



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

Investor Presentation
August 2019



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.



Industry Dynamics

About SOM Distilleries

Strategic Investment
Rationale

Financial Highlights

Management and Board

Branding

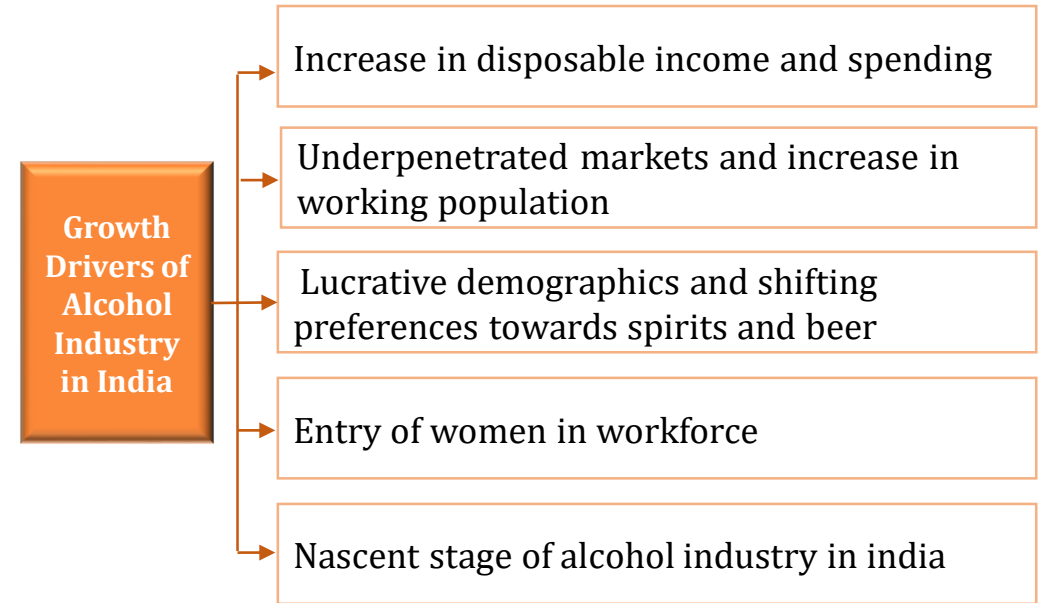
Awards and CSR



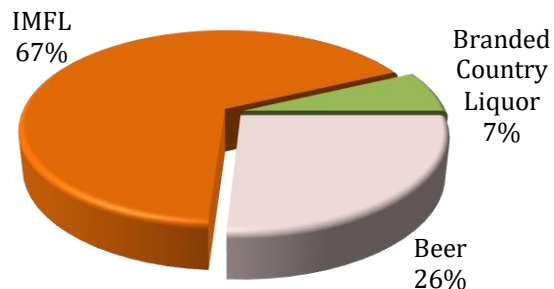
Indian alcohol industry is uniquely positioned for growth



- India is the third largest alcoholic beverage market in the world in terms of volume
- Factors such as rising personal disposable incomes, changing lifestyle, increasing social acceptance has been stimulating the growth of alcoholic beverages industry
- In India, alcohol consumption has been highest among men, with male population in the age group of 25–59 being the largest consumers. India is in the midst of a demographic shift wherein the population (including both male & female) in this working age group of 25–59 is becoming the largest segment. This would increase the traditional consumer base
- High entry barriers due to stringent regulations and investments required to set up distribution network have prevented the entry of smaller players

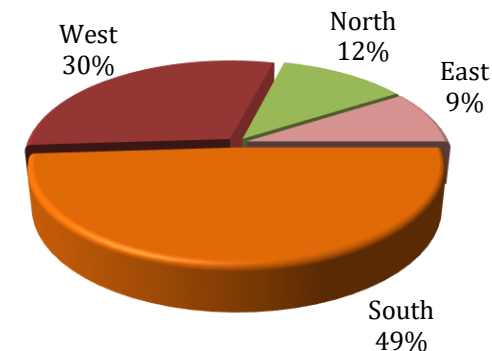


Market share of liquor in India (value terms)

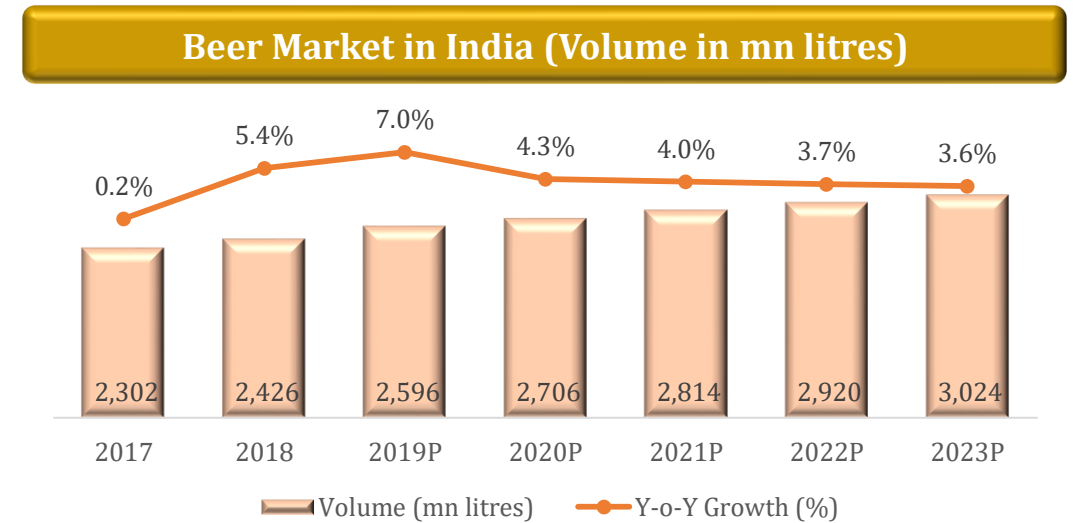
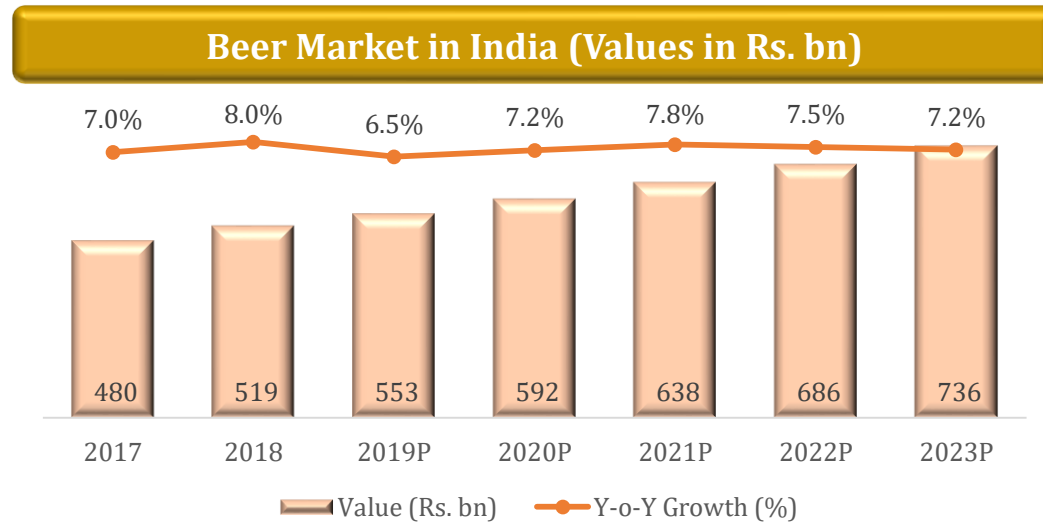


*BMI Research

Regional Distribution of IMFL & Beer (value terms)



India has one of the lowest per capita beer consumption in the world

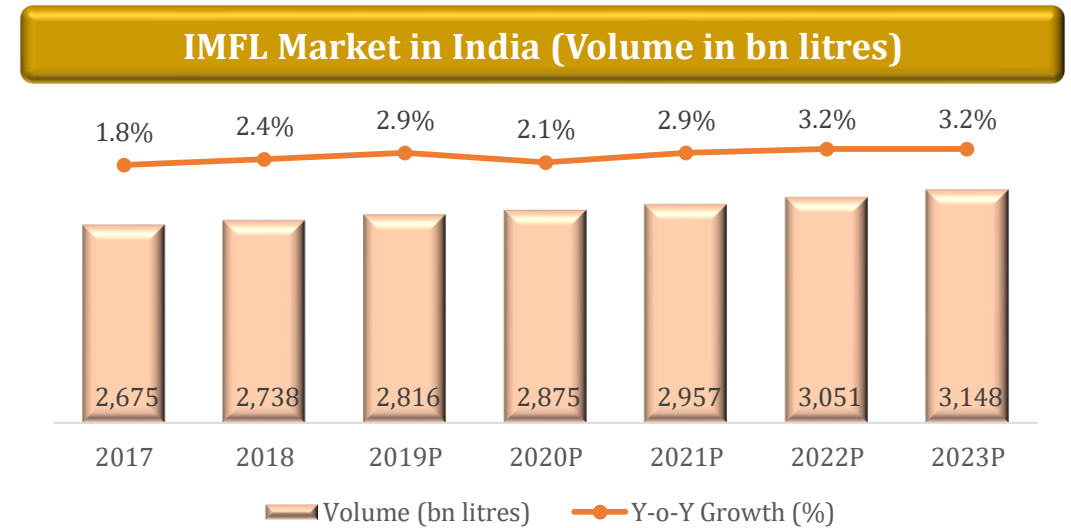
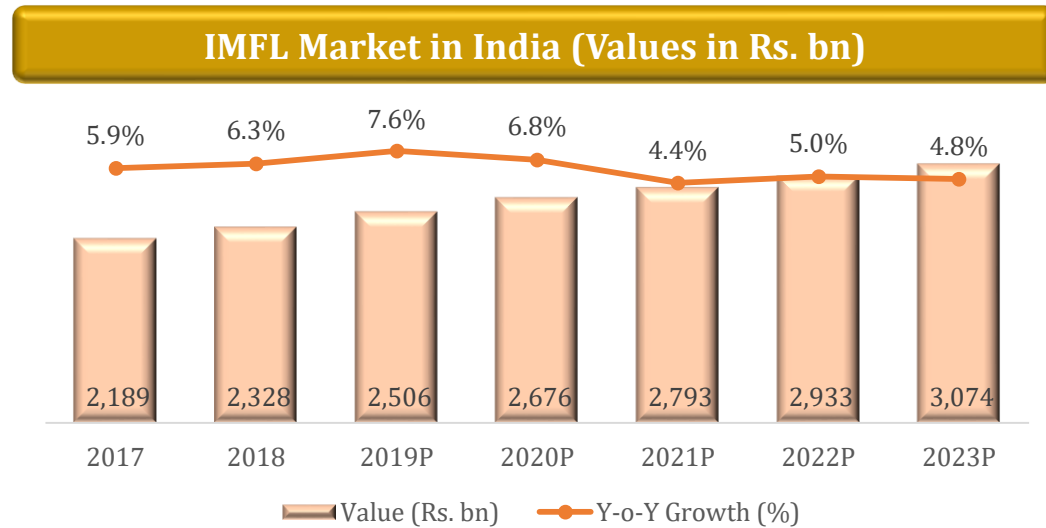


- Beer market in India is segmented into strong beer and mild beer on the basis of their alcohol content
- Strong beer, which has alcohol content more than 6%, dominates the Indian market
- The current per capita consumption of beer in India is one of the lowest in the world providing significant room for growth
- High capital intensity for the setup of breweries and therefore there are considerable barriers to entry

*Increasing consumer affluence is likely to encourage a growing number of consumers to trade up to SOM's premium category brands
Beer is also gradually shedding its seasonality and becoming an all-year drink...*



IMFL growth to be driven by premiumization



- IMFL primarily comprises of two broad segments: brown spirits and white spirits
- Brown spirits includes whisky, brandy and rum continues to be the largest segment comprising over 95% of market share by volume in India
- In value terms the IMFL industry value is expected to increase at a CAGR of 5.1% over CY2019-2023



Industry Dynamics

About SOM Distilleries

Strategic Investment
Rationale

Financial Highlights

Management and Board

Branding

Awards and CSR



Who we are



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
- With 84% of the topline derived from beer, the Company has three key millionaire brands (sales more than 1 mn cases per annum) – Hunter, Black Fort and Power Cool. Hunter and Woodpecker brands are supplied as draught beer to all major hotels in Madhya Pradesh and Chhattisgarh



Track record



1993-1994

- SOM was incorporated in 1993 and the company was listed on the BSE in 1994
- In 1994 launched Black Fort & Legend Brands along with establishing depots at Delhi & Chandigarh

1995-1996

- Commercial production started with 10,000 KL (Beer) & 5,400 KL (IMFL)
- Launched premium Strong Beer 'Hunter' & in 1998 started exporting beer in International Market
- Beer capacity expanded from 10,000 KL to 18,900 KL

1997-99

- Black Fort' Beer won bronze medal in international Food & Exhibition in London in 1999

2000-03

- Started Can Line for Beer
- Beer capacity increased from 18,900 KL to 23,800 KL which was followed by opening Uttarakhand depot

2004-07

- For the first time in India launched draught Beer in the state of MP
- Opened depots in Himachal Pradesh & Haryana
- Capacity expansion from 28,800 KL to 29,200KL in 2007

2010

- Installed capacity of Beer increased from 29,200 KL to 59,200 KL in 2010

2012

- Company launched new brand 'Power Cool' Beer

2013

- Launched a new premium segment Whisky brand 'Milestone 100' and Vodka brand 'White Fox'

2015

- Launch of Hunter Pint Beer; and refurbished the Hunter beer
- Launch of RTD product, White Fox Refresh

2016

- SOM to supply Rum and Beer to Canteen Stores Departments pan India

2017

- Setting up of a brewery in Karnataka through its subsidiary - Woodpecker Distilleries and Breweries Pvt Ltd

2018

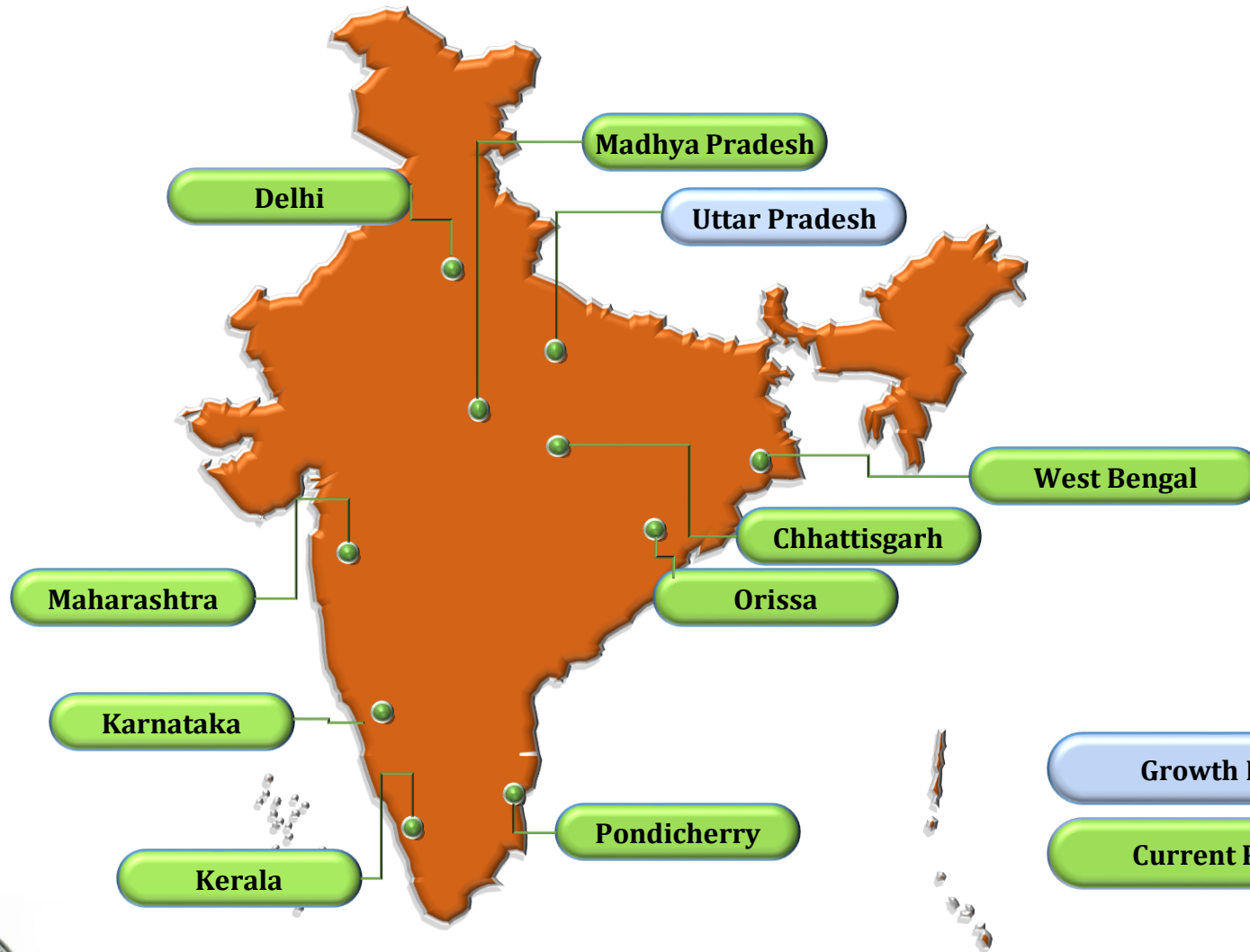
- Acquired a brewery asset in Odisha

2019

- Commencement of production from Odisha facility



Geographical presence



- Presence across India including Madhya Pradesh, Chhattisgarh, Delhi, Kerala, Karnataka, Orissa, Pondicherry, and West Bengal
- Strong sales and distribution network across India

*Market leading strategic presence in central India
Post expansion, new states to provide further traction*



Millionaire beer brands



- Launched in 1995 in the premium segment
- Alcohol content of 6% to 8% v/v
- New refurbished Hunter beer and pint bottle launched in FY2016
- Available in bottle, pint bottles and cans



- Launched in 1994 in the mass segment
- Alcohol content of 6% to 8% v/v
- Available in bottle and cans



- Launched in 2011 in the premium segment
- Alcohol content of 6% to 8% v/v
- Available in 325 and 650 ml of packaging

(Lakh cases sold)	FY2015	FY2016	FY2017	FY2018	FY2019	CAGR (%)
Hunter	15.0	16.8	21.2	30.1	32.5	21.3%
Black Fort	17.8	17.5	15.6	20.1	18.9	1.5%
Power	11.8	15.8	17.1	24.4	22.3	17.3%
Others	0.1	0.0	0.0	0.4	2.3	nm
Total	44.7	50.1	53.9	75.0	75.9	14.2%



Synergy opportunities



- Hunter Super Strong Premium Beer
- Power Cool Super Strong Beer
- Black Fort Super Strong Beer
- Legend Premium Lager Beer
- Woodpecker Lager Beer

Beer Brands



IMFL Brands



- Pentagon Gold Edition Whisky
- Legend Premium Whisky
- 21st Century Pure Malted Whisky
- GS Genius Whisky
- Gypsy Whisky
- Sunny Malted Whisky
- Milestone 100 premium Whisky
- Super Master Whisky

- Pentagon Rum
- Black Fort XXX Rum
- Gypsy Rum
- Sunny Rum

- Blue Chip Vodka
- White Fox Vodka
- White Fox Refresh (RTD)

- Doctors Brandy

- *SOM's Beer and IMFL portfolio complements each other and reduce the risk of seasonality*
- *The Point of Sales for both IMFL and Beer is the same; thereby leading to marketing efficiencies*
 - *Generates significant growth opportunities for the combined portfolio*



Industry Dynamics

About SOM Distilleries

**Strategic Investment
Rationale**

Financial Highlights

Management and Board

Branding

Awards and CSR



Compelling investment rationale



Only listed Beer and IMFL company

- Only listed company in India having both Beer and IMFL
- IMFL and Beer portfolio complement each other and reduces the risk of seasonality while providing marketing efficiencies
- Portfolio mix to drive a superior a growth profile

Strategic expansion initiatives and product innovations

- Drive superior topline growth through strengthening the brand portfolios via strategic initiatives such as focus on CSD, expansion markets- Karnataka, Kerala, Odisha, West Bengal and Uttar Pradesh
- Strategic partnerships with White Owl Distilleries and Jagatjit Industries
- New products introduced with seasonal themes to increase consumer traction and engagement – Hunter Pint Beer and different flavors of RTD drinks

Consistent EBITDA margins and steady growth; Well capitalized balance sheet with low leverage

- Consistent 5 year average EBITDA margins of over 15%
- 3 millionaire beer brands; RTD and IMFL portfolio gaining brand loyalty
- Well capitalized balance sheet and low leverage to enable opportunities in organic and inorganic expansion

Significant growth expected for industry

- Lower penetration of beer and favorable demographic profile to provide huge scope for industry growth



Industry Dynamics

About SOM Distilleries

Strategic Investment
Rationale

Financial Highlights

Management and Board

Branding

Awards and CSR



Performance – Q1 FY2020

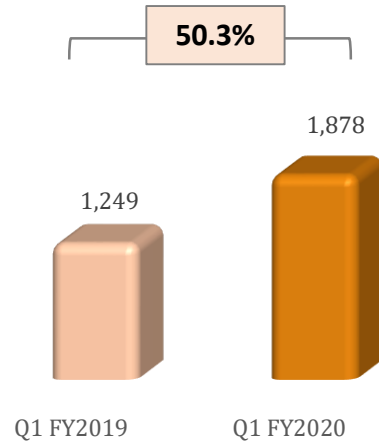


	Q1		<i>y-o-y</i>
(Rs. Million)	FY2020	FY2019	<i>Growth (%)</i>
Total Income	1,878	1,249	50.3%
EBITDA	291	223	30.3%
<i>Margin (%)</i>	<i>15.5%</i>	<i>17.9%</i>	
Interest	39	26	51.4%
Depreciation	27	19	43.0%
Net Profit	146	112	30.0%
<i>Margin (%)</i>	<i>7.8%</i>	<i>9.0%</i>	

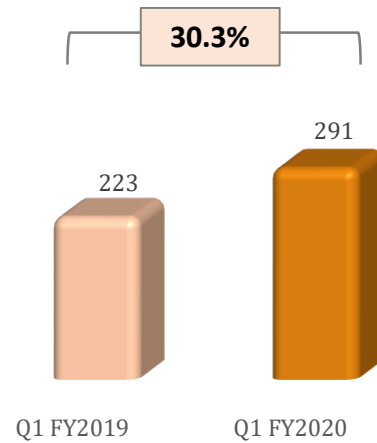


Performance – Q1 FY2020 vs Q1 FY2019

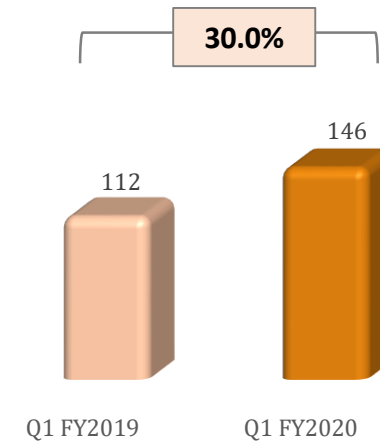
Total Income



EBITDA



Net Income



- Q1 FY2020 Total Income increased by 50.3% compared to Q1 FY2019
- Beer Revenue increased by 45.9% y-o-y while Beer volumes increased by 36.4% compared to Q1 FY2019
- IMFL Revenue increased by 92.5% y-o-y while IMFL volumes increased by 102.5% compared to same period last year

- EBITDA for the quarter benefitted from improved utilization of both Karnataka and Odisha subsidiaries
- EBITDA was offset to certain extent due to higher barley and new glass bottle costs
- Both Karnataka and Odisha facility were EBITDA positive during the quarter

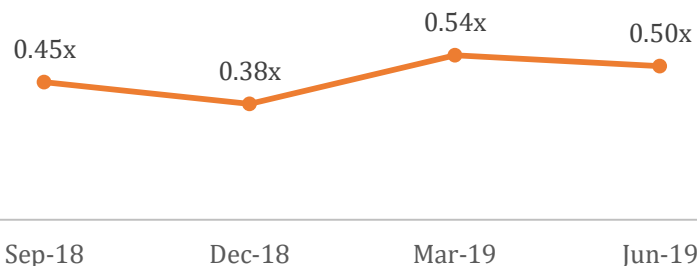
- Higher operating profit contributed to improvement in PAT
- PAT included impact of higher depreciation and interest cost pertaining to Odisha facility
- Karnataka subsidiary was PAT positive during the quarter



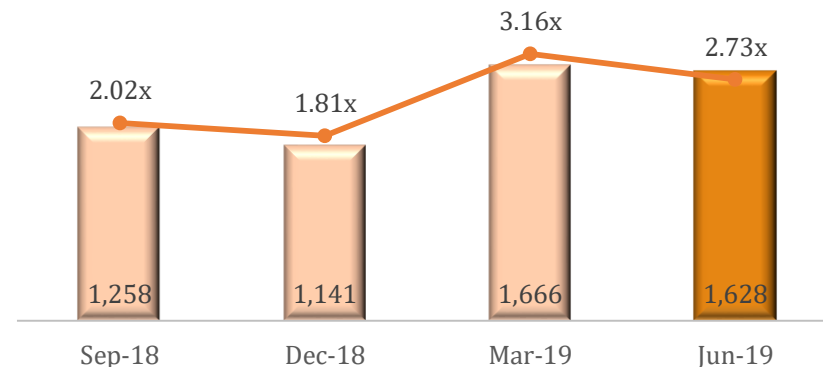
Conservative balance sheet



Gross Debt / Equity



Gross Debt / LTM EBITDA



Transformational growth investments funded without risking Balance Sheet

(Rs. Million)	Jun 30 2019	Mar 31 2019	Dec 31 2018
Secured Borrowings	1,024	1,152	1,016
Unsecured Borrowings	605	514	126
Gross Debt-Consolidated	1,628	1,666	1,141
Less: Cash & Cash Equivalents	110	247	115
Net Debt	1,518	1,420	1,027

Credit Ratings	ICRA	Brickworks
Fund Based Facilities	BBB+	BBB+
Non-Fund Based Facilities	A2+	A2
Outlook	Stable	Stable
Outlook Revision to 'Positive' if	There is substantial increase in scale of operation and market share	Revenues and profit show sustained improvement



Industry Dynamics

About SOM Distilleries

Strategic Investment
Rationale

Financial Highlights

Management and Board

Branding

Awards and CSR



Management



JK Arora Chairman & MD , SOM Group

- Visionary and the torchbearer of the SOM Group
- His leadership qualities extend into planning and strategizing the future growth of the Group
- He is also the driving force behind sales, marketing and financial operations of the SOM Group

AK Arora Deputy MD, SOM Group

- An exceptional technocrat overseeing the commercials /purchase processes of the Company
- Has extensive experience in execution of large and complex projects
- Holds a BE and an MBA degree

Deepak Arora CEO, SOM Group

- Responsible for managing and streamlining operations, planning and launching new products
- Leading initiatives in exploring new business opportunities by organic and inorganic growth
- Previously worked with Vodafone and SDBL

Nilojit Guha President, Sales & Marketing

- Has been an expert in the alcoholic beverages segment with an experience of over 25 years
- Previously was engaged as Director, Sales with SAB Miller India where he was responsible for All India Sales

Nakul Sethi Director, Finance & Strategy

- Responsible for finance, accounts and strategic initiatives of the SOM Group
- Has over 18 years of experience in India, Middle East and Asia Pacific and associated with reputed firms like Alfardan Group, Yes Bank, Kotak Bank and Knights Insolvency

BK Goel, Vice President, Commercial

- Has over 35 years of experience in IMFL and distillation operations
- Prior work experiences include Radico Khaitan, Simbhaoli Sugars, Daurala Sugar Works
- He holds a B.Sc degree and is an Alcohol Technologist

Raju Vaziraney Advisor, SOM Group

- Has been a stalwart in the alcoholic beverages space
- Previous stints include as the COO of Radico Khaitan and Diageo. Last assignment was as Executive Director with Jagatjit. He has also headed and lead the sales function on a pan India basis in his previous assignments



Industry Dynamics

About SOM Distilleries

Strategic Investment
Rationale

Financial Highlights

Management and Board

Branding

Awards and CSR





HUNTER REFRESHING PREMIUM BEER

Produced from the finest malt and imported hops, Hunter – our premium beer is made truly for endowing bliss. Rich in quality and taste, you got to enjoy a refreshing feel when swilling it down your yearning throat.

The young, the old, the merry, hunter Beer reaches out to one and all. Grab a bottle or drink it from the can, Hunter Beer is enough to get a party started.



BLACK FORT PREMIUM BEER

Being termed as premium is just the tip of the iceberg, when it comes to this golden delight. A perfect balance of the finest ingredients mark the creation of this super strong beer. A perfect balance of taste and strength is what sets Black Fort Premium Beer apart from the others. When it comes the best moments, it only gets better with Black Fort Premium Beer.



WOODPECKER

Equalizing the international norms, the Woodpecker Lager Beer can revitalize the youthful spirits. Are you ready for that unforgettable experience?



WHITE FOX RTD

Hassle free and all set to go down your gullet. White Fox Refresh Ready-to-drink (RTD) is a refreshing new treat. Perfect for any moment, this RTD concoction saves you the hassle of being at the bar or being the bar tender when what you truly deserve is to unwind. Grab your can, pull open and sip, your moment is on.



PENTAGON GOLD EDITION WHISKY

Recently launched a premium whisky brand – Pentagon Gold Edition Whisky

The brand was launched in July 2018 in Madhya Pradesh

Plans to expand its presence to the rest of India, starting with Karnataka and Chhattisgarh, in the very near future

Industry Dynamics

About SOM Distilleries

Strategic Investment
Rationale

Financial Highlights

Management and Board

Branding

Awards and CSR



Corporate social responsibility



Environment

- ✓ SOM has established environmental parameters to improve upon several key indicators by 2015.
- ✓ The Company has started **PARTNERGREEN program** which enlists employees as environmental champions and then supports them through an awards program.
- ✓ The Company is also running projects that help combat water poverty by improving access to clean drinking water and sanitation.



**SOMeshwara Dham
Mandir**

Other Activities

- ✓ Asha Mohan Foundation Society conducts **Pulse Polio** programs every month for three consecutive days in which they provide free vaccines to infants in Sehatganj and about 12 other villages in the vicinity.
- ✓ With an aim to boost the morale of young SOM sponsors, Merit based Scholarship award in the form of financial support in a few reputed schools of Bhopal.



Cancer Camp

Social Welfare

- ✓ In December 1995, **Asha Mohan Foundation** has established a school for providing free education to children in the surrounding rural areas.
- ✓ **SOMeshwara Dham Mandir** was built in the year 1994 along the Raisen Road, Madhya Pradesh.
- ✓ **Asha Mohan Hospital** is one of the charitable institutions established by SOM Group, which provides free health facilities to its factory workers and to the inhabitants of Sehatganj village and other neighbouring areas.



SOM Prathmik Vidyalaya



Asha Mohan Hospital



Hepatitis Camp



Awards and recognitions



Recognized as one of the fastest growing companies by INDSPIRIT 2014

Received the Gold award for Milestone 100 whisky & Silver awards for White Fox vodka & Hunter beer in 2013

Received the Best Product debut award for Milestone 100 whisky

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

Awarded 30 Most Innovative CEOs of 2014: Inc. Innovative 100 Awards

Awarded Certificate of excellence for Smart Innovation: Inc. Innovative 100 Awards

Ranked 86th in the list of 500 fastest growing mid-sized companies in India, compiled by Inc. India 500





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

Som Distilleries & Breweries Limited
(CIN: L74899DL1993PLC052787)

Registered Office:
Zee Plaza, 1 - A
Kamal Cinema Road
Arjun Nagar
Safdarjung Enclave
New Delhi 110029

Corporate Office:
SOM HOUSE
23, Zone II
Maharana Pratap Nagar,
Bhopal 462011
Ph.: +91 755 427 8827

Nakul Sethi
***SOM Distilleries and
Breweries***

nksethi@somindia.in
+91 755 4271271

Bijay Sharma
Churchgate Partners

som@churchgatepartners.com
+91 22 6169 5988

