



# **SOM Distilleries & Breweries**

## **Q3 FY2015 Earnings Presentation**

[www.somindia.in](http://www.somindia.in)

# Safe Harbor



*This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to SOM Distilleries & Breweries’ future business developments and economic performance.*

*While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.*

*These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.*

*SOM Distilleries & Breweries undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances*





# Q3 FY2015 Financial Highlights

Commenting on the results and performance, **Mr. Surjeet Lal, Chairman & Managing Director** said:

*"The Company reported satisfactory operational and financial performance in the Q3 FY2015, considering the overall tepid market. During the quarter, our revenues increased by 4.1% and EBITDA by 4.6%. Our relentless efforts towards cost optimisation and efficiency improvement have led to consistent EBITDA margins of over 15%.*

*In January 2015, SOM won the prestigious 'Centre of Excellence for Smart Innovation' award at the 'Inc Innovative 100 Awards'. We expect sales in the coming quarters to improve as a result of our marketing and brand building efforts. This included dealer incentives and distribution growth well supported by strong sales and distribution network. With a balanced capital structure and a robust net cash position, we are well positioned for future expansions and increasing market penetration of our brands.*

*India remains one of the fastest growing beer markets in the world. With the expected growth in per capita consumption of liquor owing to favorable demographics, increasing social acceptance of beer and higher disposable incomes, SOM is poised for growth. We continue to focus on enhancing the market share of our key brands along with the satisfaction that our products offer to our valued customers."*

## Performance Highlights: Q3 FY2015 vs Q3 FY2014

Total Income  
of Rs. 394  
Million  
Increase of  
4.1%

Beer sales  
contributes  
82% to the  
total income

EBITDA of Rs.  
61 Million  
Increase of  
4.6%

EBITDA  
margins at  
15.6%

PAT of Rs. 33  
Million  
Margins of  
8.4%

Net Cash of Rs.  
85 Million  
Debt/Equity of  
0.37x



# Q3 FY2015 Financial Highlights



## Standalone Financial Performance

Particulars	Q3 FY2015	Q3 FY2014	y-o-y growth (%)	Q2 FY2014	q-o-q growth (%)
Total Income	394	378	4.1%	438	(10.1)%
EBITDA	61	59	4.6%	67	(9.1)%
Margin %	15.6%	15.5%		15.4%	

9M FY 2015	9M FY 2014	y-o-y growth (%)
1,537	1,514	1.5%
237	232	1.8%
15.4%	15.4%	

Particulars	Q3 FY2015	Q3 FY2014	y-o-y growth (%)	Q2 FY2014	q-o-q growth (%)
PBT	41	47	(11.9)%	50	(17.7)%
Margin %	10.5%	12.4%		11.5%	
PAT	33	38	(11.6)%	33	(0.9)%
Margin %	8.4%	9.9%		7.6%	

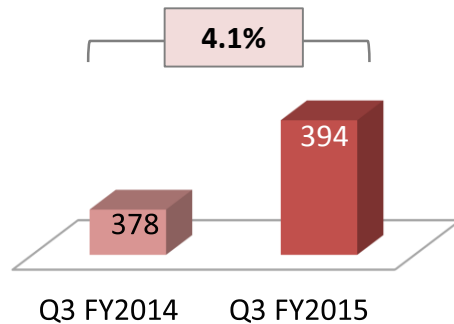
9M FY 2015	9M FY 2014	y-o-y growth (%)
184	197	(6.8)%
12.0%	13.0%	
128	146	(12.2)%
8.4%	9.7%	

Basic EPS(Rs)	1.21	1.36	(11.0)%	1.22	(0.8)%
---------------	------	------	---------	------	--------

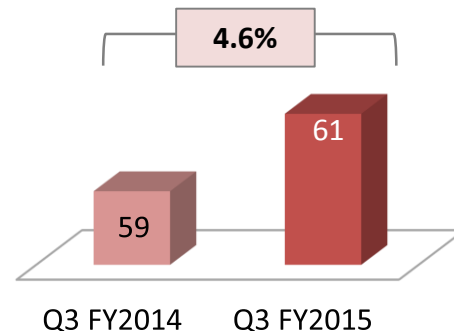
4.66	5.31	(12.2)%
------	------	---------



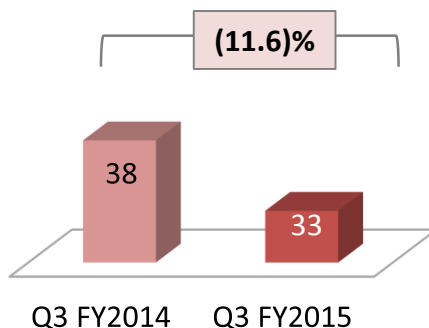
# Q3 FY2015 Financial Highlights



- Q3 FY2015 Total Income increased by 4.1%
- Beer volumes decreased by (2.1)% and IMFL volumes increased by 6.3%
- Average price realization improved by 3.1% for beer and 4.3% for IMFL segment



- EBITDA increased by 4.6% y-o-y
- Improved price realizations supported EBITDA growth despite decline in the beer volumes
- Margins remained relatively consistent at 15.6%
- Raw material cost increased during the quarter coupled with an increase in employee benefit expense



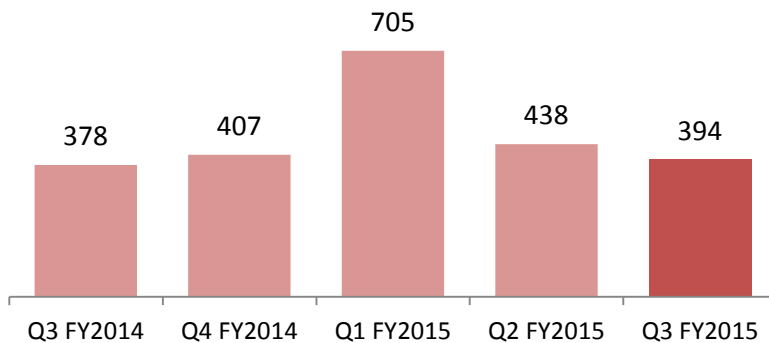
- Profit After Tax decreased by (11.6)%
- Finance cost increased from Rs. 0.08 million to Rs. 8.0 million due to increase in secured borrowings
- Net Profit margins decreased to 8.4% from 9.9% in Q3 FY2014, primarily due to relatively higher finance cost in Q3 FY2015



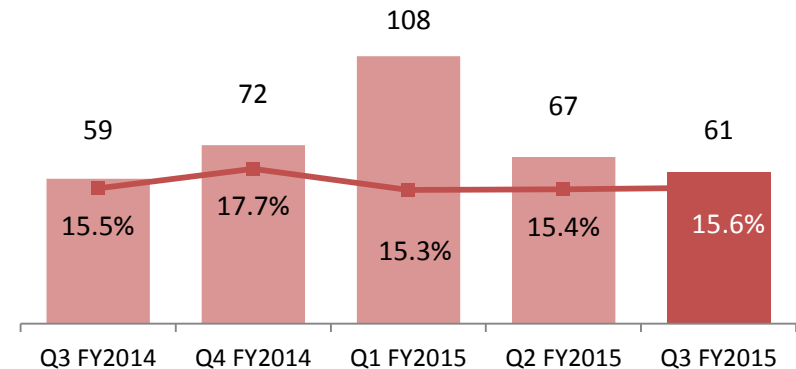


# Q3 FY2015 Financial Highlights

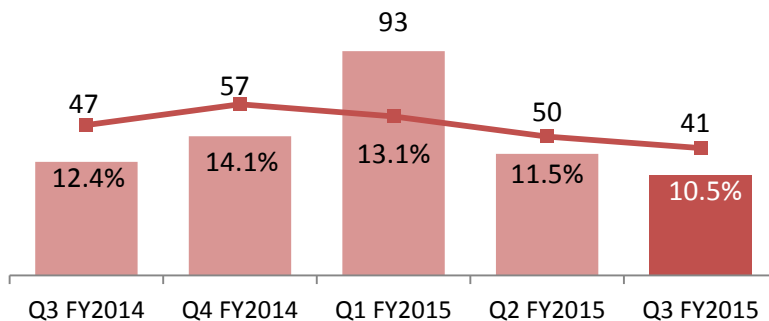
## Total Income (Rs. Million)



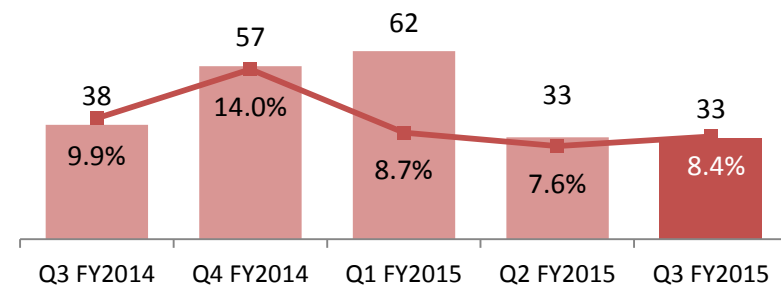
## EBITDA (Rs. Million) and Margin (%)



## PBT (Rs. Million) and Margin (%)



## PAT (Rs. Million) and Margin (%)



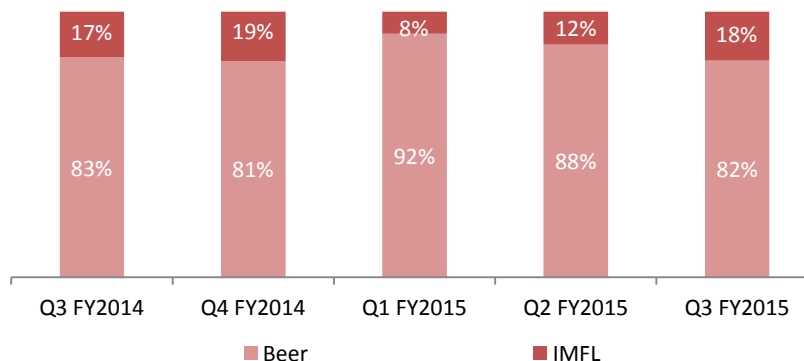


# Q3 FY2015 Operational Highlights

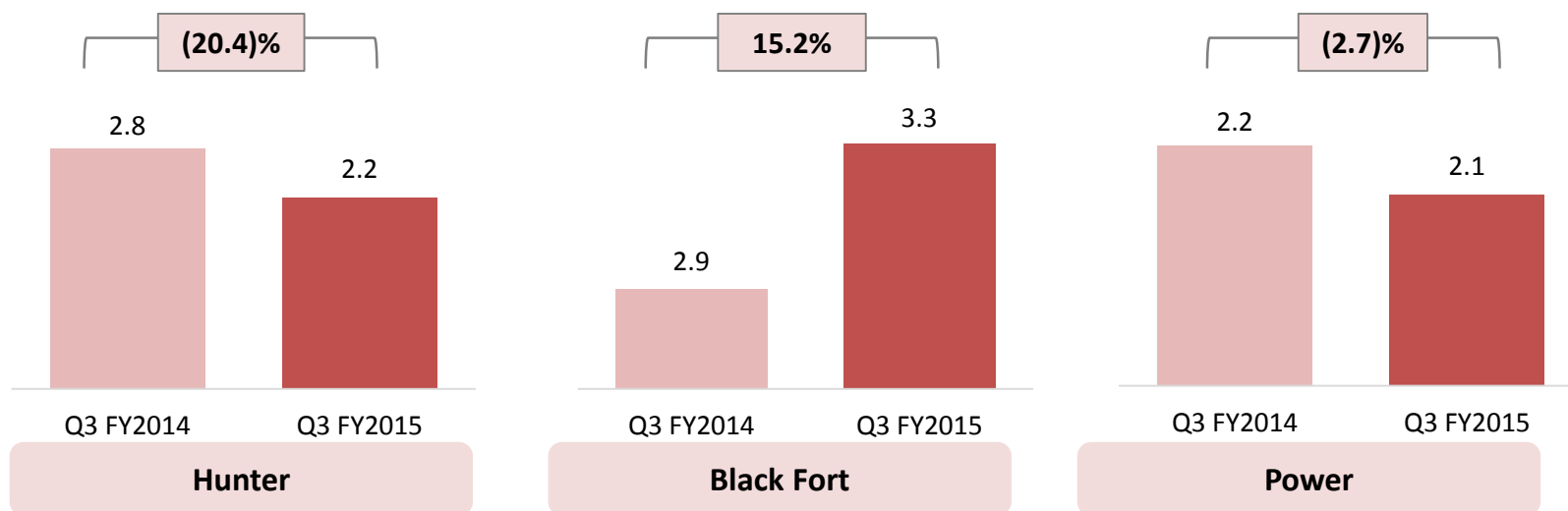
## Revenue by Category (Quantity Sold)

(lakh cases sold)	Q3		y-o-y	9M		y-o-y
	FY2015	FY2014	Growth (%)	FY2015	FY2014	Growth (%)
<b>Total Beer</b>	7.7	7.9	(2.1)%	33.7	35.8	(6.0)%
<b>Total IMFL</b>	1.7	1.3	6.3%	4.6	4.4	4.3%

## Revenue by Category (Quantity Sold)



## Brand Performance



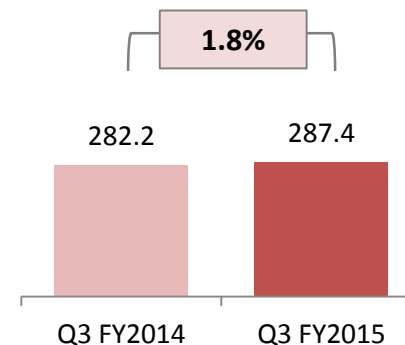


# Q3 FY2015 Operational Highlights

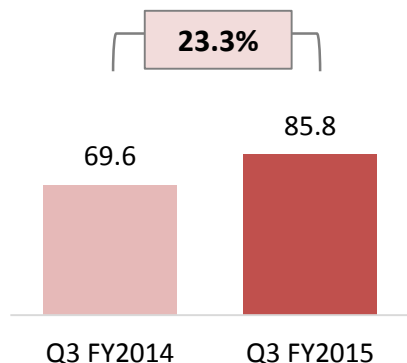
## Revenue by Category (Rs. Million)

Category	Q3 FY2014	Q4 FY2014	Q1 FY2015	Q2 FY2015	Q3 FY2015
Beer	282.2	292.6	622.2	353.7	287.4
Whisky	69.6	70.4	80.4	68.3	85.8
Gin	8.5	10.9	8.2	7.7	4.1
Rum	20.6	26.8	3.8	8.6	16.9
Vodka	2.4	2.5	1.9	5.4	5.3

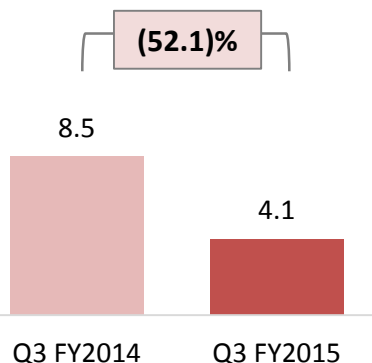
## Beer



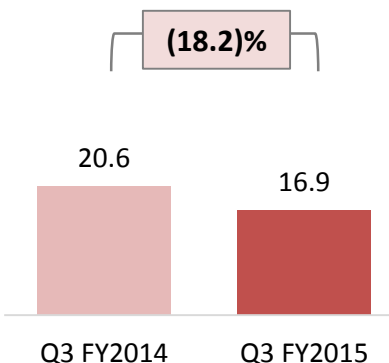
## Whisky



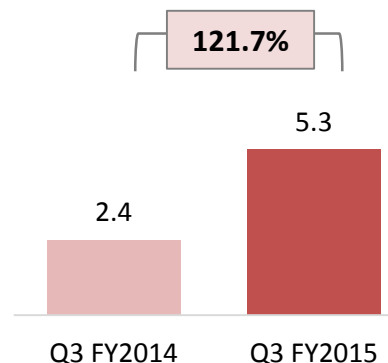
## Gin



## Rum



## Vodka





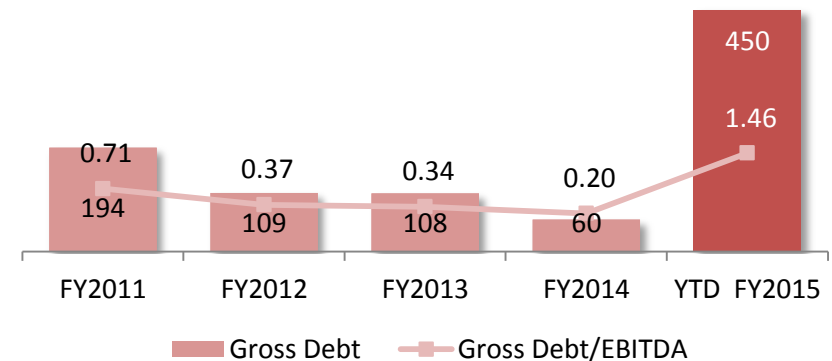


# Leverage Profile

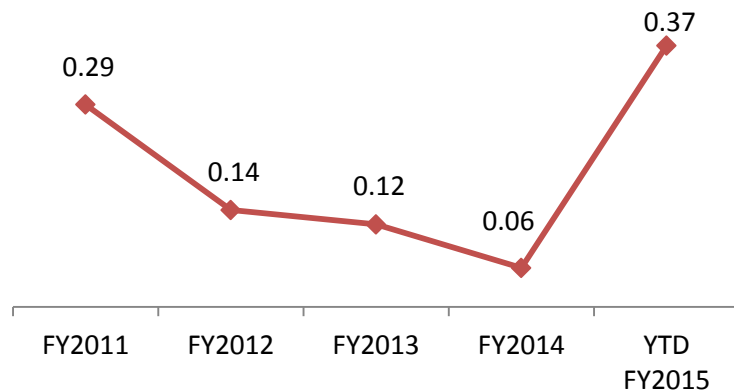
Strong Balance Sheet with adequate Cash on hand

(Rs. Million)	31.12.2014	30.9.2014
Secured Borrowings	450	61
Unsecured Borrowings	0	90
<b>Gross Debt</b>	<b>450</b>	<b>151</b>
Less: Cash & Cash Equivalents	(535)	(224)
<b>Net Debt / (Net Cash)</b>	<b>(85)</b>	<b>(73)</b>
<b>Shareholder's Equity</b>	<b>1,202</b>	<b>1,169</b>

## Gross Debt and Gross Debt/EBITDA\* (x)



## Gross Debt/ Equity (x)



- ❖ Increase in Gross Debt/Equity in Q3 FY2015. The proceeds of the secured borrowings to be utilized for the repayment of short term loans and current liabilities
- ❖ Maintaining a conservative leverage profile along with consistent growth and net cash position

\*LTM EBITDA taken for 2015 Gross Debt/EBITDA



# SOM At a glance



- ❖ SOM Distilleries and Breweries (SOM) was established in 1994. The Company is primarily engaged in brewing, fermentation, bottling, canning and blending of beer and Indian Made Foreign Liquor (IMFL)
- ❖ SOM Distilleries is the flagship company of SOM Group of Companies. SOM Group is based out in Bhopal and is a leading liquor producer in India
- ❖ SOM has a global footprint with a vast distribution network spread over 13 states in India
- ❖ The Company is primarily focused on achieving operational excellence through technological advancement coupled with strong manpower of over 600 employees
- ❖ Currently, has an installed capacity of 59,200 KL of beer and 5,400 KL of IMFL
- ❖ The Company's Hunter and Woodpecker brands are supplied as draught beer to all the major hotels in Madhya Pradesh and Chhattisgarh

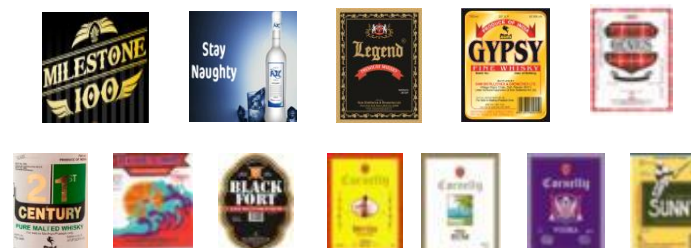
## Major Brands



## Beer



## Spirits



# Awards and Recognitions



## Recent Achievements in FY 2015

Spiritiz 2014:



Received the Best Product debut award for Milestone 100 whisky

Monde Selection Quality Awards:



Received the Gold award for Milestone 100 whisky and Silver awards for White Fox vodka and Hunter beer

Awarded Fastest Growing Company by:



Recognized as one of the fastest growing companies by INDSPIRIT 2014

Awarded 30 Most Innovative CEOs of 2014:



Awarded by Inc. Innovative 100 Awards

Selected in:



Featured in the "Forbes Top 200 best under billion sales" in the whole of Asia Pacific

Ranked 86<sup>th</sup> by:



Ranked 86<sup>th</sup> in the list of 500 fastest growing mid-sized companies in India, compiled by Inc. India 500

Included in:



SOM has recently been included in the S&P BSE 500 index

Awarded Certificate of excellence for Smart Innovation



Awarded by Inc. Innovative 100 Awards



# Statutory Results



## Unaudited Results for the quarter ended 31st December 2014 (All amounts are in Millions of Indian Rupees, unless otherwise stated)

		(Amount in Lakhs)					
Particulars		Quarter Ended			Nine Month Ended		Year
		(Unaudited)			(Unaudited)		Audited
	PART -1	31-12-2014	30-09-2014	31-12-2013	31-12-2014	31-12-2013	31-03-2014
1	<b>Income from Operations</b>						
	Revenue from Operations (Gross)	3994.49	4445.12	3838.84	15604.69	15364.58	19416.19
	Less: Excise Duty	73.33	95.56	86.76	316.03	306.41	388.94
	Revenue from Operations (Net)	3921.16	4349.56	3752.08	15288.66	15058.17	19027.25
b	Other Operating Income	14.86	29.03	27.28	80.09	82.83	185.74
	<b>Total Income from Operations (Net)</b>	<b>3936.02</b>	<b>4378.59</b>	<b>3779.36</b>	<b>15368.75</b>	<b>15141.00</b>	<b>19212.99</b>
2	<b>Expenses</b>						
a	Cost of Materials Consumed	2145.50	1777.43	1519.80	6934.14	6134.79	7987.64
b	Purchase of Stock in Trade	0.00	0.00	0.00	0.00	0.00	0.00
c	Charges in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade (increase)	(331.73)	35.26	150.65	(208.48)	1040.32	783.86
d	Power and Fuel	133.11	148.97	149.30	523.97	521.85	672.05
e	Employee Benefit Expenses	118.89	139.86	79.48	365.56	301.36	482.99
f	Transport, Clearing & Forwarding charges	139.47	197.39	134.42	711.54	547.23	771.92
g	Depreciation and Amortisation expenses	121.50	121.51	116.37	364.52	347.80	480.85
h	Other Expenses	1117.81	1405.68	1159.90	4674.56	4270.80	5468.66
	<b>Total Expenses</b>	<b>3444.55</b>	<b>3826.10</b>	<b>3309.92</b>	<b>13365.81</b>	<b>13164.15</b>	<b>16647.97</b>
3	<b>Profit from Operations before other Income, Finance Costs &amp; Exceptional Items (1-2)</b>	<b>491.47</b>	<b>552.49</b>	<b>469.44</b>	<b>2002.94</b>	<b>1976.85</b>	<b>2565.02</b>
4	Other Income	0.00	0.00	0.00	0.00	0.00	0.00
5	<b>Profit from Ordinary Activities before Finance Costs &amp; Exceptional Items (3+4)</b>	<b>491.47</b>	<b>552.49</b>	<b>469.44</b>	<b>2002.94</b>	<b>1976.85</b>	<b>2565.02</b>
6	Finance Costs	78.72	50.76	0.83	163.26	2.95	16.79
7	<b>Profit from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)</b>	<b>412.75</b>	<b>501.73</b>	<b>468.61</b>	<b>1839.68</b>	<b>1973.90</b>	<b>2548.23</b>
8	Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00
9	<b>Profit from Ordinary Activities before Tax (7-8)</b>	<b>412.75</b>	<b>501.73</b>	<b>468.61</b>	<b>1839.68</b>	<b>1973.90</b>	<b>2548.23</b>
10	Tax Expenses	80.71	166.80	92.97	555.88	511.84	518.12
11	<b>Net Profit (+)/ Loss (-) from Ordinary Activities after Tax (9-10)</b>	<b>332.04</b>	<b>334.93</b>	<b>375.64</b>	<b>1283.80</b>	<b>1462.06</b>	<b>2030.11</b>
12	<b>Extraordinary Items</b>						
13	<b>Net Profit (+)/ Loss (-) for the period (11-12)</b>	<b>332.04</b>	<b>334.93</b>	<b>375.64</b>	<b>1283.80</b>	<b>1462.06</b>	<b>2030.11</b>
14	Paid-up Equity Share Capital (Face Value Rs. 10 each)	2752.24	2752.24	2752.24	2752.24	2752.24	2752.24
15	Reserves excluding Revaluation Reserve						
16	Earning per Share (EPS) (Rs.) (before/after extraordinary items)						
a	- Basic and Diluted	1.21	1.22	1.36	4.66	5.31	7.38
b	- Cash	1.21	1.22	1.36	4.66	5.31	7.38



# Statutory Results



## Unaudited Results for the quarter ended 31st December 2014 (All amounts are in Millions of Indian Rupees, unless otherwise stated)

A PARTICULARS OF SHAREHOLDINGS						
1 Public Shareholdings:						
- Number of Shares	21263145	21275136	21367717	21263145	21367717	21314228
- Percentage of Shareholding	77.26	77.30	77.64	77.26	77.64	77.44
2 Promoters & Promoter Group Shareholding:						
a) Pledged/Encumbered						
- Number of shares	Nil	Nil	Nil	Nil	Nil	Nil
- Percentage of shares	Nil	Nil	Nil	Nil	Nil	Nil
b) Non-encumbered						
- Number of shares	6259255	6247264	6154683	6259255	6154683	6208172
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00	100.00
- Percentage of shares (as a % of the total share capital of the company)	22.74	22.70	22.36	22.74	22.36	22.56
B INVESTORS COMPLAINTS	3 Months Ended 31-12-14					
Pending at the beginning of the quarter	1					
Received during the quarter	1					
Disposed of during the quarter	2					
Remaining unresolved at the end of the quarter	0					

### NOTES :-

- The above results were reviewed by the Audit Committee and there after approved by the Board of Directors at the meeting held on 12.02.2015 and a limited review of the same has been carried out by the statutory auditors of the company.
- Previous period figures have been regrouped and or reclassified wherever necessary.

Regd. Office :- 1-A, Zee Plaza, Arjun Nagar, Safdarjung Enclave, Kamal Cinema Road, New Delhi (India)

PH. 0091-11-26169909, 26169712

1-26195897

Shareholders are requested to intimate change of address, if any

*S. LAL*  
S. LAL

MANAGING DIRECTOR





## Som Distilleries & Breweries Limited

(CIN: L74899DL1993PLC052787)

### Registered Office:

Zee Plaza, 1 - A  
Kamal Cinema  
Road  
Arjun Nagar  
Safdarjung Enclave  
New Delhi 110029

### Corporate Office:

SOM HOUSE  
23, Zone II  
Maharana Pratap  
Nagar,  
Bhopal 462011  
Ph.: +91 755 427  
8827



Nakul Sethi

**SOM Distilleries and Breweries**

[nksethi@somindia.in](mailto:nksethi@somindia.in)

+91 755 4271271



Deepak Balwani / Ankul Adlakha

**Churchgate Partners**

[som@churchgatepartnersindia.com](mailto:som@churchgatepartnersindia.com)

+91 22 3953 7444

