
Tilaknagar Industries Ltd.



Q4 & FY2011 - Investor Presentation



Areas of Discussion

- ☐ Key Perspectives
- ☐ FY2011 & Q4 FY2011 – Financials
- ☐ Financial Snapshot
- ☐ FY2011- Key Balance Sheet Perspectives & Key Ratios
- ☐ FY2011 & Q4 FY2011 – Volumes
- ☐ 5 Year CAGR snapshot
- ☐ Message from the Chairman
- ☐ Company Overview
- ☐ Moving Ahead

Note- All financial discussions are on consolidated results

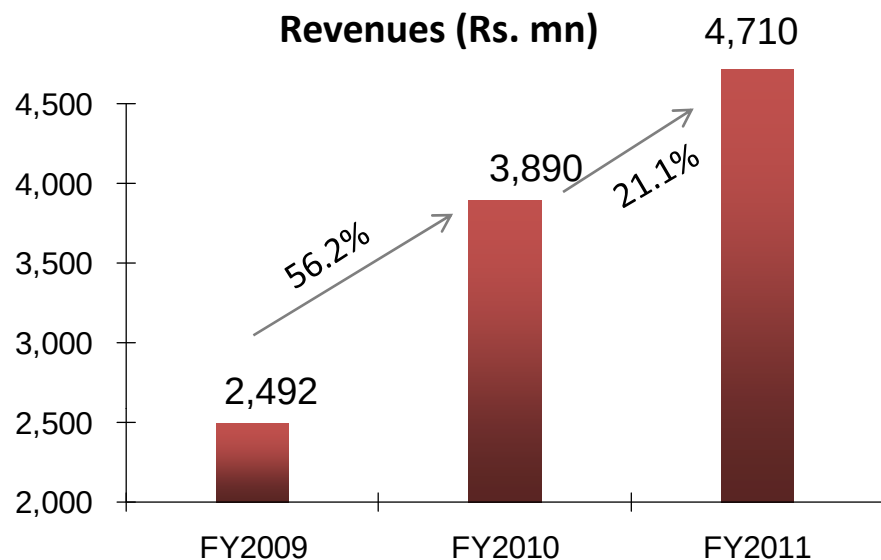


Key Perspectives

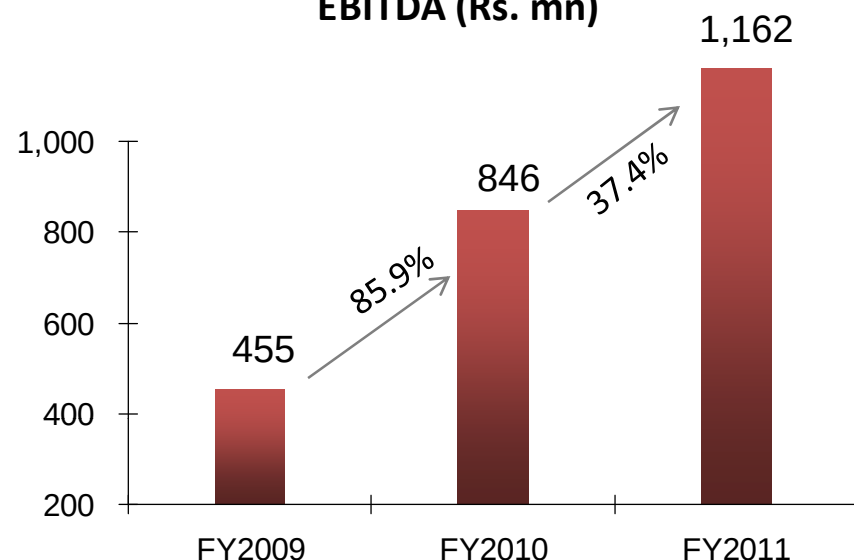
- ❑ A leading player in the Indian Made Foreign Liquor (IMFL) market in India
- ❑ Growth story driven by robust volume performance
- ❑ Brand portfolio of over 40 brands at varied price points catering to all consumption segments
 - ❑ TI's leading millionaire brands 'Madira Rum' and 'Mansion House' Brandy are amongst the fastest growing brands
 - ❑ Commitment towards induction of new brands to the product range
 - ❑ Premiumisation of brands is one of the key growth drivers, going ahead
- ❑ Dominant presence in South India; steadily increasing pan India presence with mapped and strategic expansion in new geographies in domestic and international markets
- ❑ 11 brands registered with CSD (Canteen Stores Department) give TI a competitive edge; Rapid increase in CSD volumes expected to sustain in the future too
- ❑ TI to reap benefits of its expanded capacities and newly commenced grain based facility

FY2011 - Financials

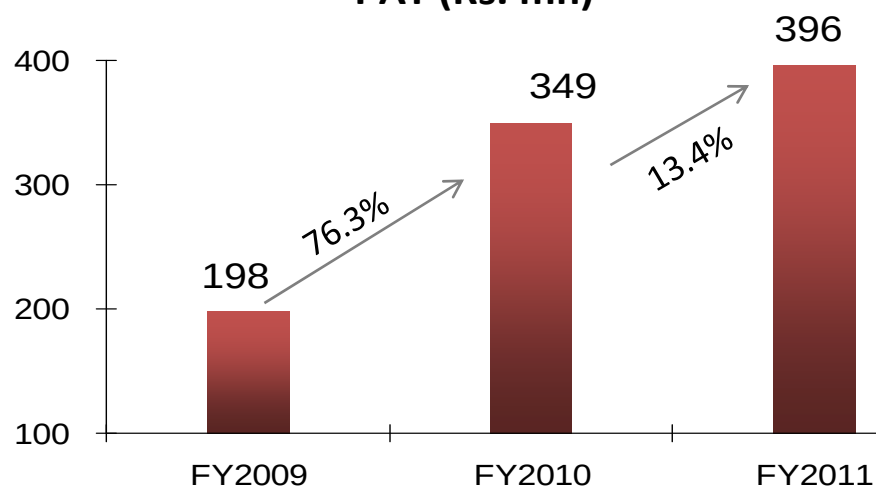
Revenues (Rs. mn)



EBITDA (Rs. mn)



PAT (Rs. mn)



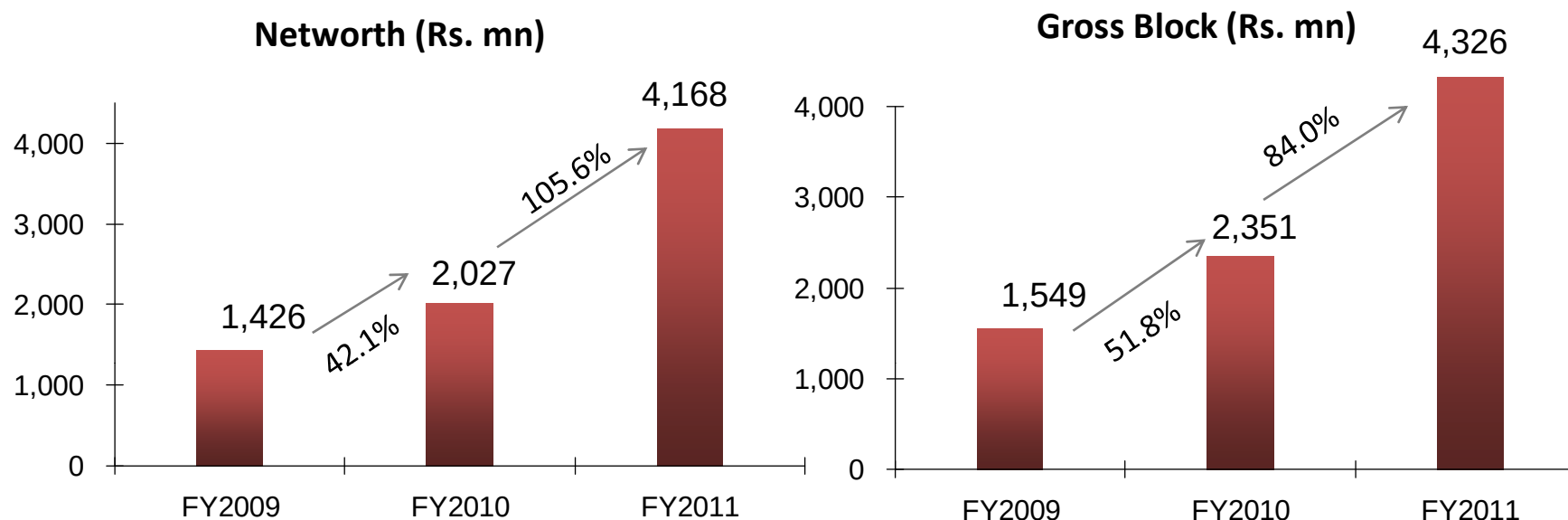
- Strong volume growth on the back of increasing consumer demand and expansion of product portfolio
- Brand sales (net) for the fiscal at Rs. 6,967.9 million, with a growth of 29.9% y-o-y
- FY2011 earnings moderately impacted by increasing prices of key packaging material- glass, along with one-time investment in 'Family shaped bottles'
- Board recommends dividend per share of Rs.0.80 on its expanded capital

Financial Snapshot

(in Rs. million)

Particulars	Q4 FY2011	Q4 FY2010	Shift %	FY2011	FY2010	Shift %
Net Sales	1296.2	1346.6	(3.7)	4683.3	3844.0	21.8
Other Operating Income	1.5	25.4	(94.2)	26.2	45.7	(42.7)
Total Revenues	1297.7	1372.0	(5.4)	4709.5	3889.8	21.1
Expenditure	974.2	996.4	(2.2)	3547.3	3044.1	16.5
EBITDA	323.4	375.6	(13.9)	1162.2	845.7	37.4
PBT	217.3	267.6	(18.8)	643.3	538.6	19.4
PAT	110.7	134.1	(17.4)	395.7	349.0	13.4
Basic EPS	0.91	3.50	(74.0)	3.76	5.90	(36.3)
Diluted EPS	0.87	3.43	(74.6)	3.62	5.76	(37.2)

FY2011 – Key Balance Sheet Perspectives

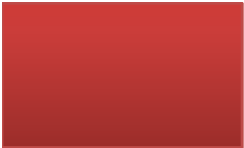


- Networth increased by 105.6% y-o-y to Rs. 4,168 mn in FY2011 augmented by QIP proceeds and Promoters ' contribution
- Gross Block increased by 84.0% y-o-y to Rs. 4,326 mn in FY2011 on account of capacity expansion
 - Net Block increased by 87.5% y-o-y to Rs. 3,881 mn in FY2011

Balance Sheet Snapshot

(in Rs. million)

Particulars	FY2011	FY2010	Shift %
Shareholders Funds	4168.2	2026.8	105.7
Loan Funds	4333.0	4494.4	(3.6)
Deferred Tax Liabilities	199.1	119.5	66.5
TOTAL LIABILITIES	8700.3	6640.7	31.0
Goodwill	86.4	38.9	122.1
Fixed Assets	4545.4	3706.1	22.6
Investments	2.9	2.9	0.0
Net Current Assets	4065.6	2892.9	40.5
TOTAL ASSETS	8700.3	6640.7	31.0



FY2011 – Key Ratios

P&L Ratios

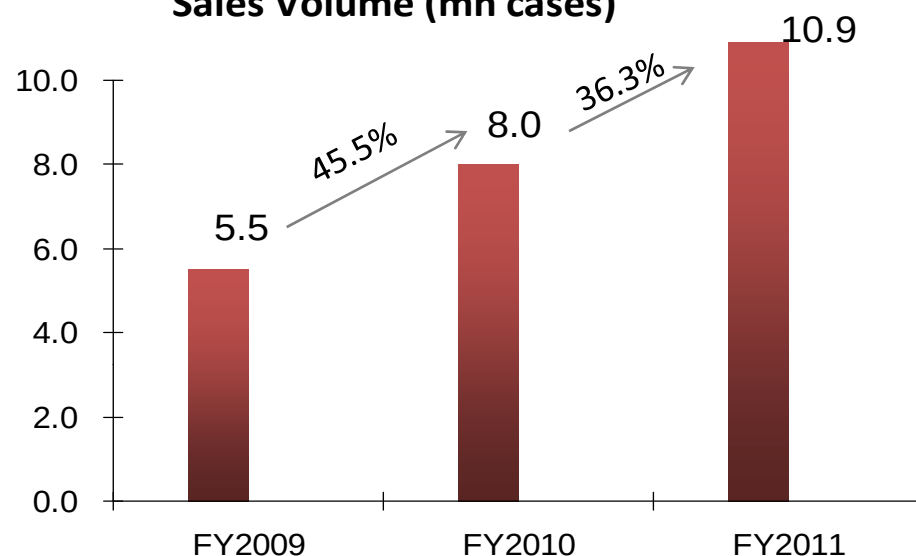
Particulars	FY2011	FY2010
PBT Margin	13.6%	13.8%
Basic EPS (Rs.)	3.76	5.90
Cash EPS (Rs.)	5.00	7.11

Balance Sheet Ratios

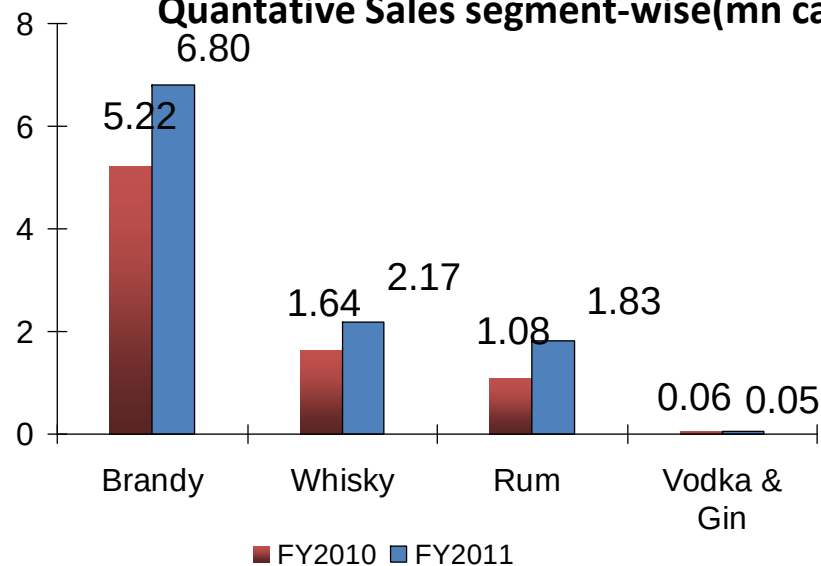
Particulars	FY2011	FY2010
ROCE	11.5 %	28.0 %
Debt-Equity	1.03	2.21

Volumes – FY2011

Sales Volume (mn cases)

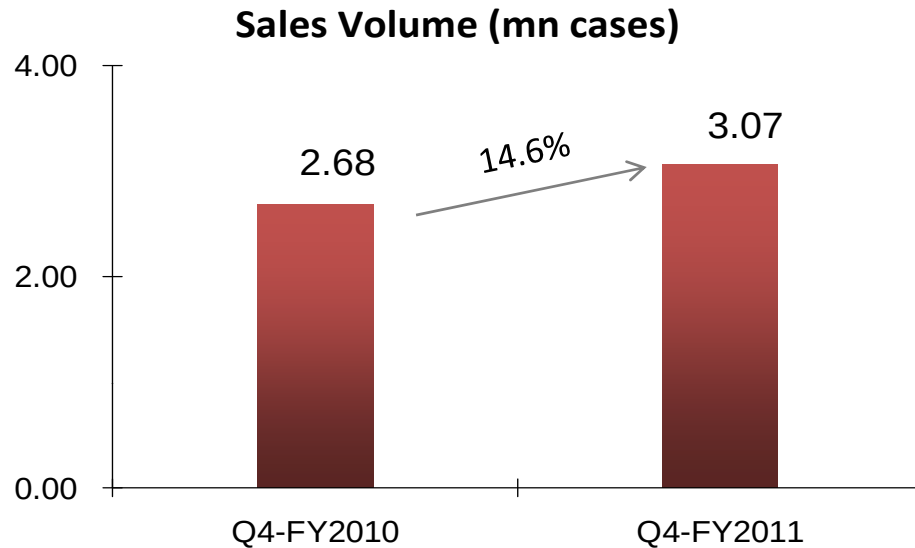


Quantative Sales segment-wise(mn cases)

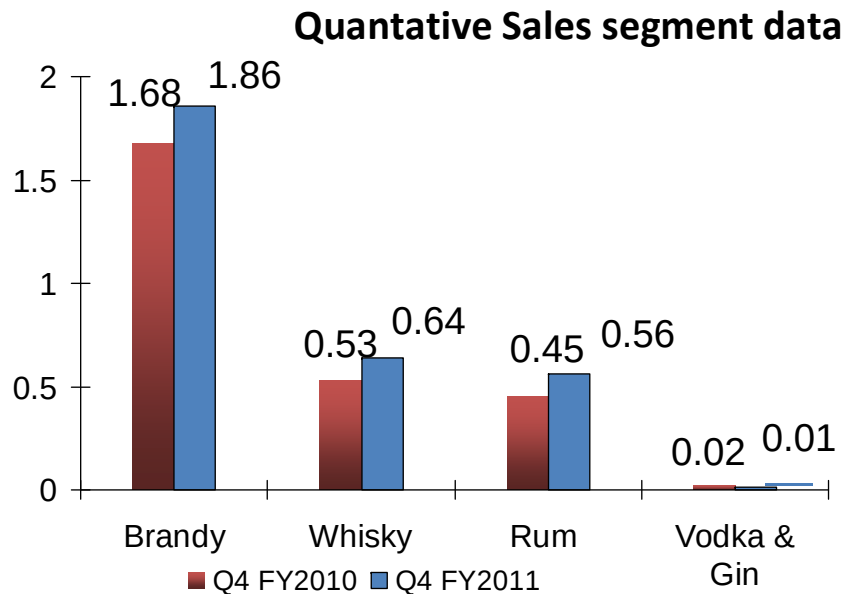


- Volume story intact with increase in sales of existing brands and with new additions/extensions to the portfolio
- Growth momentum in CSD continues to drive volume story
- 2x growth from FY2009
- Flagship Brands: Mansion House and Madira Rum grown by 20% and 25% respectively in FY2011
- Mansion House brandy ranked as No. 1 selling brandy in CSD
- Brandy and Whisky contributed 63% and 20% respectively to TI's total sales in FY2011

Volumes – Q4 FY2011

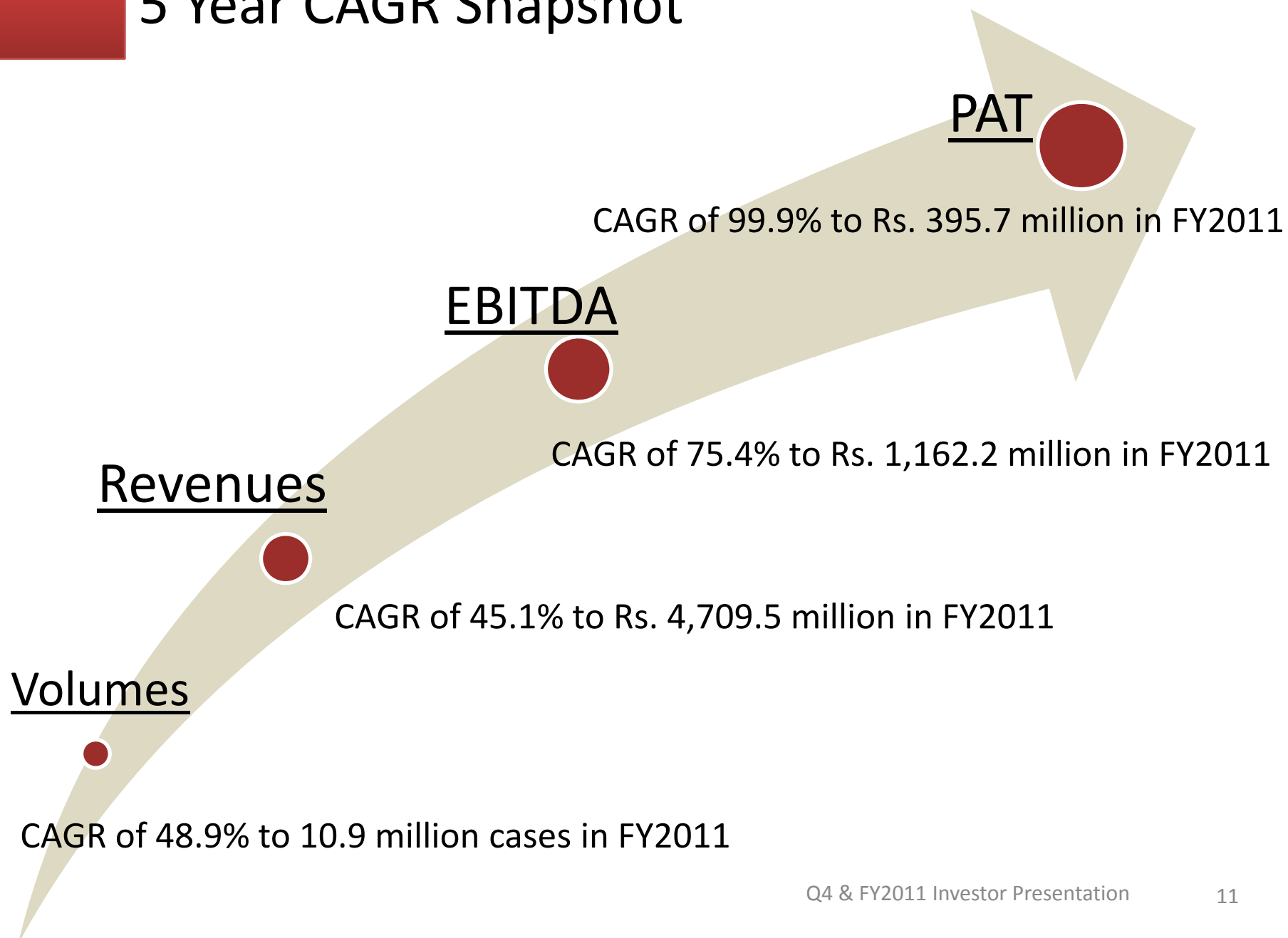


- Healthy volume growth
- 14.6% y-o-y increase in sales volume in Q4 FY2011
- Millionaire brand Mansion House registered growth of 4% y-o-y



- Brandy and Whisky contributed 60% and 21% respectively to TI's total sales in Q4 FY2011
- Rum contributed 18% in Q4 FY2011

5 Year CAGR Snapshot





Message from the Chairman

Commenting on these results, Mr. Amit Dahanukar, Chairman & Managing Director, Tilaknagar Industries Ltd, said: *“I am pleased to share with you, an encouraging set of numbers for FY 2011, driven primarily by our strong volumes. Our performance is a testament to our robust model and strong market position in the IMFL space. We witnessed a healthy increase in our volume growth which was led by our concerted strategy to grow our position in existing geographies and enhance our portfolio at the same time.*

Premiumization of our products is an area where we foresee greater traction in the coming quarters. Moreover, we believe that our investment made towards introducing Family shaped bottles’ for our flagship brand – Mansion House, will yield cost reduction benefits in the coming quarters.

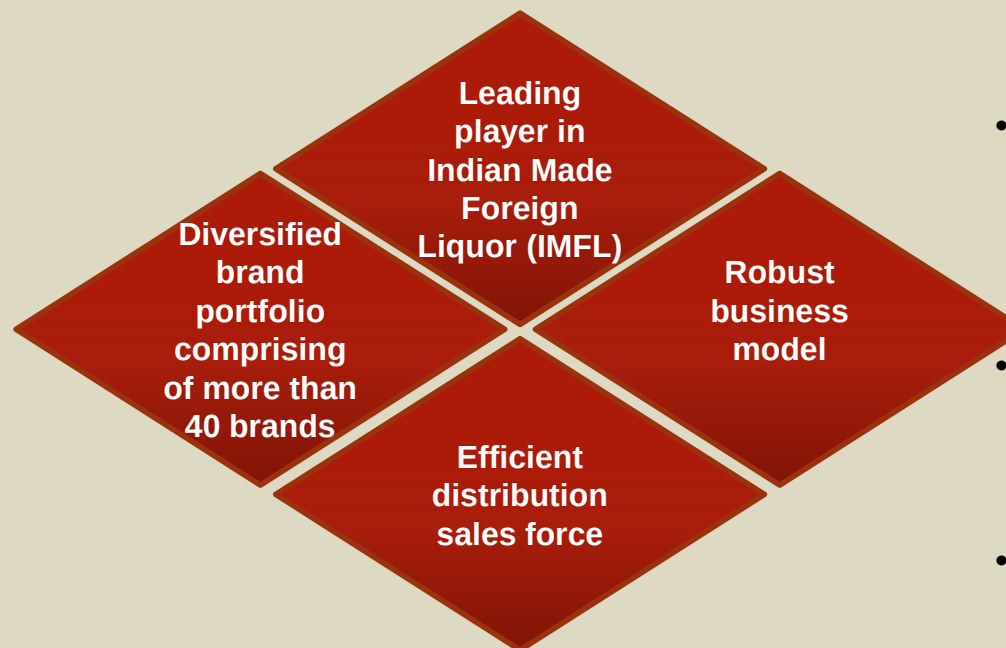
Thus we believe that we've taken the right steps to invest in the long-term health of our business to aggregate greater value for our investors and stakeholders.

For the year ahead, we are focused with our actions directed towards further leveraging our position. Although we do foresee cost led headwinds and moderation in earnings due to inflationary pressures and higher taxes, we are confident that we will continue to deliver volume growth, ahead of the sector.”

Company Overview

- Strong presence Pan India
- Dominance in Karnataka, Andhra Pradesh, Kerala , Tamil Nadu and Pondicherry
- Strengthening the foothold in North and West India

- Brand bouquet of more than 40 brands
- Brand offerings at attractive price points and for varied customers
- Two millionaire brands 'Madira Rum' and 'Mansion House'



- 3 in-house manufacturing (inclusive of 3 subsidiaries), 7 lease arrangements and 21 tie-up units
- Lease arrangements help TI to use all the capacities installed of the lessee in return of lease rentals
- Tie-up arrangements enables TI supply all materials and oversee the blending and bottling operations at these units

- Sales through State Corporation across Delhi, Andhra Pradesh, Karnataka, Kerala
- Distributor channels located in Maharashtra, Goa, Silvassa, West Bengal
- Direct sales through Canteen Stores Department, paramilitary and export



Moving ahead

- ❑ Key initiatives: To drive growth and enhance strength of operations
 - ✓ Prime focus on premiumisation of products
 - ✓ Wide product basket with consistent introduction of new brands across segments
 - Recent launch of premium quality product - 'Crown Prince brandy' in Tamil Nadu, further roll outs in other states across India in FY2012
 - ✓ Gradual expansion on a pan India basis
 - Fortifying foothold in existing markets
 - Tapping new geographies in domestic and international markets
- ❑ Volume growth : Expected to continue ahead of sector
 - ✓ Volume growth expected to continue to be strong driven by
 - Portfolio expansion with commitment towards premiumisation
 - Enhanced penetration in focus markets coupled with controlled foray in new regions
 - Robust growth in CSD vertical



Moving ahead

- ✓ Key headwinds to volume growth are
 - Inflationary pressures
 - Higher taxes
 - Political developments in Southern states

❑ On Financial performance: Growth outlook maintained, margins may moderate

- ✓ Revenue performance will be driven by volume growth
- ✓ Earnings growth will continue, led by key drivers such as:
 - Volume growth
 - Premiumisation of brands
 - Expanded capacities
- ✓ Key headwinds to earnings growth and margins are
 - Increasing glass prices and packaging costs



Moving ahead

- In a recent mandate, companies registered with CSD require at least 30% of the bottles to be packaged in glass. Prior to this, they had the flexibility to package all bottles in PET
 - This is expected to impact the Company, as ~14% of TI's volumes are from the CSD vertical
- Investment in premiumisation of more brands leading to higher branding / marketing expenses
- Higher excise duty
- Higher depreciation and interest due to commissioning of grain based distillery

For further information, please visit www.tilind.com:

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