



ITC Limited
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11th February, 2021

The Manager
Listing Department
National Stock Exchange of
India Ltd.
Exchange Plaza
Plot No. C-1, G Block
Bandra-Kurla Complex
Bandra (East)
Mumbai 400 051

The General Manager
Dept. of Corporate Services
BSE Ltd.
P. J. Towers
Dalal Street
Mumbai 400 001

The Secretary
The Calcutta Stock
Exchange Ltd.
7, Lyons Range
Kolkata 700 001

Dear Sirs,

Unaudited Financial Results – Media Statement and Presentation

Further to our letter dated 11th February, 2021 forwarding the Unaudited Standalone and Consolidated Financial Results of the Company for the Quarter and Nine Months ended 31st December, 2020, we now enclose copies of the Media Statement issued by the Company and a presentation on the Company's financial performance for the aforesaid period for information of the investors.

Yours faithfully,
ITC Limited

Nidhi Bajaj

(N. Bajaj)
Deputy Company Secretary

Encl. as above.



cc: Securities Exchange Commission
Division of Corporate Finance
Office of International Corporate Finance
Mail Stop 3-9
450 Fifth Street
Washington DC 20549
U.S.A.

cc: Societe de la Bourse de Luxembourg
35A Boulevard Joseph II
L-1840 Luxembourg



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Media Statement

February 11, 2021

Standalone Financial Results for the Quarter ended 31st December, 2020

Highlights

- **Board recommends Interim Dividend of Rs. 5 per share for the Financial Year ending 31st March, 2021.**
- **Strong sequential recovery momentum continues across segments including Cigarettes. Gross Revenue up 5% sequentially (q-o-q) and over last year (y-o-y); PBT up 13% q-o-q.**
- **FMCG-Others Segment sustains double-digit revenue growth** despite demand moderation in certain categories with consumers broadening their purchase assortment and lower 'at-home' consumption on the back of increased mobility.
 - **Revenue up 11% y-o-y on a comparable basis* (up 16% YTD December'20)**
 - Staples, Convenience Foods and Health & Hygiene products record growth of 11% (YTD +23%).
 - Discretionary/'out-of-home' categories post smart recovery to grow by 11% (YTD -5%).
 - 'Savlon' clocks Rs. 1000 crores consumer spend in YTD December'20.
 - **Segment EBITDA up 28% (YTD up 44%); Segment EBITDA margins expand 150 bps to 9.2% (YTD +210 bps).**
- **Progressive improvement in Hotels Revenue** aided by higher RevPar and F&B business across most locations; turned **EBITDA positive** in December'20 and break-even for the quarter.
- **Relentless focus on cost reduction helps mitigate impact of negative operating leverage.**

*Excluding Lifestyle Retailing Business (restructuring underway) & Education and Stationery Products Business (impact of closure of educational institutions).

The operating environment remained challenging even as economic activity picked up pace progressively during the quarter with the easing of restrictions and increased mobility. High frequency lead economic indicators pointed to green shoots of recovery in aggregate demand and supply, leading to upward revisions in GDP growth estimates for FY 2020-21. The agriculture sector remained resilient while core sector industries witnessed persistent weakness although an improving trajectory was visible there as well. Contact-intensive

1

segments of the services sector such as aviation and hospitality, and discretionary consumption continued to lag the rest of the economy.

Against this backdrop, the Company recorded a strong recovery in operational performance. **Gross Revenue** stood at Rs. 12491.63 crores, up 5% y-o-y (Q1: -17%, Q2: +1%) driven mainly by the Agribusiness and FMCG-Others Segment, which sustained double-digit comparable revenue growth momentum despite moderation of demand in certain categories after a sharp lockdown induced surge in the first half of the financial year. The impact of negative operating leverage was partially mitigated through relentless focus on cost reduction. **Profit After Tax** stood at Rs.3662.85 crores representing a decline of 3.7%, on a comparable basis (adjusting for one-time benefit of Rs. 340 crores in base period due to reduction of corporate tax rate). Total Comprehensive income stood at Rs. 3726.18 crores (previous year Rs.3777.71 crores). Earnings Per Share for the quarter was Rs. 2.98 (previous year Rs.3.37).

The Company was declared the 'Best Governed Company' at the 20th Institute of Company Secretaries of India (ICSI) National Awards for Excellence in Corporate Governance, 2020, in the 'Listed Segment: Large Category'.

The marked reduction in daily Covid cases and ongoing vaccination drive are expected to provide a fillip to business sentiment and consumer confidence, as well as boost economic activity going forward. The Company continues to closely monitor the situation and is well prepared to respond with agility to strengthen its market standing.

The focus of the Union Budget 2021 on enhanced capital expenditure, heightened spends on agriculture, rural infrastructure development, healthcare, innovation and R&D along with stability in taxation will provide an accelerated thrust to economic recovery and engender a virtuous cycle of consumption, investment and employment.

FMCG - OTHERS

The significant surge in demand for staples and convenience foods witnessed during the lockdown phase ebbed during the quarter with consumers broadening their purchase assortment and lower 'at-home' consumption on the back of increased mobility. Demand for health & hygiene products remained elevated even as the pace of growth moderated as compared to the first half of the year. Discretionary/'out-of-home' consumption products witnessed smart recovery buoyed by pent-up demand and increased availability across channels. Heightened concerns on hygiene and safety continued to manifest in consumers' preference for trusted brands.

Against this backdrop, the 'Savlon' range of Health & Hygiene products sustained its high growth trajectory, albeit at a relatively lower pace as compared to the previous two quarters. 'YIPpee!' Noodles continued to record strong growth while 'Aashirvaad' Atta and 'Sunfeast' Biscuits, which had witnessed significant surge in demand in H1, moderated during the quarter. 'Bingo!' Snacks regained double-digit revenue growth while deodorants and confectionery saw appreciable sequential uptick.

Segment Revenue stood at Rs. 3562 crores representing a growth of 11% on a comparable basis driven mainly by robust growth in Health & Hygiene products, Noodles, Snacks, Spices, Dairy, Agarbatti and Matches. Most major categories enhanced their market standing during the quarter. Segment EBITDA grew by 28% to Rs.326 crores with margins expanding by 150 bps y-o-y to 9.2%. This was driven by higher operating leverage, enhanced operational efficiencies, portfolio premiumisation and product mix enrichment, notwithstanding incremental operating costs due to Covid-19 and gestation costs of new categories/facilities.

Consumer preference for 'contactless shopping' and home delivery, continues to gain prominence. The Businesses remained proactively engaged with e-Commerce platforms and aligned supply chains to deliver the right SKUs and service emergent demand in an efficient manner. Sales through the e-Commerce channel continued to grow at a rapid pace, doubling over last year. The channel now accounts for 5% of Segment Revenue. The Modern Trade channel, staged a strong recovery after a soft H1. Sales in rural markets remained strong while urban markets witnessed progressive improvement aided by increased mobility and easing of restrictions.

Risks and uncertainties associated with fluctuating demand levels continued to be managed with agility leveraging shorter operations planning cycles and predictive analytics. Market and outlet coverage were stepped up to appx. 1.3x and 1.1x respectively compared to pre-Covid levels. Direct-to-market shipments were also scaled up substantially to ensure freshness and reduced time-to-market in categories like atta, snacks and biscuits.

The FMCG Businesses continue to leverage digital technologies to drive productivity, improve market servicing, draw actionable insights for sharp-focused interventions, augment sales force capability and deepen connect with retailers. Recent initiatives include UNNATI (eB2B App) & VIRU (Virtual Salesman App) platforms, which facilitate digital ordering and trade engagement; direct-to-consumer e-Commerce platform (ITC e-Store); WhatsApp based chatbot (ITC Storelocator) enabling easier access for consumers to ITC products in their vicinity; deployment of innovative delivery models and use of alternate channels (ITC Store-on-Wheels) and use of AI/ML for outlet level actionable insights, etc.

The Company's innovation strategy remains focused on addressing continuously evolving consumer needs through world-class products leveraging the state-of-the-art capabilities of its Life Sciences & Technology Centre. During the first nine months of the year, the Company **launched over 100 new products in record time** with compelling value propositions, demonstrating its agility and execution excellence in testing times. A range of innovative and first-to-market products were recently launched, which include:

- 'YiPPee!' Saucy Masala Noodles, in unique red colored noodle blocks, with a drizzle of tomato sauce;
- 'Sunfeast Dark Fantasy' Choco Chip and Choco Nut Fills biscuits comprising a combination of cashews, almonds and hazelnuts;
- 'B Natural' Pom+ immunity juice and ready-to-drink immunity soups in two variants - Red Veggie and Tomato;

- ‘Aashirvaad Svasti’ ‘Select Milk’ with the added assurance to consumers through ready online access to quality report for each pouch;
 - Khatta Meetha Poha, Veggie Upma, Mini Idli Sambar, Suji Halwa with Jaggery under Aashirvaad range of breakfast and snacking meals made with the goodness of grains and vegetables;
 - ‘Sunfeast Caker’ an exciting range of cakes with variants such as Trinity and Swiss Roll;
 - Range of organic dals and pulses under ‘Aashirvaad Nature’s Super Foods’;
 - Range of frozen snacks and all-purpose gravies under ‘ITC Master Chef’;
 - ‘Savlon ‘Pichkiao’ Handwash in a unique easy squeeze pack.
- The **Branded Packaged Foods Businesses** delivered a resilient performance driven by strong growth in Noodles, Snacks, Spices and Dairy categories.
- **Aashirvaad Atta fortified its leadership position** in the branded atta industry with robust growth in value added variants. **Aashirvaad Salt** also recorded strong growth. Organic atta & pulses and low sodium salt variants, launched in recent months, continued to receive encouraging consumer response.
 - **YiPP=ee! Noodles** sustained its high growth trajectory with **significant gains in** market standing.
 - **Sunfeast Biscuits** sales moderated after robust growth in the first half, in line with industry trends. The recently launched **Sunfeast Caker** Trinity and Swiss Roll cakes received excellent response from consumers.
 - **Bingo! Snacks** regained double-digit growth, driven by potato chips and Tedhe Medhe.
 - **Aashirvaad Svasti** range of fresh dairy products and ghee posted robust growth; product range was expanded in select markets of Patna and Kolkata.
 - The **ITC Master Chef range of Frozen Snacks**, comprising 30 differentiated variants, continued to garner increasing consumer franchise.
- The **Personal Care Products Business recorded strong growth**, albeit at a lower pace compared to the first half of the financial year.
- In the **Health and Hygiene** space, the Savlon range of antiseptic liquids, handwash, sanitising products and soaps continued to grow at a rapid pace; the brand clocked over Rs.1000 crores of consumer spend during the nine months period ending December’20.
 - **Liquids** portfolio comprising **Handwash & Bodywash** continued to grow at a fast clip.
 - With growing preference for natural products, ‘**Nimyle**’, a 100% natural floor cleaner grew rapidly strengthening its market standing in the East (No.1 brand of floor cleaner in West Bengal and Odisha) while continuing to gain traction in new

markets. The range was augmented with the launch of a lemongrass fragrance variant.

- The product range of '**Dermafique**', a Digital First premium skin care brand, was augmented with the launch of bio-cellulose sheet masks - co-designed by dermatologists and made from bio-degradable fibres derived from 100% natural coconut water using patented technology. Leveraging the face equity of the '**Charmis**' brand, the Business launched the 'Charmis Radiance Range' of face wash, face serum and hand cream in target markets.

- **The Matches and Agarbatti Business** posted strong growth driven by festive season demand, strong brand equity, focused initiatives to enhance availability and targeted trade inputs. The 'Mangaldeep' Agarbatti & Dhoop portfolio stood augmented with the launch of Anushri 3-in-1 & Anushri Pineapple Agarbattis and Treya 3-in-1 Dhoop.

- **Digital marketing interventions**
Capabilities of the state-of-the-art Marketing Command Centre - '**Sixth Sense**' continued to be leveraged to launch several contextual and relevant communication campaigns based on real time insights and data analytics.
 - Key campaigns during the quarter include:
 - **Home Plate League (HPL)**: a creative idea that ran during the IPL enabled home chefs to interact with leading food bloggers.
 - **#ChillwithBingo**: a campaign on social media platforms deepening consumer engagement with Bingo!
 - Aashirvaad's association with the popular Tamil webseries 'Vallamai Tharayo' on YouTube drove consumers to access the brand's innovative recipes online.
 - Focused campaigns led to manifold increase in followers of YiPPee! and Bingo! on Instagram during the period April-December'20, enhancing brand engagement on social media.
 - A virtual summit on 'Digital Enablement for Kirana Outlets' was held to educate and upskill retailers on best practices in retail management. The summit saw an overwhelming participation of over 1500 retailers, securing a place in the **GUINNESS WORLD RECORDS®** for '**Most viewers for a retail management live stream on a bespoke platform**'.

FMCG - CIGARETTES

- Volumes and revenue witnessed strong sequential recovery led mainly by metros and large town markets on the back of progressive easing of restrictions and enhanced mobility. On a y-o-y basis, Net Revenue was lower by 7.6% compared to 14.4% y-o-y in Q2.
- Several innovative variants such as 'Gold Flake Neo' in a new format, 'Classic Connect', 'American Club Clove Mint', 'Gold Flake Indie Mint' and 'Capstan Fresh Flavour' were launched in recent months to cater to continuously evolving consumer preferences and reinforce market standing.

- Portfolio was further fortified with the introduction of 'Gold Flake Luxury Filter', 'Gold Flake Neo SMART Filter', 'Navy Cut Deluxe Filter', 'Player's Gold Leaf Chase', 'Gold Flake Star'.
- Refreshed packs of 'Navy Cut', 'Navy Cut Deluxe Filter', 'Navy Cut Special' and 'Navy Cut Century' were launched.
- Other portfolio interventions in focus markets include 'Player's Gold Leaf Rush', 'Gold Flake Super Star', 'Gold Flake Regal Special', 'Royal Rich Flavour' and 'Royal Premium Blend'.
- Strengthened direct reach in target markets across all traditional trade channels; stockist network was also augmented to service rural/semi-urban markets more efficiently.
- Further consolidated market standing leveraging a robust portfolio, wide distribution reach, superior market servicing infrastructure and portfolio interventions.
- 13% Tax hike w.e.f 1st Feb.'20 continues to weigh on Legal Industry volumes.
- Wide availability of smuggled cigarettes continues despite deterrent actions and heightened levels of seizures by concerned authorities; remains a key challenge for the legal cigarette industry which has witnessed significant reduction in volumes in recent years.

HOTELS

- **Segment Revenue witnessed progressive recovery with improvement in Room and F&B business. Turned EBITDA positive in December'20 and break-even for the quarter.**
 - Wedding business, staycations/motorable getaways were the key drivers besides healthcare/quarantine related business.
 - Leisure destinations turned in a strong performance reflecting the continuing trend of short getaways with hill stations, Rajasthan and Goa leading the charts.
 - New F&B initiatives received excellent response. Home delivery/takeaway offerings augmented with the introduction of 'Biryani & Pulao Collection' comprising timeless flavours of classic culinary dishes from across the nation.
 - RevPar improves across business locations; however, remains below pre-Covid levels.
- Aggressive cost reduction measures led to ~44% reduction in controllable cash fixed costs.
- In line with the 'Asset-Right' growth strategy, the portfolio of managed properties was augmented with the addition of Welcomhotel Shimla; Welcomhotel Port Blair (formerly, Fortune Resort Bay Island) was relaunched after comprehensive refurbishment of rooms and other amenities.

PAPERBOARDS, PAPER & PACKAGING

- Paperboards and Specialty Papers business recorded strong recovery in volumes with exports continuing to grow at a rapid pace. Softer realisations weighed on revenue growth.

- Consumer offtake continued to improve across most major end user segments in paperboards barring publication, notebooks and wedding cards. Specialty papers witnessed strong growth driven by pharma and décor segments.
- The cartons segment of the Packaging and Printing Business recorded robust growth led by exports.
- The Business continues to focus on developing **sustainable paperboard and packaging solutions** for end-customers leveraging the Company’s state-of-the-art Life Sciences and Technology Centre. The **recyclable barrier board ‘Filo’** series and **biodegradable ‘Omega Series’** continue to gain robust customer franchise. Further, the Business has also developed antiviral paper for applications in pharma and education & stationery businesses which is in the process of commercialisation. Similarly, the Packaging Business has developed unique and novel solutions including **Bio-seal** (bio-degradable packaging solution for QSR, personal care and packaged foods industries) and **Oxyblock** (a recyclable packaging solution with enhanced barrier properties) which are under various stages of commercialisation.

AGRI BUSINESS

Robust growth of 18.5% in Segment Revenue driven by higher **wheat supplies** for Aashirvaad atta and trading opportunities in **rice, soya and wheat exports**.

- Leveraged the e-Choupal network to enhance direct procurement amidst challenging operating conditions.
- In the Value Added portfolio, export of spices to Food Safe markets continued to gain strong traction.
- Leaf exports were impacted by subdued demand for leaf tobacco in international markets. Adverse business mix weighed on Segment Results.

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

ITC has sustained its **‘AA’ rating by MSCI-ESG** - the highest amongst global tobacco companies. ITC has also been included in the **Dow Jones Sustainability Emerging Markets Index** - a reflection of being a sustainability leader in the industry and a recognition of the Company’s continued commitment to people and planet.

ITC is a **global exemplar in sustainability**, the key highlights of which are given alongside:



The Board of Directors, at its meeting in Gurugram on 11th February, 2021, approved the financial results for the quarter ended 31st December, 2020, which are enclosed.

Product/initiative	Link
YiPPee! Saucy Masala Noodles	https://youtu.be/7EL60151PRE
Sunfeast Caker Trinity	https://youtu.be/T5WXDHLS18c
Aashirvaad Svasti Select Milk	https://www.aashirvaadsvasti.in/select-milk.aspx
Khatta Meetha Poha, Veggie Upma, Mini Idli Sambar, Suji Halwa	https://www.aashirvaad.com/Instant-meal
Charmis Deep Radiance Face Serum	https://youtu.be/KQF3krebVzI
YiPPee! and Bingo! on Instagram	https://www.instagram.com/sunfeast_yippee/ https://www.instagram.com/bingo_snacks/
Home Plate League (HPL)	https://www.instagram.com/p/CGSfGXGBZi2/
#ChillwithBingo	https://youtu.be/GhNGC2xiVXo
"WeAssure" programme	https://www.itchotels.in/content/dam/projects/hotelswebsite/itc-hotels/WeAssure/WeAssure-itc-hotels.pdf
Results Presentation	https://www.itcportal.com/investor/pdf/ITC-Quarterly-Result-Presentation-Q3-FY2021.pdf

Nazeeb Arif

(Nazeeb Arif)
Executive Vice President
Corporate Communications



Enduring Value

NATION FIRST: SAB SAATH BADHEIN

Q3 FY21 Results

11th February, 2021

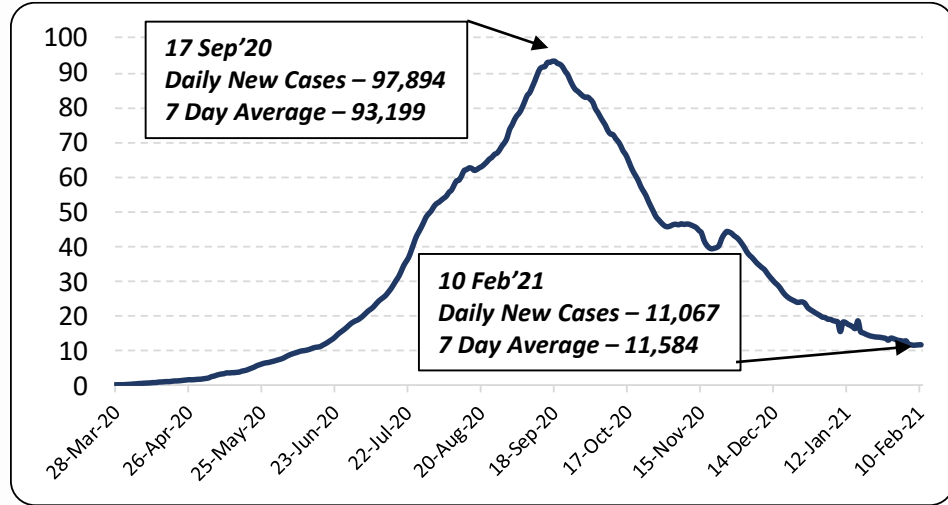
This presentation contains certain forward-looking statements including those describing the Company's strategies, strategic direction, objectives, future prospects, estimates etc. Investors are cautioned that "forward looking statements" are based on certain assumptions of future events over which the 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.

Sustained decline in daily Covid cases since Sep'20 in India

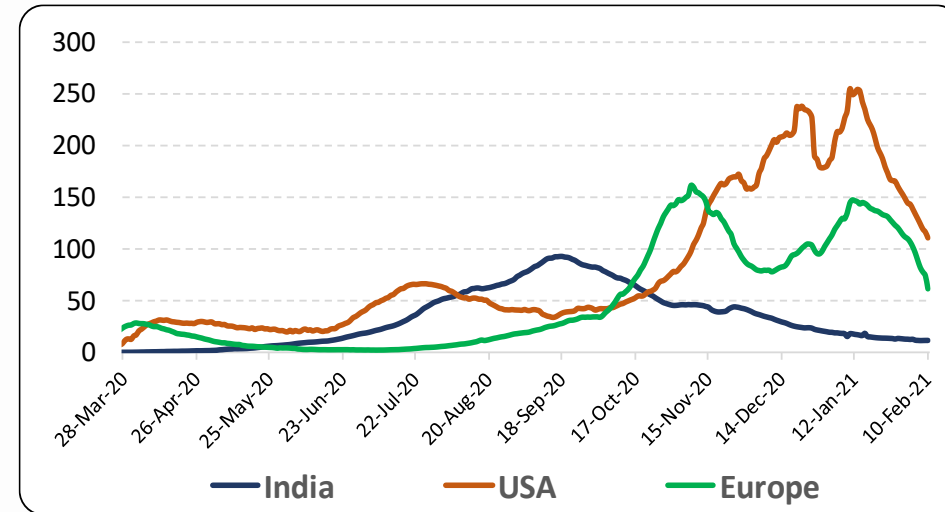
New wave in US / Europe spurs fresh lockdowns/restrictions



India: New Cases – Moving 7-day Average ('000s)



US/Europe: New Cases – Moving 7-day Average ('000s)



Decline in daily Covid cases & vaccine roll out expected to boost Consumer Confidence & Business Sentiment

Union Budget 2021 will provide accelerated thrust to economic recovery and engender a virtuous cycle of consumption, investment & employment

Worldwide

Doses given: **147M** (+11.8M)
 Doses per 100 people: **1.89** (+0.15)

Vaccine Roll out

Location	Doses given	Doses per 100 people
United States	43.2M	13.16
China (Mainland)	40.5M	2.95
United Kingdom	13.2M	19.75
India	6.61M	0.48
Israel	5.83M	64.42
United Arab Emirates	4.53M	46.33

High Frequency Indicators

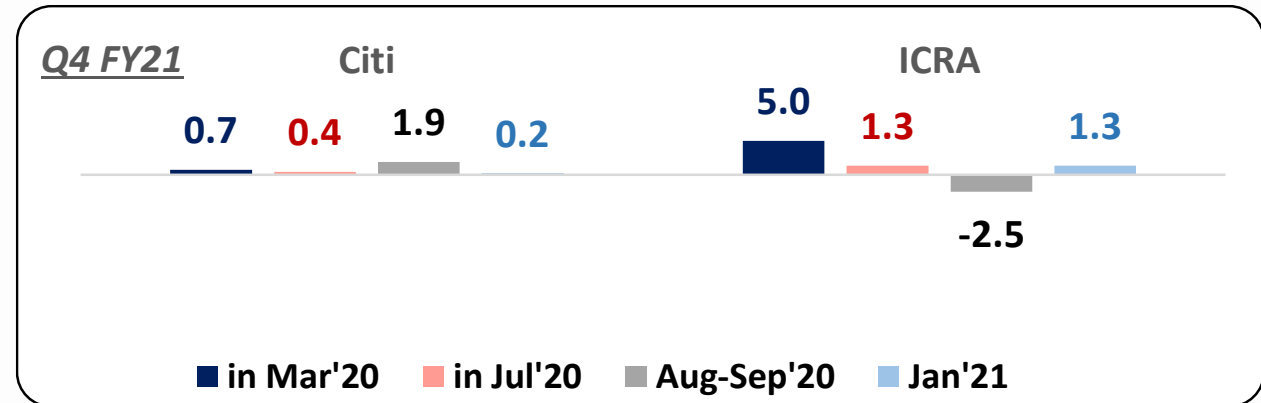
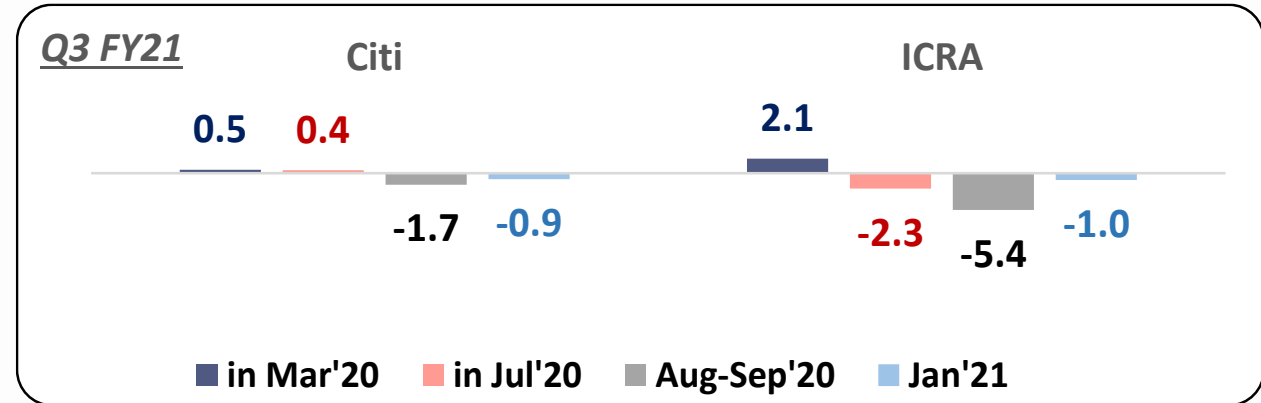
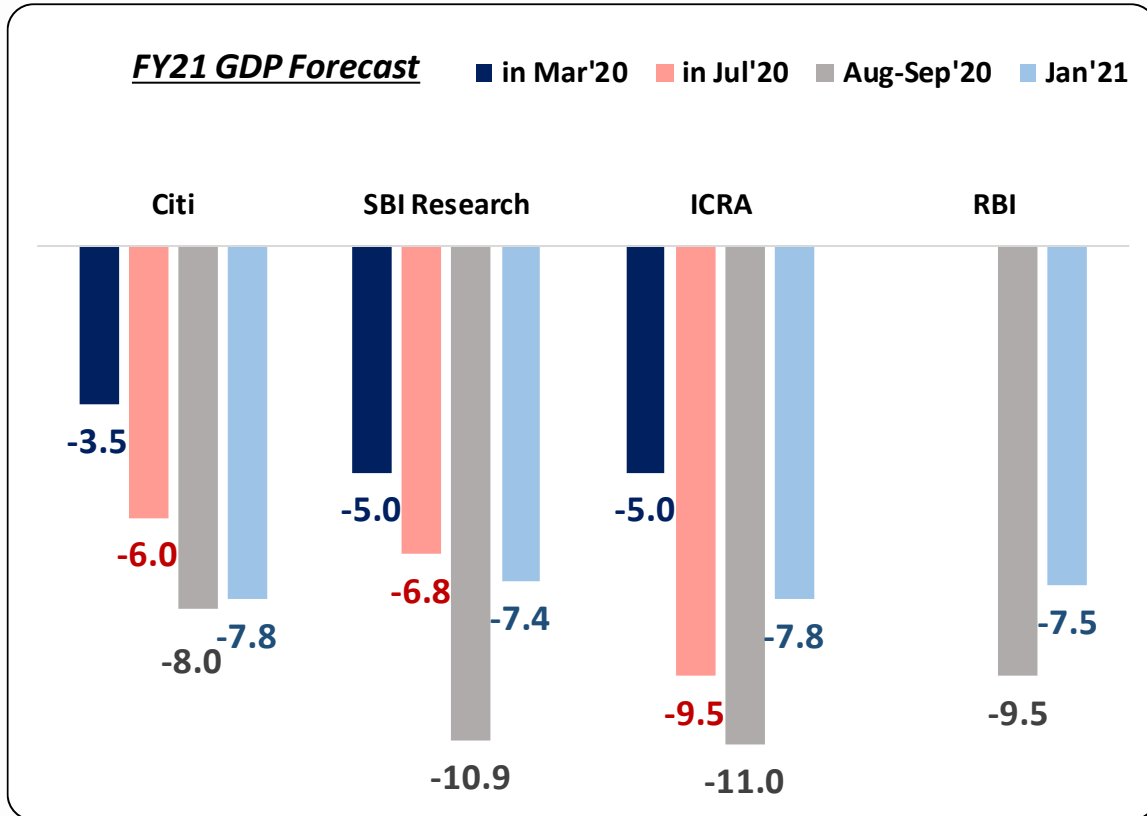
Progressive improvement since Sept'20
with easing of restrictions



<i>High Frequency Indicators (Goly)</i>	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21
Exports Growth	-2.1	3.3	-34.3	-61.0	-35.7	-12.2	-9.5	-12.2	6.0	-5.1	-8.7	0.1	5.4
Imports Growth	-0.7	3.6	-28.0	-59.7	-51.0	-48.0	-29.6	-26.0	-19.6	-11.5	-13.3	7.6	2.1
Ports Cargo volumes	2.5	4.4	-5.1	-21.1	-23.3	-14.5	-13.2	-10.4	-1.9	-1.2	2.8	4.4	
Railway Freight Traffic	3.0	6.5	-13.9	-35.3	-21.3	-7.7	-4.6	3.9	15.5	15.3	9.0	8.7	
Domestic Air Passenger Traffic	1.5	9.8	-32.9	-99.9	-97.4	-83.5	-82.6	-75.8	-65.8	-57.2	-50.9	-43.7	
Domestic Tractor Sales	4.8	21.3	-49.9	-79.4	4.0	22.4	38.5	74.7	28.3	7.7	51.3	43.1	
Domestic Passenger Car Sales	-8.1	-8.8	-52.1	NA	-89.9	-58.0	-12.0	14.1	28.9	9.7	-2.8	8.4	
Domestic Two Wheelers Sales	-17.0	-10.1	-47.1	NA	-83.8	-38.6	-15.2	3.0	11.6	16.9	13.4	7.4	
Commercial Vehicle Registration	-6.9	13.0	NA	NA	-96.6	-83.8	-72.2	-57.4	-33.7	-30.3	-31.2	-13.5	
Three Wheeler Sales	12.7	-31.0	-58.3	NA	-95.3	-80.1	-77.2	-75.3	-71.9	-60.9	-57.6	-58.9	
GST Collections	8.1	8.3	-8.4	-71.7	-38.0	-9.0	-14.4	-12.0	3.9	10.2	1.4	11.6	8.1
IIP	2.2	5.2	-18.7	-57.3	-33.4	-16.6	-10.5	-7.1	0.5	4.2	-1.9		
IIP Consumer Durables	-3.7	-5.8	-36.5	-95.7	-70.3	-34.8	-23.7	-10.2	3.4	18.0	-0.7		
IIP Consumer Non-Durables	-0.6	1.5	-20.2	-36.1	-9.7	6.9	1.8	-3.0	2.4	7.1	-0.7		
Steel Production	1.6	2.9	-21.9	-82.8	-40.4	-23.2	-6.5	0.5	6.2	4.0	-0.5	-2.7	
Cement Production	5.1	7.8	-25.1	-85.2	-21.4	-6.8	-13.5	-14.5	-3.4	3.2	-7.3	-9.7	
Coal Production	8.0	11.3	4.0	-15.5	-14.0	-15.5	-5.7	3.6	21.0	11.7	3.3	2.2	
Fertilizers Production	-0.1	2.9	-11.9	-4.5	7.5	4.2	6.9	7.3	-0.3	6.3	1.6	-2.9	
Natural Gas Production	-9.0	-9.6	-15.1	-19.9	-16.8	-12.0	-10.2	-9.5	-10.6	-8.6	-9.3	-7.2	
CPI Inflation	7.6	6.6	5.8	7.2	6.3	6.2	6.7	6.7	7.3	7.6	6.9	4.6	
CPI Food & Beverages Inflation	11.7	9.5	7.8	10.5	8.4	7.9	8.5	8.3	9.8	10.1	8.9	3.9	
Non Food Bank Credit	8.5	7.3	6.7	7.3	6.8	6.7	6.7	6.0	5.8	5.6	6.0	5.9	
Industry Credit	2.5	0.7	0.7	1.7	1.7	2.2	0.8	0.5	0.0	-1.7	-0.7	-1.2	

Upward revisions to FY21 GDP estimates

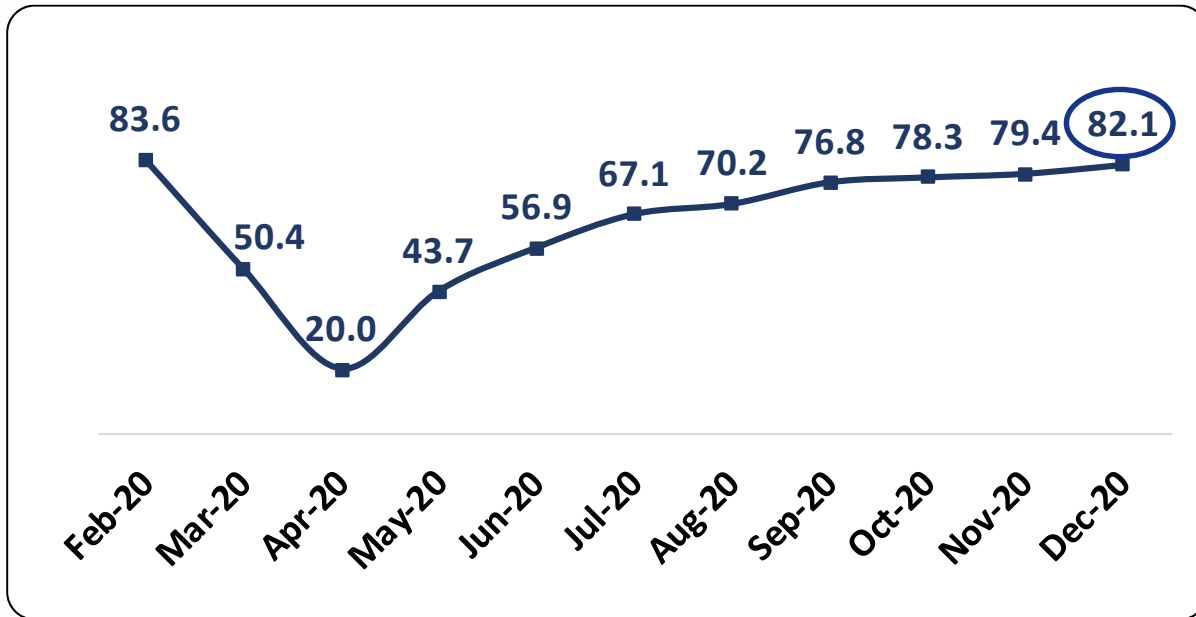
Improvement in Quarterly outlooks



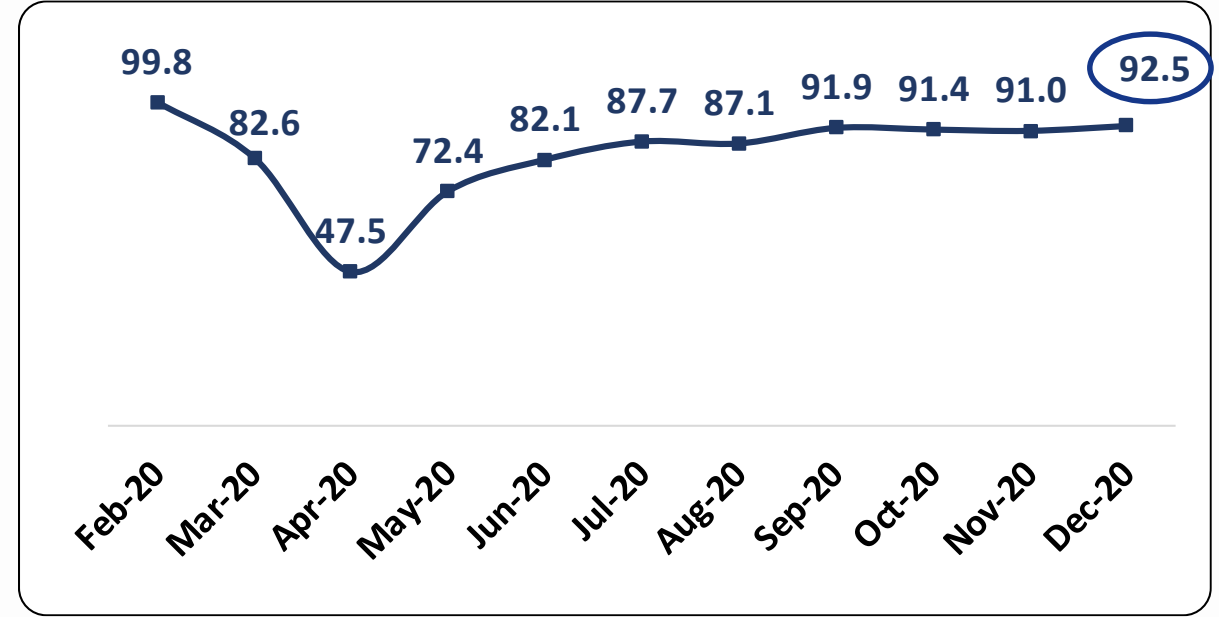
FY21 GDP is expected to decline by ~7.7% (1st AE)

H2 FY21 GDP growth is expected to be flattish y-o-y

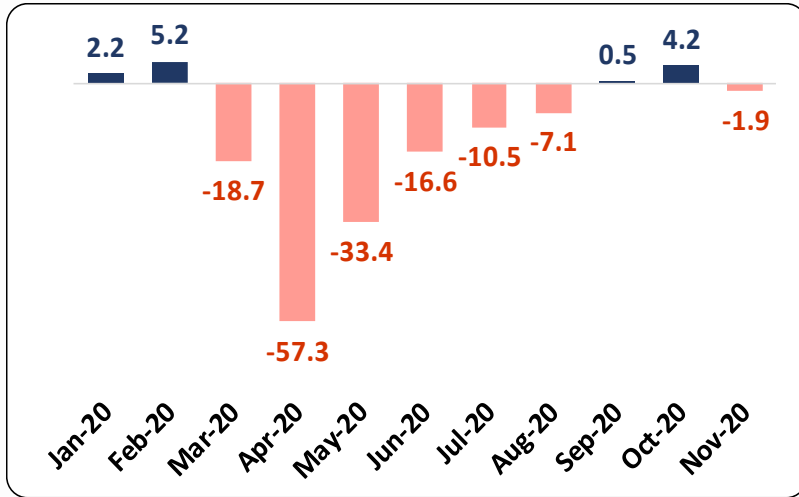
Aggregate Demand



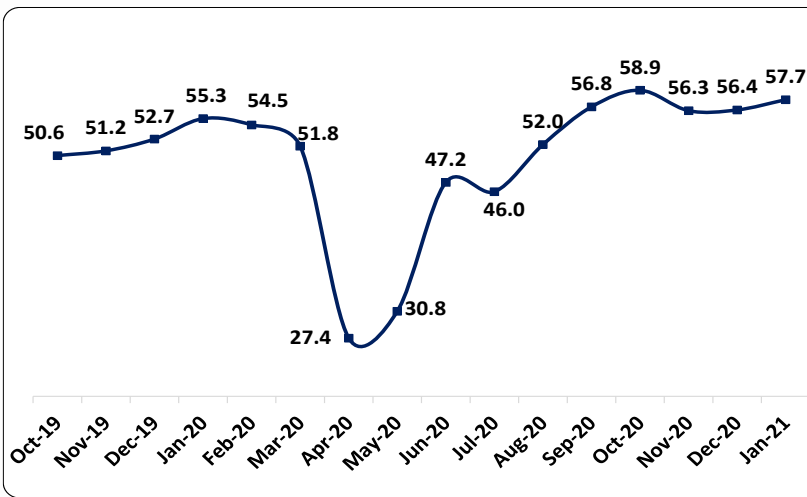
Aggregate Supply



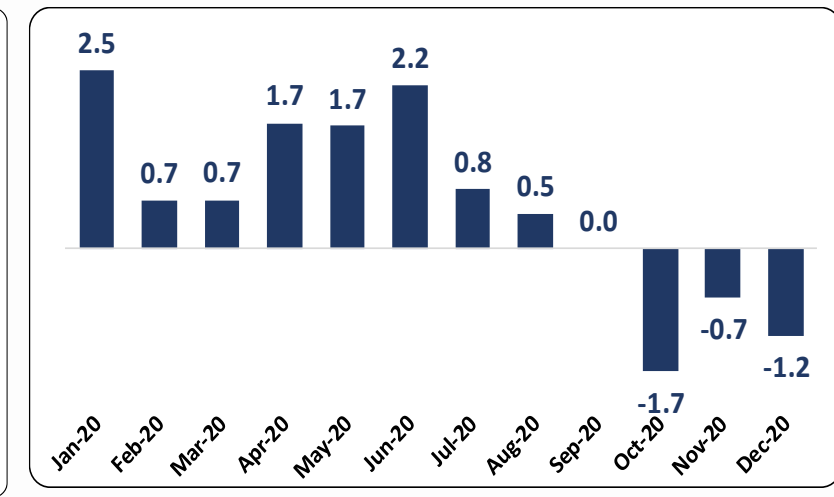
Index of Industrial Production (YoY %)



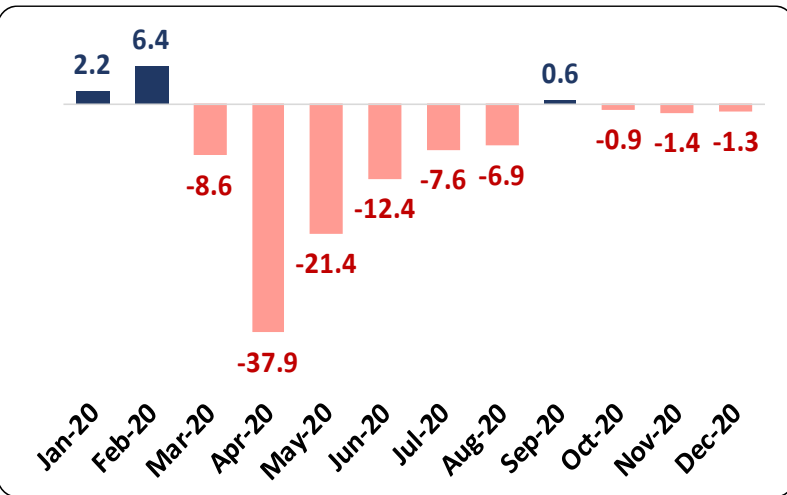
Manufacturing PMI (YoY %)



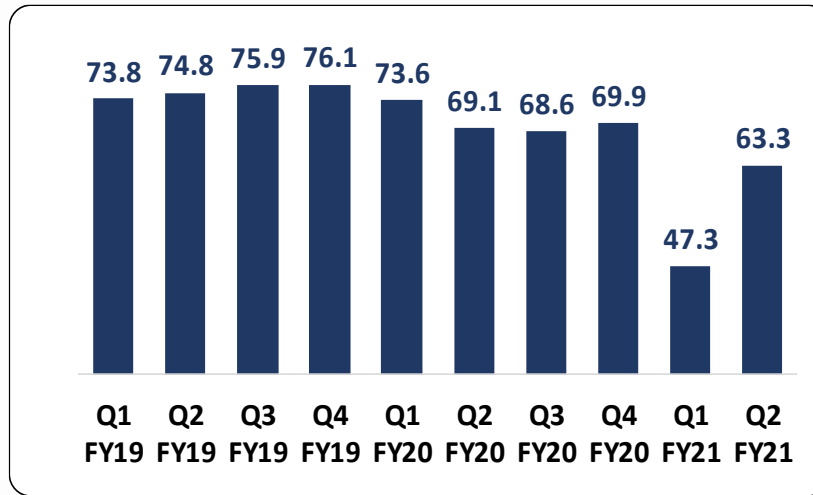
Industry Credit Growth (YoY %)



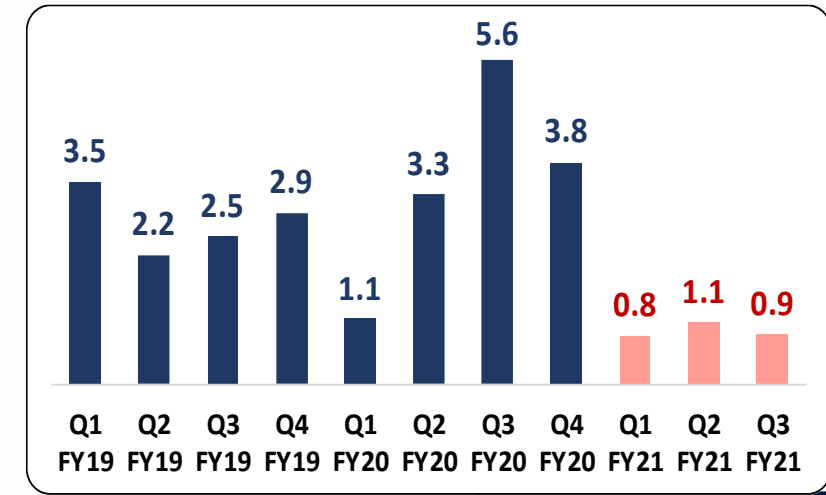
Eight Core Sector Growth (YoY %)



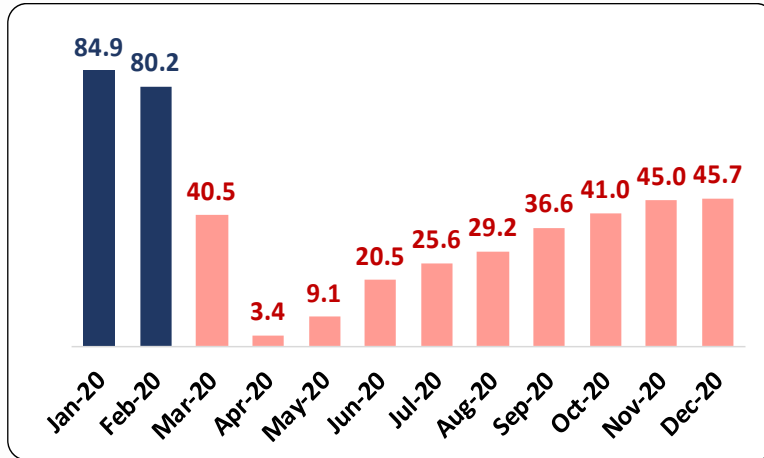
Capacity Utilisation (RBI OBICUS)



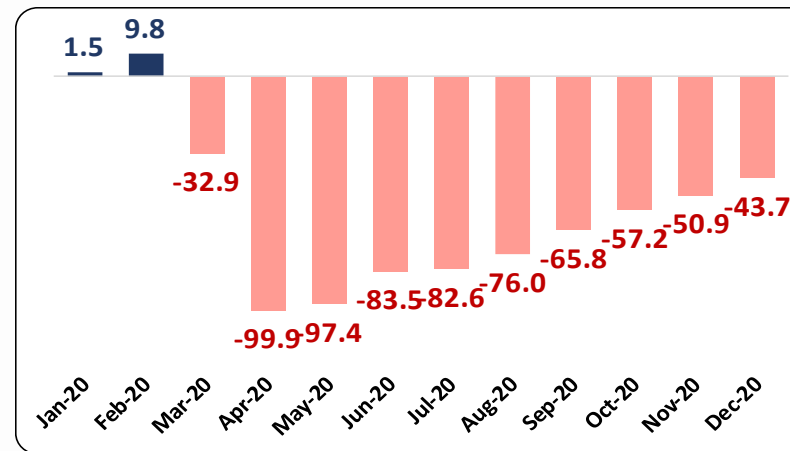
New Project Announcements (Rs Lakh Crore; CMIE)



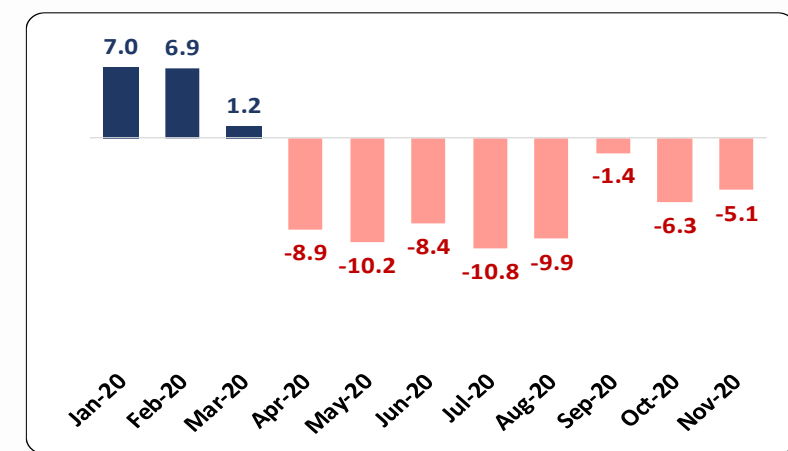
Nomura India Normalisation Index : Services



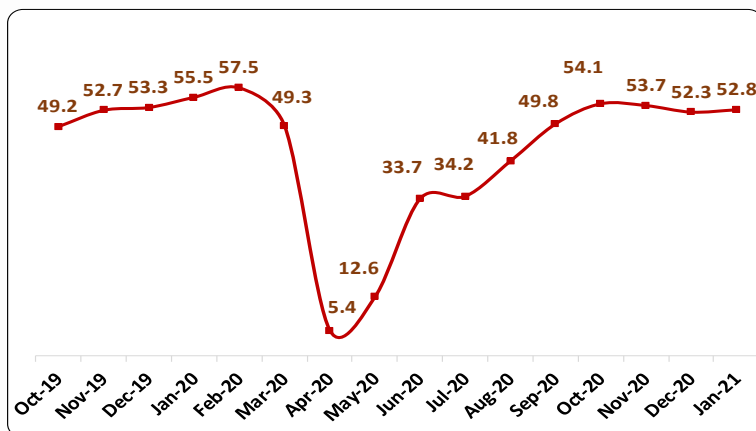
Domestic Air Passenger Traffic Growth (YoY%)



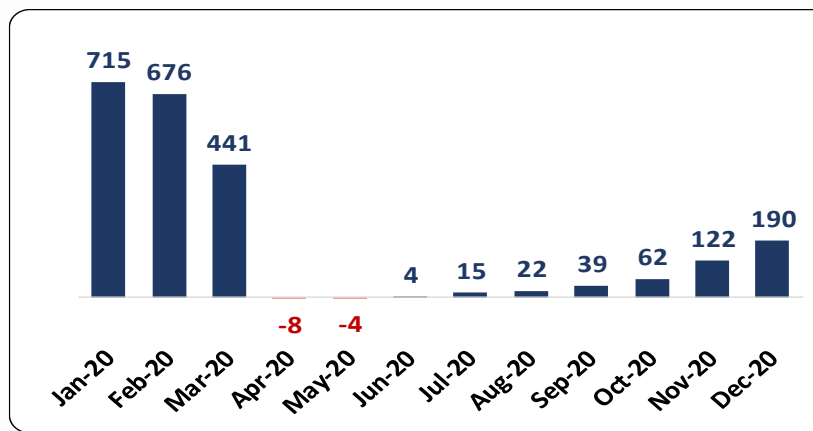
Services Export Growth (YoY %)



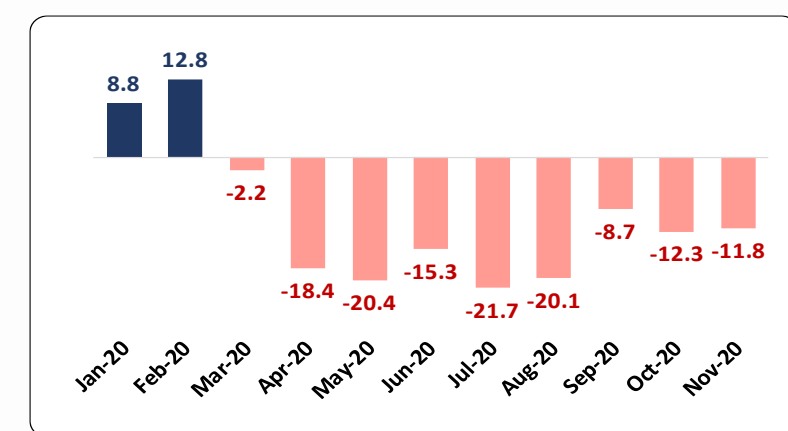
India Services PMI: (> 50 denotes improvement)



Railway Passenger Bookings (Millions) (-ve denotes higher refunds)



Services Import (YoY %)



Q3 FY21 Results

Headline Financials & Business Highlights

Key Highlights: Q3 FY21

- **Strong Sequential recovery momentum continues**

- Gross Revenue & PBT up 5% & 13% sequentially
- Improvement in y-o-y growth trajectory

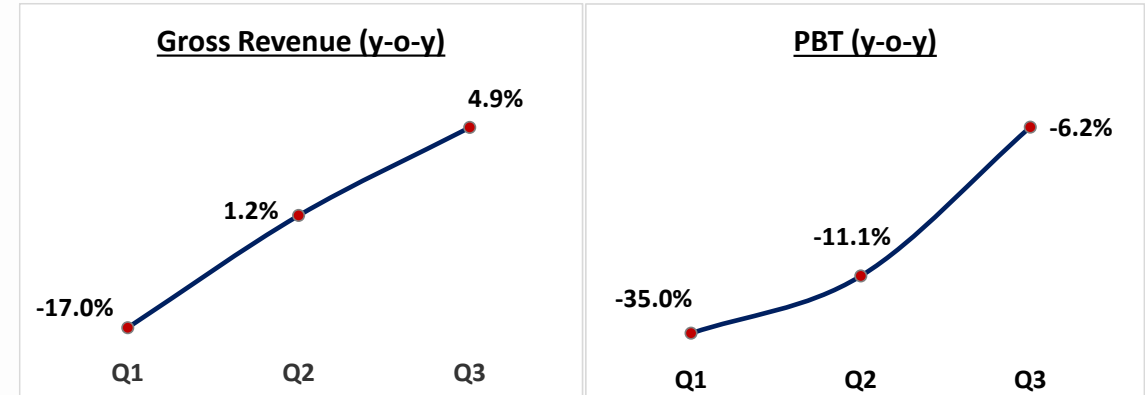
- **FMCG Others posts another quarter of strong performance**

- Comparable Revenue[^] up 11% in Q3; up 16% YTD Q3
 - Robust growth in Health & Hygiene, Noodles, Spices, Dairy, Agarbatti and Matches
 - Savlon clocks **1000 crores** consumer spend
- **100+ innovative products** launched in last 9 months– hygiene, health & wellness, naturals, convenience
- **Segment EBITDA** up 28%; Margins expand **150 bps** to 9.2%

- **Progressive recovery in Hotels and Cigarettes**

- Hotels business turned EBITDA positive in Dec'20

- **Continued closure of educational institutions impacts ESPB sales**



[^]Excluding Lifestyle Retailing Business (LRBD) & Education and Stationery Products Business (ESPB)



Enduring Value

FMCG Others Q3 FY21

AASHIRVAAD

Sunfeast

BINGO!

Yippee!
noodles

ITC
MASTER
CHEF

B
Natural

Sunfeast
Dark
Fantasy

Sunfeast
MOM'S
MAGIC

Sunfeast
Farmlite

Farmland
SAFE AND NUTRITIOUS

FABELLE
Cognac
CHOCOLATES

SUNBEAN
GOURMET COFFEE

CANDYMAN

Savlon

Vivel

nim
wash
Vegetable & Fruit Wash

fiama

DERMAFIQUE
cell by cell

ESSENZA DI WILLS
YOUR ESSENCE. YOUR SOUL.

CHARMIS

ENGAGE

nimyle

AIM

classmate

MANGALDEEP
PUJA AGARBATTIS

- **Demand for Health & Hygiene, Immunity, Ayurveda products remained elevated albeit at lower levels**
- **Staples & Convenience foods witnessed moderation after surge in H1**
 - *Broadening of purchase assortment by consumers and lower 'at-home' consumption on the back of increased mobility*
- **Discretionary and Out-of-Home consumption categories regained momentum**
 - *Snacks category posts double-digit growth in Q3; Sequential recovery in Deos & Confectionery*
- **Rural markets remained strong; Urban demand witnessed progressive recovery**
- **Sustained consumer preference for 'contactless shopping'**
 - *E-Commerce channel continues to witness robust growth*
 - *ITC FMCG Sales doubled: now accounts for ~5% of revenue*
 - *Increasing digital adoption by Traditional Trade & Collaboration with Online-delivery platforms*

Segment Revenue* up 11% in Q3 and 16% in YTD Q3

YTD Dec'20 →

Staples, Convenience Foods, Health & Hygiene Products

+23%

Q1: +34%
Q2: +25%
Q3: +11%




c. 75%^

Discretionary / OOH

-5%

Q1: -25%
Q2: -2%
Q3: +11%

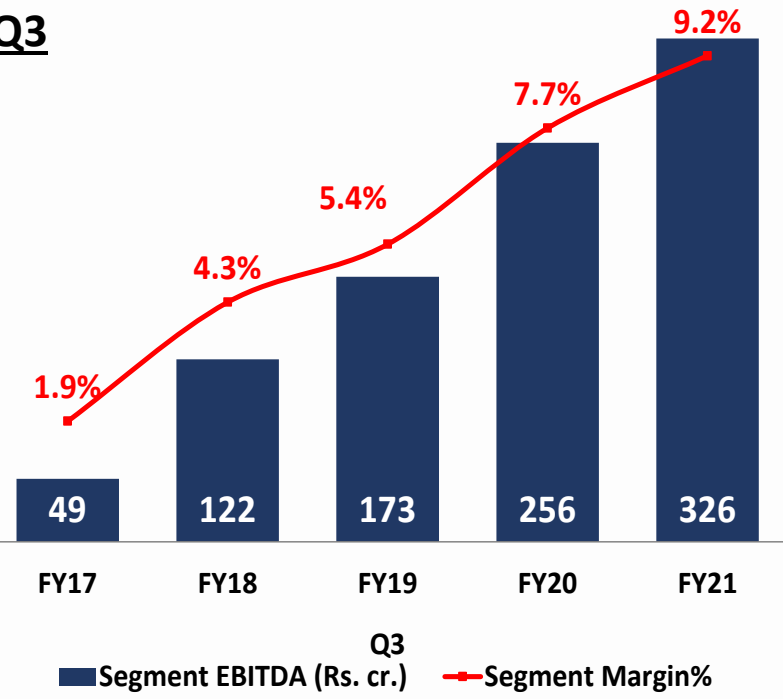


c. 25%^

*Ex ESPB & LRBD; ^% Portfolio salience

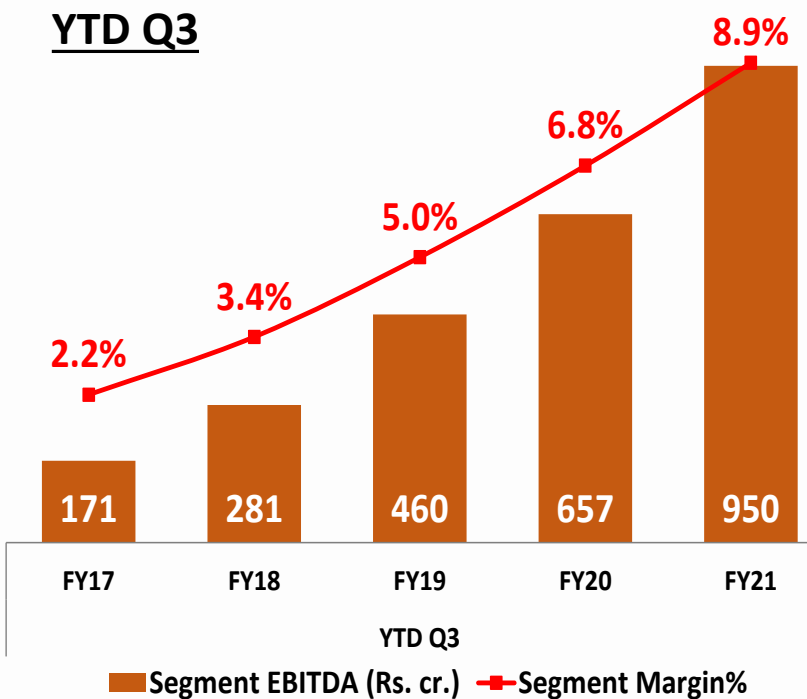
Sustained improvement in Profitability

Q3

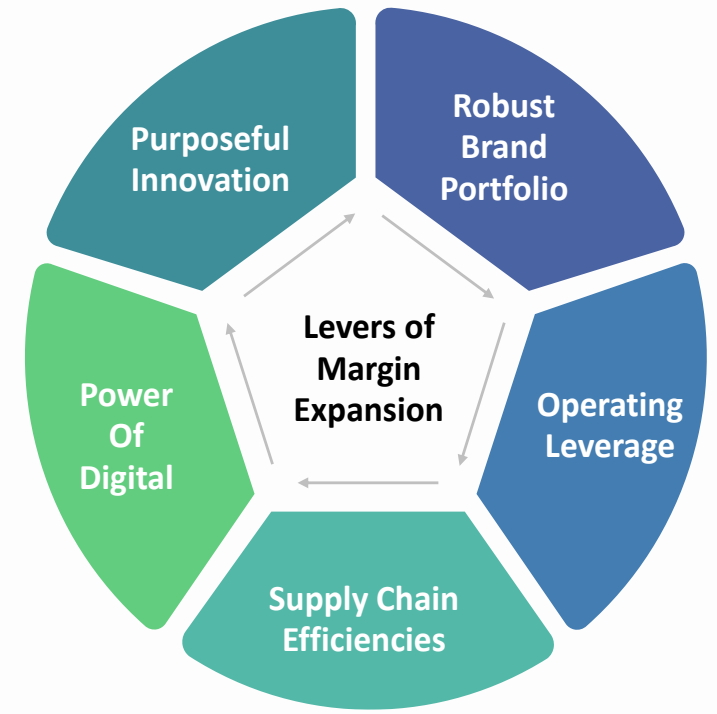


Segment EBITDA up **28%**;
Margins up **150 bps**

YTD Q3



Segment EBITDA up **44%**;
Margins up **210 bps**



Q3 Consolidated Segment EBITDA Margin @ 10% - incl. Sunrise



B Natural
Immunity Soups



Yippee!
Saucy Masala



Sunfeast Dark Fantasy
Choco Chip, Choco Nut Fills



Aashirvaad
Organic Atta & Dals



ITC Master Chef
All purpose Gravies



Aashirvaad
Crystal & Proactive Salt



Fabelle
Luxury Chocolates



Aashirvaad
On-the-Go Range



Sunfeast
Caker



ITC Master Chef
Bakery Range



Charmis
Facewash, Face Serum
& Hand Cream



Nimeasy & Nimwash
Dish Wash Liquid;
Fruits & Vegetable Cleaner



Nimyle
Neem & Lemon Grass



Dermafique
Bio Cellulose face masks



Savlon Hand Wash
Pichkiao



Engage On
Value Pack



Vivel
Glycerin Neem Oil Soap



Savlon
Hexa soaps, body wash
Disinfectant Sprays



Savlon
Masks
Germ Protection Wipes



Mangaldeep
'Fragrance of God' Agarbatti,
Treya Cone & Marigold Dhoop

Healthier Children. Healthier India



Women Empowerment



Responsible Citizens for the Future



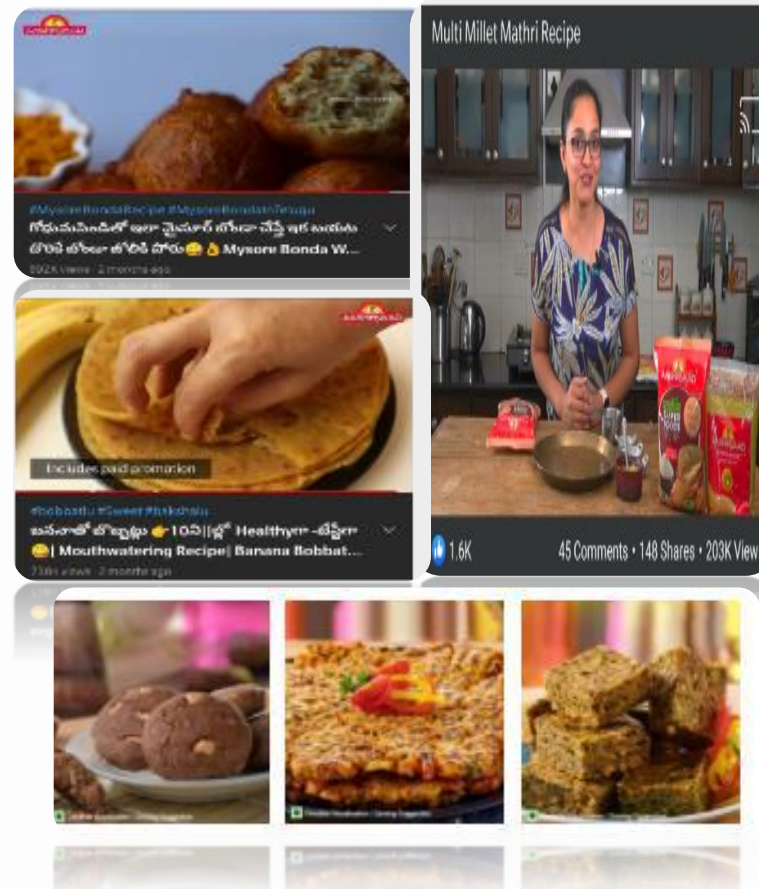
Saluting Mothers



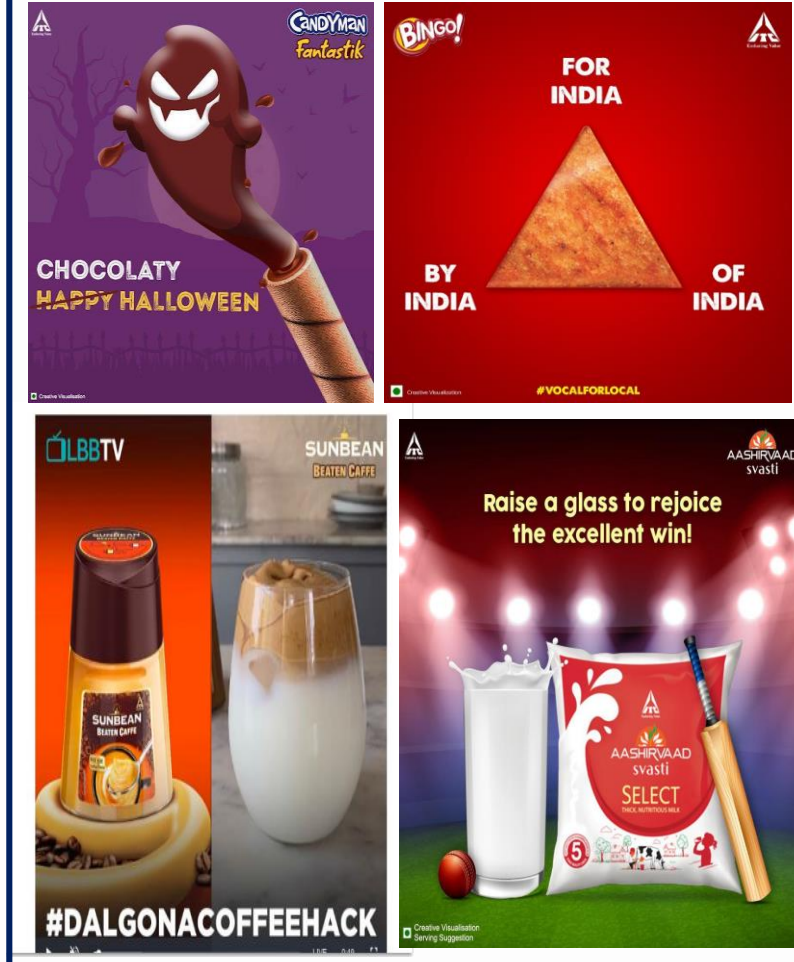
Driving Engagement



Deep understanding of Regional tastes & Preferences



Moment Marketing



DIY and Influencer led



Creating Brand Love

Vivel
Published by Ruchita Bose • 1 December 2020 •
Women don't stand above or below men. Their place is beside them as equals. Aashita's entry for #VoiceOfArt reiterates how only when we walk together as counterparts, do we realize we're walking towards a common goal: a prosperous and equal world. A world that not only recognizes the equal footing and efforts of men and women, but thrives on it.
#AbsamjhataNahin
#WomenEmpowerment #Equality #ArtOfTheDay



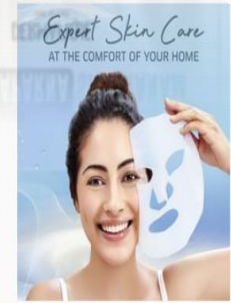
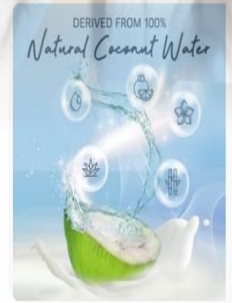
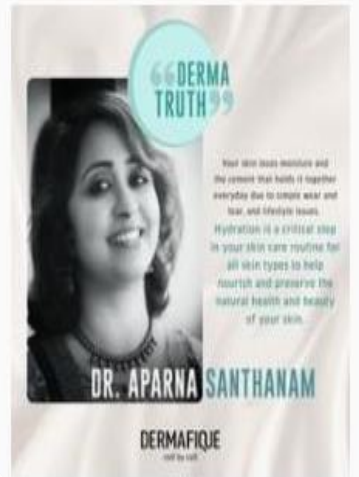
BREAK THE CHAIN OF INFECTION



Digital First Brands



DERMAFIQUE



Hygiene++



- Savlon
- Masks & Surface Disinfectants
- Nimeasy
- Dishwash

Protection & Care



- Savlon
- Wipes
- Moisturising Sanitizer
- Laundry Spray

Skin Care @home



- Dermafique
- Bio Cellulose Mask
- Charmis
- Face Serum

Convenience



Instant Gravies, RTE, On-the-Go

'Free From' & 'Good for You'



Aashirvaad Super Foods
ITC Master Chef Super Safe Prawns
Farmlite Digestive Biscuits
B Natural Immunity Soups

Interactive Education



Classmate Interaktiv Origami Books

Hygiene & Safety



#NoHandUnwashed

Introducing ITC Nimwash, Vegetable and Fruit wash.

The first step of every recipe is to clean vegetables and fruits. ITC Nimwash washes away pesticides* and 99.9% germs.**



Spreading Positivity



Self Care



AB NAHI CHUPEGA ANDAR KA RADIANCE.

KA RADIANCE, CHUPEGA ANDAR

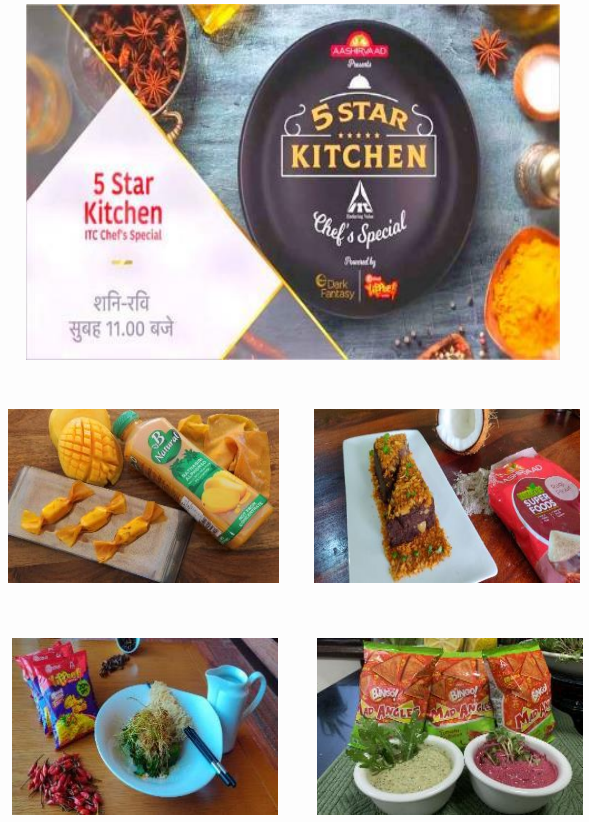
Dominating India's Kitchen



Building on India's Passion



Immersive Mass Media Content



Puja for India's Wellbeing





VIRU
(Virtual Salesman)

Digital Ordering & Scheme Communication Platform



UNNATI

ITC's eB2B App for engagement with Outlets incl. Online ordering facility

Now In 8 Metros



ITC E-Store

Direct to Consumer e-Com platform rolled out in key metros



Store Locator

WhatsApp Chatbot based ITC Store Locator for consumers



ML/AI

Machine Learning - outlet level insights & actions

'Most Viewers for a Retail Management Livestream on a Bespoke Platform'
on 16th January, 2021.



Segment Revenue

5498 cr. ▲ 3.5 %

Segment Results

3453 cr. ▼ 8.1%

- **Net Revenue up 8% vs. Q2; y-o-y decline of 8%**
 - *Smart recovery in metros and large town markets after a soft H1*
 - *Metro markets remain relatively more impacted compared to pre-Covid levels*
- **Focused portfolio/market interventions aid consolidation of market standing**
 - *Innovative & competitive offerings, portfolio fortification, small packs*
 - *Augmented distribution: stockists, grocery outlets, rural/semi urban markets*
- **Legal Industry volumes remain impacted a/c 13% Tax hike w.e.f. 1st Feb'20**

Innovation @ Premium End

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

Portfolio Fortification

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

Focused Market offers

- Player's Gold Leaf Rush
- Gold Flake Super Star (Super Mint)
- Gold Flake Regal Special
- Royal

Other Interventions

Refreshed Packs of Navy Cut Longs, Navy Cut Deluxe, Navy Cut Special and Navy Cut Century

Gold Flake Super Star and Flake 5s HL Packs

HT Hindustan Times

70 lakh smuggled foreign-brand cigarettes worth ₹14 crore seized from Navi Mumbai port

Nov 02, 2020 | Vijay Kumar Yadav

millenniumpost NO HALF TRUTHS

'DRI seized illicit cigarettes worth Rs 45 cr & gold worth Rs 275 cr in last 9 months'

MPost 28 Dec 2020 10:45 PM

THE ECONOMIC TIMES

Spike in cigarette smuggling during COVID-19 lockdown: FICCI CASCADE

Last Updated: Jun 15, 2020, 12:17 PM IST



CustomsNERShillong
@CustomsShillong

Acting on specific intelligence on 22.10.2020, officers of Guwahati Customs (Prev), effected a seizure of 6 MT Dalchini concealing over 1 Lakh packets of foreign origin cigarettes valued at Rs. 2.32 Cr (approx) from Khanapara area.



The Assam Rifles
@official_dgar

#AssamRifles troops in Mizoram on 10 Oct, intercepted and seized consignment of illegal foreign cigarettes (worth approx Rs. 85.80 Lakhs) from Jungle area between Chhungte and Ruantlang, Champhai. Carrier and recovered goods handed over to the Police. @PIBHomeAffairs @ANI



Lucknow Customs (Prev) C...
@cusprevlucknow

Acting on the specific information, a joint team of Customs (P) Commissionerate Lucknow & Customs (P) Division, Lucknow seized foreign Origin cigarettes valued at Rs.96,67,500/- on 17.12.2020 from a truck.



Commissionerate of Customs (Preve...
@ccphqskochi

CPD Thrissur effected seizure of foreign branded smuggled cigaretts, without affixing statutory warning 860 outers, 208000 sticks totally valued Rs.52.75 Lakhs (market value).

@cbic_india
@cgstcustvm
#IndianCustomsAtWork



Enduring Value

Hotels Business Q3 FY21



ITC Royal Bengal

- **Significant sequential recovery (3x Q2); however, behind pre-covid levels**
 - *Wedding business, staycations/motorable getaways were the key drivers besides healthcare/quarantine related business*
 - *Leisure locations continue to witness strong demand*
 - *New F&B initiatives received excellent response*
- **Turned EBIDTA positive in Dec'20 and breakeven for the quarter**
 - *Extreme focus on cost reduction – Controllable cash costs down 44%*
- **Commissioned Welcomhotel Shimla and relaunched Welcomhotel Port Blair**

'WeAssure' programme – best-in-class hygiene and safety standards rolled out across all operating hotels



Room Initiatives – Special Packages



SUITE Memories

Accommodation in a suite, all meals, butler service, luxury car transfers & more.




GET **100%** BACK*

INSTANT REDEEMABLE CREDITS



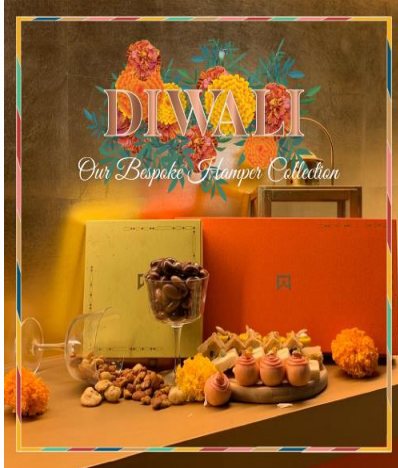
Armed Forces Offer

CURATED BY US, ENABLED BY YOU



Unwrap a host of rewards & signature experiences

F&B initiatives – Season's festivities & exclusive dining



DIWALI

Our Bespoke Flanper Collection



Season's SELECTIONS

OUR BESPOKE FESTIVE COLLECTION

ITC HOTELS RESPONSIBLE LUXURY



ITC HOTELS RESPONSIBLE LUXURY

The Gourmet Bubble



Turning 20

4th December 2020 to 3rd January 2021
The countdown to celebrate new beginnings!

New Launches in Takeaway/Home Delivery menu



BIRYANI & PULAO COLLECTIONS

BY ITC HOTELS

TIMELESS TASTE. AUTHENTIC FLAVOURS.

DELIVERED DIRECTLY TO YOUR HOME.



GOURMET COUCH

BY ITC HOTELS RESPONSIBLE LUXURY

CHAAT & CHAT



Tiffin Tales

GOURMET COUCH

Celebrate South India's rich culinary legacy with Tiffin Tales. Order now and savour the classic tastes at home.



Enduring Value

Agri Business Q3 FY21



Segment Revenue
2482 cr. ▲ 18.5 %

Segment Results
196 cr. ▼ 8.1%

*Margins lower by 230 bps
 (Adverse business mix)*

- **Revenue growth** driven by trading opportunities in Rice, Soya & Wheat for Aashirvaad Atta
 - *Wheat Exports to Bangladesh, Malaysia, Sri Lanka & UAE*
- Leveraged the **e-Choupal** network to enhance direct procurement amidst challenging operating conditions
- Exports of **Value added Spices** to Food Safe Markets continue to gain strong traction
- **Leaf exports** impacted by lower volumes and adverse crop/grade mix

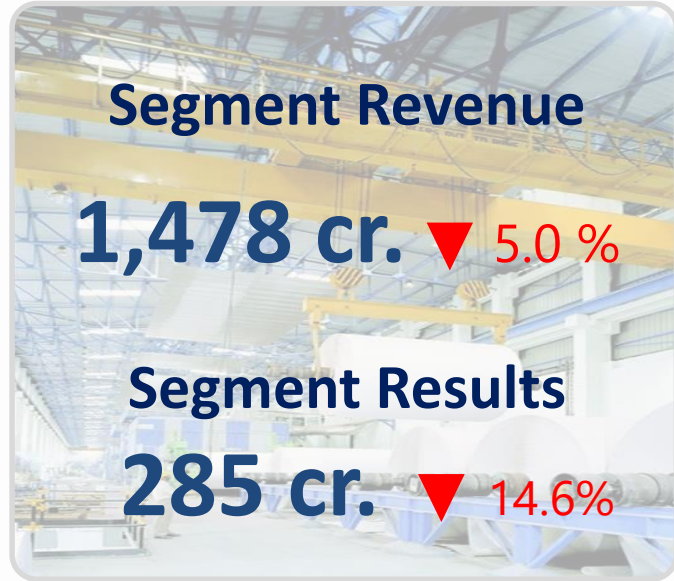




Enduring Value

**Paperboards, Paper &
Packaging
Q3 FY21**





- Subdued demand in Domestic market *partly offset* by robust growth in Exports
 - *Progressive recovery in most segments*
 - *Liquor, Publications, Notebooks, Wedding Card segments remain subdued*
 - *Strong growth in Specialty papers – Pharma and Décor segments*
- Higher operational efficiencies partially mitigate impact of softer realisations, negative operating leverage and adverse business mix
- Paper Machine Rebuild Project at Bhadrachalam on schedule
- High Pressure Recovery Boiler project on schedule despite Covid disruptions – *pulp mill capacity expansion (import substitution), reduced Carbon footprint and operational efficiencies*



Antibacterial / Antiviral Paper



Antiviral Specialty Paper:

- Specialty Paper treated with antiviral chemicals
- Certified by IISER Kolkata
(under Commercialisation)



Plastic Substitution (Oil & Grease resistant)



Completely **Recyclable** in existing standard recycling conditions

Filo Serve : Food serving applications
Filo Pack : Food delivery



Completely **Biodegradable** under composting conditions

Omega Bev : Exclusively for paper cups
Omega Barr : Deep freeze applications

Sustainable Packaging



Bio-Seal

*Bio compostable packaging solutions for packaged/fast-food & Personal Care industries.
Launched on commercial scale.*



Oxy Block

*Recyclable structure to provide barrier properties for packaged foods, edible oils etc.
Commercialisation under progress*



(Rs. cr.)

	Q3 CY	Q3 LY	GOLY
Gross Revenue	12,492	11,912	4.9%
Net Revenue	11,705	11,702	0.0%
EBITDA	4,281	4,613	-7.2%
PBT (bei)	4,848	5,168	-6.2%
<i>Exceptional items</i>		(132)	
PBT	4,848	5,036	-3.7%
PAT	3,663	4,142	-11.6%

Strong sequential recovery momentum continues

Comparable PAT (excl. one time benefit in LY) de-grew by 3.7%

(Rs. cr.)

Q2		Q3		
		2020-21	2019-20	GOLY%
	Segment Revenue (Gross)			
5121	a) FMCG - Cigarettes	5498	5311	3.5
3795	- Others	3562	3312	7.5
8916	Total FMCG	9060	8623	5.1
82	b) Hotels	235	552	(57.4)
2985	c) Agri Business	2482	2095	18.5
1459	d) Paperboards, Paper & Packaging	1478	1555	(5.0)
13442	Total	13255	12826	3.3
1550	Less : Inter segment revenue	763	914	(16.5)
11892	Gross Revenue from sale of products & services	12492	11912	4.9

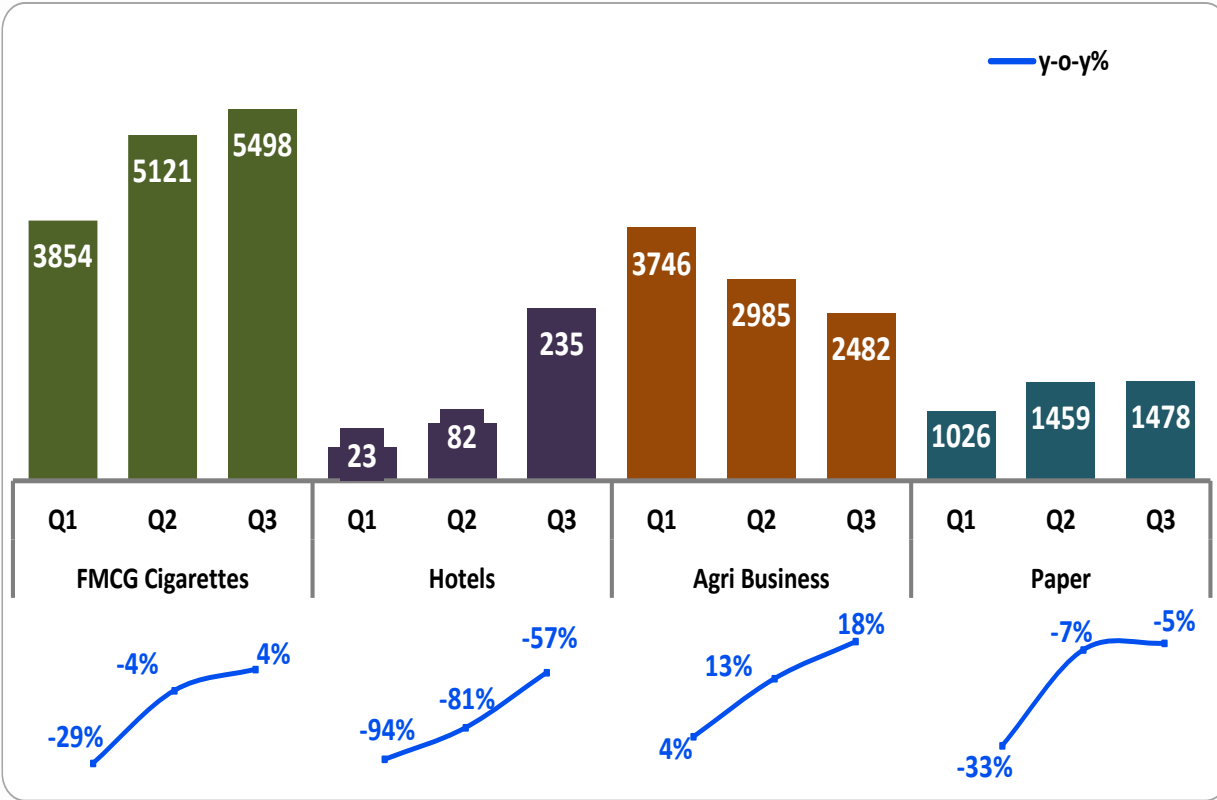
- **FMCG Cigarettes: Net Revenue (7.6%) Vs. LY**
- **FMCG Others: Revenue up 11%[^]**
 - Robust growth in Health & Hygiene, Noodles, Snacks, Spices, Agarbatti and Matches
 - Subdued performance in Atta, Biscuits, Confectionery and Deos
- **Hotels: Revenue at 3x Q2**
- **Paperboards, Paper & Packaging:**
 - Progressive recovery in most segments; Liquor, Publications & Paper and Wedding Cards remain subdued
 - Continued strong growth in Exports & Specialty Paper
 - Softer realisations weighed on Revenue growth

(Rs. cr.)

Q2 2020-21		Q3		
		2020-21	2019-20	GOLY%
	Segment Results			
3245	a) FMCG - Cigarettes	3453	3756	(8.1)
253	- Others	207	108	92.7
3497	Total FMCG	3660	3864	(5.3)
(185)	b) Hotels	(67)	87	NA
256	c) Agri Business	196	213	(8.1)
330	d) Paperboards, Paper & Packaging	285	334	(14.6)
3899	Total	4074	4498	(9.4)
14	Less : i) Finance Cost	14	12	
(389)	ii) Other un-allocable (income) net of un-allocable expenditure	(787)	(682)	
4274	Profit Before Tax (before exceptional items)	4848	5168	(6.2)

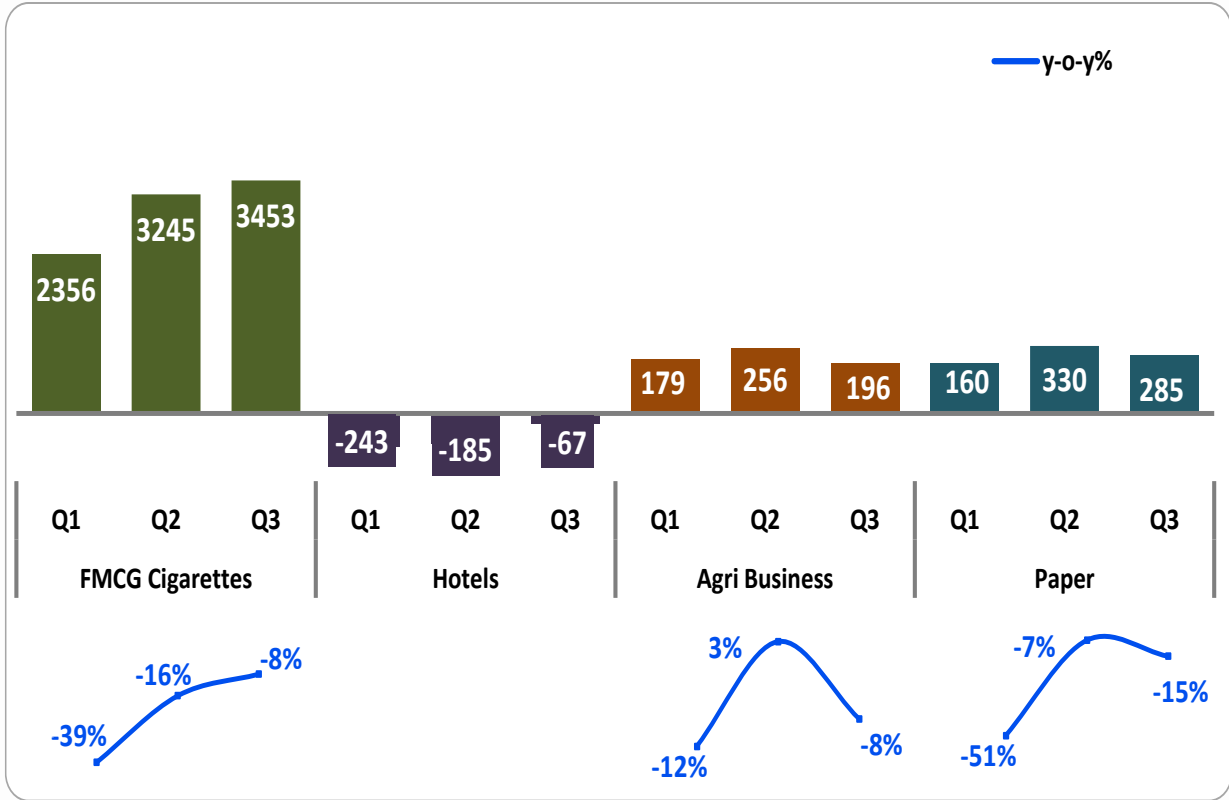
- **FMCG Others: Segment EBITDA up 28% to 326 cr. (Margin @ 9.2% +150 bps)**
 - operating leverage, enhanced operational efficiencies, product mix enrichment and portfolio premiumisation drive PBIT margin expansion of 260 bps
- **Hotels: Cash breakeven achieved**
 - Controllable cash costs down 44% Vs. LY
- **Agri Business: Subdued leaf exports, lower export incentives & adverse business mix**
- **Paperboards, Paper & Packaging: Margins impacted a/c softer realisations & negative operating leverage**

Segment Revenue




Segment Results

Figs. in Rs. cr.








 Sustainable livelihoods supported by ITC's businesses: **Over 6 million**

 **The only Company in the world to be:**

-  **Carbon Positive 15 years**
-  **Water Positive 18 years**
-  **Solid Waste Recycling Positive 13 years**
-  **Renewable energy: Over 41% of total energy consumption**

-  **e-Choupal: 4 million farmers empowered**
-  **Afforestation: Over 846,000 acres greened**
-  **Watershed Development: Over 1,186,000 acres covered**
-  **Livestock Development: Over 1,930,000 milch animals covered**
-  **Solid Waste Management: Well-being Out of Waste (WoW) programme covers Over 1 crore citizens**

-  **Women Empowerment: Over 77,000 poor women benefitted**
-  **Skilling and Vocational Training: Covering over 89,000 youth**
-  **Primary Education: Reaching over 800,000 children**
-  **Health & Sanitation: Over 37,900 toilets built**
-  **Pioneer of green building movement in India: 30 Platinum-rated green buildings**



ITC rated AA by MSCI-ESG

Highest amongst Global Tobacco cos.

Member of
**Dow Jones
Sustainability Indices**

Powered by the S&P Global CSA

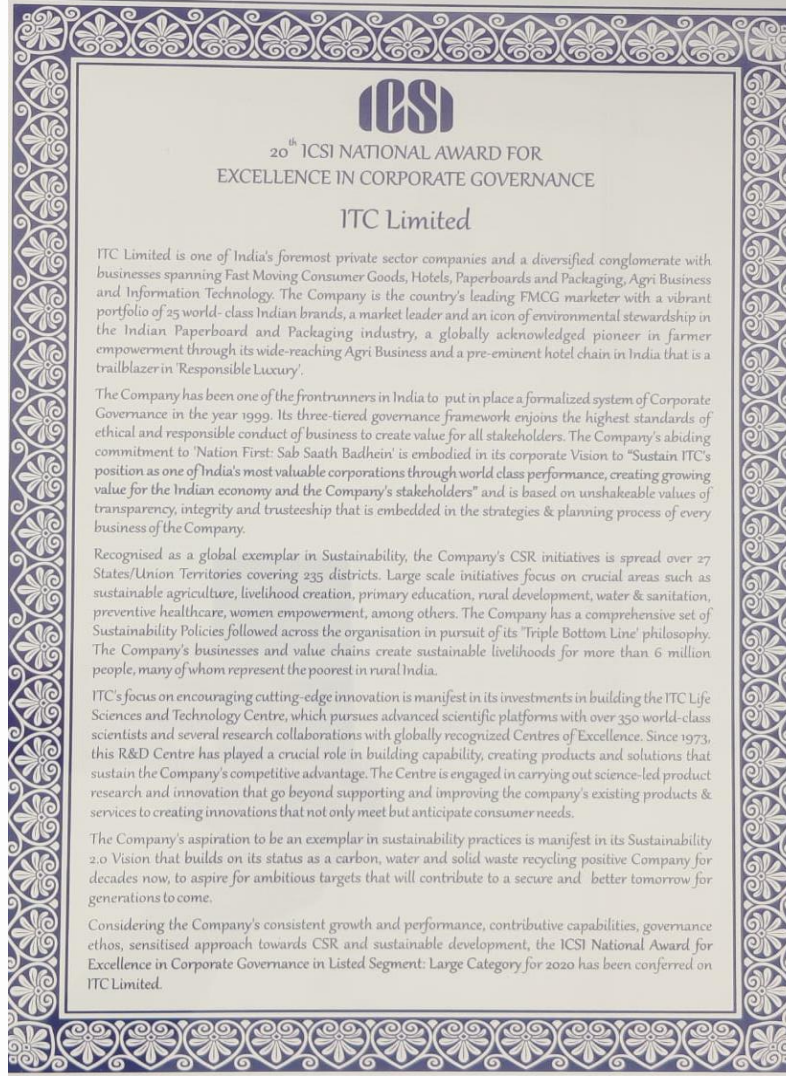
ITC included in **Dow Jones Sustainability Emerging Markets Index**

Recognition of being a sustainability leader in the industry & Company's commitment to People and Planet.



ITC PSPD - Kovai Unit, awarded **Alliance for Water Stewardship Platinum-level Certification**

Highest recognition for water stewardship in the world - second facility globally, first in India.



Adjudged 'Best Governed Company' at the 20th ICSI National Award for Excellence in Corporate Governance 2020

**A passion for
profitable growth....**



....in a way that is sustainable.....



**.... and
inclusive**



Product/initiative	Link
'YiPPee!' Saucy Masala Noodles	https://youtu.be/7EL60151PRE
Sunfeast Caker Trinity	https://youtu.be/T5WXDHLS18c
Aashirvaad Svasti Select Milk	https://www.aashirvaadsvasti.in/select-milk.aspx
Khatta Meetha Poha, Veggie Upma, Mini Idli Sambar, Suji Halwa	https://www.aashirvaad.com/Instant-meal
Charmis Deep Radiance Face Serum	https://youtu.be/KQF3krebVzI
YiPPee! and Bingo! on Instagram	https://www.instagram.com/sunfeast_yippee/ https://www.instagram.com/bingo_snacks/
Home Plate League (HPL)	https://www.instagram.com/p/CGSfGXGBZi2/
#ChillwithBingo	https://youtu.be/GhNGC2xjVXo
"WeAssure" programme	https://www.itchotels.in/content/dam/projects/hotelswebsite/itc-hotels/WeAssure/WeAssure-itc-hotels.pdf

Thank You