



Enduring Value

NATION FIRST: SAB SAATH BADHEIN

Q2 FY25 Results

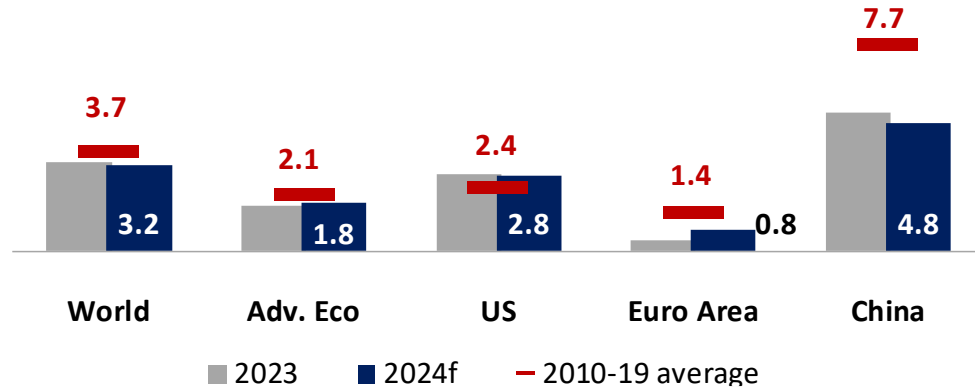
24th October, 2024

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

Global outlook steady with downside risks

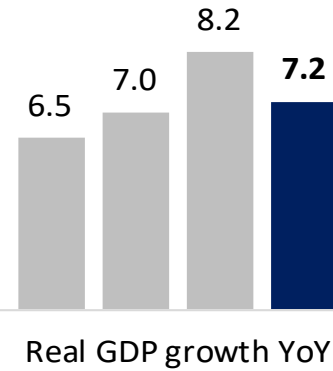
Real GDP Growth YoY



Source: IMF WEO Oct'24

- **Heightened Geo political & Climate uncertainties** → downside risk
- **Structural weakness** in Chinese economy persists
 - Central Bank rolls out a sizeable stimulus
- **Debt distress** in emerging and low income economies
- **Some Central Banks** initiate policy easing as inflation moderates in Advanced Economies

India remains resilient

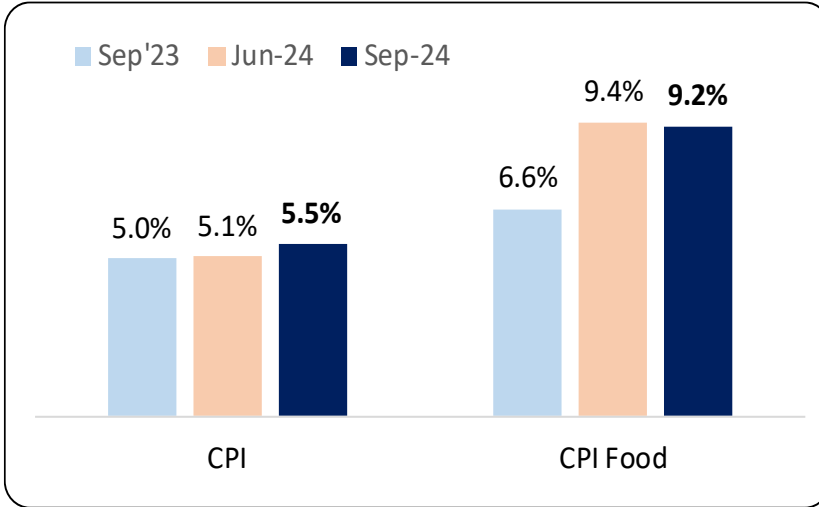


Source: MOSPI, RBI

- FY25 GDP expected to grow by 7.2% (vs 8.2% in FY24)
- **Resilient Macros**
 - Strong Bank and Corporate Balance Sheets
 - Forex Reserves at all time high
 - Purposeful policy interventions by Government

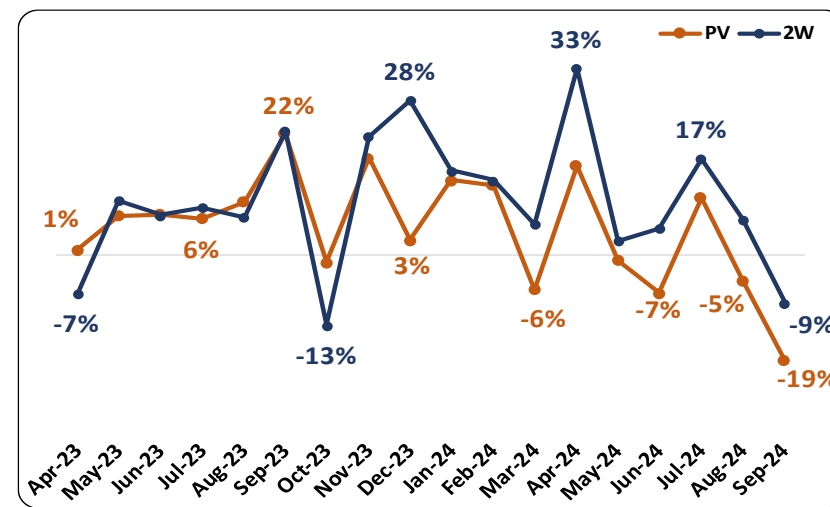
Weakening trend in Consumption Amidst Overall Macroeconomic Stability

Food inflation remains sticky (YoY%)



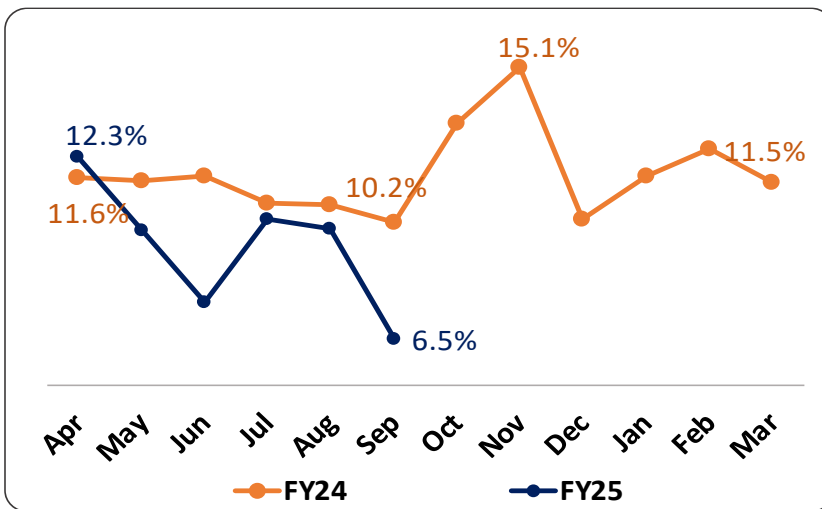
Source: MOSPI

Passenger vehicle and 2W retail sales declining (YoY%)



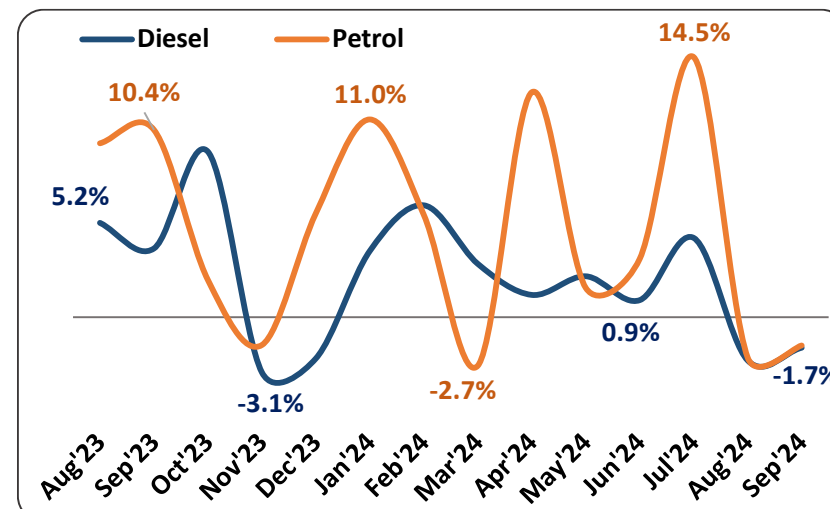
Source: FADA

GST collection slows to a 39-month low (YoY%)



Source: Ministry of Finance

Fuel Consumption degrowth in recent months (YoY%)



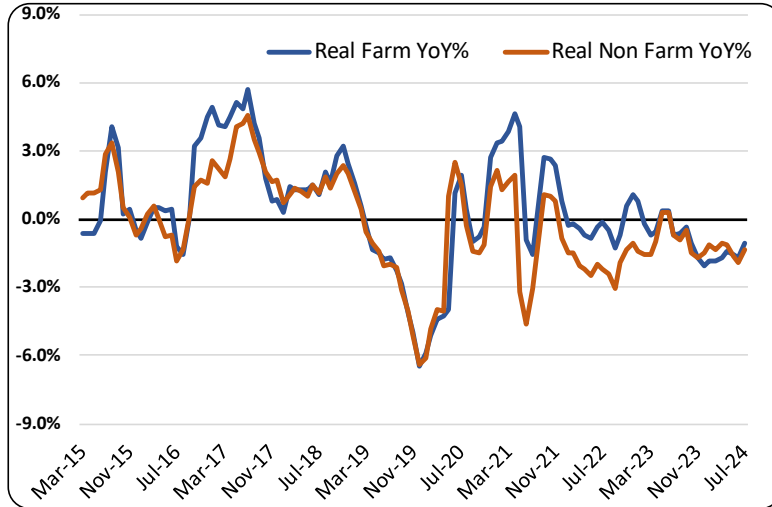
Source: PPAC

High Frequency Indicators Indicate Deceleration in Economic Activity in Q2 FY25

Unusually heavy rains in August/September 2024

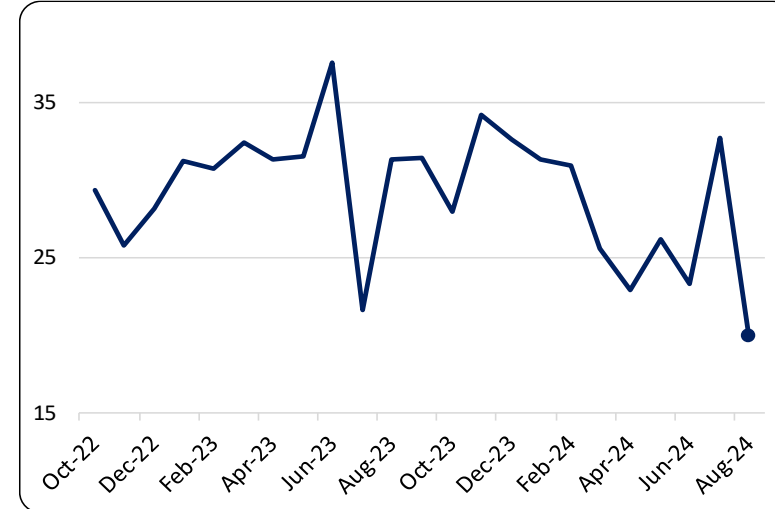


Real rural wages remain weak



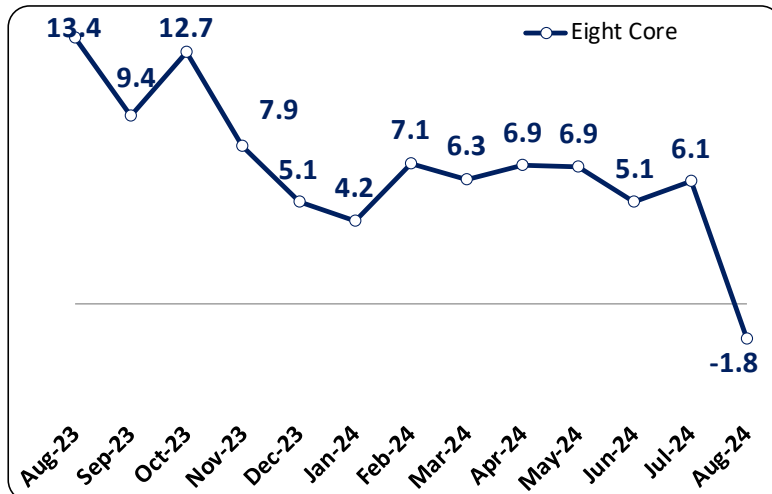
Source: Labour Bureau, CMIE

Slower growth in credit card spends (YoY%)



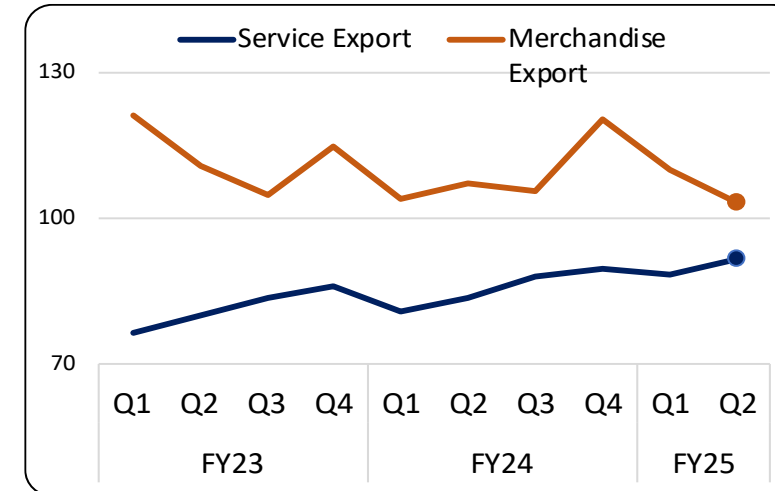
Source: RBI

Core sector declines (YoY%)

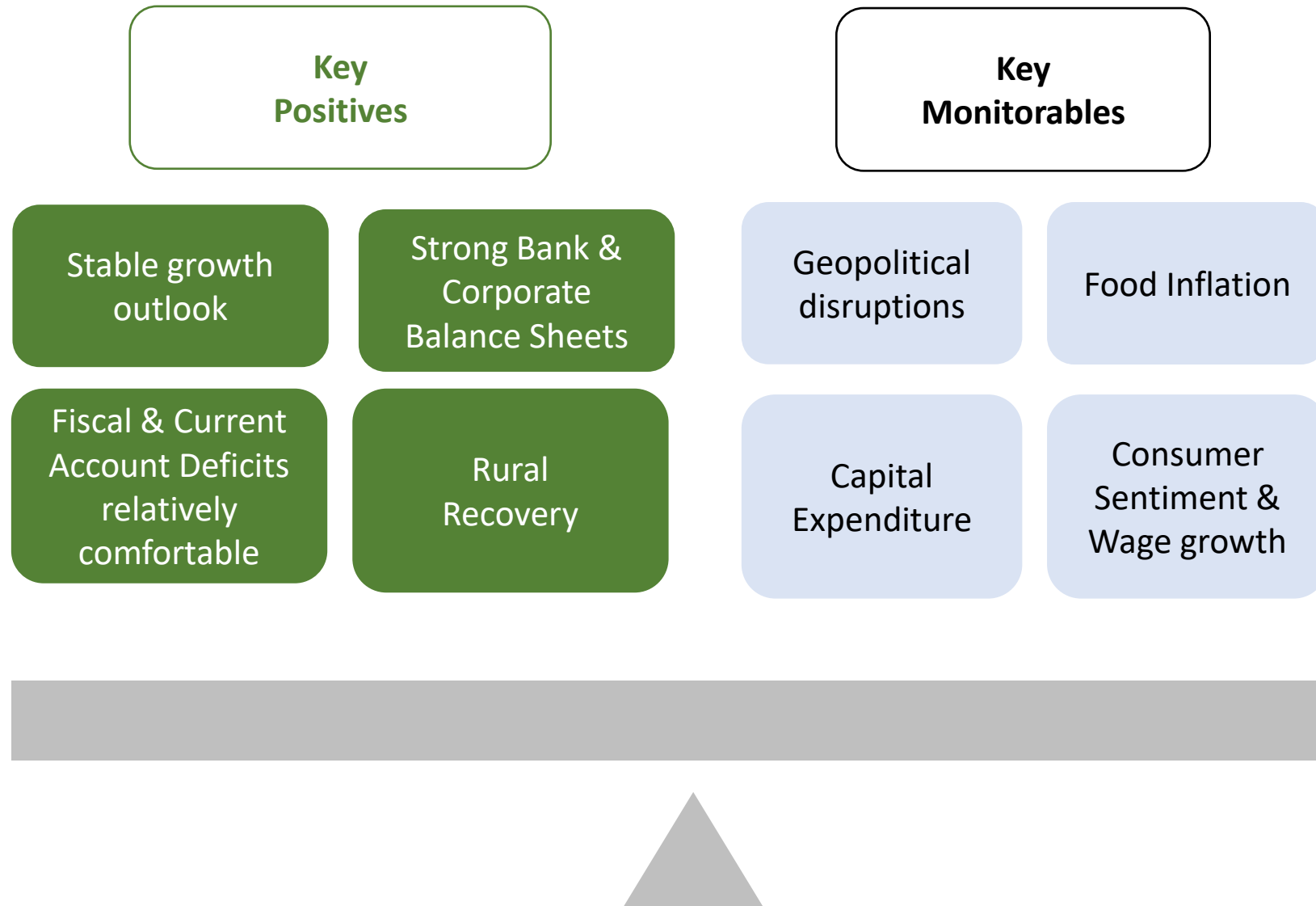


Source: Office of the Economic Advisor

Services supporting overall export growth (\$ bn)



Source: Ministry of Commerce, RBI



Q2 FY25 Results

Headline Financials & Business Highlights

Gross Revenue

▲ +16%

EBITDA

▲ +5%

ex-Paper up 6.3% YoY

Profit Before Tax

▲ +3.7%

Profit After Tax

▲ +3.7%

*Post adjusting for LT[^]CG
tax related changes*

▪ Resilient performance amidst a challenging operating environment

- *Gross Revenue records strong growth; up 16% YoY driven by Agri Business and Hotels*
- *EBITDA up 5% YoY, ex-Paper up 6.3% YoY*
- *Subdued demand conditions, unusually heavy rains in parts of the country, high food inflation and sharp escalation in certain input costs (leaf, wood, etc.) witnessed during the quarter*

▪ FMCG – Others Segment Revenue up 5.4% YoY; up 7% YoY ex-Notebooks

- *Staples, Biscuits, Snacks, Frozen Snacks, Dairy, Premium Soaps, Homecare & Agarbatti drive growth*
- *Notebooks impacted by high base effect and opportunistic play by local brands led by sharp drop in paper prices*
- *Segment EBITDA up c.2% YoY; marginal drop of 35 bps in margins amidst inflationary headwinds in input costs*
 - **2-yr CAGR up 13%**

- **Cigarettes Net Segment Revenue up 7.3% YoY, Segment PBIT up 5.1% YoY**
 - *Market standing continues to be re-inforced through strategic portfolio and market interventions with focus on competitive belts and to counter illicit trade*
 - *Differentiated & premium offerings continue to perform well*
 - *Severe cost escalation in leaf tobacco partially mitigated through improved mix, strategic cost management and calibrated pricing actions*

- **Hotels Segment delivered strong performance on a high base (LY includes G20 related business); Revenue up 12.1% YoY (2 yr. CAGR +16.5%); Segment PBIT up 20.2% YoY**
 - *F&B, Retail & Wedding segments drive growth*
 - *EBITDA margin expands 70 bps YoY driven by higher RevPAR, operating leverage and strategic cost management*
 - **Demerger update:** *Scheme sanctioned by NCLT on 4th October 2024 (certified copy of the Order awaited)*

- **Agri Business Segment Revenue up 47% YoY led by Leaf Tobacco & Value Added Agri products; Segment PBIT up 27.5% YoY**
 - *Strong growth in Leaf Tobacco exports leveraging strong customer relationships & new business development*
 - *Value Added Agri portfolio (e.g. Coffee, Fruits & Vegetables, Spices) performed well*

- **Paperboards, Paper and Packaging Segment remains impacted due to low priced Chinese supplies in global markets including India, soft domestic demand conditions and unprecedented surge in wood prices**
 - *Segment Revenue up 2.1% YoY driven by exports; up 7% QoQ*
 - *Subdued realisation, surge in domestic wood prices and ocean freight continue to weigh on margins*
 - *Unseasonal rains adversely impact wood availability, quality and procurement price*
 - *Strategic interventions, including sharp focus on portfolio augmentation, export customer/market development & structural cost management, continue to be made to mitigate near term challenges*



Enduring Value

FMCG Others Q2 FY25

SUBJECT	GRADE
Softness	A+
Aroma	A+
Taste	A+
Shape	A+

#HappyTeachersDay

Bring your cravings to life!

#HappyTeachersDay

Two teams One goal

#HappyNavaratri

Dandiya Beats, Fantasy Treats.

#HappyNavaratri

THE SCENT OF INDEPENDENCE

#HappyIndependenceDay

Together, we create a squeaky-clean bond!

#HappyFriendshipDay

In the Temple's fragrant heart, lamps softly glow, His Divinity makes the soul overflow.

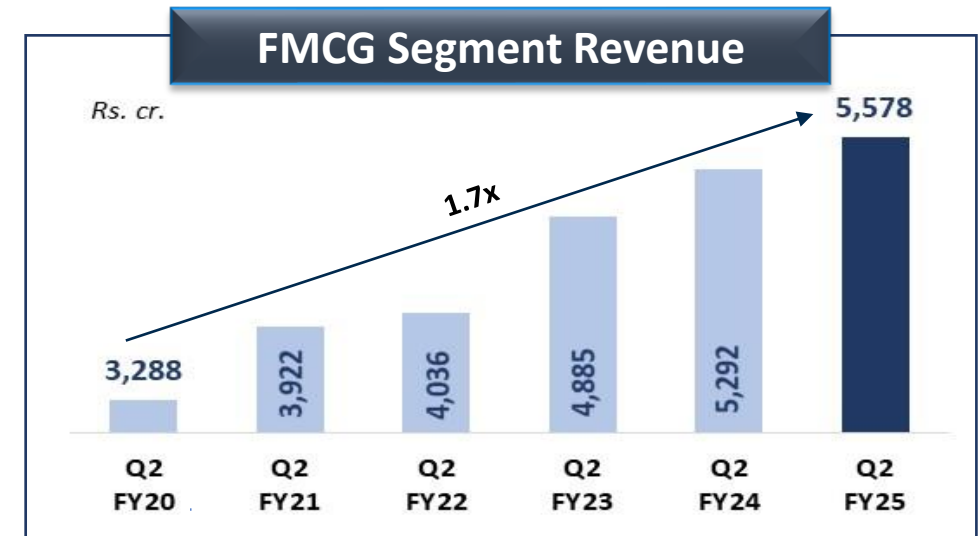
#KrishnaJanmashtami

This Raksha Bandhan there is a perfect gift for your sibling

#HappyNavaratri



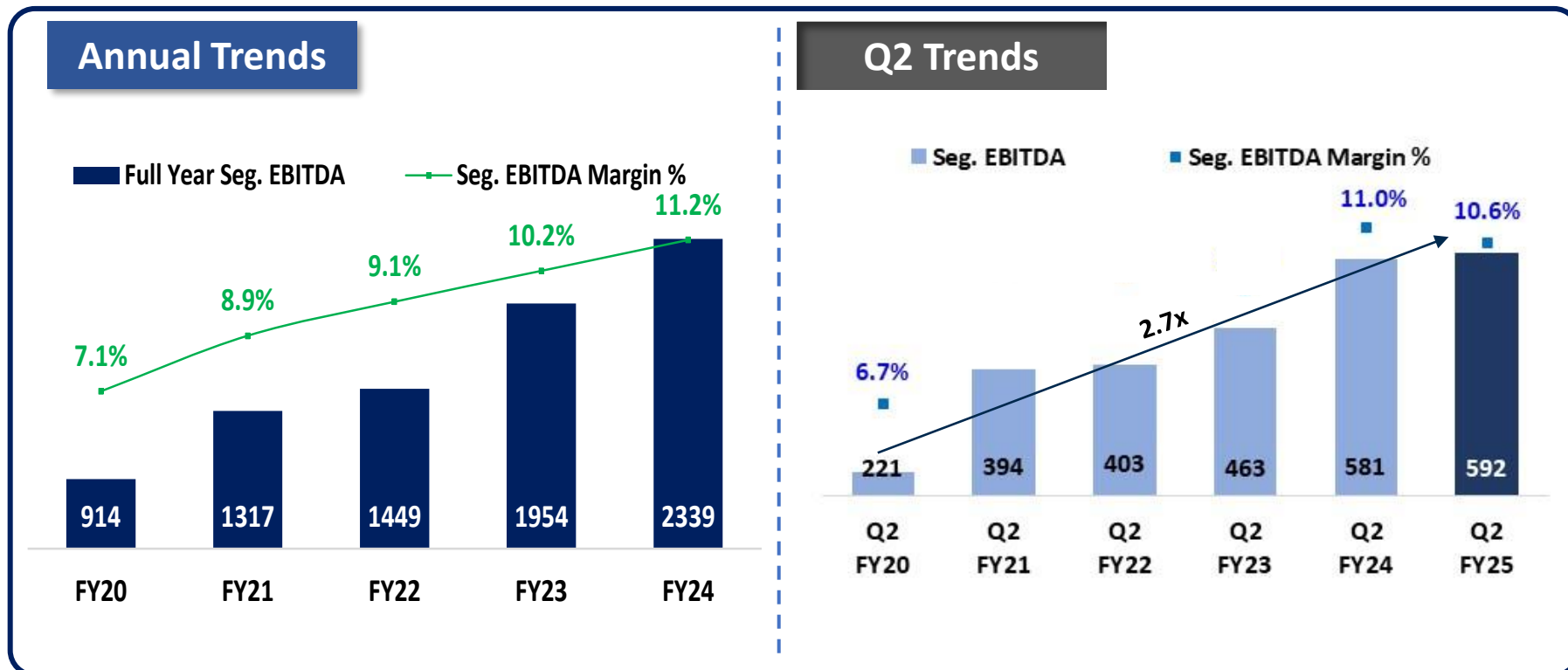
- **Segment Revenue up 5.4% YoY, up 7% YoY ex-Notebooks**
 - Staples, Biscuits, Snacks, Frozen Snacks, Dairy, Premium Soaps, Homecare & Agarbatti drive growth
- Incessant rains/flooding in certain parts of the country adversely impacted discretionary/out-of-home consumption
- Notebooks impacted by high base effect, sharp drop in paper prices and consequent opportunistic play by local brands
- Heightened competitive intensity (incl. local players) in certain categories – Noodles, Snacks, Biscuits & Popular Soaps
- **Strong growth in emerging channels** (viz. e-Commerce, Quick Commerce, Modern Trade)



- Multipronged interventions to accelerate growth across categories leveraging strong growth platforms
 - Fortifying the Core, addressing Value Added adjacent opportunities & scaling up new vectors of growth
- Focused investments to enhance distribution infrastructure and drive penetration

- **Q2 Segment EBITDA margins remained resilient**

- Steep inflationary headwinds in input costs largely mitigated by premiumisation, supply chain optimisation, calibrated pricing actions, digital initiatives & strategic cost management



Fortifying the Core



Bingo!
Original Style
Himalayan
Pink Salt



Mangaldeep Scent
Crystal Waters |
Mystic Amber



Sunfeast
Biscuits
Super Egg &
Milk



YiPee! Korean Noodles
Fiery Hot | Spicy Kimchi



Vivel Soap
Pure Sandal Oil

Addressing Adjacencies



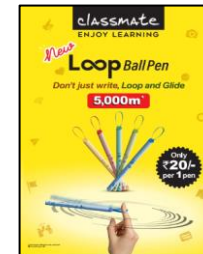
Aashirvaad Svasti Milk
Creamy Rich



Aashirvaad
Roasted Short Vermicelli



Bingo! Tedhe Medhe
Bhavnagari Gathiya |
Papdi Gathiya



Classmate pen
Loop Ball Pen

New Growth Vectors



Dermafique
Face Serum
Aqua Cloud



Sunfeast Fantastik!
4D Chocolate



Fabelle Exquisite Chocolates
Hazelnut Mousse



ITC Master Chef
Sabudana Tikki

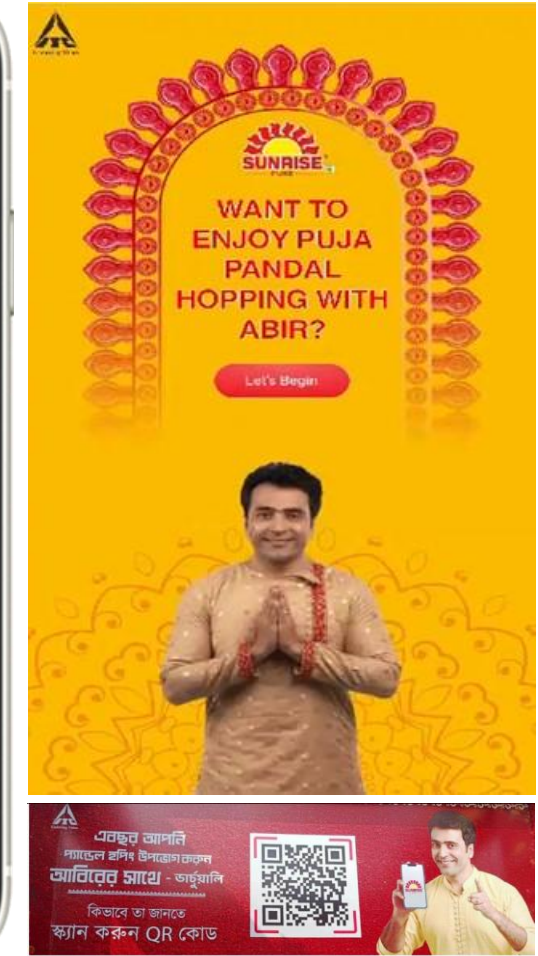
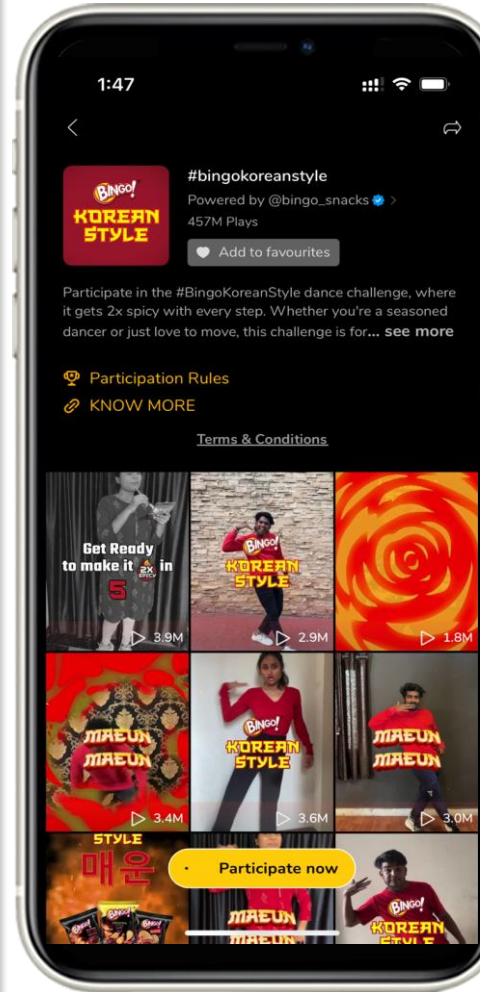
Celebrating Festivities with Exquisite Gifting Collections



Sharpening Value Proposition



Digital @ Consumer



#BingoKoreanStyle

Durga Puja: Sunrise Spices brings AI-Powered pandal-hopping experience with Abir Chatterjee

Marketing Campaigns Across Platforms



Brands with purpose



Sunfeast Mom's Magic has always championed the fierce Mom, who stands up for what's right. Through this campaign we aim to inspire her to become a #MomofChange and ensure equal inheritance for her daughter by making a Will of Change.

To support the initiative and to give daughters their equal inheritance visit willofchange.com

Campaign Live Now

*As per our survey conducted amongst 563 families in Kharpur, Madurai, Jaipur, Patna, Meerut between 09/07/2024 and 09/08/2024



Be elegantly eco-friendly
Cover made with
80% Recycled Plastic PET Bottles



Enduring Value

FMCG Cigarettes

Q2 FY25





Segment Revenue

8177 cr. ▲ 6.8%

Segment Results

5023 cr. ▲ 5.1%

- Q2 Net Segment Revenue* up 7.3% YoY
- Business continues to **counter illicit trade** and make **strategic portfolio & market interventions** with focus on competitive belts to **reinforce market standing**
 - **Differentiated variants & premium segment** continue to perform well
 - **Product portfolio** continues to be strengthened through the scale up of innovative & differentiated offerings as well as strategic laddering interventions, leveraging mainstream trademarks
 - Agile **last mile execution** leveraging deep and wide **distribution network**
- **Sharp cost escalation** in leaf tobacco, partly mitigated through improved mix, calibrated pricing & strategic cost management
- Trade marketing spends restructured for **sharper last mile execution**

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

Innovation

- **Classic Connect**
- **American Club Clove Mint**
- **Gold Flake Indie Mint**
- **Uni Klov**

Portfolio Fortification

- **Flake Spl**
- **Classic Burst Portfolio**
- **Scissors**
- **Silk Cut Red**

Recent Introductions

- **Classic Icon**
- **Gold Flake Social Red**
- **Gold Flake Social 2-Pod**
- **Bristol Maja Mix**
- **Gold Flake SLK**
- **Gold Flake Tango Mix**
- **American Club Super Slims**
- **Flight**



Enduring Value

Hotels Business Q2 FY25



Segment Revenue

728 cr. ▲ **12.1%**

2-Yr CAGR **+16.5%**

Segment Results

151 cr. ▲ **20.2%**

2-Yr CAGR **+34.2%**

- **Strong performance on a high base** (*LY includes G20 related business*)
 - F&B, Retail & Wedding segments drive growth
 - 2 new F&B outlets launched → *Ottimo* at ITC Grand Goa & *Avartana* at ITC Maurya
- **ITC Ratnadipa, Colombo**, continues to garner widespread appreciation
 - 250 Rooms and 8 F&B outlets operational
- **Demerger update:** Scheme sanctioned by NCLT on 4th October 2024 (certified copy of the Order awaited)

Asset Right Strategy

30 Hotels in last 24 months
(Oct 2022 – Sep 2024)

28 Hotels in next 24 months
(Oct 2024 – Sep 2026)

F&B offerings being expanded



Curated offerings to drive demand

Special occasions leveraged



This Teacher's Day, we're honouring the educators who have shaped our lives with exclusive dining and delivery offers – a heartfelt thank you to the mentors who guide us.



F&B collaborations



Culinary rendezvous featuring Asia's best

Michelin Star renowned

Chef Thitid (Le Du & Nusara) | Chef Pam (Potong)

ITC Maurya, ITC Grand Chola, ITC Royal Bengal & ITC Maratha

Celebrations on Gourmet couch







Enduring Value

Agri Business Q2 FY25



The screenshot shows the ITCMAARS mobile application interface. At the top, there is a navigation bar with a search icon, a notification bell, and a user profile icon. Below this is a 'Create Post' button with a plus sign, a magnifying glass, and a speech bubble icon. The main content area features a post from 'ITCMAARS Agri Expert' (38 m. Latur, Maharashtra) with a green 'फसल डॉक्टर' (Crop Doctor) tag. The post text reads: 'फसल डॉक्टर से पाएं फसल समस्या का संपूर्ण समाधान! किसान मित्रों, आईटीसी मार्स ऐप से अब आप अपनी फसलों के रोग व कीट की समस्या के संपूर्ण समाधान प्राप्त करें।' Below the text is a photo of a man in a white shirt working in a field. The post has 793 likes, 428 comments, and 172 shares. At the bottom of the post are icons for heart, comment, share, and bookmark. To the right of the post is a sidebar with a search icon, a notification bell, and a user profile icon. Below this is a banner for 'कृषि मित्र से अब किसानों को सवाल पूछना हुआ आसान' (It's now easier for farmers to ask questions to their crop friends). Below the banner is a 'कृषि मित्र चोलें' (Start Crop Friend) button. Below the button are two buttons: 'Call us Toll-Free' and 'Ask a question'. Below these are six service icons: 'Mandi price', 'Crop Doctor', 'Crop Calendar', 'Borrow Center', 'Fertilizer calculator', and 'Refer & Earn'. At the bottom of the app is a navigation bar with icons for 'MY FARM', 'BUY', 'SELL', and 'COMMUNITY'.

Segment Revenue

5781 cr. ▲ 47.1%

Segment Results

455 cr. ▲ 27.5%

- Value-Added Agri portfolio (e.g. Coffee, Fruits & Vegetables, Spices etc.) recorded robust growth
- Strong growth in Leaf Tobacco exports** leveraging strong customer relationships and new business development
- Business continues to scale up interventions to **build resilience** against extreme weather events **across Agri value chains** (including Wheat, Tobacco etc.) → enhancing crop competitiveness and protecting farmer incomes
- The **state-of-the-art facility**[^] to manufacture and export Nicotine & Nicotine derivative products commissioned; EU REACH approvals received. Product trials successfully completed on pilot basis; trials at scale underway; export shipments expected to be scaled up progressively



Multiple Sourcing Models

Farmer | Trader | Mandi



Multi Modal Transportation

Railway | Coastal | Road



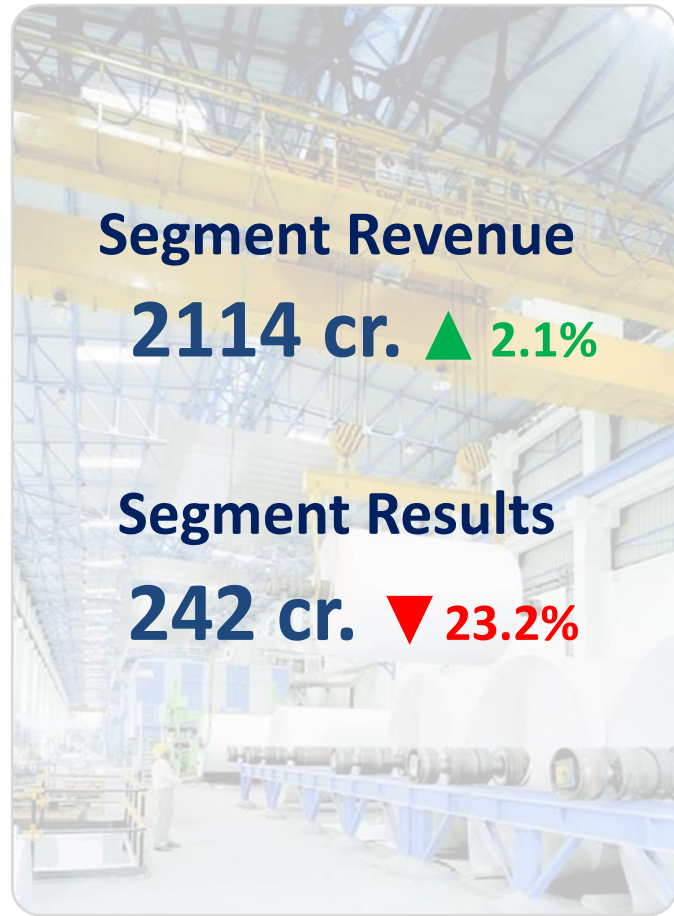
[^] Set up by ITC IndiVision Limited (IIVL), the Company's wholly owned subsidiary



Enduring Value

**Paperboards, Paper &
Packaging
Q2 FY25**





Segment Revenue up 2.1% YoY; up 7% QoQ

- Sharp focus on portfolio augmentation, export customer/market development and structural cost management to mitigate near term challenges
 - Leadership position in VAP segment reinforced through anchor grades
- Surge in domestic wood cost
 - Incessant rains in core plantation areas impacts wood availability, quality & procurement prices.
- Strategic interventions underway (accelerating plantations, developing new areas, SAT based monitoring) to mitigate wood crisis
- Continuous engagement with policy makers to address key industry challenges
 - Collaborative Public-Private plantation models
 - Arresting rapid increase of low priced imports



Financials

<i>Rs. Cr.</i>	Q2 FY25	Q2 FY24	YoY Growth
Gross Revenue	20,360	17,549	16.0%
Net Revenue	19,121	16,357	16.9%
EBITDA	6,335	6,042	4.9%
PBT	6,754	6,514	3.7%
PAT	5,078	4,927	3.1%

PAT up 3.7% on comparable basis, post adjusting for LTCG[^] tax related changes in Union Budget 2024.

Rs. cr.	Q2		
	FY25	FY24	YoY growth
Segment Revenue			
a) FMCG - Cigarettes	8177	7658	7%
- Others	5578	5292	5%
Total FMCG	13755	12949	6%
b) Hotels	728	649	12%
c) Agri Business	5781	3931	47%
d) Paperboards, Paper & Packaging	2114	2070	2%
Total	22377	19600	14%
Less : Inter Segment Revenue	2017	2051	-2%
Gross Revenue from sale of products and services	20360	17549	16%

- **Cigarettes:** Net Revenue up 7% YoY
- **FMCG Others**
 - **Revenue up 5% YoY** amidst subdued demand conditions & disruptions a/c excessive rains in parts of the country
 - Up 7% YoY ex-Notebooks
 - Staples, Biscuits, Snacks, Frozen Snacks, Dairy, Premium Soaps, Homecare & Agarbatti drive growth
 - Notebooks : high base effect, sharp drop in paper prices → opportunistic play by local brands
- **Hotels**
 - Strong performance on a high base; Revenue up 12% (2-yr CAGR 16.5%)
 - F&B, Retail & Wedding segments drive growth
- **Agri Business**
 - Revenue up 47% led by Leaf Tobacco & Value Added Agri products
- **Paperboards, Paper & Packaging**
 - Segment performance remains impacted due to subdued realisations, low priced Chinese supplies in global markets including India & soft domestic demand conditions.

<i>Rs. cr.</i>	Q2		
	FY25	FY24	YoY growth
Segment Results			
a) FMCG - Cigarettes	5023	4782	5%
- Others	442	439	1%
Total FMCG	5465	5220	5%
b) Hotels	151	126	20%
c) Agri Business	455	357	27%
d) Paperboards, Paper & Packaging	242	316	-23%
Total	6314	6019	5%
Less : i) Finance Cost	15	11	
ii) Other un-allocable (income) net of un-allocable expenditure	(456)	(505)	
iii) Exceptional items	1	-	
Profit Before Tax	6754	6514	4%

• FMCG Others

- Segment Results 2-yr. CAGR +17%
- Marginal drop of 35 bps in Segment EBITDA margins, amidst inflationary headwinds in input costs

• Hotels

- Segment results up 20% YoY

• Paper

- Subdued realisation + steep increase in domestic wood costs & ocean freight continue to weigh on margins

ITC – A Global Exemplar in Sustainability



ITC e-Choupal
4 Million Farmers empowered



Climate Smart Agriculture
Over 28 lac* acres covered



Natural Resources Management – Water Stewardship
Over 17.1 lac acres covered



On-farm livelihood diversification – Afforestation
Over 12.50 lac acres Greened



Off-farm livelihood diversification – Livestock Development
Over 22.5 lac milch animals covered



Primary Education
Reaching over 19.5 lac Children



Skilling & Vocational Training
Skilled over 1.1 lac youth



Mother & Child Health and Nutrition
Over 9.2 lac beneficiaries covered^

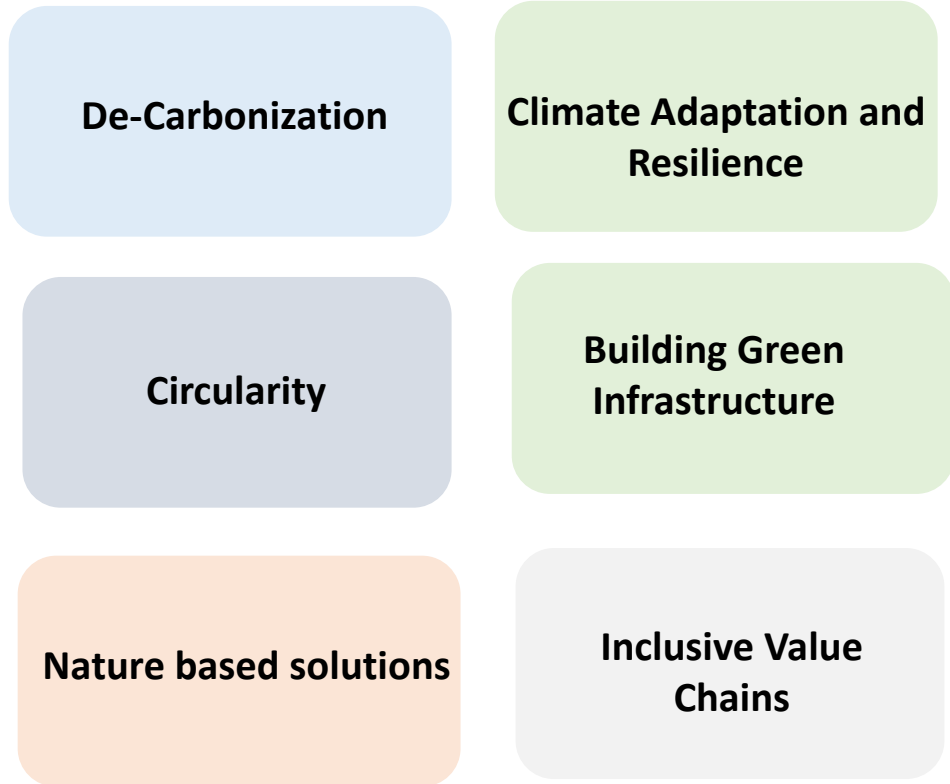


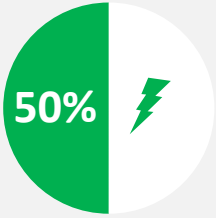

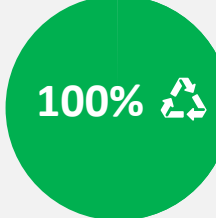


Solid Waste Management
Over 12.4 million households covered across programmes



Women Empowerment
Over 3.6 lac poor women covered

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 since 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

Sustainability – Highlights

- Comprehensive **policies & guidelines** institutionalized
- **9 ITC Units** have received **AWS (Alliance for Water Stewardship) Platinum certification** till date
- **50% energy from renewable sources** achieved for the first time, **well ahead of 2030 target**
- **Plastic Neutrality commitment exceeded** - ~70,000 MT of plastic waste managed in FY24
- **100% critical tier-1 suppliers trained** and ~40% assessed on ESG aspect
- **Water +ve (for 22 years), Carbon +ve (for 19 years), and Solid waste recycling +ve (for 17 years)**
- **World class ESG credentials – MSCI, DJSI, CDP** - Received 'A' rating in CDP water security for the first time



Sustained 'AA' rating 6 years in a row

Member of
**Dow Jones
Sustainability Indices**

Powered by the S&P Global CSA

Included in the Dow Jones
Sustainability Emerging Markets Index

ITC's CDP Scores

A

In Water Security

A-

In Climate Change

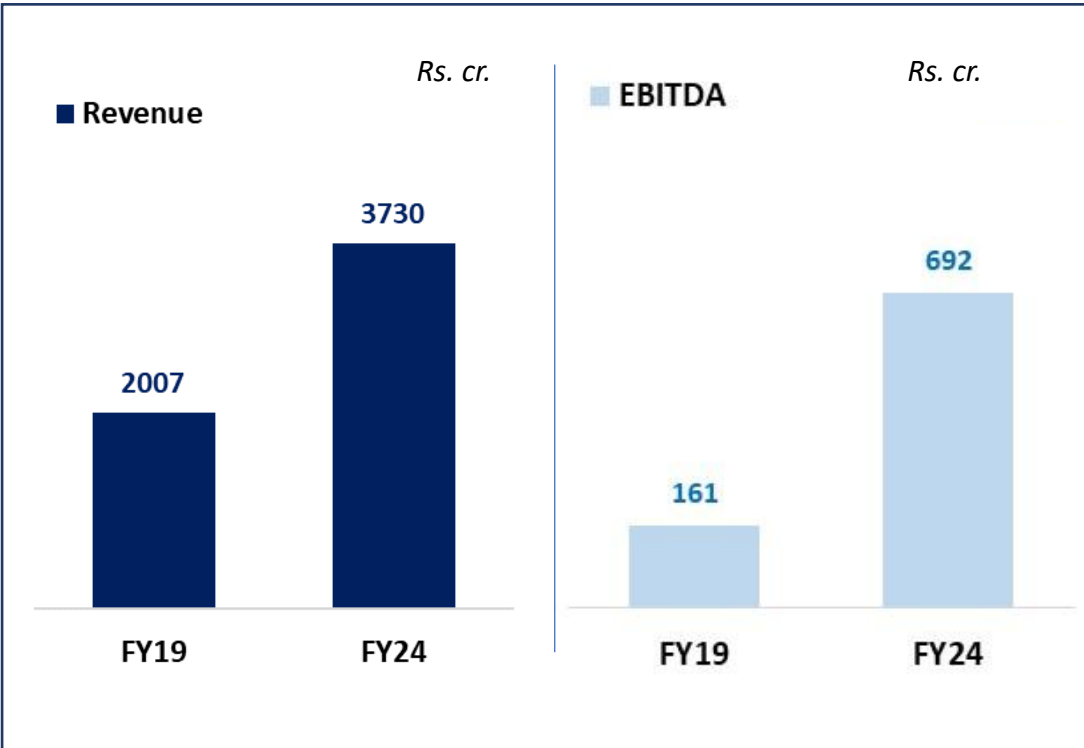


**Water Security: ITC ahead of
Asia regional average of 'C'.**

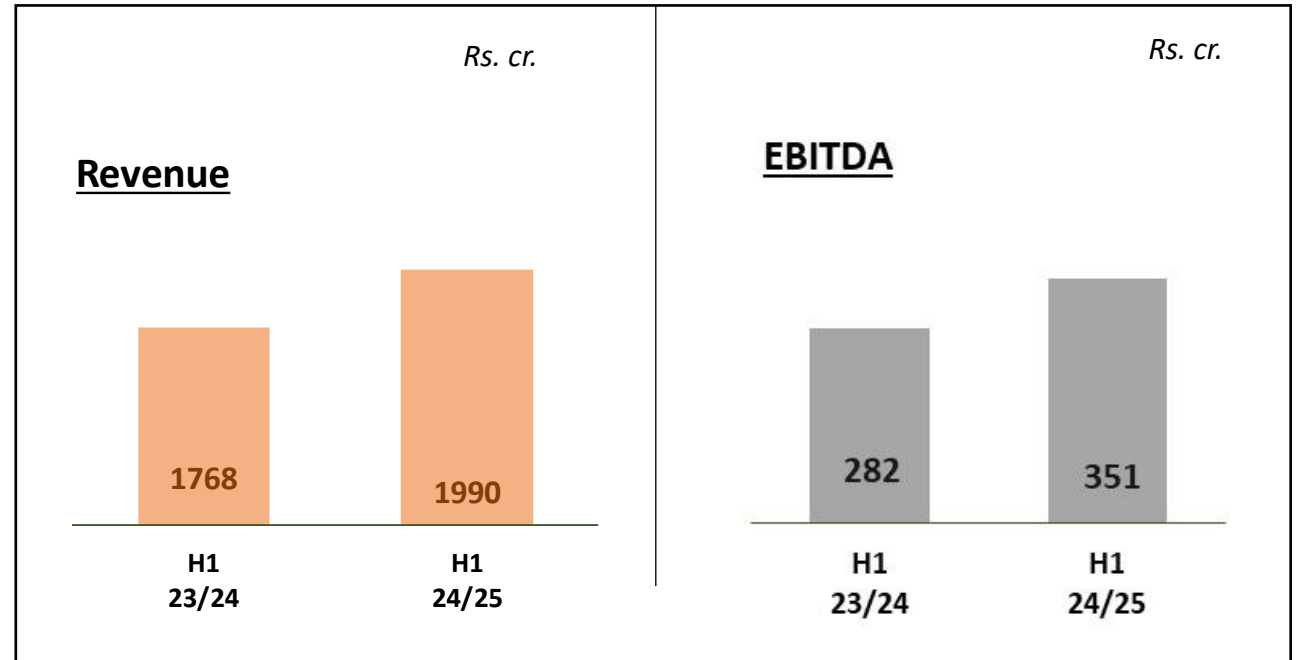
**Climate Change: ITC ahead of
Asia regional average of 'C'**

ITC Infotech





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



- **Broad based growth; Healthy Total Contract Value (TCV) signings**
- **Investments continue in Capability building in strategic focus areas, sales org. & infrastructure.**

Completed acquisition of 100% equity stake in **Blazeclan Technologies**. Acquisition is expected to augment ITC Infotech’s capabilities to service its customers in a multi-cloud and hybrid cloud environment with a focus on the Partner eco-system to accelerate future growth.









**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 : Abiding Commitment to Nation-Building	https://youtu.be/oP8d-Q8AD1w
Details on the Company's Sustainability 2.0 vision	https://www.itcportal.com/sustainability/sustainability-integrated-report-2024/ITC-Sustainability-Integrated-Report-2024.pdf
Quarterly Media Statement	https://www.itcportal.com/investor/pdf/ITC-Press-Release-Q2-FY2025.pdf