



Globus Spirits

GLOBUS SPIRITS LIMITED

Q3 & 9M FY'15

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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Q3 & 9M'FY15 – KEY HIGHLIGHTS

Robust double digit YoY revenue and profit growth

- Revenue from operations up 24.9% YoY to reach Rs 1,556mn in Q3 FY15 driven by strong traction across all business verticals
- EBITDA up 22.8% YoY to reach Rs 98mn in Q3' FY14
- Net Profit at Rs 1.1mn in Q3' FY14, growth at 15.0% YoY

Revival in consumer business with turnaround in Haryana

- IMIL volumes up 21% YoY in Q3 FY15 to reach 2.4 mn cases; a trend reversal from weak growth over last 6 quarters
- Rajasthan IMIL continued to show strong traction with 27% increase in volumes YoY
- Strong double digit growth in Haryana market testament to market recovery

Q3 & 9M'FY15 – KEY HIGHLIGHTS

Sustained performance in manufacturing business

- Manufacturing revenues up 25% YoY driven by 71% YoY growth in franchisee business (Rajasthan) in Q3 FY15 and 121% YoY volume growth in bulk alcohol exports
- Established subsidiary in UAE to facilitate export business
- DDGS, a new by-product launched in Q2 FY15, showed good market response. Dryer at Behror was also commissioned with DDGS production capacity expanding to ~110tpd.

East India expansion on track

- Completed land acquisition and initiated construction
- Entered Bihar IMIL market, setting foot in the attractive East India market

Q3'FY15 YOY – SUSTAINED DOUBLE DIGIT REVENUE GROWTH

Figures in Rs Million

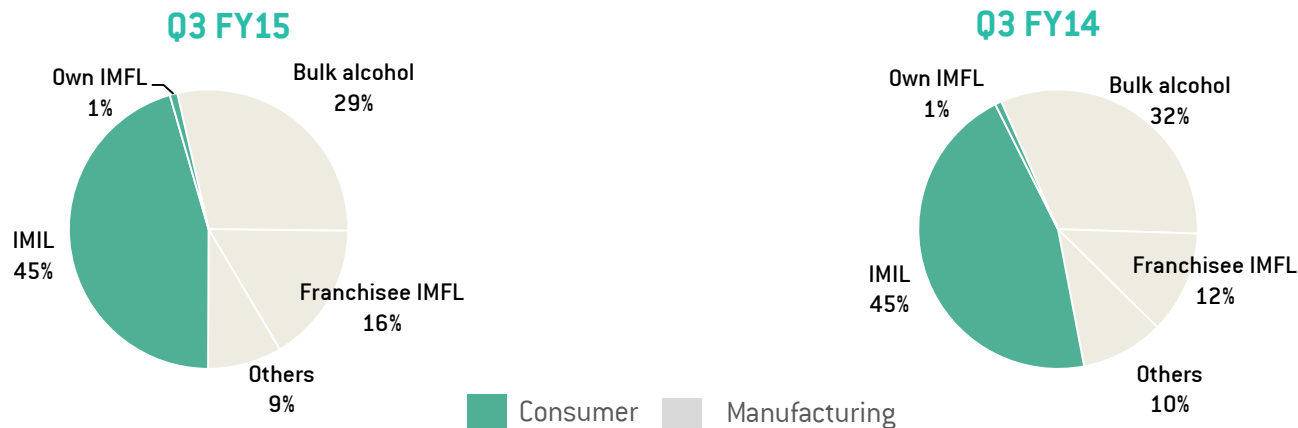
	Revenue from Operations	EBITDA	PAT
Q3'FY15	1,556	98	1.1
	↑ 25%	↑ 23%	↑ 15%
Q3'FY14	1,245	80	1.0

- Revenue from operations (Net) up 24.9% YoY to reach Rs 1,556 mn in Q3'FY15 driven by robust volume growth across all business verticals
 - In consumer, IMIL volumes up 21% YoY and IMFL volumes up 32% YoY; In manufacturing, franchisee volumes up 45% YoY and bulk alcohol up 7% YoY
- EBITDA for the quarter at Rs 98 mn with EBITDA margin at 6.3% (vs 6.4% in Q3 FY14)
 - Increasing proportion of franchisee business in revenues, leading to marginal dip in margins
- PAT at Rs 1.1mn with PAT margin of 0.1%
 - Impacted by accelerated amortization of intangibles (Rs 18mn) and higher interest costs

BOTH CONSUMER & MANUFACTURING DELIVER

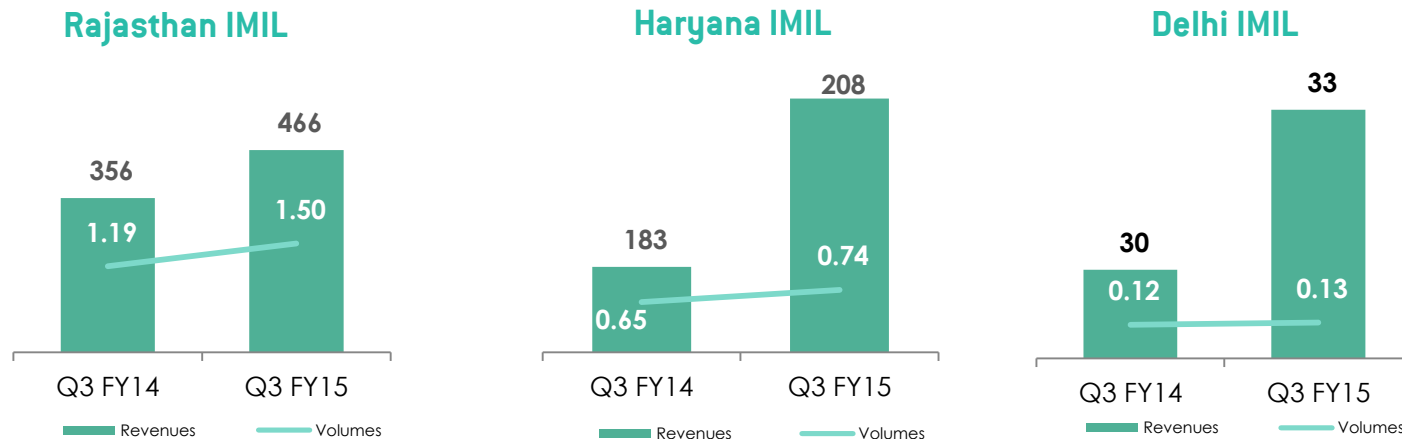
Figures in Rs Million

Breakup of Revenue from Operations



- Share of consumer and manufacturing in revenues at 46% and 54% respectively, same as Q3 FY14
- Consumer business revenues increased by 25%YoY to reach Rs 721mn due to sustained double-digit revenue growth in Rajasthan IMIL (31%) combined with a welcome recovery in Haryana market at 14% revenue growth
- Revenues from manufacturing also up 25%YoY at Rs 835mn in Q3'FY15 driven by increase in volumes of franchisee bottling (45%) and bulk alcohol export (121%)

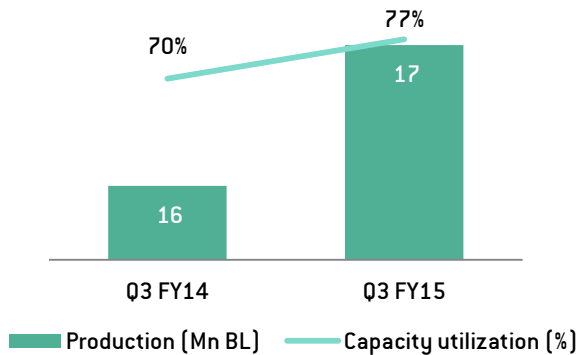
CONSUMER DELIVERS STRONG DOUBLE DIGIT PERFORMANCE



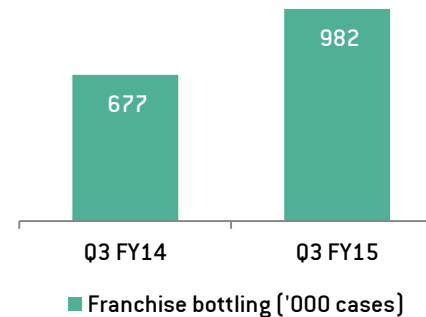
- Aggregate IMIL revenues grow by 24% YoY, driven by 31% increase in Rajasthan IMIL revenues combined with 14% increase in Haryana IMIL revenues
- Encouraging volume growth in Haryana at 13% YoY, showing early signs of a turnaround after prolonged weakness
- IMFL revenues increase by 46% YoY with aggregate sales of ~27k cases. Focus on 3 core brands in Haryana and Rajasthan.

SUSTAINED GROWTH IN MANUFACTURING BUSINESS

Production & Capacity Utilization





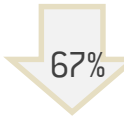
Franchise Bottling



- Capacity utilization up from 70% in Q3'FY14 to 77% in Q3'FY15 resulting in 9%YoY increase in production to 17.2mnBL
- Scaled up bottling contracts with both ABD and United Spirits in Rajasthan and Haryana respectively, resulting in 45% YoY volume growth
- Upward revision in bottling fee in both Rajasthan and Haryana, with retrospective effect in case of latter
- Bulk alcohol revenues up by 12% driven by healthy export volumes increasing 121% YoY

9M'FY15 YOY – DOUBLE DIGIT REVENUE GROWTH

Figures in Rs Million

	Net Revenues	EBITDA	PAT
9M'FY15	4,330 	336 	35 
9M'FY14	3,757	372	105

- Net sales and other operating income up 15% YoY to reach Rs 4,330mn in 9M'FY15 driven by strong volume growth in manufacturing segment
- EBITDA for the period at Rs 336 mn with EBITDA margin at 7.8%
 - Decline in EBITDA margin mainly due to changed revenue mix – share of manufacturing in net revenues up from 53% in 9MFY'14 to 57% in 9M'FY15
- PAT at Rs 35mn, with margin of 2.8%
 - Impacted by decline in EBITDA margin combined with higher depreciation and interest costs

MANAGEMENT REVIEW OF RESULTS

“I am happy to report strong revenue performance across all our business verticals. The consumer business saw good growth with Haryana IMIL showing signs of recovery. Our continuous efforts to increase our presence in a highly competitive market started paying off as we recorded revenue growth in the state.

Performance of our IMIL business in Rajasthan remained robust as penetration of our brands continued to increase. This vertical received a further boost with our entry in Bihar IMIL in January this year.

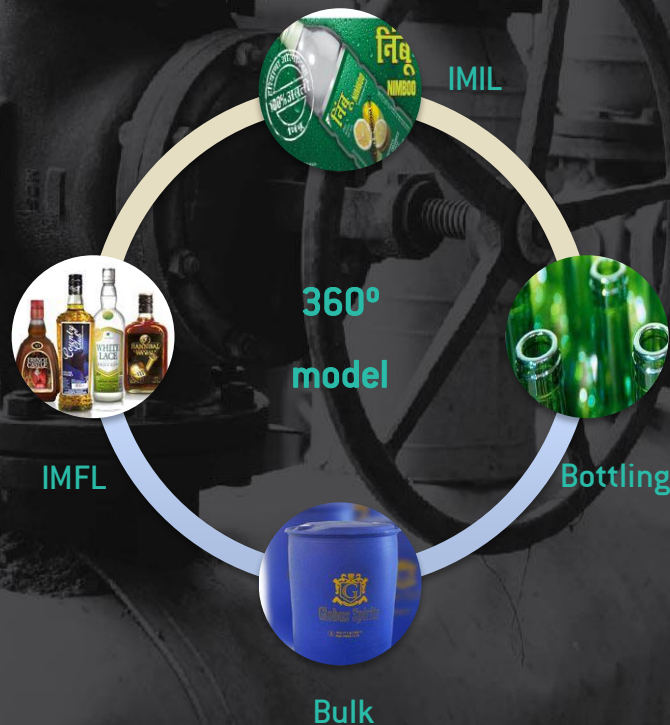
Volumes in our franchisee business scaled up rapidly and exports showed good traction. DDGS, a value added by-product launched in Q2 FY 15 witnessed strong demand validating the large market potential. Further, we commissioned a dryer in Behror during the quarter taking our DDGS production capacity to ~110 tpd.

Our greenfield projects in East India continue to progress well. Though the land acquisition process turned out to be time-consuming, we are confident of timely completion with construction having started in both locations.”

Mr. Ajay Kumar Swarup
Managing Director

LEADING SPIRITS COMPANY IN NORTH INDIA

Unique 360° model straddling the entire alcohol value chain



Established consumer business in North India

- Pioneered IMIL branding, leading player in Rajasthan, Haryana and Delhi
- Young IMFL portfolio of 3 mainstream brands

Large, efficient manufacturing operations

- Bottling for India's Top 3 IMFL companies
- Amongst the largest and most efficient grain-based distillery operations in India with ~90 mn bulk litres operating capacity

Sustained performance despite a challenging environment in FY14

- 19% CAGR (FY10-14) in revenues; D/E of 0.4x
- 20 years of operational excellence, delivering CAGR of 19% and 26% in revenues and operating capacity in last 5 years

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

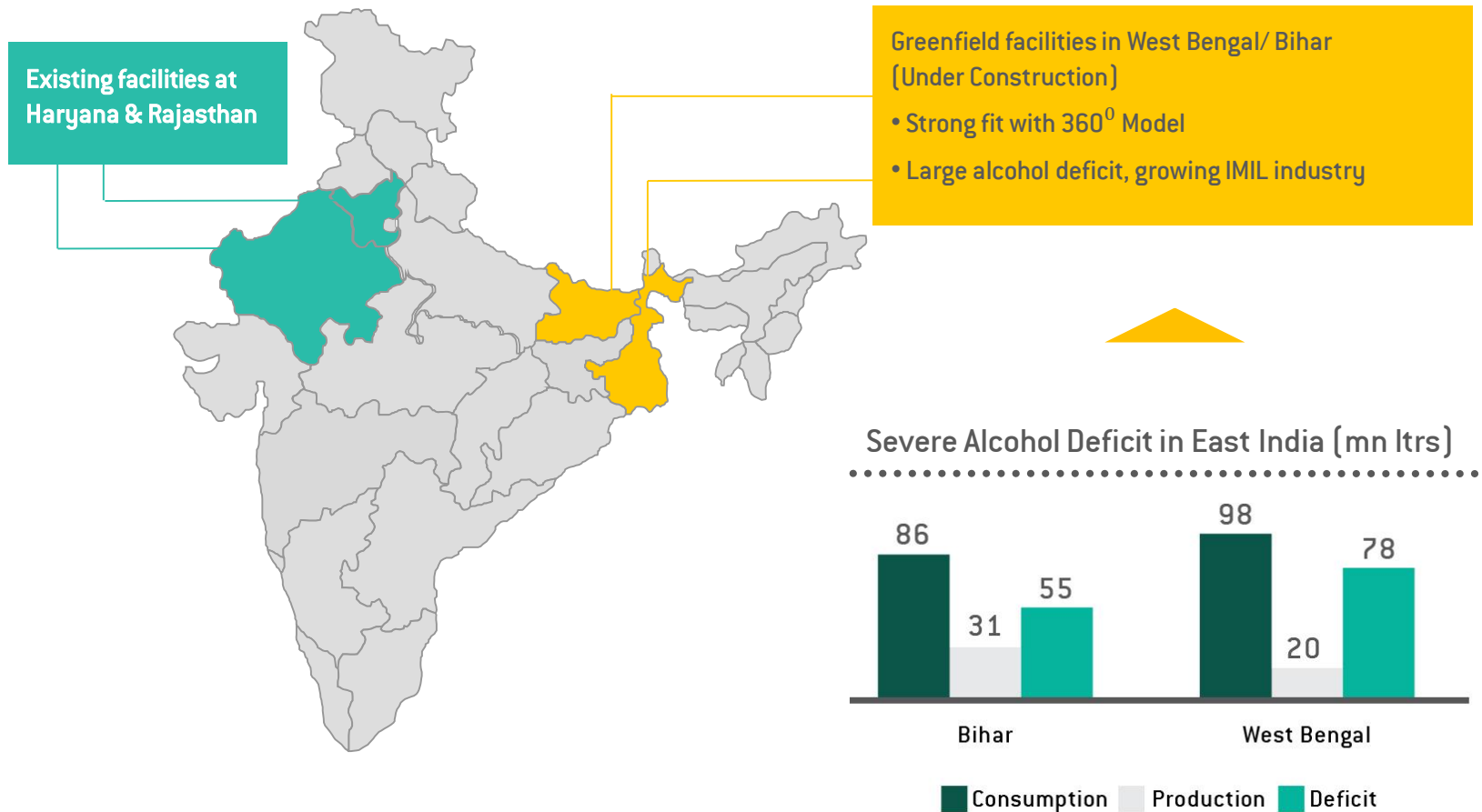
NEAR TERM STRATEGY

- **Enter fast growing liquor markets of West Bengal & Bihar with complete 360⁰ offering**
- **Launch premium brands of value**
- **Launch 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

- 43% share in net revenues
- Leadership in key states of Rajasthan, Delhi and Haryana
- 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 1.2x
- Leadership - mix of experience and young talent

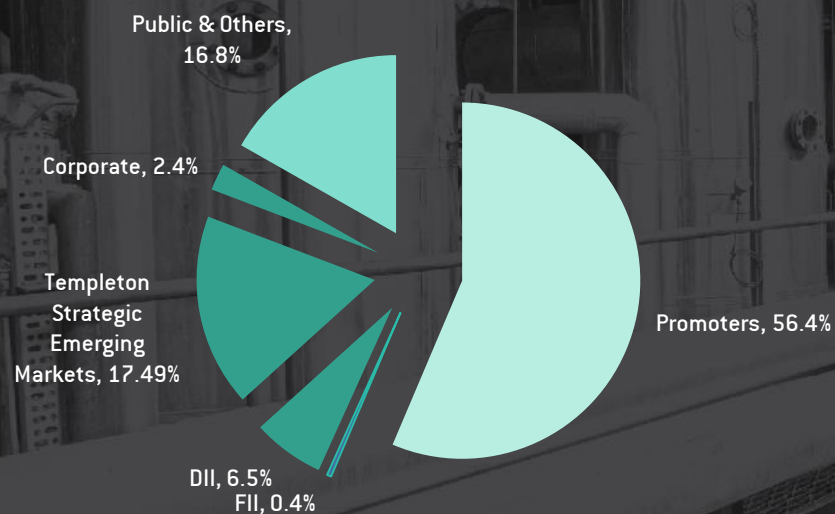
Healthy Balance Sheet

- Funding for greenfield expansion at Bihar secured via equity
- D/E of 0.4x
- Cash efficient operations with WC of – 12 days

SHAREHOLDING PATTERN

As on 31st December, 2014

Outstanding shares – 28.8 mn



Major Non-Promoter Shareholders	% shareholding
Templeton Strategic Emerging Markets Fund IV, LDC	17.49%
SBI Emerging Business Fund	6.39%

Q3'FY14: PROFIT AND LOSS STATEMENT

Particulars (In Rs Mn)	Q3 FY15	Q3 FY14	YoY (%)	Q2 FY15	QoQ (%)	9M FY15	9M FY14	YoY (%)	FY14
Gross Sales	2,305	1,678	37%	2,060	12%	6,538	4,884	34%	6,616
Less- Excise duty & Discounts	752	445	69%	695	8%	2,214	1,161	91%	1,655
Net Sales	1,552	1,233	26%	1,364	14%	4,325	3,723	16%	4,961
Other Operating Income	3	12	-74%	1	466%	5	34	-84%	4
Net Sales & Other operating income	1,556	1,245	25%	1,365	14%	4,330	3,757	15%	4,965
Total Expenditure	1,457	1,165	25%	1,251	17%	3,994	3,385	18%	4,515
Consumption of materials	956	821	16%	785	22%	2,683	2,327	15%	3,083
Employee Cost	34	30	12%	34	0%	98	88	11%	121
Other Expenditure	468	314	49%	432	8%	1,214	970	25%	1,311
EBITDA	98	80	23%	114	-14%	336	372	-10%	450
Depreciation & Amortisation	70	58	22%	65	8%	210	175	20%	285
EBIT	28	22	24%	49	-43%	126	196	-36%	165
Finance Charges	39	23	68%	41	-4%	115	66	74%	102
Other Income	12	2	499%	4	211%	24	23	2%	29
PBT before exceptional items	1	1	-9%	12	-91%	35	154	-77%	92
Exceptional items*	-	-	NA	-	NA	-	(60)	-100%	60
PBT	1	1	-9%	12	-91%	35	94	-63%	152
Provision for Tax	0	0	-13%	2	-91%	7	57	-88%	110
MAT Credit **	(0)	-	NA	(2)	-91%	(7)	(67)	-90%	(120)
PAT (From ordinary activities, before minority interest)	1	1	15%	12	-91%	35	105	-67%	162
Minority interests	-	-	NA	-	NA	-	-	NA	-
PAT	1	1	15%	12	-91%	35	105	-67%	162

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 Q1, Q2 and Q3 FY15, an amount of Rs. 18 mn each and during Q4 FY14, an amount of Rs 72mn has been debited to Statement of Profit and Loss to amortise these assets over 5 years

*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.

Q3'FY14: KEY RATIOS AS A % OF TOTAL REVENUE

(in %)	Q3 FY15	Q3 FY14	Q2 FY15	9M FY15	9M FY14	FY14
EBIDTA	6.3%	6.4%	8.4%	7.8%	9.9%	9.1%
PAT	0.1%	0.1%	0.9%	0.8%	2.8%	3.3%
Total Expenditure	93.7%	93.6%	91.6%	92.2%	90.1%	90.9%
Consumption of materials	61.4%	65.9%	57.5%	62.0%	61.9%	62.1%
Employee Cost	2.2%	2.4%	2.5%	2.3%	2.4%	2.4%
Other Expenditure	30.1%	25.2%	31.6%	28.0%	25.8%	26.4%

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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