



GLOBUS SPIRITS LIMITED

"Strong Backbone, Marching towards High Value Segments"

Q2FY20 Result Presentation | November 2019

Globus Spirits Limited - Overview

Unique 360° business model only company with **Fully Integrated Alcohol Play**

Modern and Largest grain based distilleries with track record of high capacity utilisation

Continuous value addition by conversion of bulk to bottled products

De-leveraging Balance Sheet **Total Debt-to-Equity Ratio of 0.51x in Q2FY20 vs 0.56x in Q4FY19**

Foray into **premium IMFL segment** through “UNIBEV” - fast growing, high margin premium IMFL

Presence in **ENA | IMIL | Franchisee Bottling | Premium IMFL** segments

AGENDA

Q2 FY20 Performance

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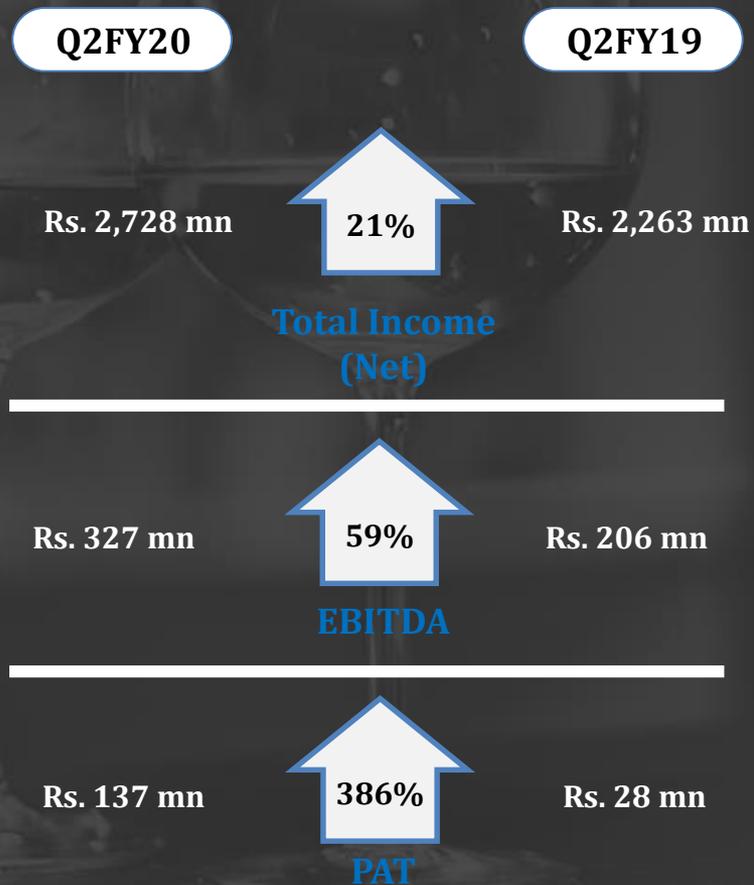




QUARTER HIGHLIGHTS

Q2FY20 – Performance Highlights (Standalone)

- **Total Income (net of excise duty) stood at Rs. 2,728 mn in Q2FY20, 21% growth against Rs. 2,263 mn in Q2FY19**
 - Total Income grew on account of higher ENA volumes and realizations which grew by 6% and 27% YoY respectively
 - IMIL revenue grew by 4.6% backed by higher realization growth of 7.3% YoY on account of price hike received at Rajasthan on 1st June, 2019
 - DDGS realizations also helped the revenue growth
- **EBITDA for the quarter stood at Rs. 327 mn in Q2FY20, growth of 59% YoY**
 - Sustained EBITDA Margins at 12% even after experiencing higher input costs
- **PAT at Rs. 137 mn compared to Rs. 28 mn in Q2FY19, robust growth of 386% YoY**
 - Reduction in finance cost by 13% YoY and lower Tax rate enhanced profitability



Q2FY20 – Profit & Loss Statement (Standalone)

Particulars (In Rs MN)	Q2 FY20	Q2 FY19	YoY (%)	Q1 FY20	QoQ	H1FY20	H1FY19	YoY	FY19
Gross Revenues	2,963.0	2,491.5	19%	3,124.2	-5%	6,087.2	5,073.6	20%	10,734.7
Less- Excise duty	246.1	240.1	3%	168.0	47%	414.1	507.1	-18%	891.5
Net Revenues from Operations	2,716.8	2,251.4	21%	2,956.2	-8%	5,673.1	4,566.5	24%	9,843.2
Other Income	11.3	11.6	-3%	13.8	-18%	25.0	19.3	30%	79.5
Total Income	2,728.1	2,263.0	21%	2,970.0	-8%	5,698.1	4,585.8	24%	9,922.7
Total Expenditure	2,401.4	2,057.1	17%	2,667.2	-10%	5,068.6	4,108.3	23%	8,901.0
Consumption of Material	1,597.3	1,341.6	19%	1,859.1	-14%	3,456.5	2,704.3	28%	5,974.9
Employee Cost	80.5	63.6	27%	75.0	7%	155.5	119.3	30%	256.1
Other Expenditure	723.5	651.9	11%	733.1	-1%	1,456.6	1,284.6	13%	2,670.0
EBITDA	326.7	205.9	59%	302.8	8%	629.5	477.5	32%	1,021.7
Depreciation & Amortization	95.4	91.3	5%	92.2	3%	187.6	181.4	3%	361.1
EBIT	231.3	114.6	102%	210.6	10%	441.9	296.1	49%	660.7
Finance Charges	61.6	70.8	-13%	62.0	-1%	123.6	136.0	-9%	263.1
PBT	169.7	43.8	287%	148.6	14%	318.3	160.1	99%	397.6
Tax Expense (Current, Deferred Tax)*	33.1	15.7	111%	54.4	-39%	87.5	56.6	54%	91.9
PAT (From ordinary activities)	136.6	28.1	386%	94.2	45%	230.8	103.5	123%	305.7

*Tax expense - Deferred tax is net of MAT credit of Rs.23.6 Mn & 55.5 Mn respectively for the Q2 & H1FY20

Q2FY20 – Key Ratios (Standalone)

Key Ratios as a % of Total Income	Q2 FY20	Q2 FY19	Q4 FY19	H1FY20	H1FY19	FY19
EBITDA	12.0%	9.1%	10.2%	11.0%	10.4%	10.3%
PAT	5.0%	1.2%	3.2%	4.1%	2.3%	3.1%
Total Expenditure	88.0%	90.9%	89.8%	89.0%	89.6%	89.7%
Raw material	58.8%	59.6%	62.9%	60.9%	59.2%	60.7%
Employee Cost	3.0%	2.8%	2.5%	2.7%	2.6%	2.6%
Other Expenditure	26.5%	28.8%	24.7%	25.6%	28.0%	26.9%
Interest	2.3%	3.1%	2.1%	2.2%	3.0%	2.7%
Depreciation	3.5%	4.0%	3.1%	3.3%	4.0%	3.6%
Other Income	0.4%	0.5%	0.5%	0.4%	0.4%	0.8%

Balance Sheet as on 30th September 2019 (Standalone)



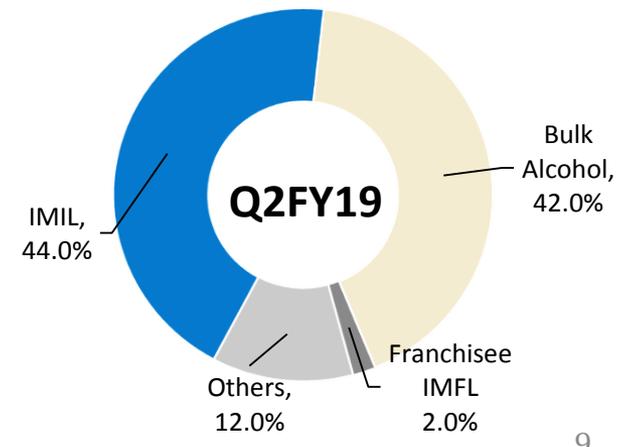
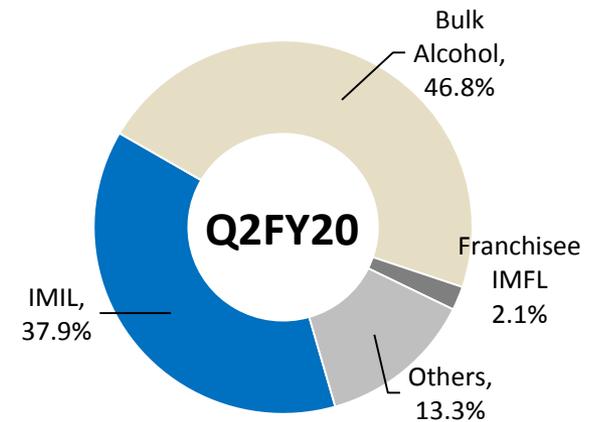
Rs. in Mn	Sep-19	Mar-19
Non-current assets	6,474.8	6,387.5
Fixed assets	5783.3	5736.4
CWIP	144.1	117.6
Intangible assets under development	6.1	6.1
Financial Assets	465.0	361.9
Income Tax Assets (net)	0.5	15.3
Other Non Current assets	75.8	150.1
Current assets	1,728.76	1,410.88
Inventories	946.9	708.4
Trade receivables	581.0	475.5
Cash and bank balances	46.2	24.8
Loans	19.5	57.7
Other financial Assets	7.6	10.0
Other current assets	127.5	134.5
Total Assets	8203.5	7798.3

Rs. in Mn	Sep-19	Mar-19
Shareholder's Fund	4,331.3	4,100.1
Share capital	288.0	288.0
Other equity	4,043.3	3,812.1
Non-current liabilities	1,824.2	1,976.4
Long term borrowings	1,488.5	1,692.9
Current liabilities	2,048.0	1,721.8
Short term borrowings	363.1	314.2
Trade Payables	1,086.1	928.7
Other financial liabilities	464.0	363.8
Other current liabilities	98.4	88.5
Current tax liabilities (net)	19.9	10.2
Provisions	16.5	16.5
Total Liabilities	8,203.5	7,798.3

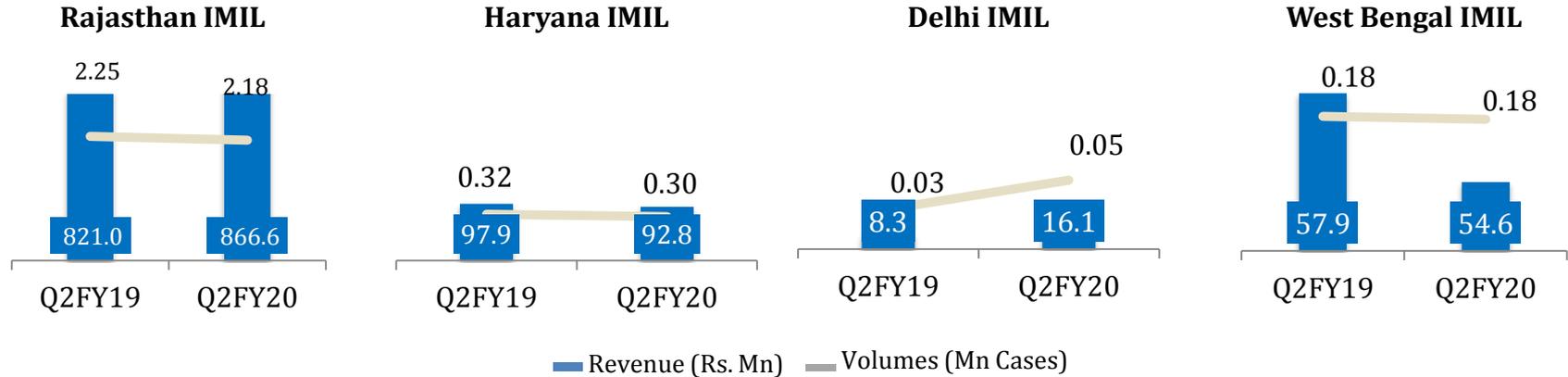
Segmental Performance

- Revenues from manufacturing business stood at Rs. 1,688 mn in Q2 FY20, against Rs. 1,266 mn in Q2 FY19
 - Share of manufacturing business stood at 62% in Q2 FY20 against 56% in Q2FY19
 - Strong growth in manufacturing business of 33% y-o-y
- Share of consumer business stood at 38% in Q2 FY20 against 44% in the same period last year

Breakup of Revenue from Operations (Net)

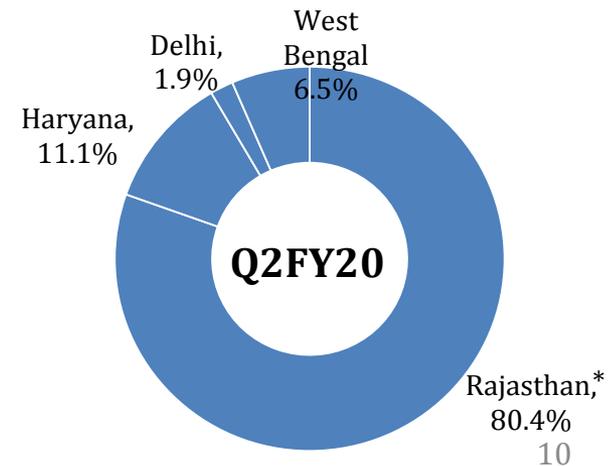


IMIL – Strong Consumer Business



- Aggregate IMIL revenues stood at Rs. 1,030 mn in Q2FY20; aggregate IMIL realizations stood at Rs. 380.2 per case grew by 7.3% YoY
- Exiting from Delhi country liquor market due to low realisations; may re-enter Delhi market on improved realizations

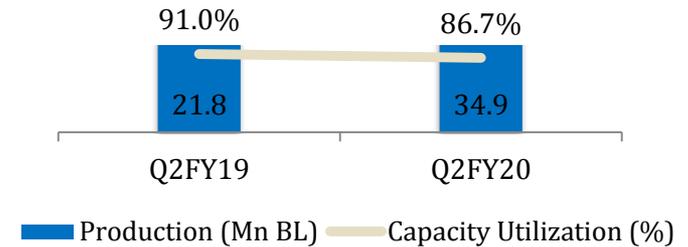
Q1FY20 IMIL Split by Volume (Total 2.71 mn cases)



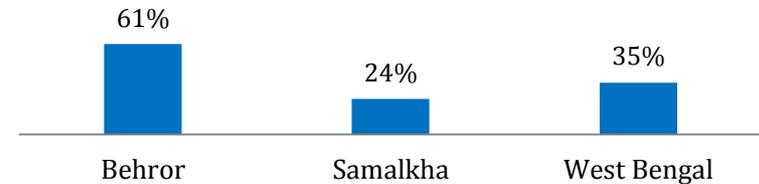
Manufacturing – Robust Performance

- Capacity utilization stood at 86.7% in Q2 FY20 against 91.0% in Q2 FY19
- H1FY20 - Total capacity increased to 160 mn bulk liters on account of De-bottlenecking at Rajasthan
- Captive consumption at 35%, higher bulk alcohol sales on account of higher realizations
- Franchise Bottling volumes stood at 0.98 mn cases vs. 1.07 mn cases in Q2 FY19; realizations stood at Rs. 57.06 per case witnessed a growth of 9%

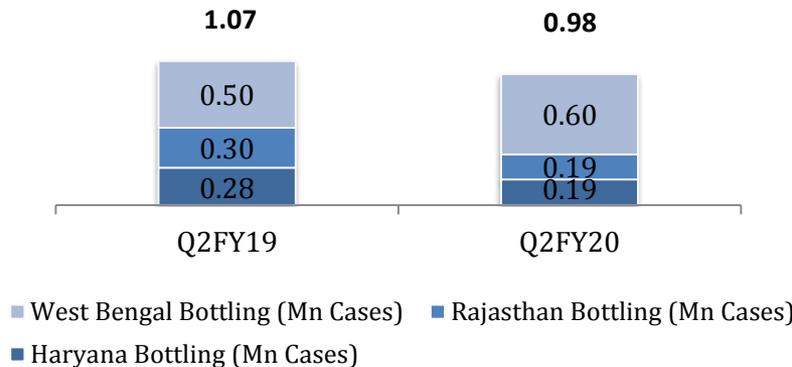
Production & Capacity Utilization



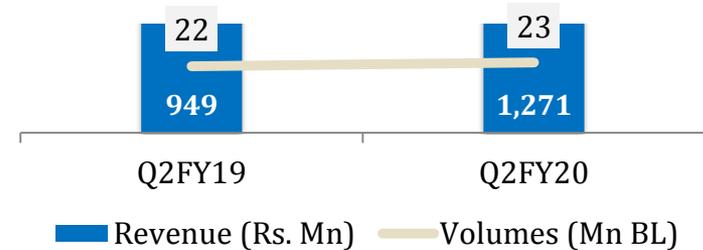
Captive Consumption as % of Production



Franchise Bottling



Bulk Alcohol





COMPANY OVERVIEW

Leveraging a Strong 360° Business Model

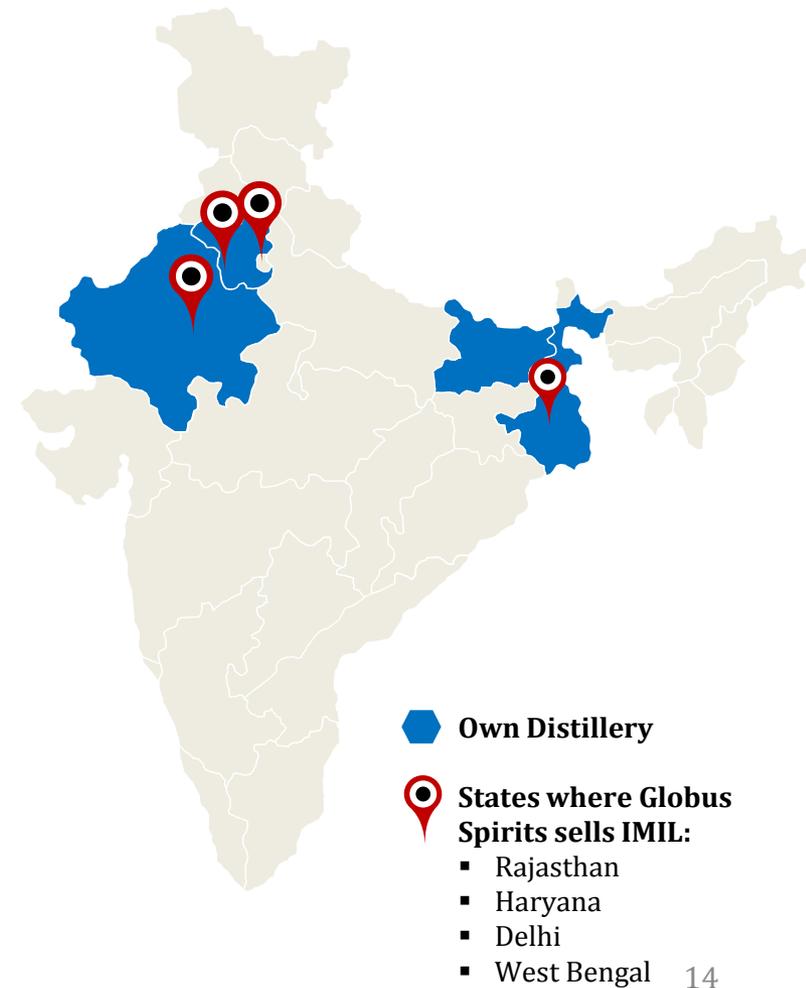


Unique 360° model straddling across the entire alcohol value chain

- **Large, efficient manufacturing operations**
 - Amongst the largest and most efficient grain-based distillery operations in India with ~160 million bulk litres of distillery capacity
 - Present in DDGS – a high-potential co-product used as Animal Feed
 - Well placed to benefit from the Fuel Ethanol blending opportunity in India
 - Bottling for India's Top 3 IMFL companies
- **Established consumer business in North India**
 - Pioneered IMIL branding with launch of NIMBOO brand
 - Leading player in Haryana, Rajasthan and Delhi

GSL – Geographical Presence

- No. 1 private player in Rajasthan IMIL with 29% market share
 - 2.18 mn cases sold in Q2FY20
- No. 4 private player in Haryana with 8% market share
 - 0.30 mn cases in sold in Q2 FY20
- 1% Market share in West Bengal
 - 0.18 mn cases sold in Q2 FY20



Growth Strategy

- Bihar & Rajasthan capacity to drive volume growth

Location	FY18 Production (Mn Liters)	Annual Production post Capacity Stabilization and De-bottlenecking
Total	114	153 (95%)

- 'Leverage ethanol opportunity to enhance capacity utilization and improve realizations'

Average Realizations (Per Litre) 

In Q2FY20 at Rs. 54.7 vs 43.1 in Q2FY19

- Increase in captive utilization of ENA into Value Added segments of IMIL and Franchisee Bottling

ENA value addition into IMIL and Bottling to drive EBITDA margin expansion 

- Investing towards Future Growth Segment - Semi Premium and Premium segments through UNIBEV



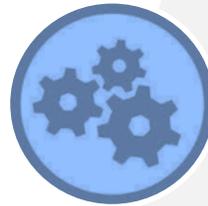
Foray into Semi Premium and Premium IMFL

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, assured captive off-take
- De-risked growth
- High quality maintained with control on entire value chain



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
- Leadership - mix of experience and young talent



Strong Consumer Portfolio

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



Healthy Balance Sheet

- Funding for greenfield expansion at Bihar secured via equity
- D/E of 0.51x (Q2FY20)
- Cash efficient operations

Foray towards Premium IMFL – “UNIBEV”

UNIBEV

90%

Globus Spirits Limited

- Unique business model – integrated spirits play
- Strong governance and financials
- Bold business philosophy

10%

Mr. Vijay Rekhi

- Beverage alcohol industry veteran
- Steered USL to global volume leadership
- Keeper of QuaiCh, most admirable CEO



Product Offerings



Unibev has come out with **disruptive & exclusive USP with value proposition**



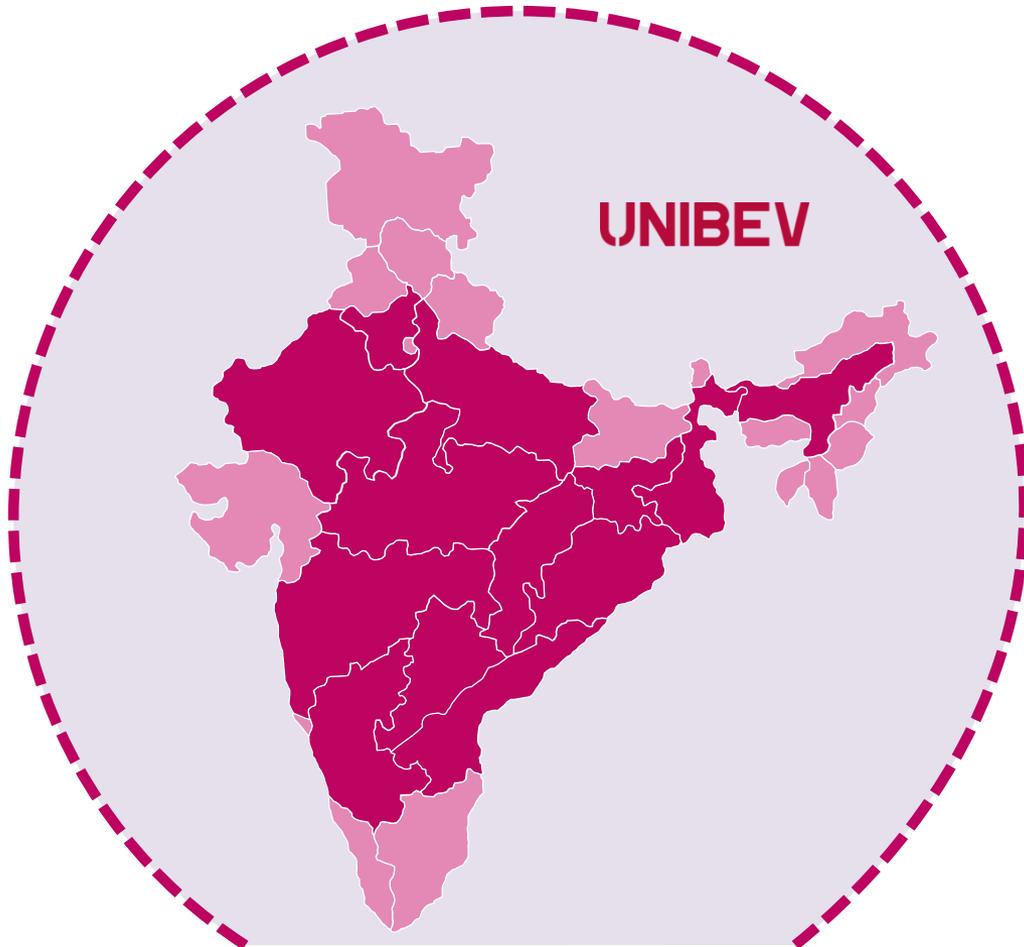
Crafted a range of **premium and super premium whiskies** blended with Upto 12, 18 years old scotch & a 3 years old French blended **grape brandy**



For the first time, discerning consumers in India will get **palate experience of Made in India whiskies which are blended with aged imported scotch from Scotland**



Focus on Expanding Foot Prints



Expanding Geographic Footprints will

Create Availability to larger consumer base



Increase presence to **12-15 Sates** by end of FY20

Current Brand Portfolio

Globus Spirits Limited (IMIL)



UNIBEV (IMFL)



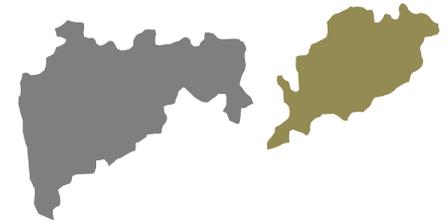
UNIBEV



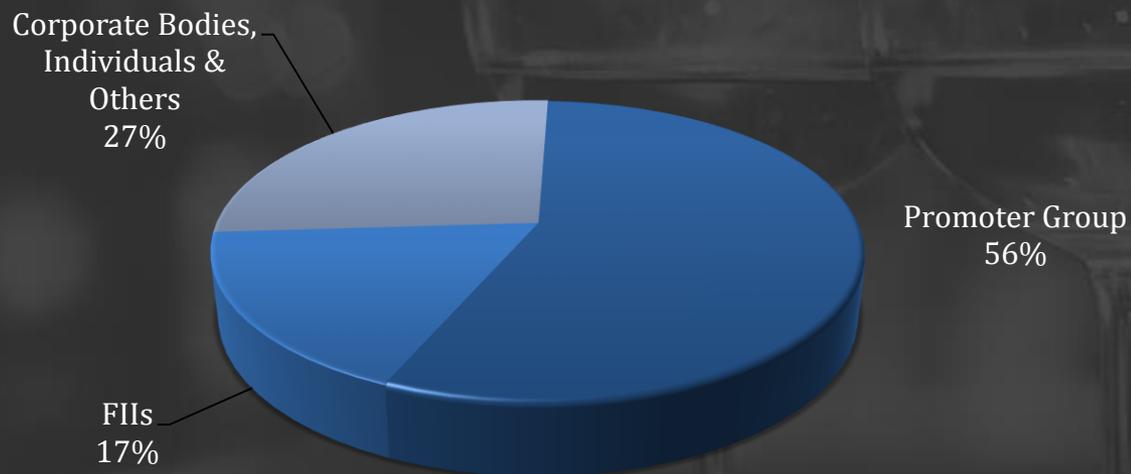
UNIBEV Developments

- **UNIBEV recently entered Maharashtra and Odisha; Geographical Presence expanded to 8 States**
 - Entered Odisha in August 2019 and Maharashtra in September 2019
- **Promotional Events participated for brand recognition**

UNIBEV



Shareholding Pattern



As on June 30, 2019 Outstanding shares – 28.8 mn

Major Non-Promoter Shareholders % shareholding	
Name	% Share
Templeton Strategic Emerging Markets Fund IV, LDC	17.49%

About Us

Established in 1992, Globus Sprints 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.

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