Dated: 6th November 2025

Tata Consumer Products (TATACONS)-ADD

Q2FY26 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.1179	Rs.1175

Rationale:

- TCPL reported 14%/~18% UVG/value growth for the India branded business.
- 12%/16% value growth in Tea/Salt (volume 5%/9%).
- 27% growth in 'growth businesses', as NourishCo/Sampann registered 25%/40% growth yoy.
- India business EBITDA margins rebounded to ~15% (+180 bps yoy), as tea prices moderated yoy.
- TCPL expects consolidated EBITDA margins to reach ~15%+ by 4Q.
- We trim estimates, roll over and revise FV to Rs1,175 (from Rs1,150), valuing TCPL at 50X Dec-27E PE (unchanged).
- We expect earnings to grow by 26.4% in FY27E & grow by 19.0% in FY28E.
- Stock is currently trading at valuation of 50.2x P/E FY28E EPS.

Positives:

- A Consolidated revenues grew 17.8% yoy to Rs4970 cr (2.2% beat).
- India branded underlying volume growth (UVG) was 14%.
- India beverages revenue grew ~16% yoy, led by tea revenue/ volume growth of 12%/5% yoy (KIE: 12%/6%).
- Outlook positive across businesses, except for US tariff-related uncertainty.

Negatives:

- TCPL moderated consolidated EBITDA margin guidance to 15%+ by Q4FY26E

Holding Period: 12 months

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
SUBSCRIBE	–	We advise investor to subscribe to the IPO.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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