

November 7, 2025

Strong Q2; prestige & above leading the growth

About the stock: Radico Khaitan (RKL) is one of the recognised IMFL company in India with portfolio of 8 millionaire brands. It has one of the largest liquor manufacturers in India with a capacity of 321mn litres p.a. Prestige & Above (P&A) contribution has gone up to 67% in Q1FY26 due to strong traction to products.

Q2FY26 performance: RKL reported strong set of results in Q2FY26 with net revenues growing by 34% YoY to Rs.1493.9cr. Strong revenue growth was driven by 37% YoY volume growth (P&A segment volumes grew by 22%). Despite stable raw material environment, gross margins stood flat at 43.6% as portfolio mix tilted slightly more towards Regular & others. EBITDA margins improved 129bps YoY to 15.9%. This coupled with lower interest cost led to 69% YoY growth in Adjusted PAT to Rs.139cr.

Investment Rationale:

- P&A – double digit volume growth sustains; regular witnessed strong rebound:** RKL registered strong 33% revenue growth driven by 37% volume growth in H1FY26. P&A sales volume grew by 31% in H1. This was driven by strong growth in Magic Moments Vodka, which is delivering sales volume of ~2mn cases per quarter. After Dark whisky registered a sales volume of 1.5mn cases (115% YoY growth) in H1FY26; likely to achieve sales volume of 3mn cases in FY26. On the luxury front, Royal Ranthambore whisky registered 67% volume growth in Q2FY26. Luxury portfolio is expected to achieve revenues Rs.500cr, largely volume led in FY26. We expect P&A segment sales volume to grow at CAGR of 19% over FY25-28E (revenue growth of 22%). On the other hand, regular segment sales volume has grown by 67% YoY to 10.5mn cases, driven by change in route to market strategy in Andhra Pradesh. Q3 will be another quarter of strong sales for regular brands and then we should expect normal growth of 6-8% in the regular brands. Overall, we expect RKL's revenues to grow at CAGR of 19% over FY25-28E.
- EBIDTA margins to consistent improve; driven by mix and efficiencies:** RKL's EBIDTA margins improved by 180bps YoY to 15.7% in H1FY26. The key focus areas of the management are (i) Accelerating premiumization (ii) Sustaining double-digit growth in P&A segment and (iii) Margin expansion through operational efficiency and cost optimization. We expect RKL's EBIDTA margins to improve by ~300bps over FY25-28E to 16.8%. EBIDTA to grow at CAGR of 26% over FY25-28E.
- Targets to become debt free company by FY27:** RKL's net debt stood at Rs.427cr in H1FY26; reduced by Rs146cr since Mar,25. The company's new Sitapur facility is operating at optimal utilisation level. Management don't expect any major capex investment over the next 5-6 years. Hence the cash flows generated will be utilised for reducing debt on books. It targets to become debt free by FY27.

Rating and Target Price: RKL's revenues and PAT are expected to grow at CAGR of 19% and 38% over FY25-28E. **We recommend Buy with a price target of Rs.3,710 (valuing at 61x average FY27-28E earnings).**

Key Financial Summary

Key Financials (₹ Crore)	FY23	FY24	FY25	2 year CAGR (FY23-25)	FY26E	FY27E	FY28E	3 year CAGR (FY25-28E)
Revenues	3142.8	4118.5	4851.2	24.2	6077.4	7059.0	8092.8	18.6
EBIDTA	358.3	506.1	673.6	37.1	920.5	1132.0	1363.2	26.5
EBIDTA Margins(%)	11.4	12.3	13.9		15.1	16.0	16.8	
Adjusted PAT	204.4	255.7	345.1	30.0	562.4	723.2	903.3	37.8
EPS (Rs.)	20.7	19.6	25.8		42.1	54.1	67.6	
PE (x)	190.7	160.2	121.6		74.7	58.1	46.5	
EV to EBIDTA (x)	118.9	84.9	64.0		46.4	37.5	30.8	
RoE (%)	9.3	10.5	12.5		17.2	18.3	18.8	
RoCE (%)	9.8	11.3	13.6		18.9	21.0	23.9	

Source: Company, ICICI Direct Research



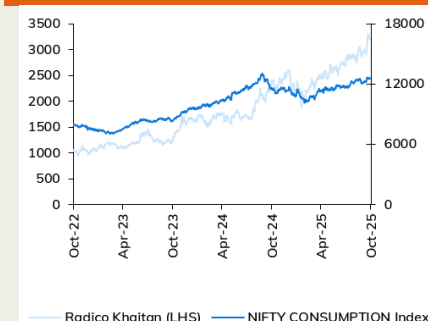
Particulars

Particular	Amount
Market Capitalisation (₹ crore)	42042.3
Debt (FY25) - ₹ crore	1102.7
Cash (FY25) - ₹ crore	57.7
EV (₹ crore)	43087
52 week H/L (₹)	3421 / 1846
Equity capital (₹ crore)	26.8
Face value (₹)	2

Shareholding pattern

	Dec-24	Mar-25	Jun-25	Sep-25
Promoters	40.2	40.2	40.2	40.2
FII	17.7	17.0	17.8	18.0
DII	25.6	26.8	26.0	25.5
Others	16.5	16.1	16.0	16.3

Price Chart



Key risks

- (i) Changes in State Liquor Policy would lead to impact on revenues.
- (ii) Volatility in input prices

Research Analyst

Kaustubh Pawaskar
kaustubh.pawaskar@icicisecurities.com

Abhishek Shankar
abhishek.shankar@icicisecurities.com

Q2FY26 Key Performance Highlights

- Consolidated net revenues recorded 33.8% YoY growth to Rs.1,493.9cr. Growth in revenues was aided by 37.7% YoY growth in volumes. P&A segment volumes reported strong double-digit growth while Regular & others returned to positive growth trajectory after 9 quarters of de-growth.
- Overall volumes for the quarter witnessed 37.7% YoY growth to 9.3mn cases. P&A segment reported 21.7% YoY growth to 3.9mn cases. Regular & others reported 79.4% YoY growth in volumes to 5.04mn cases.
- Gross Margins for the quarter stood flat at 43.6% due to stable raw material environment and increased share of Regular & Others in the portfolio. The ENA and grains pricing are expected to remain flat to benign during H2FY26.
- EBITDA margins for Q2FY26 reported 129bps YoY improvement to 15.9% primarily aided by strong growth in revenues. EBIDTA for Q2FY26 witnessed 46% YoY growth to Rs.237.6cr.
- Lower finance cost aided by debt reduction aided growth in PAT. Adjusted PAT reported 69% YoY growth to Rs.139cr.

H1FY26 Key Performance Highlights

- Consolidated net sales reported 33.2% YoY growth to Rs.3,000cr. Growth was aided 37.7% YoY growth in volumes. Strong double-digit growth was witnessed in both P&A and Regular & others portfolio.
- Overall volumes for H1FY26 recorded 37.7% YoY growth to 19.1mn cases driven by 31% YoY rise in sales volume of P&A segment to 7.7mn cases and 64.2% YoY growth in volumes of Regular & others volume to 10.5mn cases.
- Favourable ENA and grain pricing environment led to 76bps YoY improvement in gross margins to 43.3% in H1FY26. EBITDA margins improved 180bps YoY to 15.7%.
- Lower finance cost led aided by further debt reduction led to 73.6% YoY growth in Adjusted PAT to Rs.276cr.

Segmental Highlights

- **Prestige & Above**
In Q2FY26, the Prestige & Above (P&A) segment achieved a 21.7% YoY increase in volumes, reaching 3.9mn cases. This segment contributed 43.6% to overall volumes for the quarter. Revenue from the P&A segment grew by 24.3% YoY to Rs.718.4cr. Realization grew by 2.2% YoY with the average price per case rising to Rs.1,847.
- **Regular & Others**
In Q2FY26, the Regular & Others segment experienced a significant 79% YoY growth in volumes, reaching 5mn cases. This growth was primarily driven by changes in the route-to-market strategy in Andhra Pradesh. The Regular segment contributed 56.4% of total volume during the quarter. Revenues for this segment increased by 83% YoY to Rs.322.8cr. Realization grew by 1.9% YoY with the average price per case rising to Rs.640.

Q2FY26 Earnings Call Highlights

- **Management maintained its stance of 20% volume growth in P&A segment**
 - The growth in the P&A portfolio in H1FY26 was driven by Magic Moments, After Dark Whisky and Royal Ranthambhore.
 - Magic Moments recorded strong growth during the quarter recording ~20% growth and volume of 2mn cases. It dominates the white spirits segment with ~85% market share.
 - After Dark Whisky has recorded strong growth of 115% YoY in H1FY26. In FY25 the brand clocked volumes of 1.9mn cases but in H1FY26 itself the brand has crossed sales volume of 1.5mn cases.
 - Royal Ranthambhore continued to gain market share across key markets such as CSD. It recorded high growth of 67% YoY in Q2FY26.
 - The luxury portfolio comprising of Rampur Single Malt, Jaisalmer Indian Craft Gin and Sangam World Malt, continued to deliver robust growth. The management expects the luxury portfolio revenues to cross Rs.500cr in FY26.
 - To sustain the growth momentum, the company has launched 6 new products Q2FY26 such as Magic Moments "Jamun" Spirit of Kashmir, Flavours of India. The company has also introduced 8 new SKUs during the quarter in the luxury portfolio.
 - The management guided for 20%+ growth in volumes for overall portfolio and also P&A segment for FY26.
- **Margin expansion to sustain**
 - The key focus areas of the management are (i) Accelerating premiumization (ii) Sustaining double-digit growth in P&A segment (iii) Margin expansion through operational efficiency and cost optimization (iv) Continues improvement in working capital and cash flow generation.
 - The management has retained its guidance of 150bps YoY increase in margins in FY26. Further, the management guided for 125bps YoY accretion in margins for the next years thereby targeting margins to be in late-teens by FY28.
 - The company is exploring various newer segments to improve the margin profile further. It is exploring options to enter the Single Malt category and tequila (through JV) and strengthen the luxury portfolio.
 - **Targets to be debt free company by FY27**
 - The company has reduced its net debt by Rs.146cr in H1FY26. The management has guided that the company will be debt free by FY27 thereby freeing up capital and further improvement in return profile.
- **Growth and Revival across key operating geographies**
 - **Andhra Pradesh:** The route-to-market reform has been a key growth catalyst for the company. Its market share has surged from ~10% to ~30% making it a leading IMFL player in the state. The management expects growth in Andhra Pradesh to remain strong, supported by better choices for retail.
 - **Maharashtra:** Industry volumes have declined by 25% while the company has witnessed 20% decline in volumes in the state. This is due to rise in price by Rs.80-Rs.100 per bottle in smaller size packs. The management expects volume to get back to trajectory once price stabilisation is achieved in the coming months.
 - **Uttar Pradesh:** The state continues to deliver stable growth. Working Capital positions has improved due to excise duty reforms wherein the wholesaler pays the duty. Hence, faster repayments of debt are expected to happen ahead in H2FY26.

- **Delhi and Bihar:** Both markets are identified as high growth markets. Delhi is expected to be more retail friendly market wherein the customer choices for products and price points are available. Meanwhile, Bihar is expected to open up post the elections. The market has potential of 10mn-12mn cases presenting good medium to long term opportunity.
- **Portfolio's growth fuelled by newer trends**
 - Magic Moments continues to dominate the white spirits market and is experiencing newer traction among the Gen Z and women. The shift reflects a cultural swing towards lighter spirits. The Magic Moments RTD has been temporarily stopped due to very strong traction. The management expected that Magic moments RTD could replace the cocktail and traditional vodka thereby impacting volumes.
 - After Dark Whisky and Royal Ranthambhore are expanding rapidly across India supported by sustained marketing investments and wider distribution.
 - Morpheus Super Premium Whisky and Spirit of Kashmir Vodka are witnessing encouraging trend early on since launch.
 - Luxury brands such as Rampur, Sangam and Jaisalmer are expanding across off-trade and on-trade channels aided by smaller SKUs to enhance accessibility.
- **Other key highlights**
 - The Sitapur facility is now operating at 95% utilization supporting the in-house grain-based spirit requirement for premium brands. With 350 kl litre plant, the management does not see any requirement for major capex for the next 5-6 years.
 - The non-IMFL segment revenues are expected to be in the range of Rs.400cr-Rs.425cr.
 - The A&P spends stood at 6.1% of the IMFL sales in Q2FY26. The investments are expected to continue in line with the plans to sustain the growth and visibility. Further, the A&P spends are expected to be in the range of 6-8% of IMFL sales.

Brand-wise Highlights

- Morpheus Rare luxury Whisky was launched in May 2025 as an extension to its premium portfolio. The brand now continues to strengthen its position in the super-premium whisky segment. The brand is now available across 4 states and is expected to be scaled to 8 more states in FY26.
- Magic Moments Vodka continued to gain market share and accounts for 60% of the overall vodka market share in India. The brand crossed 7mn sales as of FY25. In September 2025, the brand expanded the newest range "Jamun Spicy Mint" across Maharashtra, Goa, Assam, Karnataka and Rajasthan apart from its existing market of Uttar Pradesh.
- The Spirit of Kashmyr, luxury vodka was launched in July 2025. It was initially launched in Uttar Pradesh and since then has expanded to 6 more states. The company plans to launch product in 4 more states in FY26.
- Royal Ranthambhore has now expanded to 23 states in India with further distribution planned by the company. The brand has achieved 10% market share in CSD in the month of September 2025.

Revision in earnings estimates

We have increased our earnings estimates for FY26 and FY27 by ~6% each to factor in better-than-expected volume growth in IMFL segment and EBITDA margins. We expect the strong momentum to continue in H2FY26.

Exhibit 1: Changes in headline estimates

(₹ crore)	FY26E			FY27E		
	Old	New	% Chg	Old	New	% Chg
Net Revenues	5844.5	6077.4	4.0	6780.1	7059.0	4.1
EBIDTA	875.6	920.5	5.1	1075.9	1132.0	5.2
EBIDTA Margins (%)	15.0	15.1	0.0	15.9	16.0	17
PAT	528.9	562.4	6.3	681.3	723.2	6.2
EPS (Rs.)	39.6	42.1	6.3	50.9	54.1	6.2

Source: Company, ICICI Direct Research

Exhibit 2: Key Assumptions

Particulars	FY24	FY25	FY26E	FY27E	FY28E
Sales volume (mn cases)					
Prestige & Above (P&A)	11.3	13.0	16.1	18.9	22.0
Contribution %	45.6	46.1	43.4	45.5	47.4
Growth % (YoY)	20.6%	15.5%	23.9%	17.5%	16.4%
Regular & Others	13.4	15.2	21.0	22.7	24.5
Contribution %	54.4	53.9	56.6	54.5	52.6
Growth % (YoY)	-14.0%	13.3%	38.1%	8.0%	8.0%
Royalty Brands	4.1	3.2	2.6	2.8	3.0
Growth % (YoY)	23.9%	-22.2%	-17.5%	6.8%	6.8%
Total Sales volume	28.7	31.4	39.7	44.4	49.5
y-o-y%	1.8	9.1	26.6	11.8	11.5
Realisation (Rs. Per case)					
Prestige & Above (P&A)	1716	1800	1833	1888	1935
Growth % (YoY)	7.1%	4.9%	1.8%	3.0%	2.5%
Regular & Others	634	648	646	661	674
Growth % (YoY)	1.2%	2.3%	-0.3%	2.3%	2.0%
Blended	1128	1075	1140	1197	1256
Growth % (YoY)	13.8%	-4.7%	6.0%	5.0%	5.0%
Revenue (Rs. In cr)					
IMFL - Prestige & Above (P&A)	1932	2340	2953	3575	4263
Contribution %	68.5%	69.4%	67.9%	69.8%	71.5%
Growth % (YoY)	29.2%	21.1%	26.2%	21.1%	19.2%
IMFL - Regular & Others	851	986	1357	1499	1651
Contribution %	30.2%	29.3%	31.2%	29.3%	27.7%
Growth % (YoY)	-13.0%	15.9%	37.6%	10.4%	10.2%
Others	38	45	0	48	48
Growth % (YoY)	39.6%	18.4%	-	-	-
Total IMFL	2821.4	3371.6	4348.2	5122.3	5962.4
Growth % (YoY)	12.8%	19.5%	29.0%	17.8%	16.4%
Total Non-IMFL	1297.1	1479.3	1729.2	1936.7	2130.4
Growth % (YoY)	102.2%	14.0%	16.9%	12.0%	10.0%
Total Revenues	4118.5	4851.2	6077.4	7059.0	8092.8
Growth % (YoY)	31.0%	17.8%	25.3%	16.2%	14.6%
Net Revenues	4118.5	4851.2	6077.4	7059.0	8092.8
Growth % (YoY)	31.0	17.8	25.3	16.2	14.6

Source: Company, ICICI Direct Research

Exhibit 3: Q2FY26 Consolidated result overview

Particular	Q2FY26	Q2FY25	y-o-y (%)	Q1FY26	q-o-q (%)
Gross Sales	5056.7	3906.6	29.4	5313.5	-4.8
Excise duty	3562.8	2790.3	27.7	3807.5	-6.4
Net Sales	1493.9	1116.3	33.8	1506.0	-0.8
Raw material cost	841.9	629.3	33.8	858.3	-1.9
Employee cost	58.5	51.3	14.1	55.2	6.1
Advertisement & Publicity	154.3	105.6	46.1	146.9	5.0
Other expenses	201.5	166.9	20.7	213.5	-5.6
Total operating expenses	1256.3	953.1	31.8	1273.9	-1.4
Operating profit	237.6	163.2	45.6	232.2	2.4
Other income	2.4	3.2	-26.0	1.1	124.9
Interest expense	16.3	18.8	-13.5	15.9	2.2
Depreciation	37.4	35.7	4.7	36.3	3.1
Profit before tax	186.3	111.9	66.6	181.0	2.9
Tax	47.4	29.7	59.8	44.3	7.0
Adjusted PAT (before MI)	139.0	82.2	69.0	136.7	1.6
Minority interest (MI)	0.6	-1.5	-139.3	0.8	-21.2
Reported PAT	139.6	80.7	73.0	130.5	6.9
EPS (Rs.)	10.4	6.2	68.8	10.2	1.6
Margins	Q2FY26	Q2FY25	bps	Q1FY26	bps
GPM (%)	43.6	43.6	1.5	43.0	63.6
OPM (%)	15.9	14.6	128.8	15.4	49.0
NPM (%)	9.3	7.4	193.7	9.1	22.1
Tax rate (%)	25.4	26.5	-108.5	24.5	96.5

Source: Company, ICICI Direct Research

Exhibit 4: Q2FY26 Segmental overview

Particular	Q2FY26	Q2FY25	y-o-y (%)	Q1FY26	q-o-q (%)
IMFL Volumes (Million cases)					
Prestige & Above (P&A)	3.9	3.2	21.6	3.8	1.3
Regular & Others	5.0	2.8	79.4	5.4	-7.0
Total own volume	8.9	6.0	48.6	9.3	-3.6
P&A as % of Total own IMFL Volume	43.6	53.2		41.5	
Royalty brands	0.4	0.8	-46.2	0.5	-8.7
Total volume	9.4	6.8	37.7	9.7	-3.8

Revenue Break up (Rs. crore)

IMFL (A)	1047.4	763.9	37.1	1069.6	-2.1
-Prestige & Above	718.4	578.0	24.3	713.2	0.7
-Regular & Others	322.8	176.6	82.8	349.9	-7.7
-Others	6.2	9.3	-33.3	6.5	-4.6
Non IMFL (B)	446.5	352.3	26.7	436.4	2.3
Revenue from Operations (Net) (A+B)	1493.9	1116.2	33.8	1506.0	-0.8
P&A as % of Total IMFL Revenue	68.6	75.7		66.7	
IMFL as % of Total Revenue	70.1	68.4		71.0	

Source: Company, ICICI Direct Research

Financial Summary

Exhibit 5: Profit and loss statement ₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E	FY28E
Total Operating Income	4118.5	4851.2	6077.4	7059.0	8092.8
Growth (%)	31.0	17.8	25.3	16.2	14.6
Raw Material Expenses	2366.5	2773.9	3433.7	3928.3	4455.1
Gross Profit	1752.0	2077.3	2643.7	3130.6	3637.7
Gross Profit Margins (%)	42.5	42.8	43.5	44.4	45.0
Employee Expenses	195.8	216.9	249.4	286.9	324.1
Other Expenditure	1050.2	1186.8	1473.8	1711.8	1950.4
Total Operating Expenditure	3612.5	4177.5	5156.9	5927.0	6729.6
EBITDA	506.1	673.6	920.5	1132.0	1363.2
Growth (%)	41.2	33.1	36.6	23.0	20.4
Interest	59.1	73.8	49.6	40.8	25.0
Depreciation	113.8	140.1	124.6	130.9	138.2
Other Income	8.9	4.9	5.6	6.5	7.6
PBT	342.0	464.6	751.9	966.8	1207.6
Less Tax	86.3	119.4	189.5	243.6	304.3
Adjusted PAT	255.7	345.1	562.4	723.2	903.3
Growth (%)	25.1	35.0	63.0	28.6	24.9
Share of Profits	6.4	0.5	0.0	0.0	0.0
Reported PAT	262.2	345.6	562.4	723.2	903.3
Growth (%)	19.0	-	62.7	28.6	24.9
EPS (Adjusted)	19.6	25.8	42.1	54.1	67.6

Source: Company, ICICI Direct Research

Exhibit 6: Cash flow statement ₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E	FY28E
Profit/(Loss) after taxation	246.9	340.3	556.8	716.7	895.7
Add: Depreciation & Amort.	113.8	140.1	124.6	130.9	138.2
Add: Other income	8.9	4.9	5.6	6.5	7.6
Net Increase in Current Assets	-219.4	-497.7	-395.2	-554.0	-510.2
less: 'Net Increase in Current Liabilities	147.0	-151.4	-148.8	-225.4	-151.6
CF from Operating activities	3.1	138.9	440.6	525.5	682.8
Investments & Bank bal	1.0	-12.7	-89.0	-181.4	14.0
(Purchase)/Sale of Fixed Assets	-308.2	-219.7	-85.0	-155.0	-125.0
Intangible assets	1.1	-0.1	0.0	0.0	0.0
Others					
CF from Investing activities	-306.1	-232.5	-174.0	-336.4	-111.0
(inc)/Dec in Loan	276.9	71.9	-222.6	-130.0	-500.0
Change in equity & reserves	16.1	22.5	0.0	0.0	0.0
Dividend paid	-40.1	-53.5	-46.8	-46.8	-46.8
Deferred Tax Liability	14.2	6.6	0.0	0.0	0.0
CF from Financing activities	267.1	47.5	(269.4)	(176.8)	(546.8)
Net Cash Flow	-35.8	-46.1	-2.8	12.3	25.0
Cash and Cash Equivalent	122.1	86.3	40.2	37.4	49.7
Cash	86.3	40.2	37.4	49.7	74.7
Free Cash Flow	-305.1	-80.8	355.6	370.5	557.8

Source: Company, ICICI Direct Research

Exhibit 7: Balance Sheet ₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E	FY28E
Equity Capital	26.7	26.8	26.8	26.8	26.8
Reserve and Surplus	2412.9	2726.9	3242.5	3918.9	4775.3
Non-Controlling Interest					
Total Shareholders funds	2439.6	2753.7	3269.3	3945.7	4802.1
Total Debt	1030.8	1102.7	880.2	750.2	250.2
Deferred Tax Liability	91.9	98.5	98.5	98.5	98.5
Total Liabilities	3562.4	3955.0	4248.0	4794.4	5150.8
Gross Block - Fixed Assets	2109.6	2352.1	2440.4	2595.4	2720.4
Accumulated Depreciation	416.0	548.3	672.9	803.9	942.1
Net Block	1693.5	1803.8	1767.5	1791.5	1778.3
Capital WIP	54.0	23.3	20.0	20.0	20.0
Fixed Assets	1747.6	1827.1	1787.5	1811.5	1798.3
Investments	270.8	280.4	236.9	268.3	304.3
Goodwill & Other intangible ass	6.9	7.0	7.0	7.0	7.0
Inventory	779.7	1076.8	1197.7	1439.6	1660.5
Debtors	978.2	1182.2	1437.2	1727.5	1992.6
Other Current Assets	161.2	118.2	124.1	130.3	136.8
Loans & Advances	50.1	89.6	103.1	118.5	136.3
Cash	86.3	40.2	37.4	49.7	74.7
Bank balance	14.4	17.5	150.0	300.0	250.0
Total Current Assets	2069.7	2524.5	3049.4	3765.6	4250.9
Creditors	248.0	312.5	374.3	539.9	622.7
Provisions	20.2	25.0	60.0	60.0	60.0
Other Current Liabilities	264.4	346.5	398.5	458.2	527.0
Total Current Liabilities	532.6	684.0	832.7	1058.1	1209.7
Net Current Assets	1537.1	1840.5	2216.7	2707.5	3041.2
Application of Funds	3562.4	3955.0	4248.0	4794.4	5150.8

Source: Company, ICICI Direct Research

Exhibit 8: Key ratios

(Year-end March)	FY24	FY25	FY26E	FY27E	FY28E
Per share data (₹)					
Adjusted EPS	19.6	25.8	42.1	54.1	67.6
Cash EPS	27.6	36.3	51.3	63.8	77.8
BV per share	182.4	205.9	244.5	295.1	359.1
Operating Ratios (%)					
Gross Profit Margins	42.5	42.8	43.5	44.4	45.0
OPM	12.3	13.9	15.1	16.0	16.8
PAT Margins	6.2	7.1	9.3	10.2	11.2
Asset Turnover (x)					
Return Ratios (%)					
RoE	10.5	12.5	17.2	18.3	18.8
RoCE	11.3	13.6	18.9	21.0	23.9
Valuation Ratios (x)					
P/E	160.7	121.9	74.9	58.2	46.6
EV / EBITDA	85.1	64.1	46.5	37.6	30.9
EV / Net Sales	10.4	8.9	7.0	6.0	5.2
Market Cap / Sales	10.2	8.7	6.9	6.0	5.2
Price to Book Value	17.3	15.3	12.9	10.7	8.8
Solvency Ratios					
Debt / EBITDA	2.0	1.6	1.0	0.7	0.2
Debt / Equity	0.4	0.4	0.3	0.2	0.1
Inventory days	78	88	80	80	80
Debtor days	98	96	96	96	96
Creditor days	25	25	25	30	30
WC Days	152	158	151	146	146

Source: Company, ICICI Direct Research

RATING RATIONALE

ICICI Direct endeavours to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

ANALYST CERTIFICATION

I/We, Kaustubh Pawaskar, PGDBA (Finance), Abhishek Shankar, PGDM-RM, Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by Sebi and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors.

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal

Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Jeetu Jawrani Email address: headservicequality@icicidirect.com Contact Number: 18601231122

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Retail Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Institutional Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/beneficial ownership of one percent or more or other material conflict of interest various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

ICICI Securities Limited has not used any Artificial Intelligence tools for preparation of this Research Report