



ITC LIMITED



ISIN CODE: INE154A01025

BSE: 500875

NSE: ITC

CMP: 221.90

Wed, 01st Dec '21

OVERVIEW

- ITC Ltd is an Indian conglomerate that primarily operates in the consumer goods space, particularly cigarettes.
- The company operates in four main business segments: Fast Moving Consumer Goods; Hotels; Paperboards, Paper, and Packaging; and Agri-Business.
- Roughly three-quarters of the company's total revenue comes from the Fast Moving Consumer Goods Business, which is dominated by cigarettes but also includes branded packaged foods, personal care products, and other categories.
- The company generates the vast majority of its revenue in India.

BRAND LEADERSHIP

- Aashirvaad is No. 1 in Branded Atta, Bingo! is No.1 in the Bridges segment of Snack Foods and No.2 overall in Snacks & Potato Chips, Sunfeast is No.1 in the Cream Biscuits segmen.
- Savlon is No.1 in Surface Disinfectant Spray, Classmate is No.1 in Notebooks, YiPPee! is No. 2 in Noodles, Fiama is No. 2 in Liquid Bodywash Category.
- Mangaldeep is No. 2 in Agarbattis and No.1 in Dhoop segment, Engage is No. 2 in Deodorants.

KEY STRENGTH

- ITC is India's leading FMCG marketer.
- One of India's largest exporters of agricultural commodities.
- Largest Chain of Hotels in the World.
- Pioneering e-Choupal ecosystem.
- Portfolio of 25 mother brands in Foods, Personal Care & Hygiene Products, Education & Stationery Products, Agarbattis & Matches.
- Among the Top 3 contributors to the Exchequer in the private sector in India.
- AA' rating by MSCI-ESG REPORT AND ACCOUNTS 2021 Highest amongst global tobacco companies.

GROWTH DRIVERS

- Powered by world class quality, superior consumer insights, cutting edge innovation and purpose led brands
- ITC derives its competitive ability, agility and future readiness from internal synergies that blend diverse skills and capabilities residing in its various businesses and strategic investments in infrastructure and digitalisation towards accelerating growth & value creation.

ACHIEVEMENTS

- ITC's FMCG products reach over 150 million households in India
- The only Company in the world to be Carbon Positive for 16 years.
- ITC e-Choupal empowered 4 million farmers in India
- Over 120 new product launches in 2020-21
- During the year, availability of frozen snacks category was extended to 100 new markets in a short span of time taking the aggregate to 135 towns
- ITC Hotels is the First Hotel chain in the world to receive Platinum level certification.

FINANCIAL HIGHLIGHTS

- Revenue from Operation increased to Rs. 48,524.54 Cr in FY21 as compared to Rs. 46,807.34 Cr in FY20.
- However Profit before Tax (before exceptional items) at Rs. 17164.15 Cr degrew by 11.1% over FY20.
- Profit for the year decreased to Rs. 13,031.64 Cr in FY21, against Rs. 15,136.05 Cr in FY20.
- Net cash flow from Operating activities was Rs. 11,493.95 Cr in FY2, whereas it was Rs. 13,806.18 Cr. in FY20.

Disclaimer: The analysis is only for information purposes only. Please consult your financial advisor, agent and broker before acting on any information. We may or may not have positions in the stock. We would not be responsible for the profit/loss resulting from this analysis.

Growth Rates % (Compound Annual)	1 Yr	3 Yr	5 Yr	10yr
Revenue	-0.1	4.3	4.8	8.2
Operating Income	-12.8	0.3	2.7	7.4
Earnings/Share	-14.1	5.2	6.8	9.5
Dividends	163.5	47.2	29.5	26.0
Book Value/Share	-7.7	4.5	6.8	13.2
Stock Total Return	19.2	-4.7	2.0	7.4
Market +/-	-2.4	-18.5	-7.6	-1.2

Valuation Ratio	Current	5Yr Avg	Ind	Mkt.
Price/Earnings	19.1	27.5	19.0	16.0
Forward P/E	16.5	-	-	-
Price/Cash Flow	19.6	27.1	-	10.4
Price/Free Cash Flow	22.7	36.5	-	-
Dividend Yield %	4.8	2.5	4.8	2.6
Price/Book	4.5	6.8	4.5	2.2
Price/Sales	5.1	7.1	4.9	-

Profitability Ratio	Current	5Yr Avg	Ind.	Mkt.
Return on Equity	23.8	22.8	23.8	15.4
Return on Asset	19.3	18.9	18.9	5.6
Gross Margin	57.5	61.9	57.3	-
Operating Margin	32.5	34.6	35.4	-
Net Margin	26.4	27.0	26.0	21.6
Inventory Turns	2.0	2.1	2.0	-
Fixed Asset Turns	2.3	2.2	2.3	-

Financial Position (INR)	03-20(Mil.)	03-21 (Mil.)
Cash	2,904	2,664
Inventories	1,05,072	1,13,412
Receivables	—	—
Current Assets	3,49,920	3,49,544
Fixed Assets	2,41,356	2,41,665
Intangibles	27,976	27,949
Total Assets	7,38,193	7,45,069
Payables	48,624	46,752
Short-Term Debt	45	4
Current Liabilities	1,06,897	1,07,935
Long-Term Debt	56	56
Total Liabilities	1,31,252	1,31,410
Total Equity	6,03,473	6,8,990

Source: Company filings & Analyst Research