



ENABLING EXCELLENCE

GLOBUS SPIRITS LIMITED

Result Presentation | November 2020

ENA | IMIL | Bottling | Premium IMFL



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Q2/H1 FY21 Performance

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Q2 FY21 | Performance Highlights

- **Total Income (net of excise duty) stood at Rs. 3,298 Mn, growth of 21% YoY**

- Gross Revenue grew by 53% y-o-y to Rs. 4,537 Mn in Q2FY21; However, higher excise duty as a result of addition of new Rajasthan Medium Liquor (RML) category led to lower growth in Total Income

- **EBITDA stood at Rs. 659 Mn, growth of 102% YoY**

- EBITDA Margin grew by ~800 bps YoY to 20.0% in Q2FY21, on account of higher ENA realisations and softening RM and fuel prices

- **PAT stood at Rs. 357 Mn, a robust growth of 162% YoY**

- Finance cost declined by ~20% YoY to Rs. 49 Mn in Q2FY21

- **Free Cash Flow generated for the period H1FY21* increased by 47% YoY to Rs. 282 Mn**

Q2FY21

Q2FY20

Rs. 3,298 Mn

21%

Rs. 2,728 Mn

Total Income (Net)

Rs. 659 Mn

102%

Rs. 327 Mn

EBITDA

Rs. 357 Mn

162%

Rs. 137 Mn

PAT

Rs. 282 Mn

47%

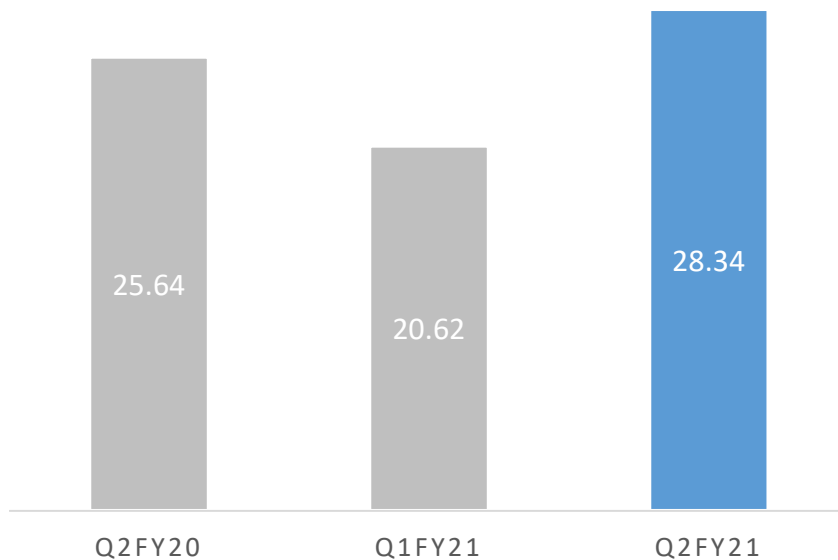
Rs. 192 Mn

Free Cash Flow*

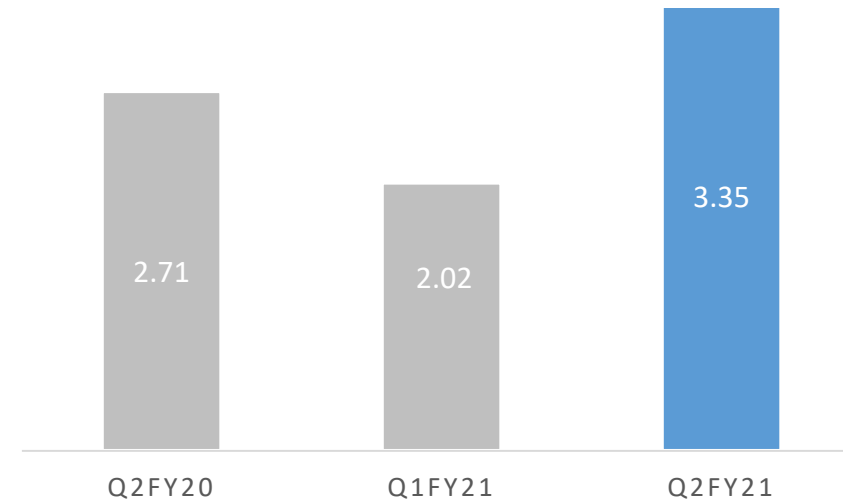
Improvement in Sales Volumes During Q2FY21...

...Growth momentum post 'Unlocking', likely to sustain on the back of...

Bulk Alcohol (ENA) Sales trend (Mn Bulk litres)



IMIL Sales trend (Mn cases)



IMIL Witnessing Positive Changes...

... Better Agri year → higher farmer disposable income → growth in consumption

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

- 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 increased to ~29% in RML

Haryana : Increase in market size of IMIL

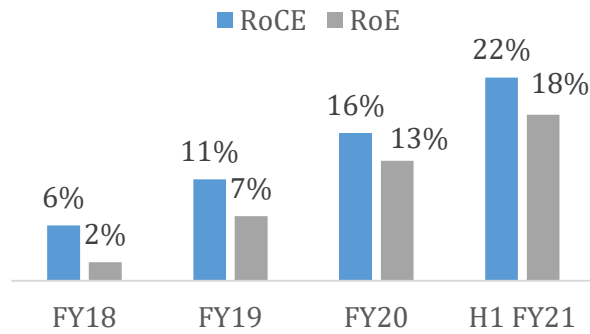
- During the pandemic, Governments have focused to improve revenue through increase in taxes; resulted in to increase in market size of IMIL
- GSL achieved volume growth and market share (~9%)
- Green Shoots visible for higher demand of IMIL; tracking developments closely to ascertain sustainability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



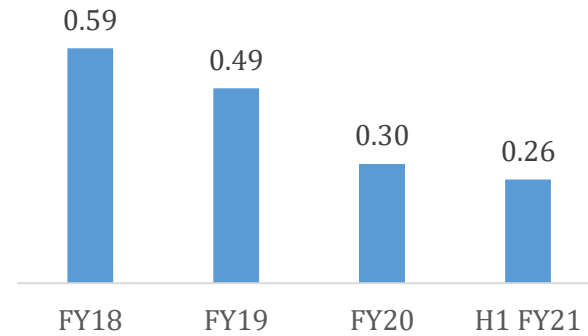
Strengthening Balance-sheet

Consistent focus on reducing debt and improving return ratios

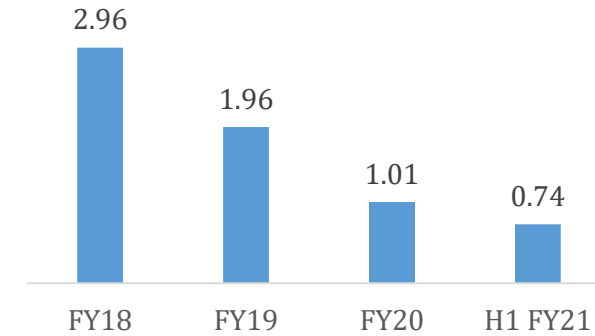
Return Ratios



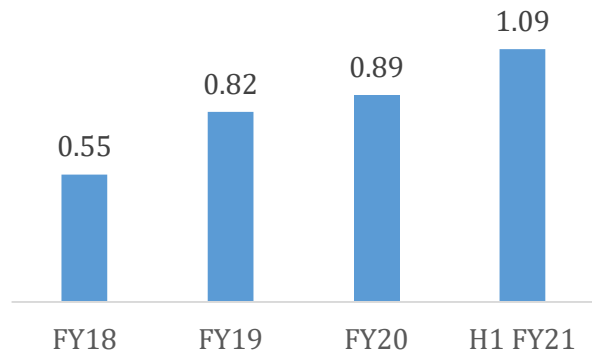
Debt/Equity



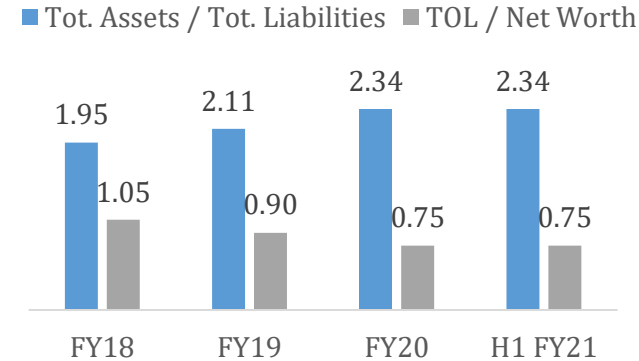
Debt/EBITDA



Current Ratio



Solvency Ratios



Profit & Loss Highlights | Q2 & H1FY21

Standalone Financials

Particulars (Rs Mn)	Q2 FY21	Q2 FY20	YoY (%)	Q1 FY21	QoQ (%)	H1 FY21	H1 FY20
Gross Revenues	4,536.9	2,963.0	53.1%	2,896.3	56.6%	7,433.1	6,087.2
Less- Excise duty	1,275.3	246.1	418.1%	604.6	110.9%	1,879.9	414.1
Net Revenues from Operations	3,261.6	2,716.8	20.1%	2,291.7	42.3%	5,553.2	5,673.1
Other Income	36.3	11.3	222.7%	10.4	249.5%	46.7	25.0
Total Income	3,297.9	2,728.1	20.9%	2,302.0	43.3%	5,599.9	5,698.1
Total Expenditure	2,638.8	2,401.4	9.9%	1,886.6	39.9%	4,525.3	5,068.6
Consumption of Material	1,764.2	1,597.3	10.4%	1,387.8	27.1%	3,152.0	3,456.5
Employee Cost	96.1	80.5	19.3%	84.5	13.7%	180.5	155.5
Other Expenditure	778.5	723.5	7.6%	414.3	87.9%	1,192.8	1,456.6
EBITDA	659.1	326.7	101.8%	415.5	58.6%	1,074.6	629.5
Depreciation & Amortization	99.2	95.4	4.0%	95.2	4.2%	194.4	187.6
EBIT	559.9	231.3	142.1%	320.3	74.8%	880.2	441.9
Finance Charges	49.0	61.6	-20.4%	50.8	-3.5%	99.8	123.6
PBT	510.9	169.7	201.0%	269.5	89.6%	780.4	318.3
Tax Expense (Current, Deferred Tax)*	153.6	33.1	364.3%	68.4	124.5%	222.0	87.5
PAT (From ordinary activities)	357.3	136.6	161.5%	201.1	77.7%	558.3	230.8
EPS	12.41	4.74	161.8%	6.98	77.8%	19.39	8.01

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

Key Ratios | Q2 & H1FY21

Standalone Financials

Key Ratios (% of Total Income)	Q2 FY21	Q2 FY20	Q1 FY21	H1 FY21	H1 FY20
EBITDA	20.0%	12.0%	18.0%	19.2%	11.0%
PAT	10.8%	5.0%	8.7%	10.0%	4.1%
Total Expenditure	80.0%	88.0%	82.0%	80.8%	89.0%
Raw material	53.5%	58.6%	60.3%	56.3%	60.7%
Employee Cost	2.9%	3.0%	3.7%	3.2%	2.7%
Other Expenditure	23.6%	26.5%	18.0%	21.3%	25.6%
Interest	1.5%	2.3%	2.2%	1.8%	2.2%
Depreciation	3.0%	3.5%	4.1%	3.5%	3.3%
Other Income	1.1%	0.4%	0.5%	0.8%	0.4%

Balance Sheet | September 2020

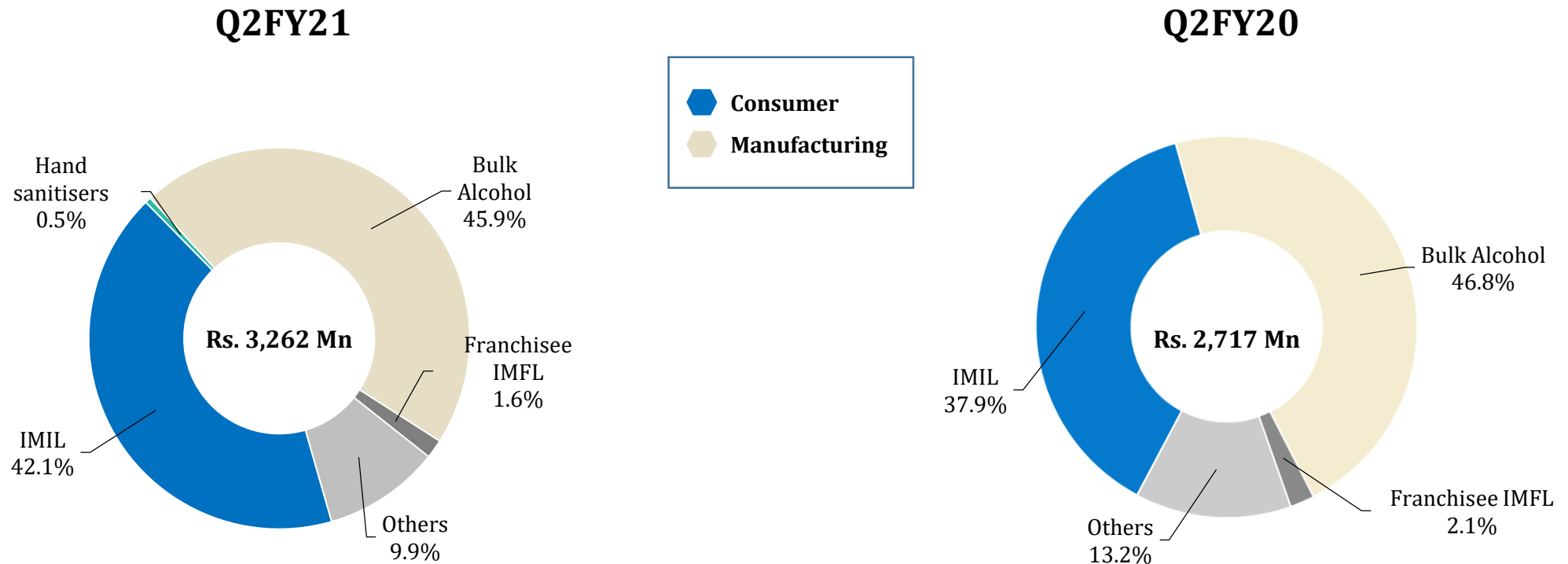
Standalone Financials

Liabilities (INR Mn)	Mar-20	Sep-20
Net-worth	4,688.8	5,244.9
LT borrowings	1,341.8	1,209.2
Provisions	27.3	29.9
Deferred tax liabilities	282.6	368.3
Other non-current liabilities	22.7	21.5
Total Non Current Liabilities	6,363.2	6,873.9
ST borrowings	44.8	145.5
Trade payables	1,057.1	1,250.3
Provisions	51.8	59.8
Other financial liabilities	465.0	522.1
Current tax liabilities	6.9	78.1
Other current liabilities	196.2	238.1
Total Current Liabilities	1,821.7	2,293.8
Total Liabilities	8,184.9	9,167.7

Assets (INR Mn)	Mar-20	Sep-20
Fixed assets (incl. CWIP)	5,982.5	5,884.8
Investments	274.5	274.5
Other financial assets	105.1	103.9
Income tax assets	0.3	0.3
Other non-current assets	205.7	397.7
Total Non Current Assets	6,568.1	6,661.1
Inventories	978.6	833.7
Trade receivables	292.8	999.3
Cash & cash equivalents	197.3	420.1
Other financial assets	17.8	26.7
Other current assets	130.3	226.8
Total Current Assets	1,616.8	2,506.6
Total Assets	8,184.9	9,167.7

Segmental Performance

Break-up of Standalone Revenue from Operations (Net)

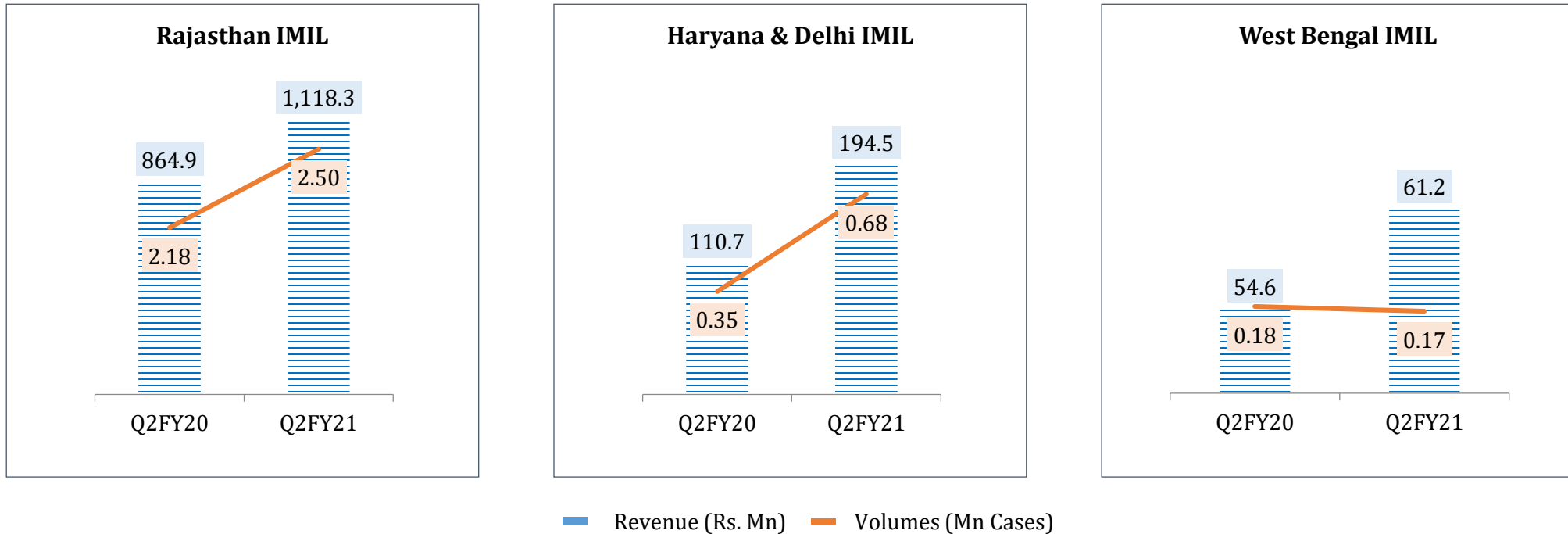


- **Revenue from Manufacturing business - Rs. 1,888 Mn in Q2 FY21, as against Rs. 1,687 Mn in Q2 FY20**
 - Manufacturing includes revenue from Bulk Alcohol, Franchise Bottling, Hand Sanitisers and Others (by-products)
- **Share of Consumer business increased by ~420 bps YoY from ~38% in Q2 FY20 to ~42% in Q2 FY21**

Consumer Business - IMIL

State-wise Performance – Making Progress in all Markets

Total IMIL Sales Volumes in Q2FY21 grew by 24% YoY to 3.35 Mn cases

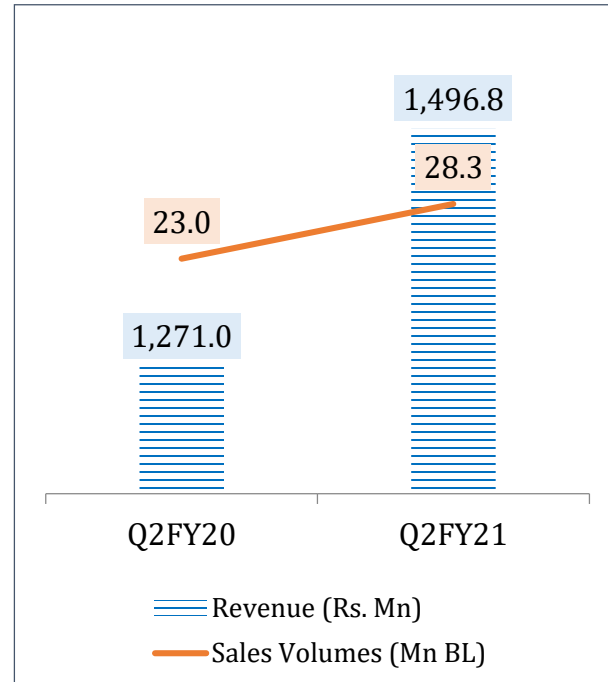
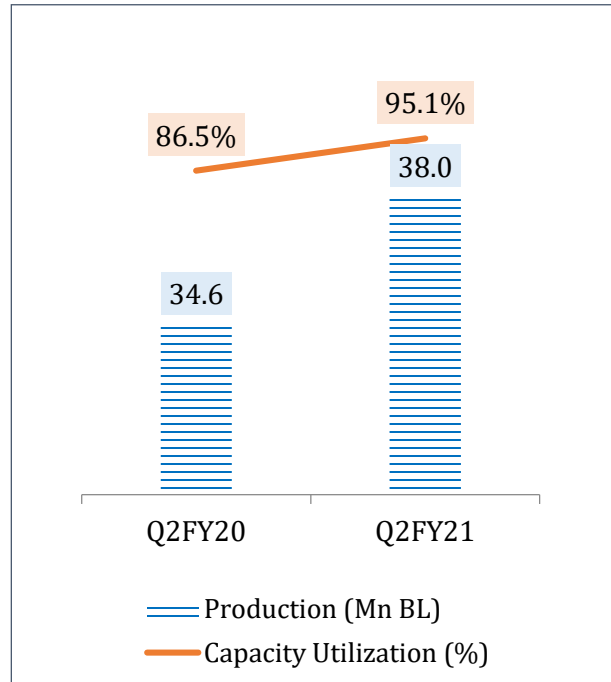


- **Aggregate IMIL Revenue in Q2FY21 grew by 33% YoY to Rs. 1,374 Mn, as against Rs. 1,030 Mn in Q2FY20**
 - Aggregate IMIL realizations - Rs.410 per case in Q2FY21 against Rs. 381 per case in Q2FY20
- **Re-started sales in the Delhi country liquor market recently, off beat and on a small scale**

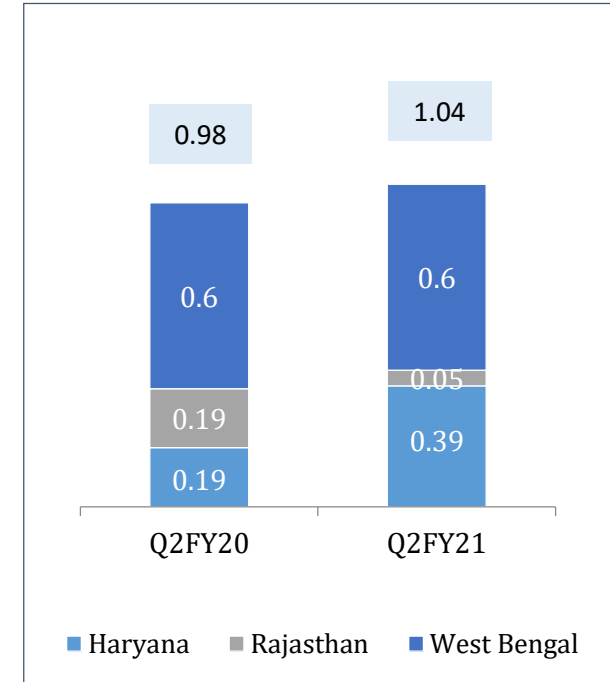
Manufacturing – Strong Backbone

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 42.8% in Q2FY21

Behror, Rajasthan – 68%;

Samalkha, Haryana – 33%;

West Bengal – 21%



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

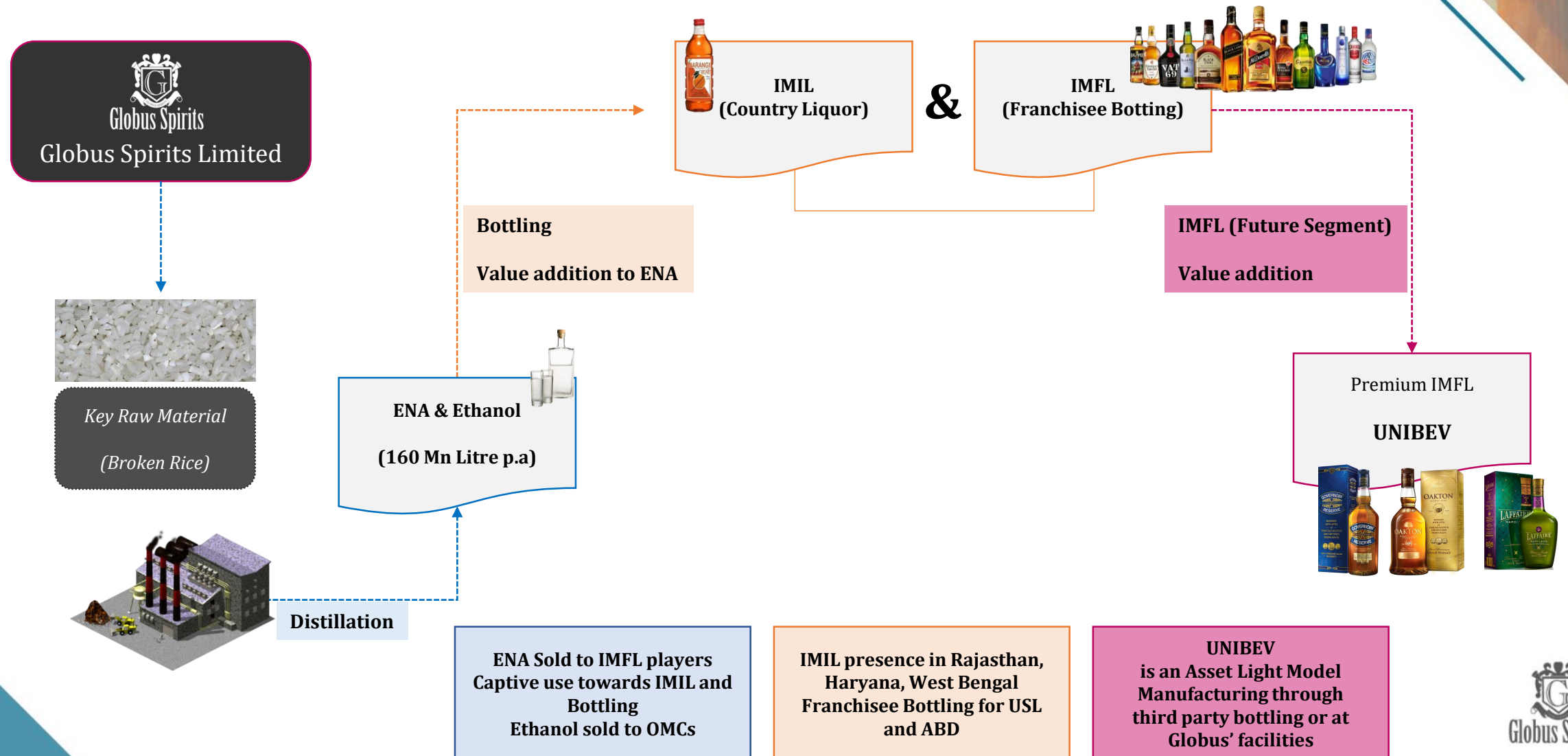
- Pioneered IMIL branding with launch of NIMBOO brand
- Leading IMIL player in Haryana, Rajasthan and Delhi

▪ 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%



GSL - One of the Largest IMIL Players

Product innovation and focus on brand building has enabled growth

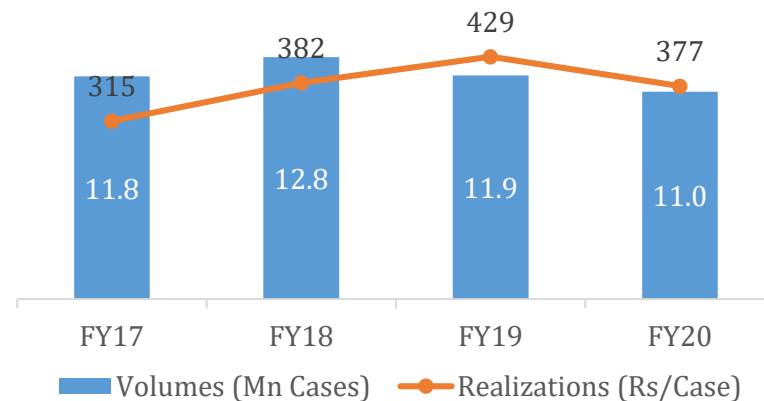
Existing Product Portfolio



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



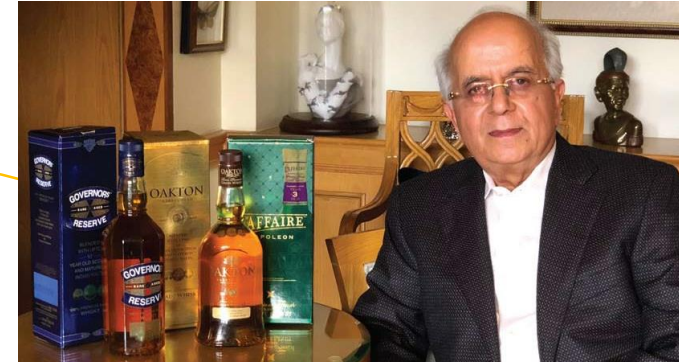
“UNIBEV” – A step towards new leg of growth

Asset light business model - building blocks for a high margin brand play



Globus Spirits Limited

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



Mr. Vijay Rekhi

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

Product Portfolio – Unique Value Proposition

Focus on niche segments and differentiated brand creation



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**

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



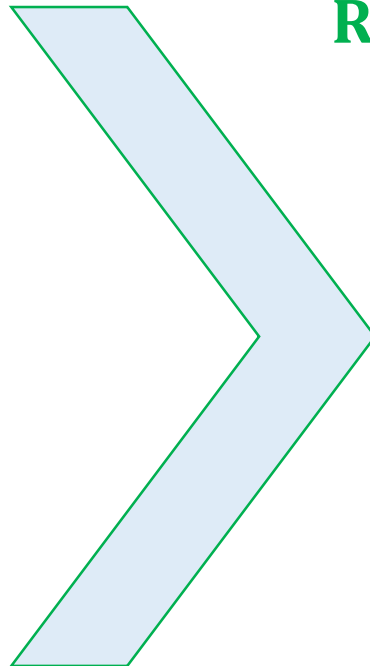
Investing for Future Growth

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	32 crore	115 crore
Debt to Equity (x)	0.56x	0.38x

Standalone numbers



Re-investment towards high value growth

Actions	
De-leverage Balance Sheet 	Re-payment of ~53 crores in FY20
Investment in creating a brand "UNIBEV" UNIBEV	Entry into high ROCE - premium IMFL business

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

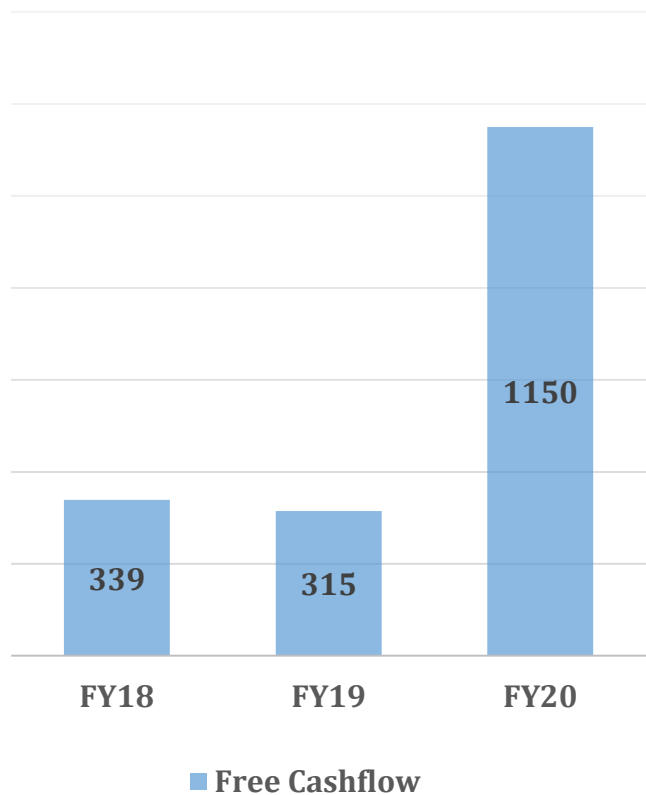
Liabilities (INR Mn)	FY17	FY18	FY19	FY20
Net-worth	3,723.0	3,793.7	4,100.1	4,688.8
LT borrowings	1,750.4	1,434.9	1,692.9	1,341.8
Provisions	14.2	17.0	17.2	27.3
Deferred tax liabilities	238.8	258.7	241.5	282.6
Other non-current liabilities	21.8	27.1	24.9	22.7
Total Non Current Liabilities	5,748.2	5,531.3	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

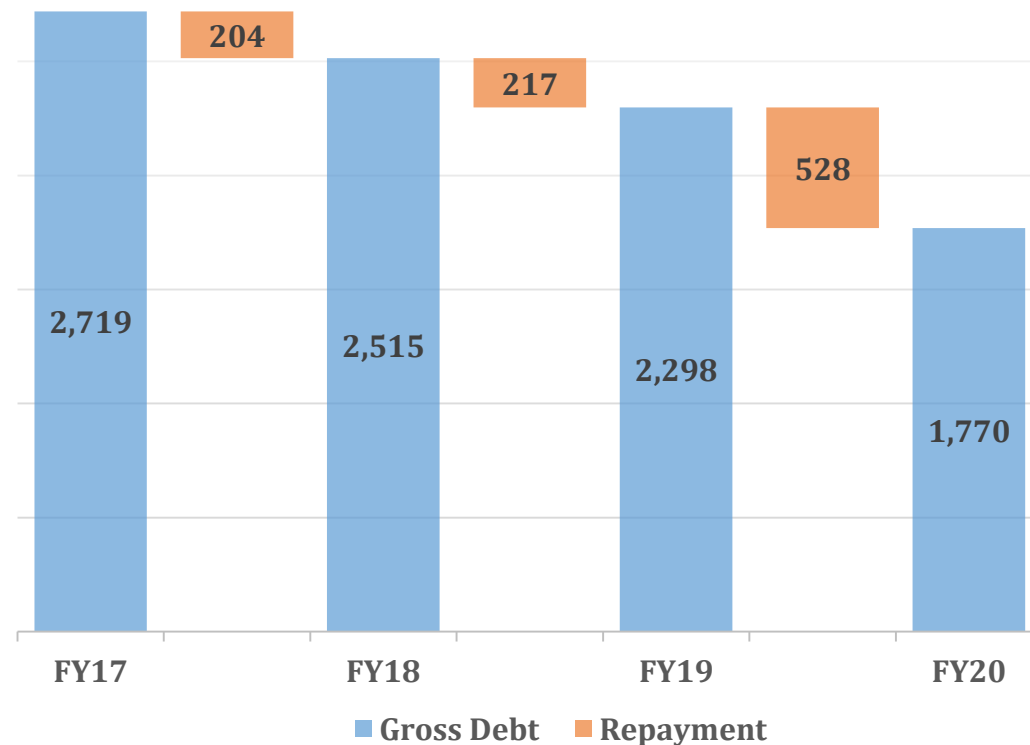
Disciplined Utilization of Cashflow

... Reducing debt & achieving growth from business cashflow

Free Cashflow (Rs. Mn)...



... used to deleverage balance-sheet (Rs Mn)

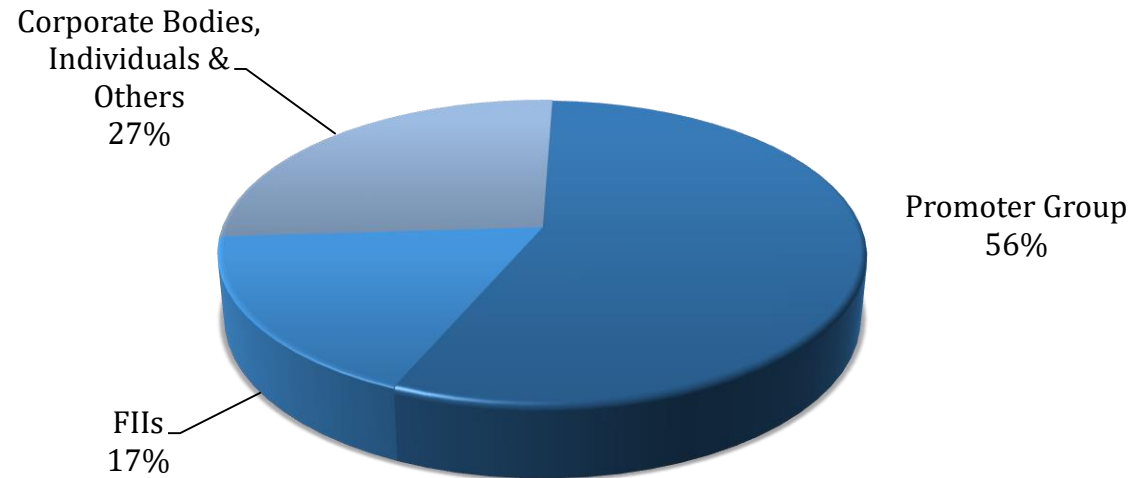


Standalone financials

* Free Cash Flow: (CF from Operating Activities – Capex)

Shareholding Pattern

Total outstanding equity shares as on September 30, 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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