



February 07, 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 unaudited Financial Results for quarter ended December 31, 2022

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 unaudited Financial Results for quarter ended December 31, 2022.

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

Encl: as above

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

CIN: L15420PN1933PLC133303

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Tilaknagar Industries Ltd.

(BSE: 507205 | NSE: TI)

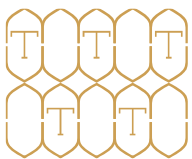


Earnings Presentation

Q3 (Oct to Dec 2022) & 9M FY23



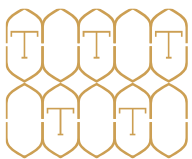
Q3 & 9M FY23 PERFORMANCE



Q3 & 9M FY23 – at a glance



	Q3 FY23	Q3 FY22	Y-o-Y growth	Q2 FY23	Q-o-Q growth	9M FY23	9M FY22	Y-o-Y growth
Business performance (in lacs):								
Brandy volumes	24.3	17.7	37.6%	22.7	6.9%	63.5	45.0	41.2%
Others	1.7	1.0	70.1%	1.6	9.0%	4.5	2.8	58.8%
Total volumes	26.0	18.7	39.4%	24.3	7.1%	68.0	47.8	42.3%
NSR (Rs. per case)	1,222	1,140	7.2%	1,179	3.7%	1,190	1,127	5.6%
Financial performance (Rs. Crs):								
Revenue from operations (Net)	302.87	205.90	47.1%	274.50	10.3%	806.91	542.31	48.8%
Gross profit	149.99	109.17	37.4%	134.82	11.3%	388.29	283.35	37.0%
<i>Gross margin (%)</i>	49.5%	53.0%	-350 bps	49.1%	41 bps	48.1%	52.2%	-413 bps
EBITDA	40.56	32.42	25.1%	31.43	29.1%	93.71	86.33	8.5%
<i>EBITDA margin (%)</i>	13.4%	15.7%	-235 bps	11.4%	194 bps	11.6%	15.9%	-431 bps
EBIT	32.41	24.20	33.9%	23.21	39.6%	69.29	61.67	12.3%
PAT (excl. exceptional items)	24.55	10.27	139.2%	13.88	76.8%	39.47	21.94	79.9%

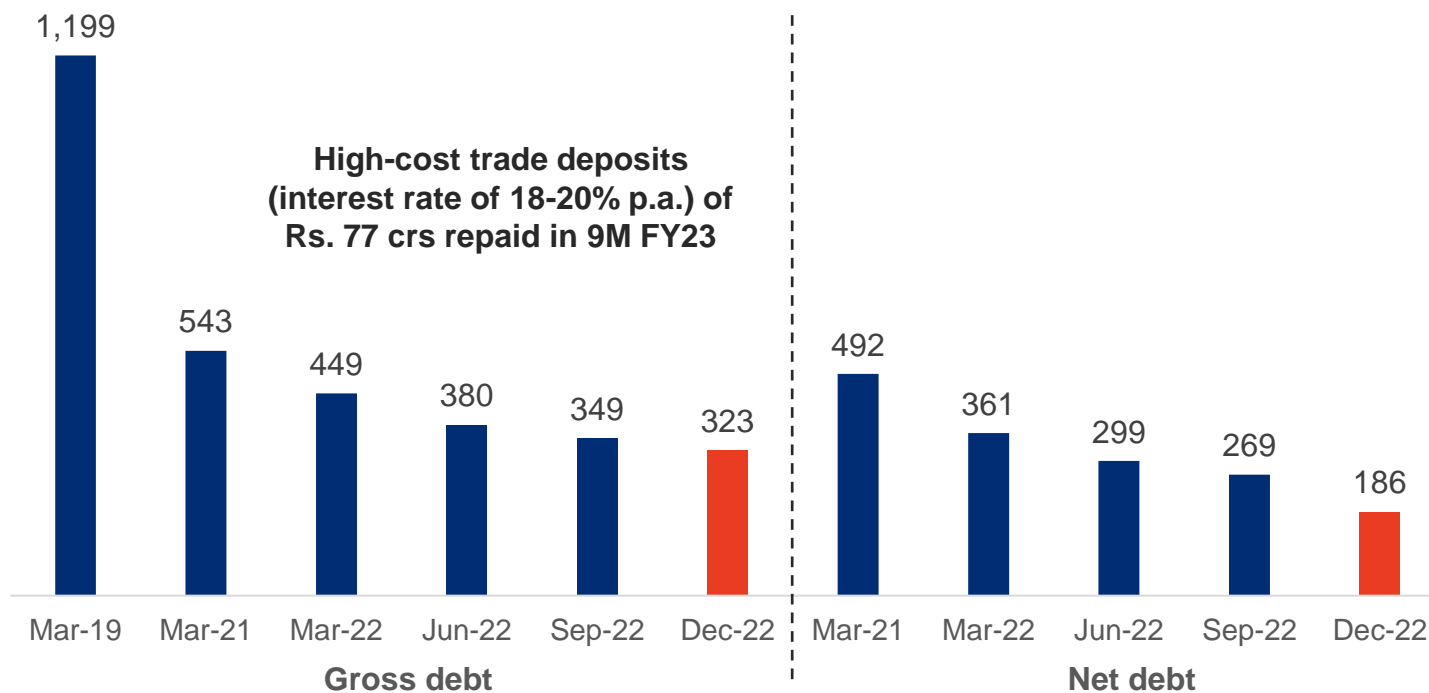


Debt reduction journey...

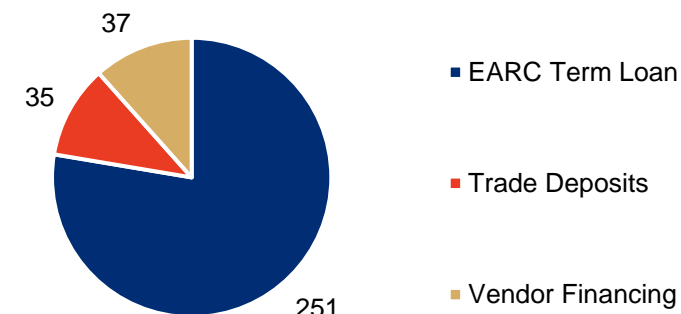
...working towards near net debt-free position by FY24



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



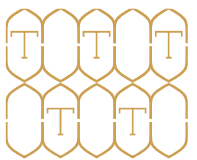
Debt as of 31-Dec-22^{(a)(b)(c)}



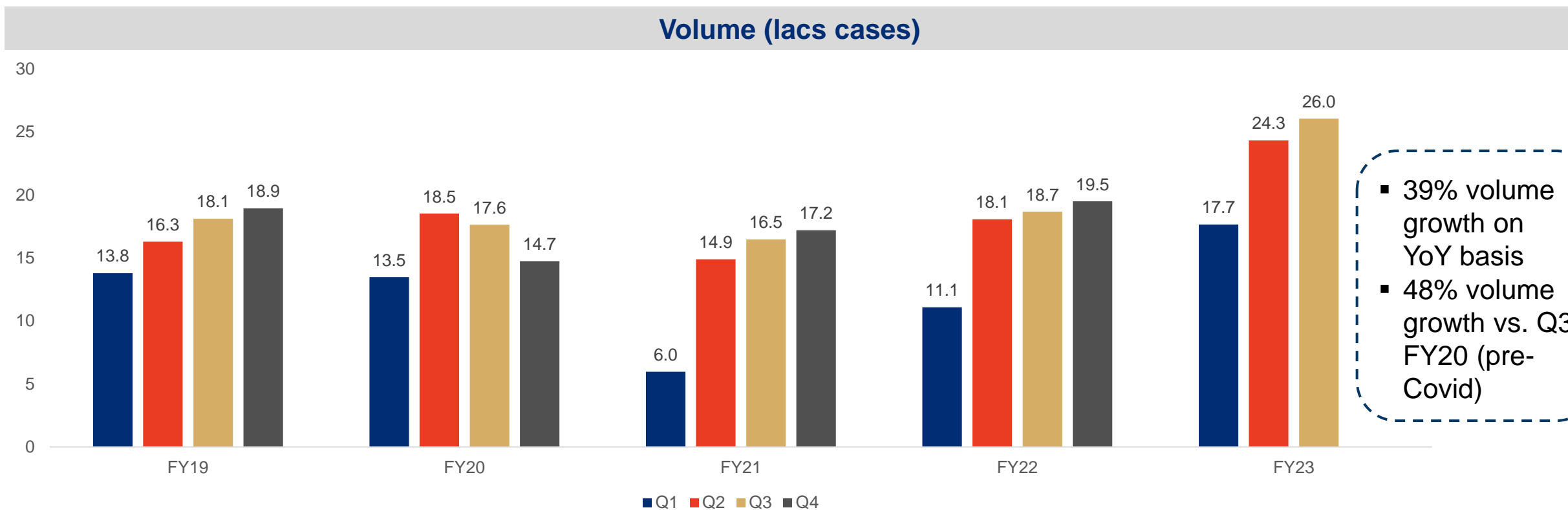
- EARC debt is at 9% p.a.
- EARC balance debt of Rs. 130 crs will be waived off on satisfactory repayment

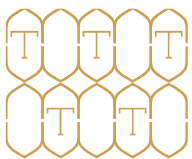
(a) Debt adjusted for EARC balance debt of Rs. 130 crs which would be waived off in FY24 on following the repayment schedule

(b) Debt includes interest bearing trade deposits which is a part of Other Financial Liabilities



Volumes at significantly higher levels compared to pre-Covid times

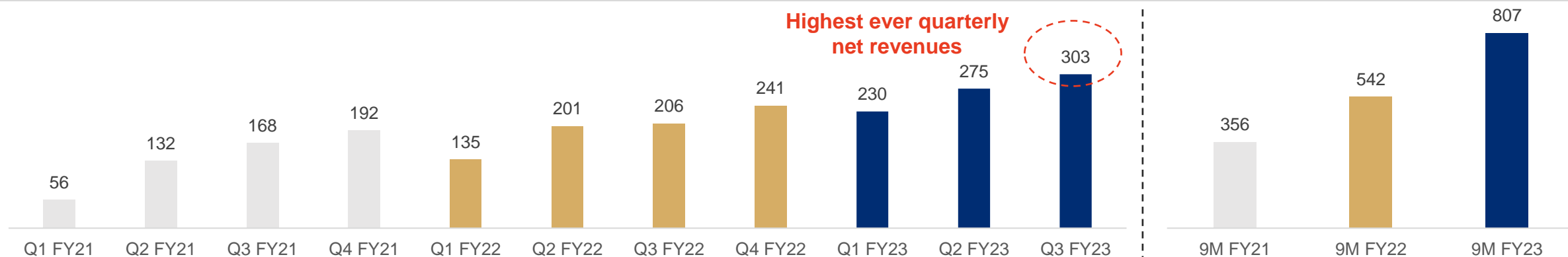




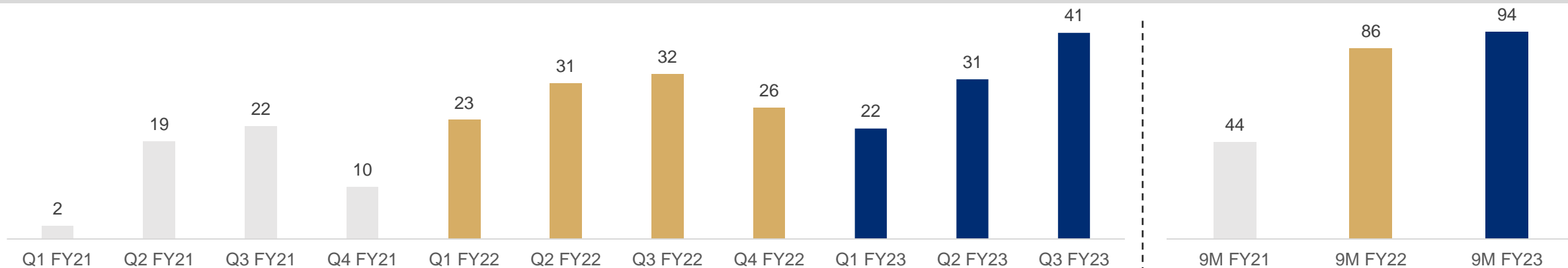
Operational highlights

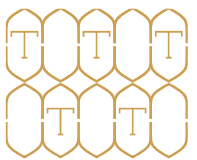


Net Revenue (Rs. Crs)



EBITDA (Rs. Crs)



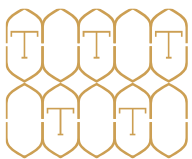


Management commentary

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



- ❑ We are very proud to have delivered our highest ever quarterly net revenues at Rs. 303 crs
- ❑ December 2022 has been our best month in terms of volumes in a decade, touching almost 11 lacs cases, led by MHB at 8.7 lacs cases, the highest monthly sales ever
- ❑ Despite the 2 price increases in glass costs faced by the industry, we were able to expand our EBITDA to above Rs. 40 crs at a healthy EBITDA margin of 13.4% vs. 11.4% in Q2 FY23
 - This margin expansion was predominantly on account of operating leverage as well as favourable regional and brand mix
 - We expect the inflationary headwinds to abate in the medium term, but estimate that these pressures will persist in the immediate short term
 - 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 existing EBITDA expansion has been purely on the back of our mitigation strategies against inflation; these include focus on profitable brands, favorable product & regional mix, cost optimization efforts and improved productivity
 - We have yet to see any meaningful price increase in any of the states we are present in, but are very hopeful that we will get industry-wide price increases in our key states
- ❑ 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 Rs. 126 crs in the 9 months of this financial year
- ❑ In the 2nd half of December 2022, we also completed the Rs. 100 crs. preferential issue to Think Investments



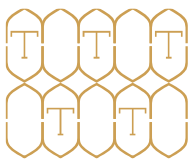
Extract of Income Statement



(Rs. Crs)	Y-o-Y			Q-o-Q		Y-o-Y		
	Q3 FY23	Q3 FY22	growth %	Q2 FY23	growth %	9M FY23	9M FY22	growth %
Revenue from operations (Gross)	675.46	501.67	34.6%	596.05	13.3%	1,752.03	1,271.15	37.8%
Less: Excise Duty	372.59	295.77	26.0%	321.55	15.9%	945.12	728.84	29.7%
Revenue from Operations (Net)	302.87	205.90	47.1%	274.50	10.3%	806.91	542.31	48.8%
Other income	1.17	1.12	4.4%	0.59	98.7%	2.42	2.64	-8.2%
Total Revenue (I)	304.03	207.01	46.9%	275.09	10.5%	809.34	544.95	48.5%
EXPENSES:								
(a) Cost of materials consumed	174.69	99.23	76.0%	147.51	18.4%	443.63	257.39	72.4%
(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	-21.81	-2.51	NM	-7.83	NM	-25.00	1.57	NM
(d) Employee benefits expense	10.72	6.94	54.6%	8.98	19.4%	28.19	20.36	38.5%
(e) Other expenses	98.71	69.81	41.4%	94.41	4.6%	266.39	176.66	50.8%
Total Expenses (II)	262.30	173.47	51.2%	243.07	7.9%	713.21	455.98	56.4%
Profit before interest, tax, depreciation and amortisation (I - II)	41.73	33.54	24.4%	32.02	30.3%	96.13	88.97	8.0%
Finance costs	9.02	15.53	-41.9%	9.91	-9.0%	32.24	46.37	-30.5%
Depreciation and amortisation expense	8.16	8.22	-0.8%	8.22	-0.8%	24.42	24.66	-1.0%
Profit before tax	24.55	9.79	150.9%	13.88	76.8%	39.47	17.94	120.0%
Exceptional item	51.33	0.00	NM	0.00	NM	51.33	0.00	NM
Profit before tax	75.88	9.79	675.3%	13.88	446.5%	90.80	17.94	406.0%
<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	0.00	-0.48	NM	0.00	NM	0.00	-4.00	NM
(c) Deferred tax	0.00	0.00	NM	0.00	NM	0.00	0.00	NM
Total tax expense	0.00	-0.48	NM	0.00	NM	0.00	-4.00	NM
Profit for the period	75.88	10.27	639.2%	13.88	446.5%	90.80	21.94	313.9%



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

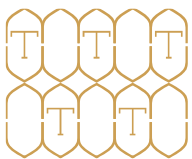


Volumes (in cases)
sold



Share of sales to
South India as % of
total volumes

* All data is for FY22; 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

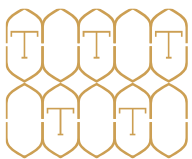


Madiraa XXX Rum



Blue Lagoon Gin Orange

(Note: All MRP for 750ml)



We sell millions of cases across India



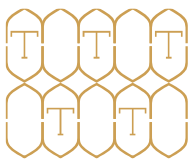
MANSION HOUSE



- ❑ Mansion House is a millionaire brand (more than 5.5 mn cases sold in FY22 as well as in 9M FY23)
- ❑ 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

- ❑ Fast approaching millionaire brand status (0.8 mn cases sold in FY22 as well as in 9M FY23)



Our strategic focus...

...the way forward



Volume growth

- FY22 growth in volumes for MHB and CNB stands at 24% each
- 6 yrs CAGR of 9.1% for MHB
- Equal focus on high-growth, nascent regions

Market share growth^(b)

- Continued focus on brandy
- Market share (as % of brandy) growth from 12.4% to 16.8%
- Market share (as % of IMFL) growth from 2.4% to 3.4%

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

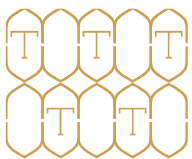
- Focus on repayment of high-cost debt
- Target to become near net debt free by FY24

Resolution of auditor qualifications

- Focus on taking proactive measures to resolve all auditor qualifications

(a) The above volume data is for Mansion House Brandy in the states of Telangana, Andhra Pradesh, Karnataka, Kerala, Puducherry and Goa i.e. states which contribute 88% of our total volumes

(b) Market share growth comparison between FY17 and FY22 in the states of Telangana, Andhra Pradesh, Karnataka, Kerala, Puducherry and Goa



MHB and MHB Brandy segment growing faster...

...than overall Brandy, Whiskey and IMFL

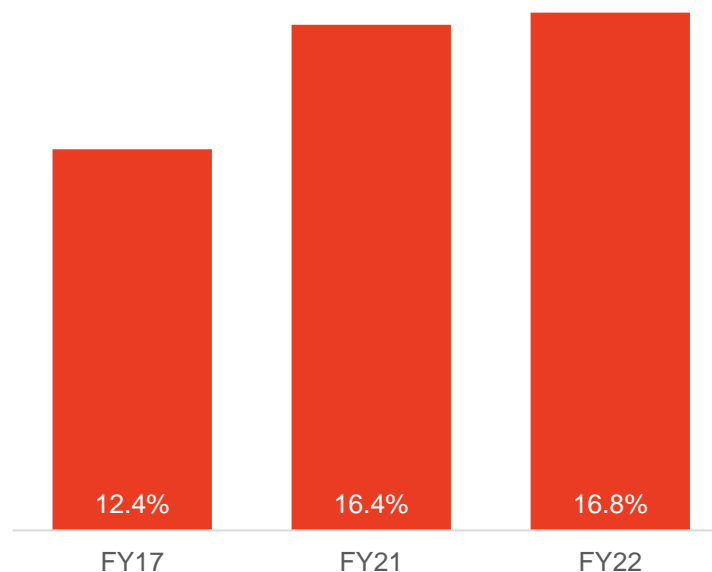


MHB vs. Industry Growth (a)

Category	CAGR
MHB	↑ 9.1%
Brandy Segment	↑ 2.6%
Whiskey Segment	↑ 2.1%
IMFL	↑ 1.9%

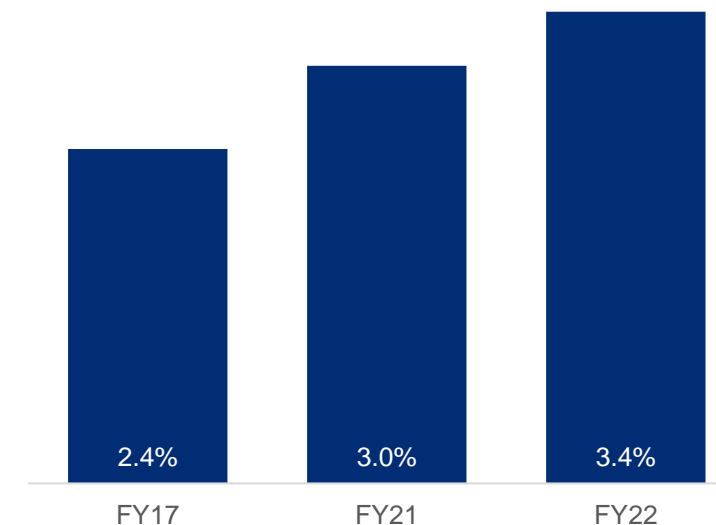
MHB market share as % of brandy (a)

Market share growth of 36% over 6 years



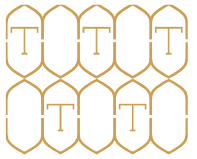
MHB market share as % of IMFL (a)

Market share growth of 41% over 6 years



MHB: Mansion House Brandy; 6 year CAGR from FY17 to FY22

(a) The above data is for the states of Telangana, AP, Karnataka, Kerala, Puducherry and Goa i.e. states which contribute 88% of our total volumes



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

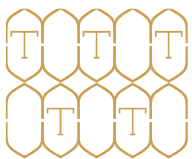
Removal of Monocartons



- ✓ Focus on sustainability
- ✓ Cost saving measure



FY22 FINANCIALS

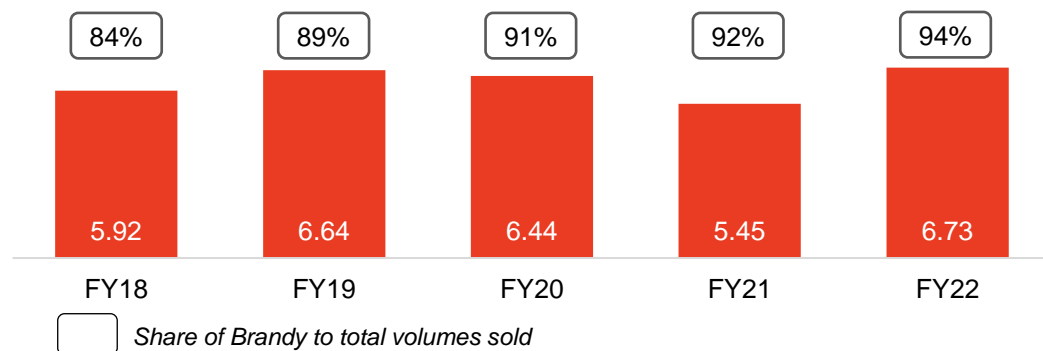


Improving business fundamentals

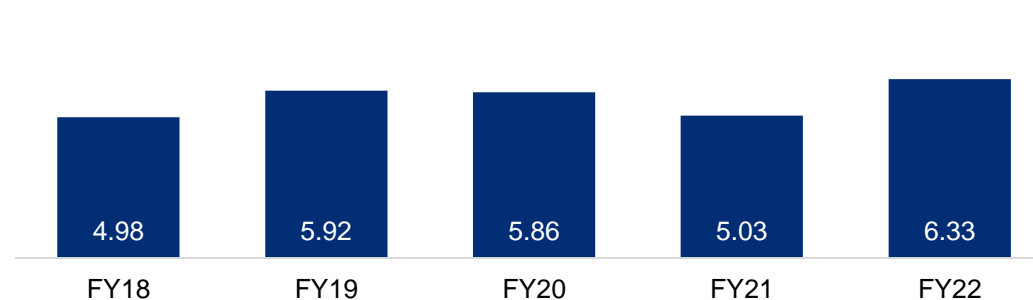
Premiumisation strategy to enhance margins and cash flows



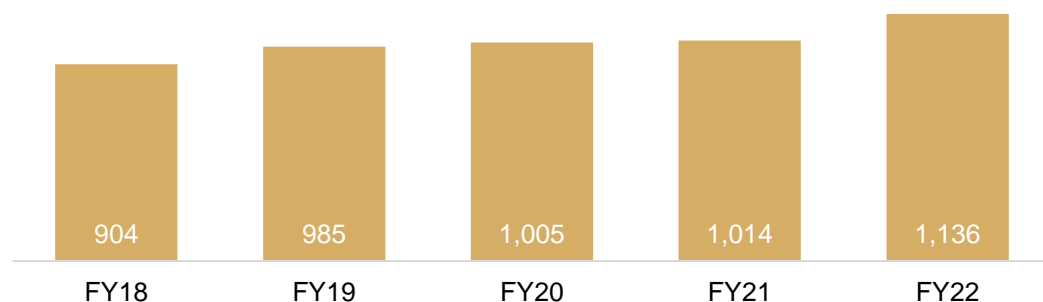
Total Volumes Sold (mn cases)



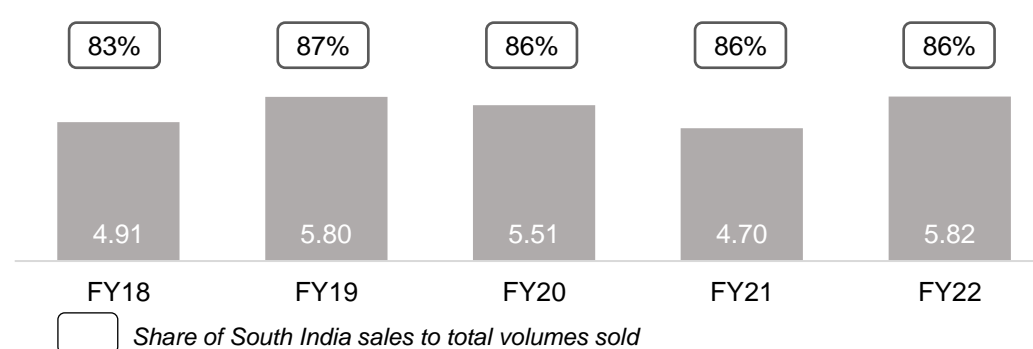
Brandy Sales (mn cases)

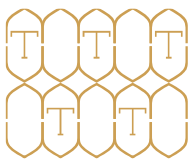


NSR per case (Rs.)



Robust sales in South India (mn cases)



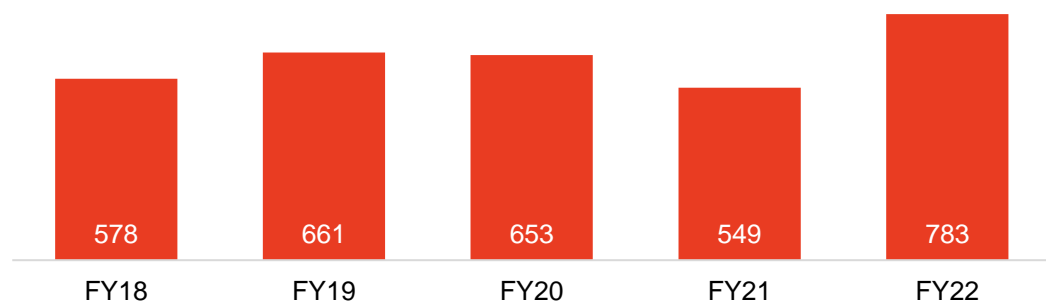


Focus on margins and cashflows

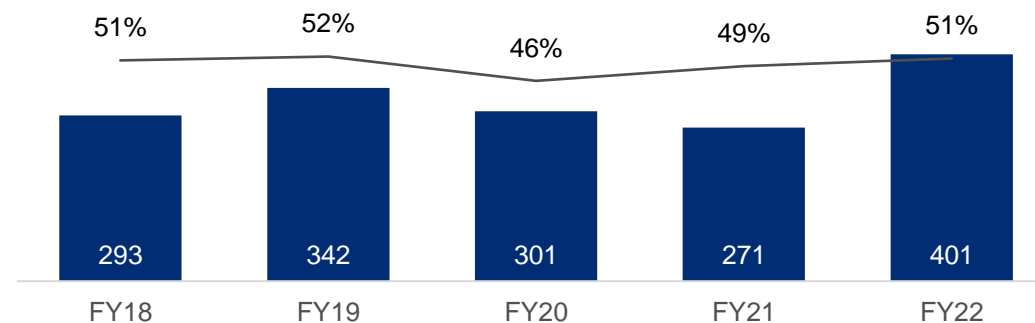


Most of write-offs impacting EBITDA have been undertaken

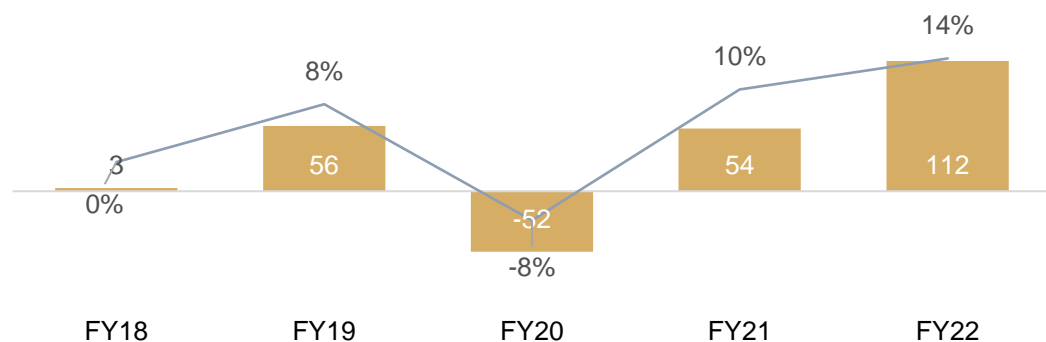
Net Revenues (Rs. Crs)



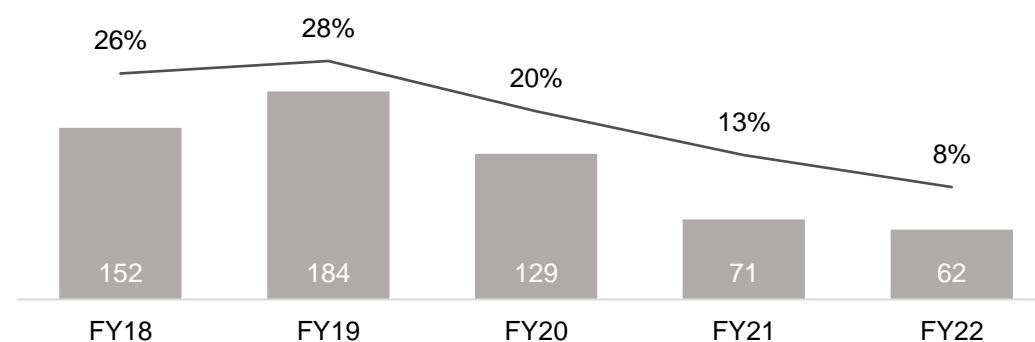
Gross Profit (Rs. Crs) and Gross Margin (%)



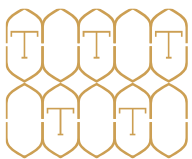
EBITDA (Rs. Crs) and EBITDA Margin (%)



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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THANK YOU