



Enduring Value

NATION FIRST: SAB SAATH BADHEIN

Q3 FY23 Results

03rd February, 2023

This presentation contains certain forward-looking statements including those describing the Company's strategies, strategic direction, objectives, future prospects, estimates etc. Investors are cautioned that "forward looking statements" are based on certain assumptions of future events over which the Company exercises no control. Therefore there can be no guarantee as to their accuracy and readers are advised not to place any undue reliance on these forward looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. These statements involve a number of risks, uncertainties and other factors that could cause actual results or positions to differ materially from those that may be projected or implied by these forward looking statements. Such risks and uncertainties include, but are not limited to: growth, competition, acquisitions, domestic and international economic conditions affecting demand, supply and price conditions in the various businesses in the Company's portfolio, changes in Government regulations, tax regimes and other statutes, and the ability to attract and retain high quality human resource.

Macro Economic Context

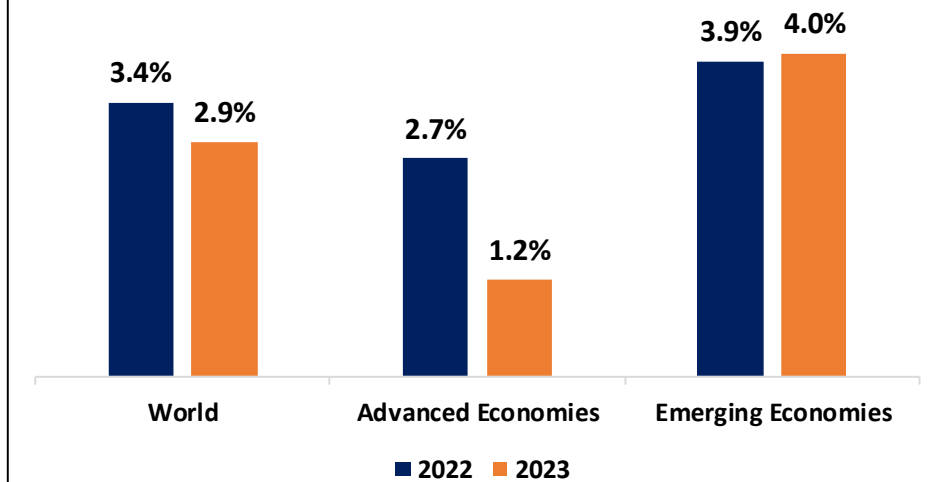
Slowdown in Global Growth estimates

- **2023 Global GDP growth** estd. at **2.9%** (vs 3.4% in 2022)
- **Inflation** remains elevated in major economies of the world
 - Certain key commodity prices have softened (crude & palm oil, pulp)

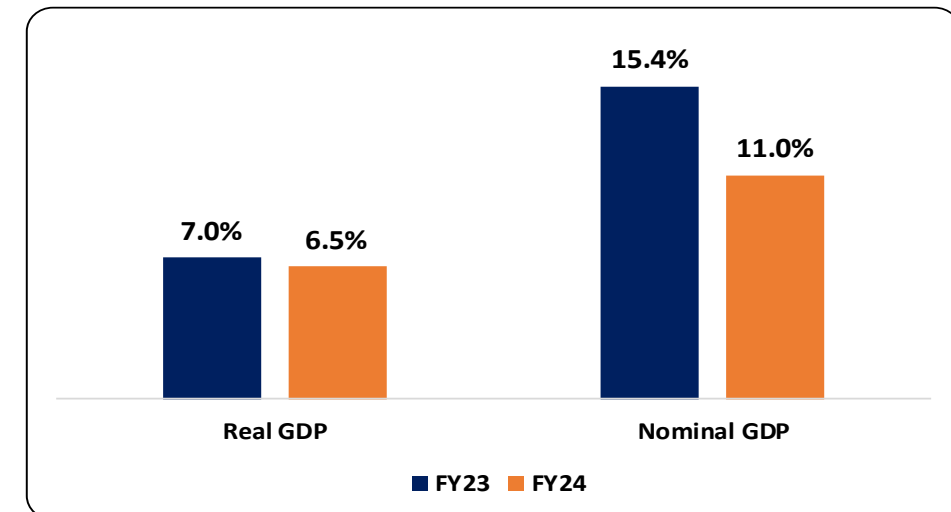
India remains relatively better placed though growth expected to drop

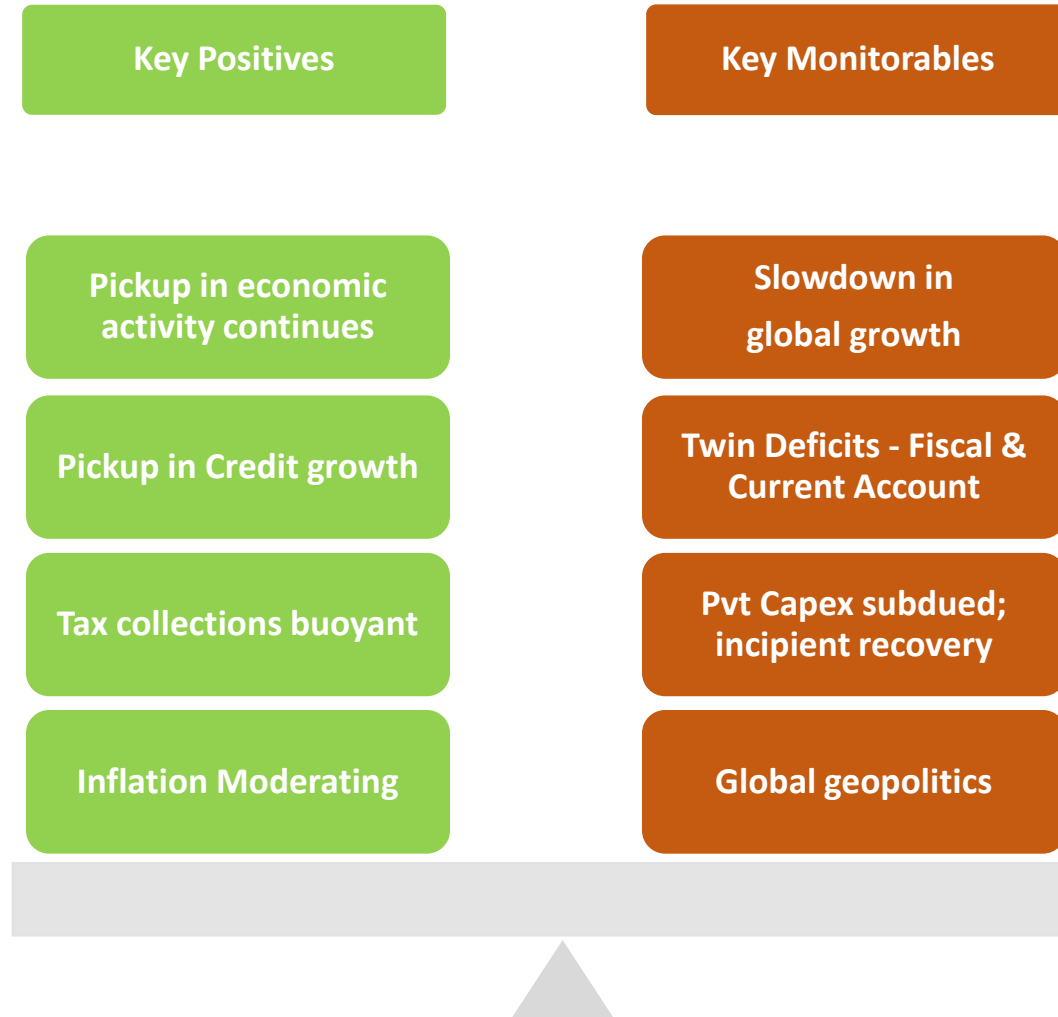
- **FY23 GDP** expected to grow by **7.0%**
 - *FY24 growth expected to slow to around **6.5%***
 - *FY24 Nominal GDP growth est. at appx. **11%** (15.4% in FY23)*
- **Inflation** in FY24 expected to drop to ~5.5% Vs. 6.8% in FY23
- India witnessing high **Twin Deficits**; subdued exports
- **Rural** demand continues to be subdued; sequential pickup
- **Consumer sentiments** improving but below pre-pandemic levels

Global Growth Slowdown in 2023 (GDP % y-o-y)



India's Growth in FY24 expected to drop (GDP % y-o-y)





Q3 FY23 Results

Headline Financials & Business Highlights

**Strong growth
momentum
sustained across
operating segments**

Gross Revenue
ex – Agri Business

▲ +17.5%

EBITDA

▲ +22.0%

Overall Segment PBIT Margin
ex – Agri Business

37.8% ▲ 130 bps

PAT

▲ +21.0%

EPS

▲ +20.5%

Interim Dividend

Rs. 6.00
per share

- **Robust performance continues in FMCG – Others; Segment Revenue up 18.4% YoY, at appx. 1.5x of Q3 FY20**
 - *Staples, Biscuits, Noodles, Snacks, Dairy, Beverages and Soaps drive growth*
 - *Education & Stationery Products Business continues to witness strong traction*
 - *Segment EBITDA margin at 10.0% (+90 bps YoY; +50 bps QoQ) – amidst elevated commodity prices*

- **Stability in taxes on Cigarettes, backed by deterrent actions by enforcement agencies, enable continued volume recovery from illicit trade**
 - *Segment Revenue up 16.7% YoY; Segment PBIT up 16.9% YoY*

- **Hotels Segment Revenue up 50.5% YoY and at appx. 1.3x of Q3 FY20**
 - *RevPAR well ahead of pre-pandemic levels*
 - *Segment EBITDA at 224 cr. (up 107 cr. YoY and 67 cr. over Q3 FY20)*
 - *Segment EBITDA Margin at 31.5%*

- **Agri Business Segment Revenue** impacted by restrictions on wheat & rice exports; **Segment PBIT up 32.6% driven by strong growth in leaf tobacco exports and value-added agri products**
- **Paperboards, Paper & Packaging Segment** continues to deliver strong performance; **Segment Revenue up 12.7% YoY while Segment PBIT up 35.2% YoY**
 - *Segment margin improvement driven by higher realisations and strategic interventions (in house pulp manufacturing, pro-active capacity expansion in value-added products, Digital)*
 - *Capacity utilisation of recently commissioned state-of-the-art Packaging and Printing facility in Nadiad, Gujarat scaled up*



Multiple Growth Drivers

Best fit - market opportunity & enterprise strengths

Disruptive models : Digital / Sustainability + Institutional Strengths



Innovation and R&D

Agile & purposeful innovation to win

Science-based research platforms embedding Sustainability



Strategic Cost Management

Structural interventions across value chain

Resilient & optimized Supply Chains



Sustainability 2.0

Bolder ambition

Environmental Capital

Inclusive growth



Digital

Future tech enterprise

Digital first culture

Smart Eco System



World-Class Talent

'Proneurial' spirit

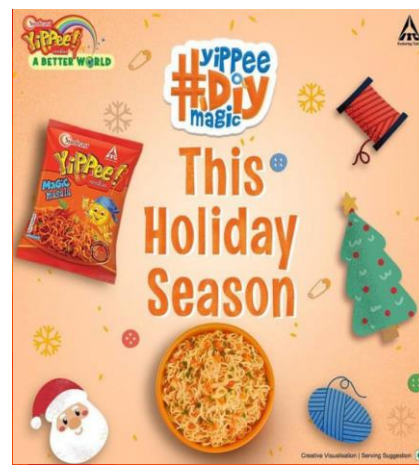
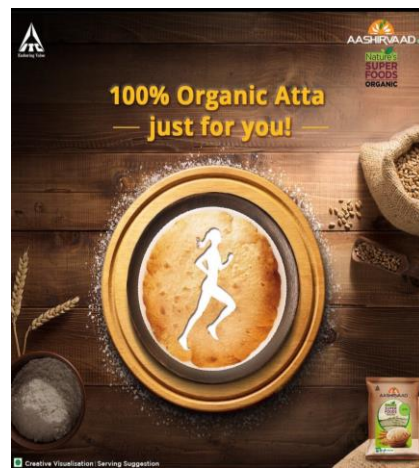
High Performance, Nimble and Customer-centric Culture

Diversity & Inclusion

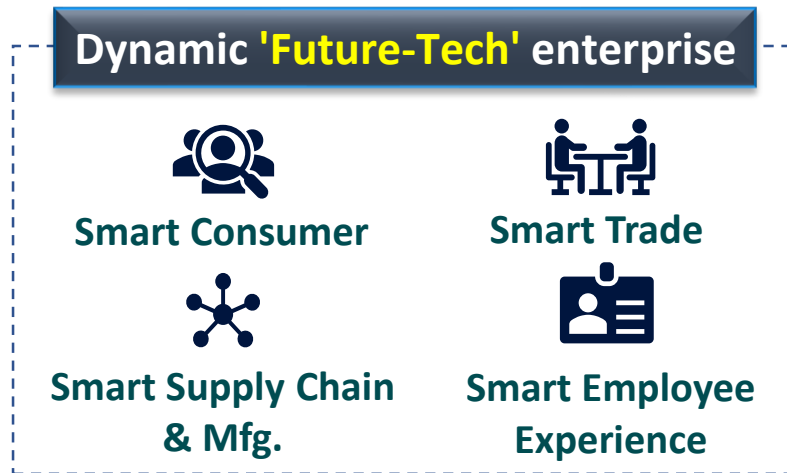


Enduring Value

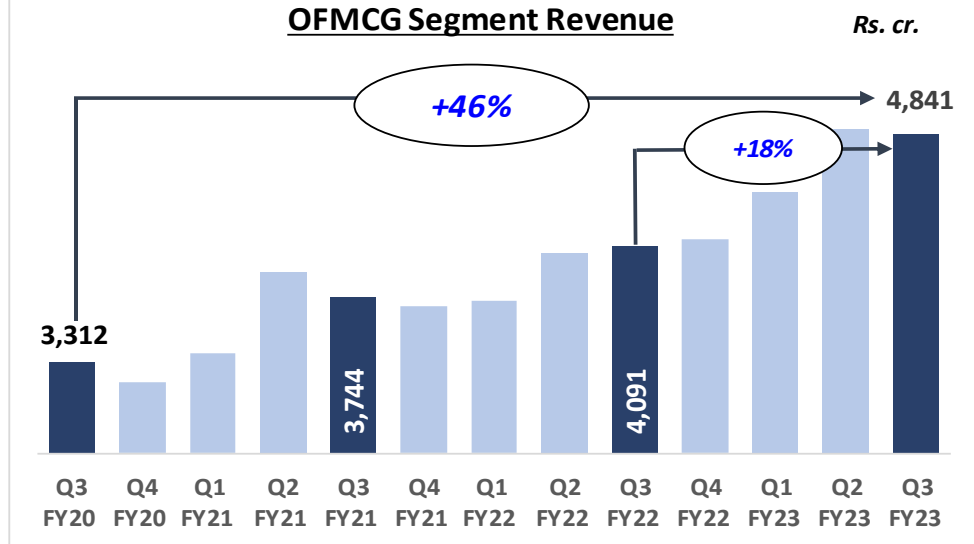
FMCG Others



- **Strong growth witnessed across markets and channels**
 - Staples, Biscuits, Noodles, Snacks, Dairy, Beverages and Frozen Foods drive growth
 - Robust growth in 'Fiama' and 'Vivel' range of Personal Wash products; Hygiene portfolio continued to witness moderation in demand
 - Education & Stationery Products Business continues to witness strong traction
- **Growing presence in emerging channels**
 - Rapid growth in E-Com / Quick Commerce / Modern Trade / Institutional channels



Digital technologies → sharpening focus & driving growth in rural / Tier 2 markets



Scaling up D2C

ITCstore.in
<http://www.itcstore.in>

- 700+ FMCG products
- 45+ categories

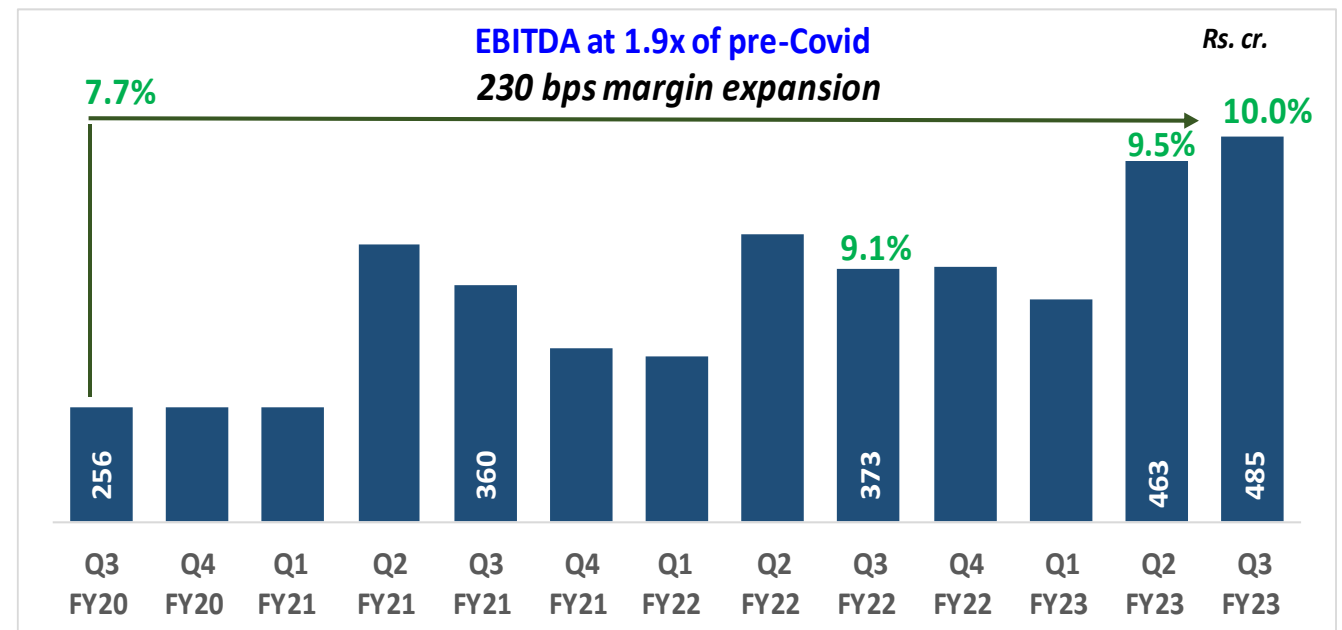
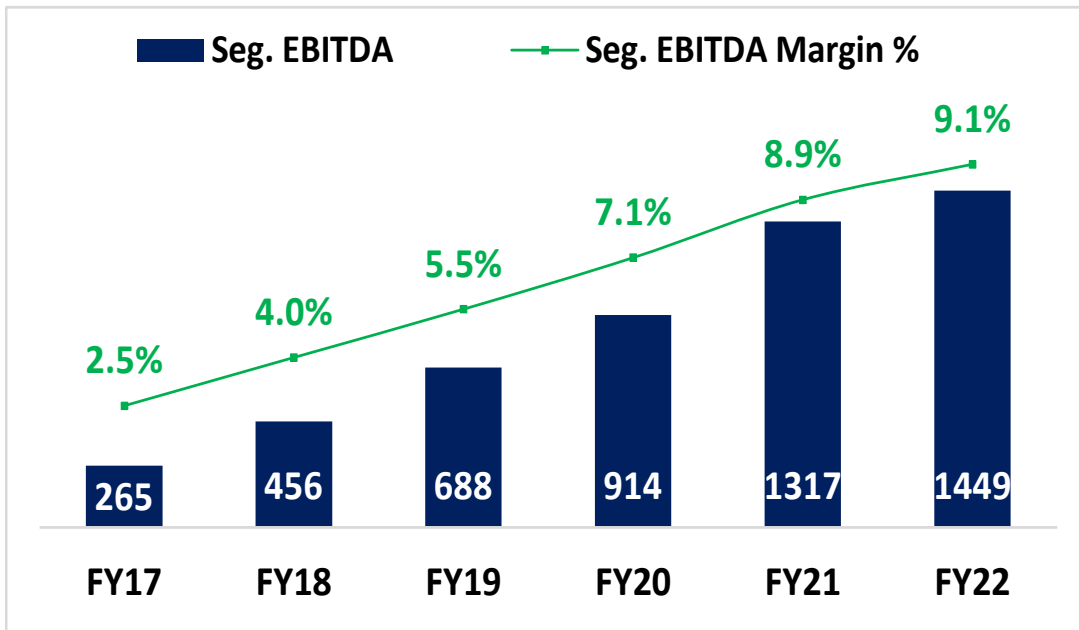
<https://classmateshop.com/>

Creative Product personalisations

Supporting startups in the D2C space



- **Segment EBITDA Margin at 10.0%** (Q3 FY22: 9.1%)
 - *Sequential improvement of 50 bps*
- Input costs remained elevated even as some commodities witnessed sequential moderation in prices; margin expansion driven through **multi-pronged interventions**
 - Strategic cost management, premiumisation, supply chain agility, judicious pricing actions, fiscal incentive, and digital



ICML Medak



AMLF Kapurthala

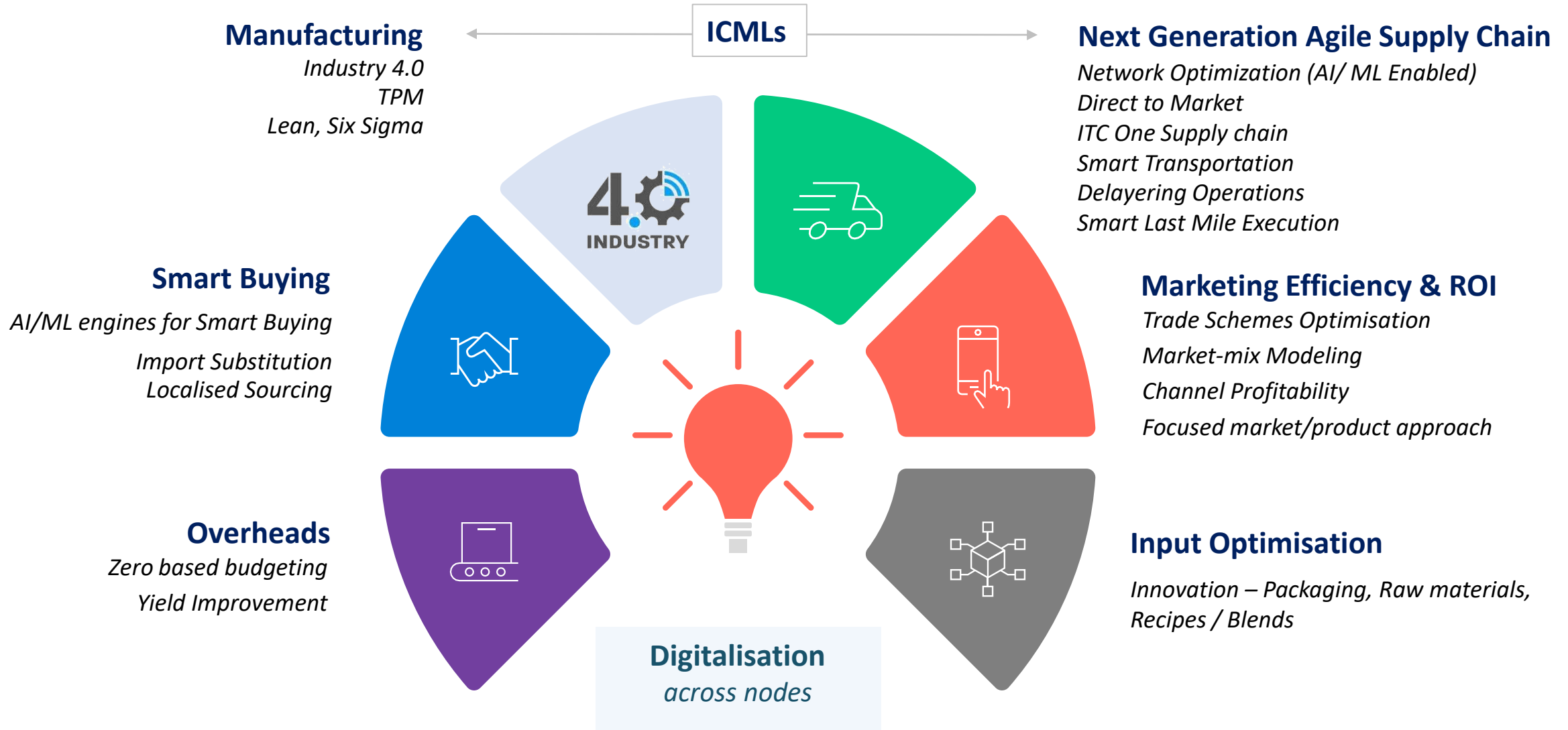


ICML Trichy



ICML Guwahati





Addressing Emerging Consumer Need Spaces with Agility

Robust innovation pipeline



Bingo! Snacks

Differentiated Flavors and Textures



ITC Master Chef

Grilled Chicken Wings | Barbeque Chicken Wings



Sunfeast

Strawberry/Litchi Smoothies
Chia Seeds | Fruit Chunks



Mom's Magic

Centre Filled with Cashews
& Molten Butter Creme



**Fiama Charcoal & Grapefruit
Deep Clean Gel Bar**



**EDP Indigo Skies | One Soul |
Amber Hues
Man-Day | Unisex-Anytime**



**Classmate
Hook Ball Pens**



**Mangaldeep 3in1 | Anushri 100
Long Lasting | Puja Agarbatti**



Aashirvaad Rava
Samba Broken Wheat | Double Roasted Suji Rava |
Bansi Rava



Aashirvaad Roasted Vermicelli
No Added Preservatives



B Natural | Sunfeast Nutrilite
Health Range



Farmlite Digestive High Fibre
Goodness of Wholewheat



Sunfeast Biscuits
Thin Arrowroot



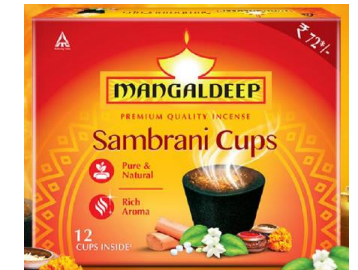
Aashirvaad Instant Sambar
Goodness of Dals



Aashirvaad Svasti
Organic Cow Ghee



Vivel VedVidya
Ancient Beauty Baths

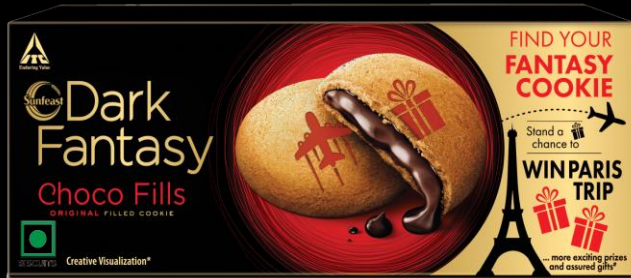


Mangaldeep Sambrani Cups
Pure and Natural

Brand Integration



HIGH VISIBILITY ON INSTA | FB



First of a kind printed cookie thematic promo leveraging cookie printing technology

A Cookie can take you to Paris !



Enhancing Brand Affinity

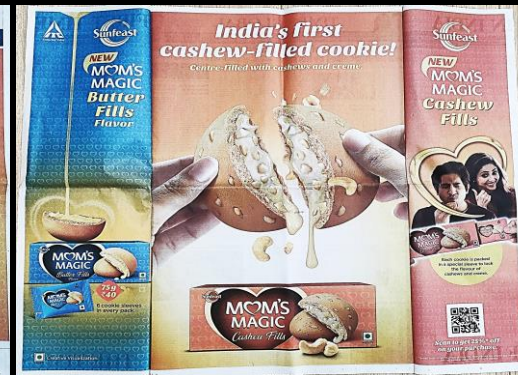
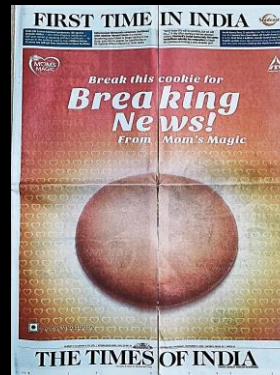


Bingo! resonates well with GenZ

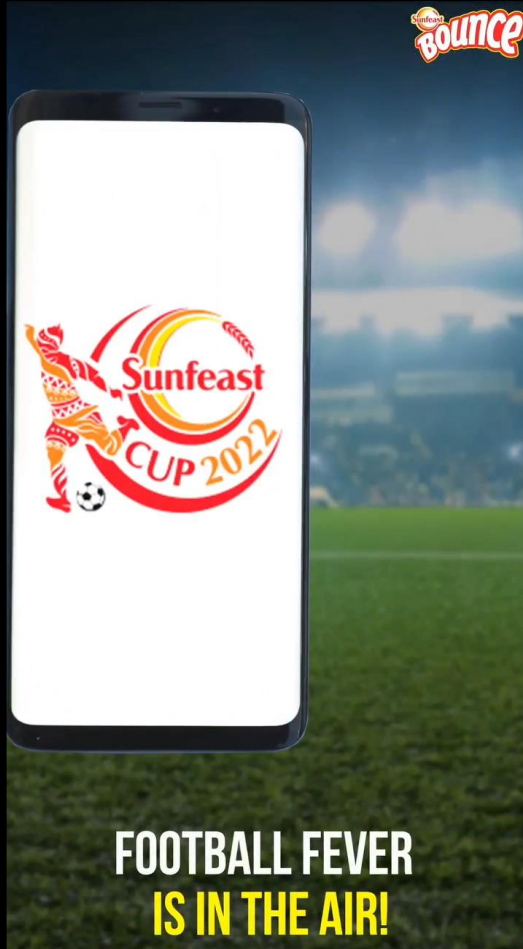


#RoadTrippinWithRocky

Innovative Print & OOH Campaigns



Moment Marketing Driving Brand Engagement



**FOOTBALL FEVER
IS IN THE AIR!**

BOUNCE FOOTBALL FILTER



Live - Argentina vs Croatia - Malayalam Sports

Watch the live stream of the FIFA World Cup Qatar 2022 semi-final match between Argentina and Croatia....

More In Sports



Netherlands 2(3)-2(4) Ar...



Croatia 1(4)-1(2) Brazil



Bingo! Hashtags associates with FIFA 2022

Enhancing OTT Presence

Regional Activation



Association with Global Content



YIPPEE! TRASH TO TREASURE



FEEL GOOD WITH #FIAMA

Feel good with fiama

Fima's Mental Well-being Survey 2022 In association with NielsenIQ. A Pan-India survey on mental health triggers, attitudes and distressors for India.

Social Media and Gen Z

- GenZ looks to social media for positivity
- 2/3rd Of genZ have taken a Break from social media for mental wellbeing
- 71% GenZ Follows handles that help them Maintain mental well-being.
- 93% of GenZ feels that Celebs, athletes or influencers speaking about mental health struggles motivates them
- Every 7 out of 10 GenZ feels that Influencers speaking about mental health struggles motivates them

Source: Fima x NielsenIQ, Fima's Mental Well-being Survey 2022

Survey to identify cause of stress for GenZ and Millennials

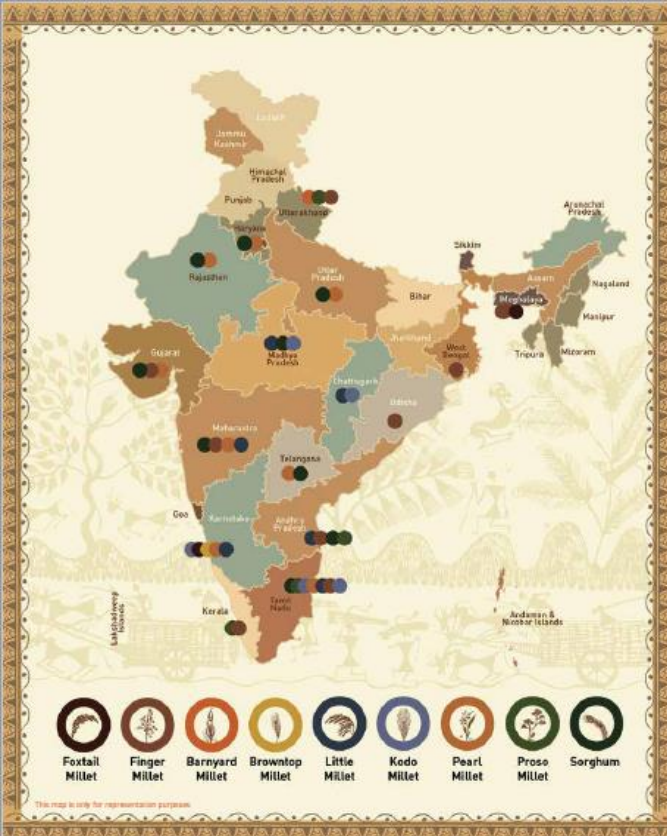
HIGH VISIBILITY ON INSTA | FB



Feel good with fiama

mindsfoundation.org/counseling
18005-477-200
Talk to qualified therapists
Pocket-friendly prices





Resilient and Versatile Crop

Climate Smart Agriculture

Farmer Benefits

Short duration crop
Gluten free
Non-allergenic

Carbon neutral
Water efficient
Climate resistant

Higher Yields & Incomes



EDUCATE



EMPOWER



ENCOURAGE

- Sustainable food ecosystem
- Healthy communities
- Consumer Awareness

Millets: The humble Superfood



Millet based range of products



Winning in Emerging Channels





Modern Trade



Fast-tracking E-Com, D2C, Cash & Carry

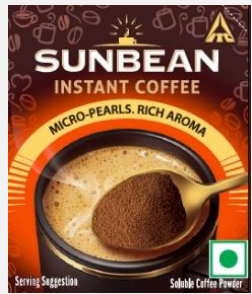


New Routes to Market

Direct Marketing	On the Go	Strategic Partnership	QSR
			

Channel Specific Launches

E-Com | Modern Trade | Strategic Tie-Ups | Hotels



Instant Coffee Powder



Haah Salkumura Masala



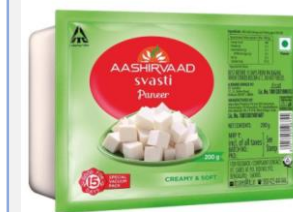
Festive Edition



Paperkraft Vintage Charm

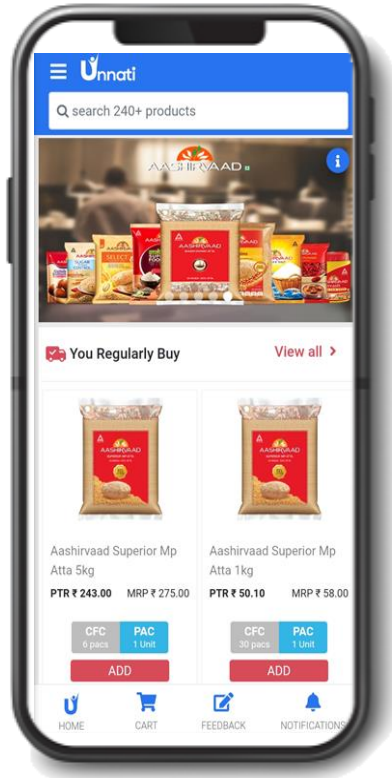
Climate Controlled Supply Chain

Dairy | Frozen | Chocolates



Leveraging Digital to expand reach

eB2B: UNNATI

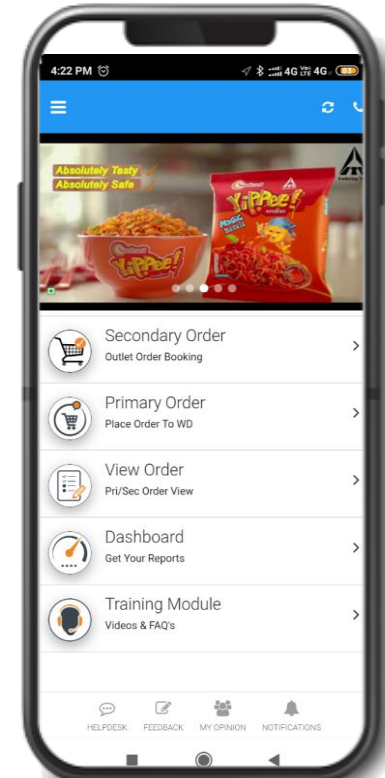


Over 4.8 lakh
Outlet penetration

VIRU: Virtual Salesman



VISTAAR: Rural App



Project Zen



Next Generation Agile
FMCG Supply Chain



Enduring Value

FMCG Cigarettes



Segment Revenue
7288 cr. ▲ 16.7%

Segment Results
4620 cr. ▲ 16.9%

- **Net Segment Revenue*** up 16.8% YoY; Segment PBIT up 16.9% YoY
- **Innovation & democratising premiumisation** across segments
- **Portfolio Vitality | Product Availability | Execution Excellence**
 - *Recent launches continue to gain traction*
 - *Market standing further reinforced through focused portfolio*
 - *Robust growth across regions & markets*

Stability in taxes, backed by deterrent actions by enforcement agencies, enable continued volume recovery from illicit trade

Innovation

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

Portfolio Fortification

- Gold Flake Neo SMART Filter
- Wills Deluxe
- Bristol Deluxe FT
- Capstan FT

Recent Introductions

- Classic Verve Balanced Taste
- American Club NY Cool & LA Twist
- American Club Smash
- Gold Flake XPOD
- Lucky Strike
- Gold Flake Smart Mintz
- Players Klov
- Wave Boss



Enduring Value

Hotels Business



Segment Revenue

712 cr.

(+50.5%; 1.3x of Q3FY20)

Segment EBITDA

224 cr.

+107 cr. YoY

+67 cr. over Q3 FY20

- **RevPAR** ahead of pre-pandemic levels; Retail, Leisure, Weddings and MICE drive growth
- **Segment EBITDA margin** at 31.5% (LY 24.7%); margin expansion driven by higher RevPAR, operating leverage and structural cost interventions
- **ITC Narmada**, a luxury 291-key hotel in Ahmedabad launched in Aug'22 continues to receive excellent response
- Healthy pipeline of properties under **Welcomhotel, Mementos, Storii** and **Fortune**; phased openings over the next few quarters
- **Ten Hotels** in the chain have received the prestigious **LEED® Zero Carbon Certification** (*first ten in the world*)



Conde Nast Traveller Reader's Travel Awards 2022

Favourite Indian Hotel for Food & Drink

ITC Maurya



Travel + Leisure Awards 2022

Best Luxury Hotel Chain

ITC Hotels

Welcomhotel Jim Corbett launched



Phased openings over the next few quarters



STORII
— BY ITC HOTELS —

MEMENTOS
BY ITC HOTELS



WELCOMHOTEL



Rewarding Festive Getaways

Celebrate with Club ITC Escapes and avail 15% savings and double Club ITC Green Points.

*Terms and Conditions Apply



The Art of Celebration



Celebrate the most magical time of the year with ITC Hotels.

1st December, 2022 to 7th January, 2023

The countdown to celebrate new beginnings!



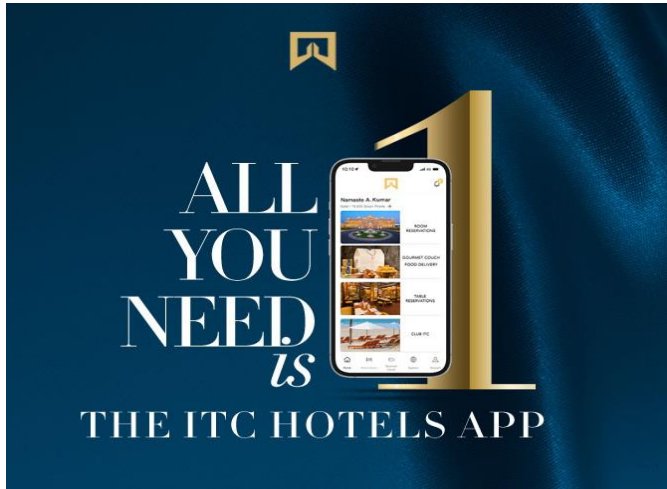
The Gift of Good Cheer

Exquisite Hamper Collection | Artisanal Assortment of Christmas Goodies

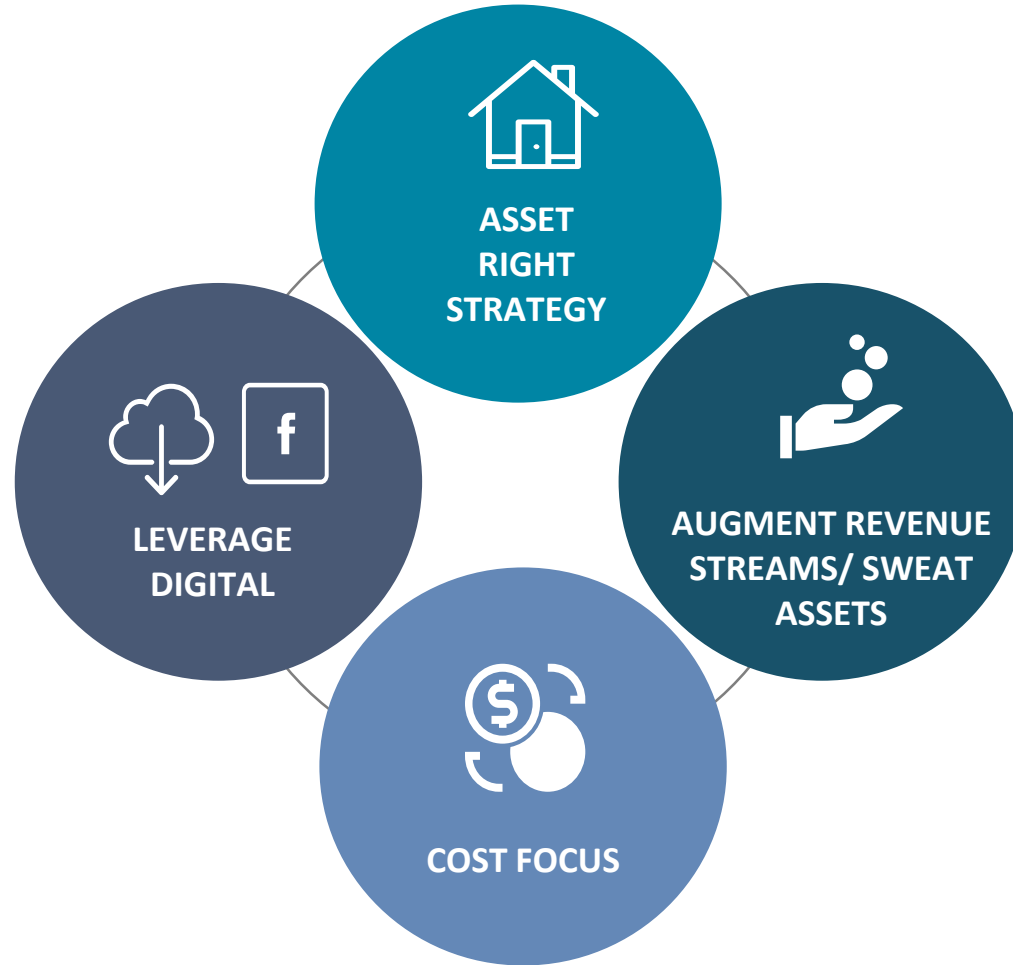
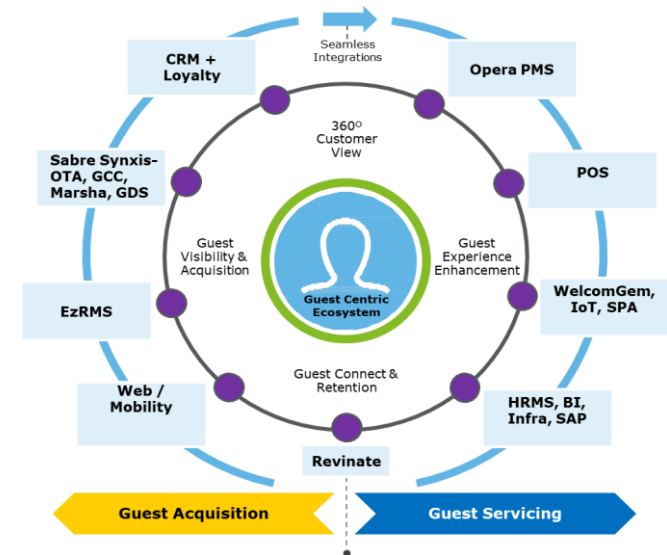
With Festive Curations by ITC Hotels

*Terms and Conditions Apply

Multiple Value Drivers



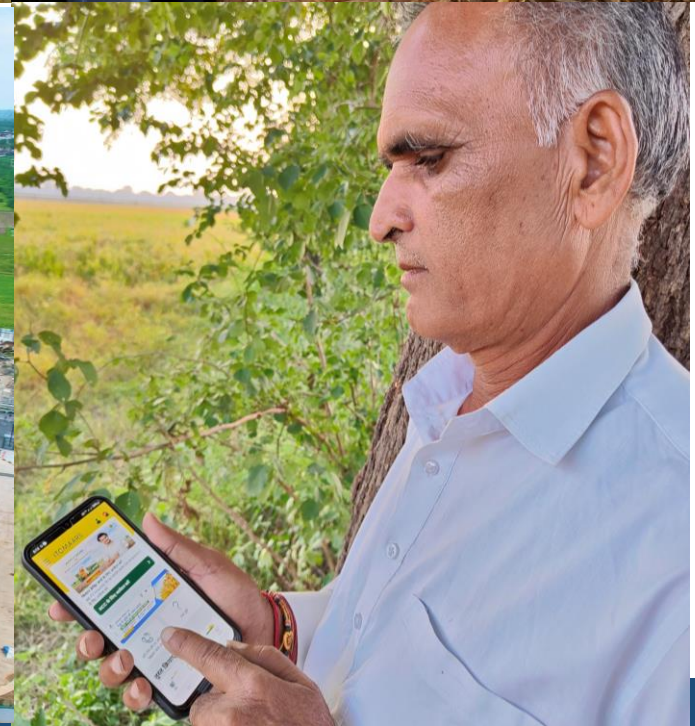
One stop shop for all guest needs

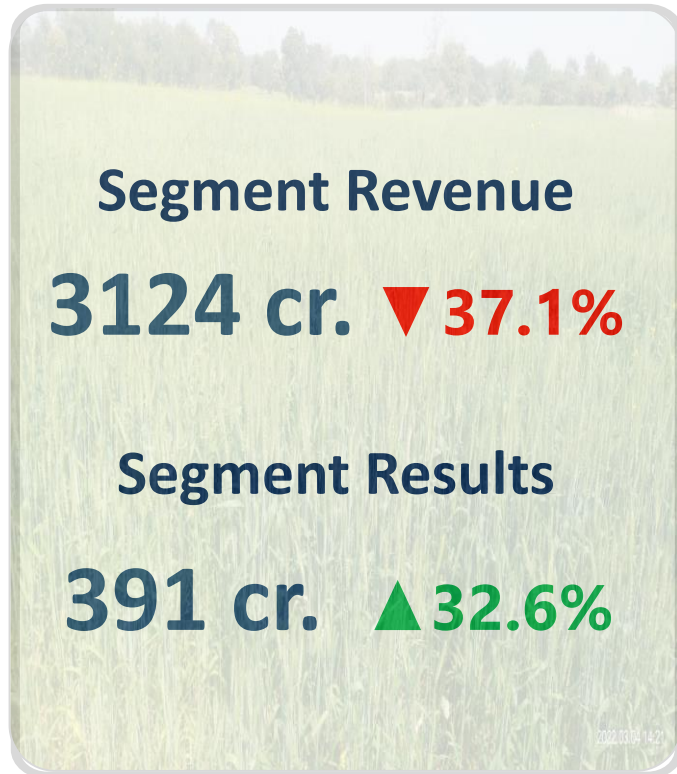




Enduring Value

Agri Business





- **Segment Revenue** impacted by restrictions imposed on wheat & rice exports. **Segment PBIT up 32.6% YoY** driven by growth in leaf tobacco exports and value-added agri products
- Strategic focus on rapidly **scaling up Value-Added product portfolio** to enhance value capture across multiple crop value chains
 - *State-of-the-art value-added spices processing facility in Guntur commissioned during the quarter*
 - *World-class manufacturing facility[^] at Mysuru for export of Nicotine & Nicotine derivative products to US/EU is making steady progress; expected to be commissioned shortly*



Multiple Sourcing Models

Farmer | Trader | Mandi



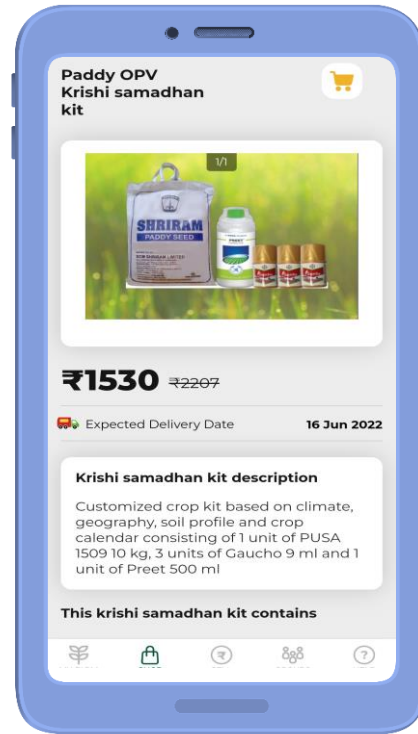
Multi Modal Transportation

Railway | Coastal | Road

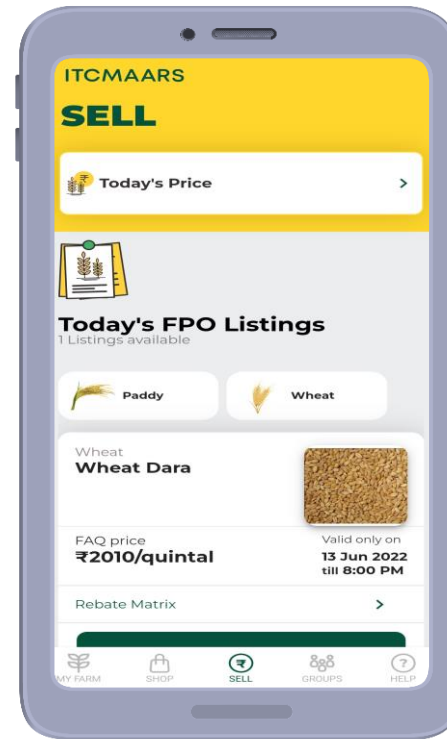
[^] Being undertaken by ITC IndiVision Limited, the Company's wholly owned subsidiary



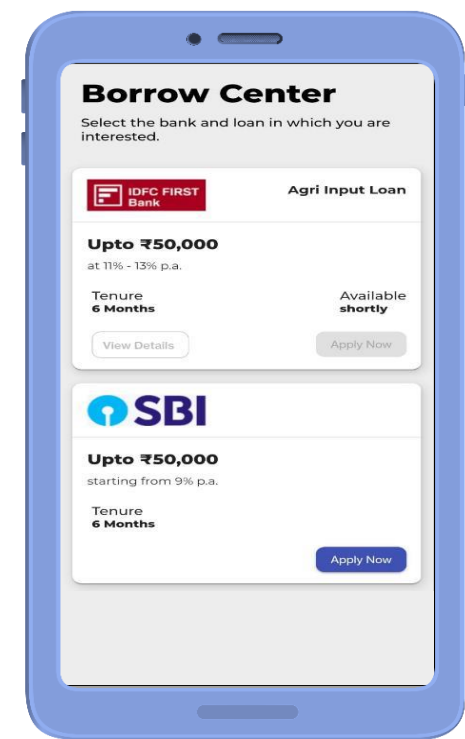
Advisory



Inputs



Outputs



Services

~850 FPOs
9 states

~2.7 lac
Farmer registrations

~1.7 lac
App downloads

~60
Tie-ups with partners

One of Asia's largest Spices processing facilities
Commissioned during the quarter



Preferred supplier for customers in Food Safe Markets and Emerging markets



Enduring Value

Paperboards, Paper & Packaging



Segment Revenue

2306 cr. ▲ 12.7%

Segment Results

606 cr. ▲ 35.2%

- Paperboards, Paper & Packaging Segment continues to deliver strong performance
- Robust growth in Segment PBIT driven by higher realization
 - VAP[^] segment recorded strong YoY growth
- Sustainable products portfolio continues to be scaled up
- Investments in VAP capacity, pulp import substitution, cost-competitive fibre chain, decarbonisation of operations, data analytics and Industry 4.0 enabled margin expansion despite YoY escalation in key input prices.
 - Sequential moderation in global pulp prices witnessed
- Recently commissioned State-of-the-art facility at Nadiad, being scaled up



Sustainable Packaging Solutions New Growth Vector

ITC LSTC | External Collaborations



QXY BLOCK
Oxyblock

omega bev
Leave nothing behind

Bio-based Coated Boards

Indobev **Indo bar r**
Indobowl

Extrusion Coated Boards

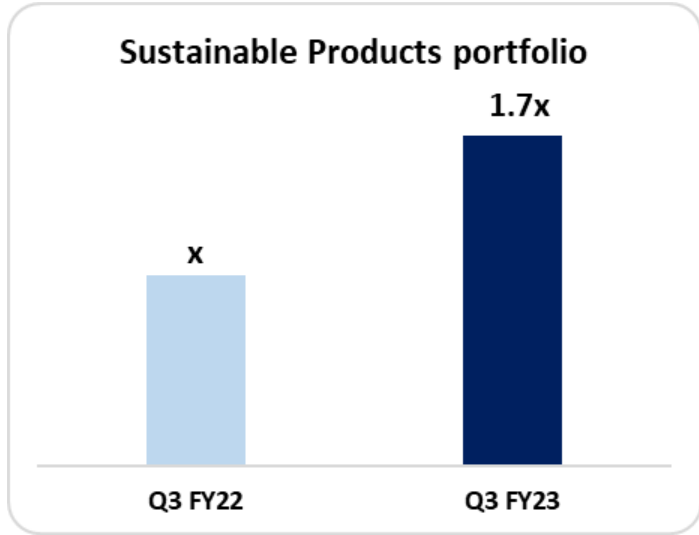
Antimicrobial Coating

COMPOSTABLE
BIOSEAL
100%

Bioseal

FiloBev
FiloPack **FiloServe**

Water, Oil & Grease Resistant Boards



Premium Moulded Fibre Products (MFP) ^



^ Proposed to set up a new wholly owned subsidiary for manufacturing MFP

Financials

<i>Rs. Cr.</i>	Q3 FY23	Q3 FY22	YoY Growth
Gross Revenue *	17,122	16,634	2.9%
Net Revenue	16,084	15,741	2.2%
EBITDA	6,223	5,102	22.0%
PBT	6,678	5,492	21.6%
PAT	5,031	4,156	21.0%

Stellar performance across operating segments

**Gross Revenue (ex-Agri Business) up 17.5% YoY*

Rs. cr.	Q3		
	FY23	FY22	YoY growth
Segment Revenue			
a) FMCG - Cigarettes	7288	6244	16.7%
- Others	4841	4091	18.4%
Total FMCG	12130	10335	17.4%
b) Hotels	712	473	50.5%
c) Agri Business	3124	4962	-37.1%
d) Paperboards, Paper & Packaging	2306	2046	12.7%
Total	18271	17817	2.6%
Less : Inter Segment Revenue	1149	1183	-2.9%
Gross Revenue from sale of products and services	17122	16634	2.9%

- **FMCG Others**

- Segment Revenue up 18.4% YoY and at 1.5x of Q3 FY20
- Strong growth in Staples, Biscuits, Noodles, Snacks, Dairy, Beverages and Frozen Foods
- Robust growth in 'Fiama' & 'Vivel' range of Personal Wash products; Hygiene portfolio continued to witness moderation in demand
- Education & Stationery Products Business continues to witness strong traction

- **Hotels**

- RevPAR well ahead of pre-pandemic levels

- **Agri Business**

- Restrictions imposed on wheat & rice export impact Segment Revenue

- **Paperboards, Paper & Packaging**

- Higher realisations drive growth

Rs. cr.	Q3		
	FY23	FY22	YoY Growth
Segment Results			
a) FMCG - Cigarettes	4620	3951	16.9%
- Others	348	242	43.9%
Total FMCG	4968	4193	18.5%
b) Hotels	146	51	1.89x
c) Agri Business	391	295	32.6%
d) Paperboards, Paper & Packaging	606	448	35.2%
Total	6112	4987	22.6%
Less : i) Finance Cost	10	11	
ii) Other un-allocable (income) net of un-allocable expenditure	(576)	(516)	
Profit Before Exceptional Items & Tax	6678	5492	21.6%

- **FMCG-Others:**

- Segment EBITDA at 485 cr.
 - at 1.9x of Q3 FY20
- EBITDA margin at 10.0%
 - +90 bps YoY; +50 bps QoQ

- **Hotels:**

- Segment PBIT at 1.7x of Q3FY20

- **Paperboards, Paper & Packaging:**

- Higher realisation and strategic interventions (in-house pulp, VAP, Digital)

ITC – A Global Exemplar in Sustainability



ITC e-Choupal

4 Million Farmers empowered



Afforestation

Over 10,00,000 acres greened



Watershed Development

Over 1.39 million acres covered



Livestock Development

Over 21,05,000 milch animals covered



Solid Waste Management

Well-being Out of Waste programme has covered ~23.8 million citizens



Women Empowerment

over 1.07 lacs poor women benefitted



Skilling & Vocational Training

Covering over 1.20 lacs youth



Primary Education

Reaching over 9.9 lacs Children



Health & Sanitation

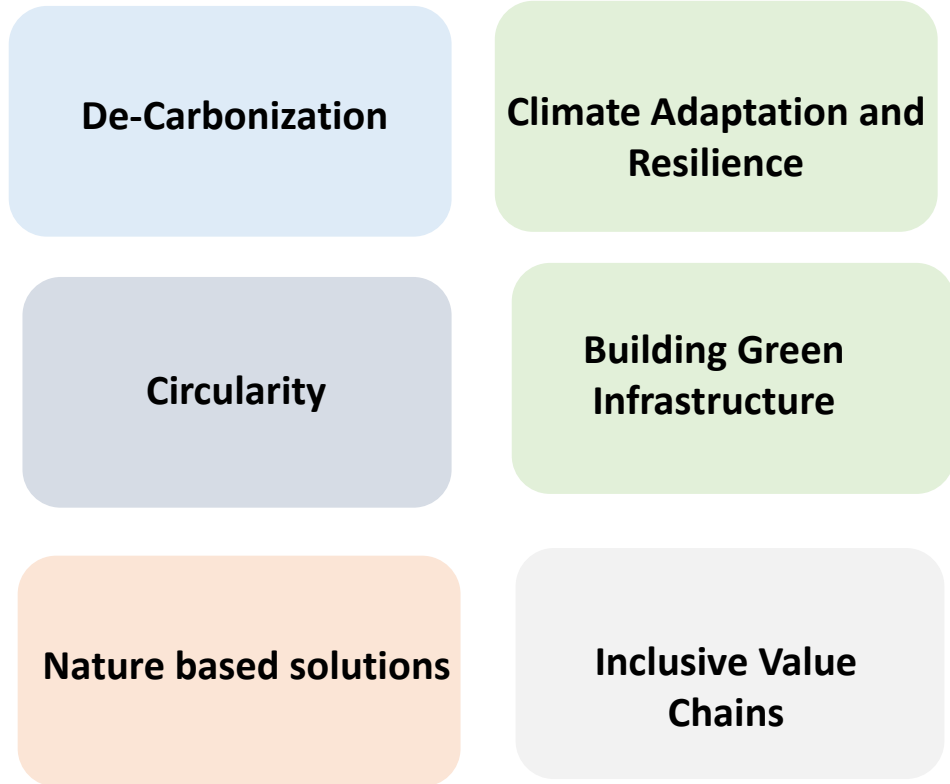
Over 39,500 toilets built

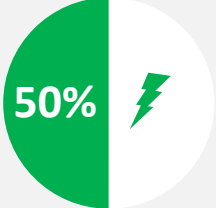






Pioneer of Green Building movement in India

40 platinum rated green buildings

Strategic Interventions to Combat Climate Change



<p>Renewable Energy</p>  <p>50%</p>	<p>Specific GHG Emissions</p>  <p>50%</p>	<p>Recyclable Plastic Packaging</p>  <p>100%</p>	<p>Plastic Neutrality</p>  <p>100% Collection in FY22</p>						
<p>Water Security for All</p>  <p>5x of ITC's Net Consumption</p> <p>AWS Certification for High Water Stressed Sites by 2035</p>		<p>Biodiversity & Agriculture</p> <table border="1"> <tr> <td>1 million acres</td> <td>Biodiversity Conservation</td> </tr> <tr> <td>3 million acres</td> <td>Climate Smart Village</td> </tr> <tr> <td>1.5 million acres</td> <td>Social Farm and Forestry</td> </tr> </table>		1 million acres	Biodiversity Conservation	3 million acres	Climate Smart Village	1.5 million acres	Social Farm and Forestry
1 million acres	Biodiversity Conservation								
3 million acres	Climate Smart Village								
1.5 million acres	Social Farm and Forestry								

Proactively work towards achieving 'Net Zero' emission status

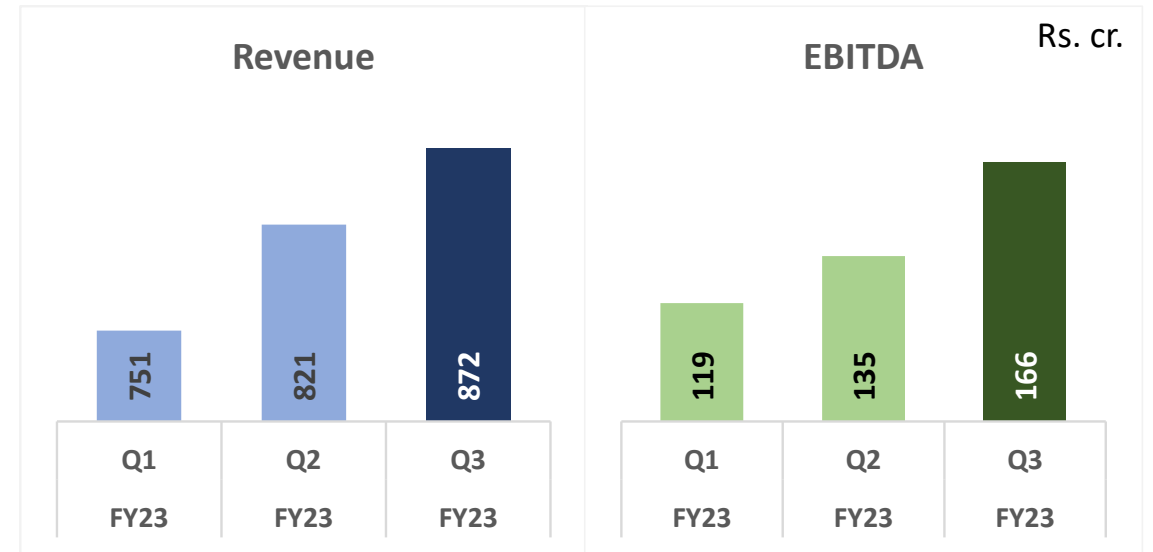
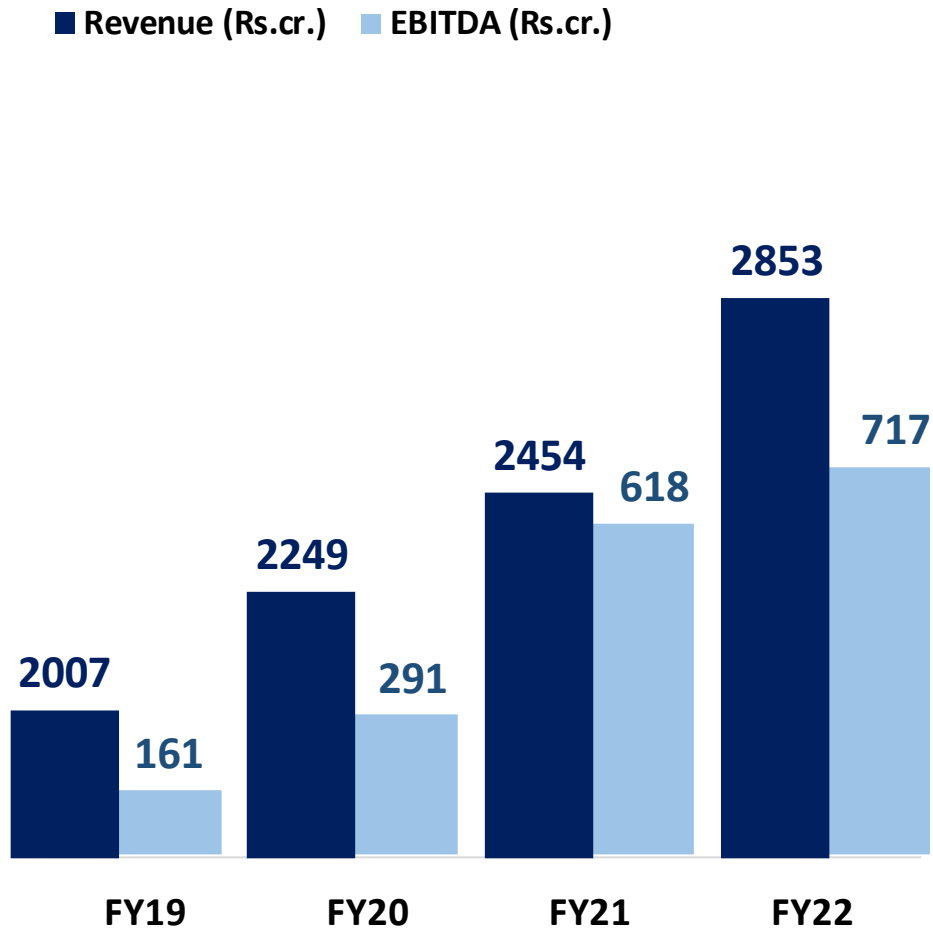
Supporting Sustainable Livelihoods: From 6 million to 10 million

- All Businesses **aligned with 2030 targets**
- Comprehensive set of **policies & guidelines** institutionalized
- Exceeded commitment on **Plastic Neutrality**; collected and sustainably managed over 54,000 MT of plastic waste in FY22 across 35 states/UT
- The only enterprise in the world of comparable dimensions to have achieved and sustained the three key global indices of environmental sustainability of being **‘water positive’ (for 20 years)**, **‘carbon positive’ (for 17 years)**, and **‘solid waste recycling positive’ (for 15 years)**.
- Achieved **A- Leadership score under CDP ratings** - ahead of Asia & Global average in Climate change (C) & Water Security (B)
- Sustained **AA rating by MSCI** for the 5th consecutive year - **highest among global tobacco players**
- **Included in the Dow Jones Sustainability Emerging Markets Index** - a reflection of being a sustainability leader in the industry



ITC Infotech





EBITDA includes:

- Certain costs associated with **Strategic Partner Agreement** signed with **PTC Inc.**
- *Higher employee costs and overheads in line with industry trends*

Investments continue in **Capability building** in strategic focus areas & infrastructure.

Q3 FY23 EBITDA margin @ upper-end of mid-tier IT cos.











**A passion for
Profitable growth...**



**in a way that is
Sustainable...**



**and
Inclusive.**

Product/initiative	Link
 Bingo! on Instagram	https://www.instagram.com/bingo_snacks/
 YiPPee! on Instagram	https://www.instagram.com/sunfeast_yippee/
 Aashirvaad on Instagram	https://www.instagram.com/aashirvaad/
 Sunfeast Dark Fantasy on Instagram	https://www.instagram.com/sunfeastdarkfantasy/
 Mom's Magic on Instagram	https://instagram.com/sfmomsmagic/
 Classmate on Instagram	https://instagram.com/classmatebyitc/
ITC Spearheading Water Stewardship	https://youtu.be/kHqOXrqbyNw
 Details on the Company's Sustainability 2.0 vision	https://www.itcportal.com/sustainability/sustainability-integrated-report-2022/ITC-Sustainability-Integrated-Report-2022.pdf
 Quarterly Media Statement	https://www.itcportal.com/investor/pdf/ITC-Press-Release-Q3-FY2023.pdf