

## ITC (ITC)-ADD

### Result Update

Current Market Price (CMP) <b>Rs.428</b>	Target Price <b>Rs. 460</b>
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### Rationale:

- ITC's Q3 operating print was weaker than expected.
- We expect earnings to grow by 6.6% in FY25E & grow by 8.1% in FY26E.
- Stock is currently trading at valuation of 22.6x P/E FY26E EPS.
- We value ITC using Sum of the Parts (SoTP) methodology.
- We trim FY25-26E EPS by 2-3%, roll over & revise our FV to Rs460 (from Rs470).

### Result Update:

#### 👍 Positives:

- FMCG is tracking well in context of a broad-based weakness in consumption.
- Hotels reported strong growth.
- Profit after tax (PAT) beat driven by other income and tax reversal.

#### 👎 Negatives:

- Cigarette volumes declined 2% yoy (KIE: 2% growth).
- Paperboards reported continued weakness.
- Standalone EBITDA (operating profit) declined 3% yoy, a 4% miss.

[Click here](#)

For detailed report dated 30<sup>th</sup> January 2024. Note: CMP & valuation may differ due to Click here Click here difference in dates



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