



## EARNINGS PRESENTATION | Q2/H1-FY23



## Operational Snapshot



3 Decades of rich industry domain experience



Largest Single Location integrated manufacturing Facility



ENA manufacturing capacity is of 45 MLPA



32 Bottling Lines



12.5 Mn cases capacity



6 proprietary brands

## Financial Snapshot



Industry Best Return Ratios



Net Debt Free



3-year Revenue CAGR : 7.7%



3-year Net Profit CAGR: 26.1%



CARE reaffirmed its A-/A2+ credit rating for borrowings

## Strategic Snapshot



Long standing strategic relationship with Diageo - USL



Diversified Product Portfolio



Expanding proprietary brand reach from 5 to 6 states

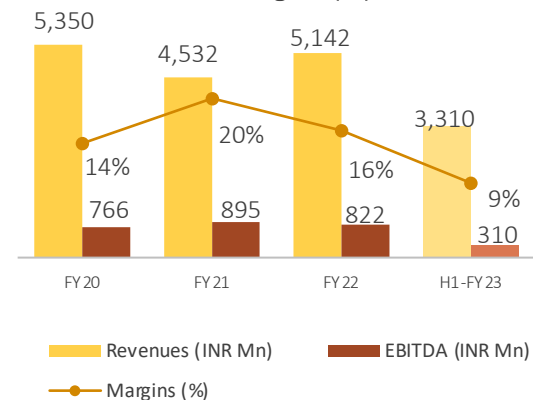
# Company Overview



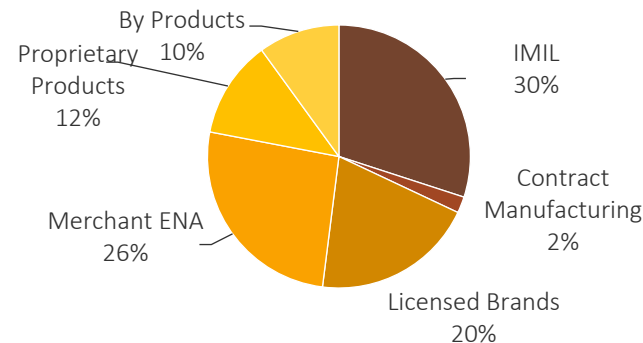
- Associated Alcohols and Breweries Ltd. (AABL) was founded by the late Shri Bhagwati Prasad Kedia in 1989.
- It is run today under the stewardship of his two sons, Mr. Anand Kedia and Mr. Prasann Kedia.
- AABL is one of the largest distillers in India with a state-of-the-art integrated alcoholic beverages manufacturing facility located in Central India near Indore, Madhya Pradesh.
- The company manufactures premium Extra Neutral Alcohol (ENA)/triple distilled/rectified spirit, IMIL and IMFL.
- AABL has diversified business segments, from manufacturing and supply of ENA to contract manufacturing for Diageo-USL, to manufacturing and marketing of licensed brands, as well as IMIL and 6 IMFL brands.



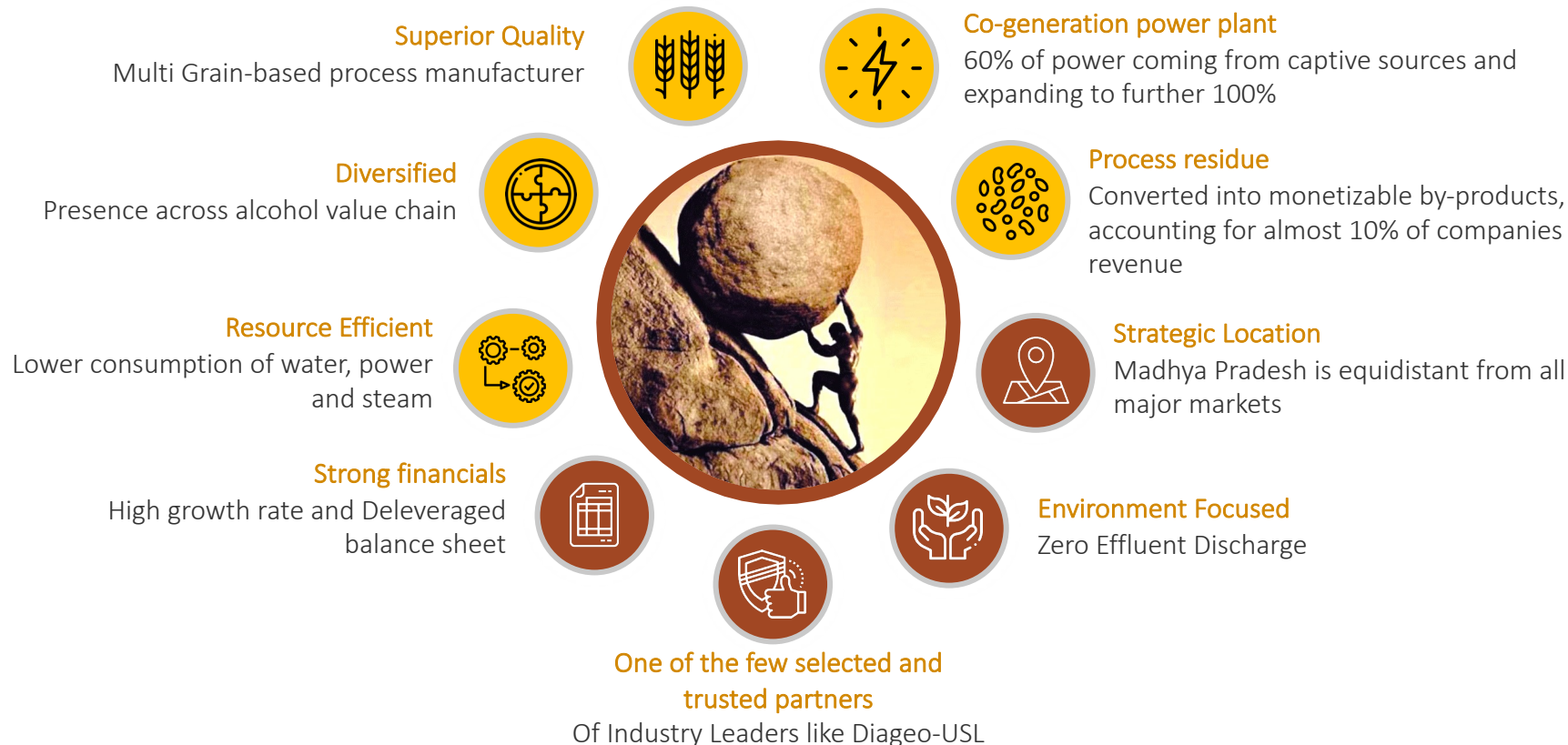
### Operational Revenues and EBITDA Margins (%)



### Segmental Revenue – FY22







ASSOCIATED

## FINANCIAL OVERVIEW



# Q2/H1-FY23 Financial Highlights



## Q2-FY23 Financial Performance

### Operational Income

INR 1,467  
Y-o-Y  
+22%

### Net Profit

INR 75 Mn  
Y-o-Y  
-48%

### EBITDA

INR 108 Mn  
Y-o-Y  
-47%

### PAT Margin

5.11%

### EBITDA Margin

7.36%

### Diluted EPS

INR 4.17

## H1-FY23 Financial Performance

### Operational Income

INR 3,310 Mn  
Y-o-Y  
+65%

### Net Profit

INR 209 Mn  
Y-o-Y  
-14%

### EBITDA

INR 310 Mn  
Y-o-Y  
-14%

### PAT Margin

6.31%

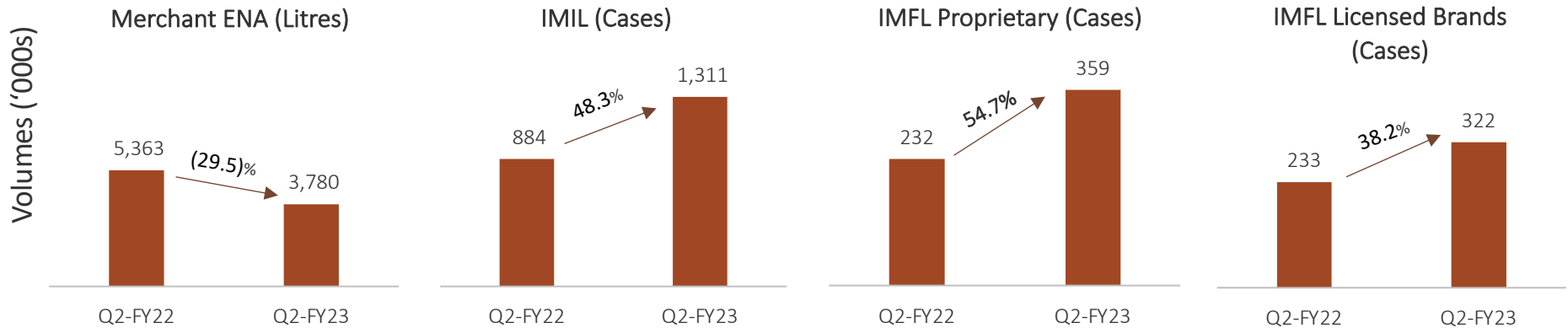
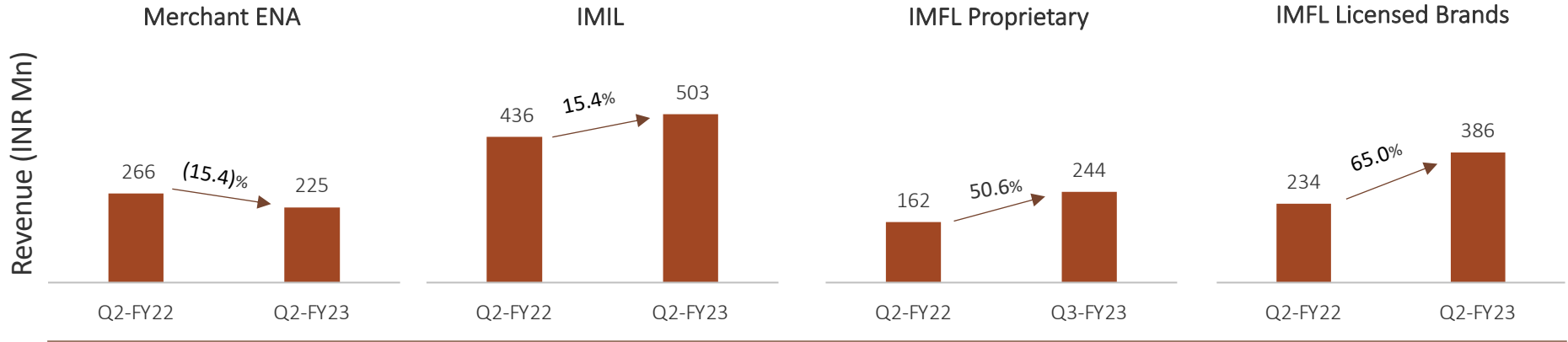
### EBITDA Margin

9.37%

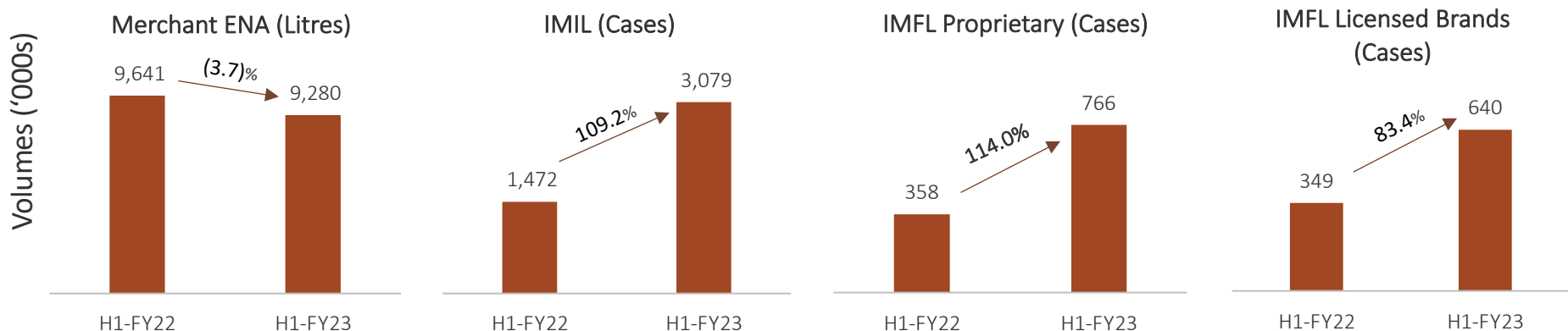
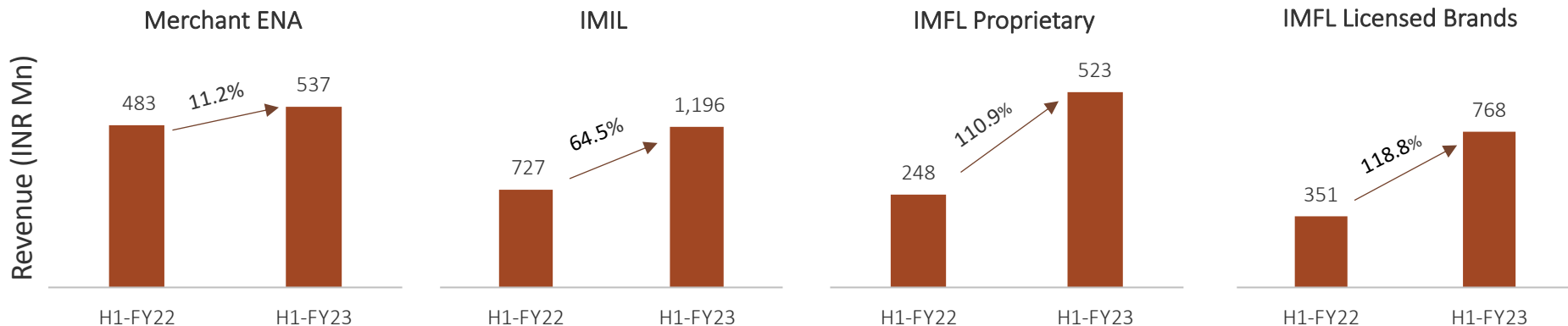
### Diluted EPS

INR 11.59

# Q2-FY23 Segmental Highlights



# H1-FY23 Segmental Highlights





- Reported revenue growth of 22% YoY during Q2 FY23 and 65% during H1 FY23.
- In the quest for higher market share, the company deployed an aggressive strategy to push sales resulting in lower sales realisations during the period; this move would help the company maintain its leadership position in Madhya Pradesh and consolidate its brand position in the market.
- Inflationary pressures continued to be severe during Q2 FY23 for critical inputs like rice, pet resin, and coal; this was partially mitigated by the ongoing operational improvement measures taken by the company
- EBITDA margins were lower due to lower sales realization and inflationary pressure on input material
- In recent weeks, there has been a reversal in commodity prices from the elevated levels witnessed during Q2 FY 23. We expect the input prices to reach a normalized level, which will favorably impact our business's economics, enabling us to improve margins and overall profitability. Combined with the strong sales momentum witnessed, the outlook is favorable regarding sustained growth and improved profitability.
- The process of the company merger with Mount Everest Breweries Limited is on track, and we are awaiting approval from the stock exchanges

# Quarterly Financial Performance



| Particulars (INR Mn)       | Q2-FY23      | Q2-FY22       | Y-o-Y            | Q1-FY23       | Q-o-Q            |
|----------------------------|--------------|---------------|------------------|---------------|------------------|
| Operational Income         | 1,467        | 1,206         | 21.6%            | 1,843         | (20.4)%          |
| Total Operating Expenses   | 1,359        | 1,002         | 35.6%            | 1,642         | (17.2)%          |
| EBITDA                     | 108          | 204           | (47.1)%          | 201           | (46.3)%          |
| <i>EBITDA Margins (%)</i>  | <i>7.36%</i> | <i>16.92%</i> | <i>(956) Bps</i> | <i>10.91%</i> | <i>(355) Bps</i> |
| Other Income               | 32           | 24            | 33.3%            | 18            | 77.8%            |
| Depreciation               | 37           | 35            | 5.7%             | 37            | NA               |
| Interest                   | 3            | 1             | NA               | 2             | 50.0%            |
| Profit Before Tax          | 100          | 192           | (47.9)%          | 180           | (44.4)%          |
| Tax                        | 25           | 49            | (49.0)%          | 46            | (45.7)%          |
| Profit After tax           | 75           | 143           | (47.6)%          | 134           | (44.0)%          |
| <i>PAT Margins (%)</i>     | <i>5.11%</i> | <i>11.86%</i> | <i>(675) Bps</i> | <i>7.27%</i>  | <i>(216) Bps</i> |
| Other Comprehensive Income | 104          | -             | NA               | -             | NA               |
| Total Comprehensive Income | 179          | 143           | 25.2%            | 134           | 33.6%            |
| Diluted EPS (INR)          | 4.17         | 7.89          | (47.1)%          | 7.42          | (43.8)%          |

# YTD Financial Performance



| Particulars (INR Mn)       | H1-FY23      | H1-FY22       | Y-o-Y            |
|----------------------------|--------------|---------------|------------------|
| Operational Income         | 3,310        | 2,009         | 64.8%            |
| Total Operating Expenses   | 3,000        | 1,649         | 81.9%            |
| EBITDA                     | 310          | 360           | (13.9)%          |
| <i>EBITDA Margins (%)</i>  | <i>9.37%</i> | <i>17.92%</i> | <i>(855) Bps</i> |
| Other Income               | 50           | 42            | 19.0%            |
| Depreciation               | 74           | 70            | 5.7%             |
| Interest                   | 5            | 4             | 25.0%            |
| Profit Before Tax          | 281          | 328           | (14.3)%          |
| Tax                        | 72           | 84            | (14.3)%          |
| Profit After tax           | 209          | 244           | (14.3)%          |
| <i>PAT Margins (%)</i>     | <i>6.31%</i> | <i>12.15%</i> | <i>(584) Bps</i> |
| Other Comprehensive Income | 105          | -             | NA               |
| Total Comprehensive Income | 314          | 244           | 28.7%            |
| Diluted EPS (INR)          | 11.59        | 13.50         | (14.1)%          |

# Historical Income Statement



| Particulars (INR Mn)              | FY20          | FY21          | FY22          | H1-FY23      |
|-----------------------------------|---------------|---------------|---------------|--------------|
| Operational Income                | 5,350         | 4,532         | 5,142         | 3,310        |
| Total Operating Expenses          | 4,584         | 3,637         | 4,320         | 3,000        |
| EBITDA                            | 766           | 895           | 822           | 310          |
| <i>EBITDA Margins (%)</i>         | <i>14.32%</i> | <i>19.75%</i> | <i>15.99%</i> | <i>9.37%</i> |
| Other Income                      | 33            | 46            | 142           | 50           |
| Depreciation                      | 141           | 141           | 143           | 74           |
| Interest                          | 21            | 15            | 9             | 5            |
| <b>Profit Before Tax</b>          | <b>637</b>    | <b>785</b>    | <b>812</b>    | <b>281</b>   |
| Tax                               | 144           | 205           | 204           | 72           |
| <b>Profit After tax</b>           | <b>493</b>    | <b>580</b>    | <b>608</b>    | <b>209</b>   |
| <i>PAT Margins (%)</i>            | <i>9.21%</i>  | <i>12.80%</i> | <i>11.82%</i> | <i>6.31%</i> |
| Other Comprehensive Income        | (9)           | 4             | 20            | 105          |
| <b>Total Comprehensive Income</b> | <b>484</b>    | <b>584</b>    | <b>628</b>    | <b>314</b>   |
| Diluted EPS (INR)                 | 27.29         | 32.06         | 33.63         | 11.59        |



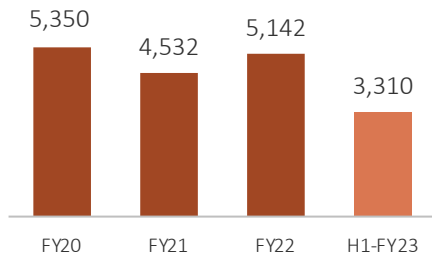
# Historical Balance Sheet



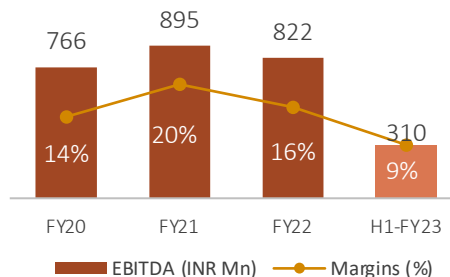
| Particulars (INR Mn)                | FY21         | FY22         | H1-FY23      |
|-------------------------------------|--------------|--------------|--------------|
| <b>ASSETS</b>                       |              |              |              |
| <b>Non-Current Assets</b>           |              |              |              |
| Property, Plant & Equipment         | 1,087        | 1,116        | 1,101        |
| Capital Work in progress            | 92           | 236          | 669          |
| Intangible Assets                   | 1            | 1            | 1            |
| Rights of Use Assets                | 17           | 10           | 53           |
| <b>Financial Assets</b>             |              |              |              |
| (i)Investments                      | 26           | 249          | 357          |
| (iii)Other financial Assets         | 15           | 256          | 54           |
| Noncurrent tax Assets               | 12           | 6            | 6            |
| Other non-current assets            | 40           | 192          | 197          |
| <b>Sub Total Non Current Assets</b> | <b>1,290</b> | <b>2,066</b> | <b>2,439</b> |
| <b>Current Assets</b>               |              |              |              |
| Inventories                         | 577          | 650          | 840          |
| Financial Assets                    | -            | -            | -            |
| (i)Trade Receivables                | 389          | 236          | 204          |
| (ii)Cash and Bank Balance           | 784          | 810          | 1,089        |
| (iii)Loans                          | 156          | 67           | 69           |
| (iv) Others                         | 23           | 47           | 33           |
| Other Current Assets                | 78           | 126          | 190          |
| <b>Sub Total Current Assets</b>     | <b>2,007</b> | <b>1,936</b> | <b>2,425</b> |
| <b>TOTAL ASSETS</b>                 | <b>3,297</b> | <b>4,002</b> | <b>4,864</b> |

| Particulars (INR Mn)                     | FY21         | FY22         | H1-FY23      |
|--|--------------|--------------|--------------|
| <b>EQUITY AND LIABILITIES</b>            |              |              |              |
| <b>Equity</b>                            |              |              |              |
| Share Capital                            | 181          | 181          | 181          |
| Other Equity                             | 2,337        | 2,948        | 3,243        |
| <b>Total Equity</b>                      | <b>2,518</b> | <b>3,129</b> | <b>3,424</b> |
| <b>Non Current Liabilities</b>           |              |              |              |
| <b>Financial Liabilities</b>             |              |              |              |
| (i)Borrowings                            | 19           | 13           | 273          |
| (ii)Lease Liabilities                    | 10           | 8            | 40           |
| Provisions                               | 16           | 11           | 8            |
| Deferred Tax Liabilities (net)           | 52           | 44           | 39           |
| Non – current tax liabilities (Net)      | 2            | 3            | 3            |
| <b>Sub Total Non Current Liabilities</b> | <b>99</b>    | <b>79</b>    | <b>363</b>   |
| <b>Current Liabilities</b>               |              |              |              |
| (i)Borrowings                            | 76           | 32           | 23           |
| (ii)Lease Liabilities                    | 7            | 1            | 13           |
| (iii)Trade Payables                      | 327          | 475          | 563          |
| (iv)Other Financial Liabilities          | 143          | 187          | 173          |
| Other current Liabilities                | 100          | 99           | 287          |
| Provisions                               | 1            | -            | 1            |
| Current Tax Liabilities                  | 26           | -            | 16           |
| <b>Sub Total Current Liabilities</b>     | <b>680</b>   | <b>794</b>   | <b>1,077</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>      | <b>3,297</b> | <b>4,002</b> | <b>4,864</b> |

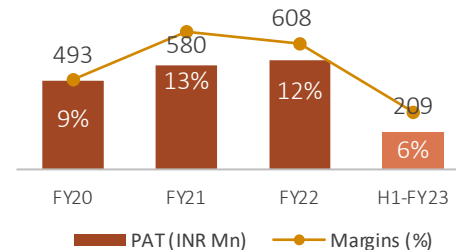
Revenue From Operations  
(INR Mn)



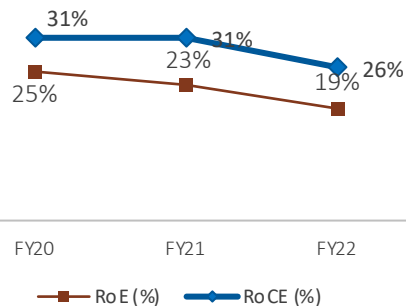
EBITDA (In INR Mn) &  
EBITDA Margins (%)



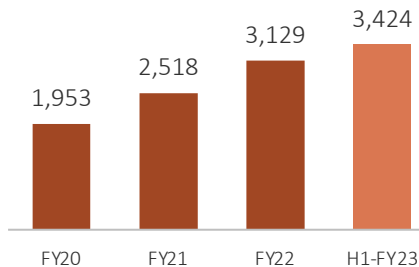
Net Profit (In INR Mn) &  
PAT Margins (%)



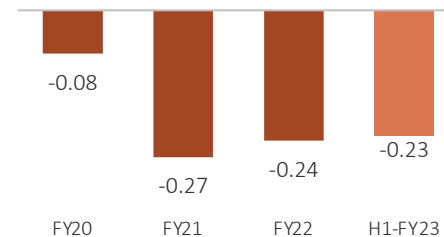
RoCE (%) and RoE (%)

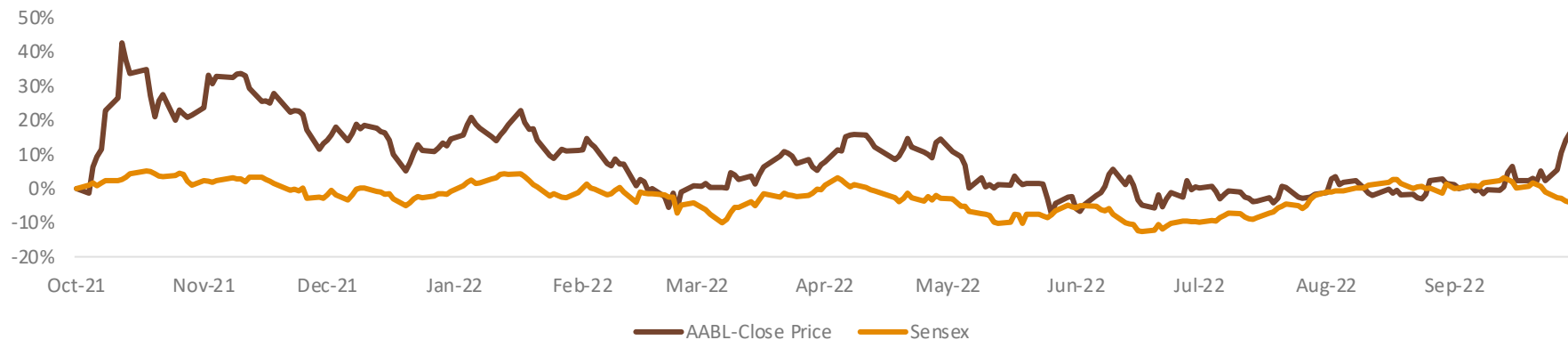


Net Worth (INR Mn)



Net Debt to Equity  
(x times)

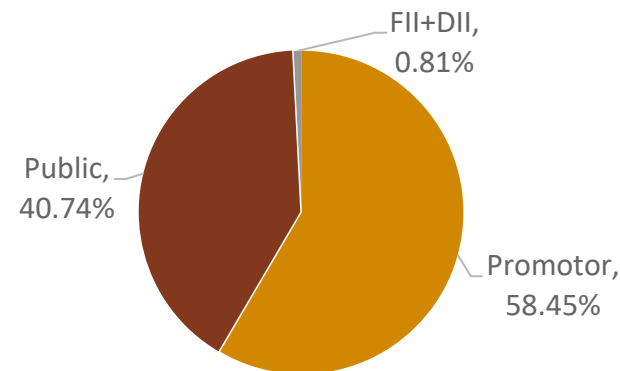




## Price Data (As on 30<sup>th</sup> September 2022)

|                                   |               |
|-----------------------------------|---------------|
| Face Value (INR)                  | 10.00         |
| Market Price (INR)                | 520.25        |
| 52 Week H/L (INR)                 | 653.35/380.05 |
| Market Cap (INR Mn)               | 9,405.70      |
| Equity Shares Outstanding (Mn)    | 18.08         |
| 1 Year Avg. trading volume ('000) | 83.86         |

## Shareholding Pattern (As on 30<sup>th</sup> September 2022)



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