

## Cigarette volume grows, FMCG margin in top gear

**About the stock:** ITC is biggest cigarettes & second largest FMCG company in India with ~80% of market share in cigarettes & presence in staples, biscuits, noodles, snacks, chocolate, dairy products & personal care products. The company is also present in paperboard, printing & packaging business, agri & hotels businesses

- The company has more than 200 manufacturing facilities in India. It has a distribution reach of over 6 million retail outlets across various trade channels & strong 25 brands across various categories

**Q4FY23 Results:** ITC reported robust cigarette volume growth of ~12%.

- Sales were up 6.6% YoY led by strong growth in cigarettes & FMCG sales
- EBITDA was at ₹ 6209.4 crore, up 18.9% YoY, with margins at 36.1%
- Consequent PAT was at ₹ 5086.9 crore (up 21.4% YoY)

**What should investors do?** ITC's share price has given return of 53% in last five years (from ₹ 272 in May 2018 to 420 in May 2023).

- We raise our cigarette volumes growth estimate from 5% to 8% for FY24E considering market share gains from illicit cigarettes as well as strong growth in high price cigarettes
- We maintain our **BUY** recommendation

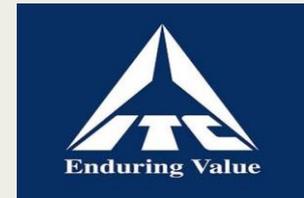
**Target Price and Valuation:** We value the stock at ₹ 500 on SOTP basis valuing cigarettes business 22x FY25 earnings & FMCG business 6x FY25 sales.

**Key triggers for future price performance:**

- Taxation (GST & Excise) on cigarettes have remained largely stable over the last five years. This along with deterrent action against illicit & contraband cigarettes resulted in strong ~19% volume growth in FY23. We estimate 8% & 5% volume growth for FY24E & FY25E, respectively
- FMCG business has seen four-year sales CAGR of 11.2%, which is faster compared to many other FMCG companies. We believe foods portfolio has strong opportunity size with high margin expansion possibility. The company intend to increase margins by 100-150 bps every year
- Hotels business occupancy levels have been maintained at above 70% & ARRs are above pre-pandemic levels. We believe the company would be able to maintain this strong growth in hotels business in medium term

**Alternate Stock Idea:** We like Tata Consumer in our FMCG coverage.

- Strong innovation & premiumisation strategy in salt, tea, Sampaan & Soulful in the Indian market expected to drive sales & margins
- We value the stock at ₹ 980 with a BUY rating



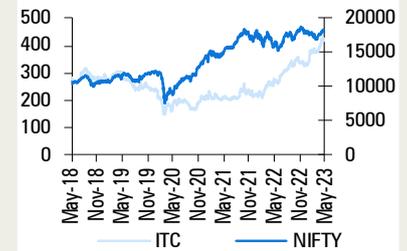
### Particulars

Particulars (₹ crore)	Amount
Market Capitalization	5,21,541.0
Total Debt (FY23)	49.8
Cash and Investments (FY23)	20,188.3
EV	5,01,402.5
52 week H/L (₹)	433 / 258
Equity capital	1,230.9
Face value (₹)	1.0

### Shareholding pattern

(in %)	Jun-22	Sep-22	Dec-22	Mar-23
Promoter	0.0	0.0	0.0	0.0
FII	12.7	42.7	43.0	43.4
DII	42.8	42.4	42.2	42.1
Others	44.5	14.9	14.8	14.6

### Price Chart



### Recent event & key risks

- The company launched 'Quick Meals' in noodles category under 'YIPpee' brand in select markets
- Key Risk:** (i) Volatility in commodity prices could derail margin expansion spree (ii) Any abrupt increase in GST cess on cigarettes

### Research Analyst

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### Key Financial Summary

Key Financials	FY21	FY22	FY23E	5 Year CAGR (FY17-23E) (%)	FY24E	FY25E	CAGR (FY23-25E)
Net Sales	48151.2	59101.1	69480.9	10.7	74136.1	81648.4	8.4%
EBITDA	15522.5	18933.7	23944.5	7.1	26131.9	28076.9	8.3%
EBITDA Margin %	32.2	32.0	34.5		35.2	34.4	
Net Profit	13031.6	15057.8	18753.3	8.1	20106.8	21720.1	7.6%
EPS (₹)	10.6	12.2	15.1	7.7	16.2	17.5	7.6%
P/E	39.6	34.3	27.8		25.9	24.0	
RoNW %	22.1	24.5	27.7		29.6	31.8	
RoCE (%)	28.2	31.4	35.6		38.7	41.4	

Source: Company, ICICI Direct Research

## Key takeaways of recent quarter

### Q4FY23 Results: Cigarette volumes grew 12%; FMCG margins inch up

- ITC witnessed revenue growth of 6.6% to ₹ 17506.1 led by 14.2% growth in cigarette business & 19.4% growth in FMCG business. Hotels business saw 100% growth with significant improvement in mobility in last one year
- The 14.2% growth in cigarettes business was led by ~12% volume growth & 2% realisation growth. The company is gaining market share from illicit & contraband cigarettes. Moreover, stable taxation has resulted in category growing at faster pace
- We believe above ₹ 10 price point category is witnessing strong traction & growing at 20-25%. Some of the new variants like 'Classic Connect', 'Gold Flake Indie Mint', 'Wills Fab' among others are getting strong traction
- Cigarette business also strengthened its presence in Duty-Free outlets at International as well as Domestic airports. It also launched differentiated products in focus market
- The 19.4% growth in FMCG business was led by ~8% volume growth & ~11% realisation growth (Pricing & Mix). The company witnessed strong growth in Atta (led by high pricing growth), Biscuits, Noodles, Juices & Snacks. Personal care category also saw decent growth except Hygiene product portfolio (Savlon), which would be down by 40-50% from peak
- New launches & foray in newer categories under Aashirwad (Besan, Vermicelli), Sunfeast (Supermilk biscuits, Thin Arrowroot biscuit) & B-Natural Smoothies (Tender Coconut Water, Strawberry & Chia seeds) among others supported the growth in FMCG business in Q4.
- Education & Stationary business continue to witness strong growth before the start of new academic year. Moreover, fully functional schools & collages also aided the growth in the segment
- Ecommerce, quick commerce & modern trade channels are growing faster than general trade channel. Moreover, new launches through these channels have become much easier
- FMCG business saw 352 bps operating margin improvement (EBITDA) to 13.3% during the quarter led by strong growth in Foods business, supply chain management, price increase, higher contribution from education & stationary business & PLI benefits (export of Biscuits, Snacks, Dairy & RTE). On full year basis FMCG business operating margin was up 117 bps at 10.2% (FY23)
- The company continued to drive premiumisation trend in both cigarettes & FMCG business across categories. It intends to improve FMCG margin by 100-150 bps every year
- Hotels business revenue saw 100.6% growth to ₹ 782 crore in Q4 led by more than 70% occupancies & Sustainable increase in ARRs (Average room revenue). Segment EBITDA was ₹272 crore (margin 34.8%) as against ₹108 crore (margin 23.1%) in FY20 (pre-Covid period)
- The company is continuing the strategy of asset light model for hotels business with the launch of 11 new hotels under management contract with brands like 'Mementos', 'Storii', 'Welcomehotels' & 'Fortune' during the year. It has healthy pipeline for FY24 with phased opening of new hotels under these brands
- Agri business saw 18% decline mainly on the back of restriction on wheat exports however segment sales were up by 20% excluding wheat sales. Segment margins (PBIT) grew by 25.9% led by strong export demand from leaf tobacco & value-added products

### ITC - ESG Disclosure Score\*

ESG Disclosure Score			
Score	FY20	FY21	FY22
Environmental	61.9	61.9	61.9
Social	37.6	38.8	38.8
Governance	89.9	89.9	89.9
<b>Overall ESG Score</b>	<b>63.1</b>	<b>63.6</b>	<b>63.6</b>

*Source: Bloomberg, ICICI Direct Research, \*Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures*

- Paperboard business witnessed 1.8% growth impacted by decline in paper pulp prices from the highs in last year. The growth was also impacted by planned shut-down of pulp mill for the capacity expansion during the quarter. Segment margin (PBIT) was down by 1% with 56 bps margin contraction
- The company commissioned second carton line in Nadiad plant (started in FY23). The demand for fine paper segment was high with strong growth in notebook & Publications
- Operating profit grew by 18.9% to ₹6209.4 crore with operating margin expansion of 385 bps to 36.1%. Strong cigarette volume growth, softening of commodity prices & lower contribution of agri commodity trading business led to expansion in gross as well as operating margin during the quarter. Net profit grew by 21.4% to ₹ 5086.9 crore
- ITC Infotech business witnessed 16.4% revenue growth to ₹3321 crore in FY23. However, operating profit for the business declined by 19.2% to ₹579 crore mainly due to cost related to strategic partner agreement signed with PTC

**Exhibit 1: Peer Comparison**

Sector / Company	CMP (₹)	TP (₹)	Rating	M Cap (₹ Cr)	Sales growth (%)				EBITDA Margins (%)				P/E(x)			RoE (%)			RoCE (%)					
					FY22E	FY23	FY24E	FY25E	FY22E	FY23	FY24E	FY25E	FY22E	FY24E	FY25E	FY22E	FY23	FY24E	FY25E	FY22E	FY23	FY24E	FY25E	
ITC Limited (ITC)	420	500	Buy	521541	23.1	17.6	6.7	10.1	32.0	34.5	35.2	34.4	34.3	27.8	25.9	24.0	24.5	27.7	29.6	31.8	31.4	35.6	38.7	41.4
Nestle (NESIND)	21680	23000	Hold	199195	10.2	14.9	12.8	10.5	24.5	22.1	23.0	24.7	97.5	87.4	72.3	61.5	104.1	87.0	84.5	86.5	57.3	54.4	57.0	61.6
VST Industries (VSTIND)	3272	3300	Hold	5059	6.1	9.3	26.6	5.2	35.0	29.7	32.3	33.2	15.8	15.5	15.6	13.3	29.8	27.7	29.3	38.2	39.0	35.7	39.0	50.9

Source: Company, ICICI Direct Research

ITC continues to witness strong volume growth in cigarette business largely gaining share from contrabands & illicit cigarettes. We believe stable taxation in cigarettes as well as strong traction in high priced cigarettes have been leading to high volume growth (~19% in FY23) as well as market share gains. We estimate cigarettes volume growth of 8% & 5% in FY24E & FY25E respectively. Further, the current quarter has seen very sharp 352 bps improvement in FMCG business margins led by PLI benefits, price hikes, sequential dip in commodities & premiumisation. We believe the company would be able to achieve its target operating margins expansion by 100-150 bps every year by leveraging its strong brands through extension in many food adjacencies. We also believe Hotels business would continue to grow at a faster pace in medium term with significant improvement in mobility in post covid period. Despite strong run up in the stock, it is still trading at attractive multiples compared to other FMCG companies. We remain positive on long term growth outlook for the company & maintain our BUY recommendation with the revised target price on stock to ₹ 500 / share (earlier 450 /share).

**Exhibit 2: Variance Analysis**

	Q4FY23	Q4FY22E	Q4FY22	YoY (%)	Q3FY23	QoQ (%)	Comments
Total Operating Income	17,506.1	17,459.1	16,426.0	6.6	17,265.5	1.4	Net sales witnessed a growth of 6.6% led by strong cigarette & FMCG business volume growth
Operating Income	282.1	138.8	199.4	41.5	143.3	96.8	
Raw Material Expenses	6,794.1	7,143.4	7,279.9	-6.7	6,671.2	1.8	Strong growth in cigarettes, softening of commodity prices & lower contribution from low margin agri business resulted in gross margin expansion
Employee Expenses	894.0	897.2	809.5	10.4	877.0	1.9	
Other operating Expenses	2,500.5	2,467.4	2,217.1	12.8	2,454.3	1.9	
EBITDA	6,209.4	6,157.4	5,224.4	18.9	6,223.2	-0.2	Operating margin grew by 18.9% with 366 bps margin expansion
EBITDA Margin (%)	36.1	35.3	32.2	385 bps	36.3	-30 bps	
Depreciation	421.9	413.1	445.9	-5.4	407.2	3.6	
Interest	11.8	16.0	10.5	12.8	10.2	16.2	
Other Income	746.3	761.3	674.1	10.7	871.7	-14.4	
PBT	6,594.8	6,489.6	5,442.0	21.2	6,677.5	-1.2	
Tax Outgo	1,507.9	1,631.1	1,251.1	20.5	1,646.5	-8.4	
PAT	5,086.9	4,911.8	4,191.0	21.4	5,031.0	1.1	Net profit witnessed a growth of 21.4%
Adjusted PAT	5,030.7	4,911.8	4,191.0	20.0	5,031.0	0.0	
<b>Key Metrics YoY growth (%)</b>							
Cigarette Growth (%)	14.2	15.9	10.0		16.7		Cigarette volume growth was 12% during the quarter
FMCG (Others) Growth (%)	19.4	19.1	12.3		18.4		Strong growth in foods & education business resulted in 19.4% growth in FMCG business
Hotels Growth (%)	100.6	77.8	463.5		50.5		High Occupancies & improved ARR's resulted in doubling og hotels business sales
Agri Business Growth (%)	-18.0	-25.4	29.6		-37.1		Wheat export ban resulted in 18% decline in agri sales
Paperboards Growth (%)	1.8	7.6	31.8		12.7		With moderation of pulp prices, paperboard sales grew by mere 1.8%

Source: Company, ICICI Direct Research

**Exhibit 3: Change in estimates**

(₹ Crore)	FY24E			FY25E			Comments
	Old	New	% Change	Old	New	% Change	
Sales	75261.7	74136.1	-1.5	83,113.2	82481.6	-0.8	We slightly cut our sales estimate in agri business sales due to continued ban on wheat exports. We also cut paperboard sales estimate due to pricing de-growth. We raise cigarettes & hotels business estimates
EBITDA	26058.8	26131.9	0.3	28090.1	28076.9	0.0	
EBITDA Margin (%)	34.6	35.2	62 bps	33.8	34.0	24 bps	We cut overhead spends estimates in FY24
PAT	19636.8	20106.8	2.4	21253.2	21720.1	2.2	We raise other income estimate in FY24 & FY25
EPS (₹)	15.8	16.2	2.4	17.1	17.5	2.2	

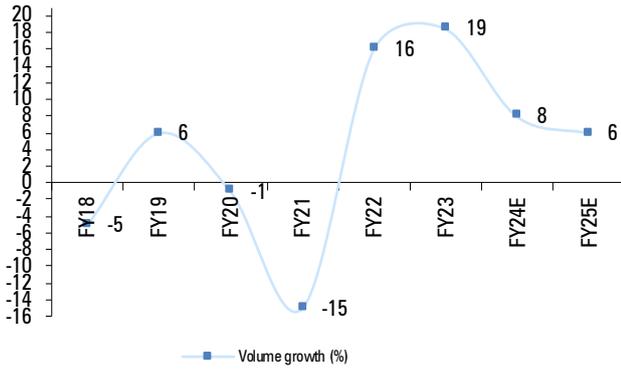
Source: ICICI Direct Research

**Exhibit 4: Assumptions**

	Current				Earlier			Comments
	FY21E	FY22E	FY23E	FY24E	FY25E	FY24E	FY25E	
Cigarettes (₹ cr)	20,333.1	23,206.0	28,322.1	31,199.0	33,731.9	30,332.7	32,486.0	We
Cigarette Vol. Growth (%)	-15	16	19	8	6	5	5	We change our cigarette volume growth estimate from 5% to 8% in FY24E
Cigarette Price Growth (%)	10	1	3	2	2	2	2	
FMCG - Others (₹ cr)	14,728.2	16,021.5	19,110.3	21,831.8	24,324.4	21,831.8	24,324.4	
Hotels (₹ cr)	627.5	1,464.6	2,585.0	2,881.4	3,141.2	2,513.9	2,628.7	We change our hotels business estimate upwards
Paperboards (₹ cr)	5826.4	7592.6	9209.4	10024.0	11239.9	10445.8	11718.3	We slightly cut our paperboard business sales estimate on the back of price cuts taken due to decline in pulp prices. We also cut our agri business estimate due to continued ban on wheat exports

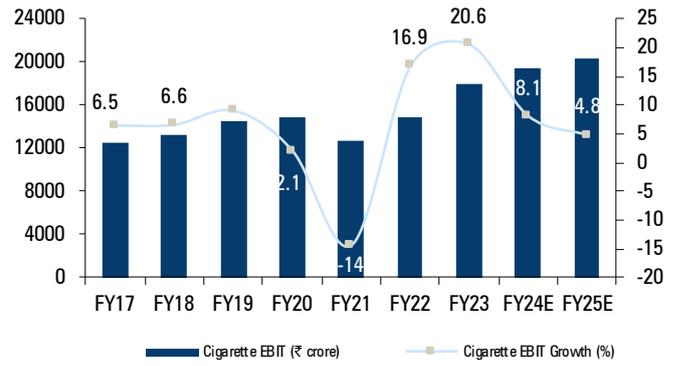
Source: ICICI Direct Research

Exhibit 1: Cigarette volume growth trend



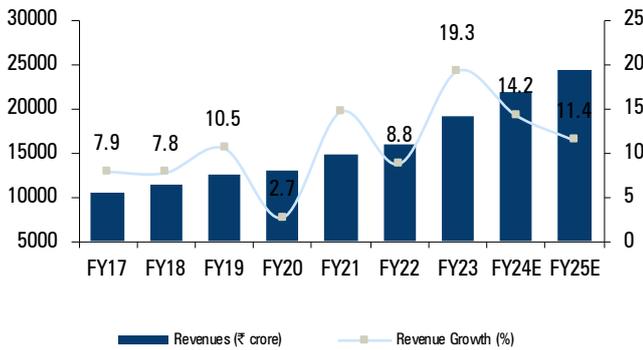
Source: ICICI Direct Research, Company

Exhibit 2: Cigarette EBIT growth trend



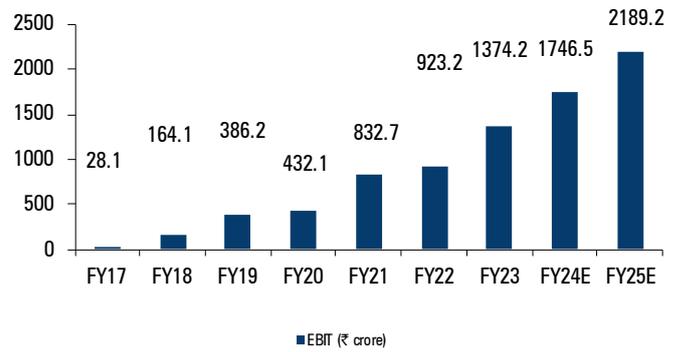
Source: ICICI Direct Research, Company

Exhibit 3: FMCG revenue (₹ crore) and growth (%) trend



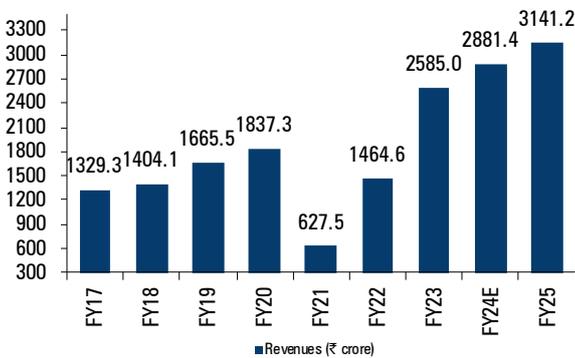
Source: ICICI Direct Research, Company

Exhibit 4: FMCG EBIT (₹ crore) trend



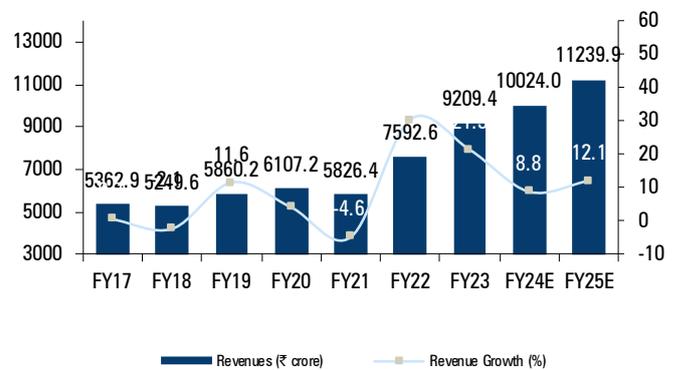
Source: ICICI Direct Research, Company

Exhibit 5: Hotel revenue (₹ crore) and growth (%) trend



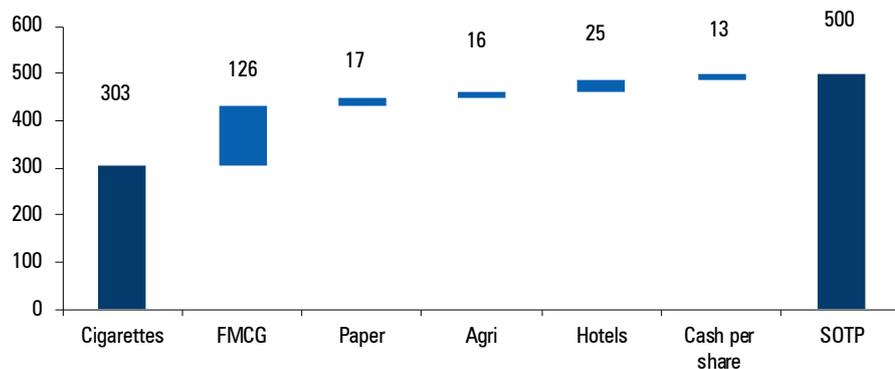
Source: ICICI Direct Research, Company

Exhibit 6: Paperboards revenue (₹ crore) and growth (%) trend



Source: ICICI Direct Research, Company

**Exhibit 7: Sum of the part valuation**



Source: Company, ICICI Direct Research

**Exhibit 8: Valuations**

	Sales (₹ cr)	Growth (%)	EPS (₹)	Growth (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY22	59101.1	22.7	12.2	15.4	34.3	27.0	24.5	31.4
FY23	69480.9	17.6	15.1	23.5	27.8	21.4	27.7	35.6
FY24E	74136.1	6.7	16.2	7.2	25.9	19.7	29.6	38.7
FY25E	81648.4	10.1	17.5	8.0	24.0	18.3	31.8	41.4

Source: Company, ICICI Direct Research

## Financial Summary

Exhibit 9: Profit and loss statement				
	₹ crore			
(Year-end March)	FY22	FY23	FY24E	FY25E
<b>Total operating income</b>	<b>59,745.6</b>	<b>70,251.3</b>	<b>74,945.1</b>	<b>82,481.6</b>
Growth (%)	23.1	17.6	6.7	10.1
Raw Material Expenses	26,232.5	28,880.2	30,555.0	34,157.5
Employee Expenses	3,062.0	3,569.5	3,886.7	4,178.9
Marketing Expenses	0.0	0.0	1,026.7	1,125.1
Administrative Expenses	0.0	0.0	1,686.7	1,848.4
Excise Duty	3404.3	4208.0	4544.7	4817.3
Other expenses	8,113.1	9,649.2	7,113.4	8,277.5
Total Operating Expenditure	40,811.9	46,306.8	48,813.2	54,404.7
<b>EBITDA</b>	<b>18,933.7</b>	<b>23,944.5</b>	<b>26,131.9</b>	<b>28,076.9</b>
Growth (%)	22.0	26.5	9.1	7.4
Depreciation	1,652.2	1,662.7	1,742.9	1,824.4
Interest	42.0	41.8	51.3	56.5
Other Income	2,590.0	2,437.6	2,543.0	2,841.5
PBT	19,829.5	24,750.4	26,880.8	29,037.6
Total Tax	4,771.7	5,997.1	6,774.0	7,317.5
<b>PAT</b>	<b>15,057.8</b>	<b>18,753.3</b>	<b>20,106.8</b>	<b>21,720.1</b>
Growth (%)	15.5	24.5	7.2	8.0
EPS (₹)	12.2	15.1	16.2	17.5

Source: Company, ICICI Direct Research

Exhibit 10: Cash flow statement				
	₹ crore			
(Year-end March)	FY22	FY23	FY24E	FY25E
Profit After Tax	15,319.5	18,949.8	20,106.8	21,720.1
Add: Depreciation	1,652.2	1,662.7	1,742.9	1,824.4
(Inc)/dec in Current Assets	-762.3	-1,199.4	-1,039.2	-1,403.1
Inc/(dec) in CL and Provisions	946.4	755.2	1,104.2	1,812.7
<b>CF from operating activities</b>	<b>14,807.8</b>	<b>17,911.7</b>	<b>21,914.7</b>	<b>23,954.0</b>
(Inc)/dec in Investments	0.0	0.0	-1,558.2	-2,181.7
(Inc)/dec in LT loans & advance	0.0	0.0	0.0	0.0
(Inc)/dec in Fixed Assets	-1,674.8	-1,809.5	-3,220.0	-3,020.0
Others	0.0	0.0	0.0	0.0
<b>CF from investing activities</b>	<b>-1,517.1</b>	<b>-5,159.4</b>	<b>-4,285.8</b>	<b>-3,301.7</b>
Issue/(Buy back) of Equity	-0.4	-0.7	0.0	0.0
Inc/(dec) in loan funds	-81.4	-77.1	10.0	10.0
Dividend paid & dividend tax	-13,547.1	-15,130.0	-19,884.8	-21,127.6
Others	0.0	0.0	39.5	19.4
<b>CF from financing activities</b>	<b>-13,337.0</b>	<b>-12,730.4</b>	<b>-19,835.3</b>	<b>-21,098.2</b>
Net Cash flow	-46.3	21.9	-2,206.5	-445.9
Opening Cash	231.3	185.0	206.9	-1,999.6
Cash with Bank	3,693.0	3,624.4	3,624.4	3,624.4
<b>Closing Cash</b>	<b>3,877.9</b>	<b>3,831.3</b>	<b>1,624.8</b>	<b>1,178.9</b>

Source: Company, ICICI Direct Research

Exhibit 11: Balance Sheet				
	₹ crore			
(Year-end March)	FY22	FY23	FY24E	FY25E
<b>Liabilities</b>				
Equity Capital	1,232.3	1,242.8	1,242.8	1,242.8
Reserve and Surplus	60,167.2	66,351.0	66,573.0	67,165.5
Total Shareholders funds	61,399.6	67,593.8	67,815.8	68,408.3
LT Borrowings & Provisions	4.5	3.3	13.3	23.3
Deferred Tax Liability	1,667.1	1,621.1	1,621.1	1,621.1
Others Non-current Liabilities:	283.4	354.3	393.8	413.1
<b>Total Liabilities</b>	<b>63,354.6</b>	<b>69,572.5</b>	<b>69,844.0</b>	<b>70,465.9</b>
<b>Assets</b>				
Gross Block	36,020.8	38,615.7	41,497.2	44,497.2
Less: Acc Depreciation	16,461.7	18,124.4	19,867.3	21,691.7
Net Block	19,559.2	20,491.3	21,629.9	22,805.5
Capital WIP	2,442.3	1,681.5	2,000.0	2,000.0
Net Intangible Assets	2,720.1	2,753.3	2,773.3	2,793.3
Non-current Investments	17,229.7	19,971.8	21,529.9	23,711.6
LT loans & advances	5.1	4.1	4.1	4.1
<b>Current Assets</b>				
Inventory	9,997.8	10,593.9	11,374.3	12,303.2
Debtors	1,952.5	2,321.3	2,437.4	2,684.3
Loans and Advances	5.7	6.0	8.4	9.2
Other Current Assets	3,483.1	2,093.9	2,234.2	2,460.6
Cash	3,878.0	3,831.3	1,624.8	1,178.9
Current Investments	11625.0	16357.1	16357.1	14357.1
Current Liabilities	11,478.1	12,415.6	13,519.8	15,332.5
Creditors	4,223.4	4,351.3	4,874.7	5,816.1
Provisions	55.6	63.6	67.9	74.7
Short term debt & other CL	7,199.1	8,000.8	8,577.3	9,441.7
<b>Application of Funds</b>	<b>63,354.6</b>	<b>69,572.5</b>	<b>69,844.0</b>	<b>70,465.9</b>

Source: Company, ICICI Direct Research

Exhibit 12: Key ratios				
(Year-end March)	FY22	FY23	FY24E	FY25E
<b>Per share data (₹)</b>				
EPS	12.2	15.1	16.2	17.5
Cash EPS	13.6	16.4	17.6	18.9
BV	49.8	54.4	54.6	55.0
DPS	11.0	12.3	16.0	17.0
Cash Per Share	3.1	3.1	1.3	0.9
<b>Operating Ratios (%)</b>				
EBITDA Margin	32.0	34.5	35.2	34.4
PBT / Total Operating income	33.2	35.1	35.9	35.2
PAT Margin	25.2	26.7	26.8	26.3
Inventory days	61.7	55.7	56.0	55.0
Debtor days	12.1	12.2	12.0	12.0
Creditor days	26.1	22.9	24.0	26.0
<b>Return Ratios (%)</b>				
RoE	24.5	27.7	29.6	31.8
RoCE	31.4	35.6	38.7	41.4
RoIC	31.3	36.2	37.8	40.1
<b>Valuation Ratios (x)</b>				
P/E	34.3	27.8	25.9	24.0
EV / EBITDA	27.0	21.4	19.7	18.3
EV / Net Sales	8.7	7.4	6.9	6.3
Market Cap / Sales	8.7	7.4	7.0	6.3
Price to Book Value	8.4	7.7	7.7	7.6
<b>Solvency Ratios</b>				
Debt/EBITDA	0.0	0.0	0.0	0.0
Debt / Equity	0.0	0.0	0.0	0.0
Current Ratio	2.4	2.5	2.4	2.1
Quick Ratio	1.5	1.7	1.6	1.3

Source: Company, ICICI Direct Research

Exhibit 13: ICICI Direct coverage universe (FMCG)

	CMP	TP	Rating	M Cap	EPS (₹)				P/E (x)				Price/Sales (x)				RoCE (%)				RoE (%)			
	(₹)	(₹)		(₹ Cr)	FY22	FY23	FY24E	FY25E	FY22	FY23	FY24E	FY25E	FY22	FY23	FY24E	FY25E	FY22	FY23	FY24E	FY25E	FY22	FY23	FY24E	FY25E
Colgate (COLPAL)	1,636	1,560	Hold	44,233	39.6	38.5	41.4	44.0	41.3	42.5	39.5	37.2	8.7	8.5	8.0	7.5	77.8	79.3	89.6	100.0	62.2	61.5	68.4	76.5
Dabur India (DABIND)	523	675	Buy	93,745	9.9	9.6	11.3	12.9	53.1	54.5	46.2	40.6	8.6	8.1	7.4	6.6	24.9	21.3	23.0	24.4	20.8	19.0	20.4	21.3
Hindustan Unilever (HINLEV)	2,628	2,780	Hold	5,79,879	37.5	42.4	45.4	51.1	70.0	62.0	57.9	51.5	11.5	10.0	9.2	8.4	20.2	22.0	23.7	25.9	18.1	19.9	20.6	22.5
ITC Limited (ITC)	420	500	Buy	5,21,541	12.2	15.1	16.2	17.5	34.3	27.8	25.9	24.0	8.8	7.5	7.0	6.4	31.4	35.6	38.7	41.4	24.5	27.7	29.6	31.8
Jyothy Lab (JYOLAB)	208	215	Hold	7,485	4.3	6.7	7.8	8.5	49.0	31.3	26.8	24.5	3.5	3.1	2.8	2.6	18.7	27.5	31.4	32.6	16.6	24.2	27.0	27.9
Marico (MARLIM)	533	570	Buy	63,691	9.7	10.2	11.6	12.6	54.8	52.0	46.0	42.3	6.7	6.5	6.1	5.7	41.2	38.1	41.2	43.3	37.5	34.8	37.3	38.6
Nestle (NESIND)	21,680	23,000	Hold	1,99,195	222.4	247.9	299.9	352.7	97.5	87.4	72.3	61.5	13.6	11.9	10.5	9.5	57.3	54.4	57.0	61.6	104.1	87.0	84.5	86.5
Patanjali Foods (RUCSOY)	960	1,750	Buy	50,721	27.3	30.9	43.5	52.7	35.2	31.0	22.1	18.2	2.1	1.7	1.5	1.4	13.2	15.6	17.3	19.0	13.1	11.3	14.2	15.3
Tata Consumer Products (TAT)	776	980	Buy	68,740	11.0	14.2	16.4	19.0	70.5	54.6	47.5	40.9	5.5	5.0	4.5	4.1	8.4	8.7	10.5	11.6	7.0	7.4	9.0	10.1
Varun Beverage (VARBEV)	1,576	1,470	Hold	92,041	17.2	23.9	27.5	32.3	91.5	66.0	57.3	48.7	10.4	7.0	6.1	5.4	17.1	23.8	28.7	32.2	18.3	30.4	27.8	26.9
VST Industries (VSTIND)	3,272	3,300	Hold	5,059	207.4	211.8	210.0	245.5	15.8	15.5	15.6	13.3	4.3	3.9	3.7	3.4	39.0	35.7	39.0	50.9	29.8	27.7	29.3	38.2
Zydu Wellness (ZYDWEL)	1,475	1,690	Hold	9,430	48.5	48.8	60.4	69.0	30.4	30.2	24.4	21.4	4.7	4.2	3.8	3.5	6.1	5.7	6.8	7.4	6.4	6.3	7.0	7.5

Source: Bloomberg, ICICI Direct Research

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