

Tilaknagar Industries Limited

Earnings Presentation – Q4 & FY24





This presentation may include statements which may constitute forward-looking statements including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to **Tilaknagar Industries'** future business developments and economic performance. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements.

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Q4 & FY24 PERFORMANCE



A WARM WELCOME
to time with friends



Management commentary on performance



Mr. Amit Dahanukar,
 Chairman & Managing Director

“ **Business momentum continues to build in line with growth and premiumization in Brandy. New product introduction and market share gains adding to customer base** ”

Business updates



- ❖ Fastest growing IMFL company of scale, for 2nd year running
- ❖ Business growth driven by brands in Prestige & Above segment which contribute 84% of total volumes
- ❖ Significant market share gains across most key states
- ❖ Increasing marketing spends helping in gaining market share within brandy as well as taking share from other categories
- ❖ Very healthy new product pipeline across profitable segments

Brand updates



- ❖ Mansion House continues to be the largest selling brandy brand in India
- ❖ CNB family of brands volume growth at 50% over FY23; growth driven by P&A segment brands
- ❖ Mansion House Reserve, our premium brandy brand sold only in Tamil Nadu registered a more than 2x growth in volumes in FY24
- ❖ Flandy continues to gain saliency within Mansion House portfolio; more flavours to be introduced shortly

- ❖ Despite persisting inflationary pressures, operating margins have expanded on account of premiumization, price increases received in key states, cost optimizations and operating leverage
- ❖ Significant debt repayment as well as reduction in interest costs will benefit PAT margins as well as further strengthen cash flows

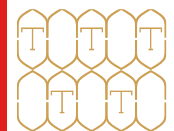
- ❖ Net Sales Realization per case continues to expand on account of premiumization, price increases and favorable state and brand mix
- ❖ While FY24 saw revenue growth of 20% and volume growth of 16%, Q4 FY24 growth was lesser than 1% on account of high base of Q4 FY23, due to growth investment undertaken on back of equity funds raised in Dec 2022
- ❖ Net debt at comfortable levels, with target to be net debt free over the course of FY25

Margin drivers



Financial performance





Business and industry related

- TI has seen volume growth of 16% YoY vis-à-vis industry growth of 2-3%
- 4th largest IMFL company in strategic state of Telangana and 3rd largest P&A player in the state; achieved visibility of 30% across customer touchpoints in the state in one year
- More than 25% share of market in TI's lighthouse state of Puducherry; market share growth of more than 500 bps
- Nearly 100 bps expansion in market share in top 5 states of Telangana, AP, Karnataka, Puducherry and Kerala (contributing more than 80% of TI volumes and ~40% of total India IMFL volumes)

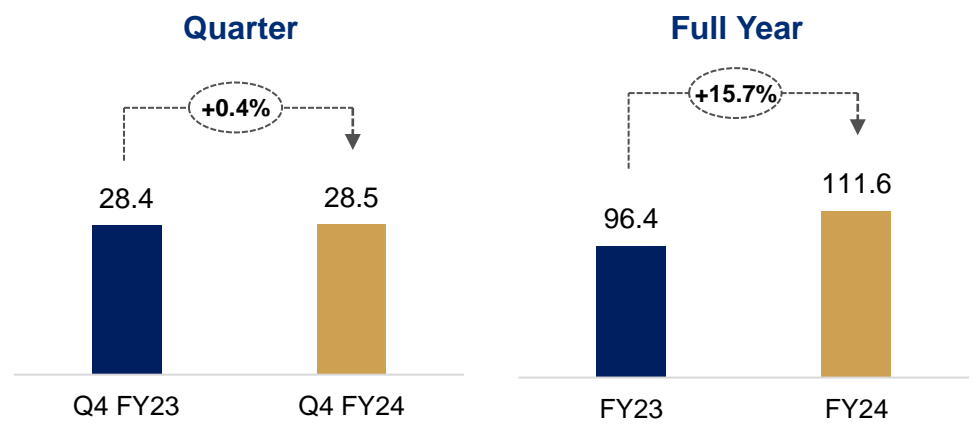
Financials related

- Debt reduction of more than Rs. 130 crs since March 2023; gross debt and net debt as of 31st March 2024 at Rs. 119 crs and Rs. 74 crs respectively
- In January 2024, CRISIL assigned A-/Stable rating leading to reduction in interest rate on Kotak loan from 13% to 9.95%, effective mid Q1 FY25
- EBITDA margin expansion of more than 150 bps from 11.8% in FY23 to 13.3% in FY24, despite inflationary pressures
- Profit After Tax excl. Exceptional Items at Rs. 141 crs in FY24, a growth of 95% over FY23; margin expansion of 385 bps

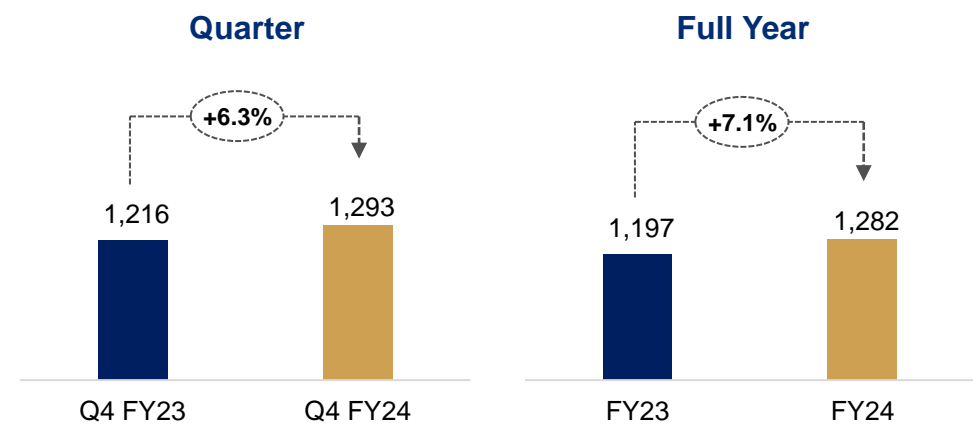
Dividend of Rs. 0.50 per share declared by company for FY24; this is on the back of dividend declared in FY22 and FY23 of Rs. 0.10 and Rs. 0.25 per share respectively

Key highlights

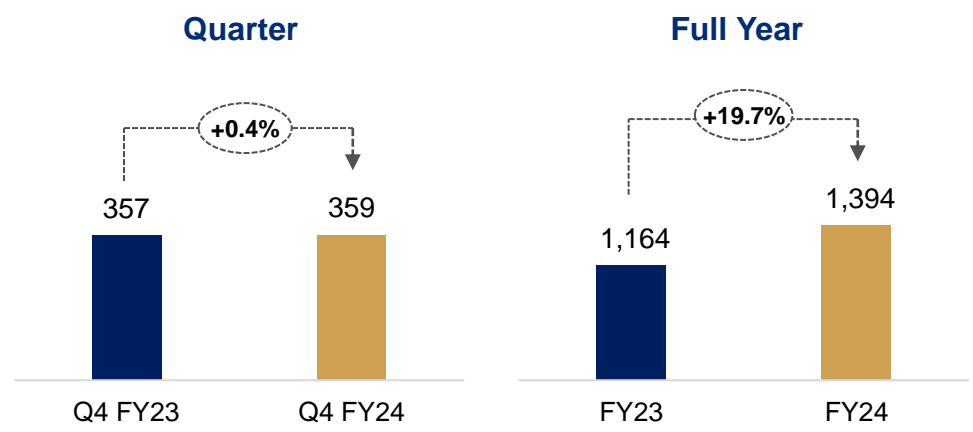
Total Volumes (lacs cases)



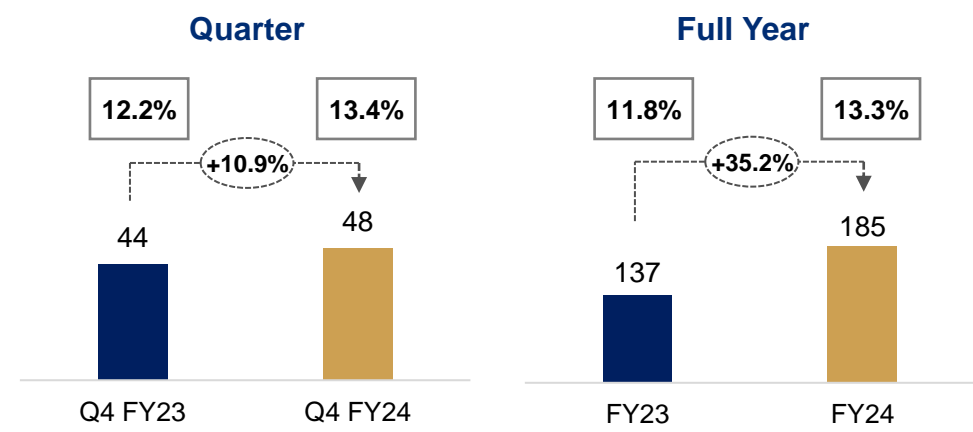
NSR (₹ per case)

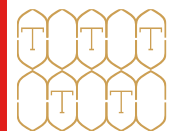


Revenue (₹ crs)



EBITDA (₹ crs) & EBITDA Margin (%)



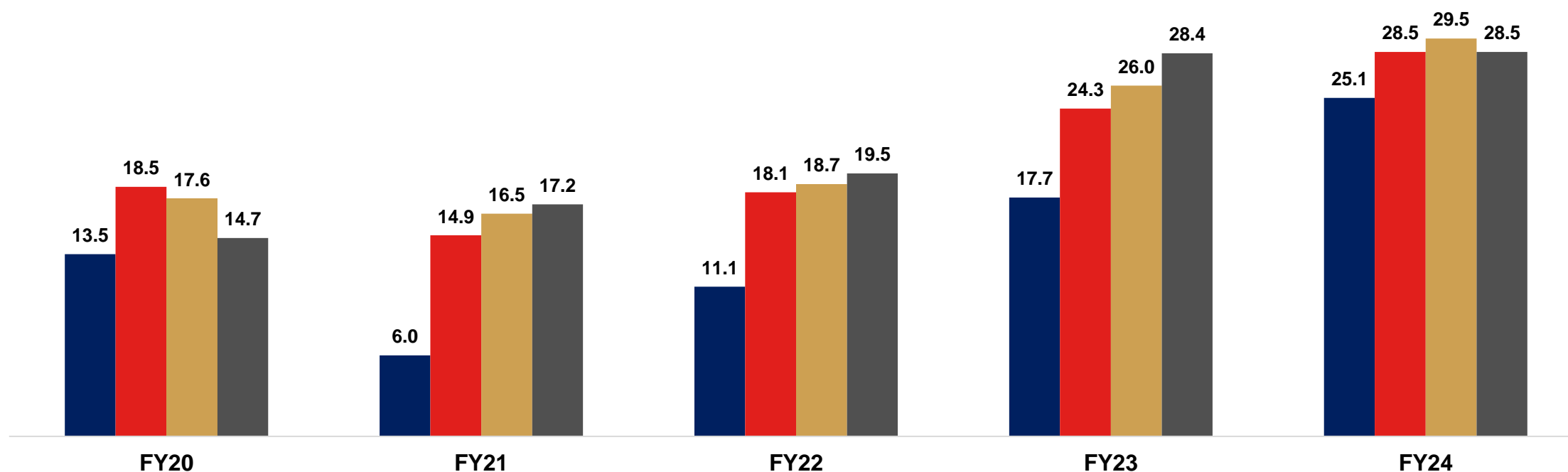


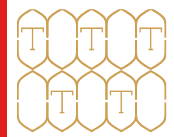
The fastest growing IMFL company in India for 2nd year running



4 yr (FY20-24) volume CAGR of 15%

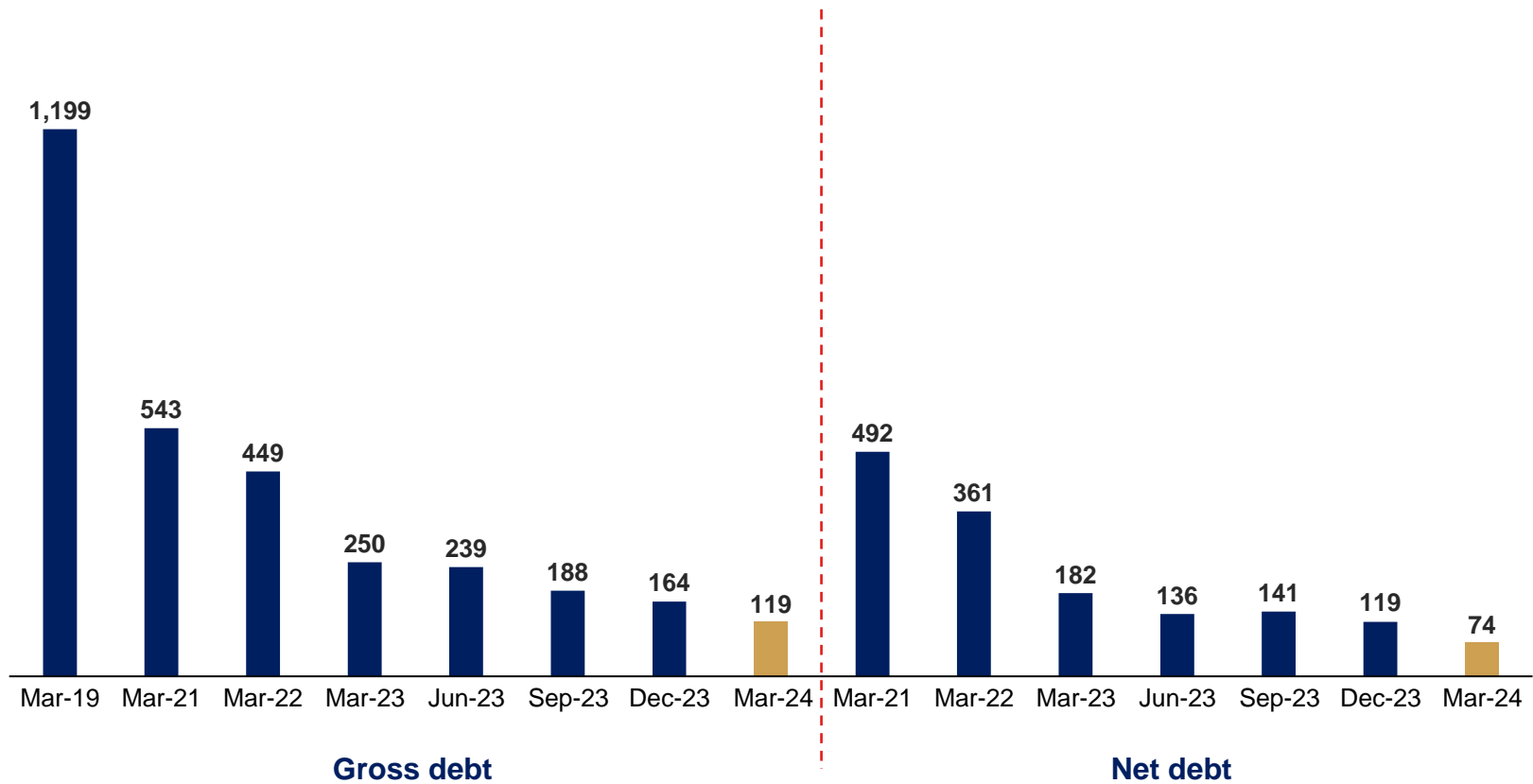
Quarterly volumes (lacs cases)



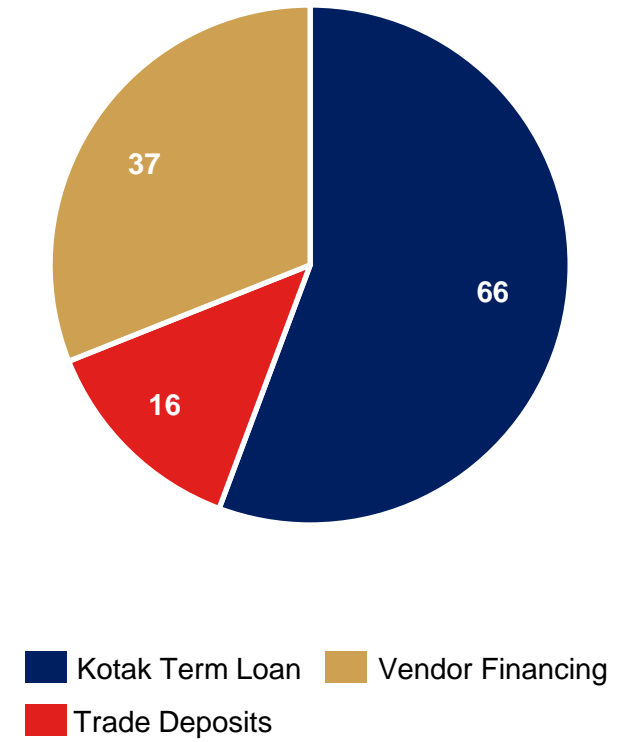


Debt reduction journey

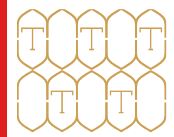
Debt Journey (₹ Crs)^(a)



Debt as of 31-Mar-24 (₹ Crs)^(a)



(a) Debt includes interest bearing trade deposits



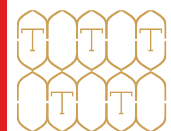
Total bank loan facilities rated

₹ 200 crore

Long term rating

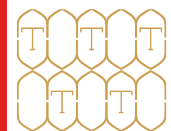
CRISIL A-/Stable (Assigned)

- Rating assigned in January 2024
- Rating assigned for term loan facility of upto ₹ 150 crore and for working capital facility of upto ₹ 50 crore
- The rating reflects the healthy business risk profile of TI backed by its established leadership position in the brandy segment aided by strong brands such as Mansion House and Courier Napoleon, improving operating efficiency as well as financial risk profile



Income Statement

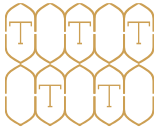
Particulars (₹ Crs)	Q4 FY24	Q4 FY23	Y-o-Y	Q3 FY24	Q-o-Q	FY24	FY23	Y-o-Y
Revenue from Operations (Gross)	770.6	717.2	7.4%	797.5	-3.4%	2,958.3	2,469.3	19.8%
Excise Duty	411.8	359.8	14.4%	420.9	-2.2%	1,564.3	1,304.9	19.9%
Revenue from Operations (Net)	358.8	357.4	0.4%	376.7	-4.8%	1,394.0	1,164.4	19.7%
Cost of Material Consumed	182.4	189.7	-3.8%	183.4	-0.5%	692.2	633.3	9.3%
Change in Inventories	2.4	8.0	-70.2%	8.0	-70.2%	16.6	-17.0	NM
Total Cost of Goods Sold	184.8	197.7	-6.5%	191.4	-3.5%	708.8	616.3	15.0%
Gross Profit	174.0	159.8	8.9%	185.3	-6.1%	685.1	548.1	25.0%
Employee Expenses	15.4	9.4	63.9%	11.0	39.9%	46.8	37.6	24.6%
Other Expenses	110.4	106.9	3.3%	122.9	-10.2%	452.9	373.3	21.3%
EBITDA	48.2	43.5	10.9%	51.4	-6.2%	185.4	137.2	35.2%
EBITDA Margin (%)	13.4%	12.2%	128 bps	13.6%	-20 bps	13.3%	11.8%	152 bps
Other Income	4.1	5.1	-20.1%	8.4	-51.8%	14.1	7.5	88.4%
Depreciation	7.8	7.9	-1.0%	8.0	-2.0%	31.9	32.3	-1.4%
EBIT	44.4	40.6	9.4%	51.8	-14.2%	167.7	112.3	49.3%
EBIT Margin (%)	12.2%	11.2%	104 bps	13.5%	-121 bps	11.9%	9.6%	232 bps
Finance Cost	4.9	8.0	-38.0%	8.1	-38.8%	26.7	40.2	-33.5%
Exceptional Items	-8.1	26.4	NM	0.0	NM	-2.9	77.7	NM
Profit Before Tax	31.5	59.1	-46.8%	43.8	-28.1%	138.0	149.9	-7.9%
Profit Before Tax (%)	8.7%	16.3%	-763 bps	11.4%	-270 bps	9.8%	12.8%	-299 bps
Tax	0.0	0.0	NM	0.0	NM	0.0	0.0	NM
Profit After Tax	31.5	59.1	-46.8%	43.8	-28.1%	138.0	149.9	-7.9%
Profit After Tax excl. Exceptional Items	39.5	32.7	20.9%	43.8	-9.7%	141.0	72.2	95.3%
PAT Margin (%) excl. Exceptional Items	10.9%	9.0%	188 bps	11.4%	-47 bps	10.0%	6.2%	385 bps
Reported Diluted EPS (As per Profit after Tax)	1.63	3.11	-47.7%	2.25	-27.8%	7.16	8.56	-16.4%



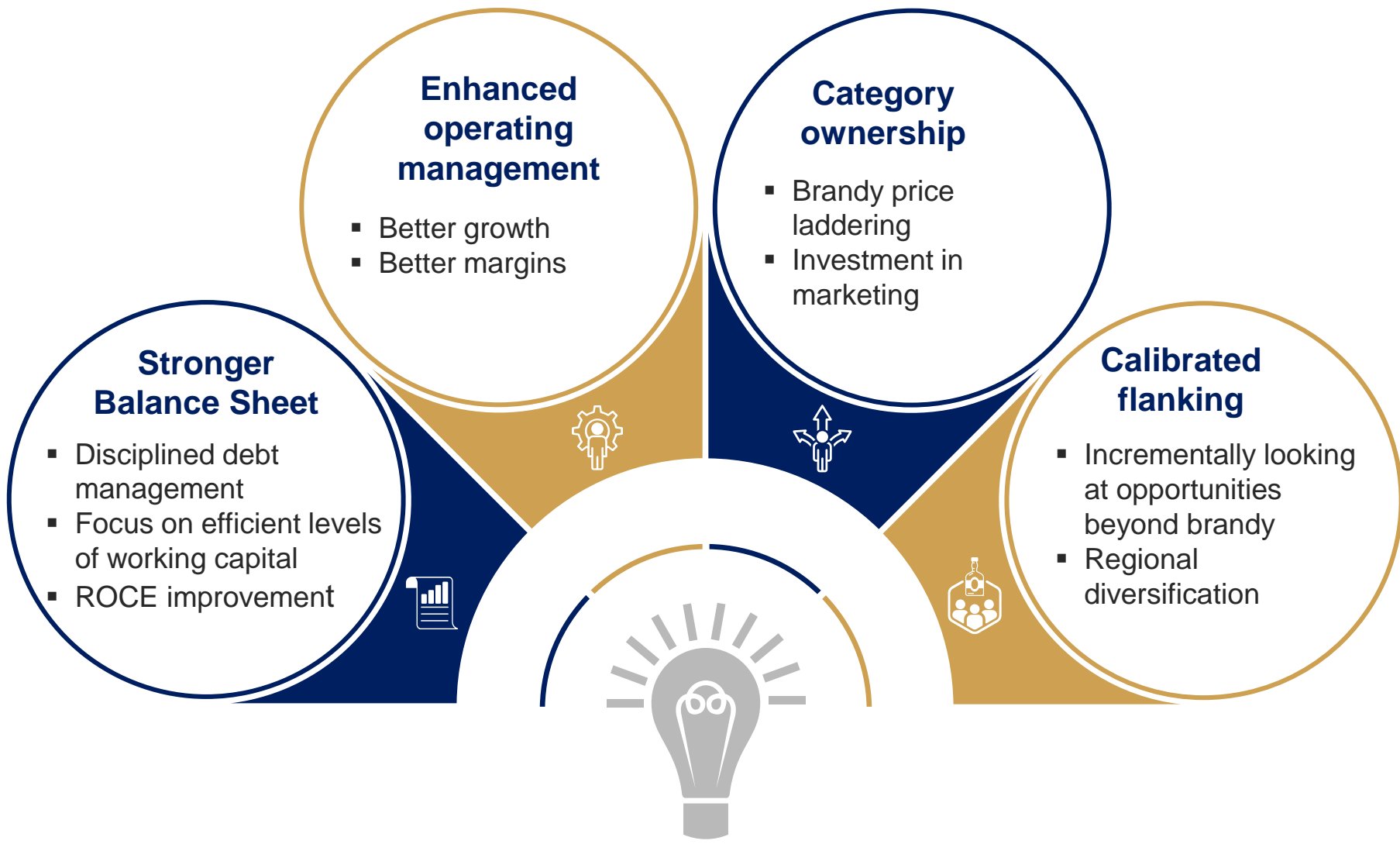
Balance Sheet

Particulars (₹ Crs)	As at Mar-24	As at Mar-23
EQUITY & LIABILITIES		
Equity		
(a) Equity share capital	192.7	185.3
(b) Other equity	461.2	297.6
Total Equity	653.9	482.9
Liabilities		
Non-Current Liabilities		
Financial liabilities		
(i) Borrowings	63.1	24.0
(ii) Lease liabilities	1.8	2.1
(iii) Other Financial Liabilities	55.0	64.3
Provisions	4.0	4.1
Total Non-Current Liabilities	123.9	94.5
Current Liabilities		
Financial liabilities		
(i) Borrowings	56.1	229.1
(ii) Lease liabilities	0.4	0.3
(iii) Trade payables; total outstanding dues of		
(a) micro enterprises and small enterprises	26.1	34.4
(b) creditors other than micro enterprises and small enterprises	94.6	94.7
(iv) Other financial liabilities	46.0	29.6
Other current liabilities	9.6	12.2
Provisions	22.8	33.7
Total Current Liabilities	255.6	434.1
Total Equity & Liabilities	1,033.4	1,011.5

Particulars (₹ Crs)	As at Mar-24	As at Mar-23
ASSETS		
Non-Current Assets		
Property, plant and equipment	394.1	417.5
Capital work-in-progress	0.3	0.1
Right of use assets	1.8	2.2
Intangible assets	0.5	0.3
Financial Assets		
(i) Investments	10.8	0.5
(ii) Loans	0.1	0.1
(iii) Other Financial Assets	26.4	28.5
Income Tax Assets (Net)	5.4	4.3
Other non-current assets	5.6	6.5
Total Non - Current Assets	444.9	460.1
Current Assets		
Inventories	100.8	116.2
Financial Assets		
(i) Investments	1.0	22.1
(ii) Trade receivables	418.5	338.8
(iii) Cash and cash equivalents	10.3	34.8
(iv) Other bank balances	31.5	9.4
(v) Other current financial assets	2.2	7.7
Other current assets	24.2	22.5
Total Current Assets	588.5	551.5
Total Assets	1,033.4	1,011.5



Key strategic priorities...



Meeting need gaps across premium price points in brandy...

...Puducherry is the first state for launch of Mansion House Chambers

Offerings across multiple P&A segments in Brandy



Mansion House Chambers



+50%

Latest launch



Courrier Napoleon Brandy Green



+30%



Mansion House Flandy



+25%

India's first premium flavoured brandy



Mansion House Brandy



Base price

India's highest selling brandy

Courrier Napoleon Brandy Red



-20%



Prestige & Above segment brand

The percentage for each brand shows the premium/discount to MHB price in Puducherry
Shows Tilaknagar Industries' brands available in Puducherry

Strategy to replicate across states

MARKETING INITIATIVES

*Giving Brandy a 'share of voice'
commensurate to its 'share of market'*





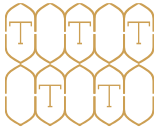
ATL activities to give a voice, not only to Brand MHB but also the brandy category:

- TI's first large-scale digital initiative
- 'A Warm Welcome' – Mansion House Brandy's brand proposition, a first step towards giving brandy the "share of voice" commensurate to its "share of market"
- Performance marketing metrics:
 - Impressions 292 mn
 - Reach 141 mn
 - Views 72 mn
- Coupled with viral influencer marketing campaigns
- MHB was the title sponsors for the acclaimed 'Aha – Unstoppables' talk show

BTL activities to generate visibility across customer touchpoints:

- Achieved through:
 - Various BTL levers like glow sign boards, non-lit boards and slim LEDs across key markets
 - Consumer promotions executed in key markets





Mansion House Flandy...

...building foundation blocks to a more vibrant brandy scene



ATL activities positioning brandy as an aspirational, fun drink across demographics:

- TI's first large scale brand anthem, launched across digital platforms
- 'Welcome The Now' – Mansion House Flandy's brand proposition, giving brandy a more aspirational, fun, inclusive and versatile positioning
- Performance marketing metrics:
 - Impressions 357 mn
 - Views 174 mn
 - Reach 49 mn
 - Engagement 13 mn
- Coupled with viral influencer marketing campaigns

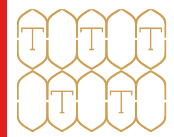
BTL activities to familiarise consumers of the versatility of brandy as a drink for all ages, genders and occasions:

- Achieved through:
 - Various BTL levers like glow sign boards, in-store branding, non-lit boards, gondolas and slim LEDs across key markets
 - Consumer promotions and limited-edition packs executed in key markets
 - Sampling initiatives undertaken in bars and restaurants
 - Trade advocacy programs initiated to drive word of mouth



AWARDS & RECOGNITION





Multiple awards at the Spiritz Conclave & Achievers' Awards 2023

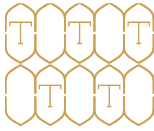


Leader of the year

Company of the year

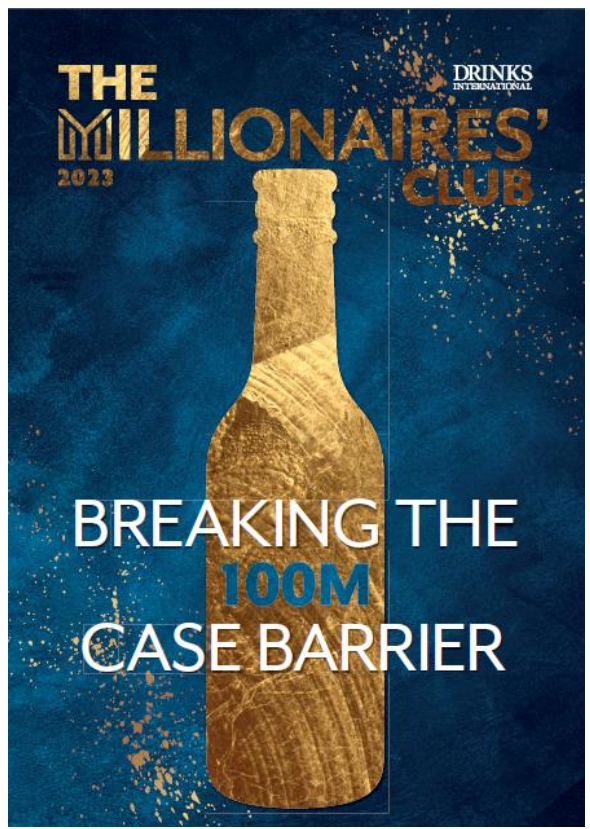
Brand promotion – Digital space



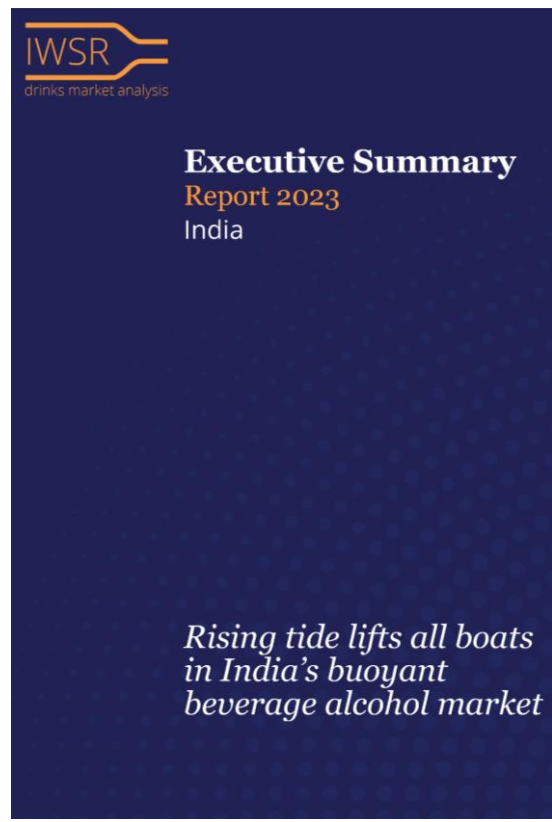


Mansion House Brandy...

...One of the fastest growing alcohbev and largest selling brandy brands globally



World's 2nd Fastest Growing Spirits Brand



India's Largest Selling Brandy and World's 2nd Largest Selling Brandy



Brandy Brand Champion 2023

COMPANY & INDUSTRY OVERVIEW

The advertisement features a vibrant scene in a futuristic hallway with a blue and white checkered floor and glowing white lines. A group of six people in colorful, modern attire are engaged in various activities: a man in a blue suit holds a tennis racket, a woman in a pink dress holds a tennis racket, a man in a purple suit holds a tennis racket, a woman in a green top and orange pants is in a dynamic pose, a man in a yellow hoodie holds a tennis racket, and a woman in a red jacket holds a tennis racket. A tennis ball is in the air. The text "NOW IS GAME ON" is prominently displayed in the center. In the top left corner, the Tilaknagar logo is visible. In the top right corner, the Mansion House logo is displayed. Below the Mansion House logo, the brand name "Flandy" is written in a cursive font, followed by "— ORANGE FLAVOURED BRANDY —". In the bottom right corner, a bottle of Mansion House Flandy Orange Flavoured Brandy is shown, with the text "WELCOME THE NOW" written next to it.

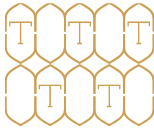
MANSION HOUSE
Flandy
— ORANGE FLAVOURED BRANDY —

WELCOME THE NOW

NOW IS GAME ON

MANSION HOUSE
Flandy
ORANGE
TILAKNAGAR INDUSTRIES LTD.





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



19

Manufacturing units across 12 states
Owned: 4 units
Contract manufacturing: 15 units



15+

Brands across products



94%

Share of Brandy as % of total volumes



11.2mn

Volumes (in cases) sold



86%

Share of sales to South India as % of total volumes

* All data is for FY24; 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

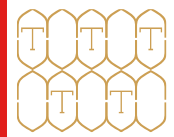
- Acquired subsidiaries Vahni Distilleries (Karnataka), Prag Distilleries (Andhra), Kesarval Springs Distillers (Goa) and PunjabExpo (Punjab)
- Acquired seven brands from Alcobrew Distilleries for CSD segment and IFB Agro's IMFL business ('Volga' vodka and 'Blue Lagoon' gin) for an entry into East Indian 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
- Raised more than ₹ 310 crs through preferential issue of equity + warrants, since Dec-21
- Edelweiss ARC debt refinanced through existing cash reserves & Term Loan from Kotak Mahindra Bank
- CRISIL assigns A-/Stable rating in January 2024, leading to interest rate reduction on Kotak loan from 13% to 9.95%, effective mid Q1 FY25



Brand portfolio

Super-Premium
₹ 1,000 & Above



Mansion House Reserve Brandy



New Launch
Mansion House Chambers



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



Blue Lagoon Gin

Deluxe
₹ 500-700



Madiraa XXX Rum



Courier Napoleon Brandy Gold

(Note: All MRP for 750ml)

 Two millionaire brands in the portfolio

MANSION HOUSE
*India's largest
selling brandy*



COURRIER NAPOLEON
*Our second
Millionaire brand*



Drink responsibly: The consumption of alcoholic beverages should always be approached responsibly and with awareness.

 Senior management



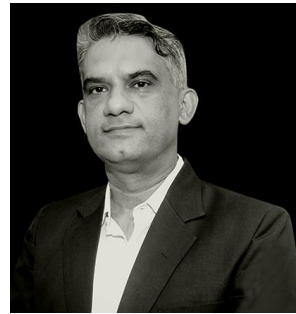
Amit Dahanukar
Chairman & Managing Director



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
23+ yrs of alcobev experience
In United Spirits/Diageo India, Shaw Wallace



Shivani Dahanukar
Executive Director



Ahmed Rahimtoola
CMO
14+ yrs with Allied Blenders & Distillers



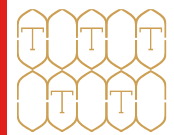
Yuvraj Singh Som
Vice President – Strategy & Operations
13+ yrs with Radico Khaitan



Minuzeer Bamboat
Company Secretary & Compliance Officer
21+ yrs experience

FULL YEAR FINANCIALS



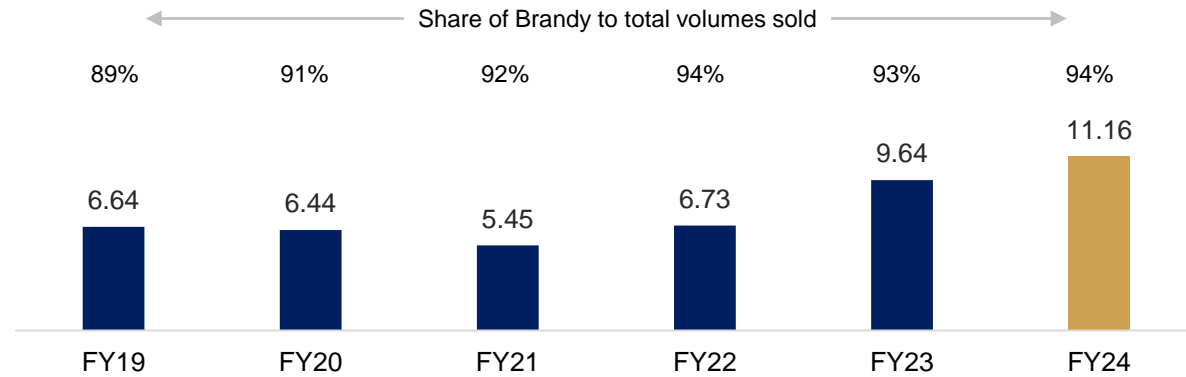


Improving business fundamentals

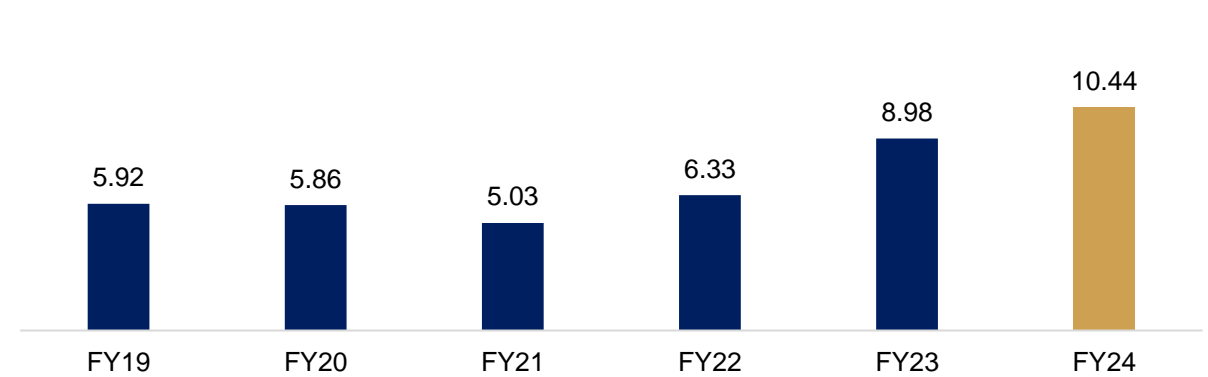
Premiumisation strategy to enhance margins and cash flows



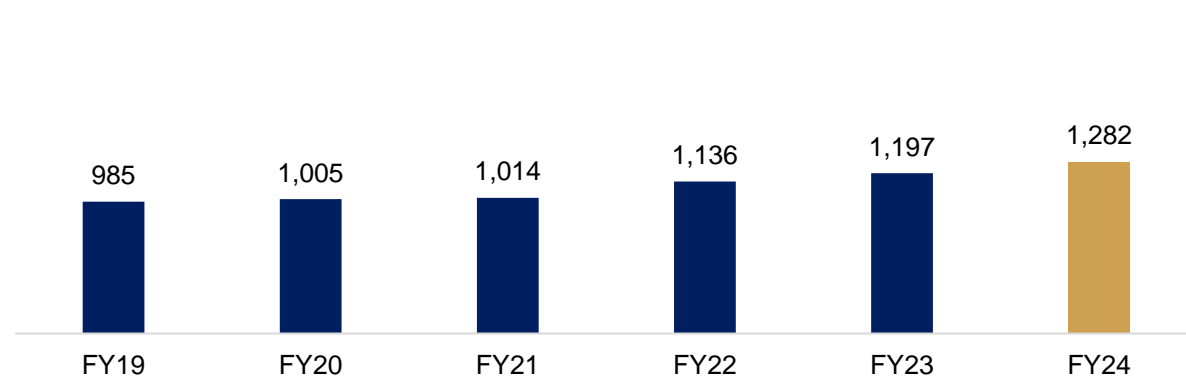
Total Volumes Sold (mn cases)



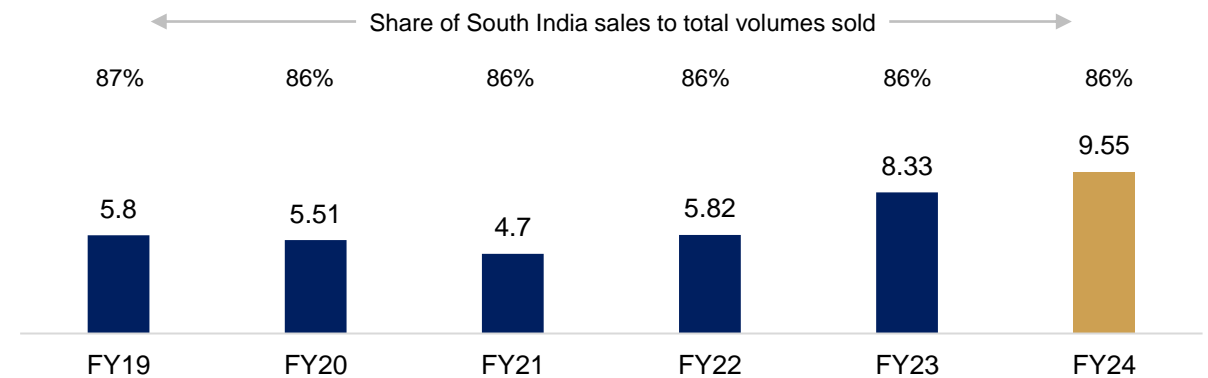
Brandy Sales (mn cases)

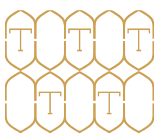


NSR per case (₹)



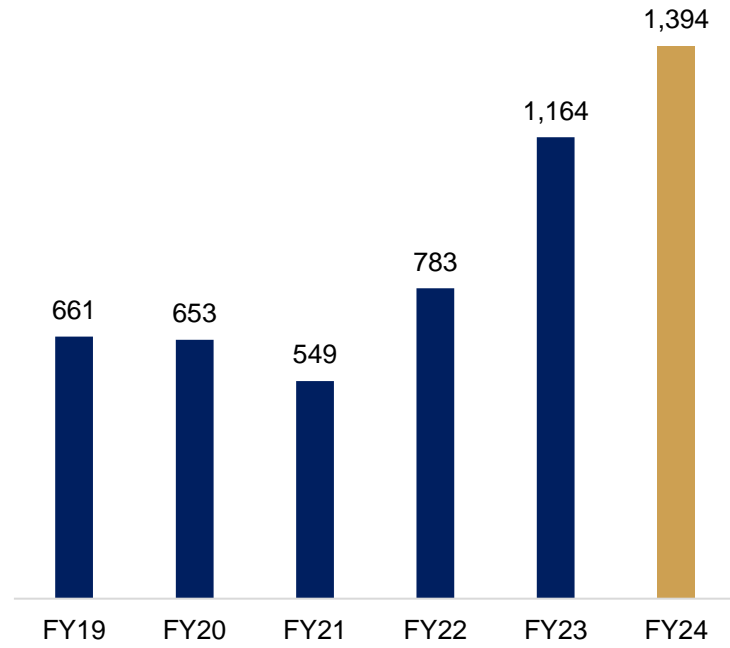
Robust sales in South India (mn cases)



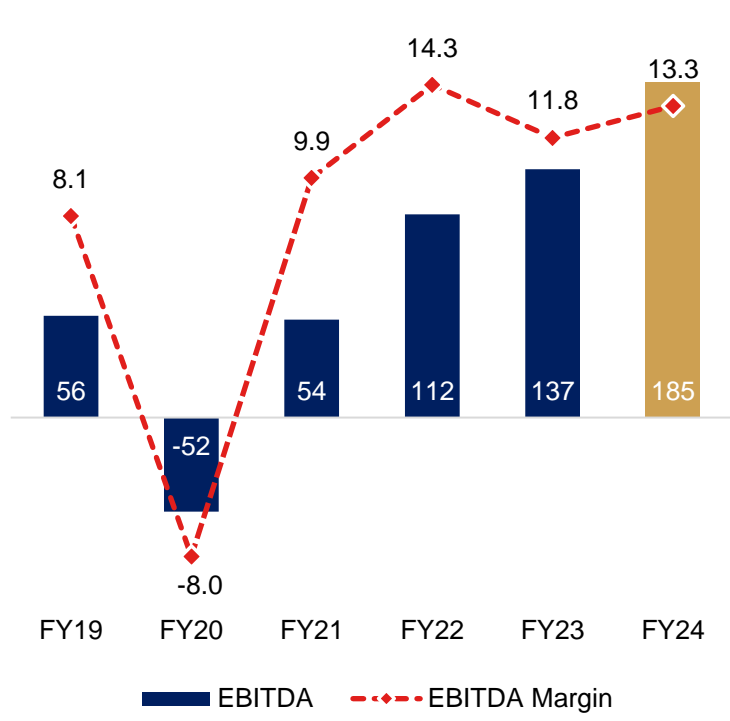


Focus on margins and cashflows

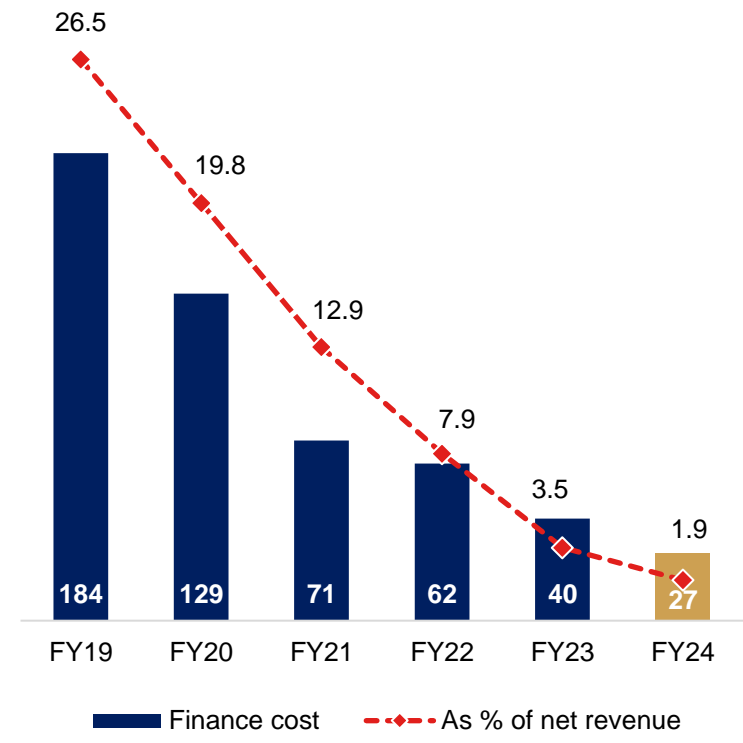
Net Revenues (₹ Crs)



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

For further information, please contact:

Company :



Tilaknagar Industries Ltd. (BSE: 507205 | NSE: TI)

Ameya Deshpande

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Thank You

