



SOM Distilleries & Breweries Limited

(BSE: 507514, NSE: SDBL)

Q4 and Full Year FY2017 Earnings Presentation

www.somindia.in

June 2017



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

FY2017 vs FY2016

Total Income

Rs. 2,478 Million

+11.9%

Beer Sales Volume

53.9 Lakh Cases

+7.6%

EBITDA

Rs. 381 Million

+11.8%

EBITDA Margins

15.4%

(15.4% in 12M FY16)

Leverage

Net Debt: Rs. 445 mn (Rs. 723 mn on Mar 31, 2016)

Gross Debt / EBITDA:
1.94x

PAT

Rs. 139 Million

+4.1%

Q4 FY2017 vs Q4 FY2016

Total Income

Rs. 689 Million

+18.0%

EBITDA

Rs. 80 Million

+23.2%

EBITDA Margins

11.7%

(11.2% in Q4 FY16)

PAT

Rs. 24 Million

+134.4%

Recommended a dividend of 15% (Rs. 1.50 per share of Rs. 10)





Management Commentary

Management Commentary

Commenting on the performance and outlook, Mr. **JK Arora, Managing Director** said:

“I am delighted to announce the fourth quarter and full year FY2017 results for what has been another transformational period for the Company. Despite challenging economic environment, we continued to focus on the overall operational excellence and we are seeing significant benefits from our cost control and productivity initiatives, yielding improved profitability during the year. Robust growth in the topline of 11.9% y-o-y combined with a operating profit growth of 11.8% y-o-y, has demonstrated the strength of our underlying business. This growth was a result of both improved volumes and higher realizations.

With a strategic focus on changing consumer preferences for premium products, SOM is endeavouring to alter its product portfolio to capitalise the opportunities. During the year, our mainline premium brand ‘Hunter’ achieved a volume in excess of two million cases. Overall, we reported beer volumes growth of 0.4% y-o-y for the fourth quarter and over 7.6% for the full year. During the year, we also launched ‘Cosmo Cranberry’, the third flavor of our successful White Fox Ready to Drink product. The recent new launches by SOM, along with the existing strong portfolio, shall enable us to further enhance our brand equity while catering to a wider consumer base simultaneously. Aligned to our strategic vision, our expansion plans in Karnataka remain as per schedule. We continue to maintain a strong balance sheet with a conservative leverage profile.

Although the overall liquor industry remained subdued during the year, with several prohibitions and adverse policy measures in some states, we believe it a short term phenomenon and we have taken steps to minimize its impact. Going to the next fiscal year, we remain committed to further enhancing operational synergies across the Company and continue to create value for our shareholders.”





Major Developments in FY2017

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



Subsequent to the launch of 'Black Fort' beer in Karnataka in March 2017, achieved a width of distribution (WOD) of 30% across the outlet universe

Hunter Beer achieved a volume in excess of 2(Two) million cases in the FY 2017



Setting up of Brewery in Karnataka through the subsidiary company - Woodpecker Distilleries and Breweries Pvt Ltd

Nov 2016: Four of SOM brands approved by CSD for supply on a PAN India Basis



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

Launched Hunter Pint Bottle in April 2016, First in the beer segment to come with a curved shape and shrink wrap





Financial Highlights

Standalone Financial Performance (Rs. Million)

(Rs. Million)	Q4		y-o-y	Q3	q-o-q	Full Year		y-o-y
	FY2017	FY2016	Growth (%)	FY2017	Growth (%)	FY2017	FY2016	Growth (%)
Total Income	689	584	18.0%	442	55.9%	2,478	2,214	11.9%
EBITDA	80	65	23.2%	74	8.1%	381	341	11.8%
Margin (%)	11.7%	11.2%		16.8%		15.4%	15.4%	
Interest	25	31	(19.1)%	29	(13.1)%	111	93	19.3%
Depreciation	7	9	(25.7)%	10	(28.2)%	36	39	(7.4)%
Profit Before Tax	48	25	94.8%	36	35.3%	234	209	12.0%
Margin (%)	7.0%	4.2%		8.1%		9.5%	9.5%	
Net Profit	24	10	134.4%	17	38.2%	139	134	4.1%
Margin (%)	3.4%	1.7%		3.9%		5.6%	6.0%	
Earnings Per Share (EPS)	0.86	0.37	132.4%	0.62	38.2%	5.06	4.86	4.1%

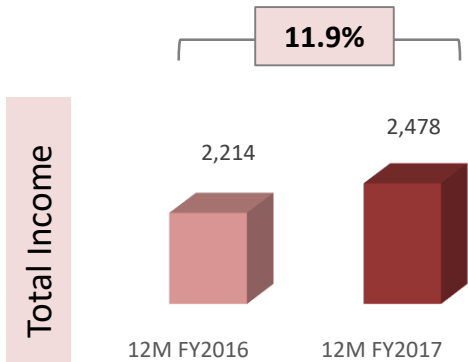
Notes:

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

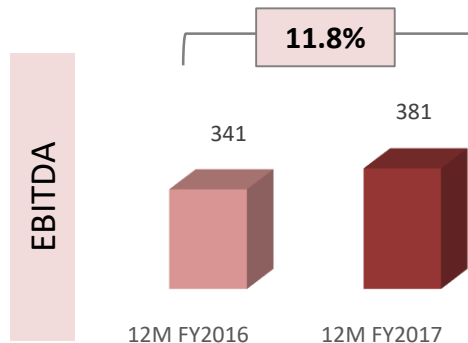




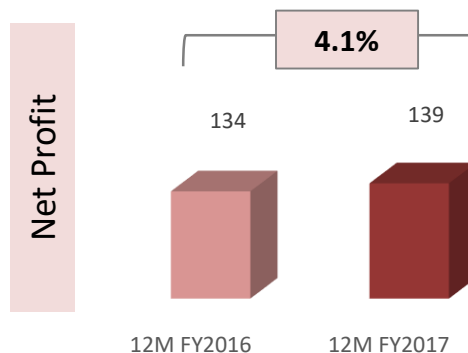
Financial Highlights – Full Year FY2017



- FY2017 Total Income increased by 11.9% y-o-y
- Revenue from Beer increased by 10.4% y-o-y while Beer volumes increased by 7.6% y-o-y
- Revenue from IMFL up by 0.9% y-o-y despite a (10.6)% drop in IMFL volumes



- EBITDA increased by 11.8% y-o-y to Rs. 381 million
- EBITDA margins relatively stable at 15.4%
- Higher cost of goods sold (up 16.0%) impacted the EBITDA margins



- Net Profit increased by 4.1% y-o-y to Rs. 139 million
- Margins stood at 5.6%
- Net profit registered an increase despite financial cost increasing to Rs. 111 million from Rs. 93 million last year

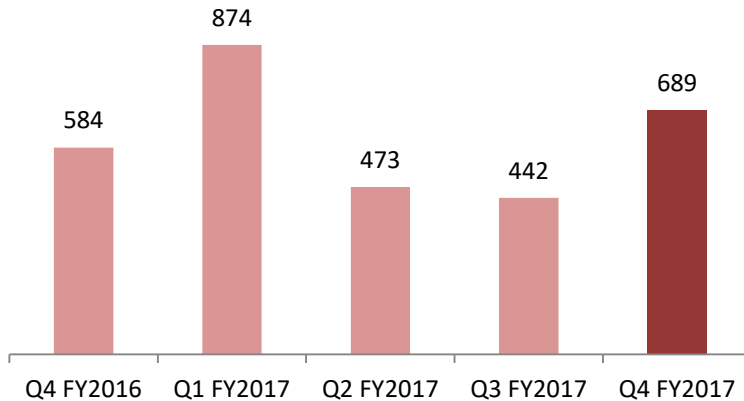
In Rs. million



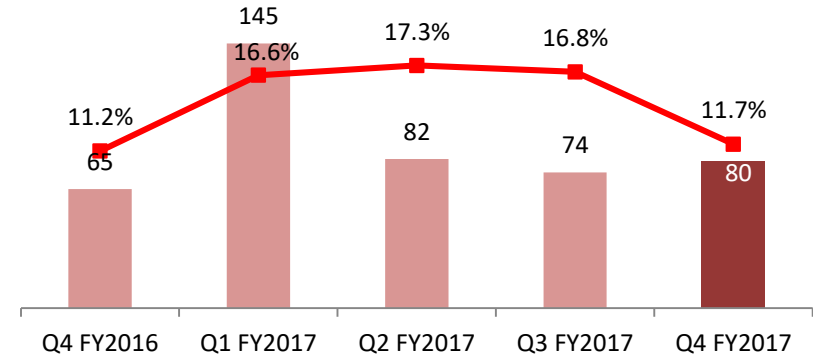


Financial Highlights

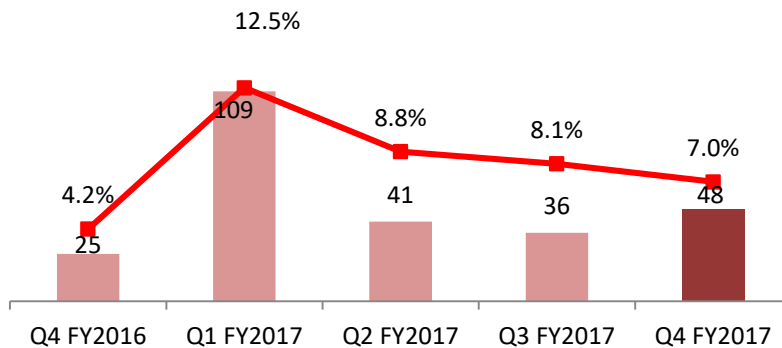
Total Income (Rs. Million)



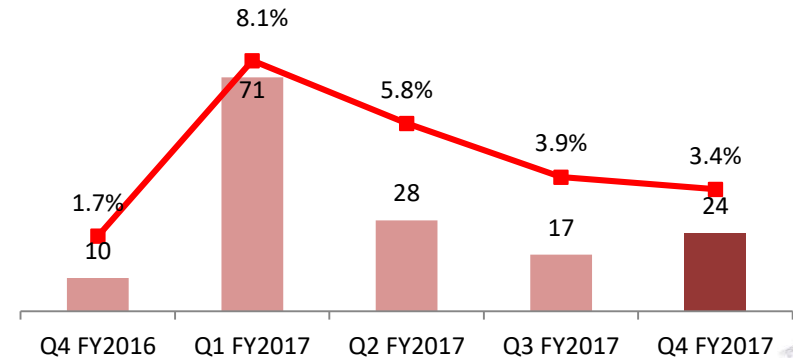
EBITDA (Rs. Million) and Margin (%)



PBT (Rs. Million) and Margin (%)



PAT (Rs. Million) and Margin (%)

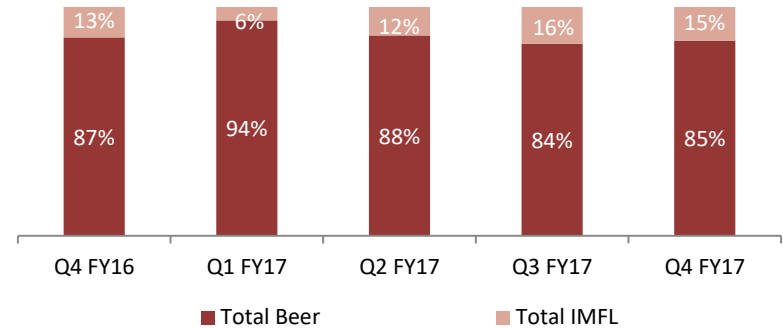




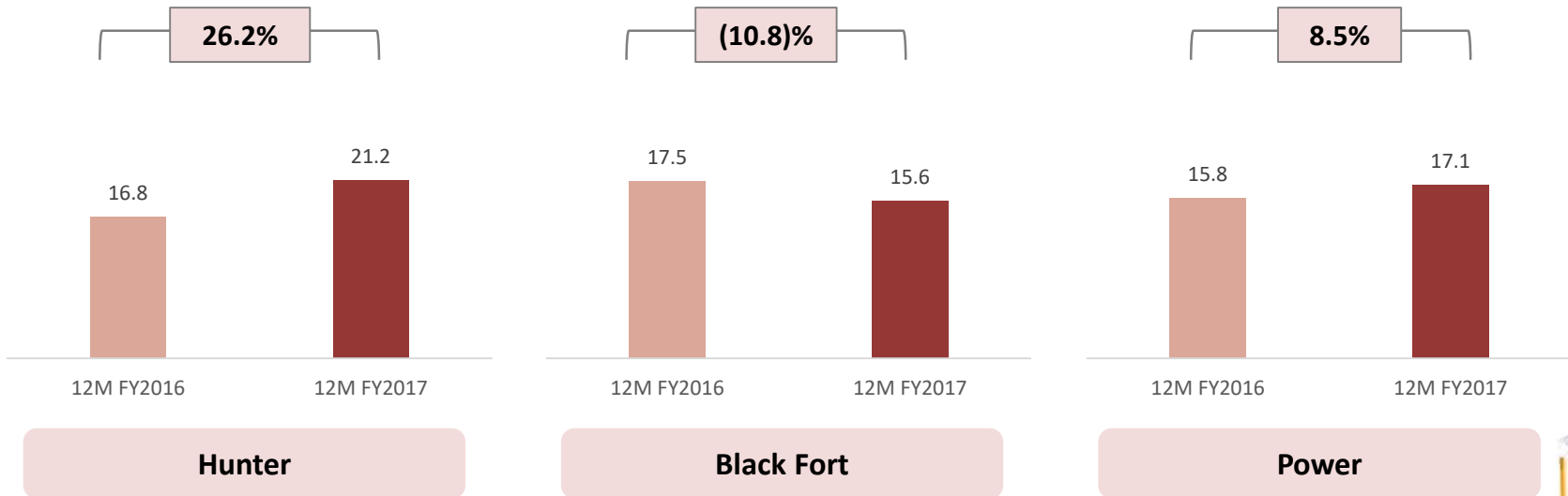
Operational Highlights

Quantity Sold by Category (in Lakh cases)

(Lakh cases)	Full Year		y-o-y
	FY2017	FY2016	Growth (%)
Total Beer	53.9	50.1	7.6%
Total IMFL	6.8	7.6	(10.6)%



Brand Performance – Quantity Sold (in Lakh cases)



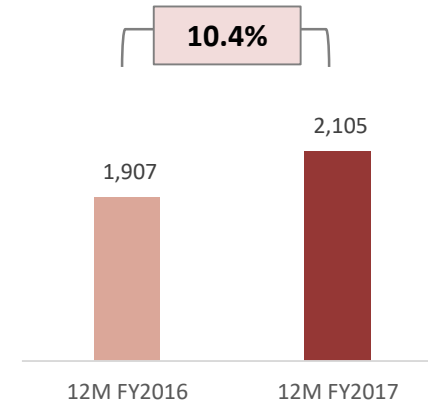


Operational Highlights

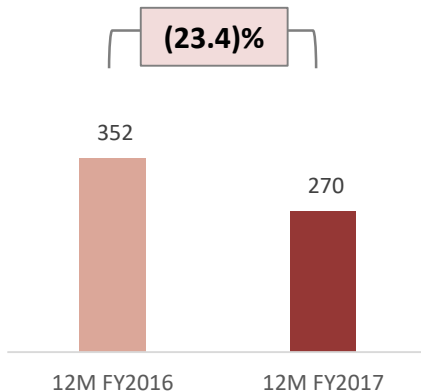
Revenue by Category (Rs. Million)

Category	Q4 FY2016	Q1 FY2017	Q2 FY2017	Q3 FY2017	Q4 FY2017
Beer	483.9	818.1	400.0	359.7	527.9
Whisky	78.3	58.5	56.6	69.4	85.1
Gin	2.4	0.0	0.0	0.2	0.4
Rum	20.7	13.5	27.1	33.6	30.4
Vodka	13.4	18.1	13.0	20.4	42.4

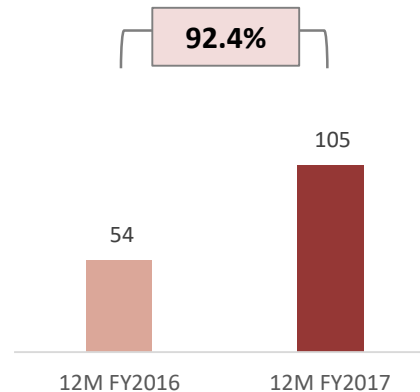
Beer



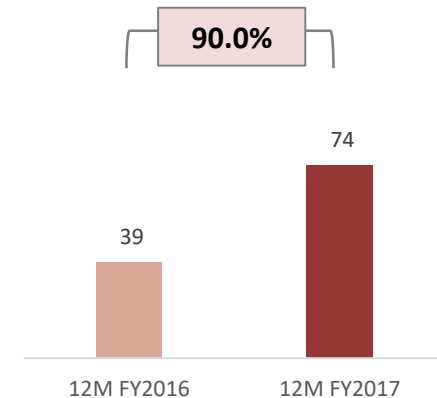
Whisky



Rum



Vodka



* All figures in Rs. million



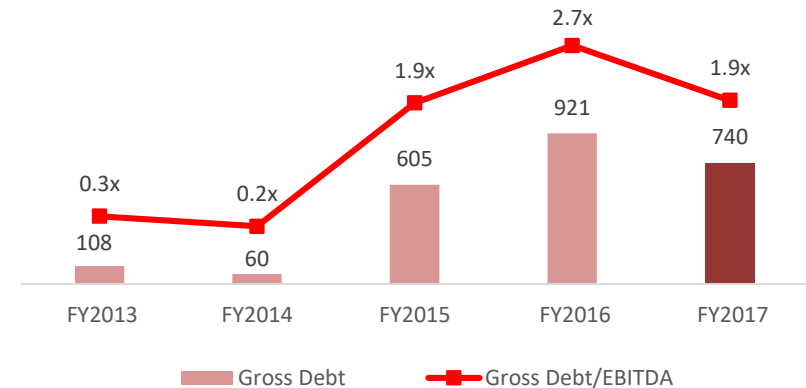


Leverage Profile

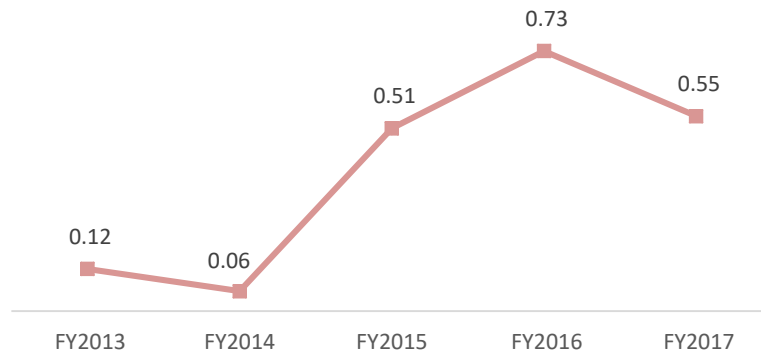
Strong Balance Sheet with low leverage to support organic and inorganic growth

(Rs. Million)	Mar 31 2017	Mar 31 2016
Secured Borrowings	523	754
Unsecured Borrowings	217	167
Gross Debt (A)	740	921
Less: Cash & Cash Equivalents (B)	295	198
Net Debt (A-B)	445	723
Shareholder's Equity	1,355	1,266

Gross Debt and Gross Debt/ EBITDA (x)



Gross Debt/ Equity (x)



- As of Mar 31 2017, Net Debt/Equity improved significantly to 0.33x from 0.57x as of last year
- Gross Debt/Equity stood at 0.55x as of Mar 31, 2017
- Cash & Cash Equivalents increased by 48.6% y-o-y to Rs. 295 million as of Mar 31, 2017
- SOM maintains a conservative leverage profile along with consistent growth in revenues & operating profit





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

Fourth Quarter and Full Year Results ended 31st Mar 2017
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

PART -1							
Statement of Audited Results for the Quarter Ended 31st March 2017							
S. No.	Particulars	Standalone					Consolidated
		Quarter Ended			Year Ended		Year Ended
		3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	For the Year Ended	For the Previous Year Ended	For the Year Ended
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016	31.03.2017
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	
1	Income from Operations						
a	Net sales from Operations (Net of state excise duty)	6734.20	4351.83	5722.01	24471.56	21989.44	24471.56
b	Other Operating Income	165.77	68.92	118.67	306.82	146.95	306.82
	Total Income from Operations (Net)	6899.95	4420.55	5838.58	24778.38	22136.39	24778.38
2	Expenses						
a	Cost of Materials Consumed	4335.44	2380.05	3264.17	12723.87	10475.23	12723.87
b	Purchase of Stock in Trade	-	-	-	-	-	-
c	Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade (Increase)	(282.38)	(246.04)	(238.57)	(169.70)	347.75	(169.70)
d	Employee Benefit Expenses	278.57	120.96	219.06	714.42	601.90	714.42
e	Depreciation and Amortisation expenses	68.88	95.91	92.71	357.29	385.98	357.29
f	Other Expenses	1755.27	1422.91	1942.52	7700.78	7213.85	7700.79
	Total Expenses	6155.78	3773.79	5280.20	21326.67	19114.72	21326.67
3	Profit from Operations before other Income, Finance Costs & Exceptional Items (1-2)	734.18	646.76	558.38	3451.71	3021.67	3451.71
4	Other income	-	-	-	-	-	-
5	Profit from Ordinary Activities before Finance Costs & Exceptional Items (3+4)	734.18	646.76	558.38	3451.71	3021.67	3451.71
6	Finance Costs	252.72	290.86	312.27	1108.36	928.72	1108.36
7	Profit from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)	481.46	355.90	247.11	2343.34	2092.95	2343.34
8	Exceptional Items	-	-	-	-	-	-





Statutory Results

Fourth Quarter and Full Year Results ended 31st Mar 2017
 (All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

9	Profit from Ordinary Activities before Tax (7-8)	481.46	355.90	247.11	2343.34	2092.86	2343.34
10	Tax Expenses	244.55	184.48	146.04	950.21	755.04	950.21
11	Net Profit (+)/ Loss (-) from Ordinary Activities after Tax (9-10)	236.91	171.42	101.07	1393.13	1337.90	1393.13
12	Extraordinary Items	-	-	-	-	-	-
13	Net Profit (+)/ Loss (-) for the period (11-12)	236.91	171.42	101.07	1393.13	1337.90	1393.13
14	Share of Profit/(loss) of associates	-	-	-	-	-	-
15	Minority Interest	-	-	-	-	-	-
16	Net Profit / Loss after taxes, minority interest and share of profit / loss of associates (13-14-15)	236.91	171.42	101.07	1393.13	1337.90	1393.13
17	Paid-up Equity Share Capital (Face Value Rs. 10 each)	2752.24	2752.24	2752.24	2752.24	2752.24	2752.24
18	Reserves excluding Revaluation Reserve	10802.75	-	-	10802.75	9906.50	10802.75
19A	Earning per Share (EPS) (Rs.) (before extraordinary items)						
i	- Basic and Diluted	0.86	0.62	0.37	5.06	4.86	5.06
ii	- Cash	0.86	0.62	0.37	5.06	4.86	5.06
19B	Earning per Share (EPS) (Rs.) (after extraordinary items)						
i	- Basic and Diluted	0.86	0.62	0.37	5.06	4.86	5.06
ii	- Cash	0.86	0.62	0.37	5.06	4.86	5.06



Statutory Results



Fourth Quarter and Full Year Results ended 31st Mar 2017
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Statement of Assets & Liabilities				
	PARTICULARS	Standalone		Consolidated
		(Audited)	(Audited)	(Audited)
		31.03.2017	31.03.2016	31.03.2017
A	EQUITY AND LIABILITIES			
	Shareholders' Funds			
	Share Capital	2,752	2,752	2,752
	Reserves & Surplus	10,803	9,906	10,803
	Money Received against Share Warrants	-	-	-
	Foreign Currency Convertible Bonds			
	Non Current Liabilities			
	- Long Term Borrowings	4,088	4,122	4,097
	- Deferred Tax Liability (net)	1,106	1,132	1,106
	- Long Term Provisions	-	-	-
	- Other Long Term Liabilities	393	523	393
	Current Liabilities			
	- Short Term Borrowings	2,020	3,782	2,020
	- Trade Payables	2,180	1,891	2,180
	- Other Current Liabilities	4,647	3,491	4,934
	- Short Term Provisions	2,189	1,317	2,189
	Minority Interest			1
	Total Equity and Liabilities	30,178	28,916	30,475
B	ASSETS			
	Non-Current Assets			
	- Fixed Assets	6,530	6,481	6,643
	- Non Current Investment	3,930	-	-
	- Long Term Loan & Advances	592	541	567
	- Other Non Current Assets	-	-	94
	CURRENT ASSETS			
	- Current Investment	-	-	-
	- Inventories	2,356	2,872	2,356
	- Trade Receivables	4,946	6,593	4,946
	- Cash & Bank Balances	2,946	1,977	3,148
	- Short Term Loan & Advances	8,907	10,453	10,521
	Total Assets	30,178	28,916	30,475





Statutory Results

Fourth Quarter and Full Year Results ended 31st Mar 2017 (All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

NOTES :-

- 1 Audited financial results for the year ended 31st March 2017 reviewed by the audit committee were taken on record at the board meeting held on 30th May, 2017.
- 2 Previous period figures have been regrouped and or reclassified wherever necessary.
- 3 The figures of the last quarter are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of the current financial year.
- 4 During the last quarter of FY 2016-17 Woodpecker Distilleries & Breweries Pvt Ltd has become a subsidiary of the Company.
- 5 Comparative figures of consolidated results for the previous year has not been presented since this the first year of consolidation.

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Shareholders are requested to intimate change of address, if any

S.Lal
Director





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