



23rd April, 2019

The Secretary
**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 –
TATAGLOBAL

BSE Ltd.

Corporate Relationship
Dept.
1st Floor, New Trading
Wing
Rotunda Building, PJ
Towers
Dalal Street
Mumbai 400 001
Scrip Code - **500800**

The Secretary

**Calcutta Stock
Exchange Ltd.**

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

Dear Sirs,

Further to our letter dated 5th April, 2019 we enclose herewith a copy of the Presentation which is being made at the Analyst's call on 23rd April, 2019.

A copy of the same will also be uploaded on the Company's website www.tataglobalbeverages.com.

This is for your information and records.

Yours faithfully,

For **Tata Global Beverages Limited**

Neelabja Chakrabarty

Vice President & Company Secretary

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 6121 8499

Registered Office: 1 Bishop Lefroy Road Kolkata 700 020

Corporate Identity Number (CIN) - L15491WB1962PLC031425

E-mail id - investor.relations@tataglobalbeverages.com

Website address – www.tataglobalbeverages.com

INVESTOR PRESENTATION

Quarter and Year ending 31st March 2019



TATA GLOBAL BEVERAGES
23rd April 2019



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



1 KEY HIGHLIGHTS

2 REGIONWISE PERFORMANCE

3 FINANCIAL OVERVIEW

4 STRATEGY FOR FY20

Key Highlights



REVENUE FROM OPERATIONS : Quarter \uparrow 5% (+2% at underlying terms)
 Full Year \uparrow 8% (+5% in underlying terms excluding the impact of Russia)

PBT BEFORE EXCEPTIONAL : Quarter \uparrow 24% (+21% underlying terms)
 Full Year \downarrow by 1% (-3% underlying terms)

Declared dividend of 250%

Positives

- \uparrow Topline growth in Branded Business
 - \uparrow India growth at **+11%** for the quarter (**+7%** for full year), driven by volume growth of **+12%** (**+9%** for full year) (highest in last 5 years)
 - \uparrow US coffee growth of **+2%** (UL **-7%**) for the quarter (**+28%** (UL **+18%**) for the full year,), due to K-cup model change
 - \uparrow UK gains market share both in value and volume in the declining everyday black category. New launches further aided performance
- \uparrow Good performance by Tata Starbucks and Nourishco JVs
- \uparrow Good cost management
- \uparrow Entered into a non binding term sheet to acquire a branded business in Rajasthan

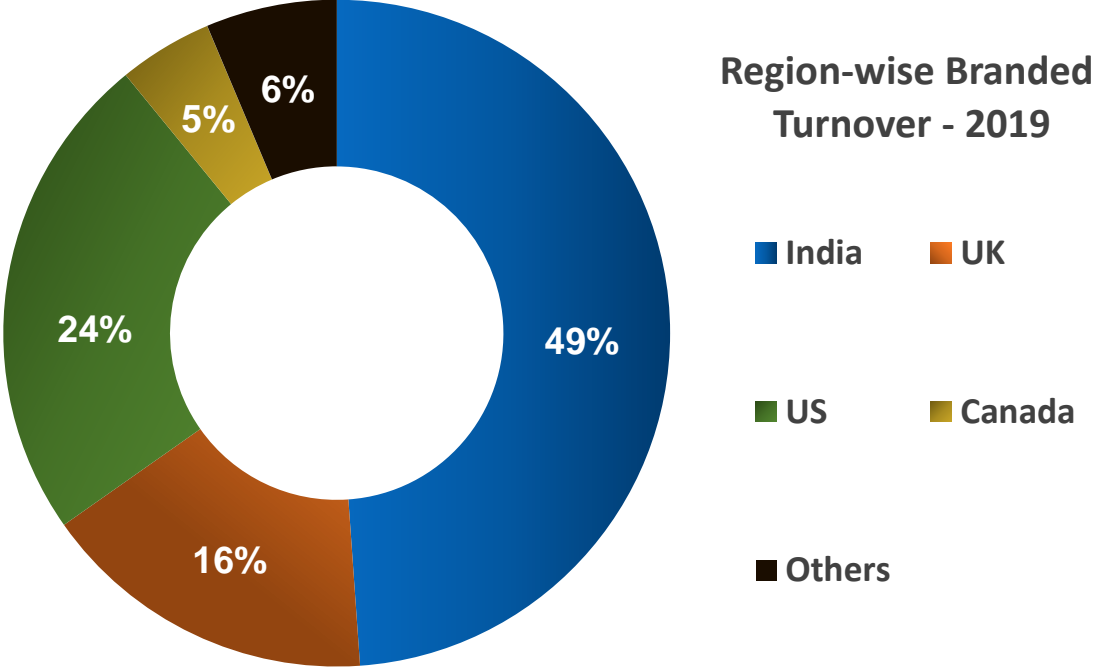
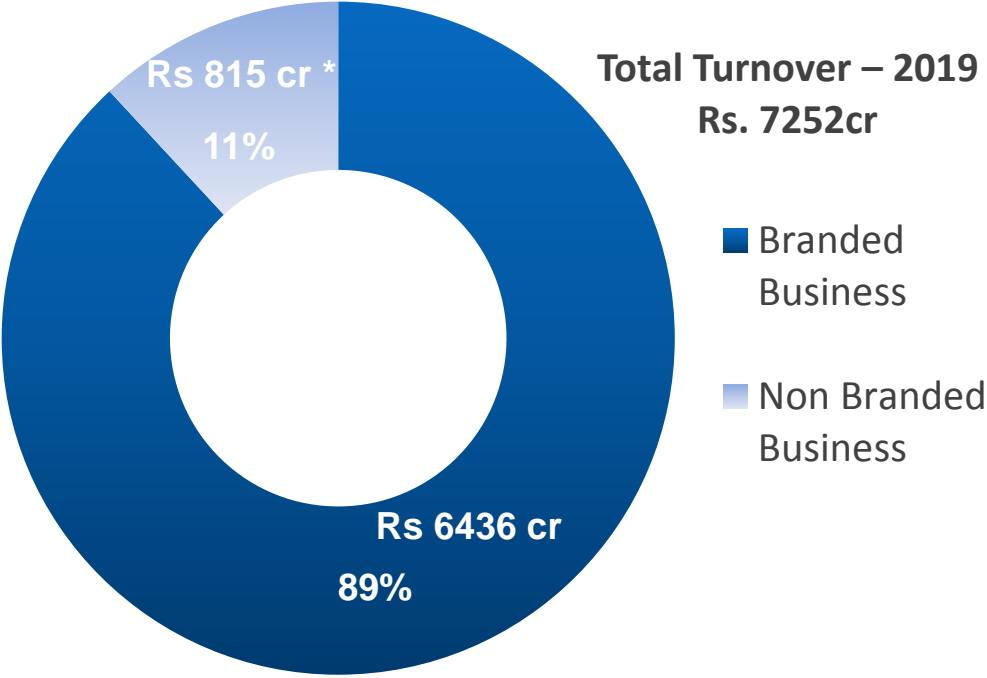
Challenges

- \downarrow Higher tea commodity cost in India
- \downarrow Declining everyday black category and increased competitive intensity in International markets

Business Profile



89% OF OUR TURNOVER COMES THROUGH OUR **BRANDED BUSINESS**

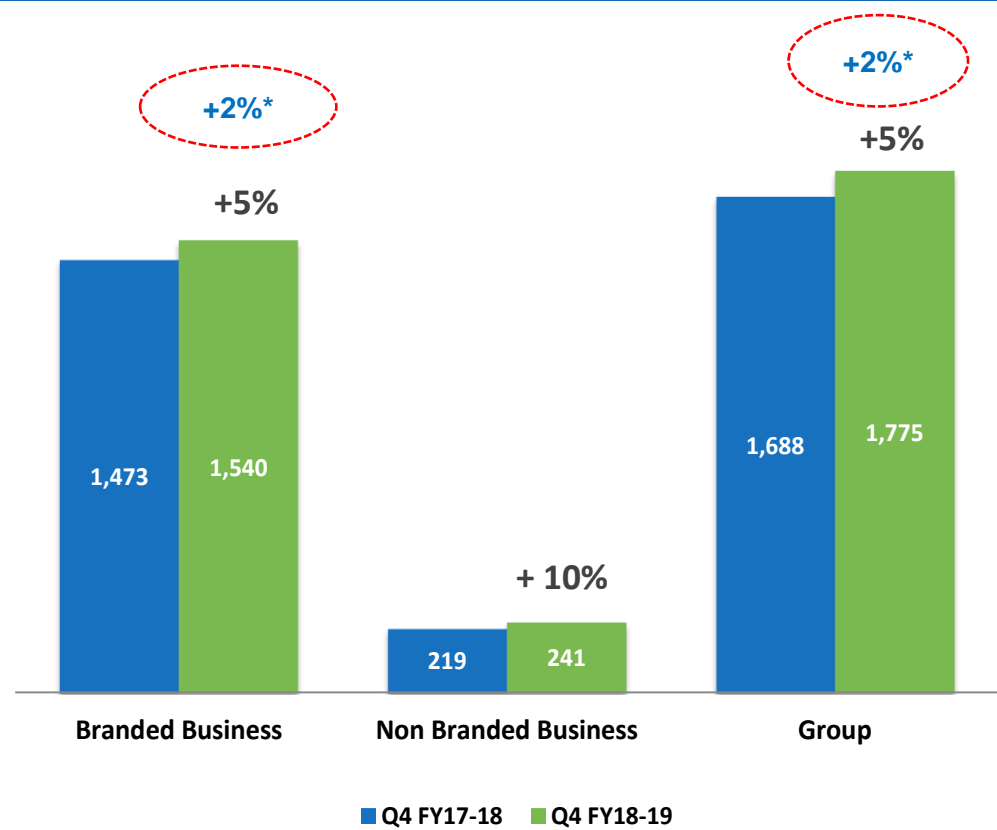


* Net of inter segment revenue

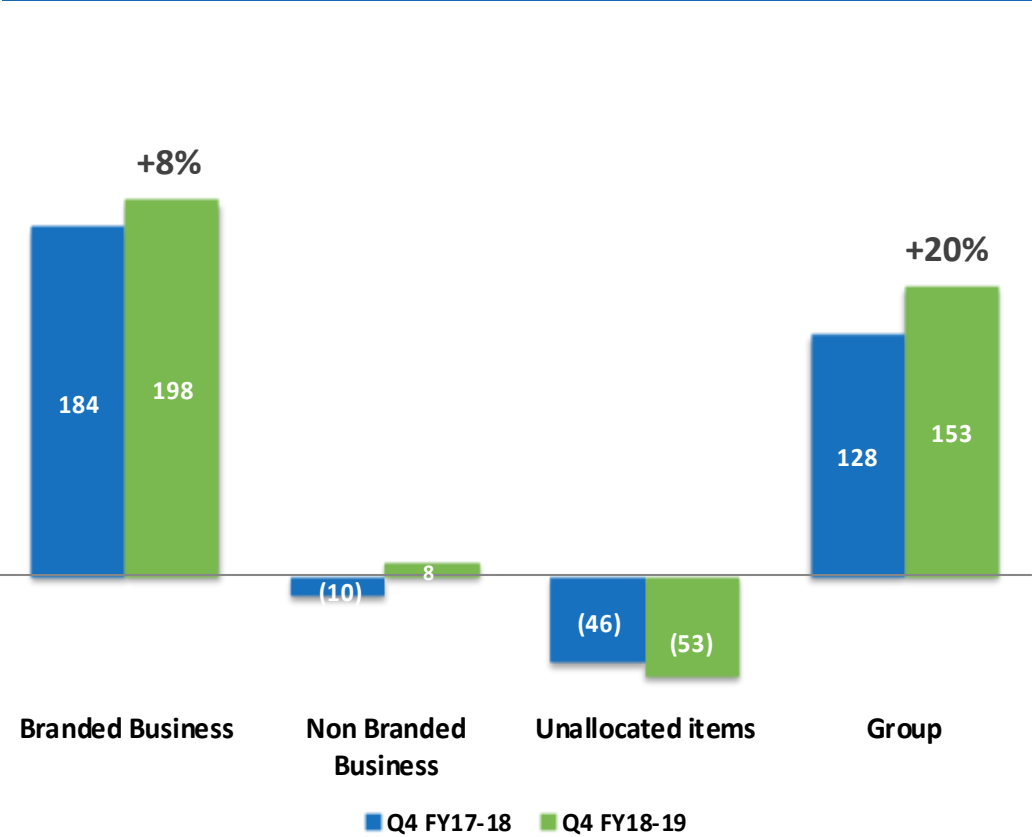
Consolidated Financials – Qtr ending 31st March 2019



Revenue (in INR cr)



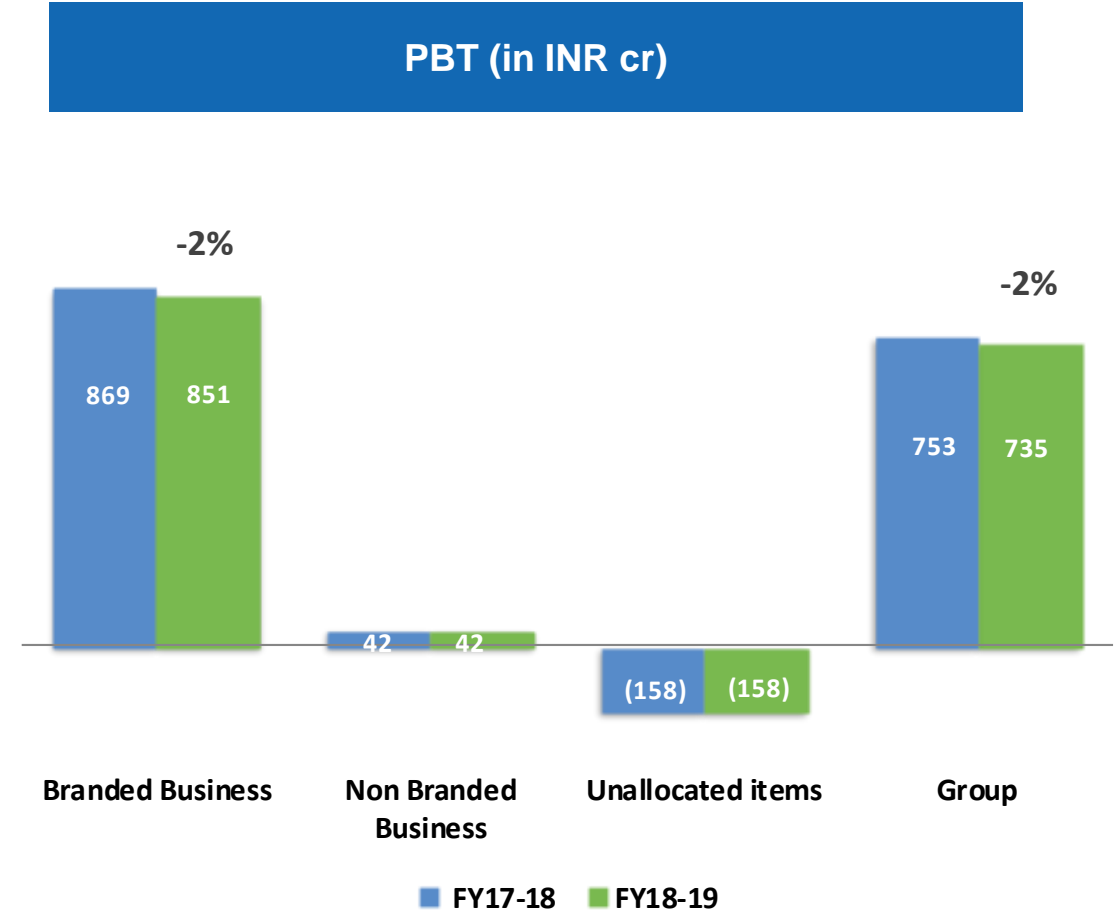
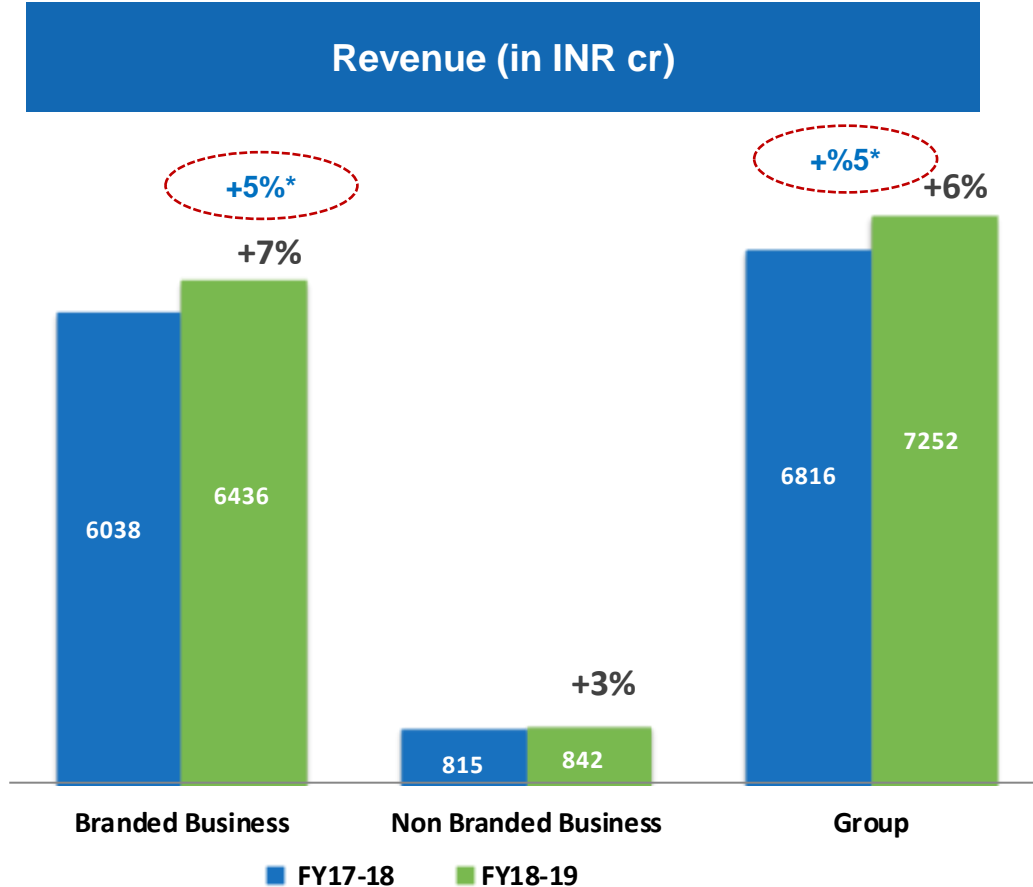
PBT (in INR cr)



Excluding fx impact

#Non Branded Business - Includes Tata Coffee Ltd and other B2B businesses
Inter-segment sales not represented as not material

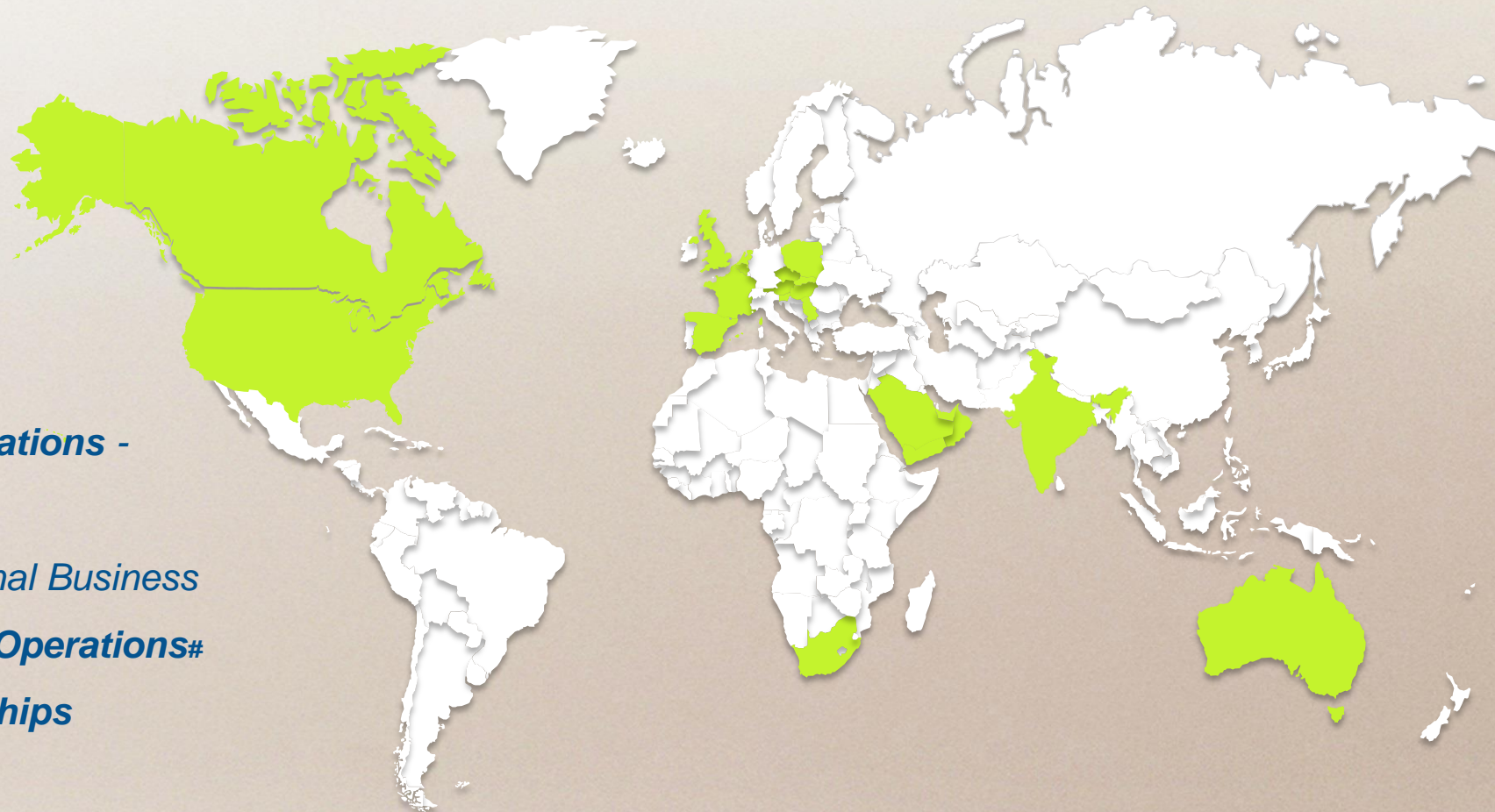
Consolidated Financials – Year ending 31st March 2019



*Excluding the currency impact and revenue from Russia Business, since divested

#Non Branded Business - Includes Tata Coffee Ltd and other B2B businesses
Inter-segment sales not represented as not material

REGIONWISE PERFORMANCE



- ❑ **Branded Operations -**
 - ❑ *India*
 - ❑ *International Business*
- ❑ **Non Branded Operations#**
- ❑ **JVs / Partnerships**

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

India

Strong Topline growth

Quarter : +12% in volume and +11% in value

Full year : +9% in volume and +7% in value

↑ Growth in both National and Regional brands

↓ Higher tea prices for both North and South India Teas

- **Agni** and **Spice Mix** registers significant volume and value growth
- **Tata Tea Gold** restage register good growth both in volume and value terms
- **Chakra Gold** and **Gemini** driving value growth
- Sales transformation & digitisation
- **New Initiative** - Out of home experience stores **Tata Cha** in Bangalore.
 - 6 store opened till date. Spanning 3 different formats- High street, Kiosk and Abbreviated





Topline growth continues

Quarter : +8% (+4% in underlying terms)

Full year : +8% (+1% in underlying terms)

- ↑ Volume led growth of **7%** (qtr) and **2%** (full year)
- ↑ Gains market share both in volume +2.2%* and value +0.6%* despite a declining black tea category
- ↑ Improves operating profits
- ↑ Growth in non everyday black segments driven by new launches (Cold Infusions and Squash) and continued growth in Decaf segment
 - **Cold Infusions** which can be brewed with ambient or cold water to make a hydrating beverage – is a new segment in UK created this year





Topline growth

Quarter : Flat (-9% in underlying terms)

Full year : +20% (+11% in underlying terms)

US Coffee sales for the quarter +2% (-7% in underlying terms)
and full year +28% (+18% in underlying terms)

↑ Aided by K-cup model change

↓ Lower branded bags sales

- Margin impacted due to lower sales and higher advertisement spends and one off costs due to transition into K-cups
- Softer commodity cost for both Robusta and Arabica Coffee driven by higher crop, improving Q4 margin.



Canada

Sales for full year and quarter lower impacted by Black Tea performance partly offset by Speciality aided by Tetley Super Teas

- Continues to maintain market leadership
- **Recently launched Tetley Super Teas** (Canada's first line of teas fortified with vitamins and minerals), performing exceedingly well
 - Captured a 1.8%* share of the non-black tea market due to strong marketing program
 - Awarded 2019 Best New Product Award from Brand Spark



JV – Tata Starbucks



Double digit topline growth ~**30%** for the full year, driven by new stores and improved in store performance

- **146 stores** opened till date
- **15 new stores** opened during the quarter taking the year count to **30 stores**
- **50th** Store opened in Mumbai
- Largest coffee forward store opened in Bengaluru, celebrating every aspect of the coffee journey through live coffee brewing experience
- Profits at store level and all cities profitable
- Food share increasing



50th Store
– Turner
Road,
Mumbai



**Vittal
Mallya
Road,
Bengaluru**

JV - Nourishco



Topline growth for the year ~10%

- **Tata Gluco Plus** registers a healthy growth
 - Launched in West Bengal Jharkhand and Odisha
 - TGP+ Juice continues to aid topline growth
 - Strong double digit growth, volume led
- Close to break even



Other Businesses



TATA COFFEE LIMITED

- Sales higher for both full year and quarter, driven by
 - ↑ Improved performance in instant coffee, recorded highest ever sales volume
 - ↓ Adverse performance in plantations business (impacted by excessive rainfall)
- Improved profitability
 - Sales driven improvement in instant coffee
 - Plantations (prior year had cop loss due to adverse weather)
- Freeze Dried Instant Coffee plant in Vietnam inaugurated

INSTANT TEA (B2B Business)

- Stable performance in sales and profit

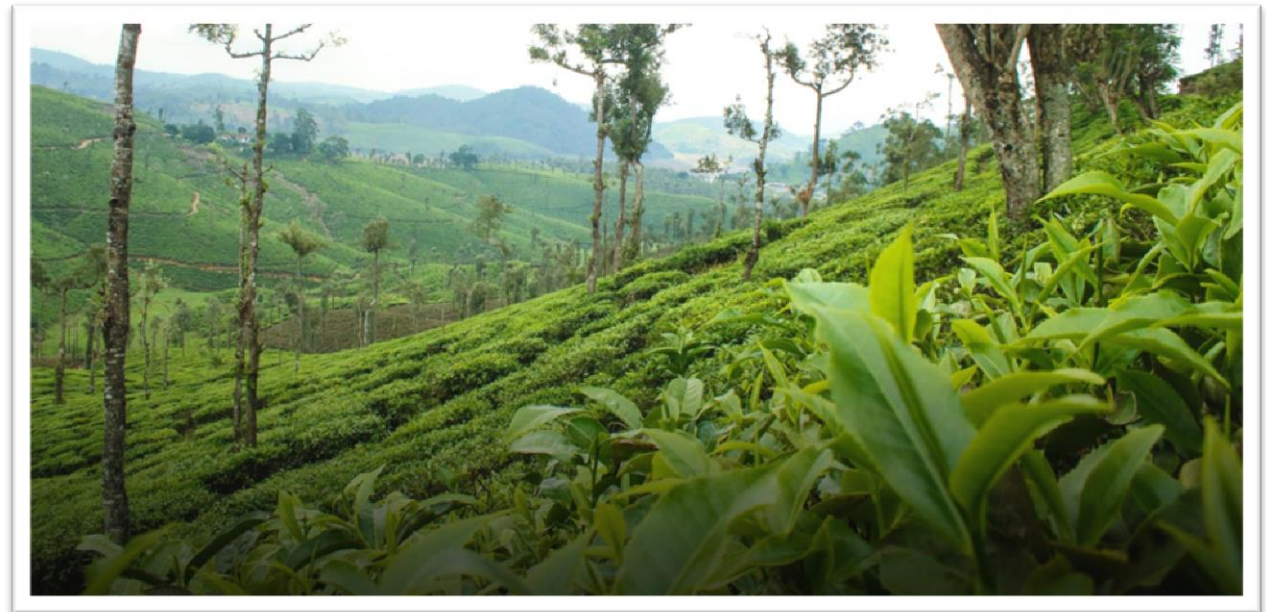
ASSOCIATES (Tea Plantations)

APPL

↓ Performance impacted by wage increase and lower realisation of orthodox tea

KDHP

↑ Improved performance driven by better realisation



Tata Coffee Vietnam – Factory inauguration



Date of inauguration : 6th March, 2019

Freeze Dried Coffee (FDC) Plant

Plant Capacity – 5000 MTPA



Vietnam factory aerial shot

Key Innovation and new launches for FY20



3 big ticket new Initiatives :

- Cold Infusions – UK, Australia, Western Europe
- Barista/ New Flavors of America
- Chakra Elaichi

Continue to establish in-market :

- Kombucha (Australia)
- Tea Veda and Masala (India)
- Tetley Supers (new variants in Canada)



UK



USA



India



Canada



Australia



FINANCIAL OVERVIEW



Financial Highlights

Rs Crs



REVENUE FROM OPERATIONS : Quarter **5%** (2% at constant currency)
Full year **8%** (5% at constant currency Excluding Russia, since divested)

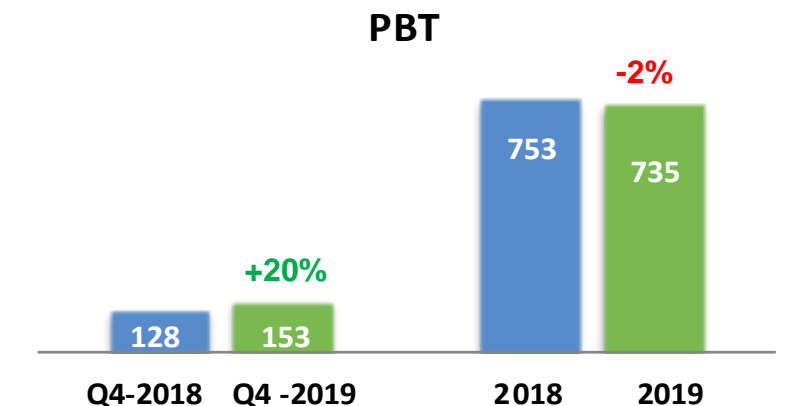
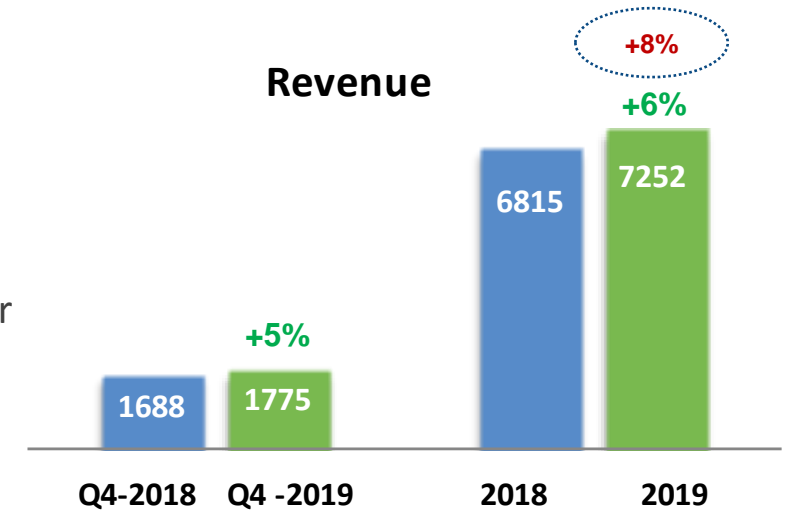
- Growth led by India Branded business
- Improved performance in UK, volume led growth and benefits of new launches
- Growth in Tata Coffee
- Lower sales in US Coffee and Tea for the Quarter (Full year US Coffee sales were higher aided by K-Cup model change)

PROFIT BEFORE TAX

- Higher sales and lower commodity cost in UK
- Improved performance in instant coffee and coffee plantation business
- Higher commodity cost in India
- Higher investment behind brands in US

GROUP NET PROFIT – lower for quarter and full year by one off items –

- Higher exceptional items
- Higher tax provision (PY had lower provision due to US tax rate change)
- Lower share of profits from Associates / JVs



Financial Highlights - Consolidated



| INR Crs PARTICULARS | Quarter ended March | | | Year ended March | | |
|---|---------------------|-------------|---------------|------------------|--------------|---------------|
| | 2018 | 2019 | % Change | 2018 | 2019 | % Change |
| Revenue from Operations | 1,688 | 1,775 | 5.2% | 6,815 | 7,252 | 6.4% |
| Other Income | 6 | 2 | -68.1% | 12 | 52 | 322.0% |
| Total Operating Expenses | -1,543 | -1,601 | 3.8% | -5,976 | -6,465 | 8.2% |
| EBITDA | 151 | 176 | 16.3% | 851 | 838 | -1.6% |
| EBITDA % | 9.0% | 9.9% | | 12.5% | 11.6% | |
| Depreciation | -28 | -33 | 15.5% | -116 | -123 | 5.6% |
| Finance Costs | -14 | -15 | 14.0% | -43 | -52 | 22.7% |
| Investment / Interest income | 20 | 33 | 66.8% | 82 | 106 | 28.9% |
| Profit Before Exceptional Items | 129 | 161 | 24.4% | 774 | 768 | -0.8% |
| PBT before exceptional % | 7.7% | 9.1% | | 11.4% | 10.6% | |
| Exceptional Items | -2 | -8 | | -21 | -33 | |
| Profit before Tax (PBT) | 128 | 153 | 19.6% | 753 | 735 | -2.4% |
| PBT % | 7.6% | 8.6% | | 11.1% | 10.1% | |
| Tax | -13 | -59 | 351.8% | -186 | -261 | 40.4% |
| Profit after Tax (PAT) | 115 | 94 | -18.1% | 567 | 474 | -16.4% |
| PAT % | 6.8% | 5.3% | | 8.3% | 6.5% | |
| Share of net profit/(loss) in Associates and Joint Ventures | -43 | -58 | | -11 | -17 | |
| Group Consolidated Profit | 72 | 36 | -49.6% | 557 | 457 | -17.8% |
| EPS (Rs.) – (not annualised) | 0.94 | 0.36 | | 7.85 | 6.47 | |
| Net Cash | | | | 1,017 | 721 | |

EBITDA – Earning before interest, tax, depreciation & amortisation

Financial Highlights – OCI (Consolidated)



| INR Crs PARTICULARS | Quarter ended December | | | Year to date | | |
|--|------------------------|------------|--------------|--------------|------------|--------------|
| | 2018 | 2019 | Variance | 2018 | 2019 | Variance |
| Consolidated Group Net Profit / PAT | 72 | 36 | (35) | 557 | 457 | (100) |
| Changes in Fair Value of Equity Instruments | (1) | (10) | (9) | 59 | (5) | (63) |
| Exchange difference on translation of foreign operations | 209 | 38 | (171) | 408 | 17 | (391) |
| Others | 7 | 39 | 32 | 38 | 62 | 23 |
| Other Comprehensive Income | 215 | 67 | (148) | 505 | 74 | (431) |
| Total Comprehensive Income | 287 | 103 | (184) | 1062 | 531 | (530) |

Other comprehensive income

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

Segment Performance



| Particulars (INR Crores) | Segment Revenue | | | Segment Results | | |
|---------------------------------|-----------------|-------------|-------------|-----------------|------------|--------------|
| | YTD 2018 | YTD 2019 | % Change | YTD 2018 | YTD 2019 | % Change |
| Branded Business | | | | | | |
| Tea | 4923 | 5203 | 5.7% | 690 | 694 | 0.7% |
| Coffee | 1080 | 1203 | 11.4% | 198 | 178 | -9.8% |
| Others | 36 | 31 | -13.9% | (18) | (21) | 16.3% |
| Total Branded Business | 6038 | 6436 | 6.6% | 869 | 851 | -2.0% |
| Non Branded Business | 815 | 842 | 3.3% | 42 | 42 | -0.3% |
| Less: Inter-segment Revenue | (38) | (27) | -28.2% | | | |
| Finance Cost | | | | (43) | (52) | 22.7% |
| Other Un-allocable items | | | | (115) | (106) | -7.9% |
| Total | 6815 | 7252 | 6.4% | 753 | 735 | -2.4% |

| Capital Employed | |
|------------------|-------------|
| YTD 2018 | YTD 2019 |
| | |
| 3626 | 3960 |
| 1609 | 1691 |
| 29 | 22 |
| 5264 | 5673 |
| 1115 | 1314 |
| | |
| | |
| 1661 | 1372 |
| 8040 | 8359 |

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

Region-wise Revenue from Operations



| Qtr March | | | | INR Crs | Ytd March | | | |
|-------------|-------------|-----------|-------------|---------------------------------|-------------|-------------|------------|-------------|
| 2018 | 2019 | Variance | % | PARTICULARS | 2018 | 2019 | Variance | % |
| 834 | 832 | (2) | -0.2% | International Business | 3106 | 3306 | 200 | 6.4% |
| 639 | 708 | 69 | 10.8% | India | 2932 | 3131 | 199 | 6.8% |
| 1473 | 1540 | 67 | 4.5% | Total Branded Operations | 6038 | 6437 | 399 | 6.6% |
| 219 | 241 | 22 | 10.0% | Non Branded Operations | 815 | 842 | 27 | 3.3% |
| (4) | (5) | (1) | | Others & Eliminations | (38) | (27) | 11 | |
| 1688 | 1775 | 88 | 5.2% | Total Operating Income | 6815 | 7252 | 437 | 6.4% |

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

Balance Sheet



| Consolidated Balance Sheet | | |
|---|--------------|--------------|
| Rs Crs | March 2019 | March 2018 |
| Shareholders fund | 8,359 | 8,041 |
| Goodwill | 3,785 | 3,724 |
| Fixed Assets | 1,567 | 1,379 |
| Working Capital | 1,665 | 1,396 |
| Total Operating Capital Employed | 7,017 | 6,498 |
| Other Non Operating Assets (mainly investments) | 622 | 525 |
| Cash and Cash Equivalents | 1,652 | 1,886 |
| Borrowings | (917) | (856) |
| Net Cash / (Debt) position | 721 | 1,017 |
| Total | 8,359 | 8,041 |

Key Update – Potential Acquisition



- TGBL has entered into a non-binding term sheet to acquire the branded tea business of Dhunseri Tea & Industries Limited (DTIL) for an aggregate consideration of up to Rs. 101 Crores
- *Lal Ghoda* and *Kala Ghoda*, brands owned by DTIL, are among the leading local brands in Rajasthan with a market share of ~6%
- The tea market of Rajasthan is dominated by strong local brands. This acquisition helps TGBL gain a foothold in the market.
- The Sales and Distribution network of the acquired business can further bolster the growth of other *Tata Tea* brands in the market.
- The proposed acquisition shall be subject to due-diligence, definitive binding agreements and applicable board, shareholder, statutory/regulatory and other third party approvals, as may be applicable

Strategy for FY20



- **India**
 - Continue to focus on revenue growth in India Tea Business across all brands
 - Sustained investment in Sales and Distribution network to create a fully digitally transformed end to end system
- **International** -Grow/ Protect share in key markets and improve profitability in others
 - **US Coffee :**
Protect market share - expand distribution, optimize spends and launch new innovation
 - **UK :**
Invest behind Cold Infusions and improve Tetley brand equity
 - **Canada :**
Maintain leadership position
- **Tata Coffee :**
Improve plantation performance and build order pipeline for Vietnam Plant
- **Nourishco :**
Drive hyper growth in TATA Gluco+ by entering into newer states.

COMPANY INFORMATION

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

