

April 24, 2024

TATA CONSUMER PRODUCTS LIMITED
(Formerly known as Tata Global Beverages Limited)

Current Price: ₹ 1173.25

STOCK DATA

BSE Code	500800
NSE Symbol	TATACONSUM
Reuters	TAGL.BO
Bloomberg	TATACONS IN

VALUE PARAMETERS

52 W H/L(Rs)	1269.60/700.45
Mkt. Cap.(Rs Cr)	111791.34
Latest Equity(Subscribed)	95.28
Latest Reserve (cons.)	16039.55
Latest EPS (cons.) -Unit Curr.	13.49
Latest P/E Ratio -cons	86.97
Latest Bookvalue (cons.) -Unit Curr.	169.34
Latest P/BV - cons	6.93
Dividend Yield -%	0.66
Face Value	1.00

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/03/2024
Foreign	27.27
Institutions	17.39
Govt Holding	0.01
Non Promoter Corp. Hold.	1.35
Promoters	33.55
Public & Others	20.44

Consolidated Financial Results

Particulars	Qtr Ending	Qtr Ending	In Cr.
	Mar. 24	Mar. 23	Var. (%)
Net Sales (including other operating income)	3,926.94	3,618.73	9
OPM (%)	16.03	14.14	189 bps
OP	629.60	511.67	23
Other Inc.	38.45	55.30	-30
PBIDT	668.05	566.97	18
Interest	42.83	27.66	55
PBDT	625.22	539.31	16
Depreciation	115.76	82.86	40
PBT	509.46	456.45	12
Share of Profit/(Loss) from Associates	-55.45	-56.02	1
PBT before EO	454.01	400.43	13
EO Income	-215.80	-6.37	
PBT after EO	238.21	394.06	-40
Taxation	25.95	104.50	-75
PAT	212.26	289.56	-27
Minority Interest (MI)	-4.37	20.97	
Net profit	216.63	268.59	-19
EPS (Rs)*	4.37	2.87	

Tata Consumer Q4 Consolidated PAT slides 19.3.5% YoY to Rs 216.63 cr but margins improved, in line with streets estimates

For the quarter ending March 2024, consolidated Net sales (including other operating income) of Tata Consumer Products has increased 8.52% to Rs 3926.94 crore compared to quarter ended March 2023. Sales of Branded Business segment has gone up 9.33% to Rs 3,532.03 crore (accounting for 89.79% of total sales). Sales of Non-Branded Business segment has gone up 4.21% to Rs 401.50 crore (accounting for 10.21% of total sales). Inter-segment sales rose Rs 13.86 crore to Rs 23.50 crore.

Profit before interest, tax and other unallocable items (PBIT) has jumped 24.05% to Rs 576.43 crore. PBIT of Branded Business segment rose 10.40% to Rs 484.49 crore (accounting for 84.05% of total PBIT). PBIT of Non Branded Business segment rose 255.67% to Rs 91.94 crore (accounting for 15.95% of total PBIT). PBIT margin of Branded Business segment rose from 13.58% to 13.72%. PBIT margin of Non Branded Business segment rose from 6.71% to 22.90%. Overall PBIT margin rose from 12.85% to 14.65%.

Operating profit margin has jumped from 14.14% to 16.03%, leading to 23.05% rise in operating profit to Rs 629.60 crore. Raw material cost as a % of total sales (net of stock adjustments) increased from 36.38% to 37.88%. Purchase of finished goods cost fell from 22.47% to 18.32%. Employee cost increased from 7.78% to 8.25%. Other expenses rose from 19.45% to 20.32%.

Other income fell 30.47% to Rs 38.45 crore. PBIDT rose 17.83% to Rs 668.05 crore. Provision for interest rose 54.84% to Rs 42.83 crore. Loan funds rose to Rs 3,477.22 crore as of 31 March

2024 from Rs 1,600.04 crore as of 31 March 2023. Inventories rose to Rs 2,769.35 crore as of 31 March 2024 from Rs 2,701.67 crore as of 31 March 2023. Sundry debtors were higher at Rs 896.75 crore as of 31 March 2024 compared to Rs 798.33 crore as of 31 March 2023. Cash and bank balance declined from Rs 2,796.94 crore as of 31 March 2023 to Rs 2,454.49 crore as of 31 March 2024. Investments declined from Rs 1,432.97 crore as of 31 March 2023 to Rs 870.55 crore as of 31 March 2024.

PBDT rose 15.93% to Rs 625.22 crore. Provision for depreciation rose 39.71% to Rs 115.76 crore. Fixed assets increased to Rs 9,213.22 crore as of 31 March 2024 from Rs 5,339.56 crore as of 31 March 2023. Intangible assets increased from Rs 8,025.38 crore to Rs 10,334.28 crore. Profit before tax grew 11.61% to Rs 509.46 crore. Share of profit/loss was 1.02% higher at Rs -55.45 crore. Extraordinary items were decreased to Rs -215.80 crore. Provision for tax was expense of Rs 25.95 crore, compared to Rs 104.5 crore. Effective tax rate was 10.89% compared to 26.52%. Net profit attributable to owners of the company decreased 19.35% to Rs 216.63 crore.

Full year results analysis.

Net sales (including other operating income) of Tata Consumer Products has increased 10.32% to Rs 15205.85 crore. Sales of Branded Business segment has gone up 11.01% to Rs 13,661.90 crore (accounting for 89.65% of total sales). Sales of Non Branded Business segment has gone up 5.15% to Rs 1,577.39 crore (accounting for 10.35% of total sales). Inter-segment sales rose Rs 72.04 crore to Rs 90.98 crore.

Profit before interest, tax and other unallocable items (PBIT) has jumped 22.75% to Rs 2,080.63 crore. PBIT of Branded Business segment rose 16.52% to Rs 1,832.41 crore (accounting for 88.07% of total PBIT). PBIT of Non Branded Business segment rose 102.76% to Rs 248.22 crore (accounting for 11.93% of total PBIT).

PBIT margin of Branded Business segment rose from 12.78% to 13.41%. PBIT margin of Non Branded Business segment rose from 8.16% to 15.74%. Overall PBIT margin rose from 12.28% to 13.65%.

Operating profit margin has jumped from 13.47% to 15.02%, leading to 23.03% rise in operating profit to Rs 2,284.10 crore. Raw material cost as a % of total sales (net of stock adjustments) decreased from 38.25% to 37.39%. Purchase of finished goods cost fell from 20.65% to 19.28%. Employee cost increased from 7.97% to 8.21%. Other expenses rose from 19.92% to 20.22%.

Other income rose 45.44% to Rs 245.62 crore. PBIDT rose 24.90% to Rs 2529.72 crore. Provision for interest rose 48.93% to Rs 129.81 crore. Loan funds rose to Rs 3,477.22 crore as of 31 March 2024 from Rs 1,600.04 crore as of 31 March 2023. Inventories rose to Rs 2,769.35 crore as of 31 March 2024 from Rs 2,701.67 crore as of 31 March 2023. Sundry debtors were higher at Rs 896.75 crore as of 31 March 2024 compared to Rs 798.33 crore as of 31 March 2023. Cash and bank balance declined from Rs 2,796.94 crore as of 31 March 2023 to Rs 2,454.49 crore as of 31 March 2024. Investments declined from Rs 1,432.97 crore as of 31 March 2023 to Rs 870.55 crore as of 31 March 2024.

PBDT rose 23.82% to Rs 2399.91 crore. Provision for depreciation rose 24.03% to Rs 377.15 crore. Fixed assets increased to Rs 9,213.22 crore as of 31 March 2024 from Rs 5,339.56 crore as of 31 March 2023. Intangible assets increased from Rs 8,025.38 crore to Rs 10,334.28 crore.

Profit before tax grew 23.78% to Rs 2,022.76 crore. Share of profit/loss was 224.45% lower at Rs -85.59 crore. Provision for tax was expense of Rs 394.73 crore, compared to Rs 447.04 crore.

Effective tax rate was 24.52% compared to 25.30%.

Minority interest decreased 44.08% to Rs 65.07 crore. Net profit attributable to owners of the company decreased 4.44% to Rs 1,150.33 crore.

Other Highlights

- Board has recommended a final dividend of Rs 7.75 per equity share of Re 1 each (775%) for the financial year 2023-24.
- In Q4 FY24, the India Packaged Beverages business revenue increased by 2%, India food business grew 20%, Coffee grew 45% and NourishCo revenue grew by 13% on YoY basis.
- Value-added salt portfolio continued its strong momentum and grew 34% YoY during FY24, accounting for 9% of the overall salt business.
- In FY24, Modern Trade channel grew 9% YoY. The E-commerce channel grew 35%, contributing to 11% of India business sales.
- In Q4 FY24, the International business revenue grew 7% YoY.
- In Q4 FY24, India business contributed 70% of total revenue and International business 30%.

Management Comments :

Sunil D'Souza, Managing Director & CEO of Tata Consumer Products said "We delivered good topline growth of 10% in FY24, but importantly an EBITDA growth of 24% and significant expansion in EBITDA margin. During the year, we recorded growth in India tea and salt businesses. Our premiumization agenda continues to progress well with the premium portfolio in both tea and salt showing good growth and contributing to an increasing share of the overall portfolio. Our growth businesses (Tata Sampann, RTD, Tata Soulfull, Tata SmartFoodz) continued their strong growth trajectory with a revenue growth of 40% in FY 24. Tata Starbucks made consistent progress in its expansion agenda with a store footprint spanning 61 cities. We also delivered strong performance in our International markets, along with significant margin improvement. The UK business saw its EBITDA margin touch historic highs led by restructuring initiatives taken during the year. In India, we solidified our Sales & Distribution infrastructure; our total reach has expanded to 4 million outlets as of March '24. We implemented split routes in all 1 million + population towns and have seen significant improvement in assortment and growth. We are strengthening our Rurban focus and are deepening reach into rural areas. Alternate channels (modern trade and e-commerce) recorded significant momentum and continue to be strong growth drivers. We significantly accelerated innovation momentum to cater to key consumer trends such as Health & Wellness, Premiumisation and Convenience. On an average, in FY 24, we launched a new product almost every seven days. There has been a step change in our Digital Transformation agenda with the launch of a best-in-class commodity procurement platform as well as a Go-to-market platform leveraging AI. This will enable greater agility; better decision making and help drive business growth. Our recently announced acquisitions- Capital Foods and Organic India will be significant value creators for the company, enabling expansion into high growth, high margin categories. The front end and back-end integration for Capital Foods was completed within 60 days of transaction close. The transaction for Organic India closed on 16th April and we will focus on fast tracking integration of the business to unlock value."

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