

May 22, 2025

## Q4FY25 Result Update

☑ Change in Estimates | ☑ Target | ☑ Reco

### Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
<b>Rating</b>	<b>BUY</b>		<b>ACCUMULATE</b>	
<b>Target Price</b>	<b>538</b>		<b>524</b>	
Sales (Rs. m)	7,36,904	7,92,467	7,35,051	7,92,944
% Chng.	0.3	(0.1)		
EBITDA (Rs. m)	2,61,676	2,95,289	2,76,682	3,01,325
% Chng.	(5.4)	(2.0)		
EPS (Rs.)	17.5	19.9	18.1	19.7
% Chng.	(3.4)	1.2		

### Key Financials - Standalone

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. bn)	654	693	737	792
EBITDA (Rs. bn)	244	240	262	295
Margin (%)	37.3	34.7	35.5	37.3
PAT (Rs. bn)	204	200	219	250
EPS (Rs.)	16.3	16.0	17.5	19.9
Gr. (%)	8.5	(2.0)	9.7	13.9
DPS (Rs.)	13.8	14.0	15.0	16.0
Yield (%)	3.2	3.3	3.5	3.8
RoE (%)	29.1	28.5	29.8	30.5
RoCE (%)	32.6	32.2	33.9	34.4
EV/Sales (x)	7.9	7.4	6.9	6.3
EV/EBITDA (x)	21.1	21.4	19.3	17.0
PE (x)	26.1	26.7	24.3	21.4
P/BV (x)	7.4	7.9	6.7	6.3

### Key Data

ITC.BO | ITC IN

52-W High / Low	Rs.500 / Rs.381
Sensex / Nifty	80,952 / 24,610
Market Cap	Rs.5,332bn/ \$ 61,999m
Shares Outstanding	12,514m
3M Avg. Daily Value	Rs.6470.26m

### Shareholding Pattern (%)

Promoter's	-
Foreign	14.90
Domestic Institution	39.86
Public & Others	45.17
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(1.7)	(5.1)	2.4
Relative	(3.4)	(7.3)	(6.1)

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## Recovery to set in from 2H26

### Quick Pointers:

- Cig volumes up ~5% on volume led strategy, Agri outperforms
- FMCG shows QoQ uptick; Paper margins pressure likely till 1H26

*We are upgrading ITC from Accumulate to BUY as we expect current margin/growth pressures to subside post 1H26. ITC is suffering margin pressure in cigarettes (high leaf tobacco prices and volume focused strategy), Paper (High wood prices and dumping) and FMCG (Tepid volumes, high input costs and hit in stationary business). However, we expect the scenario to change as leaf tobacco prices have started softening in current season, new wood supplies, integration of century paper and bottomed out margins (~40% of normal levels) and expected recovery in demand margins in FMCG business.*

*4Q cigarette volume growth of 5% with QoQ margin improvement reinforces success of volume driven strategy. FMCG business has shown resilience, and we expect ITC to be more aggressive in new acquisitions than in the recent past which should push growth. Nicotine exports in leaf tobacco have started which should support margin recovery in Agri business.*

*We make a change of -3.4/1.2% to our estimates for FY26/27 and estimate 11% PAT CAGR over FY25-27. We believe ITC offers a favorable risk reward at 21.4x FY27 EPS and a dividend yield of 3.5%. We assign SOTP based target price of Rs538 (Rs528 earlier). Upgrade to BUY.*

**4Q Revenue up 9.6%, ~5% volume growth:** Revenues grew by 9.6% YoY to Rs172.5bn (PLe: Rs169bn). EBITDA grew by 2.5% YoY to Rs59.9bn (PLe:Rs 63.4bn); Margins contracted by 242bps YoY to 34.7% (PLe:37.5%). Adj. PAT has declined 2.9% YoY, excluding the impact of hotel business spin off in the base quarter, PAT increased by 0.8% YoY. Board declared a final dividend of Rs.7.85/share.

## 4QFY25: Cigarette volumes up 5%, broad based margin pressure across segments

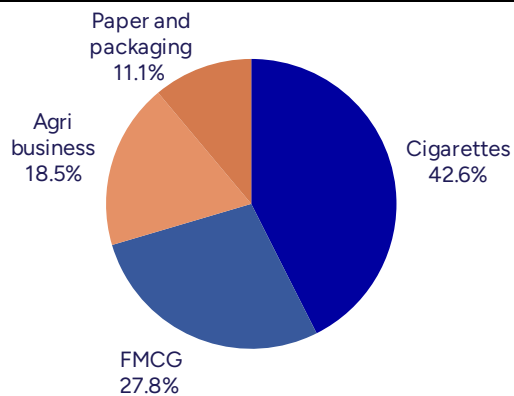
- Cigarette Revenues grew 6% YoY to Rs84bn on account led by 5% volume growth, premium portfolio & micro-market interventions; EBIT grew 4% YoY to 51.2bn. Margins contracted 120bps YoY to 60.9% Margins were supported by product mix enrichment and cost control, despite high leaf tobacco prices
- FMCG Revenues grew by 3.7% YoY (~5% excluding notebooks) to Rs54.9bn; EBIT de-grew by 28% YoY to 3.4bn. Margins contracted by 273bp to s YoY to 6.3%. EBITDA margins were 8.4%.
- Agri sales grew 17.7% YoY to Rs36.5bn led by strong export growth of leaf tobacco; EBIT grew 26% YoY to 2.6bn. Margins expanded 46bps YoY to 7%
- Paperboard & Paper Revenues grew by 5.5% YoY to Rs21.9bn; EBIT de-grew by 31% YoY to 2bn. Margins contracted by 491bps YoY to 9.2% on high wood prices and pressure on paper prices due to Chinese dumping

**Exhibit 1: 4QFY25: Net Sales up 9.6%, Margins pressure across segments**

Y/e March	Q4FY25	Q4FY24	YoY gr. (%)	Q3FY25	FY25	FY24	YoY gr. (%)
<b>Net Sales</b>	<b>1,72,482</b>	<b>1,57,336</b>	<b>9.6</b>	<b>1,70,528</b>	<b>6,99,502</b>	<b>6,38,076</b>	<b>9.6</b>
Gross profit	81,903	79,798	2.6	80,453	3,32,393	3,23,031	2.9
<b>Margins</b>	<b>47.5</b>	<b>50.7</b>	<b>(3.23)</b>	<b>47.2</b>	<b>47.5</b>	<b>50.6</b>	<b>(3.1)</b>
Other Exp	22,039	21,383	3.1	22,169	90,057	84,305	6.8
<b>EBITDA</b>	<b>59,864</b>	<b>58,415</b>	<b>2.5</b>	<b>58,284</b>	<b>2,42,335</b>	<b>2,38,726</b>	<b>1.5</b>
<b>Margins (%)</b>	<b>34.7</b>	<b>37.1</b>	<b>(2.4)</b>	<b>34.2</b>	<b>34.6</b>	<b>37.4</b>	<b>(2.8)</b>
Depreciation	3,565	3,412	4.5	3,618	15,174	15,001	1.2
Interest	85.1	92.9	(8.4)	75.7	391.6	400.5	(2.2)
Other Income	7,955	7,966	(0.1)	10,866	34,570	35,345	(2.2)
<b>PBT</b>	<b>64,169</b>	<b>65,338</b>	<b>(1.8)</b>	<b>68,471</b>	<b>2,61,340</b>	<b>2,58,669</b>	<b>1.0</b>
Tax	15,421	15,115	2.0	17,246	65,762	58,938	11.6
<b>Rate (%)</b>	<b>24.0</b>	<b>23.1</b>	<b>0.9</b>	<b>25.2</b>	<b>25.2</b>	<b>22.8</b>	<b>2.4</b>
<b>Adjusted PAT</b>	<b>48,747</b>	<b>50,223</b>	<b>(2.9)</b>	<b>51,225</b>	<b>1,95,578</b>	<b>1,99,731</b>	<b>(2.1)</b>

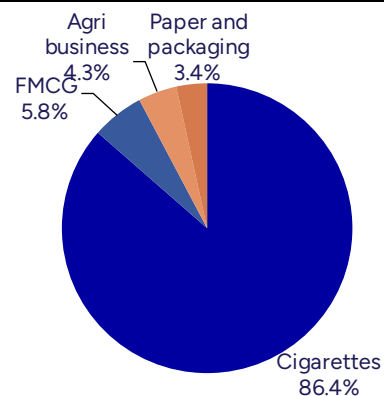
Source: Company, PL

**Exhibit 2: Sales Mix: Cigarettes 42.6%, FMCG 27.8%**



Source: Company, PL

**Exhibit 3: Cigarettes contribute ~86.4% of EBIT**



Source: Company, PL

**Exhibit 4: SOTP on FY27- cigarette account for 61% of value**

SOTP	Basis	X	EV (Rs mn)	PAT (Rs mn)	% of PAT	EPS (Rs)	Value/Share
Cigarettes	P/E	24		171566	78.2	13.7	329
FMCG - Others	EV/Sales	5.5	1430754	17676	8.1	1.4	114
Agri business	P/E	15		14568	6.6	1.2	17
Paper and packaging	P/E	14		11220	5.1	0.9	13
ITC Infotech	P/E	20		8288		0.7	13
Business Value						17.2	486
ITC Hotels	Mkt Cap	40%					12
Cash and Invst			500041				40
<b>Total Value/share</b>							<b>538</b>

Source: PL

Staples, Biscuits, Snacks, Frozen Snacks, Dairy, Premium Soaps, Homecare and Agarbatti continue to drive Growth

Notebooks are under pressure due to competitive pricing by regional brands.

Competitive intensity remained high in certain categories such as Snacks, Noodles, popular Soaps, including from local/regional players.

ITC continues to focus on premiumization. and growth in alternate channels. Over 100 new product launches; strong momentum in digital and modern trade (31% of branded FMCG sales).

FMCG EBITDA margins at 8.4% amidst inflationary headwinds in input costs (edible oil, wheat, maida, potato, cocoa, packaging inputs)

Paperboards remain impacted by low-priced Chinese supplies in global markets, muted domestic demand, unprecedented increase in domestic wood costs and high base effect. Near term outlook bleak.

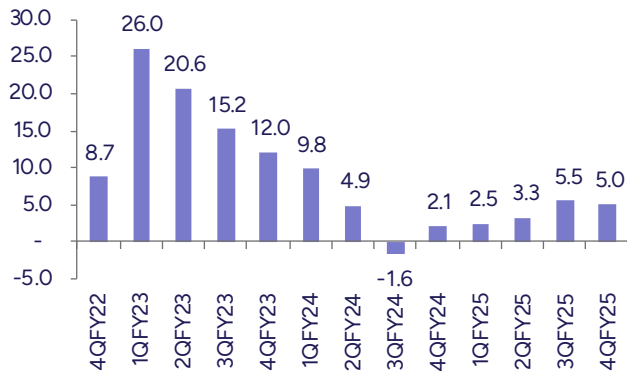
Agri outperforms due to growth in exports of Leaf Tobacco, Spices, Coffee, and Rice

#### Exhibit 5: Cigarette volumes grew ~5%, Cigarettes margins at 60.9%

	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
<b>Cigarette Volume gr %</b>	<b>-1.6</b>	<b>2.0</b>	<b>2.5</b>	<b>3.3</b>	<b>5.5</b>	<b>5.0</b>
<b>Sales (INR m)</b>	<b>1,87,355</b>	<b>1,92,965</b>	<b>2,30,247</b>	<b>2,23,773</b>	<b>199,810</b>	<b>1,97,310</b>
Cigarettes	75,488	79,248	79,181	81,773	81,363	83,996
FMCG	52,091	53,002	54,910	55,777	54,182	54,946
Hotels	8,420	8,979	6,656	7,277	9,313	0
Agri business	30,547	31,007	69,733	57,805	33,508	36,492
Paper and packaging	20,809	20,729	19,767	21,141	21,445	21,876
<b>Sales growth (YoY)</b>	<b>2.5</b>	<b>2.2</b>	<b>9.3</b>	<b>14.2</b>	<b>6.6</b>	<b>2.3</b>
Cigarettes	3.6	7.7	6.1	6.8	7.8	6.0
FMCG	7.6	7.2	6.3	5.4	4.0	3.7
Hotels	18.2	14.9	10.9	12.1	10.6	NA
Agri business	(2.2)	(13.4)	22.2	47.1	9.7	17.7
Paper and packaging	(9.7)	(6.7)	(6.8)	2.1	3.1	5.5
<b>EBIT (INR m)</b>	<b>60,248</b>	<b>61,636</b>	<b>61,990</b>	<b>63,135</b>	<b>61,606</b>	<b>59,200</b>
Cigarettes	47,281	49,233	49,596	50,234	49,240	51,179
FMCG	4,318	4,773	4,759	4,418	3,171	3,449
Hotels	2,297	2,671	1,464	1,512	3,015	0
Agri business	3,393	2,026	3,558	4,547	4,125	2,551
Paper and packaging	2,960	2,934	2,613	2,425	2,055	2,022
<b>EBIT growth (YoY)</b>	<b>(1.4)</b>	<b>0.3</b>	<b>2.5</b>	<b>4.9</b>	<b>2.3</b>	<b>(4.0)</b>
Cigarettes	2.3	5.0	6.5	5.1	4.1	4.0
FMCG	24.1	(4.9)	10.4	0.7	(26.6)	(27.7)
Hotels	57.1	33.8	11.5	20.2	31.3	NA
Agri business	(13.3)	(34.0)	(0.0)	27.5	21.6	25.9
Paper and packaging	(51.2)	(34.1)	(44.7)	(23.2)	(30.6)	(31.1)
<b>EBIT Margin (%)</b>						
Cigarettes	62.6	62.1	62.6	61.4	60.5	60.9
FMCG	8.3	9.0	8.7	7.9	5.9	6.3
Hotels	27.3	29.7	22.0	20.8	32.4	NA
Agri business	11.1	6.5	5.1	7.9	12.3	7.0
Paper and packaging	14.2	14.2	13.2	11.5	9.6	9.2

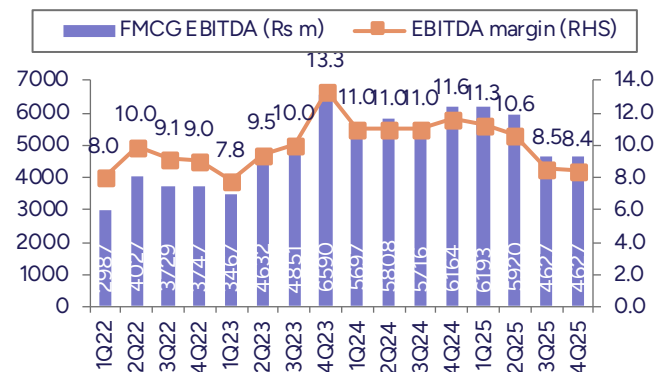
Source: Company, PL (Note: Hotels business was demerged in FY25)

**Exhibit 6: Cigarette Volumes up ~5%**



Source: Company, PL

**Exhibit 7: FMCG margins down 321bps at 8.4%**



Source: Company, PL

- Cigarette volumes grew ~5%; EBIT up 4%:** Cigarette Revenues grew by 6% YoY to Rs84bn on account of volume-led growth driven by portfolio & micro-market interventions; EBIT grew by 4% YoY to 51.2bn. Margins contracted by 120bps YoY to 60.9% due to high leaf tobacco costs—partly offset by product mix and cost efficiencies. Growth was supported by stable taxes and the strong performance of premium offerings, with new launches like Classic Clove and Gold Flake Indie Clove. ITC remains focused on the volume-led growth strategy. We expect margins to recover post 1H26 once the leaf tobacco prices cool off.
- FMCG EBITDA margins 8.4%:** FMCG revenues grew 3.7% YoY to Rs.54.9 billion (~5% YoY excluding), led by categories like Atta, Spices, Snacks, Frozen Foods, Dairy, Premium Personal Wash, Homecare, and Agarbatti. EBIT declined 28% YoY to Rs.3.4 billion, with margins contracting 273 bps to 6.3%, impacted by high input cost inflation in palm oil, potato, wheat, cocoa, and packaging materials. The notebooks segment faced pressure due to increased competition from local/regional players amid a sharp decline in paper prices. Premium offerings and alternate channels continued to deliver strong performance.
- Paperboards, Paper & Packaging:** Paperboards & Paper revenues grew 5.5% YoY to Rs. 21.9 billion, while EBIT declined 31% to Rs. 2 billion, with margins contracting 491 bps to 9.2% due to subdued realization and surge in domestic wood prices. The segment faced continued pressure from low-cost Chinese and Indonesian imports, weak domestic demand, and high wood prices. Specialty Papers saw strong growth, aided by capacity expansion in Décor paper. ITC should gain from lower wood prices, integration of century paper acquisition and any increase in import duty given huge amounts of dumping. We expect margins to show some improvement from 2H26.
- Agri Business:** Agri Revenues grew by 17.7% YoY to Rs36.5bn lead by Leaf Tobacco, Value Added Agri Products and Rice exports; EBIT grew by 26% YoY to 2.6bn. Margins expanded by 46bps YoY to 7%. Following extensive product development and customer trials, shipments of Nicotine and Nicotine derivative products from state-of-the-art manufacturing and export facility commenced in Q4 FY25. A progressive scale-up in production and distribution is anticipated throughout FY26

**Exhibit 8: Cigarettes and FMCG to drive growth over FY25-27**

	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Net Sales (Rs m)</b>						
Cigarettes	2,00,748	2,41,527	2,58,633	2,79,109	2,95,683	3,11,287
FMCG	1,59,648	1,90,815	2,09,225	2,19,865	2,35,259	2,60,137
Agri	1,61,961	1,81,723	1,57,918	1,97,510	2,16,752	2,35,306
Paper and Paperboard	76,416	90,814	83,444	84,207	87,544	92,884
<b>Sales Growth (%)</b>						
Cigarettes	15.4	20.3	7.1	7.9	5.9	5.3
FMCG	8.5	19.5	9.6	5.1	7.0	10.6
Agri	28.7	12.2	(13.1)	25.1	9.7	8.6
Paper and Paperboard	36.0	18.8	(8.1)	0.9	4.0	6.1
<b>EBIT (Rs m)</b>						
Cigarettes	1,48,691	1,79,271	1,90,892	2,00,249	2,13,258	2,27,240
FMCG	9,232	13,742	17,786	15,797	19,291	23,412
Agri	10,312	13,277	12,544	14,780	17,340	19,295
Paper and Paperboard	17,000	22,940	13,776	9,115	10,505	14,861
<b>EBIT Margin (%)</b>						
Cigarettes	63.4	63.6	62.4	61.4	61.8	62.5
FMCG	5.8	7.2	8.5	7.2	8.2	9.0
Agri	6.4	7.3	7.9	7.5	8.0	8.2
Paper and Paperboard	22.2	25.3	16.5	10.8	12.0	16.0
<b>EBIT Growth (%)</b>						
Cigarettes	16.9	20.6	6.5	4.9	6.5	6.6
FMCG	10.9	48.8	29.4	-11.2	22.1	21.4
Agri	25.6	28.8	-5.5	17.8	17.3	11.3
Paper and Paperboard	54.7	34.9	-39.9	-33.8	15.3	41.5

Source: Company, PL

**Exhibit 9: ITC has acquired 100% stake in 24 Mantra Organics**

*Vision to promote sustainable livelihood for farmers with healthy lifestyle for consumers*

**Pioneer in Organic Staples**  
Founded by Rajashekar Seelam (IIM-A)  
| Championing the organic movement for 21 years

**~Rs. 300 cr. Revenue**  
International ~50%; primarily US

**Omni-channel Presence**  
Strong salience of Alternate Channels

**Strong presence in US Organic Staples Market**  
Own Distribution setup

**Unparalleled Backend & Sourcing Network**  
1.4 Lakh acres of Certified Organic Land

**Extensive Certifications**  
USDA Organic NOP | India APEDA Organic NPOP | FSSC 22000 | FSSAI

Source: Company, PL

**Exhibit 10: ITC has increased its stake in Mother Sparsh from 26.5% to 49.3%**

**Baby Wipes**  
(99% Pure Water Wipes  
Plant powered Wipes)

**Baby Hygiene**  
(Baby Detergent &  
Liquid Bottle Cleanser)

**Baby Care**  
(Soaps, Baby Cream,  
Lotions, Oil etc.)

**Expert Baby Care**  
(Tummy Roll on,  
After-bite balm etc.)

**Natural Based Products**  
Crafted with love &  
**Plant powered ingredients**  
for your baby's safety & care

**Proven by Science**  
99% Pure Water  
Unscented Baby Wipes  
are clinically proven to be  
made with the **safest**  
formulation.

**Trusted by Moms**  
The products have earned  
the trust of moms through  
quality, reliability & care.

Source: Company, PL



## Financials

### Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Net Revenues</b>	<b>6,54,408</b>	<b>6,93,235</b>	<b>7,36,904</b>	<b>7,92,467</b>
YoY gr. (%)	(0.9)	5.9	6.3	7.5
Cost of Goods Sold	2,69,821	3,17,359	3,38,631	3,51,074
Gross Profit	3,84,587	3,75,876	3,98,273	4,41,394
Margin (%)	58.8	54.2	54.0	55.7
Employee Cost	37,322	34,167	37,377	39,182
Other Expenses	49,057	49,872	45,647	49,085
<b>EBITDA</b>	<b>2,44,066</b>	<b>2,40,248</b>	<b>2,61,676</b>	<b>2,95,289</b>
YoY gr. (%)	1.9	(1.6)	8.9	12.8
Margin (%)	37.3	34.7	35.5	37.3
Depreciation and Amortization	16,478	14,419	12,560	13,271
<b>EBIT</b>	<b>2,27,588</b>	<b>2,25,828</b>	<b>2,49,116</b>	<b>2,82,018</b>
Margin (%)	34.8	32.6	33.8	35.6
Net Interest	457	364	364	364
Other Income	35,383	34,543	37,774	44,911
<b>Profit Before Tax</b>	<b>2,62,513</b>	<b>2,60,008</b>	<b>2,86,526</b>	<b>3,26,566</b>
Margin (%)	40.1	37.5	38.9	41.2
Total Tax	58,938	64,370	70,199	80,009
Effective tax rate (%)	22.5	24.8	24.5	24.5
<b>Profit after tax</b>	<b>2,03,575</b>	<b>1,95,638</b>	<b>2,16,327</b>	<b>2,46,558</b>
Minority interest	-	-	-	-
Share Profit from Associate	-	-	2,976	3,237
<b>Adjusted PAT</b>	<b>2,03,575</b>	<b>1,99,903</b>	<b>2,19,303</b>	<b>2,49,795</b>
YoY gr. (%)	9.0	(1.8)	9.7	13.9
Margin (%)	31.1	28.8	29.8	31.5
Extra Ord. Income / (Exp)	(76)	16,118	-	-
<b>Reported PAT</b>	<b>2,03,500</b>	<b>2,16,022</b>	<b>2,19,303</b>	<b>2,49,795</b>
YoY gr. (%)	8.5	6.2	1.5	13.9
Margin (%)	31.1	31.2	29.8	31.5
Other Comprehensive Income	22,811	(9,294)	-	-
Total Comprehensive Income	2,26,310	2,06,728	2,19,303	2,49,795
<b>Equity Shares O/s (m)</b>	<b>12,485</b>	<b>12,514</b>	<b>12,520</b>	<b>12,526</b>
<b>EPS (Rs)</b>	<b>16.3</b>	<b>16.0</b>	<b>17.5</b>	<b>19.9</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>3,58,249</b>	<b>3,16,177</b>	<b>3,31,377</b>	<b>3,46,577</b>
Tangibles	3,34,647	2,92,568	3,07,568	3,22,568
Intangibles	23,601	23,609	23,809	24,009
<b>Acc: Dep / Amortization</b>	<b>1,13,715</b>	<b>1,27,454</b>	<b>1,39,483</b>	<b>1,52,085</b>
Tangibles	1,10,671	1,24,085	1,35,733	1,47,951
Intangibles	3,044	3,369	3,750	4,134
<b>Net fixed assets</b>	<b>2,44,534</b>	<b>1,88,723</b>	<b>1,91,894</b>	<b>1,94,493</b>
Tangibles	2,23,977	1,68,483	1,71,835	1,74,617
Intangibles	20,557	20,240	20,059	19,875
Capital Work In Progress	10,780	10,678	12,000	12,000
Goodwill	5,772	5,772	5,772	5,772
Non-Current Investments	2,28,246	2,07,075	2,19,378	2,32,745
Net Deferred tax assets	(20,837)	(25,564)	(24,285)	(23,071)
Other Non-Current Assets	23,238	30,285	36,074	37,844
<b>Current Assets</b>				
Investments	1,19,169	1,52,859	2,43,178	2,77,363
Inventories	1,26,315	1,50,610	1,59,687	1,67,426
Trade receivables	33,115	39,108	25,949	27,904
Cash & Bank Balance	62,177	31,844	40,464	39,359
Other Current Assets	11,342	10,437	15,475	16,642
<b>Total Assets</b>	<b>8,73,276</b>	<b>8,40,092</b>	<b>9,64,470</b>	<b>10,28,326</b>
<b>Equity</b>				
Equity Share Capital	12,485	12,514	12,520	12,526
Other Equity	7,09,848	6,66,487	7,78,663	8,35,107
<b>Total Networth</b>	<b>7,22,333</b>	<b>6,79,001</b>	<b>7,91,183</b>	<b>8,47,633</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	18	-	-	-
Provisions	2,215	2,252	2,182	2,312
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	44,896	44,898	50,084	52,135
Other current liabilities	79,261	86,323	93,335	99,796
<b>Total Equity &amp; Liabilities</b>	<b>8,73,276</b>	<b>8,40,092</b>	<b>9,64,471</b>	<b>10,28,326</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	2,62,513	2,60,008	2,86,526	3,26,566
Add. Depreciation	16,478	14,419	12,560	13,271
Add. Interest	457	364	364	364
Less Financial Other Income	35,383	34,543	37,774	44,911
Add. Other	36,588	(4,337)	(6,363)	(2,102)
Op. profit before WC changes	3,16,037	2,70,454	2,93,087	3,38,099
Net Changes-WC	(8,470)	(32,231)	(82,651)	(40,241)
Direct tax	(58,938)	(64,370)	(70,199)	(80,009)
<b>Net cash from Op. activities</b>	<b>2,48,630</b>	<b>1,73,853</b>	<b>1,40,237</b>	<b>2,17,849</b>
Capital expenditures	(26,016)	41,493	(17,053)	(15,869)
Interest / Dividend Income	-	-	-	-
Others	(64,584)	21,208	(12,302)	(13,364)
<b>Net Cash from Inv. activities</b>	<b>(90,600)</b>	<b>62,701</b>	<b>(29,355)</b>	<b>(29,233)</b>
Issue of share cap. / premium	34,459	(67,305)	71,052	(2,306)
Debt changes	(15)	(18)	-	-
Dividend paid	(1,91,639)	(1,71,665)	(1,75,197)	(1,87,802)
Interest paid	(457)	(364)	(364)	(364)
Others	(174)	353	571	(777)
<b>Net cash from Fin. activities</b>	<b>(1,57,827)</b>	<b>(2,38,998)</b>	<b>(1,03,938)</b>	<b>(1,91,248)</b>
<b>Net change in cash</b>	<b>203</b>	<b>(2,444)</b>	<b>6,943</b>	<b>(2,632)</b>
Free Cash Flow	2,22,614	2,15,346	1,23,183	2,01,980

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Per Share(Rs)</b>				
EPS	16.3	16.0	17.5	19.9
CEPS	17.6	17.1	18.5	21.0
BVPS	57.9	54.3	63.2	67.7
FCF	17.8	17.2	9.8	16.1
DPS	13.8	14.0	15.0	16.0
<b>Return Ratio(%)</b>				
RoCE	32.6	32.2	33.9	34.4
ROIC	32.9	34.5	36.6	39.6
RoE	29.1	28.5	29.8	30.5
<b>Balance Sheet</b>				
Net Debt : Equity (x)	(0.3)	(0.3)	(0.4)	(0.4)
Net Working Capital (Days)	64	76	67	66
<b>Valuation(x)</b>				
PER	26.1	26.7	24.3	21.4
P/B	7.4	7.9	6.7	6.3
P/CEPS	17.6	17.1	18.5	21.0
EV/EBITDA	21.1	21.4	19.3	17.0
EV/Sales	7.9	7.4	6.9	6.3
Dividend Yield (%)	3.2	3.3	3.5	3.8

Source: Company Data, PL Research

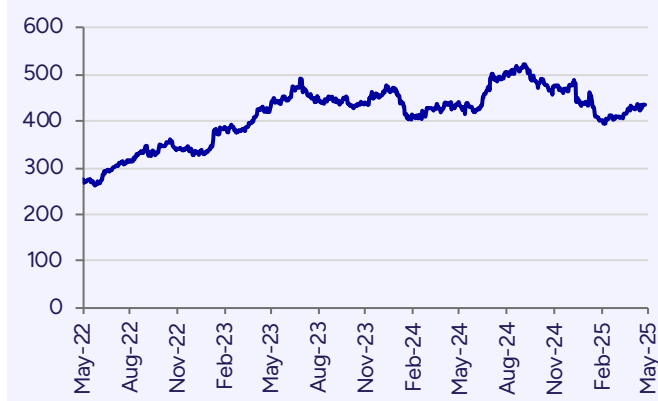
**Quarterly Financials (Rs m)**

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
<b>Net Revenue</b>	<b>1,70,001</b>	<b>1,86,491</b>	<b>1,70,528</b>	<b>1,72,482</b>
YoY gr. (%)	7.4	12.7	3.5	4.0
Raw Material Expenses	71,885	90,278	77,701	78,121
Gross Profit	98,116	96,213	92,827	94,362
Margin (%)	57.7	51.6	54.4	54.7
<b>EBITDA</b>	<b>62,955</b>	<b>61,233</b>	<b>58,284</b>	<b>59,864</b>
YoY gr. (%)	0.7	1.4	(3.3)	(2.9)
Margin (%)	37.0	32.8	34.2	34.7
Depreciation / Depletion	4,309	3,683	3,618	3,565
<b>EBIT</b>	<b>58,646</b>	<b>57,550</b>	<b>54,666</b>	<b>56,299</b>
Margin (%)	34.5	30.9	32.1	32.6
Net Interest	111	119	76	85
Other Income	7,013	8,737	10,866	7,955
<b>Profit before Tax</b>	<b>65,547</b>	<b>67,547</b>	<b>68,471</b>	<b>64,169</b>
Margin (%)	38.6	36.2	40.2	37.2
Total Tax	16,343	16,752	17,246	15,421
Effective tax rate (%)	24.9	24.8	25.2	24.0
<b>Profit after Tax</b>	<b>49,205</b>	<b>50,795</b>	<b>51,225</b>	<b>48,747</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>49,205</b>	<b>50,795</b>	<b>51,225</b>	<b>48,747</b>
YoY gr. (%)	0.4	3.1	(8.2)	(2.9)
Margin (%)	28.9	27.2	30.0	28.3
Extra Ord. Income / (Exp)	(30)	(12)	5,158	1,46,869
<b>Reported PAT</b>	<b>49,175</b>	<b>50,783</b>	<b>56,383</b>	<b>1,95,616</b>
YoY gr. (%)	0.3	3.1	1.2	289.7
Margin (%)	28.9	27.2	33.1	113.4
Other Comprehensive Income	(1,476)	(4,499)	2,763	(6,083)
<b>Total Comprehensive Income</b>	<b>47,699</b>	<b>46,285</b>	<b>59,146</b>	<b>1,89,533</b>
Avg. Shares O/s (m)	12,309	12,309	12,309	12,309
<b>EPS (Rs)</b>	<b>4.0</b>	<b>4.1</b>	<b>4.2</b>	<b>4.0</b>

Source: Company Data, PL Research



## Price Chart



## Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Apr-25	Accumulate	524	413
2	06-Feb-25	Accumulate	530	443
3	08-Jan-25	Accumulate	536	450
4	24-Oct-24	Accumulate	539	472
5	07-Oct-24	Accumulate	541	504
6	01-Aug-24	Accumulate	519	494
7	09-Jul-24	Accumulate	491	434
8	23-May-24	Accumulate	491	441

## Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Asian Paints	Reduce	2,142	2,303
2	Avenue Supermarts	Hold	3,975	4,059
3	Britannia Industries	BUY	5,941	5,613
4	Colgate Palmolive	Hold	2,650	2,440
5	Dabur India	Hold	501	482
6	Emami	Accumulate	697	636
7	Hindustan Unilever	Accumulate	2,601	2,325
8	ITC	Accumulate	524	413
9	Jubilant FoodWorks	Hold	689	693
10	Kansai Nerolac Paints	Accumulate	284	255
11	Marico	Accumulate	718	699
12	Metro Brands	Hold	1,162	1,046
13	Mold-tekk Packaging	Accumulate	636	565
14	Nestle India	Accumulate	2,559	2,433
15	Pidilite Industries	BUY	3,428	2,980
16	Restaurant Brands Asia	Accumulate	89	82
17	Titan Company	BUY	3,752	3,369
18	Westlife Foodworld	Hold	738	700

## PL's Recommendation Nomenclature (Absolute Performance)

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

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