

DIAGEO INDIA

United Spirits Limited

Registered Office:
UB Tower
#24, Vittal Mallya Road,
Bengaluru 560 001

Tel: +91 80 2221 0705
Fax: +91 80 2224 5253
www.diageoindia.com

23rd July 2024

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: MCDOWELL-N

Dear Sirs,

Sub: Press release for the quarter ended 30th June 2024

Please find enclosed a press release issued by the Company in connection with results for the quarter ended 30th June 2024.

This is for your information and records.

Thank you,

For United Spirits Limited

Mital Sanghvi
Company Secretary

Encl: as above



DIAGEO

India



United Spirits Limited

Press Release

Unaudited financial results for the first quarter ended 30 June 2024

(Consolidated & Standalone)

Bengaluru, India - July 23, 2024: United Spirits Ltd., a leading beverage alcohol company in India, reported its unaudited consolidated & standalone results for the first quarter ended 30 June 2024.

Key highlights for the quarter:

Consolidated

- Net sales value (NSV) at INR2,761 Cr.; EBITDA at INR713 Cr.
- NSV grew 3.5% (Y-o-Y) and EBITDA was almost flat year-on-year

Standalone

- Net sales value (NSV) at INR2,352 Cr., with Prestige & Above saliency of 88%
- Total NSV grew 8.3% y-o-y, Prestige & Above segment NSV grew 10.1% y-o-y
- EBITDA at INR458 Cr., a growth of 18.9% y-o-y, with a margin of 19.5%

Ms. Hina Nagarajan, CEO & Managing Director, commenting on the Q1FY25 performance, said:

“We have commenced fiscal 2025 with a steady performance in the first quarter. Our renovation and innovation offerings are rolling out progressively with an encouraging response.

Looking ahead, we remain focused on enhancing the long-term competitiveness of our portfolio, and to sustainably deliver in a soft demand environment and harness every opportunity to create long-term value for all our stakeholders.”

Q1FY25 performance highlights:

Consolidated:

- Consolidated net sales at INR2,761 Cr., grew by 3.5%. The growth in standalone business was offset by the timing of men's IPL matches.
- Consolidated EBITDA was at INR713 Cr. almost flat from prior year comparators.
- Q1FY25 consolidated Profit after tax was at INR485 Cr.

Standalone:

- Net sales at INR2,352 Cr. increased 8.3% year on year, driven by improved footprint & saliency of our innovation and renovation offerings and revenue growth management interventions. Within the above, Prestige & Above segment grew 10.1%.
- Net sales for the Popular segment fell 2.4% y-o-y, as inflation continues to impact the price sensitive consumer of this segment.
- Gross margin was 44.5%, up 85 bps versus last year. Excluding the one-off benefit of INR13 Cr. driven by a write-back in the base quarter, gross margin expanded 145 bps over the previous year on the back of sustained revenue growth management interventions and productivity flow-through.
- A&P re-investment rate was 7.4% of sales reflecting the seasonally low quarter for the business; however, higher than the prior year comparator.
- EBITDA at INR458 Cr., an increase of 18.9% over same period last year.
- EBITDA margin was 19.5%, up 174 bps versus last year. Excluding the one-offs from the prior year comparatives, EBITDA margin expanded 234 bps year-on-year. This was largely driven by gross margin expansion, partly off-set by the higher A&P spends and fixed cost operating leverage.
- Interest cost at INR22 Cr. Excluding the one-off reversal benefit of INR15 Cr. in the base quarter, interest cost was up 12.8% versus same period previous year.
- Profit after tax was INR299 Cr. with net profit margin at 12.7%.

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)		
	Q1FY25	Q1FY24
Gross profit margin (%)	44.5	43.6
Staff cost (%)	(5.7)	(5.8)
Marketing spends (%)	(7.4)	(6.8)
Other Overheads (%)	(11.9)	(13.4)
EBITDA margin (%)	19.5	17.7
Underlying EBITDA margin (%)	19.5	17.1
PAT margin (%)	12.7	11.0
Basic earnings per share (INR)	4.11	3.27

Summary Financial Information - For the three months ended 30 June 2024 (Standalone)		
	Q1FY25	Q1FY24
<i>All figures in INR Crores unless mentioned otherwise</i>		
Volume ('000 cases)	13,699	13,241
Gross revenue	5,829	5,313
Excise Duty	(3,477)	(3,141)
Net sales	2,352	2,172
COGS	(1,306)	(1,225)
Gross profit	1,046	947
Staff cost	(133)	(125)
Marketing spends	(175)	(147)
Other Overheads	(280)	(290)
EBITDA	458	385
Other Income	32	21
Depreciation	(65)	(65)
EBIT	425	341
Interest	(22)	(4)
PBT before exceptional items	403	337
Exceptionals [#]	-	(17)
PBT	403	320
Tax	(104)	(82)
PAT	299	238

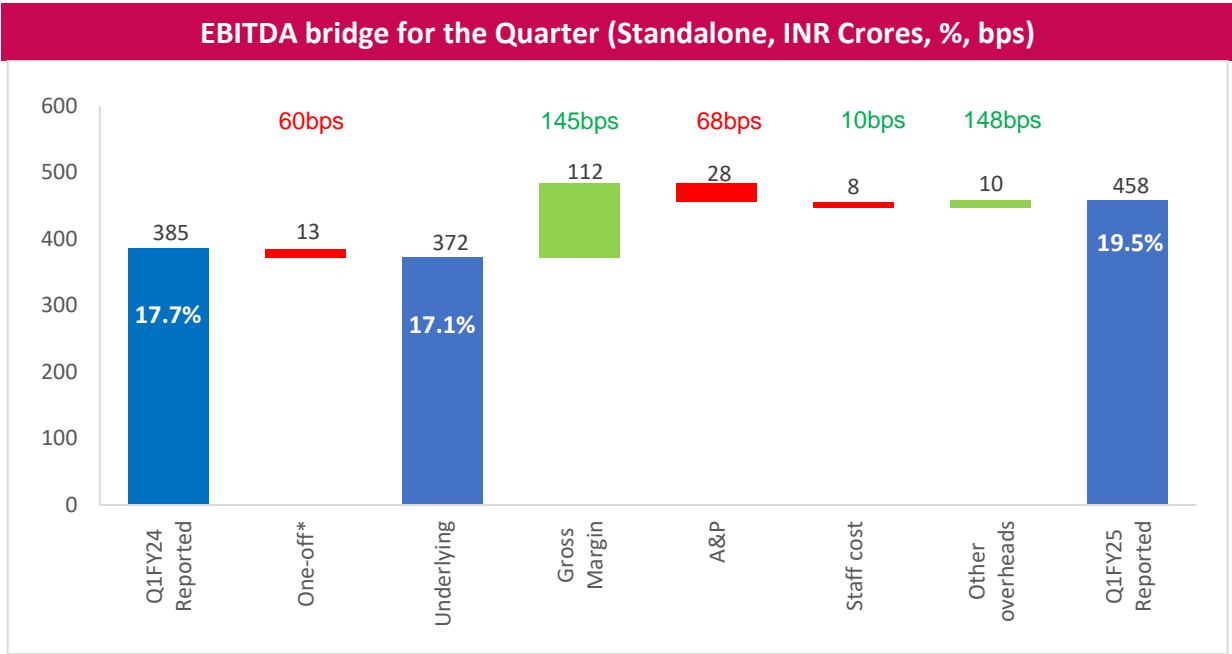
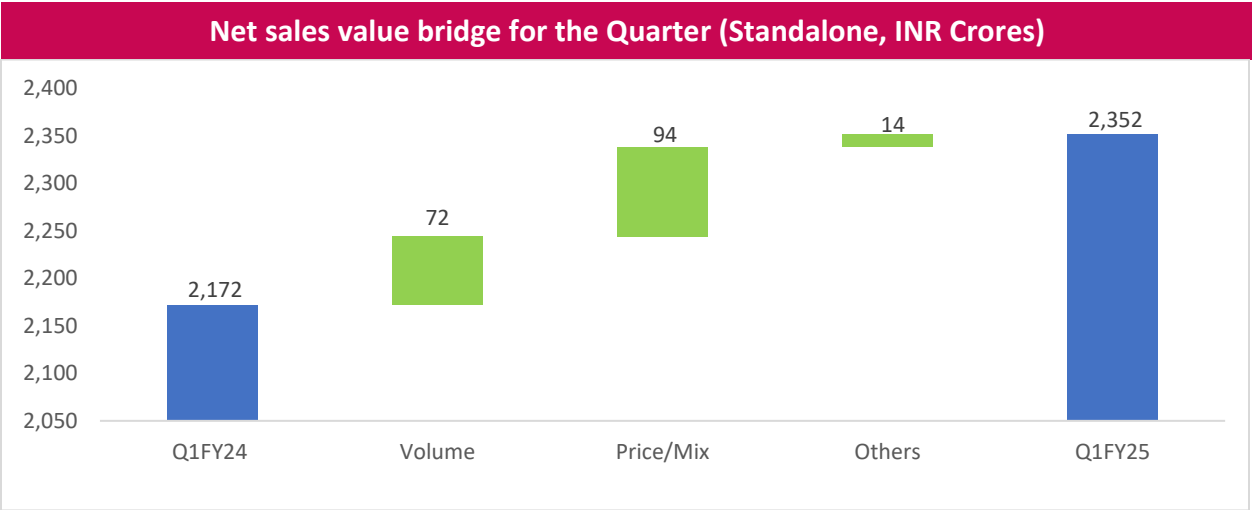
[#]In Q1FY24, INR17 Cr. charge was related to supply agility program

Business Segment Review (Standalone basis)

For the quarter ended 30 June 2024

For the quarter ended 30 June 2024 (Standalone)						
Segment	Volume			Net Sales Value		
	Q1FY25	Q1FY24	Movement	Q1FY25	Q1FY24	Movement
	'000 cs	'000 cs	%	INR Cr.	INR Cr.	%
P&A	11,539	10,978	5.1	2,066	1,876	10.1
Popular	2,160	2,263	(4.6)	220	226	(2.4)
Other				66	70	(4.9)
TOTAL	13,699	13,241	3.5	2,352	2,172	8.3

- The **Prestige & Above segment** accounted for 87.8% of net sales during the first quarter, up 1.4ppts over the prior year. Prestige & Above segment net sales increased 10.1% during the first quarter.
- The **Popular segment** accounted for 9.4% of net sales during the first quarter, down 1.0ppt compared to the same period last year. The Popular segment net sales fell 2.4% during the first quarter.



*One-off benefit driven by a write-back

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 **Wednesday, 24th July 2024 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=0087943&linkSecurityString=8ea69122>

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.

Universal Dial-in	+91 22 6280 1250
	+91 22 7115 8151

International Toll Free

Argentina	0080014243444
Australia	1800053698
Belgium	0080014243444
Canada	01180014243444
China	4008428405
France	0800914745
Germany	0080014243444
Hong Kong	800964448
Italy	0080014243444
Japan	00531161110
Netherlands	08000229808
Poland	008001124248
Singapore	8001012045
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.

Investor enquiries to:

Shweta Arora

shweta.arora@diageo.com

Media enquiries to:

Zarin Darashaw

zarin.darashaw@diageo.com