



SOM Distilleries & Breweries

Q2 FY2016 Earnings Presentation

www.somindia.in

November 2015



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 H1 FY2016

Quantity Sold-Beer

29.2 Lakh Cases

+11.7%

Quantity Sold-IMFL

3.6 Lakh Cases

+25.2%

Gross Sales

Rs. 1,315 Million

+13.3%

Total Income

Rs. 1,214 Million

+6.2%

EBITDA

Rs. 199 Million

+13.4%

Margin Expansion

EBITDA: 16.4%

+105 bps

Profit After Tax

Rs. 98 Million

+3.2%

Leverage

Net Debt: 476 Million

Net Debt / Equity:
0.37x





Management Commentary

Management Commentary

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

“Our performance in the first half of the year has been steady, driven by an expansion in sales volumes. This growth, across all our key markets, is a result of a continued focus on deepening our engagement with the customers. SOM’s topline grew by 6.2% y-o-y and operating profit grew by 13.4% y-o-y during the first six months of the financial year. Operating margins expanded 105 bps to 16.4% from 15.3% in the same period last year.

Over the same period, volumes in the Beer segment grew by 11.7% while revenues grew by 12%. Strong acceptance of our product offering enables SOM to cater to a consistently broad pool of customers. In particular, the refurbished beer under the flagship brand Hunter, launched earlier this year, continues to gain growing market acceptance. The IMFL segment too has grown by a substantial 25.2%. We continue to leverage the underlying strength of this business which acts as a hedge against the seasonal beer demand, besides contributing to our bottom line.

SOM’s financial discipline is unwavering. Our Net Debt to Equity now stands at 0.37x. This conservative leverage position is a measure of added strength in a business that is operationally sound.

Volumes in the beer industry are expected to grow substantially over the medium to long term. SOM, with its broad based offering and strong share in key markets, is well positioned to capitalize on a likely upturn in the industry. Over the years, we have laid a strong foundation for growth which is expected to continue to serve us well in the quarters to come.”





Q2 and H1 FY2016 Financial Highlights

Standalone Financial Performance (Rs. Million)

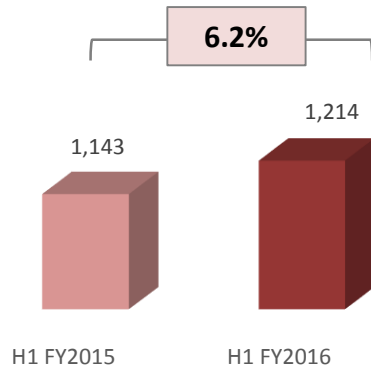
	Q2		y-o-y	Q1	q-o-q	Half Year Ended		y-o-y
(Rs. Million)	FY2016	FY2015	Growth (%)	FY2016	Growth (%)	FY2016	FY2015	Growth (%)
Gross Sales	472	445	6.1%	844	(44.1)%	1,315	1,161	13.3%
Total Income	439	438	0.2%	775	(43.4)%	1,214	1,143	6.2%
EBITDA	79	67	17.3%	120	(34.1)%	199	175	13.4%
Margin (%)	18.0%	15.4%		15.5%		16.4%	15.3%	
Interest	18	5	250.5%	15	17.3%	33	8	289.9%
Depreciation	10	12	(19.6)%	10	0.0%	20	24	(19.6)%
Profit Before Tax	52	50	2.7%	95	(45.8)%	147	143	2.7%
Margin (%)	11.7%	11.5%		12.3%		12.1%	12.5%	
Net Profit	35	33	3.1%	64	(45.8)%	98	95	3.2%
Margin (%)	7.9%	7.6%		8.2%		8.1%	8.3%	
Earnings Per Share (EPS)	1.25	1.22	2.5%	2.31	(45.9)%	3.57	3.46	3.2%

Notes:

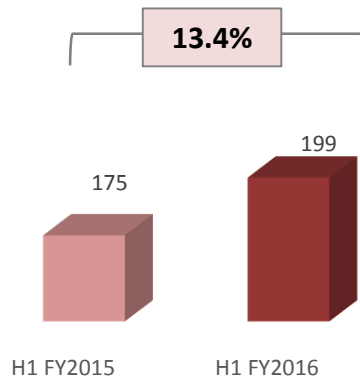
1. Total Income includes Other Operating Income
2. Operating Profit defined as earnings before depreciation, interest, exceptional items and taxes
3. All margins calculated as a percentage of Total Income (including Other Operating Income)



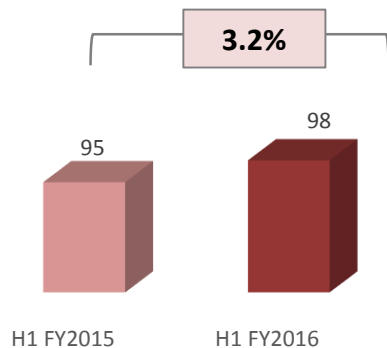
H1 FY2016 Financial Highlights



- H1 FY2016 Total Income increased by 6.2% which includes the effect of higher excise duty on bottling
- Beer volumes increased by 10.8% and IMFL volumes increased by 25.2%
- Beer realisations increased by 0.3% while IMFL realisations decreased by (5.8)%



- EBITDA increased by 13.4% y-o-y
- Depreciation decreased by (19.6)% and Other Expenses decreased by (17.9)%
- Margins increased by 105 bps to 16.4% from 15.3% in the same period last year

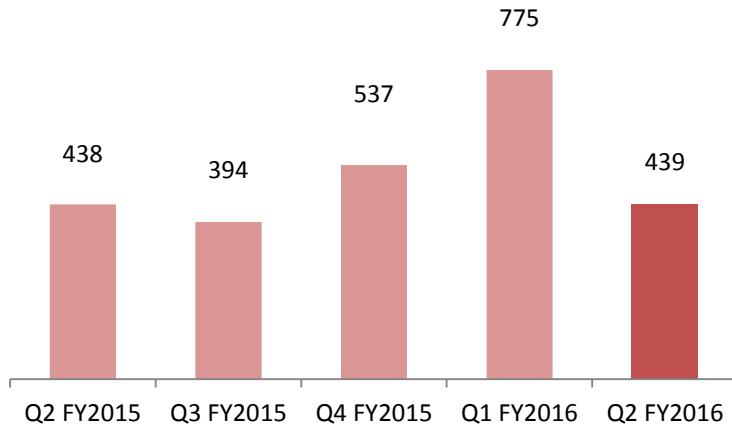


- Net Profit for the six months was Rs. 98 million, an increase of 3.2% compared to H1 2015
- Finance cost increased from Rs. 8 million to Rs. 33 million due to higher secured borrowings as at the end of H1 FY2016 as compared to the same period last year

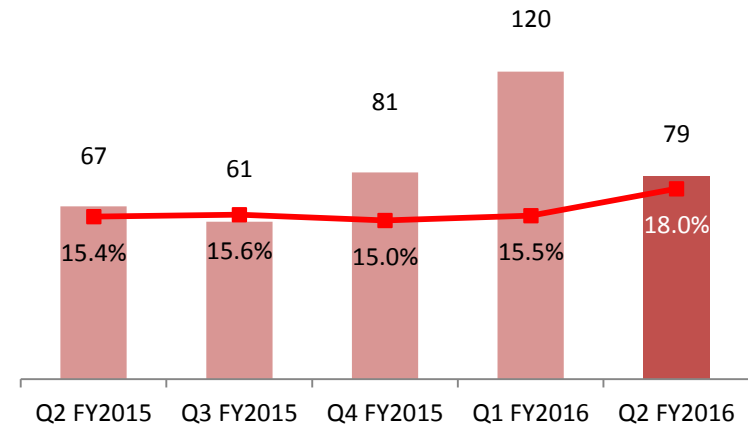


Quarterly Financial Highlights

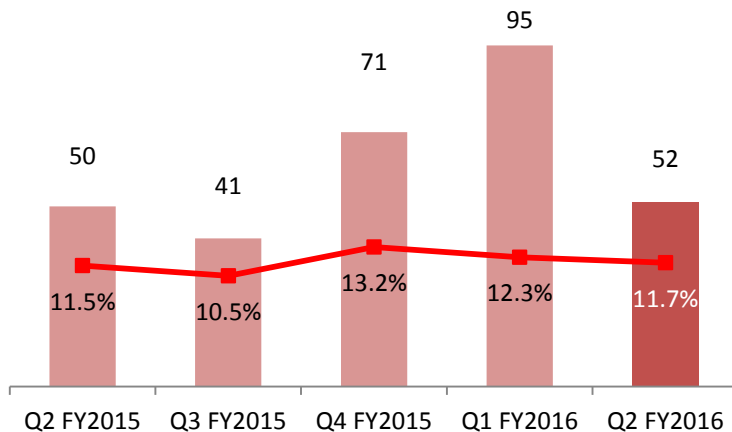
Total Income (Rs. Million)



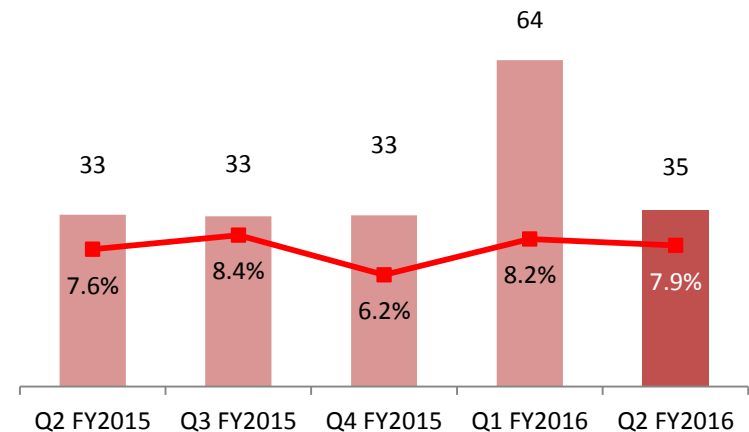
EBITDA (Rs. Million) and Margin (%)



PBT (Rs. Million) and Margin (%)



PAT (Rs. Million) and Margin (%)

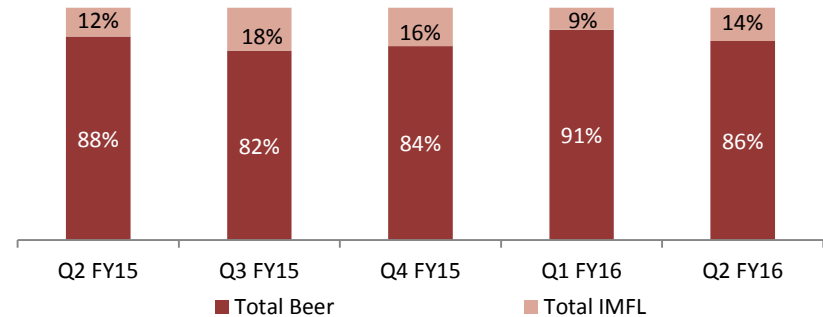




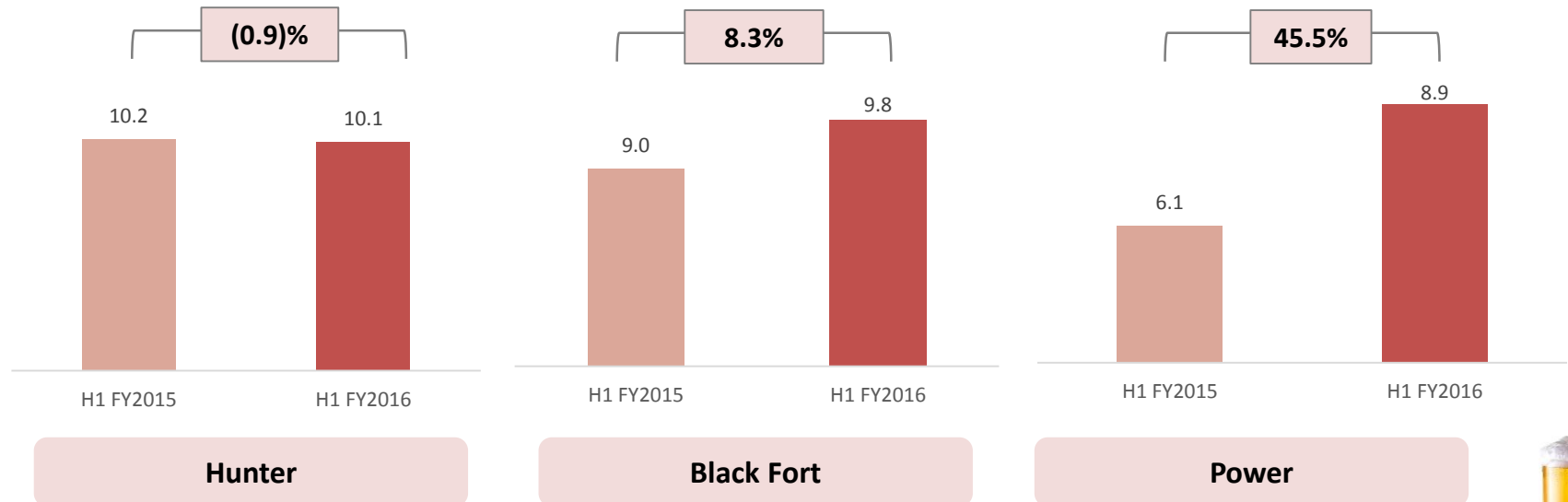
H1 FY2016 Operational Highlights

Quantity Sold by Category

(Lakh cases)	H1		y-o-y
	FY2016	FY2015	Growth (%)
Total Beer	29.2	26.1	11.7%
Total IMFL	3.6	2.9	25.2%



Brand Performance



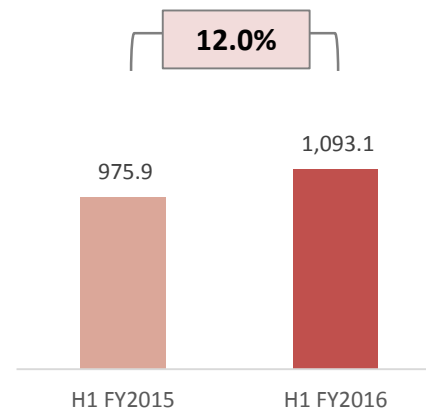
Q2 and H1 FY 2016 Operational Highlights



Revenue by Category (Rs. Million)

Category	Q1 FY2015	Q2 FY2015	Q3 FY2015	Q4 FY2015	Q1 FY2016	Q2 FY2016
Beer	622.2	353.7	287.4	447.2	721.0	372.1
Whisky	80.4	68.3	85.8	119.5	109.9	80.8
Gin	8.2	7.7	4.1	5.5	5.4	2.3
Rum	3.8	8.6	16.9	18.4	2.0	6.9
Vodka	1.9	5.4	5.3	1.2	5.7	8.4

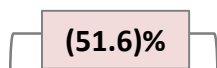
Beer



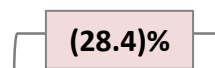
Whisky



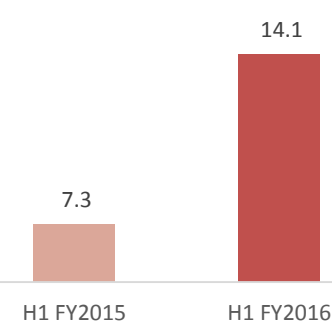
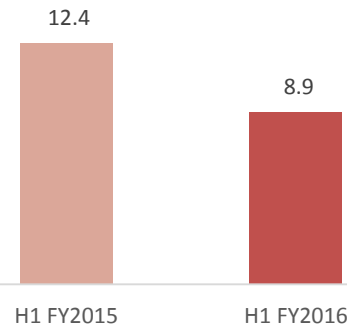
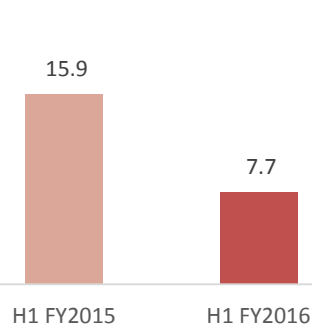
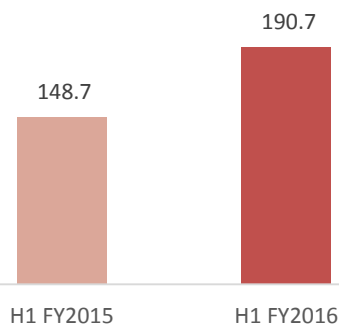
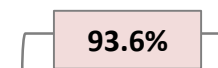
Gin



Rum



Vodka

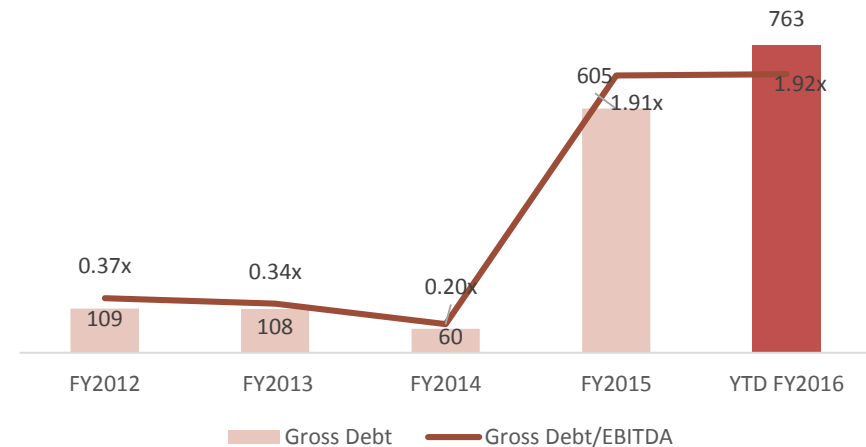


Leverage Profile

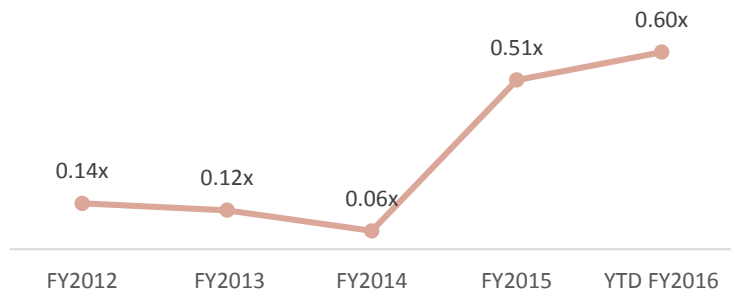
Strong Balance Sheet with low leverage to support organic and inorganic growth

(Rs. Million)	30.09.2015	30.06.2015
Secured Borrowings	705	671
Unsecured Borrowings	58	68
Gross Debt	763	738
Less: Cash & Cash Equivalents	(287)	(530)
Net Debt / (Net Cash)	476	210
Shareholder's Equity	1,280	1,245

Gross Debt and Gross Debt/EBITDA (x)



Gross Debt/ Equity (x)*



- Net Debt/Equity of 0.37x at the end of H1 FY2016
- SOM maintains a conservative leverage profile along with consistent growth in revenues & operating profit, and low net debt position

*Net Debt/Equity stood at 0.17x and 0.37x as at the end of FY2015 and H1 FY2016 respectively



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

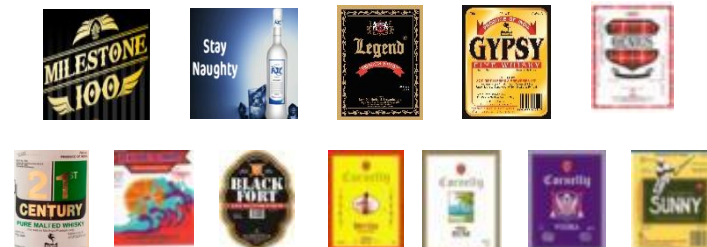
Major Brands



Beer



Spirits



SOM at a glance

Key Achievements

Spiritiz 2014:



Received the Best Product debut award for Milestone 100 whisky

Monde Selection Quality Award



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

Selected in:



Featured in the "Forbes Top 200 best under billion sales" in the whole of Asia Pacific

Ranked 86th by:



Ranked 86th 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



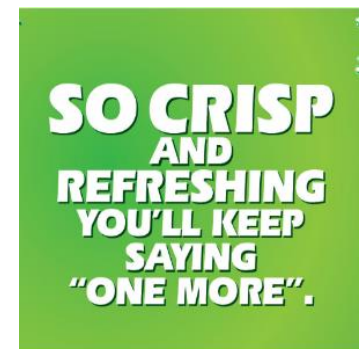
Awarded by Inc. Innovative 100 Awards

Awarded 30 Most Innovative CEOs of 2014:



Awarded by Inc. Innovative 100 Awards

Refurbished 'Hunter' Beer



- The Company re-launched its flagship beer brand 'Hunter' in the market earlier in the year
- The brand which has won awards internationally, is repackaged in a unique, smooth taste which differentiates itself from the strong taste earlier



Statutory Results

Unaudited Results for the quarter ended 30th Sep 2015 (All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

		(Amount in Lakhs)					
Particulars		Quarter Ended			Half Year Ended		Year
		(Unaudited)			(Unaudited)		Audited
	PART -1	30-09-2015	30-6-2015	30-09-2014	30-9-2015	30-09-2014	31-03-2015
1	Income from Operations						
	Revenue from Operations (Gross)	4715.29	8439.02	4445.12	13154.31	11610.20	21533.88
	Less: Excise Duty	329.78	706.20	95.56	1035.98	242.70	918.19
	Revenue from Operations (Net)	4385.51	7732.82	4349.56	12118.33	11367.50	20615.69
b	Other Operating Income	0.68	16.95	29.03	17.63	65.23	119.14
	Total Income from Operations (Net)	4386.19	7749.77	4378.59	12135.96	11432.73	20734.83
2	Expenses						
a	Cost of Materials Consumed	1891.50	3444.48	1777.43	5335.98	4788.64	10140.93
b	Purchase of Stock in Trade	0.00	0.00	0.00	0.00	0.00	0.00
c	Charges in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	217.89	351.09	35.26	568.98	123.25	(785.22)
d	Power and Fuel	162.21	239.09	148.97	401.30	390.86	729.48
e	Employee Benefit Expenses	170.22	154.61	139.86	324.83	246.67	535.80
f	Transport, Clearing & Forwarding charges	251.31	342.94	197.39	594.25	572.07	1025.63
g	Depreciation and Amortisation expenses	97.67	97.67	121.51	195.34	243.02	390.70
h	Other Expenses	902.33	2018.04	1405.68	2920.37	3556.75	5923.49
	Total Expenses	3693.13	6647.92	3826.10	10341.05	9921.26	17960.81
3	Profit from Operations before other Income, Finance Costs & Exceptional Items (1-2)	693.06	1101.85	552.49	1794.91	1511.47	2774.02
4	Other Income	0.00	0.00	0.00	0.00	0.00	0.00
5	Profit from Ordinary Activities before Finance Costs & Exceptional Items (3+4)	693.06	1101.85	552.49	1794.91	1511.47	2774.02
6	Finance Costs	177.91	151.67	50.76	329.58	84.54	234.79
7	Profit from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)	515.15	950.18	501.73	1465.33	1426.93	2539.23
8	Exceptional Items	0.00	0.00	0.00	0.00	0.00	5.86
9	Profit from Ordinary Activities before Tax (7-8)	515.15	950.18	501.73	1465.33	1426.93	2545.09
10	Tax Expenses	170.00	313.56	166.80	483.56	475.17	928.15
11	Net Profit (+)/ Loss (-) from Ordinary Activities after Tax (9-10)	345.15	636.62	334.93	981.77	951.76	1616.94
12	Extraordinary Items						
13	Net Profit (+)/ Loss (-) for the period (11-12)	345.15	636.62	334.93	981.77	951.76	1616.94
14	Paid-up Equity Share Capital (Face Value Rs. 10 each)	2752.24	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	1.25	2.31	1.22	3.57	3.46	5.87
b	- Cash	1.25	2.31	1.22	3.57	3.46	5.87





Statutory Results

Unaudited Results for the quarter ended 30th Sep 2015
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

PART II

A	PARTICULARS OF SHAREHOLDINGS						
1	Public Shareholdings:						
	- Number of Shares	21210904	21231626	21275136	21210904	21275136	21246078
	-Percentage of Shareholding	77.07	77.14	77.30	77.07	77.30	77.20
2	Promoters & Promoter Group Shareholding:						
	a) Pledged/Encumbered						
	- Number of shares	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares	Nil	Nil	Nil	Nil	Nil	Nil
	b) Non-encumbered						
	- Number of shares	6311496	6290774	6247264	6311496	6247264	6276322
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group	100.00	100.00	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the company)	22.93	22.86	22.70	22.93	22.70	22.80
B	INVESTORS COMPLAINTS	3 Months Ended 30-9-15					
	Pending at the beginning of the quarter	NIL					
	Received during the quarter	8					
	Disposed of during the quarter	5					
	Remaining unresolved at the end of the quarter	3					



Statutory Results



Unaudited Results for the quarter ended 30th Sep 2015 (All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Statement of Assets & Liabilities			
PARTICULARS	HALF YEAR ENDED		YEAR
	(UNAUDITED) 30.09.2015	(UNAUDITED) 30.09.2014	(AUDITED) 31.03.2015
A EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2,752	2,752	2,752
Reserves & Surplus	10,047	8,935	9,065
Money Received against Share Warrants	-	-	-
Foreign Currency Convertible Bonds			
Non Current Liabilities			
- Long Term Borrowings	4,316	1,470	2,863
- Deferred Tax Liability (net)	1,128	1,156	1,128
- Long Term Provisions	-	-	-
- Other Long Term Liabilities	-	32	123
Current Liabilities			
- Short Term Borrowings	2,464	39	3,187
- Trade Payables	1,821	1,666	1,946
- Other Current Liabilities	1,789	1,309	2,643
- Short Term Provisions	973	584	1,359
Total Equity and Liabilities	25,290	17,943	25,066
B ASSETS			
Non-Current Assets			
- Fixed Assets	6,449	6,505	6,624
- Other Non Current Assets	-	-	-
- Long Term Loan & Advances	627	721	417
CURRENT ASSETS			
- Current Investment	-	-	-
- Inventories	2,215	1,661	2,618
- Trade Receivables	5,924	4,427	5,931
- Cash & Bank Balances	2,865	1,862	4,023
- Short Term Loan & Advances	7,210	2,767	5,453
Total Assets	25,290	17,943	25,066





Statutory Results

Unaudited Results for the quarter ended 30th Sep 2015 (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 05.11.2015 and a limited review of the same has been carried out by the statutory auditors of the company.
- 2 Previous period figures have been regrouped and or reclassified wherever necessary.

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Fax :- 0091-11-26195897

Shareholders are requested to intimate change of address, if any

S. LAL

MANAGING DIRECTOR





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(CIN: L74899DL1993PLC052787)

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