

SOM DISTILLERIES AND BREWERIES LIMITED

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CIN : L74899DL1993PLC052787

(BSE : 507514, NSE : SDBL)



SDBL/BSE/NSE/2022

21.10.2022

To

The Manager, Listing Department, NATIONAL STOCK EXCHANGE OF INDIA LIMITED 'Exchange Plaza' C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051. cmlist@nse.co.in <u>Security ID: SDBL</u>	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>
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SUB: INVESTORS PRESENTATION – UNAUDITED FINANCIAL RESULTS (STANDALONE AND CONSOLIDATED) FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2022

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 30th September, 2022.

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 & Breweries Limited

Om Prakash
Company Secretary & Compliance Officer



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

Earnings Presentation
H1 FY2023



Q2 FY2023 Earnings Conference Call



Conference Call Details: Friday, 21st October 2022 at 1:00 PM IST

Diamond Pass

[Link](#)

Primary Number

+91 22 6280 1106 / +91 22 7115 8007

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

Toll Free Number

USA: 1 323 386 8721

UK: 44 203 478 5524

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Hong Kong: 852 3018 6877

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.



A glass of beer with a thick head of foam, surrounded by fresh hops and wheat stalks on a wooden surface.

Q2 FY2023 Performance

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



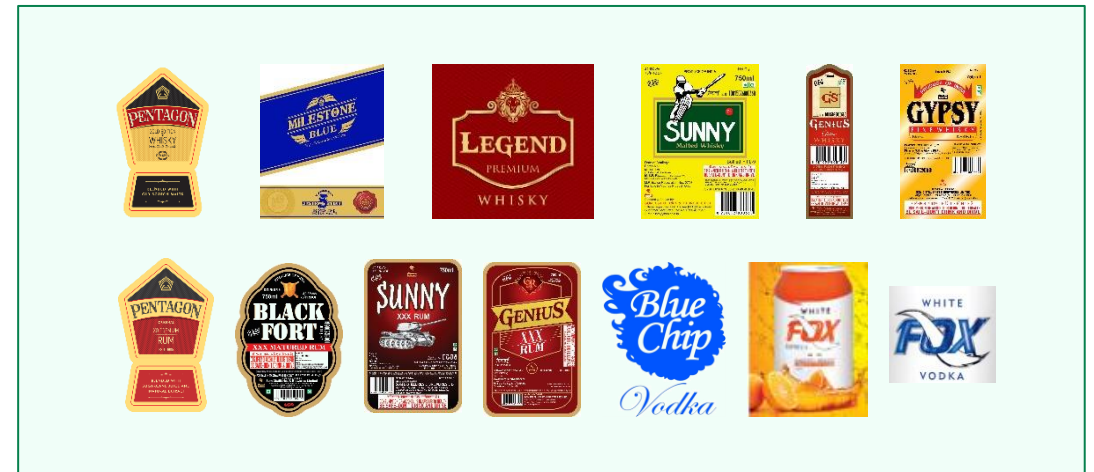
Business Overview

- SOM Distilleries & Breweries Limited (SDBL) is based in Bhopal and is one of the leading alcoholic beverages manufacturers in India
- 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
- The Company has three key millionaire brands (sales more than 1 mn cases per annum) – Hunter, Black Fort and Power Cool
- Launched Woodpecker Wheat Beer, India's first filtered wheat beer in FY2020
- New products introduced with seasonal themes to increase consumer traction and engagement – Hunter Pint Beer and different flavors of RTD drinks

Beer Brands



IMFL Brands



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
- Strong portfolio of brands including millionaire brands, Hunter, Black Fort and Power Cool
- Continuous product innovations to capitalize on seasonal themes and enhance consumer traction and engagement
- Launched Woodpecker Wheat Beer, India's first filtered wheat beer in FY2020; the brand has created significant traction in very short period and is expected to gain further momentum
- The Company commands ~2% market share in the Indian beer market and has immense potential to grow the market share by enhancing its penetration across India
- Focus on enhancing brand presence through CSD and market expansion in states such as Uttar Pradesh and Delhi in addition to existing stronghold markets
- Expanded capacity provides headroom for volume growth in medium term
- Lower penetration of beer and favorable demographic profile to provide huge scope for industry growth

Millionaire Brands



Q2 FY2023 Financial Highlights



Performance led growth impacting the topline

Beer Sales Volume
28.7 Lakh Cases
+111%

IMFL Volume
1.7 Lakhs Cases
18%

Net Debt / EBITDA
2.23x

Total Income
Rs. 1,479 mn
+89%

EBITDA
Rs. 186 mn
Margin: +12.6%

PAT
Rs. 82 mn
Margin: +5.6%





The performance of the Company during the first half of the year was very encouraging. We recorded beer volume growth of over 223% y-o-y, and IMFL growth of over 65% y-o-y. This has led to a topline growth of 213% y-o-y.

Our industry is seasonal and is affected by monsoon and festivals. However, we have able to overcome the seasonality trend and post encouraging results which have set a trend for the future.

All our mainstream brands have performed well in their specific market. We anticipate our volume growth trajectory to continue, resulting in improvement of utilization levels.

We have also entered into a contract manufacturing arrangement with Radico Khaitan for manufacturing their IMFL and Ready to Drink brands at our plant at Hassan, Karnataka. This will lead to better utilization levels of the IMFL facility.

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



Performance Highlights



	Q2		Y-o-Y	H1		Y-o-Y
(Rs. Million)	FY2023	FY2022	Growth (%)	FY2023	FY2022	Growth (%)
Total Income	1,479	783	89%	4,039	1,290	213.2%
Gross Profit	608	358	70%	1,724	607	184.2%
<i>Margin (%)</i>	<i>41.1%</i>	<i>45.7%</i>		<i>42.7%</i>	<i>47.0%</i>	
EBITDA	186	55	237.9%	545	11	nm
<i>Margin (%)</i>	<i>12.6%</i>	<i>7.0%</i>		<i>13.5%</i>	<i>0.8%</i>	
Interest	40	38	7.2%	76	78	(2.6)%
Depreciation	43	42	1.5%	85	84	1.3%
Net Profit	82	(25)	nm	339	(151)	nm
<i>Margin (%)</i>	<i>5.6%</i>	<i>nm</i>		<i>8.4%</i>	<i>nm</i>	



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.

H1 FY2023 Performance

H1 FY2023 Financial Highlights



Volume growth leading to the company reaching new heights





Operational efficiencies leading to better cost management

Volume and Sales

- Recorded beer volume of 76.0 lakh cases (223% y-o-y)
- Recorded IMFL volume of 3.6 lakh cases (65% y-o-o)
- Beer revenue of Rs. 3,736 million; over 236% of H1 FY22
- Our mainline brands; Hunter, Black Fort and Power Cool, registered volume growth of 163%, 124% and 391%, respectively as compared to H1 FY22

Realization

- Beer realization for the half year was Rs. 492 compared to Rs. 471 in H1 FY22; primarily driven by higher mix of Power Cool brand in total volumes
- IMFL realization for the quarter was Rs. 753 compared to Rs. 758 in H1 FY22

Cost

- Cost efficiencies driven by better utilization resulted in improvement in margins
- Anticipate some normalization on full year basis due to lower utilization in non-peak season



Leverage Profile



(Rs. Million)	Sep 30 2022	Jun 30 2022	Mar 31 2022
Secured Borrowings	1,219	1,226	1,393
Unsecured Borrowings	540	576	580
Gross Debt-Consolidated	1,760	1,803	1,973
Less: Cash & Cash Equivalents	(132)	(84)	(95)
Net Debt	1,628	1,718	1,878
Gross Debt / Equity (x)	0.53x	0.57x	0.68x
Net Debt / LTM EBITDA (x)	2.23x	2.87x	10.24x

- Gross Debt reduced by Rs. 43 million and Net Debt reduced by Rs. 91 million
- Significant improvement in leverage ratios
- Net Debt to LTM EBITDA of 2.2x compared to 10.2x as on 31st Mar 2022
- No major capex planned in the short term
- Strong cash flow generation and deleveraging balance sheet remain key strategic priority



Operational Highlights

A still-life photograph featuring a central glass of golden beer with a thick, white head of foam. The glass is surrounded by fresh green hops and several stalks of golden wheat. The entire scene is set on a rustic wooden surface. In the background, a woven basket is partially visible, containing more hops. The lighting is warm and natural, highlighting the textures of the beer, hops, and wheat.

Volume Summary



Lakh cases	Q2		Y-o-Y	H1		Y-o-Y
	FY2023	FY2022	Growth (%)	FY2023	FY2022	Growth (%)
Hunter	9.0	6.0	49%	29.0	11.0	163%
Black Fort	3.4	2.7	27%	10.6	4.7	124%
Power Cool	16.0	4.4	261%	35.4	7.2	391%
Others	0.3	0.4	(32)%	0.9	0.6	65%
Total Beer	28.7	13.6	111%	76.0	23.6	223%
Total IMFL	1.7	1.5	18%	3.6	2.2	65%

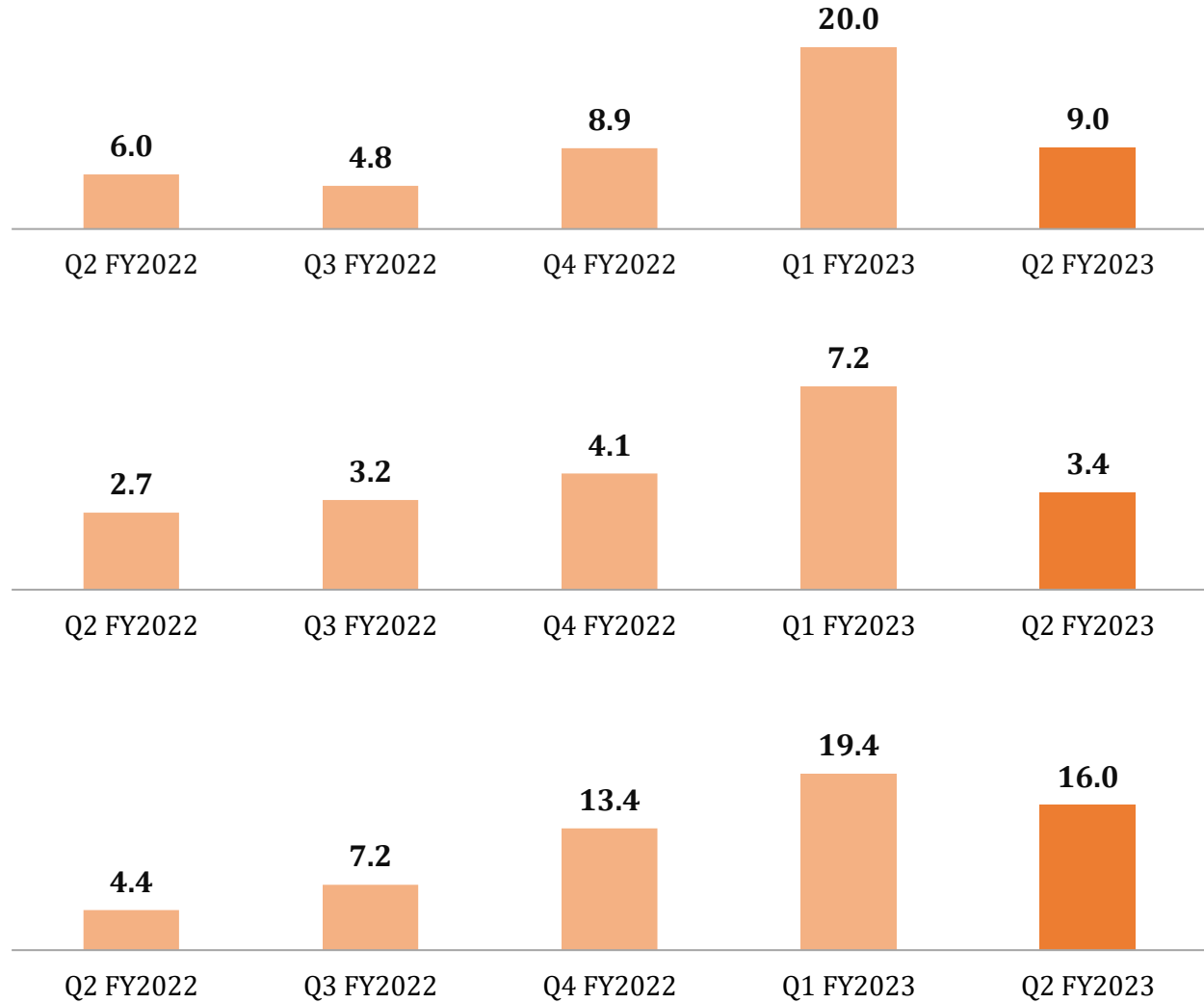
- The volumes were driven by strong growth across mainline brands
- Power Cool recorded ~4x volume compared to same period last year driven by enhanced penetration in additional markets
- Woodpecker beer continued to consolidate its market presence and sold around 80,000 cases in H1 FY23
- Beer accounted for 94% of total volumes and 92% of the revenue during H1 FY23
- Price realization for Beer during H1 FY23 was Rs. 467 and IMFL was Rs. 712; blended realization at Rs. 481



Millionaire Beer Brands – Volume Recovery



Quantity Sold (in lakh cases)



Sustainability

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

Environment: Committed to minimizing environmental impact across the full range of our operations



Clean Technology



- Seeks to improve its environmental performance by adopting cleaner production methods, promotion of energy efficient and environmental friendly technologies
- Suitable processes and systems are developed with contingency plans and processes that help in preventing, mitigating and controlling environmental damages caused due to the Company's operations

Waste Reduction



- Recycle part of the factory waste and reuse it in the production
- Initiated waste management by re-cycling waste into compost used for agriculture
- Deployed sewage treatment plants at its projects and factory sites which treat and re-cycle wastewater for reusing in watering plants, toilets etc.

GHG Reduction



- Strive to reduce the carbon footprint by recycling the beer and IMFL bottles used for production
- Majority of suppliers of raw material are in proximity of the factory sites of the Company which helps minimize transportation and reduces carbon footprint



Social: Actively contributing to the social, economic and environmental development of the community in which we operate



Product Quality

- Providing the best quality products and services to its consumers. SOM provides high-quality product assurance by -
 - Maintaining international standards and specifications for its products
 - Continuous research to enhance product quality, building facilities for quality monitoring and assurance
 - Developing new products to meet the ongoing and changing requirements of the market



Customer Centric Approach

- Periodical consumer surveys and mapping of customer satisfaction trends are considered and utilised by the Company on a regular basis as effective tools of business strategy to understand the customers and their needs better
- In addition, through the Company's website tab, customer's views are invited to understand the satisfaction level and trend



Community Support

- Spent Rs. 23.50 Lacs towards CSR activities during the financial year 2022
- Contributions to the Asha Mohan Foundation for construction of a full-fledged diagnostic centre for the lesser privileged patients at substantial lower charges for tests as compared to conventional centres
- Contributions to the school being run for underprivileged children and hospitals



Governance: With strong sense of values and commitment, we believe that profitability must go hand in hand with a responsibility



Experienced and Skilled Board of Directors

- Optimal blend of Executive and Non-Executive Directors with an appropriate balance of skills, experience, diversity and independence. The Board of Company comprised of six (6) Directors:
 - 2 Executive Directors (including Managing Director)
 - 4 Non- Executive Non-Independent Directors

Regular Self-Assessment of Board Performance

- The Board have process in place for the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various committees
- A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committee, Board Culture, execution and performance of specific duties, obligations and governance



Awards and Recognitions



Awarded Innovative CEO and excellence for smart Innovation by: Innovative 100



Voted as 'Asia's Most Promising Brand'



Best Product Debut and Best CSR Award by: Spiritz



Winner of Monde Selection Quality Award



Winner of AsiaStar



SOM Distilleries & Breweries ESG Profile Link: <https://bit.ly/364ur49>



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