Allied Blenders and Distillers

May 21, 2026

To,

BSE Limited	National Stock Exchange of India Limited
Phiroze Jeejeebhoy Towers	Exchange Plaza, C-1, Block G,
Dalal Street	Bandra Kurla Complex,
Mumbai - 400 001	Bandra (E), Mumbai - 400 051
Scrip Code (BSE): 544203	**Symbol: ABDL**
Our Reference No. 25/2026-27	

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Transcript of the Conference Call to discuss 4QFY26 Earnings of the Company held on Friday, May 15, 2026.

Ref: Our letters dated May 11, 2026 & May 15, 2026

Dear Sir/Ma'am,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the **Transcript of the Conference Call to discuss 4QFY26 Earnings of the Company held on Friday, May 15, 2026.**

The above transcript is also available on the website of the Company: https://www.abdindia.com/

The above is for your information and record.

Thanking you.

Yours sincerely,
For **Allied Blenders and Distillers Limited**

Sumeet Maheshwari
Digitally signed by Sumeet Maheshwari
Date: 2026.05.21 19:14:02 +05'30'

Sumeet Maheshwari
Company Secretary & Compliance Officer
Membership No. ACS – 15145

Encl.: a/a

"Allied Blenders & Distillers Limited

Q4 & FY26 Post Earnings Conference Call"

May 15, 2026

MANAGEMENT:	**MR. SHEKHAR RAMAMURTHY – EXECUTIVE DEPUTY CHAIRMAN** **MR. ALOK GUPTA – MANAGING DIRECTOR** **MR. AMAR SINHA – MANAGING DIRECTOR, DESIGNATE** **MR. RAMAKRISHNAN RAMASWAMY – CHIEF FINANCIAL OFFICER** **MR. J.MUKUND – HEAD, INVESTOR RELATIONS AND CHIEF RISK OFFICER**
MODERATOR:	**MR. ABHIJEET KUNDU – ANTIQUE STOCK BROKING LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Allied Blenders and Distillers Q4 and FY26 Post Earnings Conference Call hosted by Antique Stock Broking Limited. 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Abhijeet Kundu. Thank you, and over to you, sir.

Abhijeet Kundu: Hi. It's our absolute pleasure to host the management of Allied Blenders & Distillers Limited for the fourth quarter of 2026. Over to Mr. Mukund, Head of Investor Relations and Chief Risk Officer for further proceedings. Thank you.

J.Mukund: Thank you, Abhijeet. Good afternoon, everyone, and thank you for joining our Q4 FY26 results conference call. I hope you have received a copy of our results presentation. I would like to urge you to go through this along with the disclaimer slides.

Today, we have with us from the management of ABD, Mr. Shekhar Ramamurthy, Executive Deputy Chairman; Mr. Alok Gupta, Managing Director; Mr. Amar Sinha, Managing Director, Designate; and Mr. Ramakrishnan Ramaswamy, Chief Financial Officer.

I would like to hand over the call to our MD, Mr. Alok Gupta, who will give you the summary of the company's quarterly performance before we open up for Q&A. Over to you, Alok.

Alok Gupta: Thanks, Mukund. Good afternoon, everyone, and thank you for joining us today for Q4 and full year FY26 earnings call of Allied Blenders and distillers Limited. We are absolutely pleased to report another quarter of strong and consistent performance, marking our seventh consecutive quarter of profitable delivery post listing.

FY26 stands out as a defining year for ABD, where disciplined execution, accelerated premiumization, focus investment and a prudent capital allocation enabled us to deliver record annual profit while simultaneously strengthening the foundation of long-term sustainable growth.

On a consolidated basis, income from operations for FY26 stood at ₹3,949 crores, registering a growth of 11.5% year-on-year. We reported highest ever EBITDA of ₹568 crores, a growth of 25.8% over last year EBITDA of ₹451 crores, and EBITDA margin expanded by 163 basis points to 14.4%.

We delivered highest ever PAT of ₹220 crores, reflecting the benefits of improved gross margins, premium mix enhancement, operating leverage and disciplined cost management. The above PAT excludes tax expenses, (which including interest for earlier years) of a total of ₹45.45 crores. Adjusted for the same, the adjusted PAT for FY26 would have been ₹266 crores, which is 36.3% over last financial year's PAT of ₹195 crores.

Our stand-alone business also delivered its highest ever annual financial performance during FY26. Income from operations grew by 10.4% to ₹3,909 crores, while EBITDA increased by 33.4% to ₹604 crores. Stand-alone EBITDA margin improved significantly by 267 basis points to 15.5%, while PAT grew by 34.1% to ₹268 crores, highlighting the strength and profitability profile of our core operations.

Looking at the overall performance for the year, FY26 reflects the continued execution of our future-ready transformation agenda. Our well-defined 4 strategic pillars continue to drive overall performance.

First, premiumization continues to accelerate with P&A contributing 47.2% of overall volume and 57.3% of value during FY26.

Second, ABD Maestro strengthened our entry into the Super-Premium and Luxury segment through our asset-light build, buy and partner approach, enabling us to establish a diverse portfolio across multiple flavor profiles and price points in record time frame.

Third, our backward integration projects progressed well and remains on track, helping improve supply chain security and structural cost efficiency enabling margin expansion.

Finally, disciplined execution, neutral to favourable commodity and packaging cost environment and operating leverage collectively enabled meaningful margin enhancement with gross margin expanding to 45.6% and EBITDA margin improving to 14.4% during FY26.

Complementing this momentum is the continued success of ICONiQ White, which crossed a significant milestone and recorded sales of 10.7 million cases during FY26 and continues to be one of the fastest-growing millennial spirit brands globally.

Reflecting the company's strong financial performance and confidence in the long-term growth outlook, the Board of Directors has recommended a dividend of 270%, which is ₹5.4 per equity share of ₹2 each for the financial year FY26 for the approval of the shareholders at the ensuing Annual General Meeting of the company.

Moving to Q4 FY26, we delivered another quarter of healthy consolidated performance, supported by resilient consumer demand trends and improved realization across all key markets.

Income from operations for the quarter stood at ₹1,020 crores, reflecting a growth of 9.1% year-on-year, and EBITDA increased by 21.2% to a record ₹182 crores for the quarter. EBITDA margin expanded from 16.1% to 17.9%, highlighting continued improvement in business quality and operating leverage.

Growth during the quarter continued to be led by P&A category, which delivered strong year-on-year volume growth of 20.5%, reaching to 4.4 million cases. The segment contributed 57.7%

of overall sales during the quarter, reinforcing the strength of our P&A portfolio and improving mix profile.

We also witnessed progressive normalization in the Telangana during the quarter, with improving trade confidence and stabilization in market operation and supporting recovery trends. With the mass premium and other segment, quarter-on-quarter volume growth of 5.6% was driven by Southern and Eastern market. However, on a year-on-year basis, the segment remained flat as we continue to prioritize profitable state brand mix optimization.

From a profitability perspective, gross margin expanded sharply by 480 basis point on year-on-year basis to 48.2%, supported by a favourable commodity and a packaging cost environment along with backward integration benefits. These gains were partially reinvested towards brand-building initiatives across core brands and luxury portfolio as well as strengthening organizational capability. As a result, the EBITDA margin expanded by 179 basis points year-on-year basis to 17.9%.

EBITDA growth during the quarter was driven by premium mix improvement, favourable input cost, operating leverage and initial benefits flowing from backward integration project. The increase in depreciation during Q4 FY26 and FY26 was primarily attributable to accelerated depreciation of useful life of certain plant assets, including the PET bottle manufacturing facility.

From a cash flow perspective, FY26 marked a significant improvement in operating cash flow generation. Operating cash flow improved to ₹362 crores during FY26, driven by strong profitability and sustained working capital discipline. Our improved cash generation and disciplined financial management have further strengthened the balance sheet. Net debt-to-EBITDA stood at 1.7x as of March '26, comfortably within our stated framework of below 2x.

Similarly, net debt to equity remained at 0.6x, well below our stated framework of 0.75x. Even during the peak capex phase, we continue to maintain a prudent capital structure while investing aggressively towards long-term profitable growth. Our capital structure continues to provide adequate headroom to support future growth plans.

During the year, we also made significant progress on our phase backward integration and supply chain optimization capex initiatives. Phase 1 PET bottling manufacturing facility in Telangana was successfully commissioned during Q2 FY26 and has already become EBITDA accretive from Q3 onwards. Malt Distilleryproject in Telangana is expected to become operational during H1 FY27. Similarly, ENA distillery expansion project in Maharashtra is expected to become operational during H1 FY28. The expansion will significantly enhance captive blending and ENA capabilities and improve long-term raw material security.

Phase 2 of our strategic backward integration expansion, includes investment across Uttar Pradesh, Maharashtra and Andhra Pradesh aimed at strengthening bottling and ENA capabilities across key growth markets. These projects are expected to be strongly value accretive and structurally improve our profitability profile over the medium term.

Phase 1 and Phase 2 initiatives are expected to contribute approximately 300 basis points towards EBITDA margin enhancement by FY28, and an incremental margin improvement of nearly 100 basis points by FY29.

ABD Maestro continues to play a pivotal role in shaping our long-term premium and luxury journey. Through this platform, we have successfully established a differentiated Super-Premium and Luxury portfolio across whisky, gin, vodka and rum category through our asset-light **Build, Buy and Partner** approach.

During the year, we further strengthened the portfolio with launches such as the collective, a limited edition 34-year-old single malt scotch whisky. The collective has had a strong consumer response with over 50% of the allocations already secured through preorder and sale. This validates the growing appetite for experience-led ultra-luxury offering in India.

We continue to invest in premium consumer engagement, mixology-led activation, expanding key markets, travel retail and CSD presence, positioning ABD Maestro as a key long-term growth engine for the company.

Finally, our export business continued to deliver strong momentum during FY26. Export revenue grew by 14.1% year-on-year to ₹235 crores, supported by our asset-light and high-margin operating model. We also expanded our international footprint significantly from 23 countries to 36 countries during the year. However, during the quarter 4, exports were partially impacted by geopolitical development and war-related disruption in select international markets.

As we enter FY27, the ongoing trend of premiumization continues on the back of growing consumer preference for high-quality and experience-driven consumption. We believe this structural trend will continue to support our premiumization journey and help us build scale with value.

Accordingly, we remain sharply focused on driving premiumization-led value growth and consistently increasing the salience of our P&A portfolio. At the same time, in mass premium portfolio, our focus remains retaining market leadership in whisky segment in terms of volume and gross margin and continue to innovate to expand market size.

In addition, we continue to see encouraging opportunities emerging from relatively underpenetrated premium channels such as CSD and travel retail. During FY26, we secured CSD approval for key brands, including ICONiQ, Sterling Reserve B7, Kyron and Jolly Roger Rum. This strengthens our presence in one of the industry's most profitable channel with an estimated industry size of 12 million cases annually.

Going forward, we expect CSD to become an important growth lever, particularly for our Prestige & Above portfolio, supported by increasing premium brand acceptance with wider channel penetration.

We also strengthened our presence in travel retail channel through ABD Maestro with launches across Bengaluru, Delhi, Mumbai and Lucknow International Airports. We believe travel retail will continue to play an important role in enhancing premium brand visibility, engaging affluent consumers and supporting the global positioning of our luxury portfolio amongst both domestic and international travellers.

A summary note on a few key brands, Officer's Choice whisky. For Officer's Choice whisky, the focus is on stabilizing performance through brand refresh and improved market relevance. Efforts are centred on strengthening the consumer connect, enhancing visibility and selectively investing in key markets. The objective is to arrest decline while enabling gradual recovery and retention. Also, in certain high-volume key southern markets of Telangana and Andhra Pradesh, driving growth at value price points in the whisky category to cater the consumer demand.

Additionally, as highlighted in our Q3 FY26 earnings call, we see a compelling opportunity in Andhra Pradesh mass premium brandy segment, a large 12 to 13 million case market where ABD had limited prior presence. With necessary approvals now in place, we have commenced participation with our flagship brand, Officer's Choice brandy in this attractive and high-growth segment, which is expected to contribute meaningfully over the medium term. Through a combination of above, we expect mass premium and other category to grow by low to mid-single digits.

Now in our Prestige & Above segment, we remain focused on driving aggregated market share in the whisky category through our 3 millennial brands, ICONiQ White, Officer's Choice Blue and Sterling Reserve B7. We expect to maintain the growth momentum in ICONiQ White through further penetration across key markets and expanding in CSD and international markets as well.

The approach on Officer's Choice Blue is anchored on broader brand reset to restore salience and competitiveness in the P&A segment. This includes strengthening brand cues, improving visibility and driving consumer reappraisal. The focus remains on rebuilding consideration, accelerating recovery in core market.

As regards Sterling Reserve B7, the strategy is focused on reinforcing its premium positioning and improving brand momentum. Marketing efforts are directed towards enhancing consumer engagement, strengthening brand salience and driving relevance across key consumption occasions. This is expected to support steady performance within the Prestige & Above segment.

We are also in the pipeline to launch a new vodka offering in the P&A category to further strengthen our participation in the large volume, high-growth white spirits category through a combination of above, we expect P&A category to grow at high teens by FY28.

For ABD Maestro, FY26 was a year of establishment, while FY27 will be the year of growth and market scale up. We also remain focused on expanding across key markets, strengthening presence in travel retail and CSD channel, scaling consumer engagement and accelerating portfolio visibility across luxury and super premium categories. We are evaluating the launch of our additional scotch offering and further variants across established brands, leveraging improving market access opportunities under the FTA framework.

Overall, we expect the top line growth at a consolidated level to be in the range of mid- teens at the backdrop of higher investment in further scaling up ICONiQ White, arrest de-growth of the other 3 millennial brand and establishment of super premium to luxury portfolio of ABD Maestro. Together, these initiatives provide us confidence of delivering mid-teens top line growth in line with our stated guidelines.

As regards to our EBITDA outlook, the EBITDA will be supported by above stated top line growth momentum and further aided by benefits from backward integration initiatives and potential upside from upcoming U.K. FTA alongside expected Telangana price increase. These gains will be partially offset by a rising inflationary environment, ongoing geopolitical uncertainty impacting input cost, incremental ESOP charge, which was not applicable last year, and continued investment behind our brands through calibrated marketing and A&P spend to support long-term growth.

From a capex perspective, we are focused on disciplined execution of strategic investment in EBITDA accretive backward integration projects. We continue to maintain disciplined capital allocation and expect leverage metrics to remain within the company's stated guardrails on an annualized basis through the capex cycle.

With the integrated value chain, disciplined execution, prudent capital allocation and increasing consumer engagement across category, ABD is well poised to deliver long-term profitable growth and sustainable shareholder value.

Thank you for your patient listening. Over to you, Mukund.

J. Mukund: We can start the Q&A now.

Moderator: Our first question comes from the line of Abneesh Roy from Nuvama Wealth Management Limited.

Abneesh Roy: Thanks, and congrats. My first question is on the near-term margins. FY26 was a very strong year in all parameters. And in H2 FY27, you will see the U.K. FTA benefits kick in. And if you could elaborate on where is the status currently? Is Q2 also possible or we should build in from H2 only? Why I'm asking this is clearly glass bottles, there's a clear inflation.

The beer companies highlighted this quite clearly. And now petrol, diesel hike will keep happening, which means distribution cost for every company will go up. FMCG companies have taken around 4% to 5% hike. So, if you could tell us any price hike you're getting from any states? And how do you see margins? You discussed that in some detail, but if you could clarify H1, how do you see the margin?

Alok Gupta: Thank you, Abneesh. I think if you were to look on what could positively drive the margin, you've already covered FTA. Basically, as we understand, Q2 looks like a distinct possibility that the FTA will come in place. So that's a tick. The second important upside will come from Telangana price increase. As you know, the committee has already been formed, and they've requested all marketers and manufacturers to provide necessary details in terms of what price increase is required. This is a very important one for the industry, but especially for us, given the fact that it's a very, very large market for us, and we've got a very, very large base. So, this will not just incrementally impact margins but significantly impact margins.

The third is that in many markets, announcements have already been made. And wherever it was possible, the industry, including us, have taken the price increases. So that's third one. So, these really are 3 things that are sort of common to environment. The fourth and more importantly for us is our capex cycle. If you would recall, our guidance was that by FY28, we see about 300 basis point improvement in our gross margins.

And while your question is limited to FY27, but just to conclude, and by FY29, an incremental 100 basis points. So, these are 3 or 4 areas where we believe our margins will have a positive kick up.

As regards to the geopolitical-related inflationary pressure, for time being, our assumption is that this issue will resolve over the next month or so and some bit of correction and normalcy will come in the market. So, our view is that if this issue was to resolve over the next couple of months, we will see some short-term pressure. But overall, for FY27, we should be able to, by and large, deliver margins no different than FY26.

Abneesh Roy: Sure. That's helpful. One follow-up on this is, in Telangana, that price hike, you think that can come in the near term? And in Karnataka, I had a specific question. The number of slabs have been reduced very sharply. And alcohol content and taxation, there is some level of linkage. Is it negative for Officer's Choice in any way? And do you see opportunity in some of the other brands, but slight negative for Officer's Choice in Karnataka?

Alok Gupta: I think Karnataka, we have to keep in mind that the policy is yet to be implemented. Therefore, drawing any conclusion at this stage may not be prudent. Having said that, if the policy was implemented in the manner that it is currently outlined, or discussions are on, definitely an up for the P&A segment. We are seeing ICONiQ doing very well in the state of Karnataka, and therefore, it could get a hockey stick opportunity in Karnataka. We do expect moderation to happen in the lower slabs. And if that moderation takes place, we believe for a brand like Officer's Choice, it could be neutral to positive.

Having said that, it's a very, very small market for us. I mean, we put together do on Officer's Choice, maybe about 300,000 cases annually. Therefore, the bigger opportunity is in the P&A segment, but the policy is yet to be implemented.

As far as Telangana is concerned, I think our view is a bit conservative, but optimistic. We are of the view that the price increase will definitely come through. Whether it will happen in the next 2 months or not is not the way we are looking at. We are hopeful that in Q2 sometime, this price increase should come through, but better to plan from an H2 perspective.

Abneesh Roy: Your last quick question, and I'll end there. So, my question is to Amar Sinha. So firstly, in terms of his role and experience, obviously, fantastic role and experience at Radico Khaitan. I wanted to understand his initial thoughts on Allied Blenders, and what will be his long-term vision? And how does the leadership transition happen? Any bifurcation in the role in the near term? And when does the transition happen?

Amar Sinha: So, thank you for the question. I've obviously joined ABDL with a lot of optimism because as my friend just mentioned, Alok has already set the ball rolling for the company to move to the next level. But I see great opportunities in this company. Why? we have a great set of brands in ABDL with OC, OC Blue and ICONiQ is the one of the fastest-growing brands in the world today and of course, SRB7. So, there are 4 millionaire brands, which itself is an asset for the company. Besides that, ABDM has launched premium to luxury brands, 10 of them. And I believe that since they have launched products in every category and price point, hopefully, most of them will fructify and do well.

So, it's the time right now for the next 3 years is for me to consolidate and grow the ABDM brands and at the same time, nurture brands within the ABDL setup and take them to the next level. ICONiQ is one product, which I'm hopeful is going to play a major role in my entire initiative because it is in the segment which is a 70 million-plus cases market.

And I think it has aggressively moved into this space and is fastly gaining market share. So, this is one product that I'm banking on. We would certainly like to revive Officer's Choice Blue. You can see the new phase of Officer's Choice Blue in Q2 that will add to the growth momentum of the company.

Officer's Choice, I personally believe has a great brand equity, the mother brand. Somewhere this segment has taken a beating in the last couple of years. But as far as we are concerned, we still have more than 40% market share. And with some very strong markets like Telangana, Madhya Pradesh, Andhra Pradesh, and Rajasthan, I believe it's time to strengthen these markets with Officer's Choice, again, with a new look. So, I think these are as far as brands are concerned.

As far as the next 3 years are concerned, I have divided my task into a couple of cohorts. The first one I said is top line and portfolio buildup, which as far as brands are concerned, I've talked about, we see a revenue growth in the next 3 years to reach high teens. The Premium and above segment, I believe that it should cross the 50% mark as far as volume is concerned. And as far as value is concerned, it should be between 70% to 75% mark.

So, as far as we are concerned, that takes care of the top line and portfolio buildup. The next one is backward integration benefits, which means optimization of infrastructure. One ENA. We have initiated projects to produce ENA, which will take care of 100% of our captive consumption. And in the next 3 years, we need to make sure that the growth takes into account this factor and helps us achieve utilization of the ENA capabilities that we have.

Then we have malt. We have initiated projects of producing 4 million liters of malt at Rangapur. And obviously, my objective is to have malt consumption used for our own products in the premium categories. And at the same time, over the next 3 years, launch our new single malt within the ABD portfolio.

As far as the PET plant is concerned, we have commissioned a project, which takes care of our 70% to 75% of our requirement. As you know that the normal regular segment in the alcobev space is very huge. So, we will make sure that the production is used for our captive consumption, and that brings down our cost substantially.

The third cohort would be margin enhancement. From a level of 45% it would be my endeavour that over the next 3 years, we take it to 48% to 50% because gross margins in the alcobev space in India are still very low, and I think there is huge potential. And with the CAGR growth expected to be in excess of 8% to 10% in the years ahead, this should be a distinct possibility.

Premiumization is the name of the game. EBITDA margin, hopefully with a 50% gross margin, I think should cross the 20% mark easily over the next 3 years. The return on capital, which is a prudent capital allocation that I see should be in the region of 25% over the next 3 years.

Abneesh Roy: Thanks a lot, that was very detailed and lot of insights.

Alok Gupta: To answer the second part of your question on transition, I think we are already at a fairly clear stage of transition and hopefully should announce it within this quarter. And I think things are progressing very well.

Moderator: Our next question comes from the line of Nitin from HDFC Securities.

Nitin: Some of the questions got answered in a detailed update from Amar sir. My first question pertains to P&A volumes. Congratulations on another year of robust growth in ICONiQ. I'd like to know the aspiration for the next year. And in terms of if you can help us understand like how many states the brand is present and how many states, we are aspiring to go in FY27?

Alok Gupta: Nitin, thanks for being on the call. So, your question is not clear about the state. If you can repeat, thanks very much.

Nitin: Yes. I just want to understand like ICONiQ has grown 88% this year. And what is the aspiration we have for '27? And based on like how many numbers of states we are present and what is the plan ahead, like how many more states we will go into?

Alok Gupta: I got it. Thank you, Nitin. Nitin, so from a distribution footprint point of view, we have a 100% distribution in the domestic market, be it government market, wholesale or retail market. We are present across all states in the country. We have been able to get approvals for ICONiQ in CSD channel, which is a very large segment and the billing has started. So, we are very happy because CSD becomes another avenue for growth.

In addition, we are currently exporting ICONiQ to 9 countries. We believe this footprint could multiply on an accelerated basis, largely because of the repeat orders that we are getting. So, the growth of the brand will continue to come from domestic, CSD and international market.

Rather than answer your question of what we expect the brand to do in FY27, which interestingly is already running at about a 12 million cases plus ARR, I think our aspiration is that we believe truly that ICONiQ can be a market leader brand and how quickly we can get there is really what keeps us excited.

Nitin: So that's very good. And second, in terms of this ABD Maestro's performance for FY26 and your aspiration for '27? And how is the brand available in on-trade, off-trade?

Alok Gupta: Right. So, ABD Maestro, by and large, is at a stage where they have the core portfolio ready. We have 10 very interesting, differentiated brands. In addition, we shall be adding 2 more brands to this portfolio. So, I think they are through with the portfolio consolidation. It's a 70-member team now, which is working at ABD Maestro, largely looking at key accounts. The brands are now available in about 11 states as we speak, exiting March '26, and the further expansion is planned during the financial year.

Since these are super premium to luxury brand, the focus is also on travel retail, and we are currently available in 4 travel retails and more to come, and we've also started shipping these brands into some of the international markets. So, in FY27, we will see 2 new brands rollout, expansion of travel retail and expansion of the international footprint. So that's really the game plan for ABD Maestro.

Nitin: And what is the ARR for this ABD Maestro Portfolio?

Alok Gupta: ARR, the next year outlook, well, we are hoping to hit a century if not higher, in terms of top line.

Nitin: Can you repeat that? I didn't get it.

Alok Gupta: I saying as far as ABD Maestro is concerned, we are hoping to cross ₹100 crores mark soon in terms of annual. Since the IPL season is all I was saying we'll hit a century if not higher.

Nitin: Sure, sir. And last question pertains to this on net debt to EBITDA and net debt to equity, like seems to be stretched in FY27 because of the accelerated capex we are doing. Do we have the flexibility to cross the maximum ceiling, or we will do the phased sort of expansion so that our ratios are within limit?

Alok Gupta: Nitin, we are quite committed. Our entire capex investment will be a combination of internal accruals and borrowing whenever required, but we do not intend breaching these covenants at all.

Moderator: Our next question comes from the line of Mehul from JM Financial Limited.

Mehul: My first question is obviously on your overall sales growth guidance of mid-teens and P&A sales growth guidance of close to high teens. Now if you can, for the P&A sales growth, while you did allude to how ICONiQ will grow, and obviously, to some extent, ABD Maestro will be in a scale-up mode in FY27.

But ex of ICONiQ and ex of ABD Maestro, we do have OC Blue and Sterling Reserve. I just wanted to understand what are the issue with actually OC Blue and Sterling Reserve? And how do you see these brands playing role in FY27 growth?

Alok Gupta: All right. Thank you very much. Let me just also add to the mix a bit about mass premium. So, in addition to the point that Amar made that we are trying to do a few things, we have now approvals for OC brandy in the state of Andhra Pradesh, and we see another millionaire brand in making in OC brandy in this financial year. So, I think that's something that we are excited about again. So, I just thought I'll add that to the mix.

As far as ICONiQ is concerned, I've already sort of responded to Nitin's query, so that gives a reasonably good view to you. ABDM brand, I think it's an interesting point that we keep making that as we keep scaling up ABDM portfolio for 1% volume contribution that comes to ABD, it translates to roughly 9% value growth. So, when we are talking about a mid-teens value growth, I think we have to keep one thing in mind that ABDM will not necessarily move the volume growth lever, but it substantially impacts the value growth lever.

As regards OC Blue and SRB7 essentially, both these brands are now more than 10 years old. They are operating in a highly competitive segment with strong number 1 and 2 brands. I think now that we are able to provide right amount of A&P capital to these brands, combined with newer packaging, I think all we have to do is to address the issue of represent these brands to the consumer, put the right amount of A&P so the brand is on top of mind and it drives back sales. So, this is one agenda point that is going to keep us busy this year.

Mehul: And you think that the decline will get arrested for these 2 brands in FY27 and they'll be back to positive growth trajectory?

Alok Gupta: Yes. So, the marketing program that we put together on SRB7, we first experimented in some of our key markets, and which is giving us enough confidence, not only we are able to arrest de-growth, but we were also able to bring in growth of low single digit.

So, the idea was that instead of just putting A&P money in one go, like a bull in China shop approach, let's make sure that we test that what we are doing on the brand is actually delivering. Now that we are satisfied that the marketing program that we put on SRB7 indeed not only arrest de-growth, is also able to bring some growth back, we are happy to contribute a larger A&P sum towards the brand.

OC Blue is a very interesting brand because it's a regional powerhouse brand. So, in Phase 1, the focus is that in the pockets of strength, how does it get back to its leadership position and then the opportunity of rolling out in some of the other markets. I think a point again, Amar has made, in Q2 FY27, we are rolling out perhaps a best-in-class packaging, never ever seen packaging on OC Blue, and we are hopeful that the consumers would love it.

Mehul: And sir, your guidance on the margins when you said that in FY27, we should be able to at least maintain the margins. You are saying this with respect to Q4 margins, or you are saying that your EBITDA margins will be closer to FY26 overall EBITDA margins?

Alok Gupta: FY26 overall margins.

Mehul: Okay. And so okay, you are not looking at, I mean, this is like a base case assumption that expansion won't be there in FY27? Or this is a conservative estimate that FY27 won't see EBITDA margin expansion over FY26?

Alok Gupta: It's neither conservative. I think the way to look at is when we look at the overall numbers, we will see in Q1 and early parts of Q2, some stress on margin on account of West Asia war. As we get into Q2 and H2, 3 or 4 things are going to happen. FTA should kick in, the Telangana price increase should kick in. The capex benefit should kick in, the season should kick in. So, what we'll see is some bit of margin contraction in Q1, early Q2. We then will see margin expansion happening.

And as we're exiting the year, we will see further margin expansion. So, the guidance that we are giving is that the FY27 overall margins, we should be hold on to the FY26, if not better it. So that's the way we are looking at it. Could it be better? The answer is, obviously, that's the endeavour, but that's the base comfort that at an overall level, FY27 margin will be equal to FY26 margin. And if this war was to sort of wind up quickly, then we could see even a better position emerging.

Mehul: Understood. And on the ESOP charge that you mentioned, what is the kind of charge that one can see in FY27?

Alok Gupta: I think, on a quarterly basis, you could see a number of about ₹5 crores to ₹6 crores.

Mehul: Last question on ABD Maestro. Obviously, you did allude to ₹100 crores kind of revenue guidance for FY27. But how should one look at the profitability of this portfolio, not from an FY27 perspective, but let's say, from a 2to 3-year time frame, when do you see this portfolio breakeven? Or ₹100 crores you will see a breakeven? I mean, any thoughts on the profitability of this portfolio.

Alok Gupta: Sure. I think the way we had put together the 3-year plan for ABD Maestro was that year 1, it's going to be an EBITDA negative, right, which you can see in the numbers. We will target towards CM2 neutral, which is the business being able to invest back in the brand from its own internal accruals.

So, we'll try and get to as close to a CM2 neutral. And in year 3, it will become a CM3 or EBITDA neutral company. That's our 3-year outlook. So, the idea is to drive the top line with some clear financial margin guidelines in terms of go from CM3 negative to CM2 neutral to CM3 neutral. So that's really the way we are looking at it.

Mehul: Understood. Thank you so much, sir. That's all from my side. All the best.

Alok Gupta: If I can just add one more point, Mehul, I think we've not spoken about it. Our bottling unit that we are planning to put in UP, we have fairly large volume base there now. The ₹27 franchise fee will not be applicable. This will happen sometime in H2.

So, if you can just multiply ₹27 into the portfolio we have, that's incremental margin on a brand like Officer's Choice, which is going to change favourably the overall margin position.

So, I think I'm just trying to maybe be repetitive. You will see some margin contraction in Q1, early Q2, and thereafter, we should see margin expansion and overall delivery in FY27. I think Amar wants to add something. Go ahead.

Amar Sinha: So, the UP distillery and bottling plant that we plan to put is going to give us substantial leverage into the margin accretion. And as far as brands are concerned, UP, we will definitely, as Alok said, that we'll gain the benefit of ₹27 franchise fee. And today, we are the second largest company in UP. It's happened very, very quickly. And we will get this franchise duty benefit on this large volume, one. Two, sometime next year, we will also look at adding more brands, which will add to the portfolio and profit margins.

Mehul: Understood. So just to summarize, while '27 first half might have some pressures, but FY28, you are pretty confident, at least you have the right levers to get that 300 bps expansion that you are targeting?

Alok Gupta: Mehul, if you recall, we have increased our guidance. Our guidance was 17% EBITDA margin by FY28. If you would notice, we have increased by 100 basis points to 18%, and we will stay with that guidance.

Moderator: Our next question comes from the line of Dhiraj Mistry from Jefferies.

Dhiraj Mistry: Sir, my first question is on gross margin expansion. So, the 300-bps gross margin expansion we have seen or roughly ₹300 crores of gross profit expansion, what amount would be because of backward integration? And what would be because of the raw material price benefit or, let's say, price hike?

Alok Gupta: For the current financial year, as you know, that only the PET unit, by and large, is operational and the margin expansion on account of that would be about 30 basis points or so. And balance is purely on account of price increases, control on our trade spend and, of course, ongoing focus on the state brand mix. So, this is reasonably sustainable. And as the projects keep kicking in, the margin will keep on expanding.

Dhiraj Mistry: Got it. Some of the very, very quick questions are what are the due from Telangana now?

Alok Gupta: You want to share all the questions with me while I put the information out.

Dhiraj Mistry: Got it. Yes. And one is that the ICONiQ White growth is phenomenal, no doubt about it. But when I look at the price point of OC Blue and Sterling Reserve, which is very close to ICONiQ White, I know the product positioning and everything is quite different, but in your sense, does ICONiQ White growth cannibalize growth of Sterling Reserve B7 and OC Blue?

Alok Gupta: Okay. So let me respond to this. See, ICONiQ White interestingly operate at a price point between, equal to Prestige and somewhere higher than Prestige. So, it's able to get consumer both from the Deluxe segment and the Prestige segment. That's about 120 million cases. One thing that whenever we are in the retail outlets, we talk to our retail partners, and we ask them what is the source of growth. They consistently and they reaffirm that ICONiQ White continues to grow and get share both from Prestige consumer and from the Semi Premium consumer, but they also qualify it is a younger consumer.

So, I think that is very heartening for us because India is adding about 12 million to 13 million consumers of legal drinking age, of which some of them will take informed choices. And when they will look at what is trending amongst the youngsters and the brand ICONiQ should get disproportionate share versus the other brands. So that's really the growth engine of ICONiQ.

To your question that is it taking shares away from SRB7, it is taking share away from all brands operating in that segment, including SRB7. So therefore, the way we look at it is that if the segment is about 120 million cases, OC Blue, ICONiQ and Sterling B7 put together, right, we are looking at about 18 million, 20 million cases, and this is 20 million cases of 120 million cases segment.

And in the earlier speech, I said that we're looking at a strategy, which is how through a combination of 3 brands and very specific perhaps geography-led initiatives, how do we continuously get higher market share from this 120 million case segment? There is bound to be some cannibalization, yes.

Dhiraj Mistry: Yes. So just from the salesperson perspective, when he goes to the market and all, let's say, if he is getting high volume from ICONiQ, is there any differentiation for the salesperson to push OC Blue versus ICONiQ White versus Sterling Reserve?

Alok Gupta: So, I think fundamentally, this is part of our entire budgeting process, which happens at a salesman level. So, at the start of the year, we would know at the salesman level, what's the market potential, what's happened in the segment, what is the competitive intensity.

So, the targets get agreed at a brand level. Therefore, every TSC is aware that what is the target that has been agreed to, the entire incentive structure is aligned to those targets. So, I think there is honestly a great amount of clarity in terms of what needs to be driven, which brand needs to be driven in what market. Like I said, idea has to look at overall aggregate shares.

Dhiraj Mistry: Got it. So, on Telangana due

Alok Gupta: So, Telangana, Q4 FY26 over Q3 FY26, we are seeing reduction both in the overall receivables and in the overdue receivables.

Amar Sinha: There's nothing pending from the last 2 years, which is FY24 and FY25. There's nothing pending. They have cleared up the dues. And very soon, the balance will also be clear.

Dhiraj Mistry: Got it. Got it. And sir, my last question is very broad. It's on Premium category strategy. Let's say, we have been quite aggressive on entry level of P&A and mid-Prestige segment. While our product innovation or, let's say, any pipeline to launch in premium strategy where many people, let's say, a market leader are quite aggressive in expanding that market?

Alok Gupta: I'm going to request Amar to take this question to do the future. I think he is best positioned to share his views.

Amar Sinha: Okay. So, can you just repeat the question once?

Dhiraj Mistry: So, in premium Segment where, let's say, Signature, then Blender's Pride and then recently, Radico has launched Morpheus whisky, in those segments, many action has been taking place, while as a company, we are not seeing any product launches in that segment.

Amar Sinha: Okay. So let me say that that's an important segment of more than ~20 million cases. And there have been fairly high degree of success that's been seen with some new brands that have entered. So, we recognize the potential of this space, and we are also working on a premium brand, and we hope to launch it very soon. I would say, in H2, you will see a launch of a premium brand from the ABDM portfolio.

Moderator: Our next question comes from the line of Karan Kamdar from Choice Institutional Equities.

Karan Kamdar: Congrats on a great set of numbers yet again. Sir, while near-term margin pressures you explained quite well, what I wanted to know is that how are we planning to build into the luxury portfolio? And how far out would you see single malt coming out from our end, like a proper premium single malt?

Amar Sinha: Yes. So, I think over the next 3 years, we do see a single malt being launched from our portfolio. We are working towards it. And it's too soon to share any further details on it. But we are conscious. You see we are setting up a malt plant, which is going to be quite big in its own way. It's a 12 KLPD plant. And hopefully, you'll see in the next 3 years a good product coming out.

Karan Kamdar: Okay. Okay. Sir, any plans to sort of capture the ₹3,000, ₹4,000 ex Maharashtra price market? As I understand, that is a huge market with great margins. So, any color on that side of the market? Since we are at it, that is what I understand.

Alok Gupta: You're talking about ₹3,000 to ₹4,000 consumer price?

Karan Kamdar: Retail price yes. Retail ex-Maharashtra.

Amar Sinha: Yes. So first of all, as far as we are concerned, we already have brands within the ABDM portfolio that's going to be playing in that price segment in Maharashtra. We've got Woodburns, which we are going to promote aggressively now. We've launched an Irish whiskey, which is out, that we will promote aggressively. There's a designer whisky, YELLO, that is close to that segment. That's what we're going to be promoting aggressively. And sooner or later, of course, ABD, from its own portfolio, will probably explore launching a brand as well.

Moderator: Our next question comes from the line of Kaustubh Pawaskar from ICICI Direct.

Kaustubh Pawaskar: Congrats for a good set of numbers. Sir, I have just one broader question, which I want to ask about the Prestige & Above brand. So now if you look into the segment, 16.9 million cases volumes what we achieved in FY26. Out of that, 10.7 million cases have been achieved by ICONiQ. So would like to understand like once ICONiQ attains certain scale, which other brands would you like to grow parallelly like ICONiQ, which can be a millionaire brand over the period of time. I'm not asking from 1- or 2-year perspective? This is a broader kind of question.

We have done a lot of launches in the recent past. So, we must be having some sense that this brand can attain certain scale and can be a millionaire brand for us and can help us to achieve whatever we are targeting in terms of Prestige & Above consistently growing in terms of volumes and also in terms of contribution?

Alok Gupta: Thank you, Kaustubh. Kaustubh, the segment that you're talking about actually FY25 of the ~420 million cases is about 160 million cases. ~120 million cases are whisky and ~40 million is non-whisky, largely brandy and vodka segment. So, our approach in the 120 million case segment is to leverage ICONiQ, SRB7 and OC Blue and to aggregate drive market share year-on-year. That leaves an opportunity in 40 million cases, which is non-whisky, which is brandy and vodka.

And I think Amar has already shared that we are planning to launch a Prestige vodka. We already have under a market prototype a brandy. So, looking into medium and long term, the aspiration is to build a successful Prestige brandy and a Prestige vodka because that segment is now voluminous 30 million to 40 million cases. So that we see as the next phase of growth.

Kaustubh Pawaskar: Okay. And I have one bookkeeping question. This year, our inventory days have gone up. So, any particular reason for it?

Alok Gupta: You're talking about increase in inventory? I think there are 2 big drivers there. One is that we have done some proactive buying of scotch, keeping in mind what's happening to the rupee depreciation against pound. We'll still get the duty benefit because we are storing everything under FTWZ, so we pay the duty at the time of debonding. So that's one reason. And ABD Maestro are high NSV product, and they are made in smaller batches. So, these are the 2 reasons why you would see an increase in our inventory.

Moderator: As there are no further questions from the participants, I would like to turn the conference over to management for the closing remarks. Over to you.

Alok Gupta: Thank you very much for taking the time out. I know it's been a busy day for you. You have other calls to jump on. So really appreciate your time and look forward to you guys joining us back for our next quarter.

Moderator: Ladies and gentlemen, on behalf of Antique Stock Broking, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

Notes: 1. This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings.

2. Figures have been rounded off for convenience and ease of reference.