



ENabling Excellence
GLOBUS SPIRITS LIMITED
Q3 & 9MFY24



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Company Overview



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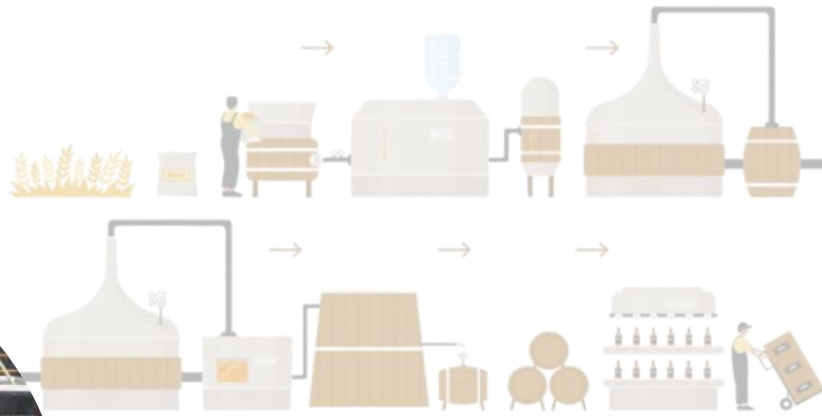
Q3FY24 Results
& Commentary



3

Annual Financials

India's Largest Grain-based Distillery and a Growing IMFL Player



Total Revenue (Rs Mn)

Rs 18.2 Bn (9MFY24)

Manufacturing & Consumer
66% 34%

Consumer Sales

~11 Mn Cases (9MFY24)

Bottling Capacity

28.8 Mn Cases

Bulk Alcohol Sales

~160 Mn Ltr (9MFY24)

Total Distillery Capacity

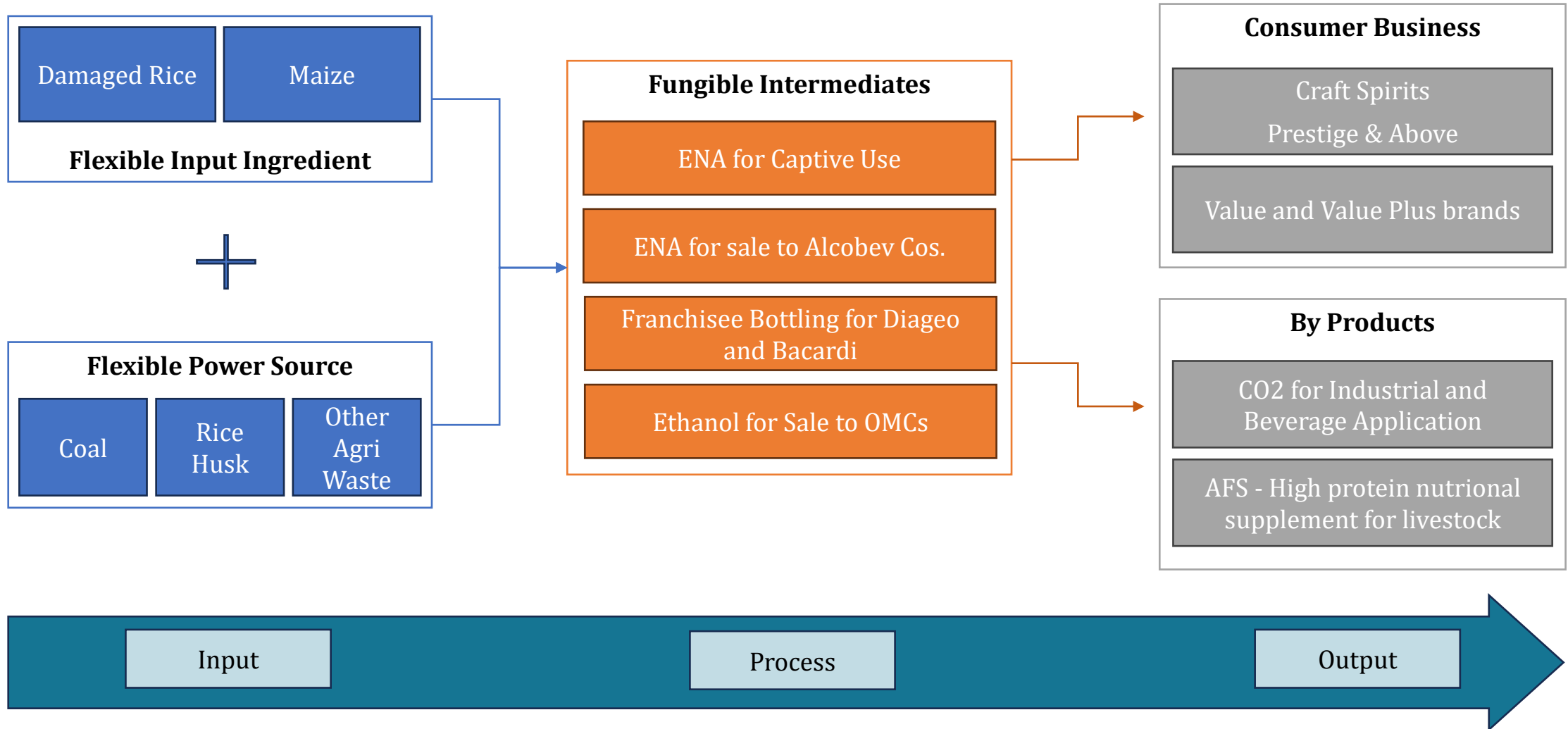
885 KLPD*

Capacity Utilization (%)

~90%

* Of which, 120 KLPD is installed but awaiting approvals for commissioning

A Well Entrenched Distillation Business...



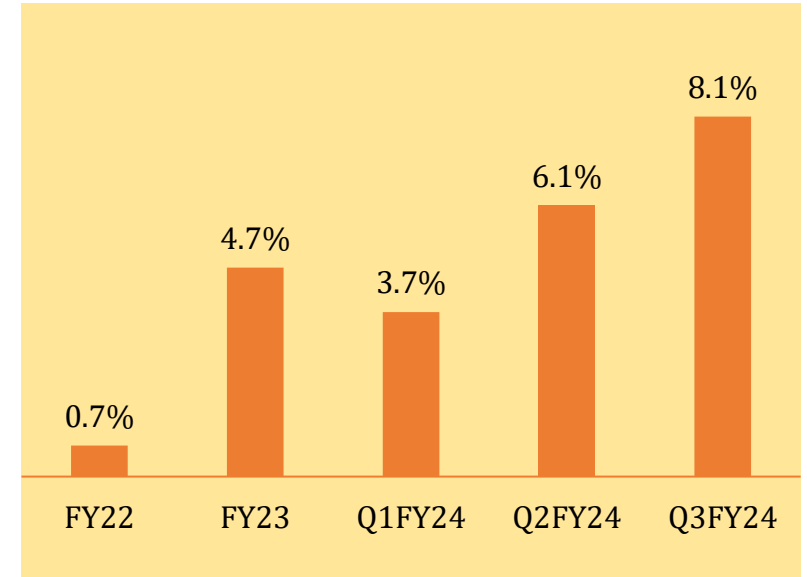
Prestige & Above Segment

- Disruptive IMFL portfolio, offering Unique Value Proposition
- Strategic presence in 6 markets (combined relevant market size of ~27 Mn cases)
- Entered Haryana and Punjab in the last 12 months
- Exploring to enter new Domestic Markets

Select Product Portfolio



IMFL Share in GSL Consumer Revenue



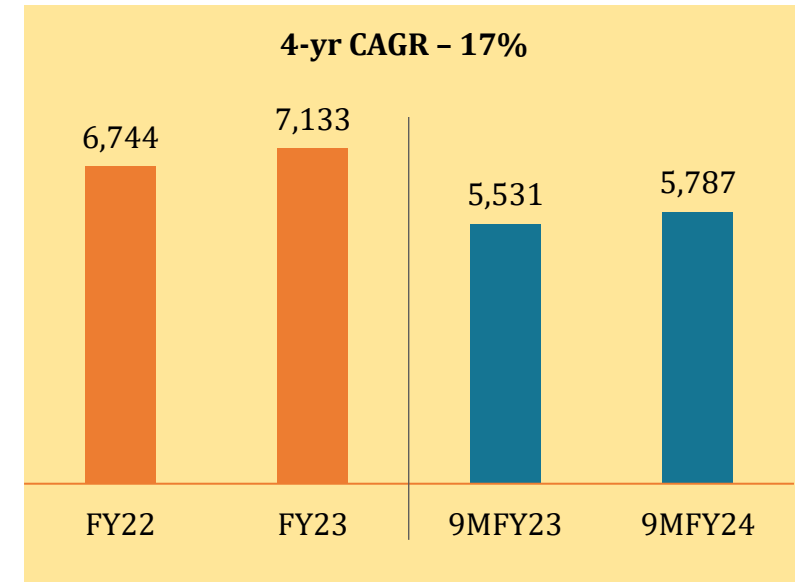
Value & Value Plus Segment

- 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

Select Product Portfolio



Value & Value Plus Net Revenue (Rs Mn)

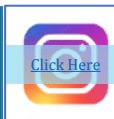


India Crafts Spirit Co., Distillers Since 1958

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
- **TERAI** - a super premium craft gin has established a strong presence in the category
- **New Single Malt Whisky** to be launched in FY25

Current brand – TERA I



Future brand – Craft Whisky, TERA I variants

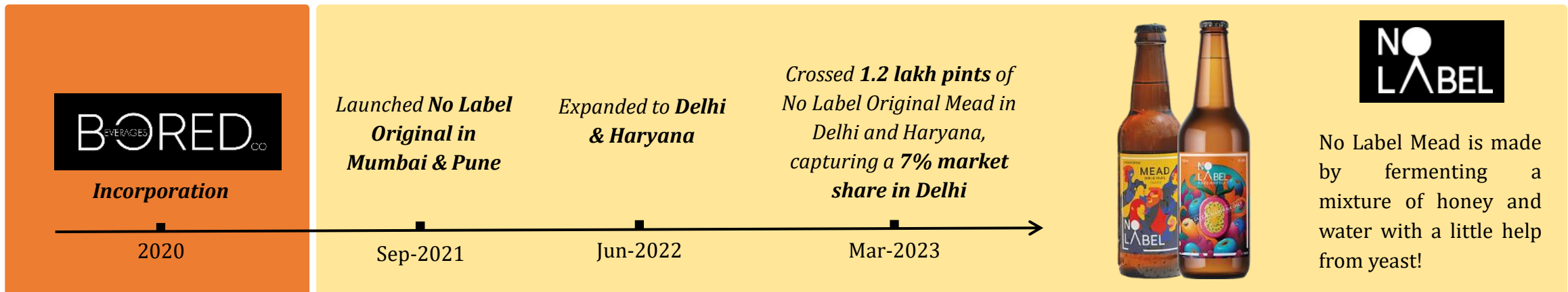


Ready-to-Drink Segment

- GSL is foraying into the Ready-to-Drink (RTD) segment, citing significant growth potential in the segment.
- Formation M/s Bored Beverages Pvt. (Innovative alcohol beverage startup targeting millennials and Gen Z). GSL will own 51.13% with management control and invest up to Rs 60 Mn.
- Market Potential: India's RTD market volume is projected to grow from 38.2 Mn litres in FY20 to 65.6 Mn litres by FY25.
- Not Out - epitome of strength and resilience in a bottle, will be in the 15% super strong RTD segment and will be launched in Delhi this quarter, followed by Uttar Pradesh, Haryana and Punjab. Also, work on 5-7% RTD segment is in progress with a launch planned in FY25.**



**NOT
OUT**



Manufacturing Business - Existing State-of-the-Art Units

Rajasthan Facility



Capacity: 54.4 Mn Ltrs

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

West Bengal Facility



Capacity: 81.6 Mn Ltrs

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

Haryana Facility



Capacity: 47.6 Mn Ltrs

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

Bihar Facility



Capacity: 28.9 Mn Ltrs

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

Jharkhand Facility



Capacity: 47.6 Mn Ltrs

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

Uttar Pradesh – Bottling Facility



Capacity: 0.9 Mn Cases

Products: IMFL Bottling

Expansion Plans For Manufacturing Business – Strong Backbone

Location	Capacity Addition (KLPD)	Total Capacity after Completion	Status
West Bengal - III	60	300	In trial stage and awaiting regulatory approval; To be commissioned in Q4FY24
Jharkhand - II	60	200	In trial stage and awaiting regulatory approval; To be commissioned in Q4FY24
Bihar	19	110	Q2FY24
Orissa - greenfield	-	-	Currently on hold
Uttar Pradesh – greenfield	-	-	Approvals in place. Bottling to commence in Mar-24 Distillery capacity under review

At the end of Q3FY24, the total installed capacity was 885 KLPD including the incremental installed capacity of 120 KLPD at WB + JHK, which will start after regulatory approvals

Q3FY24 Results & Commentary



1. Consumer Business (34% of Net Revenue)

Net Revenue (Rs Mn)	Q3FY24	Q3FY23	YoY%	Q2FY24	QoQ%	9MFY24	9MFY23	YoY%
IMFL (Prestige & Above)	171	149	15%	124	39%	371	265	40%
- Volumes sold (Mn cases)	0.12	0.08	40%	0.08	40%	0.25	0.16	56%
Value and Value Plus	1,933	2,076	-7%	1,898	2%	5,787	5,531	5%
- Volumes sold (Mn cases)	3.68	3.97	-7%	3.54	4%	10.73	11.03	-3%
Total Consumer Revenue	2,105	2,226	-5%	2,022	4%	6,157	5,796	6%
Total Consumer Volumes	3.79	4.05	-6%	3.62	5%	10.98	11.19	-2%
<i>IMFL as % of Total Consumer Volume</i>	3.1%	2.0%	102 Bps	2.3%	77 Bps	2.3%	1.4%	84 Bps
<i>IMFL as % of Total Consumer Revenue</i>	8.1%	6.7%	143 Bps	6.1%	202 Bps	6.0%	4.6%	145 Bps

Prestige & Above:

- Established a strong Route-To-Market in Delhi, West Bengal, Haryana and Uttar Pradesh. Other states like Punjab and Rajasthan will get stabilized in FY24-25

Value and Value Plus:

- In Rajasthan, the degrowth is mainly in the Value Plus segment where the industry has de-grown by 10% with quota being reduced in the Value Plus industry. However, GSL continues to be the market leader and maintains a market share of greater than 50% and good margins backed up by price increases in 3 consecutive years.
- We expect market share growth on the back of increase in consumer power with minimum market share of RSGSM being reduced from 35% to 25%

Prestige & above – Q3FY24 Sales Run-rate Crosses 100,000 Cases

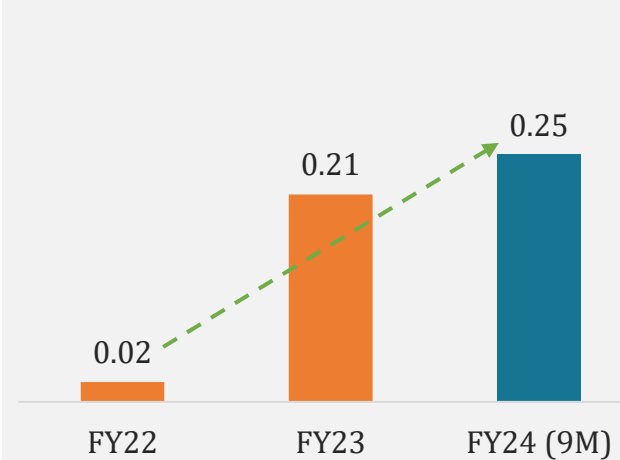
Growth trajectory accelerating on the back of building consumer acceptance of our wide range of products

Over the last ~2 years, launched **Two Successful Brands – Mountain Oak and SNOSKI** - in different variants and packaging

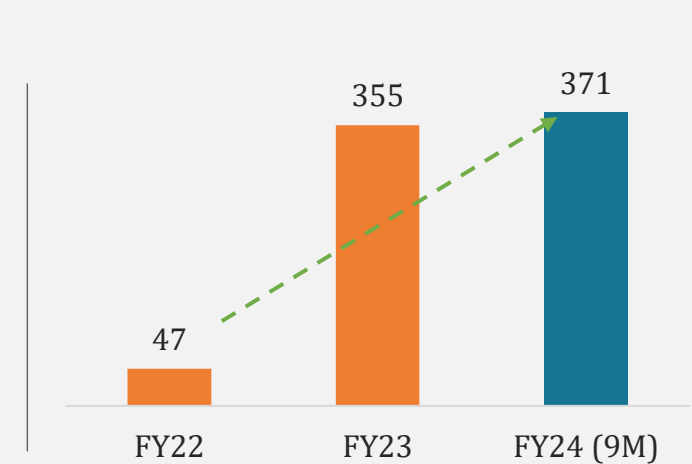
Forayed into **Six New Markets** including Delhi, U.P, West Bengal, Haryana, Rajasthan and Punjab

Innovative Packaging such as **Comfy Pack** introduced for Mountain Oak and SNOSKI has been well-received and driving growth; Going forward we expect more sales from Comfy Pack for other brands too

IMFL Sales (Mn Cases)



IMFL Revenue (INR mn)



Update on Upcoming IMFL Brands

Expansion of Brands & Market

Brand	State	Timeline
SNOSKI & Variants	Haryana and West Bengal	Q4FY24/Q1FY25
Premium Rum	Uttar Pradesh and Delhi	H1FY25
Single Malt	Haryana, Punjab and Uttar Pradesh	FY25
Market Expansion	Rajasthan and Jharkhand	Q4FY24

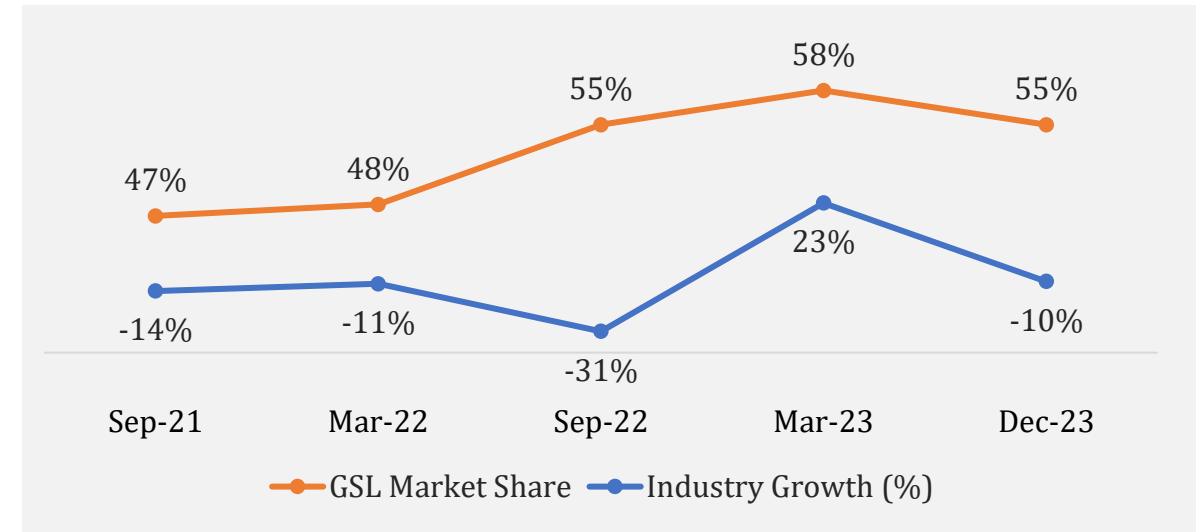
Value & Value Plus - Strengthening Growth Trajectory as a Segment Pioneer

Continued Focus on the segment has allowed GSL to tap into the large and growing bottom-of-pyramid consumers, with favourable demographics further aiding growth

Positive Factors Going Ahead

- **Rajasthan:** Degrowth in Value Plus category is a pan India feature. Growth should return in the next financial year on this revised base. Price hike of ~Rs.18 per case announced for next FY.
- The new excise policy looks beneficial for the IMIL segment of the company
- **Delhi:** No Value brands sale in Q3 due to delay in implementation of policy. New policy now implemented from Jan 24, with a favourable price.

Rajasthan Medium Liquor (Value Plus)



GSL is a clear market leader and a choice of the masses despite evolving industry dynamics, on the back of its **superior ENA Quality, Packaging differentiation and Price Point** that offers value proposition to consumers

2. Manufacturing Business (66% of Net Revenue)

Net Revenue (Rs Mn)	Q3FY24	Q3FY23	YoY%	Q2FY24	QoQ%	9MFY24	9MFY23	YoY%
Bulk Alcohol	3,964	2,993	32%	3,024	31%	9,962	7,871	27%
- Volumes sold (Mn Ltr)	61.26	50.26	22%	48.41	27%	159.44	134.63	18%
- Avg. Realisation (Rs/Ltr)	64.7	59.6	9%	62.5	4%	62.5	58.5	7%
Franchise Bottling	57	43	31%	26	121%	118	127	-7%
AFS & Others	749	661	13%	600	25%	2,010	1,887	7%
Total Manufacturing Revenue	4770	3,698	29%	3,650	31%	12,090	9884	22%

Bulk Alcohol:

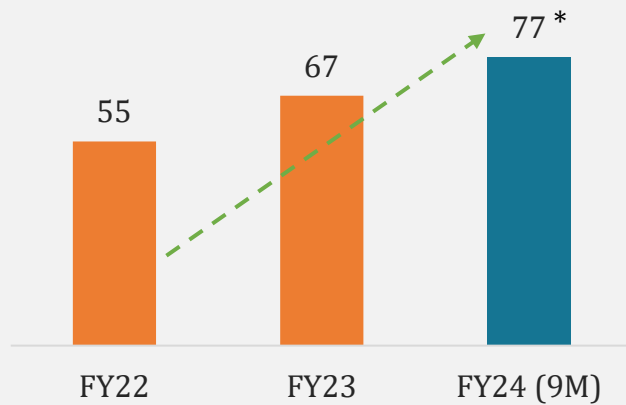
- Average Realization growth was mainly on account of **improved ENA realization and Ethanol price hikes**, and the current Price of Ethanol made from Broken rice is ~Rs. 64 and from Maize is ~Rs. 72
- Ethanol Allocation for ESY 23-24 has been received for 18.5 Cr litre, in line with target

Manufacturing – All Plants Operating at Full Capacity in Q3FY24

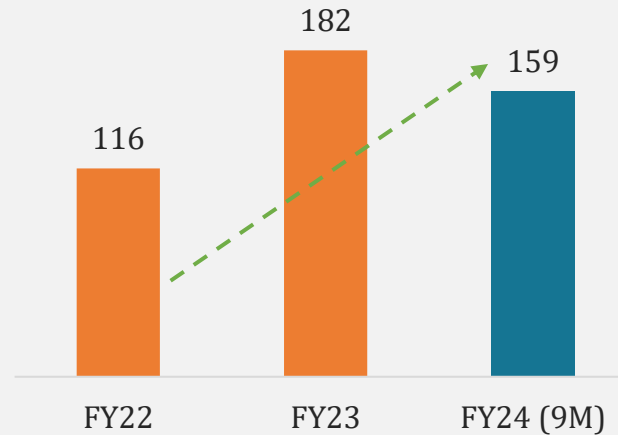
Improvement in capacity utilization, higher ENA realisation and Ethanol price hike led to robust revenue growth of 31% QoQ and 29% YoY in Q3FY24

Installed capacity of 120 KLPD at WB + JHK awaiting regulatory consent, likely by Q4FY24.

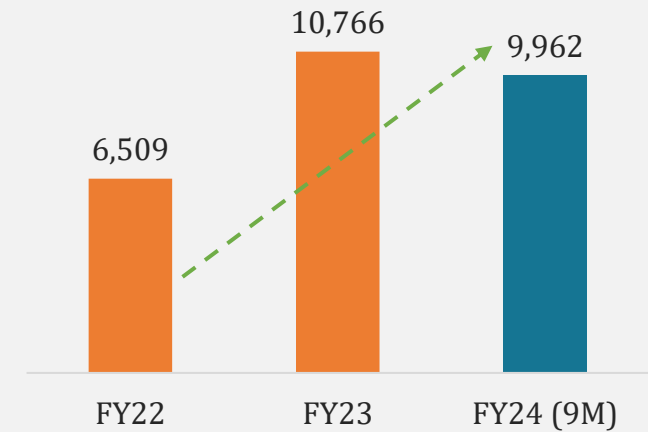
Capacity (Mn Ltr)



Bulk Alcohol Volume (Mn Ltr)



Bulk Alcohol Revenue (INR mn)



*Includes 120 KLPD installed capacity at WB+JHK which is awaiting regulatory approvals; Likely to be commercialized in Q4FY24

Input Costs Partially Reigned in by Lower Fuel Costs and Company Initiatives

01. Prestige & Above:

Ongoing rise in sales which yields higher realization.

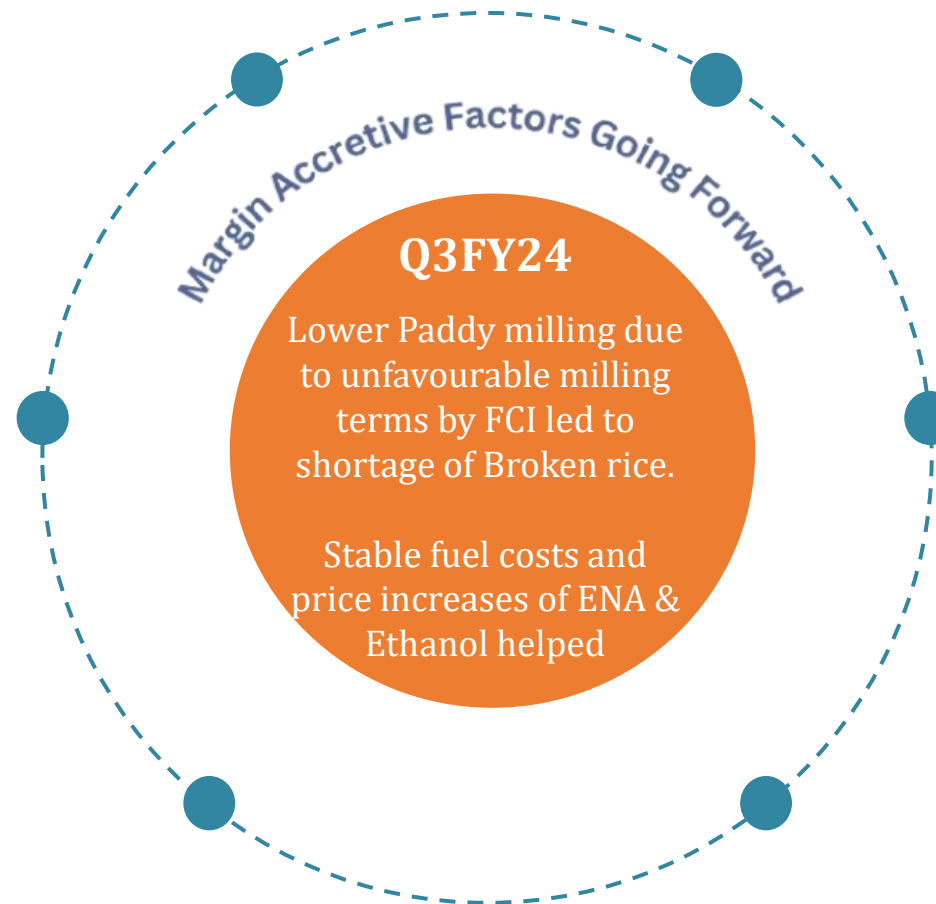
02. Capacity Expansion:

Installed capacity of 120 KLPD at WB + Jharkhand likely to be commissioned in Q4FY24.

03. RM Easing:

Strategic shift to Maize to help offset rising Grain Costs.

Increase in paddy milling will ease rice market.



04. Bottling Project at U.P.:

1. To save S&D costs for IMFL in U.P.; currently sourced from Rajasthan.
2. Opens up whole range of options in IMIL in U.P.

05. Maturation facility at Rajasthan:

1. Build high-quality Malt spirits; To save ~Rs. 85 per BL on procurement of high-end spirits.
2. Reduce dependence on external supplies.

06. Power & Fuel:

Flexible power source; Received long-term Coal Linkage to the extent of 30% of total fuel requirement at fixed price.



Maize procurement is a priority and GSL anticipates cost-effective procurement from Bihar and some parts of WB. Maximize off-take and explore price benefits by 12% in the upcoming Rabi season.

There is an increase in the **area under cultivation for Maize** by 18% in Bihar and WB combined. Out of the total area under cultivation for the Rabi crop of maize (17.53 lac Hectare), these states command 47% share.

In parallel, close **coordination with Seed Agencies, and GOI institutions** to develop crop areas through our CSR initiative.


Fuel Cost: GSL expects to remain stable as GOI has increased coal production to 684 million tons till Dec'23 which is equivalent to 12 months of production of last month.


Profit & Loss Highlights

Particulars (Rs Mn)	Q3FY24	Q3FY23	YoY (%)	Q2FY24	QoQ (%)	9MFY24	9MFY23	YoY (%)
Net Revenue	6,875	5,924	16.1%	5,672	21.2%	18,247	15,681	16.4%
Other Income	30	12		35		84	50	
Total Income	6,904	5,936	16.3%	5,707	21.0%	18,331	15,732	16.5%
Raw Material Cost	4,977	3,555		3,825		12,171	9,305	
<i>Gross Margin</i>	<i>27.9%</i>	<i>40.1%</i>		<i>33.0%</i>		<i>33.6%</i>	<i>40.9%</i>	
Employee Cost	200	182		199		590	461	
Other Expenditure	1,298	1,599		1,272		3,986	4,193	
EBITDA	431	601	-28.3%	411	4.9%	1,583	1,774	-10.7%
<i>EBITDA Margin</i>	<i>6.2%</i>	<i>10.1%</i>		<i>7.2%</i>		<i>8.6%</i>	<i>11.3%</i>	
Depreciation	167	149		162		490	404	
Finance Cost	68	50		74		205	98	
Profit Before Tax	195	401	-51.3%	175	11.8%	888	1,273	-30.2%
Share of Profit/Loss in Associates	-2	-		-		-2	-	
Tax Expense	-251*	131		44		-76	409	
Profit After Tax	444	270	64.8%	131	240.4%	962	863	11.5%
<i>PAT Margin</i>	<i>6.4%</i>	<i>4.5%</i>		<i>2.3%</i>		<i>5.3%</i>	<i>5.5%</i>	
EPS (Rs)	15.42	9.36	64.8%	4.53	240.4%	33.42	29.98	11.5%

*Includes the effect of rebasing deferred tax as the Company moved from old to new tax regime


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