



# **SOM Distilleries & Breweries Limited**

**(BSE: 507514, NSE: SDBL)**

**Q1 FY2017 Earnings Presentation**

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

**August 2016**



# 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*





# Highlights Q1 FY2017 vs Q1 FY2016

## Total Income

Rs. 874 Million

**+12.8%**

## Beer Sales Volume

21.1 Lakh Cases

**+7.7%**

## EBITDA

Rs. 145 Million

**+20.7%**

## EBITDA Margins

16.6%

**+108 bps**

## PAT

Rs. 71 Million

**+11.4%**

## Leverage

Net Debt: Rs.620 mn (vs  
723 mn in March 31,2016)

Net Debt / Equity: 0.46x





# Management Commentary

## Management Commentary

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

*“In line with our expectations and with continued focus on a profitable growth, the first quarter results have already paved the way for a robust financial year ahead. I am ecstatic to announce that we have once again demonstrated our growth potential in a relatively challenging industry environment. Along with increasing revenues by 12.8%, EBITDA grew by 20.7% and margins have expanded by 108 bps to 16.6%.*

*Our flagship Beer brands continued to perform well, with volumes increasing by 7.7% and sales value by 13.5%. Following our tie up with Jagatjit Industries and Oakland Bottlers last financial year, we have seen robust sales to the Canteen Stores Department which added Rs. 30 million to our topline during the quarter. CSD remains one of the core focus areas for us in the future with the empanelment of our core Beer and Rum brands.*

*The Beer industry in India promises a significant growth potential. Beer is becoming a casual lifestyle drink among the urban youth in India. In recent times, the Beer industry has also seen premiumization which is further driven by the advent of foreign brands in India. Consumer’s focus on lifestyle and quality products continue to drive the growth of premium products. With a strong portfolio of premium products, SOM is positioned to be one of the key beneficiaries of the changing industry trends.*

*Our capital structure remains robust with a debt to equity ratio of less than 0.5x to support our growth aspirations. We remain confident that our expansion plans and focus on cost efficiency will lead to increase in value to our shareholders in times to come.”*





# Financial Highlights

## Standalone Financial Performance (Rs. Million)

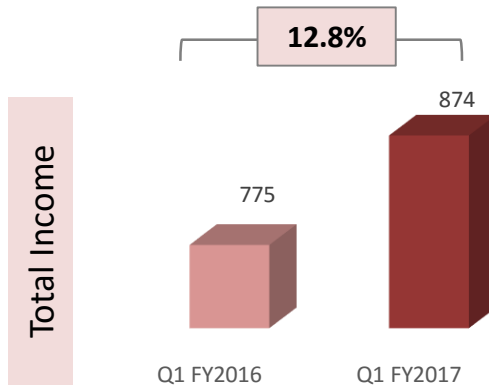
	Q1		y-o-y	Q4	q-o-q
(Rs. Million)	FY2017	FY2016	Growth (%)	FY2016	Growth (%)
<b>Total Income</b>	<b>874</b>	<b>775</b>	<b>12.8%</b>	<b>584</b>	<b>49.7%</b>
<b>EBITDA</b>	<b>145</b>	<b>120</b>	<b>20.7%</b>	<b>65</b>	<b>121.9%</b>
<i>Margin (%)</i>	16.6%	15.5%		11.2%	
Interest	26	15	70.8%	31	(17.0)%
Depreciation	10	10	(1.5)%	9	3.8%
<b>Profit Before Tax</b>	<b>109</b>	<b>95</b>	<b>14.9%</b>	<b>25</b>	<b>341.9%</b>
<i>Margin (%)</i>	12.5%	12.3%		4.2%	
<b>Net Profit</b>	<b>71</b>	<b>64</b>	<b>11.4%</b>	<b>10</b>	<b>601.5%</b>
<i>Margin (%)</i>	8.1%	8.2%		1.73%	
Earnings Per Share (EPS)	2.58	2.31	11.4%	0.37	601.5%

### Notes:

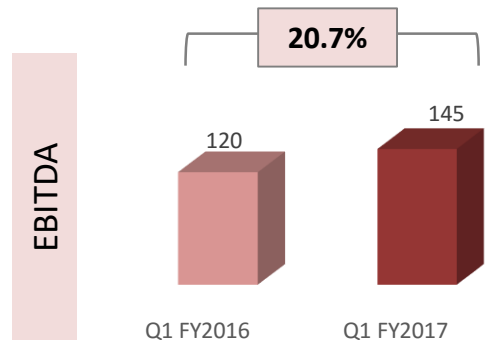
1. Total Income includes Other Operating Income
2. EBITDA defined as earnings before depreciation, interest, exceptional items and taxes
3. All margins calculated as a percentage of Total Income (including Other Operating Income)



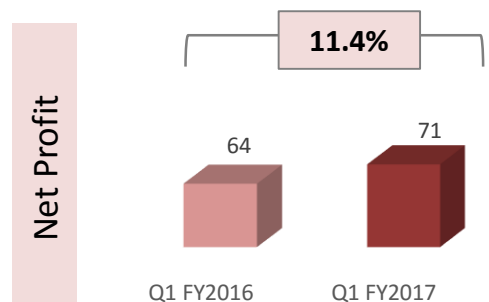
# Financial Highlights



- Q1 FY2017 Total Income increased by 12.8% y-o-y
- Beer volumes increased by 7.7% y-o-y and IMFL volumes decreased by (36.6)% y-o-y
- Beer realizations increased by 5.4% compared to Q1 FY2016



- EBITDA increased by 20.7% y-o-y
- EBITDA Margins increased by 108 bps y-o-y to 16.6%
- Depreciation decreased by (1.5)% y-o-y



- Net Profit increased by 11.4% y-o-y
- Net Profit Margins remained relatively stable at 8.1%
- Finance cost increased from Rs. 15 million to Rs. 26 million

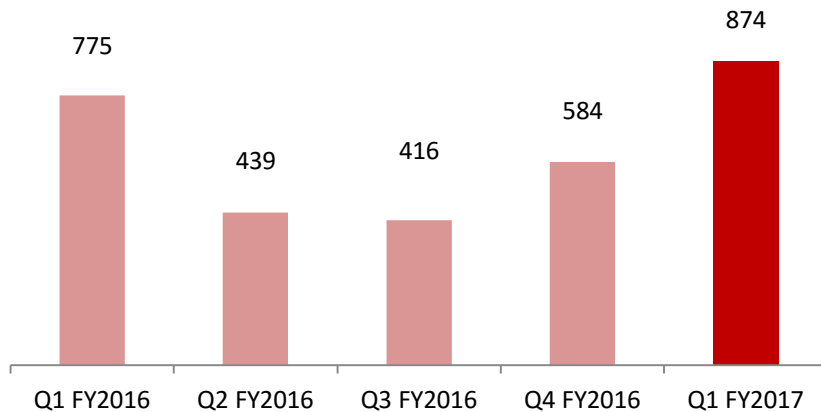
In Rs. million



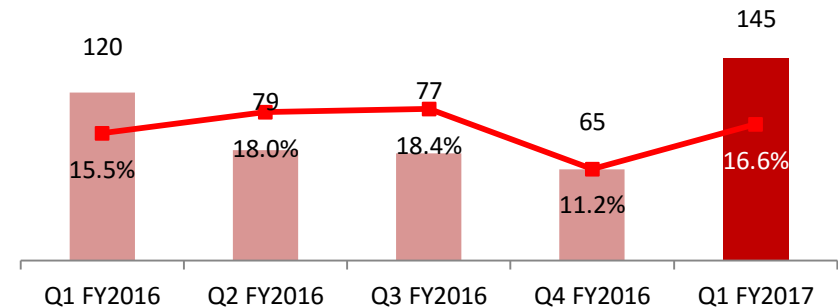


# Financial Highlights

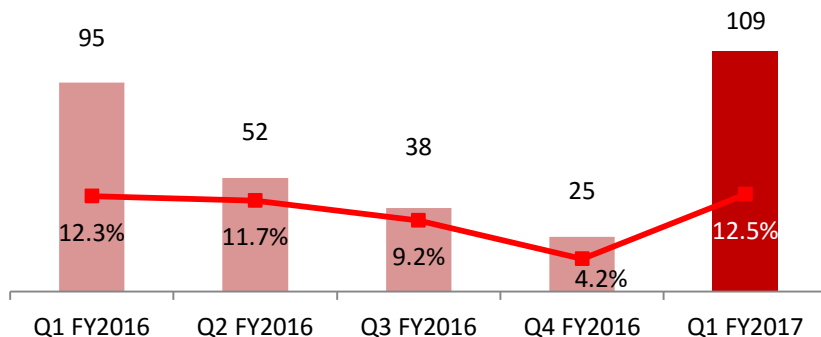
## Total Income (Rs. Million)



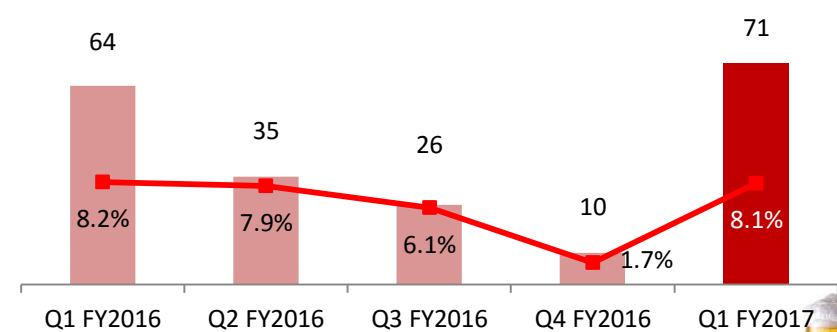
## EBITDA (Rs. Million) and Margin (%)



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



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

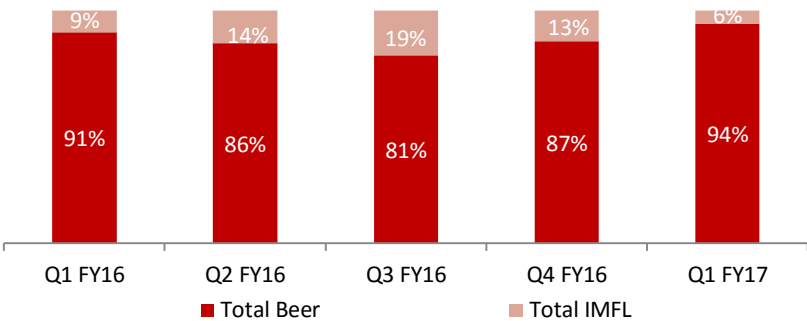




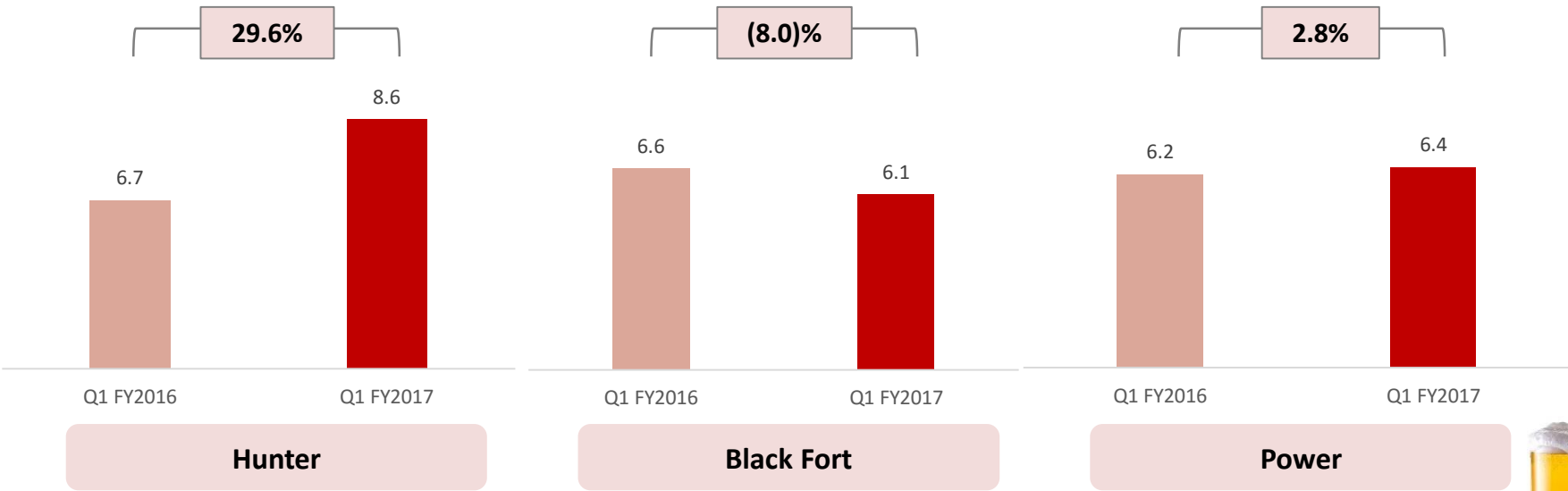
# Operational Highlights

## Quantity Sold by Category

(Lakh cases)	Q1		y-o-y Growth (%)
	FY2017	FY2016	
Total Beer	21.1	19.6	7.7%
Total IMFL	1.3	2.0	(36.6)%



## Brand Performance (in Lakh cases)



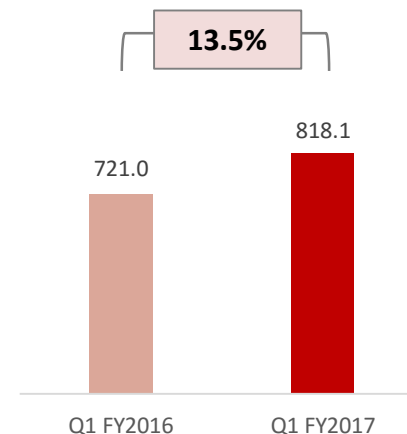


# Operational Highlights

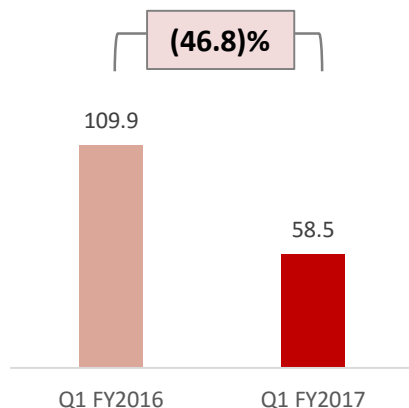
## Revenue by Category (Rs. Million)

Category	Q1 FY2016	Q2 FY2016	Q3 FY2016	Q4 FY2016	Q1 FY2017
Beer	721.0	372.1	325.6	483.9	818.1
Whisky	109.9	80.8	83.3	78.3	58.5
Gin	5.4	2.3	2.4	2.4	0.0
Rum	2.0	6.9	24.7	20.7	13.5
Vodka	5.7	8.4	11.3	13.4	18.1

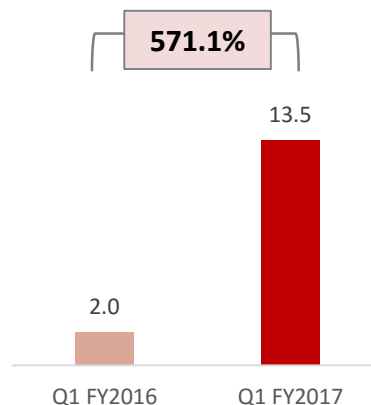
## Beer



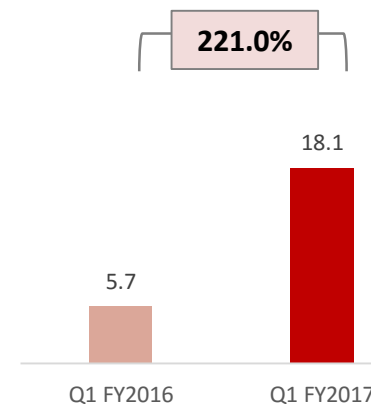
## Whisky



## Rum



## Vodka



\* All figures in Rs. million

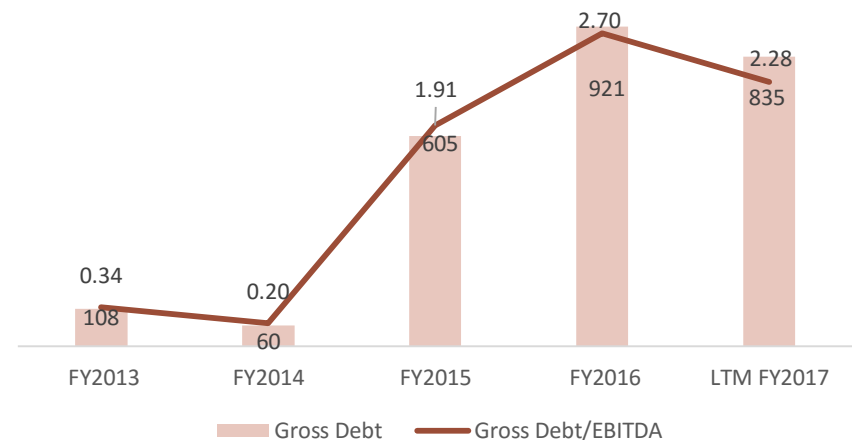


# Leverage Profile

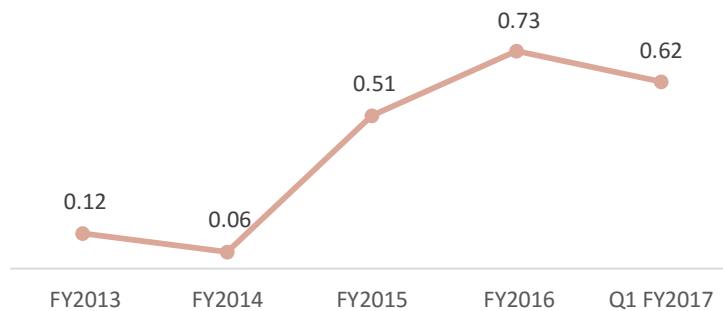
**Strong Balance Sheet with low leverage to support organic and inorganic growth**

(Rs. Million)	30.06.2016	31.03.2016
Secured Borrowings	680	754
Unsecured Borrowings	155	167
<b>Gross Debt</b>	<b>835</b>	<b>921</b>
Less: Cash & Cash Equivalents	(215)	(198)
<b>Net Debt / (Net Cash)</b>	<b>620</b>	<b>723</b>
<b>Shareholder's Equity</b>	<b>1,337</b>	<b>1,266</b>

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



## Gross Debt/ Equity (x)



- Net Debt/Equity improved from 0.57x as at March 31, 2016 to 0.46x at the end of June 2016
- SOM maintains a conservative leverage profile along with consistent growth in revenues & operating profit

\*FY2017 EBITDA is on an LTM basis



# Recent Launches

## Hunter Pint Beer – SOM's flagship brand of Strong beer



- Launched Hunter Pint Bottle, which has smooth curves with better grip and refreshed look
- Comes in a shrink wrap label
- First in the beer segment to come with a curved shape and shrink wrap
- Launched in Madhya Pradesh, Chhattisgarh, Delhi and Pondicherry

## White Fox Refresh - a premium ready-to-drink (RTD) product with vodka and natural extracts



- Launched a premium RTD product, **White Fox Refresh**, with vodka and natural extracts, in a completely new packaging design
- Extension of the popular triple distilled 'White Fox' Vodka
- A fruit-flavored alcoholic beverage with 6% alcohol
- Launched in two unique flavors: **Tangy Lemon & Naughty Orange** - in 325 ml aluminum cans
- The product, targeted at premium customers, marks the entry of SOM into the 'Ready To Drink' segment with significant market opportunity



# 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



# Statutory Results

## Unaudited Results for the quarter ended 30<sup>th</sup> June 2016 (All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

PART -1		(Amount in Lakhs)			
Statement of Unaudited Results for the Quarter Ended 30th June 2016					
S.N .	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 month ended in the previous year	Previous year ended
		30-06-2016	31-03-2016	30-06-2015	31-03-2016
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from Operations				
a	Net sales from Operations (Net of state excise duty)	8683.73	5722.91	7732.82	21989.44
b	Other Operating Income	55.42	116.67	16.95	146.95
	Total Income from Operations (Net)	8739.15	5839.58	7749.77	22136.39
2	Expenses				
a	Cost of Materials Consumed	4401.69	3264.17	3444.48	10475.23
b	Purchase of Stock in Trade	0.00	0.00	0.00	0.00
c	Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade (increase)	156.38	(238.57)	351.09	347.75
d	Employee Benefit Expenses	162.01	219.36	154.61	691.90
e	Depreciation and Amortisation expenses	96.25	92.71	97.67	385.98
f	Other Expenses	2571.82	1942.53	2600.07	7213.85
	Total Expenses	7388.15	5280.20	6647.92	19114.71
3	Profit from Operations before other Income, Finance Costs & Exceptional Items (1-2)	1351.00	559.38	1101.85	3021.68
4	Other Income	0.00	0.00	0.00	0.00
5	Profit from Ordinary Activities before Finance Costs & Exceptional Items (3+4)	1351.00	559.38	1101.85	3021.68
6	Finance Costs	259.11	312.27	151.67	928.72
7	Profit from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)	1091.89	247.11	950.18	2092.96
8	Exceptional Items	0.00	0.00	0.00	0.00



# Statutory Results

## Unaudited Results for the quarter ended 30<sup>th</sup> June 2016 (All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Statement of Unaudited Results for the Quarter Ended 30th June 2016					
S.N	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 month ended in the previous year	Previous year ended
		30-06-2016	31-03-2016	30-06-2015	31-03-2016
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
9	Profit from Ordinary Activities before Tax (7-8)	1091.89	247.11	950.18	2092.96
10	Tax Expenses (INTEREST)	382.89	146.04	313.56	755.04
11	Net Profit (+)/ Loss (-) from Ordinary Activities after Tax (9-10)	709.00	101.07	636.62	1337.92
12	Extraordinary Items	0.00	0.00	0.00	0.00
13	Net Profit (+)/ Loss (-) for the period (11-12)	709.00	101.07	636.62	1337.92
14	Share of Profit/(loss) of associates	0.00	0.00	0.00	0.00
15	Minority Interest	0.00	0.00	0.00	0.00
16	Net Profit / Loss after taxes, minority interest and share of profit / loss of associates (13-14-15)	709.00	101.07	636.62	1337.92
17	Paid-up Equity Share Capital (Face Value Rs. 10 each)	2752.24	2752.24	2752.24	2752.24
18	Reserves excluding Revaluation Reserve	1260.00	1260.00	1260.00	1260.00
19 A	Earning per Share (EPS) (Rs.) (before extraordinary items)				
I	- Basic and Diluted	2.58	0.37	2.31	4.86
II	- Cash	2.58	0.37	2.31	4.86
19 B	Earning per Share (EPS) (Rs.) (after extraordinary items)				
I	- Basic and Diluted	2.58	0.37	2.31	4.86
II	- Cash	0.00	0.37	2.31	4.86



# Statutory Results

## Unaudited Results for the quarter ended 30<sup>th</sup> June 2016 (All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Statement of Unaudited Results for the Quarter Ended 30th June 2016					
S.N	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 month ended in the previous year	Previous year ended
		30-06-2016	31-03-2016	30-06-2015	31-03-2016
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
9	<b>Profit from Ordinary Activities before Tax (7-8)</b>	<b>1091.89</b>	<b>247.11</b>	<b>950.18</b>	<b>2092.96</b>
10	Tax Expenses (INTEREST)	382.89	146.04	313.56	755.04
11	<b>Net Profit (+)/ Loss (-) from Ordinary Activities after Tax (9-10)</b>	<b>709.00</b>	<b>101.07</b>	<b>636.62</b>	<b>1337.92</b>
12	Extraordinary Items	0.00	0.00	0.00	0.00
13	<b>Net Profit (+)/ Loss (-) for the period (11-12)</b>	<b>709.00</b>	<b>101.07</b>	<b>636.62</b>	<b>1337.92</b>
14	Share of Profit/(loss) of associates	0.00	0.00	0.00	0.00
15	Minority Interest	0.00	0.00	0.00	0.00
16	<b>Net Profit / Loss after taxes, minority interest and share of profit / loss of associates (13-14-15)</b>	<b>709.00</b>	<b>101.07</b>	<b>636.62</b>	<b>1337.92</b>
17	Paid-up Equity Share Capital (Face Value Rs. 10 each)	2752.24	2752.24	2752.24	2752.24
18	Reserves excluding Revaluation Reserve	1260.00	1260.00	1260.00	1260.00
19 A	<b>Earning per Share (EPS) (Rs.) (before extraordinary items)</b>				
I	- Basic and Diluted	2.58	0.37	2.31	4.86
II	- Cash	2.58	0.37	2.31	4.86
19 B	<b>Earning per Share (EPS) (Rs.) (after extraordinary items)</b>				
I	- Basic and Diluted	2.58	0.37	2.31	4.86
II	- Cash	0.00	0.37	2.31	4.86





# Statutory Results

## Unaudited Results for the quarter ended 30<sup>th</sup> June 2016 (All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

### NOTES :-

- 1 The above results were reviewed by the Audit committee and there after approved by the Board of Directors at the meeting held on 13-08-2016 and alimited review of the same has been carried out by the ststutory auditors of the company.
- 2 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

0091-11-26195897

Shareholders are requested to intimate change of address, if any

**NISHI ARORA**

**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 4271 271



Jitesh Bhatia / Ankul Adlakha

**Churchgate Partners**

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

+91 22 6169 5988

