



ENABLING EXCELLENCE

GLOBAL SPIRITS LIMITED

Result Presentation | Q1 FY23

Bulk Alcohol | Value Segment | Franchise Bottling | Premium Segment



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Financial Highlights – Q1FY23

Gross Revenue

Rs. 6,830 Mn

↑ 24% YoY
4% QoQ

Revenue growth trajectory continues, backed by both volume and value growth

- Consumer segment revenue (net of excise) at Rs. 1,940 Mn, up 25% YoY and 15% QoQ
- Bulk Alcohol segment revenue at Rs. 2,343 Mn, up 52% YoY and 6% QoQ, led by enhanced capacities and improved realizations

EBITDA

Rs. 703 Mn

↓ 29% YoY
18% QoQ

Profitability (EBITDA margin at 14.1%) impacted on account of,

- Continuing inflationary and higher input costs scenario
- Higher share of Manufacturing segment (~61% of Net Revenue) led by capacity addition at West Bengal of 140 LKPD effective Q4FY22

Profit After Tax

Rs. 373 Mn

Cash Profit

Rs. 498 Mn

Continuing to generate strong Cash Profits and healthy Return Ratios

- Cash Profit to EBITDA at ~71% in Q1FY23
- RoE of 18% and RoCE of 22%

Business Highlights – Q1FY23

- **Highest ever quarterly production of 5.34 Cr litres, backed by utilization of 92% on an expanded capacity**
- **Consumer business continued to grow with overall sales of 3.94 Mn cases (up 16% YoY and 6% QoQ)**
- **Strategically expanding capacities into new geographies which allows participation in the Consumer market of that state while ensuring profitability through high volumes offtake of ethanol - Post the expansion (by FY25), we will have an access to 100 Mn cases per annum Consumer market (combined market size of all the GSL states).**
- **Tie-up with Bacardi in West Bengal for leasing and contract arrangement which will add revenue potential and better utilize the Panagarh facility**
- **Gross Margin at 41% largely maintained QoQ and in-line with expectation, given the inflationary input cost scenario, as was aided by,**
 - Higher Consumer segment realization from ~ Rs 450 per case to ~ Rs. 490 per case on account of price increases and incremental contribution from Premium segment sales
 - Higher Manufacturing Segment realization from ~ Rs. 54 to ~ Rs. 57 per litre
- **Cost reduction initiatives including purchase of grain from FCI, reduction of energy consumption, backward integration for PET Bottles and so on, are expected to mitigate cost increase by Rs 20-30 Cr annualized**
- **Finance cost** - reduction catapulting to the growth in PBT; Further, our Credit Rating **improved to 'CARE A+/Stable'** from 'CARE A/Stable'
- **Effective Tax Rate** - Based on cash outflow of tax paid, it is at ~23% for Q1FY23

Status of Projects

Sr No.	Location	Capacity (approx. KLPD)	Capex (approx. Rs Cr)	Timeline (approx.)
1	Jharkhand - greenfield	140	120	Aug-22
2	West Bengal (additional)	60	40	Q4-FY23
3	Jharkhand (additional)	60	40	Q4-FY23
4	Bihar	19	5	Q4-FY23
5	Orissa - greenfield	200*		Land acquisition done
6	Uttar Pradesh - greenfield	200*		Land acquisition underway
	Total upcoming capacities	679		
	Add: Current capacities	665		
	Grand total	1,344		

* To be finalised after the Government of India approvals are in place.

Consumer Business – Market Initiatives

Value & Value Plus Segment

- **Rajasthan: Market share ~33%**
 - Overall market share gain continues backed by robust Value Plus segment
 - The whiskey brand '**Globus Green**' launched in March end is showing green shoots and work is underway to introduce '**Kevda**' flavour in Aug'22
- **Haryana: Market share ~8%**
 - Cut down on high-cost growth push in the current environment, resulting in temporary dip in growth
 - Persistent efforts on Metro liquor, which market is expected to grow in the year 2022-23
- **West Bengal: Market share ~2%; Significant headroom**
 - GSL launched 'County Club' in Value Plus segment towards April end which has been well received

Premium Segment

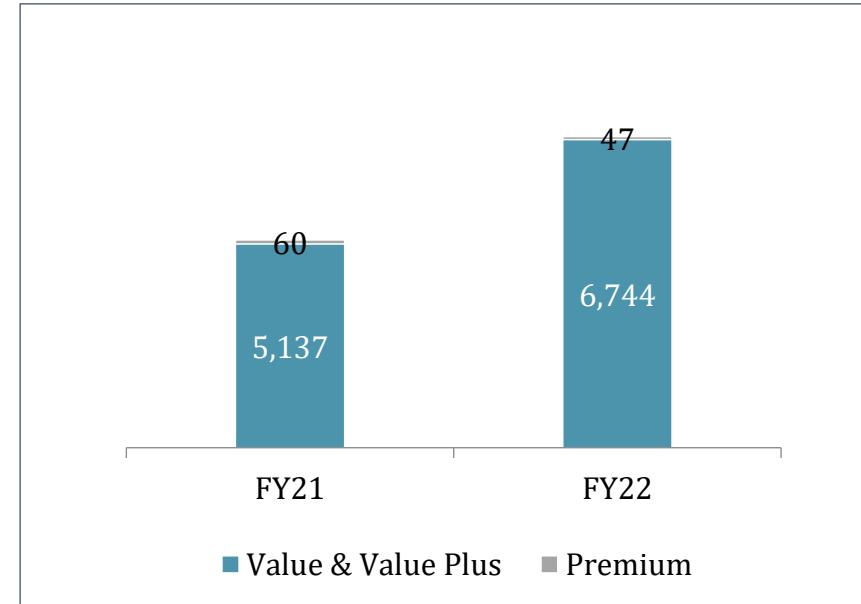
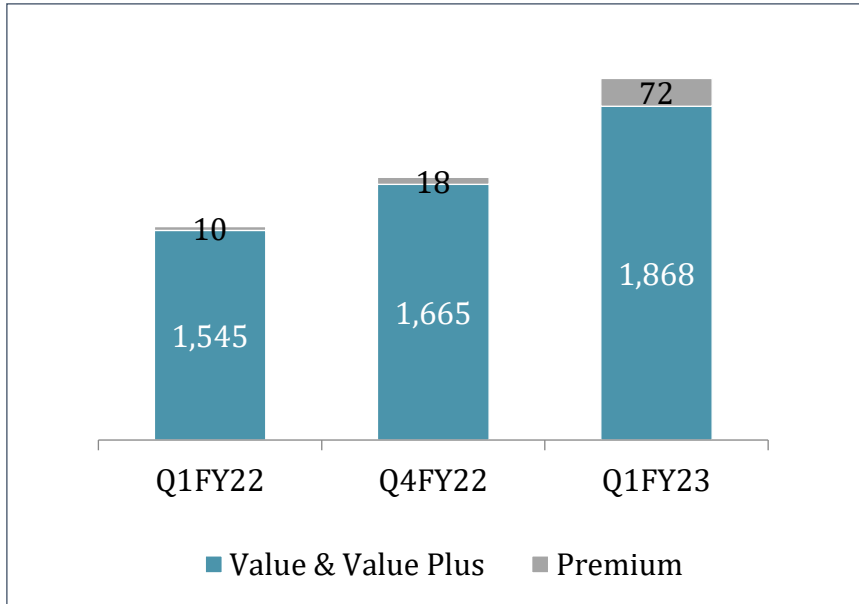
- Our IMFL brands are now available at **over 50% salience contributing outlets in the key markets of Uttar Pradesh, Delhi and West Bengal**. By the end of FY23, the brands will be introduced in **Haryana and Telangana, thereby will be available at 75%** of the salience-contributing outlets
- **Re-energised and expanded portfolio in West Bengal** – Introduced larger range of products with local manufacturing facility
- Terai – India Dry Gin has been extended to Uttar Pradesh, West Bengal, Rajasthan and Mumbai and **will be introduced in Haryana followed by Telangana towards the end of Q2FY23**



Consumer Business - Value Added, High Margin

Value Plus segment driving the overall growth in the Consumer Segment

Consumer Business (Value, Value Plus, Premium liquors) – Revenue Trend (Rs. Mn)



Aggregate Sales in Q1FY23 at 3.94 Mn cases (up 16% YoY and 6% QoQ), led by robust Value Segment sales of 2.78 Mn Cases (up 27% YoY and 8% QoQ) and incremental Premium segment sales, albeit at smaller scale

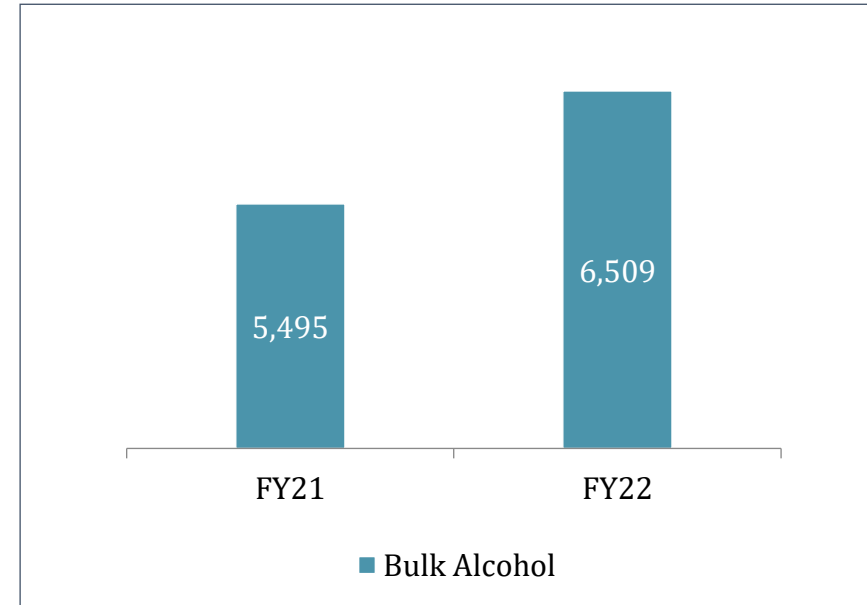
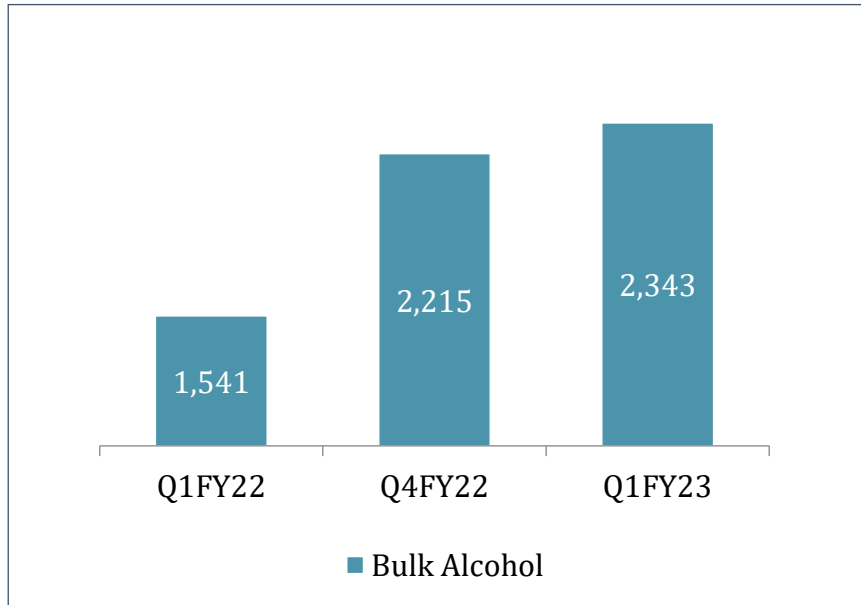
Average Realization of Value & Value Plus segment up 4% YoY and 7% QoQ to ~Rs 480 per case in Q1FY23, led by Rajasthan price hike of Rs 39 per case for Value Plus segment liquor and Rs 19 per case for Value segment liquor, effective 1st Apr'22

Note: Value Segment includes all Country Liquor, Value Plus includes Medium Liquor Brands, and Premium segment includes IMFL (erstwhile Unibev) brands

Manufacturing Business – Strong Backbone

Capacity utilisation at ~92% in Q1FY23 on an expanded capacity

Bulk Alcohol (ENA and Ethanol) – Revenue Trend (Rs. Mn)

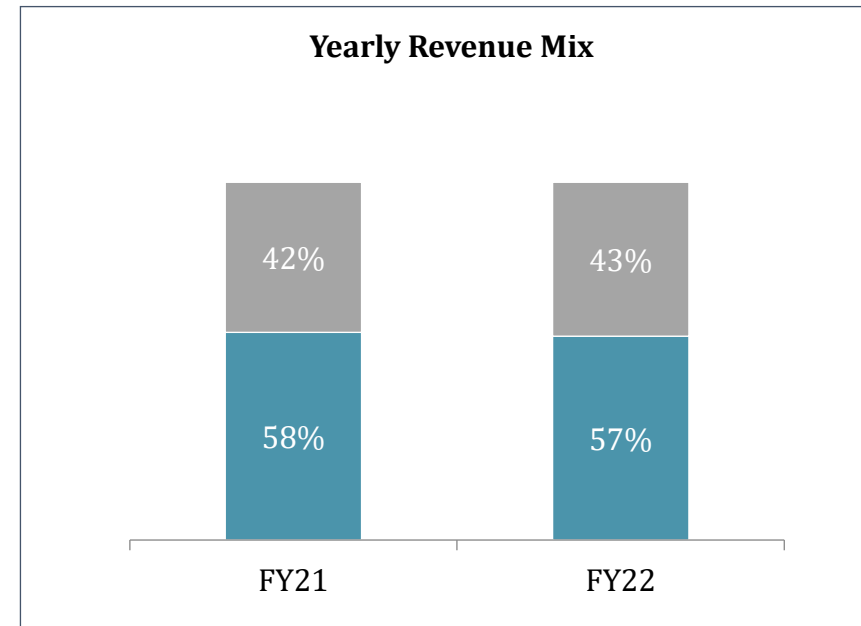
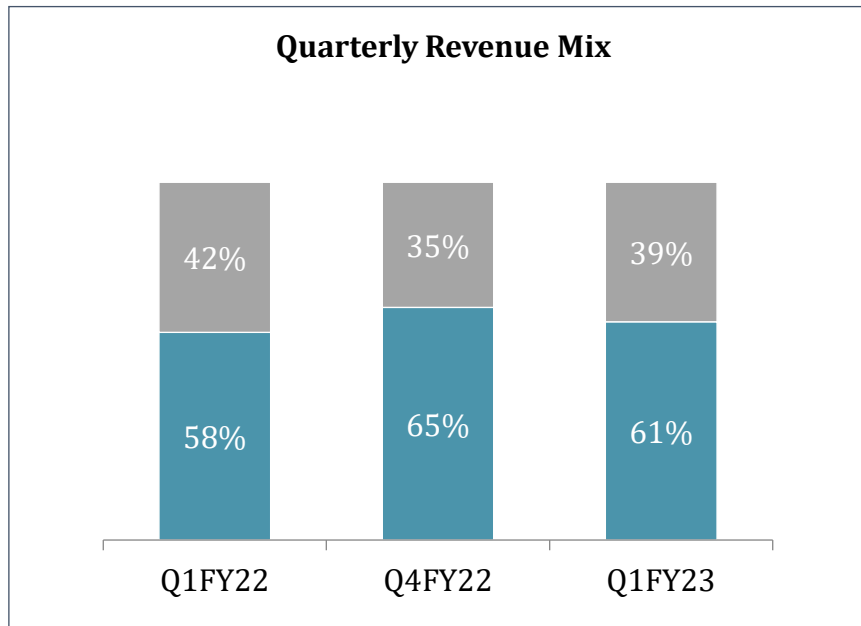


Bulk Alcohol sales in Q1FY23 at 41.04 Mn litre (up 37% YoY and 2% QoQ), on account of new capacity at West Bengal effective Q4FY22
Average realization in Q1FY23 at Rs 57.1 per litre (up 11% YoY and 3% QoQ), on account of Ethanol price hike and better ENA realisation

Note : Manufacturing segment includes revenue from Bulk Alcohol, Franchise Bottling, Hand Sanitisers and Others (by-products)

Net Revenue Mix – Segment-wise

Share of manufacturing segment increased due to on-streaming of capacities



■ Manufacturing Segment

■ Consumer Segment

The share of Manufacturing Business increased significantly in Q4FY22 due to new capacity at West Bengal (140 KLPD) and it remained over 60% in Q1FY23

Profit & Loss Highlights | Q1FY23

Particulars (Rs Mn)	Q1FY23	Q1 FY22	YoY (%)	Q4 FY22	QoQ (%)	FY22
Gross Revenues	6,830	5,506	24.0%	6,542	4.4%	23,438
Less- Excise duty	1,875	1,801	4.1%	1,749	7.3%	7,647
Net Revenues from Operations	4,954	3,705	33.7%	4,794	3.3%	15,791
Other Income	17	11	57.9%	18	-5.5%	66
Total Income	4,971	3,716	33.8%	4,812	3.3%	15,858
Total Expenditure	4,268	2,724	56.7%	3,950	8.1%	12,506
Consumption of Material	2,921	1,839	58.8%	2,774	5.3%	8,384
Employee Cost	142	145	-2.3%	144	-1.3%	501
Other Expenditure	1,206	740	63.0%	1,032	16.8%	3,621
EBITDA	703	992	-29.1%	862	-18.4%	3,352
Depreciation	125	103	20.9%	113	10.5%	426
EBIT	578	889	-34.9%	749	-22.8%	2,926
Finance Cost	22	39	-44.0%	28	-20.3%	114
PBT	556	849	-34.5%	721	-22.9%	2,812
Tax Expense (Current, Deferred)	183	293	-37.4%	235	-22.1%	940
PAT (From ordinary activities)	373	557	-33.0%	486	-23.3%	1,872
EPS	12.94	19.33	-33.0%	16.87	-23.3%	65.06

Key Ratios | Q1FY23

Particulars (% of Total Income)	Q1FY23	Q1 FY22	Q4 FY22	FY22
Other Income (% of Net Revenue)	0.3%	0.3%	0.4%	0.4%
Raw material	58.8%	49.5%	57.7%	52.9%
Employee Cost	2.8%	3.9%	3.0%	3.2%
Other Expenditure	24.3%	19.9%	21.5%	22.8%
Total Expenditure	85.9%	73.3%	82.1%	78.9%
EBITDA	14.1%	26.7%	17.9%	21.1%
Depreciation	2.5%	2.8%	2.4%	2.7%
Finance Cost	0.4%	1.1%	0.6%	0.7%
Tax Expense (% of PBT)	33.0%	34.5%	32.6%	33.4%
PAT	7.5%	15.0%	10.1%	11.8%

Gross Margin in Q1FY23 remained in-line with expectations given the current inflationary cost pressure; Higher bulk alcohol (better ENA prices & Ethanol price hike) and consumer realisations (price hike in Rajasthan) offset the rising input costs

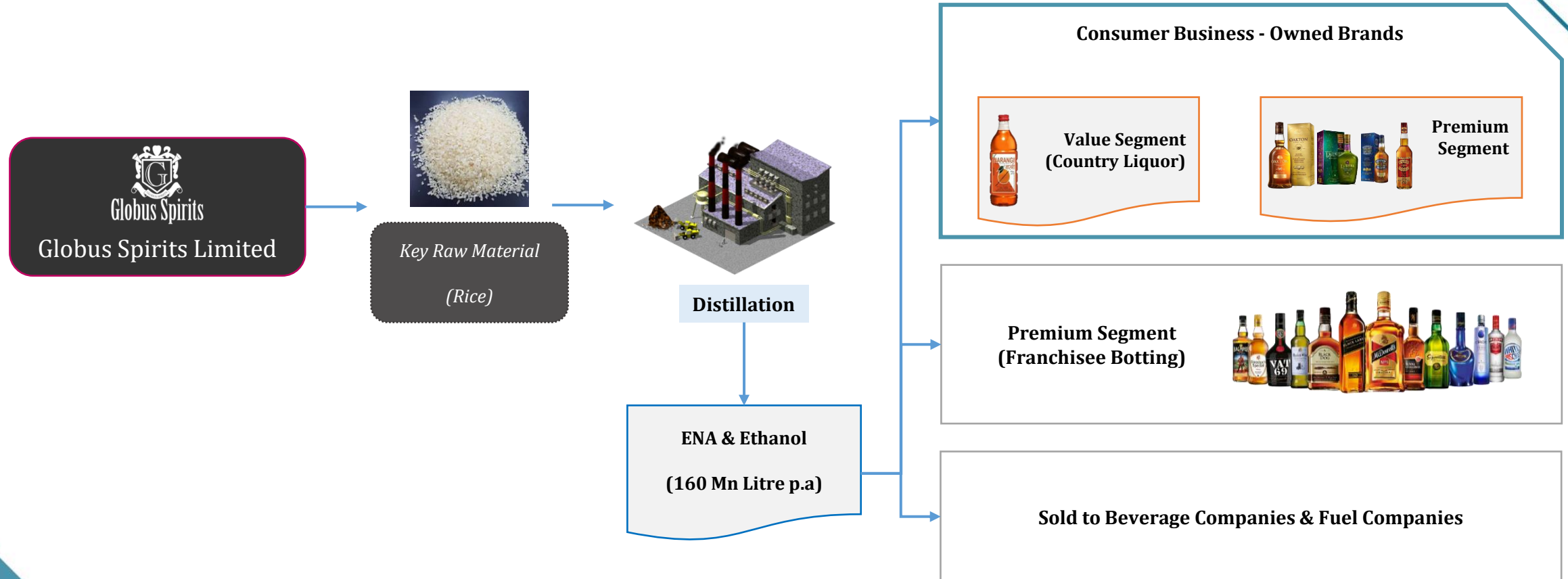
EBITDA Margin impacted by the continued increase in coal price in West Bengal up 30% QoQ, Rice husk up 42% QoQ, Packing material (glass bottle) up 14% QoQ and Aluminum caps up 12% QoQ. However, part of this was mitigated by better ENA prices (up 6% QoQ), more FCI rice-based ethanol (6% higher realizations) and benefit from incremental sales of IMFL sales Q1FY23 vs Q4FY22.



Company Overview

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 (~59% of Revenue*)
Strong Backbone...

Bulk Spirits	Franchisee Bottling	By Products
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Consumer Business (~41% of Revenue*)
High Value...

Value	Value Plus	Premium
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Rs.40-60 per 180 ml



Rs.80-95 per 180 ml



Rs.125-700 per 180 ml

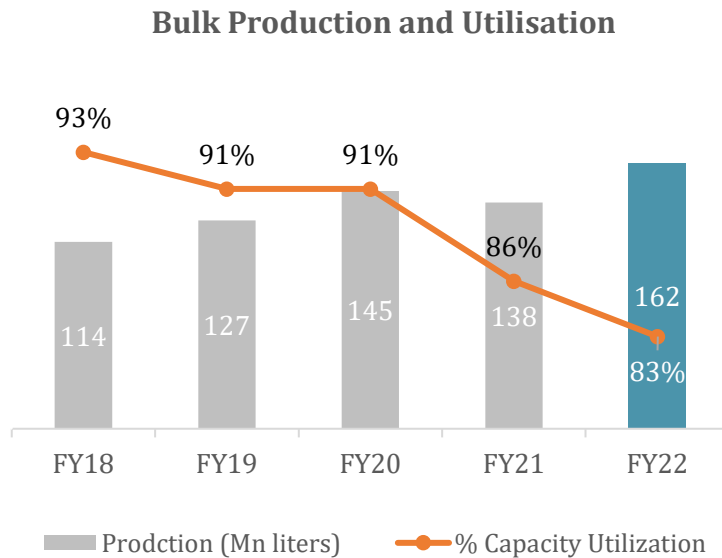


Manufacturing Business

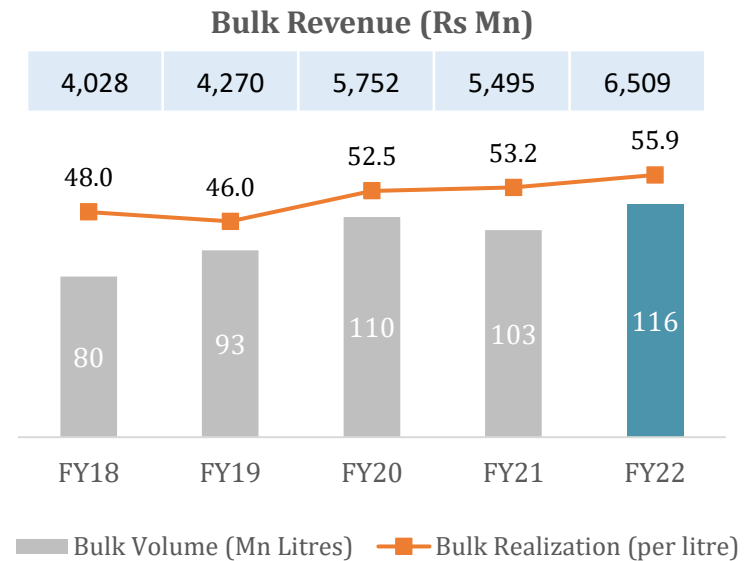
1. Bulk Alcohol

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 **195 Mn Litres**
- **Reputed IMFL players** are major customers for Bulk Alcohol
- Presence in **Rajasthan, Haryana, Bihar and West Bengal**



FY19 onwards capacity includes Bihar Plant
 FY20 capacity was expanded to ~160 Mn BL
 FY22 capacity expanded in the last quarter



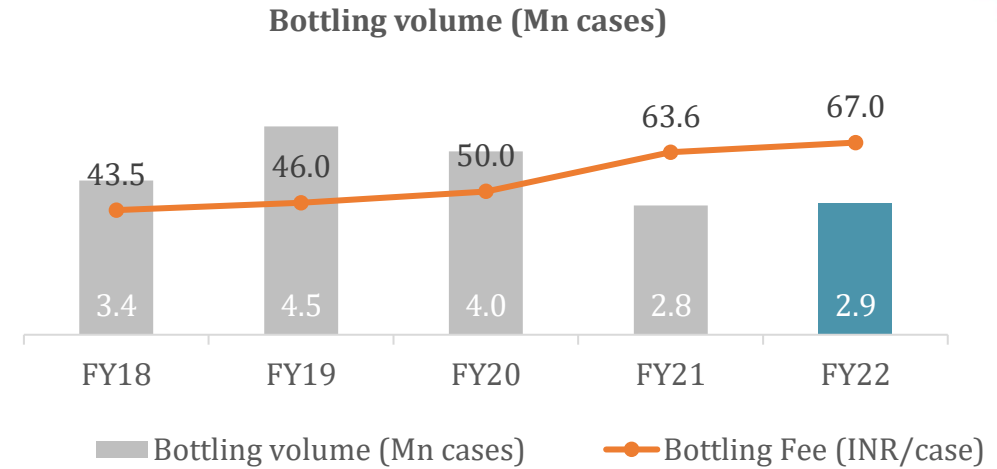
2. Franchisee Bottling

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**



Franchisee Bottling Brands

Diageo & USL in Haryana & West Bengal



3. By-Products

Process efficiencies lead to zero discharge and incremental revenues

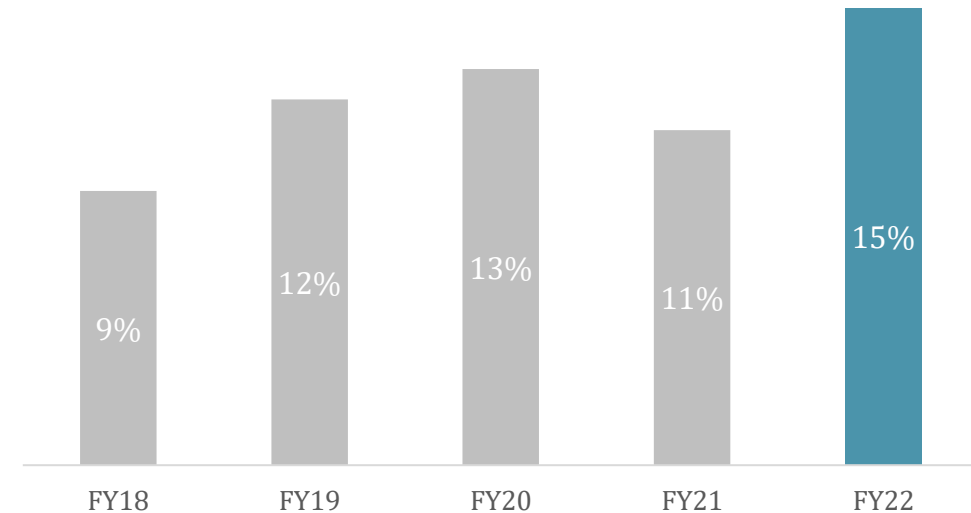
❑ Animal Feed Supplements (AFS)

- Major by-product from distillation process is Animal Feed Supplements with Solubles & AFS
- 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 AFS, followed by Co2



Consumer Business

Value Segment – GSL is One of the Largest IMIL Players

Product innovation and focus on brand building has enabled growth

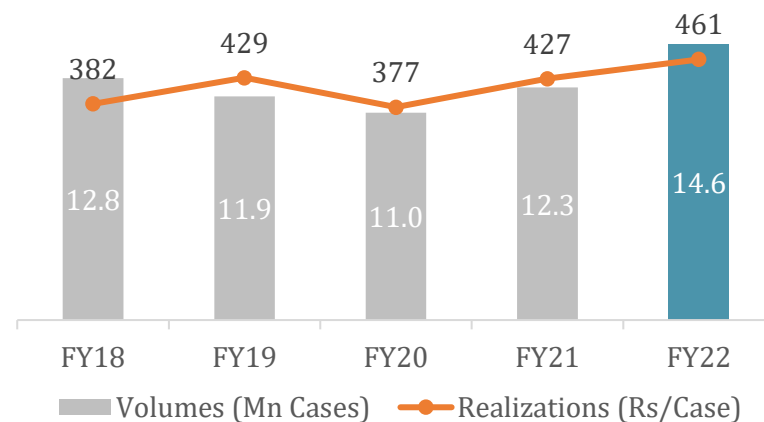
Existing Product Portfolio



Focus on Innovation through Investment in R&D



Value & Value Plus Segment



Premium Segment - Unique Value Proposition

Focus on niche segments | Building blocks for a high margin brand play



Disruptive & exclusive USP with **value proposition**



Crafted a range of **premium and super premium whiskies** blended with scotch and 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
Semi-premium whisky
Segment is ~50m cases



Oakton
Premium whisky
Segment is ~15m cases



Seventh Heaven*
Super-premium whisky
Segment is ~2m cases



L'Affaire Napoleon
3 years Brandy
Premium brandy
Segment is ~0.5m cases



Terai - India Dry Gin
Premium Gin Segment



Financials

Annual | Profit & Loss Statement

Particulars (Rs Mn)	FY20	FY21	FY22
Gross Revenues	12,674	16,721	23,438
Less- Excise duty	986	4,414	7,647
Net Revenues from Operations	11,688	12,308	15,791
Other Income	37	66	66
Total Income	11,726	12,373	15,858
Total Expenditure	10,441	9,756	12,506
Consumption of Material	7,176	6,532	8,384
Employee Cost	343	384	501
Other Expenditure	2,922	2,840	3,621
EBITDA	1,285	2,618	3,352
Depreciation	380	407	426
EBIT	905	2,211	2,926
Finance Cost	236	188	114
PBT	669	2,023	2,812
Tax Expense (Current, Deferred)	137	583	940
PAT (From ordinary activities)	532	1,440	1,872
EPS	20.60	50.01	65.06

Note: * Restated to include the effect of the merger of Unibev with Globus Spirits Limited

Annual | Key Ratios

Particulars (% of Total Income)	FY20	FY21	FY22
Other Income (% of Net Revenue)	0.3%	0.5%	0.4%
Raw material	61.2%	52.8%	52.9%
Employee Cost	2.9%	3.1%	3.2%
Other Expenditure	24.9%	23.0%	22.8%
Total Expenditure	89.0%	78.8%	78.9%
EBITDA	11.0%	21.2%	21.1%
Depreciation	3.2%	3.3%	2.7%
Finance Cost	2.0%	1.5%	0.7%
Tax Expense (% of PBT)	20.4%	28.8%	33.4%
PAT	4.5%	11.6%	11.8%

Note: * Restated to include the effect of the merger of Unibev with Globus Spirits Limited

Annual | Balance Sheet

Liabilities (Rs mn)	Mar-20	Mar-21	Mar-22
Networth	4,500	5,907	7,723
LT borrowings	1,328	1,067	1,105
Provisions	28	30	33
Deferred tax liabilities	263	494	887
Other non-current liabilities	37	77	67
Total Non Current Liabilities	6,156	7,575	9,816
ST borrowings	449	721	635
Trade payables	1,085	1,187	1,383
Provisions	54	68	67
Other financial liabilities	62	48	147
Current tax liabilities	0	10	24
Other current liabilities	197	322	294
Total Current Liabilities	1,846	2,355	2,549
Total Liabilities	8,002	9,930	12,365

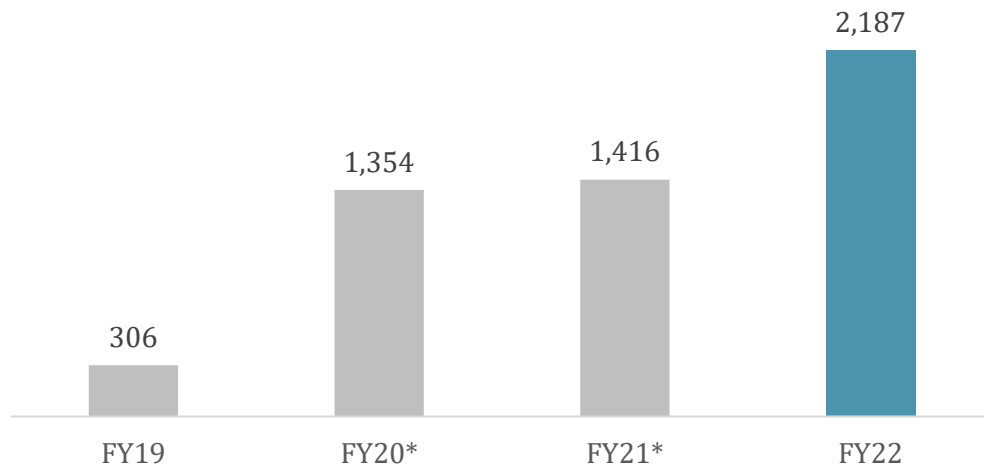
Assets (Rs mn)	Mar-20	Mar-21	Mar-22
Fixed assets (incl. CWIP)	5,985	6,269	7,676
Investments	0	0	0
Other financial assets	183	176	189
Income tax assets	10	10	10
Other non-current assets	61	438	534
Total Non Current Assets	6,239	6,892	8,410
Inventories	1,063	1,021	1,085
Trade receivables	338	879	1,180
Cash & cash equivalents	200	581	820
Other financial assets	28	50	76
Other current assets	134	506	794
Total Current Assets	1,764	3,037	3,955
Total Assets	8,003	9,930	12,365

Note: * Restated to include the effect of the merger of Unibev with Globus Spirits Limited

Enhanced Net Cash Flow from Operations

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

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



...Driven by the Following Key Factors

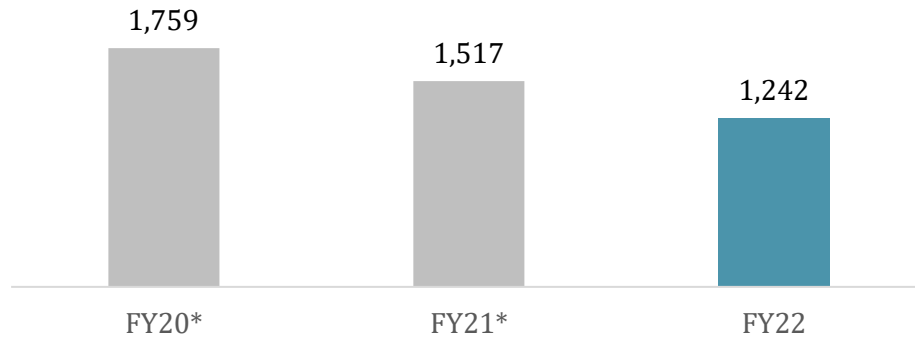
- **Growth in business and improved profitability**
- **Lower Finance costs** due to paring of debt & lower cost of debt

Note: * Restated to include the effect of the merger of Unibev with Globus Spirits Limited

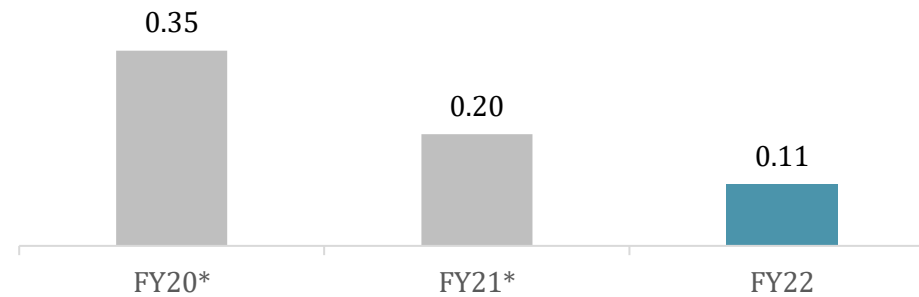
Key Financial Ratios

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

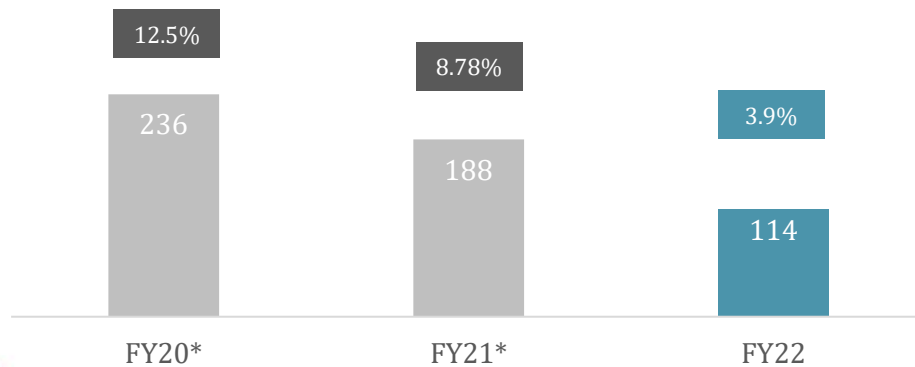
Long Term Borrowing (Rs Mn)



Net Debt/Equity (x)



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



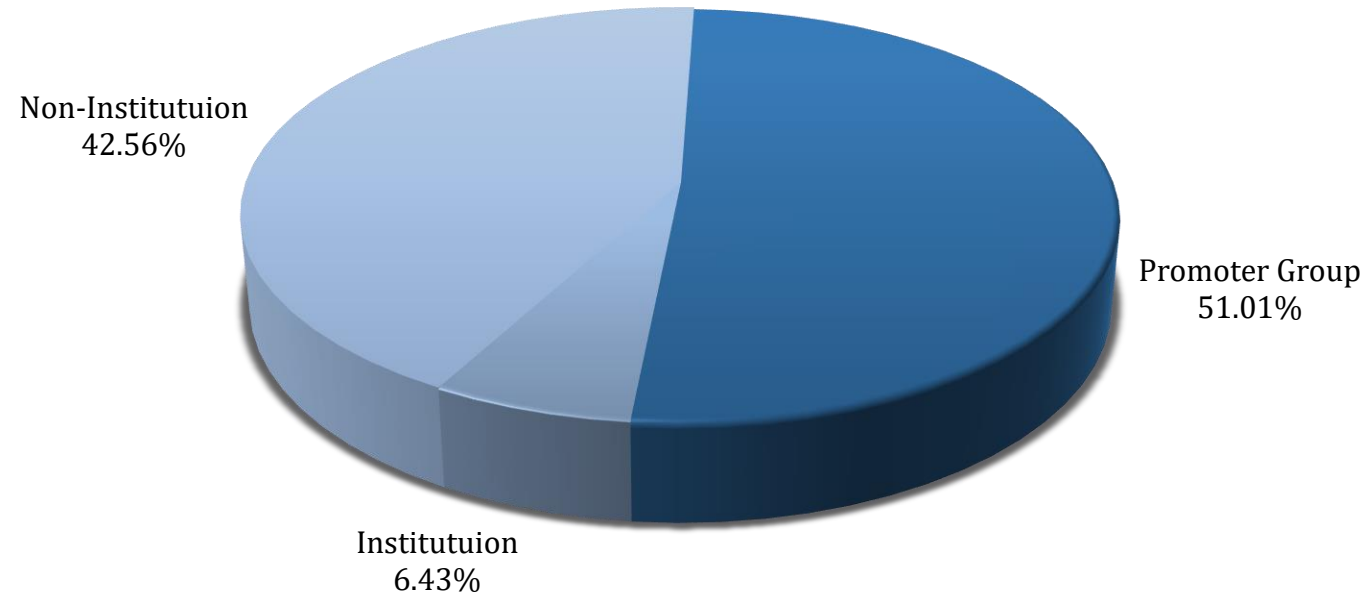
Return Ratios (%)



- Restated to include the effect of the merger of Unibev with Globus Spirits Limited
- Note: Cost of debt is less due to lower interest rate

Shareholding Pattern

Total outstanding equity shares as of June 30, 2022, stands at 28.8 Mn shares



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Rare Premium
GRAIN WHISKY



BLENDED WITH
18
YEAR OLD
SCOTCH

A RARE BREED

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