



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

**Earnings Presentation**  
**Q1 FY2020**



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: Monday, July 29, 2019 at 5:00 PM IST

### Dial-In Numbers

Primary Number +91 22 6280 1106 / +91 22 7115 8007

The numbers listed above are universally accessible from all networks and all countries

Toll Free Number

USA: 1 866 746 2133  
UK: 0 808 101 1573  
Singapore: 800 101 2045  
Hong Kong: 800 964 448



## Highlights

Financial Highlights

Operational Highlights

Recent Developments

Company Profile



## Q1 FY2020 vs. Q1 FY2019

### Beer Sales Volume

37.8 Lakh Cases  
+36.4%

### IMFL Volume

3.4 Lakhs Cases  
+102.5%

### Total Volume

41.2 Lakhs Cases  
+40.2%

### Total Income

Rs. 1,878 mn  
+50.3%

### EBITDA

Rs. 291 mn  
+30.3%

### PAT

Rs. 146 mn  
+30.0%



# Management Commentary



*We are pleased to announce a strong start to the year. We recorded robust volume growth of over 40% y-o-y in FY2020, resulting in a revenue growth of 50% compared to same period last year. The significant improvement in utilization levels across our facilities enabled us to absorb cost pressures and record an EBITDA margin in line with our historical averages. Our Odisha facility turned EBITDA positive in the first quarter of its operation which is an encouraging development. Our Karnataka facility continued to enhance PAT during the quarter.*

*Our flagship brand 'Hunter' recorded a growth of around 64% y-o-y compared to Q1 FY2019. The brand has now gained a pan India visibility and consumers have accepted it as a premium beer. The brand also gained significant traction in Odisha market and accounted for over 80% of the total volume sales from the subsidiary. Our mass brand 'Power Cool' recorded a growth of 55% during the same period, which is a testament to our ability to shift customers from local brands or lower category alcohol to our products.*

*Going ahead, we expect to continue the growth momentum during the remaining part of the year. We believe this year will experience fructification of all our investments and strategic initiatives undertaken during last two years.*

**Mr. JK Arora, Managing Director**



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# Performance – Q1 FY2020



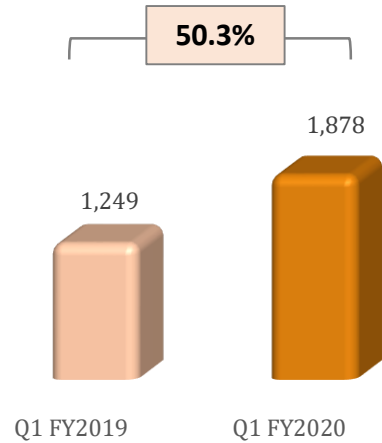
(Rs. Million)	Q1		y-o-y
	FY2020	FY2019	Growth (%)
<b>Total Income</b>	<b>1,878</b>	<b>1,249</b>	<b>50.3%</b>
<b>EBITDA</b>	<b>291</b>	<b>223</b>	<b>30.3%</b>
<i>Margin (%)</i>	<i>15.5%</i>	<i>17.9%</i>	
Interest	39	26	51.4%
Depreciation	27	19	43.0%
<b>Net Profit</b>	<b>146</b>	<b>112</b>	<b>30.0%</b>
<i>Margin (%)</i>	<i>7.8%</i>	<i>9.0%</i>	



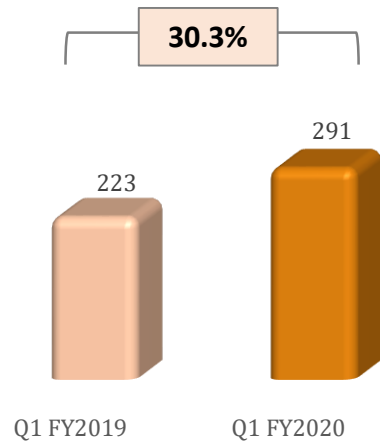


# Performance – Q1 FY2020 vs Q1 FY2019

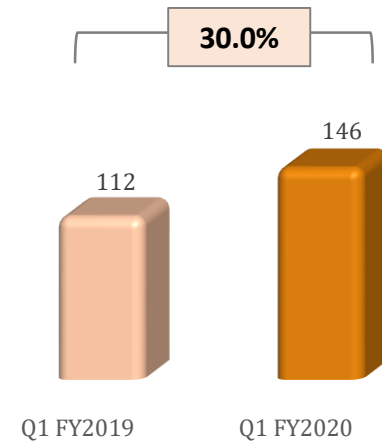
## Total Income



## EBITDA



## Net Income



- Q1 FY2020 Total Income increased by 50.3% compared to Q1 FY2019
- Beer Revenue increased by 45.9% y-o-y while Beer volumes increased by 36.4% compared to Q1 FY2019
- IMFL Revenue increased by 92.5% y-o-y while IMFL volumes increased by 102.5% compared to same period last year

- EBITDA for the quarter benefitted from improved utilization of both Karnataka and Odisha subsidiaries
- EBITDA was offset to certain extent due to higher barley and new glass bottle costs
- Both Karnataka and Odisha facility were EBITDA positive during the quarter

- Higher operating profit contributed to improvement in PAT
- PAT included impact of higher depreciation and interest cost pertaining to Odisha facility
- Karnataka subsidiary was PAT positive during the quarter

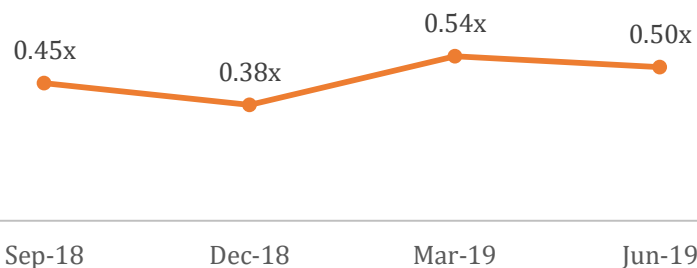




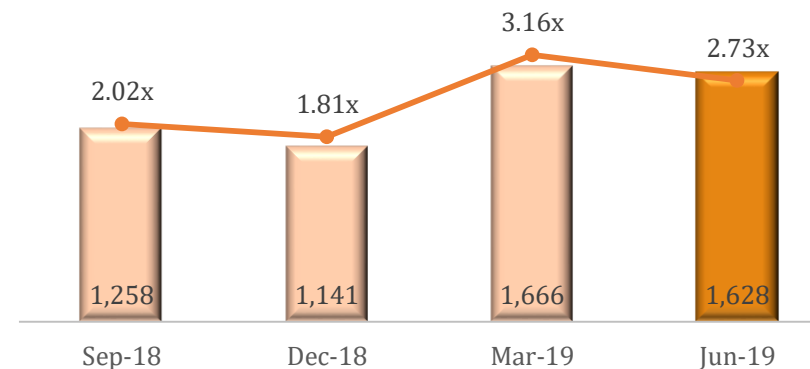
# Conservative Balance Sheet



## Gross Debt / Equity



## Gross Debt / LTM EBITDA



## Transformational growth investments funded without risking Balance Sheet

(Rs. Million)	Jun 30 2019	Mar 31 2019	Dec 31 2018
Secured Borrowings	1,024	1,152	1,016
Unsecured Borrowings	605	514	126
<b>Gross Debt-Consolidated</b>	<b>1,628</b>	<b>1,666</b>	<b>1,141</b>
Less: Cash & Cash Equivalents	110	247	115
<b>Net Debt</b>	<b>1,518</b>	<b>1,420</b>	<b>1,027</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

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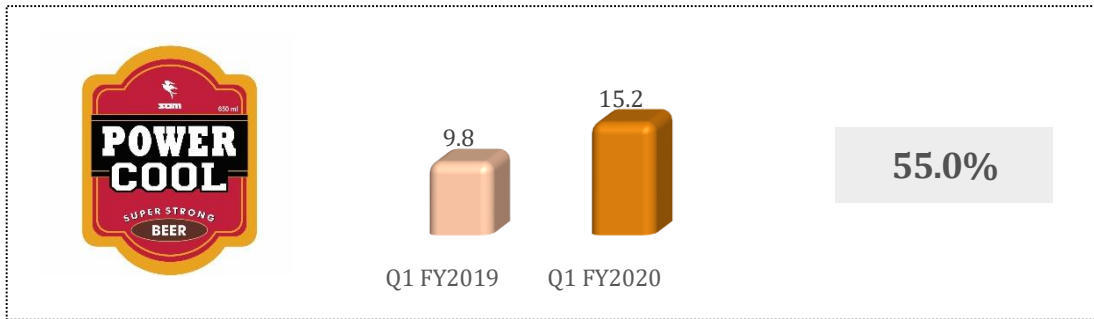
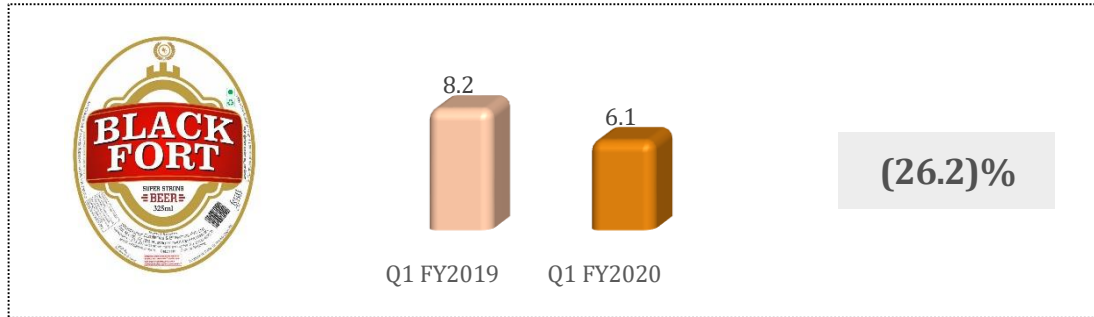
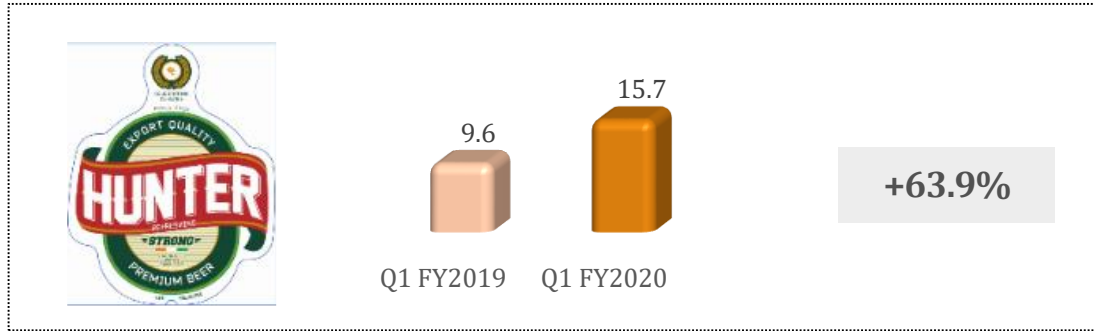
Company Profile



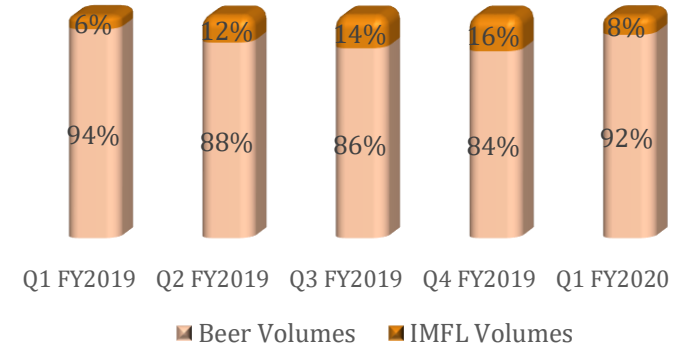
# Millionaire Beer Brands - Meeting the aspirations of our consumers



Quantity Sold (in lakh cases)



## Volume Mix



(Lakh cases)	Q1		y-o-y
	FY2020	FY2019	Growth (%)
Total Beer	37.8	27.7	36.4%
Total IMFL	3.4	1.7	102.5%

Rs. Mn	Q1		y-o-y
	FY2020	FY2019	Growth (%)
Total Beer	1,655	1,134	45.9%
Total IMFL	221	115	92.5%

Industry Dynamics

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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)

Received approval for CSD supply to Rajasthan, Uttar Pradesh, Punjab and Karnataka

## Major Developments

Woodpecker Distilleries started canning line of beer and launched Blackfort Lager (Sep 2018), IMFL production (Oct 2018), production of Whitefox RTD (Jan 2019)

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

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

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

- Pentagon Gold Edition Whisky
- Legend Premium Whisky
- 21st Century Pure Malted Whisky
- GS Genius Whisky
- Gypsy Whisky
- Sunny Malted Whisky
- Milestone 100 premium Whisky
- Super Master Whisky

- Pentagon Rum
- Black Fort XXX Rum
- Gypsy Rum
- Sunny Rum

- Blue Chip Vodka
- White Fox Vodka
- White Fox Refresh (RTD)

- Doctors Brandy

- *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*







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**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](mailto:nksethi@somindia.in)

+91 755 4271271

Bijay Sharma

***Churchgate Partners***

[som@churchgatepartners.com](mailto:som@churchgatepartners.com)

+91 22 6169 5988

