



Allied Blenders & Distillers (ABDL)

Results in line with expectations

CMP: 515 (Market Cap: 14,411Cr)

Targets: 552 (7% Upside)

Decent Q1 Performance, But Valuation Limits Upside at current levels

We initiated coverage on ABDL on 18 May 2025 with a target price of ₹536.

Following strong Q1 FY26 results, we raise our target price by 3% to ₹552. At 23x FY27E EV/EBITDA, valuations look near-term full.

We retain a 'Buy on Dips' view.

Q1FY26 Highlights

Total Income: +22.5% YoY and down (0.5) % QoQ, reflecting seasonality, with Q1 typically being a lower consumption quarter.

EBITDA: +46.1% YOY growth, aided by premium product mix, EBITDA Margin at 12.8%, decrease in margins on account of higher promotional expense and bonus payments.

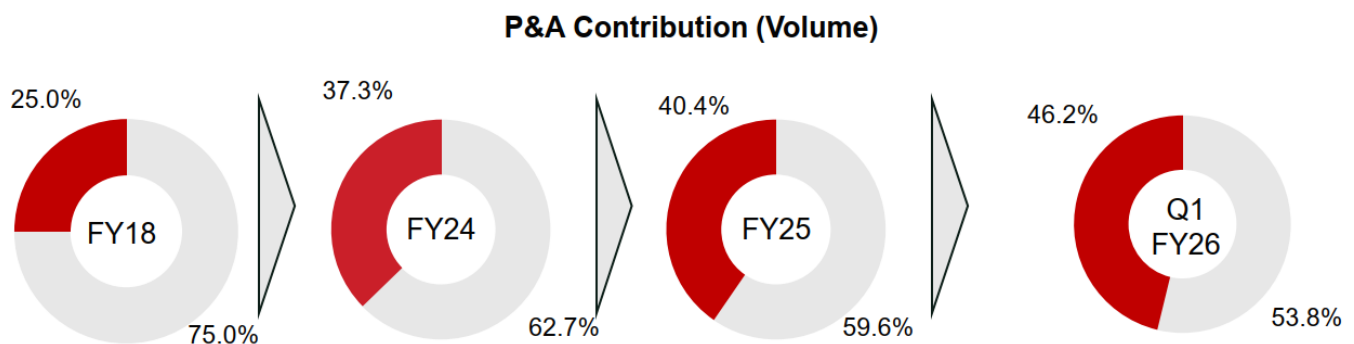
Prestige & Above (P&A): Segment volume rose 46.9% YoY to 3.9 million cases, with realisation up 2.5% to ₹1,233 per case.



Mass Premium: Segment volume saw a marginal (0.1)% YOY decline to 4.6 million cases, with realisation improving 2.3% to ₹840 per case.

P&A, in volume terms, constitutes 46.2% of entire portfolio for Q1FY26.

Exhibit 1: Portfolio Moving Towards premiumisation



Source: Company, Front Wave Research

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Valuation & View

At CMP, ABDL trades at 23x FY27E EV/EBITDA, against our target multiple of 25x FY27E EV/EBITDA.

As ABDL continues to undergo portfolio mix, we continue to maintain long term constructive view.



Revised Financial Summary (Amount in Cr)

Particulars	New		Old		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	₹ 3,751	₹ 4,131	₹ 3,712	₹ 4,086	1.04%	1.11%
EBITDA	₹ 545	₹ 649	₹ 532	₹ 631	2.41%	2.85%
EBITDA Margins	14.53%	15.71%	14.33%	15.44%	0.19%	0.27%

Financial Summary (Amount in Cr)

Particulars	FY23	FY24	FY25	FY26E	FY27E
Revenue (Excluding Excise Duty)	₹ 3,000	₹ 3,096	₹ 3,334	₹ 3,751	₹ 4,131
<i>Revenue Growth</i>		3.20%	7.69%	12.50%	10.15%
Others*	₹ 158	₹ 238	₹ 207	₹ 201	₹ 201
Total Income	₹ 3,158	₹ 3,334	₹ 3,541	₹ 3,952	₹ 4,332
COGS	₹ 1,974	₹ 2,098	₹ 2,039	₹ 2,197	₹ 2,349
Gross Profit	₹ 1,184	₹ 1,236	₹ 1,502	₹ 1,754	₹ 1,983
<i>Gross Profit Margins</i>	37.49%	37.07%	42.42%	44.39%	45.77%
Operating Expenses	₹ 988	₹ 988	₹ 1,050	₹ 1,209	₹ 1,334
<i>Opex % of Total Income</i>	31.29%	29.63%	29.65%	30.61%	30.79%
EBITDA	₹ 196	₹ 248	₹ 452	₹ 545	₹ 649
<i>EBITDA Margins</i>	6.21%	7.44%	12.76%	13.79%	14.98%
<i>EBITDA Growth</i>		26.53%	82.26%	20.53%	19.12%
EV/EBITDA Multiple					25x
EV					₹ 16,224
Less: Net Debt					(₹ 773)
Less: NCI					(₹ 20)



Friday, 01 August 2025

Value of Equity

₹ 15,431

No. Of Shares

28

Share Price


₹ 552

(*Other income includes external ENA sales from the distillery and the sale of by-products. Since the company factors this income into margin calculations, we have followed the same approach.)

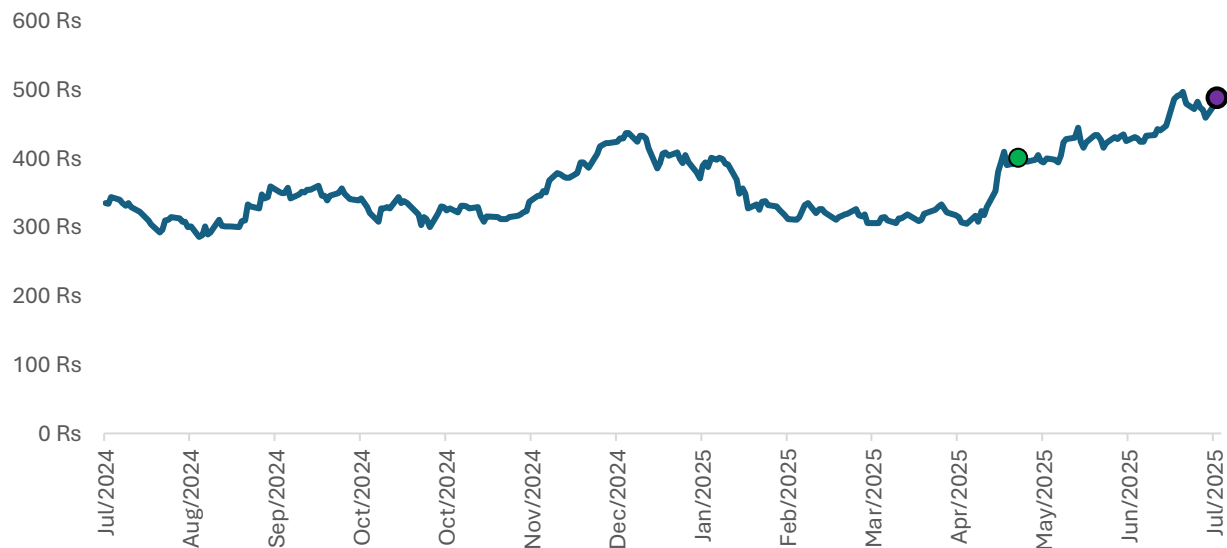
For The Report initiating coverage on 18th May >

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Recommendation Summary

Date	Target
20-May-25 ●	₹ 536
31-Jul-25 ● 	₹ 552

Price Chart



Annexures

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FRONT WAVE
A CURVE AHEAD

Friday, 01 August 2025

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