



RKL/SX/2022-23/66  
November 14, 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 <sup>th</sup> 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 on Unaudited Financial Results for the Quarter and Half Year ended September 30, 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 Half Year ended September 30, 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](mailto:investor@radico.co.in)**

Encl.: As above

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CIN No-L26941UP1983PLC027278



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

**Q2 FY2023 Earnings  
Presentation**



# RAMPUR

INDIAN SINGLE MALT WHISKY  
NON-CHILL FILTERED

## JUGALBANDI #1

A velvety melody of tropical fruity notes from *American Bourbon Barrels* and an array of dark dried fruits and complex spiciness from *Moscatele Casks*.

◆ **MOSCATEL CASK FINISH** ◆  
*a medley of aromas*

### NOSE

Fruity top notes of lychee, mango and hint of banana as the cask imparts sweet and spicy malt notes, adding depth to the aroma and body

### PALATE

Sweet vanilla from first-fill Bourbon followed by zesty, floral and spiciness of muscatel cask, leaving a balanced creamy mouthfeel and sweet taste that lingers

### FINISH

A satisfying aftertaste: a never-ending Jugalbandi



Drink Responsibly



# RAMPUR

INDIAN SINGLE MALT WHISKY  
NON-CHILL FILTERED

## JUGALBANDI #2

A magical duet of tropical fruity notes from *American Bourbon Barrels* and aroma of sweet baked apple from *Calvados Casks*.

♦ CALVADOS CASK FINISH ♦  
*a medley of aromas*

### NOSE

The cask lends sweet and spicy malt notes, adding depth to the aroma and body where fruity top notes like Lychee, mango and hint of banana make a statement

### PALATE

Dried apple, apricots, raisins, and the Calvados cask finish contributes to the body and complexity making the whisky deliciously fruity

### FINISH

The finish is long and exuberant: a Jugalbandi like no other



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# Q2 FY2023 Performance Highlights

Continued strong operating performance led by Prestige & Above category portfolio

## Q2 FY2023 vs. Q2 FY2022

- Total IMFL volume\* of 7.18 Million Cases (+10.9%)
- Prestige & Above brands volume of 2.33 Million Cases (+22.0%)
- Prestige & Above brands net sales of ₹361.1 Cr (+25.0%)
- Prestige & Above brands contribution to the IMFL volumes of 37.9% (vs. 30.2%)
- Prestige & Above brands contribution to the Total IMFL sales value of 59.2% (vs. 51.4%)
- Revenue from Operations (Net) of ₹761.4 Cr (+8.6%)
- Gross Profit of ₹316.4 Cr (-0.4%)
- EBITDA of ₹89.6 Cr at 11.8% margin
- Total comprehensive income of ₹51.5 Cr

## H1 FY2023 vs. H1 FY2022

- Total IMFL volume\* of 14.01 Million Cases (+15.9%)
- Prestige & Above brands volume of 4.21 Million Cases (+25.3%)
- Prestige & Above brands net sales of ₹660.0 Cr (+30.2%)
- Prestige & Above brands contribution to the IMFL volumes of 33.7% (vs. 28.3%)
- Prestige & Above brands contribution to the Total IMFL sales value of 54.6% (vs. 49.2%)
- Revenue from Operations (Net) of ₹1,518.8 Cr (+16.9%)
- Gross Profit of ₹646.3 Cr (+7.9%)
- EBITDA of ₹181.7 Cr at 12.0% margin
- Total comprehensive income of ₹109.4 Cr

\* Including brands on Royalty

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

“In the context of a challenging operating environment, we have delivered a buoyant volume growth and consistent financial performance. This underscores the strength of our premium brand portfolio, operational excellence, dynamic financial management and our clearly defined strategic roadmap. Our premium brands growth is very strong, particularly the luxury brands such as Jaisalmer Indian Craft Gin and Rampur Indian Single Malt. We have already expanded our craft gin production capacity to more than double. While the inflationary trend is persistent, we have seen early signs of stability in certain commodities which is encouraging. Overall, the scenario still remains volatile. Radico Khaitan is progressing firmly on the path of its exciting premium brand creation journey which will be accentuated by a strong backward integrated manufacturing platform.”

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

“Business growth continues to be strong and resilient driven by our Prestige & above category brands. We continue to aggressively pursue our new product development pipeline to drive future growth opportunities and announced some exciting launches during the quarter including the newest expression of Rampur Indian Single Malt called Jugalbandi. Building upon the market leadership of Magic Moments, we launched a low alcohol ready-to-drink, Magic Moments Vodka Cocktail. It is the only vodka based RTD available in the Indian markets. We also launched 1965 Spirit of Victory Lemon Dash Rum which will help the Company tap into a new spirit category of white rum. We are pursuing price increases in a few large states which coupled with our ongoing premiumization, portfolio rationalization and value engineering will drive profitability growth. Going forward, we continue to focus on our long-term growth plans with new brand introduction in both white and brown spirits and leveraging the benefits of our capital investments.”

# Performance Trend

	Q2		y-o-y	Q1	q-o-q	Half Year		y-o-y
	FY2023	FY2022	Growth (%)	FY2023	Growth (%)	FY2023	FY2022	Growth (%)
<b>IMFL Volumes (Million Cases)</b>								
Prestige & Above	2.33	1.91	22.0%	1.88	24.2%	4.21	3.36	25.3%
Regular & Others	3.82	4.41	(13.3)%	4.47	(14.4)%	8.29	8.50	(2.5)%
Total Own Volume	6.15	6.32	(2.6)%	6.34	(3.0)%	12.50	11.86	5.4%
<i>Prestige &amp; Above as % of IMFL Volume</i>	37.9%	30.2%		29.6%		33.7%	28.3%	
Royalty Brands	1.03	0.15		0.48		1.51	0.23	
Total IMFL Volume	7.18	6.47	10.9%	6.83	5.2%	14.01	12.09	15.9%
<b>Revenue Break up (₹ Crore)</b>								
IMFL (A)	610.0	562.1	8.5%	597.9	2.0%	1,207.9	1,030.2	17.2%
<i>Prestige &amp; Above</i>	361.1	288.9	25.0%	298.9	20.8%	660.0	507.1	30.2%
<i>Regular &amp; Others</i>	241.1	270.8	(11.0)%	294.4	(18.1)%	535.5	519.6	3.1%
<i>Other</i>	7.8	2.4		4.6		12.4	3.5	
Non IMFL (B)	151.3	139.2	8.7%	159.6	(5.1)%	310.9	268.6	15.7%
Revenue from Operations (Net) (A+B)	761.4	701.3	8.6%	757.4	0.5%	1,518.8	1,298.9	16.9%
<i>Prestige &amp; Above as % of Total IMFL Revenue</i>	59.2%	51.4%		50.0%		54.6%	49.2%	
<i>IMFL as % of Total Revenue</i>	80.1%	80.2%		78.9%		79.5%	79.3%	

Above financials are on Standalone basis

# Performance Trend

	Q2		y-o-y	Q1		Half Year		y-o-y
	FY2023	FY2022	Growth (%)	FY2023	Growth (%)	FY2023	FY2022	Growth (%)
<b>Financial Performance (₹ Crore)</b>								
Revenue from Operations (Gross)	3,018.6	3,069.6	(1.7)%	3,183.8	(5.2)%	6,202.4	5,948.8	4.3%
Revenue from Operations (Net)	761.4	701.3	8.6%	757.4	0.5%	1,518.8	1,298.9	16.9%
Gross Profit	316.4	317.5	(0.4)%	329.9	(4.1)%	646.3	599.0	7.9%
<i>Gross Margin (%)</i>	41.6%	45.3%		43.6%		42.6%	46.1%	
EBITDA	89.6	111.0	(19.3)%	92.1	(2.7)%	181.7	202.8	(10.4)%
<i>EBITDA Margin (%)</i>	11.8%	15.8%		12.2%		12.0%	15.6%	
Profit Before Tax	69.8	94.0	(25.8)%	77.2	(9.6)%	147.0	171.7	(14.4)%
Total Comprehensive Income	51.5	68.9	(25.4)%	58.0	(11.2)%	109.4	128.5	(14.9)%
<i>Total Comprehensive Income Margin (%)</i>	6.8%	9.8%		7.7%		7.2%	9.9%	
Basic EPS (₹)	3.88	5.18	(25.2)%	4.36	(11.1)%	8.24	9.66	(14.7)%

Above financials are on Standalone basis

# Performance Trend

(₹ Crore)	Q2		y-o-y	Q1	q-o-q	Half Year		y-o-y
	FY2023	FY2022	Growth (%)	FY2023	Growth (%)	FY2023	FY2022	Growth (%)
Revenue from Operations (Gross)	3,018.6	3,069.6	(1.7)%	3,183.8	(5.2)%	6,202.4	5,948.8	4.3%
Revenue from Operations (Net)	761.4	701.3	8.6%	757.4	0.5%	1,518.8	1,298.9	16.9%
Other Income	0.9	1.8	(47.9)%	4.4	(78.4)%	5.3	7.3	(27.8)%
Income from Operations	762.3	703.1	8.4%	761.8	0.1%	1,524.1	1,306.3	16.7%
Cost of Goods Sold	445.0	383.8	16.0%	427.5	4.1%	872.5	699.9	24.7%
Employee Benefit	40.2	37.9	6.0%	36.4	10.3%	76.6	68.5	11.8%
Selling & Distribution	73.2	67.6	8.3%	94.0	(22.2)%	167.2	138.5	20.7%
Depreciation	17.2	16.2	6.3%	16.7	2.7%	33.9	31.5	7.5%
Interest	4.0	3.1	32.4%	3.0	36.1%	7.0	7.7	(8.7)%
Other Operating Expenses	112.9	100.6	12.3%	106.9	5.6%	219.9	188.4	16.7%
Total Expenses	692.5	609.1	13.7%	684.6	1.2%	1,377.2	1,134.6	21.4%
Profit Before Tax	69.8	94.0	(25.8)%	77.2	(9.6)%	147.0	171.7	(14.4)%
Current Tax	18.7	25.1		22.0		40.7	45.2	
Previous Year Adjustments	0.0	0.0		0.0		0.0	(0.6)	
Deferred Tax	(0.7)	(0.3)		(3.1)		(3.9)	(2.0)	
Net Profit	51.8	69.3	(25.2)%	58.3	(11.1)%	110.1	129.1	(14.7)%
<i>Net Income Margin (%)</i>	6.8%	9.9%		7.7%		7.3%	9.9%	
Other Comprehensive Expenses / (Income)	0.4	0.3		0.3		0.7	0.6	
Total Comprehensive Income	51.5	68.9	(25.4)%	58.0	(11.2)%	109.4	128.5	(14.9)%
<i>Total Comprehensive Income Margin (%)</i>	6.8%	9.8%		7.7%		7.2%	9.9%	

## Q2 FY2023 Highlights

- Revenue from Operations (Net) grew by 8.6% y-o-y. Total IMFL volume\* growth was 10.9% y-o-y led by Prestige & Above category volume growth of 22.0%. But for the rationalization of volumes of certain brands, total IMFL volume growth could have been higher. Prestige & Above net revenue growth was 25.0% compared to Q2 FY2022. IMFL sales value accounted for 80.1% (vs. 80.2% in Q2 FY2022) of the Revenue from Operations (Net).
- Gross Margin during the quarter was 41.6% compared to 43.6% in Q1 FY2023 and 45.3% in Q2 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.
- 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 H1 FY2023, A&SP as % of IMFL sales was 5.1% vs. 5.0% in H1 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 ₹317.8 Crore on the Rampur Dual Feed and Sitapur Green Field projects since inception.

As of Sept 30, 2022	₹ Crore	Comment
Total Debt	399.0	Long Term ₹ 93.0 Crore, Short Term (including current maturities) ₹ 306.0 Crore
Cash & Cash Equivalents	(110.8)	Includes ₹ 40.0 Crore of short term mutual funds investment
<b>Net Debt</b>	<b>288.2</b>	<b>Increase in Net Debt of ₹ 172.2 Cr after Capex on new projects of ₹ 249.1 Crore since Mar-2022</b>

\* Including brands on Royalty

M2  
**MAGIC  
MOMENTS**  
**VODKA  
COCKTAIL**



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# 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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## Q2 FY2023 Earnings Call Details

Date: Tuesday, November 15, 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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