ITC LTD

(ITC | BSE Code: 500875)

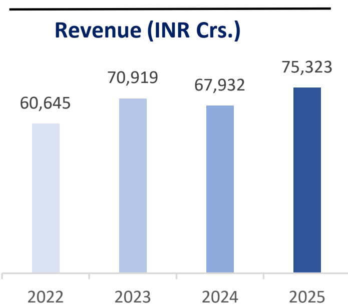
INR 407

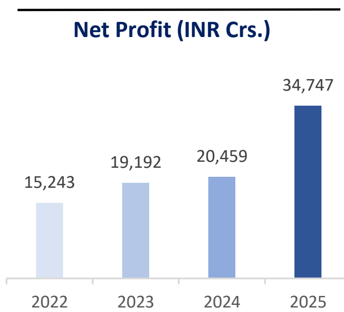
52 Week (High - INR 528 & Low - 390)

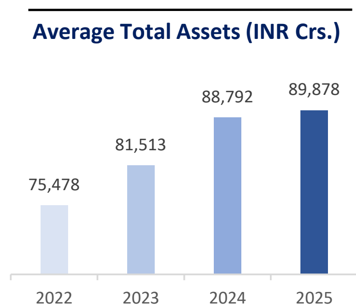
About the company

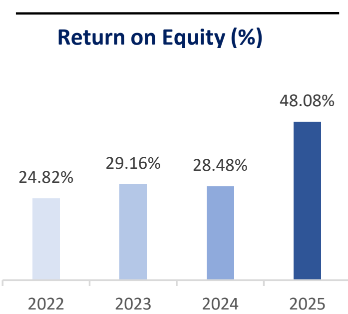
ITC is one of India's foremost private sector companies and a diversified conglomerate with businesses spanning Fast Moving Consumer Goods, Paperboards and Packaging, Agri Business and Information Technology. The Company is acknowledged as one of India's most valuable business corporations with a Gross Revenue of ₹ 73,465 crores and EBITDA of ₹ 24,025 crores (as on 31.03.2025). ITC was ranked as India's most admired company, according to a survey conducted by Fortune India, in association with Hay Group.

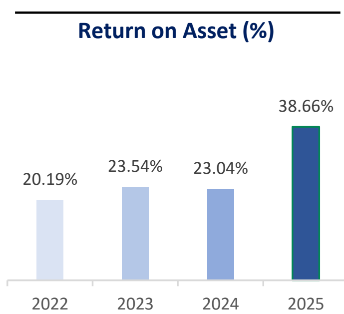
Financial Summary

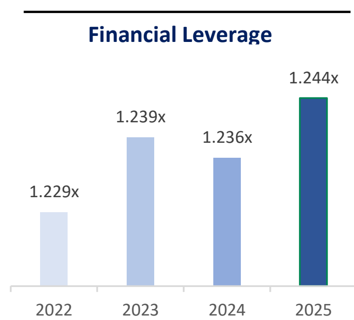












Recent Updates

- Q1 FY 2025-26 revenue grew **20% YoY** to around **₹20,910-₹21,500 crore**Q1 FY 2025-26 net profit was **₹5,243-₹5,343 crore**, up **3-5% YoY.**
- **Gross Margin down 748 basis points YoY**; **EBITDA margin down 547 bps YoY (to 31.7%)** driven by high input /leaf tobacco & change in revenue mix..
- **Paperboards, Paper & Packaging (PPP) revenue grew 7% YoY** (₹2,115-2,116 crore) but EBIT margin & PBIT dropped sharply **(550bps decline).** With the discretionary product mix being impacted, gross margins for the quarter came in below our estimate at 14.0%.
- **Cigarette business revenue grew 7.6-7.7% YoY**; volumes up 6
- **Agri business posted ~38.9% YoY** growth in revenues (~₹9,685 crore) with ~22% YoY growth in EBIT/PBIT.
- Acquired **Sresta Natural Bioproducts** (organic staples) fully in June 2025.
- Acquired **Mother Sparsh** (premium natural/ayurvedic babycare & hygiene).
- Laid out plans to invest **₹20,000 crore** over the medium term in new manufacturing units to boost capacity.

Dupont Analysis - Return on Equity & Return on Asset

Return on Equity (ROE)	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Net Profit	12,592.3	15,306.2	13,161.2	15,242.7	19,191.7	20,458.8	34,746.6
Average Shareholder Equity	55,825.5	62,207.1	62,810.3	61,401.5	65,805.4	71,831.1	72,268.5
Return on Equity	**22.56%**	**24.61%**	**20.95%**	**24.82%**	**29.16%**	**28.48%**	**48.08%**

ROE - Dupont Equation	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Net Profit	12,592.3	15,306.2	13,161.2	15,242.7	19,191.7	20,458.8	34,746.6
Revenue	48,339.6	49,387.7	49,257.5	60,644.5	70,919.0	67,931.9	75,323.3
Net Profit Margin (A)	**26.05%**	**30.99%**	**26.72%**	**25.13%**	**27.06%**	**30.12%**	**46.13%**
Revenue	48,339.6	49,387.7	49,257.5	60,644.5	70,919.0	67,931.9	75,323.3
Average Total Asset	67,990.0	74,524.9	75,535.8	75,478.4	81,513.5	88,792.5	89,878.3
Asset Turnover Ratio (B)	**0.7x**	**0.7x**	**0.7x**	**0.8x**	**0.9x**	**0.8x**	**0.8x**
Average Total Asset	67,990.0	74,524.9	75,535.8	75,478.4	81,513.5	88,792.5	89,878.3
Average Shareholder Equity	55,825.5	62,207.1	62,810.3	61,401.5	65,805.4	71,831.1	72,268.5
Equity Multiplier (C)	**1.218x**	**1.198x**	**1.203x**	**1.229x**	**1.239x**	**1.236x**	**1.244x**
Return on Equity (A*B*C)	**22.56%**	**24.61%**	**20.95%**	**24.82%**	**29.16%**	**28.48%**	**48.08%**

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Return on Asset	**18.52%**	**20.54%**	**17.42%**	**20.19%**	**23.54%**	**23.04%**	**38.66%**

ROA - Dupont Equation	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Net Profit	12,592.3	15,306.2	13,161.2	15,242.7	19,191.7	20,458.8	34,746.6
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Return on Asset (A*B)	**18.52%**	**20.54%**	**17.42%**	**20.19%**	**23.54%**	**23.04%**	**38.66%**

Dupont Summary

The company's ROE has increased consistently over the years, primarily driven by stronger profitability rather than financial restructuring. ROA has also improved, showing better overall efficiency in converting assets into net income. The most important factor behind the rise in both ROE and ROA is the increase in net profit margins, suggesting improved cost control, pricing power, or product mix. Asset turnover has remained largely stable, showing that the company’s efficiency in generating revenue from its asset base hasn’t materially changed. There has been only a marginal increase in financial leverage, which played a minor role in enhancing ROE. The growth in ROE is not due to higher risk or aggressive borrowing but is largely organic, stemming from stronger operational performance. The company’s performance reflects operational growth, with profitability improvements being the dominant force behind stronger returns.