



Globus Spirits

Enabling Excellence

**GLOBUS SPIRITS LIMITED**

Result Presentation | Q4 FY23



# Globus Spirits - A Well Entrenched Distillation Business

01

Well entrenched consumer business

- Strong economy portfolio
- Disruptive IMFL portfolio
- Presence in 7 strategic markets

02

Widest product portfolio in industry

- Products ranging from Rs 100 – Rs 3000
- Covering rural consumption and aspirational urban consumption

03

Innovations dedicated towards consumption patters

- Healthy pipeline of products based on local tastes and preferences
- Allow business to react quickly as well as set trends

04

Hedged distillation business

- Strong operational platform
- Relationships with key alcohol buyers
- Ethanol play to ensure capacity utilization

# Consumer Business Strategy Fructifying with IMFL Poised to Propel Growth

Net Revenue (Rs Mn)	Q4FY23	Q4FY22	YoY%	FY23	FY22	YoY%
IMFL (Prestige & Above)	109	18	493%	374	47	696%
- Volumes sold (Mn cases)	0.05	0.01	555%	0.21	0.02	1,133%
Value and Value Plus	1,645	1,665	-1%	7,089	6,744	5%
- Volumes sold (Mn cases)	3.20	3.72	-14%	14.23	14.63	-3%
<b>Total Consumer Revenue</b>	<b>1,754</b>	<b>1,683</b>	<b>4%</b>	<b>7,464</b>	<b>6,791</b>	<b>10%</b>
<b>Total Consumer Volumes</b>	<b>3.25</b>	<b>3.73</b>	<b>-13%</b>	<b>14.44</b>	<b>14.64</b>	<b>-1%</b>
<i>IMFL as % of Total Consumer Volume</i>	<b>1.4%</b>	<b>0.2%</b>	<b>120 bps</b>	<b>1.4%</b>	<b>0.1%</b>	<b>130 bps</b>
<i>IMFL as % of Total Consumer Revenue</i>	<b>6.2%</b>	<b>1.1%</b>	<b>510 bps</b>	<b>5.0%</b>	<b>0.7%</b>	<b>430 bps</b>

# IMFL - Geared up for Product and Packaging development

## Recent Brands & Market Launches

Mountain Oak (Whisky)	SNOSKI (Vodka)	Markets
Launched in Q4FY23 in West Bengal	Launched in Uttar Pradesh in Apr'23 Available in Two variants: Green Apple and Plain	Haryana towards the end of Q3FY23 Punjab – planned for Jun'23

## Upcoming Launches

Premium Rum	Whisky	Craft Gin
Ready for launch in Q2FY24	Will be entering the Single Malt segment this year	New Variants under development in Craft Gin



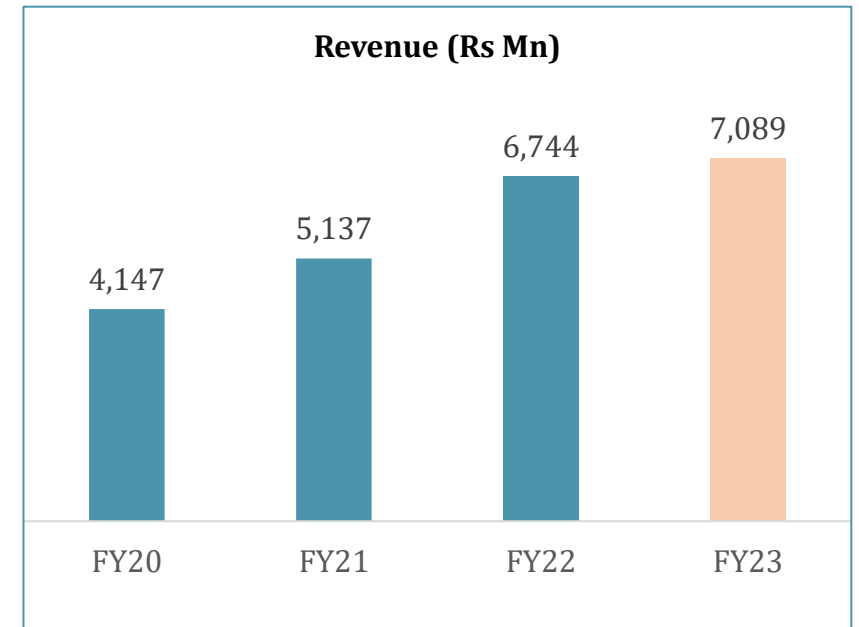
# Value and Value Plus – GSL is One of the Largest Player

Product Innovation by investment in R&D and focus on Brand Building, enabled Growth

## Select Product Portfolio



## Value and Value Plus Segment



# Manufacturing Business – Strong Backbone

Net Revenue (Rs Mn)	Q4FY23	Q4FY22	YoY%	FY23	FY22	YoY%
<b>Bulk Alcohol</b>	<b>2,895</b>	<b>2,350</b>	<b>23%</b>	<b>10,766</b>	<b>6,509</b>	<b>65%</b>
- Volumes sold (Mn Ltr)	47.63	40.10	19%	182.3	116.4	57%
- Avg. Realisation (Rs/Ltr)	60.8	58.7	4%	59.1	55.9	6%
<b>Franchise Bottling</b>	<b>43</b>	<b>41</b>	<b>5%</b>	<b>170</b>	<b>192</b>	<b>-11%</b>
<b>AFS &amp; Others</b>	<b>717</b>	<b>720</b>	<b>0%</b>	<b>2,691</b>	<b>2,299</b>	<b>17%</b>
<b>Total Manufacturing Revenue</b>	<b>3,655</b>	<b>3,111</b>	<b>18%</b>	<b>13,627</b>	<b>9,000</b>	<b>51%</b>

- Total capacity at 765KL in Q4, with utilisation at ~90% in FY23 and ~88% in Q4FY23
- 20 days & 14 days of closure at West Bengal and Behror (Rajasthan) respectively for maintenance activities in Q4FY23
- Bulk Alcohol realization increased due to Ethanol price hike wef December 2022 and improving ENA realization

# Status of Projects

Location	Capacity Addition (KLPD)	Total Capacity after Completion	Status
West Bengal – II	140	240	Completed Q4FY22
Jharkhand	140	140	Completed Q2FY23
West Bengal - III	60	300	Q1FY24
Jharkhand - II	60	200	Q1FY24
Bihar	19	110	Q1-FY24
Orissa - greenfield	200*	-	Construction to start in Q3FY23
Uttar Pradesh – greenfield	200*	-	Approvals in process; Work on Bottling project already started

- At the end of FY23, the total installed capacity was 765 KLPD

\* Tentative

# State-of-the-Art Manufacturing Units (1/3)

## Rajasthan Facility

**Capacity:** 54.4 Mn Ltrs

**Products:** Value, Value Plus, IMFL Liquor; ENA, Ethanol and Other By-products (mainly AFS)





# State-of-the-Art Manufacturing Units (2/3)

## West Bengal Facility

**Capacity:** 81.6 Mn Ltrs (scale up to 102.0 Mn Ltrs by Q1FY24)

**Products:** Value, Value Plus, IMFL Liquor Franchisee IMFL; ENA, Ethanol and Other By-products (mainly AFS)



## Haryana Facility

**Capacity:** 47.6 Mn Ltrs

**Products:** Value, Value Plus, IMFL Liquor, Franchisee IMFL; ENA, Ethanol and Other By-products (mainly AFS)



# State-of-the-Art Manufacturing Units (3/3)

## Bihar Facility

**Capacity:** 28.9 Mn Ltrs (scale up to 35.4 Mn Ltrs by Q1FY24)

**Products:** Ethanol and Other By-products (mainly AFS)



## Jharkhand Facility

**Capacity:** 47.6 Mn Ltrs (scale up to 68 Mn Ltrs by Q1FY24)

**Products:** ENA, Ethanol and Other By-products (mainly AFS)



# Q4 & FY23 Results Commentary



# Manufacturing Business - Benefitted from Expanded Capacities

## Manufacturing (65% share in Net Revenue)

Rs 13,627 Mn in FY23

↑ 51% YoY

Rs 3,655 Mn in Q4FY23

↑ 18% YoY & -3% QoQ ↓

- Bulk Alcohol revenue at **Rs 10,766 Mn, up 65% in FY23** and **Rs. 2,895 Mn, up 23% YoY in Q4FY23**, led by enhanced capacities and improved realizations.
- QoQ drop in Q4FY23 was on account of planned maintenance shutdown for ~14 days at Rajasthan and for ~20 days at West Bengal. **Thereafter, both plants operating as planned.**
- Bulk alcohol sales of **182 Mn Ltr, up 57% in FY23** and **47.6 Mn Ltr, up 19% YoY in Q4FY23**, due to 1<sup>st</sup> full year operations of new West Bengal capacity and commissioning of Jharkhand facility in Sep'22.
- Bulk alcohol realisations at **~Rs 59 per Ltr, up 6% YoY in FY23** and **~Rs 61 per Ltr, up 4% YoY and 2% QoQ in Q4FY23**.
  - ENA realisation increased by 15% YoY to ~Rs 61 in FY23 and by 11% YoY and 2% QoQ to ~Rs 63 in Q4FY23
- Ethanol Allocation for ESY 22-23 has been received for **9.24 Cr litre, in line with targetted**

**Full year of operations for 140 KLPD Jharkhand facility and incremental capacity of 60 KLPD each at West Bengal III and Jharkhand II, is likely to benefit Manufacturing Business in FY24**

# Consumer Business - Benefitted from the boost in IMFL Business

## Consumer (35% share in Net Revenue)

Rs 7,464 Mn in FY23

↑ 10% YoY

Rs 1,754 Mn in Q4FY23

↑ 4% YoY & -18% QoQ ↓

- IMFL segment continuing growth – revenue share increased to **6.2% in Q4FY23 and 5% in FY23 from ~1% last year. The overall volumes sold crossed 2 lakh cases.**
- Consumer segment realization grew by **20% YoY and 2% QoQ to Rs 540 per case in Q4FY23** and by **11% YoY to Rs 517 per case in FY23**, due to price increase in Rajasthan **and increasing share of Premium+ Brands sales**
- Overall consumer segment (ex IMFL) sales lowered by 3% YOY to 14.3 Mn cases in FY23
  - Value+ market reduced in Rajasthan to a revised base in FY23. **Growth is expected from this base.**
  - The Value segment grew by 5% YoY to 10.3 Mn cases in FY23.
- Overall, market share in Rajasthan improved in Q4FY23 and FY23 – **over 50% in Value+ and ~33% overall**

**Secured another price hike of Rs 40 per case for Value Plus and Rs 20 per case for Value segment in Rajasthan, effective 1<sup>st</sup> Apr'23. This, along with ongoing momentum in Premium+ Brands will continue to support consumer segment realisations**

# Margin Focus continues - Operating Margin improved in Q4FY23

## Reported EBITDA Margin at 14% – Factors that Contributed Positively

- Higher Bulk Alcohol realization by 2% QoQ to ~Rs. 61 per ltr in Q4FY23 from ~Rs. 60 per ltr in Q3FY23.
- Higher Consumer segment realization and lower trade spends in Haryana
- Power & Fuel cost **lowered by 27% QoQ** due to favourable environment for coal on account of increased coal supply in the market
- Ethanol margin now largely protected on account of fixed price supply of Rice from FCI and increased inventory of fuel
- Price increase of Ethanol by ~3% in December 2022, whereas not adequate, supported in increasing margins.
- Energy efficiency drives continuing at all plants

## Operating EBITDA Margin (excl. IMFL loss) at ~16%

- IMFL operations which is in growing phase, included a fixed cost of Rs 5 Cr in Q4FY23 (Rs 19 Cr in FY23) relating to manpower, marketing and other operating costs.

Q4FY23 (Rs Mn)	GSL Reported	IMFL	GSL ex IMFL
Net Revenue	5,410	90	5,320
EBITDA	760	-65	825
<b>EBITDA Margin</b>	<b>14%</b>		<b>16%</b>

# Profit & Loss Highlights | Q4 & FY23

Particulars (Rs Mn)	Q4FY23	Q4 FY22	YoY (%)	Q3FY23	QoQ (%)	FY23	FY22	YoY (%)
<b>Net Revenue from Operations</b>	<b>5,410</b>	<b>4,794</b>	<b>12.8%</b>	<b>5,924</b>	<b>-8.7%</b>	<b>21,091</b>	<b>15,791</b>	<b>33.6%</b>
Other Income	28	18		12		78	66	
<b>Total Income</b>	<b>5,437</b>	<b>4,812</b>	<b>13.0%</b>	<b>5,936</b>	<b>-8.4%</b>	<b>21,169</b>	<b>15,858</b>	<b>33.5%</b>
<b>Total Expenditure</b>	<b>4,677</b>	<b>3,950</b>	<b>18.4%</b>	<b>5,336</b>	<b>-12.3%</b>	<b>18,635</b>	<b>12,506</b>	<b>49.0%</b>
Consumption of Material	3,109	2,774		3,555		12,413	8,384	
Employee Cost	191	144		182		651	501	
Other Expenditure	1,378	1,032		1,599		5,570	3,621	
<b>EBITDA</b>	<b>760</b>	<b>862</b>	<b>-11.8%</b>	<b>601</b>	<b>26.6%</b>	<b>2,534</b>	<b>3,352</b>	<b>-24.4%</b>
Depreciation	160	113		149		563	426	
<b>EBIT</b>	<b>601</b>	<b>749</b>	<b>-19.8%</b>	<b>451</b>	<b>33.1%</b>	<b>1,971</b>	<b>2,926</b>	<b>-32.7%</b>
Finance Cost	73	28		50		170	114	
<b>PBT</b>	<b>528</b>	<b>721</b>	<b>-26.8%</b>	<b>401</b>	<b>31.7%</b>	<b>1,801</b>	<b>2,812</b>	<b>-36.0%</b>
Tax Expense (Current, Deferred)	170	235		131		579	940	
<b>PAT (From ordinary activities)</b>	<b>358</b>	<b>486</b>	<b>-26.2%</b>	<b>270</b>	<b>33.0%</b>	<b>1,222</b>	<b>1,872</b>	<b>-34.7%</b>
<b>EPS (Rs)</b>	<b>12.44</b>	<b>16.87</b>	<b>-26.2%</b>	<b>9.36</b>	<b>33.0%</b>	<b>42.42</b>	<b>65.06</b>	<b>-34.8%</b>

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The Board has recommended a Dividend of 60% of the Face Value, that is, Rs 6 per share for FY23

# Key Ratios | Q4 & FY23

Particulars (% of Total Income)	Q4FY23	Q4 FY22	Q3FY23	FY23	FY22
<b>Gross Margin</b>	<b>43%</b>	<b>42%</b>	<b>40%</b>	<b>41%</b>	<b>47%</b>
Employee Cost	4%	3%	3%	3%	3%
Other Expenditure	25%	22%	27%	26%	23%
<b>EBITDA</b>	<b>14%</b>	<b>18%</b>	<b>10%</b>	<b>12%</b>	<b>21%</b>
Finance Cost	1%	1%	1%	1%	1%
<b>PAT</b>	<b>7%</b>	<b>10%</b>	<b>5%</b>	<b>6%</b>	<b>12%</b>

**Gross Margin in Q4FY23 at ~43% improved ~300 bps QoQ and ~50 bps YoY**

EBITDA Margin 16% ex Premium+ Brands



# Annual Financials



# Annual | Profit & Loss Statement

Particulars (Rs Mn)	FY20*	FY21*	FY22	FY23
<b>Net Revenues from Operations</b>	<b>11,688</b>	<b>12,308</b>	<b>15,791</b>	<b>21,091</b>
Other Income	37	66	66	78
<b>Total Income</b>	<b>11,726</b>	<b>12,373</b>	<b>15,858</b>	<b>21,169</b>
<b>Total Expenditure</b>	<b>10,441</b>	<b>9,756</b>	<b>12,506</b>	<b>18,635</b>
Consumption of Material	7,176	6,532	8,384	12,413
Employee Cost	343	384	501	651
Other Expenditure	2,922	2,840	3,621	5,570
<b>EBITDA</b>	<b>1,285</b>	<b>2,618</b>	<b>3,352</b>	<b>2,534</b>
Depreciation	380	407	426	563
<b>EBIT</b>	<b>905</b>	<b>2,211</b>	<b>2,926</b>	<b>1,971</b>
Finance Cost	236	188	114	170
<b>PBT</b>	<b>669</b>	<b>2,023</b>	<b>2,812</b>	<b>1,801</b>
Tax Expense (Current, Deferred)	136	583	940	579
<b>PAT (From ordinary activities)</b>	<b>533</b>	<b>1,440</b>	<b>1,872</b>	<b>1,222</b>
<b>EPS</b>	<b>18.51</b>	<b>50.01</b>	<b>65.06</b>	<b>42.42</b>

# Annual | Key Ratios

Particulars (% of Total Income)	FY20*	FY21*	FY22	FY23
<b>Gross Margin</b>	<b>39%</b>	<b>47%</b>	<b>47%</b>	<b>41%</b>
Employee Cost	3%	3%	3%	3%
Other Expenditure	25%	23%	23%	26%
<b>EBITDA</b>	<b>11%</b>	<b>21%</b>	<b>21%</b>	<b>12%</b>
Finance Cost	2%	2%	1%	1%
<b>PAT</b>	<b>5%</b>	<b>12%</b>	<b>12%</b>	<b>6%</b>

- **Consistently focusing on reducing debt from business cashflow; The Net Debt/Equity stands at ~0.3x as at 31-Mar-23**
- **Available low finance cost with average cost of debt at ~4% for FY23**
- **Healthy return ratios – RoE of ~14% and RoCE of ~17% in FY23**

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

# Annual | Balance Sheet

Liabilities (Rs mn)	Mar-21*	Mar-22	Mar-23
Networth	5,907	7,723	8,866
LT borrowings	1,067	1,089	1,109
Provisions	30	33	46
Deferred tax liabilities	494	887	1,102
Other non-current liabilities	77	67	138
<b>Total Non Current Liabilities</b>	<b>7,575</b>	<b>9,800</b>	<b>11,261</b>
ST borrowings	721	650	1,643
Trade payables	1,187	1,383	2,160
Provisions	68	67	65
Other financial liabilities	48	147	249
Current tax liabilities	10	24	96
Other current liabilities	322	294	436
<b>Total Current Liabilities</b>	<b>2,355</b>	<b>2,565</b>	<b>4,650</b>
<b>Total Liabilities</b>	<b>9,930</b>	<b>12,365</b>	<b>15,911</b>

Assets (Rs mn)	Mar-21*	Mar-22	Mar-23
Fixed assets (incl. CWIP)	6,269	7,676	9,249
Investments	0	0	0
Other financial assets	176	274	683
Income tax assets	10	10	32
Other non-current assets	438	534	853
<b>Total Non Current Assets</b>	<b>6,892</b>	<b>8,495</b>	<b>10,817</b>
Inventories	1,021	1,085	1,578
Trade receivables	879	1,181	2,113
Cash & cash equivalents	581	761	352
Other financial assets	50	61	106
Other current assets	506	784	946
<b>Total Current Assets</b>	<b>3,037</b>	<b>3,871</b>	<b>5,094</b>
<b>Total Assets</b>	<b>9,930</b>	<b>12,365</b>	<b>15,911</b>

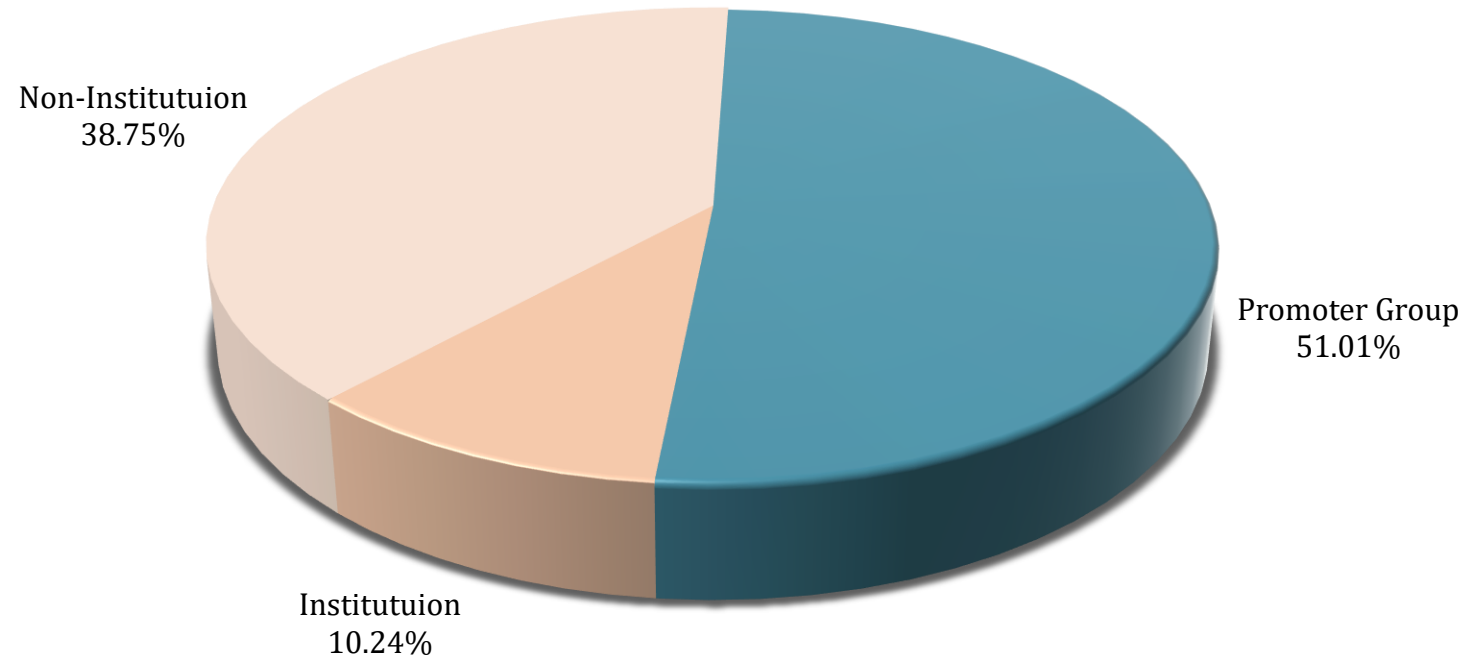
Note: \* Restated to include the effect of the merger of Unibev with Globus Spirits Limited

# Cashflow Deployment – FY23

Cash Flow Extract (Rs Mn)	FY23
Net cash generated from Operating Activities (A)	1,224
Net cash used in Investing Activities (B)	(2,119)
Net cash used in Financing Activities (C)	863
<b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>	<b>(32.5)</b>
Add: Cash & Cash equivalent at the beginning of the year	896
<b>Cash &amp; cash equivalent at the end of the year</b>	<b>864</b>

# Shareholding Pattern

Total outstanding equity shares as of March 31, 2023, stand at 28.8 Mn shares



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