



Globus Spirits

GLOBUS SPIRITS LIMITED

Q4 & FY15

Investor Presentation

SAFE HARBOR

This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Globus Spirits’ future business developments and economic performance.

While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

Globus Spirits Limited undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances .

AGENDA

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GLOBUS: LEADERSHIP IN IMIL WITH BIHAR LAUNCH

1

No. 1 private player in Rajasthan IMIL with 25% market share

- 5.6 mn cases in sold in FY15, up 20% YoY

2

No. 2 private player in Haryana with 10% market share

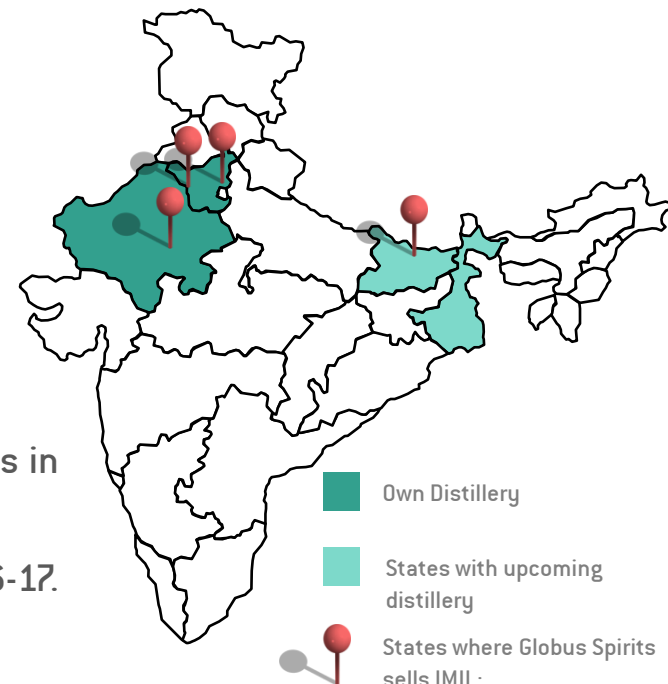
- 2.3 mn cases in sold in FY15

Enters Bihar IMIL through a tie-up in Jan-15

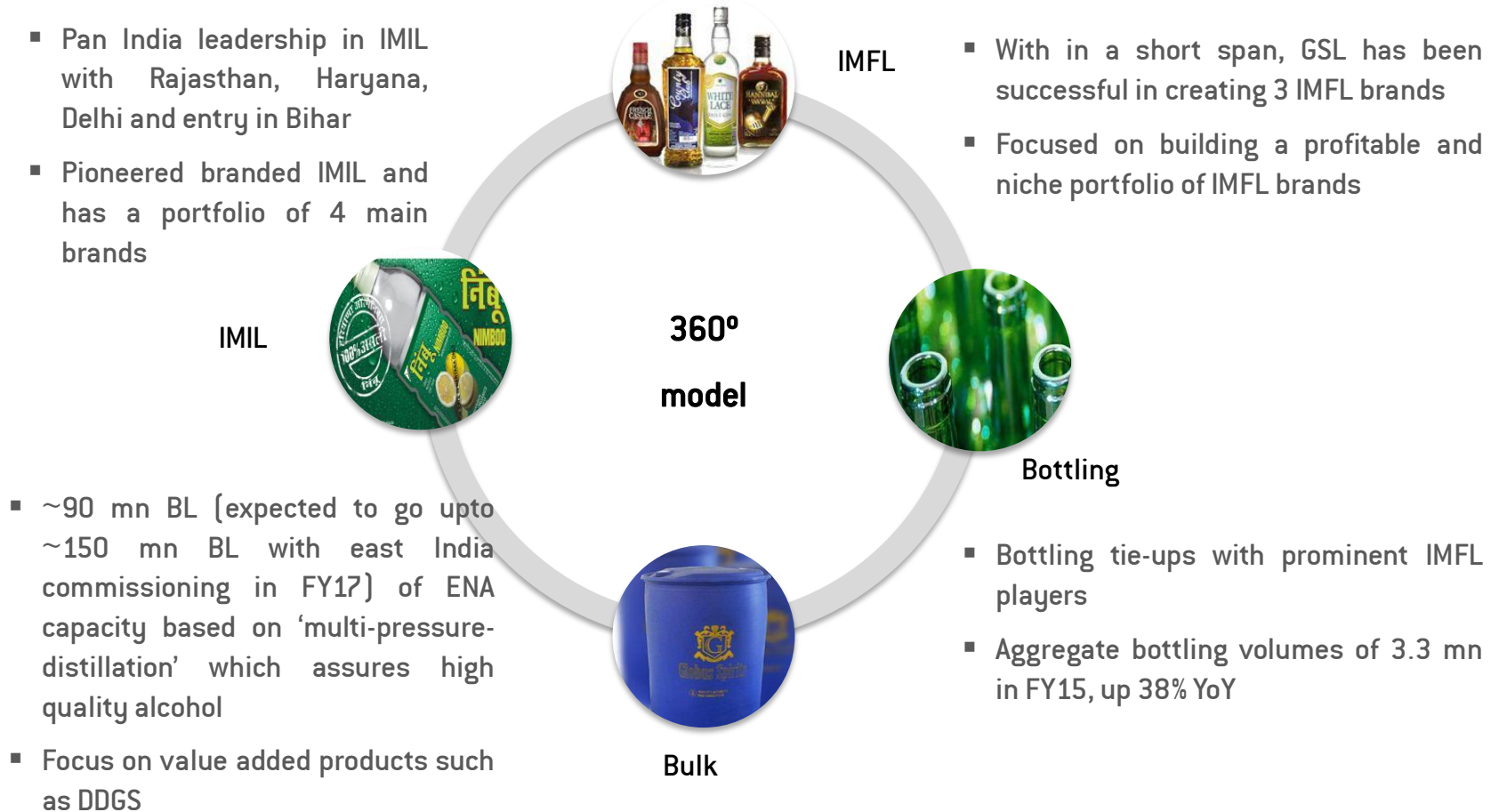
3

Distillery to be set up in Bihar and WB market in FY17

- Bihar launched in Jan 2015 through a tie-up sold 0.28 mn cases in Q4FY15, accounting for 11% of Q4FY15 IMIL volumes
- Bihar and WB distillery expected to be operational during FY16-17. Combined capacity of ~60 mn BL
- Exclusive marketing rights in Patna municipality (as per 5-year tender), the biggest district market in Bihar - ~2.5 mn cases p.a.



LEVERAGING A **STRONG 360°** BUSINESS MODEL



FY15 – KEY HIGHLIGHTS

Strong 360° revival aided by Bihar IMIL entry, franchisee, exports & DDGS

- Standalone Revenue from operations up 18% YoY to reach Rs 5,857mn in FY15 driven by strong traction across all business verticals in existing markets and launch of Bihar IMIL and DDGS
- EBITDA up 8% YoY to reach Rs 487mn in FY15
- Net Profit up 65% YoY to reach Rs 71mn in FY15

Both consumer and manufacturing deliver

- FY15 Consumer revenues up 13% YoY as IMIL volumes increase 9% YoY to reach 8.6mn cases with robust performance in Rajasthan and launch in Bihar in Jan-15
- Manufacturing revenues up 22% YoY driven by 38%YoY growth in aggregate franchisee volumes and traction in bulk exports
- DDGS, a new by-product launched in Q2 FY15, showing strong market potential. DDGS production capacity at ~110tpd across Behror and Samalkha.

East India expansion on track – expected to be commissioned by Q2 FY17

FY15 YOY – ROBUST GROWTH IN REVENUES AND PROFITS

Figures in Rs Million, Standalone Financials

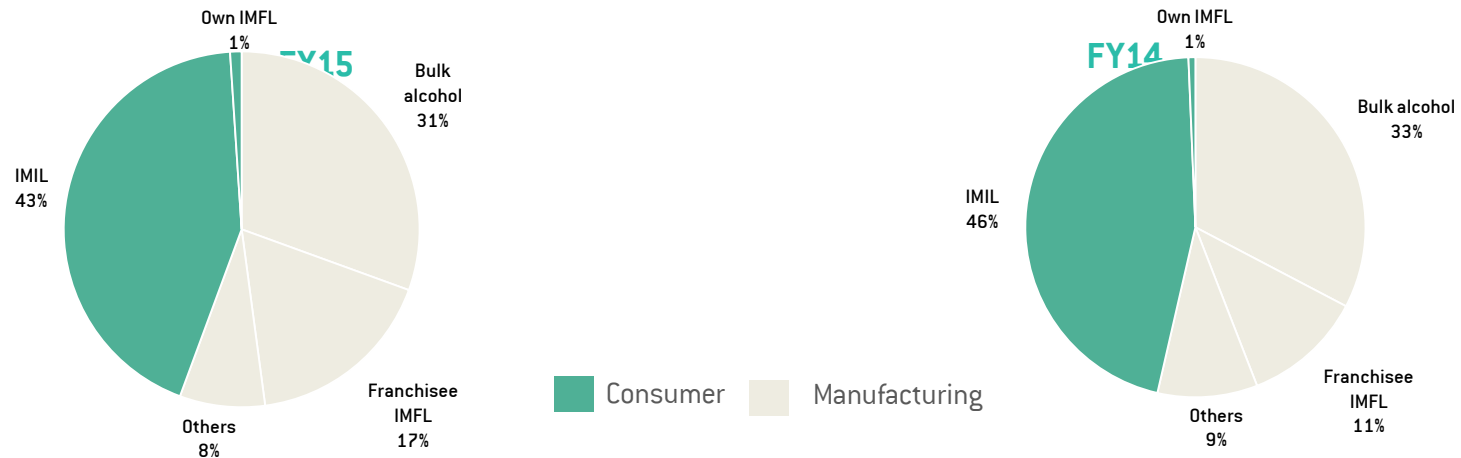
	Revenue from Operations	EBITDA	PAT
FY15	5,857	487	71
	↑ 18%	↑ 8%	↑ 65%
FY14	4,965	450	43

- Revenue from operations (Net) up 18% YoY to reach Rs 5,857 mn in FY15 driven by robust volume growth across all business verticals
 - In consumer, IMIL volumes up 9% YoY driven by Rajasthan volumes and Bihar launch; In manufacturing, aggregate franchisee volumes up 38% YoY and bulk alcohol up 10% YoY
- EBITDA for the year at Rs 487 mn with EBITDA margin at 8.3% (vs 9.1% in FY14)
 - Decrease in raw materials costs offset by increase in other expenses as a % of sales from 26.4% in FY14 to 29.1% in FY15
- PAT at Rs 71mn with PAT margin of 1.2% in FY15 against PAT of Rs 43 mn in FY14
 - FY14 PAT impacted by exceptional depreciation charge of Rs 60mn
- Cash Profit of Rs 358mn with margin of 6.1% in FY15

BOTH CONSUMER & MANUFACTURING DELIVER

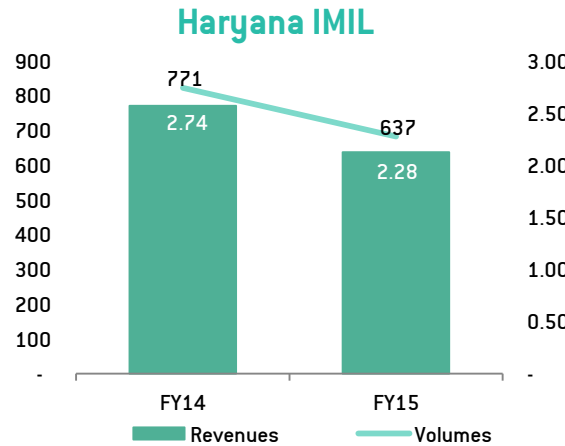
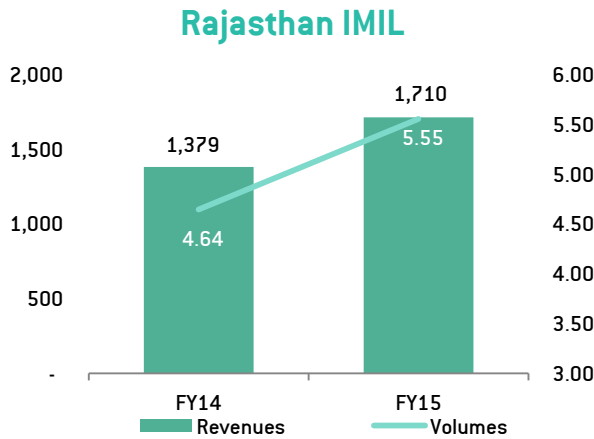
Figures in Rs Million, Standalone Financials

Breakup of Revenue from Operations

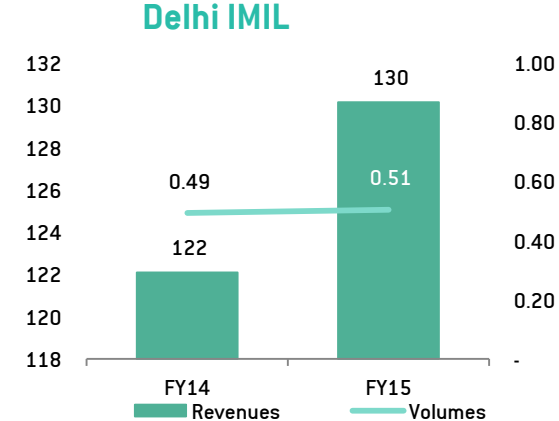


- Share of consumer and manufacturing in revenues at 44% and 56% respectively, compared with 46% and 54% in FY14
- Consumer business revenues increased by 13% YoY to reach Rs 2,598mn due to sustained double-digit revenue growth in Rajasthan IMIL (24%) and Bihar launch
- Revenues from manufacturing up 22% YoY at Rs 3,258mn in FY15 driven by increase in aggregate franchisee income (79%), bulk alcohol (10%) and value added products such as DDGS

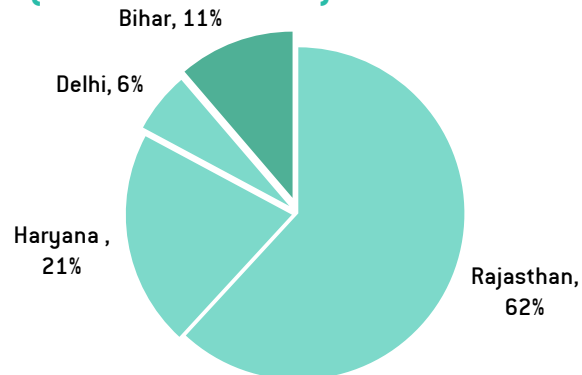
CONSUMER DRIVEN BY SUSTAINED RAJASTHAN IMIL AND BIHAR LAUNCH



Revenues in Rs Mn, Standalone financials
Volume in Mn Cases



Q415 IMIL Split by Volume (Total 2.5mn cases)

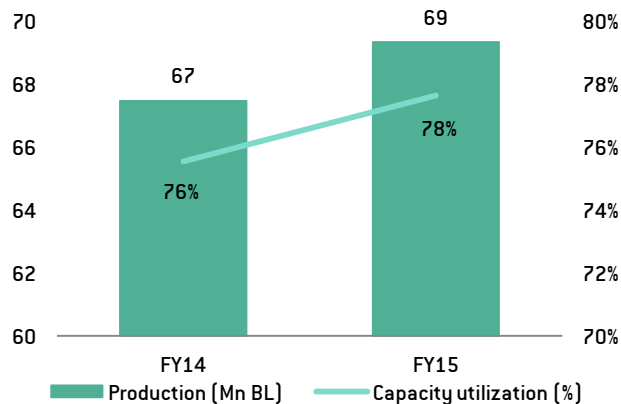


- Aggregate IMIL revenues grow by 12% YoY, driven by 24% increase in Rajasthan IMIL revenues and entry into Bihar IMIL
- Launched in Jan 2015, Bihar with 2.8 lac cases already accounts for 11% of IMIL volumes in Q4FY15
- IMFL revenues increase by 88% YoY with aggregate sales of ~129k cases. Focus on 3 core brands in Haryana and Rajasthan.

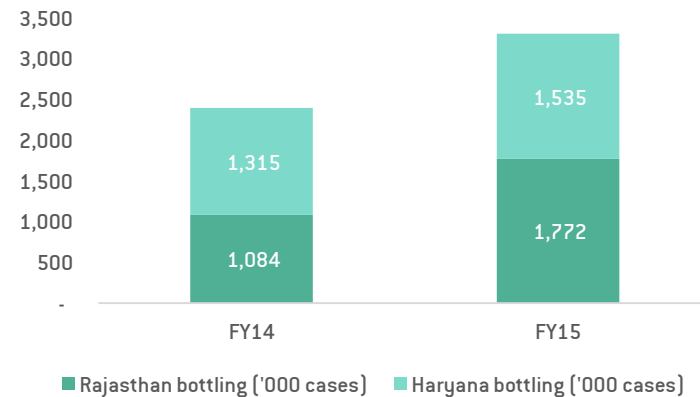
SUSTAINED GROWTH IN MANUFACTURING BUSINESS

Standalone financials

Production & Capacity Utilization



Franchise Bottling



- Capacity utilization up from 76% in FY14 to 78% in FY15 resulting in 3% YoY increase in production to 69mn BL
- Scaled up bottling contracts with both ABD and United Spirits in Rajasthan and Haryana respectively, resulting in 38% YoY volume growth
- Upward revision in bottling fee in both Rajasthan and Haryana
- Bulk alcohol revenues up by 10% driven by healthy export volumes

Q4 FY15 – ROBUST PERFORMANCE WITH MARGINS EXPANDING

Figures in Rs Million, Standalone financials

	Net Revenues	EBITDA	PAT
Q4 FY15	1,527 ↑ 26%	151 ↑ 94%	36 ↑ NM
Q4 FY14	1,208	78	(62)

- Net sales and other operating income up 26% YoY to reach Rs 1,527mn in Q4 FY15 driven by strong growth in all business verticals in existing markets and launch of Bihar IMIL
- EBITDA for the period at Rs 151mn with EBITDA margin at 9.9% (Q4 FY15 at 6.5%)
 - EBITDA expanded primarily due to decrease in raw material cost as a % of sales from 62.6% in Q4 FY14 to 54.8% in Q4 FY15 partially offset by increasing employee cost and other expenses as a % of sales
- PAT at Rs 36mn, with margin of 2.3% against PAT of Rs (62) mn in FY14

GLOBUS PLANS

PRESENT

- Established 360⁰ model in North India (Haryana & Rajasthan)
- Amongst the largest grain based distilleries in India
- Strong IMIL brands that have acceptance and loyalty
- Bottling operations for India's largest brands of top IMFL players
- Backed by reputed investor, Templeton

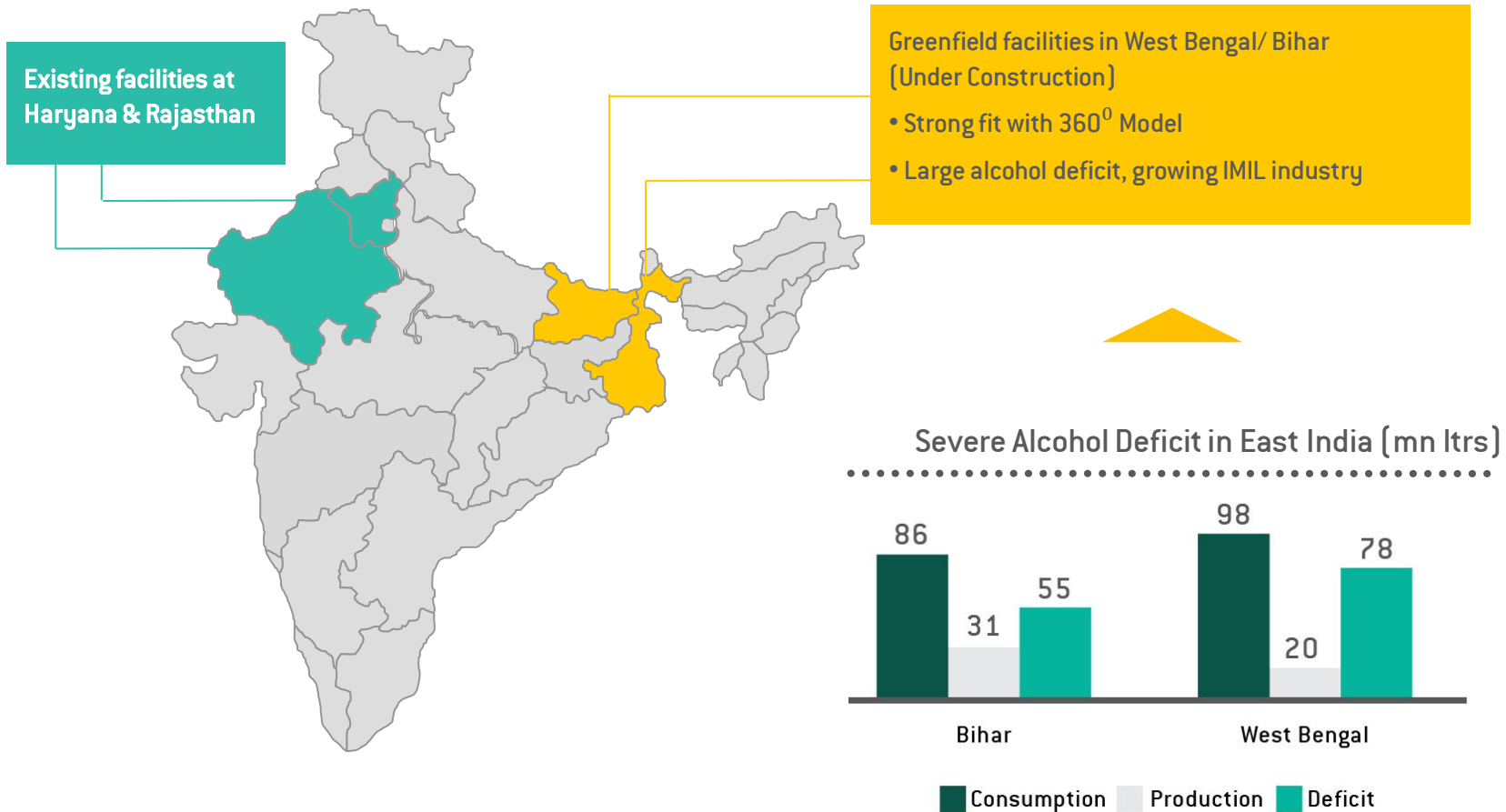
NEAR TERM STRATEGY

- **Enter fast growing liquor markets of West Bengal & Bihar with complete 360⁰ offering**
- **Launch premium brands of value**
- **Focus on DDGS, a value-added byproduct, in the Indian market**

FUTURE

- Large market share in IMIL by offering quality products to the consumer
- Establish sustainable premium brands in IMFL
- High capacity utilisation with focus on technology and efficiency at old and new facilities
- Portfolio of high value by-products

EXPANSION INTO EAST



BRANDS SHOWCASE

Nimboo

1st IMIL brand in India positioned as awesome mix of natural lemon flavor with strong yet smooth blend profile



County Club

Whisky product targeted at young professionals



Hannibal Legendary

First GSL brand to get approved for CSD Rum market of over 5 mn cases



White Lace

3rd largest selling gin in its category in Rajasthan



Ghoomar

Tribute to Rajasthani folk dance ; blend popular in the harsh winter months of the desert region



Heer Ranjha

Tribute to the most popular romantic tales of the region. Smooth blend to enjoy straight up.



Narangi

Popular dark spirits' brand Positioned as refreshing and juicy as Orange

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 with assured captive off-take
- De-risked growth
- High quality maintained with control on entire value chain

Strong Consumer Portfolio

- 44% share in net revenues
- Leadership in key states of Rajasthan, Delhi and Haryana
- Launch in Bihar through tie-up
- Achieved sterling success in IMIL branding with Nimboo
- 4 IMIL brands
- 3 mainstream IMFL brands with one CSD approved brand

Efficient Operations

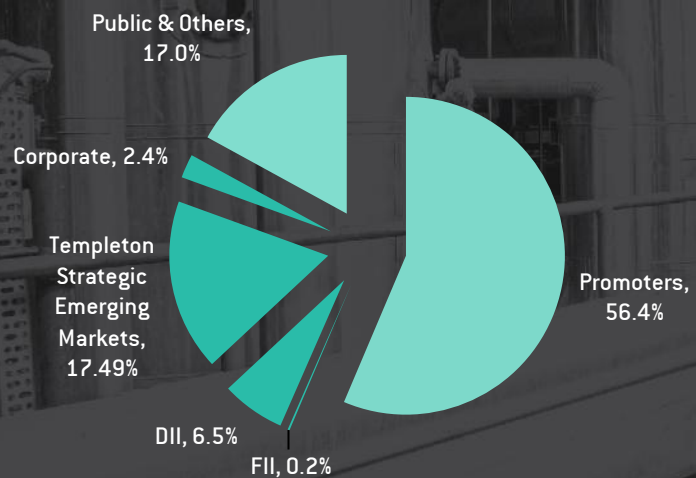
- State-of-the-art plants across three locations using latest distillation technology, zero discharge and highest grain-recovery in industry
- Supplying to premium brands
- Net Fixed Asset turnover ratio at 1.3x
- Leadership - mix of experience and young talent

Healthy Balance Sheet

- Funding for greenfield expansion at Bihar secured via equity
- D/E of 0.3x
- Cash efficient operations with WC of – 19 days

SHAREHOLDING PATTERN

As on 31st March, 2015
 Outstanding shares – 28.8 mn



Major Non-Promoter Shareholders	% shareholding
Templeton Strategic Emerging Markets Fund IV, LDC	17.49%
SBI Emerging Business Fund	6.40%

Q4 & FY15: PROFIT & LOSS STATEMENT

Particulars (In Rs Mn)	Standalone					Consolidated			
	Q4 FY15	Q4 FY14	YoY (%)	Q3 FY15	QoQ (%)	FY15	FY14	YoY (%)	FY15
Gross Sales	2,289	1,701	35%	2,305	-1%	8,828	6,616	33%	8,835
Less- Excise duty & Discounts	769	494	56%	752	2%	2,983	1,655	80%	2,983
Net Sales	1,520	1,207	26%	1,552	-2%	5,845	4,961	18%	5,852
Other Operating Income	6	1	895%	3	94%	12	4	186%	12
Revenue from Operations	1,527	1,208	26%	1,556	-2%	5,857	4,965	18%	5,864
Total Expenditure	1,375	1,130	22%	1,457	-6%	5,369	4,515	19%	5,375
Consumption of Raw Material	837	756	11%	956	-12%	3,520	3,083	14%	3,520
Employee Cost	45	33	37%	34	34%	143	121	18%	146
Other Expenditure	493	341	45%	468	5%	1,707	1,311	30%	1,709
EBITDA	151	78	94%	98	54%	487	450	8%	489
Depreciation & Amortisation	77	110	-30%	70	9%	287	285	1%	287
EBIT	74	(32)	NM	28	167%	200	165	21%	202
Finance Charges	26	36	-27%	39	-33%	141	102	39%	141
Other Income	20	6	250%	12	61%	44	29	50%	40
PBT before exceptional items	68	(62)	NM	1	NM	103	92	11%	101
Exceptional items*	-	-	NA	-	NA	-	60	-100%	-
PBT	68	(62)	NM	1	NM	103	33	215%	101
Tax Expense (Current, Deferred Tax)	25	53	-52%	0	NM	32	110	-71%	34
MAT Credit	7	(52)	NM	(0)	NM	-	(120)	NM	-
PAT (From ordinary activities)	36	(62)	NM	1	NM	71	43	65%	67
Extraordinary Items	-	-	NA	-	NA	-	-	NA	-
PAT	36	(62)	NM	1	NM	71	43	65%	67

During the current period the expenses incurred on brand promotion were expensed off, however, up to 31/03/2013 the same were being capitalised since the brands were under establishment during that period. Further, during the year, an amount of Rs. 72mn has been debited to Statement of Profit and Loss to amortise these assets over 5 years. Had the same been fully expensed off as of 31/03/2014, Fixed Assets as at March 31, 2014 would have been lower by Rs.289mn (March 31, 2013 – Rs.361mn, Depreciation and amortisation expense for the year would be lower by Rs.72mn, Net profit after taxes for the year would be converted into net losses after tax of Rs.148mn and Reserves and Surplus would be lower by Rs.191mn

*Exceptional item in FY14 represents additional depreciation charge on account of change from shift basis to continuous process plant for certain plant & machinery.

**MAT Credit availed in FY14 represents credit taken in respect of year ended 31/03/2013.

Q4 & FY15: KEY RATIOS

Key Ratios as a % of Total Revenue	Standalone			Consolidated		
	Q4 FY15	Q4 FY14	Q3 FY15	FY15	FY14	FY15
EBIDTA	9.9%	6.5%	6.3%	8.3%	9.1%	8.3%
PAT	2.3%	-5.1%	0.1%	1.2%	0.9%	1.1%
Total Expenditure	90.1%	93.5%	93.7%	91.7%	90.9%	91.7%
Raw material	54.8%	62.6%	61.4%	60.1%	62.1%	60.0%
Employee Cost	3.0%	2.7%	2.2%	2.4%	2.4%	2.5%
Other Expenditure	32.3%	28.2%	30.1%	29.1%	26.4%	29.2%

FY15: BALANCE SHEET

Particulars (in Rs Mn)	Standalone		Consolidated
	31-Mar-15	31-Mar-14	31-Mar-15
Liabilities			
Shareholders' Funds	3,551	3,508	3,547
Non-Current Liabilities			
Long Term Borrowings	500	204	500
Deferred tax liabilities (Net)	468	494	468
Other Long Term Liabilities/ provisions	12	11	12
Current Liabilities			
Short Term Borrowings	730	677	730
Trade Payables	781	792	781
Other current liabilities	405	282	406
Total Liabilities	6,446	5,967	6,444
Assets			
Net Fixed Assets	4,917	4,437	4,917
Other non-current assets	3	0	2
Long-term Loans and advances	444	377	444
Current Assets			
Inventories	501	455	501
Trade Receivables	382	473	382
Cash & Equivalents	64	64	68
Short-terms loans and advances/other current assets	137	161	131
Total Assets	6,446	5,967	6,444

Key Ratios	Standalone		Consolidated
	31-Mar-15	31-Mar-14	31-Mar-15
Debt-Equity Ratio	0.3	0.3	0.3
Adjusted D/E	0.3	0.6	0.3
Net Fixed Assets Turnover (x)	1.3	1.2	1.3
Inventory turnover (days)	38	40	38
Debtor turnover (days)	24	35	24

During the year the company has invested 10,000 AED and Rs.5.00 lacs as a part of capital contribution in its wholly owned subsidiaries M/s Globus Trade Bay Limited (Co. incorporated in UAE) and M/s Uber Blenders & Distillers Limited (indian company).

ABOUT US

Established in 1992, Globus Sprits 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 is making its mark in the IMFL segment apart from taking up contract bottling to cater to renowned Indian players.

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.

For more information about us, please visit www.globusspirits.com or contact:

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