



RKL/SX/2022-23/34
August 10, 2022

BSE Ltd. Phiroze Jeejeebhoy Towers Dalal Street <u>Mumbai – 400 001.</u> 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) <u>Mumbai – 400 051.</u> Scrip Code: RADICO
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Sub: Investor's presentation

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 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)

**Q1 FY2023 Earnings
Presentation**



RAMPUR

INDIAN SINGLE MALT WHISKY
NON-CHILL FILTERED

TRIPLE **TRIGUN** CASK

An amalgamation of fruity aromas and smoothness topped with *irresistible crispiness* coming from a balanced maturation in *three different casks*.

त्रिगुणः / Harmony of Three



TASTING NOTES

NOSE: Tropical fruity notes with hints of apricot, lychee, pear and mango. Crispiness from Champagne Cask followed by glorious layers of zesty citrusy notes from Sauterne Wine Cask.

PALATE: Initial vanilla notes transform to delicate sweetness, topped with irresistible crispiness.

FINISH: The Indian trail lingers with an amazingly long finish.



Q1 FY2023 Performance Highlights

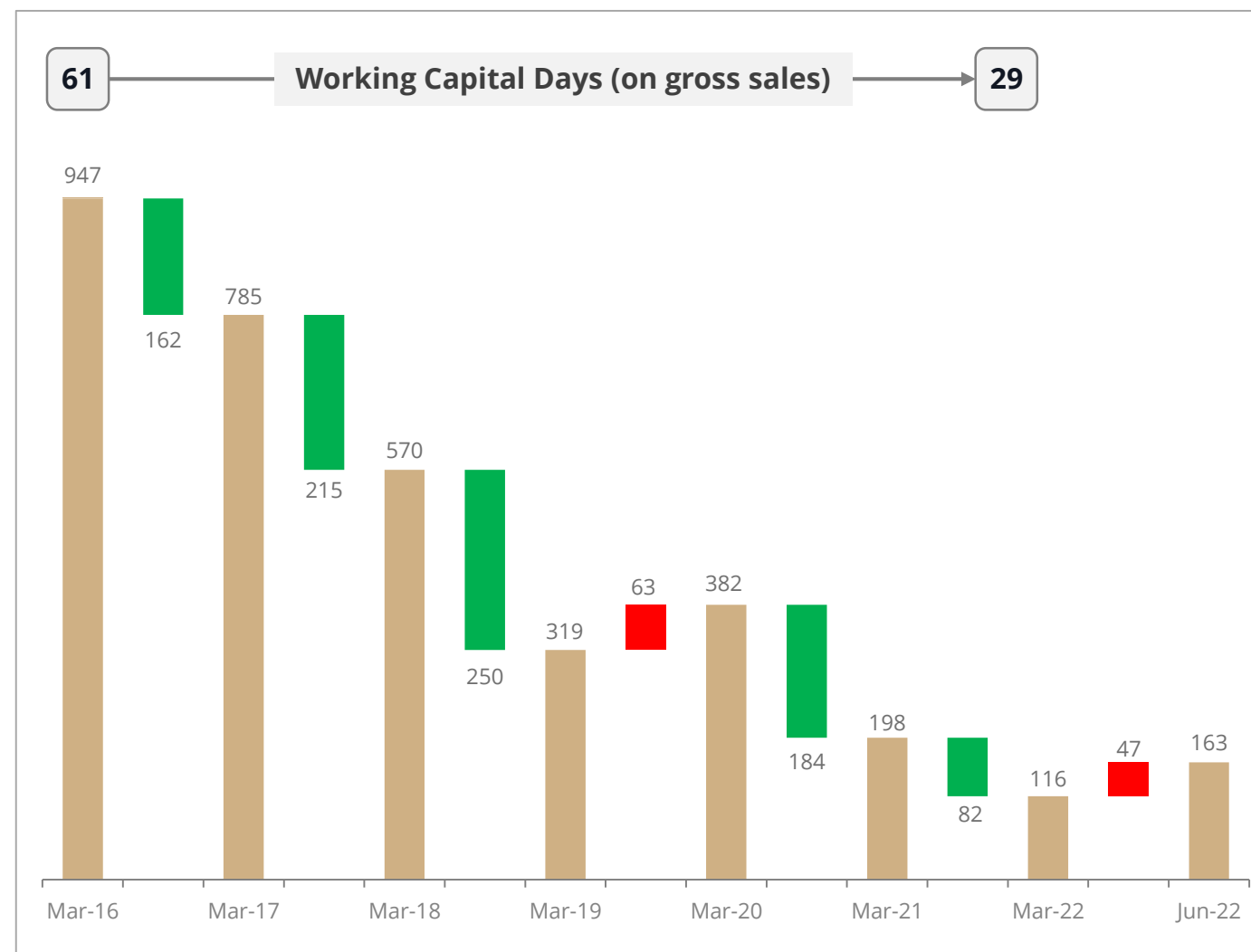
Continued strong operating performance led by Prestige & Above category portfolio

Q1 FY2023 vs. Q1 FY2022

- Total IMFL volume* of 6.82 Million Cases (+21.5%)
- Prestige & Above brands volume of 1.87 Million Cases (+29.1%)
- Prestige & Above brands net sales of ₹298.9 Cr (+37.0%)
- Prestige & Above brands contribution to the IMFL volumes of 29.5% (vs. 26.1%)
- Prestige & Above brands contribution to the Total IMFL sales value of 50.0% (vs. 46.6%)
- Revenue from Operations (Net) of ₹757.4 Cr (+26.7%)
- Gross Profit of ₹329.9 Cr (+17.2%)
- EBITDA of ₹92.1 Cr at 12.2% margin (up 217 bps Q-o-Q)
- Interest costs of ₹3.0 Cr (-35.8%)
- Total comprehensive income of ₹58.0 Cr

* Including brands on Royalty

Net Debt Position (₹ Crore)



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

“Radico Khaitan continues to demonstrate agility and resilience to deliver a consistent topline growth led by the Prestige & Above category brands in this challenging environment which is also a reflection our team’s execution capabilities. While there are near term concerns around inflation, the recent softening of certain commodities, a normal monsoon and the policy measures undertaken by the government bode well for the industry. Our endeavor continues to be on strengthening our premium brand portfolio through focused go-to-market strategies. Overall, we expect the inflationary environment to gradually ease out to some extent in the second half of the year. We are focused on driving premium growth, execution of our new projects and working towards making Radico Khaitan a future ready organization.”

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

“We are very pleased with the progress of our premium portfolio. Our luxury brands are showing robust momentum as we continue to expand outreach both in domestic as well as international markets. With the ‘out-of-home’ consumption picking up, white spirits brands have seen strong traction, which coupled with our diligent marketing investment has returned desired results. Looking at the growing demand of Jaisalmer Indian Craft Gin, we are expanding our gin distillation capacity which is already a part of our earlier announced capex plan. Overall, our growth is broad based and has a healthy underlying product and price mix. To mitigate the inflationary pressure, Radico Khaitan has taken a number of steps including rationalization of portfolio and value engineering across the supply chain. We continue to manage business with agility driving savings across the value chain to navigate through these challenging times.”

Performance Trend

	Q1		y-o-y	Q4	q-o-q	Full Year		y-o-y
	FY2023	FY2022	Growth (%)	FY2022	Growth (%)	FY2022	FY2021	Growth (%)
IMFL Volumes (Million Cases)								
Prestige & Above	1.87	1.45	29.1%	2.17	(14.0)%	7.80	6.30	23.9%
Regular & Others	4.47	4.09	9.1%	4.96	(10.0)%	18.02	15.54	16.0%
Total Own Volume	6.34	5.54	14.3%	7.14	(11.2)%	25.82	21.83	18.3%
<i>Prestige & Above as % of IMFL Volume</i>	29.5%	26.1%		30.5%		30.2%	28.8%	
Royalty Brands	0.48	0.07		0.15		0.53	0.51	
Total IMFL Volume	6.82	5.61	21.5%	7.29	(6.5)%	26.35	22.34	17.9%
Revenue Break up (₹ Crore)								
IMFL (A)	597.9	468.1	27.7%	663.5	(9.9)%	2,306.9	1,893.7	21.8%
<i>Prestige & Above</i>	298.9	218.2	37.0%	366.7	(18.5)%	1,206.2	951.0	26.8%
<i>Regular & Others</i>	294.4	248.8	18.3%	294.1	0.1%	1,091.9	936.0	16.7%
<i>Other</i>	4.6	1.1		2.7		8.8	6.7	
Non IMFL (B)	159.6	129.6	23.1%	149.0	7.1%	561.1	505.1	11.1%
Revenue from Operations (Net) (A+B)	757.4	597.7	26.7%	812.5	(6.8)%	2,868.0	2,398.8	19.6%
<i>Prestige & Above as % of Total IMFL Revenue</i>	50.0%	46.6%		55.3%		52.3%	50.2%	
<i>IMFL as % of Total Revenue</i>	78.9%	78.3%		81.7%		80.4%	78.9%	

Above financials are on Standalone basis

Performance Trend

	Q1		y-o-y	Q4		Full Year		y-o-y
	FY2023	FY2022	Growth (%)	FY2022	q-o-q Growth (%)	FY2022	FY2021	Growth (%)
Financial Performance (₹ Crore)								
Revenue from Operations (Gross)	3,183.8	2,879.2	10.6%	3,224.5	(1.3)%	12,470.5	10,504.0	18.7%
Revenue from Operations (Net)	757.4	597.6	26.7%	812.5	(6.8)%	2,868.0	2,398.8	19.6%
Gross Profit	329.9	281.5	17.2%	347.0	(4.9)%	1,290.6	1,196.4	7.9%
<i>Gross Margin (%)</i>	43.6%	47.1%		42.7%		45.0%	49.9%	
EBITDA	92.1	91.7	0.4%	81.2	13.4%	402.6	407.8	(1.3)%
<i>EBITDA Margin (%)</i>	12.2%	15.3%		10.0%		14.0%	17.0%	
Profit Before Tax	77.2	77.6	(0.6)%	62.9	22.6%	335.3	353.1	(5.1)%
Total Comprehensive Income	58.0	59.5	(2.7)%	47.5	22.0%	252.5	269.7	(6.4)%
<i>Total Comprehensive Income Margin (%)</i>	7.7%	10.0%		5.8%		8.8%	11.2%	
Basic EPS (₹)	4.36	4.48	(2.6)%	3.47	25.7%	18.87	20.26	(6.8)%

Above financials are on Standalone basis

Performance Trend

(₹ Crore)	Q1		y-o-y	Q4	q-o-q	Full Year		y-o-y
	FY2023	FY2022	Growth (%)	FY2022	Growth (%)	FY2022	FY2021	Growth (%)
Revenue from Operations (Gross)	3,183.8	2,879.2	10.6%	3,224.5	(1.3)%	12,470.5	10,504.0	18.7%
Revenue from Operations (Net)	757.4	597.6	26.7%	812.5	(6.8)%	2,868.0	2,398.8	19.6%
Other Income	4.4	5.5	(21.2)%	2.0	120.6%	11.0	20.1	(45.1)%
Income from Operations	761.8	603.2	26.3%	814.5	(6.5)%	2,879.0	2,418.9	19.0%
Cost of Goods Sold	427.5	316.2	35.2%	465.5	(8.2)%	1,577.4	1,202.4	31.2%
Employee Benefit	36.4	30.6	19.0%	37.4	(2.7)%	141.3	124.0	13.9%
Selling & Distribution	94.0	71.0	32.5%	98.5	(4.5)%	313.7	297.2	5.6%
Depreciation	16.7	15.4	8.8%	16.4	2.1%	64.9	53.9	20.4%
Interest	3.0	4.6	(35.8)%	2.3	29.9%	13.1	22.0	(40.5)%
Other Operating Expenses	106.9	87.8	21.8%	131.5	(18.7)%	433.4	366.2	18.4%
Total Expenses	684.6	525.5	30.3%	751.6	(8.9)%	2,543.8	2,065.8	23.1%
Profit Before Tax	77.2	77.6	(0.6)%	62.9		335.3	353.1	(5.1)%
Current Tax	22.0	20.1		17.7		87.2	84.4	
Previous Year Adjustments	0.0	(0.6)		0.0		(0.6)	(3.9)	
Deferred Tax	(3.1)	(1.7)		(1.1)		(3.5)	2.1	
Net Profit	58.3	59.8	(2.6)%	46.4	25.7%	252.2	270.6	(6.8)%
<i>Net Income Margin (%)</i>	7.7%	10.0%		5.7%		8.8%	11.3%	
Other Comprehensive Expenses / (Income)	0.3	0.3		(1.2)		(0.3)	0.9	
Total Comprehensive Income	58.0	59.5	(2.7)%	47.5	22.0%	252.5	269.7	(6.4)%
<i>Total Comprehensive Income Margin (%)</i>	7.7%	10.0%		5.8%		8.8%	11.2%	

Q1 FY2023 Highlights

- Revenue from Operations (Net) grew by 26.7% y-o-y. Total IMFL volume* growth was 21.5% y-o-y led by Prestige & Above category volume growth of 29.1%. Prestige & Above net revenue growth was 37.0% compared to Q1 FY2022. IMFL sales value accounted for 78.9% (vs. 78.3% in Q1 FY2022) of the Revenue from Operations (Net).
- Gross Margin during the quarter was 43.6% compared to 42.7% in Q4 FY2022 and 47.1% in Q1 FY2022. On Y-o-Y basis, continued commodity inflation resulted in gross margins compression, particularly in the non-IMFL business. Given a favorable product mix change, impact of cost push on the gross margin of the IMFL business was mitigated to a large extent. On a sequential basis, gross margins improved due to price increases in the IMFL business and a favorable product mix.
- 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 Q1 FY2023, A&SP as % of IMFL sales was 6.1% vs. 6.6% in Q1 FY2022. On a quarterly basis, the amount may vary but we expect to maintain A&SP to be around 7% to 8% of our IMFL revenues to be able to drive the sales momentum.
- Finance Cost decreased by 35.8% y-o-y from ₹ 4.6 Crore to ₹ 3.0 Crore. The Company's cost of borrowing continues to be one of the lowest in the industry due to a stable profitability, strong capital structure and improved liquidity position.
- The Company has incurred ₹165 Crore on the Rampur Dual Feed and Sitapur Green Field projects since inception.

As of June 30, 2022	₹ Crore	Comment
Total Debt	233.6	Long Term ₹ 40.0 Crore, Short Term (including current maturities) ₹ 193.6 Crore
Cash & Cash Equivalents	(70.6)	
Net Debt	163.0	Increase in Net Debt of ₹ 47.0 Crore after Capex on new projects of ₹ 95 Crore since March 2022

* Including brands on Royalty

Spiritz Selection Awards 2022

Spiritz Selection Awards – Finest Packaging



Spiritiz Selection Awards 2022

Spiritiz Selection Awards – Superior Taste



A TIMELESS BLEND THAT FASCINATES
AWARDED GOLD
FOR PREMIUM TASTE

Spiritiz Selection

2022



THE WORLD DAZZLES AGAIN

MAGIC MOMENTS
DAZZLE
VANILLA

Spiritiz Selection

2022

AWARDED GRAND GOLD FOR BEST BLEND



HERE'S TO A GOLDEN WIN

MAGIC MOMENTS
DAZZLE
GOLD

Spiritiz Selection

2022

WINS GOLD FOR SUPERIOR TASTE



MORPHEUS
Blue

PERFECTED TO
GOLD STANDARDS

MORPHEUS BLUE WINS
GRAND GOLD
AWARD FOR
FINEST TASTE

Spiritiz Selection

2022



THE TASTE OF FRIENDSHIP SOARS

8PM PREMIUM BLACK
WINS
Gold
FOR TASTING NOTES

Spiritiz Selection

2022



CELEBRATING THE SWEET TASTE OF VICTORY

1965 RUM AWARDED GRAND GOLD
FOR BEST BLEND

Spiritiz Selection

2022

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.

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Q1 FY2023 Earnings Call Details

Date: Thursday, August 11, 2022 | 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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