



# SOM Distilleries & Breweries

Q1 FY2016 Earnings Presentation

[www.somindia.in](http://www.somindia.in)

August 2015



# Safe Harbor

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*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*





# Q1 FY2016 Financial Highlights

- Total Income of Rs. 775 Million, increase of 9.9%
- Beer sales contributes 93% of the total income
- EBITDA of Rs. 120 Million; Increase of 11.0%; margins stood at 15.5%
- PAT of Rs. 64 Million, margins of 8.2%
- Net Debt of Rs. 210 Million, Debt/Equity of 0.59x

## Management Commentary

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

*"I am pleased to announce that we started the new financial year on a strong note led by robust volume growth in our key brands. Our topline grew by 9.9% y-o-y and operating profit grew by 11.5% during the quarter. A disciplined management of our cost structure enabled us to maintain operating margins at 15.5% while continuing to invest in key growth initiatives.*

*SOM continuously focuses on innovations to cater to the consumer's changing preferences. The successful launch of the refurbished Hunter brand during the quarter is a testament to the success of our customer and innovation focused approach. In the Beer segment, a decline in the blended price realization was offset by a 17.6% rise in volumes. In the IMFL segment, volumes expanded by a robust 36.8%. This is a result of our continuous focus on the IMFL segment as it provides an effective seasonal diversification with respect to the Beer segment.*

*We have always been appreciated for a sound cash management approach which negates the need for excessive leverage. This approach allows us to evaluate and execute profitable expansion opportunities, without any delay. In addition, we continue to focus on optimizing our operating efficiencies and investing in people and technologies ahead of our business needs.*

*Our market strategy revolves around brand-focus and product and packaging innovations which has helped us gain profitable market share over a long period of time. As we move further into the financial year, we are confident of a similar momentum in our core business apart from continuing to offer innovation in our widely accepted brands*





# Q1 FY2016 Financial Highlights

## Standalone Financial Performance (Rs. Million)

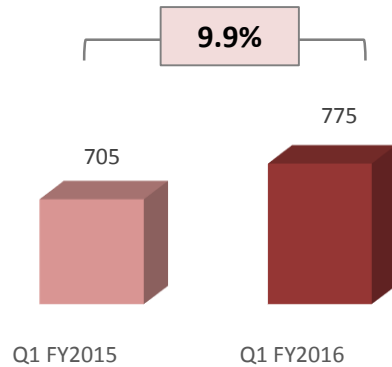
(Rs. Million)	Q1		y-o-y Growth (%)	Q4	q-o-q Growth (%)
	FY2016	FY2015		FY2015	
Gross Sales	844	717	17.8%	593	42.3%
Total Income	775	705	9.9%	537	44.4%
Operating Profit	120	108	11.0%	81	48.8%
<i>Margin (%)</i>	15.5%	15.3%		15.0%	
Interest	15	3		8	
Depreciation	10	12	(19.6)%	3	
Profit Before Tax	95	93	2.7%	70	35.1%
<i>Margin (%)</i>	12.3%	13.1%		13.1%	
Net Profit	64	62	3.2%	33	90.8%
<i>Margin (%)</i>	8.2%	8.7%		6.2%	
Earnings Per Share (EPS)	2.31	2.24	3.2%	1.21	90.8%

Notes:

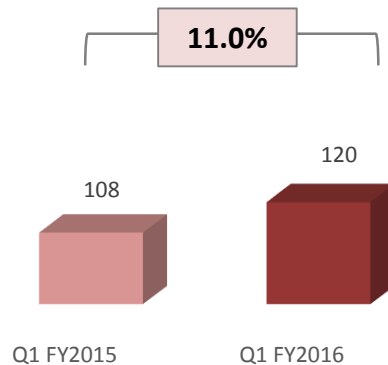
1. Total Income includes Other Operating Income
2. Operating Profit defined as earnings before depreciation, interest, exceptional items and taxes
3. All margins calculated as a percentage of Total Income (including Other Operating Income)



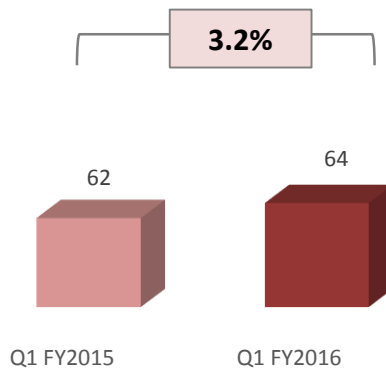
# Q1 FY2016 Financial Highlights



- Q1 FY2016 Total Income increased by 9.9% after an impact of higher excise duty on bottling
- Beer volumes increased by 17.6% and IMFL volumes increased by 36.8%



- EBITDA increased by 11.0% y-o-y
- Sales volumes in the Beer and IMFL segment supported EBITDA growth
- Depreciation decreased by 19.6% y-o-y due to revision of the useful lives of fixed assets in accordance with the provisions of Schedule II to the Companies Act, 2013
- Margins remained relatively consistent at over 15%



- Net Profit for the quarter was Rs. 64 million, an increase of 3.2% compared to Q1 FY2015
- Finance cost increased from Rs. 3.4 million to Rs. 15.2 million due to increase in secured borrowings

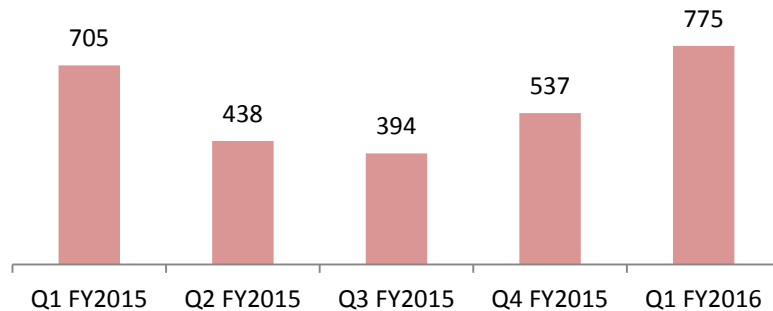
In Rs. million



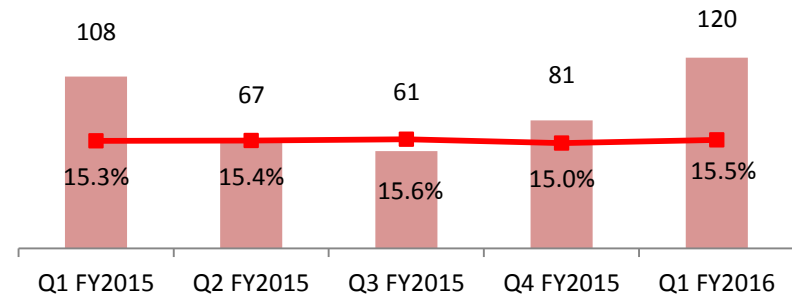


# Q1 FY2016 Financial Highlights

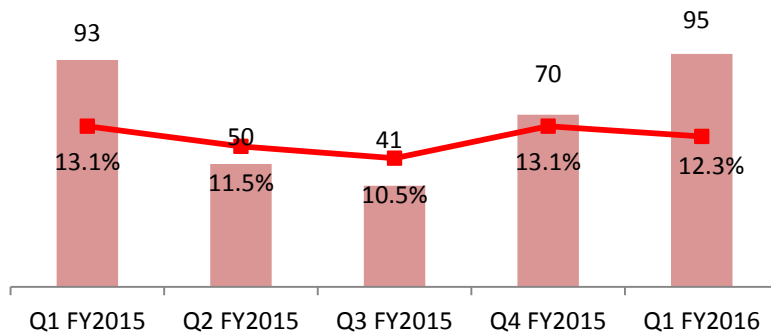
## Total Income (Rs. Million)



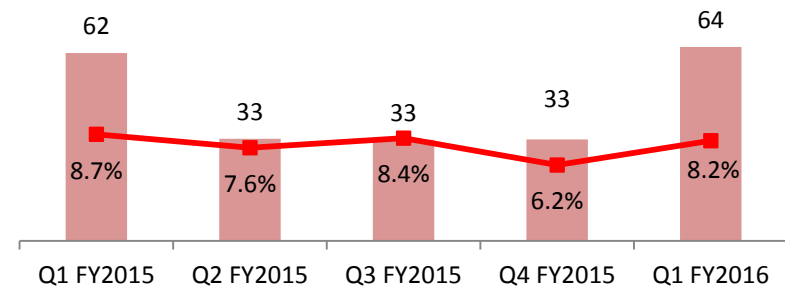
## EBITDA (Rs. Million) and Margin (%)



## PBT (Rs. Million) and Margin (%)



## PAT (Rs. Million) and Margin (%)

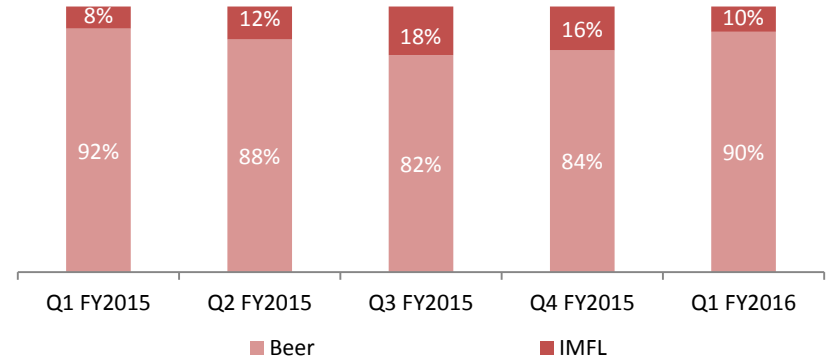




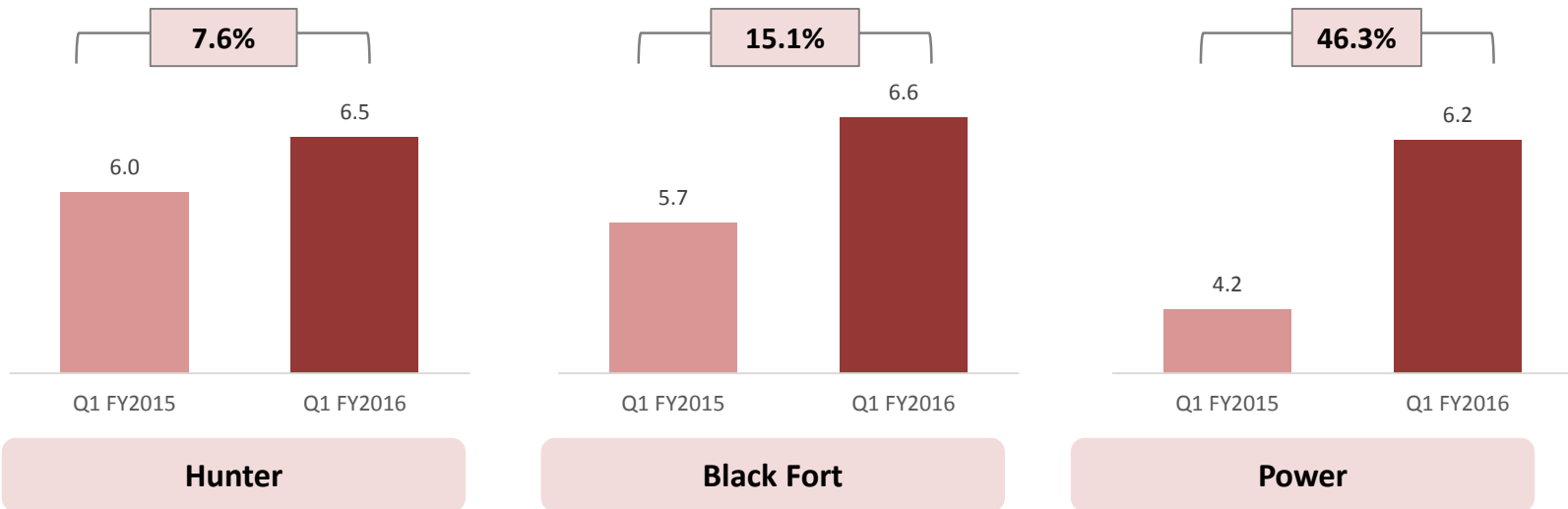
# Q1 FY2016 Operational Highlights

## Quantity Sold by Category

(lakh cases)	Q1		y-o-y Growth (%)
	FY2016	FY2015	
<b>Total Beer</b>	19.6	16.5	17.6%
<b>Total IMFL</b>	2.0	1.5	36.8%



## Brand Performance



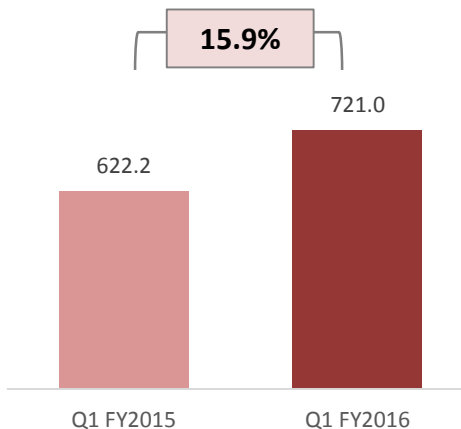
# Q1 FY 2016 Operational Highlights



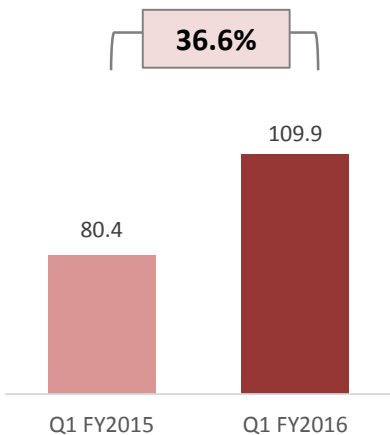
## Revenue by Category (Rs. Million)

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

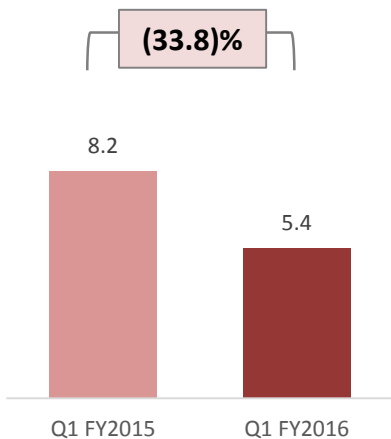
## Beer



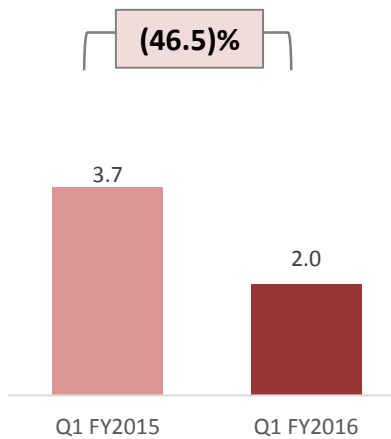
## Whisky



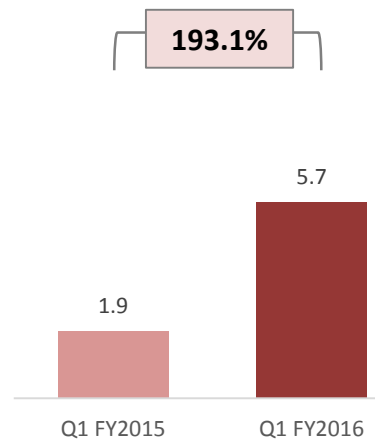
## Gin



## Rum



## Vodka





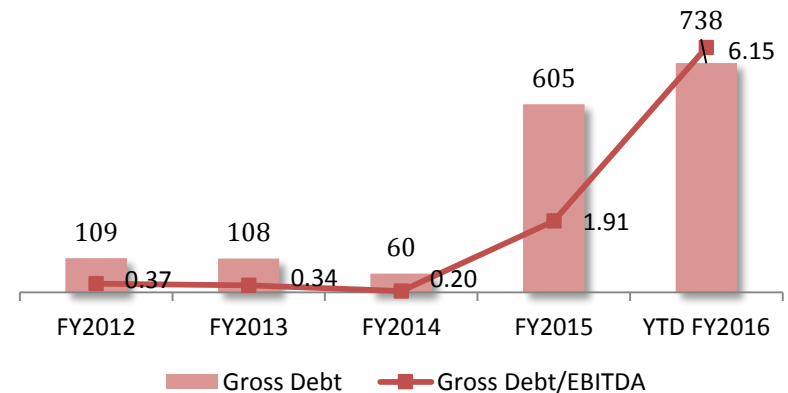


# Leverage Profile

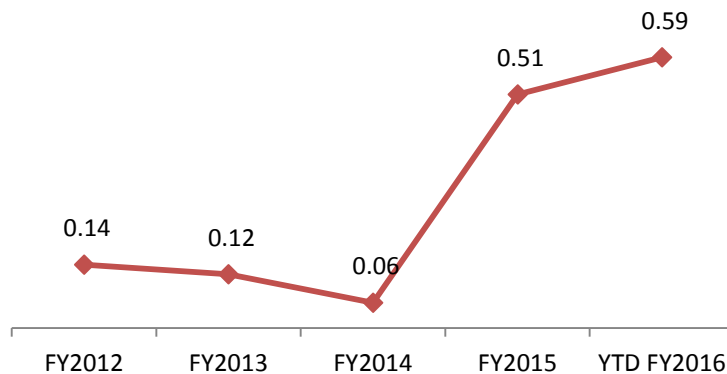
Strong Balance Sheet with low leverage to support organic and inorganic growth

(Rs. Million)	30.06.2015	31.03.2015
Secured Borrowings	671	526
Unsecured Borrowings	68	79
<b>Gross Debt</b>	<b>738</b>	<b>605</b>
Less: Cash & Cash Equivalents	(530)	(402)
<b>Net Debt / (Net Cash)</b>	<b>210</b>	<b>203</b>
<b>Shareholder's Equity</b>	<b>1,245</b>	<b>1,183</b>

## Gross Debt and Gross Debt/EBITDA (x)



## Gross Debt/ Equity (x)



- Increase in Gross Debt/Equity in Q1FY2016. The proceeds of the secured borrowings to be utilized for the expansion of the business and working capital requirements
- Maintaining a conservative leverage profile along with consistent growth in revenues & operating profit and low net debt position





# Corporate Developments

## Recent Achievements

Spiritz 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 86<sup>th</sup> by:



Ranked 86<sup>th</sup> 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



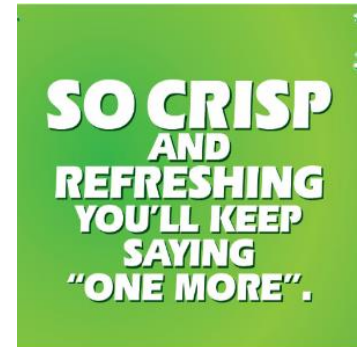
Awarded by Inc. Innovative 100 Awards

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
- The brand which has won awards internationally, is repackaged in a unique, smooth taste which differentiates itself from the strong taste earlier



# 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 June 2015 (All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Particulars		Quarter Ended			Year Ended
		(Unaudited)	(Unaudited)	(Unaudited)	Audited
		30-06-2015.	31-03-2015.	30-06-2014.	31-03-2015.
<b>PART -1</b>					
<b>1 a</b>	<b>Income from Operations</b>				
	Revenue from Operations (Gross)	8439.02	5929.19	7165.08	21533.88
	Less: Excise Duty	706.20	602.16	147.14	918.19
	Revenue from Operations (Net)	7732.82	5327.03	7017.94	20615.69
<b>b</b>	Other Operating Income	16.95	38.67	36.20	119.14
	<b>Total Income from Operations (Net)</b>	<b>7749.77</b>	<b>5365.70</b>	<b>7054.14</b>	<b>20734.83</b>
<b>2</b>	<b>Expenses</b>				
<b>a</b>	Cost of Materials Consumed	3444.48	3206.79	3011.21	10140.93
<b>b</b>	Purchase of Stock in Trade	0.00	0.00	0.00	0.00
<b>c</b>	Charges in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade (increase)	351.09	(576.74)	87.99	(785.22)
<b>d</b>	Power and Fuel	239.09	205.52	241.89	729.48
<b>e</b>	Employee Benefit Expenses	154.61	170.50	106.81	535.80
<b>f</b>	Transport, Clearing & Forwarding charges	342.94	309.52	374.68	1025.63
<b>g</b>	Depreciation and Amortisation expenses	97.67	26.18	121.51	390.70
<b>h</b>	Other Expenses	2018.04	1244.14	2151.07	5923.49
	<b>Total Expenses</b>	<b>6647.92</b>	<b>4585.91</b>	<b>6095.16</b>	<b>17960.81</b>
<b>3</b>	<b>Profit from Operations before other Income, Finance Costs &amp; Exceptional Items (1-2)</b>	<b>1101.85</b>	<b>779.79</b>	<b>958.98</b>	<b>2774.02</b>
<b>4</b>	Other Income	0.00	0.00	0.00	0.00
<b>5</b>	<b>Profit from Ordinary Activities before Finance Costs &amp; Exceptional Items (3+4)</b>	<b>1101.85</b>	<b>779.79</b>	<b>958.98</b>	<b>2774.02</b>
<b>6</b>	Finance Costs	151.67	76.72	33.78	234.79
<b>7</b>	<b>Profit from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)</b>	<b>950.18</b>	<b>703.07</b>	<b>925.20</b>	<b>2539.23</b>
<b>8</b>	Exceptional Items	0.00	5.86	0.00	5.86
<b>9</b>	<b>Profit from Ordinary Activities before Tax (7-8)</b>	<b>950.18</b>	<b>708.93</b>	<b>925.20</b>	<b>2545.09</b>
<b>10</b>	Tax Expenses	313.56	375.27	308.37	928.15
<b>11</b>	<b>Net Profit (+)/ Loss (-) from Ordinary Activities after Tax (9-10)</b>	<b>636.62</b>	<b>333.66</b>	<b>616.83</b>	<b>1616.94</b>
<b>12</b>	<b>Extraordinary Items</b>				
<b>13</b>	<b>Net Profit (+)/ Loss (-) for the period (11-12)</b>	<b>636.62</b>	<b>333.66</b>	<b>616.83</b>	<b>1616.94</b>
<b>14</b>	Paid-up Equity Share Capital (Face Value Rs. 10 each)	2752.24	2752.24	2752.24	2752.24
<b>15</b>	Reserves excluding Revaluation Reserve				
<b>16</b>	Earning per Share (EPS) (Rs.) (before/after extraordinary items)				
<b>a</b>	- Basic and Diluted	2.31	1.21	2.24	5.88
<b>b</b>	- Cash	2.31	1.21	2.24	5.88





# Statutory Results

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

### PART II

<b>A</b>	<b>PARTICULARS OF SHAREHOLDINGS</b>				
<b>1</b>	<b>Public Shareholdings:</b>				
	- Number of Shares	21231626	21246078	21286363	21246078
	-Percentage of Shareholding	77.14	77.20	77.34	77.20
<b>2</b>	<b>Promoters &amp; Promoter Group Shareholding:</b>				
	a) Pledged/Encumbered				
	- Number of shares	Nil	Nil	Nil	Nil
	- Percentage of shares	Nil	Nil	Nil	Nil
	b) Non-encumbered				
	- Number of shares	6290774	6276322	6236037	6276322
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00
	- Percentage of shares ( as a % of the total share capital of the company)	22.86	22.80	22.66	22.80
<b>B</b>	<b>INVESTORS COMPLAINTS</b>	<b>3 Months Ended 30-06-2015</b>			
	Pending at the beginning of the quarter	NIL			
	Received during the quarter	3			
	Disposed of during the quarter	3			
	Remaining unresolved at the end of the quarter	NIL			

### NOTES :-

- The above results were reviewed by the Audit Committee and there after approved by the Board of Directors at the meeting held on 03-08-2015 and a Limited review of the same has been carried out by the statutory auditors of the company.
- Previous period figures have been regrouped and or reclassified wherever necessary.

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PH. :- 0091-11-26169909 ,26169712

11-11-26195897

Shareholders are requested to intimate change of address, if any

**S. LAL**  
MANAGING DIRECTOR





## Som Distilleries & Breweries Limited

(CIN: L74899DL1993PLC052787)



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