



India

May 06, 2025 - 2:13 AM

ADD (no change)

Consensus ratings*: Buy 1 Hold 0 Sell 0

Current price:	Rs1,007
Target price:	Rs1,584
Previous target:	Rs1,584
Up/downside:	57.3%
InCred Research / Consensus:	57.3%
Reuters:	GLOS.NS
Bloomberg:	GBSL IN
Market cap:	US\$345m
	Rs29,099m
Average daily turnover:	US\$1.8m
	Rs150.3m
Current shares o/s:	28.8m
Free float:	49.0%

*Source: Bloomberg

Key financial forecast

	Mar-25F	Mar-26F	Mar-27F
Net Profit (Rsm)	1,284	3,040	3,993
Core EPS (Rs)	44.57	105.57	138.64
Core EPS Growth	33.1%	136.9%	31.3%
FD Core P/E	22.60	9.54	7.27
Recurring ROE	12.4%	24.4%	25.2%
P/BV (x)	2.64	2.08	1.63
DPS (Rs)			
Dividend Yield	0.18%	0.42%	0.55%



SOURCE: BLOOMBERG

Price performance	1M	3M	12M
Absolute (%)	(4.6)	6.9	29.3
Relative (%)	(11.0)	3.3	18.3

Major shareholders	% held
Promoter & Promoter Group	51.0
HSBC AMC	4.0
MIT	3.8

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Globus Spirits Ltd

Spirits to Suds - GSL's big swing into beer

- Carib Premium Strong Beer debuts in Uttar Pradesh (Fig.2) via a lean, asset-light launch — GSL's first step into India's booming premium beer market.
- Backed by Globus Spirits (GSL) and Caribbean giant Ansa McAL, the partnership blends local execution strength with international brand equity.
- With zero beer revenue baked into forecasts and valuation, any traction could provide a meaningful upside to GSL's target price of Rs1,584.

Beer launch

- **Carib Premium Strong Beer (500ml can) enters commercial production in Uttar Pradesh.**
- Manufactured at **Manav Breweries Pvt. Ltd., Ghaziabad**, through a tie-up for bottling.
- Priced at an **MRP of Rs130 per can**, it is aimed at the premium beer market segment.

50-50 joint venture

- The beer is manufactured by Globus Ansa Private Limited or GAPL (a joint venture between Globus Spirits and Ansa McAL).
- The GAPL board has been reconstituted with six directors—three from each joint venture partner.
- Total equity capital of Rs20m has been infused, equally shared between GSL and Ansa McAL.
- Each partner holds 1,00,000 shares of Rs100 each (50% stake each), reinforcing the financial commitment to the venture.

Joint venture dynamics

- Leveraging Ansa McAL's established Caribbean brand, Carib® offers international brand appeal.
- Could differentiate GAPL's offering from local competitors.
- Use of a tie-up unit for production (Manav Breweries) allows quick market entry with a low capex.
- Enables scalability without immediate investment in greenfield brewing facilities.
- Entry into a high-volume beer market could drive meaningful revenue growth.
- Success in Uttar Pradesh could lead to expansion into other North Indian states.
- The model can be replicated regionally using other contract bottlers to scale operations.

Valuation and outlook

- We have an ADD rating on GSL with a target price of Rs1,584 or 15x FY26F EPS.
- The notable growth in beer consumption and the state's well-established production and distribution infrastructure present a favourable environment for Carib Premium Strong Beer. Leveraging Uttar Pradesh's expanding market and extensive retail network can facilitate rapid market penetration and brand establishment.
- We have not incorporated any business from the beer division as we await management commentary on the same during its 4QFY25 results conference call.

Figure 1: Excise revenue witnesses substantial growth in Uttar Pradesh's liquor market

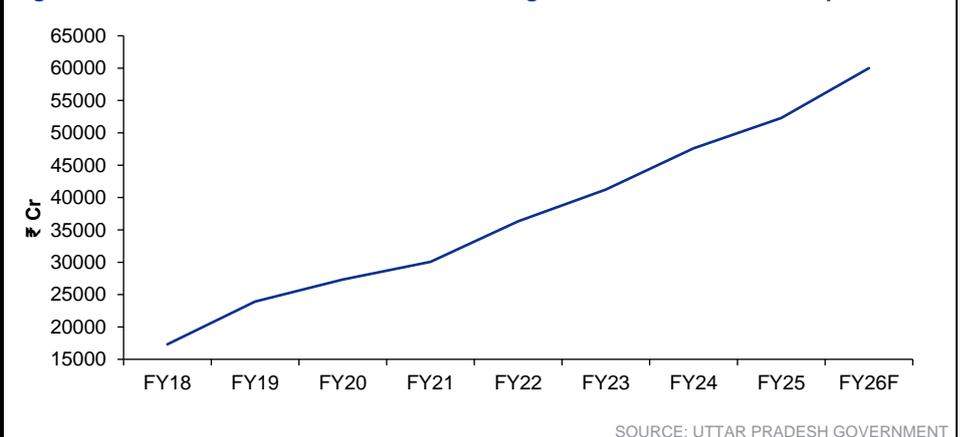
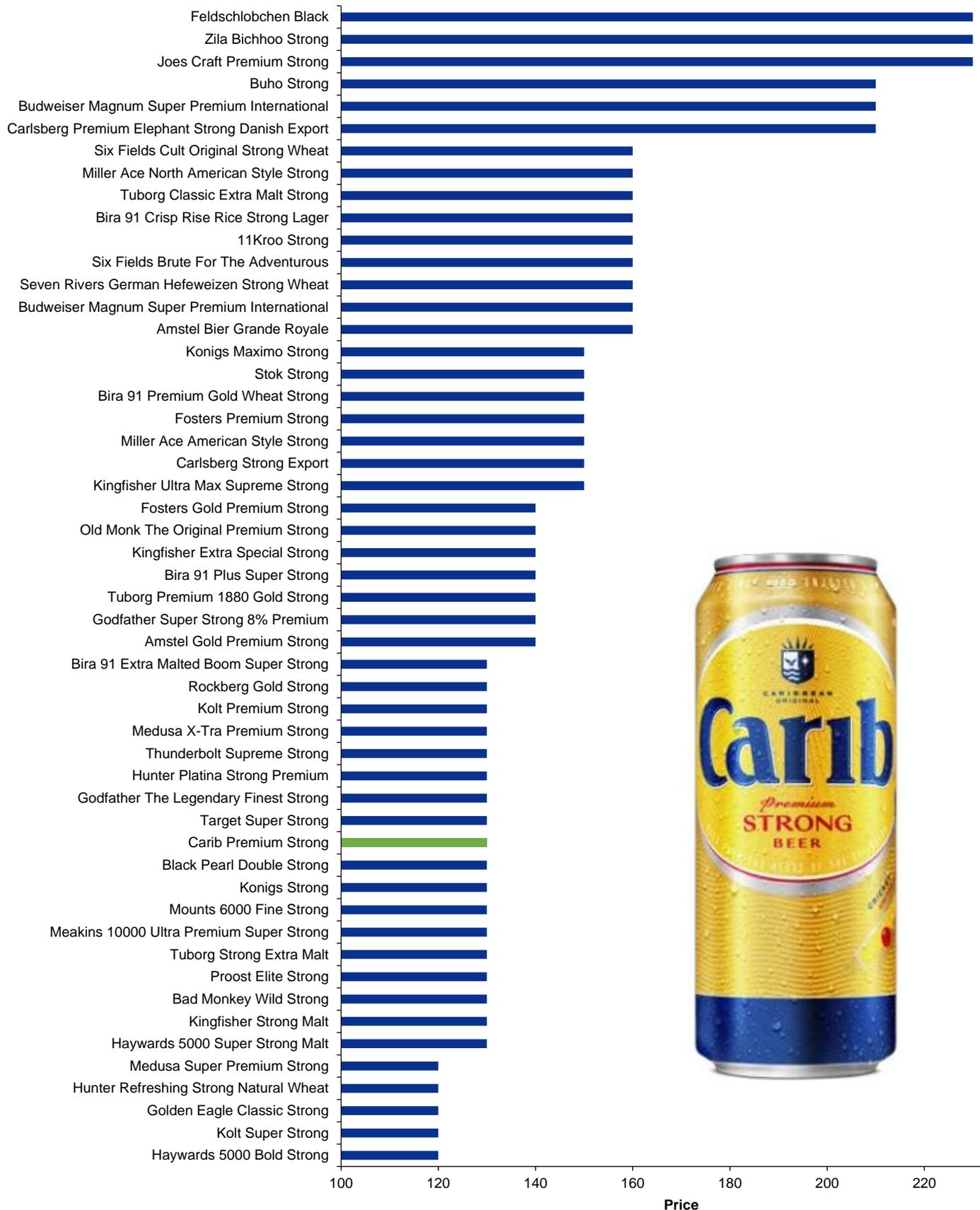


Figure 2: Competitive, yet premium perception, signalling better quality and international branding (Caribbean origin) without alienating value-conscious consumers {500ml can pricing}



SOURCE: INCRED RESEARCH

Profit & Loss

(Rs mn)	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Total Net Revenues	24,147	29,192	34,487	43,643
Gross Profit	7,766	9,797	13,706	17,440
Operating EBITDA	1,698	2,643	4,894	6,234
Depreciation And Amortisation	(656)	(709)	(698)	(761)
Operating EBIT	1,042	1,934	4,196	5,474
Financial Income/(Expense)	(131)	(190)	(87)	(78)
Pretax Income/(Loss) from Assoc.				
Non-Operating Income/(Expense)				
Profit Before Tax (pre-EI)	911	1,744	4,109	5,396
Exceptional Items				
Pre-tax Profit	911	1,744	4,109	5,396
Taxation	53	(460)	(1,068)	(1,403)
Exceptional Income - post-tax				
Profit After Tax	964	1,284	3,040	3,993
Minority Interests				
Preferred Dividends				
FX Gain/(Loss) - post tax				
Other Adjustments - post-tax				
Net Profit	964	1,284	3,040	3,993
Recurring Net Profit	964	1,284	3,040	3,993
Fully Diluted Recurring Net Profit	964	1,284	3,040	3,993

Balance Sheet

(Rs mn)	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Total Cash And Equivalents	116	80	1,824	4,553
Total Debtors	2,419	2,924	3,455	4,372
Inventories	1,806	2,184	2,580	3,265
Total Other Current Assets	241	292	345	436
Total Current Assets	4,583	5,480	8,204	12,626
Fixed Assets	10,086	10,877	11,179	11,418
Total Investments				
Intangible Assets	6	6	6	6
Total Other Non-Current Assets	362	438	517	655
Total Non-current Assets	10,454	11,321	11,702	12,079
Short-term Debt	1,443	1,443	1,193	1,193
Current Portion of Long-Term Debt				
Total Creditors	3,158	3,675	4,217	5,155
Other Current Liabilities				
Total Current Liabilities	4,601	5,118	5,410	6,348
Total Long-term Debt	492	492	370	370
Hybrid Debt - Debt Component				
Total Other Non-Current Liabilities				
Total Non-current Liabilities	492	492	370	370
Total Provisions	171	186	203	231
Total Liabilities	5,264	5,796	5,982	6,948
Shareholders Equity	9,773	11,005	13,924	17,757
Minority Interests				
Total Equity	9,773	11,005	13,924	17,757

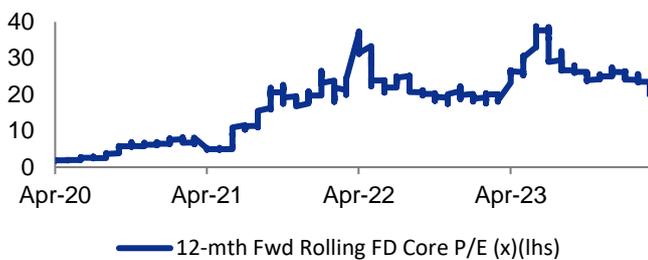
Cash Flow

(Rs mn)	Mar-24A	Mar-25F	Mar-26F	Mar-27F
EBITDA	1,698	2,643	4,894	6,234
Cash Flow from Invt. & Assoc.				
Change In Working Capital	1,803	(477)	(500)	(865)
(Incr)/Decr in Total Provisions				
Other Non-Cash (Income)/Expense				
Other Operating Cashflow				
Net Interest (Paid)/Received	61	40	28	
Tax Paid	53	(460)	(1,068)	(1,403)
Cashflow From Operations	3,615	1,746	3,353	3,966
Capex	(1,499)	(1,500)	(1,000)	(1,000)
Disposals Of FAs/subsidiaries				
Acq. Of Subsidiaries/investments				
Other Investing Cashflow				
Cash Flow From Investing	(1,499)	(1,500)	(1,000)	(1,000)
Debt Raised/(repaid)	(817)		(373)	
Proceeds From Issue Of Shares				
Shares Repurchased				
Dividends Paid	58	51	122	160
Preferred Dividends				
Other Financing Cashflow	(2,368)	(228)	(460)	(78)
Cash Flow From Financing	(3,127)	(177)	(712)	82
Total Cash Generated	(1,011)	69	1,642	3,048
Free Cashflow To Equity	1,299	246	1,981	2,966
Free Cashflow To Firm	2,116	246	2,353	2,966

Key Ratios

	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue Growth	14.5%	20.9%	18.1%	26.5%
Operating EBITDA Growth	(30.9%)	55.7%	85.2%	27.4%
Operating EBITDA Margin	7.0%	9.1%	14.2%	14.3%
Net Cash Per Share (Rs)	(63.17)	(64.41)	9.09	103.83
BVPS (Rs)	339.35	382.14	483.48	616.58
Gross Interest Cover	3.92	8.48	47.99	70.08
Effective Tax Rate		26.4%	26.0%	26.0%
Net Dividend Payout Ratio	6.0%	4.0%	4.0%	4.0%
Accounts Receivables Days	34.25	33.41	33.76	32.73
Inventory Days	37.71	37.55	41.84	40.71
Accounts Payables Days	51.62	51.41	57.28	55.74
ROIC (%)	8.2%	16.4%	32.2%	39.5%
ROCE (%)	10.0%	15.9%	29.3%	31.3%
Return On Average Assets	7.1%	9.3%	17.0%	18.3%

12-mth Fwd Rolling FD Core P/E (x)



SOURCE: INCRED RESEARCH, COMPANY REPORTS

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Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

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- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

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Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.