



ASSOCIATED ALCOHOLS & BREWERIES LIMITED

STRAIGHT UP

INVESTOR PRESENTATION, FEBRUARY 2018

“The process of reshaping of the company from established quality manufacturer to premium value added segment has taken off”

- Tushar Bhandari, *Managing Director*



PROMOTER BACKGROUND



**Promoted by
Mr. Anand Kumar Kedia and
Mr. Prasann Kumar Kedia**

Mr. Anand Kumar Kedia, Chairman - Business Promotion & Development, is a dynamic entrepreneur with rich three-decade industry experience; spearheads the company's strategic initiatives and growth plans

Mr. Prasann Kumar Kedia, Vice Chairman – Operation & Business Development: 22+ years of experience; leads day-to-day operations of business and development.

BOARD OF DIRECTORS



**Tushar Bhandari,
Executive Director**

7+ years of experience; responsible for overall operations and accelerating growth



**Nitin Tibrewal,
Director**

Brings in rich industry experience; focus on brand partnerships, quality and efficiency



**Manish Tibrewal,
Director**

His technical insights drive business efficiency



**Abhijit Nagee,
Director**

Ensures for compliances and corporate governance



**Sanjay Tibrewal,
CFO**

Experience of more than two decades; responsible for value-creation

AABL AT A GLANCE



Our Values

Our core values lie in the high standard of professionalism, fairness and total customer contentment in all deals; delight our clients through commitment and sincerity; provide veracity and integrity to our stakeholders; giving a culture of magnification and opportunities to our employees and spread our wings to keep our environment clean and promote responsible imbibing.



Our Vision

An energetic organization on a long haul is charting a distinct course for customer veneration, led by a disciplined team of vibrant people thus engendering a value for the stakeholders. Our vision is to bring “Cheers to the life” of all stakeholders with our high-quality liquor brands, accommodations, and memorable experiences to engender memorable moments for them, and emerge as the most celebrated liquor manufacturing, distillation, and bottling sector company in India, as well as ecumenically

AABL AT A GLANCE



Our Mission

AABL undertakes to dedicate itself and all its resources to achieving ecumenical excellence in the present sectors of operations and seeking magnification via diversification. Our mission is to bring product excellence, innovation and safe methods of engenderment through research, learning and cognizance upgrade and surpass customer aspirations at an affordable cost. We withal believe in promoting congenial work atmosphere for our employees. We additionally want to grow with along with society by contributing our efforts for its betterment



Dreams

At Associated Alcohols, our dream is to create truly Indian brands for a truly Indian audience. All that I can assure is that we will take our time to get there, will draw from the lessons that the marketplace has taught us over the last decade – and in doing so, enhance value in a sustainable way for all those associated with our company.

AABL OVERVIEW

AABL (incorporated 1989) is flagship company of Rs 10000 mn Associated Kedia Group

Among Central India's leading liquor manufacturers.

State-of-the-art plant housing 25 bottling lines across two sections

Production capacity of 31.4 million litres per annum (monthly packaging capacity 4,50,000 cases).

Known for extra fine triple-distilled grain spirit (feedstock for renowned IMFL brands).

Topline of Rs. 298.13 crore in FY17



AABL'S COMPETITIVE EDGE

Products range: extra neutral alcohol, potable alcohol, grain spirit (extra fine, triple-distilled), rectified spirit, IMIL and IMFL.

Only sectoral player to bottle major premium products in Central India.

Proven manufacturing expertise with highest efficiency level across the industry

Strong proprietary brands



AABL'S VALUE-CHAIN

Entire
range of
potable
alcohols

Indian
Made India
Liquor (IMIL)

High
quality
rectified
spirits (RS)

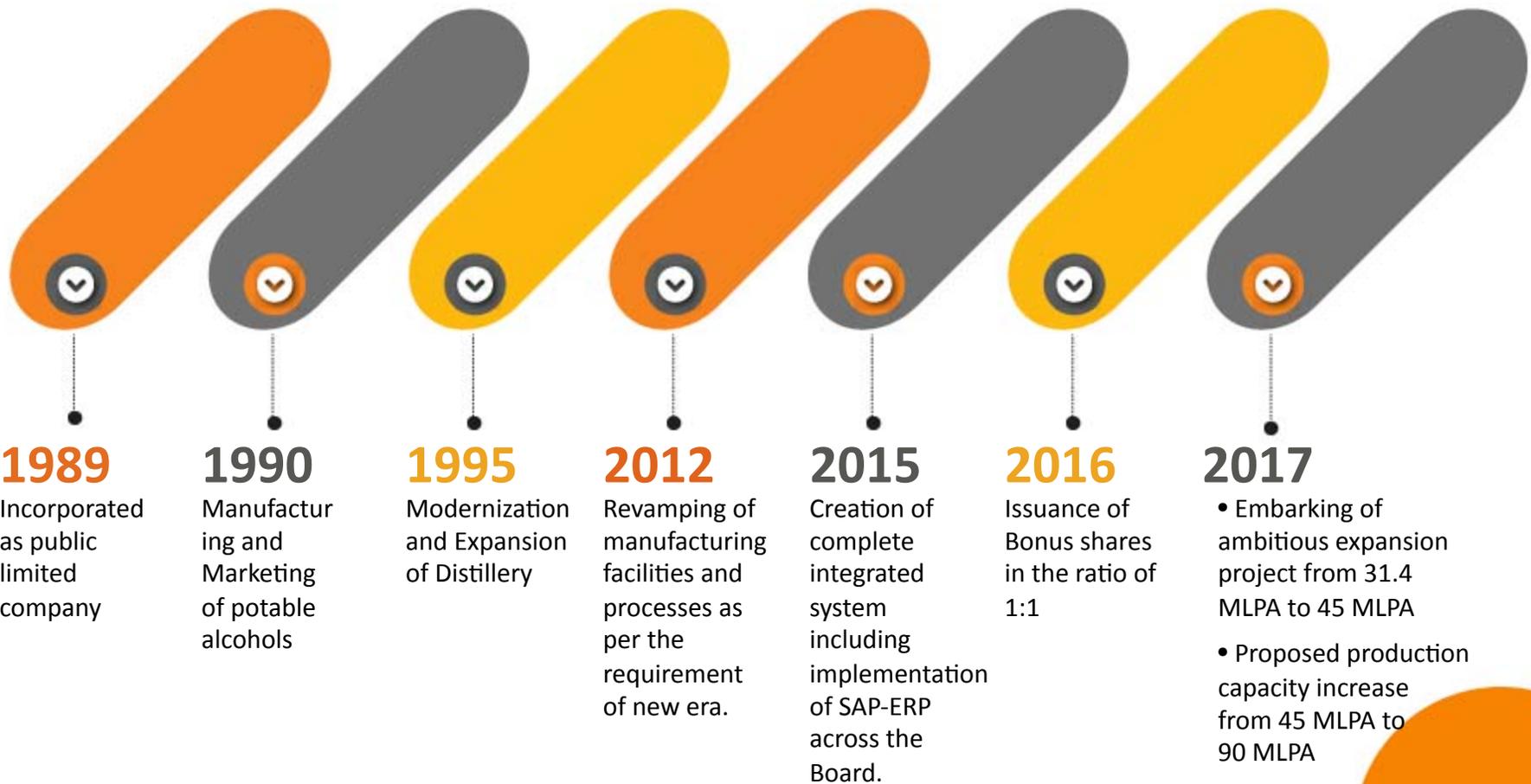
Extra
neutral
alcohol
(ENA)

Extra fine,
triple-
distilled grain
spirit

IMFL
(whiskey,
brandy,
rum, gin
and vodka)

Scotch
whiskey
bottling

MILESTONES

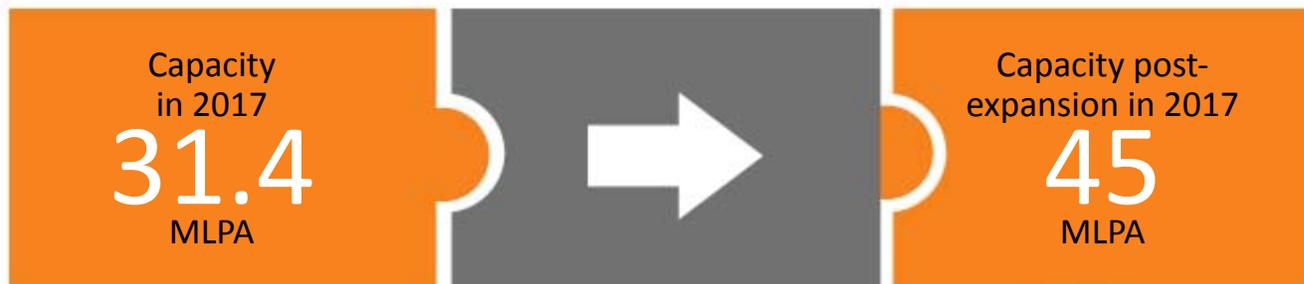


KEY DEVELOPMENTS

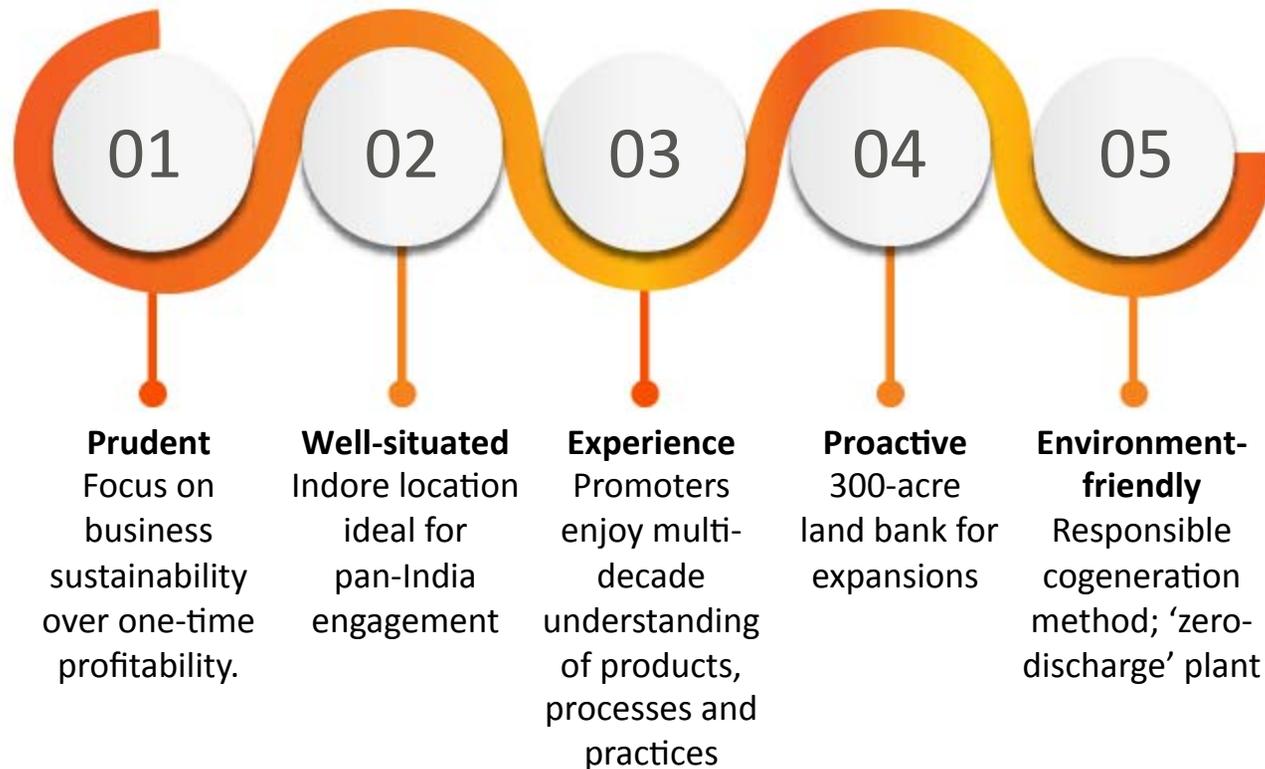


THE EXPANSION

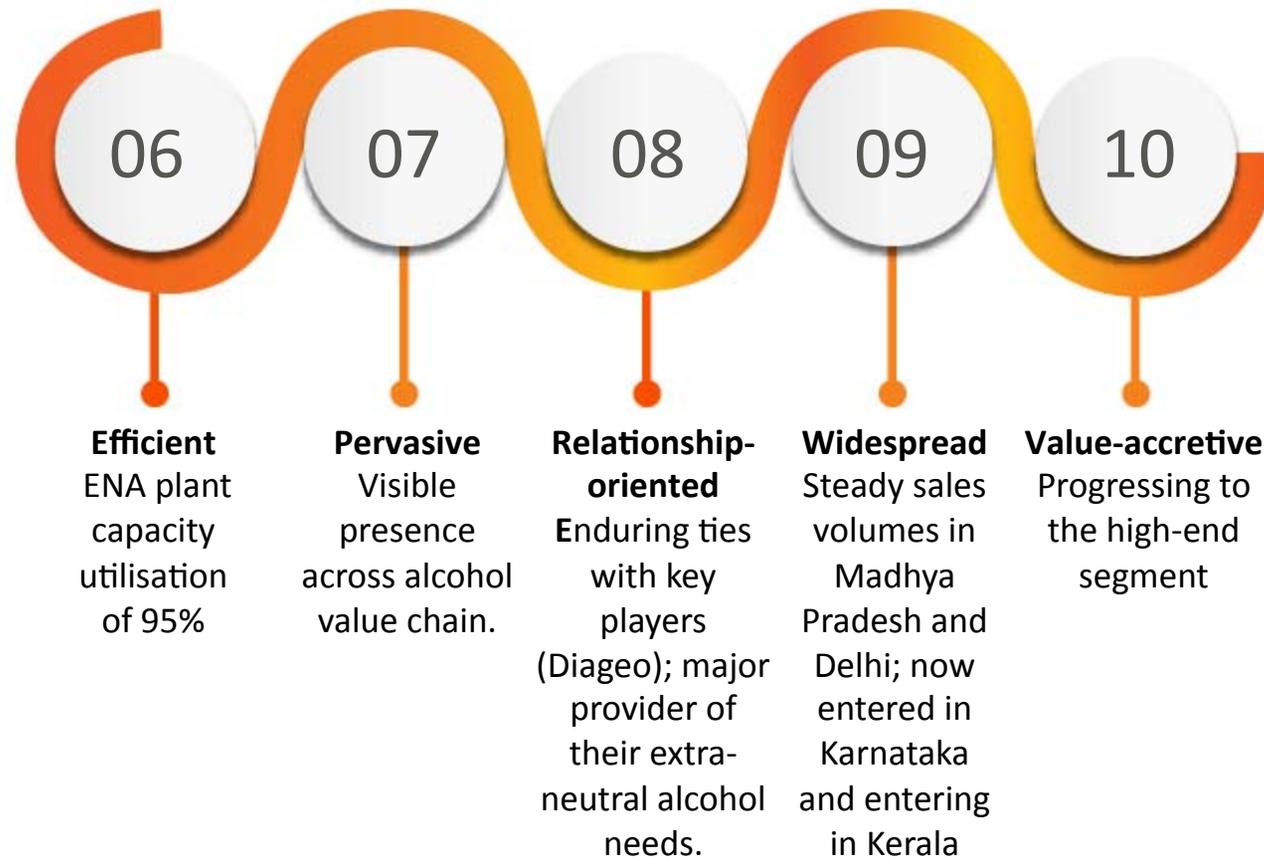
- Multi-pressure ENA plant
- Collector plant
- Reverse osmosis water treatment plant
- 2 MW captive power plant
- New plant with extended capacity



AABL'S BUSINESS MODEL



AABL'S BUSINESS MODEL



SECTORAL OPPORTUNITIES



3rd

Largest and fastest-growing liquor market

5.3

(Rs/tn) Expected size of alcoholic beverages market in India by 2026

4.3

(litres) Expected per capita alcohol consumption to grow from 1.6 liters in 2003-2005

4.94%

Expected CAGR in nominal per capita income between 2010 and 2019

Two-third

Proportion of Indian population are less than 35,

Improving incomes and westernization widening the consumer base

Large players likely to vacate mid-end and low-end spaces

Growing exposure to global trends owing increased smartphone penetration



AABL'S FIVE-PRONGED STRATEGY

01

Double the production capacity

02

Accelerate launch of proprietary brands

03

Graduate from regional a pan-Indian presence

04

Scale extra-neutral alcohol supply volumes for existing clients

05

Achieve self-sufficiency in power availability

COMPETITIVE EDGE



Quality
Grain-based process; downstream products of superior quality



Flexibility
Grain-based processes enhance feed flexibility (millets, rice, maize and wheat) resulting in higher yields (one tonne of grain-based raw material generates 415 litres of alcohol; tonne of molasses generates 200-250 litres of alcohol).



Cleanliness
AABL plant can run across the year without effluents discharge.



Multidimensional
AABL monetizes residue byproduct from manufacturing process



Resource-efficient
Grain-based process consumes less water, power and steam

AABL's COMPETITIVE MOAT



Grain-based distillery enhances efficiency and quality.



Proactive investments in R&D, enzymatic functions and cutting-edge machinery.



Extension from atmospheric distillation to multi-pressure extra-neutral alcohol plant in 2013 reduced cycle time, energy use and steam consumption.



Indore location makes it possible to deliver products across the country with speed and economy.



Longstanding relationships across eco-system facilitate assured raw material access.



STRATEGIC DECISIONS

Exceeded nameplate throughput assurance by 7%

Achieved optimum capacity utilisation

Eliminated jet cookers, moderating steam consumption

Shifted from single grain to multiple grains, reducing costs and enhancing flexibility

STRATEGIC TRANSFORMATION

01

From regional to national

02

From mid-priced to premium

03

From convertor to a brand creator

04

From product insourcing to insourcing-cum-outsourcing

05

From distilleries at different locations to integrated setup

06

From domestic revenues to growing exports

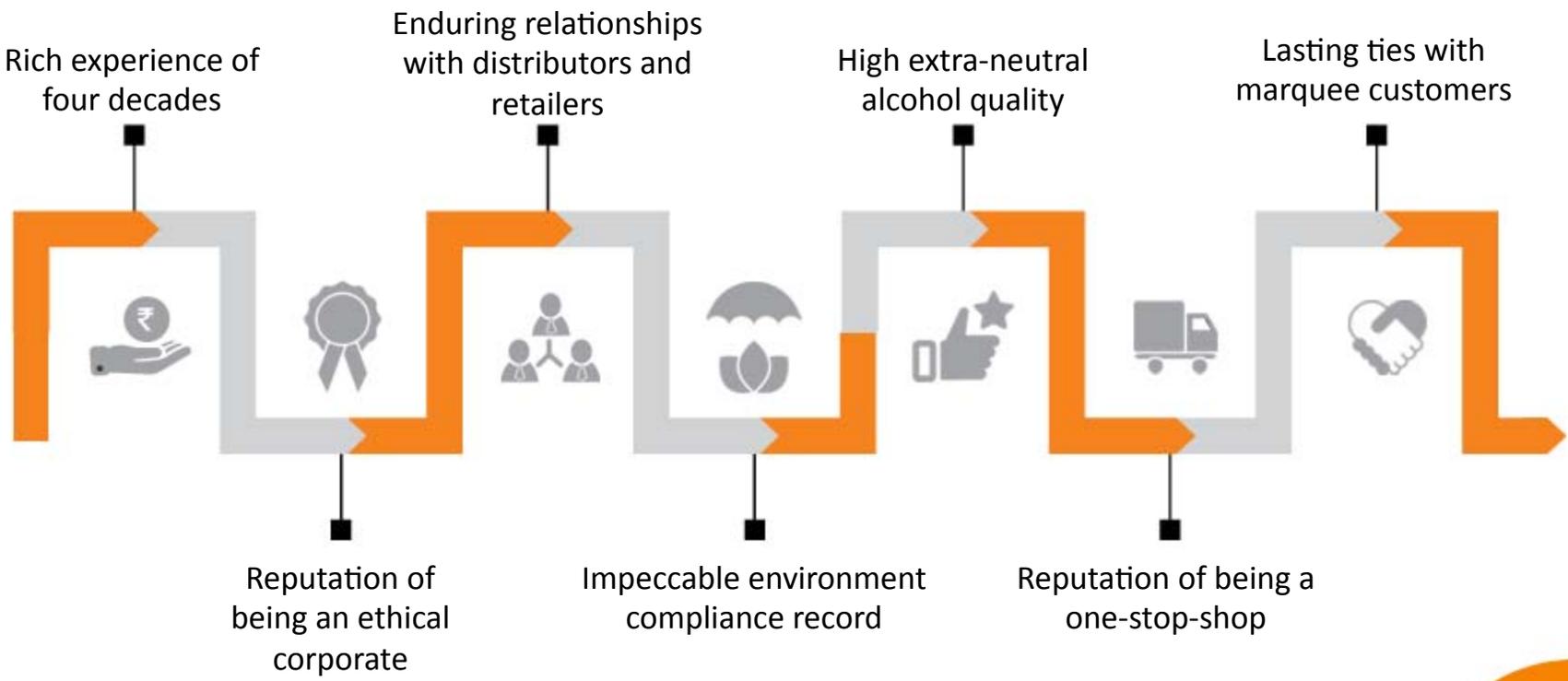
07

From backend vendor to large brand to vendor-cum-market-facing brand

08

From resource outsourcing to complete insourcing

STRENGTHS



POPULAR IN-HOUSE BRANDS

- Central Province Whisky
- Titanium – Triple Distilled Vodka
- Bombay Special Whisky
- Superman Fine Whisky
- James Mc Gill Whisky

- Jamaican Magic Rum
- London Bridge Gin
- Red & White Whisky
- Desi Madira Masala
- Desi Madira Plain



BRANDS CONTRACT-MANUFACTURED BY AABL (DIAGEO/USL)

- Smirnoff Vodka
- Black Dog Whisky
- Signature Rare Aged Whisky
- Antiquity Blue Ultra Premium Whisky
- McDowell's No. 1 Whisky
- Royal Challenge Gold Whisky
- Bagpiper Deluxe Whisky
- White Mischief Flavoured Vodka
- Director's Special Gold Whisky
- DSP Black Special Whisky
- McDowell's Green Label Whisky
- McDowell's No. 1 Celebration Matured XXX Rum



FINANCIAL PERFORMANCE

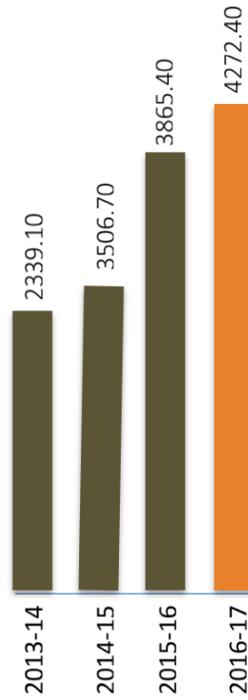
REVENUES

(Rs. Lacs)



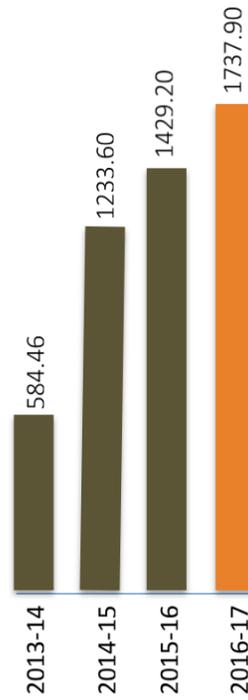
EBITDA

(Rs. Lacs)



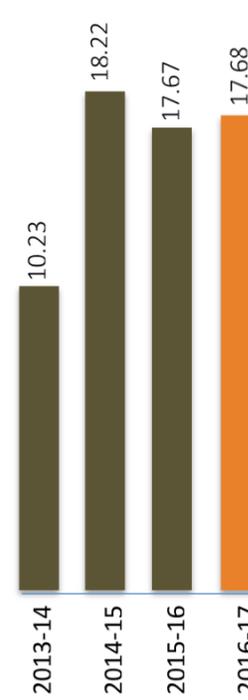
PAT

(Rs. Lacs)



ROCE

(%)



SEQUENTIAL QUARTERLY RESULT

Unaudited financial results for the quarter and nine months ended 31st December, 2017

(Rs. In lacs)

Particulars	Quarter ended			Nine months ended	
	31-Dec-2017	30-Sep-2017	31-Dec-2016	31-Dec-2017	31-Dec-2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Revenue from Operations	9673.00	6444.47	8411.74	24743.52	22527.90
Other Income	25.85	190.44	170.71	251.30	218.01
Total Income from Operations (I+II)	9698.85	6634.91	8582.45	24994.45	22745.91
Expenses					
(a) Cost of materials consumed	4512.73	4073.36	3492.86	12869.40	11885.72
(b) Purchases of stock-in-trade	4.00	0.81	401.41	67.86	439.68
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	639.05	-1071.04	1439.29	-207.80	767.24
(d) Employee benefits expense	560.97	556.60	485.26	1644.32	1386.82
(e) Finance Costs	61.35	123.32	94.68	264.92	329.35
(f) Depreciation and amortisation expense	292.92	281.33	278.20	849.05	825.04
(g) Power & Fuel	678.20	713.29	738.46	2087.83	2609.09
(f) Other expenses	1484.20	1352.69	757.60	421.04	2476.43
Total expenses (iv)	8233.40	6030.36	7741.76	21796.62	20719.37

SEQUENTIAL QUARTERLY RESULT

Unaudited financial results for the quarter and nine months ended 31st December, 2017

(Rs. In lacs)

Particulars	Quarter ended			Nine months ended	
	31-Dec-2017	30-Sep-2017	31-Dec-2016	31-Dec-2017	31-Dec-2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Profit/(loss) before tax (iii – iv)	1465.45	604.55	840.69	3198.20	2026.54
Exceptional item	-	-	-	-	-
Profit/(loss) after exceptional item before tax (v – vii)	1465.45	604.55	840.69	3198.20	2026.54
Tax expenses					
- Current tax	535.71	257.87	281.51	1210.47	740.52
- Income tax for earlier years	-	28.67	8.34	28.67	8.34
- Deferred tax	-25.26	-43.61	20.10	-95.76	5.79
Profit/(loss) for the period (vii – viii)	955.00	361.62	530.74	2054.82	1283.47
Other comprehensive income					
A. Items that will not be reclassified to profit/(loss) (net of tax)	292.92	281.33	278.20	849.05	825.04
B. Items that will not be reclassified to profit / loss (net of tax)	678.20	713.29	738.46	2087.83	2609.09
Total comprehensive income for the period	958.26	367.40	527.28	2064.61	1273.10
Paid up equity share capital (Face value of Rs. 10 each)	1807.92	1807.92	1807.92	1807.92	1807.92
Earnings per share (not annualized)					
Basic	5.28	2.00	2.94	11.37	7.10
Dilute	5.28	2.00	2.94	11.37	7.10

FINANCIAL PROFILE

9MFY18 VS 9MFY17

9.89%

Growth in
revenues

35.56%

Increase in
EBIDTA

57.82%

Growth
in PBT

60.10%

Growth
in PAT

17.25%

EBIDTA Margin
(13.98% in
9MFY17)

8.22%

PAT margin
(5.64% in
9MFY17)

Q3FY18 VS Q3FY17

13%

Growth in
revenues

50%

Increase in
EBIDTA

74.31%

Growth
in PBT

80%

Growth
in PAT

18.76%

EBIDTA Margin
(14.14% in
Q3FY17)

9.84%

PAT margin
(6.18% in
Q3FY17)



CORPORATE INFORMATION

Associated Alcohols & Breweries Limited

CIN

L15520WB1989PLC047211

CORPORATE OFFICE

BKP Star Tower, 4th Floor, AB Road,
Indore – 452008

REGISTERED OFFICE

106A Shyam Bazar Street
Kolkata – 700005

FACILITIES

State-of-the-art distillery
Multiple bottling units
Captive power plant
CO₂ and DDGS plant

ASSOCIATED ALCOHOLS & BREWERIES LIMITED

*For any
further information,
please contact:*
Mr. Sumit Jaitely
Company Secretary &
Compliance Officer
E-mail: cs@aabl.in
Phone: 0731-6662400-500

DISCLAIMER

CERTAIN STATEMENTS IN THIS DOCUMENT MAY BE FORWARD LOOKING STATEMENTS. SUCH FORWARD-LOOKING STATEMENTS ARE SUBJECT TO CERTAIN RISKS AND UNCERTAINTIES LIKE GOVERNMENT ACTIONS, LOCAL POLITICAL OR ECONOMIC DEVELOPMENTS, TECHNOLOGICAL RISKS, AND MANY OTHER FACTORS THAT COULD CAUSE OUR ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED BY THE RELEVANT FORWARD-LOOKING STATEMENTS. ASSOCIATED ALCOHOLS & BREWERIES LIMITED WILL NOT BE IN ANY WAY RESPONSIBLE FOR ANY ACTION TAKEN BASED ON SUCH STATEMENTS AND UNDERTAKES NO OBLIGATION TO PUBLICLY UPDATE THESE FORWARD-LOOKING STATEMENTS TO REFLECT SUBSEQUENT EVENTS OR CIRCUMSTANCES.

