



GLOBUS SPIRITS LIMITED

"Strong Backbone, Marching towards High Value Segments"

Result Presentation | May 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 0.56x in FY19 vs 0.64x in FY18**

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

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

AGENDA

Q4 FY19 Performance

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QUARTER HIGHLIGHTS

Q4FY19 – Performance Highlights (Standalone)

- **Total Income (net of excise duty) stood at Rs. 2,728 mn in Q4FY19, 38% growth against Rs. 1,973 mn in Q4FY18**

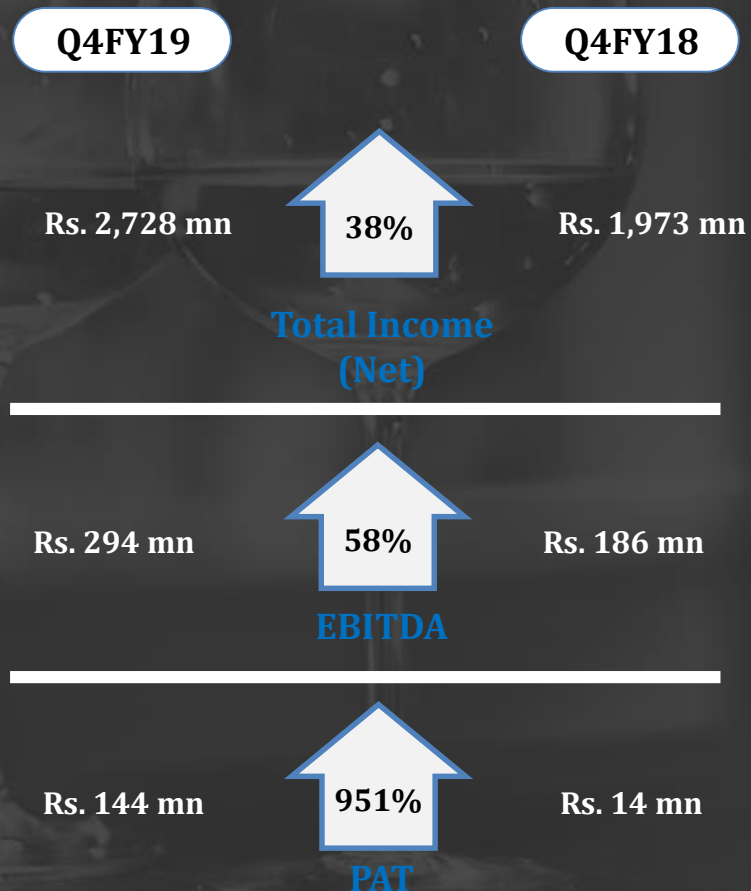
- Higher Bulk Alcohol sales; ENA volumes grew by 51% YoY and realization grew by 12% YoY
- Strong volume growth in Franchisee Bottling, revenue grew by 21% YoY
- DDGS also experienced increased realizations

- **EBITDA for the quarter stood at Rs. 294 mn in Q4FY19, increase of 58% YoY**

- Improved operational margins on account of improved cost efficiencies

- **PAT at Rs. 144 mn compared to Rs. 14 mn in Q4FY18, increase of 9.5x**

- Lower interest costs and better operational performance aided profitability



Key Developments during the quarter

- **ENA experienced better realizations on account of Ethanol wave**

- ENA realizations stood at ~Rs. 48.6 per litre in Q4FY18
- ENA volumes for the quarter ended Q4FY19 were at 26.5 mn litres up ~50% YoY

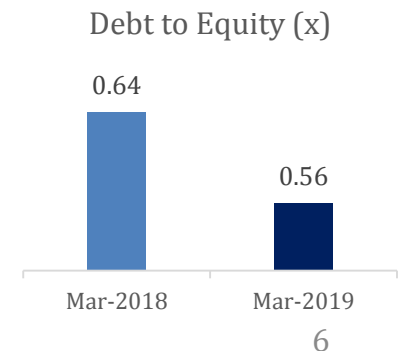


- **UNIBEV expands its geography portfolio through launch in Andhra Pradesh**



- **Debt as on Mar 2019 stood at Rs. 228 crores against Rs. 242 crores as on Mar 2018**

- Net repayment for the fiscal stood at ~Rs. 14 crores



Q4FY19 – Profit & Loss Statement (Standalone)

Particulars (In Rs MN)	Q4 FY19	Q4 FY18	YoY (%)	Q3 FY19	QoQ	FY19	FY18	YoY
Gross Revenues	2,877.8	2,221.2	30%	2,783.2	3%	10,734.7	9,322.1	15%
Less- Excise duty	168.9	258.1	-35%	215.5	-22%	891.5	771.4	16%
Net Revenues from Operations	2,708.9	1,963.1	38%	2,567.8	5%	9,843.2	8,550.7	15%
Other Income	19.2	9.7	98%	41.1	-53%	79.5	54.0	47%
Total Income	2,728.1	1,972.7	38%	2,608.8	5%	9,922.7	8,604.7	15%
Total Expenditure	2,434.1	1,786.3	36%	2,358.6	3%	8,901.0	7,856.0	13%
Consumption of Material	1,692.1	1,119.1	51%	1,578.5	7%	5,974.9	5,169.0	16%
Employee Cost	67.6	57.3	18%	69.1	-2%	256.1	228.0	12%
Other Expenditure	674.3	610.0	11%	711.0	-5%	2,670.0	2,458.9	9%
EBITDA	294.0	186.4	58%	250.2	18%	1,021.7	748.7	36%
Depreciation & Amortization	88.4	91.5	-3%	91.3	-3%	361.1	361.9	0%
EBIT	205.7	94.9	117%	158.9	29%	660.7	386.8	71%
Finance Charges	60.0	66.7	-10%	67.1	-11%	263.1	271.4	-3%
PBT	145.7	28.1	418%	91.8	59%	397.6	115.4	244%
Tax Expense (Current, Deferred Tax)	1.9	14.4	-87%	33.4	-94%	91.9	45.2	103%
PAT (From ordinary activities)	143.8	13.7	951%	58.4	146%	305.7	70.2	335%

Note : The Company has aligned its policy of Revenue Recognition with Ind AS 115 – “Revenue from contracts with Customers” pursuant to which it is no longer reporting ‘Income from Brand Franchisee’ separately in the revenues. Consequent to these changes, there is no impact on the total equity and profit.

Q4FY19 – Key Ratios (Standalone)

Key Ratios as a % of Total Income	Q4 FY19	Q4 FY18	Q3 FY19	FY19	FY18
EBITDA	10.8%	9.4%	9.6%	10.3%	8.7%
PAT	5.3%	0.7%	2.2%	3.1%	0.8%
Total Expenditure	89.2%	90.6%	90.4%	89.7%	91.3%
Raw material	62.0%	56.7%	60.5%	60.2%	60.1%
Employee Cost	2.5%	2.9%	2.6%	2.6%	2.7%
Other Expenditure	24.7%	30.9%	27.3%	26.9%	28.6%
Interest	2.2%	3.4%	2.6%	2.7%	3.2%
Depreciation	3.2%	4.6%	3.5%	3.6%	4.2%
Other Income	0.7%	0.5%	1.6%	0.8%	0.6%

Balance Sheet as on March 2019 (Standalone)

Rs. in Mn	Mar - 19	Mar - 18
Non-current assets	6,387.5	6,533.1
Fixed assets	5,860.1	6,090.1
Financial Assets	361.9	257.5
Income Tax Assets (net)	15.3	31.9
Other Non Current assets	150.1	153.6
Current assets	1,410.9	1,234.8
Inventories	708.4	603.8
Trade receivables	475.5	483.5
Cash and bank balances	24.8	23.5
Loans	57.7	10.3
Other financial Assets	10.0	10.1
Other current assets	134.5	103.6
Total Assets	7,798.3	7,767.9

Rs. in Mn	Mar - 19	Mar - 18
Shareholder's Fund	4,100.1	3,793.7
Share capital	288.0	288.0
Other equity	3,812.1	3,505.7
Non-current liabilities	1,976.4	1,737.7
Long term borrowings	1,692.9	1,434.9
Provisions	17.2	17.0
Deferred tax liabilities	241.5	258.7
Other non-current liabilities	24.9	27.1
Current liabilities	1,721.8	2,236.6
Short term borrowings	314.2	785.7
Trade Payables	928.7	962.0
Other financial liabilities	363.8	378.7
Other current liabilities	88.5	95.3
Current tax liabilities (net)	10.2	0.0
Provisions	16.5	14.8
Total Liabilities	7,798.3	7,767.9

FY19 – Profit & Loss Statement (Consolidated)

Particulars (In Rs MN)	FY19	FY18	YoY
Gross Revenues	10,807.0	9,323.8	16%
Less- Excise duty	947.9	771.4	23%
Net Revenues from Operations	9,859.1	8,552.4	15%
Other Income	70.9	53.2	33%
Total Income	9,930.0	8,605.6	15%
Total Expenditure	8,976.6	7,870.5	14%
Consumption of Material	5,990.2	5,169.0	16%
Employee Cost	277.3	229.4	21%
Other Expenditure	2,709.1	2,472.1	10%
EBITDA	953.3	735.0	30%
Depreciation & Amortization	361.2	362.0	0%
EBIT	592.2	373.0	59%
Finance Charges	263.1	271.4	-3%
PBT	329.1	101.7	224%
Tax Expense (Current, Deferred Tax)	91.9	45.2	103%
PAT (From ordinary activities)	237.2	56.5	320%

Investing in High value

Future Segment

Current focus to spend on

UNIBEV
Brand Building

Impacted current

Operating Margins

Note : The Company has aligned its policy of Revenue Recognition with Ind AS 115 – “Revenue from contracts with Customers” pursuant to which it is no longer reporting ‘Income from Brand Franchisee’ separately in the revenues. Consequent to these changes, there is no impact on the total equity and profit.

Balance Sheet as on March 2019 (Consolidated)

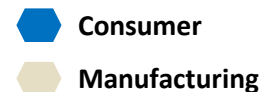
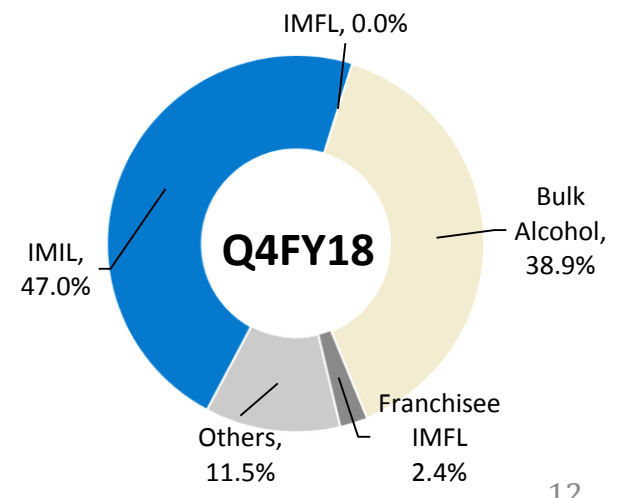
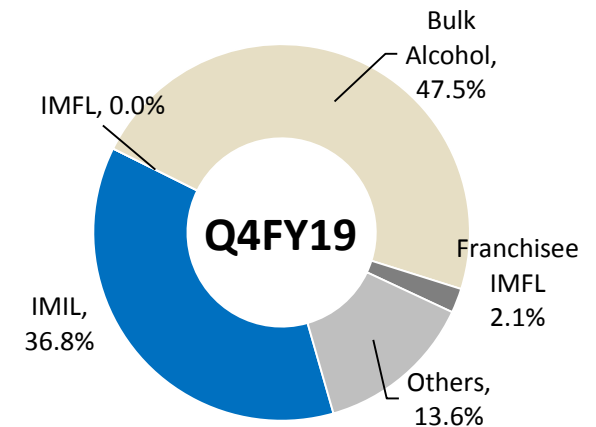
Rs. in Mn	Mar - 19	Mar - 18
Non-current assets	6,175.8	6,462.6
Fixed assets	5,860.4	6,090.3
Financial Assets	149.6	186.8
Income Tax Assets (net)	15.3	31.9
Other Non Current assets	150.5	153.6
Current assets	1,516.3	1,249.1
Inventories	777.8	603.8
Trade receivables	490.9	483.5
Cash and bank balances	25.1	24.4
Loans	60.9	12.2
Other financial Assets	10.0	10.1
Other current assets	151.7	115.0
Total Assets	7,692.1	7,711.7

Rs. in Mn	Mar - 19	Mar - 18
Shareholder's Fund	3,971.6	3,733.7
Share capital	288.0	288.0
Other equity	3,690.8	3,446.7
Non controlling interest	-7.2	-1.0
Non-current liabilities	1,978.9	1,737.7
Long term borrowings	1,695.4	1,434.9
Provisions	17.2	17.0
Deferred tax liabilities	241.5	258.7
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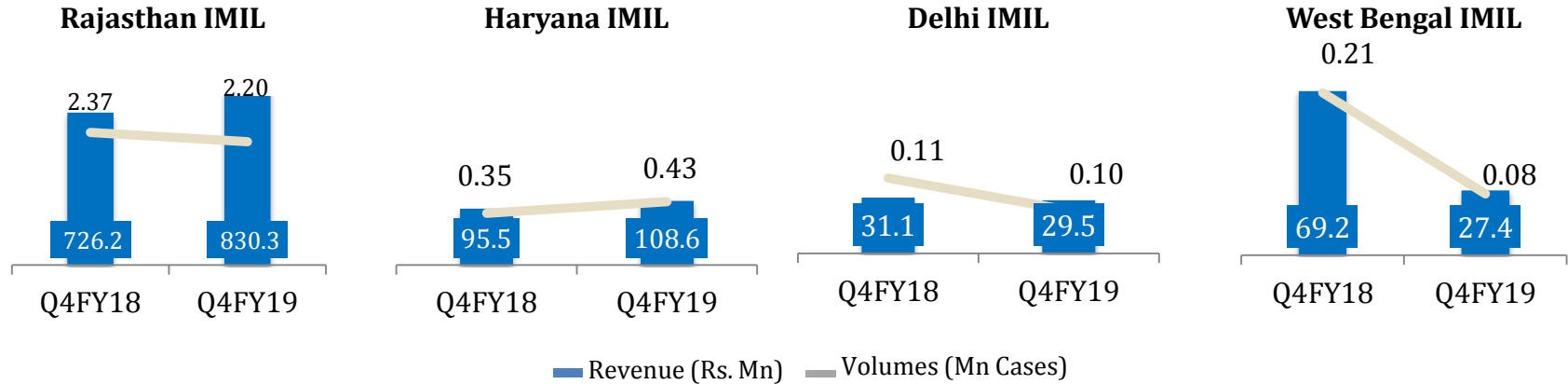
Segmental Performance

Breakup of Revenue from Operations (Net)

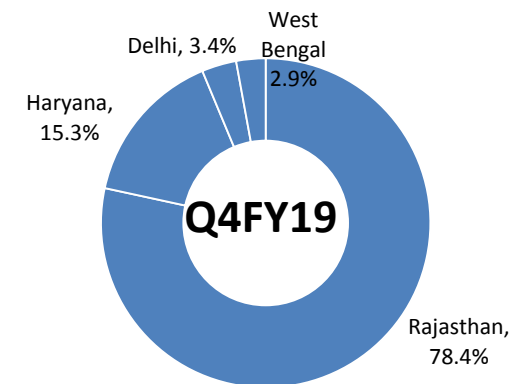
- Revenues from manufacturing business stood at Rs. 1,713 mn in Q4 FY19, against Rs. 1,041 mn in Q4 FY18
 - Share of manufacturing business stood at 63% in Q4 FY19
- Share of consumer business stood at 37% in Q4 FY19 against 47% in the same period last year



IMIL – Strong Consumer Business



**Q4FY19 IMIL Split by Volume
(Total 2.81 mn cases)**

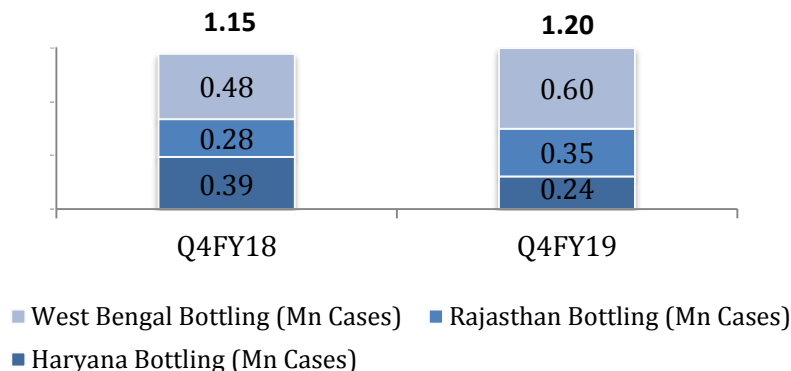


- Aggregate IMIL revenues stood at Rs. 996 mn in Q4FY19 a growth of 8% compared to same period previous year

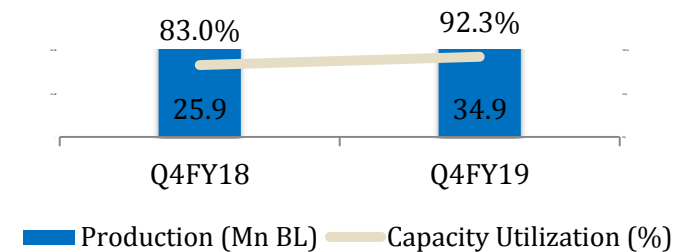
Manufacturing – Robust Performance

- Capacity utilization stood at 92.3% in Q4 FY19 against 83.0% in Q4FY18 (Q4FY19 utilization includes Bihar Facility)
- Captive consumption at 38%, higher bulk alcohol sales due to Bihar and ethanol off take
- Franchise Bottling volumes stood at 1.20 mn cases vs. 1.15 mn cases in Q4 FY19 driven by strong volume growth in West Bengal

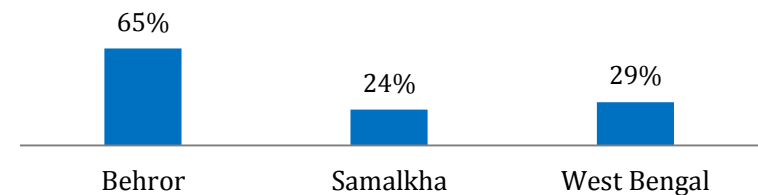
Franchise Bottling



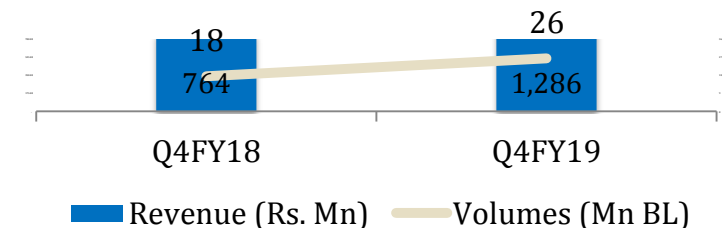
Production & Capacity Utilization



Captive Consumption as % of Production



Bulk Alcohol





COMPANY OVERVIEW

Leveraging a Strong 360° Business Model

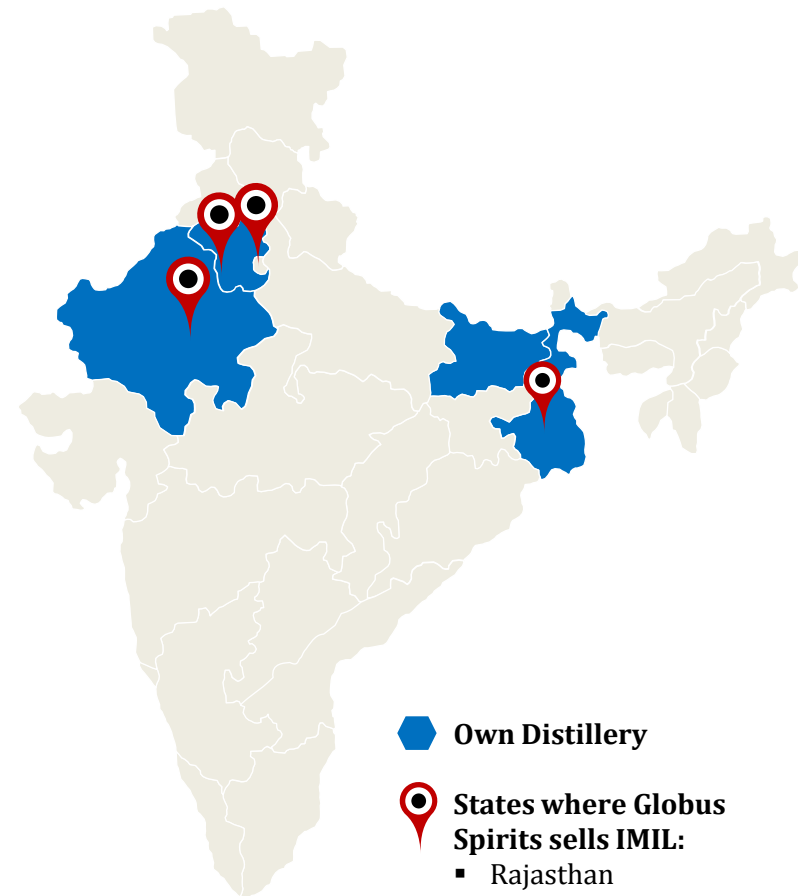


Unique 360° model straddling across the entire alcohol value chain

- **Large, efficient manufacturing operations**
 - Amongst the largest and most efficient grain-based distillery operations in India with ~150 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 30% market share
 - 2.20 mn cases sold in Q4FY19
- No. 4 private player in Haryana with 8% market share
 - 0.43 mn cases in sold in Q4 FY19
- Increasing market share in West Bengal
 - 0.08 mn cases sold in Q4 FY19



 Own Distillery

 States where Globus Spirits sells IMIL:

- Rajasthan
- Haryana
- Delhi
- West Bengal

Growth Strategy

- Re-commencement of Bihar Facility

Location	FY18 Production (Mn Litres)	Annual Production after Bihar Restart
Total	114	139 (90%)

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

Average Realizations (Per Litre)



In Q4FY19 at Rs. 48.6 vs 43.5 in Q4FY18

- 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



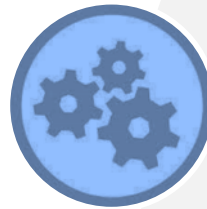
Foray into Semi Premium and Premium IMFL

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 0.56x (FY19)
- Cash efficient operations

UNIBEV – Lead by Industry veteran Mr. Vijay Rekhi



Mr. Vijay Rekhi was the long-time managing director of India's United Spirits (USL) prior to its takeover by Diageo in 2012

Strategy

- Focus on premium IMFL
- Build portfolio of 4-6 niche brands in price segments which contribute max profit and currently only have 2-3 dominant brands

Premium IMFL – Attractive Industry Segment

- Premium IMFL is a highly attractive segment account for over 45% of total profit contribution with just 13% of total volumes - ~40 million cases and Rs 2,420 crore gross profit
- Indian premium alcohol market is growing at a steady CAGR of 8% in last 3 years compared to flattish performance of overall IMFL industry

“ At UNIBEV we provide our customers better blends with world-class packaging, to elevate the consumer's drinking experience ”

Current Brand Portfolio

Globus Spirits Limited (IMIL)



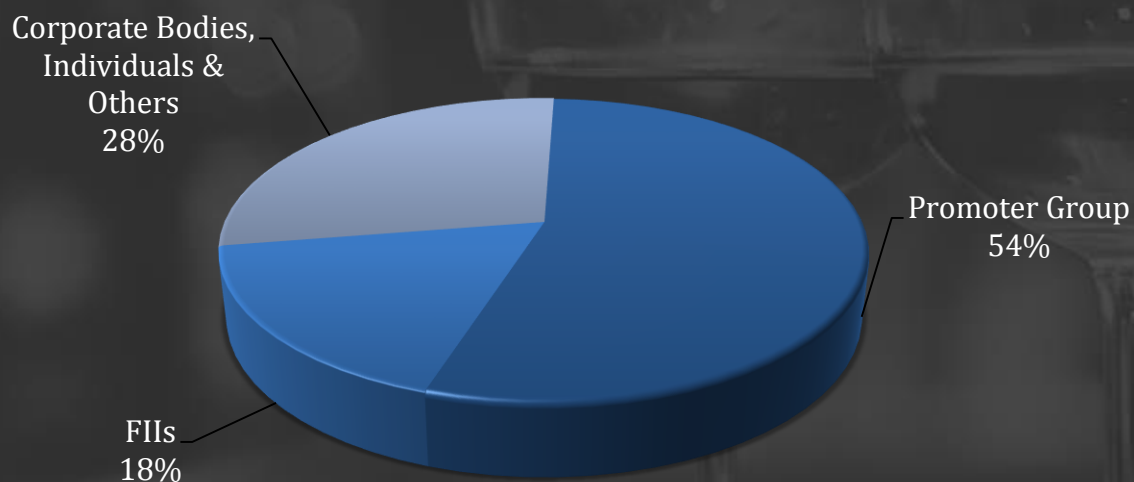
UNIBEV (IMFL)



UNIBEV



Shareholding Pattern



As on March 31, 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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