

# Tilaknagar Industries Limited

## Earnings Presentation – Q1FY24





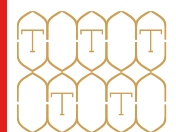


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# Q1FY24 PERFORMANCE





**Mr. Amit Dahanukar,**  
Chairman & Managing Director

**“ Our resolute dedication to innovation, expansion, and prudent financial strategies underscores our unwavering priority: the well-being of our stakeholders ”**

- ❖ In Q1 FY24, our company has again significantly outgrown the overall IMFL industry, with volume growth of 42% YoY, compared to around 5-6% for overall IMFL industry
- ❖ Our Net Sales Realization (NSR) per case improved to Rs. 1,249 in Q1 FY24 against Rs. 1,157 in Q1 FY23, on account of a combination of state mix, price and brand mix
- ❖ Despite the persistent inflationary pressures, our EBITDA margins expanded by 300+ basis points compared to same period last year; EBITDA grew by 77% to Rs. 38.4 crs in Q1 FY24
- ❖ Owing to significant reduction in debt, interest costs have also significantly reduced from Rs. 13.3 crs in Q1 FY23 to Rs. 6.0 crs in Q1 FY24
- ❖ I am further delighted to share that we are in the final stages of refinancing our EARC debt, thereby providing flexibility in managing cash flows in the immediate future. We are refinancing our existing debt with one of India's largest private sector banks, thereby providing us with entry into regular banking channels. We intend to become net debt free by March 2025
- ❖ Our commitment to diversification and innovation is exemplified by recent product launches, including Flandy and Blue Lagoon Gin, catering to varied consumer preferences and broadening our market footprint
- ❖ Collectively, these achievements in the first quarter of FY24 underscore our ability to seize opportunities, drive consistent growth, and navigate evolving market dynamics, all while maintaining a focus on innovation, expansion, and financial prudence for the benefit of all stakeholders

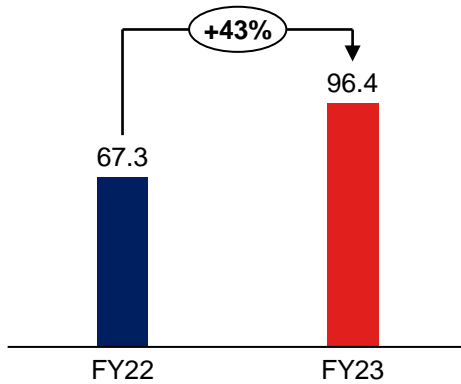
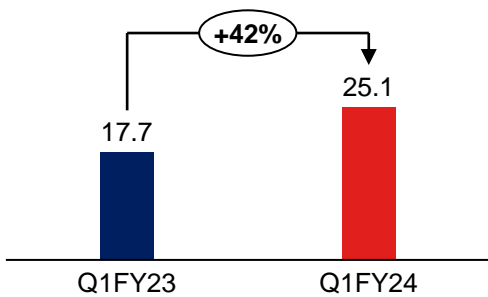


# Key highlights

## Total Volumes (lacs cases)

Quarter

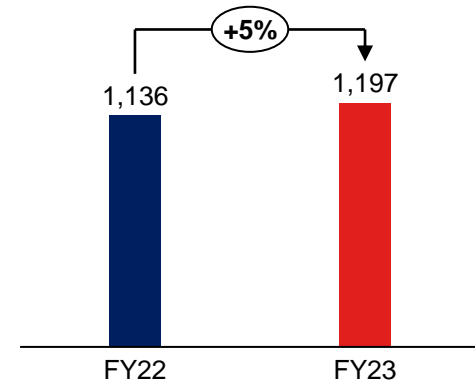
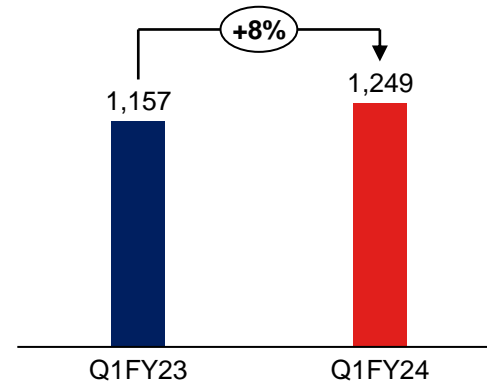
Full Year



## NSR (₹ per case)

Quarter

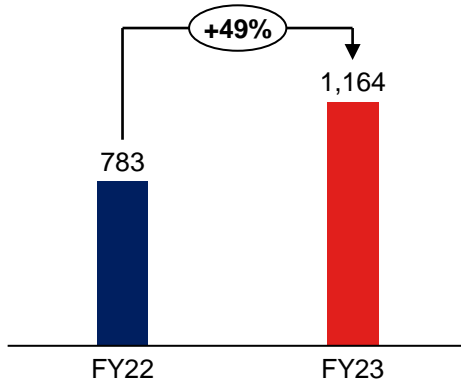
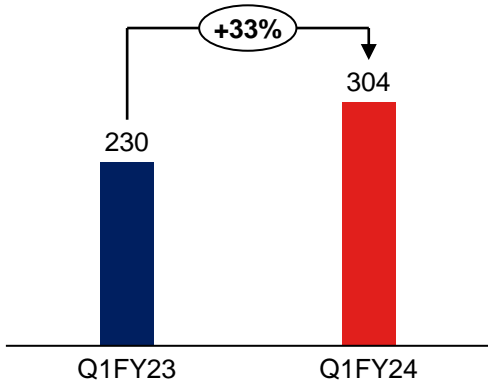
Full Year



## Revenue (₹ crs)

Quarter

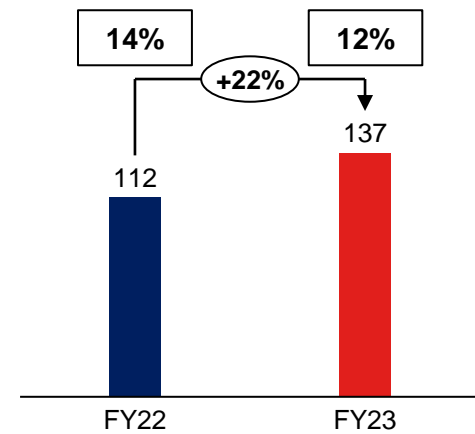
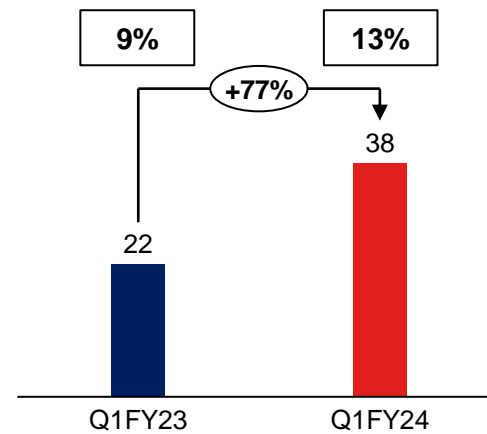
Full Year



## EBITDA (₹ crs) & EBITDA Margin (%)

Quarter

Full Year



...owing to seasonality, Q1 volume saliency is usually between 19-21% of yearly volumes

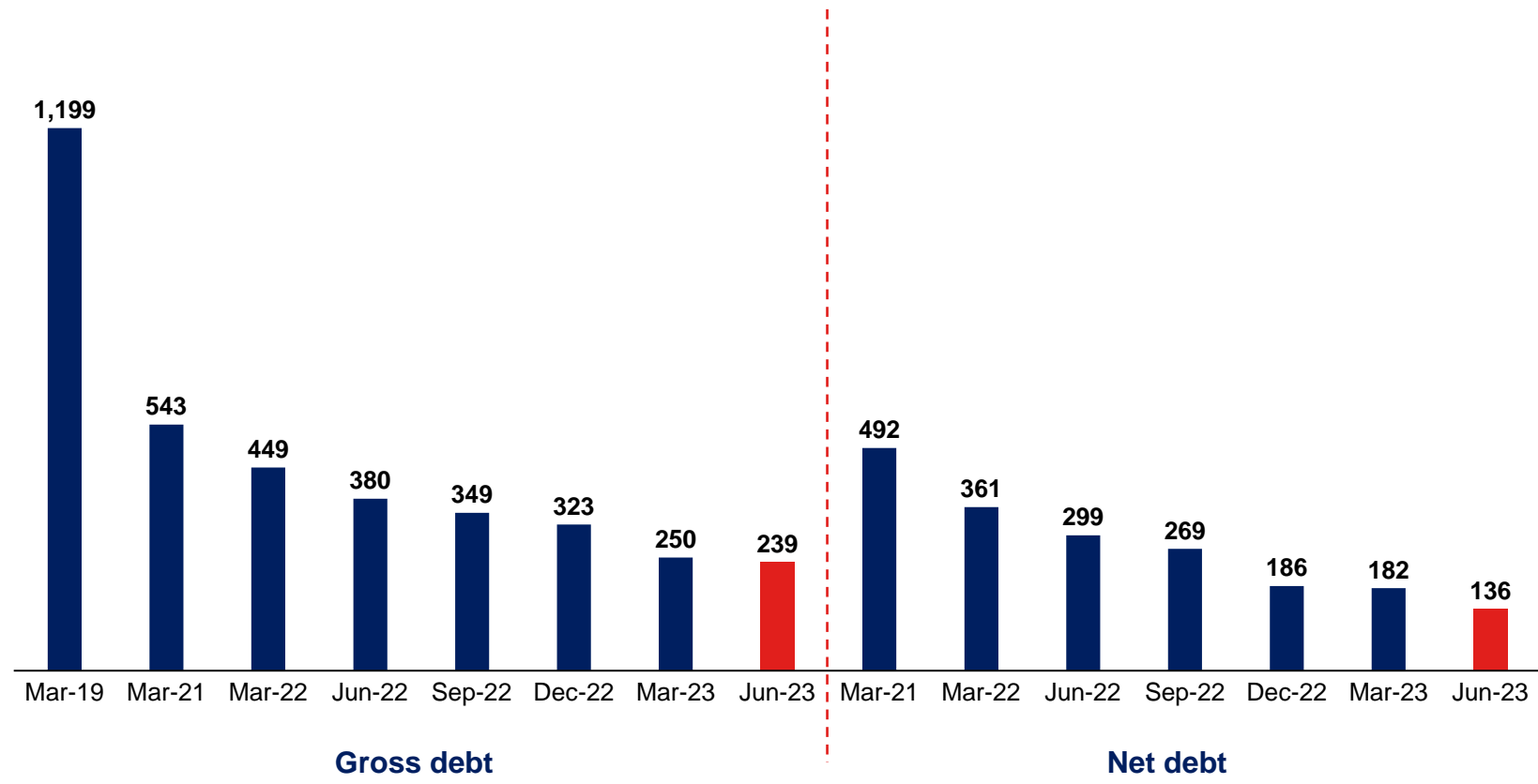
**42% volume growth in Q1 FY24 on YoY basis**  
**86% volume growth vs. Q1 FY20 (pre-Covid)**



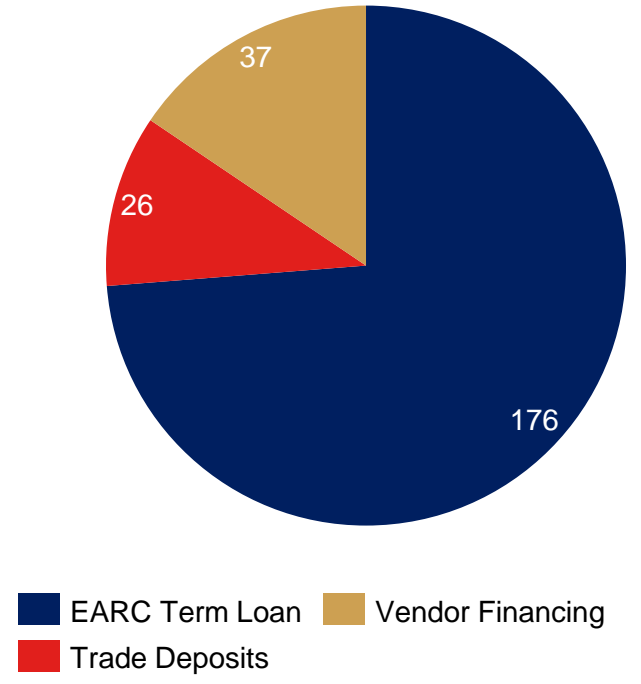
# Debt reduction journey...

...operating cash flows helping in funding debt repayments as well as working capital requirements

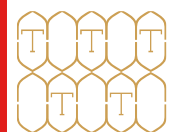
Debt Journey (₹ Crs)<sup>(a)(b)</sup>



Debt as of 30-Jun-23<sup>(a)(b)</sup>



(a) Debt adjusted for EARC balance debt of ₹ 3.6 crs which would be waived off in FY24 on following the repayment schedule  
 (b) Debt includes interest bearing trade deposits

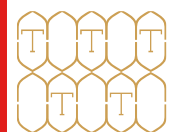


# Debt refinancing in final stages to completely prepay EARC debt



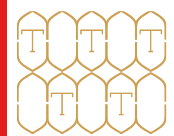
- ❖ We are in the final stages of refinancing our debt with Edelweiss ARC (“EARC”)
- ❖ EARC debt balance of Rs. 176 crs as of 30 June 2023
- ❖ Refinancing will be done through a loan facility taken from one of India’s largest private sector banks
- ❖ This refinancing enables entry into regular banking channels
- ❖ Offers immediate flexibility in managing cash flows, enabling investment in brand building
- ❖ We intend to become net debt free by March 2025





# Quarterly Income Statement

Particulars (₹ Crs)	Q1 FY24	Q1 FY23	Y-o-Y	Q4 FY23	Q-o-Q
Revenue from Operations (Gross)	640.0	480.5	33.2%	717.2	-10.8%
Excise Duty	335.9	251.0	33.8%	359.8	-6.6%
<b>Revenue from Operations (Net)</b>	<b>304.1</b>	<b>229.5</b>	<b>32.5%</b>	<b>357.4</b>	<b>-14.9%</b>
Cost of Material Consumed	150.2	121.4	23.7%	189.7	-20.8%
Change in Inventories of Finished goods & Work in Progress	0.8	4.6	-83.0%	8.0	-90.2%
<b>Total Cost of Goods Sold</b>	<b>151.0</b>	<b>126.1</b>	<b>19.8%</b>	<b>197.7</b>	<b>-23.6%</b>
<b>Gross Profit</b>	<b>153.1</b>	<b>103.5</b>	<b>47.9%</b>	<b>159.8</b>	<b>-4.2%</b>
Employee Expenses	10.0	8.5	18.3%	9.4	6.9%
Other Expenses	104.7	73.3	42.8%	106.9	-2.1%
<b>EBITDA</b>	<b>38.4</b>	<b>21.7</b>	<b>76.8%</b>	<b>43.5</b>	<b>-11.7%</b>
<b>EBITDA Margin (%)</b>	<b>12.6%</b>	<b>9.5%</b>	<b>317 bps</b>	<b>12.2%</b>	<b>47 bps</b>
Other Income	1.2	0.7	74.6%	5.1	-77.0%
Depreciation	7.8	8.0	-3.0%	7.9	-1.5%
<b>EBIT</b>	<b>31.8</b>	<b>14.3</b>	<b>121.6%</b>	<b>40.6</b>	<b>-21.8%</b>
<b>EBIT Margin (%)</b>	<b>10.4%</b>	<b>6.2%</b>	<b>418 bps</b>	<b>11.2%</b>	<b>-80 bps</b>
Finance Cost	6.0	13.3	-54.8%	8.0	-24.3%
Exceptional Items/Share from Associates	0.0	0.0	NM	26.4	-100.0%
<b>Profit before Tax</b>	<b>25.7</b>	<b>1.0</b>	<b>2385.5%</b>	<b>59.1</b>	<b>-56.4%</b>
<b>Profit before Tax(%)</b>	<b>8.4%</b>	<b>0.4%</b>	<b>798 bps</b>	<b>16.3%</b>	<b>-787 bps</b>
Tax	0.0	0.0	NM	-0.0	-100.0%
<b>Profit After Tax</b>	<b>25.7</b>	<b>1.0</b>	<b>2385.5%</b>	<b>59.1</b>	<b>-56.4%</b>
<b>Profit After Tax excl. Exceptional Items</b>	<b>25.7</b>	<b>1.0</b>	<b>2385.5%</b>	<b>32.7</b>	<b>-21.2%</b>
<b>PAT Margin (%) excl. Exceptional Items</b>	<b>8.4%</b>	<b>0.4%</b>	<b>798 bps</b>	<b>9.0%</b>	<b>-58 bps</b>
Reported Diluted EPS (As per Profit after Tax)	1.35	0.06	2157.9%	3.11	-56.4%

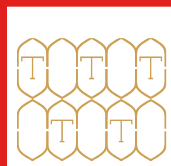


# Introducing “A Warm Welcome”

...our new proposition for Mansion House Brandy



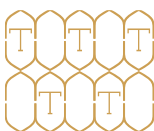




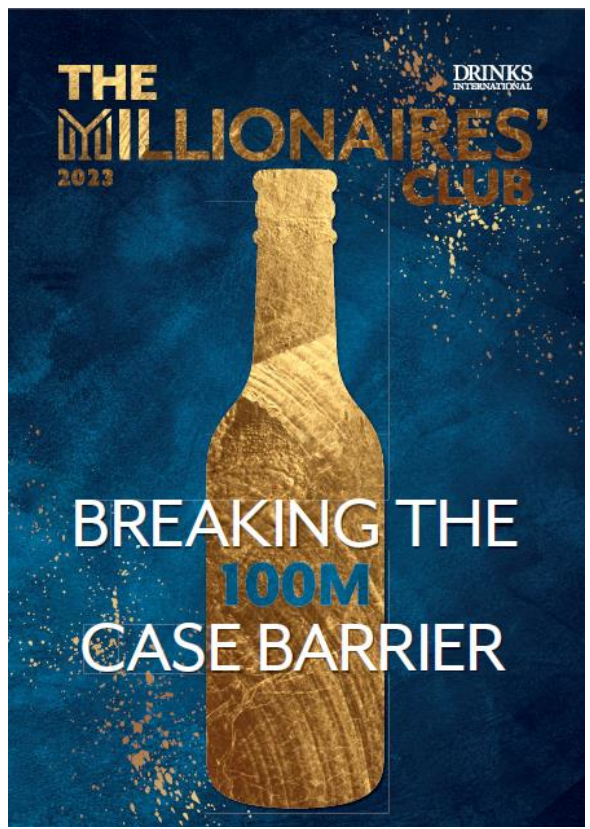
# Disruptive renovation of Blue Lagoon Gin



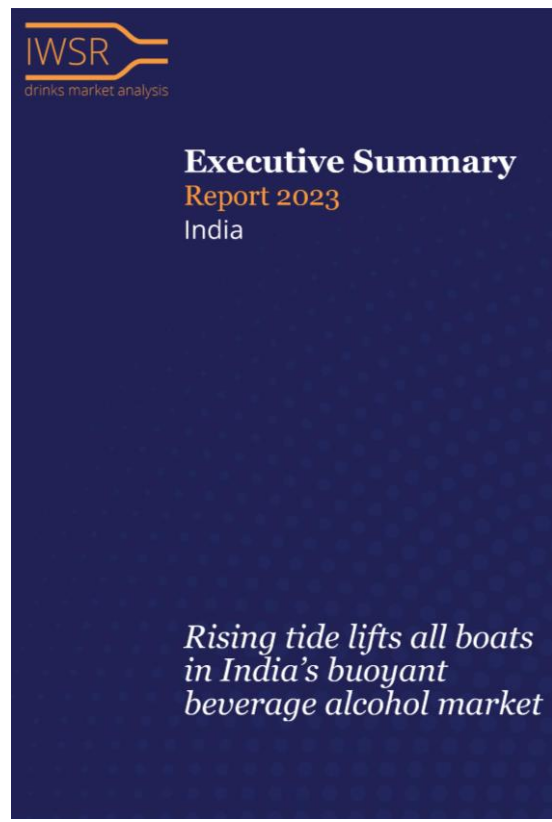




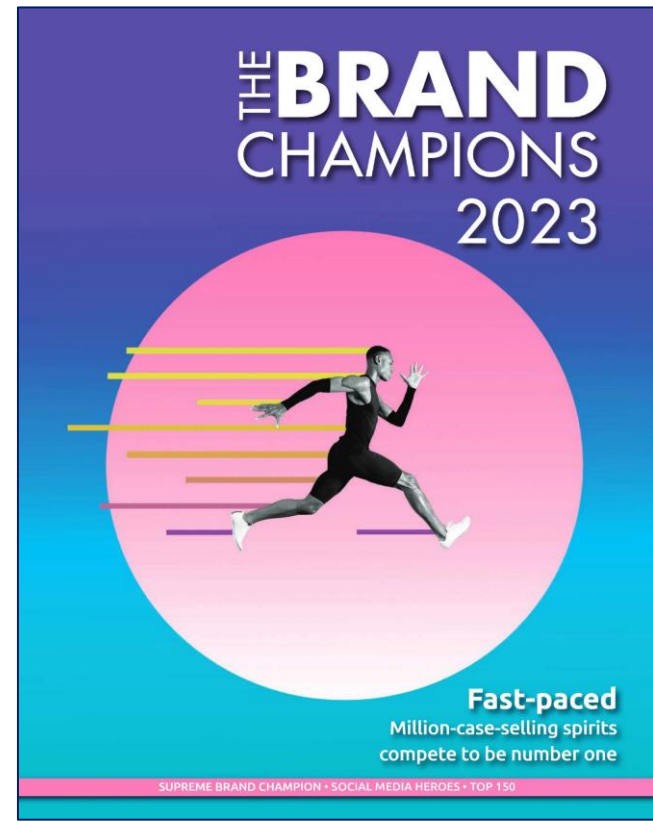
# Accolades & Recognition for MHB



**World's 2<sup>nd</sup> Fastest Growing Spirits Brand**

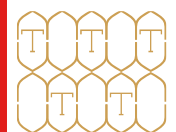


**India's Largest Selling Brandy and World's 2<sup>nd</sup> Largest Selling Brandy**



**Brandy Brand Champion 2023**





## Two millionaire brands in the portfolio

### MANSION HOUSE

*India's largest  
selling brandy*



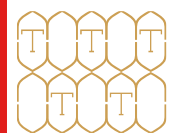
### COURRIER NAPOLEON

*Our second  
Millionaire brand*



# COMPANY & INDUSTRY OVERVIEW





# About the Company

Largest brandy manufacturer in India with presence across all segments of IMFL



**1933**

90 years since  
incorporation & 50+  
years of experience in  
alcobev  
manufacturing



**20**

Manufacturing units  
across 12 states  
Owned: 4 units  
Contract  
manufacturing: 16  
units



**15+**

Brands across  
products



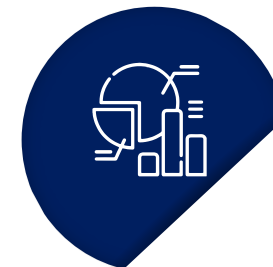
**93%**

Share of Brandy as %  
of total volumes



**9.64mn**

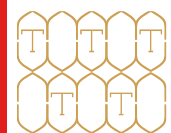
Volumes (in cases)  
sold



**86%**

Share of sales to  
South India as % of  
total volumes

\* All data is for FY23; manufacturing units is as on date



# Our journey

The turnaround well and truly coming to fruition



## 1933-2007

- Founded in 1933 as Maharashtra Sugar Mills Ltd. (MSML) to manufacture sugar and allied products
- Tilaknagar Distilleries and Industries Ltd. (TDIL) promoted as 100% subsidiary of MSML to manufacture industrial alcohol, IMFL and sugar cubes
- TDIL merged with MSML after MSML exits sugar business and renamed to Tilaknagar Industries

## 2008-2014

- Acquired subsidiaries Vahni Distilleries (Karnataka), Prag Distilleries (Andhra), Kesarval Springs Distillers (Goa) and PunjabExpo (Punjab)
- Acquired seven brands from Alcobrew Distilleries for CSD segment and IFB Agro's IMFL business ('Volga' vodka and 'Blue Lagoon' gin) for an entry into East Indian markets of West Bengal, Assam and Odisha
- Commissioned expansion of 50 KLPD molasses based distillery to 100 KLPD and 100 KLPD grain based distillery
- At its peak, registered net revenue of ₹ 824 crs in FY14

## 2014-2017

- Expansion project at Prag stalled
- Defaults in repayment to banks and financial institutions
- Sale of assets of Kesarval Springs Distillers to Indospirit Beverages Pvt. Ltd. in 2015

## 2018 onwards

- Restructuring of debt completed with EARC and one-time settlements reached with all lenders
- Enters into 10 yrs agreement to manufacture products for Pernod Ricard products in Maharashtra
- EBITDA more than doubled in FY23 to ₹ 137 crs
- Volumes in FY23 at 9.6 mn
- Gross debt as of 30-Jun-23 at ₹ 239 crs and Net debt at ₹ 136 crs
- Raised more than ₹ 310 crs through preferential issue of equity and warrants, since Dec-21



**Super-Premium**  
**₹ 1,000 & Above**



Mansion House Reserve Brandy



Courier Napoleon Brandy Green



**India's first premium flavoured brandy**  
Mansion House Flandy

**Premium / Semi-Premium**  
**₹ 700-1,000**



**#1 Premium Brandy in India**  
Mansion House Brandy



Mansion House Gold Whisky



**New Launch**  
Blue Lagoon Gin

**Deluxe**  
**₹ 500-700**



Madiraa XXX Rum



Courier Napoleon Brandy Gold

(Note: All MRP for 750ml)



# Senior management



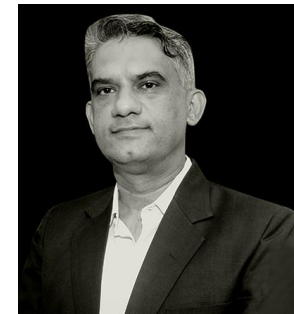
**Amit Dahanukar**  
*Chairman & Managing Director*



**Abhinav Gupta**  
*CFO*  
Previously CFO with Trident Limited



**Ameya Deshpande**  
*President – Strategy & Corp Dev*  
Previously Investment Banker with Deutsche Bank and BNP Paribas & Co-founder at Authenticook



**Tarun Behl**  
*Vice President – Works*  
22+ yrs of alcobev experience  
In United Spirits/Diageo India, Shaw Wallace



**Shivani Dahanukar**  
*Executive Director*



**Ahmed Rahimtoola**  
*CMO*  
14+ yrs with Allied Blenders & Distillers



**Col. Bineet Walia (Retd)**  
*President – Institutional Sales*  
Former Colonel of the Indian Army

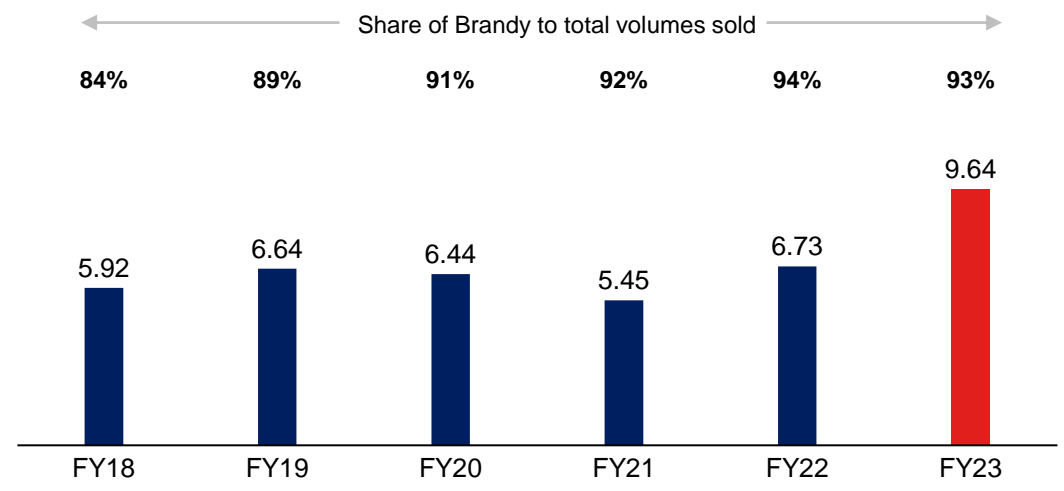


**Yuvraj Singh Som**  
*Vice President – Strategy & Operations*  
13+ yrs with Radico Khaitan

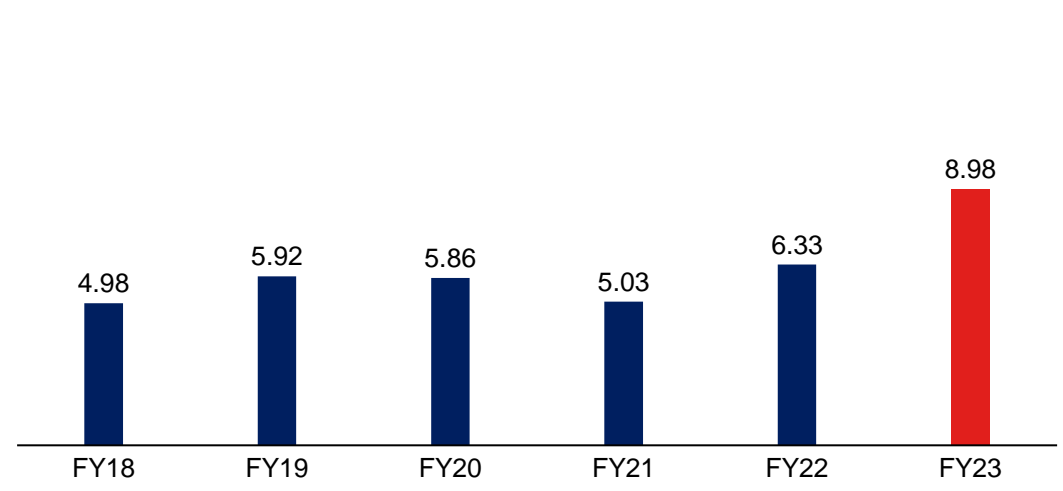
# FULL YEAR FINANCIALS



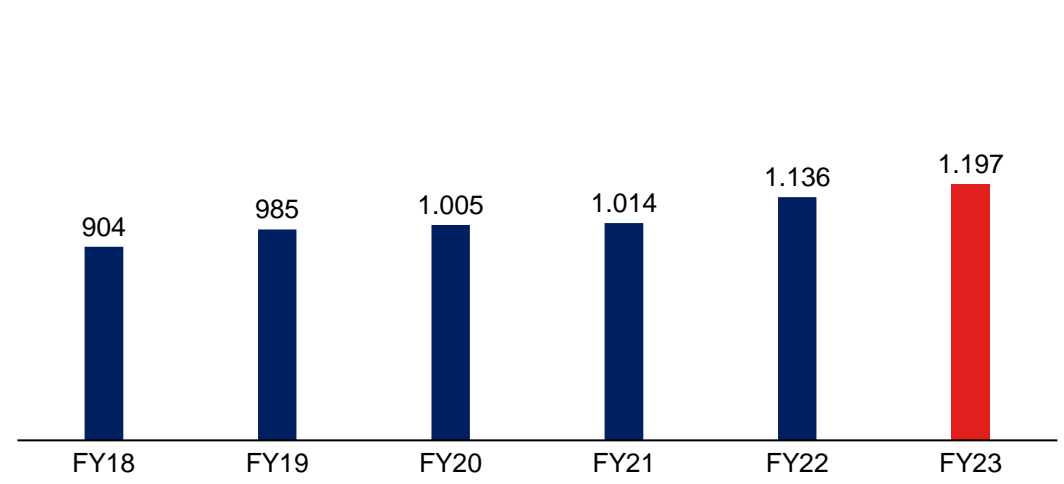
## Total Volumes Sold (mn cases)



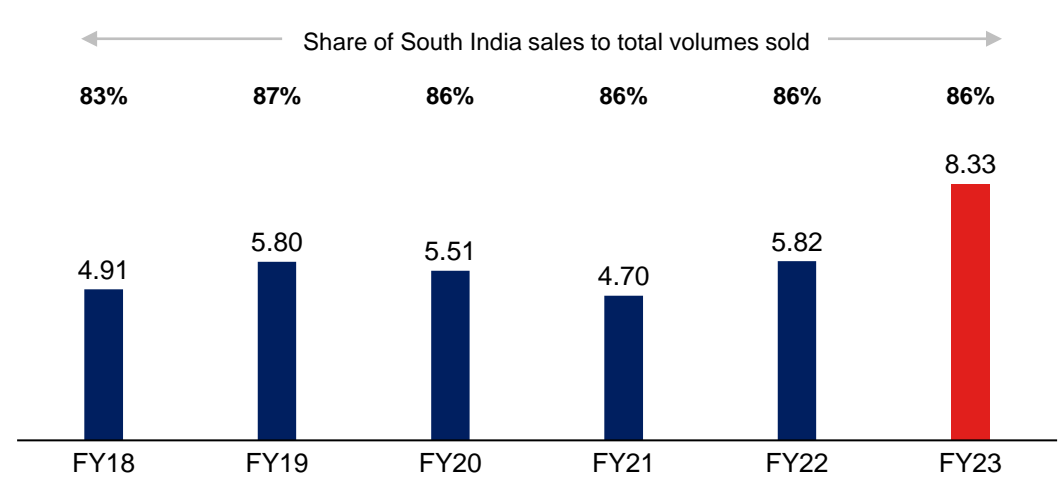
## Brandy Sales (mn cases)



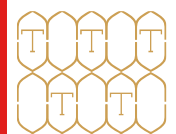
## NSR per case (₹)



## Robust sales in South India (mn cases)

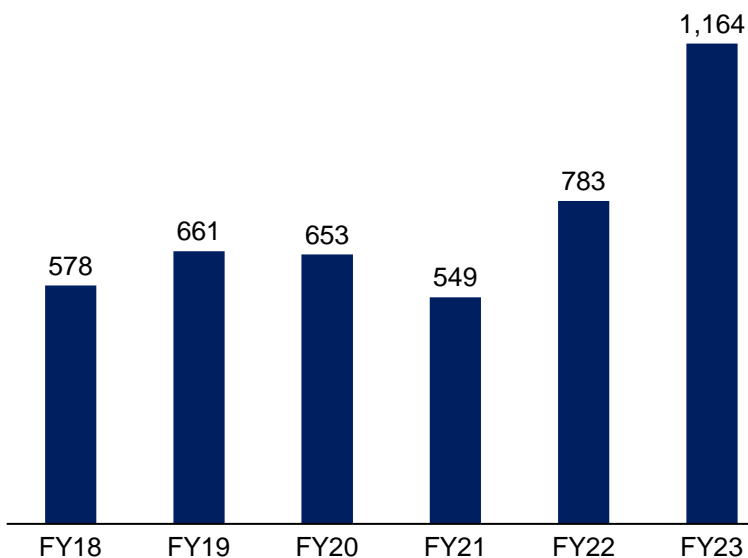




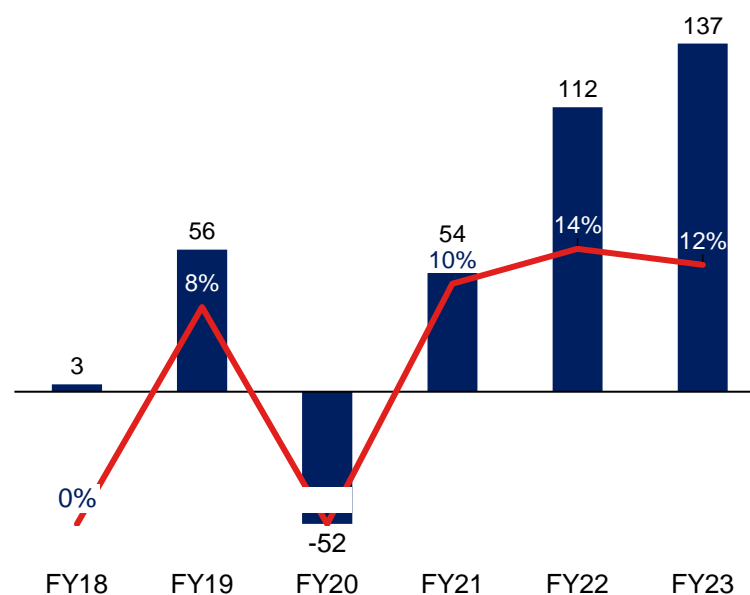


# Focus on margins and cashflows

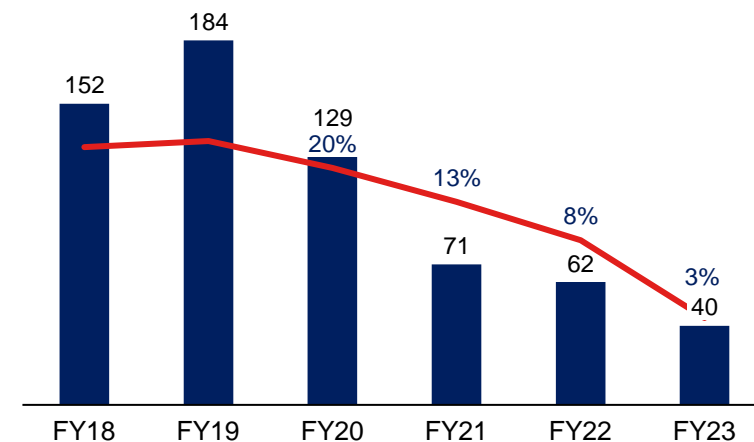
### Net Revenues (₹ Crs)



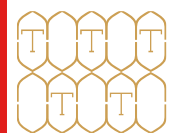
### EBITDA (₹ Crs) and EBITDA Margin (%)



### Finance Cost (₹ Crs) and as % of Net Revenues



(a) EBITDA for FY20 is not comparable due to write-offs impacting EBITDA



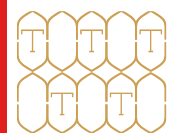
# Income Statement

Particulars (₹ Crs)	Mar-23	Mar-22	Mar-21
Revenue from Operations (Gross)	2,469.3	1,792.1	1,418.4
Excise Duty	1,304.9	1,008.7	869.6
<b>Revenue from Operations (Net)</b>	<b>1,164.4</b>	<b>783.4</b>	<b>548.8</b>
Cost of Material Consumed	633.3	378.0	291.3
Change in Inventories of Finished goods & Work in Progress	-17.0	4.4	-13.9
<b>Total Cost of Goods Sold</b>	<b>616.3</b>	<b>382.4</b>	<b>277.4</b>
<b>Gross Profit</b>	<b>548.1</b>	<b>401.0</b>	<b>271.4</b>
Employee Expenses	37.6	32.1	25.2
Other Expenses	373.3	256.8	192.1
<b>EBITDA</b>	<b>137.2</b>	<b>112.1</b>	<b>54.1</b>
<b>EBITDA Margin (%)</b>	<b>11.8%</b>	<b>14.3%</b>	<b>9.9%</b>
Other Income	7.5	10.5	11.4
Depreciation	32.3	32.7	33.1
<b>EBIT</b>	<b>112.3</b>	<b>89.8</b>	<b>32.4</b>
<b>EBIT Margin (%)</b>	<b>9.6%</b>	<b>11.3%</b>	<b>5.8%</b>
Finance Cost	40.2	61.9	71.0
Exceptional Items/Share from Associates	77.7	13.2	0.0
<b>Profit before Tax</b>	<b>149.9</b>	<b>41.2</b>	<b>-38.6</b>
<b>Profit before Tax (%)</b>	<b>12.8%</b>	<b>5.2%</b>	<b>-6.9%</b>
Tax	-0.0	-4.0	-0.2
<b>Profit After Tax</b>	<b>149.9</b>	<b>45.2</b>	<b>-38.4</b>
<b>Profit After Tax excl. Exceptional Items</b>	<b>72.2</b>	<b>32.0</b>	<b>-38.4</b>
<b>PAT Margin (%) excl. Exceptional Items</b>	<b>6.2%</b>	<b>4.0%</b>	<b>-6.9%</b>
Reported Diluted EPS (As per Profit after Tax)	8.56	3.08	(3.07)

Particulars (₹ Crs)	Mar-23	Mar-22	Mar-21
<b>ASSETS</b>			
Non - Current Assets			
Property, plant and equipment	417.5	438.8	467.8
Capital work-in-progress	0.1	100.2	100.1
Right of use assets	2.2	0.2	0.4
Intangible assets	0.3	0.3	0.4
<b>Financial Assets</b>			
(i) Investments	0.5	0.0	0.0
(ii) Loans	0.1		
(iii) Other Financial Assets	28.5	41.4	29.0
Income Tax Assets (Net)	4.3	3.1	3.8
Other non-current assets	6.5	9.2	69.8
<b>Total Non - Current Assets</b>	<b>460.1</b>	<b>593.3</b>	<b>671.3</b>
Current Assets			
Inventories	116.2	72.3	72.1
<b>Financial Assets</b>			
(i) Investments	22.1		
(ii) Trade receivables	338.8	236.8	181.1
(iii) Cash and cash equivalents	34.8	42.7	44.9
(iv) Bank balances other than (iii) above	9.4	27.9	3.2
(v) Loans	0.0		0.0
(vi) Other current financial assets	7.7	17.0	0.2
Other current assets	22.5	23.3	38.7
<b>Total Current Assets</b>	<b>551.5</b>	<b>420.0</b>	<b>340.2</b>
<b>TOTAL ASSETS</b>	<b>1011.5</b>	<b>1013.3</b>	<b>1011.5</b>

Particulars (₹ Crs)	Mar-23	Mar-22	Mar-21
<b>Equity</b>			
(a) Equity share capital	185.3	158.6	125.4
(b) Other equity	297.6	-25.1	-181.2
<b>Total Equity</b>	<b>482.9</b>	<b>133.5</b>	<b>-55.7</b>
<b>Liabilities</b>			
<b>Non - Current Liabilities</b>			
Financial liabilities			
(i) Borrowings	24	381	459
(ii) Lease liabilities	2.1	0.1	0.1
(iii) Other Financial Liabilities	64.3	40.2	60.2
Deferred Tax Liabilities			
Provisions	4.1	4.7	4.3
Other Non-Current Liabilities		14.5	30.5
<b>Total Non- Current Liabilities</b>	<b>94.5</b>	<b>440.5</b>	<b>554.1</b>
<b>Current Liabilities</b>			
Financial liabilities			
(i) Borrowings	229.1	204	242.9
(ii) Lease liabilities	0.3	0.1	0.5
(a) total outstanding dues of micro enterprises and small enterprises	34.4	23.7	25.4
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	94.7	147.6	122.6
(iv) Other financial liabilities	29.6	17.7	73.4
Other current liabilities	12.2	19.8	19.3
Provisions	33.7	26.3	29
Current tax liabilities (net)			0
<b>Total Current Liabilities</b>	<b>434.1</b>	<b>439.3</b>	<b>513.1</b>
<b>Total Equity and Liabilities</b>	<b>1012</b>	<b>1013.3</b>	<b>1012</b>





# Cash Flow Statement

Particulars (₹ Crs)	Mar-23	Mar-22	Mar-21
<b>Cash Flow from Operating Activities</b>			
Profit before Tax	149.9	41.2	-38.6
Adjustment for Non-Operating Items	4.7	-86.9	-106.9
<b>Operating Profit before Working Capital Changes</b>	145.2	128.1	68.3
Changes in Working Capital	-72.8	-67.6	14.3
<b>Cash Generated from Operations</b>	72.4	60.4	82.6
Less: Direct Taxes paid	-1.2	4.7	2.9
<b>Net Cash from Operating Activities</b>	71.3	65.1	85.5
Cash Flow from Investing Activities	-11.8	-25.9	-0.3
Cash Flow from Financing Activities	-67.4	-41.3	-77.6
<b>Net increase/ (decrease) in Cash &amp; Cash equivalent</b>	-7.9	-2.1	7.5
Add: Cash and cash equivalents as at 1st April	42.7	44.9	37.3
Add: Net effect of exchange gain on cash and cash equivalents			
<b>Cash and cash equivalents as at 31st March</b>	<b>34.8</b>	<b>42.7</b>	<b>44.9</b>

For further information, please contact:

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**Thank You**