



ITC Limited
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18th May, 2022

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,

Audited Financial Results – Media Statement and Presentation

Further to our letter dated 18th May, 2022 forwarding the Audited Financial Results of the Company for the Quarter and Twelve Months ended 31st March, 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
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Media Statement

May 18, 2022

Standalone Financial Results for the Quarter and Year ended 31st March, 2022

Highlights

- **Board recommends Final Dividend of Rs. 6.25 per Share.** Including Interim Dividend of Rs. 5.25 per share, **Total Dividend for FY22 is Rs. 11.50 per share** (FY21: Rs. 10.75 per share).
 - **Strong growth across all operating segments despite impact of the third wave of the pandemic; Q4 Gross Revenue up 15.7%, EBITDA up 16.8%**
 - Segment PBIT margin (ex-Agri Business) improved by 20 bps to 36.2% despite unprecedented inflation in commodity prices.
 - **Full Year Revenue and EBITDA up 22.7% and 22.0% respectively;** surpassing pre-pandemic levels
 - **Net Cash Generation from Operations** stood at over Rs. 13000 crores (+32% y-o-y)
 - The Company exceeded commitment on plastic neutrality; collected and sustainably managed more than 54000 tonnes of plastic waste. ITC sustained its **'AA' rating by MSCI-ESG** – the highest amongst global tobacco majors. The Company has also been included in the **Dow Jones Sustainability Emerging Markets Index** and rated at the **'Leadership Level' score of 'A-' for both Climate Change and Water Security by CDP.**
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- **Resilient performance in FMCG – Others Segment; Q4 Revenue up 12.3% y-o-y on a relatively high base - up 30.1% over Q4 FY20**
 - Q4 Segment EBITDA up 22% y-o-y and 46% over Q4 FY20; EBITDA margins sustained at 9% (+75 bps y-o-y; +100 bps Vs. Q4 FY20) despite unprecedented inflationary headwinds
 - Re-opening of educational institutions aids recovery in Education & Stationery Products Business; however, still below pre-pandemic levels
 - **Robust broad-based recovery in Cigarettes despite disruptions due to the third wave; volumes surpass pre-pandemic levels**
 - Market standing reinforced through focused portfolio/market interventions and agile execution
 - Q4 Net Segment Revenue up 10.2%; Segment EBIT up 12.2%
 - **Sharp growth in Q4 Agri Business Segment revenue; up 29.6% y-o-y driven by wheat, rice, leaf tobacco exports leveraging strong customer relationships, investments in sustainable value chains, robust sourcing network and agile execution**
 - Proactive supply chain management ensured on-time execution despite significant operational challenges posed by container shortages, congestion in ports and elevated ocean freight costs
 - **Hotels witnessed smart recovery in spite of the third wave impacting recovery momentum in Jan/Feb'22; exit occupancies surpass pre-pandemic levels**
 - Sequential improvement in ARR; however, remain below pre-pandemic levels

- Domestic leisure and wedding segments drive recovery; progressive improvement in business travel; nascent revival of international travel
- **Paperboards, Paper and Packaging Segment delivers strong performance; Q4 Revenue up 31.8% y-o-y along with margin expansion of 110 bps**
 - Paperboard volumes at record high; robust growth aided by demand revival across most end-user segments; sustainable products portfolio continues to be scaled up
 - Integrated business model, Digital & Industry 4.0 initiatives and proactive strategic interventions enable margin expansion amidst commodity price escalation

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PERFORMANCE HIGHLIGHTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

The operating environment during the year remained extremely challenging and was marked by heightened uncertainty and volatility due to the COVID pandemic and, unprecedented inflationary headwinds; geopolitical tensions towards the end of the year exacerbated the situation. In spite of significant disruptions during the year, the Company's consumer-centricity, agility in seizing market opportunities, focus on execution excellence harnessing learnings from previous waves and proactive strategic interventions enabled it to post robust growth in Revenues and Profits, surpassing pre-pandemic levels.

Overall for FY 2021-22, Gross Revenue at Rs. 59101.09 crores increased by 22.7%, while EBITDA increased by 22.0% to Rs. 18933.66 crores. Profit Before Tax at Rs. 19829.53 crores grew by 15.5% over previous year and Profit After Tax stood at Rs. 15057.83 crores (previous year Rs. 13031.68 crores). Total Comprehensive Income for the year stood at Rs. 15631.68 crores (previous year Rs. 13277.93 crores). Earnings Per Share for the year stood at Rs. 12.22 (previous year Rs. 10.59).

The Directors of the Company are pleased to recommend a Final Dividend of Rs. 6.25 per Ordinary Share of Rs. 1 each for the financial year ended 31st March, 2022. Together with the Interim Dividend of Rs. 5.25 per share paid on 4th March, 2022, the total Dividend for the financial year ended 31st March, 2022, amounts to Rs. 11.50 per share (previous year Rs. 10.75 per share). Total cash outflow on account of Dividends (including interim Dividend of Rs. 6469.48 crores paid in March 2022) will be Rs. 14171.51 crores.

FMCG – OTHERS

The FMCG-Others Segment turned in a resilient performance with Segment Revenue growing by 8.6% on a relatively high base; however, up 25% over FY20. After a relatively subdued first half, Revenue in the second half of the year witnessed double-digit growth. Staples and Convenience Foods remained resilient even as the pace of revenue growth witnessed moderation on a relatively high base. Discretionary/Out-of-Home categories recorded strong growth surpassing pre-pandemic levels driven by progressive improvement in mobility and favourable comparables. Health & Hygiene portfolio witnessed demand volatility in line with COVID caseload intensity while remaining significantly above pre-pandemic levels. The Education & Stationery Products Business witnessed gradual recovery driven by progressive resumption of physical classes at educational institutions; however, sales remained below pre-pandemic levels. Segment EBITDA for the year grew by 10.0% to Rs. 1448.97 crores with margins being sustained at 9.1% in spite of unprecedented inflationary headwinds. The unprecedented increase in prices of key inputs was mitigated through focused cost management interventions across the value chain, premiumisation, product mix enrichment, judicious pricing actions and fiscal incentives. Inflation continues to remain a key monitorable for the Segment in the near term.

A consumer-centric approach, backed by speed and agility in execution, was at the core of the Company's response to navigate the heightened uncertainty and volatility in the operating environment. Digital technologies and platforms continue to be leveraged to effectively service emergent consumer demand across channels.

The Company remains focused on building purpose-led brands powered by agile innovation and anchored on larger consumer needs. The Businesses continue to increasingly leverage 'Sixth Sense', the Marketing Command Centre and Consumer Data Hub – a AI powered hyper-personalised platform backed by a robust partner ecosystem for content and data - to gain insights on market trends and consumer behaviour, and synthesise the same to craft contextual and hyper-personalised brand communication and product development.

In order to effectively leverage new routes-to-markets and meet the assortment needs of emerging channels, the Company executed over 110 new product launches across target markets. The robust innovation platforms of the Company's Life Sciences and Technology Centre (LSTC) were instrumental in accelerating speed to market.

'ITC e-Store', the Company's exclusive Direct to Consumer (D2C) platform is now available in 15 cities and continues to receive excellent consumer response. Powered by state-of-the-art digital technology and robust fulfilment infrastructure, the platform offers consumers on-demand access to a wide range of the Company's FMCG products across 45+ categories and over 700 products under one roof.

In line with the Company's Multi-channel Go-to-Market strategy, market and outlet coverage were stepped up to appx. 1.4x and 1.1x respectively over the previous year. Direct reach enhancement in rural markets was supported through a hub and spoke distribution model with the expansion of rural stockists network to 1.4x over previous year and collaborations with rural-focused eB2B players. Further, sales through the e-Commerce channel increased 1.5x during the year, taking the channel salience to 7%.

The Company's digitally powered eB2B platform - UNNATI was rapidly scaled up during the year covering nearly 3 lakh outlets within a short span of time since national launch facilitating sharp and direct engagement with retailers, superior analytics and deeper brand engagement.

The FMCG businesses continue to expand their export footprint leveraging the equity of their world class brands – with a reach now spanning over 60 countries. The recently announced PLI scheme is expected to provide further fillip to exports of the Company's products across Biscuits & Cakes, Snacks, Dairy and Ready-to-Eat categories. The Company also continues to explore opportunities in proximal markets as a potential vector of growth going forward.

Branded Packaged Foods Businesses

The Businesses remained focused on addressing emerging consumer needs with innovations anchored on the vectors of health, wellness, immunity, naturals, indulgence and convenience, leveraging superior consumer insights, capabilities of the Company's Life Sciences and Technology Centre (LSTC) and the cuisine expertise resident in the Company's Hotels Business. While strengthening its core portfolio, the Businesses continue to explore opportunities in value-added adjacencies leveraging powerful mother brands and build categories of the future.

The Businesses remain focused on sharp targeted brand building investments, backed by clutter-breaking advertising campaigns and consumer engagement both on conventional and digital media to scale up the bouquet of its world-class brands.

- In the Staples Business, 'Aashirvaad' posted resilient performance on a high base and fortified its market standing across geographies. The value-added portfolio, consisting of Multigrain, Select and

Sugar Release Control atta, posted robust growth driven by higher salience in Modern Trade and e-Commerce channels. The range was further augmented with the launch of Aashirvaad Vermicelli during the year. The Business also forayed into Frozen Indian Flat Breads (Paratha, Naan and Chapati) to service export markets.

- Aashirvaad Salt strengthened leadership in key focus geographies and posted healthy growth during the year.
- In the Spices category, the 'Sunrise' brand delivered robust growth and further strengthened its market standing as the leader in its core market of West Bengal. The brand was extended to other markets in the East/North East. Aashirvaad Spices continues to enhance its presence in blended spices in emerging channels and core markets to enable full portfolio play.
- The Biscuits category strengthened its portfolio leveraging superior capability across innovative product/technology platforms. The Business continued to focus on the premium segment to enhance brand affinity and increase penetration in emerging channels. Unique capabilities in 'Fills' technology were leveraged to launch innovative variants, both under 'Sunfeast Dark Fantasy' and 'Sunfeast Bounce Fills' and create new benchmarks in the premium indulgence space.
- The Snacks Business sustained its robust growth trajectory. 'Bingo!' continues to be the market leader in the Bridges segment and in the potato chips segment in South India. Several innovative variants were launched during the year including Cream & Onion flavour under Bingo! Potato Chips and 'Chatar Matar' under Bingo! Tedhe Medhe.
- In the Instant Noodles category, 'YiPPee!' noodles witnessed normalisation of demand during the year after a sharp surge in the previous year. Product portfolio was augmented with the launch of Max Masala in target markets. The 'YiPPee!' brand continued to strengthen its consumer franchise and consolidated its market standing as a strong No. 2 brand.
- In the Dairy & Beverages Business, the 'Aashirvaad Svasti' fresh dairy portfolio comprising pouch milk, pouch curd, lassi and paneer, continued to gain strong consumer traction on the back of best-in-class quality standards and superior taste profile. These products are currently available in Bihar and West Bengal. During the year, the portfolio was augmented with the launch of Aashirvaad Svasti Easy Digest Milk, a lactose free milk in pouch format. Aashirvaad Svasti Ghee continued to receive excellent product feedback garnering increasing consumer franchise.
- 'B Natural' juices continued to deepen consumer connect by leveraging its 'goodness of fruit and fibre' proposition. The product portfolio was augmented with launch of differentiated variants of 'B Natural-Nutrilite'; these 'No added sugar' products were developed leveraging LSTC's expertise in Nutrition and Nutrilite's ingredients and has received encouraging response from discerning consumers.
- In the Frozen Snacks category, the range of 'ITC Master Chef' was expanded with foray into the 'plant based meat' space and several differentiated products in the retail segment. In a short span of time, the Business has expanded availability to 100+ markets. Accessibility of the range is being further scaled up via e-Commerce and direct-to-home models, with product assortments being crafted for specific channels in line with consumer demand.

New launches across categories continue to garner excellent consumer response and are being scaled up in the target markets.

During the year, the Company completed setting up of two state-of-the-art Ancillary Manufacturing cum Logistics Facilities (AMLF) - at Pudukkottai and Kapurthala. These state-of-the-art automated facilities are co-located with the respective ICMLs and are in line with the strategy of minimising total delivered cost and enhancing market responsiveness, besides reducing complexity in operations and cost of servicing. The

Company also commissioned a new ICML at Medak, Telangana in March 2022. With this, 10 ICMLs are operational in locations proximal to large demand centres enabling delivery of fresher products and reduction in distance to markets, besides higher cost agility. Capacity utilisation at existing ICMLs continue to be ramped up.

The Business implemented several strategic cost management initiatives in areas such as supply chain optimisation, smart procurement and productivity improvement through automation, leveraging new-age tools such as Industry 4.0 and Smart Utilities. These interventions aided in partially mitigating the escalation in input costs and absorbing start-up costs of new facilities and strategic investments in brand building for newer categories viz. Dairy, Juices, Chocolates and Coffee.

Personal Care Products

The Personal Care Products Business continued to demonstrate agility and responsiveness to the dynamic market conditions. Improved product availability and agile response to demand volatility enabled the Business to navigate the challenging operating environment during the year.

‘Savlon’ reinforced its position as one of the most preferred brands for expert germ protection, witnessing healthy repeats across the portfolio. In spite of demand volatility in line with Covid caseload intensity, sales of Health and Hygiene portfolio remains significantly above pre-pandemic levels. The portfolio was augmented with the launch of ‘Savlon Powder Handwash’ in consumer-friendly low unit packs to democratise the category.

In the Personal Wash segment, ‘Fiama’ continued to strengthen its brand equity, registering healthy growth. Catering to the emerging consumer preference for Naturals, the Business launched innovative offerings in the gel bar format.

The Business leveraged the ‘Nimyle’ brand and the equity associated with ‘Nim’ to expand presence in the Home Hygiene segment; Nimyle was rolled-out on a pan-India basis even as it strengthened its leadership position in West Bengal and Odisha.

The Fragrance industry continued to be impacted on account of the pandemic, especially by the second wave which impacted sales in the peak summer months. On a y-o-y basis, the Business registered growth on a relatively soft base and is expected to attain pre-pandemic levels in the near term. The Business launched ‘Engage Fragrance Finder’, an AI-powered, technology-enabled experience that aids the selection of fragrances based on consumer preferences and occasion of usage.

In keeping with its strategy of winning in emerging channels, the Business continues to widen its assortment of offerings in e-Commerce; channel salience rose to early-teens.

The Company is setting up a state-of-the-art Personal Care and Home Care products manufacturing unit in Uluberia, West Bengal in line with its strategy of building in-house manufacturing capabilities for products with unique formulations, enhancing supply chain agility and responsiveness, and reducing distance to market.

Education and Stationery Products

The Education & Stationery products industry, which was severely impacted in FY 2020-21 due to the pandemic, witnessed gradual recovery towards the end of the year driven by progressive resumption of physical classes at educational institutions; however, sales remained below pre-pandemic levels. The Business reinforced its market leadership position in the industry, delivering a competitively superior performance driven by portfolio premiumisation, judicious pricing actions, enhanced presence in alternate channels and continued focus on cost and working capital management.

The Business sustained its leadership position on e-Commerce platforms through consistent availability of customised product assortments backed by focused interventions to enhance consumer traction. Consumer engagement was enhanced through Classmateshop.com, a D2C platform, which facilitates brand affinity through creative product personalisations.

The Business continues to ramp up capacity utilisation of its dedicated notebook manufacturing facility. Equipped with state-of-the-art technology, the facility enables the Business to develop highly differentiated notebook formats, drive cost reduction and address opportunities in overseas markets.

Incense Sticks (Agarbattis) and Safety Matches

After the disruptions witnessed in the previous year, the Agarbatti industry volumes surpassed pre-pandemic levels, driven by gradual opening of markets and places of worship across the country leading to revival in consumer offtake for the category.

‘Mangaldeep’ Agarbattis and Dhoop enhanced household penetration leveraging its robust product portfolio. Innovative product offerings such as Upaveda range of ‘Naturals’ agarbattis were launched during the year. Proactive steps were also taken towards driving product mix enrichment and cost optimisation. The Business mitigated inflationary headwinds during the year by leveraging economies of scale, driving sourcing efficiencies and ensuring smart procurement.

Amidst sluggish demand conditions in the Safety Matches industry, the Business strengthened its market leadership position, leveraging its robust product portfolio and strong distribution network.

FMCG – CIGARETTES

After a challenging FY 2020-21, and despite repeated disruptions this year, the Business progressively recovered on the back of improved mobility and easing of restrictions, surpassing pre-pandemic levels in the latter half of the year. The Business effectively leveraged institutional strengths, digital technologies and learnings from previous waves to respond with agility across all nodes of operations. This included, inter alia, re-configuring and re-aligning supply chain operations to service market requirements through dynamic planning, strengthening direct reach in target markets across all traditional trade channels and augmenting the stockist network to service rural and semi-urban markets efficiently.

The Business continues to counter illicit trade and 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 were introduced to cater to continuously evolving consumer preferences and ensure future readiness of the portfolio. These include innovative launches such as ‘Classic Connect’, ‘Gold Flake Neo SMART Filter’, ‘Wills Protech’, ‘Capstan Excel’, ‘American Club Smash’, ‘Gold Flake Kings Mixpod’, ‘Gold Flake Indie Mint’, ‘Wave Boss’ and ‘Flake Nova’. The Business also expanded its presence in focus markets with the launch of differentiated offerings across segments.

Manufacturing facilities continue to be modernised by inducting contemporary technologies towards securing higher levels of productivity, product excellence and driving innovation. New benchmarks were set in areas of quality, sustainability, supply chain responsiveness and productivity. Cutting-edge technologies such as Industry 4.0 and Data Sciences were leveraged to build a smart manufacturing environment of connected systems.

Punitive taxes on the legal cigarette industry over the years have created extremely attractive tax arbitrage opportunities for unscrupulous players resulting in rapid growth in illicit cigarette trade, making India the 4th largest illicit cigarette market globally according to Euromonitor estimates. While legitimate cigarette industry volumes have largely declined over the last decade, illicit cigarette trade volumes have grown

rapidly during the same period, accounting for about one-fourth of the domestic industry. It is pertinent to note that strong deterrent actions by enforcement agencies have led to significant rise in seizure of illicit cigarettes in recent years.

The extremely stringent regulations along with the discriminatory and steep taxation on cigarettes have had numerous negative, albeit unintended repercussions. These include revenue loss to the exchequer, widespread availability of tobacco products of dubious quality and hygiene, large component of tobacco consumption remaining outside the tax net and persistent negative impact on the livelihood of tobacco farmers.

As seen in the past, stability in taxes on cigarettes enables the legal cigarette industry to claw back volumes lost to illicit trade, thereby engendering domestic demand for Indian tobaccos, while also mitigating loss of tax revenue to the exchequer due to illicit trade.

The Company continues to engage with policy makers for a framework of equitable, non-discriminatory, pragmatic, evidence-based regulations and taxation policies that balance the economic imperatives of the country and tobacco control objectives, having regard to the unique tobacco consumption pattern in India.

HOTELS

After an extremely challenging FY 2020-21, the Hotels Segment witnessed smart recovery driven by the domestic leisure and wedding segments; business travel also saw progressive improvement, albeit remaining below pre-pandemic levels. Pick-up in revenues together with relentless focus on cost management resulted in a positive swing of Rs. 346.63 crores in Segment EBITDA, despite considerable disruptions caused by the pandemic during the year.

The Business responded with agility focusing on alternate customer segments and revenue streams, such as domestic leisure, staycations & long weekends and weddings. While the third wave in January 2022 briefly halted the recovery momentum, the industry bounced back towards the end of the year, with exit occupancy levels surpassing pre-pandemic levels and business travel sentiments improving. While Average Room Rates improved over the previous year, they remain below pre-pandemic levels.

The Business continued to focus on its strategy of offering a host of curated propositions across accommodation, dining and banqueting to augment revenues across properties. A full stack ITC Hotels App, with cutting-edge user experience, offering a whole range of features enabling swift and easy access to Room and F&B Reservations, F&B delivery offers, loyalty benefits besides a host of exclusive offers. The App continues to receive good response within a short span of time since launch.

The Business also continued to reinforce its commitment towards health & hygiene with its acclaimed 'WeAssure' programme, which has received a Platinum Level certification from M/s. DNV (one of the world's leading certification bodies).

During the year, nine new properties were added to the Group portfolio, including four in the Welcomhotel portfolio at Bhubaneswar & Guntur (owned), and at Katra & Chail (managed). ITC Narmada project in Ahmedabad is progressing well and the hotel is expected to be commenced shortly.

The Company's 'asset-right' strategy envisages a large part of incremental room additions, going forward, to accrue through management contracts. Two new brands were introduced during the year – 'Mementos' in the luxury segment & 'Storii' in the premium segment. Several agreements/memoranda of understanding have already been signed under these brands; properties are expected to be launched in a phased manner over the next few quarters.

AGRI BUSINESS

The Agri Business Segment delivered stellar performance with Segment Revenue and Results growing by 28.7% and 25.6% respectively. This was driven by strong growth in wheat, rice, spices and leaf tobacco exports on the back of strong customer relationships, robust sourcing network and agile execution.

Leaf Tobacco

The Business continued to leverage its crop development expertise, sustainable value chain, superior product quality and world-class processing facilities to consolidate its leadership position in the Indian leaf tobacco industry. New business development and enhanced value delivery to existing customers through superior customer engagement, operational agility and supply chain efficiency, and leveraging sustainability leadership enabled the Business to strengthen its position as a reliable supply chain partner. The Business consolidated its pre-eminent position as the largest Indian exporter of unmanufactured tobacco, improving its market share by about 300 bps.

The Business continues to set benchmarks in leaf threshing operations through focused initiatives and innovative technological solutions. Investments continue to be made in the Company's Green Leaf Threshing plants (GLT) at Anaparti, Chirala and Mysuru towards delivering world-class quality and upgrading processing technology. The energy needs of all three GLTs are substantially met from renewable sources in line with the Company's philosophy of adopting a low-carbon growth path.

Strategic Cost Management across the value chain continues to be a key focus area for the Business. The AI/ML powered smart buying platform continues to be scaled up to facilitate efficient leaf tobacco buying across auction platforms. Several initiatives implemented in recent years have led to improved operating efficiencies across manufacturing and supply chain.

Other Agri Commodities

The operating environment remained challenging due to disruptions in operations caused by the second and third waves of the pandemic. Severe shortages in container availability, congestion in ports and steep increase in freight rates exacerbated the situation.

Notwithstanding the challenging operating environment, the Business leveraged market opportunities and delivered robust growth with wheat exports growing three-fold and rice exports doubling over the previous year. This was achieved on the back of the Company's strong farm linkages and sourcing networks, multi modal transport capability, agile supply chain operations and deep customer relationships.

The strategic focus of the Business in recent years has been to accelerate growth and enhance value capture by rapidly developing and scaling up its Value-Added Agri Products (VAAP) portfolio straddling multiple value chains comprising Spices, Coffee, Frozen Marine Products and Processed Fruits amongst others. The portfolio continues to be rapidly scaled up, leveraging the Company's deep rural linkages and extensive sourcing expertise towards strengthening and customising supply chains for traceable and identity-preserved sourcing of agri-commodities. During the year, with robust growth in exports of value added spices to 'food safe' markets, viz. USA, EU and Japan, the Business consolidated its position as a preferred supplier for discerning customers in food safe segment.

Adoption of analytics led smart supply chain management and procurement tools are being increasingly stepped up for securing cost competitive advantage for the Business.

The Business continues to leverage its strong farm linkages and wide sourcing network across geographies towards meeting the growing requirements of Aashirvaad atta. During the year, the Business further scaled up its strategic sourcing and supply chain interventions including focused crop development towards securing the right varieties for Aashirvaad atta to provide consumers best-in-class product quality and

experience, use of multi-modal transportation comprising rail, road & coastal routes and enable supply of attribute based/identity preserved crop. The Business also ramped up direct buying at various atta factories. Milk procurement network in Bihar and West Bengal was strengthened towards meeting the growing requirements of the Company's Fresh Dairy portfolio while sourcing of Spices was scaled up for the Sunrise and Aashirvaad brands.

Towards enhancing the competitiveness of domestic agri value chains, fostering new business models and further augmenting value creation opportunities, the Company has successfully launched ITCMAARS (Metamarket for Advanced Agriculture and Rural Services) – a crop-agnostic 'phygital' full stack AgriTech platform in six states, with over 200 FPOs encompassing more than 40,000 farmers already added to the Company's network. This initiative, powered by cutting-edge digital technologies will create a robust eco system to deliver seamless customised solutions to farmers, whilst creating new revenue streams and strengthening sourcing efficiencies.

PAPERBOARDS, PAPER & PACKAGING

The Paperboards, Paper & Packaging Segment recorded strong growth of 36.0% in Segment Revenue and 54.7% in Segment Results. This was aided by demand revival across most end-user segments, higher realisations, product mix enrichment and exports. Robust margin expansion of appx. 270 bps was achieved leveraging the integrated nature of the business model, Industry 4.0 and other digital interventions.

The Paperboards and Specialty Papers Business achieved record volumes despite significant operational challenges due to the pandemic coupled with continued global supply chain disruptions. The Business demonstrated agility and achieved robust growth in domestic and export markets while reinforcing its position as a reliable supply chain partner. This was enabled through strategic partnerships, proactive supply chain management and agility in execution. The Business fortified its clear leadership in the Value Added Paperboard (VAP) segment through the introduction of innovative new products customised for end-use industries and delivering best-in-class service levels.

Structural interventions across the value chain including, inter alia, developing high yielding clones, strengthening sourcing from core areas, augmenting Value Added Paperboard & in-house pulp manufacturing capacity and creating superior distribution infrastructure, continue to provide the Business sustainable competitive advantage. Significant increase in in-house pulp production was achieved through strategic interventions, Industry 4.0 initiatives and improved wood mix. Capacity utilisation of Bleached Chemical Thermo Mechanical Pulp mill (BCTMP) at Bhadrachalam touched a record high.

The Packaging and Printing Business, a one-stop packaging solutions provider to several segments, demonstrated resilience with an uptick in demand across most end-use segments, leading to robust growth in domestic as well as exports businesses. To cater to its growing customer base across the country and further improve service levels, the Business has initiated investments to expand its manufacturing footprint in the west with state-of-the-art equipment. The facility is expected to be commissioned in FY 2022-23 and provide significant opportunities to tap the growing demand in the region.

The Company is actively engaged in developing and promoting suitable paper and paperboard substrates to replace single-use plastics. The sustainable products portfolio comprises recyclable paperboards, 'FiloPack' and 'FiloServe', and biodegradable paperboards, 'OmegaBev' and 'OmegaBarr', which are alternatives to plastic coated containers, cups and other deep freeze applications. Innovative packaging solutions continue to be crafted, leveraging deep understanding of end-user needs and capabilities of the Company's Life Sciences and Technology Centre. A steady pipeline of pioneering solutions is also in place such as 'Bioseal' (compostable packaging solution 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 the consumer consciousness towards hygiene and safety). These products continue to receive encouraging response; the portfolio is being augmented progressively with a range of solutions that are under various stages of commercialisation. Investments are being stepped up in this fast-evolving space which holds immense growth potential.

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

In line with its superordinate goal of serving larger national priorities and creating value for all stakeholders, the Company has evolved a new paradigm of 'Responsible Capitalism' - an abiding strategy that focuses on extreme competitiveness but in a manner that replenishes the environment and supports sustainable livelihoods.

The Company is a global exemplar in sustainability, and continues to be a carbon, water and solid waste recycling positive organisation. In line with the commitment made last year for sustainably managing waste in excess of plastic packaging utilised, the Company has gone beyond plastic neutrality in FY 2021-22 by collecting and sustainably managing more than 54,000 tonnes of plastic waste across 35 States/Union Territories. The Company sustained its 'AA' rating by MSCI-ESG - the highest amongst global tobacco companies, for the 4th successive year. It is also a part of the Dow Jones Sustainability Emerging Markets Index - a reflection of being a sustainability leader in the industry. The Company was rated at the 'Leadership Level' score of 'A-' for both Climate Change and Water Security (*Asia and Global average at B- for climate change and B for water security*) by CDP, a reputed independent global platform for disclosures on environmental impacts.

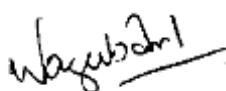
As a testament to ITC Hotels Responsible Luxury ethos and the Company's Triple Bottom Line philosophy, ITC Grand Chola at Chennai and ITC Gardenia at Bengaluru have received LEED Zero Carbon Certification, in addition to ITC Windsor at Bengaluru which achieved the prestigious accreditation last year. Awarded by US Green Building Council (USGBC), this certification recognizes buildings operating with net zero carbon emission. It is noteworthy that these properties are the first three hotels in the world to receive the LEED Zero Carbon Certification. ITC Grand Chola, Chennai, is also the world's largest hotel to achieve LEED Zero Carbon Certification.

During the year, the Company commissioned its first offsite solar plant in Dindigul, Tamil Nadu, in line with its Sustainability 2.0 vision. Additionally, the Company's Paperboards & Specialty Papers Business commissioned a state-of-the-art and future-ready High Pressure Recovery Boiler which will contribute towards reducing carbon footprint.

Please refer link below for performance highlights of the quarter:

<https://www.itcportal.com/investor/pdf/ITC-Quarterly-Result-Presentation-Q4-FY2022.pdf>

The Board of Directors, at its meeting on 18th May 2022, approved the financial results for the year ended 31st March 2022, which are enclosed.



(Nazeeb Arif)
Executive Vice President
Corporate Communications



Enduring Value

NATION FIRST: SAB SAATH BADHEIN

Q4 FY22 Results

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

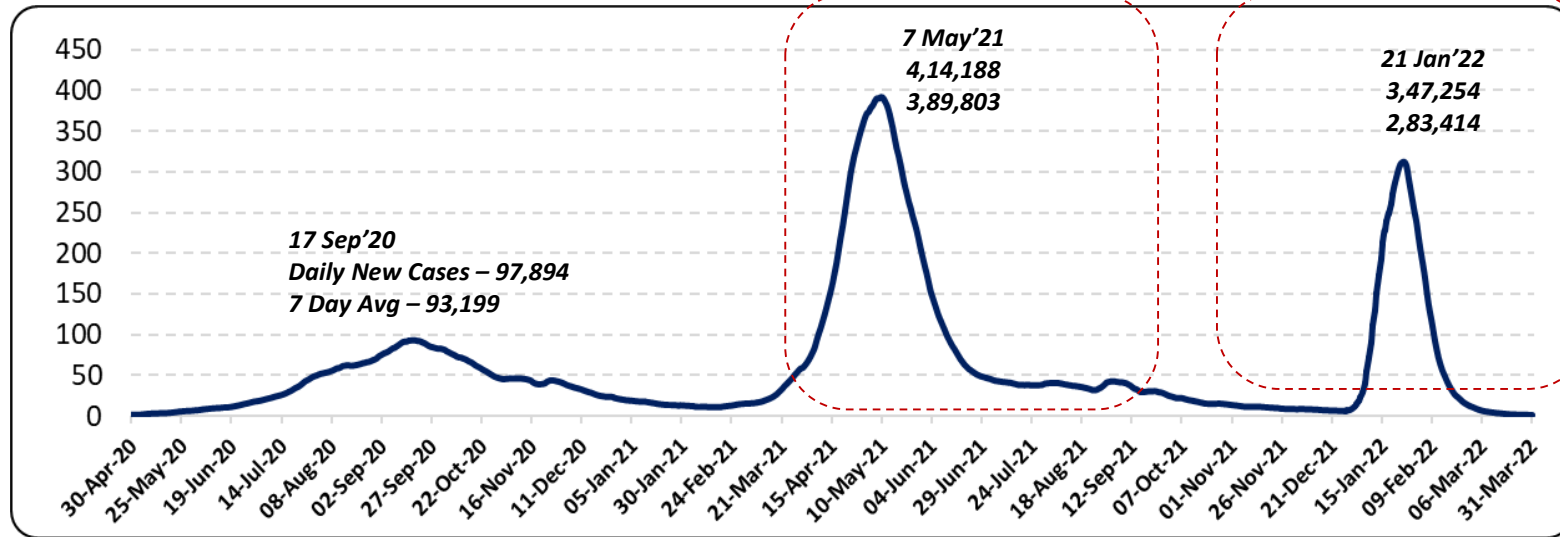
India witnessed 2 Covid waves in FY22

Delta in May/June'21 & Omicron in Dec'21/ Feb'22

Economic activity severely impacted by Delta variant
Omicron impact relatively less

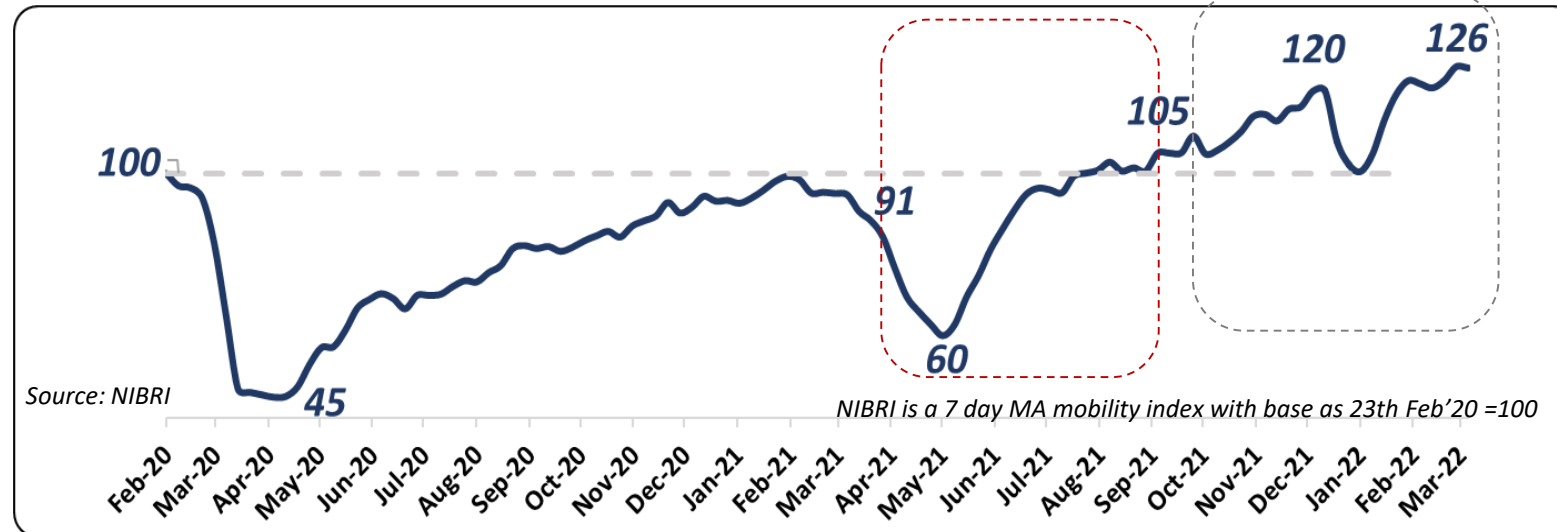


India: Daily New Cases – Moving 7-day Average ('000)



Source : WHO

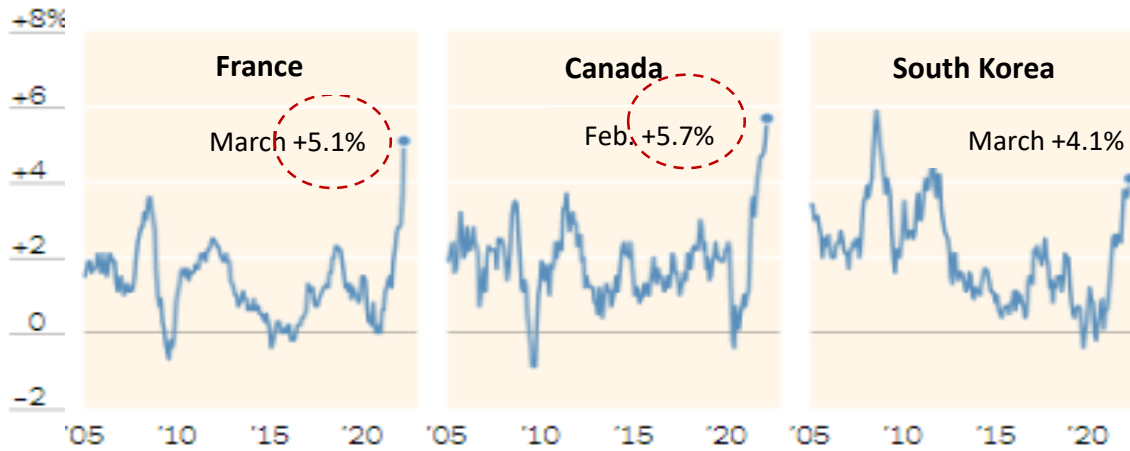
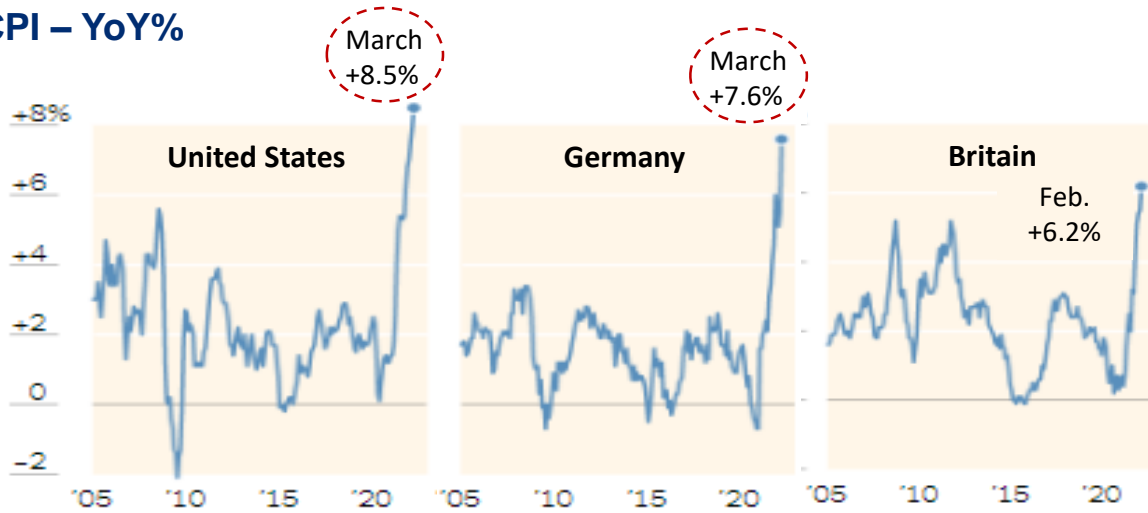
Nomura India Business Resumption Index



Source: NIBRI

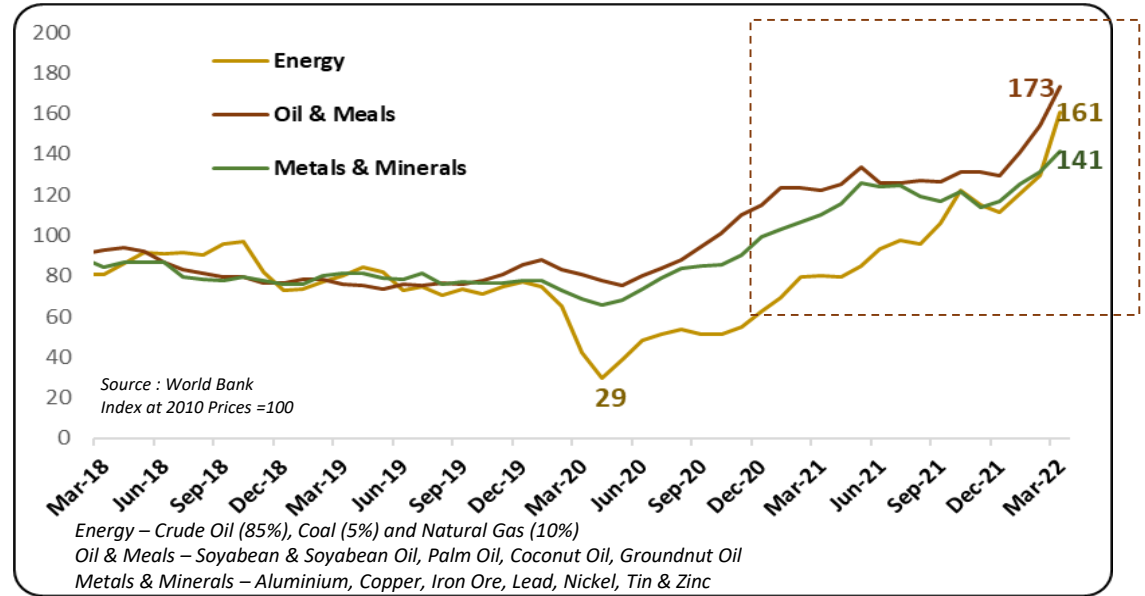
NIBRI is a 7 day MA mobility index with base as 23th Feb'20 =100

CPI – YoY%

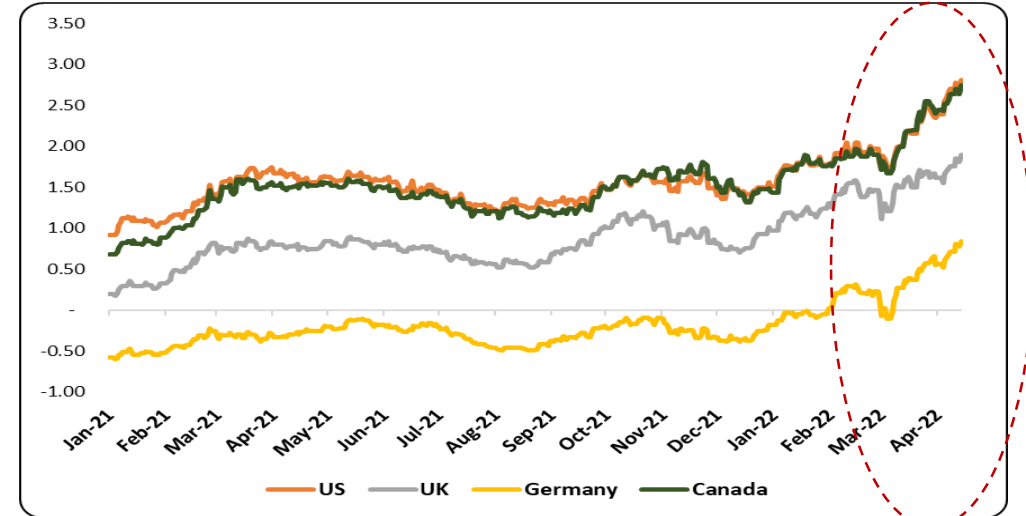


Source : Bureau of Labour Statistics, UK Office of National Statistics, Statistics Canada, NY Times

Commodity Price Index



10-yr G-Sec Rates



Retail Inflation @ 17-month high

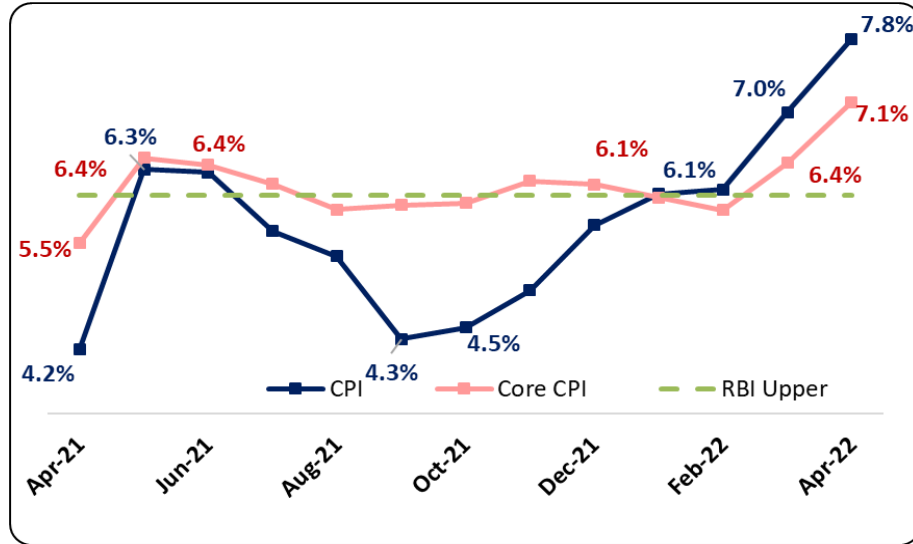
Soaring prices impacting household Budgets

Rural Inflation outpaces urban Inflation

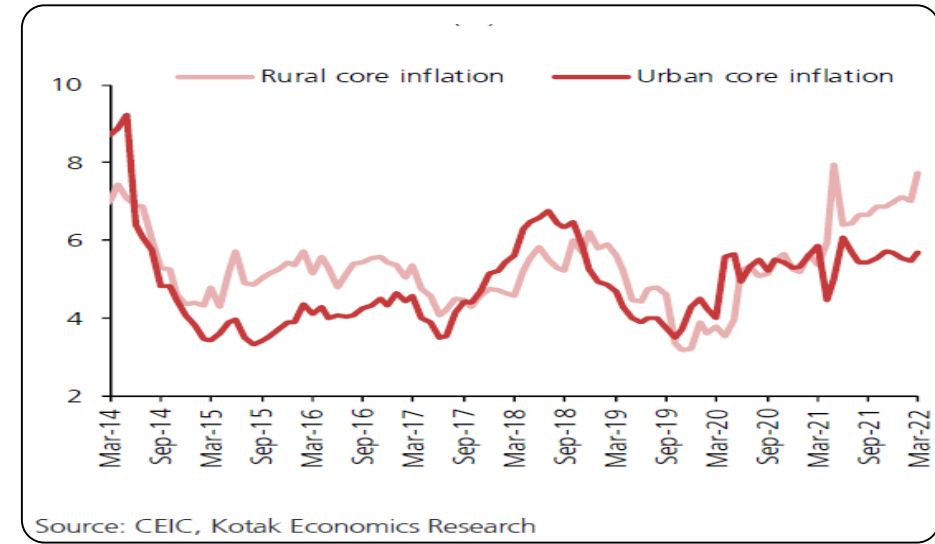
Sharp increase in inflation outlook by RBI



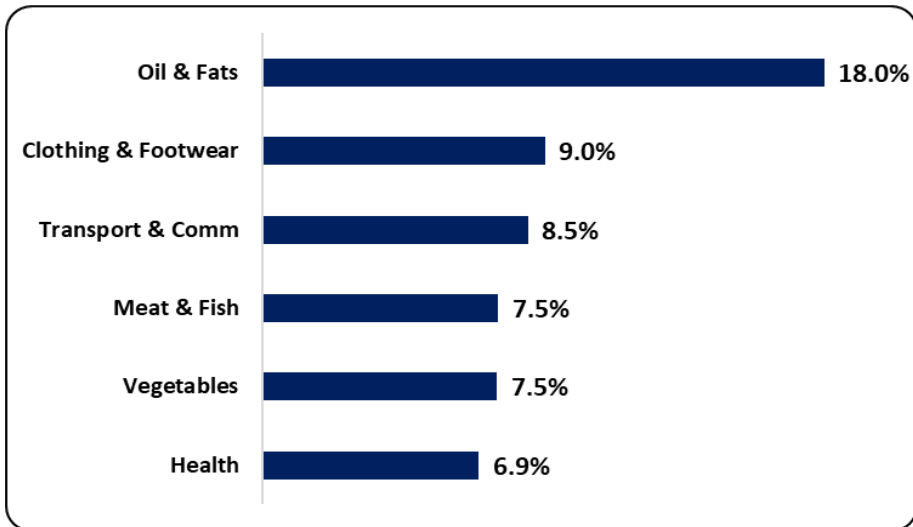
CPI and Core CPI (YoY%)



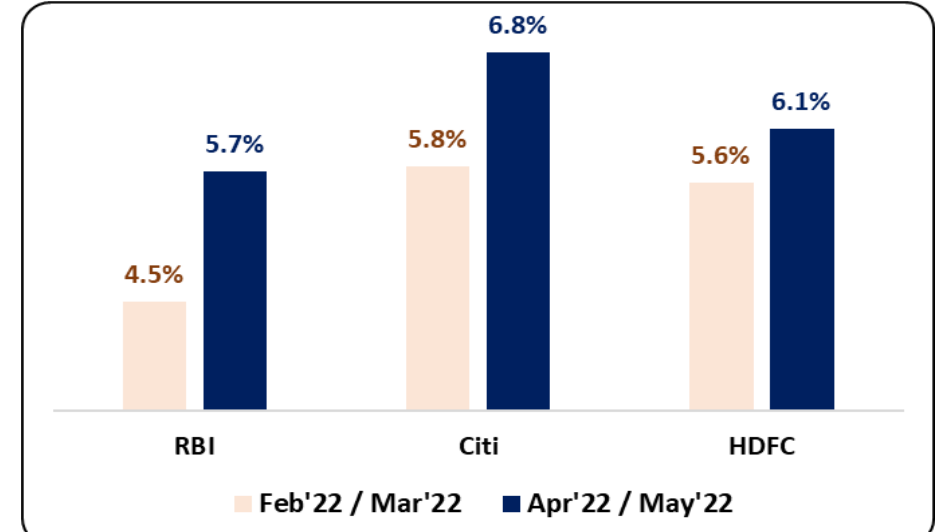
Rural and Urban Core CPI (YoY%)



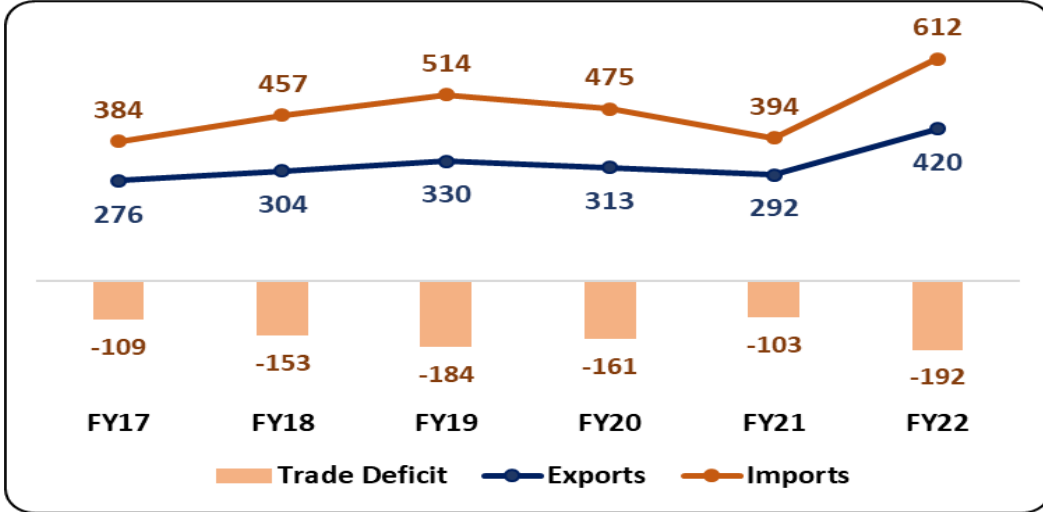
CPI Q4 FY22 (YoY%)



Upward revision to Inflation estimates for FY23 (YoY%)

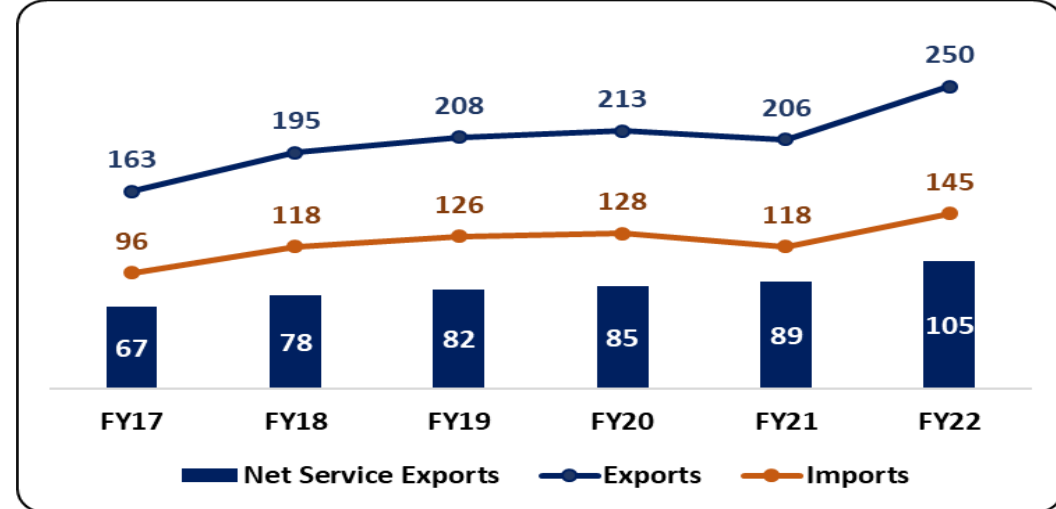


External Trade - Merchandise (\$bn.)



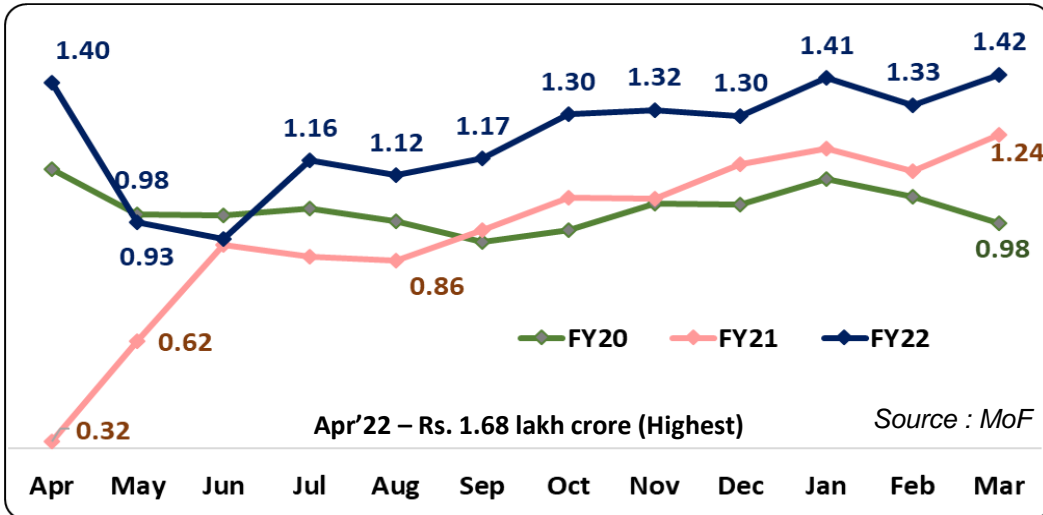
Source : Ministry of Commerce

External Trade - Service (\$bn.)



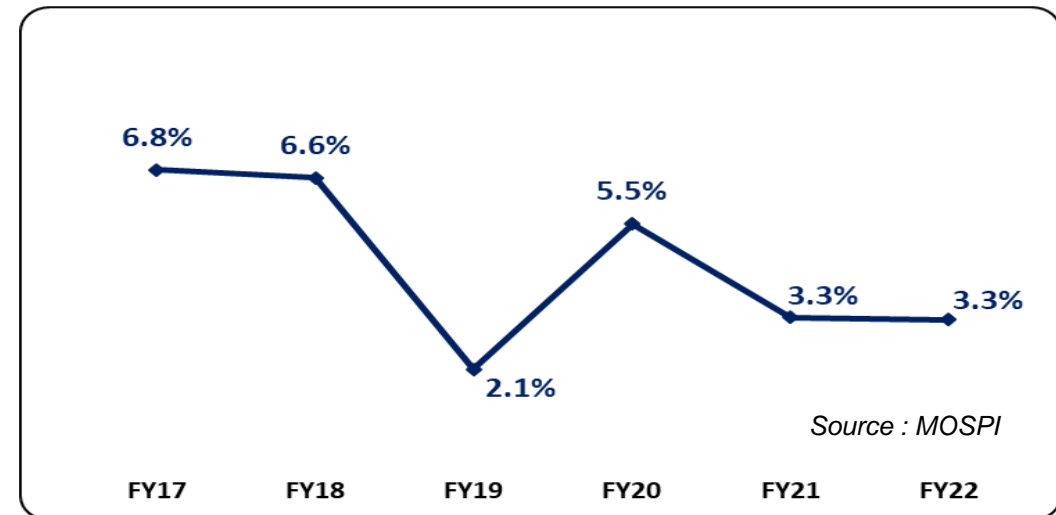
Source : Ministry of Commerce

GST Collection (Rs lakh cr.)



Source : MoF

Agriculture (YoY% growth in GVA.)



Source : MOSPI

Global Macro

Slowdown in global growth momentum

2022 Global GDP growth revised down to 3.6% Vs. 4.4% earlier

- *Rising caseloads*
- *Supply chain disruptions*
- *Commodity price Inflation*

Geo-political tensions, rising inflation pose further downside risks

Quantitative tightening & Rising Interest rates in the US

Transmission impact thru Capital, Trade, Currency channels

India Macro

Key Positives

Gov's bold reform agenda and Infra push

Stronger corporate/bank Balance Sheets

Robust external demand

Buoyancy in tax collections

Key Monitorables

High Inflation
High Crude prices

Uneven Recovery across sectors

Private Consumption below pre-Covid level
Muted Rural demand

Private Capex yet to pick-up

Q4 and FY22 Results

Headline Financials & Business Highlights

Strong rebound in performance

Gross Revenue

▲ +22.7%
ex Agri, up 16.6%

EBITDA

▲ +22.0%

Overall Segment PBIT Margin *ex – Agri Business*

35.8% ▲ 160 bps

PAT

▲ +15.5%

EPS

▲ +15.4%

Total Dividend

Rs. 11.50
per share

- **Strong growth across all operating segments**
 - *Resilient performance despite Covid disruptions in Q1 & Q4*
- **Robust broad-based recovery in Cigarettes**
 - *H2 volumes surpass pre-pandemic levels*
- **FMCG Revenue up 8.6% YoY on a high base (+24.5% vs. FY20)**
 - *EBITDA Margins at 9.1% despite unprecedented inflationary headwinds*
 - *110+ innovative products launched - across hygiene, health & wellness, naturals and convenience categories*
 - *Re-opening of educational institutions aids recovery in Education & Stationery Products Business; however, still below pre-pandemic levels*
- **Domestic leisure and wedding segments drive recovery in Hotels**
 - *Occupancies and ARR recover; however, remain below pre-pandemic levels*

- **Stellar growth in Agri Business Revenue**
 - *Opportunities effectively leveraged for Wheat exports*
 - *Robust growth in rice, spices and leaf tobacco*
- **Strong growth in Paperboards, Paper & Packaging; Revenue up 36.0% YoY**
 - *Paperboard volumes at record high*
 - *Robust growth aided by demand revival across most end-user segments; sustainable products portfolio continues to be scaled up*
 - *Integrated business model, Digital & Industry 4.0 initiatives and proactive strategic interventions enable margin expansion amidst commodity price escalation*
- **Net Cash Generation from Operations stood at over Rs. 13000 crores (+32% YoY)**

**Strong growth
across all operating
segments**

Gross Revenue

▲ +15.7%
ex Agri, up 13.9%

EBITDA

▲ +16.8%

Profit After Tax

▲ +11.8%

Overall Segment PBIT Margin
ex – Agri Business

36.2% ▲ 20 bps

For the quarter ended 31st March, 2022, YoY change

Key Highlights: Q4 FY22

- **Strong growth across all operating segments**
 - *Resilient performance despite third wave of pandemic*
- **Robust broad-based recovery in Cigarettes**
 - *Volumes surpass pre-pandemic levels despite disruptions caused by third wave*
- **FMCG revenue +12.3% on a relatively high base (+30.1% vs. FY20); EBITDA Margins at 9% (+75 bps YoY) despite unprecedented inflationary headwinds**
- **Hotels witnessed smart recovery in spite of third wave impacting recovery momentum**
 - *Exit occupancies surpass pre-pandemic levels; Sequential improvement in ARR, however below pre-pandemic levels*
 - *Progressive improvement in business travel*
- **Stellar growth in Agri Business driven by wheat, rice, leaf tobacco exports; Revenue up 29.6% YoY**
- **Strong performance in Paperboards, Paper & Packaging; Revenue up 31.8% YoY**
 - *Paperboard volumes record new highs aided by demand revival across most end-user segments*



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



Cost Optimization

Structural interventions across value chain



Sustainability 2.0

Bolder ambition

Environmental Capital

Inclusive growth



Digital

Future tech enterprise

Digital first culture

Smart Eco System



World-Class Talent

'Proneurial' spirit

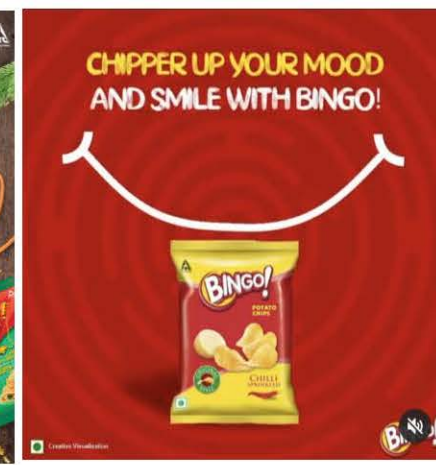
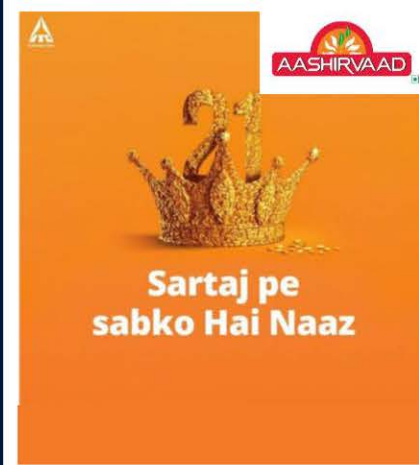
High Performance, Nimble and Customer-centric Culture

Diversity & Inclusion



Enduring Value

FMCG

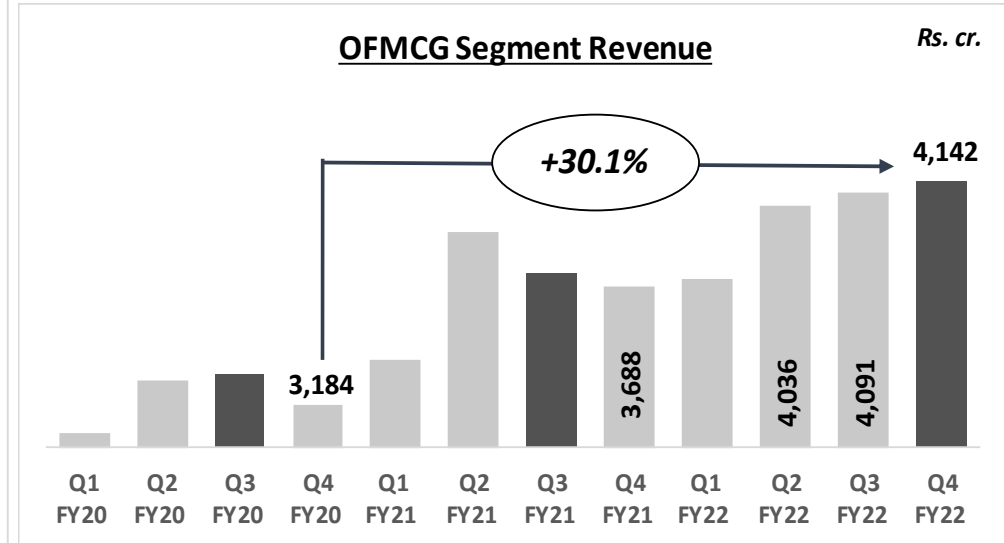


Segment Revenue up 12.3% YoY; + 30.1% over Q4 FY20

- Strong growth in Discretionary/Out-Of-Home categories; Staples & Convenience Foods remained resilient
- Demand volatility in Hygiene portfolio in line with Covid intensity; remains significantly above pre-pandemic levels
- Re-opening of schools/colleges aids recovery in Education and Stationery

Robust Performance in emerging channels continues

- Modern Trade sales accelerated with improved mobility & store footfall
- Robust growth in E-com; sales at nearly 1.5x
- Unnati (eB2B app) rapidly scaled up to nearly **3 lakh retailers** within short span of time since national launch



Scaling up D2C



<http://www.itcstore.in>

- Operational in 15 cities
- 700+ FMCG products
- 45+ categories



<https://classmateshop.com/>

Creative Product personalisations

Acquisition of minority stakes in



Premium ayurvedic & natural personal care startup with focus on Mother and Baby Care segments



Full stack community eco-system addressing the parenting needs of consumers

Rural Markets

Scale up of stockists network (**1.4x** of LY)

Market Coverage

1.4x of LY levels

Direct outlet servicing

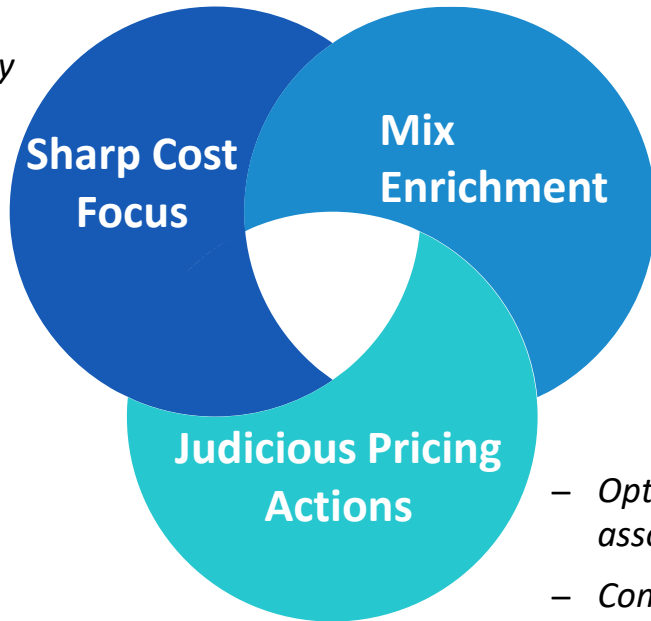
1.1x of LY levels

- **Q4 Segment EBITDA margins sustained at 9.0%** despite unprecedented inflationary headwinds (+75 bps YoY; +100 bps Vs. FY20)

- **Persistent high commodity prices largely offset through**

- Strategic cost management programmes
- Leveraging Digital
- Fiscal Incentives
- Supply Chain agility

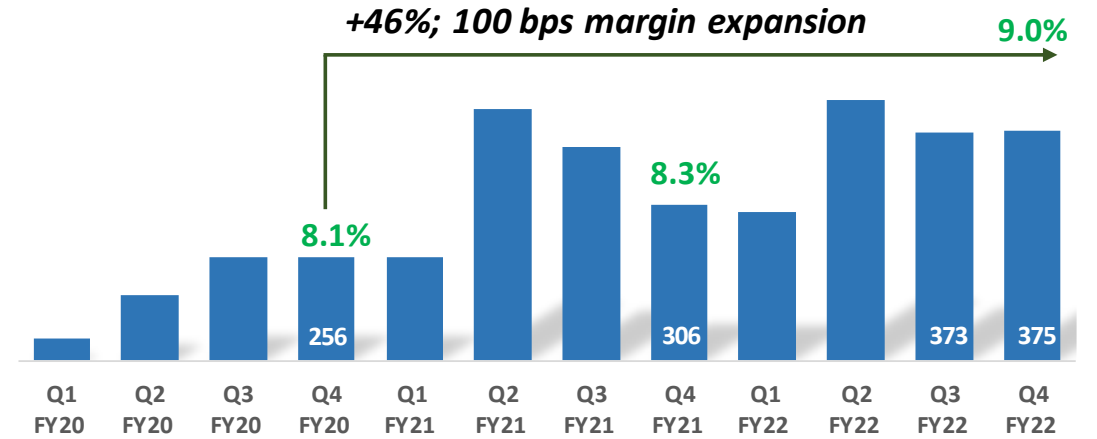
- Portfolio premiumisation
- Favorable Business mix



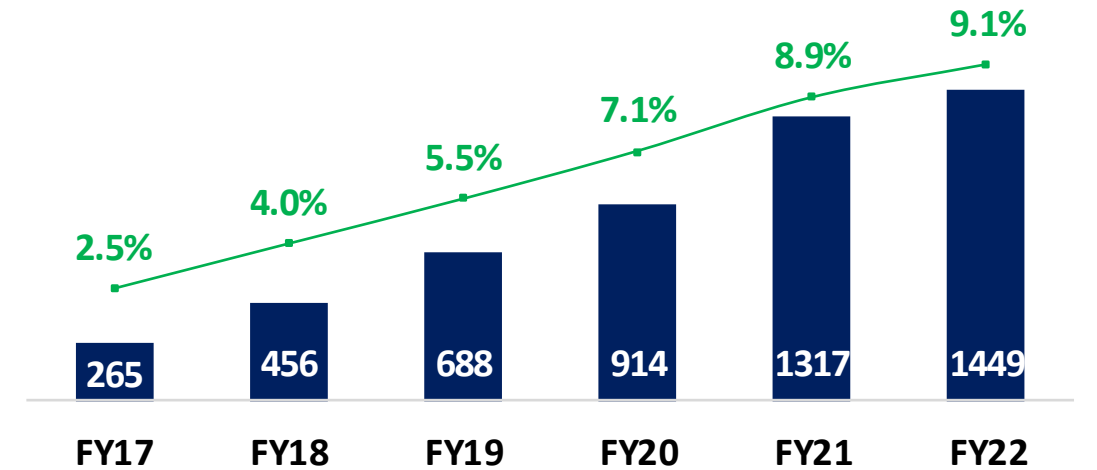
- Optimizing channel assortments
- Competitive trade & market investments

Seg. EBITDA margins sustained at 9.0% despite inflationary headwinds

Rs. cr.



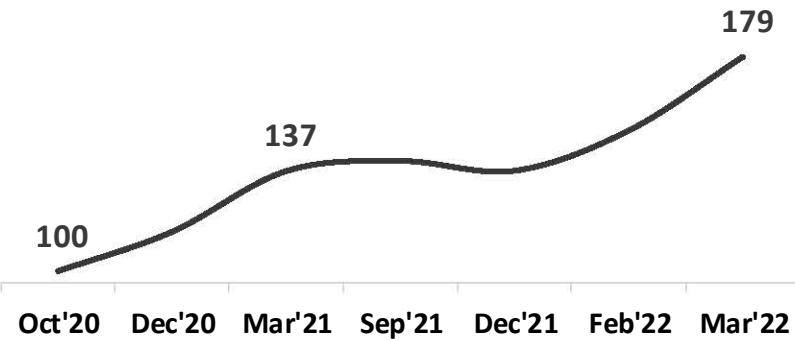
Full Year Seg. EBITDA (dark blue bars) and Seg. EBITDA Margin % (green line)



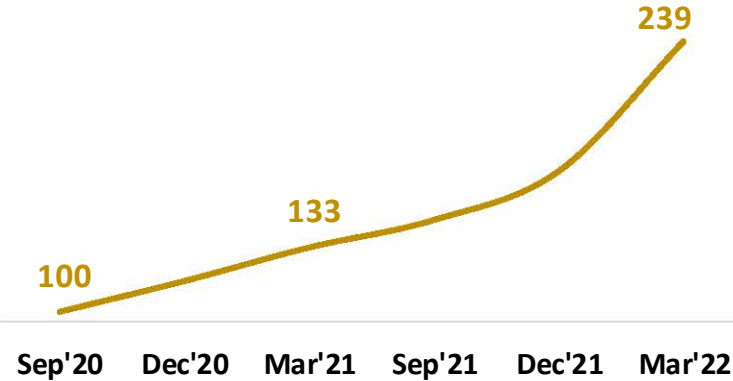
Unprecedented Inflation in Commodity Prices



Edible Oil



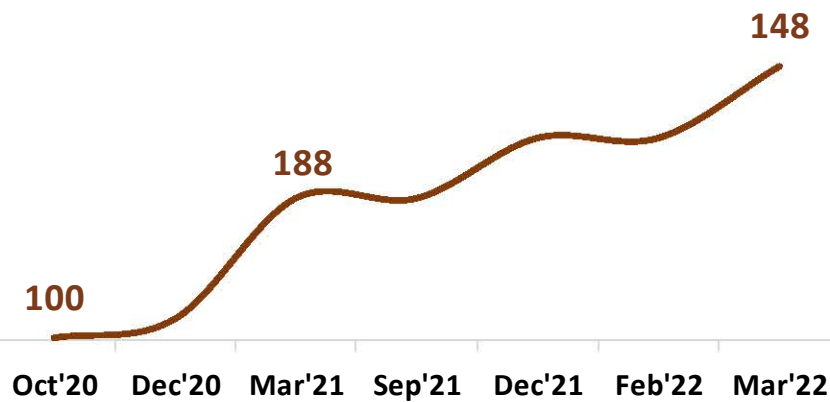
Soap Noodles



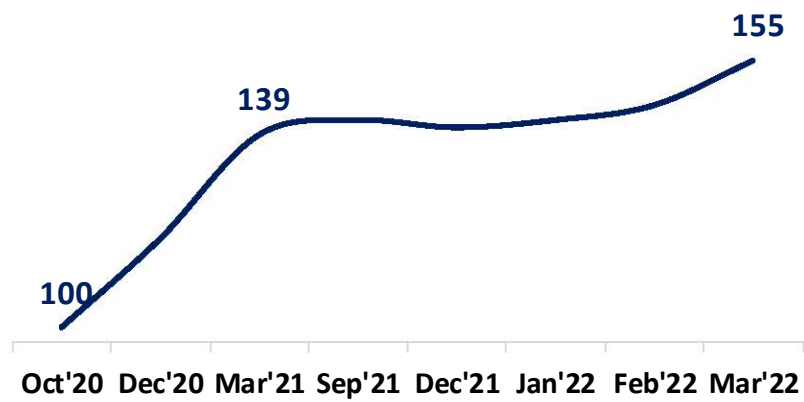
Metalocene

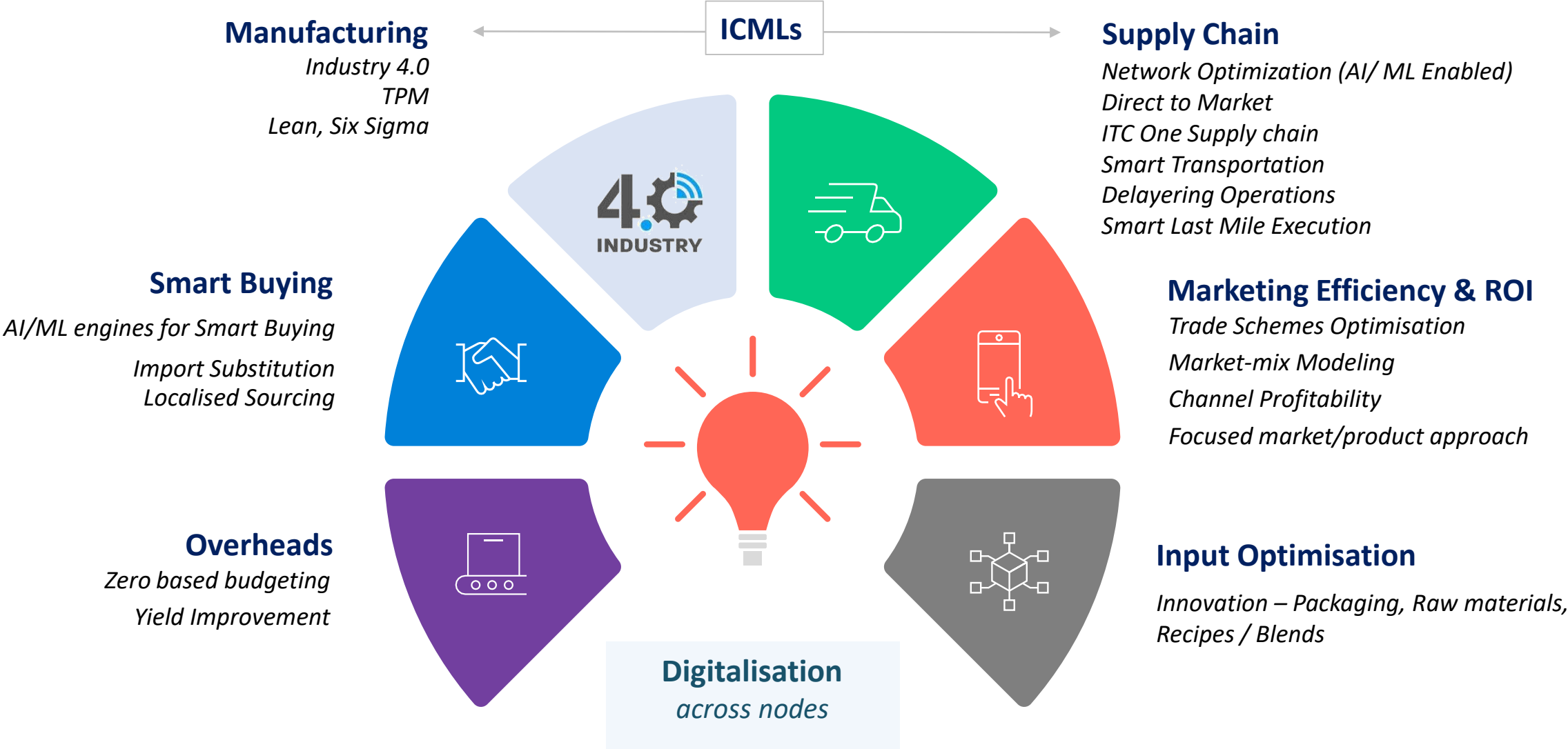


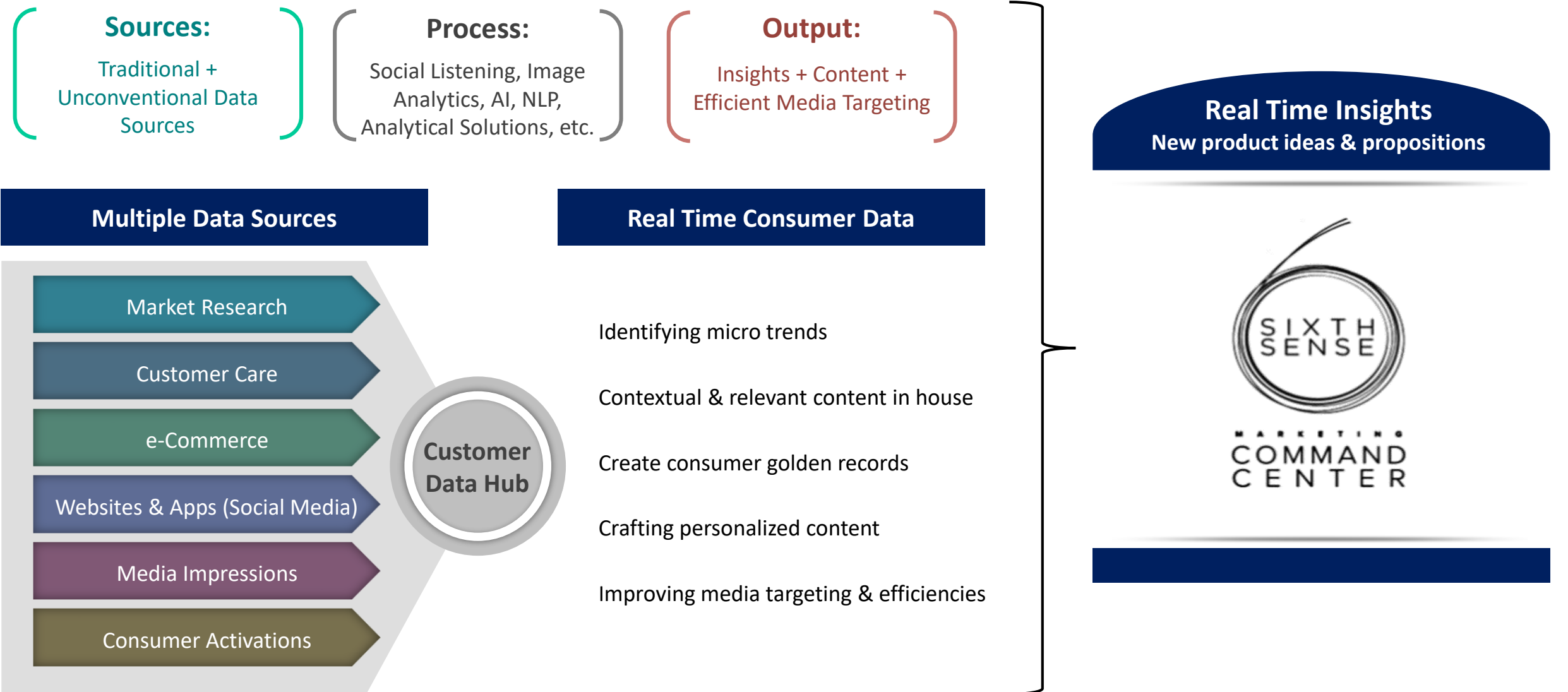
BOPP



Kraft Paper







Hygiene++, Protection & Care



Savlon

Disinfectants, Masks & Wipes



Nimyle

Floor Cleaner

Convenience



Savlon
HandWash Powder



ITC Master Chef
Pastes & Gravies



ITC Master Chef
Frozen Foods



Aashirvaad
Instant Meals



Engage
Chota Pocket | Convenient Packs



Nimyle
Sachet pack

Interactive Education



Classmate Interaktiv
Origami Books

Devotion



Mangaldeep Agarbatti

Addressing long-term consumer needs of **Health, Hygiene & Immunity...**



Aashirvaad Nature's Super Foods
Need for Organic
Rising Gluten Intolerance & Going back to Roots



Aashirvaad Salt Proactive
Better Heart health



Sunfeast Farmlite & Marie Veda
Traditional knowledge of Health



B Natural | Sunfeast
Nutralite
Health Range



Nimyle Floor Cleaner
Power of Neem



YIPpee! Power Up Noodles
Goodness of Whole Wheat Atta



Aashirvaad Svasti Milk
Select Milk
Easy Digest Milk (Lactose Free)



Savlon Surface Disinfectant
Spray | Handwash
Expert Germ Protection



B Natural
Immunity Focus



Jelimals Immunoz
Vitamin C + Zinc



Sunfeast Dark Fantasy
A unique decadent filled cookie experience



Sunfeast Bounce
A fun-filled flavourful experience



Fabelle
Signature Luxury Dessert collection



Bingo! Snacks
Extravaganza of Flavour & Texture



Candyman Fantastik
More chocolate in every experience





Savlon Swasth India



Vivel - Women Empowerment



Mom's Magic- NoMoreMissedCallsFromMom



Sunfeast India Run As One mobilised the country in support of livelihoods



ITCstore.in 'Basket of Care' For Daily Wage and Frontline Workers

Leveraging OTT platforms

BINGO! 100% Share of Voice



Association with series/IPL



Impactful Campaigns



83%+

of campaigns done using ITC's own 1st party data

AI Based Fragrance Finder



Personalize your shopping experience with **Engage Fragrance Finder**

<https://www.engagedeo.com/search/>

Partnering with Influencers & Celebrities



3000+

Content assets through ITC Sixth Sense



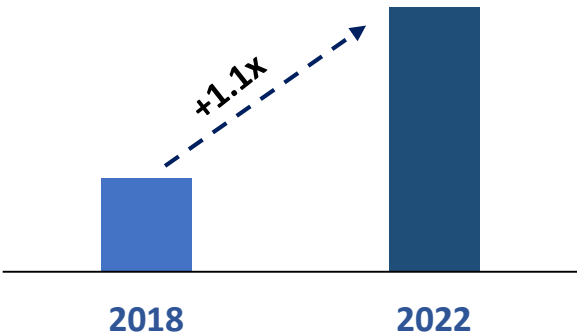
- Best Digital Experience Marketing Campaign
- Best Trend/Moment Marketing
- Best Low Budget Marketing

- Best Influencer Marketing Campaign
- Best Indian New Brand Launch
- Best Social Media Campaign of the Year
- Best Video Content Marketing Award

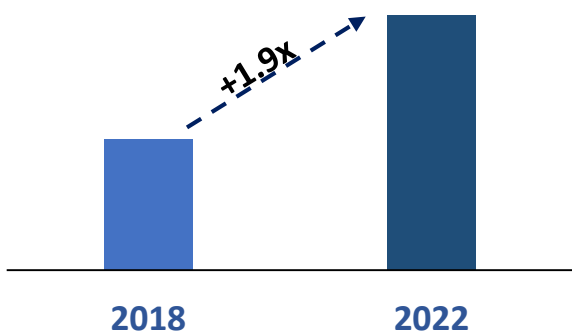
- Use of Video
- Small Budget Digital Marketing Campaign
- CSR Campaign
- Digital Marketing Campaign Post Covid-19 Crisis

Driving Penetration & Accessibility

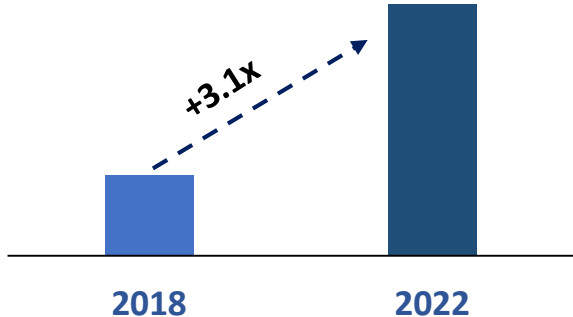
Total Reach



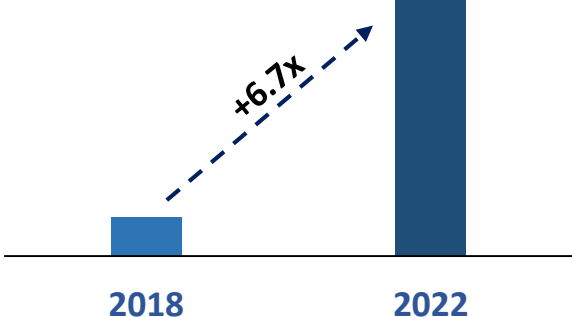
Direct Coverage



Market Coverage



Stockists



Strengthening Convenience & Grocery



Piloting Innovative Distribution Models

Winning in Emerging Channels



Modern Trade

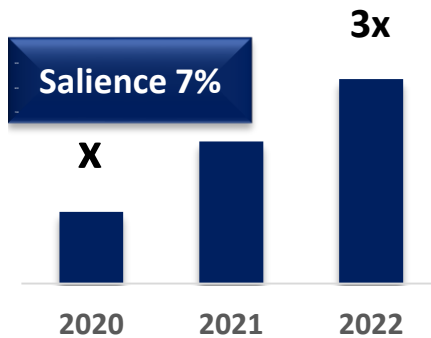


Fast-tracking E-Com, D2C, Cash & Carry



ITC e-Store - Operational in 15 cities

Expanding e-Com



New Routes to Market

On-the-Go



Direct Marketing



QSR



Strategic Partnerships



Climate Controlled Supply Chain

Frozen | Dairy | Chocolates



ITC MASTER CHEF



AASHIRVAAD svasti

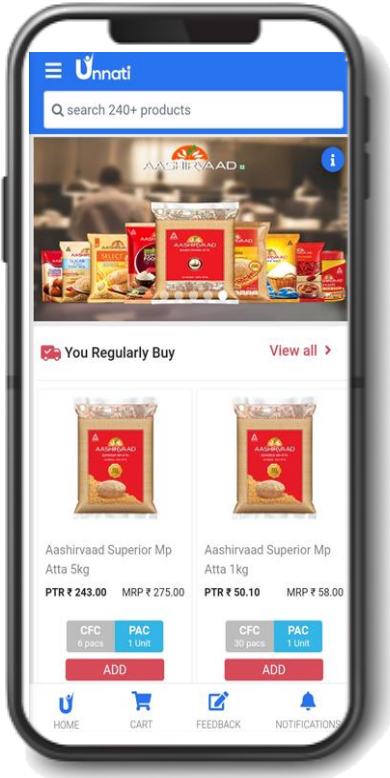
FABELLE Chocolates

Scaling-up Food Services



ITC MASTER CHEF

eB2B: UNNATI

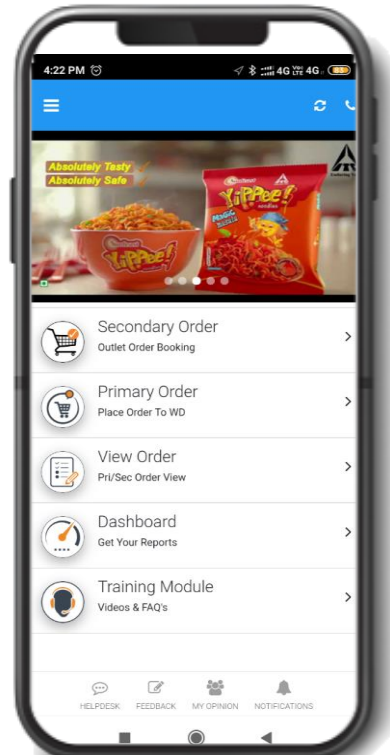


~3 lakh
Outlet penetration

VIRU: Virtual Salesman



VISTAAR: Rural App



Project Zen



Next Generation Agile
FMCG Supply Chain



Enduring Value

FMCG Cigarettes



Segment Revenue

6443 cr. ▲ 10.0%

Segment Results

4114 cr. ▲ 12.2%

- Net Segment Revenue up 10.2%; Segment EBIT up 12.2%; Segment EBIT margins up 130 bps
- Robust broad-based recovery in Cigarettes; volumes surpass pre-pandemic levels
- Innovation & democratisation of premiumisation across segments; robust growth in Modern variants
- Focused portfolio/market interventions
 - Portfolio vitality | Product accessibility | Execution excellence
 - New product launches continue to gain traction

Stability in taxes imperative for legal industry to combat and progressively claw back volumes from illicit trade

Innovation

- **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**

Recent Introductions

- **Wills Protech**
- **Capstan Excel**
- **Gold Flake Kings Mixpod**
- **Flake Nova**
- **Wave Boss**
- **American Club Smash**

Other Interventions

New variants of **Flake Excel, Wills Navy Cut Filter, Berkeley Hero** in focus markets.

**5s Packs -
Gold Flake Premium and Capstan Special**



Enduring Value

Hotels Business



Rs. cr.

Segment Revenue

Q4 FY22: 390 cr.

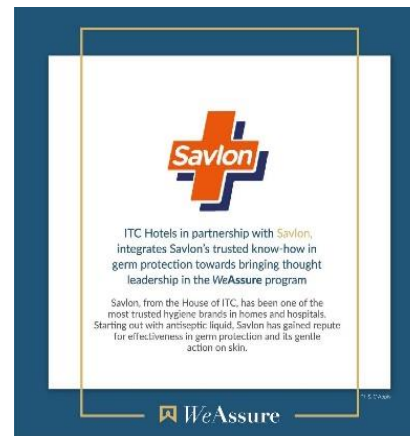
(+35 % vs LY; 84% of FY20)

Segment EBITDA

Q4 FY22: 32 cr.

- Exit occupancies surpass pre-pandemic levels
 - Sequential improvement in ARR; however, remain below pre-pandemic levels
 - Progressive improvement in business travel; nascent revival of international travel
- Steady pipeline of properties under **Mementos & Storii**; phased openings over the next few quarters
- During the year, nine new properties were added to the Group portfolio, including four Welcomhotel properties - Welcomhotel Bhubaneswar, Welcomhotel Guntur, Welcomhotel Katra and Welcomhotel Chail
- Continued focus on cost control – **Controllable cash fixed costs lower by 20% vs FY20 levels on a full year basis**

'WeAssure' programme – best-in-class hygiene and safety standards at all operating hotels



ITC Windsor

LEED Zero



World's 1st Hotel with
LEED Zero Carbon Certification

ITC Grand Chola

LEED Zero



World's Largest Hotel with
LEED Zero Carbon Certification

ITC Gardenia

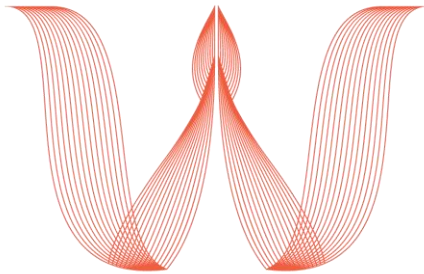
LEED Zero



World's 3rd Hotel with
LEED Zero Carbon Certification



Healthy pipeline of management contracts



WELCOMHOTEL
MEMBER ITC'S HOTEL GROUP

Welcomhotel Brand footprint scaled up to 23 properties/2600 keys

Portfolio additions to be launched progressively over coming quarters

Mementos



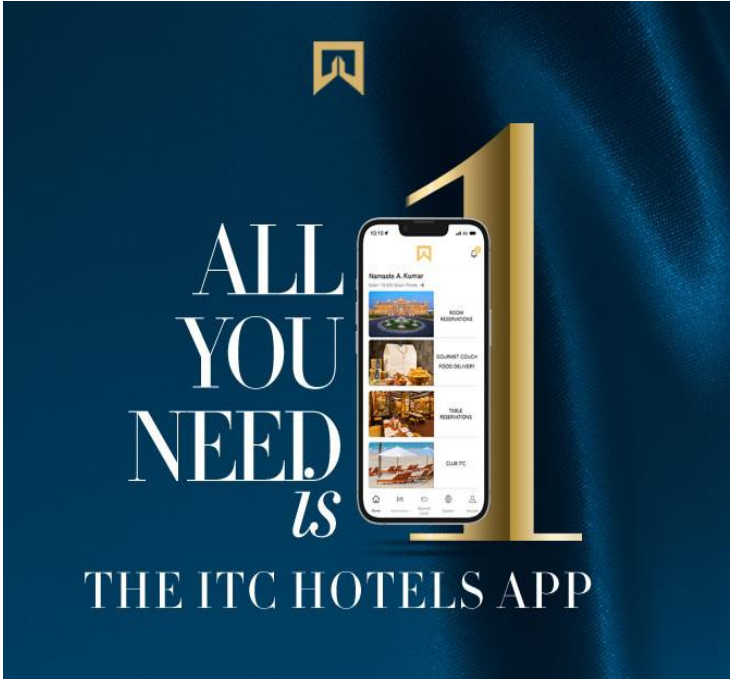
Collection of **unique luxury hotels** across varied destinations ranging from **modern retreats to historic treasures**

Storii



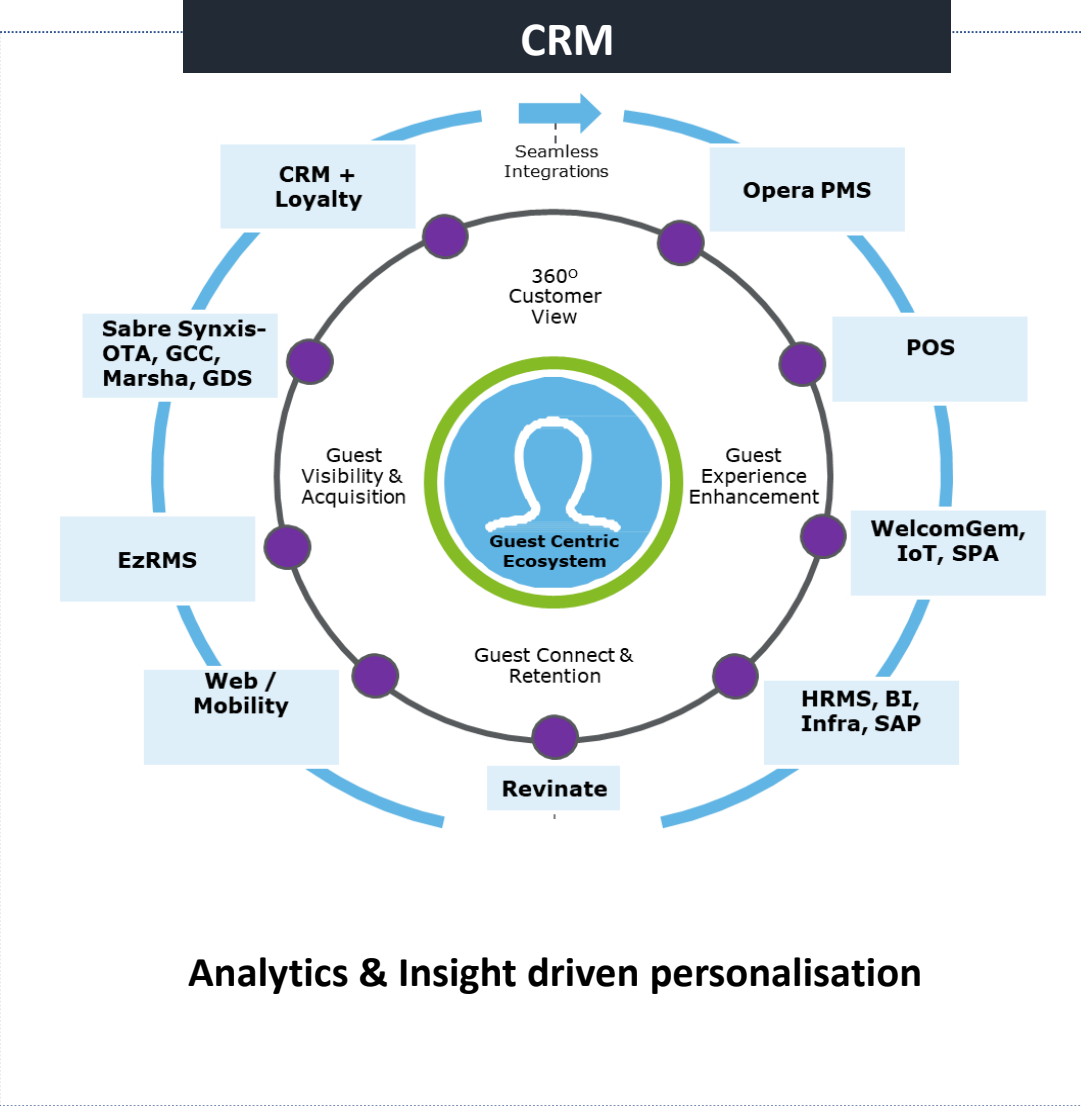
Collection of **intimate sized** handpicked properties in the **premium segment**

Brand/Guest Experience



One stop shop for all guest needs

Room Reservation | Restaurant Booking
Takeaway | Loyalty | Room Controls

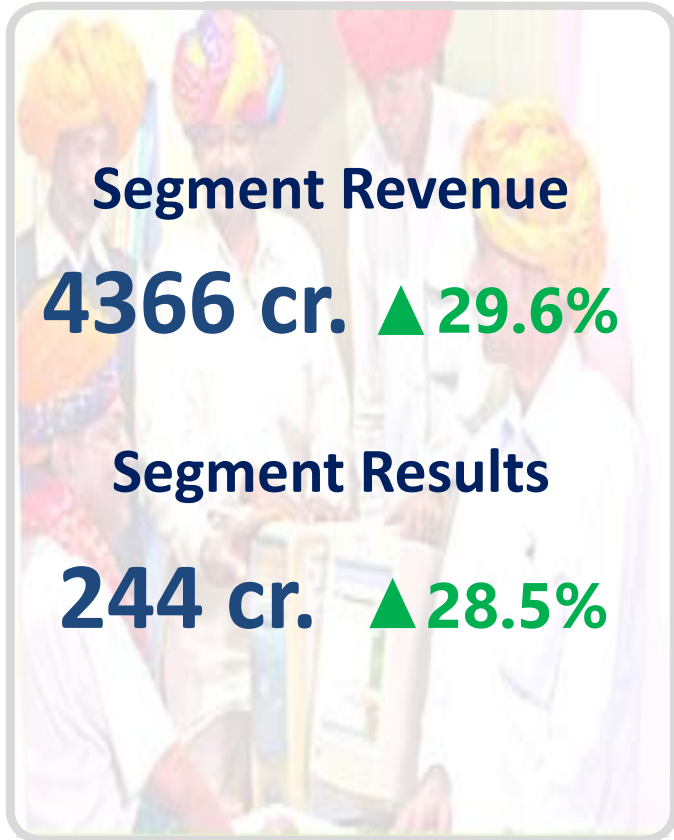




Enduring Value

Agri Business






Segment Revenue
4366 cr. ▲ 29.6%

Segment Results
244 cr. ▲ 28.5%

- **Revenue up 29.6% driven by wheat, rice, leaf tobacco exports**
 - Strategic sourcing support to Branded Packaged Foods Businesses – Wheat, Dairy and Spices
- **Volume led growth in Leaf Tobacco exports**
- **Leveraging Digital** for sourcing efficiencies:
 - AI/ML and advanced analytics based digital platform leveraged to facilitate spatial and temporal sourcing optimization
- **ITCMAARS** (Metamarket for Advanced Agriculture and Rural Services) – Launched in 6 states; pilots underway
- Strategic focus on rapidly **scaling up Value-Added product portfolio** to enhance value capture
 - IIVL[^] is setting up a world-class manufacturing facility at Mysuru for export of Nicotine & Nicotine derivative products to US/EU;
 - Construction of new Spices facility at Guntur progressing well

Multiple Sourcing Models
 Farmer | Trader | Mandi



Multi Modal Transportation
 Railway | Coastal | Road



Robust growth
 in Value Added portfolio



Enduring Value

Paperboards, Paper & Packaging



Segment Revenue

2183 cr. ▲ 31.8%

Segment Results

450 cr. ▲ 39.1%

Paperboards & Specialty Paper

- Revenue up driven by higher volumes & realization
 - Revival of demand across most end user segments
 - Strategic capacity expansion in VAP[^]
- Integrated business model, Digital & Industry 4.0 initiatives and strategic interventions enabled margin expansion amidst commodity price escalation
- State-of-the-art High Pressure Recovery Boiler commissioned during the year; reducing carbon footprint through lower coal consumption. Pulp Mill expansion project progressing as per schedule.

Packaging and Printing

- Flexibles (Exports, F&B) & Cartons (Liquor) drive growth
- Greenfield project in Nadiad, Gujarat expected to be commissioned in Q2 FY23



Sustainable Solutions Portfolio

| | |
|---|--|
|  <p>Extrusion Coated Boards</p>  | <p>Laminating Base</p>  |
|  <p>Bio-based Coated Boards</p>  | <p>ToughPack Paper + Barrier Coatings Paper + HSL</p> <p>Flexible Packaging Paper</p>  |
| <p>Anti fungal Boards</p> <p>Online Coated Antifungal Boards</p>  | <p>Tableware, FMCG applications</p> <p>Moulded Fibre Products</p>  |
|  <p>Water, Oil & Grease Resistant Boards</p>  |  <p>Bioseal</p>  |
|  <p>Antimicrobial Coating</p>  |  <p>Oxyblock</p>  |

Financials

| | Q4 FY22 | Q4 FY21 | GOLY | <i>Rs. cr.</i> | | |
|----------------------|---------|---------|--------------|----------------|--------|--------------|
| | | | | FY22 | FY21 | GOLY |
| Gross Revenue | 16,227 | 14,023 | 15.7% | 59,101 | 48,151 | 22.7% |
| Net Revenue | 15,307 | 13,176 | 16.2% | 55,724 | 45,216 | 23.2% |
| EBITDA | 5,224 | 4,473 | 16.8% | 18,934 | 15,523 | 22.0% |
| PBT | 5,442 | 4,854 | 12.1% | 19,830 | 17,164 | 15.5% |
| PAT | 4,191 | 3,748 | 11.8% | 15,058 | 13,032 | 15.5% |

Robust growth in Revenue and EBITDA

Rs. cr.

| | Q4 | | |
|---|--------------|--------------|--------------|
| | FY22 | FY21 | Goly |
| Segment Revenue | | | |
| a) FMCG - Cigarettes | 6443 | 5860 | 10.0% |
| - Others | 4142 | 3688 | 12.3% |
| Total FMCG | 10585 | 9547 | 10.9% |
| b) Hotels | 390 | 288 | 35.4% |
| c) Agri Business | 4366 | 3369 | 29.6% |
| d) Paperboards, Paper & Packaging | 2183 | 1656 | 31.8% |
| Total | 17524 | 14860 | 17.9% |
| Less : Inter Segment Revenue | 1297 | 836 | 55.1% |
| Gross Revenue from sale of products and services | 16227 | 14023 | 15.7% |

- **FMCG- Others revenue up 12.3% (+30.1% vs FY20)**
 - Strong growth in Discretionary/OOH categories
 - Staples & Convenience Foods remain resilient
 - Demand volatility in Hygiene portfolio; remains significantly above pre-pandemic levels
 - Re-opening of schools/colleges aids recovery in Education and Stationery Products Business
- **Hotels**
 - Exit occupancies surpass pre-pandemic levels
 - Sequential improvement in ARR's but still below pre-pandemic levels
- **Agri Business: Wheat, Rice, Leaf Tobacco exports**
- **Paperboards, Paper & Packaging: Robust growth led by higher realisations and volumes**

(Rs. cr.)

| | Q4 | | |
|---|-------------|-------------|--------------|
| | FY22 | FY21 | Goly |
| Segment Results | | | |
| a) FMCG - Cigarettes | 4114 | 3666 | 12.2% |
| - Others | 236 | 189 | 25.1% |
| Total FMCG | 4350 | 3855 | 12.8% |
| b) Hotels | (34) | (40) | |
| c) Agri Business | 244 | 190 | 28.5% |
| d) Paperboards, Paper & Packaging | 450 | 323 | 39.1% |
| Total | 5010 | 4328 | 15.7% |
| Less : i) Finance Cost | 10 | 3 | |
| ii) Other un-allocable (income) net of un-allocable expenditure | (443) | (529) | |
| Profit Before Exceptional Items & Tax | 5442 | 4854 | 12.1% |

- **FMCG-Others:** Segment EBITDA up 22.5%; Margin expansion of 75 bps despite inflationary headwinds
- **Hotels:** EBITDA positive at 32 cr.
- **Agribusiness:** Profit up 28.5%; driven by strong growth in revenue
- **Paperboards, Paper & Packaging:** Margin expansion of 110 bps on account of integrated business model and strategic interventions

ITC – A Global Exemplar in Sustainability



ITC e-Choupal
4 Million Farmers empowered



Afforestation
Over 953,000 acres greened



Watershed Development
Over 1.29 million acres covered



Livestock Development
Over 2,045,000 milch animals covered



Solid Waste Management
Well-being Out of Waste programme has covered 18 million citizens



Women Empowerment
over 86,700 poor women benefitted



Skilling & Vocational Training
Covering over 107,300 youth



Primary Education
Reaching over 8,64,000 Children

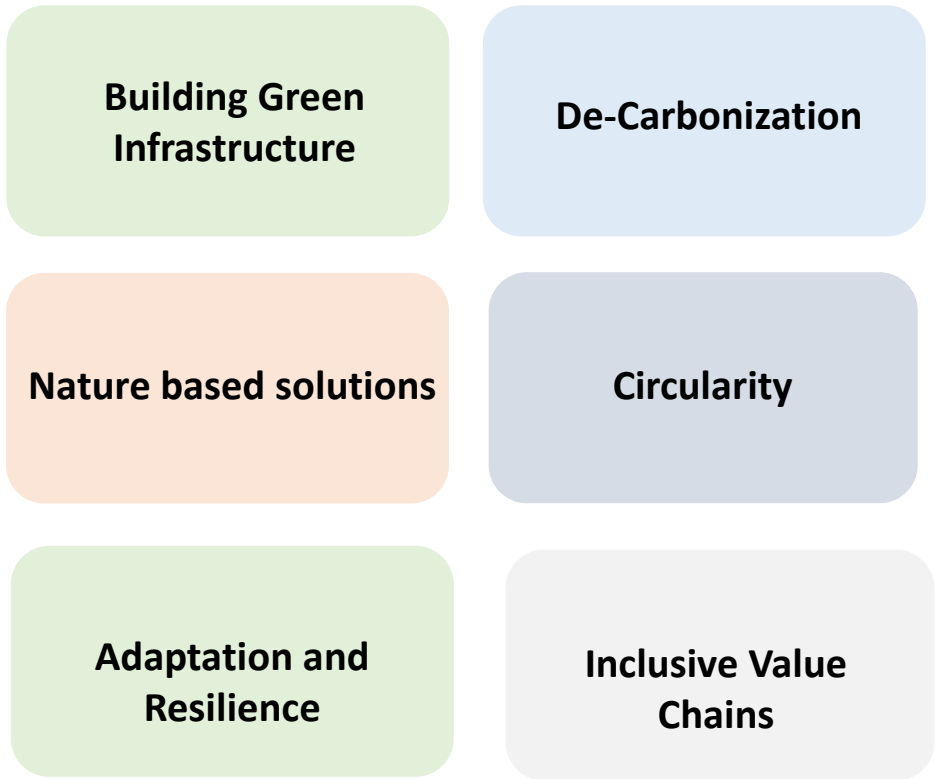
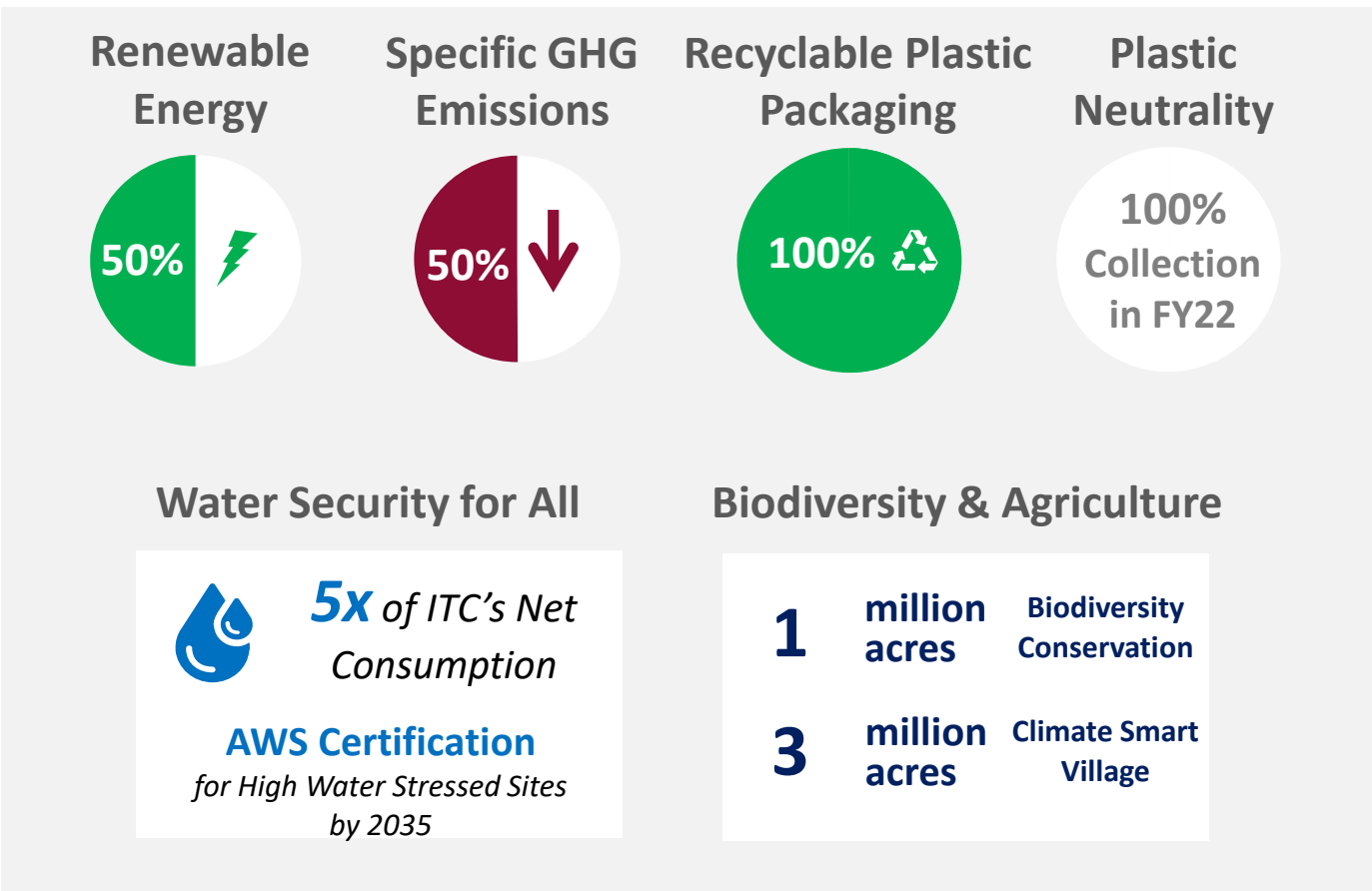


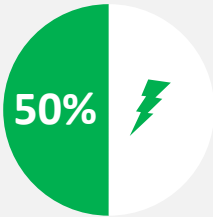



Health & Sanitation
Over 39,400 toilets built



Pioneer of Green Building movement in India
38 platinum rated green buildings

Strategic Interventions to Combat Climate Change

| | | | |
|---|--|---|---|
| Renewable Energy  50% | Specific GHG Emissions  50% | Recyclable Plastic Packaging  100% | Plastic Neutrality 100% Collection in 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 | |

Proactively work towards achieving 'Net Zero' emission status

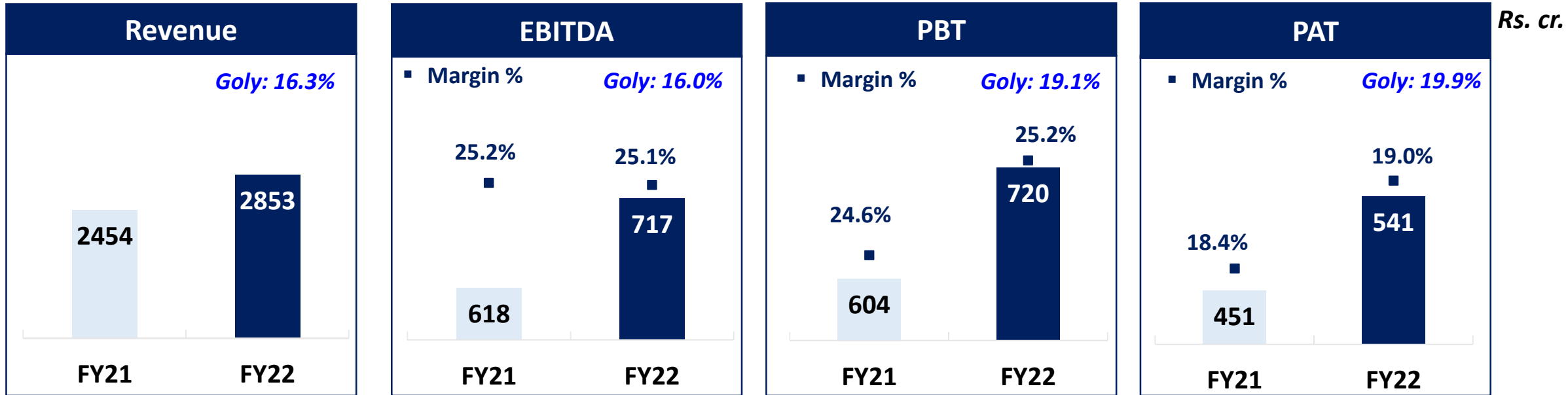
Supporting Sustainable Livelihoods: From 6 million to 10 million

- All Businesses **aligned with 2030 targets**
- Comprehensive set of **policies & guidelines** put in place
- Exceeded commitment on **Plastic Neutrality**; collected and sustainably managed over 54000 MT of plastic waste in FY22 across 35 states/UT
- Achieved **A- Leadership score under CDP ratings** - ahead of Asia & Global average in Climate change (B-) & Water Security (B)
- Sustained **AA rating by MSCI** for the 4th consecutive year - **highest among global tobacco players**



ITC Infotech





Margin expansion a/c improved operating leverage and higher productivity

Strategic Partnership Agreement signed with PTC Inc.

- 10-year strategic partnership agreement signed with PTC Inc.
- Acceleration of Customers’ Digital Transformation Initiatives through jointly developed offerings and Go-to-Market strategies to facilitate conversion of customers’ PLM implementations to SaaS[^]
- Transaction expected to be consummated subject to fulfilment of Closing conditions (expected in Q1 FY23)








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



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



**and
Inclusive.**

| Product/initiative | Link |
|---|---|
|  <p>Bingo! on Instagram</p> | https://www.instagram.com/bingo_snacks/ |
|  <p>YiPPee! on Instagram</p> | https://www.instagram.com/sunfeast_yippee/ |
|  <p>Aashirvaad on Instagram</p> | https://www.instagram.com/aashirvaad/ |
|  <p>Sunfeast Dark Fantasy on Instagram</p> | https://www.instagram.com/sunfeastdarkfantasy/ |
|  <p>Classmate Back to School Anthem</p> | https://youtu.be/p9Po_OnLmEk |
|  <p>Engage Fragrance Finder</p> | https://www.engagedeo.com/search/ |
|  <p>“WeAssure” programme</p> | https://www.itchotels.in/content/dam/projects/hotelswebsite/itc-hotels/WeAssure/WeAssure-itc-hotels.pdf |
|  <p>Details on the Company’s Sustainability 2.0 vision</p> | https://www.itcportal.com/sustainability/sustainability-report-2021/sustainability-report-2021.pdf |
|  <p>Quarterly Media Statement</p> | https://www.itcportal.com/investor/pdf/ITC-Press-Release-Q4-FY2022.pdf |