

## REPORT:

|  |   | FY24E  | FY25E  | FY26E  |
|--|---|--------|--------|--------|
| Valuation  | P/E   |        | 63.1x  | 48.3x  |
|  | EV/EBITDA   |        | 35.1x  | 29.0x  |
|  | Target Price:   | ₹2,020 |        |        |
|  | CMP:  | ₹1,704 |        |        |
| Growth   | Revenue (₹ Mn)  | 41,185 | 48,284 | 52,484 |
|  | EBITDA (₹ Mn)   | 5,061  | 6,713  | 8,052  |
|  | PAT (₹ Mn)  | 2,558  | 3,609  | 4,720  |
| ROCE   |   |        | 12.6%  | 14.2%  |
| Total Debt (₹ Mn)                                  |   | 8,184  | 7,818  | 6,901  |
| Company aims to be nearly <b>debt-free by FY26</b> |   |        |        |        |
| Margins  | Gross Margin:   |        | 42.4%  | 43.7%  |
|  | EBITDA Margin:  |        | 13.9%  | 15.3%  |
|  | PAT Margin:   |        | 7.5%   | 9.0%   |
| Story  | Focus on premiumization (P&A segment growth).<br>Strategic revival of Popular segment.<br>Benefiting from backward integration and softening raw material costs.<br>Long-term vision to be a global spirits brand.  |        |        |        |
| Any key catalyst                                   | Expansion in gross margins due to: <ul style="list-style-type: none"> <li>Softening raw material prices (grain, ENA, glass).</li> <li>Strong growth in high-margin Prestige &amp; Above segment.</li> </ul> Price hikes already taken across 15 states.<br>No major capex needed going forward. |        |        |        |
| Key Risks  | Slowdown in P&A segment.<br>Raw material price volatility (grain MSP hikes).<br>Policy issues/state-level delays (e.g., Telangana payments).<br>High valuations make stock vulnerable to growth slowdown.   |        |        |        |
| Shareholding Pattern                               | Promoters   | 40.3%  |        |        |
|  | Mutual  | 24.5%  |        |        |
|  | funds/Banks/FIs /FIIIs  | 18.5%  |        |        |
|  | Public/Others   | 16.7%  |        |        |

|                 |  |       |           |       |
|-----------------|--|-------|-----------|-------|
| Sector Growth   | Strong growth expected in Indian spirit’s market:<br>Driven by: urbanization, income growth, premiumization.<br>Radico Khaitan expected to grow faster than industry average.  |       |           |       |
| Peer Comparison | FY25E  |       |           |       |
|                 |  | P/E   | EV/EBITDA | ROE   |
|                 | Radico   | 63.1x | 34.9x     | 13.6% |
|                 | UNSP   | 77.8x | 50.3x     | 17.9% |
|                 | UBL  | 90.5x | 54.2x     | 13.1% |
| CMP             | ₹1,704 (as of August 9, 2024)  |       |           |       |
| Target Price    | ₹2,020 (implies ~19% upside from CMP)  |       |           |       |
| News            | Q1FY25 performance strong:<br><br>Revenue +19.1% YoY<br><br>EBITDA +24.6% YoY<br><br>P&A volumes up +14.5%<br><br>Margin recovery expected as RM prices stabilize<br><br>Launched 4 new luxury products in past 30 days<br><br>Capex cycle done; focus on deleveraging |       |           |       |