



ENABLING EXCELLENCE

GLOBUS SPIRITS LIMITED

Result Presentation | February 2021

ENA | IMIL | Bottling | Premium IMFL



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Q3/9M FY21 Performance

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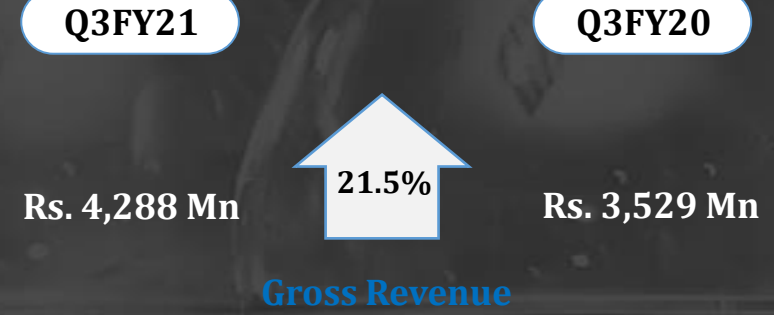
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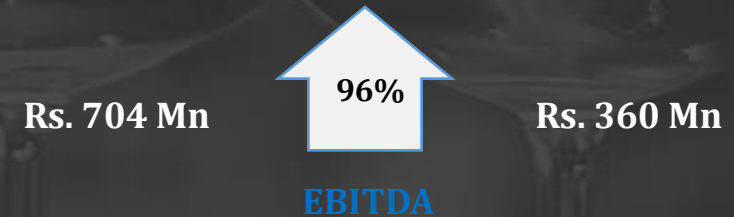


Q3 FY21 | Performance Highlights

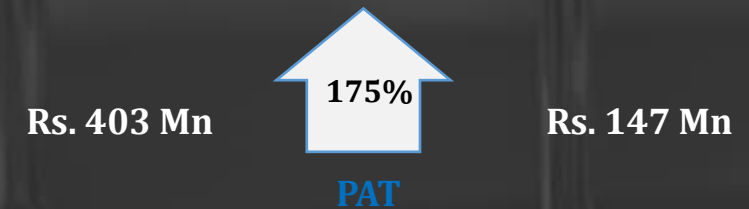
- **Gross Revenue grew 21.5% YoY to Rs. 4,288 Mn**
 - Gross revenue growth backed by increase in both volume and value, mainly in the Consumer Business segment



- **EBITDA stood at Rs. 704 Mn, growth of 96% YoY**
 - EBITDA Margin grew by ~1125 bps YoY to 22.3% in Q3FY21, on account of higher share of Consumer Business (45% v/s 34% YoY), and better realizations on ENA and Ethanol



- **PAT stood at Rs. 403 Mn, a robust growth of 175% YoY**
 - Finance cost declined by ~23.6% YoY to Rs. 47.4 Mn in Q3FY21



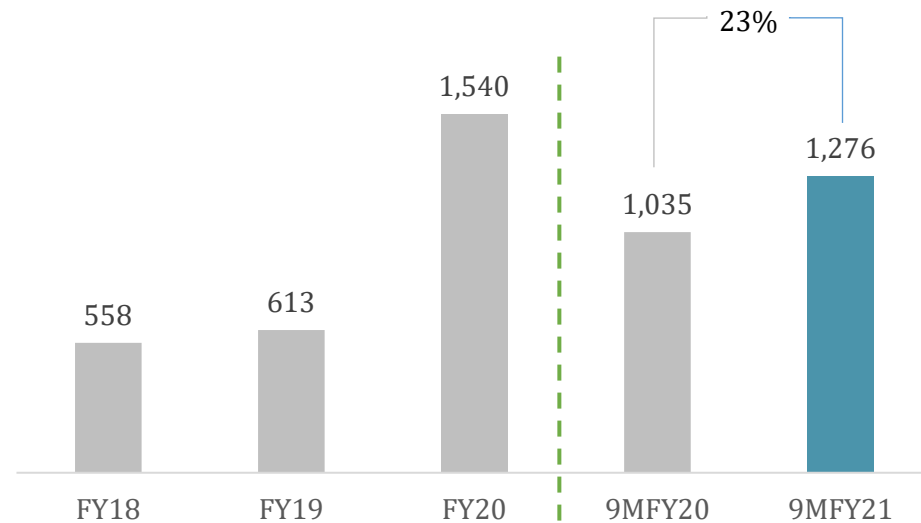
- **Cash Profit came in at Rs. 503 Mn, higher by 108% YoY**



Enhanced Net Cash Flow from Operations...

The business mix and focus on costs have led to strong operating cash flow generation

Strong Net Cash Flow from Operations (Rs Mn) ...



... Driven by the following Key Factors

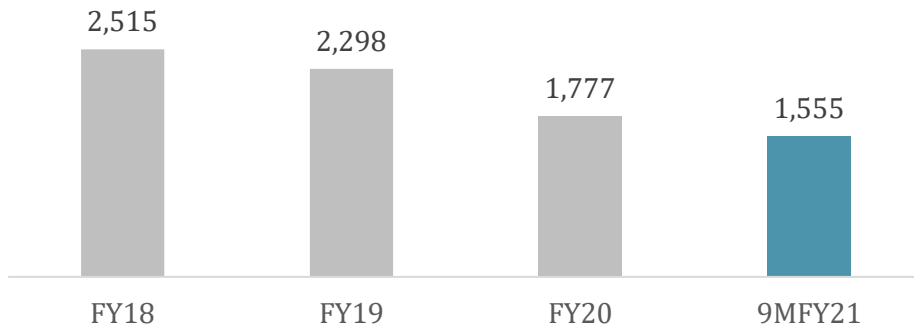
- **Growth in business and improved profitability**
- **Lower Finance costs** due to paring of debt
- **Lower cash outlay for taxes*** - 80IA deduction (on account of biomass-based power plant) and MAT Credit (available for next 2-3 years based on current estimates)

** This led to a lower effective tax rate of 16.45% (% of PBT) in FY20, and is likely to continue over the next 2-3 years*

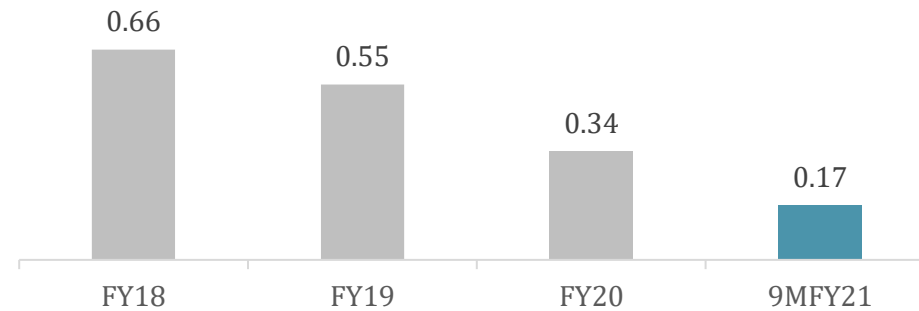
...Leading to a Strengthened Balance-sheet

Consistent focus on reducing debt from business cashflow; improving return ratios

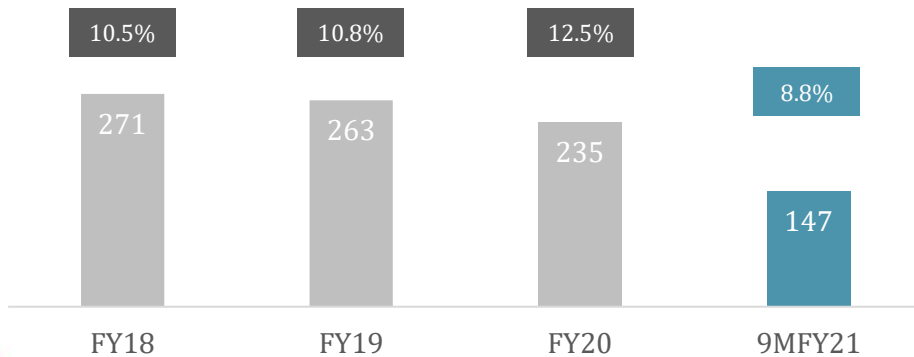
Gross Debt (Rs Mn)



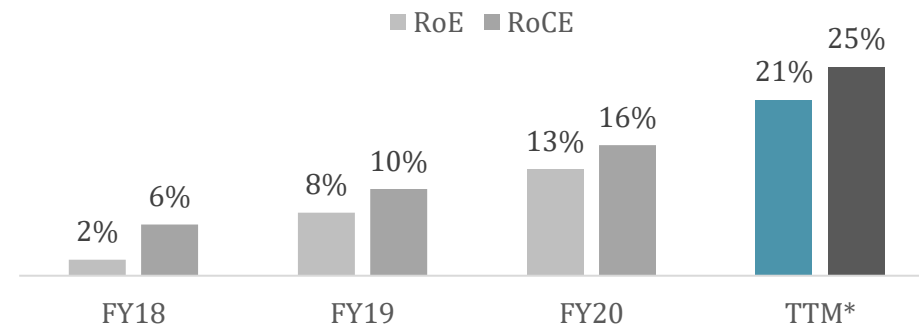
Net Debt/Equity (x)



Finance Cost (Rs Mn) and Avg. Cost of Debt (%)



Return Ratios (%)



**Trailing Twelve Months*

Profit & Loss Highlights | Q3 & 9MFY21

Standalone financials

Particulars (Rs Mn)	Q3 FY21	Q3 FY20	YoY (%)	Q2 FY21	QoQ (%)	9M FY21	9M FY20
Gross Revenues	4,287.9	3,529.1	21.5%	4,536.9	-5.5%	11,721.1	9,616.3
Less- Excise duty	1,141.2	267.3	327.0%	1,275.3	-10.5%	3,021.1	681.4
Net Revenues from Operations	3,146.7	3,261.9	-3.5%	3,261.6	-3.5%	8,699.9	8,934.9
Other Income	12.5	5.8	114.7%	36.3	-65.7%	59.2	30.8
Total Income	3,159.2	3,267.7	-3.3%	3,297.9	-4.2%	8,759.1	8,965.7
Total Expenditure	2,455.5	2,907.8	-15.6%	2,638.8	-6.9%	6,980.8	7,976.4
Consumption of Material	1,602.9	2,112.1	-24.1%	1,764.2	-9.1%	4,754.9	5,568.6
Employee Cost	89.4	77.5	15.4%	96.1	-6.9%	269.9	233.0
Other Expenditure	763.2	718.2	6.3%	778.5	-2.0%	1,956.1	2,174.8
EBITDA	703.6	359.9	95.5%	659.1	6.8%	1,778.2	989.4
Depreciation & Amortization	100.1	95.1	5.3%	99.2	0.9%	294.5	282.7
EBIT	603.6	264.8	127.9%	559.9	7.8%	1,483.8	706.7
Finance Charges	47.4	62.1	-23.6%	49.0	-3.2%	147.3	185.7
PBT	556.1	202.7	174.3%	510.9	8.9%	1,336.5	521.0
Tax Expense (Current, Deferred Tax)*	153.1	55.9	173.8%	153.6	-0.3%	375.2	143.4
PAT (From ordinary activities)	403.0	146.8	174.5%	357.3	12.8%	961.3	377.6
EPS	13.99	5.10	174.4%	12.41	12.8%	33.38	13.11

Note: Excise duty increased YoY and QoQ as a result of addition of Rajasthan Medium Liquor (RML) category (in IMIL business), which carries higher excise duty; Gross revenue was impacted Q-o-Q, on account of the impact of floods in Bihar during the quarter, which led to lower capacity utilisation at Bihar Plant

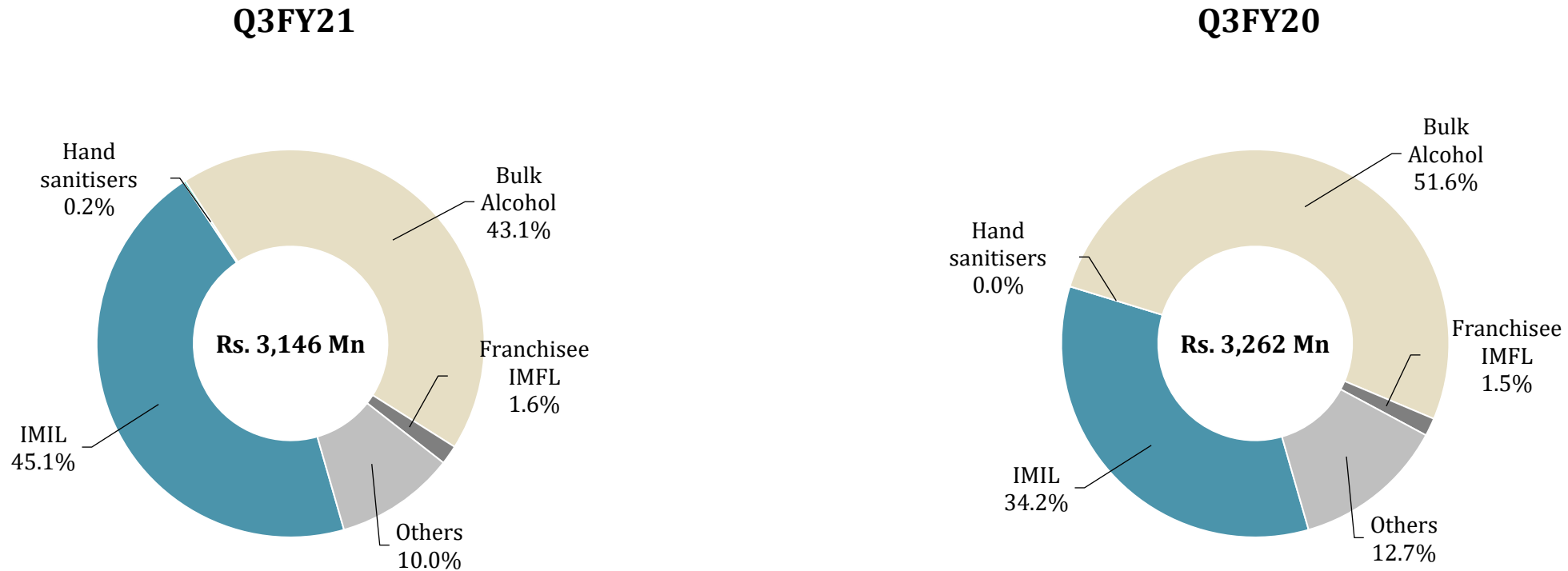
Key Ratios | Q3 & 9MFY21

Standalone financials

Key Ratios (% of Total Income)	Q3 FY21	Q3 FY20	Q2 FY21	9M FY21	9M FY20
EBITDA	22.3%	11.0%	20.0%	20.3%	11.0%
PAT	12.8%	4.5%	10.8%	11.0%	4.2%
Total Expenditure	77.7%	89.0%	80.0%	79.7%	89.0%
Raw material	50.7%	64.6%	53.5%	54.3%	62.1%
Employee Cost	2.8%	2.4%	2.9%	3.1%	2.6%
Other Expenditure	24.2%	22.0%	23.6%	22.3%	24.3%
Interest	1.5%	1.9%	1.5%	1.7%	2.1%
Depreciation	3.2%	2.9%	3.0%	3.4%	3.2%
Other Income	0.4%	0.2%	1.1%	0.7%	0.3%

Segment-wise Net Revenue Mix (Standalone)

Moving towards a more favourable mix with higher share of Consumer Business (IMIL)

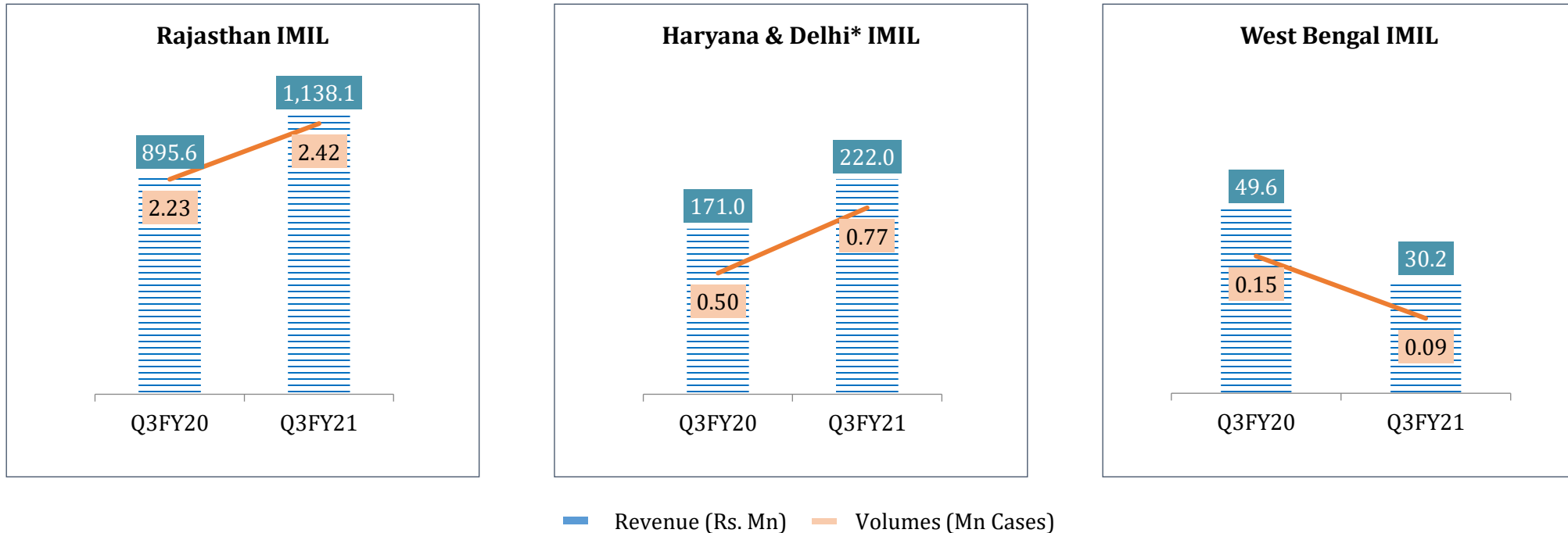


- **Share of Consumer business (IMIL) increased by ~1088 bps YoY from ~34% in Q3FY20 to ~45% in Q3FY21**
- **Revenue from Manufacturing business - Rs. 1,725 Mn in Q3FY21, as against Rs. 2,146 Mn in Q3FY20**
 - Manufacturing includes revenue from Bulk Alcohol, Franchise Bottling, Hand Sanitisers and Others (by-products)

Consumer Business – IMIL...

State-wise performance – Making progress in both volumes sold and value earned

Total IMIL Sales volumes in Q3FY21 grew by 14% YoY to 3.27 Mn cases



- **Aggregate IMIL Revenue in Q3FY21 grew by 25% YoY to Rs. 1,390 Mn, as against Rs. 1,116 Mn in Q3FY20**
 - Aggregate IMIL realizations - Rs. 425.1 per case in Q3FY21 against Rs. 387.6 per case in Q3FY20
- *** Exited Delhi market in Q3FY20; However, re-started IMIL sales recently, albeit on a small scale**

...Witnessing Positive Changes

Good Agri year → equals to → Growth in Rural Consumption

Rajasthan: ~29% market share in Rajasthan Medium Liquor (RML) and IMIL

- Rajasthan Government increased the price of IMFL by increasing surcharge; Resulted in increased demand of RML
- Witnessing gradual down-trading from standard IMFL to IMIL
- GSL's market share remained largely stable

Haryana : Increase in market size of IMIL

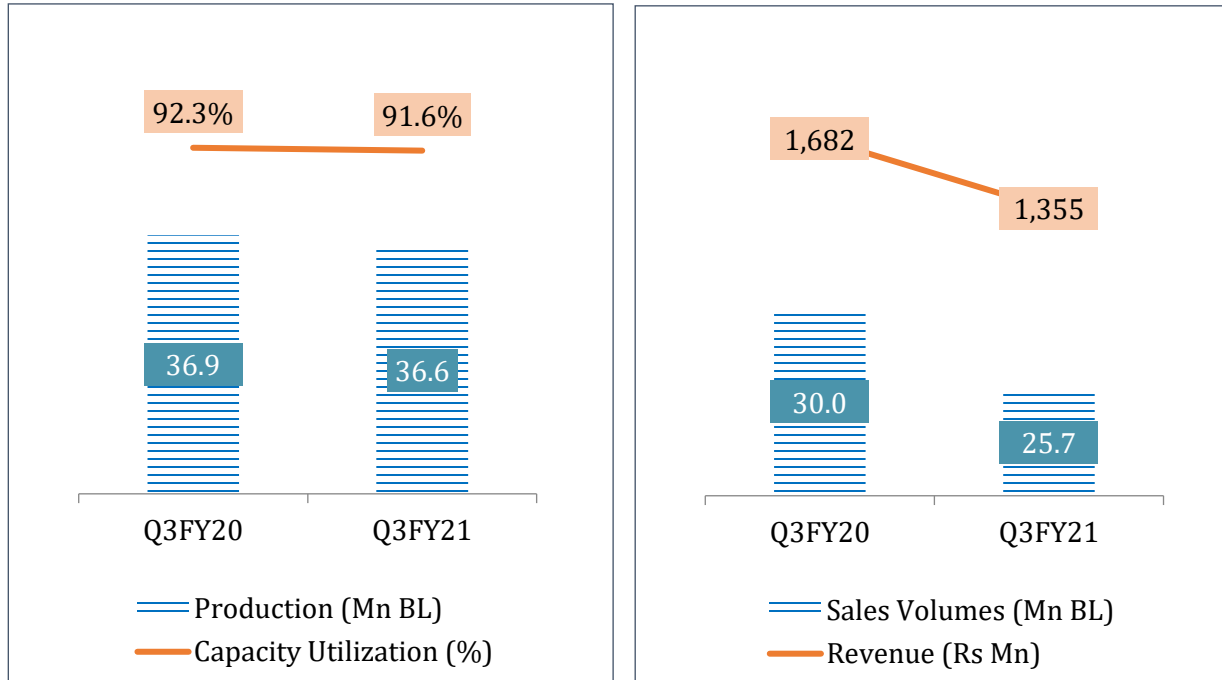
- During the pandemic, Governments have focused to improve revenue through increase in taxes; resulted in to increase in market size of IMIL
- GSL achieved volume growth and market share (~9%)
- Green Shoots visible for higher demand of IMIL; tracking developments closely to ascertain sustainability of demand



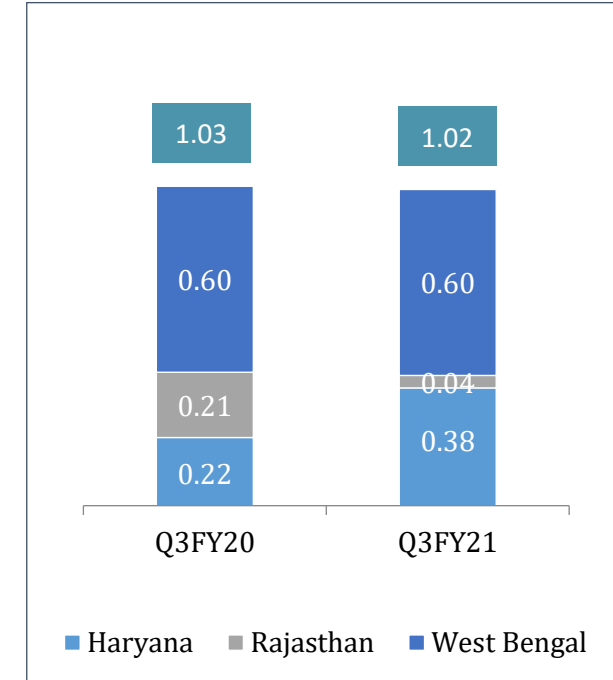
Manufacturing – Strong Backbone

Strong pick-up post lockdown; facilities ramped up to reach high utilisation levels

***Bulk Alcohol Segment: Total Capacity of 160 Mn bulk liters per annum**



Franchise Bottling (Mn Cases)



Average Captive Consumption (% of production) of bulk alcohol stood at 36% in Q3FY21

Behror, Rajasthan – 63%

Samalkha, Haryana – 34%

West Bengal – 16%

* During Q3FY21, Bihar witnessed flood situation which impacted the capacity utilization at our Bihar Plant, leading to overall lower production and sales in the quarter



Company Overview

The 360° Business Model

ENabling high capacity utilisation and sustainable & balanced growth

Unique 360° model straddling across the entire alcohol value chain



▪ Large, efficient manufacturing operations

- Amongst the largest and most efficient grain-based distilleries in India with ~160 million bulk litres of distillery capacity
- Present in DDGS – a high-potential co-product used as Animal Feed
- Well placed to benefit from the Fuel Ethanol blending opportunity in India
- Bottling for India's Top 3 IMFL companies

▪ Established consumer business (IMIL) in North India

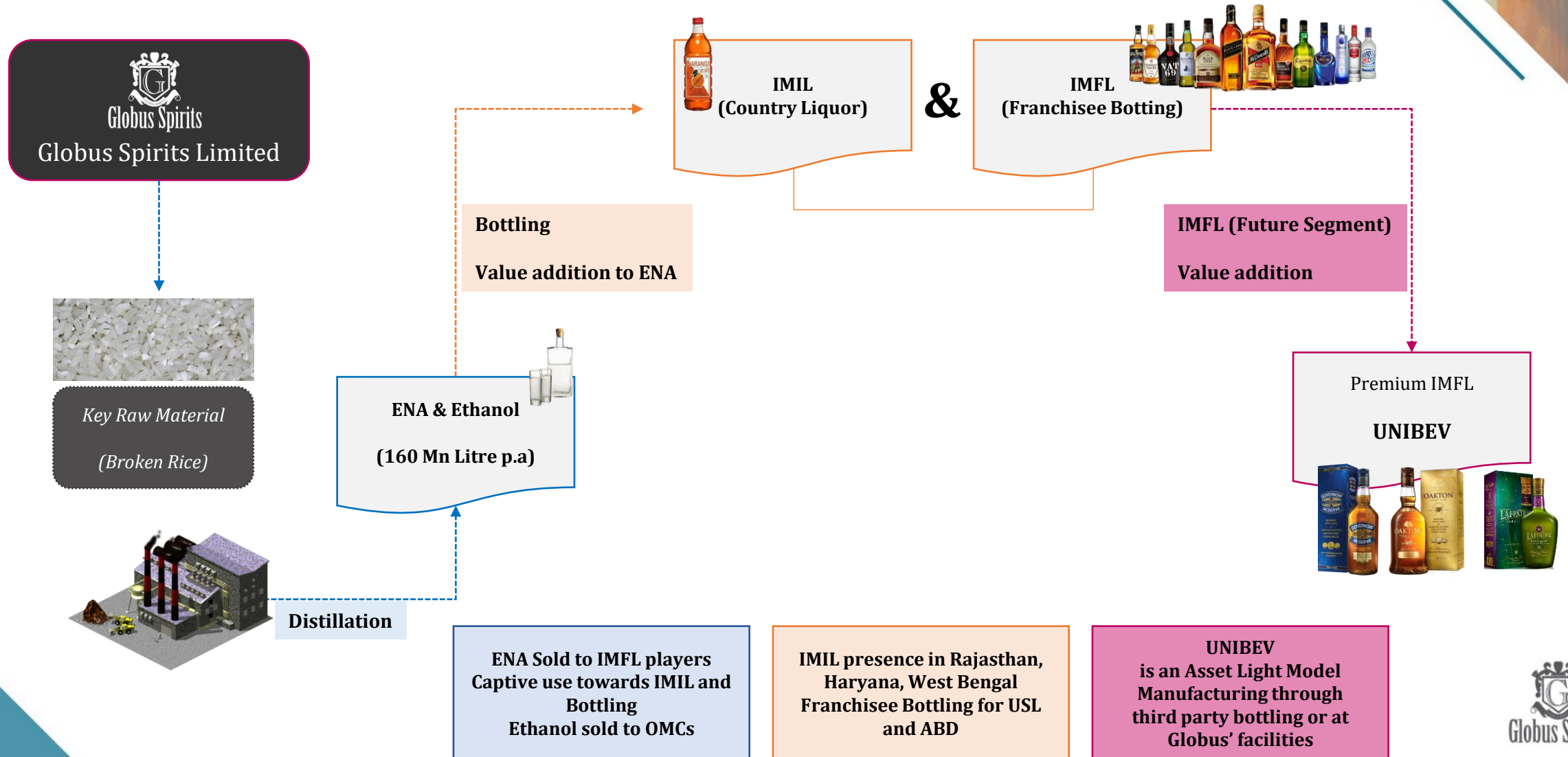
- Pioneered IMIL branding with launch of NIMBOO brand
- Leading IMIL player in Haryana, Rajasthan and Delhi

▪ Establishing presence in IMFL consumer segment - Unibev

- Asset light, high margin, brand led business model
- Successfully launched three brands, forayed into 10 states and growing footprints in other states

Presence Across the Value Chain

Well integrated operations aid in ensuring quality and cost control



Business Segments

Largely divided into Manufacturing and Consumer segments



Manufacturing Business (64% of Revenue)
Strong Backbone...

Bulk Spirits	Franchisee Bottling	By Products
77%	3%	20%



- Recently, commenced Production of Sanitizers



Consumer Business (36% of Revenue)
High Value...

IMIL	Premium IMFL
99%	0.1%



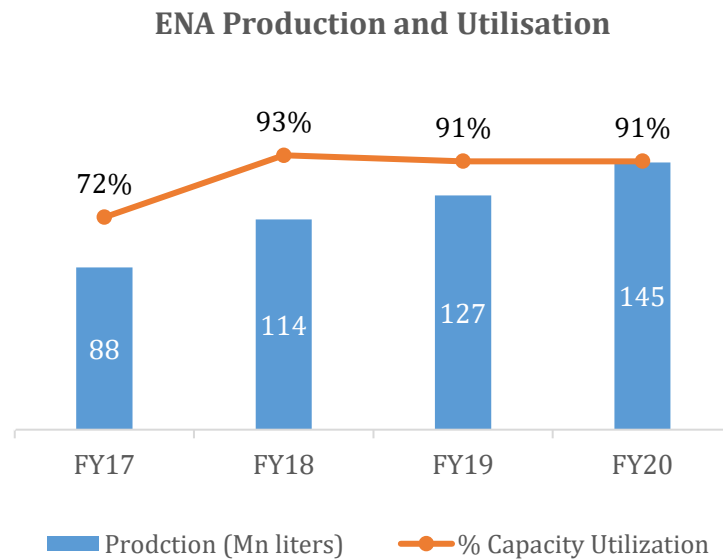


Manufacturing Business

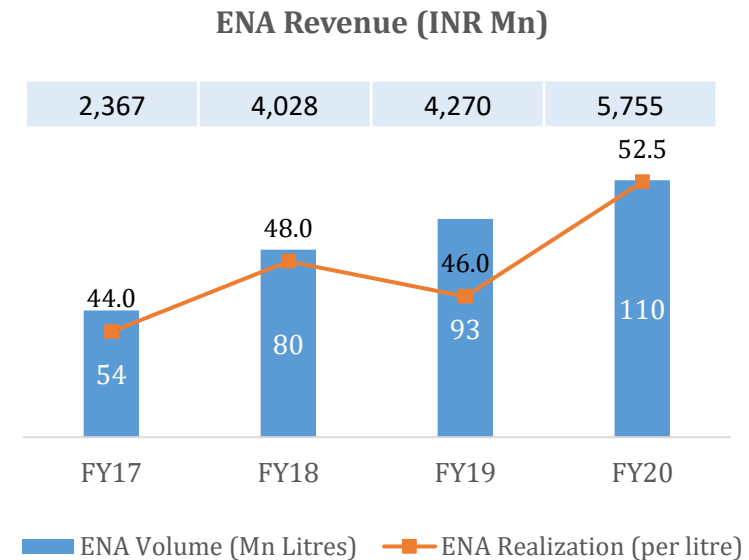
1. Bulk Alcohol

Backbone of the 360° business model; Generating robust cashflows

- Globus is the largest grain based Extra Neutral Alcohol (ENA) manufacturer in India with a capacity of **160 Mn Litres**
- **Reputed IMFL players** are major customers for Bulk Alcohol
- Presence in **Rajasthan, Haryana, Bihar and West Bengal**



FY19 capacity includes Bihar Plant
FY20 capacity expanded to ~160 Mn BL



2. Franchisee Bottling

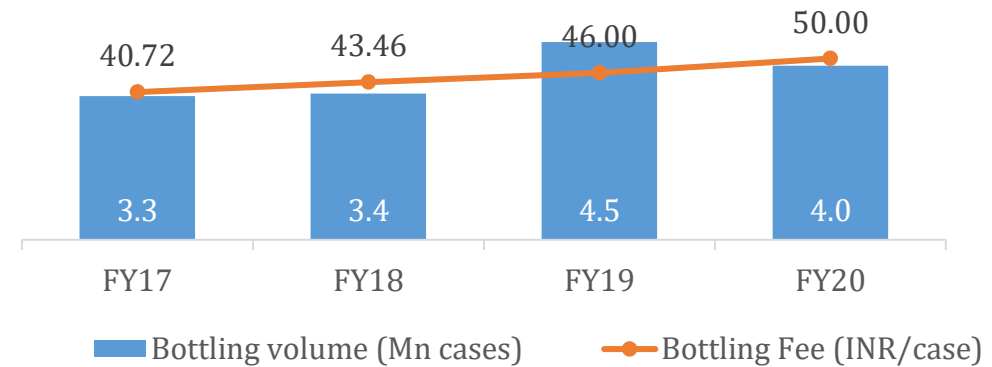
Strong relationships with pedigreed players ensures steady offtake

20 year old relationships with ABD and USL / Diageo

Proxy play on growth in **IMFL industry**

Ramp up expected in **West Bengal**

Bottling volume (Mn cases)



Franchisee Bottling Brands

Diageo & USL in Haryana & West Bengal



ABD in Rajasthan



3. By-Products

Process efficiencies lead to zero discharge and incremental revenues

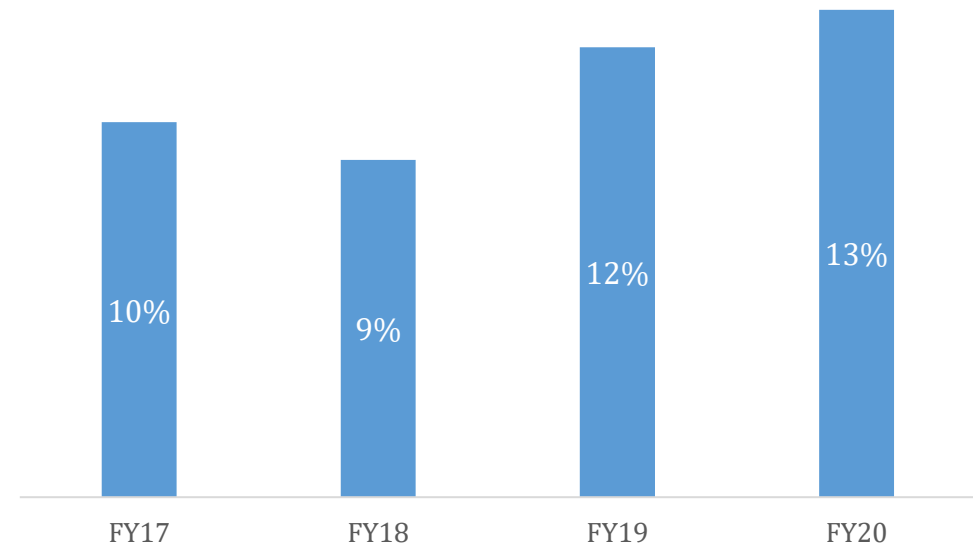
□ DDGS

- **Major by-product from distillation process** is Distillers Dried Grains with Solubles or DDGS
- Used as food for the **animal feed industry**
- **High protein** (min 45%) and energy (~3500 K/cal)
- Provides **excellent** animal health, performance, and food product quality

□ CO2

- Commercially available as high pressure **cylinder gas**, relatively low pressure **refrigerated liquid**, or as **dry ice**
- **Commonly used** as a raw material for production of various chemicals; carbonation of soft drinks; freezing of food products such as poultry, meats, vegetables and fruit

By-products (% of Total Operating Income)



Note: Major contribution is of DDGS, followed by Co2

4. Hand Sanitizers

Emerging as a new segment, amidst the Covid-19 pandemic



Instant Hand Sanitizer

(WHO approved formula)

- Contract bottling for major FMCG and OTC brands in some of our facilities.
- Initiated manufacturing of sanitizers under our own brand that is sold directly to retail





Consumer Business

IMIL – GSL is One of the Largest IMIL Players

Product innovation and focus on brand building has enabled growth

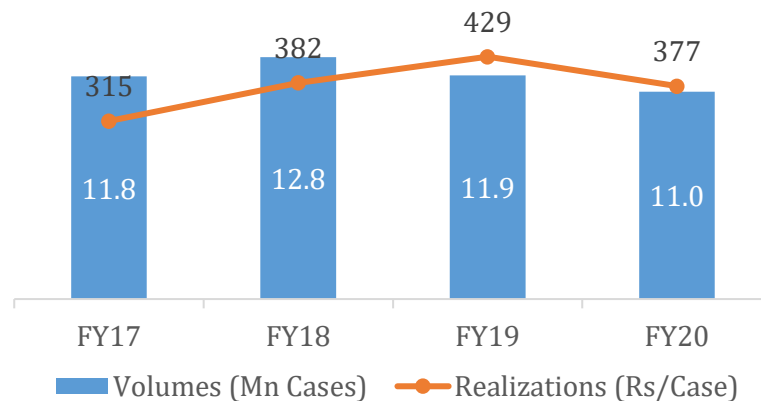
Existing Product Portfolio



State wise Market Share in IMIL (FY20)

Rajasthan	Largest Private Player	29%
Haryana	4 th largest player	8%
West Bengal	Recent entrant	2%

IMIL Sale Volumes (Mn Cases)



Focus on Innovation through Investment in R&D



IMFL – UNIBEV - Unique Value Proposition

Asset-light / Focus on niche segments / Building blocks for a high margin brand play



Unibev has come out with **disruptive & exclusive USP with value proposition**



Crafted a range of **premium and super premium whiskies** blended with Upto 12, 18 years old scotch & a 3 years old French blended **grape brandy**



For the first time, discerning consumers in India will get **palate experience of Made in India whiskies which are blended with aged imported scotch from Scotland**



**Governor's Reserve
12 years Scotch Whisky**

Semi-premium whisky segment
Segment is about **20m cases**



**Oakton
18 years Scotch Whisky**

Premium whisky segment
Segment is about **8.5m cases**



**L'Affaire Napoleon
3 years Brandy**

Premium brandy segment
Segment is about **0.5m cases**



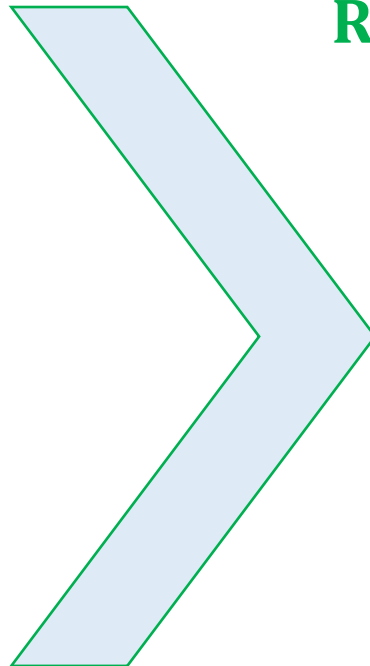
Investing for Future Growth

Strategically utilising free cashflows from GSL towards high ROCE business (UNIBEV)


High Cashflow Generation

Particulars	FY19	FY20
Profit After Tax	31 crores	59 crores
Cash Profit	67 crores	97 crores
FCF	45 crore	115 crore
Debt to Equity (x)	0.55x	0.34x

Standalone numbers



Re-investment towards high value growth

Actions	
De-leverage Balance Sheet 	Re-payment of ~52 crores in FY20
Investment in creating a brand "UNIBEV" UNIBEV	Entry into high ROCE - premium IMFL business



Financials

Annual | Profit & Loss Statement

Standalone Financials

Particulars (INR Mn)	FY17	FY18	FY19	FY20
Gross Revenues	11,082.1	9,322.1	10,734.7	12,545.1
Less- Excise duty	3,339.6	771.1	891.5	914.7
Net Revenues from Operations	7,742.4	8,551.0	9,843.2	11,630.4
Other Income	47.6	54.0	79.5	48.3
Total Income	7,790.1	8,605.0	9,922.7	11,678.7
Total Expenditure	7,186.4	7,856.0	8,901.0	10,299.7
Consumption of Material	4,677.3	5,169.0	5,974.9	7,127.0
Employee Cost	169.2	228.1	256.1	311.1
Other Expenditure	2,339.8	2,458.9	2,670.0	2,861.6
EBITDA	603.7	749.0	1,021.7	1,379.0
Depreciation & Amortization	268.7	361.9	361.1	378.6
EBIT	335.0	387.1	660.7	1,000.4
Finance Charges	175.2	271.4	263.1	235.2
PBT	159.8	115.7	397.6	765.1
Tax Expense (Current, Deferred Tax)*	-1.7	45.2	91.9	172.0
PAT (From ordinary activities)	161.4	70.5	305.7	593.1
EPS	5.60	2.45	10.64	20.60

Annual | Key Ratios

Standalone Financials

Key Ratios (% of Total Income)	FY17	FY18	FY19	FY20
EBITDA	7.7%	8.7%	10.3%	11.8%
PAT	2.1%	0.8%	3.1%	5.1%
Total Expenditure	92.3%	91.3%	89.7%	88.2%
Raw material	60.0%	60.1%	60.2%	61.0%
Employee Cost	2.2%	2.7%	2.6%	2.7%
Other Expenditure	30.0%	28.6%	26.9%	24.5%
Interest	2.2%	3.2%	2.7%	2.0%
Depreciation	3.4%	4.2%	3.6%	3.2%
Other Income	0.6%	0.6%	0.8%	0.4%

Annual | Balance Sheet

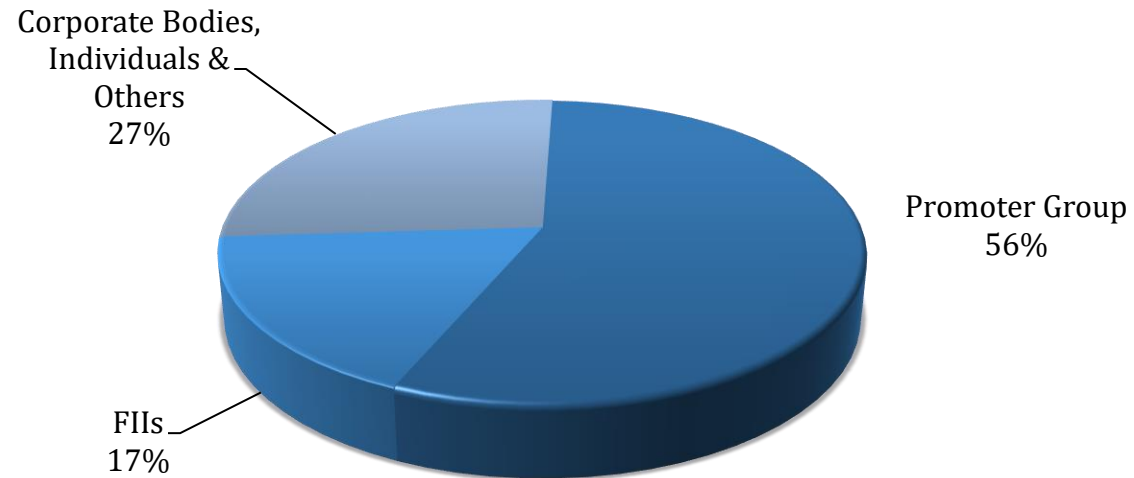
Standalone Financials

Liabilities (INR Mn)	FY17	FY18	FY19	FY20
Net-worth	3,723.0	3,793.7	4,100.1	4,688.8
LT borrowings	1,750.4	1,434.9	1,692.9	1,341.8
Provisions	14.2	17.0	17.2	27.3
Deferred tax liabilities	238.8	258.7	241.5	282.6
Other non-current liabilities	21.8	27.1	24.9	22.7
Total Non Current Liabilities	5,748.2	5,531.3	6,076.5	6,363.2
ST borrowings	740.0	785.7	314.2	44.8
Trade payables	1,034.2	1,340.7	1,292.5	1,522.0
Provisions	12.5	14.8	16.5	51.8
Current tax liabilities	-	-	10.2	6.9
Other current liabilities	452.6	95.3	88.5	196.2
Total Current Liabilities	2,239.3	2,236.6	1,721.8	1,821.7
Total Liabilities	7,987.5	7,767.9	7,798.3	8,184.9

Assets (INR Mn)	FY17	FY18	FY19	FY20
Fixed assets (incl. CWIP)	6,320.8	6,090.1	5,860.1	5,982.5
Investments	49.5	49.5	49.5	274.5
Other financial assets	204.6	124.2	119.3	105.1
Income tax assets	30.0	31.9	15.3	0.3
Other non-current assets	192.3	237.4	343.2	205.7
Total Non Current Assets	6,797.3	6,533.1	6,387.5	6,568.1
Inventories	678.3	603.8	708.4	978.6
Trade receivables	352.9	483.5	475.5	292.8
Cash & cash equivalents	23.1	23.5	15.8	197.3
Other financial assets	13.8	10.1	19.0	17.8
Other current assets	122.1	113.8	192.2	130.3
Total Current Assets	1,190.2	1,234.8	1,410.9	1,616.8
Total Assets	7,987.5	7,767.9	7,798.3	8,184.9

Shareholding Pattern

Total outstanding equity shares as on December 31, 2020, stands at 28.8 Mn shares



Major Non-Promoter Shareholders % shareholding

Name	% Share
Templeton Strategic Emerging Markets Fund IV, LDC	17.49%

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Rare Premium
GRAIN WHISKY



BLENDED WITH
18
YEAR OLD
SCOTCH

A RARE BREED

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