



May 31, 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 Audited Financial Results for Quarter and Financial year ended March 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 Audited Financial Results for quarter and year ended March 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 & 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.

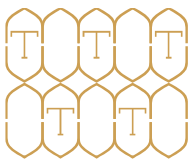
(BSE: 507205 | NSE: TI)



Earnings Presentation
Q4 (Jan to Mar 2022) & FY22



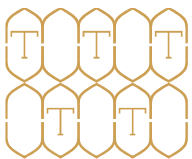
Q4 & FY22 PERFORMANCE



Q4 & FY22 – at a glance



	Q4 FY22	YoY	QoQ	FY22	YoY	
Volumes (cases)	19.5 lacs	↑ 13.3%	↑ 4.4%	67.3 lacs	↑ 23.4%	<ul style="list-style-type: none"> ▪ Highest quarterly volumes in last 7 years ▪ Market share growth in key states (FY21 vs. 22); Telangana – 46% to 49% Puducherry – 7% to 14%
Revenue (Net) (Rs.)	241 crs	↑ 25.3%	↑ 17.1%	783 crs	↑ 42.8%	<ul style="list-style-type: none"> ▪ Driven by growth in NSR per case: Rs. 1,162 for Q4 FY22 (+12% YoY) Rs. 1,136 for FY22 (+12% YoY)
Gross Margin	48.8%	↑ 437 bps	↓ -423 bps	51.2%	↑ 173 bps	<ul style="list-style-type: none"> ▪ Favourable product and regional mix but inflationary pressures on raw material and packaging material costs (especially in H2 FY22) <ul style="list-style-type: none"> – ENA cost per case increased by 10% QoQ – PM cost per case increased by 10% QoQ
EBITDA (Rs.)	26 crs	↑ 151.9%	↓ -20.5%	112 crs	↑ 107.3%	<ul style="list-style-type: none"> ▪ EBITDA has been impacted by a one-time cost of Rs. 1.7 crs, ESOP related costs of Rs. 3 crs

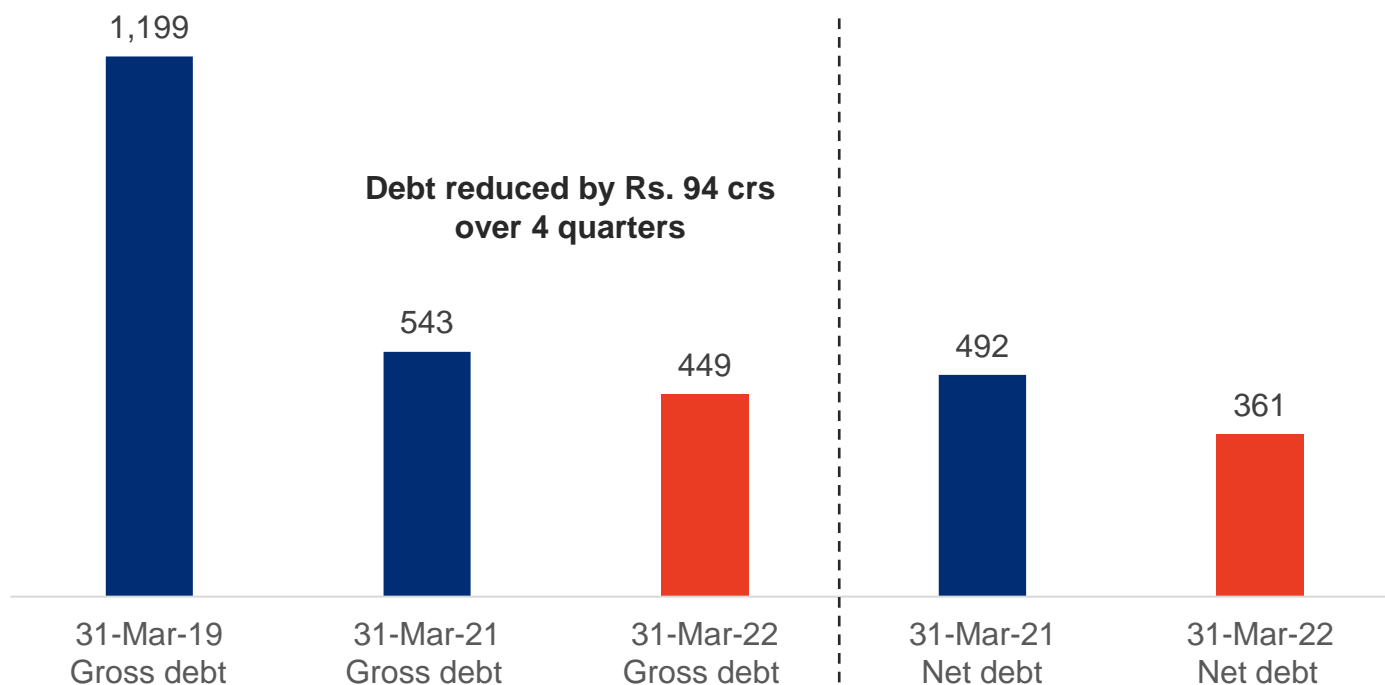


Debt reduction journey...

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

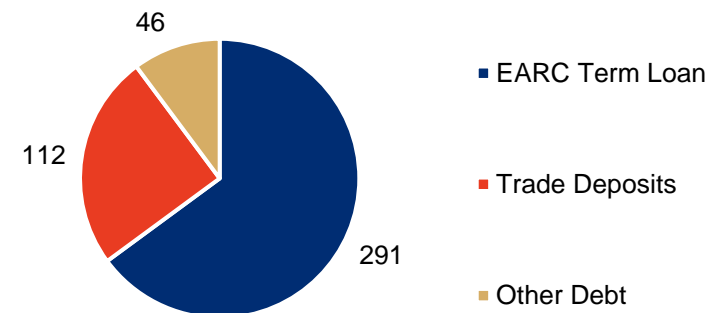


Debt reduction (Rs. Crs)^{(a)(b)(c)}

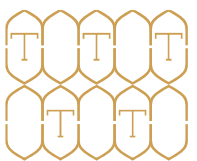


(a) Debt adjusted for EARC balance debt of Rs. 130 crs which would be waived off in FY24 on following the repayment schedule
 (b) Debt adjusted for EARC balance debt of Rs. 34 crs which has been converted to equity in Apr-21
 (c) Debt includes interest bearing trade deposits which is a part of Other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

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



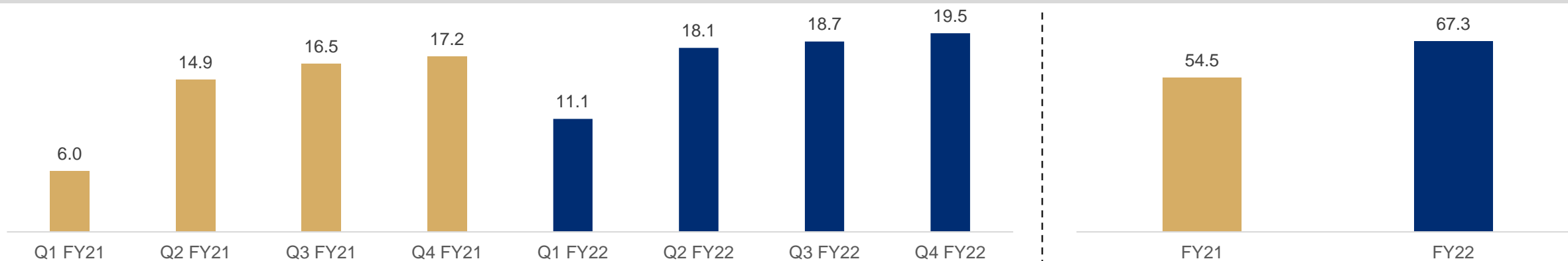
- EARC debt is at 9% p.a.
- EARC balance debt of Rs. 130 crs will be waived off on satisfactory repayment
- 81% of EARC Term Loan is repayable in FY24 → Rs. 54 crs to be repaid in FY23



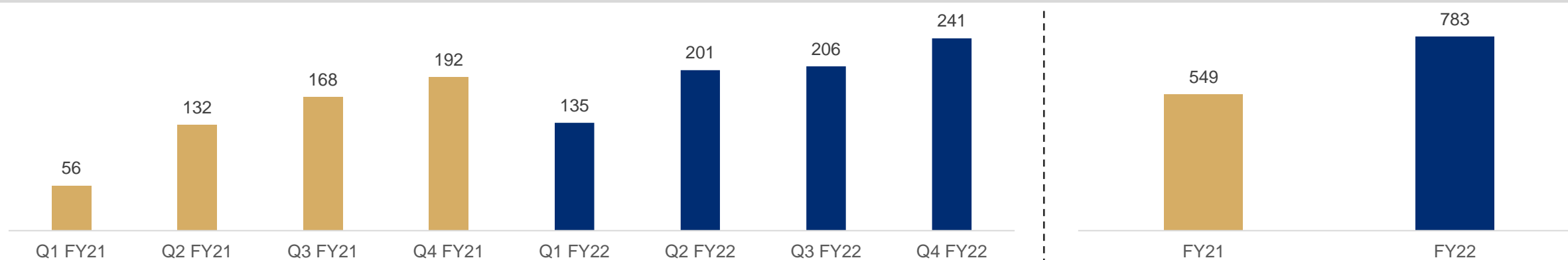
Operational highlights (1/2)

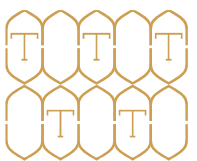


Volume (lacs cases)



Net Revenue (Rs. Crs)

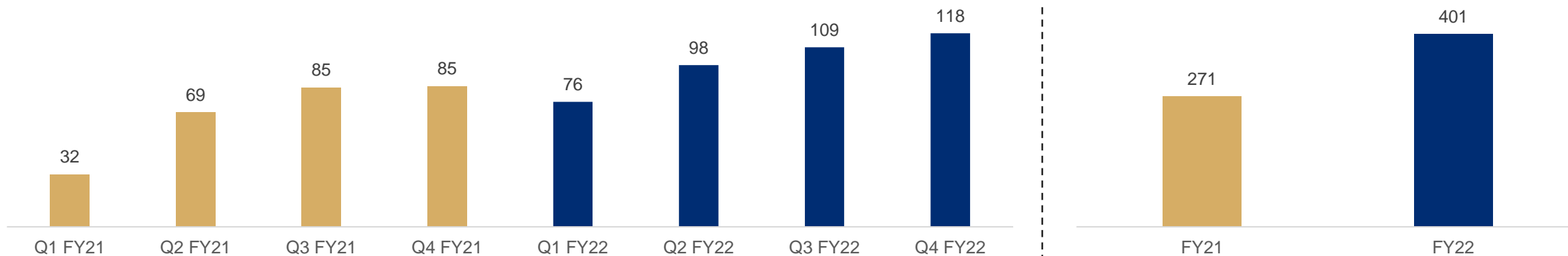




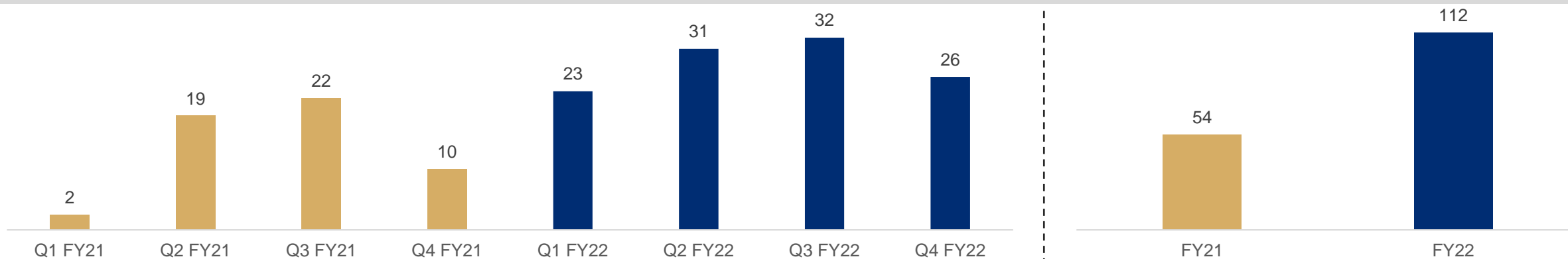
Operational highlights (2/2)

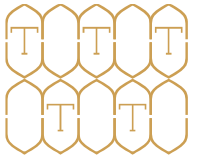


Gross Profit (Rs. Crs)



EBITDA (Rs. Crs)



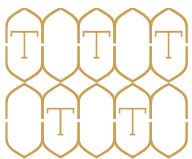


Management commentary



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

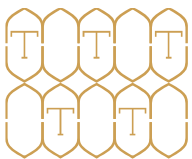
- ❑ The last few months have witnessed significant global supply chain disruptions leading to tremendous inflationary headwinds, which could continue to a varying degree in the immediate future
- ❑ Our mitigation strategies revolve around volume growth, favorable product & regional mix, cost optimization efforts and improved productivity; all of which, we have proven in the recent past
- ❑ Going forward, our aim is to build on our brandy portfolio, by increasing market shares in our existing markets of South India as well as drive growth in nascent brandy markets like East and North East India
- ❑ Moreover, we will also be launching a very innovative product in the brandy space, which will not only be a refreshing introduction for our existing customer base, but will also open doors to a far younger and experimental audience – target being promoting brandy as a category and increasing base for brandy
- ❑ Over the last couple of quarters, we have also become leaner in terms of our balance sheet, having reduced our debt by almost Rs. 100 crs since Mar-21; and are targeting to become a near debt-free Company by Mar-24
 - Our plan, at the beginning of FY22, was to achieve this target through a mix of internal accruals and equity fund raise (of ~Rs. 200 crs); we raised a part of this i.e. Rs. 126 crs in Dec-21
 - In this Board Meeting, we have announced a preferential issue to our long-term channel partners in important southern states of Kerala, AP and Telangana, raising the balance Rs. 85 crs (at Rs. 72 per equity share / warrant) through a mix of equity shares and warrants (convertible within 12 months from date of allotment); thereby bringing to a close the Company's ~Rs. 200 crore capital infusion program
- ❑ Also, happy to share that after a period of 8 years, we have announced a dividend of Rs. 0.10 per equity share



Extract of Income Statement



(Rs. Crs)	Q4 FY22	Q4 FY21	Y-o-Y growth %	Q3 FY22	Q-o-Q growth %	FY22	FY21	Y-o-Y growth %
REVENUE:								
<i>Revenue from operations</i>								
Revenue from operations (Gross)	520.9	441.8	17.9%	501.7	3.8%	1,792.1	1,418.4	26.3%
Other operating income								
Less: Excise Duty	279.8	249.5	12.2%	295.8	-5.4%	1,008.7	869.6	16.0%
Revenue from Operations (Net)	241.1	192.3	25.3%	205.9	17.1%	783.4	548.8	42.8%
Other income	7.8	7.3	6.6%	1.1	600.5%	10.5	11.4	-8.3%
Total Revenue (I)	248.9	199.7	24.6%	207.0	20.2%	793.8	560.2	41.7%
EXPENSES:								
(a) Cost of materials consumed	120.6	102.9	17.2%	99.2	21.5%	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	2.9	4.0	-28.4%	-2.5	NM	4.4	-13.9	NM
(d) Employee benefits expense	11.7	4.4	165.7%	6.9	69.1%	32.1	25.2	27.5%
(e) Other expenses	80.1	70.8	13.2%	69.8	14.7%	256.8	192.1	33.6%
Total Expenses (II)	215.3	182.1	18.2%	173.5	24.1%	671.3	494.7	35.7%
Profit before interest, tax, depreciation and amortisation (I - II)	33.6	17.6	91.2%	33.5	0.2%	122.6	65.5	87.1%
Finance costs	15.5	18.7	-17.2%	15.5	-0.2%	61.9	71.0	-12.8%
Depreciation and amortisation expense	8.1	8.1	-0.3%	8.2	-1.7%	32.7	33.1	-1.2%
Profit before tax	10.0	-9.2	NM	9.8	2.5%	28.0	-38.6	NM
Exceptional item	13.2	0.0	NM	0.0	NM	13.2	0.0	NM
Profit before tax	23.2	-9.2	NM	9.8	137.5%	41.2	-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	-0.2	NM	-0.5	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	-0.2	NM	-0.5	NM	-4.0	-0.2	NM
Profit for the period	23.2	-9.0	NM	10.3	126.5%	45.2	-38.4	NM



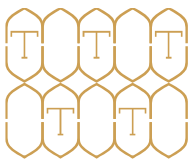
Extract of Balance Sheet



(Rs. Crs)	As at Mar-22	As at Mar-21	(Rs. Crs)	As at Mar-22	As at Mar-21
ASSETS			EQUITY AND LIABILITIES		
Non-Current Assets			Equity		
Property, Plant and Equipment	438.8	467.8	Equity Share Capital	158.6	125.4
Capital Work-in-Progress	100.2	100.1	Other Equity	-25.1	-181.2
Right of Use Assets	0.2	0.4	Total Equity	133.5	-55.7
Other Intangible Assets	0.3	0.4	Liabilities		
Financial Assets			Non-Current Liabilities		
Investments	0.0	0.0	Financial Liabilities		
Other Financial Assets	41.4	29.0	Borrowings	381.0	459.0
Non-Current Tax Assets (Net)	3.1	3.8	Lease Liabilities	0.1	0.1
Other Non-Current Assets	9.2	69.8	Other Financial Liabilities	40.2	60.2
Total Non-Current Assets	593.3	671.3	Provisions	4.7	4.3
Current Assets			Other Non-Current Liabilities	14.5	30.5
Inventories	72.3	72.1	Total Non-Current Liabilities	440.5	554.1
Financial Assets			Current Liabilities		
Trade Receivables	236.8	181.1	Financial Liabilities		
Cash and Cash Equivalents	42.7	44.9	Borrowings	204.0	242.9
Other Bank Balances	27.9	3.2	Lease Liabilities	0.1	0.5
Loans	0.0	0.0	Trade Payables	171.3	148.0
Other Financial Assets	17.0	0.2	Other Financial Liabilities	17.7	73.4
Other Current Assets	23.3	38.7	Provisions	26.3	29.0
Total Current Assets	420.0	340.2	Current Tax Liabilities (Net)	0.0	0.0
			Other Current Liabilities	19.8	19.3
			Total Current Liabilities	439.3	513.1
TOTAL ASSETS	1,013.3	1,011.5	TOTAL EQUITY AND LIABILITIES	1,013.3	1,011.5



COMPANY & INDUSTRY OVERVIEW



About the Company

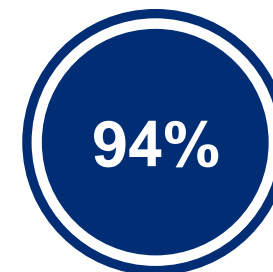
Largest premium brandy manufacturer in India with presence across all segments of IMFL



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



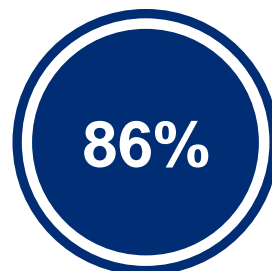
Brands across products



Share of Brandy as %
of total volumes

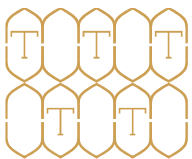


Volumes (in cases)
sold



Share of sales to
South India as % of
total volumes

** All data is for FY22*



We sell millions of cases across India



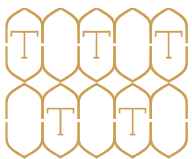
MANSION HOUSE



- ❑ 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
- New launches in coming 1-2 quarters

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

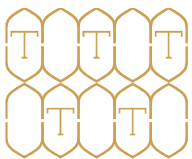
- Focus on repayment of high-cost debt
- Target to become near debt-free by FY24

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

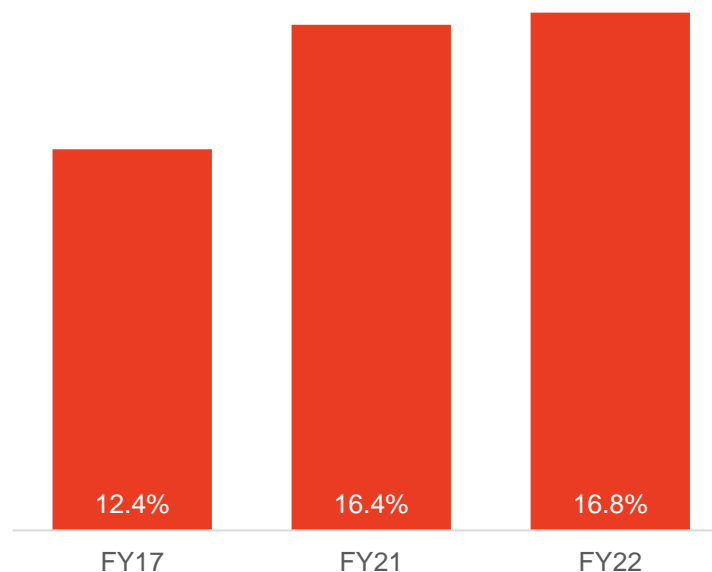


MHB vs. Industry Growth (a)

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

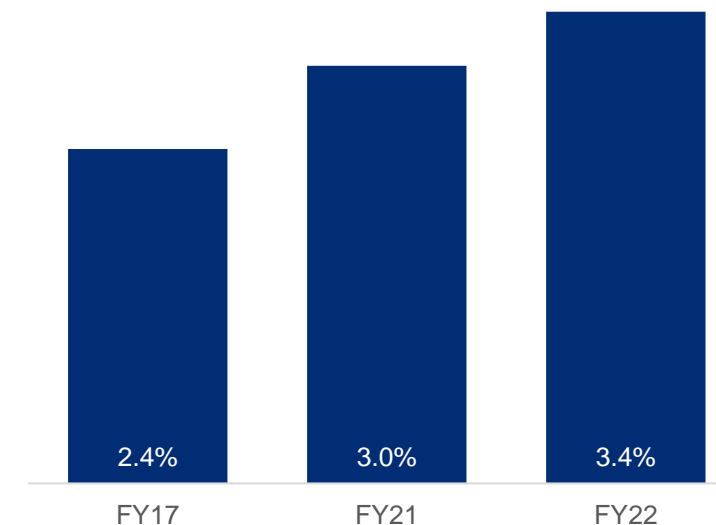
MHB market share as % of brandy (a)

Market share growth of 36% over 6 years



MHB market share as % of IMFL (a)

Market share growth of 41% over 6 years

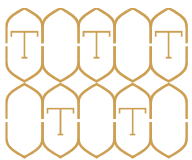


MHB: Mansion House Brandy; 6 year CAGR from FY17 to FY22

(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

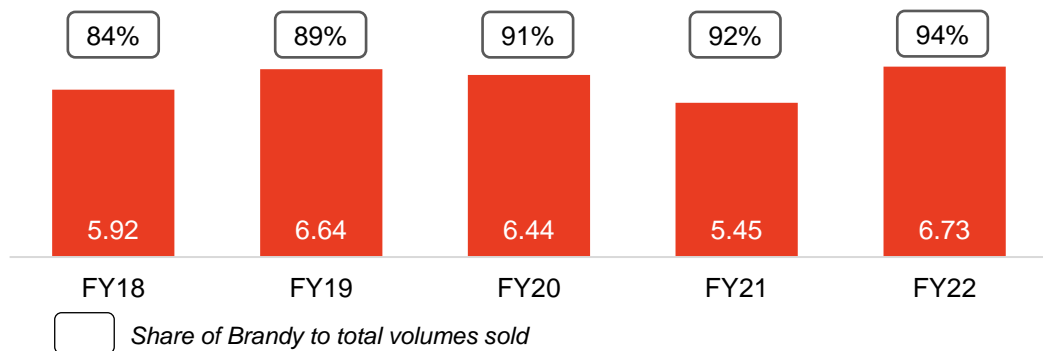


Improving business fundamentals

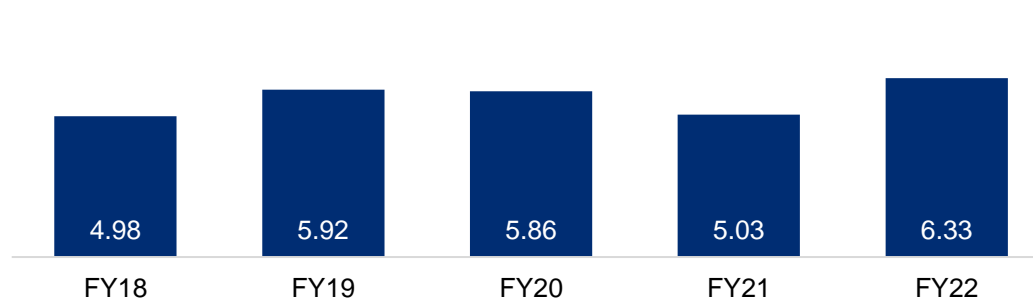
Premiumisation strategy to enhance margins and cash flows



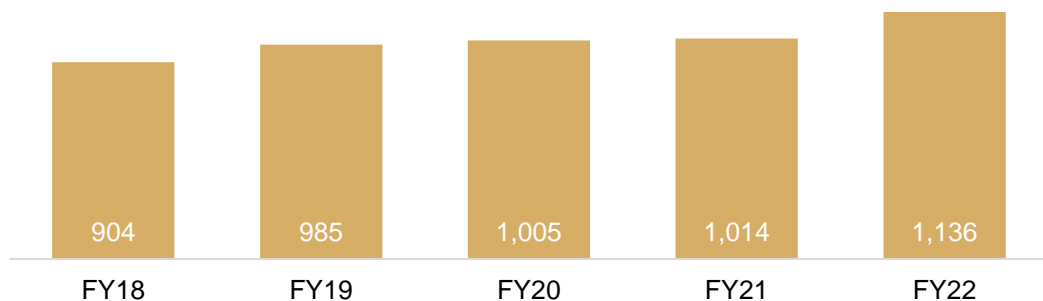
Total Volumes Sold (mn cases)



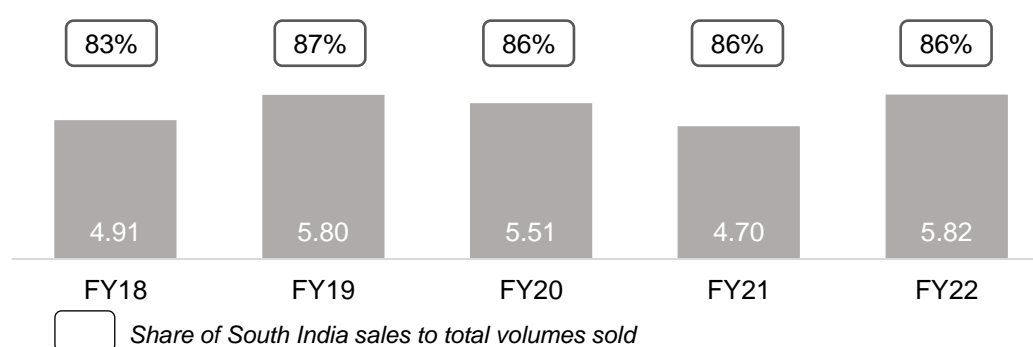
Brandy Sales (mn cases)

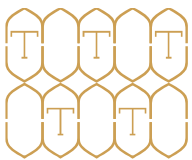


NSR per case (Rs.)



Robust sales in South India (mn cases)



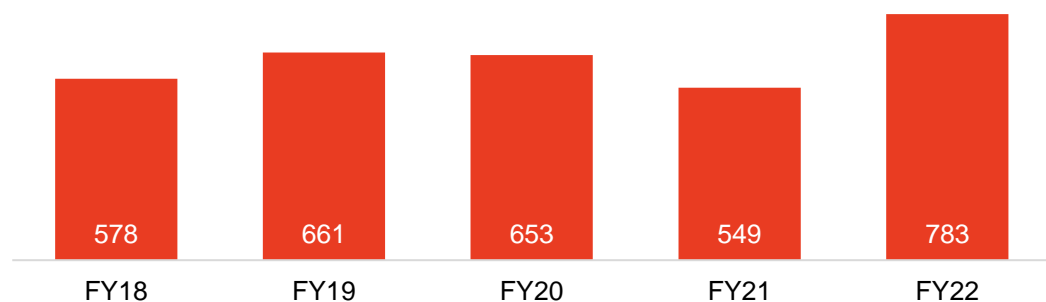


Focus on margins and cashflows

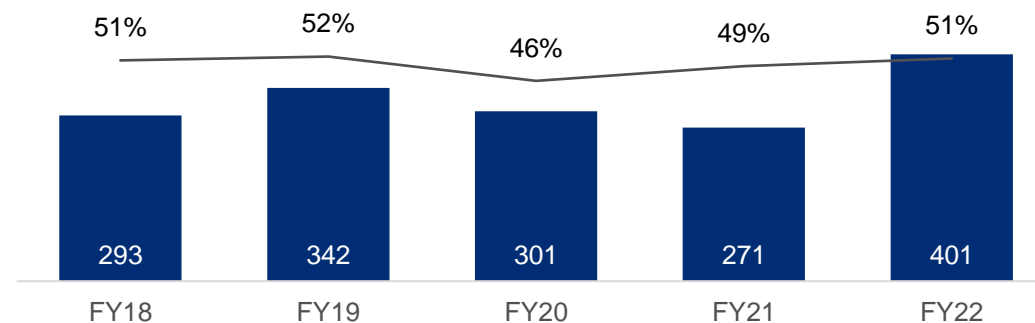


Most of write-offs impacting EBITDA have been undertaken

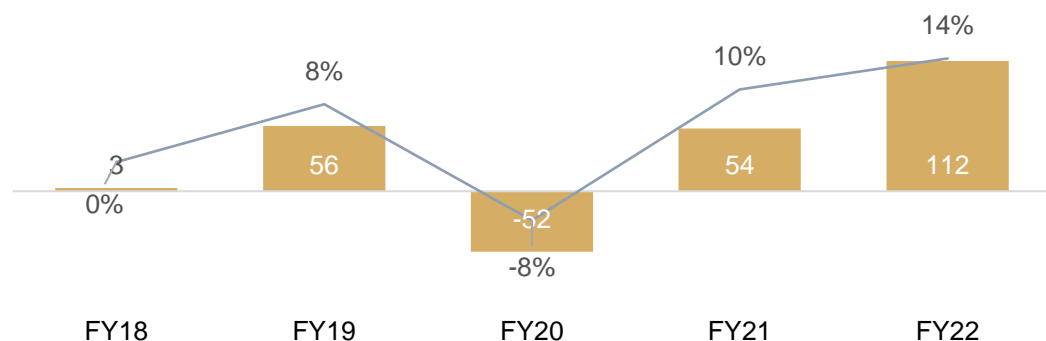
Net Revenues (Rs. Crs)



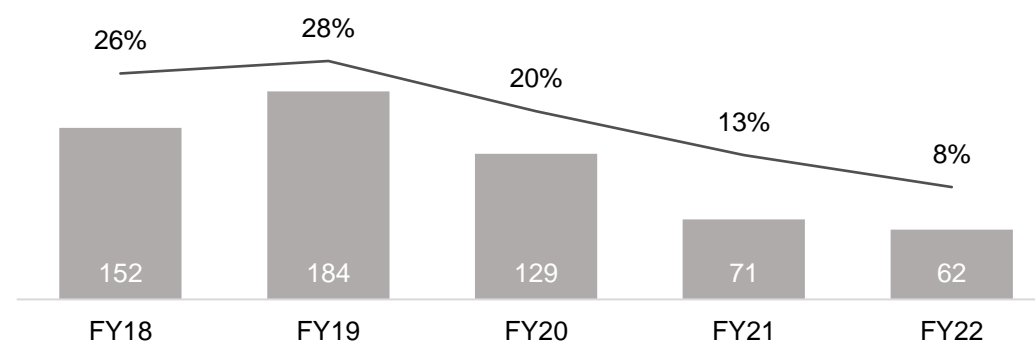
Gross Profit (Rs. Crs) and Gross Margin (%)



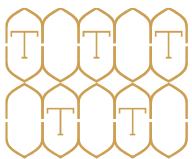
EBITDA (Rs. Crs) and EBITDA Margin (%)



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

Head – Corporate Development & Strategy

Email: adeshpande@tilind.com



THANK YOU