



SOM Distilleries & Breweries Limited
(BSE: 507514, NSE: SDBL)

Earnings Presentation
Q3 and 9 Months FY2018



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.



Highlights

Financial Highlights

Operational Highlights

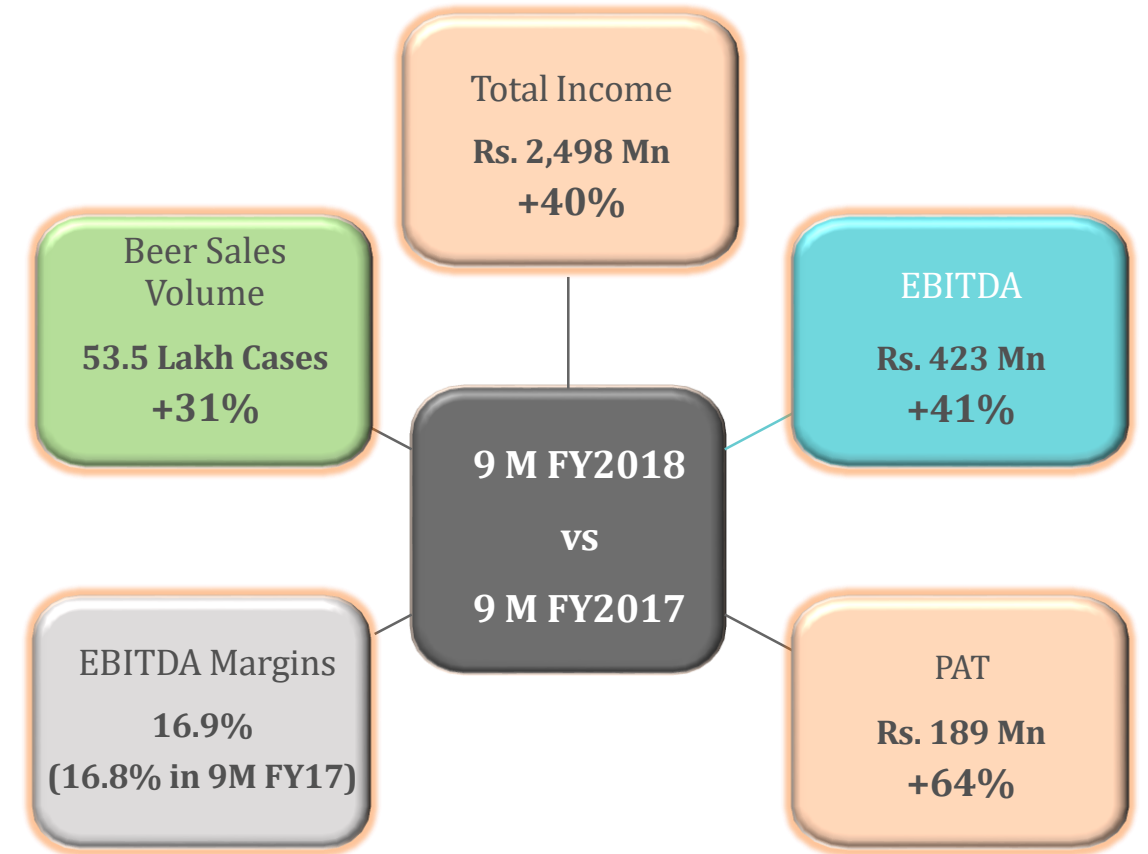
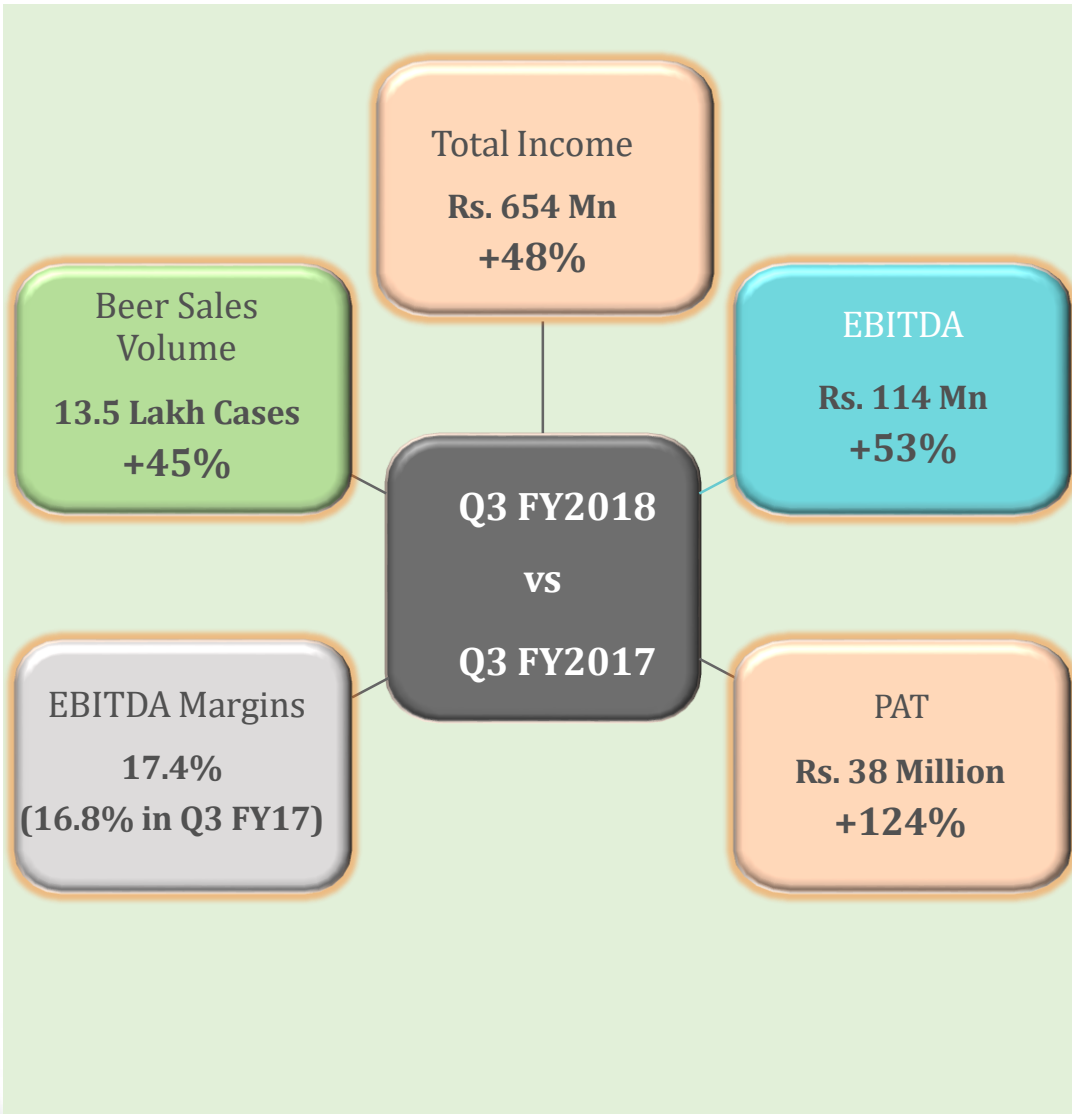
Recent Developments

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Highlights



Management Commentary



"Continuing on the growth momentum gained in prior quarters, we reported robust financial performance in Q3 FY2018. Strong topline growth coupled with improved profitability sustained ascending trend supported by increasing product acceptance, better operating income and reduced interest cost. During the quarter, we reported a strong beer volume growth of 44.8%, while IMFL volume increased by 6.1% compared to Q3 FY2017. Our net revenue increased by 50.1% and operating profit increased by 53% with enhanced margins of 17.4%.

Our new facility in Karnataka is expected to contribute to the topline from Q4 FY2018. Furthermore, we have also received F.D.A. approval for our beer brands to supplying our products to the USA. We have started delivering orders to the USA and exports are anticipated to increase further in the near term.

With improving industry dynamics, we are confident of continuing the buoyant performance in medium term."

Mr. JK Arora, Managing Director



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Robust Quarterly Performance – Q3 and 9 Months FY2018



	Q3		y-o-y
(Rs. Million)	FY2018	FY2017	Growth (%)
Total Income	654	442	47.9%
EBITDA	114	74	53.0%
<i>Margin (%)</i>	<i>17.4%</i>	<i>16.8%</i>	
Interest	21	29	(27.5)%
Depreciation	12	10	24.2%
Net Profit	38	17	123.9%
<i>Margin (%)</i>	<i>5.9%</i>	<i>3.9%</i>	
Earnings Per Share	1.39	0.62	123.9%

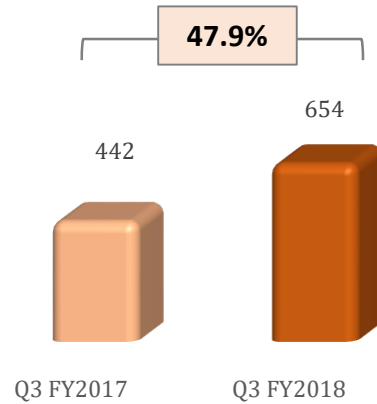
Nine Months Ended		y-o-y
FY2018	FY2017	Growth (%)
2,498	1,789	39.6%
423	301	40.7%
<i>16.9%</i>	<i>16.8%</i>	
67	86	(22.1)%
30	29	3.4%
189	116	63.6%
<i>7.6%</i>	<i>6.5%</i>	
6.87	4.20	63.6%



Robust Quarterly Performance – Q3 FY2018 vs Q3 FY2017

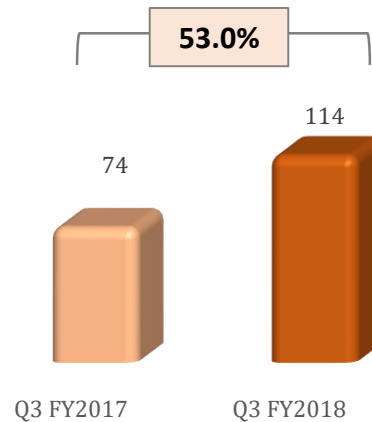


Total Income



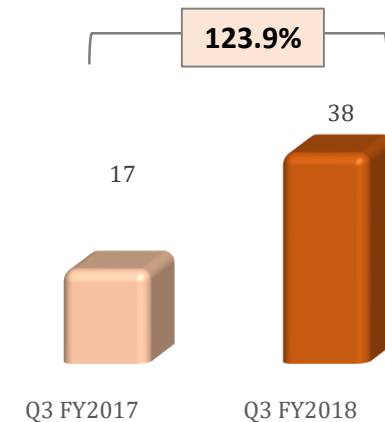
- Q3 FY2018 Total Income increased by 47.9% y-o-y
- Revenue from Beer increased by 73.9% y-o-y while Beer volumes increased by 44.8% y-o-y

EBITDA



- EBITDA increased by 53.0% y-o-y to Rs. 124 million
- EBITDA margins increased by 58 bps to 17.4%

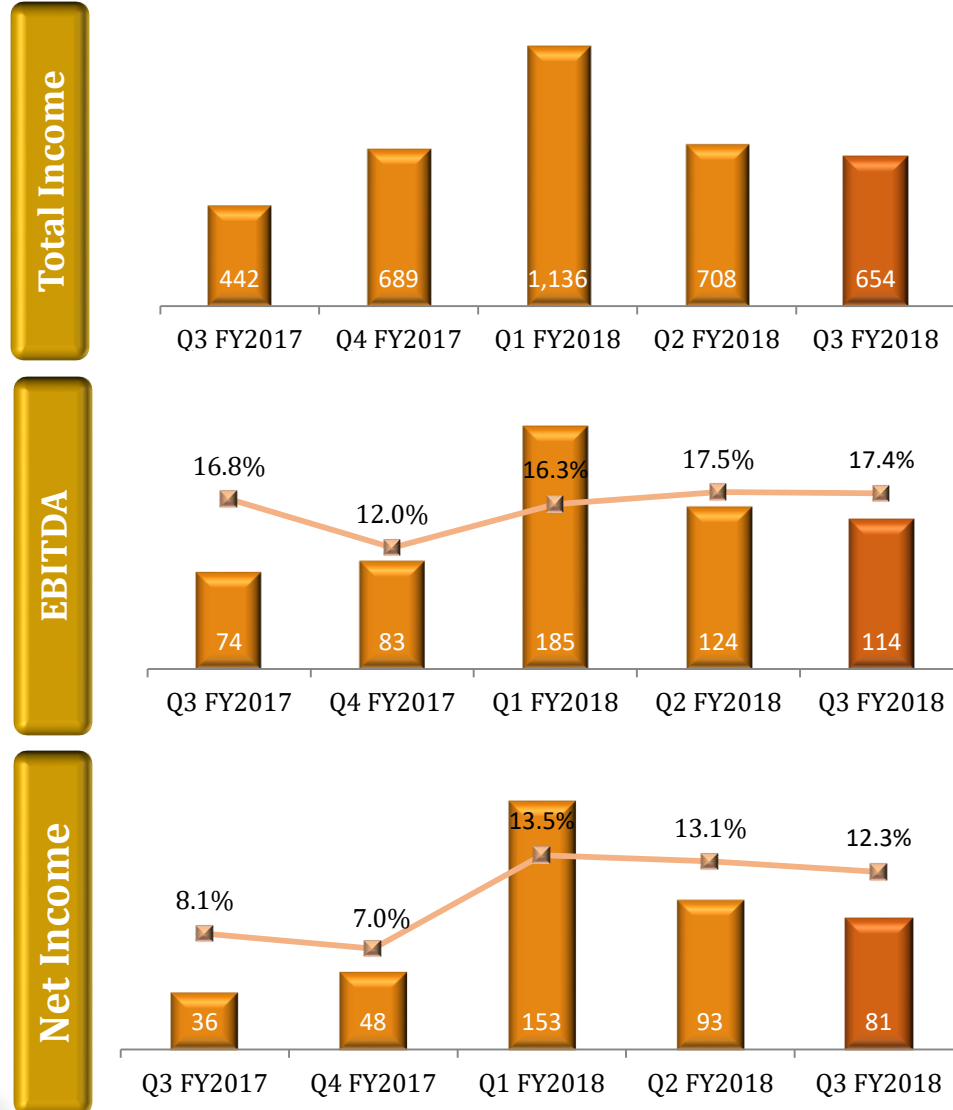
Net Income



- Net Profit increased by 123.9% y-o-y to Rs. 38 million
- Margins increased to 5.9% vs 3.9% in Q3 FY2017
- Interest cost decreased by (27.5)% to Rs. 21 million



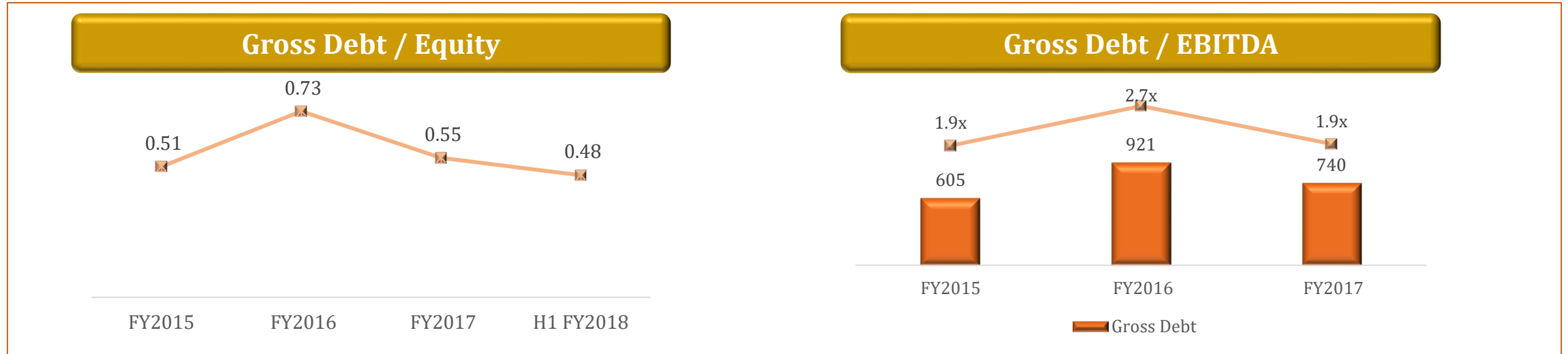
Quarterly Financial Trends



- **Steady topline growth in a challenging environment**
- **Consistent EBITDA growth**
- **Consistent EBITDA margins of over 15%**



Conservative Balance Sheet



Transformational growth investments funded without risking Balance Sheet

(Rs. Million)	Dec 31 2017	Mar 31 2017	Mar 31 2016
Secured Borrowings	298	523	754
Unsecured Borrowings	175	217	167
Gross Debt	473	740	921
Less: Cash & Cash Equivalents	16	295	198
Net Debt	457	445	723



- SOM maintains a conservative leverage profile along with consistent growth in revenues & operating profit**



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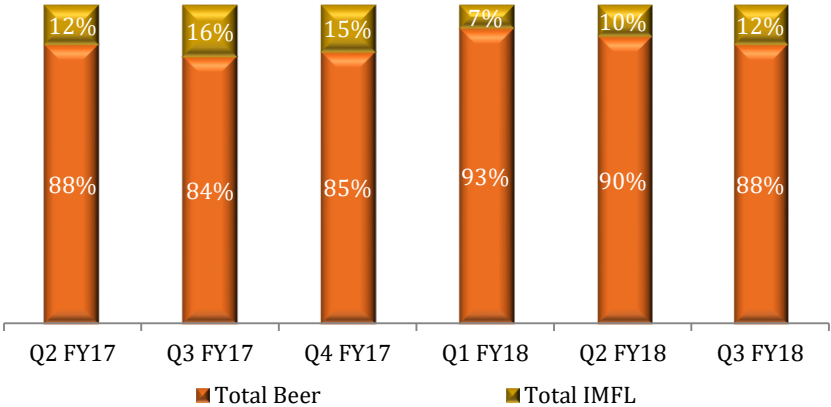
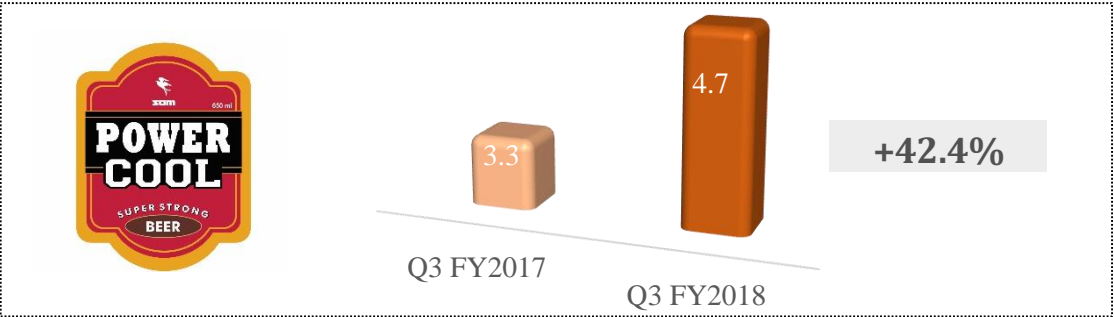
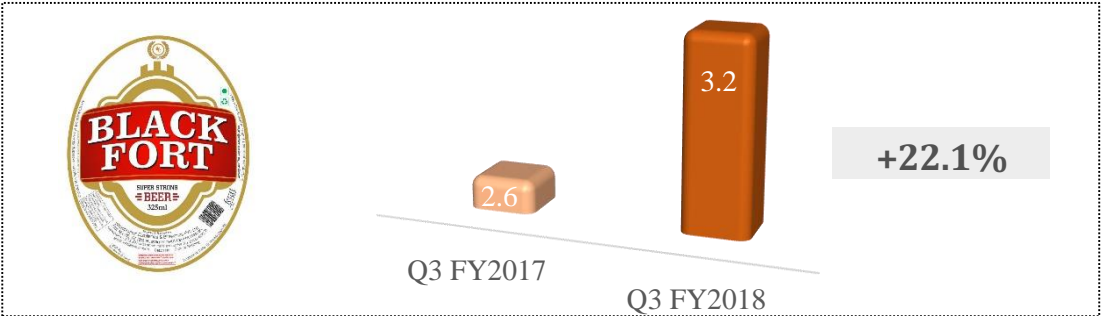
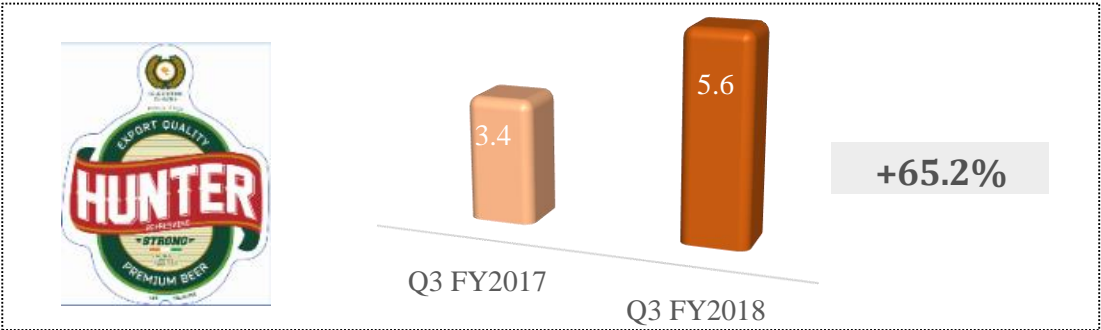
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Millionaire Beer Brands - Meeting the aspirations of our consumers



Quantity Sold (in lakh cases)



(Lakh cases)	Q3		y-o-y
	FY2018	FY2017	Growth (%)
Total Beer	13.5	9.3	44.8%
Total IMFL	1.9	1.8	6.1%



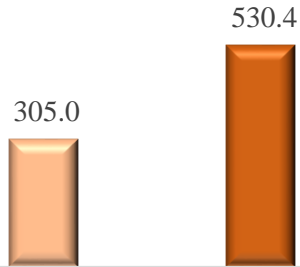
Segment Performance



Revenue by Category (in Rs. mn)

Beer

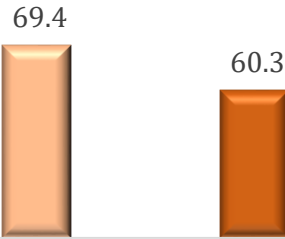
73.9%



Q3 FY2017 Q3 FY2018

Whisky

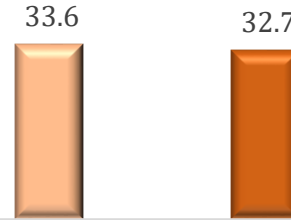
(13.2)%



Q3 FY2017 Q3 FY2018

Rum

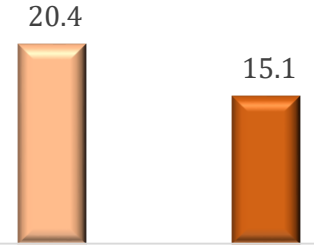
(2.7)%



Q3 FY2017 Q3 FY2018

Vodka

(26.0)%



Q3 FY2017 Q3 FY2018

Category	Q3 FY2017	Q4 FY2017	Q1 FY2018	Q2 FY2018	Q3 FY2018
Beer	305.0	527.9	1004.9	609.6	530.4
Whisky	69.4	85.1	93.1	65.3	60.3
Gin	0.2	0.4	3.5	0.9	2.2
Rum	33.6	30.4	13.9	14.0	32.7
Vodka	20.4	42.4	11.1	12.4	15.1
Brandy	6.6	6.6	5.2	6.2	12.6



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Recent Major Developments



Beer brands have been approved by F.D.A for supplying beer to the United States of America (Nov 2017)

Setting up of Brewery in Karnataka through the subsidiary company - Woodpecker Distilleries and Breweries Pvt Ltd

Hunter Beer achieved a volume in excess of 2(Two) million cases in the FY 2017

'WOODPECKER' Beer approved in the Canteen Store Department in March 2017

Major Developments

Four of SOM brands approved by CSD for supply on a PAN India Basis in November 2016

Launched White Fox RTD Drink in new Cranberry flavour – Cosmo Cranberry - third flavor launched after the widespread acceptance of two earlier flavors – Lemon & Orange

Opening of the Mumbai office to give more impetus to the Southern and Western regions of the country.



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SOM Distilleries – Who we are



The only listed Beer and IMFL company in India....

- SOM Distilleries & Breweries Limited (SDBL) is based in Bhopal and is one of the leading alcoholic beverages manufacturers in India. SDBL is primarily engaged in production of beer and blending and bottling of IMFL
- Offers a broad line of products at every price point to cater to varied preferences of the consumers. The product portfolio consists of various options across beer, rum, brandy, vodka and whisky
- With ~89% of the topline derived from beer, the company has three key millionaire brands (sales more than 1 mn cases per annum) – Hunter, Black Fort and Power Cool. Hunter and Woodpecker brands are supplied as draught beer to all major hotels in Madhya Pradesh and Chhattisgarh
- Expansion initiatives underway in key growth markets which is expected to generate significant growth



Synergy Opportunities – Beer and IMFL Brands



- Hunter Super Strong Premium Beer
- Power Cool Super Strong Beer
- Black Fort Super Strong Beer
- Legend Premium Lager Beer
- Woodpecker Lager Beer

Beer Brands



IMFL Brands



- Black Fort XXX Rum
- Gypsy Rum
- Sunny Rum

- Doctors Brandy

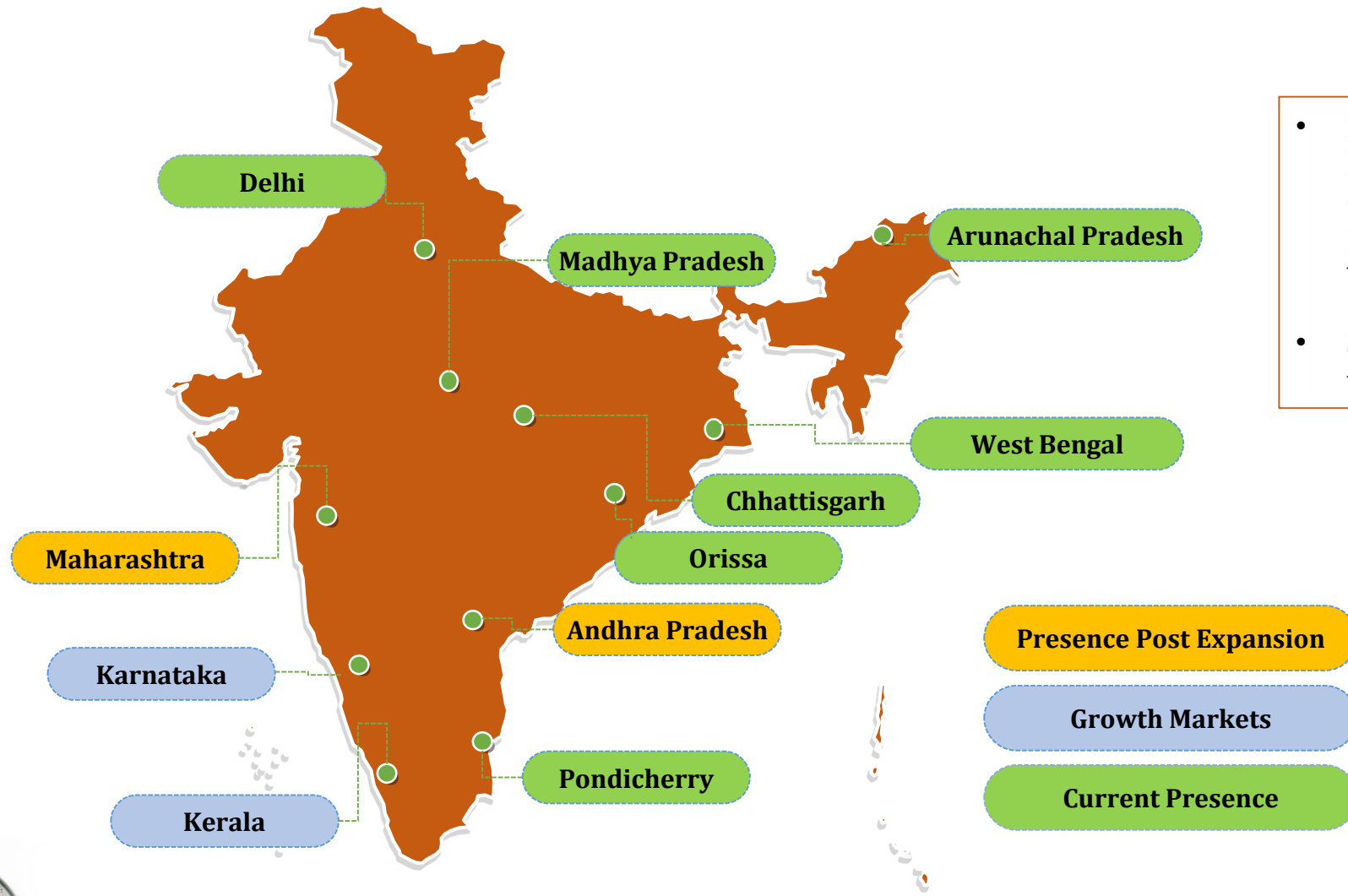
- Legend Premium Whisky
- 21st Century Pure Malted Whisky
- GS Genius Whisky
- Gypsy Whisky
- Sunny Malted Whisky
- Milestone 100 premium Whisky
- Super Master Whisky

- Blue Chip Vodka
- White Fox Vodka
- White Fox Refresh (RTD)

- *SOM's Beer and IMFL portfolio complements each other and reduce the risk of seasonality*
- *The Point of Sales for both IMFL and Beer is the same; thereby leading to marketing efficiencies*
 - *Generates significant growth opportunities for the combined portfolio*



Geographical presence



- Presence across India including Madhya Pradesh, Arunachal Pradesh, Chhattisgarh, Delhi, Gujarat, Kerala, Karnataka, Orissa, Pondicherry, and West Bengal
- Strong sales and distribution network with 60+ distributors across India

*Market leading strategic presence in central India
Post expansion, new states to provide further traction*



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Unaudited Results for the quarter ended 31st Dec 2017 (All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

		STANDALONE AND CONSOLIDATED					
		Quarter Ended			Year to Date		Year Ended
		3 Months ended	Preceding 3 Months ended	Corresp. 3 Months ended in the previous	Year to date figures for current period	Year to date figures for previous year ended	Previous Year Ended
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from operations (Incl State Excise Duties)	8,217.02	8,978.92	5,710.29	31,044.47	22,103.95	30,180.54
II	Other Income	2.89	6.02	68.92	52.37	151.05	306.82
III	Total Income (I+II)	8,219.91	8,984.93	5,779.21	31,096.83	22,255.00	30,487.36
2	Expenses						
a	Cost of Materials Consumed	3,318.53	2,749.15	2,380.05	11,380.77	8,388.43	12,723.87
b	Purchase of Stock in Trade	-	-	-	-	-	-
b	Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	(32.56)	(248.99)	(246.04)	316.29	112.68	(169.70)
c	State Excise Duties	1,684.08	1,901.12	1,358.66	6,116.56	4,366.59	5,708.98
d	Employee Benefits Expenses	149.73	150.91	120.96	466.96	435.85	714.42
e	Finance Costs	210.99	226.09	290.86	666.70	855.64	1,132.36
f	Depreciation and Amortisations	119.15	89.50	95.91	298.15	288.41	357.29
g	Other Expenses	1,964.02	3,192.12	1,422.91	8,587.40	5,945.52	7,676.79
	Total Expenses (IV)	7,413.95	8,059.90	5,423.32	27,832.82	20,393.13	28,144.02



Statutory Results



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		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
V	Profit/(Loss) before exceptional items and tax (III-IV)	805.96	925.04	355.89	3,264.01	1,861.88	2,343.34
VI	Exceptional Items	-	-	-	-	-	-
VII	Profit/(Loss) before tax (V-VI)	805.96	925.04	355.89	3,264.01	1,861.88	2,343.34
VIII	Tax Expense	422.18	430.67	184.48	1,372.93	705.66	950.21
IX	Profit/(Loss) for the Period (VII-VIII)	383.78	494.37	171.41	1,891.08	1,156.22	1,393.13
X	Other Comprehensive Income	-	-	-	-	-	-
XI	Total Comprehensive income for the Period (IX-X)	383.78	494.37	171.41	1,891.08	1,156.22	1,393.13
XII	Earnings Per Equity Share (Face Value of Rs. 10 each)						
1	Basic (in Rs.)	1.39	1.80	0.62	6.87	4.20	5.06
2	Diluted (in Rs.)	1.39	1.80	0.62	6.87	4.20	5.06



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Unaudited Results for the quarter ended 31st Dec 2017 (All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

NOTES :-

- 1 Unaudited financial results for the quarter ended 31st December 2017 reviewed by the audit committee were taken on record at the board meeting held on 24th January, 2018.
- 2 As operations in our subsidiary have not commenced, hence standalone and consolidated results are identical.
- 3 Previous period figures have been regrouped and or reclassified, wherever necessary.
- 4 Shareholders are requested to intimate change of address, if any.

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

Ph: +91-11-26169909, 26169712 Fax:- +91-11-26195897

J.K. Arora
Chairman & Managing Director





SOM Distilleries & Breweries Limited
(BSE: 507514, NSE: SDBL)

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
+91 755 4271271

Saket Somani

Churchgate Partners

som@churchgatepartners.com
+91 22 6169 5988

