



Current Price: ₹ 436.10

STOCK DATA

BSE Code	500875
NSE Symbol	ITC
Reuters	ITC.BO
Bloomberg	ITC IN

VALUE PARAMETERS

52 W H/L(Rs)	499.60/399.30
Mkt. Cap.(Rs Cr)	544458.69
Latest Equity(Subscribed)	1248.47
Latest Reserve (cons.)	73258.53
Latest EPS (cons.) -Unit Curr.	16.39
Latest P/E Ratio -cons	26.61
Latest Bookvalue (cons.) -Unit Curr.	59.68
Latest P/BV - cons	7.31
Dividend Yield -%	3.15
Face Value	1.00

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/03/2024
Foreign	41.85
Institutions	43.75
Govt Holding	0.04
Non Promoter Corp. Hold.	0.94
Public & Others	13.43

Consolidated Financial Result

In Cr.

Particulars	Qtr Ending Mar. 24	Qtr Ending Mar. 23	Var. (%)
Net Sales (including other operating income)	17,922.70	17,634.89	2
OPM (%)	36.97	37.56	-59 bps
OP	6,626.22	6,624.00	0
Other Inc.	683.83	609.65	12
PBIDT	7,310.05	7,233.65	1
Interest	12.59	12.15	4
PBDT	7,297.46	7,221.50	1
Depreciation	461.44	461.4	0
PBT	6,836.02	6,760.10	1
Share of Profit/(Loss) from Associates	3.49	17.57	-80
PBT before EO	6839.51	6777.67	1
EO Income	-2.05	72.87	PL
PBT after EO	6837.46	6850.54	0
Taxation	1646.75	1607.95	2
PAT	5190.71	5242.59	-1
Minority Interest (MI)	70.16	67.11	5
Net profit	5120.55	5175.48	-1
EPS	4.10	4.12	-

ITC Q4FY24, Consolidated Margins Declined, misses estimates

For quarter ending March 2024, consolidated net sales (including other operating income) of ITC has increased 1.63% to Rs 17922.7 crore compared to quarter ended March 2023. Sales of FMCG-Cigarettes segment has gone up 7.51% to Rs 8,688.92 crore (accounting for 41.17% of total sales). Sales of FMCG-Others segment has gone up 7.21% to Rs 5,307.94 crore (accounting for 25.15% of total sales). Sales of Hotels segment rose 15.12% to Rs 931.03 crore (accounting for 4.41% of total sales). Sales of Agri Business segment has gone down 13.05% to Rs 3,136.43 crore (accounting for 14.86% of total sales). Sales of Paper boards, Paper & Packaging segment has gone down 6.67% to Rs 2,072.86 crore (accounting for 9.82% of total sales). Sales of Others segment has gone up 11.46% to Rs 967.80 crore (accounting for 4.59% of total sales). Inter-segment sales rose Rs 1,739.57 crore to Rs 1,813.58 crore.

Profit before interest, tax and other unallocable items (PBIT) has jumped 0.67% to Rs 6,560.51 crore. PBIT of FMCG-Cigarettes segment rose 4.92% to Rs 5,157.57 crore (accounting for 78.62% of total PBIT). PBIT of FMCG-Others segment fell 4.74% to Rs 479.84 crore (accounting for 7.31% of total PBIT). PBIT of Hotels segment rose 28.95% to Rs 264.22 crore (accounting for 4.03% of total PBIT). PBIT of Agri Business segment fell 38.76% to Rs 186.52 crore (accounting for 2.84% of total PBIT). PBIT of Paper boards, Paper & Packaging segment fell 34.59% to Rs 291.06 crore (accounting for 4.44% of total PBIT). PBIT of Others segment rose 26.68% to Rs 181.30 crore (accounting for 2.76% of total PBIT).

PBIT margin of FMCG-Cigarettes segment fell from 60.82% to 59.36%. PBIT margin of FMCG-Others segment fell from 10.17% to 9.04%. PBIT margin of Hotels segment rose from 25.34% to 28.38%. PBIT margin of Agri Business segment fell from 8.44% to 5.95%. PBIT margin of Paper boards, Paper & Packaging segment fell from 20.04% to 14.04%. PBIT margin of Others segment rose from 16.48% to 18.73%. Overall PBIT margin fell from 31.73% to 31.09%.

Segment Result

In Cr.

	Qtr Ending Mar. 24	Qtr Ending Mar. 23	Var.(%)	% of (Total)
Sales				
FMCG-Cigarettes	8,688.92	8,082.26	8	41
FMCG-Others	5,307.94	4,951.17	7	25
Hotels	931.03	808.72	15	4
Agri Business	3,136.43	3,607.30	-13	15
Paper boards,Paper & Packaging	2,072.86	2,221.01	-7	10
Others	967.80	868.29	11	5
Total Reported Sales	21,104.98	20,538.75	3	100
Less: Inter segment revenues	1,813.58	1,739.57	4	
Net Sales	19,291.40	18,799.18	3	100
PBIT				
FMCG-Cigarettes	5,157.57	4,915.68	5	79
FMCG-Others	479.84	503.73	-5	7
Hotels	264.22	204.90	29	4
Agri Business	186.52	304.55	-39	3
Paper boards,Paper & Packaging	291.06	444.98	-35	4
Others	181.30	143.12	27	3
Total PBIT	6,560.51	6,516.96	1	100
Less : Interest	12.59	12.15	4	
Add: Other un-allocable	289.54	345.73	-16	-
PBIT Margin(%)				
FMCG-Cigarettes	59.36	60.82	-146	-
FMCG-Others	9.04	10.17	-113	-
Hotels	28.38	25.34	304	-
Agri Business	5.95	8.44	-250	-
Paper boards,Paper & Packaging	14.04	20.04	-599	-
Others	18.73	16.48	225	-
PBT	6837.46	6850.54	0	-

**PBIT Margins are in bps basis

Operating profit margin has declined from 37.56% to 36.97%, leading to 0.03% rise in operating profit to Rs 6,626.22 crore. Raw material cost as a % of total sales (net of stock adjustments) increased from 29.00% to 30.39%. Purchase of finished goods cost fell from 10.29% to 7.53%. Employee cost increased from 8.06% to 8.53%. Other expenses rose from 15.63% to 17.26%.

Other income rose 12.17% to Rs 683.83 crore. PBDIT rose 1.06% to Rs 7310.05 crore. Provision for interest rose 3.62% to Rs 12.59 crore. Loan funds declined from Rs 306.04 crore as of 31 March 2023 to Rs 303.43 crore as of 31 March 2024. Inventories rose to Rs 14,152.88 crore as of 31 March 2024 from Rs 11,771.16 crore as of 31 March 2023. Sundry debtors were higher at Rs 4,025.82 crore as of 31 March 2024 compared to Rs 2,956.17 crore as of 31 March 2023. Cash and bank balance rose to Rs 7,217.68 crore as of 31 March 2024 from Rs 4,880.19 crore as of 31 March 2023. Investments rose to Rs 31,114.02 crore as of 31 March 2024 from Rs 29,415.02 crore as of 31 March 2023.

PBDT rose 1.05% to Rs 7297.46 crore. Provision for depreciation rose 0.01% to Rs 461.44 crore. Fixed assets declined from Rs 28,074.84 crore as of 31 March 2023 to Rs 27,213.52 crore as of 31 March 2024. Intangible assets increased from Rs 779.73 crore to Rs 3,467.48 crore.

Profit before tax grew 1.12% to Rs 6,836.02 crore. Share of profit/loss was 80.14% lower at Rs 3.49 crore. Provision for tax was expense of Rs 1646.75 crore, compared to Rs 1607.95 crore. Effective tax rate was 24.08% compared to 23.47%.

Minority interest increased 4.54% to Rs 70.16 crore. Net profit attributable to owners of the company decreased 1.06% to Rs 5,120.55 crore.

Full year results analysis.

Net sales (including other operating income) of ITC has declined 0.08% to Rs 70881 crore. Sales of FMCG-Cigarettes segment has gone up 7.68% to Rs 33,667.97 crore (accounting for 39.20% of total sales). Sales of FMCG-Others segment has gone up 9.65% to Rs 21,002.15 crore (accounting for 24.45% of total sales). Sales of Hotels segment rose 15.41% to Rs 3,103.39 crore (accounting for 3.61% of total sales). Sales of Agri Business segment has gone down 12.57% to Rs 16,124.43 crore (accounting for 18.77% of total sales). Sales of Paper boards, Paper & Packaging segment has gone down 8.11% to Rs 8,344.41 crore (accounting for 9.71% of total sales). Sales of Others segment has gone up 11.90% to Rs 3,651.14 crore (accounting for 4.25% of total sales). Inter-segment sales rose Rs 8,070.56 crore to Rs 9,618.51 crore.

Profit before interest, tax and other unallocable items (PBIT) has jumped 3.36% to Rs 25,876.70 crore. PBIT of FMCG-Cigarettes segment rose 6.29% to Rs 20,071.04 crore (accounting for 77.56% of total PBIT). PBIT of FMCG-Others segment rose 29.10% to Rs 1,789.91 crore (accounting for 6.92% of total PBIT). PBIT of Hotels segment rose 37.26% to Rs 764.94 crore (accounting for 2.96% of total PBIT). PBIT of Agri Business segment fell 7.38% to Rs 1,278.33 crore (accounting for 4.94% of total PBIT). PBIT of Paper boards, Paper & Packaging segment fell 40.18% to Rs 1,372.34 crore (accounting for 5.30% of total PBIT). PBIT of Others segment rose 12.26% to Rs 600.14 crore (accounting for 2.32% of total PBIT).

PBIT margin of FMCG-Cigarettes segment fell from 60.39% to 59.61%. PBIT margin of FMCG-Others segment rose from 7.24% to 8.52%. PBIT margin of Hotels segment rose from 20.72% to 24.65%. PBIT margin of Agri Business segment rose from 7.48% to 7.93%. PBIT margin of Paper boards, Paper & Packaging segment fell from 25.26% to 16.45%. PBIT margin of Others segment rose from 16.39% to 16.44%. Overall PBIT margin rose from 29.84% to 30.13%.

Operating profit margin has jumped from 36.18% to 37.04%, leading to 2.30% rise in operating profit to Rs 26,254.35 crore. Raw material cost as a % of total sales (net of stock adjustments) increased from 28.44% to 30.46%. Purchase of finished goods cost fell from 12.75% to 8.48%. Employee cost increased from 8.05% to 8.58%. Other expenses rose from 14.77% to 15.73%.

Other income rose 37.74% to Rs 2727.84 crore. PBDT rose 4.84% to Rs 28982.19 crore. Provision for interest rose 6.39% to Rs 45.96 crore. Loan funds declined from Rs 306.04 crore as of 31 March 2023 to Rs 303.43 crore as of 31 March 2024. Inventories rose to Rs 14,152.88 crore as of 31 March 2024 from Rs 11,771.16 crore as of 31 March 2023. Sundry debtors were higher at Rs 4,025.82 crore as of 31 March 2024 compared to Rs 2,956.17 crore as of 31 March 2023. Cash and bank balance rose to Rs 7,217.68 crore as of 31 March 2024 from Rs 4,880.19 crore as of 31 March 2023. Investments rose to Rs 31,114.02 crore as of 31 March 2024 from Rs 29,415.02 crore as of 31 March 2023.

PBDT rose 4.83% to Rs 28936.23 crore. Provision for depreciation rose 0.41% to Rs 1816.39 crore. Fixed assets declined from Rs 28,074.84 crore as of 31 March 2023 to Rs 27,213.52 crore as of 31 March 2024. Intangible assets increased from Rs 779.73 crore to Rs 3,467.48 crore.

Profit before tax grew 5.14% to Rs 27,119.84 crore. Share of profit/loss was 43.70% lower at Rs 27.61 crore. Provision for tax was expense of Rs 6388.52 crore, compared to Rs 6438.4 crore. Effective tax rate was 23.54% compared to 24.84%.

Minority interest increased 2.64% to Rs 292.58 crore. Net profit attributable to owners of the company increased 6.60% to Rs 20,458.78 crore.

Segmental Performance

- Resilient performance in FMCG – Others Segment amidst marked slowdown in consumption; Full Year Segment Revenue and Segment PBIT up 9.6% and 29.4% YoY respectively; margins expanded by 130 bps YoY; 2-yr CAGR: Segment Revenue +14.5%, Segment PBIT +38.8%; Q4 Segment Revenue up 7.2% on a high base and Segment PBIT up 15% on comparable basis (base quarter included certain fiscal incentives pertaining to previous periods); margins expanded 60 bps YoY on comparable basis; 2-yr CAGR: Segment Revenue +13.1%, Segment PBIT +42.2%.
- Cigarettes Segment witnesses consolidation of volumes on a high base after a period of sustained growth momentum; Full Year Net Segment Revenue and Segment PBIT up 7.1% and 6.5% YoY respectively; 2-yr CAGR: Net Segment Revenue +13.5%, Segment PBIT +13.3%; Q4 Net Segment Revenue and Segment PBIT up 7.0% and 5.0% YoY respectively; 2-yr CAGR: Net Segment Revenue +10.3%, Segment PBIT +9.4%; Net Segment Revenue and Segment PBIT up 5.2% and 4.1% respectively sequentially amidst subdued demand conditions in the overall consumption space..
- Best ever quarter for the Hotels Segment; Margin improvement driven by higher RevPARs, structural cost interventions and operating leverage; Demerger update: Post obtaining no-objection from stock exchanges, Scheme of Arrangement for demerger ('the Scheme') was filed with National Company Law Tribunal (NCLT). NCLT has directed convening a meeting of shareholders of ITC on June 6, 2024 to consider and approve the Scheme
- Agri Business Segment impacted by trade restrictions on agri commodities; Segment Revenue de-grew 13.1% and 13.4% YoY in FY24 and Q4 respectively.
- Paperboards, Paper and Packaging Segment remains impacted by low priced Chinese supplies in international markets (including India), muted domestic demand, surge in wood cost and high base effect.

Outlook

While consumption demand remained subdued in Q4 FY24, improving macro-economic indicators, prospects of a normal monsoon and green shoots witnessed in rural demand recovery after several quarters, augur well for revival in consumption demand in the near term. With its focus on consumer centricity, purposeful innovation, agility, and execution excellence, the Company remains confident of navigating the short-term challenges and creating sustained value for all stakeholders

E-mail: researchfeedback@smcindiaonline.com



Corporate Office:
11/6B, Shanti Chamber,
Pusa Road, New Delhi - 110005
Tel: +91-11-30111000
www.smcindiaonline.com

Mumbai Office:
Lotus Corporate Park , A Wing 401 / 402 ,
4th Floor ,Graham Firth Steel Compound,
Off Western Express Highway, Jay Coach Signal,
Goreagon (East) Mumbai - 400063
Tel: 91-22-67341600, Fax: 91-22-28805606

Kolkata Office:
18, Rabindra Sarani,
Poddar Court, Gate No.- 4, 5th Floor, Kolkata-700001
Tel: 91-33-39847000, Fax: 91-33-39847004

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