



May 16, 2023

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalai Street,
Mumbai 400001
Scrip Code : 507205

To,
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block-G,
Bandra-Kurla Complex, Bandra (East),
Mumbai-400 051.
Symbol : TI

Sub: Earnings Presentation for Audited Financial Results for Quarter and Financial year ended March 31, 2023

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”), please find attached herewith the Earnings Presentation for the Audited Financial Results for quarter and year ended March 31, 2023.

The same is also available on our website www.tilind.com.

We request you to take the above information on record.

Thanking you,

Yours faithfully,

For **Tilaknagar Industries Ltd.**

Dipti Todkar
Company Secretary & Compliance Officer

Encl: as above

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Churchgate, Mumbai, Maharashtra - 400 020, India
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E tiliquor@tilind.com

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Tilaknagar Industries Ltd.

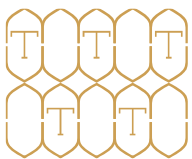
(BSE: 507205 | NSE: TI)



Earnings Presentation
Q4 (Jan to Mar 2023) & FY23



Q4 & FY23 PERFORMANCE

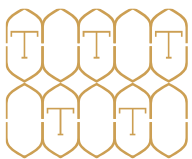


Q4 & FY23 – at a glance

Gross margins impacted due to full quarter impact of glass price increase as well as regional mix



	Q4 FY23	Q4 FY22	Y-o-Y growth	Q3 FY23	Q-o-Q growth	FY23	FY22	Y-o-Y growth
Business performance (in lacs):								
Brandy volumes	26.3	18.3	43.8%	24.3	8.2%	89.8	63.3	42.0%
Others	2.1	1.2	73.7%	1.7	19.7%	6.6	4.0	63.2%
Total volumes	28.4	19.5	45.7%	26.0	9.0%	96.4	67.3	43.3%
NSR (Rs. per case)	1,216	1,162	4.7%	1,222	-0.5%	1,197	1,136	5.4%
Financial performance (Rs. Crs):								
Revenue from operations (Net)	357.45	241.06	48.3%	302.87	18.0%	1,164.36	783.37	48.6%
Gross profit	159.76	117.61	35.8%	149.99	6.5%	548.06	400.96	36.7%
<i>Gross margin (%)</i>	<i>44.7%</i>	<i>48.8%</i>	<i>-409 bps</i>	<i>49.5%</i>	<i>-483 bps</i>	<i>47.1%</i>	<i>51.2%</i>	<i>-411 bps</i>
EBITDA	43.47	25.79	68.6%	40.56	7.2%	137.18	112.12	22.4%
<i>EBITDA margin (%)</i>	<i>12.2%</i>	<i>10.7%</i>	<i>147 bps</i>	<i>13.4%</i>	<i>-123 bps</i>	<i>11.8%</i>	<i>14.3%</i>	<i>-253 bps</i>
EBIT	35.55	17.70	100.8%	32.41	9.7%	104.84	79.38	32.1%
PAT (excl. exceptional items)	32.69	10.03	225.8%	24.55	33.1%	72.16	31.97	125.7%

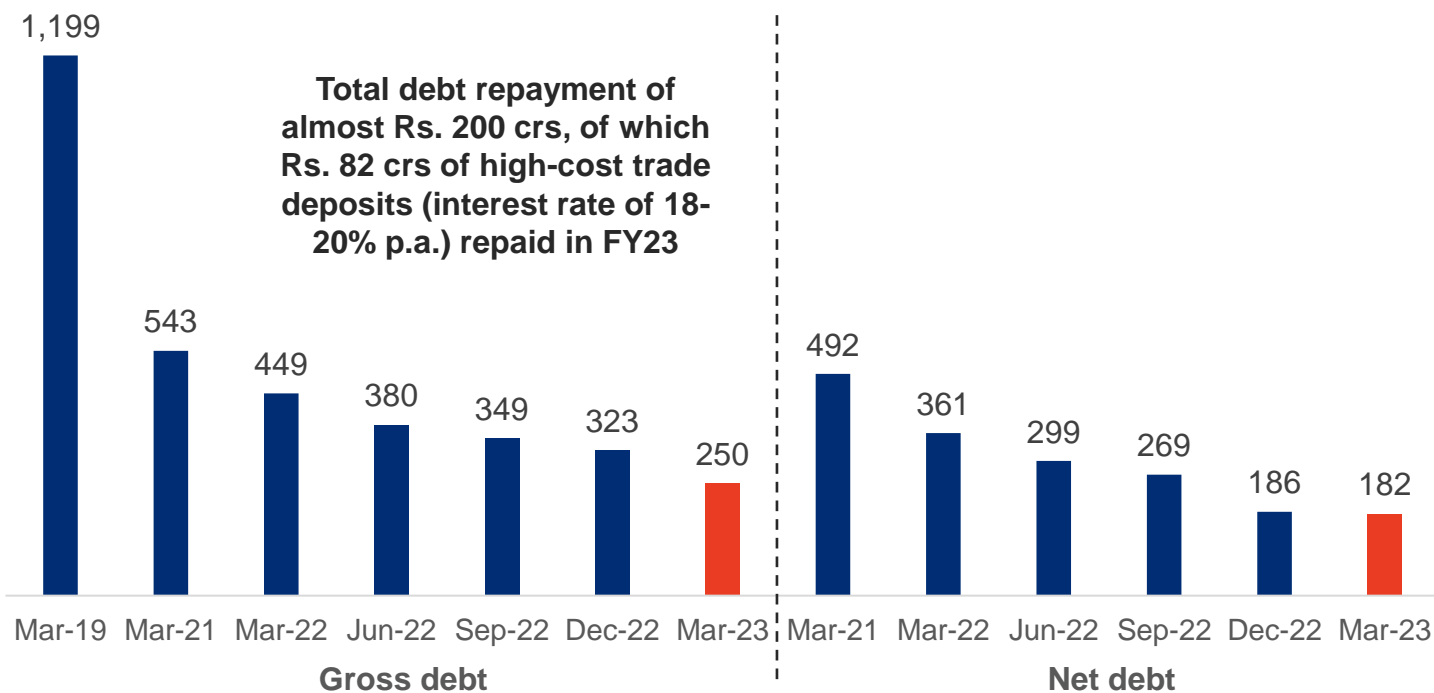


Debt reduction journey...

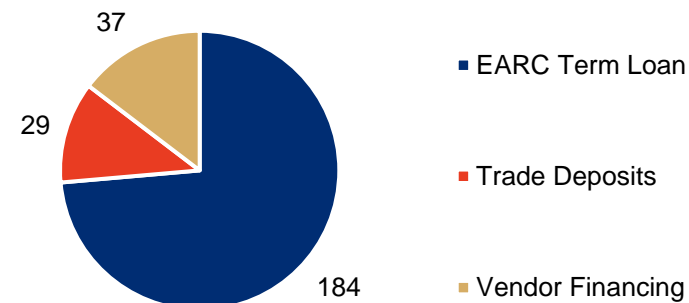
...operating cash flows helping in funding debt repayments as well as working capital requirements



Debt reduction (Rs. Crs)^{(a)(b)}

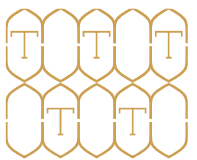


Debt as of 31-Mar-23^{(a)(b)}



- EARC debt is at 9% p.a.
- EARC debt (along with accrued interest) was prepaid in Mar-23, aggregating Rs. 54.1 crs
- Post prepayment, balance debt of Rs. 126.6 crs has been waived by EARC and written back by Company
- EARC balance debt stands at Rs. 3.6 crs as of 31-Mar-23

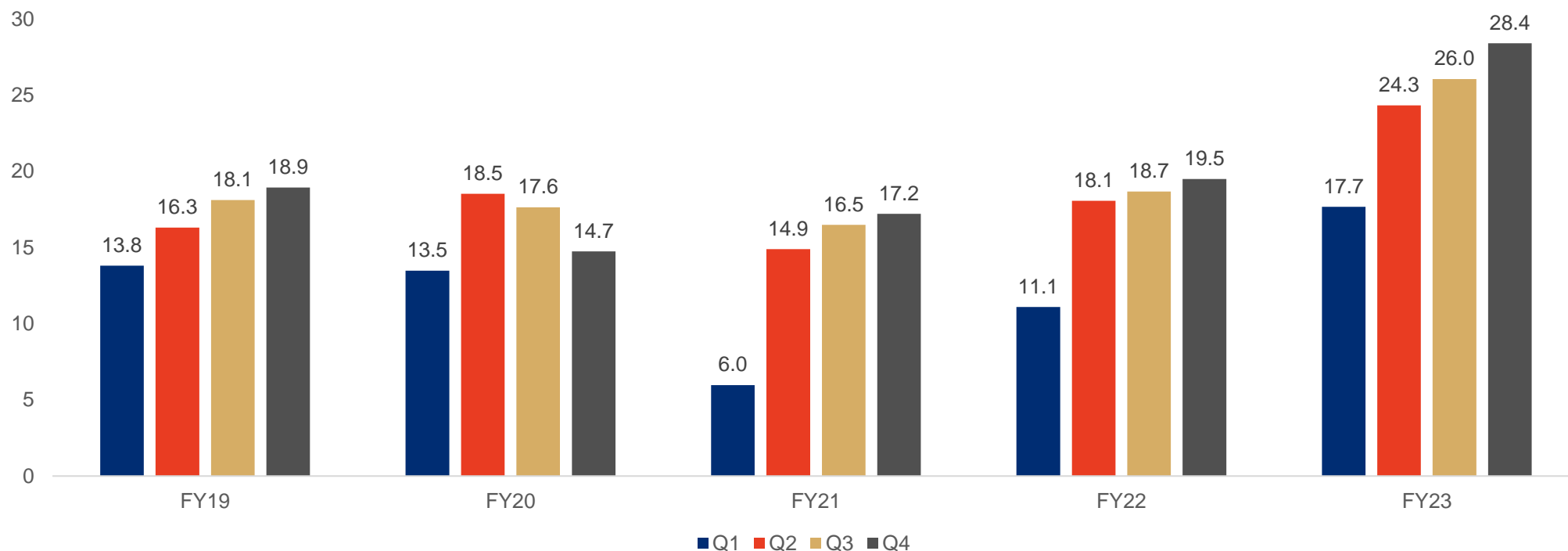
(a) Debt adjusted for EARC balance debt of Rs. 3.6 crs which would be waived off in FY24 on following the repayment schedule
 (b) Debt includes interest bearing trade deposits



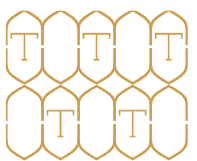
Volumes at significantly higher levels compared to pre-Covid times



Quarterly volumes (lacs cases)



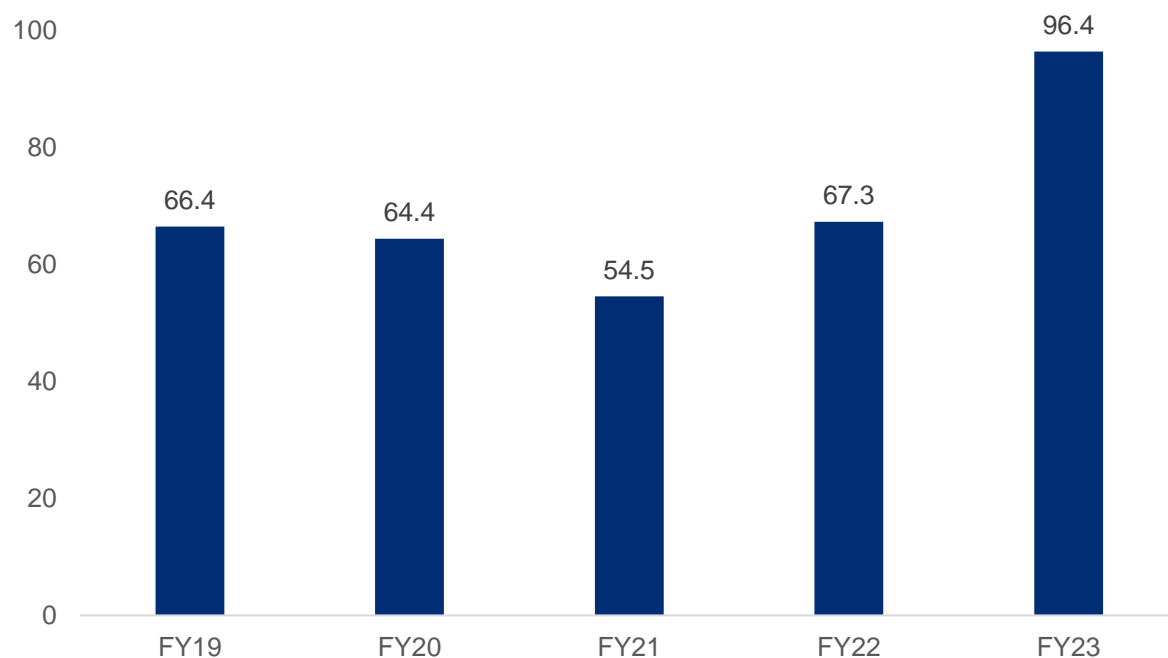
- 46% volume growth in Q4 on YoY basis
- 50% volume growth vs. Q4 FY19 (pre-Covid)



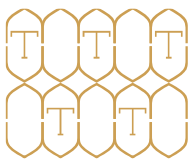
Growth driven by good mix of existing and new products



Yearly volumes (lacs cases)



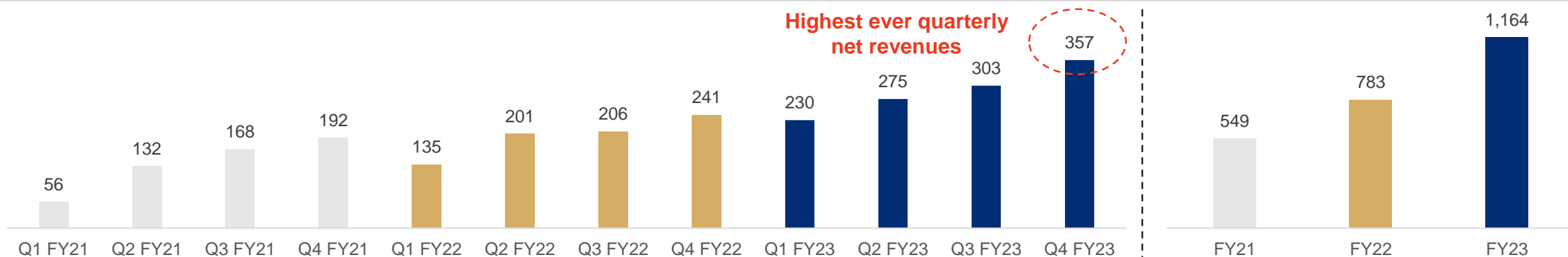
- Growth of 43% YoY vs. IMFL industry growth of 12% in the same period
- High growth (35%+ YoY) across all regions
- Growth driven by Mansion House Brandy (40% YoY) and Courier Napoleon Brandy (50% YoY); both millionaire brands
- Launched Mansion House Flavoured Brandy (Flandy) in Puducherry, followed by Telangana
- Flandy is an industry first innovation, keeping the younger, more discerning audience in mind and has been very well received by consumers
- Also launched Mansion House Reserve Brandy, the premium variant of Mansion House brandy in the state of Tamil Nadu



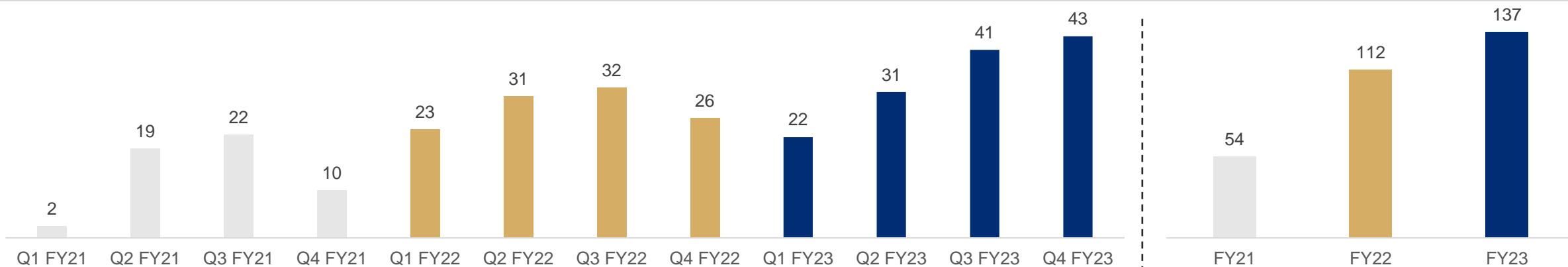
Operational highlights

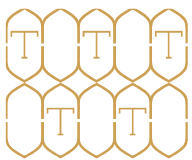


Net Revenue (Rs. Crs)



EBITDA (Rs. Crs)



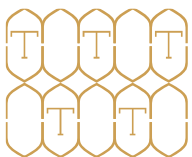


Management commentary

From the desk of Mr. Amit Dahanukar, Chairman & Managing Director



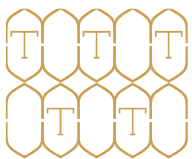
- ❑ Last quarter, I mentioned that we had achieved our highest ever quarterly net revenues; I am now proud to say that we have beaten that milestone comfortably this quarter, with a net revenue of Rs. 357 crs i.e. an 18% growth QoQ and 48% growth YoY
- ❑ I am equally elated to share that in FY23, we have grown 43% YoY vs. overall IMFL industry which has grown 12%
- ❑ Q4 FY23 growth was 46% YoY resulting in a strong finish to FY23
- ❑ FY23 also saw our 2nd highest selling brand, Courier Napoleon Brandy becoming a millionaire brand
- ❑ Gross margins in Q4 FY23 were impacted due to full quarter impact of glass price increase (glass price increase took place in mid of Q3 FY23) as well as regional mix
 - Despite this reduction in gross margins, we were able to maintain our EBITDA margin in Q4 FY23 at 12.2% (FY23 EBITDA margin at 11.8%)
 - In addition to operating leverage, we maintained EBITDA margins through multiple cost optimization efforts and improved productivity
- ❑ We have seen strong growth in Mansion House Flandy, our Flavoured Brandy range; Flandy is currently available only in Telangana and Puducherry and will be launched in other regions soon
- ❑ Our aim to open up the brandy category to a young, experimental and aspirational audience continues and we will be looking at launching more premium and aspirational products over the next few quarters
- ❑ Our debt reduction strategy is also on-track; we have reduced our debt by almost Rs. 200 crs in FY23
- ❑ I am also very glad to share that TI entered into an agreement in March 2023, to invest Rs. 9.75 crs in Spaceman Spirits Lab Pvt Ltd for a 10% stake on a fully diluted basis
- ❑ In addition, we have also resolved certain auditor qualifications, including one related to the Capital Work in Progress in our subsidiary Prag Distillery Pvt Ltd



Extract of Income Statement



(Rs. Crs)	Y-o-Y			Q-o-Q		Y-o-Y		
	Q4 FY23	Q4 FY22	growth %	Q3 FY23	growth %	FY23	FY22	growth %
Revenue from operations (Gross)	717.25	520.91	37.7%	675.46	6.2%	2,469.28	1,792.06	37.8%
Less: Excise Duty	359.80	279.85	28.6%	372.59	-3.4%	1,304.92	1,008.69	29.4%
Revenue from Operations (Net)	357.45	241.06	48.3%	302.87	18.0%	1,164.36	783.37	48.6%
Other income	5.08	7.83	-35.1%	1.17	335.3%	7.50	10.47	-28.3%
Total Revenue (I)	362.53	248.89	45.7%	304.03	19.2%	1,171.87	793.84	47.6%
EXPENSES:								
(a) Cost of materials consumed	189.66	120.59	57.3%	174.69	8.6%	633.29	377.98	67.5%
(b) Purchases of stock-in-trade	0.00	0.00	NM	0.00	NM	0.00	0.00	NM
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	8.03	2.86	180.6%	-21.81	NM	-16.98	4.43	NM
(d) Employee benefits expense	9.40	11.73	-19.8%	10.72	-12.3%	37.59	32.09	17.2%
(e) Other expenses	106.89	80.10	33.5%	98.71	8.3%	373.28	256.75	45.4%
Total Expenses (II)	313.97	215.27	45.8%	262.30	19.7%	1,027.18	671.25	53.0%
Profit before interest, tax, depreciation and amortisation (I - II)	48.56	33.61	44.4%	41.73	16.4%	144.69	122.59	18.0%
Finance costs	7.95	15.50	-48.7%	9.02	-11.9%	40.19	61.87	-35.0%
Depreciation and amortisation expense	7.92	8.08	-2.0%	8.16	-2.8%	32.35	32.74	-1.2%
Profit before tax	32.68	10.03	225.7%	24.55	33.1%	72.15	27.98	157.9%
Exceptional item	26.41	13.22	NM	51.33	NM	77.74	13.22	NM
Profit before tax	59.09	23.25	154.2%	75.88	-22.1%	149.89	41.19	263.9%
<i>Tax expenses :</i>								
(a) Current tax	0.00	0.00	NM	0.00	NM	0.00	0.00	NM
(b) Tax for earlier periods	-0.01	0.00	NM	0.00	NM	-0.01	-4.00	NM
(c) Deferred tax	0.00	0.00	NM	0.00	NM	0.00	0.00	NM
Total tax expense	-0.01	0.00	NM	0.00	NM	-0.01	-4.00	NM
Profit for the period	59.10	23.25	154.2%	75.88	-22.1%	149.90	45.19	231.7%



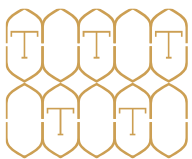
Extract of Balance Sheet



(Rs. Crs)	As of		(Rs. Crs)	As of	
	As at Mar-23	As at Mar-22		As at Mar-23	As at Mar-22
ASSETS			EQUITY AND LIABILITIES		
Non-Current Assets			Equity		
Property, Plant and Equipment	417.5	438.8	Equity Share Capital	185.3	158.6
Capital Work-in-Progress	0.1	100.2	Other Equity	297.6	-25.1
Right of Use Assets	2.2	0.2	Total Equity	482.9	133.5
Other Intangible Assets	0.3	0.3			
Financial Assets			Liabilities		
Investments	0.5	0.0	Non-Current Liabilities		
Loans			Financial Liabilities		
Other Financial Assets	28.5	41.4	Borrowings	24.0	381.0
Non-Current Tax Assets (Net)	4.3	3.1	Lease Liabilities	2.1	0.1
Other Non-Current Assets	6.5	9.2	Other Financial Liabilities	64.3	40.2
Total Non-Current Assets	460.1	593.3	Provisions	4.1	4.7
			Other Non-Current Liabilities	0.0	14.5
Current Assets			Total Non-Current Liabilities	94.5	440.5
Inventories	116.2	72.3			
Financial Assets			Current Liabilities		
Investments	22.1	0.0	Financial Liabilities		
Trade Receivables	338.8	236.8	Borrowings	229.1	204.0
Cash and Cash Equivalents	34.8	42.7	Lease Liabilities	0.3	0.1
Other Bank Balances	9.4	27.9	Trade Payables	129.2	171.3
Loans	0.0	0.0	Other Financial Liabilities	29.6	17.7
Other Financial Assets	7.7	17.0	Provisions	33.7	26.3
Other Current Assets	22.5	23.3	Current Tax Liabilities (Net)	0.0	0.0
Total Current Assets	551.5	420.0	Other Current Liabilities	12.2	19.8
			Total Current Liabilities	434.1	439.3
TOTAL ASSETS	1,011.5	1,013.3	TOTAL EQUITY AND LIABILITIES	1,011.5	1,013.3



COMPANY & INDUSTRY OVERVIEW



About the Company

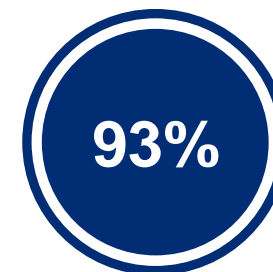
Largest premium brandy manufacturer in India with presence across all segments of IMFL



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



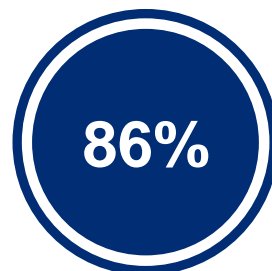
Brands across products



Share of Brandy as %
of total volumes

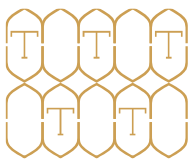


Volumes (in cases)
sold



Share of sales to
South India as % of
total volumes

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



Presence across IMFL categories

Focus on semi-premium and above segments



Super-Premium
Rs. 1,000 & Above

New Launch



Mansion House Reserve Brandy



Courier Napoleon Brandy Green



Mansion House Flavoured Brandy

New Launch

Premium
Rs. 700-1,000

#1 Premium Brandy in India



Mansion House Brandy



Mansion House Gold Whisky



Courier Napoleon Brandy Red

Deluxe / Semi-Premium
Rs. 500-700

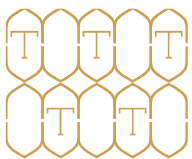


Madiraa XXX Rum



Blue Lagoon Gin Orange

(Note: All MRP for 750ml)



We sell millions of cases across India



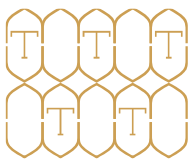
MANSION HOUSE



- ❑ Mansion House is a millionaire brand (more than 7.8 mn cases sold in FY23; 41% growth over FY22)
- ❑ As per IWSR Drinks Market Analysis, Mansion House is the highest selling brandy in India
- ❑ Manufactured across all units
- ❑ A brand with a high brand loyalty driving repeat purchases

COURRIER NAPOLEON – OUR 2nd MILLIONAIRE BRAND

- ❑ Achieved millionaire status in FY23 (1.2 mn cases sold in FY23; 50% growth over FY22)



Our strategic focus...

...the way forward



Volume growth

- FY23 growth in volumes at 43.3%
- 6 yrs CAGR of 13.6% for MHB
- Equal focus on high-growth, nascent regions

Market share growth^(a)

- Continued focus on brandy
- Market share (as % of brandy) growth from 12.4% to 19.6%
- Market share (as % of IMFL) growth from 2.4% to 4.3%

Efficient levels of capacity utilisation

- Pernod Ricard agreements enables efficient capacity utilisation levels
- Incremental region-specific growth enabled through bottling arrangements

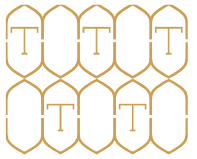
Debt repayment and cash flow generation

- Focus on repayment of high-cost debt
- Target to become near net debt free by FY24

Resolution of auditor qualifications

- Focus on taking proactive measures to resolve all auditor qualifications

(a) Market share growth comparison between FY17 and FY23 in the states of Telangana, Andhra Pradesh, Karnataka, Kerala, Puducherry and Goa



Recent Product Developments



Launch of Mansion House Flavoured Brandy



- India's First Premium Flavoured Brandy
- An inclusive drink for all; across age-groups, genders, for all occasions
- Available in three flavours
 - Peach
 - Orange
 - Cherry
- Launched in Puducherry in Jun-22 and in Telangana in Sep-22; other regions to follow

Launch of Mansion House Reserve Brandy



- Super-premium variant of our flagship brand, Mansion House Brandy
- Blend made from special kind of 'Ugni Blanc' grapes from the Sahyadris
- Initially launched in Tamil Nadu in Sep-22; India's largest brandy consuming state; other states to follow
- This segment in Tamil Nadu is 19 lacs cases strong in FY22

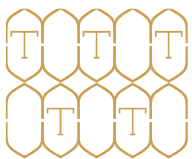
Removal of Monocartons



- ✓ Focus on sustainability
- ✓ Cost saving measure



FY23 FINANCIALS

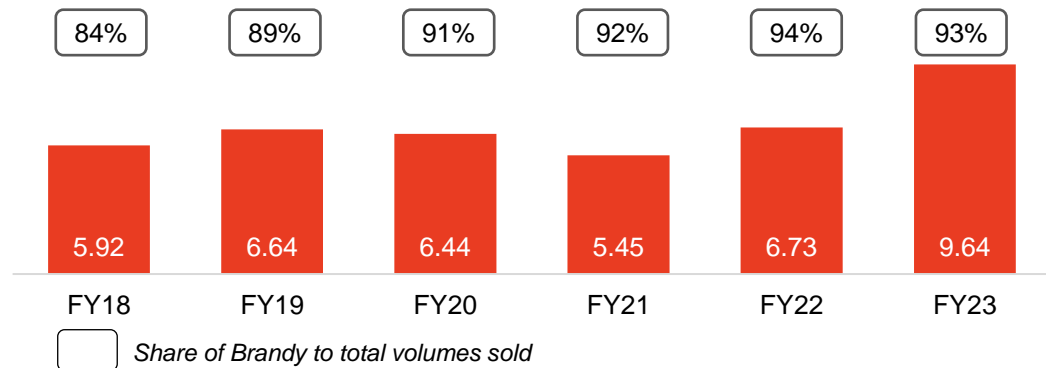


Improving business fundamentals

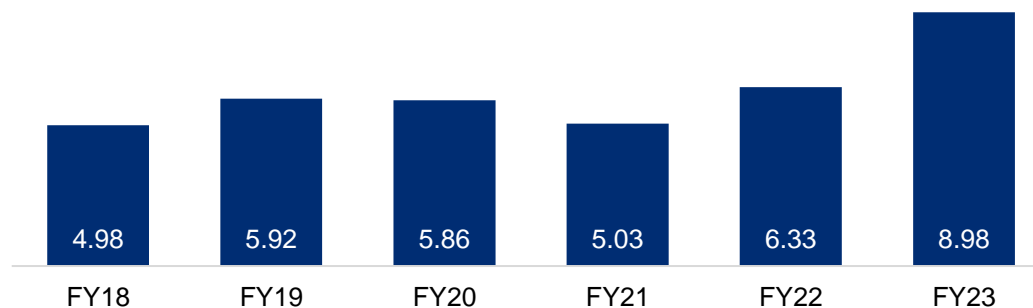
Premiumisation strategy to enhance margins and cash flows



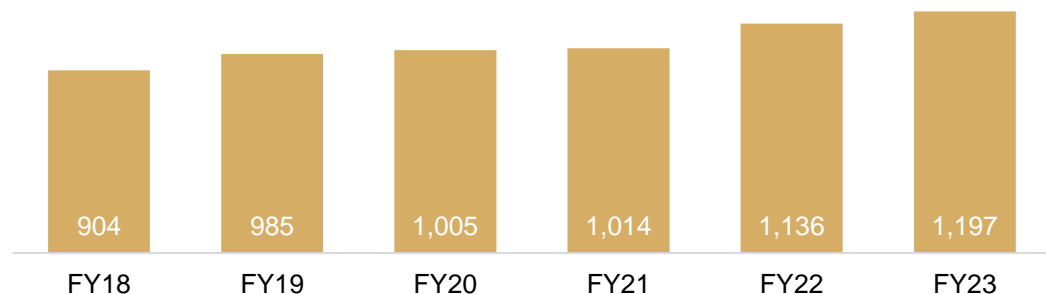
Total Volumes Sold (mn cases)



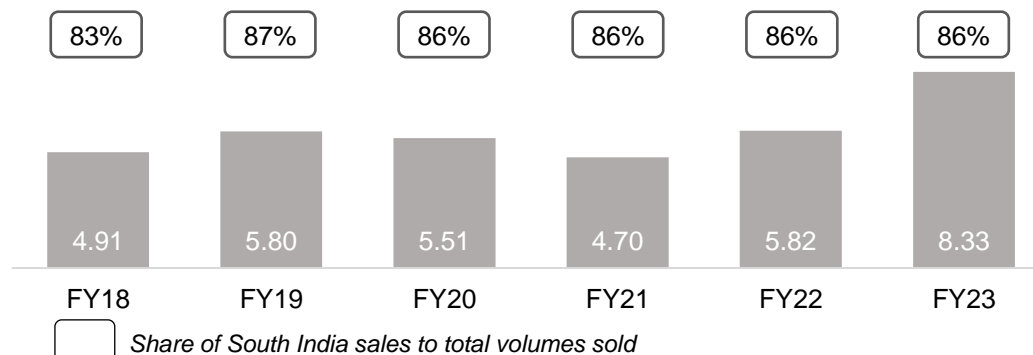
Brandy Sales (mn cases)

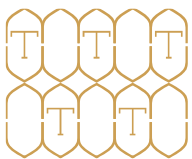


NSR per case (Rs.)



Robust sales in South India (mn cases)



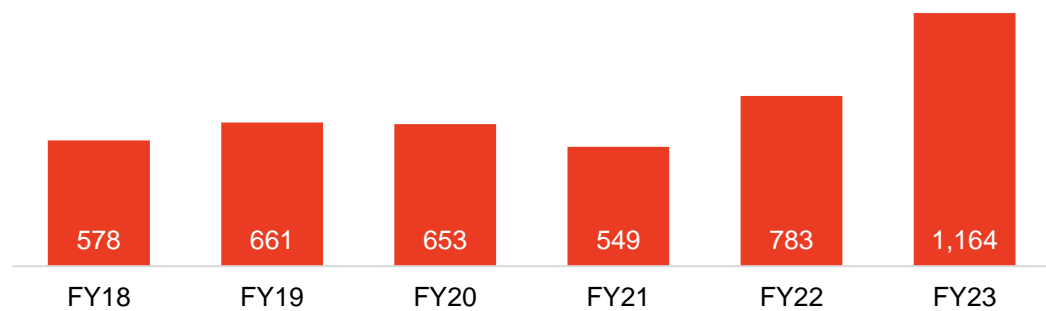


Focus on margins and cashflows

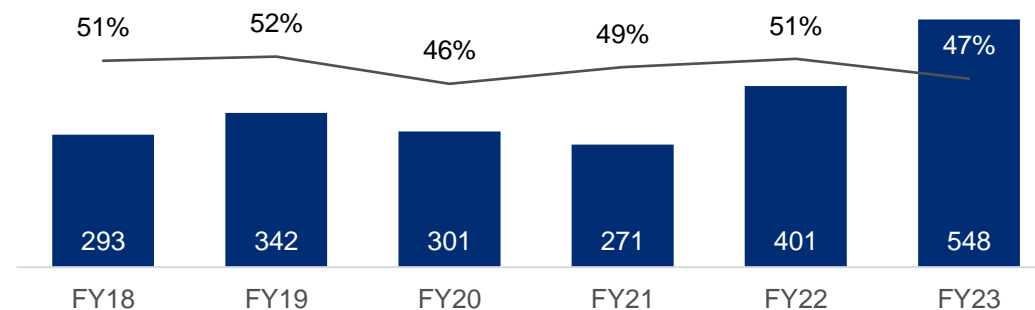


Most of write-offs impacting EBITDA have been undertaken

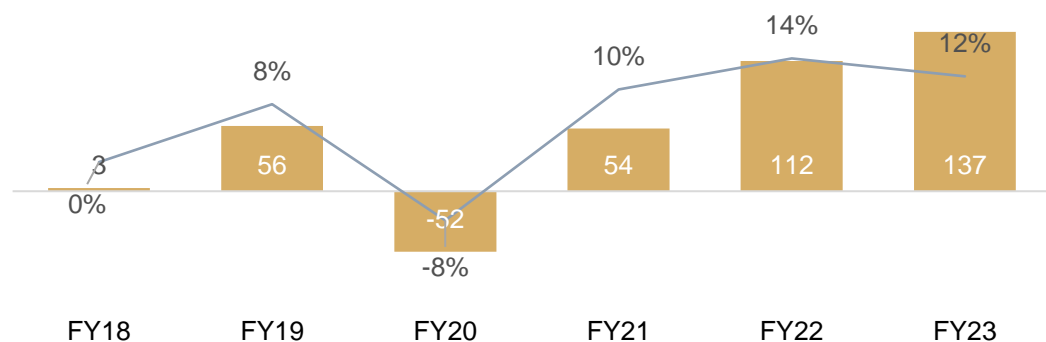
Net Revenues (Rs. Crs)



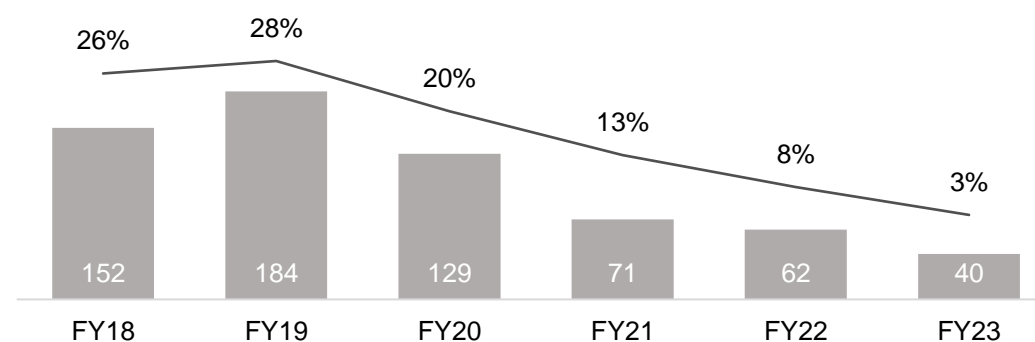
Gross Profit (Rs. Crs) and Gross Margin (%)



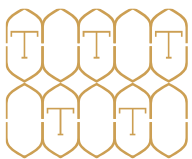
EBITDA (Rs. Crs) and EBITDA Margin (%)



Finance Cost (Rs. Crs) and as % of Net Revenues



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



Disclaimer



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.



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President – Strategy & Corporate Development

Email: adeshpande@tilind.com



THANK YOU