

SOM DISTILLERIES AND BREWERIES LIMITED

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Email : compliance@somindia.com **Website:** www.somindia.com

CIN : L74899DL1993PLC052787

(BSE : 507514, NSE : SDBL)



SDBL/BSE/NSE/2023

01.05.2023

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 – AUDITED FINANCIAL RESULTS (STANDALONE AND CONSOLIDATED) FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2023

Dear Sir/Madam,

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Investors Presentation on Audited Financial Results (Standalone and Consolidated) for the quarter and Year ended 31st March, 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
12M FY2023



Q4 FY2023 Earnings Conference Call



Conference Call Details: Tuesday, 02nd May 2023 at 3:00 PM IST

Diamond Pass

[Link](#)

Primary Number

+91 22 6280 1106 / +91 22 7115 8007

The number listed above is universally accessible from all networks and all countries.

Toll Free Number

USA: 1 866 746 2133

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Singapore: 800 101 2045

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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.



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 lighting.

Q4 FY2023 Performance

SOM Distilleries: The only listed Beer and IMFL company in India

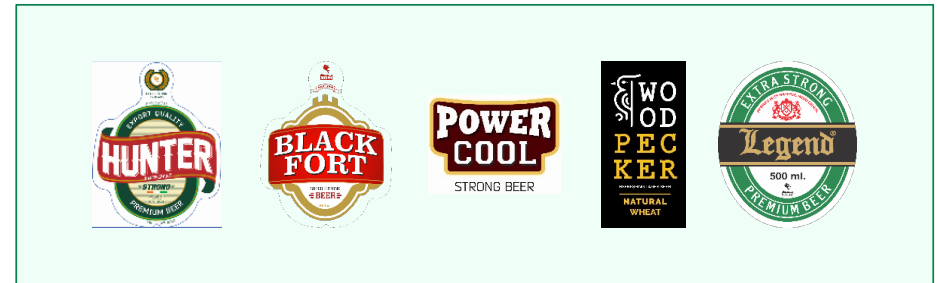


Business Overview

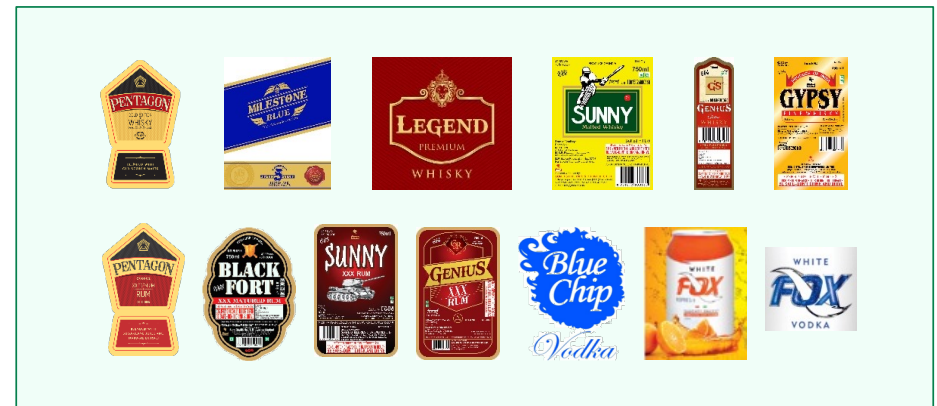
- SOM Distilleries & Breweries Limited (SDBL) is based in Bhopal and is one of the leading alcoholic beverages manufacturers in India
- SDBL is primarily engaged in production of beer and blending and bottling of IMFL
- Offers a broad line of products at every price point to cater to varied preferences 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

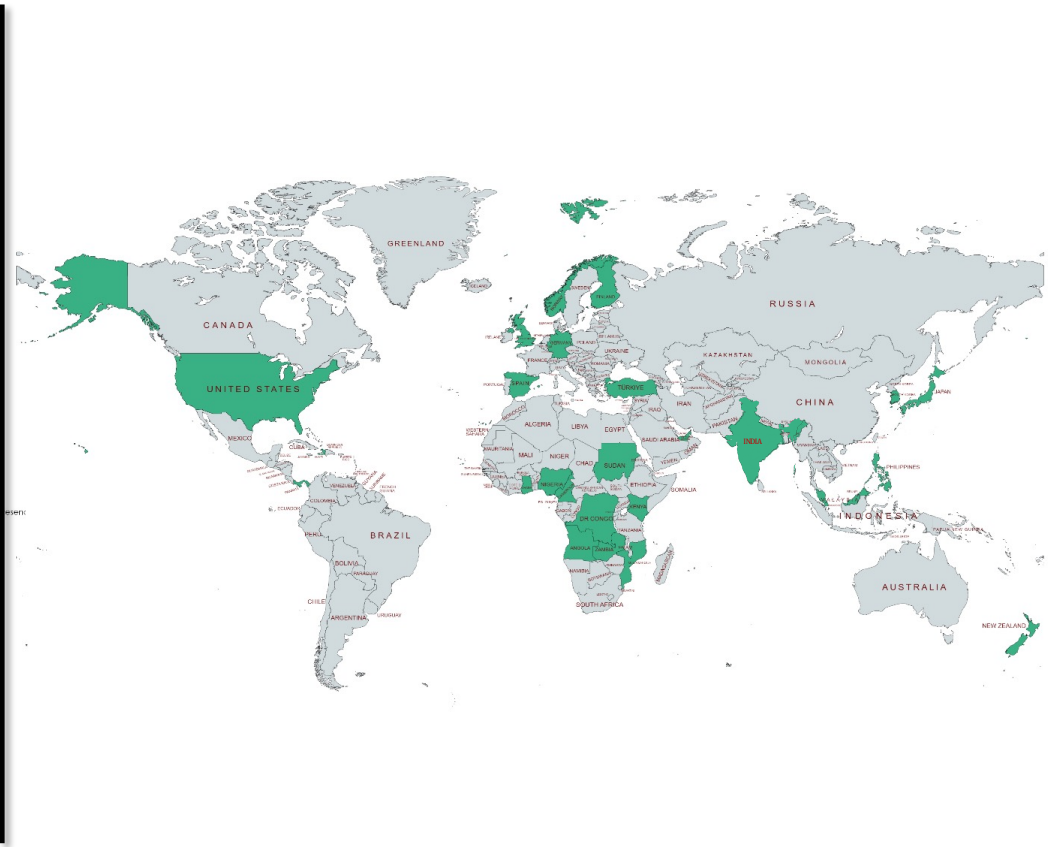
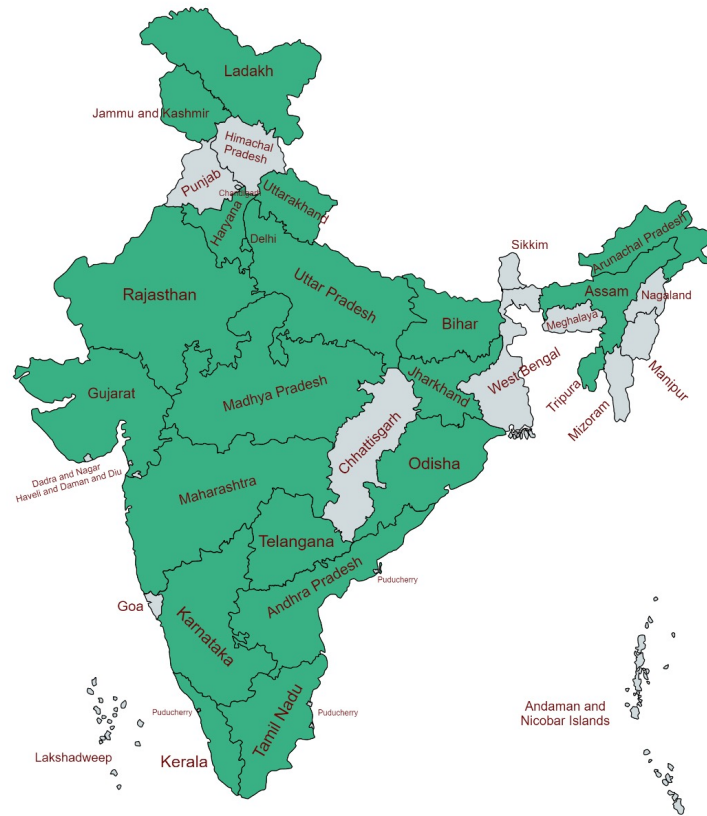



- Only listed company in India having both Beer and IMFL, which complement each other and reduces the risk of seasonality while providing marketing efficiencies
- Strong portfolio of brands including millionaire brands, Hunter, Black Fort and Power Cool
- Continuous product innovations to capitalize on seasonal themes and enhance consumer traction and engagement
- Launched Woodpecker Wheat Beer, India's first filtered wheat beer in FY2020; the brand has created significant traction in very short period 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 at Bhopal and Hassan provides headroom for volume growth in short to medium term
- Lower penetration of beer and favorable demographic profile to provide huge scope for industry growth
- The Odisha Plant is expected to commence its operation by June 2023. It has a capex outlay of Rs. 350 million

Millionaire Brands



National and International Presence



Presence 



Key developments for FY23



Products

- Genius Prestige whiskey gains 46% market share in Karnataka segment within 3 months of launch
- Legend Brandy and Pentagon Whisky approved for nationwide supply by Canteen Stores Department (CSD)

Expansion Plans

- Execution of an expansion plan of a Capex outlay of Rs 1,000 million for the new canning facility at the Bhopal Plant and expanding the Brewing Facility in Hasan Plant
- Expansion of the Odisha Plant is expected to be completed by June 2023 at a capex outlay of Rs. 350 million

Operation

- Highest sales ever recorded in a single month achieved by Karnataka unit in January
- Contract signed with Radico Khaitan during Q3 FY2023 to manufacture their IMFL and Ready to Drink brands at our plant in Hassan, Karnataka, leading to improved utilization of our IMFL facility

Efficiency

- The Bhopal plant's beer dispatch in January 2023 has doubled compared to the previous year's corresponding period



Q4 FY2023 Financial Highlights



Performance led growth impacting the topline



Management Commentary



We are pleased to report that our company has achieved remarkable performance during FY2023. We registered a total income of Rs 8,080 mn which has been the highest ever achieved by us; which grew by 121.1% on YoY basis. Our EBITDA was Rs 1,034 mn, which registered a growth of 5.2x on YoY basis and net profit was Rs 603 mn with a margin of 7.5%. This reflects the successful implementation of strategies and efforts to achieve sustainable growth and profitability. Our beer and volumes have grown at an annual rate of 2.1x and 1.5x respectively, which indicates both the high quality of our product and our company's alignment with our customers' preferences.

We are optimistic about the prospects of SOM and believe that our long-term equity story will continue to be strong. Our focus will remain on maximizing the utilization level across our plants to generate strong cash flows, which will, in turn, drive value for our shareholders.

We are evaluating various strategic opportunities like bottling arrangements, acquisitions or setting up new units to further our reach in the country.

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



Performance Highlights



	Q4		Y-o-Y	12M		Y-o-Y
(Rs. Million)	FY2023	FY2022	Growth (%)	FY2023	FY2022	Growth (%)
Total Income	2,530	1,459	73.4%	8,080	3,655	121.1%
Gross Profit	877	570	53.9%	3,227	1,581	104.2%
<i>Margin (%)</i>	<i>34.7%</i>	<i>39.1%</i>		<i>39.9%</i>	<i>43.3%</i>	
EBITDA	286	118	141.8%	1,034	196	nm
<i>Margin (%)</i>	<i>11.3%</i>	<i>8.1%</i>		<i>12.8%</i>	<i>5.4%</i>	
Interest	41	40	1.5%	160	154	4.0%
Depreciation	42	41	1.6%	170	168	1.4%
Net Profit	159	64	148.3%	603	(98)	nm
<i>Margin (%)</i>	<i>6.3%</i>	<i>4.4%</i>		<i>7.5%</i>	<i>(2.7)%</i>	



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 lighting.

12M FY2023 Performance

12M FY2023 Financial Highlights



Volume growth leading to the company reaching new heights

Beer Sales Volume

149.6 Lakh Cases
+118.9%

IMFL Volume

8.9 Lakhs Cases
+55.5%

Total Volume

158.5 Lakhs Cases
+114.1%

Total Income

Rs. 8,080mn
+121.1%

EBITDA

Rs. 1,034mn
Margin: +12.8%

PAT

Rs. 603mn
Margin: +7.5%



Performance Discussion



Operational efficiencies leading to better cost management

Volume and Sales

- Recorded beer volume of **149.6** lakh cases (**118.9%** y-o-y)
- Recorded IMFL volume of **8.9** lakh cases (**55.5%** y-o-y)
- Beer revenue of Rs. **7,303** million; over **131.3%** of FY22
- Our mainline brands; Hunter, Black Fort and Power Cool, registered volume growth of **99.5%**, **65.9%** and **181.8%**, respectively as compared to FY22

Realization

- Beer realization for Q4 FY23 was Rs. **488** per case compared to Rs. **454** in Q4 FY22; primarily driven by higher mix of Power Cool brand in total volumes
- IMFL realization for Q4 FY23 was Rs. **742** per case as compared to Rs. **785** in Q4 FY22

Cost

- Margins improved due to cost efficiencies achieved through better utilization. EBITDA margins for Q4 FY23 was **11.3%** compared to 8.1% in Q4 FY22; PAT margins for Q4 FY23 was **6.3%** compared to 4.4% in Q4 FY22
- The upcoming peak season is expected to further drive better utilization, resulting in sustained margin improvements in the next quarters



Leverage Profile



(Rs. Million)	Mar 31 2023	Mar 31 2022
Secured Borrowings	1,330	1,393
Unsecured Borrowings	1,092	580
Gross Debt-Consolidated	2,422	1,973
Less: Cash & Cash Equivalents	(126)	(95)
Net Debt	2,296	1,878
Gross Debt / Equity (x)	0.65x	0.68x
Net Debt / EBITDA (x)	2.22x	9.59x

- Gross debt to equity ratio decreased from **0.68x** in FY22 to 0.65x in FY23, indicating a improved debt position
- The net debt to EBITDA ratio witnessed a significant decline from 9.59x in FY22 to **2.22x** in FY23, indicating a considerable improvement in the company's ability to meet its debt obligations



A glass of beer with a thick head of foam, surrounded by fresh hops and wheat stalks on a wooden surface. The glass is filled with golden beer and has a thick, white head of foam. The hops are bright green and fresh, and the wheat stalks are golden and dry. The background is a blurred wooden structure, possibly a brewery or a rustic setting.

Operational Highlights

Volume Summary



Lakh cases	Q4		Y-o-Y	12M		Y-o-Y
	FY2023	FY2022	Growth (%)	FY2023	FY2022	Growth (%)
Hunter	14.8	8.9	65.5%	49.4	24.8	99.5%
Black Fort	5.7	4.1	39.2%	19.9	12.0	65.9%
Power Cool	26.1	13.4	94.4%	78.5	27.9	181.8%
Others	0.6	2.7	(77.6)%	1.8	3.7	(51.7)%
Total Beer	47.2	29.1	62.0%	149.6	68.3	118.9%
Total IMFL	2.4	1.7	43.2%	8.9	5.7	55.5%
Total Volume	49.7	30.9	60.9%	158.5	74.0	114.1%

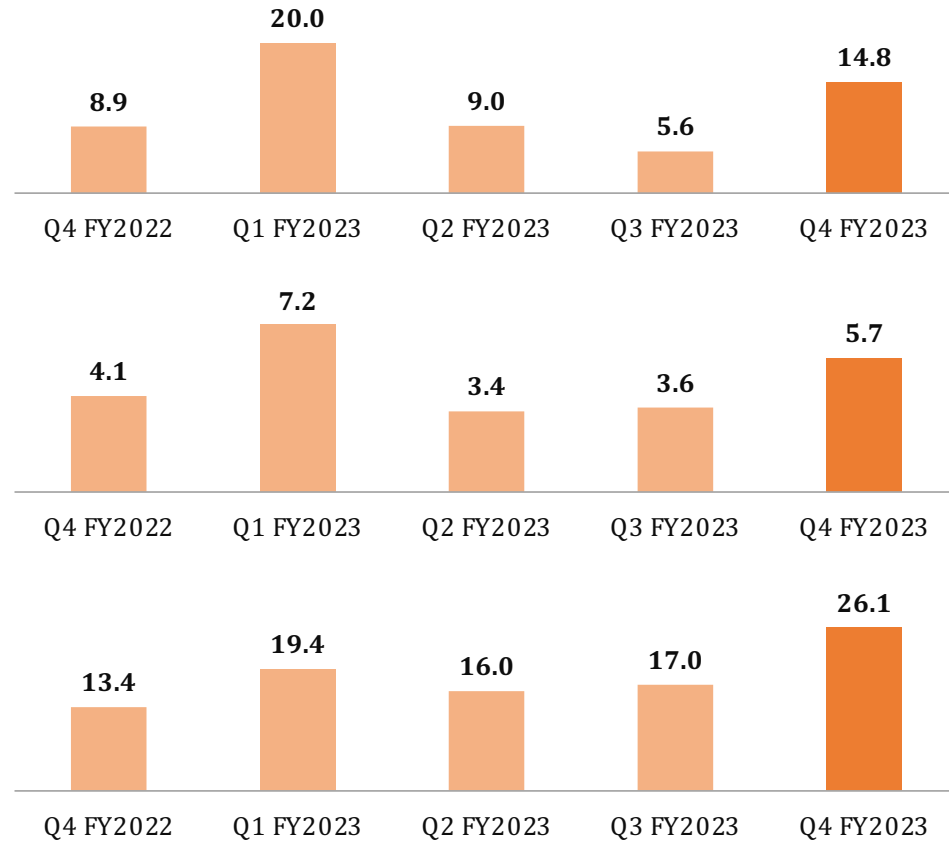
- The robust expansion in the mainline brands had a significant impact on the overall volumes, indicating a positive trend for the company
- Hunter's volume almost doubled from the previous fiscal year, while Power Cool's volume increased by over **2.8** times, indicating a strong market demand for these products
- Beer accounted for **94%** of total volumes and **91%** of the revenue during FY23
- Price realization for Beer during FY23 was Rs. **488** and IMFL was Rs. **744**; blended realization at Rs. **509**



Millionaire Beer Brands – Volume Consolidation



Quantity Sold (in lakh cases)



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 outdoors with a blurred background of trees and foliage. The glass is filled with golden beer and has a thick, white head of foam. The hops are bright green and fresh, and the wheat stalks are golden and dry. The entire scene is set on a rustic wooden surface.

Sustainability

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



SOM Distilleries & Breweries ESG Profile Link: <https://bit.ly/364ur49>

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



- Spent Rs. 23.50 Lacs towards CSR activities during the financial year 2022
- 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



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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



SOM Distilleries & Breweries ESG Profile Link: <https://bit.ly/364ur49>

Awards and Recognitions



Awarded Innovative CEO and excellence for smart Innovation by: Innovative 100



Voted as 'Asia's Most Promising Brand'



Best Product Debut and Best CSR Award by: Spiritiz



Winner of Monde Selection Quality Award



Winner of AsiaStar



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