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Pernod Ricard weighs an IPO for its India business

The French spirits group says India could surpass the United States as its biggest market, making a listing a strategic choice

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Pernod Ricard is doing preparatory work for a possible initial public offering of its India business, a move the French spirits group says it is weighing for strategic rather than purely financial reasons as India becomes increasingly central to its global growth.

Chairman Alexandre Ricard told shareholders at the company's annual general meeting on November 20 that the board could meet in India in January 2027 to discuss the option, according to comments reported by The Economic Times. He said no final decision had been made and cautioned that a listing would bring more bureaucracy, more regulatory complexity and a permanent reduction in the parent company's ownership.

Ricard described India as "absolutely strategic" for Pernod Ricard and said medium-term projections suggest the country could eventually overtake the United States as the group's single largest market by revenue. India is already Pernod Ricard's second-largest market after the U.S., he said, a sharp rise from a decade ago when it was not among the company's top 12 markets.

The company behind Chivas Regal, Royal Stag and The Glenlivet has not disclosed the size or timing of any potential offering. At the shareholder meeting, one investor raised the idea of an IPO worth more than $1 billion, but Ricard did not confirm any valuation. He said the board asked him about a year earlier to examine the strategic case for a listing and that the company is now preserving that option through preparatory work.

Under Indian listing rules, Pernod Ricard would need to reduce its stake to about 75%, since a minimum 25% public float is required. Ricard said that kind of step would be irreversible and would force the company to give up full ownership of a business it sees as increasingly important. He said the board would need to be convinced both of the strategic benefits and of favorable market conditions before approving any deal.

Ricard said a listed Indian unit could improve governance and transparency while also strengthening relationships with regulators, customers, suppliers and other local stakeholders. He added that a stock market listing could help attract talent in a market where competition for skilled employees is growing. But he also stressed that the tradeoff would be less agility and more administrative burden.

The discussion reflects a broader shift in the global drinks industry, where India is taking on greater weight for multinational liquor companies. For spirits producers, the country's growth is reshaping long-term investment plans, and any public listing of a major local subsidiary could signal how important India has become as both a sales

engine and a strategic base.

Ricard also pointed to rising economic nationalism and stronger consumer preference for locally made products in emerging markets including India, China and parts of Africa. He said Pernod Ricard has been adapting through what he called a “dewesternisation” of strategy, including deeper local connections for international brands and collaborations with local artists.

That shift is especially visible in India’s whisky market. Over the past decade, the market has moved beyond mass blended whisky toward locally produced single malts. Pernod Ricard and rival Diageo have both developed Indian single malts to respond to that change in consumer demand and to the appeal of domestic brands.

India has also helped offset softer performance elsewhere in Pernod Ricard’s business. Ricard said the country has been cushioning weakness in the U.S. and China. The company recently reported a 0.9% decline in first-quarter sales, with India contributing significantly to limit the impact of contractions in those other markets.

Financial results from the local unit show why India matters so much. Pernod Ricard India reported revenue excluding excise duty of ₹13,315 crore for fiscal 2026, up 0.6%. Profit before exceptional items and tax rose 5.7% to ₹2,483 crore. Net profit jumped to ₹4,559 crore from ₹1,755 crore, helped by a ₹3,223-crore exceptional gain from the sale of the Imperial Blue brand to Tilaknagar Industries.

The company’s scale in India also stands out against its closest competitor. United Spirits, controlled by Diageo, reported net sales value of ₹12,467 crore, up 7.7%, while EBITDA rose 11% to ₹2,286 crore.

Ricard said that if the board supports an IPO, it would be because of the strategic significance of India rather than because the parent company needs cash. He also said the possible January 2027 board meeting in India would depend on geopolitical conditions.

For Pernod Ricard, the issue is no longer whether India is a major market, but how far the company should go in giving that market a more independent and public corporate profile. For the wider beverage business, the deliberations underline how India is

becoming harder for global spirits groups to treat as just another large market, and more difficult to ignore as a center of future growth.