



SOM Distilleries & Breweries Limited
(BSE: 507514, NSE: SDBL)

Earnings Presentation
H1 FY2022



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

A still life composition featuring a glass of beer, wheat, and hops. The glass is filled with golden beer and topped with a thick head of white foam. It sits on a rustic wooden surface. To the left, there is a large bundle of wheat stalks. In the foreground and scattered around the glass are several green hop cones and leaves. The background is softly blurred, showing more of the wheat and hops, creating a warm, natural atmosphere.

Key Highlights: H1 FY2022 vs H1 FY2021

- Recorded beer volume of 23.6 Lakh cases (+41% y-o-y) and IMFL volumes of 2.2 Lakh cases (down 40% y-o-y)
- The volume improvement in beer was
 - Driven by our traditional markets and strong recovery of both Karnataka and Odisha operations
 - Strong volume recovery in Hunter volumes with 11.0 lakh cases, a growth of 44% y-o-y
 - Blackfort and PowerCool recorded a growth of 49% and 32%, respectively
 - Recently launched Woodpecker brand continued to grow with around 50,000 cases sold during the first half of the year
- Total income during H1 FY2022 stood at Rs. 1,290 million, an increase of 26% y-o-y. The improvement was driven by relatively low covid environment which enabled us to increase our utilization levels
- Strong improvement in utilization levels enabled the Company to turn EBITDA positive across all the operations
- Net Loss for the period was Rs. 151 million, significant improvement compared to loss of Rs. 308 million in same period last year; Karnataka operation turned PAT positive during the quarter
- Volume growth trajectory expected to continue with the gradual relaxation of pandemic related restrictions



Management Commentary



We continued to strengthen our market share which is reflected in the strong volume growth for the first half of the year. During Q2, our volume reached pre-covid levels, which is an important milestone in our journey towards normalization. The performance of our Karnataka and Odisha operations was also exciting and Karnataka turned PAT positive during the quarter. The performance of our recently launched 'Woodpecker' beer continued to be encouraging and sold around 50,000 cases in the first half of the fiscal year. We were also able to minimize our losses compared to same period last year due to better utilization levels.

We anticipate our volume growth trajectory to continue, resulting in improvement of utilization levels. We are confident of turning PAT positive by the end of this fiscal year and generating strong cash flow from operations.

Mr. JK Arora, Chairman (SOM Group of Companies)



Financial Highlights

A still life photograph featuring a central glass of golden beer with a thick, white head of foam. The glass is surrounded by fresh, green hop cones and several stalks of golden wheat. The entire scene is set on a rustic wooden surface. In the background, there are blurred vertical elements, possibly wooden posts or trees, creating a warm, natural atmosphere. A text box is overlaid on the left side of the image.

Performance Highlights



	Q2		Y-o-Y	6 Months		Y-o-Y
(Rs. Million)	FY2022	FY2021	Growth (%)	FY2022	FY2021	Growth (%)
Total Income	783	634	23.6%	1,290	1,022	26.2%
EBITDA	55	10	461.4%	11	(132)	nm
<i>Margin (%)</i>	<i>7.0%</i>	<i>1.5%</i>		<i>0.8%</i>	<i>nm</i>	
Interest	38	44	(14.4)%	78	90	(13.7)%
Depreciation	42	31	35.1%	84	62	35.6%
Net Profit	(25)	(66)	nm	(151)	(308)	nm
<i>Margin (%)</i>	<i>nm</i>	<i>nm</i>		<i>nm</i>	<i>nm</i>	



Leverage Profile



(Rs. Million)	Sep 30 2021	Jun 30 2021	Mar 31 2021
Secured Borrowings	1,355	1,400	1,495
Unsecured Borrowings	582	583	594
Gross Debt-Consolidated	1,937	1,983	2,089
Less: Cash & Cash Equivalents	116	125	145
Net Debt	1,820	1,858	1,944
Gross Debt / Equity (x)	0.73x	0.74x	0.74x

- Repaid total debt of Rs. 247 million since June 2020 and Rs. 152 million compared to March 2021
- No major capex planned in the near term
- Cash flow from operation of Rs. 222 million in H1 FY2022 (~60% of total cash generated in FY2021)
- Strong cash flow generation and deleveraging balance sheet remain key strategic priority



Operational Highlights

A still-life photograph featuring a central glass mug of golden beer with a thick, white head of foam. The mug is surrounded by fresh, green hop cones and several stalks of golden wheat. The entire scene is set on a rustic wooden surface. In the background, a woven basket is partially visible, containing more hops. The lighting is warm and natural, highlighting the textures of the beer, hops, and wheat.

Volume Summary



Lakh cases	Q2		Y-o-Y	6 Months		Y-o-Y
	FY2022	FY2021	Growth (%)	FY2022	FY2021	Growth (%)
Hunter	6.0	5.1	18%	11.0	7.7	44%
Black Fort	2.7	1.9	47%	4.7	3.2	49%
Power Cool	4.4	3.5	27%	7.2	5.5	32%
Others	0.4	0.2	63%	0.6	0.4	49%
Total Beer	13.6	10.7	27%	23.6	16.7	41%
Total IMFL	1.5	2.2	(33)%	2.2	3.6	(40)%

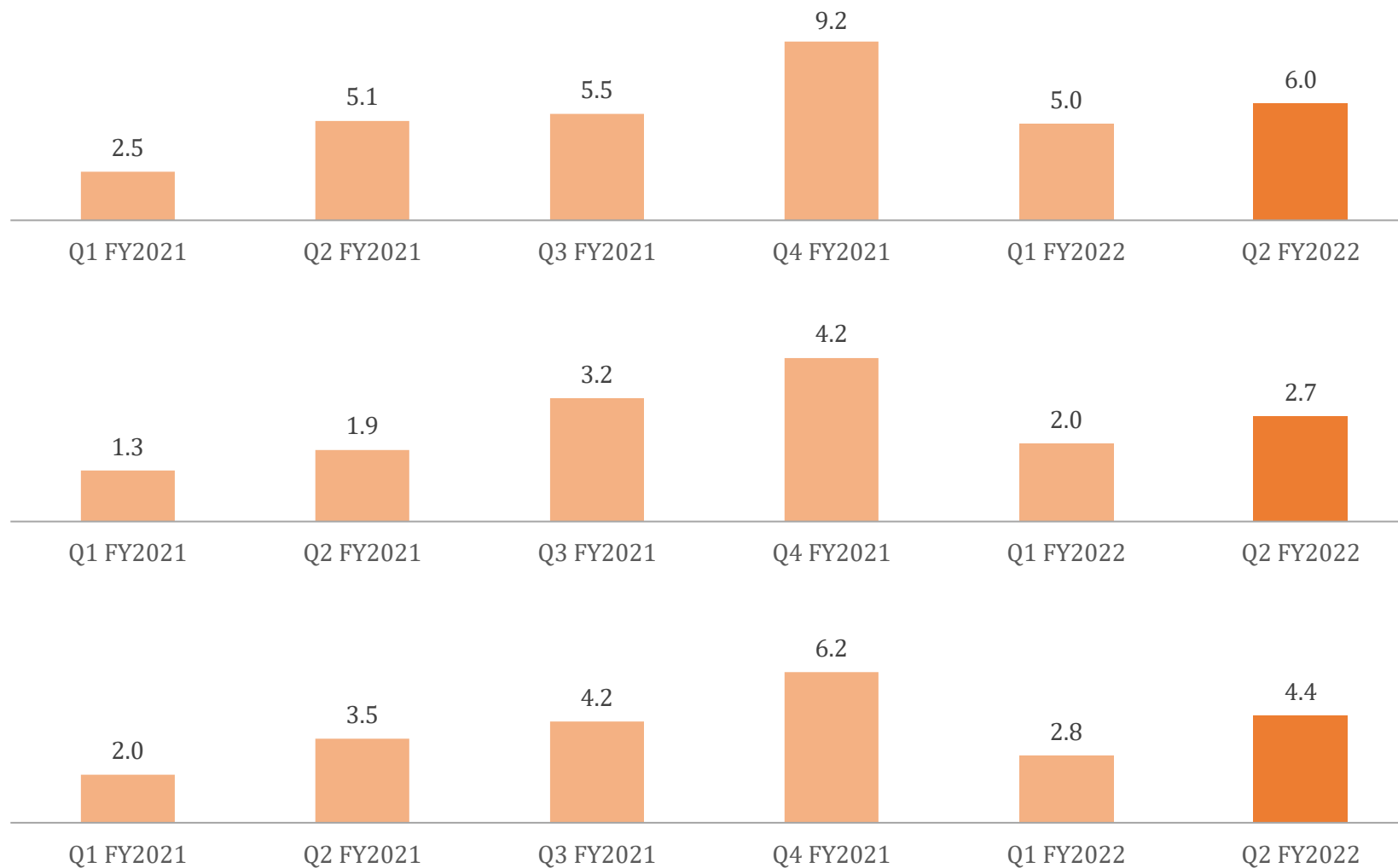
- Q2 FY2022 volumes improved significantly and reached pre-covid levels
- Continued robust recovery in mainline brands
- Woodpecker beer continued to consolidate its market presence and volumes sold doubled compared to same period last year
- Beer accounted for 84% of total volumes and 87% of the revenue during H1 FY2022
- Price realization for Beer during H1 FY2022 was Rs. 471 and IMFL was Rs. 758; blended realization at Rs. 453



Millionaire Beer Brands – Volume Recovery



Quantity Sold (in lakh cases)



Company Profile

A glass of beer with a thick head of foam, surrounded by fresh hops and barley on a wooden surface. The beer is golden and the foam is white. The hops are green and the barley is golden. The background is a blurred wooden structure.

SOM Distilleries: The only listed Beer and IMFL company in India



- SOM Distilleries & Breweries Limited (SDBL) is based in Bhopal and is one of the leading alcoholic beverages manufacturers in India
- SDBL is primarily engaged in production of beer and blending and bottling of IMFL
- Offers a broad line of products at every price point to cater to varied preferences of the consumers. The product portfolio consists of various options across beer, rum, brandy, vodka and whisky
- The Company has three key millionaire brands (sales more than 1 mn cases per annum) – Hunter, Black Fort and Power Cool
- Strategic partnerships with White Owl Distilleries and Jagatjit Industries
- Launched Woodpecker Wheat Beer, India's first filtered wheat beer in FY2020
- New products introduced with seasonal themes to increase consumer traction and engagement – Hunter Pint Beer and different flavors of RTD drinks



Beer Brands



IMFL Brands



Compelling investment rationale



- Only listed company in India having both Beer and IMFL, which complement each other and reduces the risk of seasonality while providing marketing efficiencies
- Strong portfolio of brands including millionaire brands, Hunter, Black Fort and Power Cool
- Continuous product innovations to capitalize on seasonal themes and enhance consumer traction and engagement
- Launched Woodpecker Wheat Beer, India's first filtered wheat beer in FY2020; the brand has created significant traction in very short period and is expected to gain further momentum
- The Company commands ~2% market share in the Indian beer market and has immense potential to grow the market share by enhancing its penetration across India
- Focus on enhancing brand presence through CSD and market expansion in states such as Uttar Pradesh, West Bengal and Andhra Pradesh in addition to existing markets
- Expanded capacity provides headroom for volume growth in medium term
- Lower penetration of beer and favorable demographic profile to provide huge scope for industry growth





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