



August 11, 2022

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 June 30, 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 June 30, 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 VARUN
TODKAR
Digitally signed by
DIPTI VARUN TODKAR
Date: 2022.08.11
17:11:41 +05'30'

Dipti Todkar
Company Secretary & Compliance Officer

Encl: as above

Corp. Office: Industrial Assurance Building, 3rd Floor,
Churchgate, Mumbai, Maharashtra - 400 020, India
P +91 (22) 2283 1716/18 **F** +91 (22) 2204 6904
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Tilaknagar Industries Ltd.

(BSE: 507205 | NSE: TI)

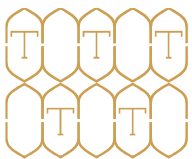


Earnings Presentation

Q1 FY23 (Apr to Jun 2022)



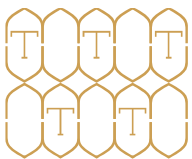
Q1 FY23 PERFORMANCE



Q1 FY23 – at a glance



	Q1 FY23	Q1 FY22	YoY	Q4 FY22	QoQ	
Volumes (cases)	17.7 lacs	11.1 lacs	↑ 59.2%	19.5 lacs	↓ 9.4%	<ul style="list-style-type: none"> ▪ Strong growth in what has historically been the weakest quarter for TI ▪ Volumes above pre-Covid levels
Revenue (Net) (Rs.)	230 crs	135 crs	↑ 69.7%	241 crs	↓ 4.8%	<ul style="list-style-type: none"> ▪ NSR per case largely stable at Rs. 1,157 for Q1 FY23 vs. Rs. 1,162 for Q4 FY22 (-0.5% QoQ); predominantly due to region mix
Gross Profit (Rs.)	103 crs	76 crs	↑ 36.3%	118	↓ 12.0%	<ul style="list-style-type: none"> ▪ Significant inflationary pressures felt on raw material and packaging material costs <ul style="list-style-type: none"> – ENA cost increased by 18% YoY and 3.5% QoQ – Glass bottles' cost increased by 30% YoY and 20% QoQ
EBITDA (Rs.)	22 crs	23 crs	↓ -7.1%	26 crs	↓ 15.8%	<ul style="list-style-type: none"> ▪ Foreign exchange fluctuation loss has impacted EBITDA by Rs. 2.55 crs, compared to Rs. 0.68 crs in Q1 FY22 and Rs. 0.85 crs in Q4 FY22

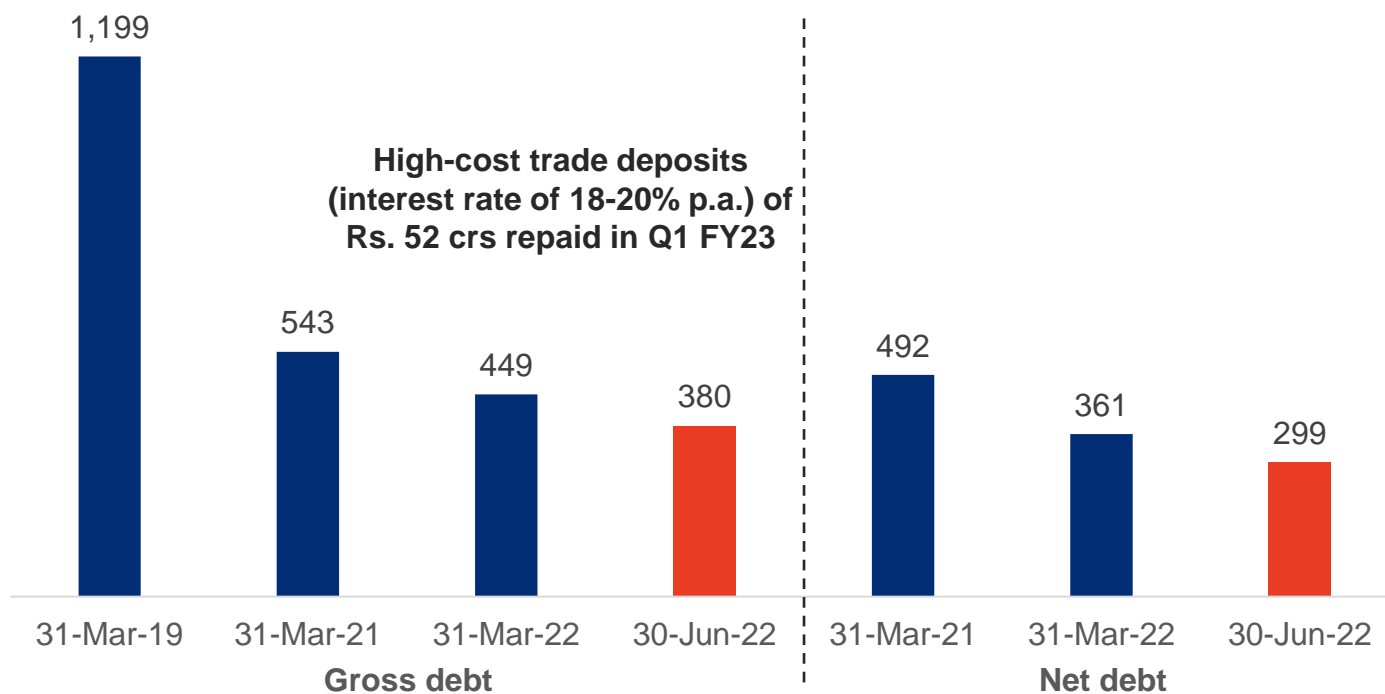


Debt reduction journey...

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

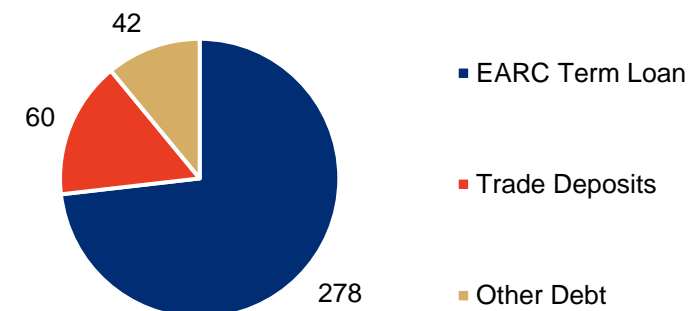


Debt reduction (Rs. Crs)^{(a)(b)(c)}

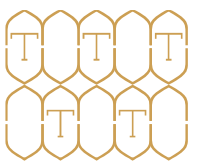


- (a) Debt adjusted for EARC balance debt of Rs. 130 crs which would be waived off in FY24 on following the repayment schedule
- (b) Debt adjusted for EARC balance debt of Rs. 34 crs which has been converted to equity in Apr-21
- (c) Debt includes interest bearing trade deposits which is a part of Other Financial Liabilities

Debt as of 30-Jun-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
- 81% of EARC Term Loan is repayable in FY24 → Rs. 54 crs to be repaid in FY23



Significant volume growth over pre-Covid levels

...strong start to FY23



Volume (lacs cases)

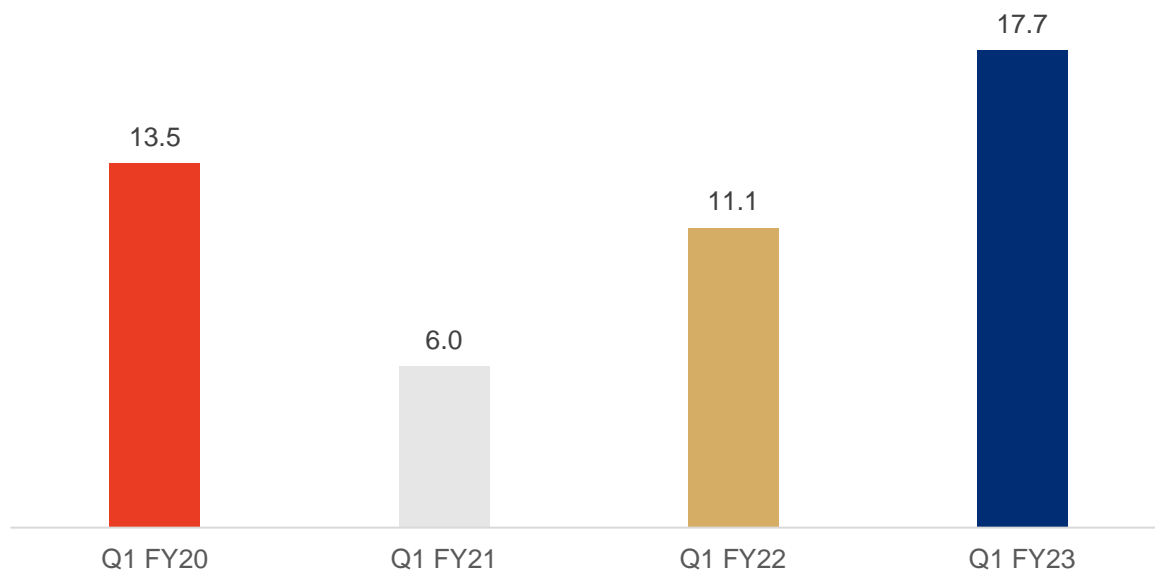
71%

41%

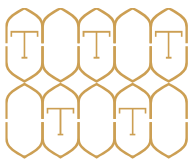
64%

91%

Q1 volumes as % of preceding quarter i.e. Q4 of previous financial year



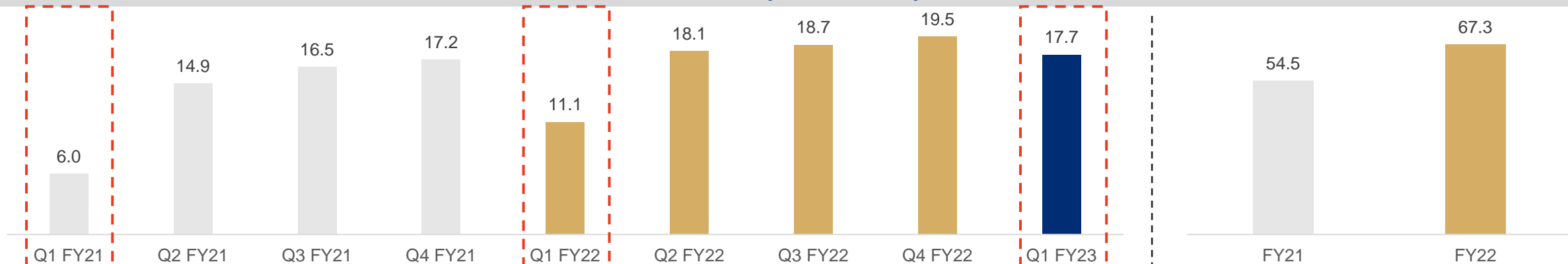
- Volumes have significantly surpassed pre-Covid levels
- Q1 FY23 vs. Q1 FY20:
 - Overall volumes ↑ 31%
 - MHB volumes ↑ 37%



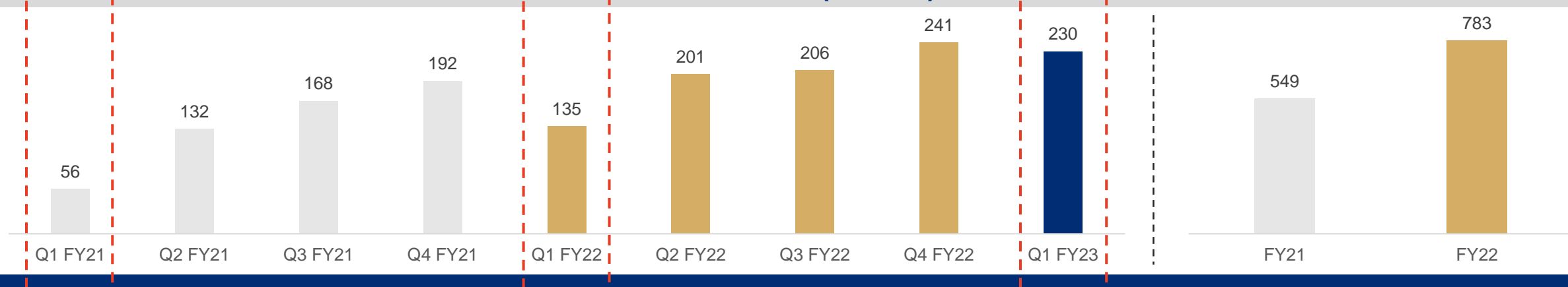
Operational highlights (1/2)

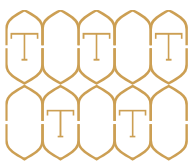


Volume (lacs cases)



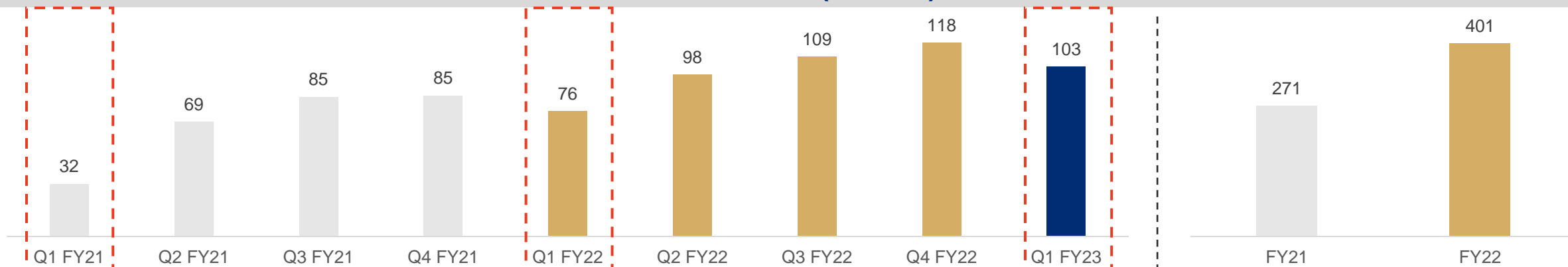
Net Revenue (Rs. Crs)



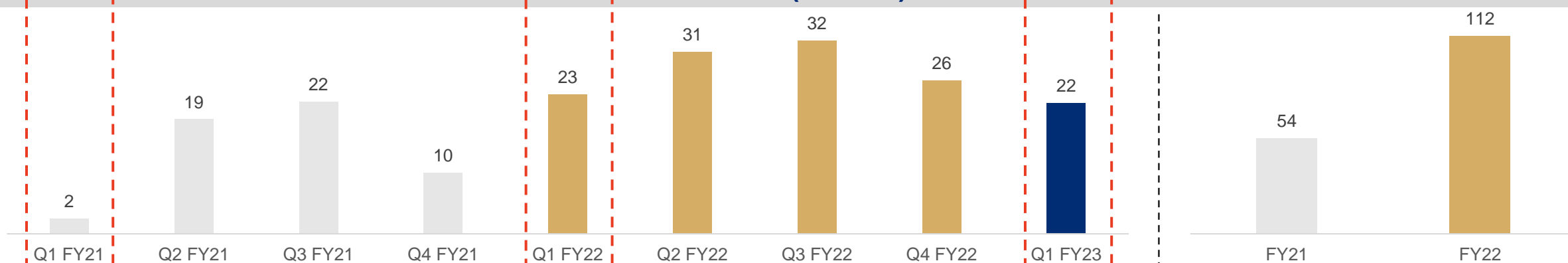


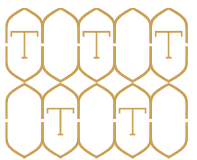
Operational highlights (2/2)

Gross Profit (Rs. Crs)



EBITDA (Rs. Crs)



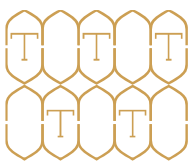


Management commentary

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



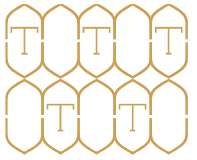
- ❑ As expected, the inflationary headwinds persist
 - While we expect these headwinds to abate in the medium term, we estimate that these pressures will persist in the immediate short term; over the next quarter or two
 - Q1 FY23 saw significant pressures on raw material costs as well as packaging material costs
- ❑ As mentioned in our earnings presentation for Q4 FY22, we are adopting multiple mitigation strategies including focus on profitable brands, favorable product & regional mix, cost optimization efforts and improved productivity
 - In addition, we also expect some price increases coming along industry-wide, which will help us lessen the impact of inflation
- ❑ Our focus on brandy and innovation continues
 - In June 2022, we launched India's first premium flavoured brandy under our flagship brand Mansion House, thereby opening doors to a new segment of young and experimental audience
- ❑ In FY23, we have also raised Rs. 85 crs by way of a preferential issue of equity shares and warrants to our long term channel partners in the important southern states of Kerala, Andhra Pradesh and Telangana. This fund raise brings to a close the company's Rs 200 crore capital infusion program
- ❑ In the quarter gone by, we have also reduced our debt by almost Rs. 70 crs and are well on course to become near net debt free by end of FY24; a journey which will be achieved through a mix of internal accruals as well as above mentioned equity fund raise



Extract of Income Statement



(Rs. Crs)	Y-o-Y			Q-o-Q			Y-o-Y		
	Q1 FY23	Q1 FY22	growth %	Q4 FY22	growth %	FY22	FY21	growth %	
Revenue from operations (Gross)	480.5	324.1	48.2%	520.9	-7.8%	1,792.1	1,418.4	26.3%	
Less: Excise Duty	251.0	188.8	32.9%	279.8	-10.3%	1,008.7	869.6	16.0%	
Revenue from Operations (Net)	230	135	69.7%	241.1	-4.8%	783.4	548.8	42.8%	
Other income	0.7	0.2	239.2%	7.8	-91.5%	10.5	11.4	-8.3%	
Total Revenue (I)	230.2	135.5	69.9%	248.9	-7.5%	793.8	560.2	41.7%	
EXPENSES:									
(a) Cost of materials consumed	121.4	63.8	90.3%	120.6	0.7%	378.0	291.3	29.7%	
(b) Purchases of stock-in-trade	0.0	0.0	NM	0.0	NM	0.0	0.0	NM	
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	4.6	-4.4	NM	2.9	62.0%	4.4	-13.9	NM	
(d) Employee benefits expense	8.5	7.1	19.0%	11.7	-27.6%	32.1	25.2	27.5%	
(e) Other expenses	73.3	45.4	61.3%	80.1	-8.5%	256.8	192.1	33.6%	
Total Expenses (II)	207.8	111.9	85.7%	215.3	-3.5%	671.3	494.7	35.7%	
Profit before interest, tax, depreciation and amortisation (I - II)	22.4	23.6	-5.0%	33.6	-33.4%	122.6	65.5	87.1%	
Finance costs	13.3	15.0	-11.4%	15.5	-14.2%	61.9	71.0	-12.8%	
Depreciation and amortisation expense	8.0	8.2	-1.8%	8.1	-0.4%	32.7	33.1	-1.2%	
Profit before tax	1.0	0.4	179.4%	10.0	-89.7%	28.0	-38.6	NM	
<i>Tax expenses :</i>									
(a) Current tax	0.0	0.0	NM	0.0	NM	0.0	0.0	NM	
(b) Tax for earlier periods	0.0	0.0	NM	0.0	NM	-4.0	-0.2	NM	
(c) Deferred tax	0.0	0.0	NM	0.0	NM	0.0	0.0	NM	
Total tax expense	0.0	0.0	NM	0.0	NM	-4.0	-0.2	NM	
Profit for the period	1.0	0.4	179.4%	23.2	-95.5%	45.2	-38.4	NM	



Recent Product Developments

Product Launch



- 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
- Initially launched in Puducherry; other regions to follow
- Can be enjoyed neat, on the rocks, with a single mixer, as the base in a cocktail or as a liqueur

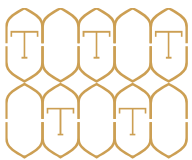
Removal of Monocartons

- ✓ Focus on sustainability
- ✓ Cost saving measure





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:
12 units



Brands across products



Share of Brandy as %
of total volumes

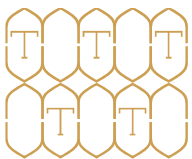


Volumes (in cases)
sold



Share of sales to
South India as % of
total volumes

** All data is for FY22*



We sell millions of cases across India



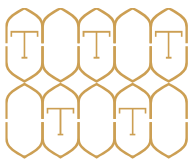
MANSION HOUSE



- ❑ Mansion House is a millionaire brand (more than 5.5 mn cases sold in FY22)
- ❑ Mansion House is the highest selling premium 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)



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

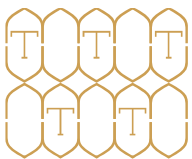
- Focus on repayment of high-cost debt
- Target to become near net debt free by FY24

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

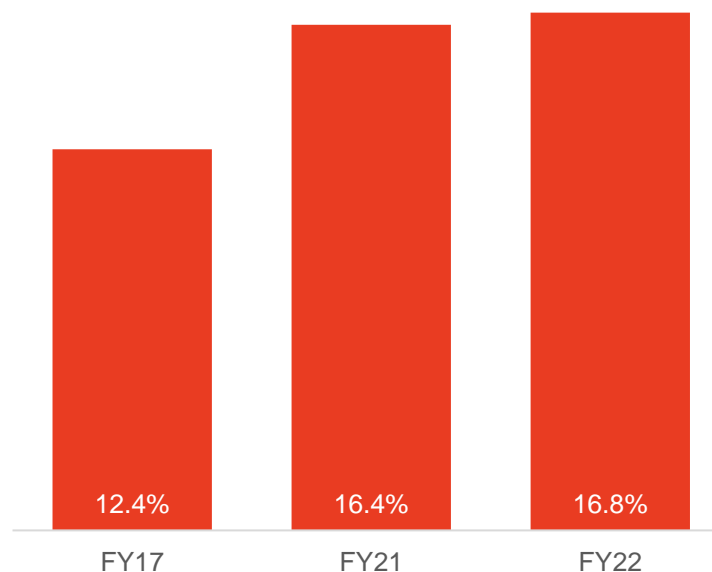


MHB vs. Industry Growth (a)

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

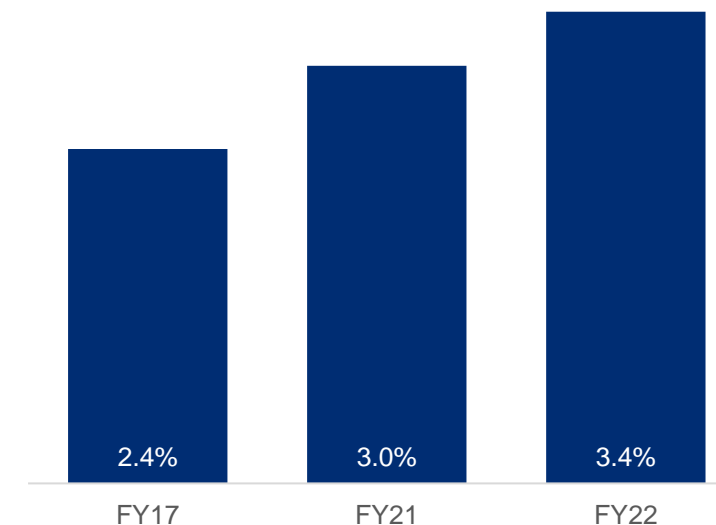
MHB market share as % of brandy (a)

Market share growth of 36% over 6 years



MHB market share as % of IMFL (a)

Market share growth of 41% over 6 years

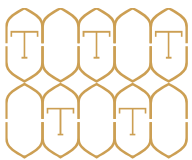


MHB: Mansion House Brandy; 6 year CAGR from FY17 to FY22

(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



FY22 FINANCIALS

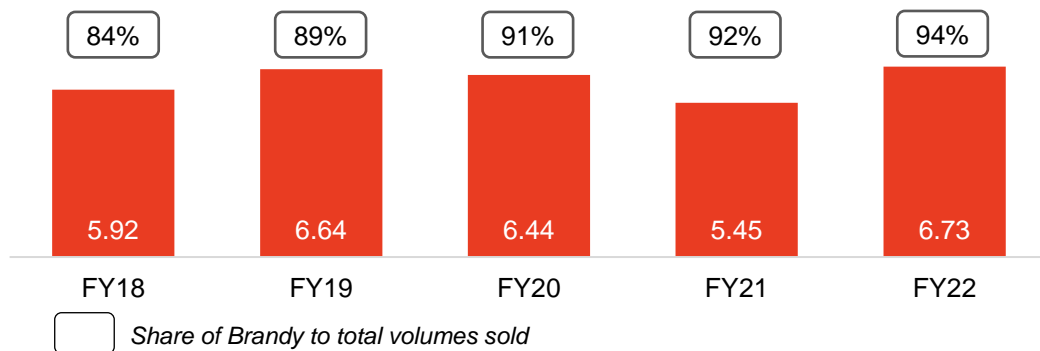


Improving business fundamentals

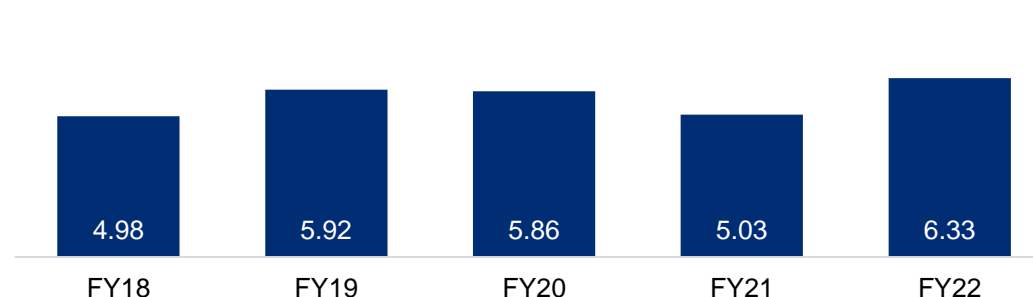
Premiumisation strategy to enhance margins and cash flows



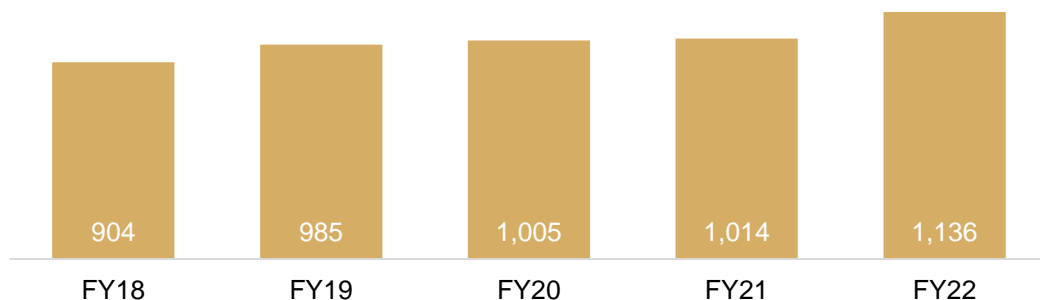
Total Volumes Sold (mn cases)



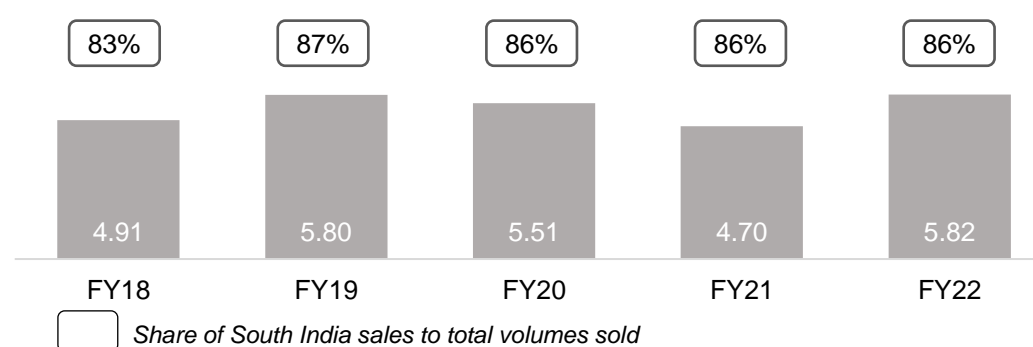
Brandy Sales (mn cases)

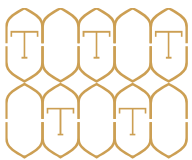


NSR per case (Rs.)



Robust sales in South India (mn cases)



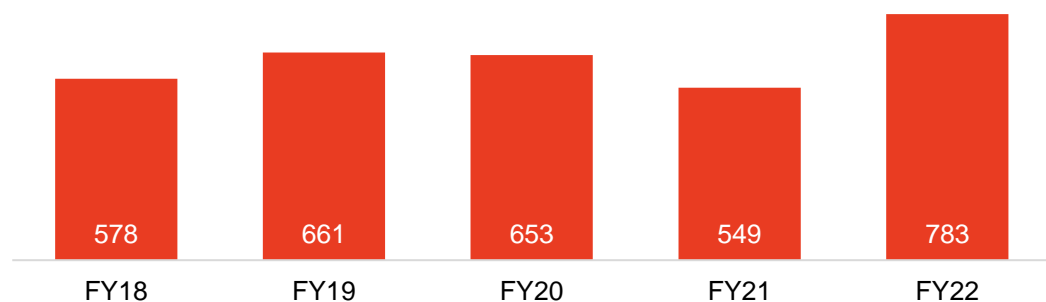


Focus on margins and cashflows

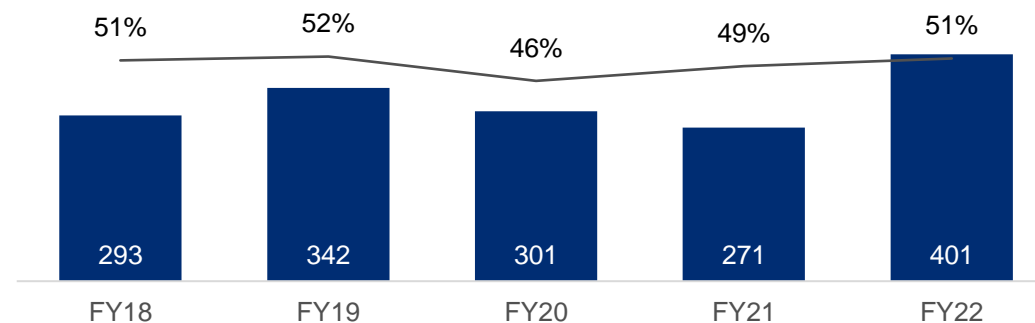


Most of write-offs impacting EBITDA have been undertaken

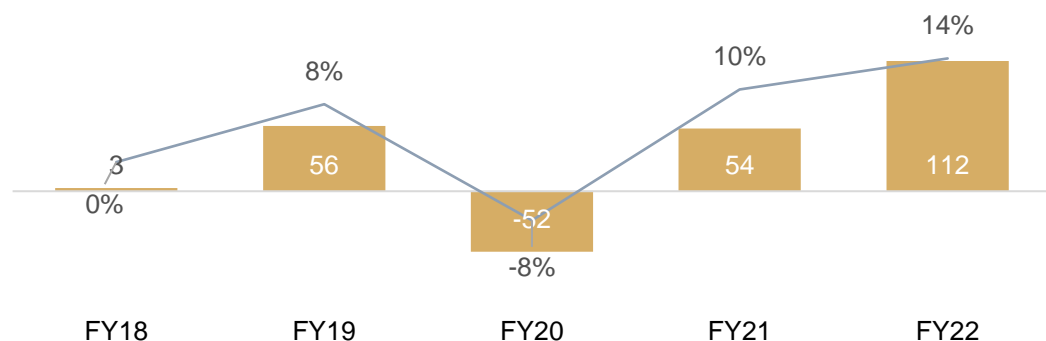
Net Revenues (Rs. Crs)



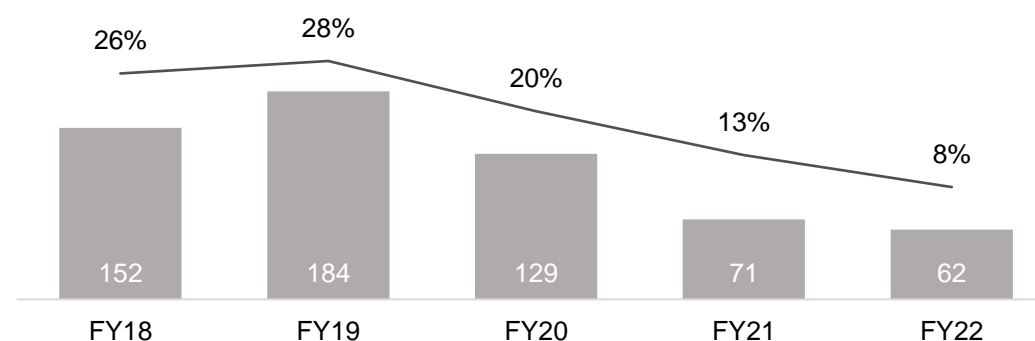
Gross Profit (Rs. Crs) and Gross Margin (%)



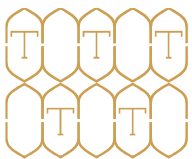
EBITDA (Rs. Crs) and EBITDA Margin (%)



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