



RKL/SX/2023-24/16
May 25, 2023

BSE Ltd. Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001 Scrip Code: 532497	National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor Plot no. C/1, G Block Bandra-Kurla Complex, Bandra (E) Mumbai – 400 051 Symbol: RADICO
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Sub: Investor's presentation on Audited Financial Results for the Quarter and Financial Year ended March 31, 2023

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 Audited Financial Results for the quarter and financial year ended March 31, 2023 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

RADICO KHAITAN LIMITED

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CIN No-L26941UP1983PLC027278



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

**Q4 FY2023 Earnings
Presentation**

SANGAM

A beautiful harmony

WORLD MALT WHISKY
NON-CHILL FILTERED

**A MÉLANGE OF MALTS
MASTERFULLY WEAVED TOGETHER
CRAFTING AN EXCEPTIONAL EXPERIENCE.**

NOSE

Sangam offers a hint of tropical fruits such as lychee, green apple, pears and apricot. Followed by delicate notes of citrus and floral tones of rose and heather. The sweet aroma of honey, vanilla and caramel toffee perfectly complement the spices of cinnamon and nutmeg. Subtle hints of salty and peat smoke embrace the senses without overpowering the experience.

PALATE

The palate offers a complex and creamy depth of fruity aromas that is perfectly balanced with delicate peaty and salty notes. The peat smoke depth gradually transitions to reveal an interplay of spices such as cinnamon, nutmeg and oaky vanilla, with a hint of honey and wine-like texture.

FINISH

The finish is pleasantly long, leaving a lingering sensation on the palate, further enhancing the taste and aroma. Truly a confluence of cultures, flavors and traditions on your palate.



Q4 FY2023 Performance Highlights

Continued strong operating performance led by Prestige & Above category portfolio

Q4 FY2023 vs. Q4 FY2022

- Total IMFL volume* of 7.24 Million Cases (-0.7%)
- Prestige & Above brands volume of 2.55 Million Cases (+17.4%)
- Prestige & Above brands net sales of ₹433.6 Cr (+18.2%)
- Prestige & Above brands contribution to the IMFL volumes of 40.2% (vs. 30.5%)
- Prestige & Above brands contribution to the Total IMFL sales value of 65.8% (vs. 55.3%)
- Revenue from Operations (Net) of ₹831.8 Cr (+2.4%)
- Gross Profit of ₹337.4 Cr (-2.8%)
- EBITDA** of ₹80.1 Cr at 9.6% margin
- Total comprehensive income of ₹36.5 Cr

12M FY2023 vs. 12M FY2022

- Total IMFL volume* of 28.24 Million Cases (+7.1%)
- Prestige & Above brands volume of 9.35 Million Cases (+19.8%)
- Prestige & Above brands net sales of ₹1,496.2 Cr (+23.9%)
- Prestige & Above brands contribution to the IMFL volumes of 37.5% (vs. 30.2%)
- Prestige & Above brands contribution to the Total IMFL sales value of 59.8% (vs. 52.3%)
- Revenue from Operations (Net) of ₹3,142.8 Cr (+9.6%)
- Gross Profit of ₹1,314.9 Cr (+1.9%)
- EBITDA** of ₹358.2 Cr at 11.4% margin
- Total comprehensive income of ₹202.6 Cr

* Including brands on Royalty, ** Adjusted for ₹ 2.25 Cr of arrears payable on account of wage revision applicable from 2016

Consistent dividend of 150% or ₹3.00 per share (payout ratio of 19.6%) despite a challenging operating environment

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

“FY2023 can be characterized as a year of transformation for Radico Khaitan. Despite an overall challenging operating environment, we have delivered a broad based, premium volume growth across the portfolio and across geographies. Not only our core premium brands registered strong growth, but we also added two more brands to the millionaire club, i.e. Morpheus Premium Brandy and 1965 Spirit of Victory Premium Rum. Radico Khaitan now has seven brands with volume of a million cases annually. Our capex projects are progressing well within the estimated timelines. We are confident that we have the right strategies to deliver a balanced growth and value creation in the medium to long term.

Our performance in a tough inflationary environment clearly demonstrates the strength and consistency of our strategic initiatives, which helped us capitalize on our brand equity while continuing to innovate and deepen consumer connect. We remain committed to delivering a robust volume growth while continuing to invest behind our brands, expanding our domestic and international on-trade footprint, and focusing on a resilient and future ready supply chain.

Long term industry dynamics remain attractive, and going forward we believe that the Company is well-positioned to capitalize on the growth opportunities in the Indian IMFL industry. In line with our strategy of maintaining a balance between delivering returns to shareholders and preserving funds for growth capital, we propose a consistent dividend of Rs. 3.00 per share.”

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

“Our performance during the year was driven by our consistent focus on consumer centricity, sustained investment behind our core brands coupled with premiumization, agile supply chain and robust distribution network. Building upon our luxury portfolio, during Q4 FY2023, we unveiled Sangam World Malt Whisky at ProWein 2023 in Düsseldorf. Sangam World Malt Whisky combines the finest malts sourced from traditional European origins as well as from the New World.

Our Prestige & Above category volumes during Q4 FY2023 remain robust and we registered 17% y-o-y growth on a very high base. This was led by all our core brands such as Magic Moments Vodka which crossed 5 million cases sales, Morpheus Premium Brandy and 1965 Spirit of Victory Premium Rum both of which crossed a million case mark. To capitalize upon the traction of 8PM Premium Black Whisky, during Q1 FY2024, we have renovated the brand into a more contemporary packaging to enhance upon its brand equity.

We remain committed to our long-term strategies of a premium product portfolio focused on innovation. These strategies have enabled us in driving and sustaining the strong momentum in our premium brands. Despite the near-term concerns around inflationary pressures, we are confident that we have all the levers in place for FY2024 and expect to build on the current momentum and deliver a broad volume-led growth along with improvement in profitability.”

Performance Trend

	Q4		y-o-y	Q3	q-o-q	Twelve Month		y-o-y
	FY2023	FY2022	Growth (%)	FY2023	Growth (%)	FY2023	FY2022	Growth (%)
Operational Performance (Million Cases)								
Prestige & Above	2.55	2.18	17.4%	2.59	(1.5)%	9.35	7.81	19.8%
Regular & Others	3.80	4.96	(23.4)%	3.53	7.7%	15.62	18.02	(13.3)%
Total Own Volume	6.35	7.14	(11.0)%	6.12	3.8%	24.97	25.83	(3.3)%
<i>Prestige & Above as % of Total</i>	40.2%	30.5%		42.4%		37.5%	30.2%	
Royalty Brands	0.89	0.15		0.87		3.26	0.53	
Total Volume	7.24	7.29	(0.7)%	6.99	3.6%	28.24	26.35	7.1%
Revenue Break up (₹ Crore)								
IMFL (A)	658.9	663.5	(0.7)%	634.6	3.8%	2,501.4	2,308.4	8.4%
<i>Prestige & Above</i>	433.6	366.7	18.2%	402.5	7.7%	1,496.2	1,207.7	23.9%
<i>Regular & Others</i>	217.5	294.1	(26.0)%	225.0	(3.3)%	978.0	1,091.9	(10.4)%
<i>Other</i>	7.7	2.7		7.2		27.3	8.8	
Non IMFL (B)	172.9	149.0	16.1%	157.5	9.8%	641.4	559.7	14.6%
Revenue from Operations (Net) (A+B)	831.8	812.5	2.4%	792.2	5.0%	3,142.8	2,868.0	9.6%
<i>Prestige & Above as % of Total IMFL Revenue</i>	65.8%	55.3%		63.4%		59.8%	52.3%	
<i>IMFL as % of Total Revenue</i>	79.2%	81.7%		80.1%		79.6%	80.5%	

Above financials are on Standalone basis

Performance Trend

	Q4		y-o-y	Q3		Twelve Month		y-o-y
	FY2023	FY2022	Growth (%)	FY2023	q-o-q Growth (%)	FY2023	FY2022	Growth (%)
Financial Performance (₹ Crore)								
Revenue from Operations (Gross)	3,375.4	3,224.5	4.7%	3,166.2	6.6%	12,743.9	12,470.5	2.2%
Revenue from Operations (Net)	831.8	812.5	2.4%	792.2	5.0%	3,142.8	2,868.0	9.6%
Gross Profit	337.4	347.0	(2.8)%	331.2	1.9%	1,314.9	1,290.6	1.9%
<i>Gross Margin (%)</i>	40.6%	42.7%		41.8%		41.8%	45.0%	
EBITDA **	80.1	81.2	(1.3)%	96.4	(16.8)%	358.2	402.7	(11.1)%
<i>EBITDA Margin (%)</i>	9.6%	10.0%		12.2%		11.4%	14.0%	
Profit Before Tax	51.4	62.9	(18.4)%	76.4	(32.8)%	274.8	335.3	(18.0)%
Total Comprehensive Income	36.5	47.5	(23.2)%	56.7	(35.6)%	202.6	252.5	(19.8)%
<i>Total Comprehensive Income Margin (%)</i>	4.4%	5.8%		7.2%		6.4%	8.8%	
Basic EPS (₹)	2.79	3.47	(19.6)%	4.27	(34.7)%	15.29	18.87	(19.0)%

** Adjusted for ₹ 2.25 Cr of arrears payable on account of wage revision applicable from 2016

Above financials are on Standalone basis

Performance Trend

₹ Crore)	Q4		y-o-y	Q3		Twelve Month		y-o-y
	FY2023	FY2022	Growth (%)	FY2023	q-o-q Growth (%)	FY2023	FY2022	Growth (%)
Revenue from Operations (Gross)	3,375.4	3,224.5	4.7%	3,166.2	6.6%	12,743.9	12,470.5	2.2%
Revenue from Operations (Net)	831.8	812.5	2.4%	792.2	5.0%	3,142.8	2,868.0	9.6%
Other Income	1.4	1.9	(29.7)%	2.7	(49.6)%	9.4	11.0	(14.6)%
Income from Operations	833.2	814.5	2.3%	794.9	4.8%	3,152.2	2,879.0	9.5%
Cost of Goods Sold	494.4	465.5	6.2%	461.0	7.3%	1,827.9	1,577.4	15.9%
Employee Benefit **	44.5	37.4	19.0%	45.5	(2.2)%	166.7	141.3	18.0%
Selling & Distribution	83.2	98.5	(15.5)%	78.6	5.9%	329.0	313.7	4.9%
Depreciation	19.9	16.4	21.5%	17.1	16.7%	70.9	64.9	9.3%
Interest	9.0	2.3	293.6%	6.1	48.0%	22.1	13.1	68.8%
Other Operating Expenses	128.5	131.4	(2.3)%	110.2	16.6%	458.5	433.4	5.8%
Total Expenses	779.6	751.5	3.7%	718.4	8.5%	2,875.2	2,543.8	13.0%
Profit Before Exceptional Item & Tax	53.6	62.9	(14.8)%	76.4	(29.8)%	277.0	335.3	(17.4)%
Exceptional Items **	(2.3)	0.0		0.0		(2.3)	0.0	
Profit Before Tax	51.4	62.9	(18.4)%	76.4	(32.8)%	274.8	335.3	(18.0)%
Current Tax	8.6	17.7		19.5		68.9	87.2	
Previous Year Adjustments	0.0	0.0		0.0		0.0	(0.6)	
Deferred Tax	5.5	(1.1)		(0.1)		1.5	(3.5)	
Net Profit	37.3	46.4	(19.6)%	57.0	(34.7)%	204.4	252.2	(18.9)%
Net Income Margin (%)	4.5%	5.7%		7.2%		6.5%	8.8%	
Other Comprehensive Expenses / (Income)	0.8	(1.2)		0.4		1.9	(0.3)	
Total Comprehensive Income	36.5	47.5	(23.2)%	56.7	(35.6)%	202.6	252.5	(19.8)%
Total Comprehensive Income Margin (%)	4.4%	5.8%		7.2%		6.4%	8.8%	

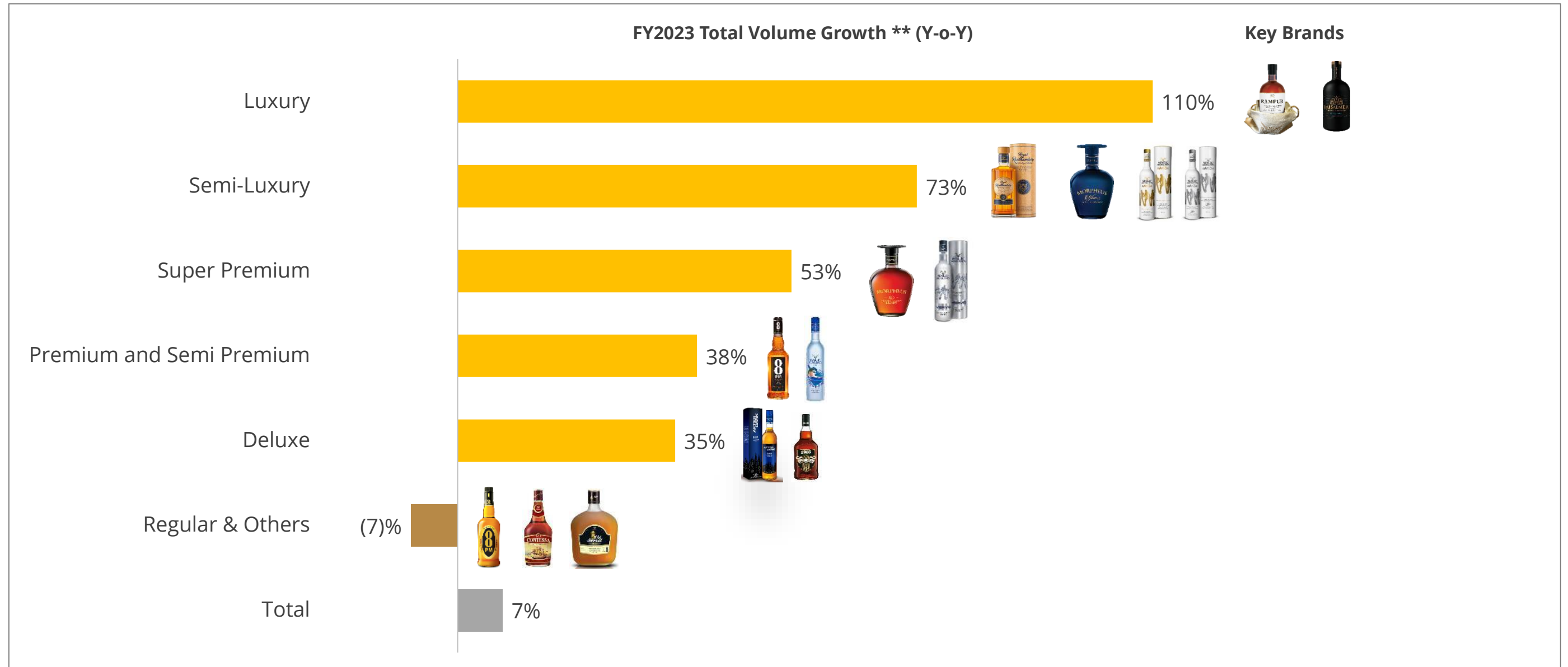
Q4 FY2023 Highlights

- Revenue from Operations (Net) grew by 2.4% y-o-y. Total IMFL volume* declined (0.7)% whereas Prestige & Above category volume grew 17.4%. But for the rationalization of volumes of certain brands, total IMFL volume growth would have been higher. Prestige & Above net revenue growth was 18.2% compared to Q4 FY2022. IMFL sales value accounted for 79.2% (vs. 81.7% in Q4 FY2022) of the Revenue from Operations (Net).
- Gross Margin during the quarter was 40.6% compared to 42.7% in Q4 FY2022. On Y-o-Y basis, continued commodity inflation resulted in gross margins compression, particularly in the non-IMFL business where we have recently received price increases. 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.
- Employee benefit expense adjusted for Rs. 2.3 Crore of arrears payable on account of wage revision applicable from 2016.
- 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 FY2023, A&SP as % of IMFL sales was 5.0% vs. 5.4% in 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 ₹677.6 Crore on the Rampur Dual Feed and Sitapur Green Field projects since inception.

As of Mar 31, 2023	₹ Crore	Comment
Total Debt	696.8	Long Term ₹ 286.9 Crore, Short Term (including current maturities) ₹ 409.9 Crore
Cash & Cash Equivalents	85.8	Adjusted for ₹ 45 Crore advances from customers against which dispatches were made in first week of April 2023
Net Debt	611.0	Increase in Net Debt of ₹ 495.0 Cr after Capex on new projects of ₹ 608.9 Crore since Mar-2022

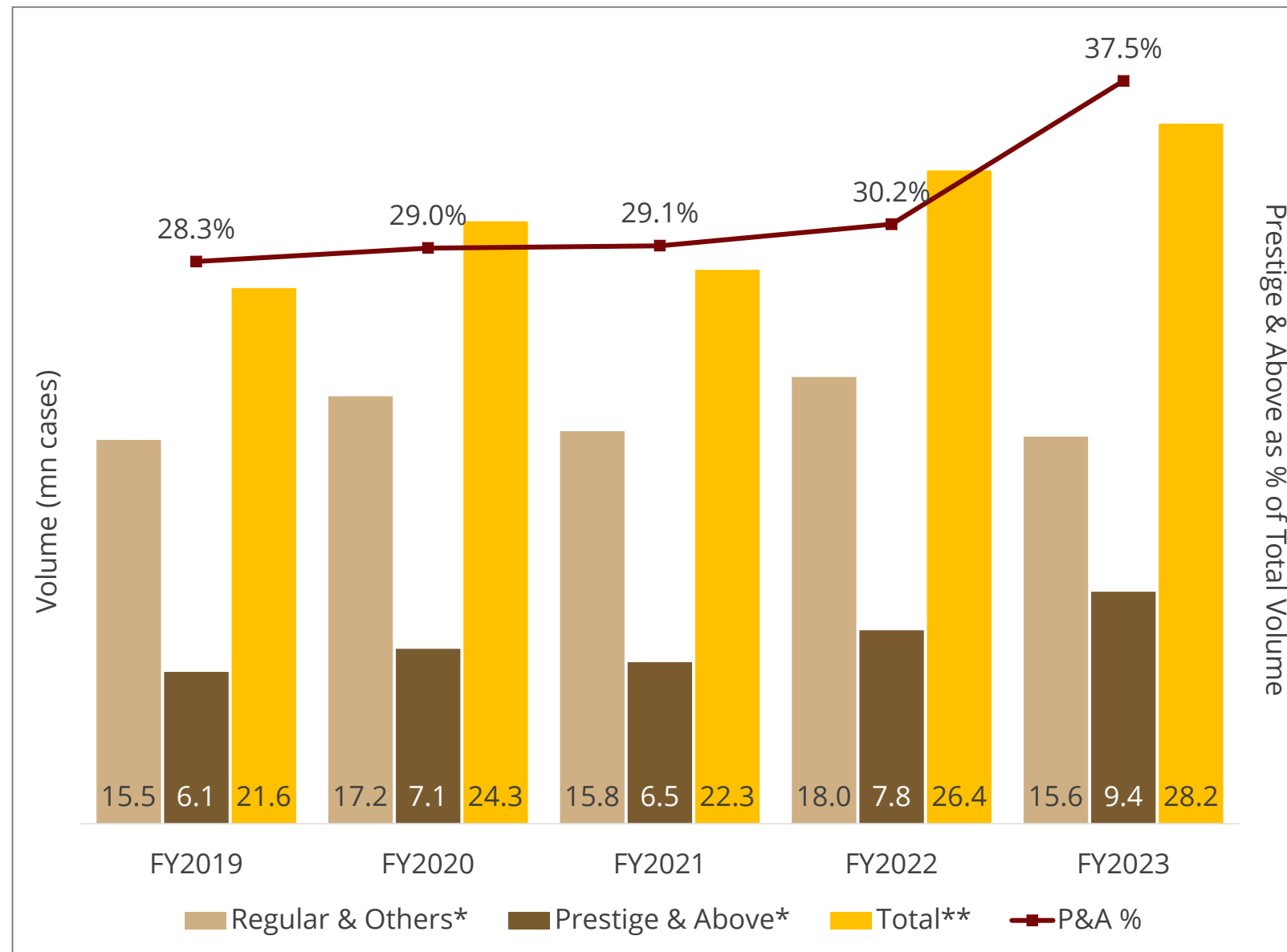
Continued Strong Prestige & Above brands growth

The top end of the premium portfolio has grown faster



Continued Strong Prestige & Above brands growth

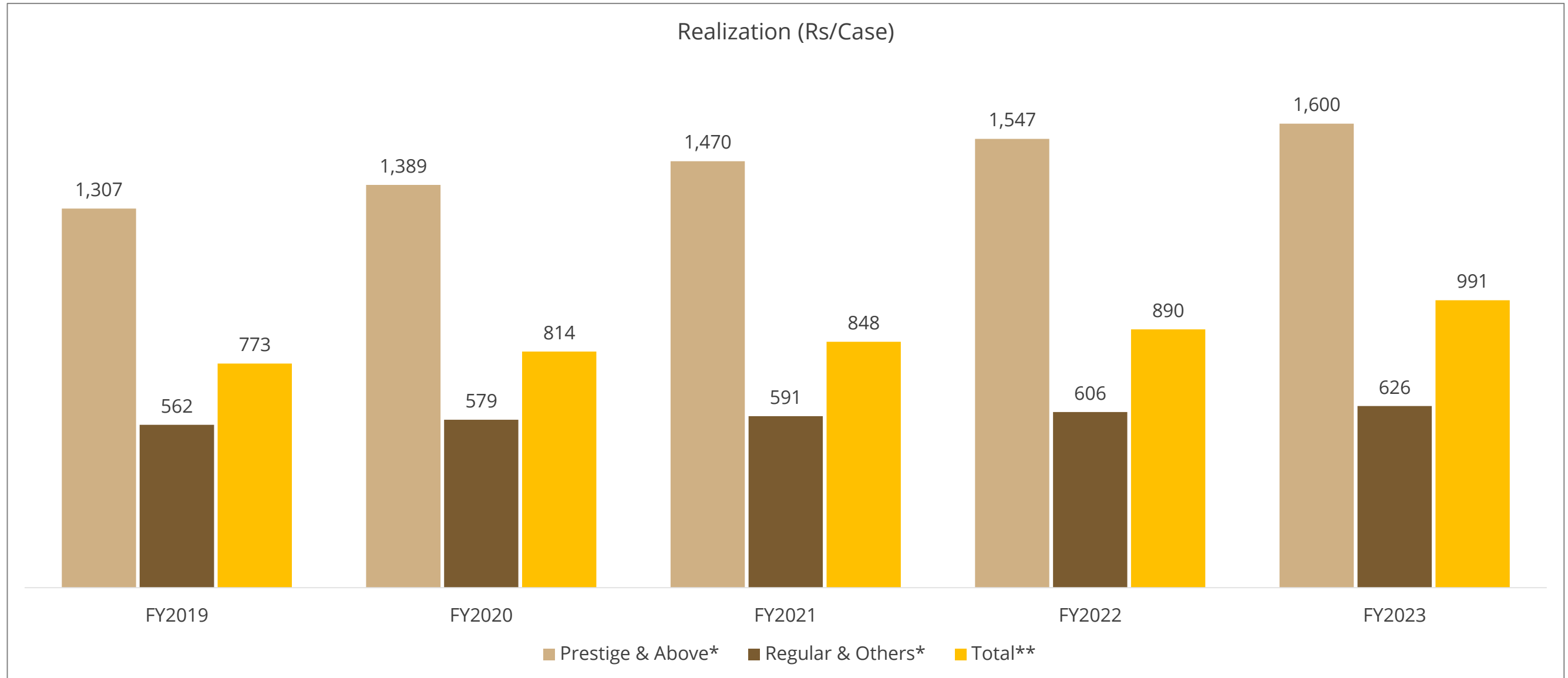
Prestige & Above brands have grown at a CAGR of 11% since FY2019



- Prestige & Above category volume growth over pre-pandemic levels: 150%
 - Now account for 37.5% of total IMFL volumes*
- Strong premium brand pipeline and launches:
 - FY2022: Royal Ranthambore whisky and Magic Moments Dazzle vodka
 - FY2023: Rampur Indian Single Malt Trigun cask whisky, Rampur Indian Single Malt Jugalbandi, Sangam World Malt whisky, Magic Moment Vodka Cocktail, After Dark Blue whisky,
- New brands added to the millionaire club:
 - FY2023: Morpheus brandy, 1965 Spirit of Victory rum
 - FY2021: 8PM Premium Black whisky

Continued Strong Prestige & Above brands growth

Leading to a sustainable improvement in the realization per case



New Launches in FY2023

Building upon a strong portfolio



Sangam World Malt Whisky

- Sangam, a name derived from the Hindi word for "confluence," evokes the image of two powerful rivers merging to form something greater than the sum of their parts
- Being launched in the USA at a retail price of \$64.99 to \$69.99 for a 70cl bottle
- It will also be launched in the EU, UK, Singapore, Australia and Travel Retail with shipments starting from June 2023



Rampur Indian Single Malt Julgalbandi

- A series of eight Indian single malt cask strength whiskies
- Rampur Julgalbandi #1 is matured in American bourbon barrels, with the malt finished in bespoke Moscatel casks from Portugal
- Jugabbandi #2 is also matured in American bourbon barrels, however finished in handpicked Calvados casks from Normandy



1965 Lemon Dash Rum

- A premium variant of 1965 Spirit of Victory
- Priced ranging between Rs. 800 to Rs. 1000 per bottle
- Currently available in 3 states – Uttar Pradesh, Jharkhand and Orissa



Magic Moments Vodka Cocktail

- Made with a vodka base with 4.8% alcohol content, Magic Moments Vodka Cocktail range comes in cans packaging
- Priced ranging between Rs. 200-250, it is available in three flavours - Cosmopolitan, Cola, and Mojito

Global Rankings 2023

Some of the top brands of Radico Khaitan are leading brands globally

The Millionaires' Club

2nd Fastest growing whisky

4th Fastest growing brand overall

9th Largest whisky by volume

21st Largest brand overall

4th Fastest growing vodka

7th Largest vodka by volume

7th Largest rum by volume

3rd Fastest growing brandy

4th Largest brandy by volume



Environment Stewardship

Sustainability initiatives

Extended Producer's Responsibility

Recycled 7,202 MT of post consumer used plastic waste during FY2023 resulting in a significant sustainability impact.

Recycled Bottles

We are continuously striving to increase the consumption of recycled glass bottles in certain high volume brands.

Saved

45.0 million litres



Water

41.6 million KWH



Energy

Eliminated

12.2 million KG



CO₂

5.8 million cubic feet



Land Fill



FY2020

7.4%

FY2021

14.1%

FY2022

19.3%

FY2023

18.5%

In comparison to FY2022, percentage of old bottles consumption is less in FY2023 due to the decline in regular category products.

ALL NEW
PACK

8 RARE NOTES ONE EXQUISITE TASTE



STATUTORY WARNING: CONSUMPTION OF LIQUOR IS INJURIOUS TO HEALTH.

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 FY2023 Earnings Call Details

Date: Friday, May 26, 2023 | 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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