

UNITED SPIRITS LTD.

HOLD

Sector: Breweries & Distilleries

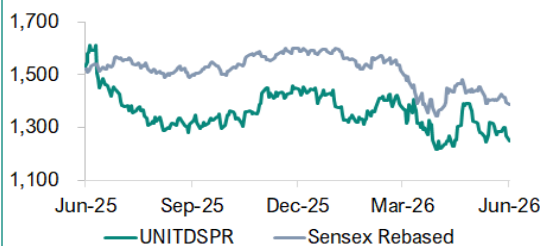
10th June, 2026

Key Changes	Target ▼	Rating ●	Earnings ▼	Target	Rs. 1,368
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Large cap	UNITDSPR:IN	73,919	UNITDSPR	532432	12 Months
				CMP	Rs. 1,258
				Return	+9%

Data as of: 09-Jun-2026, 18:00 hrs

Company Data			
Market Cap (Rs.cr)	90,781		
52 Week High — Low (Rs.)	1,644 - 1,210		
Enterprise Value (Rs. cr)	88,499		
Outstanding Shares (cr)	72.7		
Free Float (%)	40.4		
Dividend Yield (%)	0.9		
6m average volume (cr)	0.1		
Beta	0.7		
Face value (Rs.)	2.0		
Shareholding (%)	Q2FY26	Q3FY26	Q4FY26
Promoters	56.7	56.7	56.7
FII's	14.4	14.1	14.4
MFs/Institutions	14.9	15.4	15.4
Public	9.1	8.7	8.7
Others	5.0	5.2	4.8
Total	100.0	100.0	100.0
Promoter Pledge	1.2	1.2	1.2
Price Performance	3 Month	6 Month	1 Year
Absolute Return	-9.8%	-13.7%	-17.9%
Absolute Sensex	-8.6%	-13.3%	-8.8%
Relative Return	-1.1%	-0.4%	-9.1%

*over or under performance to benchmark index



Y.E March (cr)	FY26A	FY27E	FY28E
Sales	12,467	14,140	15,510
Growth (%)	7.7	13.4	9.7
EBITDA	2,286	2,633	3,025
EBITDA Margin (%)	8.2	8.8	9.6
PAT Adjusted	1,800	1,981	2,213
Growth (%)	19.2	10.1	11.7
Adjusted EPS	24.7	27.2	30.4
Growth (%)	19.2	10.1	11.7
P/E	49.3	45.8	41.0
P/B	9.9	9.0	8.1
EV/EBITDA	37.9	33.6	29.2
ROE (%)	19.1	19.7	19.7
D/E	0.0	0.0	0.0

Eyeing double-digit growth despite challenges

United Spirits Ltd, a subsidiary of Diageo plc, is the second-largest spirits company by volume in the world. Its product portfolio includes foreign liquor, whisky, brandy, rum, vodka, gin and wine.

- In Q4FY26, the company's consolidated revenue rose 4.7% YoY to Rs. 6,855cr. Net sales, excluding excise duty, increased 3.7% YoY to Rs. 3,054cr, driven by resilient premium portfolio growth, a favourable price/mix and broad-based strength outside Maharashtra and Andhra Pradesh.
- Revenue from prestige and above rose 5% YoY to Rs. 2,745cr on premiumisation, strong traction for Scotch and a healthier portfolio growth in rest of India.
- Revenue from the popular segment fell 13.2% YoY to Rs. 271cr as the new Maharashtra excise policy impacted popular and lower-prestige offerings.
- EBITDA rose 16.3% YoY to Rs. 593cr and the EBITDA margin expanded 90 bps to 8.7%, aided by higher topline growth.
- Profit after tax from continuing operations in Q4FY26 grew 24% YoY to Rs. 568cr, driven by stronger operating performance and a sharply higher other income.

Outlook & Valuation

The company delivered a steady performance due to portfolio premiumisation, its strategic re-entry into Andhra Pradesh and sustained brand investments across key trademarks. The management's focus on accelerating the upgrade of the liquid and the packaging of McDowell's, expanding the tequila category, and leveraging the India-UK free trade agreement (FTA) for accessibility to Scotch positions the company well for medium-term growth. Ongoing supply-agility initiatives, enhanced on-premise presence, and digital-capability building are expected to support operational efficiency. However, near-term headwinds from the Maharashtra policy's impact and West Asia-driven packaging cost inflation are expected to temper margin expansion. Hence, **we retain our rating on the stock to HOLD, with a rolled forward target price of Rs. 1,368, based on 45x rolled-forward FY28E adjusted EPS.**

Quarterly Financials Consolidated

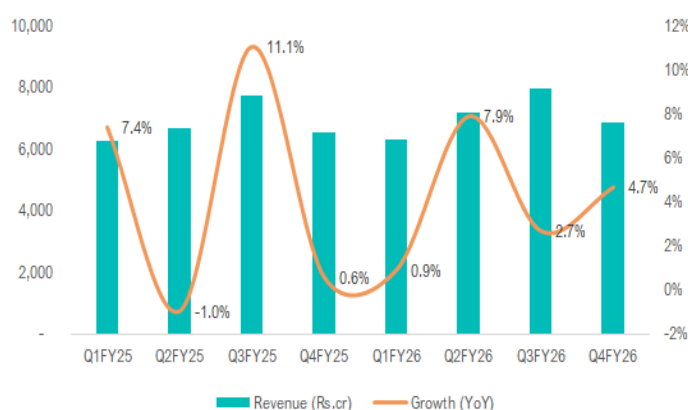
Rs.cr	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
Sales	3,054	2,946	3.7	3,691	-17.3	12,467	11,573	7.7
EBITDA	593	510	16.3	614	-3.4	2,286	2,060	11.0
Margin (%)	8.7	7.8	90bps	7.7	100bps	8.2	7.7	50bps
EBIT	517	440	17.5	534	-3.2	1,997	1,786	11.8
PBT	703	590	19.2	550	27.8	2,219	1,950	13.8
Rep. PAT	568	458	24.0	425	33.6	1,709	1,445	18.3
Adj PAT	608	458	32.8	435	39.8	1,800	1,510	19.2
Adj. EPS (Rs)	8.4	6.3	32.8	6.0	39.8	24.7	20.8	19.2



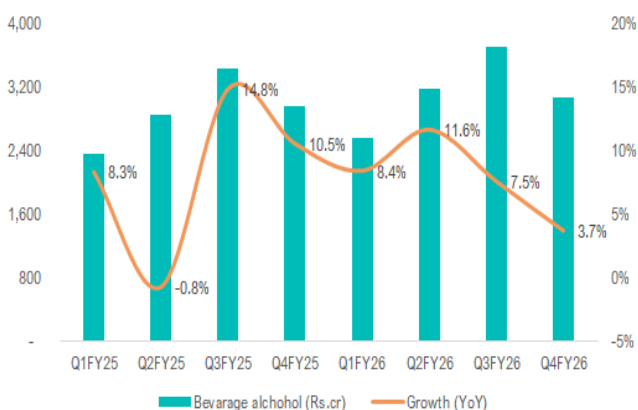
Key concall highlights

- The management expressed confidence in delivering double-digit growth in FY27, despite the policy-led disruption in Maharashtra and changing market conditions in Andhra Pradesh, indicating confidence in portfolio strength and execution resilience.
- The company is undergoing a multi-year supply agility programme, which has been going on for 3-3.5 years. As part of this, ENA (Extra natural alcohol) co-location initiatives are 100% complete and footprint optimisation is approximately 83% complete as of March 2026.
- The management said that pricing efforts have intensified amid the disruptions in West Asia, targeting the neutralisation of 50% inflation through price hikes and 50% via productivity gains.
- Smirnoff crossed the 1 million cases milestone in FY26, with Q4FY26 volumes exceeding 400,000 cases, driven by innovations in local flavours, such as Minty Jamun, and cultural activations, including Afrojack and Lollapalooza.
- The India-UK FTA is expected to improve accessibility and the penetration of Scotch, creating significant growth opportunities for Johnnie Walker, Black & White and other brands in the Indian market.
- The management has indicated that the company's dominant position in Karnataka will yield superior policy reform benefits, though expected packaging inflation (33% of costs) rising 4-5% in Q1FY27 poses 1.25-1.5% gross margin pressure (Rs. 35-40cr), which could intensify if geopolitical tensions persist in the subsequent quarters.

Revenue



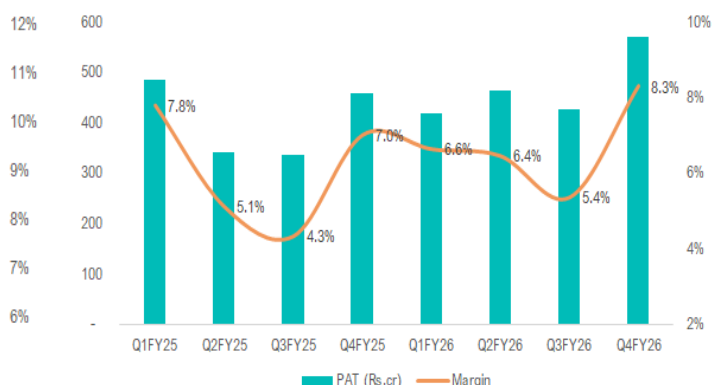
Beverage alcohol



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change -%	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	14,697	-	14,140	15,510	-3.8	-
EBITDA	2,822	-	2,633	3,025	-6.7	-
Margins (%)	9.2	-	8.8	9.6	-41bps	-
Adj. PAT	2,083	-	1,981	2,213	-4.9	-
EPS	28.6	-	27.2	30.4	-4.8	-



Consolidated Financials

Profit & Loss

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Sales*	11,321	11,573	12,467	14,140	15,510
% change	6.7	2.2	7.7	13.4	9.7
EBITDA	2,001	2,060	2,286	2,633	3,025
% change	41.2	2.9	11.0	15.2	14.9
Depreciation	275	274	289	301	327
EBIT	1,726	1,786	1,997	2,332	2,698
Interest	76	89	158	166	174
Other Income	207	253	380	476	428
PBT	1,857	1,950	2,219	2,642	2,951
% change	45.2	5.0	13.8	19.1	11.7
Tax	449	505	510	660	738
Tax Rate (%)	24.2	25.9	23.0	25.0	25.0
Reported PAT (Excl. disc op.)	1,408	1,445	1,709	1,981	2,213
Reported PAT (Incl. disc op.)	1,408	1,582	1,838	1,981	2,213
Adj.*	17	65	91	-	-
Adj. PAT	1,425	1,510	1,800	1,981	2,213
% change	50.1	6.0	19.2	10.1	11.7
No. of shares (cr)	72.7	72.7	72.7	72.7	72.7
Adj EPS (Rs.)	19.6	20.8	24.7	27.2	30.4
% change	50.1	6.0	19.2	10.1	11.7
DPS (Rs.)	5.0	12.0	11.0	14.5	16.5

*Sales figure excludes excise duty

Cashflow

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Net inc. + Deprn.	1,683	1,856	2,127	2,282	2,541
Non-cash adj.	185	538	-176	76	79
Other adjustments	-	-	-	-	-
Changes in W.C	-750	-447	-492	-216	-158
C.F. Operation	1,118	1,947	1,459	2,142	2,462
Capital exp.	-98	-162	-181	-229	-239
Change in inv.	257	-985	-541	-543	-960
Other invest.CF	67	33	294	-	-
C.F - Investment	226	-1,114	-428	-772	-1,199
Issue of equity	-	-	-	-	-
Issue/repay debt	25	-	-6	-	-
Dividends paid	-284	-355	-1,263	-1,055	-1,200
Other finance.CF	-148	-202	-181	-	-
C.F - Finance	-407	-557	-1,450	-1,054	-1,200
Chg. in cash	937	276	-419	315	63
Closing Cash	1,269	2,030	1,977	2,292	2,355

Balance Sheet

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	1,269	2,030	1,977	2,292	2,355
Accts. Receivable	3,056	3,410	3,609	3,838	4,036
Inventories	2,063	2,305	2,668	2,840	2,956
Other Cur. Assets	989	1,457	2,309	2,387	2,468
Investments	185	125	72	67	62
Gross Fixed As-sets	1,869	1,939	2,120	2,349	2,589
Net Fixed Assets	1,071	1,307	1,215	1,662	2,508
CWIP	37	72	77	79	80
Intangible Assets	350	330	131	135	140
Def. Tax -Net	177	155	284	298	313
Other Assets	2,052	2,057	2,127	2,224	2,326
Total Assets	11,249	13,248	14,469	15,821	17,243
Current Liabilities	3,878	4,722	5,139	5,389	5,614
Provisions	15	16	41	43	45
Debt Funds	25	-	6	6	7
Other Liabilities	210	406	326	333	340
Equity Capital	145	145	145	145	145
Res. & Surplus	6,976	7,959	8,808	9,901	11,088
Shareholder Funds	7,121	8,104	8,953	10,046	11,233
Minority Interest	-	-	4	4	4
Total Liabilities	11,249	13,248	14,469	15,821	17,243
BVPS	98	111	123	138	154

Ratio

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	7.7	7.7	8.2	8.8	9.6
EBIT margin (%)	6.6	6.7	7.2	7.8	8.6
Net profit mgn.(%)	5.4	5.9	6.6	6.6	7.0
ROE (%)	19.8	19.5	20.5	19.7	19.7
ROCE (%)	24.2	22.0	22.3	23.2	24.0
W.C & Liquidity					
Receivables (days)	42.9	46.5	47.4	47.0	46.8
Inventory (days)	36.3	38.9	44.2	44.0	43.6
Payables (days)	34.4	37.8	39.5	39.8	40.2
Current ratio (x)	1.9	1.9	2.1	2.1	2.1
Quick ratio (x)	1.3	1.3	1.3	1.4	1.4
Turnover & Leverage					
Gross asset T.O (x)	13.5	14.1	13.7	13.3	12.7
Total asset T.O (x)	2.5	2.2	2.0	2.0	1.9
Int. covge. ratio (x)	22.7	20.1	12.6	14.1	15.5
Adj. debt/equity (x)	0.0	-	0.0	0.0	0.0
Valuation					
EV/Sales (x)	3.1	3.7	3.1	3.0	2.8
EV/EBITDA (x)	40.4	48.5	37.9	33.6	29.2
P/E (x)	57.7	61.9	46.0	45.8	41.0
P/BV (x)	11.5	12.6	9.9	9.0	8.1



Recommendation Summary - last 3 years



Dates	Rating	Target
20-Mar-25	BUY	1,530
04-Dec-25	HOLD	1,580
10-Jun-26	HOLD	1,368

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%


Not rated/Neutral


Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:

 Upgrade

 No Change

 Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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