

DIAGEO INDIA

United Spirits Limited

Registered Office:
UB Tower
#24, Vittal Mallya Road,
Bengaluru 560 001

Tel: +91 80 2221 0705
Fax: +91 80 2224 5253
www.diageoindia.com

24th May 2024

BSE Limited
Listing Department
Dalal Street,
Mumbai 400 001
Scrip Code: 532432

National Stock Exchange of India Limited
Exchange Plaza, C-1 Block G,
Bandra Kurla Complex,
Bandra East, Mumbai- 400051
Scrip Code: MCDOWELL-N

Dear Sirs,

Sub: Press release for the quarter and year ended 31st March 2024

We are enclosing a press release issued by the Company in connection with results for the quarter ended 31st March 2024.

This is for your information and records.

Thank you,

For United Spirits Limited

Mital Sanghvi
Company Secretary

Encl: as above



DIAGEO

India



United Spirits Limited

Press Release

Audited financial results for the quarter and
financial year ended 31 March 2024

(Consolidated & Standalone)

Bengaluru, India - May 24, 2024: United Spirits Ltd., a leading beverage alcohol company in India, reported its audited consolidated & standalone results for the fourth quarter and financial year ended 31 March 2024.

Key Highlights for Q4FY24 & FY24: (Like-for-Like)

Consolidated

- Net sales value (NSV) for Q4FY24 at INR2,783 Cr. (+11.2%) and FY24 at INR11,321 Cr. (+14.2%)
- EBITDA for Q4FY24 at INR334 Cr. (+41.6%) and FY24 at INR2,001 Cr. (+53.5%)

Standalone

- NSV for Q4FY24 at INR2,666 Cr. (+6.9%) and FY24 at INR10,692 Cr. (+10.5%)
- Prestige & Above NSV growth for Q4FY24 at 6.6% and FY24 at 11.9%
- EBITDA for Q4FY24 at INR361 Cr. (+6.9%) and FY24 at INR1,708 Cr. (+30.9%)
- EBITDA margin for Q4FY24 at 13.6% and FY24 at 16.0%

Ms. Hina Nagarajan, CEO & Managing Director, commenting on the FY24 performance, said:

“We have ended fiscal year 2023-24 delivering our double-digit growth guidance and returned to mid teen margins amidst challenging external environment. The year witnessed sequentially moderating demand on the back of sustained consumer inflation and post pandemic consumption normalisation. We have continued our premiumisation intent through innovation and renovation to secure future growth. Our most iconic trademark is being renovated and stretched upwards under the new “House of McDowell’s” umbrella that will see it reach new consumers in different sub segments and formats. In recognition of our commitment to sustainable, modern Made in India Luxury, Godawan 100 was recently crowned “Single Malt Whisky of the Year” at the London Spirits Competition, a premier event in the Global Beverage Alcohol industry. This sets the stage for us to enter the new fiscal year with even more confidence in our strategy.

We are immensely proud of the Royal Challengers Bengaluru Women’s Premier League (WPL) team, which is owned by our 100% subsidiary, Royal Challengers Sports Private Limited (RCSPL), winning the 2nd edition of the WPL in March 2024.

The Board of Directors have recommended a final dividend of INR5.0 per share for the financial year 2023-24, subject to Shareholder’s approval. Looking ahead, our focus is to sustain the momentum established in the last three years and stay committed to our consumer-focused future-back strategy, while creating long term value for all our stakeholders.”

(The scheme for the Pioneer Distilleries Limited (PDL) merger came into operation on 30th Dec' 2022 but is effective 1st April'2021. All current & previous period comparators include the impact of the merger. All accounts referred as 'Rebased' are Reinstated for PDL merger as well as adjusted for slump sale and franchising of the strategically reviewed popular portfolio for a like for like comparison.)

Q4FY24 performance highlights:

Consolidated:

- Q4FY24 Consolidated net sales value (NSV) was at INR2,783 Cr., up 11.2% versus same period prior year. This was driven by the growth in the standalone business as well as income from the Indian Premier League.
- Q4FY24 Consolidated EBITDA was at INR334, Cr., a growth of 41.6% versus prior year driven by the earlier start of the Indian Premier League 2024.
- Q4FY24 Consolidated Profit after tax was at INR241 Cr.

Standalone:

- Total NSV at INR2,666 Cr. increased 6.9% YoY driven by competitive performance of our renovation and innovation offerings and resilient consumer demand. Within the above, Prestige & Above segment grew 6.6%.
- NSV for the Popular segment grew 3.3% as the trademarks performed competitively in the salient states on the back of interventions.
- Gross margin at 43.3% was a contraction of 205 bps YoY on reported basis. After adjusting for a one-off credit of INR69 Cr. on account of reversal of indirect tax provisions in Q4FY23, underlying gross margin expanded by 73bps YoY.
- A&P re-investment rate was 12.2% of sales, reflecting the spends on renovation and innovation as well as ongoing investment behind the brands.
- EBITDA at INR361 Cr., an increase of 6.9% YoY. The EBITDA margin was 13.6%, in-line with prior year reported margin, though an expansion of 278 bps on an underlying basis.
- Interest cost at INR29 Cr., was down 19.2%. After adjusting a one-off benefit of INR16 Cr. from the prior year comparator, interest cost was down 44.2%. The interest cost is on account of the customary non-debt related items.
- Exceptional charge of INR31 Cr. is on account of the ongoing supply agility programme.
- Profit after tax was INR384 Cr. with a net profit margin of 14.4%.

(The scheme for the Pioneer Distilleries Limited (PDL) merger came into operation on 30th Dec' 2022 but is effective 1st April'2021. All current & previous period comparators include the impact of the merger. All accounts referred as 'Rebased' are Reinstated for PDL merger as well as adjusted for slump sale and franchising of the strategically reviewed popular portfolio for a like for like comparison.)

FY24 performance highlights:

Consolidated:

- Consolidated net sales value (NSV) at INR11,321 Cr., up 14.2% YoY, in-line with growth in the standalone business.
- Consolidated EBITDA was at INR2,001 Cr., growth of 53.5% YoY.
- FY24 consolidated profit after tax was at INR1,408 Cr.

Standalone:

- Total NSV at INR10,692 Cr. increased 10.5% YoY, driven by continued premiumisation and choiceful consumption with increased brand loyalty. While the consumer is rationalising social occasions, we are not witnessing meaningful downtrading. Within the above, Prestige & Above segment grew 11.9%.
- NSV for the Popular segment declined 2.5% compared to same period last year. This was primarily due to steep consumer price increases in a high demand elastic segment, driven by both higher excise duties in the segment's salient state as well as price increases taken by the industry after a prolonged period of time.
- Gross margin was 43.4%, up 129 bps like-for-like versus last year. Underlying gross margin stood at 43.3%, after excluding the one-off benefit of INR13 Cr. driven by a write-back. This was an expansion of 189 bps on an underlying basis versus the prior year. The one-off credit in the previous year was on account of reversal of indirect tax provisions. The expansion was driven by headline pricing realisation flow-through, revenue growth management and cogs productivity initiatives partially offset by ENA inflation.
- A&P re-investment rate was 9.7% of sales as we continue to invest behind the brands.
- EBITDA at INR1,708 Cr., an increase of 30.9% YoY. The reported EBITDA margin was 16.0%, up 249 bps versus prior year comparator. This was largely driven by gross margin expansion and productivity across the value chain. Underlying EBITDA margin stood at 15.9%, an expansion of 282 bps versus prior year comparator.
- Interest cost at INR76 Cr., is down 26.9%. Underlying interest cost was at INR91 Cr. after excluding the one-off reversal benefit of INR15 Cr. This was a decrease of 24.0% versus prior year comparator. The one-off credit in the previous year was amounting to INR16 Cr. Interest cost is on account of customary non-debt related items.
- Exceptional charge of INR17 Cr. is on account of INR31 Cr. income from the prior year slump sale transaction recognised as income in Q2FY24 after completion of customary post-transaction closure obligations offset by a charge of INR48 Cr. related to the ongoing supply agility programme.
- Profit after tax was INR1,312 Cr. with a net profit margin of 12.3%.

Key Financial Information (Standalone basis)

(The scheme for the Pioneer Distilleries Limited merger came into operation on 30th Dec'2022 but is effective 1st April'2021. All current & previous period comparators include the impact of the merger. All accounts referred as 'Rebased' are Reinstated for PDL merger as well as adjusted for slump sale and franchising of the strategically reviewed popular portfolio for a like for like comparison.) In compliance with Schedule III of the Companies Act, 2013, the company has reported revenue from operations inclusive of excise duty.

Key performance indicators as a % of net sales (Rebased)				
	Q4FY24	Q4FY23	FY24	FY23
Gross profit margin (%)	43.3	45.4	43.4	42.1
Underlying Gross profit margin (%)	43.3	42.6	43.3	41.4
Staff cost (%)	(5.0)	(4.9)	(5.1)	(6.1)
Marketing spends (%)	(12.2)	(13.8)	(9.7)	(9.5)
Other Overheads (%)	(12.5)	(13.1)	(12.6)	(13.0)
EBITDA margin (%)	13.6	13.6	16.0	13.5
Underlying EBITDA margin (%)	13.6	10.8	15.9	13.0

Summary Financial Information (Rebased) - For the period ended 31 March 2024				
<i>All figures in INR Crores unless mentioned otherwise</i>	Q4FY24	Q4FY23	FY24	FY23
Volume ('000 cases)	15,595	15,034	61,443	60,310
Net sales	2,666	2,494	10,692	9,677
COGS	(1,511)	(1,362)	(6,048)	(5,599)
Gross profit	1,155	1,132	4,644	4,078
Staff cost	(134)	(122)	(543)	(595)
Marketing spends	(326)	(344)	(1,041)	(919)
Other Overheads	(333)	(327)	(1,352)	(1,259)
EBITDA	361	338	1,708	1,305
Other Income*	229	17	335	74
Depreciation	(71)	(68)	(264)	(261)
EBIT	520	286	1,779	1,118
Interest	(29)	(36)	(76)	(104)
PBT before exceptional items	491	250	1,703	1,014
Exceptionals [#]	(31)	(11)	(17)	171
PBT	460	239	1,686	1,185

[#]Exceptionals for FY23 & FY24 are primarily on account of two components: 1) income from the slump sale of the business undertaking associated with 32 brands in the 'Popular' segment, 2) Costs on account of the ongoing multi-year supply agility programme.

Business Segment Review (Standalone basis)

(The scheme for the Pioneer Distilleries Limited merger came into operation on 30th Dec'2022 but is effective 1st April'2021. All current & previous period comparators include the impact of the merger. All accounts referred as 'Rebased' are Reinstated for PDL merger as well as adjusted for slump sale and franchising of the strategically reviewed popular portfolio for a like for like comparison.)

For the financial year ended 31 March 2024 (Rebased)*								
Segment	Volume				Net Sales			
	FY24	FY23	Rebased movement	Underlying movement	FY24	FY23	Rebased movement	Underlying movement
	Rebased '000 cs	Rebased '000 cs	%	%	Rebased INR Cr.	Rebased INR Cr.	%	%
P&A	50,183	47,627	5.4	5.4	9,346	8,349	11.9	11.9
Popular	11,260	12,683	(11.2)	(11.2)	1,113	1,142	(2.5)	(2.5)
Other					234	186	25.4	25.4
Total	61,443	60,310	1.9	1.9	10,692	9,677	10.5	10.5

*Restatement of FY23 numbers due to reclassification

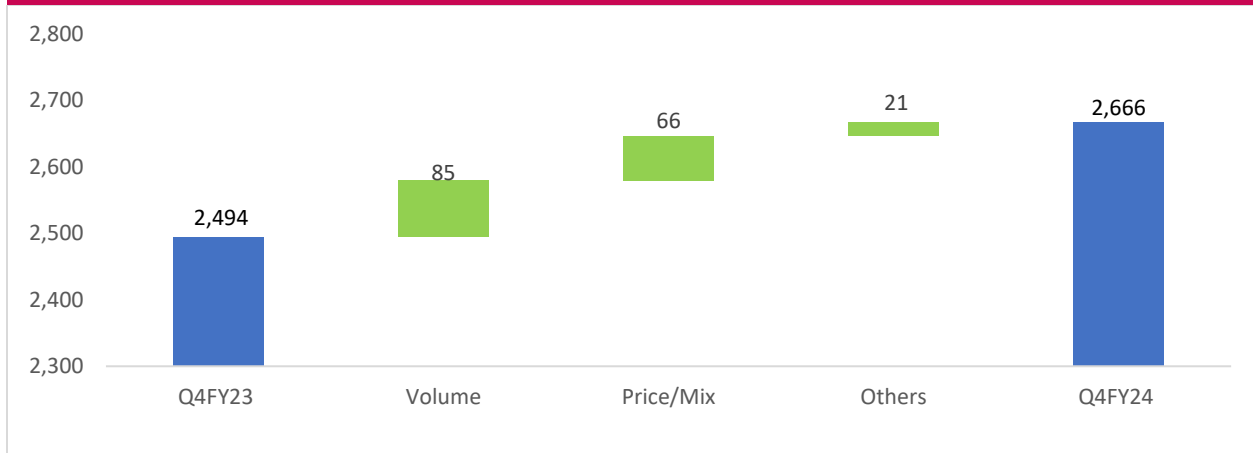
- The **Prestige & Above segment** accounted for 87.4% of net sales during the financial year ended March 2024, up 1.3ppt over the prior year. Prestige & Above segment net sales increased 11.9% during the financial year ended March 2024.
- The **Popular segment** accounted for 10.4% of net sales during the financial year ended March 2024, down 11.8ppt compared to the same period last year. The Popular segment net sales declined 2.5% during the financial year ended March 2024.

For the quarter ended 31 March 2024*						
Segment	Volume			Net Sales		
	Q4FY24	Q4FY23	Underlying movement	Q4FY24	Q4FY23	Underlying movement
	'000 cs	'000 cs	%	INR Cr.	INR Cr.	%
P&A	12,415	11,975	3.7	2,310	2,168	6.6
Popular	3,180	3,059	4.0	309	299	3.3
Other				47	27	74.3
Total	15,595	15,034	3.7	2,666	2,494	6.9

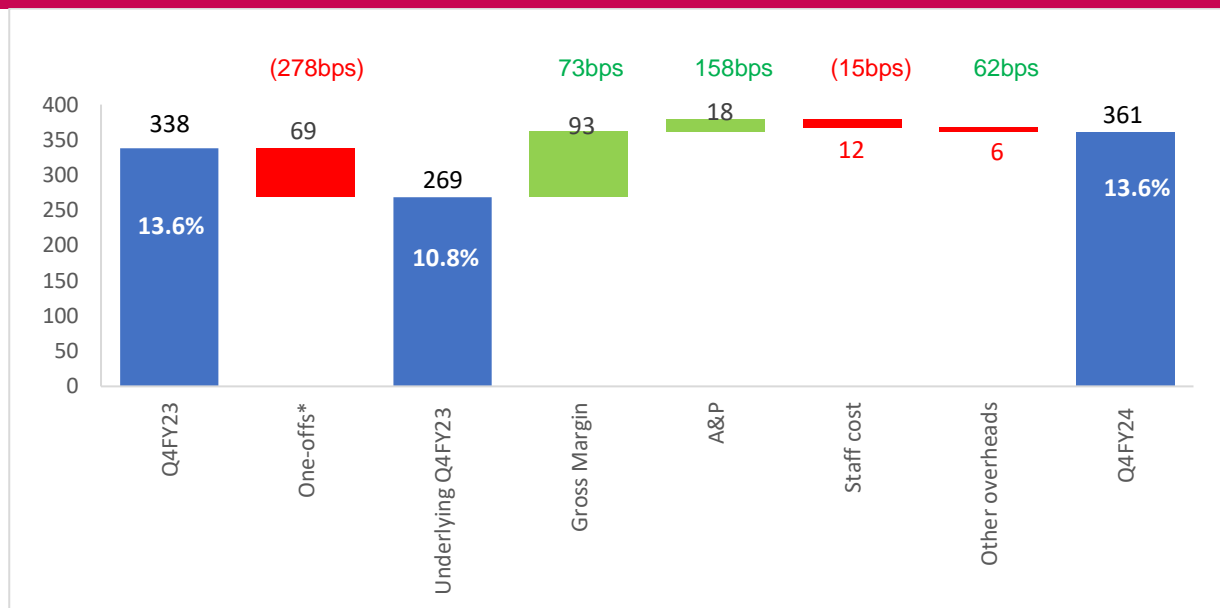
*Restatement of FY23 numbers due to reclassification

- The **Prestige & Above segment** accounted for 86.6% of net sales during the fourth quarter of financial year 2024, down 0.3ppts over the prior year. Prestige & Above segment net sales increased 6.6% during the fourth quarter.
- The **Popular segment** accounted for 11.6% of net sales during the fourth quarter of the financial year 2024, down 3.4ppt compared to the same period last year. The Popular segment net sales grew 3.3% during the fourth quarter.

Net sales value bridge for the Quarter (INR Crores)

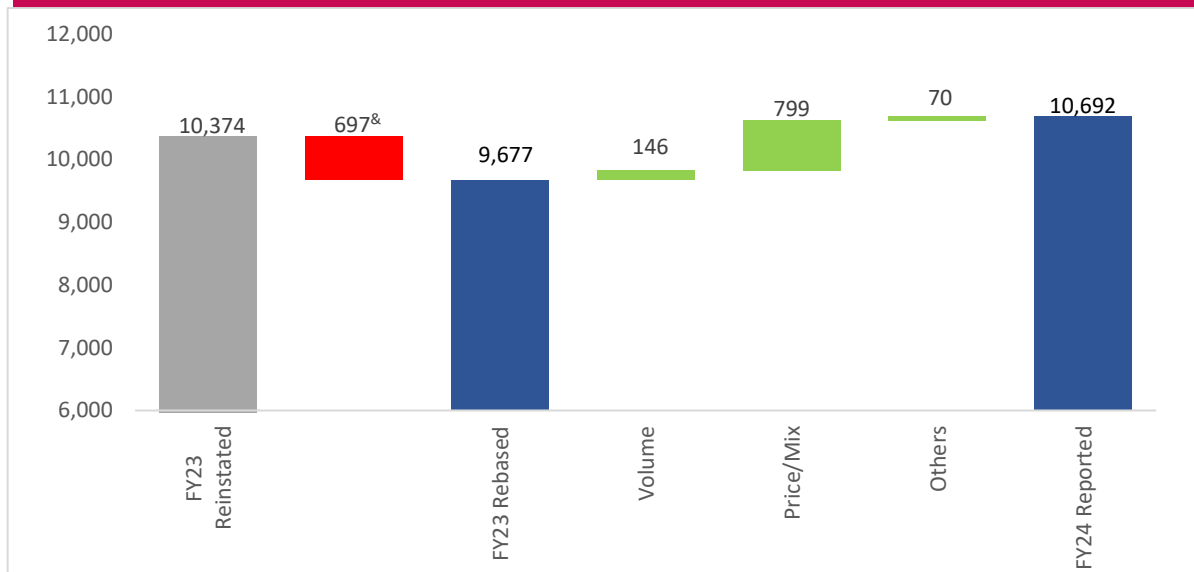


EBITDA bridge for the Quarter (INR Crores, %, bps)



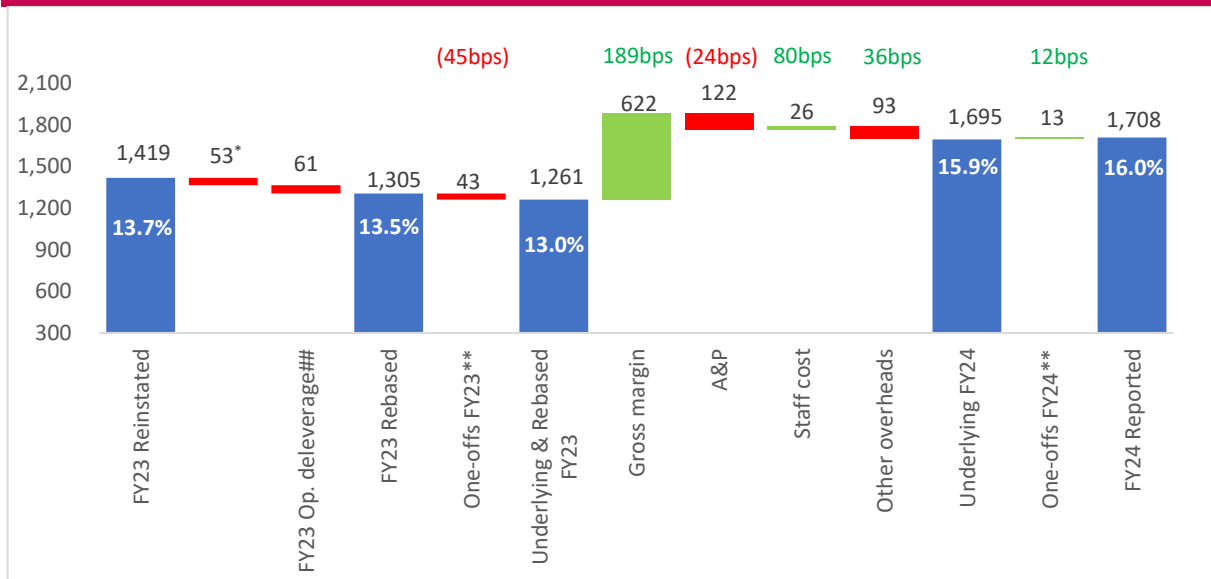
*In Q4FY23, one-off credit of INR69 Cr. was on account of reversal of indirect tax provisions

Net sales value bridge for the financial year (INR Crores)



[&] Net sales of the strategically reviewed portfolio for 6 months ending Sept.30th, 2022 wherein the slump sale and franchising transaction was completed on Sept. 30th, 2022.

EBITDA bridge for financial year (INR Crores, %, bps)



*EBITDA of the strategically reviewed portfolio wherein the slump sale & franchising transaction was completed on Sept. 30th, 2022.

##Operating leverage is on account of the slump sale and franchising of the strategically reviewed popular portfolio

**In FY23, a one-off credit of INR69 Cr. on account of reversal of indirect tax provisions was partially offset by a one-time special pay-out to employees amounting to INR26 Cr. In FY24, a one-off benefit of INR13 Cr. was driven by a write-back.

Key Financial Information (Standalone basis)

(The scheme for the Pioneer Distilleries Limited merger came into operation on 30th Dec' 2022 but is effective 1st April'2021. All current & previous period comparators include the impact of the merger. All accounts referred as 'Rebased' are Reinstated for PDL merger as well as adjusted for slump sale and franchising of the strategically reviewed popular portfolio for a like for like comparison.) In compliance with Schedule III of the Companies Act, 2013, the company has reported revenue from operations inclusive of excise duty.

Key performance indicators (Reported)[#]				
<i>All figures in INR Crores unless mentioned otherwise</i>	Q4FY24	Q4FY23	FY24	FY23
Net sales	2,666	2,494	10,692	10,374
Gross profit	1,155	1,132	4,644	4,302
Reported EBITDA	361	338	1,708	1,419
PAT	384	204	1,312	1,052
Gross profit margin (%)	43.3	45.4	43.4	41.5
Staff cost (as % of net sales)	(5.0)	(4.9)	(5.1)	(5.9)
Marketing spends (as % of net sales)	(12.2)	(13.8)	(9.7)	(8.9)
Other Overheads (as % of net sales)	(12.5)	(13.1)	(12.6)	(13.1)
EBITDA (%)	13.6	13.6	16.0	13.7
PAT margin (%)	14.4	8.2	12.3	10.1
Basic earnings per share (INR)*	5.28	2.80	18.04	14.46

Summary Financial Information (Reported)[#]				
For the period ended 31 March 2024				
<i>All figures in INR Crores unless mentioned otherwise</i>	Q4FY24	Q4FY23	FY24	FY23
Volume ('000 cases)	15,595	15,034	61,443	72,481
Net sales	2,666	2,494	10,692	10,374
COGS	(1,511)	(1,362)	(6,048)	(6,072)
Gross profit	1,155	1,132	4,644	4,302
Staff cost	(134)	(122)	(543)	(607)
Marketing spends	(326)	(344)	(1,041)	(920)
Other Overheads	(333)	(327)	(1,352)	(1,356)
Reported EBITDA	361	338	1,708	1,419
Other Income	229	17	335	74
Depreciation	(71)	(68)	(264)	(271)
EBIT	520	286	1,779	1,222
Interest	(29)	(36)	(76)	(104)
PBT before exceptional items	491	250	1,703	1,118
Exceptional items	(31)	(11)	(17)	171
PBT	460	239	1,686	1,289
Tax	(76)	(35)	(374)	(237)
PAT	384	204	1,312	1,052

*EPS of INR5.25 per share in FY23 & INR0.42 per share in FY24 was pertaining to the gains from the slump sale of the strategically reviewed popular portfolio.

Business Segment Review (Standalone basis)

(The scheme for the Pioneer Distilleries Limited merger came into operation on 30th Dec'2022 but is effective 1st April'2021. All current & previous period comparators include the impact of the merger. All accounts referred as 'Rebased' are Reinstated for PDL merger as well as adjusted for slump sale and franchising of the strategically reviewed popular portfolio for a like for like comparison.)

Key segments (Reported)				
For the financial year ended 31 March 2024 [#]				
Segment	Volume		Net Sales	
	FY24 Reported '000 cs	FY23 Reinstated '000 cs	FY24 Reported INR Cr.	FY23 Reinstated INR Cr.
P&A	50,183	47,629	9,346	8,349
Popular	11,260	24,853	1,113	1,838
Other			234	186
Total	61,443	72,481	10,692	10,374

#Restatement of FY23 numbers due to reclassification

Key segments (Reported)				
For the quarter ended 31 March 2024 [#]				
Segment	Volume		Net Sales	
	Q4FY24 Reported '000 cs	Q4FY23 Reinstated '000 cs	Q4FY24 Reported INR Cr.	Q4FY23 Reinstated INR Cr.
P&A	12,415	11,975	2,310	2,168
Popular	3,180	3,059	309	299
Other			47	27
Total	15,595	15,034	2,666	2,494

#Restatement of FY23 numbers due to reclassification

Q&A CONFERENCE CALL

Ms. Hina Nagarajan, CEO & Managing Director and Mr. Pradeep Jain, CFO & Executive Director will be hosting a Q&A conference call on **Monday, 27th May 2024 at 3:30 pm IST**. You could use the link below to view the presentation and listen to the webcast or alternatively use the dial-in details for a listen-only option.

Conference Joining Information

Option 1

Connect to the webcast to view the presentation and listen to the audio without having to wait for an operator. Please do so 15 minutes prior to the conference schedule to ensure that you are connected in time.

Express Join with DiamondPass™ No Wait Time

<https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=4766967&linkSecurityString=1d0dc264b7>

Webcast link

<https://links.ccwebcast.com/?EventId=USL270524>

Option 2

When using dial-in numbers mentioned below please do so 10 minutes prior to the conference schedule to ensure that you are connected to your call in time.

Universal Dial-in	+91 22 6280 1250 +91 22 7115 8151
International Toll Free	
Argentina	0080014243444
Australia	1800053698
Belgium	0080014243444
Canada	01180014243444
China	4008428405
France	0800914745
Germany	0080014243444
Hong Kong	800964448
Italy	0080014243444
Japan	00531161110
Netherlands	08000229808
Poland	008001124248
Singapore	8001012045
South Korea	00180014243444
Sweden	0080014243444
Thailand	00180014243444
UK	08081011573
USA	18667462133

About Diageo India

Diageo India is among India's leading beverage alcohol (alcobev) companies with an outstanding portfolio of premium brands. A subsidiary of Diageo Plc., it is listed in India on both the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) as United Spirits Limited (USL).

Headquartered in Bengaluru, Diageo India has one of the largest manufacturing footprints in alcobev with 36 facilities across India. It manufactures, sells and distributes Johnnie Walker, Black Dog, Black & White, VAT 69, Antiquity, Signature, The Singleton, Royal Challenge, McDowell's No1, Smirnoff, Ketel One, Tanqueray, Captain Morgan and Godawan, an artisanal single malt whisky from India, bringing together global expertise and local pride to deliver innovative, world-class products and experiences to consumers. With a strong focus on driving a positive impact on society, Diageo India has been working on collective action to improve livelihoods, championing Grain to Glass sustainability, responsible consumption and nurturing the alcobev ecosystem, to contribute to India's growth agenda.

For more information about Diageo India, our people, our brands, and our performance, visit us at www.diageoindia.com. Visit Diageo's global responsible drinking resource, <http://www.DRINKiQ.com>, for information, initiatives, and ways to share best practices.

Celebrating life, every day, everywhere.

Cautionary statement concerning forward-looking statements

This document contains 'forward-looking' statements. These statements can be identified by the fact that they do not relate only to historical or current facts. In particular, forward-looking statements include all statements that express forecasts, expectations, plans, outlook and projections with respect to future matters, including trends in results of operations, margins, growth rates, overall market trends, the impact of changes in interest or exchange rates, the availability or cost of financing to United Spirits Limited ("USL"), anticipated cost savings or synergies, expected investments, the completion of USL's strategic transactions and restructuring programmes, anticipated tax rates, expected cash payments, outcomes of litigation, anticipated deficit reductions in relation to pension schemes and general economic conditions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including factors that are outside USL's control. USL neither intends, nor assumes any obligation, to update or revise these forward-looking statements in the light of any developments which may differ from those anticipated.

Investor enquiries to:

Shweta Arora

shweta.arora@diageo.com

Media enquiries to:

Zarin Darashaw

zarin.darashaw@diageo.com