Dated: 30th June 2026

United Spirits (UNITDSPR) - ADD

Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs. 1350	**Rs.1480**

Rationale:

- UNSP's P&A value/volume growth at 5%/(-)3% yoy was a tad weaker than our estimates.
- EBITDA margin expanded 280 bps yoy to 20% (KIE: 18.4%), aided by Gross Margins.
- UNSP's FY2026 revenue growth was impacted by headwinds in MH and flat growth in lower-prestige (LP).
- We expect the revenue growth trajectory to improve in FY27E.
- UNSP should be able to offset the inflationary pressure with cost-efficiency measures and premiumization.
- We tweak estimates and revise FV to Rs1,480 (from Rs1,450), valuing alcobev at 44X June 2028E PE.
- Any near-term weakness in the stock price is an opportunity to accumulate.
- We expect earnings to grow 5.1% in FY27E and 12.0% in FY28E.

Positives:

- Gross Margins expanded 210 bps yoy to 47.3% (150 bps beat).
- EBITDA margin expanded 180 bps yoy to 20% (155 bps beat).
- Reported PAT was up 26.6% yoy to Rs570 cr.

Negatives:

- UNSP's revenues grew 3.5% yoy to Rs30.5 bn (1.4% miss).
- Volume declined 5.6% yoy to 15.7 mn cases (2.2% miss).

Holding Period: 12 months