

## ITC Limited

05/08/2019

CMP	259.55
SENSEX	36,699.84
NIFTY	10,862.60
<b>DECISION ON STOCK</b>	<b>HOLD</b>

STOCK DETAILS	
Sector	FMCG
Market cap. ( Rs Cr)	3,18,555.18
Beta	0.75
52 Week High/Low	322.70/257.601
Face Value (Rs.)	1.00

SHAREHOLDING PATTERN (%)	
Promoters	0.00%
MF / Banks / DII	38.4%
FPI	16.75%
Public / Others	44.85%

PRICE PERFORMANCE			
	3M	6M	12M
NIFTY	-5.18%	0.58%	3.2%
ITC	-13.82%	3.57%	-12.89



### Result Highlights

ITC Ltd., India's third largest FMCG company in Q1FY20 showed a net revenue growth of 7% and stood at Rs. 12,532.31 Cr. which was Rs. 11,745.68 Cr. in the same quarter last year. Net profit of the company stood at Rs. 3,436.51 Cr. showing a growth of 16% as compared to last year. EBITDA of the company was Rs. 4,937.75 Cr. and EBITDA Margin was 39% which is same as last year same quarter. We recommend to **HOLD** this company.

### Result Update – Q1FY20

#### Performance

- Cigarette business which makes up for 49% of the company grew by 7% on YoY basis and stood at Rs. 6,141.921 Cr. On QoQ basis the segment grew by 2%. During the Quarter performance was impacted due to weakness in overall demand environment.
- Agri business which includes export of agri products like wheat, soyameal fruit purees etc. accounts for 29% of the company showed a healthy growth of 15% YoY and stood at Rs. 3,622.4 Cr. The segment showed a growth of 72% on QoQ basis.
- Other FMCG segment includes Branded packaged food business, apparel, stationery products etc. accounts for 24% of the total revenue showed a growth of 7% on YoY basis. Segment EBITDA was up 41% to Rs. 181 Cr. notwithstanding stepped up investments in brand building, gestation and start-up costs of new categories/new facilities.
- Paper and Packaging accounts for 12% of the total revenue grew by 13% and stood at Rs. 1,527.53 Cr. on YoY basis but declined by 1% on QoQ basis. The growth was impacted by sluggish condition in the FMCG sector and exports.
- Hotel business accounts for around 3% of the total revenue showed a robust growth of 14% on YoY basis due to recently commissioned hotels. However, the performance of existing hotels was relatively subdued due to slowdown in the conferences and banqueting segment therefore the QoQ revenue declined by 22%.

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