



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

**Earnings Presentation**  
**Q3 and 9M 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.

## Conference Call Details: Tuesday, February 12, 2019 at 4:00 PM IST

### Dial-In Numbers

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The numbers listed above are universally accessible from all networks and all countries

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## Highlights

Financial Highlights

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Company Profile





# Highlights



## Q3 FY2019 vs. Q3 FY2018

### Beer Sales Volume

15.9 Lakh Cases  
+17.6%

### IMFL Volume

2.7 Lakhs Cases  
+40.9%

### Total Income

Rs. 855 mn  
+30.8%

### EBITDA

Rs. 122 mn  
+7.1%

### PAT

Rs. 44 mn  
+13.9%



## Corporate Developments

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

Brickwork Ratings upgraded SOM's rating in Oct 2018 and ICRA rated debt facilities with stable outlook in Nov 2018

Woodpecker Distilleries started production of Whitefox RTD in Jan 2019

Woodpecker Distilleries received approval for CSD supply in Karnataka

# Management Commentary



Our performance during the quarter was encouraging, particularly for our Karnataka subsidiary, Woodpecker Distillery. The subsidiary's Q3 FY2019 metrics surpassed its first half FY2019 performance in most of the parameters. Also, during the quarter it turned positive at PAT levels and we expect this trend to improve further going forward. Woodpecker's strong performance was driven by higher utilization levels of around 55% during the quarter. Cyclically, third quarter is generally a better quarter for IMFL division, which we were able to capitalize well from Bhopal as well as Karnataka. This was reflected in our IMFL sales performance which accounted for 14% of our total volumes and 19% of value sales during Q3 FY2019.

Our recent product launch in Maharashtra has started gaining momentum and we have started expanding our outreach in the market. We expect this market to continue to grow in the coming months. Our recently acquired Odisha plant is expected to start production towards the end of FY2019 and would be a key driver for our footprint in eastern India.

We are very confident about the near to medium term growth trajectory of the Company. The strategic initiatives undertaken during the recent years have started delivering desired results and we expect this to be the key growth drivers in the coming quarters.

**Mr. JK Arora, Managing Director**





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# Performance – Q3 and 9M FY2019



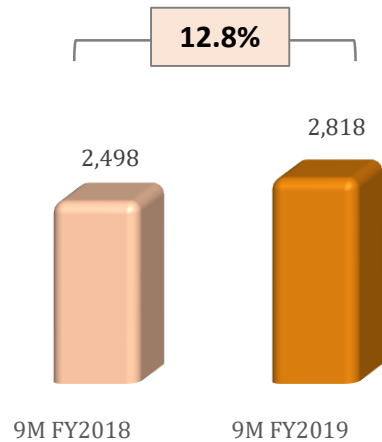
	Q3		y-o-y	Nine Months		y-o-y
(Rs. Million)	FY2019	FY2018	Growth (%)	FY2019	FY2018	Growth (%)
<b>Total Income</b>	<b>855</b>	<b>654</b>	<b>30.8%</b>	<b>2,818</b>	<b>2,498</b>	<b>12.8%</b>
<b>EBITDA</b>	<b>122</b>	<b>114</b>	<b>7.1%</b>	<b>447</b>	<b>423</b>	<b>5.8%</b>
<i>Margin (%)</i>	<i>14.2%</i>	<i>17.4%</i>		<i>15.9%</i>	<i>16.9%</i>	
Interest	34	21	59.0%	87	67	30.7%
Depreciation	24	12	100.4%	62	30	107.8%
<b>Net Profit</b>	<b>44</b>	<b>38</b>	<b>13.9%</b>	<b>187</b>	<b>189</b>	<b>(1.0)%</b>
<i>Margin (%)</i>	<i>5.1%</i>	<i>5.9%</i>		<i>6.6%</i>	<i>7.6%</i>	



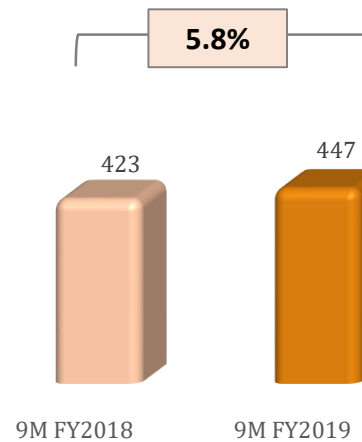
# Performance – 9M FY2019 vs 9M FY2018



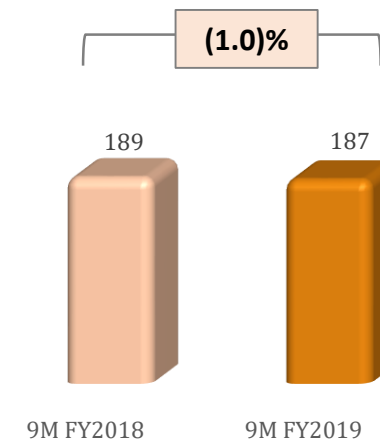
## Total Income



## EBITDA



## Net Income



- 9M FY2019 Total Income increased by 12.8% y-o-y
- Revenue from Beer increased by 12.2% y-o-y while Beer volumes increased by 6.3% compared to 9M FY2018

- EBITDA increased by 5.8% y-o-y to Rs. 447 million
- EBITDA for the period includes impact of combination of factors such as new bottles and higher employees for supporting the growth in new markets targeted during the year

- Net Profit decreased by 1.0% y-o-y to Rs. 187 million
- PAT was impacted due to higher depreciation on the Karnataka subsidiary
- Interest cost increased by 30.7% y-o-y to Rs. 87 million. As % of total income it stood 3.1% in 9M FY2019 compared to 2.7% in 9M FY2018

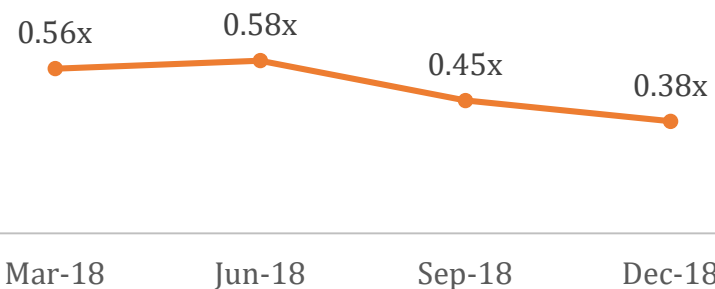




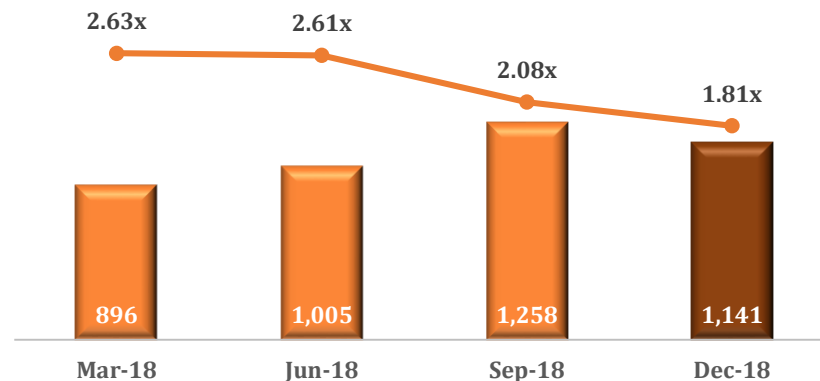
# Conservative Balance Sheet



## Gross Debt / Equity



## Gross Debt / EBITDA



*Transformational growth investments funded without risking Balance Sheet*

(Rs. Million)	Dec 31 2018	Sep 30 2018	Mar 31 2018
Secured Borrowings	1,016	944	545
Unsecured Borrowings	126	314	351
<b>Gross Debt-Consolidated</b>	<b>1,141</b>	<b>1,258</b>	<b>896</b>
Less: Cash & Cash Equivalents	115	280	256
<b>Net Debt</b>	<b>1,027</b>	<b>978</b>	<b>640</b>

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

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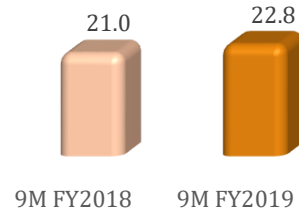




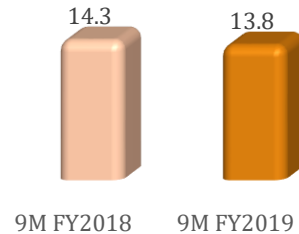
# Millionaire Beer Brands - Meeting the aspirations of our consumers



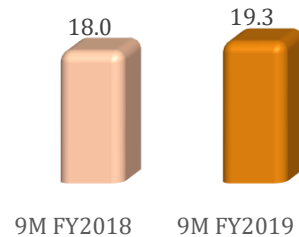
Quantity Sold (in lakh cases)



+8.5%

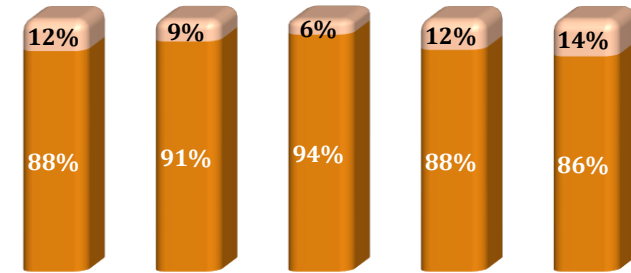


(3.6)%



+7.2%

## Volume Mix



Q3 FY2018 Q4 FY2018 Q1 FY2019 Q2 FY2019 Q3 FY2019

(Lakh cases)	9M		y-o-y
	FY2019	FY2018	Growth (%)
Total Beer	56.9	53.5	6.3%
Total IMFL	6.2	5.5	12.1%

Rs. Mn	9M		y-o-y
	FY2019	FY2018	Growth (%)
Total Beer	2,406	2,145	12.2%
Total IMFL	398	349	14.1%





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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

## Major Developments

Woodpecker Distilleries started canning line of beer and launched Blackfort Lager (Sep 2018), IMFL production (Oct 2018), production of Whitefox RTD (Jan 2019)

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

'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

Established team in Mumbai 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)

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