

Globus Spirits Limited

Q3 & 9M FY13 Result Presentation
February 12, 2013



Globus Spirits

Safe Harbour

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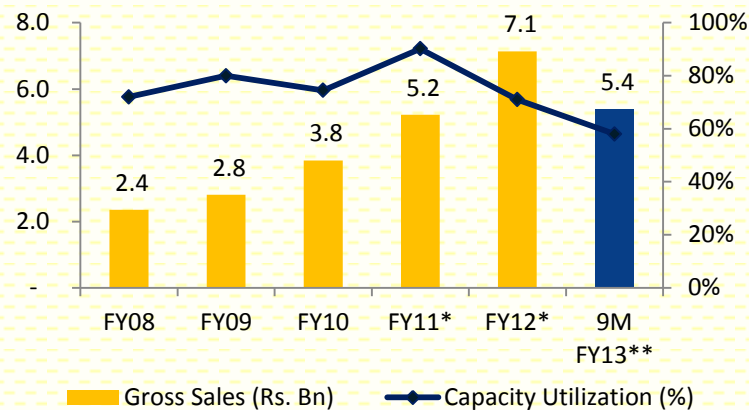
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Globus Spirits Ltd – Company Overview

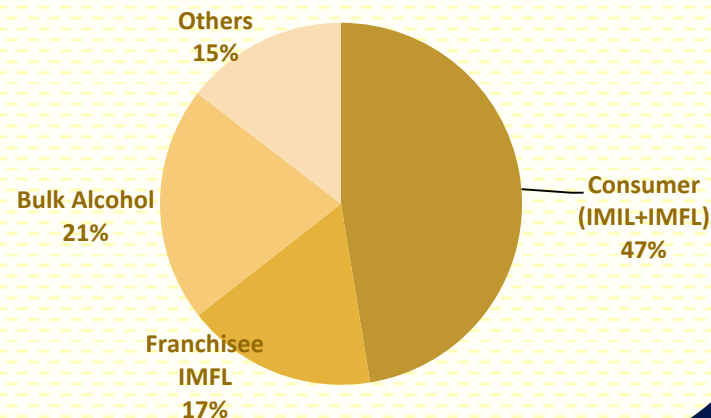
- ◆ Decades of management experience in this sector led by the promoter Mr. Ajay Swarup
- ◆ Only company to have a 360° presence, offering products across the value chain
- ◆ Strong consumer business portfolio comprising of IMIL and IMFL contributing to ~50% of revenues
 - Market leader in IMIL in North Indian states of Haryana, Rajasthan and Delhi
 - First launched IMFL brands in 2007-08
- ◆ State-of-the-art plants at Rajasthan (Behror) & Haryana (Samalkha & Hisar) with aggregate annual distillation capacity of over 120 mn bulk litres having multi-feedstock capability

Sales & Capacity Utilization



*Capacity at 46.6 mn litres pa in FY11; expanded to 84.4 mn litres pa in FY12 and further expanded to over 120 mn litres pa in Q3 FY13
 **Excluding capacity of RS plants at Behror and Samalkha, utilization is at 86%

Sales Break-Up by Segment: 9M FY13



The 360° Way



Multi-feedstock capability for manufacturing bulk alcohol i.e.

Molasses, Broken Rice/ Bajra

IMFL – Indian Made Foreign Liquor

IMIL – Indian Made Indian Liquor

***A Unique Model Perfected by Globus
– Straddles the entire value chain in
alcohol***

- ◆ Enables Globus to capture margins across the value chain
- ◆ Allows the company to secure economies of scale in production
- ◆ Insulates the Company from any risk in the movement of prices, important in current scenario where ENA prices are expected to sustain at higher levels

Our Strengths

360° Business Model

- Only Company in the Alcobev industry to straddle all segments of the spirits value chain (consumer and manufacturing)
- Insulates from risk in price movement of any one of the products
- Enables leveraging growth opportunities across all segments
- Ensures greater quality control over the entire value chain

Strong Consumer Portfolio

- Undisputed leader in North India in IMIL with over a decade of experience - volumes of >12 mn cases per year
- Pioneer in branding IMIL, developed Nimboo, Rs. 3,500 mn brand at retail level
- Distribution presence for IMFL in 6 states
- Launched 4 mainstream brands, of which Hannibal Rum has qualified for CSD registration

Deep Relationships for Franchisee IMFL

- Proxy play on growth of branded IMFL business - sticky business with limited investments and consistent margins
- Tie ups with industry majors like ABD, Jagatjit and USL are progressing well, with steady scale up in volumes

Significant Player in Bulk Alcohol

- Amongst the largest distillation capacity in the country with over 120 million BL p.a. capacity
- Secures access to alcohol for branded operations in a scenario where demand-supply gap for bulk alcohol is expected to widen considerably

Our Strengths

Capital Efficient Operations

- Ability to build technologically superior plants at a much lower cost than the industry average: Over the last 3 years, ~3x capacity expansion has been achieved without any equity dilution
- Strong cash conversion cycle resulting in low working capital investment at 33 days
- Reflected in high Asset Turnover of ~1.9x and ROCE of ~21% in FY12, amongst most favourable in industry

Healthy Financials

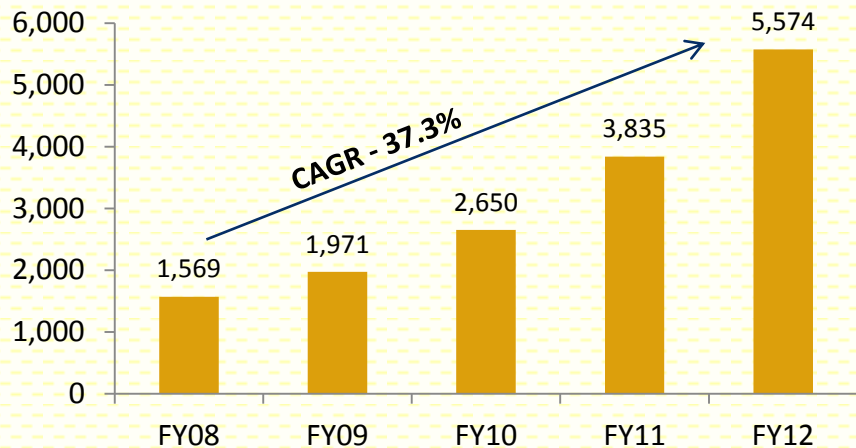
- Over the last 3 years, achieved CAGR of 36.4% in gross sales, 37.8% in EBIDTA and 46.8% in PAT
- Strong Balance Sheet with low leverage, debt-equity of 0.4x, amongst most favorable in the industry
- Scope to increase leverage for organic/inorganic expansion

Strong Management Team

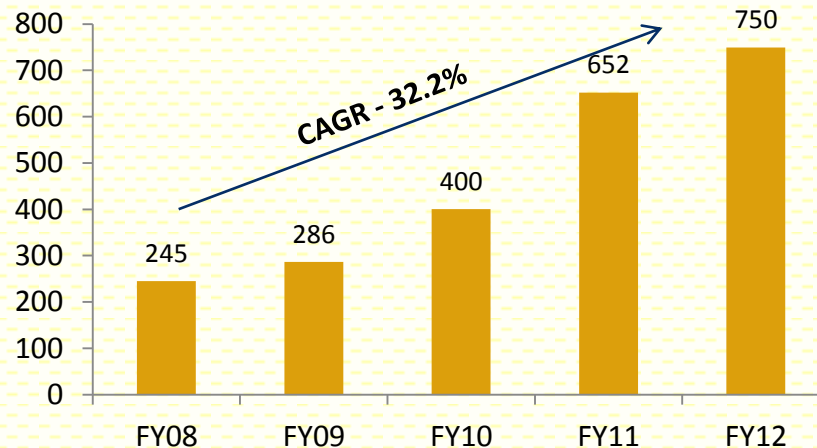
- Managed by a group of professionals and an experienced management team with a healthy mix of industry experts and young energetic talent

Demonstrated Track Record

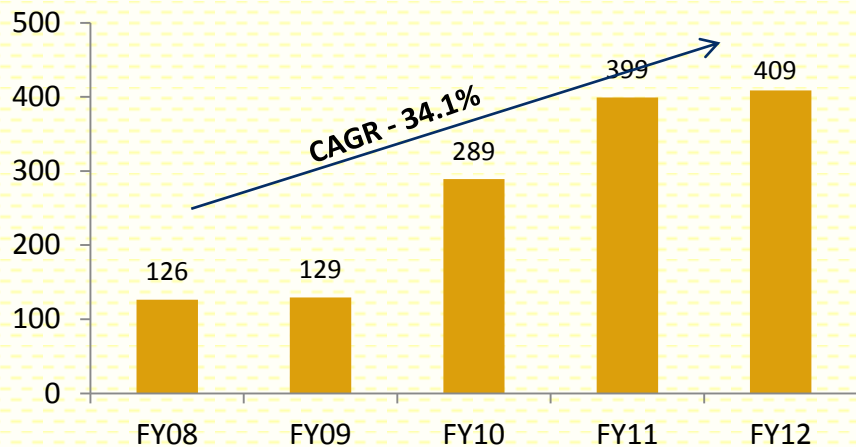
Total Income from Operations (Rs. Million)



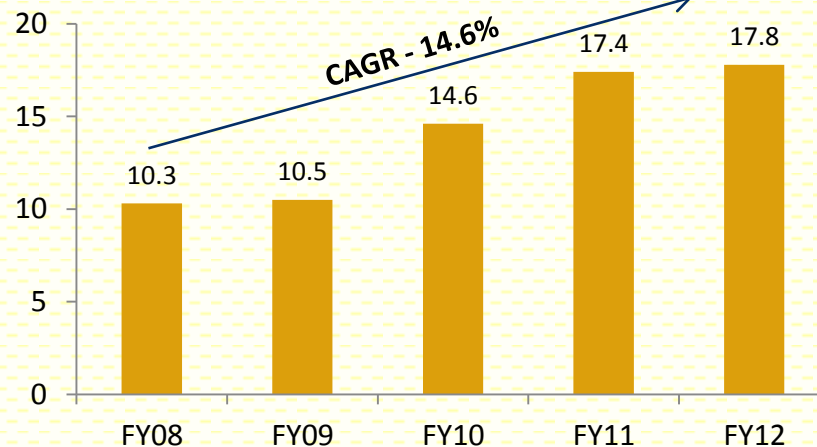
EBIDTA (Rs. Million)



PAT (Rs. Million)



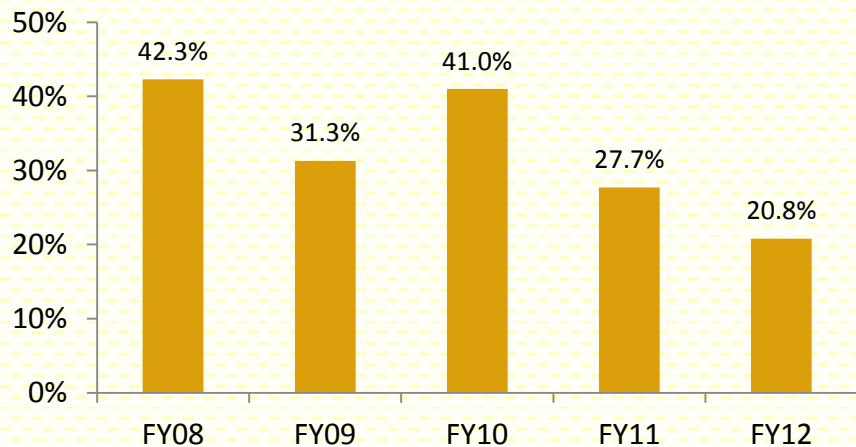
EPS (Rs.)



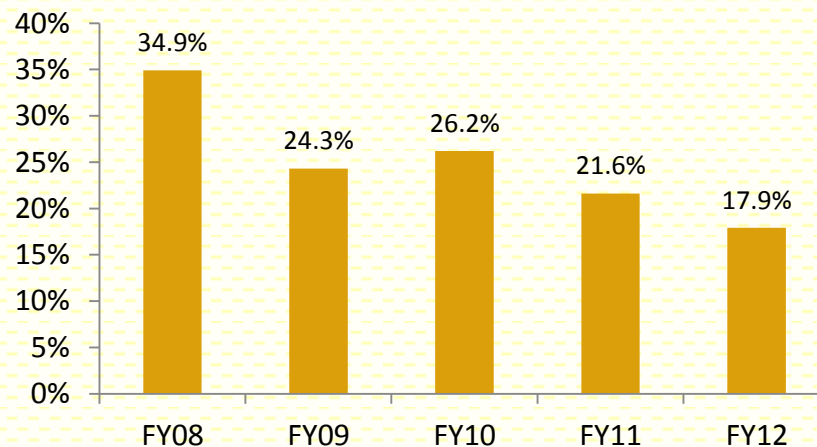
Note: FY11 onwards, results include financials of ADL, which was merged with GSL effective April 1, 2010

Demonstrated Track Record

ROCE (%)



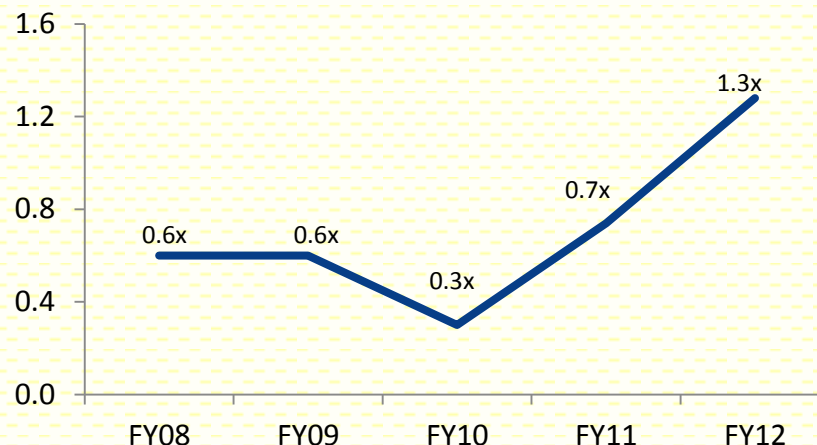
RONW (%)



Debt to Equity (x)



Debt to EBIDTA (x)



Note: FY11 onwards, results include financials of ADL, which was merged with GSL effective April 1, 2010

Q3 & 9M FY13 Financial Performance



Management's Message

Commenting on Globus Spirit Limited's Q3 FY13 results, Mr. Ajay Kumar Swarup, Managing Director of Globus Spirits Limited said:

"The performance during the quarter is a reflection of our strong, integrated and unique 360° business model. Testimony to this is the robust performance of our manufacturing businesses i.e. Industrial Alcohol & Franchisee IMFL, which have partly cushioned the impact of lower earnings from our consumer facing portfolio.

The consumer facing portfolio forms an integral part of our overall strategy and we intend to establish a firm foothold by focusing on value enhancement. Towards that end, we are taking steps to rationalize our portfolio to restrict operations to profitable brands only. Further, efforts are being undertaken to strengthen the marketing and distribution network and scaling up the existing portfolio which we believe will augment performance in the longer run.

Overall, our appetite for growth remains undiminished and we continue to aggressively implement various initiatives that span volume growth, market expansion and brand launches thereby giving us the confidence of delivering all round growth going forward."

Q3 FY13 Financials

Particulars	Q3 FY13	Q3 FY12	Y-o-Y Change %
Income from Operations (Gross)	1,863.3	1,926.7	(3.3)
Less: Excise Duty Paid and Discount, Allowance & Returns	308.5	400.7	(23.0)
Add: Other Operating Income	15.8	3.0	427.0
Total Income from Operations (Net)	1,570.6	1,529.0	2.7
EBIDTA	202.2	195.3	3.5
<i>EBIDTA Margin %</i>	12.9	12.8	--
- Depreciation	43.2	31.5	37.2
- Interest	15.5	14.7	5.7
PBT (incl. other income)	146.7	150.6	(2.6)
Tax Expenses	39.7	33.1	19.7
PAT	107.0	117.4	(8.9)
<i>PAT Margin %</i>	6.8	7.7	--
EPS - Basic & Annualised (in Rs.)	4.65	5.11	(8.9)

Amount in Rs. Million, unless otherwise mentioned

9M FY13 Financials

Particulars	9M FY13	9M FY12	Y-o-Y Change %
Income from Operations (Gross)	5,360.9	5,169.7	3.7
Less: Excise Duty Paid and Discount, Allowance & Returns	1,056.4	1,181.2	(10.6)
Add: Other Operating Income	32.1	22.8	40.8
Total Income from Operations (Net)	4,336.6	4,011.3	8.1
EBIDTA	593.7	561.1	5.8
<i>EBIDTA Margin %</i>	<i>13.7</i>	<i>14.0</i>	<i>--</i>
- Depreciation	119.3	93.1	28.1
- Interest	47.6	37.8	25.8
PBT (incl. other income)	435.2	436.0	(0.2)
Tax Expenses	126.2	106.0	19.1
PAT	309.0	330.0	(6.4)
<i>PAT Margin %</i>	<i>7.1</i>	<i>8.2</i>	<i>--</i>
EPS - Basic & Annualised (in Rs.)	13.44	14.35	(6.4)

Amount in Rs. Million, unless otherwise mentioned

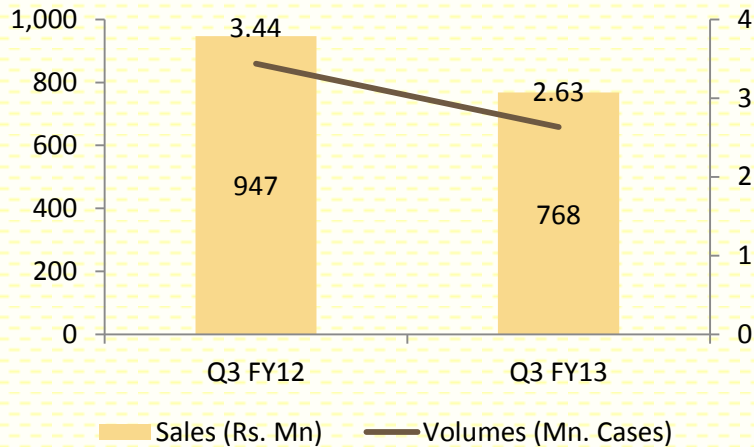
Balance Sheet Snapshot

Amount in Rs. Million, unless otherwise mentioned

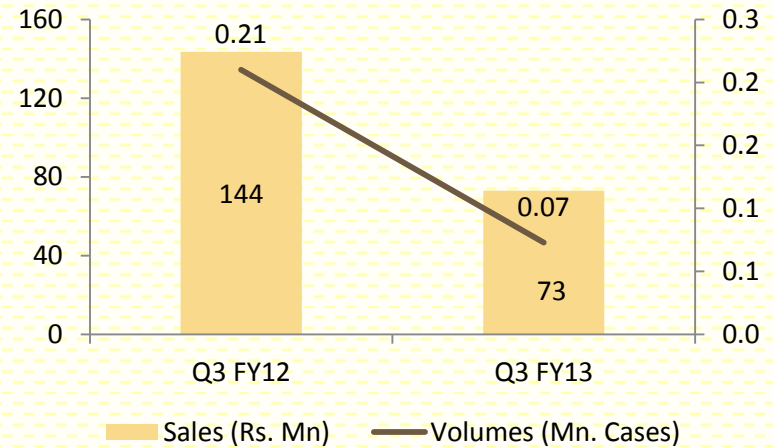
Particulars	As on December 31, 2012	As on December 31, 2011
Gross Block	3,891	2,818
Capital Work-in-Progress	699	512
Networth	2,781	2,415
Total Debt	1,254	850
- Working Capital	744	525
- Term Loans	498	216
- Others	12	109
Cash & Cash Equivalents	120	70
Net Debt: Equity (times)	0.45	0.35

IMIL & IMFL (Branded business)

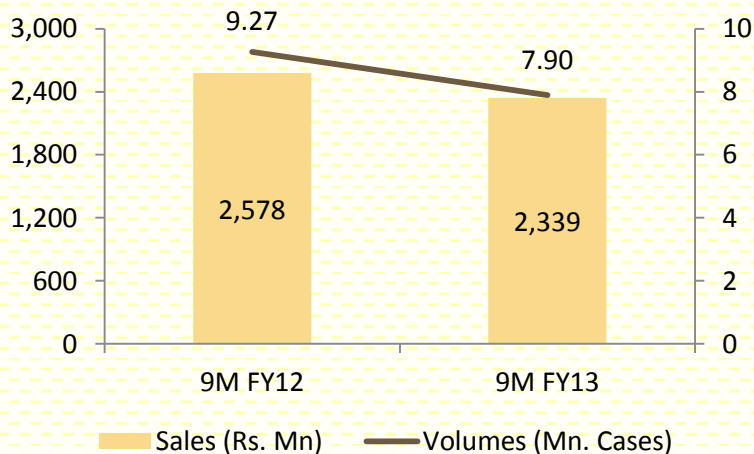
IMIL: Q3 Revenues and Volumes



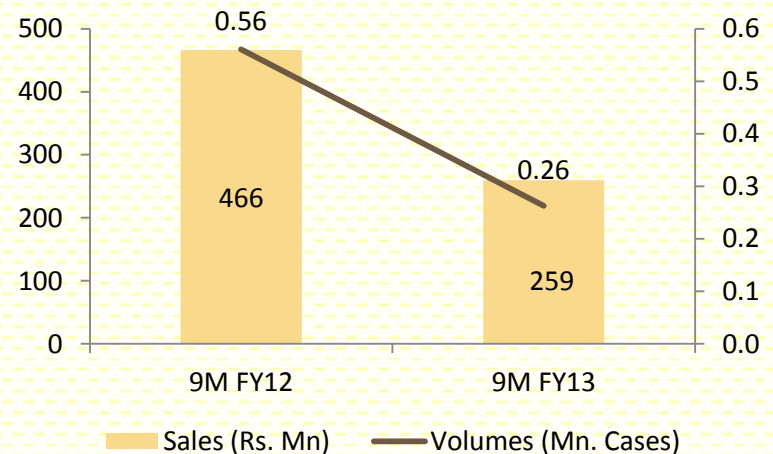
IMFL*: Q3 Revenues and Volumes



IMIL: 9M Revenues and Volumes



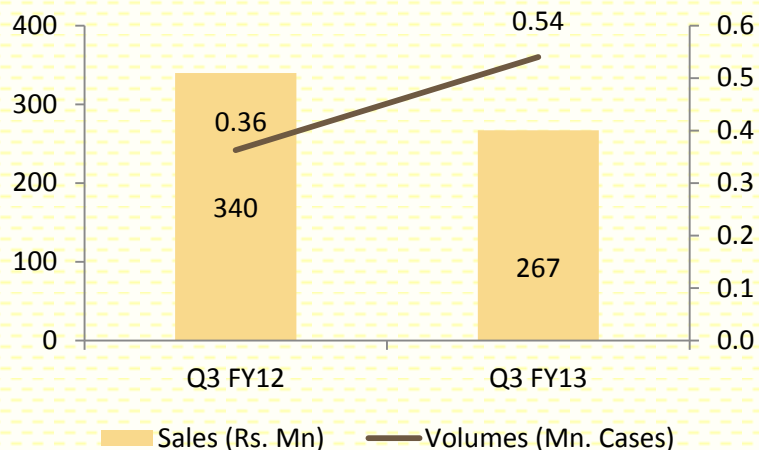
IMFL*: 9M Revenues and Volumes



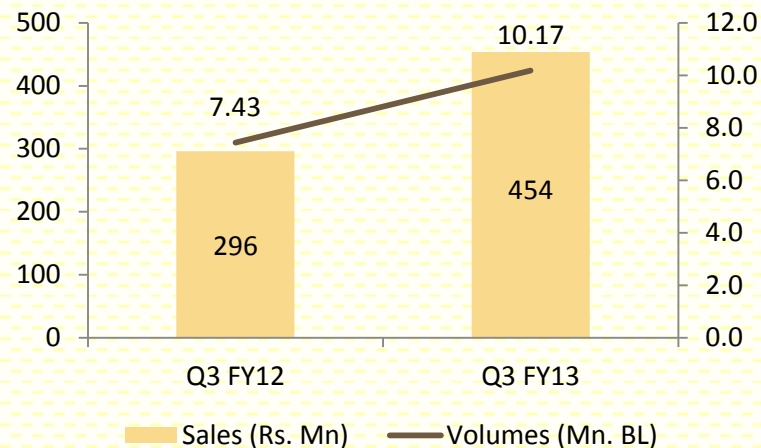
* **Note:** Revenue and volumes include cases sold directly as well as through franchisee (third-party) route. Gross Sales in P&L Account includes only cases sold directly

Franchisee IMFL & Bulk Alcohol

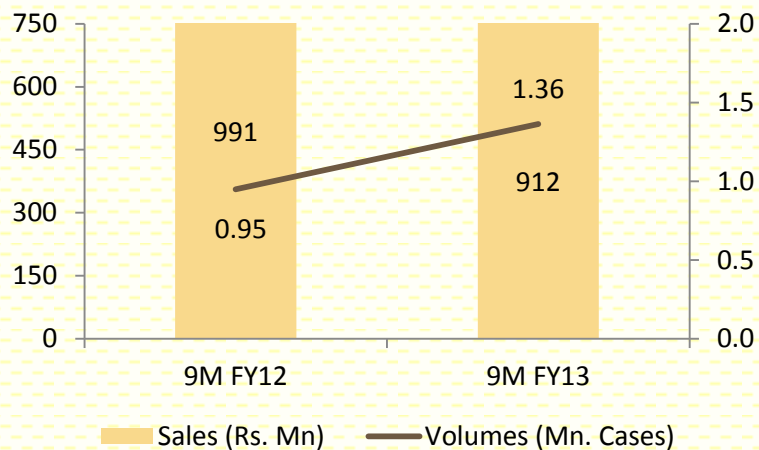
Franchisee IMFL*: Q3 Revenues and Volumes



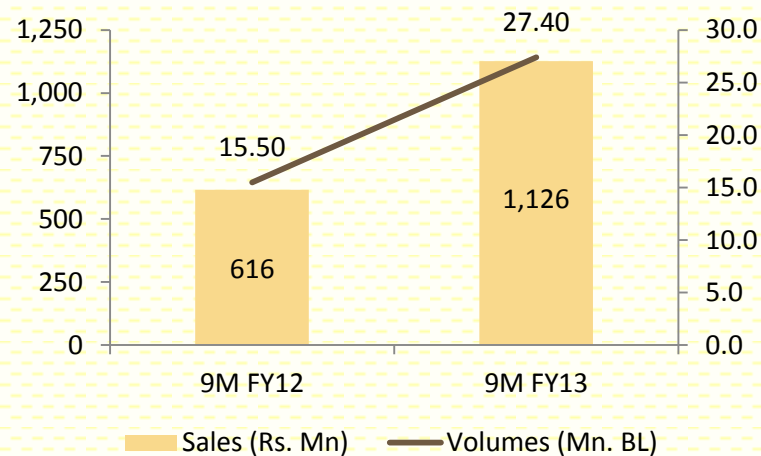
Bulk Alcohol: Q3 Revenues and Volumes



Franchisee IMFL*: 9M Revenues and Volumes



Bulk Alcohol: 9M Revenues and Volumes



***Note:** Volumes include sales in both Rajasthan and Haryana. Value corresponds only to Rajasthan sales (accounting treatment different in both states)

Outlook

▶ Boosting the 360° model through a Greenfield presence in Eastern region

▶ Focus on streamlining GSL's existing portfolio

▶ Emphasize on value enhancement through launch of higher value added products

About Us

Established in 1992, Globus Sprits Limited (BSE code: 533104, NSE Id: GLOBUSSPR, ISIN Id: INE615I01010) is engaged in manufacturing, marketing and sale of Indian Made Indian Liquor (IMIL), Indian Made Foreign Liquor (IMFL), Bulk Alcohol and contract bottling for established IMFL brands. The Company has a well established presence in the IMIL segment and is making its mark in the IMFL segment apart from taking up contract bottling to cater to renowned Indian players.

GSL currently operates three modern and fully integrated distilleries at Behror, Rajasthan and Samalkha and Hisar, Haryana, which have a combined capacity of over 120 million bulk litres (BL) per annum.

For more information about us, please visit www.globusspirits.com OR contact:

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