



# **SOM Distilleries & Breweries**

## **Q4 and full year FY2015 Earnings Presentation**

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

**June 2015**



# Safe Harbor

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*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*





# Q4 FY2015 Financial Highlights

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

*"I am very pleased to report another quarter of remarkable results with our topline growing by 32% y-o-y and operating profit by 12%. This growth was a result of both improved volumes and higher realizations. Management's continued focus on core competencies has enabled us to demonstrate sustained growth across geographies and key brands. Our financial performance is a testimony to the fact that our marketing strategy and investments are aligned with demand and growth drivers.*

*With the aim to further enhance our customer's satisfaction and experience, we continue to innovate. We have recently launched our flagship brand 'Hunter' in a new package with refreshed taste and a unique combination of smoothness and strength. We are leveraging our collective expertise of strong sales and distribution network to expand market share. The Company continues to invest judiciously in mainstream brands with the aim of creating enhanced brand awareness and visibility. We are confident of our understanding of the needs of new generation consumers and meeting their expectations with industry best practices and core strengths.*

*Due to a strong growth in the per capita income, the consumption rate of beer has increased and is forecasted to witness a robust growth. We enter the new fiscal year, fully equipped to take advantage of the opportunities that lies ahead with economic growth in the country."*

## Performance Highlights: Q4 FY2015 vs Q4 FY2014

**Total Income**  
of Rs. 537  
Million  
Increase of  
31.8%

**Beer sales**  
contributes  
83.3% to the  
total income

**EBITDA** of Rs.  
81 Million;  
Increase of  
11.7%; margins  
stood at 15.0%

**PAT** of Rs. 33  
Million  
Margins of  
6.1%

**Net Debt** of Rs.  
203 Million  
Debt/Equity of  
0.51x

**Dividend** of  
15%  
(face value of Rs. 10)





# Q4 and full year FY2015 Financial Highlights

## Standalone Financial Performance (Rs. million)

Particulars	Q4 FY2015	Q4 FY2014	y-o-y growth (%)	Q3 FY2015	q-o-q growth (%)
Total Income	537	407	31.8%	394	36.3%
EBITDA	81	72	11.7%	61	31.5%
Margin %	15.0%	17.7%		15.6%	

PBT	70	57	22.4%	41	70.3%
Margin %	13.1%	14.1%		10.5%	
PAT	33	57	(42.3)%	33	(1.3)%
Margin %	6.1%	14.0%		8.4%	

Basic EPS(Rs)	1.21	2.06	(41.3)%	1.21	0.0%
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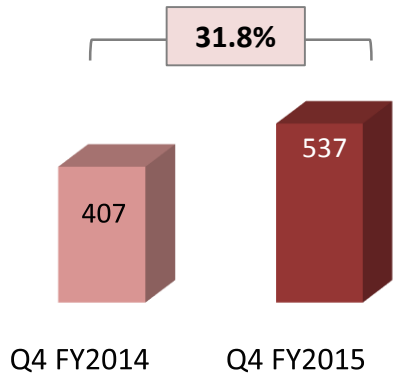
FY 2015	FY 2014	y-o-y growth (%)
2,073	1,921	7.9%
317	305	4.2%
15.3%	15.9%	

255	255	0.01%
12.3%	13.3%	
162	203	(20.3)%
7.8%	10.6%	

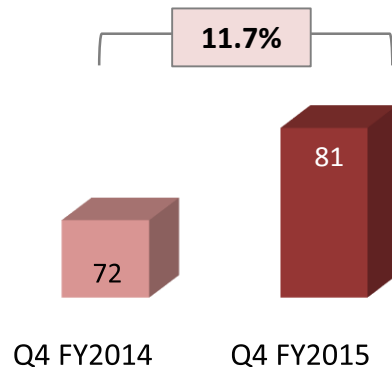
5.88	7.38	(20.3)%
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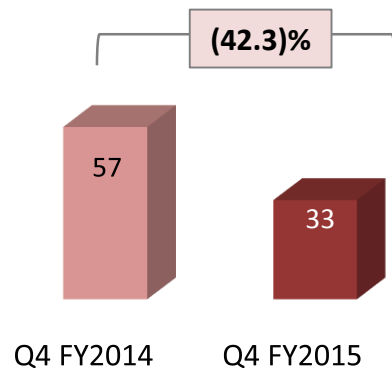
# Q4 FY2015 Financial Highlights



- Q4 FY2015 Total Income increased by 31.8%
- Beer volumes increased by 47.3% and IMFL volumes increased by 86.3%
- Average price realization improved by 14.3% for beer and 5.9% for IMFL segment



- EBITDA increased by 11.7% y-o-y
- Improved price realizations and sales volumes in the Beer and IMFL segment supported EBITDA growth
- Depreciation decreased by 80.3% y-o-y due to revision of the useful lives of fixed assets in accordance with the provisions of Schedule II to the Companies Act, 2013
- Margins remained relatively consistent at 15%



- Net Profit for the quarter was Rs. 33 million, a decline of (42.3)% compared to Q4 FY2014
- Finance cost increased from Rs. 1.3 million to Rs. 7.6 million due to increase in secured borrowings
- Net Profit was also impacted due to lower tax incidence in Q4 FY2014 on account of availability of MAT credits last year

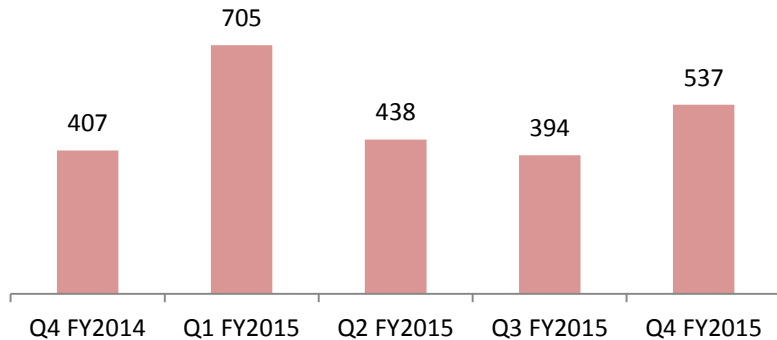
In Rs. million



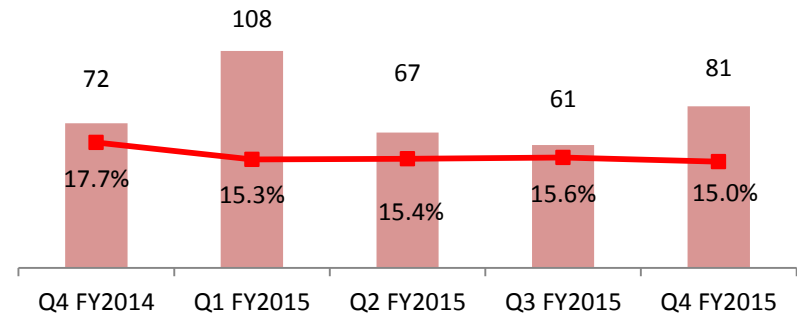


# Q4 FY2015 Financial Highlights

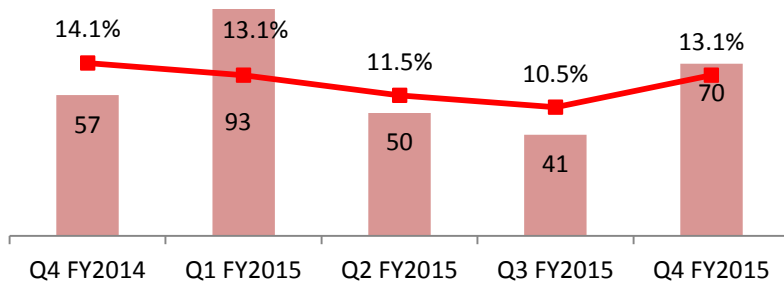
Total Income (Rs. Million)



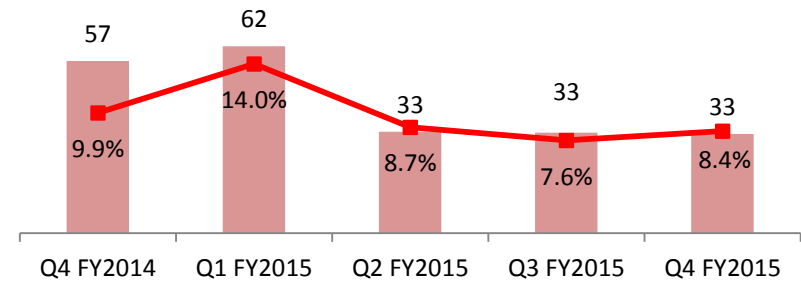
EBITDA (Rs. Million) and Margin (%)



PBT (Rs. Million) and Margin (%)



PAT (Rs. Million) and Margin (%)



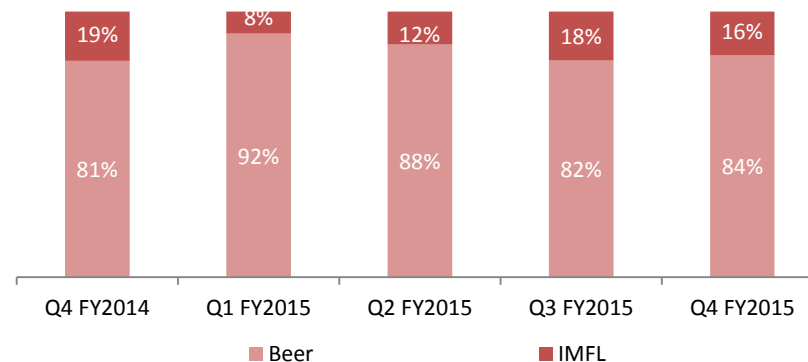


# Q4 FY2015 Operational Highlights

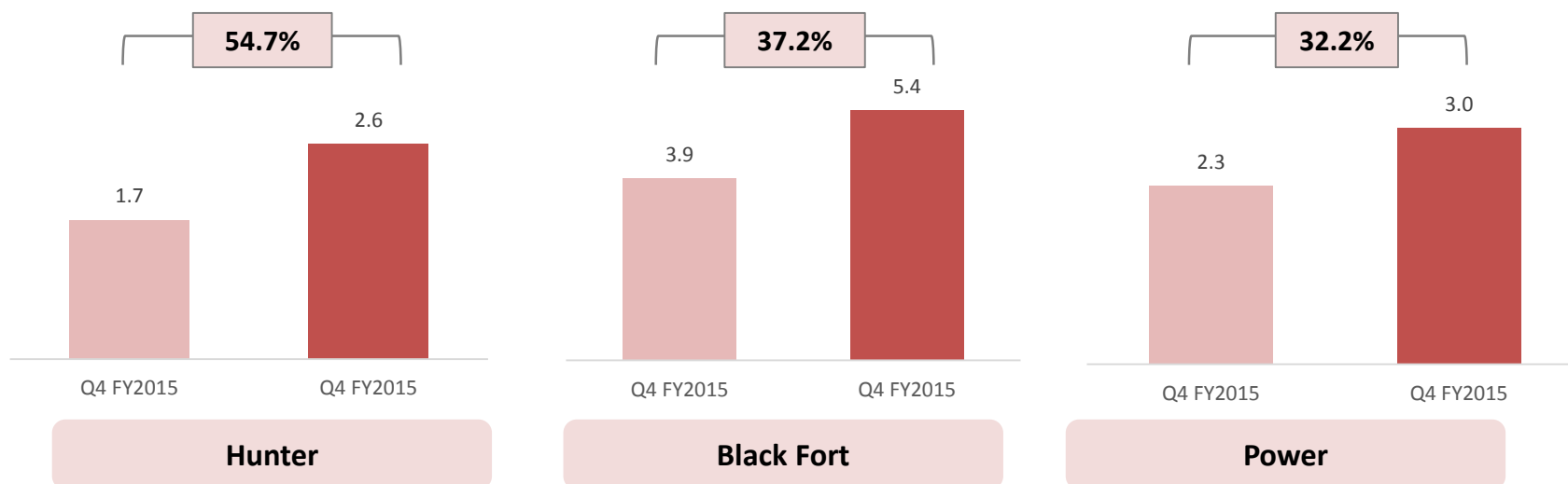
## Revenue by Category (Quantity Sold)

(lakh cases)	<u>Q4</u>		<i>y-o-y</i>	<u>Full Year</u>		<i>y-o-y</i>
	FY2015	FY2014	<i>Growth (%)</i>	FY2015	FY2014	<i>Growth (%)</i>
<b>Total Beer</b>	11.1	7.5	47.3%	44.7	43.3	3.2%
<b>Total IMFL</b>	2.2	1.2	86.3%	6.8	6.2	9.7%

## Revenue by Category (Quantity Sold)



## Brand Performance



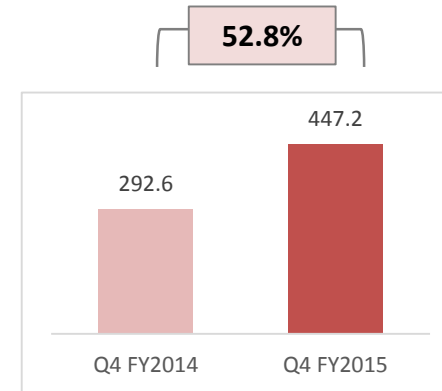


# Q4 FY2015 Operational Highlights

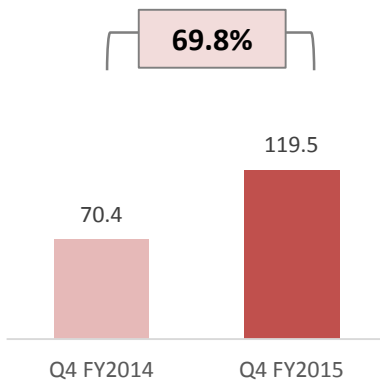
## Revenue by Category (Rs. Million)

Category	Q4 FY2014	Q1 FY2015	Q2 FY2015	Q3 FY2015	Q4 FY2015
Beer	292.6	622.2	353.7	287.4	447.2
Whisky	70.4	80.4	68.3	85.8	119.5
Gin	10.9	8.2	7.7	4.1	5.5
Rum	26.8	3.8	8.6	16.9	18.4
Vodka	2.5	1.9	5.4	5.3	1.2

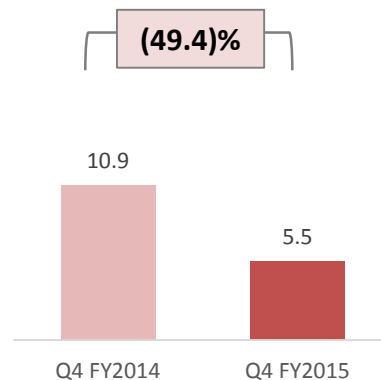
## Beer



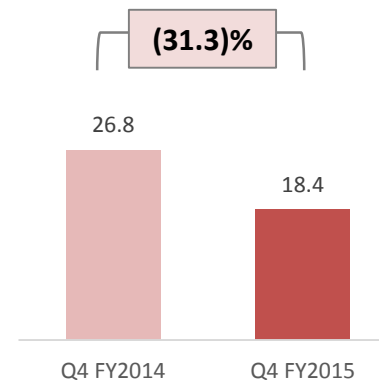
## Whisky



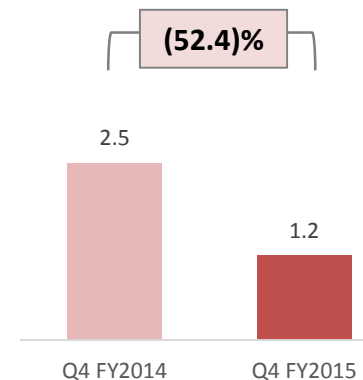
## Gin



## Rum



## Vodka

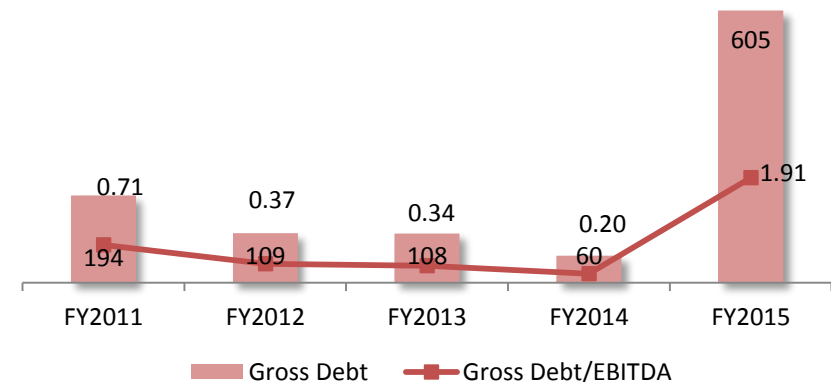


# Leverage Profile

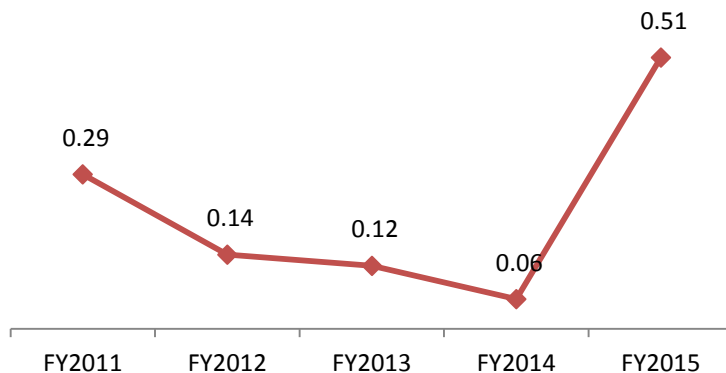
Strong Balance Sheet with adequate Cash on hand

(Rs. Million)	31.03.2015	31.03.2014
Secured Borrowings	526	12
Unsecured Borrowings	79	47
<b>Gross Debt</b>	<b>605</b>	<b>60</b>
Less: Cash & Cash Equivalents	(402)	(64)
<b>Net Debt / (Net Cash)</b>	<b>203</b>	<b>(4)</b>
<b>Shareholder's Equity</b>	<b>1,183</b>	<b>1,073</b>

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



## Gross Debt/ Equity (x)



- Increase in Gross Debt/Equity in FY2015. The proceeds of the secured borrowings to be utilized for the expansion of the business and working capital requirements
- Maintaining a conservative leverage profile along with consistent growth and low net debt position



# 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

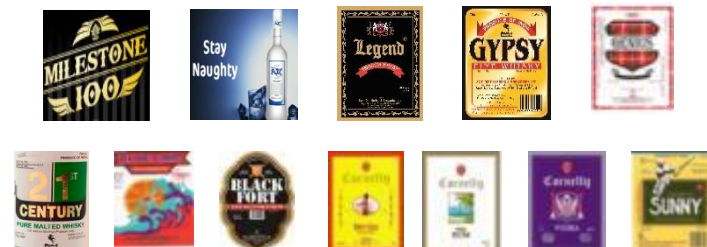
## Major Brands



## 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

**Audited Results for the year ended 31st March 2015**  
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

		(Amount in Lakhs)				
Particulars		Quarter Ended			Year Ended	
		(Unaudited)			Audited	
	PART -1	31-03-2015	31-12-2014	31-03-2014	31-03-2015	31-03-2014
<b>1</b>	<b>Income from Operations</b>					
	Revenue from Operations (Gross)	5929.20	3994.49	4051.61	21533.89	19416.19
	Less: Excise Duty	602.16	73.33	82.53	918.19	388.94
	Revenue from Operations (Net)	5327.03	3921.16	3969.08	20615.69	19027.25
<b>b</b>	Other Operating Income	38.67	14.86	102.91	118.76	185.74
	<b>Total Income from Operations (Net)</b>	<b>5365.70</b>	<b>3936.02</b>	<b>4071.99</b>	<b>20734.45</b>	<b>19212.99</b>
<b>2</b>	<b>Expenses</b>					
<b>a</b>	Cost of Materials Consumed	3206.79	2145.50	1852.85	10140.93	7987.64
<b>b</b>	Purchase of Stock in Trade	0.00	0.00	0.00	0.00	0.00
<b>c</b>	Charges in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade (increase)	(576.74)	(331.73)	(256.46)	(785.22)	783.86
<b>d</b>	Power and Fuel	205.52	133.11	150.20	729.49	672.05
<b>e</b>	Employee Benefit Expenses	170.50	118.89	181.63	536.06	482.99
<b>f</b>	Transport, Clearing & Forwarding charges	309.52	139.47	224.69	1021.06	771.92
<b>g</b>	Depreciation and Amortisation expenses	26.18	121.50	133.04	390.70	480.84
<b>h</b>	Other Expenses	1244.14	1117.81	1197.86	5918.70	5468.66
	<b>Total Expenses</b>	<b>4585.91</b>	<b>3444.55</b>	<b>3483.81</b>	<b>17951.72</b>	<b>16647.96</b>
<b>3</b>	<b>Profit from Operations before other Income, Finance Costs &amp; Exceptional Items (1-2)</b>	<b>779.79</b>	<b>491.47</b>	<b>588.18</b>	<b>2782.73</b>	<b>2565.03</b>
<b>4</b>	Other Income	0.00	0.00	0.00	0.00	0.00
<b>5</b>	<b>Profit from Ordinary Activities before Finance Costs &amp; Exceptional Items (3+4)</b>	<b>779.79</b>	<b>491.47</b>	<b>588.18</b>	<b>2782.73</b>	<b>2565.03</b>
<b>6</b>	Finance Costs	76.72	78.72	13.84	239.98	16.79



# Statutory Results

## Audited Results for the year ended 31st March 2015 (All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

7	<b>Profit from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)</b>	<b>703.07</b>	<b>412.75</b>	<b>574.34</b>	<b>2542.75</b>	<b>2548.24</b>
8	Exceptional Items	5.86	0.00	0.00	5.86	0.00
9	<b>Profit from Ordinary Activities before Tax (7-8)</b>	<b>708.93</b>	<b>412.75</b>	<b>574.34</b>	<b>2548.61</b>	<b>2548.24</b>
10	Tax Expenses	375.27	80.71	6.28	931.15	518.12
11	<b>Net Profit (+)/ Loss (-) from Ordinary Activities after Tax (9-10)</b>	<b>333.66</b>	<b>332.04</b>	<b>568.06</b>	<b>1617.46</b>	<b>2030.12</b>
12	<b>Extraordinary Items</b>					
13	<b>Net Profit (+)/ Loss (-) for the period (11-12)</b>	<b>333.66</b>	<b>332.04</b>	<b>568.06</b>	<b>1617.46</b>	<b>2030.12</b>
14	Paid-up Equity Share Capital (Face Value Rs. 10 each)	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	1.21	2.06	5.88	7.38
b	- Cash	1.21	1.21	2.06	5.88	7.38

PART II					
<b>A</b>	<b>PARTICULARS OF SHAREHOLDINGS</b>				
1	<b>Public Shareholdings:</b>				
	- Number of Shares	21246078	21263145	21314228	21246078
	-Percentage of Shareholding	77.20	77.26	77.44	77.20
2	<b>Promoters &amp; Promoter Group Shareholding:</b>				
a)	Pledged/Encumbered				
	- Number of shares	Nil	Nil	Nil	Nil
	- Percentage of shares	Nil	Nil	Nil	Nil
b)	Non-encumbered				
	- Number of shares	6276322	6259255	6208172	6276322
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%
	- Percentage of shares ( as a % of the total share capital of the company)	22.80	22.74	22.56	22.80
<b>B</b>	<b>INVESTORS COMPLAINTS</b>	<b>3 Months Ended 31-3-2015</b>			
	Pending at the beginning of the quarter	0.00			
	Received during the quarter	1			
	Disposed of during the quarter	1			
	Remaining unresolved at the end of the quarter	0.00			



# Statutory Results

## Audited Results for the year ended 31st March 2015 (All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Statement of Assets & Liabilities			
PARTICULARS		YEAR ENDED	
		(AUDITED) 31.03.2015	(AUDITED) 31.03.2014
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
	<b>Shareholders' Funds</b>		
	Share Capital	2,752	2,752
	Reserves & Surplus	9,080	7,983
	Money Received against Share Warrants	-	-
	<b>Foreign Currency Convertible Bonds</b>		
	<b>Non Current Liabilities</b>		
	- Long Term Borrowings	2,863	542
	- Deferred Tax Liability (net)	1,128	1,156
	- Long Term Provisions	-	-
	- Other Long Term Liabilities	123	23
	<b>Current Liabilities</b>		
	- Short Term Borrowings	3,187	33
	- Trade Payables	1,946	1,743
	- Other Current Liabilities	2,637	1,404
	- Short Term Provisions	1,349	873
	<b>Total Equity and Liabilities</b>	<b>25,065</b>	<b>16,509</b>
<b>B</b>	<b>ASSETS</b>		
	<b>Non-Current Assets</b>		
	- Fixed Assets	6,624	6,742
	- Other Non Current Assets	-	-
	- Long Term Loan & Advances	1,103	538
	<b>CURRENT ASSETS</b>		
	- Current Investment	-	-
	- Inventories	2,618	1,538
	- Trade Receivables	5,931	3,373
	- Cash & Bank Balances	4,018	635
	- Short Term Loan & Advances	4,771	3,683
	<b>Total Assets</b>	<b>25,065</b>	<b>16,509</b>
<b>NOTES :-</b>			
1 Audited financial results for the year ended 31st March 2015 reviewed by the audit committee were taken on record at the board meeting held on 30th , May,2015.			
2 Previous period figures have been regrouped and or reclassified wherever necessary.			
3 The figures of the last quarter are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of the current financial year.			





## Som Distilleries & Breweries Limited

(CIN: L74899DL1993PLC052787)

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