kotak Securities

Dated: 3rd November 2025

United Spirits (UNITDSPR) - ADD

Q2FY26 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.1431	**Rs.1560**

Rationale:

- UNSP's NSV/volume growth of 11.5%/7.7% yoy (KIE: 8.2%/6.3% yoy) was resilient.
- Despite headwinds in MH, aided by AP market tailwind (~500 bps), a weak base and RGM initiatives.
- UNSP's profitability is tracking ahead of our expectations, partly aided by benign RM prices.
- The underlying P&A growth (excluding AP tailwind and MH headwind) is better than estimated.
- We raise FY2026-28E EPS by 4-8%, roll over and revise FV to Rs1,560 (from Rs1,430).
- We value UNSP's alcobev segment at 49X December 2027E PE (unchanged). ADD
- Valuation_Rs193/share of Rs14000 cr for RCB + Rs1,368/share at 49X Dec 2027E PE for the alcobev segment)

Positives:

- UNSP's net sales grew 11.5% yoy to Rs31700 cr (3% beat).
- Volumes grew 7.7% yoy to 16.6 mn cases (KIE: 16.4 mn cases).
- P&A revenue grew 12.4% yoy (versus 3% of Pernod Ricard India) to Rs2840 cr(3.3% beat).
- GM expanded 190/155 bps yoy to 47.1% (KIE: 45%), led by sustained RGM initiatives.
- EBITDA grew 32.5% yoy to Rs670 cr (KIE: Rs570 cr).

Negatives:

- MH + high base to weigh on 2H growth.

Holding Period: 12 months

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
SUBSCRIBE	–	We advise investor to subscribe to the IPO.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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