

Radico Khaitan Ltd



Radico Khaitan Limited ("RKL") is among the oldest and one of the largest manufacturers of Indian Made Foreign Liquor ("IMFL") in India. Earlier known as Rampur Distillery, Radico Khaitan commenced its operations in 1943 and over the years emerged from a major bulk spirits supplier and bottler to other spirit manufacturers to the originator of four millionaire labels and over fifteen organically grown brands.

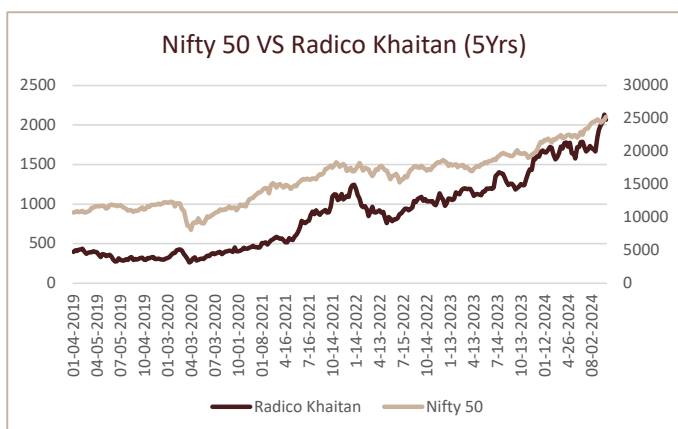
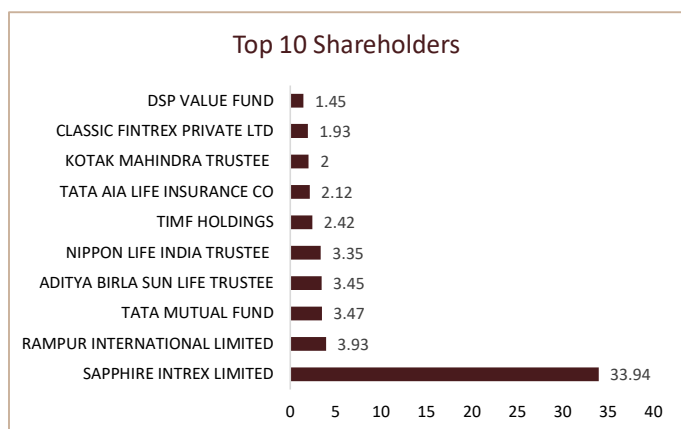
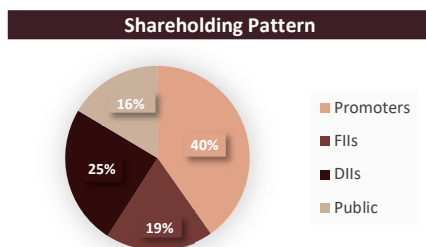
INR(Cr)

Key Financial Metrics (Yearly)	FY2020	FY2021	FY2022	FY2023	FY2024
Revenue	2,394.7	2,374.1	2,859.3	3,133.5	4,105.7
Revenue Growth %	16.05%	-0.86%	20.44%	9.59%	31.03%
Expenses	2,022.6	1,964.8	2,456.8	2,774.7	3,599.1
Expenses Growth %	18.09%	-2.85%	25.04%	12.94%	29.71%
EBITDA	372.1	409.3	402.5	358.8	506.6
EBITDA Growth %	6.09%	9.99%	-1.66%	-10.86%	41.20%
EBITDA Margin %	15.54%	17.24%	14.08%	11.45%	12.34%
Profit Before Tax	272.68	353.10	335.25	274.78	342.02
PBT Margin %	11.39%	14.87%	11.72%	8.77%	8.33%
PBT Growth %	-4.56%	29.49%	-5.06%	-18.04%	24.47%
Profit After Tax	227.5	270.6	252.2	204.4	255.8
PAT Margin %	9.50%	11.40%	8.82%	6.52%	6.23%
PAT Growth %	20.97%	18.93%	-6.80%	-18.93%	25.11%

Key financial Metrics (Quarterly)	Q4 FY 2023	Q1 FY 2024	Q2 FY 2024E	Q3 FY 2024E	Q4 FY 2024E
Revenue	1,078.7	1,136.5	1,206.7	1,258.6	1,310.5
Revenue Growth %	-7.08%	5.36%	6.17%	4.30%	4.12%
Expenses	956.2	987.6	1,057.6	1,103.5	1,149.3
Expenses Growth %	-6.08%	3.28%	7.09%	4.34%	4.16%
EBITDA	122.5	149.0	149.1	155.1	161.1
EBITDA Growth %	-14.23%	21.61%	0.07%	4.04%	3.88%
EBITDA Margin %	11.36%	13.11%	12.35%	12.32%	12.30%
Profit Before Tax	76.5	101.4	97.1	99.8	102.6
PBT Margin %	7.10%	8.92%	8.04%	7.93%	7.83%
PBT Growth %	-22.03%	32.43%	-4.25%	2.88%	2.80%
Profit After Tax	56.8	76.3	72.7	74.8	76.9
PAT Margin %	5.26%	6.71%	6.03%	5.95%	5.87%
PAT Growth %	-23.10%	34.37%	-4.70%	2.89%	2.81%

Key Data	
Rating	Buy
12 month TP (INR)	2445
Stock P/E	103
EPS	20.1
EPS Growth	18.08%
Face Value	2
ROE	11.30%
ROCE	13.20%
Debt to Equity	0.34
EV/EBITDA	56.27

Enterprise Value	
CMP as on 1 Oct 2024	2,078
Number of Share	13
Market Capitalization	27,786
Less: Cash & Equivalent	(100)
Add : Total Debt	818
Enterprise Value	28,504



Key Risks

Decline in demand: A slowdown in global and Indian economic growth could reduce consumer disposable income, negatively impacting demand in the IMFL industry and the company's financial performance.

Regulatory risks: The Indian spirits industry is heavily regulated, with each state having unique rules. Changes in regulations or non-compliance could harm the company's operations.

Rising raw material costs: Price volatility in key raw materials like ENA and packaging materials could affect the company's profitability.

Peer Comparison by M.Cap

