

GSL's IMFL Strategy

1. Passionate Experienced leadership team for consumer segment

(Paramjit Singh Gill – CEO of Consumer Division) -He is having vast experience of 30 years in IMFL industry.He worked with United spirits,ABD etc.He joined GSL in 2020.

Rajesh Fanda –(Business Head of Consumer Division).He is having over 28 years of experience in Liquor Industry, held Regional Head positions both in North & East India (Diageo) and ABD / Alcobrew.He joined GSL in 2022. He is excellent at marketing and sales.

Vikas Dixit is Master Distiller. He is having 20 years of experience in ABD,Tilaknagar Industries,UB Group,Diageo India and Khemani group.He joined in 2022.

His achievements in Khemani Group are

- Innovation: Product Development of Whisky, Brandy, Rum, Café Rhum, and Vodka
- Developed and delivered 6 brands of Whisky, Rum & Vodka- Various Flavours categories.
- Created a color-changing Vodka at Khemani from Purple to Blue post-dilution.
- Made a Spirit Maturation program for Single Malt Whisky maturation.

2. Distribution Network:

→ Built a strong distribution in 5 states (Delhi,Haryana,West Bengal,Punjab and Uttar Pradesh).

3. Brand Portfolio:

→ Launched following products in last 2 year

3 whiskies (Mountain Oak-Rs.450,Governor's Reserve-Rs.560 and Oakton-Rs.800)

1 vodka (Snoski-Rs.580)

1 Gin (Terai Gin-Rs.2000 - award-winning, one-shot, copper pot distilled London Dry style gin)

→ GSL launched **Green Apple and Orange variants** among Snoski.GSL will be launching Single malt, premium RUM in the coming year.

→ Most of the consumers prefer Prestige brands in India. So GSL launched Mountain oak at Rs.450.Then there are very less brands in the price range of Rs.500 to Rs.900.GSL observed this price point and released 2 brands **Governor's Reserve (Iconic reserve whisky for personal collection)** and **Oakton (Mellow, smooth and full-bodied)**.

4. High margin Products:

→ As per their quarterly calls, existing IMIL products gross margin is 20% to 24%. Whereas IMFL products gross margin is around 30% to 35% and some of them goes upto 50% to 70%.

→ Luxury products Gin, Single malt cost around Rs.2000 which would give higher margins.

5. Innovative Product Development:

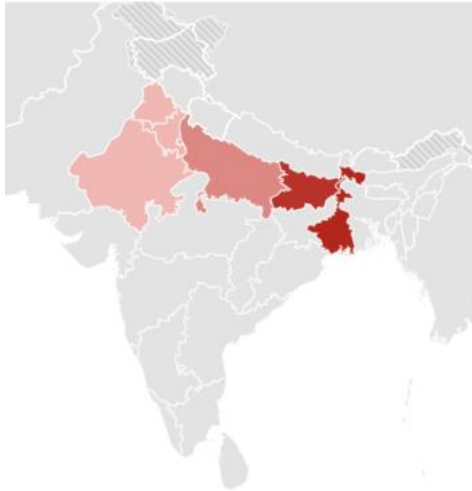
→ Conducted Extensive research,GSL came up with **premier products** with **premium and innovative packaging** (Comfy Pack –No other brand is providing it for Prestige Whiskies) at a similar price to peer products.



→ As per quarterly call, they are in process to launch a very interesting new flavour for Snoski, Which has never been done by anyone else before.

6. Market Expansion:

- Recently entered Rajasthan. They are planning to enter Jharkhand in the coming year.
- Strategically entering into 1 or 2 adjacent states each year.



7. Strategic Partnerships:

Leveraging their distribution, they have entered into Joint ventures with **Bored Beverages** for Mead and RTD and with **ANSA McAL** for Beer in the past 6 months .We may expect more ventures in the future.

Future Growth Potential

GSL would be achieving Rs.50 Crores revenue in FY 2023-24 which is 8% of their consumer segment. Their initial target is to achieve 20% of their consumer segment. They are expecting triple digit growth in the initial years.

	Mar-21	Mar-22	Mar-23	9M FY24
IMFL Revenue in Crores	6	4.7	37.4	37.1
IMFL Volume in Lakhs	0.2	0.2	2.1	2.5

With the raising disposable incomes, rapid urbanization, more young population and socialization in India, GSL is entering into a high growth high margin IMFL segment.

Following tables are expected volume and revenue for GSL's IMFL segment the next 10 years with 25%,30%,40% and 50% CAGR growth in volume.

25% CAGR	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
IMFL Volume in Lakhs	3.33	4.16	5.20	6.50	8.13	10.16	12.70	15.88	19.85	24.81	31.01
IMFL Revenue in Crores	49	62	77	97	121	151	189	236	295	368	460

30% CAGR	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
IMFL Volume in Lakhs	3.33	4.33	5.63	7.32	9.51	12.36	16.07	20.90	27.16	35.31	45.91
IMFL Revenue in Crores	49	64	84	109	141	183	239	310	403	524	681

40% CAGR	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
IMFL Volume in Lakhs	3.33	4.66	6.53	9.14	12.79	17.91	25.07	35.10	49.14	68.80	96.32
IMFL Revenue in Crores	49	69	97	136	190	266	372	521	729	1021	1429

50% CAGR	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
IMFL Volume in Lakhs	3.33	5.00	7.49	11.24	16.86	25.29	37.93	56.90	85.34	128.02	192.02
IMFL Revenue in Crores	49	74	111	167	250	375	563	844	1267	1900	2850

Following table shows expected GSL's IMFL valuation by 2034. It excludes their manufacturing and IMIL business valuation.

IMFL Valuation	PE	NPM	25%	30%	40%	50%
As per USL PE	66	11%	3341.3	4946	10378	20688
as per Radico Kaitan PE	96	9%	3976.42	5886	12350	24620