



ENABLING EXCELLENCE

# GLOBUS SPIRITS LIMITED

Result Presentation | August 2021

Bulk Alcohol | Value Segment | Franchise Bottling | Premium Segment



# TABLE OF CONTENT

---

## Q1FY22 Performance

|                        |   |
|------------------------|---|
| Performance Highlights | 3 |
| Segmental Performance  | 5 |
| Financial Highlights   | 8 |

## Annexure

|                      |    |
|----------------------|----|
| Company Overview     | 10 |
| Financials           | 20 |
| Shareholding Pattern | 26 |



# Q1FY22 | Performance Highlights

*Almost full quarter of operations despite second wave of COVID-19 in Q1FY22*

| Consolidated  | Q1FY22      | (QoQ %) | Q4FY21      |                                                                                                                                                                                        |
|---------------|-------------|---------|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Gross Revenue | Rs 5,506 Mn | 12%     | Rs 4,909 Mn | Gross revenue growth backed by increase in share of RML in the Consumer Business segment with revenue of Rs.1,555 Mn and higher sales volume of 29.9 Mn liters in Bulk Alcohol Segment |
| EBITDA        | Rs 992 Mn   | 11%     | Rs 893 Mn   | EBITDA Margin grew by ~180 bps QoQ in Q1FY22 from 24.9% to 26.7%, on account of higher RML share in Consumer Business and better realizations                                          |
| PAT           | Rs 557 Mn   | 10%     | Rs 506 Mn   | Finance cost declined by 23% YoY to Rs 39 Mn in Q1FY22                                                                                                                                 |
| Cash Profit   | Rs 660 Mn   | 7%      | Rs 617 Mn   | Continuing to generate high Cash Profit                                                                                                                                                |

# Key Business Updates

## Consumer Business:

- The share of Consumer Business grew to 42% in Q1FY22 from ~35% in Q1FY21, on the back of both volume and value growth
- The Value Segment sales volumes grew by 65% YoY to 3.3 Mn cases and realisations by 16% YoY and 10% QoQ to Rs 462.5 per case in Q1FY22
- **Manufacturing Business** posted growth in volumes sold both on YoY and QoQ basis in Q1FY22

## Expansion Update:

- **West Bengal:** Expansion work of additional 140 KLPD is nearing completion; Likely to be commissioned by September 2021
- **Jharkhand:** Planned expansion of 140 KLPD; Work has commenced recently and the project is expected to be commissioned in FY23
- Additional 140 KLPD expansion under evaluation between Bihar and another location; work expected to start later in FY22

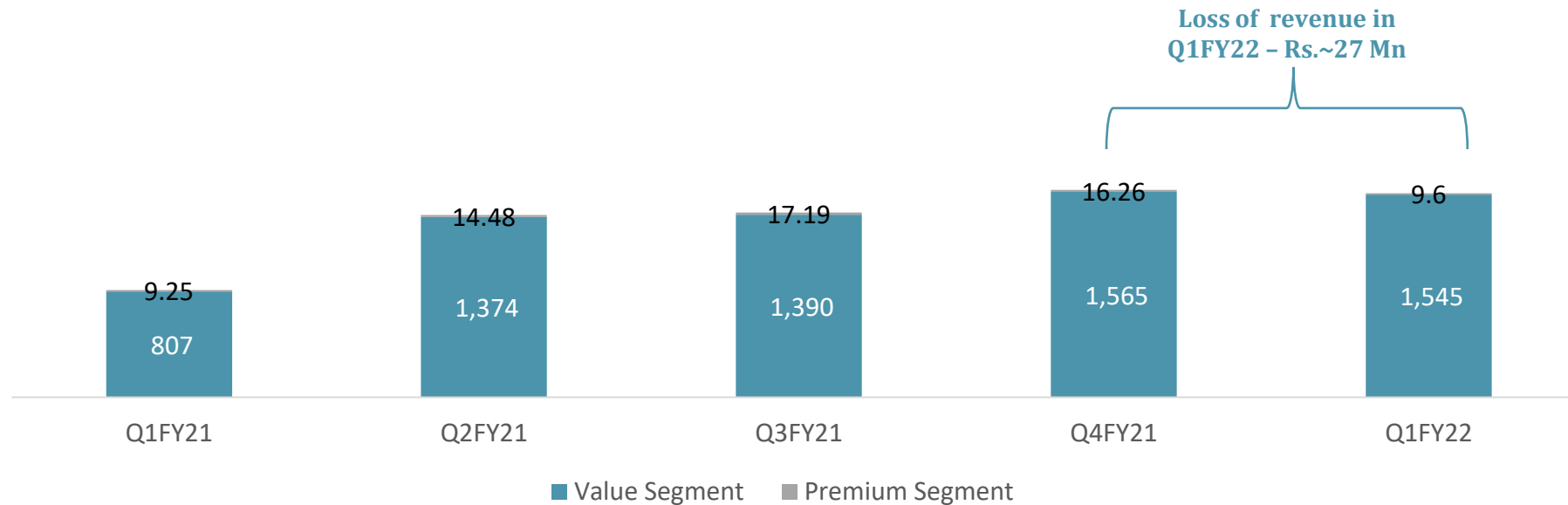
## Status of Unibev Merger:

- Shareholders, Secured Creditors and Unsecured Creditors of both the companies have already approved the scheme
- Final hearing at NCLT which was initially fixed for 10-Jun-21 has been postponed to 26-Aug-21 due to the second wave of Covid-19

# Consumer Segment- Value Added, High Margin

*Impact of second wave of COVID-19 in Q1FY22*

Value Segment & Premium Segment – Revenue Trend during the past 1 year (Rs. Mn )



**Aggregate Consumer Segment Revenue in Q1FY22 is Rs. 1,555 Mn and sales volume of 3.38 Mn cases**

Aggregate Value Segment realizations increased 16% YoY and 10% QoQ to Rs. 462.5 per case in Q1FY22

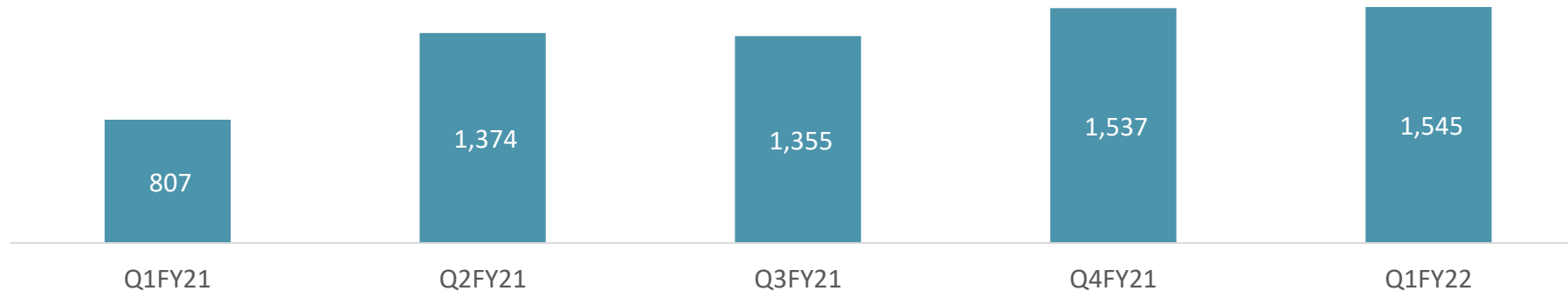
Note: Value Segment includes all Country Liquor and Medium Liquor Brands & Premium Segment includes all Unlbev brands



# Manufacturing Business – Strong Backbone

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

**Bulk Alcohol – Revenue trend during the past 1 year (Rs. Mn )**



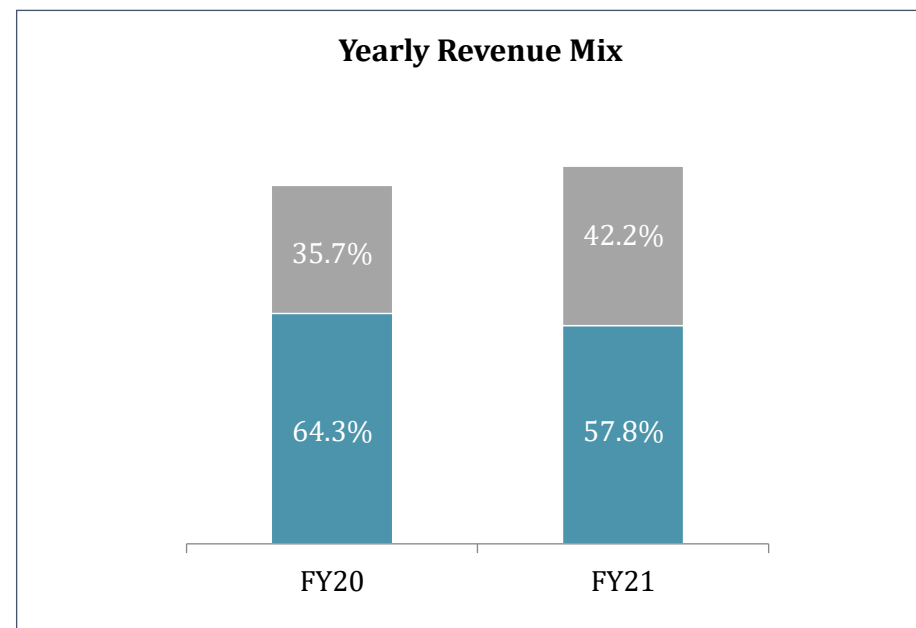
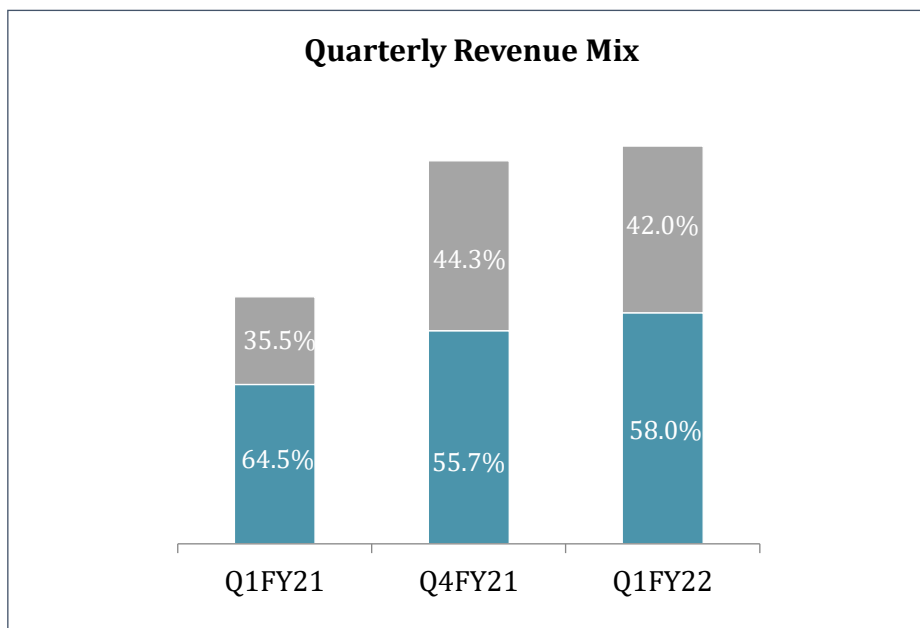
**Despite 2<sup>nd</sup> wave of Covid-19, the Capacity Utilization in Q1FY22 stood at 98% (58% in Q1FY21 and 99% in Q4FY21)**

Bulk Alcohol sales volumes stood at 29.9 Mn litre in Q1FY22, up 45% YoY and 5% QoQ

Average realization for bulk alcohol came in at Rs. 51.6 per litre in Q1FY22

# Net Revenue Mix – Segment-wise

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



■ Manufacturing Segment      ■ Consumer Segment

- **Share of Consumer business segment increased by ~650 bps YoY from 35.5% in Q1FY21 to 42% in Q1FY22**
- Manufacturing segment includes revenue from Bulk Alcohol, Franchise Bottling, Hand Sanitisers and Others (by-products)

# Profit & Loss Highlights | Q1FY22

*Consolidated financials*

| Particulars (Rs Mn)                   | Q1 FY22        | Q1 FY21        | YoY (%)       | Q4 FY21        | QoQ (%)      | FY21            |
|---------------------------------------|----------------|----------------|---------------|----------------|--------------|-----------------|
| <b>Gross Revenues</b>                 | <b>5,506.2</b> | <b>2,919.8</b> | <b>88.6%</b>  | <b>4,909.1</b> | <b>12.2%</b> | <b>16,721.3</b> |
| Less- Excise duty                     | 1,801.0        | 618.9          | 191.0%        | 1,342.3        | 34.2%        | 4,413.6         |
| <b>Net Revenues from Operations</b>   | <b>3,705.2</b> | <b>2,300.9</b> | <b>61.0%</b>  | <b>3,566.8</b> | <b>3.9%</b>  | <b>12,307.7</b> |
| Other Income                          | 10.8           | 8.7            | 24.1%         | 13.1           | -17.3%       | 65.6            |
| <b>Total Income</b>                   | <b>3,716.0</b> | <b>2,309.6</b> | <b>60.9%</b>  | <b>3,579.9</b> | <b>3.8%</b>  | <b>12,373.3</b> |
| <b>Total Expenditure</b>              | <b>2,724.1</b> | <b>1,907.8</b> | <b>42.8%</b>  | <b>2,687.4</b> | <b>1.4%</b>  | <b>9,760.7</b>  |
| Consumption of Material               | 1,839.5        | 1,397.4        | 31.6%         | 1,744.8        | 5.4%         | 6,531.6         |
| Employee Cost                         | 144.9          | 90.8           | 59.7%         | 90.5           | 60.2%        | 384.2           |
| Other Expenditure                     | 739.7          | 419.7          | 76.2%         | 852.2          | -13.2%       | 2,844.8         |
| <b>EBITDA</b>                         | <b>991.9</b>   | <b>401.8</b>   | <b>146.9%</b> | <b>892.5</b>   | <b>11.2%</b> | <b>2,612.6</b>  |
| Depreciation & Amortization           | 103.4          | 95.6           | 8.2%          | 110.9          | -6.8%        | 406.6           |
| <b>EBIT</b>                           | <b>888.5</b>   | <b>306.2</b>   | <b>190.2%</b> | <b>781.6</b>   | <b>13.7%</b> | <b>2,206.0</b>  |
| Finance Cost                          | 39.3           | 50.9           | -22.8%        | 40.9           | -4.0%        | 188.3           |
| <b>PBT</b>                            | <b>849.3</b>   | <b>255.3</b>   | <b>232.6%</b> | <b>740.7</b>   | <b>14.7%</b> | <b>2,017.7</b>  |
| Tax Expense (Current, Deferred Tax)   | 292.6          | 68.4           | 327.6%        | 234.4          | 24.8%        | 609.5           |
| <b>PAT (From ordinary activities)</b> | <b>556.7</b>   | <b>186.9</b>   | <b>197.8%</b> | <b>506.3</b>   | <b>10.0%</b> | <b>1,408.2</b>  |
| <b>EPS</b>                            | <b>19.33</b>   | <b>6.50</b>    | <b>197.4%</b> | <b>17.58</b>   | <b>10.0%</b> | <b>48.90</b>    |

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



# Key Ratios | Q1FY22

*Consolidated financials*

| Key Ratios (% of Total Income)  | Q1 FY22 | Q1 FY21 | Q4 FY21 | FY21  |
|---------------------------------|---------|---------|---------|-------|
| EBITDA Margin                   | 26.7%   | 17.4%   | 24.9%   | 21.1% |
| PAT                             | 15.0%   | 8.1%    | 14.1%   | 11.4% |
| Total Expenditure               | 73.3%   | 82.6%   | 75.1%   | 78.9% |
| Raw material                    | 49.5%   | 60.5%   | 48.7%   | 52.8% |
| Employee Cost                   | 3.9%    | 3.9%    | 2.5%    | 3.1%  |
| Other Expenditure               | 19.9%   | 18.2%   | 23.8%   | 23.0% |
| Finance Cost                    | 1.1%    | 2.2%    | 1.1%    | 1.5%  |
| Depreciation                    | 2.8%    | 4.1%    | 3.1%    | 3.3%  |
| Other Income (% of Net Revenue) | 0.3%    | 0.4%    | 0.4%    | 0.5%  |

EBITDA Margin expansion driven by higher share of Consumer business and on-going impact of Ethanol Sales leading to hire purchases by OMC'S, leading to higher ENA Margins

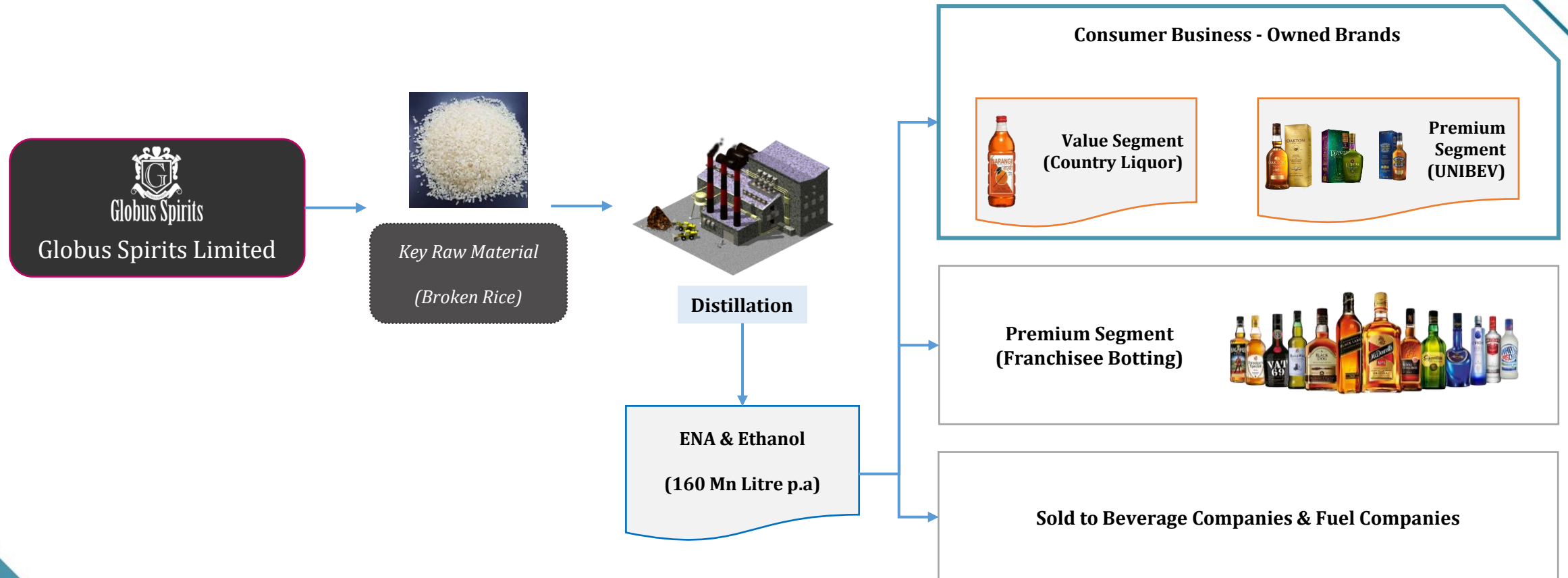
- Saving in Finance cost due to lower outstanding debt and lower interest cost
- Higher EBITDA Margin coupled with lower Finance Cost drove profitability at PAT level



# **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



- Recently, commenced Production of Sanitizers



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

Value Segment

Premium Segment



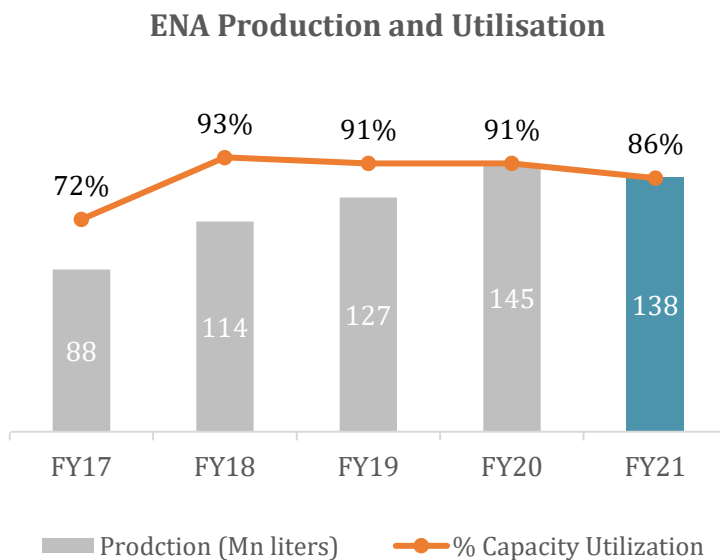


**Manufacturing Business**

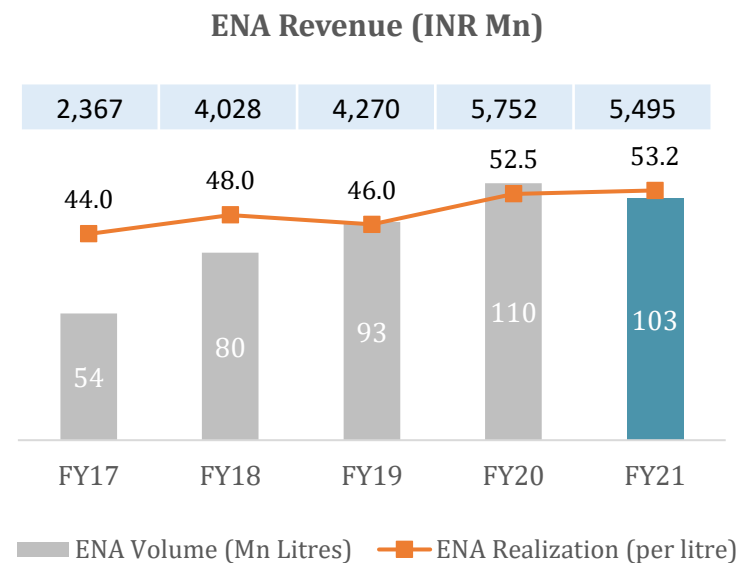
# 1. Bulk Alcohol

*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





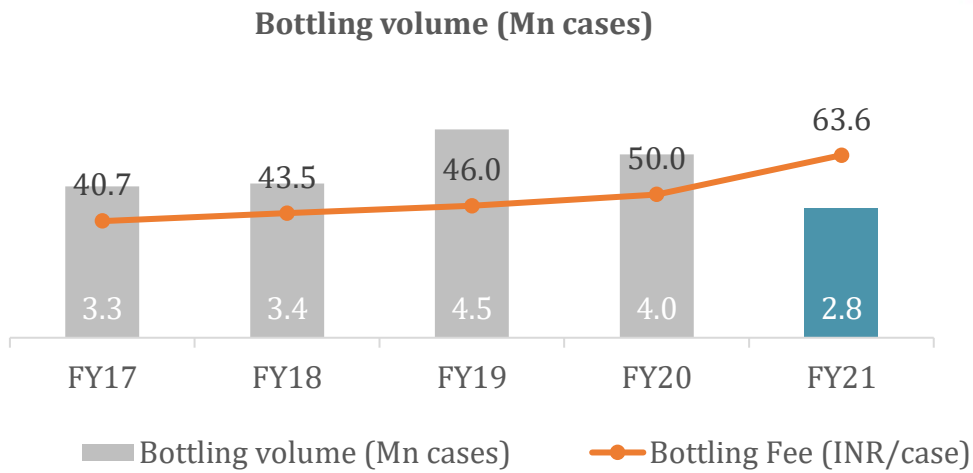
# 2. Franchisee Bottling

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



## Franchisee Bottling Brands

Diageo & USL in Haryana & West Bengal



ABD in Rajasthan



# 3. By-Products

*Process efficiencies lead to zero discharge and incremental revenues*

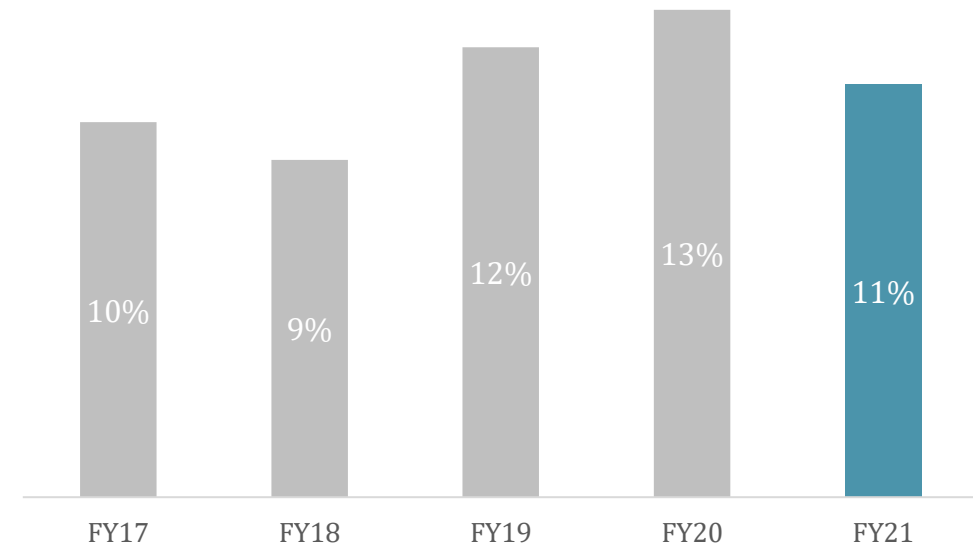
## ❑ Animal Feed Supplements (AFS)

- **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*

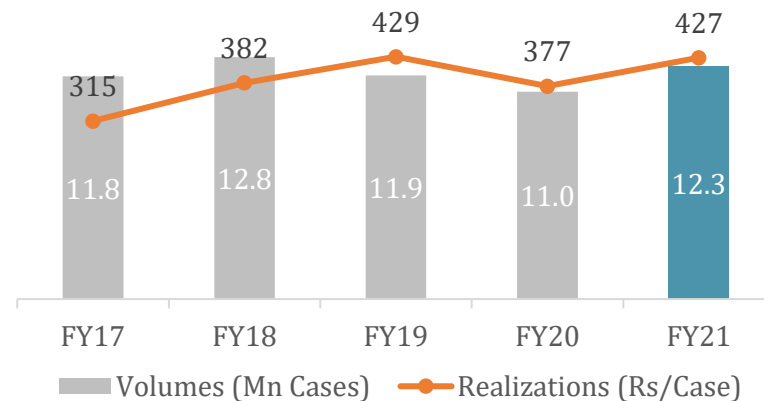
## Existing Product Portfolio



## 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

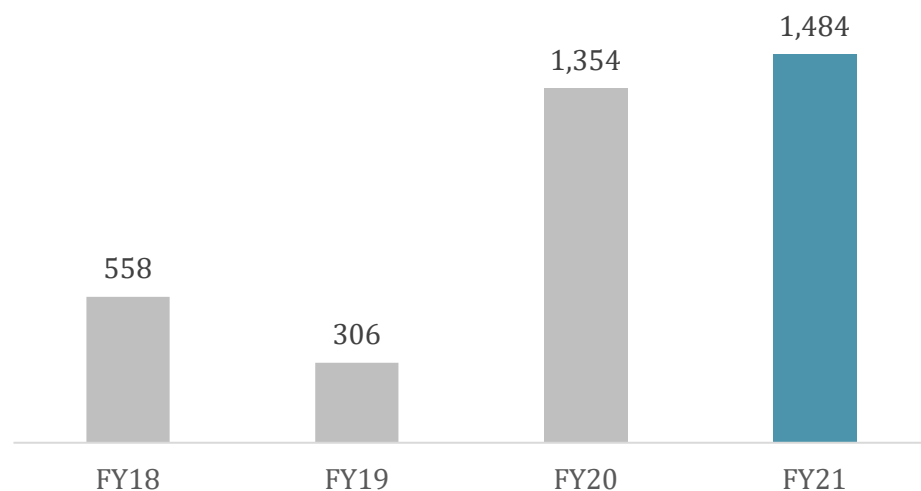
| Liabilities (INR Mn)                 | FY19          | FY20          | FY21          |
|--------------------------------------|---------------|---------------|---------------|
| Networth                             | 3978.8        | 4,473.0       | 5,853.2       |
| Minority Interest                    | -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)...



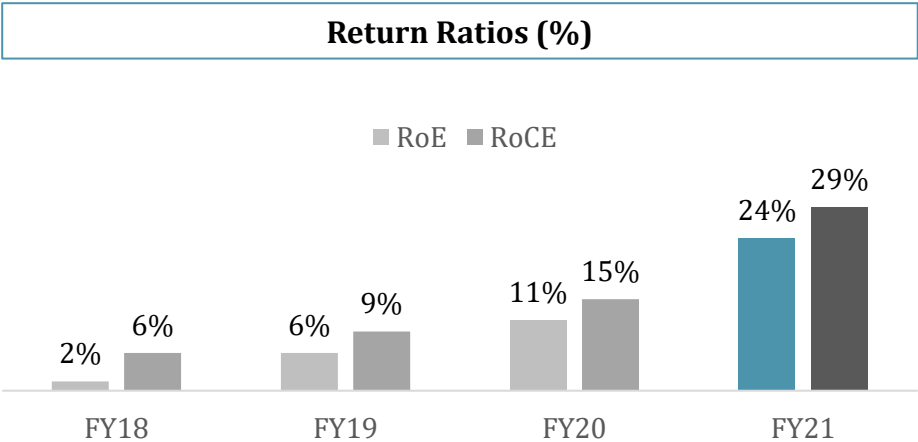
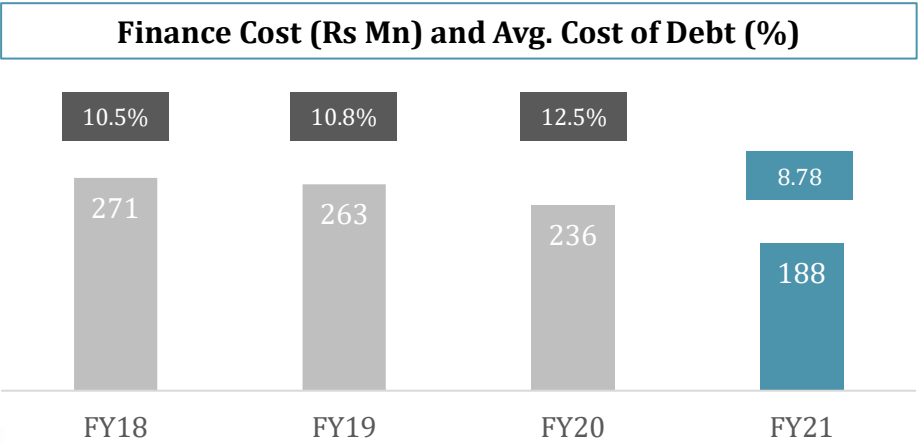
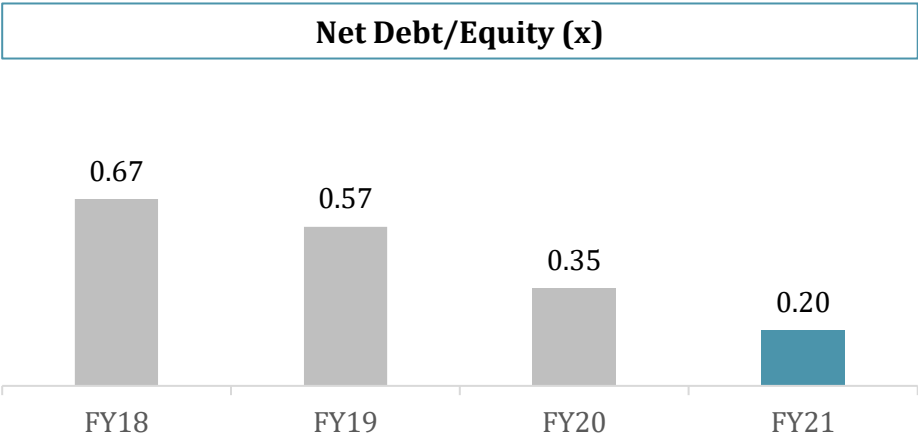
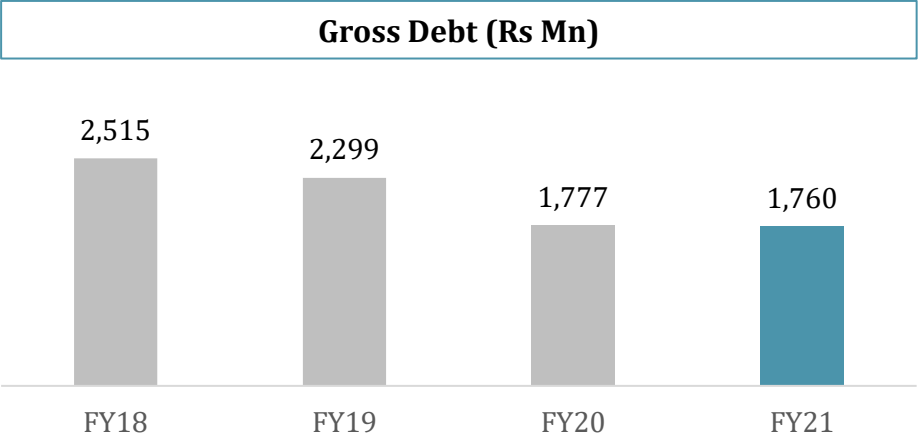
## ...Driven by the Following Key Factors

- **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*

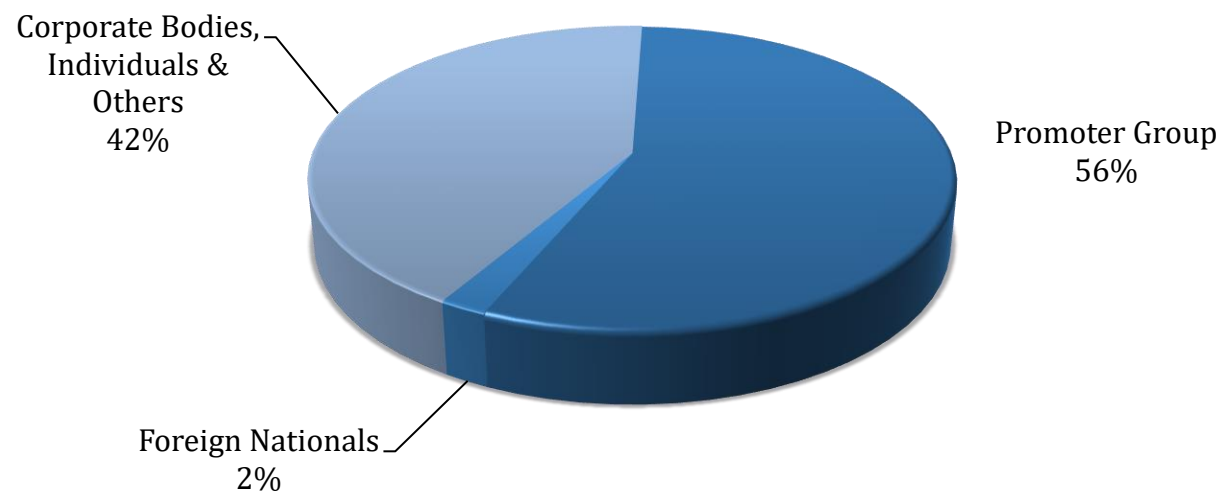
# Key Financial Ratios

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



# Shareholding Pattern

*Total outstanding equity shares as on June 30, 2021, stands at 28.8 Mn shares*



| Major Non-Promoter Shareholders % shareholding    |         |
|---------------------------------------------------|---------|
| Name                                              | % Share |
| Templeton Strategic Emerging Markets Fund IV, LDC | 2.08%   |



# Disclaimer

This presentation and the accompanying slides (the “Presentation”), which have been prepared by Globus Spirits Limited (the “Company”), solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. Unless otherwise stated in this document, the information contained herein is based on management information and estimates. The information contained is subject to change without notice and past performance is not indicative of future results. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company. This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded. Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guaranteeing of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and worldwide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks.

You acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely and completely responsible for forming your own view of the potential future growth and performance of the Company. The Company will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update, amend, modify or revise these forward-looking statements to reflect subsequent events or developments. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statement/s and projection/s made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third-party statement/s and projection/s. The contents of this presentation have not been reviewed by any regulatory authority in any jurisdiction where such presentation has been made or distributed.

*Rare Premium*  
**GRAIN WHISKY**



**A RARE BREED**

BLENDED WITH  
**18**  
YEAR OLD  
SCOTCH

## Let's Connect

**Mr. Bhaskar Roy**  
**Globus Spirits Limited**

Phone: +91 11 6642 4600

Email: [broy@globusgroup.in](mailto:broy@globusgroup.in)

**Ms. Pooja Sharma / Ms. Sheetal Keswani**  
**Stellar IR Advisors**

Phone: +91 22 62398024

Email: [pooja.sharma@stellar-ir.com](mailto:pooja.sharma@stellar-ir.com) / [sheetal@stellar-ir.com](mailto:sheetal@stellar-ir.com)