



RKL/SX/2022-23/91
February 14, 2023

BSE Ltd. Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001 Scrip Code: 532497	National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor Plot no. C/1, G Block Bandra-Kurla Complex, Bandra (E) Mumbai – 400 051 Scrip Code: RADICO
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Sub: Investor's presentation on Unaudited Financial Results for the Quarter and Nine Months ended December 31, 2022

Dear Sir / Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulation 2015, we enclose herewith a copy of Investor's presentation on Unaudited Financial Results for the Quarter and Nine Months ended December 31, 2022 for your reference and records.

Thanking you,

Yours faithfully,
for Radico Khaitan Limited

(Dinesh Kumar Gupta)
Vice President - Legal &
Company Secretary

Email Id: investor@radico.co.in

Encl.: As above

RADICO KHAITAN LIMITED

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Radico Khaitan Ltd.
(BSE: 532497; NSE: RADICO)

**Q3 FY2023 Earnings
Presentation**



CELEBRATING THE
LARGEST SELLING BRANDY
OF INDIA THAT MAKES YOU
DARE TO DREAM.



Q3 FY2023 Performance Highlights

Continued strong operating performance led by Prestige & Above category portfolio

Q3 FY2023 vs. Q3 FY2022

- Total IMFL volume* of 6.99 Million Cases (+0.2%)
- Prestige & Above brands volume of 2.59 Million Cases (+14.1%)
- Prestige & Above brands net sales of ₹402.5 Cr (+19.1%)
- Prestige & Above brands contribution to the IMFL volumes of 42.4% (vs. 33.3%)
- Prestige & Above brands contribution to the Total IMFL sales value of 63.4% (vs. 54.5%)
- Revenue from Operations (Net) of ₹792.2 Cr (+4.7%)
- Gross Profit of ₹327.3 Cr (-5.0%)
- EBITDA of ₹96.4 Cr at 12.2% margin
- Total comprehensive income of ₹56.7 Cr

9M FY2023 vs. 9M FY2022

- Total IMFL volume* of 20.99 Million Cases (+10.1%)
- Prestige & Above brands volume of 6.80 Million Cases (+20.8%)
- Prestige & Above brands net sales of ₹1,062.5 Cr (+25.7%)
- Prestige & Above brands contribution to the IMFL volumes of 36.5% (vs. 30.1%)
- Prestige & Above brands contribution to the Total IMFL sales value of 57.7% (vs. 51.2%)
- Revenue from Operations (Net) of ₹2,311.0 Cr (+12.4%)
- Gross Profit of ₹973.6 Cr (+3.2%)
- EBITDA of ₹278.0 Cr at 12.0% margin
- Total comprehensive income of ₹166.1 Cr

* Including brands on Royalty

Commenting on the results and performance, Dr. Lalit Khaitan, Chairman & Managing Director said:

“Radico Khaitan has delivered another quarter of a consistent financial performance driven by a strong premium volume growth, a robust brand portfolio and excellent execution capabilities. During January 2023, we have successfully commissioned the dual feed plant at Rampur within the committed capex estimate and timelines. As we continue to make strides on our premiumization journey, the availability of additional grain based ENA will strengthen our value proposition. We remain committed to our long term strategy of focusing on premiumization, along with managing our business with agility and driving backward integration efficiencies. While the raw material scenario still remains volatile, we have seen early signs of deflation in certain commodities. Furthermore, we have recently received price increases in the non-IMFL business in the state of UP which will hold us in good stead in the next fiscal year.”

Commenting on the results and performance, Abhishek Khaitan, Managing Director said:

“Driven by operational excellence and consumer-centric approach, our premiumization strategy continues to deliver strong results. During the nine months of FY2023, our Prestige & Above category brands have shown robust growth including core brands such as Magic Moments Vodka and Morpheus Brandy where YTD volumes have surpassed the full year numbers of FY2022. In January 2023, Morpheus Super-Premium Brandy crossed sales volume of one million case during the year and entered the prestigious ‘Millionaire’ brands club. Prior to Morpheus Brandy, other millionaire brands from our portfolio include 8PM Whisky, Magic Moments Vodka, Contessa Rum, Old Admiral Brandy and 8PM Premium Black Whisky. We are also pleased to commence the bottling operations at the Sitapur plant in January 2023 which is the first phase of our green field project. It positions us strongly to capitalize on the future growth opportunities in the branded business.”

Performance Trend

	Q3		y-o-y	Q2		Nine Month		y-o-y
	FY2023	FY2022	Growth (%)	FY2023	Growth (%)	FY2023	FY2022	Growth (%)
Operational Performance (Million Cases)								
Prestige & Above	2.59	2.27	14.1%	2.33	11.2%	6.80	5.63	20.8%
Regular & Others	3.53	4.56	(22.6)%	3.82	(7.7)%	11.82	13.06	(9.5)%
Total Own Volume	6.12	6.83	(10.3)%	6.15	(0.5)%	18.62	18.69	(0.4)%
<i>Prestige & Above as % of Total</i>	42.4%	33.3%		37.9%		36.5%	30.1%	
Royalty Brands	0.87	0.15		1.03		2.38	0.38	
Total Volume	6.99	6.98	0.2%	7.18	(2.7)%	20.99	19.06	10.1%
Revenue Break up (₹ Crore)								
IMFL (A)	634.6	619.7	2.4%	610.0	4.0%	1,842.6	1,649.9	11.7%
<i>Prestige & Above</i>	402.5	337.9	19.1%	361.1	11.5%	1,062.5	845.0	25.7%
<i>Regular & Others</i>	225.0	279.2	(19.4)%	241.1	(6.7)%	760.5	798.8	(4.8)%
<i>Other</i>	7.2	2.6		7.8		19.5	6.1	
Non IMFL (B)	157.5	136.9	15.1%	151.3	4.1%	468.4	405.6	15.5%
Revenue from Operations (Net) (A+B)	792.2	756.6	4.7%	761.4	4.0%	2,311.0	2,055.5	12.4%
<i>Prestige & Above as % of Total IMFL Revenue</i>	63.4%	54.5%		59.2%		57.7%	51.2%	
<i>IMFL as % of Total Revenue</i>	80.1%	81.9%		80.1%		79.7%	80.3%	

Above financials are on Standalone basis

Performance Trend

	Q3		y-o-y	Q2		Nine Month		y-o-y
	FY2023	FY2022	Growth (%)	FY2023	Growth (%)	FY2023	FY2022	Growth (%)
Financial Performance (₹ Crore)								
Revenue from Operations (Gross)	3,166.2	3,297.2	(4.0)%	3,018.6	4.9%	9,368.6	9,246.1	1.3%
Revenue from Operations (Net)	792.2	756.6	4.7%	761.4	4.0%	2,311.0	2,055.5	12.4%
Gross Profit	327.3	344.6	(5.0)%	316.4	3.5%	973.6	943.5	3.2%
<i>Gross Margin (%)</i>	41.3%	45.5%		41.6%		42.1%	45.9%	
EBITDA	96.4	118.7	(18.8)%	89.6	7.6%	278.0	321.5	(13.5)%
<i>EBITDA Margin (%)</i>	12.2%	15.7%		11.8%		12.0%	15.6%	
Profit Before Tax	76.4	100.6	(24.1)%	69.8	9.5%	223.4	272.3	(18.0)%
Total Comprehensive Income	56.7	76.5	(25.9)%	51.5	10.1%	166.1	205.0	(19.0)%
<i>Total Comprehensive Income Margin (%)</i>	7.2%	10.1%		6.8%		7.2%	10.0%	
Basic EPS (₹)	4.27	5.74	(25.6)%	3.88	10.1%	12.51	15.40	(18.8)%

Above financials are on Standalone basis

Performance Trend

(₹ Crore)	Q3		y-o-y	Q2		Nine Month		y-o-y
	FY2023	FY2022	Growth (%)	FY2023	q-o-q Growth (%)	FY2023	FY2022	Growth (%)
Revenue from Operations (Gross)	3,166.2	3,297.2	(4.0)%	3,018.6	4.9%	9,368.6	9,246.1	1.3%
Revenue from Operations (Net)	792.2	756.6	4.7%	761.4	4.0%	2,311.0	2,055.5	12.4%
Other Income	2.7	1.7	59.8%	0.9	188.5%	8.0	9.0	(11.3)%
Income from Operations	794.9	758.3	4.8%	762.3	4.3%	2,319.0	2,064.5	12.3%
Cost of Goods Sold	464.8	412.0	12.8%	445.0	4.4%	1,337.3	1,112.0	20.3%
Employee Benefit	45.5	35.3	28.9%	40.2	13.4%	122.2	103.8	17.6%
Selling & Distribution	78.6	80.6	(2.5)%	73.2	7.4%	245.8	223.9	9.8%
Depreciation	17.1	16.9	0.7%	17.2	(0.7)%	51.0	48.5	5.1%
Interest	6.1	3.1	94.8%	4.0	50.4%	13.1	10.8	21.2%
Other Operating Expenses	106.4	109.6	(3.0)%	112.9	(5.8)%	326.2	293.2	11.3%
Total Expenses	718.4	657.6	9.2%	692.5	3.7%	2,095.6	1,792.2	16.9%
Profit Before Tax	76.4	100.6	(24.1)%	69.8	9.5%	223.4	272.3	(18.0)%
Current Tax	19.5	24.2		18.7		60.3	69.5	
Previous Year Adjustments	0.0	0.0		0.0		0.0	(0.6)	
Deferred Tax	(0.1)	(0.3)		(0.7)		(4.0)	(2.3)	
Net Profit	57.0	76.7	(25.6)%	51.8	10.1%	167.2	205.8	(18.8)%
<i>Net Income Margin (%)</i>	7.2%	10.1%		6.8%		7.2%	10.0%	
Other Comprehensive Expenses / (Income)	0.4	0.2		0.4		1.1	0.8	
Total Comprehensive Income	56.7	76.5	(25.9)%	51.5	10.1%	166.1	205.0	(19.0)%
<i>Total Comprehensive Income Margin (%)</i>	7.2%	10.1%		6.8%		7.2%	10.0%	

Q3 FY2023 Highlights

- Revenue from Operations (Net) grew by 4.7% y-o-y. Total IMFL volume* growth was relatively flat whereas Prestige & Above category volume grew 14.1%. But for the rationalization of volumes of certain brands, total IMFL volume growth would have been higher. Prestige & Above net revenue growth was 19.1% compared to Q3 FY2022. IMFL sales value accounted for 80.1% (vs. 81.9% in Q3 FY2022) of the Revenue from Operations (Net).
- Gross Margin during the quarter was 41.3% compared to 41.6% in Q2 FY2023 and 45.5% in Q3 FY2022. On Y-o-Y basis, continued commodity inflation resulted in gross margins compression, particularly in the non-IMFL business where we have recently received price increases. Given a favorable product mix change, impact of cost push on the gross margin of the IMFL business was mitigated to a large extent. Although on a sequential basis we have experienced stabilizing trend in certain commodities, overall commodity scenario still remains volatile.
- The Company's strategy is to continue to make prudent marketing investments over existing core brands and new launches to sustain the growth and market share. During 9M FY2023, A&SP as % of IMFL sales was 5.1% vs. 4.9% in 9M FY2022. On a quarterly basis, the amount may vary but we expect to maintain A&SP spend around 6% to 8% of our IMFL revenues to be able to drive the sales momentum.
- The Company has incurred ₹540.6 Crore on the Rampur Dual Feed and Sitapur Green Field projects since inception.

As of Dec 31, 2022	₹ Crore	Comment
Total Debt	531.0	Long Term ₹ 259.0 Crore, Short Term (including current maturities) ₹ 272.0 Crore
Cash & Cash Equivalents	(104.3)	Includes ₹ 51.3 Crore of liquid mutual funds investment
Net Debt	426.7	Increase in Net Debt of ₹ 310.7 Cr after Capex on new projects of ₹ 471.9 Crore since Mar-2022

* Including brands on Royalty

Jaisalmer Gold Gin is now available in Dubai Duty Free





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STATUTORY WARNING: CONSUMPTION OF LIQUOR IS DANGEROUS TO HEALTH. FOR CIRCULATION IN LIQUOR TRADE ONLY.

Disclaimer



This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Radico Khaitan’s future business developments and economic performance.

While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

Radico Khaitan undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

For further information, please contact:

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Q3 FY2023 Earnings Call Details

Date: Wednesday, February 15, 2023 | Time: 12:30 PM IST

Universal Access: +91 22 6280 1116, +91 22 7115 8017

[Pre-Register to avoid wait time and Express Join with Diamond Pass](#)



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