

Investor Presentation

For the quarter ended June 2024

TATA CONSUMER PRODUCTS

30th July 2024

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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.

Tata Consumer Products Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to issue Equity Shares on a rights basis and has filed the Letter of Offer dated July 23, 2024, with SEBI and BSE Limited. The Letter of Offer is available on the website of [SEBI](#), the Stock Exchanges i.e. [BSE Limited](#), [NSE Limited](#) and [The Calcutta Stock Exchange Limited](#), [Company](#), website of the [Registrar](#) and the website of the Lead Managers at <https://Investmentbank.Kotak.Com>, <http://www.axiscapital.co.in>, <https://www.business.hsbc.co.in/en-gb/regulations/hsbc-securities-and-capital-market>. Potential investors should note that investment in equity shares involves a high degree of risk and are requested to refer to the Letter of Offer including the section "Risk Factors" beginning on page 16 of the Letter of Offer.

Details of the Rights Issue

- Company has filed the Letter of Offer (LOF) with SEBI.
- Issue Details:
 - **Rights Issue Price** – INR 818
 - Total number of Equity Shares and Rights Issue size: 3,66,47,492 fully paid-up Equity Shares each for amount aggregating up to ₹2,997.77 Crs.
 - **Record Date** – July 27, 2024
 - **Rights Entitlement Ratio** – 1:26 (1 Rights Equity Shares for every 26 fully paid Equity Shares held by an Eligible Equity Shareholder)

Objects of the Issue

The Company intends to utilize the Net Proceeds from the Issue towards funding of the following objects:

1. Repayment in full or buyback of the commercial papers issued/refinanced by our Company for financing the acquisitions of Capital Foods Private Limited and Organic India Private Limited, and
2. General corporate purposes.

Our Promoter, Tata Sons Private Limited has confirmed that they will (i) subscribe to the full extent of their Rights Entitlements in the Issue, and they will not renounce their Rights Entitlements, except to the extent of renunciation within the Promoter Group or for the purpose of complying with minimum public shareholding norms prescribed under the SCRR, and (ii) subscribe to the Rights Entitlements which may be renounced in their favour by any other member of the Promoter Group, except to the extent of renunciation by the Promoter for the purpose of complying with minimum public shareholding norms prescribed under the SCRR.

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Executive Summary

Executive Summary

- Consolidated revenue growth was 16% in Q1FY25 (10% organic growth). During the quarter,
 - India Beverages¹ grew 6% (1% organic), with flat tea volumes YoY.
 - India Foods² continued its strong trajectory, with revenue up 30% (14% organic). Volume growth was 10%.
 - International business recorded 10% revenue growth (8% constant currency), with EBIT growth of 46% driven by pricing and cost-saving efforts.
- Growth businesses³ grew 20% organically. RTD business was impacted by an intense summer.
- Profitability continued to improve at a group level. Consolidated EBITDA grew 23% with a margin expansion of 80bps to 15.4%.
- Integration of Capital Foods' including clean up of channel inventory is complete ; revenue run-rate is now trending as expected.
- Integration of Organic India is moving as per schedule.
- Tata Starbucks opened 17 net new stores during the quarter. Total store count stood at 438 at the end of Q1.
- Rights issue announced, expected to close on 19 August 2024. Proceeds will be used to repay short-term financing raised for acquisitions.

Note: Organic growth excludes Capital Foods and Organic India.

¹ Includes Packaged Beverages, Ready-to-Drink (RTD), and Organic India revenues. Organic India is w.e.f 16th April 2024.

² Includes Salt, Tata Sampann, Tata Soufull, Tata Sampann Yumside, and Capital Foods revenues. Volume growth excludes Capital Foods.

³ Includes RTD, Tata Sampann, Tata Soufull, Tata Sampann Yumside, Vending, D2C.

02

Performance Overview

Key Businesses Snapshot – Q1FY25

In ₹ Cr (unless specified)	India Beverages	India Foods	International	Non-Branded	Consolidated
Revenue	1,523	1,346	988	501	4,352
Revenue growth	6% [1%]	30% [14%]	10%	33%	16% [10%]
<i>Constant currency growth</i>			8%	32%	16% [9%]

Key Brands



Notes:

- India Beverages includes Packaged Beverages, Ready-to-Drink (RTD), and Organic India revenues (including overseas revenue) w.e.f. 16th April 2024. [] denotes organic revenue growth, excluding the impact of Organic India.
- India Foods Includes Salt, Tata Sampann, Tata Soufull, Tata Sampann Yumside, and Capital Foods revenues. [] denotes organic revenue growth, excluding the impact of Capital Foods.
- International includes International Tea and US Coffee businesses.
- Non-Branded incl. solubles and plantations businesses.
- Consolidated revenue after Inter-segment eliminations. [] denotes organic revenue growth, excluding the impact of Capital Foods and Organic India.
- The classification of our businesses in the table above has been provided for historical context and differs from that disclosed in the segment information in our financial results.

Summary of Group Performance – Q1FY25



₹ 4,352 Cr.

₹ 671 Cr.

₹ 465 Cr.

₹ 302 Cr.

₹ 289 Cr.

₹ -2,857 Cr.

	Revenue	EBITDA	PBT (bei)^	Group Net Profit (bei)^	Group Net Profit	Net Cash\$
Growth (YoY)	16%	23%	-6%	-11%	-14%	
Margin		15.4%	10.7%	6.9%	6.6%	
Margin expansion (YoY)		80bps	-250bps	-220bps	-240bps	
EPS (Basic)				3.17	3.05	
EPS growth (YoY)				-7.8%	-10.6%	

^ before exceptional items.

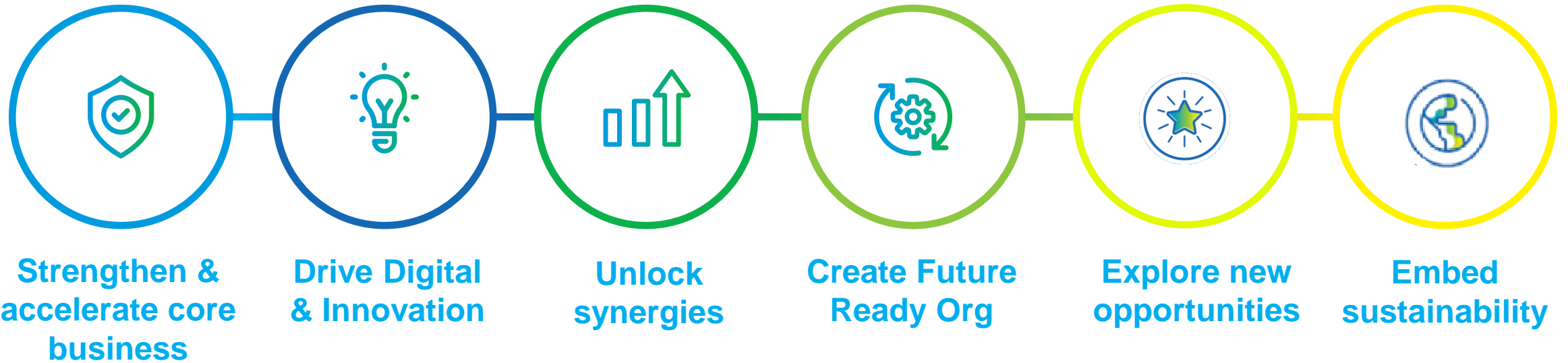
\$ Cash and cash equivalents (net of total borrowings) as of 30 June 2024.

* Group Net Profit (bei) and EPS (bei) growth rates differ on account of higher share of non-controlling interests in the previous year.

03

Progress against Strategic Priorities

Strategic Priorities





Sales & distribution – Adding 35% more feet on street

1m Population+
(and select 500k+)



Distributor



Salesman 1

Salesman 2

Salesman 3



500k Population+



Distributor



Salesman 1

Salesman 2





Channels of the Future

Modern Trade



Q1FY25 revenue growth

E-commerce



Q1FY25 revenue growth

Pharmacies

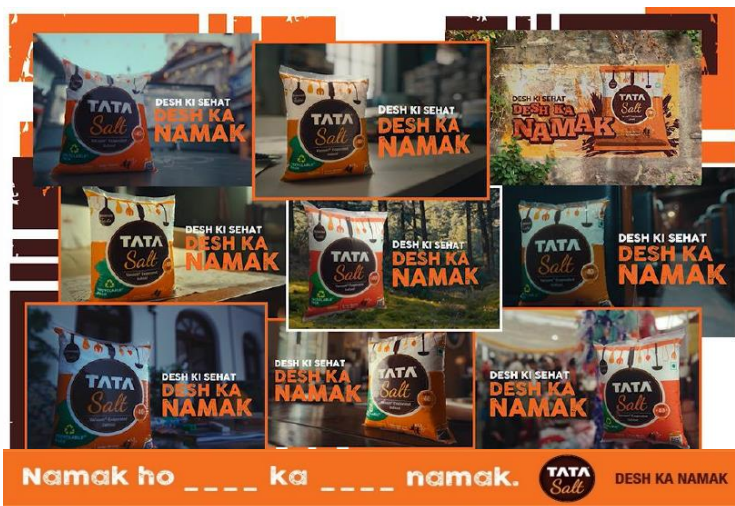
- TCPL now has a portfolio well suited for the Pharma channel
- Pilot initiated in six cities

Food Service

- Key customers include HoReCa, corporate canteens, and B2B.
- Pilots planned in two cities



India Business – Investing behind our brands



* India business





Continued focus on value-added Innovation



Tata Salt Panch Tatva



Easy Cook Ragi Atta



Masala Oats + Dal Shakti

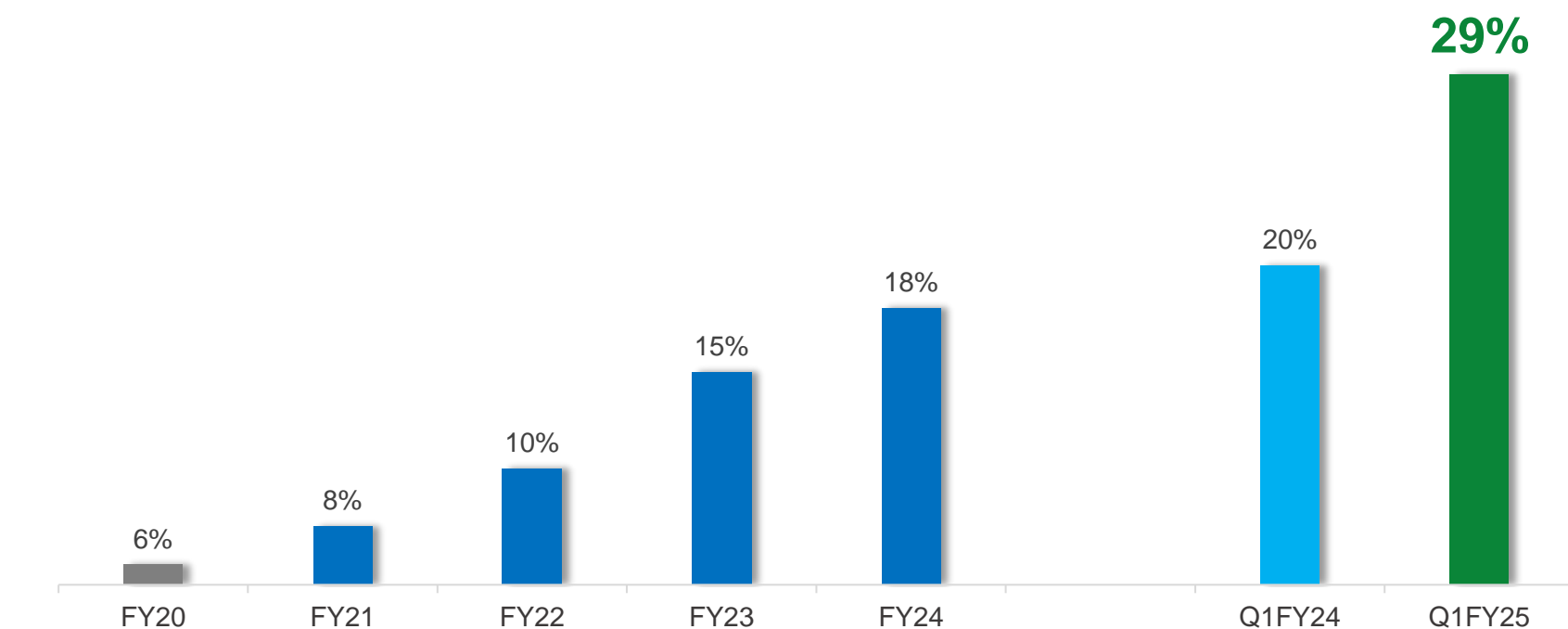


Cold pressed Olive Oil



Growth businesses now 29% of India Business

Growth Businesses as a % of India Business



Combined YoY revenue growth

Q1FY25



66% [20%]



Organic India w.e.f. 16th April 24.
 Growth businesses include all revenue for Capital Foods and Organic India, including overseas revenues.
 [] denotes organic growth, excluding the impact of Capital Foods and Organic India.



Capital Foods' integration completed

Accelerated integration delivered within 90 days leveraging our detailed integration playbook

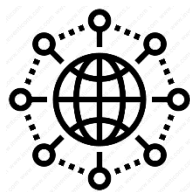
GTM Integration

Digital Integration

Back-end Integration

Policy & Regulatory Compliance

Org Structure



All systems integrated



Demand Planning Integration with alignment of production & dispatch plans completed



Supply chain network integrated with 44 TCPL CFAs



All channels integrated, including Exports

Successful transition from SAP ECC to S4 HANA

Demand planning across all channels migrated to Blue Yonder

Quality & Regulatory policies harmonized to ensure 100% compliance

Org Structure design completed & implemented



Organic India – Fast-tracking integration

Integration/Harmonization on Track

Day-1 Billing
17th April 2024

Policy & Certification
Compliance

Front-end Integration

Back-end Integration

Pharma Channel Strategy



Golden invoice generated with first shipment dispatched from Barabanki plant

Quality & Regulatory policies of Organic India harmonized with TCPL

Organic India outlets onboarded to TCPL's network

Integration activities for all support functions nearly completed

Design phase in progress



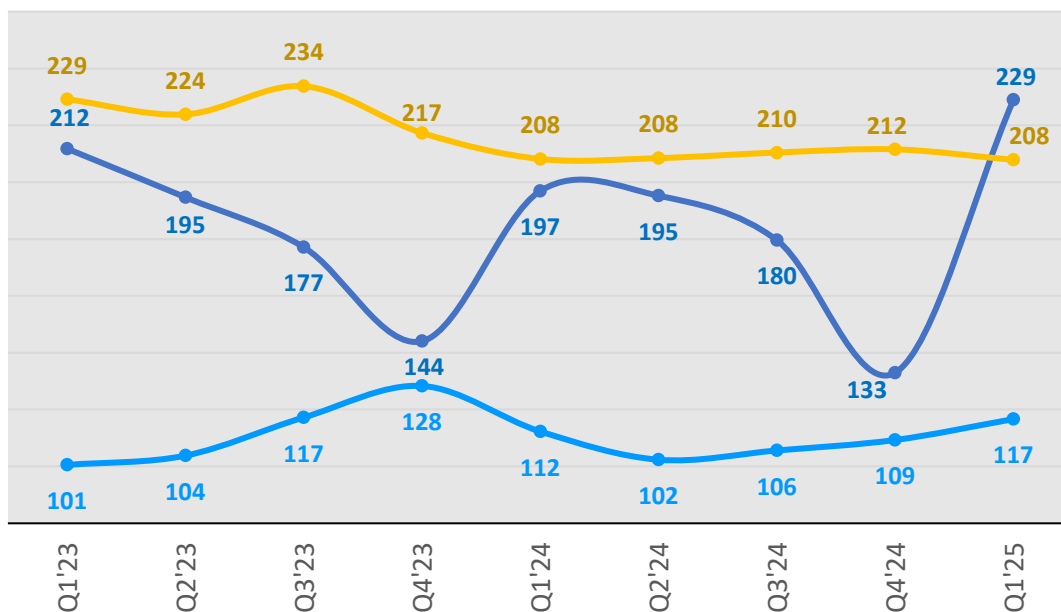
04

Macro environment

Key Commodities' movement

Tea

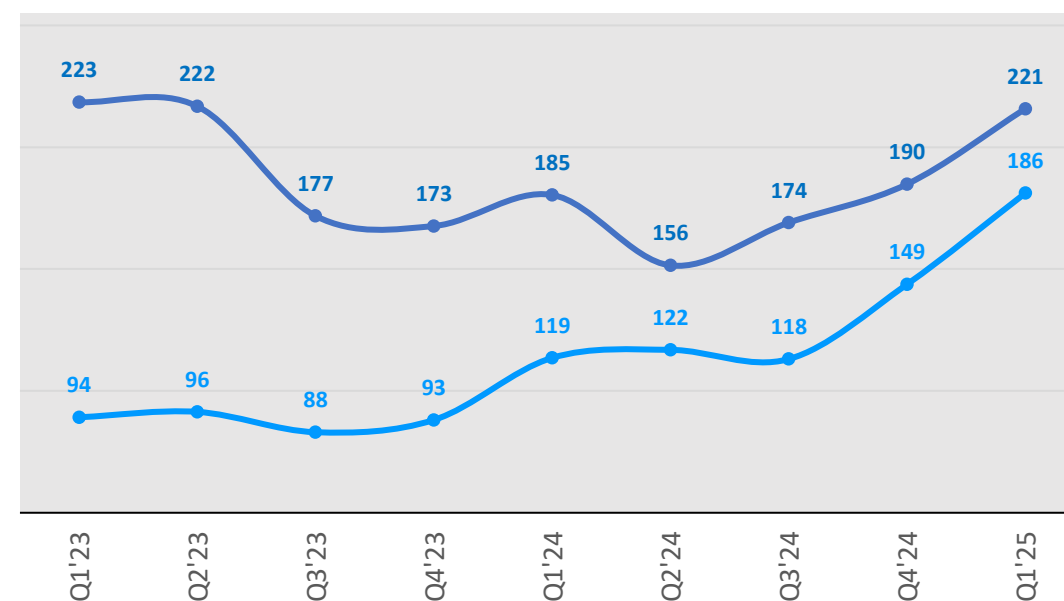
— N. India Tea (INR/kg) — S. India Tea (INR/kg) — Kenya Tea (\$c/kg)



- Unfavorable weather conditions affected tea production in the country. **North India tea** prices were 16% higher YoY for the quarter.
- **South India tea** prices were 4% higher YoY.
- **Kenyan tea** prices were stable YoY as well as QoQ.

Coffee

— Arabica Coffee (\$c/lbs) — Robusta Coffee (\$c/lbs)



- **Arabica** prices continued to inflate during the quarter.
- **Robusta** prices have touched record highs during the quarter due to global supply shortages. Averages prices for Q1 were 57% higher YoY.



05

Business performance

India Packaged Beverages



-1%

Revenue Growth

0%

Volume Growth¹

Performance commentary

- Revenue for the quarter declined 1%, with flat volumes.
- Category was impacted by an intense summer.
- Coffee continued its strong trajectory and grew 28%.

Other updates

- Tata Tea Chakra Vita Care launched in Tamil Nadu to strengthen our health & wellness platform in South markets.
- Tata Tea's Jaago Re campaign received 1 Lac+ pledges.
- Tata Tea Gold celebrated Mother's Day with a special campaign that generated 30+ Mn views.

Note: All numbers in the grey panel are for Q1FY25, and growth is vs Q1FY24 unless specified otherwise.

¹ Packaged beverages volume growth.

India Foods



+30%

Revenue Growth

+14%

Organic Revenue Growth*

+10%

Volume Growth^

Performance commentary

- Salt revenue grew 9% during the quarter, driven by a strong 8% volume growth.
- Value-added salts grew 35%, in line with our premiumization agenda.
- Tata Sampann continued its strong momentum and grew 37%.

Other updates

- *Namak Ho Tata* campaign celebrating *Desh ka Namak* was activated on high-impact platforms and was the best campaign in IPL 2024 in terms of ad recall*.

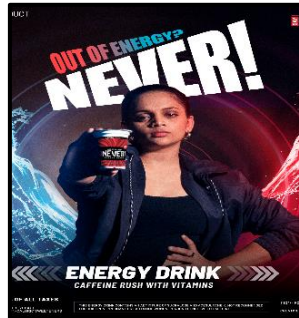
Note: All numbers in the grey panel are for Q1FY25, and growth is vs Q1FY24 unless specified otherwise.

* Organic Revenue Growth excludes Capital Foods. For more details on Capital Foods, refer to slide 25.

^ Volume growth excludes Capital Foods.

*Source: Synchronize. Ad Recall among brands which invested spends on a similar range to Tata Salt on IPL.

Ready-to-Drink (RTD)



311Cr
Revenue

+7%
Revenue growth

+22%
Tata Copper+
revenue growth

Performance commentary

- The RTD business recorded a revenue growth of 7% in the quarter cycling a high base (+60%). A strong summer impacted category demand with reduced out-of-home consumption especially for single-serve packs.
- Tata Copper+ continued its momentum with 22% revenue growth.

Other updates

- Recent introductions of Tata Spring Alive and Himalayan Saffron continue to do well.

Note: All numbers in the grey panel are for Q1FY25, and growth is vs Q1FY24 unless specified otherwise.

New acquisitions – Capital Foods & Organic India



164Cr
Capital Foods
Revenue

71Cr
Organic India
Revenue

Performance commentary

- Newly acquired businesses delivered a decent performance despite necessary channel inventory clean up in Capital Foods, and the integration phase in Organic India.
- Gross margin for both businesses remains accretive to the Company.
- Identified synergy benefits have started accruing in both businesses.

Other updates

- Focus on innovation and expansion – Introduced Ching's Secret Schezwan Ketchup to build on the popularity of Schezwan Chutney.

48.4%
Combined gross
margin



Non-branded Business



+32%#
Revenue Growth



+34%#
Solubles
Revenue

Performance commentary

- Revenue for the quarter grew 32%# led by exceptionally strong coffee realizations across solubles and plantations.
- The solubles business grew 34%# with strong performance in both coffee and tea
- Plantations recorded a growth of 34%.
- EBIT margin for non-branded business expanded 600bps YoY, led by unprecedented coffee prices.

Other updates

- Volatile coffee prices remain a key monitorable.

Note: all numbers in the grey panel are for Q1FY25, and growth is vs Q1FY24 unless specified otherwise
Non-branded business including Vietnam in constant currency terms.

Tata Starbucks (JV)



17
Net new stores
opened during the
quarter

438
Total stores

65
Cities present

Performance commentary

- Revenue for the quarter grew 4%.
- 17 net new stores added during the quarter. The total store count stood at 438 as of Jun'24.
- Entered 4 new cities during the quarter and now present across 65 cities.

Other updates

- Cold Brew and *Refreshers* with green coffee extract launched as key offerings during the summer quarter.
- Incremental new consumers engaged in the 'Starbucks Menu at 190' - a 360-degree campaign.
- The summer campaign saw experiential activities at stores along with new product launches.



International operations



UK

- Revenue for the quarter grew 14% (reported revenue growth of 18%).
- Strong improvement in EBIT margins driven by strong topline and structural interventions made earlier.

Revenue growth

+14%



USA

- Coffee revenue for the quarter declined 4% (reported revenue decline of 2%) impacted by category headwinds in K-cups.
- The US tea business registered a growth of 8% in Q1.

Coffee revenue
growth

-4%

Tea revenue
growth

+8%



Canada

- Revenue for the quarter grew 12% (reported revenue growth of 14%).
- Tata Salt and Tata Sampann spices got listed in Loblaw.

Revenue growth

+12%

Revenue growth in
specialty tea

+17%

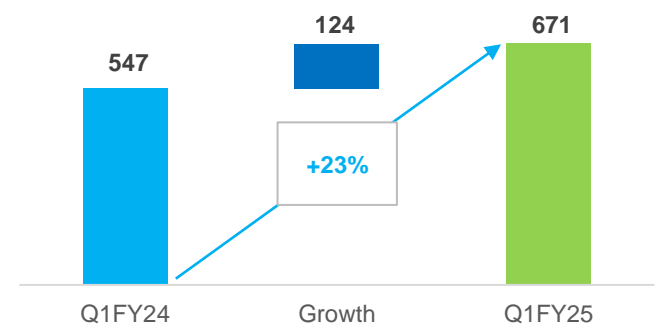
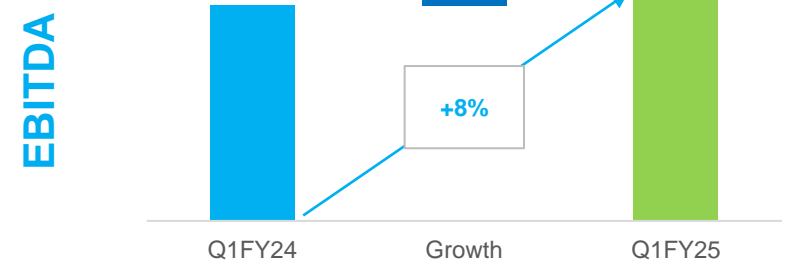
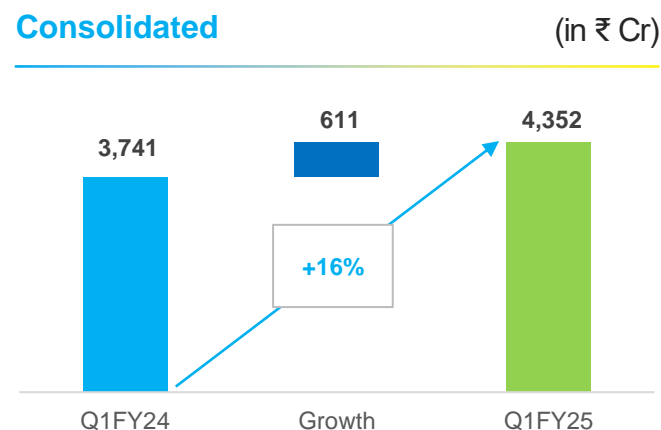
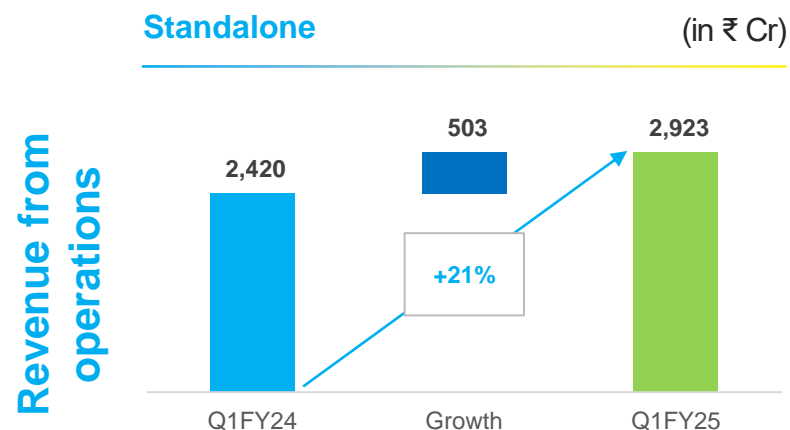
Note: All numbers in constant currency unless specified
All numbers in the grey boxes are for Q1FY25, and growth is vs Q1FY24 unless specified otherwise.



06

Financial Performance

Performance Highlights – Q1FY25



Consolidated revenue grew 16% (16% in constant currency terms) to Rs 4,352 Crs.

- **India business*** grew 16%. Organically (net of acquisitions), growth was 7%.
- Constant currency (CC) growth in the **international business** was 8%.
- The **non-branded business** grew 32% in CC terms.

Consolidated EBITDA at Rs 671 Crs. (+23% YoY) with EBITDA margin at 15.4%.

- The **India business** EBITDA grew 19% YoY with a margin expansion of 30 bps. Organically, EBITDA grew 6% with a margin expansion of 10 bps.
- **International business** EBITDA grew 42% (CC) YoY. EBITDA margin was 480 bps higher led by price increases and lower input costs.
- EBITDA for the **non-branded business** grew 90% with a margin expansion of 500 bps owing to better realizations.

*India business includes India and Global operations of Capital Foods and Organic India

Financials: Standalone and Consolidated

Standalone			Profit and Loss statement (all nos. in ₹ Crores)	Consolidated		
Q1FY25	Q1FY24	Change %		Q1FY25	Q1FY24	Change %
2,923	2,420	21%	Revenue from operations	4,352	3,741	16%
403	374	8%	EBITDA	671	547	23 %
13.8 %	15.4%		%	15.4%	14.6%	
(45)	(42)		Depreciation and amortization	(148)	(82)	
358	331	8%	EBIT	523	465	12%
12.3 %	13.7%		%	12.0 %	12.4 %	
(58)	29		Net Interest income/(expense)	(58)	29	
292	361	(19)%	PBT before exceptional items	465	495	(6)%
(10)	(5)		Exceptional items	(17)	(5)	
(94)	(93)		Tax	(134)	(131)	
188	263	(28)%	PAT	314	359	(12)%
			%	7.2 %	9.6 %	
Group Net Profit (incl. JVs & Associates)				289	338	(14)%

Standalone net profit for Q1FY25 at Rs 188 Crs, declined by 28% despite higher operating profits primarily due to interest cost.

- EBIT grew by 8% driven by:
 - Improved profitability of the India business largely driven by lower input costs.
 - Strong growth in the Solubles business driven by better realizations.
- Input costs savings were utilized for higher brand investments.
- Interest costs were higher owing to bridge financing taken for the acquisitions.

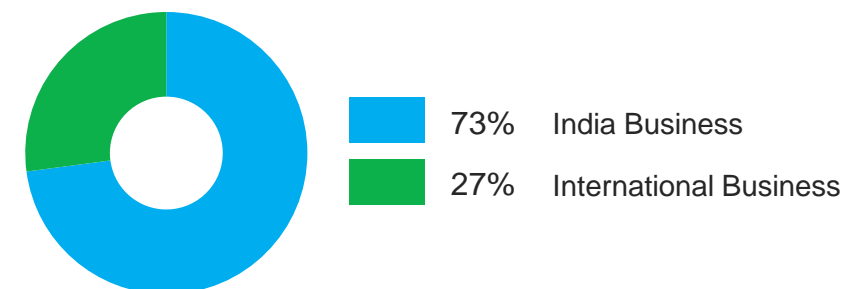
Group net profit (GNP) for Q1FY25 was Rs 289 Crs, down 14%. GNP (before exceptional items) at Rs 302 Crs is 11% lower YoY despite higher operating profits primarily due to interest cost.

- EBITDA grew 23% aided by revenue growth and margin expansion led by:
 - Higher profitability across our branded businesses.
 - Improved performance of the non-branded business led by better realizations.
- However, EBIT grew by 12% due to higher amortization on account of acquisitions. PBT(bei) declined 6% due to the interest costs.

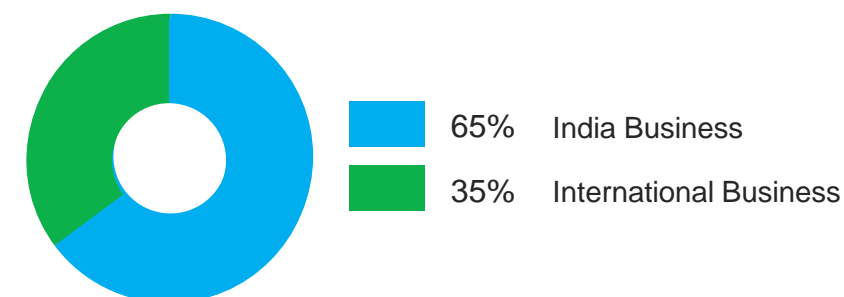
Segment-wise Performance Q1FY25

Particulars	Segment Revenue			Segment Results		
	Q1 FY25	Q1 FY24	Change	Q1 FY25	Q1 FY24	Change
₹ Cr						
India Business	2,815	2,478	14%	326	328	-1%
International Business	1,046	895	17%	176	116	52%
Total Branded Business	3,862	3,373	14%	501	444	13%
Non-Branded Business	501	377	33%	96	50	92%
Others / Unallocated items	(10)	(9)		(150)	(5)	
Total	4,352	3,741	16%	448	489	-8%

Revenue – Branded business



Segment results – Branded business



In Q1FY25, India business includes only the domestic sales of Capital Foods and Organic India.

In Q1FY25, International business includes the overseas revenue of Capital Foods and Organic India.



07

Concluding remarks

To conclude

Macros

- Intense summer in many parts of the country impacted demand for hot beverages and out-of-home categories
- Within key international markets, demand remains stable in the UK and Canada. The US coffee category continues to face some headwinds.
- Erratic weather patterns have affected tea production in India leading to volatile prices.

Business

- While packaged beverages, RTD, and the Tata Starbucks businesses were impacted by heatwaves across the country, India foods, International and non-branded businesses delivered a strong performance.
- Growth businesses accounted for 29% of the India business (including Capital Foods and Organic India).
- The international business continued its solid momentum, growing 8% in constant currency terms with a 420 bps EBIT margin expansion led by structural interventions made earlier and tactical pricing.
- The non-branded business continues to benefit from record high coffee prices.
- Capital Foods' integration completed.
- The transaction for Organic India was completed on 16th Apr'24. End-to-end integration is on schedule.

Q&A



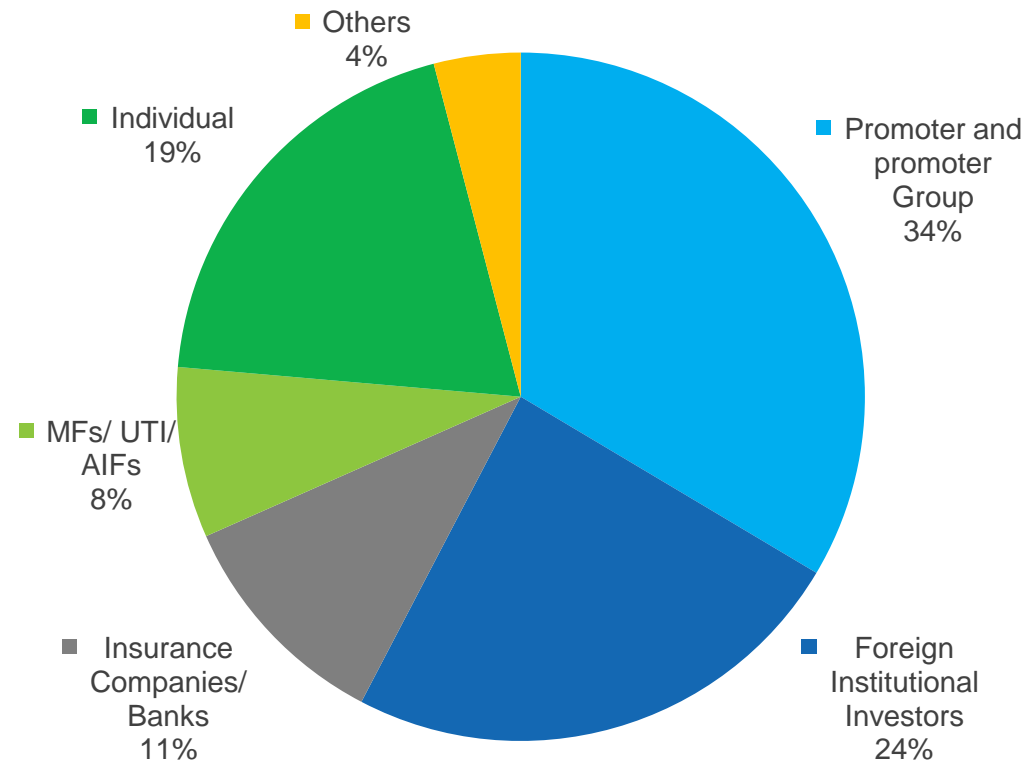


08

Other

Shareholding information

Pattern as on 30th June 2024



Stock data

BSE Ticker	500800
NSE Ticker	TATACONSUM
Market Capitalization (Jun 30, 2024)	₹ 1,045.4 bn
Number of Shares Outstanding	952.8 Mn

Thank You

For more information

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



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