



The
Hunter
effect,
truly
electrifying



Som Distilleries & Breweries
Earnings Presentation

February 14, 2013



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

Q3 FY2013 Highlights

Financial Highlights: 9M FY2013 vs. 9M FY2012

- Net Sales increased by 10.2%
- EBITDA increased to Rs. 244 million by 12.2%
- EBITDA margins improved by ~28 bps to 15.5%
- Profit After Tax increased by Rs. 165 million to 37.5%
- PAT margins improved by ~208 bps to 10.5%
- Cash Profit increased by ~36 %
- As of December 31, 2012, Net Debt was Rs. 51 million
- Repaid entire secured loans (excluding vehicle loan)

Management Commentary

“ Commenting on the results and performance, **Mr. Surjeet Lal, Chairman & Managing Director** said:

In context of inflationary and seasonality's pressures, the Company has witnessed a moderated business growth during the quarter which is in line with the breweries industry trends. We continue to maintain average EBITDA margins of ~15% with increase in bottom line by ~40% year over year.

Capacity expansion of ~68% is now in ramp up mode and is likely to be operational by March 2013. Order books are encouraging and we are well positioned to capitalize on the forthcoming seasonally high quarters with this increased capacity. With repayment of all of our debt in the quarter, we continue to efficiently manage our capital structure whilst supporting our growth plans.

Investment Highlights

Market Position

- One of the leading liquor company in India
- Supplier of draught beer to the major hotels in MP and Chhattisgarh
- In MP, holds ~35% market share for beer and ~20% market share in IMFL

Operations

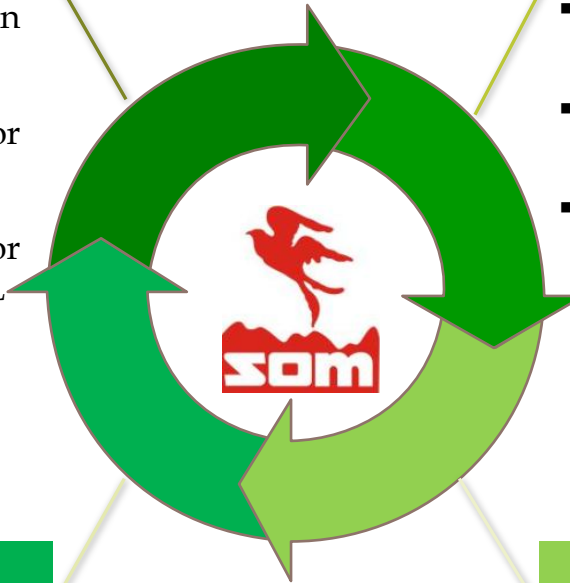
- Installed capacity of 59,200 KL of beer and 5,400 KL of IMFL
- Key areas of operation include MP, Chhattisgarh and North India
- Strong marketing and distribution network in Maharashtra, MP, Chhattisgarh, Delhi, UP and Bihar and tie-ups in other states like HP, WB, AP, Pondicherry and Daman

Industry Dynamics

- Indian spirits market represents a \$14 bn market in FY2012
- Indian spirits market is projected to grow at a CAGR of 10%, over next 5 years
- Emerging markets for beer sales are African market and potential for spirits are in countries including India and China

Financial Performance

- Revenue CAGR of ~34% over the past 3 years
- Repaid entire secured loans, despite a capital outlay on capacity expansion
- Constantly increasing export market, FY 2012 exports grew by 133%



Q3 FY2013 Highlights

Consolidated Financial Highlights

(Rs. Millions)	Q3		y-o-y	Q2		Nine Months		y-o-y
	FY2013	FY2012	Growth (%)	FY2013	Growth (%)	FY2013	FY2012	Growth (%)
Net Sales	443	428	3.6%	374	18.4%	1,575	1,429	10.2%
EBITDA	69	67	3.2%	58	18.5%	244	218	12.2%
<i>EBITDA Margin %</i>	15.58%	15.63%		15.6%		15.5%	15.2%	
Profit Before Tax (PBT)	57	52	11.5%	45	28.3%	209	180	16.6%
<i>PBT Margin %</i>	13.0%	12.1%		12.0%		13.3%	12.6%	
Profit After Tax (PAT)	49	35	41.1%	45	9.5%	165	120	37.5%
<i>PAT Margin %</i>	11.1%	8.1%		12.0%		10.5%	8.4%	
Basic EPS (Rs.)	1.78	1.26	41.3%	1.63	9.2%	6.01	4.37	37.7%

Commentary Q3 FY2013 vs Q3 FY2012

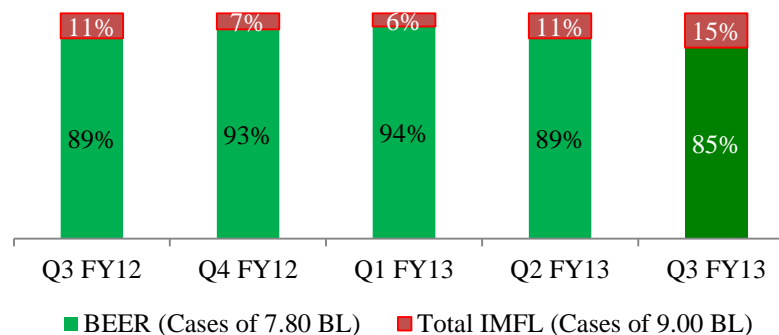
- Net Sales increased by 3.6% year on year. IMFL price realizations have improved, although Beer prices remained relatively flat. Subdued revenue growth was primarily due to moderated growth in the Breweries segment
- Upgradation of existing IMFL brands through better packaging, branding have resulted in growth in price realizations in Whisky and Vodka. IMFL segment has experienced volume growth of over 30% year on year
- Other operating income includes income from selling malt, a component used in manufacturing of Beer
- EBITDA margins improved by ~28 bps. There has been a slight increase in Barley malt prices. Although sugar prices have increased by ~20%
- There is a marginal hike in the prices of ENA which has been a major component of IMFL
- PAT increased by 41% on account of lesser tax provisions in Q3 FY2013 as compared to the same period last year. Tax benefits on high depreciation in Q3 FY2013 has also contributed to PAT. Finance cost decreased significantly from Rs. 6.07 million Q3 FY2012 to 0.06 million in Q3 FY2013

Q3 FY2013 Highlights

Revenue by Category (Rs. million)

Category	Q3 FY2012	Q4 FY2012	Q1 FY2013	Q2 FY2013	Q3 FY2013
Beer	388.3	515.8	724.4	330.2	353.6
Whisky	35.5	29.3	42.0	41.2	63.3
Gin	9.2	5.1	10.4	5.2	6.6
Rum	9.8	10.2	3.3	8.2	22.9
Vodka	0.4	0.4	0.6	0.1	0.4

Revenue by Category (Quantity Sold)

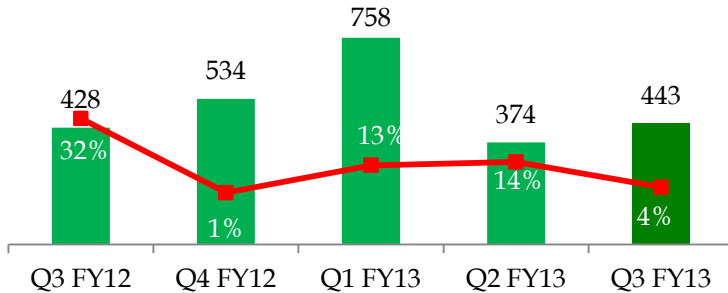


Brand Performance

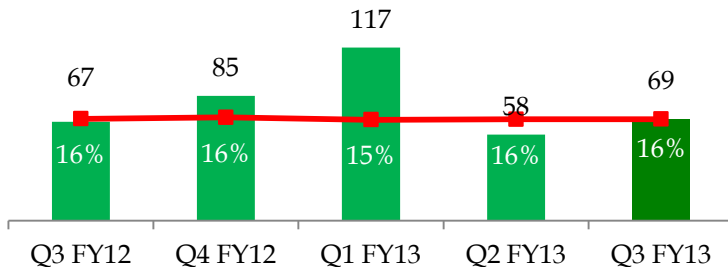
(lakh cases sold)	Q3		y-o-y Growth (%)
	FY2013	FY2012	
Hunter	3.1	2.3	35.9%
Legend	0.1	0.1	(28.6)%
Black Fort	4.3	3.4	26.5%
Total Mainline Brands	7.5	5.9	28.9%
Other Brands	4.5	4.5	0.0%
Total	12.0	10.4	16.3%

Financial Snapshot

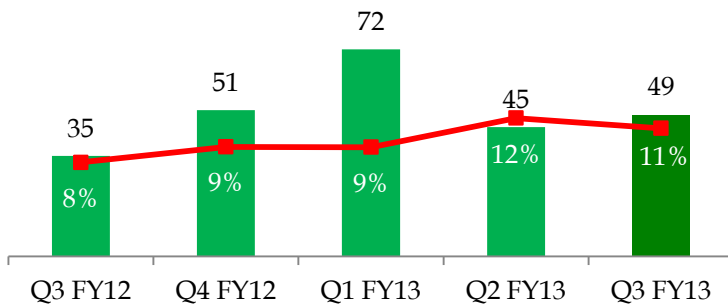
Revenue (Rs. Million)



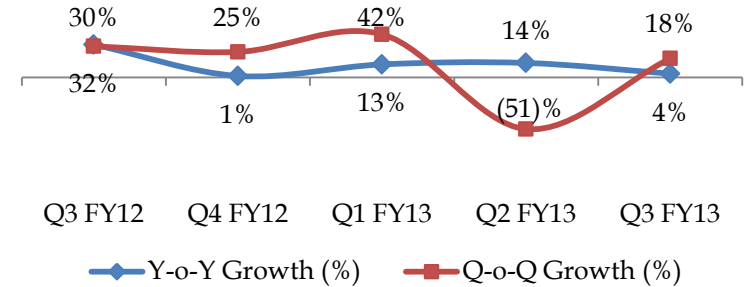
EBITDA (Rs. Million) and Margin (%)



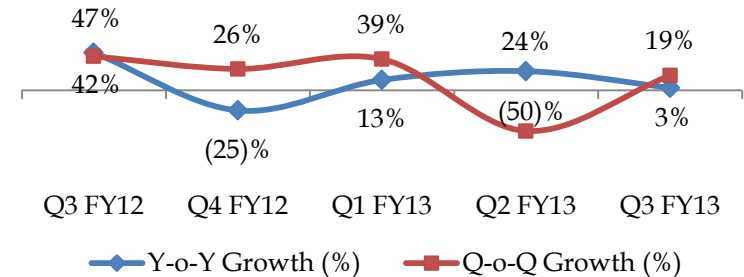
PAT (Rs. Million) and Margin (%)



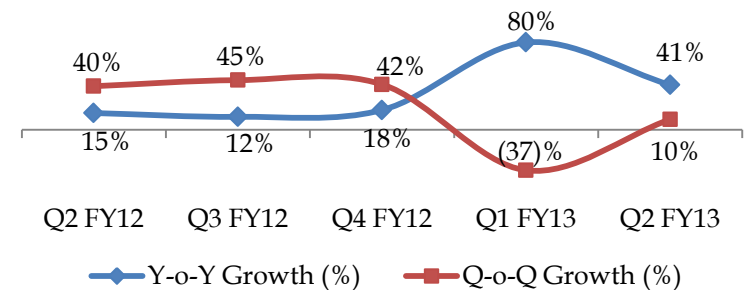
Revenue y-o-y and q-o-q Growth (%)



EBITDA y-o-y and q-o-q Growth (%)



PAT y-o-y and q-o-q Growth (%)

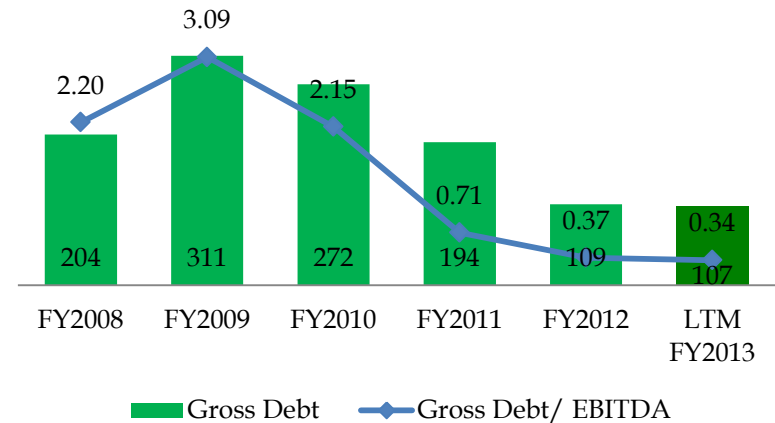


Leverage Profile

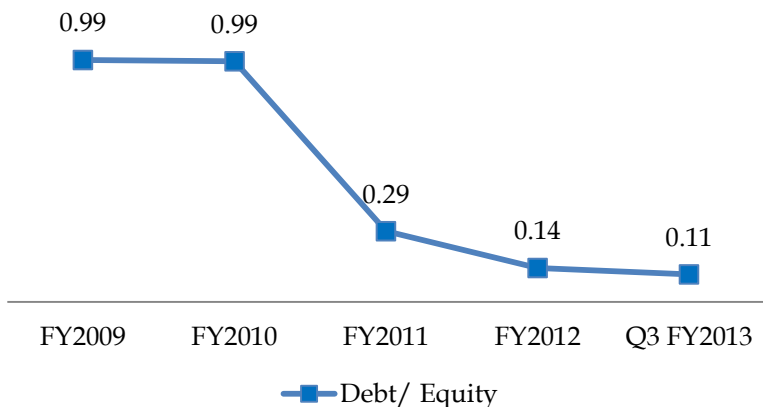
Strong Balance Sheet With Conservative Leverage Profile

(Rs. Million)	Q3 FY2013	Q2 FY2013
Secured Borrowings	4	5
Unsecured Borrowings	102	102
Total Debt	107	107
Less: Cash & Cash Equivalents	(56)	(218)
Net Debt / (Net Cash)	51	(111)
Net Worth	954	905

Gross Debt/ EBITDA (x)



Debt/ Equity (x)



- To cater to the increasing demand, capacity is being increased from 59,200 KL to 99,200 KL. This expansion is expected to be completed by March 2013
- The capacity expansion for IMFL bottling is being increased from 5,400 KL to 16,200 KL. This is expected to be operational by end of FY2013
- Recently repaid its entire secured loans (excluding vehicle loan), despite a capital outlay on capacity expansion

SOM: At a Glance

- **Som Distilleries & Breweries (SOM)** was established in 1994. The Company's plant are located near Bhopal, Madhya Pradesh. SOM is primarily engaged in brewing, fermentation, bottling, canning and blending of beer and Indian Made Foreign Liquor (IMFL)
- Currently, has an installed capacity of 59,200 KL of beer and 5,400 KL of IMFL. In past two years the Company's has tripled its capacity
- The Company's Hunter and Woodpecker brands are supplied as draught beer to all the major hotels in Madhya Pradesh and Chhattisgarh

Key Brands

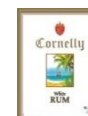
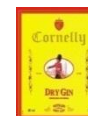
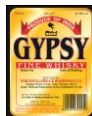
Major Brands



Beer



Spirits



Hunter

SUPER STRONG
PREMIUM BEER

Josh Ka Jashan



GS
GENIUS

कुछ नया !!!



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