



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

Earnings Presentation
Q2 and H1 FY2019



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

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Highlights



H1 FY2019 vs. H1 FY2018

Beer Sales Volume

40.9 Lakh Cases
+2.4%

Total Income

Rs. 1,963 mn
+6.4%

EBITDA

Rs. 326 mn
+5.4%

EBITDA Margin

16.6%

Corporate Developments

Woodpecker Distilleries and Breweries (Karnataka) commenced canning line of beer in Sep 2018

Woodpecker Distilleries and Breweries (Karnataka) launched Blackfort Lager beer in Sep 2018

Woodpecker Distilleries and Breweries (Karnataka) started production of IMFL in Oct 2018

Received approval for CSD supply to Rajasthan, Uttar Pradesh and Punjab in Oct 2018



Management Commentary



Our beer volumes during the first half increased by 2.4% y-o-y whereas our beer revenues increased by 6.6% y-o-y. This higher revenue growth indicates an improvement in average realization per case by around 4%. PAT for H1 FY2019 declined by 4.8% compared to the same period last year. This decline was due to a combination of factors such as higher depreciation on the Karnataka plant and lower volumes due to seasonality impact on beer volumes. We were not able to compensate the seasonality in the beer sales with IMFL due to delay in commencement of the IMFL production in Karnataka.

However, with commencement of IMFL facility in Karnataka we expect strong volume growth from the subsidiary going forward. Furthermore, we have also undertaken soft launch of our brands in Mumbai and the initial response has been encouraging.

We are confident of delivering strong growth on back of robust demand for our brands. Recent expansions coupled with entry into new markets is anticipated to provide additional impetus to our journey.

Mr. JK Arora, Managing Director



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Performance – Q2 and H1 FY2019



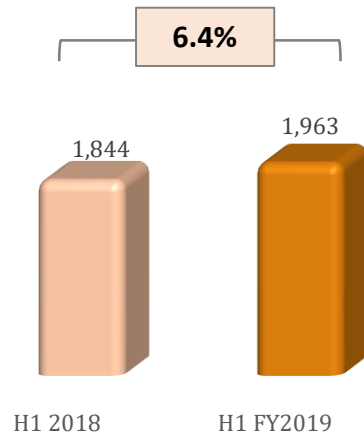
	Q2		y-o-y	Half Year		y-o-y
(Rs. Million)	FY2019	FY2018	Growth (%)	FY2019	FY2018	Growth (%)
Total Income	714	708	0.8%	1,963	1,844	6.4%
EBITDA	102	124	(17.5)%	326	309	5.4%
Margin (%)	14.3%	17.5%		16.6%	16.8%	
Interest	28	23	23.8%	54	46	17.6%
Depreciation	19	9	112.3%	38	18	112.8%
Net Profit	31	49	(36.6)%	143	151	(4.8)%
Margin (%)	4.4%	7.0%		7.3%	8.2%	



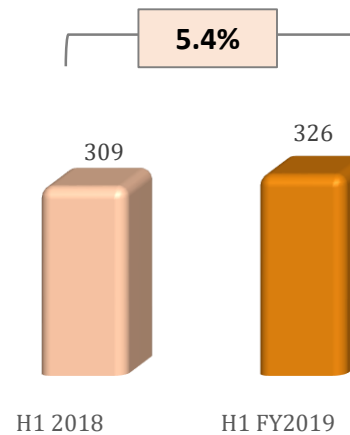
Performance – H1 FY2019 vs H1 FY2018



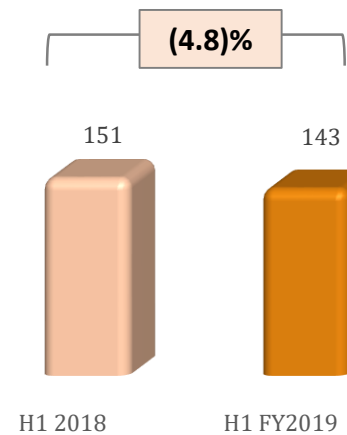
Total Income



EBITDA



Net Income



- H1 FY2019 Total Income increased by 6.4% y-o-y
- Revenue from Beer increased by 6.6% y-o-y while Beer volumes increased by 2.4% compared to H1 FY2018

- EBITDA increased by 5.4% y-o-y to Rs. 326 million
- EBITDA margins remained relatively flat compared to H1 FY2018

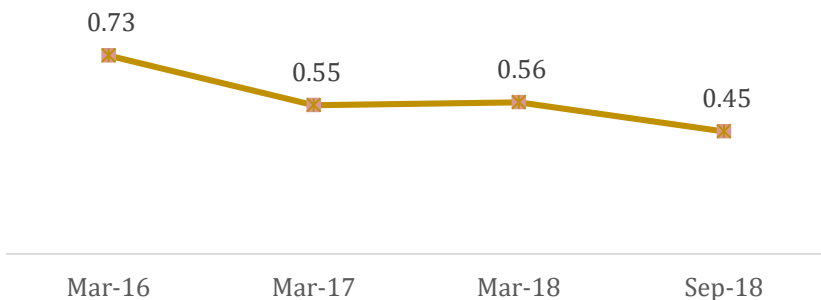
- Net Profit decreased by 4.8% y-o-y to Rs. 143 million
- PAT was impacted due to higher depreciation on the Karnataka subsidiary
- Interest cost increased by 17.6% y-o-y to Rs. 54 million. As % of total income it stood 2.7% in H1 FY2019 compared to 2.5% in H1 FY2018



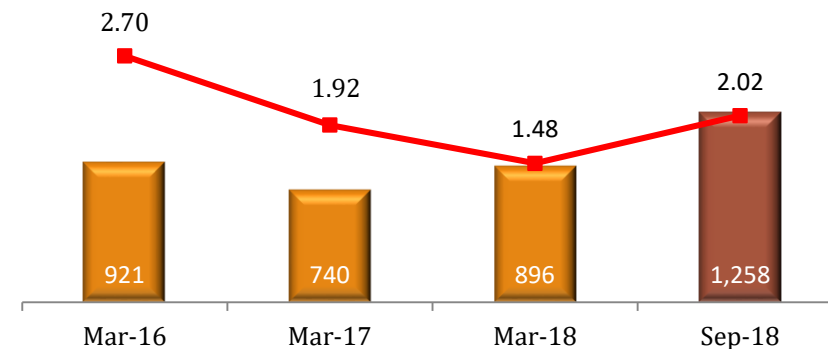
Conservative Balance Sheet



Gross Debt / Equity



Gross Debt / EBITDA



Transformational growth investments funded without risking Balance Sheet

(Rs. Million)	Sep 30 2018	Mar 31 2018	Mar 31 2017
Secured Borrowings	944	545	523
Unsecured Borrowings	314	351	217
Gross Debt-Consolidated	1,258	896	740
Less: Cash & Cash Equivalents	280	256	295
Net Debt	978	640	445



- **SOM maintains a conservative leverage profile along with consistent growth in revenues & operating profit**



Industry Dynamics

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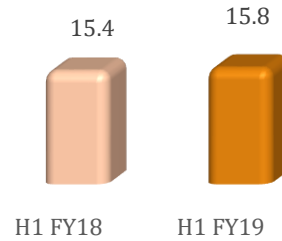
Company Profile



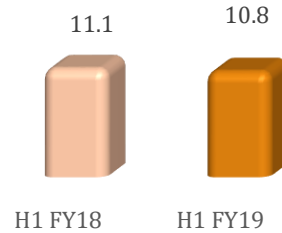
Millionaire Beer Brands - Meeting the aspirations of our consumers



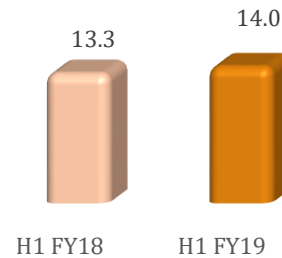
Quantity Sold (in lakh cases)



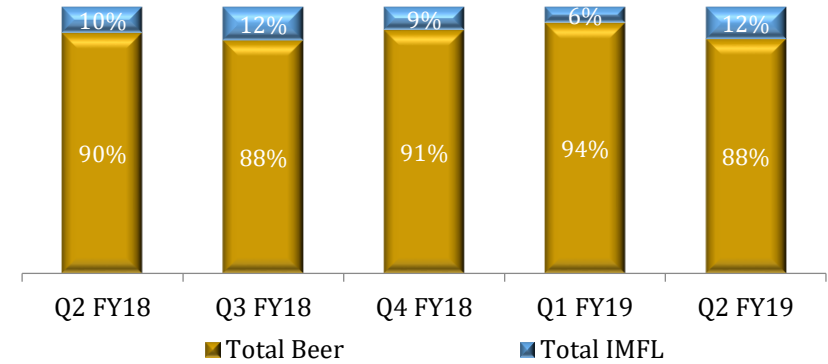
+2.8%



(2.6)%



+5.2%



(Lakh cases)	H1		y-o-y
	FY2019	FY2018	Growth (%)
Total Beer	40.9	39.9	2.4%
Total IMFL	3.5	3.6	(1.9)%



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Recent Major Developments



Beer brands have been approved by F.D.A for supplying beer to the United States of America (Nov 2017)

Woodpecker Distilleries and Breweries (Karnataka) commenced operation (Apr 2018)

Hunter Beer crossed 3 million cases mark; Black Fort and Power Cool crossed 2 million cases in the FY2018

Woodpecker Distilleries started canning line of beer and launched Blackfort Lager (Sep 2018) and commenced IMFL production (Oct 2018)

Received approval for CSD supply to Rajasthan, Uttar Pradesh and Punjab

'Woodpecker' Beer approved in the Canteen Store Department in March 2017

Four of SOM brands approved by CSD for supply on a PAN India Basis in November 2016

Launched White Fox RTD Drink in new Cranberry flavour – Cosmo Cranberry - third flavor launched after the widespread acceptance of two earlier flavors – Lemon & Orange

Opening of the Mumbai office to give more impetus to the Southern and Western regions of the country

Acquired a brewery asset in Odisha with capacity of 42 lakh cases per annum (Jul 2018)

Successfully raised Rs. 1,000 million through preferential allotment to Karst Peak Asia Master Fund and Vermilion Peak Master Fund (Jul 2018)



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SOM Distilleries – 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 91% 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
- Expansion initiatives underway in key growth markets which is expected to generate significant growth



Synergy Opportunities – Beer and IMFL Brands

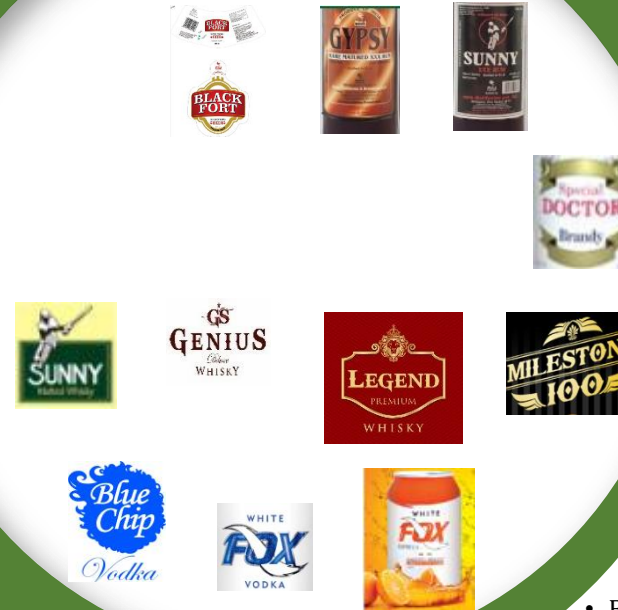


- Hunter Super Strong Premium Beer
- Power Cool Super Strong Beer
- Black Fort Super Strong Beer
- Legend Premium Lager Beer
- Woodpecker Lager Beer

Beer Brands



IMFL Brands



- Black Fort XXX Rum
- Gypsy Rum
- Sunny Rum

- Doctors Brandy

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

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

- *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*





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

