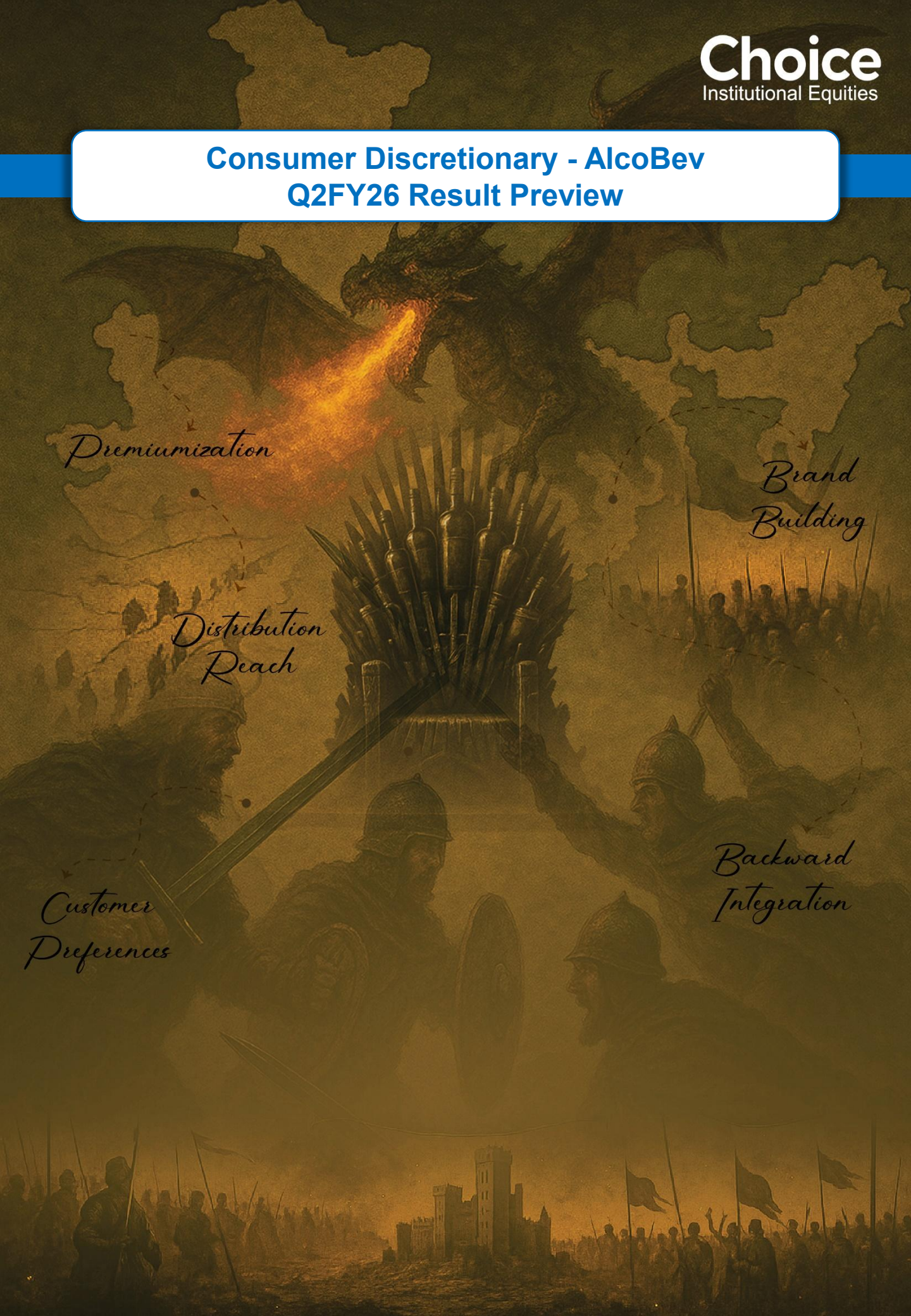


Consumer Discretionary - AlcoBev
Q2FY26 Result Preview



Premiumization

Brand Building

Distribution Reach

Customer Preferences

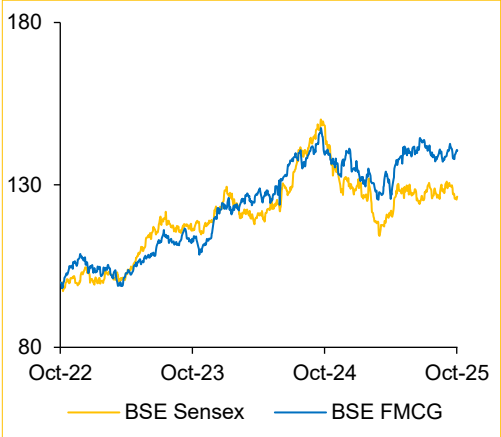
Backward Integration

Consumer Discretionary - AlcoBev
Q2FY26 Quarterly Results Preview

Sector View: Positive

Recommendation			
Company (Ticker)	CMP (INR)*	TP (INR)	Rating
United Spirits (UNITDSPR:IN)	1,330	1,110	SELL
Radico Khaitan (RDCK:IN)	2,982	3,340	BUY
Allied Blenders (ABDL:IN)	553	590	ADD
Tilaknagar Inds. (TLNGR:IN)	468	650	BUY
Ass. Alcohols (AAB:IN)	1,005	1,300	BUY

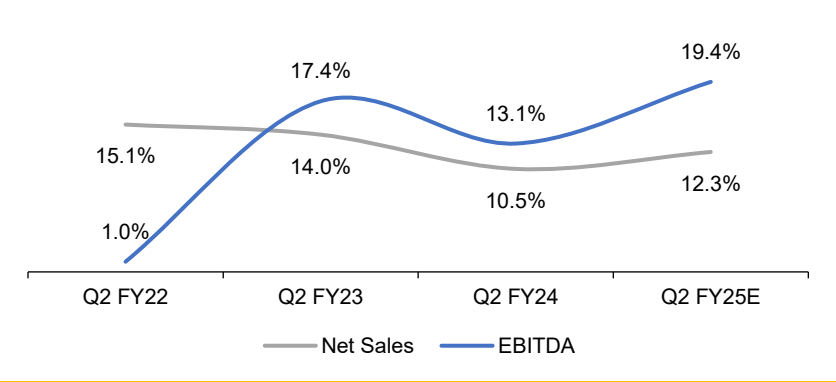
*CMP as on October 8, 2025



AlcoBev Industry EBITDA Growth Outpacing Net Sales Growth

Overall AlcoBev Net Sales is expected to increase by 12.3% in Q2FY26E, with EBITDA growth moving up faster at ~19%. Raw Material cost has remained benign during the quarter, with no sharp increase expected for the full year as well. While GST rate rationalization does not directly impact the sector, we expect a rise in overall consumption leading to buoyancy in IMFL sales as well. Companies under our coverage are expected to report an average growth of ~16% in Q2FY26E volumes.

EBITDA growth expected to outpace sales, supported by benign RM cost



Source: CMIE, Choice Institutional Research

Mixed Regulatory Feedback for Industry

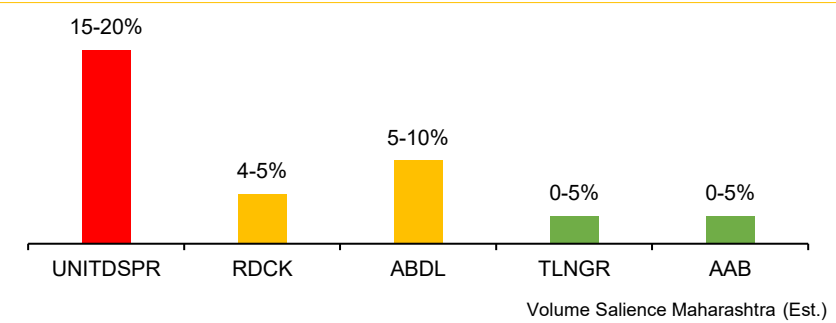
States, such as Uttar Pradesh and Delhi offer tailwinds to the AlcoBev sector with outperformance in excise collection and higher volume growth. However, certain larger states, such as Maharashtra (steep hike in excise), Telangana (credit overdue) offer headwinds for the sector.

Overall, states see positive momentum for H1FY26 in Excise Collection

State	Period	Comments
Delhi	H1FY26	Excise Collection +12%
Uttar Pradesh	Apr—July '25	Excise Collection +18%
Haryana	Apr—July '25	Excise Collection +13%
Karnataka	Apr—Sep '25	Flat Volumes, Excise Collection +~12% YoY

Source: State Governments, Choice Institutional Research

UNITDSPR to be most affected by increase in IMFL prices in Maharashtra



Source: Choice Institutional Research

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Sector View

We maintain our Positive View on the IMFL category within the AlcoBev space. Premiumization, rising disposable incomes and entry of large number of legal-drinking-age (LDAs) adults posits greater momentum, going forward. **Our preferred ideas are: RDCK & ABDL.**

Coverage Universe

UNITDSPR						Comments
INR Mn	Q2FY26E	Q2FY25	YoY %	Q1FY26	QoQ %	
Volumes (Mn cases)	15.6	15.4	1.2%	15.0	4.1%	UNITDSPR has a large salience in Maharashtra, therefore we expect minimal volume growth for the quarter. We expect margins to remain stable on a QoQ basis, given the company's internal supply agility program gains are likely to sustain.
NSR (INR)	1,904	1,844	3.2%	1,701	11.9%	
Revenue	30,597	30,347	0.8%	31,924	-4.2%	
EBITDA	6,373	5,020	26.9%	6,440	-1.0%	
EBITDAM %	21.0%	17.7%	335 bps	21.3%	-32 bps	
PAT	4,275	3,410	25.4%	4,170	2.5%	
RDCK						Comments
INR Mn	Q2FY26E	Q2FY25	YoY %	Q1FY26	QoQ %	
Volumes (Mn cases)	9.9	6.8	45.9%	9.7	1.7%	RDCK's stands to gain from increased supply of Popular and CL in Telangana & Andhra Pradesh. We forecast EBITDA margin to remain stable in Q2FY26E
NSR (INR)	1,175	1,273	-7.7%	1,155	1.7%	
Revenue	14,673	11,162	31.5%	15,060	-2.6%	
EBITDA	2,226	1,632	36.4%	2,322	-4.1%	
EBITDAM %	15.2%	14.6%	55 bps	15.4%	-25 bps	
PAT	1,341	807	66.2%	1,305	2.7%	
ABDL						Comments
INR Mn	Q2FY26E	Q2FY25	YoY %	Q1FY26	QoQ %	
Volumes (Mn cases)	8.8	8.3	6.6%	8.5	4.1%	ABDL's new PET facility went online on Sep 30,2025. This facility will aid in margin expansion in the coming quarters. For Q2FY26E, we expect Q1's volume run rate of ~8.5 Mn cases to continue.
NSR (INR)	1,107	1,045	5.9%	1,086	2.0%	
Revenue	9,795	8,677	12.9%	9,229	6.1%	
EBITDA	1,184	1,036	14.3%	1,116	6.1%	
EBITDAM %	12.1%	11.9%	15 bps	12.1%	0 bps	
PAT	531	481	10.3%	558	-4.9%	
TLNGR						Comments
INR Mn	Q2FY26E	Q2FY25	YoY %	Q1FY26	QoQ %	
Volumes (Mn cases)	3.2	2.9	8.0%	3.2	-1.1%	TLNGR is expected to report a 13% YoY increase in net revenues driven by 5% price increase and 8% increase in volumes. We have further baked in a tax rate of 25%, which will cause a decline in PAT, while EBITDA margin stay healthy.
NSR (INR)	1,339	1,275	5.0%	1,275	5.0%	
Revenue	4,251	3,749	13.4%	4,091	3.9%	
EBITDA	978	660	48.2%	945	3.5%	
EBITDAM %	23%	18%	540 bps	23%	-9 bps	
PAT	672	582	15.4%	885	-24.1%	
AAB						Comments
INR Mn	Q2FY26E	Q2FY25	YoY %	Q1FY26	QoQ %	
Revenue	2,757	2,546	8.3%	2,667	3.4%	AAB's margin has expanded in Q1FY26 with a complete activation of their facilities of ENA & Ethanol plants. However, we conservatively bake in a decline of 170 bps QoQ in EBITDA margin.
EBITDA	337	250	35.0%	371	-9.2%	
EBITDAM %	12%	10%	242 bps	14%	-170 bps	
PAT	205	153	33.7%	236	-13.3%	

Source: Company, Choice Institutional Research

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BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
Mid & Small Cap*	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
Other Ratings	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
Sector View	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in statis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

*Large Cap: More Than INR 20,000 Cr Market Cap
*Mid & Small Cap: Less Than INR 20,000 Cr Market Cap

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