

## Pick of the Week

### ADD – Radico Khaitan (RKL)

CMP: ₹2962 as on 23 January 2026

Fair Value (FV): ₹3395

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Time Period: 12 months

### Why Invest?

- Radico delivered a stellar Q3FY26 performance, surpassing estimates on all fronts.
- Q3FY26 standalone net sales, EBITDA & PAT grew 19.5%, 45.2% & 61.6% yoy, respectively.
- Radico delivered its highest-ever quarterly volumes 97.5 lakh cases, +16.7% yoy.
- Strong growth in premium brands and market share gain in AP (post RTM change) resulted in robust volume growth.
- Q3FY26 performance reflects clear inflection in its growth and profitability trajectory, driven by strong premiumization, market share gain and supportive cost environment.
- Radico is confident of sustaining robust momentum and aims at ~25% volume growth in FY26 and expects mid-teens P&A volume growth in the next 2-3 years.
- Stock has witnessed significant re-rating in recent years on account of strong premiumization, market share gain and margin expansion.
- We remain constructive and expect revenue, EBITDA, and PAT expected to grow at 20%/30%/43% CAGR and 390 bps margin expansion during FY25-28E.

Maintain ADD with **FVRs-3,395**

## RATING SCALE (PRIVATE CLIENT GROUP)

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### 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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