



GLOBUS SPIRITS LIMITED

"Strong Backbone, Marching towards High Value Segments"

Q4FY20 Result Presentation | June 2020

Globus Spirits Limited - Overview

- ✓ Unique 360° business model with **Fully Integrated Alcohol Play** having presence in **ENA | IMIL | Franchisee Bottling | Premium IMFL** segments
- ✓ **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 0.38x in FY20 vs 0.56x in FY19**
- ✓ Foray into **premium IMFL segment** through **“UNIBEV”** - fast growing, high margin premium IMFL

AGENDA

Q4 FY20 Performance

Performance Highlights	5
Financial Highlights	8
Segmental Performance	11

Annexure

Company Overview	14
Shareholding Pattern	23





QUARTER HIGHLIGHTS

Q4FY20 – Performance Highlights (Standalone)

- **Total Income (net of excise duty) stood at Rs. 2,695 mn in Q4FY20 against Rs. 2,709 mn in Q4FY19**

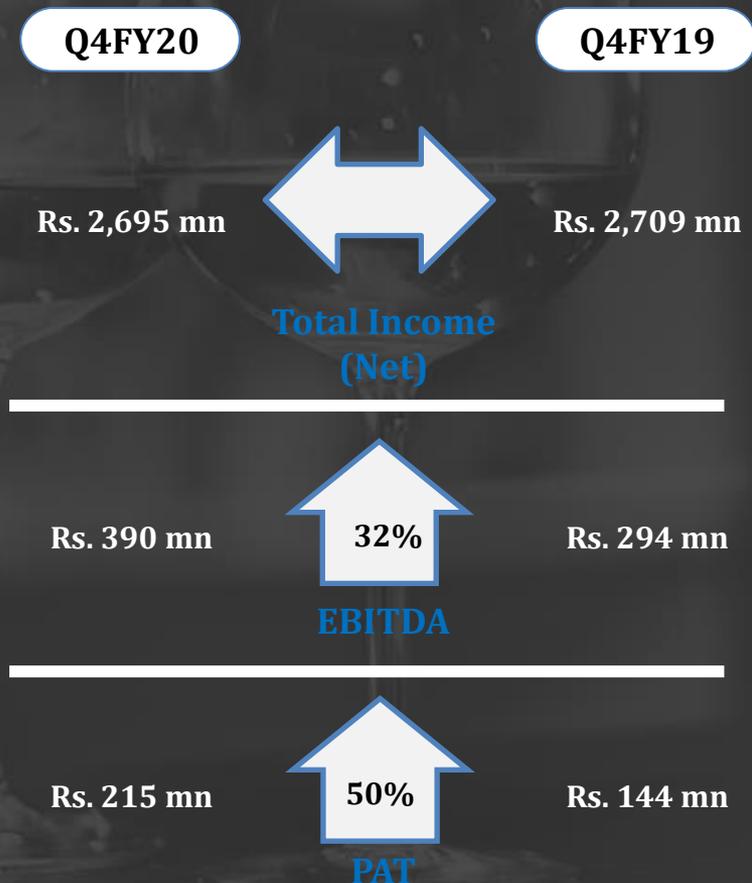
- Largely stable despite the impact of Covid-19 pandemic led lockdown in Q4FY20
- Bulk alcohol revenue grew by 5% YoY

- **EBITDA for the quarter stood at Rs. 390 mn in Q4FY20 against Rs. 294 mn in Q4FY19; growth of 32% YoY**

- EBITDA Margins expanded by 360bps at 14.4% against 10.8% in Q4FY19
- Gross Margins for Q4FY20 stood at 42% against 38% in Q4FY19; on account of favorable RM costs during the quarter

- **PAT at Rs. 215 mn compared to Rs. 144 mn in Q4FY19, robust growth of 50% YoY**

- Finance cost declined by 18% YoY to Rs. 49 mn in Q4FY20 against Rs. 60 mn in Q4FY19



Covid – 19: Impact

● Impact on Performance:

- On account of lockdown, the plants were completely shut from 24th March, 2020, resumed operations in April to manufacture sanitizers at a lower utilization
- The liquor shops were shut and thus impacted the country liquor sales
- Closure of plants impacted the ENA volumes
- Globus resumed its operations to manufacture hand sanitizers, the operations were running at very low capacity utilization levels

● Liquidity Position:

- The Company stands at a comfortable liquidity position, with its Debt to Equity ratios at 0.38x as on FY20
- The Company has repaid long term debt of ~Rs. 214 mn during FY20, also the short-term debt has been brought down significantly
- Over the years, the Company has strengthened its Balance Sheet position

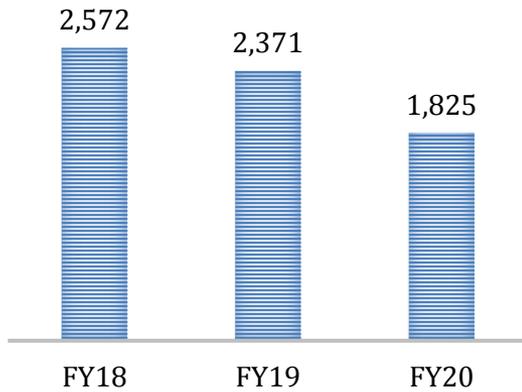
● Outlook:

- Difficult to ascertain the material impact of covid-19 for FY21 at this stage
- Envisage healthy demand of ENA / Bulk alcohol in both export as well as domestic markets, as it is a key RM to manufacture hand sanitizers
- Country liquor witnessing demand revival post lifting of lockdown

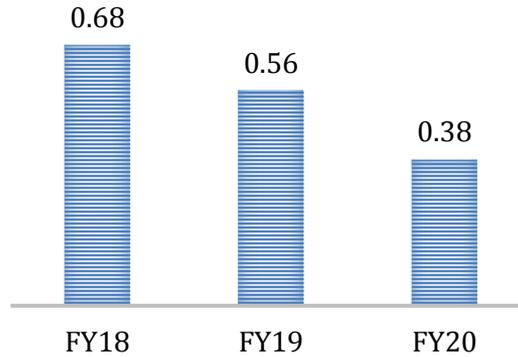


Strengthening the Balance Sheet position

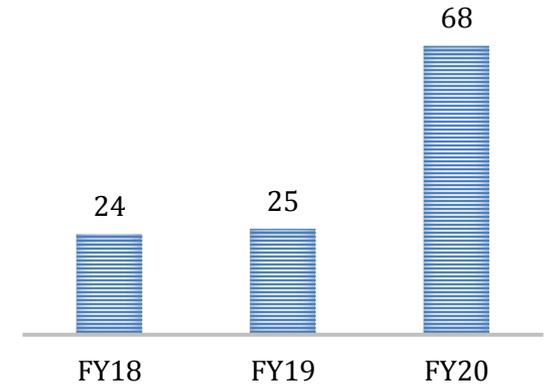
TOTAL DEBT (RS. MN)



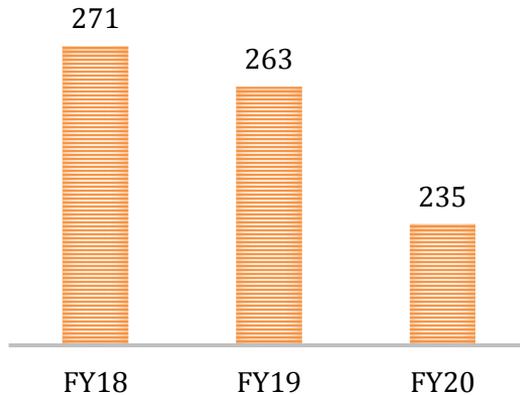
TOTAL DEBT TO EQUITY(X) (RS. MN)



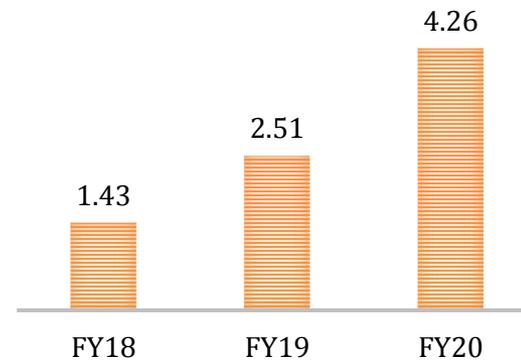
CASH BALANCE (RS. MN)



FINANCE COST (RS. MN)



INTEREST COVERAGE RATIO (X)



Q4/FY20 – Profit & Loss Statement (Standalone)

Particulars (In Rs MN)	Q4 FY20	Q4 FY19	YoY (%)	Q3 FY20	QoQ	FY20	FY19	YoY
Gross Revenues	2,928.8	2,877.8	2%	3,529.1	-17%	12,545.1	10,734.7	17%
Less- Excise duty	233.3	168.9	38%	267.3	-13%	914.7	891.5	3%
Net Revenues from Operations	2,695.4	2,708.9	0%	3,261.9	-17%	11,630.4	9,843.2	18%
Other Income	17.5	19.2	-9%	5.8	201%	48.3	79.5	-39%
Total Income	2,712.9	2,728.1	-1%	3,267.7	-17%	11,678.7	9,922.7	18%
Total Expenditure	2,323.3	2,434.1	-5%	2,907.8	-20%	10,299.7	8,901.0	16%
Consumption of Material	1,558.4	1,692.1	-8%	2,112.1	-26%	7,127.0	5,974.9	19%
Employee Cost	78.1	67.6	16%	77.5	1%	311.1	256.1	21%
Other Expenditure	686.8	674.3	2%	718.2	-4%	2,861.6	2,670.0	7%
EBITDA	389.6	294.0	32%	359.9	8%	1,379.0	1,021.7	35%
Depreciation & Amortization	95.9	88.4	9%	95.1	1%	378.6	361.1	5%
EBIT	293.7	205.7	43%	264.8	11%	1,000.4	660.7	51%
Finance Charges	49.5	60.0	-17%	62.1	-20%	235.2	263.1	-11%
PBT	244.1	145.7	68%	202.7	20%	765.1	397.6	92%
Tax Expense (Current, Deferred Tax)*	28.7	1.9	1412%	55.9	-49%	172.0	91.9	87%
PAT (From ordinary activities)	215.5	143.8	50%	146.8	47%	593.1	305.7	94%
EPS	7.5	5.0		5.1		20.6	10.6	

Q4/FY20 – Key Ratios (Standalone)

Key Ratios as a % of Total Income	Q4 FY20	Q4 FY19	Q3 FY20	FY20	FY19
EBITDA	14.4%	10.8%	11.0%	11.8%	10.3%
PAT	7.9%	5.3%	4.5%	5.1%	3.1%
Total Expenditure	85.6%	89.2%	89.0%	88.2%	89.7%
Raw material	57.8%	62.5%	64.8%	61.3%	60.7%
Employee Cost	2.9%	2.5%	2.4%	2.7%	2.6%
Other Expenditure	25.3%	24.7%	22.0%	24.5%	26.9%
Interest	1.8%	2.2%	1.9%	2.0%	2.7%
Depreciation	3.5%	3.2%	2.9%	3.2%	3.6%
Other Income	0.6%	0.7%	0.2%	0.4%	0.8%

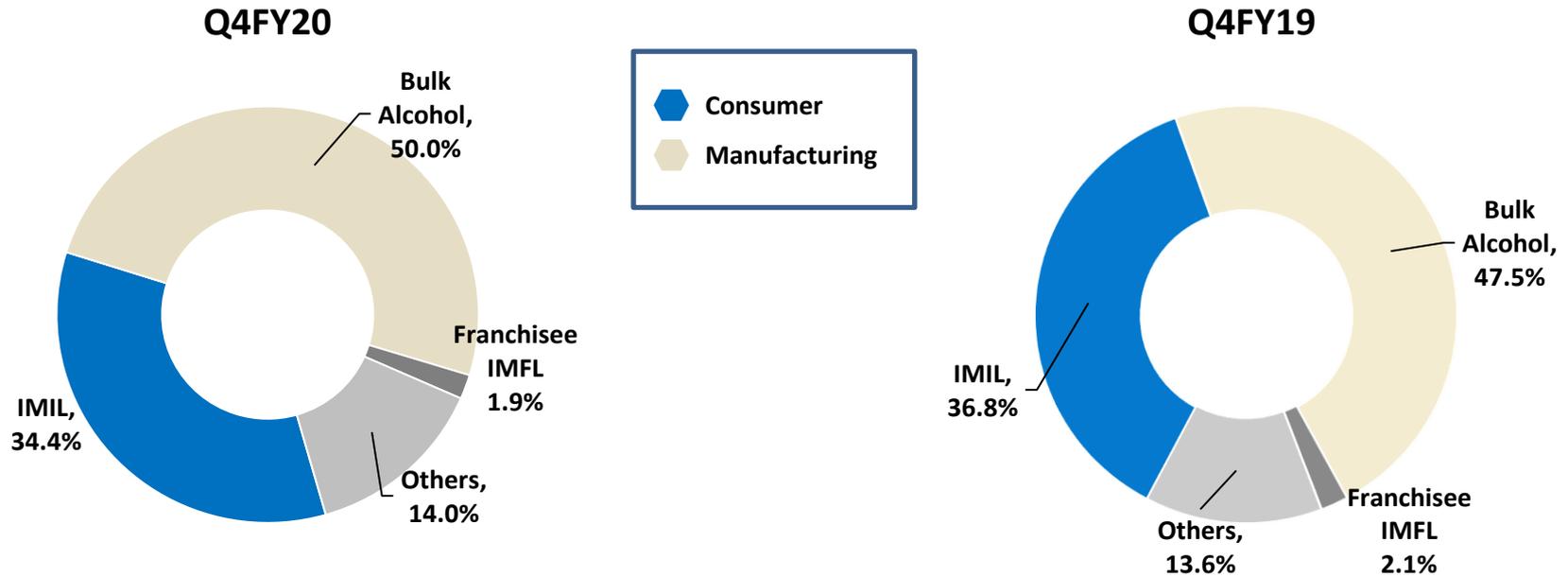
Balance Sheet - Highlights

Rs. in Mn	Mar-20	Mar-19
Non-current assets	6,568.1	6,387.5
Fixed assets	5541.5	5736.4
Right to use assets	145.6	0.0
CWIP	289.4	117.6
Intangible assets under development	6.1	6.1
Financial Assets	524.5	361.9
Income Tax Assets (net)	0.3	15.3
Other Non Current assets	60.7	150.1
Current assets	1,616.8	1,410.9
Inventories	978.6	708.4
Trade receivables	292.8	475.5
Cash and bank balances	197.3	24.8
Loans	7.1	57.7
Other financial Assets	17.8	10.0
Other current assets	123.1	134.5
Total Assets	8,184.9	7,798.3

Rs. in Mn	Mar-20	Mar-19
Shareholder's Fund	4,688.8	4,100.1
Share capital	288.0	288.0
Other equity	4,400.8	3,812.1
Non-current liabilities	1,674.4	1,976.4
Long term borrowings	1,327.9	1,692.9
Lease Liability	13.9	0.0
Provisions	27.3	17.2
Deferred tax liabilities	282.6	241.5
Other non-current liabilities	22.7	24.9
Current liabilities	1,821.7	1,721.8
Short term borrowings	44.8	314.2
Trade Payables	1,057.1	928.7
Other financial liabilities	451.9	363.8
Lease Liability	13.0	0.0
Other current liabilities	196.2	88.5
Current tax liabilities (net)	6.9	10.2
Provisions	51.8	16.5
Total Liabilities	8,184.9	7,798.3

Segmental Performance

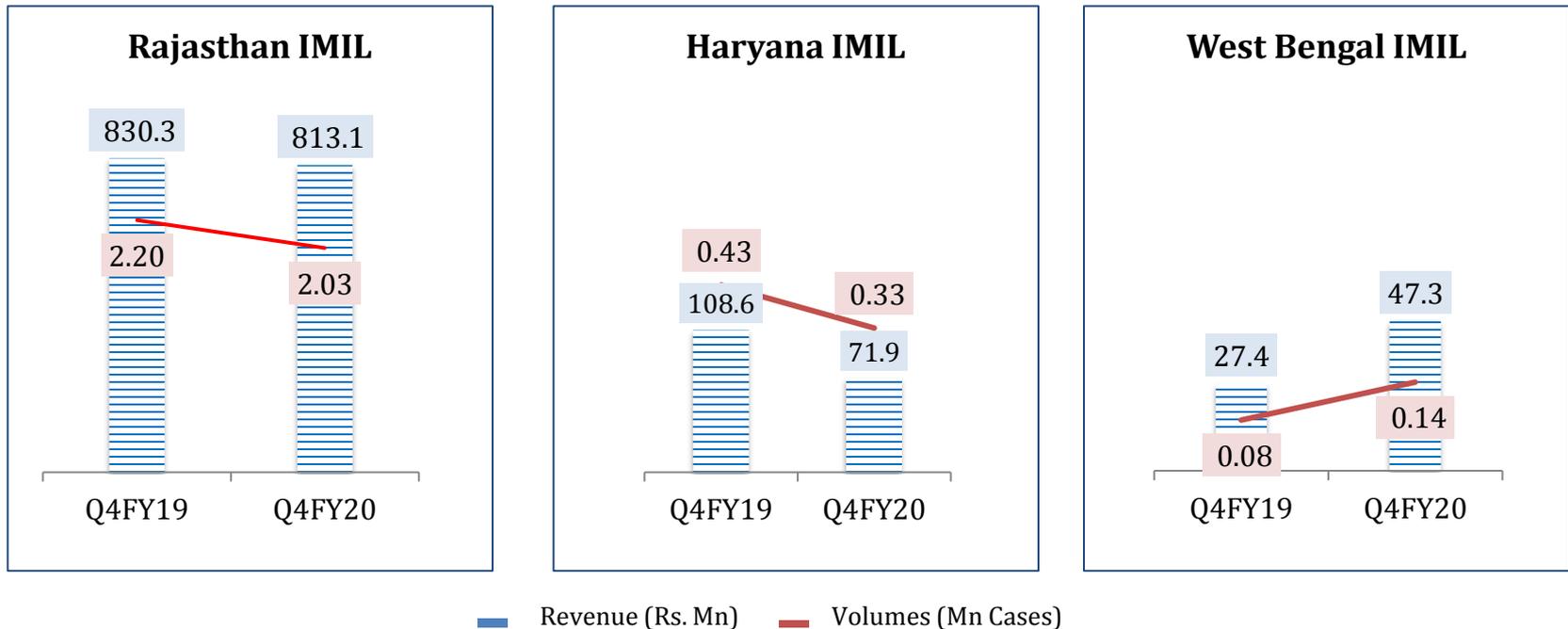
Revenue Breakup from Operations (Net)



- **Manufacturing business Revenue - Rs. 1,763 mn in Q4 FY20, against Rs. 1,713 mn in Q4 FY19**
 - Increase in manufacturing share on account of better ENA realizations and increased capacity
- **Share of consumer business remained at 35% in Q4 FY20 against 37% in Q4 FY19**

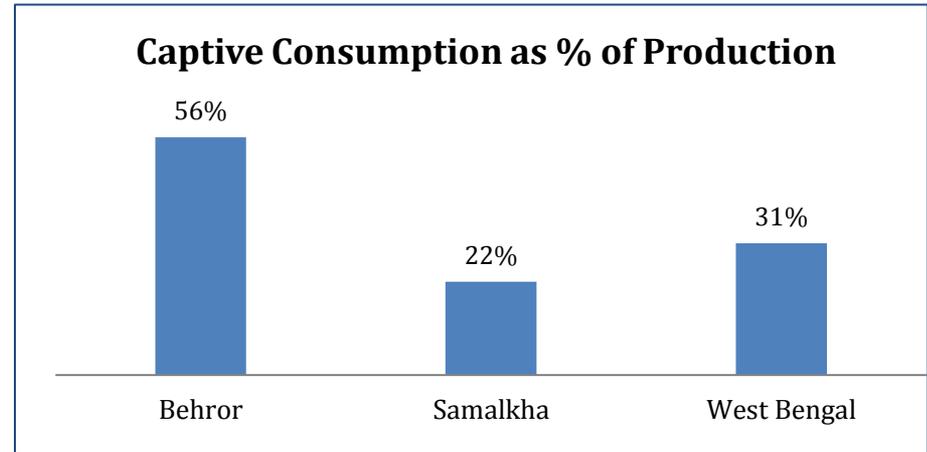
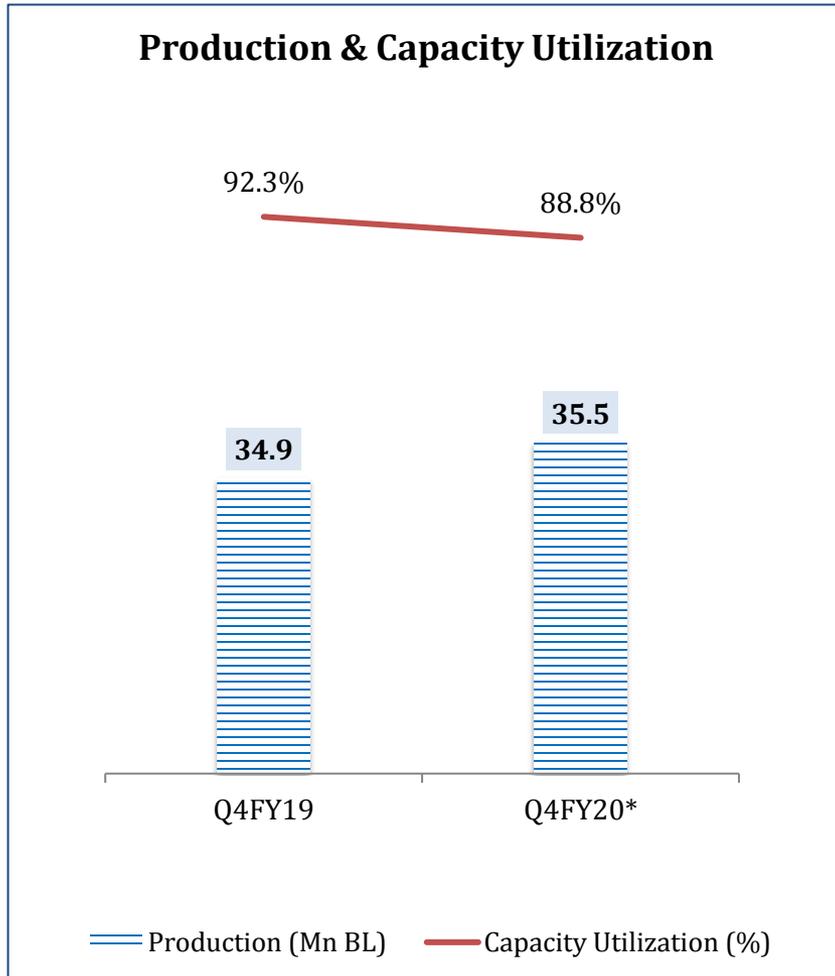
IMIL – Strong Consumer Business

Q4FY20 IMIL - Total 2.50 mn cases



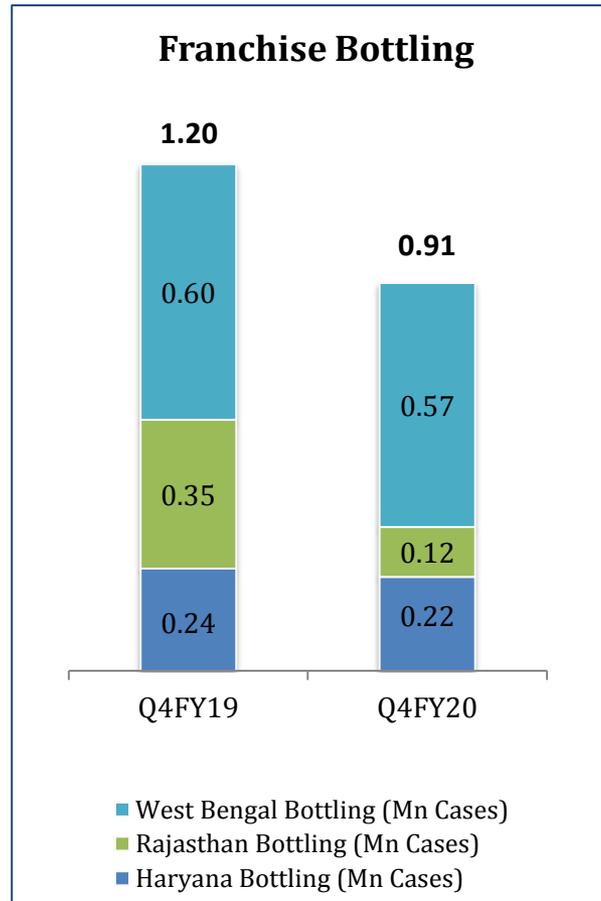
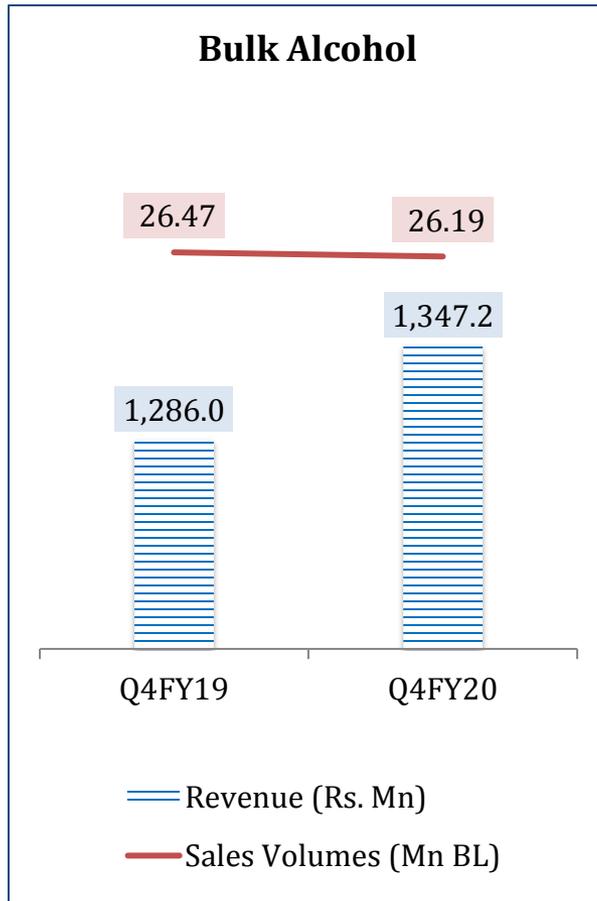
- Aggregate IMIL revenues - **Rs. 932 mn** in Q4FY20 against Rs. 996 mn in Q4FY19
 - Aggregate IMIL realizations - **Rs. 372.9 per case** in Q4FY20 against Rs. 354.4 per case in Q4FY19
- IMIL sales were impacted on account of Lockdown
- Exited from Delhi country liquor market due to low realisations

Manufacturing – Robust Performance



- **Capacity utilization** at 88.8% in Q4 FY20 against 92.3% in Q4 FY19
 - Production was impacted amid Lockdown due to pandemic
- **Capacity augmentation in FY20** - total capacity increased to 160 mn bulk liters on account of De-bottlenecking at Rajasthan
- **Average Captive consumption** at 31% in Q4FY20

Manufacturing – Robust Performance (Contd.)



Franchise Bottling Volumes

- 0.91 mn cases in Q4 FY20 vs. 1.2 mn cases in Q4 FY19
- Realizations stood at Rs. 47.8 per case



COMPANY OVERVIEW

Leveraging a Strong 360° Business Model

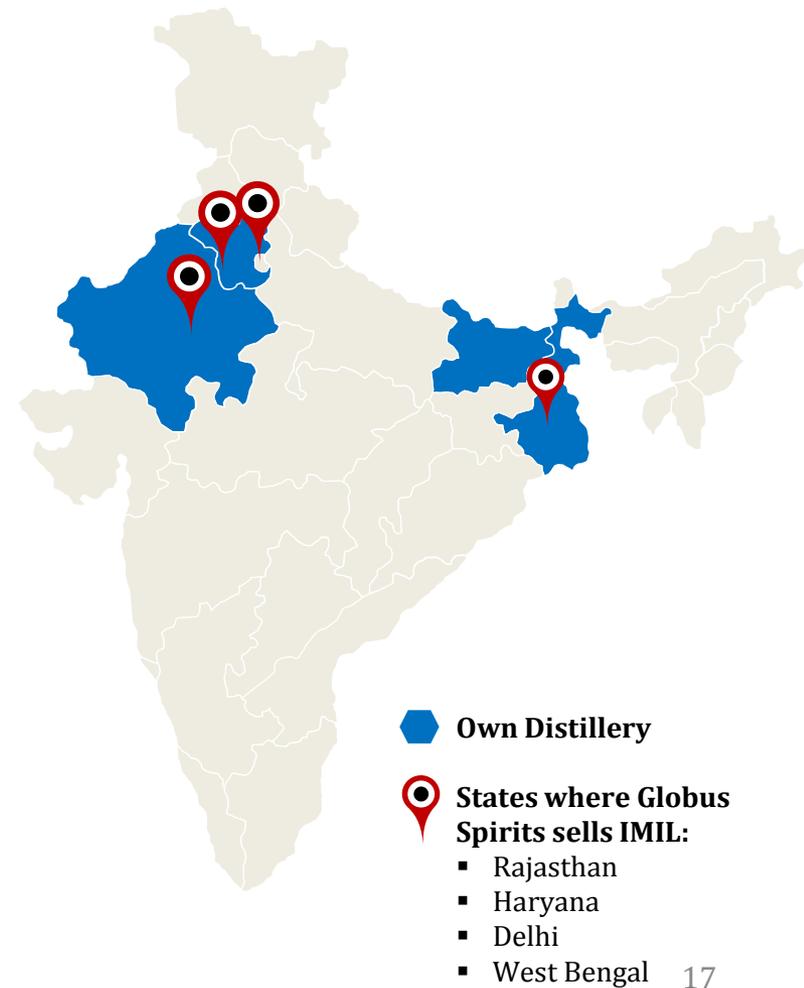


Unique 360° model straddling across the entire alcohol value chain

- **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
 - 2.03 mn cases sold in Q4 FY20
- No. 4 private player in Haryana with 8% market share
 - 0.33 mn cases in sold in Q4 FY20
- 2% Market share in West Bengal
 - 0.14 mn cases sold in Q4 FY20

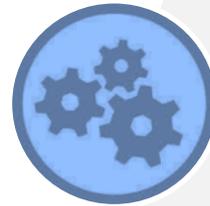


GSL - Competitive Strengths



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 0.38x (FY20)
- Cash efficient operations

Growth Strategy

- Rationalizing high cost debt & debt repayment

Further reduction of finance costs



- Leverage ethanol opportunity to enhance capacity utilization and improve realizations

Average Realizations (Per Litre)

In Q4FY20 at Rs. 51.4 vs 48.6 in Q4FY19



- De-bottlenecking & modernization of facilities

Thrust further improvement of product efficiencies



- Investing towards Future Growth Segment – Semi Premium & Premium segments (UNIBEV)

Foray into high value Premium IMFL



- Capitalizing on opportunities arising due to pandemic Covid-19

Manufacturing of Hand Sanitizers



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 Portfolio – Unique Value Proposition



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



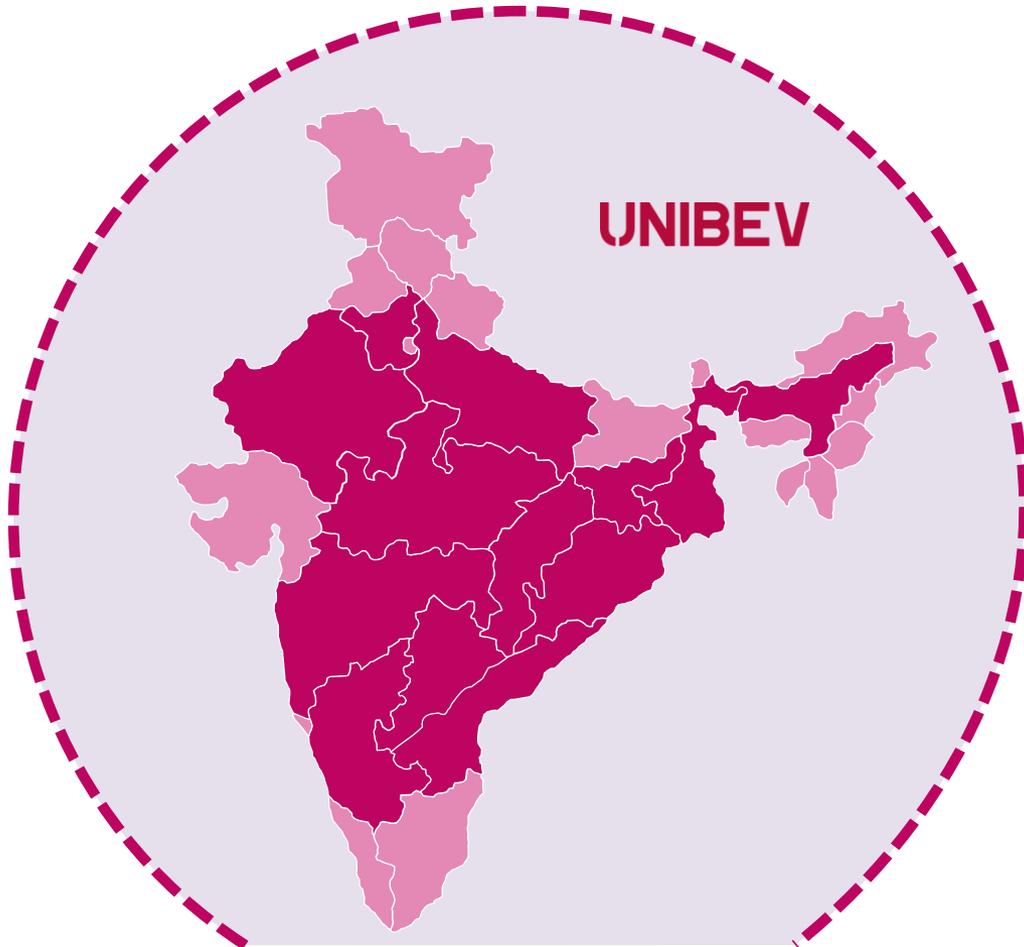
Crafted a range of **premium and super premium whiskies** blended with Upto 12, 18 years old scotch & a 3 years old French blended **grape brandy**



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 Brand's Footprint



Expanding Geographic Footprints will

Create Availability to larger consumer base



*Established presence in **10 States** during FY20*

Current Brand Portfolio

Globus Spirits Limited (IMIL)



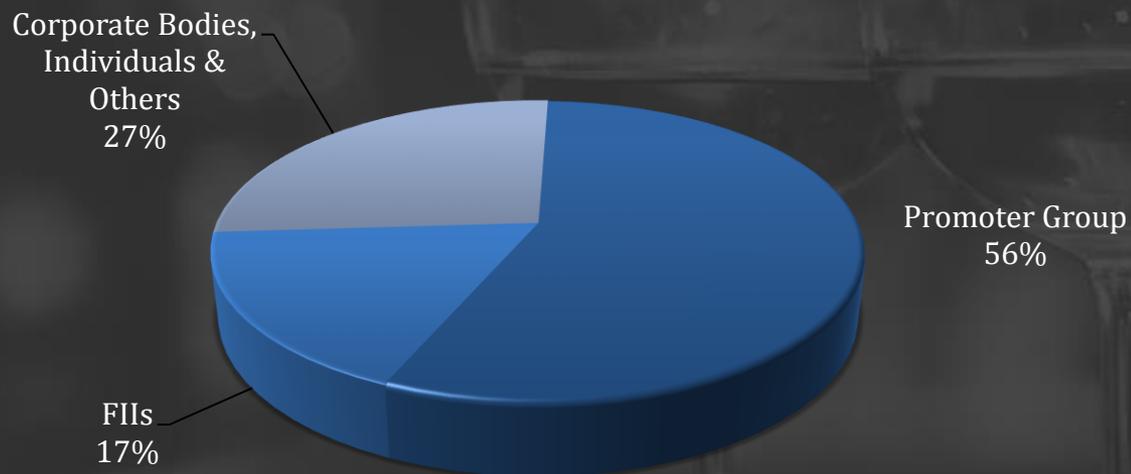
UNIBEV (IMFL)



UNIBEV



Shareholding Pattern



As on March 31, 2020 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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