

DIAGEO INDIA

United Spirits Limited

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23rd January 2025

BSE Limited
Listing Department
Dalal Street,
Mumbai 400 001
Scrip Code: 532432

National Stock Exchange of India Limited
Exchange Plaza, C-1 Block G,
Bandra Kurla Complex,
Bandra East, Mumbai- 400051
Scrip Code: UNITDSPR

Dear Sirs,

Sub: Press release for the quarter ended 31st December 2024

Please find enclosed a press release issued by the Company in connection with results for the quarter ended 31st December 2024.

This is for your information and records.

Thank you,

For United Spirits Limited

Mital Sanghvi
Company Secretary

Encl: as above



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India

United Spirits Limited Press Release

Unaudited financial results for the quarter and
nine months ended 31 December 2024

(Consolidated & Standalone)



Bengaluru, India – January 23, 2025: United Spirits Ltd., one of the leading beverage alcohol companies in India, reported its unaudited consolidated & standalone results for the quarter and nine months ended 31 December 2024.

Key Highlights for the quarter:

Consolidated

- Net sales value (NSV) at INR 3,433 Cr.; EBITDA at INR 568 Cr.
- NSV grew by 14.4% and EBITDA grew 16.9%.

Standalone

- Net sales value (NSV) at INR 3,432 Cr., with Prestige & Above saliency of 89.2%.
- Total NSV grew 14.8%, Prestige & Above NSV grew 16.1%.
- EBITDA at INR 588 Cr., grew 19.8%, with EBITDA margin at 17.1%.

Ms. Hina Nagarajan, CEO & Managing Director, commenting on the Q3FY25 performance, said:

“Amidst a moderate but sequentially improving demand environment, we have delivered a quarter in line with our aspirations buoyed by the festive season and fast scale-up in the state of Andhra Pradesh.

Looking ahead, we remain cautiously optimistic in the short-term while remaining committed to the long-term potential of the India consumer story.”

Q3FY25 performance highlights:

Consolidated:

- Consolidated net sales at INR 3,433 Cr., up 14.4% year-on-year, broadly in-line with growth in the standalone business.
- Consolidated EBITDA was at INR 568 Cr., growth of 16.9% year-on-year.
- Q3FY25 consolidated profit after tax was at INR 335 Cr.

Standalone:

- Net sales at INR 3,432 Cr. increased 14.8% year-on-year with Prestige & Above segment growing 16.1%. Growth was driven by resilient consumer demand in peak festive season and a fast scale-up in Andhra Pradesh.
- Net sales for the Popular segment grew 9.6%. Value righting done a few quarters ago along with the duty reduction in the most salient state, provided the necessary growth tailwinds.
- Gross margin was 44.7%, up 131 bps versus last year on the back of sustained revenue growth management interventions and productivity flow-through.
- A&P re-investment rate was 11.0% of net sales, reflecting the seasonality of the peak consumption quarter and investment behind the brands and innovations.
- EBITDA at INR 588 Cr., an increase of 19.8% year-on-year.
- EBITDA margin was 17.1%, expansion of 71 bps versus last year.
- Interest cost was at INR 20 Cr. and is on account of customary non-debt related expenses.
- Profit after tax was INR 473 Cr. with a net profit margin of 13.8%.

9MFY25 performance highlights:

Consolidated:

- 9MFY25 Consolidated net sales at INR 9,038 Cr., up 5.9% over prior year. This is in line with the growth of the standalone business partly off-set by the early start to IPL 2024.
- 9MFY25 Consolidated EBITDA at INR 1,783 Cr., a growth of 7.0% over prior year.
- 9MFY25 consolidated Profit after tax at INR 1,161 Cr.

Standalone:

- Net sales at INR 8,627 Cr. increased 7.5% over prior year. Within this, Prestige & Above segment grew 8.8%. The growth is reflective of the strength of our broad-based portfolio with national reach and our ability to capitalise on opportunities that present themselves in the normal course of business.
- Net sales for the Popular segment were up 0.6% versus prior year comparator on the back of a strong quarter.
- Gross margin at 44.8%, up 134 bps versus last year, driven by healthy headline pricing flow-through, revenue growth management and COGS productivity initiatives.
- A&P re-investment rate was 9.4% of net sales, reflecting the investment behind the brands and the innovations & renovations.
- EBITDA at INR 1,553 Cr. is an increase of 15.3% over prior year comparator. EBITDA margin was 18.0%, up 122 bps versus last year. This is driven by gross margin expansion and productivity across the value chain.
- 9MFY25 Interest cost is at INR 67 Cr. Excluding the one-off reversal benefit of INR 15 Cr. in Q1FY24, interest cost in 9MFY24 was at INR 62 Cr. Interest cost is on account of customary non-debt related expenses and the increase is on account of lease finance cost partly off-set by savings in other line items.
- Exceptional charge of INR 65 Cr. in Q3FY25 is related to the multi-year supply agility program.
- Profit after tax stands at INR 1,107 Cr. with a net profit margin of 12.8%.

Key Financial Information (Standalone basis)

In compliance with Schedule III of the Companies Act, 2013, the company has reported revenue from operations inclusive of excise duty.

Key performance indicators as a % of net sales (Standalone)				
	Q3FY25	Q3FY24	9MFY25	9MFY24
Gross profit margin (%)	44.7	43.4	44.8	43.5
Staff cost (%)	(5.0)	(4.7)	(5.4)	(5.1)
Marketing spends (%)	(11.0)	(11.0)	(9.4)	(8.9)
Other overheads (%)	(11.5)	(11.3)	(12.0)	(12.7)
EBITDA margin (%)	17.1	16.4	18.0	16.8
Underlying EBITDA margin (%)	17.1	16.4	18.0	16.6

Summary Financial Information - For the period ended 31 December 2024 (Standalone)				
<i>All figures in INR Crores unless mentioned otherwise</i>				
	Q3FY25	Q3FY24	9MFY25	9MFY24
Volume ('000 cases)	18,155	16,476	47,269	45,848
Gross Revenue	7,731	6,949	20,231	18,995
Excise Duty	(4,299)	(3,960)	(11,604)	(10,969)
Net sales	3,432	2,989	8,627	8,026
COGS	(1,897)	(1,691)	(4,761)	(4,537)
Gross profit	1,535	1,298	3,866	3,489
Staff cost	(173)	(141)	(468)	(409)
Marketing spends	(379)	(328)	(811)	(715)
Other overheads	(395)	(338)	(1,034)	(1,019)
EBITDA	588	491	1,553	1,347
Other Income	190	46	256	106
Depreciation	(72)	(63)	(206)	(193)
EBIT	706	475	1,603	1,259
Interest	(20)	(16)	(67)	(47)
PBT before exceptional items	686	457	1,536	1,212
Exceptionals [#]	(65)	-	(65)	14
PBT	621	457	1,471	1,226
Tax	(148)	(110)	(364)	(298)
PAT	473	347	1,107	928

[#]In Q3FY25, INR 65 Cr. charge is related to the multi-year supply agility program.

[#]In Q1FY24, INR 17 Cr. charge was related to the multi-year supply agility program. In Q2FY24, INR 31 Cr. was the final tranche from the slump sale, which was recognised as exceptional income, post completion of customary obligations.

Business Segment Review

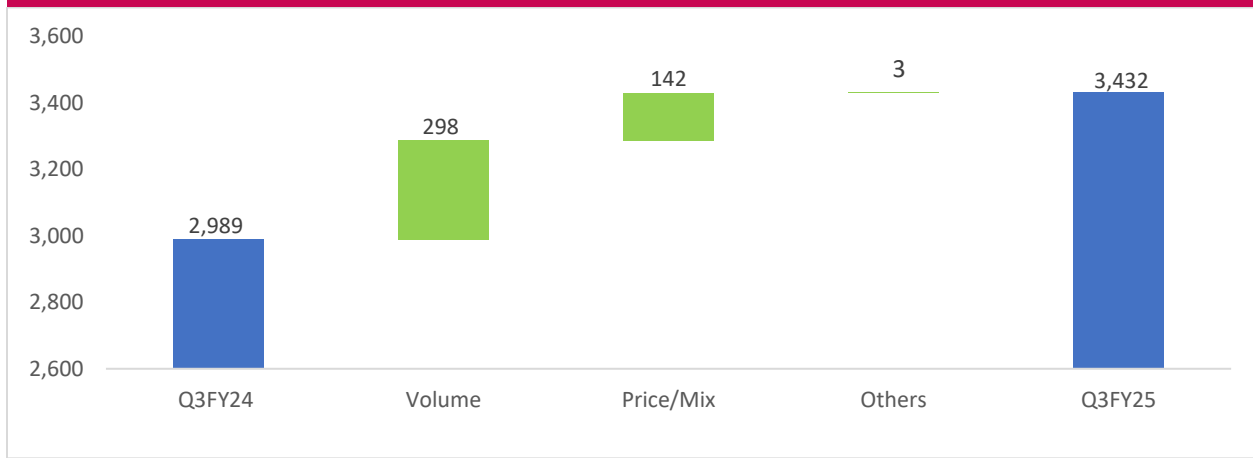
For the nine months ended 31 December 2024 (Standalone)						
Segment	Volume			Net Sales		
	9MFY25	9MFY24	movement	9MFY25	9MFY24	Movement
	'000 cs	'000 cs	%	INR Cr.	INR Cr.	%
P&A	39,333	37,768	4.1	7,655	7,036	8.8
Popular	7,936	8,080	(1.8)	809	804	0.6
Other				163	186	(12.7)
TOTAL	47,269	45,848	3.1	8,627	8,026	7.5

- The **Prestige & Above segment** accounted for 88.7% of net sales salience during the first nine months of fiscal 2025, up 1.1ppts over the prior year. Prestige & Above segment net sales value increased 8.8% during the first nine months of fiscal 2025.
- The **Popular segment** accounted for 9.4% of net sales salience during the first nine months of fiscal 2025, down 0.6ppt compared to the same period last year. The Popular segment net sales value was up 0.6% during the first nine months of fiscal 2025.

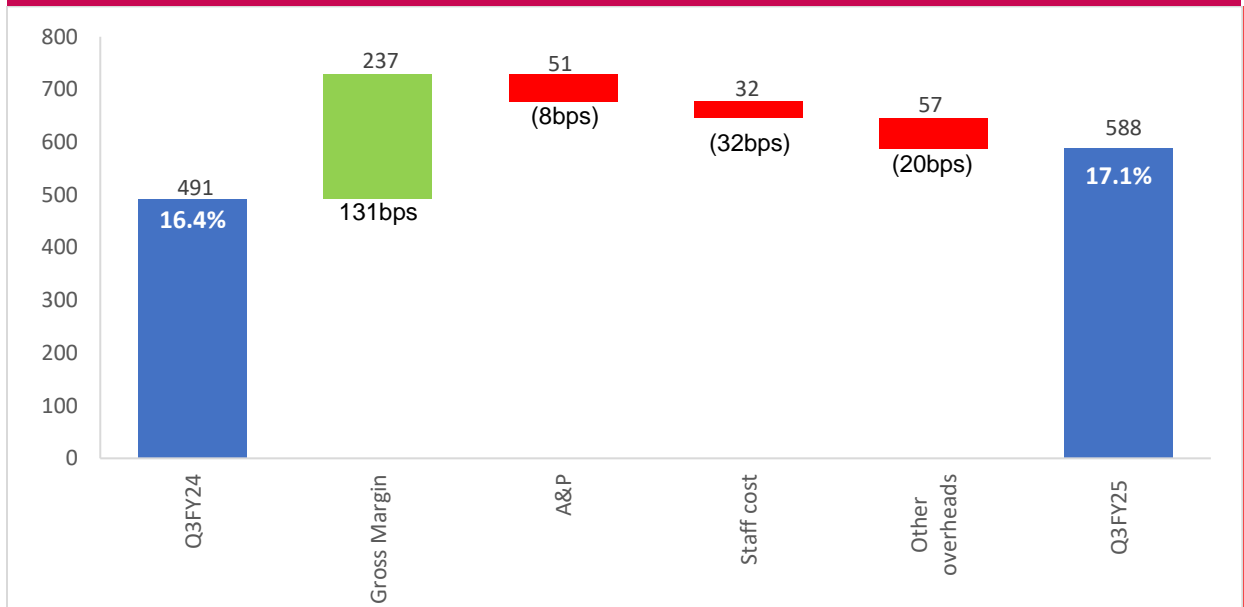
For the quarter ended 31 December 2024 (Standalone)						
Segment	Volume			Net Sales		
	Q3FY25	Q3FY24	Movement	Q3FY25	Q3FY24	Movement
	'000 cs	'000 cs	%	INR Cr.	INR Cr.	%
P&A	14,919	13,419	11.2	3,063	2,638	16.1
Popular	3,236	3,057	5.9	334	305	9.6
Other				35	46	(24.1)
TOTAL	18,155	16,476	10.2	3,432	2,989	14.8

- The **Prestige & Above segment** accounted for 89.2% of net sales salience during the third quarter of fiscal 2025, up 1.0ppt over the prior year. Prestige & Above segment net sales value increased 16.1% during the third quarter.
- The **Popular segment** accounted for 9.7% of net sales salience during the third quarter of fiscal 2025, down 0.5ppt compared to the same period last year. The Popular segment net sales value registered a growth of 9.6% during the third quarter.

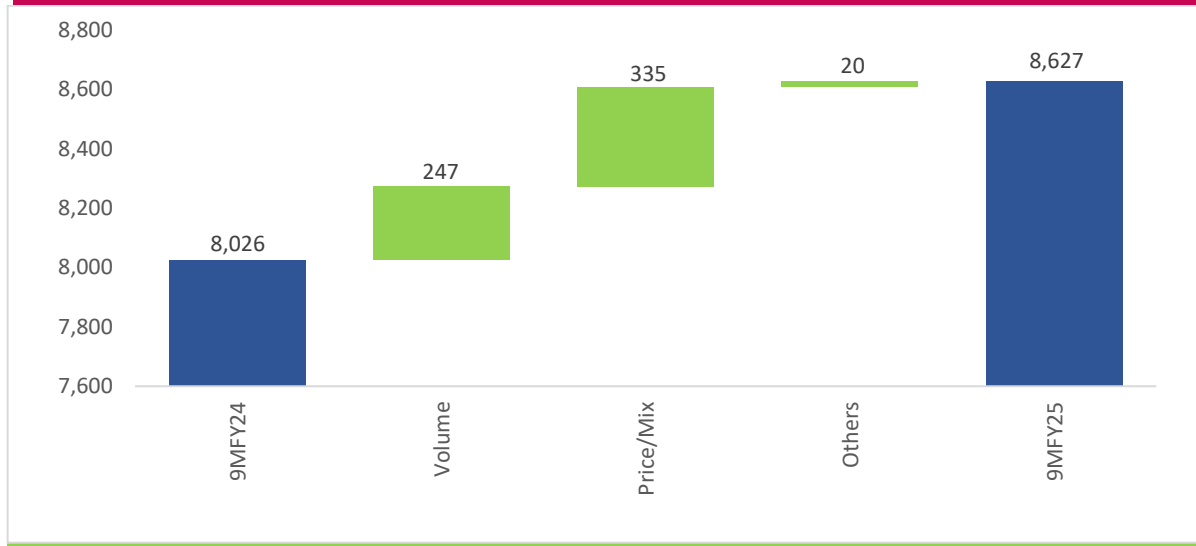
Net sales value bridge for Q3FY25 (Standalone, INR Crores)



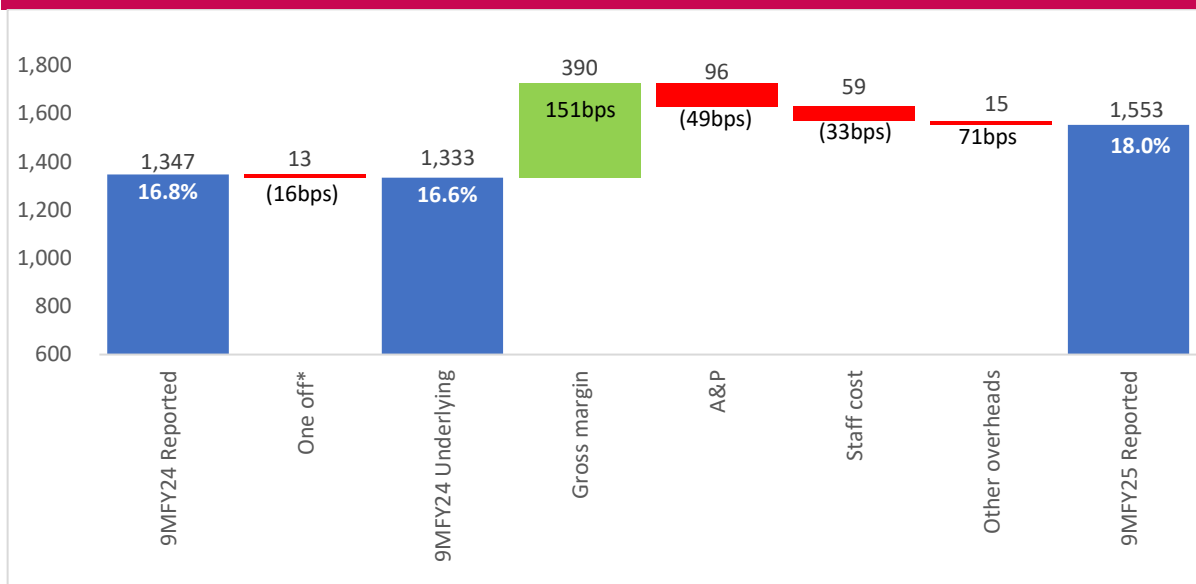
EBITDA bridge for the Q3FY25 (Standalone, INR Crores, %, bps)



Net sales value bridge for 9MFY25 (Standalone, INR Crores)



EBITDA bridge for 9MFY25 (Standalone, INR Crores, %, bps)



*One-off benefit driven by a write-back in Q1FY24

Q&A CONFERENCE CALL

Ms. Hina Nagarajan, CEO & Managing Director and Mr. Pradeep Jain, CFO & Executive Director will be hosting a Q&A conference call on **Friday, 24th January 2025 at 4:00 pm IST**. If you would like to listen to the call or ask a question, please join using the information below.

Conference Joining Information

Express Join with DiamondPass™ No Wait Time

<https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=9205124&linkSecurityString=3ea3ec852c>

Dial-in details

When using dial-in numbers mentioned below please do so 10 minutes prior to the conference schedule to ensure that you are connected to your call in time.

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	+91 22 7115 8151

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South Korea	00180014243444
Sweden	0080014243444
Thailand	00180014243444
UK	08081011573
USA	18667462133

About Diageo India

Diageo India is among India's leading beverage alcohol (alcobev) companies with an outstanding portfolio of premium brands. A subsidiary of Diageo Plc., it is listed in India on both the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) as United Spirits Limited (USL).

Headquartered in Bengaluru, Diageo India has one of the largest manufacturing footprints in alcobev with 36 facilities across India. It manufactures, sells, and distributes Johnnie Walker, Black Dog, Black & White, VAT 69, Antiquity, Signature, The Singleton, Royal Challenge, McDowell's No1, Smirnoff, Ketel One, Tanqueray, Captain Morgan and Godawan, an artisanal single malt whisky from India, bringing together global expertise and local pride to deliver innovative, world-class products and experiences to consumers. With a strong focus on driving a positive impact on society, Diageo India has been working on collective action to improve livelihoods, championing Grain to Glass sustainability, responsible consumption and nurturing the alcobev ecosystem, to contribute to India's growth agenda.

For more information about Diageo India, our people, our brands, and our performance, visit us at www.diageoindia.com. Visit Diageo's global responsible drinking resource, <http://www.DRINKiQ.com>, for information, initiatives, and ways to share best practices.

Celebrating life, every day, everywhere.

Cautionary statement concerning forward-looking statements.

This document contains 'forward-looking' statements. These statements can be identified by the fact that they do not relate only to historical or current facts. In particular, forward-looking statements include all statements that express forecasts, expectations, plans, outlook and projections with respect to future matters, including trends in results of operations, margins, growth rates, overall market trends, the impact of changes in interest or exchange rates, the availability or cost of financing to United Spirits Limited ("USL"), anticipated cost savings or synergies, expected investments, the completion of USL's strategic transactions and restructuring programmes, anticipated tax rates, expected cash payments, outcomes of litigation, anticipated deficit reductions in relation to pension schemes and general economic conditions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including factors that are outside USL's control. USL neither intends, nor assumes any obligation, to update or revise these forward-looking statements in the light of any developments which may differ from those anticipated.

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