

29<sup>th</sup> July 2025

Close\* – ₹1060/-

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### Q1FY26 Performance

- Consolidated revenue from operations for the quarter at ₹4778.9crs up 10% YoY. India's food business revenue grew by 14% y-o-y, led by 6.8% volume growth, enabled by strong growth in both core categories of tea and salt, supported by underlying volume gains.
- Gross margin declined by 482bps to 40.1% YoY. Consolidated EBITDA for the quarter declined 8% on account of higher tea costs in the India and coffee price corrections in the non-branded business. EBITDA margin was 12.9%, down 250 bps.
- Capital Foods and Organic India grew 10% in Q1FY26 on a combined basis (including international operations); impacted by transitory issues.
- The international business continued its momentum with a constant 5% currency revenue growth driven by strong coffee performance in the USA.
- Net Profit for the quarter at ₹332crs, up 15% YoY. Margin declined 30bps to 6.9% YoY.

### Important Statistics

<b>Nifty</b>	24,791
<b>Sensex</b>	81,262
<b>Close*</b>	1,060
<b>M.CAP (₹ crs)</b>	₹1,05,187.44
<b>52 Week H/L (₹)</b>	₹1,234/₹883
<b>NSE Code</b>	TATACONSUM
<b>BSE Code</b>	500800
<b>Bloomberg Code</b>	TATACONS:IN

\*Close as on 28<sup>th</sup> July 2025

Shareholding pattern (%)	June'25
Promoter	33.84
FIIs	21.96
DIIIs	22.02
Public & Others	22.15

### Key takeaways from Q1FY26 result

- **India Tea + Foods Business:**
  - India's packaged beverages business revenue grew 12%. Coffee continued its strong trajectory, with a revenue growth of 67% for the quarter on the back of 33% volume growth.
  - The RTD (Ready to Drink) business was impacted by unseasonal rains and recorded a moderate volume growth of 3%. Revenue declined 13%, driven by trade price corrections undertaken last year. Strong portfolio expansion continued with the launch of 8 new products across new segments, formats, and occasions.
  - Tata Tea Premium launched a new hyperlocal North–East pack, supported by a targeted digital campaign. Tea market share contracted by 80bps during the quarter.
- **The India Foods business** revenue grew 14% YoY.
  - Salt revenue grew 13% with 5% volume growth. The value-added salt portfolio continued its strong growth and grew 31% during the quarter.
  - Tata Sampann portfolio continued to perform well and grew 27% for the quarter. Dry fruits and Cold pressed oil continued to build on their growth momentum.
  - Capital Foods activated media on quick commerce platforms to strengthen brand association with the channel.
- **Non-branded business**, includes tea solubles, coffee solubles, India, Coffee plantation, India and coffee solubles Vietnam, grew 6% YoY (CC) in Q1FY26. The Solubles business grew 5% (CC) while Plantations delivered 11% growth, as moderating coffee prices impacted margins.
- **Growth Business:** (Tata Sampann, RTD, Tata Soufull, Capital Foods, Organic India) revenue crossed ₹3,200crs in FY25, with contribution to India business rising to 28% in FY25 from 18% in FY24.
- **International Business:**
  - The international business continued its momentum with a constant 5% currency revenue growth driven by strong coffee performance in the USA.

### Relative Performance

Absolute Return (%)	1 Yr	3Yr	5 Yr
<b>Tata Cons</b>	-12	37	151
<b>Nifty 50</b>	-1	42	123
<b>Sensex</b>	-1	39	115

Source: Company, Way2Wealth Research

### Financial Snapshot

	(₹ crs)		
Particulars	FY23	FY24	FY25
Revenues	13,783	15,206	17,618
YoY Growth	11%	10%	16%
EBITDA	1,856	2,284	2,479
EBITDA Margin	13%	15%	14.1%
PAT	1,320	1,215	1,380
PAT Margin	10%	8%	7.3%
EPS	12.96	12.07	13.0
PE	81.8	87.8	81.5

Source: Company, Way2Wealth Research

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- International Business EBITDA declined 14% YoY (CC), with margins down 360bps, due to lower gross margins and higher operating expenses.
- UK business saw a decline in revenue of 4% in Q1FY26 due to a high base. The US coffee business registered a strong 20% growth during the quarter. Eight o'clock gained market share during Q1FY26.
- The Canada business revenue declined 7% YoY due to a shift of promotional calendars at key retail partners.

➤ **Commodity Movement:**

- North India tea prices are moderately lower v/s the same period last year, as tea crop supply in the region is robust. Prices for July (MTD) are 9% lower YoY.
- South India tea prices came off sequentially as well.
- Arabica and Robusta prices have moderated and remain volatile.

➤ **Tata Starbucks (JV):**

- Revenue for the year grew 6%. Same store sales growth (SSSG) was positive except during May when the regional geopolitical tensions flared up and impacted store operating hours in specific geographies.
- 6 new net stores were added during the quarter, with footprint growth across both metros and smaller cities.

➤ **Others:**

- Management has guided an increase in A&P spending to 7.5%-8% of revenue in the near term (6.8% of revenue in Q1FY26).
- Modern trade grew by 21% YoY, and e-commerce grew by 61% YoY.
- Management plans to accelerate growth through innovation and channel expansion.

**Risks**

- Inflation in raw material prices
- Slowdown in the economy

**View**

TCPL delivered a strong revenue growth across India's core business and international markets. Margins got impacted due to input cost pressure.

The company is strengthening its distribution network and increasing its marketing outlay to capture growth in the significantly under-penetrated segments. TCPL will see EBITDA margin normalizing at the end of Q2FY26, as the new tea crop cost comes through the supply chain.

**Given quality play and structurally strong earnings growth, at the current price of ₹1060 TCPL is trading at a premium valuation (P/E 81.8x to FY25 EPS of ₹13). We continue to maintain our positive view on the stock and advise investors to accumulate for the long term.**

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## Quarterly Performance

(₹ crs)

Particulars	Q1FY26	Q1FY25	VAR	Q4FY25	VAR	FY25
<b>Net Sales (Net of Excise Duty)</b>	<b>4778.9</b>	<b>4352.1</b>	<b>9.8%</b>	<b>4608.2</b>	<b>3.7%</b>	<b>17618.3</b>
Other Operating Income	0.0	0.0	-	0.0	-	0.0
<b>Total Operating Income</b>	<b>4778.9</b>	<b>4352.1</b>	<b>9.8%</b>	<b>4608.2</b>	<b>3.7%</b>	<b>17618.3</b>
Other Income	41.2	39.2	5.1%	56.5	-27.1%	193.3
<b>TOTAL INCOME</b>	<b>4820.1</b>	<b>4391.2</b>	<b>9.8%</b>	<b>4664.7</b>	<b>3.3%</b>	<b>17811.6</b>
Total Raw Material Cost	2862.7	2397.4	19.4%	2676.5	7.0%	10069.3
Cost of Raw Material & Components Consumed	2036.7	1683.8	21.0%	1865.6	9.2%	6997.4
(Increase)/ Decrease in Inventories	-120.9	-133.8	-9.7%	-78.5	53.9%	-362.5
Purchase of Traded Goods	946.9	847.4	11.7%	889.5	6.4%	3434.4
<i>Total Raw Material Cost % to Sales</i>	<i>59.9%</i>	<i>55.1%</i>	<i>8.7%</i>	<i>58.1%</i>	<i>3.1%</i>	<i>57.2%</i>
Employee Cost	385.6	345.0	11.8%	343.6	12.2%	1430.1
<i>Employee Cost % to Sales</i>	<i>8.1%</i>	<i>7.9%</i>	<i>1.8%</i>	<i>7.5%</i>	<i>8.2%</i>	<i>8.1%</i>
Other Expenses	923.6	942.8	-2.0%	967.1	-4.5%	3639.6
<i>Other Expenses % of Sales</i>	<i>19.3%</i>	<i>21.7%</i>	<i>-10.8%</i>	<i>21.0%</i>	<i>-7.9%</i>	<i>20.7%</i>
<b>TOTAL EXPENDITURE</b>	<b>4172.0</b>	<b>3685.2</b>	<b>13.2%</b>	<b>3987.3</b>	<b>4.6%</b>	<b>15139.0</b>
<b>EBIDTA</b>	<b>606.9</b>	<b>666.9</b>	<b>-9.0%</b>	<b>621.0</b>	<b>-2.3%</b>	<b>2479.4</b>
<i>EBIDTA Margin %</i>	<i>12.7%</i>	<i>15.3%</i>	<i>-2.62%</i>	<i>13.5%</i>		<i>14.1%</i>
Finance Costs	33.8	93.6	-63.9%	40.0	-15.6%	290.2
<b>PBDT</b>	<b>614.4</b>	<b>612.5</b>	<b>0.3%</b>	<b>637.5</b>	<b>-3.6%</b>	<b>2382.4</b>
Depreciation, Amortization & Impairment	148.9	148.0	0.6%	153.1	-2.7%	600.7
<b>PBT before Exceptional Items</b>	<b>465.4</b>	<b>464.5</b>	<b>0.2%</b>	<b>484.4</b>	<b>-3.9%</b>	<b>1781.7</b>
Exceptional Items		-17.8		45.3		-5.6
<b>PBT after Exceptional Items</b>	<b>465.4</b>	<b>446.7</b>	<b>4.2%</b>	<b>529.7</b>	<b>-12.1%</b>	<b>1776.1</b>
Tax	119.0	133.7	-11.0%	122.6	-3.0%	396.2
<i>Tax Rate %</i>	<i>25.6%</i>	<i>29.9%</i>	<i>-14.6%</i>	<i>23.2%</i>	<i>10.4%</i>	<i>22.3%</i>
<b>Reported Profit After Tax</b>	<b>346.4</b>	<b>313.0</b>	<b>10.7%</b>	<b>407.1</b>	<b>-14.9%</b>	<b>1379.9</b>
Minority Interest After NP			-			0.0
Profit/Loss of Associate Company & JV	-14.7	-24.9	-41.0%	-58.4	-74.8%	-93.2
<b>Net Profit after Minority Interest &amp; P/L Assoc.</b>	<b>331.8</b>	<b>288.1</b>	<b>15.2%</b>	<b>348.7</b>	<b>-4.9%</b>	<b>1286.7</b>
<i>PAT Margin %</i>	<i>6.9%</i>	<i>6.6%</i>		<i>7.6%</i>		<i>7.3%</i>
<b>EPS</b>	<b>3.35</b>	<b>2.91</b>	<b>15.2%</b>	<b>3.52</b>		<b>13.00</b>
Equity	99.0	99.0		99.0		99.0
Face Value	1.0	1.0		1.0		1.0

Source: Company, Way2wealth Research

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## Segmental Performance

(₹ crs)

Particulars	Q1FY26	Q1FY25	VAR	Q4FY25	VAR	FY25
<b>REVENUES</b>						
India Business	3,125.7	2,815.1	11.0%	2,936.7	6.4%	11,240.7
% Mix	65.0%	64.5%		63.4%		63.5%
International Business	1,145.2	1,046.4	9.4%	1,193.7	-4.1%	4,548.6
% Mix	23.8%	24.0%		25.8%	-7.6%	25.7%
<b>Total Branded Business</b>	<b>4,270.90</b>	<b>3,861.51</b>	10.6%	<b>4,130.40</b>	3.4%	<b>15,789.35</b>
<b>Non-Branded Business</b>	<b>535.76</b>	<b>500.58</b>	7.0%	<b>500.35</b>	7.1%	<b>1,909.3</b>
<b>Total Segment Revenue</b>	<b>4,806.7</b>	<b>4,362.1</b>	<b>10.2%</b>	<b>4,630.8</b>	<b>3.8%</b>	<b>17,698.7</b>
Add : Other Unallocable Income	10.3	12.5	-17.3%	8.1	27.0%	39.7
Less : Inter Segment Sales	38.1	22.5	69.3%	30.8	23.4%	120.1
<b>Net Revenue from Operations</b>	<b>4,778.9</b>	<b>4,352.1</b>	<b>9.8%</b>	<b>4,608.0</b>	<b>3.7%</b>	<b>17,618.2</b>
<b>Profit/Loss Before Interest and Tax</b>						
India Business	290.3	325.8	-10.9%	241.6	20.1%	1,021.0
Margin %	6.8%	8.4%		5.9%		6.5%
International Business	154.6	175.5	-12.0%	157.3	-1.7%	666.6
Margin %	3.6%	4.5%		3.8%		4.2%
<b>Total Branded Business</b>	<b>444.8</b>	<b>501.3</b>	<b>-11.3%</b>	<b>398.9</b>	<b>11.5%</b>	<b>1,687.6</b>
<b>Non-Branded Business</b>	<b>64.52</b>	<b>96.07</b>	<b>-32.8%</b>	<b>111.96</b>	<b>-42.4%</b>	<b>407.1</b>
<b>Total Segment Results</b>	<b>509.4</b>	<b>597.4</b>	<b>-14.7%</b>	<b>510.9</b>	<b>-0.3%</b>	<b>2,094.7</b>
Less: Interest	33.8	93.6	-63.9%	40.0	-15.6%	290.2
Less: Other Un-allocable Expenditure	42.9	74.8	-42.7%	39.5	8.7%	193.0
Add: Other Income	32.7	36.0	-9.1%	53.0	-38.2%	170.2
Less: Extra-Ordinary Income/Expense		(17.1)	-100.0%	45.3	-100.0%	(5.1)
<b>Net Profit/Loss Before Tax</b>	<b>465.4</b>	<b>447.9</b>	<b>3.9%</b>	<b>529.7</b>	<b>-12.1%</b>	<b>1,776.6</b>

Source: Company, Way2wealth Research

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Name of the Security	Tata Consumer Products Ltd.
Name of the analyst	Ashwini Sonawane
Analysts' ownership of any stock related to the information contained	
Financial Interest	No
Analyst :	No
Analyst's Relative : Yes / No	No
Analyst's Associate/Firm : Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
Way2Wealth ownership of any stock related to the information contained	NIL
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