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May 23, 2024

BSE Ltd. Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001 **Scrip Code: 532497**	National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 **Symbol: RADICO**

Sub: Transcript of the Earnings Call conducted on May 15, 2024

Dear Sir/ Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed transcript of the Earnings Call held on Wednesday, May 15, 2024, for the Audited Financial Results of the Company for the quarter and financial year ended March 31, 2024.

The same is also uploaded on the website of the Company at www.radicokhaitan.com.

This is for your information and records.

Thanking You,

Yours faithfully,
For Radico Khaitan Limited

Dinesh Kumar Gupta
Digitally signed by Dinesh Kumar Gupta
Date: 2024.05.23 17:39:22 +05'30'

(Dinesh Kumar Gupta)
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Encl.: As Above

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Radico
SPIRIT OF EXCELLENCE

Radico Khaitan Limited

(BSE: 532497; NSE: RADICO)

Fourth Quarter and Full Year FY2024

Earnings Conference call

May 15, 2024

Management Participants:

Mr. Abhishek Khaitan, Managing Director

Mr. Dilip Banthiya, Chief Financial Officer

Mr. Amar Sinha, Chief Operating Officer

Mr. Sanjeev Banga, President – International Business

Presentation:

Moderator: Ladies and gentlemen, good day and welcome to Radico Khaitan Q4 FY24 earnings conference call hosted by Dolat Capital.

As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing the '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Yash Visharia from Dolat Capital. Thank you and over to you sir.

Before we begin our presentation, I would like to remind you that some of the statements made in today's conference call may be forward-looking in nature and may involve risks and uncertainties. Kindly refer to the last slide of our earnings presentation for the detailed disclaimer.

Yash Visharia: Thank you Steve. Good afternoon, everyone. On behalf of Dolat Capital, we welcome you all to Q4 FY24 earnings call of Radico Khaitan.

We would like to thank the Management for giving us the opportunity to host the call. On the call we have with us, Mr. Abhishek Khaitan – Managing Director, Mr. Amar Sinha – Chief Operating Officer, Mr. Dilip Banthiya – Chief Financial Officer and Mr. Sanjeev Banga – President, International Business.

I would now like to hand over the call to Mr. Abhishek Khaitan for his opening comments. Thank you and over to you sir.

Abhishek Khaitan: Good afternoon, ladies and gentlemen. Thank you for joining us on our Q4 FY24 Results Conference Call.

FY2024 has been a year of consolidation for Radico Khaitan. During the year, we have continued to grow the Prestige & Above brands ahead of our expectations. We have strengthened our portfolio with more premium and luxury brands, and we have successfully completed and commissioned our Sitapur project which further strengthens our backward integration capabilities.

Driven by the strength of our premium brands portfolio and focused marketing strategies, Radico Khaitan delivered another quarter of a resilient performance with Prestige & Above category brands growing by 14% year-on-year. Growth during FY24 was 20%.

All core brands continue to report strong momentum. Magic Moments Vodka recorded 6.3 million cases sales during the year and crossed sales value of Rs. 1,000 crores. Morpheus Super Premium Brandy and 1965 Spirit of Victory premium rum crossed a million cases sale for the second consecutive year. The volume of Royal Ranthambore whisky more than doubled. We have also signed an endorsement deal with Bollywood star Saif Ali Khan for Royal Ranthambore.

We remain committed to a focused product portfolio of premium brands where consumer aspirations drive brand choice. Right from ideation to blend development, packaging, marketing, brand communication, distribution and delivering value to consumers, we have a well-defined roadmap at each stage of the product life cycle. We are confident that these strategies will continue to help us deliver balanced growth and value creation for all our stakeholders.

During the quarter, we expanded our luxury portfolio through the launch of The Kohinoor Reserve Indian Dark Rum which is crafted through small batch distillation, using only fresh cane juice spirit during the north Indian winter season. It is then matured in American Oak Barrels previously used for maturing Indian Single Malt followed by further maturation in Cognac XO and Vermouth casks. Priced at about US$50 per bottle, it will be rolled out in coming months across global markets including the USA, UK, EU, Asia as well as Global Travel Retails.

During FY24, Jaisalmer Gin achieved market share of 50% in the luxury gin space in India. With Jaisalmer, we are experiencing the same consumer traction as we had seen in the case of vodka albeit at a much higher price point.

We continue to expand the distribution of Rampur and Jaisalmer in India. In Q2 FY24, we plan to introduce Jaisalmer Gold edition in the Indian markets to give a super luxury experience to the gin consumers. During this year, we also plan to launch Rampur Asava in domestic markets. Rampur is now available in 15 states and Jaisalmer in 22 states.

During FY2024, while the prices of certain packaging material have been stable, cost of grain, ENA and glass has been volatile. This has led to significant pressure on our gross margins. However, with our product premium mix and price increases, we have been able to offset the pressure of raw material prices.

With the expectations of a normal monsoon and better crop yield, we are seeing early signs of softening of grain prices. We continue to cautiously monitor the industry trends. We believe that the worst of the input cost is behind us, and we expect the benefit from any tailwinds in the raw material prices in FY25. We expect our operating margins to see improving trajectory in FY25.

With the rising affluence, low per capita consumption levels and a strong premiumization trend, I am confident of the mid to long term potential of the Indian AlcoBev sector. To continue serving the discerning consumers, Radico Khaitan is progressing well on its brand creation journey with innovation and consumer aspirations as its core which is backed by our integrated manufacturing facilities and distribution platform.

I would now like to hand over the call to our CFO for a detailed operational and financial review. Thank you and over to you Dilip.

Dilip Banthiya: Thank you, Abhishek. Thank you everyone for joining us on this call today.

During Q4 FY24, we reported a total IMFL volume of 7.16 million cases representing degrowth of 1.2% on year-on-year basis. Prestige & Above category volume grew by 14.2%. In value terms, the Prestige & Above category registered a 16.1% growth. Prestige brands have grown at a CAGR of 13% in volume terms and 20% in value terms since FY2019. We expect to continue to deliver 15% to 18% premium volume growth in FY2025.

Prestige & Above category now account for 49.6% of IMFL volume compared to 40.2% in Q4 FY23. The percentage of P&A is higher due to the significant degrowth in the regular category. Improvement in IMFL realization is due to the combination of price increases and continued premiumization. Regular category volumes were impacted due to strategic rationalization of portfolio and certain state specific excise policy changes, particularly in a large state where we have received price increase in the regular category.

Gross margin during the quarter was 41.0% compared to 40.6% in Q4 FY23. On a Y-o-Y basis, the grain price inflation had a negative impact of 490 basis points in Q4, which was more than compensated by IMFL price increases, product mix changes as well as the softening of other input costs. On year-on-year basis, there was a 285 bps impact due to price increase in Q4 FY24 on our IMFL sales value. On a full-year basis the impact of price increase was 200 bps.

Despite commodity inflation in ENA and grain prices, we have been able to sustain gross margin due to ongoing premiumization and price increases in the IMFL business.

Although the price of certain packing material has softened recently, we cautiously monitor the trend of grain, ENA, and glass bottle, where volatility persists.

Going forward our focus will be on improving profitability, along with cash flow generation and more efficient working capital management resulting in debt reduction. We reiterate our commitment to be debt free by FY26.

With this we now open the line for Q&A. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Abneesh Roy from Nuvama.

Abneesh Roy: My first question is on the raw material scenario in FY25. So, you have highlighted that because good monsoons are expected, you would expect a gradual softening of the ENA grain prices. So will this be more of H2 both in terms of ENA and even glass in terms of softening. So, first half could be a bit challenging just like in Q4 where around 150 bps compression has happened versus full year, there is 150 bps compression in gross margin. The first half looks challenging in terms of both the raw materials.

Dilip Banthiya: As we also see that there is a normal monsoon and good crop yield which is expected, we see early signs [of softening of] the grain prices and the maize prices. Also, because the ethanol has mostly been shifted on maize and therefore also having a little less pressure on the broken rice prices. So, we have seen the early signs of a declining trend but it's early. At the same time we have seen some press reports that the stock at the FCI is increasing continuously and around 18 million tons of rice is extra with the government versus the last year same period and government plans to dispose of it. So, we see that after the elections there will be some impact on the broken rice prices as well as the maize prices. So, some impact will be seen in this first quarter but I see that in Q2 onward we will have full impact.

Abneesh Roy: Second question is on the current development of the election. So, in a Lok Sabha election year there are disruptions for the liquor sector in terms of excise officer availability, interstate transfer of raw material and finished products and of course the dry days also. So, could you tell us what kind of disruptions you expect in this time's Lok Sabha elections in Q1?

Dilip Banthiya: Since the election is starting from April to June beginning and it is almost six weeks and there are number of dry days in those periods. So, there is some impact at the same time as you rightly said that the officers and other people, government officials are on official duty. So sometimes it impacts the primaries and the release of payment, etc. But this is a very temporary phenomenon. I think after 4th June these things will get set right.

Abneesh Roy: Last question will be on P&A growth. So, the market leader also has been highlighting slowdown for now two quarters. Their results are yet to come but we do expect a slowdown for them also. So generally, discretionary most of the segments say in terms of pizza or apparel, everything is slowing down. So, in that context how confident are you in terms of current trajectory of 16% sales growth which is much lower than full year growth of 29% in FY24? How confident are you of this kind of a run rate, given the slowdown seems to be more pronounced in Q4 versus the full year for you?

Dilip Banthiya: So, overall on annualized basis, we have grown our P&A category by 20% and one quarter impact of 14%. We have a bouquet of portfolio in the P&A category, and we are confident of delivering more than 15% growth in P&A category in FY25. I think Amar can elaborate that in much more detail.

Amar Sinha: So, gentlemen since I've been asked to elaborate, I would like to say that these quarterly variations are really not so significant today. I think we need to look at a much larger picture of the liquor business that we are in. So, I'll cite some numbers and then come to the main point with regard to Radico. And I think a lot of questions that are about to come will also get answered with this. So, if you look at some published sources of data, the global spirits market is $72 billion. The Indian spirit market out of this is $31 billion which means India contributes 40% to 43% of the global spirits market by revenue. Now the forecast, the forecast for the next 5 years is $200 billion which means from the current $31 billion of India it is likely to reach $90 billion which is 3X growth.

Now what we see is that this brings a big opportunity for Radico in the times ahead. There are great brands which are being seeded as of now as we speak. Now who will capitalize upon this opportunity? Companies that have strong professional management, research and blending capabilities, distribution & production network, captive raw materials. They are the ones who will seize the opportunity. As you have seen we have done a lot of expansion in Rampur and Sitapur and this is all with regard to seizing the opportunities that are going to arise.

As you know that Bob Sternfels the CEO of McKinsey has said that this century belongs to India, and this couldn't be more true than in the AlcoBev space. So today Radico is already the largest Indian AlcoBev player. This is the first time if you see FY24, the industry has crossed 404 million cases of spirits. Having said that we have in the last 7 years performed consistently on all parameters of financial performance. As I said quarterly variations are not so significant. We need to look at a much larger picture as far as Radico is concerned.

Now let me tell you the bouquet of brands that we right now work on because your question was how will we maintain the growth rate on P&A? So just to throw some light on that let's take Rampur Double Cask. It's in the super luxury segment priced at Rs. 7,500 – 8,000 a bottle available in 45 countries overseas, 15 states in India. You will be surprised, we have registered a 138% growth in FY24 at the top end of the luxury segment. It's an aspirational and status product making India proud all over the world. Then comes Rampur Asava which is already launched overseas and now we plan to bring it into India very shortly in Quarter 1, Quarter 2 priced at Rs. 10000, which is higher than Rampur Double Cask.

Jaisalmer Gin is in the luxury segment priced at Rs. 4,000 average per bottle available in 30 countries and 22 states in India. Fast growing and evolving category, gin as you know. Proudly, we have 50% market share of the luxury segment in gin. Jaisalmer Gold is another brand which is a higher variant and will be launched in India again in Q1-Q2 with a 50% higher consumer price, approximately Rs. 6,000 a bottle.

Then in the luxury segment we have Royal Ranthambore which is priced approximately at Rs. 1800, available now in 20 states. You will be surprised, we have registered more than 100% growth in this brand in such a short period of time in FY24. The brand has taken off, its buoyant and a brand to watch out for and brand for the future for Radico.

Another product that we recently launched was Magic Moments Pink. Very encouraging response from day one. Priced higher compared to Magic flavor. Very healthy brand contribution, launched in 10 states by now and Magic Moments itself as Mr. Abhishek Khaitan has pointed out crossed Rs. 1,000 crores sales mark with a volume of 6.3 million cases and a +60% market share.

Another one in the portfolio 8PM Premium Black, available now in 24 states. We've launched the convenience pack for our loyal customers and to recruit new customers, it's called the hipster pack. This will further push volumes. It's right now a +3 million case brand and growing very rapidly.

South India is a brandy market. Now, I am talking about the premium and super premium segment of the brandy segment where a bottle is priced at Rs. 1,000, Rs. 1,100 is Morpheus Black and Morpheus Blue at Rs. 1,400. We are available in 26 states. The vision was for the first time which any company thought about to make brandy a national product and we have successfully achieved that goal. So, gentlemen we have achieved 1.3 million cases of brandy, selling nationally across the country and the only brand to be national. It's a very high contribution category again.

Very recently we launched Happiness in three variants. Happiness in a bottle. It's a gin. in the mid-price segment in the premium category. We have test marketed it in four states. It started picking up. We plan to launch it in 10 states during the year '24-25.

And last but not the least we have launched 1965 Premium Rum. Rum is normally considered to be a cheap product in India, but we launched it at a premium price higher than the other large selling rum segment. And today we have 18% market share in Defense and 14% market share in the domestic market. The brands are all organic.

Radico continues to launch premium brands in the times ahead. Overseas we have launched a product called Kohinoor Indian Dark Rum at USD$50, the beauty of international market and we desire to bring in India as well in the times ahead depending upon allocation.

Now there are many more, gentlemen, on the drawing board, ready to take on the world. Premiumization story that Radico has is going well on track. The market share in the P&A category is on the increase and I repeat faster than the industry. Next 3 years will surprise the tipplers across the world. Market leadership position as you see, has already been obtained in India in the white spirits which is vodka and gin. And we are already leaders in the brandy segment in the premium and super premium category and of course rum as I said. So, vodka, gin, brandy and rum are taken care of. Whisky has started creating waves with brands like Royal Ranthambore, 8PM Black, Rampur Single Malt not only in India but also globally.

Gentlemen, the big growth drivers are the gin and vodka category as of now and Radico continues to grow at a much higher rate in the premium segments compared to the industry. The P&A industry has increased nationally for the industry and so has Radico. But the big story is that the P&A industry actually grew for the industry at an X rate and Radico grew at 2X rate.

The top end of the premium portfolio is growing faster. P&A brands have grown at a CAGR of 13% since 2019 and now 45.6% of total IMFL. There is a sustainable improvement in realization per case.

We are probably one of the larger companies which has 7 millionaire brands in our portfolio. And our premium brands continue to show very healthy growth. So, gentlemen we are making India proud and the world proud of India as well. So, thank you very much.

Dilip Banthiya: Thank you, Amar, for giving such detailed elaborative brand related vision and aspirations.

Moderator: The next question is from the line of Dhiraj Mistry from Antique Stock Broking.

Dhiraj Mistry: My question on realization growth. If I see that P&A realization growth has now dropped and it is more or less anniversarized, how do we see that? What kind of product mix improvement would lead to the realization growth? What kind of realization growth we can expect in FY25 for P&A?

Dilip Banthiya: So Dhiraj actually we can't see this on quarter-on-quarter basis but if you see on annualized basis, the growth in realization because of the product mix and the kind of brands which are being launched and taking spread, I think 600 basis point to 700 basis point, we can see as an impact on account of that in our P&A category between volume and value.

Dhiraj Mistry: So, if we are expecting like 15% volume growth and 6 percentage points of realization growth we can expect on annualized basis.

Dilip Banthiya: Yes, annualized basis 500 to 600 basis point on account of brand product mix.

Dhiraj Mistry: And just wanted to confirm that is there any one-off in P&A volume growth in this quarter? So earlier we were clocking more than almost 30% this value growth and with 20% plus volume growth and this quarter we have 14%. Is there any one off in this quarter?

Dilip Banthiya: So, this is not one-off but as a strategy some brand in one state has been given further on royalty. So those have come below the line over in royalty volume than it was earlier in P&A category. And it is depending on state route to the market, etc.

Dhiraj Mistry: And second and last question on this realization profitability of non-IMFL business that how we should look forward for that.

Dilip Banthiya: So, after the price increase, as last year we were in negative EBITDA margins, we are now making mid-single digit EBITDA margin on non-IMFL business. Some of the impact has also been seen there because of the grain prices. If this grain prices as we see signs of some softening, we expect that margin on the non-IMFL also to stabilize at late single digits like 9%-10% will be the ideal situation.

Dhiraj Mistry: For FY25?

Dilip Banthiya: Yes, FY25.

Dhiraj Mistry: This would be on a for average for FY25 or exit of FY25?

Dilip Banthiya: No, I think average of FY25. Some you will see from Q2 onward.

Moderator: The next question is from the line of Karan Taurani from Elara Capital.

Karan Taurani: My first question was on the regular volume decline. So of course there are two parts to it. One is the price hike that you've taken and second is the deliberate attempt to supply to drive better profitability. So how should one foresee regular volumes in FY25 given the scenario right now?

Dilip Banthiya: So, Karan, first of all this year because of election there were certain excise policy which got delayed. And because of that there is a pipeline filling in certain states also which did not happen and in particular those state where the EDP of regular category was much higher than others. At the same time there is a large state in the South where the price increase has happened and when it happens then the MRP goes up and it takes some time to readjust this thing. So that will get adjusted in a couple of quarters. Another is Delhi which is kind of unstable market still because of obvious reason and in certain markets like Kerala we discontinued certain brands because of the lower contribution. But as we say, and Amar can further add, that we expect back the regular growth because we have seen these kinds of corrections and I think 3%-4% kind of growth in the regular category in FY25 is the one which we plan for.

Amar Sinha: So yes, I think the regular category is something that does not concern us so much right now. With the softening of raw material prices and packaging prices we will probably recover volumes also. And the post-election, the election phenomena will get over say by the end of Quarter 1.

Karan Taurani: And about profitability margins. So of course, you are mentioning that commodity prices are pulling off. You also start seeing positive impact of backward integration. So, any kind of aspirational EBITDA margin brand towards FY26 that you would like to maintain, whether it's 14%-16% or 15% to 17% any band on EBITDA margin?

Dilip Banthiya: As we have said in our opening remark, from here onward, we should continue to have an improved EBITDA margin quarter after quarter and in particular from Q2 onward you will see that trajectory. And I think our aspiration to bring this to mid-teens kind of margin remains because of product premiumization and some price increases. In 2 to 3 years, we will again 100 to 125 basis point of increase in FY26 further. So, 16% to 17% kind of margin is expected by ‘26.

Karan Taurani: And lastly any potential price hikes expected post elections in any of the states?

Amar Sinha: We have received price increase in 15 states already in the recent past last year. So, I think right now it's too early to look for a price increase again. It's an ongoing process where we keep talking to the government based on cost inflation with which the process continues.

Moderator: The next question is from the lion of Pratik Patel from Nifty Millioner.

Pratik Patel: My question is regarding like I was reading about some Indri Indian Single Malt, and they have sold the 1 lakh cases in 2 years. So, does it affect our brands, existing brands like Rampur and all? So, I want to understand the scenario where the market is expanding or whether we are losing the market share?

Abhishek Khaitan: Actually, Rampur Indian Single Malt is absolutely in a different category. It's a super luxury single malt. And compared to the competition it is priced double. So, the price point comparison is not there with any of the Indian single malls. And Rampur itself as Amar was saying has shown a phenomenal growth of 138% in the last year and it continues to grow because it's on allocation.

Sanjeev Banga: Just to add what Abhishek has said, it's also important that more single malts coming into the Indian market is expanding the single malt category as a whole. So, which bodes very well for the category in the medium and long term and then in any case here the product, the quality, the packaging, everything plays a good part, and we are well positioned to encash on that growing category.

Pratik Patel: I was reading one report regarding this Indian like IMFL side, the global acceptance is increasing of Indian brands. So, what is your outlook regarding our brands on our export side or out of India?

Sanjeev Banga: There are two segments in terms of international market for Indian brands. One is the luxury category which has the Indian Single Malt, Indian Craft Gin. Now we've launched the World Malt Sangam, World Malt as well as soon to be released in the international market the Indian Dark Rum. And then there is the IMFL category over there. There is obviously a growing acceptance of the luxury portfolio across the world and people are looking at new innovative products. And Indian products are now being greatly appreciated not only by the Indian diaspora but even the mainstream consumers. The fact is that if you go to any fine dining Indian restaurant anywhere in the world, whether it is New York, whether it is London or Dubai. They are so proudly serving and displaying the Indian luxury products and that is giving a big boost. And mind you, most of the people who go to these fine Indian restaurants apart from the ethnized or the Indian diaspora are the mainstream consumers as well which get a taste of the Indian luxury products and helps the retail market as well. So, the growing acceptance of Indian products is a very heartening thing across the globe.

Pratik Patel: Can you define, if you can share it like what are the factors that is driving this big change about Indian brands? Is it a quality or maybe the taste or what?

Sanjeev Banga: There are a couple of things. One is the overall confidence imagery that of India has improved in the global market. Now, India, the way Indian economy is growing, the way Indians are traveling, the way Indians are spending money as well. So, everyone is looking forward to Indians being there. Most of the countries are not talking of either a long-term visa or visa free entry for India because they all realized how much the Indian travelers are contributing to that. Second is the passion that Indians outside have for products coming from India because they are now competing with all the world class brands over there. All this is helping in creating a huge market for Indian Beverage Alcohol products in the international market.

Moderator: The next question is from the line of Abhishek Agrwal from Nardi Investment.

Abhishek Agrwal: In next 3 to 4 years, India market reached a 90% mark. So, what is our capex plan for the next 3 to 4 year or we have enough capacity to take opportunity from this market increase 32 billion to 90 billion?

Dilip Banthiya: As far as capex is concerned, we have done a large capex and there is no further capex which is on an anvil. At the same time, the next 4 to 6 years, I think we will be living with our distillation capacity. We have currently 29 million volume and we can cater to because outsourcing availability of ENA from other sources for regular category. So don't see significant capex and there will be a normal capex, maintenance capex which has run rate of Rs. 60 to 70 crores per annum.

Abhishek Agrwal: And what is the Radico market share in India?

Dilip Banthiya: We have around 8% market share. However, our market share is across board. But however, where price point where we are in, in case of premium segment it is much more only those segments then it will be around 13%-14%. But we are not available in the cheap or economy segments. All these are part of the 400 million cases. So, we are not present there. The market share on the board is 8%. But if we take out only the places where we are doing much more.

Abhishek Agrwal: And the last if we do capex of Rs. 1, so what is our asset turnover?

Dilip Banthiya: Asset turnover, we don't count that way. Most of the capex, we did in last 10 year other than these large capex of Sitapur on greenfield project, we have done on our branded business. And branded business capex doesn't have that one-on-one ratio. Otherwise at present the Company's turnover is 4,000 crores and gross block is 2,000 crores and, in this business, there is a lot of outsourcing which happens. So, outsourcing will leverage us for the volume growth.

Moderator: The next question is from the line of Shirish Pardeshi from Centrum Broking.

Shirish Pardeshi: I have just two questions. Out of 11.3 million cases what we have closed grown at 20% in FY24, what would be Rampur absolute number and Royal Ranthambore? This would have been excess of 500,000.

Dilip Banthiya: As far as Jaisalmer is concerned, we have already said that we have 50% of the whole luxury gin segment. And this gin segment is more than a lakh case. Rampur Indian Single Malt, we have had 140% growth. Presently on top line side it is 6.5% of the IMFL branded business. As we are growing, I think 10% double digit out of the luxury segment is the aspiration for the 1-1.5 year.

Shirish Pardeshi: I am just saying put together Rampur and Ranthambore would be close to about 500,000 cases of 11.5?

Amar Sinha: We don't share numbers like this.

Shirish Pardeshi: Not asking exact numbers but it would be more than 500,000.

Dilip Banthiya: 500,000 will take some time actually. 500,000 for these luxury brands doesn't work like that frankly. And that too at Rs. 8,000 and above level in the case of Rampur and Rs. 4,000 for Craft Gin. But, definitely our growth is showing us that there is good growth potential in these brands.

Shirish Pardeshi: My second question is out of 11.3 million cases what we have closed in FY24, what is the CSD and what is the international part in this?

Dilip Banthiya: So, CSD as an overall volume is around 9% and export is around volume side is 4.5% percent. In value terms CSD is around 11.5% to 12% and export 8.5% to 9%.

Moderator: The next question is from the line of Jasdeep Walia from Clock Wine Capital.

Jasdeep Walia: What percentage of your sales is the luxury, semi luxury and super premium category taken altogether?

Dilip Banthiya: As we have already in our presentation that volume side, the premium category which we start from Prestige & Above is 49.6% of the overall volume and value terms it is 73%.

Jasdeep Walia: But I am asking about only three categories luxury, semi luxury and super premium, altogether what percentage of sales is it these three categories by value?

Dilip Banthiya: This will be in value terms around 12%-13%.

Jasdeep Walia: How are you placed with respect to capacity for your luxury, semi luxury and super premium brands like Rampur, Royal Ranthambore, Jaisalmer Gin, do you have enough capacities to take care of growth in the next 1 or 2 years?

Abhishek Khaitan: See as far as Jaisalmer goes, we have tripled our capacities, so I think capacity won't be an issue. And as far as Royal Ranthambore also capacity is not an issue for us. Rampur yes, is on allocation but we've invested a lot into the maturation. And that's why if you see we've had a growth of more than 100% in the current year and we expect in the next 3 years the volume to double from here because we would have sufficient malt to cater.

Moderator: The next question is from the line of Pankaj Kumar from Kotak Securities.

Pankaj Kumar: One question is on the non-IMFL side of your business. This year we have roughly reported some 1,300 crores sales revenue out of it. Can you give us some outlook for next year, how do you see that going?

Dilip Banthiya: Non-IMFL has a quarterly run rate of around Rs. 400 to 415 crores and next year with all capacity utilization being utilized for full year, it will be Rs. 1,600 crores and the ratio of IMFL and non-IMFL branded is two-third, one third.

Pankaj Kumar: And in FY24 what was the margin in this non-IMFL and how do you see in FY25?

Dilip Banthiya: As I said it is mid-single digit margins in non-IMFL.

Pankaj Kumar: And next year you are saying 9% sort of margin.

Dilip Banthiya: Yes, we expect that to stabilize between 8% to 9%.

Moderator: We have the next question from the line of Narendra Porwal, an individual investor.

Narendra Porwal: How much percentage do we have in Rampur Single Malt turnover in this quarter, how much crores have we earned?

Dilip Banthiya: We can't say about brand specific, but we already answered you on luxury and semi luxury which is in the range of 11%-12% of our top line from branded business.

Narendra Porwal: But in our segment in the Indian brand the way it has succeeded, so don’t you think we should also take part in this as lot of competition will be there in this price range. We should also launch some product in this price range. The way Indri has done 1 lakh cases, and it is competing with the foreign brand also. I have seen the ground report from mass population wherever we go everyone, and every shopkeeper is asking for Indri Single Malt. So why are we not launching in that price range in that segment?

Amar Sinha: I will take your question. See, in any category in any country, there is always a high price segment and there is a mid-and low-price segment. Malt whiskies are also seeing a similar feature in India. It's an evolving category. As far as the luxury segment is concerned, Rampur has taken the lead and will continue to strengthen its portfolio in the times ahead and we don't see competition coming close to us, one. As far as the lower and mid segments of malt are concerned, we are preparing well for it. And soon in India we are going to introduce our Sangam World Malt and we are already close to launching it. So yes, to answer your question we are also gearing up to meet the requirements of that segment. 1999 Pure Malt Whisky has already been launched; test marketed in UP. We have got a good response that will also be spread across 10 states in the next 6 months.

Narendra Porwal: So, this single malt raw material are we making it or taking from the market?

Abhishek Khaitan: Single Malt, you cannot buy the material from outside, so it is all produced within house for the Single Malt.

Dilip Banthiya: Produced and matured.

Moderator: We have one last question from the line of Anurag Jain, an individual investor.

Anurag Jain: My question is on the export segment. How has been the performance of the export segment during full year FY24 versus FY23?

Sanjeev Banga: In terms of the export market, our luxury portfolio continues to grow and expand. We had to rationalize in terms of some of the IMFL brands because of the currency issues in couple of African markets. So, our focus is not so much on the volume, but it is more on value creation and expanding our luxury portfolio. This year our focus is going to be more on expanding our luxury portfolio in Travel Retail, which is the duty-free channel across the world. And the response from all the customers and operators has been very positive. So, we are very positive of continuing with export growth.

Amar Sinha: And just to add to that, we have registered a 10% increase in our export sales compared to last year and the saliency in our entire portfolio for exports has also increased.

Moderator: Thank you. Ladies and gentlemen, that was the last question. I would now like to hand the conference over to the management for closing comments. Over to you sir.

Dilip Banthiya: We will continue to deliver a strong P&A volume growth driven by our diverse brand portfolio. A focused approach in sales & marketing, and consumer centric thought process coupled with an integrated business model which allow us to capitalize on the opportunities in the Indian AlcoBev industry.

We look forward to interacting with you in our next earning call. In the meanwhile, if you have any queries, please follow up and please feel free to write to us. Thank you.

Moderator: Thank you. On behalf of Dolat Capital, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.

Note: This transcript has been edited to improve readability.

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