



Radico Khaitan Ltd.

(BSE: 532497; NSE: RADICO)

Earnings Presentation

Q4 and Full Year FY2021



FY2021 Performance Highlights

Robust operational and financial performance despite the pandemic



Q4 FY2021 vs. Q4 FY2020

- Total IMFL volume of 6.27 Million Cases (+7.8%)
- Prestige & Above brands volume of 1.77 Million Cases (+15.4%)
- Prestige & Above brands contribution to the total IMFL volumes of 28.2% (vs. 26.4%)
- Revenue from Operations (Net) of ₹694.73 Cr (+18.7%)
- Gross Margin contracted from 49.8% to 48.4%
- EBITDA* of ₹ 101.93 Cr (+28.0%)
- EBITDA* margin expanded from 13.6% to 14.7%
- Reduction in interest costs from ₹8.46 Cr to ₹4.62 Cr
- Profit before Tax of ₹94.44 Cr (+74.7%)
- Total comprehensive income of ₹73.98 Cr (+103.0%)

FY2021 vs. FY2020

- Total IMFL volume of 22.34 Million Cases (-8.0%)
- Prestige & Above brands volume of 6.51 Million Cases (-7.7%)
- Prestige & Above brands contribution to the total IMFL volumes of 29.1% (vs. 29.0%)
- Revenue from Operations (Net) of ₹2,418.14 Cr (-0.4%)
- Gross Margin expanded from 48.6% to 50.3%
- EBITDA* of ₹ 407.79 Cr (+10.8%)
- EBITDA* margin expanded from 15.2% to 16.9%
- Reduction in interest costs from ₹31.61 Cr to ₹22.02 Cr
- Profit before Tax of ₹353.10 Cr (+29.5%)
- Total comprehensive income** of ₹269.70 Cr (+20.0%)

Dividend of 120% or ₹2.40 per share compared with 100% or ₹2.00 per share for FY2020

* EBITDA for 12M FY2020 adjusted for ₹24.17 Crore pertaining to exceptional items: Write off of debtors in Bihar of ₹8.56 Crore in Q4 FY2020, ₹ 8.59 Crore paid under the SV Scheme during Q3 FY2020 and Environmental Compensation of ₹7.02 Crore paid during H1 FY2020

** Tax provision last year included ₹ 25.76 Crore of Deferred Tax benefit

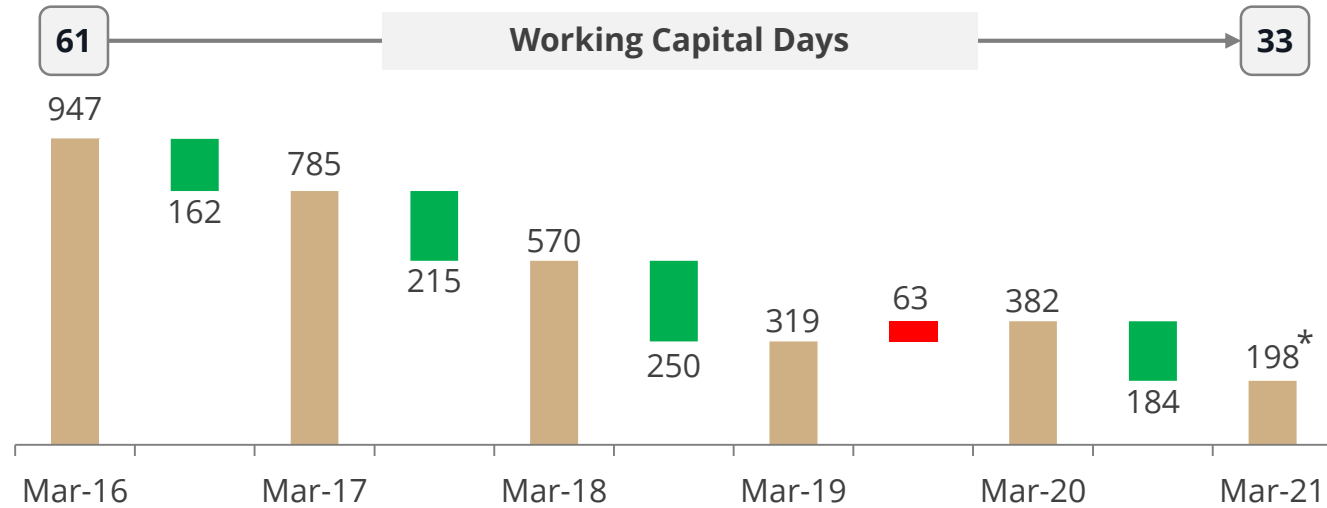


FY2021 Performance Highlights

Strong return ratios and conservative leverage profile

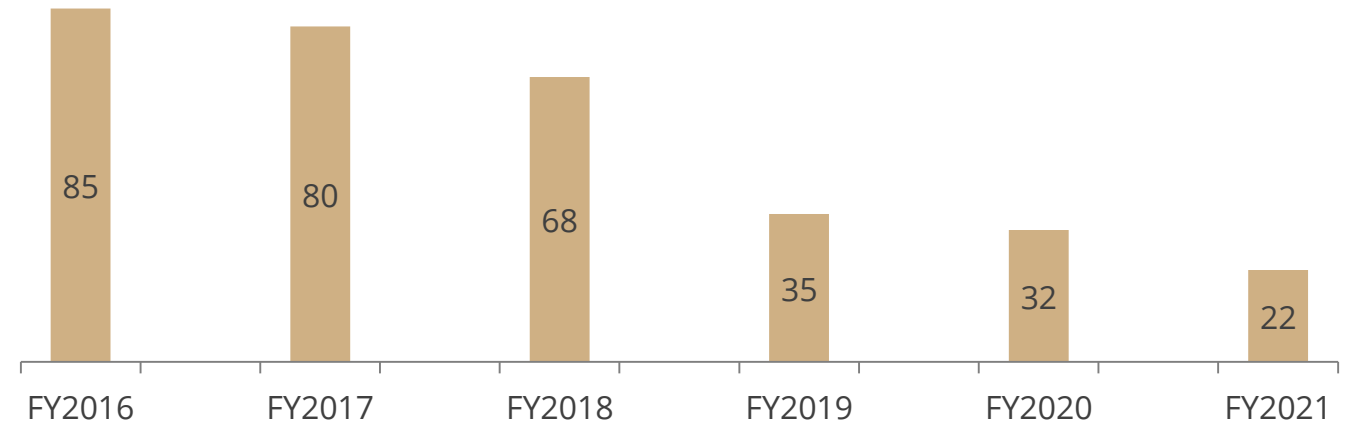


Net Debt Position (₹ Crore)

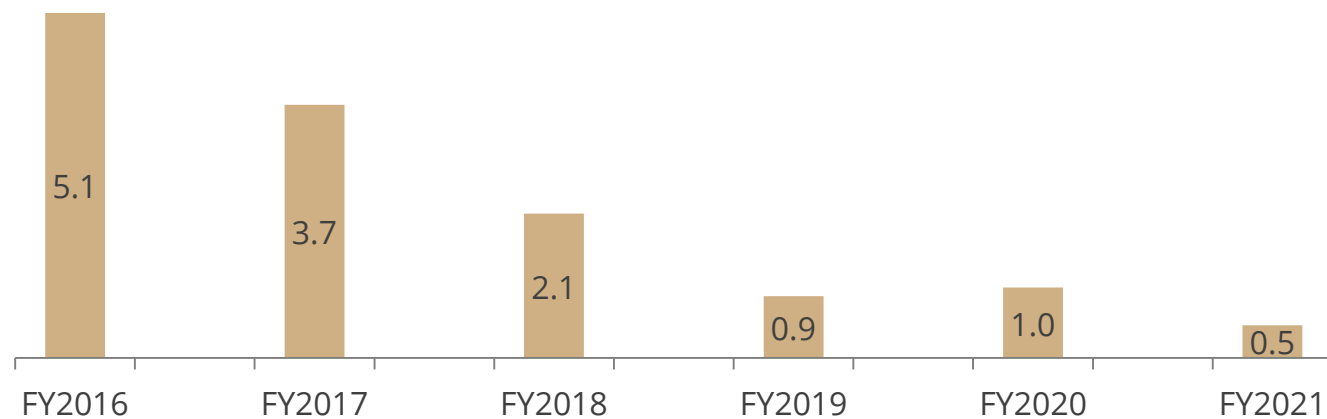


* Cash & Cash Equivalents adjusted for Rs. 54.16 Crore advances from customers against which dispatches were made in first week of April 2021

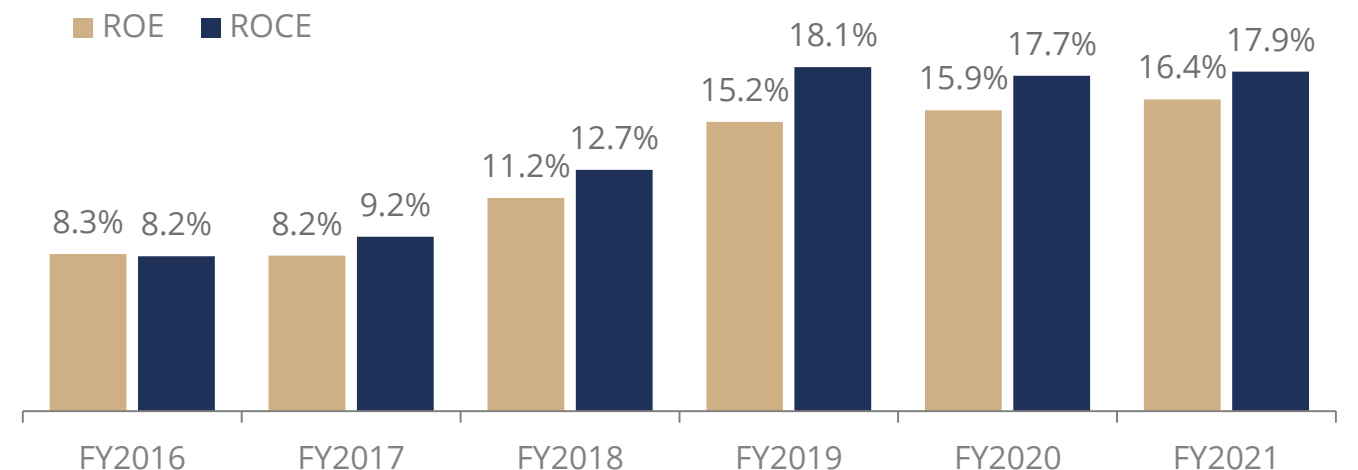
Annual Interest Cost (₹ Crore)



Net Debt / EBITDA (x)



Return on Equity (ROE) and Return on Capital Employed (ROCE)





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

“We are delighted to report a robust operational and financial performance during the year FY2021 which started on an otherwise challenging note. Immediately after the nationwide lockdowns started to ease out in May 2020, our operations rebounded very quickly and we also saw improvement in the industry performance on a quarter-on-quarter basis.

During Q4 FY2021, we experienced year-on-year growth in most of the top markets that we operate in. We reported a strong volume performance led by a 15% growth in the Prestige & Above category during the quarter. Overall despite the pandemic, we have delivered strong earnings expansion.

Through the second half of FY2021, we had seen sustained improvement in various macroeconomic indicators demonstrating a strong economic revival which coupled with supportive monetary and fiscal policy framework had positioned India for a strong recovery. We are now facing a more severe second wave of the pandemic which has disrupted businesses and operations across India again. Our top priority at the moment is the safety and well-being of our employees and partners.

Unlike last year, there is no complete lockdown currently which has allowed us to continue our business operations. Our manufacturing plants are running at optimum capacity and dispatches are continuing partially, particularly to some of the larger liquor consuming states where sale of liquor is permitted.

We are cautious as we deal with this second wave but remain confident that we will continue to make consistent progress on our strategic growth priorities and create value for all our stakeholders.”



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

“Our performance in FY2021 is a testament to Radico Khaitan’s resilient business model, strong premium product portfolio and excellent execution capabilities of the management team. Despite the lock down during the month of April 2020, we have registered a stable top line during the year and were able to expand our profitability margins. We reported EBITDA of Rs. 408 Crore for FY2021 which represents a 11% growth over last year.

Our Prestige & Above category brands continued their robust performance. We are proud to report that 8PM Premium Black whisky registered sales volume of over a million case during the year despite the challenges in Q1 FY2021. Radico Khaitan is on course of its plan for the launch of more brands in the premium brown spirits space during FY2022.

Our relentless focus on product quality and consumer satisfaction has won us one Grand Gold and 12 Gold awards at the Monde Selection 2021. Management team’s ongoing focus on free cash flow generation has enabled us to reduce our net debt by another Rs. 184 Crore during the year.

We are confident that this is a temporary phase of uncertainty but as soon as this is over, we shall see a strong recovery in our sale volumes. With our focus on operational efficiencies and strategic investments behind our brands, we are very well positioned for another successful year ahead.”



Performance Trend



	Q4		y-o-y	Full Year		y-o-y
	FY2021	FY2020	Growth (%)	FY2021	FY2020	Growth (%)
Operational Performance (Million Cases)						
Prestige & Above	1.77	1.53	15.4%	6.51	7.05	(7.7)%
Regular & Others	4.50	4.28	5.1%	15.83	17.25	(8.2)%
Total Volume	6.27	5.82	7.8%	22.34	24.30	(8.0)%
<i>Prestige & Above as % of Total</i>	28.2%	26.4%		29.1%	29.0%	
Financial Performance (₹ Crore)						
Revenue from Operations (Gross)	2,881.20	2,209.11	30.4%	10,367.36	9,417.89	10.1%
Revenue from Operations (Net)	694.73	585.36	18.7%	2,418.14	2,427.04	(0.4)%
Gross Profit	336.37	291.79	15.3%	1,215.72	1,178.85	3.1%
<i>Gross Margin (%)</i>	48.4%	49.8%		50.3%	48.6%	
EBITDA *	101.93	79.61	28.0%	407.79	368.19	10.8%
<i>EBITDA Margin (%)</i>	14.7%	13.6%		16.9%	15.2%	
Profit Before Tax	94.44	54.05	74.7%	353.10	272.69	29.5%
Total Comprehensive Income **	73.98	36.44	103.0%	269.70	224.80	20.0%
<i>Total Comprehensive Income Margin (%)</i>	10.6%	6.2%		11.2%	9.3%	
Basic EPS (₹)	5.51	2.89	90.5%	20.26	17.05	18.8%

Above financials are on Standalone basis

* EBITDA for 12M FY2020 adjusted for ₹24.17 Crore pertaining to exceptional items: Write off of debtors in Bihar of ₹8.56 Crore in Q4 FY2020, ₹ 8.59 Crore paid under the SV Scheme during Q3 FY2020 and Environmental Compensation of ₹7.02 Crore paid during H1 FY2020

** Tax provision last year included ₹ 25.76 Crore of Deferred Tax benefit



Performance Trend



(₹ Crore)	Q4		y-o-y Growth (%)	Full Year		y-o-y Growth (%)
	FY2021	FY2020		FY2021	FY2020	
Revenue from Operations (Gross)	2,881.20	2,209.11	30.4%	10,367.36	9,417.89	10.1%
Revenue from Operations (Net)	694.73	585.36	18.7%	2,418.14	2,427.04	(0.4)%
Other Income	11.90	2.18	446.2%	20.07	9.19	118.5%
Income from Operations	706.62	587.53	20.3%	2,438.21	2,436.23	0.1%
Cost of Goods Sold	358.35	293.57	22.1%	1,202.42	1,248.19	(3.7)%
Employee Benefit	47.09	47.97	(1.8)%	176.34	186.08	(5.2)%
Selling & Distribution	94.56	78.79	20.0%	316.52	311.25	1.7%
Depreciation	14.20	13.40	6.0%	53.90	52.53	2.6%
Interest	4.62	8.46	(45.3)%	22.02	31.61	(30.4)%
Other Operating Expenses	93.36	82.74	12.8%	313.92	309.72	1.4%
Total Expenses	612.18	524.92	16.6%	2,085.11	2,139.37	(2.5)%
Profit Before Exceptional Item & Tax	94.44	62.62	50.8%	353.10	296.85	18.9%
Exceptional Item	0.00	(8.56)		0.00	(24.17)	
Profit Before Tax	94.44	54.05	74.7%	353.10	272.69	29.5%
Current Tax	19.87	13.90		84.36	70.95	
Previous Year Adjustments	(0.12)	0.00		(3.89)	0.00	
Deferred Tax	1.13	1.71		2.07	(25.76)	
Net Profit	73.55	38.45	91.3%	270.56	227.50	18.9%
Net Income Margin (%)	10.6%	6.6%		11.2%	9.4%	
Other Comprehensive Expenses / (Income)	(0.43)	2.00		0.86	2.70	
Total Comprehensive Income	73.98	36.44	103.0%	269.70	224.80	20.0%
Total Comprehensive Income Margin (%)	10.6%	6.2%		11.2%	9.3%	



Q4 FY2021 Highlights (Y-o-Y)

- Revenue from Operations (Net) grew by 18.7% during the quarter. Total IMFL volume growth was 7.8% led by Prestige & Above category which increased by 15.4%. Excluding Andhra Pradesh, total IMFL volume growth was strong double digit. Total IMFL revenue growth was 15.8%. IMFL sales value accounted for 79.7% of the Revenue from Operations (Net).
- Gross Margin contracted by 143 bps from 49.8% in Q4 FY20 to 48.4% in Q4 FY21. On full year basis, Gross Margin expanded from 48.6% to 50.3%. Despite gross margin compression during Q4 FY21, EBITDA Margin expanded by 107 bps from 13.6% to 14.8%.
- During Q4 FY2021, Advertising & Sales Promotion (A&SP) expenses increased by 52.1% to ₹ 45.77 Crore. As a percentage of IMFL sales, A&SP expenses were 8.3% in Q4 FY2021 and 7.3% for the full year FY2021. The Company continues to invest behind brand building to support strategic growth and market share expansion initiatives.
- Finance Cost decreased by 45.3% y-o-y from ₹ 8.46 Crore to ₹ 4.62 Crore. The Company's cost of borrowing is one of the lowest in the industry due to a lower interest environment, stable profitability, strong capital structure and improved liquidity position.
- Balance Sheet: As of March 31, 2021, Net Debt was ₹ 197.54 Crore (vs. ₹ 382.04 Crore as of March 31, 2020).

As of March 31, 2021	Rs. Crore	Comment
Total Debt	273.36	Long Term Rs. 0.27 Crore, Short Term Rs. 273.09 Crore
Cash & Cash Equivalents	(75.82)	Adjusted for Rs. 54.16 Crore advances from customers against which dispatches were made in first week of April 2021
Net Debt	197.54	Reduction of Rs. 184.50 Crore since March 2020



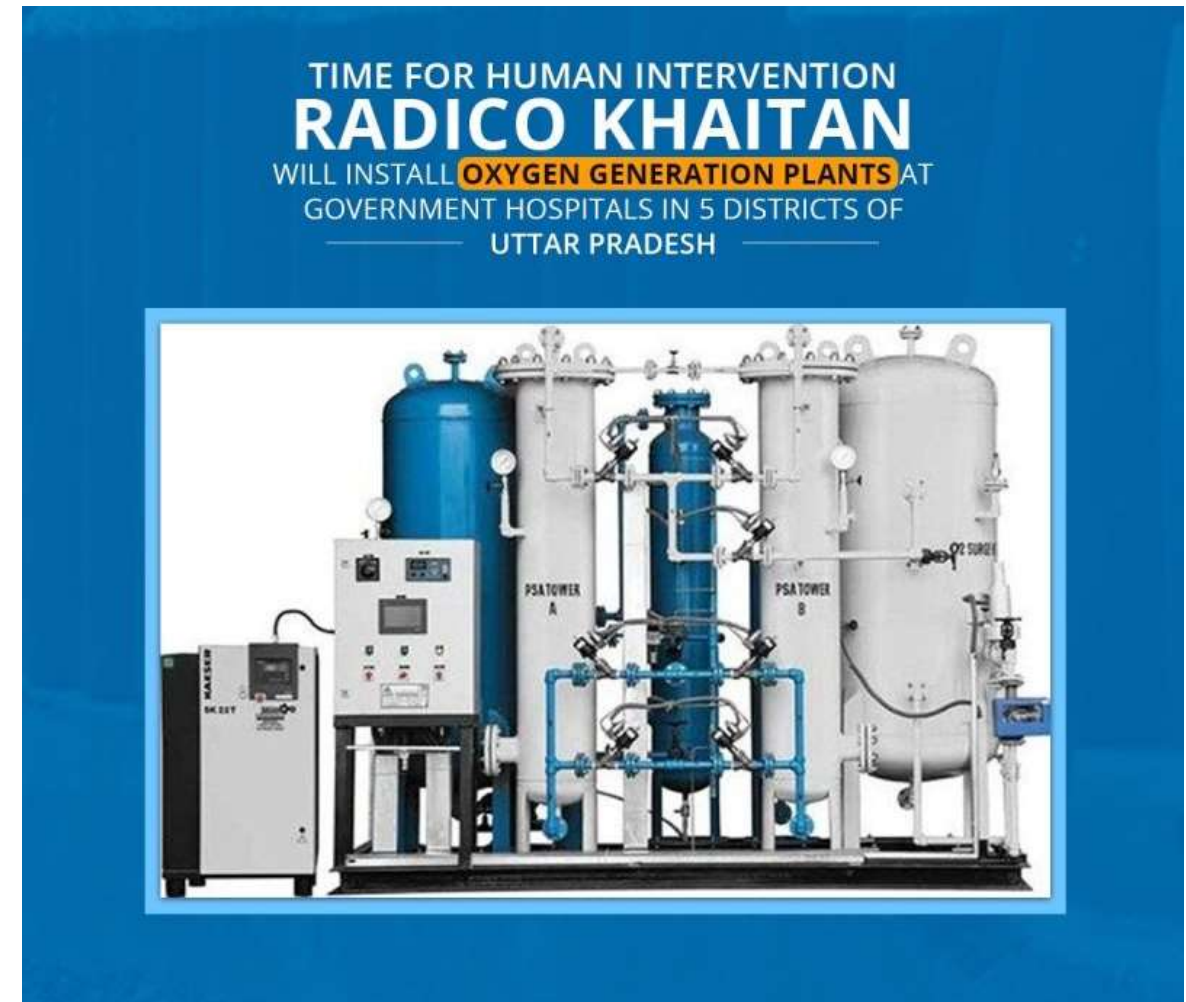
Commitment to the Employees and the Society



Employee health, safety and well being has been Radico Khaitan's top priority during this pandemic

- 1
 - Not reduced any head count
 - Not cut any salaries
- 2
 - Medical support to the employees and their families including arranging for tele-consultations, medicines and oxygen concentrators
- 3
 - Motivational and training programs for employees and their families while they are working from home
- 4
 - Implemented a welfare scheme for the families of any deceased employee to provide them salary for two years, education of the children for two years and medical support for three years

Radico Khaitan has pledged to give back to the society and lend its support to the government during this second wave of the pandemic with the installation of oxygen generators in 5 districts of UP





Rampur Indian Single Malt



- Select variants:
 - Rampur Asāva: World's first whisky finished in Indian red wine casks; matured in American Bourbon Barrels and finished in Indian Cabernet Sauvignon Casks
 - Rampur Double Cask: Matured in hand-picked American Bourbon barrels and European Oak Sherry casks
 - Rampur PX Sherry: Limited 48 cask batch where American Oak were handpicked and transferred to PX Sherry Butts from Jerez, Spain
- Double Cask is available in select stores in New Delhi; Malt capacity expansion completed
- Double Cask expression has been awarded with the 'Best World Whisky Gold Medal 2020' by The Fifty Best, New York

Jaisalmer Indian Craft Gin



- A triple-distilled neutral grain spirit, re-distilled in a traditional copper pot still; the recipe is handcrafted in a time-honoured way; Derived from the ancient Indian knowledge on herbs, the botanicals beautifully release pine notes from Juniper
- Available in key European markets at the duty-free stores; also available in select markets in India (e.g. Delhi, Goa, Hyderabad, Bangalore and Mumbai)
- Rated as the Best Gin produced out of Asia in 2019 at The Gin Guide Awards, the most respected Awards for Gin in the world



Morpheus Super Premium Brandy

- A semi luxury variant – Morpheus Blue
- Market leading share of ~60% in the super premium brandy category in India



Magic Moments Vodka

- Magic Moments Verve in a new premium canister packaging
- Marketing campaign with Bollywood stars Kartik Aryan and Jacqueline Fernandez
- Continues to gain market share with Magic Moments now accounting for ~60% of the overall vodka market share and Verve accounting for 20% market share of the premium vodka category
- Two new flavours launched – Lemon Lush and Cranberry Tease



8PM Premium Black Whisky

- A premium variant of 8PM whisky
- Strong initial traction and consumer response
- Signed endorsement deal with Bollywood youth icon, Tiger Shroff
- Currently available in 16 states
- **Achieved a million case volume during the year**

A&SP accounts for 8.3% of IMFL Revenues in Q4 FY2021 and 7.3% in FY2021 (7.1% in FY2020)



Awards & Recognitions



8PM Premium Black became a millionaire brand

PROUD WINNERS AT GLOBAL QUALITY AWARDS

MONDE SELECTION 2021

Brand Name	Awards
Jaisalmer Indian Craft Gin	GRAND GOLD (2 nd Consecutive Time)
8PM Premium Black Whisky	GOLD (4 th Consecutive Time) & International High-Quality Trophy
Morpheus Blue XO Premium Brandy	GOLD (3 rd Consecutive Time) & International High-Quality Trophy
Magic Moments Verve Premium Vodka	GOLD (3 rd Consecutive Time) & International High-Quality Trophy
Magic Moments Verve Green Apple Premium Flavoured Vodka	GOLD (3 rd Consecutive Time) & International High-Quality Trophy
Magic Moments Verve Orange Premium Flavoured Vodka	Gold (3 rd Consecutive Time) & International High-Quality Trophy
1965 Spirits Of Victory Premium XXX Rum	GOLD (4 th Consecutive Year)
Magic Moments Premium Grain Vodka	GOLD
Magic Moments Remix Lemon Flavoured Vodka	GOLD
Magic Moments Verve Lemon Lush Premium Flavoured Vodka	GOLD
Magic Moments Verve Cranberry Tease Flavoured Vodka	SILVER
Morpheus XO Blended Premium Brandy	GOLD
Regal Talons Premium Grain Whisky	GOLD
After Dark Fine Grain Whisky	GOLD

One Grand Gold and 12 Golds at the Monde Selection 2021



Other Awards and Rankings





Awards & Recognitions



NEW YORK INTERNATIONAL SPIRITS COMPETITION

CERTIFIES
Radico Khaitan

AS THE 2021
India Gin Distillery of the Year



NEW YORK INTERNATIONAL SPIRITS COMPETITION

CERTIFIES
Radico Khaitan

AS A
GOLD WINNER

FOR
Jaisalmer Indian Craft Gin



NEW YORK INTERNATIONAL SPIRITS COMPETITION

CERTIFIES
Radico Khaitan

AS A
GOLD WINNER

FOR
Rampur Asava



New York International Spirits Competition



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.

For further information, please contact:

Saket Somani

Vice President, Finance & Investor Relations

somanis@radico.co.in

+91 11 4097 5403

Q4 FY2021 Earnings Call Details

Date: Wednesday, June 2, 2021 | Time: 12:30 PM IST

Universal Access: +91 22 6280 1325 / +91 22 7115 8226 | Local Access: +91 70 4567 1221

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





Radico

RADICO KHAITAN LTD.

Radico Khaitan Limited
(CIN: L26941UP1983PLC027278)
J-I, Block B-I, Mohan Co-operative Industrial
Area, Mathura Road, New Delhi-110044
Ph.: +91-11-4097 5400/5500
Fax: +91-11-4167 8841/42
www.radicokhaitan.com