

30 July 2025

India | Equity Research | Results update

Allied Blenders and Distillers

Consumer Staples & Discretionary

Premium mix drives strong growth; focus on cash flow ahead

ABD reported strong volume-led performance with driven by 44% growth in P&A segment, increasing its volume/ value saliency to 46%/ 56% from 37%/ 46% last year. We believe the volume performance was partly aided by the reopening of Andhra Pradesh and Delhi markets. Management continues to focus on scaling up its premium & luxury segment through NPD and expanding key brands (ICONiQ White). Gross margin expanded by 448bps YoY to 43.2% driven by favourable product and state mix, while EBITDA margin expansion was restricted to 231bps YoY to 12.1% on account of higher investment behind brands. Net debt stood at INR 7.54bn (marginal reduction from INR 7.66bn in Mar'25). Going ahead, the key monitorable would be free cash flow generation and thereby reduction in debt. Maintain **BUY**.

Premiumisation-led mix, scale gains drive strong delivery

Q1FY26 revenue grew 22% YoY to INR 9.2bn aided by 17% YoY volume growth (8.5mn cases). P&A volumes grew 47% YoY to 3.9mn cases, taking P&A share to 46% of volumes and 56% of value (vs 37%/46% in Q1FY25). Realization/case improved 6.2% YoY to INR 1,022, with P&A realisation at INR 1,233/case (+2.5% YoY). ICONiQ White maintained strong momentum across all states, with standout growth in Andhra Pradesh and North India. Golden Mist Brandy was launched in Karnataka and Telangana, supporting non-whisky premium portfolio build-out. Despite slight QoQ dip in revenue and volumes (~1%), mix improvement helped maintain topline traction.

Margin profile improving; backward integration on track

Gross margin expansion was aided by stable ENA/ glass costs, packaging renegotiation, and favourable product & state mix. EBITDA margin expanded 231bps YoY to 12.1%, though moderated sequentially (14.8% in Q4FY25) due to higher investment behind brands. Supply chain initiatives are progressing well — the Aurangabad ENA distillery (11mn litres) is fully operational; PET bottling unit (615mn bottles p.a.) is on track for Q2FY26 commissioning; malt distillery (4mn litres) targeted for Q4FY26. ENA expansion to 61mn litres (via 50mn litre add-on) is under approval and will cover an additional 1/3rd of captive requirement by FY27. These projects - with total capex of INR 5.25bn - are being largely funded via internal accruals and debt. Net debt reduced to INR 7.5bn with Net Debt/EBITDA improving to 1.5x (vs 1.7x in Q4).

Financial Summary

Y/E March (INR mn)	FY24A	FY25A	FY26E	FY27E
Net Revenue	32,977	34,918	39,818	44,200
EBITDA	2,421	4,306	5,183	6,036
EBITDA Margin (%)	7.3	12.3	13.0	13.7
Net Profit	68	1,948	2,541	3,182
EPS (INR)	0.3	7.0	9.1	11.4
EPS % Chg YoY	14.3	9,197.9	30.4	25.2
P/E (x)	6,509.6	70.0	53.7	42.9
EV/EBITDA (x)	52.2	33.4	27.6	23.9
RoCE (%)	2.2	14.7	12.9	13.8
RoE (%)	1.7	19.8	15.7	18.2

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Market Data

Market Cap (INR)	136bn
Market Cap (USD)	1,571mn
Bloomberg Code	ABDL IN
Reuters Code	ABD.BO
52-week Range (INR)	506 /279
Free Float (%)	19.0
ADTV-3M (mn) (USD)	3.2

Price Performance (%)	3m	6m	12m
Absolute	54.8	25.3	55.7
Relative to Sensex	53.5	19.0	55.8

ESG Score	2023	2024	Change
ESG score	NA	NA	NA
Environment	NA	NA	NA
Social	NA	NA	NA
Governance	NA	NA	NA

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY26E	FY27E
Revenue	1.8	2.6
EBITDA	0.5	0.5
EPS	0.9	0.8

Previous Reports

12-06-2025: [Company update](#)

18-05-2025: [Q4FY25 results review](#)

P&A momentum continues; global expansion scaling up

ICONiQ White volumes grew strongly; Zoya Gin and Arthaus are now available in 9 and 8 states respectively. Russian Standard Vodka launched in June (under partnership with Roust Corp) with 3 SKUs across Maharashtra, Goa, and West Bengal; expansion to 5 more markets underway. ABD Maestro, led by a 50-members dedicated team and co-led with Ranveer Singh as Business & Creative Partner, is now active across ~2,000 touchpoints in 10 key cities. The P&A portfolio now forms 46% of volumes, tracking toward the medium-term 50%+ target. International reach expanded from 14 to 27 countries YoY, with ICONiQ launched in 7, and new approvals secured for Canada and the EU.

Valuation and risks

We increase our estimates by marginally and model revenue/ EBITDA/ PAT CAGRs of 12%/18%/28%, over FY25-27E. Maintain BUY with a DCF-based revised target price of INR 580 (vs INR 550 previously). Key risks: Significant downtrading due to tax hikes, a potential ban on spirits in states, higher-than-expected inflation in key raw material prices and changes in consumer preferences.

Exhibit 1: Consolidated financials

INR mn	Q1FY26	Q1FY25	YoY	Q4FY25	QoQ
Revenue	9,229	7,576	21.8	9,206	0.2
COGS	5,241	4,642	12.9	5,214	0.5
Gross Profit	3,988	2,934	35.9	3,993	-0.1
Gross Margin	43.2	38.7	448 bps	43.4	-15 bps
Employee cost	496	461	7.5	406	22.1
% of sales	5.4	6.1	-72 bps	4.4	96 bps
Other expenditure	2,376	1,732	37.2	2,227	6.7
% of sales	25.7	22.9	289 bps	24.2	156 bps
EBITDA	1,116	741	50.5	1,359	-17.9
EBITDA margin	12.1	9.8	231 bps	14.8	-267 bps
Depreciation	156	162	-3.9	158	-1.8
EBIT	960	580	65.7	1,201	-20.0
EBIT margin	10.4	7.6	276 bps	13.0	-264 bps
Interest cost	275	441	-37.7	284	-3.3
Other Income	71	17	311.7	143	-50.3
Exceptional Items	-	-		-	
PBT	756	156		1,059	-28.6
Tax	198	43	355.8	273	-27.5
Tax rate	26.2	27.9		25.8	41 bps
Rep PAT	558	112	398.3	786	-29.0
Adj PAT	566	112	404.8	786	-28.1

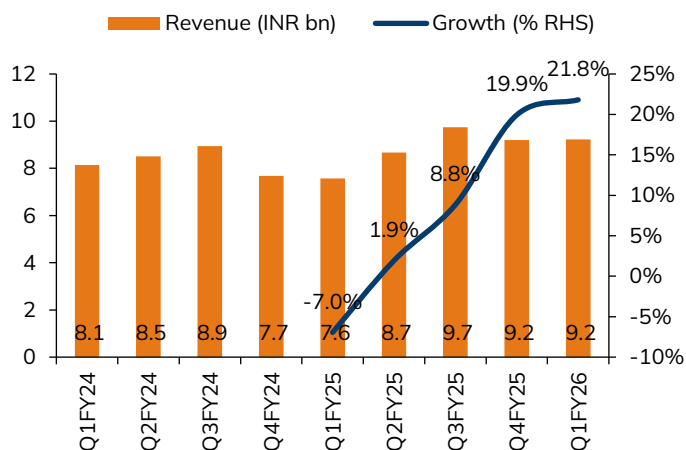
Source: I-Sec research, Company data

Exhibit 2: Segment-wise performance

	Q1FY26	Q1FY25	YoY	Q4FY25	QoQ
Volume (mn cases)					
P&A	3.9	2.7	44.4	3.6	8.3
Popular	4.6	4.6	-	4.9	-6.1
Total	8.5	7.3	16.4	8.5	-
Value (INR mn)					
P&A	4,850	3,220	50.6	4,530	7.1
Popular	3,840	3,760	2.1	4,250	-9.6
Total	8,690	6,980	24.5	8,780	-1.0
Realization (INR/ case)					
P&A	1,233	1,203	2.5	1,248	-1.2
Popular	840	821	2.3	864	-2.8
Total	1,022	956	6.9	1,033	-1.1

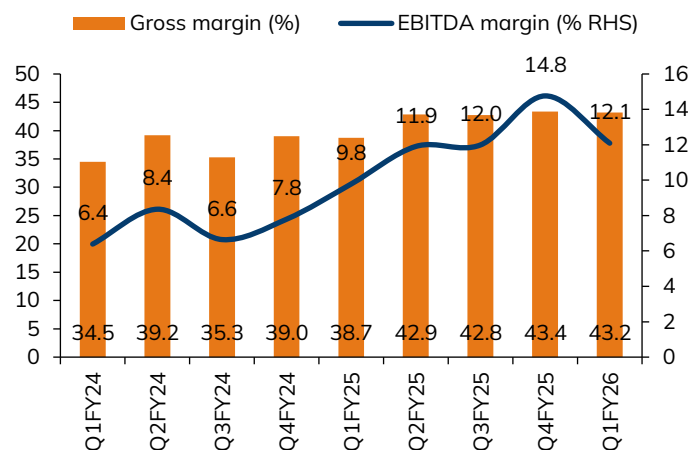
Source: I-Sec research, Company data

Exhibit 3: Revenue trend



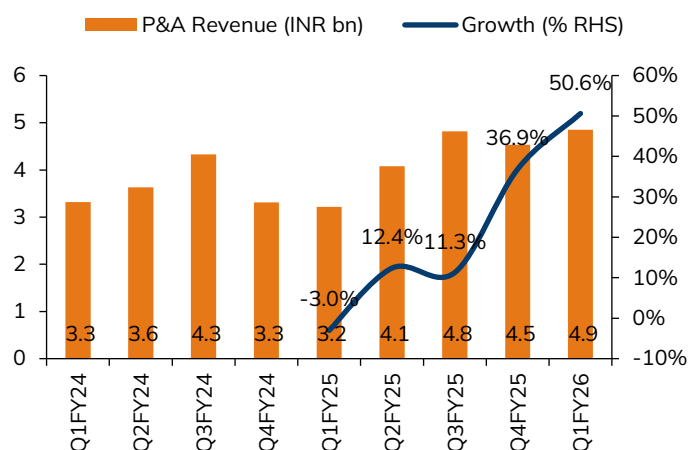
Source: Bloomberg, I-Sec research

Exhibit 4: Gross and EBITDA margin trend



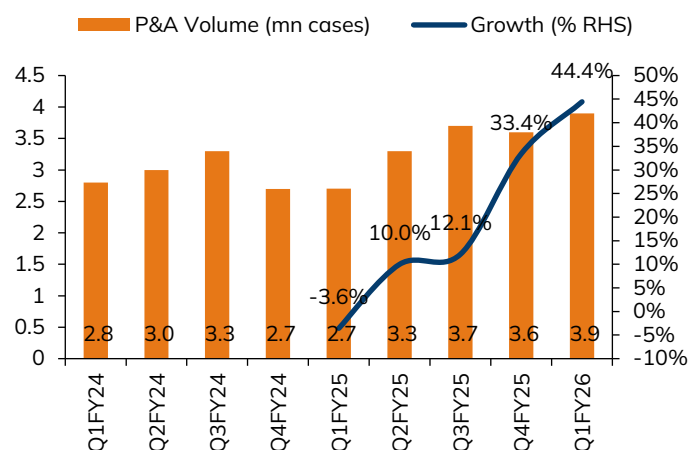
Source: Bloomberg, I-Sec research

Exhibit 5: P&A revenue trend



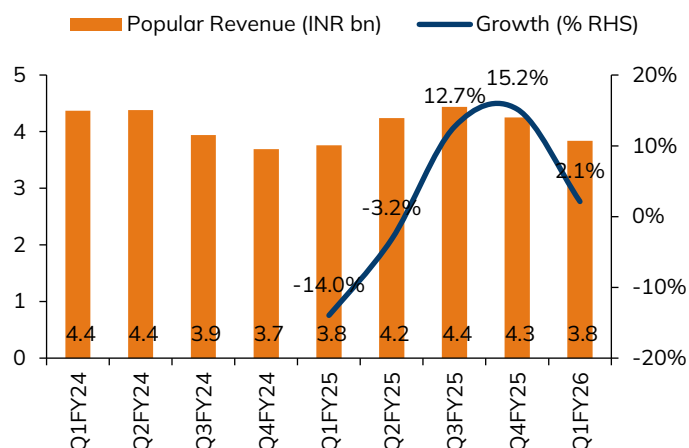
Source: Bloomberg, I-Sec research

Exhibit 6: P&A volume trend



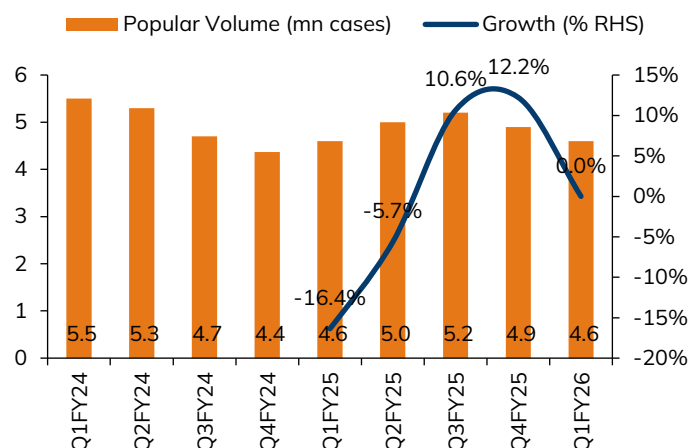
Source: Bloomberg, I-Sec research

Exhibit 7: Popular segment revenue trend



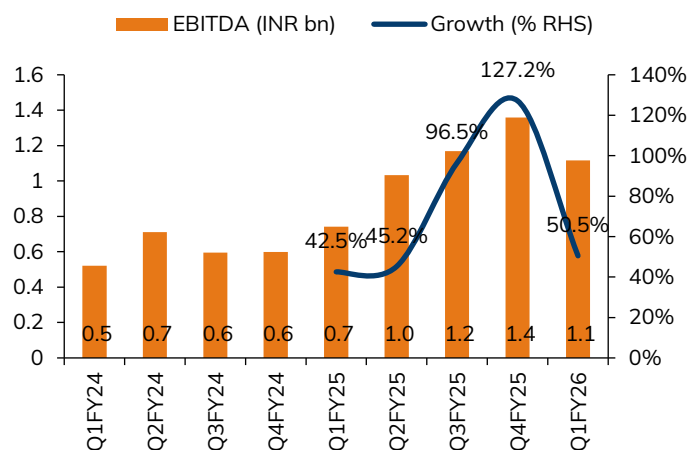
Source: Bloomberg, I-Sec research

Exhibit 8: Popular segment volume trend



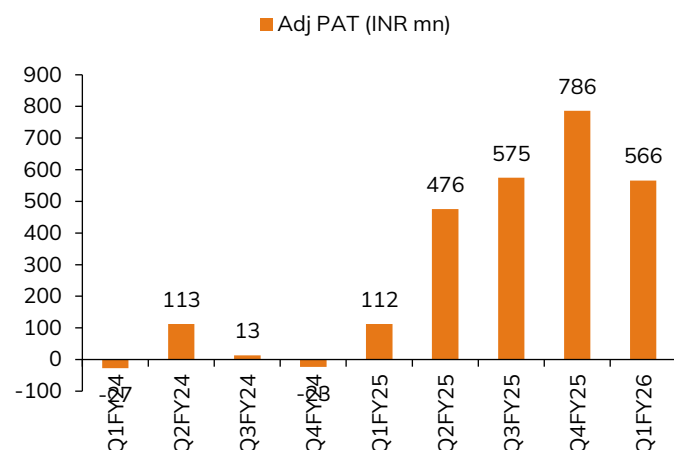
Source: Bloomberg, I-Sec research

Exhibit 9: EBITDA trend



Source: Bloomberg, I-Sec research

Exhibit 10: PAT trend



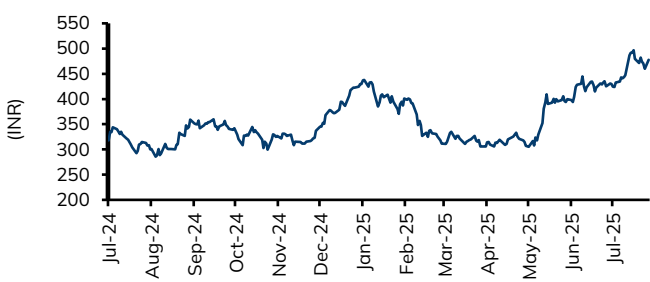
Source: Bloomberg, I-Sec research

Exhibit 11: Shareholding pattern

%	Dec'24	Mar'25	Jun'25
Promoters	80.9	80.9	80.9
Institutional investors	5.6	6.8	6.8
MFs and other	3.3	3.3	3.8
Banks/ FIs	0.0	0.0	0.0
Insurance Cos.	0.0	0.0	0.0
FIs	2.3	3.5	3.2
Others	13.5	12.3	12.3

Source: Bloomberg, I-Sec research

Exhibit 12: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 13: Profit & Loss

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Net Sales	32,977	34,918	39,818	44,200
Operating Expenses	30,857	30,893	34,635	38,164
EBITDA	2,421	4,306	5,183	6,036
EBITDA Margin (%)	7.3	12.3	13.0	13.7
Depreciation & Amortization	579	606	780	925
EBIT	1,843	3,699	4,403	5,111
Interest expenditure	1,728	1,251	1,135	1,019
Other Non-operating Income	63	209	120	150
Recurring PBT	128	2,657	3,388	4,242
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	110	709	847	1,061
PAT	18	1,948	2,541	3,182
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	(50)	-	-	-
Net Income (Reported)	18	1,948	2,541	3,182
Net Income (Adjusted)	68	1,948	2,541	3,182

Source Company data, I-Sec research

Exhibit 14: Balance sheet

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Total Current Assets	18,879	26,211	31,153	33,650
of which cash & cash eqv.	753	1,317	2,915	2,528
Total Current Liabilities & Provisions	13,740	10,477	15,408	17,088
Net Current Assets	5,138	15,733	15,745	16,561
Investments	0	0	0	0
Net Fixed Assets	5,080	6,138	8,154	9,429
ROU Assets	1,227	1,188	1,188	1,188
Capital Work-in-Progress	159	191	191	191
Total Intangible Assets	39	172	172	172
Long Term Loans & Advances	419	633	633	633
Deferred Tax assets	98	120	120	120
Total Assets	12,616	24,869	26,898	28,989
Liabilities				
Borrowings	8,241	8,978	9,937	10,437
Deferred Tax Liability	-	-	-	-
Provisions	232	214	214	214
Other Liabilities	74	47	47	47
Equity Share Capital	488	559	559	559
Reserves & Surplus	3,581	14,869	16,140	17,731
Total Net Worth	4,069	15,429	16,699	18,290
Minority Interest	-	201	-	-
Total Liabilities	12,616	24,869	26,898	28,989

Source Company data, I-Sec research

Exhibit 15: Quarterly trend

(INR mn, year ending March)

	Sep 24	Dec 24	Mar 25	Jun 25
Net Sales	8,677	9,739	9,206	9,229
% growth (YOY)	1.9	8.8	19.9	21.8
EBITDA	1,033	1,168	1,359	1,116
Margin %	11.9	12.0	14.8	12.1
Other Income	20	33	143	71
Extraordinaries	-	-	-	-
Adjusted Net Profit	476	575	786	566

Source Company data, I-Sec research

Exhibit 16: Cashflow statement

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Operating Cashflow	1,857	(6,784)	6,042	3,922
Working Capital Changes	(655)	(10,493)	1,586	(1,203)
Capital Commitments	(446)	(1,278)	(2,797)	(2,200)
Free Cashflow	1,411	(8,062)	3,245	1,722
Other investing cashflow	(100)	(546)	-	-
Cashflow from Investing Activities	(545)	(1,824)	(2,797)	(2,200)
Issue of Share Capital	-	-	-	-
Interest Cost	(1,702)	(1,240)	(1,135)	(1,019)
Inc (Dec) in Borrowings	421	737	959	500
Dividend paid	-	-	(1,271)	(1,591)
Others	191	9,676	(201)	-
Cash flow from Financing Activities	(1,090)	9,173	(1,647)	(2,109)
Chg. in Cash & Bank balance	222	565	1,597	(387)
Closing cash & balance	752	1,318	2,915	2,528

Source Company data, I-Sec research

Exhibit 17: Key ratios

(Year ending March)

	FY24A	FY25A	FY26E	FY27E
Per Share Data (INR)				
Reported EPS	0.1	7.0	9.1	11.4
Adjusted EPS (Diluted)	0.3	7.0	9.1	11.4
Cash EPS	2.6	9.1	11.9	14.7
Dividend per share (DPS)	-	3.6	4.5	5.7
Book Value per share (BV)	16.7	55.2	59.7	65.4
Dividend Payout (%)	-	51.7	50.0	50.0
Growth (%)				
Net Sales	5.7	5.9	14.0	11.0
EBITDA	30.9	77.8	20.4	16.4
EPS (INR)	14.3	9,197.9	30.4	25.2
Valuation Ratios (x)				
P/E	6,509.6	70.0	53.7	42.9
P/CEPS	184.1	53.4	41.1	33.2
P/BV	29.3	8.8	8.2	7.5
EV / EBITDA	52.2	33.4	27.6	23.9
P / Sales	3.6	3.9	3.4	3.1
Dividend Yield (%)	-	0.7	0.9	1.2
Operating Ratios				
Gross Profit Margins (%)	37.3	42.4	42.7	43.0
EBITDA Margins (%)	7.3	12.3	13.0	13.7
Effective Tax Rate (%)	85.7	26.7	25.0	25.0
Net Profit Margins (%)	0.1	5.6	6.4	7.2
Net Debt / Equity (x)	1.8	0.5	0.4	0.4
Net Debt / EBITDA (x)	3.1	1.8	1.4	1.3
Fixed Asset Turnover (x)	3.4	3.1	3.0	2.8
Working Capital Days	52	158	130	129
Inventory Turnover Days	47	61	63	62
Receivables Days	140	186	196	194
Payables Days	79	65	80	79
Profitability Ratios				
RoCE (%)	2.2	14.7	12.9	13.8
RoE (%)	1.7	19.8	15.7	18.2
RoIC (%)	2.3	15.5	13.2	14.3

Source Company data, I-Sec research

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