Dated: 19th December 2025

United Breweries (UBBL) - SELL

Company Update

Current Market Price (CMP)	Target Price
Rs.1588	**Rs.1500**

Rationale:

- We hosted UBBL's CEO, Vivek Gupta, for an investor call.
- Short-term growth outlook remains weak (volume down in Q3FY26E).
- The premiumization thesis remains intact, with management targeting consistent 25-30%+ volume growth.
- Margin expansion is expected to be gradual.
- UBBL is executing well on controllable levers and making steady progress on strategic priorities.
- Sustained regulatory headwinds continue to weigh on growth and profitability.
- We expect earnings to grow 35.4% in FY27E and 31.2% in FY28E.

Positives:

- Premiumization on track and company eyeing acceleration.

Negatives:

- Near-term growth and margin outlook remain challenging.
- Regulatory pressures and adverse operating leverage.
- An unfavorable state mix and continued growth-oriented investments.
- Affordability pressures from regulatory headwinds weighing on 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.

RS – **Rating Suspended.** Kotak Securities has suspended the investment rating and price target for this stock, either because there is not a sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.

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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