 %
(24)	(1)		Exceptional items	39	(10)	
(87)	(64)		Tax	(198)	(166)	
234	199	18 %	PAT	623	396	57 %
8.4%	8.5 %	(0.1%)	%	11.3 %	8.4 %	2.9%
273	208	31 %	Group Net Profit (incl. JVs & Associates)	619	398	55 %

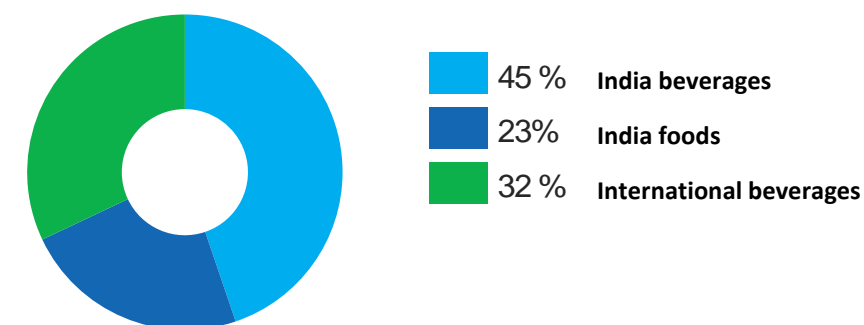
Group Consolidated Net Profits for the quarter grew by ~31% against previous year on account of following :

- Increase in EBIDTA – with higher revenue and effective management of discretionary costs, despite unprecedented tea inflation in India.
- Higher share of profit from JV / Associates
- Partly offset by higher exceptional items (mainly costs related to Integration of India Foods & Beverages, redundancy costs and non-cash impairment loss on assets relating to a business in Australia)

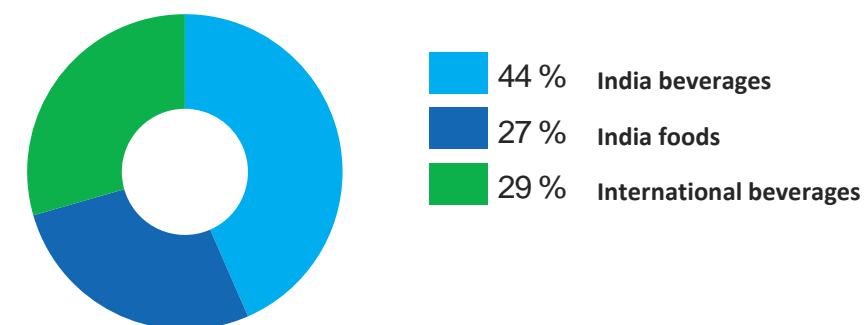
Segment-wise Performance

Particulars	Segment Revenue			Segment Results		
	Q2 FY21	Q2 FY20	Change (%)	Q2 FY21	Q2 FY20	Change (%)
INR Cr						
India Beverages	1,120	848	32%	149	112	33%
India Foods	580	513	13%	93	68	36%
International Beverages	801	746	7%	101	74	36%
Total Branded business	2,501	2,106	19%	343	255	35%
Non branded business	288	242	19%	18	16	11%
Others / Unallocated items	(7)	(1)		(40)	(9)	
Total	2,781	2,347	19%	321	262	23%

Revenue - Branded business



Segment results – Branded business



Consolidated Balance Sheet and Cash Flow

All no.s in Rs Crores	1HFY21	1HFY20
Total Equity	15,221	14,525
Goodwill and Brands (Indefinite life)	9,520	9,460
Fixed Assets and other intangibles including Lease assets (net)	1,954	1,978
Working Capital (Net)	1,964	1,834
Operating Capital Employed	13,438	13,272
Other Non-operating Assets (mainly Investments)	344	769
Net (Debt)/Cash & Cash Equivalents [#]	1,439	484
Total Assets	15,221	14,525
Operating Cash flow (Before Capex and taxes)	578	303
<i>ROE % (Group Net Profit / Equity) – not annualised</i>	<i>4.1%</i>	<i>2.7%</i>
<i>ROCE % (EBIT / Operating CE) – not annualised</i>	<i>5.7%</i>	<i>4.2%</i>
<i>ROCE % (excluding Goodwill and Brand with indefinite life) – not annualised</i>	<i>19.5%</i>	<i>14.6%</i>

[#] Cash and Cash equivalents include other bank balances, current investments and ICDs

07

Outlook and Priorities

Outlook

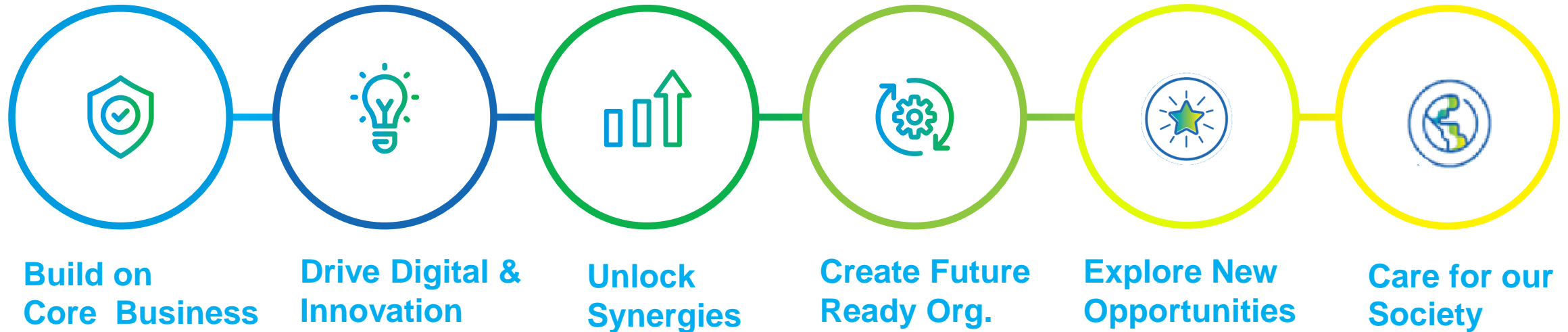
Macros

- Covid-19 second wave in Europe and parts of the US, while new case rate is on a decline in India.
- Indian economy seems to be on a recovery path, albeit the pace of recovery will depend on further stimulus measures.
- Several measures of consumer sentiment registered a sharp decline; green shoots visible in rural consumption.

Business

- Tea Inflation in India remains a headwind in the short term; need to balance growth ambition with margin delivery.
- With the distribution expansion in progress and new product launches, the growth momentum in India Foods to continue.
- The OOH business in India recovering well; food service business in International markets continues to face headwinds.
- Integration of Foods & Beverages businesses is on track; synergy benefits have started to flow ahead of estimates.

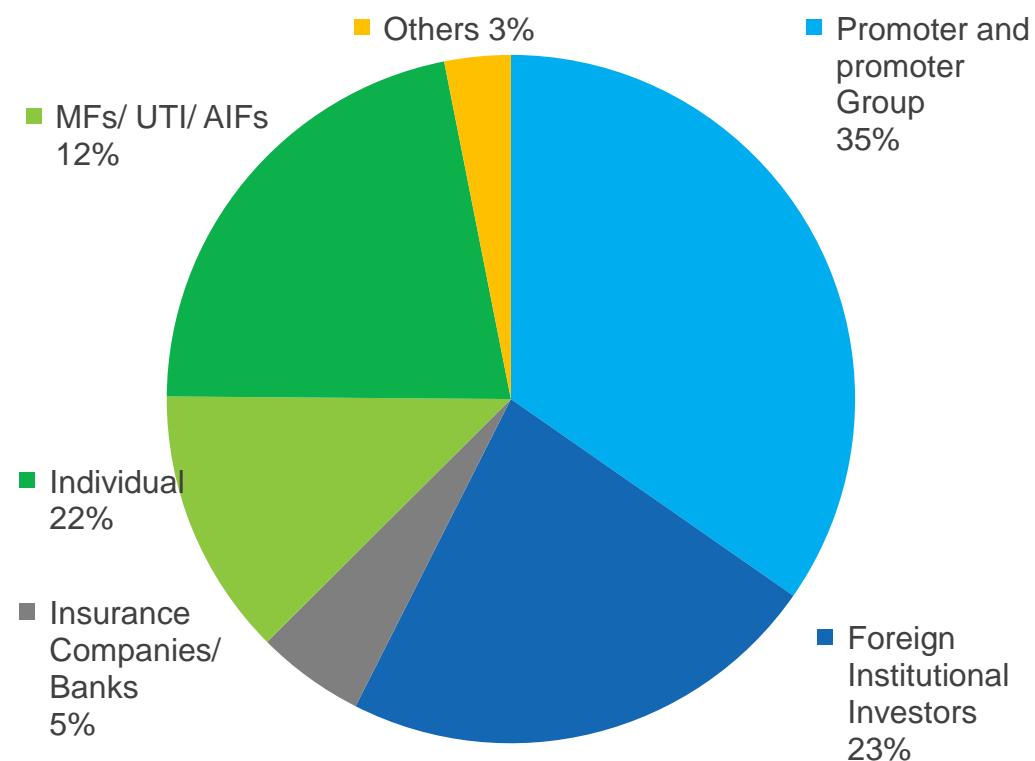
Focus & Priorities



Thank You

Shareholding Information

Pattern as on Sept 30, 2020



Stock data

BSE Ticker	500800
NSE Ticker	TATACONSUM
Market Capitalization (Oct 30, 2020)	₹454.2bn
Number of Shares Outstanding	921.55 Mn.

For more information

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TataConsumer



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