



SOM Distilleries & Breweries Limited

(BSE: 507514, NSE: SDBL)

Q2 and H1 FY2017 Earnings Presentation

www.somindia.in

November 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 H1 FY2017 vs H2 FY2016

Total Income

Rs. 1,347 Million

+11.0%

Beer Sales Volume

31.6 Lakh Cases

+8.5%

EBITDA

Rs. 226 Million

+13.7%

EBITDA Margins

16.8%

+40 bps

PAT

Rs. 98 Million

+0.3%

Leverage

Net Debt: Rs. 699 mn (vs
Rs. 723 mn as at March 31,
2016)

Net Debt / Equity: 0.51x





Management Commentary

Management Commentary

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

“Som Distilleries continued to defy the slowness in the liquor industry with yet another strong set of results. I am pleased to announce that revenues for the first half of FY2017 grew 11% whilst EBITDA expanded 13.7%. Margins increased 40 bps reflecting an equally acute focus on cost control.

These results are supported by a meaningful increase in volumes. We sold 8.5% more beer in H1 FY2017 as compared to H1 FY2016. In particular, sales volumes for one of our key brands - hunter beer – grew 35.3% over the period. This is also a reflection of the effectiveness of our product premiumization initiatives that have recently been undertaken for Hunter beer.

As of the end of the period, four of our brands stand approved by the Canteen Stores Department (CSD), which has contributed more than Rs. 50 million in sales during H1 FY2017. CSD remains one of our core focus areas in terms of extending customer relationships. Also of note is that we continue to make progress and are on track with respect to execution at our new brewery being set up in Karnataka.

Financial discipline has been a cornerstone of our growth. Debt to equity ratio declined to 0.62x at the end of H1 FY2017 as compared 0.73x as at the end of FY2016. Our expansion plans along with financial prudence will result in long term value creation, for the benefit of all our stakeholders in the times to come.”





Financial Highlights

Standalone Financial Performance (Rs. Million)

	Q2		y-o-y	Q1	q-o-q	Half Year Ended		y-o-y
(Rs. Million)	FY2017	FY2016	Growth (%)	FY2017	Growth (%)	FY2017	FY2016	Growth (%)
Total Income	473	439	7.8%	874	(45.9)%	1,347	1,214	11.0%
EBITDA	82	79	3.2%	145	(43.6)%	226	199	13.7%
Margin (%)	17.3%	18.0%		16.6%		16.8%	16.4%	
Interest	31	18	71.8%	26	18.0%	56	33	71.4%
Depreciation	10	10	(1.5)%	10	0.0%	19	20	(1.5)%
Profit Before Tax	41	52	(19.6)%	109	(62.1)%	151	147	2.8%
Margin (%)	8.8%	11.7%		12.5%		11.2%	12.1%	
Net Profit	28	35	(20.1)%	71	(61.1)%	98	98	0.3%
Margin (%)	5.8%	7.9%		8.1%		7.3%	8.1%	
Earnings Per Share (EPS)	1.00	1.25	(20.1)%	2.58	(61.1)%	3.58	3.57	0.3%

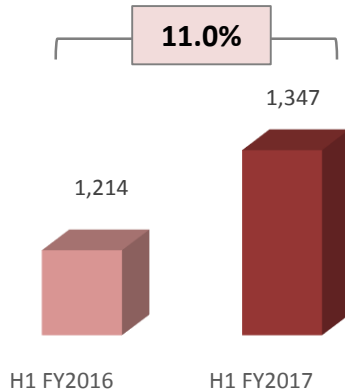
Notes:

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)



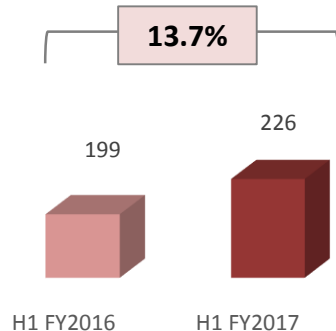
Financial Highlights

Total Income



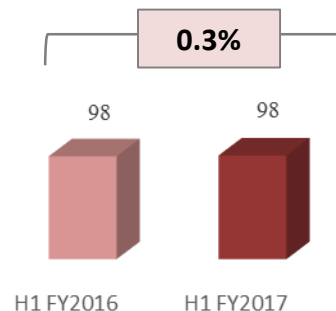
- H1 FY2017 Total Income increased by 11.0% y-o-y
- Beer volumes increased by 8.5% y-o-y and IMFL volumes decreased by (23.4)% y-o-y

EBITDA



- EBITDA increased by 13.7% y-o-y to Rs. 226 million
- EBITDA Margins increased by 40 bps y-o-y to 16.8%
- Depreciation decreased by (1.5)% y-o-y

Net Profit



- Net Profit increased by 0.3% y-o-y
- Margins stood at 7.3%
- Finance cost increased from Rs. 33 million to Rs. 56 million

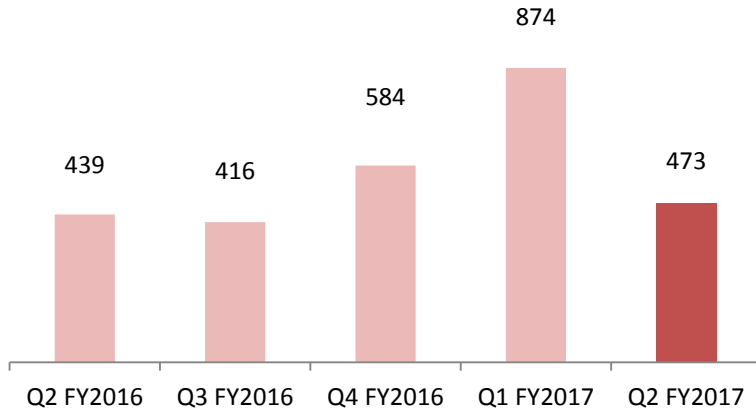
In Rs. million



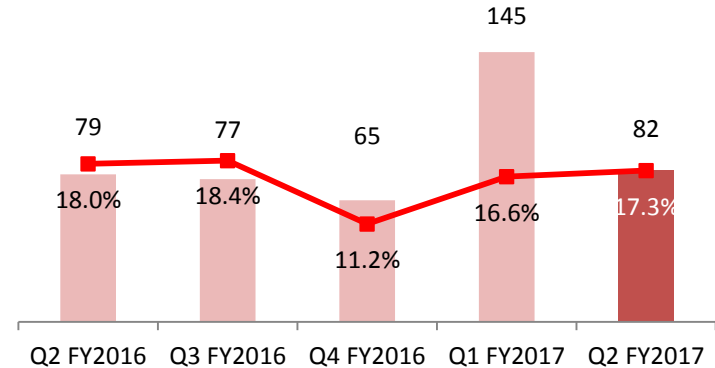


Financial Highlights

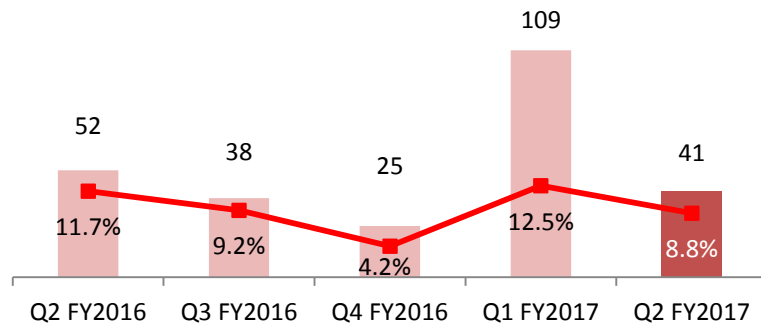
Total Income (Rs. Million)



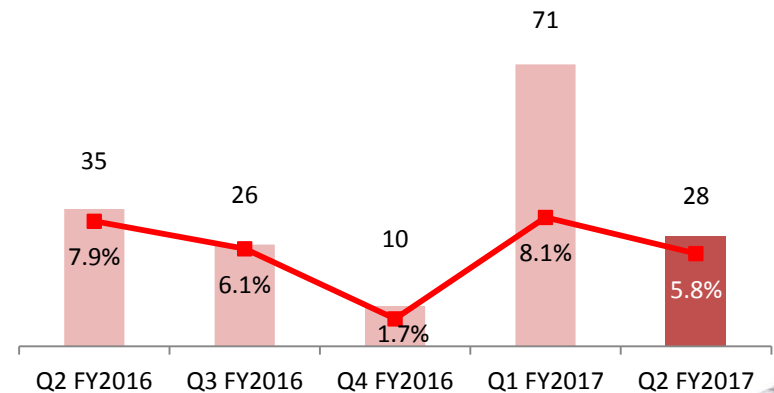
EBITDA (Rs. Million) and Margin (%)



PBT (Rs. Million) and Margin (%)



PAT (Rs. Million) and Margin (%)

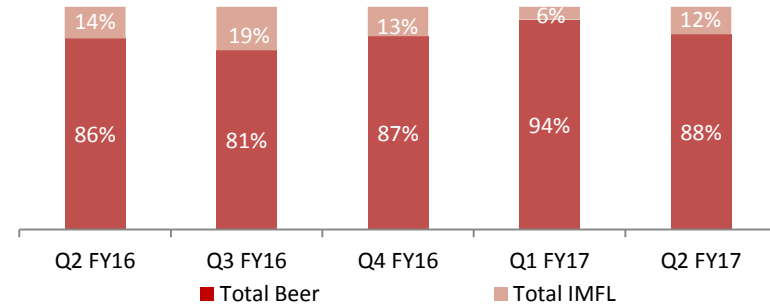




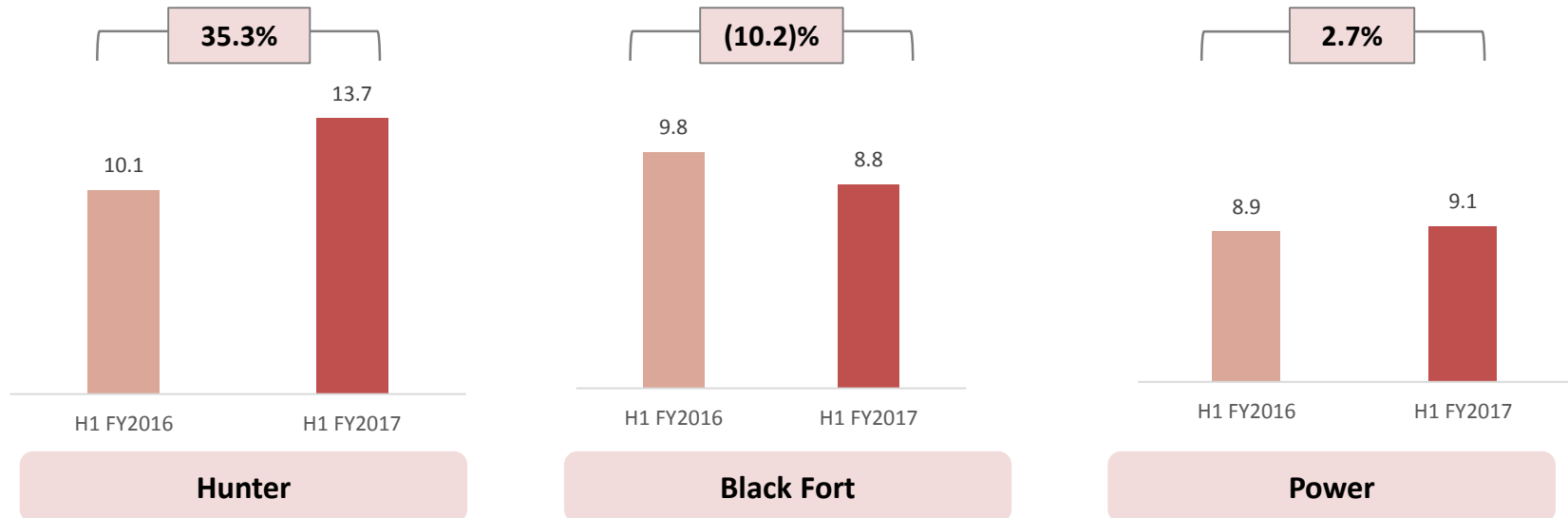
Operational Highlights

Quantity Sold by Category

(Lakh cases)	H1		y-o-y Growth (%)
	FY2017	FY2016	
Total Beer	31.6	29.1	8.5%
Total IMFL	2.8	3.6	(23.4)%



Brand Performance (in Lakh cases)



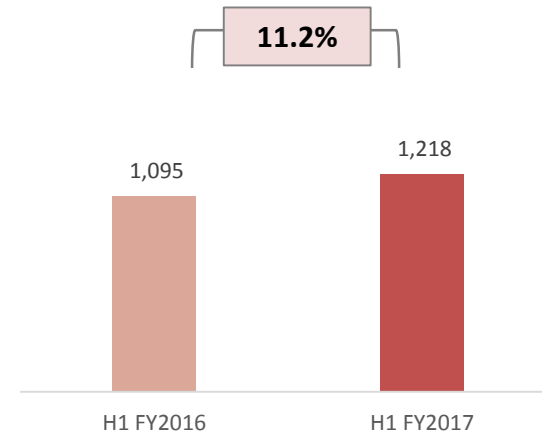


Operational Highlights

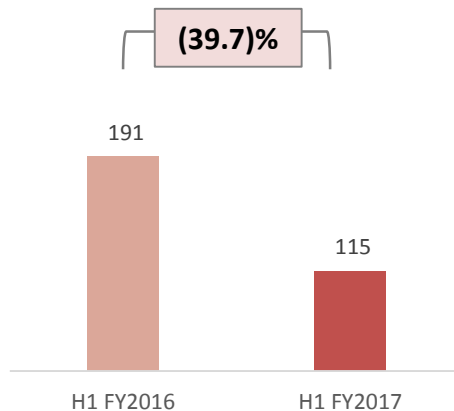
Revenue by Category (Rs. Million)

Category	Q2 FY2016	Q3 FY2016	Q4 FY2016	Q1 FY2017	Q2 FY2017
Beer	373.2	325.6	483.9	818.1	400.0
Whisky	80.8	83.3	78.3	58.5	56.6
Gin	2.3	2.4	2.4	0.0	0.0
Rum	6.9	24.7	20.7	13.5	27.1
Vodka	8.4	11.3	13.4	18.1	13.0

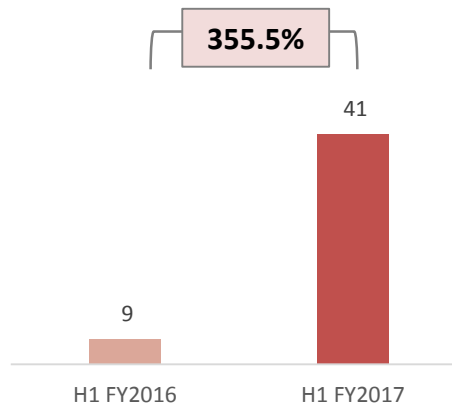
Beer



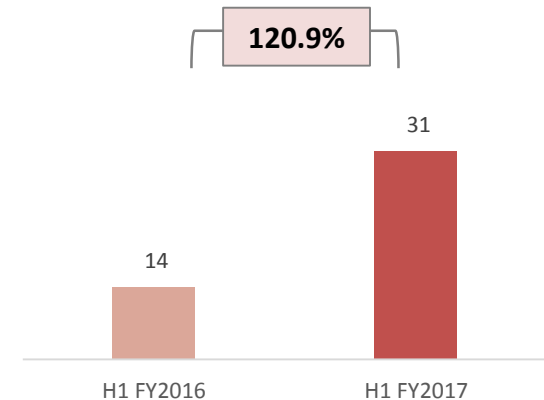
Whisky



Rum



Vodka



* All figures in Rs. million



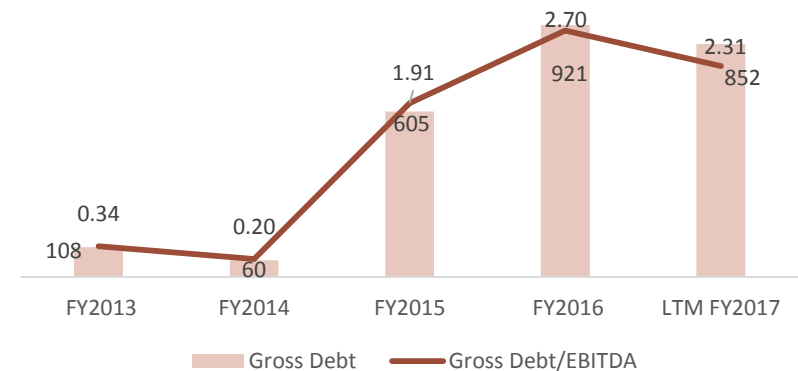


Leverage Profile

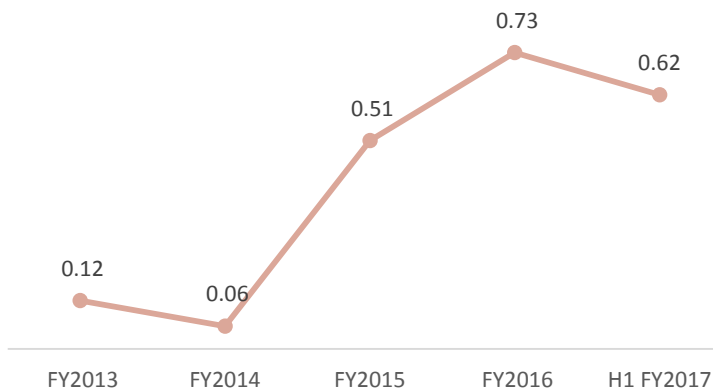
Strong Balance Sheet with low leverage to support organic and inorganic growth

(Rs. Million)	30.09.2016	31.03.2016
Secured Borrowings	708	754
Unsecured Borrowings	144	167
Gross Debt	852	921
Less: Cash & Cash Equivalents	(153)	(198)
Net Debt / (Net Cash)	699	723
Shareholder's Equity	1,364	1,266

Gross Debt and Gross Debt/ EBITDA (x)*



Gross Debt/ Equity (x)



- Net Debt/Equity improved from 0.57x as at March 31, 2016 to 0.51x at the end of Sep 2016
- SOM maintains a conservative leverage profile along with consistent growth in revenues & operating profit

*FY2017 EBITDA is on an LTM basis





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 30th Sep 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 September 2016							
S.N	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for current period ended	Year to date figures for the previous year ended	Previous year ended
		30-09-2016	30-06-2016	30-09-2015	30-09-2016	30-09-2015	31-03-2016
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from Operations						
a	Net sales from Operations (Net of state excise duty)	4702.00	8683.73	4385.51	13385.73	12118.33	21989.44
b	Other Operating Income	26.71	55.42	0.68	82.13	17.63	146.94
	Total Income from Operations (Net)	4728.71	8739.15	4386.19	13467.86	12135.96	22136.38
2	Expenses						
a	Cost of Materials Consumed	1606.69	4401.69	1891.50	6008.38	5335.98	10475.23
b	Purchase of Stock in Trade	0.00	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)	202.34	156.38	217.89	358.72	568.98	347.75
d	Employee Benefit Expenses	152.88	162.01	170.22	314.89	324.83	691.90
e	Depreciation and Amortisation expenses	96.25	96.25	97.67	192.50	195.34	385.98
f	Other Expenses	1950.79	2571.82	1315.85	4522.61	3915.92	7213.85
	Total Expenses	4008.95	7388.15	3693.13	11397.10	10341.05	19114.71
3	Profit from Operations before other Income, Finance Costs & Exceptional Items (1-2)	719.76	1351.00	693.06	2070.76	1794.91	3021.67
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)	719.76	1351.00	693.06	2070.76	1794.91	3021.67
6	Finance Costs	305.67	259.11	177.91	564.78	329.58	928.72
7	Profit from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)	414.09	1091.89	515.15	1505.98	1465.33	2092.95
8	Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00



Statutory Results

Unaudited Results for the quarter ended 30th Sep 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 September 2016							
S.N	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for current period ended	Year to date figures for the previous year ended	Previous year ended
		30-09-2016	30-06-2016	30-09-2015	30-09-2016	30-09-2015	31-03-2016
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
9	Profit from Ordinary Activities before Tax (7-8)	414.09	1091.89	515.15	1505.98	1465.33	2092.95
10	Tax Expenses	138.29	382.89	170.00	521.18	483.56	755.05
11	Net Profit (+)/ Loss (-) from Ordinary Activities after Tax (9-10)	275.80	709.00	345.15	984.80	981.77	1337.90
12	Extraordinary Items	0.00	0.00	0.00	0.00	0.00	0.00
13	Net Profit (+)/ Loss (-) for the period (11-12)	275.80	709.00	345.15	984.80	981.77	1337.90
14	Share of Profit/(loss) of associates	0.00	0.00	0.00	0.00	0.00	0.00
15	Minority Interest	0.00	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)	275.80	709.00	345.15	984.80	981.77	1337.90
17	Paid-up Equity Share Capital (Face Value Rs. 10 each)	2752.24	2752.24	2752.24	2752.24	2752.24	2752.24
18	Reserves excluding Revaluation Reserve	0.00	0.00	0.00	0.00	0.00	9906.00
19 A	Earning per Share (EPS) (Rs.) (before extraordinary items)						
I	- Basic and Diluted	1.00	2.58	1.25	3.58	3.57	4.86
II	- Cash	1.00	2.58	1.25	3.58	3.57	4.86
19 B	Earning per Share (EPS) (Rs.) (after extraordinary items)						
I	- Basic and Diluted	1.00	2.58	1.25	3.58	3.57	4.86
II	- Cash	1.00	2.58	1.25	3.58	3.57	4.86



Statutory Results

Unaudited Results for the quarter ended 30th Sep 2016
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Statement of Assets & Liabilities		HALF YEAR ENDED		YEAR ENDED
PARTICULARS		(UNAUDITED) 30.09.2016	(UNAUDITED) 30.09.2015	(AUDITED) 31.03.2016
A	EQUITY AND LIABILITIES			
	Shareholders' Funds			
	Share Capital	2,752	2,752	2,752
	Reserves & Surplus	10,891	10,047	9,906
	Money Received against Share Warrants	-	-	-
	Foreign Currency Convertible Bonds			
	Non Current Liabilities			
	- Long Term Borrowings	4,030	4,316	4,122
	- Deferred Tax Liability (net)	1,132	1,128	1,132
	- Long Term Provisions	-	-	-
	- Other Long Term Liabilities	388	-	523
	Current Liabilities			
	- Short Term Borrowings	4,488	2,464	5,092
	- Trade Payables	2,439	1,821	1,891
	- Other Current Liabilities	2,642	1,789	2,182
	- Short Term Provisions	1,172	973	1,317
	Total Equity and Liabilities	29,936	25,290	28,916
B	ASSETS			
	Non-Current Assets			
	- Fixed Assets	6,521	6,449	6,481
	- Other Non Current Assets	-	-	-
	- Long Term Loan & Advances	326	627	541
	CURRENT ASSETS			
	- Current Investment	-	-	-
	- Inventories	2,867	2,215	2,872
	- Trade Receivables	4,767	5,924	6,593
	- Cash & Bank Balances	1,784	2,865	1,977
	- Short Term Loan & Advances	13,671	7,210	10,453
	Total Assets	29,936	25,290	28,916





Statutory Results

Unaudited Results for the quarter ended 30th Sep 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 12-11-2016 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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Shareholders are requested to intimate change of address, if any

S.Lal

Managing Director





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(CIN: L74899DL1993PLC052787)

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