



Radico Khaitan Limited

(BSE: 532497; NSE: RADICO)

Third Quarter and Nine Month FY2026

Earnings Conference call

January 23, 2026

Management Participants:

Mr. Abhishek Khaitan, Managing Director

Mr. Dilip Banthiya, Chief Financial Officer

Mr. Sanjeev Banga, President – International Business

Presentation:

Moderator: Ladies and Gentlemen, Good Day and Welcome to the Radico Khaitan Limited Q3 FY26 Earnings Conference Call hosted by DAM Capital Advisors.

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 "*" then "0" on your touchtone phone. Please note that this conference is now being recorded.

I now hand the conference over to Mr. Sanjay Manyal from DAM Capital Advisors. 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.

Sanjay Manyal: Thank you. Good afternoon, everyone. We would like to thank Radico Khaitan's Management for providing DAM Capital with the opportunity to host Q3 FY26 Earnings Call.

We have with us Senior Leadership Team from Radico Khaitan, Mr. Abhishek Khaitan – Managing Director, Mr. Dilip Banthiya – CFO, and Mr. Sanjeev Banga – President, International Business.

I hand over the call to Mr. Abhishek Khaitan for his Opening Remarks. Over to you, sir.

Abhishek Khaitan: Good afternoon, ladies and gentlemen. First of all, Wishing Everyone a Very Happy New Year and thank you for joining us on Radico Khaitan's Q3 FY26 Earnings Conference Call.

The third quarter represents a defining phase of acceleration for Radico Khaitan, where strategic clarity, portfolio depth, and execution excellence have translated into tangible outcomes. The Indian spirits sector continues to build strong momentum led by premiumization and evolving consumer aspirations. We have converted these structural tailwinds into our highest-ever quarterly performance with volumes of 9.75 million cases, net revenue of Rs. 1,547 crores, and EBITDA of Rs. 265 crores. These results reflect the strength and quality of our business model.

Our performance was led by a premium and luxury-focused portfolio supported by a benign raw material environment and strong operating leverage. This translated into meaningful margin expansion and a sharp improvement in return ratios, marking a clear inflection point in the sustainability and predictability of our earnings.

On the brand front, our recent launches are seeing strong early traction, validating the depth of our consumer insights and disciplined innovation and approach. The launch of *Rampur 1943 Virasat Indian Single Malt* marks a defining milestone in our journey of building world-class luxury Indian spirits. The brand carries forward the soul of Rampur distillery, an institution with legacy since 1943, where tradition and innovation come together to create whiskies of depth, warmth and character. Rooted in heritage and craftsmanship and shaped by modern aspirations, it is positioned to set new benchmarks in the category.

Alongside this, our broader premium portfolio continues to scale steadily across key markets, supported by sharper execution and increasing consumer pull. *Royal Ranthambore Whisky* delivered an outstanding performance with over 50% growth in Q3, driven by strong demand across both civil and CSD channels.

Magic Moments Vodka continued its strong growth trajectory with 18% volume growth during Q3 and crossed Rs.1,050 crores of sales in the nine-month period. This performance was led by the recent flavor innovations.

After Dark Whisky continued to deliver strong performance, recording 40% growth year-on-year in the quarter, crossing 2.4 million cases volume in the nine months.

8PM Premium Black Whisky, where we unveiled the new packaging earlier this year, has started gaining strong momentum. This brand will also be a key driver for our premium volumes going forward.

We are seeing broad-based strength across our premium brands, driven by strategic price positioning and sharper execution. This balanced performance across categories is enhancing brand equity while providing greater stability and consistency to our overall portfolio.

The on-trade channel continues to be a strategic priority for us. As consumption increasingly shifts towards experiences and brand-led

choices, we are deepening our partnership with key outlets and influencers. Strong brand advocacy in the on-trade is improving visibility, accelerating trials and strengthening long-term consumer franchise across premium segments.

I am also pleased to share that during the quarter *Rampur Indian Single Malt* became the only Indian spirits brand to be served on Air India First and Business Class international flights. This is a moment of pride for us as an Indian brand carrying Indian craftsmanship, heritage and excellence to global consumers and a strong validation of the growing stature of Indian spirits on the world stage.

Looking ahead, our confidence is supported by strong forward visibility, a robust balance sheet, a stable cost environment, improving mix and a pipeline of brands and extensions that align well with evolving consumer preferences. We remain focused on disciplined growth, capital efficiency and building brands that endure. With a differentiated portfolio, an execution-driven organization and a clear premiumization-led strategy, we are well-positioned to sustain momentum and deliver consistent, profitable growth in the next quarter and the year ahead.

With that, I would now like to hand over the call to our CFO, Dilip Banthiya, for a detailed review of our financial and operational performance. Thank you. Over to you, Dilip.

Dilip Banthiya:

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

Q3 FY26 was a strong quarter with encouraging operating performance, translating into higher profitability and improved return ratios. The results reflect the combined impact of premiumization, scale benefits, input cost stability and disciplined financial management.

During the quarter, we delivered a strong all-round performance with the highest-ever total IMFL volume of 9.75 million cases, reflecting 16.7% year-on-year growth. Prestige & Above category, excluding the royalty brands, continued its steady upward trajectory, recording 26% volume growth and 29% value growth, with realizations improving by 2.8% on year-on-year basis.

Our regular category volume grew by 33% in the quarter. The change in route to market in Andhra Pradesh was a key driver of this rebound,

supported by agile execution, strengthened brand availability. Our performance in Andhra Pradesh has been encouraging with our market share increasing from over 15% in Q3 of last year to 26% in the quarter gone by, making us the leading player in the state.

On profitability front, Gross margin during the quarter was 46.9%, representing a 350 bps expansion on year-on-year basis, 290 bps expansion on quarter-on-quarter basis. Gross margin improved on YoY basis due to an improved raw material scenario, coupled with ongoing premiumization. Raw material accounted for 225 bps of gross margin expansion during the quarter as compared to last year Q3. We remain optimistic that ENA and grain prices will stay stable to favorable in the near-term, providing continued margin support.

Our A&SP investment were at 6.9% of IMFL revenues, compared to 5.5% in Q3 FY25. While quarterly variations are expected due to the campaign timing, we continue to guide for A&SP spending in the range of 6-8% to sustain strong brand visibility and growth.

EBITDA margin expanded by 300 bps on year-on-year basis to 17.2%.

Turning to the balance sheet. Our net debt reduced by Rs. 209 crores since March 2025, driven by improved profitability. Our balance sheet remains strong, and we are on well track to become debt-free by FY27.

The Board of Directors has approved setting up a 100% wholly-owned subsidiary of the Company in Scotland. This is in line with our strategy of investing in our Malt capabilities. Radico Khaitan is one of the largest importers of vatted malt spirits, and this step is towards securing access to the matured malt supply chain for distillation and maturation in a cost-effective manner.

Capital allocation continues to be prudent and selective. Our ongoing capex is largely directed towards maintenance capex and essential capacity optimization.

Looking ahead, while we remain mindful of external volatility, the current cost environment, operating leverage benefits, and financial discipline provide comfort on margin sustainability and cash flow generation. Our focus remains on improving profitability, strengthening the balance sheet, and enhancing returns.

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

- Moderator: We will now begin with the question-and-answer session. The first question is from the line of Abneesh Roy from Nuvama. Please go ahead.
- Abneesh Roy: Congrats on great performance. My first question is apart from Andhra market, where you highlighted market share gains and very strong absolute performance, which other markets, either you have grown faster than the company average, and you have gained market share, either of these?
- Abhishek Khaitan: I think our growth has come from basically everywhere except Maharashtra, the major states where we have grown would be Andhra, Uttar Pradesh, Telangana, then Rajasthan, MP, Haryana. These would be the markets where we have grown faster.
- Abneesh Roy: On the two specific states which you mentioned, in UP, if you could comment if in the country liquor, is there any increase in competition? And second, in Telangana, some of the other companies have mentioned that in Q3, there was some adverse impact of route-to-market change. So, what have you seen in these two markets?
- Abhishek Khaitan: So, as far as UP, the country liquor segment goes, actually there is competition everywhere, but at Radico, we have got the highest volume and highest market share as far as the country liquor segment goes. And to the second question about Telangana, there was a lottery which was done in the month of December. So, October, November, the sales were slow, but December, it was a bumper sale for everyone.
- Abneesh Roy: Entire quarter, how was it in Telangana?
- Abhishek Khaitan: Entire quarter, it was a mid-single digit growth, about 5% to 6%.
- Abneesh Roy: Understood. Now, last question, we are seeing most of the liquor companies see good expansion in gross margins, which is a good development. But, in the past, if we see such good periods of gross margin expansion, have you seen some of the players become a bit more competitive, a bit more focused on market share? I understand ad spends, everyone will see an increase, that is not a problem. But from a pricing perspective, is there a risk that in some markets, some players might become more aggressive?
- Abhishek Khaitan: We feel alcohol is more of a luxury / lifestyle product, it is more of a brand. So, by cutting prices, the brands are not built. And as far as Radico is concerned, we do not chase volumes. So, we prefer to build

brands, which always pays off in the longer run. So, we are not seeing any kind of such activities.

Abneesh Roy: Sure, thanks. That is all from my side.

Abhishek Khaitan: Thank you.

Moderator: The next question is from the line of Harit Kapoor from Investec. Please go ahead.

Harit Kapoor: Hi, good evening and congratulations on excellent results again. So, I just had three questions. One was on 8PM [Premium] Black. So, this has been a brand that did extremely well for us and then we saw it slow down a little bit last year, seems to have kind of picked up in terms of growth again. So, if you could just highlight any changes that you made in the brand, in the packaging, blend, is it just increased distribution expansion and just an outlook, do you see increased market share gains in that price point segment now? You also have After Dark there. So, just some sense on 8PM Premium Black and its trajectory. That is my first question.

Abhishek Khaitan: 8PM Premium Black, we have gone for a packaging change. Gradually, we have extended to all the states now. And in fact, last quarter, the brand did extremely well; it grew by 40% and overall, we have been in plus this year. And now it is back into a growth trajectory. And as far as After Dark goes, it has grown very well; for the quarter, we have grown again at 40%, and for the entire year, it is up by 80%. So, I think both the brands are on the right trajectory right now.

Harit Kapoor: Got it. The second thing was on the Scotland subsidiary. So, could you just explain a little bit about how this helps in terms of your procurement and what benefits you get out of this as well as whether there is any investment required in this one?

Dilip Banthiya: As you know we are one of the largest importers of the matured malt spirits from Scotland. Our focus is on malt-based alcohol and malt-based whiskies, so, this is the first step in that direction as we are procuring more and more matured malt spirits. There are various options available, buying of fresh malt there, maturing it there, exchanging the malt, and if need be, there will be future investing in malt distillery.

Harit Kapoor: Will there be any initial investment required there or you are just going to figure this out as time progresses?

- Dilip Banthiya: So, I think we are starting in a very small way, but in due course of time, as the value creations happen, we will look at using the 100% subsidiary. And in ODI route, we do not have any issue. But, as time progresses, we will come out with our investing strategy, what we want to do with that.
- Harit Kapoor: Got it. And last question was you have seen a host of new initiatives in P&A in the last six to 12 months. When we look at say next 12 to 15 months going forward, apart from the D'YAVOL investment and likely outcome of that over the next few quarters, whenever that happens, do we see that it is going to be more investment in what we have done so far over the last six to 12 months, you have done a lot and are trying to kind of expand distribution for these new initiatives, focus there or you think there is, at least in the next 12 to 15 months, there is more scope for filling white spaces, adding new variants and stuff like that? So, my short question is it kind of consolidation and distribution expansion for our recent new initiatives, is the way to look at kind of P&A over the next 12 to 15 months rather than a host of new things which we have done over the last six months?
- Abhishek Khaitan: Harit, this is a very good question. Like, if you have seen the last two to three years, the kind of brands we have launched, starting from our latest two brands which are the [Rampur 1943] Virasat Indian Single Malt, our the Spirit of Kashmir Vodka, then even Kohinoor Rum, Sangam, and the Morpheus Whiskey, I think these are very powerful brands and if I see them five years down the line, they will be really big brands hopefully. So, I think the time is where Radico with its distribution, in the next two years, is going to take it to all India and concentrate on the building distribution of these brands. Because these all brands are apart from Morpheus, they are in the luxury space and we feel there is a huge potential which we can harness what we did with our Jaisalmer Indian Craft Gin which now commands more than 50% of market share in the luxury gin space. So, I think what you have rightly said, this is the consolidation apart from the regular portfolio, we are going to spread and focus on our distribution on these.
- Harit Kapoor: Fantastic. Wish you all the best. Thank you.
- Abhishek Khaitan: Thank you, Harit.
- Moderator: The next question is from the line of Karan from Choice Institutional Equities. Please go ahead.

- Karan: Hello, sir. Congrats on a great set of numbers. So, I have seen Royal Ranthambore being available here in Gymkhana as an on-trade kind of exercise. Could you throw some more color on what we are doing as part of increasing our on-trade, and what is the current percentage of on-trade versus off-trade?
- Abhishek Khaitan: If you see about a year and a half back we said that we have to really work hard on our on-trade part because now we have got the luxury brands. So, in fact, in the last one and a half years, we have really beefed up our on-trade team. We have recruited from all the institutions, etc., We have been close to about 50 to 70 people on the on-trade side. And we have addressed bars, clubs, and everything. So, I think that is where the future of these luxury brands is there. And what we are seeing, there is a huge visibility which we have achieved. Like even in the airport, if you see 70%-80% of the outlets carry our brands now. So, I think on-trade, we have worked very hard and we have got great results there. On-trade would be about close to 6%-7% of our total sales now.
- Karan: Okay. 6%-7%. That is great. So, there were also offers. Do we plan on continuing with offers? And is these offers like buy-one-get-one included in our A&SP or is that above our revenue line?
- Abhishek Khaitan: So, it is a part of our A&SP. So, on-trade has lot many activities. So, it is all a part of the A&SP.
- Karan: Okay. Thank you so much. I will get back to you later.
- Moderator: The next question is from the line of Het Raichura from Ananya Research. Please go ahead.
- Het Raichura: Congratulations on the set of numbers, sir. I would like to know the update on the Tequila category. So, what kind of margins are we looking at and what kind of revenues can we expect in the coming quarters?
- Abhishek Khaitan: As you know, Tequila is a high-margin business. But the volumes, it will take time because it is a growing category in India. So, margins will be quite healthy in that.
- Het Raichura: Okay. Any numbers that you would like to put on?
- Abhishek Khaitan: We would not like to comment on the margin number for the Tequila.
- Het Raichura: Okay. Congratulations and thank you.

- Moderator: The next question is from the line of Nilabja Dey from Ashmore Research. Please go ahead.
- Nilabja Dey: First of all, congratulations on a great set of numbers. Sir, there is a news specifically in the leading newspapers, that alcohol companies are facing issues in collections in Telangana and also some operational challenges after this new excise policy. Obviously, the second one is not new in Maharashtra. But in Telangana, there is a collection issue and the government is not releasing money. Is there any improvement, can you just throw some light on how the things are panning out?
- Abhishek Khaitan: The collection issue has been going on for the last two years. In fact, in the last one to two months, we have got payment out of the old outstanding, and hopefully, the entire old outstanding should be cleared within a month. So, I think we are quite hopeful things should improve.
- Nilabja Dey: Okay. And Maharashtra, sir, after this new excise thing, the country liquor is getting traction and the premium ones are getting some issues. So, is there any normalization of the stuff?
- Abhishek Khaitan: What has happened in Maharashtra is they have introduced this Maharashtra Made Liquor, MML, which can be catered by only the local companies who have a Maharashtrian as a partner or an ownership origin. So, what has happened is the MRPs have been raised from the regular range to Rs. 200-plus for a nip bottle. So, the industry in Q3 has declined by close to about 20%. But the Maharashtra Made Liquor is slowly gaining pace. And I think the total market size of Maharashtra will be about 2.4 million cases per month, which is down to about 1.8 million cases, and Maharashtra Made Liquor is now right now 4 to 5 lakh cases.
- Nilabja Dey: Okay, sir. Thanks for the clarification. All the best.
- Moderator: The next question is from the line of Nitin from Emkay. Please go ahead.
- Nitin: Thanks for the opportunity. I would like to continue with the previous participant's question. I just wanted to have some clarity around what the stance is with respect to the court allowing all the companies participate in MML, so, are we also looking to participate under our JV? That is the first question.

- Abhishek Khaitan: Actually, in this month only, we are going to launch our MML through our joint venture that is RNV, and we should be in the market this month onwards.
- Nitin: Okay. That is heartening to know. Second question pertains to like with respect to the raw material setting, first is around the scotch prices. Are they inflationary? How we are placed with the scotch price?
- Abhishek Khaitan: I do not know about being inflationary because if you see all the news articles, it is saying that there is a sea of scotch which is available in Scotland, there is a glut. So, I think we are seeing a price decline in fact in the scotch prices. And there is enough of Scotch which is there. So, we are seeing softening of prices.
- Nitin: So, this is good. And in terms of like just wanted to have some perspective around this banqueting market like where we have wedding parties, corporate events. So, how material is this segment for the overall AlcoBev sector? And how are we placed in this segment since we have the full portfolio available with us now?
- Abhishek Khaitan: This is one of our key focus areas now. And in the last one and a half years, we have really beefed up our team and we are addressing this part of the segment since we have our portfolio and we have got substantial gains from it. More important is that you must be seen in these banquets, these parties, etc., which creates a brand. So, I think this is one of the biggest focus areas of Radico right now.
- Nitin: And how material would be the contribution for the industry?
- Abhishek Khaitan: I would not say the contribution. As I said, on trade combining these banquets, etc., would be in the range of about 6-7%. So, more than the volumes, it is more the imagery and more being seen at these places and sampling.
- Nitin: My last question pertains to this luxury portfolio. So, would you be able to quantify what the salience of revenue is for the nine months? Thank you.
- Abhishek Khaitan: See, last year we got Rs. 340 crores and this year we should be close to about Rs. 500 crores in revenue terms.
- Nitin: Okay, thanks a lot and all the very best.
- Moderator: The next question is from the line of Abhijeet Kundu from Antique Stock Broking. Please go ahead.

Abhijeet Kundu: Congratulations, sir, on a very strong set of numbers. My first question was on Andhra. You have outperformed, increased your market share sequentially and which is, I believe, has been driven by brandy. So, getting into the next year, how do you see the overall scenario there, because the market share gains have been very consistent and has been going up, how do you see that market growing for you, in the sense that, because sustaining that kind of growth on this kind of base would be challenging, how do you see that?

Abhishek Khaitan: Yes, Andhra has been a very good market for us as of now. And what we have seen is the premium side of the portfolio has also started increasing in the last two, three months, which we feel should gain traction, which should be very good for Radico. And as far as the brandy goes, where we have a lion's share at the regular segment, I think going forward, we will be happy if we can maintain our market share and participate in how the industry grows there.

Abhijeet Kundu: Okay. And in case of your debt levels, those have been coming down consistently. Over what period do you plan to, I mean, repay majority of that?

Abhishek Khaitan: If you see, our debt is hardly anything which is left now. So, that is least of our concern. But I think the kind of cash flow the company is throwing, by next year, FY27, we will be debt-free.

Abhijeet Kundu: Great. The third question is, you have now created a subsidiary in Scotland. So, I mean, acquisition of Scottish breweries, distilleries, all of that would be a part of this, right, because there are a lot of Scottish breweries, distilleries there, which could be on the block, so, obviously, those would be your target, right?

Abhishek Khaitan: See, as Dilip was saying that we are one of the largest buyers of bulk Scotch, and our premium portfolio is growing, the need of Scotch is going to go up. And also we are seeing a decrease in the prices of Scotch, because there is an oversupply. A lot of distilleries are getting closed. So, that is why we created a subsidiary, so that we will be evaluating, but we are not in a hurry. But we have taken an enabling provision by making company, whether we mature malt out there, we buy directly, or if there is something which is available at a very, very good price, which has the inventory of Scotch, not brand. So, we can look at it, but as of now, nothing is on the cards.

Abhijeet Kundu: Okay, sir. Thanks. That is it from my side. Congrats again.

Moderator: The next question is from the line of Naveen Trivedi from Motilal Oswal. Please go ahead.

Naveen Trivedi: Yes, good evening, everyone, and congratulations on a very strong set of numbers. Sir, just a couple of things from my side. In terms of the P&A volume growth there has been consistent kind of a strong delivery despite we have seen other players have not kind of seen this sort of a growth rate. Any color about the market where we have seen ahead of what we kind of reporting the numbers, to get a sense about which of the markets we are kind of gaining share? So, that is the first question, and the second question is on the margin side.

Abhishek Khaitan: To answer your first question... already we have answered the same where we said that we have seen market share increases compared to competition in states like Uttar Pradesh, Rajasthan, MP, Haryana, Telangana, all these places.

Naveen Trivedi: Sir, my next question was on the margin side. So, this quarter we have seen both gross margin and EBITDA margin have seen plus 300 sort of a kind of expansion. So, what is the outlook on the gross margin side and EBITDA margin side for next year? And also in terms of margins, how mix is playing the role and how much RM cost is being supported this quarter, sir, if you have any break-up.

Dilip Banthiya: So, the gross margin in this quarter has improved by 350 basis points. It is a combination of softer raw material scenario where we have had an improvement in margin of around 225 basis points, and the premiumization and product mix has been 125 basis points margin improvement. On a sequential basis, product premiumization has played a key role where the margin has improved by more than 250 basis points. The 200 basis points are on account of the product premiumization, and 50-60 basis points are on account of the raw material softening.

Naveen Trivedi: Sir, any comments on the outlook side?

Dilip Banthiya: We see the scenario of raw material to be stable to benign. And I think the upward trajectory, as we guided earlier, also that in the next two years, we are going to improve our margin based on our product profile and premiumization happening, by 125 basis points each for next two years, thereby going to late teen kind of margin.

Naveen Trivedi: Yes, sure sir. That is all for my side.

- Moderator: The next question is from the line of Jasdeep from Clockvine Capital. Please go ahead.
- Jasdeep: Hi sir. Thanks for taking my question. Sir, what have been the trends on the export front in the nine months, what is exports as a percentage of sales and by how much has it grown over the last nine months?
- Sanjeev Banga: Well, as a percentage of the overall business, the volume is about 5% and the revenue is about 8%. And we have been having a steady growth in our export business, both in terms of the luxury portfolio as well as the regular portfolio. We are also focusing a lot on the global travel retail and that is a key market expansion or channel expansion that we foresee in the coming years.
- Jasdeep: Got it. And sir, what has been the growth in revenues in the last nine months in exports?
- Sanjeev Banga: It has been consistent. So, we are happy with that.
- Jasdeep: Got it, sir. And what is the composition of exports in terms of the contribution of P&A to the overall exports revenue?
- Dilip Banthiya: So, we give a composite number; it is 7.5-8% by value and 5% by volume.
- Jasdeep: Thank you, sir. That is all from my side.
- Moderator: The next question is from the line of Nitin Awasthi from InCred Research. Please go ahead.
- Nitin Awasthi: Hello, sir. A broader question from my side. About a decade ago, if you would sit down with any liquor company which would have aspiration and ask about the end goal, asset acquisition, at the end, finally, you would end up with a distillery in Scotland being a must for any company in India and Indian company to do well. However, over a period of time, we saw Japanese whisky is doing very well with Japanese malts and of course, Indian malts itself doing very well. Then it seemed like that Scottish distillation and malt unit was no more a requirement for Indian brands or Indian companies to succeed. Is there a misread in this assumption of mine or is that a very, very big requirement still even after the success of Indian malts?
- Abhishek Khaitan: This is an interesting question. Like earlier, if you talk about wine, it would be only France. But now you see wines coming from all the regions across the globe. In fact, the new age wines are somewhere

much better than maybe the old age wine. So, same thing like in the malt that you see, earlier it was the Scottish malts and now the Japanese malts are more expensive than the Scottish malts, in fact, Indian malts are becoming more expensive than even the Scottish malts as of now. So, I think the trend is changing and more importantly is people across the globe, people in India want a different taste and a different experience. And malt has its unique character where every country has a different kind of palette to their malt. So, I think it is now kind of a global phenomenon. You no longer have to be in Scotland to have the right malt.

Nitin Awasthi: Understood, sir. Thanks to this phenomenon that has taken place in the last decade within Japan, in India, would probably be the reason for the supply or the glut being there increasing in Scotland, having the pressure on the prices of the said malts because they had naming rights on their malt. They were the only guys who could call it scotch, nobody else could. Everything else was still called malt. Since because of that reason, it would be the reason of the price correction that these guys would have seen. So the current move, if any, should be seen as an opportunistic move rather than the play of Scottish malts still being the premium brand to go to, is that understanding correct?

Abhishek Khaitan: It is a yes and a no. To some extent, 100% of what you are saying is right. The malts from India, malts from Japanese, even Taiwan, a lot of countries, they have got their own malts, but Japanese and Indian malts have really done well. And second is there is a slowdown in US, Europe and China, which has further added pain to the scotch industry. So I think it is a combination of all the activities where it is a great opportunity because for the existing brand, when you are using the X kind of malt, you get that price advantage.

Nitin Awasthi: Understood, sir. Got it. Thank you.

Moderator: The next question is from the line of Anurag Jain, an individual investor. Please go ahead.

Anurag Jain: Good evening, sir. Congratulations on an excellent set of numbers. My question is, till now, Radico has developed all the brands in-house across different categories within the spirit segment. For Tequila, you have taken a markedly different approach in terms of how to tap the market. So, what are the reasons driving the trend, if you could throw some light on that?

Abhishek Khaitan: First of all, Radico has created all the brands organically. So even in Tequila, it will be our brand which will be created organically, bottled in Mexico. So, in Radico, we are following the same policy because we know the art of creating brands and we always prefer to build versus buy. So, I think we are following the same thing in Tequila also.

Anurag Jain: Okay, sir. As per the press release, it shows that Radico will be holding a 47.5% stake. So, is there some other arrangement for the brand ownership or that would be also 47.5% only currently?

Abhishek Khaitan: This is a joint venture between Radico Khaitan, 47.5%, 47.5% is with Shah Rukh Khan and his associates and 5% is with Nikhil Kamath.

Anurag Jain: Alright. Thank you.

Moderator: The next question is from the line of Abhijeet from Antique Stock Broking. Please go ahead.

Abhijeet: Thanks for the follow-up. My question was on Morpheus Whiskey. I believe it is now available across eight states. So, how has been the initial response to it? And to follow up, you would be also registering it with the CSD at some point in time. When do you see that, I mean, what are the plans with that?

Abhishek Khaitan: As far as Morpheus goes, it is right now at the seeding stage and the initial response what we are getting is quite positive. We have priced it higher than the leading brands. So, it is at a higher price point which Radico has always done with all its brands. So, I think the response what we are getting from the market is encouraging. It will take time, because as we said, we do not chase volumes, we let the brand grow on its own, and we feel that it has good potential. And as far as the CSD goes, it is still a long way off to get into CSD, because you have a lot of criteria about the number of years it has to be in the civil market, sales in cases, then it takes one year to come in. So, I think there is still time left for it to enter the CSD.

Abhijeet: Okay, sir. Thanks. That is it from my side.

Moderator: The next question is from the line of Ajay Thakur from Anand Rathi Securities. Please go ahead.

Ajay Thakur: Yes, I had two questions. First was I wanted to understand more on the contribution run rate that we have from the super-premium and the luxury segment? I remember a few quarters back, you had

indicated that the run rate was roughly about Rs. 400 to 500 crores on an annual basis for the super-premium and the luxury brands. What it would be now if you can share some details around the same?

Abhishek Khaitan: Actually, we have already told in our call that we expect it to be close to Rs. 500 crores for the current year, which last year was Rs. 340 crores.

Ajay Thakur: Okay. And the second part, I wanted to also understand a bit more on what would be the policy for the cash we would be generating post the debt repayment, how would we be utilizing this cash and how would we be in terms of distribution of this cash as well, if you can share some insights into that as well?

Abhishek Khaitan: I think depending on the board's decision, but I think mostly it will be used for dividend payouts.

Ajay Thakur: Understood. Quite helpful. Thank you, sir.

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

Dilip Banthiya: In closing, this quarter underscores the strength and momentum of Radico Khaitan's business model. Record operating performance, expanding margins, improving returns and strong cash generation highlight the quality and durability of our growth. With a differentiated portfolio, disciplined financial execution and a robust balance sheet, we are well positioned to sustain this momentum and continue delivering consistent, profitable growth. We remain highly confident in the road ahead and committed to creating long-term value for all our stakeholders. Thank you for joining us today, and we look forward to connecting again next quarter.

Moderator: On behalf of DAM Capital Advisors, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

Note: This transcript has been edited to improve readability.

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