

January 24, 2026

## Strong Q3; Margin uptick to sustain

**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.

**Q3FY26 performance:** RKL registered strong performance in Q3FY26 with net revenues growing by 19.5% YoY to Rs.1547cr and EBITDA growing by 45% YoY to Rs.267.2cr. Revenue growth was driven by 16.6% YoY volume growth (P&A segment volumes grew by 26%). Gross margins expanded by ~350bps YoY aided by favourable input cost and premiumisation. EBITDA margins improved 303bps YoY to 17.3% aided by higher flow through of gross margins. This coupled with lower interest cost led to 69% YoY growth in Adjusted PAT to Rs.162.2cr.

### Investment Rationale:

- P&A – double digit volume growth sustains; Volume growth to stabilise in mid-teens ahead:** P&A registered 3rd consecutive quarter of mid-twenties volume growth (26+% YoY) driven by steady volume growth in millionaire brands and strong traction in new brands. Royal Ranthambhore reported ~50% YoY growth while Magic Moments reported 18% YoY volume growth in Q3. After Dark whisky and 8PM Dark Whisky sustained strong growth with ~40% YoY growth. Luxury portfolio is growing at annual revenue run rate of Rs500cr. The regular segment sales volume has grown by 32.8% YoY to 5.70mn cases in Q3FY26. Overall, the benefits of route-to-change market in Andhra Pradesh are expected to stabilise in the upcoming quarters. Hence, we expect the P&A segment volumes to grow in mid-to-high teens and regular segment to record high single digit growth in the upcoming quarters. Overall, we expect RKL's revenues to grow at CAGR of 19% over FY25-28E.
- Margins expansion to continue; driven by benign input cost and premiumisation mix:** RKL reported ~350bps YoY expansion in gross margins to 46.5% and ~306bps YoY expansion in EBITDA margins to 17.3%. Gross margin expansion was driven 1) benign input prices (contributing 225bps YoY and 2) premiumisation driving (adding 125bps). The management guided for stable input prices in the quarters ahead, which will result EBITDA margins standing in the range of 17-18% in Q4FY26. With growing salience of premium portfolio, improved cost efficiencies and sustained double-digit growth in the P&A segment we expect RKL's operating EBITDA margins to improve by ~300bps over FY25-28E to 16.9% and operating EBITDA to grow at 27% CAGR over FY25-28E.
- RKL to become debt free company by FY27:** RKL's net debt stood at Rs.365cr in 9MFY26; reduced by Rs.208cr since Mar'25. With no major capex plan, the company expects to become debt free by FY27. Higher cash generation will be utilised to reward shareholders with consistent dividend payout.

**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 55x average FY28E 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	6062.9	7059.2	8101.6	18.6
EBIDTA	358.3	506.1	673.6	37.1	978.3	1192.0	1397.5	27.5
EBIDTA Margins(%)	11.4	12.3	13.9		16.1	16.9	17.2	
Adjusted PAT	220.4	262.2	345.6	25.2	576.5	746.9	909.2	38.0
EPS (Rs.)	20.7	19.6	25.8		43.1	55.8	68.0	
PE (x)	179.6	150.9	114.5		68.7	53.0	43.5	
EV to EBITDA (x)	112.1	80.0	60.3		41.1	33.5	28.2	
RoE (%)	9.3	10.5	12.5		17.6	18.8	18.8	
RoCE (%)	9.8	11.3	13.6		19.7	21.7	24.0	

Source: Company, ICICI Direct Research



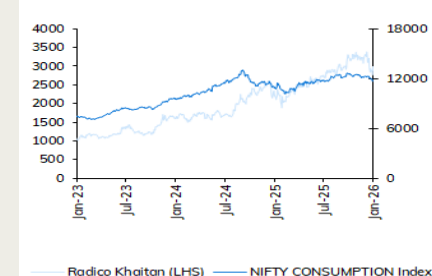
### Particulars

Particular	Amount
Market Capitalisation (₹ crore)	39593.6
Debt (FY25) - ₹ crore	1102.7
Cash (FY25) - ₹ crore	57.7
EV (₹ crore)	40639
52 week H/L (₹)	3695 /1846
Equity capital (₹ crore)	26.8
Face value (₹)	2

### Shareholding pattern

	Mar-25	Jun-25	Sep-25	Dec-25
Promoters	40.2	40.2	40.2	40.2
FII	17.0	17.8	18.0	19.8
DII	26.8	26.0	25.5	24.0
Others	16.1	16.0	16.3	15.9

### Price Chart



### Key risks

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

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## Q3FY26 Key Performance Highlights

- Consolidated net revenues recorded 19.5% YoY growth to Rs.1,546.7cr. Growth in revenues was aided by 16.6% YoY growth in volumes. P&A segment volumes reported mid-twenties growth while Regular & others grew in early thirties.
- Overall volumes for the quarter witnessed 16.6% YoY growth to 9.75mn cases. P&A segment reported 25.9% YoY growth to 4.62mn cases. Regular & others reported 32.9% YoY growth in volumes to 4.70mn cases.
- Gross Margins for the quarter witnessed ~350bps YoY expansion aided by benign ENA and grain cost during the quarter and improving premiumisation mix. The ENA and grains pricing are expected to remain flat to benign in the upcoming quarters.
- Operating EBITDA margins for Q3FY26 reported 306bps YoY improvement to 17.3% primarily aided by higher flow through of gross margins. Operating EBITDA for Q3FY26 witnessed 45.3% YoY growth to Rs.267.2cr.
- Strong operating performance and lower finance cost aided by debt reduction aided growth in PAT. Adjusted PAT reported 69% YoY growth to Rs.162.2cr.
- During the quarter, the company recorded an exceptional charge of Rs.9.6cr pertaining to the employee expenses as per changes in the labour code. Adjusted for exceptional charge, Reported PAT witnessed 62.3% YoY growth to Rs.154.9cr

## 9MFY26 Key Performance Highlights

- Consolidated net sales reported 28.2% YoY growth to Rs.4,546.7cr. Growth was aided 30% YoY growth in volumes. Strong double-digit growth was witnessed in both P&A and Regular & others portfolio.
- Overall volumes for 9MFY26 recorded 30% YoY growth to 28.8mn cases driven by 53% YoY rise in sales volume of Regular & Others segment to 15.2mn cases and 28.7% YoY growth in volumes of Prestige & above volume to 12.4mn cases.
- Favourable ENA and grain pricing environment and premiumisation of portfolio led to 167bps YoY improvement in gross margins to 44.4% in 9MFY26. EBITDA margins improved 222bps YoY to 16.2%.
- Resilient operation performance coupled with lower finance cost led aided by further debt reduction led to 73.2% YoY growth in Adjusted PAT to Rs.439.1cr.

## Segmental Highlights

- **Prestige & Above**  
In Q3FY26, the Prestige & Above (P&A) segment achieved a 25.9% YoY increase in volumes, reaching 4.62mn cases. This segment contributed 49.6% to overall volumes for the quarter. Revenue from the P&A segment grew by 29.4% YoY to Rs.838.3cr. As per our calculations, Realization grew by 2.8% YoY with the average price per case rising to Rs.1,815.
- **Regular & Others**  
In Q3FY26, the Regular & Others segment experienced 32.8% YoY growth in volumes, reaching 4.70mn cases. This growth was primarily driven by changes in the route-to-market strategy in Andhra Pradesh. The Regular segment contributed 50.4% of total volume during the quarter. Revenues for this segment increased by 28.7% YoY to Rs.295.2cr. As per our calculations, Realization declined by 3.1% YoY with the average price per case declining to Rs.628.

## Q3FY26 Earnings Call Highlights

- **Overall volumes to witness 20-25% growth; P&A segment to witness mid-teens growth over 2-3 years; Luxury portfolio to reach Rs.500cr in FY26.**
  - The management expects to end FY26 with an overall volume growth of 20-25%. New product launches, improve reach of the recently launched products and market share gains will help volume growth to sustain at mid-to-high teens over the next 2-3 years.
  - The luxury portfolio revenues stood at ~Rs.350cr in FY25 and is expected to reach ~Rs.500cr in FY26. Overall, luxury portfolio is expected to grow by 30-35% in the upcoming years driven by newer launches.
- **Margins to sustain at 17% in Q4FY26; Premiumisation to aid further expansion in upcoming years; To be debt free by FY27.**
  - The management expects the ENA and grain costs to remain stable in the quarters ahead which will support the gross margin expansion. The management guided for ~17% margins in Q4FY26.
  - The management has maintained the medium-term outlook of ~125bps annual margin expansion which will be aided by premiumisation.
  - The company has repaid Rs.208cr debt since March'25. It aims to be debt free by FY27. With no debt on books, the company plans to pay dividends with incremental cash flow.
- **Brand Wise Highlights**
  - Royal Ranthambhore Whisky delivered strong performance with ~50% YoY growth in Q3FY26 supported by both civil and CSD channels.
  - Magic Moments Vodka reported ~18% volume growth in Q3 and Rs.1,050cr sales as of 9MFY26 driven by flavour led innovations.
  - After Dark Whisky grew ~40% YoY in Q3FY26 to ~2.4mn cases signalling sustained premium demand.
  - 8PM Premium Black regained momentum post packaging refresh recording ~40% in Q3FY26 and ~80% as of 9MFY26.
- **New launches to aid further premiumisation; New venture in Maharashtra; On-trade channels in focus ahead**
  - Rampur 1943 Virasat Single Malt was launched during the quarter, strengthening the luxury portfolio; Rampur Single Malt also became the only Indian Spirit brand to be served on Air India International flights (business & first class).
  - Morpheus Whisky is currently in the seeding phase across ~8 states, with encouraging early response. The management is focusing on brand building and is not focusing on volumes yet.
  - The management highlighted that it will be creating its own Tequila brand which will be bottled in Mexico. RKL will have 47.5% stake, 47.5% will be held by Shah Rukh Khan and associates while the remaining 5% shall be held by Nikhil Kamath.
  - The company has commenced its Maharashtra made liquor (MML) through JV with RNB and shall be in market by January 2026 end.
  - RKL will have renewed focus on on-trade channels such as corporate events, weddings, clubs and gymkhanas. On Trade channels now contribute ~6-7% of total sales.
- **Growth momentum across key geographies**
  - **Andhra Pradesh:** Strong performance post route-to-market change, with market share improving to ~26% in Q3FY26 vs 15% in Q3FY25 making RKL the leading player in the state. Growth was primarily aided by regular segment and premium portfolio continued to witness traction.
  - **Uttar Pradesh:** The company continues to demonstrate leadership in the country liquor segment in the state.

- **Telangana:** RKL witnessed mid-single digit growth (5-6%) in Q3FY26. October and November was impacted by excise related disruptions with December reporting sharp recovery.
- **Rajasthan, Madhya Pradesh and Haryana:** These states grew faster than the company average, contributing meaningfully to overall volume growth.
- **Maharashtra:** Overall industry volumes declined by 20% in the state due to MML. Growth to return for RKL post commissioning JV by January 2026 end.
- **Telangana dues to be recovered in near term**
  - The management indicated that collections in Telangana have started improving, with part of the older outstanding dues have already received in the last 1-2 months; the balance dues are expected to be cleared over the next month.
- **RKL to set up wholly owned subsidiary in Scotland to strengthen malt based whisky capabilities**
  - The Management highlighted that RKL is among the largest importers of matured malt spirit, and the Scotland entity will help secure long-term access to matured malt in a cost-effective manner.
  - The move provides flexibility to procure, mature or exchange malt locally, and also enables evaluation of opportunistic acquisitions, given the current oversupply and softening prices of Scotch malt.
  - Initial investment will be small, with capital deployment to be phased and opportunity-led; the management clarified that no acquisition is currently on the cards.
  - Softer Scotch prices, driven by global demand slowdown and excess inventory, are expected to support input costs and margins over the medium term.

## 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 8 states and is expected to be scaled to 4 more states by end of FY26.
- The 8PM Premium Black Whisky is available in 24 states and is expected to witness stronger traction ahead with improved width of distribution. As part of the company's premiumisation strategy, it launched 8PM Premium Black Whisky aligning it with improving aspirations of the consumers.
- 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. Apart from expansion in domestic markets, the brand is now expanded in international markets such as UAE and Africa with Australia and UK launch planned by end of January 2026.
- 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 2-3% respectively to factor in better than expected EBIDTA margins. We have broadly maintained our earnings estimates for FY28.

### Exhibit 1: Changes in headline estimates

(₹ crore)	FY26E			FY27E			FY28E		
	Old	New	% Chg	Old	New	% Chg	Old	New	% Chg
Net Revenues	6077.4	6062.9	-0.2	7059.0	7059.2	0.0	8092.8	8101.6	0.1
EBIDTA	920.5	978.3	6.3	1132.0	1192.0	5.3	1363.2	1397.5	2.5
EBIDTA Margins (%)	15.1	16.1	99	16.0	16.9	85	16.8	17.2	40
PAT	562.4	576.5	2.5	723.2	746.9	3.3	903.3	909.2	0.7
EPS (Rs.)	42.0	43.1	2.5	54.1	55.8	3.3	67.5	68.0	0.7

Source: Company, ICICI Direct Research

### Exhibit 2: Q3FY26 consolidated result overview

Particular	Q3FY26	Q3FY25	y-o-y (%)	Q2FY26	q-o-q (%)
<b>Gross Sales</b>	<b>5423.8</b>	<b>4440.9</b>	<b>22.1</b>	<b>5056.7</b>	<b>7.3</b>
Excise duty	3877.1	3146.7	23.2	3562.8	8.8
<b>Net Sales</b>	<b>1546.7</b>	<b>1294.2</b>	<b>19.5</b>	<b>1493.9</b>	<b>3.5</b>
Raw material cost	827.4	737.4	12.2	841.9	-1.7
Employee cost	69.7	62.9	10.8	58.5	19.0
Advertisement & Publicity	175.8	121.8	44.4	154.3	14.0
Other expenses	206.7	188.2	9.8	201.5	2.5
Total operating expenses	1279.6	1110.3	15.2	1256.3	1.9
<b>Operating profit</b>	<b>267.2</b>	<b>183.9</b>	<b>45.3</b>	<b>237.6</b>	<b>12.4</b>
Other income	2.6	1.1	141.1	2.4	10.2
Interest expense	16.4	19.5	-15.8	16.3	0.9
Depreciation	37.2	35.6	4.4	37.4	-0.5
<b>Profit before tax</b>	<b>216.2</b>	<b>129.9</b>	<b>66.4</b>	<b>186.3</b>	<b>16.0</b>
Tax	54.0	33.9	59.2	47.4	14.0
<b>Adjusted PAT (before MI)</b>	<b>162.2</b>	<b>96.0</b>	<b>69.0</b>	<b>139.0</b>	<b>16.7</b>
Minority interest (MI)	-0.2	-0.5	-66.2	0.6	-126.2
<b>Adjusted PAT (after MI)</b>	<b>162.0</b>	<b>95.5</b>	<b>69.7</b>	<b>139.6</b>	<b>16.1</b>
Extraordinary item	-7.1	0.0		0.0	
<b>Reported PAT</b>	<b>154.9</b>	<b>95.5</b>	<b>62.3</b>	<b>139.6</b>	<b>11.0</b>
<b>EPS (Rs.)</b>	<b>12.1</b>	<b>7.2</b>	<b>68.8</b>	<b>10.4</b>	<b>16.7</b>
<b>Margins</b>	<b>Q3FY26</b>	<b>Q3FY25</b>	<b>bps</b>	<b>Q2FY26</b>	<b>bps</b>
GPM (%)	46.5	43.0	348	43.6	287
OPM (%)	17.3	14.2	306	15.9	137
NPM (%)	10.5	7.4	307	9.3	118
Tax rate (%)	25.0	26.1	-114	25.4	-44

Source: Company, ICICI Direct Research

**Exhibit 3: Q3FY26 segmental overview**

Particular	Q3FY26	Q3FY25	y-o-y (%)	Q2FY26	q-o-q (%)
<b>IMFL Volumes (Million cases)</b>					
Prestige & Above (P&A)	4.6	3.7	25.9	3.9	18.8
Regular & Others	4.7	3.5	32.8	5.0	-6.7
<b>Total own volume</b>	<b>9.3</b>	<b>7.2</b>	<b>29.3</b>	<b>8.9</b>	<b>4.4</b>
P&A as % of Total own IMFL Volume	49.6	50.9		43.6	
Royalty brands	0.4	1.2	-62.6	0.4	2.4
<b>Total volume</b>	<b>9.8</b>	<b>8.4</b>	<b>16.6</b>	<b>9.4</b>	<b>4.3</b>
<b>Revenue Break up (Rs. crore)</b>					
<b>IMFL (A)</b>	<b>1139.7</b>	<b>893.1</b>	<b>27.6</b>	<b>1047.4</b>	<b>8.8</b>
-Prestige & Above	838.3	647.9	29.4	718.4	16.7
-Regular & Others	295.2	229.4	28.7	322.8	-8.6
-Others	6.2	15.8	-60.8	6.2	0.0
<b>Non IMFL (B)</b>	<b>407.0</b>	<b>401.0</b>	<b>1.5</b>	<b>446.5</b>	<b>-8.8</b>
Revenue from Operations (Net) (A+B)	<b>1546.7</b>	<b>1294.1</b>	<b>19.5</b>	<b>1493.9</b>	<b>3.5</b>
P&A as % of Total IMFL Revenue	73.6	72.5		68.6	
IMFL as % of Total Revenue	73.7	69.0		70.1	

Source: Company, ICICI Direct Research

**Exhibit 4: Key Assumptions**

Particulars	FY24	FY25	FY26E	FY27E	FY28E
<b><u>Sales volume (mn cases)</u></b>					
Prestige & Above (P&A)	11.3	13.0	16.4	19.3	22.4
Contribution %	45.6	46.1	43.9	46.0	47.9
Growth % (YoY)	20.6%	15.5%	26.1%	17.6%	16.4%
Regular & Others	13.4	15.2	20.9	22.6	24.4
Contribution %	54.4	53.9	56.1	54.0	52.1
Growth % (YoY)	-14.0%	13.3%	37.6%	8.0%	8.0%
Royalty Brands	4.1	3.2	1.8	1.9	2.0
Growth % (YoY)	23.9%	-22.2%	-43.3%	6.2%	6.2%
<b>Total Sales volume</b>	<b>28.7</b>	<b>31.4</b>	<b>39.1</b>	<b>43.8</b>	<b>48.9</b>
y-o-y%	1.8	9.1	24.7	11.9	11.6
<b><u>Realisation (Rs. Per case)</u></b>					
Prestige & Above (P&A)	1716	1800	1840	1895	1942
Growth % (YoY)	7.1%	4.9%	2.2%	3.0%	2.5%
Regular & Others	634	648	642	656	669
Growth % (YoY)	1.2%	2.3%	-1.0%	2.3%	2.0%
<b><u>Revenue (Rs. In cr)</u></b>					
IMFL - Prestige & Above (P&A)	1932	2340	3016	3652	4356
Contribution %	68.5%	69.4%	68.7%	70.5%	72.1%
Growth % (YoY)	29.2%	21.1%	28.9%	21.1%	19.3%
IMFL - Regular & Others	851	986	1343	1483	1634
Contribution %	30.2%	29.3%	30.6%	28.6%	27.1%
Growth % (YoY)	-13.0%	15.9%	36.2%	10.4%	10.2%
Others	38	45	0	48	48
Growth % (YoY)	39.6%	18.4%	-	-	-
Total IMFL	2821.4	3371.6	4387.9	5183.2	6038.0
Growth % (YoY)	12.8%	19.5%	30.1%	18.1%	16.5%
Total Non-IMFL	1297.1	1479.3	1675.0	1876.0	2063.6
Growth % (YoY)	102.2%	14.0%	13.2%	12.0%	10.0%
<b>Total Revenues</b>	<b>4118.5</b>	<b>4851.2</b>	<b>6062.9</b>	<b>7059.2</b>	<b>8101.6</b>

Source: Company, ICICI Direct Research



## Financial Summary

**Exhibit 5: Profit and loss statement** ₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E	FY28E
<b>Total Operating Income</b>	<b>4118.5</b>	<b>4851.2</b>	<b>6062.9</b>	<b>7059.2</b>	<b>8101.6</b>
Growth (%)	31.0	17.8	25.0	16.4	14.8
Raw Material Expenses	2366.5	2773.9	3364.9	3882.6	4443.7
Gross Profit	1752.0	2077.3	2698.0	3176.6	3657.9
Gross Profit Margins (%)	42.5	42.8	44.5	45.0	45.2
Employee Expenses	195.8	216.9	249.4	286.9	324.1
Other Expenditure	1050.2	1186.8	1470.3	1697.7	1936.3
<b>Total Operating Expenditure</b>	<b>3612.5</b>	<b>4177.5</b>	<b>5084.6</b>	<b>5867.1</b>	<b>6704.2</b>
<b>EBITDA</b>	<b>506.1</b>	<b>673.6</b>	<b>978.3</b>	<b>1192.0</b>	<b>1397.5</b>
Growth (%)	41.2	33.1	45.2	21.8	17.2
Interest	59.1	73.8	69.4	48.9	30.0
Depreciation	113.8	140.1	143.8	151.1	159.5
Other Income	8.9	4.9	5.6	6.5	7.6
PBT	342.0	464.6	770.8	998.6	1215.5
Less Tax	86.3	119.4	194.2	251.6	306.3
<b>Adjusted PAT</b>	<b>255.7</b>	<b>345.1</b>	<b>576.5</b>	<b>746.9</b>	<b>909.2</b>
Growth (%)	25.1	35.0	67.0	29.6	21.7
Share of Profits	6.4	0.5	0.0	0.0	0.0
<b>Reported PAT</b>	<b>262.2</b>	<b>345.6</b>	<b>576.5</b>	<b>746.9</b>	<b>909.2</b>
Growth (%)	19.0	-	66.8	29.6	21.7
<b>EPS (Adjusted)</b>	<b>19.6</b>	<b>25.8</b>	<b>43.1</b>	<b>55.8</b>	<b>68.0</b>

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	570.9	740.4	901.7
Add: Depreciation & Amort.	113.8	140.1	143.8	151.1	159.5
Add: Other income	8.9	4.9	5.6	6.5	7.6
Net Increase in Current Assets	-219.4	-497.7	-391.7	-554.0	-515.8
less: 'Net Increase in Current Liabilities	147.0	-151.4	-148.3	-225.3	-152.5
<b>CF from Operating activities</b>	<b>3.1</b>	<b>138.9</b>	<b>476.9</b>	<b>569.3</b>	<b>705.4</b>
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					
<b>CF from Investing activities</b>	<b>-306.1</b>	<b>-232.5</b>	<b>-174.0</b>	<b>-336.4</b>	<b>-111.0</b>
(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
<b>CF from Financing activities</b>	<b>267.1</b>	<b>47.5</b>	<b>(269.4)</b>	<b>(176.8)</b>	<b>(546.8)</b>
Net Cash Flow	-35.8	-46.1	33.5	56.0	47.6
Cash and Cash Equivalent	122.1	86.3	40.2	73.7	129.7
<b>Cash</b>	<b>86.3</b>	<b>40.2</b>	<b>73.7</b>	<b>129.7</b>	<b>177.3</b>
<b>Free Cash Flow</b>	<b>-305.1</b>	<b>-80.8</b>	<b>391.9</b>	<b>414.3</b>	<b>580.4</b>

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	3256.6	3956.8	4819.1
Non-Controlling Interest					
Total Shareholders funds	2439.6	2753.7	3283.4	3983.5	4845.9
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
<b>Total Liabilities</b>	<b>3562.4</b>	<b>3955.0</b>	<b>4262.1</b>	<b>4832.2</b>	<b>5194.6</b>
Gross Block - Fixed Assets	2109.6	2352.1	2440.4	2595.4	2720.4
Accumulated Depreciation	416.0	548.3	692.1	843.2	1002.6
Net Block	1693.5	1803.8	1748.3	1752.2	1717.7
Capital WIP	54.0	23.3	20.0	20.0	20.0
Fixed Assets	1747.6	1827.1	1768.3	1772.2	1737.7
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	1196.1	1438.0	1661.5
Debtors	978.2	1182.2	1435.3	1725.6	1993.8
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	73.7	129.7	177.3
Bank balance	14.4	17.5	150.0	300.0	250.0
Total Current Assets	2069.7	2524.5	3082.2	3842.2	4355.6
Creditors	248.0	312.5	373.8	539.3	623.0
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	832.2	1057.5	1210.0
Net Current Assets	1537.1	1840.5	2249.9	2784.7	3145.6
<b>Application of Funds</b>	<b>3562.4</b>	<b>3955.0</b>	<b>4262.1</b>	<b>4832.2</b>	<b>5194.6</b>

Source: Company, ICICI Direct Research

**Exhibit 8: Key ratios**

(Year-end March)	FY24	FY25	FY26E	FY27E	FY28E
<b>Per share data (₹)</b>					
Adjusted EPS	19.6	25.8	43.1	55.8	68.0
Cash EPS	27.6	36.3	53.8	67.1	79.9
BV per share	182.4	205.9	245.6	297.9	362.4
<b>Operating Ratios (%)</b>					
Gross Profit Margins	42.5	42.8	44.5	45.0	45.2
OPM	12.3	13.9	16.1	16.9	17.2
PAT Margins	6.2	7.1	9.5	10.6	11.2
<b>Asset Turnover (x)</b>					
Return Ratios (%)					
RoE	10.5	12.5	17.6	18.8	18.8
RoCE	11.3	13.6	19.7	21.7	24.0
<b>Valuation Ratios (x)</b>					
P/E	150.9	114.5	68.7	53.0	43.5
EV / EBITDA	80.0	60.3	41.1	33.5	28.2
EV / Net Sales	9.8	8.4	6.6	5.6	4.8
Market Cap / Sales	9.6	8.2	6.5	5.6	4.9
Price to Book Value	16.2	14.4	12.1	9.9	8.2
<b>Solvency Ratios</b>					
Debt / EBITDA	2.0	1.6	0.9	0.6	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

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Sell: <-15%



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