GLOBUS SPIRITS LIMITED

"Strong Backbone, Marching towards High Value Segments"

Q3FY20 Result Presentation | February 2020

Globus Spirits Limited - Overview

Unique 360° business model only company with **Fully Integrated Alcohol Play**

Modern and Largest grain based distilleries with track record of high capacity utilisation

Continuous value addition by conversion of bulk to bottled products

De-leveraging Balance Sheet **Total Debt-to-Equity Ratio of 0.43x in Q3FY20 vs 0.56x in Q4FY19**

Foray into **premium IMFL segment** through **"UNIBEV"** - fast growing, high margin premium IMFL

Presence in **ENA | IMIL | Franchisee Bottling | Premium IMFL** segments

AGENDA

Q3 FY20 Performance

Annexure

QUARTER HIGHLIGHTS

Q3FY20 – Performance Highlights (Standalone)

- **Total Income (net of excise duty) stood at Rs. 3,268 mn in Q3FY20, 25% growth against Rs. 2,609 mn in Q3FY19**
  - Total Income grew on account of robust growth of 46% of ENA segment
  - IMIL revenue grew on account of increased realizations by 14% YoY
- **EBITDA for the quarter stood at Rs. 360 mn in Q3FY20 against Rs. 250 mn in Q3FY19; growth of 44% YoY**
  - EBITDA Margins stood at 11.0% against 9.6% in Q3FY19
- **PAT at Rs. 147 mn compared to Rs. 58 mn in Q3FY19, robust growth of 1.52x YoY**
  - Cash profit stood at Rs. 242 mn against Rs. 150 mn in Q3FY19

Q3FY20		Q3FY19
Rs. 3,268 mn	25% Total Income (Net)	Rs. 2,609 mn
Rs. 360 mn	44% EBITDA	Rs. 250 mn
Rs. 147 mn	152% PAT	Rs. 58 mn

Q3FY20 – Profit & Loss Statement (Standalone)

Particulars (In Rs MN)	Q3 FY20	Q3 FY19	YoY (%)	Q2 FY20	QoQ	9MFY20	9MFY19	YoY	FY19
Gross Revenues	**3,529.1**	**2,783.2**	**27%**	**2,963.0**	**19%**	**9,616.3**	**7,856.9**	**22%**	**10,734.7**
Less- Excise duty	267.3	215.5	24%	246.1	9%	681.4	722.6	-6%	891.5
Net Revenues from Operations	**3,261.9**	**2,567.8**	27%	**2,716.8**	20%	**8,934.9**	**7,134.3**	25%	**9,843.2**
Other Income	5.8	41.1	-86%	11.3	-48%	30.8	60.3	-49%	79.5
Total Income	**3,267.7**	**2,608.8**	**25%**	**2,728.1**	**20%**	**8,965.7**	**7,194.6**	**25%**	**9,922.7**
Total Expenditure	**2,907.8**	**2,358.6**	**23%**	**2,401.4**	**21%**	**7,976.4**	**6,466.9**	**23%**	**8,901.0**
Consumption of Material	2,112.1	1,578.5	34%	1,597.3	32%	5,568.6	4,282.8	30%	5,974.9
Employee Cost	77.5	69.1	12%	80.5	-4%	233.0	188.5	24%	256.1
Other Expenditure	718.2	711.0	1%	723.5	-1%	2,174.8	1,995.7	9%	2,670.0
EBITDA	**359.9**	**250.2**	**44%**	**326.7**	**10%**	**989.4**	**727.7**	**36%**	**1,021.7**
Depreciation & Amortization	95.1	91.3	4%	95.4	0%	282.7	272.7	4%	361.1
EBIT	**264.8**	**158.9**	**67%**	**231.3**	**15%**	**706.7**	**455.0**	**55%**	**660.7**
Finance Charges	62.1	67.1	-7%	61.6	1%	185.7	203.1	-9%	263.1
PBT	**202.7**	**91.8**	**121%**	**169.7**	**19%**	**521.0**	**251.9**	**107%**	**397.6**
Tax Expense (Current, Deferred Tax)*	55.9	33.4	67%	33.1	69%	143.4	90.0	59%	91.9
PAT (From ordinary activities)	**146.8**	**58.4**	**152%**	**136.6**	**7%**	**377.6**	**161.9**	**133%**	**305.7**
EPS	**5.1**	**2.0**	**152%**	**4.7**	**7%**	**13.1**	**5.6**	**133%**	**10.6**

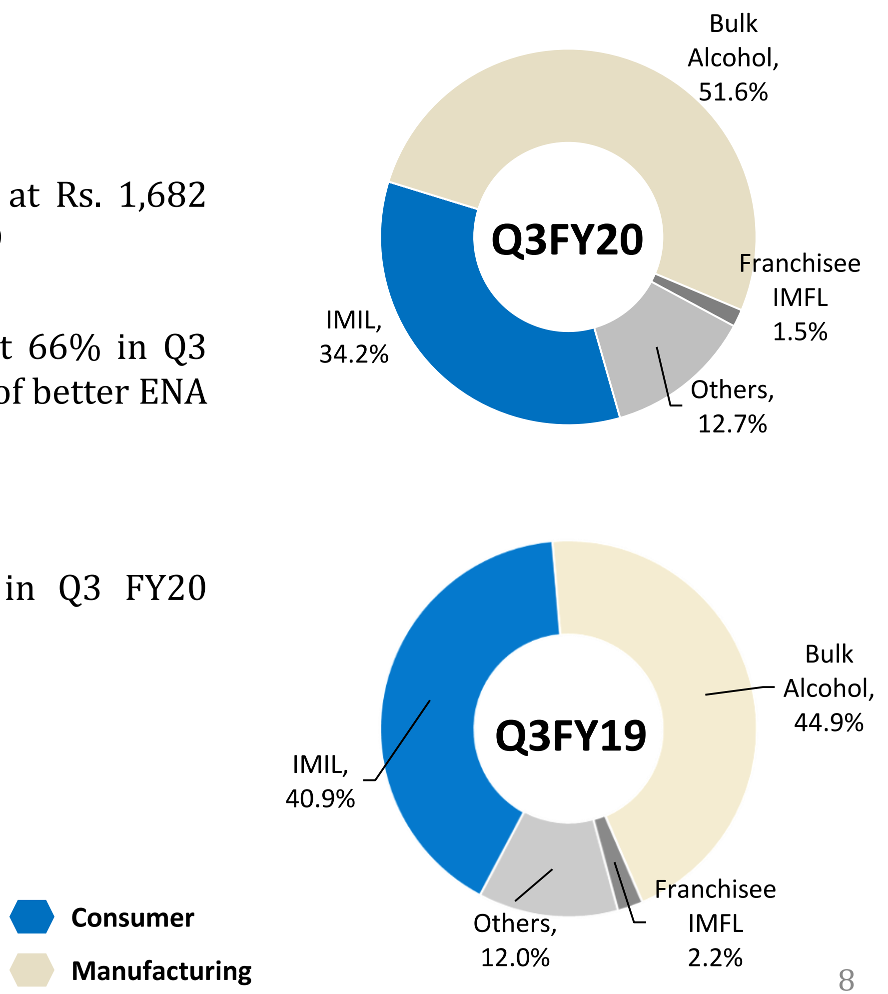
Q3FY20 – Key Ratios (Standalone)

Key Ratios as a % of Total Income	Q3 FY20	Q3 FY19	Q2 FY20	9MFY20	9MFY19	FY19
EBITDA	11.0%	9.6%	12.0%	11.0%	10.1%	10.3%
PAT	4.5%	2.2%	5.0%	4.2%	2.2%	3.1%
Total Expenditure	89.0%	90.4%	88.0%	89.0%	89.9%	89.7%
Raw material	64.8%	61.5%	58.8%	62.3%	60.0%	60.7%
Employee Cost	2.4%	2.6%	3.0%	2.6%	2.6%	2.6%
Other Expenditure	22.0%	27.3%	26.5%	24.3%	27.7%	26.9%
Interest	1.9%	2.6%	2.3%	2.1%	2.8%	2.7%
Depreciation	2.9%	3.5%	3.5%	3.2%	3.8%	3.6%
Other Income	0.2%	1.6%	0.4%	0.3%	0.8%	0.8%

Segmental Performance

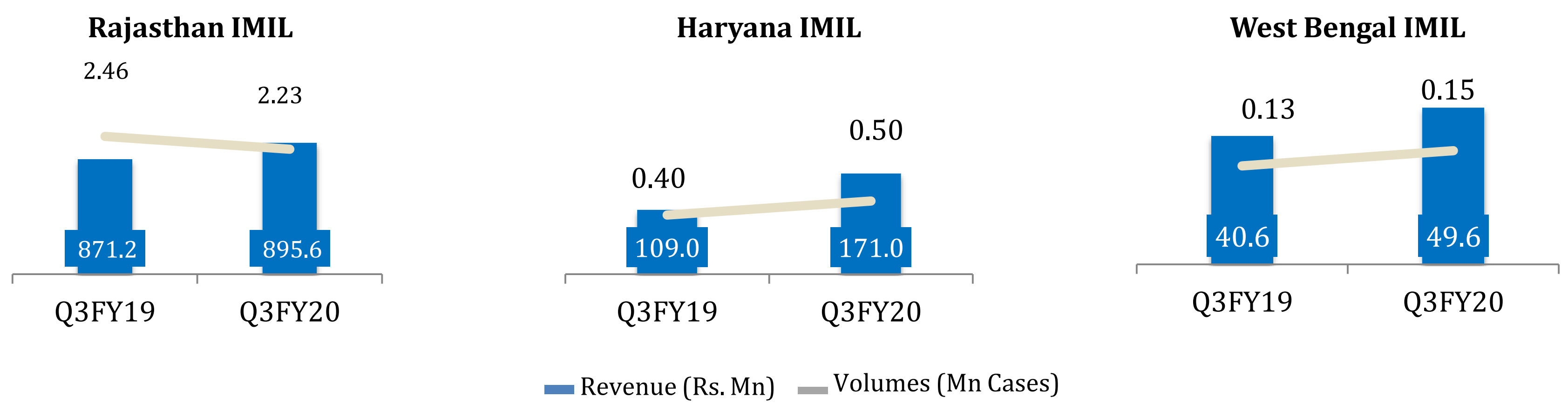
Breakup of Revenue from Operations (Net)

- Revenues from manufacturing business stood at Rs. 1,682 mn in Q3 FY20, against Rs. 1,518 mn in Q3 FY19
  - Share of manufacturing business stood at 66% in Q3 FY20 against 59% in Q3FY19; on account of better ENA realizations and increased capacity
- Share of consumer business stood at 34% in Q3 FY20 against 41% in the same period last year



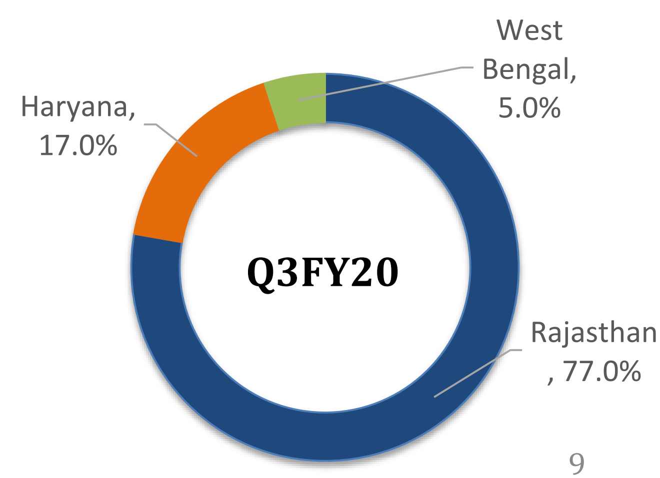
Figures in Rs Million, Standalone Financials

IMIL – Strong Consumer Business



- Aggregate IMIL revenues stood at Rs. 1,116 mn in Q3FY20; aggregate IMIL realizations stood at Rs. 387.7 per case grew by 14% YoY
- Exited from Delhi country liquor market due to low realisations

Q3FY20 IMIL Split by Volume (Total 2.88 mn cases)

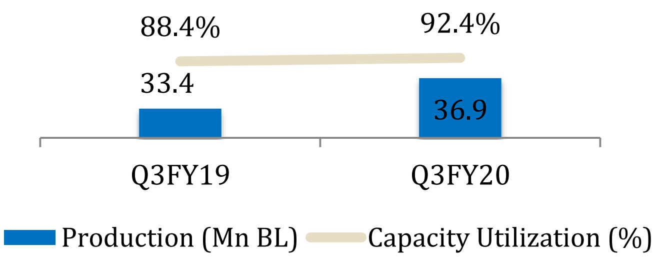


Figures in Rs Million, Standalone Financials

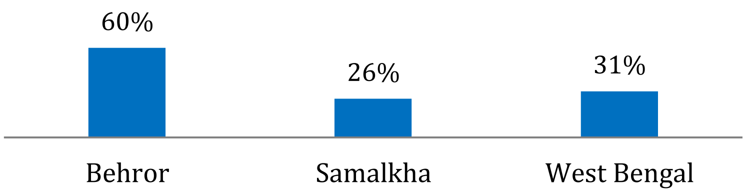
Manufacturing – Robust Performance

- Capacity utilization stood at 88.4% in Q3 FY20 against 92.4% in Q3 FY19
- 9MFY20 - Total capacity increased to 160 mn bulk liters on account of De-bottlenecking at Rajasthan
- Captive consumption at 35%, higher bulk alcohol sales on account of higher realizations
- Franchise Bottling volumes stood at 1.03 mn cases vs. 1.26 mn cases in Q3 FY19; realizations stood at Rs. 46.73 per case

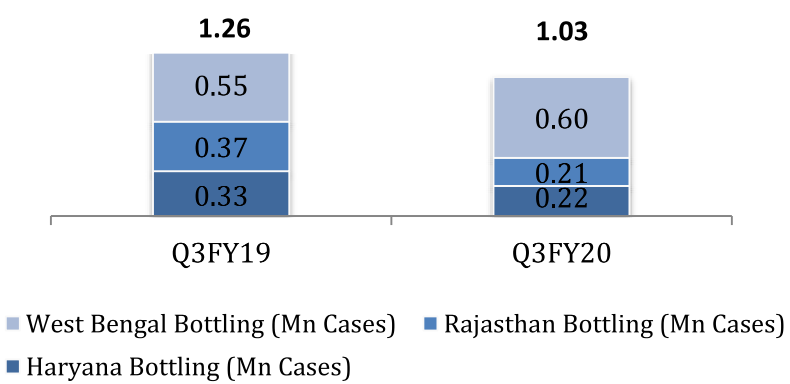
Production & Capacity Utilization



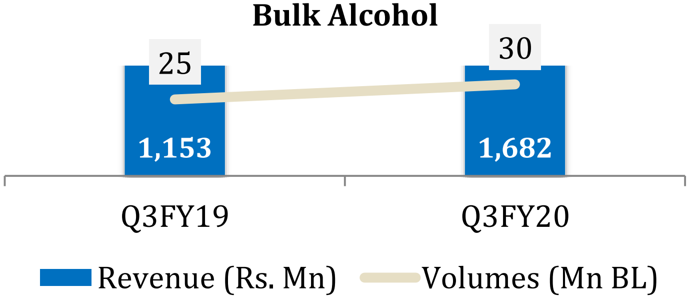
Captive Consumption as % of Production



Franchise Bottling



Bulk Alcohol



Figures in Rs Million, Standalone Financials

COMPANY OVERVIEW

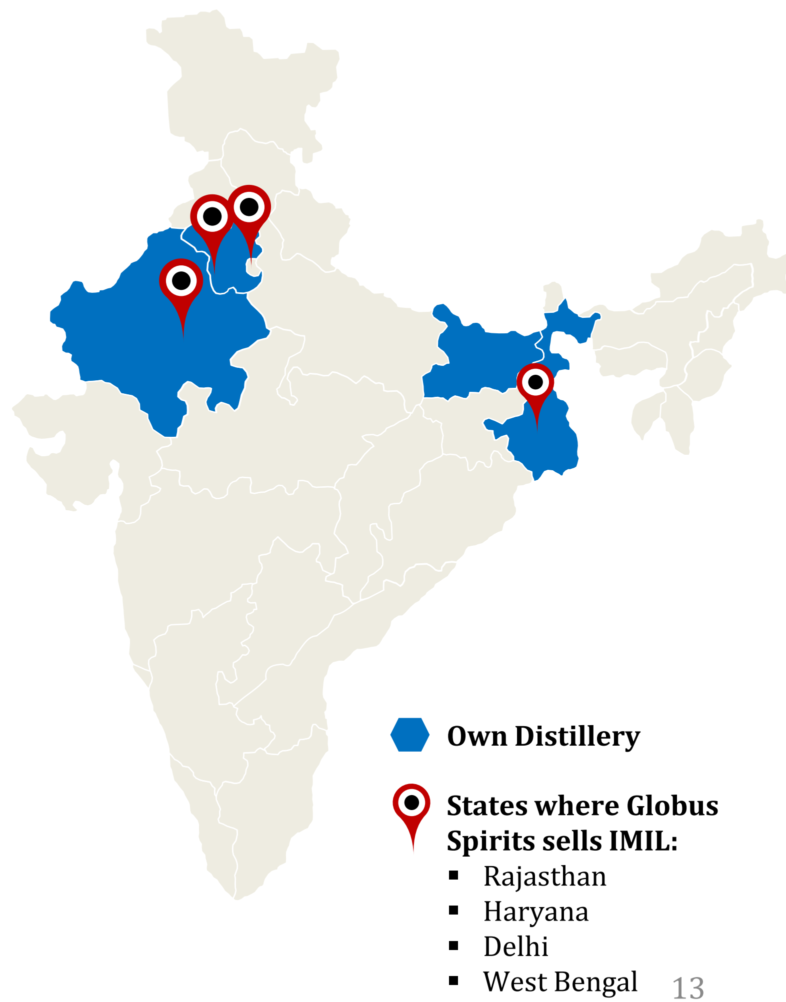
Leveraging a Strong 360^{o} Business Model

Unique 360^{0} model straddling across the entire alcohol value chain

- **Large, efficient manufacturing operations**
  - Amongst the largest and most efficient grain-based distillery operations 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 in North India**
  - Pioneered IMIL branding with launch of NIMBOO brand
  - Leading player in Haryana, Rajasthan and Delhi

GSL – Geographical Presence

- No. 1 private player in Rajasthan IMIL with 29% market share
  - 2.23 mn cases sold in Q3FY20
- No. 4 private player in Haryana with 8% market share
  - 0.50 mn cases in sold in Q3 FY20
- 1% Market share in West Bengal
  - 0.15 mn cases sold in Q3 FY20



Growth Strategy

- **Rationalizing high cost debt & debt repayment**

Further reduction of finance costs ₹

- **Leverage ethanol opportunity to enhance capacity utilization and improve realizations**

Average Realizations (Per Litre)

In Q3FY20 at Rs. 56.2 vs 46.1 in Q3FY19

- **De-bottlenecking & modernization of facilities**

Thrust further improvement of product efficiencies

- **Investing towards Future Growth Segment – Semi Premium & Premium segments (UNIBEV)**

Foray into high value Premium IMFL

Unique Competitive Strengths

Globus Spirits

360° Business Model

- Only company present across full alcobev value chain
- Helps capture IMFL growth via franchisee bottling for top IMFL companies
- High utilization, assured captive off- take
- De-risked growth
- High quality maintained with control on entire value chain

Efficient Operations

- State-of-the-art plants across three locations using latest distillation technology, zero discharge and highest grain- recovery in industry
- Supplying to premium brands
- Leadership - mix of experience and young talent

Strong Consumer Portfolio

- Leadership in key states of Rajasthan, Delhi and Haryana
- Achieved sterling success in IMIL branding with Nimboo
- 4 IMIL brands

Healthy Balance Sheet

- Funding for greenfield expansion at Bihar secured via equity
- D/E of 0.43x (Q3FY20)
- Cash efficient operations

Foray towards Premium IMFL – "UNIBEV"

UNIBEV

90%

10%

Globus Spirits Limited

- Unique business model – integrated spirits play
- Strong governance and financials
- Bold business philosophy

Mr. Vijay Rekhi

- Beverage alcohol industry veteran
- Steered USL to global volume leadership
- Keeper of Quaich, most admirable CEO

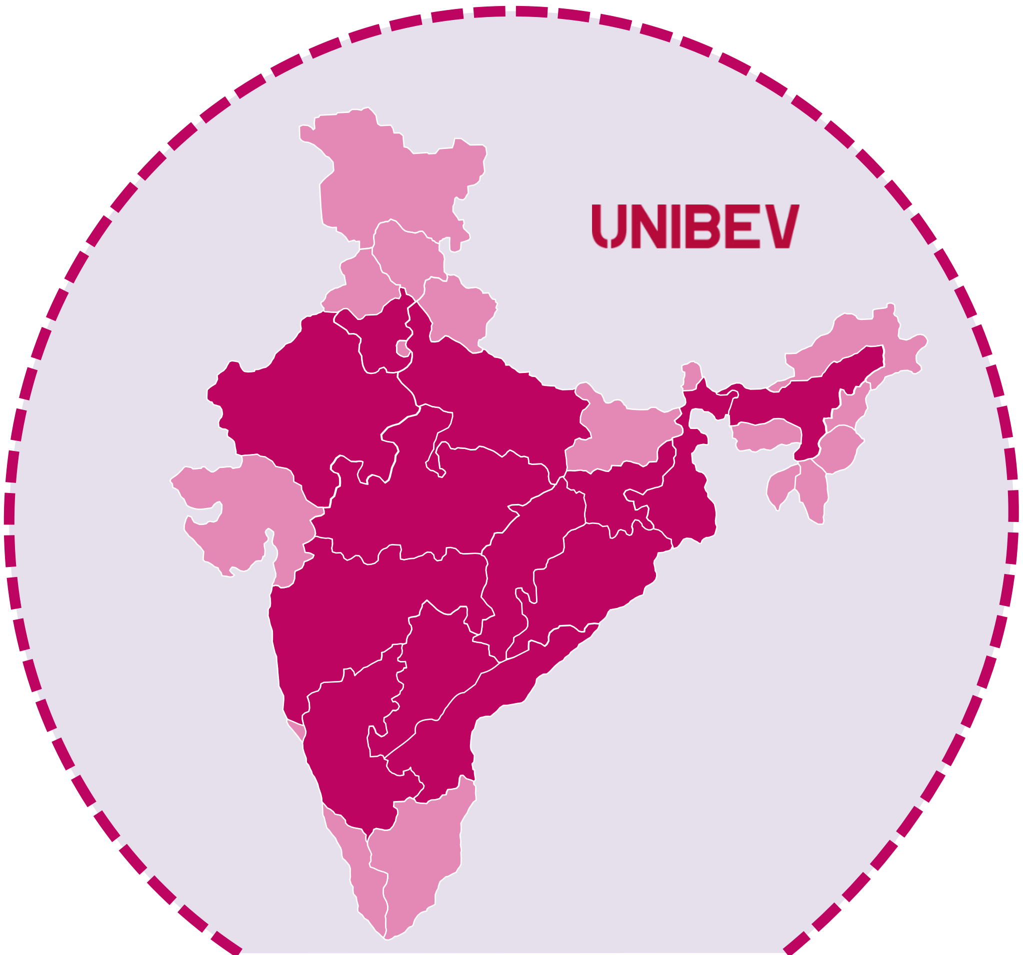
Product Offerings

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

Crafted a range of **premium and super premium whiskies** blended with Upto12, 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**

Focus on Expanding Foot Prints



Expanding Geographic Footprints will

Create Availability to larger consumer base

Increase presence to ***12-15 Sates by end of FY20***

Current Brand Portfolio

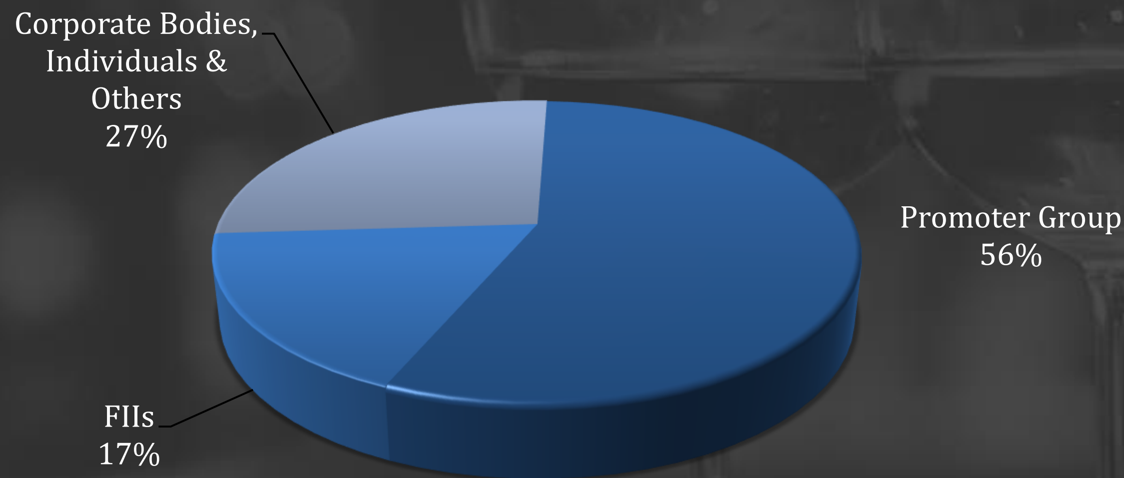
Globus Spirits

Globus Spirits Limited (IMIL)	UNIBEV (IMFL)

Globus Spirits

UNIBEV

Shareholding Pattern



As on December 31, 2019 Outstanding shares – 28.8 mn

Major Non-Promoter Shareholders % shareholding	
Name	% Share
Templeton Strategic Emerging Markets Fund IV, LDC	17.49%

About Us

Established in 1992, Globus Sprits Limited (BSE code: 533104, NSE Id: GLOBUSSPR, ISIN Id:INE615I01010) is engaged in manufacturing, marketing and sale of Indian Made Indian Liquor(IMIL), Indian Made Foreign Liquor (IMFL), Bulk Alcohol and contract bottling for established IMFL brands. The Company has a well established presence in the IMIL segment and set to become a Pan-India IMIL leader with launch of distilleries in Bihar and West Bengal.

GSL currently operates three modern and fully integrated distilleries at Behror, Rajasthan and Samalkha and Hisar, Haryana. It is one of the largest and most efficient grain based distilleries in India with highest alcohol recovery per unit of grain.

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