

Estimate change	
TP change	
Rating change	

Bloomberg	UNITDSPR IN
Equity Shares (m)	727
M.Cap.(INRb)/(USDb)	960.1 / 10.5
52-Week Range (INR)	1645 / 1271
1, 6, 12 Rel. Per (%)	-3/-4/-17
12M Avg Val (INR M)	1424

#### Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	126.1	139.5	151.0
Sales Gr. (%)	8.9	10.6	8.3
EBITDA	23.2	26.3	28.7
Margin (%)	18.4	18.8	19.0
PAT	16.5	18.6	20.7
EPS (INR)	22.8	25.6	28.4
EPS Gr. (%)	15.4	12.6	11.0
BV/Sh.(INR)	131.2	156.7	186.5
<b>Ratios</b>			
RoE (%)	17.3	16.3	15.2
RoCE (%)	20.3	18.9	17.5
Payout (%)	52.7	62.5	63.3
<b>Valuations</b>			
P/E (x)	58.0	51.5	46.4
P/BV (x)	10.1	8.4	7.1
EV/EBITDA (x)	39.4	34.4	31.0

#### Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	56.7	56.7	56.7
DII	15.4	14.9	13.6
FII	14.1	14.4	15.9
Others	13.8	14.0	13.8

FII includes depository receipts

<b>CMP: INR1,320</b>	<b>TP: INR1,500 (+14%)</b>	<b>Neutral</b>
<b>Soft volume performance; heavy A&amp;P spending dents margin</b>		

- United Spirits' (UNSP) revenue grew 7% YoY (in line) in 3QFY26. Total volume declined 3% YoY (vs. est. +2% | +8% in 2QFY26). We expected a volume decline given the policy change impact in Maharashtra and heavy base due to AP (6% additional growth in base quarter). The Prestige & Above (P&A) segment volume fell 2% YoY (est. +2.5%), while value growth stood at 8% YoY. Popular segment reported a decline of 9%/5% in volume/revenue YoY.
- Gross margin expanded by 220bp YoY to 46.9% (est. 45.8%), supported by headline pricing, product mix and relatively stable input costs. High A&P spends (+36% YoY) dented profitability, resulting in a 30bp YoY contraction in EBITDA margin to 16.8% (miss). Management has reiterated confidence in sustaining its historical price mix range of 6-8%, which should help keep GM broadly stable despite inflationary pressure in bulk Scotch prices.
- The evolving trends in Maharashtra due to Maharashtra-made liquor (MML) will be a key monitorable as it is denting the growth pickup in other states. Gross margin has been expanding, aided by strong realization growth. We believe overall EBITDA margin will remain around 18.5-19.0%. Management is seeing early signs of consumption recovery but remains cautiously optimistic in the coming quarters. We broadly maintain our estimates for FY26-FY28E. We value UNSP at 45x Dec'27E standalone EPS and an additional INR250/share for RCB and other non-core assets to derive a TP of INR1,500. Maintain Neutral rating.

#### Weak volume growth; miss in EBITDA margins

- In-line sales, volume below expectation:** Standalone net sales rose 7% YoY to INR36.8b (est. INR36.7b) in 3QFY26. P&A revenue (90% revenue mix) was up 8% YoY, while popular revenue fell by 5% YoY. The top half of the portfolio delivered a solid performance, which was partly offset by policy-led headwinds in Maharashtra and the impact of one-time retail pipeline fill in AP in the base (15% growth in 3QFY25). Total volume declined by 3% YoY (est. +2% YoY, 8% in 2QFY26), with P&A volume down 2% YoY (est. +2.5% YoY, 8% in 2QFY26) to 14.6m cases. Excl. AP, P&A volume growth was flat YoY. Excl. Maharashtra, P&A volume grew by 6%, implying healthy growth in the rest of India. P&A revenue growth (excl. AP) stood at ~10% and excl. Maharashtra, it was 14%. Popular volume fell 9% YoY (est. +2% YoY, 6% in 2QFY26) to 2.9m cases due to MML impact.
- Taking initiatives to counter MML:** MML achieved full distribution from Nov'25 onward, with availability steadily improving across brands. Management noted that the first brand to market has seen stronger consumer acceptance, while subsequent entrants have faced lower traction. Consumers continue to choose MML due to attractive pricing and value advantage. To counter MML, UNSP has doubled down on McDowell's and Royal Challenge through improved packaging, sharper pricing, and the rollout of pocket packs.

- **Higher A&P spends dent margins:** Gross margin continued to expand by 220bp YoY to 46.9% (est. 45.8%, 47.1% in 2Q). Headline pricing, product mix and benign RM inflation have been supporting margin expansion. UNSP stated that bulk scotch prices started rising in Nov'25 and are expected to remain in inflationary mode for the next couple of quarters. Bulk Scotch is sourced from Diageo on a cost-plus model. A&P spends rose 36%, other expenses were up 7%, and employee expenses were flat YoY. Owing to high A&P spending, EBITDA margin was down by 30bp YoY at 16.8% (est. 17.8%). EBITDA was up 5% YoY at INR6.2b (est. INR6.5b).
- **Flat PBT performance:** Other income in standalone was INR1,440m, out of which INR510m was recurring (showing in consolidated P&L) and the rest was one-time dividend from subsidiary. We are considering only INR510m for PBT and the rest is in an exceptional item. PBT was flat YoY at INR5.7b (est. INR6.3b). A lower tax rate (22% vs. 26% last year) resulted in 11% YoY growth in APAT to INR4.7b (est. INR4.6b).
- In 9MFY26, net sales, EBITDA and APAT grew by 9%, 10% and 19%.

### Highlights from the management commentary

- At a macro level, the company is witnessing consumption green shoots, with the top end of the portfolio delivering strong performance in 3Q.
- **However, citing concerns about the job market and geopolitical volatility, management remains cautiously optimistic about the upcoming wedding season and the next couple of quarters.**
- Launch of MML at attractive price points and gradual distribution increase remain a competitive challenge in Maharashtra, especially for the popular and lower-prestige segment (lower end of the portfolio).
- The India-UK FTA will be tabled in the British Parliament in Mar'26 or Apr'26. In India, the cabinet approval will be required. **UNSP expects the implementation of FTA in 2QFY27.**
- Key input costs remained benign, while bulk Scotch remained structurally inflationary (Nov'25 onward). UNSP expects bulk Scotch to remain inflationary for the next couple of quarters.

### Valuation and view

- We broadly maintain our estimates for FY26-FY28E.
- While Maharashtra and AP weighed on 3Q performance, UNSP delivered healthy performance in the rest of India. Maharashtra contributes a mid- to high-teen share of the company's total revenue. UNSP is taking various initiatives such as improved packaging, pocket packs, and aggressive pricing to counter MML brands. In the coming quarters, we will closely monitor the MML category and developments in the space. On the margin front, a higher price mix range (6-8%) is expected to negate the adverse impact of inflationary bulk Scotch prices and higher ad spends.
- We value 45x Dec'27E standalone EPS and an additional INR250/share for its RCB and other non-core assets to derive a TP of INR1,500. Maintain Neutral rating.

Quarterly Performance										(INR m)		
Y/E March (Standalone)	FY25				FY26E				FY25	FY26E	FY26 3QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Volume growth %	3.5	-4.4	10.2	6.9	9.4	7.7	-3.2	-1.0	4.1	2.7	2.4	
<b>Total revenues</b>	<b>23,520</b>	<b>28,430</b>	<b>34,320</b>	<b>29,460</b>	<b>25,490</b>	<b>31,700</b>	<b>36,830</b>	<b>32,052</b>	<b>1,15,730</b>	<b>1,26,072</b>	<b>36,677</b>	<b>0.4%</b>
YoY change (%)	8.3	-0.8	14.8	10.5	8.4	11.5	7.3	8.8	8.2	8.9	6.9	
<b>Gross Profit</b>	<b>10,460</b>	<b>12,850</b>	<b>15,350</b>	<b>13,100</b>	<b>11,210</b>	<b>14,930</b>	<b>17,280</b>	<b>14,825</b>	<b>51,760</b>	<b>58,245</b>	<b>16,798</b>	<b>2.9%</b>
Margin (%)	44.5	45.2	44.7	44.5	44.0	47.1	46.9	46.3	44.7	46.2	45.8	
Total Exp	18,940	23,360	28,440	24,410	21,340	24,980	30,650	25,867	95,150	1,02,837	30,148	
<b>EBITDA</b>	<b>4,580</b>	<b>5,070</b>	<b>5,880</b>	<b>5,050</b>	<b>4,150</b>	<b>6,720</b>	<b>6,180</b>	<b>6,185</b>	<b>20,580</b>	<b>23,235</b>	<b>6,528</b>	<b>-5.3%</b>
Margins (%)	19.5	17.8	17.1	17.1	16.3	21.2	16.8	19.3	17.8	18.4	17.8	
EBITDA growth (%)	18.9	7.8	19.7	39.5	-9.4	32.5	5.1	22.5	20.5	12.9	11.0	
Depreciation	650	690	720	680	680	650	790	780	2,740	2,900	670	
Interest	220	250	200	220	490	210	190	200	890	1,090	240	
Other income	320	340	720	750	610	760	510	870	2,130	2,750	650	
<b>PBT</b>	<b>4,030</b>	<b>4,470</b>	<b>5,680</b>	<b>4,900</b>	<b>3,590</b>	<b>6,620</b>	<b>5,710</b>	<b>6,075</b>	<b>19,080</b>	<b>21,995</b>	<b>6,268</b>	<b>-8.9%</b>
Tax	1,040	1,120	1,480	1,340	900	1,600	1,250	1,749	4,980	5,499	1,661	
Rate (%)	25.8	25.1	26.1	27.3	25.1	24.2	21.9	28.8	26.1	25.0	26.5	
<b>Adj. PAT</b>	<b>2,990</b>	<b>3,350</b>	<b>4,203</b>	<b>3,750</b>	<b>2,963</b>	<b>4,945</b>	<b>4,668</b>	<b>4,327</b>	<b>14,293</b>	<b>16,497</b>	<b>4,607</b>	<b>1.3%</b>
YoY change (%)	24.8	5.3	20.7	60.3	-0.9	47.6	11.0	15.4	25.4	15.4	9.6	

E: MOFSL Estimate

### Key Performance Indicators

Y/E March (Standalone)	FY25				FY26				1Q	2Q	3Q
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			
<b>Key Metrics</b>											
Sales Volume (m Cases)	13.7	15.4	18.2	16.7	15.0	16.6	17.6				
Volume Growth %	3.5	-4.4	10.2	6.9	9.4	7.7	-3.2				
Realisation/case (INR)	1,717	1,844	1,890	1,767	1,701	1,909	2,096				
Realisation growth %	4.7	3.9	4.2	3.4	-0.9	3.5	10.9				
EBIDTA/Case (INR)	334.3	328.9	323.9	303.0	277.0	404.7	351.8				
<b>Segmental performance</b>											
P&A Volumes (m Cases)	11.5	12.9	14.9	13.6	12.6	13.9	14.6				
Popular Volumes (m Cases)	2.2	2.5	3.2	3.1	2.4	2.7	2.9				
P&A Volumes Growth (%)	5.1	-3.7	11.2	9.2	9.0	8.0	-2.0				
Popular Volumes Growth (%)	-4.6	-7.9	5.9	-2.2	11.6	6.1	-9.0				
P&A Sales Growth (%)	10.1	0.3	16.1	13.2	9.0	12.4	8.3				
Popular Sales Growth (%)	-2.7	-6.9	9.5	1.0	13.6	9.0	-4.8				
<b>Average growth for the last two years (%)</b>											
Volume	4.6	-1.7	4.2	5.3	6.4	1.6	3.5				
Sales	3.6	-1.1	11.1	8.7	8.3	5.4	11.1				
EBITDA	30.6	7.1	26.6	23.3	4.8	20.2	12.4				
PAT	16.4	13.0	40.9	35.2	11.9	26.4	15.9				
<b>As a % of Sales</b>											
COGS	55.5	54.8	55.3	55.5	56.0	52.9	53.1				
Operating expenses	25.0	27.4	27.6	27.3	27.7	25.9	30.1				
Depreciation	2.8	2.4	2.1	2.3	2.7	2.1	2.1				
<b>YoY change (%)</b>											
COGS	6.7	-3.9	12.2	8.3	9.3	7.6	3.1				
Operating expenses	4.6	0.6	17.4	1.5	20.1	5.5	17.2				
Other Income	53.1	-12.4	56.2	50.0	90.6	123.5	-29.2				
EBIT	22.8	8.2	20.4	50.2	-11.7	38.6	4.5				

E: MOFSL Estimates



## Highlights from the management commentary

### Demand environment

- At a macro level, the company is witnessing consumption green shoots with the top end of the portfolio delivering strong performance in 3Q.
- P&A volume growth ex-AP remained flat YoY in 3QFY26. Moreover, ex-Maharashtra, P&A volume grew by 6%, implying healthy growth in rest of India.
- P&A revenue growth excl. AP stood at ~10% YoY and ex-Maharashtra, it was 14% YoY.
- UNSP's top-end brands growing faster than the market.
- Amid continued headwinds from Maharashtra, UNSP seeing strong growth in luxury and premium segment on the back of scotches and Smirnoff.
- Royal Challenge pocket pack driving consumer penetration.
- Launch of MML at very attractive price points and gradual distribution increase remain a competitive challenge in Maharashtra especially for the popular and lower prestige segment (lower end of the portfolio).
- The industry association has taken actions to ensure a level playing field in the medium to longer term and UNSP is tracking the developments closely.
- October to December fared well for UNSP. However, citing concerns about the job market and geopolitical volatility, management remains cautiously optimistic about the upcoming wedding season and the next couple of quarters.

### India UK FTA

- The India-UK FTA will be tabled in the British Parliament in Mar'26 or Apr'26. In India, the cabinet approval will be required. **UNSP expects the implementation of FTA in 2QFY27.**

### Cost and margins

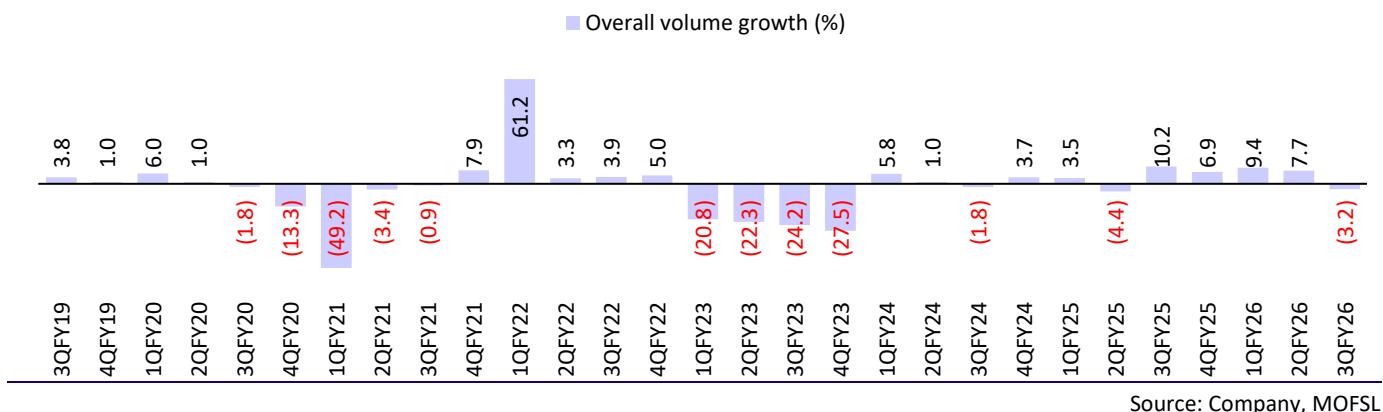
- Key input costs remained benign, while bulk Scotch remained structurally inflationary (Nov'25 onward). UNSP expects bulk Scotch to remain inflationary for the next couple of quarters.
- Bulk Scotch is sourced from Diageo on a cost-plus model.
- Gross margin continued to expand by 220bp YoY to 46.9%. Headline pricing, product mix and benign RM inflation have been supporting margin expansion.
- Going forward management expects GM to be in the similar range. While inflation will go up a little, the price mix will continue and neutralize it.
- Marketing reinvestment was 14% of sales in 3Q and 10.6% in 9MFY26. The company expects its ad spends to be slightly higher than earlier guidance of 9.5-10% of net sales for FY26.
- Management expects its historically stated price mix range of 6-8% to be sustainable at the higher end.
- Management expects P&A to continue growing in double digits.

### Brand performance

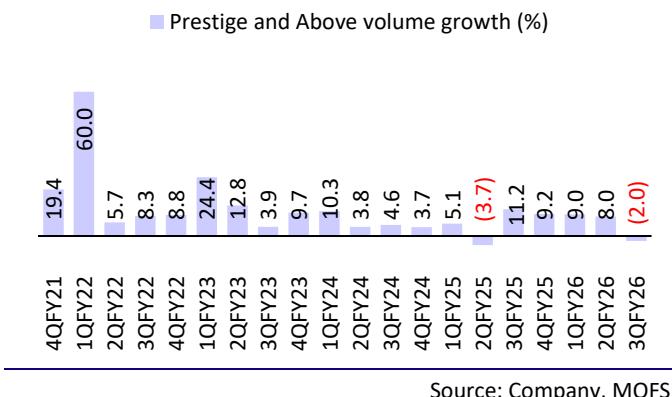
- Signature continues to lead growth in the Prestige segment, supported by purpose-driven storytelling. Signature has registered strong double-digit growth in the festive season and contributed to upper Prestige segments' nearly double-digit growth

- Royal Challenge continues to do well; the 180ml pocket pack continues to drive penetration and share gains.
- McDowell's No.1 rolled out a pocket pack in Maharashtra and the same will be extended nationally over the next 2 to 3 quarters.
- Godawan (Indian single malt) growth was led by CSD channel.
- Smirnoff driven by new flavors innovation, took India into the top 5 markets globally for Smirnoff.
- Don Julio is penetrating the overall spirits market in the country, and as of 9MFY26, Don Julio has crossed INR1b in NSV.

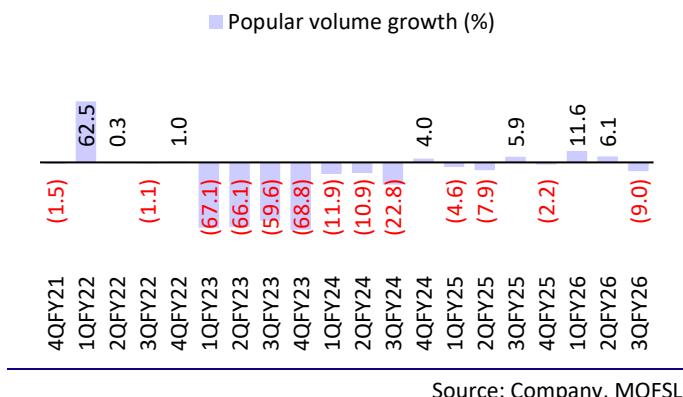
#### Exhibit 1: Overall volume growth declined 3.2% YoY to 17.6m cases in 3QFY26



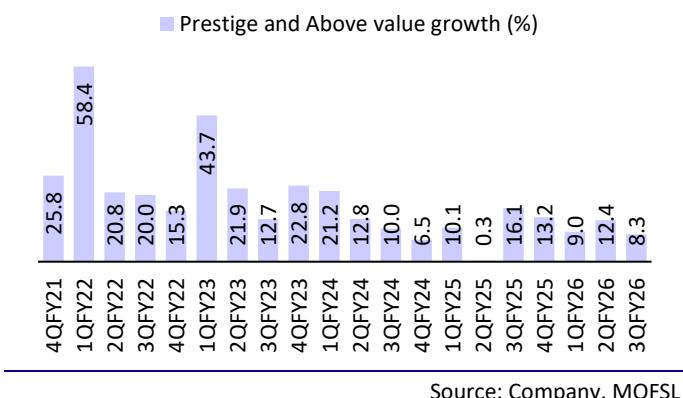
#### Exhibit 2: P&A volumes (%) declined 2% YoY in 3QFY26



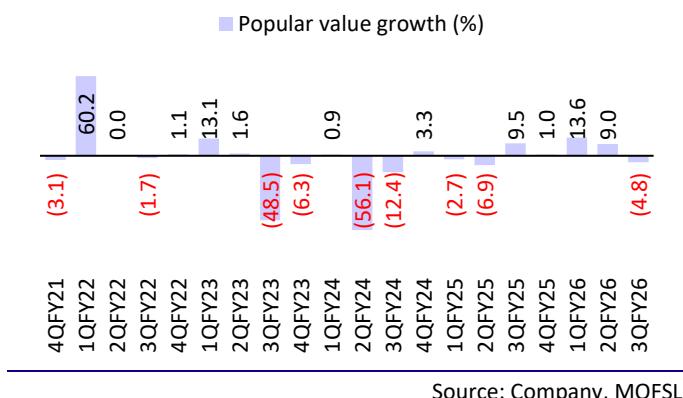
#### Exhibit 3: Popular volumes (%) down 9.0% YoY in 3QFY26



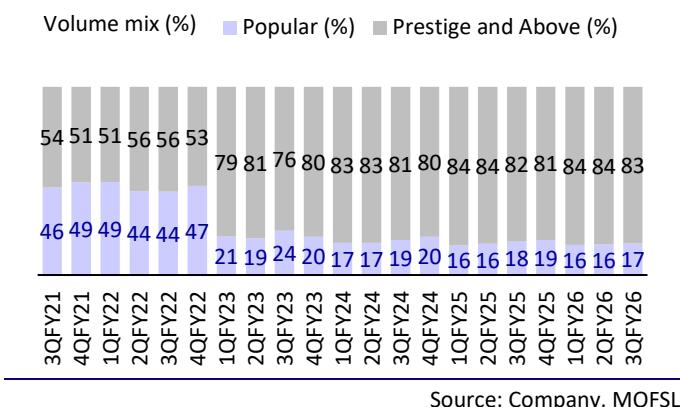
#### Exhibit 4: Value growth in P&A stood at 8.3% YoY



#### Exhibit 5: Popular sales down 4.8% YoY in 3QFY26

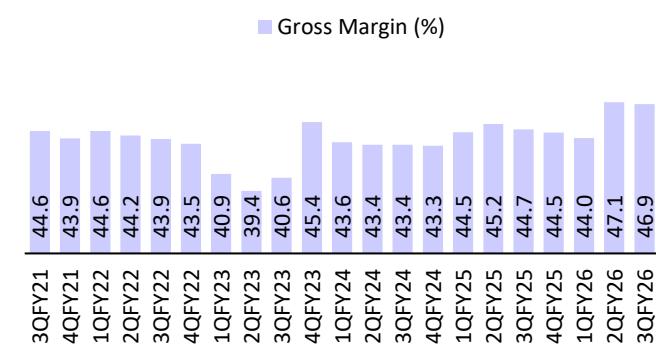


**Exhibit 6: Contribution of P&A volumes stood at 83%...**



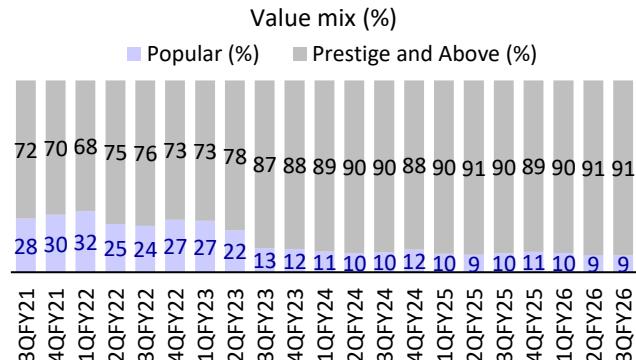
Source: Company, MOFSL

**Exhibit 8: Gross margin expanded 220bp YoY to 46.9%**



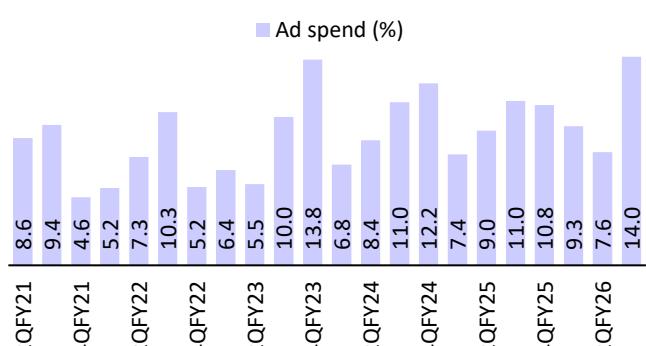
Source: Company, MOFSL

**Exhibit 7: ...while that of value stood at 91%**



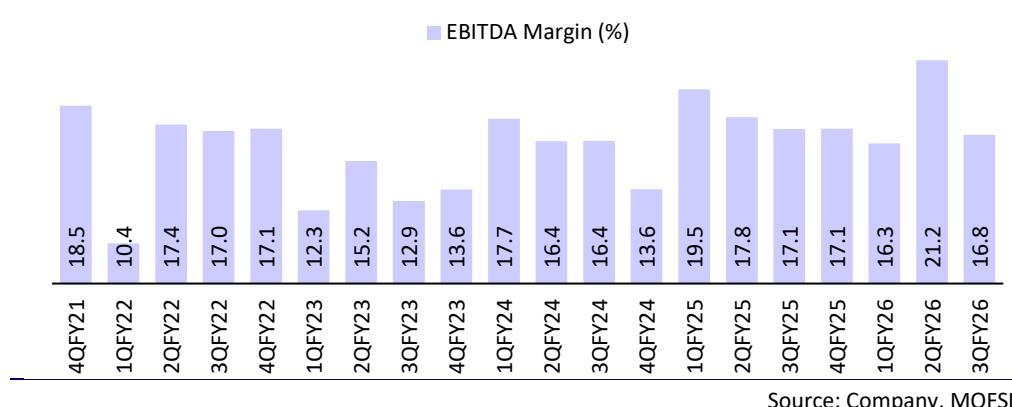
Source: Company, MOFSL

**Exhibit 9: Ad spending up 36% YoY at 14% of sales**



Source: Company, MOFSL

**Exhibit 10: EBITDA margin declined 30bp YoY to 16.8% in 3QFY26**



Source: Company, MOFSL

### Valuation and view

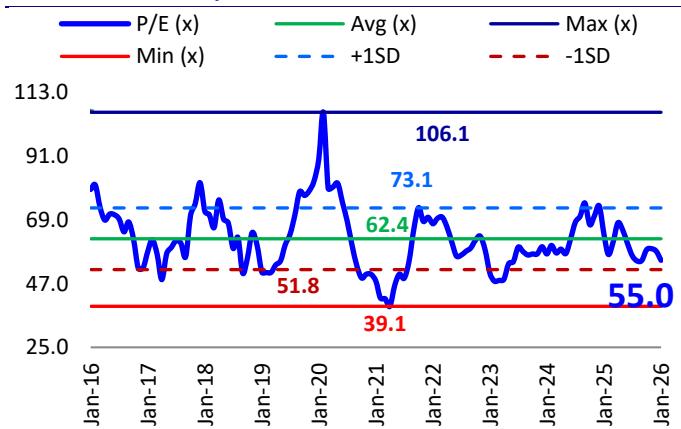
- We broadly maintain our estimates for FY26-FY28E.
- While Maharashtra and AP weighed on 3Q performance, UNSP delivered healthy performance in rest of India. Maharashtra contributes a mid- to high-teen share of the company's total revenue. USNP is taking various initiatives such as improved packaging, pocket packs, and aggressive pricing to counter MML brands. In coming quarters, we will closely monitor the MML category and developments in the space. On the margin front, a higher price mix range (6-8%) is expected to negate the adverse impact of inflationary bulk Scotch prices and higher ad spends.
- We value UNSP at 45x Dec'27E standalone EPS and an additional INR250/share for its RCB and other non-core assets to derive a TP of INR1,500. We maintain Neutral rating.

### Exhibit 11: We broadly maintain our EPS estimates for FY26-FY28E

INR Bn	New			Old			% Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Total Income	126.1	139.5	151.0	126.8	137.7	148.4	-0.5	1.2	1.7
EBITDA	23.2	26.3	28.7	23.2	25.8	28.4	0.2	1.7	1.1
Adjusted PAT	16.5	18.6	20.7	16.5	18.5	20.5	-0.2	0.5	0.9

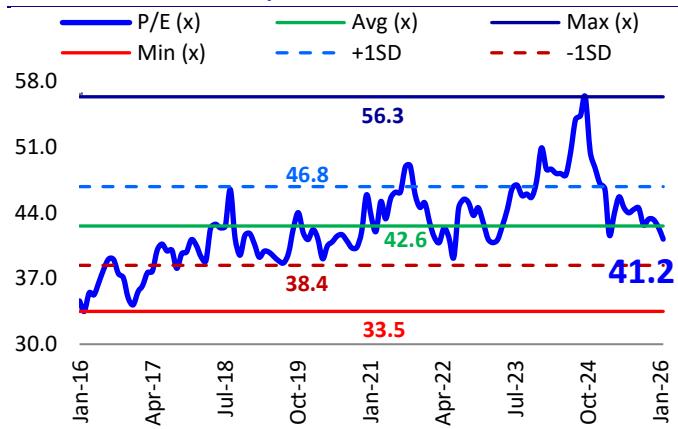
Source: Company, MOFSL

### Exhibit 12: UNSP P/E



Source: Company, MOFSL

### Exhibit 13: Consumer P/E



Source: Company, MOFSL

## Financials and valuations

Income Statement - Standalone										(INR m)
United Spirits	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
<b>Gross revenue</b>	<b>2,85,123</b>	<b>2,85,892</b>	<b>2,71,764</b>	<b>3,07,731</b>	<b>2,75,775</b>	<b>2,53,890</b>	<b>2,67,800</b>	<b>2,91,731</b>	<b>3,22,721</b>	<b>3,49,350</b>
Excise duty	1,95,317	1,94,983	1,92,872	2,13,494	1,72,038	1,46,970	1,52,070	1,65,659	1,83,257	1,98,378
<b>Net Revenue</b>	<b>89,806</b>	<b>90,909</b>	<b>78,892</b>	<b>94,237</b>	<b>1,03,737</b>	<b>1,06,920</b>	<b>1,15,730</b>	<b>1,26,072</b>	<b>1,39,464</b>	<b>1,50,972</b>
Change (%)	9.9	1.2	-13.2	19.5	10.1	3.1	8.2	8.9	10.6	8.3
<b>Gross Profit</b>	<b>43,857</b>	<b>40,689</b>	<b>34,210</b>	<b>41,398</b>	<b>43,019</b>	<b>46,440</b>	<b>51,760</b>	<b>58,245</b>	<b>64,851</b>	<b>70,202</b>
Margin (%)	48.8	44.8	43.4	43.9	41.5	43.4	44.7	46.2	46.5	46.5
<b>EBITDA</b>	<b>12,874</b>	<b>15,061</b>	<b>9,877</b>	<b>15,104</b>	<b>14,187</b>	<b>17,080</b>	<b>20,580</b>	<b>23,235</b>	<b>26,261</b>	<b>28,692</b>
Change (%)	25.2	17.0	-34.4	52.9	-6.1	20.4	20.5	12.9	13.0	9.3
Margin (%)	14.3	16.6	12.5	16.0	13.7	16.0	17.8	18.4	18.8	19.0
Depreciation	-1,445	-2,275	-2,493	-2,886	-2,706	-2,640	-2,740	-2,900	-3,208	-3,170
Int. and Fin. Charges	-2,200	-1,907	-1,658	-880	-1,039	-910	-890	-1,090	-1,150	-1,100
Other Income	952	455	478	337	742	1,560	2,130	2,750	2,915	3,177
<b>Profit before Taxes</b>	<b>10,181</b>	<b>11,334</b>	<b>6,204</b>	<b>11,675</b>	<b>11,184</b>	<b>15,090</b>	<b>19,080</b>	<b>21,995</b>	<b>24,818</b>	<b>27,599</b>
Change (%)	22.5	11.3	-45.3	88.2	-4.2	34.9	26.4	15.3	12.8	11.2
Margin (%)	11.3	12.5	7.9	12.4	10.8	14.1	16.5	17.4	17.8	18.3
Tax	3,328	4,300	1,587	1,606	2,376	3,740	4,980	5,499	6,247	6,947
Tax Rate (%)	32.7	37.9	25.6	13.8	21.2	24.8	26.1	25.0	25.2	25.2
<b>Adjusted PAT</b>	<b>6,853</b>	<b>7,904</b>	<b>4,418</b>	<b>9,679</b>	<b>9,235</b>	<b>11,400</b>	<b>14,293</b>	<b>16,497</b>	<b>18,572</b>	<b>20,652</b>
Change (%)	24.0	15.3	-44.1	119.1	-4.6	23.4	25	15	13	11
Margin (%)	7.6	8.7	5.6	10.3	8.9	10.7	12.4	13.1	13.3	13.7
Non-rec. (Exp)/Income	-267	13	-1,514	-1,560	1,709	1,766	1,480	0	0	950
<b>Reported PAT</b>	<b>6,586</b>	<b>7,047</b>	<b>3,103</b>	<b>8,509</b>	<b>10,517</b>	<b>13,116</b>	<b>15,580</b>	<b>16,497</b>	<b>18,572</b>	<b>21,602</b>
Balance Sheet										(INR m)
United Spirits	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2027E
Share Capital	1,453	1,453	1,453	1,453	1,455	1,450	1,450	1,450	1,450	1,453
Reserves	29,862	36,644	39,815	47,470	57,990	68,180	77,340	93,837	1,12,408	1,34,011
Minority Interest	0	0	0	0	0	0	0	0	0	0
<b>Net Worth</b>	<b>31,315</b>	<b>38,097</b>	<b>41,268</b>	<b>48,923</b>	<b>59,445</b>	<b>69,630</b>	<b>78,790</b>	<b>95,287</b>	<b>1,13,858</b>	<b>1,35,464</b>
Loans	25,889	20,730	6,556	3,417	11	0	0	0	0	0
Deferred Tax Liabilities	-1,878	-1,590	-1,711	-1,428	-1,573	-1,770	-1,550	-1,705	-1,876	-2,063
<b>Capital Employed</b>	<b>55,326</b>	<b>57,237</b>	<b>46,113</b>	<b>50,912</b>	<b>57,883</b>	<b>67,860</b>	<b>77,240</b>	<b>93,582</b>	<b>1,11,983</b>	<b>1,33,401</b>
<b>Net Fixed Assets</b>	<b>11,282</b>	<b>13,347</b>	<b>13,008</b>	<b>14,866</b>	<b>11,821</b>	<b>11,060</b>	<b>13,310</b>	<b>14,410</b>	<b>16,203</b>	<b>18,032</b>
Capital WIP	1,171	1,187	865	957	828	370	720	540	405	304
Goodwill	0	0	0	0	0	0	0	0	0	0
Investments	2,984	2,526	2,021	4,390	4,870	9,620	11,820	11,703	11,592	11,486
<b>Curr. Assets, L&amp;A</b>	<b>69,308</b>	<b>66,895</b>	<b>63,807</b>	<b>65,586</b>	<b>76,622</b>	<b>84,600</b>	<b>99,780</b>	<b>1,18,421</b>	<b>1,40,347</b>	<b>1,64,670</b>
Inventory	18,767	18,361	19,810	21,643	22,300	20,630	23,050	25,905	28,657	31,022
Account Receivables	25,181	22,835	21,601	23,021	23,828	31,280	36,280	39,522	43,720	47,328
Cash and Bank	588	345	713	328	8,496	12,090	17,730	28,639	41,687	58,052
Others	24,772	25,354	21,683	20,594	21,998	20,600	22,720	24,355	26,282	28,269
<b>Curr. Liab. and Prov.</b>	<b>29,419</b>	<b>26,718</b>	<b>33,588</b>	<b>34,887</b>	<b>36,258</b>	<b>37,790</b>	<b>48,390</b>	<b>51,493</b>	<b>56,563</b>	<b>61,092</b>
Account Payables	13,360	11,712	13,813	15,279	17,383	18,270	21,520	22,451	24,836	26,885
Other Liabilities	12,282	10,661	14,321	14,600	15,037	15,700	22,980	24,802	27,039	29,128
Provisions	3,777	4,345	5,454	5,008	3,838	3,820	3,890	4,239	4,689	5,079
<b>Net Current Assets</b>	<b>39,889</b>	<b>40,177</b>	<b>30,219</b>	<b>30,699</b>	<b>40,364</b>	<b>46,810</b>	<b>51,390</b>	<b>66,928</b>	<b>83,783</b>	<b>1,03,578</b>
<b>Application of Funds</b>	<b>55,326</b>	<b>57,237</b>	<b>46,113</b>	<b>50,912</b>	<b>57,883</b>	<b>67,860</b>	<b>77,240</b>	<b>93,582</b>	<b>1,11,983</b>	<b>1,33,401</b>

E: MOFSL Estimates

## Financials and valuations

### Ratios

United Spirits	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
<b>Basic (INR)</b>										
EPS	<b>9.4</b>	<b>10.9</b>	<b>6.1</b>	<b>13.3</b>	<b>12.7</b>	<b>15.7</b>	<b>19.7</b>	<b>22.8</b>	<b>25.6</b>	<b>28.4</b>
Cash EPS	11.4	14.0	9.5	17.3	16.4	19.4	23.5	26.8	30.0	32.8
BV/Share	43.1	52.4	56.8	67.3	81.8	95.8	108.5	131.2	156.7	186.5
DPS	0.0	0.0	0.0	0.0	0.0	7.0	8.0	12.0	16.0	18.0
Payout %	0.0	0.0	0.0	0.0	0.0	44.5	40.6	52.7	62.5	63.3
<b>Valuation (x)</b>										
Market Price	1,319	1,319	1,319	1,319	1,319	1,319	1,319	1,319	1,319	1,319
P/E	139.8	121.2	216.9	99.0	103.9	83.9	66.9	58.0	51.5	46.4
Cash P/E	115.5	94.1	138.7	76.3	80.4	68.1	56.1	49.3	43.9	40.2
EV/Sales	2.4	2.3	2.5	2.0	1.7	1.6	1.4	1.2	1.0	0.8
EV/EBITDA	76.2	64.8	97.4	63.4	66.7	54.7	45.0	39.4	34.4	31.0
P/BV	30.6	25.2	23.2	19.6	16.1	13.8	12.2	10.1	8.4	7.1
<b>Return Ratios (%)</b>										
RoE	21.9	20.7	10.7	19.8	15.5	16.4	18.1	17.3	16.3	15.2
RoCE	14.9	14.6	11.3	22.3	17.7	19.1	20.3	20.3	18.9	17.5
RoIC	15.0	15.3	11.5	24.0	20.3	24.3	28.4	30.6	31.1	31.3
<b>Working Capital Ratios</b>										
Debtor (Days)	102	92	100	89	84	107	114	114	114	114
Asset Turnover (x)	1.6	1.6	1.7	1.9	1.8	1.6	1.5	1.3	1.2	1.1
<b>Leverage Ratio</b>										
Debt/Equity (x)	0.8	0.5	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0

United Spirits	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	(INR m)
Profit before tax	10,181	11,334	6,204	11,675	12,890	16,860	20,560	21,995	24,818	27,599	
Non-operating & EO Items	-952	-455	-478	-337	-2,170	-2,240	-2,860	-2,750	-2,915	-3,177	
Depreciation and Amort.	1,445	2,275	2,493	2,886	2,706	2,640	2,740	2,900	3,208	3,170	
Interest Paid	2,200	1,907	1,658	880	1,039	910	890	1,090	1,150	1,100	
Direct Taxes Paid	-3,328	-4,300	-1,587	-1,606	-2,970	-3,130	-1,730	-5,499	-6,247	-6,947	
Incr/Decr in WC	3,641	-2,446	7,178	-1,100	-5,740	-5,760	-3,540	-3,527	-2,566	-2,038	
<b>CF from Operations</b>	<b>13,187</b>	<b>8,315</b>	<b>15,468</b>	<b>12,398</b>	<b>5,755</b>	<b>9,280</b>	<b>16,060</b>	<b>14,209</b>	<b>17,449</b>	<b>19,708</b>	
Interest income	685	1,312	1,793	1,507	1,060	8,270	-5,540	2,750	2,915	2,227	
(Incr)/Decr in FA	-2,897	-4,356	-1,832	-4,836	-1,130	-790	-1,610	-3,820	-4,865	-4,899	
<b>Free Cash Flow</b>	<b>10,290</b>	<b>3,959</b>	<b>13,636</b>	<b>7,562</b>	<b>4,625</b>	<b>8,490</b>	<b>14,450</b>	<b>10,389</b>	<b>12,584</b>	<b>14,809</b>	
(Pur)/Sale of Investments	-2,311	2,661	3,532	370	-150	-2,820	-2,350	-1,140	-1,300	-1,474	
Other investing items	1,207	-844	-2,829	-6,975	7,633	-5,956	4,350	0	0	2,853	
<b>CF from Invest.</b>	<b>-3,316</b>	<b>-1,227</b>	<b>664</b>	<b>-9,934</b>	<b>7,413</b>	<b>-1,296</b>	<b>-5,150</b>	<b>-2,210</b>	<b>-3,250</b>	<b>-1,293</b>	
Issue of Shares	0	0	0	0	0	0	0	0	0	0	
Incr/Decr in Debt	-6,765	-5,159	-14,174	-3,139	-3,390	0	0	0	0	0	
Dividend Paid	0	0	0	0	0	-2,910	-3,500	0	0	0	
Others	-2,509	-2,172	-1,590	290	-1,610	-1,480	-1,770	-1,090	-1,150	-2,050	
<b>CF from Fin. Activity</b>	<b>-9,274</b>	<b>-7,331</b>	<b>-15,764</b>	<b>-2,849</b>	<b>-5,000</b>	<b>-4,390</b>	<b>-5,270</b>	<b>-1,090</b>	<b>-1,150</b>	<b>-2,050</b>	
<b>Incr/Decr of Cash</b>	<b>597</b>	<b>-243</b>	<b>368</b>	<b>-385</b>	<b>8,168</b>	<b>3,594</b>	<b>5,640</b>	<b>10,909</b>	<b>13,048</b>	<b>16,365</b>	
Add: Opening Balance	-9	588	345	713	328	8,496	12,090	17,730	28,639	41,687	
<b>Closing Balance</b>	<b>588</b>	<b>345</b>	<b>713</b>	<b>328</b>	<b>8,496</b>	<b>12,090</b>	<b>17,730</b>	<b>28,639</b>	<b>41,687</b>	<b>58,052</b>	

E: MOFSL Estimates

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