



RKL/SX/2022-23/15
May 30, 2022

BSE Ltd. Phiroze Jeejeebhoy Towers Dalal Street <u>Mumbai – 400 001.</u>	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: 532497	Scrip Code: RADICO

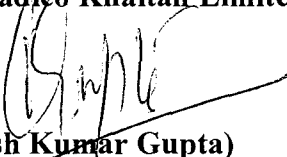
Sub: Investor's presentation

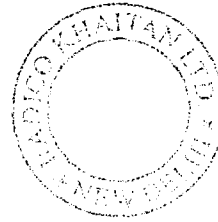
Dear Sir / Madam,

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.

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CIN No. L26941UP1983PLC027278



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

**Q4 FY22 Earnings
Presentation**



JAISALMER
INDIAN CRAFT GIN

a million tales on a
GOLDEN
CANVAS

The Indian wisdom of ancient herbs, infused with 18 handpicked botanicals including finest quality Juniper Berries, Angelica, Coriander from Jaisalmer, Nagpur Orange Peel, Darjeeling Green Tea, Licorice, Lemongrass, Bay Leaves, Gandharaj Lemon Peel, Saffron, Nutmeg, Cinnamon Bark, Black Pepper & Rose Petals is further enhanced with Gold filtration.

A refreshing burst of Indian summer on your palate.



Q4 FY2022 Performance Highlights

Delivered highest ever IMFL volume and Revenue from Operations

Q4 FY2022 vs. Q4 FY2021

- Total IMFL volume of 7.29 Million Cases (+16.3%)
- Prestige & Above brands volume of 2.27 Million Cases (+28.1%)
- Prestige & Above brands net sales of ₹369.4 Cr (+30.5%)
- Prestige & Above brands contribution to the total IMFL volumes of 31.1% (vs. 28.2%)
- Prestige & Above brands contribution to the total IMFL sales value of 55.7% (vs. 51.6%)
- Revenue from Operations (Net) of ₹812.5 Cr (+17.9%)
- Gross Profit of ₹347.0 Cr (+4.9%)
- EBITDA of ₹81.2 Cr at 10.0% margin
- Interest costs of ₹2.3 Cr (-50.5%)
- Total comprehensive income of ₹47.5 Cr

12M FY2022 vs. 12M FY2021

- Total IMFL volume of 26.35 Million Cases (+17.9%)
- Prestige & Above brands volume of 8.11 Million Cases (+24.5%)
- Prestige & Above brands net sales of ₹1,214.7 Cr (+26.9%)
- Prestige & Above brands contribution to the total IMFL volumes of 30.8% (vs. 29.1%)
- Prestige & Above brands contribution to the total IMFL sales value of 52.7% (vs. 50.6%)
- Revenue from Operations (Net) of ₹2,868.0 Cr (+19.6%)
- Gross Profit of ₹1,290.6 Cr (+7.9%)
- EBITDA of ₹402.6 Cr at 14.0% margin
- Interest costs of ₹13.1 Cr (-40.5%)
- Total comprehensive income of ₹252.5 Cr

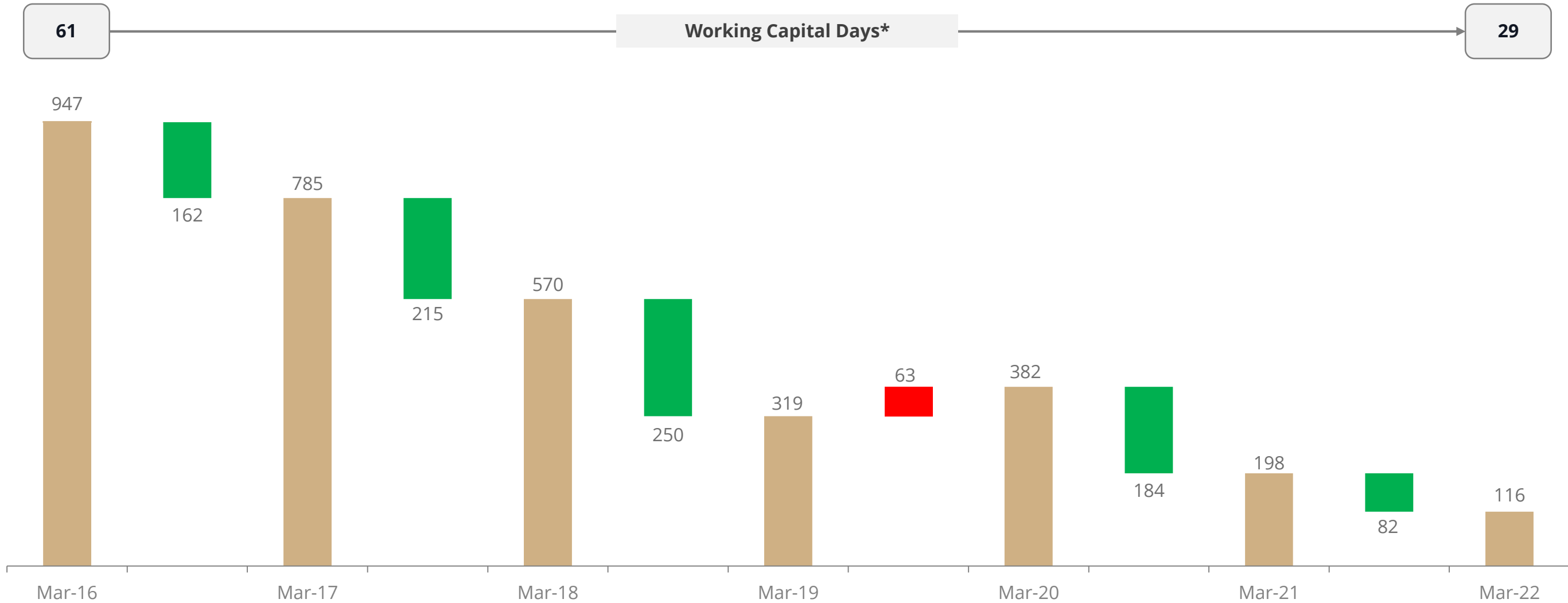
Dividend of 150% or ₹3.00 per share compared with 120% or ₹2.40 per share for FY2021

Q4 FY2022 Performance Highlights

Net debt reduction of ₹ 82 Crore since March 2021 after capex on new projects of ₹ 71 Crore



Cumulative net debt reduction of ₹ 831 Crore since FY2016 coupled with higher working capital efficiency



* Working Capital Days = (Trade Receivables + Inventories - Trade Payables) / Last Twelve Month Gross Revenue from Operations X 365

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

“Radico Khaitan has delivered a double-digit IMFL volume growth during the year driven by the strong performance of Prestige & Above category. This demonstrates the strength of our brands, consumer resonance and the resilient business model. During the year, we have outperformed the industry in 7 out of our top 11 markets. The Company has continued to strengthen its core brands through focused marketing investments and also launched select new brands in the premium category. This strategy has not only enabled us to deliver the desired growth profile but also diversified and reinforced our brand portfolio for the future.

Although, the post pandemic recovery in India has been swift, the current geopolitical situation has intensified the inflationary pressure. Inflation and its impact on consumer behavior will be a key consideration going forward in India. As we navigate through this challenging cost environment, we will focus on strengthening our product mix and driving supply chain efficiencies.

Both our projects, Rampur dual feed and Sitapur green field, are progressing well and are ahead of the earlier estimated timelines. We have already placed fixed-price orders for the key equipment with the leading global vendors. We expect Rampur dual feed plant to be operational by Q3 FY2023. These projects are being monitored directly from the head-office by the senior management team under my supervision and guidance.

In the near term, the input cost scenario is expected to remain volatile. However, we are confident of the medium to long term prospects of the Indian alcohol industry and remain focused on delivering long term sustainable value to all our stakeholders. In line with our strategy of distributing wealth to shareholders, we are pleased to propose a higher dividend of Rs. 3 per equity share. We are confident of our future growth trajectory and will continue to increase dividend as our profit continues to grow.”

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

“During Q4 FY2022, we have built upon the momentum that we had seen for the rest of the year as we continue to concentrate on our core premium brands. IMFL volume increased by 16% during Q4 FY2022 which was led by Prestige & Above category volume growth of 28%. We expect to maintain a double digit IMFL volume expansion trajectory in FY2023. In February 2022, 8PM Premium Black whisky achieved volumes of 2 million cases and is now available across 20 states in India. Recently launched Royal Ranthambore Heritage Collection Royal Crafted Whisky and Magic Moments Dazzle Vodka are now available across 7 states and continue to gain consumer confidence.

Despite a strong operational performance, the profitability of the quarter was subdued due to an unprecedented inflation seen across all commodities. The impact was more severe on the non-IMFL business while IMFL business was impacted to a lesser extent. However, we have not faced any supply chain disruption.

In the near term, the inflationary scenario is expected to remain unpredictable. During this period, the Company is focused on value engineering across the brand portfolio to minimize the impact of cost push. We have also received price increases in a few states which would help offset the input cost pressure to a large extent. This coupled with the backward integration benefit from our Rampur dual feed plant is expected to support profitability improvement during the second half of FY2023.

With our focus on free cash flow generation, we have been able to reduce our net debt by Rs. 82 Crore during the year after investment in growth capex. In the mid to long-term, we will stay on course of our strategy to drive profitable growth and strengthen our premium product portfolio through select new launches and expanding width of distribution for existing products.”

Performance Trend

	Q4		y-o-y	Q3		Full Year		y-o-y
	FY2022	FY2021	Growth (%)	FY2022	Growth (%)	FY2022	FY2021	Growth (%)
IMFL Volumes (Million Cases)								
Prestige & Above	2.27	1.77	28.1%	2.36	(3.9)%	8.11	6.51	24.5%
Regular & Others	5.02	4.50	11.6%	4.62	8.8%	18.25	15.83	15.3%
Total Volume	7.29	6.27	16.3%	6.98	4.5%	26.35	22.34	17.9%
<i>Prestige & Above as % of Total IMFL Volume</i>	31.1%	28.2%		33.8%		30.8%	29.1%	

Revenue Break up (₹ Crore)								
IMFL (A)	663.5	548.1	21.0%	619.7	7.1%	2,306.9	1,893.7	21.8%
<i>Prestige & Above</i>	369.4	283.0	30.5%	340.5	8.5%	1,214.7	957.4	26.9%
<i>Regular & Others</i>	294.2	265.1	11.0%	279.2	5.3%	1,092.1	936.3	16.6%
Non IMFL (B)	149.0	141.1	5.6%	136.9	8.8%	561.1	505.1	11.1%
Revenue from Operations (Net) (A+B)	812.5	689.2	17.9%	756.6	7.4%	2,868.0	2,398.8	19.6%
<i>Prestige & Above as % of Total IMFL Revenue</i>	55.7%	51.6%		54.9%		52.7%	50.6%	
<i>IMFL as % of Total Revenue</i>	81.7%	79.5%		81.9%		80.4%	78.9%	

Above financials are on Standalone basis

Performance Trend

	Q4		y-o-y	Q3		Full Year		y-o-y
	FY2022	FY2021	Growth (%)	FY2022	Growth (%)	FY2022	FY2021	Growth (%)
Financial Performance (₹ Crore)								
Revenue from Operations (Gross)	3,224.5	2,946.4	9.4%	3,297.2	(2.2)%	12,470.5	10,504.0	18.7%
Revenue from Operations (Net)	812.5	689.2	17.9%	756.6	7.4%	2,868.0	2,398.8	19.6%
Gross Profit	347.0	330.9	4.9%	344.6	0.7%	1,290.6	1,196.4	7.9%
<i>Gross Margin (%)</i>	42.7%	48.0%		45.5%		45.0%	49.9%	
EBITDA	81.2	101.9	(20.4)%	118.7	(31.6)%	402.6	407.8	(1.3)%
<i>EBITDA Margin (%)</i>	10.0%	14.8%		15.7%		14.0%	17.0%	
Profit Before Tax	62.9	94.4	(33.4)%	100.6	(37.5)%	335.3	353.1	(5.1)%
Total Comprehensive Income	47.5	74.0	(35.8)%	76.5	(37.9)%	252.5	269.7	(6.4)%
<i>Total Comprehensive Income Margin (%)</i>	5.8%	10.7%		10.1%		8.8%	11.2%	
Basic EPS (₹)	3.47	5.51	(37.0)%	5.74	(39.6)%	18.87	20.26	(6.8)%

Above financials are on Standalone basis

Performance Trend

(₹ Crore)	Q4		y-o-y	Q3		Full Year		y-o-y
	FY2022	FY2021	Growth (%)	FY2022	Growth (%)	FY2022	FY2021	Growth (%)
Revenue from Operations (Gross)	3,224.5	2,946.4	9.4%	3,297.2	(2.2)%	12,470.5	10,504.0	18.7%
Revenue from Operations (Net)	812.5	689.2	17.9%	756.6	7.4%	2,868.0	2,398.8	19.6%
Other Income	2.0	11.9	(83.4)%	1.7	16.4%	11.0	20.1	(45.1)%
Income from Operations	814.5	701.1	16.2%	758.3	7.4%	2,879.0	2,418.9	19.0%
Cost of Goods Sold	465.5	358.4	29.9%	412.0	13.0%	1,577.4	1,202.4	31.2%
Employee Benefit	37.4	32.7	14.6%	35.3	5.9%	141.3	124.0	13.9%
Selling & Distribution	98.5	89.1	10.6%	76.7	28.5%	313.7	297.2	5.6%
Depreciation	16.4	14.2	15.4%	16.9	(3.3)%	64.9	53.9	20.4%
Interest	2.3	4.6	(50.5)%	3.1	(26.7)%	13.1	22.0	(40.5)%
Other Operating Expenses	131.5	107.8	22.0%	113.5	15.8%	433.4	366.2	18.4%
Total Expenses	751.6	606.7	23.9%	657.6	14.3%	2,543.8	2,065.8	23.1%
Profit Before Tax	62.9	94.4	(33.4)%	100.6		335.3	353.1	(5.1)%
Current Tax	17.7	19.9		24.2		87.2	84.4	
Previous Year Adjustments	0.0	(0.1)		0.0		(0.6)	(3.9)	
Deferred Tax	(1.1)	1.1		(0.3)		(3.5)	2.1	
Net Profit	46.4	73.5	(37.0)%	76.7	(39.6)%	252.2	270.6	(6.8)%
<i>Net Income Margin (%)</i>	5.7%	10.7%		10.1%		8.8%	11.3%	
Other Comprehensive Expenses / (Income)	(1.2)	(0.4)		0.2		(0.3)	0.9	
Total Comprehensive Income	47.5	74.0	(35.8)%	76.5	(37.9)%	252.5	269.7	(6.4)%
<i>Total Comprehensive Income Margin (%)</i>	5.8%	10.7%		10.1%		8.8%	11.2%	

Q4 FY2022 Highlights

- Revenue from Operations (Net) grew by 17.9% y-o-y. Total IMFL volume growth was 16.3% y-o-y led by Prestige & Above category volume growth of 28.1%. Prestige & Above net revenue growth was 30.5% compared to Q4 FY2021. IMFL sales value accounted for 81.7% (vs. 79.5% in Q4 FY2021) of the Revenue from Operations (Net).
- Gross Margin during the quarter was 42.7%. Continued commodity inflation had a strong bearing on our gross margins, 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.
- The increase in other expenses is due to higher power & fuel cost and other production related overheads. The base quarter was also impacted by the second wave COVID-19.
- 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. On a quarterly basis, the amount may vary but we expect to maintain A&SP to be around 7-8% of our IMFL revenues to be able to drive the sales momentum. In the P&A segment, we expect this to be double digit.
- Finance Cost decreased by 50.5% y-o-y from ₹ 4.6 Crore to ₹ 2.3 Crore. The Company's cost of borrowing is one of the lowest in the industry due to a stable profitability, strong capital structure and improved liquidity position.

As of March 31, 2022	₹ Crore	Comment
Total Debt	189.9	Long Term ₹ 5.0 Crore, Short Term (including current maturities) ₹ 184.9 Crore
Cash & Cash Equivalents	(73.9)	Adjusted for ₹ 35.0 Crore advances from customers against which dispatches were made in first week of April 2022
Net Debt	116.0	Reduction of ₹ 81.5 Crore since March 2021 after Capex on new projects of ₹ 71.0 Crore

Extended Producers Responsibility

Recycled 8,700 MT of post consumer used plastic waste during FY2022 resulting in a significant sustainability impact

Saved

158.1 million litres



Water

50.2 million KWH



Energy

22.6 million litres



Oil

Eliminated

21.8 million KG



Air Pollutants

7.0 million cubic feet



Land Fill

Awards & Achievements



WHISKY
Icons of
WHISKY
INDIA
2022

11th EDITION, INDIA
AWARD WINNERS 2022

**DISTILLER OF THE YEAR
WINNER**

**RADICO
KHAITAN LTD.**

AMORIM

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WHISKY
Magazine

drink smart®
Drink Responsibly.

Distiller of the Year Award at the 11th Edition of Icons of Whisky India 2022



PROUD WINNERS AT GLOBAL QUALITY AWARDS

MONDE SELECTION 2022

GOLD AWARD **GRAND GOLD** **SILVER AWARD**

Brand Name	Awards
Rampur Indian Single Malt Whisky	GRAND GOLD
Jaisalmer Indian Craft Gin	3 rd Consecutive Time GRAND GOLD & International High-Quality Trophy
Royal Ranthambore Royal Crafted Whisky	GRAND GOLD (Debut)
Magic Moments Dazzle Spl Edition Premium Vodka	GRAND GOLD (Debut)
Magic Moments Dazzle Spl Edition Vanilla Premium Vodka	GOLD (Debut)
1965 Spirits Of Victory Premium XXX Rum	GOLD (5 th Consecutive Year)
8PM Premium Black Whisky	GOLD (4 th Consecutive Year)
Morpheus Blue XO Premium Brandy	GOLD (4 th Consecutive Year)
Magic Moments Verve Premium Vodka	GOLD (4 th Consecutive Year)
Magic Moments Premium Grain Vodka	GOLD (2 nd Consecutive Year)
Magic Moments Verve Lemon Lush Premium Vodka	GOLD (2 nd Consecutive Year)
Morpheus XO Blended Premium Brandy	GOLD (2 nd Consecutive Year)
Magic Moments Remix Lemongrass & Ginger Vodka	GOLD
Magic Moments Verve Premium Green Apple Vodka	SILVER
Magic Moments Remix Grapefruit & Watermelon Vodka	SILVER

Four Grand Golds and 9 Golds awards at the Monde Selection 2022

Gin Explorers Club fest (Delhi and Mumbai)

Jaisalmer Indian Craft Gin participated in the largest gin festival in India



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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Q4 FY2022 Earnings Call Details

Date: Tuesday, May 31, 2022 | Time: 12:30 PM IST

Universal Access: +91 22 6280 1325, +91 22 7115 8226

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



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