

Radico Khaitan

Estimate change	↔
TP change	↑
Rating change	↔

CMP: INR3,407 **TP: INR4,000 (+17%)** **Buy**

Growth excitement sustains; beat on margin

Bloomberg	RDCK IN
Equity Shares (m)	134
M.Cap.(INRb)/(USDb)	456.2 / 4.8
52-Week Range (INR)	3695 / 2310
1, 6, 12 Rel. Per (%)	24/7/40
12M Avg Val (INR M)	1173

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	60.5	70.0	79.0
Sales Gr. (%)	25	16	13
EBITDA	10.2	12.3	14.6
Margin (%)	16.9	17.6	18.5
PAT	6.1	7.8	9.6
EPS (INR)	45.3	58.4	71.9
EPS Gr. (%)	76	29	23
BV/Sh.(INR)	243	289	347
Ratios			
RoE (%)	18.7	20.2	20.7
RoCE (%)	20.3	22.8	25.2
Payout (%)	8.8	20.0	20.0
Valuations			
P/E (x)	75.4	58.5	47.5
P/BV (x)	14.1	11.8	9.8
EV/EBITDA (x)	44.8	37.1	30.8

Shareholding Pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	40.2	40.2	40.2
DII	27.4	24.0	26.8
FII	17.6	19.8	16.9
Others	14.8	16.0	16.0

FII includes depository receipts

- Radico Khaitan (RDCK) continued to deliver robust P&A volume growth and strong operating performance in 4QFY26/FY26. Revenue growth was 15% YoY at INR15.0b, with P&A value growth at 29%. Meanwhile, regular portfolio declined 14%. P&A sustained industry-leading performance, and volumes jumped 28% YoY to 4.4m cases (est: 4.1m). On the other hand, regular portfolio volumes declined 10% YoY to ~5m cases due to a high base (AP route to market change in base) and impact of policy change in Karnataka and Maharashtra. Royalty cases declined 9% YoY to 0.4m cases. Non-IMFL revenue grew 21% on a low base.
- RDCK guided for 20% volume growth in P&A and 3–5% growth in the regular category for FY27. The company believes the proposed Karnataka excise policy will be favorable for the premium portfolio. In Maharashtra, the IMFL industry witnessed 20% volume decline. However, the premium and vodka segments have remained relatively resilient, thereby limiting the impact on the company portfolio. Further, the company is strengthening its presence in the MML segment through its JV, Radico NV Distilleries Maharashtra Limited (RNVDML), and is targeting 10–15% market share in the category over the medium term.
- Gross margin expanded by a sharp 450bp YoY to 48% (the highest in the last 20 quarters), backed by a benign raw material scenario (RM benefit +225bp YoY) and premiumization. EBITDA surged 60% YoY (est. 50%) and EBITDA margin expanded 530bp YoY to 18.9% (at an all-time high). Management maintained its EBITDA margin expansion guidance of 120–125bp for FY27 despite a 15% increase in glass cost over the last one month. Premiumization, operating efficiencies, and FTA will support margin. We model 17.6% and 18.5% EBITDA margins for FY27 and FY28.
- We continue to remain positive on RDCK, given its strong growth trajectory in the P&A segment and strategic expansion into premium and luxury portfolios. The luxury segment is seeing strong growth, generating INR4.7b revenue in FY26, and is expected to deliver 25% growth in FY27. With a continued focus on premiumization, operating leverage, and broad-based geographic expansion, RDCK has delivered industry-leading growth. We believe the rich valuations are well justified by its continued strong performance. We reiterate a BUY rating with a TP of INR4,000.

Beat on P&A volume; EBITDA up 60%

- Double-digit sales growth continues:** Standalone net sales continued its robust growth momentum, up 15% YoY to INR15b (est. INR15.8b) in 4QFY26. P&A volume grew 28% YoY to 4.4m cases (est: 4.1m). Meanwhile, overall IMFL volumes grew 4% YoY (est. 8%). Regular portfolio volumes declined 10% YoY to ~5m cases, while Royalty cases dipped 9% YoY to 0.4m cases. Regular volume decline was due to a higher base of 4QFY25 after the change in the route-to-market in Andhra Pradesh, and the impact of the policy change in Maharashtra and Karnataka. Non-IMFL revenue grew 21% YoY on a lower base of bulk alcohol sales in 4QFY25.

Naveen Trivedi – Research Analyst (Naveen.Trivedi@motilaloswal.com)

Research Analyst: Amey Tiwari (Amey.Tiwari@motilaloswal.com) | **Tanu Jindal** (Tanu.Jindal@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- **EBITDA up solid 60% YoY:** Gross margin expanded 450bp YoY (+150bp QoQ) to 48% (highest in the last 20 quarters), backed by a relatively benign raw material scenario (RM benefit +225bps YoY), coupled with premiumization. Employee costs rose 15% and other expenses increased 13% YoY, while S&D rose 10%. Management alluded that in 4QFY26, A&SP was 6.7% of IMFL sales compared to 7.6% in 4QFY25. It expects to maintain A&SP spend at around 6% to 8% of IMFL revenues. EBITDA margin expanded 530bp YoY to 18.9% (highest ever), benefiting from robust GM expansion. EBITDA rose by robust 60% YoY (est: 50%).
- **Strong growth in profitability:** The interest cost declined by 28%. The net debt has reduced to INR2.4b (vs INR3.65b in 3QFY26), implying a reduction of INR3.3b since Mar'25. The company aspires to become net debt free by 1HFY27. PBT/APAT grew 92%/93% YoY in 4QFY26.
- In FY26, Revenue/EBITDA/APAT grew 25%/52%/76% YoY.

Highlights from the management commentary

- The company indicated that the gap between value growth and volume growth is expected to remain in the range of 300–400bp on an aggregate basis, supported by a favorable product mix and ongoing premiumization.
- Management highlighted that nearly 90% of power and fuel requirements across the Rampur and Sitapur facilities are met through biofuel-based systems, significantly reducing dependence on LPG. Both plants are largely self-sufficient in power generation through captive boilers and turbine infrastructure, thereby limiting operational risk from LPG disruptions.
- The company has reduced net debt by INR3.3b during FY26, driven by strong profitability and healthy cash flow generation, and is on track to become debt-free in FY27.
- The Board has made a formal dividend policy with a minimum payout ratio of 20% of PAT.
- FY27 capex guidance remains in the range of INR1.5–2.75b, largely focused on internal capacity optimization, operational efficiency improvement, and selective expansion initiatives.

Valuation and view

- We raise our EPS estimates by 3% for FY27 and FY28 on the back of continued strong volumes growth and beat on margins.
- Management remains committed to steadily reducing its debt, supported by healthy free cash flow generation. The company has reduced net debt by INR3.3b in FY26 and has net debt of INR2.4b as of Mar'26. It is on track to become debt free by FY27.
- RDCK remains focused on accelerating the premium and luxury growth, while driving greater efficiency across operations with disciplined capital allocation.
- Its P&A sales used to be ~15% of UNSP's P&A sales in FY19; this share has now grown to ~30% (as of FY26), and we expect it to further improve going forward. The valuation gap with UNSP has narrowed significantly, reflecting market recognition of RDCK's brand strength and execution.
- RDCK is currently trading at 58x/47x FY27E/FY28E P/E, with an RoE/RoIC of 20%/23% in FY27E. We believe a ~25% EPS CAGR over FY26-28E provides adequate support for sustaining rich valuations. We value the company at 55x P/E on Mar'28E EPS to derive a TP of INR4,000.

Radico Khaitan (Standalone)

(INR m)

Y/E March	FY25				FY26				FY25	FY26	FY26E 4QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
IMFL volume growth %	-4.1	-2.4	15.5	27.5	37.5	37.7	16.6	4.0	9.2	22.2	8.4	
P&A volume growth (%)	14.2	12.7	18.0	16.4	40.7	21.6	25.9	27.9	15.5	28.5	21.4	
Regular volume growth (%)	-14.0	-11.9	13.5	78.1	51.8	79.4	32.8	-10.2	13.3	31.0	0.9	
Total revenues	11,365	11,163	12,942	13,041	15,060	14,939	15,467	15,037	48,512	60,504	15,830	-5%
YoY change (%)	19.1	20.7	11.5	20.9	32.5	33.8	19.5	15.3	17.8	24.7	21.4	
Gross Profit	4,720	4,870	5,568	5,669	6,477	6,520	7,194	7,218	20,773	27,409	7,331	-2%
Margin (%)	41.5	43.6	43.0	43.5	43.0	43.6	46.5	48.0	42.8	45.3	46.3	
EBITDA	1,490	1,632	1,840	1,776	2,322	2,376	2,672	2,845	6,737	10,215	2,695	6%
Margins (%)	13.1	14.6	14.2	13.6	15.4	15.9	17.3	18.9	13.9	16.9	17.0	
EBITDA growth (%)	24.7	34.6	28.8	45.0	55.8	45.6	45.2	60.2	33.1	51.6	51.7	
Depreciation	329	357	356	360	363	374	372	422	1,401	1,530	387	
Interest	185	167	195	215	159	163	164	154	738	640	154	
Other income	37	11	11	14	47	24	26	58	49	154	29	
PBT	1,014	1,118	1,299	1,215	1,846	1,863	2,162	2,327	4,646	8,199	2,183	7%
Tax	251	297	339	308	443	474	515	576	1,194	2,008	590	
Rate (%)	24.7	26.5	26.1	25.3	24.0	25.4	23.8	24.7	25.7	24.5	27.0	
Reported PAT	763	822	960	907	1,473	1,390	1,742	1,752	3,452	6,356	1,594	10%
Adj.PAT	763	822	960	907	1,403	1,390	1,647	1,752	3,452	6,066	1,594	10%
YoY change (%)	20.7	32.8	30.0	59.7	83.9	69.1	71.6	93.1	35.0	75.7	75.7	

E: MOFSL Estimate

Key operational metrics

Revenue Split (Rs Mn)	Q4FY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26
P&A	5,035	4,995	5,780	6,479	6,148	7,132	7,184	8,383	7,937
Regular	1,715	2,363	1,766	2,294	3,440	3,499	3,228	2,952	2,945
Royalty	124	96	93	158	104	65	62	62	104
IMFL	6,874	7,454	7,639	8,931	9,692	10,696	10,474	11,397	10,986
Non IMFL	3,912	3,911	3,523	4,011	3,349	4,364	4,465	4,070	4,050
Total	10,786	11,365	11,162	12,942	13,041	15,060	14,939	15,467	15,036
Rev Growth YoY (%)									
P&A	16%	19%	18%	25%	22%	43%	24%	29%	29%
Regular	-21%	-15%	-12%	15%	101%	48%	83%	29%	-14%
Royalty	61%	25%	16%	58%	-16%	-32%	-33%	-61%	0%
IMFL	4%	6%	9%	22%	41%	43%	37%	28%	13%
Non IMFL	126%	57%	56%	-7%	-14%	12%	27%	1%	21%
Total	30%	19%	21%	11%	21%	33%	34%	20%	15%

IMFL Volume details (Mn Cases)	Q4FY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26
Prestige & Above	2.9	2.7	3.2	3.7	3.4	3.8	3.9	4.6	4.4
Regular	3.0	3.6	2.8	3.5	5.3	5.4	5.0	4.7	4.8
Royalty	1.3	0.8	0.8	1.2	0.5	0.5	0.4	0.4	0.4
Total	7.2	7.1	6.8	8.4	9.1	9.7	9.4	9.8	9.5
Chg YoY (%)									
Prestige & Above	15%	14%	13%	18%	16%	41%	22%	26%	28%
Regular	-22%	-14%	-12%	13%	78%	52%	79%	33%	-10%
Royalty	44%	-7%	-16%	14%	-65%	-40%	-46%	-63%	-9%
Total	-1%	-4%	-2%	15%	27%	37%	38%	17%	4%



Highlights from the management commentary

Operating environment

- Management indicated that FY27 will largely focus on scaling and consolidating the premium and luxury launches undertaken over the past year.
- Recently launched brands in the luxury and prestige segments are expected to witness wider national rollout during FY27.
- Virasat and The Spirit of Kashmir are currently available in ~10 states, with plans to expand distribution to ~20 states during FY27.
- The company plans to enter the tequila category toward the end of FY27 under its premium spirits portfolio.
- The recently imposed ~10% US tariff is unlikely to materially impact the company luxury portfolio exports, as the retail price increase at the consumer level would be limited to USD5–6 per bottle.
- India continues to remain significantly underpenetrated in white spirits, with white spirits accounting for only ~4.5% of the Indian alcohol market compared to 28–29% globally.
- Gen Z consumers are increasingly preferring premium and white-spirit categories, while also focusing on responsible and moderate consumption habits.
- The company believes flavor innovation within vodka and premium spirits is currently a more attractive opportunity vs low-alcohol or RTD categories. Currently, the company does not have any major plans to enter low-alcohol or RTD segments.
- The company's products are currently available across 50+ airports globally, with plans to expand presence to over 100 airports over time.
- **The company indicated that the gap between value growth and volume growth is expected to remain in the range of 300–400bp on an aggregate basis, supported by a favorable product mix and ongoing premiumization.**
- The non-IMFL business is currently growing at 7–8%, in line with industry growth trends.
- Over the medium term, the contribution of the non-IMFL segment is expected to gradually reduce as a higher proportion of bulk spirit production gets utilized for captive consumption within the company's branded IMFL portfolio.
- **For FY27, management guided for ~20% volume growth in the P&A portfolio.**
- **For FY27, management expects regular category volume growth to normalize in the range of 3–5%.**
- **Management highlighted that nearly 90% of power and fuel requirements across the Rampur and Sitapur facilities are met through biofuel-based systems, significantly reducing dependence on LPG.**
- Both plants are largely self-sufficient in power generation through captive boilers and turbine infrastructure, thereby limiting operational risk from LPG disruptions
- The company has reduced net debt by INR3.3b during FY26, driven by strong profitability and healthy cash flow generation, and is on track to become debt-free in FY27.
- **The Board has made a formal dividend policy with a minimum payout ratio of 20% of PAT.**

- The company's primary focus remains on organic growth opportunities rather than inorganic acquisitions, and no major acquisition plans are currently being considered.

State Policy

- The recent policy changes in Karnataka, which reduce the pricing differential between regular and premium categories, are structurally favorable for premiumization trends in the state.
- The company highlighted that a similar pricing revision undertaken earlier had significantly benefited premium brands such as Rampur and Jaisalmer.
- The company highlighted that West Bengal currently operates as an open market with private retail participation, and any potential regulatory changes would be evaluated.
- Management maintained a wait-and-watch approach on any possible reversal of prohibition policies in Bihar.
- Bihar historically represented a large consumer market for the company prior to prohibition, and any reopening of the market could provide a meaningful long-term growth opportunity.
- The Maharashtra IMFL industry continues to remain impacted following the introduction of MML, with industry volumes declining by 20–25% post implementation. However, the company indicated that premium and vodka categories remain relatively stable in the state, thereby limiting the impact on its P&A portfolio.
- The company participated in the Maharashtra MML market through a JV and has received encouraging initial response, with management targeting 10–15% market share in the segment over time.

Brand Performance

- The company's luxury portfolio delivered revenue of INR4.7b, supported by strong consumer traction across Rampur Indian Single Malt, Jaisalmer Indian Craft Gin, and Royal Ranthambore Whisky.
- **The company expects to deliver 25% growth in the luxury portfolio in FY27, supported by outlet expansion, stronger distribution, and rising premium consumption trends.**
- The recently launched luxury brands, including Rampur 1943, Virasat and The Spirit of Kashmir, are witnessing encouraging consumer response and strong trade traction across key markets.
- Royal Ranthambore delivered robust growth of over 50% during FY26, aided by strong demand across both civil and CSD channels.
- Magic Moments continued its strong growth trajectory, with volume growth of 21% YoY during FY26. The brand achieved volumes of 8.6m cases and crossed ~INR15b in sales value during the year. Further, the brand reported strong growth of 28% YoY during 4QFY26.
- Management highlighted that new flavor innovations, particularly under the 'Flavours of India' portfolio, have contributed meaningfully to growth momentum. The company intends to further expand the flavor portfolio going forward to sustain category leadership and drive premiumization within vodka.

- After Dark also continued to witness strong consumer traction, reporting growth of over 60% during FY26 and crossing 3.1m cases during the year.
- The relaunch and repackaging initiatives undertaken for 8PM Black during 2HFY26 have started yielding results, with the brand reporting ~60% growth during the quarter.

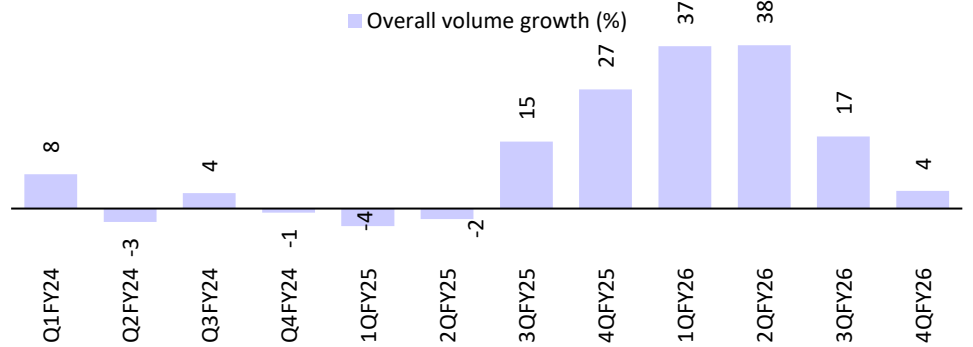
Cost and margins

- **The company maintains EBITDA margin expansion guidance of 120-125bp for the full year.**
- During 4QFY26, A&SP was 6.7% of IMFL sales compared to 7.6% in 4QFY25. A&SP spend is expected to remain around 6% to 8% of IMFL revenues going forward.
- In 4QFY26, profitability included a one-time income of INR39m related to capital subsidy received from the Uttar Pradesh government for the Sitapur greenfield distillery project.
- **Glass bottle prices have increased by ~15% over the last month. However, the company has already factored this inflation into its cost assumptions and margin guidance for FY27.**
- The long term relationships with glass suppliers are expected to ensure uninterrupted supply availability despite industry-wide inflationary pressures.
- The rising consumer acceptance of pocket packs could gradually reduce dependency on glass packaging over time.

Capex

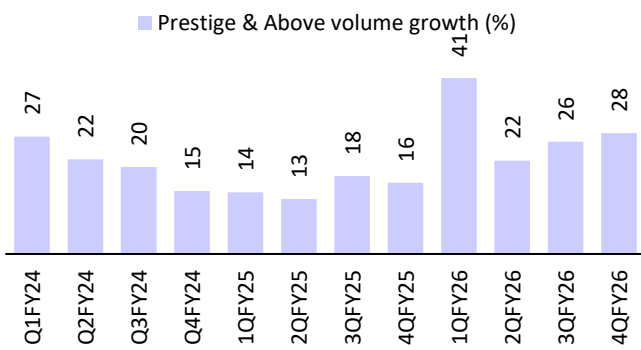
- The company's 60–65% of production capacity is currently outsourced through leased manufacturing arrangements across India, while the balance 30–35% is managed through its own facilities.
- The company continues to follow an asset-light outsourcing model while retaining control over raw material procurement and quality standards.
- **FY27 capex guidance remains in the range of INR1.5–2.75b, largely focused on internal capacity optimization, operational efficiency improvement and selective expansion initiatives.**
- The raw materials are procured directly by the company, while outsourced partners primarily undertake conversion and bottling activities. This provides greater control over supply-chain continuity and input sourcing.

Exhibit 1: Overall volume growth was 4% YoY, reaching 9.5m cases in 4QFY26



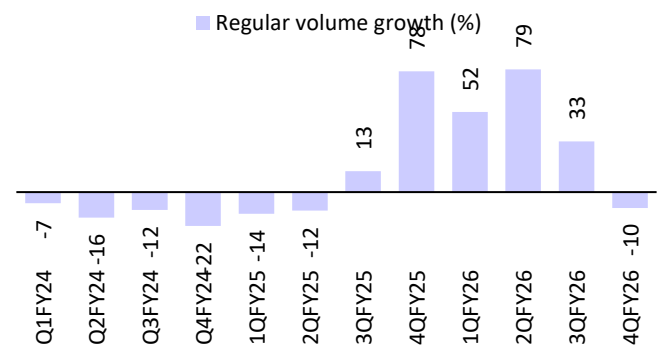
Source: Company, MOFSL

Exhibit 2: P&A volumes (%) grew 28% YoY in 4QFY26



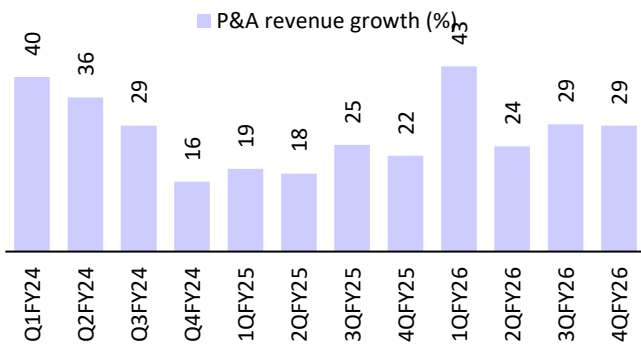
Source: Company, MOFSL

Exhibit 3: Regular volumes (%) declined 10% YoY in 4QFY26



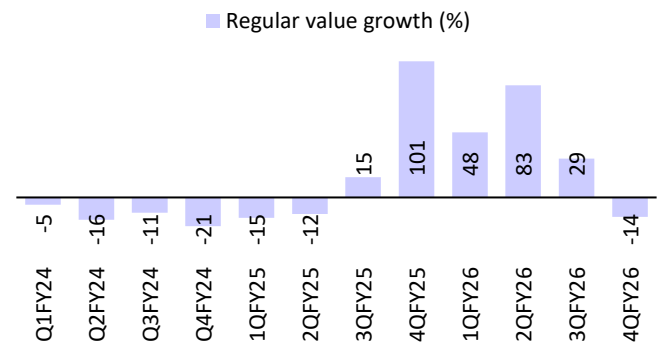
Source: Company, MOFSL

Exhibit 4: Value growth in P&A stood at 29% YoY



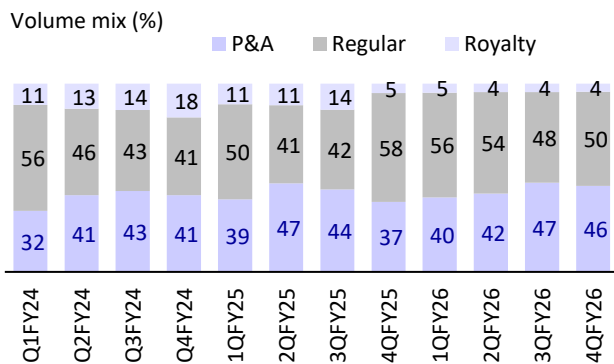
Source: Company, MOFSL

Exhibit 5: Regular sales declined 14% YoY in 4QFY26



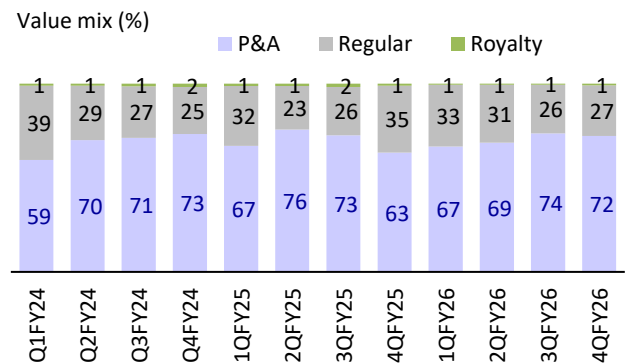
Source: Company, MOFSL

Exhibit 6: Contribution of P&A volumes stood at 46%...



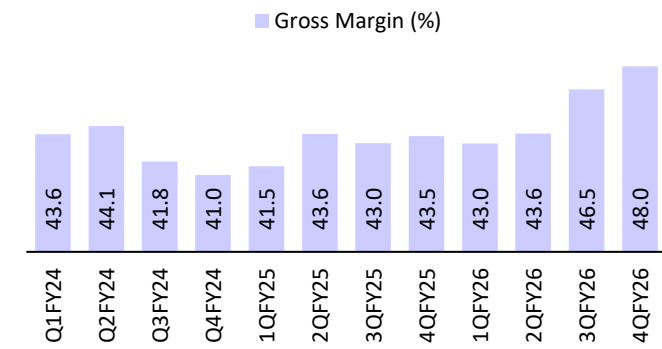
Source: Company, MOFSL

Exhibit 7: ...while that of value stood at 72%



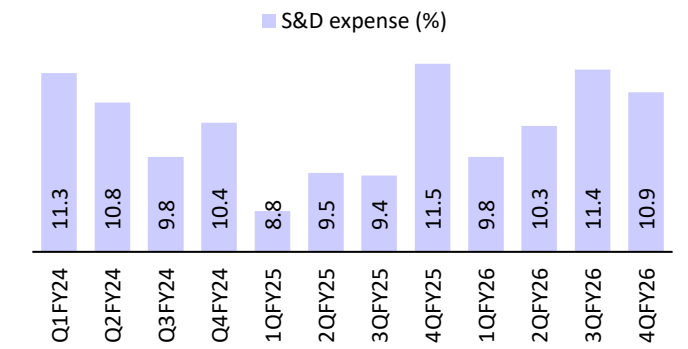
Source: Company, MOFSL

Exhibit 8: Gross margin expanded 450bp YoY to 48.0%



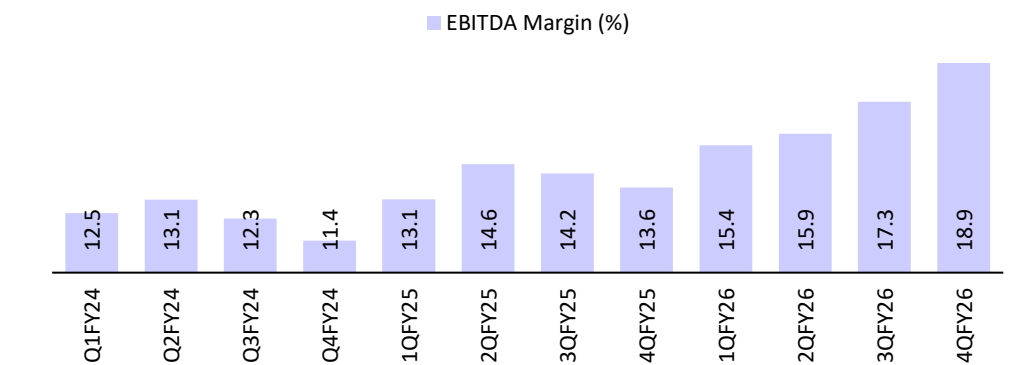
Source: Company, MOFSL

Exhibit 9: S&D spending up 10% YoY at 10.9% of sales



Source: Company, MOFSL

Exhibit 10: EBITDA margin expanded 530bp YoY to 18.9% in 4QFY26



Source: Company, MOFSL

Valuation and view

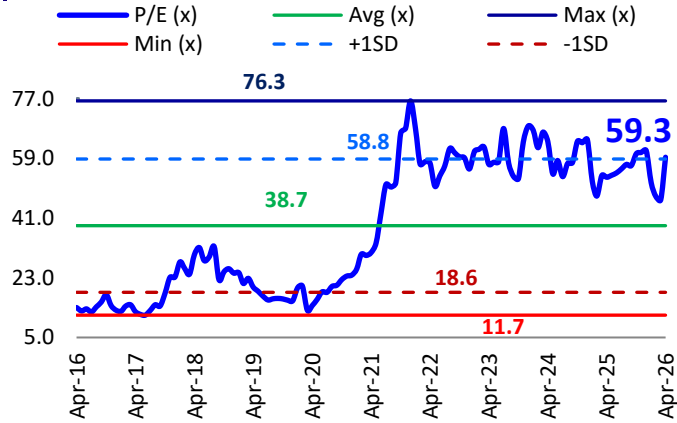
- We raise our EPS estimates by 3% for FY27 and FY28 on the back of continued strong volumes growth and beat EBIT margins.
- Management remains committed to steadily reduce its debt, supported by healthy free cash flow generation. The company has reduced net debt by INR3.3b in FY26 and has net debt of INR2.4b as on Mar’26. It is on track to become debt free by FY27.
- RDCK remains focused on accelerating the premium and luxury growth while driving greater efficiency across operations with disciplined capital allocation.
- Its P&A sales used to be ~15% of UNSP’s P&A sales in FY19; this share has now grown to ~30% (as of FY26), and we expect it to further improve going forward. The valuation gap with UNSP has narrowed significantly, reflecting market recognition of RDCK’s brand strength and execution.
- RDCK is currently trading at 58x/47x FY27E/FY28E P/E, with an RoE/RoIC of 20%/23% in FY27E. We believe a ~25% EPS CAGR over FY26-28E provides adequate support for sustaining rich valuations. We value the company at 55x P/E on Mar’28E EPS to derive a TP of INR4,000.

Exhibit 11: We raise our EPS estimates by 3% for FY27 and FY28

	New		Old		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Net sales	69,953	78,988	69,705	78,532	0.4	0.6
EBITDA	12,287	14,624	11,954	14,136	2.8	3.5
APAT	7,818	9,633	7,572	9,331	3.3	3.2

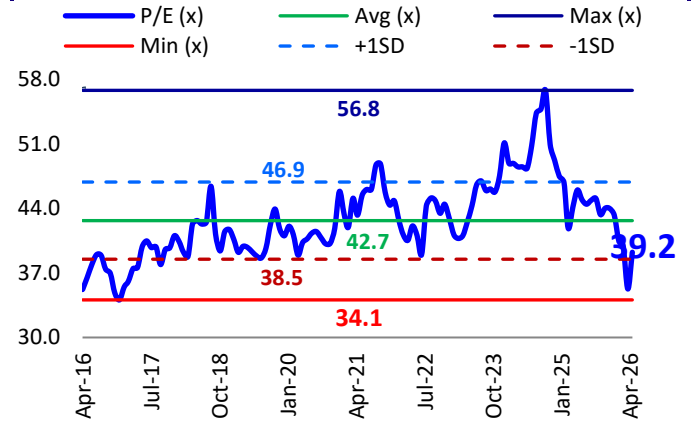
Source: Company, MOFSL

Exhibit 12: RDCK P/E



Source: Company, MOFSL

Exhibit 13: Consumer P/E



Source: Company, MOFSL

Financials and valuations

Income Statement - Standalone

	(INR m)								
Radico Khaitan	2020	2021	2022	2023	2024	2025	2026	2027E	2028E
Gross revenue	94,179	1,05,040	1,24,705	1,27,439	1,54,839	1,70,985	2,09,764	2,42,521	2,73,846
Excise duty	69,909	81,052	96,025	96,011	1,13,654	1,22,474	1,49,260	1,72,569	1,94,858
Net Revenue	24,270	23,988	28,680	31,428	41,185	48,512	60,504	69,953	78,988
Change (%)	15.7	-1.2	19.6	9.6	31.0	17.8	24.7	15.6	12.9
Gross Profit	11,714	11,964	12,906	13,149	17,520	20,773	27,409	32,388	36,769
Margin (%)	48.3	49.9	45.0	41.8	42.5	42.8	45.3	46.3	46.6
EBITDA	3,718	4,089	4,022	3,584	5,061	6,737	10,215	12,287	14,624
Change (%)	7.5	10.0	-1.6	-10.9	41.2	33.1	51.6	20.3	19.0
Margin (%)	15.3	17.0	14.0	11.4	12.3	13.9	16.9	17.6	18.5
Depreciation	525	539	649	709	1,138	1,401	1,530	1,625	1,718
Int. and Fin. Charges	316	220	131	221	591	738	640	396	243
Other Income	92	201	110	94	89	49	154	175	200
Profit before Taxes	2,969	3,531	3,352	2,748	3,420	4,646	8,199	10,441	12,864
Change (%)	5.6	18.9	-5.1	-18.0	24.5	35.8	76.5	27.3	23.2
Margin (%)	12.2	14.7	11.7	8.7	8.3	9.6	13.6	14.9	16.3
Tax	452	825	831	704	863	1,194	2,008	2,623	3,231
Tax Rate (%)	15.2	23.4	24.8	25.6	25.2	25.7	24.5	25.1	25.1
Adjusted PAT	2,312	2,706	2,521	2,044	2,558	3,452	6,066	7,818	9,633
Change (%)	25.9	17.0	-6.8	-18.9	25.1	35.0	75.7	28.9	23.2
Margin (%)	9.5	11.3	8.8	6.5	6.2	7.1	10.0	11.2	12.2

Balance Sheet

	(INR m)								
Radico Khaitan	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Share Capital	267	267	267	267	267	268	268	268	268
Reserves	14,938	17,372	19,601	21,253	23,506	26,643	32,234	38,489	46,195
Net Worth	15,205	17,639	19,868	21,520	23,774	26,910	32,502	38,757	46,463
Loans	3,989	2,734	1,899	6,968	7,371	6,307	3,318	1,133	33
Deferred Tax Liabilities	785	802	769	777	919	985	1,125	1,125	1,125
Capital Employed	19,979	21,175	22,536	29,265	32,064	34,202	36,946	41,014	47,620
Lease liability	0	148	117	569	813	1,198	1,666	1,926	2,175
Net Fixed Assets	7,434	8,099	8,206	12,130	16,570	17,666	18,661	18,546	18,338
Capital WIP	181	378	303	3,269	542	235	749	749	749
Investments	1,554	1,554	1,354	1,354	1,354	1,354	1,743	1,743	1,743
Curr. Assets, L&A	15,435	15,900	17,548	19,878	21,861	26,508	27,907	34,035	42,648
Inventory	3,742	4,891	5,369	7,154	7,797	10,768	11,656	14,833	16,934
Account Receivables	8,231	6,975	7,558	8,241	9,782	11,822	11,896	14,235	16,252
Cash and Bank	182	1,300	1,089	1,308	1,000	571	877	946	4,922
Others	3,280	2,735	3,533	3,176	3,283	3,346	3,478	4,021	4,540
Curr. Liab. and Prov.	4,625	4,608	4,758	6,798	7,450	10,363	10,448	12,132	13,682
Account Payables	2,642	2,619	3,043	2,749	2,670	3,125	3,257	3,898	4,450
Other Liabilities	1,344	1,818	1,548	3,843	4,578	6,988	6,899	7,898	8,852
Provisions	639	171	168	206	202	250	291	337	380
Net Current Assets	10,810	11,293	12,790	13,080	14,410	16,145	17,459	21,903	28,965
Application of Funds	19,979	21,175	22,536	29,265	32,064	34,202	36,946	41,014	47,620

Financials and valuations

Ratios

Radico Khaitan	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Basic (INR)									
EPS	17.3	20.3	18.9	15.3	19.1	25.8	45.3	58.4	71.9
Cash EPS	13.1	16.2	14.0	10.0	10.6	15.3	33.6	46.3	59.1
BV/Share	113.9	132.1	148.6	161.0	177.8	201.1	242.7	289.4	347.0
DPS	2.0	2.4	3.0	3.0	3.0	4.0	4.0	11.7	14.4
Payout %	11.6	11.8	15.9	19.6	15.7	15.5	8.8	20.0	20.0
Valuation (x)									
P/E	197.3	168.6	181.1	223.3	178.5	132.4	75.4	58.5	47.5
Cash P/E	260.6	210.5	243.8	341.9	321.6	222.8	101.7	73.8	57.8
EV/Sales	18.9	19.0	15.9	14.7	11.2	9.5	7.6	6.5	5.7
EV/EBITDA	123.3	111.5	113.4	128.6	91.2	68.5	44.8	37.1	30.8
P/BV	30.0	25.9	23.0	21.2	19.2	17.0	14.1	11.8	9.8
Dividend Yield (%)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.4
Return Ratios (%)									
RoE	15.2	15.3	12.7	9.5	10.8	12.8	18.7	20.2	20.7
RoCE	13.9	13.6	11.6	7.5	9.4	11.7	18.1	19.8	20.6
RoIC	16.6	16.0	13.9	10.2	11.4	13.1	20.3	22.8	25.2
Working Capital Ratios									
Creditor (Days)	40	40	39	32	24	24	20	20	21
Inventory (Days)	56	74	68	83	69	81	70	77	78
Debtor (Days)	124	106	96	96	87	89	72	74	75
Cash conversion cycle	140	141	126	147	132	146	122	131	133
Asset Turnover (x)	1.2	1.1	1.3	1.1	1.3	1.4	1.6	1.7	1.7
Leverage Ratio									
Debt/Equity (x)	0.3	0.2	0.1	0.3	0.3	0.2	0.1	0.0	0.0

Cash Flow Statement

(INR m)

Radico Khaitan	2020	2021	2022	2023	2024	2025	2026	2027E	2028E
Profit before tax	2,727	3,531	3,316	2,747	3,420	4,646	8,033	10,441	12,864
Non-operating & EO Items	219	-111	33	40	72	12	49	-175	-200
Depreciation and Amort.	525	539	649	709	1,138	1,401	1,530	1,625	1,718
Interest Paid	316	220	131	221	591	738	640	396	243
Direct Taxes Paid	-854	-739	-912	-719	-726	-904	-1,796	-2,623	-3,231
Incr/Decr in WC	-2,337	330	-1,006	-612	-2,667	-2,274	-1,038	-4,375	-3,087
CF from Operations	597	3,770	2,212	2,386	1,829	3,621	7,419	5,289	8,306
Interest income	56	72	50	26	45	38	84	175	200
(Incr)/Decr in FA	-697	-891	-670	-7,045	-2,392	-1,726	-2,378	-1,510	-1,510
Free Cash Flow	-100	2,879	1,542	-4,659	-563	1,894	5,041	3,779	6,796
(Pur)/Sale of Investments	0	0	200	13	1	0	1	0	0
Other investing items	-44	-6	-665	-35	-28	14	-360	0	0
CF from Invest.	-686	-825	-1,085	-7,042	-2,374	-1,674	-2,652	-1,335	-1,310
Issue of Shares	13	4	12	0	37	90	88	0	0
Incr/Decr in Debt	633	-1,269	-846	5,545	1,339	-1,064	-2,989	-2,186	-1,100
Dividend Paid	-193	-267	-321	-401	-401	-401	-535	-1,564	-1,927
Others	-358	-295	-183	-270	-737	-999	-1,025	-136	6
CF from Fin. Activity	95	-1,828	-1,338	4,874	237	-2,374	-4,462	-3,885	-3,020
Incr/Decr of Cash	6	1,117	-211	219	-308	-428	306	69	3,975
Add: Opening Balance	177	182	1,300	1,089	1,308	1,000	571	877	946
Closing Balance	182	1,300	1,089	1,308	1,000	571	877	946	4,921

E: MOFSL Estimates

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UNDER REVIEW	Rating may undergo a change
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Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

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Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

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