



ENABLING EXCELLENCE

GLOBUS SPIRITS LIMITED

Result Presentation | Q4 & FY22

Bulk Alcohol | Value Segment | Franchise Bottling | Premium Segment



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Financial Highlights – Growth Trajectory Continues in FY22

	Q4FY22	(QoQ)	(YoY %)	FY22	(YoY %)
Gross Revenue	Rs 6,542 Mn	↑ 20%	↑ 33%	Rs 23,438 Mn	↑ 40%
EBITDA	Rs 862 Mn	↑ 42%	↓ 4.0%	Rs 3,352 Mn	↑ 28%
PAT	Rs 486 Mn	↑ 59%	↓ 8.5%	Rs 1,872 Mn	↑ 30%
Cash Profit	Rs 599 Mn	↑ 46%	↓ 6.7%	Rs 2,298 Mn	↑ 24%

Gross Revenue growth backed by growth in both Consumer Business (Net Revenue of Rs 6,791 Mn in FY22, up 32% YoY) and Manufacturing Business (Net Revenue of 9,002 Mn in FY22, up 26% YoY.)

Despite higher input costs and impact of plant shutdown, EBITDA Margin in FY22 remained stable at 21.2%, led by higher share of Value Plus segment and better realizations. All plants operating at optimum capacity from Q4FY22 (incl. 140 KLPD at West Bengal)

Continuing to generate high Cash Profit. Cash profit to EBITDA is 69%. Recommended dividend of Rs 3 per share (30% of FV of Rs 10 per share)

Business Highlights - Q4FY22 (1/2)

- EBITDA impact of **Rs 45 Cr in FY22** due to shutdown of Bihar plant for 50 days in Q2FY22 and 72 days in Q3FY22 on account of floods situation and a major planned overhaul in the power plant of Samalkha (Haryana) for 40 days in Q3FY22. **Both these plants are operating at normal capacity since mid of Dec'21**
- **In Q4FY22, all plants operated at optimum levels, including the new capacity at West Bengal (140 KLPD), resulting in higher revenue**
- **Gross Margin at 42% in Q4FY22 was in-line with expectation, given the inflationary input cost scenario**
 - Price of ethanol increased by Rs 1.37 per litre effective Dec'21, leading to higher revenue and aiding margins
 - Additional capacity of 140 KLPD at West Bengal plant was operational at optimum level, which yielded higher revenue and operational efficiencies
 - FY22 - Gross Margin backed by higher consumer segment sales of 14.64 Mn cases, growth of 19% YoY
- **EBITDA Margin at 18% in Q4FY22 improved slightly over Q3FY22 but continued to be impacted by higher fuel and other costs effective second half of FY22**
 - There has been a steep increase in fuel cost with 37% YoY in FY22
 - Packing material cost increased by 40% YoY in FY22
 - AFS prices corrected in Q3FY22 due to weak demand and Q4FY22 prices were as per the internal expectation

Business Highlights - Q4FY22 (2/2)

- **Despite higher manufacturing cost, business continues to operate to achieve higher levels of contribution**
 - The State of Rajasthan has announced a price hike of Rs 39 per case for Value Plus segment liquor and Rs 19 per case for Value segment liquor effective 1st Apr'22
 - Mitigation raw material (broken rice) cost by procuring more FCI rice, which fetches an incremental Ethanol realisation of ~ Rs 3 per litre (Ethanol from Surplus rice vs Ethanol from Damaged Food Grain), wherever applicable. No further impact is expected due to raw material price change as FCI rice is available at a fixed price.
 - Jharkhand Greenfield Project (140 KLPD) expected to be commissioned by end of Q1FY23
- **Finance cost** reduction by 39% YoY in FY22 was led by reduced debt (lowered by ~18% in FY22). All term loans which were at higher interest rates were replaced by lower interest rate loans in Q4FY22. The effective interest rate is at 3.9% in FY22 compared to 8.8% in FY21, down by 490 Bps
- **Effective Tax Rate** - Based on cash outflow of tax paid, it is at ~19% for FY22

Status of Projects

- **Jharkhand:** New capacity of 140 KLPD with bottling plants likely to be operational by the end of Q1FY23
- **West Bengal & Jharkhand:** Started work on enhancing the capacity by 60 KLPD at each of the locations with a total combined capital outlay of approximately Rs 600 Mn; Likely to be commissioned by Q4FY23
- **Odisha:** New capacity of 200 KLPD for Ethanol and ENA with bottling plants; Land acquisition completed fully for 25 acres
- **Uttar Pradesh:** New capacity of 200 klpd for Ethanol and ENA with bottling capacity, land acquisition is underway
- **The Company has received 10 years long term volume commitment of Ethanol for the states of Haryana, Jharkhand, West Bengal and Odisha for ~86 Mn litres per annum**
- Healthy pipeline of projects, capital allocation to be announced once projects are approved by the Board

Total capacity to increase from 665 KLPD currently to 925 KLPD by end of FY23

Consumer Business – Initiatives

Strong demand environment & expansion initiative to drive revenue & earning growth

Value & Value Plus Segment

- **Rajasthan : Market share ~32%**
 - Overall market share gain continues on the back of robust RML performance
 - Additional whisky brand 'Globus Green' launched during March end. Will play anchor brand role to strengthen GSL whisky' share
- **Haryana: Market share ~10%**
 - Increased focus on Metro liquor, which market is expected to grow in the year 2022-23
- **West Bengal: Market share over 2%; Significant headroom**
 - Route to Market change has happened from the earlier BEVCO model. Introduction of super distributor.
 - GSL launched 'County Club' in value plus segment towards April end

Premium Segment

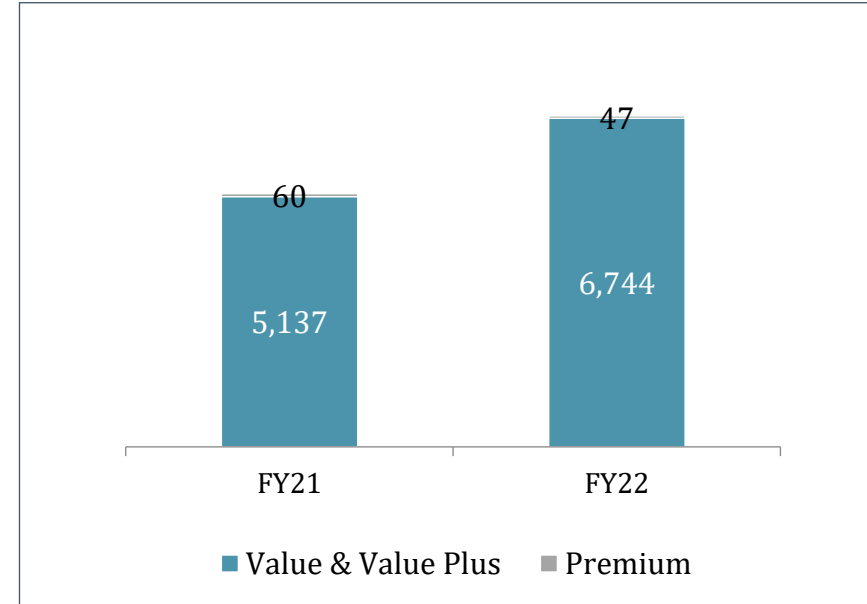
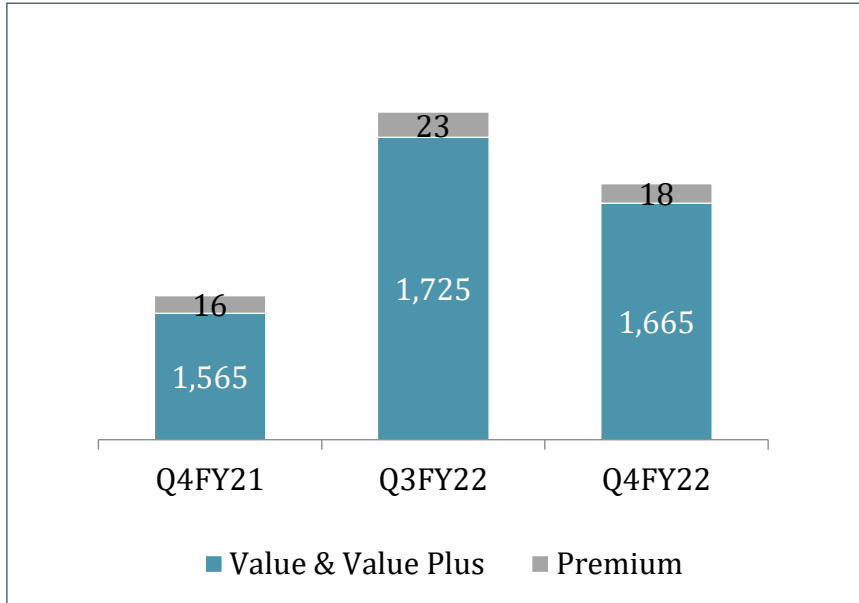
- Of the 5 key focus markets, **GSL brands have been introduced in Uttar Pradesh and Delhi**
- **Re-energised and expanded portfolio in West Bengal –** Introduced larger range of products with local manufacturing facility
- Terai – India Dry Gin has been **extended to Uttar Pradesh, West Bengal, Rajasthan and Mumbai**
- **In Q1FY23, Governor Reserve, Oakton and Terai will be introduced in Haryana followed subsequently by introduction in Telangana towards end of Q1FY23 or early Q2FY23**



Consumer Business - Value Added, High Margin

Value Plus segment driving the overall growth in the Consumer Segment

Consumer Business (Value, Value Plus, Premium liquors) - Revenue Trend (Rs. Mn)



Aggregate Sales in FY22 at 14.64 Mn cases (19% YoY), of which, Value Plus sales stood at 4.87 Mn cases (77% YoY)

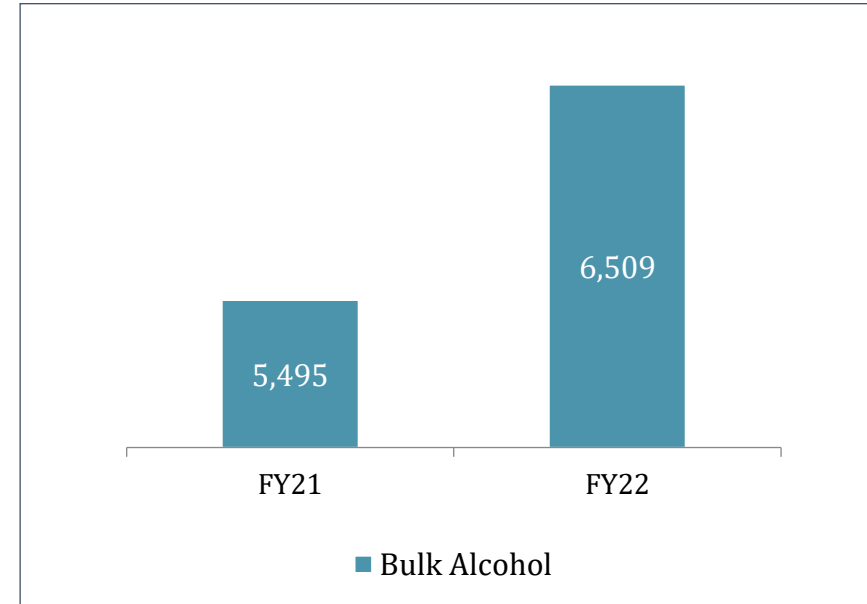
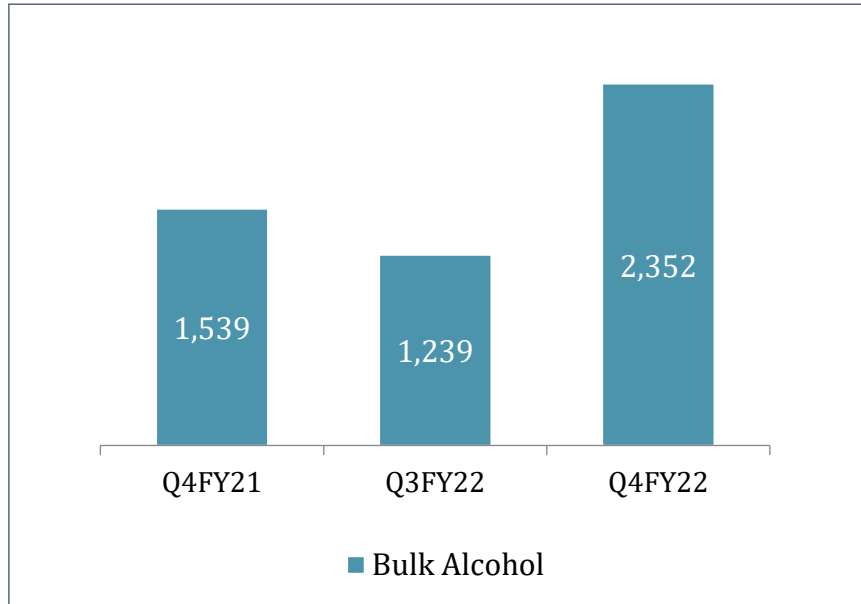
Average Realization of Value & Value Plus segment increased by 11% YoY to ~Rs 461 per case in FY22; realization to improve further in Rajasthan at Rs 39 per case in Value Plus segment and Rs 19 per case in Value segment, effective 01 April 2022

Note: Value Segment includes all Country Liquor, Value Plus includes Medium Liquor Brands, and Premium segment includes IMFL (erstwhile Unibev) brands

Manufacturing Business – Strong Backbone

Capacity utilisation at ~90% in Q4FY22 on an expanded capacity

Bulk Alcohol (ENA and Ethanol) – Revenue Trend (Rs. Mn)



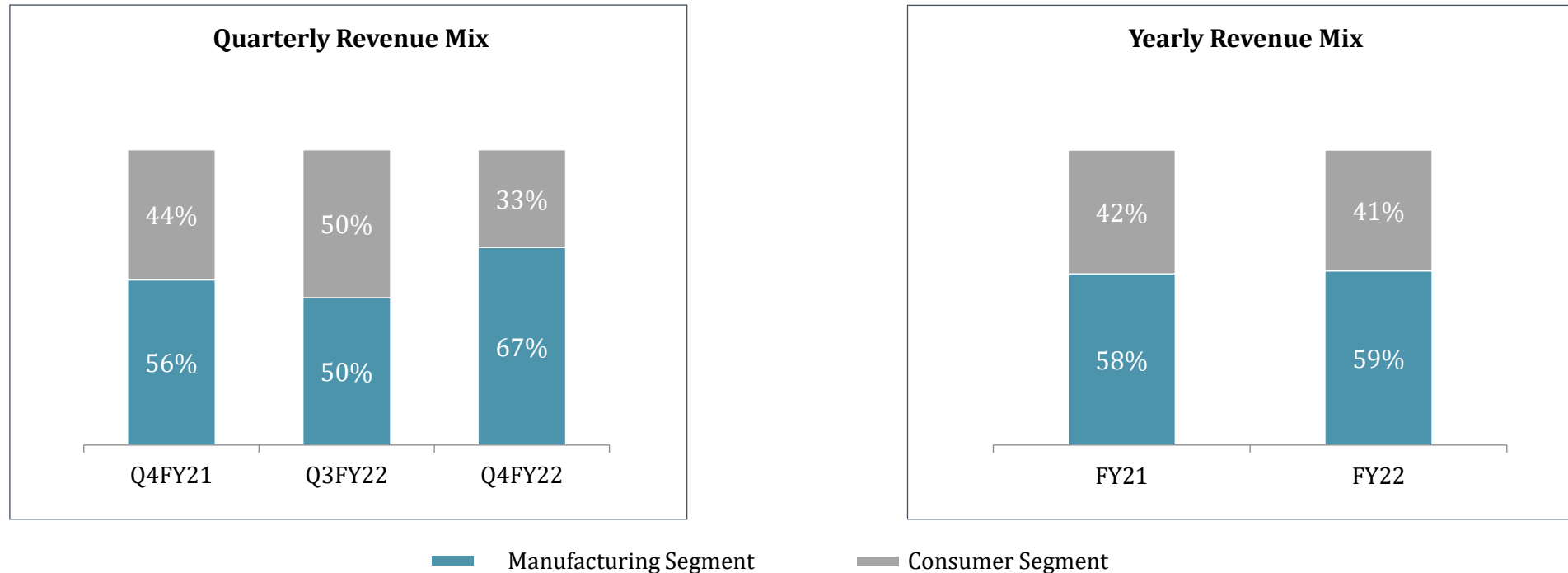
Bulk Alcohol sales in Q4FY22 at 40.1 Mn litre, higher by 41% YoY and 71% QoQ, on account of new capacity at West Bengal and resumption of Haryana and Bihar facilities. For FY22, it stood at 116.4 Mn litre, higher by 13% YoY.

Average realization in Q4FY22 higher by 8% YoY and 11% QoQ to Rs 58.6 per litre and by 5% YoY to Rs 55.9 per litre in FY22

Note : Manufacturing segment includes revenue from Bulk Alcohol, Franchise Bottling, Hand Sanitisers and Others (by-products)

Net Revenue Mix – Segment-wise

A healthy mix between consumer and manufacturing segment



In Q4FY22, share of Manufacturing Business increased significantly due to new capacity at West Bengal

Consequently, the segmental mix remained largely stable in FY22

Profit & Loss Highlights | Q4 & FY22

Particulars (Rs Mn)	Q4 FY22	Q4 FY21	YoY (%)	Q3 FY22	QoQ (%)	FY22	FY21	YoY (%)
Gross Revenues	6,542	4,909	33.3%	5,450	20.0%	23,438	16,721	40.2%
Less- Excise duty	1,749	1,342	30.3%	1,980	-11.7%	7,647	4,414	73.3%
Net Revenues from Operations	4,794	3,567	34.4%	3,471	38.1%	15,791	12,308	28.3%
Other Income	18	13	38.2%	22	-16.6%	66	66	1.0%
Total Income	4,812	3,580	34.4%	3,492	37.8%	15,858	12,373	28.2%
Total Expenditure	3,950	2,682	47.3%	2,887	36.8%	12,506	9,756	28.2%
Consumption of Material	2,774	1,745	59.0%	1,798	54.3%	8,384	6,532	28.4%
Employee Cost	144	90	58.6%	105	36.5%	501	384	30.3%
Other Expenditure	1,032	847	21.9%	984	4.9%	3,621	2,840	27.5%
EBITDA	862	898	-4.0%	605	42.4%	3,352	2,618	28.1%
Depreciation	113	111	2.0%	105	7.9%	426	407	4.7%
EBIT	749	787	-4.8%	500	49.7%	2,926	2,211	32.3%
Finance Cost	28	41	-32.5%	24	16.9%	114	188	-39.3%
PBT	721	746	-3.3%	477	51.3%	2,812	2,023	39.0%
Tax Expense (Current, Deferred)	235	215	9.4%	172	37.0%	940	583	61.2%
PAT (From ordinary activities)	486	531	-8.5%	305	59.3%	1,872	1,440	30.0%
EPS	16.87	18.43	-8.5%	10.58	59.5%	65.06	50.01	30.1%

Notes: 1) Higher Excise Duty in FY22 (YoY) is on account of higher share of Value Plus segment, which carries higher excise duty

2) The reported financial results for Q4FY22, Q3FY22 and FY22 include the effect of the merger of Unibev with Globus Spirits Limited, and accordingly, the financials for previous comparative period have been restated to ensure like-to-like comparison

Key Ratios | Q4 & FY22

Particulars (% of Total Income)	Q4 FY22	Q4 FY21	Q3 FY22	FY22	FY21
Other Income (% of Net Revenue)	0.4%	0.4%	0.6%	0.4%	0.5%
Raw material	57.7%	48.7%	51.5%	52.9%	52.8%
Employee Cost	3.0%	2.5%	3.0%	3.2%	3.1%
Other Expenditure	21.5%	23.7%	28.2%	22.8%	23.0%
Total Expenditure	82.1%	74.9%	82.7%	78.9%	78.8%
EBITDA	17.9%	25.1%	17.3%	21.1%	21.2%
Depreciation	2.4%	3.1%	3.0%	2.7%	3.3%
Finance Cost	0.6%	1.1%	0.7%	0.7%	1.5%
Tax Expense (% of PBT)	32.6%	28.8%	36.0%	33.4%	28.8%
PAT	10.1%	14.8%	8.7%	11.8%	11.6%

Gross Margin in Q4FY22 was in line with expectations given the current inflationary cost pressure; Ethanol price increase by Rs 1.37 per litre aided margins. In FY22, Gross Margin backed by higher consumer segment sales

EBITDA Margin in Q4FY22 improved by ~60 bps QoQ, but continued to be impacted by higher input & fuel costs

Balance Sheet | March 2022

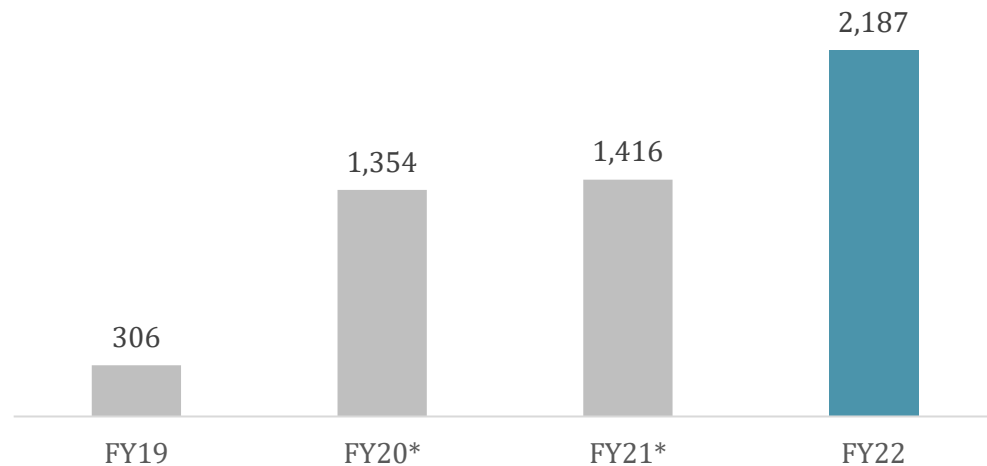
Liabilities (Rs mn)	Mar-21	Mar-22
Networth	5,907	7,723
LT borrowings	1,067	1,105
Provisions	30	33
Deferred tax liabilities	494	887
Other non-current liabilities	77	67
Total Non Current Liabilities	7,575	9,816
ST borrowings	721	635
Trade payables	1,187	1,383
Provisions	68	67
Other financial liabilities	48	147
Current tax liabilities	10	24
Other current liabilities	322	294
Total Current Liabilities	2,355	2,549
Total Liabilities	9,930	12,365

Assets (Rs mn)	Mar-21	Mar-22
Fixed assets (incl. CWIP)	6,269	7,676
Investments	0	0
Other financial assets	176	189
Income tax assets	10	10
Other non-current assets	438	534
Total Non Current Assets	6,892	8,410
Inventories	1,021	1,085
Trade receivables	879	1,180
Cash & cash equivalents	581	820
Other financial assets	50	76
Other current assets	506	794
Total Current Assets	3,037	3,955
Total Assets	9,930	12,365

Enhanced Net Cash Flow from Operations

The business mix and focus on costs have led to strong operating cash flow generation

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 cost of debt

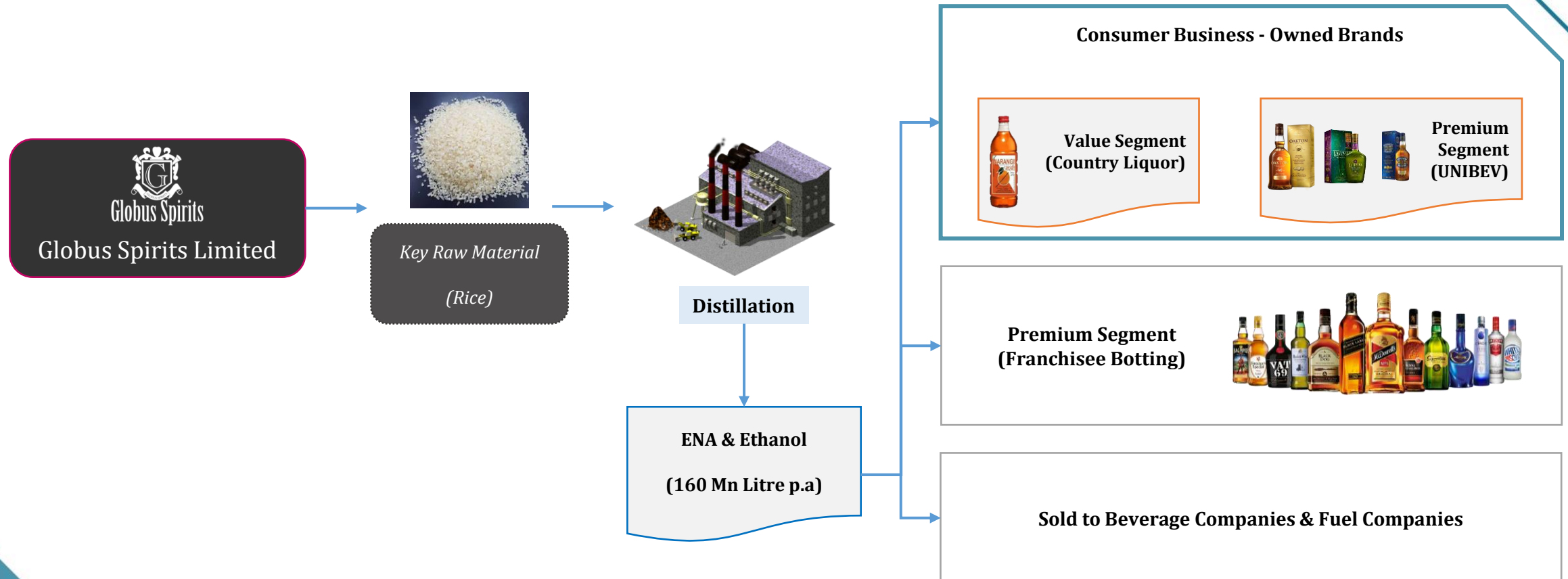
Note: * Restated to include the effect of the merger of Unibev with Globus Spirits Limited



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 (~59% of Revenue*)
Strong Backbone...

Bulk Spirits	Franchisee Bottling	By Products
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Consumer Business (~41% of Revenue*)
High Value...

Value	Value Plus	Premium
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Rs.40-60 per 180 ml



Rs.80-95 per 180 ml



Rs.125-700 per 180 ml

**Revenue break up (FY22)*



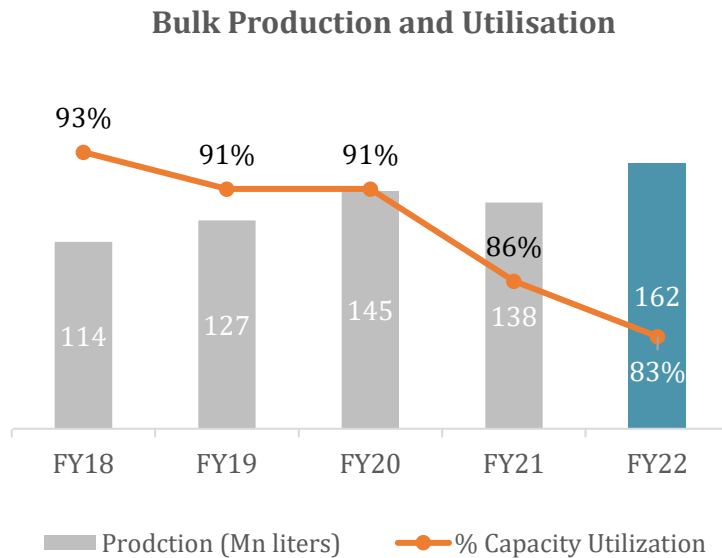


Manufacturing Business

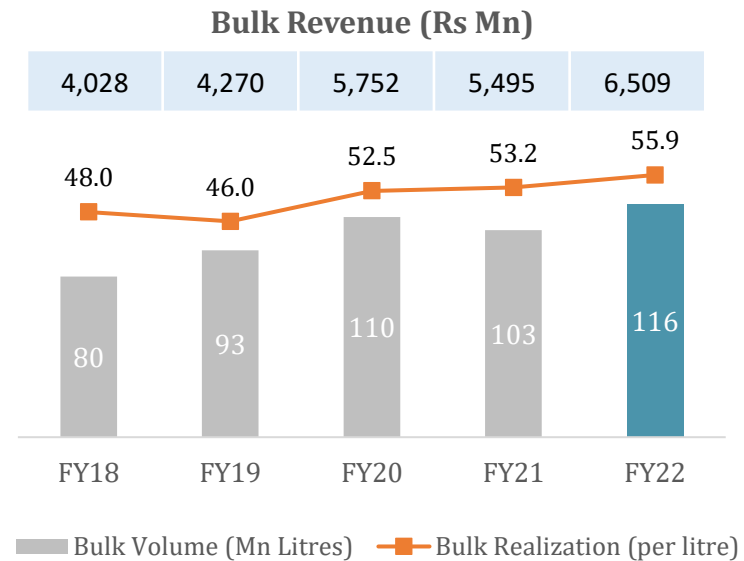
1. Bulk Alcohol

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 **195 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
 FY22 capacity expanded in the last quarter



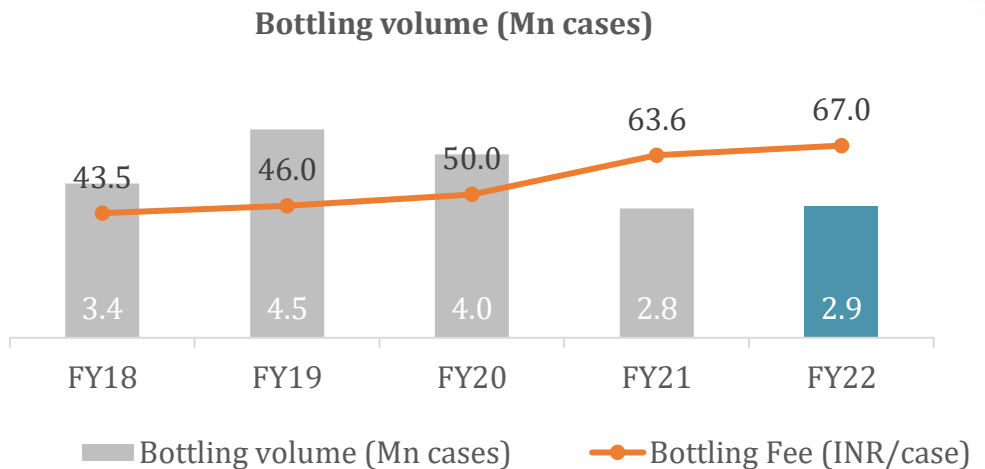
2. Franchisee Bottling

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

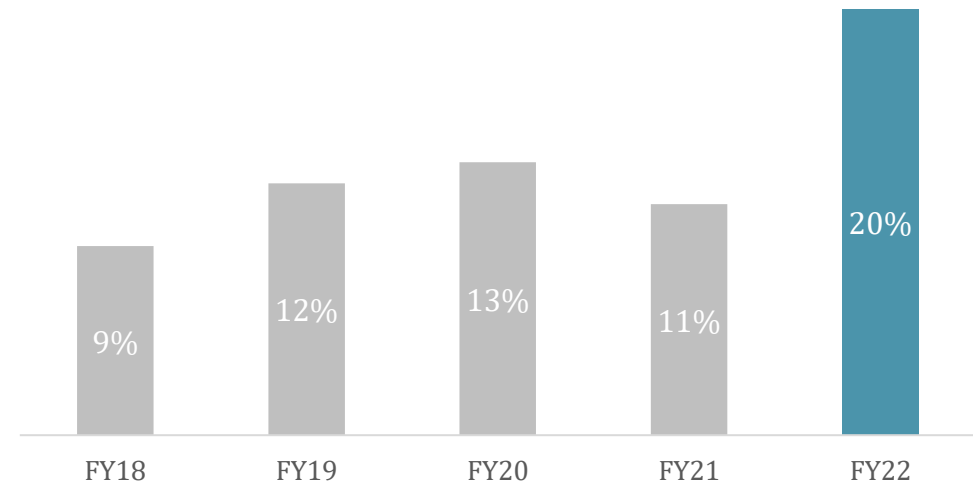
❑ Animal Feed Supplements (AFS)

- 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

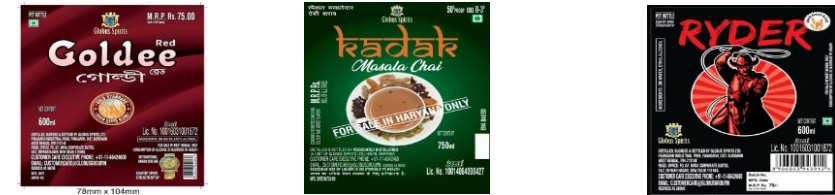
Value Segment – GSL is One of the Largest IMIL Players

Product innovation and focus on brand building has enabled growth

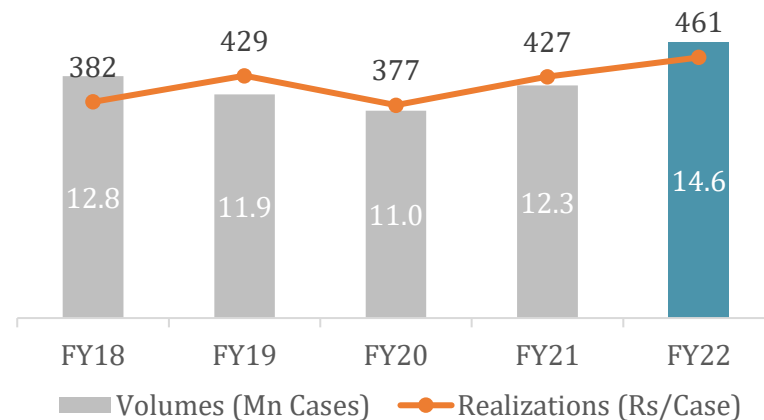
Existing Product Portfolio



Focus on Innovation through Investment in R&D



Value & Value Plus Segment



Premium Segment - Unique Value Proposition

Focus on niche segments | Building blocks for a high margin brand play



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 is ~50m cases



Oakton
Premium whisky
Segment is ~15m cases



Seventh Heaven*
Super-premium whisky
Segment is ~2m cases



L'Affaire Napoleon
3 years Brandy
Premium brandy
Segment is ~0.5m cases



Terai - India Dry Gin
Premium Gin Segment



Financials

Annual | Profit & Loss Statement

Particulars (Rs Mn)	FY20	FY21	FY22
Gross Revenues	12,674	16,721	23,438
Less- Excise duty	986	4,414	7,647
Net Revenues from Operations	11,688	12,308	15,791
Other Income	37	66	66
Total Income	11,726	12,373	15,858
Total Expenditure	10,441	9,756	12,506
Consumption of Material	7,176	6,532	8,384
Employee Cost	343	384	501
Other Expenditure	2,922	2,840	3,621
EBITDA	1,285	2,618	3,352
Depreciation	380	407	426
EBIT	905	2,211	2,926
Finance Cost	236	188	114
PBT	669	2,023	2,812
Tax Expense (Current, Deferred)	137	583	940
PAT (From ordinary activities)	532	1,440	1,872
EPS	20.60	50.01	65.06

Note: * Restated to include the effect of the merger of Unibev with Globus Spirits Limited

Annual | Key Ratios

Particulars (% of Total Income)	FY20	FY21	FY22
Other Income (% of Net Revenue)	0.3%	0.5%	0.4%
Raw material	61.2%	52.8%	52.9%
Employee Cost	2.9%	3.1%	3.2%
Other Expenditure	24.9%	23.0%	22.8%
Total Expenditure	89.0%	78.8%	78.9%
EBITDA	11.0%	21.2%	21.1%
Depreciation	3.2%	3.3%	2.7%
Finance Cost	2.0%	1.5%	0.7%
Tax Expense (% of PBT)	20.4%	28.8%	33.4%
PAT	4.5%	11.6%	11.8%

Note: * Restated to include the effect of the merger of Unibev with Globus Spirits Limited

Annual | Balance Sheet

Liabilities (Rs mn)	Mar-20	Mar-21	Mar-22
Networth	4,500	5,907	7,723
LT borrowings	1,328	1,067	1,105
Provisions	28	30	33
Deferred tax liabilities	263	494	887
Other non-current liabilities	37	77	67
Total Non Current Liabilities	6,156	7,575	9,816
ST borrowings	449	721	635
Trade payables	1,085	1,187	1,383
Provisions	54	68	67
Other financial liabilities	62	48	147
Current tax liabilities	0	10	24
Other current liabilities	197	322	294
Total Current Liabilities	1,846	2,355	2,549
Total Liabilities	8,002	9,930	12,365

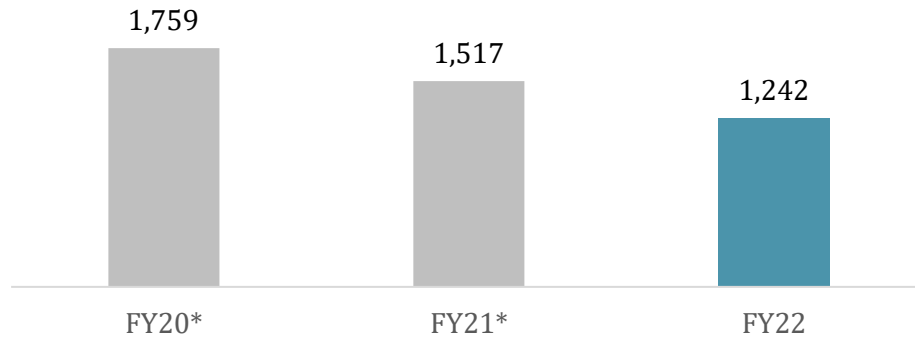
Assets (Rs mn)	Mar-20	Mar-21	Mar-22
Fixed assets (incl. CWIP)	5,985	6,269	7,676
Investments	0	0	0
Other financial assets	183	176	189
Income tax assets	10	10	10
Other non-current assets	61	438	534
Total Non Current Assets	6,239	6,892	8,410
Inventories	1,063	1,021	1,085
Trade receivables	338	879	1,180
Cash & cash equivalents	200	581	820
Other financial assets	28	50	76
Other current assets	134	506	794
Total Current Assets	1,764	3,037	3,955
Total Assets	8,003	9,930	12,365

Note: * Restated to include the effect of the merger of Unibev with Globus Spirits Limited

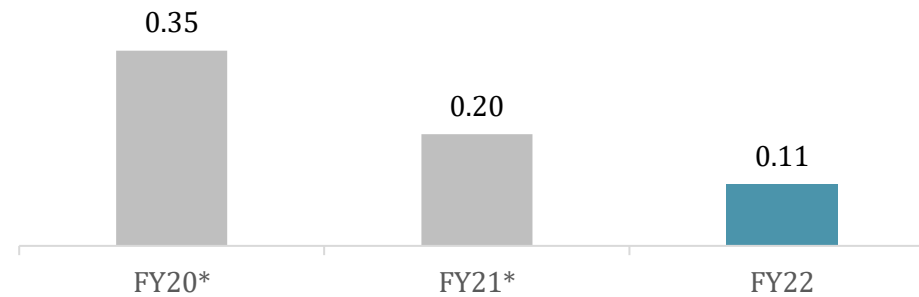
Key Financial Ratios

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

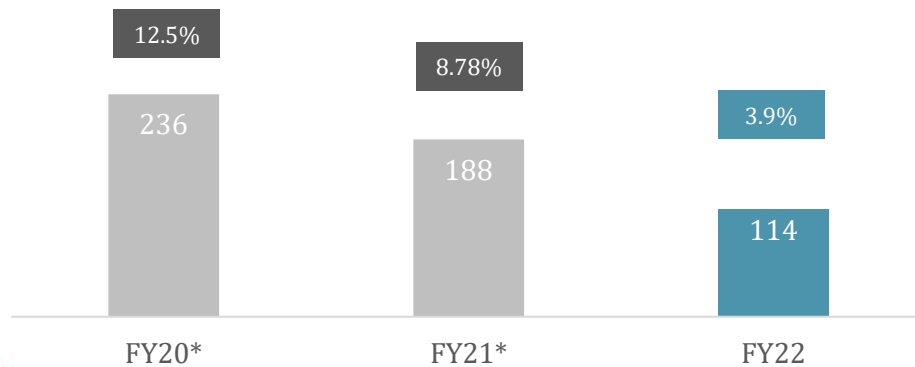
Long Term Borrowing (Rs Mn)



Net Debt/Equity (x)



Finance Cost (Rs Mn) and Avg. Cost of Debt (%)



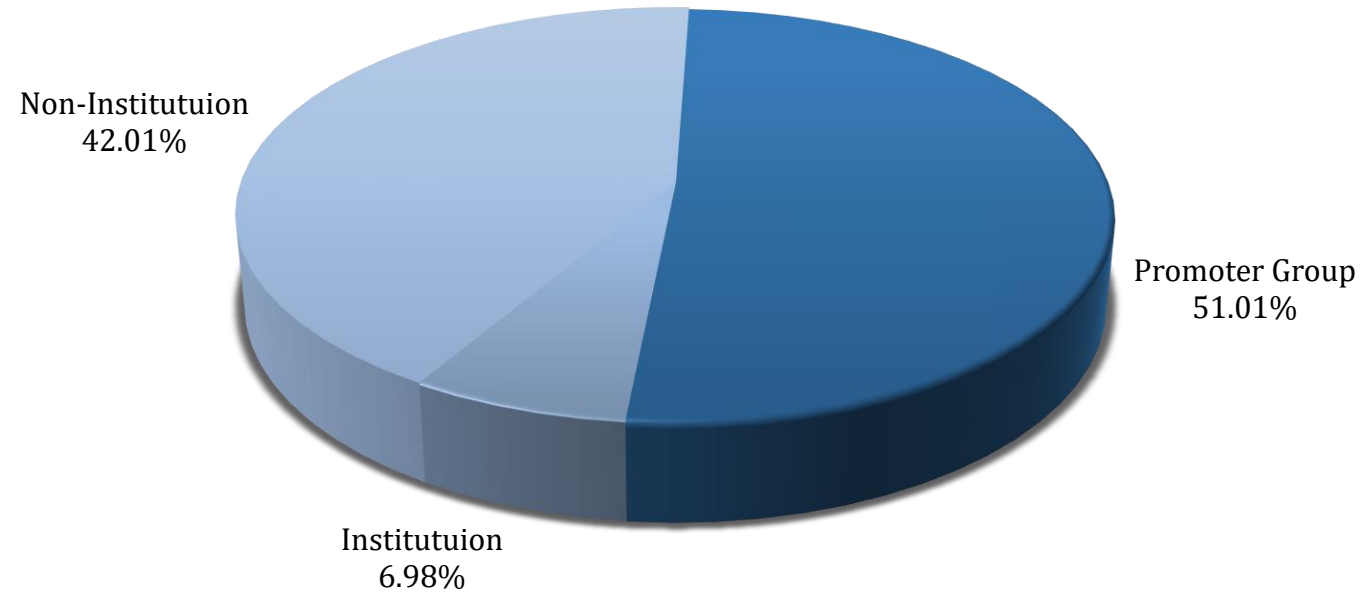
Return Ratios (%)



- Restated to include the effect of the merger of Unibev with Globus Spirits Limited
- Note: Cost of debt is less due to lower interest rate

Shareholding Pattern

Total outstanding equity shares as on March 31, 2022, stands at 28.8 Mn shares



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Rare Premium
GRAIN WHISKY



BLENDED WITH
18
YEAR OLD
SCOTCH

A RARE BREED

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