

# United Spirits

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	UNITDSPR IN
Equity Shares (m)	727
M.Cap.(INRb)/(USD\$)	1069 / 12.4
52-Week Range (INR)	1700 / 1055
1, 6, 12 Rel. Per (%)	-3/12/25
12M Avg Val (INR M)	1291

## Financials & Valuations (INR b)

Y/E March	2025E	2026E	2027E
Sales	116.5	127.7	139.6
Sales Gr. (%)	9.0	9.6	9.3
EBITDA	19.9	22.2	24.6
Margin (%)	17.1	17.4	17.6
PAT	13.9	15.7	17.5
EPS (INR)	19.2	21.6	24.1
EPS Gr. (%)	5.9	12.9	11.2
BV/Sh.(INR)	115.8	138.1	162.9

## Ratios

RoE (%)	16.6	15.7	14.8
RoCE (%)	23.7	22.3	20.9
Payout (%)	46.9	55.4	62.3

## Valuations

P/E (x)	76.6	67.9	61.1
P/BV (x)	12.7	10.6	9.0
EV/EBITDA (x)	52.4	46.3	41.4

## Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	56.7	56.7	56.7
DII	13.6	13.2	12.5
FII	15.9	16.1	16.2
Others	13.8	14.1	14.6

FII includes depository receipts

**CMP: INR1,470 TP: INR1,650 (+12%) Neutral**

## Festive- & AP-led volume surge; in line margin

- United Spirits (UNSP) reported revenue growth of 15% YoY (est. 13%) in 3QFY25, along with total volume growth of 10% (est. 8%). The Prestige & Above (P&A) segment clocked volume and value growth of 11% and 16%. The Popular segment posted 6%/10% YoY volume/value growth. Andhra Pradesh (AP) saw a quick ramp-up after the policy change and contributed 6% to the overall revenue in 3Q.
- Positive consumer sentiment during the festive period, along with higher wedding counts, sustained healthy demand for liquor throughout the quarter. However, the benefits from AP channel filling will narrow down from 4Q onwards. As a result, we will need to track the underlying demand trend, which appears weaker for many categories in the near term (particularly in urban).
- The company remains committed to achieving double-digit P&A growth, including AP in FY25 (9% in 9MFY25). We model a 10% P&A growth in FY25.
- Gross margin expanded 130bp YoY to 44.7% (est. 44.6%), driven by pricing and soft glass prices. EBITDA margins expanded 70bp YoY to 17.1% (est. 17.0%), partially offset by the increasing expenses in AP. We estimate a 17% EBITDA margin in FY25 (16% in FY24).
- We value UNSP at 60x Dec'26E standalone EPS and include INR250/share for its RCB+ non-core assets to arrive at a **TP of INR1,650** and maintain our Neutral rating on the stock.

## Strong volume-led performance; in-line margin

- Double-digit volume growth:** Standalone net sales grew 15% YoY to INR34.3b (est. INR33.7b) in 3QFY25. P&A revenue (90% revenue mix) was up 16% YoY and Popular revenue grew 10% YoY. Sales growth was driven by resilient consumer demand in the peak festive season and a fast scale-up in AP. Total volume rose 10%, with P&A volume up 11% YoY to 14.9m cases (est. 14.6mn cases) and Popular volume up 6% YoY to 3.2m cases (est. 3.2m cases). AP contributed 6.1% to the overall revenue growth in 3QFY25 and 2.4% on a YTD basis. The price mix for the quarter stood at 4.6%, and 5.2% excluding AP.
- GM expansion continues:** Gross margin expanded 130bp YoY to 44.7% (est. 44.6%) on the back of sustained revenue growth and improved productivity. A&P spend was up 16% YoY, employee costs rose 23% YoY, and other expenses grew 17% YoY. EBITDA margin expanded 70bp YoY to 17.1% (est. 17.0%).
- Double-digit profit growth:** EBITDA grew 20% YoY to INR5.9b (est. INR5.7b). PBT rose 24% YoY to INR5.7b (est. INR5.2b) and APAT grew 21% YoY to INR4.2b (est. INR3.9b).
- There is an exceptional charge of INR650m related to severance costs for a closed unit.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

**Highlights from the management commentary**

- The demand environment for the company shows sequential improvement. Management anticipates a stable demand situation, with P&A showing a positive trend (slight weakness at the premium end).
- This quarter marked the transition of AP alcobev retail operations from government control to private retailers, leading to a retail pipeline filling and a significant scale-up. AP contributed 6.1% to overall revenue in 3QFY25 and 2.4% on a YTD basis.
- Inventory levels are at ~60 days, with retailers holding 30-35 days of inventory and corporation deposits holding 20-25 days of inventory.
- ENA prices continue to face inflationary pressures, and this trend is expected to persist for the next couple of quarters. However, glass cost has been stabilized.
- The company has expanded its portfolio with X Series, a new non-whiskey offering under McDowell's brand, now launched in five key markets: Maharashtra, Goa, Uttar Pradesh, Rajasthan, and Madhya Pradesh.

**Valuation and view**

- There are no changes in our EPS estimates for FY25 and FY26.
- UNSP sold a large part of its Popular portfolio to focus on its global strategy for the premium portfolio. The liquor industry is currently experiencing an upgrading trend, which aligns well with UNSP's renewed emphasis on P&A, supporting the long-term liquor upgrading narrative in India.
- Liquor policies in many states are becoming more favorable, driving consumer upgrades and increased frequency. UNSP is well-positioned to capitalize on this large opportunity. Operating margins remain healthy and EBITDA margin is expected to sustain in the 17%-17.5% range.
- We value UNSP at a 60x Dec'26E standalone EPS and include INR250/share for its RCB + non-core assets to arrive at a **TP of INR1,650**. With the limited upside, we maintain our Neutral rating on the stock.

**Quarterly Performance****(INR m)**

Y/E March (Standalone)	FY24				FY25E				FY24	FY25E	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			2QE	(%)
<b>Volume growth %</b>	5.8	1.0	-1.8	3.7	3.5	-4.4	10.2	7.5	1.9	4.2	7.9	
<b>Total revenues</b>	21,719	28,647	29,893	26,660	23,520	28,430	34,320	30,248	1,06,920	1,16,518	33,671	1.9%
YoY change (%)	-1.0	-1.4	7.5	6.9	8.3	-0.8	14.8	13.5	3.1	9.0	12.6	
<b>Gross Profit</b>	9,474	12,437	12,979	11,550	10,460	12,850	15,350	13,423	46,440	52,083	15,017	2.2%
Margin (%)	43.6	43.4	43.4	43.3	44.5	45.2	44.7	44.4	43.4	44.7	44.6	
Total Exp	17,868	23,946	24,979	23,040	18,940	23,360	28,440	25,911	89,840	96,651	27,943	
<b>EBITDA</b>	3,851	4,701	4,914	3,620	4,580	5,070	5,880	4,336	17,080	19,866	5,729	2.6%
Margins (%)	17.7	16.4	16.4	13.6	19.5	17.8	17.1	14.3	16.0	17.1	17.0	
EBITDA growth (%)	42.4	6.3	33.6	7.1	18.9	7.8	19.7	19.8	20.4	16.3	16.6	
Depreciation	650	653	628	710	650	690	720	725	2,640	2,785	690	
Interest	193	262	164	290	220	250	200	230	910	900	250	
Other income	209	388	461	500	320	340	720	1,017	1,560	2,397	400	
<b>PBT</b>	3,217	4,174	4,583	3,120	4,030	4,470	5,680	4,398	15,090	18,578	5,189	9.5%
Tax	814	1,068	1,102	760	1,040	1,120	1,480	1,107	3,740	4,645	1,306	
Rate (%)	25.3	25.6	24.0	24.4	25.8	25.1	26.1	25.2	24.8	25.0	25.2	
<b>Adj. PAT</b>	2,397	3,183	3,481	2,340	2,990	3,350	4,203	3,291	11,400	13,934	3,883	8.3%
YoY change (%)	8.1	20.7	61.0	10.2	24.8	5.3	20.7	40.6	29.4	22.2	11.5	
Extraordinary inc/(Exp)	-21	307	0	1,480	0	0	530	0	1,766	530	3,883	
<b>Reported PAT</b>	2,382	3,413	3,481	3,840	2,990	3,350	4,730	3,291	13,116	14,464	11.5	

E: MOFSL Estimate

**Key Performance Indicators**

Y/E March (Standalone)	FY24				FY25			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE
<b>Key Metrics</b>								
Sales Volume (m Cases)	13.2	16.1	16.5	15.6	13.7	15.4	18.2	16.8
Volume Growth %	5.8	1.0	-1.8	3.7	3.5	-4.4	10.2	7.5
Realisation/case (INR)	1,640	1,776	1,814	1,710	1,717	1,844	1,890	1,805
Realisation growth %	-6.4	-2.3	9.5	3.1	4.7	3.9	4.2	5.6
EBIDTA/Case (INR)	290.8	291.4	298.3	232.1	334.3	328.9	323.9	258.7
<b>Segmental performance</b>								
P&A Volumes (m Cases)	11.0	13.4	13.4	12.4	11.5	12.9	14.9	13.4
Popular Volumes (m Cases)	2.3	2.8	3.1	3.2	2.2	2.5	3.2	3.4
P&A Volumes Growth (%)	10.3	3.8	4.6	3.7	5.1	-3.7	11.2	8.0
Popular Volumes Growth (%)	-11.9	-10.9	-22.8	4.0	-4.6	-7.9	5.9	5.4
P&A Sales Growth (%)	21.2	12.8	10.0	6.5	10.1	0.3	16.1	12.9
Popular Sales Growth (%)	0.9	-56.1	-12.4	3.3	-2.7	-6.9	9.5	8.3
<b>Average growth for the last two years (%)</b>								
Volume	11.8	4.6	-13.4	-11.8	4.6	-1.7	4.2	5.6
Sales	17.4	8.7	2.0	3.3	3.6	-1.1	11.1	10.2
EBITDA	51.8	5.1	4.3	-7.0	30.6	7.1	26.6	13.4
PAT	69.1	8.6	15.3	-7.0	16.4	13.0	40.9	25.4
<b>As a % of Sales</b>								
COGS	56.4	56.6	56.6	56.7	55.5	54.8	55.3	55.6
Operating expenses	25.9	27.0	27.0	29.7	25.0	27.4	27.6	30.0
Depreciation	3.0	2.3	2.1	2.7	2.8	2.4	2.1	2.4
<b>YoY change (%)</b>								
COGS	-5.6	-7.9	2.3	10.9	6.7	-3.9	12.2	11.3
Operating expenses	-10.3	10.1	6.1	-0.1	4.6	0.6	17.4	14.6
Other Income	-18.4	356.5	98.7	195.9	53.1	-12.4	56.2	103.4
EBIT	63.0	7.1	40.9	7.9	22.8	8.2	20.4	24.1

E: MOFSL Estimates

**Highlights from the management commentary****Operational environment and outlook**

- The demand environment for the company remains moderate but shows sequential improvement.
- Management anticipates a stable demand situation over the next two to three quarters.
- While inflationary pressures persist, the company has effectively mitigated the impact by leveraging its pocket pack strategy, catering to price-sensitive customers.
- Revenue growth during the quarter was led by greater consumer participation in social occasions and festive celebrations during October-December.
- The structural premiumization trend continues to support growth, with no significant signs of down-trading within the portfolio.
- The price mix for the quarter stood at 4.6%, and 5.2% excluding AP.
- The company remains committed to delivering double-digit growth in the P&A segment, including AP, for FY25 and is on track to meet this target.
- Inventory levels are at ~60 days, with retailers holding 30-35 days of inventory and corporation deposits holding 20-25 days of inventory.
- Other income increased due to dividends from a wholly-owned subsidiary, Royal Challengers Bangalore.

**Andhra Pradesh policy change**

- Andhra Pradesh contributed 6.1% of the overall revenue in 3QFY25 and 2.4% on a YTD basis.
- This quarter marked the transition of Andhra Pradesh's alcobev retail operations from government control to private retailers, leading to a retail pipeline filling and a significant scale-up.
- Price levels in Andhra Pradesh are similar to those in Telangana, but a superior cost footprint in Andhra Pradesh contributes to a slightly better profitability.
- Local production was ramped up to meet demand, and the state now has a stable operational setup.
- While the retail pipeline filling has boosted 3Q revenues, quarterly run rates will stabilize over the next two to three quarters.

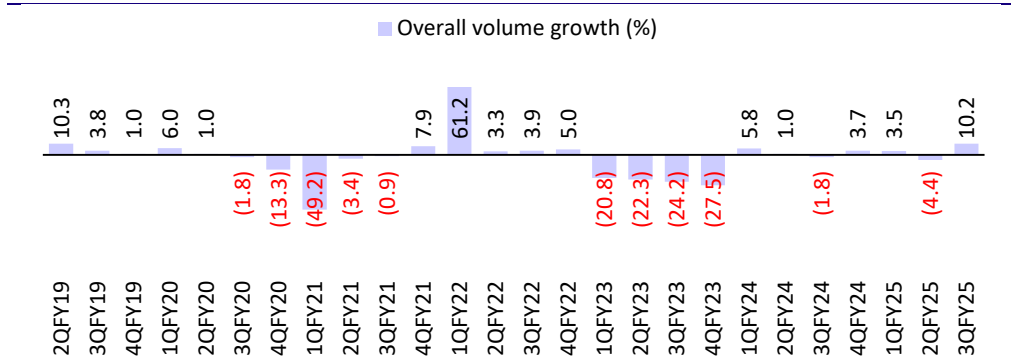
**Costs and margins**

- Neutral alcohol (ENA) costs remain inflated, with a further increase anticipated due to adjustments in ethanol pricing.
- Glass costs have been declining for three quarters but are expected to stabilize, reducing incremental benefits.
- Marketing reinvestment during the quarter was 11% of net sales, aligning with efforts to sustain brand equity during the festive season.
- Employee costs increased due to the setup of new teams in Andhra Pradesh and investments in innovation and commercialization teams.

**Brands/new launches/re-launches**

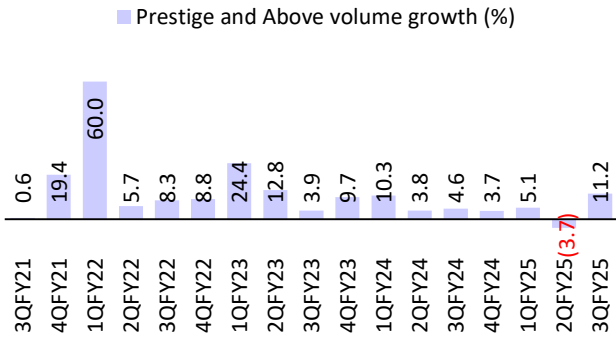
- The company expanded its portfolio with X Series, a new non-whiskey offering under McDowell's brand, now launched in five key markets: Maharashtra, Goa, Uttar Pradesh, Rajasthan, and Madhya Pradesh.
- A 180ml pocket pack for Royal Challenge was introduced in Assam, Rajasthan, and Maharashtra. This 'triple benefit intervention' is designed to enhance consumer penetration, improve carbon footprint efficiency, and boost value chain productivity.
- The company launched Godawan in the UK in December, receiving widespread acclaim for its purpose-driven branding and exceptional quality.
- A duty-free version of Godawan was introduced at Dubai Duty Free, with further rollouts planned for Indian duty-free markets.
- Exclusive limited editions of Godawan were created for premium hotel chains such as Taj, further elevating the brand's luxury positioning.

**Exhibit 1: Overall volume growth was 10.2% YoY, reaching 18.2m cases in 3QFY25**



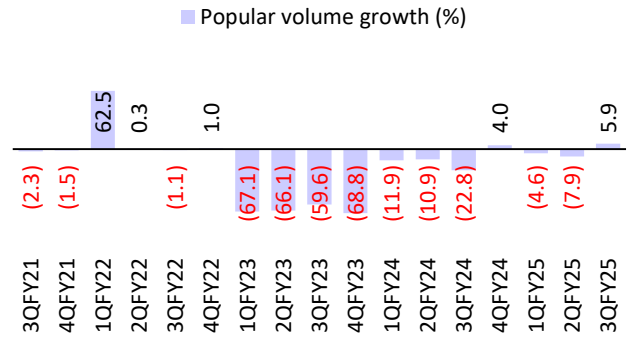
Source: Company, MOFSL

**Exhibit 2: P&A volumes (%) grew 11.2% YoY in 3QFY25**



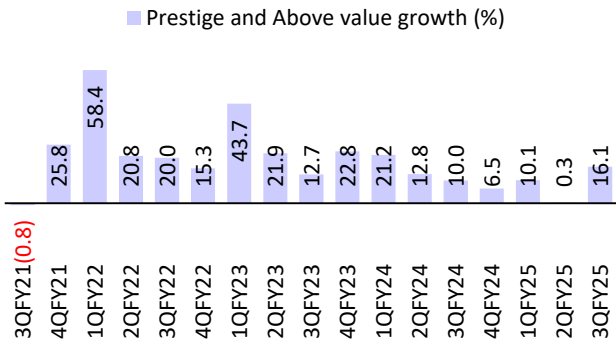
Source: Company, MOFSL

**Exhibit 3: Popular volumes (%) grew 5.9% YoY in 3QFY25**



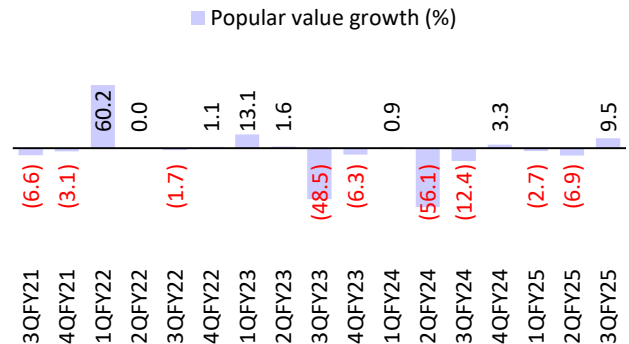
Source: Company, MOFSL

**Exhibit 4: Value growth in P&A stood at 16.1% YoY**



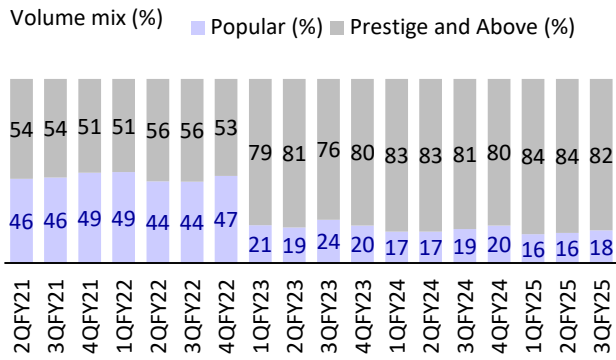
Source: Company, MOFSL

**Exhibit 5: Popular sales up 9.5% YoY in 3QFY25**



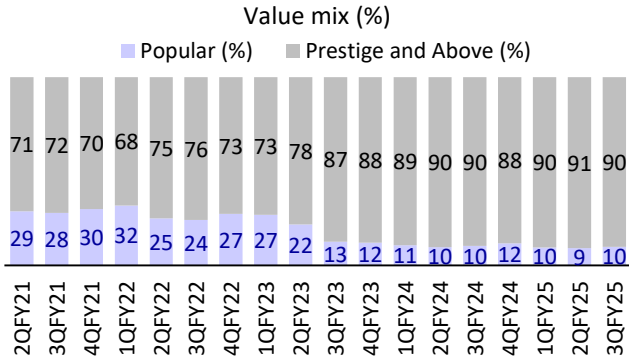
Source: Company, MOFSL

**Exhibit 6: Contribution of P&A volumes stood at 82%...**



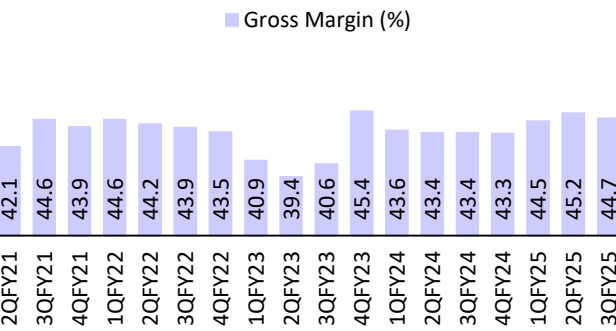
Source: Company, MOFSL

**Exhibit 7: ...while that of value stood at 90%**



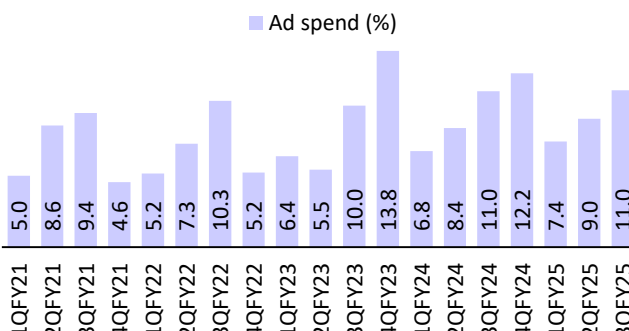
Source: Company, MOFSL

**Exhibit 8: Gross margin expanded 130bp YoY to 44.7%**



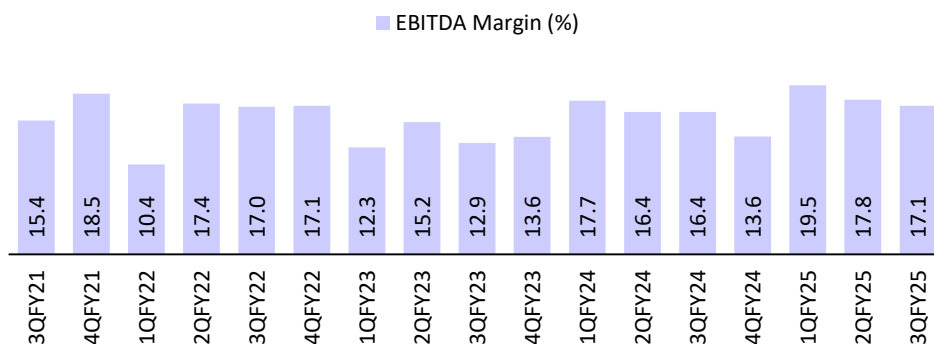
Source: Company, MOFSL

**Exhibit 9: Ad spending flat YoY at 11% of sales**



Source: Company, MOFSL

**Exhibit 10: EBITDA margin expanded 70bp YoY to 17.1% in 3QFY25**



Source: Company, MOFSL

**Valuation and view**

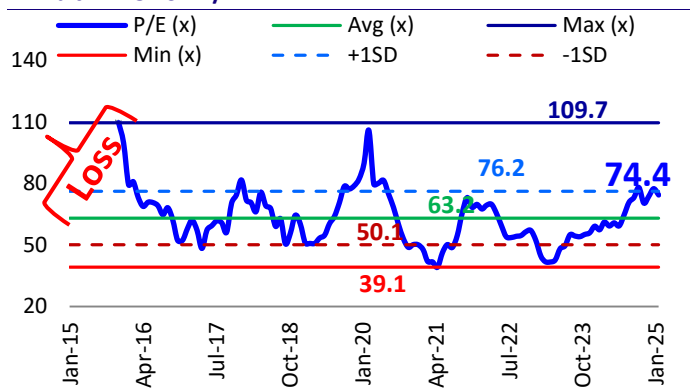
- There are no changes in our EPS estimates for FY25 and FY26.
- UNSP sold a large part of its Popular portfolio to focus on its global strategy for the premium portfolio. The liquor industry is currently experiencing an upgrading trend, which aligns well with UNSP’s renewed emphasis on P&A, supporting the long-term liquor upgrading narrative in India.
- Liquor policies in many states are becoming more favorable, driving consumer upgrades and increased frequency. UNSP is well-positioned to capitalize on this large opportunity. Operating margins remain healthy and EBITDA margin is expected to sustain in the 17%-17.5% range.
- We value UNSP at a 60x Dec’26E standalone EPS and include INR250/share for its RCB + non-core assets to arrive at a **TP of INR1,650**. With the limited upside, we maintain our Neutral rating on the stock.

**Exhibit 11: We have maintained our FY25/FY26 EPS estimates**

	New		Old		% Change	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Total Income	116.5	127.7	115.7	126.3	0.7	1.1
EBITDA	19.9	22.2	19.6	21.9	1.3	1.4
Adjusted PAT	13.9	15.7	13.9	15.7	0.3	0.3

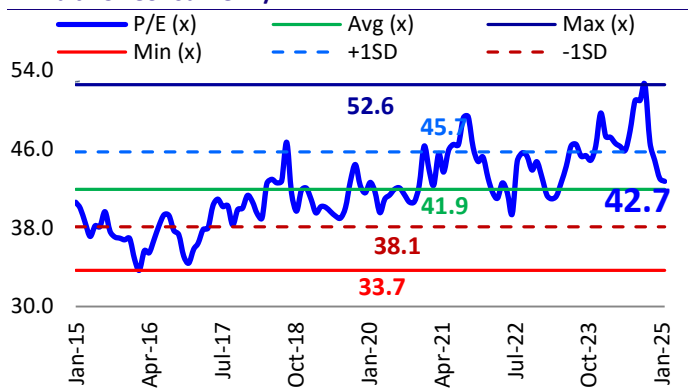
Source: Company, MOFSL

**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	2025E	2026E	2027E
<b>Gross revenue</b>	<b>2,85,123</b>	<b>2,85,892</b>	<b>2,71,764</b>	<b>3,07,731</b>	<b>2,75,775</b>	<b>2,53,890</b>	<b>2,76,680</b>	<b>3,03,163</b>	<b>3,31,455</b>
Excise duty	1,95,317	1,94,983	1,92,872	2,13,494	1,72,038	1,46,970	1,60,163	1,75,493	1,91,870
<b>Net Revenue</b>	<b>89,806</b>	<b>90,909</b>	<b>78,892</b>	<b>94,237</b>	<b>1,03,737</b>	<b>1,06,920</b>	<b>1,16,518</b>	<b>1,27,670</b>	<b>1,39,585</b>
Change (%)	9.9	1.2	-13.2	19.5	10.1	3.1	9.0	9.6	9.3
<b>Gross Profit</b>	<b>43,857</b>	<b>40,689</b>	<b>34,210</b>	<b>41,398</b>	<b>43,019</b>	<b>46,440</b>	<b>52,083</b>	<b>57,452</b>	<b>63,023</b>
Margin (%)	48.8	44.8	43.4	43.9	41.5	43.4	44.7	45.0	45.2
<b>EBITDA</b>	<b>12,874</b>	<b>15,061</b>	<b>9,877</b>	<b>15,104</b>	<b>14,187</b>	<b>17,080</b>	<b>19,866</b>	<b>22,215</b>	<b>24,567</b>
Change (%)	25.2	17.0	-34.4	52.9	-6.1	20.4	16.3	11.8	10.6
Margin (%)	14.3	16.6	12.5	16.0	13.7	16.0	17.1	17.4	17.6
Depreciation	-1,445	-2,275	-2,493	-2,886	-2,706	-2,640	-2,785	-2,936	-3,210
Int. and Fin. Charges	-2,200	-1,907	-1,658	-880	-1,039	-910	-900	-875	-831
Other Income	952	455	478	337	742	1,560	2,397	2,613	2,848
<b>Profit before Taxes</b>	<b>10,181</b>	<b>11,334</b>	<b>6,204</b>	<b>11,675</b>	<b>11,184</b>	<b>15,090</b>	<b>18,578</b>	<b>21,016</b>	<b>23,373</b>
Change (%)	22.5	11.3	-45.3	88.2	-4.2	34.9	23.1	13.1	11.2
Margin (%)	11.3	12.5	7.9	12.4	10.8	14.1	15.9	16.5	16.7
Tax	3,328	4,300	1,587	1,606	2,376	3,740	4,645	5,290	5,883
Tax Rate (%)	32.7	37.9	25.6	13.8	21.2	24.8	25.0	25.2	25.2
<b>Adjusted PAT</b>	<b>6,853</b>	<b>7,904</b>	<b>4,418</b>	<b>9,679</b>	<b>9,235</b>	<b>11,400</b>	<b>13,934</b>	<b>15,726</b>	<b>17,490</b>
Change (%)	24.0	15.3	-44.1	119.1	-4.6	23.4	22.2	12.9	11.2
Margin (%)	7.6	8.7	5.6	10.3	8.9	10.7	12.0	12.3	12.5
Non-rec. (Exp)/Income	-267	13	-1,514	-1,560	1,709	1,766	530	530	530
<b>Reported PAT</b>	<b>6,586</b>	<b>7,047</b>	<b>3,103</b>	<b>8,509</b>	<b>10,517</b>	<b>13,116</b>	<b>14,464</b>	<b>16,256</b>	<b>18,020</b>

### Balance Sheet

	(INR m)								
United Spirits	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E
Share Capital	1,453	1,453	1,453	1,453	1,455	1,450	1,453	1,453	1,453
Reserves	29,862	36,644	39,815	47,470	57,990	68,180	82,644	98,900	1,16,920
Minority Interest	0	0	0	0	0	0	0	0	0
<b>Net Worth</b>	<b>31,315</b>	<b>38,097</b>	<b>41,268</b>	<b>48,923</b>	<b>59,445</b>	<b>69,630</b>	<b>84,097</b>	<b>1,00,353</b>	<b>1,18,373</b>
Loans	25,889	20,730	6,556	3,417	11	0	0	0	0
Deferred Tax Liabilities	-1,878	-1,590	-1,711	-1,428	-1,573	-1,770	-1,947	-2,142	-2,356
<b>Capital Employed</b>	<b>55,326</b>	<b>57,237</b>	<b>46,113</b>	<b>50,912</b>	<b>57,883</b>	<b>67,860</b>	<b>82,150</b>	<b>98,211</b>	<b>1,16,017</b>
<b>Net Fixed Assets</b>	<b>11,282</b>	<b>13,347</b>	<b>13,008</b>	<b>14,866</b>	<b>11,821</b>	<b>11,060</b>	<b>11,275</b>	<b>11,839</b>	<b>12,128</b>
Capital WIP	1,171	1,187	865	957	828	370	278	208	156
Goodwill	0	0	0	0	0	0	0	0	0
Investments	2,984	2,526	2,021	4,390	4,870	9,620	9,508	9,402	9,301
<b>Curr. Assets, L&amp;A</b>	<b>69,308</b>	<b>66,895</b>	<b>63,807</b>	<b>65,586</b>	<b>76,622</b>	<b>84,600</b>	<b>98,140</b>	<b>1,17,375</b>	<b>1,38,860</b>
Inventory	18,767	18,361	19,810	21,643	22,300	20,630	23,942	26,234	28,682
Account Receivables	25,181	22,835	21,601	23,021	23,828	31,280	34,088	37,351	40,836
Cash and Bank	588	345	713	328	8,496	12,090	17,657	29,270	42,552
Others	24,772	25,354	21,683	20,594	21,998	20,600	22,453	24,520	26,790
<b>Curr. Liab. and Prov.</b>	<b>29,419</b>	<b>26,718</b>	<b>33,588</b>	<b>34,887</b>	<b>36,258</b>	<b>37,790</b>	<b>37,050</b>	<b>40,612</b>	<b>44,428</b>
Account Payables	13,360	11,712	13,813	15,279	17,383	18,270	17,238	18,888	20,651
Other Liabilities	12,282	10,661	14,321	14,600	15,037	15,700	15,648	17,160	18,786
Provisions	3,777	4,345	5,454	5,008	3,838	3,820	4,164	4,564	4,991
<b>Net Current Assets</b>	<b>39,889</b>	<b>40,177</b>	<b>30,219</b>	<b>30,699</b>	<b>40,364</b>	<b>46,810</b>	<b>61,089</b>	<b>76,763</b>	<b>94,432</b>
<b>Application of Funds</b>	<b>55,326</b>	<b>57,237</b>	<b>46,113</b>	<b>50,912</b>	<b>57,883</b>	<b>67,860</b>	<b>82,150</b>	<b>98,211</b>	<b>1,16,017</b>

E: MOFSL Estimates

## Financials and valuations

### Ratios

United Spirits	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
<b>Basic (INR)</b>									
<b>EPS</b>	<b>9.4</b>	<b>10.9</b>	<b>6.1</b>	<b>13.3</b>	<b>12.7</b>	<b>18.1</b>	<b>19.2</b>	<b>21.6</b>	<b>24.1</b>
Cash EPS	11.4	14.0	9.5	17.3	16.4	21.8	23.0	25.7	28.5
BV/Share	43.1	52.4	56.8	67.3	81.8	95.8	115.8	138.1	162.9
DPS	0.0	0.0	0.0	0.0	0.0	7.0	9.0	12.0	15.0
Payout %	0.0	0.0	0.0	0.0	0.0	38.6	46.9	55.4	62.3
<b>Valuation (x)</b>									
P/E	155.8	135.1	241.7	110.3	115.8	81.1	76.6	67.9	61.1
Cash P/E	128.7	104.9	154.5	85.0	89.6	67.6	63.9	57.2	51.6
EV/Sales	2.6	2.5	2.8	2.3	1.9	1.8	1.6	1.4	1.2
EV/EBITDA	84.7	72.1	108.5	70.6	74.4	61.1	52.4	46.3	41.4
P/BV	34.1	28.0	25.9	21.8	18.0	15.3	12.7	10.6	9.0
<b>Return Ratios (%)</b>									
RoE	21.9	20.7	10.7	19.8	15.5	18.9	16.6	15.7	14.8
RoCE	14.9	14.6	17.0	24.7	21.1	26.2	23.7	22.3	20.9
RoIC	15.0	15.3	11.5	24.0	20.3	25.1	25.5	25.3	25.9
<b>Working Capital Ratios</b>									
Asset Turnover (x)	1.6	1.6	1.7	1.9	1.8	1.6	1.4	1.3	1.2
<b>Leverage Ratio</b>									
Debt/Equity (x)	0.8	0.5	0.2	0.1	0.0	0.0	0.0	0.0	0.0

### Cash Flow Statement

(INR m)

United Spirits	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Profit before tax	10,181	11,334	6,204	11,675	12,890	16,860	18,578	21,016	23,373
Non-operating & EO Items	-952	-455	-478	-337	-2,170	-2,240	-2,397	-2,613	-2,848
Depreciation and Amort.	1,445	2,275	2,493	2,886	2,706	2,640	2,785	2,936	3,210
Interest Paid	2,200	1,907	1,658	880	1,039	910	900	875	831
Direct Taxes Paid	-3,328	-4,300	-1,587	-1,606	-2,970	-3,130	-4,645	-5,290	-5,883
Incr/Decr in WC	3,641	-2,446	7,178	-1,100	-5,740	-5,760	-5,849	-2,410	-2,564
<b>CF from Operations</b>	<b>13,187</b>	<b>8,315</b>	<b>15,468</b>	<b>12,398</b>	<b>5,755</b>	<b>9,280</b>	<b>9,373</b>	<b>14,515</b>	<b>16,120</b>
Interest income	685	1,312	1,793	1,507	1,060	8,270	1,867	2,083	2,318
(Incr)/Decr in FA	-2,897	-4,356	-1,832	-4,836	-1,130	-790	-2,908	-3,431	-3,448
<b>Free Cash Flow</b>	<b>10,290</b>	<b>3,959</b>	<b>13,636</b>	<b>7,562</b>	<b>4,625</b>	<b>8,490</b>	<b>6,465</b>	<b>11,084</b>	<b>12,672</b>
(Pur)/Sale of Investments	-2,311	2,661	3,532	370	-150	-2,820	-2,928	-1,739	-1,937
Other investing items	1,207	-844	-2,829	-6,975	7,633	-5,956	1,593	1,590	1,590
<b>CF from Invest.</b>	<b>-3,316</b>	<b>-1,227</b>	<b>664</b>	<b>-9,934</b>	<b>7,413</b>	<b>-1,296</b>	<b>-2,376</b>	<b>-1,497</b>	<b>-1,477</b>
Issue of Shares	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
Dividend Paid	0	0	0	0	0	-2,910	0	0	0
Others	-2,509	-2,172	-1,590	290	-1,610	-1,480	-1,430	-1,405	-1,361
<b>CF from Fin. Activity</b>	<b>-9,274</b>	<b>-7,331</b>	<b>-15,764</b>	<b>-2,849</b>	<b>-5,000</b>	<b>-4,390</b>	<b>-1,430</b>	<b>-1,405</b>	<b>-1,361</b>
<b>Incr/Decr of Cash</b>	<b>597</b>	<b>-243</b>	<b>368</b>	<b>-385</b>	<b>8,168</b>	<b>3,594</b>	<b>5,567</b>	<b>11,613</b>	<b>13,282</b>
Add: Opening Balance	-9	588	345	713	328	8,496	12,090	17,657	29,270
<b>Closing Balance</b>	<b>588</b>	<b>345</b>	<b>713</b>	<b>328</b>	<b>8,496</b>	<b>12,090</b>	<b>17,657</b>	<b>29,270</b>	<b>42,552</b>

E: MOSL Estimates

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SELL	< - 10%
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