



September 14, 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 September 12, 2018, we have enclosed a copy of the Presentation which was made at the Analyst's Meet held on September 13, 2018 at New York, USA.

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



# Our journey



**1960s**  
Investment in  
Plantations in  
India

**1980s**  
Domestic  
branded  
play in tea



Acquisition  
of Eight  
O'clock  
Coffee



Acquisition  
of Vitax

**TATA  
GLOBAL  
BEVERAGES**  
New Corporate  
Identity formed



JV formed  
with  
Starbucks

Internal  
restructure &  
exits from loss  
making  
businesses



**1990s**  
Acquisition  
of interest  
in coffee  
plantations

Acquisition  
of Good  
Earth



**teapigs.**

Investment in  
Himalayan –  
A natural  
mineral water  
brand



Formation  
of JV with  
Pepsi-Co -  
NourishCo



Acquisition  
of the MAP  
brand



# Our Brand Positioning

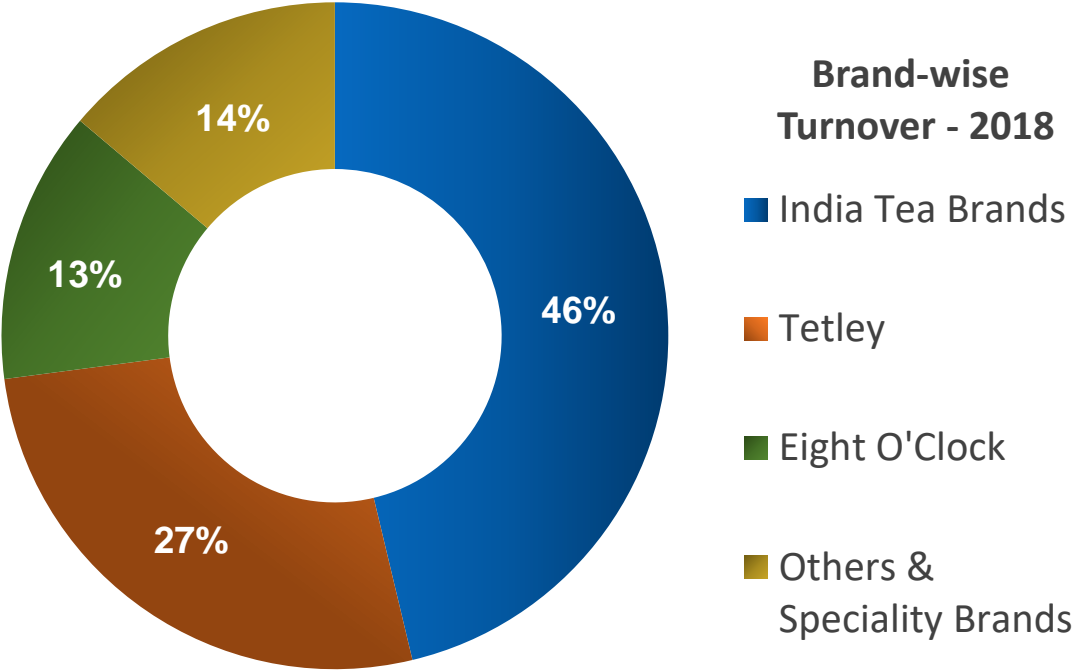
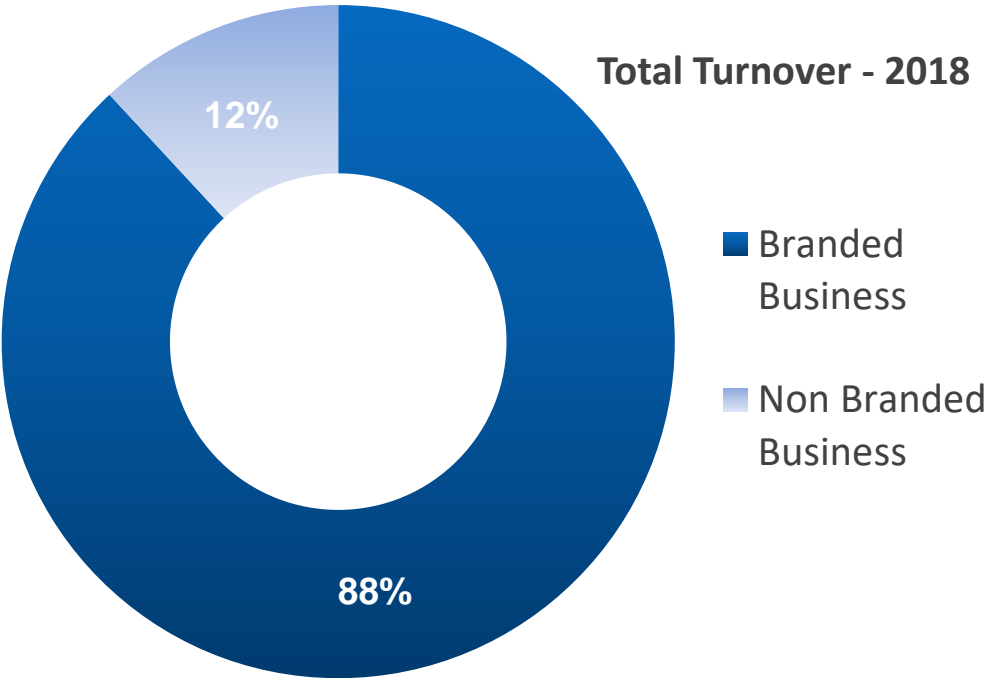


	US	UK	EUROPE AND OTHER MARKETS	INDIA
Super Premium	teapigs.	teapigs.	teapigs.	
Premium	 		 	    
Main- stream				  
Value				  

# Business Profile



88% OF OUR SALES COMES THROUGH OUR **BRANDED BUSINESS**



Based on full year numbers as on March 2018

# International Business Reorganisation



TGBL has re-organised its international operations, from having two international region heads – Canada, America and Australia (CAA), Europe, Middle East and Africa (EMEA) – to one international head – **Mr. Adil Ahmad**.

Mr. Ahmad (ex Reckitt Benckiser) who joined TGBL in 2015, and his team would focus on the core international markets of UK, US and Canada. Also experienced country heads have been appointed/nomintaed for these core markets.



The Middle Eastern markets are now under the India team vs. the EMEA team earlier

## Mr Adil Ahmad

International Business Head

**Graeme Karavis - UK**    Graeme is the MD of UK and Ireland

**Rishi Daing - USA**    Commercial Head of US

**Kathy Grant-Munoz-Canada**    Sr VP Marketing & Sales, Canada



# 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

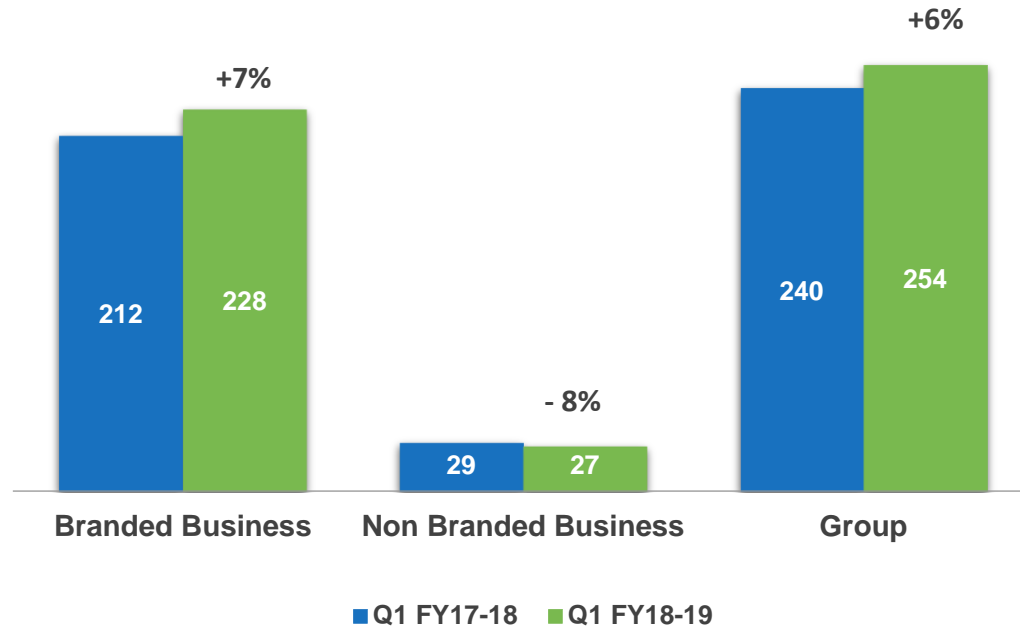
## Challenges

- ✗ 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

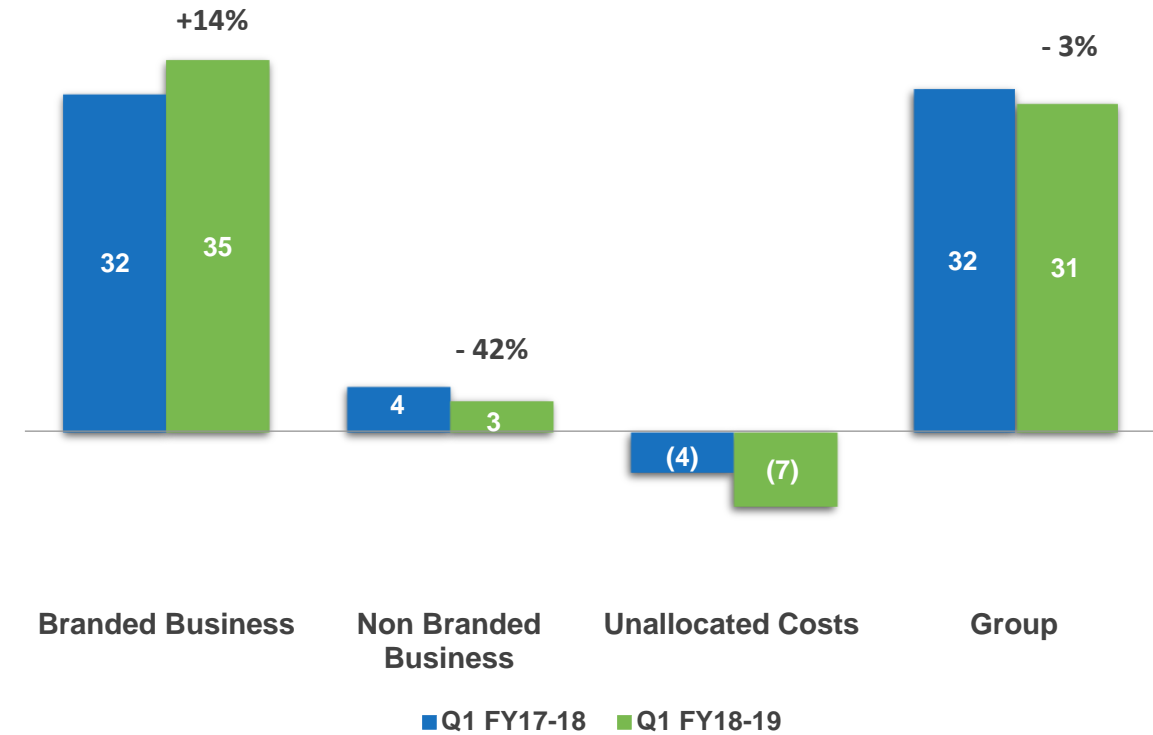
# Consolidated Financials – Quarter ended 30<sup>th</sup> June 2018



## Revenue (USD million)

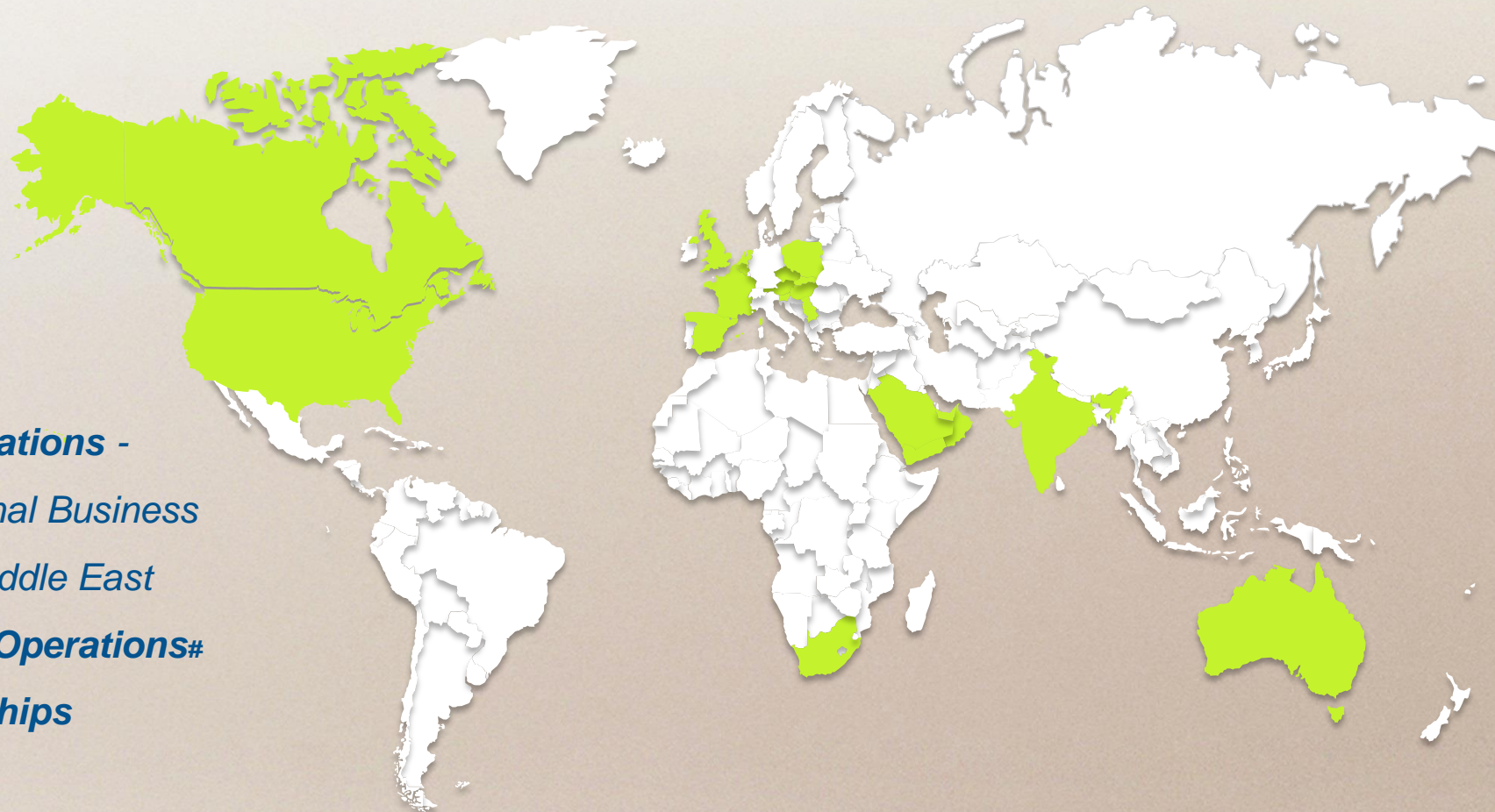


## PBT (USD million)



#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





- **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



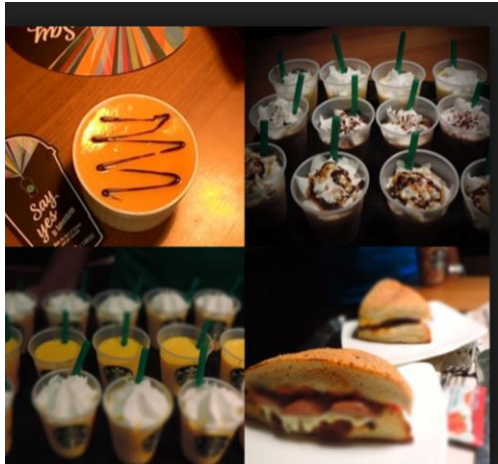
# Joint Ventures



## 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



USD million



## 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

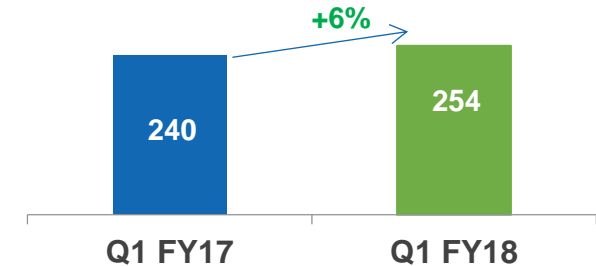
## EXCEPTIONAL ITEMS

- Current year represents redundancy cost relating to internal restructure. Previous year had gain on China disposal

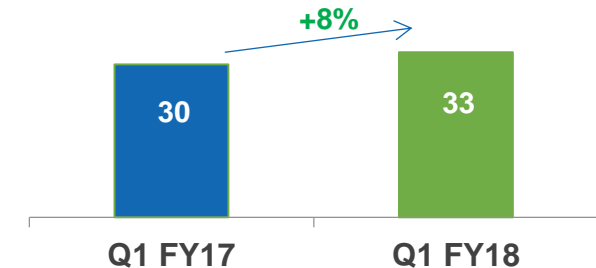
## GROUP NET PROFIT

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

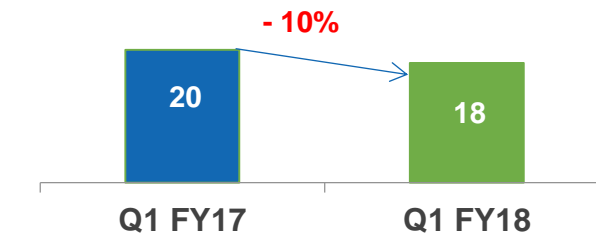
### REVENUE



### Profit before Exceptional



### Group Net Profit



# Financial Highlights



USD Million	Consolidated				Standalone			
	Quarter Ended June			Full Year March 2018	Quarter Ended June			Full Year March 2018
PARTICULARS	2018	2017	% Change		2018	2017	% Change	
Revenue from Operations	254	240	6%	960	128	121	6%	453
EBIT	31	30	2%	102	23	22	4%	67
<b>EBIT %</b>	<b>12%</b>	<b>13%</b>		<b>10.6%</b>	<b>18%</b>	<b>18%</b>		<b>14.7%</b>
Other Income	4	2	107%	13	9	6	33%	21
Finance Costs	(2)	(2)		(6)	(1)	(0)		(2)
Profit Before Exceptional Items	33.1	30.7	8%	109	30	28	10%	86
<b>PBT (before exceptional) %</b>	<b>13%</b>	<b>13%</b>		<b>11.4%</b>	<b>24%</b>	<b>23%</b>		<b>18.9%</b>
Exceptional Items	(3)	1		(3)	-	3		16
Profit before Tax (PBT)	30.6	31.4	-3%	106	30.4	30.3	0%	102
Profit after Tax (PAT)	19	20	-6%	80	20.8	21.4	-3%	75
<b>PAT %</b>	<b>7%</b>	<b>8%</b>		<b>8%</b>	<b>16%</b>	<b>18%</b>		<b>17%</b>
Share of Associates and JVs	(1)	0		(1)				
Group Consolidated Profit	18	20	-10%	79				
EPS (Rs.) – (not annualised)	0.26	0.28		1.11	0.33	0.34		1.19

converted at USDINR rate of 71

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

USD million	Consolidated				Standalone			
	Quarter Ended June			Full Year March 2018	Quarter Ended June			Full Year March 2018
PARTICULARS	2018	2017	Change		2018	2017	Change	
<b>Consolidated Group Net Profit / PAT</b>	<b>18.0</b>	<b>20.0</b>	<b>(2.0)</b>	<b>78.5</b>	<b>20.8</b>	<b>21.4</b>	<b>(0.6)</b>	<b>75.2</b>
Changes in Fair Value of Equity Instruments	0.4	1.3	(0.9)	8.3	0.4	1.3	(0.9)	7.5
Exchange difference on translation of foreign operations	-	15.6	(15.6)	57.5	-	-	-	-
Others	3.9	0.8	3.1	5.4	0.4	-	0.4	1.5
<b>Other Comprehensive Income</b>	<b>4.3</b>	<b>17.7</b>	<b>(13.4)</b>	<b>71.2</b>	<b>0.8</b>	<b>1.3</b>	<b>(0.5)</b>	<b>9.0</b>
<b>Total Comprehensive Income</b>	<b>22.3</b>	<b>37.7</b>	<b>(15.4)</b>	<b>149.7</b>	<b>21.6</b>	<b>22.7</b>	<b>(1.1)</b>	<b>84.2</b>

converted at USDINR rate of 71

## 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

USD million	Revenue - Quarter Ended June				Full Year
PARTICULARS	2018	2017	Variance	%	March 2018
International Business	109	99	10	+ 10% <sup>1</sup>	428
India & Middle East	119	113	6	+ 5%	422
<b>Total Branded Operations</b>	<b>228</b>	<b>212</b>	<b>16</b>	<b>+ 7%</b>	<b>850</b>
Non Branded Operations	27	29	(2)	- 8%	115
Less - Inter-segment Revenue	(1)	(1)	0		(5)
<b>Total Revenue from Operations</b>	<b>254</b>	<b>240</b>	<b>14</b>	<b>+ 6%</b>	<b>960</b>

converted at USDINR rate of 71

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



Particulars	Segment Revenue				Segment Results				Capital Employed		
USD million	June 18	June 17	% Change	Full Year March 2018	June 18	June 17	% Change	Full Year March 2018	June 18	June 17	Full Year March 2018
<b>Branded Business</b>											
Tea	185	175	6%	693	30	26	15%	97	501	476	511
Coffee	42	36	17%	152	6	6	10%	28	244	225	227
Others	1	1		5	(1)	0	33%	-3	4	4	4
<b>Total Branded Business</b>	<b>228</b>	<b>212</b>	<b>7%</b>	<b>850</b>	<b>35</b>	<b>32</b>	<b>14%</b>	<b>122</b>	<b>749</b>	<b>705</b>	<b>742</b>
Non Branded Business	27	29	-8%	115	3	4	-42%	6	167	125	157
Less: Inter-segment Revenue	(1)	(1)		(5)							
Un-allocable items					(7)	(4)		(22)	238	217	234
<b>Total</b>	<b>254</b>	<b>240</b>	<b>6%</b>	<b>960</b>	<b>31</b>	<b>32</b>	<b>-3%</b>	<b>106</b>	<b>1154</b>	<b>1047</b>	<b>1133</b>

converted at USDINR rate of 71

#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)