



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

**Earnings Presentation**  
**Q4 and 12M 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: Wednesday, May 29, 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

Operational Highlights

Recent Developments

Company Profile





# Highlights



FY2019 vs.  
FY2018

## Beer Sales Volume

75.9 Lakh Cases  
+1.2%

## IMFL Volume

9.7 Lakhs Cases  
+29.8%

## Total Income

Rs. 3,967 mn  
+12.5%

## Key Highlights for the Year

- Total income for the year increased by 12.5% to Rs. 3,967 million. This growth was achieved despite certain challenges:
  - Shortage of glass bottles
  - Assembly elections in three of our key markets, i.e. Madhya Pradesh, Chhattisgarh and Karnataka and general elections had some impact in the month of March
  - Delay in commissioning of IMFL facility in Karnataka
- EBITDA for the year declined by 12.7% compared to FY2018, also resulting in lower margins
  - Increased proportion of new glass bottles were used during the year to target new markets. The Company has started importing bottles to de-risk supply side challenges
  - Higher employee and freight cost to cater to new markets also impacted the margins
- PAT for the year declined by 21.8% to Rs. 197 million. This is primarily due to higher depreciation on Karnataka plant. Interest cost also impacted the profitability
- FY2019 financials include performance of Odisha plant for 10 days. Accounted for topline of approximately Rs. 10 million



# Management Commentary



*FY2019 has been an eventful year for the Company. During the year our Karnataka and Odisha facilities became operational. We are in the process of doubling our beer bottling capacity at the Bhopal plant and trial runs for the same are in progress. Our Karnataka facility became PAT positive in the second half of the year resulting lowering of annual losses to Rs. 2.9 million for FY2019. The facility is already cash flow positive. Initial response from the Odisha plant has been encouraging. We anticipate both Karnataka and Odisha facilities to improve their utilization levels and contribute meaningfully to the growth of the Company in FY2020. The expansion of beer capacity in Bhopal will be used to cater to the demand from states such as Maharashtra and Uttar Pradesh. In summary, FY2019 was a year of investment and FY2020 would be a year of consolidation and reaping benefits of these investments.*

*During the year the industry faced both supply and demand side challenges with glass bottle shortages and the state as well as general elections. Management has undertaken strategic initiatives to mitigate the risk associated with the shortage of glass bottles. Given the fact that we are in growth phase and will need new bottles, we have started importing bottles besides buying bottles from domestic suppliers. We believe both these initiatives will enable us to easily cater to our requirement in the near to medium term. We expect growth to rebound in FY2020 coupled with cashflow generation.*

**Mr. JK Arora, Managing Director**





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# Performance – Q4 and 12M FY2019

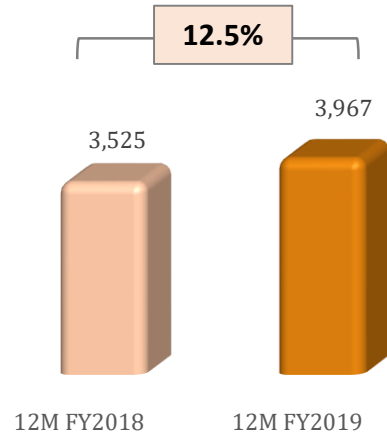


	Q4		y-o-y	Full Year		y-o-y
(Rs. Million)	FY2019	FY2018	Growth (%)	FY2019	FY2018	Growth (%)
<b>Total Income</b>	<b>1,149</b>	<b>1,027</b>	<b>11.9%</b>	<b>3,967</b>	<b>3,525</b>	<b>12.5%</b>
<b>EBITDA</b>	<b>80</b>	<b>182</b>	<b>(55.8)%</b>	<b>528</b>	<b>605</b>	<b>(12.7)%</b>
<i>Margin (%)</i>	<i>7.0%</i>	<i>17.7%</i>		<i>13.3%</i>	<i>17.2%</i>	
Interest	37	21	75.6%	124	88	41.5%
Depreciation	26	13	100.9%	88	43	105.7%
<b>Net Profit</b>	<b>10</b>	<b>63</b>	<b>(83.9)%</b>	<b>197</b>	<b>252</b>	<b>(21.8)%</b>
<i>Margin (%)</i>	<i>0.9%</i>	<i>6.2%</i>		<i>5.0%</i>	<i>7.2%</i>	

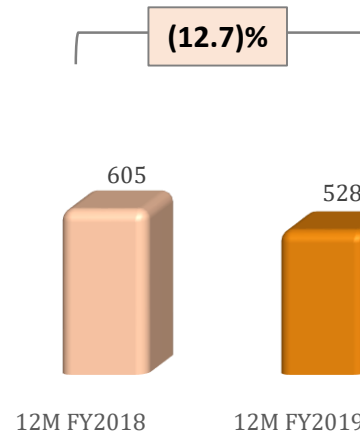


# Performance – 12M FY2019 vs 12M FY2018

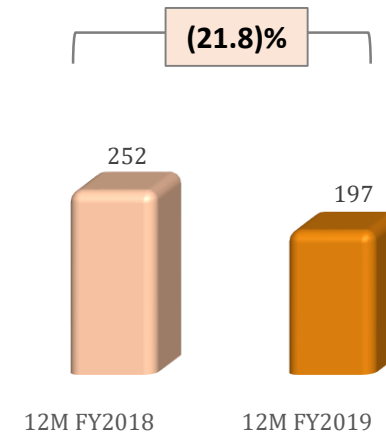
## Total Income



## EBITDA



## Net Income



- FY2019 Total Income increased by 12.5% compared to FY2018
- Beer Revenue increased by 7.6% y-o-y while Beer volumes increased by 1.2% compared to FY2018
- IMFL Revenue increased by 28.9% y-o-y while IMFL volumes increased by 29.8 % compared to FY2018

- 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
- Karnataka facility was EBITDA positive during the year

- PAT was impacted due to higher depreciation on the Karnataka subsidiary
- Higher interest cost also impacted the profitability
- Karnataka facility reduced its losses to Rs. 2.9 million during the year

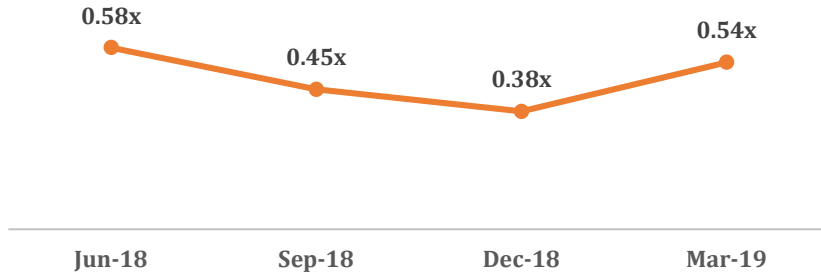




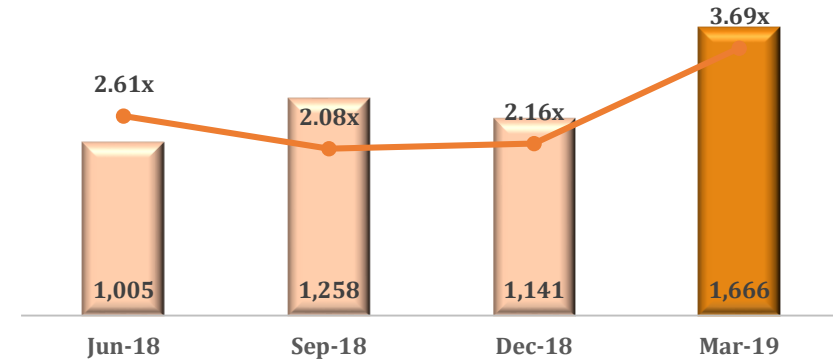
# Conservative Balance Sheet



## Gross Debt / Equity



## Gross Debt / EBITDA



## *Transformational growth investments funded without risking Balance Sheet*

(Rs. Million)	Mar 31 2019	Dec 31 2018	Sep 30 2018
Secured Borrowings	1,152	1,016	944
Unsecured Borrowings	514	126	314
<b>Gross Debt-Consolidated</b>	<b>1,666</b>	<b>1,141</b>	<b>1,258</b>
Less: Cash & Cash Equivalents	247	115	280
<b>Net Debt</b>	<b>1,420</b>	<b>1,027</b>	<b>978</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

Financial Highlights

**Operational Highlights**

Recent Developments

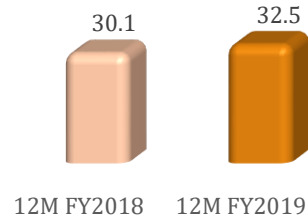
Company Profile



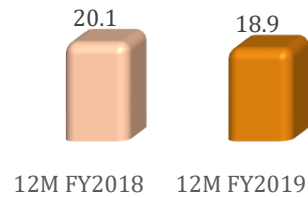


# Millionaire Beer Brands - Meeting the aspirations of our consumers

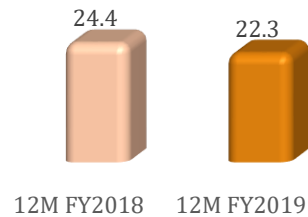
Quantity Sold (in lakh cases)



+7.9%



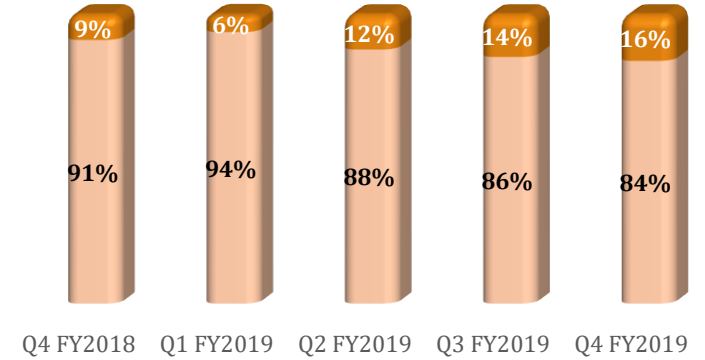
(6.0)%



(8.6)%



## Volume Mix



(Lakh cases)	12M		y-o-y
	FY2019	FY2018	Growth (%)
Total Beer	75.9	75.0	1.2%
Total IMFL	9.7	7.5	29.8%

Rs. Mn	12M		y-o-y
	FY2019	FY2018	Growth (%)
Total Beer	3,255	3,024	7.6%
Total IMFL	622	483	28.9%



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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

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

## Major Developments

Four of SOM brands approved by CSD for supply on a PAN India Basis in November 2016

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

Established team in Mumbai to give more impetus to the Southern and Western regions of the country

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

Acquired a brewery asset in Odisha with capacity of 42 lakh cases per annum (Jul 2018). Commenced operation from March 2019

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



# 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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