

thhoda aur



Opulence in
a Bottle



SOM Distilleries & Breweries

Q1 FY2015 Earnings Presentation

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

Q1 FY2015 Financial Highlights

Performance Highlights: Q1 FY2015 vs. Q1 FY2014

- Total Income of Rs. 705 Million
- EBITDA of Rs. 108 Million; margins consistent at 15.3%
- PAT of Rs. 62 Million; margins of 8.7%
- Continue to maintain low leverage profile with Net Debt of Rs. 30 Million as on 30th June 2014
- Received the Monde Selection Gold award for Milestone 100 whisky and Silver awards for White Fox vodka and Hunter beer
- Received the Spiritz 2014 Best Product debut award for Milestone 100 whisky

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

“Our performance during the first quarter has been satisfactory considering the electoral environment in the country. Despite the decline in sales, we were able to maintain our EBITDA margins at ~15%. Our two recently launched brands, Milestone 100 whisky and White fox vodka continued to flourish. We are overwhelmed with the industry awards and recognition that our brand portfolio continue to receive. During the quarter, SOM received the most coveted Monde Selection Gold award for Milestone 100 whisky and Silver awards for White Fox vodka and Hunter beer. We also received the Spiritz 2014 Best Product debut award for Milestone 100 whisky.

During the quarter, we ventured into newer international markets and expanded our offering with our premium brand, Milestone 100 Premium whisky. With the increasing acceptance of our brands, we are now concentrating on brand building exercise in the regions and markets where we operate. We are quite confident that we will close this fiscal year on an exciting note with increasing widespread product acceptability, entry into new markets outside India and rising market share in India.”

Awards & Recognition

Recent Achievements

Spiritz 2014:



Received the Best Product debut award for Milestone 100 whisky

Monde Selection Quality Awards:



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 86th by:



Ranked 86th 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

Investment Highlights

Market Position

- Received the Monde Selection Gold award for Milestone 100 whisky and Silver awards for White Fox vodka and Hunter beer
- Hunter, Milestone 100, White Fox, Woodpecker and Blackfort are the major brands. Other popular brands include Legend, Genius, Sunny and Powercool
- In Madhya Pradesh (MP), holds 36% market share for beer and 19% market share in IMFL

Industry Dynamics

- The beer market in India is currently estimated to be over \$4 billion in 2013 in terms of value or 2.2 billion liters
- The size of the IMFL market in India is estimated at over \$25 billion or over 2.5 billion liters

Operations

- Installed capacity of 59,200 KL of beer and 5,400 KL of IMFL
- Key areas of operation include MP, Chhattisgarh and North India
- Strong marketing and distribution network in Arunachal Pradesh, Chandigarh, Chhattisgarh, Delhi, Gujarat, HP, Haryana, Jharkhand, Orissa, Pondicherry, Tamil Nadu, Uttarakhand and West Bengal with 60+ distributors across India

Financial Performance

- 5 year Revenue CAGR of over 20%
- Significant improvement in risk profile with Debt/Equity ratio down from 0.47x to 0.09x over the last five years
- Featured in Forbes Asia's 'Best Under A Billion list' sales in an initial set of 15,000 Companies



Q1 FY2015 Highlights

Financial Highlights

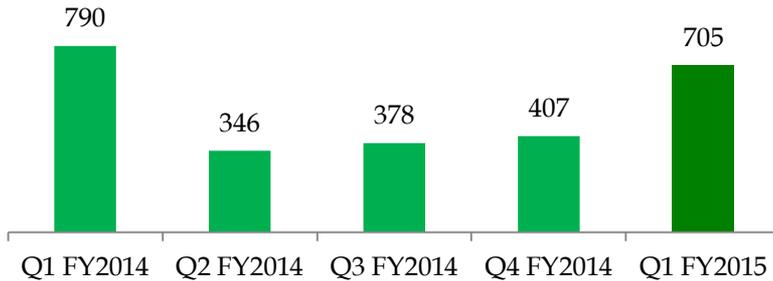
(Rs. Million)	Q1		y-o-y	Q4	q-o-q
	FY2015	FY2014	Growth (%)	FY2014	Growth (%)
Total Income	705	790	(10.7)%	407	73.2%
EBITDA	108	121	(10.4)%	72	49.8%
Margin %	15.3%	15.3%		17.7%	
Profit Before Tax (PBT)	93	109	(15.0)%	57	61.1%
Margin %	13.1%	13.8%		14.1%	
Profit After Tax (PAT)	62	74	(16.7)%	57	8.6%
Margin %	8.7%	9.4%		14.0%	
Basic EPS (Rs.)	2.24	2.69	(16.7)%	2.06	8.7%

Commentary Q1FY2015 vs. Q1FY2014

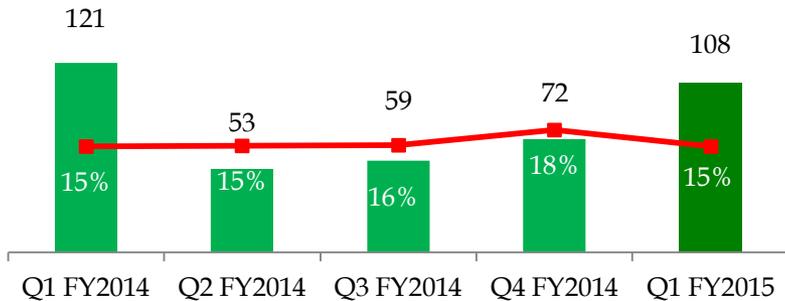
- Q1 FY2015 Total Income decreased by (10.7)%. Beer volumes decreased by (18.8)% although IMFL volumes increased by 5.2%
- During the quarter, SOM continues to maintain an average EBITDA margins of 15.3%. The Company continues to focus on enhancing operational efficiencies supported by decline in raw material prices. Transport, clearing and forwarding charges increased on account of overall rise in the cost of transportation
- Profit After Tax decreased by 16.7%. Finance cost increased from Rs. 0.2 million to Rs. 3.4 million due to increase in unsecured borrowings for general business purposes and working capital requirements

Financial Snapshot

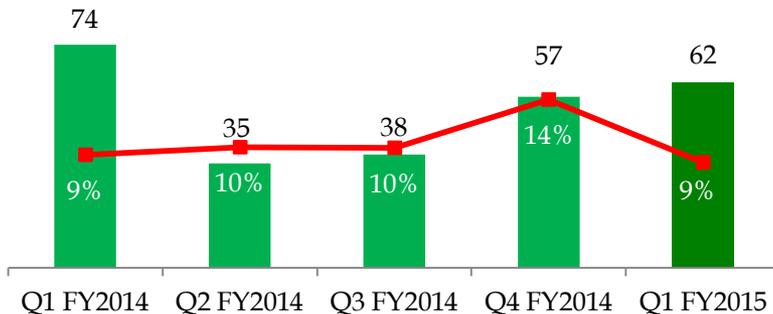
Total Income (Rs. Million)



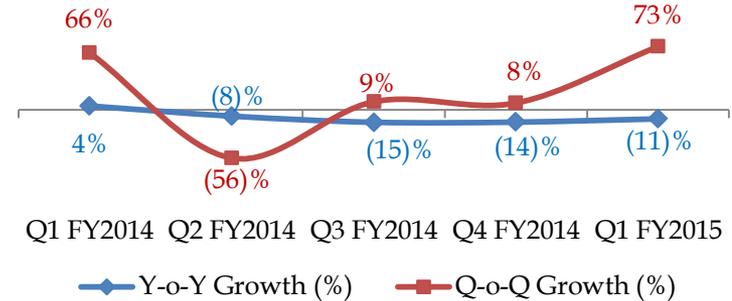
EBITDA (Rs. Million) and Margin (%)



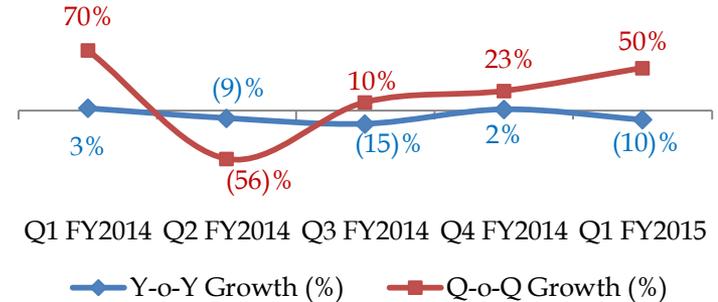
PAT (Rs. Million) and Margin (%)



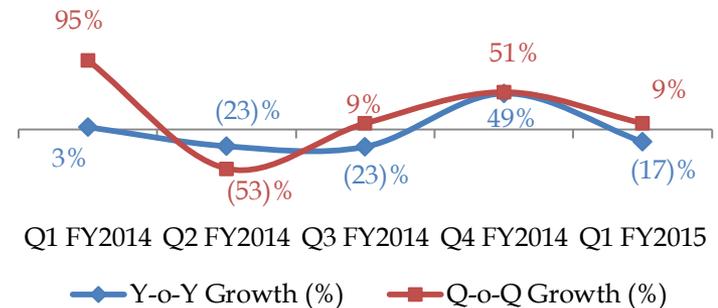
Total Income Growth (%)



EBITDA Growth (%)



PAT Growth (%)

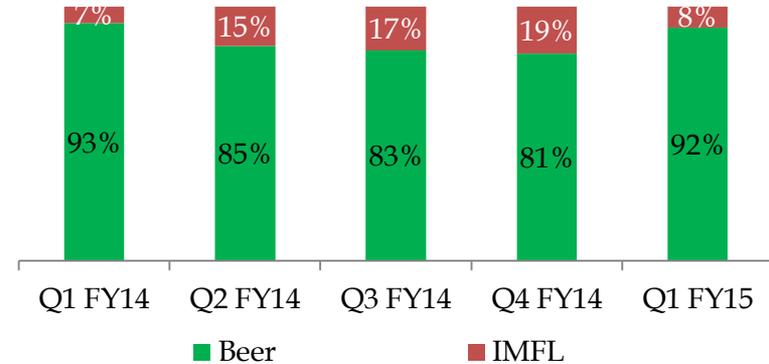


Q1 FY2015 Highlights

Revenue by Category (Rs. Million)

Category	Q1 FY2014	Q2 FY2014	Q3 FY2014	Q4 FY2014	Q1 FY2015
Beer	722.4	265.2	282.2	292.6	622.2
Whisky	65.6	60.8	69.6	70.4	80.4
Gin	6.9	11.1	8.5	10.9	8.2
Rum	5.9	12.5	20.6	26.8	3.8
Vodka	0.3	1.8	2.4	2.5	1.9

Revenue by Category (Quantity Sold)



Brand Performance

(lakh cases sold)	Q1 FY2015	Q1 FY2014	y-o-y Growth (%)	Q4 FY2014	q-o-q Growth (%)
Hunter	6.0	5.7	4.6%	1.7	251.9%
Black Fort	5.7	7.8	(26.7)%	3.9	47.4%
Power	4.2	6.5	(34.8)%	2.3	84.3%

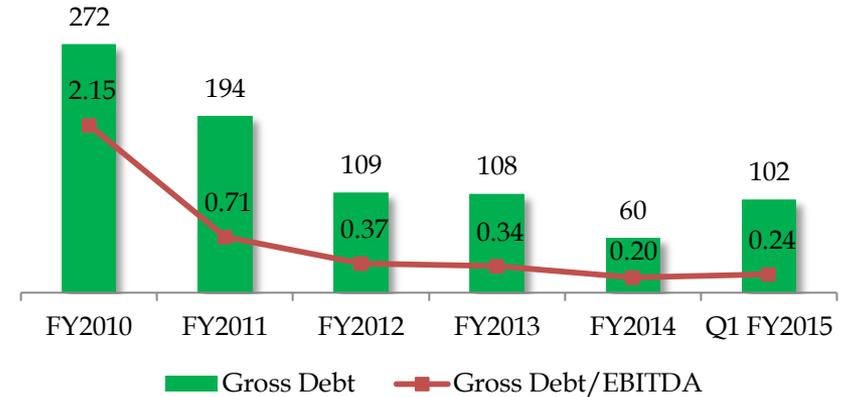
Total Beer	16.5	20.3	(18.8)%	7.8	112.4%
Total IMFL	1.5	1.4	5.2%	1.8	(15.7)%

Leverage Profile

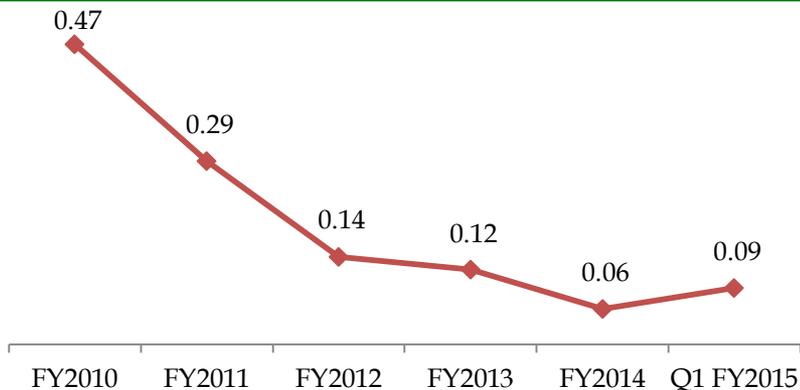
Strong Balance Sheet With Conservative Leverage Profile

(Rs. Million)	30.6.2014	31.3.2014
Secured Borrowings	12	12
Unsecured Borrowings	90	47
Gross Debt	102	60
Less: Cash & Cash Equivalents	(72)	(64)
Net Debt/ (Net Cash)	30	(4)
Shareholder's Equity	1,135	1,073

Gross Debt and Gross Debt/EBITDA (x)



Gross Debt/ Equity (x)



- To cater to the increasing demand, beer manufacturing capacity is being increased from 59,200 KL to 99,200 KL
- Marginal increase in Gross Debt/Equity in Q1 FY2015. This is due to increase in unsecured borrowings on account of general business purposes and working capital requirements
- Maintaining a conservative leverage profile along with consistent growth

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 focussed 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. In the past two years, the Company has tripled its capacity
- The Company's Hunter and Woodpecker brands are supplied as draught beer to all the major hotels in Madhya Pradesh and Chhattisgarh

Key Brands

Major Brands



Beer



Spirits



Hunter

SUPER STRONG
PREMIUM BEER

Josh Ka Jashan



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

Deepak Balwani
Ankul Adlakha
Churchgate Partners

som@churchgatepartnersindia.com
+91 22 3953 7444

www.somindia.in

