



ENABLING EXCELLENCE

GLOBUS SPIRITS LIMITED

Result Presentation | November 2021

Bulk Alcohol | Value Segment | Franchise Bottling | Premium Segment



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Q2 & H1FY22 | Performance Highlights

Consolidated	Q2FY22 (YoY %)	H1FY22 (YoY %)	
 <p>Gross Revenue</p>	<p>Rs 5,939 Mn</p> <p>↑ 30%</p>	<p>Rs 11,446 Mn</p> <p>↑ 53%</p>	<p>Gross Revenue growth backed mainly by higher growth in Consumer Business (Net Revenue of Rs 1,806 Mn in Q2FY22), led by increasing share of Value Plus segment liquors</p>
 <p>EBITDA</p>	<p>Rs 893 Mn</p> <p>↑ 41%</p>	<p>Rs 1,885 Mn</p> <p>↑ 82%</p>	<p>EBITDA Margin grew by 412 bps YoY to 23.3% in Q2FY22 and by 652 bps YoY to 25.0% in H1FY22, on account of higher share of Value Plus liquor segment in Consumer Business and better realizations</p>
 <p>PAT</p>	<p>Rs 525 Mn</p> <p>↑ 52%</p>	<p>Rs 1,081 Mn</p> <p>↑ 105%</p>	<p>Lower finance costs on account of debt reduction and lower cost of debt (5.95% after subvention), further aided the growth in Net Profit</p>
 <p>Cash Profit</p>	<p>Rs 629 Mn</p> <p>↑ 41%</p>	<p>Rs 1,289 Mn</p> <p>↑ 78%</p>	<p>Continuing to generate high Cash Profit</p>

Key Business Updates (1)

- The reported financial results for Q2FY22 and H1FY22 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
- The share of high margin, **Consumer Business**, grew by 487 bps YoY & 530 bps QoQ to **47% in Q2FY22**, on the back of robust growth in Volumes (13% YoY & 12% QoQ) and Realisation (15% YoY & 4% QoQ), led mainly by Value Plus segment
- Despite lower capacity utilisation due to plant closures in Q2FY22, the **Manufacturing Business** posted revenue growth of 7% YoY, driven by robust growth in By-products
- **Capacity utilisation** came in at 90% in Q2FY22 as against 99% in Q1FY22 on account of;
 - _ Unplanned shutdown at Bihar facility due to floods, from August 15, 2021, which led to an estimated contribution loss of Rs 200 Mn
 - _ Planned shutdown for maintenance at Haryana and West Bengal facilities, which led to an estimated contribution loss of Rs 50 Mn
- **EBITDA margin in Q2FY22** improved by 412 bps YoY to 23.3% and remained within expected range. However, Q2FY22 saw fuel inflation of 20-25% which was offset to an extent by upward moving ENA prices and By-Products

Key Business Updates (2)

- **Capacity utilisation to improve from Q3 FY22 onwards**
 - **Bihar facility** : Currently water levels are receding and expect repair work to complete by Dec-21; likely to operate at full capacity from Q4 FY22
 - **Haryana Facility** : Planned maintenance shutdown for 30 days in Q3 FY22
 - **West Bengal facilities** : New capacity of 140 KLPD to become operational in Nov-21; likely to operate ~25% capacity utilisation in Q3 FY22 and full capacity from Q4 FY22
 - **Jharkhand Facility** : New capacity of 140 KLPD to become operational in Q1 FY23
 - **Odisha Plant** : Work on land acquisition in progress
- EBITDA margin for Q2FY22 in expected range
- **The Company has received 10 years long term volume commitment of Ethanol for the states of Haryana, Jharkhand, West Bengal and Odisha for ~260 KL**

Consumer Segment – Initiatives

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

Value & Value Plus Segment

- **Rajasthan : Market share increased to 32.3%**
 - Strong Value plus performance - 45% market share of GSL
 - New launches planned- Black Lace Rum & Whisky brand in Q3FY22
 - Expanding Whisky and Vodka offerings via Tetra packs
- **Haryana : Maintained market share of 9%**
 - Launching 2 new brands in Q3FY22 to gain market share
- **West Bengal : Current market share ~ 2%; Huge headroom for growth**
 - Re-introduced Goldee brand in market and new launches expected in Q3FY22

Premium Segment

- **Current Portfolio of Unibev brands**
 - Brands : Governor's Reserve, Oakton, L' Affaire
 - Presence in key states – Telangana, West Bengal & Pondicherry, Yanam
- **Geographic expansion planned in current year**
 - Tap new markets like Haryana, Delhi & Uttar Pradesh
 - Re-furbished existing brands in Telangana & West Bengal
- **Expanding brand portfolio in the current year**
 - Launch of 2 new brands Seventh Heaven and Quba expected in FY22

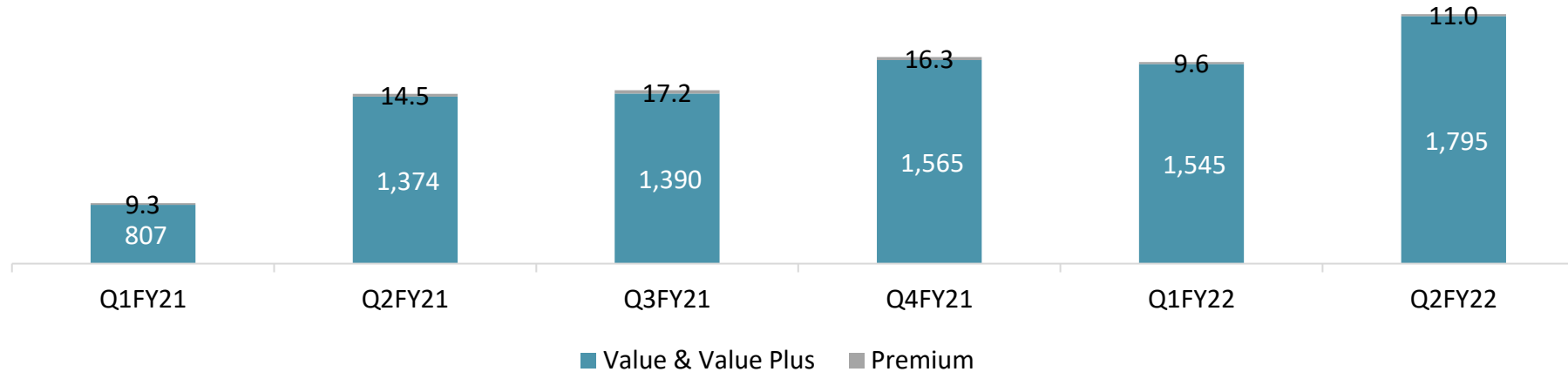


Consumer Segment- Value Added, High Margin

Value Plus segment driving the overall growth in the Consumer Segment

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

Aggregate Consumer Segment Revenue in Q2FY22 stood at Rs. 1,806 Mn, growth of 30% YoY and 16% QoQ



Aggregate Sales at 3.8 Mn cases (13% YoY & 12% QoQ), of which, Value Plus sales stood at 1.3 Mn cases (63% YoY & 19% QoQ)

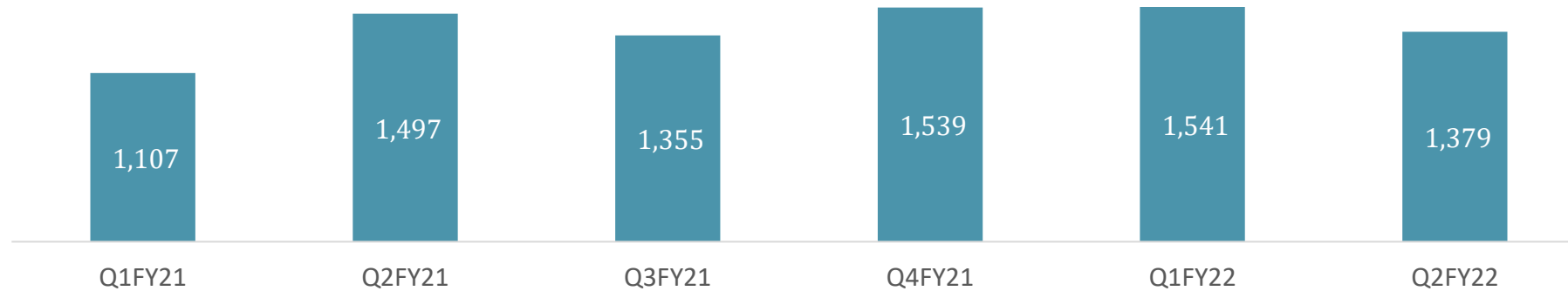
Average Realization of Value & Value Plus segment increased by 15% YoY and 4% QoQ to Rs 473 per case in Q2FY22

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

Unavailability of a part of capacity resulted in a small blip in revenues in Q2FY22

Bulk Alcohol – Revenue trend (Rs. Mn)



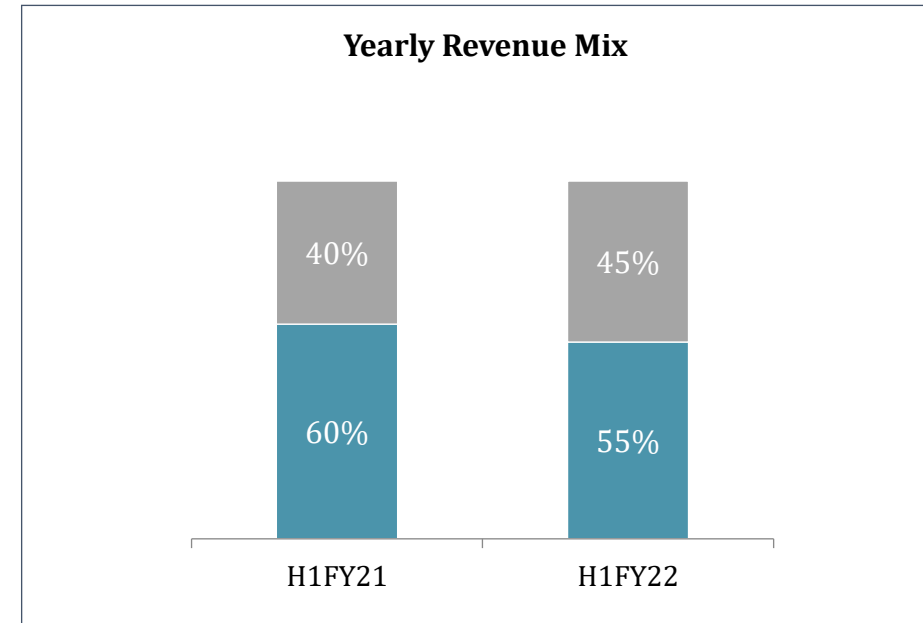
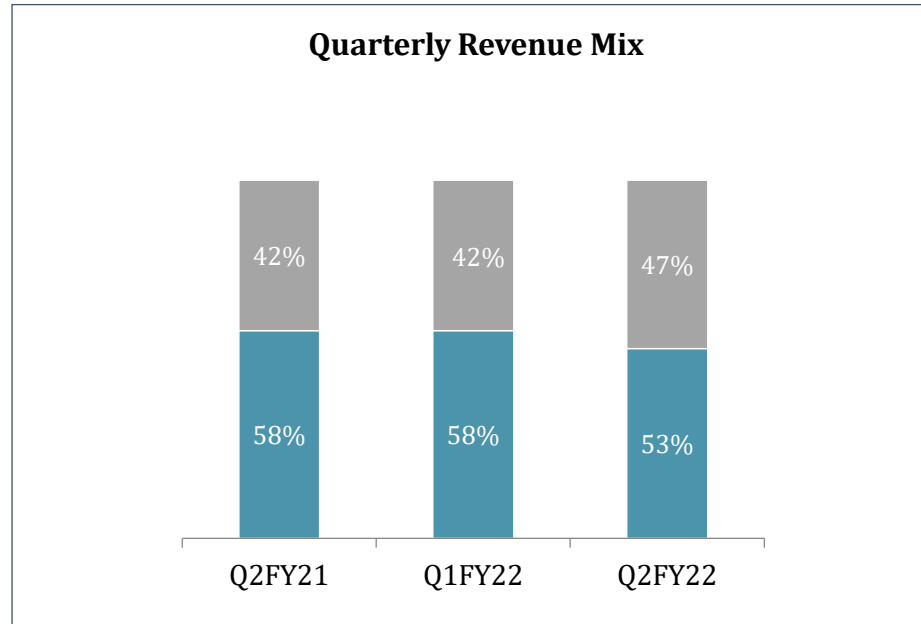
Bulk Alcohol sales volumes stood at 26.8 Mn litre in Q2FY22, lower by 5% YoY and 10% QoQ due to plant closure

The average realization for bulk alcohol remained largely stable at Rs.51.5 per litre in Q2FY22

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

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 ~487 bps YoY from 42% in Q2FY21 to 47% in Q2FY22

Profit & Loss Highlights | Q2 & H1FY22

Particulars (Rs Mn)	Q2 FY22	Q2 FY21	YoY (%)	Q1 FY22	QoQ (%)	H1FY22	H1FY21	YoY (%)
Gross Revenues	5,939	4,567	30.0%	5,506	7.9%	11,446	7,487	52.9%
Less- Excise duty	2,118	1,291	64.0%	1,801	17.6%	3,919	1,910	105.1%
Net Revenues from Operations	3,822	3,276	16.7%	3,705	3.1%	7,527	5,577	35.0%
Other Income	16	34	-54.2%	11	44.7%	27	43	-38.3%
Total Income	3,837	3,310	15.9%	3,716	3.3%	7,553	5,620	34.4%
Total Expenditure	2,944	2,676	10.0%	2,724	8.1%	5,668	4,584	23.7%
Consumption of Material	1,972	1,770	11.4%	1,839	7.2%	3,812	3,167	20.3%
Employee Cost	107	109	-1.6%	145	-26.0%	252	200	26.2%
Other Expenditure	865	797	8.5%	740	16.9%	1,604	1,217	31.9%
EBITDA	893	634	40.8%	992	-10.0%	1,885	1,036	82.0%
Depreciation & Amortization	104	100	4.8%	103	0.9%	208	195	6.4%
EBIT	789	535	47.5%	889	-11.2%	1,677	841	99.5%
Finance Cost	24	49	-51.3%	39	-39.2%	63	100	-36.8%
PBT	765	486	57.5%	849	-9.9%	1,614	741	117.9%
Tax Expense (Current, Deferred Tax)	240	140	71.6%	293	-17.9%	533	214	149.6%
PAT (From ordinary activities)	525	346	51.8%	557	-5.7%	1,081	527	105.0%
EPS	18.28	11.96	52.8%	19.33	-5.4%	37.61	18.23	106.2%

Note: 1) 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; 2) The reported financial results for Q2FY22 and H1FY22 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 | Q2 & H1FY22

Key Ratios (% of Total Income)	Q2 FY22	Q2 FY21	Q1 FY22	H1FY22	H1FY21
EBITDA Margin	23.3%	19.2%	26.7%	25.0%	18.4%
PAT	13.7%	10.4%	15.0%	14.3%	9.4%
Total Expenditure	76.7%	80.8%	73.3%	75.0%	81.6%
Raw material	51.4%	53.5%	49.5%	50.5%	56.4%
Employee Cost	2.8%	3.3%	3.9%	3.3%	3.6%
Other Expenditure	22.5%	24.1%	19.9%	21.2%	21.6%
Finance Cost	0.6%	1.5%	1.1%	0.8%	1.8%
Depreciation	2.7%	3.0%	2.8%	2.8%	3.5%
Other Income (% of Net Revenue)	0.4%	1.0%	0.3%	0.4%	0.8%

EBITDA margin in Q2FY22 improved by 412 bps YoY to 23.3% and remained within expected range. However, Q2FY22 saw fuel inflation of 20-25% which was offset to an extent by upward moving ENA prices and By-Products

Balance Sheet | September 2021

Liabilities (Rs Mn)	Mar-21	Sep-21
Net-worth	5,907	6,932
LT borrowings	1,067	1,037
Provisions	30	32
Deferred tax liabilities	494	639
Other non-current liabilities	77	74
Total Non Current Liabilities	7,575	8,714
ST borrowings	721	621
Trade payables	1,187	1,243
Provisions	68	71
Other financial liabilities	48	103
Current tax liabilities	10	0
Other current liabilities	322	208
Total Current Liabilities	2,355	2,244
Total Liabilities	9,930	10,959

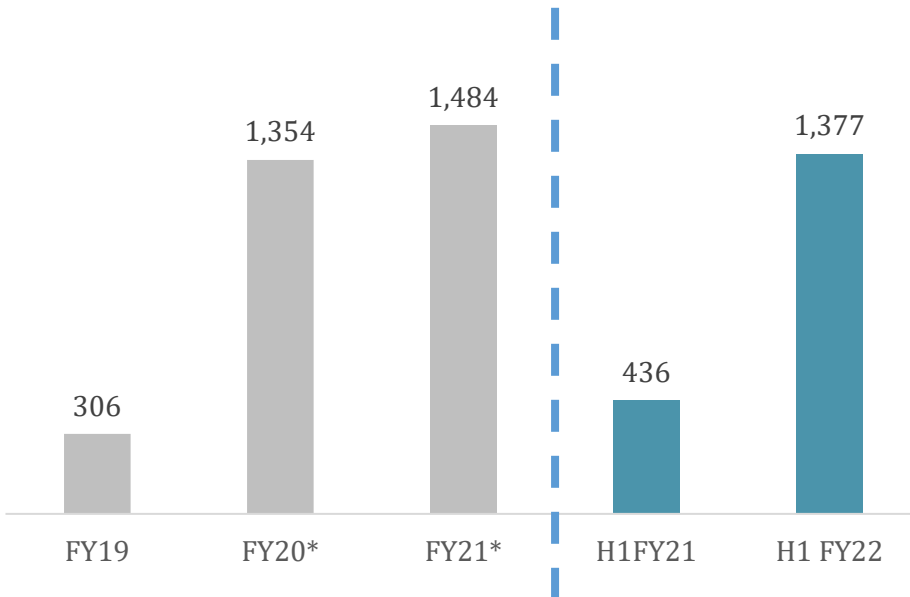
Assets (Rs Mn)	Mar-21	Sep-21
Fixed assets (incl. CWIP)	6,269	6,826
Investments	0	0
Other financial assets	176	175
Income tax assets	10	36
Other non-current assets	438	532
Total Non Current Assets	6,892	7,568
Inventories	1,021	805
Trade receivables	879	1,157
Cash & cash equivalents	581	836
Other financial assets	50	60
Other current assets	506	533
Total Current Assets	3,037	3,390
Total Assets	9,930	10,959

Note: The figures for Mar-21 have been restated to include the effect of the merger of Unibev with Globus Spirits Limited, and to ensure like-to-like comparison

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 cost 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)

* Effective FY 22-23- the effective tax rate of the company would be in the range of 25% to 26% (under new regime) consequent to full utilization of MAT credit by FY 21-22

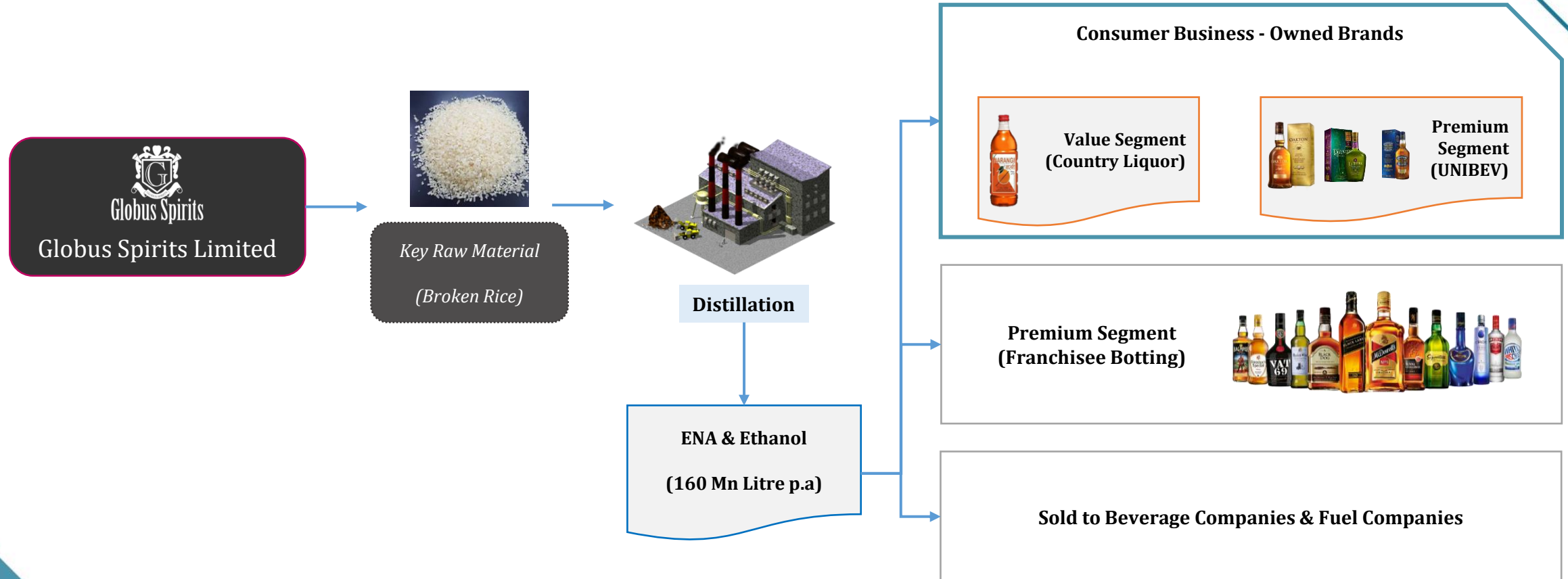
Note: * Restated to include the effect of the merger of Unibev with Globus Spirits Limited



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 (~57% of Revenue)
Strong Backbone...

Bulk Spirits	Franchisee Bottling	By Products
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Consumer Business (~43% 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 (FY21)

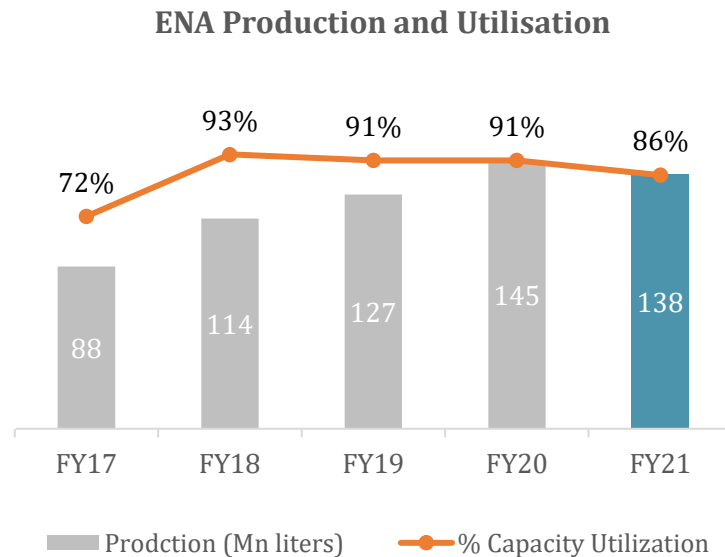


Manufacturing Business

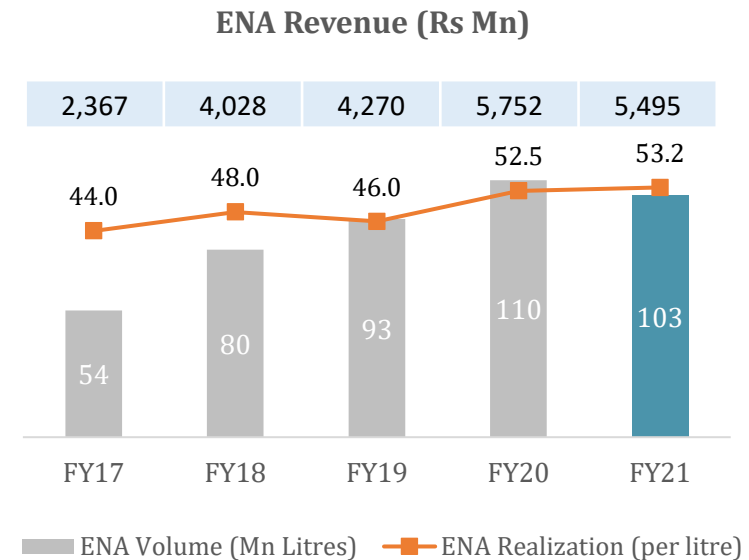
1. Bulk Alcohol

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

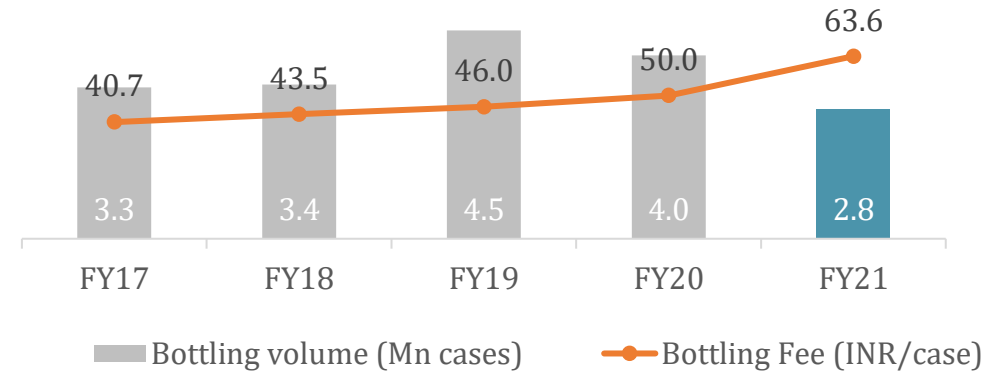
Strong relationships with pedigreed players ensures steady offtake

20 year old relationships with ABD and USL / Diageo

Proxy play on growth in IMFL industry

Ramp up expected in West Bengal

Bottling volume (Mn cases)



Franchisee Bottling Brands

Diageo & USL in Haryana & West Bengal



ABD in Rajasthan



3. By-Products

Process efficiencies lead to zero discharge and incremental revenues

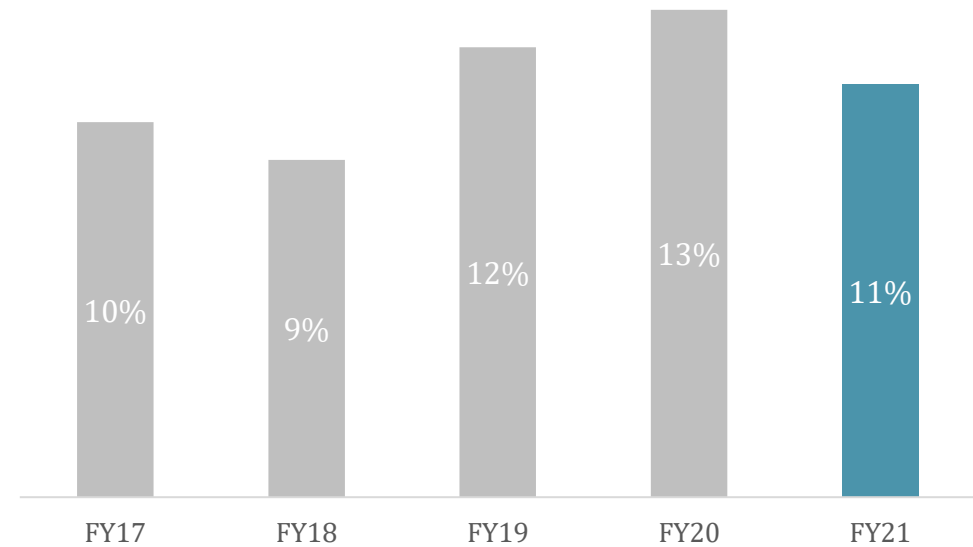
❑ Animal Feed Supplements (AFS)

- 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

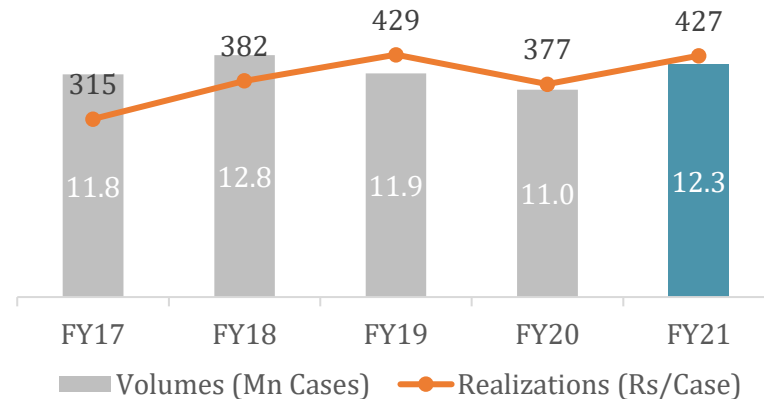
Existing Product Portfolio



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

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

Particulars (Rs Mn)	FY20*	FY21*	H1FY22
Gross Revenues	12,674	16,721	11,446
Less- Excise duty	986	4,414	3,919
Net Revenues from Operations	11,688	12,308	7,527
Other Income	37	66	27
Total Income	11,726	12,373	7,553
Total Expenditure	10,441	9,756	5,668
Consumption of Material	7,176	6,532	3,812
Employee Cost	343	384	252
Other Expenditure	2,922	2,840	1,604
EBITDA	1,285	2,618	1,885
Depreciation & Amortization	380	407	208
EBIT	905	2,211	1,677
Finance Cost	236	188	63
PBT	669	2,023	1,614
Tax Expense (Current, Deferred Tax)	137	583	533
PAT (From ordinary activities)	532	1,440	1,081
EPS	20.60	50.01	37.61

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

Annual | Key Ratios

Key Ratios (% of Total Income)	FY20*	FY21*	H1FY22
EBITDA	11.0%	21.2%	25.0%
PAT	4.5%	11.6%	14.3%
Total Expenditure	89.0%	78.8%	75.0%
Raw material	61.2%	52.8%	50.5%
Employee Cost	2.9%	3.1%	3.3%
Other Expenditure	24.9%	23.0%	21.2%
Finance Cost	2.0%	1.5%	0.8%
Depreciation	3.2%	3.3%	2.8%
Other Income (% of Net Revenue)	0.3%	0.5%	0.4%

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

Annual | Balance Sheet

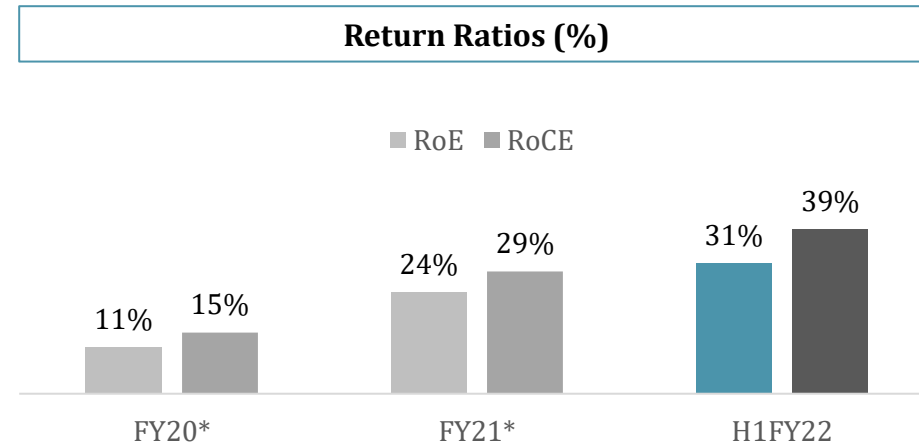
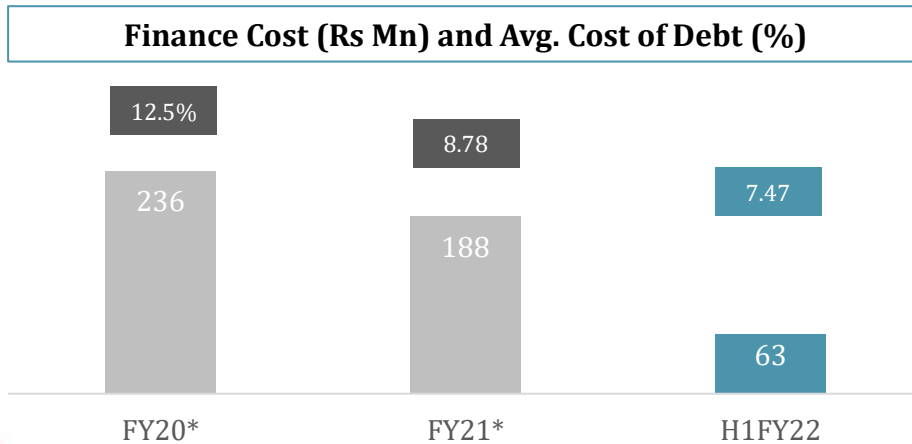
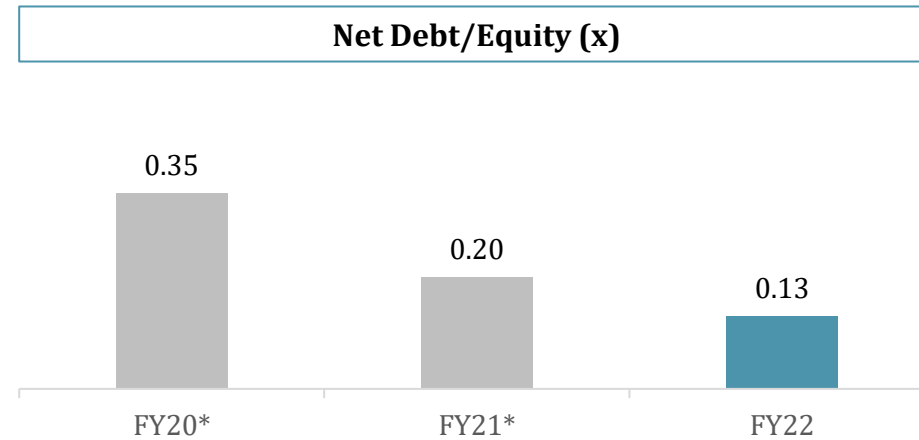
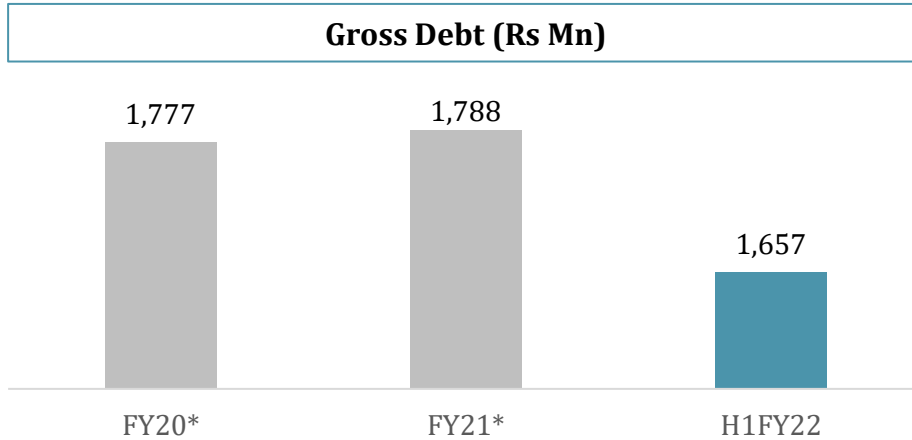
Liabilities (Rs Mn)	Mar-20*	Mar-21*	Sep-21
Networth	4,500	5,907	6,932
LT borrowings	1,328	1,124	1,037
Provisions	28	30	32
Deferred tax liabilities	263	494	639
Other non-current liabilities	37	20	74
Total Non Current Liabilities	6,156	7,575	8,714
ST borrowings	449	721	621
Trade payables	1,085	1,187	1,243
Provisions	54	68	71
Other financial liabilities	62	48	103
Current tax liabilities	0	10	0
Other current liabilities	197	322	208
Total Current Liabilities	1,847	2,355	2,244
Total Liabilities	8,003	9,930	10,959

Assets (Rs Mn)	Mar-20*	Mar-21*	Sep-21
Fixed assets (incl. CWIP)	5,985	6,269	6,826
Intangible assets under development	0	0	0
Financial assets	183	176	175
Income tax assets	10	10	36
Other non-current assets	61	438	532
Total Non Current Assets	6,239	6,892	7,568
Inventories	1,063	1,021	805
Trade receivables	338	879	1,157
Cash & cash equivalents	200	581	836
Other financial assets	28	50	60
Other current assets	134	506	533
Total Current Assets	1,764	3,037	3,390
Total Assets	8,003	9,930	10,959

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

Key Financial Ratios

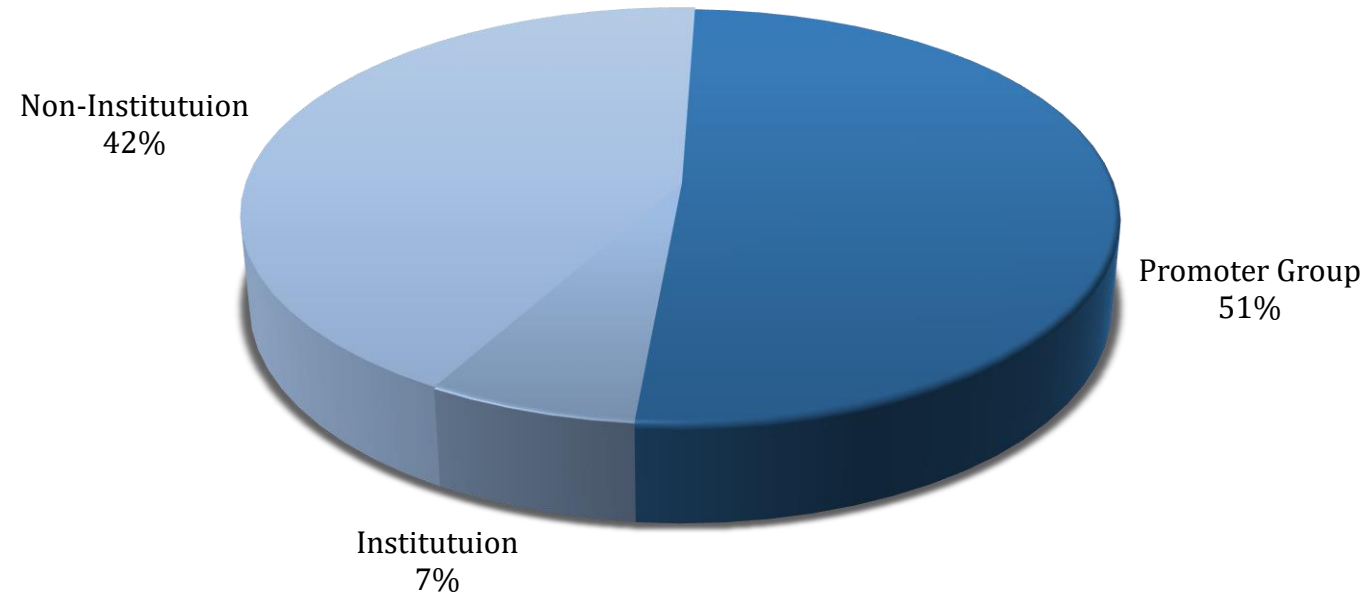
Consistent focus on reducing debt from business cashflow; improving return ratios



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

Shareholding Pattern

Total outstanding equity shares as on September 30th 2021, 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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