

July 27, 2020



Current Price: ₹ 199.70

STOCK DATA

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

VALUE PARAMETERS

52 W H/L(Rs)	272.50/134.95
Mkt. Cap.(Rs Cr)	245546.36
Latest Equity(Subscribed)	1229.58
Latest Reserve (cons.)	64044.04
Latest EPS (cons.) -Unit Curr.	12.53
Latest P/E Ratio -cons	15.94
Latest Bookvalue (cons.) -Unit Curr.	53.09
Latest P/BV - cons	3.76
Dividend Yield -%	5.08
Face Value	1

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 30/06/2020
Foreign	15.42
Institutions	42.04
Non Promoter Corp. Hold.	30.45
Public & Others	12.1

Financial results

In Cr.

Particulars	Qtr Ending	Qtr Ending	Var. (%)
	Jun. 20	Jun. 19	
Net Sales	9774.07	12279.31	-20
OPM (%)	30.10%	40.20%	
OP	2945.56	4937.75	-40
Other Income	925.13	647.29	43
PBDIT	3870.69	5585.04	-31
Interest	15.82	14.58	9
PBDT	3854.87	5570.46	-31
Depreciation	418.99	378.94	11
PBT	3435.88	5191.52	-34
Tax	868.81	1755.01	-50
PAT	2567.07	3436.51	-25
Share of profit of Associate/JV	-4.34	4.46	-197
MI	51.73	85.96	-40
Net Profit	2511	3355.01	-25
EPS (Rs.)	2.04	2.74	

ITC Ltd.'s profit misses estimates, Profit Falls 25% but FMCG Revenue Rises 10.3%, Localized lockdowns are posing operational challenges

Unprecedented disruptions in economic activity caused by nationwide lockdowns in the wake of COVID-19 pandemic weighed on the Company's performance during the quarter. Hotels, Cigarettes, ESPB and Paperboards & Packaging Businesses were impacted the most. FMCG- Others Segment delivered a strong performance driven by Staples, Convenience Foods and Health & Hygiene products, leveraging the strong equity of the Company's brands and a robust portfolio of relevant and innovative products. Other than the Hotels segment, progressive normalization was witnessed in the later part of the first quarter across all operating segments. The recent imposition of localized lockdowns in several parts of the country, however, are posing operational challenges and impacting the recovery momentum.

ITC net sales fell 20% to Rs 9774.07 crore for quarter ended June20 compared to corresponding previous year period. The company operating margins decreased 1010 bps to 30.1%. As a result operating profits fell 40% to Rs 2945.56 crore.

Other income of the company rose 43% to Rs 925.13 crore. Interest cost was Rs 15.82 crore compared to Rs 14.58 crore. Depreciation was up 11% to Rs 418.99 crore. PBT was down 34% to Rs 3435.88 crore.

Tax expense was down 50% to Rs 868.81 crore owing to which the company's net profit fell 25% at Rs 2567.07 crore aided by reduction in corporate income tax rates. Further considering share of profit and loss of Associate Company and minority interest Bottomline of the company fell 25% to Rs 2567.07 crore.

Segment wise, FMCG revenue stood at Rs 7708.89 crore, down by 16% YoY and accounted for 59% of total sales. PBIT from the same was down by 37% to Rs 2664.3 crore and accounted for 93% of total PBIT.

Hotel Business revenue stood at Rs 24.92 crore, down by 92% YoY. PBIT from the same was loss of Rs 257.39 crore compared to profit of Rs 9.82 crore. Hotels Segment severely impacted with

Segment results				In Cr.	
Segment Revenue	Qtr Ended	Qtr Ended	Var.	% to	
	Jun. 20	Jun. 19	(%)	Total	
FMCG Cigarettes	4330.05	6141.92	-30	33	
FMCG Others	3378.84	3,068.07	10	26	
Total FMCG	7708.89	9209.99	-16	59	
Hotels	24.92	411.60	-94	0	
Agri Business	3764.56	3622.40	4	29	
Paperboards, Paper and Packaging	1026.44	1527.53	-33	8	
Others	556.68	523.22	6	4	
Total revenue	13081.49	15294.74	-14	100	
Less :- Segmental Results	2655.06	2762.43	-4		
Net sales	10426.43	12532.31	-17		
Segment Result					
FMCG Cigarettes	2535.24	4145.75	-39	89	
FMCG Others	129.06	79.89	62	5	
Total FMCG	2664.3	4225.64	-37	93	
Hotels	-257.39	9.82	PL	-9	
Agri Business	178.66	201.78	-11	6	
Paperboards, Paper and Packaging	160.11	329.76	-51	6	
Others	115.46	68.82	68	4	
Total	2861.14	4835.82	-41	100	

operations coming to a standstill due to restrictions on travel and hotel operations.

Agri Business revenue stood at Rs 3764.56 crore, up by 4% YoY on the back of trading opportunities in oil seeds and rice and accounted for 29% of total sales. PBIT from the same was down by 11% to Rs 178.66 crore and accounted for 6% of total PBIT.

Paperboards, Paper and Packaging revenue stood at Rs 1026.44 crore, down by 33% YoY and accounted for 8% of total sales. PBIT from the same was down by 51% to Rs 160.11 crore and accounted for 6% of total PBIT. Paperboards, Paper & Packaging Segment performance was impacted by lower offtake from end-user industries. However, robust growth in exports partly mitigated the weak domestic demand environment

Others segment revenue stood at Rs 556.68 crore, up by 6% YoY and accounted for 4% of total sales. PBIT from the same was up by 68% to Rs 79.97 crore and accounted for 4% of total PBIT.

Other development

On 23rd May, 2020, the Company entered into a Share Purchase Agreement ('SPA') to acquire 100% of the equity share capital of Messrs. Sunrise Foods Private Limited (SFPL), an Indian company primarily engaged in the business of spices under the trademark 'Sunrise', subject to fulfilment of various terms and conditions as specified in the SPA.



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