



Globus Spirits

---

GLOBUS SPIRITS LIMITED

Q1 FY16

Investor Presentation

---

---

## SAFE HARBOR

---

*This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Globus Spirits’ future business developments and economic performance.*

*While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.*

*These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.*

*Globus Spirits Limited undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances .*

---

# AGENDA

---

- Q1 FY16 Performance

- Key highlights.....4
- Financial performance.....5

- Annexure

- Company Overview.....11
- Shareholding Pattern.....17
- Financials.....18

---

## Q1 FY16 – ROBUST IMIL GROWTH DRIVES PERFORMANCE

---

### Strong operating performance driven by IMIL growth and DDGS (value added by-product)

- Standalone revenue from operations up 12% YoY to reach Rs 1,578mn in Q1 FY16 driven by robust growth in IMIL and DDGS
- EBITDA up 28% YoY to reach Rs 158mn in Q1 FY16
- Net Profit up 61% YoY to reach Rs 35mn in Q1 FY16

### Consumer business outperforms, leads to increased captive alcohol consumption

- Q1 FY16 IMIL revenues up 54% YoY with volumes reaching 2.8mn cases driven by robust performance in Rajasthan & Delhi, revival in Haryana and launch in Bihar in Jan-15
- Bulk alcohol revenues lower by 35% due to higher captive consumption in IMIL, partially offset by strong growth of 66% in by-products driven by DDGS

### East India expansion on track – expected to be commissioned during FY16-17

# Q1 FY16 YOY – SIGNIFICANT PAT EXPANSION (61% YOY)

Figures in Rs Million, Standalone Financials

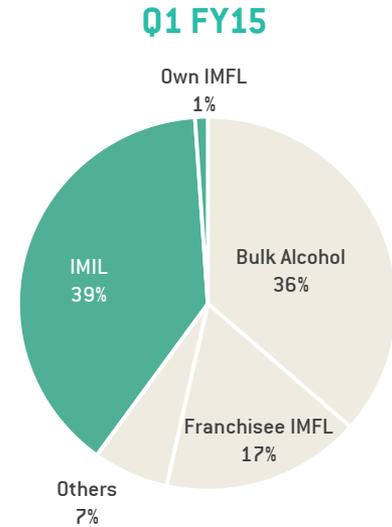
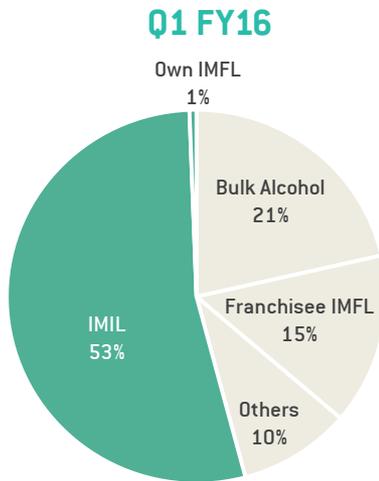
|         | Revenue from Operations | EBITDA | PAT   |
|---------|-------------------------|--------|-------|
| Q1 FY16 | 1,578                   | 158    | 35    |
|         | ↑ 12%                   | ↑ 28%  | ↑ 61% |
| Q1 FY15 | 1,410                   | 123    | 21    |

- Revenue from operations (Net) up 12% YoY to reach Rs 1,578mn in Q1 FY16 driven by robust growth in IMIL and Others (by-products) segment
  - IMIL volumes up 54% YoY driven by growth in all IMIL markets and Bihar launch; Others segment witnessed 66% growth driven by value added product, DDGS
- EBITDA for the quarter at Rs 158mn with EBITDA margin at 10.0% (vs 8.8% in Q1 FY15)
  - Raw materials cost as a % of sales decreased from 66.8% in Q1 FY15 to 58.6% in Q1 FY16 driven by lower grain prices and improved productivity
  - Decrease in raw material cost partially offset by increase in other expenses as % of sales from 22.3% in Q1 FY15 to 28.9% in Q1 FY16
- PAT at Rs 35mn, up 61% YoY compared with PAT of Rs 21mn in Q1 FY15
  - PAT margin of 2.2% in Q1 FY16 vs 1.5% in Q1 FY15

# ROBUST IMIL PERFORMANCE DRIVING CONSUMER

Figures in Rs Million, Standalone Financials

## Breakup of Revenue from Operations

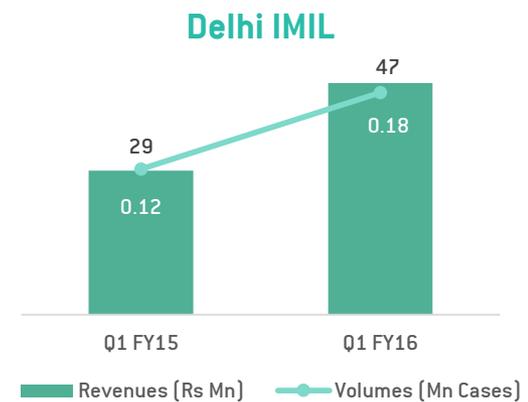
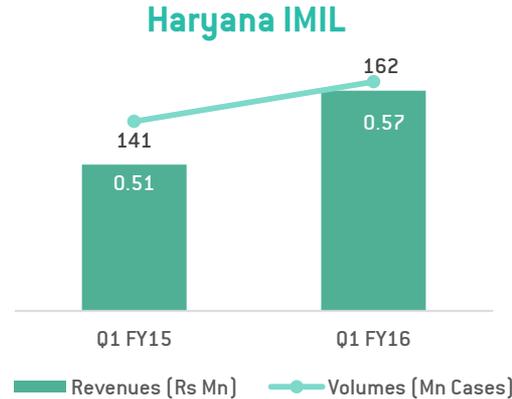
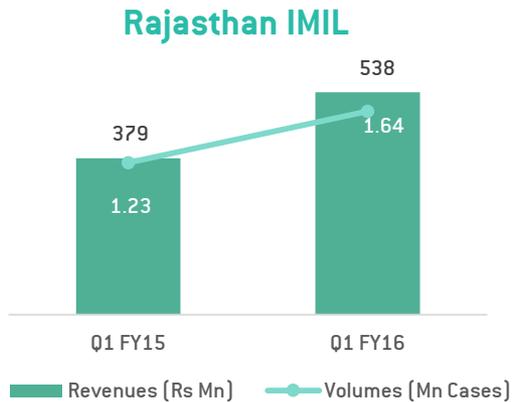


■ Consumer
 ■ Manufacturing

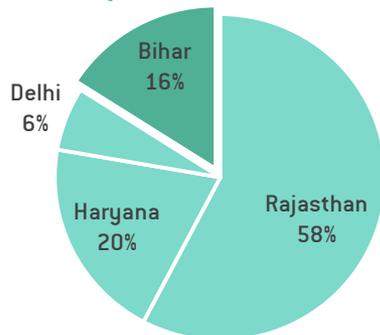
- Share of consumer business increased from 40% in Q1 FY15 to 54% in Q1 FY16 driven by strong performance of the IMIL business
- IMIL revenues increased by 54% YoY to reach Rs 845mn due to sustained double-digit revenue growth in Rajasthan IMIL (42%), robust growth in Delhi (61%), revival in Haryana (15%) and Bihar launch
- Revenues from manufacturing decreased 14% YoY to Rs 723mn in Q1 FY16 primarily due to increase in captive consumption of bulk alcohol in IMIL, leading to reduced bulk alcohol sales volumes (29%), partially offset by strong revenue growth in by-products (66%)

# IMIL DRIVEN BY STRONG TRACTION IN RAJASTHAN & DELHI, HARYANA REVIVAL AND ENTRY IN BIHAR

Figures in Rs Million, Standalone Financials



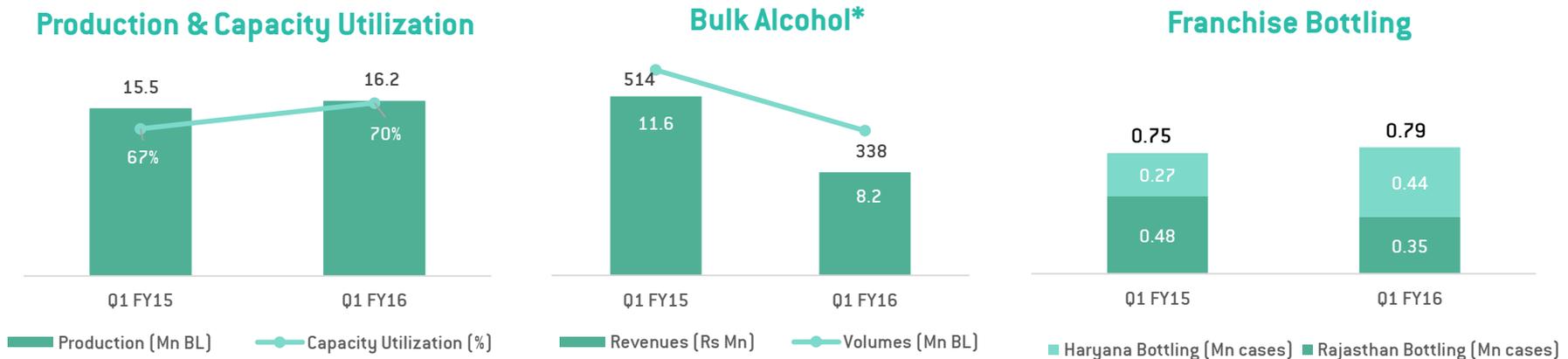
## Q1 FY16 IMIL Split by Volume (Total 2.8mn cases)



- Aggregate IMIL revenues grew by 54% YoY, driven by 42% increase in Rajasthan IMIL revenues, 61% in Delhi, 15% in Haryana and entry into Bihar IMIL
- Launched in Jan 2015, Bihar sold 0.5mn cases in Q1 FY16 accounting for 16% of total 2.8 mn IMIL cases in Q1 FY16
- Haryana market arrested its decline and witnessed a 15% growth in revenues driven by 13% increase in volumes and 2% growth in realizations

# MANUFACTURING: BACKBONE TO CONSUMER; DRIVEN BY VALUE ADDED DDGS

Figures in Rs Million, Standalone Financials



- Capacity utilization up from 67% in Q1 FY15 to 70% in Q1 FY16 resulting in production of 16.2mn BL
- Bulk volumes decreased by 29% YoY due to allocation to higher margin IMIL business
- Others segment grew 66% in the quarter driven by value added DDGS with dryers being operational at both the plants
- Bottling volumes grew 5% YoY; while Haryana witnessed strong 62% YoY growth in the quarter, Rajasthan volumes were down 27% YoY due to some transitory challenges faced by franchise customers in the state at start of the financial year

\*Excluding bulk sales to franchisee customers in Rajasthan

# Q1 FY16 QOQ – STEADY REVENUES, EBITDA UP 5% QOQ

Figures in Rs Million, Standalone Financials

|         | Revenue from Operations | EBITDA | PAT  |
|---------|-------------------------|--------|------|
| Q1 FY16 | 1,578                   | 158    | 35   |
|         | ↑ 3%                    | ↑ 5%   | ↓ 3% |
| Q4 FY15 | 1,527                   | 151    | 36   |

- Revenue from operations (Net) up 3% QoQ to reach Rs 1,578mn in Q1 FY16 driven by growth in IMIL and DDGS
  - IMIL volumes up 14% YoY driven by growth in all IMIL markets and Bihar launch; Haryana market showing signs of revival with 9% QOQ volume growth
  - By-products witnessed 7% growth driven by value added product DDGS; Bulk was, however, down 13% due to higher captive consumption and also production being impacted by plant maintenance. Scope for utilization uptick from Q1 FY16 will benefit bulk as well as by-products
- EBITDA for the quarter up 5% QoQ to reach Rs 158mn with EBITDA margin at 10.0% (comparable to 9.9% in Q4 FY15)
- PAT at Rs 35mn compared with PAT of Rs 36mn in Q4 FY15 due to higher depreciation and finance charges

---

# AGENDA

---

- **Q1 FY16 Performance**

- Key highlights.....4
- Financial performance.....5

- **Annexure**

- **Company Overview.....11**
- **Shareholding Pattern.....17**
- **Financials.....18**

# GLOBUS: LEADERSHIP IN IMIL WITH BIHAR LAUNCH

1

## No. 1 private player in Rajasthan IMIL with 25% market share

- 5.6 mn cases in sold in FY15, up 20% YoY
- Rajasthan witnessed record 1.6 mn cases in Q1 FY16

2

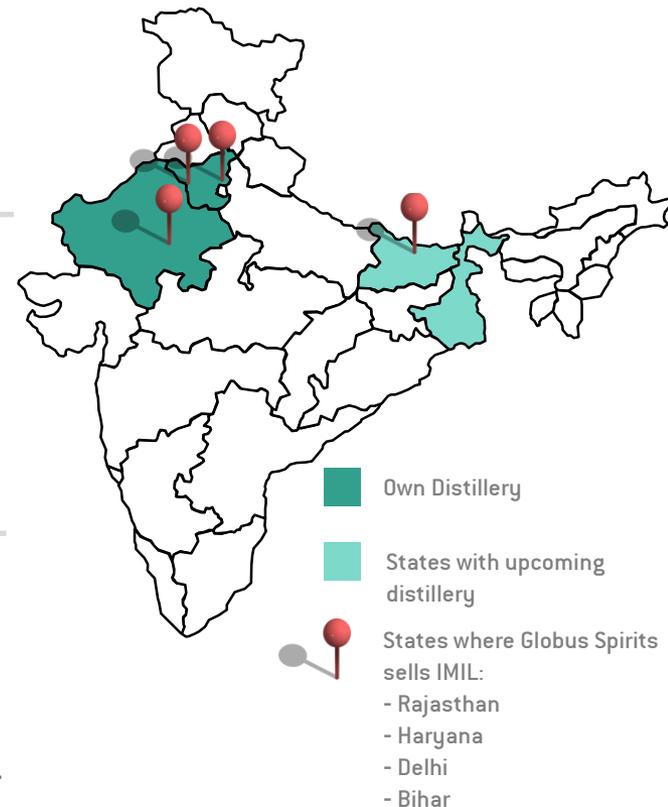
## No. 2 private player in Haryana with 10% market share

- 2.3 mn cases in sold in FY15
- Haryana saw signs of revival with 0.57 mn cases in Q1 FY16

3

## Enters Bihar IMIL through a tie-up in Jan-15 Distillery to be set up in Bihar and WB market in FY17

- Bihar, launched in Jan 2015 through a tie-up, sold 0.5 mn cases in Q1 FY16, accounting for 16% of Q1 FY16 IMIL volumes
- Bihar and WB distillery expected to be operational during FY16-17. Combined capacity of ~60 mn BL
- Exclusive marketing rights in Patna municipality (as per 5-year tender), the biggest district market in Bihar - ~2.5 mn cases p.a.



# LEVERAGING A STRONG 360° BUSINESS MODEL



# GLOBUS PLANS

## PRESENT

- Established 360<sup>0</sup> model in North India (Haryana & Rajasthan)
- Amongst the largest grain based distilleries in India
- Strong IMIL brands that have acceptance and loyalty
- Bottling operations for India's largest brands of top IMFL players
- Backed by reputed investor, Templeton

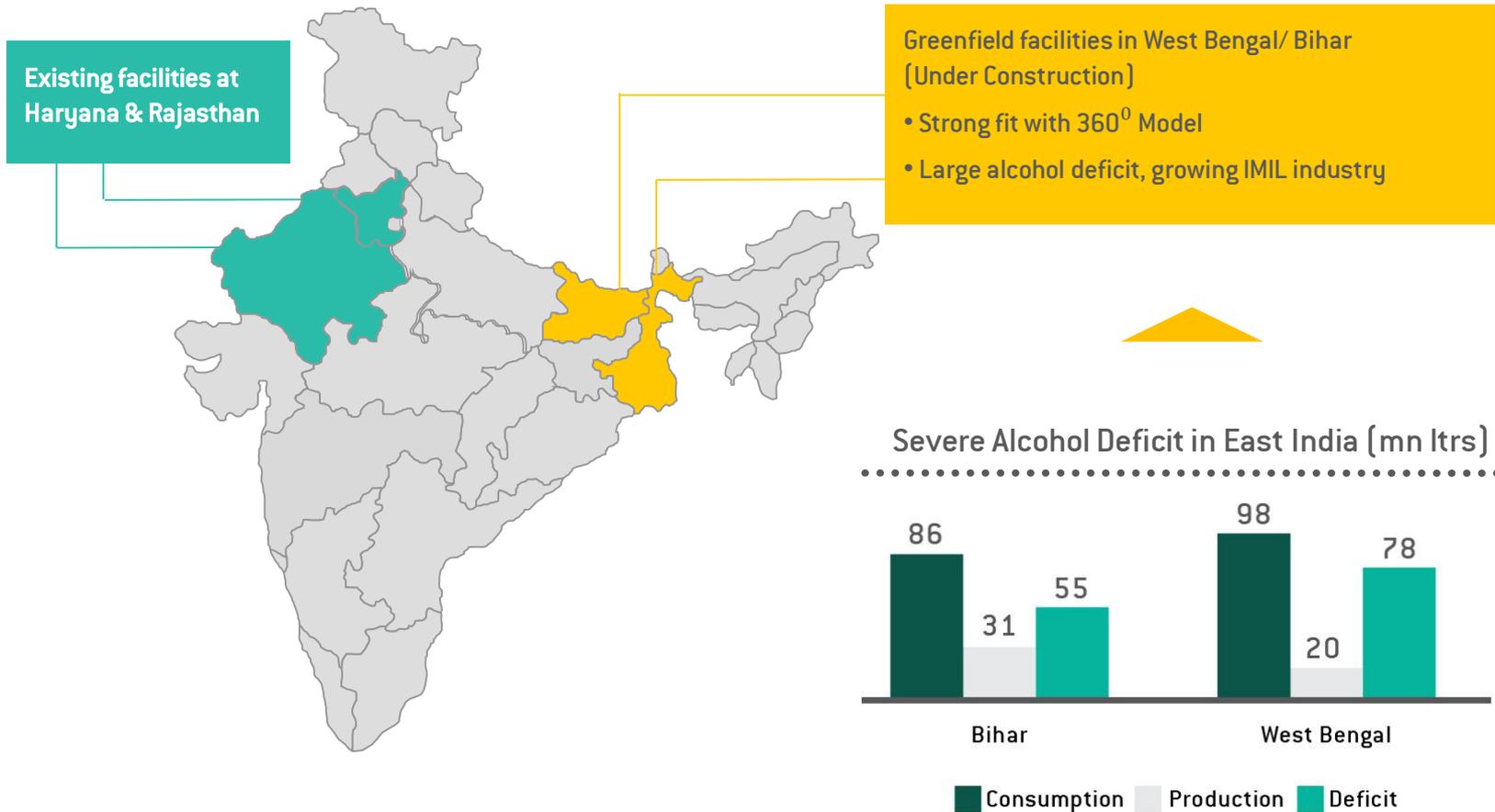
## NEAR TERM STRATEGY

- **Enter fast growing liquor markets of West Bengal & Bihar with complete 360<sup>0</sup> offering**
- **Launch premium brands of value**
- **Focus on DDGS, a value-added byproduct, in the Indian market**

## FUTURE

- Large market share in IMIL by offering quality products to the consumer
- Establish sustainable premium brands in IMFL
- High capacity utilisation with focus on technology and efficiency at old and new facilities
- Portfolio of high value by-products

# EXPANSION INTO EAST



# IMIL BRANDS SHOWCASE

## Nimboo

1<sup>st</sup> IMIL brand in India positioned as awesome mix of natural lemon flavor with strong yet smooth blend profile



## Ghoomar

Tribute to Rajasthani folk dance ; blend popular in the harsh winter months of the desert region



## Heer Ranjha

Tribute to the most popular romantic tales of the region. Smooth blend to enjoy straight up.



## Narangi

Popular dark spirits' brand Positioned as refreshing and juicy as Orange



---

# UNIQUE COMPETITIVE STRENGTHS

---

## 360° Business Model

- Only company present across full alcohol value chain
- Helps capture IMFL growth via franchisee bottling for top IMFL companies
- High utilization with assured captive off-take
- De-risked growth
- High quality maintained with control on entire value chain

## Strong Consumer Portfolio

- Leadership in key states of Rajasthan, Delhi and Haryana
- Launch in Bihar through tie-up
- Achieved sterling success in IMIL branding with Nimboo
- 4 IMIL brands

## Efficient Operations

- State-of-the-art plants across three locations using latest distillation technology, zero discharge and highest grain-recovery in industry
- Supplying to premium brands
- Net Fixed Asset turnover ratio at 1.3x
- Leadership - mix of experience and young talent

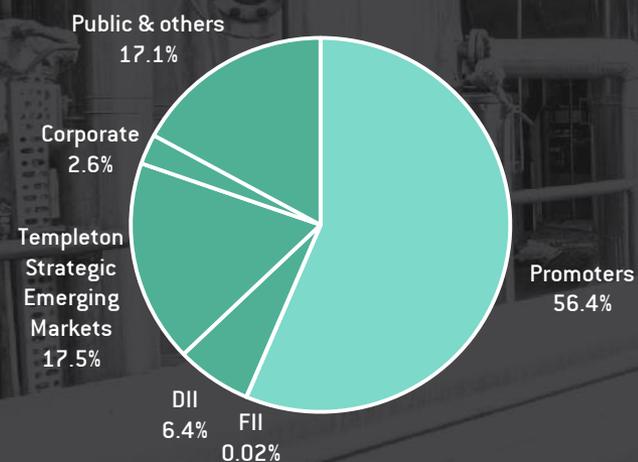
## Healthy Balance Sheet

- Funding for greenfield expansion at Bihar secured via equity
- D/E of 0.3x
- Cash efficient operations with WC of – 19 days

# SHAREHOLDING PATTERN

As on June 30, 2015

Outstanding shares – 28.8 mn



| Major Non-Promoter Shareholders                   | % shareholding |
|---|----------------|
| Templeton Strategic Emerging Markets Fund IV, LDC | 17.49%         |
| SBI Emerging Business Fund                        | 6.40%          |

## Q1 FY16: PROFIT & LOSS STATEMENT

| Particulars (In Rs Mn)                | Standalone   |              |             |              |             |              |
|---------------------------------------|--------------|--------------|-------------|--------------|-------------|--------------|
|                                       | Q1 FY16      | Q1 FY15      | YoY (%)     | Q4 FY15      | QoQ (%)     | FY15         |
| Gross Sales                           | 2,339        | 2,174        | 8%          | 2,289        | 2%          | 8,828        |
| Less- Excise duty & Discounts         | 762          | 766          | -1%         | 769          | -1%         | 2,983        |
| <b>Net Sales</b>                      | <b>1,577</b> | <b>1,408</b> | <b>12%</b>  | <b>1,520</b> | <b>4%</b>   | <b>5,845</b> |
| Other Operating Income                | 0.4          | 1.6          | -76%        | 6.4          | -94%        | 12           |
| <b>Revenue from Operations</b>        | <b>1,578</b> | <b>1,410</b> | <b>12%</b>  | <b>1,527</b> | <b>3%</b>   | <b>5,857</b> |
| <b>Total Expenditure</b>              | <b>1,419</b> | <b>1,286</b> | <b>10%</b>  | <b>1,375</b> | <b>3%</b>   | <b>5,369</b> |
| Consumption of Raw Material           | 924          | 942          | -2%         | 837          | 10%         | 3,520        |
| Employee Cost                         | 39           | 31           | 29%         | 45           | -13%        | 143          |
| Other Expenditure                     | 456          | 314          | 45%         | 493          | -7%         | 1,707        |
| <b>EBITDA</b>                         | <b>158</b>   | <b>123</b>   | <b>28%</b>  | <b>151</b>   | <b>5%</b>   | <b>487</b>   |
| Depreciation & Amortisation           | 86           | 74           | 15%         | 77           | 11%         | 287          |
| <b>EBIT</b>                           | <b>73</b>    | <b>49</b>    | <b>49%</b>  | <b>74</b>    | <b>-2%</b>  | <b>200</b>   |
| Finance Charges                       | 35           | 35           | 0%          | 26           | 35%         | 141          |
| Other Income                          | 8            | 8            | 11%         | 20           | -57%        | 44           |
| <b>PBT before exceptional items</b>   | <b>46</b>    | <b>21</b>    | <b>114%</b> | <b>68</b>    | <b>-32%</b> | <b>103</b>   |
| Exceptional items*                    | -            | -            | NA          | -            | NA          | -            |
| <b>PBT</b>                            | <b>46</b>    | <b>21</b>    | <b>114%</b> | <b>68</b>    | <b>-32%</b> | <b>103</b>   |
| Tax Expense (Current, Deferred Tax)   | 11           | 4            | 163%        | 25           | -55%        | 32           |
| MAT Credit                            | -            | (4)          | NM          | 7            | -100%       | -            |
| <b>PAT (From ordinary activities)</b> | <b>35</b>    | <b>21</b>    | <b>61%</b>  | <b>36</b>    | <b>-3%</b>  | <b>71</b>    |
| Extraordinary Items                   | -            | -            | NM          | -            | NA          | -            |
| <b>PAT</b>                            | <b>35</b>    | <b>21</b>    | <b>61%</b>  | <b>36</b>    | <b>-3%</b>  | <b>71</b>    |

## Q1 FY16: KEY RATIOS

| Key Ratios as a % of Total Revenue | Standalone |         |         |       |
|------------------------------------|------------|---------|---------|-------|
|                                    | Q1 FY16    | Q1 FY15 | Q4 FY15 | FY15  |
| EBIDTA                             | 10.0%      | 8.8%    | 9.9%    | 8.3%  |
| PAT                                | 2.2%       | 1.5%    | 2.3%    | 1.2%  |
| Total Expenditure                  | 90.0%      | 91.2%   | 90.1%   | 91.7% |
| Raw material                       | 58.6%      | 66.8%   | 54.8%   | 60.1% |
| Employee Cost                      | 2.5%       | 2.2%    | 3.0%    | 2.4%  |
| Other Expenditure                  | 28.9%      | 22.3%   | 32.3%   | 29.1% |

---

## ABOUT US

---

Established in 1992, Globus Spirits 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 set to become a Pan-India IMIL leader with launch of distilleries in Bihar and West Bengal.

GSL currently operates three modern and fully integrated distilleries at Behror, Rajasthan and Samalkha and Hisar, Haryana. It is one of the largest and most efficient grain based distilleries in India with highest alcohol recovery per unit of grain.

For more information about us, please visit [www.globusspirits.com](http://www.globusspirits.com) or contact:

**DR. BHASKAR ROY**  
Globus Spirits Limited

Phone: +91 11 6642 4600  
Fax: +91 11 6642 4629  
Email: [broy@globusgroup.in](mailto:broy@globusgroup.in)

**NANDINI AGARWAL/ SEEMA SHUKLA**

Four – S Services

Phone: +91 124 4251442/ +91 124  
4251441

Email: [nandini.agarwal@four-s.com](mailto:nandini.agarwal@four-s.com) /  
[seema@four-s.com](mailto:seema@four-s.com)