



October 30, 2018

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.  
1<sup>st</sup> 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)**

**Sub: Presentation made at the Analyst Meet – October 30, 2018**

Dear Sirs,

Further to our letter dated October 22, 2018 we enclose herewith a copy of the Presentation which is being made at the Analyst's meet on October 30, 2018 between 6.30 pm. to 7.30 p.m.

A copy of the same will also uploaded on the Company's website [www.tataglobalbeverages.com](http://www.tataglobalbeverages.com).

This is for your information and records.

Yours faithfully,  
For **Tata Global Beverages Limited**

  
**Neelabja Chakrabarty**  
Company Secretary

**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-2 FY 18-19



**TATA GLOBAL BEVERAGES**

**30th October 2018**

# 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



# Key Highlights for the 2<sup>nd</sup> Quarter



## Positives

- ↑ Improvement in operating performance aided by topline growth in Branded Business
  - ↑ India grows at +7%, driven by volume growth of +9% (Highest in the last 8 Quarters)
  - ↑ Green tea in India continues to grow in volume terms +14%
  - ↑ Top line improvement in US coffee by +23% in underlying terms aided by Keurig direct sales
- ↑ Focus on stabilising the new launches to correct portfolio mix in UK
- ↑ Improvement in performance of Tata Coffee Ltd, driven by Instant Coffee
- ↑ Good performance by Tata Starbucks, double digit YoY growth - opens 9 new stores during the Quarter

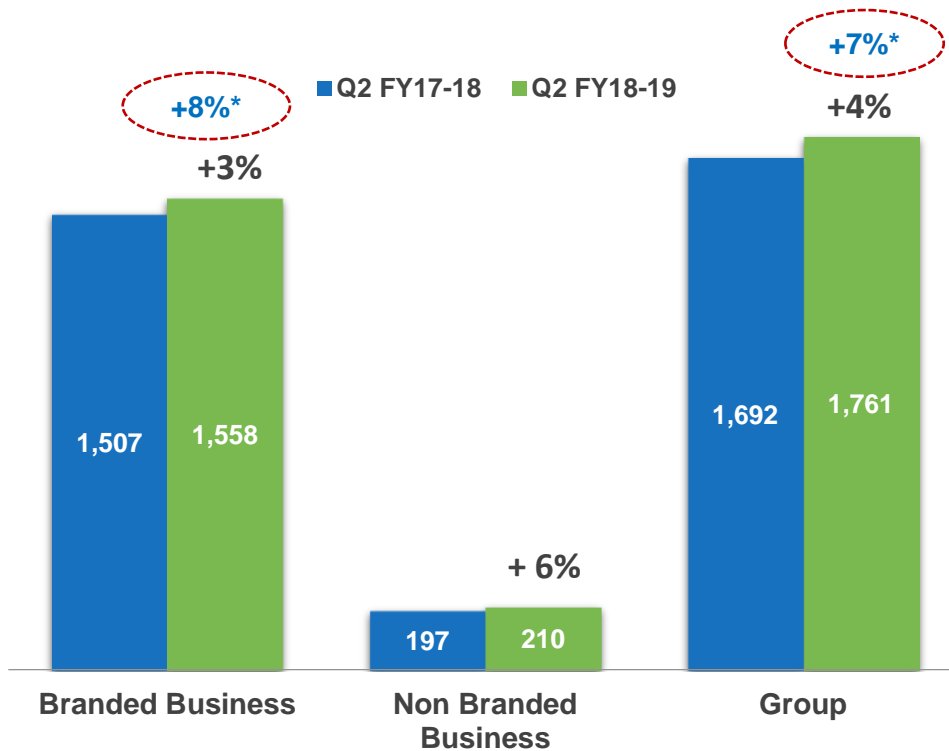
## Challenges

- ↓ Underperformance in UK (-14%) on yoy basis, led by declining black tea markets
- ↓ India market – competitive headwinds continues
- ↓ Higher tea commodity cost
- ↓ Lower realisation and lower crop in Plantation Business.

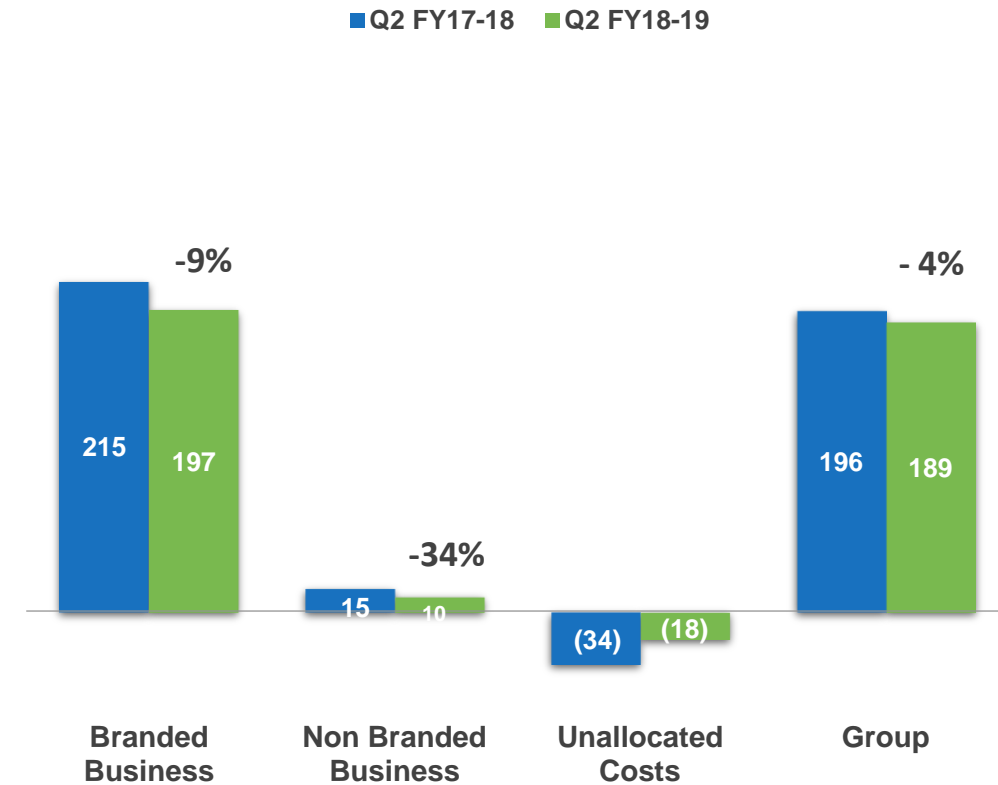
# Consolidated Financials – Quarter ended 30<sup>th</sup> September 2018



## Revenue (in INR cr)



## PBT (in INR cr)



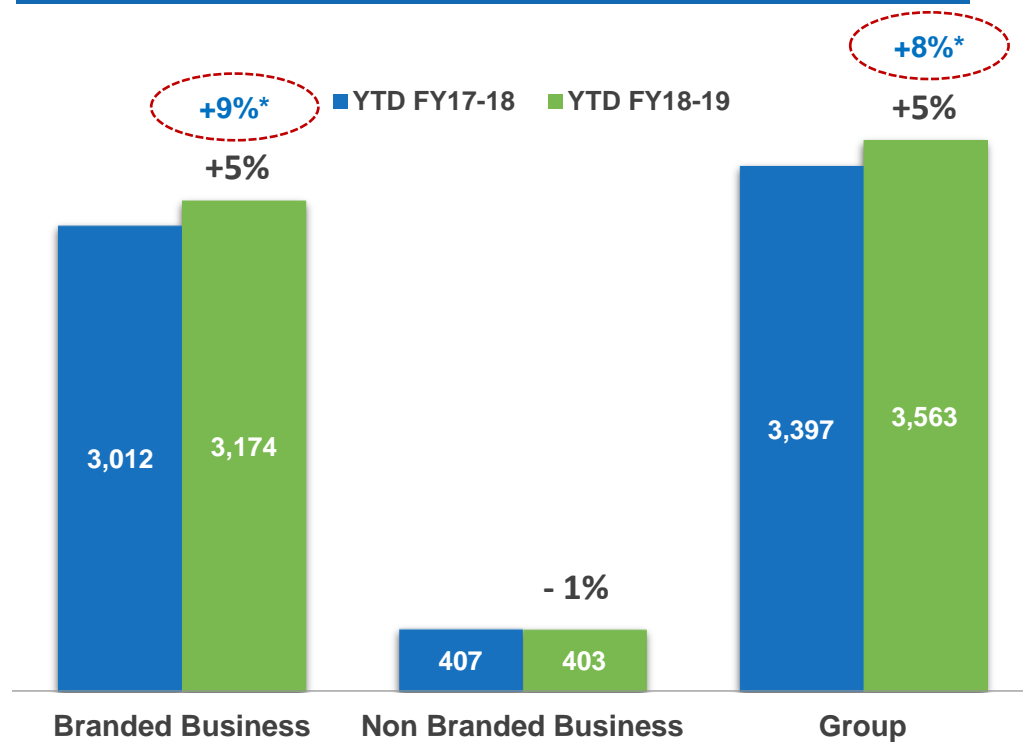
\*Excluding the revenue from Russia Business, since divested

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

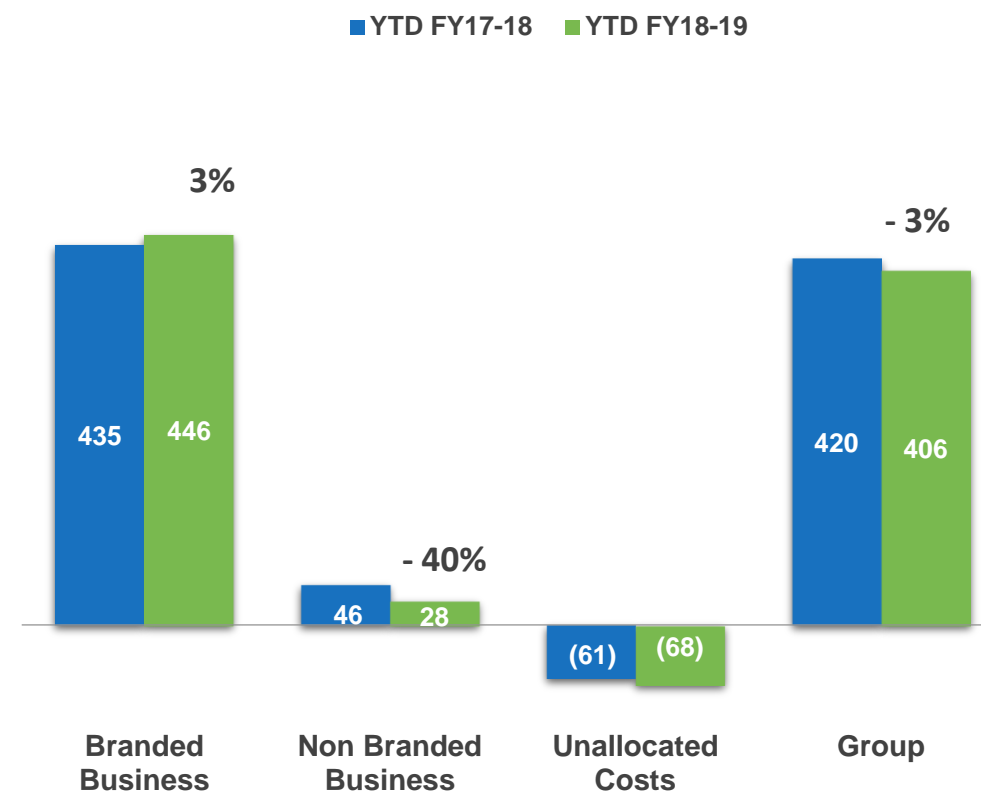
# Consolidated Financials – YTD 30<sup>th</sup> September 2018



## Revenue (in INR cr)



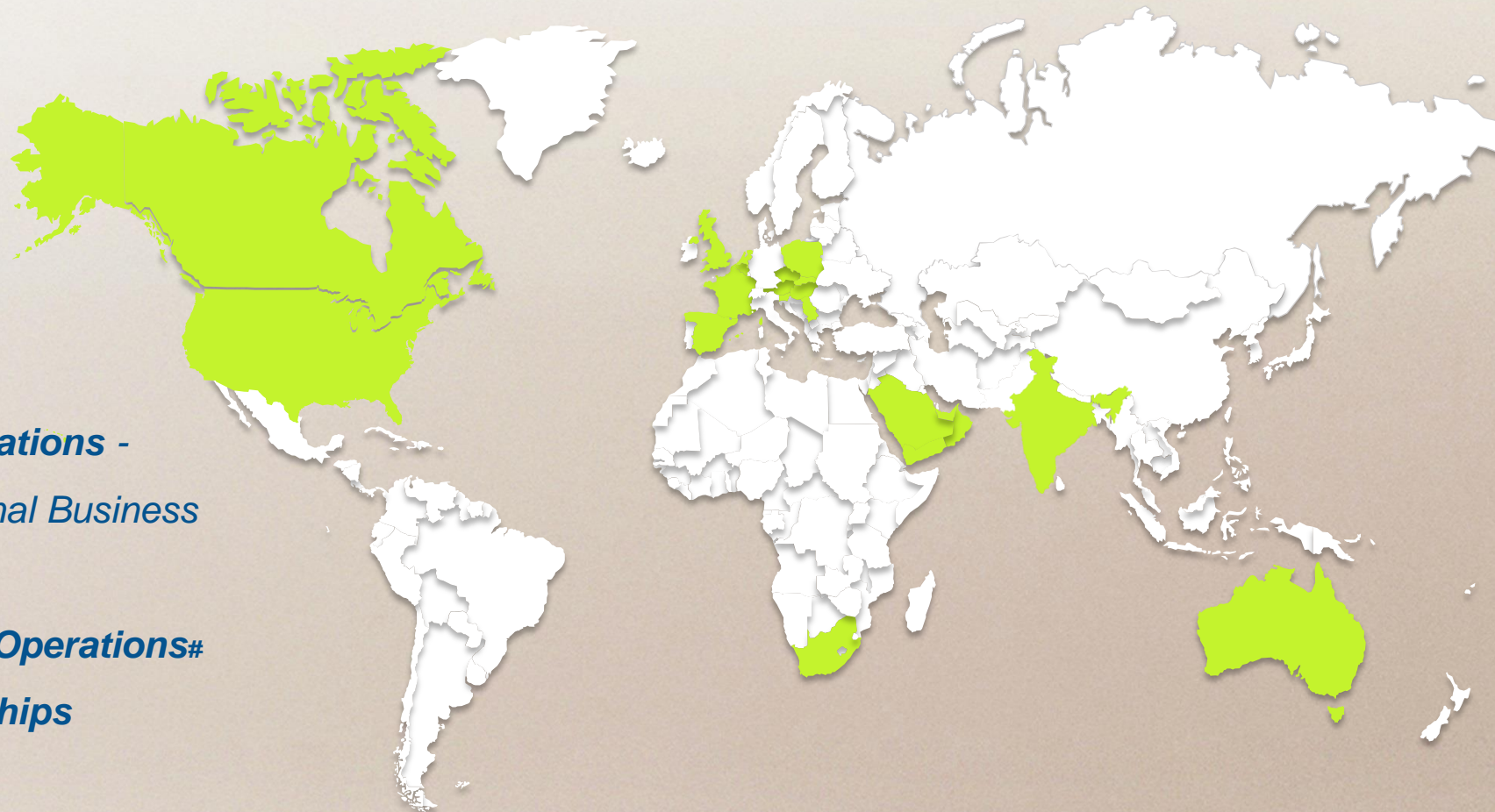
## PBT (in INR cr)



\*Excluding the 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 – Quarter 2



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

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



# India



## ■ Improved topline growth –

- ↑ Tea portfolio grows +9% in volume and +7% in value terms
  - ↑ Growth in both National and Regional brands
  - ↑ Grows value market share by +0.2%\* against Q1 of the current year.
  - ↑ Green tea continues to grow market share aided by new campaign - Volume growth of +14%
  - ↑ Impact of reversal of provisions not required.

↓ Higher commodity cost.

## ■ New Initiative - Out of home experience stores **Cha by Tata Tea** in Bangalore.

- Four store opened till date



\*Source : AC Nielsen

**TATA GLOBAL BEVERAGES**





# Spreading Chai Warmth



- ✓ Currently, 4 operational pilot stores
- ✓ Concept works across all platforms - Price, Menu, Experience
- ✓ Revenues, COGS , Profitability on track

- ✓ 6 new menu launches in 9 months of operations has helped sustain buzz & revenues

High Street @ Indiranagar



Kiosk @ IT tech Park Food Court; RMZ Ecoworld



Kiosk @ Mall Food Court; Mantri Mall



New Store @ Church Street



# 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/nominated 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

Rishi Daing -

USA

Kathy Grant-Munoz-

Canada



# US & Canada



## US

- **Coffee sales** ↑23% in underlying terms -
    - ↑ Aided by direct Keurig K-cups sales
  - **Tea sales flat** - Growth in Good Earth sales offset by adverse performance in Tetley and Empirical.
- ↓ Margin impacted by adverse sales mix and higher investment for K-cups.



## CANADA

**Sales flat** - Growth in Specialty offset by lower sales in Black Tea.

↑ **New Launch of Tetley Super Teas**, Canada's first line of teas fortified with vitamins and minerals. Initial response is very encouraging

- **3 variants** – Immune, Antiox & Boost







- UK sales lower by ↓ 14%, in underlying terms
  - ↓ Decline in black tea market exacerbated by prolonged summer this year.
  - ↑ Gains market share both in volume and value despite declining tea market
- ↑ Focus on stabilising the new launches such as Tetley Squash and Tetley Cold Infusions to a correct portfolio mix
  - Higher investment behind Tetley Squash.
- ↓ Adverse fx resulting in higher commodity cost.



# Other International Business



## Australia -

- ↑ **Tea** - Kombucha (RTD) – Driving distribution and awareness
  - 3 new flavors launched – Cloudy Lemonade, Blood Orange and Peach
  - Focus on distribution and gaining momentum for the summer months

- ↓ **Coffee** – Lower sales in the quarter

License for Caffitaly for the pods business has been terminated. New licencing arrangement with another partner initiated



## Rest of Europe -

- Poland / Czech – Focus on synergies in manufacture & cost-out
- Tetley Iced tea was launched in Portugal in a range of flavours to appeal to younger consumers and build on the brand's strengths.





# Joint Ventures



## Tata Starbucks

Strong double digit topline growth continues driven by growth through new stores and improved in store performance

- **129 stores** opened till date.
- **9 new stores** added in Q2
- **Chandigarh** is the 8<sup>th</sup> city to have a Starbucks in India
- All cities profitable.

## Bangladesh

Top line growth in double digits, but tea cost impacts profitability

## Nourishco

Performance flat

- **Tata Gluco Plus –**
  - National rollout process is on with launches in West Bengal and Jharkhand



# Other Businesses



## TATA COFFEE LIMITED

- Operating Income **↑4%**
  - ↑ Improved performance in instant coffee sales
  - ↓ Adverse performance in plantations business
- Profits includes profit on sale of property
- Freeze Dried Instant Coffee plant in Vietnam on track and blend sampling with key customers have started

## INSTANT TEA (B2B Business )

- Stable performance in sales and profit

## ASSOCIATES (Tea Plantations)

### APPL

- ↑ Sales up **14%** driven by higher volumes

### KDHP

- ↓ Performance impacted by the severe floods in Kerala





# FINANCIAL OVERVIEW



# Financial Highlights for the Quarter



**REVENUE FROM OPERATIONS** ↑ 7 % on a like to like basis (excluding the impact of Russia exit) and ↑ 4% at constant currency

↑ Growth led by India Branded business

↑ Direct Keurig K-cups sales, offset by

↓ International business performance mainly UK

**PROFIT BEFORE TAX** ↓ 4%

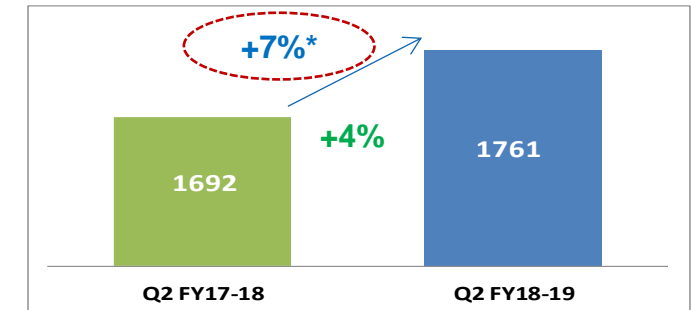
↓ Higher commodity cost in India and UK

↓ Higher investment behind brands and listings

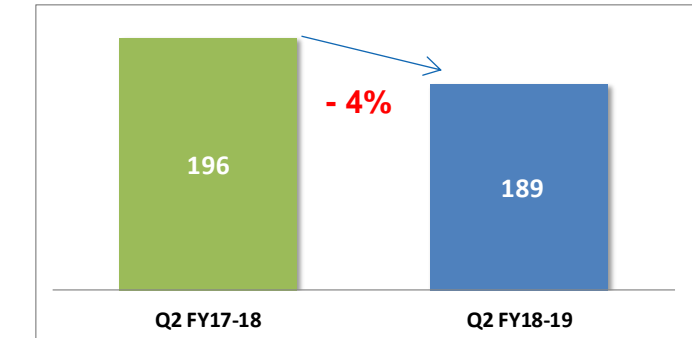
**GROUP NET PROFIT** ↑ 19%

↑ On account of lower tax and higher profits from Associates and Joint Ventures

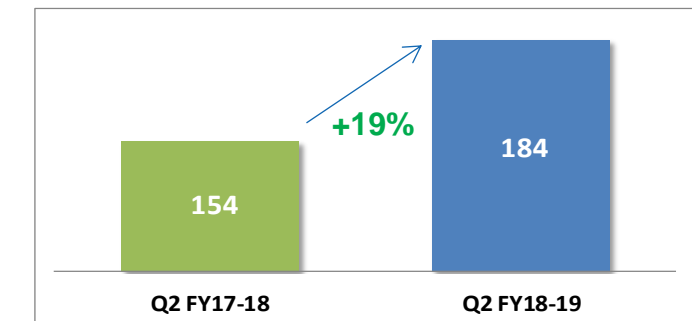
## REVENUE



## PBT



## GROUP NET PROFIT





# Financial Highlights - Consolidated

INR Crs PARTICULARS	Quarter ended September			Year to date September			Year Ended 31st March
	2018	2017	% Change	2018	2017	% Change	2018
<b>Revenue from Operations</b>	<b>1,761</b>	<b>1,692</b>	<b>4.1%</b>	<b>3,563</b>	<b>3,397</b>	<b>4.9%</b>	<b>6,815</b>
Other Income	71	34	111.1%	99	48	107.4%	94
Total Operating Expenses	-1,625	-1,507	7.8%	-3,208	-2,996	7.0%	-6,092
Finance Costs	-11	-10	19.2%	-24	-21	16.2%	-43
<b>Profit Before Exceptional Items</b>	<b>195</b>	<b>208</b>	<b>-6.2%</b>	<b>431</b>	<b>427</b>	<b>0.9%</b>	<b>774</b>
<b>PBT before exceptional %</b>	<b>11%</b>	<b>12%</b>		<b>12%</b>	<b>13%</b>		<b>11%</b>
Exceptional Items	-7	-12		-25	-7		-21
<b>Profit before Tax (PBT)</b>	<b>189</b>	<b>196</b>	<b>-3.8%</b>	<b>406</b>	<b>420</b>	<b>-3.3%</b>	<b>753</b>
<b>PBT %</b>	<b>11%</b>	<b>12%</b>		<b>11%</b>	<b>12%</b>		<b>11%</b>
<b>Profit after Tax (PAT)</b>	<b>125</b>	<b>123</b>	<b>1.3%</b>	<b>259</b>	<b>266</b>	<b>-2.9%</b>	<b>567</b>
<b>PAT %</b>	<b>7%</b>	<b>7%</b>		<b>7%</b>	<b>8%</b>		<b>8%</b>
Share of net profit/(loss) in Associates and Joint Ventures	59	31	89.8%	53	30	78.9%	-11
<b>Group Consolidated Profit</b>	<b>184</b>	<b>154</b>	<b>19.1%</b>	<b>312</b>	<b>296</b>	<b>5.3%</b>	<b>557</b>
EPS (Rs.) – (not annualised)	2.69	2.28		4.53	4.25		7.85
Cash & Cash Equivalent / Current Investments				1,352	1336		1,502
Market cap (as on 30th Sep)				14,787	12,471	18.6%	16,330



# Financial Highlights – OCI (Consolidated)

INR Crs PARTICULARS	Quarter ended September			Year to date September			Year Ended 31st March
	2018	2017	Variance	2018	2017	Variance	2018
<b>Consolidated Group Net Profit / PAT</b>	<b>184</b>	<b>154</b>	<b>30</b>	<b>312</b>	<b>296</b>	<b>16</b>	<b>557</b>
Changes in Fair Value of Equity Instruments	(2)	43	(45)	1	52	(51)	59
Exchange difference on translation of foreign operations	268	164	104	268	275	(7)	408
Others	1	2	(1)	29	8	21	38
<b>Other Comprehensive Income</b>	<b>267</b>	<b>209</b>	<b>58</b>	<b>298</b>	<b>335</b>	<b>(37)</b>	<b>505</b>
<b>Total Comprehensive Income</b>	<b>451</b>	<b>363</b>	<b>88</b>	<b>610</b>	<b>631</b>	<b>(21)</b>	<b>1062</b>

## 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





# Financial Highlights - Standalone

INR Crs	Quarter ended September			Year to date September			Year Ended 31st March
	2018	2017	% Change	2018	2017	% Change	2018
<b>Revenue from Operations</b>	<b>847</b>	<b>795</b>	<b>6.6%</b>	<b>1,756</b>	<b>1,654</b>	<b>6.1%</b>	<b>3,217</b>
Other Income	74	52	42.1%	134	97	37.9%	148
Total Operating Expenses	-757	-679	11.5%	-1,506	-1,384	8.8%	-2,743
Finance Costs	-3	-4	-23.1%	-6	-7	-3.6%	-14
<b>Profit Before Exceptional Items</b>	<b>162</b>	<b>165</b>	<b>-1.5%</b>	<b>378</b>	<b>360</b>	<b>4.8%</b>	<b>608</b>
<b>PBT before exceptional %</b>	<b>19%</b>	<b>21%</b>		<b>22%</b>	<b>22%</b>		<b>19%</b>
Exceptional Items	0	0		0	19		115
<b>Profit before Tax (PBT)</b>	<b>162</b>	<b>165</b>	<b>-1.5%</b>	<b>378</b>	<b>379</b>	<b>-0.3%</b>	<b>723</b>
<b>PBT %</b>	<b>19%</b>	<b>21%</b>		<b>22%</b>	<b>23%</b>		<b>22%</b>
<b>Profit after Tax (PAT)</b>	<b>120</b>	<b>120</b>	<b>0.0%</b>	<b>268</b>	<b>273</b>	<b>-1.7%</b>	<b>534</b>
<b>PAT %</b>	<b>14%</b>	<b>15%</b>		<b>15%</b>	<b>16%</b>		<b>17%</b>
<b>Total Comprehensive Income</b>	<b>116</b>	<b>161</b>	<b>-28.0%</b>	<b>270</b>	<b>322</b>	<b>-16.1%</b>	<b>598</b>
EPS (Rs.) – (not annualised)	1.90	1.90		4.25	4.32		8.47

# Segment Performance



Segment Revenue			Segment Results			Particulars	Segment Revenue			Segment Results			Capital Employed	
Qtr Sept 2018	Qtr Sept 2017	% Change	Qtr Sept 2018	Qtr Sept 2017	% Change	(INR Crores)	YTD Sept 2018	YTD Sept 2017	% Change	YTD Sept 2018	YTD Sept 2017	% Change	YTD Sept 2018	YTD Sept 2017
						<b>Branded Business</b>								
1248	1208	3%	165	166	-1%	Tea	2563	2454	4%	375	349	7%	4154	3641
303	290	5%	38	51	-25%	Coffee	595	540	10%	82	91	-11%	1806	1613
6	9	-29%	(7)	(2)	182%	Others	17	18	-7%	(10)	(5)	87%	30	27
<b>1558</b>	<b>1507</b>	<b>3%</b>	<b>197</b>	<b>215</b>	<b>-9%</b>	<b>Total Branded Business</b>	<b>3174</b>	<b>3012</b>	<b>5%</b>	<b>446</b>	<b>435</b>	<b>3%</b>	<b>5990</b>	<b>5282</b>
210	197	6%	10	15	-34%	Non Branded Business	403	407	-1%	28	46	-40%	1243	950
(7)	(13)	-46%				Less: Inter-segment Revenue	(13)	(22)	-40%					
			(11)	(10)	19%	Finance Cost				(24)	(21)	16%		
			(6)	(24)	-74%	Un-allocable items				(44)	(41)	9%	1201	1376
<b>1761</b>	<b>1692</b>	<b>4%</b>	<b>189</b>	<b>196</b>	<b>-4%</b>	<b>Total</b>	<b>3563</b>	<b>3397</b>	<b>5%</b>	<b>406</b>	<b>420</b>	<b>-3%</b>	<b>8435</b>	<b>7608</b>

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



# Region-wise Revenue from Operations

Qtr September				INR Crs	YTD September			
2018	2017	Variance	%	PARTICULARS	2018	2017	Variance	%
783	780	3	0%	International Business	1564	1493	71	5%
775	727	48	7%	India	1610	1519	91	6%
<b>1558</b>	<b>1507</b>	<b>51</b>	<b>3%</b>	<b>Total Branded Operations</b>	<b>3174</b>	<b>3012</b>	<b>162</b>	<b>5%</b>
210	198	12	6%	Non Branded Operations	403	407	(5)	-1%
(7)	(13)	5	-42%	Inter - segment eliminations	(13)	(22)	9	-39%
<b>1761</b>	<b>1692</b>	<b>68</b>	<b>4%</b>	<b>Total Operating Income</b>	<b>3563</b>	<b>3397</b>	<b>166</b>	<b>5%</b>

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



# Balance Sheet - Summary

<i>Details</i> (in INR crs)	Consolidated	
	As at September 30, 2018	As at March 31, 2018
Total Equity	8,435	8,041
Non-Current Liabilities	1132	955
Current Liabilities	1,767	1,585
Liabilities of Disposal group	12	11
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>11,345</b>	<b>10,592</b>
Goodwill	3,979	3,724
Other Non Current Assets	2,645	2,333
Current Asset	4,685	4,497
Assets of Disposal group	37	38
<b>TOTAL ASSETS</b>	<b>11,345</b>	<b>10,592</b>

Standalone	
As at September 30, 2018	As at March 31, 2018
4,301	4,213
112	110
587	569
-	-
<b>4,999</b>	<b>4,892</b>
-	-
2,771	2,792
2,229	2,100
-	-
<b>4,999</b>	<b>4,892</b>



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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)