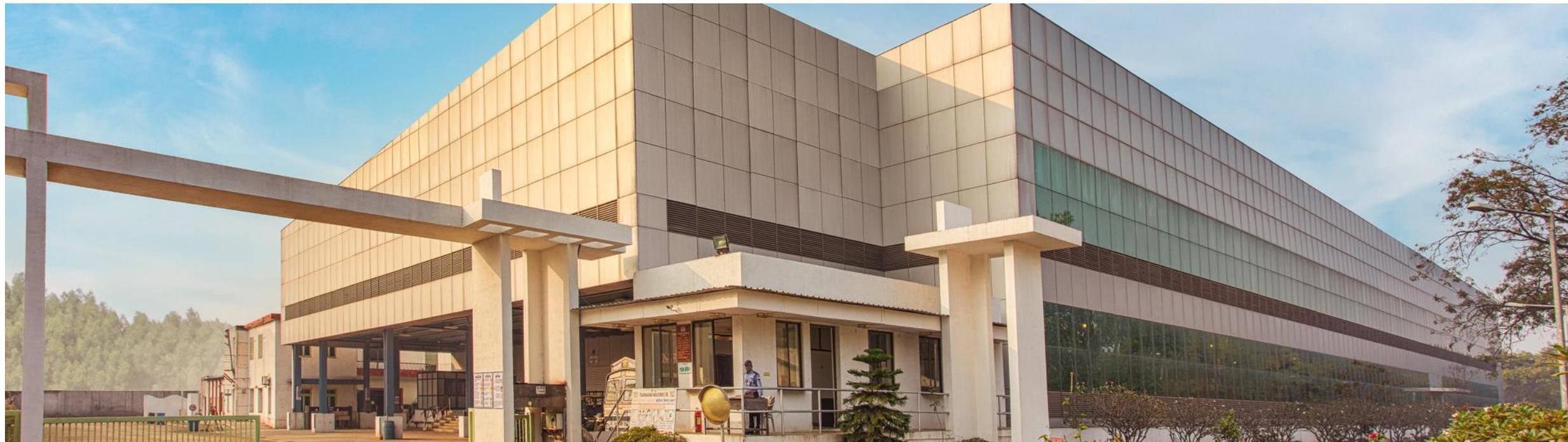


Tilaknagar Industries Limited

Earnings Presentation – Q1 FY25





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.

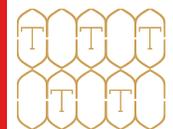
The information and opinions contained in this presentation are current. The Company undertakes no obligation to update or revise any information or the opinions expressed in this presentation as a result of new information, future events or otherwise. Any opinions or information expressed in this presentation are subject to change without notice.

Q1 FY25 PERFORMANCE



A WARM WELCOME
to time with friends





Financial performance:

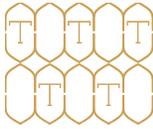
- Achieved highest ever Q1 EBITDA at Rs. 50.2 crs, YoY growth of 30.8%
- EBITDA margin at 16%, 341 bps expansion YoY
- Profit after tax at Rs. 40.1 crs; YoY growth of 55.7%
- Gross debt reduction of Rs. 22.3 crs in the quarter, net debt at Rs. 42.6 crs

Market share and leadership position:

- Continue to be the 3rd largest P&A IMFL player in Telangana and Karnataka in Q1 FY25
- Continue to be the largest IMFL player in Puducherry in Q1 FY25

Brands:

- Launch of Green Apple Flandy (Flavoured Brandy) in Telangana and Andhra Pradesh
- Within first quarter of launch, achieved 20% share of Flandy volumes across flavours in the two states
- Courier Napoleon Brandy (“CNB”) straddles across Prestige & Above (“P&A”) as well as Popular & Below segments; P&A CNB has seen a growth of more than two times in Q1 FY25, indicating premiumization trend playing out in CNB as well



Management commentary on performance



Mr. Amit Dahanukar,
Chairman & Managing Director

“ Happy to share that we have reported our highest ever Q1 EBITDA at Rs. 50 crs with margins expanding 341 basis points to 16%, despite facing a challenging operating environment, which was on expected lines on account of industry-wide disruptions due to elections. With the election-related disruptions out of the way, we are confident of resuming our industry-beating growth, with focus on a good mix of market share gains in our existing portfolio, as well as innovative launches within brandy and beyond. ”

Business updates



- ❖ Volume growth in Q1FY25 was in line with expectations, reflecting industry-wide disruption due to elections
- ❖ Southern India states, that contribute 85%+ of TI volumes, saw a degrowth of 0.1% YoY in IMFL volumes in Q1 due to the aforementioned disruptions. However, we are expecting two of our key Southern states to come out with progressive excise policies very soon, which will not only benefit the industry, but also TI to a greater extent, given our market leadership and strong brand equity with consumers in both the states
- ❖ Going forward we expect volume growth to normalize, as well as resume our trajectory of market share gains

Margin drivers



- ❖ TI continues to prioritize profitability and cash flow management as reflected in momentum in margins
- ❖ Despite inflationary pressures especially on ENA, Q1 FY25 EBITDA margins expanded to 16%, a jump of 341 bps YoY and 260 bps QoQ; adjusted for the subsidy of Rs. 5.6 crore, EBITDA margins at 14.5%
- ❖ EBITDA margin growth driven by cost optimization initiatives and increasing share of premium products
- ❖ Continuing trend of debt reduction and subsequent reduction in interest costs leading to strong Profit after Tax margins at 12.7%, a jump of 430 bps YoY

Brand updates



- ❖ Green Apple Flandy launched in Q1 FY25 in Telangana and shortly after, in Andhra Pradesh
- ❖ Green Apple flavour already occupies a 20% share of Flandy volumes in these 2 states

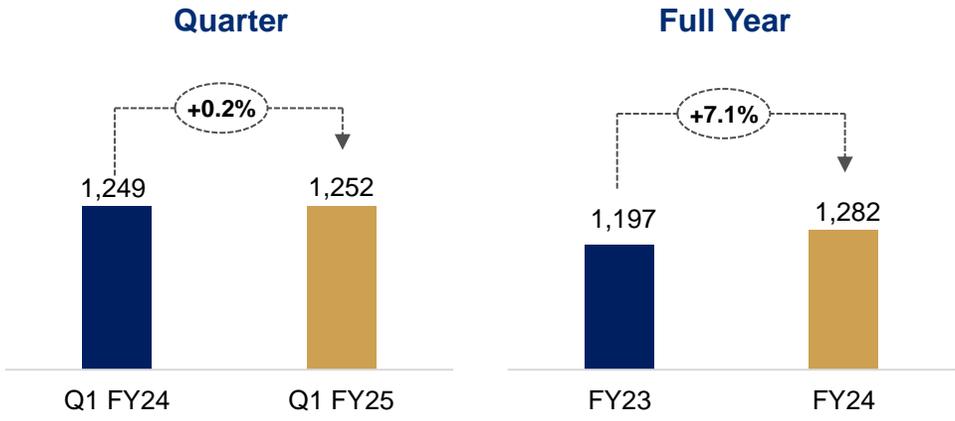
Financial performance



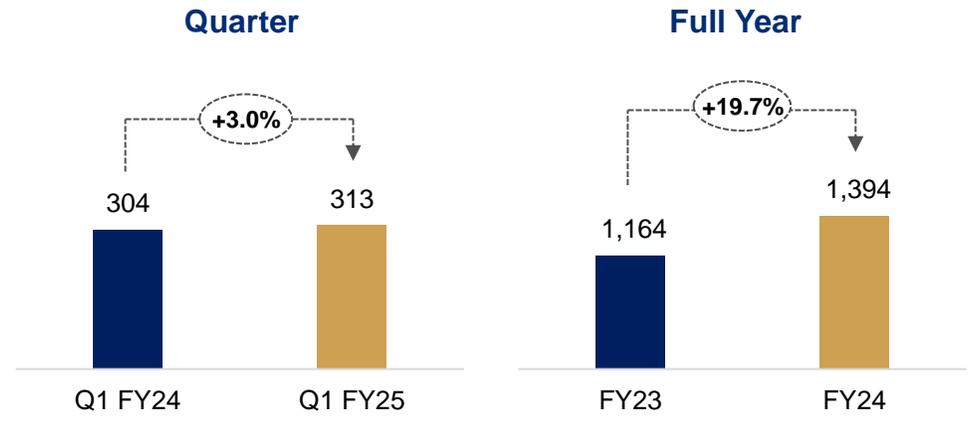
- ❖ Net revenue growth of 3% YoY due to election-led disruptions
- ❖ Significant growth in EBITDA at 31% YoY and Profit after Tax growth at 56%
- ❖ Net debt at Rs. 42.6 crore, with target to be net debt free over the course of FY25

Q1 FY25 – Financial performance

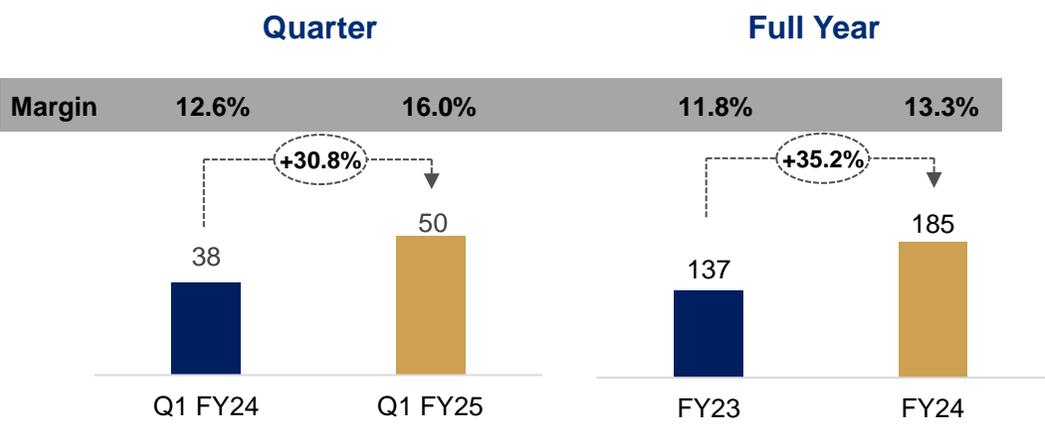
NSR (₹ per case)



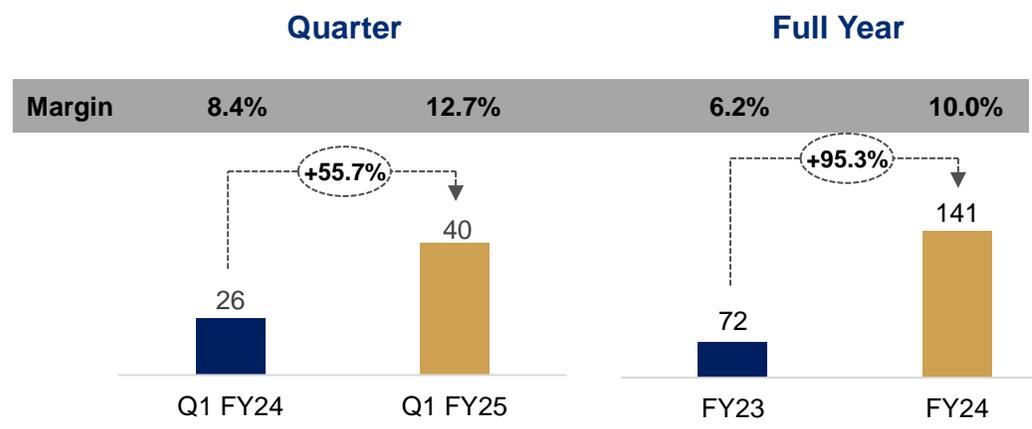
Revenue (₹ crs)



EBITDA (₹ crs) & EBITDA Margin (%)

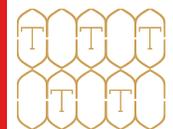


PAT (₹ crs) & PAT Margin (%)



Note: Adjusted for the subsidy, EBITDA for Q1 FY25 stands at ₹ 45 crs and margin at 14.5%

Note: Profit after tax excluding exceptional items



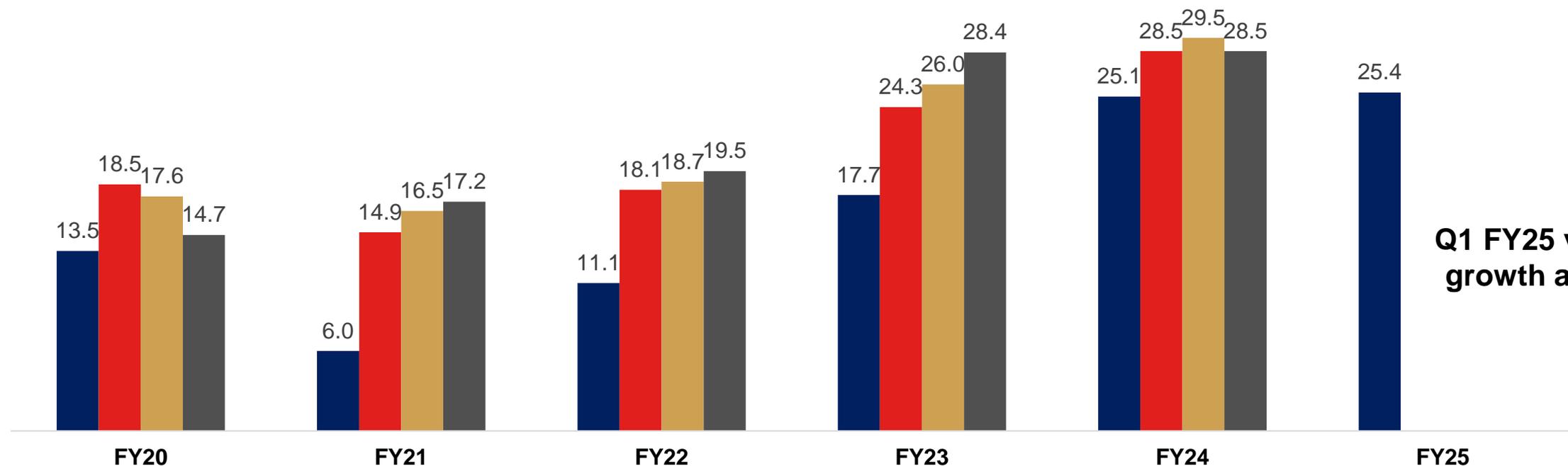
Q1 FY25 an aberration due to industry-wide disruptions...

...strong growth trajectory to return to past levels going forward

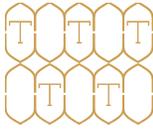


TI was the fastest growing IMFL company of scale in FY23 and FY24

Quarterly volumes (lacs cases)



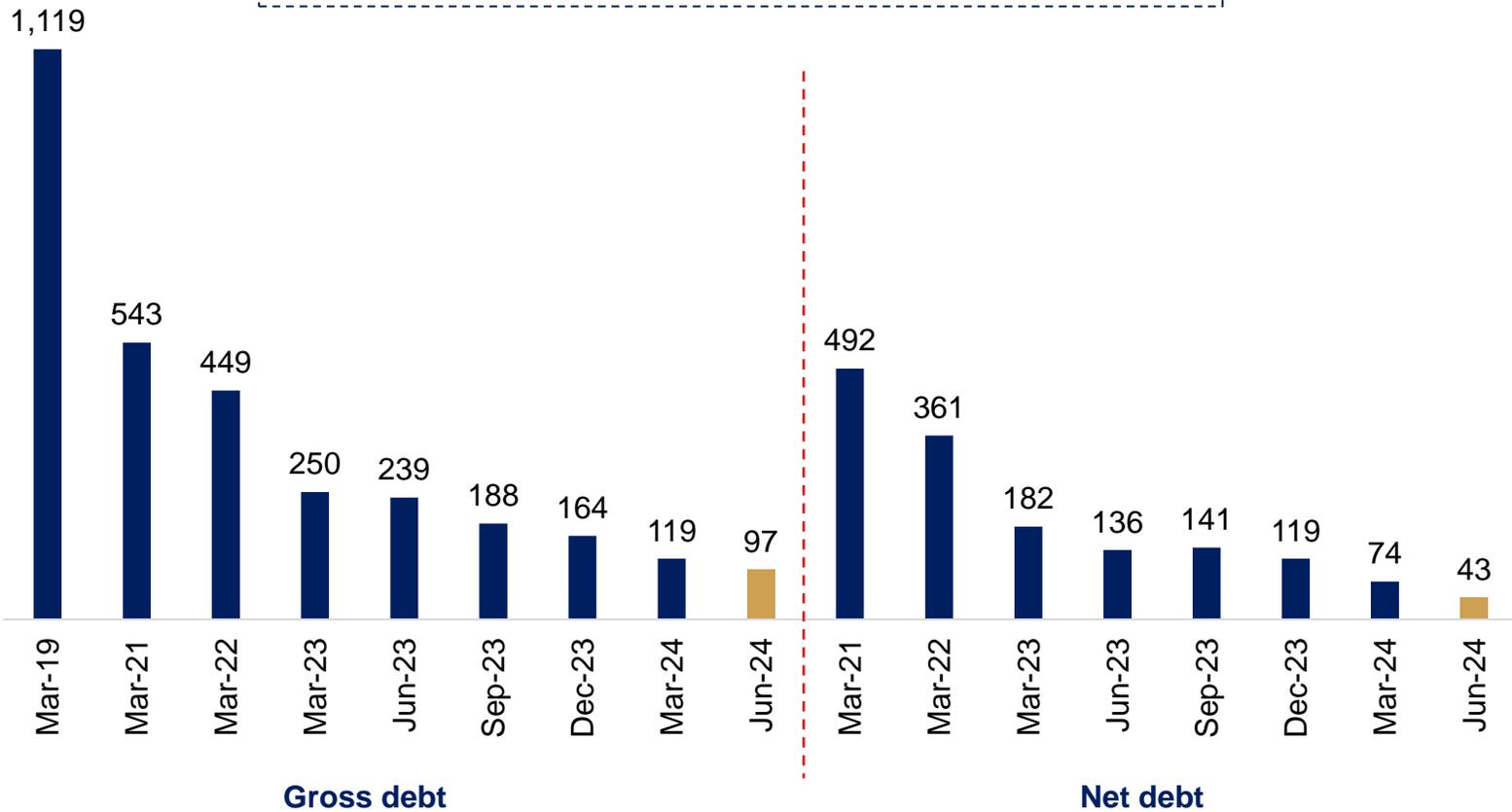
Q1 FY25 volume growth at 0.9%



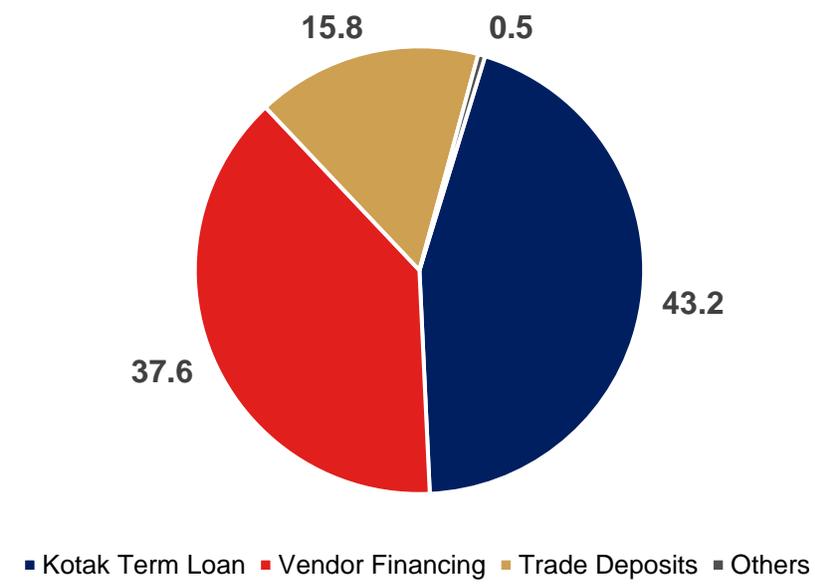
Debt reduction journey

Debt Journey (₹ Crs)^(a)

Prepaid ₹ 20 crs of Kotak term loan in Q1 FY25



Debt as of 30-June-24 (₹ Crs)^(a)



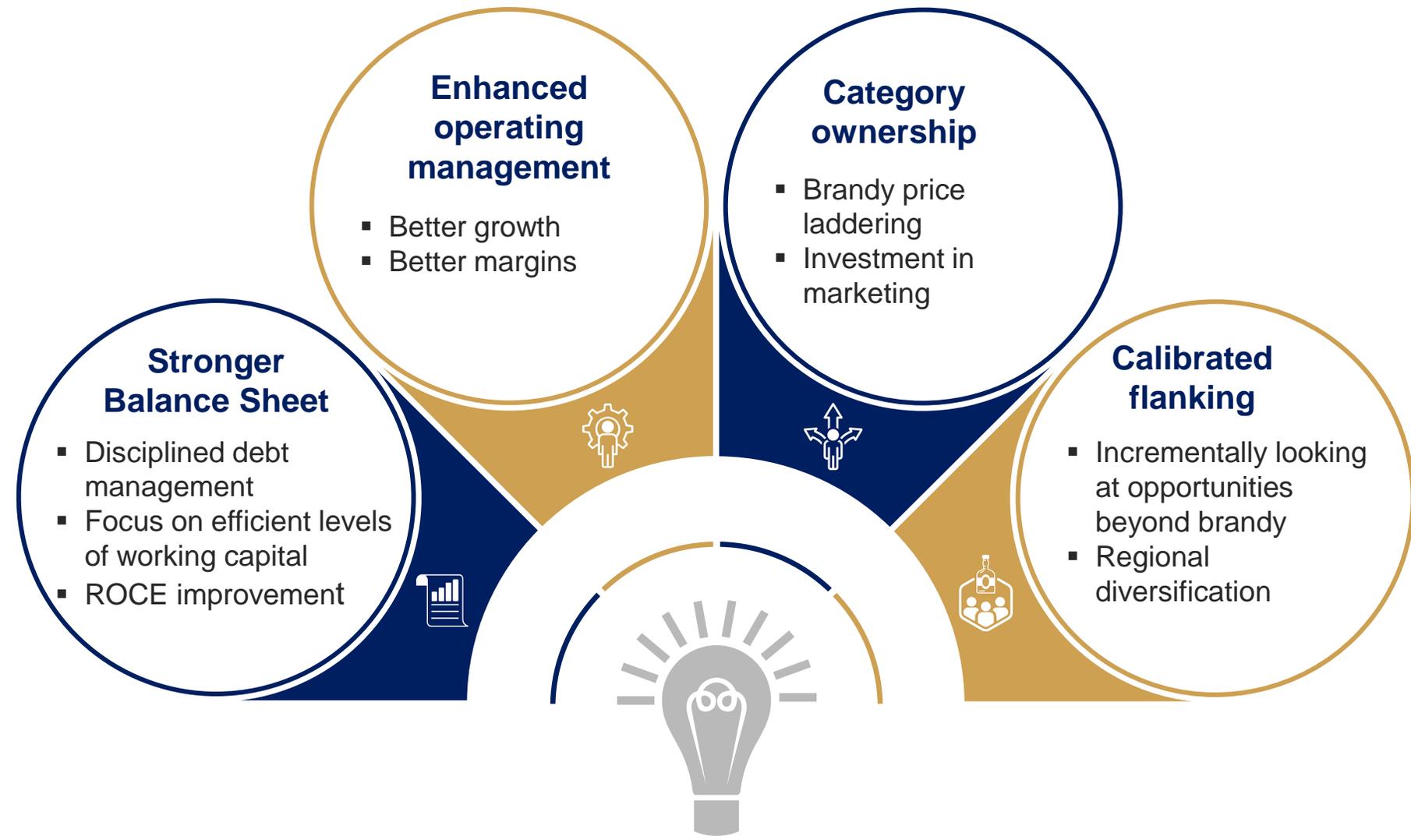
(a) Debt includes interest bearing trade deposits



Income Statement

Particulars (₹ Crs)	Q1 FY25	Q1 FY24	Y-o-Y	Q4 FY24	Q-o-Q
Revenue from Operations (Gross)	664.9	640.0	3.9%	770.6	-13.7%
Excise Duty	351.7	335.9	4.7%	411.8	-14.6%
Revenue from Operations (Net)	313.2	304.1	3.0%	358.8	-12.7%
Cost of Material Consumed	167.6	150.2	11.6%	182.4	-8.1%
Change in Inventories	-9.8	0.8	NM	2.4	NM
Total Cost of Goods Sold	157.8	151.0	4.5%	184.8	-14.6%
Gross Profit	155.3	153.1	1.4%	174.0	-10.7%
Employee Expenses	13.1	10.0	30.4%	15.4	-15.0%
Other Expenses	92.0	104.7	-12.1%	110.4	-16.7%
EBITDA	50.2	38.4	30.8%	48.2	4.2%
EBITDA Margin (%)	16.0%	12.6%	341 bps	13.4%	260 bps
Depreciation	7.7	7.8	-1.0%	7.8	-1.5%
EBIT	42.5	30.6	38.9%	40.4	5.3%
EBIT Margin (%)	13.6%	10.1%	351 bps	11.3%	232 bps
Finance Cost	4.2	6.0	-30.8%	4.9	-15.5%
Other Income	1.7	1.2	49.1%	4.1	-57.1%
Exceptional Items	0	0.0	NM	-8.1	NM
Profit Before Tax	40.1	25.7	55.7%	31.5	27.5%
Profit Before Tax (%)	12.7%	8.4%	430 bps	8.7%	406 bps
Tax	0.0	0.0	NM	0.0	NM
Profit After Tax	40.1	25.7	55.7%	31.5	27.5%
Profit After Tax excl. Exceptional Items	40.1	25.7	55.7%	39.5	1.4%
PAT Margin (%) excl. Exceptional Items	12.7%	8.4%	430 bps	10.9%	184 bps
Reported Diluted EPS (As per Profit after Tax)	2.06	1.35	52.0%	1.63	26.4%

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

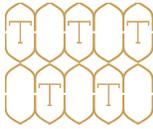


-20%

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



Courrier Napoleon Brandy becomes 3rd fastest growing spirits brand globally in 2023... ...Mansion House Brandy 4th fastest growing brandy brand globally and largest selling brandy in India



Growth rankings

4th



Fastest growing brandy globally

21th



Fastest growing spirits brand globally

1st



Largest selling brandy in India

Volume rankings

2nd



Largest selling brandy globally

8th

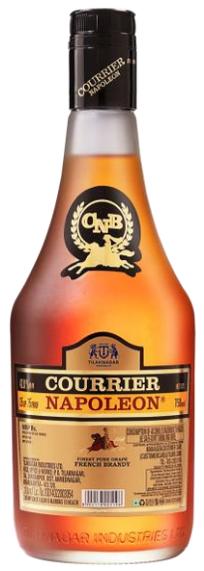


Largest selling spirits brand in India

25th



Largest selling spirits brand globally



Growth rankings

2nd



Fastest growing brandy globally

3rd



Fastest growing spirits brand globally

Volume rankings

3rd



Largest selling brandy in India

7th



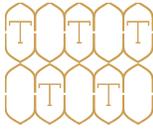
Largest selling brandy globally

Source: 'The Millionaires' Club 2024' by Drinks International

MARKETING INITIATIVES

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





“The Warm Embrace of Fatherhood” An ode to celebrating the #DadInEveryMan



“From bedtime stories to life lessons, a Father's love is a Father's love - irreplaceable & unbeatable. It shapes our world every single day, every solitary moment.”

Campaign Idea -

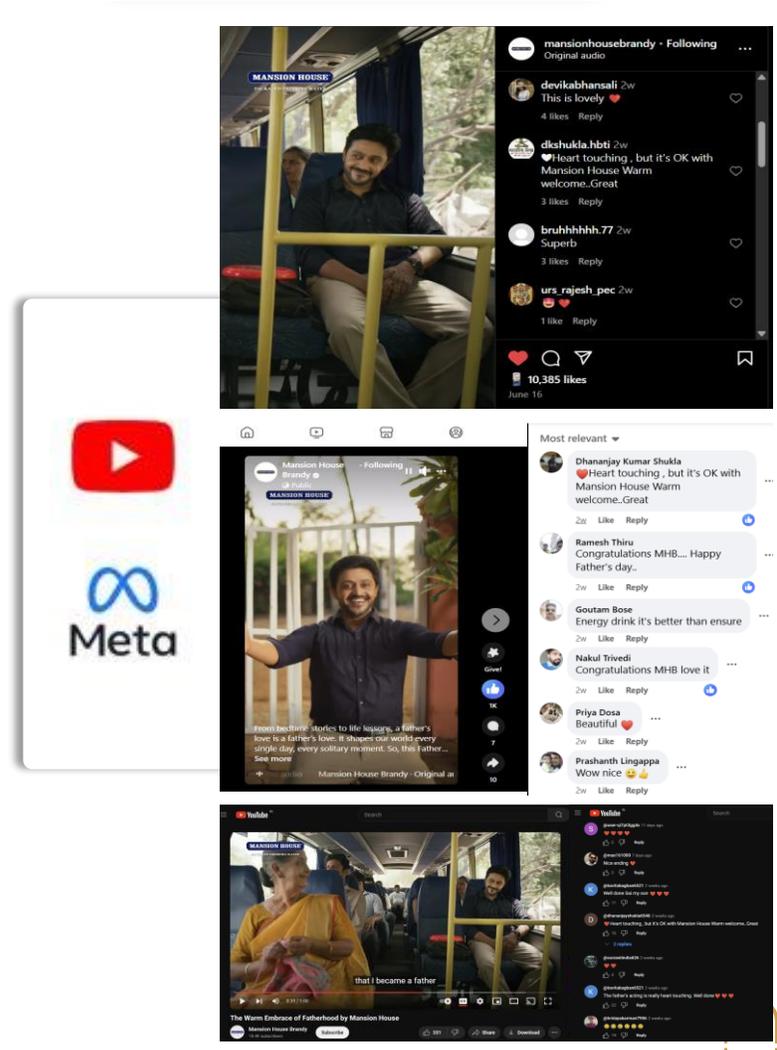
Whether it's a human dad or a pet parent, this Father's Day our aim was to celebrate the different dimensions of Fatherhood where unconditional love and nurturing spirit is most celebrated that translates beyond biological bonds.

On this momentous occasion of Father's Day, Mansion House honors all fathers - **#ToTheDadInEveryMan** embodies the true spirit of love and dedication that defines fatherhood.

Performance Marketing Campaign Results



Father's Day DVC activation on all MH Social channels



YouTube video player showing the campaign video.

Meta post with 10,385 likes and comments:

- devlabhansali 2w: This is lovely
- dikshukla.hbt 2w: Heart touching , but it's OK with Mansion House Warm welcome..Great
- bruhhhhh.77 2w: Superb
- urs_rajesh_pec 2w: 1 like

Comments on the video:

- Dhananjay Kumar Shukla: Heart touching , but it's OK with Mansion House Warm welcome..Great
- Ramesh Thiru: Congratulations MHB... Happy Father's day..
- Goutam Dose: Energy drink it's better than ensure
- Nakul Trivedi: Congratulations MHB love it
- Priya Dosa: Beautiful
- Prashanth Lingappa: Wow nice



Campaign Awards and Accolades

‘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”

The Video Media Awards and Summit 2024

Medal – Gold

Categories:

1. Top video content brands/enterprise
2. Best Vernacular/Local-Language Video Content on Social Platforms
3. Best Storytelling

Masters of Modern Marketing Awards 2024

Medal – Gold

Categories:

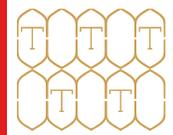
1. Best Online Commercial
2. Best Digital Campaign by a Food & Beverages Enterprise
3. Best Content in a Digital Integrated Campaign

Marketers Excellence Awards 2024

Medal – Bronze

Categories:

1. Best Storytelling in the Digital category



Campaign Awards and Accolades

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

Masters of Modern Marketing Awards 2024

Medal – Gold

Categories:

1. Best Multi Channel Campaign by a Food & Beverages Enterprise
2. Best Innovation/Creativity in a Social Media Campaign

Video Media Awards and Summit 2024

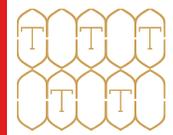
Medal – Gold

Categories:

1. Best Video Content in an Integrated Social Media Marketing Campaign

AWARDS & RECOGNITION





Multiple awards at the Spiritz Conclave & Achievers' Awards 2023

Leader of the year

Company of the year

Brand promotion – Digital space



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



17

Manufacturing units across 10 states
Owned: 4 units
Contract manufacturing: 13 units



15+

Brands across products



94%

Share of Brandy as % of total volumes



11.2mn

Volumes (in cases) sold



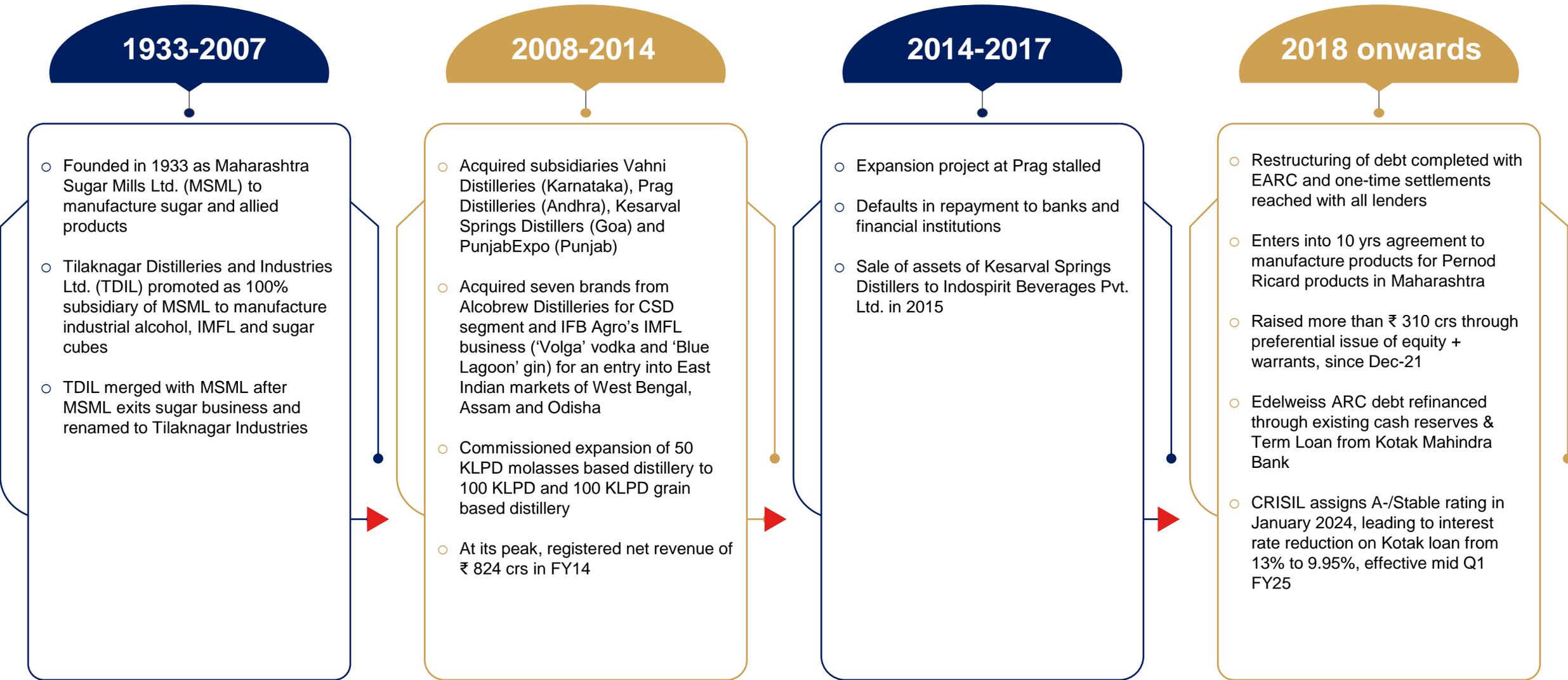
86%

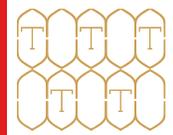
Share of sales to South India as % of total volumes

* All data is for FY24; manufacturing units is as on date

Our journey

The turnaround well and truly coming to fruition





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

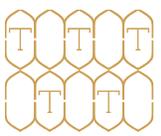


Madiraa XXX Rum



Courier Napoleon Brandy Gold

(Note: All MRP for 750ml)



Two millionaire brands in the portfolio

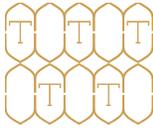
MANSION HOUSE
*India's largest
selling brandy*



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



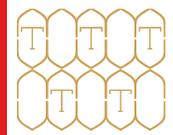
Yuvraj Singh Som
Vice President – Strategy & Operations
13+ yrs with Radico Khaitan



Minuzeer Bamboat
Company Secretary & Compliance Officer
21+ yrs experience

FULL YEAR FINANCIALS



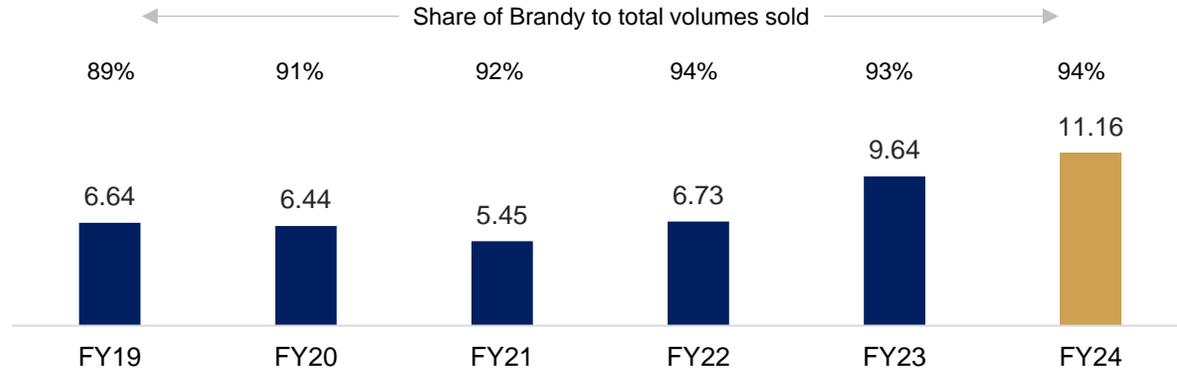


Improving business fundamentals

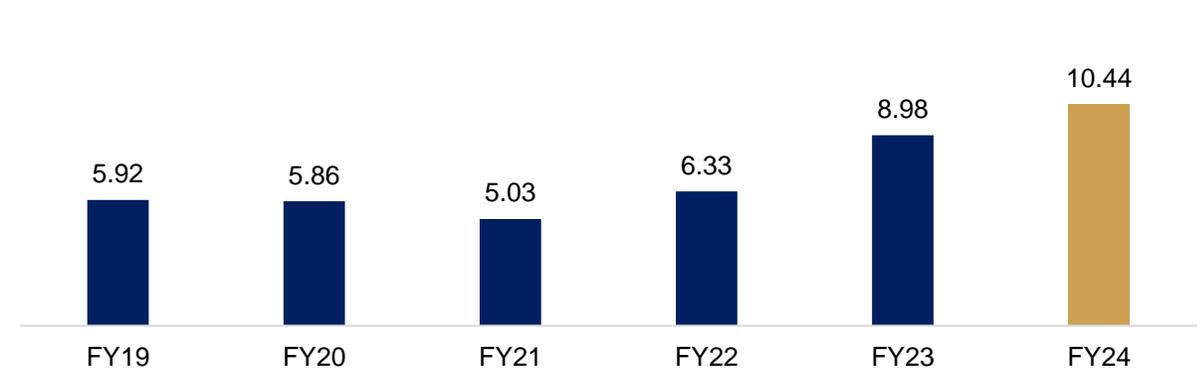
Premiumisation strategy to enhance margins and cash flows



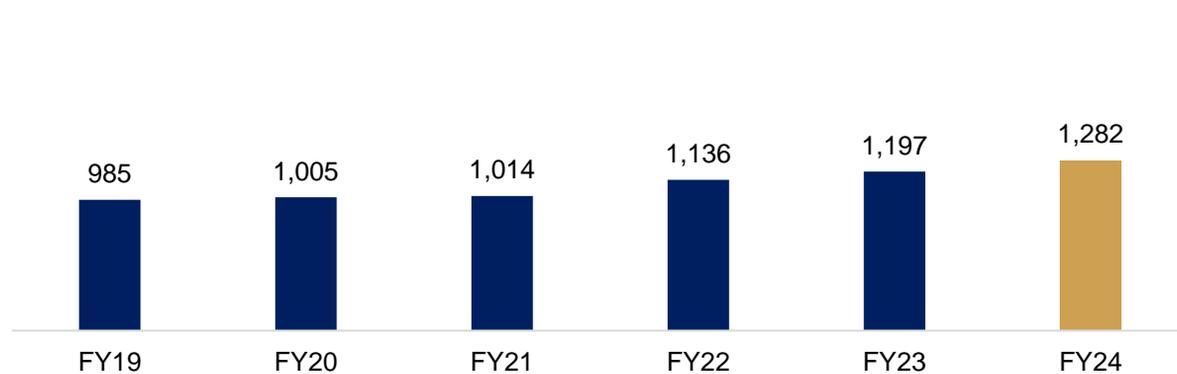
Total Volumes Sold (mn cases)



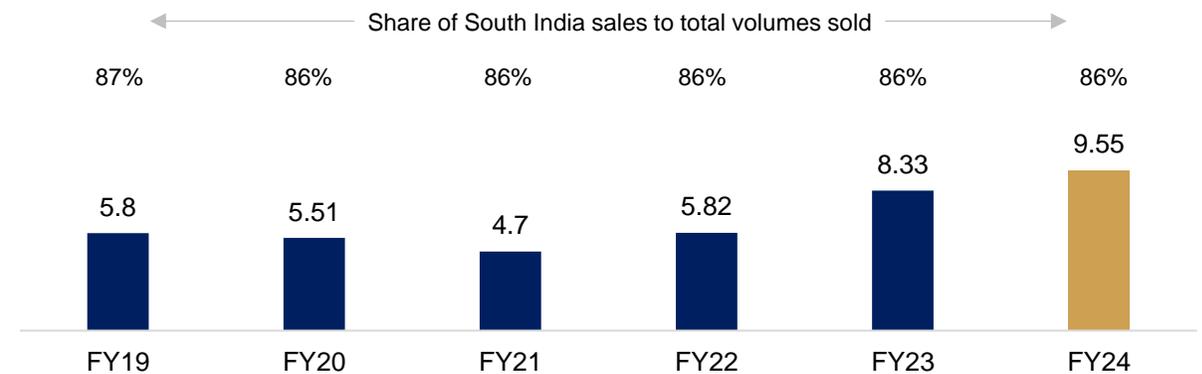
Brandy Sales (mn cases)

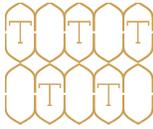


NSR per case (₹)



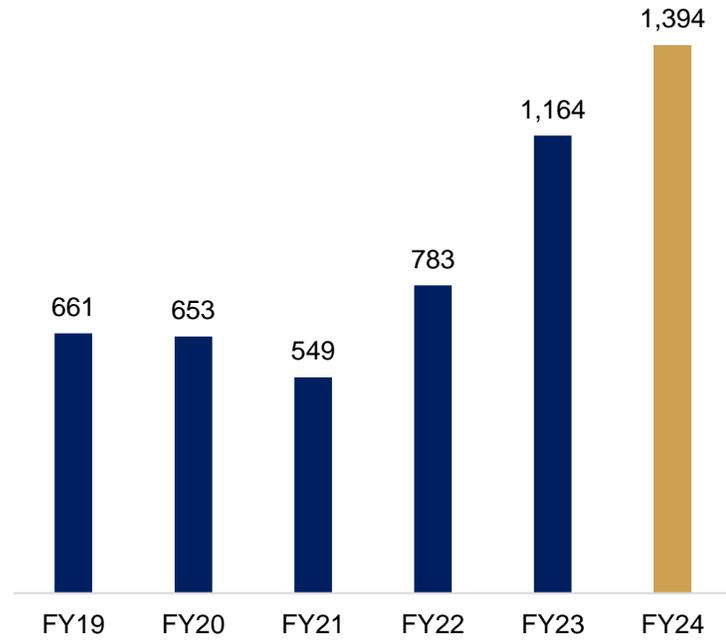
Robust sales in South India (mn cases)



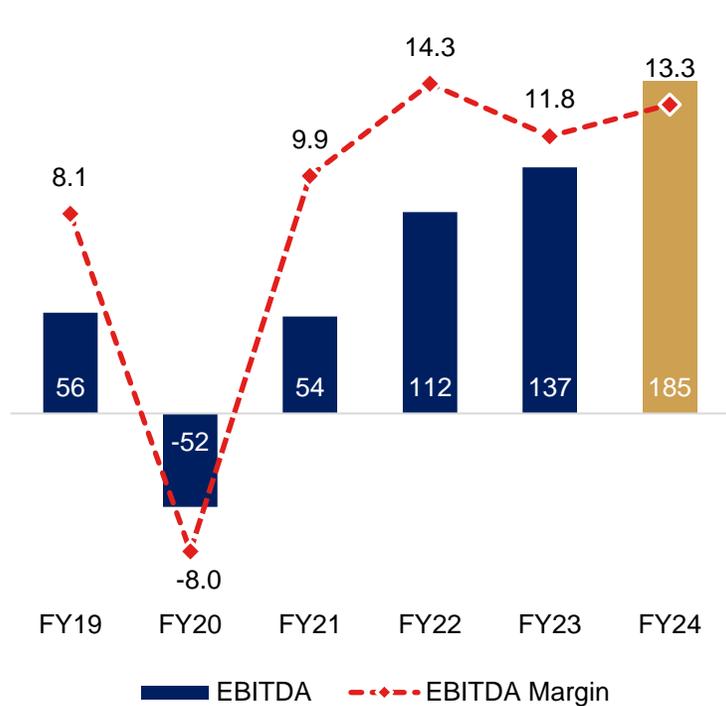


Focus on margins and cashflows

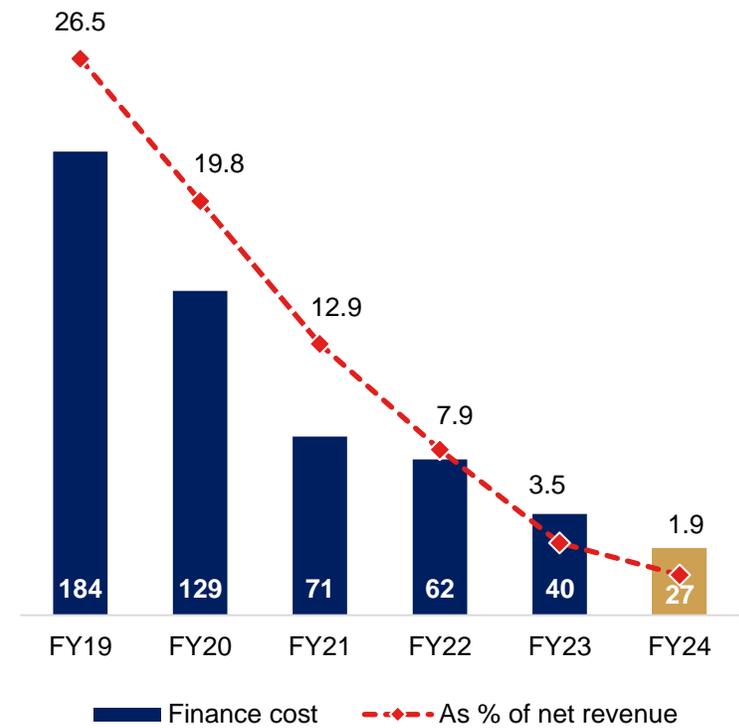
Net Revenues (₹ Crs)



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 :



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Ameya Deshpande

President – Strategy & Corporate Development

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mitesh@cdr-india.com



Thank You

