



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

Earnings Presentation
Q1 FY2019



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

Company Profile

Statutory Results



Highlights



Q1 FY2019 vs. Q1 FY2018

Beer Sales Volume

27.6 Lakh Cases
+9.6%

Total Income

Rs. 1,249 mn
+10.0%

EBITDA

Rs. 223 mn
+20.6%

EBITDA Margin

17.9%
+158 bps

PAT

Rs. 112 mn
+10.7%

Corporate Developments

Subsidiary Woodpecker Distilleries and Breweries (Karnataka) started commercial production in Q1 FY2019

Successfully raised Rs. 1,000 million through preferential allotment to Karst Peak Asia Master Fund and Vermilion Peak Master Fund

Acquired a brewery assets in Odisha with capacity of 42 lakh cases per annum



Management Commentary



Continuing on the strong growth momentum generated last year we reported a stellar performance primarily driven by contribution from Karnataka subsidiary, which accounted for around 7% of the total beer volumes. In Q1 FY2019, we sold 27.6 million cases of beer, indicating an expansion of 9.6% on y-o-y basis. Driven by volume growth and better price realization for both beer and IMFL, our revenues for the quarter increased by 10% compared to Q1 FY2018 to reach Rs. 1,249 million. Our EBITDA for the quarter expanded by 21% to Rs. 223 million with 17.9% margin. EBITDA margin improved by 158 basis points compared to same period last year.

In line with our strategy to enhance pan India presence, we acquired a brewery in Odisha in July 2018 for a total consideration of Rs. 460 million. The unit has a production capacity of 42 lakhs cases per annum and the Company plans to invest additional Rs. 250-300 million for its modernization and upgradation. The plant is anticipated to be operational by Q4 FY2019 and contribute meaningfully from FY2020.

We are confident of continuing the growth trajectory on back of strong demand for our brands. Additionally, our recent expansions and entry into new markets coupled with strong balance sheet position is anticipated to provide additional impetus to our journey.

Mr. JK Arora, Managing Director



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Recent Developments

Company Profile

Statutory Results



Robust Quarterly Performance – Q1 FY2019



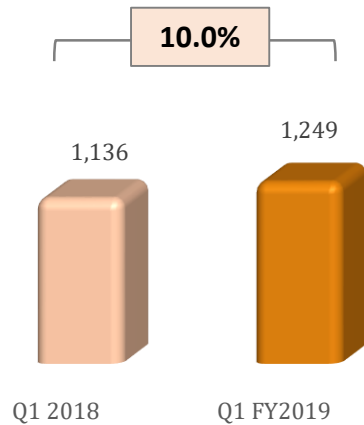
	Q1		y-o-y
(Rs. Million)	FY2019	FY2018	Growth (%)
Total Income	1,249	1,136	10.0%
EBITDA	223	185	20.6%
<i>Margin (%)</i>	<i>17.9%</i>	<i>16.3%</i>	
Interest	26	23	11.4%
Depreciation	19	9	113.2%
Net Profit	112	101	10.7%
<i>Margin (%)</i>	<i>9.0%</i>	<i>8.9%</i>	
Earnings Per Share	4.07	3.68	10.6%



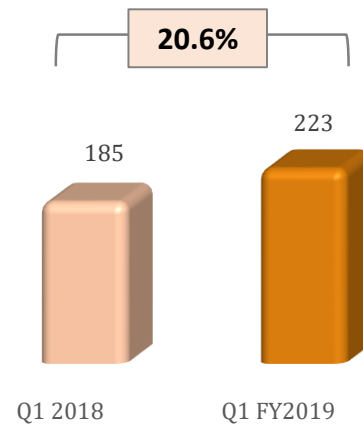
Robust Quarterly Performance – Q1 FY2019 vs Q1 FY2018



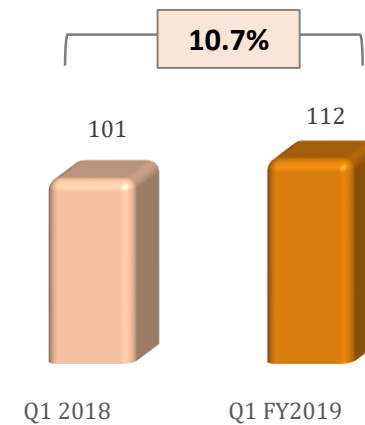
Total Income



EBITDA



Net Income



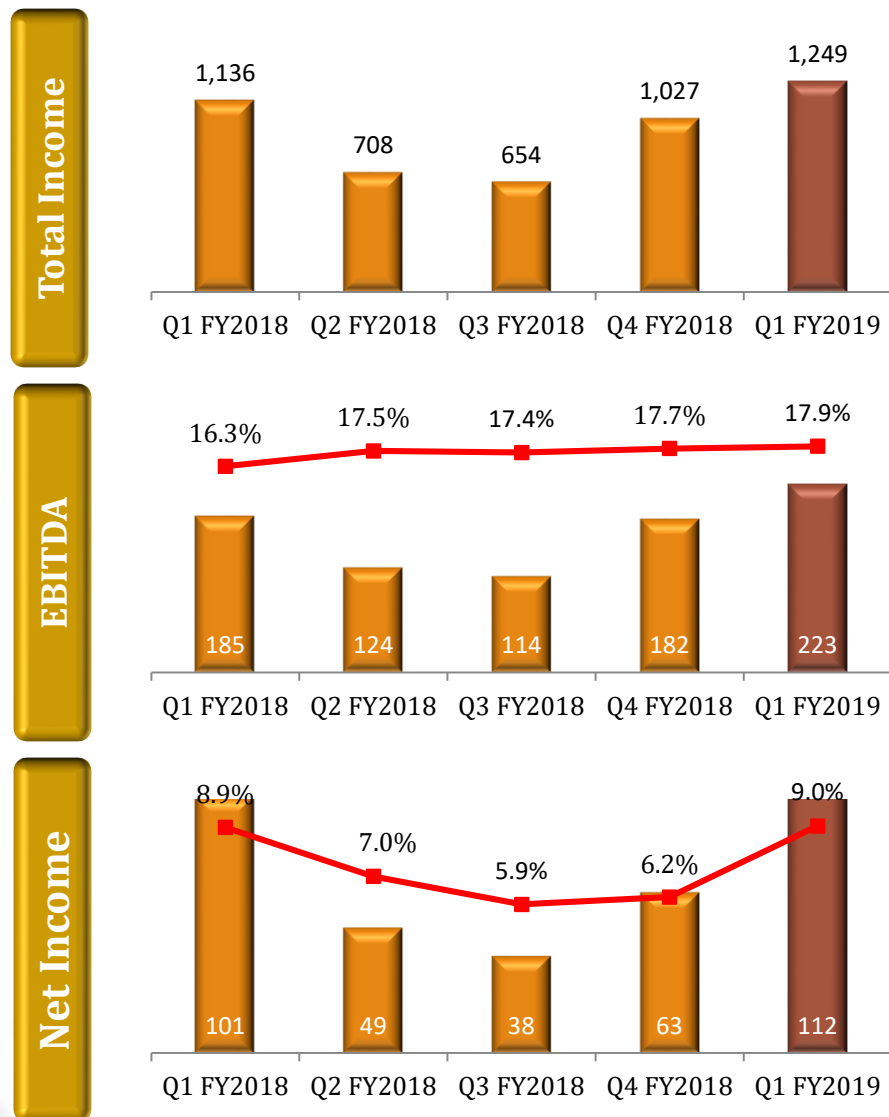
- Q1 FY2019 Total Income increased by 10.0% y-o-y
- Revenue from Beer increased by 12.9% y-o-y while Beer volumes increased by 9.6% compared to Q1 FY2018

- EBITDA increased by 20.6% y-o-y to Rs. 185 million
- EBITDA margins increased by 158 bps to 17.9%

- Net Profit increased by 10.7% y-o-y to Rs. 112 million
- Margins remained relatively flat compared to Q1 FY2018
- Interest cost increased by 11.4% y-o-y to Rs. 26 million, however as % of total income it remained flat at 2.0%



Quarterly Financial Trends



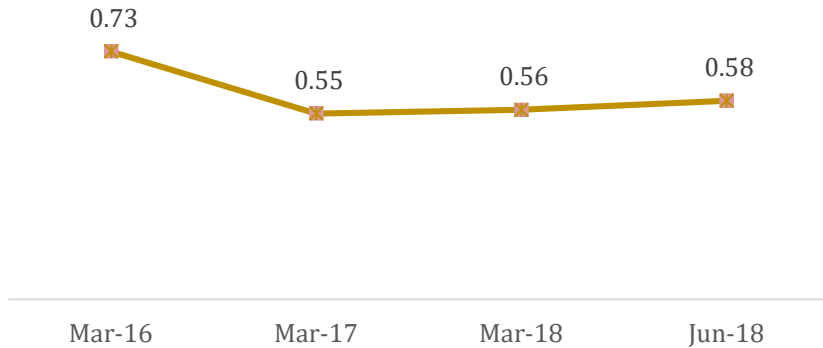
- **Strong topline growth**
- **Consistent EBITDA growth**
- **EBITDA margins expanding to over 17%**



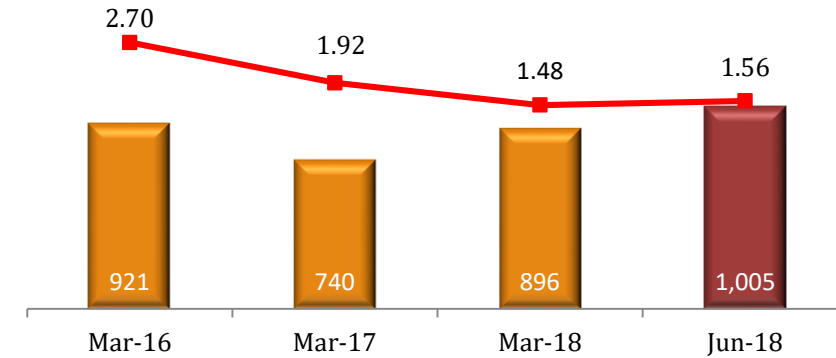
Conservative Balance Sheet



Gross Debt / Equity



Gross Debt / EBITDA



Transformational growth investments funded without risking Balance Sheet

(Rs. Million)	Jun 30 2018	Mar 31 2018	Mar 31 2017
Secured Borrowings	861	545	523
Unsecured Borrowings	144	351	217
Gross Debt-Consolidated	1,005	896	740
Less: Cash & Cash Equivalents	265	256	295
Net Debt	740	640	445



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



Industry Dynamics

Financial Highlights

Operational Highlights

Recent Developments

Company Profile

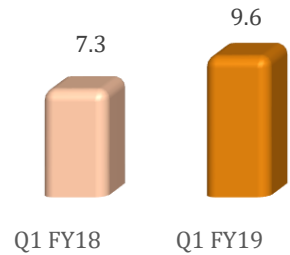
Statutory Results



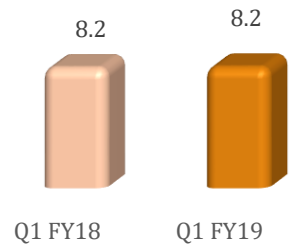
Millionaire Beer Brands - Meeting the aspirations of our consumers



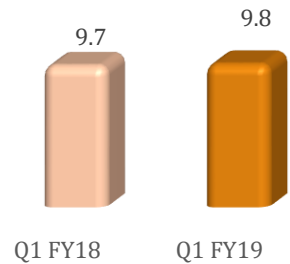
Quantity Sold (in lakh cases)



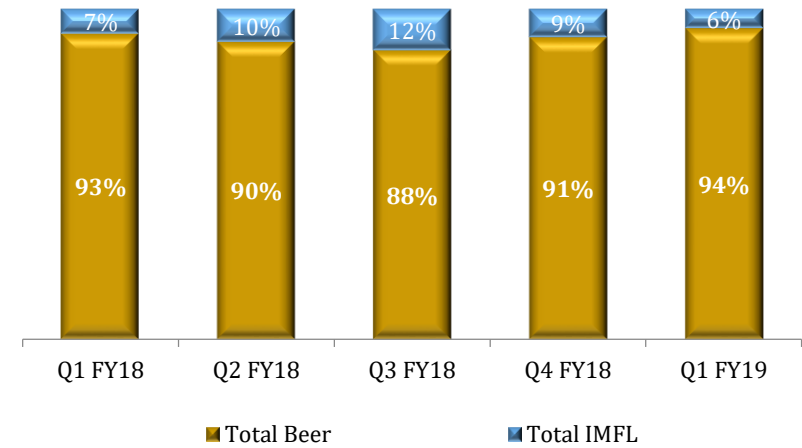
+31.1%



+0.5%



+1.0%



(Lakh cases)	Q1		y-o-y
	FY2019	FY2018	Growth (%)
Total Beer	27.6	25.2	9.6%
Total IMFL	1.7	2.0	(15.0)%



Industry Dynamics

Financial Highlights

Operational Highlights

Recent Developments

Company Profile

Statutory Results



Recent Major Developments



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

Commenced operation of the Brewery in Karnataka through the subsidiary company - Woodpecker Distilleries and Breweries Pvt Ltd in Q1 FY2019

Hunter Beer crossed 3 million cases mark; Black Fort and Power Cool crossed 2 million cases in the FY2018

'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

Acquired a brewery asset in Odisha with capacity of 42 lakh cases per annum (Jul 2018)

Successfully raised Rs. 1,000 million through preferential allotment to Karst Peak Asia Master Fund and Vermilion Peak Master Fund (Jul 2018)



Industry Dynamics

Financial Highlights

Operational Highlights

Recent Developments

Company Profile

Statutory Results



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 91% 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*



Industry Dynamics

Financial Highlights

Operational Highlights

Recent Developments

Company Profile

Statutory Results



Statutory Results



Unaudited Consolidated Results for the quarter ended 30th June 2018 (All amounts are in Rs. Lakhs, unless otherwise stated)

		Quarter Ended			Year Ended
		3 Months ended	Preceding 3 Months ended	Corresp. 3 Months ended in the previous year	Previous Year Ended
		30.06.2018	31.03.2018	30.06.2017	31.03.2018
		Unaudited	Audited	Unaudited	Audited
I	Revenue from operations (Incl State Excise Duties)	16,598.99	11,806.65	13,848.53	42,851.12
II	Other Income	2.78	137.68	43.46	190.05
III	Total Income (I+II)	16,601.77	11,944.33	13,891.99	43,041.17
2	Expenses				
A	Cost of Materials Consumed	6,250.80	5,209.25	5,313.08	16,590.01
B	Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	(80.74)	(43.77)	597.84	272.52
C	State Excise Duties	4,109.03	1,672.86	2,531.35	7,789.42
D	Employee Benefits Expenses	288.47	243.60	166.32	710.55
E	Finance Costs	255.86	211.33	229.63	878.03
F	Depreciation and Amortisations	190.85	127.62	89.50	425.77
G	Other Expenses	3,800.03	3,043.93	3,431.26	11,631.33
	Total Expenses (IV)	14,814.31	10,464.82	12,358.98	38,297.64
V	Profit/(Loss) before exceptional items and tax (III-IV)	1,787.47	1,479.52	1,533.01	4,743.53
VI	Exceptional Items	-	-	-	-
VII	Profit/(Loss) before tax (V-VI)	1,787.47	1,479.52	1,533.01	4,743.53
VIII	Tax Expense	666.25	846.27	520.08	2,219.20
IX	Profit/(Loss) for the Period (VII-VIII)	1,121.22	633.25	1,012.93	2,524.33
X	Other Comprehensive Income	-	3.05	-	3.05
XI	Total Comprehensive income for the Period (IX-X)	1,121.22	630.20	1,012.93	2,521.28
XII	Earnings Per Equity Share (Face Value of Rs.10 each)				
1	Basic (in Rs.)	4.07	2.29	3.68	9.16
2	Diluted (in Rs.)	4.07	2.29	3.68	9.16



Statutory Results



Unaudited Consolidated Results for the quarter ended 30th June 2018 (All amounts are in Rs. Lakhs, unless otherwise stated)

Notes:

1. Unaudited financial results for the quarter ended 30th June, 2018 reviewed by the audit committee were taken on record at the board meeting held on 13th August, 2018.
2. Previous period figures have been regrouped and/or reclassified, wherever necessary.
3. Shareholders are requested to intimate change of address, if any.





SOM Distilleries & Breweries Limited

(BSE: 507514, NSE: SDBL)

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