



Announcing Strategic Acquisition of Century Pulp & Paper Undertaking (CPP)



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.

Leading FMCG Marketer

Branded Packaged Foods



Personal Care



Education & Stationery



Safety Matches & Incense Sticks



Well-established player in Paperboards, Paper & Packaging



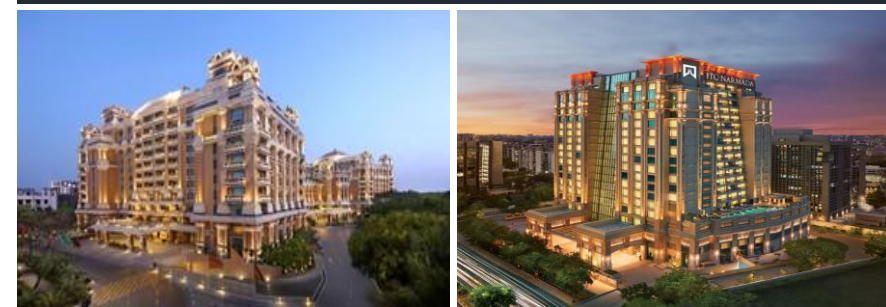
Foremost Agri Player Pioneering Rural Transformation



ITC Infotech: Specialised Global Tech Services & Solutions provider



ITC Hotels: India's Pre-eminent Hospitality chain Trailblazer in Responsible Luxury





69,446 cr.
FY24 Gross Revenue



24,479 cr.
FY24 EBITDA
Margins @ 38%



12
Future-ready
Businesses



25+
World-class
Mother Brands in FMCG



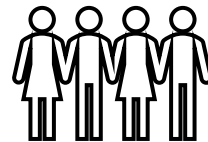
**Consistently in the
Top League**
Profits | Market Cap



Amongst Top 3
Contribution to the
Exchequer



60 lakh
Sustainable livelihoods
supported



**World-class
Talent**



**Global exemplar
In Sustainability**

India one of the fastest growing markets in the world

Domestic Industry size estimated at 23 mln. MT p.a.

- Growing at 6-7% p.a.
- Annual Incremental demand > **1mln. MT**

Industry Revenue > Rs. 80,000 cr. annually



Employment

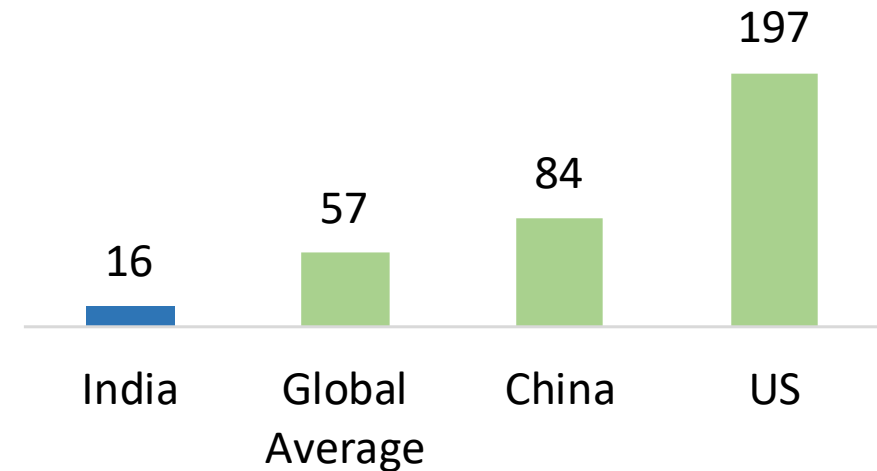
Direct employment to over 5 Lakh persons

Indirect employment to 15 lakh



Immense headroom for Growth

Per capita consumption (in Kgs)



Growth Drivers : FMCG, Food Service/QSR Packaging, Pharma, E-commerce, Sustainable packaging, Education & Stationery, Exports etc.



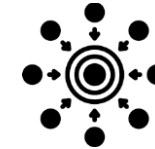
8,344 cr.
FY24 Revenue



21%
EBITDA Margin
FY19-FY24 Avg.



**Well-established player in
Paperboards & Specialty Papers**
Scale | Range | Customisation



**One stop shop packaging
solutions provider**



Best-in-class operating metrics
Superior Process knowhow



Sustainability Exemplar
50% Energy from Renewable Sources |
AWS* Certification | GreenCo Platinum+

- Annual throughput ~1 mln MT
- **Structural advantages** → backward integration, sustained investments in *TPM, Industry 4.0*
- 4 **world-class** manufacturing facilities
- Bhadrachalam - **largest site** with ~8 Lakh TPA capacity
 - Sustained investments over **4 decades** for growth
 - **3x scale-up in last 2 decades** – fresh investments, de-bottlenecking, efficiencies
 - Limited headroom for expansion - Business has been **exploring alternative sites**





Fibre chain
Secure | Cost-competitive | Sustainable |
Resilience | Wood & Pulp Yield



In-house Pulp
Import substitution

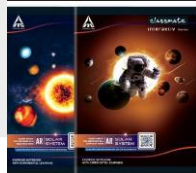


HPRB*
Future-ready | Sustainable

Sustainable Competitive Advantage



Manufacturing Excellence
Digital | TPM | Lean
Industry 4.0



Robust forward linkages

Till date, ITC has received FSC®-FM certification for close to
1.49 lakh acres
of plantations involving over
25,000 farmers

Leading supplier
of FSC® certified paper and
paperboards in India

26%
of the wood consumed by ITC is
FSC®-FM certified

* High Pressure Recovery Boiler

Growth



- Continue to premiumise the portfolio
- Scale up Sustainable Paperboard & Packaging solutions
- Expand capacity at a new site to drive next phase of growth

Cost Agility



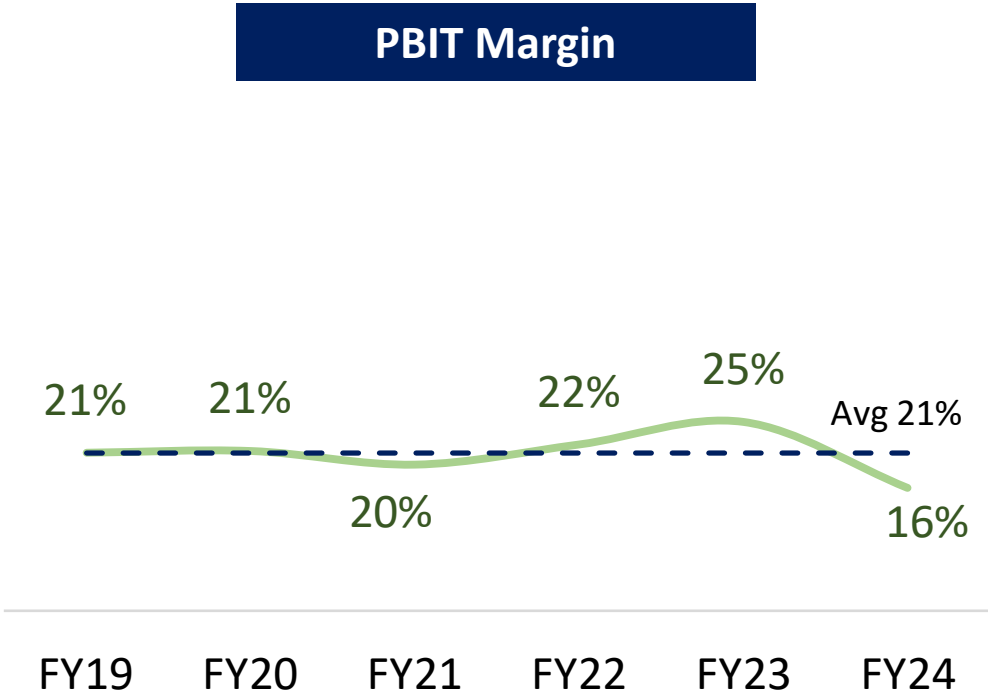
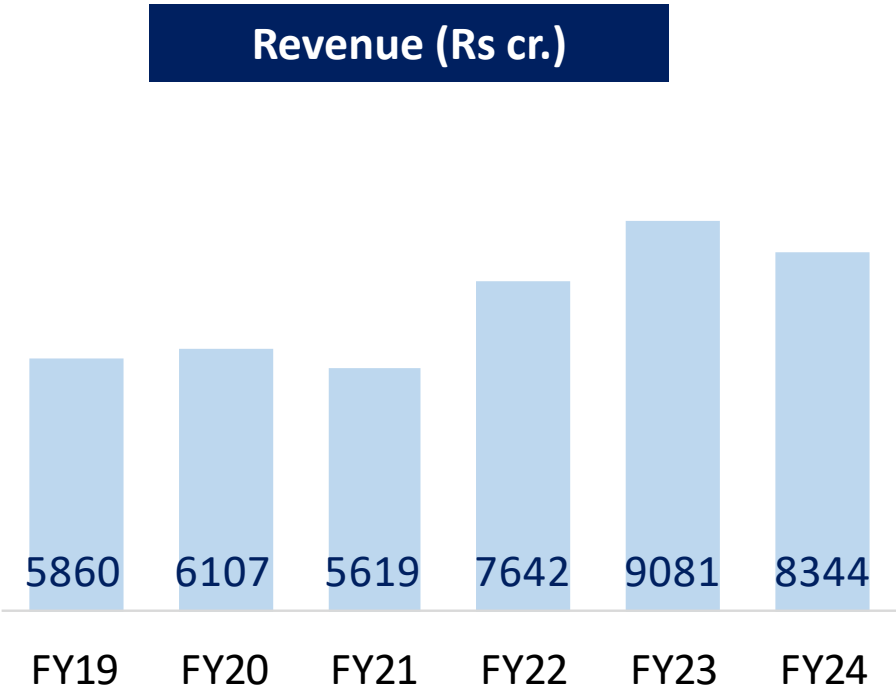
- In-house chemical pulp & BCTMP
- Industry 4.0 & Digital
- HPRB, RE investments
- Cost-competitive fibre chain
- Powerful TPM* | Lean programs

Customization



- Solutions for end-use industries - collaborations
- Best-in-class service levels

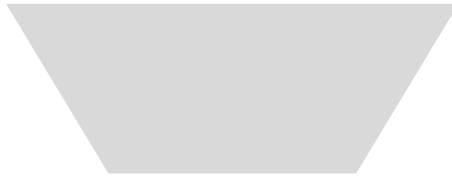
Sustainability at the Core



FY20-24 Cumulative Free Cash Flow generation over **Rs 4,000 cr.**

Recent performance impacted by:

- Sharp increase in low-priced imports into India and other international markets
- Unprecedented surge in domestic wood prices
 - *Other Wood Based Industries (WBIs) procuring from core sourcing catchments*
 - *Lower Plantations during Covid years*



Wood prices expected to moderate in next few quarters

- *Plantation activity picking up pace*

Investigations initiated by Govt. on cheap imports

- *Industry expects trade remedies to be introduced in coming months*

Strategic interventions

Sharpening Portfolio

Collaboration with Wood Based Industries (WBIs)

Plantation strategy reset +
Collaborative PPP model on
degraded forest land

Continued thrust:
Strategic Cost Management +
Digital → improved efficiencies

Business structurally well placed

Integrated business model
Strong end-user engagements
Digital Initiatives

Core area Plantations
In-house pulp, energy efficiency,
process excellence

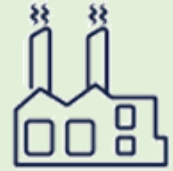
Business started in 1984 at
Lalkuan, Uttarakhand

Strong presence in North
– large market



Well-established player in the Industry

Installed Capacity: 4.8 lakh MT p.a.



Wood & Bagasse based **in-house pulp**
manufacturing capability

Robust fibre sourcing linkages



Strong performance track-record

Revenue: Rs. 2958 cr. *

EBITDA: Rs. 506 cr. *





Adds Significant Scale & Economies

- Immediate addition to scale & economies while not adding to industry capacity
- Scope for further expansion
- Faster time-to-market vs. Greenfield option (~5-6 yrs)
- Greenfield site with suitable RM linkages & approvals difficult to find



Locational Advantage

- Facility in North India complements existing facilities in South
- Efficient customer servicing across markets
- Proximity to key raw material sources



De-risks Operations

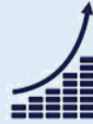
- Multi-site operations with matching capabilities
- Portfolio diversification enhances resilience across industry cycles



Significant Value Unlock opportunity

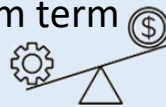
- Quality improvement
- Mix enrichment
- Capacity debottlenecking
- Pulp import substitution
- Efficiency improvement thru' TPM | Digital
- Supply chain optimisation
- Procurement efficiencies
- Operating leverage

Expected to be **EPS accretive** in the first full year of operations



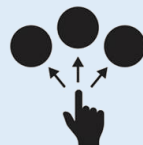
Drive structural improvement in Profitability

- Targeting **30% to 40% increase in EBITDA/Ton** (over normalised levels) post 2 full years of operations, through identified value unlock interventions.
- Capacity debottlenecking.
- Expect **high-teens ROCE** on investments in the medium term

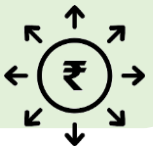


Strategic Optionality Value

- Additional capacity, Pulp import substitution



Acquisition within **Capital Allocation framework** of the Company



- **Aligned with growth strategy** to expand capacity at a new site to drive next phase of growth
 - Capex at existing facilities to be suitably calibrated
- Paperboards, Paper & Packaging Segment expected to **continue generating robust Free Cash Flow** going forward
 - **Free Cash Flow generation over Rs 4,000 cr. during FY20 to FY24**

Business Transfer Agreement



- **Acquisition of Pulp and Paper Undertaking of ABREL*** as a **going concern** on a **slump sale** basis
- **Lumpsum consideration of upto Rs 3,500 cr.** on a cash-free, debt-free basis payable on Closing, subject to adjustments as per the Business Transfer Agreement
- Transaction **expected to be consummated in appx. 6 months** subject to fulfilment of necessary Closing conditions and receipt of statutory approvals (incl. transfer of land lease, Competition Commission of India)

Management



- The Undertaking will be part of ITC's Paperboards, Paper & Packaging Segment



Enduring Value

NATION FIRST: SAB SAATH BADHEIN

Thank You