23 July 2026

1QFY27 Results Update | Sector: Consumer

United Spirits

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	UNITDSPR IN
Equity Shares (m)	727
M.Cap.(INRb)/(USDb)	1031.4 / 10.7
52-Week Range (INR)	1489 / 1210
1, 6, 12 Rel. Per (%)	6/11/11
12M Avg Val (INR M)	1433

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	124.5	138.7	151.4
Sales Gr. (%)	7.6	11.4	9.2
EBITDA	23.0	25.8	29.0
Margin (%)	18.4	18.6	19.2
PAT	16.9	18.5	20.9
EPS (INR)	23.4	25.6	28.8
EPS Gr. (%)	18.5	9.5	12.6
BV/Sh.(INR)	120.0	145.6	174.4
Ratios			
RoE (%)	19.4	17.5	16.5
RoCE (%)	21.7	20.8	19.3
Payout (%)	34.2	62.5	62.5
Valuations			
P/E (x)	60.7	55.4	49.2
P/BV (x)	11.8	9.7	8.1
EV/EBITDA (x)	43.3	38.0	33.3

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	56.7	56.7	56.7
DII	17.2	15.4	14.4
FII	12.9	14.4	15.0
Others	13.3	13.5	13.9

FII includes depository receipts

CMP: INR1,418 TP: INR1,525 (+8%) Neutral

Soft quarter as expected; positive guidance for 2HFY27

- Revenue grew 6% YoY to INR27.0b (in line) in 1QFY27, while volumes declined 3% YoY (est. -3%; 4QFY26: -6%). Prestige & Above (P&A) volumes declined 1% YoY, but value grew 10% YoY, supported by a favorable mix and strong traction in new variants of Smirnoff (Minty Jamun and Mango Mirchi). It delivered INR2.5b NSV in 1QFY27 vs INR3.5b in FY25. Reported price/mix was strong at 9.4% (P&A: 11.4%), aided by the Maharashtra impact. Ex-Maharashtra, normalized price/mix stood at 5.4% overall and 8.4% for P&A. The Popular segment reported 14% and 18% volume and revenue contraction YoY due to the Maharashtra MML and Karnataka policy changes.
- Gross margin expanded 210bp YoY to 46.1% (down QoQ by ~80bp), driven by premiumization, better product mix, and productivity gains. It was partly offset by a ~INR300m cost impact from the West Asia crisis (inflation in glass, energy, packaging, and logistics). A&P spends rose 31% YoY (brand innovation, IPL, and FIFA campaigns). Consequently, EBITDA margin contracted by 30bp YoY to 16.0% (in line). Management expects cost pressures to persist in 2QFY27. The India-UK FTA is expected to lower consumer prices for the imported portfolio (BIO/IMFL) by 7–9% while also reducing imported RM costs. We model EBITDA margins of 18.6%/19.2% for FY27/FY28.
- Management highlighted early signs of demand recovery and maintains double-digit growth in the P&A portfolio in FY27. Management expects 2HFY27 to outperform 1HFY27, supported by normalization of the Maharashtra base, benefits from Karnataka policy changes (6–7% of revenue), gradual gains from the India-UK FTA, and continued momentum in the P&A portfolio. The company is on track to complete the RCB transaction, pending BCCI approval. We model revenue and EBITDA CAGR of 10%/12% over FY26–28E and reiterate our Neutral rating with a TP of INR1,525.

In-line quarter; higher ad spends drag operating margins

- **Muted volume growth** - Standalone net sales rose 6% YoY to INR27.0b (est. INR26.6b) in 1QFY27. P&A revenue (92% revenue mix) rose 10% YoY, while popular revenue declined 18% YoY. Total volume declined 3% (est. -4% YoY, 1.5% in FY26). P&A volume declined 1% YoY (est. -1% YoY, 2.6% in FY26) to 12.4m cases. Popular volume contracted 14% YoY (est. -18% YoY, -4% in FY26) to 2.1m cases. The Popular segment was impacted by MML in Maharashtra and policy change in Karnataka.

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- **GM expansion sustains in 1QFY27** - Gross margin expanded 210bp YoY to 46.1% (est. 45.5%, 47.3% in 4Q). It is supported by sustained revenue growth, product mix, management initiatives, and productivity gains, partially offset by the impact of the West Asia crisis. A&P spends rose 31%, other expenses increased 11%, and employee expenses declined marginally 2% YoY. EBITDA margin contracted 30bp YoY to 16% (est. 16.3%, 19.4% in 4QFY26). EBITDA rose 4% YoY to INR4.3b (est. INR4.3b).
- **Double-digit growth in profitability:** Other income was INR2,220m, which included INR1,500m for dividend income from RCB. We considered normalized other income of INR720m for PBT calculation. PBT grew 12.5% YoY at INR4.0b (est. INR4.0b). APAT grew 14.5% YoY to INR3.4b (est. INR3.0b), owing to lower taxes.

Highlights from the management commentary

- The company reiterated its long-term growth guidance and continues to target 5-6% volume growth and 6-7% price/mix growth in the P&A portfolio, which should support double-digit revenue growth.
- Management maintained its full-year A&P guidance of 10.5–11% of net sales.
- Karnataka contributes 6-7% of the company's P&A portfolio in value terms. Following the policy changes, prices of P&A products have reduced by 10–15%, while prices in the Popular segment have increased.
- The MML category is currently witnessing stable monthly volumes of around 0.8-1.0m cases, with management noting that volumes have remained broadly unchanged over the past 4-5 months.
- The renovated McDowell's blend has been launched in Uttar Pradesh, Rajasthan, and Haryana. Initial consumer feedback has been encouraging, and the company plans to roll out the new blend across ~85% of key markets before the festive season.

Valuation and view

- We broadly maintain our estimates for FY26-FY28E.
- Management highlighted early signs of demand recovery and maintains double-digit growth in P&A portfolio in FY27. Management expects 2HFY27 to outperform 1HFY27, supported by normalization of the Maharashtra base, benefits from Karnataka policy changes (6–7% of revenue), gradual gains from the India-UK FTA, and continued momentum in the P&A portfolio. The company is on track to complete the RCB transaction, pending BCCI approval. We model revenue and EBITDA CAGR of 10%/12% over FY26–28E and reiterate our Neutral rating with a TP of INR1,525.

Quarterly Performance (INR m)

Y/E March (Standalone)	FY26 1Q	FY26 2Q	FY26 3Q	FY26 4Q	FY27E 1Q	FY27E 2QE	FY27E 3QE	FY27E 4QE	FY26	FY27E	FY27 1QE	Var. (%)
Volume growth %	**9.4**	**7.7**	**-3.2**	**-5.6**	**-3.4**	**2.6**	**8.3**	**9.9**	**1.5**	**4.5**	**-3.7**	
Total revenues	**25,490**	**31,700**	**36,830**	**30,460**	**27,030**	**34,810**	**41,857**	**35,019**	**1,24,480**	**1,38,717**	**26,638**	1.5%
YoY change (%)	8.4	11.5	7.3	3.4	6.0	9.8	13.7	15.0	7.6	11.4	4.5	
Gross Profit	**11,210**	**14,930**	**17,280**	**14,400**	**12,460**	**16,396**	**19,882**	**16,736**	**57,820**	**65,474**	12,120	2.8%
Margin (%)	*44.0*	*47.1*	*46.9*	*47.3*	*46.1*	*47.1*	*47.5*	*47.8*	*46.4*	*47.2*	*45.5*	
Total Exp	21,340	24,980	30,650	24,550	22,710	27,496	34,645	28,065	1,01,520	1,12,916	22,301	
EBITDA	**4,150**	**6,720**	**6,180**	**5,910**	**4,320**	**7,314**	**7,213**	**6,955**	**22,960**	**25,801**	**4,337**	-0.4%
Margins (%)	*16.3*	*21.2*	*16.8*	*19.4*	*16.0*	*21.0*	*17.2*	*19.9*	*18.4*	*18.6*	*16.3*	
EBITDA growth (%)	*-9.4*	*32.5*	*5.1*	*17.0*	*4.1*	*8.8*	*16.7*	*17.7*	*11.6*	*12.4*	*4.5*	
Depreciation	680	650	790	710	700	735	750	811	2,830	2,996	725	
Interest	490	210	190	250	300	300	310	310	1,140	1,220	275	
Other income	610	760	510	760	720	770	720	773	2,640	2,983	700	
PBT	**3,590**	**6,620**	**5,710**	**5,710**	**4,040**	**7,049**	**6,873**	**6,606**	**21,630**	**24,568**	**4,037**	0.1%
Tax	900	1,600	1,250	1,350	820	1,762	1,753	1,684	4,980	6,019	1,009	
Rate (%)	25.1	24.2	21.9	23.6	20.3	25.0	25.5	25.5	23.0	24.5	25.0	
Adj. PAT	**2,963**	**4,945**	**4,668**	**4,360**	**3,393**	**5,287**	**5,120**	**4,922**	**16,935**	**18,549**	**3,028**	12.0%
YoY change (%)	-0.9	47.6	11.0	16.3	14.5	6.9	9.7	12.9	18.5	9.5	2.2	
Reported PAT	**2,580**	**4,720**	**5,290**	**5,710**	**3,910**	**5,287**	**5,120**	**4,922**	**18,420**	**18,549**	**3,028.0**	

E: MOFSL Estimate

Volume and revenue growth in P&A and Popular category

Particulars	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Volumes (Mn Cases)									
- P&A	11.5	12.9	14.9	13.6	12.6	13.9	14.6	13.1	12.4
- Popular	2.2	2.5	3.2	3.1	2.4	2.7	2.9	2.6	2.1
Total volume	**13.7**	**15.4**	**18.2**	**16.7**	**15.0**	**16.6**	**17.6**	**15.7**	**14.5**
Change YoY (%)									
- P&A	5%	-4%	11%	9%	9%	8%	-2%	-3%	-1%
- Popular	-5%	-8%	6%	-2%	12%	6%	-9%	-16%	-14%
Total	**3%**	**-4%**	**10%**	**7%**	**9%**	**8%**	**-3%**	**-6%**	**-3%**
Segment Revenues (Rs Mn)	**1QFY25**	**2QFY25**	**3QFY25**	**4QFY25**	**1QFY26**	**2QFY26**	**3QFY26**	**4QFY26**	**4QFY26**
- P&A	20,660	25,270	30,630	26,160	22,510	28,400	33,160	27,450	24,780
- Popular	2,200	2,550	3,340	3,120	2,500	2,780	3,180	2,710	2,060
Net Revenue	**22,860**	**27,820**	**33,970**	**29,280**	**25,010**	**31,180**	**36,340**	**30,160**	**26,840**
Other operating rev (Rs Mn)	660	610	350	180	480	520	490	300	190
Total Revenue	**23,520**	**28,430**	**34,320**	**29,460**	**25,490**	**31,700**	**36,830**	**30,460**	**27,030**
Change YoY (%)									
- P&A	10%	0%	16%	13%	9%	12%	8%	5%	10%
- Popular	-3%	-7%	10%	1%	14%	9%	-5%	-13%	-18%
Net revenue (%)	**9%**	**0%**	**15%**	**12%**	**9%**	**12%**	**7%**	**3%**	**7%**
Total revenue (%)	**8%**	**-1%**	**15%**	**11%**	**8%**	**12%**	**7%**	**3%**	**6%**

CONFERENCE CALL

Highlights from the management commentary

Demand environment

- There has been no sequential deterioration in Maharashtra, and management expects business to normalize once the company laps the high base in 2HFY27.
- The Popular segment (<10% of revenue) was impacted by the Maharashtra policy changes. However, the Karnataka policy changes were favorable for the P&A portfolio, providing some benefit during the quarter.
- Management highlighted that the reported price/mix growth was elevated due to the Maharashtra impact. Reported overall price/mix stood at 9.4% (P&A: 11.4%), while ex-Maharashtra, normalized price/mix was 5.4% overall and 8.4% for P&A.
- **Management remains confident that 2HFY27 will be stronger than 1HFY27, supported by: 1) Maharashtra policy impact becoming part of the base, 2) benefits from the Karnataka policy changes, 3) gradual realization of benefits from the India–UK FTA, and 4) ongoing momentum in the P&A portfolio.**
- **The company reiterated its long-term growth guidance and continues to target 5-6% volume growth and 6-7% price/mix growth in the P&A portfolio, which should support double-digit revenue growth.**
- Management highlighted that premium demand continues to remain healthy across most markets, although inflation, the West Asia situation and AI-led employment uncertainty could affect consumer sentiment in some pockets.
- Management undertook a broader organizational restructuring during the quarter by reducing management layers, increasing automation, and simplifying the organizational structure to improve execution speed and operational efficiency.

Cost and Margins

- The company absorbed ~INR300m cost impact during the quarter due to the West Asia crisis. Inflationary pressure persisted in the glass, energy, packaging, and logistics costs.
- Management indicated that the cost pressures seen during 1QFY27 are likely to continue into 2QFY27.
- A&P spends increased to 11.3% of net sales during the quarter, driven by a heavy innovation and renovation calendar, IPL and FIFA-related campaigns, and continued investments behind the premium portfolio.
- **Management maintained its full year A&P guidance of 10.5–11% of net sales.**
- Management indicated that price hikes across states have remained limited during the quarter. It believes the implementation of the India–UK FTA has reduced the need for aggressive pricing actions in the near term.
- Management indicated that if crude prices remain significantly elevated for a prolonged period, the company would evaluate additional mitigation measures, including seeking price revisions from state governments where feasible.

Royal Challengers transactions

- **The CCI approval has already been received for the Royal Challengers Sports transaction, while approvals from BCCI and other regulatory authorities are expected over the next 60–90 days.**
- The company remains on track to complete the transaction within the previously guided 6 to 7 month timeline during Mar'26.

Industry & regulatory updates

- The Karnataka policy changes have already started benefiting the business, with June witnessing the first full month of implementation.
- **Karnataka contributes 6-7% of the company P&A portfolio in value terms. Following the policy changes, prices of P&A products have reduced by 10–15%, while prices in the Popular segment have increased.**
- Management stated that the Maharashtra made liquor market has now largely stabilized after the disruption caused by the policy changes.
- **The MML category is currently witnessing stable monthly volumes of around 0.8-1.0m cases, with management noting that volumes have remained broadly unchanged over the past 4-5 months.**
- The company reiterated that the legal proceedings regarding the Maharashtra policy are under judice, and the industry continues to pursue the matter through the industry association.

India-UK FTA

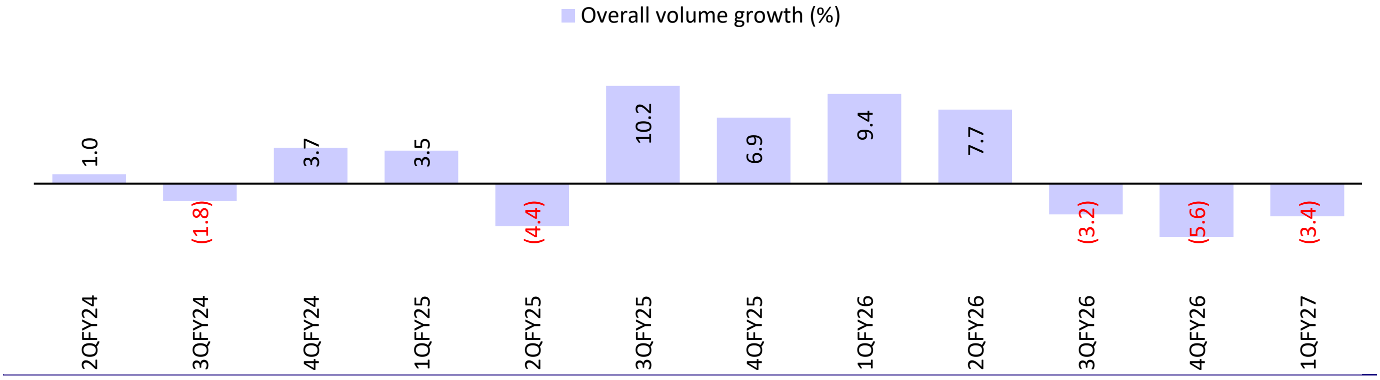
- The India–UK FTA is now operational, and the company has already cleared its first Scotch shipment at the concessional import duty. However, the financial benefits will not be immediate, as there is 60–70 days of inventory already present across state corporations, distributors and wholesalers.
- Management expects the benefit to start reflecting in the business from early October onwards.
- While lower import duties will reduce the cost of imported Scotch, management cautioned that part of the benefit could be offset by rupee depreciation and normal sourcing inflation, and therefore the net benefit may be lower than the headline duty reduction.
- **Management indicated that the weighted average consumer price reduction for the imported (BIO/IMFL) portfolio is expected to be 7–9%, although the reduction could be higher in some states depending on local taxation structures.**
- Management believes the implementation of the UK–India FTA is positive for the industry, as lower duties on Scotch are expected to improve affordability, increase Scotch consumption and accelerate premiumization over the long term.

Brand performance

- Royal Challenge crossed the 10m case milestone on a TTM basis. The brand continues to gain market share through strong consumer recruitment and remains confident of sustaining the growth momentum.
- Signature crossed INR10b NSV on TTM, becoming the fourth brand to achieve this milestone after McDowell's No.1, Royal Challenge and Johnnie Walker.
- **Smirnoff delivered ~INR2.5b NSV in 1QFY27 vs INR3.5b in FY26. It was led by the strong success of the Minty Jamun and Mango Mirchi variants.**
- Management highlighted that the success of Minty Jamun has created a new flavor trend in the market, with several brands across alcohol and adjacent categories launching similar Jamun-based products. The innovation has also helped improve demand for Smirnoff's core variants.
- The company has several new product innovations under development through The Good Craft Company, which will support future growth.

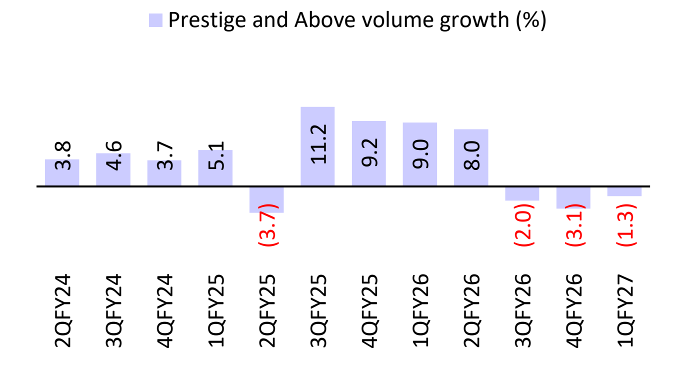
- **The renovated McDowell's blend has been launched in Uttar Pradesh, Rajasthan, and Haryana. Initial consumer feedback has been encouraging, and the company plans to roll out the new blend across ~85% of key markets before the festive season.**
- Royal Challenge continued to perform well during the quarter, supported by the 180ml pack, IPL advertising, and retail activations across around 8,000 outlets.
- Management acknowledged that brands such as Imperial Blue, Iconiq White, McDowell's No.1, and Royal Challenge all compete for the same consumer. To strengthen its position, the company has undertaken the McDowell's No.1 renovation, which is aimed at improving the brand's competitiveness within this broader segment.

Exhibit 1: Overall volume growth declined 3.4% YoY, reaching 14.5m cases in 1QFY27



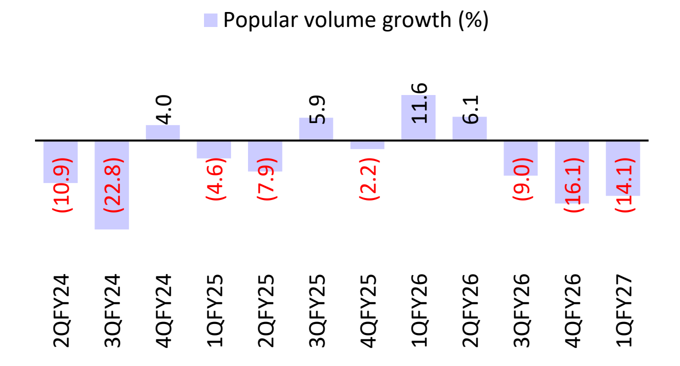
Source: Company, MOFSL

Exhibit 2: P&A volumes (%) declined 1% YoY in 1QFY27



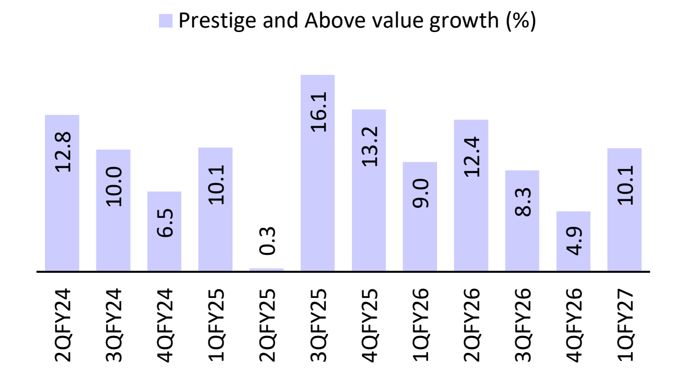
Source: Company, MOFSL

Exhibit 3: Popular volumes (%) declined 14% YoY in 1QFY27



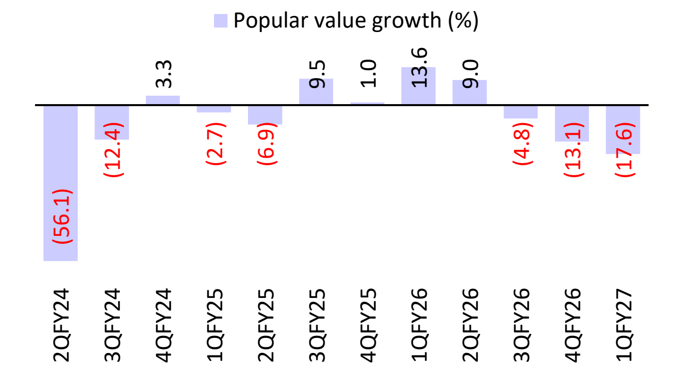
Source: Company, MOFSL

Exhibit 4: Value growth in P&A stood at 10% YoY



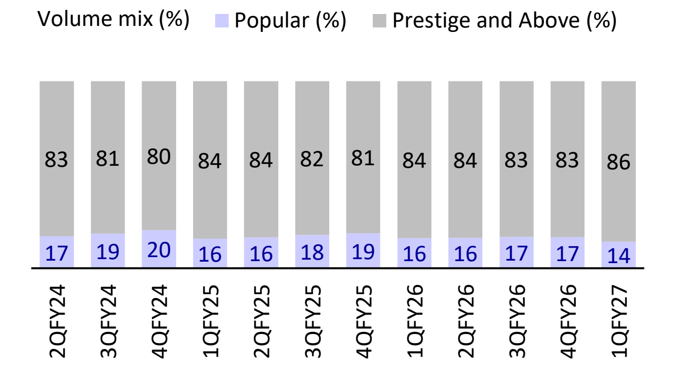
Source: Company, MOFSL

Exhibit 5: Popular sales declined 17.6% YoY in 1QFY27



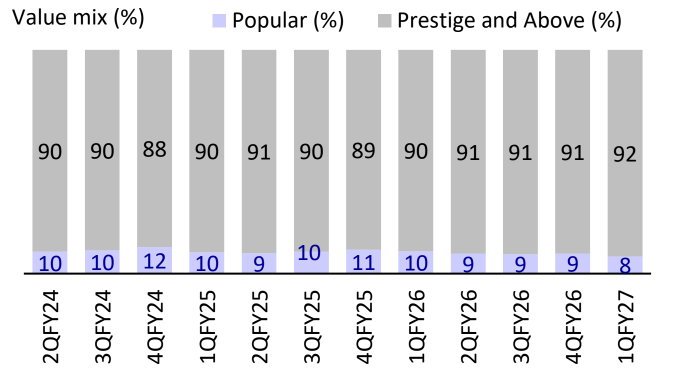
Source: Company, MOFSL

Exhibit 6: Contribution of P&A volumes stood at 86%...



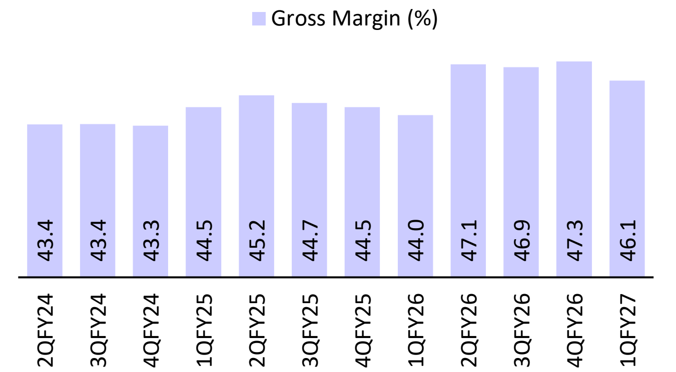
Source: Company, MOFSL

Exhibit 7: ...while that of value stood at 92%



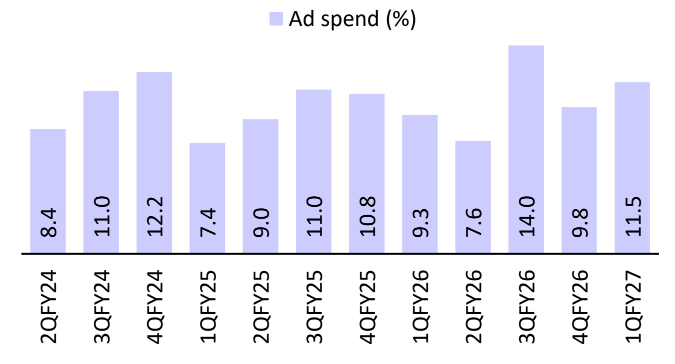
Source: Company, MOFSL

Exhibit 8: Gross margin expanded 210bp YoY to 46.1%



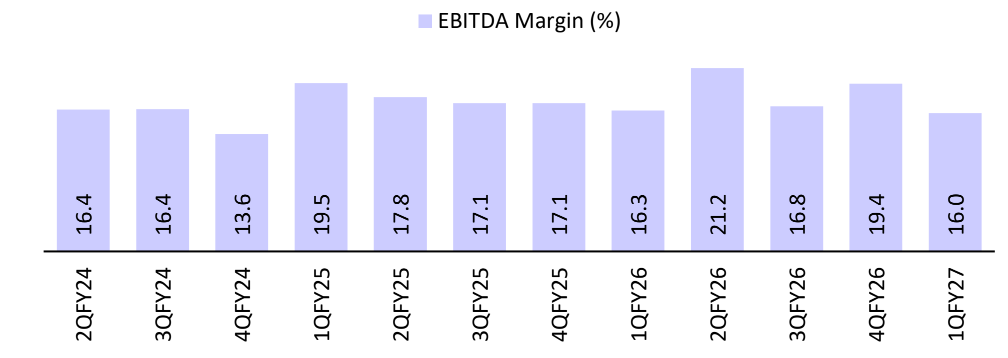
Source: Company, MOFSL

Exhibit 9: Ad spending rose 31% YoY to 11.5% of sales



Source: Company, MOFSL

Exhibit 10: EBITDA margin contracted 30bp YoY to 16% in 1QFY27



Source: Company, MOFSL

Valuation and view

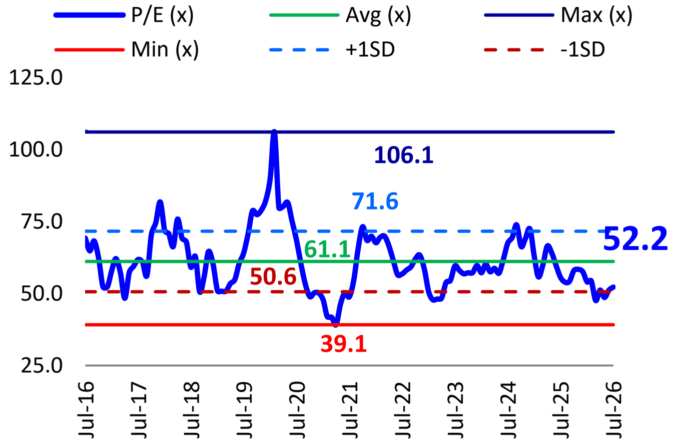
- We broadly maintain our estimates for FY26-FY28E.
- Management highlighted early signs of demand recovery and maintains double-digit growth in P&A portfolio in FY27. Management expects 2HFY27 to outperform 1HFY27, supported by normalization of the Maharashtra base, benefits from Karnataka policy changes (6–7% of revenue), gradual gains from the India-UK FTA, and continued momentum in the P&A portfolio. The company is on track to complete the RCB transaction, pending BCCI approval. We model revenue and EBITDA CAGR of 10%/12% over FY26–28E and reiterate our Neutral rating with a TP of INR1,525.

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

	New		Old		Change (%)	
INR Bn	**FY27E**	**FY28E**	**FY27E**	**FY28E**	**FY27E**	**FY28E**
Total Income	138.7	151.4	137.2	149.8	1.1	1.1
EBITDA	25.8	29.0	25.8	28.7	0.1	1.1
Adjusted PAT	18.5	20.9	18.6	20.9	-0.2	0.3

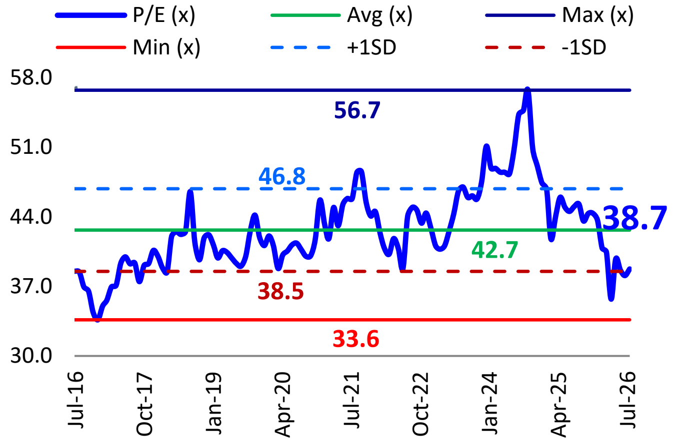
Source: Company, MOFSL

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**	**2026**	**2027E**	**2028E**
Gross revenue	**2,85,123**	**2,85,892**	**2,71,764**	**3,07,731**	**2,75,775**	**2,53,890**	**2,67,800**	**2,77,810**	**3,09,584**	**3,37,937**
Excise duty	1,95,317	1,94,983	1,92,872	2,13,494	1,72,038	1,46,970	1,52,070	1,53,330	1,70,867	1,86,516
Net Revenue	**89,806**	**90,909**	**78,892**	**94,237**	**1,03,737**	**1,06,920**	**1,15,730**	**1,24,480**	**1,38,717**	**1,51,422**
Change (%)	9.9	1.2	-13.2	19.5	10.1	3.1	8.2	7.6	11.4	9.2
Gross Profit	**43,857**	**40,689**	**34,210**	**41,398**	**43,019**	**46,440**	**51,760**	**57,820**	**65,474**	**72,228**
Margin (%)	48.8	44.8	43.4	43.9	41.5	43.4	44.7	46.4	47.2	47.7
EBITDA	**12,874**	**15,061**	**9,877**	**15,104**	**14,187**	**17,080**	**20,580**	**22,960**	**25,801**	**28,997**
Change (%)	25.2	17.0	-34.4	52.9	-6.1	20.4	20.5	11.6	12.4	12.4
Margin (%)	14.3	16.6	12.5	16.0	13.7	16.0	17.8	18.4	18.6	19.2
Depreciation	-1,445	-2,275	-2,493	-2,886	-2,706	-2,640	-2,740	-2,830	-2,996	-3,180
Int. and Fin. Charges	-2,200	-1,907	-1,658	-880	-1,039	-910	-890	-1,140	-1,220	-1,100
Other Income	952	455	478	337	742	1,560	2,130	2,640	2,983	3,252
Profit before Taxes	**10,181**	**11,334**	**6,204**	**11,675**	**11,184**	**15,090**	**19,080**	**21,630**	**24,568**	**27,969**
Change (%)	22.5	11.3	-45.3	88.2	-4.2	34.9	26.4	13.4	13.6	13.8
Margin (%)	11.3	12.5	7.9	12.4	10.8	14.1	16.5	17.4	17.7	18.5
Tax	3,328	4,300	1,587	1,606	2,376	3,740	4,980	4,980	6,019	7,040
Tax Rate (%)	32.7	37.9	25.6	13.8	21.2	24.8	26.1	23.0	24.5	25.2
Adjusted PAT	**6,853**	**7,904**	**4,418**	**9,679**	**9,235**	**11,400**	**14,293**	**16,935**	**18,549**	**20,929**
Change (%)	24.0	15.3	-44.1	119.1	-4.6	23.4	25	18	10	13
Margin (%)	7.6	8.7	5.6	10.3	8.9	10.7	12.4	13.6	13.4	13.8
Non-rec. (Exp)/Income	-267	13	-1,514	-1,560	1,709	1,766	1,480	1,770	0	0
Reported PAT	**6,586**	**7,047**	**3,103**	**8,509**	**10,517**	**13,116**	**15,580**	**18,420**	**18,549**	**20,929**

Balance Sheet										(INR m)
United Spirits	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**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	85,760	1,04,309	1,25,238
Minority Interest	0	0	0	0	0	0	0	0	0	0
Net Worth	**31,315**	**38,097**	**41,268**	**48,923**	**59,445**	**69,630**	**78,790**	**87,210**	**1,05,759**	**1,26,691**
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	-2,840	-3,124	-3,436
Capital Employed	**55,326**	**57,237**	**46,113**	**50,912**	**57,883**	**67,860**	**77,240**	**84,370**	**1,02,635**	**1,23,255**
Net Fixed Assets	**11,282**	**13,347**	**13,008**	**14,866**	**11,821**	**11,060**	**13,310**	**12,230**	**14,234**	**16,054**
Capital WIP	1,171	1,187	865	957	828	370	720	700	525	394
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	15,120	14,970	14,827
Curr. Assets, L&A	**69,308**	**66,895**	**63,807**	**65,586**	**76,622**	**84,600**	**99,780**	**1,07,750**	**1,29,809**	**1,53,851**
Inventory	18,767	18,361	19,810	21,643	22,300	20,630	23,050	26,590	28,503	31,114
Account Receivables	25,181	22,835	21,601	23,021	23,828	31,280	36,280	39,430	43,940	47,964
Cash and Bank	588	345	713	328	8,496	12,090	17,730	18,820	32,965	48,614
Others	24,772	25,354	21,683	20,594	21,998	20,600	22,720	22,910	24,402	26,160
Curr. Liab. and Prov.	**29,419**	**26,718**	**33,588**	**34,887**	**36,258**	**37,790**	**48,390**	**51,430**	**56,903**	**61,871**
Account Payables	13,360	11,712	13,813	15,279	17,383	18,270	21,520	23,770	26,489	28,915
Other Liabilities	12,282	10,661	14,321	14,600	15,037	15,700	22,980	22,270	24,413	26,402
Provisions	3,777	4,345	5,454	5,008	3,838	3,820	3,890	5,390	6,001	6,554
Net Current Assets	**39,889**	**40,177**	**30,219**	**30,699**	**40,364**	**46,810**	**51,390**	**56,320**	**72,907**	**91,981**
Application of Funds	**55,326**	**57,237**	**46,113**	**50,912**	**57,883**	**67,860**	**77,240**	**84,370**	**1,02,635**	**1,23,255**

E: MOFSL Estimates

Financials and valuations

Ratios										
United Spirits	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027E**	**2028E**
Basic (INR)										
EPS	**9.4**	**10.9**	**6.1**	**13.3**	**12.7**	**15.7**	**19.7**	**23.4**	**25.6**	**28.8**
Cash EPS	11.4	14.0	9.5	17.3	16.4	19.4	23.5	27.3	29.7	33.2
BV/Share	43.1	52.4	56.8	67.3	81.8	95.8	108.5	120.0	145.6	174.4
DPS	0.0	0.0	0.0	0.0	0.0	7.0	8.0	8.0	16.0	18.0
Dividend Payout %	0.0	0.0	0.0	0.0	0.0	44.5	40.6	34.2	62.5	62.5
Valuation (x)										
Market Price	1,417	1,417	1,417	1,417	1,417	1,417	1,417	1,417	1,417	1,417
P/E	150.2	130.2	233.0	106.4	111.6	90.1	71.9	60.7	55.4	49.2
Cash P/E	124.1	101.1	149.0	81.9	86.3	73.2	60.3	52.0	47.7	42.7
EV/Sales	2.5	2.5	2.7	2.2	1.9	1.7	1.5	1.4	1.1	0.9
EV/EBITDA	81.7	69.5	104.6	68.1	71.7	58.9	48.5	43.3	38.0	33.3
P/BV	32.9	27.0	24.9	21.0	17.3	14.8	13.1	11.8	9.7	8.1
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.5	0.6	0.6	1.1	1.3
Return Ratios (%)										
RoE	21.9	20.7	10.7	19.8	15.5	16.4	18.1	19.4	17.5	16.5
RoCE	14.9	14.6	11.3	22.3	17.7	19.1	20.3	21.7	20.8	19.3
RoIC	15.0	15.3	11.5	24.0	20.3	24.3	28.4	32.0	33.1	34.0
Working Capital Ratios										
Debtor (Days)	102	92	100	89	84	107	114	116	116	116
Asset Turnover (x)	1.6	1.6	1.7	1.9	1.8	1.6	1.5	1.5	1.4	1.2
Leverage Ratio										
Debt/Equity (x)	0.8	0.5	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0

Cash Flow Statement										**(INR m)**
United Spirits	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027E**	**2028E**
Profit before tax	10,181	11,334	6,204	11,675	12,890	16,860	20,560	23,400	24,568	27,969
Non-operating & EO Items	-952	-455	-478	-337	-2,170	-2,240	-2,860	-3,570	-2,983	-3,252
Depreciation and Amort.	1,445	2,275	2,493	2,886	2,706	2,640	2,740	2,830	2,996	3,180
Interest Paid	2,200	1,907	1,658	880	1,039	910	890	1,140	1,220	1,100
Direct Taxes Paid	-3,328	-4,300	-1,587	-1,606	-2,970	-3,130	-1,730	-3,340	-6,019	-7,040
Incr/Decr in WC	3,641	-2,446	7,178	-1,100	-5,740	-5,760	-3,540	-5,630	-1,505	-2,170
CF from Operations	**13,187**	**8,315**	**15,468**	**12,398**	**5,755**	**9,280**	**16,060**	**14,830**	**18,277**	**19,787**
Interest income	685	1,312	1,793	1,507	1,060	8,270	-5,540	-2,330	2,983	3,252
(Incr)/Decr in FA	-2,897	-4,356	-1,832	-4,836	-1,130	-790	-1,610	720	-4,825	-4,869
Free Cash Flow	**10,290**	**3,959**	**13,636**	**7,562**	**4,625**	**8,490**	**14,450**	**15,550**	**13,452**	**14,919**
(Pur)/Sale of Investments	-2,311	2,661	3,532	370	-150	-2,820	-2,350	-1,740	-1,071	-1,424
Other investing items	1,207	-844	-2,829	-6,975	7,633	-5,956	4,350	4,040	0	3
CF from Invest.	**-3,316**	**-1,227**	**664**	**-9,934**	**7,413**	**-1,296**	**-5,150**	**690**	**-2,912**	**-3,038**
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	-2910	-3500	-12630	0	0
Others	-2,509	-2,172	-1,590	290	-1,610	-1,480	-1,770	-1,800	-1,220	-1,100
CF from Fin. Activity	**-9,274**	**-7,331**	**-15,764**	**-2,849**	**-5,000**	**-4,390**	**-5,270**	**-14,430**	**-1,220**	**-1,100**
Incr/Decr of Cash	**597**	**-243**	**368**	**-385**	**8,168**	**3,594**	**5,640**	**1,090**	**14,145**	**15,649**
Add: Opening Balance	-9	588	345	713	328	8,496	12,090	17,730	18,820	32,965
Closing Balance	**588**	**345**	**713**	**328**	**8,496**	**12,090**	**17,730**	**18,820**	**32,965**	**48,614**

E: MOFSL Estimates

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BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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