

# DIAGEO

*India*

## FINANCIAL MODELLING & VALUATION REPORT

UNITED SPIRITS LTD

2025

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## Disclaimer:

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Please consult a SEBI-registered investment advisor before making any financial decisions.

# UNITED SPIRITS LTD

(NSE Code: UNITDSPR | BSE Code: 532432)

**INR 1410.4**

52 Week (High - INR 1700 & Low - INR 1270)



**UNITED SPIRITS**

## Company Snapshot

### About The Company

United Spirits Ltd (USL), a subsidiary of Diageo plc, is India's largest spirits company with a diversified portfolio across Prestige & Above (P&A) and Popular categories. The company operates strong brands such as McDowell's No.1, Royal Challenge, Signature, and premium imported labels from Diageo. USL has a pan-India manufacturing footprint and extensive distribution network, enabling deep market penetration. Over the last decade, the company has undergone major portfolio premiumisation, debt reduction, and operational restructuring, positioning itself as a leaner and more brand-focused alcohol beverage player.

### Investment Thesis

- Premiumisation-Driven Margin Expansion: Increasing share of Prestige & Above segment supports long-term EBITDA margin improvement and stronger brand strength.
- Debt-Free Balance Sheet: Strengthened financial position enhances ability to reinvest.

### Key Risks

- Input Cost Volatility: Prices of ENA, packaging materials, and commodities can pressure margins if cost increases are not passed on.
- State-wise Prohibition Risk: Sudden policy changes (dry states, restrictions) can impact key markets.

Key Financial Metrics	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Total Sales (CRs)	8131.3	9712.4	10612	11321	12069
sales Growth (y-o-y)	-12.80%	19.44%	9.26%	6.68%	6.61%
Gross Profit Margin (%)	34.03%	34.78%	32.94%	37.36%	38.07%
EBITDA Margin (%)	12.93%	16.42%	13.35%	17.67%	18.53%
EBIT Margin (%)	9.25%	13.30%	10.69%	15.24%	16.18%
Netprofit Margin (%)	4.76%	9.55%	8.26%	10.60%	10.86%
Earnings per Share (in Rs.)	5.32	12.76	12.06	16.50	18.02
EPS Growth (y-o-y)	-27.29%	139.76%	-5.54%	36.83%	9.25%
Dividend Per Share (in Rs.)	-	-	-	8.97	11.96
Dividend Payout ratio	0.00%	0.00%	0.00%	54.38%	66.36%

Key Financial Ratios	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
P/E ratio	104.51x	69.60x	62.73x	68.75x	77.75x
Debt-to-Equity	0.25x	0.12x	0.03x	0.04x	0.06x
Current ratio	1.52x	1.80x	2.21x	2.34x	2.28x
ROE	9.86%	20.44%	16.01%	18.29%	17.22%
ROA	8.67%	14.87%	12.21%	16.51%	16.04%
ROCE	13.14%	24.10%	19.32%	25.43%	24.46%
ROIC	12.76%	20.89%	19.59%	23.20%	24.71%
Inventory Turnover ratio	55.00x	50.40x	47.90x	47.25x	51.40x
EV/Sales	5.09x	6.70x	5.12x	7.20x	8.32x
EV/EBITDA	39.35x	40.81x	38.33x	40.75x	44.89x

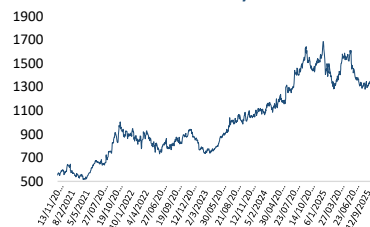
Top 10 Shareholders	Shares Held	% of Holding	Date Reported	value in (CRs.)
Diageo plc	406,447,245	57.24%	30-Sep-25	58097.57
HDFC AMC LTD	25,396,977	3.58%	30-Sep-25	3630.24
United Spirits Ltd, ESOP	17,295,450	2.44%	30-Sep-25	2472.21
BlackRock, Inc.	13,825,842	1.95%	31-Oct-25	1976.27
The Vanguard Group, Inc.	12,405,605	1.75%	30-Sep-25	1773.26
Franklin Resources, Inc.	10,094,796	1.42%	31-Oct-25	1442.95
Aditya Birla Sun Life AMC Limited	9,408,449	1.33%	30-Sep-25	1344.84
ICICI Prudential AMC LTD	9,269,206	1.31%	30-Sep-25	1324.94
Capital Research and Mngt Com	7,807,132	1.10%	31-Oct-25	1115.95
Kotak Mahindra AMC LTD	7,625,028	1.07%	30-Sep-25	1089.92

Managerial Remuneration	Designation	Remuneration in (CRs.)	X of median Salary
Ms. Hina Nagarajan	Managing Director & Chief Executive Officer	30.39	341.00
Mr. Pradeep Jain	Executive Director & Chief Financial Officer	4.67	52.00
Mr. Mital Sanghvi	Vice President - Treasury and Company Secretary	1.94	22.00
Mr. Mahendra Kumar Sharma	Non-Executive Independent Chairperson	0.67	7.10
Mr. V K Viswanathan	Independent Non-Executive Director	0.62	7.10

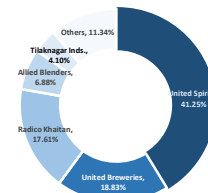
### Recent Updates

- USL agreed to acquire majority stake in NAO Spirits & Beverages Pvt Ltd (brands: 'Greater Than', 'Hapusa') for ₹130 crore to strengthen its premium portfolio.
- USL reported a 17.4% year-on-year increase in net profit for the quarter ended March; net sales value rose 8.9%. Growth was driven by resumption of operations in Andhra Pradesh and strong performance in the premium segment.
- USL announced a strategic review of its investment in Royal Challengers Sports Pvt Ltd (owner of the "Royal Challengers Bengaluru" cricket franchise). The review targets completion by March 2026.
- USL's net profit jumped 41 % year-on-year to ₹472 crore, driven by premium brand growth and improved margins, despite regulatory headwinds.
- USL notified the exchange about the closure of certain operations (factory/plant) – specific details disclosed under regulatory filings.

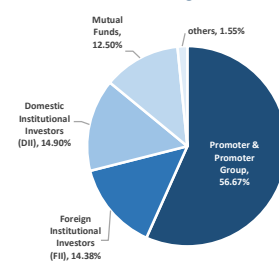
Share Price - 5yr



Market Share - Market Cap



Shareholding Pattern



# Financial Statements



Income Statement											
Years	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	LTM
<i>*All values are in "₹" Crores, otherwise Stated.</i>											
Sales	8,494.9	8,817.5	8,590.6	9,340.8	9,325.4	8,131.3	9,712.4	10,612.0	11,321.0	12,069.0	12,329.0
Sales Growth	-	3.80%	-2.57%	8.73%	-0.16%	-12.80%	19.44%	9.26%	6.68%	6.61%	2.15%
COGS	5,736.4	5,840.2	5,238.5	5,656.6	5,900.5	5,364.5	6,334.8	7,116.0	7,091.0	7,474.0	10,167.0
COGS % Sales	67.53%	66.23%	60.98%	60.56%	63.27%	65.97%	65.22%	67.05%	62.64%	61.93%	82.46%
Gross Profit	2,758.5	2,977.3	3,352.1	3,684.2	3,424.9	2,766.8	3,377.6	3,496.0	4,230.0	4,595.0	2,162.0
Gross Margin	32.47%	33.77%	39.02%	39.44%	36.73%	34.03%	34.78%	32.94%	37.36%	38.07%	17.54%
Selling & General Expenses	2,425.2	1,985.9	2,142.9	2,290.4	1,855.9	1,715.4	1,782.4	2,079.0	2,230.0	2,359.0	-
S&G Exp % Sales	28.55%	22.52%	24.94%	24.52%	19.90%	21.10%	18.35%	19.59%	19.70%	19.55%	-
EBITDA	333.3	991.4	1,209.2	1,393.8	1,569.0	1,051.4	1,595.2	1,417.0	2,000.0	2,236.0	27,983.8
EBITDA Margin	3.92%	11.24%	14.08%	14.92%	16.83%	12.93%	16.42%	13.35%	17.67%	18.53%	226.98%
Depreciation & Amortization	157.2	188.6	192.3	214.7	285.3	299.1	303.8	283.0	275.0	283.0	287.0
Depreciation % Sales	1.85%	2.14%	2.24%	2.30%	3.06%	3.68%	3.13%	2.67%	2.43%	2.34%	2.33%
EBIT	176.1	802.8	1,016.9	1,179.1	1,283.7	752.3	1,291.4	1,134.0	1,725.0	1,953.0	27,696.8
Operating Profit Margin	2.07%	9.10%	11.84%	12.62%	13.77%	9.25%	13.30%	10.69%	15.24%	16.18%	224.65%
Interest	457.4	375.1	277.5	237.2	212.0	187.6	88.0	104.0	76.0	89.0	116.0
Interest % Sales	5.38%	4.25%	3.23%	2.54%	2.27%	2.31%	0.91%	0.98%	0.67%	0.74%	0.94%
Earnings Before Tax	(281.3)	427.7	739.4	941.9	1,071.7	564.7	1,203.4	1,030.0	1,649.0	1,864.0	27,580.8
EBT % Sales	-3.31%	4.85%	8.61%	10.08%	11.49%	6.94%	12.39%	9.71%	14.57%	15.44%	223.71%
Tax	222.8	69.7	259.9	328.1	539.7	177.9	276.0	153.0	449.0	553.0	539.0
Effective Tax rate	-79.20%	16.30%	35.15%	34.83%	50.36%	31.50%	22.94%	14.85%	27.23%	29.67%	1.95%
Net Profit	(504.1)	358.0	479.5	613.8	532.0	386.8	927.4	877.0	1,200.0	1,311.0	27,041.8
Net Margin	-5.93%	4.06%	5.58%	6.57%	5.70%	4.76%	9.55%	8.26%	10.60%	10.86%	219.34%
No. of Equity Shares	72.66	72.66	72.66	72.66	72.66	72.66	72.66	72.74	72.74	72.74	72.74
Earnings Per Share	(6.94)	4.93	6.60	8.45	7.32	5.32	12.76	12.06	16.50	18.02	371.76
Earnings Growth %	-	-171.02%	33.94%	28.01%	-13.33%	-27.29%	139.76%	-5.54%	36.83%	9.25%	1962.69%
Dividend Per Share	-	-	-	-	-	-	-	-	8.97	11.96	-
Dividend Payout ratio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	54.38%	66.36%	0.00%
Retained Earnings	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	45.63%	33.64%	100.00%

# Financial Statements



## Balance Sheet

Years	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
<i>*All values are in "₹" Crores, otherwise Stated.</i>										
Equity Share Capital	145.3	145.3	145.3	145.3	145.3	145.3	145.3	145.0	145.0	145.0
Reserves	1,489.4	1,640.3	2,273.8	2,945.0	3,582.7	3,974.5	4,808.4	5,854.0	6,976.0	7,959.0
Borrowings	4,242.5	4,143.6	3,421.1	2,883.2	2,570.2	1,036.8	605.4	183.0	265.0	480.0
Other Liabilities	2,452.1	2,966.7	3,085.6	3,135.4	2,545.5	3,354.3	3,303.9	3,534.0	3,790.0	4,592.0
<b>Total Liabilities</b>	<b>8,329.3</b>	<b>8,895.9</b>	<b>8,925.8</b>	<b>9,108.9</b>	<b>8,843.7</b>	<b>8,510.9</b>	<b>8,863.0</b>	<b>9,716.0</b>	<b>11,176.0</b>	<b>13,176.0</b>
Net Block	1,886.8	1,916.6	1,791.3	1,841.2	1,955.9	1,893.1	1,854.8	1,534.0	1,560.0	1,712.0
Capital Work in Progress	282.1	199.3	101.8	118.4	121.1	96.7	95.7	83.0	37.0	72.0
Investments	76.6	0.1	0.1	25.2	21.9	0.0	222.1	286.0	645.0	923.0
Other Assets	1,691.9	1,811.7	2,145.7	2,364.4	2,460.3	2,198.1	2,099.8	2,266.0	2,546.0	2,724.0
<b>Total Non - Current Assets</b>	<b>3,937.4</b>	<b>3,927.7</b>	<b>4,038.9</b>	<b>4,349.2</b>	<b>4,559.2</b>	<b>4,187.9</b>	<b>4,272.4</b>	<b>4,169.0</b>	<b>4,788.0</b>	<b>5,431.0</b>
Receivables	2,303.2	2,953.4	2,711.2	2,542.5	2,283.5	2,187.2	2,373.6	2,434.0	3,056.0	3,410.0
Inventory	1,951.9	1,927.6	1,919.7	1,934.3	1,927.5	2,051.9	2,156.7	2,230.0	2,063.0	2,305.0
Cash & Bank	136.8	87.2	256.0	282.9	73.5	83.9	60.3	883.0	1,269.0	2,030.0
<b>Total Current Assets</b>	<b>4,391.9</b>	<b>4,968.2</b>	<b>4,886.9</b>	<b>4,759.7</b>	<b>4,284.5</b>	<b>4,323.0</b>	<b>4,590.6</b>	<b>5,547.0</b>	<b>6,388.0</b>	<b>7,745.0</b>
<b>Total Assets</b>	<b>8,329.3</b>	<b>8,895.9</b>	<b>8,925.8</b>	<b>9,108.9</b>	<b>8,843.7</b>	<b>8,510.9</b>	<b>8,863.0</b>	<b>9,716.0</b>	<b>11,176.0</b>	<b>13,176.0</b>

<b>Check</b>	<b>TRUE</b>	<b>TRUE</b>	<b>TRUE</b>	<b>TRUE</b>	<b>TRUE</b>	<b>TRUE</b>	<b>TRUE</b>	<b>TRUE</b>	<b>TRUE</b>	<b>TRUE</b>
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## Cash Flow Statement

Years	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
<i>*All values are in "₹" Crores, otherwise Stated.</i>										
<b>Operating Activities</b>										
Profit from operations	1,052.0	709.0	1,372.0	1,569.0	1,536.0	1,121.0	1,640.0	1,448.0	2,100.0	2,319.0
Receivables	(710.0)	(656.0)	106.0	84.0	271.0	65.0	(205.0)	(276.0)	(1,045.0)	(321.0)
Inventory	(185.0)	38.0	8.0	(15.0)	7.0	(124.0)	(105.0)	(262.0)	163.0	(242.0)
Payables	109.0	217.0	251.0	(60.0)	(201.0)	209.0	123.0	203.0	132.0	250.0
Loans Advances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(96.0)	154.0	(42.0)
Other WC items	208.0	539.0	(399.0)	208.0	(247.0)	654.0	(18.0)	(134.0)	(49.0)	146.0
<b>Working capital changes</b>	<b>(578.0)</b>	<b>138.0</b>	<b>(34.0)</b>	<b>217.0</b>	<b>(170.0)</b>	<b>804.0</b>	<b>(205.0)</b>	<b>(565.0)</b>	<b>(645.0)</b>	<b>(209.0)</b>
Direct taxes	(191.0)	(200.0)	(413.0)	(837.0)	(583.0)	(107.0)	(457.0)	(268.0)	(337.0)	(163.0)
<b>Cash From Operating Activities</b>	<b>283.0</b>	<b>647.0</b>	<b>925.0</b>	<b>949.0</b>	<b>783.0</b>	<b>1,818.0</b>	<b>978.0</b>	<b>615.0</b>	<b>1,118.0</b>	<b>1,947.0</b>
<b>Investing Activities</b>										
Fixed assets purchased	(260.0)	(311.0)	(184.0)	(173.0)	(212.0)	(159.0)	(134.0)	(137.0)	(98.0)	(162.0)
Fixed assets sold	27.0	53.0	154.0	96.0	12.0	35.0	38.0	27.0	19.0	1.0
Investments purchased	0.0	0.0	0.0	0.0	0.0	0.0	(1,436.0)	(8,517.0)	(1,032.0)	(1,391.0)
Investments sold	869.0	11.0	130.0	32.0	0.0	0.0	1,222.0	8,502.0	751.0	1,163.0
Interest received	5.0	20.0	4.0	6.0	6.0	11.0	6.0	20.0	42.0	36.0
Dividends received	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investment in group cos	0.0	0.0	0.0	0.0	0.0	(2.0)	0.0	(32.0)	(15.0)	(13.0)
Redemp n Canc of Shares	156.0	0.0	0.0	0.0	0.0	30.0	0.0	32.0	0.0	0.0
Acquisition of companies	0.0	0.0	0.0	(27.0)	0.0	0.0	0.0	0.0	0.0	0.0
Other investing items	(63.0)	0.0	0.0	0.0	0.0	(15.0)	(10.0)	50.0	559.0	(748.0)
<b>Cash From Investing Activities</b>	<b>734.0</b>	<b>(227.0)</b>	<b>104.0</b>	<b>(66.0)</b>	<b>(194.0)</b>	<b>(100.0)</b>	<b>(314.0)</b>	<b>(55.0)</b>	<b>226.0</b>	<b>(1,114.0)</b>
<b>Financing Activities</b>										
Proceeds from borrowings	1,254.0	2,322.0	5,044.0	232.0	410.0	0.0	0.0	0.0	25.0	28.0
Repayment of borrowings	(1,940.0)	(2,421.0)	(5,755.0)	(811.0)	(904.0)	(1,484.0)	(538.0)	(340.0)	(1.0)	(53.0)
Interest paid fin	(460.0)	(375.0)	(253.0)	(229.0)	(181.0)	(142.0)	(50.0)	(36.0)	(21.0)	(40.0)
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(284.0)	(355.0)
Financial liabilities	(4.0)	0.0	0.0	0.0	(64.0)	(81.0)	(100.0)	(124.0)	(126.0)	(137.0)
Other financing items	(3.0)	(1.0)	(2.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash From Financing Activities</b>	<b>(1,153.0)</b>	<b>(475.0)</b>	<b>(966.0)</b>	<b>(808.0)</b>	<b>(739.0)</b>	<b>(1,707.0)</b>	<b>(688.0)</b>	<b>(500.0)</b>	<b>(407.0)</b>	<b>(557.0)</b>
<b>Net Cash Flow</b>	<b>(136.0)</b>	<b>(55.0)</b>	<b>63.0</b>	<b>75.0</b>	<b>(150.0)</b>	<b>11.0</b>	<b>(24.0)</b>	<b>60.0</b>	<b>937.0</b>	<b>276.0</b>

# Ratio Analysis



Financial Ratios													
Years	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Trendline	Mean	Median
Growth Ratio													
Sales Growth	-	3.80%	-2.57%	8.73%	-0.16%	-12.80%	19.44%	9.26%	6.68%	6.61%		4.33%	6.61%
EBITDA Growth	-	197.45%	21.97%	15.27%	12.57%	-32.99%	51.72%	-11.17%	41.14%	11.80%		34.20%	15.27%
EBIT Growth	-	355.88%	26.67%	15.95%	8.87%	-41.40%	71.66%	-12.19%	52.12%	13.22%		54.53%	15.95%
EBT Growth	-	252.04%	72.88%	27.39%	13.78%	-47.31%	113.10%	-14.41%	60.10%	13.04%		54.51%	27.39%
Net Profit Growth	-	171.02%	33.94%	28.01%	-13.33%	-27.29%	139.76%	-5.43%	36.83%	9.25%		41.42%	28.01%
Dividend Growth	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	NDI	33.33%		4.17%	0.00%
Profitability Ratio													
Gross Margin	32.47%	33.77%	39.02%	39.44%	36.73%	34.03%	34.78%	32.94%	37.36%	38.07%		35.86%	35.75%
EBITDA Margin	3.92%	11.24%	14.08%	14.92%	16.83%	12.93%	16.42%	13.35%	17.67%	18.53%		13.99%	14.50%
EBIT Margin	2.07%	9.10%	11.84%	12.62%	13.77%	9.25%	13.30%	10.69%	15.24%	16.18%		11.41%	12.23%
EBT Margin	-3.31%	4.85%	8.61%	10.08%	11.49%	6.94%	12.39%	9.71%	14.57%	15.44%		9.08%	9.89%
PAT Margin	-5.93%	4.06%	5.58%	6.57%	5.70%	4.76%	9.55%	8.26%	10.60%	10.86%		6.00%	6.14%
Return on Equity (ROE)	-	20.93%	22.81%	22.28%	15.61%	9.86%	20.44%	16.01%	18.29%	17.22%		18.16%	18.29%
Return on Assets(ROA)	-	9.32%	11.41%	13.08%	14.30%	8.67%	14.87%	12.21%	16.51%	16.04%		12.93%	13.08%
Return on Capital Employed (ROCE)	-	13.60%	17.28%	19.96%	20.92%	13.14%	24.10%	19.32%	25.43%	24.46%		19.80%	19.96%
Return on Invested Capital (ROIC)	13.20%	24.60%	20.64%	22.25%	14.36%	12.76%	20.89%	19.59%	23.20%	24.71%		19.62%	20.77%
Asset turnover ratio	-	1.02x	0.96x	1.04x	1.04x	0.94x	1.12x	1.14x	1.08x	0.99x		1.04x	1.04x
Liquidity Ratio													
Current ratio	1.12x	1.15x	1.31x	1.36x	1.61x	1.52x	1.80x	2.21x	2.34x	2.28x		1.67x	1.56x
Quick ratio	0.76x	0.83x	0.95x	0.99x	1.15x	1.04x	1.22x	1.58x	1.80x	1.78x		1.21x	1.10x
Cash ratio	0.03x	0.01x	0.05x	0.05x	0.02x	0.02x	0.02x	0.25x	0.33x	0.44x		0.12x	0.04x
Efficiency Ratio													
Inventory Turnover ratio	-	3.01x	2.72x	2.94x	3.06x	2.70x	3.01x	3.24x	3.30x	3.42x		3.04x	3.01x
Fixed Asset Turnover ratio	-	4.64x	4.63x	5.14x	4.91x	4.23x	5.18x	6.26x	7.32x	7.38x		5.52x	5.14x
Debtor Turnver ratio	-	3.35x	3.03x	3.56x	3.86x	3.64x	4.26x	4.41x	4.12x	3.73x		3.78x	3.73x
Creditors Turnover ratio	5.21x	3.95x	3.99x	4.53x	4.10x	4.22x	4.23x	3.80x	3.56x	9.08x		4.67x	4.16x
working Capital Turnover ratio	1.49x	1.02x	0.91x	0.75x	0.66x	0.68x	0.59x	0.51x	0.47x	0.75x		0.78x	0.71x
Solvency Ratio													
Debt-to-Equity	2.28x	2.12x	1.27x	0.93x	0.49x	0.25x	0.12x	0.03x	0.04x	0.06x		0.76x	0.37x
Debt ratio	0.45x	0.42x	0.34x	0.31x	0.21x	0.12x	0.07x	0.02x	0.02x	0.04x		0.20x	0.16x
Interest Coverage	0.39x	2.14x	3.66x	4.97x	6.06x	4.01x	14.68x	10.90x	22.70x	21.94x		9.14x	5.51x
Debt service Coverage ratio	0.46x	1.14x	1.58x	1.79x	7.44x	6.57x	6.02x	7.79x	8.33x	4.66x		4.58x	5.34x
Valuation Ratio													
EPS	(6.94)	4.93	6.60	8.45	7.32	5.32	12.76	12.06	16.50	18.02		8.50x	7.88x
P/E ratio	(72.05)	88.28	94.85	65.57	66.19	104.51	69.60	62.73	68.75	77.75		62.62x	69.18x
Book Value/share	22.49	24.57	33.29	42.53	51.31	56.69	68.17	82.47	97.90	111.41		59.08x	54.00x
Dividend Yield	-	-	-	-	-	-	-	-	0.01	0.01		0.00x	0.00x
Payout ratio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	54.38%	66.36%		0.12x	0.00x
Enterprise ratios													
EV/EBITDA	121.29x	35.97x	40.23x	30.74x	24.03x	39.35x	40.81x	38.33x	40.75x	44.89x		45.64x	39.79x
EV/EBIT	229.57x	44.42x	47.84x	36.34x	29.37x	55.00x	50.40x	47.90x	47.25x	51.40x		63.95x	47.87x
EV/Sales	4.76x	4.04x	5.66x	4.59x	4.04x	5.09x	6.70x	5.12x	7.20x	8.32x		5.55x	5.10x



UNITED SPIRITS

# Common Size Statement

## Common size Income Statement

Particulars	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
<b>Sales</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
Raw Material Cost	57.87%	34.63%	31.19%	31.48%	36.84%	34.59%	36.24%	41.09%	34.78%	34.63%
Change in Inventory	1.87%	-0.64%	0.16%	-0.70%	-1.06%	-1.64%	0.85%	1.29%	-1.05%	-0.75%
Power and Fuel	0.42%	0.39%	0.32%	0.27%	0.26%	0.25%	0.19%	0.16%	0.16%	0.16%
Other Mfr. Exp	3.08%	22.75%	21.70%	20.72%	19.43%	22.65%	22.92%	21.32%	21.80%	21.31%
Employee Cost	8.02%	7.81%	7.93%	7.39%	5.69%	6.85%	6.73%	5.78%	4.85%	5.09%
Selling and admin	19.06%	21.12%	22.86%	22.55%	20.13%	19.99%	17.61%	19.07%	17.37%	17.69%
Other Expenses	9.49%	1.40%	2.08%	1.97%	-0.23%	1.10%	0.75%	0.52%	2.33%	1.86%
Other Income	7.62%	-3.01%	2.01%	0.75%	0.95%	-0.30%	-1.20%	2.35%	1.84%	2.25%
Depreciation	1.85%	2.14%	2.24%	2.30%	3.06%	3.68%	3.13%	2.67%	2.43%	2.34%
Interest	5.38%	4.25%	3.23%	2.54%	2.27%	2.31%	0.91%	0.98%	0.67%	0.74%
Profit before tax	4.31%	1.85%	10.61%	10.83%	12.44%	6.64%	11.19%	12.05%	16.40%	17.69%
Tax	2.62%	0.79%	3.03%	3.51%	5.79%	2.19%	2.84%	1.44%	3.97%	4.58%
Net profit	1.63%	1.14%	7.38%	7.50%	7.07%	4.72%	8.53%	10.71%	12.44%	13.11%
Dividend Amount	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.76%	7.21%
EBITDA	3.92%	11.24%	14.08%	14.92%	16.83%	12.93%	16.42%	13.35%	17.67%	18.53%

## Common size Balance Sheet

Particulars	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
<b>Total Liabilities</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
Equity Capital	1.74%	1.63%	1.62%	1.59%	1.64%	1.70%	1.64%	1.49%	1.30%	1.10%
Reserves	17.88%	18.44%	25.48%	32.33%	40.51%	46.69%	54.25%	60.25%	62.42%	60.41%
Long term Borrowings	8.76%	9.78%	8.55%	8.56%	0.17%	0.02%	0.01%	0.00%	0.00%	0.00%
Short term Borrowings	35.98%	32.68%	25.78%	22.93%	18.16%	10.30%	3.85%	0.01%	0.22%	0.00%
Lease Liabilities	0.00%	0.00%	0.00%	0.00%	2.22%	1.86%	2.98%	1.87%	2.15%	3.64%
Other Borrowings	6.18%	4.13%	4.00%	0.14%	8.51%	0.00%	0.00%	0.00%	0.00%	0.00%
Non controlling int	0.07%	-0.02%	0.16%	-0.03%	-0.46%	-0.72%	-0.89%	0.00%	0.00%	0.00%
Trade Payables	12.23%	13.77%	15.96%	15.46%	13.56%	16.65%	17.85%	18.35%	17.48%	16.99%
Advance from Customers	0.17%	0.99%	0.92%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other liability items	16.98%	18.62%	17.53%	18.99%	15.68%	23.48%	20.32%	18.02%	16.43%	17.86%
<b>Total Assets</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
Fixed Assets	24.62%	25.85%	26.83%	29.23%	33.33%	35.47%	35.13%	29.24%	26.67%	24.40%
Net Block	22.66%	21.55%	20.06%	20.21%	22.12%	22.24%	20.93%	15.79%	13.96%	12.99%
CWIP	3.39%	2.24%	1.14%	1.30%	1.37%	1.14%	1.08%	0.85%	0.33%	0.55%
Investments	0.92%	0.00%	0.00%	0.27%	0.25%	0.00%	2.50%	2.94%	5.77%	7.01%
Inventories	23.44%	21.67%	21.51%	21.23%	21.80%	24.11%	24.34%	22.95%	18.46%	17.49%
Trade receivables	27.65%	33.19%	30.37%	27.91%	25.83%	25.70%	26.79%	25.05%	27.34%	25.88%
Cash Equivalents	1.64%	0.98%	2.87%	3.11%	0.84%	0.99%	0.68%	9.09%	11.35%	15.41%
Loans n Advances	-0.07%	1.06%	2.79%	2.13%	1.97%	2.07%	1.70%	1.52%	1.85%	1.57%
Other asset items	20.39%	19.30%	21.25%	23.83%	25.85%	23.76%	21.99%	21.80%	20.93%	19.10%



# Revenue Forecasting



Revenue Forecasting															
Particulars	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26E	Mar-27E	Mar-28E	Mar-29E	Mar-30E
*All Figures are in INR "₹", unless stated otherwise.															
Revenue	8,494.90	8,817.50	8,590.60	9,340.80	9,325.40	8,131.30	9,712.40	10,612.00	11,321.00	12,069.00	13,324.18	14,376.79	15,455.04	16,536.90	17,611.80
Revenue Growth		3.80%	(2.57%)	8.73%	(0.16%)	(12.80%)	19.44%	9.26%	6.68%	6.61%	10.40%	7.90%	7.50%	7.00%	6.50%
Base Case											10.40%	7.90%	7.50%	7.00%	6.50%
Bull Case											11.40%	12.40%	13.40%	14.40%	15.40%
Bear Case											9.40%	8.40%	7.40%	6.40%	5.40%
EBITDA	333.30	991.40	1,209.20	1,393.80	1,569.00	1,051.40	1,595.20	1,417.00	2,000.00	2,236.00	2,451.65	2,702.84	2,967.37	3,009.72	3,029.23
EBITDA Margin	3.92%	11.24%	14.08%	14.92%	16.83%	12.93%	16.42%	13.35%	17.67%	18.53%	18.40%	18.80%	19.20%	18.20%	17.20%
Base Case											18.40%	18.80%	19.20%	18.20%	17.20%
Bull Case											20.40%	22.40%	24.40%	26.40%	28.40%
Bear Case											16.40%	14.40%	12.40%	10.40%	8.40%
PAT	(504.10)	358.00	479.50	613.80	532.00	386.80	927.40	877.00	1,200.00	1,311.00	1,732.14	1,927.93	2,137.43	2,146.49	2,136.31
Pat Margin	(5.93%)	4.06%	5.58%	6.57%	5.70%	4.76%	9.55%	8.26%	10.60%	10.86%	13.00%	13.41%	13.83%	12.98%	12.13%
Base Case											13.00%	13.41%	13.83%	12.98%	12.13%
Bull Case											14.50%	16.00%	17.50%	19.00%	20.50%
Bear Case											12.00%	11.00%	10.00%	9.00%	8.00%
No. of Shares	72.66	72.66	72.66	72.66	72.66	72.66	72.66	72.74	72.74	72.74	72.74	72.74	72.74	72.74	72.74
EPS	(6.94)	4.93	6.60	8.45	7.32	5.32	12.76	12.06	16.50	18.02	23.81	26.50	29.38	29.51	29.37

## Scenarios

Switches	
Revenue Growth	1
EBITDA Margin	1
PAT Margin	1

Base Case		Bull Case		Bear Case	
Revenue Step	(0.50%)	Revenue Step	1.00%	Revenue Step	(1.00%)
EBITDA Step	(1.00%)	EBITDA Step	2.00%	EBITDA Step	(2.00%)
PAT Step	(0.85%)	PAT Step	1.50%	PAT Step	(1.00%)



Discounted Cash Flow (DCF)



Beta Calulation - United Spirits LTD

Unsp - 5yr Monthly returns			Nifty 50 - 5yr Monthly retuns			Beta Drifting	
Date	Closing Price	Monthly Returns	Date	Closing Price	Monthly Returns		
1/12/2020	578.25		1/12/2020	13,981.75		Levered Raw Beta	1.13
1/1/2021	578.7	0.08%	1/1/2021	13,634.60	-2.48%	Raw Beta Weight	75.00%
1/2/2021	535.1	-7.53%	1/2/2021	14,529.15	6.56%		
1/3/2021	556.35	3.97%	1/3/2021	14,690.70	1.11%	Market Beta	1.00
1/4/2021	519.55	-6.61%	1/4/2021	14,631.10	-0.41%	Market Beta Weight	25.00%
1/5/2021	612.45	17.88%	1/5/2021	15,582.80	6.50%		
1/6/2021	661.65	8.03%	1/6/2021	15,721.50	0.89%		
1/7/2021	640.75	-3.16%	1/7/2021	15,763.05	0.26%		
1/8/2021	715.15	11.61%	1/8/2021	17,132.20	8.69%		
1/9/2021	853.1	19.29%	1/9/2021	17,618.15	2.84%		
1/10/2021	947.35	11.05%	1/10/2021	17,671.65	0.30%		
1/11/2021	882.95	-6.80%	1/11/2021	16,983.20	-3.90%		
1/12/2021	898.25	1.73%	1/12/2021	17,354.05	2.18%		
1/1/2022	866.4	-3.55%	1/1/2022	17,339.85	-0.08%		
1/2/2022	885.15	2.16%	1/2/2022	16,793.90	-3.15%		
1/3/2022	888.35	0.36%	1/3/2022	17,464.75	3.99%		
1/4/2022	862.85	-2.87%	1/4/2022	17,102.55	-2.07%		
1/5/2022	809.4	-6.19%	1/5/2022	16,584.55	-3.03%		
1/6/2022	759.75	-6.13%	1/6/2022	15,780.25	-4.85%		
1/7/2022	779	2.53%	1/7/2022	17,158.25	8.73%		
1/8/2022	811.85	4.22%	1/8/2022	17,759.30	3.50%		
1/9/2022	842.3	3.75%	1/9/2022	17,094.35	-3.74%		
1/10/2022	896.35	6.42%	1/10/2022	18,012.20	5.37%		
1/11/2022	932.3	4.01%	1/11/2022	18,758.35	4.14%		
1/12/2022	877.55	-5.87%	1/12/2022	18,105.30	-3.48%		
1/1/2023	768.65	-12.41%	1/1/2023	17,662.15	-2.45%		
1/2/2023	740.6	-3.65%	1/2/2023	17,303.95	-2.03%		
1/3/2023	756.3	2.12%	1/3/2023	17,359.75	0.32%		
1/4/2023	777.15	2.76%	1/4/2023	18,065.00	4.06%		
1/5/2023	883.5	13.68%	1/5/2023	18,534.40	2.60%		
1/6/2023	912.2	3.25%	1/6/2023	19,189.05	3.53%		
1/7/2023	1,015.85	11.36%	1/7/2023	19,753.80	2.94%		
1/8/2023	1,007.55	-0.82%	1/8/2023	19,253.80	-2.53%		
1/9/2023	1,007.25	-0.03%	1/9/2023	19,638.30	2.00%		
1/10/2023	1,032.20	2.48%	1/10/2023	19,079.60	-2.84%		
1/11/2023	1,048.85	1.61%	1/11/2023	20,133.15	5.52%		
1/12/2023	1,117.75	6.57%	1/12/2023	21,731.40	7.94%		
1/1/2024	1,086.40	-2.80%	1/1/2024	21,725.70	-0.03%		
1/2/2024	1,165.85	7.31%	1/2/2024	21,982.80	1.18%		
1/3/2024	1,134.25	-2.71%	1/3/2024	22,326.90	1.57%		

Beta

1.13

SUMMARY OUTPUT

Regression Statistics

Multiple R0.576363

R Square0.332194

Adjusted R0.320478

Standard Error0.058706

Observations59

ANOVA

	df	SS	MS	F	Significance F
Regression	1	0.097719	0.097719284	28.35412476	1.77907E-06
Residual	57	0.196444	0.003446387		
Total	58	0.294163			

Coefficients:andard Errc

t Stat

P-value

Lower 95%

Upper 95%

ower 95.0%

Upper 95.0%

Intercept0.0055890.0079850.7000076880.486769805-0.010399570.021578-0.01040.02157809

X Variable :1.1320260.2125935.324859131.77907E-060.7063162981.5577350.7063161.55773496



UNITED SPIRITS

# Discounted Cash Flow (DCF)

## Cost of Capital

\*All Figures are in INR "₹", unless stated otherwise.

### Peer Comps

Company	Ticker	Country	Total Debt	Total Equity	Tax rate <sup>1</sup>	Debt/ Equity	Debt/ Capital	Levered Beta <sup>2</sup>	Unlevered Beta <sup>3</sup>
United Spirits	UNITDSPR	India	412.0	103,945.7	30.00%	0.40%	0.39%	1.13	1.13
United Breweries	UBL	India	620.0	47,185.7	30.00%	1.31%	1.30%	0.64	0.63
Radico Khaitan	RADICO	India	623.5	44,325.5	30.00%	1.41%	1.39%	0.69	0.69
Allied Blenders	ABDL	India	1,055.7	17,982.6	30.00%	5.87%	5.54%	1.22	1.17
Tilaknagar Inds.	TI	India	44.2	10,432.6	30.00%	0.42%	0.42%	0.40	0.40
<b>Average</b>					30.00%	1.88%	1.81%	0.82	0.80
<b>Median</b>					30.00%	1.31%	1.30%	0.69	0.686

### Cost of Debt

Pre - Tax Cost of Debt	27.18%
Tax rate	30.00%
<b>Cost of Debt after Tax</b>	<b>19.03%</b>

### Capital Structure

		Current	Target
Debt	412.0	0.39%	1.81%
Market Capitalization	103,945.7	99.61%	98.19%
Total Capitalization	104,357.7	100.00%	100.00%

### Debt/Equity

<b>0.40%</b>	<b>1.84%</b>
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### Notes:

1. Tax Rate considered as Marginal Tax Rate for the country
2. Levered Beta is based on 5 year monthly data
3. Unlevered Beta = Levered Beta / (1 + (1 - Tax Rate) x Debt/Equity)
4. Levered Beta = Unlevered Beta \* (1 + (1 - Tax Rate) x Debt/Equity)
5. 10y Bond Risk free rate as on, Nov 2025

### Cost of Equity

Risk free Rate <sup>5</sup>	6.52%
ERP	10.16%
levered Beta <sup>4</sup>	0.694
<b>Cost of Equity</b>	<b>13.58%</b>

### Levered Beta

Comps Median Unlevered Beta	0.686
Tax rate	30.00%
Target D/E	1.84%
<b>Levered Beta</b>	<b>0.694</b>

### Weighted Average Cost of Capital

	Total Cost	Total Weight
Debt Capital	19.03%	1.81%
Equity Capital	13.58%	98.19%
<b>WACC</b>		<b>13.68%</b>

**UNITED SPIRITS**

# Discounted cash Flow (DCF)

## Intrinsic Growth

Particulars	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
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*\*All Figures are in INR "₹", unless stated otherwise.*

### Calculation of ROIC

#### Current Assets

Inventories	2,052.0	2,157.0	2,230.0	2,063.0	2,305.0
Trade receivables	2,187.0	2,374.0	2,434.0	3,056.0	3,410.0
Loans n Advances	176.0	151.0	148.0	207.0	207.0
Other asset items	2,022.0	1,949.0	2,118.0	2,339.0	2,517.0
<b>Total Current Assets</b>	<b>6,437.0</b>	<b>6,631.0</b>	<b>6,930.0</b>	<b>7,665.0</b>	<b>8,439.0</b>

#### Current Liabilities

Short term Borrowings	877.0	341.0	1.0	25.0	0.0
Trade Payables	1,417.0	1,582.0	1,783.0	1,954.0	2,239.0
Advance from Customers	0.0	0.0	0.0	0.0	0.0
Other liability items	1,998.0	1,801.0	1,751.0	1,836.0	2,353.0
<b>Total Current Liabilities</b>	<b>4,292.0</b>	<b>3,724.0</b>	<b>3,535.0</b>	<b>3,815.0</b>	<b>4,592.0</b>

<b>Net Working Capital</b>	<b>2,145.0</b>	<b>2,907.0</b>	<b>3,395.0</b>	<b>3,850.0</b>	<b>3,847.0</b>
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### Calculation of Net Block

#### Non Current Assets

Land	283.0	281.0	257.0	147.0	124.0
Building	536.0	514.0	465.0	388.0	423.0
Plant Machinery	1,465.0	1,586.0	1,336.0	1,483.0	1,757.0
Equipments	75.0	84.0	79.0	57.0	56.0
Furniture n fittings	50.0	44.0	46.0	44.0	35.0
Vehicles	2.0	2.0	1.0	1.0	1.0
Intangible Assets	154.0	154.0	131.0	131.0	131.0
Other fixed assets	454.0	450.0	526.0	730.0	688.0
<b>Gross Block</b>	<b>3,019.0</b>	<b>3,115.0</b>	<b>2,841.0</b>	<b>2,981.0</b>	<b>3,215.0</b>
Accumulated Depreciation	1,126.0	1,259.0	1,307.0	1,421.0	1,503.0
<b>Net Block</b>	<b>1,893.0</b>	<b>1,856.0</b>	<b>1,534.0</b>	<b>1,560.0</b>	<b>1,712.0</b>

**UNITED SPIRITS**

# Discounted cash Flow

<b>Invested Capital</b>	<b>4,038.0</b>	<b>4,763.0</b>	<b>4,929.0</b>	<b>5,410.0</b>	<b>5,559.0</b>
EBIT	752.3	1,291.4	1,134.0	1,725.0	1,953.0
Tax rate	25.00%	25.00%	25.00%	25.00%	25.00%
<b>NOPAT</b>	<b>564.2</b>	<b>968.5</b>	<b>850.5</b>	<b>1,293.8</b>	<b>1,464.8</b>
<b>ROIC</b>	<b>13.97%</b>	<b>20.33%</b>	<b>17.26%</b>	<b>23.91%</b>	<b>26.35%</b>

## Calculation of Reinvestment rate

Net Capex	124.0	96.0	110.0	79.0	161.0
Change in working Capital		762.0	488.0	455.0	(3.0)
<b>Reinvestment</b>		<b>858.0</b>	<b>598.0</b>	<b>534.0</b>	<b>158.0</b>
<b>NOPAT</b>	564.2	968.5	850.5	1,293.8	1,464.8
<b>Reinvestment Rate</b>		<b>88.59%</b>	<b>70.31%</b>	<b>41.28%</b>	<b>10.79%</b>

<b>4 year Average</b>	<b>52.74%</b>
<b>4 year Median</b>	<b>55.79%</b>

## Calculation of Growth Rate

Reinvestment rate	89%	70%	41%	11%
ROIC	20.33%	17.26%	23.91%	26.35%
<b>Intrinsic Growth</b>	<b>18.01%</b>	<b>12.13%</b>	<b>9.87%</b>	<b>2.84%</b>

<b>4 year Average</b>	<b>10.71%</b>
<b>4 year Median</b>	<b>11.00%</b>



UNITED SPIRITS

# Discounted Cash Flow (DCF)

## Discounted Cash Flow

Calculation of PV of FCFF	Mar-25 A	Mar-26 E	Mar-27 E	Mar-28 E	Mar-29 E	Mar-30 E
<i>*All Figures are in INR "₹", unless stated otherwise.</i>						
EBIT	1,953.0	2,167.9	2,406.4	2,671.1	2,964.9	3,291.1
Tax Rate	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
NOPAT	1,464.8	1,625.9	1,804.8	2,003.3	2,223.7	2,468.3
less: Reinvestment rate	55.79%	55.79%	55.79%	55.79%	55.79%	55.79%
<b>Free Cash Flow to Firm</b>	<b>647.52</b>	<b>718.75</b>	<b>797.82</b>	<b>885.60</b>	<b>983.02</b>	<b>1091.17</b>
Mid Year Convention	-	0.5	1.5	2.5	3.5	4.5
Discount Factor		0.94	0.83	0.73	0.64	0.56
<b>PV of FCFF</b>		<b>674.13</b>	<b>658.26</b>	<b>642.76</b>	<b>627.63</b>	<b>612.85</b>

Expected Growth rate	11.00%
Terminal Growth rate <sup>1</sup>	6.80%
WACC	13.68%

## Calculation of Terminal Value

FCFF (n+1)	1,165.4
WACC	13.68%
Terminal Growth rate	6.80%
<b>Terminal Value</b>	<b>16,944.3</b>

## Sensitive Analysis - Enterprise Value

	12.00%	13.68%	14.00%	15.00%
<b>4.00%</b>	11397.17	9978.85	9760.86	9165.84
<b>5.00%</b>	12565.97	10758.24	10488.11	9760.86
<b>6.80%</b>	15802.63	12732.26	12306.23	11197.62
<b>7.00%</b>	16306.11	13017.29	12565.97	11397.17
<b>8.00%</b>	19578.73	14743.65	14124.36	12565.97

## Calculation of Equity Per Share

PV of FCFF	3215.62
PV of Terminal Value	9516.65
<b>Enterprise Value</b>	<b>12732.26</b>
Add: Cash	2030.00
Less: Debt	480.00
<b>Value of Equity</b>	<b>14282.26</b>
No. of Shares	72.74
<b>Equity per Share</b>	<b>196.35</b>

## Sensitive Analysis - Equity Per Share

	12.00%	13.68%	14.00%	15.00%
<b>4.00%</b>	177.99	158.49	155.50	147.32
<b>5.00%</b>	194.06	169.21	165.50	155.50
<b>6.80%</b>	238.56	196.35	190.49	175.25
<b>7.00%</b>	245.48	200.27	194.06	177.99
<b>8.00%</b>	290.47	224.00	215.48	194.06

<b>Current Market Price</b>	<b>1410.00</b>
<b>Discount/Premium</b>	<b>7.18x</b>

Note:

1. Terminal Growth rate is taken as India's Longterm GDP Growth rate.

# Comparable Companies Analysis & Football Field Analysis



## Comps Valuation

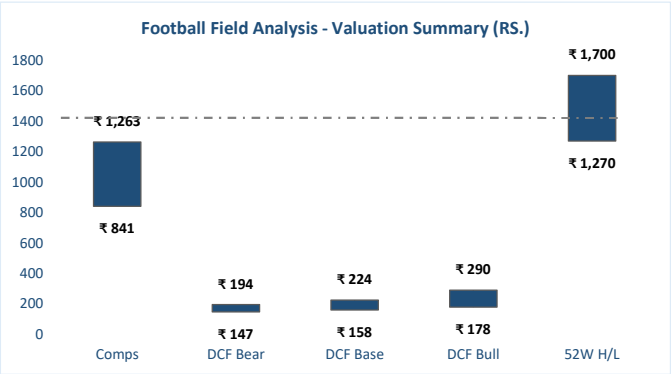
*\*All Figures are in INR "₹", unless stated otherwise.*

		Market Data					Financials			Valuation		
Company	Ticker	CMP	Outstanding shares	Equity Value	Net Debt	Enterprise Value	Revenue	EBITDA	Net Income	EV/Revenue	EV/EBITDA	P/E
United Spirits	UNITDSPR	1,419	73	103,185	(969)	102,216	12,658	2,612	1,582	8.08x	39.13x	60.20x
United Breweries	UBL	1,782	26	47,111	177	47,288	9,240	787	442	5.12x	60.09x	123.96x
Radico Khaitan	RADICO	3,290	13	44,049	571	44,620	5,598	833	345	7.97x	53.56x	94.89x
Allied Blenders	ABDL	615	28	17,202	899	18,100	3,808	519	195	4.75x	34.87x	66.95x
Tilaknagar Inds.	TI	492	21	10,249	(59)	10,190	1,530	319	230	6.66x	31.94x	36.89x
Piccadilly Agro	PICCADILY	647	10	6,375	218	6,593	864	204	102	7.63x	32.32x	58.06x
India Glycols	INDIAGLYCO	1,000	6	6,192	1,814	8,007	3,840	602	231	2.08x	13.30x	25.40x
Globus Spirits	GLOBUSSPR	1,123	3	3,257	457	3,715	2,593	172	25	1.43x	21.60x	120.01x
G M Breweries	GMBREW	1,168	2	2,663	(108)	2,554	679	184	129	3.76x	13.88x	18.64x
Som Distilleries	SDBL	125	20	2,431	151	2,582	1,458	188	105	1.77x	13.74x	23.67x
Sula Vineyards	SULA	247	8	2,085	379	2,463	566	129	70	4.35x	19.10x	42.49x
High										8.08x	60.09x	123.96x
75 <sup>th</sup> percentile										7.15x	37.00x	80.92x
Average										4.87x	30.32x	61.01x
Median										4.75x	31.94x	58.06x
25 <sup>th</sup> Percentile										2.92x	16.49x	31.15x
Low										1.43x	13.30x	18.64x

Comparable Valuation	EV/Revenue	EV/EBITDA	P/E
Implied Enterprise Value	60,173	83,437	90,882
Less: Net Debt	(969)	(969)	(969)
Implied Market Value	61,142	84,406	91,851
Outstanding Shares	73	73	73
<b>Implied Value per Share</b>	<b>841</b>	<b>1,160</b>	<b>1,263</b>
Performance	Overvalued	Overvalued	Overvalued

## Football Field Analysis

Valuation Method	valuation methodologies			
	OpenLow	Low	OpenHigh	High
Comps	840.6	840.6	1262.7	1262.7
DCF Bear	147.3	147.3	194.1	194.1
DCF Base	158.5	158.5	224.0	224.0
DCF Bull	178.0	178.0	290.5	290.5
52W H/L	1270.0	1270.0	1700.0	1700.0





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# Value At Risk (VaR)

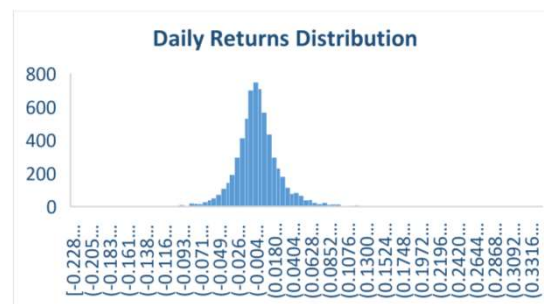
## Historical Approach

Date	Price	Return	Sorted Return
3/1/2000	59.51	-	0.3472620
4/1/2000	64.27	0.0799866	0.2005731
5/1/2000	60.95	-0.0516571	0.2002269
6/1/2000	61.69	0.0121411	0.1967833
7/1/2000	65.37	0.0596531	0.1812604
10/1/2000	61.9	-0.0530825	0.1752083
11/1/2000	57.77	-0.0667205	0.1722886
12/1/2000	62.4	0.0801454	0.1693227
13/01/2000	67.4	0.0801282	0.1683362
14/01/2000	66.71	-0.0102374	0.1615945
17/01/2000	64.78	-0.0289312	0.1550403
18/01/2000	63.27	-0.0233097	0.1505977
19/01/2000	66.31	0.0480480	0.1493575
20/01/2000	64.45	-0.0280501	0.1486254
21/01/2000	62.37	-0.0322731	0.1420813
24/01/2000	59.79	-0.0413660	0.1393087
25/01/2000	57.3	-0.0416458	0.1384940
27/01/2000	61.89	0.0801047	0.1381579
28/01/2000	62.04	0.0024237	0.1357120
31/01/2000	57.08	-0.0799484	0.1342466
1/2/2000	61.48	0.0770848	0.1339778
2/2/2000	59.27	-0.0359466	0.1335225
3/2/2000	58.41	-0.0145099	0.1274938
4/2/2000	56.14	-0.0388632	0.1255947
7/2/2000	52.82	-0.0591379	0.1252465
8/2/2000	49.77	-0.0577433	0.1250000
9/2/2000	52.17	0.0482218	0.1229369
10/2/2000	52.4	0.0044087	0.1219267
11/2/2000	50.17	-0.0425573	0.1208261
14/02/2000	49.3	-0.0173410	0.1206744
15/02/2000	53.25	0.0801217	0.1201201
16/02/2000	57.51	0.0800000	0.1199552
17/02/2000	60.16	0.0460789	0.1162960
18/02/2000	59.37	-0.0131316	0.1160231
21/02/2000	57.65	-0.0289709	0.1141754
22/02/2000	54.02	-0.0629662	0.1127667
23/02/2000	51.4	-0.0485006	0.1112601
24/02/2000	50.55	-0.0165370	0.1102988
25/02/2000	46.9	-0.0722057	0.1097561
28/02/2000	44.49	-0.0513859	0.1068884
29/02/2000	41.69	-0.0629355	0.1050921
1/3/2000	42.31	0.0148717	0.1044909
2/3/2000	38.93	-0.0798866	0.1027036
3/3/2000	35.82	-0.0798870	0.1019697
6/3/2000	32.96	-0.0798437	0.1019659
7/3/2000	30.33	-0.0797937	0.1002979

## Calculation of Value At Risk

Mean	0.09%
Std Deviation	2.96%
Min	-22.83%
Max	34.73%
CMP	1419.60

Percentile	Confidence	Var%	Var (INR)
10.00%	90.00%	-2.88%	-40.8976
5.00%	95.00%	-4.14%	-58.7733
1.00%	99.00%	-7.56%	-107.304
0.50%	99.50%	-9.24%	-131.233





# Value at Risk (VaR)



## Monte Carlo Simulation

Date	Price	Return	Sorted Return	Replication	Simulated Returns
3/1/2000	59.51	-	0.3472620	1	0.026114412
4/1/2000	64.27	0.0799866	0.2005731	2	-0.028058079
5/1/2000	60.95	-0.0516571	0.2002269	3	-0.000236862
6/1/2000	61.69	0.0121411	0.1967833	4	0.005579313
7/1/2000	65.37	0.0596531	0.1812604	5	-0.002987423
10/1/2000	61.9	-0.0530825	0.1752083	6	-0.057410118
11/1/2000	57.77	-0.0667205	0.1722886	7	0.007190329
12/1/2000	62.4	0.0801454	0.1693227	8	-0.021326544
13/01/2000	67.4	0.0801282	0.1683362	9	0.015443426
14/01/2000	66.71	-0.0102374	0.1615945	10	-0.027112278
17/01/2000	64.78	-0.0289312	0.1550403	11	0.016523649
18/01/2000	63.27	-0.0233097	0.1505977	12	-0.01021696
19/01/2000	66.31	0.0480480	0.1493575	13	0.009982765
20/01/2000	64.45	-0.0280501	0.1486254	14	0.007639495
21/01/2000	62.37	-0.0322731	0.1420813	15	0.047819627
24/01/2000	59.79	-0.0413660	0.1393087	16	-0.037674428
25/01/2000	57.3	-0.0416458	0.1384940	17	-0.006737328
27/01/2000	61.89	0.0801047	0.1381579	18	0.018019122
28/01/2000	62.04	0.0024237	0.1357120	19	0.008508443
31/01/2000	57.08	-0.0799484	0.1342466	20	0.030789911
1/2/2000	61.48	0.0770848	0.1339778	21	0.000579056
2/2/2000	59.27	-0.0359466	0.1335225	22	0.037380119
3/2/2000	58.41	-0.0145099	0.1274938	23	0.020196718
4/2/2000	56.14	-0.0388632	0.1255947	24	-0.036629506
7/2/2000	52.82	-0.0591379	0.1252465	25	-0.008428206
8/2/2000	49.77	-0.0577433	0.1250000	26	-0.007859276
9/2/2000	52.17	0.0482218	0.1229369	27	0.013581453
10/2/2000	52.4	0.0044087	0.1219267	28	-0.013635343
11/2/2000	50.17	-0.0425573	0.1208261	29	0.039498784
14/02/2000	49.3	-0.0173410	0.1206744	30	-0.026185526
15/02/2000	53.25	0.0801217	0.1201201	31	-0.005531113
16/02/2000	57.51	0.0800000	0.1199552	32	-0.002843631
17/02/2000	60.16	0.0460789	0.1162960	33	-0.047346073
18/02/2000	59.37	-0.0131316	0.1160231	34	-0.047180957
21/02/2000	57.65	-0.0289709	0.1141754	35	0.003455552
22/02/2000	54.02	-0.0629662	0.1127667	36	0.000583769
23/02/2000	51.4	-0.0485006	0.1112601	37	-0.020468986
24/02/2000	50.55	-0.0165370	0.1102988	38	0.01490868
25/02/2000	46.9	-0.0722057	0.1097561	39	-0.015549412
28/02/2000	44.49	-0.0513859	0.1068884	40	0.011952765
29/02/2000	41.69	-0.0629355	0.1050921	41	-0.019150976
1/3/2000	42.31	0.0148717	0.1044909	42	0.015631218
2/3/2000	38.93	-0.0798866	0.1027036	43	-0.015727638
3/3/2000	35.82	-0.0798870	0.1019697	44	0.042041608
6/3/2000	32.96	-0.0798437	0.1019659	45	0.048019215
7/3/2000	30.33	-0.0797937	0.1002979	46	0.019980928
8/3/2000	27.91	-0.0797890	0.1002865	47	0.040159333
9/3/2000	30.15	0.0802580	0.1001914	48	-0.006279481
10/3/2000	32.57	0.0802653	0.1001318	49	0.01219
13/03/2000	30.22	-0.0721523	0.1000723	50	-0.002644408
14/03/2000	30.29	0.0023163	0.1000000	51	-0.061345359
15/03/2000	29.13	-0.0382965	0.1000000	52	0.009516201
16/03/2000	26.85	-0.0782698	0.1000000	53	-0.016061877
21/03/2000	26.56	-0.0108007	0.0995455	54	-0.005283619
22/03/2000	24.46	-0.0790663	0.0973190	55	0.016712851
23/03/2000	23.02	-0.0588716	0.0970315	56	-0.021010482
24/03/2000	22.13	-0.0386620	0.0960699	57	-0.04732798
27/03/2000	23.9	0.0799819	0.0960265	58	0.034571245
28/03/2000	25.82	0.0803347	0.0959639	59	0.065530489
29/03/2000	27.89	0.0801704	0.0959064	60	0.014239193
30/03/2000	28.94	0.0376479	0.0955923	61	-0.008503417
31/03/2000	31.26	0.0801659	0.0955681	62	-0.026001475
3/4/2000	33.76	0.0799744	0.0940083	63	0.031603343
4/4/2000	31.06	-0.0799763	0.0937155	64	0.017927828
5/4/2000	28.58	-0.0798455	0.0925000	65	0.021455569
6/4/2000	26.3	-0.0797761	0.0918240	66	-0.013191776

## Calculation of Value At Risk - Historical Approach

Mean	0.09%
Std Deviation	2.96%
Min	-22.83%
Max	34.73%
CMP	1419.60

## Calculation of Value At Risk - Historical Approach

Mean	0.06%
Std Deviation	2.95%
Min	-11.99%
Max	10.47%
CMP	1419.60

Percentile	Confidence	Var%	Var (INR)
10.00%	90.00%	-3.73%	-52.9032
5.00%	95.00%	-4.86%	-68.934
1.00%	99.00%	-6.79%	-96.3747
0.50%	99.50%	-7.49%	-106.348



# Dupont Analysis



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\*All Figures are in INR "₹", unless stated otherwise.

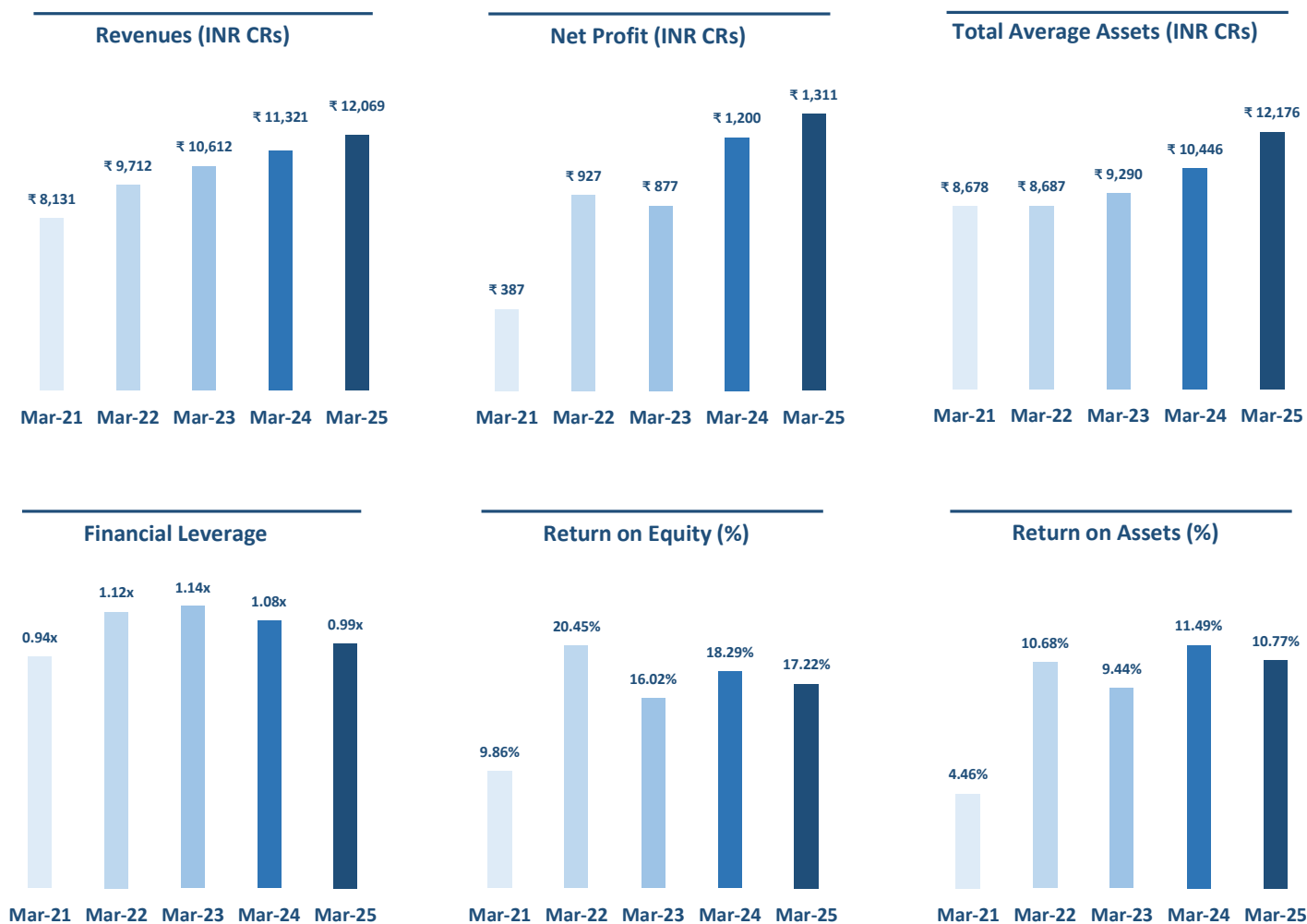
Return on Equity (ROE)									
Particulars	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Net Profit	358.0	479.5	613.8	532.0	386.8	927.4	877.0	1,200.0	1,311.0
Average Shareholders Equity	1,709.5	2,102.0	2,754.5	3,409.0	3,923.5	4,536.0	5,476.0	6,560.0	7,612.5
<b>Return on Equity</b>	<b>20.94%</b>	<b>22.81%</b>	<b>22.28%</b>	<b>15.61%</b>	<b>9.86%</b>	<b>20.45%</b>	<b>16.02%</b>	<b>18.29%</b>	<b>17.22%</b>

Return on Equity - Dupont Equation									
Particulars	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Net Profit	358.0	479.5	613.8	532.0	386.8	927.4	877.0	1,200.0	1,311.0
Revenue	8,817.5	8,590.6	9,340.8	9,325.4	8,131.3	9,712.4	10,612.0	11,321.0	12,069.0
<b>Net Profit Margin (A)</b>	<b>4.06%</b>	<b>5.58%</b>	<b>6.57%</b>	<b>5.70%</b>	<b>4.76%</b>	<b>9.55%</b>	<b>8.26%</b>	<b>10.60%</b>	<b>10.86%</b>
Revenue	8,817.5	8,590.6	9,340.8	9,325.4	8,131.3	9,712.4	10,612.0	11,321.0	12,069.0
Average Total Assets	8,612.5	8,911.0	9,017.5	8,976.5	8,677.5	8,687.0	9,289.5	10,446.0	12,176.0
<b>Asset Turnover Ratio (B)</b>	<b>1.02x</b>	<b>0.96x</b>	<b>1.04x</b>	<b>1.04x</b>	<b>0.94x</b>	<b>1.12x</b>	<b>1.14x</b>	<b>1.08x</b>	<b>0.99x</b>
Average Total Assets	8,612.5	8,911.0	9,017.5	8,976.5	8,677.5	8,687.0	9,289.5	10,446.0	12,176.0
Average Shareholders Equity	1,709.5	2,102.0	2,754.5	3,409.0	3,923.5	4,536.0	5,476.0	6,560.0	7,612.5
<b>Equity Multiplier (C)</b>	<b>5.04x</b>	<b>4.24x</b>	<b>3.27x</b>	<b>2.63x</b>	<b>2.21x</b>	<b>1.92x</b>	<b>1.70x</b>	<b>1.59x</b>	<b>1.60x</b>

Return on Assets (ROA)									
Particulars	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Net Profit	358.0	479.5	613.8	532.0	386.8	927.4	877.0	1,200.0	1,311.0
Average Total Assets	8,612.5	8,911.0	9,017.5	8,976.5	8,677.5	8,687.0	9,289.5	10,446.0	12,176.0
<b>Return on Assets</b>	<b>4.16%</b>	<b>5.38%</b>	<b>6.81%</b>	<b>5.93%</b>	<b>4.46%</b>	<b>10.68%</b>	<b>9.44%</b>	<b>11.49%</b>	<b>10.77%</b>

Return on Assets - Dupont Equation									
Particulars	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Net Profit	358.0	479.5	613.8	532.0	386.8	927.4	877.0	1,200.0	1,311.0
Revenue	8,817.5	8,590.6	9,340.8	9,325.4	8,131.3	9,712.4	10,612.0	11,321.0	12,069.0
<b>Net Profit Margin (A)</b>	<b>4.06%</b>	<b>5.58%</b>	<b>6.57%</b>	<b>5.70%</b>	<b>4.76%</b>	<b>9.55%</b>	<b>8.26%</b>	<b>10.60%</b>	<b>10.86%</b>
Revenue	8,817.5	8,590.6	9,340.8	9,325.4	8,131.3	9,712.4	10,612.0	11,321.0	12,069.0
Average Total Assets	8,612.5	8,911.0	9,017.5	8,976.5	8,677.5	8,687.0	9,289.5	10,446.0	12,176.0
<b>Asset Turnover ratio (B)</b>	<b>1.02x</b>	<b>0.96x</b>	<b>1.04x</b>	<b>1.04x</b>	<b>0.94x</b>	<b>1.12x</b>	<b>1.14x</b>	<b>1.08x</b>	<b>0.99x</b>

## Financials Summary



## Dupont Summary

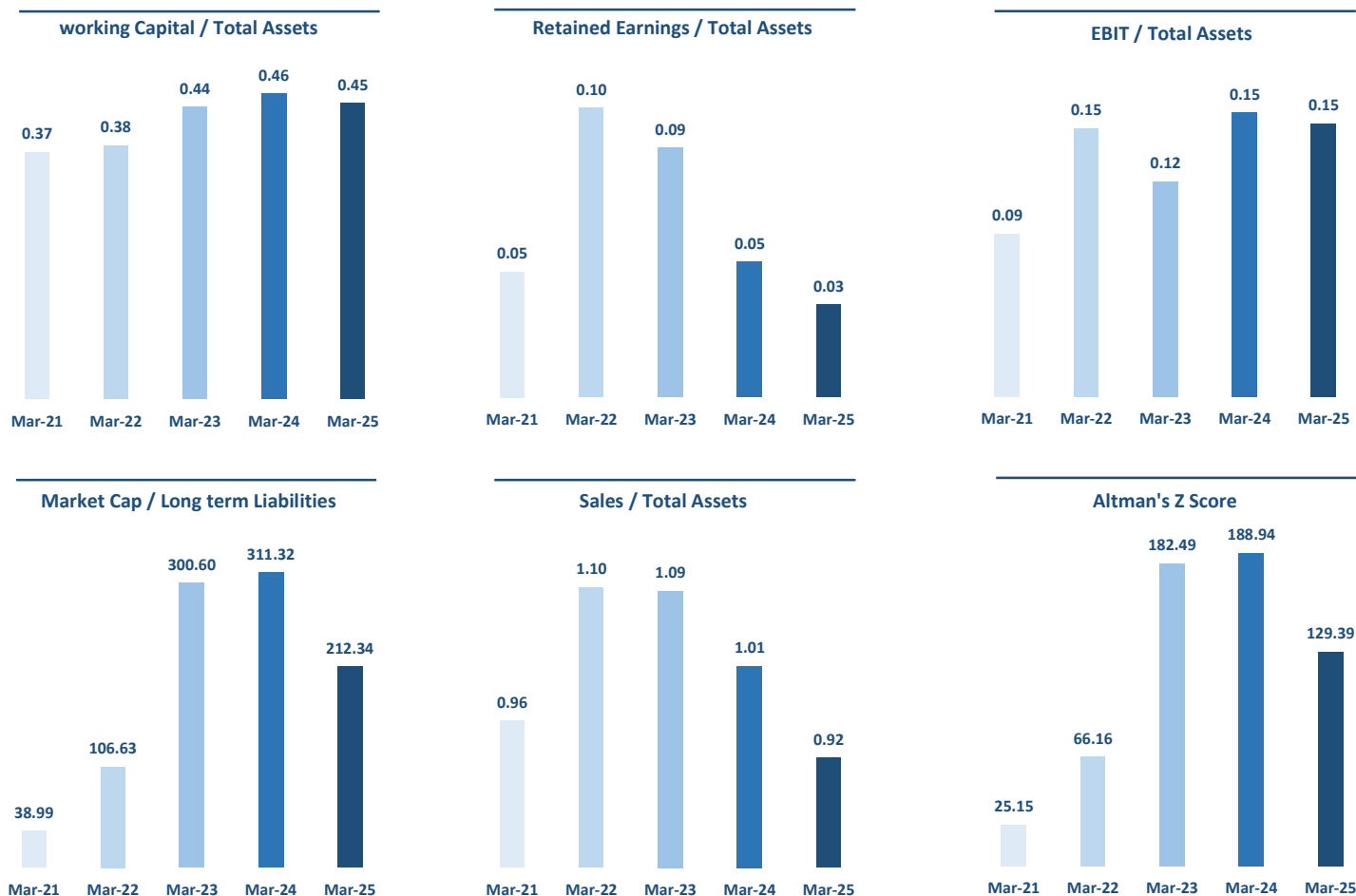
- ROE has shown strong cyclical improvement, rising from 9.9% in FY21 to 18.3% in FY24, before moderating slightly to 17.2% in FY25.
- Net Profit Margin is the biggest driver of ROE volatility—it rose sharply from 4.8% (FY21) to 10.6% (FY24), reflecting premiumization and cost efficiencies.
- FY22–FY25 margin expansion is the most significant structural improvement, with NPM stabilizing around 10–11%.
- Asset Turnover has remained relatively stable, between 0.94x–1.14x, indicating consistent operational efficiency without major swings in asset utilization.
- The Equity Multiplier has steadily declined from 5.04x (FY17) to 1.60x (FY25), confirming a major deleverage strategy by the company.
- Lower leverage means ROE is now driven more by profitability and operations, not by financial gearing.
- ROA nearly tripled between FY21 and FY24, from 4.46% → 11.49%, showing fundamental earnings strength independent of leverage.
- FY21 was the weakest year—COVID impact caused margin compression, lower ROE/ROA, and weaker asset turnover.
- Post-FY22, ROA remained above 10%, highlighting sustained operational excellence.



\*All Figures are in INR "₹", unless stated otherwise.

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## Financials Summary



## Z Score Analysis Summary

- USL has remained in the financially strong/safe zone throughout the 9 years.
- Working capital strength is consistently healthy, indicating reliable liquidity.
- Retained earnings jumped in FY22–23 but weakened slightly in FY24–25 due to reduced profit retention.
- EBIT/Total Assets shows strong operating returns, especially post-FY21.
- Market Cap to Long-Term Debt ratio is the strongest component—USL is almost debt-free.
- Sharp decline in debt after FY21 drastically improved solvency.
- Asset turnover peaked in FY22–23 but moderated due to asset growth.
- Z-score peaked in FY24 (188.94), reflecting exceptional financial conditions.
- FY25 shows a decline to 129.39, but still indicates extremely high stability.
- Overall Z-scores indicate virtually no probability of financial distress.
- Post-Covid years show strong operational recovery and better margins.



UNITED SPIRITS

# Comprehensive Financial & Valuation Summary

## Financial performance & Drivers Summary

- United Spirits sales rising from ₹8,131 Cr in FY21 to a projected ₹17,612 Cr by FY30, It has shown impressive revenue growth, supported by consistent volume growth and premiumization. With gross profit rising to 38% (FY25) and EBITDA margins expected to be between 18% and 19% due to improved cost control and operating leverage, margins are growing.
- A strong current ratio ( $>2x$ ), low debt/equity ( $<0.06$  in FY25), and double-digit ROE/ROIC supported by healthy asset turnover are all revealed by ratio analysis. Strong control over SG&A and employee costs, as well as a declining cost of goods sold as a percentage of revenue, are highlighted in common size statements.
- United Spirits' revenue is projected to grow from ₹12,069 Cr in FY25 to ₹17,612 Cr by FY30, reflecting a compounded annual growth rate (CAGR) of 7.5% for the period.
- Forecasts indicate a net profit margin of more than 10%, with increasing earnings per share and steady dividend payments starting in FY24.

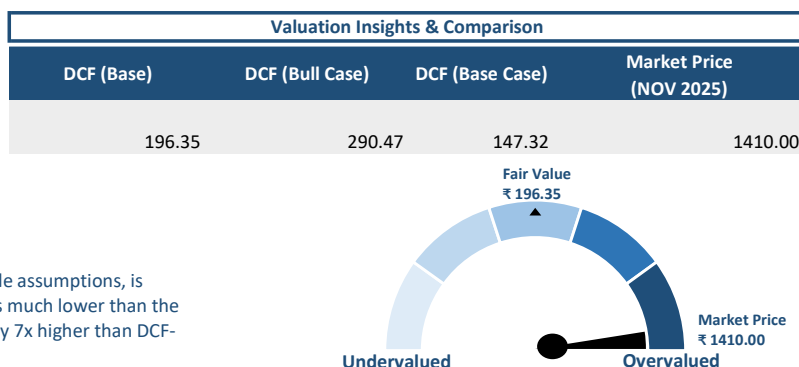
## DCF - Valuation Summary

### DCF Assumptions & Key Inputs

- WACC: 13.68%
- Terminal Growth Rate: 6.8% (reflecting India's long-term GDP growth estimate)
- FCFF Projection: Cash flows projected for multiple years with explicit NOPAT, reinvestment rate, and Capex/WC assumptions.

### Summary statement

The DCF intrinsic value for United Spirits Ltd, under reasonable assumptions, is between INR 147–290 per share (base case INR 196), which is much lower than the current market trading price of INR 1,410 which is significantly 7x higher than DCF-derived intrinsic value in the base case.



## Comps Valuation - Summary

Valuation Method	Value Per Share in INR
DCF Bear Case	196.35
DCF Base Case	147.32
DCF Bull Case	290.47
Comps (range)	841 - 1263
Current Market Price	1410

### summary Statement

- The comparable companies multiples approach (comps) yields a substantially higher implied value per share (₹841 – ₹1,263) than the intrinsic value derived from the detailed DCF analysis (₹147 – ₹290).
- Current market price (₹1,410) is above both the DCF-based intrinsic value and the higher end of the comps-based implied value, indicating that the stock is currently overvalued based on both methodologies.

## Risk & performance Diagnostics

### VaR - 5% Significance

**Historical Approach:** There is a 5% probability of losing ₹59 or more in a day, and 95% chance the loss will be smaller.

**Monte Karlo Simulation:** There is a 5% probability of losing ₹67 or more in a day, and 95% chance the loss will be smaller.

### Dupont Analysis

USL's ROE is driven more by operational performance (margin + efficiency) rather than high leverage, making the returns stable, repeatable, and fundamentally strong. This indicates a high-quality ROE, supported by real business strength rather than aggressive borrowing.

### Z score

- The Altman Z-Score indicates that United Spirits Ltd is comfortably positioned in the Safe Zone, reflecting a very low probability of financial distress.
- The score is primarily supported by strong operating earnings, healthy retained profits, and a high market value of equity relative to liabilities. Efficient asset utilisation and stable liquidity further strengthen the company's financial stability.

### Sources:

[Screener](#)  
[Investing](#)  
[PrimeInvestor](#)  
[yahoo finance](#)

[NSE India](#)  
[BSE India](#)  
[Trendlyne](#)  
[Market Screener](#)

[United Spirits Annual Report 2025](#)  
[United Spirits Annual Report 2024](#)  
[United Spirits Annual Report 2023](#)  
[United Spirits Annual Report 2022](#)