

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

02.08.2023

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. cmlist@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 ENDED JUNE 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 ended June 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

Nakul Kam Sethi
Executive Director
DIN: 06512548



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

Earnings Presentation
Q1 FY2024



Q1 FY2024 Earnings Conference Call



Conference Call Details: Tuesday, 02nd August 2023 at 4:00 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
- 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



Millionaire Brands



- 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
- Woodpecker Wheat Beer, India's first filtered wheat beer has created a niche for itself and is expected to gain further momentum
- 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
- The capex plans for Bhopal, Hassan, and Odisha have been completed, and the commercial production has commenced



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.

Q1 FY2024 Performance

Q1 FY2024 Financial Highlights



Key Highlights: Q1 FY2024 vs Q1 FY2023

Beer Sales Volume
65.8 Lakh Cases
+39.2 %

IMFL Volume
2.2 Lakhs Cases
+17.4 %

Net Debt / EBITDA
3.0x
+36.1 %

Total Income
Rs. 3,866 mn
+51.0 %

EBITDA
Rs. 501 mn
+39.7 %

PAT
Rs. 337 mn
+31.2 %



Performance Discussion



Operational efficiencies leading to better cost management

Volume and Sales

- Recorded beer volume of **65.8** lakh cases (**39.2%** y-o-y)
- Recorded IMFL volume of **2.2** lakh cases (**17.4%** y-o-y)
- Beer revenue of Rs. 3,680 million; over **53.7%** of Q1 FY23
- Our mainline brands; Hunter, Black Fort and Power Cool, registered volume growth of **7.0%**, **95.2%** and **50.8%**, respectively as compared to Q1 FY23

Realization

- Beer realization for Q1 FY24 was Rs. **559** per case compared to Rs. **506** in Q1 FY23; primarily driven by price hikes and better brand mix
- IMFL realization for Q1 FY24 was Rs. **760** per case as compared to Rs. **791** in Q1 FY23

Cost

- The inflationary trend in the prices of the raw materials is yet to normalize especially in glass bottles



Management Commentary



We are pleased to announce that we have started fiscal 2024 on a strong note, delivering a strong performance in the first quarter. Despite facing inflationary pressures, our strategic focus on revenue growth and operational efficiency has yielded robust results, driving sustainable growth across all segments of our business.

During this quarter, we saw significant growth in total income, with a growth of 51.0% on y-o-y basis, highlighting the effectiveness of our revenue growth management strategies. Additionally, our net profit recorded an increase of 31.2% on y-o-y basis, reflecting the successful implementation of cost-saving measures and operational improvements.

Moreover, we are thrilled to share our market share expansion in key regions such as Madhya Pradesh, Odisha and Karnataka. This underscores our commitment to excellence and our ability to capitalize on market opportunities, establishing our position as a leader in the industry. Our flagship beer, Hunter, has achieved a milestone by emerging as the number one selling brand of strong beer in the highly competitive state of Delhi for the month of May 2023. This accomplishment speaks volumes about the quality and popularity of Hunter among beer enthusiasts, further reinforcing our brand's appeal.

As we move forward, our relentless pursuit of excellence and customer-centric approach will continue to be the driving forces behind our achievements as we navigate the dynamic business landscape

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



A glass of beer with a thick head of foam, surrounded by fresh hops and barley, set against a rustic wooden background.

Q1 FY2024 Financial Highlights

Performance Highlights



	Q1		Y-o-Y	12M		Y-o-Y
(Rs. Million)	FY2024	FY2023	Growth (%)	FY2023	FY2022	Growth (%)
Total Income	3,866	2,561	51.0%	8,080	3,655	121.1%
Gross Profit	1,397	1,116	25.1%	3,227	1,581	104.2%
<i>Margin (%)</i>	<i>36.1%</i>	<i>43.6%</i>		<i>39.9%</i>	<i>43.3%</i>	
EBITDA	501	359	39.7%	1,034	196	nm
<i>Margin (%)</i>	<i>13.0%</i>	<i>14.0%</i>		<i>12.8%</i>	<i>5.4%</i>	
Interest	32	35	<i>(10.1)%</i>	160	154	<i>4.0%</i>
Depreciation	43	42	<i>0.6%</i>	170	168	<i>1.4%</i>
Net Profit	337	257	31.2%	603	(98)	nm
<i>Margin (%)</i>	<i>8.7%</i>	<i>10.0%</i>		<i>7.5%</i>	<i>(2.7)%</i>	



Leverage Profile



(Rs. Million)	June 30 2023	Mar 31 2023
Secured Borrowings	1,050	1,330
Unsecured Borrowings	900	1,092
Gross Debt-Consolidated	1,950	2,422
Less: Cash & Cash Equivalents	(440)	(126)
Net Debt	1,510	2,296
Gross Debt / Equity (x)	0.5x	0.6x
Net Debt / EBITDA (x)	3.0x	2.2x

- Gross Debt significantly decreased by Rs. 472 million, showcasing the company's efforts to reduce its debt burden
- Net Debt witnessed a substantial reduction of Rs. 786 million, reflecting strong cash flow generation and commitment to deleveraging its balance sheet, which remains a key strategic priority



Key developments for Q1 FY24



Gaining Market Share

- Strengthening position as the dominant leader in Madhya Pradesh with the biggest market share of nearly 46% in June 2023 compared to May 2023, which was 42%
- Market share in Karnataka reached 20% in May 2023, compared to 3% in FY19-20, highlight our effective expansion strategy
- Became the second largest player in Odisha's beer market with 18% market share as of June 2023 as compared to 12% in June 2022



Capacity Expansion

- Commercial production at the Hassan plant, Karnataka, has commenced after the successful trial production for increased beer capacity, enhancing production capabilities to meet growing demand
- The expanded canning line at Bhopal is now in full commercial production, enabling greater efficiency in packaging operations
- Strategic tie-up with Carlsberg now started production at our plant in Odisha. meeting the highest industry standards while minimizing its environmental footprint



Brand success

- Flagship brand, 'Hunter' has achieved remarkable success and proudly holds the top spot as the best-selling strong beer in Delhi
- Power Cool has established itself as the brand of choice in Karnataka
- Woodpecker beer sold more than 1 lakh cases in Q1 FY2024
- Launched Woodpecker in 5 litre kegs in Bangalore



Operational Highlights

A still-life photograph featuring a central glass mug of golden beer with a thick, white head of foam. The mug is surrounded by fresh, green hop cones and several stalks of golden wheat. The entire scene is set on a rustic wooden surface. In the background, there are blurred vertical elements, possibly wooden posts or trees, creating a warm, natural atmosphere. A text box is overlaid on the left side of the image.

Volume Summary



Lakh cases	Q1		Y-o-Y	12M		Y-o-Y
	FY2024	FY2023	Growth (%)	FY2023	FY2022	Growth (%)
Hunter	21.4	20.0	7.0%	49.4	24.8	99.5%
Black Fort	14.0	7.2	95.2%	19.9	12.0	65.9%
Power Cool	29.3	19.4	50.8%	78.5	27.9	181.8%
Woodpecker	1.1	0.6	83.4%	1.7	1.3	27.5%
Total Beer	65.8	47.3	39.2%	149.6	68.3	118.9%
Total IMFL	2.2	1.9	17.4%	8.9	5.7	55.5%
Total Volume	68.0	49.2	38.3%	158.5	74.0	114.1%

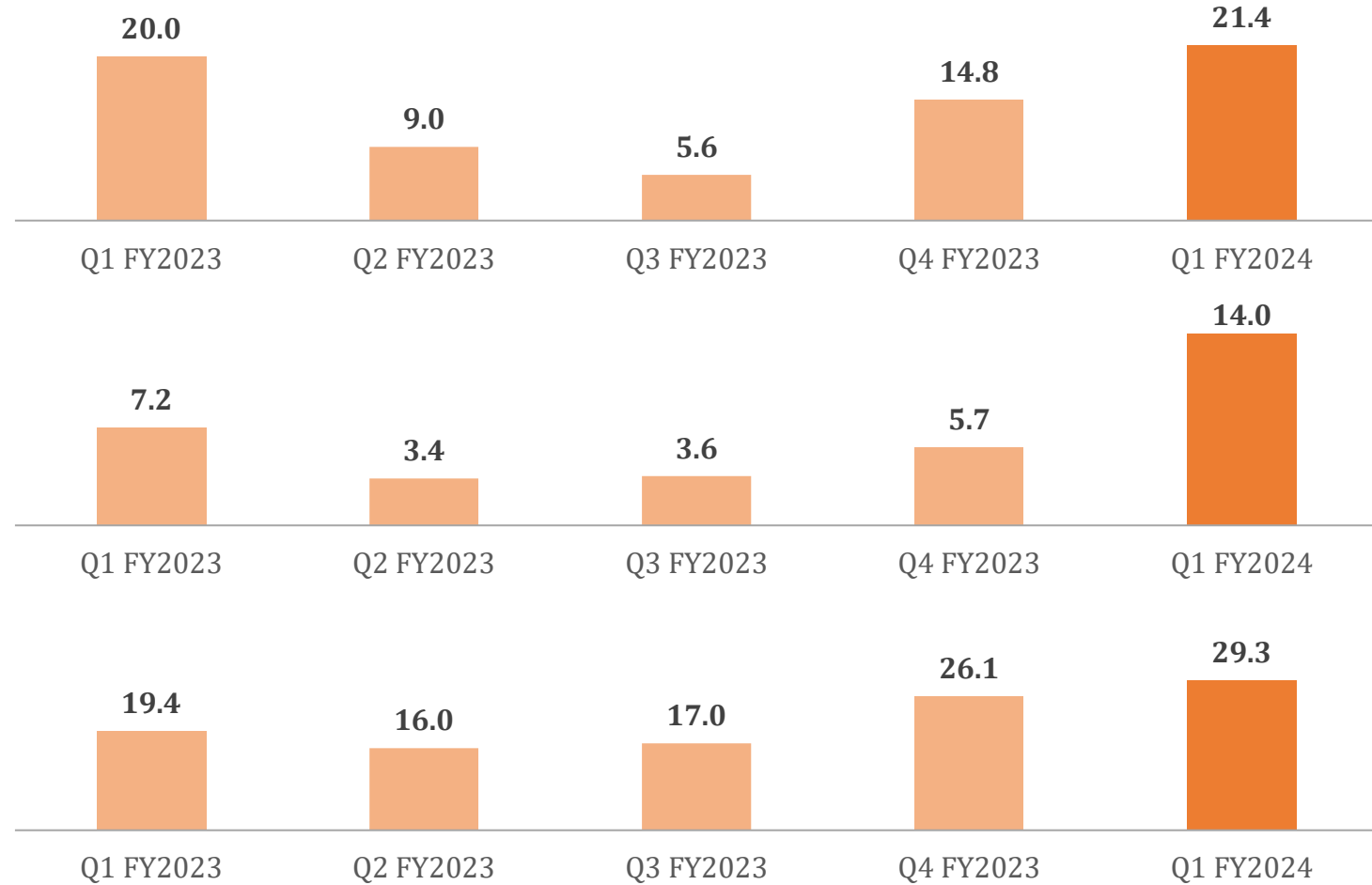
- Hunter beer showed a sustained y-o-y growth, affirming its popularity in the market
- Black Fort beer saw a surge in demand, with volume increasing by around ~2x compared to y-o-y basis
- Power Cool beer demonstrated strong expansion, reflecting its growing presence in the market
- Beer accounted for **96.8%** of total volumes and **95.2%** of the revenue during Q1 FY24
- Price realization for Beer during Q1 FY24 was Rs. **559** and IMFL was Rs. **760**; blended realization at Rs. **568**



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 on a wooden surface. The scene is set against a blurred background of a wooden structure, possibly a brewery or farm. The glass is filled with golden beer, and the hops are vibrant green. The wheat stalks are golden and have long, feathery awns. The entire composition is on a rustic wooden table.

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



Environmental Reporting: We recognize that we are operating in a world where many natural resources that our business relies on, such as fossil fuels and water, are limited. We are committed to:

- Working to extend environmental standards further through our supply chain
- We are also increasingly engaging employees across our offices through our PARTNERGREEN program



Clean Technology Initiatives:

- 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 Initiatives:

- Disposed some of the factory waste as scrap to get it recycled and re-use the same in production works
- 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 and toilets



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

- 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





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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

