November 4, 2026

To,

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001 **Scrip Code (BSE): 544203**	**National Stock Exchange of India Limited** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 **Symbol: ABDL**
Our Reference No. 93/2026-27	

Sub: Transcript of the Conference Call to discuss Q2FY27 Earnings of the Company

Ref: Our letters dated October 19, 2026 & October 28, 2026

Dear Sir/Ma'am,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the **Transcript of the Conference Call to discuss Q2FY27 Earnings of the Company held on Wednesday, October 28, 2026.**

This intimation is also being uploaded on Company's website and can be accessed at https://www.abdindia.com/.

The above is for your information and record.

Thanking you.
Yours sincerely,
For **Allied Blenders and Distillers Limited**

Sumeet Maheshwari
Digitally signed by Sumeet Maheshwari
Date: 2026.11.04 17:15:46 +05'30'

Sumeet Maheshwari
Company Secretary & Compliance Officer
Membership No. ACS – 15145

Encl.: a/a

“Allied Blenders and Distillers Limited

Q2 FY27 Results Conference Call”

October 28, 2026

MANAGEMENT:	**MR. SHEKHAR RAMAMURTHY – EXECUTIVE DEPUTY CHAIRMAN** **MR. AMAR SINHA – MANAGING DIRECTOR** **MR. RAMAKRISHNAN RAMASWAMY – CHIEF FINANCIAL OFFICER** **MR. J MUKUND – HEAD, INVESTOR RELATIONS AND CHIEF RISK OFFICER**
MODERATOR:	**MR. ABHIJEET KUNDU – ANTIQUE STOCK BROKING LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Allied Blenders and Distillers Limited Q2 FY27 Results Conference Call hosted by Antique Stock Broking Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone.

I now hand the conference over to Mr. Abhijeet Kundu. Thank you, and over to you, sir.

Abhijeet Kundu: Thank you. It is our absolute pleasure to host the management of Allied Blenders and Distillers Limited for the Q2 FY27 results con call. Over to Mr. Mukund, Head of Investor Relations and Chief Risk Officer for further proceedings. Thank you.

J. Mukund: Thanks, Abhijeet. Good evening, everyone. Thank you for joining our Q2 FY27 results conference call. I hope you have received a copy of our results presentation. I would like to urge you to go through this along with the disclaimer slides.

Today, we have with us from the management of ABD, Mr. Shekhar Ramamurthy, Executive Deputy Chairman; Mr. Amar Sinha, Managing Director; Mr. Ramakrishnan Ramaswamy, Chief Financial Officer.

Now I would like to hand over the call to our MD, Mr. Amar Sinha, who will give you the summary of the company's quarterly performance before we open up for Q&A. Over to you, Amar.

Amar Sinha: Thank you, Mukund. Good evening, everyone, and thank you for joining us today for ABD's Q2 and H1 FY27 earnings call. In the first half of FY27, ABD has continued to build a stronger portfolio, a sharper operating model, and a clear focus on building a future-ready spirits' company. Our priorities remain consistent: premiumisation-led growth, stronger consumer engagement, disciplined execution in backward integration, and prudent capital allocation.

Q2 FY27 performance overview. On a consolidated basis, Income from Operations stood at ₹1,152 crore, reflecting growth of 15.8% year-on-year and 17.1% quarter-on-quarter. Q2FY27 marked an important milestone for ABD, with quarterly volumes crossing 10 million cases for the first time.

Total volumes stood at 10 million cases, compared to 9.0 million cases in Q2FY26, representing growth of 11.1% year-on-year. The growth was broad-based across both Mass Premium & Others and Prestige & Above, with all four millionaire brands also growing on a sequential basis, complemented by growth across key domestic and international markets, including the defence channel.

This strong momentum was visible through the first half of FY27, during which we achieved record monthly sales on three occasions, culminating in our highest-ever monthly volume of over 3.5 million cases in September 2026.

Gross margin stood at 45.3%, an expansion of 90 basis points year-on-year, driven by a profitable brand mix across states and higher realisation per case, complemented by backward integration benefits from PET bottle manufacturing, despite the impact of global supply chain disruptions.

Reported EBITDA stood at ₹143 crore, up 10.0% year-on-year and 19.2% quarter-on-quarter, with EBITDA margin at 12.4%. The margin was lower by 66 basis points year-on-year, reflecting our continued investments in core brands and the newly established super-premium to luxury portfolio.

PAT stood at ₹69 crore, up 9.7% year-on-year and 52.0% quarter-on-quarter. Profitability continued to be impacted by global supply chain disruptions, with an estimated impact of ₹29 crore during the quarter. On a like-to-like basis, excluding this impact, gross margin would have been 47.9%, an expansion of 342 basis points on year-on-year basis.

EBITDA would have been ₹172 crore, higher by 32.3% on year-on-year basis, with EBITDA margin at 14.9%, an expansion of 186 basis points. Like-to-like PAT would have been ₹91 crore, higher by 44.3% on year-on-year basis. This reflects the underlying strength of our operating performance, supported by premium mix improvement and disciplined execution.

For H1 FY27, Income from Operations stood at ₹2,135 crore, up 10.9% year-on-year, and EBITDA at ₹263 crore, up 5.8%. Reported PAT for the half-year stood at ₹114 crore, compared to ₹119 crore in H1 FY26. Excluding the ₹53 crore impact of global supply chain disruptions during the half-year, like-to-like EBITDA would have been ₹316 crore, higher by 27.1%, and like-to-like PAT would have been ₹154 crore, higher by 29.8% year-on-year.

Now let me discuss the performance of the Mass Premium and Others and Prestige & Above segments. Mass Premium and Others, we delivered a strong quarterly performance in Q2 FY27 in the Mass Premium & Others category. The net sales value was ₹468 crore, up 15.9% year-on-year and 21.1% quarter-on-quarter.

The volumes grew 15.5% year-on-year and 17.7% quarter-on-quarter to 5.5 million cases. Realisation per case improved to ₹848, up 0.4% year-on-year and 2.9% quarter-on-quarter. The overall volume growth was driven by strong growth in the brandy category in the state of Andhra Pradesh.

Post receipt of relevant approvals in Q4 FY26, we have aggressively rolled out the brand in Andhra Pradesh, which is one of the largest brandy markets in India. With strong consumer response, we have been able to achieve near double digit market share in the state in the Mass Premium category.

We witnessed robust growth in the whisky category as well led by strong bounce back of our flagship brand Officer's Choice Whisky. The growth was driven in Southern region which was well supported by Eastern regions and exports market. Officer's Choice remains a strong cash flow generator, retaining its leadership in India's Mass Premium whisky category and its position as India's number one exported whisky brand.

Portfolio premiumization and brand momentum. Premiumisation remains central to ABD's growth strategy. During Q2 FY27, Prestige & Above sales grew 13.4% year-on-year and 7.5% quarter-on-quarter to ₹605 crore. Volumes stood at 4.5 million cases, up 6.1% year-on-year and 3.8% quarter-on-quarter, while realisation per case improved to ₹1,339, an increase of 6.9% year-on-year and 3.6% quarter-on-quarter.

The segment contributed 56.4% of sales in Q2 FY27 as compared to 56.9% in Q2 FY26. On sales volume basis, the segment contributed 45.0% in Q2 FY7 as compared to 47.1% in Q2 FY26. The P&A contribution was marginally lower due to higher growth in the Mass Premium & other segment resulting into higher salience.

ICONiQ White continued to lead this momentum. The brand delivered 3.2 million cases in Q2FY27, up 20.6% from 2.6 million cases in Q2 FY26, with average monthly volumes continuing to exceed 1 million cases.

Overall, in H1 FY27, ICONiQ White has grown by 26.8% on a year-on-year basis to 6.2 Mn cases. ICONiQ White is now operating at a meaningful scale, supported by domestic market penetration, the defence channel, and an expanding international presence. It also continues to be recognised as the world's fastest-growing Millionaire Whisky Brand for three consecutive calendar years, CY2023, CY2024 and CY2025.

Now let me provide you with an update on our other millionaire brand, Officer's Choice Blue. As per stated plan, we launched a refreshed identity and premium packaging of the brand from September 2026. It features a sleeker bottle, a transparent label with matte gold foiling and an embossed "Trusted Since 1988" marker. This has been rolled out across Uttar Pradesh, Maharashtra, Haryana, and West Bengal and has received an encouraging customer response. Now we will be launching in more markets in phases.

Additionally, we have seen a sequential improvement in Officer Choice Blue brand's monthly performance, with the pace of year-on-year decline moderating progressively, resulting in quarter-on-quarter growth during Q2 FY27.

New launches. In September 2026, we launched The Indian Edit to strengthen our premium whisky portfolio. The brand blends Indian malt and grain spirits with fine Scotch malts and features packaging inspired by Indian heritage. It is available in Maharashtra, Haryana, Uttar Pradesh, Assam, Tripura, Rajasthan, and Goa, with further expansion planned, and has received encouraging response from trade partners and consumers.

Super Premium and Luxury portfolio. ABD Maestro continues to be an important platform for our super-premium to luxury ambition. In its first year of operations that is FY26, we have established a differentiated portfolio of 10 brands with unique positioning across whisky, gin, vodka, and rum categories.

In the current year, the focus is on expanding the width of distribution, deeper penetration in addressable markets and strong consumer engagement. The super-premium to luxury portfolio is now present in about 80% of its addressable markets in India and has expanded internationally

to 7 countries namely Australia, Canada, Ivory Coast, New Zealand, Rwanda, Sierra Leone, and the UAE.

During the quarter, we continued to invest in brand-building and distribution initiatives to strengthen the visibility and positioning of the ABD Maestro portfolio, supported by our dedicated premium execution team focused on key accounts, on-premises presence, mixology-led activation, and social visibility.

The portfolio continues to receive strong recognition at international and national levels. ABD Maestro has won more than 35 global awards and recognitions since its inception in FY26. These initiatives are aligned with our broader strategy of building brand equity, increasing premium touchpoints, and these global recognitions is establishing ABD Maestro as a credible player in the super-premium and luxury segments, while creating long-term value for our brands.

International business. Our international business remains a strategic growth opportunity. ABD has expanded its footprint to 42 countries in Q2FY27, compared to 36 countries in Q4FY26, with expansion in European and African markets and Australia during the year, reinforcing our position as one of India's leading spirits exporters by volume.

Exports continue to be an asset-light and high-profitability model for us, with superior working capital efficiency compared to the domestic business. We remain focused on deepening our presence in existing markets while selectively expanding into new geographies.

In August 2026, we announced our first overseas local production arrangement, for Officer's Choice Blue in Malaysia, through an asset-light co-bottling model with an established local partner. This marks an important step in our expansion in Southeast Asia, enabling faster market entry with limited capital deployment while maintaining oversight of product quality and brand standards.

The company intends to evaluate the phased introduction of additional brands under this framework over time, in line with market response and route-to-market readiness. ABD will continue to evaluate similar asset-light local production partnerships across select international markets, based on market opportunities and strategic fit.

Our international growth continues to be driven by our millionaire brands, alongside the expanding presence of ABD Maestro's super-premium to luxury portfolio.

Backward Integration and Capex progress. Backward integration remains an important pillar of ABD's transformation roadmap. Our capex program is focused on improving supply security, reducing structural costs, and supporting margin expansion over the medium term. We have undertaken backward integration projects in key markets of Telangana, Maharashtra and Uttar Pradesh. Let me provide you an update on the same.

In Telangana, the PET bottles manufacturing facility at Rangapur, commissioned in FY26, continues to be EBITDA accretive. In October 2026, we commissioned our captive malt distillery at Rangapur with an investment of about ₹75 crore and an annual capacity of about 4.0

million bulk litres. It is integrated with our existing manufacturing complex, which also houses an ENA distillery, an IMFL bottling unit and the PET bottle plant.

The malt distillery will support the captive malt requirements of our growing Prestige & Above portfolio, reduce dependence on external sourcing, margin accretive from in-house manufacturing and support the development of our future single malt whisky portfolio.

In Maharashtra, in our subsidiary, Minakshi Agro Industries, Aurangabad. The bottling unit project is progressing well and is expected to be operational in the next couple of months.

ENA distillery expansion: We have received the Environment Clearance (EC) from the authorities and currently the construction is under progress. Overall, the expansion project is on track to be operational in H1FY28.

In Uttar Pradesh, UP is one of India's fastest-growing spirits markets, is central to ABD's growth plans. The Company has announced an overall investment of over ₹600 crore in the state. In January 2026, we acquired non-operating assets for about ₹70 crore and immediately undertook the upgradation of the bottling unit for about ₹40 crore in Moradabad.

In October 2026, we commenced commercial operations at our bottling facility, with an initial capacity of 6 million cases per annum. It strengthens our in-house bottling capability in one of our key markets and is expected to improve service efficiency while delivering cost benefits through higher in-house bottling and savings on franchise fees of around ₹27 per case.

In August 2026, the company announced setting up a 66 Million bulk litre per year Dual Mode Distillery with an investment of about ₹293.5 crore in UP. Expansion of bottling capacity from the existing capacity of 6 million cases per year to an aggregate capacity of 13 million cases per year by establishing a new fully automated bottling unit, refurbishment of the existing 13 million bulk litre per year molasses distillery and acquisition of additional land for the proposed expansion with an investment of about ₹202 crores.

Across Telangana, Maharashtra, Uttar Pradesh and Andhra Pradesh, our strategic investments are intended to deepen in-house ENA, malt, PET, and bottling capabilities. These initiatives are expected to improve supply security, drive structural cost efficiencies, and support EBITDA margin expansion over the medium term, including an expected margin benefit of approximately 300 basis points by FY28 and a further 150 basis points in FY29.

Now other markets. In addition to key mentioned markets, we continue to evaluate profitable growth opportunities in other markets.

Cash flow and balance sheet. Operating cash flow generation stood at ₹269 crore in H1FY27, compared to ₹147 crore in H1FY26.

Net debt increased by ₹292 crore to ₹1,273 crore as of September 2026, compared to ₹981 crore as of March 2026. The increase in net debt was predominantly for capex projects of ₹351 crore during the half-year. As a result, Net Debt to EBITDA stood at 2.2x and Net Debt to Equity at

0.8x, marginally above our stated framework of below 2.0x and 0.75x, respectively, due to milestone-based payments for certain capex projects. We expect these metrics to be within the stated framework on a full financial year basis.

We are also pleased that India Ratings & Research has upgraded ABD's rating by two notches to 'IND AA-' with a Stable outlook. We remain focused on disciplined capital deployment. Our capex program is planned to be funded through internal accruals and debt, while maintaining leverage within our defined framework through the investment cycle.

External environment. The external environment continues to support overall industry growth. Premiumisation remains a structural trend in the Indian spirits market, supported by evolving consumer preferences and increasing acceptance of higher-quality products across categories.

The India-UK Free Trade Agreement is positive for ABD, as it supports margin improvement and improves sourcing flexibility for the higher-end portfolio over time. However, recently, some uncertainties have been raised by Government authorities on the import duty of bulk scotch under the applicable HSN codes.

The industry association, CIABC, has taken up the matter with the relevant Government authorities for an early resolution, as clarity on the applicable duty structure will be important for the industry to fully realise the intended benefits of the India-UK FTA.

At the same time, we remain watchful of inflationary pressures, geopolitical developments, and input cost volatility. Global supply chain disruptions continued to have an impact during H1 FY27, with an estimated impact of ₹53 crore, but our underlying business fundamentals remain resilient and our medium-term margin levers remain intact.

The regulatory environment also remains supportive, with most key state policy updates in place. We expect further momentum from the Telangana policy and anticipated price revisions, and we are seeing improving sentiment on the gradual clearance of outstanding dues in Telangana.

Outlook. Looking ahead, we remain focused on driving premiumisation-led growth while protecting the quality of margins. Growth will be supported by continued momentum in ICONiQ White, growth in our other millionaire brands, an increasing contribution from the ABD Maestro portfolio, the scale-up of The Indian Edit in premium whisky, and new opportunities in identified white spaces, including deluxe vodka. With the festive season ahead, we expect the topline momentum to continue.

For Officer's Choice Blue, our focus remains on a comprehensive brand reset through the packaging innovation undertaken to regain salience and strengthen competitiveness within the Prestige & Above segment.

For Sterling Reserve B7, our priority is to strengthen its premium positioning and rebuild brand momentum within the Prestige & Above segment. Marketing efforts will be directed towards deepening consumer engagement, enhancing brand salience and improving relevance across key consumption occasions, thereby supporting a steady improvement in performance. As already

stated, we are targeting a new packaging roll-out in Q4 FY27. Overall, we expect the topline to grow in-line with the stated guidance of mid-teens.

We will continue to invest behind our core brands, super-premium to luxury portfolio and organisational capabilities, while maintaining FY27 EBITDA margins broadly in line with FY26. This will be supported by premium mix improvement, backward integration benefits, operating leverage, and disciplined cost management, even as we absorb the short-term impact of supply chain disruptions.

To summarize, our strategic priorities are clear: build on the strength of our core brands, accelerate premiumisation, scale our super-premium and luxury portfolio, expand internationally, and strengthen structural margins through backward integration. Supported by a stronger portfolio, a committed team, disciplined execution and a future-ready operating model, ABD is well positioned to deliver sustainable and profitable growth over the medium to long term. Thank you once again for your continued interest in ABD.

With that, we will now open the floor for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Dhiraj Mistry from Jefferies.

Dhiraj Mistry: I have only two questions. One is that if I look at ICONiQ White volume on a sequential basis in Q1, it was around 3.1 million case and this quarter, it is 3.2 million case. So quarter-on-quarter, the volume growth has not or more or less has remained flat. How do we expect going forward in ICONiQ White? Or is that brand has reached the mature level?

Amar Sinha: Thank you for your question. See, I think if you look at the growth of ICONiQ, we did 10.7 million cases in FY26. In Q2 FY26, which is last year, we did 2.6 million cases. And in the corresponding period now, we have done 3.2 million. So, there is a growth of 20.6%. However, Q1, the volume was 3.1 million. This is just an aberration. The plan for ICONiQ during the current year is to reach a level of close to 14 million cases, which is in excess of 25% growth by the year-end.

And just to make a point here that ICONiQ White has started clocking more than 1 million case every month from the first month of the current fiscal. So, the growth of this brand is likely to continue.

Dhiraj Mistry: Got it, sir. And second and last question is on capex front. We have announced quite a few capex over the last 2 years period. Is it safe to assume that the capex intensity or, let's say, the further capex announcement would be on hold or you would be looking at further capex? And in which segment you would be looking for that?

Amar Sinha: So, see, it's like this that we have embarked upon a journey of approximately ₹1,600 crores of capex. Till FY26, we have just spent 25% and over the next 3 years, we will spend the balance. In the current year, we've spent about ₹300 crores. We are spending this money for supply security, for building bottling capacities, enhancing ENA capacities with having our own malt

plant, the PET plant is already operative and is EBITDA accretive. So, other than maintenance capital, which is a routine matter with any liquor business, right now, we don't see anything beyond the ₹1,600 crores being incurred.

Dhiraj Mistry: Got it. And what would be the maintenance capex on an annualized basis, leaving apart this backward integration capex?

Amar Sinha: So, with this kind of capex journey that we have undertaken and with 40 manufacturing plants all over the country, our annual maintenance capex would be in the region of ₹75 crores to ₹100 crores per annum.

Moderator: The next question is from the line of Avnish Roy from Nuvama.

Avnish Roy: So, this is on the tie-up in Malaysia, Southeast Asia. So how will you recognize the revenue? Is there a royalty involved? Or you'll be sharing some costs with them and revenue will come to you only on the pilot project?

Amar Sinha: So, it's like this. It's like a contract bottling unit. We are sending our raw material and packaging material from India, and we will get back our business surplus, which will reflect in other income.

Avnish Roy: And in Karnataka, how has been your growth? The other spirits companies and beer companies have reported very strong explosive growth there. How is your growth in Karnataka? And how has been the overall pricing changes because regulations have changed in Karnataka for both ICONiQ White and Officer's Choice, how is the growth? And how is the overall competition in those 2 segments?

Amar Sinha: So just to fill you in, the Karnataka market is approximately 65 million cases per annum, which is over 50 lakh cases a month. ABD is a small player there with about 40,000 cases to 50,000 cases per month. Premium brands in Karnataka are just about 10% to 12% of the market.

Brands below the premium segment have taken a price cut by reducing the alcoholic strength of the product. It is yet to be seen how the market really evolves. As far as ICONiQ is concerned, we have started seeing growth over the last 2 months. We will be able to gauge the real result over the next 6 months only.

Avnish Roy: Understood. Last question sir. So, it's been 6 months since you are in the company and 4 months since you have been MD, Amar. So, what has been the key changes which you are happy about? What are the key bottlenecks still there? The Tamil Nadu state, if you could talk about that because that is opening up. But what is your sense on that market, say, next 2 years?

Amar Sinha: Okay. Let me first tackle the question relating to Tamil Nadu. See, Tamil Nadu is the biggest phenomenon that is likely to hit the liquor industry. It's a breath of fresh air that will take place. We anticipate the market to open up, which it has already started. New brands are getting registered.

It is a market which is in excess of 50 lakh cases a month, one of the largest markets of the country. But with market liberalizing and opening up, we feel that just like UP had evolved as India's best alcohol market, it is Tamil Nadu that is going to do the same magic. I think we are seeing value accretion and margin accretion in the times ahead. It will happen not only to us, but all companies in the alco-bev space.

Actually, I have been in the company for 6 months now. And I started taking charge from the month one, so technically 4 months, but 6 months in action. So, my focus is totally on driving top line growth, top line profitable growth and execution of capex journey, which is going to be value and margin accretive in the years to come.

Now I must tell you that ABD is undergoing a transformation journey for the next 2 years. Premiumization is going to actually pick up pace. There are buckets in which I feel the growth will happen.

So first, I would like to say is that the company is poised for a value-led growth rather than just volume. I have been trying to mentally tune the entire set of people working with me on profitable volumes. Actually, ABD anyway did about 36 million cases last year. But if we have to achieve our ambition of crossing the 50 million mark by FY29 and achieving profitable growth.

Premiumization journey has to pace up with ICONiQ, which will be the growth driver. We will achieve from 14 million cases this year that I plan to do, we aspire to reach 20 million cases in the next 2 years.

As you know, Officer's Choice Blue and Sterling Reserve B7 are power brands, which are powerful in select states. But put together, they are more than 5.7 million cases, which means high volume. These brands need to be revived.

Officer's Choice Blue in its new form to be distributed and built upon in the months ahead. In fact, the high point was 6 million in 2022. We will scale up the volumes of these brands in the next 2 years.

The Indian Edit in the premium whisky segment, Super Premium whisky segment has been launched. The brand delivers high contribution. It's been in 7 states now. The reports that we are getting is extremely encouraging. So, we see a future in this brand.

We hope to maintain leadership position of Officer's Choice whisky, which contributes to 40% market share and a gross margin of 45%.

ABD Maestro Luxury portfolio needs hard work. Last year was launch and placement. We had sales turnover of about ₹40 crores. This year, we are expecting about ₹80 crores. So, it's moving in the right direction. This year, we need to expand distribution, create visibility and consumer engagement. With the distribution of retail having been merged with ABD, it will get more power to the portfolio. So, this is as far as brands are concerned.

The next bucket I see is for capex and backward integration. We've talked about it in my opening speech, ensure that all backward integration is completed on time so that they become EBITDA accretive by FY29. It is an ambitious ₹1,600 crores plus journey, which will give us 300-plus basis points in EBITDA margin by FY28 and additional 150 basis points by FY29. We have spent 25% up to FY26, as I said, and the rest over the next 3 years.

So as far as brand is concerned, the sales and marketing people are concerned, the manufacturing and quality people, their mindset is being completely tuned to the ambitious growth and profitable objectives with premiumization.

There are 1 or 2 other important areas that I would like to highlight, which we are working on. Travel retail creates visibility for the right target audience for premium and luxury products that we focus available currently, ABD Maestro is available in 4 travel airports currently, which we will expand further. As far as exports is concerned, in FY26, we hit 36 countries. Now in Q2 of FY27, we have reached 42 countries. We aspire to reach 50-plus countries over the next 12 months.

There is another bucket, which is CSD and paramilitary. The defence and paramilitary business has huge potential. We need to harness that. We have listed 3 to 4 new products recently, and they are expected to give us good returns. So there is a huge whole lot of work happening. The entire ABD team is working collectively. There's a huge mindset change, and it is eventually going to benefit the company.

Moderator: The next question is from the line of Mihir Shah from Nomura.

Mihir Shah: This is Mihir Shah from Nomura. Firstly, congrats on the overall good performance. However, the anomaly is if you see the Prestige & Above group, it grew only by about 6%, while Mass Premium grew much higher at 15-odd percent. So, I wanted to understand what led to the slowdown on Prestige & Above growth and what led to the acceleration in the Mass Premium. So that's my first question.

Amar Sinha: So, I would first say that growth in the Mass Premium is 15.5% in volume terms and about 16% in value terms year-on-year. Brands in whisky and brandy have been responding very well in the southern markets, which contributes to more than 50% of the country's alcohol business. You would be glad to know that while we started late in Andhra Pradesh, but we have reached near double digit market share today in Andhra as far as brandy is concerned, which is the largest brandy market.

Telangana OC whisky degrowth has been arrested in the last quarter. Officer's Choice remains the largest exported brand from India, leaders in GCC markets and growing fast in African markets. Officer's Choice as a brand, I said, that delivers 40% market share and a 45% gross margin, so it was important for us to concentrate on this brand and grow it from here. It's a cash generator, which funds growth and premiumization.

You will see a complete brand reset with a completely new packaging look and feel and marketing communication by H2FY27. So, Officer's Choice is all set to rule the market once

again. We will remain focused on volume growth from this segment, which will be in the months ahead.

Now you ask me why is the P&A growth lower? So, P&A volume growth is 6% year-on-year, but value growth is 13.4%. Obviously, because the saliency of Mass Premium with the revival of this segment has improved in Q2, the saliency of P&A looks smaller, but the value growth is 13.4%.

P&A growth largely is driven by ICONiQ, which has reached 10.7 million cases in FY26. It's a large base also. But you will realize that the best has yet to come. The season is about to begin. The season ratio is 40 to 60. This year, we plan to sell 14 million cases and the large volumes are going to happen in H2. You would be aware that ICONiQ has emerged as the world's fastest-growing premium brand and a millionaire whisky brand for 3 consecutive years.

OC Blue launched with new packaging is responding very well. Degrowth is getting arrested since Q2 over Q1. Sterling Reserve planned for a brand reset in Q4 in the months ahead. Indian Edit launched in 7 states, good reports from the market. ABD Maestro's 9 luxury products are being focused on with integration of retail sales with ABD.

Therefore, if you will realize that there is a huge headroom for growth, we remain focused on taking P&A volumes to a 50% plus saliency level and 60% plus value level in the value saliency in the next 1 year. Brand will remain focused on delivering mid-teens to high teens plus growth in volume H2.

Mihir Shah: So which brand you said will deliver mid-teens to high teens? I think to reach 14 million cases, ICONiQ will have to grow by 30% actually.

Amar Sinha: Yes. So as the season is yet to begin, there are huge marketing plans in the annual, and we don't see it as a problem because see, let me explain one thing. I have told you that every month, we are clocking more than 1 million cases. If I don't do anything, I will still hit 12 million cases. So, to reach that 14 million we have to stretch out as far as activations are concerned, which we will do.

Mihir Shah: Understood. So, suffice to believe that the 20% decline in P&A ex of ICONiQ will get addressed with the new launches, new refurbishing of packaging, etcetera, that you're doing. And the step-up in volume growth that we have seen in Mass Premium is likely to continue given Officer's Choice has seen a turnaround. And there also, you are expecting a refurbishment in packaging by 4Q. Would that understanding be correct, sir?

Amar Sinha: Your understanding is absolutely bang on. I would again like to say that Officer's Choice Blue, Sterling Reserve B7, not even having achieved the packaging change. and Officer's Choice. All 3 for the first time have seen a certain growth. And I am hoping that over the next 1 and 2 years, these brands should see a reasonable level of growth.

Further, there are brands like Indian Edit, which will add to the pace of growth. Of course, ABD Maestro brands will also see some growth in the alcohol business. So, there are a lot of things.

Plus, I must tell you that the white space to make the P&A look more attractive is the launch of a vodka, which will happen before the year-end.

Mihir Shah: Understood, sir. That is clear. Secondly, I just wanted to understand, if one looks at the mass premium whisky market or the popular whisky market, competitive intensity there seems to have heated up with McDowell's also re-launching with a refreshed liquid actually along with packaging. Imperial Blue also is getting aggressive. You are stepping up the pedal. How should one see this space now? And what, in your view, are you seeing on the ground between who's winning the tussle here at this point of time? Any light would be helpful.

Amar Sinha: See, I must tell you something that the reality is that while premiumization is a talked about subject globally, the fact is that any country in the world has a market at the lower end of the pyramid. Similarly, in India, out of 440 million cases, roughly 55% is the brands below the premium segment.

And the good thing for us is that if you go back quarter 1, while the whole industry declined, ABD grew by 2.3% in this quarter also, we have shown a decent growth. So, this 40% market share in the Mass Premium whisky market, I think we are the leaders despite any competition that is coming in, we will continue to strengthen the brand because it already has a brand equity. We only need to put in some more focus. So, we are not scared of competition, but we will just concentrate on elevating our position in the market over the next 2 years.

Mihir Shah: Fair point, sir. Lastly, on margins. If you see the impact on gross margins this quarter was quite a bit. So, I wanted to understand with the benefits of higher P&A growth, U.K. FTA benefits, etcetera, coming in, how should one think about the gross margin profile in the second half? and also, maybe some backward integration benefits will start kicking in as well? So, any light on how your margin profile will shape up in the second half?

Amar Sinha: Yes. Yes. I'll tell you what. See, as I said, we have had a gross margin of 45.3% in Q2. And it was 46% in Q1. So roughly, if you ask me, I would say that before anything, the market that will evolve in the season should give a margin accretion of, say, 100 basis points in H2. And I did tell you that in FY28, when our backward integration starts rectifying and in FY29, we will add between 400 to 450 basis points.

Moderator: The next question is from the line of Harsh Sheth from ICICI Securities.

Harsh Sheth: Congratulations on crossing 10 million cases in the quarter for the first time. Most of my questions have been addressed. So just a couple. So, on Maestro, I understand it is in seeding phase and small relative to overall business. But since the investment behind it is now a visible line in the margin, could you give us a broad sense of the annual spend and how the 6,000 premium touch points and 80% addressable market coverage are tracking against plan? And importantly, at what point would you expect it to start contributing meaningfully to the EBITDA margin?

Amar Sinha: So let me tell you, first of all, as I said, that last year, we did ₹40 crores last year and ₹80 crores is what we will do this year.

Another point is that exit of FY26, we were in 6,000 premium touch points. This year, from here, it will only continue to grow. Why? Because the sales efforts of ABD Maestro has now been integrated with ABD, and that will give more power to distribution. So, we are hoping out of the 100,000 universe, 20,000 universe is roughly all key accounts, on-premise, premium outlets. So, we hope that with this integration with ABD, we will be able to better handle the challenges ahead.

Harsh Sheth: Sure. And sir, one follow-up. So how should the EBITDA margin trajectory look like as we scale up the Maestro portfolio?

Amar Sinha: So, see, I'll tell you, if I have to give you a guidance in FY27, I have told you that we have been facing the challenges of the West Asia war crisis. And if it was not there, my EBITDA margin would have been 15%. So, I have lost about 250 basis points of EBITDA margin because of the West Asia crisis. But nevertheless, by the close of FY27, we hope we will be able to do as well as what we did in FY26 despite the challenges. And then there is no looking back next year onwards.

Harsh Sheth: Secondly, on The Indian Edit recent launch at ₹1,550 price point in Maharashtra. So, it sits in the same band as some of the very well-established premium whisky's. So how are you thinking about the H2 rollout beyond 7 launch states? And is the consumer you are targeting here a trade-up from Sterling Reserve or recruit from a competing brand?

Amar Sinha: No. So, there are multiple brands in the premium whisky segment in India now. And when a consumer walks into an outlet, he doesn't ask ABD is this brand or that brand. He asks for his brand. I think we will get consumers from different brands that prevail states, especially brand. I don't want to name the brands, but you are all aware. There are multiple choices, and we'll attract consumers from these super premium whisky's and premium whisky's.

Moderator: The next question is from the line of Abhishek Shankar from ICICI.

Abhishek Shankar: So, I just want to put light on the margin part. So, we see that the conflict in the West Asia continues. There's no fixed outcome that has come out yet. So what impact are you seeing early into Q3, whether supply chain disruption impact will continue ahead for the next 2 quarters at least say, 1 quarter? And how are the early trends you are seeing in the festive season? So just wanted to get clarity on the margin part and the festive trends.

Amar Sinha: So first of all, I must tell you that the inflationary pressures are still on. We are only hoping that Q4 will be much better. But right now, the pressure is on. But there are several margin drivers. We have the seasonality in operating leverage in H2. We are looking at bettering the premium mix of the brands with the launches like Indian Edit and vodka is also likely to come.

Backward integration is going to give us margin accretion because we have started production as we speak in Uttar Pradesh with our bottling plant that we acquired, which is a big one. And this is going to be highly margin accretive. First of all, before anything, whatever we produce in that plant, we get a franchise duty waiver of around ₹27 a case.

And there is this capacity right now is 6 million cases. By Q3FY28, we are planning to expand the capacity to 13 million cases. So, you can understand the margin in the next say, 6 months that we will gain from this initiative.

Then we are also undertaking some value engineering with our packaging material because in difficult times, we need to re-examine, where we can save some money, right. India, U.K. FTA is likely to give us 70 basis points this year. Right now, there is an upheaval, which all of you are aware. But I think it's a bigger issue.

Both the countries, governments are in talks. We have made a representation. And I think I am being optimistic that it will get resolved over the next 1 month. In any case, we have stocks, which will last us till early December. So, by that time, we hope it will all get resolved.

Moderator: The next question is from the line of Nitin from HDFC Securities.

Nitin: My first question pertains to like the cannibalization risk. Like how are we looking to address the portfolio cannibalization? Our ground checks indicate that traditional brand volumes have largely cannibalized or to an extent, cannibalized towards ICONiQ White. And now we are looking to relaunch our portfolio offerings like OC Blue we have launched, and we will be doing SR B7. So, I just want to check like what all measures we are taking to sort of protect volumes in the brand? That's the first question.

Amar Sinha: So please, I would very humbly like to make a small correction to your understanding. The regional brands are not cannibalizing into ICONiQ White. First of all, ICONiQ White is hitting more than 1 million case every month. So, this has never happened in the past. It's happening now.

Secondly, as I said, we will hit close to 14 million cases this year, which we stick to our guideline. And the season is about to begin, and there are many more activations and marketing communication planned for the brand. So, cannibalization will not take place as of now. ICONiQ is today looked at as a superior value for money in that segment. And competition, I would say, to ICONiQ is facing certain challenges, which I don't want to describe, but there are some opportunities which are going to be available to us.

Nitin: My question was pertaining to like in the past, we have seen a volume declines in OC Blue and Sterling Reserve B7. So, I just wanted to check on like if there was any cannibalization to ICONiQ White or like what was a missing element in the past, which have affected the growth. And now with the relaunches, how confident we are with the growth journey ahead?

Amar Sinha: See, I'll tell you something. ABD went for an IPO in the year July '24. Prior to that, we were facing many challenges. The brands are not being nurtured. It was not being marketed. So, I think most of the brands suffered in that during that period.

After 2024 after the IPO took place, we are only expanding. We are bringing in more brands. We have set up ABD Maestro. We are premiumizing. We are exploring more new opportunities, more new brands. So, I think we have enough resources available to us now, which was not

available earlier. And without being aggressive, I think I was not there in the past. I am here now with a lot of my experience, so which will also benefit the company's portfolio. I'll do my best.

Nitin: Sure, sir. This is quite helpful. And my last question pertains to this sort of aggressive capex plan. So, this quarter also, like net debt to EBITDA exceeded 2x threshold we have set. So, like going ahead, like how confident we are with respect to sort of managing the funding of our capex through debt and internal accrual?

Amar Sinha: Yes. So, see, the point is that premiumization is helping us to manage our profitability and working capital pretty well. If you see my operating cash flow in H1 FY26 was ₹147 crores. And operating cash flow in H1 FY27 is ₹269 crores. So, I'm generating more cash. And we hope the company is becoming healthy. I think we have no doubt that the financial metrics that we talk about as per our stated guidelines by the end of the year when the capex program starts justifying, we will fall in line.

Moderator: The next question is from the line of Karan Kamdar from Choice Institutional Research.

Karan Kamdar: Congrats on a good set of numbers. What I wanted to know is what is your pricing strategy going forward given that costs have risen? And how do we see the spectrum of raising prices across various states?

Amar Sinha: So, see, as far as pricing strategy is concerned, you know that liquor industry doesn't allow you to change price when you move on or whenever there are inflationary pressures. But one of the most important things is if you look at the history of the last 3 to 4 years, the government has been very responsive to the industry pressures and has given price increase in most states of the country over the last 3 to 4 years.

We are constantly making representations about the inflationary pressures. We hope that over the next 12 months, some states will fructify. The latest on the cards that should happen is Telangana, where the dialogue is on, the whole industry is under pressure. So, Telangana is one, and there are many other states that we are trying to get a price increase through the association of alcoholic beverage company, I think something will fructify.

Karan Kamdar: Got it. And sir, would this price increase be sufficient enough to cover the cost overrun due to the conflict? And when can we see margin accretion happening? If we assume that this cost base continues for the next 6 months to 1 year, when can we see margin accretion happening?

Amar Sinha: See, I'll tell you, I have a simple calculation. I just told you that what I have lost about 250 basis points because of this West Asia crisis through inflation. But I am very sure that my capex journey, my premiumization journey that we have undertaken will more than offset the inflationary pressures. And first of all, this inflationary pressure is going to be temporary. It's lasted for 6 months, maybe it lasts for another 3 months. We'll be able to pull through. We don't see it as a challenge.

Karan Kamdar: Got it. Sir, one last question, if I can. And I just want to say congrats on the opening of the malt distillery. What I wanted to know is by when can we start selling or using the malt from the facility after maturation? How soon can we see the malt go commercial?

Amar Sinha: So great question. First of all, the malt distillery that we have set up in Telangana is a state-of-the-art and it has a capacity of 4 million liters per annum. We have set up a state-of-the-art maturation warehouse. So, we will start maturing what we produce. And in 3 years' time, it will be ready to be used as a malt. However, we import or buy a lot of fresh malt to blend into our products. So that we will start seeing in a span of 12 to 15 months. So, this will all become margin accretive.

Moderator: The next question is from the line of Ishani Kacholia from NV Alpha.

Ishani Kacholia: Sir, to increase your brand visibility, are you going to be increasing your spending? If so by how much? And could you shed some clarity on how much revenue you own through each of your existing distribution channels and if you're planning on expanding your distribution channels?

Amar Sinha: No. So, see the distribution channels in the liquor space are restricted and you can't do beyond. If you look at the retail, it's over 100,000 outlets, which will continue to be 90% of it is being handled by us in terms of presence. Then we have CSD and paramilitary where we have made an entry and added 3 to 4 brands this year. That will be an area of growth.

Then we have exports where we have expanded from 36 to 42 countries. We will go to 50 countries in the next 12 months. So, we've got all these channels. And then we have got premium on premises, which will be tackled with the premiumization journey that we have taken. So, I think we are pretty much there and all we need is the right strategy to make it successful with so many brands.

Ishani Kacholia: All right, that's great. I'm rooting for you guys. All the best.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions, I now hand the conference over to the management for closing comments. Please go ahead. Thank you, and over to you, sir.

J. Mukund: Thank you for taking time out and participating in our 2Q FY27 Earnings Call, happy to address further questions. You can reach out to me or Amar as well. Thanks again. Wish you all the best.

Moderator: Thank you. On behalf of Antique Stock Broking Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

Notes: 1. This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings.

2. Figures have been rounded off for convenience and ease of reference.