

ALLIED BLENTERS & DISTILLERS LTD. (ABDL)

KTAs from Rangapur Integrated Manufacturing Facility Visit

Allied Blenders & Distillers (ABDL): PET Plant Goes Live

October 03, 2025 | CMP: INR 530 | Target Price: INR 590

Expected Share Price Return: 11.3% | Dividend Yield: 0.7% | Expected Total Return: 12.0%

ADD

Sector View: Positive

Company Info

BB Code	ABDL: IN
Face Value (INR)	2.0
52 W High/Low (INR)	566/279
Mkt Cap (INR Bn)	148.2
Shares o/s (Mn)	279.7
3M Avg. Daily Volume	4,94,725

Key Financials

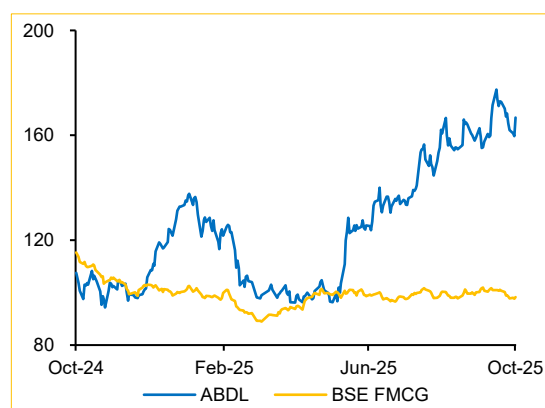
INR Bn	FY24	FY25	FY26E	FY27E	FY28E
Revenue	32.2	31.7	33.1	35.4	38.1
YoY (%)	33.3	35.2	40.2	46.4	54.2
EBITDA	2.4	4.3	5.1	6.7	8.1
EBITDAM %	7.3	12.2	12.8	14.4	14.9
Adj PAT	0.0	1.9	2.4	3.4	4.5
EPS	0.1	7.0	8.7	12.2	16.1
ROE %	0.4	20.0	14.7	17.4	19.1
ROCE %	15.3	20.2	16.6	19.4	21.4
PE(x)	NA	73.4	60.6	43.4	33.0

Shareholding Pattern (%)

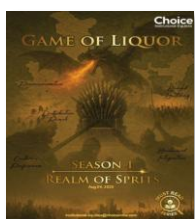
	Dec-24	Mar-25	Jun-25
Promoters	80.9	80.9	80.9
FIs	2.5	2.8	2.8
DIs	4.0	4.0	4.7
Public	12.5	12.3	11.5

Relative Performance (%)

YTD	3Y	2Y	1Y
BSE FMCG	NA	NA	(15.5)
ABDL	NA	NA	49.7



Game of Liquor - Indian AlcoBev - Spirits Industry Thematic


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Key Takeaways from Management Interaction at the Plant:

1. The plant was constructed at a cost of INR 1,150 Mn. The company further plans to get approvals for linking the PET plant with a conveyor belt to existing bottling facilities.
2. The PET plant has a capacity of 600 Mn bottles p.a. and will meet a significant portion of Rangapur Bottling Plant's packaging needs.
3. All PET bottles produced in the plant are consumed in Telangana and AP bottling facilities, saving logistical as well as outsourcing costs.
4. With the opening of the new PET plant, Management is on track for its larger 3-year strategy involving a capex of INR 5,270Mn.
5. The backward integration strategy consists of a PET Plant, Malt Plant and ENA capacity expansion at its Meenakshi Distillery in Aurangabad.
6. Upon the execution of the entire strategy, Management expects EBITDA margin to increase by ~300bps.

Rangapur Integrated Manufacturing Facility – ENA, Bottling and PET at one location

Rangapur is the largest facility with 60 Mn LPA ENA, 600 Mn p.a. bottle manufacturing and 10 Mn p.a. bottling capacity. The facility benefits from an uninterrupted water source from nearby Krishna river. The distillery uses broken rice for production of ENA, majority of which is sourced locally. With 1 Tonne of broken rice, roughly 400–500 bulk litres of ENA can be produced. The rest is by-product of DDGS and DDWS (cattle/animal feed). Filling and sealing of the bottles from large tanks is automatic, while QC is manual. The plant pushes out 0.7–0.8 Mn cases of alcoholic beverages every month. The plant is used for production of Officer's Choice Whiskey, Officer's Choice, ICONIQ White, Sterling Reserve B7 among other brands in mass premium and P&A categories.

Malt Plant expected to go live in Q4FY26E, completing integration

We also visited the under-construction site for the upcoming 4 MLPA Malt plant. The plant is expected to provide for the company's majority malt requirements. Additionally, we noted efforts towards development of a home-grown single malt. Single malt whiskeys need malt liquids which have been aged for at least 3-years. Hence, an in-house single malt is only expected to be developed by FY29E.

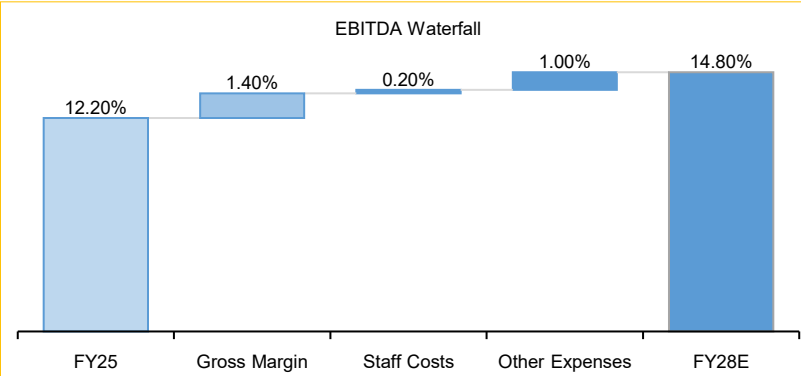
Valuation – Maintain BUY rating with a TP of INR 590

We have already baked in the margin improvement from the commissioning of the PET Plant. We estimate these savings to be INR ~300 Mn per year. Projecting a ~15% revenue CAGR over FY25–FY28E, we conservatively estimate that backward integration will grow EBITDA margin to 14.9%, thus arriving at a Net Income CAGR of ~32%. Therefore, we maintain our "ADD" rating on the stock, with a TP of INR 590 using a DCF approach. Our TP implies a PE of 48.3x / ~37x over FY27E / FY28E EPS, respectively.

Key Risks

- New launches gaining slower-than-expected traction
- Possible delay in commissioning of vertically integrated plants
- Working capital issues.

We expect PET Plant to add 55 bps; out of a total EBITDA upgrade of 260 bps



Source: ABDL, Choice Institutional Equities

ENA Distillery



Source: ABDL, Choice Institutional Equities

Bottling Plant



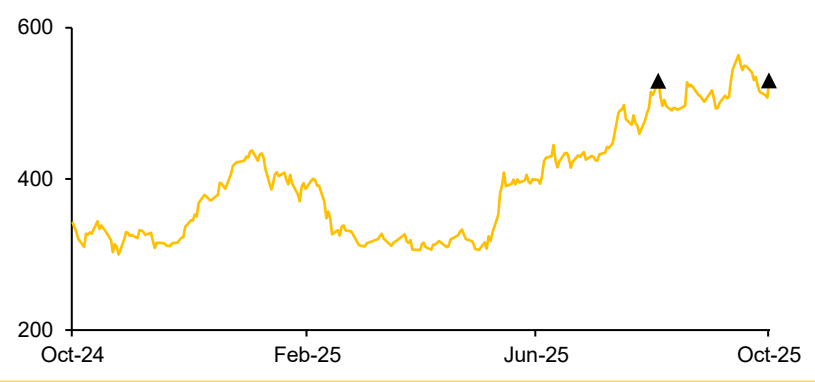
Source: ABDL, Choice Institutional Equities

PET Plant



Source: ABDL, Choice Institutional Equities

Historical share price chart: Allied Blenders & Distillers Limited



Date	Rating	Target Price
August 04, 2025	ADD	590

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

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