

thhoda aur



Opulence in
a Bottle



SOM Distilleries & Breweries

Q2 FY2015 Earnings Presentation

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

Q2 FY2015 Financial Highlights

Performance Highlights: Q2 FY2015 vs. Q2 FY2014

- Total Income of Rs. 438 Million, an increase of 26.5%
- Beer sales volumes increased by 30% and Beer revenues increased by 33%
- EBITDA of Rs. 67 Million, an increase of 26.6%
- EBITDA margins consistent at 15.4%
- PAT of Rs. 33 Million, margins of 7.6%
- Net Cash of Rs. 73 Million; Gross Debt/Equity: 0.13x

Management Commentary

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

"We are delighted to announce another quarter of robust operational performance and financial results with our revenue and EBITDA both growing by over 26%. While our premium beer brands registered strong growth owing to an increase in overall liquor demand in our focused markets, our newly launched Milestone 100 whisky and White Fox vodka continued to scale up and gain widespread acceptance.

SOM's emphasis remains on strengthening its own brand portfolio through product innovation and improving overall customer satisfaction. We continue to enhance our market penetration. These are also the key drivers for our capital allocation strategy.

Looking ahead, we expect higher investments in all of our key brands, which is part of our brand-led profitable growth strategy. We plan to launch 'Milestone 100' whisky and 'White Fox' vodka in other parts of India in the coming months. As the market conditions continue to improve, we see a promising business growth in the near future."

Q2 FY2015 Highlights

Financial Highlights

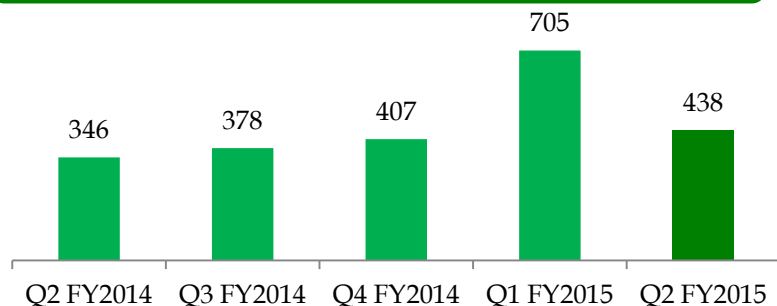
(Rs. millions)	Q2		y-o-y	Half Year Ended		y-o-y
	FY2015	FY2014	Growth (%)	FY2015	FY2014	Growth (%)
Total Income	438	346	26.5%	1,143	1,136	0.6%
EBITDA	67	53	26.6%	175	174	0.9%
Margin %	15.4%	15.4%		15.3%	15.3%	
Profit Before Tax (PBT)	50	42	20.4%	143	151	(5.2)%
Margin %	11.5%	12.0%		12.5%	13.2%	
Profit After Tax (PAT)	33	35	(3.2)%	95	109	(12.4)%
Margin %	7.6%	10.0%		8.3%	9.6%	
Basic EPS (Rs.)	1.22	1.26	(3.2)%	3.46	3.95	(12.4)%

Commentary Q2FY2015 vs. Q2FY2014

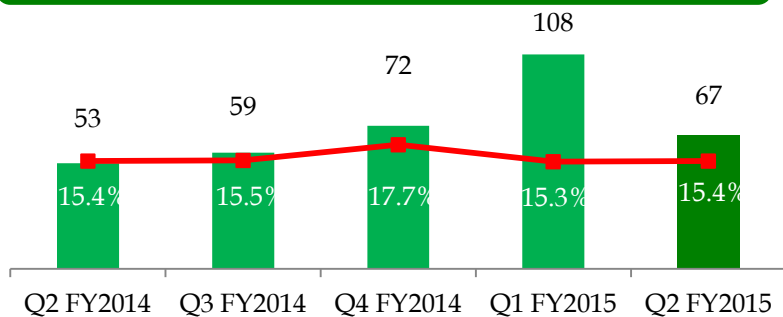
- Q2 FY2015 Total Income increased by 26.5%. Beer volumes increased significantly by 30.2% and IMFL volumes remained relatively flat. Average price realization improved by 4% for beer and 3% for IMFL segment.
- Q2 FY2015 EBITDA increased by 26.6% compared to same period last year. Higher beer volumes and improved price realizations have supported EBITDA growth. Margins remained consistent at 15.4%. Increase in some of the operating expenses such as transport and forwarding charges have been offset by decline in raw material prices
- Profit After Tax decreased by (3.2)%. Finance cost increased from Rs. 0.01 million to Rs. 5.0 million due to increase in secured borrowings for general business purposes and working capital requirements. Net Profit margins decreased to 7.6% due to higher finance cost in Q2 FY2015 and lower tax incidence in Q2 FY2014.

Q2 FY2015 Highlights

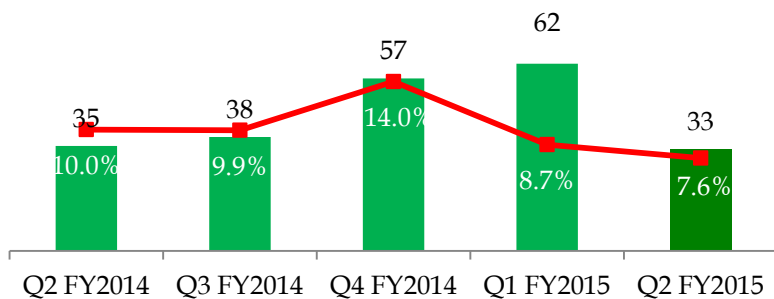
Total Income (Rs. Million)



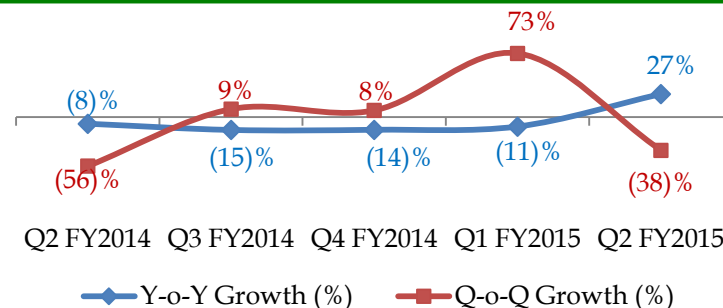
EBITDA (Rs. Million) and Margin (%)



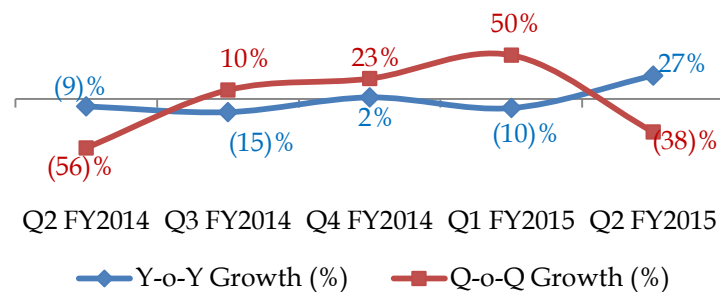
PAT (Rs. Million) and Margin (%)



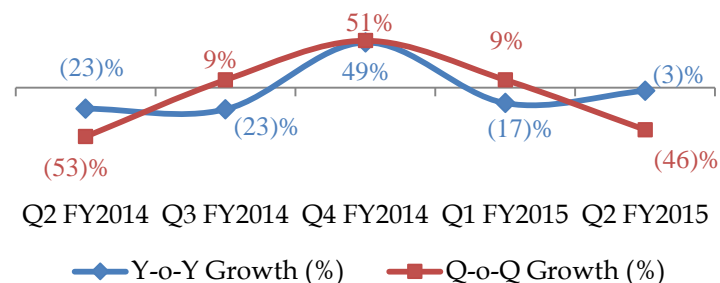
Total Income Growth (%)



EBITDA Growth (%)



PAT Growth (%)

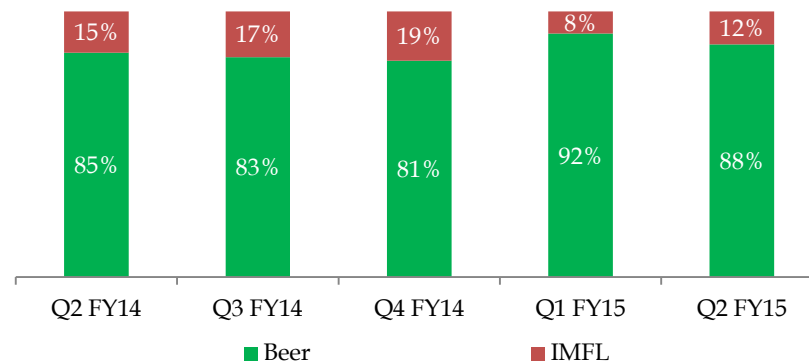


Q2 FY2015 Highlights

Revenue by Category (Rs. Million)

Category	Q2 FY2014	Q3 FY2014	Q4 FY2014	Q1 FY2015	Q2 FY2015
Beer	265.2	282.2	292.6	622.2	353.7
Whisky	60.8	69.6	70.4	80.4	68.3
Gin	11.1	8.5	10.9	8.2	7.7
Rum	12.5	20.6	26.8	3.8	8.6
Vodka	1.8	2.4	2.5	1.9	5.4

Revenue by Category (Quantity Sold)



Brand Performance

(lakh cases sold)	Q2 FY2015	Q2 FY2014	y-o-y Growth (%)	H1 FY2015	H2 FY2014	y-o-y Growth (%)
Hunter	4.2	2.8	49.8%	10.2	8.5	20.0%
Black Fort	3.3	2.6	27.7%	9.0	10.4	(13.5)%
Power	1.9	1.9	0.3%	6.1	8.5	(28.2)%

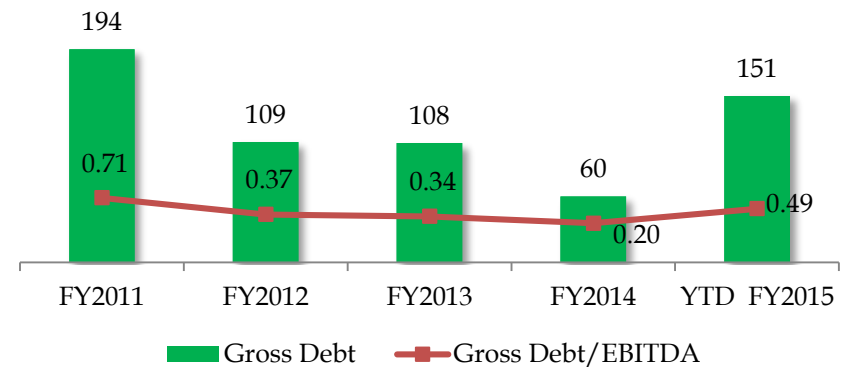
Total Beer	9.6	7.4	30.2%	26.1	26.0	0.6%
Total IMFL	1.4	1.3	0.5%	2.9	2.8	0.3%

Leverage Profile

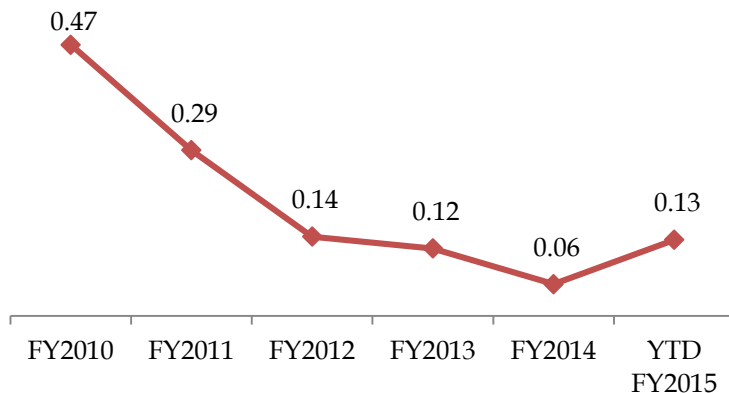
Strong Balance Sheet With Conservative Leverage Profile

(Rs. Million)	30.9.2014	30.6.2014
Secured Borrowings	61	12
Unsecured Borrowings	90	90
Gross Debt	151	102
Less: Cash & Cash Equivalents	224	(72)
Net Debt / (Net Cash)	(73)	30
Shareholder's Equity	1,169	1,135

Gross Debt and Gross Debt/EBITDA* (x)



Gross Debt/ Equity (x)



- Increase in Gross Debt/Equity in Q2 FY2015. The proceeds of secured borrowings will be utilized for working capital requirements and general business purposes
- Maintaining a conservative leverage profile along with consistent growth

LTM EBITDA taken for 2015 Gross Debt/EBITDA

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 focussed 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

Key Brands

Major Brands



Beer



Spirits



Awards & Recognition

Recent Achievements in FY 2015

Spiritz 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

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

Hunter

SUPER STRONG
PREMIUM BEER

Josh Ka Jashan



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