



ENABLING EXCELLENCE

# GLOBUS SPIRITS LIMITED

Result Presentation | June 2021

ENA | Value Segment | Franchise Bottling | Premium Segment



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# Q4 & FY21 | Performance Highlights

Consolidated	Q4FY21	(YoY %)	FY21	(YoY %)	
<b>Gross Revenue</b>	Rs 4,909 Mn	↑ 66%	Rs 16,721 Mn	↑ 32%	Gross revenue growth backed by increase in both volume and value, mainly in the Consumer Business segment
<b>EBITDA</b>	Rs 893 Mn	↑ 142%	Rs 2,613 Mn	↑ 103%	EBITDA Margin grew by over 1000 bps YoY in Q4 & FY21, on account of higher share of Consumer Business, and better realizations on ENA and Ethanol
<b>PAT</b>	Rs 506 Mn	↑ 162%	Rs 1,408 Mn	↑ 183%	Finance cost declined by 18% YoY to Rs 41 Mn in Q4FY21 and by 20% YoY to Rs 188 Mn in FY21
<b>Cash Profit</b>	Rs 617 Mn	↑ 112%	Rs 1,815 Mn	↑ 107%	Continuing to generate high Cash Profit

# Key Business Updates

The Board has recommended a dividend of 20%, that is, **Rs 2.00 per share** (FV of Rs 10 per share) for FY21

## Consumer Business:

- The share of consumer business grew to ~43% in FY21 from ~35% in FY20, on the back of both volume and value growth
- The value segment sales volumes and realisations grew by 12-13% YoY each to 12.34 Mn cases and Rs 427 per case, respectively
- The value segment revenue grew by 27% YoY to Rs 5,263 Mn

## West Bengal project update:

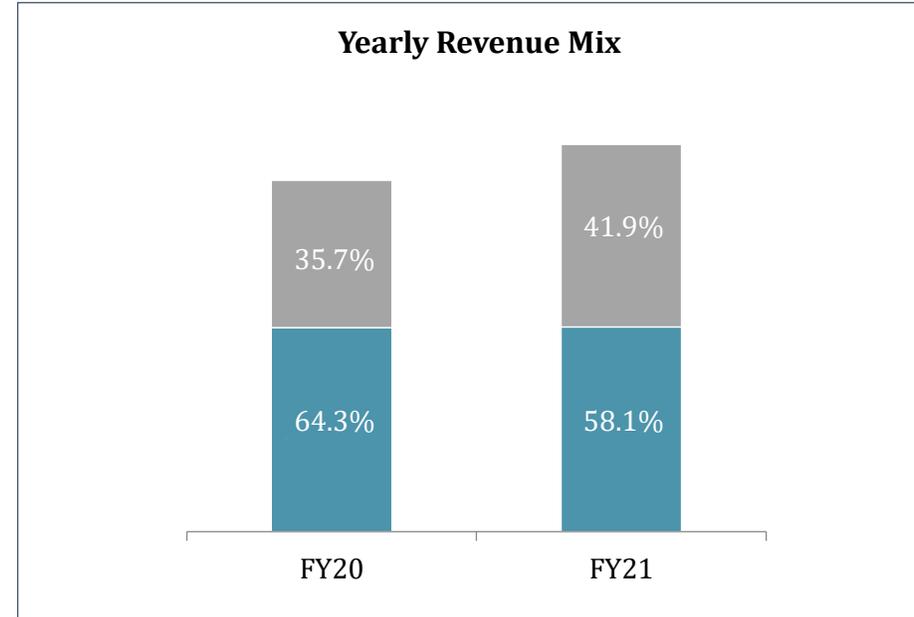
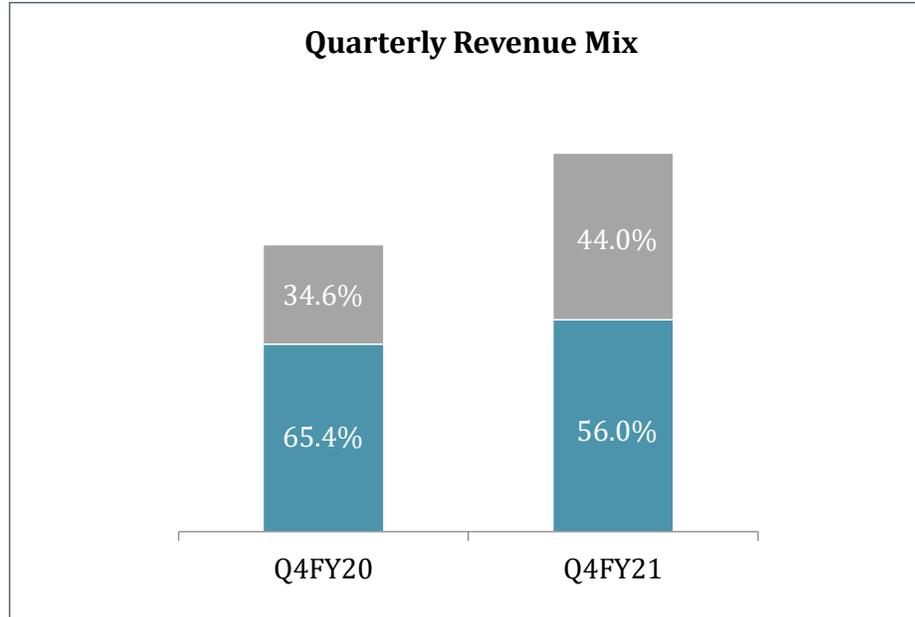
- Work is going on smoothly except for the slight delay due to Covid-19; commercial production estimated to start by Sep 2021
- 140 KLPD of capacity to be added at an estimated cost of Rs 1,100 Mn. The total capacity at WB will stand at ~280 KLDP post this expansion

## Status of Unibev Merger:

- Shareholders, Secured Creditors and Unsecured creditors of both the companies have already approved the scheme
- Final hearing at NCLT was fixed for 10-Jun-21 but due to covid situation the final hearing date has been postponed for 22-Jul-21

# Segment-wise Net Revenue Mix (Standalone)

*Moving towards a more favourable mix with higher share of Consumer Business*

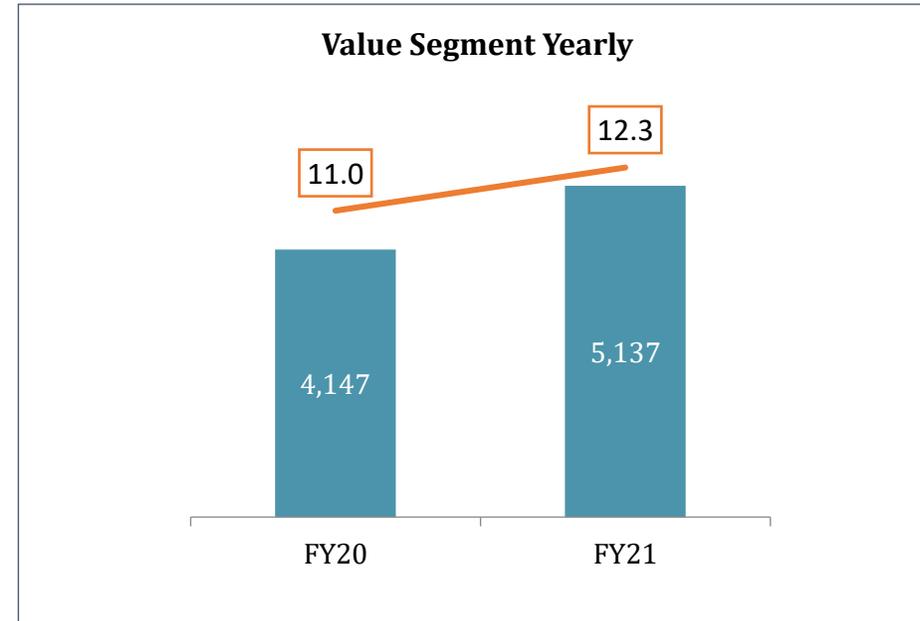
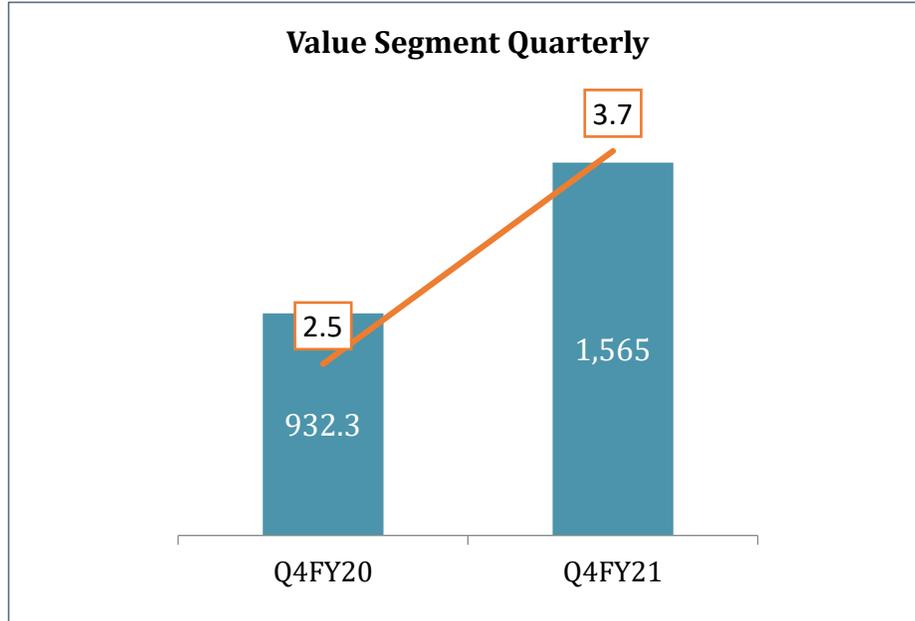


— Manufacturing Business      — Consumer Business

- **Share of Consumer business (value segment) increased by ~900 bps YoY from ~35% in Q4FY20 to ~44% in Q4FY21**
  - Manufacturing includes revenue from Bulk Alcohol, Franchise Bottling, Hand Sanitisers and Others (by-products)

# Consumer Business

Total Value Segment\* Sales volumes in Q4FY21 grew by 50% YoY to 3.74 Mn cases



— Revenue (Rs. Mn) — Volumes (Mn Cases)

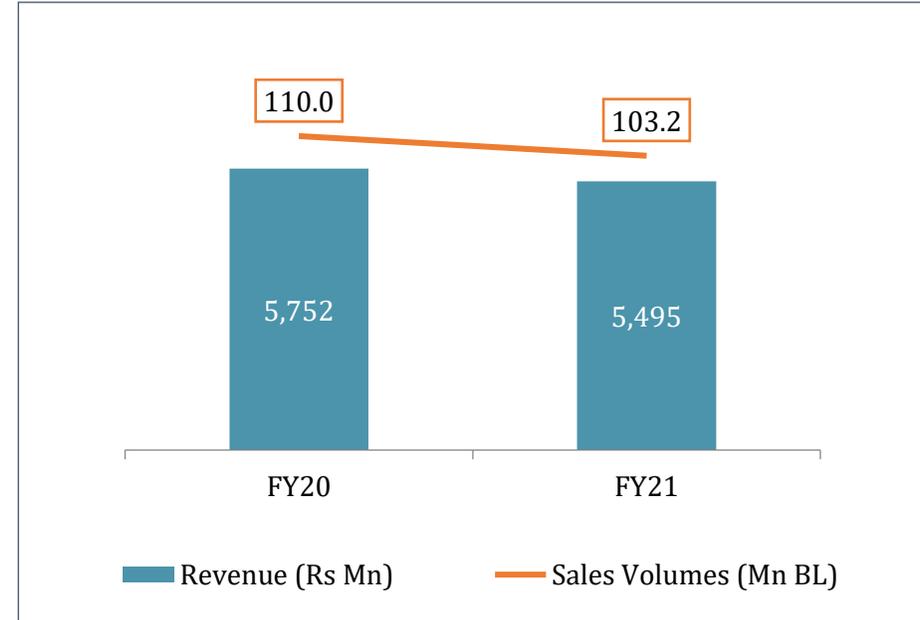
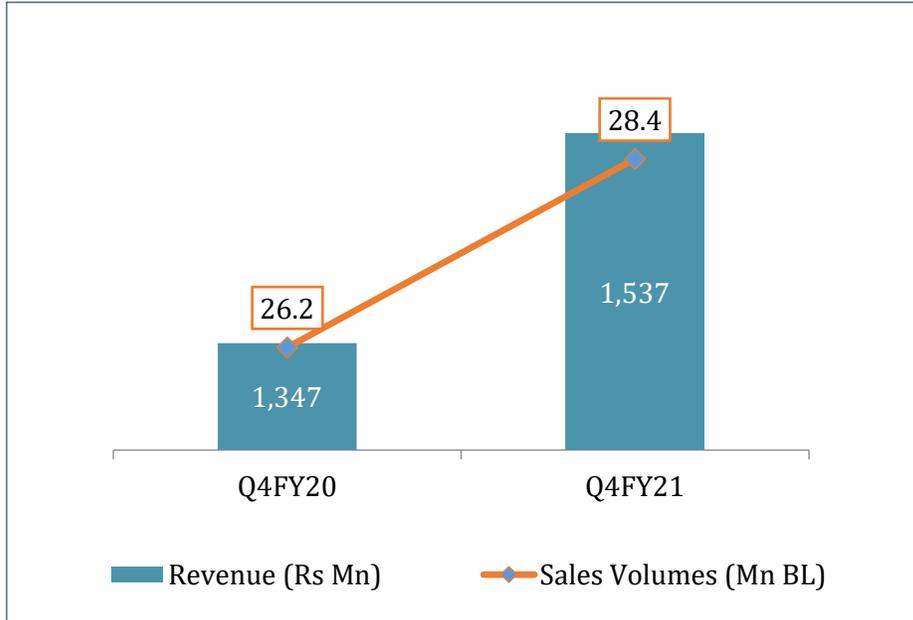
- **Aggregate Value Segment Revenue in Q4FY21 grew by 68% YoY to Rs. 1,565 Mn, as against Rs. 932 Mn in Q4FY20**
  - Aggregate value segment realizations -Rs. 419 per case in Q4FY21 against Rs. 373 per case in Q4FY20

\* Value Segment : Includes all Country Liquor and Medium Liquor Brands)

# Manufacturing – Strong Backbone

*Strong pick-up post lockdown; facilities ramped up to reach high utilisation levels*

**Bulk Alcohol Segment: Total Capacity of 160 Mn bulk liters per annum**



**Capacity Utilization for Q4FY20 was 88.8% compared to 99.4% in Q4FY21**

Average realization for bulk alcohol increased to Rs. 54.2 per litre in Q4FY21 from Rs. 51.4 per litre in Q4FY20

# Profit & Loss Highlights | Q4 & FY21

*Consolidated financials*

Particulars (Rs Mn)	Q4 FY21	Q4 FY20	YoY (%)	Q3 FY21	QoQ (%)	FY21	FY20	YoY (%)
<b>Gross Revenues</b>	<b>4,909.1</b>	<b>2,966.1</b>	<b>65.5%</b>	<b>4,325.1</b>	<b>13.5%</b>	<b>16,721.3</b>	<b>12,674.3</b>	<b>31.9%</b>
Less- Excise duty	1,342.3	251.0	434.7%	1,161.3	15.6%	4,413.6	986.1	347.6%
<b>Net Revenues from Operations</b>	<b>3,566.8</b>	<b>2,715.1</b>	<b>31.4%</b>	<b>3,163.9</b>	<b>12.7%</b>	<b>12,307.7</b>	<b>11,688.2</b>	<b>5.3%</b>
Other Income	13.1	16.1	-18.7%	9.5	37.4%	65.6	37.4	75.6%
<b>Total Income</b>	<b>3,579.9</b>	<b>2,731.2</b>	<b>31.1%</b>	<b>3,173.4</b>	<b>12.8%</b>	<b>12,373.3</b>	<b>11,725.5</b>	<b>5.5%</b>
<b>Total Expenditure</b>	<b>2,687.4</b>	<b>2,361.8</b>	<b>13.8%</b>	<b>2,489.4</b>	<b>8.0%</b>	<b>9,760.7</b>	<b>10,440.8</b>	<b>-6.5%</b>
Consumption of Material	1,744.8	1,572.8	10.9%	1,619.4	7.7%	6,531.6	7,175.8	-9.0%
Employee Cost	90.5	85.0	6.4%	94.0	-3.8%	384.2	342.8	12.1%
Other Expenditure	852.2	704.0	21.1%	776.0	9.8%	2,844.8	2,922.2	-2.6%
<b>EBITDA</b>	<b>892.5</b>	<b>369.4</b>	<b>141.6%</b>	<b>684.1</b>	<b>30.5%</b>	<b>2,612.6</b>	<b>1,284.8</b>	<b>103.4%</b>
Depreciation & Amortization	110.9	97.4	13.9%	100.5	10.4%	406.6	380.2	6.9%
<b>EBIT</b>	<b>781.6</b>	<b>272.0</b>	<b>187.3%</b>	<b>583.6</b>	<b>33.9%</b>	<b>2,206.0</b>	<b>904.6</b>	<b>143.9%</b>
Finance Cost	40.9	49.8	-18.0%	47.5	-13.8%	188.3	235.5	-20.1%
<b>PBT</b>	<b>740.7</b>	<b>222.2</b>	<b>233.4%</b>	<b>536.1</b>	<b>38.2%</b>	<b>2,017.7</b>	<b>669.0</b>	<b>201.6%</b>
Tax Expense (Current, Deferred Tax)	234.4	28.6	718.3%	153.1	53.1%	609.5	172.0	254.4%
<b>PAT (From ordinary activities)</b>	<b>506.3</b>	<b>193.5</b>	<b>161.6%</b>	<b>383.0</b>	<b>32.2%</b>	<b>1,408.2</b>	<b>497.0</b>	<b>183.3%</b>
<b>EPS</b>	<b>17.58</b>	<b>6.74</b>	<b>161.0%</b>	<b>13.27</b>	<b>32.5%</b>	<b>48.90</b>	<b>17.33</b>	<b>182.2%</b>

Note: Higher Excise Duty on a YoY basis is on account of addition of Rajasthan Medium Liquor (RML) category (in Value Segment), which carries higher excise duty

# Key Ratios | Q4 & FY21

## Consolidated financials

Key Ratios (% of Total Income)	Q4 FY21	Q4 FY20	Q3 FY21	FY21	FY20
EBITDA Margin	24.9%	13.5%	21.6%	21.1%	11.0%
PAT	14.1%	7.1%	12.1%	11.4%	4.2%
Total Expenditure	75.1%	86.5%	78.4%	78.9%	89.0%
Raw material	48.7%	57.6%	51.0%	52.8%	61.2%
Employee Cost	2.5%	3.1%	3.0%	3.1%	2.9%
Other Expenditure	23.8%	25.8%	24.5%	23.0%	24.9%
Finance Cost	1.1%	1.8%	1.5%	1.5%	2.0%
Depreciation	3.1%	3.6%	3.2%	3.3%	3.2%
Other Income (% of Net Revenue)	0.4%	0.6%	0.3%	0.5%	0.3%

EBITDA Margin expansion driven by higher share of Consumer business, better realizations in ENA and Ethanol and softened Input prices

Higher EBITDA Margin coupled with lower Finance Cost drove profitability at PBT level

# Balance Sheet | March 2021

## Consolidated Financials

Liabilities (INR Mn)	Mar-20	Mar-21
Net-worth	4,473.0	5,853.2
Minority Interest	-9.0	-9.2
LT borrowings	1,328.0	1,067.1
Provisions	27.8	30.1
Deferred tax liabilities	282.6	524.8
Other non-current liabilities	37.0	77.0
<b>Total Non Current Liabilities</b>	<b>6,139.4</b>	<b>7,542.9</b>
ST borrowings	44.8	272.8
Trade payables	1,084.9	1,187.4
Provisions	6.9	67.7
Other financial liabilities	466.4	496.4
Current tax liabilities	53.6	31.4
Other current liabilities	197.0	321.5
<b>Total Current Liabilities</b>	<b>1,853.5</b>	<b>2,377.2</b>
<b>Total Liabilities</b>	<b>7,992.9</b>	<b>9,920.2</b>

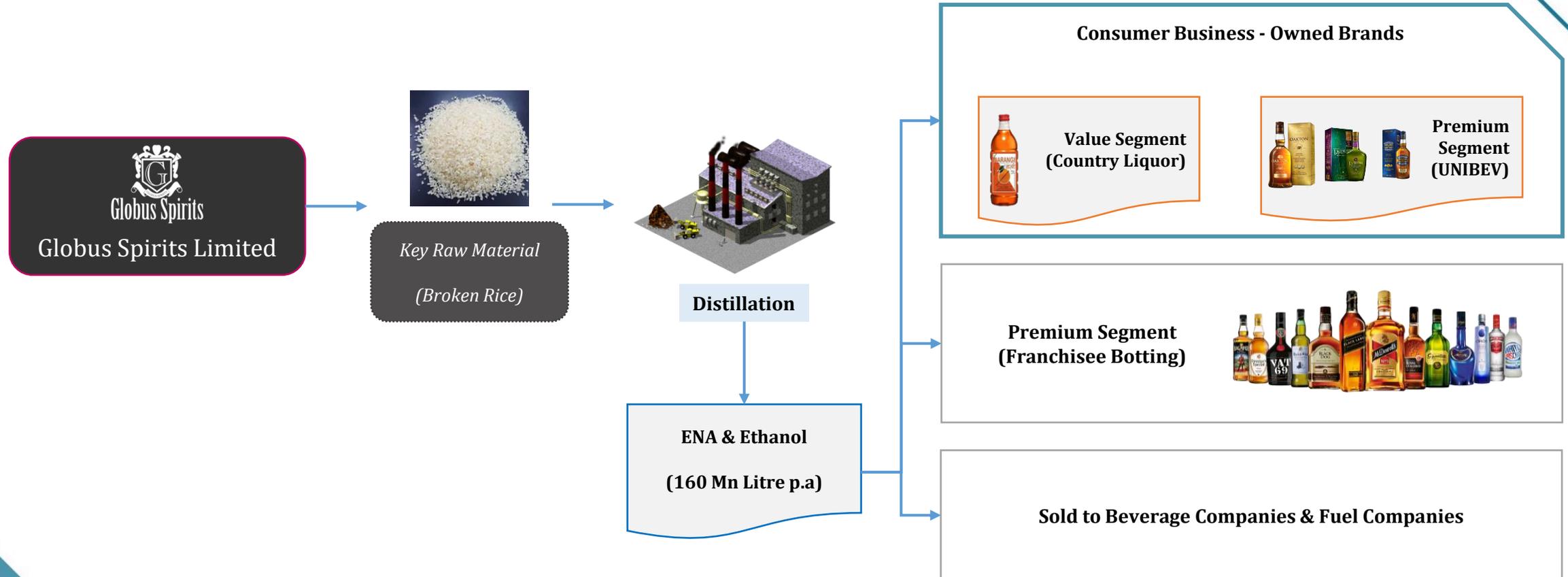
Assets (INR Mn)	Mar-20	Mar-21
Fixed assets (incl. CWIP)	5,978.5	6,268.5
Intangible assets under development	6.1	-
Other financial assets	183.3	175.8
Income tax assets	0.3	0.3
Other non-current assets	61.1	437.9
<b>Total Non Current Assets</b>	<b>6,229.3</b>	<b>6,882.5</b>
Inventories	1,062.8	1,021.3
Trade receivables	338.1	879.2
Cash & cash equivalents	199.9	581.3
Other financial assets	28.3	49.9
Other current assets	134.5	505.9
<b>Total Current Assets</b>	<b>1,763.6</b>	<b>3,037.6</b>
<b>Total Assets</b>	<b>7,992.9</b>	<b>9,920.2</b>



# **Company Overview**

# Presence Across the Value Chain

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



# Business Segments

Largely divided into Manufacturing and Consumer segments



**Manufacturing Business (~57% of Revenue)**  
Strong Backbone...

Bulk Spirits	Franchisee Bottling	By Products
44%	1%	12%



- Recently, commenced Production of Sanitizers



**Consumer Business (~43% of Revenue)**  
High Value...

Value Segment	Premium Segment
42.5%	0.5%



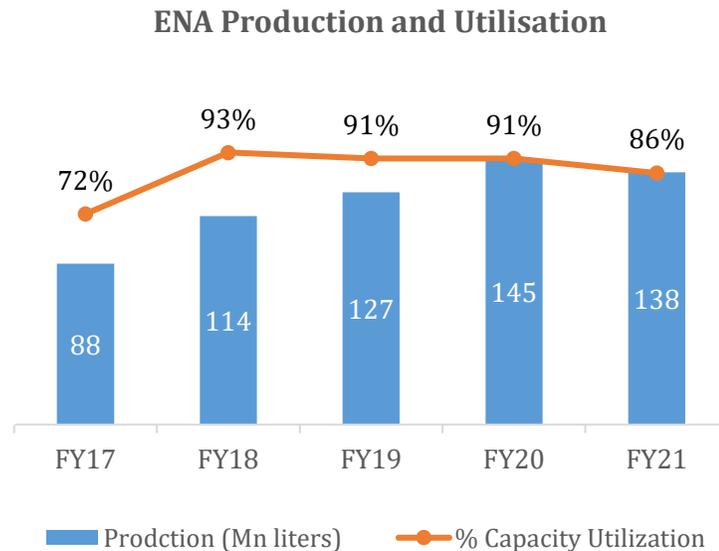


# **Manufacturing Business**

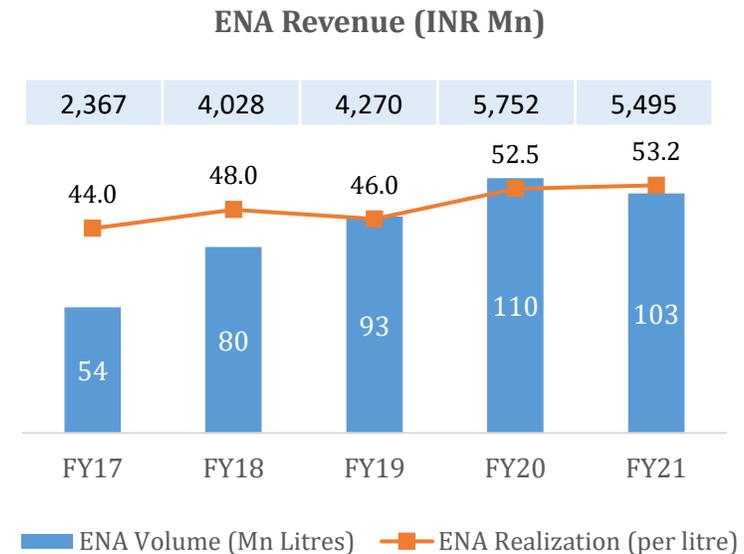
# 1. Bulk Alcohol

*Backbone of the 360° business model; Generating robust cashflows*

- Globus is the largest grain based Extra Neutral Alcohol (ENA) manufacturer in India with a capacity of **160 Mn Litres**
- **Reputed IMFL players** are major customers for Bulk Alcohol
- Presence in **Rajasthan, Haryana, Bihar and West Bengal**



FY19 onwards capacity includes Bihar Plant  
 FY20 capacity was expanded to ~160 Mn BL



# 2. Franchisee Bottling

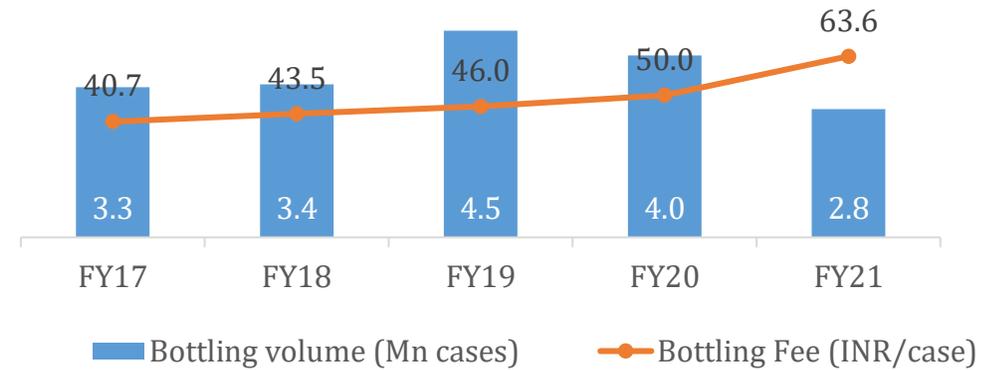
*Strong relationships with pedigreed players ensures steady offtake*

20 year old relationships with ABD and USL / Diageo

Proxy play on growth in **IMFL industry**

Ramp up expected in **West Bengal**

Bottling volume (Mn cases)



## Franchisee Bottling Brands

Diageo & USL in Haryana & West Bengal



ABD in Rajasthan



# 3. By-Products

*Process efficiencies lead to zero discharge and incremental revenues*

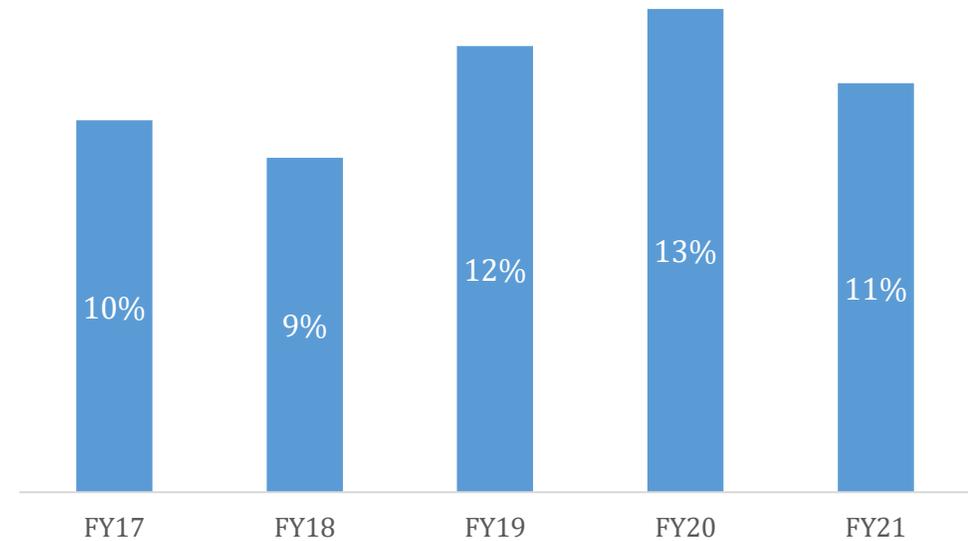
## ❑ Animal Feed Supplements (AFS)

- Major by-product from distillation process is Animal Feed Supplements with Solubles & AFS
- Used as food for the animal feed industry
- High protein (min 45% ) and energy (~3500 K/cal)
- Provides excellent animal health, performance, and food product quality

## ❑ CO2

- Commercially available as high pressure cylinder gas, relatively low pressure refrigerated liquid, or as dry ice
- Commonly used as a raw material for production of various chemicals; carbonation of soft drinks; freezing of food products such as poultry, meats, vegetables and fruit

By-products (% of Total Operating Income)



Note: Major contribution is of AFS, followed by Co2



# **Consumer Business**

# Value Segment – GSL is One of the Largest IMIL Players

Product innovation and focus on brand building has enabled growth

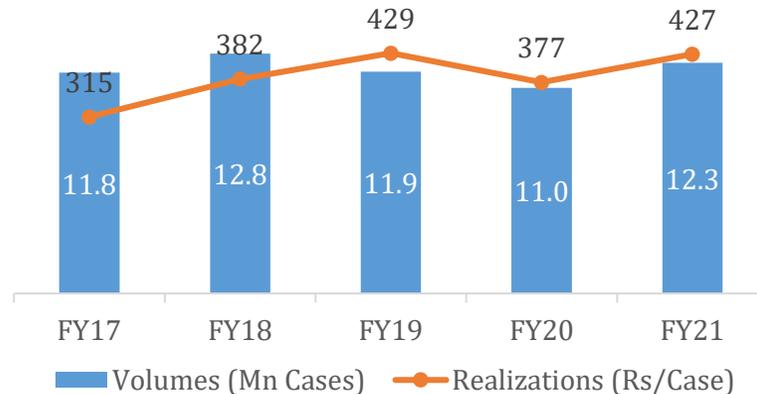
## Existing Product Portfolio



## Focus on Innovation through Investment in R&D



## Value Segment Sale Volumes (Mn Cases)



# Premium Segment – UNIBEV - Unique Value Proposition

*Asset-light | Focus on niche segments | Building blocks for a high margin brand play*



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**



**Governor's Reserve**

**Semi-premium** whisky segment

Segment is about **20m cases**



**Oakton**

**Premium** whisky segment

Segment is about **8.5m cases**



**L'Affaire Napoleon  
3 years Brandy**

**Premium** brandy segment

Segment is about **0.5m cases**





# **Financials**

# Annual | Profit & Loss Statement

## Consolidated Financials

Particulars (INR Mn)	FY18	FY19	FY20	FY21
<b>Gross Revenues</b>	<b>9,323.8</b>	<b>10,807.0</b>	<b>12,674.3</b>	<b>16,721.3</b>
Less- Excise duty	771.4	947.9	986.1	4,413.6
<b>Net Revenues from Operations</b>	<b>8,552.4</b>	<b>9,859.1</b>	<b>11,688.2</b>	<b>12,307.7</b>
Other Income	53.2	70.9	37.4	65.6
<b>Total Income</b>	<b>8,605.6</b>	<b>9,930.0</b>	<b>11,725.5</b>	<b>12,373.3</b>
<b>Total Expenditure</b>	<b>7,870.5</b>	<b>8,976.6</b>	<b>10,440.8</b>	<b>9,760.7</b>
Consumption of Material	5,169.0	5,990.2	7,175.8	6,531.6
Employee Cost	229.4	277.3	342.8	384.2
Other Expenditure	2,472.1	2,709.1	2,922.2	2,844.8
<b>EBITDA</b>	<b>735.0</b>	<b>953.3</b>	<b>1,284.8</b>	<b>2,612.6</b>
Depreciation & Amortization	362.0	361.2	380.2	406.6
<b>EBIT</b>	<b>373.0</b>	<b>592.2</b>	<b>904.6</b>	<b>2,206.0</b>
Finance Cost	271.4	263.1	235.5	188.3
<b>PBT</b>	<b>101.7</b>	<b>329.1</b>	<b>669.0</b>	<b>2,017.7</b>
Tax Expense (Current, Deferred Tax)	45.2	91.9	172.0	609.5
<b>PAT (From ordinary activities)</b>	<b>56.5</b>	<b>237.2</b>	<b>497.0</b>	<b>1,408.2</b>
<b>EPS</b>	<b>1.98</b>	<b>8.26</b>	<b>17.33</b>	<b>48.90</b>

# Annual | Key Ratios

## *Consolidated Financials*

Key Ratios (% of Total Income)	FY18	FY19	FY20	FY21
EBITDA	8.5%	9.6%	11.0%	21.1%
PAT	0.7%	2.4%	4.2%	11.4%
Total Expenditure	91.5%	90.4%	89.0%	78.9%
Raw material	60.1%	60.3%	61.2%	52.8%
Employee Cost	2.7%	2.8%	2.9%	3.1%
Other Expenditure	28.7%	27.3%	24.9%	23.0%
Finance Cost	3.2%	2.6%	2.0%	1.5%
Depreciation	4.2%	3.6%	3.2%	3.3%
Other Income (% of Net Revenue)	0.6%	0.7%	0.3%	0.5%

# Annual | Balance Sheet

## Consolidated Financials

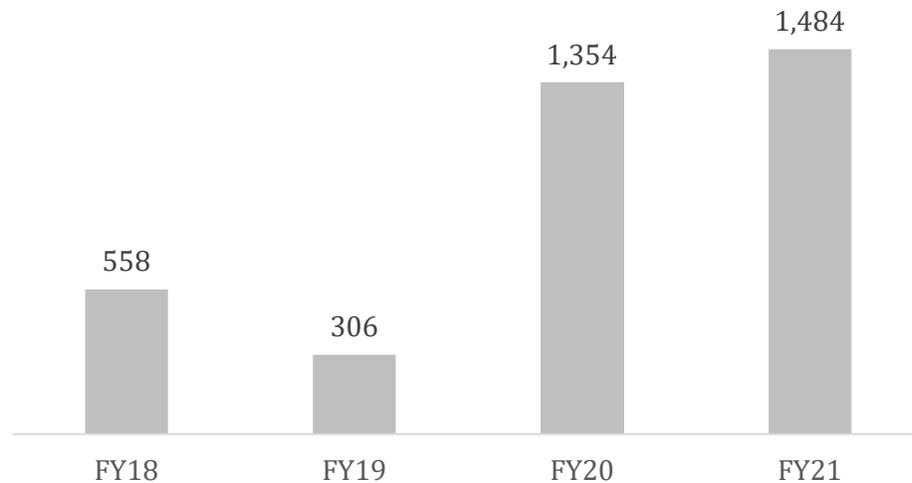
Liabilities (INR Mn)	FY19	FY20	FY21
Networth	3978.8	4,473.0	5,853.2
Minority Interest	-7.2	-9.0	-9.2
LT borrowings	1695.4	1,328.0	1,067.1
Provisions	17.2	27.8	30.1
Deferred tax liabilities	241.5	282.6	524.8
Other non-current liabilities	24.9	37.0	77.0
<b>Total Non Current Liabilities</b>	<b>5950.6</b>	<b>6139.4</b>	<b>7542.9</b>
ST borrowings	314.2	44.8	272.8
Trade payables	946.6	1,084.9	1,187.4
Provisions	16.5	6.9	67.7
Other financial liabilities	364.5	466.4	496.4
Current tax liabilities	10.2	53.6	31.4
Other current liabilities	89.6	197.0	321.5
<b>Total Current Liabilities</b>	<b>1741.5</b>	<b>1853.5</b>	<b>2377.2</b>
<b>Total Liabilities</b>	<b>7692.1</b>	<b>7992.9</b>	<b>9920.2</b>

Assets (INR Mn)	FY19	FY20	FY21
Fixed assets (incl. CWIP)	5854.2	5,978.5	6,268.5
Intangible assets under development	6.1	6.1	-
Financial assets	149.6	183.3	175.8
Income tax assets	15.3	0.3	0.3
Other non-current assets	150.5	61.1	437.9
<b>Total Non Current Assets</b>	<b>6175.8</b>	<b>6229.3</b>	<b>6882.5</b>
Inventories	777.8	1,062.8	1,021.3
Trade receivables	490.9	338.1	879.2
Cash & cash equivalents	25.1	199.9	581.3
Other financial assets	70.9	28.3	49.9
Other current assets	151.7	134.5	505.9
<b>Total Current Assets</b>	<b>1516.3</b>	<b>1763.6</b>	<b>3037.6</b>
<b>Total Assets</b>	<b>7692.1</b>	<b>7992.9</b>	<b>9920.2</b>

# Enhanced Net Cash Flow from Operations

*The business mix and focus on costs have led to strong operating cash flow generation*

## Consolidated Net Cash Flow from Operations (Rs Mn)...



## ...Driven by the Following Key Factors

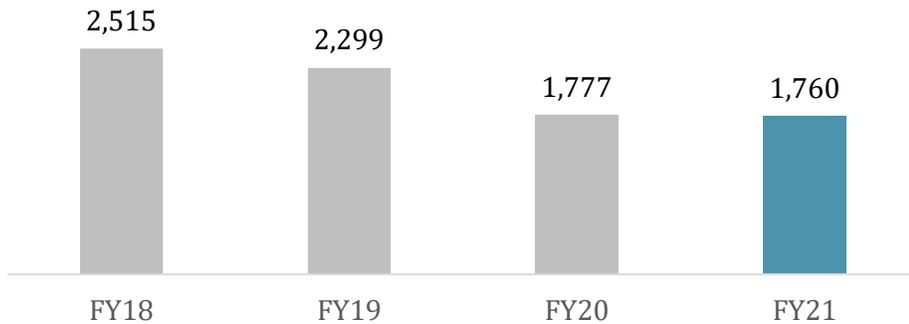
- **Growth in business and improved profitability**
- **Lower Finance costs** due to paring of debt
- **Lower cash outlay for taxes\*** - 80IA deduction (on account of biomass-based power plant) and MAT Credit (available for next 2-3 years based on current estimates)

*\* This led to a lower effective tax rate of 18% (% of PBT) in FY21, and is likely to continue over the next 2-3 years*

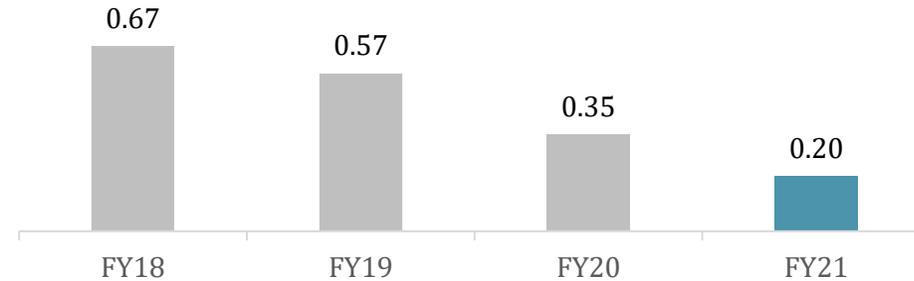
# Key Financial Ratios

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

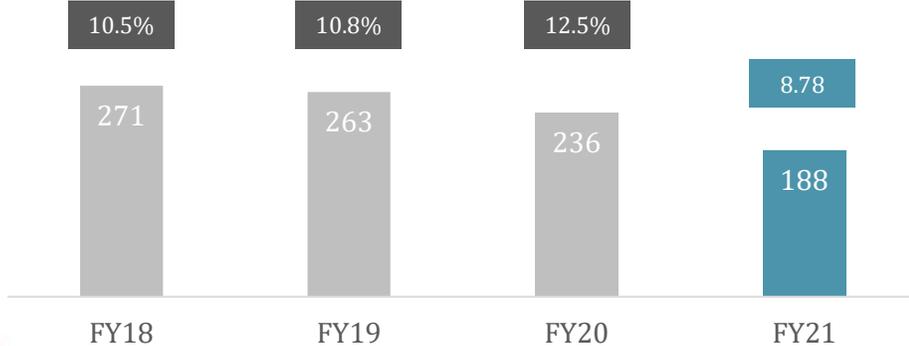
**Gross Debt (Rs Mn)**



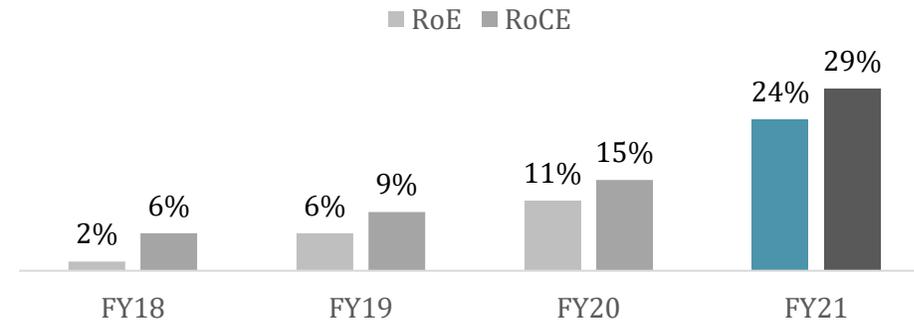
**Net Debt/Equity (x)**



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

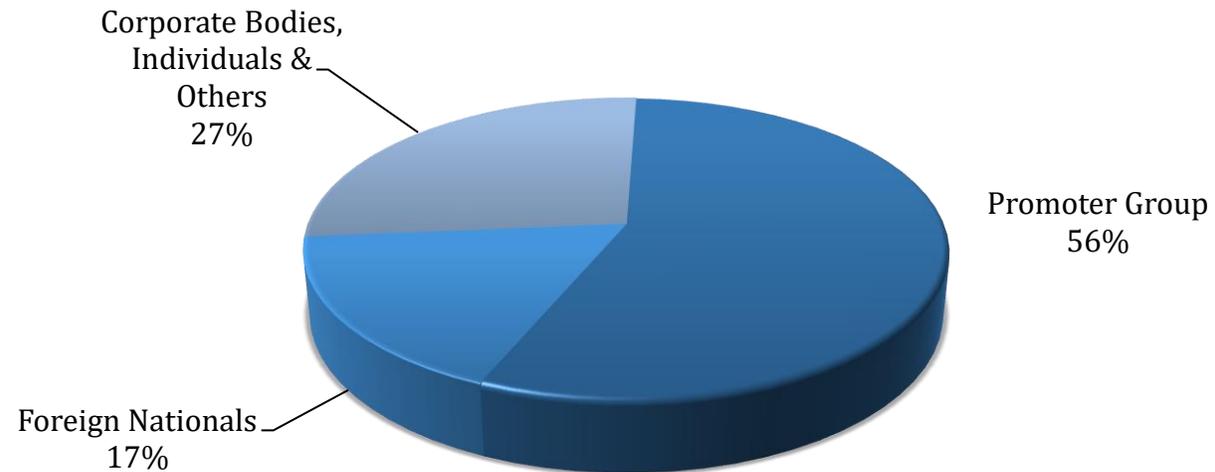


**Return Ratios (%)**



# Shareholding Pattern

Total outstanding equity shares as on March 31, 2021, stands at 28.8 Mn shares



## Major Non-Promoter Shareholders % shareholding

Name	% Share
Templeton Strategic Emerging Markets Fund IV, LDC	17.26%

# Disclaimer

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