

May 18, 2023

Q4FY23 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY24E	FY25E	FY24E	FY25E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	455		444	
Sales (Rs. m)	7,25,509	7,93,354	7,13,596	7,80,250
% Chng.	1.7	1.7		
EBITDA (Rs. m)	2,65,073	2,92,833	2,58,792	2,84,359
% Chng.	2.4	3.0		
EPS (Rs.)	16.8	18.4	16.5	18.1
% Chng.	1.6	1.4		

Key Financials - Standalone

Y/e Mar	FY22	FY23	FY24E	FY25E
Sales (Rs. bn)	563	660	726	793
EBITDA (Rs. bn)	189	239	265	293
Margin (%)	33.6	36.3	36.5	36.9
PAT (Rs. bn)	151	187	209	229
EPS (Rs.)	12.2	15.0	16.8	18.4
Gr. (%)	15.4	23.0	11.8	9.4
DPS (Rs.)	11.1	15.5	13.5	15.0
Yield (%)	2.6	3.7	3.2	3.6
RoE (%)	25.0	29.0	30.5	31.6
RoCE (%)	28.7	34.5	36.1	37.8
EV/Sales (x)	8.9	7.6	6.9	6.3
EV/EBITDA (x)	26.5	20.9	19.0	17.1
PE (x)	34.3	27.9	25.0	22.8
P/BV (x)	8.4	7.7	7.5	6.9

Key Data

ITC.BO | ITC IN

52-W High / Low	Rs.433 / Rs.258
Sensex / Nifty	61,432 / 18,130
Market Cap	Rs.5,216bn/ \$ 63,153m
Shares Outstanding	12,428m
3M Avg. Daily Value	Rs.4356.52m

Shareholding Pattern (%)

Promoter's	-
Foreign	12.87
Domestic Institution	42.08
Public & Others	45.05
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	5.3	23.1	57.3
Relative	2.4	23.5	38.8

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ITC (ITC IN)

Rating: ACCUMULATE | CMP: Rs420 | TP: Rs455

Strong momentum continues

Quick Pointers:

- Cig volumes up 12%, FMCG sales grow 19.4% with margins up 445bps YoY
- Hotel remains strong with higher ARR and occupancy outlook

We increase our FY24/FY25 EPS by 1.6%/1.4% and target price to Rs455 (Rs444 earlier) as we roll over to FY25. Cigarette volume growth for 4Q was 12% supported by broad based premiumisation in longs and king size cigarettes. Near term looks favourable with expectations of mid-single digit volume growth. Although FMCG margins got a boost due to PLI and state incentives, FY24 should gain from benign input costs. Hotel outlook is positive due to G20 & revival in business and foreign tourist travel. Paper & Paperboard segment was impacted due to weakness in market coupled with expansion related shutdowns, expect margins to recover from 4Q levels.

While near term outlook is strong, we estimate 10.7% EPS CAGR over FY23-25. ITC has scope to increase cigarette profitability as current EBITDA margins are 5ppt lower than peak margins. ITC trades at 22.8x FY25 EPS with ROE/ROCE of 30%+/35%+ and ~80%+ dividend payout. Retain Accumulate.

4Q PAT up 19.6%: Revenues grew by 5.6% YoY to Rs164bn (PLe: Rs172.4bn). EBITDA grew by 18.9% YoY to Rs62.1bn (PLe: Rs64.0bn); Margins expanded by 423bps YoY but contracted by 49bps QoQ to 37.9% (PLe:37.1%). Adj PAT grew by 19.6% YoY to Rs50.1bn (PLe: Rs50.6bn). Board declares final/special dividend of Rs6.75/2.75 per share. (FY23 – 15.5/share).

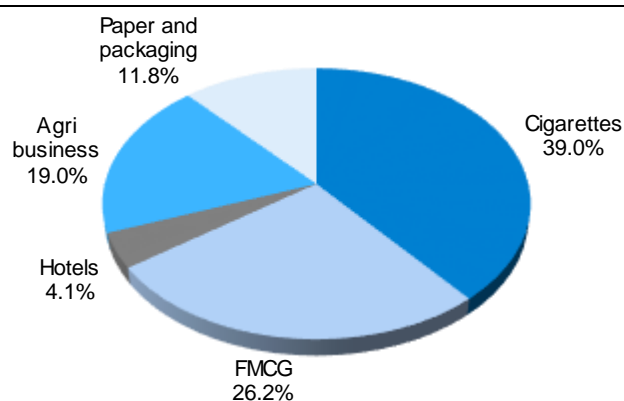
4QFY23 Segment Wise Performance

- Cigarette revenues grew 14.2% YoY to Rs73.6bn; EBIT grew 14% YoY to 46.9bn. Margins contracted 11bps YoY/improved 36bps QoQ to 63.7%. Cigarettes volume growth of 12.0% (PLe: 14.0%).
- FMCG revenues grew 19.4% YoY to Rs49.4bn; EBIT grew 113% YoY to 5bn. Margins expanded 445bps YoY/295bps QoQ to 10.1% partly aided by onetime gains from PLI and state incentives.
- Hotels revenues grew 100.6% YoY to Rs7.8bn; EBIT stood at Rs2.0bn vs loss of 0.3bn in 4Q22. Margins expanded 502bps QoQ to 25.5%.
- Agri revenues declined 18% YoY to Rs35.8bn; EBIT grew 26% YoY to 3.1bn. Margins expanded 299bps YoY/declined 395bps QoQ to 8.6%.
- Paper & Paperboard revenues declined 1.8% YoY to Rs22.2bn; EBIT declined 1% YoY to 4.5bn. Margins contracted 56bps YoY/626bps QoQ to 20%.
- ITC Infotech revenues grew 30.5% YoY to Rs8.8bn; EBIT grew 33.9% YoY to 1.6bn. Margins improved 46bps YoY/declined 102bps QoQ to 19.0%.

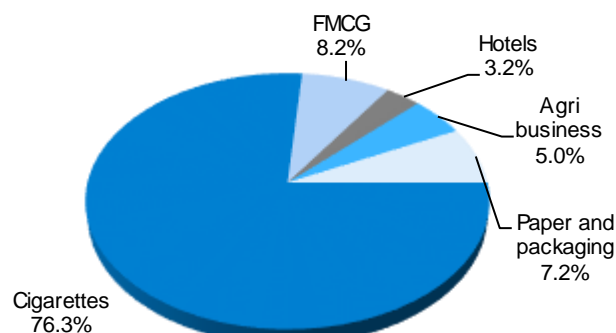
Exhibit 1: 4QFY23 Result Overview: Net Sales up 5.6%, Adj. PAT up 19.6%

Y/e March	4QFY23	4QFY22	YoY gr. (%)	3QFY23	FY23	FY22	YoY gr. (%)
Net Sales	163,980	155,309	5.6	162,257	660,433	563,413	17.2
EBITDA	62,094	52,244	18.9	62,232	239,445	189,337	26.5
<i>Margins (%)</i>	<i>37.9</i>	<i>33.6</i>	<i>4.2</i>	<i>38.4</i>	<i>36.3</i>	<i>33.6</i>	<i>2.7</i>
Depreciation	4,219	4,459	(5.4)	4,072	16,627	16,522	0.6
Interest	118.3	104.9	12.8	101.8	418.1	419.5	(0.3)
Other Income	7,463	6,741	10.7	8,717	24,376	25,900	(5.9)
PBT	65,219	54,420	19.8	66,775	246,775	198,295	24.4
Tax	15,079	12,511	20.5	16,465	59,971	47,717	25.7
<i>Tax Rate (%)</i>	<i>23.1</i>	<i>23.0</i>	<i>0.1</i>	<i>24.7</i>	<i>24.3</i>	<i>24.1</i>	<i>0.2</i>
Adjusted PAT	50,140	41,910	19.6	50,310	186,804	150,578	24.1

Source: Company, PL

Exhibit 2: Sales Mix: Cigarettes 39.0%, FMCG 26.2%


Source: Company, PL

Exhibit 3: Cigarettes contribute 76.3% of EBIT


Source: Company, PL

Exhibit 4: SOTP on Mar25 - cigarette account of 60% of value

SOTP	Basis	X	EV (Rs mn)	PAT (Rs mn)	% of PAT	EPS (Rs)	Value/Share
Cigarettes	P/E	20		167312	89.7	13.4	272
FMCG - Others	EV/Sales	4.5	1108487	14839	8.0	1.2	89
Hotels	EV/EBIDTA	25	289,775	6243	3.3	0.5	23
Agri business	P/E	15		11379	6.1	0.9	14
Paper and packaging	P/E	12		17700	9.5	1.4	17
ITC Infotech	PE	20		5941		0.5	10
Business Value						17.5	425
Cash and Invst			378901				30
Total Value/share							455

Source: PL

Exhibit 5: Cigarette volumes grew 12.0%, FMCG margins at 10.1%

	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Cigarette Volume gr %	1.4	8.7	26.0	20.5	15.2	12.0
Sales (INR m)	1,78,169	1,75,241	2,13,555	1,86,591	182,713	188,821
Cigarettes	62,441	64,434	66,090	69,538	72,882	73,558
FMCG	40,906	41,420	44,514	48,848	48,414	49,450
Hotels	4,734	3,896	5,550	5,360	7,124	7,817
Agri business	49,624	43,663	74,730	39,970	31,238	35,786
Paper and packaging	20,465	21,828	22,672	22,876	23,055	22,210
Sales growth (YoY)	32.6	17.9	45.8	28.0	2.6	7.7
Cigarettes	13.6	10.0	29.0	23.3	16.7	14.2
FMCG	9.3	12.3	19.5	21.0	18.4	19.4
Hotels	101.3	35.4	336.2	81.8	50.5	100.6
Agri business	100.0	29.6	82.7	44.0	(37.1)	(18.0)
Paper and packaging	38.5	31.8	43.3	25.0	12.7	1.8
EBIT (INR m)	49,869	50,097	54,020	58,088	61,116	61,424
Cigarettes	39,507	41,143	41,889	44,293	46,197	46,891
FMCG	2,419	2,360	2,039	3,206	3,481	5,016
Hotels	506	-342	1,122	840	1,462	1,996
Agri business	2,953	2,440	2,840	3,452	3,915	3,071
Paper and packaging	4,485	4,497	6,130	6,298	6,062	4,450
EBIT growth (YoY)	21.5	15.7	41.0	28.7	22.6	22.6
Cigarettes	14.4	12.2	30.1	23.6	16.9	14.0
FMCG	1.1	25.1	17.6	17.9	43.9	112.6
Hotels	NA	NA	NA	NA	189.1	NA
Agri business	50.6	28.5	45.1	16.6	32.6	25.9
Paper and packaging	57.3	39.1	56.0	54.0	35.2	(1.0)
EBIT Margin (%)						
Cigarettes	63.3	63.9	63.4	63.7	63.4	63.7
FMCG	5.9	5.7	4.6	6.6	7.2	10.1
Hotels	10.7	(8.8)	20.2	15.7	20.5	25.5
Agri business	6.0	5.6	3.8	8.6	12.5	8.6
Paper and packaging	21.9	20.6	27.0	27.5	26.3	20.0

Source: Company, PL

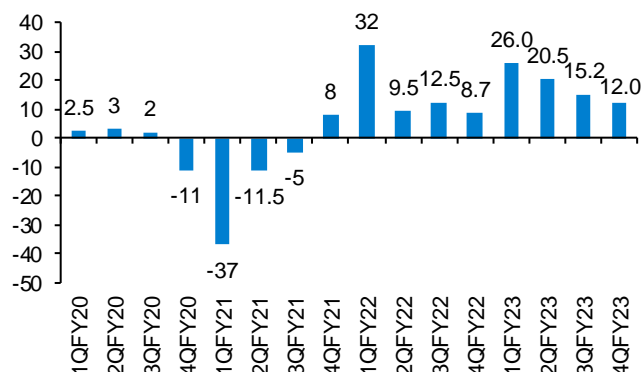
Strong growth witnessed amidst subdued demand conditions. Robust growth was witnessed across all major categories of Branded Packaged Foods

FMCG saw rapid growth in E-Com / Quick Commerce / Modern Trade / Institutional channels

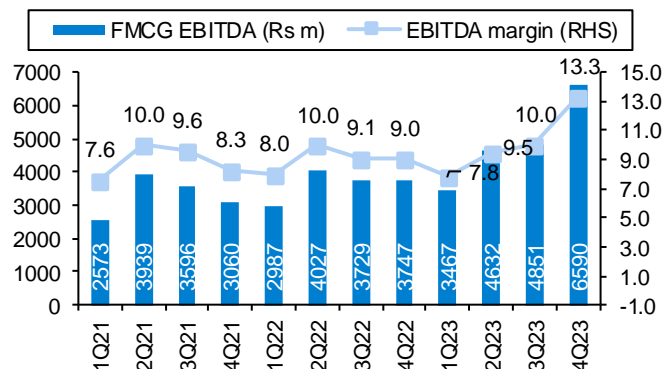
Hotels continued its sequential improvement with ARR & occupancy well ahead of pre pandemic levels.

Paperboard segment saw demand weakness coupled with maintenance shutdown in 4Q impacting margins had declined to 20%. Margins expected to bounce back to the 21-22%.

Agri business impacted by restrictions imposed on wheat & rice exports. Performance driven by growth in value-added agri products and leaf tobacco exports.

Exhibit 6: Cigarette Volumes up 12.0%


Source: Company, PL

Exhibit 7: Margins at 13.3%, Margins increase by 428bps YoY


Source: Company, PL

- Cigarettes volumes grew 12.0%; EBIT up 14.0%:** Revenues grew 14.2% YoY to Rs73.6bn; EBIT grew 14% YoY to 46.9bn. Margins contracted 11bps YoY/improved 36bps QoQ to 63.7%. Kings and Longs grew ahead of overall volumes amidst a shift from 64mm to lower end of RSFT. Recent launches continue to gain traction. Market standing further reinforced through focused portfolio. Robust growth across regions & markets. Stability in taxes on cigarettes, backed by deterrent actions by enforcement agencies, enable continued volume recovery from illicit trade.
- FMCG EBITDA margins increase 428bps YoY:** Revenues grew 19.4% YoY to Rs49.4bn; EBIT grew 113% YoY to 5bn. Margins expanded 445bps YoY/295bps QoQ to 10.1%. EBITDA margin up 428bps YoY to 13.3% due to premiumisation, supply chain agility, judicious pricing actions, digital initiatives, strategic cost management and PLI & state incentives. Staples, Biscuits, Snacks, Noodles, Dairy, Beverages, Soaps, Fragrances, Agarbatti drive growth while education & stationery products business continues to witness strong traction.
- Hotels Revenues up 101.6% YoY:** Revenues grew 100.6% YoY to Rs7.8bn; EBIT stood at Rs2.0bn vs loss of 0.3bn in 4Q22. Margins expanded 502bps QoQ to 25.5% led by higher RevPAR (ahead of pre COVID levels), operating leverage and structural cost interventions. Retail, Leisure, Weddings and MICE drive growth. ARR & occupancies are moving up plus foreign travel is picking up. Hotel outlook remains positive.
- Paper & Paperboards:** Revenues declined 1.8% YoY to Rs22.2bn; EBIT declined 1% YoY to 4.5bn. Margins contracted 56bps YoY/626bps QoQ to 20%. Weak pulp & paperboard prices impacted 4Q, while writing & printing paper prices were firm. There was a shutdown in 4Q to expand the pulp capacity which resulted in decline in margins to 20%. However, we expect margins to bounce back to the level of 21-22%.
- Agri Business:** Revenues declined 18% YoY to Rs35.8bn; EBIT grew 26% YoY to 3.1bn. Margins expanded 299bps YoY/declined 395bps QoQ to 8.6%. Performance driven by growth in value-added agri products and leaf tobacco exports. Restrictions imposed on wheat & rice exports impact revenues.

Exhibit 8: Cigarettes and FMCG to drive growth over FY23-25

	FY20	FY21	FY22	FY23	FY24E	FY25E
Net Sales (Rs m)						
Cigarettes	201,439	182,663	2,09,598	2,39,988	2,85,091	3,05,332
FMCG	128,137	147,086	1,59,648	1,91,225	2,16,967	2,46,330
Hotel	18,234	6,236	12,793	25,850	28,014	30,707
Agri	102,407	125,822	1,61,961	1,81,723	1,82,017	2,01,496
Paper and Paperboard	61,072	56,186	76,416	90,814	97,748	1,04,471
Sales Growth (%)						
Cigarettes	1.2	(9.3)	14.7	19.7	18.8	7.1
FMCG	2.6	14.8	8.5	19.6	13.5	13.5
Hotel	10.6	(65.8)	105.2	101.2	8.4	9.6
Agri	9.0	22.9	28.7	12.2	0.2	10.7
Paper and Paperboard	4.2	(8.0)	36.0	18.8	7.6	6.9
EBIT (Rs m)						
Cigarettes	148,526	127,204	1,48,691	1,79,271	2,03,713	2,22,193
FMCG	4,231	8,327	9,232	13,742	16,273	19,706
Hotel	1,578	(5,349)	-1,831	5,419	7,003	8,291
Agri	7,889	8,207	10,312	13,277	13,651	15,112
Paper and Paperboard	13,053	10,987	17,000	22,940	22,482	23,506
EBIT Margin (%)						
Cigarettes	73.7	62.6	63.4	74.7	71.5	72.8
FMCG	3.3	5.7	5.8	7.2	7.5	8.0
Hotel	8.7	-85.8	-14.3	21.0	25.0	27.0
Agri	7.7	6.5	6.4	7.3	7.5	7.5
Paper and Paperboard	21.4	19.6	22.2	25.3	23.0	22.5
EBIT Growth (%)						
Cigarettes	2.1	-14.4	16.9	20.6	13.6	9.1
FMCG	9.5	96.8	10.9	48.8	18.4	21.1
Hotel	-11.2	-439.1	-65.8	NA	29.2	18.4
Agri	1.6	4.0	25.6	28.8	2.8	10.7
Paper and Paperboard	5.3	-15.8	54.7	34.9	(2.0)	4.6

Source: Company, PL

Exhibit 9: ITC Infotech – Revenues up 31%, EBITDA up 34% YoY

(INR m)	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
ITC Infotech	6,290	6,560	6,960	7,490	7,360	6,720	7,510	8,210	8,720	8770
Sales growth (YoY)			21	26	17	2	8	10	18	31
EBITDA	1,720	1,960	1,960	2,110	1,920	1,180	1,190	1,350	1,660	1580
EBITDA growth (YoY)			79	50	12	-40	-39	-36	(14)	34
Margin (%)	27.3	29.9	28.2	28.2	26.1	17.6	15.8	16.4	19.0	18.0

Source: Company, PL

Exhibit 10: Increase in millet based portfolio in-line with year of millets

ITC launches Mission Millets to drive offtake, empower farmers

Resilient and Versatile Crop

Short duration crop
Gluten free
Non-allergenic

Climate Smart Agriculture

Carbon neutral
Water efficient
Climate resistant

Farmer Benefits

Higher Yields & Incomes

EDUCATE

EMPOWER

ENCOURAGE

- Sustainable food ecosystem
- Healthy communities
- Consumer Awareness

Millets: The humble Superfood

Source: PL, Company

Exhibit 11: Creation of a future ready portfolio

Aashirvaad Besan | Ragi Vermicelli
100% Chana Dal |
Source of Calcium, Protein and Iron

Paneer Pakoda
Beat your craving instantly

Super Millets Cookies
Ragi and Jowar |
Ragi and Jowar Chocochip

Sunfeast Supermilk
Immunity Nutrients

B Natural Select | Sunfeast Smoothies
Tender Coconut water |
Strawberry with Chia Seeds

Fiama Body Wash
Men Range | Happy Naturals

Fiama Happy Naturals
Perfume Mist

Engage Man Intense
24 Hours

Savlon Cool
Menthol & Glycerine

Mangaldeep Sambrani Cups
Pure and Natural

Source: PL, Company

Financials

Income Statement (Rs m)

Y/e Mar	FY22	FY23	FY24E	FY25E
Net Revenues	5,63,413	6,60,433	7,25,509	7,93,354
YoY gr. (%)	23.9	17.2	9.9	9.4
Cost of Goods Sold	2,62,325	2,88,802	3,16,652	3,46,870
Gross Profit	3,01,087	3,71,631	4,08,856	4,46,484
Margin (%)	53.4	56.3	56.4	56.3
Employee Cost	30,620	35,695	39,528	43,219
Other Expenses	40,728	48,183	51,440	54,642
EBITDA	1,89,337	2,39,445	2,65,073	2,92,833
YoY gr. (%)	22.0	26.5	10.7	10.5
Margin (%)	33.6	36.3	36.5	36.9
Depreciation and Amortization	16,523	16,627	17,675	19,058
EBIT	1,72,814	2,22,817	2,47,398	2,73,776
Margin (%)	30.7	33.7	34.1	34.5
Net Interest	420	418	471	471
Other Income	25,900	24,376	30,754	30,809
Profit Before Tax	1,98,294	2,46,775	2,77,682	3,04,114
Margin (%)	35.2	37.4	38.3	38.3
Total Tax	47,717	59,971	68,588	75,116
Effective tax rate (%)	24.1	24.3	24.7	24.7
Profit after tax	1,50,577	1,86,804	2,09,095	2,28,998
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	1,50,577	1,86,804	2,09,095	2,28,998
YoY gr. (%)	15.5	24.1	11.9	9.5
Margin (%)	26.7	28.3	28.8	28.9
Extra Ord. Income / (Exp)	-	729	-	-
Reported PAT	1,50,577	1,87,533	2,09,095	2,28,998
YoY gr. (%)	15.5	24.5	11.5	9.5
Margin (%)	26.7	28.4	28.8	28.9
Other Comprehensive Income	-	293	-	-
Total Comprehensive Income	1,50,577	1,87,826	2,09,095	2,28,998
Equity Shares O/s (m)	12,323	12,428	12,442	12,456
EPS (Rs)	12.2	15.0	16.8	18.4

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY22	FY23	FY24E	FY25E
Non-Current Assets				
Gross Block	3,04,561	3,29,004	3,59,204	3,89,404
Tangibles	2,82,197	3,06,110	3,36,110	3,66,110
Intangibles	22,363	22,894	23,094	23,294
Acc: Dep / Amortization	85,016	1,00,043	1,16,510	1,34,422
Tangibles	82,725	97,522	1,13,575	1,31,067
Intangibles	2,291	2,520	2,936	3,355
Net fixed assets	2,19,544	2,28,962	2,42,694	2,54,982
Tangibles	1,99,472	2,08,588	2,22,535	2,35,043
Intangibles	20,072	20,374	20,159	19,939
Capital Work In Progress	24,423	16,815	25,000	25,000
Goodwill	5,772	5,772	5,772	5,772
Non-Current Investments	1,56,624	1,63,676	1,69,424	1,82,036
Net Deferred tax assets	(16,671)	(16,211)	(15,401)	(14,631)
Other Non-Current Assets	35,142	55,359	58,881	59,635
Current Assets				
Investments	1,16,250	1,63,571	1,65,885	1,96,909
Inventories	99,978	1,05,939	1,17,869	1,28,883
Trade receivables	19,525	23,213	25,538	27,925
Cash & Bank Balance	38,779	38,313	28,143	26,544
Other Current Assets	11,952	13,881	15,236	16,660
Total Assets	7,50,925	8,22,618	8,62,622	9,33,746
Equity				
Equity Share Capital	12,323	12,428	12,442	12,456
Other Equity	6,01,672	6,63,510	6,83,413	7,41,649
Total Network	6,13,996	6,75,938	6,95,856	7,54,105
Non-Current Liabilities				
Long Term borrowings	45	33	-	-
Provisions	1,869	2,018	2,442	2,670
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	0	0	0	0
Trade payables	42,234	43,513	51,129	55,702
Other current liabilities	72,547	80,644	93,665	1,02,415
Total Equity & Liabilities	7,50,925	8,22,618	8,62,622	9,33,747

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY22	FY23	FY24E	FY25E
PBT	1,98,294	2,46,416	2,77,682	3,04,114
Add. Depreciation	16,523	16,720	17,675	19,058
Add. Interest	420	471	471	471
Less Financial Other Income	25,900	24,376	30,754	30,809
Add. Other	(16,736)	(19,927)	(4,080)	(1,471)
Op. profit before WC changes	1,98,500	2,43,679	2,91,747	3,22,171
Net Changes-WC	21,462	(35,308)	21,263	(33,211)
Direct tax	(47,717)	(59,953)	(68,588)	(75,116)
Net cash from Op. activities	1,72,245	1,48,419	2,44,423	2,13,843
Capital expenditures	(18,318)	(18,529)	(39,592)	(31,346)
Interest / Dividend Income	-	-	-	-
Others	(27,199)	(7,062)	(5,747)	(12,610)
Net Cash from Invst. activities	(45,517)	(25,591)	(45,339)	(43,957)
Issue of share cap. / premium	5,692	11,652	3,457	(2,778)
Debt changes	(7)	(13)	(33)	-
Dividend paid	(1,32,320)	(1,36,172)	(1,92,634)	(1,67,970)
Interest paid	(420)	(471)	(471)	(471)
Others	14	266	266	248
Net cash from Fin. activities	(1,27,040)	(1,24,738)	(1,89,414)	(1,70,971)
Net change in cash	(312)	(1,910)	9,669	(1,084)
Free Cash Flow	1,53,927	1,29,890	2,04,830	1,82,497

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY22	FY23	FY24E	FY25E
Per Share(Rs)				
EPS	12.2	15.0	16.8	18.4
CEPS	13.6	16.4	18.2	19.9
BVPS	49.8	54.4	55.9	60.5
FCF	12.5	10.5	16.5	14.7
DPS	11.1	15.5	13.5	15.0
Return Ratio(%)				
RoCE	28.7	34.5	36.1	37.8
ROIC	29.0	35.9	37.0	38.5
RoE	25.0	29.0	30.5	31.6
Balance Sheet				
Net Debt : Equity (x)	(0.3)	(0.3)	(0.3)	(0.3)
Net Working Capital (Days)	50	47	46	47
Valuation(x)				
PER	34.3	27.9	25.0	22.8
P/B	8.4	7.7	7.5	6.9
P/CEPS	13.6	16.4	18.2	19.9
EV/EBITDA	26.5	20.9	19.0	17.1
EV/Sales	8.9	7.6	6.9	6.3
Dividend Yield (%)	2.6	3.7	3.2	3.6

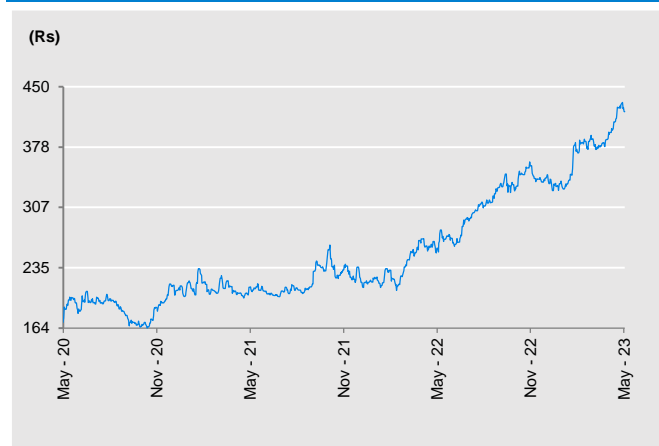
Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q1FY23	Q2FY23	Q3FY23	Q4FY23
Net Revenue	1,72,897	1,61,299	1,62,257	1,63,980
YoY gr. (%)	41.5	26.7	2.3	5.6
Raw Material Expenses	84,768	69,380	66,712	67,941
Gross Profit	88,128	91,919	95,545	96,038
Margin (%)	51.0	57.0	58.9	58.6
EBITDA	56,475	58,643	62,232	62,094
YoY gr. (%)	41.5	27.1	22.0	18.9
Margin (%)	32.7	36.4	38.4	37.9
Depreciation / Depletion	4,115	4,220	4,072	4,219
EBIT	52,360	54,423	58,160	57,875
Margin (%)	30.3	33.7	35.8	35.3
Net Interest	91	107	102	118
Other Income	3,127	5,069	8,717	7,463
Profit before Tax	55,396	59,385	66,775	65,219
Margin (%)	32.0	36.8	41.2	39.8
Total Tax	13,702	14,725	16,465	15,079
Effective tax rate (%)	24.7	24.8	24.7	23.1
Profit after Tax	41,694	44,661	50,310	50,140
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	41,694	44,661	50,310	50,140
YoY gr. (%)	38.4	20.8	21.0	19.6
Margin (%)	24.1	27.7	31.0	30.6
Extra Ord. Income / (Exp)	-	-	-	729
Reported PAT	41,694	44,661	50,310	50,869
YoY gr. (%)	38.4	20.8	21.0	21.4
Margin (%)	24.1	27.7	31.0	31.0
Other Comprehensive Income	(3,357)	5,301	(373)	(1,279)
Total Comprehensive Income	38,337	49,962	49,938	49,590
Avg. Shares O/s (m)	12,309	12,309	12,309	12,309
EPS (Rs)	3.4	3.6	4.1	4.1

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	11-Apr-23	Accumulate	444	389
2	03-Feb-23	Accumulate	438	381
3	06-Jan-23	Accumulate	365	335
4	20-Oct-22	Accumulate	365	350
5	04-Oct-22	Accumulate	340	324
6	01-Aug-22	Accumulate	327	308
7	07-Jul-22	BUY	305	292
8	19-May-22	BUY	305	267

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Asian Paints	Accumulate	3,360	3,140
2	Avenue Supermarts	BUY	4,447	3,678
3	Britannia Industries	Hold	4,800	4,626
4	Colgate Palmolive	Hold	1,636	1,628
5	Dabur India	Accumulate	590	530
6	Emami	Accumulate	485	359
7	Hindustan Unilever	Accumulate	2,785	2,469
8	ITC	Accumulate	444	389
9	Jubilant FoodWorks	Accumulate	515	481
10	Kansai Nerolac Paints	Accumulate	486	397
11	Marico	Accumulate	550	494
12	Mold-tek Packaging	Hold	968	1,001
13	Nestle India	Accumulate	22,600	20,670
14	Pidilite Industries	Hold	2,589	2,472
15	Restaurant Brands Asia	Accumulate	121	94
16	Titan Company	BUY	2,992	2,651
17	Westlife Foodworld	Accumulate	800	768

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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