



Enduring Value

NATION FIRST: SAB SAATH BADHEIN

Q1 FY23 Results

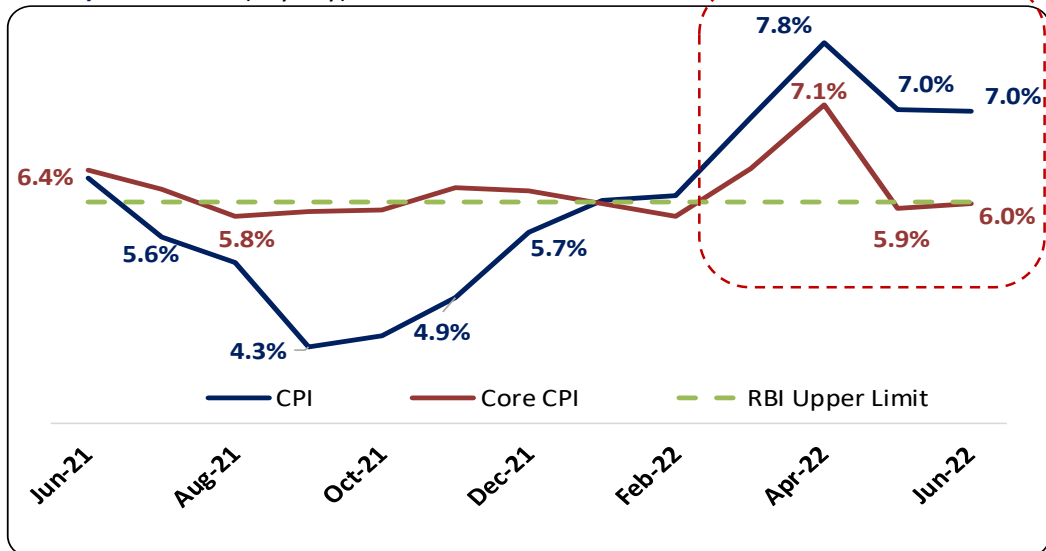
1st August, 2022

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

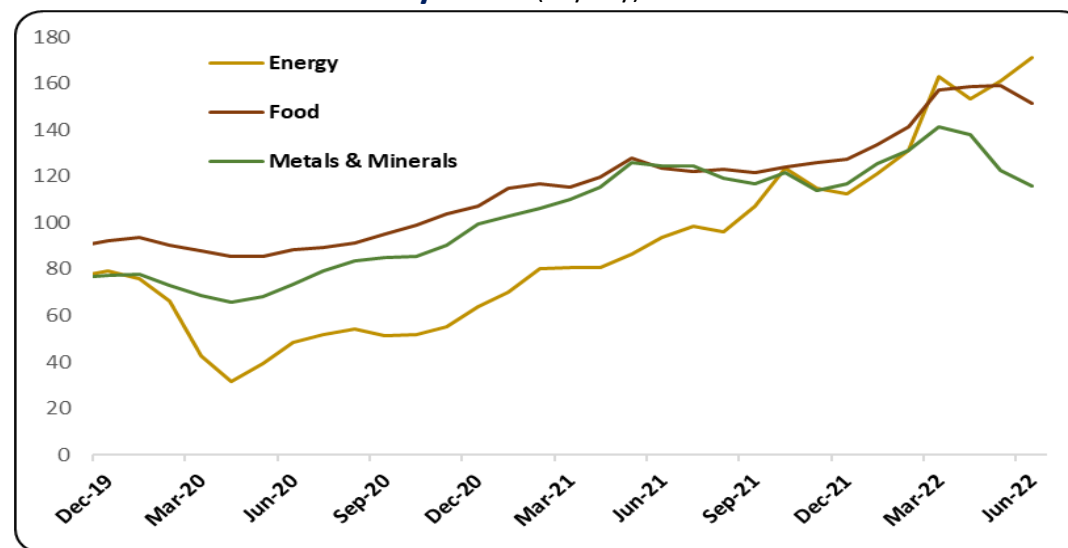
Persistently high Inflationary conditions

CPI, Core CPI (% y-o-y)



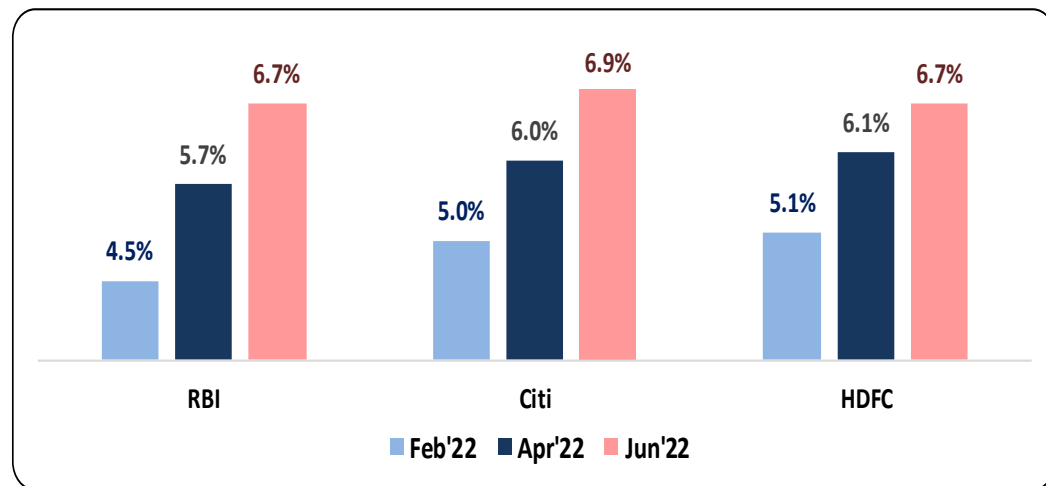
Source : MOSPI

World Bank Commodity Index (% y-o-y)



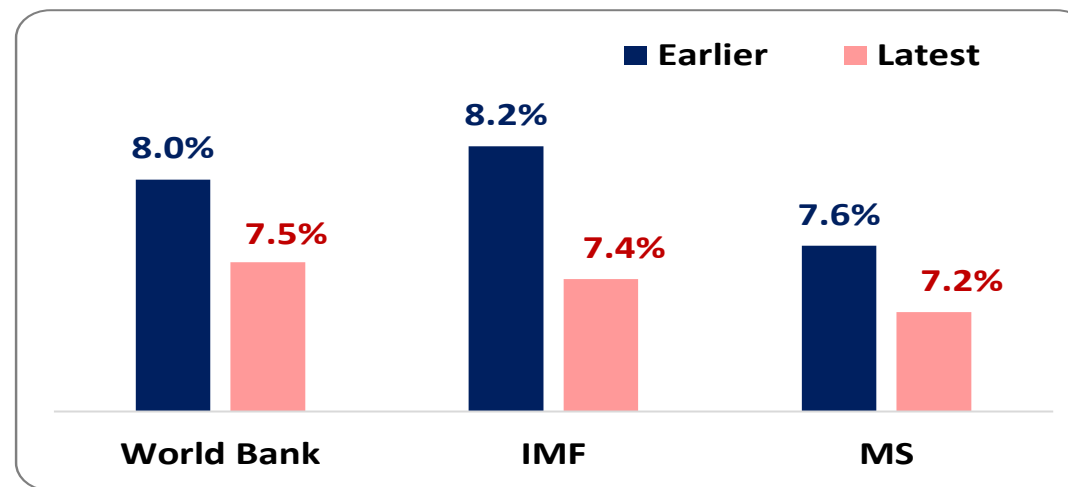
Source : World Bank , Index at 2010 Prices =100

Upward revision to Inflation estimates for FY23 (y-o-y%)



Source : Analysts Reports

Downward revision to GDP estimates



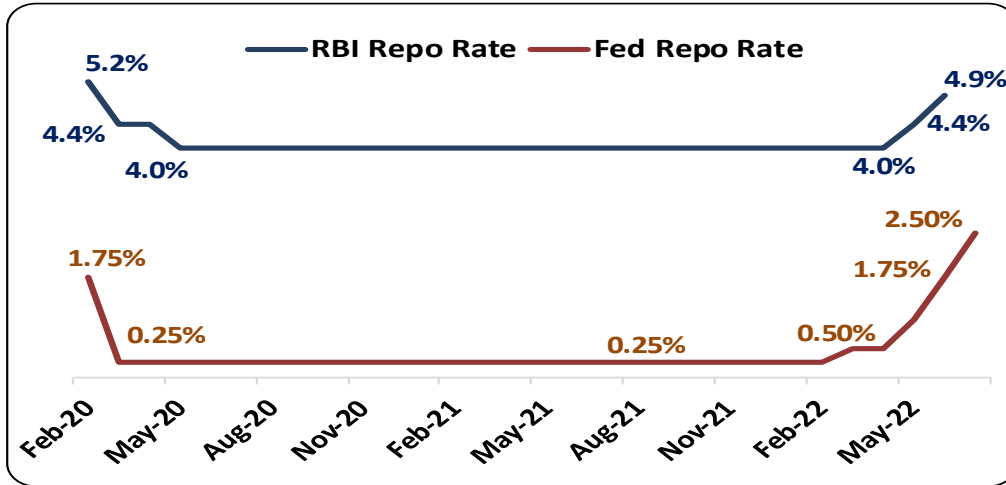
3 consecutive Interest Rate hikes by RBI

US Dollar Index at a 20-year high

Widening CAD & FPI outflows → Lower Rupee

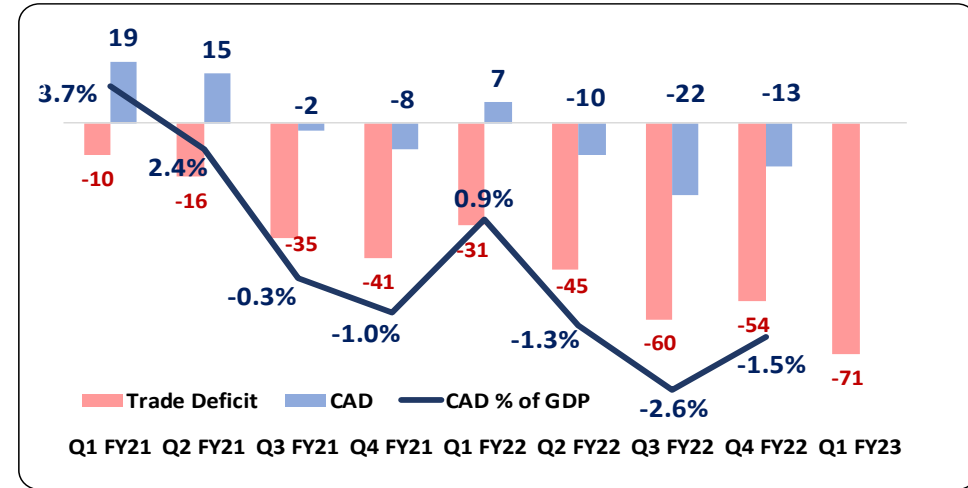


Interest Rates on the rise



RBI, Federal Reserve

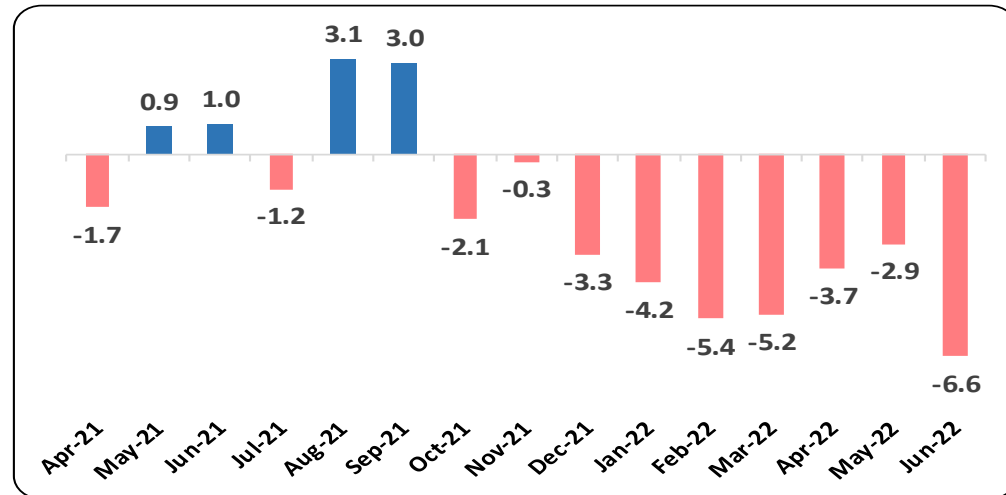
Trade Deficit at record high in Jun'22



MoF, RBI

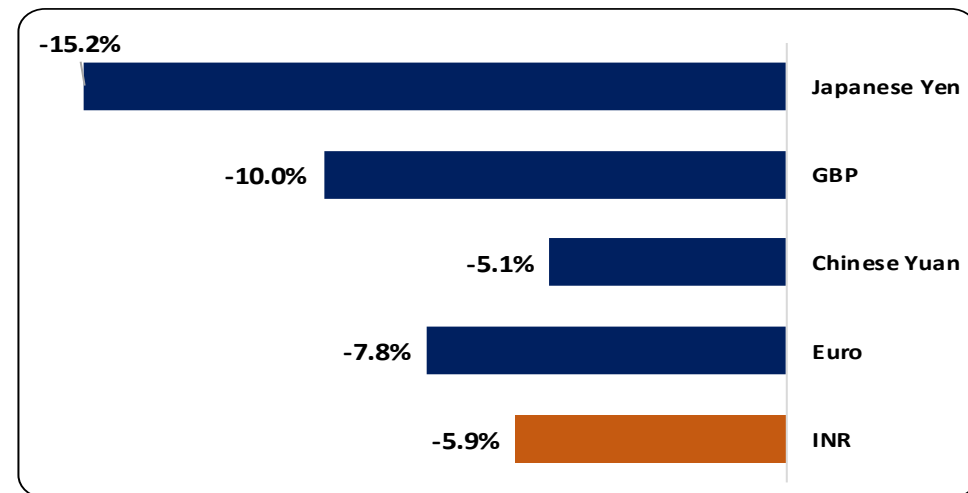
CAD estimated to widen to 3% in FY23

Net FII outflows of \$34 bln. in last 9 months



RBI, NSDL

All major currencies depreciated Vs. USD (Jan – Jun'22)



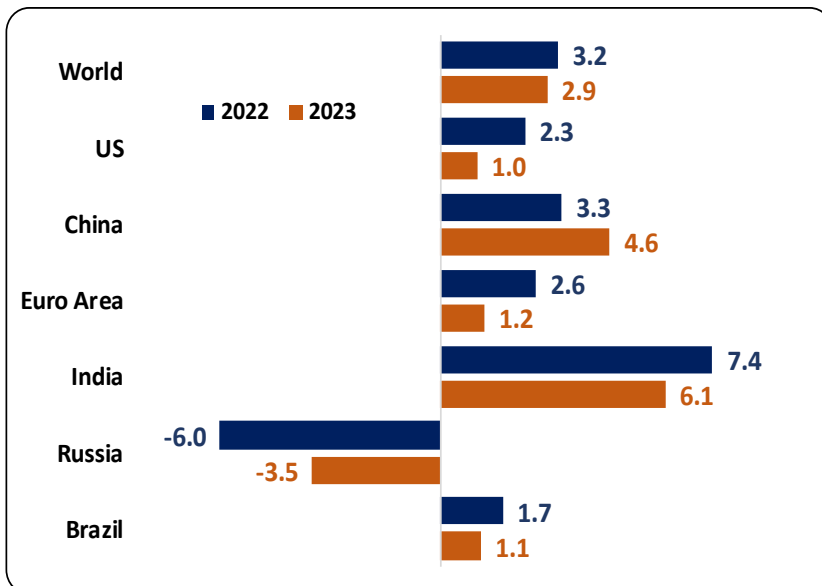
Bloomberg

Global Macro

Continued slowdown in global growth momentum

2022 Global GDP growth further revised down to 3.2% Vs. 3.6% (Apr'22) and 4.4% (Jan'22)

- Reduced household purchasing power & high inflation poses downside risks
- Recession risk in US; GDP contracted in 2 successive quarters



IMF July'22

India Macro

Key Positives

Recovery in economic activity

Normal Monsoon

Buoyancy in Tax collections

Stronger Corporate & Bank Balance Sheets

Key Monitorables

High Inflation

Rising interest rates

Capex cycle yet to pick up

Rising Twin Deficits
(Fiscal & CAD)

Q1 FY23 Results

Headline Financials & Business Highlights

**Robust performance
continues across
segments**

Gross Revenue

▲ +41.0%

EBITDA

▲ +41.5%

Overall Segment PBIT Margin

ex – Agri Business

36.9% ▲ 245 bps

PAT

▲ +38.4%

EPS

▲ +38.1%

- **Robust performance continues across segments**
- **Stability in taxes on Cigarettes, backed by deterrent actions by enforcement agencies, enable green shoots of volume recovery from illicit trade**
 - *Segment Revenue up 29.0% YoY; Segment EBIT up 30.1% YoY*
- **Strong performance in FMCG – Others Segment; Revenue up 19.5% YoY and 45.5% over Q1 FY20**
 - *Education & Stationery Products Business bounced back with re-opening of educational institutions*
 - *EBITDA margin sustained (-20 bps YoY) despite unprecedented inflationary headwinds; up ~190 bps over Q1 FY20*
- **Sharp rebound in Hotels; Revenue up 41.4% over Q1 FY20**
 - *ARR and Occupancy ahead of pre-pandemic levels*
 - *Segment EBITDA at 180 cr. (positive swing of 268 cr. YoY; up 111 cr. over Q1 FY20)*

- **Agri Business** sustains high growth trajectory; Segment Revenue up 82.7% YoY
 - *Wheat, Rice and Leaf Tobacco exports*
- **Paperboards, Paper & Packaging** continued to deliver strong performance; Segment Revenue up 43.3% YoY along with margin expansion of ~220 bps
 - *Strong demand across end-user segments; sustainable products portfolio continues to be scaled up*
 - *Integrated business model & strategic interventions enable margin expansion amidst commodity price escalation*



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



Cost Optimization

Structural interventions across value chain



Sustainability 2.0

Bolder ambition

Environmental Capital

Inclusive growth



Digital

Future tech enterprise

Digital first culture

Smart Eco System



World-Class Talent

'Proneurial' spirit

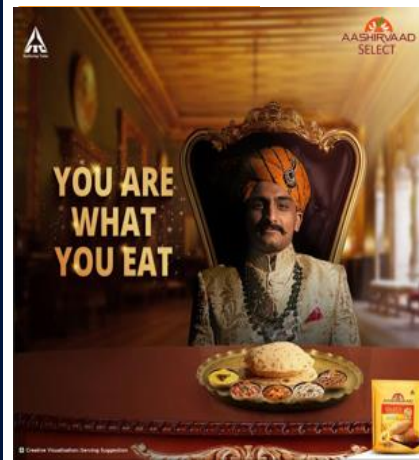
High Performance, Nimble and Customer-centric Culture

Diversity & Inclusion

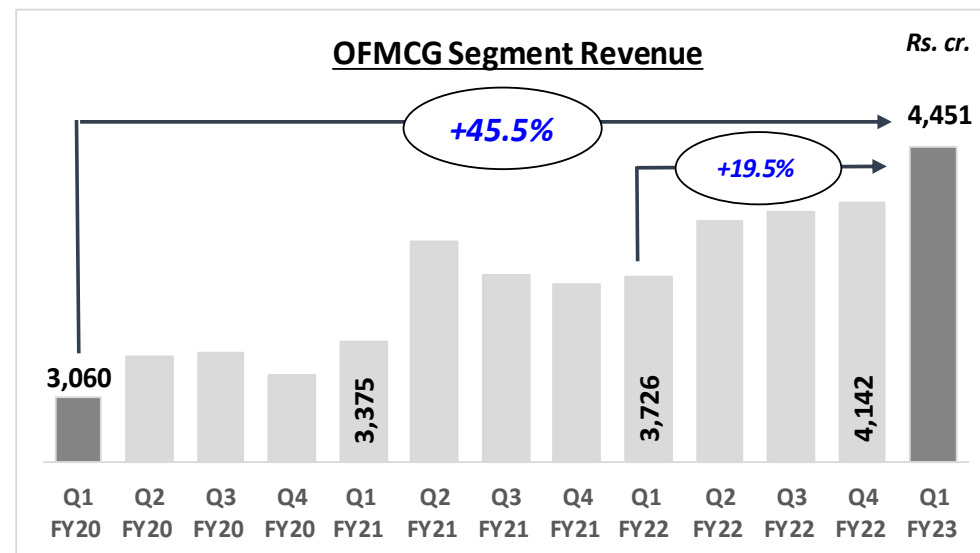


Enduring Value

FMCG Others



- **Segment Revenue up 19.5% YoY; + 45.5% over Q1 FY20**
 - Robust growth in Discretionary/Out-Of-Home categories; Staples & Convenience Foods remained resilient
 - Subdued sales of Hygiene portfolio; but remains above pre-pandemic levels
 - Education & Stationery Products Business bounced back with re-opening of educational institutions
- Lifestyle Retailing Business : Closure of WLS operations
- **Growing presence in emerging channels:**
 - Modern Trade sales accelerated on the back of improved mobility, store footfalls and joint business planning with key accounts
 - E-Com sales at nearly 4.2x of Q1 FY20 levels; channel salience at appx.7%
 - Unnati (eB2B app) rapidly scaled up to over **3.2 lakh retailers**



Scaling up D2C

ITCstore.in

<http://www.itcstore.in>

- Operational in 15 cities
- 700+ FMCG products
- 45+ categories

myclassmate

<https://classmateshop.com/>

Creative Product personalisations

Supporting startups in the D2C space



Rural Markets

Scale up of stockists network (**2.7x^**)

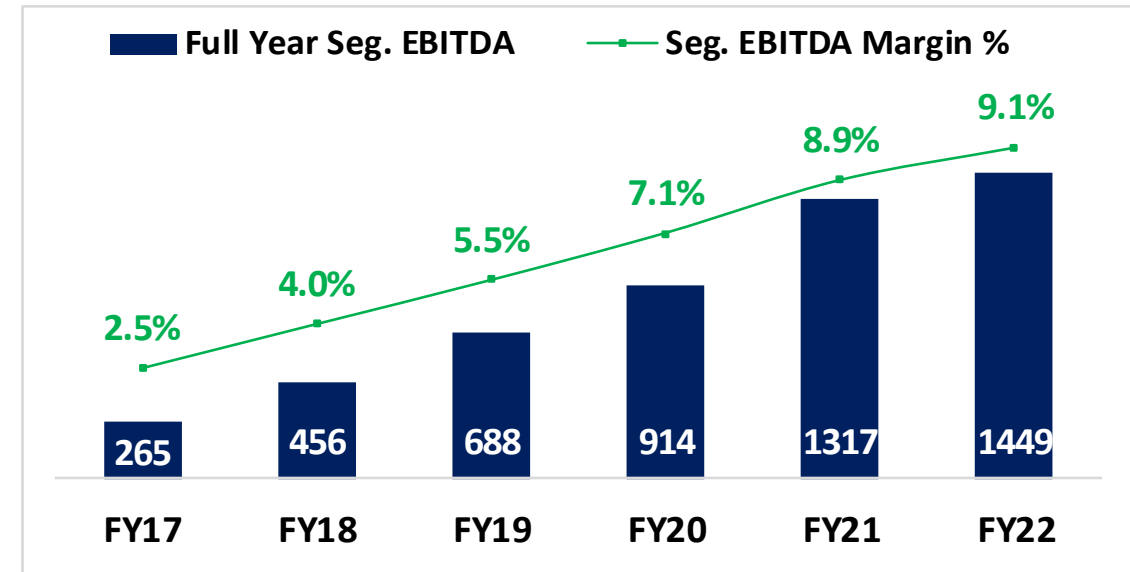
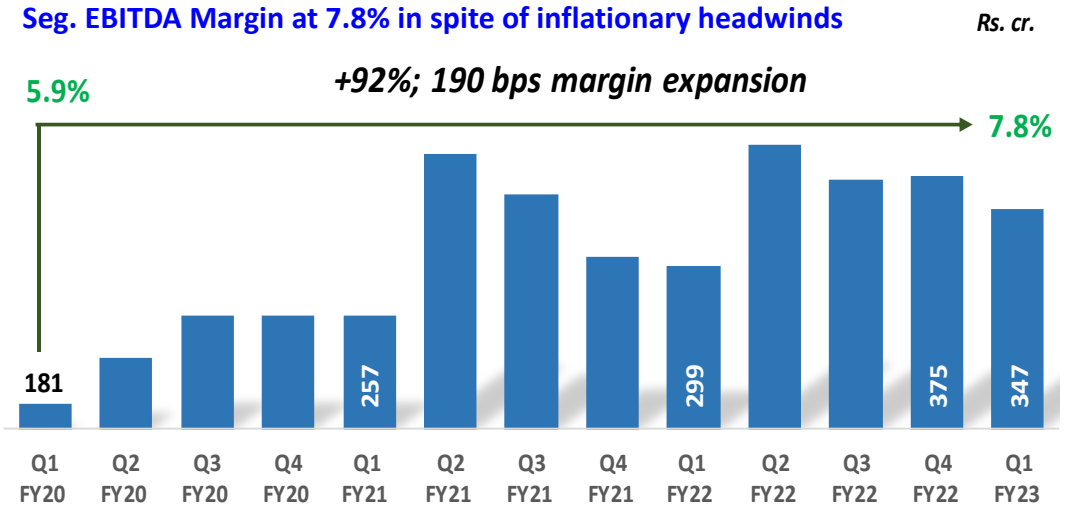
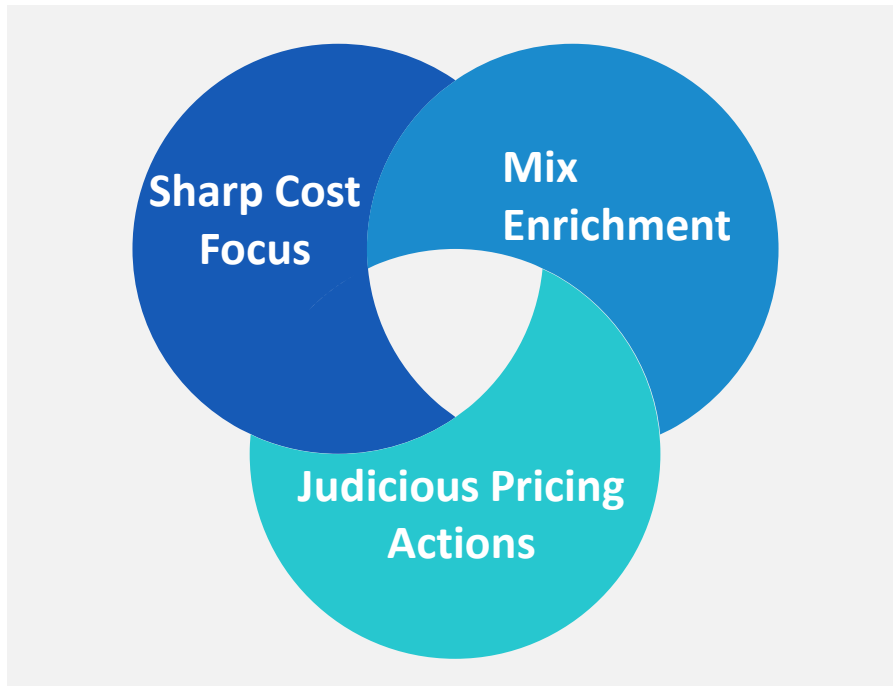
Market Coverage

2.0x^

Direct outlet servicing

1.3x ^

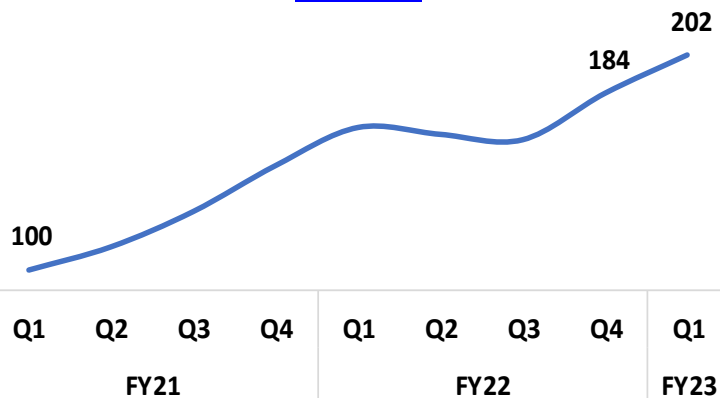
- Segment EBITDA margin sustained at 7.8% (-20 bps YoY; up ~190 bps Vs. Q1 FY20) in spite of unprecedented commodity inflation
- Persistently high commodity prices largely offset through **multi-pronged interventions** and proactive measures across all nodes of operations



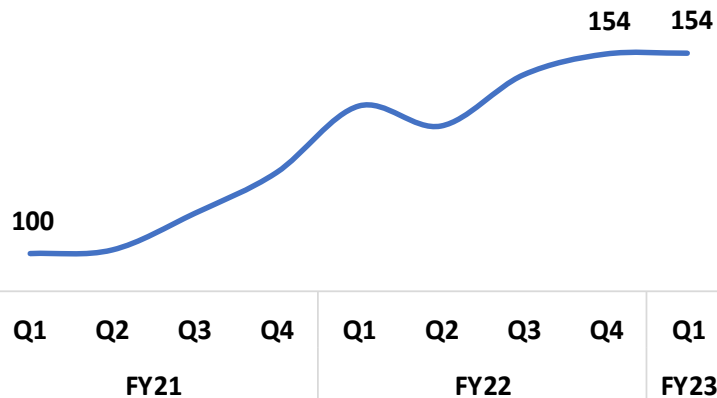
Russia-Ukraine Conflict → Further hardening of Commodity Prices

Some moderation witnessed in June

Palm Oil



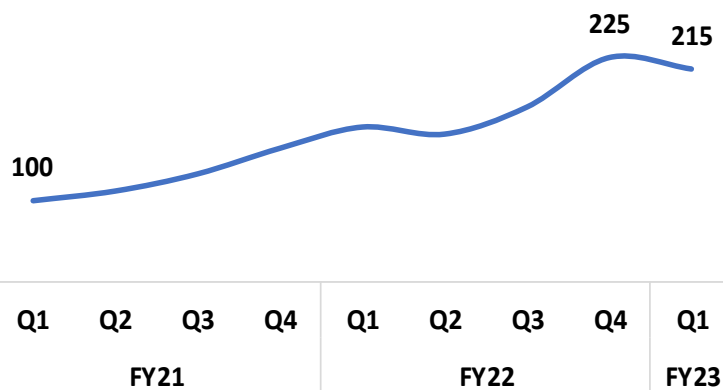
BOPP Film



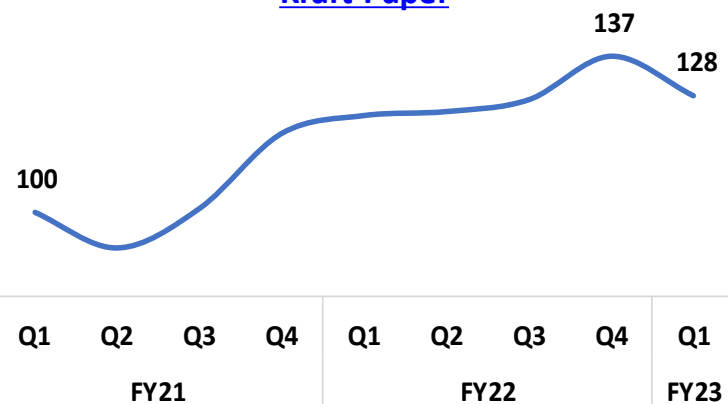
Metalocene



Soap Noodles



Kraft Paper



Solar Plant, Dindigul



AMLF Kapurthala

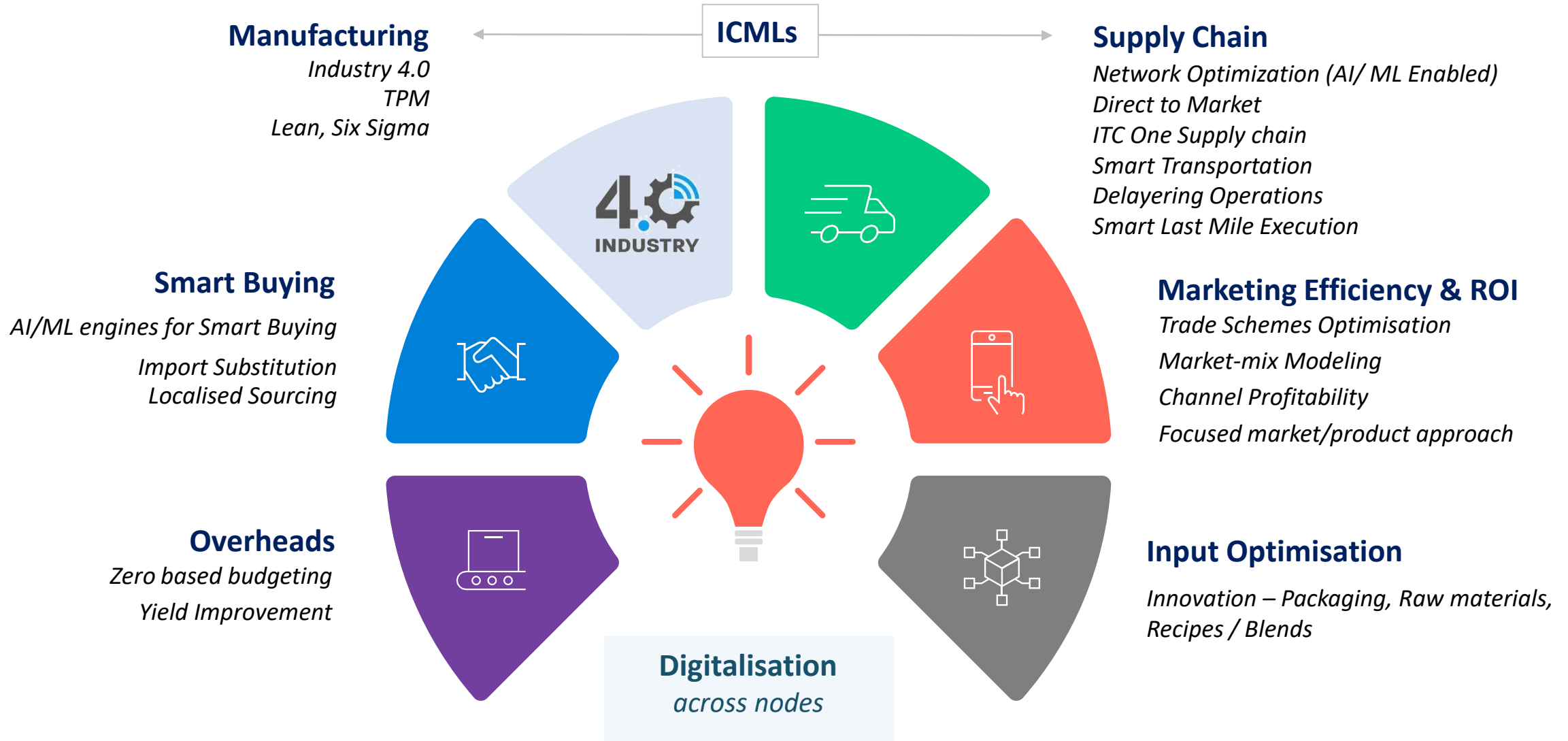


ICML Trichy



ICML Medak





Addressing Emerging Consumer Need Spaces with Agility



Bingo! Snacks
Differentiated flavors & textures



Spices
Sabji Masala | Kitchen King Masala | Dimer Kosha



Aashirvaad Svasti
Litchi Lassi | Aam Doi



Mom's Magic
Centre filled with molten Butter



Sunfeast Dark Fantasy
Premium filled cookies



Classmate Interaktiv
Origami Books



Mangaldeep Fragrance Sticks
First of its kind
Fragranced Sambrani Sticks



Aashirvaad Nature's Super Foods

Organic

Rising Gluten Intolerance & Going back to Roots



Aashirvaad Salt Proactive

Better Heart health



Farmlite Digestive

Goodness of Whole Wheat



B Natural | Sunfeast Nutrilite

Health Range



YIPpee! Power Up Noodles

Goodness of Whole Wheat Atta



Aashirvaad Svasti Milk

Select Milk

Easy Digest Milk (Lactose Free)



Farmlite Veda

Immunity Focus



Master Chef

IncrEDIBLY VegAN



Jelimals ImmunoZ

Vitamin C + Zinc

Happy Tummy English

- Digestive Quotient
- Experts Talk
- Free Dietician Consultation
- High Fibre Recipes

Time to score your tummy!
Get quick tips from experts
Take the Digestive Quotient Test

Creative Visualisation

AASHIRVAAD Atta with Multigrains Digestive Quotient

Digestive Quotient

Score out of 100 is **44**

Book Free Dietician Consultation

Get 20% OFF On High-Fibre Atta



Fibre in your diet is 6.81

*As per ICMR NIN, Recommended Daily Allowance for Dietary Fibre is 30g for Men & 25g for women. Want to get a customized Meal Plan with the right amount of Fibre based on your food preferences?

Choose My Meal Plan

Happy Tummy English

- Digestive Quotient
- My Meal Plan
- Free Dietician Consultation

Suggested Meal Plan For Sedentary Adult Indian Male - North Indian; Veg

ICMR NIN has suggested a daily intake of 30g of dietary fiber for a sedentary adult male. Here is a suggested meal plan that will help you in meeting your daily fiber requirement.

The Below suggested meal plan is designed to provide Energy: 1800-2000kcal, Protein: 52-65g & Fibre: 28-30g / day average

Meal time	Option 1
Early morning (7:00-7:30 am)	Tea (1 Medium Cup)
Breakfast (8:00-9:30 am)	Multigrain Mix Veg Paratha (2 Medium) + Aloo Sabji (1 Small)



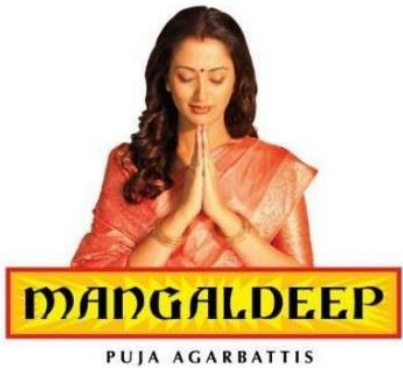
Five Homemade Remedies To Fight Constipation



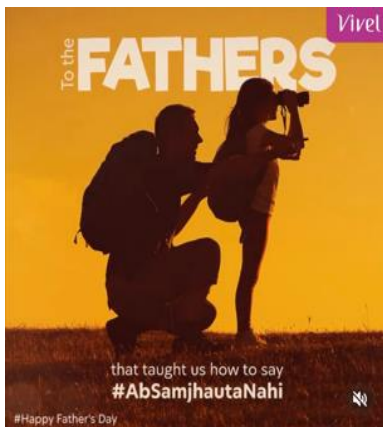
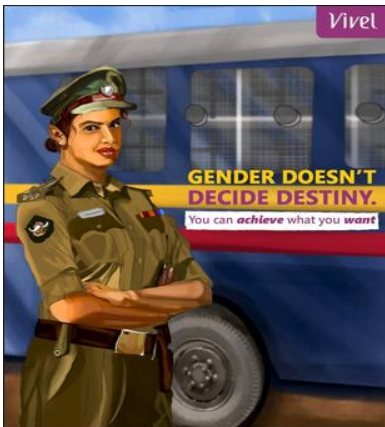
Papdi Chaat made from Aashirvaad Atta with Multigrains

Sixth Sense Consumer Panel

An Initiative for the differently abled



Vivel #AbSamjhautaNahi



Aashirvaad #RahoChaarKadamAage



End-to-end campaign to help women upskill and establish their businesses

World Hand Hygiene Day #Handwash First



Expanding Reach in Emerging Channels

Winning in Emerging Channels



Modern Trade



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

New Routes to Market

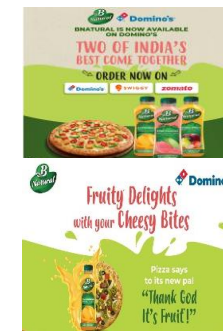
On-the-Go



Direct Marketing



QSR



Strategic Partnerships



Climate Controlled Supply Chain

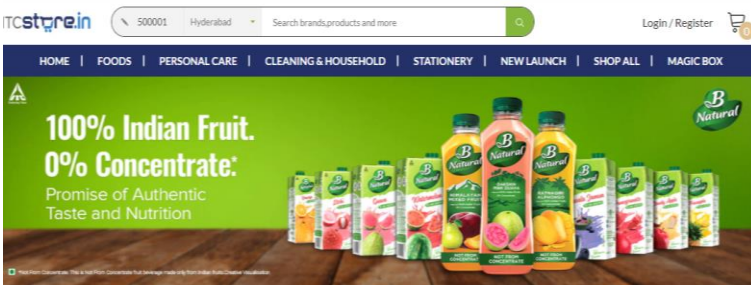
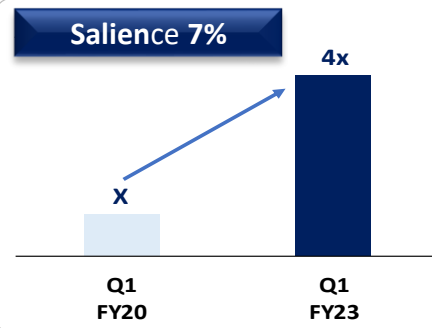
Dairy | Chocolates



Scaling-up Food Services

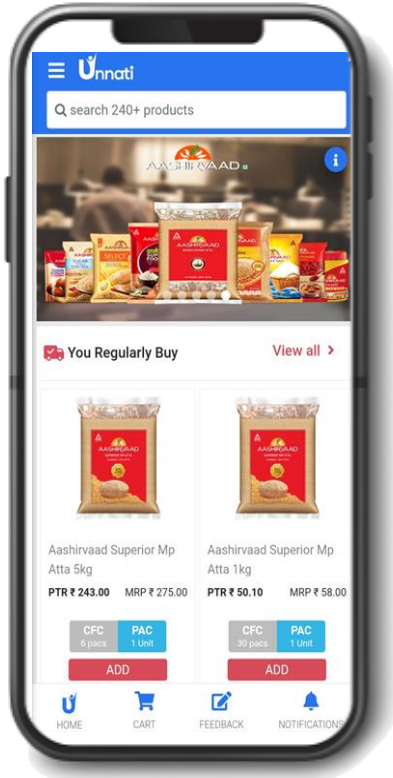


Expanding e-Com



ITC e-Store - Operational in 15 cities

eB2B: UNNATI

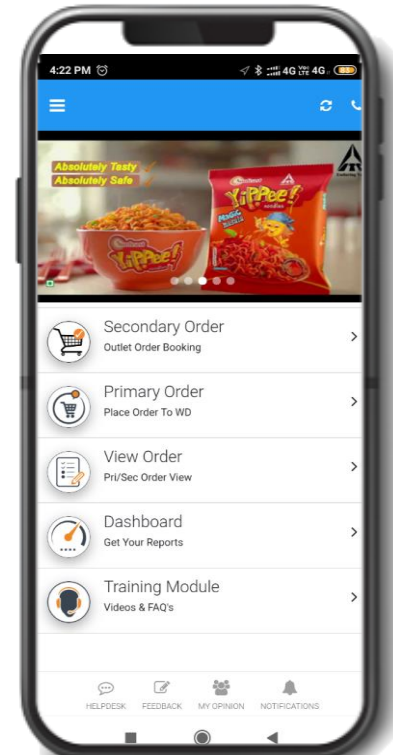


Over 3.2 lakh
Outlet penetration

VIRU: Virtual Salesman



VISTAAR: Rural App



Project Zen



Next Generation Agile
FMCG Supply Chain



Enduring Value

FMCG Cigarettes



Segment Revenue
6609 cr. ▲ 29.0%

Segment Results
4189 cr. ▲ 30.1%

- **Net Segment Revenue*** up 29.5% YoY; **Segment EBIT** up 30.1% YoY
- **Robust growth across regions & markets;** volumes surpass pre-pandemic levels
- **Innovation & democratising premiumisation** across segments
- **Focused portfolio/market interventions**
 - *Portfolio vitality | Product availability | Execution excellence*
 - *Recent launches continue to gain traction*

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

Innovation

- **Classic Connect**
- **Gold Flake Neo**
- **American Club Clove Mint**
- **Gold Flake Indie Mint**
- **Capstan Fresh**

Portfolio Fortification

- **Gold Flake Neo SMART Filter**
- **Navy Cut Deluxe**
- **Player's Gold Leaf Chase**
- **Gold Flake Star**

Recent Introductions

- **Wills Protech**
- **Capstan Excel**
- **Gold Flake Kings Mixpod**
- **Flake Nova**
- **Wave Boss**
- **American Club Smash**

Other Interventions

New variants of **Flake Excel, Wills Navy Cut Filter, Berkeley Hero** in focus markets.

**5s Packs -
Gold Flake Premium and Capstan Special**



Enduring Value

Hotels Business



Segment Revenue

555 cr.

(4.4x of LY; 1.4x of FY20)

Segment EBITDA

180 cr.

+268 cr. swing over SPLY
+111 cr. over Q1 FY20

- **Stellar performance across locations**
 - ✓ Revenue up 41.4% over Q1 FY20
- **ARR and Occupancy** ahead of pre-pandemic levels; Leisure, Weddings & MICE drive growth
- **EBITDA margins** at 32.5% (Vs. 17.5% in Q1 FY20); margin expansion driven by higher RevPAR, operating leverage and structural cost interventions
- **ITC Narmada**, a luxurious 291-key property in Ahmedabad expected to be commissioned shortly
- Healthy pipeline of properties under **Welcomhotel, Fortune, Mementos & Storii**; phased openings over the next few quarters
- Recently launched full stack **ITC Hotels App** with cutting-edge user experience continues to garner increasing traction

Revenue Mgmt.

Guest Acquisition

Guest Servicing

Loyalty Programmes





ITC Hotels – Best Service

**Freddie Awards,
2022**

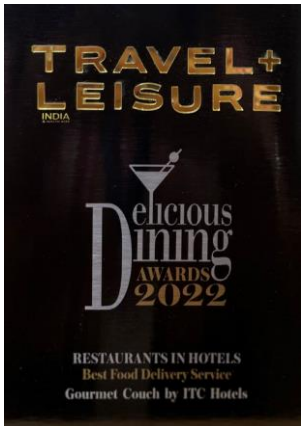
THANK YOU!
CLUB ITC
Recognised As

- Program Of The Year
- Best Elite Program
- Best Promotion
- Best Redemption Ability

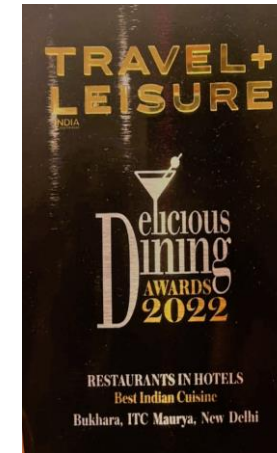
At The 2022
freddie awards



Grand Market Pavilion, ITC Royal Bengal – Best Family Dining



Gourmet Couch, ITC Hotels – Best Food Delivery Services



Bukhara, ITC Maurya – Best Indian Cuisine

Mementos



Collection of **unique luxury hotels** across varied destinations ranging from **modern retreats to historic treasures**

Welcomhotel



Fortune



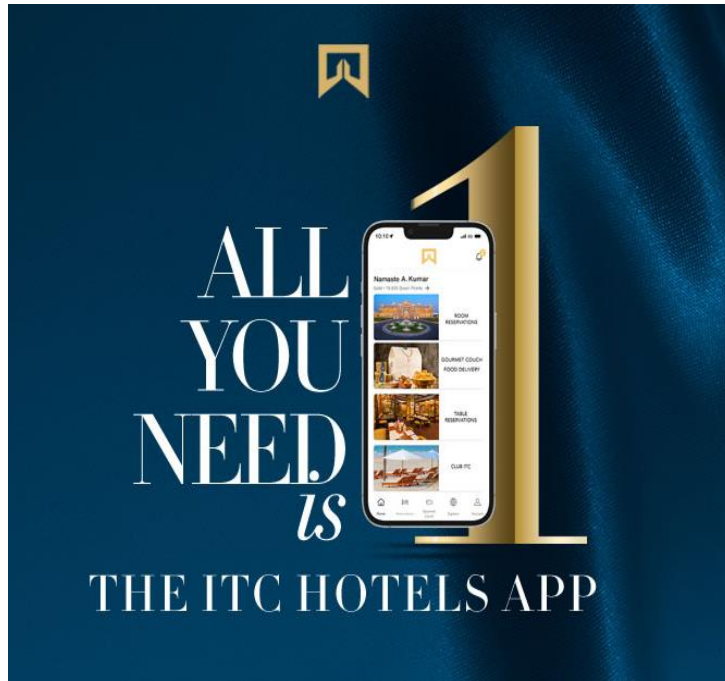
Storii



Collection of **intimate sized** handpicked properties in the **premium segment**

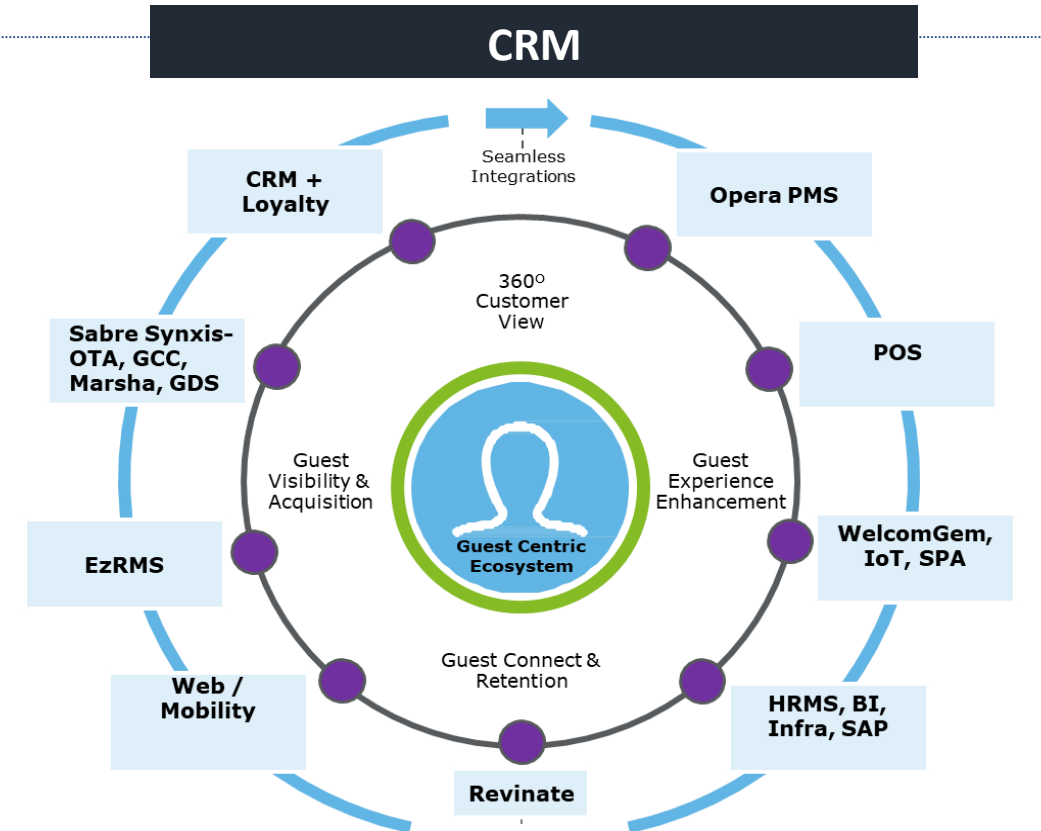
Properties under these brands expected to be launched in a phased manner over the next few quarters.

Brand/Guest Experience



One stop shop for all guest needs

Room Reservation | Restaurant Booking
Takeaway | Loyalty | Room Controls



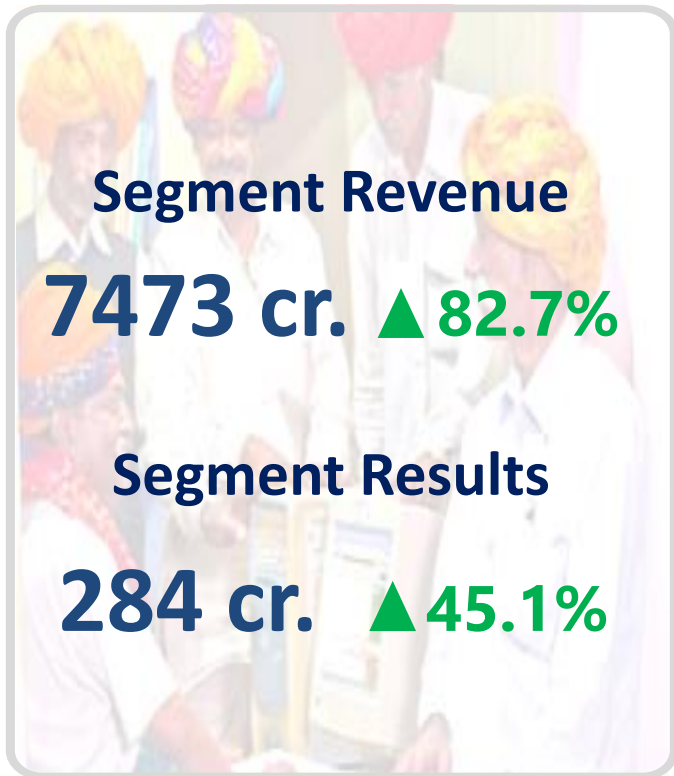
Analytics & Insight driven personalisation



Enduring Value

Agri Business






Segment Revenue
7473 cr. ▲ 82.7%

Segment Results
284 cr. ▲ 45.1%

- Sustained high growth trajectory with Segment Revenue up 82.7% led by wheat, rice and leaf tobacco exports
 - Strategic sourcing support to Branded Packaged Foods Businesses – Wheat, Dairy and Spices
- **ITCMAARS*** – a crop-agnostic ‘phygital’ full stack AgriTech platform was launched with 200+ FPOs in 7 states encompassing 75,000+ farmers
- Strategic focus on rapidly **scaling up Value-Added product portfolio** to enhance value capture
 - IIVL’s^ world-class manufacturing facility at Mysuru for export of Nicotine & Nicotine derivative products to US/EU making steady progress
 - Construction of new Spices facility at Guntur progressing well



Multiple Sourcing Models

Farmer | Trader | Mandi

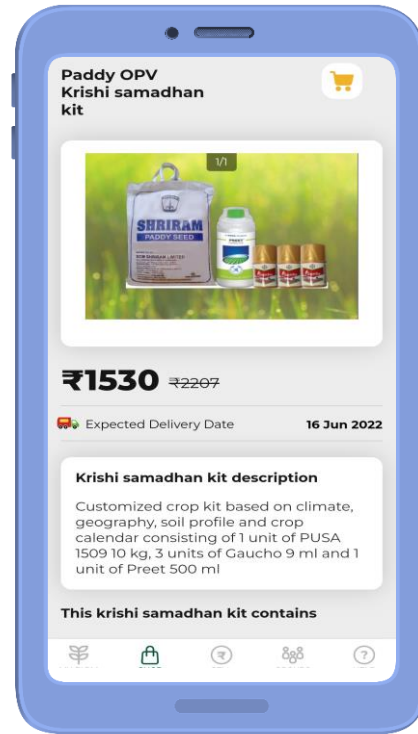


Multi Modal Transportation

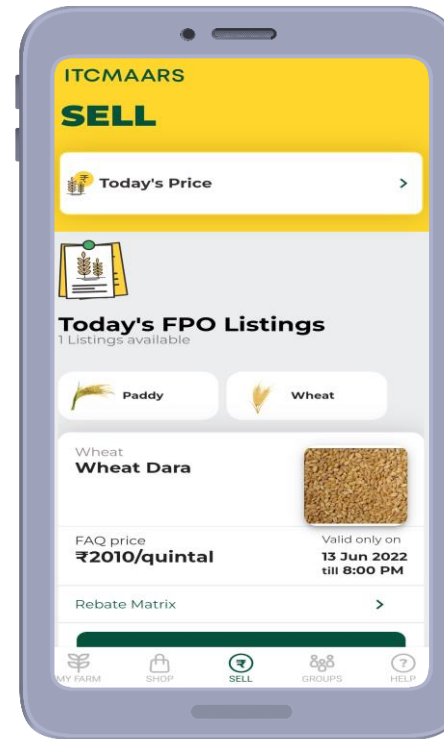
Railway | Coastal | Road



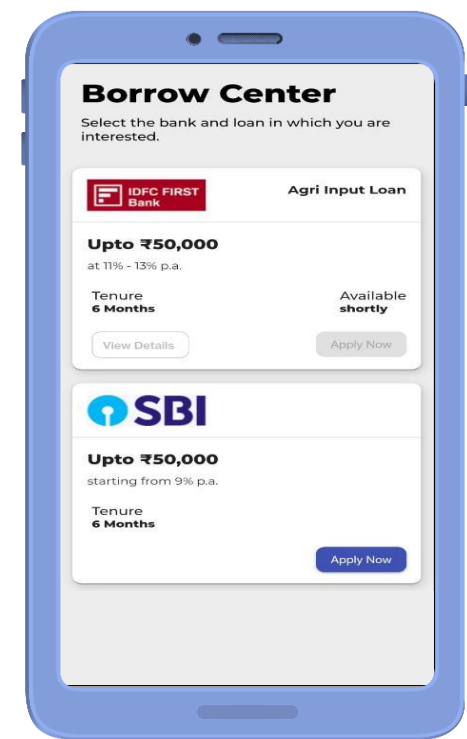
Advisory



Inputs



Outputs



Services

200+ FPOs
7 states

75,000+
Farmer registrations

60,000+
App downloads

40+
Tie-ups with partners



Enduring Value

Paperboards, Paper & Packaging



Segment Revenue

2267 cr. ▲ 43.3%

Segment Results

613 cr. ▲ 56.0%

Paperboards & Specialty Paper

- Paperboards, Paper & Packaging Segment delivered strong performance
- Robust growth in Revenue driven by higher volumes & realisation
 - Continued strong demand across end-user segments and exports
 - VAP^ segment grew at a rapid pace
- Investments in pulp import substitution, cost-competitive fibre chain, sharper focus on operational efficiency leveraging data analytics and Industry 4.0 enabled margin expansion despite escalation in key input prices

Packaging and Printing

- Robust growth in domestic and exports segments across Cartons & Flexibles platforms



Sustainable Solutions Portfolio



Extrusion Coated Boards



Laminating Base

Laminating Base





Bio-based Coated Boards



ToughPack Paper + Barrier Coatings

Paper + HSL

Flexible Packaging Paper




Anti fungal Boards

Online Coated Antifungal Boards




QXY BLOCK

Oxyblock

Water, Oil & Grease Resistant Boards




Bioseal




Antimicrobial Coating



Financials

<i>Rs. Crs.</i>	Q1 FY23	Q1 FY22	GOLY
Gross Revenue	18,164	12,884	41.0%
Net Revenue	17,217	12,134	41.9%
EBITDA	5,648	3,992	41.5%
PBT	5,540	4,015	38.0%
PAT	4,169	3,013	38.4%

Robust performance continues across segments

Rs. cr.

	Q1		
	FY23	FY22	Goly
Segment Revenue			
a) FMCG - Cigarettes	6609	5122	29%
- Others	4451	3726	19%
Total FMCG	11060	8848	25%
b) Hotels	555	127	336%
c) Agri Business	7473	4091	83%
d) Paperboards, Paper & Packaging	2267	1583	43%
Total	21356	14649	46%
Less : Inter - Segment Revenue	3192	1764	81%
Gross Revenue from sale of products and services	18164	12884	41%

- **FMCG Others**

- Segment Revenue up 19.5% vs. LY (+45.5% Vs. Q1 FY20)
- Strong growth in Discretionary/OOH categories
- Staples & Convenience Foods remained resilient
- Education & Stationery Products Business bounced back with re-opening of educational institutions
- Subdued performance in Health & Hygiene portfolio; remains above pre-pandemic levels

- **Hotels**

- ARR and Occupancy ahead of pre-pandemic levels

- **Agri Business**

- Wheat, Rice & Leaf Tobacco exports

- **Paperboards, Paper & Packaging**

- Strong demand across end-user segments

Rs cr.

	Q1		
	FY23	FY22	Goly
Segment Results			
a) FMCG - Cigarettes	4189	3221	30%
- Others	204	173	18%
Total FMCG	4393	3394	29%
b) Hotels	112	-151	
c) Agri Business	284	196	45%
d) Paperboards, Paper & Packaging	613	393	56%
Total	5402	3832	41%
Less : i) Finance Cost	9	10	
ii) Other un-allocable (income) net of un-allocable expenditure	-147	-194	
Profit Before Exceptional Items & Tax	5540	4015	38%

- **FMCG-Others:**
 - Segment EBITDA at 347 cr.
 - at 1.9x of Q1 FY20
 - EBITDA margin at 7.8%
 - -20 bps YoY; +~190 bps vs. Q1 FY20
- **Hotels:**
 - Positive swing of 264 cr.
- **Agri Business**
 - Profits up 45%; driven by strong growth in Revenue
- **Paperboards, Paper & Packaging:**
 - 220 bps margin expansion: Higher realization, internal efficiencies & strategic interventions offset input cost inflation

ITC – A Global Exemplar in Sustainability

Impactful **Social** Performance



ITC e-Choupal
4 Million Farmers
empowered



Afforestation
Over 955,000 acres
greened



Watershed Development
Over 1.35 million acres
covered



Livestock Development
Over 2,055,000 milch
animals covered



Solid Waste Management
Well-being Out of Waste
programme has covered
~20 million citizens



Women Empowerment
over 87,900 poor women
benefitted



**Skilling & Vocational
Training**
Covering over 1.1 lacs youth



Primary Education
Reaching over
8.69 lacs Children

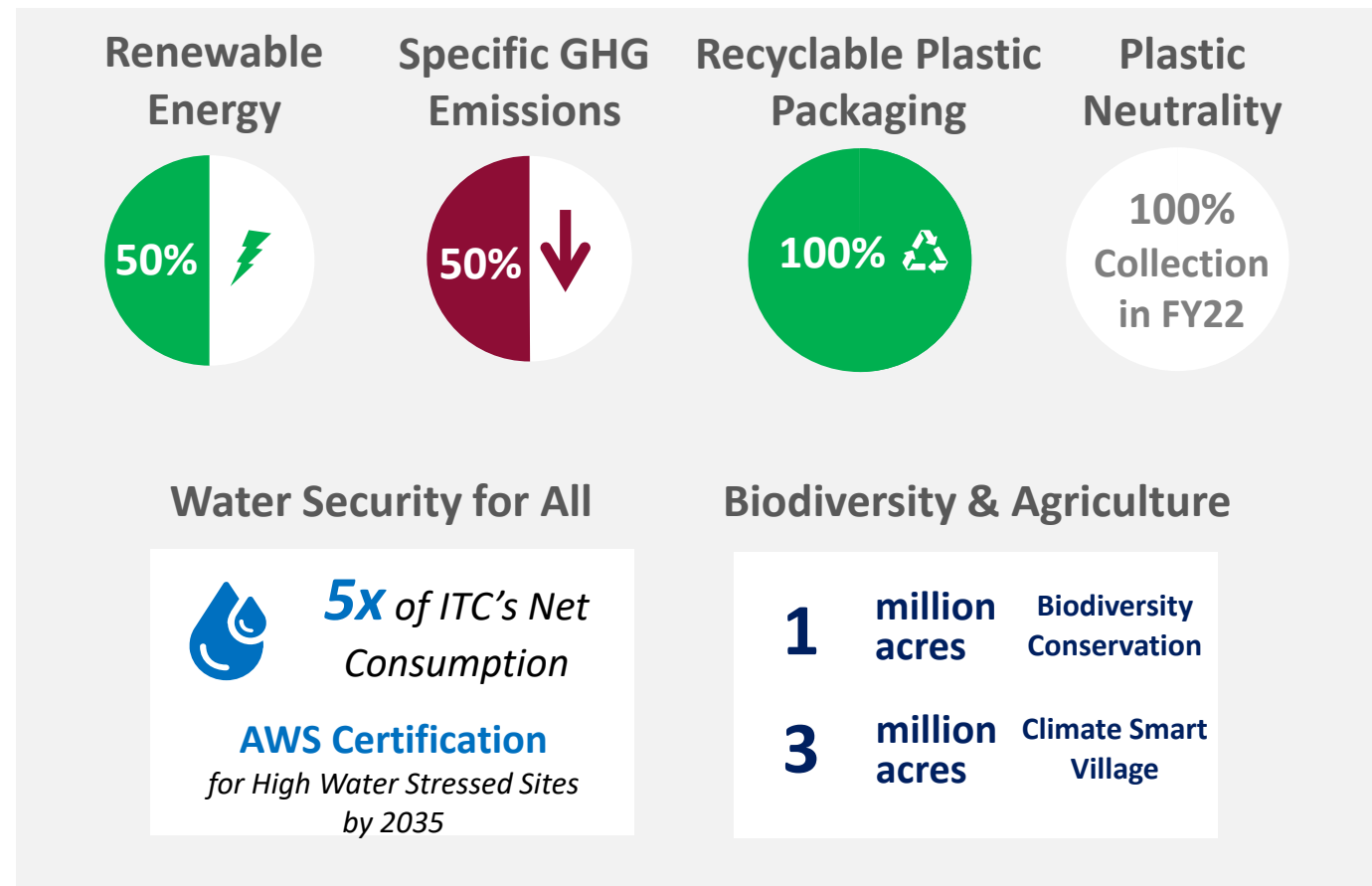
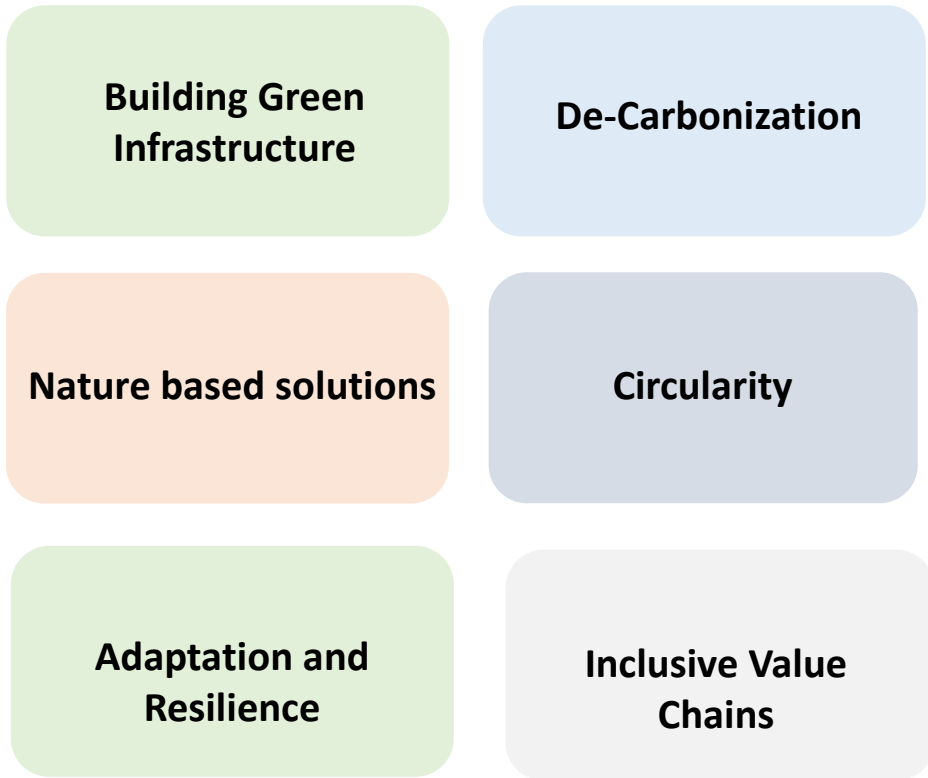






Health & Sanitation
Over 39,400 toilets built



**Pioneer of Green Building
movement in India**
39 platinum rated green buildings

Strategic Interventions to Combat Climate Change



Renewable Energy 50% 	Specific GHG Emissions 50% 	Recyclable Plastic Packaging 100% 	Plastic Neutrality 100% Collection in FY22
Water Security for All  5x of ITC's Net Consumption AWS Certification for High Water Stressed Sites by 2035		Biodiversity & Agriculture 1 million acres Biodiversity Conservation 3 million acres Climate Smart Village	

Proactively work towards achieving 'Net Zero' emission status

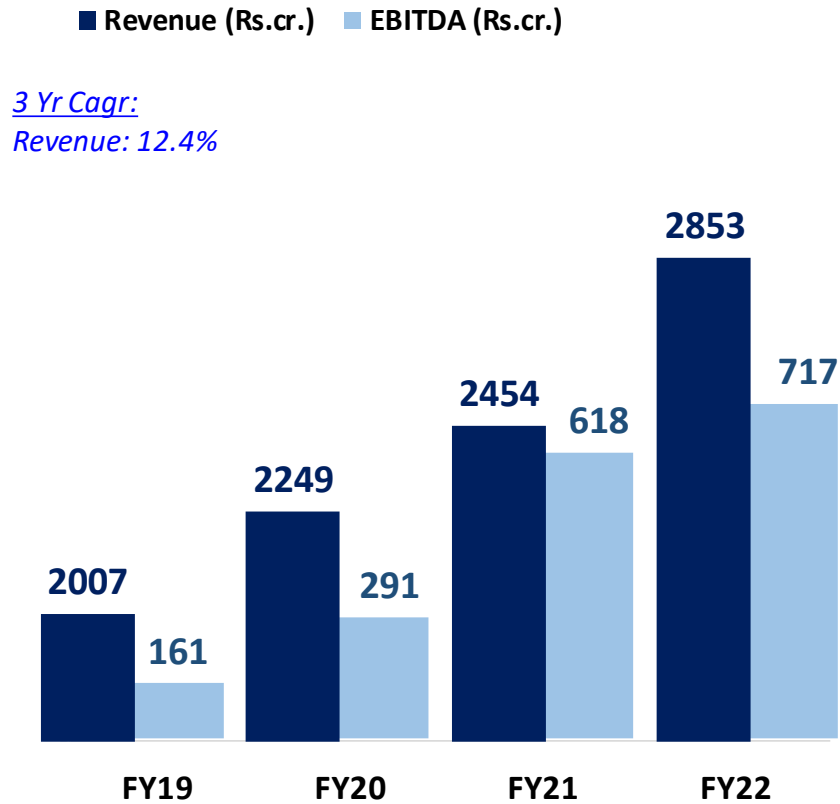
Supporting Sustainable Livelihoods: From 6 million to 10 million

- All Businesses **aligned with 2030 targets**
- Comprehensive set of **policies & guidelines** put in place
- Exceeded commitment on **Plastic Neutrality**; collected and sustainably managed over 54000 MT of plastic waste in FY22 across 35 states/UT
- Achieved **A- Leadership score under CDP ratings** - ahead of Asia & Global average in Climate change (B-) & Water Security (B)
- Sustained **AA rating by MSCI** for the 4th consecutive year - **highest among global tobacco players**

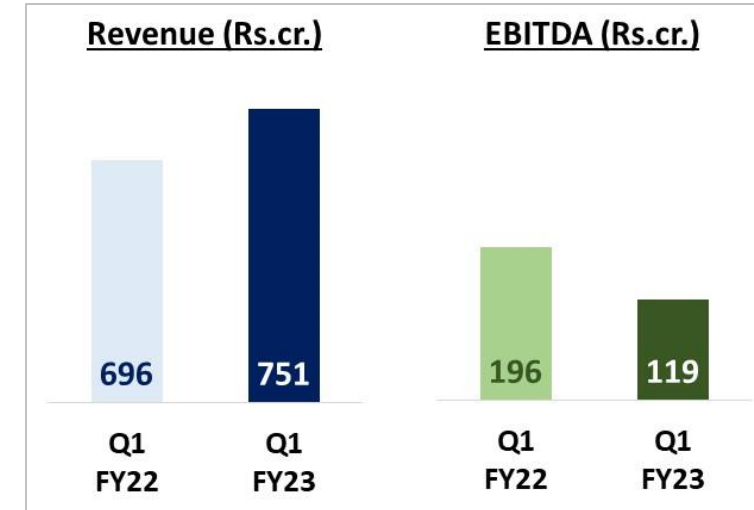


ITC Infotech





- ITC Infotech deepened its over 20-year relationship with PTC Inc. through a **Strategic Partner Agreement** during the quarter
 - Acceleration of Customers’ Digital Transformation Initiatives through jointly developed offerings and Go-to-Market strategies to facilitate conversion of customers’ PLM implementations to SaaS^



Q1 FY23 includes:

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

Investments continue to be made towards **capability building** in **strategic focus areas & infrastructure**

Q1 FY23 comparable EBITDA margin at 19.5% @ upper-end of mid-tier IT cos.










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



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



**and
Inclusive.**

Product/initiative	Link
 <p>Bingo! on Instagram</p>	https://www.instagram.com/bingo_snacks/
 <p>YiPPee! on Instagram</p>	https://www.instagram.com/sunfeast_yippee/
 <p>Aashirvaad on Instagram</p>	https://www.instagram.com/aashirvaad/
 <p>Sunfeast Dark Fantasy on Instagram</p>	https://www.instagram.com/sunfeastdarkfantasy/
 <p>Mom's Magic on Instagram</p>	https://instagram.com/sfmomsmagic/
Creating a Future Ready ITC	https://youtu.be/u_Gn_WNmGLs
ITC Spearheading Water Stewardship	https://youtu.be/kHgOXrqbyNw
 <p>Details on the Company's Sustainability 2.0 vision</p>	https://www.itcportal.com/sustainability/sustainability-integrated-report-2022/ITC-Sustainability-Integrated-Report-2022.pdf
 <p>Quarterly Media Statement</p>	https://www.itcportal.com/investor/pdf/ITC-Press-Release-Q1-FY2023.pdf