



Globus Spirits

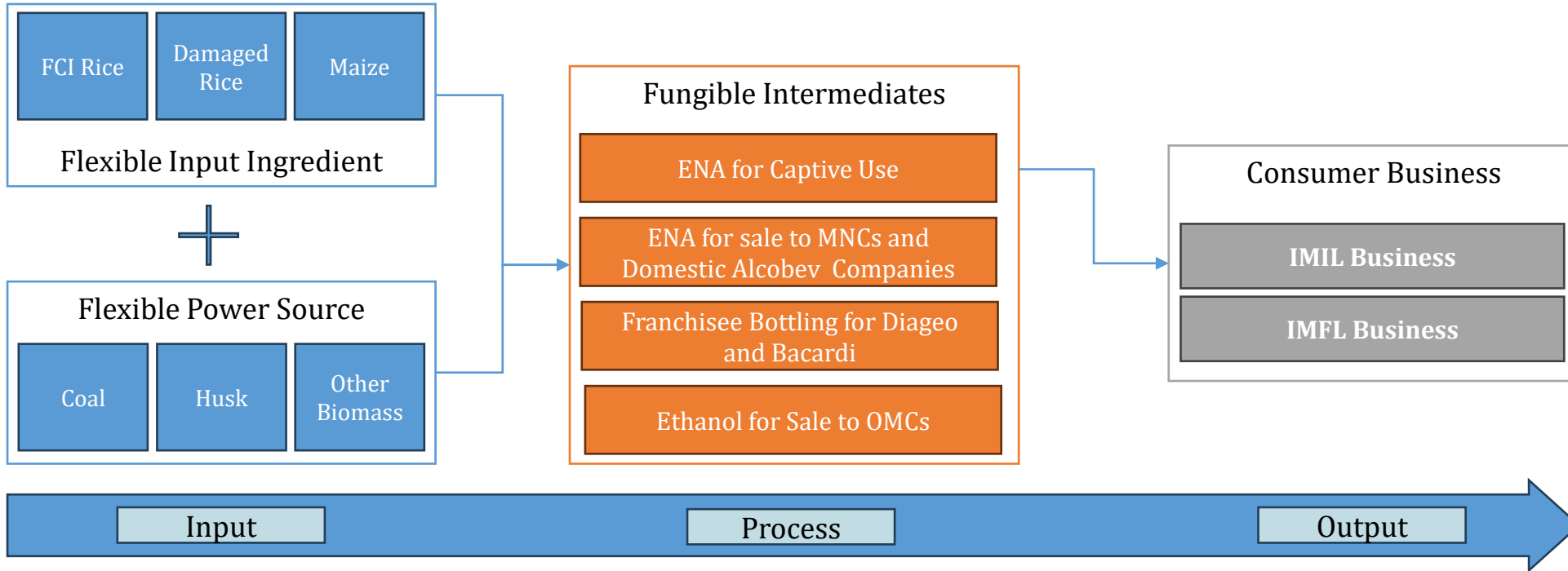
Enabling Excellence

**GLOBUS SPIRITS LIMITED**

Result Presentation | Q1FY24



# Globus Spirits - A Well Entrenched Distillation Business...



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- **Flexible Inputs:** Strategically Invested in plants that can handle multiple inputs including FCI Rice, Damaged Rice or Maize
- **Fungible Production:** Robust operations that can produce Ethanol for Sale to OMCs or increase ENA Output for Captive Use / sale to MNCs and Domestic Alcobev Cos. / Franchise Bottling for Diageo and Bacardi
- **Growing Consumer Business:** With a broad portfolio of IMIL and IMFL products, ENA production can be utilised for captive use, thereby creating a symbiotic business that enables stable margins, while also creating a moat

# ... Supporting a Growing Consumer Business (1/2)

India Crafts Spirit Co., Distillers Since 1958

THE  
INDIA  
CRAFT  
SPIRIT  
— CO —

- Organised all super premium offering into an umbrella brand - signifying hand-crafted product offerings from India
- The brand leverages authentic Indian heritage of our distilleries and the history of the promoter family in the alcohol industry
- Crafts Gin** - Long Term Driver with tremendous growth potential. The IWSR report estimates surge in sales of standard-and-above locally produced traditional Gins from 4,000 nine-litre cases in 2018 to 1.57 Lac cases by 2022

Current brand – TERAI



Future brand – Craft Whisky, New flavours in TERAI



# ... Supporting a Growing Consumer Business (2/2)

## Prestige & Above Segment

- Disruptive IMFL portfolio, offering Unique Value Proposition
- Strategic presence in 5 states (combined market size of ~74 Mn cases)
- Entered Haryana towards end of Q3FY23 and Punjab in Jun'23
- Exploring entering new markets both in Domestic and Exports
- Upcoming – Craft Whisky, Single Malt Whisky, and new variants of Craft Gin

## Value & Value Plus Segment

- Pioneer in Value Plus segment in Rajasthan with introduction of RML (medium liquor) - GSL enjoys a ~55% market share in RML
- Strong portfolio based on local tastes and preferences
- Covering rural consumption and aspirational urban consumption
- Product Innovation by investment in R&D and focus on Brand Building, enabled Growth

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Mountain Oak (whisky) has gained momentum across, WB, Delhi.

SNOSKI Vodka launched in Delhi. Will be spread across to UP in Q2.



## Upcoming Segment – Ready to Drink

- The Board is considering foraying into the Ready to Drink (RTD) segment, citing significant growth potential in the segment.
- 4 strategic markets initially selected with strength of brands varying between 5% to 15% ABV,
- These markets have a current combined size of 7.3L cases that is projected to grow to 20L cases per annum

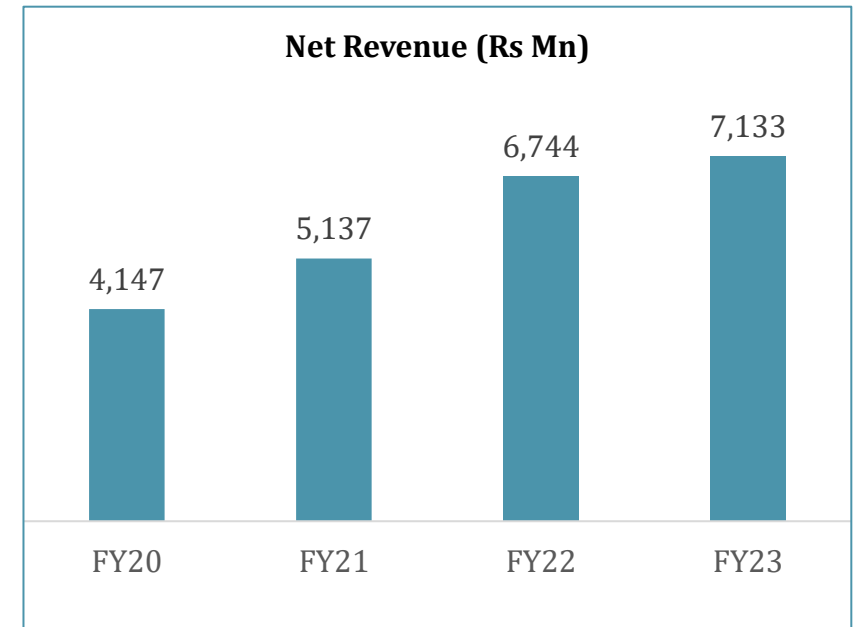
# Value and Value Plus – GSL is One of the Largest Players

Product Innovation by investment in R&D and focus on Brand Building, enabled Growth

## Select Product Portfolio



## Value and Value Plus Segment



# Consumer Business Strategy Fructifying with IMFL Poised to Propel Growth

Net Revenue (Rs Mn)	Q1FY24	Q1FY23	YoY%	Q4FY23	QoQ%	FY23
IMFL (Prestige & Above)	76	72	5%	90	-16%	355
- Volumes sold (Mn cases)	0.05	0.04	17%	0.05	3%	0.21
Value and Value Plus	1,955	1,868	5%	1,689	16%	7,133
- Volumes sold (Mn cases)	3.51	3.90	-10%	3.20	10%	14.23
<b>Total Consumer Revenue</b>	<b>2,031</b>	<b>1,940</b>	<b>5%</b>	<b>1,779</b>	<b>14%</b>	<b>7,489</b>
<b>Total Consumer Volumes</b>	<b>3.56</b>	<b>3.94</b>	<b>-10%</b>	<b>3.25</b>	<b>10%</b>	<b>14.44</b>
<i>IMFL as % of Total Consumer Volume</i>	<b>1.4%</b>	<b>1.1%</b>		<b>1.4%</b>		<b>1.4%</b>
<i>IMFL as % of Total Consumer Revenue</i>	<b>3.7%</b>	<b>3.7%</b>		<b>5.1%</b>		<b>4.7%</b>

- There was a temporary slowdown in growth due to quality challenged stocks impacting Uttar Pradesh, Delhi, West Bengal in Governor Reserve Red and Governor Reserve Blue. Issue to be behind us in Q2FY24 and build-up of pipeline and growth in distribution restarted
- Haryana and Punjab build-up has been as per expectations
- In Haryana, conscious investment pull back had a short-term impact on IMIL volume. With environment improving, same has been initiated again
- Rajasthan continues to grow. GSL enjoys market share ~55% in Value Plus segment

# Manufacturing Business – Strong Backbone

Net Revenue (Rs Mn)	Q1FY24	Q1FY23	YoY%	Q4FY23	QoQ	FY23
<b>Bulk Alcohol</b>	<b>2,974</b>	<b>2,343</b>	<b>27%</b>	<b>2,895</b>	<b>3%</b>	<b>10,766</b>
- Volumes sold (Mn Ltr)	49.77	41.04	21%	47.63	5%	182.26
- Avg. Realisation (Rs/Ltr)	59.7	57.1	5%	60.8	-2%	59.1
<b>Franchise Bottling</b>	<b>35</b>	<b>40</b>	<b>-13%</b>	<b>43</b>	<b>-19%</b>	<b>170</b>
<b>AFS &amp; Others</b>	<b>661</b>	<b>630</b>	<b>5%</b>	<b>692</b>	<b>-4%</b>	<b>2,666</b>
<b>Total Manufacturing Revenue</b>	<b>3,670</b>	<b>3,014</b>	<b>22%</b>	<b>3,630</b>	<b>1%</b>	<b>13,602</b>

- **Total capacity at 765 KLPD in Q1, with utilisation at ~89% in Q1FY24**
- Bulk Alcohol sales at 49.77 Mn Ltr, up 21% YoY to due to commissioning of the Jharkhand facility in Sep'22 and up 5% QoQ due to resumption of full capacity at Rajasthan post maintenance closure in Q4FY23 and improved utilization at Haryana facility. Closure in West Bengal was due to maintenance and connecting 60 KLPD plant which is to be commissioned in Aug-23
- Bulk Alcohol realization remained largely flat. While there has been a temporary disruption of FCI rice supplies from 24<sup>th</sup> July, GSL will continue to procure Damaged Grains and Maize from the open market, thereby ensuring continuity in plant operation. Q2 capacity utilisation expected to be ~84% in West Bengal and ~80% in Jharkhand due to supply change in Q2FY24E
- The GoI is committed to meeting the Ethanol target and has announced an interim price increase of Rs 6 per Ltr to Rs 62.4 for Maize and Rs 4.8 per Ltr to Rs 60.3 for Damaged Grains, effective 7<sup>th</sup> August.
- Franchisee Bottling income which was impacted due to lower volume off-take by United Spirits in Q1FY24; Back to normal in Q2FY24

# Status of Projects

Location	Capacity Addition (KLPD)	Total Capacity after Completion	Status
West Bengal – II	140	240	Completed Q4FY22
Jharkhand	140	140	Completed Q2FY23
West Bengal - III	60	300	Completed; To be commissioned in Aug'23
Jharkhand - II	60	200	Likely commissioning in Sep'23
Bihar	19	110	Q2FY24
Orissa - greenfield	200*	-	Construction to start in Q4FY24
Uttar Pradesh – greenfield	200*	-	Approvals in process; Work on Bottling project already started

- At the end of Q1FY24, the total installed capacity was 765 KLPD

\* Tentative



# State-of-the-Art Manufacturing Units (1/3)

## Rajasthan Facility

**Capacity:** 54.4 Mn Ltrs

**Products:** Value, Value Plus, IMFL Liquor; ENA, Ethanol and Other By-products (mainly AFS)



# State-of-the-Art Manufacturing Units (2/3)

## West Bengal Facility

**Capacity:** 81.6 Mn Ltrs (scale up to 102.0 Mn Ltrs by Q1FY24)

**Products:** Value, Value Plus, IMFL Liquor Franchisee IMFL; ENA, Ethanol and Other By-products (mainly AFS)



## Haryana Facility

**Capacity:** 47.6 Mn Ltrs

**Products:** Value, Value Plus, IMFL Liquor, Franchisee IMFL; ENA, Ethanol and Other By-products (mainly AFS)



# State-of-the-Art Manufacturing Units (3/3)

## Bihar Facility

**Capacity:** 28.9 Mn Ltrs (scale up to 35.4 Mn Ltrs by Q1FY24)

**Products:** Ethanol and Other By-products (mainly AFS)



## Jharkhand Facility

**Capacity:** 47.6 Mn Ltrs (scale up to 68 Mn Ltrs by Q1FY24)

**Products:** ENA, Ethanol and Other By-products (mainly AFS)



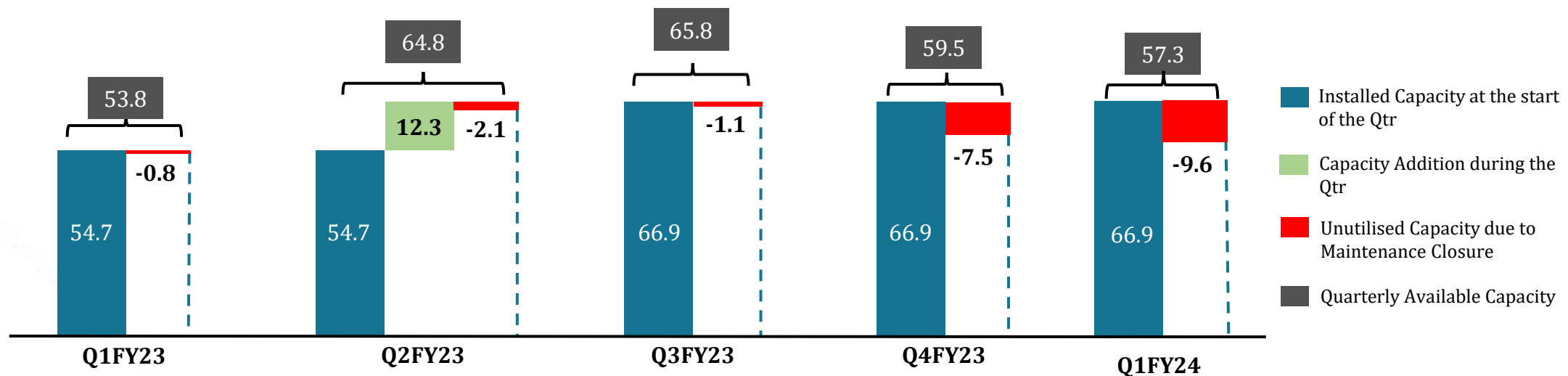
# Q1FY24 Results Commentary



# Manufacturing Business - Benefitted from Expanded Capacities

<b>Manufacturing (64% of Net Revenue)</b>	<b>Rs 3,670 Mn in Q1FY24</b>	<b>Rs 13,602 Mn in FY23</b>
	↑ 22% YoY & 1% QoQ	↑ 51% YoY

- Bulk Alcohol Revenue stood at **Rs 2,974 Mn, up 27% YoY** led Volume growth of **21% YoY to 49.77 Mn Ltr** and Realization growth of **5% YoY to ~Rs 60 per Ltr**
- Bulk Alcohol Volumes - **YoY growth of 21% aided by enhanced capacities** (Jharkhand facility commissioned in Sep'22), while **QoQ growth of 5% led by resumption of full capacity at Rajasthan post maintenance closure** in Q4FY23 and improved utilization at Haryana facility. The West Bengal facility operated at lower capacity QoQ, due to stoppage on account of the work for additional 60 KLPD capacity, which is likely to be commissioned soon
- Ethanol Allocation for ESY 22-23 has been received for **9.24 Cr litre, in line with target**



# Consumer Business - Benefitted from the Boost in IMFL Business

Consumer (36% of Net Revenue)

Rs 2,031 Mn in Q1FY24

↑ 5% YoY & 14% QoQ

Rs 7,489 Mn in FY23

↑ 10% YoY

## Prestige & Above Segment

- Growth trajectory continued with Volumes growth of **17% YoY and 3% QoQ to 0.05 Mn cases**. Revenue growth tapered to 5% YoY and declined QoQ due to change in product mix – **Higher share of Mountain Oak (Prestige segment)** - which is priced lower than our Semi Premium & Above brands, but gaining sales growth momentum in a segment which is growing

## Value & Value Plus Segment

- Sequentially, growth trajectory continued with **Volume growth of 10% QoQ to 3.51 Mn cases** led by improved sales in mainly in Rajasthan and Delhi, and **Realisation growth of 6% QoQ to Rs 557 per case** led by price increase in Rajasthan of Rs 40 per case for Value Plus and Rs 20 per case for Value segment, effective 1<sup>st</sup> Apr'23. **GSL's market share in Rajasthan improved further to ~35% in Q1FY24 from ~33% in Q4FY23**
- Volume growth declined YoY mainly due to reduction in Value Plus market in Rajasthan in FY23. **Growth is expected from this base**



# Stable Operating Margin in Q1FY24

## EBITDA Margin (ex-IMFL) Maintained at ~14% – Factors that Contributed Positively

- Higher Consumer segment realization mainly led by price increases in Rajasthan
- Decline in Coal rate by 8% QoQ helped to offset the continued cost-push in husk and multifuel
- Stable Bulk Alcohol realisations
- Increased usage of FCI rice (incremental usage up 25% QoQ) for production of Ethanol
- Higher grain cost by 5% QoQ and 13% YoY
- Energy efficiency drives continuing at all plants

### Operating EBITDA Margin (excl. IMFL loss) at ~14%

- IMFL operations which is in growing phase, included a fixed cost of Rs 6.5 Cr in Q1FY24 (Rs 19 Cr in FY23) due to manpower, marketing and other operating costs.

Q1FY24 (Rs Mn)	GSL Reported	IMFL	GSL ex IMFL
Net Revenue	5,701	76	5,625
EBITDA	742	-64	806
<b>EBITDA Margin</b>	<b>13%</b>		<b>14%</b>

# Profit & Loss Highlights

Particulars (Rs Mn)	Q1FY24	Q1FY23	YoY (%)	Q4FY23	QoQ (%)	FY23
<b>Net Revenue</b>	<b>5,701</b>	<b>4,954</b>	<b>15.1%</b>	<b>5,410</b>	<b>5.4%</b>	<b>21,091</b>
Other Income	19	17		28		78
<b>Total Income</b>	<b>5,720</b>	<b>4,971</b>	<b>15.1%</b>	<b>5,437</b>	<b>5.2%</b>	<b>21,169</b>
Raw Material Cost	3,369	2,921		3,109		12,413
<i>Gross Margin</i>	<i>41.1%</i>	<i>41.2%</i>		<i>42.8%</i>		<i>41.4%</i>
Employee Cost	192	142		191		651
Other Expenditure	1,417	1,206		1,378		5,570
<b>EBITDA</b>	<b>742</b>	<b>703</b>	<b>5.5%</b>	<b>760</b>	<b>-2.4%</b>	<b>2,534</b>
<i>EBITDA Margin</i>	<i>13.0%</i>	<i>14.1%</i>		<i>14.0%</i>		<i>12.0%</i>
Depreciation	161	125		160		563
<b>EBIT</b>	<b>581</b>	<b>578</b>	<b>0.5%</b>	<b>601</b>	<b>-3.3%</b>	<b>1,971</b>
Finance Cost	63	22		73		170
<b>PBT</b>	<b>518</b>	<b>556</b>	<b>-6.8%</b>	<b>528</b>	<b>-1.9%</b>	<b>1,801</b>
Tax Expense (Current, Deferred)	130	183		170		579
<b>PAT (From ordinary activities)</b>	<b>388</b>	<b>373</b>	<b>4.0%</b>	<b>358</b>	<b>8.2%</b>	<b>1,222</b>
<i>PAT Margin</i>	<i>6.8%</i>	<i>7.5%</i>		<i>6.6%</i>		<i>5.8%</i>
<b>EPS (Rs)</b>	<b>13.47</b>	<b>12.94</b>	<b>4.0%</b>	<b>12.44</b>	<b>8.2%</b>	<b>42.42</b>



# Annual Financials



# Profit & Loss

Particulars (Rs Mn)	FY20*	FY21*	FY22	FY23
<b>Net Revenues from Operations</b>	<b>11,688</b>	<b>12,308</b>	<b>15,791</b>	<b>21,091</b>
Other Income	37	66	66	78
<b>Total Income</b>	<b>11,726</b>	<b>12,373</b>	<b>15,858</b>	<b>21,169</b>
<b>Total Expenditure</b>	<b>10,441</b>	<b>9,756</b>	<b>12,506</b>	<b>18,635</b>
Consumption of Material	7,176	6,532	8,384	12,413
Employee Cost	343	384	501	651
Other Expenditure	2,922	2,840	3,621	5,570
<b>EBITDA</b>	<b>1,285</b>	<b>2,618</b>	<b>3,352</b>	<b>2,534</b>
Depreciation	380	407	426	563
<b>EBIT</b>	<b>905</b>	<b>2,211</b>	<b>2,926</b>	<b>1,971</b>
Finance Cost	236	188	114	170
<b>PBT</b>	<b>669</b>	<b>2,023</b>	<b>2,812</b>	<b>1,801</b>
Tax Expense (Current, Deferred)	136	583	940	579
<b>PAT (From ordinary activities)</b>	<b>533</b>	<b>1,440</b>	<b>1,872</b>	<b>1,222</b>
<b>EPS</b>	<b>18.51</b>	<b>50.01</b>	<b>65.06</b>	<b>42.42</b>

# Key Ratios

Particulars (% of Total Income)	FY20*	FY21*	FY22	FY23
<b>Gross Margin</b>	<b>39%</b>	<b>47%</b>	<b>47%</b>	<b>41%</b>
Employee Cost	3%	3%	3%	3%
Other Expenditure	25%	23%	23%	26%
<b>EBITDA</b>	<b>11%</b>	<b>21%</b>	<b>21%</b>	<b>12%</b>
Finance Cost	2%	2%	1%	1%
<b>PAT</b>	<b>5%</b>	<b>12%</b>	<b>12%</b>	<b>6%</b>

- **Consistently focusing on reducing debt from business cashflow; The Net Debt/Equity stands at ~0.3x as at 31-Mar-23**
- **Available low finance cost with average cost of debt at ~4% for FY23**
- **Healthy return ratios – RoE of ~14% and RoCE of ~17% in FY23**

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

# Balance Sheet

Liabilities (Rs mn)	Mar-21*	Mar-22	Mar-23
Networth	5,907	7,723	8,866
LT borrowings	1,067	1,089	1,109
Provisions	30	33	46
Deferred tax liabilities	494	887	1,102
Other non-current liabilities	77	67	138
<b>Total Non-Current Liabilities</b>	<b>7,575</b>	<b>9,800</b>	<b>11,261</b>
ST borrowings	721	650	1,643
Trade payables	1,187	1,383	2,160
Provisions	68	67	65
Other financial liabilities	48	147	249
Current tax liabilities	10	24	96
Other current liabilities	322	294	436
<b>Total Current Liabilities</b>	<b>2,355</b>	<b>2,565</b>	<b>4,650</b>
<b>Total Liabilities</b>	<b>9,930</b>	<b>12,365</b>	<b>15,911</b>

Assets (Rs mn)	Mar-21*	Mar-22	Mar-23
Fixed assets (incl. CWIP)	6,269	7,676	9,249
Investments	0	0	0
Other financial assets	176	274	683
Income tax assets	10	10	32
Other non-current assets	438	534	853
<b>Total Non-Current Assets</b>	<b>6,892</b>	<b>8,495</b>	<b>10,817</b>
Inventories	1,021	1,085	1,578
Trade receivables	879	1,181	2,113
Cash & cash equivalents	581	761	352
Other financial assets	50	61	106
Other current assets	506	784	946
<b>Total Current Assets</b>	<b>3,037</b>	<b>3,871</b>	<b>5,094</b>
<b>Total Assets</b>	<b>9,930</b>	<b>12,365</b>	<b>15,911</b>

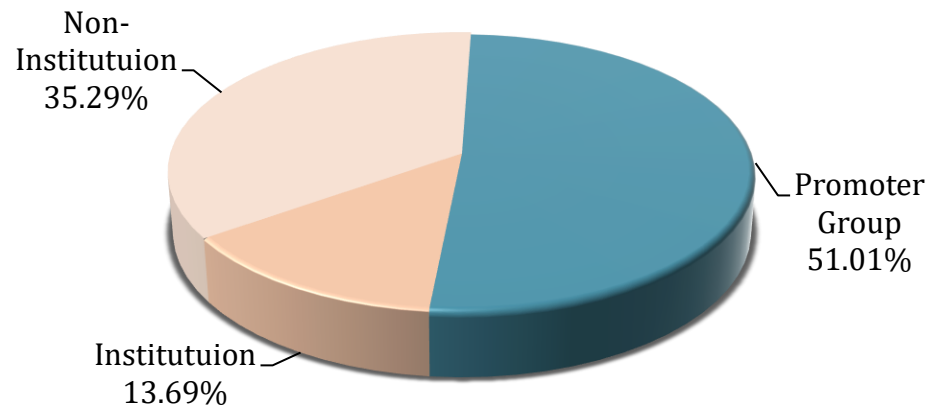
Note: \* Restated to include the effect of the merger of Unibev with Globus Spirits Limited

# Cashflow Deployment – FY23

Cash Flow Extract (Rs Mn)	FY23
Net cash generated from Operating Activities (A)	1,224
Net cash used in Investing Activities (B)	(2,119)
Net cash used in Financing Activities (C)	863
<b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>	<b>(32.5)</b>
Add: Cash & Cash equivalent at the beginning of the year	896
<b>Cash &amp; cash equivalent at the end of the year</b>	<b>864</b>

# Capital Market Related Information

## Shareholding Pattern (as on 30-Jun-23)



## Scrip Related Information (as on 11-Aug-23)

BSE/NSE Code	533104   INE615I01010
CMP (Rs)	1,058
Market Cap (Rs Cr)	3,048
Shares (Cr)	2.88
Face Value (Rs)	10.0

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# Let's Connect

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