



Allied Blenders and Distillers

VIEWPOINT

Result Update - Q3FY2026

SECTOR

Consumer Goods

COMPANY DETAILS

Market cap:	Rs. 14,395 cr
52-week high/low:	Rs. 720/279
NSE volume: (No of shares)	5.1 lakh
BSE code:	544203
NSE code:	ABDL
Free float: (No of shares)	5.3 cr

Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	80.9
FII	3.8
DII	4.6
Others	10.7

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-10.4	-19.8	1.0	29.0
Relative to Sensex	-8.0	-19.9	-2.2	22.6

Source: Mirae Asset Sharekhan Research, Bloomberg

Reco/View: **POSITIVE**

CMP: **Rs. 515**

Price Target: **Rs. 715**

Quick Snapshot

- Revenues grew 3% y-o-y (volumes rose 1.3%), with OPM rising ~150 bps y-o-y that led to a 15% y-o-y growth in the adjusted PAT.
- Management is targeting double-digit value growth in Q4FY26 and expects growth momentum to sustain driven by premiumisation and high double-digit P&A growth.
- Management expects FY28 OPM to be at 17-18%, supported by backward integration (up 230 bps), a better product mix, and potential benefits from the India-UK FTA (up 200 bps).
- Stock trades at 57x/43x/31x its FY26E/FY27E/FY28E earnings, respectively. We stay Positive and revise PT to Rs. 715.

Result overview

- Revenues grew 3% y-o-y to Rs. 1,003 crore driven by strong volume growth of 16.9% in P&A category offset by 10% de-growth in mass premium category due to retail license auction in Telangana and policy-driven price changes in Maharashtra that hit consumer offtake.
- ICONiQ White continued its strong momentum, with growth across regions and increasing international presence.
- Gross margins rose 351 bps y-o-y to 46.3% led by softening of input costs, better mix and benefits of backward integration, while OPM rose by 154 bps y-o-y to 13.5% on higher gross margins partially offset by planned increase in A&P investments for core brands and luxury portfolio.
- Operating profit grew 16.2% y-o-y to Rs. 136 crore and adjusted PAT grew by 15.1% y-o-y to Rs. 66 crore. Considering exceptional items pertaining to impact of changes in the labour code, reported PAT grew 10.9% y-o-y to Rs. 64 crore.
- Strong profitability and effective working capital utilisation drove operating cashflow generation of Rs. 173 crore, which aided in net debt reduction of Rs. 108 crore q-o-q to Rs. 785 crore.
- 9MFY26 revenue grew 12.2% y-o-y to Rs. 2,916 crore, OPM rose by 146 bps y-o-y to 12.8% and adjusted PAT grew by 59.1% y-o-y to Rs. 185 crore.

Our Call

ABDL eyes strong growth in the P&A segment to continue with significant increase in P&A contribution to ~50% in three years (up from ~40% in FY25). OPM is likely to surge on a rise in gross margin owing to backward integration, better mix and cost-saving initiatives. Strong revenue growth and margin expansion will lead to multi-fold growth in earnings in the coming years. ABDL is trading at 57x/43x/31x its FY26E/FY27E/FY28E EPS, respectively. We stay Positive with a revised PT of Rs. 715.

Key Risks

Delay in the launch of premium products or changes in the regulatory policies in key states would act as a risk to revenue and earnings growth.

Valuation (Consolidated)

	Rs cr				
Particulars	FY24	FY25	FY26E	FY27E	FY28E
Revenue	3,328	3,520	3,940	4,433	5,064
OPM (%)	7.3	12.2	13.4	14.2	15.6
Adjusted PAT	7	195	255	335	466
Adjusted EPS (Rs.)	0.2	7.0	9.1	12.0	16.7
P/E (x)	-	73.9	56.5	42.9	30.9
P/B (x)	30.9	8.1	7.0	5.9	4.8
EV/EBIDTA (x)	55.0	35.2	28.8	23.5	18.4
RoNW (%)	1.7	12.6	14.2	15.7	17.9
RoCE (%)	13.4	14.9	15.9	19.2	21.4

Source: Company; Mirae Asset Sharekhan estimates

Concall highlights -**• Performance of key brands**

- o **Iconic White:** It is a standout performer in the P&A segment. It sold 7.7 mn cases in 9MFY26, surpassing its total FY25 volume of 5.7-million cases, and is on track to reach 10 mn cases in FY26. It is currently running at a 12-million-case annual run rate (ARR).
- o **Officer's Choice:** The brand maintained its leadership in the mass premium segment and remains India's top exported whiskey. It continues to deliver strong gross margins of ~45%.
- o **Sterling Reserve (SRB) B7:** While currently experiencing some volume degrowth, the company launched a refreshed blend and plans to introduce contemporary packaging in Q1FY27 to regain traction.
- o **Canteen Stores Department (CSD):** Four brands - Jolly Roger Rum, SRB B7, Kyron, and Iconic White - have received approval for the CSD market, opening a highly profitable growth channel.

- **Premiumization and luxury portfolio:** The luxury portfolio now consists of nine brands. Zoya has grown 300% since its launch, with 30% of sales coming from flavors. The luxury portfolio generated an ARR of Rs. 40 crore by Q3FY26-end and expects the ARR to touch Rs. 80 crore by FY26-end.

• Geography-wise Q3 update:

- o **Telangana:** Q3 volumes were hit by a 6–8-week disruption caused by the retail license auction process, which led to temporary destocking by retailers. Despite this disruption, the P&A category in the state grew 17% with ABDL's P&A portfolio slightly outperforming at 17.5% growth. However, mass premium segment saw a 7.4% degrowth. Management noted that stocking patterns began normalising in January 2026.
- o **Maharashtra:** Policy-driven price changes negatively affected consumer affordability, leading to a double-digit industry volume decline. Following a High Court advisory, the industry players have applied to participate in the MML category, on similar terms Minakshi Agro, a subsidiary of ABDL has filed an application to participate in the MML category.
- o **Global expansion:** ABDL expanded its footprint from 23 to 31 countries over the past nine months, with a target of 35 countries by Q4FY26.

• Luxury launches in Q3:

- o RANGEELA, a contemporary Indian vodka with its Co-Founder and Creative Partner Ranveer Singh in November 25. Launched in Maharashtra, it is now available in Goa, Karnataka, West Bengal, Delhi and Haryana. Price at Rs. 2,400 for 750 ml bottle.
- o YELLO Designer Whisky was introduced in December 25, it is a unique fusion of Scotch Malts and Indian Malt whiskies. Following its launch in Maharashtra, the brand is now available in Goa, Karnataka, West Bengal and Haryana. Price at Rs. 2,700 for 750 ml.
- o AODH IRISH Whiskey was launched in December 25, making a strong entry into Irish Whiskey, one of the fastest growing segments in the country. AODH IRISH Whiskey is now available in Haryana, Delhi, Maharashtra and Goa. Priced at Rs. 3,950 for 750 ml.

• Capex developments in Q3:

- o Approval for acquisition of distillery cum bottling facility assets and expansion of bottling capacity in Uttar Pradesh for an aggregate consideration of Rs. 110 crore, comprising up to Rs. 70 crore for acquiring land, buildings, plant, machinery and licenses and up to Rs. 40 crore for infrastructure upgrades and setting up a bottling unit. Expected to be operational by Q3FY27.
- o Bottling capacity expansion in Minakshi Agro facility in Maharashtra is underway with an investment of Rs. 54 crore. It is Expected to be operational by Q4FY27. The unit will cater to growing markets in western region and internal markets.

Results (Consolidated)

Particulars	Rs cr				
	Q3FY26	Q3FY25	Y-o-Y (%)	Q2FY26	Q-o-Q (%)
Gross Sales	1,933.6	2,342.4	-17.5	1,952.6	-1.0
Excise duty	930.6	1,368.4	-32.0	962.5	-3.3
Net Sales	1,003.0	973.9	3.0	990.1	1.3
Raw material cost	538.9	557.5	-3.3	550.1	-2.0
Employee cost	52.9	44.0	20.2	63.9	-17.2
Other expenses	275.4	255.6	7.7	250.6	9.9
Total operating expenses	867.3	857.2	1.2	864.6	0.3
Operating profit	135.7	116.8	16.2	125.4	8.2
Other income	1.2	3.3	-63.2	4.8	-74.8
Interest expense	26.2	27.4	-4.5	29.8	-12.2
Depreciation	18.5	12.5	47.6	16.5	11.8
Profit before tax	92.3	80.1	15.2	83.9	10.0
Tax	26.2	22.6	15.6	21.0	24.9
Adjusted PAT (before MI)	66.1	57.5	15.1	62.9	5.1
Extraordinary item	2.4	0.0	-	0.0	-
Reported PAT	63.7	57.5	10.9	62.9	1.3
EPS (Rs.)	2.4	2.1	15.1	2.2	5.1
			bps		bps
GPM (%)	46.3	42.8	351	44.4	182
OPM (%)	13.5	12.0	154	12.7	86
NPM (%)	6.6	5.9	69	6.4	24
Tax rate (%)	28.4	28.3	9	25.0	338

Source: Company; Mirae Asset Sharekhan Research

Volume mix performance

Particulars	Q3FY26	Q3FY25	Y-o-Y (%)	Q2FY26	Q-o-Q (%)
P&A volume	4.4	3.7	16.9	4.3	2.6
% volume contribution	48.3	41.9		47.2	
Mass premium volume	4.7	5.2	-9.9	4.8	-1.9
% volume contribution	51.7	58.1		52.8	
Total volume	9.0	8.9	1.3	9.0	0.2

Source: Company; Mirae Asset Sharekhan Research

Additional Data**Top 10 shareholders**

Sr. No.	Holder Name	Holding (%)
1	Nippon Life India Asset Management Ltd.	2.02
2	Jupiter Fund Management PLC	1.59
3	Jupiter India Fund	1.23
4	LIC Mutual Fund AMC Ltd.	0.58
5	Motilal Oswal AMC Ltd.	0.41
6	IDBI AMC Ltd.	0.25
7	Bank of India Investment Managers Pvt. Ltd.	0.15
8	Trust Investment Advisors Pvt. Ltd.	0.12
9	Blackrock Inc.	0.09
10	Helios Capital Asset Management India Pvt. Ltd.	0.06

Source: Bloomberg

Key management personnel

Name	Designation
Kishore Rajaram Chhabria	Chairman
Alok Gupta	Managing Director
Jayant Manmadkar	Chief Financial Officer
Sumeet Maheshwari	Company Secretary and Compliance Officer

Source: Company Website

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