



# GLOBUS SPIRITS LIMITED

"Strong Backbone, Marching towards High Value Segments"

Result Presentation | August 2019

# Globus Spirits Limited - Overview

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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 0.52x in Q1FY20 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

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## Q1 FY20 Performance

|                        |    |
|------------------------|----|
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# QUARTER HIGHLIGHTS

# Q1FY20 – Performance Highlights (Standalone)

- **Total Income (net of excise duty) stood at Rs. 2,970 mn in Q1FY20, 28% growth against Rs. 2,323 mn in Q1FY19**

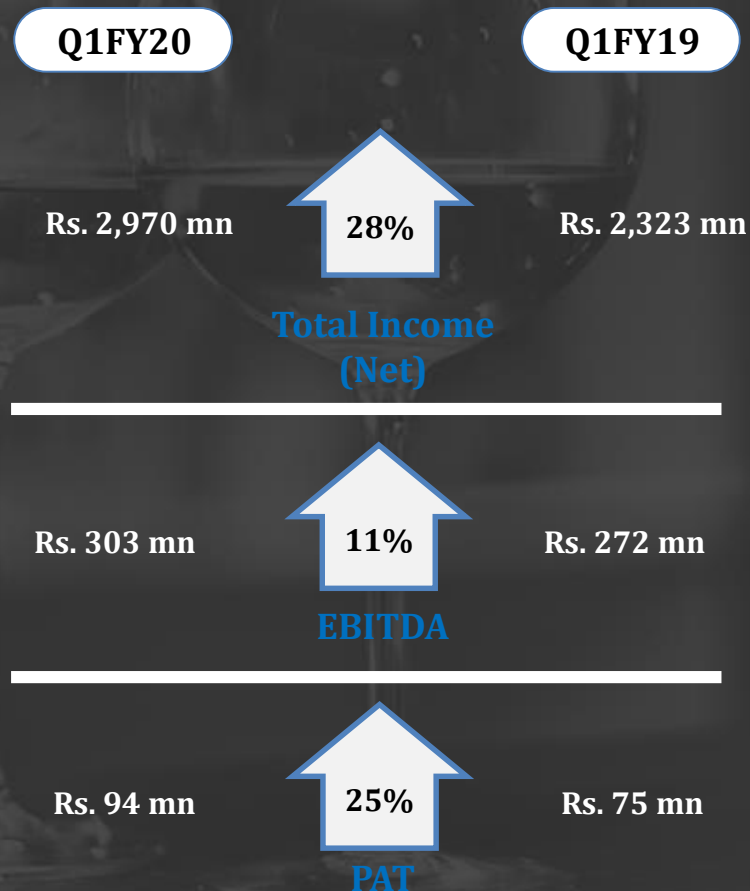
- Total Income backed by higher ENA volumes and realizations
- Robust growth in ENA volumes up by 59% YoY on account of increased utilization of Bihar Facility and increase in aggregate capacity by 10 Mn Bulk Liters
- ENA realizations for Q1FY20 stood at Rs. 48.10 per liter against Rs. 44.76 per liter in Q1FY19 up by 7% YoY

- **EBITDA for the quarter stood at Rs. 303 mn in Q1FY20, growth of 11% YoY**

- Sustained EBITDA Margins inspite of increased input costs

- **PAT at Rs. 94.2 mn compared to Rs. 75.4 mn in Q1FY19, growth of 25% YoY**

- Improved leverage position pegged growth in bottom-line



# Key Developments during the quarter

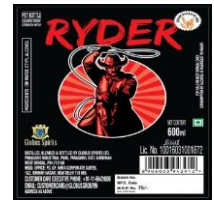
- Received price hike in Rajasthan for IMIL

- Received price hike of Rs. 35 per case effective from 1<sup>st</sup> June, 2019
- Rajasthan contributes ~80% of IMIL revenues

*Rajasthan accounted sales of*  
**9.3 Mn Cases**  
*in FY19*

- Launched new brands in IMIL Segment

- Launched new brands: 20-20, Ryder , Kadak Pan, GR-8 and experiencing good response from the market



- Proposed Issuance of Warrants to Promoters

- Strengthen position for Future Growth
- Proposed Issuance of 14,39,000 warrants at an issue price of Rs. 135.92

*Aspire to increase presence to*  
**12-15 States**  
*By Fiscal FY20*

- UNIBEV expands its geographic portfolio through launch in Chhattisgarh

# Q1FY20 – Profit & Loss Statement (Standalone)

| Particulars (In Rs MN)                | Q1 FY20        | Q1 FY19        | YoY (%)    | Q4 FY19        | QoQ         | FY19            | FY18           | YoY         |
|---------------------------------------|----------------|----------------|------------|----------------|-------------|-----------------|----------------|-------------|
| <b>Gross Revenues</b>                 | <b>3,124.2</b> | <b>2,582.1</b> | <b>21%</b> | <b>2,877.8</b> | <b>9%</b>   | <b>10,734.7</b> | <b>9,322.1</b> | <b>15%</b>  |
| Less- Excise duty                     | 168.0          | 267.0          | -37%       | 168.9          | -1%         | 891.5           | 771.4          | 16%         |
| <b>Net Revenues from Operations</b>   | <b>2,956.2</b> | <b>2,315.1</b> | <b>28%</b> | <b>2,708.9</b> | <b>9%</b>   | <b>9,843.2</b>  | <b>8,550.7</b> | <b>15%</b>  |
| Other Income                          | 13.8           | 7.7            | 78%        | 19.2           | -28%        | 79.5            | 54.0           | 47%         |
| <b>Total Income</b>                   | <b>2,970.0</b> | <b>2,322.8</b> | <b>28%</b> | <b>2,728.1</b> | <b>9%</b>   | <b>9,922.7</b>  | <b>8,604.7</b> | <b>15%</b>  |
| <b>Total Expenditure</b>              | <b>2,667.2</b> | <b>2,051.2</b> | <b>30%</b> | <b>2,434.1</b> | <b>10%</b>  | <b>8,901.0</b>  | <b>7,856.0</b> | <b>13%</b>  |
| Consumption of Material               | 1,859.1        | 1,362.7        | 36%        | 1,692.1        | 10%         | 5,974.9         | 5,169.0        | 16%         |
| Employee Cost                         | 75.0           | 55.7           | 35%        | 67.6           | 11%         | 256.1           | 228.0          | 12%         |
| Other Expenditure                     | 733.1          | 632.7          | 16%        | 674.3          | 9%          | 2,670.0         | 2,458.9        | 9%          |
| <b>EBITDA</b>                         | <b>302.8</b>   | <b>271.6</b>   | <b>11%</b> | <b>294.0</b>   | <b>3%</b>   | <b>1,021.7</b>  | <b>748.7</b>   | <b>36%</b>  |
| Depreciation & Amortization           | 92.2           | 90.1           | 2%         | 88.4           | 4%          | 361.1           | 361.9          | 0%          |
| <b>EBIT</b>                           | <b>210.6</b>   | <b>181.5</b>   | <b>16%</b> | <b>205.7</b>   | <b>2%</b>   | <b>660.7</b>    | <b>386.8</b>   | <b>71%</b>  |
| Finance Charges                       | 62.0           | 65.2           | -5%        | 60.0           | 3%          | 263.1           | 271.4          | -3%         |
| <b>PBT</b>                            | <b>148.6</b>   | <b>116.3</b>   | <b>28%</b> | <b>145.7</b>   | <b>2%</b>   | <b>397.6</b>    | <b>115.4</b>   | <b>244%</b> |
| Tax Expense (Current, Deferred Tax)*  | 54.4           | 40.9           | 33%        | 1.9            | 2769%       | 91.9            | 45.2           | 103%        |
| <b>PAT (From ordinary activities)</b> | <b>94.2</b>    | <b>75.4</b>    | <b>25%</b> | <b>143.8</b>   | <b>-35%</b> | <b>305.7</b>    | <b>70.2</b>    | <b>335%</b> |

\*Q4FY19: includes tax adjustments of Rs. (5.3) crores relating to prior years

# Q1FY20 – Key Ratios (Standalone)

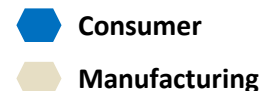
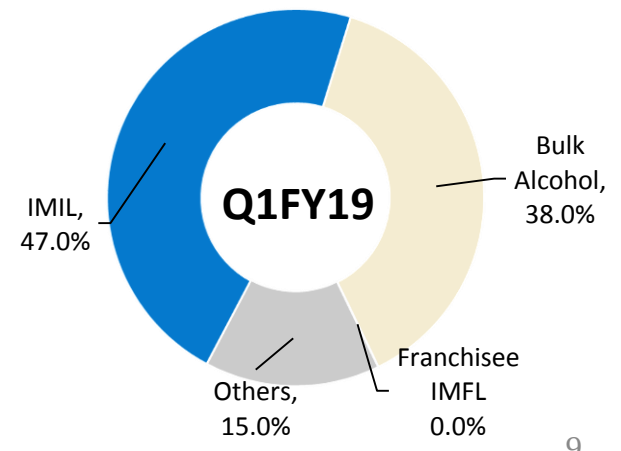
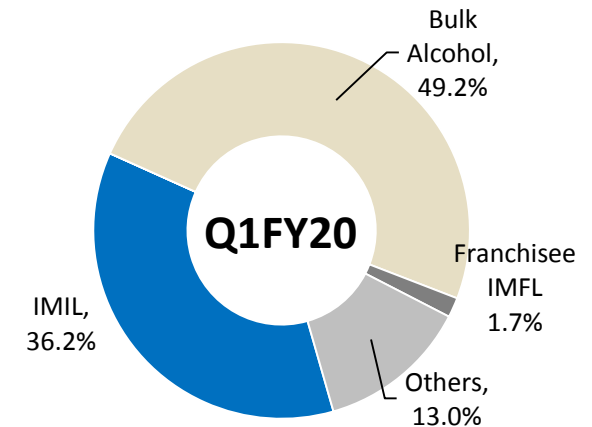
| Key Ratios as a % of Total Income | Q1 FY20 | Q1 FY19 | Q4 FY19 | FY19  | FY18  |
|-----------------------------------|---------|---------|---------|-------|-------|
| EBITDA                            | 10.2%   | 11.7%   | 10.8%   | 10.3% | 8.7%  |
| PAT                               | 3.2%    | 3.2%    | 5.3%    | 3.1%  | 0.8%  |
| Total Expenditure                 | 89.8%   | 88.3%   | 89.2%   | 89.7% | 91.3% |
| Raw material                      | 62.6%   | 58.7%   | 62.0%   | 60.2% | 60.1% |
| Employee Cost                     | 2.5%    | 2.4%    | 2.5%    | 2.6%  | 2.7%  |
| Other Expenditure                 | 24.7%   | 27.2%   | 24.7%   | 26.9% | 28.6% |
| Interest                          | 2.1%    | 2.8%    | 2.2%    | 2.7%  | 3.2%  |
| Depreciation                      | 3.1%    | 3.9%    | 3.2%    | 3.6%  | 4.2%  |
| Other Income                      | 0.5%    | 0.3%    | 0.7%    | 0.8%  | 0.6%  |



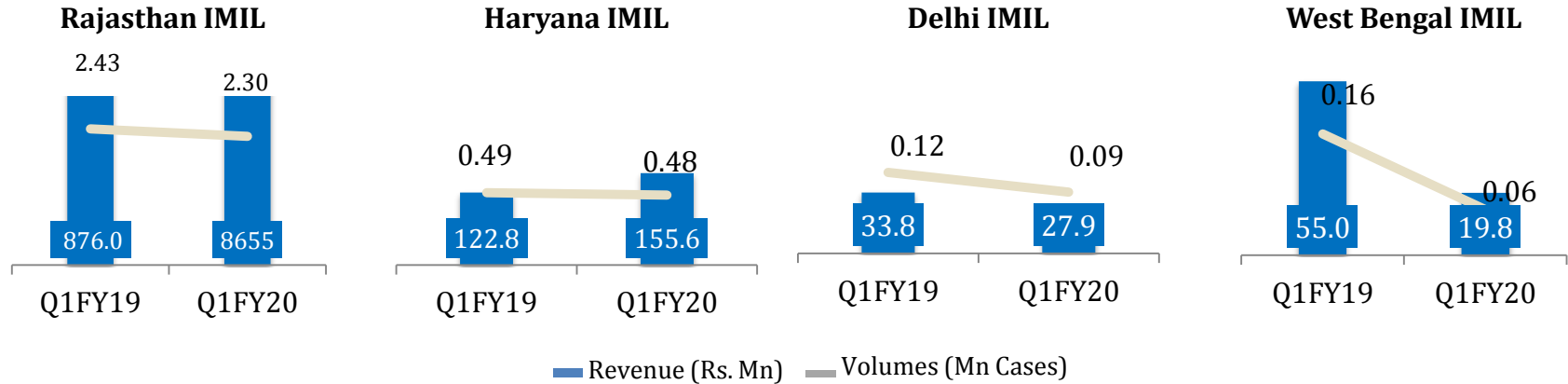
# Segmental Performance

- Revenues from manufacturing business stood at Rs. 1,887 mn in Q1 FY20, against Rs. 1,518 mn in Q1 FY19
  - Share of manufacturing business stood at 64% in Q1 FY20 against 54% in Q1FY19
- Share of consumer business stood at 36% in Q1 FY20 against 46% in the same period last year

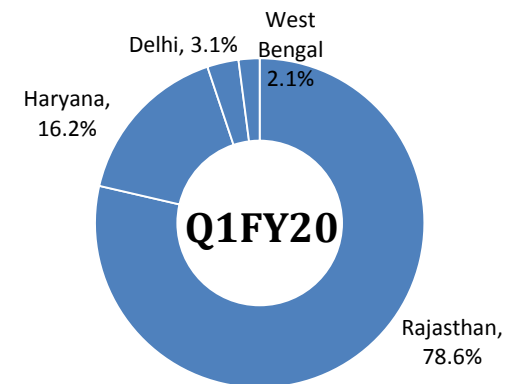
## Breakup of Revenue from Operations (Net)



# IMIL – Strong Consumer Business



## Q1FY20 IMIL Split by Volume (Total 2.93 mn cases)

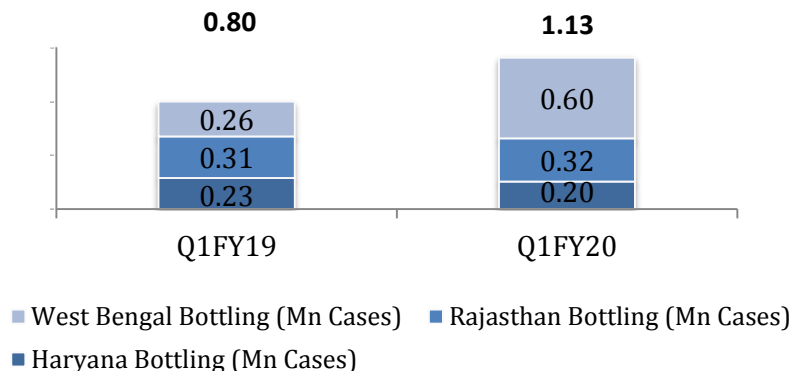


- Aggregate IMIL revenues stood at Rs. 1,068.8 mn (post excise duty) in Q1FY20

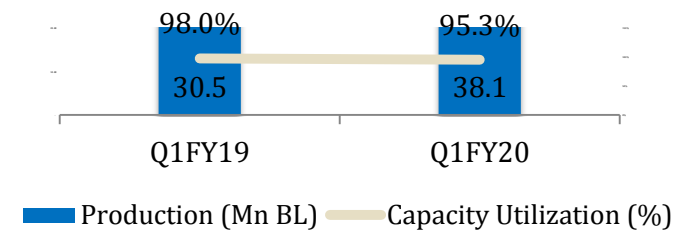
# Manufacturing – Robust Performance

- Capacity utilization stood at 95.3% in Q1 FY20 against 98% in Q1 FY19
- Q1FY20 - Total capacity increased to 160 mn bulk liters from 125 mn bulk liters in Q1FY19 (**Please note:** Bihar was not operational during Q1FY19)
- Captive consumption at 35%, higher bulk alcohol sales due to Bihar and ethanol off take
- Franchise Bottling volumes stood at 1.13 mn cases vs. 0.80 mn cases in Q1 FY19 driven by strong volume growth in West Bengal

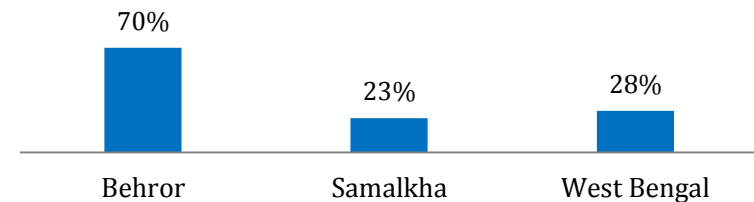
## Franchise Bottling



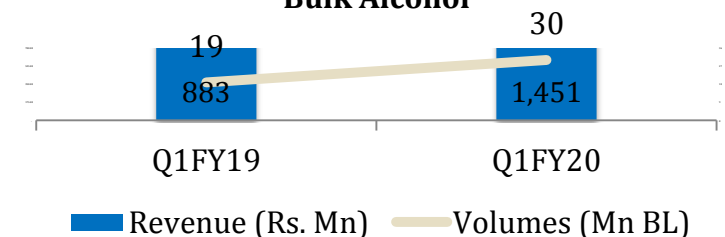
## Production & Capacity Utilization



## Captive Consumption as % of Production



## Bulk Alcohol





# COMPANY OVERVIEW

# Leveraging a Strong 360° Business Model

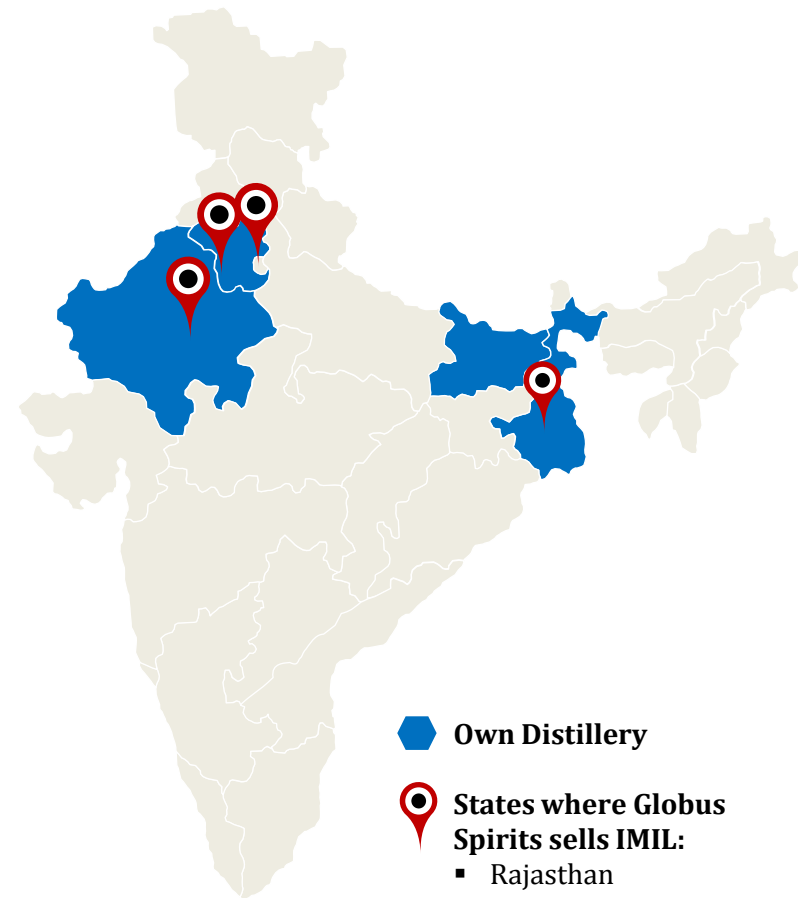


*Unique 360° model straddling across the entire alcohol value chain*

- **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
  - 2.30 mn cases sold in Q1FY20
- No. 4 private player in Haryana with 9% market share
  - 0.48 mn cases in sold in Q1 FY20
- 1% Market share in West Bengal
  - 0.06 mn cases sold in Q1 FY20



 Own Distillery

 States where Globus Spirits sells IMIL:

- Rajasthan
- Haryana
- Delhi
- West Bengal

# Growth Strategy

- Re-commencement of Bihar Facility

| Location | FY18 Production (Mn Liters) | Annual Production after Bihar Restart (Mn Liters) |
|----------|-----------------------------|---------------------------------------------------|
| Total    | 114                         | 153 (95%)                                         |

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

Average Realizations (Per Litre) 

In Q1FY20 at Rs. 48.1 vs 44.8 in Q1FY19

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

|                      | ENA (per liter) | Bottling (Per Case) | IMIL (Per Case) |
|----------------------|-----------------|---------------------|-----------------|
| Average Contribution | ~Rs. 8          | ~Rs. 12             | ~Rs. 20         |

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



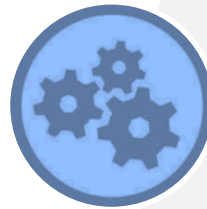
**Foray into Semi Premium and Premium IMFL**

# Unique Competitive Strengths



## 360° Business Model

- Only company present across full alcobev 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 0.52x (Q1FY20)
- 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

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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**

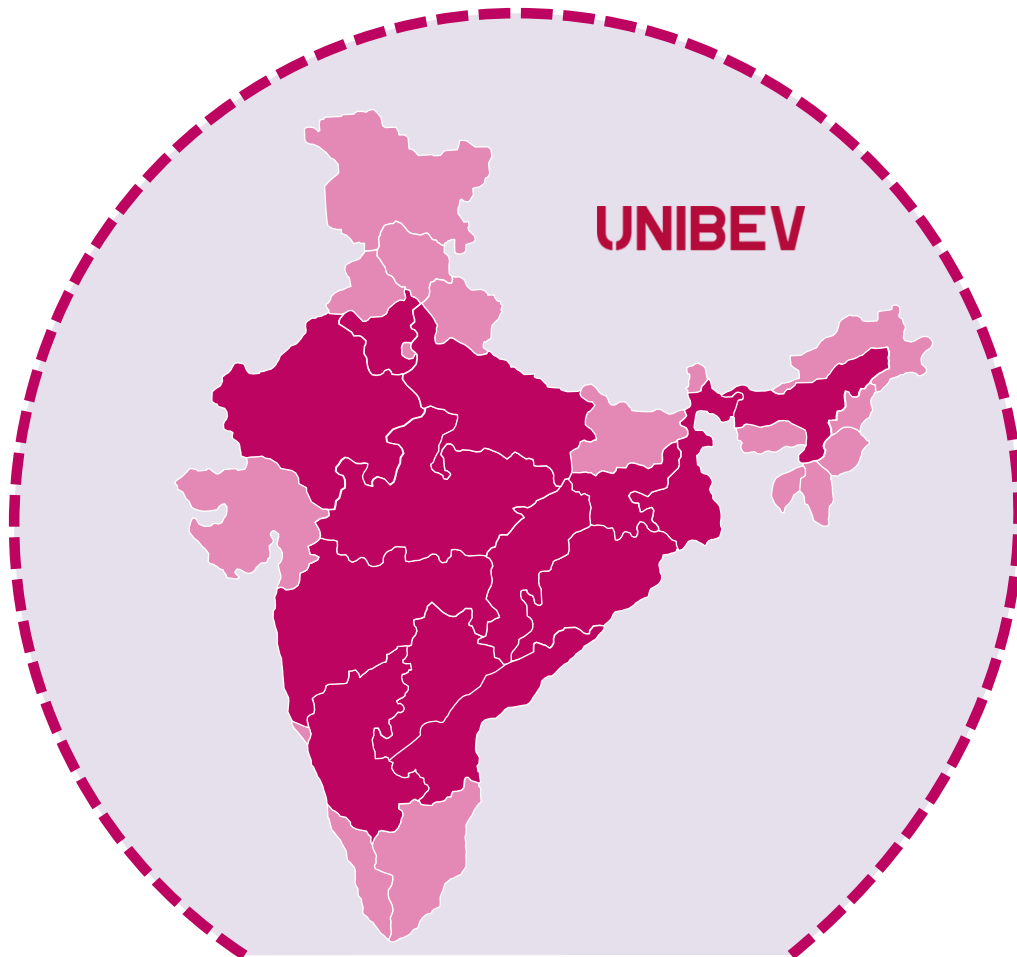


For the first time, discerning consumers in India will get **palate experience of Made in India whiskies which are blended with aged imported scotch from Scotland**



# Focus on Expanding Foot Prints

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**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)



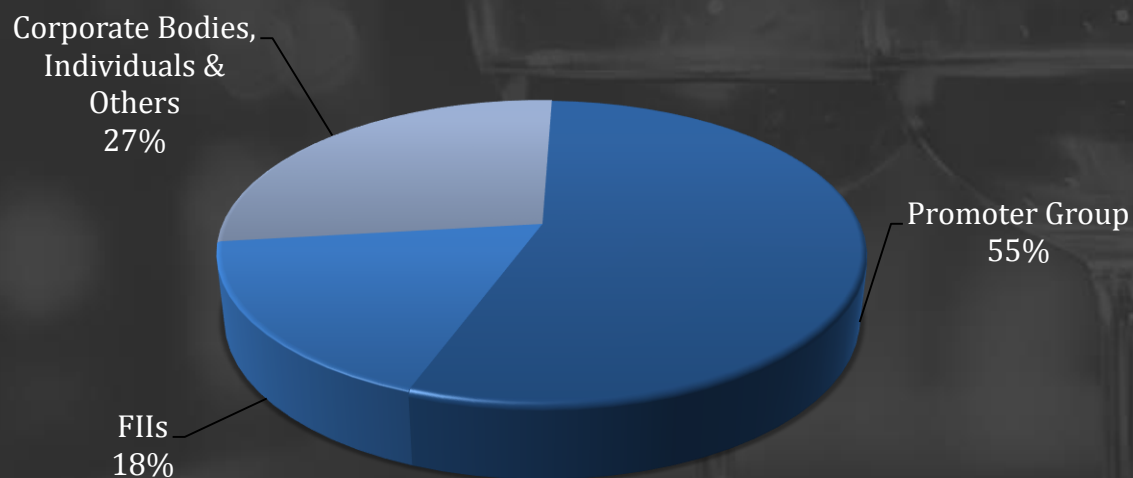
## UNIBEV (IMFL)



**UNIBEV**



# 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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