



ENABLING EXCELLENCE

# GLOBUS SPIRITS LIMITED

Result Presentation | Q2 FY23



# Q2FY23 - Revenue Growth Trajectory Continues...

Net Revenue at Rs 4,803 Mn grew 26% YoY but lowered marginally QoQ (-3%) due to change of mix in value spirits

## Manufacturing (66% share)

↑ **Rs 3,172**  
57% YoY & 5% QoQ

- Bulk Alcohol revenue at Rs. 2,534 Mn, up 84% YoY and 8% QoQ, led by enhanced capacities and improved realizations .
- Highest ever quarterly sales of 4.33 Cr litres, up 62% YoY and 6% QoQ, backed by expanded capacity (West Bengal capacity addition)
- Improved bulk alcohol realisations at ~Rs 59 per litre, up 14% YoY and 2% QoQ

## Consumer (34% share)

↓ **Rs 1,631**  
10% YoY & 16% QoQ

- Haryana – Increased focus profitable sale has resulted in a temporary softening of market share in Q2FY23 and increased margin by 26 per case. Strategy starting to bear fruit and market share is building up
- Rajasthan – change of business mix due to policy change. Value segment market up by 25% yoy, Value Plus segment market down by 35%. GSL market share up by 2% points and 8% points in Value and Value plus segments respectively. Overall business volume up by 4%, from 5.3m cases H1FY22 to 5.5 million H1FY22
- Premium segment showing positive signs

# Margins lower on account of high fuel costs & change of business mix

Gross Margin stable QoQ at ~41%; EBITDA margin at ~10%

- **Gross Margin at ~41% was largely maintained on a QoQ basis**
  - Higher Bulk Alcohol realization from ~Rs. 57 in Q1FY23 to ~Rs. 59 per litre
  - Higher Consumer segment realization from ~Rs 490 per case in Q1FY23 to ~Rs. 510 per case in Q2FY23 on account of better mix and lower trade spends in Haryana.
- **EBITDA Margin at ~10%**
  - Bulk Spirits range- cost push has been mitigated to better ethanol and ENA realization rate
  - Softening of market share in Haryana & change of business mix Rajasthan in Q2 impacted profitability.
  - High costs of Power & Fuel continued, up 80 % YoY and 22 % QoQ in Q2FY23.
- **Cost reduction initiatives** including purchase of grain from FCI, reduction of energy consumption, backward integration for PET Bottles, which was put in place earlier this year, mitigated part of the rise in costs by approx Rs 12 Crs
- Finance cost remained stable; **Credit Rating improved to 'CARE A+/Stable' from 'CARE A/Stable'**
- **Effective Tax Rate** - Based on cash outflow of tax paid, it is at ~ 17.47% for Q2FY23

# Other Key Business Highlights

- **Jharkhand Project (greenfield) - Commenced commercial production in Sept'22, adding incremental capacity of 140 KLPD; Likely to operate at optimum utilization in Q2FY23**
- **Consumer business – Premium Segment (IMFL)**
  - Showing signs of positive traction – Premium segment revenue up 297% YoY to Rs 44 Mn in Q2FY23
  - Expecting full year revenue contribution to grow to 6% of total consumer segment, from 3% currently
  - Geared up Innovations teams with core skills in product and packaging development – expect to see new brand launches in the next 12 months
  - New market launches expected in H2FY23
- **Inflationary pressure on input (grain and fuel) costs expected to soften with new crop season, aiding profitability**



# Status of Projects

	Location	Capacity Addition in KLPD	Total Capacity after Completion	Status
1	West Bengal – II	140	240	Completed Q4FY22
2	Jharkhand	140	140	Completed Q2FY23
3	West Bengal - III	60	300	Q1FY24
4	Jharkhand - II	60	200	Q1FY24
5	Bihar	19	110	Q4-FY23
6	Orissa - greenfield	200*	-	Approvals in process
7	Uttar Pradesh - greenfield	200*	-	Approvals in process

\* To be finalised after approvals are in place.

- At end of Q2FY23 total installed capacity is 760KLPD
- Strategically expanding capacities into new geographies which allows participation in the Consumer market of that state while ensuring capacity utilization through offtake of ethanol and ENA.
- Post the expansion (by FY25), we will have access to 100 Mn cases per annum Consumer market (combined market size of all the GSL states).

# Consumer Business Performance Trend

Description	Q2			H1		
	FY 2023	FY 2022	YOY Gr %	FY 2023	FY 2022	YOY Gr %
IMFL Volume in '000 cases	30	5	500%	70	10	600%
Prestige & Above	30	5	500%	70	10	600%
Regular & Others	0	0	0	0	0	0
Non IMFL Volume in '000 cases	3160	3800	-17%	7100	7180	-1%
<i>IMFL as % of total consumer volume</i>	<i>1%</i>	<i>0.1%</i>	<i>616%</i>	<i>1%</i>	<i>0.1%</i>	<i>603%</i>

Description	Q2			H1		
	FY 2023	FY 2022	YOY Gr %	FY 2023	FY 2022	YOY Gr %
IMFL Net Revenue in Rs. Cr	4.44	1.1	304%	11.64	2.11	452%
Prestige & Above	4.44	1.1	304%	11.64	2.11	452%
Regular & Others	0	0	0	0	0	0
Non-IMFL Net Revenue in Rs. Cr	158.6	179.4	-12%	345.4	333.94	3%
Total Consumer Revenue in Rs. Cr	163.04	180.5	0.26	357.04	336.05	0.3
<i>IMFL Revenue as % of Consumer Revenue</i>	<i>3%</i>	<i>1%</i>	<i>200%</i>	<i>3%</i>	<i>1%</i>	<i>200%</i>
<i>Consumer Revenue as % of Operating Revenue</i>	<i>34%</i>	<i>47%</i>	<i>-27%</i>	<i>37%</i>	<i>45%</i>	<i>-18%</i>

Focussing on building momentum in growing IMFL Revenue as a % of Consumer Business

# Premium Segment - Unique Value Proposition

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



Brands that offer a distinctive **value proposition for our strategic markets**



Crafted a range of **premium and super premium whiskies** blended with scotch and French blended **grape brandy**



**Strong Pipeline of brands** to be launched to complete product offering



**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

\*To be launched

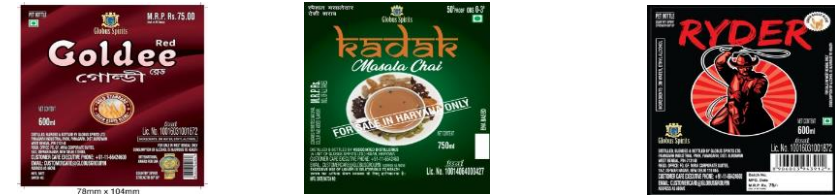
# Non IMFL – GSL is One of the Largest Value Liquor Player

*Product innovation and focus on brand building has enabled growth*

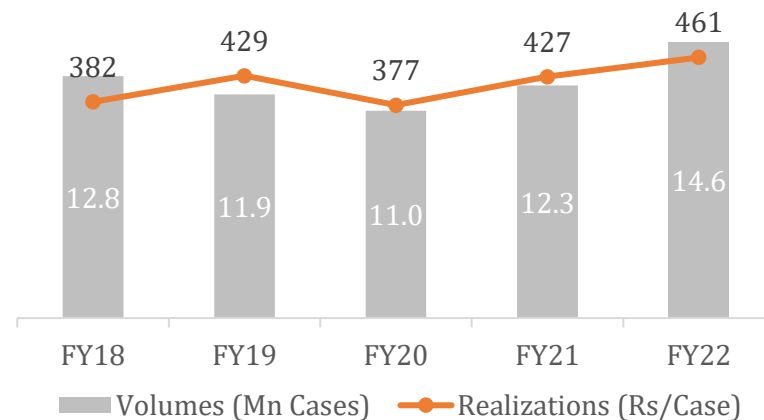
## Select Product Portfolio



## Focus on Innovation through Investment in R&D



## Value & Value Plus Segment

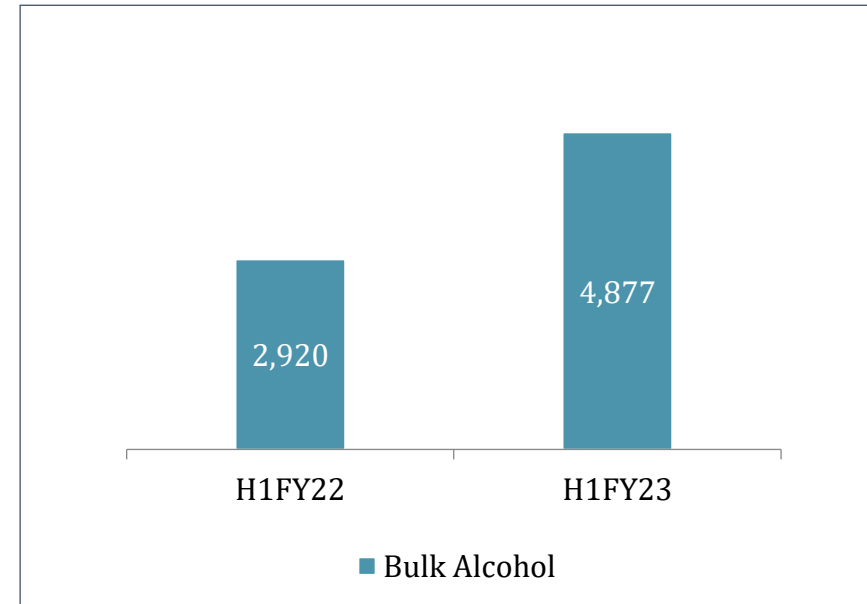
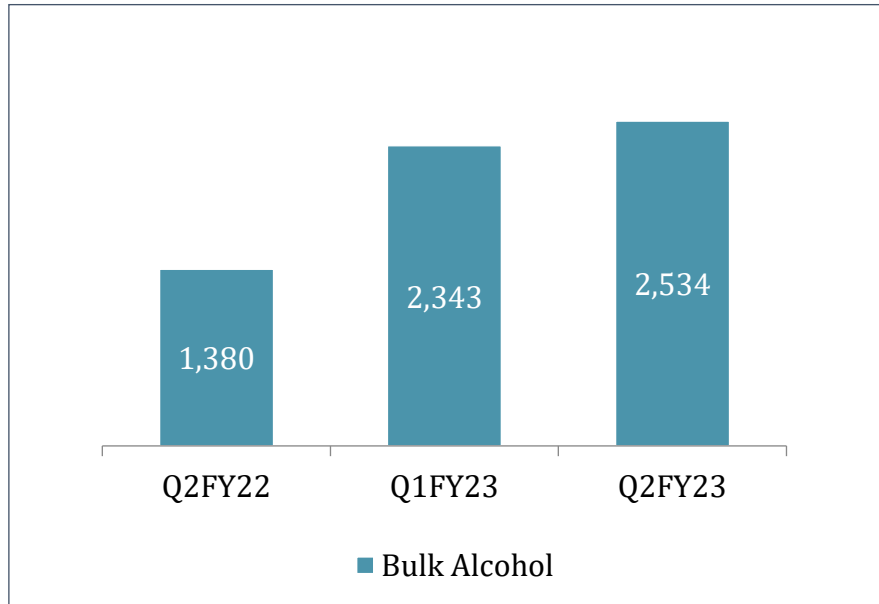




# Manufacturing Business – Strong Backbone

Capacity utilisation at ~90% in H1FY23 with an expanded capacity

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



Bulk Alcohol sales in Q2FY23 at 43.33 Mn litre (up 62% YoY and 6% QoQ), on account of new capacity at West Bengal effective Q4FY22  
Average realization in Q2FY23 at Rs 58.5 per litre (up 14% YoY and 2% QoQ), on account of Ethanol price hike and better ENA realization

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



# **Company Overview**

# A Well Entrenched Distillation Business

01

**Well  
entrenched  
consumer  
business**

- Strong economy portfolio
- Disruptive premium portfolio
- Presence in 7 strategic markets

02

**Widest  
product  
portfolio in  
industry**

- Products ranging from Rs 100 – Rs 3000
- Covering rural consumption and aspirational urban consumption

03

**Innovations  
dedicated  
towards  
consumption  
patters**

- Healthy pipeline of products based on local tastes and preferences
- Allow business to react quickly as well as set trends

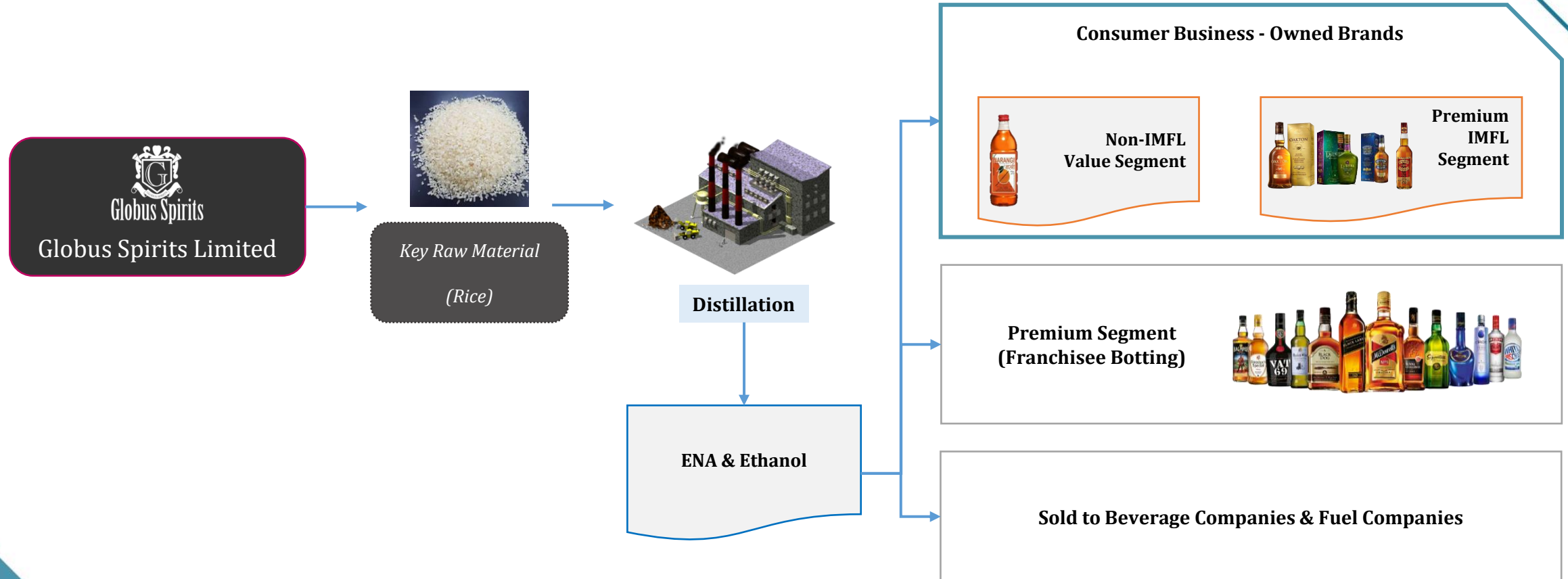
04

**Hedged  
distillation  
business**

- Strong operational platform
- Relationships with key alcohol buyers
- Ethanol play to ensure capacity utilization

# Presence Across the Value Chain

*Well integrated operations aid in ensuring quality and cost control*



# Business Segments

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 Margin...*

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*





# **Financials**

# Profit & Loss Highlights | Q2 & H1 FY23

Particulars (Rs Mn)	Q2FY23	Q2 FY22	YoY (%)	Q1FY23	QoQ (%)	H1FY23	H1FY22	YoY (%)
<b>Gross Revenues</b>	<b>6,335</b>	<b>5,939</b>	<b>6.7%</b>	<b>6,830</b>	<b>-7.2%</b>	<b>13,164</b>	<b>11,446</b>	<b>15.0%</b>
Less- Excise duty	1,532	2,118	-27.7%	1,875	-18.3%	3,407	3,919	-13.1%
<b>Net Revenues from Operations</b>	<b>4,803</b>	<b>3,822</b>	<b>25.7%</b>	<b>4,954</b>	<b>-3.1%</b>	<b>9,757</b>	<b>7,527</b>	<b>29.6%</b>
Other Income	21	16	33.4%	17	22.2%	38	27	43.4%
<b>Total Income</b>	<b>4,824</b>	<b>3,837</b>	<b>25.7%</b>	<b>4,971</b>	<b>-3.0%</b>	<b>9,795</b>	<b>7,553</b>	<b>29.7%</b>
<b>Total Expenditure</b>	<b>4,354</b>	<b>2,944</b>	<b>47.9%</b>	<b>4,268</b>	<b>2.0%</b>	<b>8,622</b>	<b>5,668</b>	<b>52.1%</b>
Consumption of Material	2,829	1,972	43.4%	2,921	-3.1%	5,750	3,812	50.8%
Employee Cost	137	107	27.9%	142	-3.1%	279	252	10.5%
Other Expenditure	1,388	865	60.5%	1,206	15.1%	2,593	1,604	61.7%
<b>EBITDA</b>	<b>470</b>	<b>893</b>	<b>-47.4%</b>	<b>703</b>	<b>-33.2%</b>	<b>1,173</b>	<b>1,885</b>	<b>-37.8%</b>
Depreciation	129	104	24.0%	125	3.5%	254	208	22.4%
<b>EBIT</b>	<b>341</b>	<b>789</b>	<b>-56.8%</b>	<b>578</b>	<b>-41.1%</b>	<b>919</b>	<b>1,677</b>	<b>-45.2%</b>
Finance Cost	25	24	5.1%	22	14.1%	47	63	-25.4%
<b>PBT</b>	<b>316</b>	<b>765</b>	<b>-58.8%</b>	<b>556</b>	<b>-43.3%</b>	<b>872</b>	<b>1,614</b>	<b>-46.0%</b>
Tax Expense (Current, Deferred)	94	240	-60.7%	183	-48.5%	278	533	-47.9%
<b>PAT (From ordinary activities)</b>	<b>221</b>	<b>525</b>	<b>-57.9%</b>	<b>373</b>	<b>-40.7%</b>	<b>594</b>	<b>1,081</b>	<b>-45.1%</b>
<b>EPS</b>	<b>7.68</b>	<b>18.28</b>	<b>-58.0%</b>	<b>12.94</b>	<b>-40.7%</b>	<b>20.62</b>	<b>37.61</b>	<b>-45.2%</b>

# Key Ratios | Q1FY23

Particulars (% of Total Income)	Q2FY23	Q2 FY22	Q1FY23	H1FY23	H1FY22
Other Income (% of Net Revenue)	0.4%	0.4%	0.3%	0.4%	0.4%
Raw material	59%	51%	59%	59%	51%
Employee Cost	3%	3%	3%	3%	3%
Other Expenditure	29%	23%	24%	27%	21%
Total Expenditure	90%	77%	86%	88%	75%
<b>EBITDA</b>	<b>10%</b>	<b>23%</b>	<b>14%</b>	<b>12%</b>	<b>25%</b>
Depreciation	3%	3%	3%	3%	3%
Finance Cost	1%	1%	1%	1%	1%
Tax Expense (% of PBT)	30%	31%	33%	32%	33%
<b>PAT</b>	<b>5%</b>	<b>14%</b>	<b>8%</b>	<b>6%</b>	<b>14%</b>

Gross Margin at ~41% was largely maintained on a QoQ basis, on account of Higher Bulk Alcohol realization and Higher Consumer segment realization (incremental contribution from Premium segment sales).

EBITDA Margin at ~10% was lower QoQ, on account of Lower operating leverage due to lower share of higher margin, Consumer Segment in Q2FY23 to ~34% of Net Revenue, caused by an aberration in consumer liquor sales in Rajasthan and Haryana and continuing high costs of Power & Fuel

# Balance Sheet Highlights

Liabilities (Rs mn)	Mar-22	Sept-22
Networth	7,723	8,230
LT borrowings	1,105	1,247
Provisions	33	37
Deferred tax liabilities	887	1,013
Other non-current liabilities	67	64
<b>Total Non Current Liabilities</b>	<b>9,816</b>	<b>10,591</b>
ST borrowings	635	1,239
Trade payables	1,383	1,708
Provisions	67	65
Other financial liabilities	147	283
Current tax liabilities	24	55
Other current liabilities	294	439
<b>Total Current Liabilities</b>	<b>2,549</b>	<b>3,790</b>
<b>Total Liabilities</b>	<b>12,365</b>	<b>14,381</b>

Assets (Rs mn)	Mar-22	Sept-22
Fixed assets (incl. CWIP)	7,676	8,170
Investments	0	0
Other financial assets	189	328
Income tax assets	10	55
Other non-current assets	534	724
<b>Total Non Current Assets</b>	<b>8,410</b>	<b>9,277</b>
Inventories	1,085	1,465
Trade receivables	1,180	1,843
Cash & cash equivalents	820	590
Other financial assets	76	204
Other current assets	794	1,003
<b>Total Current Assets</b>	<b>3,955</b>	<b>5,104</b>
<b>Total Assets</b>	<b>12,365</b>	<b>14,381</b>

# Annual | Profit & Loss Statement

Particulars (Rs Mn)	FY20*	FY21	FY22
<b>Gross Revenues</b>	<b>12,674</b>	<b>16,721</b>	<b>23,438</b>
Less- Excise duty	986	4,414	7,647
<b>Net Revenues from Operations</b>	<b>11,688</b>	<b>12,308</b>	<b>15,791</b>
Other Income	37	66	66
<b>Total Income</b>	<b>11,726</b>	<b>12,373</b>	<b>15,858</b>
<b>Total Expenditure</b>	<b>10,441</b>	<b>9,756</b>	<b>12,506</b>
Consumption of Material	7,176	6,532	8,384
Employee Cost	343	384	501
Other Expenditure	2,922	2,840	3,621
<b>EBITDA</b>	<b>1,285</b>	<b>2,618</b>	<b>3,352</b>
Depreciation	380	407	426
<b>EBIT</b>	<b>905</b>	<b>2,211</b>	<b>2,926</b>
Finance Cost	236	188	114
<b>PBT</b>	<b>669</b>	<b>2,023</b>	<b>2,812</b>
Tax Expense (Current, Deferred)	172	583	940
<b>PAT (From ordinary activities)</b>	<b>497</b>	<b>1,440</b>	<b>1,872</b>
<b>EPS</b>	<b>17.33</b>	<b>50.01</b>	<b>65.06</b>

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%	53%	53%
Employee Cost	3%	3%	3%
Other Expenditure	25%	23%	23%
Total Expenditure	89%	79%	79%
<b>EBITDA</b>	<b>11%</b>	<b>21%</b>	<b>21%</b>
Depreciation	3%	3%	3%
Finance Cost	2%	2%	1%
Tax Expense (% of PBT)	26%	29%	33%
<b>PAT</b>	<b>4%</b>	<b>12%</b>	<b>12%</b>

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
<b>Total Non Current Liabilities</b>	<b>6,156</b>	<b>7,575</b>	<b>9,816</b>
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
<b>Total Current Liabilities</b>	<b>1,846</b>	<b>2,355</b>	<b>2,549</b>
<b>Total Liabilities</b>	<b>8,002</b>	<b>9,930</b>	<b>12,365</b>

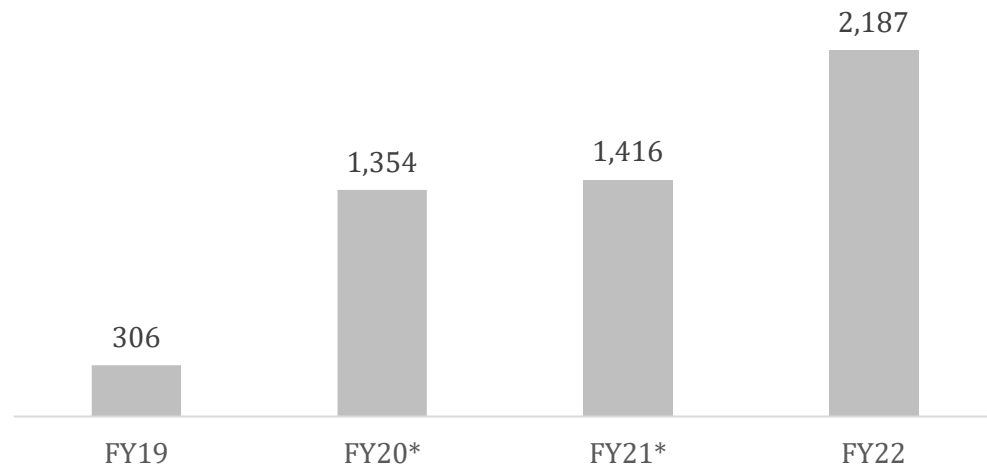
Assets (Rs mn)	Mar-20*	Mar-21*	Mar-22
Fixed assets (incl. CWIP)	5,985	6,269	7,676
Investments	0	0	0
Other financial assets	183	176	189
Income tax assets	10	10	10
Other non-current assets	61	438	534
<b>Total Non Current Assets</b>	<b>6,239</b>	<b>6,892</b>	<b>8,410</b>
Inventories	1,063	1,021	1,085
Trade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

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

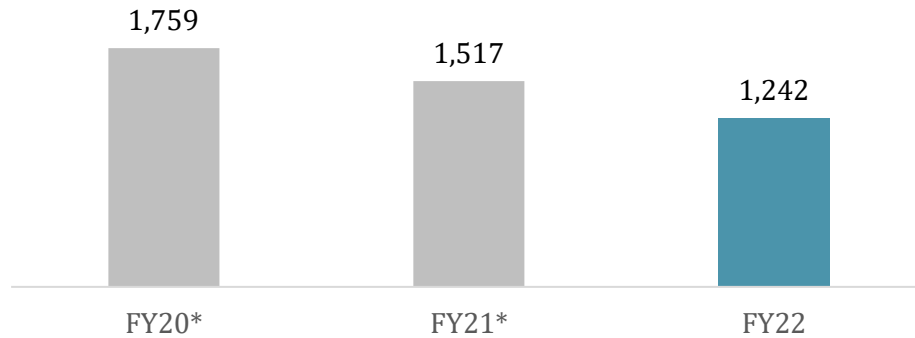
- **Growth in business and improved profitability**
- **Lower Finance costs** due to paring of debt & lower cost of debt

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

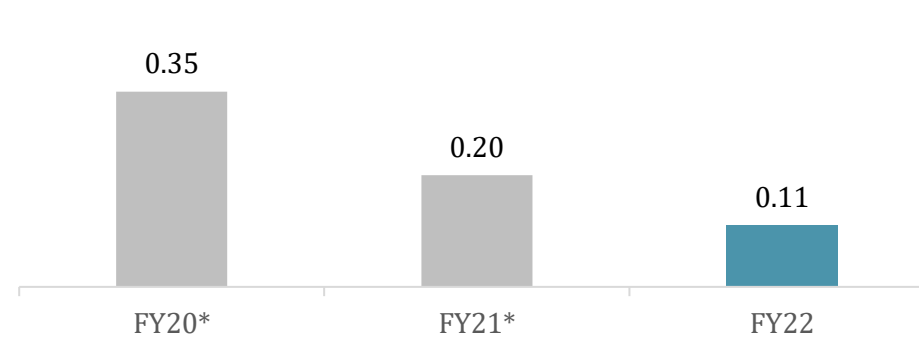
# Key Financial Ratios

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

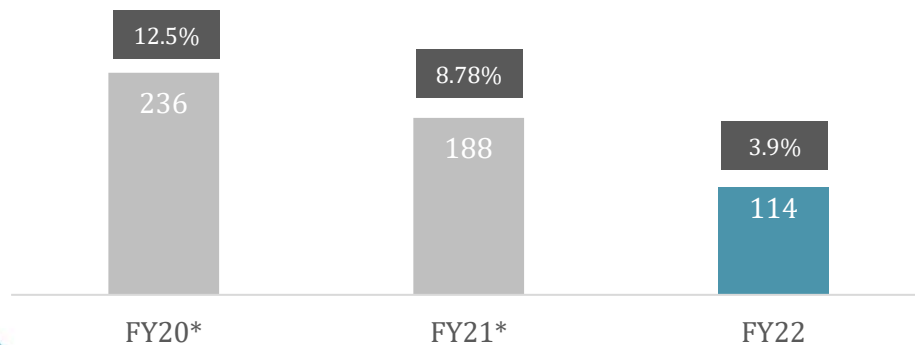
**Long Term Borrowing (Rs Mn)**



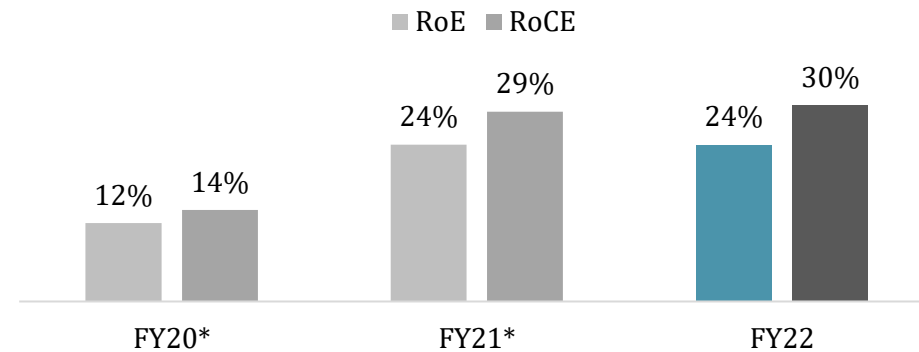
**Net Debt/Equity (x)**



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



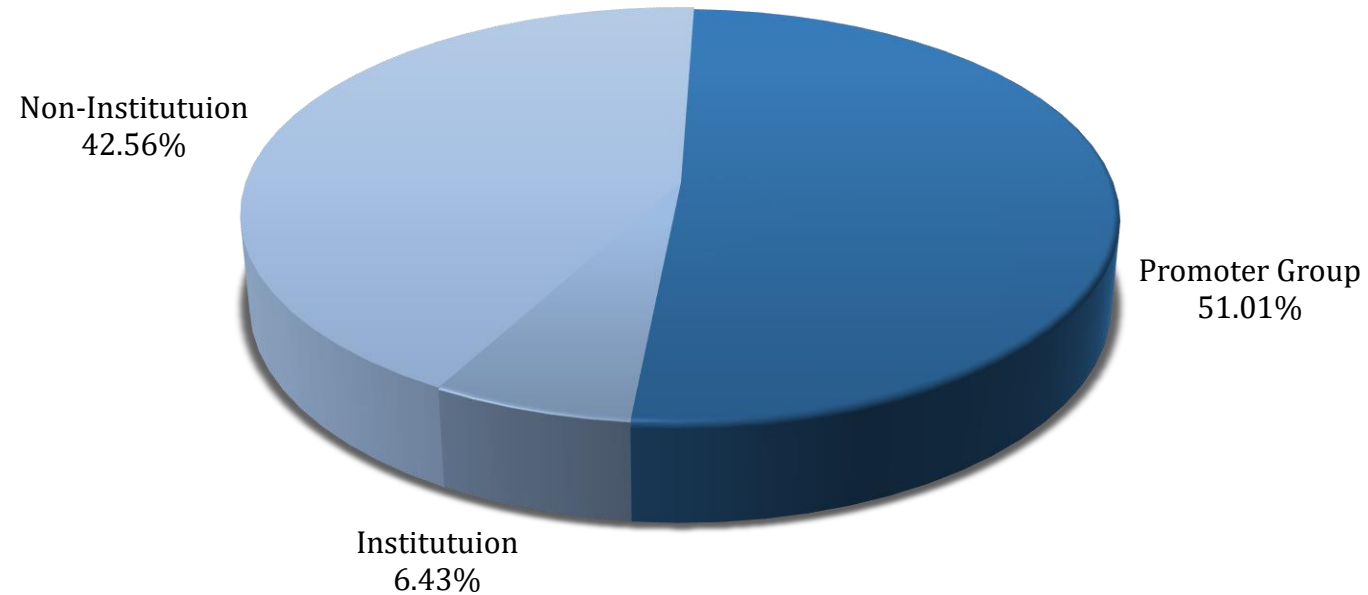
**Return Ratios (%)**



- 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 September 30, 2022, stand at 28.8 Mn shares*





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