

SOM DISTILLERIES AND BREWERIES LIMITED

Registered Office: I-A, Zee Plaza, Arjun Nagar, Safdarjung Enclave, Kamal Cinema Road, New Delhi - 110029
Phone: +91-11-26169909, 26169712 Fax: +91-11-26195897

Corporate Office: SOM House, 23, Zone II, M.P. Nagar, Bhopal, Madhya Pradesh – 462011
Phone: +91-755-4278827, 4271271 Fax: +91-755-2557470

Email : compliance@somindia.com **Website:** www.somindia.com

CIN : L74899DL1993PLC052787

(BSE : 507514, NSE : SDBL)



SDBL/BSE/NSE/2023

17.10.2023

To

<p>The Manager, Listing Department, NATIONAL STOCK EXCHANGE OF INDIA LIMITED 'Exchange Plaza' C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051. cmist@nse.co.in <u>Security ID: SDBL</u></p>	<p>Dy. General Manager, Department of Corporate Services, BSE LIMITED, First Floor, P.J. Towers, Dalal Street, Fort, Mumbai – 400001. corp.compliance@bseindia.com <u>Security ID: 507514</u></p>
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SUB.: INVESTORS PRESENTATION – UNAUDITED FINANCIAL RESULTS (STANDALONE AND CONSOLIDATED) FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023

Dear Sir/Madam,

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Investors Presentation on Unaudited Financial Results (Standalone and Consolidated) for the Quarter and Half Year ended September 30, 2023.

The same has also been uploaded on the Company's website www.somindia.com.

This is for your information and records please.

For Som Distilleries and Breweries Limited

Om Prakash Singh
Company Secretary and Compliance Officer



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

Earnings Presentation
H1 FY2024



Q2 FY2024 Earnings Conference Call



Conference Call Details: Tuesday, 18th October 2023 at 3:00 PM IST

Diamond Pass

[Link](#)

Primary Number

+91 22 6280 1527 / +91 22 7115 8322

The number listed above is universally accessible from all networks and all countries.

Toll Free Number

USA: 1 866 746 2133

UK: 08 081 011573

Singapore: 800 101 2045

Hong Kong: 800 96 4448

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.



Company Profile



SOM Distilleries: The only listed Beer and IMFL company in India



Business Overview



SOM Distilleries & Breweries Limited (SDBL) is based in Bhopal and is one of the leading alcoholic beverages manufacturers in India



The Company has three key millionaire brands (sales more than 1 mn cases per annum) – Hunter, Black Fort and Power Cool



SDBL is primarily engaged in production of beer and blending and bottling of IMFL



Company's overall capacity has grown to 30.2 mn cases after expansion, up from 23.9 mn cases before expansion



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



The company's major markets are the states of MP, Karnataka, Odisha, Delhi, UP and Jharkhand



SOM Distilleries: The only listed Beer and IMFL company in India



Hunter Refreshing
Strong Premium Beer



Black Fort Super
Strong Beer



Power Cool Beer



Woodpecker
Beer



Milestone Blue
Whisky



Pentagon Gold
Edition Whisky



Legend Premium
Whisky



Pentagon XO
Premium Rum



Black Fort XXX
Matured Rum



Legend Rare
Brandy



White Fox Triple
Distilled Vodka



RTD Vodka based Drinks



Investment Case



Only listed company in India having both Beer and IMFL, which complement each other and reduces the risk of seasonality while providing marketing efficiencies



The company has also tied up with Radico Khaitan Ltd for their IMFL & RTD Brands production at Karnataka plant



Received permission for supply of Beer and IMFL to Rajasthan. The company has also entered in Jharkhand



MOU signed with Indian Fashion FZE, UAE for export of Beer and IMFL for West and Central Africa



Expanded market presence in Delhi and Uttar Pradesh, it is also set to cater to markets of Kerala and Pondicherry, short – more market gain



Woodpecker Wheat Beer, India's first filtered wheat beer has created a niche for itself and is expected to gain further momentum



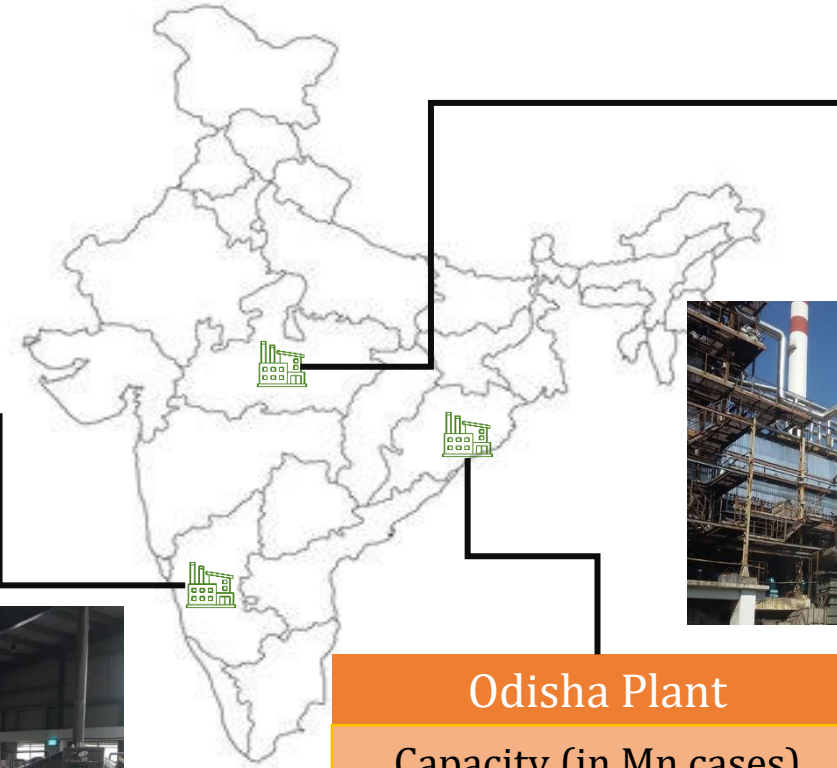
Strategic tie up with Carlsberg for the Odisha Plant, leading to better capacity utilization.



Revenue compound annual growth rate (CAGR) of 20% over (FY19-FY23)



Plant Location



Karnataka Plant	
Capacity (in Mn cases)	
Beer	IMFL
9.0	2.7

MP Plant	
Capacity (in Mn cases)	
Beer	IMFL
15.2	0.6

Odisha Plant	
Capacity (in Mn cases)	
Beer	IMFL
6.0	0.6



A glass of beer with a thick head of foam, surrounded by fresh hops and wheat stalks on a wooden surface. The background is a blurred outdoor setting with warm, golden light.

Q2 FY2024 Performance

Q2 FY2024 Financial Highlights



Key Highlights: Q2 FY2024 vs Q2 FY2023

Beer Volume
40.3 Lakh Cases
+40.5 %

IMFL Volume
2.5 Lakhs Cases
+43.7 %

Net Debt / EBITDA
1.9x



Total Income
Rs. 2,480 mn
+67.7 %

EBITDA
Rs. 275 mn
+47.8 %

PAT
Rs. 149 mn
+80.0 %



Management Commentary



In Q2 FY2024, SOM demonstrated promising performance, reflecting our commitment to strategic expansion and financial excellence. Our beer volume recorded a 40.5% y-o-y growth, while a 40.7% growth in IMFL. This has led to y-o-y growth of 67.7% in Total Income and a strong 80.0% growth in PAT.

We achieved significant milestones, securing permissions to supply our beer and IMFL brands in Rajasthan, a pivotal market for us. These achievements highlight our resilience in overcoming industry seasonality, often affected by monsoons and festivals.

Moreover, our successful initiation of beer dispatches in Chhattisgarh further underscores our strategic market expansion efforts. These accomplishments reaffirm our dedication to delivering exceptional results and driving sustainable growth in the industry.

Mr. JK Arora, Chairman (SOM Group of Companies)



Key developments for Q2 FY24



Received permissions for supply of beer brands to Rajasthan, one of the top five states in consumption nationwide

Approval granted for supply of Indian Made Foreign Liquor (IMFL) brands in Rajasthan, diversifying our product portfolio and enhancing market impact

Long-term bank loan ratings upgraded from BBB to BBB+ by ICRA, reflecting continued financial strength and strategic growth commitment

Placed orders for expansion of beer facility at Hassan plant, with suppliers from Germany and India, adding 60 lakh cases per annum

Obtained permissions for beer supply to Chhattisgarh and initiated initial dispatches, aiming for a significant market presence in the medium term



Performance Highlights



	Q2		Y-o-Y	H1		Y-o-Y
(Rs. Million)	FY2024	FY2023	Growth (%)	FY2024	FY2023	Growth (%)
Total Income	2,480	1,479	67.7%	6,346	4,039	57.1%
Gross Profit	881	608	44.9%	2,277	1,724	32.1%
<i>Margin (%)</i>	<i>35.5%</i>	<i>41.1%</i>		<i>35.9%</i>	<i>42.7%</i>	
EBITDA	275	186	47.8%	776	545	42.4%
<i>Margin (%)</i>	<i>11.1%</i>	<i>12.6%</i>		<i>12.2%</i>	<i>13.5%</i>	
Interest	26	40	(36.6)%	57	76	(24.2)%
Depreciation	56	43	30.9%	99	85	15.8%
Net Profit	149	82	80.0%	485	339	43.1%
<i>Margin (%)</i>	<i>6.0%</i>	<i>5.6%</i>		<i>7.6%</i>	<i>8.4%</i>	



A glass of beer with a thick head of foam, surrounded by fresh hops and barley on a wooden surface. The background is a blurred outdoor setting with warm, golden light.

H1 FY2024 Financial Highlights

H1 FY2024 Financial Highlights



Key Highlights: H1 FY2024 vs H1 FY2023

Beer Volume

106.2 Lakh Cases
+39.7 %

IMFL Volume

4.7 Lakhs Cases
+30.0 %

Total Volume

110.8 Lakhs Cases
+39.2 %



Total Income

Rs. 6,346 mn
+57.1 %

EBITDA

Rs. 776 mn
+42.4 %

PAT

Rs. 485 mn
+43.1 %



Operational efficiencies leading to better cost management

Volume and Sales

- Recorded beer volume of **40.3** lakh cases (**40.5%** y-o-y)
- Recorded IMFL volume of **2.5** lakh cases (**43.7%** y-o-y)
- Beer revenue of Rs. **2,205** million; over **64.4%** of Q2 FY23
- Our mainline brands; Hunter, Black Fort and Power Cool, registered volume growth of **24.1%**, **36.7%** and **39.2%**, respectively as compared to Q2 FY23

Realization

- Beer realization for Q2 FY24 was Rs **547** per case compared to Rs. **467** in Q2 FY23; mainly influenced by the increased mix of SKUs and price hike
- IMFL realization for Q2 FY24 was Rs. **889** per case as compared to Rs. **712** in Q2 FY23

Cost

- The costs remained stable in the quarter due to a favorable mix of new and old bottles, although the price increase that occurred in the glass bottles has not yet normalized



Leverage Profile



(Rs. Million)	Sept 30 2023	Mar 31 2023
Secured Borrowings	750	1,330
Unsecured Borrowings	950	1,092
Gross Debt-Consolidated	1,700	2,422
Less: Cash & Cash Equivalents	160	126
Net Debt	1,540	2,296
Gross Debt / Equity (x)	0.3x	0.6x
Net Debt / EBITDA (x)	1.01x	2.2x

- Gross Debt reduced by Rs. 250 million, Overall consolidated debt decreased, showcasing an improved total debt position
- Net Debt has reduced from Rs. 2296 million in March 2023 to Rs. 1540 million in September 2023.
- Improved Net Debt / EBITDA ratio signifies enhanced debt servicing capabilities, demonstrating the company's ability to pay off debts from operating profits



Operational Highlights



Volume Summary



Lakh cases	Q2		Y-o-Y	H1		Y-o-Y
	FY2024	FY2023	Growth (%)	FY2024	FY2023	Growth (%)
Hunter	11.2	9.0	24.1	32.6	29.0	12.3
Black Fort	4.7	3.4	36.7	18.7	10.6	76.2
Power Cool	22.3	16.0	39.2	51.6	35.4	45.5
Total Beer	40.3	28.7	40.5	106.2	76.0	39.7
Total IMFL	2.5	1.7	43.7	4.7	3.6	30.0
Total Volume	42.8	30.4	40.7	110.8	79.6	39.2

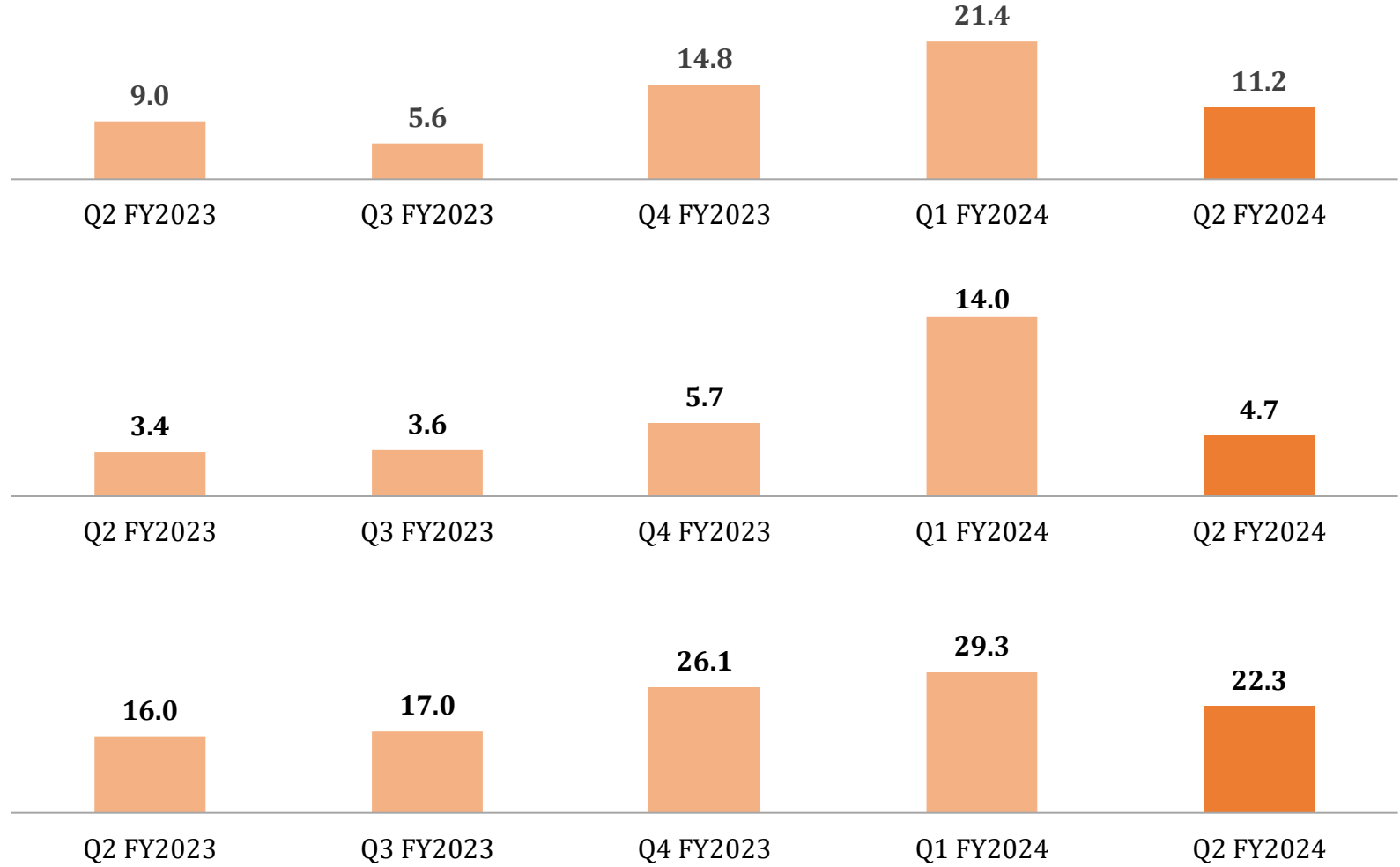
- Power Cool beer demonstrated strong expansion in Karnataka and Madhya Pradesh, reflecting its growing presence in the market , with volume increasing by around 39.2% compared to y-o-y basis
- Hunter has shown a sustained growth in Madhya Pradesh, Odisha , Delhi and UP
- Beer accounted for **95.8%** of total volumes and **92.7%** of the revenue during H1 FY2024
- Price realization for Beer during H1 FY24 was Rs. **555** and IMFL was Rs. **828**; blended realization at Rs. **573**



Millionaire Beer Brands – Volume Consolidation

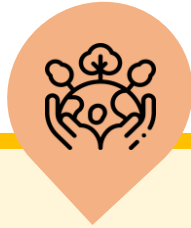


Quantity Sold (in lakh cases)



Sustainability

A glass of beer with a thick head of foam, surrounded by fresh hops and wheat stalks, symbolizing sustainable brewing. The glass is filled with golden beer and has a thick, white head of foam. It is surrounded by fresh hops and wheat stalks, suggesting a natural and sustainable brewing process. The background is a blurred outdoor setting with warm, golden light.



Conservation of Energy

Reduce fossil fuel dependency by transitioning to renewables and regular checks on electrical equipment to minimize energy waste

Waste Reduction Initiatives

In FY23, **recycled 277 MT and re-used 31,463 MT of waste**. Committed to responsibly handling plastic waste, either recycling or reselling to approved recyclers, promoting environmental sustainability

Water Stewardship

Promotes responsible drinking, plans 100% water replenishment in stressed areas by 2024 and conserves water through initiatives, reducing wastewater

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CSR and Donations

In FY23, **donated Rs. 135.98 lacs**, committing 2% of net profit for societal education and welfare activities, including Asha Mohan Foundation through CSR

Well-being of employees

Conducted diverse awareness programs (health, safety, mental/physical well-being). Organized employee engagement, career development, ensuring zero cases of workplace issues

Customer Satisfaction

Implemented proactive customer complaint handling process to promptly address product-related concerns

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Corporate Governance

Corporate governance philosophy is guided by principles like independence, accountability, transparency, ethics, and integrity in relations with stakeholders

Experienced and Skilled Board of Directors

Balanced board with 2 Executives (including MD) and 4 Non-Executive Non-Independent Directors, offering valuable input on strategy and performance

G



Awards & Accolades



Awards and Accolades



Brand Recognition



Silver Award Winner



Winner of Monde Selection Quality Award

Voted as:



ASIA'S MOST PROMISING BRANDS



Silver Award Winner



Winner of Monde Selection Quality Award

Best Product Debut & Best CSR Award by:





Winner of Monde Selection Quality Award

Awarded Fastest Growing Company by:



The Best of Wine, Beer, Spirits & Allied Industry
The Mega Alcohol Trade Event in Asia

Selected in:



Ranked 86th by:



Awarded Innovative CEO & Excellence for Smart Innovation by:



Included in:



Winner of:






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(CIN: L74899DL1993PLC052787)

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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

Anvita Raghuram / Kavın Sadvilkar
Churchgate Partners

som@churchgatepartners.com
+91 22 6169 5988

