



November 10, 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 September 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 September 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 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
E tiliquor@tilind.com

CIN: L15420PN1933PLC133303

Regd. Office: P.O. Tilaknagar, Tal. Shirampur,
Dist. Ahmednagar, Maharashtra - 413 720, India
P +91 (2422) 265 123 / 265 032 **F** +91 (2422) 265 135
E regoff@tilind.com

Web: www.tilind.com



Tilaknagar Industries Ltd.

(BSE: 507205 | NSE: TI)

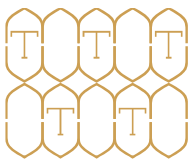


Earnings Presentation

Q2 (Jul to Sep 2022) & H1 FY23



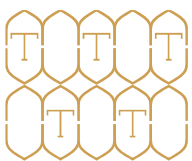
Q2 & H1 FY23 PERFORMANCE



Q2 FY23 – at a glance



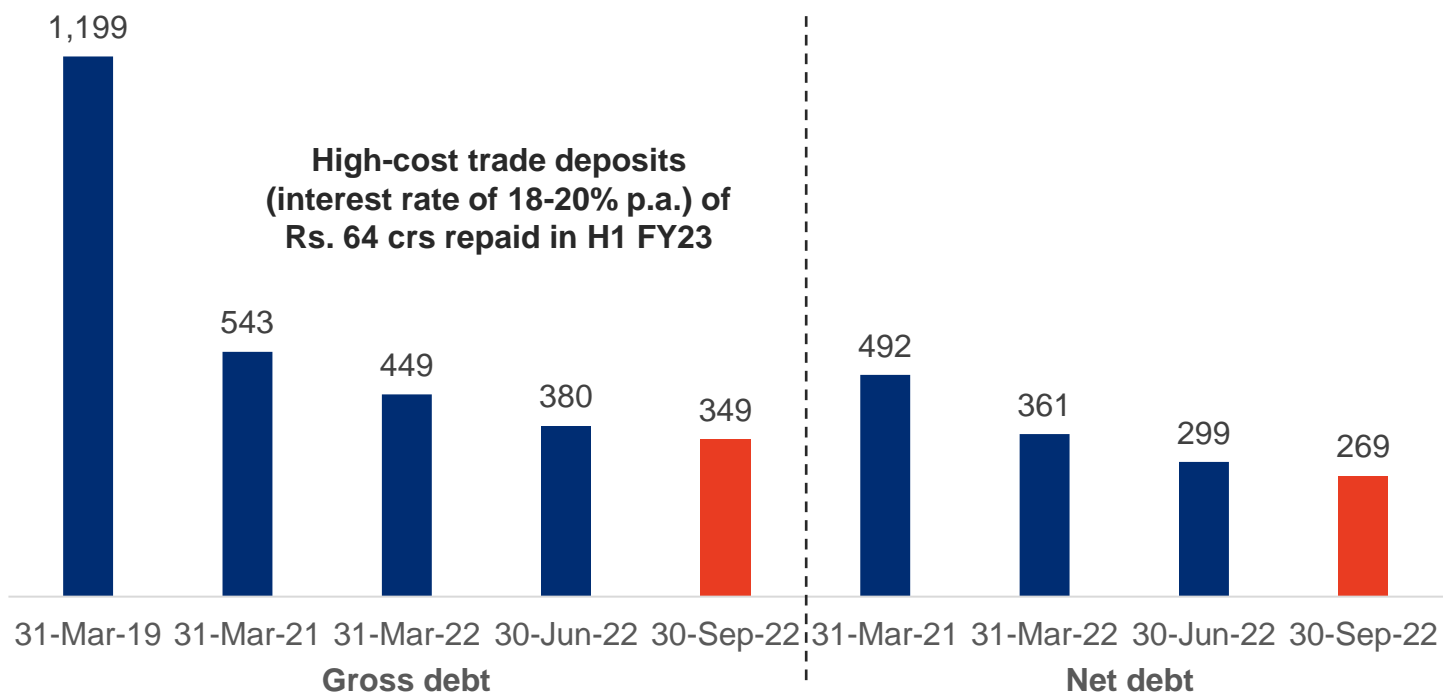
	Q2 FY23	Q2 FY22	Y-o-Y growth	Q1 FY23	Q-o-Q growth	H1 FY23	H1 FY22	Y-o-Y growth
Business performance (in lacs):								
Brandy volumes	22.7	17.0	33.4%	16.5	37.8%	39.2	27.5	42.8%
Others	1.6	1.0	56.9%	1.2	36.0%	2.8	1.7	64.1%
Total volumes	24.3	18.1	34.7%	17.7	37.7%	42.0	29.2	44.0%
NSR (Rs. per case)	1,179	1,081	9.1%	1,157	1.9%	1,170	1,114	5.0%
Financial performance (Rs. Crs):								
Revenue from operations (Net)	274.50	201.11	36.5%	229.55	19.6%	504.05	336.42	49.8%
Gross profit	134.82	98.23	37.2%	103.48	30.3%	238.30	174.18	36.8%
<i>Gross margin (%)</i>	<i>49.1%</i>	<i>48.8%</i>	<i>27 bps</i>	<i>45.1%</i>	<i>403 bps</i>	<i>47.3%</i>	<i>51.8%</i>	<i>-450 bps</i>
EBITDA	31.43	30.54	2.9%	21.72	44.7%	53.15	53.91	-1.4%
<i>EBITDA margin (%)</i>	<i>11.4%</i>	<i>15.2%</i>	<i>-373 bps</i>	<i>9.5%</i>	<i>199 bps</i>	<i>10.5%</i>	<i>16.0%</i>	<i>-548 bps</i>
EBIT	23.21	22.29	4.1%	13.67	69.8%	36.88	37.47	-1.6%
Profit / (Loss) after tax	13.88	11.30	22.8%	1.04	1,240.4%	14.92	11.67	27.8%



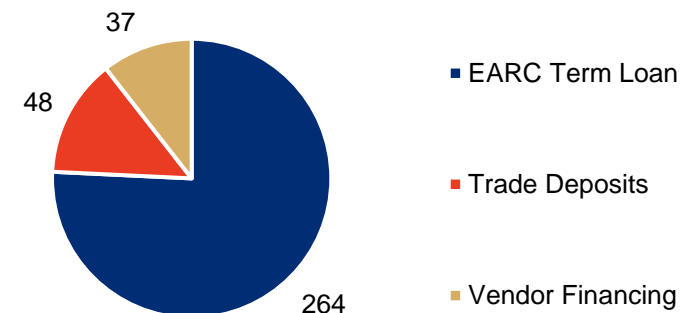
Debt reduction journey...

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

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

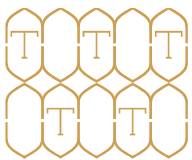


Debt as of 30-Sep-22^{(a)(b)(c)}



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

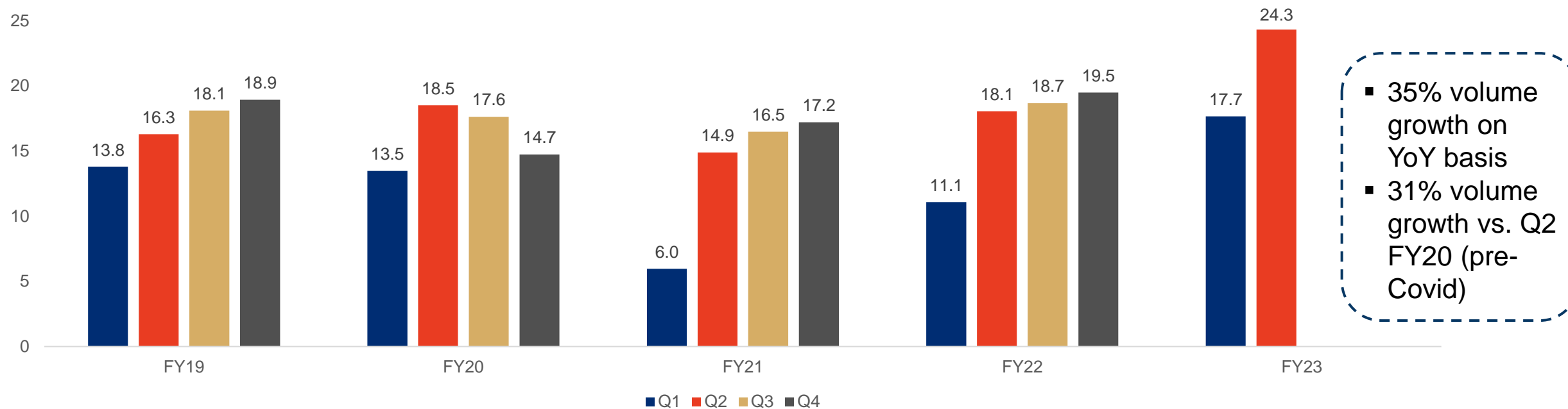
(a) Debt adjusted for EARC balance debt of Rs. 130 crs which would be waived off in FY24 on following the repayment schedule
 (b) Debt adjusted for EARC balance debt of Rs. 34 crs which has been converted to equity in Apr-21
 (c) Debt includes interest bearing trade deposits which is a part of Other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

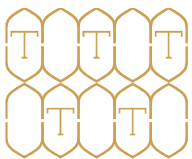


Highest quarterly volumes since FY14



Volume (lacs cases)

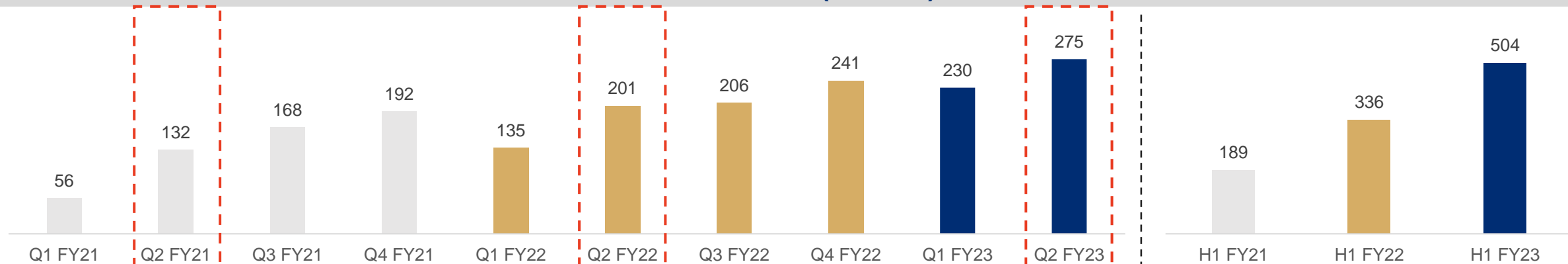




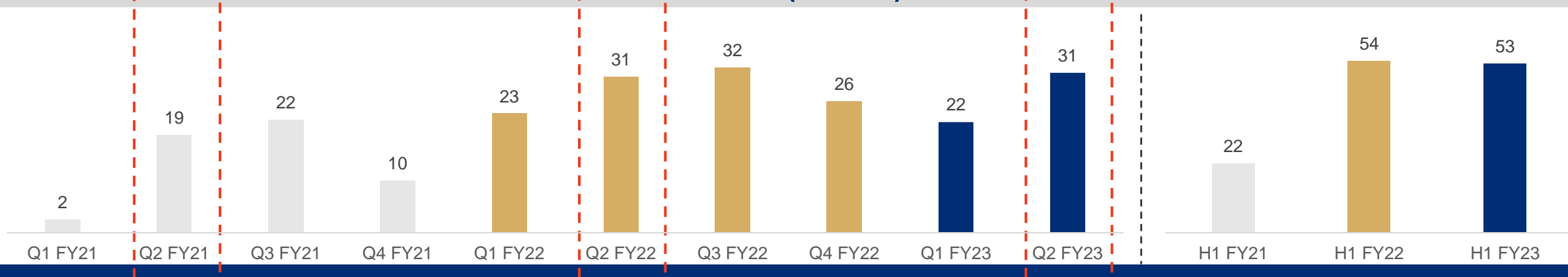
Operational highlights

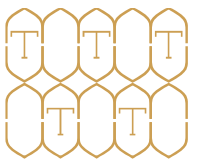


Net Revenue (Rs. Crs)



EBITDA (Rs. Crs)



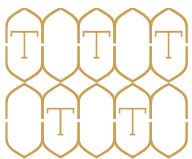


Management commentary



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

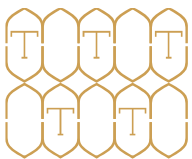
- We are very proud to have delivered a very strong quarter driven by our highest quarterly volumes in the past 8+ years
- While inflationary headwinds persist, we have been able to expand our EBITDA margin compared to Q1 FY23 on the back of regional mix improvement
 - While we expect these headwinds to abate in the medium term, we estimate that these pressures will persist in the immediate short term; over the next quarter or two
 - Our aim is to build on our growth through new product innovations and regional expansions, with an eye on sustainable profitability
- As mentioned in our previous earnings presentation, we continue to adopt multiple mitigation strategies including focus on profitable brands, favorable product & regional mix, cost optimization efforts and improved productivity
 - While certain states have given some price increases, we have seen limited impact of the same, due to our low presence in these states
 - We are hopeful that we will get industry-wide price increases in our key states
- In FY23, we have launched 2 new premium products under the Mansion House family of brands; Mansion House Flavoured Brandy and Mansion House Reserve, with an aim to open up the brandy category to a young, experimental and aspirational audience
- Our debt reduction strategy is also on-track and we expect to be near net debt free by end of FY24
- I am also glad to share that, today, we have announced a preferential issue to raise an amount of Rs. 100 crs from Think Investments



Extract of Income Statement



(Rs. Crs)	Y-o-Y			Q-o-Q		Y-o-Y		
	Q2 FY23	Q2 FY22	growth %	Q1 FY23	growth %	H1 FY23	H1 FY22	growth %
Revenue from operations (Gross)	596.05	445.35	33.8%	480.52	24.0%	1,076.57	769.48	39.9%
Less: Excise Duty	321.55	244.23	31.7%	250.97	28.1%	572.53	433.07	32.2%
Revenue from Operations (Net)	274.50	201.11	36.5%	229.55	19.6%	504.05	336.42	49.8%
Other income	0.59	1.33	-55.7%	0.67	-12.1%	1.26	1.52	-17.5%
Total Revenue (I)	275.09	202.44	35.9%	230.22	19.5%	505.30	337.94	49.5%
EXPENSES:								
(a) Cost of materials consumed	147.51	94.36	56.3%	121.43	21.5%	268.94	158.16	70.0%
(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	-7.83	8.52	NM	4.63	NM	-3.19	4.07	NM
(d) Employee benefits expense	8.98	6.29	42.8%	8.49	5.8%	17.47	13.42	30.2%
(e) Other expenses	94.41	61.41	53.7%	73.28	28.8%	167.68	106.85	56.9%
Total Expenses (II)	243.07	170.57	42.5%	207.83	17.0%	450.90	282.50	59.6%
Profit before interest, tax, depreciation and amortisation (I - II)	32.02	31.86	0.5%	22.39	43.0%	54.40	55.43	-1.9%
Finance costs	9.91	15.83	-37.4%	13.30	-25.5%	23.21	30.84	-24.7%
Depreciation and amortisation expense	8.22	8.25	-0.4%	8.05	2.2%	16.27	16.44	-1.1%
Profit before tax	13.88	7.79	78.3%	1.04	1240.4%	14.92	8.16	82.9%
<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	0.00	-3.52	NM	0.00	NM	0.00	-3.52	NM
(c) Deferred tax	0.00	0.00	NM	0.00	NM	0.00	0.00	NM
Total tax expense	0.00	-3.52	NM	0.00	NM	0.00	-3.52	NM
Profit for the period	13.88	11.30	22.8%	1.04	1240.4%	14.92	11.67	27.8%

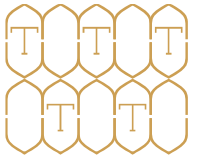


Extract of Balance Sheet



(Rs. Crs)	As at Sep-22	As at Mar-22
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	424.3	438.8
Capital Work-in-Progress	100.3	100.2
Right of Use Assets	2.5	0.2
Other Intangible Assets	0.3	0.3
Financial Assets		
Investments	0.0	0.0
Other Financial Assets	27.0	41.4
Non-Current Tax Assets (Net)	7.1	3.1
Other Non-Current Assets	10.9	9.2
Total Non-Current Assets	572.5	593.3
Current Assets		
Inventories	79.9	72.3
Financial Assets		
Trade Receivables	243.9	236.8
Cash and Cash Equivalents	42.5	42.7
Other Bank Balances	34.1	27.9
Loans	0.0	0.0
Other Financial Assets	10.4	17.0
Other Current Assets	20.9	23.3
Total Current Assets	431.7	420.0
TOTAL ASSETS	1,004.2	1,013.3

(Rs. Crs)	As at Sep-22	As at Mar-22
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	165.9	158.6
Other Equity	61.1	-25.1
Total Equity	227.1	133.5
Liabilities		
Non-Current Liabilities		
Financial Liabilities		
Borrowings	329.5	381.0
Lease Liabilities	2.0	0.1
Other Financial Liabilities	38.7	40.2
Provisions	4.8	4.7
Other Non-Current Liabilities	13.7	14.5
Total Non-Current Liabilities	388.7	440.5
Current Liabilities		
Financial Liabilities		
Borrowings	154.6	204.0
Lease Liabilities	0.6	0.1
Trade Payables	162.7	171.3
Other Financial Liabilities	32.6	17.7
Provisions	24.9	26.3
Current Tax Liabilities (Net)	0.0	0.0
Other Current Liabilities	13.0	19.8
Total Current Liabilities	388.4	439.3
TOTAL EQUITY AND LIABILITIES	1,004.2	1,013.3



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

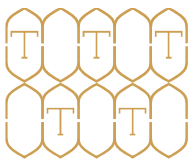
Removal of Monocartons



- ✓ Focus on sustainability
- ✓ Cost saving measure



COMPANY & INDUSTRY OVERVIEW



About the Company

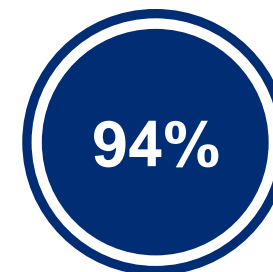
Largest premium brandy manufacturer in India with presence across all segments of IMFL



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



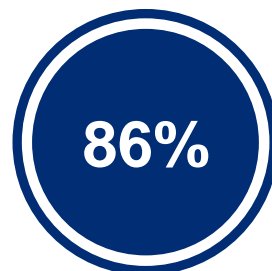
Brands across products



Share of Brandy as %
of total volumes

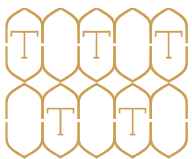


Volumes (in cases)
sold



Share of sales to
South India as % of
total volumes

* All data is for FY22; manufacturing units is as of 10th Nov 2022



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

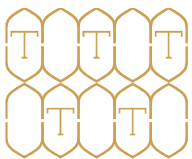


Madiraa XXX Rum



Blue Lagoon Gin Orange

(Note: All MRP for 750ml)



We sell millions of cases across India



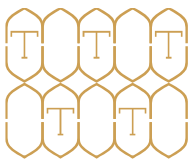
MANSION HOUSE



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

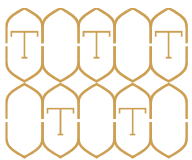
- Focus on repayment of high-cost debt
- Target to become near net debt free by FY24

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

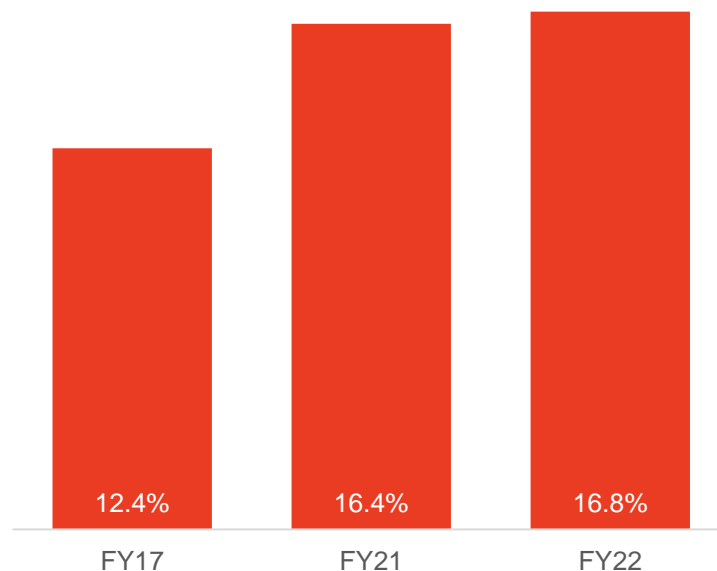


MHB vs. Industry Growth (a)

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

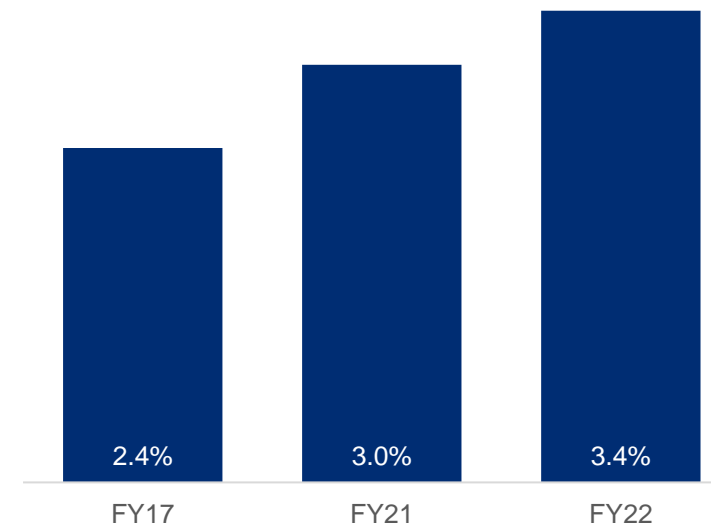
MHB market share as % of brandy (a)

Market share growth of 36% over 6 years



MHB market share as % of IMFL (a)

Market share growth of 41% over 6 years

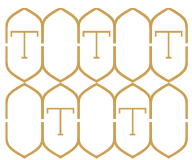


MHB: Mansion House Brandy; 6 year CAGR from FY17 to FY22

(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

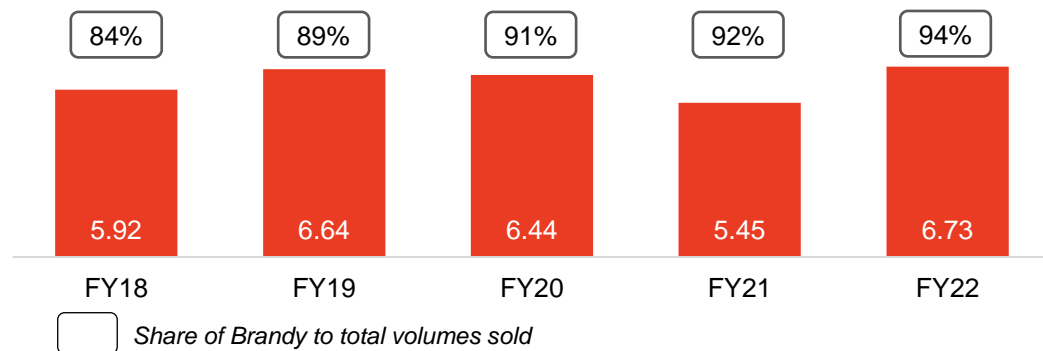


Improving business fundamentals

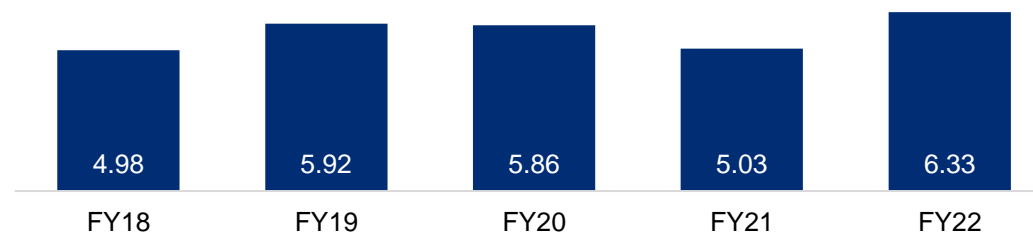
Premiumisation strategy to enhance margins and cash flows



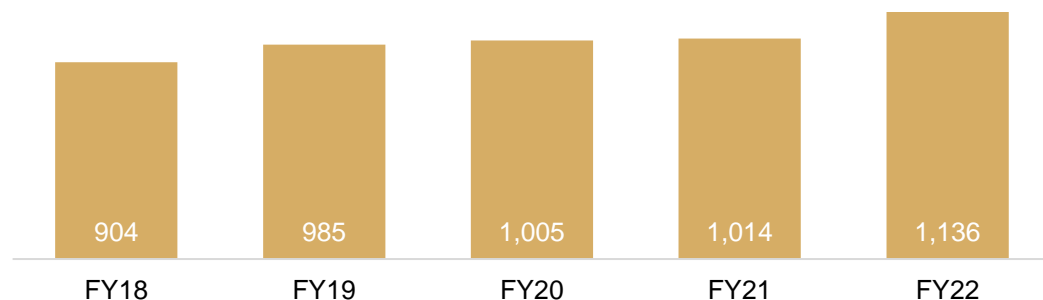
Total Volumes Sold (mn cases)



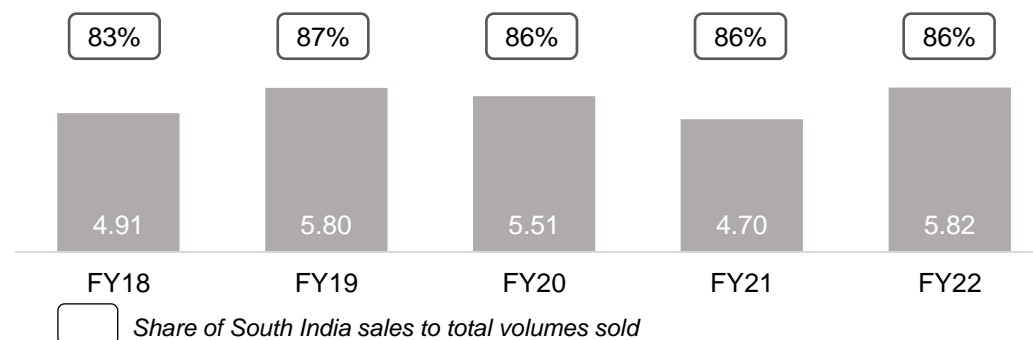
Brandy Sales (mn cases)

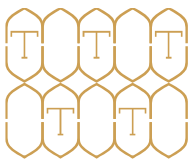


NSR per case (Rs.)



Robust sales in South India (mn cases)



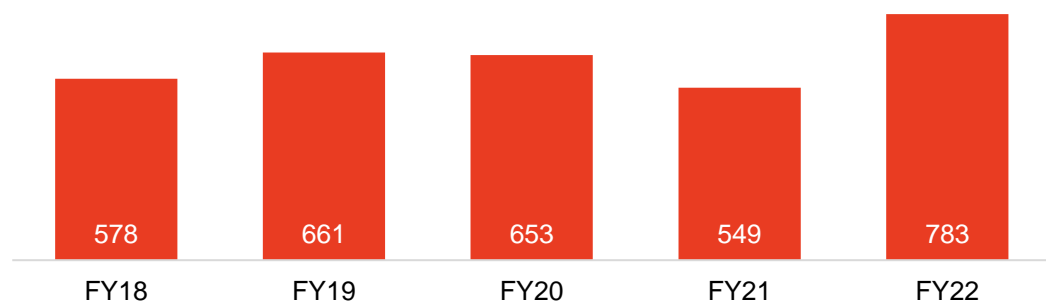


Focus on margins and cashflows

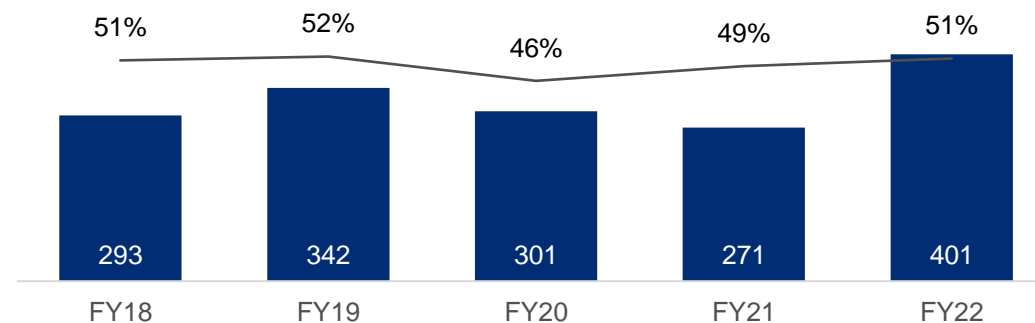


Most of write-offs impacting EBITDA have been undertaken

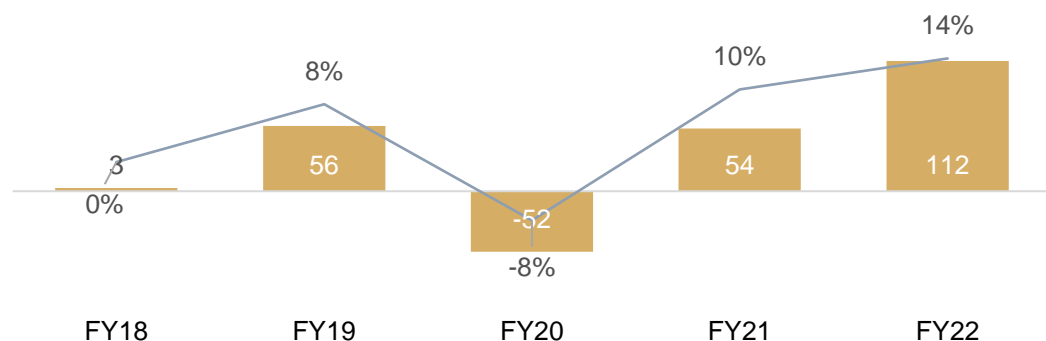
Net Revenues (Rs. Crs)



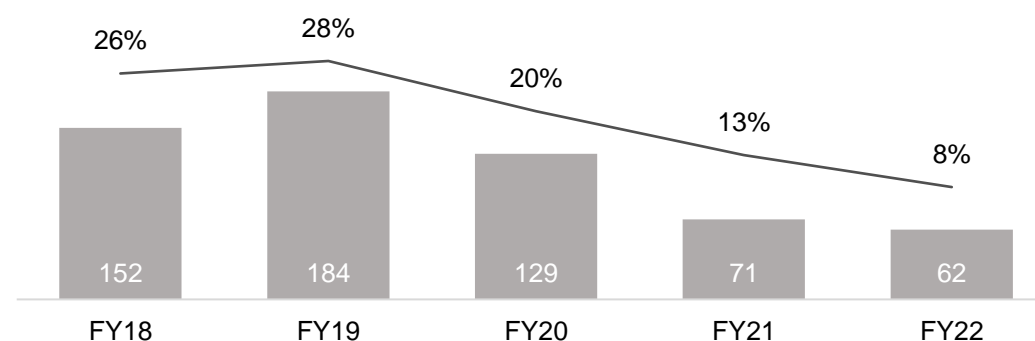
Gross Profit (Rs. Crs) and Gross Margin (%)



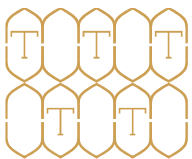
EBITDA (Rs. Crs) and EBITDA Margin (%)



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.



For further information, please contact:

Ameya Deshpande

President – Strategy & Corporate Development

Email: adeshpande@tilind.com



THANK YOU