



Enduring Value

NATION FIRST: SAB SAATH BADHEIN

Q3 FY24 Results

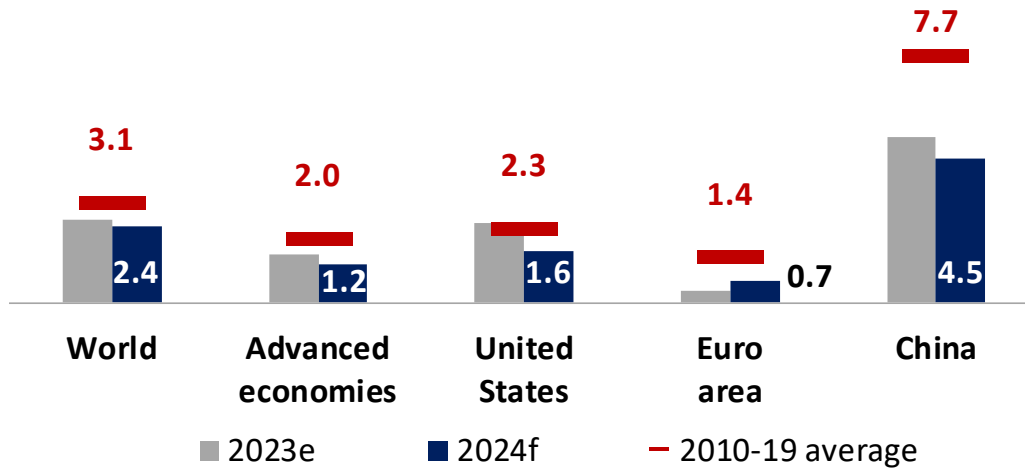
29th January, 2024

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

Macro Economic Context

Global economy 3rd consecutive year of deceleration weakness likely to persist

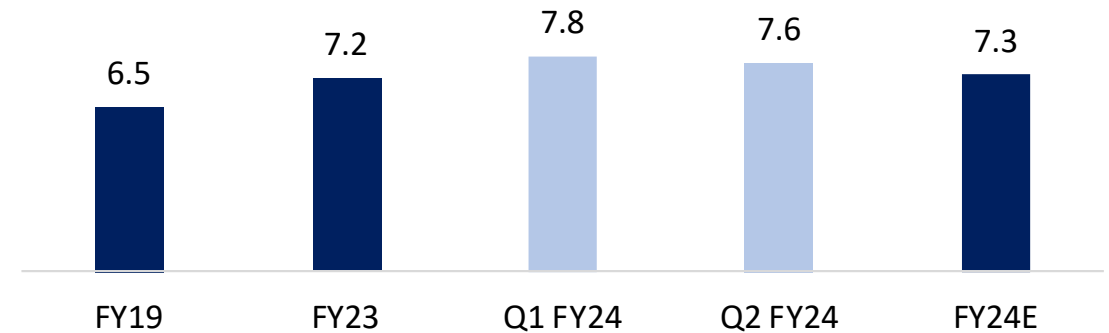
Real GDP Growth YoY



- **Structural weakness** in Chinese economy
- **Geo-political & Climate dynamics** pose downside risks
- **Debt distress** in emerging and low income economies

India remains a bright spot

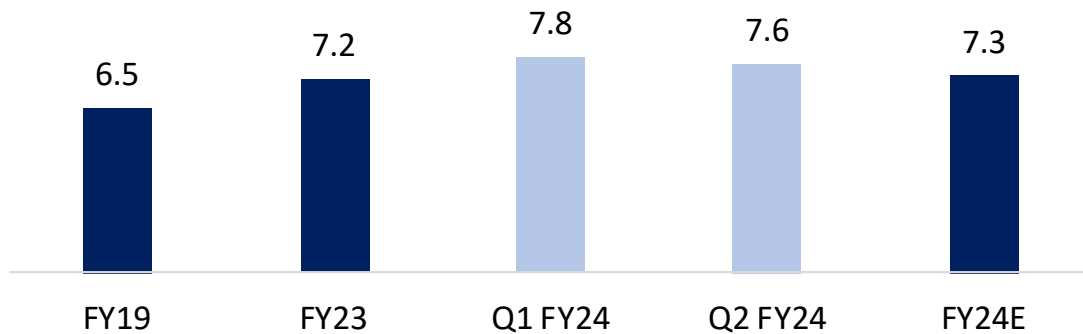
Real GDP Growth YoY



- GDP growth remains above long term average
- **Overall macros well-managed | Timely Policy interventions by Govt. of India**
 - *Core Inflation largely stable*
 - *Favourable External Balances and Forex Reserve*
 - *Infrastructure push by Government*
 - *Buoyant tax collections*
 - *Strong Bank and Corporate Balance Sheets*

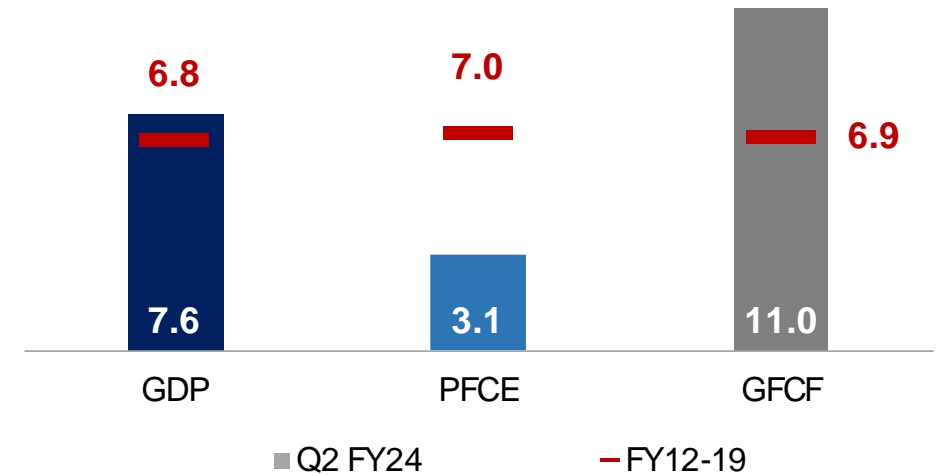
India remains a bright spot

Real GDP Growth YoY

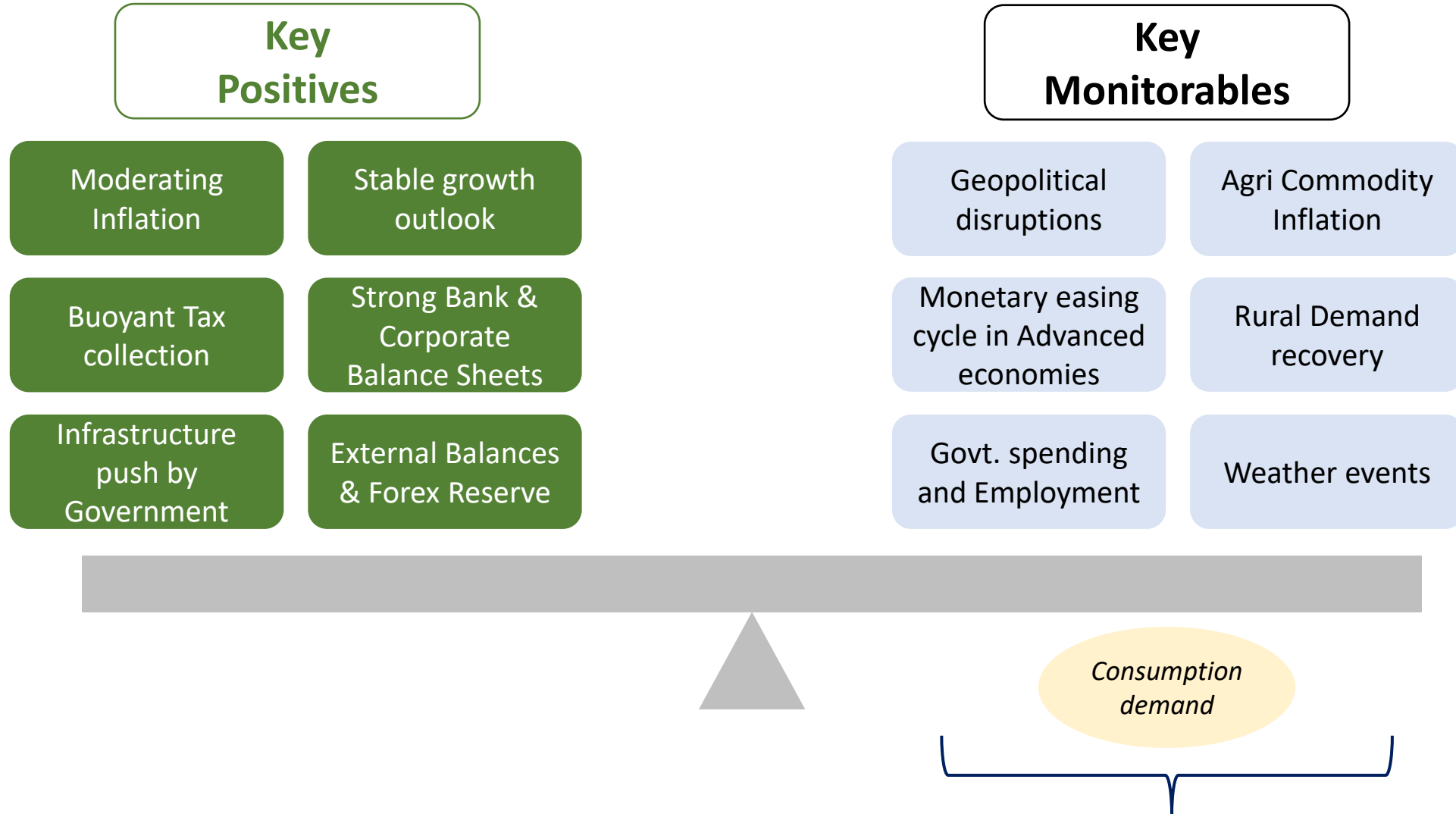


- GDP growth remains above long term average
- **Overall macros well-managed | Timely Policy interventions by Govt. of India**
 - Core Inflation largely stable
 - Favourable External Balances and Forex Reserve
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India growth led by Investments Consumption subdued



- GDP growth led by **Investments (Government Capex)**
 - Green shoots in Private Capex in certain sectors
- **Private Consumption** remains subdued; 400 bps below trend growth



Q3 FY24 Results

Key Highlights

Gross Revenue
ex – Agri Business

▲ +3.9%

2-yr CAGR +10.5%

Profit After Tax

▲ +10.8%

2-yr CAGR +15.8%

Interim Dividend

Rs. 6.25
per share

Key Highlights: Q3 FY24

- **Resilient performance in FMCG – Others amidst subdued demand conditions; Segment Revenue up 7.6% YoY on a high base; 2-yr CAGR +12.8%**
 - *Staples, Dairy, Beverages, Fragrances, Personal Wash, Homecare, Agarbattis and Notebooks drive growth*
 - *Segment EBITDA margin expanded 100 bps YoY to 11.0%*
 - *Segment PBIT up 24.1% YoY*
- **Cigarettes Segment witnesses consolidation on a high base after a period of sustained growth momentum**
 - *Net Segment Revenue and Segment PBIT up 2.3% YoY*
 - *2-yr CAGR: Net Segment Revenue +9.3%, Segment PBIT +9.4%*
 - *Differentiated variants and premium segments continue to perform well*
- **Best ever quarter for the Hotels Segment; Segment Revenue and Segment PBIT up 18% and 57% YoY respectively**
 - *Segment EBITDA margin up 470 bps YoY to 36.2% driven by higher RevPARs, structural cost interventions and operating leverage*
 - *Demerger update: The Stock Exchanges have given their no-objection to the Scheme of Arrangement for demerger*

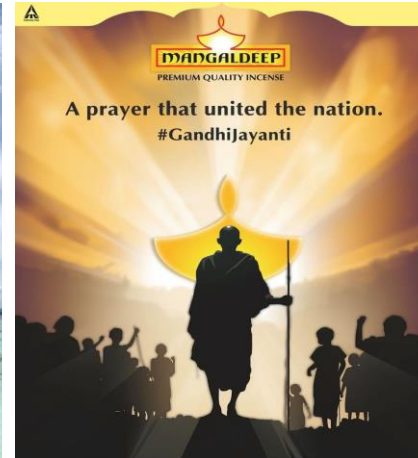
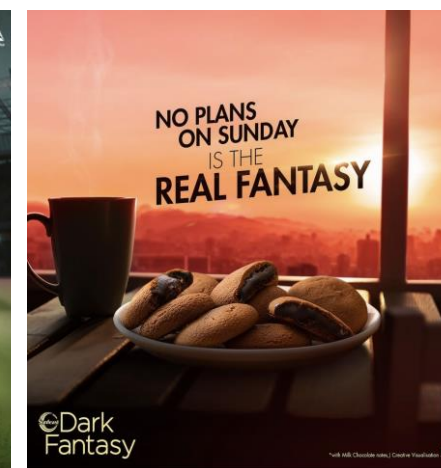
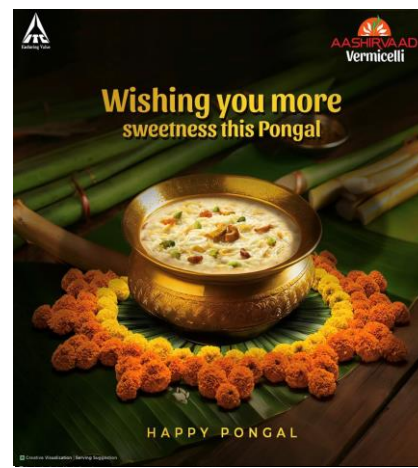
- **Agri Business Segment impacted by trade restrictions on agri commodities**
 - *Geopolitical tensions & climate emergencies have led to concerns on food security and food inflation; trade restrictions imposed by Govt. on agri commodities limit business opportunities for the segment*
 - ***Segment Revenue (excl. Wheat & Rice) up 14.2% YoY** driven by Value Added Agri products & Leaf Tobacco*

- **Paperboards, Paper and Packaging Segment remains impacted by low priced Chinese supplies in global markets, muted domestic demand, surge in wood cost and high base effect**
 - *Global demand remains subdued; domestic demand recovery slows post-festive season*
 - *Subdued realisations and surge in domestic wood prices exerted pressure on margins; structural advantages of the integrated business model, Industry 4.0 initiatives, strategic investments in High Pressure Recovery Boiler and proactive capacity augmentation in Value Added Paperboards aided in partly mitigating pressure on margins*
 - *Record high production of in-house chemical pulp leveraging recent capacity expansion*
 - *State-of-the-art premium **Moulded Fibre Products** manufacturing facility[^] is expected to be commissioned shortly*

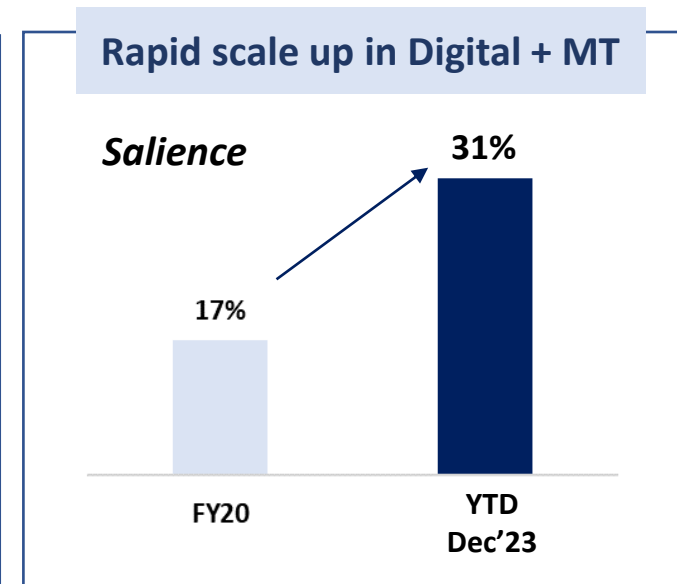
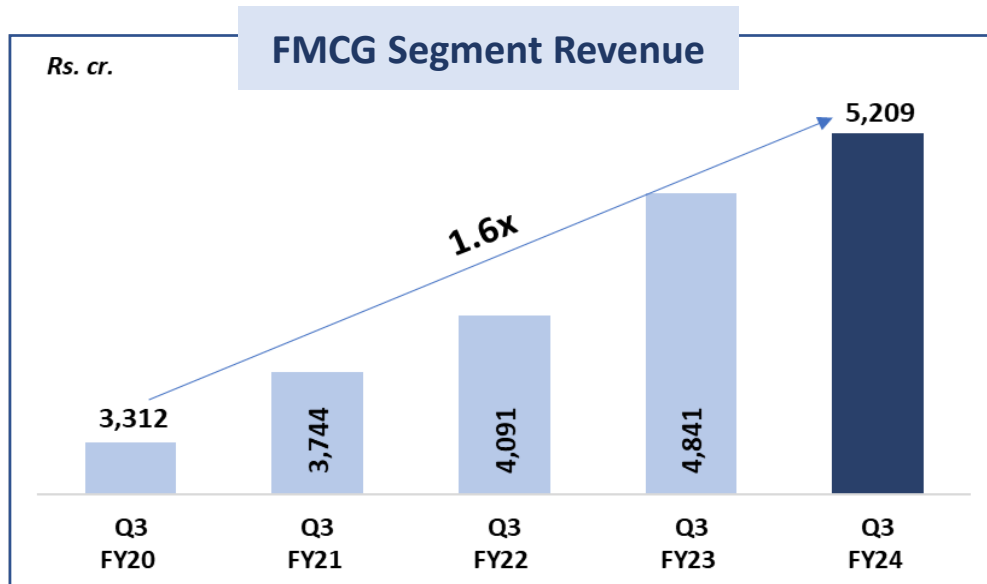
[^] Being set up by ITC Fibre Innovations Limited, the Company's wholly owned subsidiary



FMCG Others

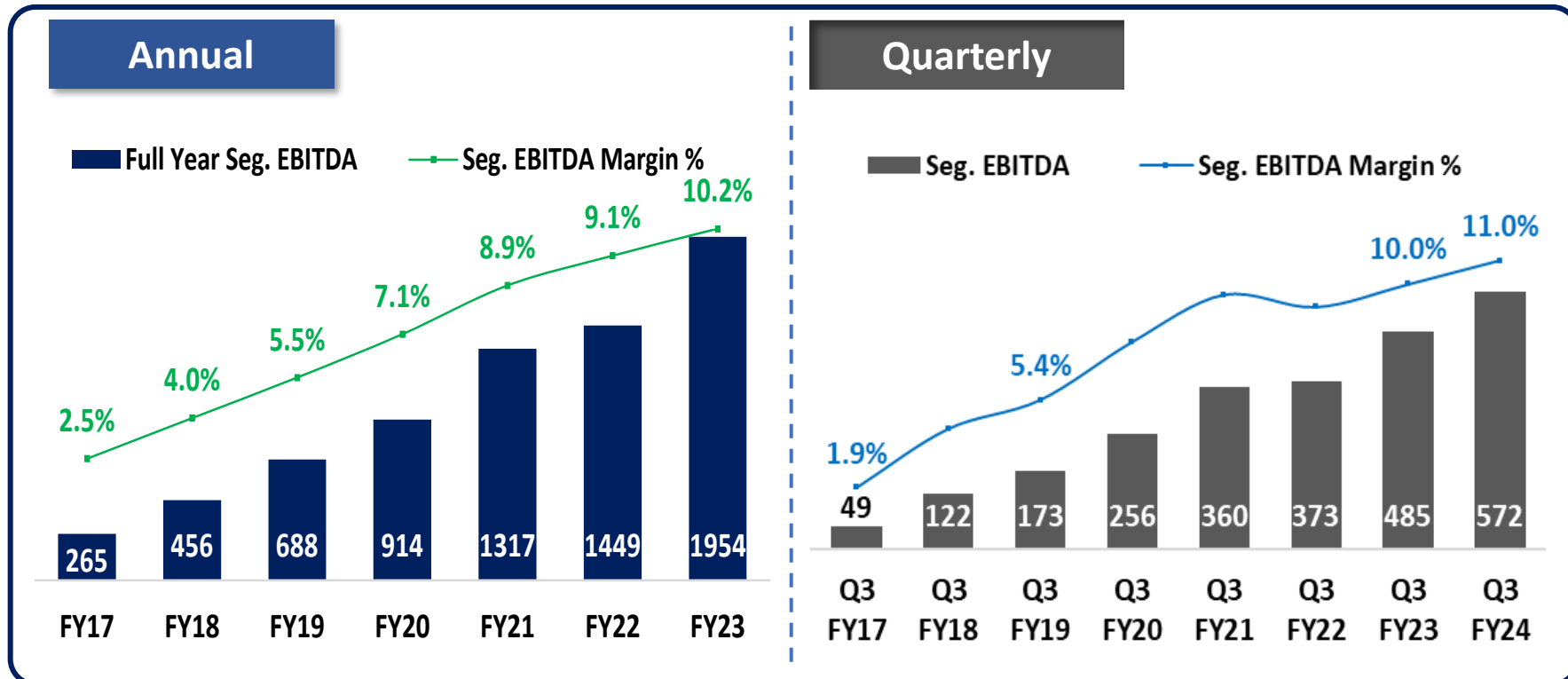


- **Segment Revenue up 7.6% YoY on a high base; 2-yr CAGR +12.8%**
 - *Staples, Dairy, Beverages, Fragrances, Personal Wash, Homecare, Agarbattis and Notebooks drive growth*
- Strategic **portfolio augmentation** leveraging agile and **purposeful innovation** continues to be stepped up towards addressing evolving consumer needs and accelerating **premiumisation**
- **Strong growth in Alternate Channels**
 - *Channel-specific business plans, collaborations, format-based assortments and category-specific sell-out strategies drive growth*
- **Commodity price deflation** on YoY basis; **sequential uptick** in certain commodities (*viz. wheat, maida, sugar etc.*)
 - *Competitive intensity remained high in certain categories, including from local / regional players*



▪ Q3 Segment EBITDA margins at 11.0% up 100 bps YoY

- Margin expansion driven by multi-pronged interventions viz. premiumisation, supply chain optimisation, judicious pricing actions, digital initiatives and strategic cost management





Aashirvaad Atta with Millets
25% millets inside

Sunfeast YIPpee! WOW! Masala

Sunfeast Dream Crème Cookie and Crème

Sunfeast Supermilk Immunity Nutrients

Fabelle Exquisite Chocolate Truffles Exquisite

Sunrise Spices Chicken Masala



Aashirvaad Whole Spices
Black Pepper | Cardamom | Jeera

Dermafique Shower Mousse
Hydra Soft | Aqua Cloud

Aashirvaad Mithaas
Badam Halwa | Moong Dal Halwa

Classmate Interaktiv Play Series

Mangaldeep Scent
Majestic Oud | Blue Lagoon

Sharpening Value Proposition



Scan the QR code

40+ Quality Control Tests

100% Atta, 0% Maida

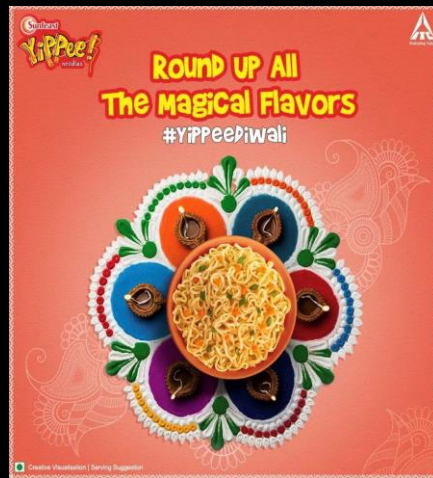
Building Brand Associations



On-ground presence during Ayodhya Ram Mandir Pran Pratishtha

Deepening Consumer Engagement

Celebrating moments



Mom's Magic



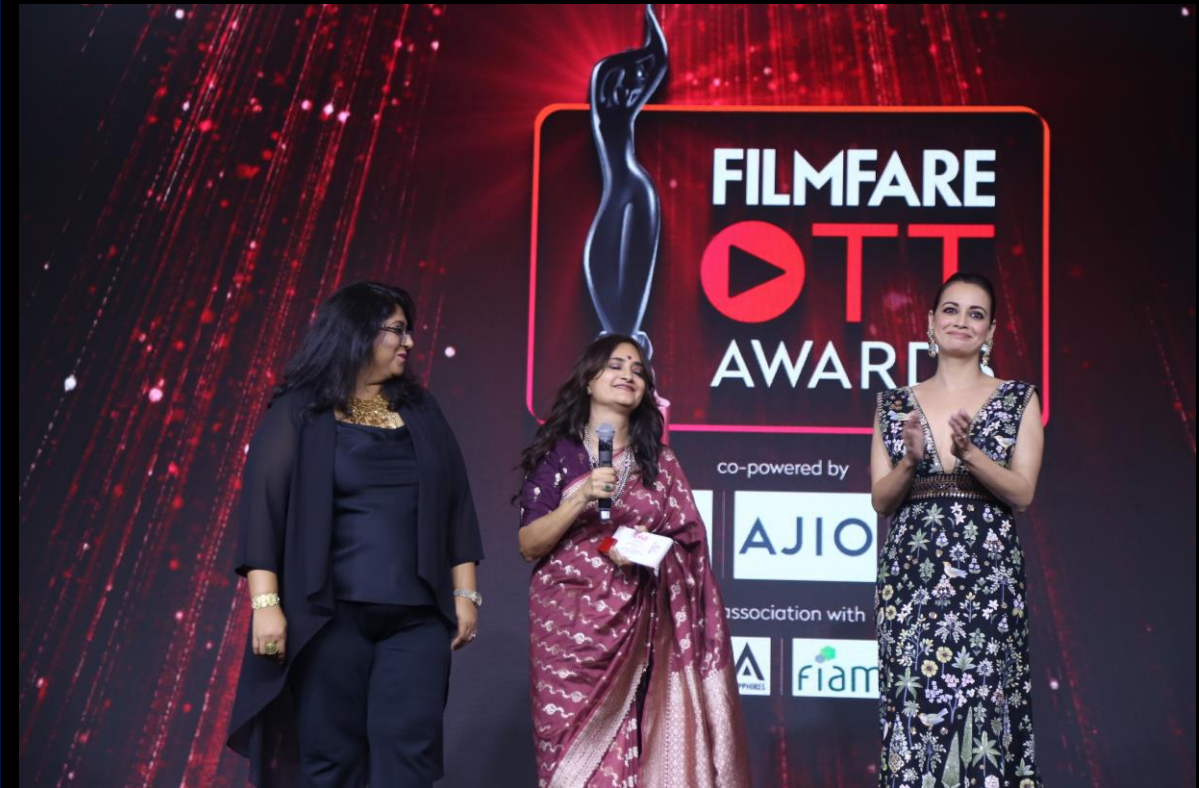
#MaaKehtiHaiTryKaro

YiPee! "Create Magic"



Campaign to convert plastic waste into park equipment

Fiama - Mental Health Well-being



Fiama introduced a special recognition award in collaboration with Filmfare

SENSITIVE PORTRAYAL OF MENTAL HEALTH
Awarded to Director Anvita Dutt for the movie 'Qala'



Enduring Value

FMCG Cigarettes



Segment Revenue

7549 cr. ▲ 3.6%

Segment Results

4728 cr. ▲ 2.3%

- **Net Segment Revenue*** and Segment PBIT up 2.3% YoY
 - *2-yr CAGR: Net Segment Revenue +9.3%, Segment PBIT +9.4%*
- **Portfolio Vitality | Product Availability | Execution Excellence**
 - *Differentiated variants and premium segments continue to perform well*
 - *Market standing reinforced by fortifying the product portfolio/ market interventions & agile execution*
 - *Innovation & democratising premiumisation across segments*
- Sharp **cost escalation** (Leaf Tobacco & certain other inputs) + increase in **taxes** → **largely mitigated** through improved mix, strategic cost management and calibrated pricing

Relative stability in taxes, backed by deterrent actions by enforcement agencies, enables continued volume recovery from illicit trade

Innovation

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

Portfolio Fortification

- Gold Flake Neo SMART Filter
- Wills Deluxe
- Bristol Deluxe FT
- Flake XL
- Flake Skipper

Recent Introductions

- Classic Alphatec
- Classic Verve Balanced Taste
- GF Glostar
- American Club Clove Magik
- Classic Icon
- GF Rush
- Players Rush
- Capstan Victory
- Bristol Maja Mix



Enduring Value

Hotels



Welcomhotel Chennai

Segment Revenue

842 cr.

(+18%; 2 Yr. CAGR 33%)

Segment Results

230 cr.

(+57%)

- **Strong growth in ARR and Occupancy** witnessed across properties driven by retail, MICE segments and marquee events like the ICC Cricket World Cup
- **Segment EBITDA margin expanded by 470 bps YoY to 36.2%** driven mainly by higher RevPARs, operating leverage and strategic cost management initiatives
- Healthy pipeline of management contracts under **Mementos, Welcomhotel, Storii, Fortune and WelcomHeritage brands**
 - *Phased openings over the next few quarters*
- **Welcomhotel Chennai** has been reopened in January 2024 after a comprehensive renovation
- **Demerger update:** The Stock Exchanges have given their no-objection to the Scheme of Arrangement for demerger.

Managed properties scaled up[^]

22 Hotels in last 24 months
(Jan 2022 – Dec 2023)

25 Hotels in next 24 months
(Jan 2024 – Dec 2025)

Avartana & Yi Jing launched at ITC Maratha





Lobby



Welcom Café Marina



Sunbean Cafe

Relaunch post comprehensive renovation in January 2024



Bedroom



Living Room



Bathroom

New Hotels in the pipeline





Enduring Value

Agri Business



ITCMAARS
ईचौपाल
किसानों के हित में, किसानों का अपना

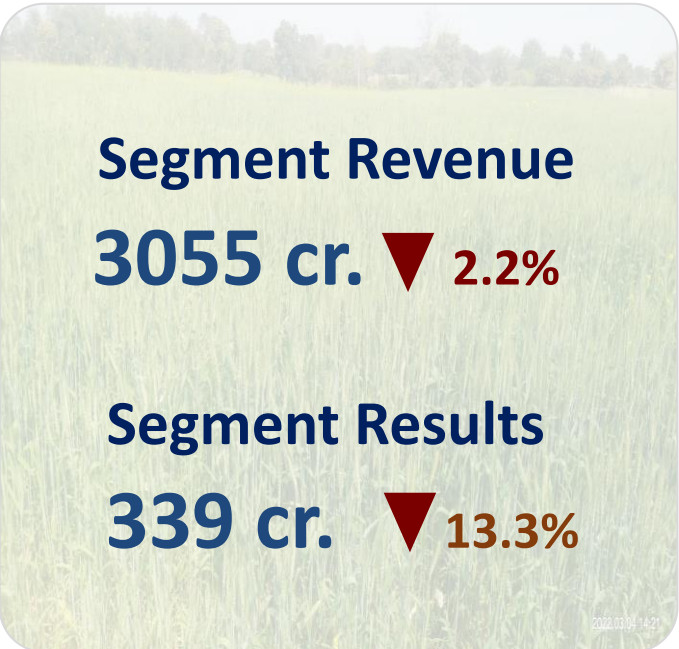
फसल डॉक्टर

फसल डॉक्टर से पाएं फसल समस्या का संपूर्ण समाधान!
किसान मित्रों, आईटीसी मार्स ऐप से अब आप अपनी फसलों के रोग व कीट की समस्या के संपूर्ण समाधान प्राप्त करें।

Like 793 Comment 428 Share 172

MY FARM BUY SELL COMMUNITY

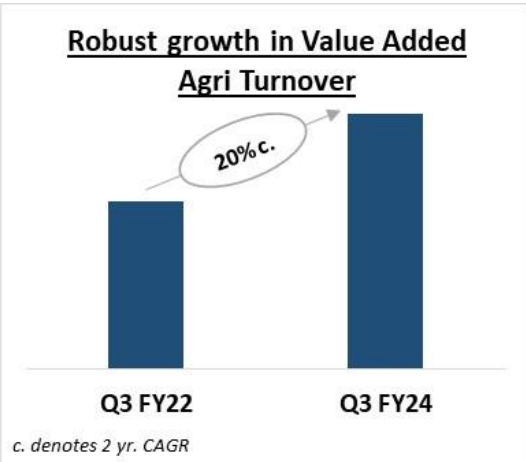
FARM BUY SELL COMMUNITY



Segment Revenue
3055 cr. ▼ 2.2%

Segment Results
339 cr. ▼ 13.3%

- Operating environment remained challenging due to various policy interventions of the Government of India to ensure food security and control inflation
- Strong **customer relationships & agile execution** in Leaf Tobacco & Value Added Agri products continue to drive growth
- **Strategic sourcing support** to Branded Packaged Foods – Wheat, Dairy, Beverages & Spices
- The **state-of-the-art facility**[^] to manufacture and export **Nicotine and Nicotine derivative products** has been commissioned
 - *Export shipments expected to commence from Q4 FY24*



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



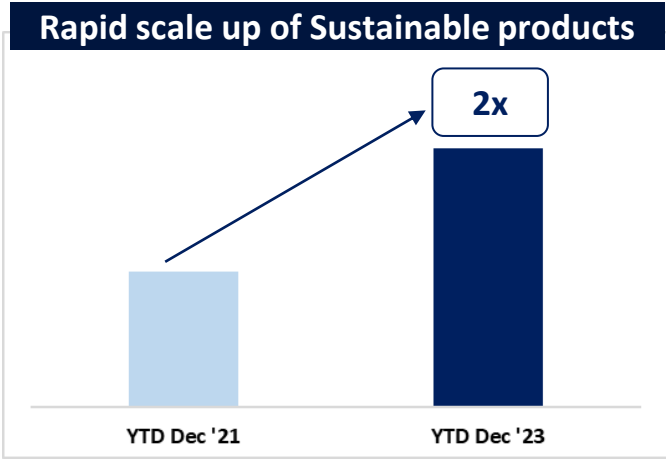
Enduring Value

Paperboards, Paper & Packaging





- Paperboards, Paper and Packaging Segment remains impacted by low priced Chinese supplies in global markets, muted domestic demand, surge in wood cost and high base effect
- Demand for Fine paper remained relatively firm; Décor paper witnessed strong performance
- Margins impacted by sharp drop in realisations and unprecedented surge in domestic wood costs due to increased demand from competing industries
- Focus on accelerating New Business Development in domestic and export markets offering innovative and customised solutions, with special focus on consumer electronics, QSR and personal care products
- **Sustainable Products** portfolio continues to witness strong growth leveraging cutting-edge innovation platforms
 - State-of-the-art premium **Moulded Fibre Products** manufacturing facility[^] being set up in Badiyakhedi, Madhya Pradesh; facility expected to be commissioned by the end of the financial year



[^] Being undertaken by ITC Fibre Innovations Limited, the Company's wholly owned subsidiary

Financials

<i>Rs. Cr.</i>	Q3 FY24	Q3 FY23	YoY growth	2 Yr. CAGR
Gross Revenue	17,483	17,122	2.1%	2.5%
EBITDA	6,024	6,223	-3.2%	8.7%
PBT	6,725	6,678	0.7%	10.7%
PAT	5,572	5,031	10.8%	15.8%

PBT (excl. Paperboards, Paper and Packaging) +6% YoY; 2-yr CAGR +13%

PBT includes exceptional item aggregating Rs. 5.52 crores incurred during the quarter and nine months ended 31st December, 2023 in relation to the demerger of the Company's Hotels Business into ITC Hotels Limited.

The Company has reassessed its provisions relating to uncertain tax positions for earlier years based on a favourable order of the Hon'ble Supreme Court received during the quarter. This has resulted in a credit of Rs. 468.44 crores in the Current Tax expense for the quarter and nine months ended 31st December, 2023.

Rs. cr.	Q3		
	FY24	FY23	YoY growth
Segment Revenue			
a) FMCG - Cigarettes	7,549	7,288	3.6%
- Others	5,209	4,841	7.6%
Total FMCG	12,758	12,130	5.2%
b) Hotels	842	712	18.2%
c) Agri Business	3,055	3,124	-2.2%
d) Paperboards, Paper & Packaging	2,081	2,306	-9.7%
Total	18,736	18,271	2.5%
Less : Inter Segment Revenue	1,253	1,149	9.0%
Gross Revenue from sale of products and services	17,483	17,122	2.1%

- **FMCG Cigarettes**
 - Net Segment Revenue* up 2.3% YoY on a high base
 - 2 Yr. CAGR at 9.3%
- **FMCG Others**
 - Revenue up 7.6% YoY amidst subdued demand conditions
 - 2 Yr. CAGR at 12.8%
 - Staples, Dairy, Beverages, Fragrances, Personal Wash, Homecare, Agarbattis, and Notebooks drive growth
- **Hotels**
 - Best-ever quarter; Revenue up 18% YoY
- **Agri Business**
 - Revenue up 14% YoY (excl. Wheat & Rice)
- **Paperboards, Paper & Packaging**
 - Segment remains impacted by low-priced Chinese supplies, muted demand & sharp drop in global pulp prices

Rs. cr.	Q3		
	FY24	FY23	YoY growth
Segment Results			
a) FMCG - Cigarettes	4,728	4,620	2.3%
- Others	432	348	24.1%
Total FMCG	5,160	4,968	3.9%
b) Hotels	230	146	57.1%
c) Agri Business	339	391	-13.3%
d) Paperboards, Paper & Packaging	296	606	-51.2%
Total	6,025	6,112	-1.4%
Less : i) Finance Cost	12	10	
ii) Other un-allocable (income) net of un-allocable expenditure	-718	-576	
iii) Exceptional items	6		
Profit Before Tax	6,725	6,678	0.7%

- **FMCG Cigarettes**
 - Segment PBIT up 2.3% YoY on a high base
 - 2 Yr. CAGR at 9.4%
- **FMCG-Others:**
 - EBITDA margin at 11.0% ; Up 100 bps YoY
- **Hotels:**
 - EBITDA margins @ 36.2% up 470 bps YoY
- **Paperboards, Paper & Packaging:**
 - Sharp drop in realisation + surge in wood cost weigh on margins

ITC – A Global Exemplar in Sustainability



ITC e-Choupal
4 Million Farmers
empowered

Afforestation
Over 11.7 lac acres
greened

Watershed Development
Over 15.3 lac acres
covered

Livestock Development
Over 21.9 lac milch
animals covered

Solid Waste Management
Well-being Out of Waste
programme covers
60 lac households



Women Empowerment
Over 1.4 lac
poor women benefitted

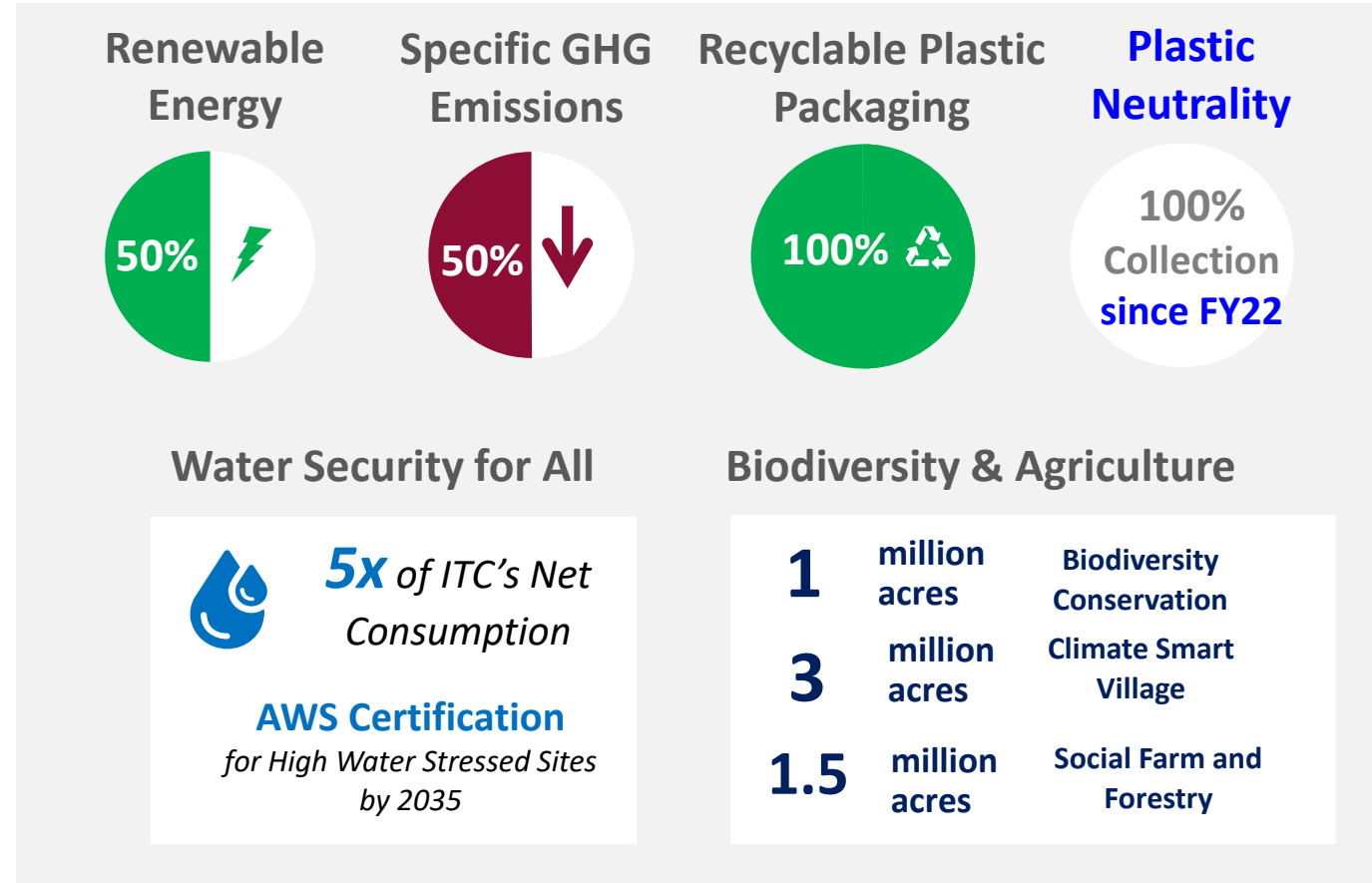
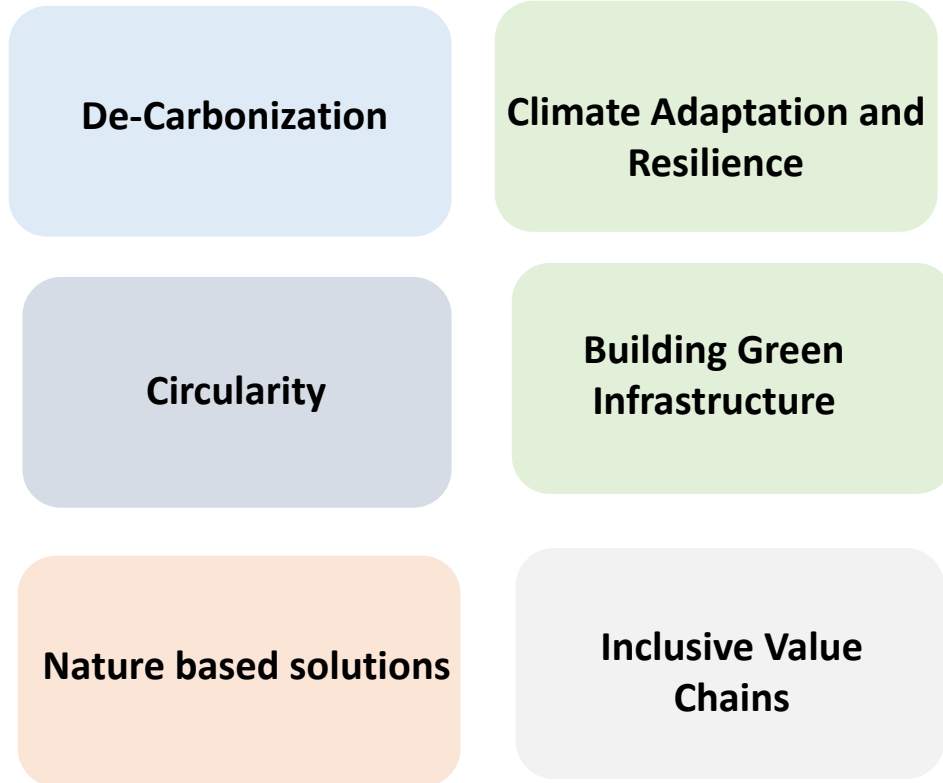
**Skilling & Vocational
Training**
Skilled over 1.06 lac youth





Primary Education
Reaching over
15 lac Children

**Mother & Child Health
and Nutrition**
Over 12.5 lac
beneficiaries covered

Climate Smart Agriculture
Over 23 lac acres
covered*

Strategic Interventions to Combat Climate Change



Renewable Energy 50% 	Specific GHG Emissions 50% 	Recyclable Plastic Packaging 100% 	Plastic Neutrality 100% Collection since FY22
Water Security for All  5x of ITC's Net Consumption AWS Certification for High Water Stressed Sites by 2035		Biodiversity & Agriculture 1 million acres Biodiversity Conservation 3 million acres Climate Smart Village 1.5 million acres Social Farm and Forestry	

Proactively work towards achieving 'Net Zero' emission status

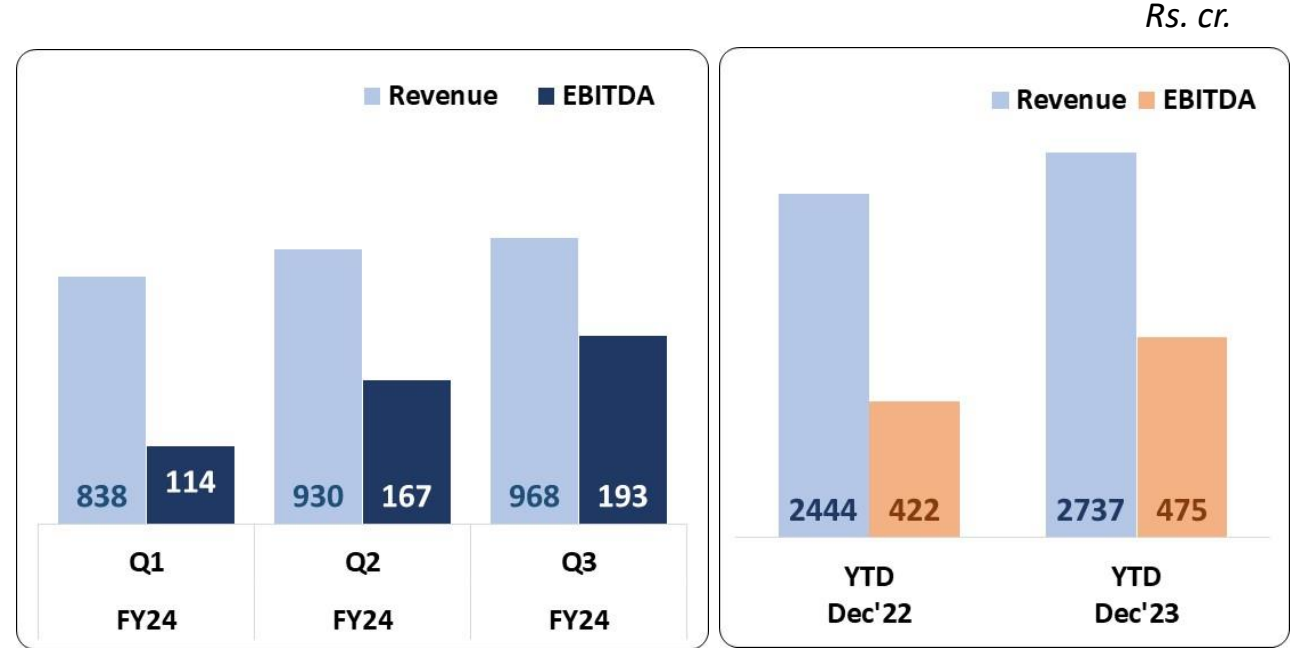
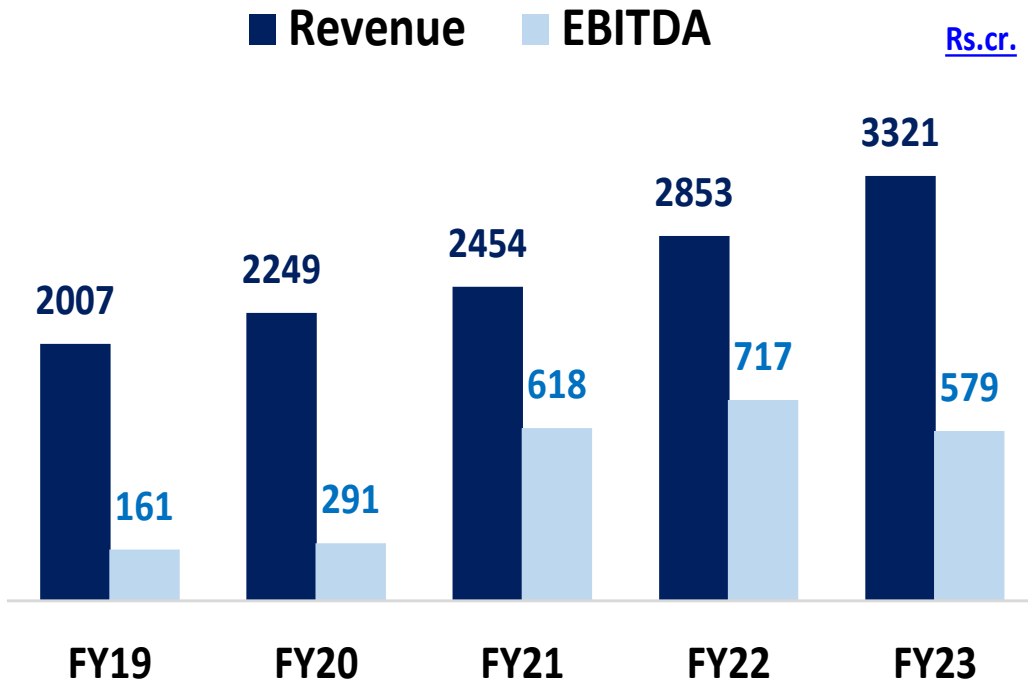
Supporting Sustainable Livelihoods: From 6 million to 10 million



- Exceeded commitment on **Plastic Neutrality**; collected and sustainably managed over 60,000 MT of plastic waste in FY23
- **100% critical Tier - 1 suppliers trained on ESG** related aspects (as on Jan 24)
- Best-in-class ESG Ratings:
 - **AA rating by MSCI** for the **6th consecutive year**; **A- Leadership score under CDP ratings - ahead of Asia & Global average**; Continues to be included in the **Dow Jones Sustainability Emerging Markets Index** - a reflection of being a sustainability leader in the industry
- The only enterprise of comparable dimensions globally to have achieved and sustained the three key global indices of environmental sustainability of being **‘water positive’ (for 21 years)**, **‘carbon positive’ (for 18 years)**, and **‘solid waste recycling positive’ (for 16 years)**
- **Water Stewardship:**
 - **Four Units of ITC** (Paper mill at Kovai, ICML Malur, ICML Ranjangaon and Cigarettes factory at Ranjangaon) have been **Platinum level certified** by AWS (Alliance for Water Stewardship)
- **Bio Diversity:**
 - Winner of the first **UNDP Mahatma Award for Biodiversity** → in recognition of efforts in promoting biodiversity conservation through intensive community engagement

ITC Infotech





- Revenue up 11.0% YoY and 4.1% QoQ
- Healthy Total Contract Value (TCV) signings; strong pipeline
- Investments continue in **Capability building in strategic focus areas, sales org. & infrastructure.**

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



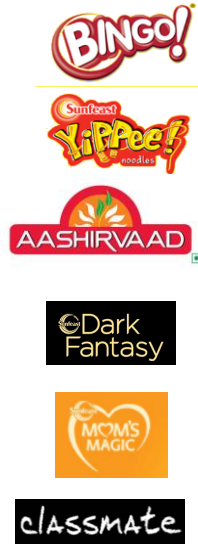
**A passion for
Profitable growth...**



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



**and
Inclusive.**



Product/initiative	Link
Bingo! on Instagram	https://www.instagram.com/bingo_snacks/
YiPPee! on Instagram	https://www.instagram.com/sunfeast_yippee/
Aashirvaad on Instagram	https://www.instagram.com/aashirvaad/
Sunfeast Dark Fantasy on Instagram	https://www.instagram.com/sunfeastdarkfantasy/
Mom's Magic on Instagram	https://instagram.com/sfmomsmagic/
Classmate on Instagram	https://instagram.com/classmatebyitc/
ITC : Creating Enduring Value for India	https://youtu.be/VwnE4eN_BTk
Details on the Company's Sustainability 2.0 vision	https://www.itcportal.com/sustainability/sustainability-integrated-report-2023/ITC-Sustainability-Integrated-Report-2023.pdf
Quarterly Media Statement	https://www.itcportal.com/investor/pdf/ITC-Press-Release-Q3-FY2024.pdf

