



ITC Limited

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24th July, 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,

Analysts / Investors Meet

We write to advise, pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, that the Company will hold Analysts / Investors Meet on the proposed demerger of the Hotels Business on 27th July, 2023 from 16:30 hours (IST).

The event will be held virtually and the details of the same will be hosted on the Company's corporate website www.itcportal.com.

The investor presentation with regard to the proposed demerger is enclosed and it will also be hosted on the Company's corporate website.

Yours faithfully,
ITC Limited

(R. K. Singhi)
Executive Vice President &
Company Secretary

Enclosed: a/a



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



Enduring Value

NATION FIRST: SAB SAATH BADHEIN

Proposed Demerger of Hotels Business Investor Presentation

24th July, 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.

Leading FMCG Marketer



Pre-eminent Hotel chain | Trailblazer in Responsible Luxury



Foremost Agri Player



Clear Market leader in Paperboards, Paper & Packaging





Hotels Business Overview

- Prior to 2004, ownership of Hotels Business was split between ITC Ltd. and ITC Hotels Ltd. & its subsidiaries
- **ITC Hotels Ltd.** (separate listed entity) & **Ansal Hotels Ltd.** merged with ITC Ltd. wef. 1st April, 2004
 - Consolidation of the Hotels Business under ITC Ltd.
 - Scaling up the Business in line with attractive growth prospects of Indian Travel & Tourism industry
 - Obtaining fiscal efficiencies & rationalization of operating costs





ASSET RIGHT



- Bouquet of brands catering to relevant need spaces
- 18 Hotels opened in last 16 Months
- Strong pipeline



CONTINUED INVESTMENT TO ENHANCE BRAND EQUITY



Key Differentiators

- Responsible Luxury
- Signature cuisines
- Indigenous Experiences
- World Class Loyalty Programs – Marriott Bonvoy & Club ITC



DIGITAL FIRST



- Smart Revenue Management
- Customer Intimacy
- Productivity and efficiency



CAPITAL PRODUCTIVITY



- Sweating existing assets
- Augment new revenue streams
- Extreme Cost and Margin focus

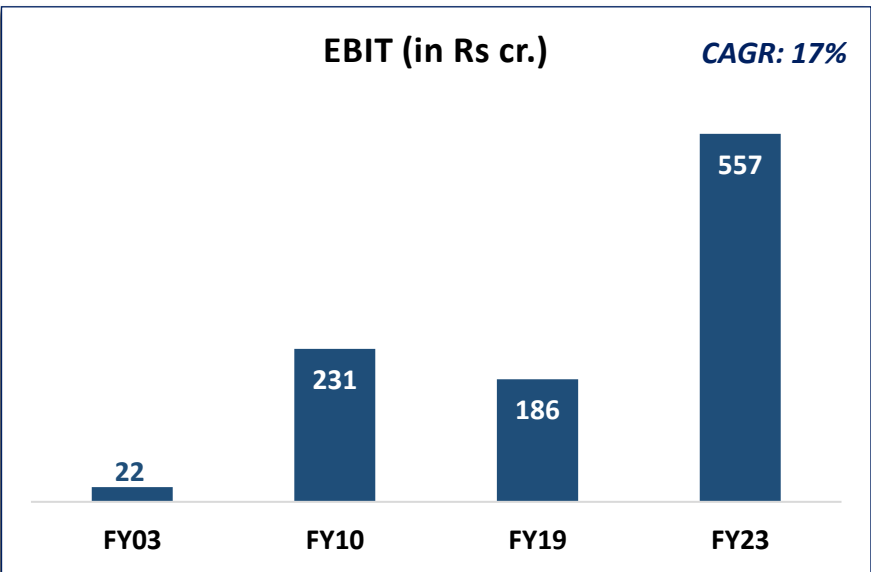
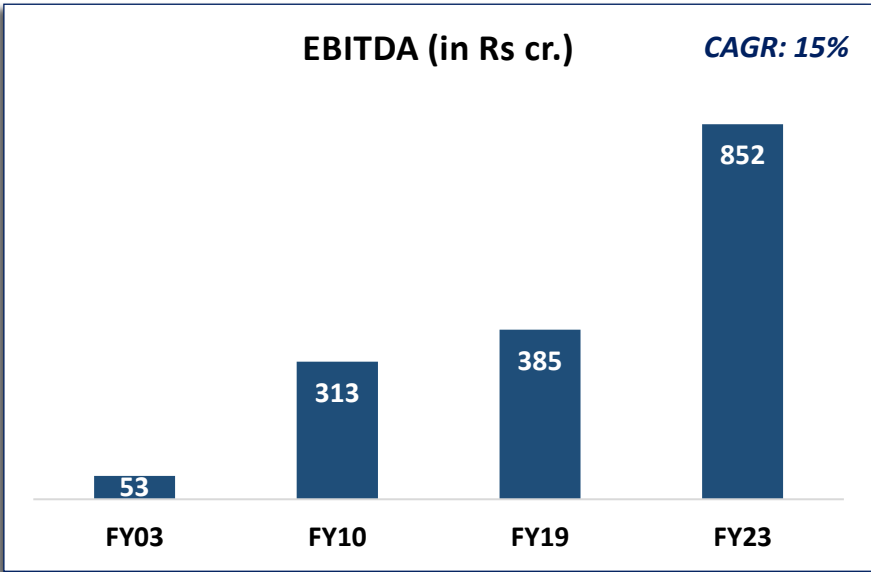
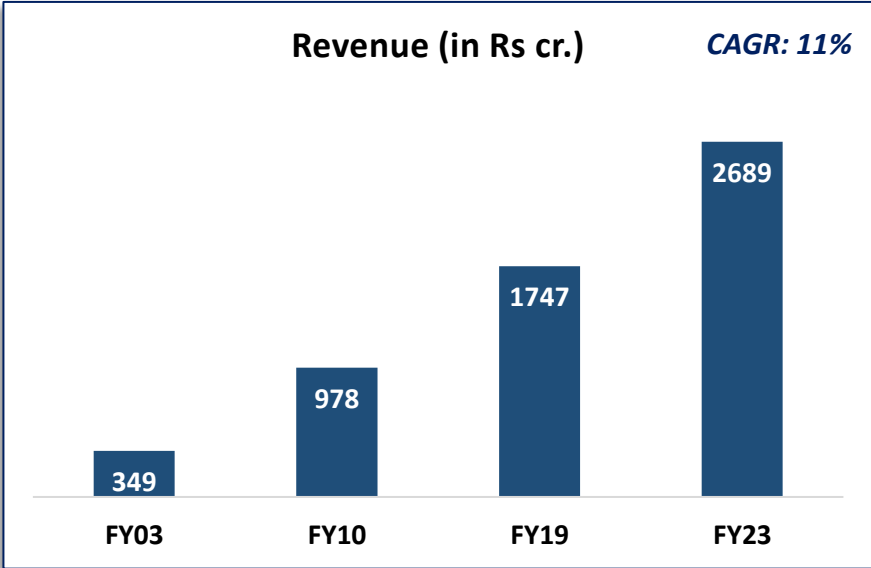
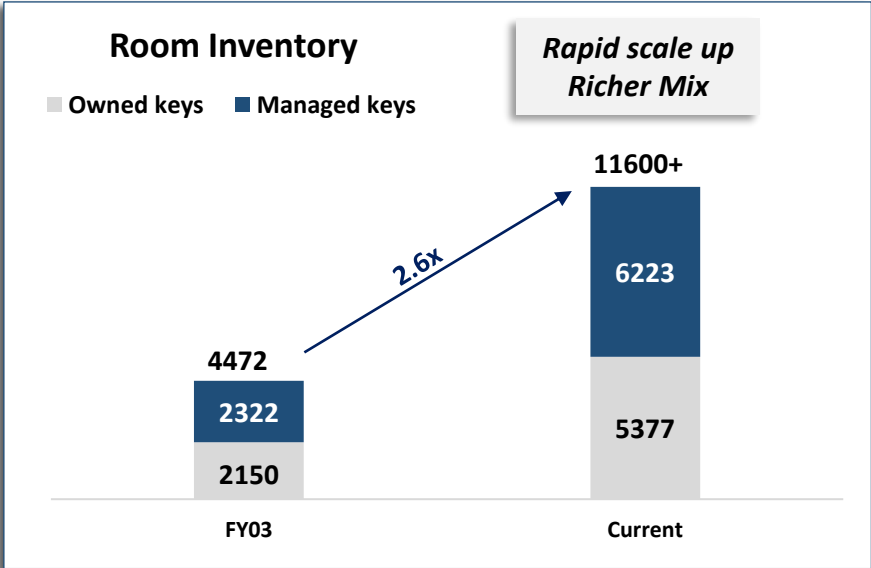


EMPLOYER OF CHOICE



- D & I amongst best in industry
- Robust L&D programmes
- Strong Talent Pool
 - Leverage ITC HMI, WGSMA (Manipal)

Rapid Scale up of Hotels Business post Merger in 2004



70+ Destinations | **120+** Hotels | **11600+** Rooms

Luxury



Upper Upscale



Boutique



Mid to Upscale



Heritage



Hotels that define the destinations

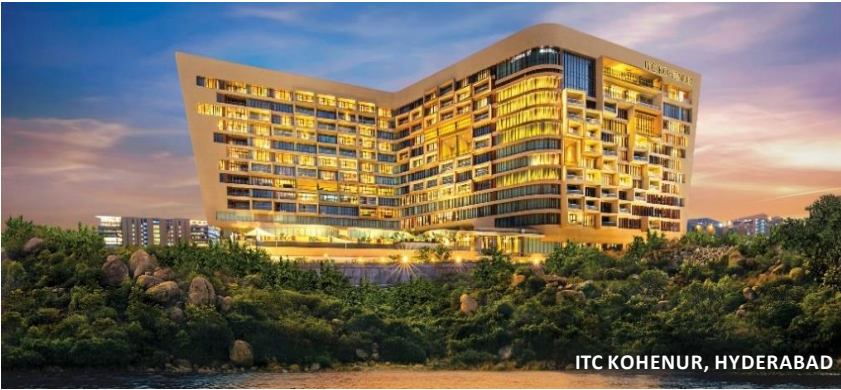
Iconic Hotels



ITC GRAND CHOLA, CHENNAI



ITC ROYAL BENGAL, KOLKATA



ITC KOHENUR, HYDERABAD



ITC MARATHA, MUMBAI



ITC MAURYA, DELHI



ITC NARMADA, AHMEDABAD



ITC GRAND BHARAT, GURUGRAM



ITC GRAND GOA

avartana
Southern Culinary Mosaics

BUKHARA

Dakshin

Dum Pukht
The Grand Cuisine of India



Ottimo
Cucina Italiana

PESHAWRI



Royal Vega
Luxury Vegetarian Cuisine of India



The Royal Afghan
Robust flavours of the North-West Frontier

THE PAVILION

易经
YI JING



‘Transition 2030’

Keeping Ahead of the sustainability Curve



22 LEED Platinum certified hotels; Largest chain in the world to achieve this feat

LEEDZero

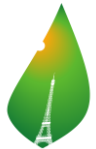
Carbon

World’s first **12** Hotels to receive LEED Zero Carbon Certification

LEEDZero

Water

World’s first **2** LEED Zero Water Certified Hotels



PARIS2015
UN CLIMATE CHANGE CONFERENCE
COP21-CMP11

Surpassed **2030 GHG** sectoral emission targets set as per COP 21



Net Zero Carbon Goal

LEED Zero Carbon status for all owned hotels to exceed 2050 GHG sectoral emissions targets set as per COP 21



Waste Reduction

- Solid waste reuse / recycling beyond 99%



Water Efficiency

- LEED Zero Water Status for more than 50% of owned hotels
- 40% reduction in fresh water consumption (Baseline 2018)



Best in Class Mobile App / Brand.com

- Industry Leading Features
- Native | Progressive Web App



Frictionless Guest Experience

- In-Room Automation*
- Seamlessly Integrated Online - Offline Journey



Superior Loyalty Platform

- Instant Gratification
- Pan ITC Redemption Options



Sharper Targeting Using Data Lake

- Group-wide Data Lake
- Cutting edge Tools & capabilities



NextGen CRM

- Integrated Sales | Marketing | Service
- Persona Based | Targeted Marketing



Progressive Cloud Application Stack

- Quick On-Boarding New Hotels | Reduced IT Infra Capex
- Standardization for Consistent Guest Experience



Advanced Distribution Platform

- Seamlessly Distributing Across All Global Channels
- Own GDS Code



World-Class Marketing Command Centre

- Cutting Edge Social Media Tools & Analytics Platform
- Sixth Sense – Enabling Targeted Customer Engagement

Corporate Brand reputation



Robust Governance, Systems & Processes



High quality Talent Pool



Cuisine Knowledge: Packaged Foods & Food Tech



Globally acclaimed Sustainability credentials

Digital capabilities



High Quality Consumer Engagement + Brand Visibility

New Opportunities blending R&D + FMCG capabilities

Sourcing quality products



Foods, Agri, Personal Care

Pan ITC Loyalty

Winner of several **Marquee Awards** over the Years



Travel + Leisure India's Best Awards

Times Food & Nightlife Awards



Condé Nast Traveler The Gold List

Today's Traveller

Condé Nast Traveller Reader's Choice Award

Freddie Awards

Asia's Top 100 Restaurants

Other notable awards

Travel + Leisure India's Best Awards
Best Bleisure Hotel – ITC Royal Bengal, 2021

Travel + Leisure India's Best Awards
Best 5 Star Food delivery – Gourmet Couch, 2020

Condé Nast Traveller Reader's Choice Award – Favorite Restaurant in a Hotel
Dum Pukht, ITC Maurya, 2020

Times Food & Nightlife Awards - Best Confectionery Destination in Premium Dining Category & Chocolatier – Fabelle, 2020

Travel + Leisure India's Best Awards
Best Luxury Resort (Domestic) – ITC Grand Bharat, 2020

AsiaSpa Awards – Best Destination Spa (India)
Kaya Kalp, ITC Grand Bharat, 2019

VETA Best Business Hotel Chain of the Year - Fortune, 2020

Today's Traveller - Best Upscale Hotel Chain – Fortune, 2019

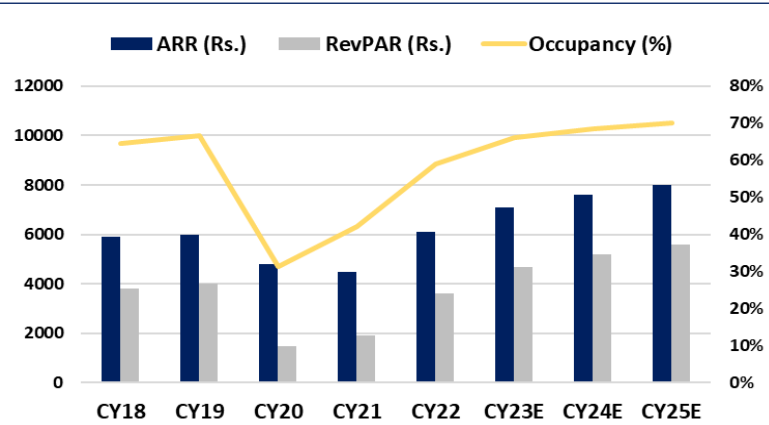
Hospitality Industry poised for Strong Growth

Hospitality Industry poised for strong growth

**Growing societal aspirations
Infrastructure & Tourism Thrust**



Strong industry recovery



Source: HVS Anarock

Govt's Thrust on Infrastructure & Tourism



Low Room Supply Penetration

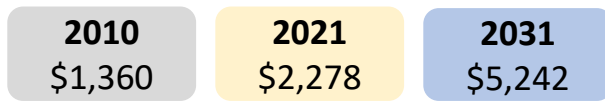
Region	Room Supply (mn)	Population (mn)	Penetration (Rooms/'000)
India	0.15	1418	0.11
USA	5.40	338	15.96
China	4.00	1426	2.81
World	17.00	7836	2.17

Source: US Census Bureau, STR

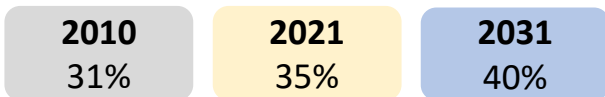
**Next 5 yr. Supply CAGR 5%
Vs. Demand CAGR >7%**

Favourable Macros

Growing per Capita Income

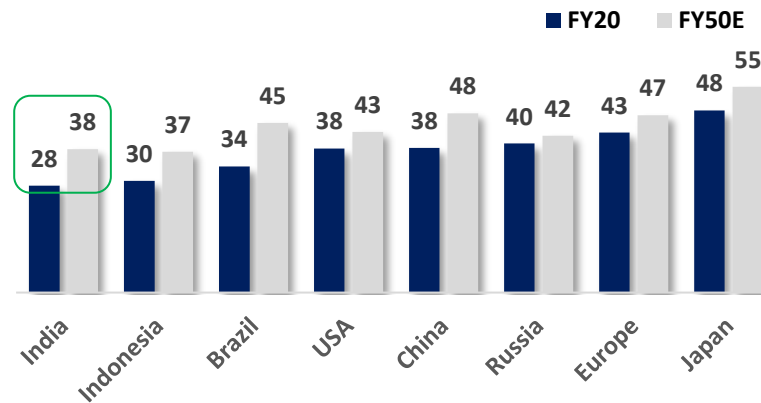


Growing Urbanization



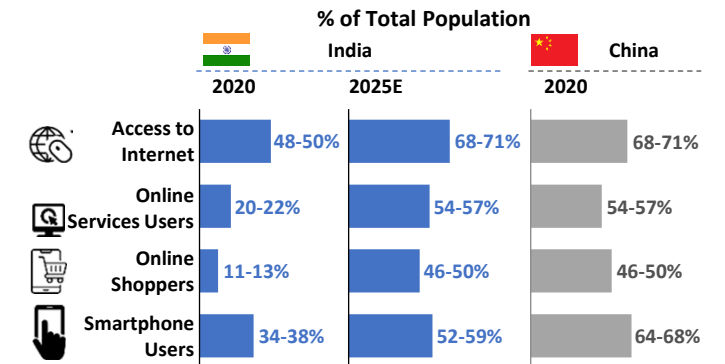
Source: Analyst reports

Median Age amongst the lowest in the world



Source: WorldoMeter

Digital Explosion



Source: Redseer

Proposed Demerger of Hotels Business

1 Strategic Rationale

2 Transaction Summary

3 Proposed Demerger

- 1 Hotels Business has matured over the years; well poised to chart its own growth path as a separate entity**
 - *Asset Right strategy to accelerate growth whilst continuing to leverage ITC's institutional strengths & brand equity*

- 2 Creation of a separate Pure Play Hotels entity to enable crafting the next horizon of growth & sustained value creation for shareholders**
 - *Sharper business focus anchored on a differentiated strategy aligned with industry specific market dynamics*

- 3 New entity would operate with an optimal capital structure, with the ability to access equity / debt markets for funding growth requirements**
 - *Ability to attract the right set of investors / strategic partners / collaborations → Investment strategies & risk profiles aligned more sharply with Hospitality industry*

- 4 Unlock Value for ITC shareholders**
 - *Direct stake to existing ITC shareholders in a pure play Hotels entity*
 - *Independent market driven valuation of focused new entity*
 - *Continued access to cross synergies*
 - *Reinforce ITC's sharper capital allocation strategy (i.e. 'asset-right' + higher dividend distribution)*



Proposed Transaction

- Board accorded in-principle approval to **demerge the Hotels Business** of ITC into a new entity (Hotels Co.) which would be **listed pursuant to scheme of demerger**
- ITC shareholders to hold about **60% direct stake** in the Hotels Co. (proportionate to their stake in ITC); remaining about **40% stake to continue** with ITC
- No change in economic interest held by ITC shareholders in Hotels Business



Transaction Highlights

- **ITC shareholders to get direct stake** in a Pure Play listed Hotel entity
- Ensures **continued interest** of ITC in the Hotels Business in line with its corporate strategy of **multiple drivers of growth**
- Creates a **strong foundation** for accelerating growth and sustained value creation by providing **long-term stability & strategic support** to Hotels Co.
- Enables **continued access to cross synergies** between ITC & Hotels Co.



Transaction Perimeter¹

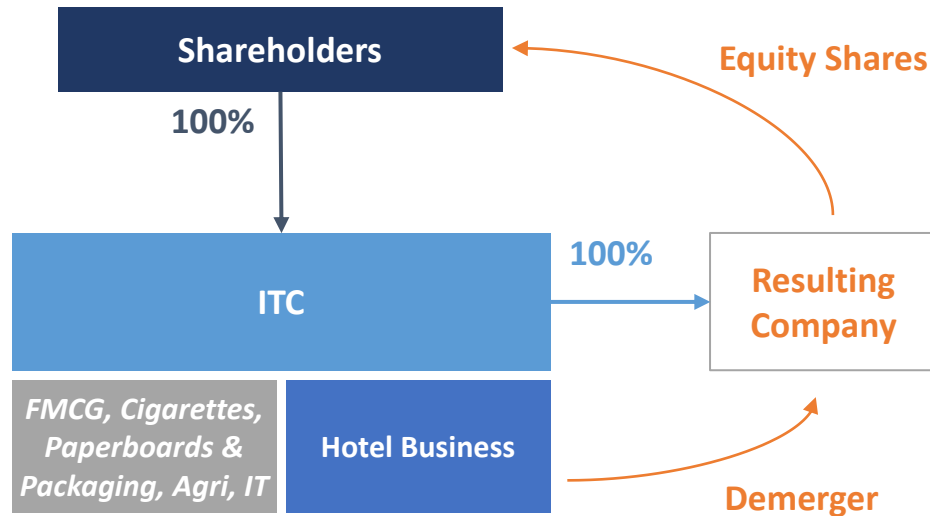
- **Assets, liabilities, contracts and employees** forming part of the **Hotel business** are intended to be transferred to Hotels Co.
- Hotels Co. to be given a **license to use** the 'ITC' name as part of its corporate name & some of its properties' names, subject to customary conditions
- Suitable commercial arrangements for common assets & shared services



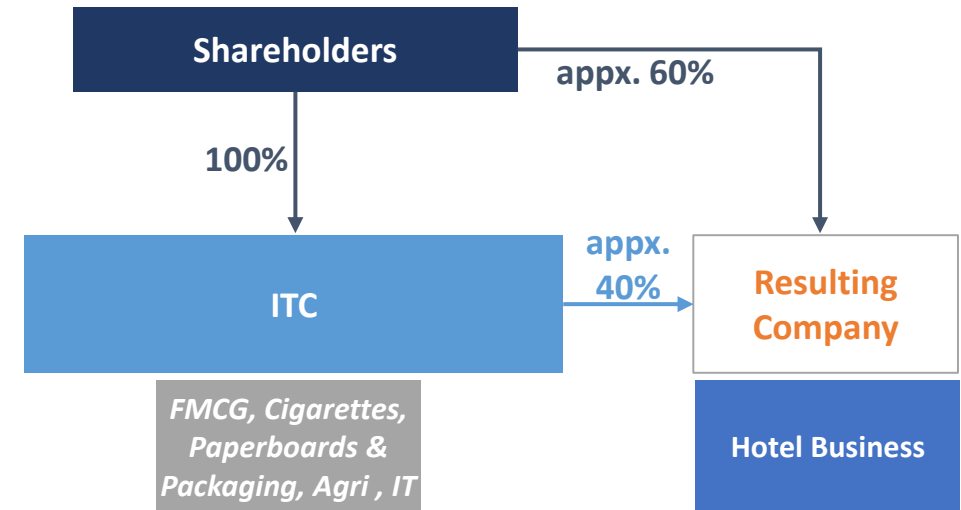
Key Approvals Required

- Proposed transaction is subject to final consideration & approval of the Board of Directors & its Committees, after considering inputs from advisors
- If approved by Board, scheme of demerger will be subject to necessary approval from shareholders, creditors, stock exchanges, SEBI, NCLT and other regulatory authorities, as required

Proposed Demerger



Resultant Structure



Transaction Overview

- Demerger of ITC's Hotel Business into a new entity (Hotels Co.) through a scheme of arrangement approved by National Company Law Tribunal
 - Hotels Co. to issue equity shares directly to the shareholders of ITC in a manner that about 40% stake is retained by ITC and about 60% stake is held directly by ITC shareholders proportionate to their shareholding in ITC
- Overall, existing ITC shareholders will hold 100% of Hotels Co.; about 60% directly and balance of about 40% through their shareholding in ITC



THANK YOU