

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	ITC IN
Equity Shares (m)	12259
M.Cap.(INRb)/(USDb)	5215.4 / 63.1
52-Week Range (INR)	433 / 258
1, 6, 12 Rel. Per (%)	3/24/46
12M Avg Val (INR M)	4523

Financials & Valuations (INR b)

Y/E March	2023	2024E	2025E
Sales	660.4	736.5	814.2
Sales Gr. (%)	17.2	11.5	10.5
EBITDA	239.4	280.8	314.3
EBITDA Mrg. %	36.3	38.1	38.6
Adj. PAT	186.8	217.5	245.8
Adj. EPS (INR)	15.1	17.5	19.8
EPS Gr. (%)	23.5	16.0	13.0
BV/Sh.(INR)	54.4	57.3	60.6

Ratios

RoE (%)	29.0	31.3	33.5
RoCE (%)	28.2	30.5	32.7
Payout (%)	102.7	85.0	85.0

Valuations

P/E (x)	27.9	24.0	21.2
P/BV (x)	7.7	7.3	6.9
EV/EBITDA (x)	20.0	17.0	15.1
Div. Yield (%)	3.7	3.5	4.0

Shareholding pattern (%)

As On	Mar-23	Dec-22	Mar-22
Promoter	0.0	0.0	0.0
DII	71.2	71.4	42.7
FII	14.3	13.9	12.1
Others	14.5	14.8	45.2

FII Includes depository receipts

CMP: INR420
TP: INR485 (+16%)
Buy

Strong momentum continues; healthy volume growth

- ITC reported healthy cigarette volume growth of ~12% v/s expectation of 13%. The 3-year/4-year average volume growth stood at 9.3%/4.3%, indicating strong demand momentum. With no material increase in cigarette GST/national calamities duty in the recent budget, the volume growth outlook remains healthy.
- Unlike its staples peers, ITC has reported consistent impressive performance in its Other FMCG business (~19% revenue growth and margin improvement despite elevated RM costs), along with robust performance in Hotels. ITC's earnings visibility remains better than peers'. Maintain **BUY**.

In-line operating performance; Cigarette EBIT up 14%

- **ITC's 4QFY23 net revenue grew 5.6% YoY to INR164.0b (est. INR160.5b)**, EBITDA grew 18.9% YoY to INR62.1b (est. INR62.1b), PBT rose 19.8% YoY to INR65.2b (est. INR64.2b), and adj. PAT grew 19.6% YoY to INR50.1b (est. INR47.3b).
- **Gross margin expanded ~550bp YoY to 58.6%** (est. 57.8%), while EBITDA margin expanded ~430bp YoY to 37.9% (est. 38.7%).
- **Cigarette volume is likely to have increased ~12% YoY in 4QFY23** (est. +13%). Net Cigarette sales grew 12.6% YoY to INR62.5b (est. INR63.0b). Net Cigarette EBIT margin expanded 90bp YoY to 75.1%.
- **FMCG-Others** sales grew 19.4% YoY to INR49.4b. EBIT more than doubled YoY to INR5b in 4QFY23.
- **Agri business** sales declined 18% YoY to INR35.8b.
- **Paperboards** sales were flat YoY at INR22.2b.
- **Hotels business** sales doubled YoY to INR7.8b.
- FY23 net sales/EBITDA/adj. PAT grew 17.2%/26.3%/24.1% YoY to INR660.4b/INR239.4/INR186.8.

Valuation and view

- There are no material changes to our estimates.
- ITC posted a healthy ~24% EPS growth in FY23 and we expect an EPS CAGR of ~15% over the next two years. ITC's earnings outlook is better compared to other large-cap staples players in FY24 and FY25.
- At a time when uncertainty looms over the industry due to high inflation, unpredictable monsoons and continued weak rural sales, ITC's earnings performance in the last couple of years has shined like a beacon.
- The stock has done exceptionally well since [our detailed upgrade note](#) in Jun'22 with ~60% appreciation, while consumer peers, both staples and recently, discretionaries have struggled. ITC's dividend yield is healthy at 3.5-4% despite the stock price appreciation.
- The key challenges for ITC – an extremely punitive tax regime of the past, Covid-related disruption and commodity cost inflation – now seem to be receding. **We maintain BUY rating with a TP of INR485.**

Quarterly Performance

(INR b)

Y/E March	FY22				FY23				FY22	FY23	FY23	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	
Est. cigarette vol. gr. (%)	31.0	9.0	12.5	9.0	26.0	21.0	15.0	12.0	15.4	18.5	13.0	
Net Sales	122.2	127.3	158.6	155.3	172.9	161.3	162.3	164.0	563.4	660.4	160.5	2.2%
YoY change (%)	37.1	12.6	32.5	16.8	41.5	26.7	2.3	5.6	23.9	17.2	3.3	
Gross Profit	64.3	72.8	81.4	82.5	88.1	91.9	95.5	96.0	292.9	371.6	92.8	
Margin (%)	52.6	57.2	51.3	53.1	51.0	57.0	58.9	58.6	52.0	56.3	57.8	
EBITDA	39.9	46.2	51.0	52.2	56.5	58.6	62.2	62.1	189.5	239.4	62.1	-0.1%
Growth (%)	50.8	12.9	18.2	16.8	41.5	27.1	22.0	18.9	22.0	26.3	18.9	
Margins (%)	32.7	36.3	32.2	33.6	32.7	36.4	38.4	37.9	33.6	36.3	38.7	
Depreciation	4.0	4.0	4.1	4.5	4.1	4.2	4.1	4.2	16.5	16.6	4.4	
Interest	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.6	0.4	0.1	
Other Income	4.3	6.8	8.1	6.7	3.1	5.1	8.7	7.5	25.9	24.4	6.6	
PBT	40.2	48.8	54.9	54.4	55.4	59.4	66.8	65.2	198.3	246.8	64.2	1.5%
Tax	10.0	11.8	13.4	12.5	13.7	14.7	16.5	15.1	47.7	60.0	17.0	
Rate (%)	25.0	24.2	24.3	23.0	24.7	24.8	24.7	23.1	24.1	24.3	26.4	
Adj PAT	30.1	37.0	41.6	41.9	41.7	44.7	50.3	50.1	150.6	186.8	47.3	6.1%
YoY change (%)	28.6	13.7	12.7	11.8	38.4	20.8	21.0	19.6	15.5	24.1	12.8	

E: MOFSL estimate; Full year COGS also includes contract processing charges (included in other op. exps. in quarterly)

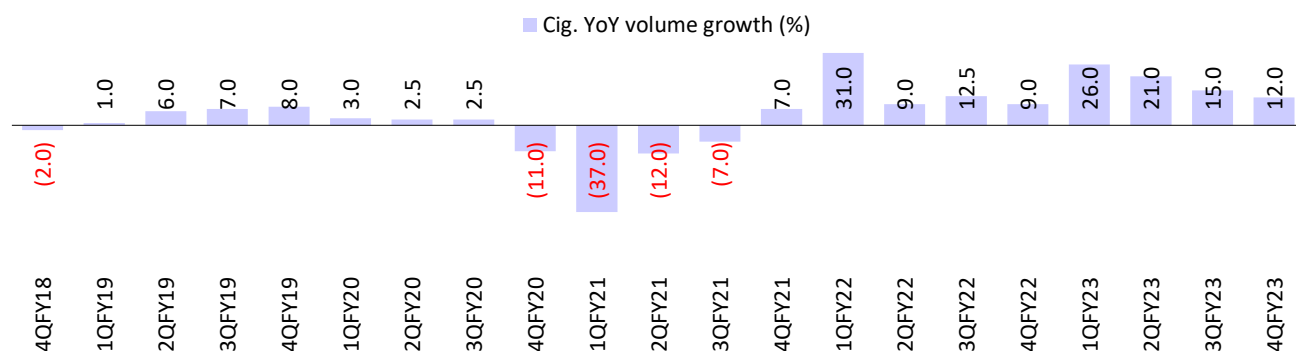
Key Performance Indicators

Y/E March	FY22				FY23			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Cig Realization Gr %	3.2	2.4	0.1	2.0	1.4	1.9	2.9	0.6
2Y average growth %								
Cig Volumes	-3.0	-1.5	2.8	8.0	28.5	15.0	13.8	10.5
Sales	7.9	4.8	17.0	19.7	39.3	19.6	17.4	11.2
EBITDA	4.4	1.2	5.9	12.1	46.2	20.0	20.1	17.8
PAT	1.2	-2.7	-0.5	5.3	33.5	17.2	16.9	15.7
% sales								
COGS	47.4	42.8	48.7	46.9	49.0	43.0	41.1	41.4
Others	20.0	21.0	19.2	19.5	18.3	20.6	20.5	20.7
Depreciation	3.2	3.2	2.6	2.9	2.4	2.6	2.5	2.6
YoY change %								
COGS	46.6	13.0	50.5	19.8	46.5	27.4	-13.6	-6.7
Others	5.2	11.2	20.5	10.2	29.8	24.6	9.6	12.2
Other income	-52.2	10.9	-16.7	-12.7	-27.1	-25.1	7.6	10.7
EBIT	60.0	13.7	19.6	17.0	45.6	29.2	23.9	21.1

Cigarette volumes likely to have grown 12% YoY in 4QFY23

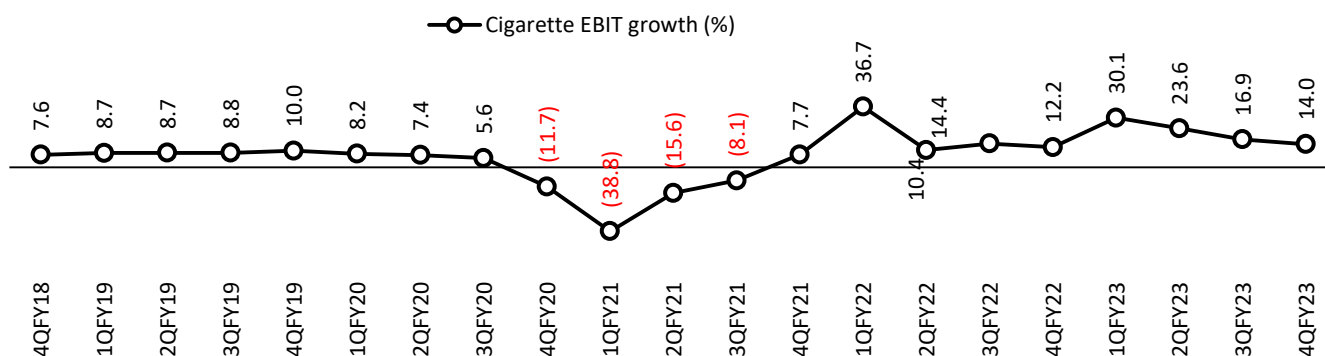
- ITC's net Cigarette revenue grew 12.6% YoY to INR62.5b, with likely volume growth of 12% YoY on a base of 9% growth. Average three-year volume growth was 9.3% in 4QFY23.
- It focuses on product innovations, democratizing premiumization across segments and enhancing product availability.
- ITC's recent introductions included Classic Alphatec, American Club Smash, Gold Flake Smart Mintz, Gold Flake XPOD and Lucky Strike.
- The stability in taxes on Cigarettes has enabled the legal cigarette industry to partially regain volumes lost to illicit trade, boosted domestic demand for Indian tobaccos and mitigated the loss of tax revenue to the government. ITC continues to engage with policymakers to work on creating a regulatory framework and taxation policies in India.
- EBIT in Cigarettes grew 14% YoY to INR46.9b (est. INR47b). Net EBIT margin for the segment expanded ~90bp YoY to 75.1% in 4QFY23.

Exhibit 1: Cigarette volumes likely up 12% YoY in 4QFY23



Source: Company, MOFSL

Exhibit 2: Cigarette EBIT up 14% YoY to INR46.9b in 4QFY23



Source: Company, MOFSL

Exhibit 3: Cigarette sales contribution is stable at 35.2% QoQ

Revenue contribution (%)	4Q FY20	1Q FY21	2Q FY21	3Q FY21	4Q FY21	1Q FY22	2Q FY22	3Q FY22	4Q FY22	1Q FY23	2Q FY23	3Q FY23	4Q FY23
Cigarettes	39.4	28.5	34.2	37.2	35.7	31.5	35.0	31.4	33.4	27.4	33.6	36.3	35.2
FMCG - Others	27.6	29.5	30.0	29.6	26.3	26.8	29.3	24.2	24.9	21.9	27.7	28.1	27.8
Hotels	4.0	0.2	0.6	1.9	2.1	0.9	2.1	2.8	2.3	2.7	3.0	4.1	4.4
Agri. business	16.3	32.8	23.6	19.6	24.1	29.4	20.2	29.4	26.3	36.8	22.7	18.1	20.1
Paper and Packaging	12.6	9.0	11.5	11.7	11.8	11.4	13.3	12.1	13.1	11.2	13.0	13.4	12.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Company, MOFSL

FMCG – Others: Strong growth in overall portfolio

- Segmental sales grew 19.4% YoY to INR49.4b, while segmental EBIT jumped 112.6% YoY to INR5b in 4QFY23. EBIT margin expanded 440bp YoY to 10.1%.
- Growth in branded packaged foods was led by biscuits, snacks, noodles and beverages. Personal Wash products like Fiama and Vivel recorded healthy growth. The Hygiene segment witnessed moderation in demand (still higher than the pre-pandemic levels). Aashirvaad witnessed a robust growth on a high base. Stationery also witnessed strong growth during the quarter.
- Market coverage is now stepped up to ~2.1x of pre-pandemic levels. Rural stockists network grew ~1.2x over the previous year.
- In FY23, 90+ new products were launched in Health & Nutrition, Hygiene, Protection & Care, Convenience & On-the-Go, Indulgence, etc.
- The businesses witnessed improvement in profitability, driven by premiumisation, supply chain agility, judicious pricing actions, digital initiatives, strategic cost management and fiscal incentives (including PLI).
- Company eB2B platform- UNNATI was rapidly scaled up covering nearly 5.4 lakh outlets in FY23 and facilitating sharp and direct engagement with retailers, superior analytics and deeper brand engagement.
- **Channel performance:** ITC e-store, a D2C platform, is operational in 10,000+ pin codes and continues to receive excellent customer response. E-commerce sales grew 4.7x over FY20 levels, taking the channel contribution to over 10%.

Paperboards, Paper, and Packaging

- Paper and Paperboard sales remained flat YoY at INR22.2b in 4QFY23.
- Segmental EBIT was flat YoY at INR4.5b. EBIT margin contracted 60bp YoY to 20% during the quarter.
- Segment revenue growth was affected by lower pulp prices, muted demand mainly in global markets, and a relatively higher base.
- Capacity utilization at the factory is being progressively scaled up.
- The Fine Paper segment remains buoyant thanks to strong demand for notebooks and publications.

Agri

- Revenue declined 18% YoY to INR35.8b in 4QFY23 due to a ban on the export of wheat and rice. EBIT grew 25.9% YoY to INR3.1b, while EBIT margin expanded 300bp YoY to 8.6%, driven by growth in leaf tobacco exports and value-added agri products.
- ITC strengthened its milk procurement network in Bihar and West Bengal to meet the growing requirements of its Fresh Dairy portfolio.
- ITCMAARS (Metamarket for Advanced Agriculture and Rural Services) – a crop-agnostic 'phygital' full-stack AgriTech platform – is being scaled up with 1150+ FPOs in nine states, encompassing 500,000+ farmers. This initiative is creating a robust ecosystem to deliver seamless, hyperlocal and personalized solutions to the farming community. It also ensures financial inclusion while creating new and scalable revenue streams, strengthening sourcing efficiencies and powering the company's world-class Indian brand.

Hotels

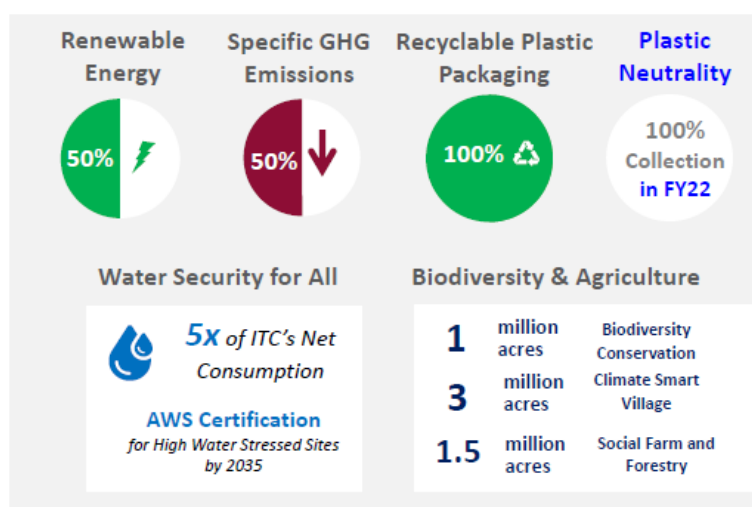
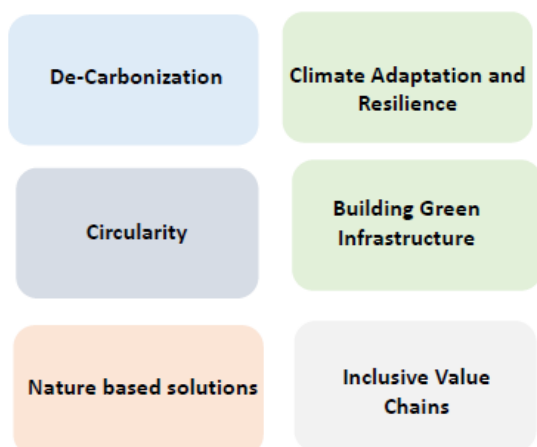
- Revenue doubled YoY to INR7.8b in 4QFY23. Segmental EBIT came in at INR2b in 4QFY23 v/s a loss of INR0.3b in 4QFY22.
- Segment EBITDA margin for the quarter stood at 34.8% v/s 8.1% YoY. The margin expansion was driven by higher RevPAR, operating leverage and structural cost interventions.
- Growth in revenue and profit was driven by retail, leisure, weddings and MICE.
- The ITC Hotels website and ITC Hotels App for Food Delivery, Room & Table Reservations, Loyalty Benefits, Exclusive Offers and more, continue to receive excellent responses and are being leveraged effectively to enhance guest engagement and enable revenue growth.
- In FY23, 11 new properties were added under management contracts.

ITC Infotech

- ITC Infotech delivered revenue/EBITDA growth of 30%/33% YoY to INR8.8b/INR1.6b, with EBITDA margin of ~18%.
- Investments are being made toward capability building in strategic focus areas and infrastructure.

Exhibit 4: ITC's contribution to sustainable development

Strategic Interventions to Combat Climate Change



Proactively work towards achieving 'Net Zero' emission status

Source: Company Presentation

Key exhibits

Exhibit 5: Segmental performance

Net sales (INR b)	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
Cigarettes	43.8	48.2	53.0	55.5	55.8	59.2	62.5	62.5
FMCG - Others	37.3	40.4	40.9	41.4	44.5	48.8	48.4	49.4
Hotels	1.3	2.9	4.7	3.9	5.5	5.4	7.1	7.8
Agri business	40.9	27.8	49.6	43.7	74.7	40.0	31.2	35.8
Paper and packaging	15.8	18.3	20.5	21.8	22.7	22.9	23.1	22.2
Sales growth (YoY)								
Cigarettes	34.2	11.4	12.6	11.0	27.4	22.9	17.9	12.6
FMCG - Others	10.4	2.9	9.3	12.3	19.5	21.0	18.4	19.4
Hotels	463.5	259.6	101.3	35.4	336.2	81.8	50.5	100.6
Agri business	9.2	(7.0)	100.0	29.6	82.7	44.0	(37.1)	(18.0)
Paper and packaging	54.2	25.4	38.5	31.8	43.3	25.0	12.7	1.8
Volume growth (YoY)								
Cigarettes	31.0	9.0	12.5	9.0	26.0	21.0	15.0	12.0
EBIT (INR b)								
Cigarettes	32.2	35.8	39.5	41.1	41.9	44.3	46.2	46.9
FMCG - Others	1.7	2.7	2.4	2.4	2.0	3.2	3.5	5.0
Hotels	(1.5)	(0.5)	0.5	(0.3)	1.1	0.8	1.5	2.0
Agri business	2.0	3.0	3.0	2.4	2.8	3.5	3.9	3.1
Paper and packaging	3.9	4.1	4.5	4.5	6.1	6.3	6.1	4.5
EBIT growth (YoY)								
Cigarettes	36.7	10.4	14.4	12.2	30.1	23.6	16.9	14.0
FMCG - Others	38.3	(2.7)	1.1	25.1	17.6	17.9	43.9	112.6
Hotels	#	#	L/P	#	L/P	L/P	189.1	L/P
Agri business	9.5	15.7	50.6	28.5	45.1	16.6	32.6	25.9
Paper and packaging	145.3	23.8	57.3	39.1	56.0	54.0	35.2	(1.0)
EBIT margin (%)								
Cigarettes	73.5	74.4	74.5	74.2	75.1	74.8	73.9	75.1
FMCG - Others	4.7	6.7	5.9	5.7	4.6	6.6	7.2	10.1
Hotels	(119.0)	(16.3)	10.7	(8.8)	20.2	15.7	20.5	25.5
Agri business	4.8	10.7	6.0	5.6	3.8	8.6	12.5	8.6
Paper and packaging	24.8	22.4	21.9	20.6	27.0	27.5	26.3	20.0
EBIT margin change (%)								
Cigarettes	1.3	(0.6)	1.2	0.8	1.6	0.4	(0.6)	0.9
FMCG - Others	0.9	(0.4)	(0.5)	0.6	(0.1)	(0.2)	1.3	4.4
Hotels	955.3	209.3	39.3	5.2	139.2	32.0	9.8	34.3
Agri business	0.0	2.1	(2.0)	(0.0)	(1.0)	(2.0)	6.6	3.0
Paper and packaging	9.2	(0.3)	2.6	1.1	2.2	5.2	4.4	(0.6)

Source: Company, MOFSL

Valuation and view

What has happened over the last 10 years?

- ITC's financial performance over the last 10 years has been a story of two halves.
- It performed strongly in the first half of the decade, with a 16-22% CAGR in sales, EBITDA, PBT, and PAT.
- However, in the subsequent five years, its sales/EBITDA/PBT CAGR declined to 4.6%/5.8%/6.6% – one-third of the growth seen in the preceding five years. PAT growth has been in the high single-digits, led by the corporate tax cut.

Our view

- There are no material changes to our estimates.
- ITC has posted healthy ~24% EPS growth in FY23 and we expect an EPS CAGR of ~15% over the next two years. ITC's earnings outlook is better compared to other large cap staples players in FY24 and FY25.

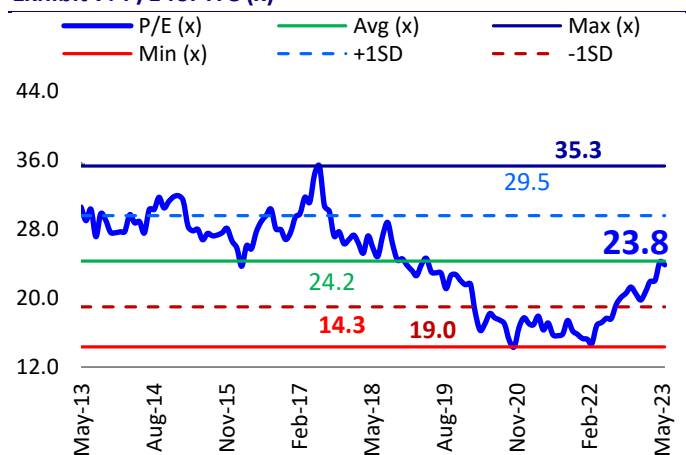
- At a time when uncertainty looms over the industry due to high inflation, unpredictable monsoons and continued weak rural sales, ITC's earnings performance in the last couple of years has shined like a beacon.
- The stock has done exceptionally well since [our detailed upgrade note](#) in Jun'22 with ~60% appreciation while consumer peers (both staples and discretionsaries) have struggled. ITC's dividend yield is healthy at 3.5-4% despite the stock price appreciation.
- The key challenges for ITC – a difficult tax regime of the past, Covid-related disruption and commodity cost inflation – now seem to be receding. **We maintain BUY rating with a TP of INR485.**

Exhibit 6: There are no material changes to our estimates

	New		Old		Change (%)	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Sales	728.4	805.7	727.5	801.0	0.1	0.6
EBITDA	280.8	314.3	279.2	312.2	0.6	0.7
PAT	217.5	245.8	214.7	242.3	1.3	1.4

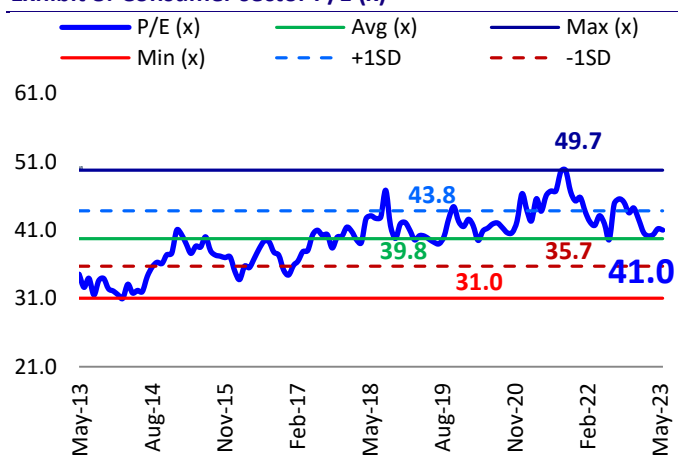
Source: Company, MOFSL

Exhibit 7: P/E for ITC (x)



Source: Bloomberg, MOFSL

Exhibit 8: Consumer sector P/E (x)



Source: Bloomberg, MOFSL

Financials and valuations

Income Statement							(INR b)	
Y/E March	2018	2019	2020	2021	2022	2023	2024E	2025E
Net Sales	402.5	444.3	451.4	451.1	557.0	652.7	728.4	805.7
Operational Income	3.7	5.6	4.8	3.7	6.4	7.7	8.1	8.5
Total Revenue	406.3	450.0	456.2	454.9	563.4	660.4	736.5	814.2
Change (%)	1.3	10.8	1.4	-0.3	23.9	17.2	11.5	10.5
Gross Profit	240.1	268.3	275.5	248.4	292.9	371.6	433.4	484.2
Margin (%)	59.1	59.6	60.4	54.6	52.0	56.3	58.8	59.5
Other operating expenditure	84.5	95.0	96.2	93.0	103.4	132.2	152.6	169.9
EBITDA	155.6	173.3	179.3	155.3	189.5	239.4	280.8	314.3
Change (%)	6.6	11.3	3.5	-13.4	22.0	26.3	17.3	11.9
Margin (%)	38.3	38.5	39.3	34.2	33.6	36.3	38.1	38.6
Depreciation	11.5	13.1	15.6	15.6	16.5	16.6	19.2	20.5
Int. and Fin. Charges	1.1	0.6	0.8	0.6	0.6	0.4	0.4	0.3
Other Inc. - Recurring	21.3	24.8	30.1	32.5	25.9	24.4	26.8	32.0
Profit before Taxes	164.4	184.4	193.0	171.6	198.3	246.8	288.1	325.5
Change (%)	6.0	12.2	4.6	-11.1	15.5	24.4	16.7	13.0
Margin (%)	40.5	41.0	42.3	37.7	35.2	37.4	39.1	40.0
Tax	56.0	58.5	44.4	40.4	48.3	60.3	70.6	79.8
Tax Rate (%)	34.2	32.4	20.9	24.1	24.1	24.3	24.5	24.5
Profit after Taxes	108.1	124.6	152.7	130.3	150.6	186.8	217.5	245.8
Change (%)	6.0	15.3	22.5	-14.6	15.5	24.1	16.4	13.0
Margin (%)	26.6	27.7	33.5	28.7	26.7	28.3	29.5	30.2
Non-rec. (Exp)/Income	4.1	0.0	-1.3	0.0	0.0	0.7	0.0	0.0
Reported PAT	112.2	124.6	151.4	130.3	150.6	187.5	217.5	245.8
Balance Sheet							(INR b)	
Y/E March	2018	2019	2020	2021	2022	2023	2024E	2025E
Share Capital	12.2	12.3	12.3	12.3	12.3	12.4	12.4	12.4
Reserves	501.8	567.2	628.0	577.7	601.7	663.5	700.1	741.0
Net Worth	514.0	579.5	640.3	590.0	614.0	675.9	712.6	753.4
Loans	0.1	0.0	3.3	3.3	3.1	3.2	2.8	2.8
Deferred Liability	19.2	20.4	16.2	17.3	16.7	16.2	16.2	16.2
Capital Employed	533.2	600.0	659.8	610.6	633.8	695.4	731.6	772.4
Gross Block	258.1	300.4	336.3	362.7	389.7	415.8	445.8	475.8
Less: Accum. Depn.	102.3	115.5	131.1	146.7	163.2	179.9	199.0	219.5
Net Fixed Assets	155.7	185.0	205.2	216.0	226.4	236.0	246.8	256.3
Capital WIP	50.2	33.9	27.8	33.3	24.7	17.0	17.0	17.0
Goodwill	0.0	0.0	0.0	5.8	5.8	5.8	5.8	5.8
Investments	234.0	265.8	306.3	270.0	272.8	327.2	318.9	332.2
Curr. Assets, L&A	183.9	213.3	213.1	190.8	221.2	236.7	296.7	335.0
Inventory	72.4	75.9	80.4	94.7	100.0	105.9	124.9	137.3
Account Receivables	23.6	36.5	20.9	20.9	19.5	23.2	33.9	37.5
Cash and Bank Balance	25.9	37.7	68.4	40.0	38.8	38.3	65.2	83.9
Others	62.0	63.3	43.3	35.1	63.0	69.2	72.7	76.3
Curr. Liab. and Prov.	90.6	98.0	92.6	105.2	117.1	127.2	153.6	168.1
Account Payables	33.8	33.7	34.5	41.2	42.2	43.5	61.8	67.4
Other Liabilities	56.7	64.3	58.1	64.0	74.9	83.7	91.8	100.7
Net Current Assets	93.4	115.3	120.5	85.6	104.1	109.5	143.1	166.9
Application of Funds	533.2	600.0	659.8	610.6	633.8	695.4	731.6	772.4

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	2018	2019	2020	2021	2022	2023	2024E	2025E
Basic (INR)								
EPS	8.9	10.2	12.4	10.6	12.2	15.1	17.5	19.8
Cash EPS	9.8	11.2	13.7	11.9	13.6	16.4	19.0	21.4
BV/Share	42.1	47.3	52.1	47.9	49.8	54.4	57.3	60.6
DPS	6.2	6.9	10.2	10.8	11.5	15.5	14.9	16.8
Payout %	68	68	82	102	94	103	85	85
Valuation (x)								
P/E	47.4	41.3	33.8	39.6	34.3	27.9	24.0	21.2
Cash P/E	42.8	37.3	30.6	35.4	30.9	25.6	22.0	19.6
EV/Sales	12.1	10.9	10.6	10.7	8.7	7.3	6.5	5.9
EV/EBITDA	31.4	27.9	26.6	31.1	25.5	20.0	17.0	15.1
P/BV	10.0	8.9	8.1	8.8	8.4	7.7	7.3	6.9
Dividend Yield (%)	1.5	1.7	2.4	2.6	2.7	3.7	3.5	4.0
Return Ratios (%)								
RoE	22.3	22.8	25.0	21.2	25.0	29.0	31.3	33.5
RoCE	21.6	22.1	24.3	20.6	24.3	28.2	30.5	32.7
RoIC	42.4	44.6	49.8	40.4	46.5	55.3	61.4	66.2
Working Capital Ratios								
Debtor (Days)	21	25	23	17	13	12	14	16
Asset Turnover (x)	0.8	0.7	0.7	0.7	0.9	0.9	1.0	1.0

Cash Flow Statement

Y/E March	2018	2019	2020	2021	2022	2023	2024E	2025E
OP/(loss) before Tax	168.5	184.4	191.7	171.6	198.3	247.5	288.1	325.5
Financial other income	7.2	8.1	13.1	17.0	13.9	8.6	26.8	32.0
Depreciation and Amort.	11.5	13.1	15.6	15.6	16.5	16.6	19.2	20.5
Interest Paid	-8.3	-12.1	-13.8	-11.8	-9.6	-13.9	0.4	0.3
Direct Taxes Paid	57.2	54.9	46.5	39.6	45.1	58.0	70.6	79.8
Incr in WC	-19.2	5.0	-4.2	3.9	-1.8	4.4	6.8	5.1
CF from Operations	126.5	117.5	138.1	114.9	148.1	179.1	203.5	229.5
Other items	-7.6	3.2	44.6	-30.8	12.4	5.3	35.2	14.4
Incr Decr in FA	25.5	27.6	21.1	15.8	16.7	18.1	30.0	30.0
Free Cash Flow	101.0	89.9	116.9	99.1	131.3	161.0	173.5	199.5
Pur of Investments	34.8	15.3	51.9	-87.0	11.6	39.5	-8.3	13.3
CF from Invest.	-67.8	-39.7	-28.4	40.4	-15.9	-52.3	13.5	-28.9
Issue of shares	9.1	9.7	6.3	2.9	2.9	24.8	3.0	3.0
Incr in Debt	-0.1	-0.1	-0.5	-0.5	-0.5	-0.5	-0.5	0.0
Net Interest Paid	0.5	0.9	0.5	0.4	0.4	0.4	0.4	0.3
Dividend Paid	57.7	62.9	84.2	186.2	135.5	151.5	192.6	184.9
Others	-11.1	-11.9	0.0	0.4	0.2	0.4	0.4	0.4
CF from Fin. Activity	-60.2	-66.0	-78.9	-183.8	-133.4	-127.3	-190.1	-181.9
Incr of Cash	-1.5	11.7	30.7	-28.4	-1.2	-0.5	26.9	18.7
Add: Opening Balance	27.5	25.9	37.7	68.4	40.0	38.8	38.3	65.2
Closing Balance	25.9	37.7	68.4	40.0	38.8	38.3	65.2	83.9

E: MOFSL Estimates

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NOTES

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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