

**EBITDA of Rs. 61 mn; margins at 15.6%; Continue to maintain low leverage profile**

### Som Distilleries and Breweries

(Rs. Million)	Q3		y-o-y	Q2		Nine Months Ended		y-o-y
	FY2015	FY2014	Growth (%)	FY2015	Growth (%)	FY2015	FY2014	Growth (%)
Total Income	394	378	4.1%	438	(10.1)%	1,537	1,514	1.5%
EBITDA	61	59	4.6%	67	(9.1)%	237	232	1.8%
Margin (%)	15.6%	15.5%		15.4%		15.4%	15.4%	
Profit Before Tax	41	47	(11.9)%	50	(17.7)%	184	197	(6.8)%
Margin (%)	10.5%	12.4%		11.5%		12.0%	13.0%	
Profit After Tax (PAT)	33	38	(11.6)%	33	(0.9)%	128	146	(12.2)%
Margin (%)	8.4%	9.9%		7.6%		8.4%	9.7%	
Basic EPS (Rs.)	1.21	1.36	(11.0)%	1.22	(0.8)%	4.66	5.31	(12.2)%

Commenting on the results, **Mr. Surjeet Lal, Chairman and Managing Director** of SOM Distilleries and Breweries Ltd said:

*"The Company reported satisfactory operational and financial performance in the Q3 FY2015, considering the overall tepid market. During the quarter, our revenues increased by 4.1% and EBITDA by 4.6%. Our relentless efforts towards cost optimisation and efficiency improvement have led to consistent EBITDA margins of over 15%.*

*In January 2015, SOM won the prestigious 'Centre of Excellence for Smart Innovation' award at the 'Inc Innovative 100 Awards'. We expect sales in the coming quarters to improve as a result of our marketing and brand building efforts. This included dealer incentives and distribution growth well supported by strong sales and distribution network. With a balanced capital structure and a robust net cash position, we are well positioned for future expansions and increasing market penetration of our brands.*

*India remains one of the fastest growing beer markets in the world. With the expected growth in per capita consumption of liquor owing to favorable demographics, increasing social acceptance of beer and higher disposable incomes, SOM is poised for growth. We continue to focus on enhancing the market share of our key brands along with the satisfaction that our products offer to our valued customers."*

### Business Overview

SOM Distilleries and Breweries (SOM) was established in 1994. SOM is primarily engaged in brewing, fermentation, bottling, canning and blending of beer and Indian Made Foreign Liquor (IMFL).

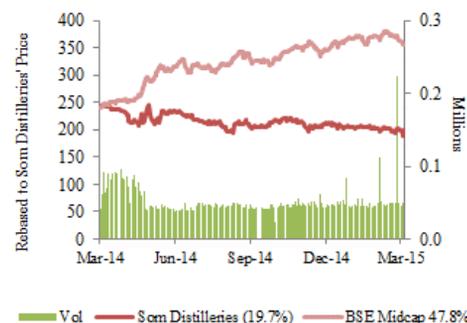
SOM Group is based in Bhopal and is a leading liquor producer in India. It is spread across 13 states in India. The Company is primarily focussed on achieving operational excellence through technological advancement with a strong manpower of over 600 employees.

Name	Management Position
Surjeet Lal	Chairman & Managing Director
Nakul Sethi	Director, Finance & Strategy
Rajesh Dubey	Chief Financial Officer

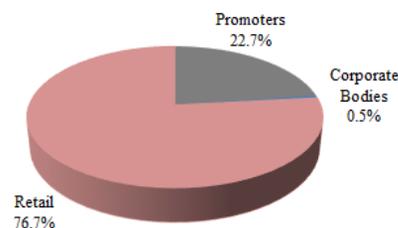
### Market Data (30 March 2015)

Share Price	Rs. 193.50
Market Cap (mn)	\$85 / Rs. 5,326
Enterprise Val (mn)	\$84 / Rs. 5,241
Out. Shares (mn)	27.5
Free Float (%)	80%
FY2014 Dividend/Yield	Rs.1.50 / 0.78%
52 Week H/L (Rs.)	265.00 / 180.00
12m ADT ('000)	\$177/ Rs. 10,823
Bloomberg	SDB:IN
Reuters	SDB.BO

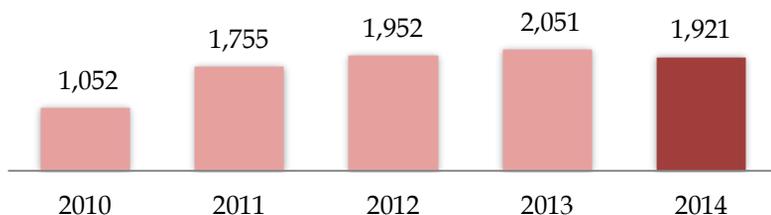
### Share Price Performance



### Shareholding Pattern



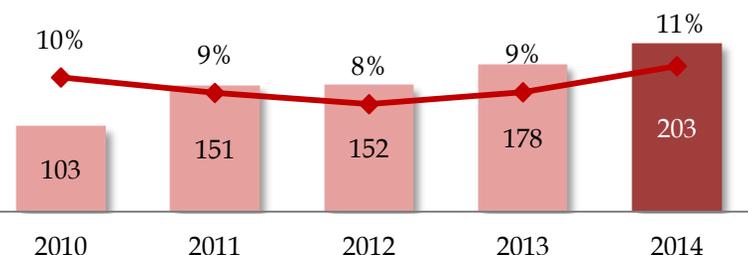
### Net Revenue (Rs. mn)



### EBITDA (Rs. mn) and Margin (%)



### Net Income (Rs. mn) and Margin (%)



### Strategy and Operations:

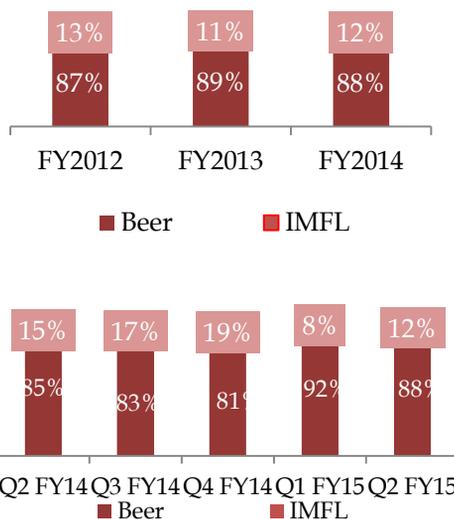
- ❖ To become one of India's top 3 breweries in the next 5 years
- ❖ To launch 'Milestone 100' whisky and 'White Fox' vodka in other parts of India in the coming months
- ❖ Continues to focus on brand building exercise rather than contract manufacturing
- ❖ Exports expected to increase further due to favorable demand from African countries, Europe, South America and South East Asia
- ❖ Identifying key regions for expansion either through organic or inorganic growth models
- ❖ Received the Monde Selection Gold award for Milestone 100 whisky and Silver awards for White Fox vodka and Hunter beer. Also, received the Spiritz 2014 Best Product debut award for Milestone 100 whisky

### Valuation Metrics

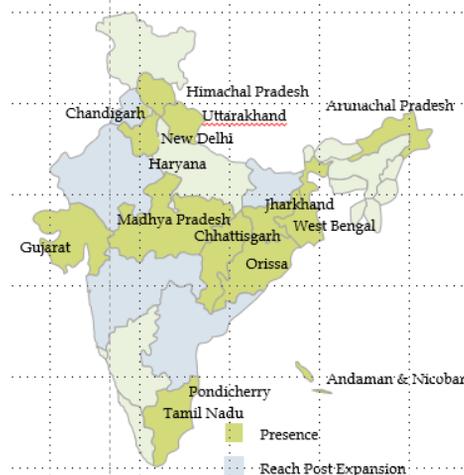
FYE Mar 31	FY13	FY14
EV/EBITDA	16.7x	17.6x
P/E	29.9x	26.2x
P/BV	5.8x	5.0x

### SOM Distilleries – Revenue Split

#### Revenue by Category (Quantity Sold)



### Domestic Expansion Plan



### Company Factsheet

#### Market Position

- Received the Monde Selection Gold award for Milestone 100 whisky and Silver awards for White Fox vodka and Hunter beer
- Hunter, Milestone 100, White Fox, Woodpecker and Blackfort are the major brands. Other popular brands include Legend, Genius, Sunny and Powercool
- In Madhya Pradesh (MP), holds 36% market share for beer and 19% market share in IMFL

#### Operations

- Installed capacity of 59,200 KL of beer and 5,400 KL of IMFL
- Key areas of operation include MP, Chhattisgarh and North India
- Strong marketing and distribution network in Arunachal Pradesh, Chandigarh, Chhattisgarh, Delhi, Gujarat, HP, Haryana, Jharkhand, Orissa, Pondicherry, Tamil Nadu, Uttarakhand and West Bengal with 60+ distributors across India

#### Industry Dynamics

- The beer market in India is currently estimated to be over \$4 billion in 2013 in terms of value or 2.2 billion liters
- The size of the IMFL market in India is estimated at over \$25 billion or over 2.5 billion liters
- India is the third largest alcoholic beverage market in the world estimated to be \$35 billion per annum

#### Financial Performance

- Revenue CAGR of ~20% over the past 5 years
- Significant improvement in risk profile with Debt/Equity ratio down from 0.47x to 0.13x over the last five years
- Featured in Forbes Asia's 'Best Under A Billion list' sales in an initial set of 15,000 Companies

### Key Brands

#### Major Brands



#### Beer



#### Spirits





# Important Notice

**Information Sources:** Share price information is sourced from FactSet. Company description and financials are sourced from annual reports and presentations. Net debt is as of Dec 31, 2014. Financials converted from INR to US\$ at spot rate of Rs. 61.14 Free float: Shareholdings of investors that would not, in the normal course, come into the open market for trading are treated as 'Controlling/ Strategic Holdings' and hence not included in free-float.

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