



ASSOCIATED ALCOHOLS & BREWERIES LIMITED

INVESTOR PRESENTATION

MARCH 2023



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Company Snapshot



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
25% ROCE

Zero

Net Debt

5-year Revenue
CAGR:
12%

5-year Net
Profit CAGR:
28%

CARE Credit Rating
A/A1

Strategic Snapshot

Long standing
strategic
relationship with
Diageo - USL

Diversified
**Product
Portfolio**

Expanding
**Proprietary
Brand**
Reach

Ongoing
**Capex of 40
MLPA**
Ethanol plant

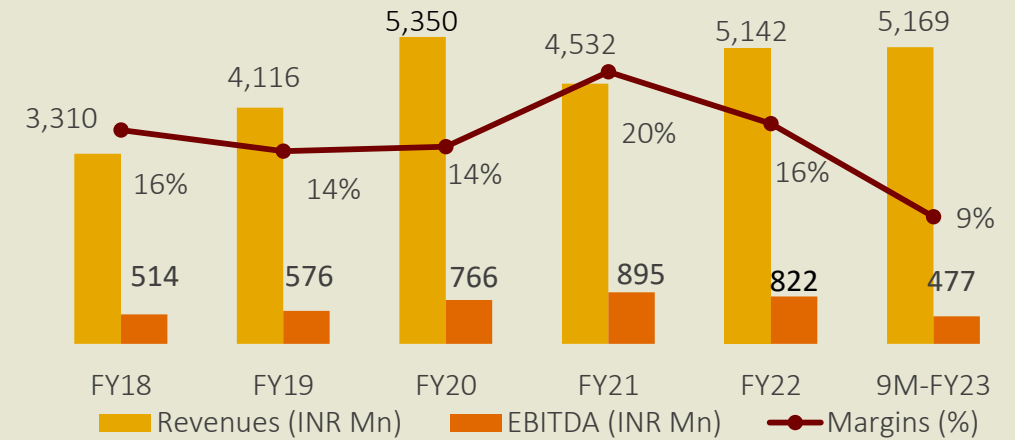
ASSOCIATED

Company

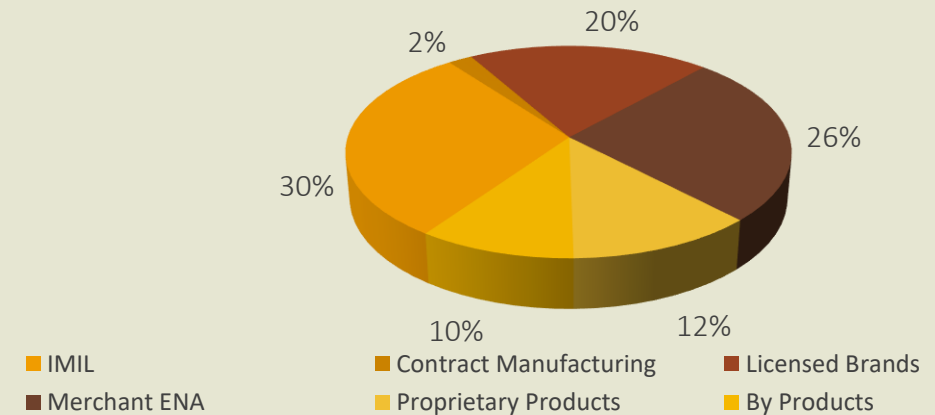
Overview

- 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.

Financial Highlights



SEGMENTAL REVENUE BREAKUP (9M-FY23)



PROMOTERS

Mr. Anand Kumar Kedia

Founder, Promoter & Chairman

He is the Chairman – Business Promotion & Development, with an experience of 28+ years in the business and industry.

He spearheads the strategic initiatives of Associated Alcohols & Breweries Ltd. (AABL).



Mr. Prasann Kumar Kedia

Promoter & Vice President

He is the Vice Chairman – Operation & Business Development.

He is an integral part of the AABL family with 22+ years of experience.



Mr. Anshuman Kedia

Senior Executive & Promoter Group

Mr. Vedant Kedia

Senior Executive & Promoter Group





Board of Directors

Mr. Sanjay Kumar Tibrewal
Whole Time Director

Mr. Tushar Bhandari
Whole Time Director

Mr. Debashis Das
Non-Independent Director

Ms. Homai A Daruwalla
Independent Director

Mr. Nitin Tibrewal
Independent Director

Dr. Apurva P Joshi
Independent Director

Key Management Personnel

Mr. Ankit Agrawal
Chief Financial Officer

Mr. Sumit Jaitely
Company Secretary

EVOLUTION

1989

Incorporated as a public limited company

1990

Commenced manufacturing and marketing of potable alcohols

2015

Integrated systems and implemented SAP-ERP across the board

2016

Issuance of bonus shares in the ratio of 1:1

2012

Revamping of manufacturing facilities as per the requirement of the day

2018

Completed t/he 45 MLPA ENA expansion (Phase-I) project successfully

2017

Embarked on an ambitious expansion project from 31.4 MLPA to 45 MLPA

2019

Operated on the expanded ENA capacity for the first full year & listed on NSE

2021

Announced Project Expansion of Phase-II to 75 MLPA

2022

Achieved 1 Million cases in Kerala (9 months) and emerge as one of the largest player

Award for BEST IMFL WHISKY (Prestige) James McGill



Competitive Edge

Superior Quality

Multi Grain-based process manufacturer

Diversified

Presence across alcohol value chain

Resource Efficient

Lower consumption of water, power and steam

Flexibility

Grain-based processes enhance feed flexibility from one grain type to another resulting in higher yields

Process residue

Converted into monetizable by-products, accounting for almost 10% of company's revenue



Co-generation power plant

60% of power coming from captive sources and expanding to further 100%

Strategic Location

125 acres land at Madhya Pradesh, is equidistant from all major markets

Strong financials

High growth rate and Deleveraged balance sheet

Environment Focused

Zero Effluent Discharge

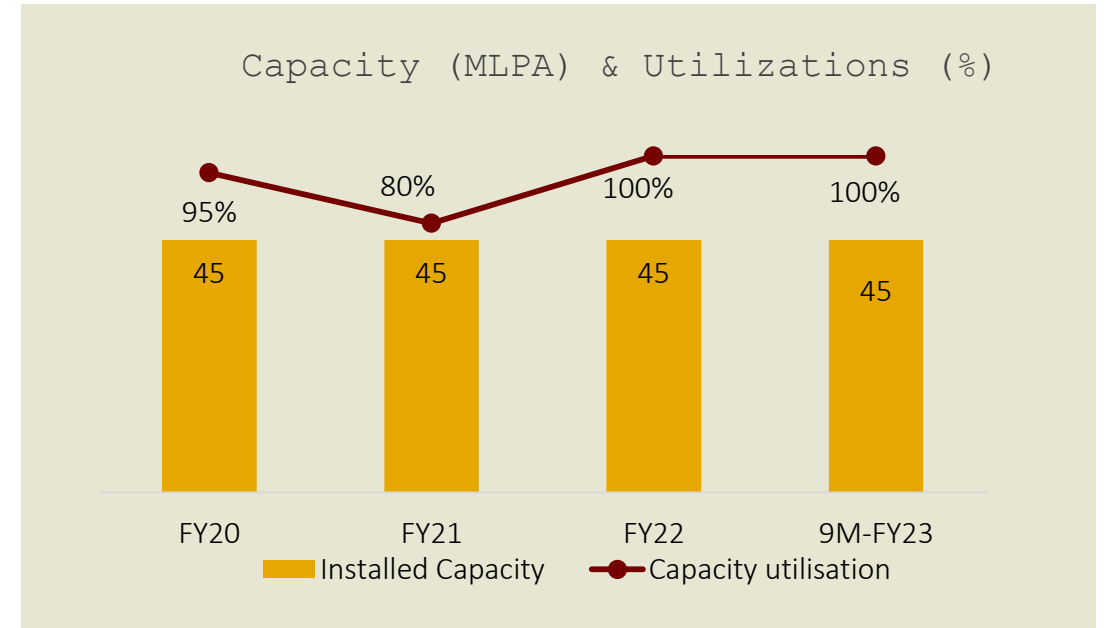
One of the few selected and trusted partners

Of Industry Leaders like Diageo-USL

Manufacturing

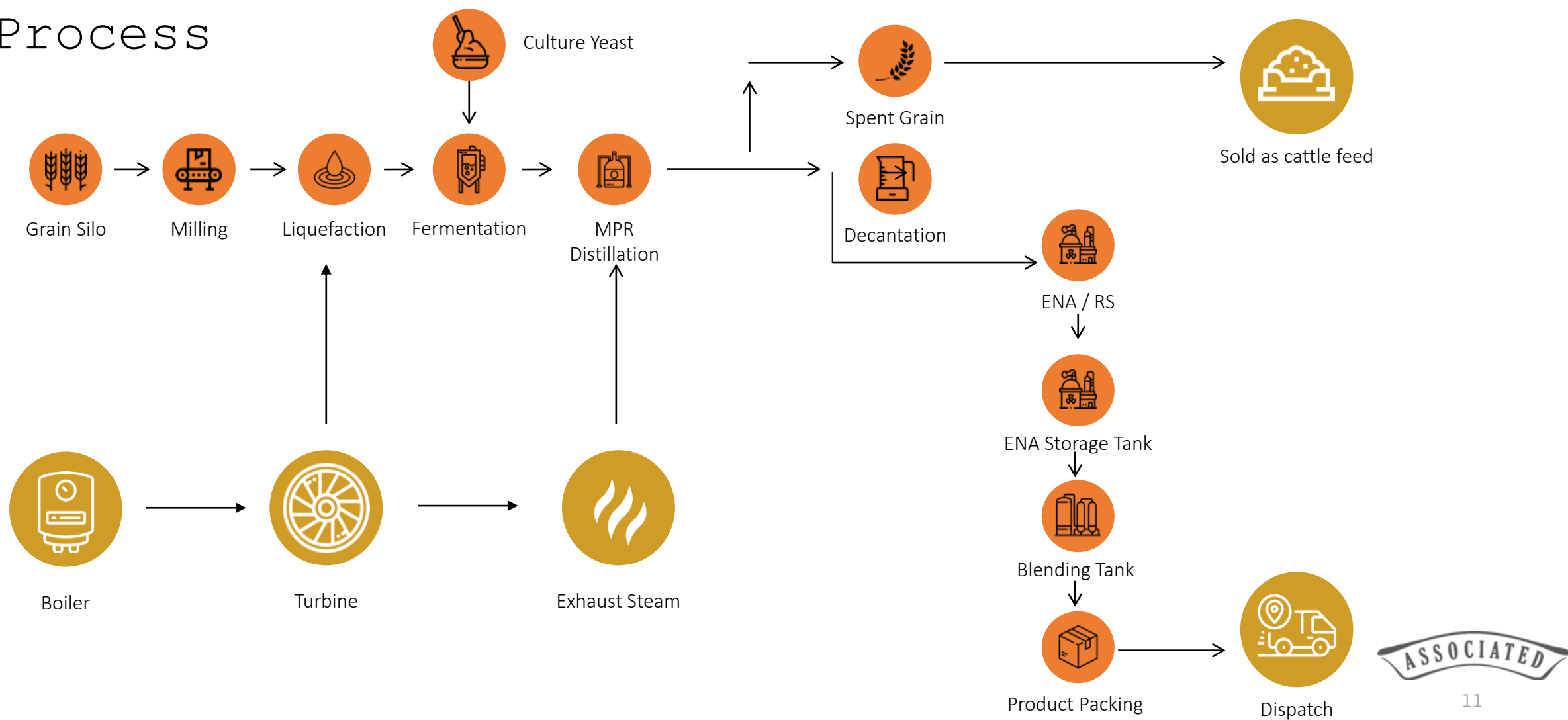
Prowess

- AABL has one integrated state-of-art strategically located Manufacturing plant in Khodigram (Barwaha district, Khargone, Madhya Pradesh) and is responsible for alcohol production, bottling and packaging liquor.
- The company has capabilities of:
 - ENA manufacturing capacity of 45 MLPA
 - 32 Bottling lines
 - 12.5 Mn cases capacity
 - 60% co-generation power plant
- The plant is strategically located from the raw material procurement security side due to the proximity to the agrarian farmlands of Madhya Pradesh and its contiguous States; as well as from a supply side as it is equidistance from large consumer markets like Maharashtra, Delhi, Kerala, Karnataka, and Chhattisgarh.
- The company uses various grains like Rice, Maize, Millets, and Sorghum for the manufacturing of ENA.
- AABL also possesses extensive land of approximately 125 acres at the current location giving enough headroom for future expansion.



Integrated

Manufacturing Process



Infrastructure



Grain Silo



Boiler



Fermentation
Section



Decantation
Section

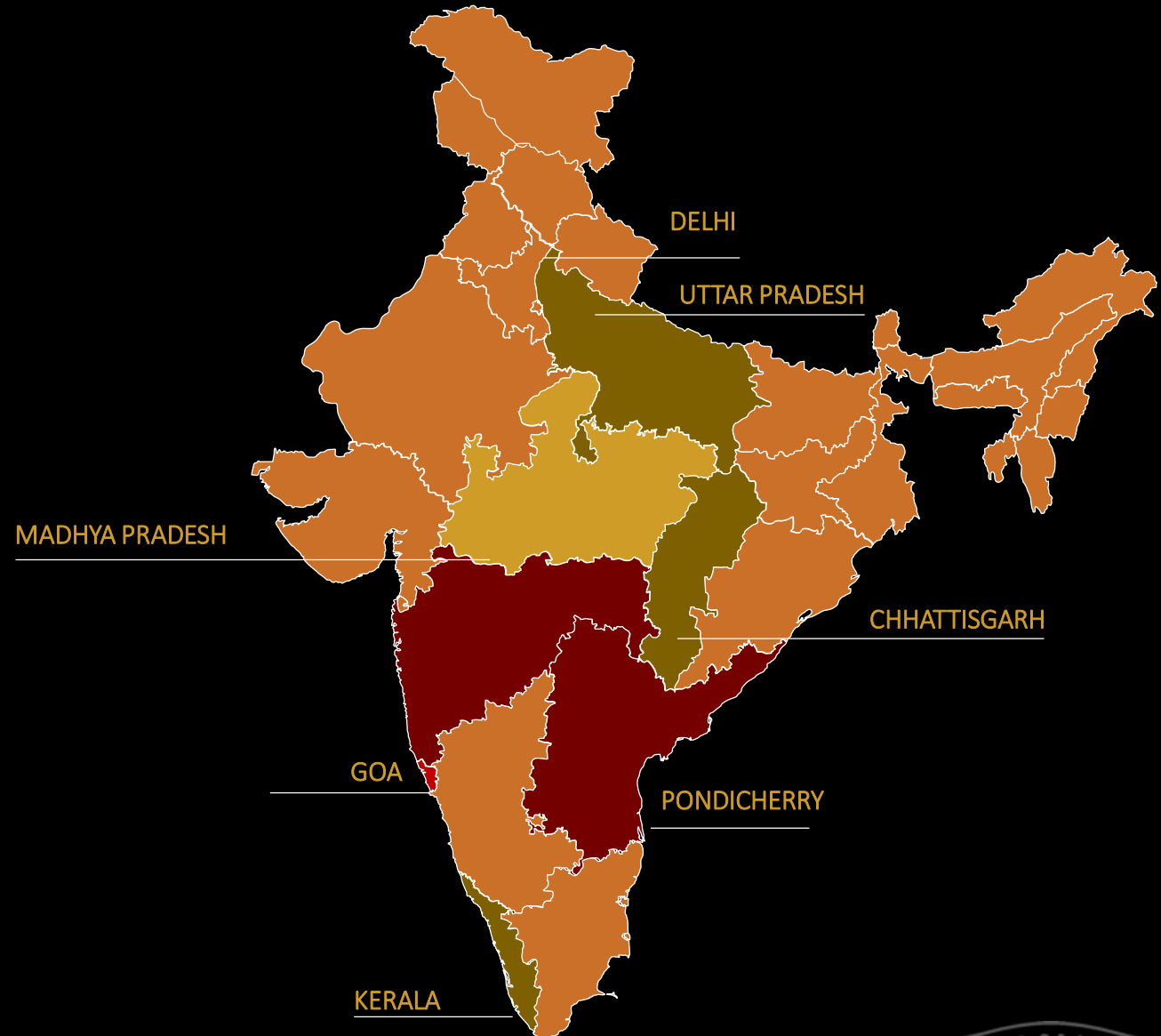


Bottling

Geographical

Presence

- Integrated state-of-art strategically located Manufacturing plant in Khodigram, Barwaha district, Khargone, **Madhya Pradesh**.
- Strong Presence in **Kerala, Delhi, Uttar Pradesh, Chhattisgarh** and Madhya Pradesh.
- Asset-Light Model is adopted wherein spirit supply is from MP and the outsourced bottling plant is located in **Kerala**.
- The potential states to further enhance presence are **Goa, Pondicherry, Maharashtra**.



Responsible ESG Record



Environment Commitment

- Commitment to environmental management systems
- Conduct environmental due diligence
- Build disaster planning & response systems
- Achieved zero effluent discharge targets
- Moderating water consumption intensity through recycling



Social Commitment

- Investment in recruitment, retention and training to enhance efficiency and effectiveness
- Invested in training, protocols, certifications, investment in supports and awareness building of employees.
- Deepened relationships with vendors who provided capital equipment and spares as well as with primary customers.
- Engaged with the community around with the objective to widen the circle of prosperity through relevant interventions in line with Sustainable Development Goals.



Governance Commitment

- Engaged in investments in assets and projects with short-term paybacks.
- Board comprising professionals and industrialists who provide the Company strategic direction.
- Emphasizes accountability, professional management, technology investments and audit-driven compliances.
- Expanding at a capital cost/ liter lower than greenfield benchmarks.
- Likely to remain zero-debt as it invests accruals in capacity growth.
- ESG-compliant and extensively de-risked, Business model.

A dark, moody photograph of a bottle pouring liquid into three glasses on a wooden surface. The liquid is being poured from a bottle into three glasses, creating a sense of motion and depth. The lighting is low, highlighting the liquid and the texture of the wood.

Business

Overview

Business

Segments

B2B Business (68% of Revenue*)



Merchant ENA

26%



Contract Manufacturing

02%



By Products

10%



IMIL

30%

B2C Business (32% of Revenue*)



IMFL
(Proprietary Brands)

12%

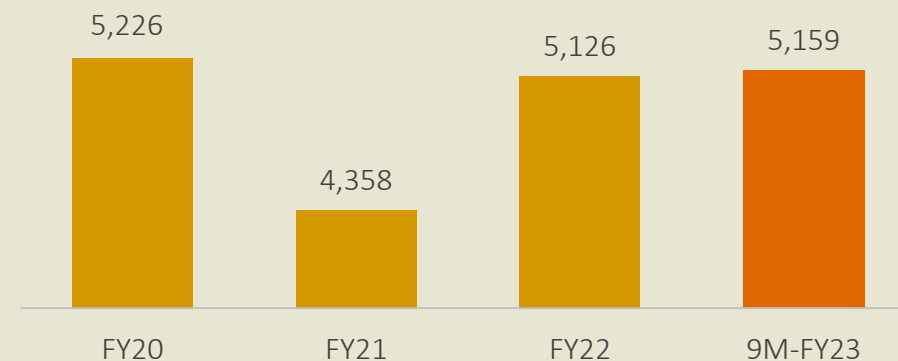


Licensed
Brands

20%

* As of FY22

Net Revenue From Operations
(INR Mn)



Products & Brands



Consumer Business

IMIL and IMFL

- AABL has diversified over the years to create six of its own proprietary IMFL brands.
- The company's IMFL brands are being sold today in states like Madhya Pradesh, Delhi, Chhattisgarh, Kerala and Uttar Pradesh.
- The company plans to steadily increase its geographical presence to more states by investing in market building, achieve critical mass and scale through progressive resource deployment.
- The company's clear strategy and focus is to strengthen the proprietary brands contribution to drive profitability over the coming years.
- All brands are available in all SKU sizes of 750ml, 375ml and 180ml.



Licensed/ Franchised Brands

- AABL has had a long standing and constantly growing relationship with Diageo for about three decades due to AABL's integrated manufacturing process and unmatched superior quality ENA.
- From supplying ENA to contract manufacturing to job working, AABL is Diageo's premier and most reliable business partner. Both companies have constantly worked together to build and grow the business relationship so as to be mutually beneficial.
- In 2017, AABL enhanced this relationship by entering into an exclusive franchise agreement with Diageo-USL to distill, blend, bottle and market some of its key brands in the state of Madhya Pradesh.
- AABL has been accredited as being the best franchise performers from Diageo.



Contract Manufacturing

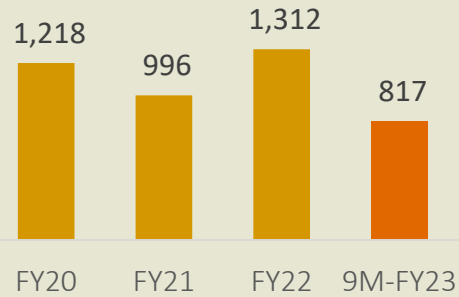
- Contract Manufacturing helps AABL diversify the business risk by ensuring in-house spirit RS/ENA sale along with utilization of bottling facilities.
- The company is known for its superior quality extra fine triple distilled grain spirit which enjoys a high demand from various IMFL brands.
- AABL is a key supplier of Extra Neutral Alcohol (ENA) for various leading companies like Diageo, Pernord Ricard, ABD among others.
- The company is also the preferred bottler for industry leaders and many prestigious brands.
- By the virtue of being among the largest strategically located ENA manufacturers in the country, the Company assures its customers on quality and timeliness of supply to any location in the country.



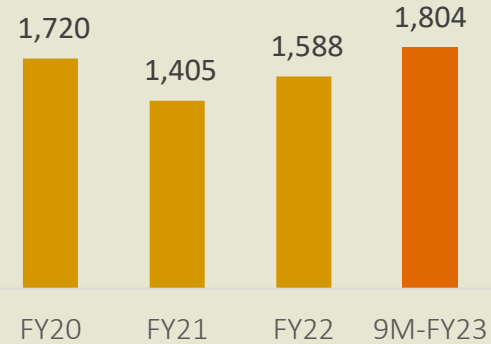
Operational Highlights

REVENUE (INR Mn)

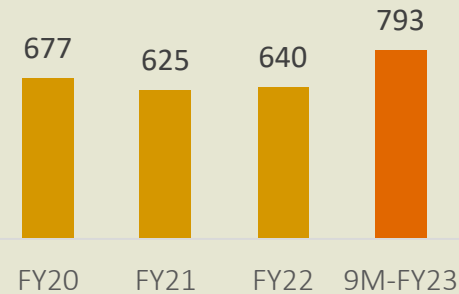
Merchant ENA



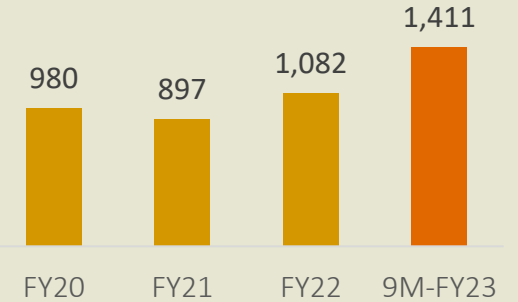
IMIL



IMFL Proprietary

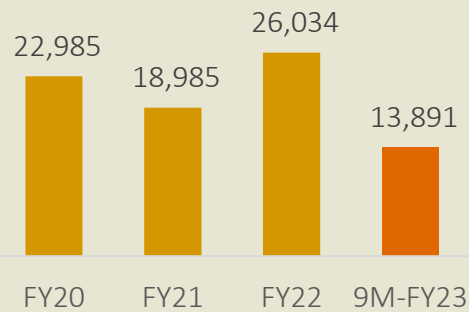


IMFL Licensed

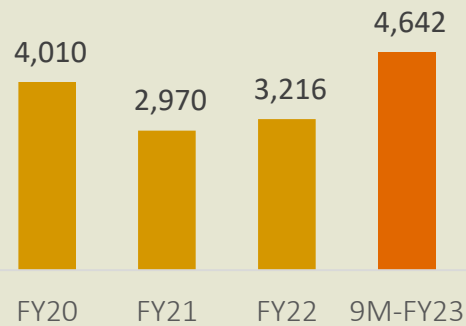


VOLUME ('000s)

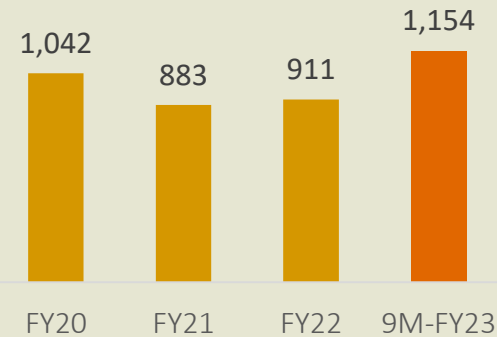
Merchant ENA (MLPA)



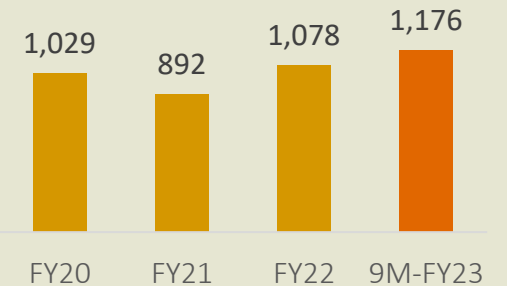
IMIL (Cases)



IMFL Proprietary (Cases)

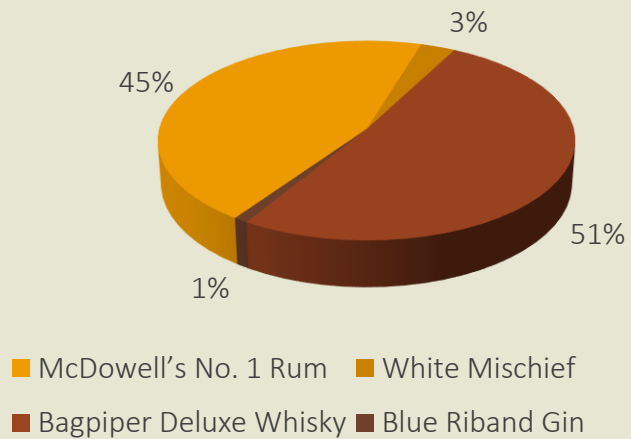


IMFL Licensed (Cases)

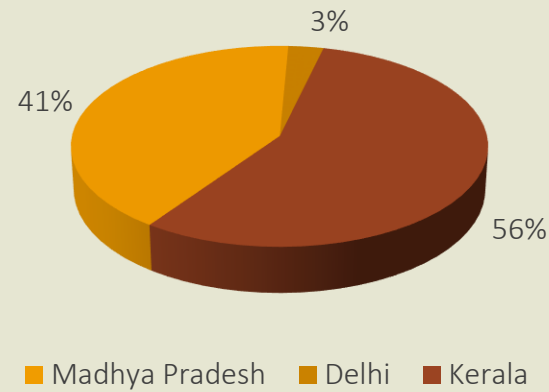


Operational Highlights

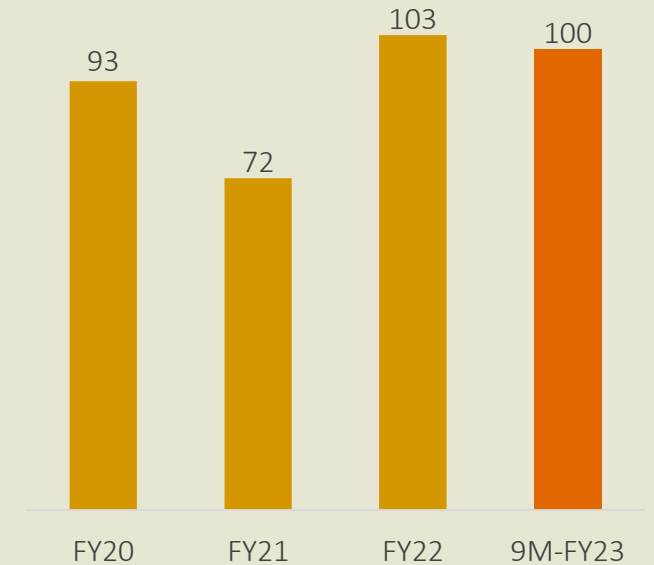
Licenced Brands Sales (%)



Proprietary Brands- State wise Revenue Breakup (%)



Contract Manufacturing Revenue (INR Mn)



A dark, moody photograph of a bottle pouring liquid into three glasses on a wooden surface. The liquid is captured mid-pour, creating a dynamic sense of movement. The glasses are filled with the same liquid, and the wooden surface provides a textured background.

Strategic

Overview

Future Growth Strategies

Enhance the company's presence in all segments of the alcohol consumption value chain by increasing focus on value added high margin products.

Expansion plans to cater to the growing needs of the existing domestic and international customers.

Expansion of capacity through internal accruals making AABL the largest single location distillery in India.

Creation of spirit malt manufacturing and maturation facility.

Strategy to utilize additional ENA production into value added products.

Setting up of an ethanol plant to capture the new ethanol policy benefits provided to grain-based distilleries.



Growth Drivers

Rapid Urbanization and favorable demographics

Large headroom to grow in the existing client relationships

AABL is a preferred and trusted supplier due to superior grain based quality manufacturing processes

Multi-year Diageo/USL relationship

Focus on increasing own brands, as there is a shift in consumers preference to branded liquor

India expected to add ~17 Mn people to the legal drinking community each year

Increasing discretionary spends and acceptance of alcohol amongst consumers

Key international brands looking to outsource manufacturing and shifting to franchisee model



Industry

Overview



Industry Dynamics

- India is the third-largest and fastest growing liquor market in the world.
- The India alcohol market was valued at INR 2,807,236.7 bn in 2018, and is expected to reach INR 5,482,851.3 bn by the end of 2027 exhibiting a CAGR of 7.8% for the forecast period (2019-2027).

The ENA Market in India:

- According to IMARC Group's report, the Extra Neutral alcohol (ENA) market in India reached a volume of 2.96 bn litres in 2019.
- In India, almost 90% of ENA is used OVERVIEW for potable alcohol, which accounts for an annual production capacity of nearly 2.7 bn litres.

The IMFL Market In India:

- IMFL volumes are expected to reach INR 339 mn cases in CY 2022.
- Its consumption in India is expected to post a CAGR of 8.4% in value terms and 4.7% in volume terms in 2017-21.

Market Opportunities:

- Rising demand for premium and high prices alcohol due to increasing purchasing power.
- The rising trend of accepting alcohol drinking.
- Increasing the number of pubs and bar around the globe.
- Increasing launches of flavored alcohol by market players.
- Online liquor sales have increased.



Financial

Overview

Historical Income Statement

Particulars (INR Mn)	FY20	FY21	FY22	9M-FY23
Gross Revenues	5,350	4,532	5,142	5,169
Excise duty	124	174	16	10
Net Revenue from Operations	5,226	4,358	5,126	5,159
Total Operating Expenses	4,460	3,463	4,304	4,682
EBITDA	766	895	822	477
EBITDA Margins (%)	14.66%	20.54%	16.04%	9.25%
Other Income	33	46	142	70
Depreciation	141	141	143	112
Interest	21	15	9	9
Profit Before Tax	637	785	812	426
Tax	144	205	204	108
Profit After tax	493	580	608	318
PAT Margins (%)	9.43%	13.31%	11.86%	6.16%
Other Comprehensive Income	(9)	4	20	104
Total Comprehensive Income	484	584	628	422
Diluted EPS (INR)	27.29	32.06	33.63	17.56

Historical Balance Sheet

Particulars (INR Mn)	FY21	FY22	H1-FY23
ASSETS			
Non-Current Assets			
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
Financial Assets			
(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
Sub Total Non Current Assets	1,290	2,066	2,439
Current Assets			
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
Sub Total Current Assets	2,007	1,936	2,425
TOTAL ASSETS	3,297	4,002	4,864

Particulars (INR Mn)	FY21	FY22	H1-FY23
EQUITY AND LIABILITIES			
Equity			
Share Capital	181	181	181
Other Equity	2,337	2,948	3,243
Total Equity	2,518	3,129	3,424
Non Current Liabilities			
Financial Liabilities			
(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
Sub Total Non Current Liabilities	99	79	363
Current Liabilities			
(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
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Sub Total Current Liabilities	680	794	1,077
TOTAL EQUITY AND LIABILITIES	3,297	4,002	4,864

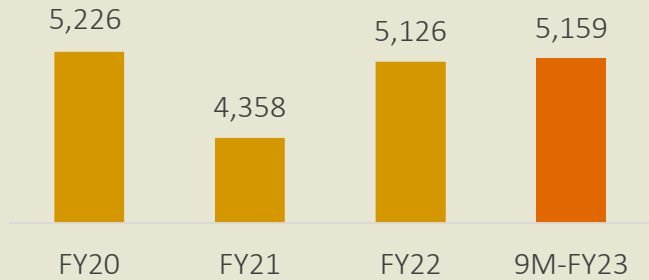
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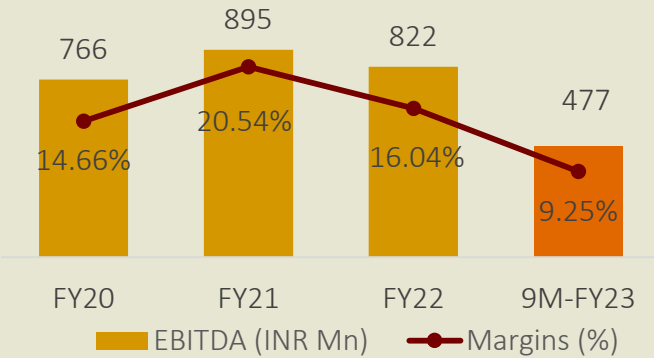
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Financial Overview

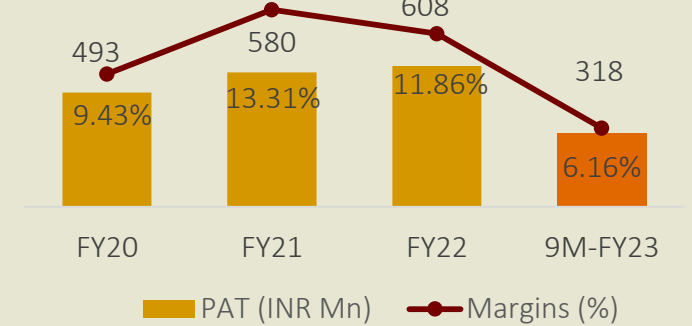
Net Revenue Operations (INR Mn)



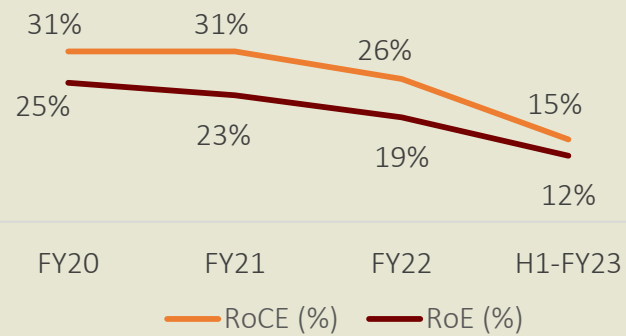
EBITDA (INR Mn) & Margin (%)



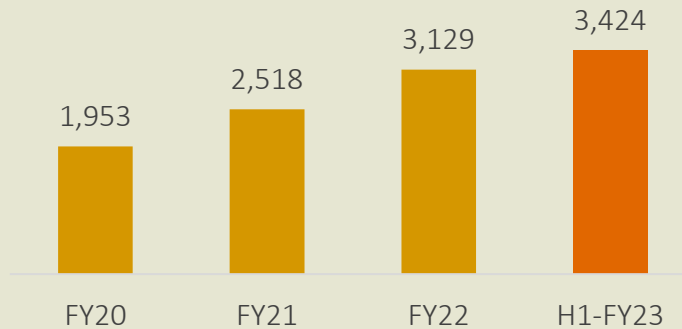
Net Profit (INR Mn) & Margin (%)



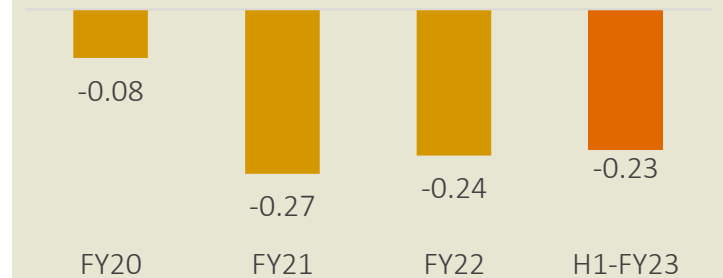
RoCE (%) and RoE (%)



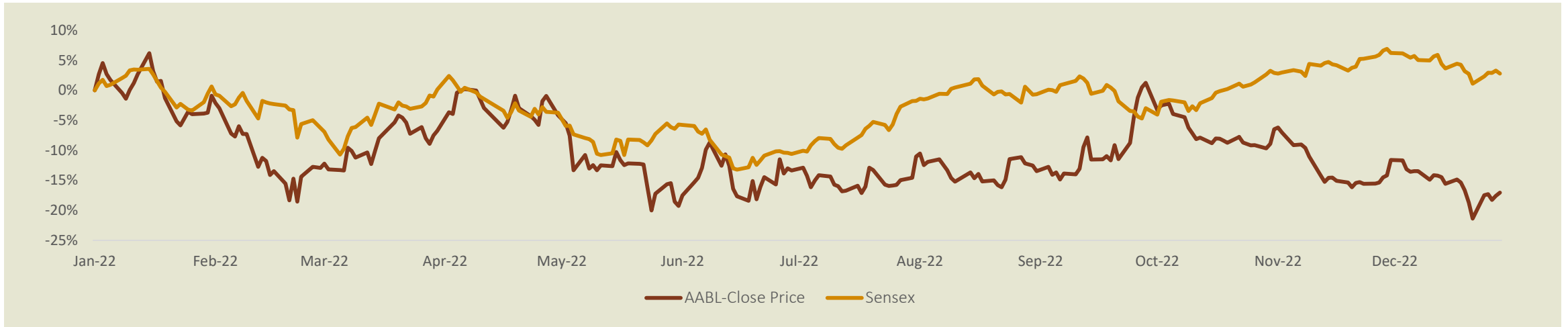
Net Worth (INR Mn)



Net Debt to Equity (x)



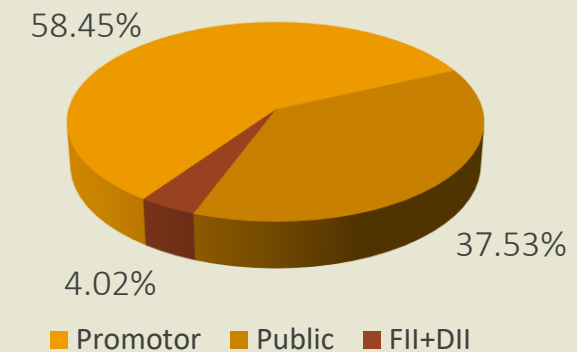
Capital Market



Price Data (As on 31st December, 2022)

Face Value (INR)	10.00
Market Price (INR)	426.15
52 Week H/L (INR)	556.95/380.05
Market Cap (INR Mn)	7,704.45
Equity Shares Outstanding (Mn)	18.08
1 Year Avg. trading volume ('000)	56.95

Shareholding Pattern (As on 31st December, 2022)



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Thank You



ASSOCIATED