



**ITC Limited**  
Virginia House  
37 J. L. Nehru Road  
Kolkata 700 071, India  
Tel. : 91 33 2288 9371  
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3<sup>rd</sup> February, 2023

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 3<sup>rd</sup> February, 2023 forwarding the Unaudited Financial Results of the Company for the Quarter and Nine Months ended 31<sup>st</sup> December, 2022, we now enclose a copy 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

(R. K. Singhi)  
Executive Vice President &  
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 3, 2023**

### **Standalone Financial Results for the Quarter ended 31<sup>st</sup> December, 2022**

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#### **Highlights**

- **Board recommends Interim Dividend of Rs. 6.00 per share for the Financial Year ending 31st March, 2023**
- **Strong growth momentum sustained across operating segments**
  - Gross Revenue (ex- Agri Business) up 17.5% YoY and EBITDA up 22.0% YoY
  - Reported Gross Revenue up 2.9%; base quarter included wheat exports that were banned during the current year
  - Segment PBIT margin (ex- Agri Business) up ~130 bps YoY.
- **Robust performance continues in FMCG – Others; Segment Revenue up 18.4% YoY, 1.5x of Q3 FY20**
  - Staples, Biscuits, Noodles, Snacks, Dairy, Beverages, Soaps drive growth
  - Education & Stationery Products Business continues to witness strong traction
  - Segment EBITDA margin at 10.0%; up 90 bps YoY and 50 bps sequentially amidst elevated commodity prices.
- **Continued volume recovery from illicit trade on the back of stability in taxes on cigarettes and deterrent actions by enforcement agencies**
  - Cigarettes Segment Revenue up 16.7% YoY; Segment PBIT up 16.9% YoY
  - Market standing continues to be reinforced through focused portfolio/market interventions and agile execution.
- **Stellar performance in Hotels Business; Segment Revenue up 50.5% YoY and at appx. 1.3x of Q3 FY20**
  - RevPAR well ahead of pre-pandemic levels
  - Segment EBITDA at 224 cr. (up 107 cr. YoY and 67 cr. over Q3 FY20)
  - Segment EBITDA margin at 31.5% (+680 bps YoY and +310 bps Vs. Q3 FY20) driven by higher RevPAR and structural cost interventions.
- **Restrictions imposed on wheat & rice exports impact Agri Business Segment Revenue; Segment PBIT up 32.6% driven by strong growth in leaf tobacco exports and value-added agri products**
  - Value-added spices processing facility equipped with state-of-the-art technology commissioned in Guntur during the quarter
- **Paperboards, Paper and Packaging Segment continues to deliver strong performance; Segment Revenue up 12.7% YoY while Segment PBIT up 35.2% YoY**
  - Segment margin improvement driven by higher realisations and strategic interventions (in house pulp manufacturing, pro-active capacity expansion in value-added products, Digital)
  - Capacity utilisation of the recently commissioned unit in Nadiad, Gujarat scaled up.

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Economic activity in India continued to gather momentum with sequential moderation in commodity inflation, even as core inflation remained elevated. Rural demand continued to be relatively subdued, while improving sequentially. Consumer sentiments improved during the quarter but remained below pre-pandemic levels.

The Company sustained its strong growth momentum across all operating segments during the quarter driven by focus on accelerated digital adoption, customer centricity, execution excellence and agility. Gross Revenue stood at Rs. 17,122 crores representing a growth of 2.9% YoY (ex-Agri Business up 17.5%) while EBITDA at Rs. 6,223 crores grew by 22.0% YoY. PAT grew by 21.0% YoY to Rs. 5,031 crores. Earnings Per Share for the quarter was Rs. 4.1 (previous year Rs. 3.4). The Board has recommended Interim Dividend of Rs. 6.00 per share (previous year Rs. 5.25 per share) for the financial year ending 31st March, 2023.

Multidimensional interventions announced in the Union Budget 2023 with its growth orientation, record levels of capex outlay, focus on augmenting physical, digital and social infrastructure, thrust on 'green growth' and energy transition, promotion of local level development, along with fiscal prudence will go a long way in securing sustainable and inclusive growth for the Indian economy in the years to come. Potential risks arising from the anticipated slowdown in the global economy and continuing geo-political tensions remain the key monitorables.

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## FMCG – OTHERS

- **The FMCG Businesses continue to deliver strong performance with Segment Revenue growing 18.4% YoY; Segment Revenue and Segment EBITDA at 1.5x and 1.9x respectively over Q3 FY20.**

- Strong growth in Staples, Biscuits, Noodles, Snacks, Dairy, Beverages and Frozen Foods
- Robust growth in 'Fiama' and 'Vivel' range of Personal Wash products; Hygiene portfolio continued to witness moderation in demand, though ahead of pre-pandemic levels
- Stationery sales witnessed strong growth; exports continue to be scaled up leveraging the capabilities of the state-of-the-art owned manufacturing facility
- Segment EBITDA margin at 10.0% up 90 bps YoY and 50 bps sequentially

The FMCG Businesses witnessed strong growth across channels and markets (both urban and rural) driven by ramp-up in outlet coverage, enhanced penetration and superior last mile execution. Overall, input costs remained elevated even as some commodities witnessed sequential moderation in prices. The Businesses continued to drive improvement in profitability through multi-pronged interventions viz. strategic cost management, premiumisation, supply chain agility, judicious pricing actions, fiscal incentives, leveraging digital and optimising channel assortments.

- The Company's deep & wide multi-channel distribution network with growing presence in emerging channels continues to deliver competitive advantage through superior product availability, visibility and freshness.

- Digital technologies are being increasingly leveraged to further sharpen focus and drive growth in rural markets and Tier-2 cities
- e-Commerce sales witnessed rapid growth driven by account specific strategies, new product introductions and customised supply chain solutions; availability in Quick Commerce and Social Commerce platforms continues to be scaled up
- Modern Trade sales accelerated with higher store footfalls and joint business planning with key accounts
- Product availability and accessibility continues to be augmented by leveraging new routes-to-market through multiple strategic partnerships covering a range of brands including 'B Natural', 'Sunfeast', 'ITC Master Chef', etc.

➤ **Branded Packaged Foods Businesses**

- **'Aashirvaad' Atta** posted strong growth reinforcing its leadership position in the branded atta industry.
  - In line with the ITC Next strategy of leveraging the Company's world-class mother brands to address value added adjacencies, the Business launched a number of differentiated variants of

Rava ('Samba Broken Wheat', 'Bansi Rava' and 'Double Roasted Suji Rava'), leveraging the brand equity of 'Aashirvaad' and strong backward linkages of the Agri Business.

- The value-added atta range, which is a part of the Business' growing portfolio of 'Good For You' / 'Free From' offerings, sustained its strong growth momentum. Further, the 'Aashirvaad Nature's Super Foods' range comprising 'Ragi Flour', 'Gluten Free Flour', 'Multi Millet Mix', continued to garner increasing consumer traction.
- **'Bingo! Snacks'** posted robust performance during the quarter. Recently launched variants viz. 'Bingo! Hashtags Cream & Onion', 'Bingo! Hashtags Spicy Masala', 'Bingo! Street Bites Dahi Chaat Remix' and 'Bingo! Street Bites Pani Puri Twist' have been well received by consumers and are being scaled up.
- **'YiPee! Noodles'** recorded strong growth on the back of increased penetration and brand outreach. Innovative media campaigns and focused digital interventions e.g. strategic collaboration on a leading online platform during the FIFA World Cup 2022, resulted in sustained traction with consumers.
- **'Sunfeast' Biscuits and Cakes** recorded strong growth during the quarter leveraging its strong brand equity. The 'Sunfeast Dark Fantasy' range of differentiated cookies sustained its leadership position in the premium segment. 'Mom's Magic' range of cookies also witnessed strong growth. The portfolio mix was further enriched with the recently launched 'Mom's Magic Cashew Fills', 'Mom's Magic Golden Edition' and 'Mom's Magic Butter Fills' which continue to receive excellent consumer response.
- **Dairy & Beverages Business** posted strong growth during the quarter on the back of best-in-class quality standards, differentiated offerings and superior taste profile. The milk procurement network continues to be strengthened, empowering farmers by providing infrastructure and imparting package of best practices to improve operational efficiency, maintain high quality and ensure identity preservation and traceability. The **'Sunfeast'** portfolio of milk shakes continues to be augmented with launch of 'Sunfeast Smoothies – Strawberry with Chia Seeds' and 'Sunfeast Smoothies – Litchi with Fruit Chunks'.
- Encouraged by the Government of India's initiative of promoting millets and 2023 being declared as the 'International Year of Millets', ITC has spearheaded **ITC Mission Millets**, leveraging the Company's enterprise strengths in agriculture, food and hospitality. The initiative is powered by a strategic 3 pillar model that encompasses development of a 'Good For You' product portfolio, implementation of sustainable food systems as well as enhancing consumer awareness for millets through an Educate, Empower and Encourage approach. A number of millet-based products have already been introduced under the 'Aashirvaad Nature's Super Foods' brand including 'Ragi Flour', 'Gluten Free Flour', 'Multi-Millet Mix'. 'Aashirvaad Soul Creations', as part of the Company's Food Tech Initiative offers millet-based khichdi that can be ordered at home. The Company is further developing a comprehensive millets-based portfolio under popular brand names and in familiar formats to enable easier adoption. With its e-choupal network and ITCMAARS with FPOs as the pivot, the Company is working with farmers across various crop value chains including millets. As a part of developing millet value chains, two Public-Private Partnerships projects have been implemented, one each in Maharashtra and Andhra Pradesh, in partnership with Indian Institute of Millets Research (IIMR), Hyderabad and Government of Andhra Pradesh respectively. The thrust on Millets is further exemplified by the Hotels Business creating easy-to-try recipes with millets to help encourage individuals experiment with the taste and texture of millets.
- In the **Personal Care Products Business**, 'Fiama' and 'Vivel' range of personal wash products delivered strong performance during the quarter while 'Nimyle' continued to scale up in the Homecare segment leveraging the Naturals proposition of the brand. The Hygiene portfolio remained subdued, though ahead of pre-pandemic levels. Product portfolio continues to be augmented with innovative launches viz. 'Engage One Soul' (inclusive grooming, transcending traditional gender norms) and 'Engage Indigo Skies' (unique aromatic fusion). Further, the recently launched 'Vivel VedVidya' range of soaps that are inspired by ingredients used in ancient beauty rituals and 'Fiama Men Deep Clean Gel Bar, with Charcoal

& Grapefruit', which enables deep cleaning and a refreshing feel, have also received encouraging consumer response.

- In the **Education and Stationery Products Business**, 'Classmate' Notebooks fortified its leadership position leveraging its flagship campaign 'Learn with Classmate'. The premium portfolio comprising 'Paperkraft', 'Classmate Pulse' and 'Classmate Interaktiv' continued to gain strong consumer traction. The Business continues to enhance consumer engagement through its D2C platform – Classmateshop.com with the launch of innovative video-embedded gifting options.
- **'Mangaldeep' Agarbattis and Dhoop** recorded robust growth during the quarter anchored on a range of differentiated products and enhanced availability. Presence in emerging channels continued to be strengthened with the scaling up of recent launches such as 'Mangaldeep Fragrance of Temple – Festive Edition' and 'Chandan 3in1'. The portfolio was also augmented with launch of 'Anushri 100 – 3in1' and 'Deetyaa Luxury Fragrance' variants. During the quarter, the Dhoop portfolio was further enhanced with the launch of 'Sambrani Cups'.
- The Company continues to scale up its D2C interventions such as Aashirvaad 'Meri Chakki Atta' in the Branded Packaged Foods Business, Dermafique in premium skin care and Classmateshop.com in the Education & Stationery Products Business.

## **FMCG – CIGARETTES**

### **Segment Revenue and Segment PBIT up 16.7% and 16.9% YoY respectively**

- The Business continues to reinforce market standing by fortifying the product portfolio through innovation, democratising premiumisation across segments and enhancing product availability backed by superior on-ground execution.
  - Several differentiated variants continue to be launched to further strengthen range of offerings and ensure future-readiness of the product portfolio.
- As seen in the past, stability in taxes on cigarettes, backed by deterrent actions by enforcement agencies, continues to enable volume recovery for the legal cigarette industry from illicit trade leading to higher demand for Indian tobaccos and bolstering revenue to the exchequer from the tobacco sector. The Company continues to engage with policy makers for a framework of equitable, non-discriminatory, pragmatic, evidence-based regulations and taxation policies that dis-incentivise illicit trade in cigarettes, balance the economic imperatives of the country and tobacco control objectives, while cognising for the unique tobacco consumption pattern in India.

## **HOTELS**

### **Segment Revenue up 50.5% YoY (up 29.0% Vs. Q3 FY20); Segment EBITDA up 107 cr. YoY (+67 cr. Vs. Q3 FY20). Stellar performance across properties.**

- RevPAR ahead of pre-pandemic levels driven by Retail (packages), Leisure, Weddings and MICE segments. Domestic business travel normalised while inbound foreign travel also witnessed pickup; this augurs well for the Company's portfolio that comprises a relatively higher salience of business hotels. Special occasions and festivals were effectively leveraged to drive demand. Iconic cuisine brands continue to be leveraged to promote dine-ins with limited-period menus curated for festive & special occasions featuring global and Indian favourites.
- Segment EBITDA margin for the quarter stood at 31.5% (LY: 24.7%); margin expansion was driven by higher RevPAR, operating leverage and structural cost interventions.
- ITC Narmada – a luxury 291-key hotel in Ahmedabad, launched in August '22, continues to receive excellent response from discerning guests. It is the first hotel in Gujarat to receive the LEED® Platinum certification for its sustainability interventions and environmental stewardship.
- During the quarter, the Business launched Welcomhotel Jim Corbett at Jim Corbett National Park, Uttarakhand. In line with its 'asset-right' strategy, the Business has so far added eight properties in the current financial year through management contracts under its brands viz. Welcomhotel, Mementos,

Storii and Fortune; several properties are expected to be launched under these brands in a phased manner over the next few quarters.

- Reaffirming the Company's commitment to the ethos of 'Responsible Luxury', ten Hotels in the chain became the first in the world to have received the prestigious LEED® Zero Carbon certification by the US Green Building Council (USGBC) till date.

## **PAPERBOARDS, PAPER & PACKAGING**

**Paperboards, Paper and Packaging Segment continues to deliver strong performance; Segment Revenue up 12.7% YoY while Segment PBIT up 35.2% YoY; Segment PBIT margin at 26.3% (+440 bps YoY)**

- Segment Revenue growth driven by higher realisations in domestic and export markets.
  - Value Added Paperboard (VAP) recorded strong YoY growth aided by higher realisations
  - Fine Paper segment performed well driven by pickup in the Publications and Notebooks segments
  - Strategic investments in capacity expansion in VAP segment, pulp import substitution, cost-competitive fibre chain, decarbonisation of operations, sharper focus on operational efficiency leveraging data analytics and Industry 4.0 enabled scaling up the Business and margin expansion despite escalation in key input prices.
  - Sequentially, global pulp prices witnessed some moderation towards the end of the quarter, even as other input costs remained elevated.
- In the Packaging and Printing Business, the recently commissioned Nadiad unit in Gujarat continues to be scaled up to efficiently service customers in proximal markets.
- The Business continues to develop and scale up sustainable paperboards/packaging solutions leveraging cutting-edge innovation platforms (LSTC capabilities as well as external collaborations) which have now scaled up to 1.7x of last year's levels.
  - The sustainable products portfolio, comprising recyclable paperboards, 'FiloPack' and 'FiloServe', and biodegradable paperboards, 'OmegaBev' and 'OmegaBarr', which are alternatives to plastic coated containers, cups and other deep freeze applications, witnessed robust growth
  - Similarly, the Packaging Business is pro-actively engaging with end users to scale up adoption of sustainable packaging solutions viz. 'Bioseal' (compostable packaging solutions for Quick Service Restaurants, personal care and packaged foods industries), 'Oxyblock' (a recyclable coating solution with enhanced barrier properties for packaged foods, edible oils, etc.) and Germ-free coating (solution for microbial free packaging surface addressing enhanced consumer consciousness towards hygiene and safety).
  - In line with the ITC Next strategy of crafting disruptive business models anchored at the intersection of Digital and Sustainability leveraging enterprise strengths, it is proposed to set up a new wholly owned subsidiary with state-of-the-art manufacturing facility to foray into the fast-growing premium Moulded Fibre Products (MFP) space. Customers are increasingly seeking solutions that are bio-degradable, substitute single use plastic and meet stakeholder and regulatory expectations across industries including food serving and delivery, pharmaceutical, beauty and electronics. The raw materials for such products are sourced from environment-friendly, renewable, natural fibres such as wood, bamboo etc. The MFP business will leverage the expertise in fibre value chain, manufacturing excellence and strong sustainability credentials to scale up rapidly.

## **AGRI BUSINESS**

**Segment PBIT up 32.6%** driven by growth in leaf tobacco exports and value-added agri products. Segment Revenue for the current quarter reflects the impact of restrictions imposed on wheat and rice exports by the Government during the year.

- During the quarter, the Business commissioned its new value-added Spices processing facility in Guntur. The Business seeks to leverage the multi-dimensional capabilities and state-of-the-art

technology of this facility together with its identity-preserved sourcing expertise, custody of supply chain and strong customer relationships to rapidly scale up exports to Food Safe markets.

- The state-of-the-art facility to manufacture and export Nicotine & Nicotine derivative products being set up by the Company's wholly owned subsidiary, ITC IndiVision Limited, is making steady progress. The facility is being geared to manufacture purest nicotine derivatives conforming to US and EU pharmacopoeia standards and is expected to be commissioned shortly.
- The above interventions are in line with the strategy to enhance value capture by scaling up the value-added agri portfolio straddling multiple value chains comprising Spices, Coffee, Frozen Marine Products and Processed Fruits etc., leveraging the Company's deep rural linkages and extensive sourcing expertise.
- ITCMAARS (Metamarket for Advanced Agriculture and Rural Services) – a crop-agnostic 'phygital' full stack AgriTech platform is being scaled up with appx. 850 FPOs in 9 states encompassing about 270,000 farmers (registered till date). This platform provides farmers with AI/ML driven personalised and hyperlocal crop advisories, access to good quality inputs and market linkages as well as allied services like pre-approved loans. It also offers advanced technologies like real-time soil testing, quality assaying and precision farming at the doorstep of farmers.

## CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

ITC is a global exemplar in 'Triple Bottom Line' performance and is the only enterprise in the world of comparable dimensions to have achieved and sustained the three key global indices of environmental sustainability of being **'water positive' (for 20 years), 'carbon positive' (for 17 years), and 'solid waste recycling positive' (for 15 years)**. The Company sustained its **'AA' rating by MSCI-ESG for the 5<sup>th</sup> successive year** - the highest amongst global tobacco companies. The Company 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 its continued commitment to people and planet.

ITC has also been rated at the **'Leadership Level' score of 'A-'** for both **Climate Change** and **Water Security** (Asia and Global average at 'C' for climate change and 'B' for water security) by CDP, a reputed independent global platform for disclosures on environmental impacts.

The Company's infrastructure facilities continue to set new benchmarks of sustainability. During the quarter, the ICML in Malur, Karnataka, became the first Asian food processing facility to be awarded the prestigious Alliance for Water Stewardship Platinum-level certification for its responsible water management interventions. Further, ITC Sankhya, Bengaluru became the world's first Data Centre to achieve LEED® Zero Carbon certification by the USGBC making it an icon of environmental stewardship.

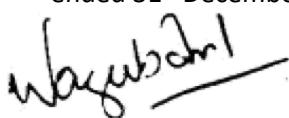
The Sustainability & Integrated Report 2022 is available on the Company's corporate website at

<https://www.itcportal.com/sustainability/sustainability-integrated-report-2022/ITC-Sustainability-Integrated-Report-2022.pdf>

Please refer link below for performance highlights of the quarter:

<https://www.itcportal.com/investor/pdf/ITC-Quarterly-Result-Presentation-Q3-FY2023.pdf>

The Board of Directors, at its meeting on 3<sup>rd</sup> February 2023, approved the financial results for the quarter ended 31<sup>st</sup> December 2022, which are enclosed.



**(Nazeeb Arif)**  
**Executive Vice President**  
**Corporate Communications**





**Enduring Value**

NATION FIRST: SAB SAATH BADHEIN

# Q3 FY23 Results

03<sup>rd</sup> February, 2023

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

# Macro Economic Context

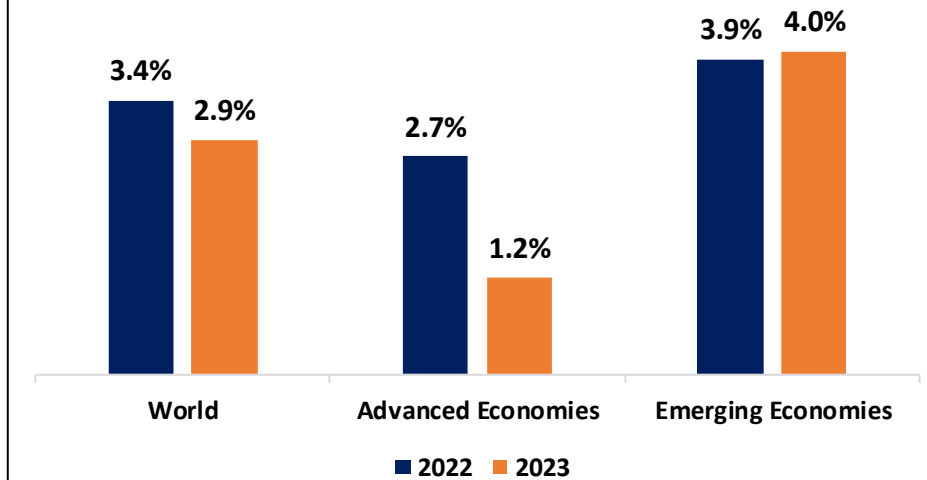
## Slowdown in Global Growth estimates

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

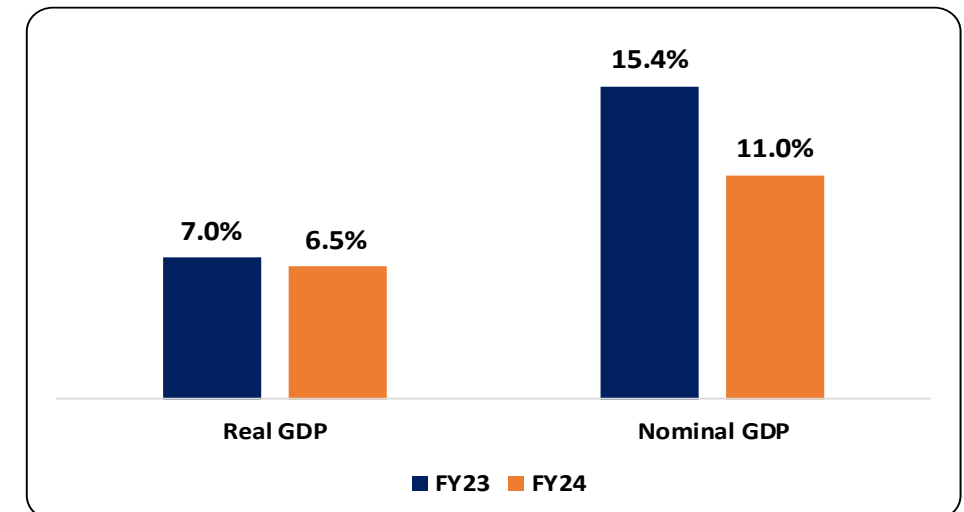
## India remains relatively better placed though growth expected to drop

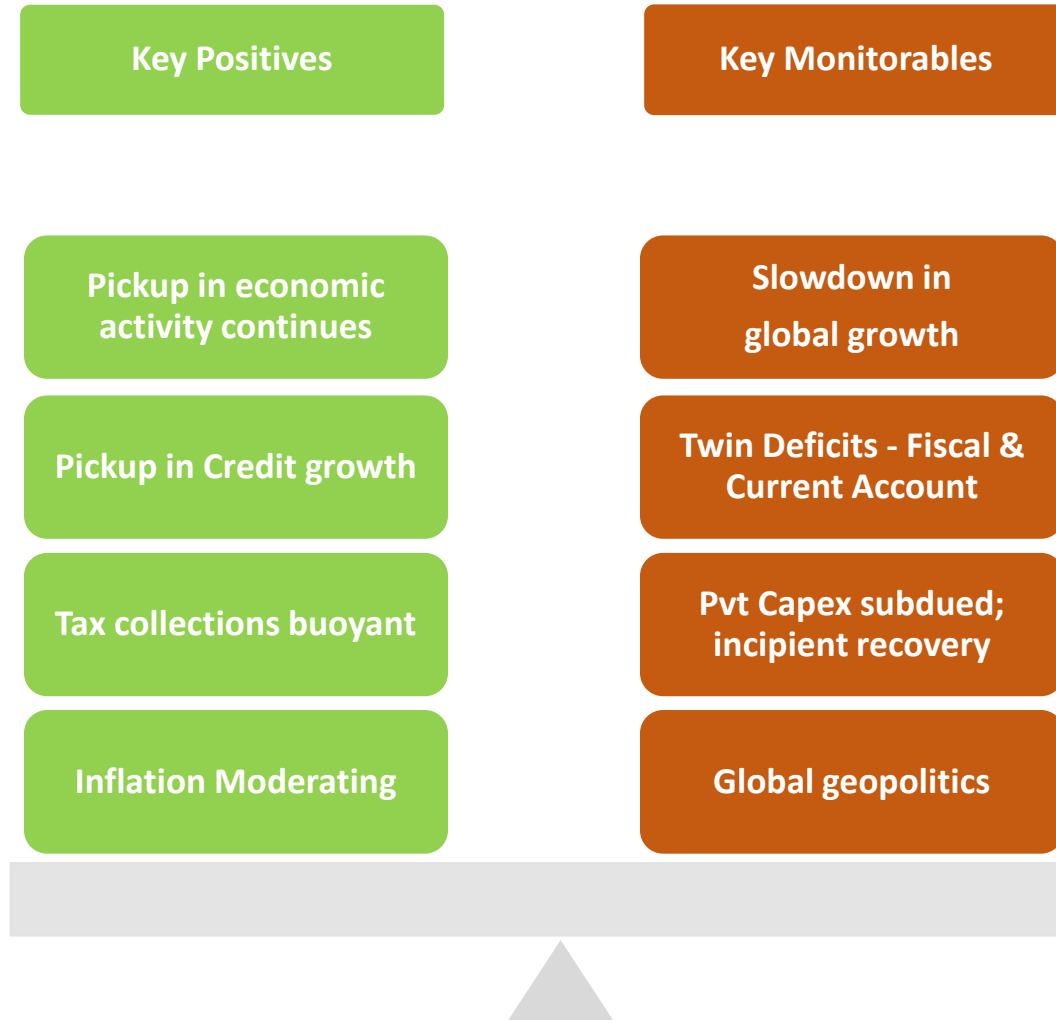
- **FY23 GDP** expected to grow by **7.0%**
  - *FY24 growth expected to slow to around **6.5%***
  - *FY24 Nominal GDP growth est. at appx. **11%** (15.4% in FY23)*
- **Inflation** in FY24 expected to drop to ~5.5% Vs. 6.8% in FY23
- India witnessing high **Twin Deficits**; subdued exports
- **Rural**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

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



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





# **Q3 FY23 Results**

## **Headline Financials & Business Highlights**

**Strong growth  
momentum  
sustained across  
operating segments**

**Gross Revenue**  
*ex – Agri Business*

▲ +17.5%

**EBITDA**

▲ +22.0%

**Overall Segment PBIT Margin**  
*ex – Agri Business*

37.8% ▲ 130 bps

**PAT**

▲ +21.0%

**EPS**

▲ +20.5%

**Interim Dividend**

**Rs. 6.00**  
per share

- **Robust performance continues in FMCG – Others; Segment Revenue up 18.4% YoY, at appx. 1.5x of Q3 FY20**
  - *Staples, Biscuits, Noodles, Snacks, Dairy, Beverages and Soaps drive growth*
  - *Education & Stationery Products Business continues to witness strong traction*
  - *Segment EBITDA margin at 10.0% (+90 bps YoY; +50 bps QoQ) – amidst elevated commodity prices*
  
- **Stability in taxes on Cigarettes, backed by deterrent actions by enforcement agencies, enable continued volume recovery from illicit trade**
  - *Segment Revenue up 16.7% YoY; Segment PBIT up 16.9% YoY*
  
- **Hotels Segment Revenue up 50.5% YoY and at appx. 1.3x of Q3 FY20**
  - *RevPAR well ahead of pre-pandemic levels*
  - *Segment EBITDA at 224 cr. (up 107 cr. YoY and 67 cr. over Q3 FY20)*
  - *Segment EBITDA Margin at 31.5%*



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



### Multiple Growth Drivers

Best fit - market opportunity & enterprise strengths

Disruptive models : Digital / Sustainability + Institutional Strengths



### Innovation and R&D

Agile & purposeful innovation to win

Science-based research platforms embedding Sustainability



### Strategic Cost Management

Structural interventions across value chain

Resilient & optimized Supply Chains



### Sustainability 2.0

Bolder ambition  
Environmental Capital  
Inclusive growth



### Digital

Future tech enterprise  
Digital first culture  
Smart Eco System



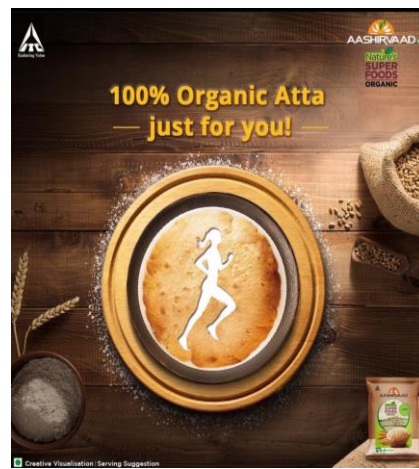
### World-Class Talent

'Proneurial' spirit  
High Performance, Nimble and Customer-centric Culture  
Diversity & Inclusion

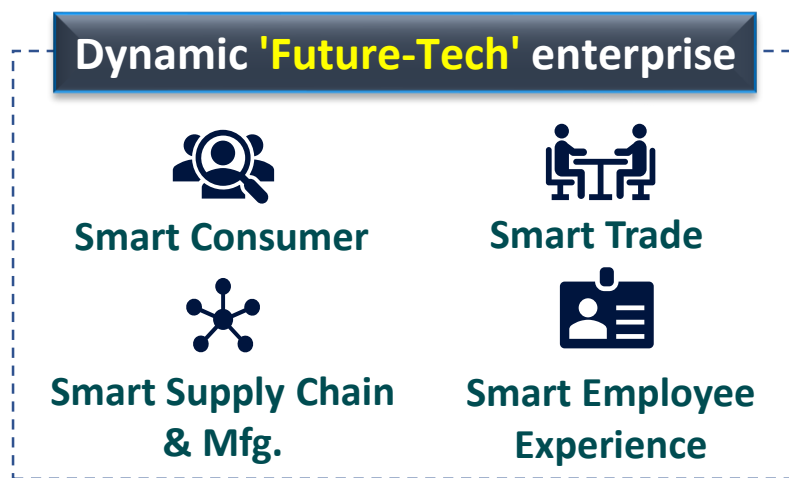


Enduring Value

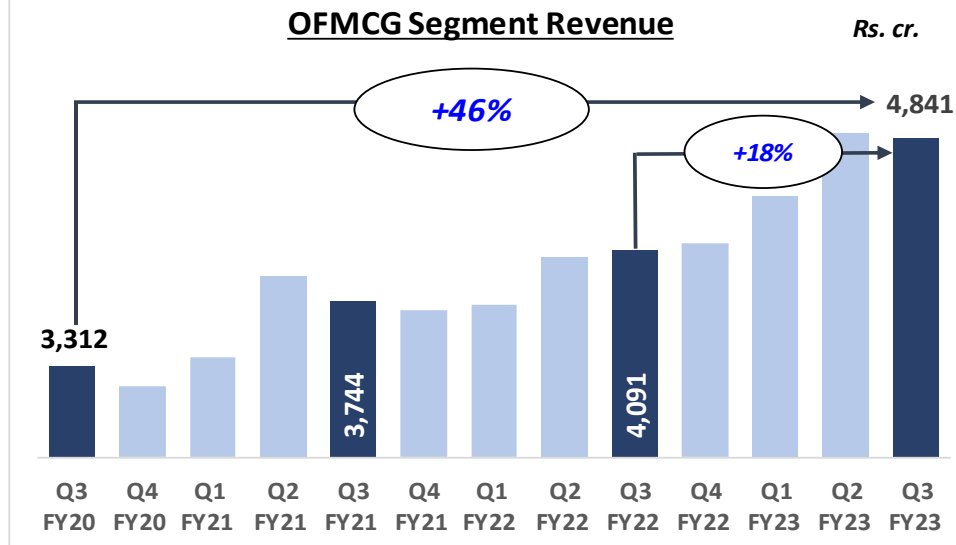
FMCG Others



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



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



### Scaling up D2C

**ITCstore.in**

<http://www.itcstore.in>

- 700+ FMCG products
- 45+ categories

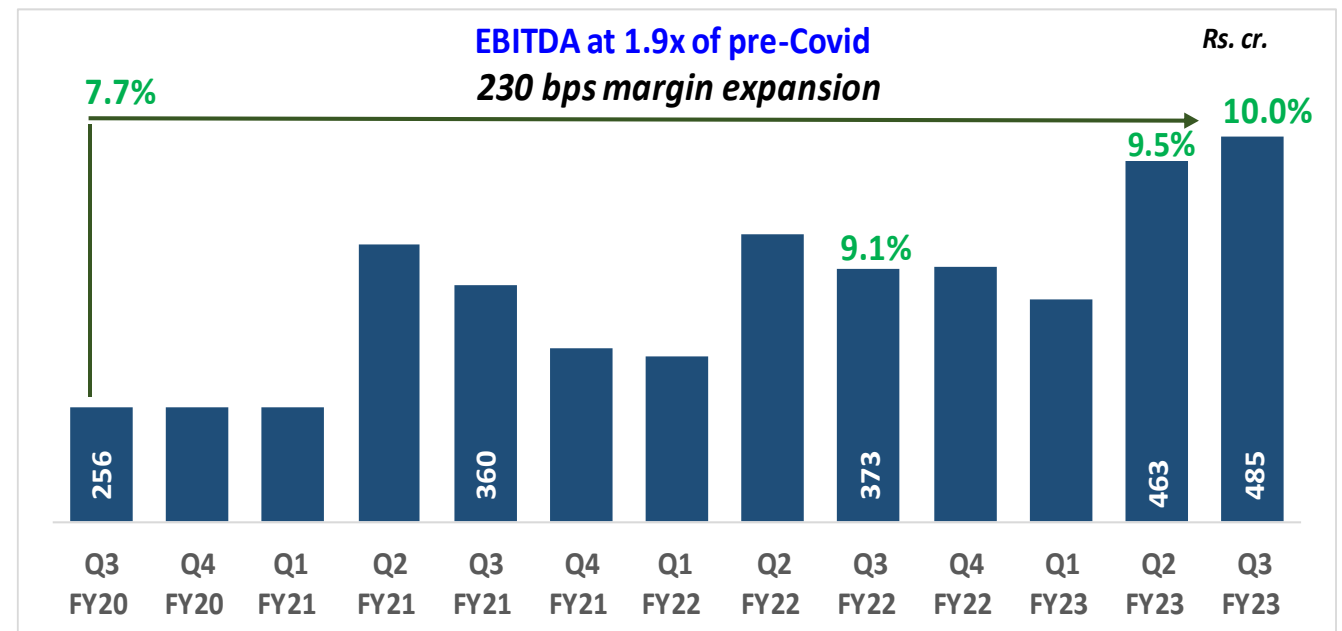
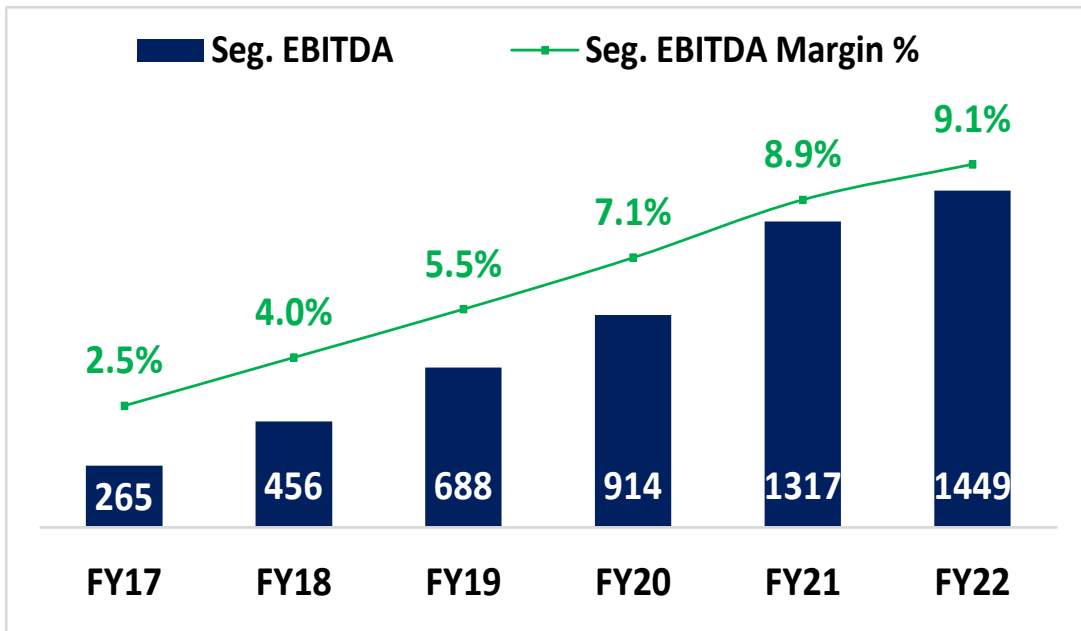
<https://classmateshop.com/>

Creative Product personalisations

**Supporting startups in the D2C space**



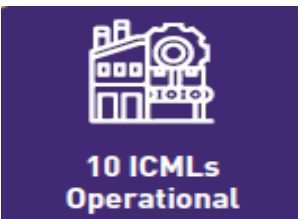
- **Segment EBITDA Margin at 10.0%** (Q3 FY22: 9.1%)
  - *Sequential improvement of 50 bps*
- Input costs remained elevated even as some commodities witnessed sequential moderation in prices; margin expansion driven through **multi-pronged interventions**
  - Strategic cost management, premiumisation,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



## ICML Medak



## AMLF Kapurthala

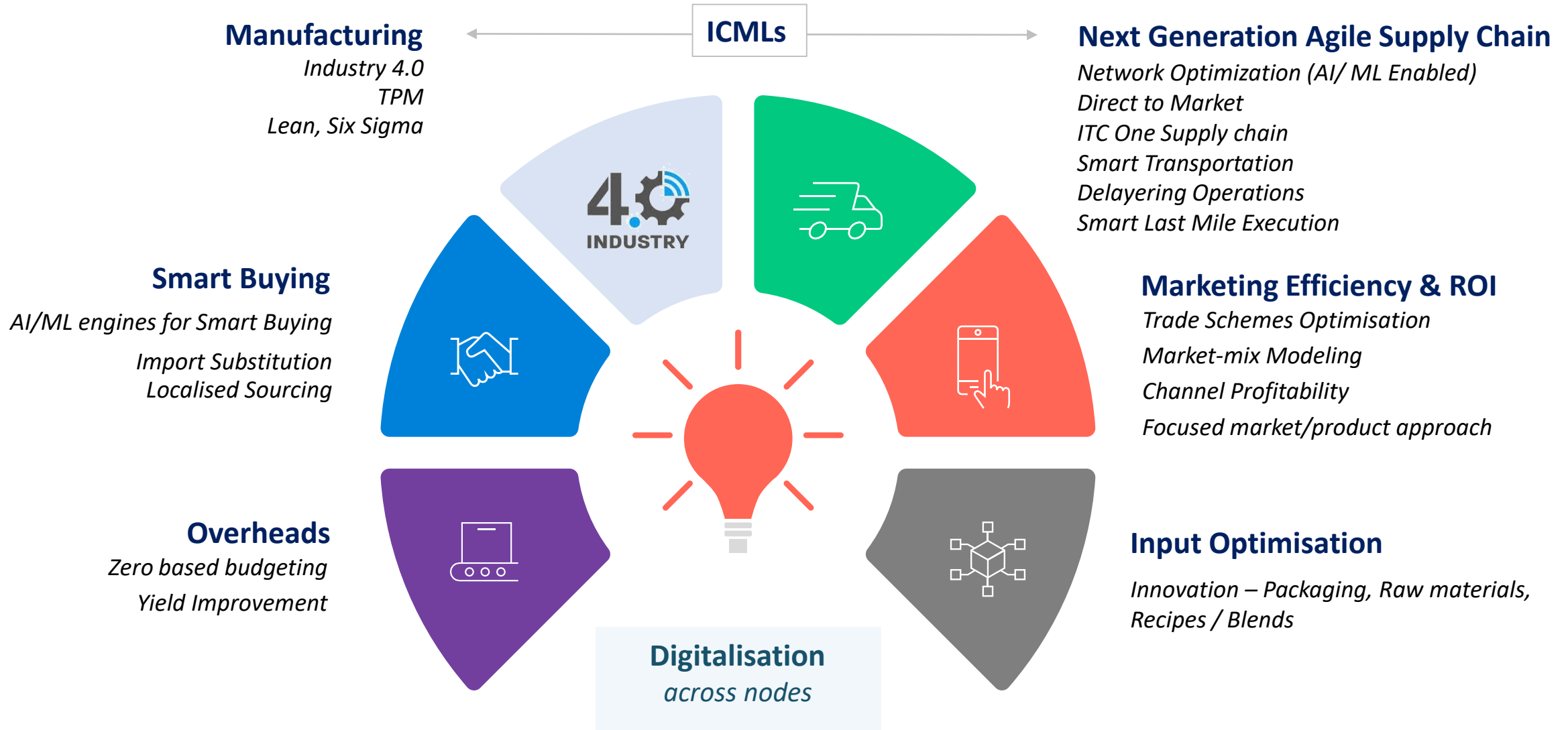


## ICML Trichy



## ICML Guwahati





# Addressing Emerging Consumer Need Spaces with Agility

Robust innovation pipeline



**Bingo! Snacks**

Differentiated Flavors and Textures



**ITC Master Chef**

Grilled Chicken Wings | Barbeque Chicken Wings



**Sunfeast**

Strawberry/Litchi Smoothies  
Chia Seeds | Fruit Chunks



**Mom's Magic**

Centre Filled with Cashews  
& Molten Butter Creme



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



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



**Classmate  
Hook Ball Pens**



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





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



**Aashirvaad Roasted Vermicelli**  
No Added Preservatives



**B Natural | Sunfeast Nutrilite**  
Health Range



**Farmlite Digestive High Fibre**  
Goodness of Wholewheat



**Sunfeast Biscuits**  
Thin Arrowroot



**Aashirvaad Instant Sambar**  
Goodness of Dals



**Aashirvaad Svasti**  
Organic Cow Ghee



**Vivel VedVidya**  
Ancient Beauty Baths

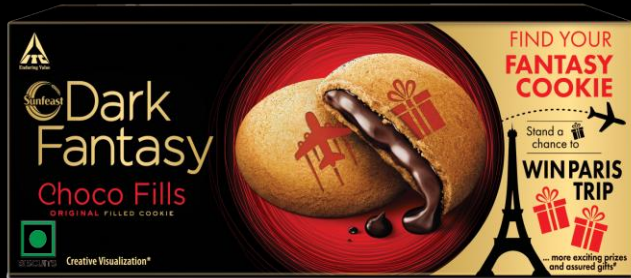


**Mangaldeep Sambrani Cups**  
Pure and Natural

## Brand Integration



HIGH VISIBILITY ON INSTA | FB



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

**A Cookie can take you to Paris !**



## Enhancing Brand Affinity



*Bingo! resonates well with GenZ*



**#RoadTrippinWithRocky**

## Innovative Print & OOH Campaigns



## Moment Marketing Driving Brand Engagement



**FOOTBALL FEVER  
IS IN THE AIR!**

**BOUNCE FOOTBALL FILTER**



**Live - Argentina vs Croatia - Malayalam Sports**

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

### More In Sports



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



Croatia 1(4)-1(2) Brazil



Bingo! Hashtags associates with FIFA 2022

## Enhancing OTT Presence

Regional Activation



Association with Global Content



## YIPPEE! TRASH TO TREASURE



## FEEL GOOD WITH #FIAMA

**Feel good with fiama**

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

**Social Media and Gen Z**

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

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

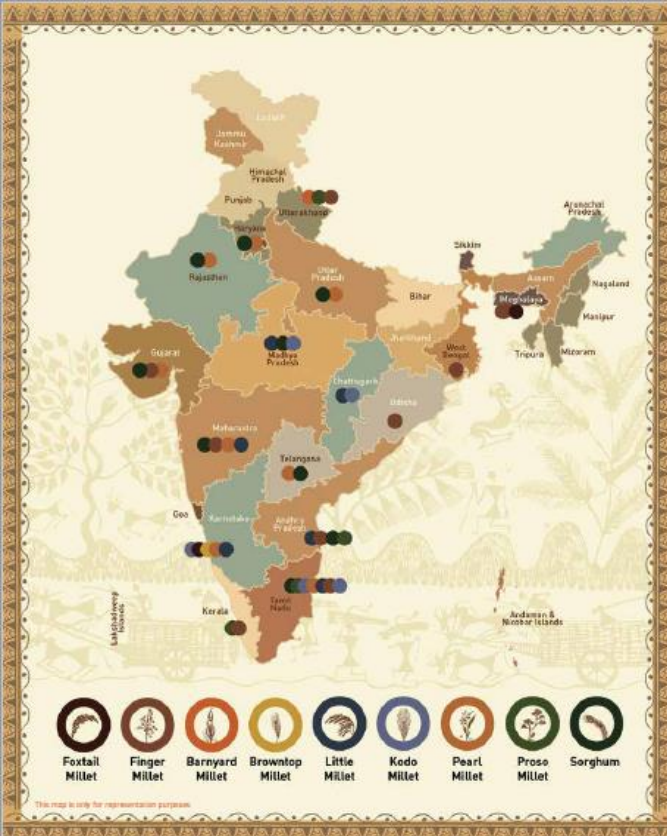
Survey to identify cause of stress for GenZ and Millennials

HIGH VISIBILITY ON INSTA | FB



[mindsfoundation.org/counseling](https://mindsfoundation.org/counseling)  
18005-477-200  
Talk to qualified therapists  
Pocket-friendly prices





**Resilient and Versatile Crop**

**Climate Smart Agriculture**

**Farmer Benefits**

Short duration crop  
Gluten free  
Non-allergenic

Carbon neutral  
Water efficient  
Climate resistant

Higher Yields & Incomes



**EDUCATE**



**EMPOWER**



**ENCOURAGE**

- Sustainable food ecosystem
- Healthy communities
- Consumer Awareness

### Millets: The humble Superfood



**Millet based range of products**



# Expanding Reach in Emerging Channels

## Winning in Emerging Channels





### Modern Trade



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

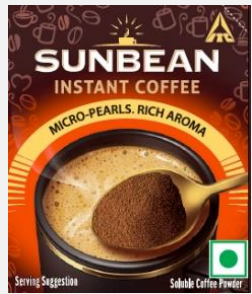


## New Routes to Market

Direct Marketing	On the Go	Strategic Partnership	QSR
			

## Channel Specific Launches

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



Instant Coffee Powder



Haah Salkumura Masala



Festive Edition



Paperkraft Vintage Charm

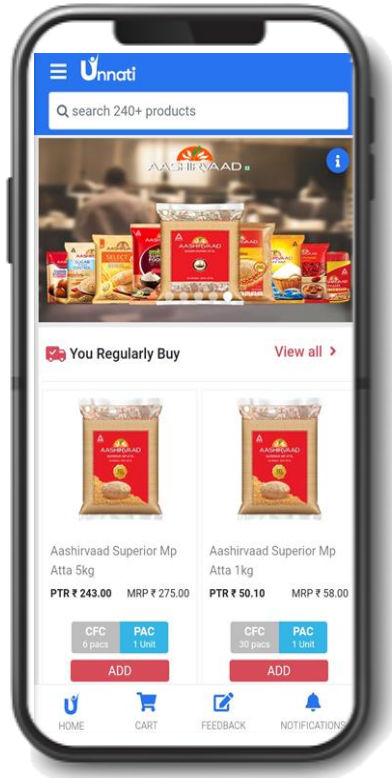
## Climate Controlled Supply Chain

Dairy | Frozen | Chocolates



# Leveraging Digital to expand reach

## eB2B: UNNATI

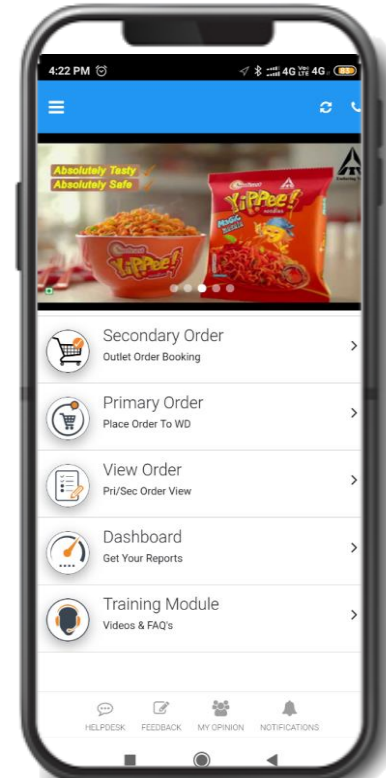


Over 4.8 lakh  
Outlet penetration

## VIRU: Virtual Salesman



## VISTAAR: Rural App



## Project Zen



Next Generation Agile  
FMCG Supply Chain



Enduring Value

## FMCG Cigarettes





Segment Revenue  
7288 cr. ▲ 16.7%

Segment Results  
4620 cr. ▲ 16.9%

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

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

### Innovation

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

### Portfolio Fortification

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

### Recent Introductions

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



Enduring Value

## Hotels Business



### Segment Revenue

712 cr.

(+50.5%; 1.3x of Q3FY20)

### Segment EBITDA

224 cr.

+107 cr. YoY

+67 cr. over Q3 FY20

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



### Conde Nast Traveller Reader's Travel Awards 2022

*Favourite Indian Hotel for Food & Drink*

ITC Maurya



### Travel + Leisure Awards 2022

*Best Luxury Hotel Chain*

ITC Hotels

## Welcomhotel Jim Corbett launched



## Phased openings over the next few quarters



STORII  
— BY ITC HOTELS —

MEMENTOS  
—  
BY ITC HOTELS



WELCOMHOTEL

\* launching soon

# Special Occasions leveraged to drive demand



## Rewarding Festive Getaways

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

\*Terms and Conditions Apply



# The Art of Celebration



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

1<sup>st</sup> December, 2022 to 7<sup>th</sup> January, 2023

The countdown to celebrate new beginnings!



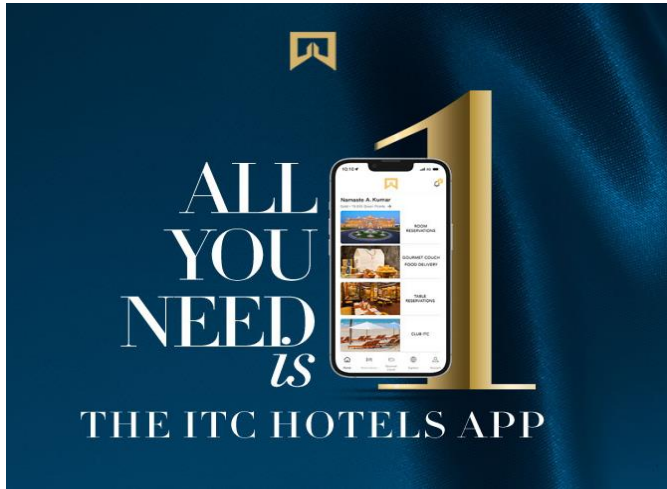
## The Gift of Good Cheer

Exquisite Hamper Collection | Artisanal Assortment of Christmas Goodies

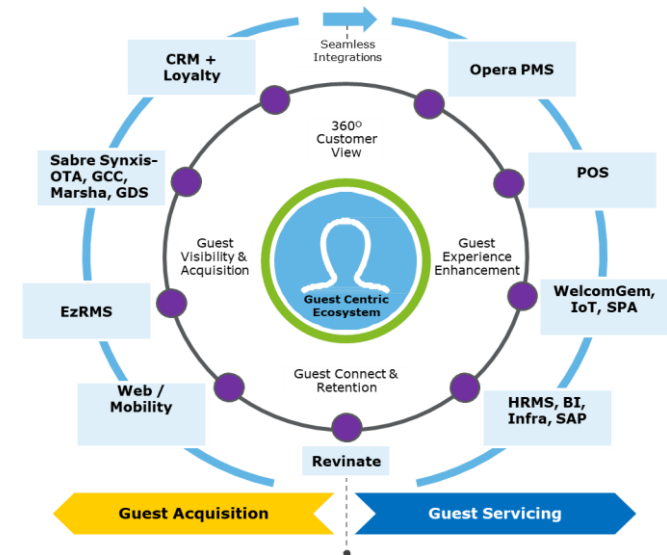
With Festive Curations by ITC Hotels

\*Terms and Conditions Apply

# Multiple Value Drivers



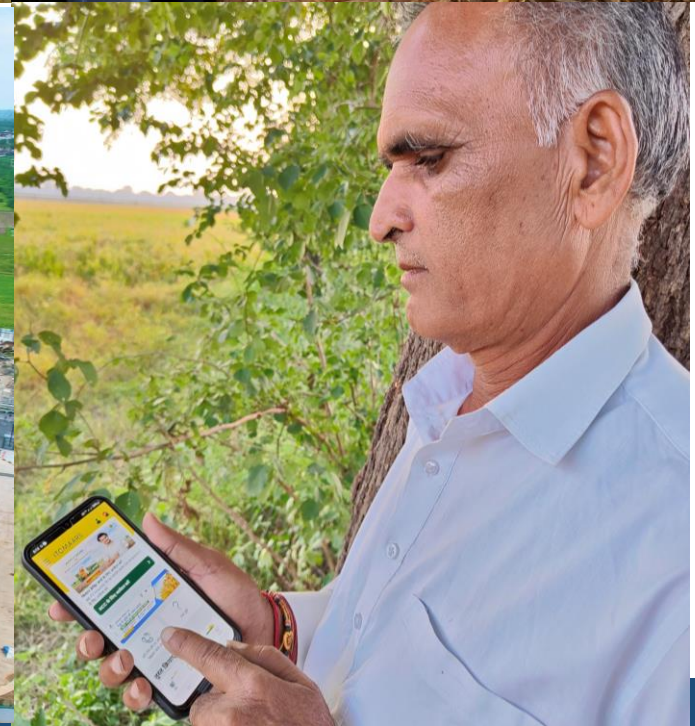
One stop shop for all guest needs



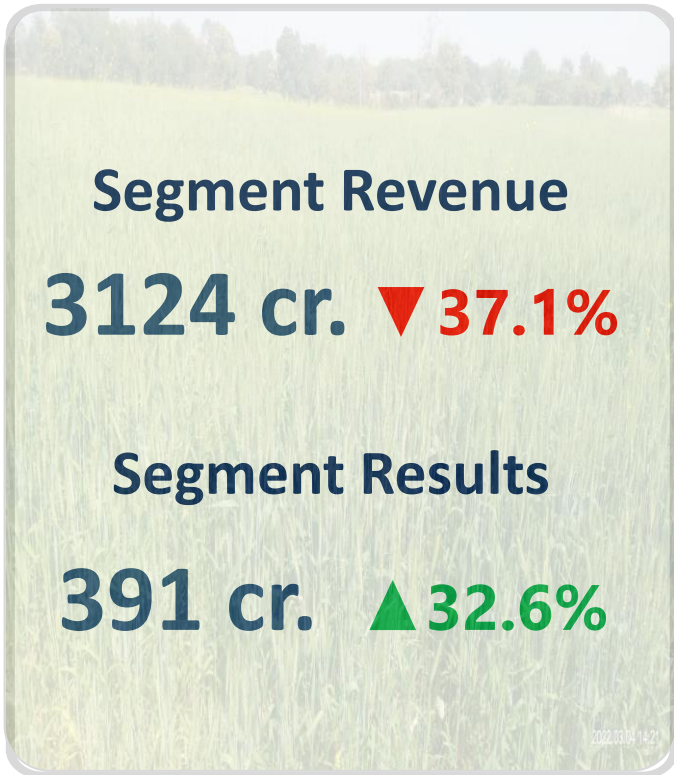


Enduring Value

Agri Business







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



**Multiple Sourcing Models**

Farmer | Trader | Mandi



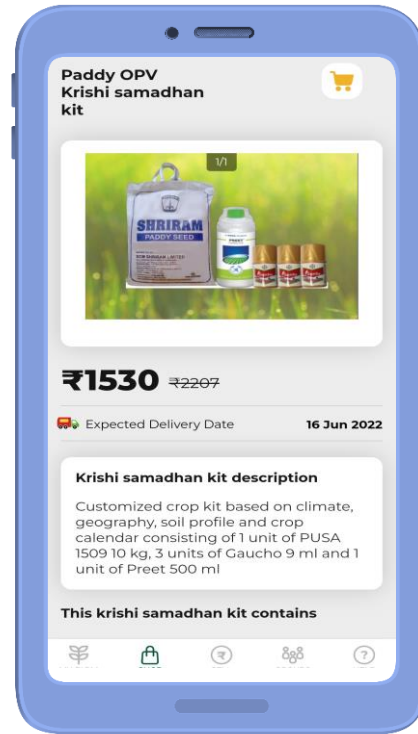
**Multi Modal Transportation**

Railway | Coastal | Road

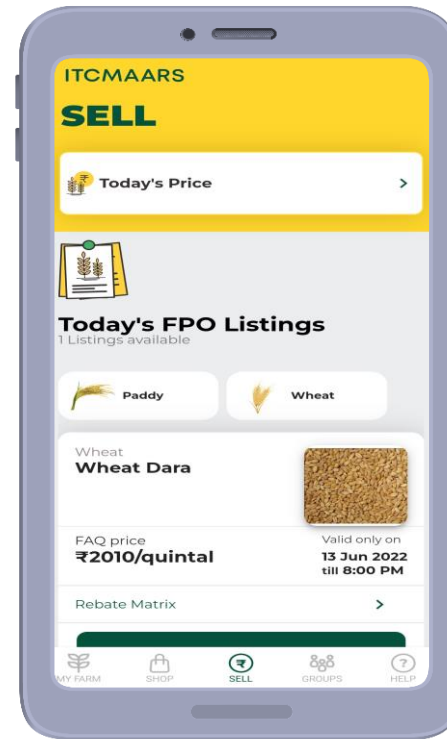
<sup>^</sup> Being undertaken by ITC IndiVision Limited, the Company's wholly owned subsidiary



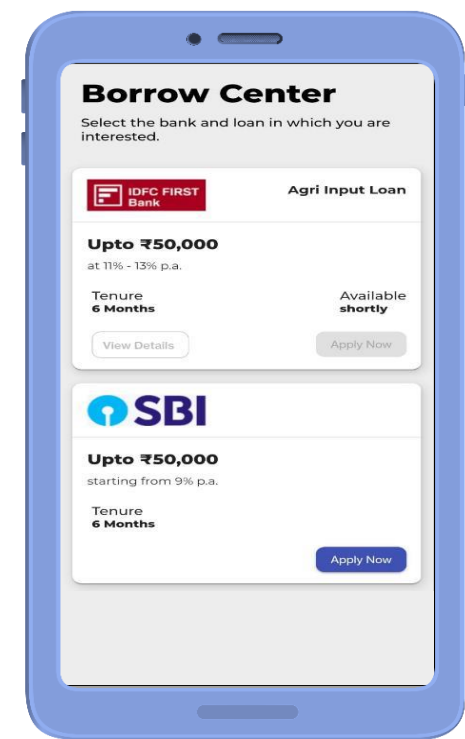
Advisory



Inputs



Outputs



Services

~850 FPOs  
9 states

~2.7 lac  
Farmer registrations

~1.7 lac  
App downloads

~60  
Tie-ups with partners



*Preferred supplier for customers in Food Safe Markets and Emerging markets*



Enduring Value

# Paperboards, Paper & Packaging



### Segment Revenue

2306 cr. ▲ 12.7%

### Segment Results

606 cr. ▲ 35.2%

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



# Sustainable Packaging Solutions New Growth Vector

ITC LSTC | External Collaborations



**QXY BLOCK**  
Oxyblock

**omega bev**  
Leave nothing behind

Bio-based Coated Boards

**Indobev** | **Indo barr**  
**Indobowl**

Extrusion Coated Boards

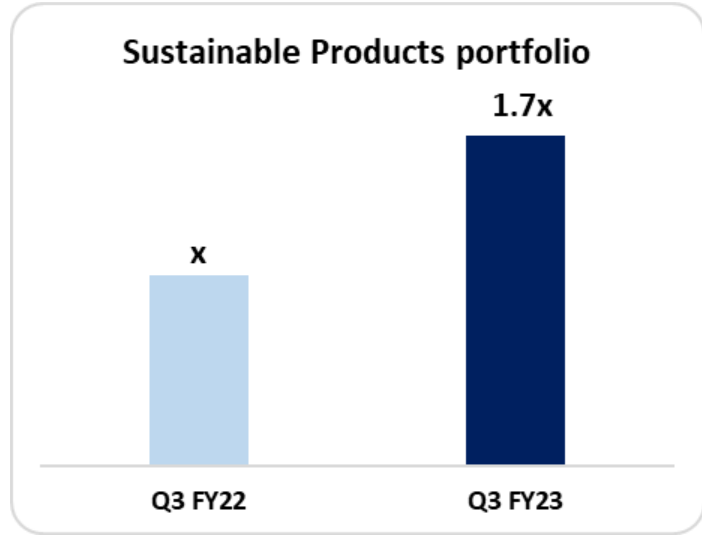
Antimicrobial Coating

**COMPOSTABLE BIOSEAL**  
100%

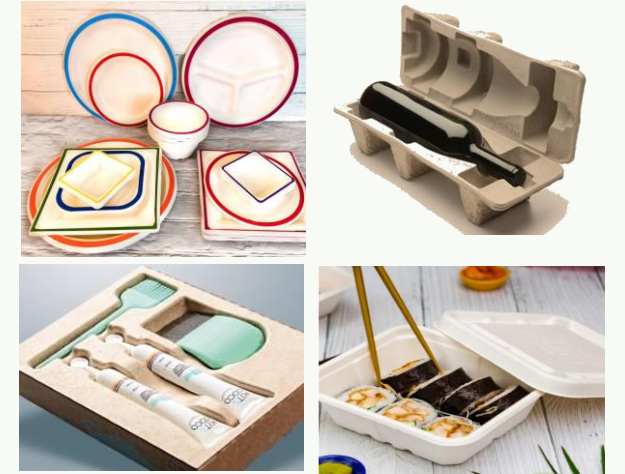
Bioseal

**FiloBev**  
**FiloPack** **FiloServe**

Water, Oil & Grease Resistant Boards



Premium Moulded Fibre Products (MFP) ^



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

# Financials

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

*Stellar performance across operating segments*

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



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

- **FMCG Others**

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

- **Hotels**

- RevPAR well ahead of pre-pandemic levels

- **Agri Business**

- Restrictions imposed on wheat & rice export impact Segment Revenue

- **Paperboards, Paper & Packaging**

- Higher realisations drive growth

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

- **FMCG-Others:**

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

- **Hotels:**

- Segment PBIT at 1.7x of Q3FY20

- **Paperboards, Paper & Packaging:**

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

# ITC – A Global Exemplar in Sustainability



## **ITC e-Choupal**

4 Million Farmers empowered



## **Afforestation**

Over 10,00,000 acres greened



## **Watershed Development**

Over 1.39 million acres covered



## **Livestock Development**

Over 21,05,000 milch animals covered



## **Solid Waste Management**

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



## **Women Empowerment**

over 1.07 lacs poor women benefitted



## **Skilling & Vocational Training**

Covering over 1.20 lacs youth



## **Primary Education**

Reaching over 9.9 lacs Children



## **Health & Sanitation**

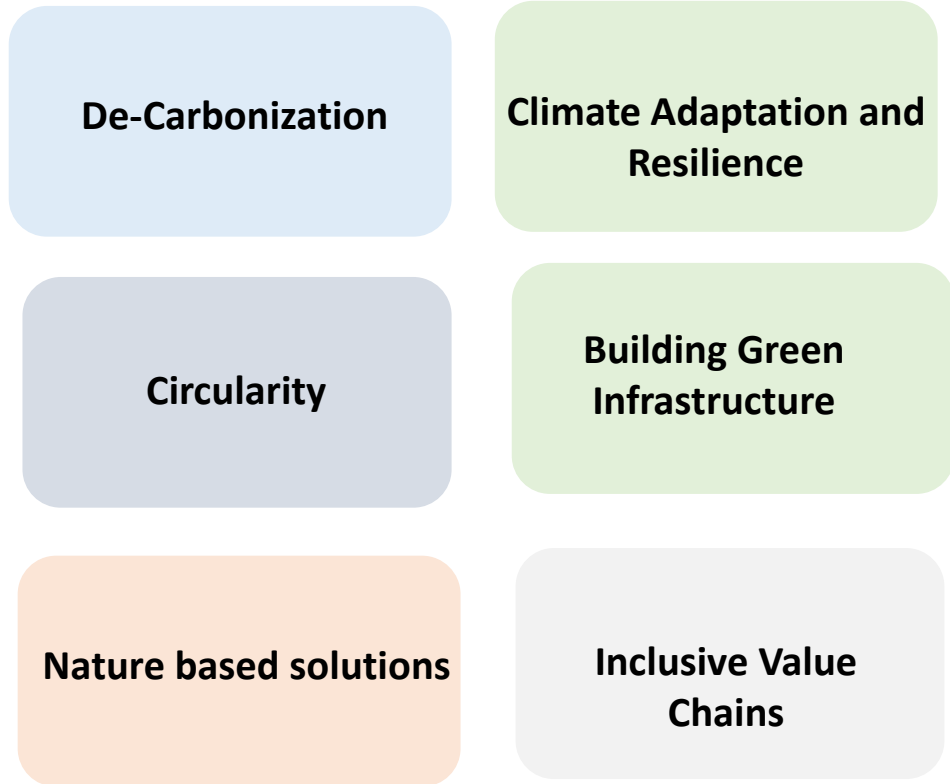
Over 39,500 toilets built

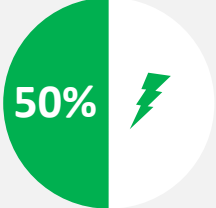






## **Pioneer of Green Building movement in India**

40 platinum rated green buildings

### Strategic Interventions to Combat Climate Change



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

*Proactively work towards achieving 'Net Zero' emission status*

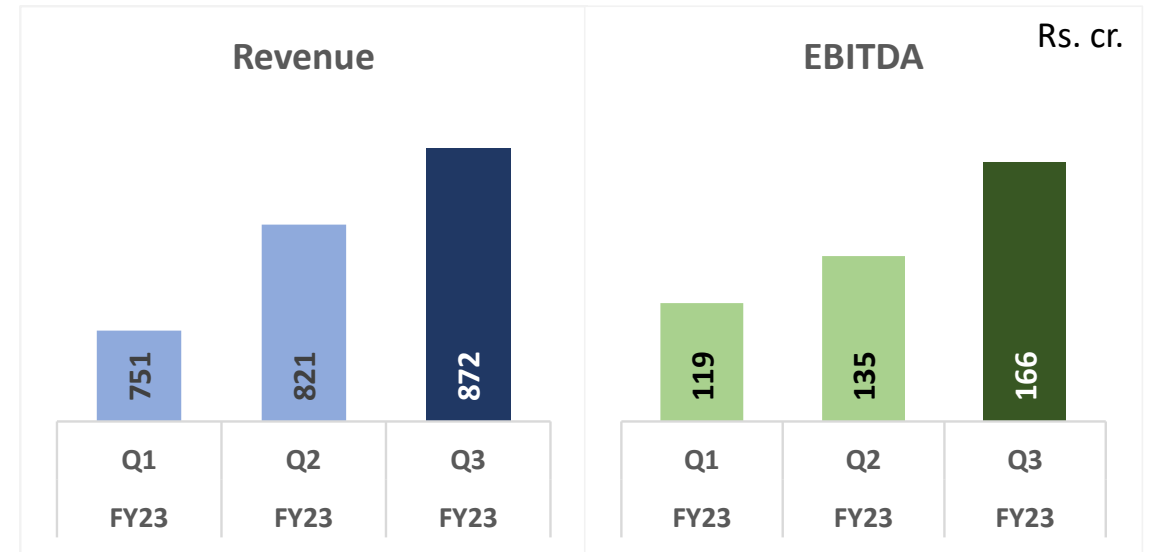
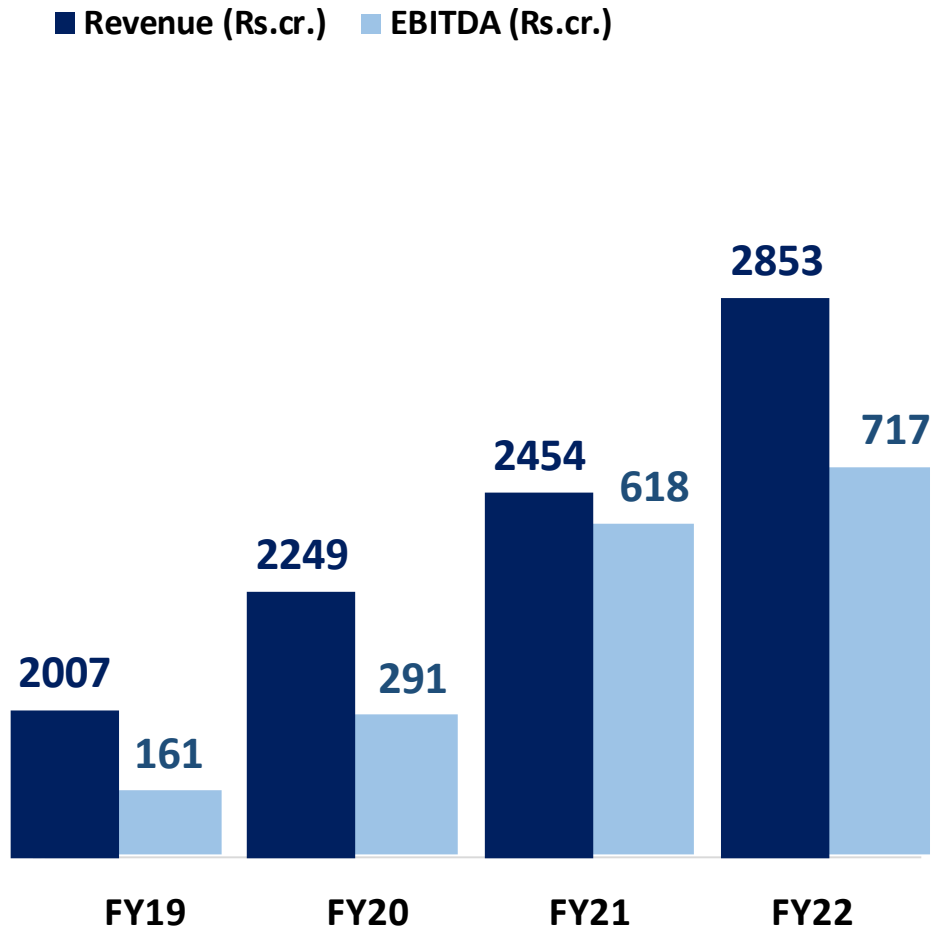
**Supporting Sustainable Livelihoods: From 6 million to 10 million**

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



# ITC Infotech





**EBITDA includes:**

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

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

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













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



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



**and  
Inclusive.**

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