



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

Earnings Presentation
Q4 and Full Year FY2018



Safe Harbor



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.



Highlights

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Highlights



Q4 FY2018 vs. Q4 FY2017

Operational

Beer Sales Volume
21.5 Lakh cases

+65.8%

Total Income
Rs. 1,207 mn

+49.1%

EBITDA
Rs. 182 mn

+113.5%

EBITDA Margins
17.7%

up 534 bps

PAT
Rs. 63 mn

+148.1%

Financials

FY2018 vs. FY2017

Beer Sales Volume
74.9 Lakh cases

38.9%

IMFL Sales Volume
7.5 Lakh cases

+10.3%

Total Income
Rs. 3,525 mn

+42.3%

EBITDA
Rs. 605 mn

+56.8%

EBITDA Margins
17.2%

up 159 bps

PAT
Rs. 252 mn

78.8%



Management Commentary



We are pleased to report a stellar operational performance in FY2018 led by strong volume growth in both beer and IMFL segments. This performance is a testimony to management's focus on creating a diversified product portfolio, increasing market share and outreach, cost optimization and operating efficiencies initiatives. We have reported 42% Y-o-Y growth in total income supported by an expansion in the states of Karnataka, Kerala, Chhattisgarh, Delhi and enhanced consumer traction across all segments.

We have also successfully commenced commercial production at our subsidiary, Woodpecker Distilleries & Breweries at Hassan, Karnataka from April 2018. The new plant is expected to contribute meaningfully to the topline from H1 FY2019. Management has also undertaken several strategic initiatives during the year aimed at increasing market share of the Company. As result of this we have successfully started Maharashtra operations and it is expected to gain market share by the next financial year. Apart from this, we have also signed an MOU with White Owl, one of India's foremost craft beer companies for the manufacture of all their specialty beers. Our collaboration with White Owl reflects our technical capabilities on producing the finest craft beer in the country.

We are very confident about FY2019 mainly supported by expanding footprint in India, increasing consumer acceptance for our products.

Mr. JK Arora, Managing Director



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Robust Quarterly Performance – Q4 and Full Year FY2018



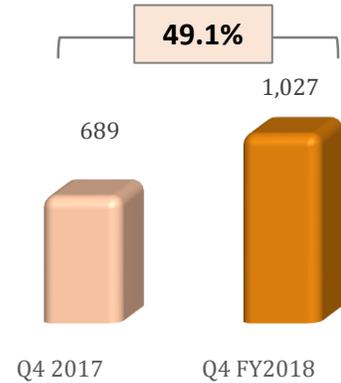
(Rs. Million)	Q4		y-o-y
	FY2018	FY2017	Growth (%)
Total Income	1,027	689	49.1%
EBITDA	182	85	113.5%
<i>Margin (%)</i>	17.7%	12.4%	
Interest	21	27	(22.7)%
Depreciation	13	7	85.3%
Net Profit	63	26	148.1%
<i>Margin (%)</i>	6.2%	3.7%	
Earnings Per Share	2.29	0.92	148.0%

Full Year		y-o-y
FY2018	FY2017	Growth (%)
3,525	2,478	42.3%
605	386	56.8%
17.2%	15.6%	
88	113	(22.2)%
43	36	19.2%
252	141	78.8%
7.2%	5.7%	
9.16	5.12	78.8%



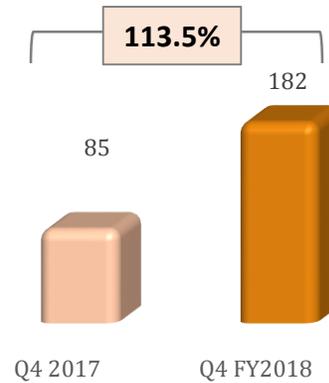
Robust Quarterly Performance – Q4 FY2018 vs Q4 FY2017

Total Income



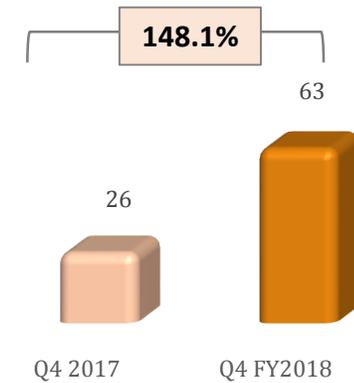
- Q4 FY2018 Total Income increased by 49.1% y-o-y
- Revenue from Beer increased by 66.6% y-o-y while Beer volumes increased by 65.8% y-o-y

EBITDA



- EBITDA increased by 113.5% y-o-y to Rs. 182 million
- EBITDA margins increased by 534 bps to 17.7%

Net Income



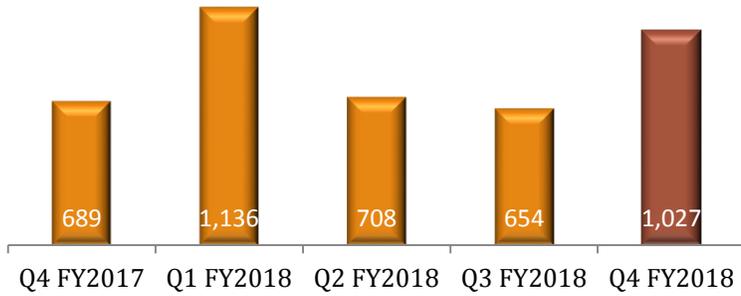
- Net Profit increased by 148.1% y-o-y to Rs. 63 million
- Margins increased to 6.2% vs 3.7% in Q4 FY2017
- Interest cost decreased by (22.7)% to Rs. 21 million



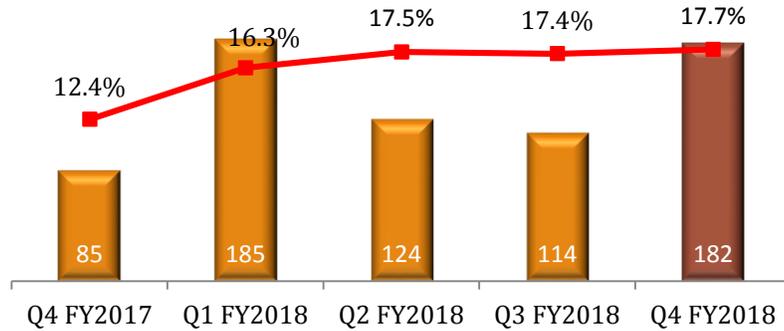
Quarterly Financial Trends



Total Income



EBITDA



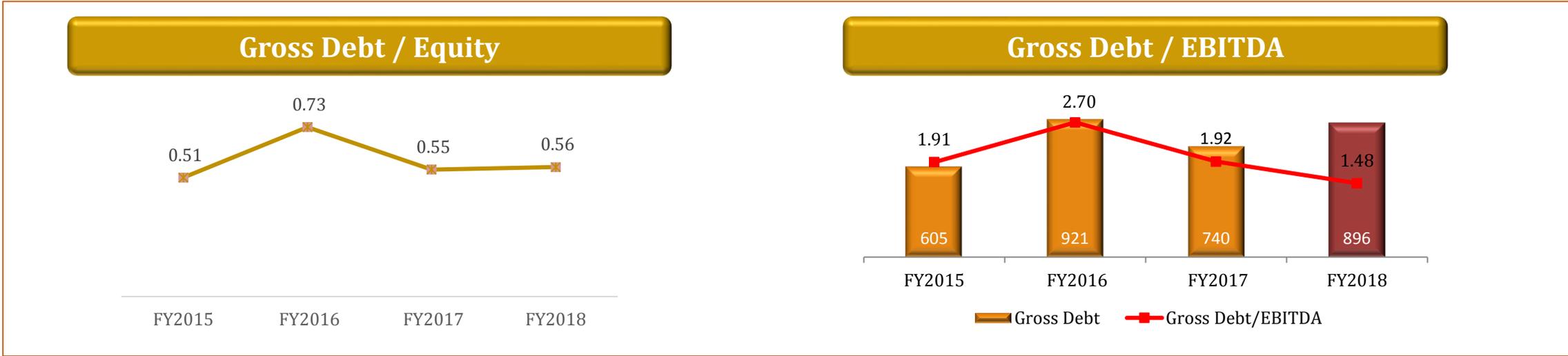
Net Income



- Strong topline growth
- Consistent EBITDA growth
- EBITDA margins expanding to over 17%



Conservative Balance Sheet



Transformational growth investments funded without risking Balance Sheet

(Rs. Million)	Mar 31 2018	Mar 31 2017	Mar 31 2016
Secured Borrowings	545	523	754
Unsecured Borrowings	351	217	167
Gross Debt-Consolidated	896	740	921
Less: Cash & Cash Equivalents	256	295	198
Net Debt	640	445	723



SOM maintains a conservative leverage profile along with consistent growth in revenues & operating profit



Industry Dynamics

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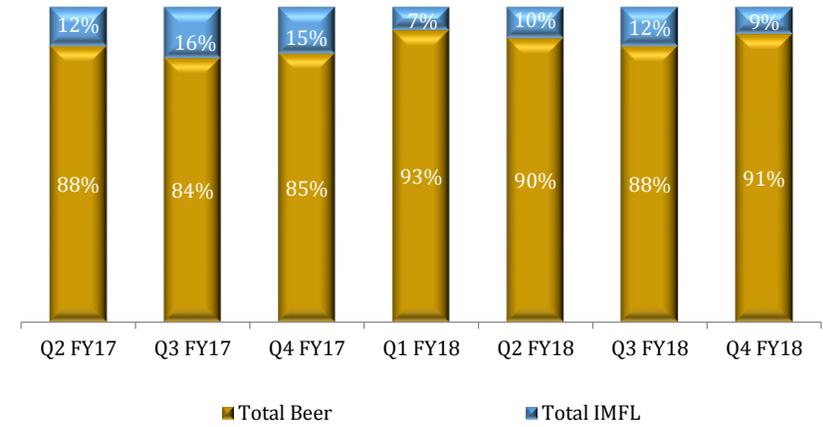
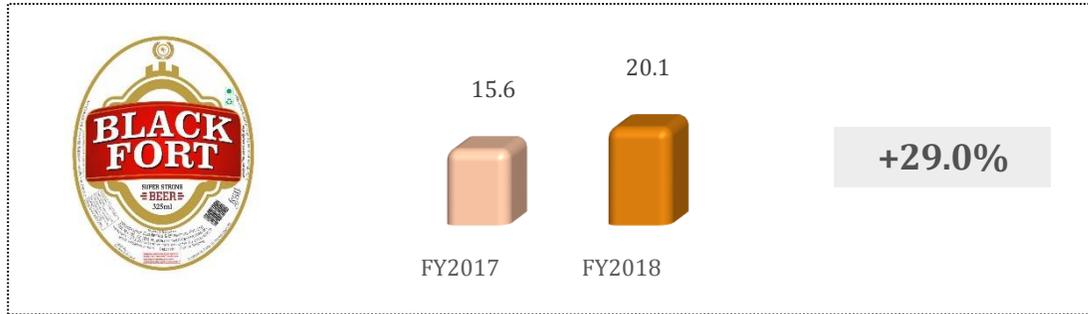
Statutory Results



Millionaire Beer Brands - Meeting the aspirations of our consumers



Quantity Sold (in lakh cases)



(Lakh cases)	Full Year		y-o-y
	FY2018	FY2017	Growth (%)
Total Beer	74.9	53.9	38.9%
Total IMFL	7.5	6.8	10.3%



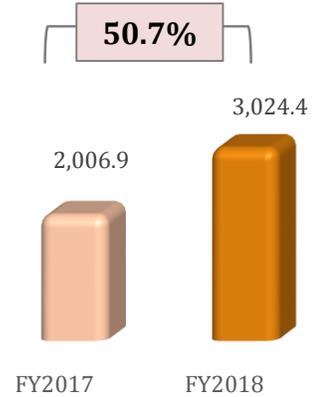
Segment Performance



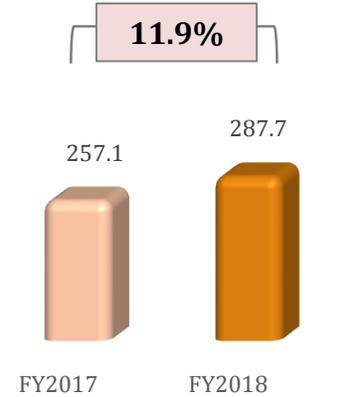
Revenue by Category (in Rs. mn)



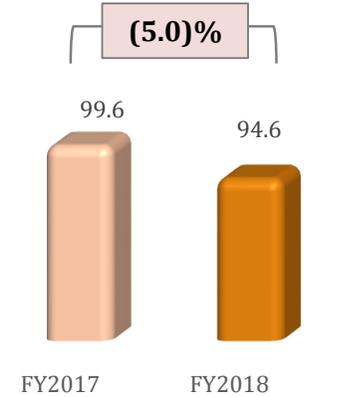
Beer



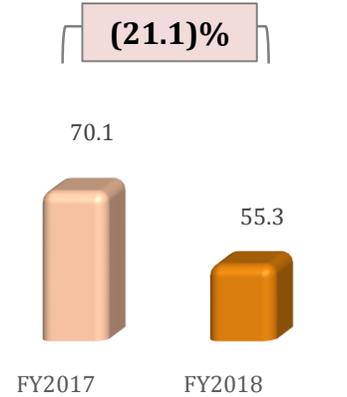
Whisky



Rum



Vodka



Category	FY2017	FY2018
Beer	2,006.9	3,024.4
Whisky	257.1	287.7
Gin	0.5	7.2
Rum	99.6	94.6
Vodka	70.1	55.3
Brandy	12.9	37.0
Total	2,447.1	3,506.2

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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)

Completed the Brewery in Karnataka through the subsidiary company - Woodpecker Distilleries and Breweries Pvt Ltd

Hunter Beer crossed 3 million cases mark; Black Fort and Power Cool crossed 2 million cases in the FY2018

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

Major Developments

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

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

Opening of the Mumbai office to give more impetus to the Southern and Western regions of the country



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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
- Expansion initiatives underway in key growth markets which is expected to generate significant growth



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

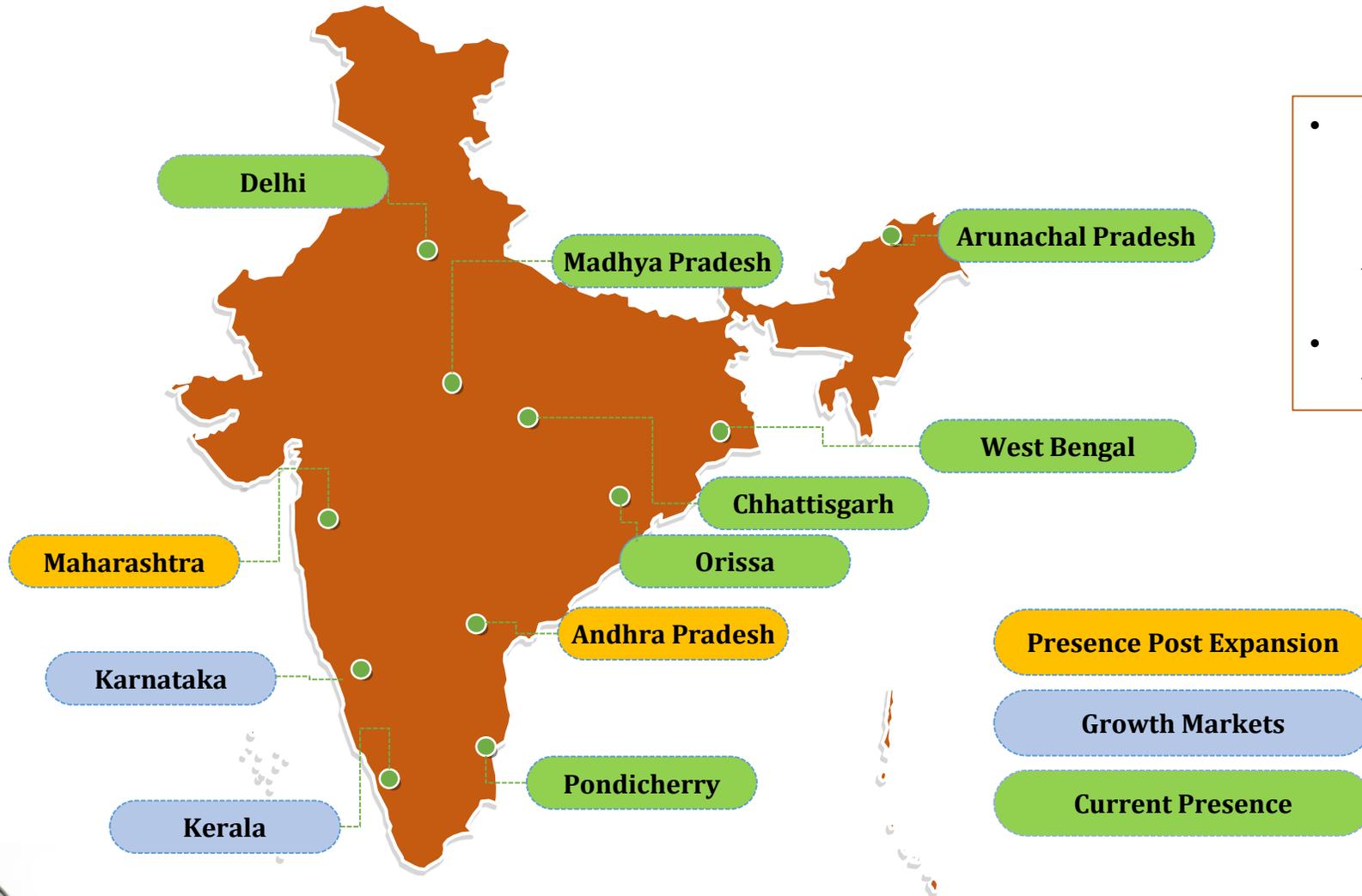
- Legend Premium Whisky
- 21st Century Pure Malted Whisky
- GS Genius Whisky
- Gypsy Whisky
- Sunny Malted Whisky
- Milestone 100 premium Whisky
- Super Master Whisky

- 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*



Geographical presence



- Presence across India including Madhya Pradesh, Arunachal Pradesh, Chhattisgarh, Delhi, Gujarat, Kerala, Karnataka, Orissa, Pondicherry, and West Bengal
- Strong sales and distribution network with 60+ distributors across India



*Market leading strategic presence in central India
Post expansion, new states to provide further traction*

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Unaudited Results for the quarter ended 31st Mar 2018 (All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

STATEMENT OF AUDITED RESULTS FOR THE QUARTER/YEAR ENDED 31 st MARCH 2018						
(Rs. In Lacs)						
STANDALONE AND CONSOLIDATED						
		Quarter Ended			Year Ended	
		3 Months ended	Preceding 3 Months ended	Corresp. 3 Months ended in the previous	Current year ended	Previous Year Ended
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue from operations (Incl State Excise Duties)	11,806.65	8,217.02	8,076.59	42,851.12	30,180.54
II	Other Income	137.68	2.89	155.77	190.05	306.82
III	Total Income (I+II)	11,944.33	8,219.91	8,232.35	43,041.17	30,487.36
2	Expenses					
a	Cost of Materials Consumed	5,209.25	3,318.53	4,335.44	16,590.01	12,723.87
b	Purchase of Stock in Trade	-	-	-	-	
b	Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	(43.77)	(32.56)	(282.38)	272.52	(169.70)
c	State Excise Duties	1,672.86	1,684.08	1,342.39	7,789.42	5,708.98
d	Employee Benefits Expenses	243.60	149.73	254.00	710.55	689.85
e	Finance Costs	211.33	210.99	273.23	878.03	1,128.87
f	Depreciation and Amortisations	127.62	119.15	68.88	425.77	357.29
g	Other Expenses	3,043.93	1,964.02	1,731.27	11,631.33	7,676.79
	Total Expenses (IV)	10,464.82	7,413.95	7,722.83	38,297.64	28,115.96



Statutory Results



Unaudited Results for the quarter ended 31st Mar 2018 (All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

STATEMENT OF AUDITED RESULTS FOR THE QUARTER/YEAR ENDED 31st MARCH 2018						
(Rs. In Lacs)						
STANDALONE AND CONSOLIDATED						
		Quarter Ended			Year Ended	
		3 Months ended	Preceding 3 Months ended	Corresp. 3 Months ended in the previous	Current year ended	Previous Year Ended
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
		Audited	Unaudited	Audited	Audited	Audited
V	Profit/(Loss) before exceptional items and tax (III)	1,479.52	805.96	509.52	4,743.53	2,371.40
VI	Exceptional Items	-	-	-	-	-
VII	Profit/(Loss) before tax (V-VI)	1,479.52	805.96	509.52	4,743.53	2,371.40
VIII	Tax Expense	846.27	422.18	254.26	2,219.20	959.92
IX	Profit/(Loss) for the Period (VII-VIII)	633.25	383.78	255.26	2,524.33	1,411.48
X	Other Comprehensive Income	3.05	-	1.17	3.05	1.17
XI	Total Comprehensive income for the Period (IX-X)	630.20	383.78	254.09	2,521.28	1,410.31
XII	Earnings Per Equity Share (Face Value of Rs. 10 each)					
1	Basic (in Rs.)	2.29	1.39	0.92	9.16	5.12
2	Diluted (in Rs.)	2.29	1.39	0.92	9.16	5.12



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Unaudited Results for the quarter ended 31st Mar 2018 (All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Statement of Assets & Liabilities as at 31st March, 2018				
Particulars	(Rs. in Lakhs)			
	Particulars		Consolidated	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
	Audited	Audited	Audited	Audited
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	6831.86	5953.97	7680.63	6543.03
(b) Capital work-in-progress	-	502.93	9411.73	2230.87
(c) Other Intangible assets	112.87	-	112.87	-
(d) Intangible assets under development	-	72.71	-	72.71
(e) Financial assets				
(i) Investments	5100.00	3930.00	-	-
(ii) Loans	1350.19	562.36	1350.19	562.36
(2) Current assets				
(a) Inventories	2576.51	2356.19	2863.55	2356.19
(b) Financial assets				
(i) Trade receivables	6985.43	4946.32	6985.43	4946.32
(ii) Cash and cash equivalents	59.49	111.04	144.23	114.20
(iii) Bank balances other than (iii) above	2388.07	2834.90	2413.68	3034.22
(iv) Loans	3963.67	6019.03	602.40	5945.55
(c) Other current assets	2436.13	2897.44	5078.03	4678.59
TOTAL ASSETS	31804.21	30186.89	36642.73	30484.04



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Unaudited Results for the quarter ended 31st Mar 2018 (All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Statement of Assets & Liabilities as at 31st March, 2018				
Particulars	(Rs. in Lakhs)			
	Particulars		Consolidated	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
	Audited	Audited	Audited	Audited
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	2752.24	2752.24	2752.24	2752.24
(b) Other equity	13352.91	11328.51	13352.91	11328.51
(c) Non Controlling Interest	-	-	-	1.00
Liabilities				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	2608.83	4066.26	7031.11	4075.52
(ii) Other	238.68	414.88	238.68	414.88
(b) Deferred tax liabilities (Net)	1220.12	1121.80	1220.12	1121.80
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	463.55	2020.13	463.55	2020.13
(ii) Trade payables	2901.97	2179.67	2901.97	2179.67
(iii) Other financial liabilities	2889.06	2471.76	4010.95	2758.64
(b) Other current liabilities	3740.27	2154.09	3034.61	2154.09
(c) Provisions	1636.58	1677.56	1636.58	1677.56
TOTAL EQUITY AND LIABILITIES	31,804.21	30,186.89	36,642.73	30,484.04



Statutory Results



Unaudited Results for the quarter ended 31st Mar 2018 (All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Notes:

1. Audited financial results for the quarter/year ended 31st March 2018 reviewed by the audit committee were taken on record at the board meeting held on 30th April, 2018.
2. As operations in our subsidiary have not commenced, hence standalone and consolidated results are identical.
3. Previous period figures have been regrouped and or reclassified, wherever necessary.
4. Shareholders are requested to intimate change of address, if any.





SOM Distilleries & Breweries Limited

(BSE: 507514, NSE: SDBL)

Som Distilleries & Breweries Limited (CIN: L74899DL1993PLC052787)

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