

Consumer Discretionary

India | Quarterly Preview

Selective outperformance across the board

2 July 2025

In Q1FY26, diverging trends may emerge within the Alcobev space – Radico Khaitan (RDCK IN) may continue to outperform, led by innovation and market share gain, while United Spirits (UNITDSPR IN) may grow at a modest pace despite positive impact from opening up of Andhra Pradesh (AP). Regular spirits are buoyant due to AP. Profitability outlook may be mixed – RDCK will gain from premiumization, even as UNITDSPR may scale back upon absorbing upfront A&P spends. Growth for United Breweries (UBBL IN) may be led by election-related base. In QSR, Jubilant FoodWorks (JUBI IN) may maintain LFL, but Pizza Hut may post a drop in SSS led by elevated ADS. SSSG woes for fried chicken continue, albeit low QoQ, while burger chains may maintain positive SSSG. QSR margins may rise sequentially. Trent (TRENT IN) continues to grow with store addition though margins may pare on higher costs. FSN E-Commerce Ventures' (NYKAA IN) growth may be broad-based, with modest QoQ gain in BPC take rate and lower loss in Fashion.

Spirits – Diverging trends: After a stellar H2FY25, Alcobev in Q1 may see mixed trends. In P&A, RDCK's volume may grow a strong 17.5% YoY, led by continued market share gain and innovation. UNITDSPR, on a high base (election-led inventory stocking), may grow 6% YoY (3%, excluding AP). The recent policy shift in Maharashtra may show its impact from Q1. Realization per case for RDCK could grow 4.5%YoY (flat 0.5% YoY for UNITDSPR). For RDCK and UNITDSPR, the regular segment may grow 26.0% and 2.0% YoY respectively, as a change in route to market in AP should drive traction. Profitability-wise, QoQ, gross margin may largely be stable (slight gain for RDCK). Expect premiumization-led EBITDA margin gain for RDCK (14.3% in Q1E, up 119bps YoY). Last year's high base with upfront A&P investment in Q1 may pare UNITDSPR's EBITDA margin by 300bps YoY to 16.5%.

Beer – Growth on a low base: UBBL may post 7.2% YoY volume growth, on an impacted base by distribution woes in Q1FY25 (due to elections). It would have fared better without early rains. Per checks, premium beer is growing at >20%, with strong traction in *King Fisher Ultra Max* and *Heineken*, due to higher absorption of excise hikes versus regular category in key states. Realization per case may be at 3% YoY led by better state mix. Revenue may grow 10.4% YoY in Q1E. UBBL has launched *Amstel Grande* in Karnataka. Lower gross margin YoY may pare EBITDA margin by 20bps YoY to 11.3%.

TRENT – Stable EBITDA margin with high single digit LFL: In Q1E, TRENT's store network may reach 790 for *Zudio* (+25 in Q1E) and 254 for *Westside* (+6), with 41.3/11.4% YoY growth respectively. Standalone revenue may grow 28.3% YoY, backed by high-single digit LFL. Gross margin may rise by 117bps QoQ to 43.8% post aberration in Q4, but EBITDA margin may remain stable YoY at 15.3% (a drop of 64bps QoQ on seasonally high rental costs).

NYKAA – Broad-based growth: Revenue growth of 25.3% should be led by GMV growth of 28% YoY in BPC, with take rate likely improving 20bps QoQ to 62.2%, led by ad revenue growth and lower discounting. Fashion may accelerate with GMV growth of 27.0% YoY, and a 47bps rise in take rate to 16.0% in Q1E. In BPC, EBITDA margin may be stable QoQ to 8.9%, on sustained A&P spend. QoQ, EBITDA loss in Fashion may be lower by 17%. Consolidated EBITDA margin may expand to 6.8% in Q1E (up 36bps QoQ).

Elara Consumer Discretionary – Coverage matrix

Company	Ticker	Rating	Mcap (INR bn)	CMP (INR)	TP (INR)	Upside (%)	P/E (x)			EV/EBITDA (x)			ROE (%)		
							FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
United Spirits	UNITDSPR IN	Reduce	11,899	1,400	1,560	11	62.5	55.6	48.5	43.9	39	34.1	19.1	18.3	18.1
United Breweries	UBBL IN	Reduce	6,024	1,950	2,070	6	69.5	56.7	45.3	44.8	37.6	30.7	16.1	17.6	19.2
Radico Khaitan	RDCK IN	Accumulate	4,017	2,569	2,600	1	67.5	53.7	40.9	40.2	33.7	27.3	17.1	18.3	20
Trent	TRENT IN	Buy	25,515	6,144	8,300	35	104	83.3	64.6	62.9	50.7	39.8	32.5	31.3	31.5
FSN E-Commerce Ventures	NYKAA IN	Accumulate	6,917	207	225	9	198.5	103.6	72.3	77.6	54.2	40.7	20	29.7	31.2
Jubilant FoodWorks	JUBI IN	Accumulate	5,471	710	730	3	139.6	112.8	90.7	36.6	31.8	27.9	14	15.4	16.8
Devyani International	DEVYANI IN	Buy	2,381	169	215	28	136.2	92.4	68.8	23.8	20.5	18.1	10.3	13.5	15.6
Westlife Foodworld	WESTLIFE IN	Accumulate	1,399	768	750	-2	263.6	169.8	102.9	35.5	30.4	26.2	7.5	11.5	17.6
Sapphire Foods	SAPPHIRE IN	Buy	1,228	327	370	13	205.9	94.4	59.8	21.9	18.1	15.8	3.6	7.4	10.7
Restaurant Brands Asia	RBA IN	Buy	564	83	100	21	nm	nm	nm	17.3	13.5	11.2	nm	nm	nm

Note: Pricing as on 01 July 2025; Source: Company, Elara Securities Estimate

	Revenue (INR mn)		
	FY26E	FY27E	FY28E
United Spirits	129,708	146,682	166,246
United Breweries	91,602	105,801	119,978
Radico Khaitan	56,598	65,392	76,086
Trent	216,066	265,114	328,957
FSN E-Commerce Ventures	103,515	133,236	171,925
Jubilant FoodWorks	70,109	78,276	86,330
Devyani International	58,408	64,539	71,082
Westlife Foodworld	27,718	30,521	33,745
Sapphire Foods	31,364	35,560	40,126
Restaurant Brands Asia	28,882	32,322	35,387

	Adjusted PAT (INR mn)		
	FY26E	FY27E	FY28E
United Spirits	16,293	18,323	21,027
United Breweries	6,857	10,036	12,267
Radico Khaitan	5,086	6,392	8,389
Trent	21,000	26,232	33,836
FSN E-Commerce Ventures	2,998	5,732	8,202
Jubilant FoodWorks	3,356	4,151	5,163
Devyani International	1,523	2,246	3,013
Westlife Foodworld	454	705	1,164
Sapphire Foods	510	1,113	1,756
Restaurant Brands Asia	(1,739)	(1,580)	(1,465)

Source: Elara Securities Estimate

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Exhibit 1: Elara Consumer Discretionary – Q1FY26E preview

	Revenue (INR Mn)					EBITDA (INR Mn)					EBITDA Margin (%)	Recurring PAT (INR Mn)				
Company	Q1	Q4	Q1	QoQ	YoY	Q1	Q4	Q1	QoQ	YoY	Q1	Q1	Q4	Q1	QoQ	YoY
	FY26E	FY25	FY25	(%)	(%)	FY26E	FY25	FY25	(%)	(%)	FY26E	FY26E	FY25	FY25	(%)	(%)
United Spirits	24,976	29,460	23,520	(15.2)	6.2	4,121	5,050	4,580	(18.4)	(10.0)	16.5	2,898	4,510	2,990	(35.8)	(3.1)
United Breweries	27,305	23,214	24,730	17.6	10.4	3,086	1,862	2,847	65.7	8.4	11.3	1,924	974	1,733	97.6	11.0
Radico Khaitan	13,635	13,041	11,365	4.6	20.0	1,950	1,775	1,490	9.8	30.9	14.3	1,108	921	774	20.3	43.2
Jubilant Foodworks	16,774	15,872	14,396	5.7	16.5	3,254	3,056	2,782	6.5	17.0	19.4	660	495	515	33.4	28.1
Devyani International	13,201	12,126	12,219	8.9	8.0	2,137	1,860	2,158	14.9	(1.0)	16.2	58	-165	224	(134.8)	(74.3)
Westlife Foodworld	6,681	6,031	6,163	10.8	8.4	863	770	786	12.0	9.7	12.9	58	15	33	281.5	78.5
Sapphire Foods	7,944	7,113	7,183	11.7	10.6	1,317	1,062	1,242	24.0	6.0	16.6	124	59	82	110.8	52.0
Restaurant Brands Asia	6,941	6,325	6,467	9.7	7.3	858	732	631	17.2	35.8	12.4	-439	-604	-522	(27.3)	(15.9)
FSN E-commerce Ventures	21,885	20,618	17,461	6.1	25.3	1,495	1,334	961	12.1	55.6	6.8	375	191	142	96.6	163.1
Trent	52,256	42,169	41,044	23.9	27.3	7,814	6,520	6,127	19.8	27.5	15.0	4,146	3,116	3,912	33.1	6.0

Source: Company, Elara Securities Estimate

QSR emerging strong from overall base

Recovery in the QSR sector may be mixed across categories. Key themes for Q1 are – Increased focus on combination meals and value offerings (to up footfall), dine-in channel continuing to be occasion-based and delivery channel continuing with its momentum.

Growth wise, within the Pizza category, same store sales (SSS) for Pizza Hut may drop on a high base of Average daily sales (ADS) last year. Expect Sapphire Foods' (SAPPHIRE IN) Pizza Hut to post an SSS decline of 2.5%, while Devyani International's (DEVYNI IN) Pizza Hut may post a 3.0% SSS drop. Market leader, JUBI, may sustain its momentum into Q1. Expect LFL of 11% in Q1E, led by delivery-focused offers during the IPL season.

Burger brands have likely sustained positive same-store sales growth (SSSG) in the quarter. Restaurant Brands Asia (RBA IN) is expected to report a YoY SSSG of 2.0%, supported by stable average daily sales (ADS). Westlife Foodworld (WLDL IN) may post a 2.5% YoY SSSG, partly aided by a low base.

In the fried chicken segment, KFC is showing a partial recovery following the impact of the bird flu outbreak in Q1 across key operating states. As a result, Devyani International (DEVYANI) and Sapphire Foods (SAPPHIRE) are expected to report SSS declines of 2.5% and ~1.0%, respectively.

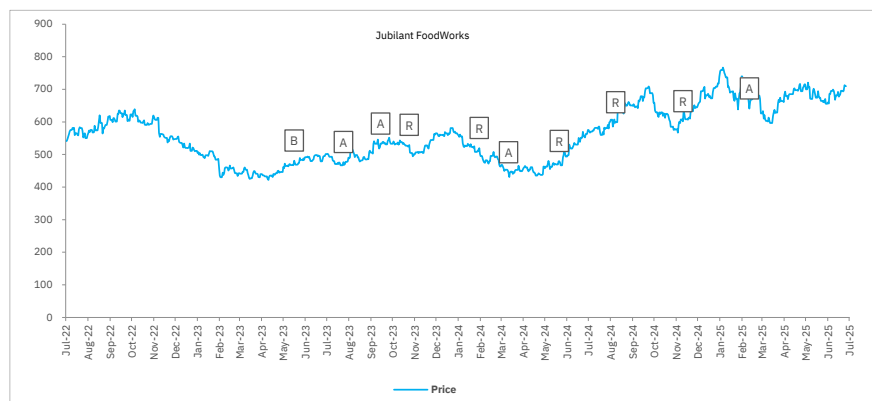
Store additions are expected to moderate in Q1E due to seasonality. JUBI is likely to add 35 stores, up 9.1% YoY. In the pizza segment, DEVYANI is expected to see net additions of two Pizza Hut outlets, while SAPPHIRE is likely to remain flat.

In the fried chicken category, DEVYANI and SAPPHIRE KFCs are estimated to add 17 and 10 stores, translating to a YoY growth of 15.6% and 15.8%, respectively.

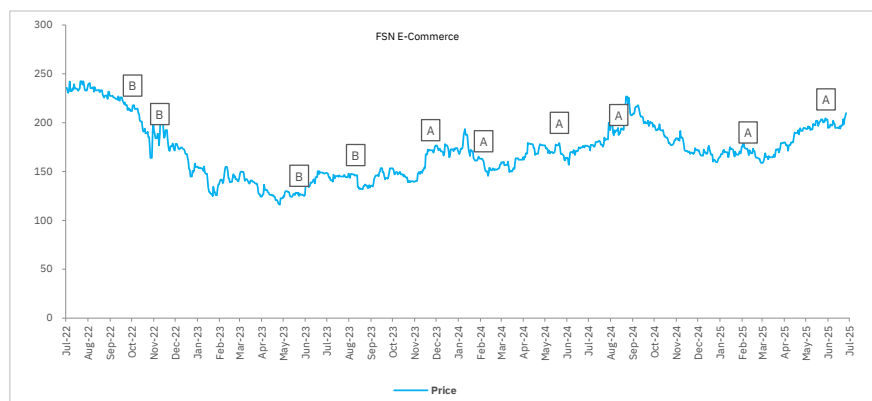
In the burger segment, RBA and WLDL are expected to add 3 and 6 stores, respectively, in Q1E.

Profitability-wise, sequentially, gross margins may be largely similar, even as the focus on value offers may have increased. A&P spends are expected to sustain due to the IPL season. Expect JUBI to post modest gain in EBITDA margin (15bps) to 19.4%. For Devyani and Sapphire, EBITDAM (pre-Ind As) losses in Pizza Hut may reduce ~26% QoQ each, though elevated YoY. KFC margins are expected to improve QoQ, aided by a moderation in same-store sales decline. For burger chains, EBITDA margins (post Ind AS 116) are likely to see a sequential expansion of 10-70bps.

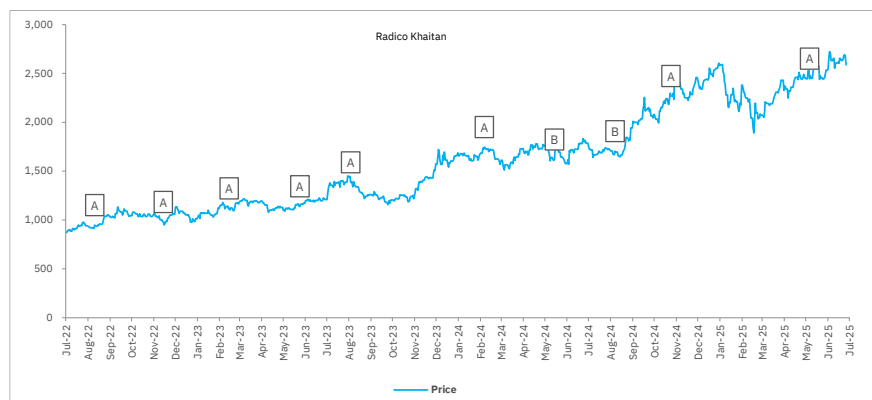
Coverage History



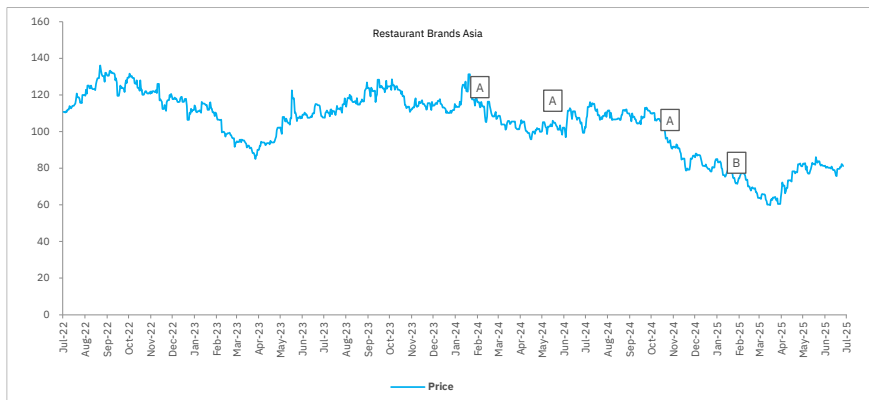
Date	Rating	Target Price (INR)	Closing Price (INR)
17-May-2023	Buy	600	481
25-Jul-2023	Accumulate	510	477
15-Sep-2023	Accumulate	560	533
25-Oct-2023	Reduce	515	529
31-Jan-2024	Reduce	500	520
12-Mar-2024	Accumulate	500	445
22-May-2024	Reduce	460	480
09-Aug-2024	Reduce	610	599
11-Nov-2024	Reduce	630	603
12-Feb-2025	Accumulate	730	641



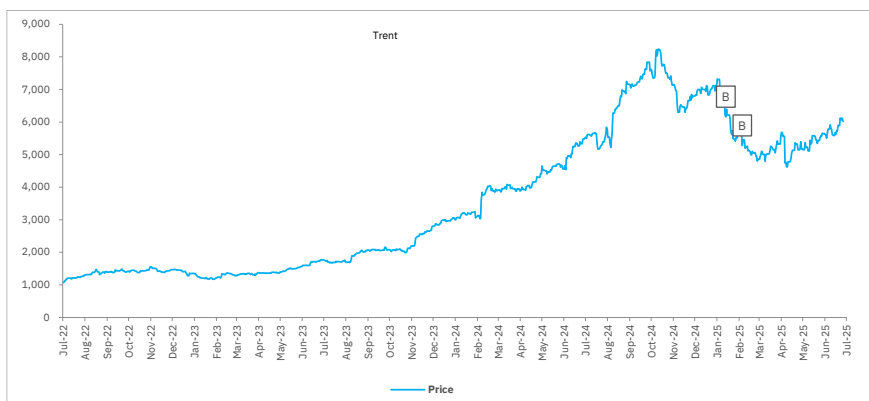
Date	Rating	Target Price (INR)	Closing Price (INR)
03-Oct-2022	Buy	1,431	1,305
10-Nov-2022	Buy	239	188
24-May-2023	Buy	210	125
11-Aug-2023	Buy	200	146
24-Nov-2023	Accumulate	200	172
06-Feb-2024	Accumulate	185	160
22-May-2024	Accumulate	195	179
13-Aug-2024	Accumulate	210	187
10-Feb-2025	Accumulate	195	169
30-May-2025	Accumulate	215	203



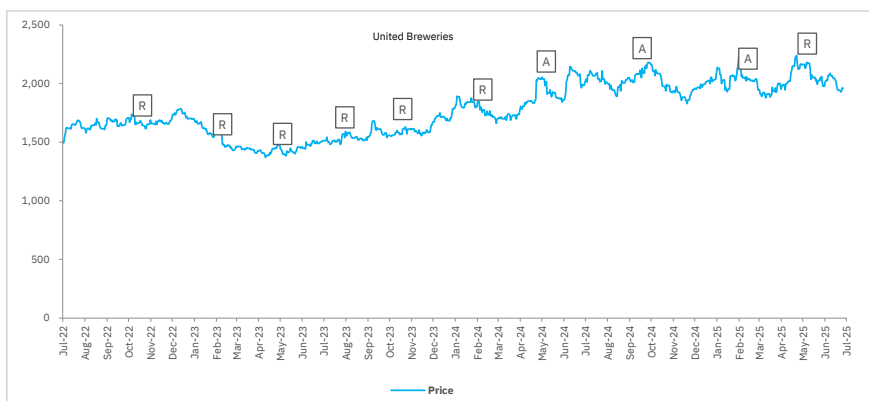
Date	Rating	Target Price (INR)	Closing Price (INR)
11-Aug-2022	Accumulate	990	947
15-Nov-2022	Accumulate	1,050	978
15-Feb-2023	Accumulate	1,150	1,118
25-May-2023	Accumulate	1,200	1,138
04-Aug-2023	Accumulate	1,475	1,384
07-Feb-2024	Accumulate	1,900	1,745
15-May-2024	Buy	1,950	1,618
08-Aug-2024	Buy	2,000	1,704
25-Oct-2024	Accumulate	2,380	2,269
07-May-2025	Accumulate	2,600	2,446



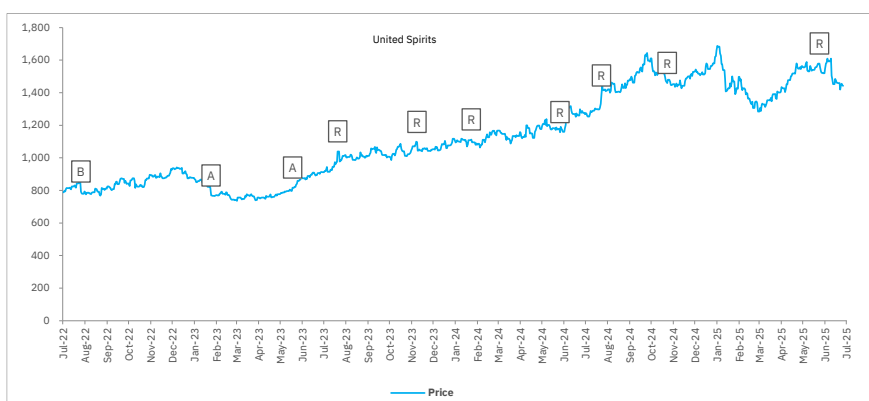
Date	Rating	Target Price (INR)	Closing Price (INR)
05-Feb-2024	Accumulate	130	113
17-May-2024	Accumulate	125	106
28-Oct-2024	Accumulate	110	95
29-Jan-2025	Buy	100	72



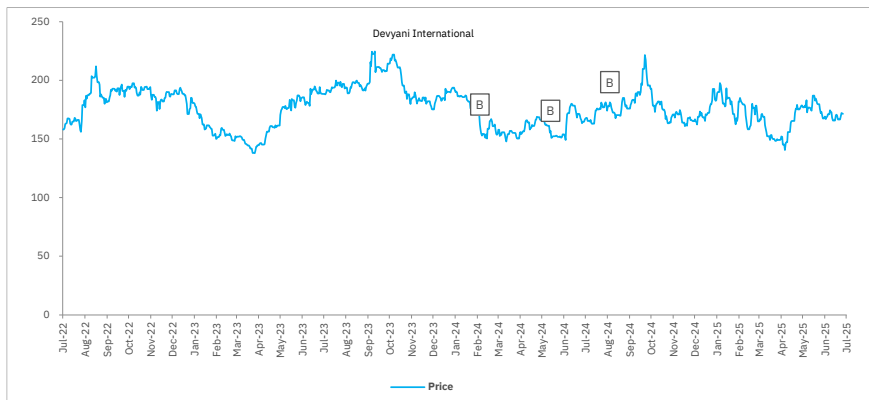
Date	Rating	Target Price (INR)	Closing Price (INR)
14-Jan-2025	Buy	8,500	6,161
06-Feb-2025	Buy	8,300	5,277



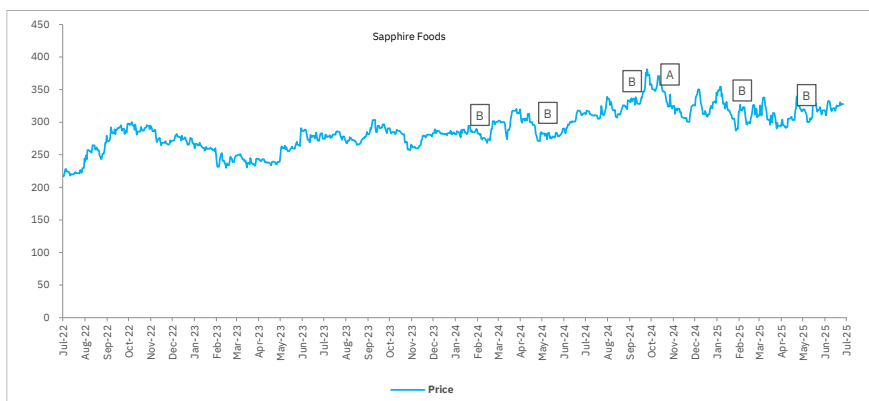
Date	Rating	Target Price (INR)	Closing Price (INR)
21-Oct-2022	Reduce	1,700	1,642
10-Feb-2023	Reduce	1,500	1,481
05-May-2023	Reduce	1,400	1,399
31-Jul-2023	Reduce	1,510	1,540
20-Oct-2023	Reduce	1,575	1,611
09-Feb-2024	Reduce	1,725	1,777
08-May-2024	Accumulate	2,120	2,016
19-Sep-2024	Accumulate	2,300	2,131
14-Feb-2025	Accumulate	2,200	2,041
08-May-2025	Reduce	2,070	2,169



Date	Rating	Target Price (INR)	Closing Price (INR)
27-Jul-2022	Buy	1,000	793
25-Jan-2023	Accumulate	920	769
19-May-2023	Accumulate	900	817
21-Jul-2023	Reduce	1,060	1,039
09-Nov-2023	Reduce	1,100	1,097
24-Jan-2024	Reduce	1,170	1,112
27-May-2024	Reduce	1,220	1,158
24-Jul-2024	Reduce	1,400	1,383
24-Oct-2024	Reduce	1,454	1,460
25-May-2025	Reduce	1,560	1,579



Date	Rating	Target Price (INR)	Closing Price (INR)
05-Feb-2024	Buy	210	162
14-May-2024	Buy	190	157
05-Aug-2024	Buy	215	181



Date	Rating	Target Price (INR)	Closing Price (INR)
05-Feb-2024	Buy	1,740	1,401
10-May-2024	Buy	1,785	1,417
05-Sep-2024	Buy	357	332
28-Oct-2024	Accumulate	390	342
06-Feb-2025	Buy	390	318
07-May-2025	Buy	370	311

Guide to Research Rating

BUY (B)	Absolute Return >+20%
ACCUMULATE (A)	Absolute Return +5% to +20%
REDUCE (R)	Absolute Return -5% to +5%
SELL (S)	Absolute Return < -5%