PL Capital PRABHUDAS LILLADHER

ITC (ITC IN)

Q1FY27 Result Update

July 31, 2026

☑ Estimate Change | ☑ Target | ☑ Reco.

Worst seems over, however expect prolonged recovery

Quick Pointers

- Cigarette volumes declined by ~5% in 1Q27, ITC launches ~17 new variants with multiple price interventions
- FMCG posted healthy growth, higher input costs might hurt margins in 2Q27
- FY27/28 EPS cut by 15.0% and 10.3%

We cut FY27/28 EPS by 15.0/10.3% and target price to Rs291 (Rs302 earlier). ITC reported a decline of ~5% in cigarette volumes and 35.1% in EBIT, which resulted in 27.1% decline in 1Q27 PAT. Cigarette business is expected to show slow recovery given that ITC is still absorbing excise increase in its P&L. we see little scope of positive volumes in next 2/3 quarters given big market disruption. FMCG business is showing decent growth, however 2Q might show some margin pressure due to west Asia impact. Paper business aided by MIP and softer wood prices, is showing improvement in profitability. We now estimate a decline of 13% in FY27 PAT and 15.2% growth in FY28. Although worst seems over, we expect recovery to be gradual and delayed. However, downside seems limited given 30% correction in stock price sinceDec25, 16.7xFY28 PE and 5% dividend yield. We upgrade the stock from reduce to Hold.

1QFY27: Cigarette volumes decline by ~5%, PAT declined 27.1%

Revenues declined by 14.4% YoY to Rs169.1bn (PLe:Rs167.87bn). EBITDA declined by 27.9% YoY to Rs45.1bn (PLe:Rs 50.36bn); Margins contracted by 498bps YoY to 26.7% (PLe:30.0%). Adj PAT declined by 27.1% YoY to Rs35.8bn (PLe:Rs40.62bn).

Cigarette Revenues (net of excise) declined by 25% to Rs53.4bn; EBIT declined 35% YoY to 33.4bn. Margins contracted by 882bps to 62.7% (net of excise) as ITC absorbed part of excise increase given sheer quantum of tax increase.

FMCG Revenues grew by 12.2% YoY to Rs64.8bn; EBIT grew by 20% YoY to 4.8bn. Margins expanded by 52bps YoY to 7.4%.

Agri Revenues declined by 16.6% YoY to Rs80.8bn; EBIT declined by 18% YoY to 3.5bn. Margins contracted by 102bps YoY to 4.4%

Paperboard & Paper Revenues grew by 9.1% YoY to Rs23.1bn; EBIT grew by 38% YoY to 2.2bn. Margins expanded by 203bps YoY to 9.7%

Quarter Summary

Y/e Mar	Q1'27E	Q1'27A	% Var.	Q1'26A	YoY gr. (%)
Net Sales (INR mn)	1,67,874	1,69,076	1.0	1,97,499	-14.0
EBITDA (INR mn)	50,362	45,143	-10.0	62,613	-28.0
Margin (%)	*30.0*	*26.7*	*-330 bps*	*31.7*	*-500 bps*
PAT (INR mn)	40,622	35,788	-12.0	49,124	-27.0

Source: Company, PL

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	HOLD		Reduce	
Target Price	291		302	
Sales (INR mn)	706,220	773,034	757,620	818,599
% Chng.	*(6.8)*	*(5.6)*		
EBITDA (INR mn)	211,255	246,797	248,833	272,222
% Chng.	*(15.1)*	*(9.3)*		
EPS (INR)	13.6	15.7	16.0	17.5
% Chng.	*(15.0)*	*(10.3)*		

Key Data

Key Data	ITC.BO | ITC IN
BSE Code	500875
NSE Code	ITC
52-W High / Low	INR 427 / INR 275
Face Value	1
Sensex / Nifty	78,095 / 24,384
Market Cap	INR 3,521 bn / $ 36,908 mn
Shares Outstanding	12529.47 mn
3M Avg. Daily Value	INR 5,080.11 mn

Shareholding Pattern (%)

Promoters	-
FIIs	34.23
Mutual Funds	16.50
Domestic Institutions	32.67
Public & Others	16.60
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(2.1)	(10.8)	(12.8)	(31.8)
Relative	(4.1)	(12.1)	(8.1)	(29.1)

Key Financials - Standalone

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR mn)	693,256	719,838	706,220	773,034
EBITDA (INR mn)	240,256	252,082	211,255	246,797
Margin (%)	*34.7*	*35.0*	*29.9*	*31.9*
PAT (INR mn)	188,742	204,703	171,745	197,825
EV (INR mn)	3,331,819	3,322,681	3,332,427	3,340,191
Total Debt (INR mn)	18	20,262	-	-
C&C Eq. (INR mn)	31,849	21,355	66,494	88,197
EPS (INR)	15.1	16.3	13.7	15.8
Gr. (%)	*(5.4)*	*8.3*	*(16.2)*	*15.1*
DPS (INR)	14.0	14.5	13.0	14.0
Yield (%)	*5.0*	*5.2*	*4.6*	*5.0*
RoE (%)	*26.9*	*29.7*	*24.5*	*27.6*
RoCE (%)	*32.2*	*33.9*	*27.4*	*32.0*
EV/Sales (x)	4.8	4.6	4.7	4.3
EV/EBITDA (x)	13.9	13.2	15.8	13.5
PE (x)	18.6	17.2	20.5	17.8
P/BV (x)	5.2	5.0	5.0	4.8

Amnish Aggarwal
amnishaggarwal@plindia.com | +91-22-66322233

Vishwa Solanki
vishwasolanki@plindia.com | +91-22-66322244

Parth Thakker
parththakker@plindia.com | +91-22-66322222

Exhibit 1: Quarterly Estimates

(INR mn)	1QFY27	YoY gr. (%)	2QFY27E	YoY gr. (%)	3QFY27E	YoY gr. (%)	4QFY27E	YoY gr. (%)
Net Sales	1,69,076	-14.4	1,73,004	-4.0	1,76,568	-2.0	1,87,572	16.9
EBITDA	45,143	-27.9	52,766	-15.6	53,853	-9.8	59,492	-7.4
Margins (%)	*26.7*	*-500.3 bps*	*30.5*	*-419.2 bps*	*30.5*	*-263.3 bps*	*31.7*	*-831.9 bps*
Adj. PAT	35,788	-27.1	43,400	-16.2	43,847	-13.8	48,710	-4.7

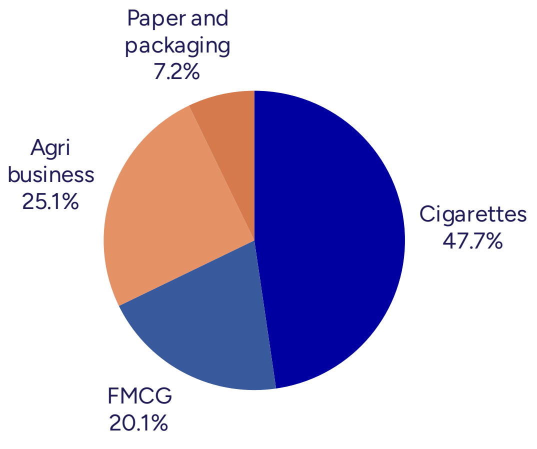
Source: Company, PL

Exhibit 2: Revenue decline by 14.4% YoY, EBITDA margin down by ~498bps YoY

Y/e March	Q4FY26	Q4FY25	YoY gr. (%)	Q4FY26E	% Var.	Q3FY26	FY26	FY25	YoY gr. (%)
Net Sales	**1,69,076**	**1,97,607**	**(14.4)**	**1,67,874**	**0.7**	**1,60,505**	**7,57,620**	**7,19,838**	**5.2**
Gross profit	82,857	96,811	(14.4)			46,316	4,01,177	3,75,893	6.7
Margins	*49.0*	*49.0*	*0.01*			*28.9*	*53.0*	*52.2*	*0.7*
Other Exp	37,713	34,204	10.3	1,17,512		-17,944	1,52,343	1,23,810	23.0
EBITDA	**45,143**	**62,607**	**(27.9)**	**50,362**	**(10.4)**	**64,260**	**2,48,833**	**2,52,082**	**(1.3)**
Margins (%)	26.7	31.7	(5.0)	30.0	(3.3)	40.0	32.8	35.0	(2.2)
Depreciation	3,665	3,659	0.2	3,750	(2.3)	3,624	16,045	14,740	8.9
Interest	337.8	134.0	152.1	200	68.9	244.0	581.6	699.4	(16.8)
Other Income	6,453	6,620	(2.5)	7,750	(16.7)	6,528	35,304	32,872	7.4
PBT	47,594	65,435	(27.3)	54,162	(12.1)	66,919	2,67,511	2,69,515	(0.7)
Tax	11,806	16,328	(27.7)	13,541	(12.8)	15,806	66,343	64,812	2.4
Rate (%)	*24.8*	*25.0*	*(0.1)*	*25.0*	*(0.2)*	*23.6*	*24.8*	*24.0*	*0.8*
Adjusted PAT	**35,788**	**49,107**	**(27.1)**	**40,622**	**(11.9)**	**51,113**	**2,01,168**	**2,04,703**	**(1.7)**

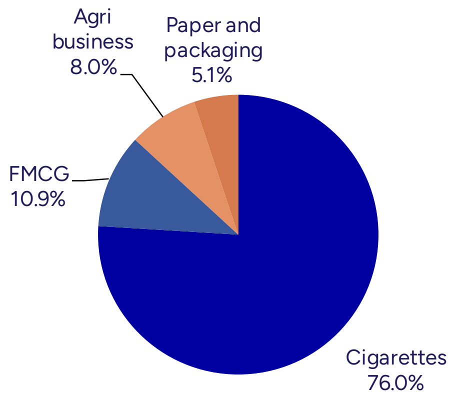
Source: Company, PL

Exhibit 3: Cigarette contributed ~47.7% towards overall volume in Q1



Source: Company, PL

Exhibit 4: Cigarette contributed ~76% towards overall sales in Q1



Source: Company, PL

Exhibit 5: We assign a SOTP based valuation of Rs. 291

SOTP	Basis	X	EV	PAT (Rsm)	% of PAT	EPS	Value/Share
Cigarettes	P/E	12		137571	69.5	11.0	132
FMCG - Others	P/E	45		19742	10.0	1.6	79
Agri business	P/E	14		13206	6.7	1.1	15
Paper and packaging	P/E	14		12301	6.2	1.0	14
ITC Infotech	P/E	18		6479		0.5	9
Business Value						14.6	248
ITC Hotels	Mkt Cap	40%					14
Cash and Invst			360951				29
Total Value/share							**291**

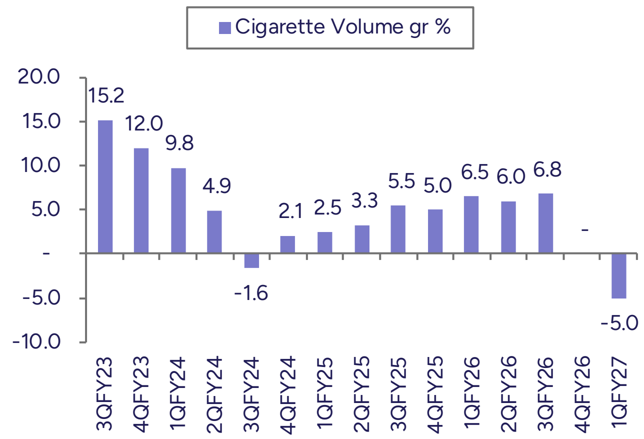
Source: Company, PL

Exhibit 6: FMCG and Paperboards margins are up by 52bps and 202bps YoY respectively

	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27
Cigarette Volume gr %	5.0	6.5	6.0	6.8	NA	(5)
Sales (INR m)	1,97,310	2,60,978	2,08,834	2,05,731	2,26,721	3,22,548
Cigarettes	83,996	85,200	87,228	87,908	1,10,660	1,53,836
FMCG	54,946	57,770	59,644	60,197	63,037	64,820
Agri business	36,492	96,850	39,762	35,603	30,749	80,821
Paper and packaging	21,876	21,158	22,199	22,024	22,275	23,072
Sales growth (YoY)	2.3	16.7	-3.5	3.0	14.9	23.6
Cigarettes	6.0	7.6	6.7	8.0	31.7	80.6
FMCG	3.7	5.2	6.9	11.1	14.7	12.2
Agri business	17.7	38.9	(31.2)	6.3	(15.7)	(16.6)
Paper and packaging	5.5	7.0	5.0	2.7	1.8	9.1
EBIT (INR m)	59,200	61,393	63,311	62,494	64,335	43,979
Cigarettes	51,179	51,453	52,407	51,770	54,882	33,412
FMCG	3,449	3,975	4,404	4,504	5,207	4,786
Agri business	2,551	4,339	4,591	4,240	1,795	3,538
Paper and packaging	2,022	1,626	1,910	1,979	2,452	2,242
EBIT growth (YoY)	(4.0)	1.4	2.7	1.4	8.7	(28.4)
Cigarettes	4.0	3.7	4.3	5.1	7.2	(35.1)
FMCG	(27.7)	(16.5)	(0.3)	42.0	51.0	20.4
Agri business	25.9	21.9	1.0	2.8	(29.6)	(18.5)
Paper and packaging	(31.1)	(37.8)	(21.2)	(3.7)	21.2	37.9
EBIT Margin (%)						
Cigarettes	60.9	60.4	60.1	58.9	49.6	21.7
FMCG	6.3	6.9	7.4	7.5	8.3	7.4
Agri business	7.0	4.5	11.5	11.9	5.8	4.4
Paper and packaging	9.2	7.7	8.6	9.0	11.0	9.7

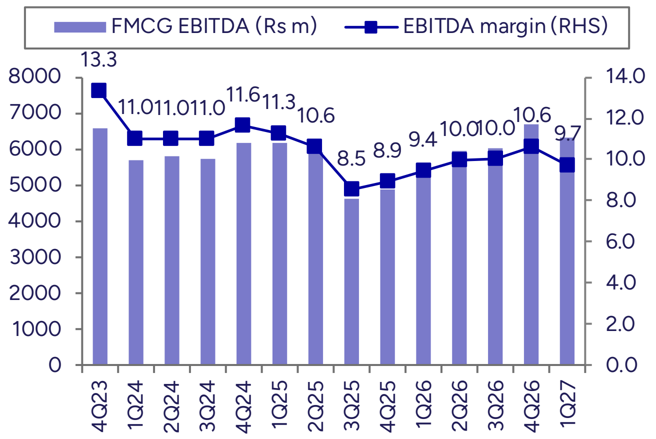
Source: Company, PL

Exhibit 7: Volume down 5% in 1Q



Source: Company, PL

Exhibit 8: FMCG EBIDTA expands 30bps YoY



Source: Company, PL

Cigarette sales decline by 25% YoY to Rs53.4bn, EBIT declined 35% YoY to Rs33.4bn

Cigarette volumes fell ~5% YoY in Q1, ahead of our estimate of a ~10% decline as ITC undertook staggered price hikes to pass on excise duty increase.

- ITC has undertaken 30 pricing interventions and has been increasing prices gradually across segments to protect market share loss to unorganised and illicit trade
- We note that ITC launched nearly 17 new product variants in various cigarette segments, mainly RSFT, longs and Kings to prevent consumers from downtrading to illicit market brands
- We estimate that ITC volumes since 3Q26 have declined by ~9% as against a steeper 13–15% volume decline by peers which suggest success of pricing and brand strategy
- Going by margins, we believe ITC has yet fully passed on the burden of excise increase to the consumers, more so in RSFT and Longs. We expect faster recovery in 64mm and delayed recovery in longs and kings given expected 40% increase in cigarette prices.
- We expect pressure on margins to sustain in coming quarters as well given affect on volumes and absorption of excise duty. We might be close to bottom performance, but recovery is likely to be delayed.

FMCG Revenues grew by 12.2% YoY to Rs64.8bn; EBIT grew by 20% YoY to 4.8bn

Sales grew 12.2%, EBIT increased 20% as margins expanded by 52bps YoY to 7.4%. Overall demand remained healthy across rural & urban markets. Dairy, snacks & frozen foods posted 20%+ growth, while Personal Care grew at a mid-teen pace. Atta remained weak due to heatwaves, LPG shortages & benign wheat prices. West Asia led inflation in fuel, edible oil, soap noodles & packaging impacted margins, however, were partly offset by inventory cover, hedges, cost control & NRM initiatives. Digital-first/Organic brands (Yogabar, 24 Mantra, Prasuma, Meatigo & Mother Sparsh) maintained strong momentum with ARR of ~Rs15bn, while NewGen channels (e-Com, QC & MT) continued to deliver robust growth. We expect the near-term demand outlook to remain mixed, with El Niño a key monitorable. We expect margin pressure in 2Q due to higher input costs in key raw materials and full impact of West Asia conflict.

Paperboard & Paper Revenues grew by 9.1% YoY to Rs23.1bn; EBIT grew by 38% YoY to 2.2bn. Margins expanded by 203bps YoY to 9.7%. The business delivered a healthy quarter, led by higher realizations and volume growth, while moderation in wood prices was witnessed during the quarter. The Packaging & Printing segment delivered a robust performance, driven by the Flexibles and Cartons portfolio and continued traction in innovative, customized solutions. The MIP on virgin multilayered paper has been extended till September 30, 2026, while approval for the ADD on Indonesian supplies remains pending with the Ministry of Finance.

Agri Revenues declined by 16.6% YoY to Rs80.8bn; EBIT declined by 18.5% YoY to 3.5bn. Margins contracted by 102bps YoY to 4.4%. Domestic demand remained soft during the quarter, while international demand was similarly subdued, as customers delayed call-offs amid ongoing disruptions in West Asia. The Nicotine and Nicotine Derivative Products export business continued to scale up, with the segment turning PBIT-positive for the second consecutive quarter. We expect near-term demand pressures to persist, given that the geopolitical situation in West Asia remains unresolved. A meaningful recovery in international demand is contingent on resolution of the West Asia conflict, which should enable to normalize order patterns.

Food tech business: The footprint has been increased to more than 75 cloud kitchens with GMV growth of 90% YoY with and ARR of 3bn. Management highlighted that the brands continue to receive high consumer ratings and favorable feedback, reflecting improving brand acceptance and premium positioning.

Exhibit 9: Cigarette business to recover gradually

	FY23	FY24	FY25	FY26	FY27E	FY28E
Net Sales (Rs m)						
Cigarettes	2,41,527	2,59,321	2,77,187	2,94,367	2,48,023	2,70,772
FMCG	1,90,815	2,09,583	2,19,753	2,38,883	2,65,116	2,91,694
Agri	1,81,723	1,57,918	1,97,538	2,02,963	1,94,789	2,19,512
Paper and Paperboard	90,814	83,444	84,228	88,198	96,208	1,02,234
Sales Growth (%)						
Cigarettes	20.3	7.4	6.9	6.2	(15.7)	9.2
FMCG	19.5	9.8	4.9	8.7	11.0	10.0
Agri	12.2	(13.1)	25.1	2.7	(4.0)	12.7
Paper and Paperboard	18.8	(8.1)	0.9	4.7	9.1	6.3
EBIT (Rs m)						
Cigarettes	1,79,271	1,90,892	2,00,249	2,05,799	1,61,742	1,82,940
FMCG	13,742	17,786	15,797	17,677	21,740	26,252
Agri	13,277	12,544	14,780	15,425	14,414	17,561
Paper and Paperboard	22,940	13,776	9,115	7,938	12,507	16,357
EBIT Margin (%)						
Cigarettes	63.6	62.4	61.4	59.5	55.5	57.5
FMCG	7.2	8.5	7.2	7.4	8.2	9.0
Agri	7.3	7.9	7.5	7.6	7.4	8.0
Paper and Paperboard	25.3	16.5	10.8	9.0	13.0	16.0
EBIT Growth (%)						
Cigarettes	20.6	6.5	4.9	2.8	-21.4	13.1
FMCG	48.8	29.4	-11.2	11.9	23.0	20.8
Agri	28.8	-5.5	17.8	4.4	-6.6	21.8
Paper and Paperboard	34.9	-39.9	-33.8	-12.9	57.6	30.8

Source: Company, PL

Exhibit 10: ITC's Recent launches

Source: Company, PL

Exhibit 11: ITC launches 17 new introduction/new variants

Innovation

- Classic Connect
- American Club Clove Mint
- Gold Flake Indie Mint

Portfolio Fortification

- Gold Flake
- Classic
- Silk Cut Red
- Scissors
- Flake Spl

Recent Introductions/ New Variants

- Classic Clove
- Classic Refined Taste Sleek
- Gold Flake Kings Sleek
- Gold Flake Social 2-Pod
- Gold Flake SLK Range
- Gold Flake Snap Mint
- Gold Flake Smart Pro
- American Club Super Slims
- American Club Fruity (RSFT)
- Player Magic Mix
- Capstan Clove
- Wills Clove
- Flake Insta Fresh
- Flake Power Play
- Gold Flake Kings Longs
- Classic Longs
- American Club Fruity Longs
- Gold Flake Premium Deluxe
- Scissors Deluxe
- Players Minty Cool Deluxe
- Wave Ice Mint Deluxe

Source: Company, PL

Financials

Income Statement (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	**693,256**	**719,838**	**706,220**	**773,034**
YoY gr. (%)	*10.7*	*3.8*	*(1.9)*	*9.5*
Cost of Goods Sold	317,363	322,486	347,556	366,793
Gross Profit	375,893	397,352	358,664	406,241
Margin (%)	*54.2*	*55.2*	*50.8*	*52.6*
Employee Cost	34,172	36,293	39,724	42,078
Other Expenses	101,465	108,977	52,842	57,525
EBITDA	**240,256**	**252,082**	**211,255**	**246,797**
YoY gr. (%)	*2.3*	*4.9*	*(16.2)*	*16.8*
Margin (%)	*34.7*	*35.0*	*29.9*	*31.9*
Depreciation and Amortization	14,419	14,740	16,045	16,788
EBIT	**225,837**	**237,342**	**195,211**	**230,009**
Margin (%)	*32.6*	*33.0*	*27.6*	*29.8*
Net Interest	364	699	582	645
Other Income	34,550	32,872	33,755	33,702
Profit Before Tax	**260,023**	**269,515**	**228,384**	**263,065**
Margin (%)	*37.5*	*37.4*	*32.3*	*34.0*
Total Tax	64,570	64,812	56,639	65,240
Effective Tax Rate (%)	*24.8*	*24.0*	*25.0*	*25.0*
Profit After Tax	**195,453**	**204,703**	**171,745**	**197,825**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**188,742**	**204,703**	**171,745**	**197,825**
YoY gr. (%)	*(5.2)*	*8.5*	*(16.1)*	*15.2*
Margin (%)	*27.2*	*28.4*	*24.3*	*25.6*
Extra Ord. Income / (Exp)	163,228	(1,839)	-	-
Reported PAT	**351,971**	**202,864**	**171,745**	**197,825**
YoY gr. (%)	*76.8*	*(42.4)*	*(15.3)*	*15.2*
Margin (%)	*50.8*	*28.2*	*24.3*	*25.6*
Other Comprehensive Income	(9,294)	(8,100)	-	-
Total Comprehensive Income	342,677	194,765	171,745	197,825
Equity Shares O/s (mn)	**12,514**	**12,530**	**12,548**	**12,558**
EPS (INR)	**15.1**	**16.3**	**13.7**	**15.8**

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	**295,241**	**308,741**	**323,241**	**338,741**
Tangibles	272,021	285,021	299,021	314,021
Intangibles	23,221	23,721	24,221	24,721
Acc: Dep / Amortization	**106,518**	**120,582**	**135,327**	**150,803**
Tangibles	103,538	117,127	131,389	146,370
Intangibles	2,980	3,455	3,939	4,433
Net Fixed Assets	**194,148**	**199,452**	**187,914**	**187,938**
Tangibles	173,878	173,050	167,632	167,651
Intangibles	20,270	26,402	20,282	20,287
Capital Work In Progress	10,678	14,726	11,000	11,000
Goodwill	5,779	6,083	5,772	5,772
Non-Current Investments	222,740	197,370	236,231	252,623
Net Deferred Tax Assets	(25,564)	(30,653)	(23,071)	(21,918)
Other Non-Current Assets	9,121	10,096	18,154	19,145
Current Assets				
Investments	152,899	197,015	127,120	100,494
Inventories	150,610	179,319	152,962	167,515
Trade Receivables	39,108	29,256	38,240	41,879
Cash & Bank Balance	31,849	21,355	66,494	88,197
Other Current Assets	10,377	14,884	10,593	11,596
Total Assets	**840,047**	**889,159**	**871,258**	**905,444**
Equity				
Equity Share Capital	12,514	12,530	12,548	12,558
Other Equity	666,423	686,757	692,865	717,373
Total Networth	**678,937**	**699,286**	**705,413**	**729,932**
Non-Current Liabilities				
Long Term Borrowings	-	-	-	-
Provisions	2,252	2,801	2,426	2,600
Other Non Current Liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	18	20,262	-	-
Trade Payables	44,899	52,719	51,443	54,498
Other Current Liabilities	86,324	78,938	86,674	94,161
Total Equity & Liabilities	**840,047**	**889,159**	**871,258**	**905,444**

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	260,009	262,043	228,384	263,065
Add. Depreciation	14,419	15,350	16,045	16,788
Add. Interest	364	528	582	645
Less Financial Other Income	34,550	32,872	33,755	33,702
Add. Other	(4,337)	10,712	(600)	(1,811)
Op. Profit before WC Changes	270,455	288,634	244,411	278,688
Net Changes-WC	(29,584)	(14,793)	38,508	13,939
Direct Tax	(64,370)	(64,987)	(56,639)	(65,240)
Net Cash from Op. Activities	**176,501**	**208,854**	**226,279**	**227,386**
Capital Expenditures	41,493	(15,108)	(15,799)	(16,812)
Interest / Dividend Income	-	-	-	-
Others	21,208	(14,006)	(15,147)	(16,390)
Net Cash from Invt. Activities	**62,701**	**(29,115)**	**(30,946)**	**(33,202)**
Issue of Share Cap. / Premium	(67,306)	4,568	9,972	(10,180)
Debt Changes	(18)	-	-	-
Dividend Paid	(171,665)	(175,202)	(181,728)	(163,126)
Interest Paid	(364)	(528)	(582)	(645)
Others	353	(74)	(53)	(56)
Net Cash from Fin. Activities	**(238,998)**	**(171,236)**	**(172,391)**	**(174,008)**
Net Change in Cash	**203**	**8,503**	**22,943**	**20,176**
Free Cash Flow	217,994	193,746	210,480	210,574

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Net Revenues	**180,213**	**180,171**	**160,505**	**169,076**
YoY gr. (%)	*(3.4)*	*5.7*	*(6.9)*	*(14.4)*
Raw Material Expenses	81,853	81,260	57,747	86,219
Gross Profit	98,359	98,911	102,758	82,857
Margin (%)	*54.6*	*54.9*	*64.0*	*49.0*
EBITDA	**62,520**	**59,697**	**64,260**	**45,143**
YoY gr. (%)	*2.1*	*2.4*	*7.3*	*(27.9)*
Margin (%)	*34.7*	*33.1*	*40.0*	*26.7*
Depreciation / Depletion	3,707	3,692	3,624	3,665
EBIT	**58,813**	**56,004**	**60,635**	**41,479**
Margin (%)	*32.6*	*31.1*	*37.8*	*24.5*
Net Interest	159	150	244	338
Other Income	8,980	10,719	6,528	6,453
Profit before Tax	**67,634**	**69,589**	**66,919**	**47,594**
Margin (%)	*37.5*	*38.6*	*41.7*	*28.1*
Total Tax	16,717	15,962	15,806	11,806
Effective Tax Rate (%)	*24.7*	*22.9*	*23.6*	*24.8*
Profit After Tax	**50,917**	**53,627**	**51,113**	**35,788**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**50,917**	**53,627**	**51,113**	**35,788**
YoY gr. (%)	*0.2*	*4.7*	*4.9*	*(27.1)*
Margin (%)	*28.3*	*29.8*	*31.8*	*21.2*
Extra Ord. Income / (Exp)	881	(2,738)	21	-
Reported PAT	**51,798**	**50,888**	**51,134**	**35,788**
YoY gr. (%)	*2.0*	*(9.7)*	*(73.9)*	*(27.1)*
Margin (%)	*28.7*	*28.2*	*31.9*	*21.2*
Other Comprehensive Income	(1,883)	734	(8,839)	4,431
Total Comprehensive Income	**49,915**	**51,623**	**42,294**	**40,219**
Avg. Shares O/s (mn)	12,527	12,309	12,530	12,309
EPS (INR)	**4.1**	**4.4**	**4.1**	**2.9**

Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	15.1	16.3	13.7	15.8
CEPS	16.2	17.5	15.0	17.1
BVPS	54.3	55.8	56.2	58.1
FCF	17.4	15.5	16.8	16.8
DPS	14.0	14.5	13.0	14.0
Return Ratio (%)				
RoCE	32.2	33.9	27.4	32.0
ROIC	34.5	35.4	28.8	32.1
RoE	26.9	29.7	24.5	27.6
Balance Sheet				
Net Debt : Equity (x)	-	-	-	-
Net Working Capital (Days)	76	79	72	73
Valuation (x)				
PER	18.6	17.1	20.5	17.8
P/B	5.1	5.0	4.9	4.8
P/CEPS	17.3	16.0	18.7	16.4
EV/EBITDA	13.8	13.1	15.7	13.5
EV/Sales	4.8	4.6	4.7	4.3
Dividend Yield (%)	4.9	5.1	4.6	4.9
FCFF Yield (%)	6.1	5.5	5.9	5.9
PEG Ratio	(3.5)	2.0	(1.3)	1.1

Source: Company, PL

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Asian Paints	HOLD	2720	2758
2	Avenue Supermarts	HOLD	4000	3847
3	Britannia Industries	BUY	6441	5452
4	Colgate Palmolive	HOLD	2242	2166
5	Dabur India	HOLD	492	434
6	Emami	HOLD	469	146
7	Hindustan Unilever	Accumulate	2320	2023
8	ITC	Reduce	302	289
9	Jubilant FoodWorks	BUY	576	455
10	Marico	Accumulate	876	848
11	Metro Brands	Accumulate	1187	1058
12	Nestle India	Accumulate	1606	1494
13	Pidilite Industries	BUY	1729	1622
14	Restaurant Brands Asia	Accumulate	76	73
15	Titan Company	BUY	5209	4604
16	Westlife Foodworld	Accumulate	543	487

PL's Recommendation Nomenclature (Absolute Performance)

BUY	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

ANALYST CERTIFICATION

Indian Clients

We/I Mr. Amnish Aggarwal MBA, CFA, Mr. Vishwa Solanki PGDM - Finance, Mr. Parth Thakker BFM, Passed CFA Level II Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

US Clients

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

Prabhudas Lilladher Pvt. Ltd.

Corporate Office: 6th Floor, Tower 2B South Annex, One World Centre, 841, Senapati Bapat Marg, Lower Parel, Mumbai - 400013

Registered Office: 3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018

Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com

AMNISH AGGARWAL

Digitally signed by AMNISH AGGARWAL
DN: c=IN, o=Personal, title=1443,
2.5.4.20=21151ea12dd366d1ac370cb42343e
e44b6e851c37bdbac5f86aa4ff3e6948487,
postalCode=400015, st=Maharashtra,
serialNumber=7a6f13691881d5a8af6353865a
61b48b7040e72f4a1bf53182e368b3ca14a5e4
, cn=AMNISH AGGARWAL
Date: 2026.07.31 22:41:35 +05'30'

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipients particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report.

PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report.

PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Amnish Aggarwal MBA, CFA, Mr. Vishwa Solanki PGDM - Finance, Mr. Parth Thakker BFM, Passed CFA Level II Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.