Motilal Oswal Financial Services

1 November 2025

2QFY26 Results Update | Sector: Consumer

United Spirits

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	UNITDSPR IN
Equity Shares (m)	727
M.Cap.(INRb)/(USDb)	1041.1 / 11.7
52-Week Range (INR)	1700 / 1271
1, 6, 12 Rel. Per (%)	4/-14/-7
12M Avg Val (INR M)	1385

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	127.7	137.9	148.2
Sales Gr. (%)	10.4	7.9	7.5
EBITDA	23.4	25.9	28.4
Margin (%)	18.4	18.8	19.2
PAT	16.7	18.5	20.5
EPS (INR)	23.0	25.6	28.2
EPS Gr. (%)	16.8	11.1	10.2
BV/Sh.(INR)	131.4	157.0	186.5
Ratios			
RoE (%)	17.5	16.3	15.1
RoCE (%)	20.6	18.8	17.4
Payout (%)	52.1	62.5	63.8
Valuations			
P/E (x)	62.1	55.9	50.7
P/BV (x)	10.9	9.1	7.7
EV/EBITDA (x)	42.6	38.0	34.1

Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	56.7	56.7	56.7
DII	14.9	14.4	13.2
FII	14.4	15.0	16.1
Others	14.0	13.9	14.1

FII includes depository receipts

CMP: INR1,431 TP: INR1,575 (+10%) Neutral

Beat on margin; watchful of evolving Maharashtra and AP trends

- United Spirits (UNSP) delivered a strong performance in 2QFY26, with revenue rising 12% YoY (beat) and total volumes up 8% (vs. est. 6%). Growth was driven by the company's re-entry into Andhra Pradesh (from Sep'24), continued innovation and renovation initiatives, and a favorable base, partly offset by the excise duty hike in Maharashtra. The Prestige & Above (P&A) segment posted healthy volume and value growth of 8% and 12%, respectively, while the Popular segment reported 6% volume and 9% revenue growth.
- For 1HFY26, revenue grew 10% YoY, led by an 11% increase in the P&A segment. Excluding Andhra Pradesh, total revenue and P&A segment revenue grew 5% each, while growth ex-Maharashtra and Andhra Pradesh remained in double digits, underscoring the strength of the core portfolio.
- Gross margin surprisingly expanded by 190bp YoY and 300bp QoQ to 47.1% (est. 45.2%), supported by pricing, improved product/state mix, sustained productivity gains, and relatively stable input costs. Lower A&P spends (down 6% YoY) further boosted profitability, resulting in a 340bp YoY expansion in EBITDA margin to an all-time high of 21.2% (beat). Management has reiterated its guidance of maintaining high-teen EBITDA margins, and we model margins of around ~19% in FY27-FY28.
- The re-entry into Andhra Pradesh contributed to UNSP's volume growth; however, the excise duty hike in Maharashtra (high-teen revenue share) led to a mid-teen decline in volumes in the state. The newly launched Maharashtra made liquor (MML) category, priced at INR160 for 180ml, was introduced in early Oct. Consumer response to this new segment remains uncertain, and we remain watchful over the next few quarters to assess its performance and potential impact.
- The steady double-digit revenue growth (despite Maharashtra), along with sharp beat in margin, certainly increased the possibility of strong growth delivery in the coming quarters. However, evolving trends in Maharashtra (post MML), a high base in 2HFY26 led by AP opening, and ENA prices will remain key monitorables to check the growth momentum. We increased margin assumptions and raised our estimates by 7-8% for FY26-FY27. We value 50x Sep'27E standalone EPS and an additional INR250/share for its RCB and other non-core assets to derive a TP of INR1,575. We maintain Neutral rating.

Beat in performance; all-time high operating margins

- **Volume up 8%:** Standalone net sales rose 11.5% YoY to INR31.7b (est. INR30.4b) in 2QFY26 on a weak base of 1% decline in 2QFY25. P&A revenue (90% revenue mix) rose 12% YoY and Popular revenue grew 9% YoY. Growth was supported by its re-entry into AP and the strong performance of innovation and renovation launches, partially offset by adverse policy changes in Maharashtra. Total volume rose 8% (est. 6%), with P&A volume up 8% YoY (est. 6% YoY, 9% in 1QFY26) to 13.9m cases. Popular volume rose 6% YoY (est. 5% YoY, 12% in 1QFY26) to 2.7m cases.

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- **All-time high operating margins:** Gross margin saw a sharp expansion of 190bp YoY to 47.1% (est. 45.2%, 44% in 1Q). Employee expenses rose 8%, other expenses rose 13%, and A&P spends declined 6%. EBITDA margin expanded 340bp YoY to 21.2% (est. 18.5%), recording an all-time high.
- **Strong double-digit growth:** EBITDA rose 32% YoY to INR6.7b (est. INR5.6b). PBT increased 48% YoY to INR6.6b (est. INR5.1b). APAT rose 48% YoY to INR4.9b (est. INR3.8b). There was an exceptional item of INR300m toward severance costs related to a closing unit.
- In 1HFY26, net sales, EBITDA and APAT grew 10%, 13%, and 25%, respectively.

Highlights from the management commentary

- The festive season (Oct-Dec) is expected to sustain healthy category growth and drive premiumization. Pocket pack (180ml) format continues to drive penetration and attract new consumers.
- In Maharashtra, headwinds stemmed from a ~35% price increase post-tax change. Consumer spending grew ~20-25%, implying ~10-15% volume decline for the industry.
- UNSP expects that 2HFY26 is expected to be more challenging than 1HFY26. The company continues to target double-digit growth; however, it remains cautious given the high base in AP and ongoing challenges in Maharashtra.
- Smirnoff recorded double-digit growth, driven by new flavors—Minty Jamun, Mango Mirchi, and Citrón—with strong traction in UP, Haryana, and Odisha.

Valuation and view

- We increased margin assumptions and raised our estimates by 7-8% for FY26-27.
- The re-entry into AP contributed to UNSP’s volume growth; however, the excise duty hike in Maharashtra led to a mid-teen decline in volumes in the state, which contributes a mid- to high-teen share of the company’s total revenue. The newly launched MML category, priced at INR160 for 180ml, was introduced in early Oct. Consumer response to this new segment remains uncertain, and we remain watchful over the next few quarters to assess its performance and potential impact.
- We value 50x Sep’27E standalone EPS and an additional INR250/share for its RCB and other non-core assets to derive a TP of INR1,575. We maintain Neutral rating.

Quarterly Performance (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var.
(Standalone)	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Volume growth %	**3.5**	**-4.4**	**10.2**	**6.9**	**9.4**	**7.7**	**4.9**	**4.7**	**4.1**	**6.5**	**5.8**	
Total revenues	**23,520**	**28,430**	**34,320**	**29,460**	**25,490**	**31,700**	**37,576**	**32,953**	**1,15,730**	**1,27,719**	**30,385**	**4.3%**
YoY change (%)	8.3	-0.8	14.8	10.5	8.4	11.5	9.5	11.9	8.2	10.4	6.9	
Gross Profit	**10,460**	**12,850**	**15,350**	**13,100**	**11,210**	**14,930**	**17,473**	**15,138**	**51,760**	**58,751**	13,734	8.7%
Margin (%)	*44.5*	*45.2*	*44.7*	*44.5*	*44.0*	*47.1*	*46.5*	*45.9*	*44.7*	*46.0*	*45.2*	
Total Exp	18,940	23,360	28,440	24,410	21,340	24,980	30,624	27,339	95,150	1,04,283	24,764	
EBITDA	**4,580**	**5,070**	**5,880**	**5,050**	**4,150**	**6,720**	**6,951**	**5,615**	**20,580**	**23,436**	**5,621**	**19.5%**
Margins (%)	*19.5*	*17.8*	*17.1*	*17.1*	*16.3*	*21.2*	*18.5*	*17.0*	*17.8*	*18.4*	*18.5*	
EBITDA growth (%)	*18.9*	*7.8*	*19.7*	*39.5*	*-9.4*	*32.5*	*18.2*	*11.2*	*20.5*	*13.9*	*10.9*	
Depreciation	650	690	720	680	680	650	655	697	2,740	2,682	685	
Interest	220	250	200	220	490	210	240	250	890	1,190	245	
Other income	320	340	720	750	610	760	650	730	2,130	2,750	385	
PBT	**4,030**	**4,470**	**5,680**	**4,900**	**3,590**	**6,620**	**6,706**	**5,398**	**19,080**	**22,314**	**5,076**	**30.4%**
Tax	1,040	1,120	1,480	1,340	900	1,600	1,777	1,339	4,980	5,617	1,279	
Rate (%)	25.8	25.1	26.1	27.3	25.1	24.2	26.5	24.8	26.1	25.2	25.2	
Adj. PAT	**2,990**	**3,350**	**4,203**	**3,750**	**2,963**	**4,945**	**4,929**	**4,059**	**14,293**	**16,698**	**3,797**	**30.2%**
YoY change (%)	24.8	5.3	20.7	60.3	-0.9	47.6	17.3	8.2	25.4	16.8	13.3	
Extraordinary inc/(Exp)	0	0	527	760	-383	-300	0	0	1,287	904	0	
Reported PAT	**2,990**	**3,350**	**4,730**	**4,510**	**2,580**	**4,720**	**4,929**	**4,059**	**15,580**	**16,698**	**3,797.0**	

E: MOFSL Estimate

Key Performance Indicators

Y/E March	FY25				FY26	
(Standalone)	1Q	2Q	3Q	4Q	1Q	2Q
Key Metrics						
Sales Volume (m Cases)	13.7	15.4	18.2	16.7	15.0	16.6
Volume Growth %	3.5	-4.4	10.2	6.9	9.4	7.7
Realisation/case (INR)	1,717	1,844	1,890	1,767	1,701	1,909
Realisation growth %	4.7	3.9	4.2	3.4	-0.9	3.5
EBIDTA/Case (INR)	334.3	328.9	323.9	303.0	277.0	404.7
Segmental performance						
P&A Volumes (m Cases)	11.5	12.9	14.9	13.6	12.6	13.9
Popular Volumes (m Cases)	2.2	2.5	3.2	3.1	2.4	2.7
P&A Volumes Growth (%)	5.1	-3.7	11.2	9.2	9.0	8.0
Popular Volumes Growth (%)	-4.6	-7.9	5.9	-2.2	11.6	6.1
P&A Sales Growth (%)	10.1	0.3	16.1	13.2	9.0	12.4
Popular Sales Growth (%)	-2.7	-6.9	9.5	1.0	13.6	9.0
Average growth for the last two years (%)						
Volume	4.6	-1.7	4.2	5.3	6.4	1.6
Sales	3.6	-1.1	11.1	8.7	8.3	5.4
EBITDA	30.6	7.1	26.6	23.3	4.8	20.2
PAT	16.4	13.0	40.9	36.2	11.9	26.4
As a % of Sales						
COGS	55.5	54.8	55.3	55.5	56.0	52.9
Operating expenses	25.0	27.4	27.6	27.3	27.7	25.9
Depreciation	2.8	2.4	2.1	2.3	2.7	2.1
YoY change (%)						
COGS	6.7	-3.9	12.2	8.3	9.3	7.6
Operating expenses	4.6	0.6	17.4	1.5	20.1	5.5
Other Income	53.1	-12.4	56.2	50.0	90.6	123.5
EBIT	22.8	8.2	20.4	50.2	-11.7	38.6

E: MOFSL Estimates

CONFERENCE CALL

Highlights from the management commentary

Demand environment

- The quarter saw a strong revenue and profitability performance, returning to double-digit growth for the quarter and 1HFY26, despite facing challenges in Maharashtra and AP.
- Management noted green shoots of recovery, with normal monsoons and improving rural consumption.
- Urban consumer sentiment improved due to progressive GST reforms and higher disposable income, which should aid consumption.
- The festive season (Oct-Dec) is expected to sustain healthy category growth and drive premiumization.
- Pocket pack (180ml) format continues to drive penetration and recruit new consumers.
- Distribution expansion is ongoing in emerging geographies like Jharkhand, Rajasthan, and AP.
- Off-trade performing well; management plans to ramp up on-trade visibility and activations over the next few quarters.
- UNSP expects that 2HFY26 is expected to be more challenging than 1HFY26.
- The company continues to target double-digit growth; however, it remains cautious given the high base in AP and ongoing challenges in Maharashtra.

Growth ex-AP

- Revenue growth, excluding AP, stood at ~5% YoY for 1HFY26.
- The P&A portfolio, excluding AP, grew by ~4.9%, supported by a better mix and price realization.
- Excluding Maharashtra and AP, the company delivered double-digit growth during 1HFY26, showcasing robust performance across other key markets.

Cost and margins

- Gross margin expanded by 190bp YoY to 47.1% in 2QFY26, driven by productivity gains, benign input inflation, and mix improvement.
- Key input costs like glass and packaging remained stable, while ENA and Scotch remained structurally inflationary.
- Marketing reinvestment was 7.6% of sales in 2Q and 8.4% in 1HFY26, in line with prior levels. Maintain guidance of 9.5-10% of net sales for FY26.
- Full-year EBITDA margin guidance remains at mid-to-high teens.

Brand performance

- Signature continues to lead growth in the Prestige segment, supported by purpose-driven storytelling and youth-focused campaigns.
- Royal Challenge outperformed category growth; the 180ml pocket pack continues to drive sampling and share gains.
- McDowell’s No.1 reinforced leadership in the lower prestige segment through regional campaigns and new ambassador Vijay Deverakonda.
- Godawan (Indian single malt) reported strong double-digit growth, repeat orders, and won 100+ global awards; its collector’s edition “Godawan 173” launched successfully.

- Smirnoff recorded double-digit growth, driven by new flavors—Minty Jamun, Mango Mirchi, and Citrón—with strong traction in UP, Haryana, and Odisha.
- Don Julio Tequila and Johnnie Walker Blue Label strengthened the luxury and international portfolio.

State-wise performance

- Maharashtra:
  - Saw policy-induced headwinds due to a ~35% price increase post-tax change.
  - Consumer spending grew ~20-25%, implying ~10-15% volume decline for the industry.
  - UNSP declined less than the industry, aided by agile restructuring of the value chain and pricing strategy.
  - MML launched recently at INR 160 for 180ml; too early to gauge, but management expects stable outcomes over coming quarters.
- Andhra Pradesh:
  - Completed four-quarter normalization post policy reset.
  - Strong growth momentum continued, driven by Prestige and Premium segments.
  - Management confident of sustaining India-like or better growth in FY26.
- Policy reforms in UP, Jharkhand, Karnataka, Rajasthan, and MP driving structural growth.
- Possible opportunity in Bihar if prohibition is lifted – management ready to respond swiftly.

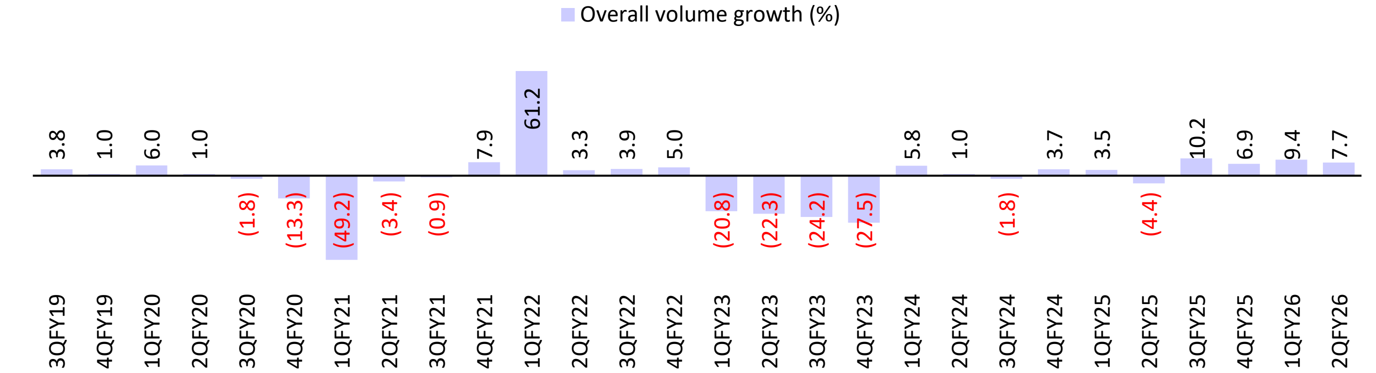
MML

- Recently introduced at INR160 (180ml).
- Still in early stages; expected to source volumes either from country liquor or prestige IMFL segment.
- MML's consumer acceptance uncertain; may take a few quarters to assess impact.
- Distribution ramping up quickly, though trade feedback will determine sustainability.
- UNSP to rely on brand strength and quality execution to remain competitive.

New Launches

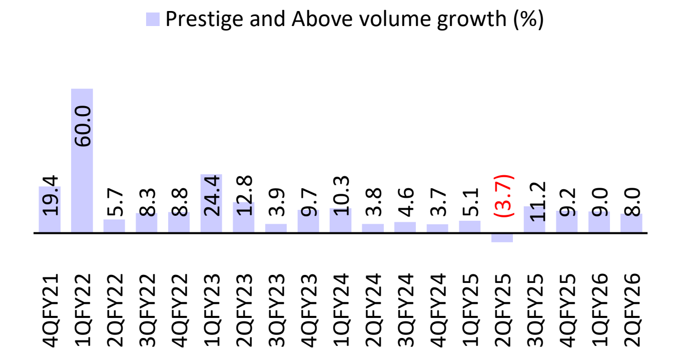
- Godawan 173 limited edition single malt (collector's edition).
- Smirnoff flavored variants – Minty Jamun, Mango Mirchi, and Citron.
- Don Julio Paloma Time festive on-trade campaign across 170 key accounts.
- MML new offering to tap into entry-level consumers.

Exhibit 1: Overall volume growth was 7.7% YoY, reaching 16.6m cases in 2QFY26



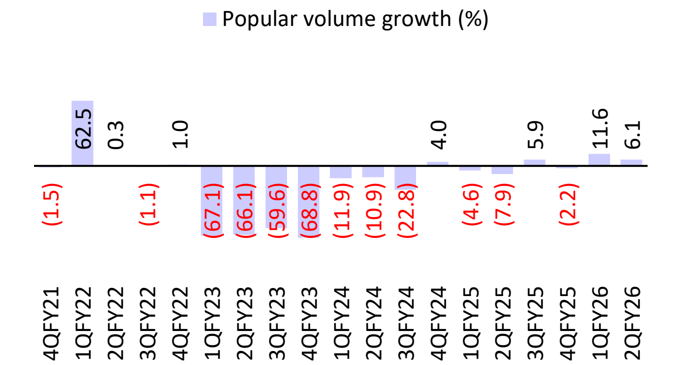
Source: Company, MOFSL

Exhibit 2: P&A volumes (%) grew 8% YoY in 2QFY26



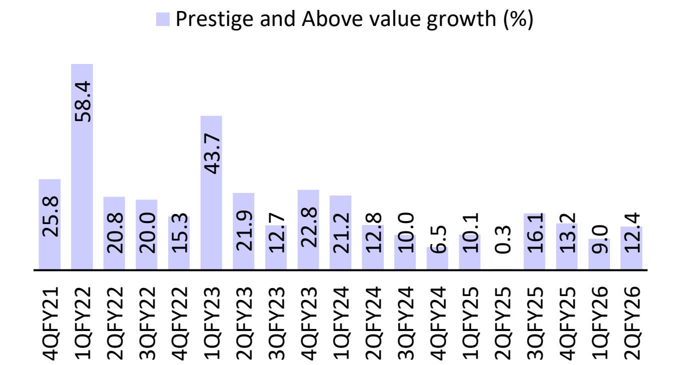
Source: Company, MOFSL

Exhibit 3: Popular volumes (%) up 6.1% YoY in 2QFY26



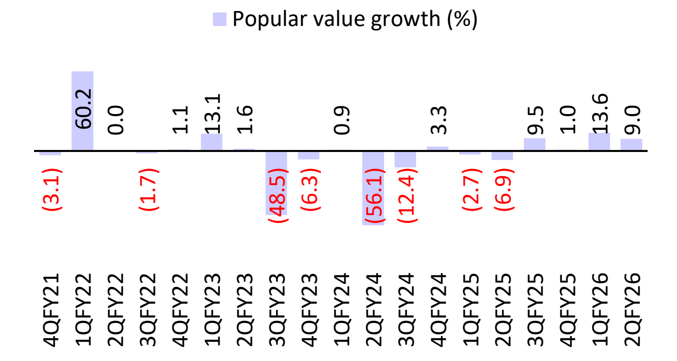
Source: Company, MOFSL

Exhibit 4: Value growth in P&A stood at 12.4% YoY



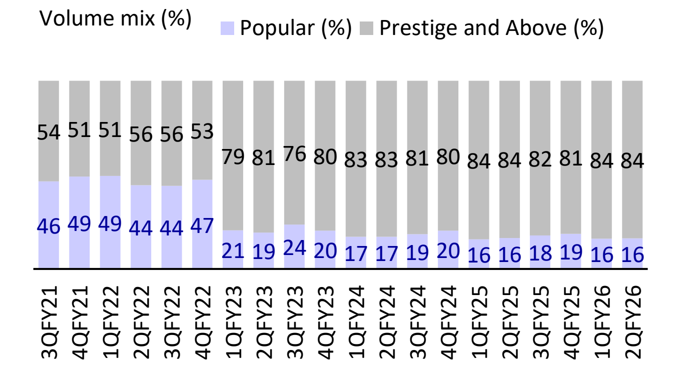
Source: Company, MOFSL

Exhibit 5: Popular sales up 9% YoY in 2QFY26



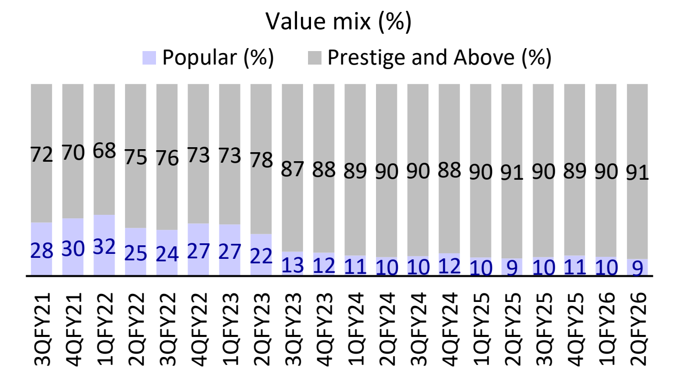
Source: Company, MOFSL

Exhibit 6: Contribution of P&A volumes stood at 84%...



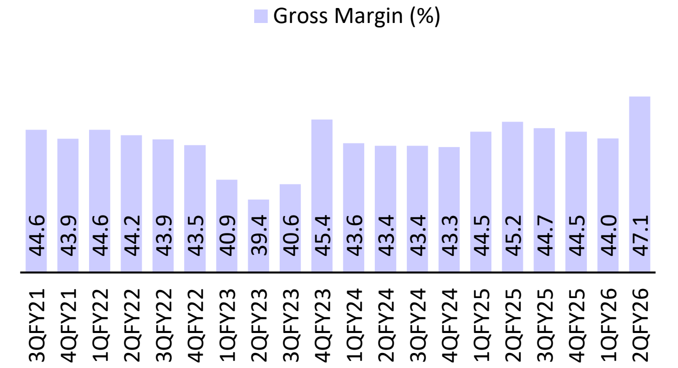
Source: Company, MOFSL

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



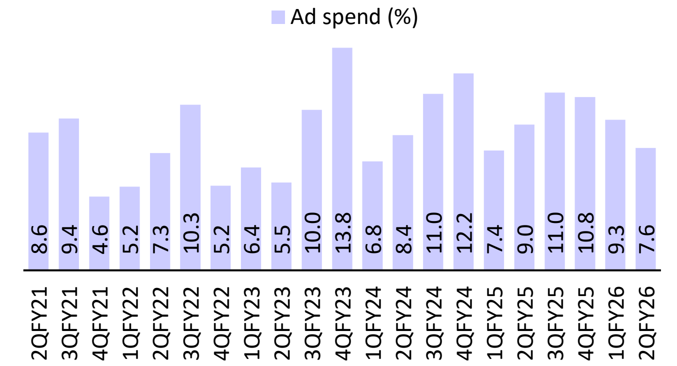
Source: Company, MOFSL

Exhibit 8: Gross margin expanded 190bp YoY to 47.1%



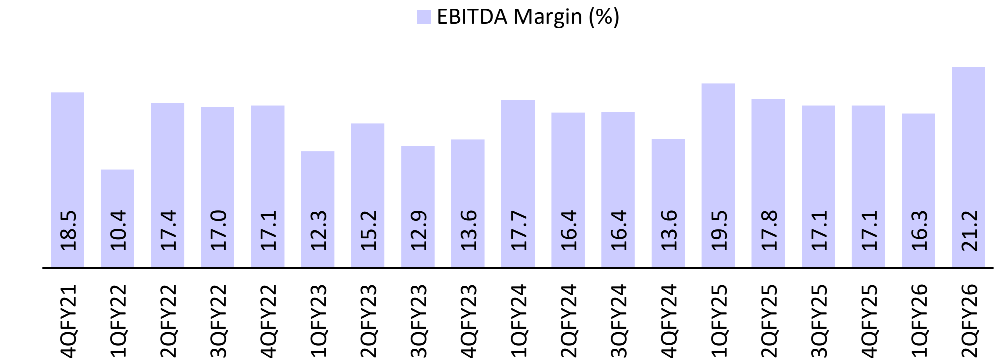
Source: Company, MOFSL

Exhibit 9: Ad spending declined 6% YoY at 7.6% of sales



Source: Company, MOFSL

Exhibit 10: EBITDA margin expanded 340bp YoY to 21.2% in 2QFY26



Source: Company, MOFSL

Valuation and view

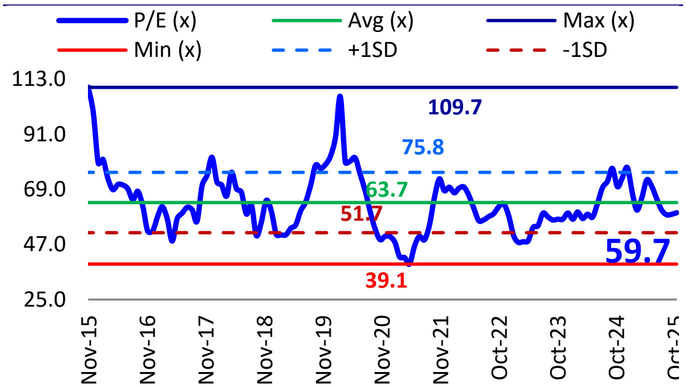
- We increased margin assumptions and raised our estimates by 7-8% for FY26-FY27.
- The re-entry into AP contributed to UNSP's volume growth; however, the excise duty hike in Maharashtra led to a mid-teen decline in volumes in the state, which contributes a mid- to high-teen share of the company's total revenue. The newly launched MML category, priced at INR160 for 180ml, was introduced in early Oct. Consumer response to this new segment remains uncertain, and we remain watchful over the next few quarters to assess its performance and potential impact.
- We value 50x Sep'27E standalone EPS and an additional INR250/share for its RCB and other non-core assets to derive TP of INR1,575. We maintain Neutral rating.

Exhibit 11: We raised our EPS estimates by 7-8% for FY26 and FY27

	New			Old			% Change		
INR Bn	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Total Income	127.7	137.9	148.2	124.6	136.3	148.4	2.5	1.2	-0.1
EBITDA	23.4	25.9	28.4	22.1	24.4	27.2	5.9	6.2	4.5
Adjusted PAT	16.7	18.5	20.5	15.4	17.1	19.4	8.1	8.2	5.5

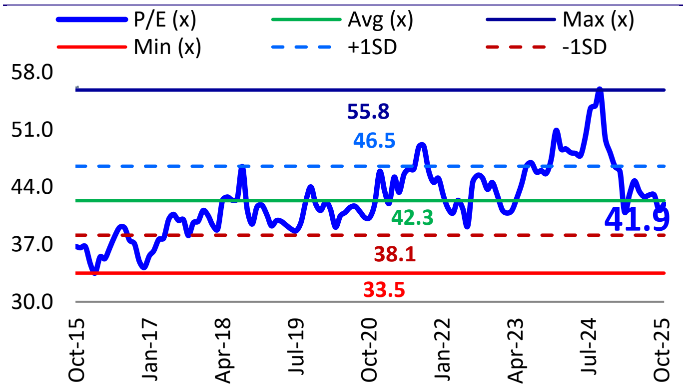
Source: Company, MOFSL

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**
Gross revenue	**2,85,123**	**2,85,892**	**2,71,764**	**3,07,731**	**2,75,775**	**2,53,890**	**2,67,800**	**2,95,543**	**3,19,005**	**3,42,890**
Excise duty	1,95,317	1,94,983	1,92,872	2,13,494	1,72,038	1,46,970	1,52,070	1,67,824	1,81,147	1,94,710
Net Revenue	**89,806**	**90,909**	**78,892**	**94,237**	**1,03,737**	**1,06,920**	**1,15,730**	**1,27,719**	**1,37,858**	**1,48,180**
Change (%)	9.9	1.2	-13.2	19.5	10.1	3.1	8.2	10.4	7.9	7.5
Gross Profit	**43,857**	**40,689**	**34,210**	**41,398**	**43,019**	**46,440**	**51,760**	**58,751**	**63,828**	**68,904**
Margin (%)	48.8	44.8	43.4	43.9	41.5	43.4	44.7	46.0	46.3	46.5
EBITDA	**12,874**	**15,061**	**9,877**	**15,104**	**14,187**	**17,080**	**20,580**	**23,436**	**25,917**	**28,414**
Change (%)	25.2	17.0	-34.4	52.9	-6.1	20.4	20.5	13.9	10.6	9.6
Margin (%)	14.3	16.6	12.5	16.0	13.7	16.0	17.8	18.4	18.8	19.2
Depreciation	-1,445	-2,275	-2,493	-2,886	-2,706	-2,640	-2,740	-2,682	-2,895	-3,112
Int. and Fin. Charges	-2,200	-1,907	-1,658	-880	-1,039	-910	-890	-1,190	-1,150	-1,100
Other Income	952	455	478	337	742	1,560	2,130	2,750	2,915	3,177
Profit before Taxes	**10,181**	**11,334**	**6,204**	**11,675**	**11,184**	**15,090**	**19,080**	**22,314**	**24,787**	**27,379**
Change (%)	22.5	11.3	-45.3	88.2	-4.2	34.9	26.4	17.0	11.1	10.5
Margin (%)	11.3	12.5	7.9	12.4	10.8	14.1	16.5	17.5	18.0	18.5
Tax	3,328	4,300	1,587	1,606	2,376	3,740	4,980	5,617	6,239	6,891
Tax Rate (%)	32.7	37.9	25.6	13.8	21.2	24.8	26.1	25.2	25.2	25.2
Adjusted PAT	**6,853**	**7,904**	**4,418**	**9,679**	**9,235**	**11,400**	**14,293**	**16,698**	**18,548**	**20,488**
Change (%)	24.0	15.3	-44.1	119.1	-4.6	23.4	25	17	11	10
Margin (%)	7.6	8.7	5.6	10.3	8.9	10.7	12.4	13.1	13.5	13.8
Non-rec. (Exp)/Income	-267	13	-1,514	-1,560	1,709	1,766	1,480	0	0	950
Reported PAT	**6,586**	**7,047**	**3,103**	**8,509**	**10,517**	**13,116**	**15,580**	**16,698**	**18,548**	**21,438**

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	94,038	1,12,586	1,34,024
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**	**95,488**	**1,14,036**	**1,35,477**
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
Capital Employed	**55,326**	**57,237**	**46,113**	**50,912**	**57,883**	**67,860**	**77,240**	**93,783**	**1,12,161**	**1,33,414**
Net Fixed Assets	**11,282**	**13,347**	**13,008**	**14,866**	**11,821**	**11,060**	**13,310**	**14,628**	**16,733**	**18,621**
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
Curr. Assets, L&A	**69,308**	**66,895**	**63,807**	**65,586**	**76,622**	**84,600**	**99,780**	**1,18,941**	**1,39,472**	**1,63,186**
Inventory	18,767	18,361	19,810	21,643	22,300	20,630	23,050	26,244	28,327	30,448
Account Receivables	25,181	22,835	21,601	23,021	23,828	31,280	36,280	40,038	43,217	46,453
Cash and Bank	588	345	713	328	8,496	12,090	17,730	28,222	41,726	58,156
Others	24,772	25,354	21,683	20,594	21,998	20,600	22,720	24,437	26,202	28,129
Curr. Liab. and Prov.	**29,419**	**26,718**	**33,588**	**34,887**	**36,258**	**37,790**	**48,390**	**52,029**	**56,041**	**60,183**
Account Payables	13,360	11,712	13,813	15,279	17,383	18,270	21,520	22,744	24,550	26,388
Other Liabilities	12,282	10,661	14,321	14,600	15,037	15,700	22,980	24,992	26,854	28,806
Provisions	3,777	4,345	5,454	5,008	3,838	3,820	3,890	4,292	4,637	4,989
Net Current Assets	**39,889**	**40,177**	**30,219**	**30,699**	**40,364**	**46,810**	**51,390**	**66,912**	**83,431**	**1,03,003**
Application of Funds	**55,326**	**57,237**	**46,113**	**50,912**	**57,883**	**67,860**	**77,240**	**93,783**	**1,12,161**	**1,33,414**

E: MOFSL Estimates

Financials and valuations

Ratios

United Spirits	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Basic (INR)										
EPS	**9.4**	**10.9**	**6.1**	**13.3**	**12.7**	**15.7**	**19.7**	**23.0**	**25.6**	**28.2**
Cash EPS	11.4	14.0	9.5	17.3	16.4	19.4	23.5	26.7	29.6	32.5
BV/Share	43.1	52.4	56.8	67.3	81.8	95.8	108.5	131.4	157.0	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	52.1	62.5	63.8
Valuation (x)										
Market Price	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431	1,431
P/E	151.7	131.5	235.3	107.4	112.7	91.0	72.6	62.1	55.9	50.7
Cash P/E	125.3	102.1	150.4	82.7	87.2	73.9	60.9	53.5	48.4	44.1
EV/Sales	2.6	2.5	2.7	2.2	1.9	1.7	1.5	1.3	1.1	0.9
EV/EBITDA	82.5	70.2	105.6	68.7	72.4	59.5	49.0	42.6	38.0	34.1
P/BV	33.2	27.3	25.2	21.3	17.5	14.9	13.2	10.9	9.1	7.7
Return Ratios (%)										
RoE	21.9	20.7	10.7	19.8	15.5	16.4	18.1	17.5	16.3	15.1
RoCE	14.9	14.6	11.3	22.3	17.7	19.1	20.3	20.6	18.8	17.4
RoIC	15.0	15.3	11.5	24.0	20.3	24.3	28.4	31.0	30.8	31.1
Working Capital Ratios										
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	1.4	1.2	1.1
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	2026E	2027E	2028E
Profit before tax	10,181	11,334	6,204	11,675	12,890	16,860	20,560	22,314	24,787	27,379
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	2,682	2,895	3,112
Interest Paid	2,200	1,907	1,658	880	1,039	910	890	1,190	1,150	1,100
Direct Taxes Paid	-3,328	-4,300	-1,587	-1,606	-2,970	-3,130	-1,730	-5,617	-6,239	-6,891
Incr/Decr in WC	3,641	-2,446	7,178	-1,100	-5,740	-5,760	-3,540	-3,928	-1,774	-1,749
CF from Operations	**13,187**	**8,315**	**15,468**	**12,398**	**5,755**	**9,280**	**16,060**	**13,892**	**17,904**	**19,773**
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
Free Cash Flow	**10,290**	**3,959**	**13,636**	**7,562**	**4,625**	**8,490**	**14,450**	**10,072**	**13,039**	**14,874**
(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
CF from Invest.	**-3,316**	**-1,227**	**664**	**-9,934**	**7,413**	**-1,296**	**-5,150**	**-2,210**	**-3,250**	**-1,293**
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	0	0	0
Others	-2,509	-2,172	-1,590	290	-1,610	-1,480	-1,770	-1,190	-1,150	-2,050
CF from Fin. Activity	**-9,274**	**-7,331**	**-15,764**	**-2,849**	**-5,000**	**-4,390**	**-5,270**	**-1,190**	**-1,150**	**-2,050**
Incr/Decr of Cash	**597**	**-243**	**368**	**-385**	**8,168**	**3,594**	**5,640**	**10,492**	**13,504**	**16,430**
Add: Opening Balance	-9	588	345	713	328	8,496	12,090	17,730	28,222	41,726
Closing Balance	**588**	**345**	**713**	**328**	**8,496**	**12,090**	**17,730**	**28,222**	**41,726**	**58,156**

E: MOFSL Estimates

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
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