



SOM Distilleries & Breweries Limited

(BSE: 507514, NSE: SDBL)

Q4 and Full Year FY2016 Earnings Presentation

www.somindia.in

May 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 FY2016 vs FY2015

Beer Sales Volume

50.1 Lakh Cases
+12.0%

IMFL Sales Volume

7.6 Lakh Cases
+12.3%

Total Income

Rs. 2,214 Million
+6.8%

EBITDA

Rs. 341 Million
+7.7%

EBITDA Margins

EBITDA Margins: 15.4%
+13 bps

Leverage

Net Debt: Rs.723 Million
Net Debt / Equity: 0.57x

Dividend

15%
(Rs. 1.50 per share of Rs. 10)





Management Commentary

Management Commentary

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

"In the backdrop of a challenging industry environment, I am delighted to report a robust topline performance which was driven by the continued momentum in our core brands portfolio. For the full year, our revenues increased by 6.8% and EBITDA by 7.7% at over 15% margins. Beer volumes and realisations have increased by 12.0% and 11.3%, respectively.

To match with the evolving customer preferences, SOM continues to upgrade and enhance the products portfolio. Our investments in branding and marketing for our products continue to create brand recall and resonate well among our customers and has enabled us to maintain leadership position in our core markets. This year, we had launched the Hunter brand beer in a completely new look, premium feel and refreshed taste. During Q4 FY2016, we also launched the Hunter beer pint bottles with curved shape and shrink wrap which is the first in the beer segment. White Fox Refresh, a premium ready to drink product, which was launched in the last quarter continues to gain consumer acceptance and momentum in sales.

The liquor industry in India has been facing a number of supply side operational challenges over the past couple of years. Furthermore, 'prohibition' has found its way back in the political agenda as we have seen restrictions on the sale of alcoholic beverages in certain states in India. While it may have near term impact on the industry performance, historically these bans have not sustained in the longer term. Currently, the Company has not been impacted by any of the recent industry developments. We strongly believe that the Indian Beer industry holds a huge potential to grow considering the favorable demographics with higher proportion of youth population, rising affluence, rural consumption and changing consumer lifestyle preferences.

Geographic expansion also remains a key focus of our growth strategy and we continue to invest in both mature and under-penetrated markets. Some of the strategic initiatives that are underway include setting up of a greenfield brewery in Karnataka and bottling agreements with two of the leading liquor manufacturers. These bottling arrangements will enhance our supplies to the Canteen Store Departments as well as some of the key markets in North India.

We have continued our practice to consistently reward our shareholders and have recommended a dividend of 15% for the full year. I would like to thank shareholders for all their support and encouragement during the year"





Financial Highlights

Standalone Financial Performance (Rs. Million)

	Q4		y-o-y	Q3		Full Year Ended		y-o-y
(Rs. Million)	FY2016	FY2015	Growth (%)	FY2016	Growth (%)	FY2016	FY2015	Growth (%)
Total Income	584	537	8.8%	416	40.3%	2,214	2,073	6.8%
EBITDA	65	81	(19.1)%	77	(14.8)%	341	316	7.7%
<i>Margin (%)</i>	11.2%	15.0%		18.4%		15.4%	15.3%	
Interest	31	8	307.0%	29	8.9%	93	23	295.6%
Depreciation	9	3	254.1%	10	(5.3)%	39	39	(1.2)%
Profit Before Tax	25	71	(65.1)%	38	(35.1)%	209	255	(17.7)%
<i>Margin (%)</i>	4.2%	13.2%		9.2%		9.5%	12.3%	
Net Profit	10	33	(69.7)%	26	(60.4)%	134	162	(17.2)%
<i>Margin (%)</i>	1.7%	6.2%		6.1%		6.0%	7.8%	
Earnings Per Share (EPS)	0.37	1.21	(69.7)%	0.93	(60.5)%	4.86	5.87	(17.2)%

Notes:

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



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

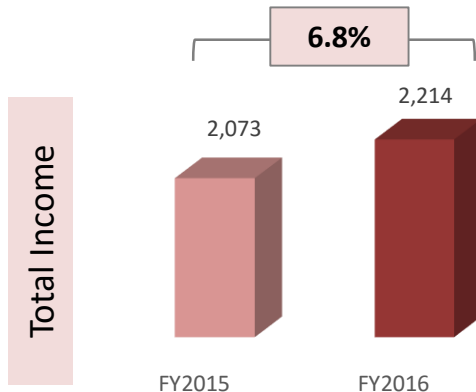
White Fox Refresh - a premium ready-to-drink (RTD) product with vodka and natural extracts



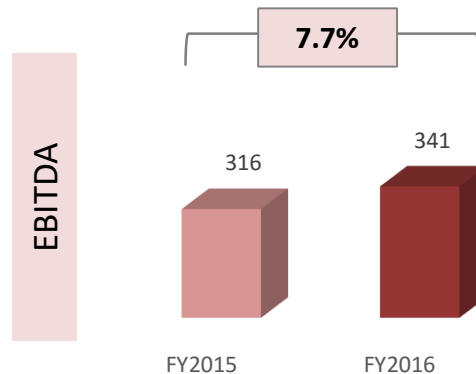
- Launched a premium RTD product, **White Fox Refresh**, with vodka and natural extracts, in a completely new packaging design
- Extension of the popular triple distilled 'White Fox' Vodka
- A fruit-flavored alcoholic beverage with 6% alcohol
- Launched in two unique flavors: **Tangy Lemon & Naughty 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



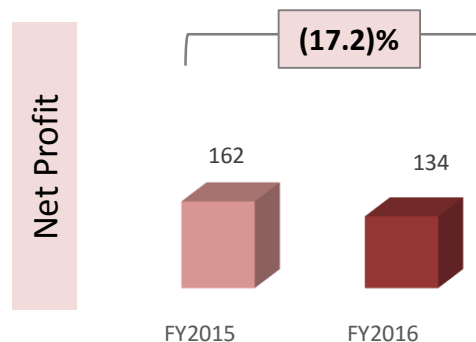
Financial Highlights



- Full Year FY2016 Total Income increased by 6.8%
- Beer volumes increased by 12.0% and IMFL volumes increased by 12.3%
- Beer realisations increased by 11.3% while IMFL realisations increased by 3.8%



- EBITDA increased by 7.7% y-o-y
- Other Expenses decreased by (6.1)%
- Margins remained flat at 15.4%. This also included an impact of increase in employee costs in FY2016



- Net Profit for the full year was Rs. 134 million, a decrease of (17.2)% y-o-y
- Finance cost increased from Rs. 23 million to Rs. 93 million due to higher borrowings

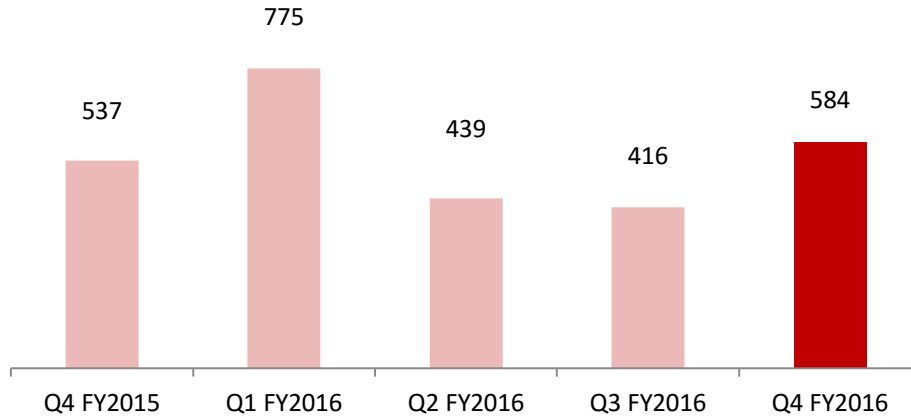
In Rs. million



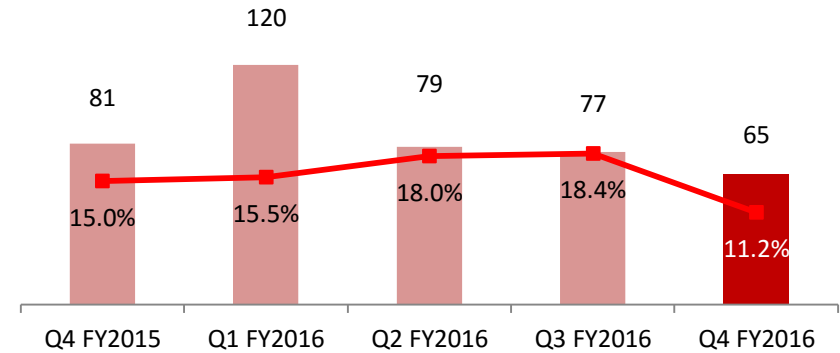


Financial Highlights

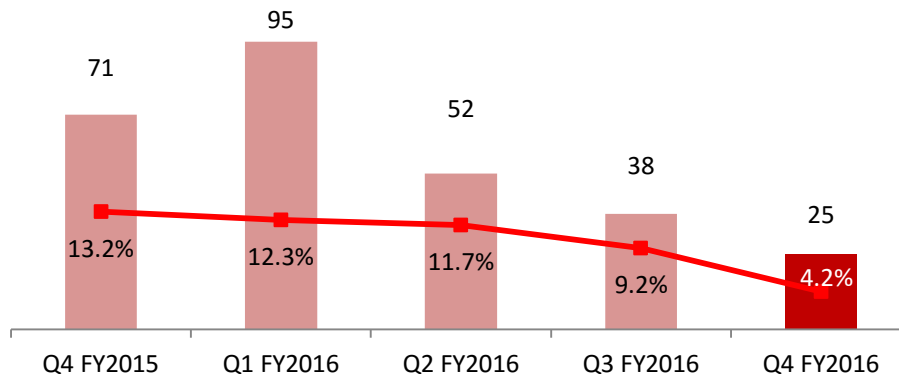
Total Income (Rs. Million)



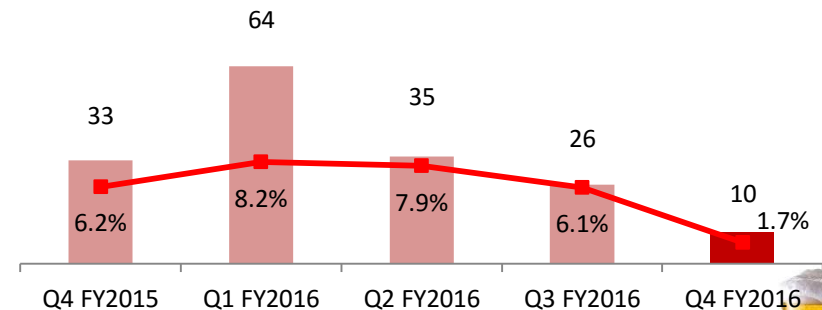
EBITDA (Rs. Million) and Margin (%)



PBT (Rs. Million) and Margin (%)



PAT (Rs. Million) and Margin (%)

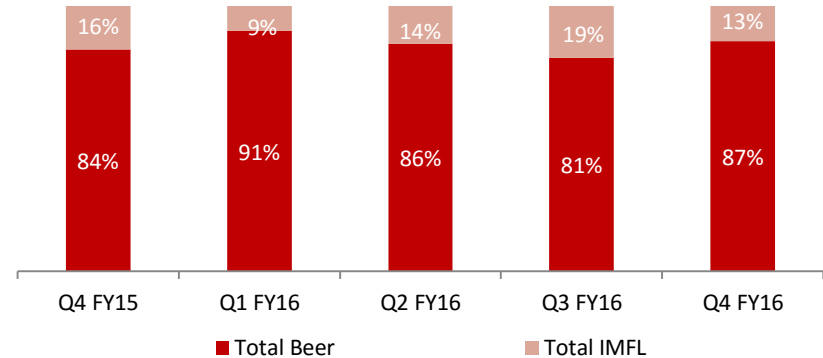




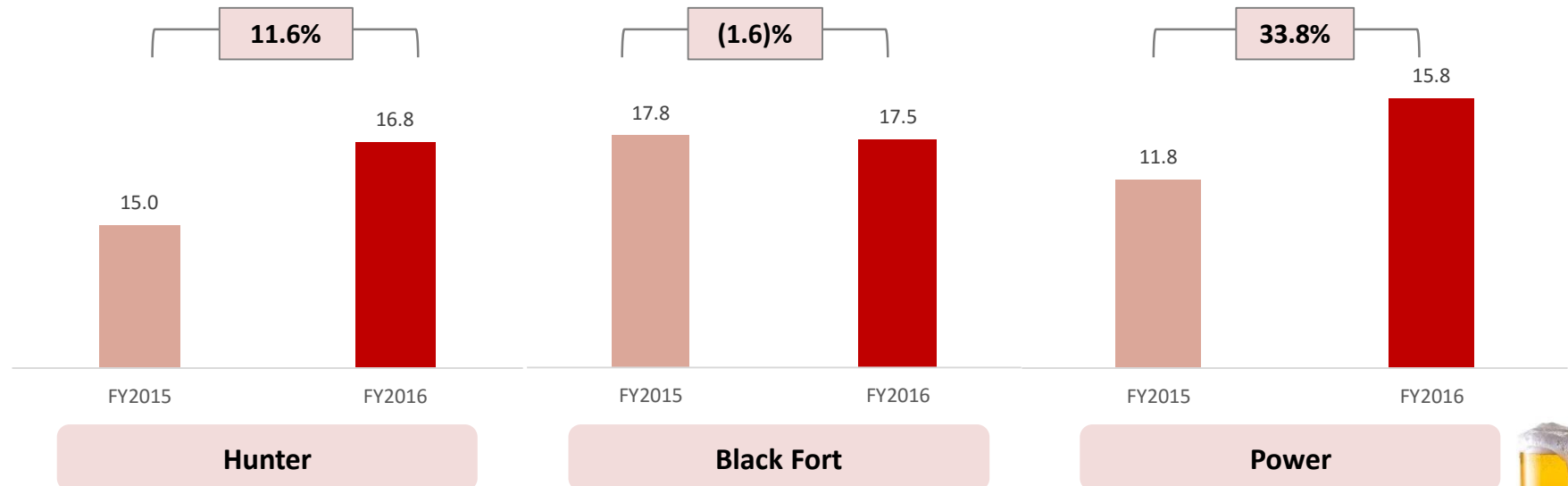
Operational Highlights

Quantity Sold by Category

(Lakh cases)	Full Year		y-o-y Growth (%)
	FY2016	FY2015	
Total Beer	50.1	44.7	12.0%
Total IMFL	7.6	6.8	12.3%



Brand Performance (in Lakh cases)



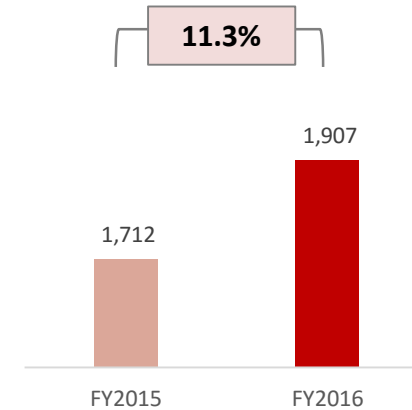
Operational Highlights



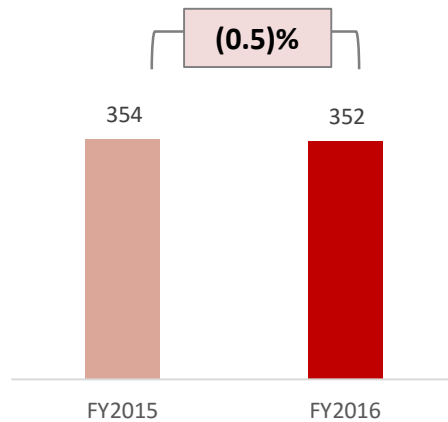
Revenue by Category (Rs. Million)

Category	Q4 FY2015	Q1 FY2016	Q2 FY2016	Q3 FY2016	Q4 FY2016
Beer	447.2	721.0	372.1	325.6	483.9
Whisky	119.5	109.9	80.8	83.3	78.3
Gin	5.5	5.4	2.3	2.4	2.4
Rum	18.4	2.0	6.9	24.7	20.7
Vodka	1.2	5.7	8.4	11.3	13.4

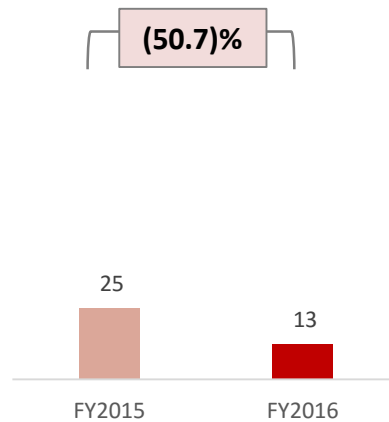
Beer



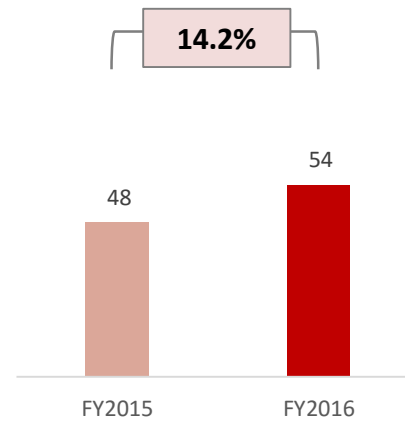
Whisky



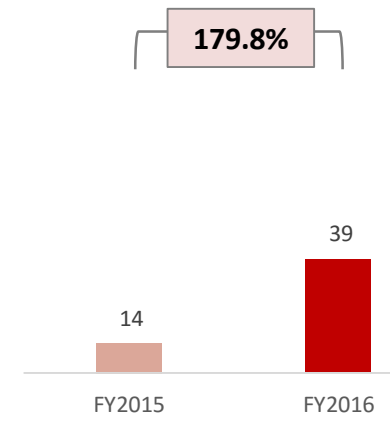
Gin



Rum



Vodka



* All figures in Rs. million

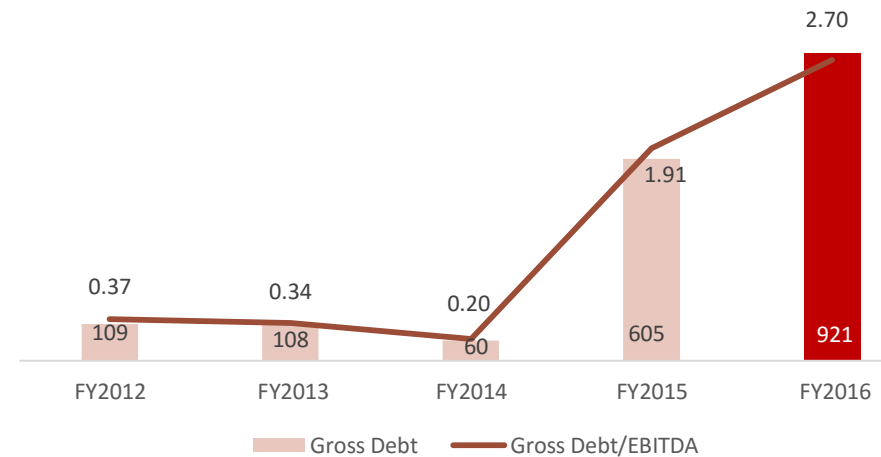


Leverage Profile

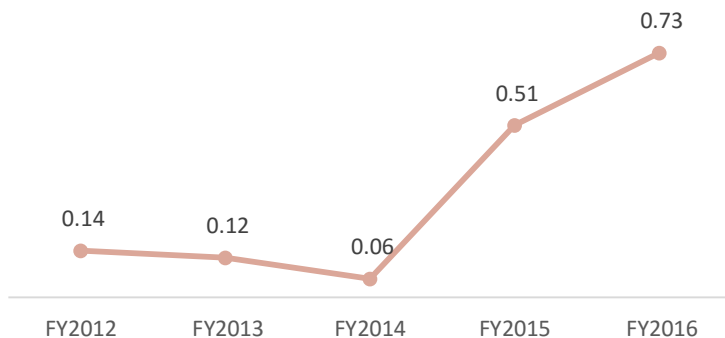
Strong Balance Sheet with low leverage to support organic and inorganic growth

(Rs. Million)	31.03.2016	31.12.2015
Secured Borrowings	754	672
Unsecured Borrowings	167	165
Gross Debt	921	837
Less: Cash & Cash Equivalents	(198)	(71)
Net Debt / (Net Cash)	723	766
Shareholder's Equity	1,266	1,305

Gross Debt and Gross Debt/Annualized EBITDA (x)



Gross Debt/ Equity (x)*



- Net Debt/Equity of 0.57x at the end of FY2016
- SOM maintains a conservative leverage profile along with consistent growth in revenues & operating profit

*Net Debt/Equity stood at 0.57x as of Mar 31, 2016 (vs 0.17x as of Mar 31, 2015)



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



Fourth Quarter and Full Year Results ended 31st Mar 2016 (All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

PART -1		(Amount in Lakhs)				
Statement of Audited Results for the Quarter Ended 31st March 2016						
S.N	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for the previous year ended	Previous year ended
		31-03-2016	31-12-2015	31-03-2015	31-03-2016	31-03-2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1	Income from Operations					
a	Net sales from Operations (Net of state excise duty)	5722.91	4148.20	5327.03	21989.44	20615.69
b	Other Operating Income	116.67	13.08	38.67	147.38	119.14
	Total Income from Operations (Net)	5839.58	4161.28	5365.70	22136.82	20734.83
2	Expenses					
a	Cost of Materials Consumed	3264.17	1875.08	3206.79	10475.23	10140.93
b	Purchase of Stock in Trade	0.00	0.00	0.00	0.00	0.00
c	Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade (increase)	(238.57)	17.34	(576.74)	347.75	(785.22)
d	Employee Benefit Expenses	219.36	147.71	170.50	691.90	535.80
e	Depreciation and Amortisation expenses	92.71	97.93	26.18	385.98	390.70
f	Other Expenses	1942.52	1355.41	1759.18	7213.85	7678.60
	Total Expenses	5280.20	3493.47	4585.91	19114.72	17960.81
3	Profit from Operations before other Income, Finance Costs & Exceptional Items (1-2)	559.38	667.81	779.79	3022.10	2774.02
4	Other Income	0.00	0.00	0.00	0.00	0.00
5	Profit from Ordinary Activities before Finance Costs & Exceptional Items (3+4)	559.38	667.81	779.79	3022.10	2774.02
6	Finance Costs	312.27	286.87	76.72	928.72	234.79
7	Profit from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)	247.11	380.94	703.07	2093.38	2539.23
8	Exceptional Items	0.00	0.00	5.86	0.00	5.86



Statutory Results

Fourth Quarter and Full Year Results ended 31st Mar 2016 (All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

PART -1		(Amount in Lakhs)				
Statement of Audited Results for the Quarter Ended 31st March 2016						
S.N	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for the previous year ended	Previous year ended
		31-03-2016	31-12-2015	31-03-2015	31-03-2016	31-03-2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
9	Profit from Ordinary Activities before Tax (7-8)	247.11	380.94	708.93	2093.38	2545.09
10	Tax Expenses	146.04	125.44	375.27	755.04	928.15
11	Net Profit (+)/ Loss (-) from Ordinary Activities after Tax (9-10)	101.07	255.50	333.66	1338.34	1616.94
12	Extraordinary Items	0.00	0.00	0.00	0.00	0.00
13	Net Profit (+)/ Loss (-) for the period (11-12)	101.07	255.50	333.66	1338.34	1616.94
14	Share of Profit/(loss) of associates	0.00	0.00	0.00	0.00	0.00
15	Minority Interest	0.00	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)	101.07	255.50	333.66	1338.34	1616.94
17	Paid-up Equity Share Capital (Face Value Rs. 10 each)	2752.24	2752.24	2752.24	2752.24	2752.24
18	Reserves excluding Revaluation Reserve	9906.93	10302.75	9065.48	9906.93	9065.48
19 A	Earning per Share (EPS) (Rs.) (before extraordinary items)					
I	- Basic and Diluted	0.37	0.93	1.21	4.86	5.88
II	- Cash	0.37	0.93	1.21	4.86	5.88
19 B	Earning per Share (EPS) (Rs.) (after extraordinary items)					
I	- Basic and Diluted	0.37	0.93	1.21	4.86	5.87
II	- Cash	0.37	0.93	1.21	4.86	5.87



Statutory Results

Fourth Quarter and Full Year Results ended 31st Mar 2016 (All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Statement of Assets & Liabilities		YEAR ENDED	
PARTICULARS		(AUDITED) 31.03.2016	(AUDITED) 31.03.2015
A	EQUITY AND LIABILITIES		
	Shareholders' Funds		
	Share Capital	2,752	2,752
	Reserves & Surplus	9,907	9,065
	Money Received against Share Warrants	-	-
	Foreign Currency Convertible Bonds		
	Non Current Liabilities		
	- Long Term Borrowings	4,122	2,863
	- Deferred Tax Liability (net)	1,132	1,128
	- Long Term Provisions	-	-
	- Other Long Term Liabilities	323	123
	Current Liabilities		
	- Short Term Borrowings	5,092	3,187
	- Trade Payables	1,891	1,946
	- Other Current Liabilities	2,387	2,643
	- Short Term Provisions	1,317	1,359
	Total Equity and Liabilities	28,922	25,066
B	ASSETS		
	Non-Current Assets		
	- Fixed Assets	6,481	6,624
	- Other Non Current Assets	-	-
	- Long Term Loan & Advances	541	417
	CURRENT ASSETS		
	- Current Investment	-	-
	- Inventories	2,872	2,618
	- Trade Receivables	6,593	5,931
	- Cash & Bank Balances	1,983	4,023
	- Short Term Loan & Advances	10,453	5,453
	Total Assets	28,922	25,066





Statutory Results

Fourth Quarter and Full Year Results ended 31st Mar 2016 (All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

NOTES :-

- 1 Audited financial results for the year ended 31st March 2016 reviewed by the audit committee were taken on record at the board meeting held on 18th May, 2016.
- 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.

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Shareholders are requested to intimate change of address, if any

S.Lal
(Chairman & Managing
Director)





Som Distilleries & Breweries Limited

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