



November 15, 2017

**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

**Calcutta Stock**

**Exchange Asscn. Ltd.**

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

Dear Sirs,

Further to our letter dated 3<sup>rd</sup> November, 2017 we enclose herewith a copy of the Presentation which was made at the Analyst's meet held today on 15<sup>th</sup> November, 2017.

A copy of the same is being 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**

( V. Madan )

**Vice President & Company Secretary**

Encl. as above

**TATA GLOBAL BEVERAGES LIMITED**

Kirloskar Business Park, Block C -3<sup>rd</sup> & 4<sup>th</sup> Floors, Hebbal, Bangalore - 560 024.

Tel 080 67171200 Fax 080 67171201.

Registered Office: 1 Bishop Lefroy Road, Kolkata – 700020

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)



# Analyst Meet

15 November 2017



# Agenda

## 1. BUSINESS PERFORMANCE

## 2. FINANCIAL OVERVIEW



A high-angle, close-up photograph of a group of people sitting around a table. In the foreground, a woman with long dark hair, wearing a red and white plaid shirt, is smiling and looking down at a small glass cup of coffee. To her left, another person is holding a similar cup. In the background, a person in a bright green jacket is visible. The table is set with several glass cups of coffee, some with foam and sprinkles. A semi-transparent grey banner with the text "Business Performance" is overlaid across the middle of the image.

# Business Performance

# Key Highlights



## Significant increase in Share Price and Market Capitalisation in the quarter

- **Operating Income for the quarter increased by 6% in underlying terms**
  - Strong performance in India
  - Good performance in developed markets despite retailer pressures and decline in black tea category
- **Good improvement in Profit before Exceptional Items and Group Net Profit**
  - Good cost management
  - Lower finance cost
- **Commodity costs**
  - Softness in India tea prices
  - International tea prices impacted due to Brexit
  - Coffee prices volatile
- **Currency Markets**
  - Brexit impact
- **Increased focus on under performing businesses**
  - Exit from China & restructuring of Russian operations

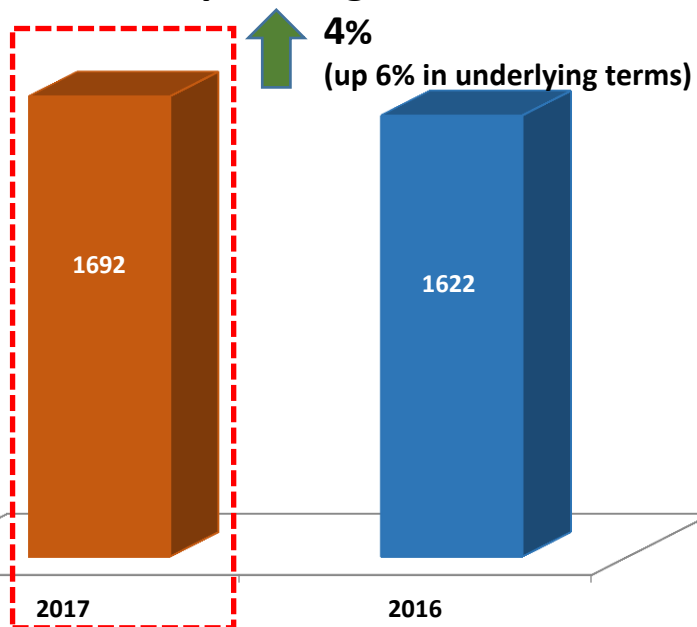




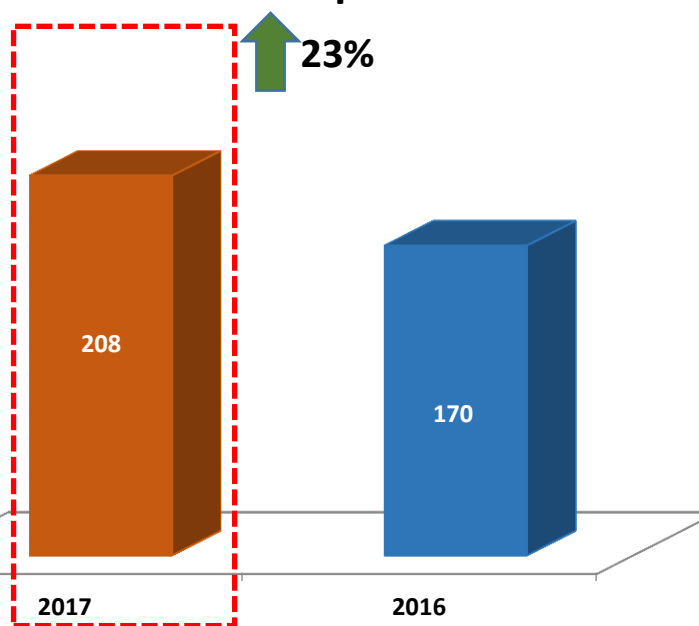
# Snapshot of Financials – Q2



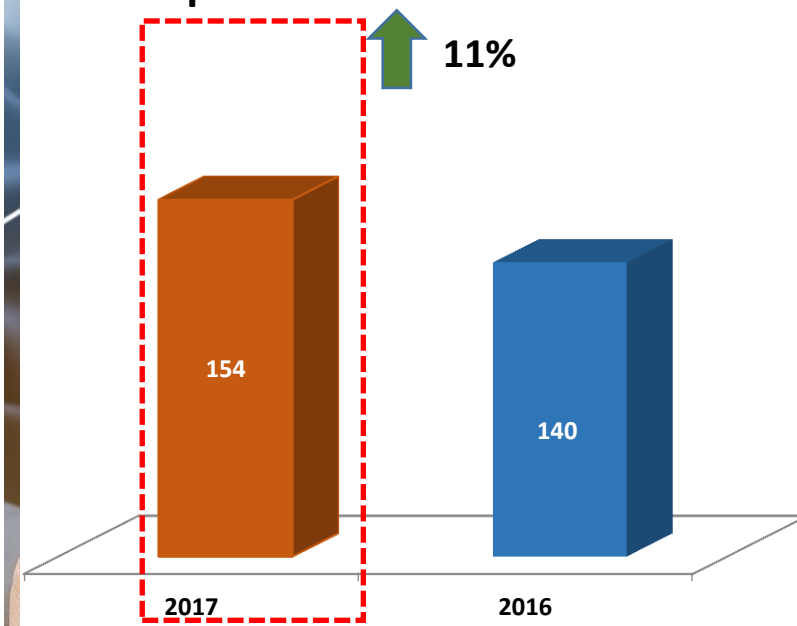
## Total Operating Income



## Profit before Exceptional Items



## Group Consolidated Net Profit

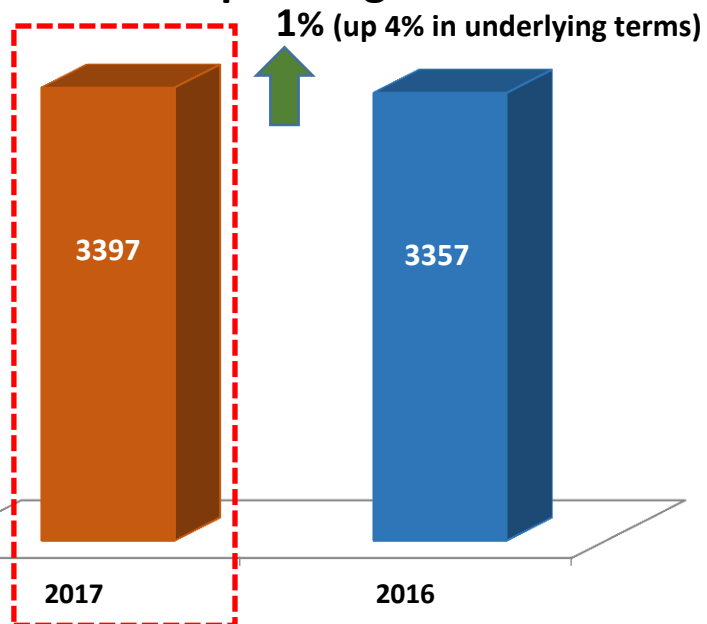


**Strong performance in Quarter 2**

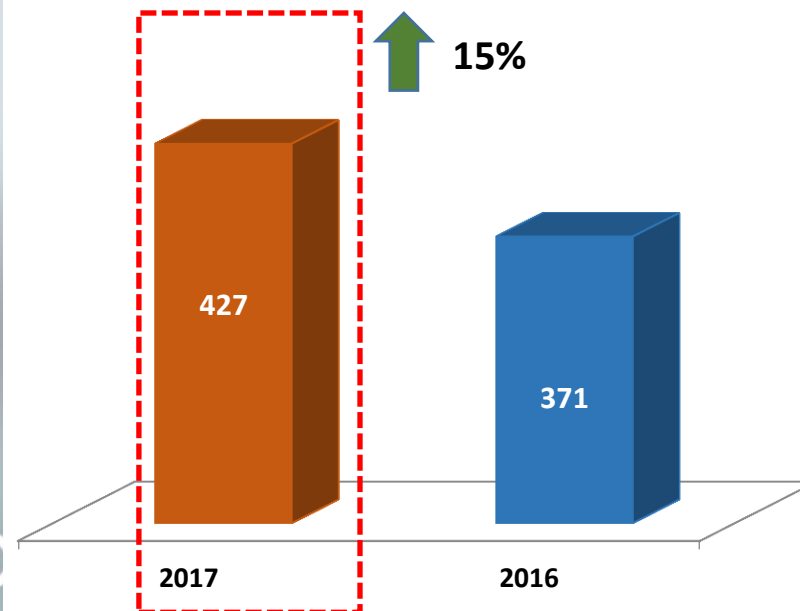
# Snapshot of Financials – H1



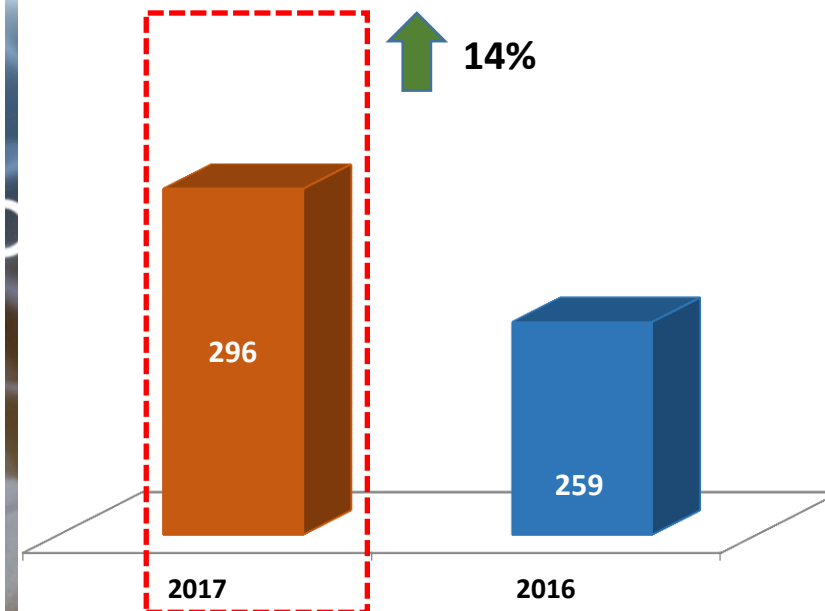
## Total Operating Income



## Profit before Exceptional Items



## Group Consolidated Net Profit



**Strong performance in H1**

# Performance Update – Branded Business

## INDIA



- Sales improvement for quarter and year to date
  - Supported by a good volume growth in later half of Q2, post transition to GST
- Continue to maintain Volume and Value leadership
- Benefit of commodity cost
- Continued investment behind **Jaago Re Version 2** campaign
- Various new launches –
  - **Tata Cha** – Out of Home (OOH) initiative - Pilot launch of its tea café in Bangalore in November
  - **Fruski** - Tea based ready to drink beverage – pilot launch during the period
  - **Tata Tea Elaichi** - Growth continuing at a robust pace
  - **Tata Coffee Grand** – Focus on core markets reflecting growth in market shares
    - New Hot Tea shop (HTS) variant and Roast and Ground Bags adding to the topline





# Performance Update – Branded Business

UK



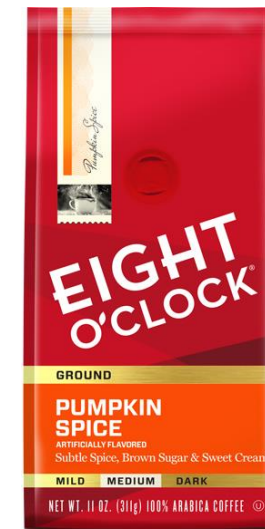
- **UK grows** market shares predominantly in non black tea category, despite
  - Category decline in everyday black tea
  - Continuing competitor intensity
- **Green Tea** continues to grow with improvement in Super Greens Tea
- Multimedia campaign of Tetley Supers with a focus on “Beauty” and “Immune” variant
- **Tetley Indulgence Range** launched during the period
- Topline growth in **Teapigs** – our super premium tea brand
- **Focus on improving customer engagement and collaborations** - Reflected through Advantage Group Trade Attitude Survey



# Performance Update – Branded Business

## US

- Strong topline improvement in **Branded Coffee** for Quarter 2
- Benefits of Keurig K-cup direct sales
- **Recent Launches –**
  - **New Infusions range** – Super Spice, B6 Metabolism, Acai Glow – Sales gathering pace
  - **Limited Addition** – Pumpkin Spice
- Improved performance in Tetley Super



## CANADA

- Topline performance improves
- Continue to maintain volume and value leadership
- New launches during the period
  - Tetley RTD in 3 flavours - **Lemon Ginger; Orange Blossom Peach Mango; Hibiscus Pomegranate Berry**
  - **Tetley pink pack launched to support Canadian Cancer Society** - Favorable reviews from customers

## Rest of EMEA

- Stable performance in European markets





# Performance Update – Non Branded Business



## Tata Coffee

- Performance impacted by lower sales both in ICD and plantation

## Instant Tea

- Instant tea business reflects a stable performance

## Associate (APPL, KDHPC and EMSPL)

- Good performance across all associates driven by higher volumes and improved realizations.





# Performance Update – Incubatory Businesses



## Starbucks

**Opens its 100th store  
on its fifth anniversary  
in India**



- Strong Topline Growth and store-level profitability
- Growth in new stores and new formats to continue
- Aims to increase diversity and boost the proportion of women in its workforce to 40% women by 2022
- Tata Starbucks poised to enter its 7<sup>th</sup> city, Kolkata in early 2018

# Performance Update – Incubatory Businesses

## NourishCo

- Double digit growth continues for Tata Gluco Plus & Himalayan
- Recorded profit at operating level
- Himalayan demonstrated good growth in traditional trade, e-commerce and key accounts
- **Recent Launches** - Himalayan Sparkling, Flavoured Himalayan and Tata Gluco Plus new variants (Jeera and Rose) launched during the period

## Middle East

- Good Topline growth
  - Both in Tetley and Tata Tea Brands
- Loose Tea introduced under Tetley portfolio – Strong and Gold variants

## Bangladesh

- Improvement in topline driven by volumes



# Focus on Strategic Priorities remains.....



- Continued investment behind building core brands through **Jaago Re** campaign
- Market Share gain in UK, across most categories
- **Coffee** - Renegotiation of Keurig Contract

**Base Business  
Rejuvenation**

- **Tata Coffee** - Tata Coffee infused in aggregate an amount of USD 6 Million for green field freeze dried instant coffee facility in Vietnam
- **Tata Starbucks** opens its 100<sup>th</sup> store in Mumbai
- **Tata Cha** – Out of Home (OOH) initiative - Pilot launch of its tea café in Bangalore in November
- **Himalayan** - Entry into US market

**Invest for Growth**

- **China JV Sale** – Exit Completed in July 2017
- **Russia** – Restructuring completed on 3<sup>rd</sup> November 2017
- Cost Charters

**Drive Operational  
Efficiency**



# Tata Global Beverages participates as part of the “One Tata” pavilion at World Food India



40000	3	9	2000+
SQ. M. EXHIBITION SPACE	DAYS	SEMINARS	PARTICIPANTS
400+	20+	26	50+
EXHIBITORS	COUNTRIES	STATES	GLOBAL CEOS



## THEME – Transforming the food economy

- The **largest ever gathering** of investors, manufacturers, producers, food processors, policy makers, and organizations from the global F&B ecosystem
- Opportunities for **investment and trade** in the F&B processing sector for Indian and International companies
- Encompassing the entire F&B spectrum from **production to consumption**

A close-up photograph of a young woman with long brown hair, smiling broadly and showing her teeth. She is holding a large white ceramic mug with both hands, bringing it up towards her face. She is wearing a white t-shirt. The background is a plain, light-colored wall.

# Financial Overview

# Financial Overview – Operating Performance



## Sixth consecutive quarter of operating profit growth

### Quarter 2 highlights -

#### Operating income higher by 4% (6% in underlying currency)

- Growth in India Tea Brands
- Improved performance in US branded coffee

Partly Offset by

- Underperformance in Non Branded Operations

#### Group Profit before exceptional items improves by 23% (24% in underlying currency)

- Good Cost management
- Lower finance costs

Partly offset by

- Increase in commodity cost driven by US coffee and tea cost in UK

#### Group consolidated net profits significantly higher by 11%





# Financial Highlights - PL



Quarter ended Sep 30, 2017			Particulars	Year to date Sep 30, 2017		
Actual	PY	Variance	(In Rs crores)	Actual	PY	Variance
1692	1622	70	Revenue from operations	3397	3357	40
1508	1464	44	Total Expenses	2997	2997	0
184	158	26	Operating Profit	400	360	40
34	35	(1)	Other Income	48	56	(8)
(10)	(23)	13	Finance Cost	(21)	(45)	24
208	170	38	Profit Before Exceptional Items	427	371	56
(12)	-	(12)	Exceptional Items	(7)	(1)	(6)
196	170	26	Profit Before Tax	420	370	50
(73)	(62)	(11)	Tax	(154)	(136)	(18)
123	108	15	Profit After Tax	266	234	32
31	32	(1)	Share of Profit from JVs & Associates	30	25	5
154	140	14	Consolidated Group Net Profit	296	259	37
144	127	17	Attributable to owners of the parent	268	230	38
2.28	2.01		Earning Per Share (not annualised) (Rs)	4.25	3.65	

# Financial Highlights - OCI



Quarter ended Sep 30, 2017			Particulars	Year to date Sep 30, 2017		
Actual	PY	Variance	(In Rs crores)	Actual	PY	Variance
<b>154</b>	<b>140</b>	<b>14</b>	<b>Consolidated Group Net Profit</b>	<b>296</b>	<b>259</b>	<b>37</b>
43	106	(63)	<i>Changes in Fair Value of Equity Instruments</i>	52	174	(122)
164	(245)	409	<i>Exchange difference on translation of foreign operations</i>	275	(489)	764
2	(33)	35	<i>Others</i>	8	(6)	14
<b>209</b>	<b>(172)</b>	<b>381</b>	<b>Other Comprehensive Income</b>	<b>335</b>	<b>(321)</b>	<b>656</b>
<b>363</b>	<b>(32)</b>	<b>395</b>	<b>Total Comprehensive income</b>	<b>631</b>	<b>(62)</b>	<b>693</b>

## ➤ Other comprehensive income

- Changes in fair value of equity investment mainly reflects the increases in quoted share prices.
- Exchange difference reflects the impact of currency translation mainly on account of Brexit for our overseas subsidiaries in UK in the PY. Increase in sterling from March, hence the favourable currency translation for the current year.
- Others primarily represent actuarial gain / loss on retirement benefits and cash flow hedges

# Region-wise Revenue from Operations



Quarter ended Sep 30, 2017			Particulars (In Rs Crores)	Year ended Sep 30, 2017		
Actual	PY	Variance		Actual	PY	Variance
415	337	78	CAA	807	706	101
362	395	(33)	EMEA*	678	777	(99)
727	691	36	India Brands	1519	1450	69
<b>1504</b>	<b>1423</b>	<b>81</b>	<b>Total Brands</b>	<b>3004</b>	<b>2933</b>	<b>71</b>
198	212	(14)	Total Non Branded Operations	408	449	(41)
(10)	(13)	3	Others and Eliminations	(15)	(25)	10
<b>1692</b>	<b>1622</b>	<b>70</b>	<b>TOTAL OPERATING INCOME</b>	<b>3397</b>	<b>3357</b>	<b>40</b>

\* Impacted by currency volatility due to Brexit.



# Segment – YTD



Particulars	Segment Revenue		Segment Results		Capital Employed	
(In Rs Crores)	Sep 17	Sep 16	Sep 17	Sep 16	Sep 17	Sep 16
<b>Branded Business</b>						
Tea	2454	2381	349	321	3641	3308
Coffee	540	557	91	99	1613	1693
Others	18	14	(5)	(8)	27	16
<b>Total Branded Business</b>	<b>3012</b>	<b>2953</b>	<b>435</b>	<b>412</b>	<b>5282</b>	<b>5018</b>
<b>Non Branded Business</b>	<b>407</b>	<b>435</b>	<b>46</b>	<b>58</b>	<b>950</b>	<b>748</b>
Less: Inter-segment Revenue	(22)	(32)				
Un-allocable items			(61)	(101)	1376	1097
<b>Total</b>	<b>3397</b>	<b>3357</b>	<b>420</b>	<b>370</b>	<b>7608</b>	<b>6862</b>

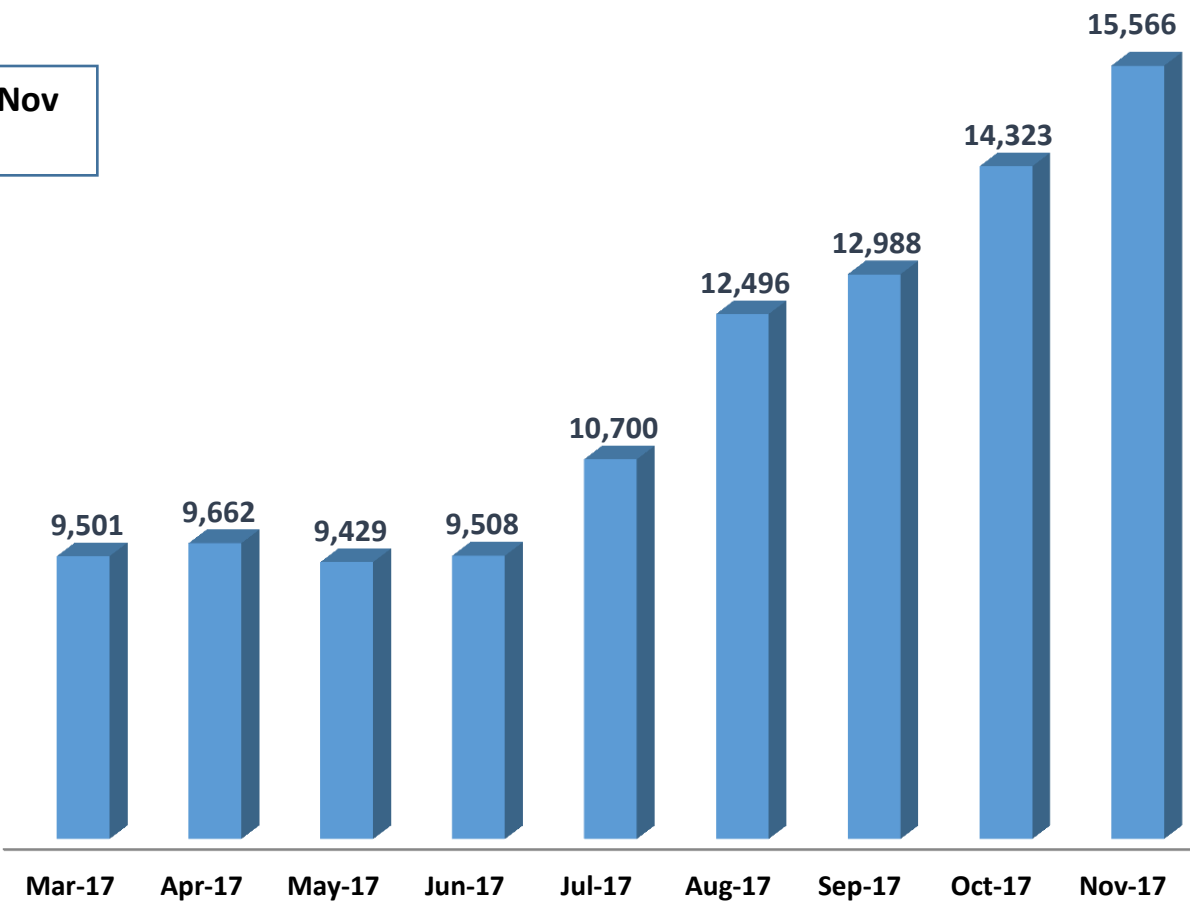
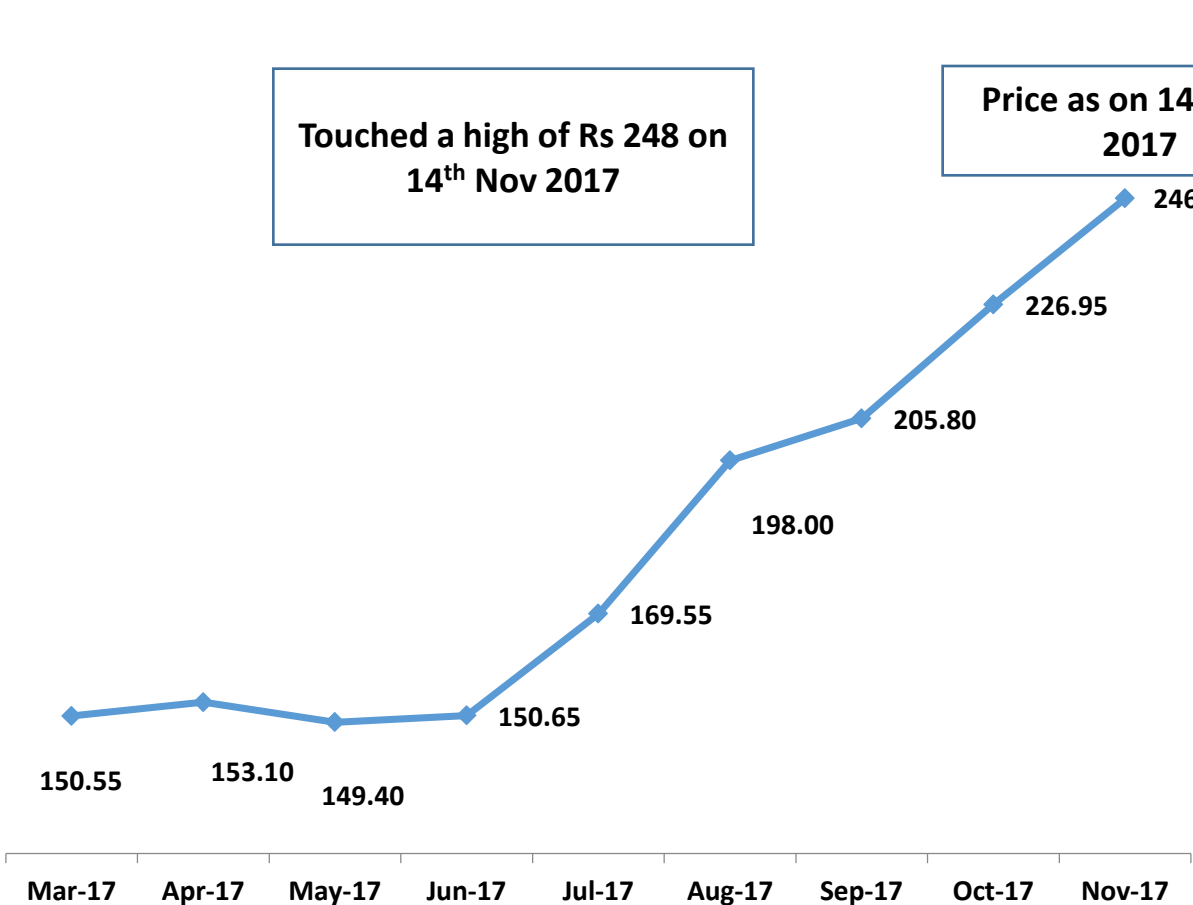
- The group has organised it's business into Branded Segment and Non Branded Segment.
- Branded Segment is further sub-categorised as Branded Tea, Branded Coffee and the residual as Branded Others.

# Balance Sheet



Details (Rs cr)	30-Sep-17	31-Mar-17
<b><u>Assets</u></b>		
<b>Non Current Assets</b>		
Goodwill	3666	3498
Other non Current Assets	2253	2736
Net Working Capital	771	780
Cash & Cash Equivalent	1669	1018
Asset on Disposal group (net)	75	26
<b>Total Assets</b>	<b>8434</b>	<b>8058</b>
<b><u>Equities &amp; Liabilities</u></b>		
Total Equity	7607	7185
Non Current Liabilities	827	873
<b>Total Liabilities</b>	<b>8434</b>	<b>8058</b>

# Share Performance & Market Capitalisation







Thank you