Radico
SPIRIT OF EXCELLENCE

RKL/SX/2026-27/48 August 05, 2026

BSE Limited
Phiroze Jeejeeboy Towers
Dalal Street
Mumbai – 400001
Scrip Code: 532497

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot no. C/1,
G Block, Bandra-Kurla Complex, Bandra (E)
Mumbai – 400051
Symbol: RADICO

Subject : Transcript of Earnings Conference Call

Ref. : Disclosure under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Dear Sir/Madam,

In continuation to our letter no. RKL/SX/2026-27/38 dated July 17, 2026 and pursuant to Regulation 30 of the Listing Regulations, please find enclosed herewith the Transcript of Earnings Conference Call for Analysts and Investors held on July 29, 2026, for Quarter ended June 30, 2026.

The transcript is also being disseminated on the Company's website at https://radicokhaitan.com/investor-relations/

This is for your information and records.

Thanking You,
For **Radico Khaitan Limited**
Dinesh Kumar Gupta
Digitally signed by Dinesh Kumar Gupta
Date: 2026.08.05 12:49:49 +05'30'

Dinesh Kumar Gupta
Senior Vice President - Legal & Company Secretary

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Radico Khaitan Limited

(BSE: 532497; NSE: RADICO)

First Quarter FY2027

Earnings Conference call

July 29, 2026

Management Participants:

Mr. Abhishek Khaitan, Managing Director

Mr. Dilip Banthiya, Chief Financial Officer

Mr. Sanjeev Banga, President – International Business

Mr. Sudhir Upadhyay, Chief Sales Officer

Presentation:

Moderator: Ladies and gentlemen, good day, and welcome to the Radico Khaitan Limited Q1 FY27 Earnings Call.

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 this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Manoj Menon. Over to you, sir.

Before we begin our presentation, I would like to remind you that some of the statements made in today's conference call may be forward-looking in nature and may involve risks and uncertainties. Kindly refer to the last slide of our earnings presentation for the detailed disclaimer.

Manoj Menon: Hi, everyone. It's a wonderful good evening to all of you. Today, we have with us Mr. Abhishek Khaitan - Managing Director; Mr. Dilip Banthiya - Chief Financial Officer; Mr. Sanjeev Banga - President of International Business; and Mr. Sudhir Upadhyay - Chief Sales Officer, all representing Radico.

Now I would like to hand over the call to Mr. Abhishek Khaitan for his opening remarks. Thank you, and over to you, sir.

Abhishek Khaitan: Good afternoon, ladies and gentlemen, and thank you for joining us on Radico Khaitan's Q1 FY27 Earnings Conference Call.

We are pleased to report another strong quarter carrying forward the momentum from FY2026. During Q1 FY27, we reported highest ever quarterly volume of 10 million cases, revenue of Rs. 1,684 crores and EBITDA of Rs. 348 crores.

Our performance was driven by the continued success of our premiumization strategy with our P&A portfolio delivering 36% volume growth during the quarter and significantly outpacing the industry.

Despite a dynamic global environment, marked by geopolitical uncertainties and supply chain challenges, we expanded our operating margins through a richer product mix, disciplined cost management and continued operational excellence.

The quarter was also a strong demonstration of our ability to translate strategy into execution. Alongside robust business performance, we expanded the distribution of our luxury portfolio, strengthened brand advocacy through consumer experiences, significantly enhanced our on-trade presence and forged strategic partnerships that will support long-term brand equity. These initiatives reinforce our confidence that the investments we continue to make behind our brands are creating a stronger and more sustainable platform for future growth.

Turning to our brand portfolio, we believe India's vodka category has entered a multiyear structural growth phase, driven by changing consumer preferences, favorable demographics, premiumization and evolving consumption occasions. India's vodka category has grown at over 20% CAGR between FY22 and FY26, significantly ahead of broader IMFL growth.

While vodka accounts for nearly 28% of the global spirits market, its share in the Indian IMFL industry has increased from 4.6% in Q1 FY26 to 6.1% in Q1 FY27. This highlights the accelerating pace of category development and the significant headroom that remains.

Magic Moments continues to lead the category with over 60% market share and an even stronger position in its core price segment. The brand delivered a landmark performance during the quarter with 3.25 million cases at a growth rate of 43% year-on-year. In value terms, the growth was 51%, indicating a strong premiumization trend. The performance was driven by strong consumer acceptance and our flavor-led innovation strategy. Flavored vodka today accounts for 75% of our volumes, up from 65% last year.

Vodka also offers attractive unit economics supported by lower production costs and significant premiumization potential, making it one of the most attractive long-term growth categories within the Indian Alcobev industry. Going forward, we will continue to focus on new flavor innovation to drive the industry and sustain strong growth in our portfolio.

Across our broad premium portfolio, Royal Ranthambore, 8PM Premium Black and After Dark Blue continue to build strong consumer traction, each supported by differentiated brand building initiatives.

The limited edition Royal Ranthambore Pack has been well received with its storytelling around India's six legendary tigers, strengthening the brand's premium positioning while supporting wildlife conservation.

8PM Premium Black gained further momentum during the quarter, supported by its partnership with Sunrisers Hyderabad in the recent IPL season. Improved brand visibility and strong consumer acceptance contributed to a healthy increase in market share in key markets.

The recently introduced contemporary packaging for After Dark whiskey is expected to further enhance the brand's premium appeal and support market share gains in the largest whisky segment of the industry.

Looking ahead, we expect our P&A portfolio to deliver over 25% volume growth during FY27, supported by a robust innovation pipeline, expanding distribution and favorable industry trends. With premium brands accounting for an increasing share of our business, we remain confident of sustaining EBITDA margin of around 20% for FY27 while continuing to invest behind our brands and strengthen our long-term competitive position.

With that, I would now like to hand over the call to our CFO, Dilip Banthiya, for a detailed review of our financial and operational performance. Thank you, everyone, and over to you, Dilip.

Dilip Banthiya: Thank you, Abhishek. Thank you, everyone, for joining us on this call today.

FY2027 has started with strong financial momentum as we continue to deliver higher profitability, margin expansion, improved returns and strong cash generation. Our performance is a testament to the strength of our business model, driven by premiumization, operating leverage, input cost stability and a persistent focus on disciplined execution and capital allocation.

During Q1 FY27, we delivered a strong all-round performance with total IMFL volume of 10 million cases, reflecting 3% year-on-year growth. The Prestige & Above category continued its strong upward trajectory, recording 36% volume growth. This performance was supported by strong brand momentum and premiumization-led mix improvement. Regular volume degrowth was due to a higher base of Q1 FY26 after the change in the route to market in the state of Andhra Pradesh and the impact of policy changes in Maharashtra and Karnataka.

On profitability front, gross margin during the quarter was 49.1%, representing 610 basis point expansion on year-on-year basis and 110 basis point expansion on quarter-on-quarter basis. Gross margin improved on year-on-year basis due to relatively benign raw material scenario coupled with ongoing premiumization. Raw material accounted for 75 basis points of gross margin expansion during the quarter. This is despite the recent volatility in the packing material prices, which resulted in approximately Rs. 30 crores of financial impact. While the Company continues to monitor the West Asia crises, we are confident of our margin expansion trajectory in FY27. Furthermore, the impact of price increase in Q1 FY27 is about 75 basis points.

EBITDA margin for the quarter stood at 20.7%, expanding by 536 basis points year-on-year to its highest-ever level. This strong improvement reflects the success of our premiumization strategy, better operating efficiencies and continued cost discipline. It also highlights the benefit of our consistent investment in building a strong premium and luxury brand portfolio over the years.

Building on our strong financial performance, both ROE and ROCE improved during the quarter, supported by higher operating profit and better asset utilization. As the premium and luxury portfolio continue to expand, we expect our capital efficiency and return ratios to further improve.

Further strengthening our financial position, we have reduced our net debt by Rs. 138 crores since March 2026, supported by a healthy profitability and robust cash generation. Our balance sheet remains strong and we are on track to become net debt free by Q2 FY27. We remain disciplined in our approach to capital allocation with capex directed towards maintenance, operational efficiencies and essential capacity optimization.

Looking ahead, our priorities remains clear: driving profitable growth, maintaining a strong balance sheet, improved capital efficiency and creating long-term shareholder value.

With that, we now open the lines for questions.

Question & Answer Session:

Moderator: Thank you. The first question is from the line of Aditya Soman from CLSA India Private Limited. Please go ahead.

Aditya Soman: So, two questions from me. One, can you give us a sense of growth for key luxury brands like Rampur, maybe Royal Ranthambore and any others you want to call out? And then the total sort of luxury brand sales, and if you can give us some sense of the growth on these brands? And the second question is on the margins. Obviously, very strong performance in this quarter. How do you see these margins sort of sustain and evolve from here? Any sense on that, particularly if, let's say, ENA costs were to rise again down the line? And corollary to that is how much of a connection is there to ENA cost anymore given that you're selling about more P&A products?

Abhishek Khaitan: To answer your first question on the luxury portfolio, last year, we had a total turnover of about Rs. 475 crores, which came from our luxury portfolio. And we gave a guidance of 25% increase in the sales value of our luxury portfolio. And I think we are on target to achieve the 25% growth in our luxury portfolio. And secondly about your margin question, we've already given guidance that we are confident of achieving 20% EBITDA margin in the current year where there will be pluses, there can be minuses. But overall, we feel because of our strong momentum of growth in the P&A segment, we should be able to sustain these margins.

Aditya Soman: I think on the second question, just a quick follow-up. Again, I saw the guidance on the 25% growth. My question was, do you think this is the right level of 20% margin. Do you think this is the right level of margin on a steady-state basis? Or do you think there's still room for further expansion?

Abhishek Khaitan: What we had guided [for 2-3 years], we have achieved in one year. I think first, we are looking at 20%. And when we come closer to the year, more clarity will come. So, I think as of now, we stick to the 20% EBITDA margin for the current year.

Moderator: The next question is from the line of Dhiraj Mistry from Jefferies.

Dhiraj Mistry: My first question is on Morpheus whisky that we launched in prestige segment. Where are we in our journey? And how that brand has been scaling up now?

Sudhir Upadhyay: Morpheus whisky is launched in quite a competitive segment, which is large enough. So, the brand is right now, we have launched in around 10 to 12 states. We have initial traction, but I think it's a journey which will go on because it's a competitive segment. So, you'll still wait and watch for the results to come for Morpheus.

Dhiraj Mistry: And how is the initial response, let's say, whatever you have gathered from the 10 states, are you gaining or let's say, how is the consumer traction from this brand?

Sudhir Upadhyay: See, the way we work on, we completely believe in the distribution part, we believe in the full strategy. So, distribution has been done. There is a positive side of traction, which is there from consumer in some of the markets. And we know that it will take some amount of time in seeding. So as of now, it is positive, and we will keep on pushing the brand.

Dhiraj Mistry: Got it. And in line with that question, in this current financial year, which would be the wide gaps you would like to fill in your portfolio?

Abhishek Khaitan: In the current fiscal, there will be more innovation, which will be coming in the vodka side of new flavors being added. In the current year itself, we will be getting our tequila also. So, these would be the few items. And rest, we have enough brands on our platter and enough growth, which now has started taking shape like the Royal Ranthambore, Virasat Indian Single Malt, which has got a huge response from the market. So, I think we are going to concentrate in the current year on all these brands.

Dhiraj Mistry: Got it. And second question is on margin front. So, 20.7% margin is quite excellent. But can you divide this margin between your non-IMFL business and IMFL business for the quarter?

Dilip Banthiya: Non-IMFL business margin is around 11 to 11.5% and the IMFL margin is 23% plus.

Dhiraj Mistry: Got it. But is this 11%, 11.5% for non-IMFL business is sustainable, because historically, there has been quite volatile performance, let's say, from mid-single digit to high single digit usually we report and compared to that 11% looks high.

Dilip Banthiya: Generally, the margin used to be in the range of 8% to 11% in the past, but because of some inflationary pressure two years back, the margin came down to mid-single digit to 6% to 7%. But we feel that these are sustainable margins in the non-IMFL business.

Dhiraj Mistry: Got it. And last question from my end is on capital allocation, given that we have only Rs. 100 crores of debt and we would be virtually become debt free next quarter onwards. And I know that you have already announced 20% dividend payout policy. But after incurring Rs. 150 crores to Rs. 200 crores of capex also, there would be substantial money would be left on the table. What's your future plan for that? Let's say, you would be increasing your dividend payout ratio or would do some capex or acquisition on that front?

Abhishek Khaitan: See, right now, we have made a target of becoming a debt-free company, which we are going to become a debt-free company. Last quarter, we also announced a minimum dividend distribution policy of 20%. So, I think on becoming debt-free and the cash coming, we will go for any acquisition only if it makes sense to the shareholders because if you see the history of Radico, we have always grown organically. So as of now, our maintenance capex would be in the range of Rs. 150 crores to Rs. 170 crores. And rest of the money as the Board decides, we will be doing that.

Moderator: The next question is from the line of Harit Kapoor from Investec.

Harit Kapoor: Just had two questions. One was on After Dark. The brand has done exceptionally well since you relaunched it a few years back. I was just trying to understand that given that the trajectory has been very strong even last two years, what prompted a kind of repackaging relaunch kind of strategy because it was doing very well. Is it centered around certain markets that you think that refresh was needed? A little bit more color on that would be helpful.

Abhishek Khaitan: See, this After Dark segment is one of the largest segments. Last year, we reported a growth of 60% in volumes. We sold more than 3 million cases. And we have done a total internal study with the research. And then we have come out with this beautiful After Dark Blue, which resonates with the consumer and the market is very big. And in fact, we've launched it in Uttar Pradesh, where we are getting very positive signals. So, I think we are very confident that After Dark Blue in the coming years will become a very good brand, we should see good momentum in the brand.

Harit Kapoor: And is there a blend change also?

Abhishek Khaitan: No.

Harit Kapoor: Got it. And the second question was really on the India, U.K. FTA change. Just wanted to get your sense on pricing position laddering, any changes that you expect from a portfolio perspective, given that global competitors will make some pricing changes just the matter of fact that they have bottled in origin. Just wanted your thought process on what peaks you may need to make over the next few months? Is there something in the pipeline already, etc?

Abhishek Khaitan: See, right now, it's too early to comment. But with our estimate, even if they pass on, the retail price will go down by only 7% to 8%. Secondly, if you see our single malts are already priced higher than the competition. Like Rampur Double Cask, the average rate would be about Rs. 8,000 to Rs. 8,500. Virasat brand what we have done will be in the range of Rs. 4,000. So, as it is, we are priced higher than that. And today's consumer is looking at quality brands. So, I think as of now, our strategy remains the same. We will continue to focus on our single malts and continue to spend behind that.

Moderator: The next question is from the line of Sanjay Manyal from DAM Capital Advisors.

Sanjay Manyal: A few questions, specifically first on the UK FTA. So, what kind of competition you think is panning out in the luxury segment, specifically? Any early signs of this extensive competition? Any major brands where you think that now would be imported by the competitor?

Abhishek Khaitan: Right now, it is too soon to comment. But as I said in my earlier answer also that our luxury portfolio is very different. And we are into the single malt category where the price elasticity is a lot, and it all depends on the consumer's preference. And, if you've seen the Indian single malt is outpacing the global malt in India. So, I think it's a long way to go. And more than price, it is the taste. Where our luxury portfolio differentiates from the competition. And in the global markets, we are competing with all the global giants. So, I think this will not be such a move at all.

Sanjay Manyal: Right, sir. Sir, just one more thing on the luxury part itself. What I understand it must be closer to 3% of the total India IMFL volumes. Is there any sense you can get what would be the value contribution from the luxury part industry-wise, industry-wide question?

Abhishek Khaitan: So, value you mean sales-wise?

Sanjay Manyal: Yes, sir.

Abhishek Khaitan: Very difficult. If you want just a guesstimate, it should be double that. If it's three, then it'll be six.

Sanjay Manyal: Okay. Right. And maybe if you can give some sense about any sort of changes you have seen in the Karnataka, in both Popular and the P&A segment, what kind of impact we have seen on both Popular and P&A?

Sudhir Upadhyay: See Karnataka, it has been a very, very progressive side of the policy. And we have seen the government the way they are going on, they have rationalized the premium brand pricing 1.5 years back also. And at that time, there was a P&A growth of around 28% and our P&A category has doubled the volume at that time.

Now again, taking the learnings from there, they have again rationalized the pricing for the premium brands. And this time, the P&A category has grown for the Q1, I'm talking, the P&A category has grown by 9% whereas our portfolio of P&A has grown by 83%. So, it is a very positive side of it. The government is thinking on the right line.

And since we have a strong portfolio there of all brands. So, when you talk about Rampur Single Malt or Jaisalmer Indian Craft Gin, or Sangam, Virasat, Royal Ranthambore and then Morpheus Brandy, Magic Moments, After Dark, so that's a strong portfolio which we have. So we are positive on that side. And considering the cosmo culture in Karnataka, we think that it has a long way to go.

Sanjay Manyal: Right, right, sir. And lastly, on the ENA part, I just want to understand, given the fact that the kind of growth you have seen in the last few years, I believe your requirement for the ENA would have gone up substantially versus I believe your capacity is close to 30 crores liters, if I'm not wrong. So, any plans to sort of increase the capacity for the capital requirement?

Dilip Banthiya: I think the outsourced ENA for the mass brand is available. And with the capacity expansion done in last two to three years [in the industry], most of the states are becoming ENA surplus. So, I don't think there is any compelling reason to go for capex and do another capacity expansion. But in future, when we will be completely debt free, if need arises that we can generate that kind of ROI, then we will think about it. But as of now, there are no plans as such.

Sanjay Manyal: And what is the requirement, total requirement now, ENA requirement, captive?

Abhishek Khaitan: So, our total requirement is in the range of around 28 crores to 30 crores liters between our IMFL and non-IMFL both put together, and for Rampur plant, Sitapur plant and our joint venture, we make 33 crores liters. So, some of the quantities we sell because of the logistic reason from UP and some of the quantities we buy from Southern states and Eastern states.

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

Abneesh Roy: Congrats, on great set of numbers again. My first question is on South India, specifically Tamil Nadu and Karnataka. Tamil Nadu, of course, the buzz is there that government there will reform the sector. And today, the news has come that TASMAC shops will be privatized. I wanted to understand, historically, how big you have been in Tamil Nadu market. And given there are other examples of privatization in other states, do you see a big potential for your company and industry in Tamil Nadu based on whatever assumptions are available? I know we don't have the details, but fair to take the examples from other states.

And then Karnataka post the tax reform, the number of slabs have become half and clearly, there is much higher growth at mid and premium end of P&A. If you could comment on how things have evolved for you and for the industry because everyone is seeing very strong growth there in the last one or two months in the mid and top end of the P&A. That is my first question.

Abhishek Khaitan: So, to answer your first question about Tamil Nadu, Tamil Nadu is the largest market of the country. And all the signs are positive, they have also started ordering on the tertiary sales, and there are a lot of industry meetings also going with the excise. So, I wish and pray that it becomes an open market. And like Andhra, when it opened up, we didn't know that we'll become the largest there with 25%, 26% market share.

Tamil Nadu is basically a brandy market. And our Morpheus brandy is doing exceedingly well in the premium space. So it's a wait and watch, but it can be a very big market for the entire liquor industry.

And to your second question about Karnataka, I think Karnataka has the most progressive policy what they have come out with. And the P&A growth in the first quarter has been 9% of the industry, whereas our P&A growth has been 83%. So, I think, and right now, the MRPs are just getting settled. So, the exact effect will start coming from July onwards. So, I think Karnataka will be a very interesting industry for the P&A category for the industry and especially Radico.

Abneesh Roy: Sure. My second question is slightly structural. When we hear the con call of any liquor company, we hear very similar thing that everyone is launching flavored vodka, flavored spirits, flavored this flavored that; so, you have been one of the early movers here and you have done exceedingly well. My question is, will this become a challenge going ahead at some stage that differentiation then will become a problem because in this kind of a me-too strategy, which other companies are also doing, then what will happen in such a scenario? Everyone will have the same flavored, Guava flavored this, flavored that. So I wanted to understand that from an innovation perspective?

Abhishek Khaitan: You are 100% right. When I launched Magic Moments vodka in 2006, that time, the vodka saliency was 1% and there were hundreds of vodkas launched, but Magic continued to become the market leader with 60% market share in two decades. And what I see globally 28% of the global industry is vodka.

In India, last 5 years, 20% growth. And now what we are seeing is a meteoric rise. So, I think it's a multiyear story for vodka. And the more of the brands come, the category gets wider. And eventually, the consumer sticks to one or two brands. So, I think the more competition which will come in this space would be very healthy for the industry and for the category to expand. So, I think it's a very, very positive sign for the vodka as a category.

Abneesh Roy: Sure. Last quick question. In Maharashtra, you are slightly differently placed versus some of the other listed companies because you do have some level of presence in the MML. So, if you could update us on how your MML has done through that joint venture. And how has the industry shaped up in terms of MML? So, after December when the lapping up of base happens, what will be your expectation on non-MML essentially IMFL growth for the industry and for you?

Sudhir Upadhyay: Yes. So, see, after this introduction of the MML last year, there has been a degrowth in the overall industry. Last year, we have seen a 35% degrowth, right now, we are seeing a 20% degrowth in the Q1. But for a change, if we talk about our P&A growth, which is coming in Q1 is around 10%.

So, the industry has degrown in Q1 by 20%, and we have grown by 10% on P&A. So that's a positive side of it where the consumers are coming back to their favorite brand. Second part is that regarding MML, I think that has already settled at 6 lakh to 7 lakh cases. We had a presence there, and we have around 7%, 8% of the market share there, and that is continuing. So, we think the above will do much better in the times to come.

Moderator: The next question is from the line of Shantanu Mantri from Think Investments.

Shantanu Mantri: I had a couple of questions to start with the industry leader typically spends 10% to 11% on A&P. And those guys have been guiding for 5%, 6% P&A growth, right? And while we look at Radico, we typically spend 7%, 8%, and we are doing 30% plus and guiding for 25%. So, I wanted your insight on this, like is there a need for us to increase A&P and gain more market share? Or how does the dynamic work? So, would want to hear your thought on this?

Abhishek Khaitan: You have seen is in the past, we would be the only company to create organically all the brands. And in 1998, we launched 8PM, and we have maintained our ad spend in the range of 7% to 8% maximum. And I think that's a fair enough money to make the noise. It depends where you spend the money. So, I think it is a good enough money to spend and create and grow the brand. So, I think we spend a lot of money on direct marketing on visibility, in-shop, digital, so where the money really contributes for the brand. And that is shown in the result in the last 10 years, we have always outpaced the industry in terms of P&A growth.

Shantanu Mantri: Absolutely. That sounds pretty impressive. My second question is on the regular portfolio. Now last year, obviously, on a corrected base, we grew 30%. We did close to 20 million cases ex royalty. How do we see that segment growing now? Let's say, if I just want to stick to this year FY27, how do we see the regular volumes growing?

Abhishek Khaitan: Shantanu, like what we have always maintained that our aim is to grow the P&A segment, where we have upgraded our guidance from 20% to 25% for the current year. And regular brands, we only sell in those states where we make money, which we will continue to do it. And depending on the industry there, we will get the similar kind of growth. But our focus is more on the P&A side.

Shantanu Mantri: Perfect. Sounds good. And one last question, Abhishek Ji, anything on Bihar, like is there any development there? If you could share would be helpful.

Abhishek Khaitan: Bihar has been one of the largest markets when it was a wet state in terms of white spirits and all our brands are very popular, 8PM, everything. So, I wish we'll get a good news what the industry has been waiting for more than a decade now. So, God knows. Right now, there's no noise as such.

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

Nitin Gupta: I have questions related to P&A volumes. So just wanted to have some clarity on Q2 volumes. So, like before FY26, we generally saw Q-o-Q growth in Q2 versus Q1 of around 20% to 30%. So, I guess this reflects basically a dip in volume in summer months in Q1. So, do you see the trend resuming for this year where the Q2 will see another quarter of healthy volume growth for us in P&A?

Abhishek Khaitan: We don't give quarter-on-quarter guidance, we give annual guidance, which we already have done where we have increased the yearly guidance from 20% to 25%. I think what I can say the brands are super buoyant, and we are seeing huge traction for the P&A category of Radico's portfolio.

Nitin Gupta: Sure. And second question pertains to like we have grown 36% in P&A for first quarter. And for the full year, we are aiming for like 25% plus growth. If I consider 25%, then for the balance 9 months, it will be 22% growth. So like just wanted to have some clarity around Q1, like the volume growth what we have seen in Magic Moments of around 43%. So, is there any loading one-off? Or do you consider Magic Moment volumes can sustain million sales monthly trends for the rest of the year?

Abhishek Khaitan: To answer your first question first, Radico never believes in loading the trade. That's why if you see our outstanding, etc, is always because our credit control is very strong. Magic, it is absolutely the tertiary sales which are happening. As I said, it's a multiyear structural shift which we are seeing in the vodka category. And what I can say is that month-on-month, we are seeing great traction in Magic Moments Vodka.

Nitin Gupta: Sure. So that means like rest of the portfolio, if they sustain and Magic Moments sustains, then you can out deliver on your guidance for the full year. Thanks for that. And lastly, on this royalty volumes have seen a dip. And with the Tamil Nadu sort of expected to see open up. So, can you throw some light around like what exactly is happening with the royalty volumes?

Abhishek Khaitan: Royalty volumes, which we had said that earlier we were not present on ourselves in Andhra. And when it opened up, we came and we said we convert everything into our own volume. That's why we become the largest with 25% market share. And I think if Tamil Nadu opens, it will be anybody's guess. Now, it's only Tamil Nadu whatever small number you see only Tamil Nadu.

Nitin Gupta: Okay. Okay. So I was of the view that we don't have royalty model in Andhra, but it was there and now since we have shifted to our own, then royalty is coming down.

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

Karan Kamdar: I believe we've made some great gains. And you already earlier you said, that the market has grown from 4% to 6%, where do you see this vodka market ending up in two to three years. And do you think we would be able to sustain our market share because I believe some other brands are also growing too fast at least in the near quarter. So that's my first question.

Abhishek Khaitan: As I said, globally, vodka is 28%. When I started Magic in 2006, it was less than 1%. I would have never thought it would take 20 years to become 6%. But what we are seeing now in the last 4, 5 years with 20% plus growth happening year-on-year. Tt's now become, with the Gen Z coming, vodka is a more easy mixable drink. It moves with cocktail culture and the night-life. Going out, like if you see the number of restaurants, which in India has started opening up. So, I think it is all that culture and lifestyle, which is supporting this sector to grow. I think in the coming years, India is going to open up more, there will be more number of eateries. I think that culture has started. That's why in my opening remark I said that I see it as a multiyear structural shift towards the white category happening.

Karan Kamdar: And sir, defending our position, so how would we sort of defend our position against the more luxury vodkas and premium brands. As those two are completely different segments from Magic?

Abhishek Khaitan: Yes, they are completely different. Like Grey Goose and Belvedere are very high priced as compared to Magic.

Karan Kamdar: Okay. And any plans to launch mid premium vodka in the near future, given that mid premium is very lucrative category with high margins. Something about Magic.

Abhishek Khaitan: Right now, we are concentrating more on the innovation on the flavors like the flavors of India what we have launched. So, we want to get the ethnic flavors of India into this category. And I think it's doing extremely well with the 43% growth.

Moderator: The next question is from the line of Akshay Krishnan.

Akshay Krishnan: My question is on premiumization. So, it has been a consistent growth driver. Now beyond this P&A volume, what are the next levers that will improve the profitability? Is it going to be a premium P&A or pricing or an innovation or it's going to be of?

Abhishek Khaitan: I think P&A is one part. The second is our luxury and semi-luxury portfolio. I think those are also really gaining a lot of traction. And the higher you go higher your margins are and more profitable it is. So I think we are in the right direction. We are concentrating a lot on the on-trade channel, we are concentrating a lot on the advocacy to explain the differentiation between our malts and the global malts. So, I think if I see India 10, 15 years down the line, the luxury will be an important part of the portfolio, very important part.

Akshay Krishnan: And just a follow-up question to the previous participant on the acquisition part. What would you consider as an inorganic opportunity at which point in time? And what are the gaps in the portfolio would you like to address this rather than internal development?

Abhishek Khaitan: As I told earlier, we have never acquired any brands, etc. And I think we have the capability of creating our own brands, and we have always believed in build versus buy. So, I think our pipeline is quite robust. And we don't see any opportunity in acquiring a brand.

Akshay Krishnan: Okay. And last question is on the exports. Now the Indian whisky is actually gaining global traction. Now how do you see exports evolving over the next 3 to 5 years' time period? And the objective is to build a brand or is it meaningful profit contribution at your end.

Sanjeev Banga: See, in terms of our export, our brands are currently available in over 100 countries. And we've always believed in building brand than just pure selling, both in terms of our value for money or prestige and above category or the luxury category as well. We are not only catering to the Indian diaspora but also to the mainstream consumers. The fact is the global travel retail as well. We're currently in about 63 travel retail outlets and where we're catering a luxury portfolio to travelers across the globe, all the mainstream consumers as well.

And that will continue to remain our focus. And as you may have read or heard or whatever, Rampur, Jaisalmer are one of the most loved brands globally coming from India. So that will continue to be our focus area.

Akshay Krishnan: Just a final question on the same. I just wanted to follow up on this. What is the value contribution of exports on overall base?

Sanjeev Banga: Well, the volume is about 5% to 6% and value is obviously higher.

Moderator: The next question is from the line of Atharv Jaiprakash Panni from INI Capital Ventures.

Atharv Panni: So, I had two questions. I wanted to ask how is our on-trade expansion going on we had planned for 1,000 events for FY27, are going on track? And secondly, we had plans to expand from 50 airports to 100 airports. Is that also going on track?

Sanjeev Banga: Let me address the airports thing first. As I said, we were in 50 and as I said in the last question, we are now at 63. So that's very much on track, and we remain very confident of achieving that number of 100 in the coming years. In addition to that, we're also now with airlines as well, we are the only Indian single malt available on Air India. Our Jaisalmer Gin is now available on SpiceJet as well. So, these are landmarks or milestones that we are achieving.

Abhishek Khaitan: And on the on-trade, I think as I said earlier, on-trade has been a major thrust area for the last two to three years because that is where the luxury drive. So, starting from manpower to the advocacy sessions, to events, I think we are doing more than the numbers you are talking about. So, I think we've gone quite aggressive on the on-trade.

Atharv Panni: And secondly, I would like to ask, being a Gen Z myself, I don't see any influencers on our Instagram channels promoting our products. I see many influencers from other brands, like they educate about products, like what kind of cocktails we can make from the products. We see the vibe and go and try it. But I don't see anything about this on our Instagram page. Are we having any plan to hire any influencers to do the same thing.

Sanjeev Banga: Yes, very much influencers are a big draw these days, and we already have plans on that. And you will very soon see that coming on all our digital channels.

Atharv Panni: Okay. And lastly, I wanted to ask like are we planning any flavored brandy to occupy the South Indian markets? And also, are we planning any ready-to-drinks as we are seeing a home consumption expanse in metropolitan cities?

Sanjeev Banga: Not at the moment, though we have in the international market flavored brandy, but not for the Indian domestic market. And RTD, we're not looking at that at the moment.

Moderator: That was the last question for today. I now hand the conference over to the management for closing remarks. Over to you.

Dilip Banthiya: To conclude, our performance this quarter reflects the continued success of our premiumization strategy, disciplined financial management and consistent execution. Strong profitability, expanding margins and improved return ratios and healthy cash flow generation reinforce the quality of our business and gives us confidence in sustaining profitable growth. Backed by a strong balance sheet and a growing premium portfolio, we remain well positioned to capitalize on future opportunities and create long-term value for our stakeholders.

Thank you for joining us on this call today and for your continued support. We look forward speaking with you again next quarter.

Moderator: On behalf of ICICI Securities, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

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Note: This transcript has been edited to improve readability.

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