FINANCIAL MODELLING REPORT

Prepared by Archi saini

ITC LTD

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ITC LTD

(NSE Code - ITC | BSE - 500875)

INR 412.5

52 Week (High - INR 528. 5 & Low - 391.2)

				Historical Financial Statement-ITC LTD						
Years	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
#Income Statement										
Sales	₹ 38,817.2	₹ 39,192.1	₹ 42,767.6	₹ 43,448.9	₹ 48,339.6	₹ 49,387.7	₹ 49,257.5	₹ 60,644.5	₹ 70,919.0	₹ 70,866.2
Sales Growth		1%	9%	2%	11%	2%	0%	23%	17%	0%
COGS	₹ 19,688.4	₹ 19,162.9	₹ 21,949.1	₹ 21,967.5	₹ 24,216.0	₹ 24,330.4	₹ 26,881.5	₹ 34,053.1	₹ 38,302.1	₹ 37,015.5
COGS % Sales	50.72%	48.89%	51.32%	50.56%	50.10%	49.26%	54.57%	56.15%	54.01%	52.23%
Gross Profit	**₹ 19,128.8**	**₹ 20,029.2**	**₹ 20,818.5**	**₹ 21,481.4**	**₹ 24,123.6**	**₹ 25,057.3**	**₹ 22,375.9**	**₹ 26,591.5**	**₹ 32,616.9**	**₹ 33,850.7**
Gross Margin	49.28%	51.11%	48.68%	49.44%	49.90%	50.74%	45.43%	43.85%	45.99%	47.77%
Selling and General Expense	₹ 4,877.2	₹ 5,497.7	₹ 5,349.0	₹ 4,960.9	₹ 5,586.2	₹ 5,713.8	₹ 5,311.2	₹ 5,968.3	₹ 6,912.6	₹ 7,618.2
S&G Exp % Sales	12.56%	14.03%	12.51%	11.42%	11.56%	11.57%	10.78%	9.84%	9.75%	10.75%
EBITDA	**₹ 14,251.6**	**₹ 14,531.5**	**₹ 15,469.5**	**₹ 16,520.6**	**₹ 18,537.4**	**₹ 19,343.5**	**₹ 17,064.8**	**₹ 20,623.2**	**₹ 25,704.3**	**₹ 26,232.6**
EBITDA Margins	36.71%	37.08%	36.17%	38.02%	38.35%	39.17%	34.64%	34.01%	36.24%	37.02%
Interest	₹ 91.0	₹ 78.1	₹ 49.0	₹ 115.0	₹ 71.4	₹ 81.4	₹ 58.0	₹ 60.0	₹ 77.8	₹ 80.1
Interest % sales	0.23%	0.20%	0.11%	0.26%	0.15%	0.16%	0.12%	0.10%	0.11%	0.11%
Depreciation	₹ 1,028.0	₹ 1,077.4	₹ 1,152.8	₹ 1,236.3	₹ 1,396.6	₹ 1,644.9	₹ 1,645.6	₹ 1,732.4	₹ 1,809.0	₹ 1,816.4
Depreciation % sales	2.65%	2.75%	2.70%	2.85%	2.89%	3.33%	3.34%	2.86%	2.55%	2.56%
Earnings Before Tax	**₹ 13,132.7**	**₹ 13,376.0**	**₹ 14,267.7**	**₹ 15,169.3**	**₹ 17,069.4**	**₹ 17,617.3**	**₹ 15,361.2**	**₹ 18,830.8**	**₹ 23,817.5**	**₹ 24,336.1**
EBT % Sales	33.83%	34.13%	33.36%	34.91%	35.31%	35.67%	31.19%	31.05%	33.58%	34.34%
Tax	₹ 4,596.4	₹ 5,358.2	₹ 5,549.1	₹ 5,916.4	₹ 6,313.9	₹ 4,441.8	₹ 4,555.3	₹ 5,237.3	₹ 6,438.4	₹ 6,388.5
Effective Tax Rate	35.00%	40.06%	38.89%	39.00%	36.99%	25.21%	29.65%	27.81%	27.03%	26.25%
Net Profit	**₹ 8,536.3**	**₹ 8,017.8**	**₹ 8,718.6**	**₹ 9,252.9**	**₹ 10,755.5**	**₹ 13,175.5**	**₹ 10,805.9**	**₹ 13,593.4**	**₹ 17,379.1**	**₹ 17,947.6**
Net Margins	21.99%	20.46%	20.39%	21.30%	22.25%	26.68%	21.94%	22.41%	24.51%	25.33%
No. Of Equity Shares	₹ 1,202.3	₹ 1,207.1	₹ 1,214.7	₹ 1,220.4	₹ 1,225.9	₹ 1,229.2	₹ 1,230.9	₹ 1,232.3	₹ 1,242.8	₹ 1,248.5
Earnings Per Share	₹ 7.1	₹ 6.6	₹ 7.2	₹ 7.6	₹ 8.8	₹ 10.7	₹ 8.8	₹ 11.0	₹ 14.0	₹ 14.4
EPS Growth %		-6.44%	8.06%	5.63%	15.72%	22.17%	-18.10%	₹ 0.3	₹ 0.3	2.80%
Dividend Per Share	₹ 4.2	₹ 5.7	₹ 4.8	₹ 5.1	₹ 5.8	₹ 10.1	₹ 10.8	₹ 11.5	₹ 15.5	₹ 13.7
Dividend Payout Ratio	58.69%	85.31%	66.18%	67.93%	65.54%	94.70%	122.45%	104.25%	110.84%	95.65%
Retained Earnings	41.31%	14.69%	33.82%	32.07%	34.46%	5.30%	0.00%	0.00%	0.00%	4.35%
#Balance Sheet										
Equity Share Capital	₹ 801.6	₹ 804.7	₹ 1,214.7	₹ 1,220.4	₹ 1,225.9	₹ 1,229.2	₹ 1,230.9	₹ 1,232.3	₹ 1,242.8	₹ 1,248.5
Reserves	₹ 30,933.9	₹ 41,874.8	₹ 45,198.2	₹ 51,289.7	₹ 57,915.0	₹ 64,044.0	₹ 59,116.5	₹ 61,223.2	₹ 67,912.5	₹ 73,258.5
Borrowings	₹ 268.8	₹ 83.8	₹ 45.7	₹ 35.9	₹ 13.4	₹ 277.5	₹ 270.8	₹ 249.4	₹ 306.0	₹ 303.4
Other Liabilities	₹ 13,947.9	₹ 8,888.0	₹ 9,439.7	₹ 11,694.9	₹ 12,584.7	₹ 11,760.0	₹ 13,142.6	₹ 14,491.0	₹ 16,369.7	₹ 16,943.5
Total Liabilities	**₹ 45,952.2**	**₹ 51,651.3**	**₹ 55,898.3**	**₹ 64,240.9**	**₹ 71,739.0**	**₹ 77,310.8**	**₹ 73,760.8**	**₹ 77,196.0**	**₹ 85,831.0**	**₹ 91,754.0**
Fixed Assets Net Block	₹ 15,303.3	₹ 15,106.6	₹ 15,893.5	₹ 16,524.0	₹ 19,374.2	₹ 21,713.3	₹ 23,298.5	₹ 24,231.6	₹ 25,851.3	₹ 27,820.2
Capital Work in Progress	₹ 2,700.2	₹ 2,559.7	₹ 3,729.9	₹ 5,508.3	₹ 4,136.4	₹ 3,256.5	₹ 4,011.3	₹ 3,225.5	₹ 3,003.3	₹ 2,860.8
Investments	₹ 6,942.8	₹ 11,747.6	₹ 17,581.4	₹ 22,052.9	₹ 25,043.5	₹ 28,663.4	₹ 24,870.9	₹ 24,841.0	₹ 29,415.0	₹ 31,114.0
Other Assets	₹ 2,540.8	₹ 5,194.8	₹ 5,135.8	₹ 7,078.8	₹ 7,138.1	₹ 4,958.5	₹ 4,022.2	₹ 6,917.4	₹ 7,953.9	₹ 4,562.6
Total Non Current Assets	**₹ 27,487.1**	**₹ 34,608.8**	**₹ 42,340.5**	**₹ 51,163.9**	**₹ 55,692.2**	**₹ 58,591.6**	**₹ 56,202.9**	**₹ 59,215.6**	**₹ 66,223.4**	**₹ 66,357.6**
Receivables	₹ 1,982.1	₹ 1,917.2	₹ 2,474.3	₹ 2,682.3	₹ 4,035.3	₹ 2,562.5	₹ 2,501.7	₹ 2,461.9	₹ 2,956.2	₹ 4,025.8
Inventory	₹ 8,586.9	₹ 9,062.1	₹ 8,116.1	₹ 7,495.1	₹ 7,859.6	₹ 8,879.3	₹ 10,397.2	₹ 10,864.2	₹ 11,771.2	₹ 14,152.9
Cash & Bank	₹ 7,896.2	₹ 6,063.3	₹ 2,967.4	₹ 2,899.6	₹ 4,152.0	₹ 7,277.3	₹ 4,659.0	₹ 4,654.4	₹ 4,880.2	₹ 7,217.7
Total Current Assets	**₹ 18,465.2**	**₹ 17,042.6**	**₹ 13,557.8**	**₹ 13,077.0**	**₹ 16,046.9**	**₹ 18,719.2**	**₹ 17,557.9**	**₹ 17,980.5**	**₹ 19,607.5**	**₹ 25,396.4**
Total Assets	**₹ 45,952.2**	**₹ 51,651.3**	**₹ 55,898.3**	**₹ 64,240.9**	**₹ 71,739.0**	**₹ 77,310.8**	**₹ 73,760.8**	**₹ 77,196.0**	**₹ 85,831.0**	**₹ 91,754.0**
Check	**TRUE**	**TRUE**	**TRUE**	**TRUE**	**TRUE**	**TRUE**	**TRUE**	**TRUE**	**TRUE**	**TRUE**

ITC LTD

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52 Week (High - INR 528. 5 & Low - 391.2)

Common Size Income Statement - ITC LTD

Particulars	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Sales	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Raw Material Cost	38.66%	35.12%	36.14%	34.13%	36.46%	36.54%	42.18%	44.64%	41.41%	39.28%
Change in Inventory	0.61%	0.50%	-1.39%	-2.37%	0.42%	1.42%	1.31%	1.13%	0.51%	0.83%
Power and Fuel	1.57%	1.46%	1.37%	1.50%	1.54%	1.58%	1.42%	1.47%	1.74%	1.58%
Other Mfr. Exp	3.95%	4.04%	3.94%	3.91%	3.87%	3.86%	3.22%	3.11%	3.28%	3.55%
Employee Cost	7.14%	8.78%	8.49%	8.66%	8.64%	8.70%	9.06%	8.06%	8.09%	8.66%
Selling and admin	9.99%	10.87%	9.77%	9.10%	9.41%	9.09%	8.60%	8.01%	7.90%	8.72%
Other Expenses	2.58%	3.15%	2.73%	2.32%	2.15%	2.48%	2.18%	1.83%	1.85%	2.03%
Other Income	3.17%	3.78%	4.11%	5.16%	4.30%	4.89%	5.23%	3.15%	2.96%	3.96%
Depreciation	2.65%	2.75%	2.70%	2.85%	2.89%	3.33%	3.34%	2.86%	2.55%	2.56%
Interest	0.23%	0.20%	0.11%	0.26%	0.15%	0.16%	0.12%	0.10%	0.11%	0.11%
Profit before tax	37.00%	37.91%	37.47%	40.07%	39.62%	40.57%	36.42%	34.20%	36.54%	38.30%
Tax	11.84%	13.67%	12.97%	13.62%	13.06%	8.99%	9.25%	8.64%	9.08%	9.01%
Net profit	24.89%	23.84%	24.06%	25.94%	26.05%	30.99%	26.72%	25.13%	27.06%	28.87%
Dividend Amount	12.91%	17.45%	13.49%	14.47%	14.58%	25.26%	26.86%	23.37%	27.16%	24.22%

Common Size - Balance sheet -ITC LTD

Particulars	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Total liabilities	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Equity Share Capital	1.74%	1.56%	2.17%	1.90%	1.71%	1.59%	1.67%	1.60%	1.45%	1.36%
Reserves	67.32%	81.07%	80.86%	79.84%	80.73%	82.84%	80.15%	79.31%	79.12%	79.84%
Borrowings	0.58%	0.16%	0.08%	0.06%	0.02%	0.36%	0.37%	0.32%	0.36%	0.33%
Other Liabilities	30.35%	17.21%	16.89%	18.20%	17.54%	15.21%	17.82%	18.77%	19.07%	18.47%
Total Assets	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Net Block	33.30%	29.25%	28.43%	25.72%	27.01%	28.09%	31.59%	31.39%	30.12%	30.32%
Capital Work in Progress	5.88%	4.96%	6.67%	8.57%	5.77%	4.21%	5.44%	4.18%	3.50%	3.12%
Investments	15.11%	22.74%	31.45%	34.33%	34.91%	37.08%	33.72%	32.18%	34.27%	33.91%
Other Assets	5.53%	10.06%	9.19%	11.02%	9.95%	6.41%	5.45%	8.96%	9.27%	4.97%
Receivables	4.31%	3.71%	4.43%	4.18%	5.62%	3.31%	3.39%	3.19%	3.44%	4.39%
Inventory	18.69%	17.54%	14.52%	11.67%	10.96%	11.49%	14.10%	14.07%	13.71%	15.42%
Cash & Bank	17.18%	11.74%	5.31%	4.51%	5.79%	9.41%	6.32%	6.03%	5.69%	7.87%

ITC LTD

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Ratio Analysis Of-ITC LTD

Years	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Trends	Mean	Median
SalesGrowth		9.12%	1.59%	11.26%	2.17%	-0.26%	23.12%	16.94%	-0.07%	0.00%		0.070958	0.021682
EBITA Growth		6.46%	6.79%	12.21%	4.35%	-11.78%	20.85%	24.64%	2.06%	0.00%		0.072857	0.064551
EBIT Growth		6.67%	6.32%	12.53%	3.21%	-12.81%	22.59%	26.48%	2.18%	0.00%		0.074624	0.063192
Net Profit Growth		8.74%	6.13%	16.24%	22.50%	-17.98%	25.80%	27.85%	3.27%	0.00%		0.102823	0.087412
Dividend Growth		-16.18%	8.42%	11.65%	76.52%	5.91%	6.98%	34.78%	-11.29%	0.00%		0.129775	0.069768
Gross Margin	49.28%	51.11%	48.68%	49.44%	49.90%	50.74%	45.43%	43.85%	45.99%	47.77%		0.482177	0.489787
EBITA Margin	36.71%	37.08%	36.17%	38.02%	38.35%	39.17%	34.64%	34.01%	36.24%	37.02%		0.367414	0.368659
EBIT Margin	34.07%	34.33%	33.48%	35.18%	35.46%	35.84%	31.30%	31.15%	33.69%	34.45%		0.338944	0.341976
EBT Margin	33.83%	34.13%	33.36%	34.91%	35.31%	35.67%	31.19%	31.05%	33.58%	34.34%		0.33738	0.339807
Net Profit Marg	21.99%	20.46%	20.39%	21.30%	22.25%	26.68%	21.94%	22.41%	24.51%	25.33%		0.227242	0.221204
SalesExpense%S	12.56%	14.03%	12.51%	11.42%	11.56%	11.57%	10.78%	9.84%	9.75%	10.75%		0.114763	0.114869
Depreciation%S	2.65%	2.75%	2.70%	2.85%	2.89%	3.33%	3.34%	2.86%	2.55%	2.56%		0.028469	0.027972
OperatingIncom	34.07%	34.33%	33.48%	35.18%	35.46%	35.84%	31.30%	31.15%	33.69%	34.45%		0.338944	0.341976
Return on Capit	41.32%	31.46%	30.82%	29.09%	28.98%	27.00%	25.44%	30.13%	34.40%	32.64%		0.311261	0.304712
Retained Earnin	41.31%	14.69%	33.82%	32.07%	34.46%	5.30%	0.00%	0.00%	0.00%	4.35%		0.166014	0.099961
Return on Equit	26.90%	18.79%	18.78%	17.62%	18.19%	20.19%	17.91%	21.76%	25.13%	24.09%		0.209352	0.194855
Self Sustained G	11.11%	2.76%	6.35%	5.65%	6.27%	1.07%	0.00%	0.00%	0.00%	1.05%		0.034263	0.01915
Interest Coverag	145.38x	172.20x	292.00x	132.90x	240.07x	217.48x	265.99x	314.90x	307.26x	304.97x		239.31x	253.03x
Debtor Turnove	19.58x	20.44x	17.28x	16.20x	11.98x	19.27x	19.69x	24.63x	23.99x	17.60x		19.07x	19.43x
Creditor Turnov	2.78x	4.41x	4.53x	3.72x	3.84x	4.20x	3.75x	4.18x	4.33x	4.18x		3.99x	4.18x
Inventory Turno	4.52x	4.32x	5.27x	5.80x	6.15x	5.56x	4.74x	5.58x	6.02x	5.01x		5.30x	5.42x
Fixed Assets Tur	2.54x	2.59x	2.69x	2.63x	2.50x	2.27x	2.11x	2.50x	2.74x	2.55x		2.51x	2.54x
Capital Turnove	1.22x	0.92x	0.92x	0.83x	0.82x	0.76x	0.82x	0.97x	1.03x	0.95x		0.92x	0.92x
(in days)													
Debtor Days	19	18	21	23	30	19	19	15	15	21		20	19
Payable Days	131	83	81	98	95	87	97	87	84	87		93	87
Inventory Days	81	84	69	63	59	66	77	65	61	73		70	67
Cash Conversior	-32	19	10	-13	-5	-2	-2	-7	-8	6		-3	-4
CFO/Sales	25.36%	25.00%	24.85%	30.31%	26.03%	29.74%	25.43%	26.01%	26.62%	24.24%		0.263599	0.257224
CFO/Total Asset	21.42%	18.97%	19.01%	20.50%	17.54%	19.00%	16.98%	20.44%	21.99%	18.72%		0.194581	0.190063
CFO/Total debt	3661.90%	11696.16%	23244.34%	36663.14%	93626.56%	5294.53%	4625.40%	6324.37%	6168.33%	5661.56%		196.9663	62.46349

ITC LTD

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INR 412.5

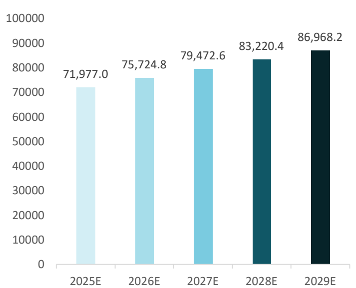
52 Week (High - INR 528. 5 & Low - 391.2)

ITC LTD - Sales			
Year Weight	Year	Sales	Sales Growth
1	2015A	38817.2	
2	2016A	39192.1	0.97%
3	2017A	42767.6	9.12%
4	2018A	43448.9	1.59%
5	2019A	48339.6	11.26%
6	2020A	49387.7	2.17%
7	2021A	49257.5	-0.26%
8	2022A	60644.5	23.12%
9	2023A	70919.0	16.94%
10	2024A	70866.2	-0.07%
11	2025E	71976.981	1.57%
12	2026E	75724.79	5.21%
13	2027E	79472.599	4.95%
14	2028E	83220.408	4.72%
15	2029E	86968.217	4.50%

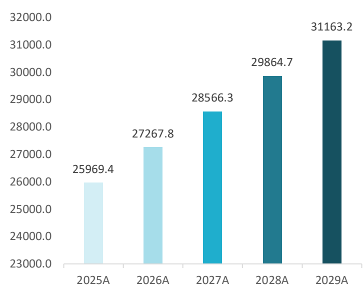
ITC LTD - EBITDA Forecasting			
Year Weigl	Year	EBITDA	EBITDA Growth
1	2015A	14251.6	
2	2016A	14531.5	1.96%
3	2017A	15469.5	6.46%
4	2018A	16520.6	6.79%
5	2019A	18537.4	12.21%
6	2020A	19343.5	4.35%
7	2021A	17064.8	-11.78%
8	2022A	20623.2	20.85%
9	2023A	25704.3	24.64%
10	2024A	26232.6	2.06%
11	2025A	25969.4	-1.00%
12	2026A	27267.8	5.00%
13	2027A	28566.3	4.76%
14	2028A	29864.7	4.55%
15	2029A	31163.2	4.35%

ITC LTD - Earnings Per Share Forecasting			
Year Weight	Year	Earnings Per Share	EPS Growth
1	2015A	7.1	
2	2016A	6.6	-6.44%
3	2017A	7.2	8.06%
4	2018A	7.6	5.63%
5	2019A	8.8	15.72%
6	2020A	10.7	22.17%
7	2021A	8.8	-18.10%
8	2022A	11.0	25.65%
9	2023A	14.0	26.77%
10	2024A	14.4	2.80%
11	2025A	14.3	-0.26%
12	2026A	15.2	5.99%
13	2027A	16.1	5.65%
14	2028A	16.9	5.35%
15	2029A	17.8	5.08%

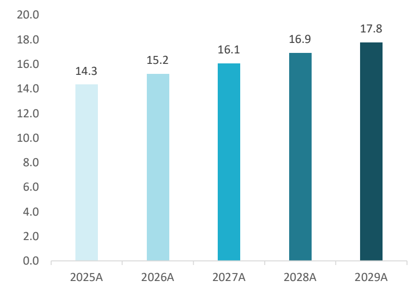
Sales Forecasting



EBITDA Forecasting



EPS Forecasting



ITC LTD

(NSE Code - ITC | BSE - 500875)

INR 412.5

52 Week (High - INR 528. 5 & Low - 391.2)

Weighted Average Cost of Capital

All figures are in INR unless stated otheriwse

Peer Comps

Name of the comp	country	Total Debt	Total Equity	Tax Rate [1]	Debt/ Equity	Debt/ Capital	Levered Beta [2]	Unlevered Beta [3]
ITC	India	304.3	515741.9	30.00%	0.06%	0.06%	0.33	0.33
Hind Unilever	India	1651.0	517286.7	30.00%	0.32%	0.32%	0.25	0.24
Nestle India	India	369.8	212356.2	30.00%	0.17%	0.17%	0.28	0.28
Britannia Inds.	India	2753.6	114879.0	30.00%	2.40%	2.34%	0.55	0.54
Dabur India	India	1751.6	88376.5	30.00%	1.98%	1.94%	0.68	0.67
			Average	30.00%	0.99%	0.97%	0.42	0.41
			Median	30.00%	0.32%	0.32%	0.33	0.33

Cost of Debt

Pre Tax Cost of Debt	8.99%
Tax Rate	30%
After Tax Cost of Debt	6.29%

Cost of Equity

Risk Free Rate	6.83%
Equity Risk Premium	9.75%
Levered Beta [4]	0.33
Cost of Equity	10.05%

Capital Structure

		Current	Target
Total Debt	304.3	0.06%	0.97%
Market Capitalization	5,15,741.9	99.94%	99.03%
Total Capital	5,16,046.2	100.00%	100.00%
Debt/ Equity		0.06%	0.98%

Levered Beta

Comps Median Unlevered Beta	0.33
Targets Debt/ Equity	0.98%
Tax Rate	30.00%
Levered Beta	0.33

Weighted average cost of capital

Cost of Equity	10.05%
Equity Weight	99.03%
Cost of Debt	6.29%
Debt Weght	0.97%
WACC	**10.01%**

Notes:

1. Tax Rate considered as Marginal Tax Rate for the Country

2. Levered Beta is based on 5 Year monthly data.

*3. Unlevered beta = Levered beta/(1+(1-Tax Rate)*Debt/Equity)*

3. Levered beta =Unlevered beta(1+(1-Tax Rate)*Debt/Equity)*

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52 Week (High - INR 528. 5 & Low - 391.2)

Calculation Of ROIC (Return on Invested Capital)

	Calculation of ROIC	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
	Current Assets					
	Inventories	8,879.0	10,397.0	10,864.0	11,771.0	14,153.0
	Trade receivables	2,562.0	2,502.0	2,462.0	2,956.0	4,026.0
	Loans n Advances	6.0	7.0	11.0	13.0	31.0
	Other asset items	4,952.0	4,015.0	6,906.0	7,941.0	4,531.0
#	**Total Current assets**	**16,399.0**	**16,921.0**	**20,243.0**	**22,681.0**	**22,741.0**
	Current Liabilities					
	Trade Payables	3,630.0	4,319.0	4,417.0	4,659.0	4,798.0
	Advance from Customers	703.0	811.0	1,278.0	1,295.0	886.0
	Other liability items	7,050.0	7,666.0	8,429.0	10,032.0	10,877.0
	Total Current liabilities	**11,383.0**	**12,796.0**	**14,124.0**	**15,986.0**	**16,561.0**
#	**Net Working Capital**	**5,016.0**	**4,125.0**	**6,119.0**	**6,695.0**	**6,180.0**
	Non - Current Assets					
	Land	2,797.0	2,889.0	2,829.0	2,830.0	2,865.0
	Building	8,161.0	8,387.0	9,100.0	9,789.0	10,944.0
	Plant Machinery	14,625.0	15,307.0	16,912.0	18,480.0	20,718.0
	Equipments	40.0	41.0	44.0	44.0	53.0
	Furniture n fittings	810.0	833.0	907.0	1,000.0	1,068.0
	Railway sidings	2.0	2.0	2.0	2.0	2.0
	Vehicles	184.0	180.0	179.0	189.0	192.0
	Intangible Assets	684.0	2,734.0	2,744.0	3,490.0	3,505.0
	Other fixed assets	663.0	716.0	719.0	786.0	841.0
	Gross Block	27,965.0	31,088.0	33,435.0	36,608.0	40,189.0
	Accumulated Depreciation	(6,252.0)	(7,790.0)	(9,204.0)	(10,757.0)	(12,368.0)
	Net Non Current Assets	21,713.0	23,298.0	24,231.0	25,851.0	27,821.0
#	**Invested Capital**	**26,729.0**	**27,423.0**	**30,350.0**	**32,546.0**	**34,001.0**
	EBIT	**17,780.0**	**15,477.2**	**18,950.7**	**23,973.0**	**24,496.2**
	ROIC	**66.52%**	**56.44%**	**62.44%**	**73.66%**	**72.05%**

Calculation of Reinvestment rate	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Net Capex	**2,414.0**	**1,834.0**	**2,009.0**	**2,694.0**	**3,456.0**
Change in Working capital		(891.0)	1,994.0	576.0	(515.0)
EBIT	17780.01	15477.16	18950.73	23973.02	24496.23
Marginal tax rate	25%	25%	25%	25%	25%
EBIT(1-T)	13335.01	11607.87	14213.05	17979.77	18372.17
Reinvestment		943.0	4,003.0	3,270.0	2,941.0
Reinvestment Rate		**8.12%**	**28.16%**	**18.19%**	**16.01%**

4 year Average	**18%**
4 year median	**17.10%**

Calculation of Growth rate	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Reinvestment Rate		8.12%	28.16%	18.19%	16.01%
ROIC		56.44%	62.44%	73.66%	72.05%
Intrinsic Growth		**4.58%**	**17.59%**	**13.40%**	**11.53%**

4 year Average	**12%**
4 year median	**12.46%**

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Calculation of PV of FCF	Mar-24A	Mar-25F	Mar-26F	Mar-27F	Mar-28F	Mar-29F
EBIT	24496.23	25549.568	26648.2	27794.07	28989.22	30235.75
Tax Rate	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
EBIT(1-Tax)	18372.17	19162.176	19986.15	20845.55	21741.91	22676.81
Less : Reinvestment Rate	17.10%	16.58%	12.96%	13.86%	13.63%	15.00%
Free Cash Flow to Firm(FCFF)	15230.53	15986.045	17396.69	17956.16	18777.45	19275.29
Mid Year Convention		0.5	1.5	2.5	3.5	4.5
Discounting factor		0.953	0.867	0.788	0.716	0.651
PV of FCFF		**15241.356**	**15076.98**	**14145.77**	**13446.67**	**12547.12**

Expected Growth	4.30%
Terminal Growth	6.40%
WACC	10.01%

Calcution of Terminal Value	
FCFF(n+1)	20104.13
WACC	10.01%
Terminal Growth Rate	6.40%
Terminal Value	**556796.19**

Sensitivity Analysis	**12.00%**	**14.26%**	**15.00%**	**16.00%**
4.00%	192.7	164.0	157.1	149.2
5.00%	211.4	175.0	166.6	157.1
6.40%	248.8	**195.1**	183.6	171.0
7.00%	271.2	206.1	192.7	178.2
8.00%	323.4	229.1	211.4	192.7

Calculation of Equity value per share	
PV of FCFF	70457.90
PV of Terminal value	362442.76
Value of operating asset	**432900.66**
Add : Cash	7217.68
Less : Debt	12
Value of Equity	**440106.34**
No of shares	1,251.65
Equity value per share	**351.62**
Share price	412
Discount/Premium	0.17x

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ITC Limited

Comparable company valuation *(in crores)*

		Market data					Financials			Valuation		
Company	Ticker	Shares Price	Share outstanding	Equity value	Net Debt	Enterprise value	Revenue	EBITDA	Net income	EV/revenue	EV/EBITDA	P/E
ITC		412	1,251.35	5,15,619	-6,913	5,08,705	75,161	28,806	20,435	6.8x	17.7x	25.2x
Hind Unilever		2,201	234.96	5,17,241	-5,908	5,11,333	62,661	15,733	10,282	8.2x	32.5x	50.3x
Nestle India		2,202	96.42	2,12,322	-409	2,11,913	19,965	4,778	3,933	10.6x	44.4x	54.0x
Britannia Inds.		4,768	24.09	1,14,868	2,307	1,17,176	17,580	3,375	2,134	6.7x	34.7x	53.8x
Dabur India		499	177.23	88,393	1,085	89,479	12,548	2,896	1,811	7.1x	30.9x	48.8x
High										10.6x	44.4x	54.0x
75th Percentile										8.2x	34.7x	53.8x
Average										**7.9x**	**32.0x**	**46.4x**
Medium										**7.1x**	**32.5x**	**50.3x**
25th Percentile										6.8x	30.9x	48.8x
Low										6.7x	17.7x	25.2x

ITC Comparable valuation	**EV/revenue**	**EV/EBITDA**	**P/E**
Implied enterprise value	5,35,981	9,36,179	10,21,095
Net debt	-6,913	-6,913	-6,913
Implied market value	5,42,894	9,43,093	10,28,008
Shares outstanding	1,251.35	1,251.35	1,251.35
Implied value per share	**433.8**	**754**	**821.5**
	Under valued	**Under valued**	**Undervalued**

Source : Screener.in

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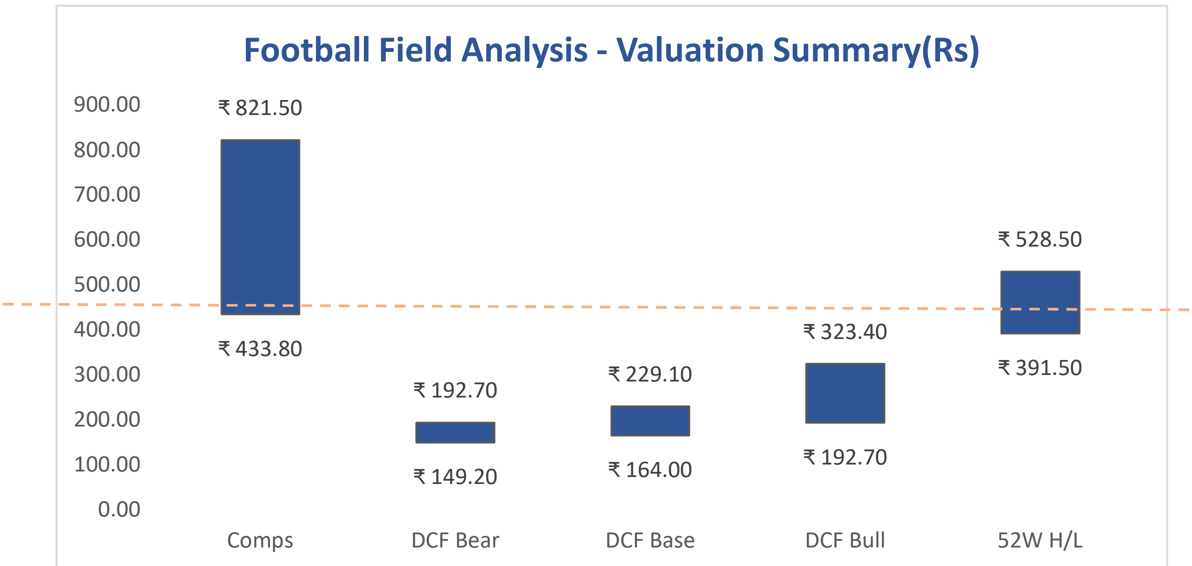
Football field analysis - Data				
	OpenLow	Low	OpenHigh	High
Comps	433.8	433.8	821.5	821.5
DCF Bear	149.2	149.2	192.7	192.7
DCF Base	164	164	229.1	229.1
DCF Bull	192.7	192.7	323.4	323.4
52W H/L	391.5	391.5	528.5	528.5



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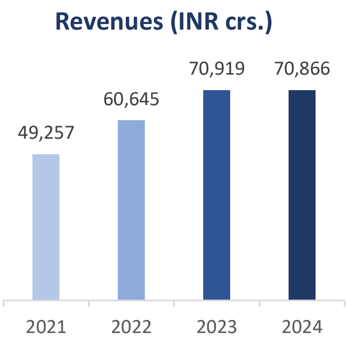
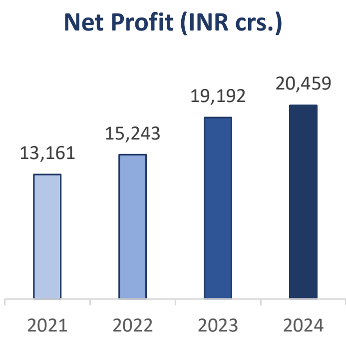
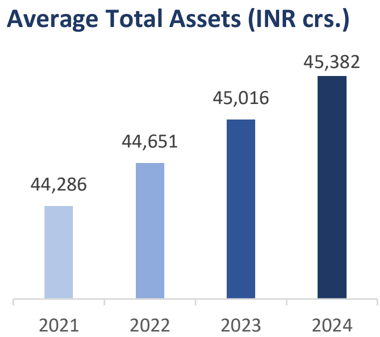
About the company

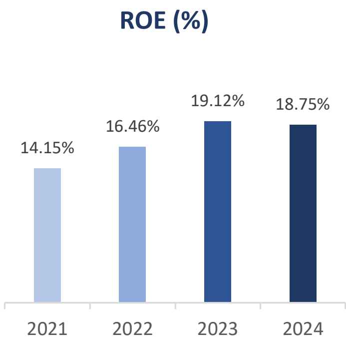
ITC Limited is an Indian conglomerate, headquartered in Kolkata. It has a presence across six business segments, namely FMCG, agribusiness, information technology, paper products, and packaging. It generates a plurality of its revenue from tobacco products.

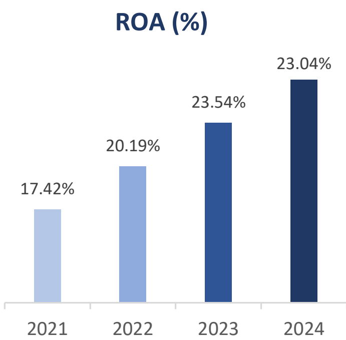
Financial Summary

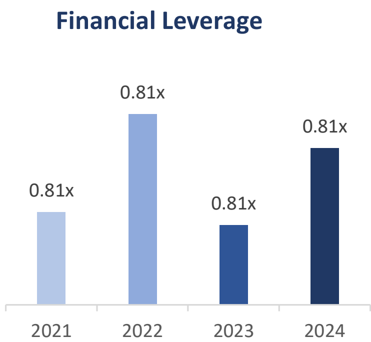












Recent Updates

- The revenue stands at ₹18,790.17 crore, reflecting a quarter-on-quarter (QoQ) decrease of 6.00 per cent from ₹19,990.36 crore. This corresponds to a year-on-year (YoY) growth of 9.28 per cent.
- Operating Profit stands at ₹813.22 crore, reflecting a quarter-on-quarter (QoQ) increase of 15.34 per cent from ₹705.04 crore. This corresponds to a year-on-year (YoY) decline of 2.28 per cent.
- EBDT stands at ₹2,142.30 crore, reflecting a quarter-on-quarter (QoQ) decrease of 1.42 per cent from ₹2,173.23 crore. This corresponds to a year-on-year (YoY) growth of 32.89 per cent.
- Profit Before Tax stands at ₹6,739.50 crore, reflecting a quarter-on-quarter (QoQ) decrease of 1.06 per cent from ₹6,811.48 crore. This corresponds to a year-on-year (YoY) growth of 1.58 per cent.
- Net Profit stands at ₹4,731.36 crore, reflecting a quarter-on-quarter (QoQ) decrease of 3.79 per cent from ₹4,917.58 crore. This represents a 8.42 per cent year-on-year (YoY) decline for the same year.

Dupont Analysis - Retrurn on Equity & Return on Asset

Return on Equity (ROE)	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Net Profit	11,271.2	12,592.3	15,306.2	13,161.2	15,242.7	19,191.7	20,458.8
Average shareholder equity	75,716.6	85,395.9	94,843.7	92,984.0	92,629.2	1,00,383.0	1,09,084.6
Return on Equity (ROE)	14.89%	14.75%	16.14%	14.15%	16.46%	19.12%	18.75%

ROE - Dupont equation	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Net Profit	11,271.2	12,592.3	15,306.2	13,161.2	15,242.7	19,191.7	20,458.8
Revenue	43,448.9	48,339.6	49,387.7	49,257.5	60,644.5	70,919.0	70,866.2
Net profit margin(A)	25.94%	26.05%	30.99%	26.72%	25.13%	27.06%	28.87%
Revenue	43,448.9	48,339.6	49,387.7	49,257.5	60,644.5	70,919.0	70,866.2
Average Total Asset	60,069.6	67,990.0	74,524.9	75,535.8	75,478.4	81,513.5	88,792.5
Asset Turnover ratio (B)	0.72x	0.71x	0.66x	0.65x	0.80x	0.87x	0.80x
Average Total Asset	60,069.6	67,990.0	74,524.9	75,535.8	75,478.4	81,513.5	88,792.5
Average shareholder equity	75,716.6	85,395.9	94,843.7	92,984.0	92,629.2	1,00,383.0	1,09,084.6
Equity Multipier (C)	0.79x	0.80x	0.79x	0.81x	0.81x	0.81x	0.81x
Return on Equity (A*B*C)	14.89%	14.75%	16.14%	14.15%	16.46%	19.12%	18.75%

Return on Asset (ROA)	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Net Profit	11,271.2	12,592.3	15,306.2	13,161.2	15,242.7	19,191.7	20,458.8
Average Total Asset	60,069.6	67,990.0	74,524.9	75,535.8	75,478.4	81,513.5	88,792.5
Return on Asset (ROA)	18.76%	18.52%	20.54%	17.42%	20.19%	23.54%	23.04%

ROA - Dupont equation	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Net Profit	11,271.2	12,592.3	15,306.2	13,161.2	15,242.7	19,191.7	20,458.8
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Return on Asset (A*B)	18.76%	18.52%	20.54%	17.42%	20.19%	23.54%	23.04%

Dupont Summary

- ROE of ITC has increased from 19.12% in FY 23 to 18.75% in FY 24, showing a slight decline despite strong profitability.
- Net profit margin has increased from 27.06% in FY 23 to 28.87% in FY 24, indicating better cost management and pricing power in key segments like FMCG and agribusiness.
- Asset turnover ratio has remained stable at 0.80x, reflecting consistent asset efficiency and revenue generation.
- Equity multiplier remains unchanged at 0.81x, suggesting that ITC is not relying on additional leverage to boost returns.
- The primary reason for the slight decline in ROE is stable asset efficiency and leverage, while the increase in net profit margin has helped sustain strong returns amidst market fluctuations

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Altman's Z Score Analysis

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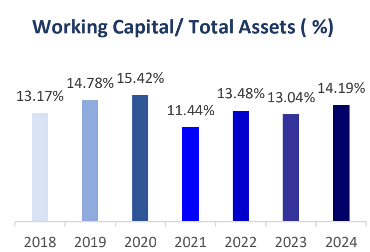

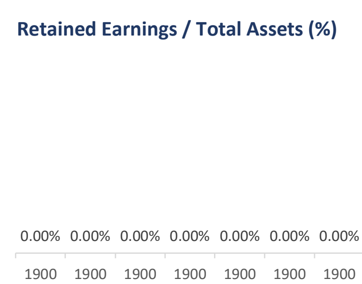

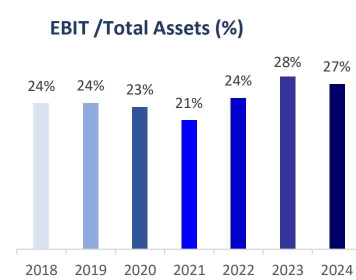

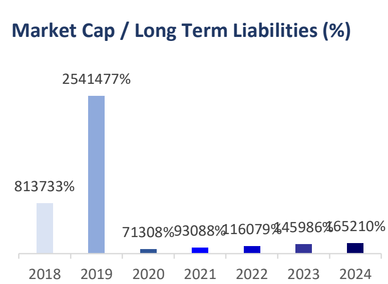

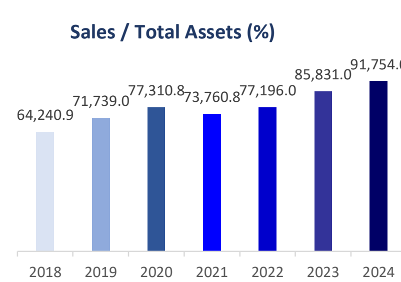

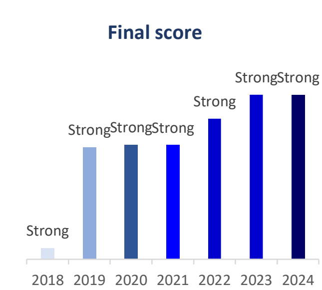

Altman's Z Score Analysis Calculation

Working Capital/ Total Assets	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Working Capital	8,460.9	10,600.2	11,917.6	8,437.5	10,406.9	11,191.7	13,015.4
Total Assets	64,240.9	71,739.0	77,310.8	73,760.8	77,196.0	85,831.0	91,754.0
Working capital / Total Assets (A)	13.17%	14.78%	15.42%	11.44%	13.48%	13.04%	14.19%

Retained Earnings / Total Assets							
Retained Earnings	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Assets	64,240.9	71,739.0	77,310.8	73,760.8	77,196.0	85,831.0	91,754.0
Retaines Earnings / Total Assets (B)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

EBIT / Total Assets							
EBIT	15,124.0	16,892.5	17,698.0	15,332.4	18,814.1	23,887.9	24,440.4
Total Assets	64,240.9	71,739.0	77,310.8	73,760.8	77,196.0	85,831.0	91,754.0
EBIT / Total Assets (C)	24%	24%	23%	21%	24%	28%	27%

Market Cap / Long Term Liabilities							
Market Cap	2,92,292.9	3,41,574.5	1,97,843.5	2,52,109.7	2,89,547.2	4,46,774.8	5,01,298.2
Long Term Liabilities	35.9	13.4	277.5	270.8	249.4	306.0	303.4
Market Cap / Long Term Liabilities (D)	813733%	2541477%	71308%	93088%	116079%	145986%	165210%

Sales / Total Assets							
Sales	43,448.9	48,339.6	49,387.7	49,257.5	60,644.5	70,919.0	70,866.2
Total Asset	64,240.9	71,739.0	77,310.8	73,760.8	77,196.0	85,831.0	91,754.0
Sales / Total Assets (E)	67.63%	67.38%	63.88%	66.78%	78.56%	82.63%	77.24%

Altman's Z score							
Final score	**4,884.0**	**48,339.6**	**49,387.7**	**49,257.5**	**60,644.5**	**70,919.0**	**70,866.2**
Financial Stability	**Strong**	**Strong**	**Strong**	**Strong**	**Strong**	**Strong**	**Strong**