



ITC Limited
Virginia House
37 J. L. Nehru Road
Kolkata 700 071, India
Tel. : 91 33 2288 9371
Fax : 91 33 2288 4016 / 1256 / 2259 / 2260

27th October, 2021

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

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

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

Dear Sirs,

Unaudited Financial Results – Media Statement and Presentation

Further to our letter dated 27th October, 2021 forwarding the Unaudited Standalone and Consolidated Financial Results of the Company for the Quarter and Six Months ended 30th September, 2021, we now enclose copies of the Media Statement issued by the Company and a presentation on the Company's financial performance for the aforesaid period for information of the investors.

Yours faithfully,
ITC Limited

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

Encl. as above.



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

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



Media Statement

October 27, 2021

Standalone Financial Results for the Quarter ended 30th September, 2021

Highlights

- **Strong pick-up across all operating segments after severe disruptions in Q1**
 - **Gross Revenue up 11.1%, PAT up 13.7% on y-o-y basis**
 - Sequentially, Revenue (Ex-Agri) up 12%, EBITDA up 16%
 - **After significant disruptions in Q1, Cigarette volumes witnessed smart recovery with exit volumes at near pre-Covid levels**
 - Faster recovery in volumes vs. first wave of the pandemic
 - Broad-based recovery witnessed across markets during the quarter; certain markets in Kerala and East remain relatively subdued
 - **Net Segment Revenue up 10.3% y-o-y and 10.5% q-o-q**
 - **Segment EBIT up 10.4% y-o-y and 11.2% q-o-q**
 - Market standing reinforced through focused innovation and agile execution
 - **FMCG - Others Segment delivers resilient performance, growing on a high base quarter which witnessed exceptional surge in sales; Revenue up 23% over Q2 FY20 and 8% q-o-q**
 - **Segment EBITDA at 403 cr., up 35% sequentially and 82% over Q2 FY20; EBITDA margins sustained at 10% in spite of unprecedented commodity inflation**
 - Sharp rebound in 'Out-of-Home' consumption on the back of improved mobility even as 'at-home' consumption moderates
 - Discretionary/'Out-of-Home' portfolio posts sharp recovery both on sequential and y-o-y basis
 - Staples and Convenience Foods witness moderation in y-o-y growth on a high base while well above pre-Covid levels; performs well on a sequential basis for the second consecutive quarter
 - Hygiene portfolio continues to witness marked demand volatility; moderates sequentially in line with lower intensity of the pandemic; remains significantly above pre-pandemic levels
 - Closure of educational institutions continues to impact the Education & Stationery Products Business
 - **Marked improvement in Occupancy (3x of Q2 LY) drives faster recovery in Hotels; Q2 turns EBITDA positive (+134 cr. swing vs. SPLY)**
 - Leisure destinations continue to perform well while Business travel gathers momentum
 - Structural cost management actions undertaken in the past year aided in reduction of controllable cash fixed costs by 31% over Q2 FY20
 - **Strong growth in Agri Business external revenue driven mainly by Wheat, Rice and Leaf tobacco exports, leveraging strong customer relationships and robust sourcing network**
 - Zero disruptions in supplies to key customers despite significant operational challenges; however, shortage in availability of shipping containers/port congestions and inclement weather delay call-offs
 - Timing of Wheat supplies to Branded Packaged Foods Business aligned with market dynamics
 - **Paperboards, Paper and Packaging Segment delivers strong performance; Segment Revenue up 25% y-o-y**
 - **Paperboards volumes at record high**; robust performance aided by revival of demand across most end-user segments
 - **About 90% of eligible employees fully vaccinated; 100% vaccinated with at least one dose**
-

The quarter witnessed broad-based recovery in sales across markets and channels. Reduction in the intensity of the pandemic along with a pick-up in the pace of vaccination led to improvement in the demand environment and consumer sentiment during the quarter. However, unprecedented inflation in key input costs coupled with significant disruptions in global supply chains and logistics weighed on the operating environment.

The Company delivered strong performance across all operating segments during the quarter. **Gross Revenue stood at Rs. 13,356.15 crores** representing a growth of **11.1% y-o-y** while **PAT at Rs. 3,697.18 crores** grew by **13.7% y-o-y**. **Earnings Per Share** for the quarter was **Rs. 3.00** (previous year Rs. 2.64).

The safety and well-being of the Company's employees, partners and associates continue to be accorded paramount importance with the highest standards of hygiene and safety protocols being followed across all nodes of operations. About 90% of eligible employees have been fully vaccinated. The Company continues to facilitate vaccination of employees and their families, service provider personnel and supply chain partners. Staggered rosters have been implemented across all offices with employees being extended flexibility of working-from-home, wherever feasible, to ensure safety and minimise touch points in the workplace.

FMCG – OTHERS

- **The FMCG Businesses delivered resilient performance growing on a high base quarter which witnessed exceptional surge in sales (Q2FY21 up by 19%). Segment Revenue and Segment EBITDA up 23% and 82% respectively over Q2FY20.**
 - Sequential growth of 8% in Revenue.
 - Snacks, Confectionery, Beverages performed well as 'Discretionary/'Out-of-Home' categories recorded strong growth on sequential and y-o-y basis.
 - Staples and Convenience Foods witnessed moderation on a high base of Q2 FY21 while well-above pre-Covid period; performed well on sequential basis for the second consecutive quarter.
 - Hygiene products witnessed marked demand volatility and moderated sequentially in line with lower intensity of the pandemic; remained significantly above pre-pandemic levels.
 - Continued closure of educational institutions impacted the Education & Stationery Products Business.
 - Segment EBITDA margins at 10% in spite of unprecedented commodity inflation; sharp escalation in input costs offset largely through focused cost management actions, premiumisation, judicious pricing actions, fiscal incentives and favourable business mix.
 - Robust performance in emerging channels leveraging the Company's deep & wide multi-channel distribution network.
 - Modern Trade sales grew strongly, both y-o-y (favourable base) and sequentially on the back of improved mobility and store footfalls.
 - e-Commerce channel posted robust growth on the back of account specific strategies, new product introductions including e-Commerce first brands and customised supply chain solutions; channel salience stood at 7% in H1 – 3x of H1 FY20 level.
 - Availability in rural markets enhanced through scale-up of stockist network (2x of LY levels).
 - Market coverage and direct outlet servicing at 1.4x and 1.1x of LY levels respectively.
 - The FMCG Businesses continue to leverage cutting-edge digital technologies including Industry 4.0, Advanced Analytics, Big Data and industrial Internet of Things (IoT) to enhance productivity, drive efficiency and reduce costs. These initiatives encompass drawing actionable insights for sharp-focused interventions, synchronised planning & forecasting, next generation agile supply chain, smart manufacturing & sourcing, deepening connect with retailers and smart demand capture & fulfilment.
 - 'ITC e-store' (<http://www.itcstore.in>), the Company's exclusive D2C platform is now operational in 15 cities. Powered by state-of-the-art digital technologies and a 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 850 products under one roof. Consumer response has been excellent.
- **Branded Packaged Foods Businesses**
- **'Aashirvaad' Atta** consolidated its leadership position in the branded atta industry; forayed into the value-added adjacent vermicelli category, leveraging the strong equity of the Aashirvaad brand.
 - Aashirvaad Atta with Multigrains launched its 'Happy Tummy' campaign (<http://www.happytummy.aashirvaad.com>) which features an interactive tool facilitating consumer

engagement on the critical aspect of digestive health. Through this tool, consumers can assess their digestive quotient, interact with experts and select from several high-fibre recipes tailored to their needs.

- **'Yippee! Noodles'** portfolio fortified with the launch of 'YIPpee!' Max Masala in select markets, customised to regional tastes and preferences.
- **'Sunfeast Biscuits and Cakes'** range expanded with the launch of 'Sunfeast Dark Fantasy Vanilla Fills' and 'Bounce Fills' – Orange Vanilla, Strawberry Vanilla and Choco Crème.
- **'Bingo! Snacks'** delivered robust growth with improved mobility; recently launched 'Tedhe Medhe' range of Namkeens extended to target markets.
- **'B Natural' Beverages** portfolio augmented with the launch of differentiated variants of **'B Natural-Nutriline'** co-created with Amway; these 'No added sugar' products were developed leveraging ITC LSTC expertise in Nutrition and Nutrilite's ingredients.
- Businesses continue to leverage alternate and on-the-go channels to enhance product accessibility. Recent interventions include strategic partnerships with large food service outlet chains, covering a range of brands including 'B Natural', 'Sunfeast', 'Kitchens of India', etc.

➤ **Personal Care Products Business**

- **'Savlon'** range of Health & Hygiene products witnessed moderation in demand in line with reduction in Covid cases. Consumer-friendly low unit packs rolled out for convenient and on-the-go usage leveraging the brand's strong 'germ-protection' equity.
- **'Fiama'** range of premium shower gels and soaps witnessed appreciable growth with restaging of the brand on the proposition of 'Mood Upliftment', supported by enhanced digital investments.
- **'Engage'** fragrances witnessed resurgence in demand with increase in mobility; portfolio augmented with the launch of 'Engage On' Chhota Pocket – a convenient pack to drive penetration.
- **'Nimyle'** range of 100% natural action floor cleaners has been extended to all markets in the country; convenient packs in sachet format have also been introduced to drive trial generation and penetration.
- Homecare portfolio augmented with the launch of **'Nimeasy'** Natural Disinfectant and Power Cleaner, a kitchen cleaner with natural extracts to offer protection against bacteria and virus including the coronavirus.

➤ **Safety Matches and Agarbatti Business** delivered robust performance driven by strong brand equity, festive season promotions, focused consumer engagement and superior product mix.

FMCG – CIGARETTES

Segment Net Revenue and Segment Results up 10.3% and 10.4% y-o-y respectively

- Progressive normalisation of convenience store operations across markets.
 - Faster recovery in volumes vs. first wave; exit volumes near pre-Covid levels.
 - Broad-based recovery witnessed across markets during the quarter; certain markets in Kerala and East remain relatively subdued.
- Market standing reinforced, leveraging a portfolio of world-class products, focused innovation and agile execution.
 - Recent launches include differentiated offerings anchored on the vectors of filters, variants and packaging formats - Classic Connect, Gold Flake Neo SMART Filter, Gold Flake Kings Mixpod, American Club Smash, Wave Boss and Flake Nova.
 - Modernised and refreshed packs of Flake Excel, Wills Navy Cut Filter, Berkeley Hero launched in focus markets.
 - 5s packs of Gold Flake Premium, Capstan Special and Flake Mint were launched in line with evolving consumer preferences.
- Scaled up accessibility by augmenting stockist network (2.1x y-o-y) and rural servicing infrastructure (1.1x y-o-y).
- Wide availability of smuggled cigarettes continues despite deterrent actions by concerned authorities leading to significant revenue loss to the Government and adversely impacting the legal cigarette industry. The Business continues to proactively 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

Smart sequential recovery in Hotels Business - Revenue back to Q4 FY21 levels; EBITDA at 17 cr. (positive swing of 134 cr. over SPLY)

- With easing of travel restrictions imposed during the second wave, domestic leisure segment and staycations witnessed an uptick during the quarter; Business travel continues to gather momentum.
 - Strong recovery in Occupancy levels; ARRs improve on sequential and y-o-y basis, but remain below pre-Covid levels.
 - Revenue growth driven through sharply targeted packages catering to emerging trends and consumer needs along with focused communication campaigns.
- Continuing with the pursuit of its 'asset-right' strategy, the Business
 - Launched two new brands – '**Storii**' and '**Mementos**' – to expand footprint across the country through management contracts.
 - '**Storii by ITC Hotels**' is positioned as a collection of handpicked properties offering unique bespoke experience-led stays and co-exists in harmony with the environment and the local community.
 - '**Mementos by ITC Hotels**' brings together a collection of unique hotels across varied destinations ranging from modern marvels, hidden retreats to historic treasures, leaving guests with experiences & memories which become prized mementos long after their visit.
 - Launched **Welcomhotel Katra**, in August'21. Located at the foothills of the holy shrine of Mata Vaishno Devi, the property offers a perfect balance of modern minimalism and classic elegance. The Business also launched **Welcomhotel Bhubaneswar** on 1st October'21. The hotel draws inspiration from the magnificence of 500+ temples that adorn the city and is a visual ode to the architectural traditions and eventful history of the Golden Triangle of the East. Leveraging its iconic brands, the Business has also generated a healthy pipeline of leads for management contracts.
- Structural cost management actions undertaken in the past year aided in reduction of controllable cash fixed costs by 31% over Q2 FY20.
- The Business continues to leverage digital investments towards facilitating guest acquisition, enhancing guest experience, augmenting revenue generation and driving operational efficiency.

PAPERBOARDS, PAPER & PACKAGING

Paperboards, Paper & Packaging Segment delivers strong performance; Segment Revenue up 25% y-o-y, Segment Results up 24%

- Paperboards and Specialty Papers Business witnessed revival of demand across most end-user segments. Publications, Quick Service Restaurants (QSR) and wedding card segments, however, remain relatively subdued.
 - Robust growth in VAP segment; strong performance in exports on a high base notwithstanding logistical challenges.
 - Higher realisations, investments in pulp import substitution, cost-competitive fibre chain, sharper focus on operational efficiency leveraging data analytics and Industry 4.0 enabled margin expansion despite escalation in key input prices.
- Packaging and Printing Business performed well, driven primarily by cartons segment.
- The Businesses continue to focus on developing **sustainable paperboard and packaging solutions** for end-customers leveraging the expertise of ITC LSTC.
 - The **recyclable barrier paperboards** 'Filo' series and **biodegradable paperboards** 'Omega Series' continue to gain robust customer franchise. **InnovPack** campaign launched towards driving end-user adoption of sustainable packaging products such as '**Bioseal**' (compostable packaging solution for Quick Service Restaurants, personal care and packaged foods industries), '**Oxyblock**' (a recyclable packaging solution with enhanced barrier properties for packaged foods, edible oils, etc.) and '**Antimicrobial coating**' (solution for germ free packaging surface).

AGRI BUSINESS

Robust growth in External Businesses led by Wheat, Rice, Leaf Tobacco, Aqua and Spices exports. Margin expansion driven by favourable business and customer mix

- Shortage in availability of shipping containers/port congestions and inclement weather towards the end of the quarter delayed customer call-offs.
- The Business leveraged the e-Choupal network to provide strategic sourcing support to the Branded Packaged Foods Businesses with sharply aligned procurement strategies in line with category-relevant market dynamics.
- 'Astra', the AI/ML and advanced analytics based digital platform that enables spatial and temporal sourcing optimisation, is being increasingly leveraged for competitively superior sourcing of agri-commodities.
- Business remains focused on its strategy to rapidly scale up its value-added products portfolio to accelerate growth and enhance value capture. Export of high-quality spices to Food Safe Markets continued to gain strong traction.
- The project for the state-of-the-art facility to manufacture and export Nicotine & Nicotine derivative products being set up by the Company's wholly owned subsidiary, ITC IndiVision Limited, is progressing as per schedule. The facility is being geared to manufacture purest nicotine derivatives conforming to US and EU pharmacopoeia standards.

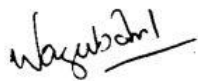
CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

ITC is a global exemplar in sustainability, and is the only enterprise in the world of comparable dimensions to have achieved and sustained the three key global indices of environmental sustainability of being 'water positive' (for 19 years), 'carbon positive' (for 16 years), and 'solid waste recycling positive' (for 14 years). ITC is rated 'AA' by MSCI-ESG - the highest amongst global tobacco companies and is also a part of Dow Jones Sustainability Emerging Markets Index - a reflection of being a sustainability leader in the industry and a recognition of the Company's continued commitment to people and planet.

Refer link below for highlights:

<https://www.itcportal.com/investor/pdf/ITC-Quarterly-Result-Presentation-Q2-FY2022.pdf>

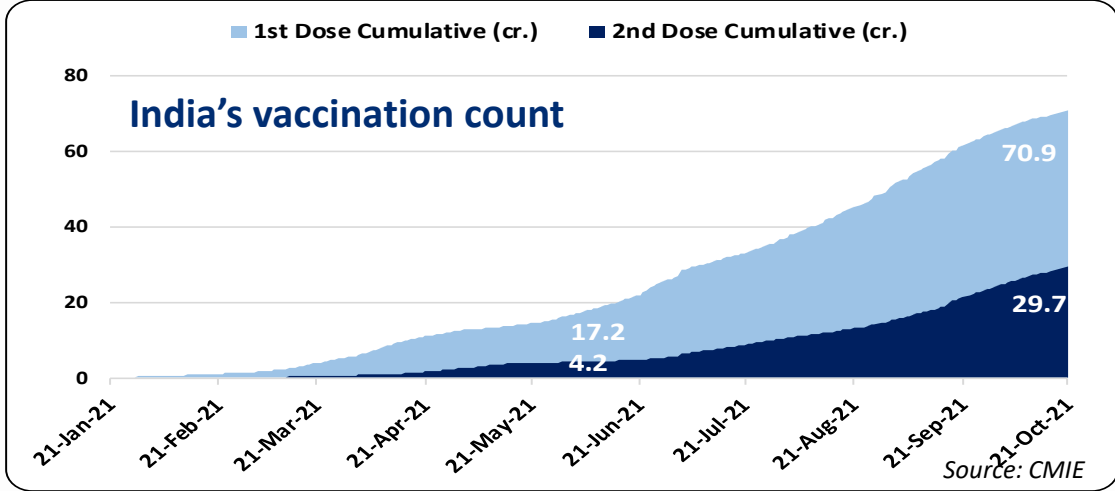
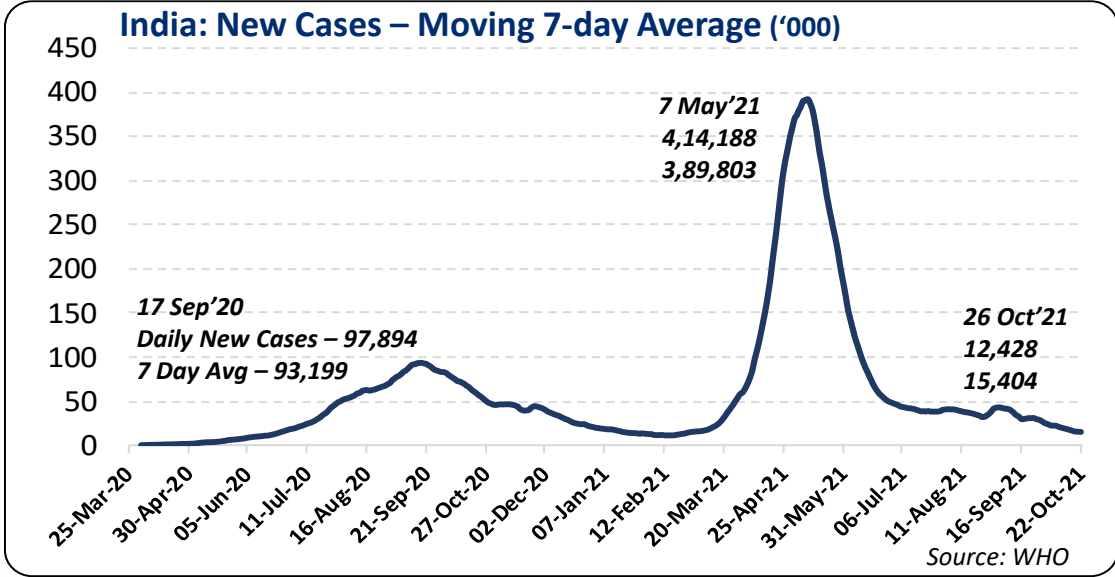
The Board of Directors, at its meeting on 27th October 2021, approved the financial results for the quarter ended 30th September 2021, which are enclosed.



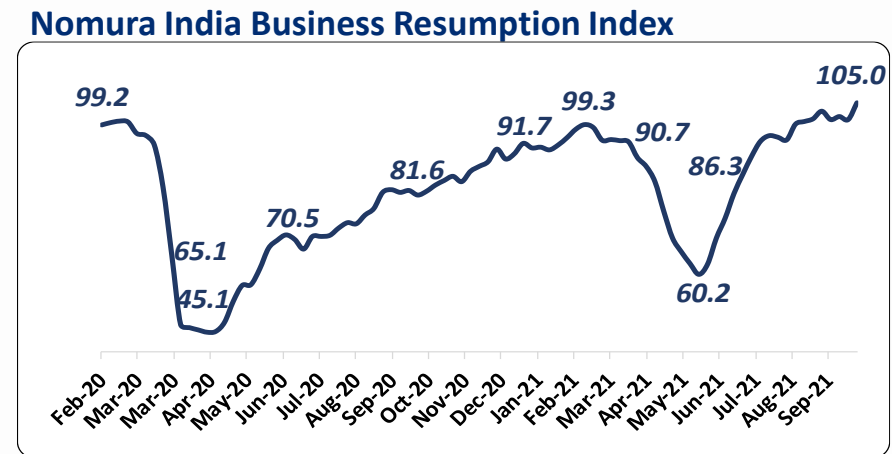
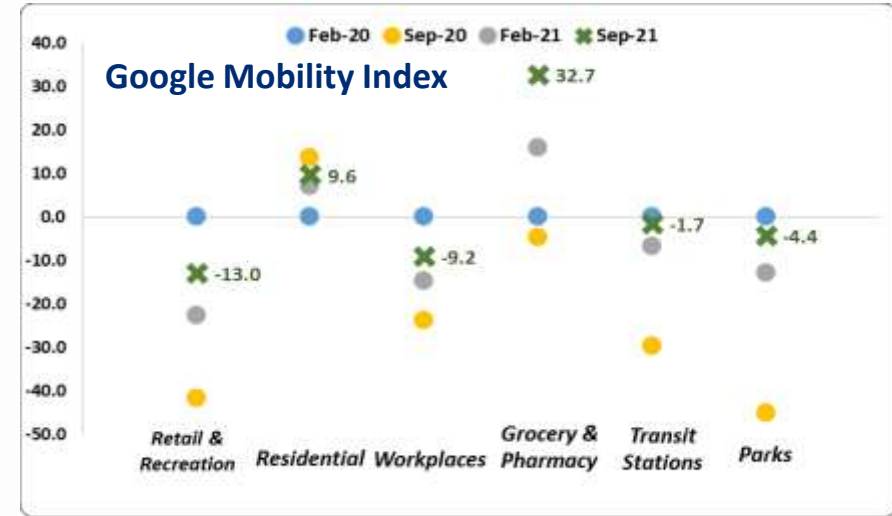
(Nazeeb Arif)
Executive Vice President
Corporate Communications

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.

Sharp Reduction in case count, accelerated vaccination



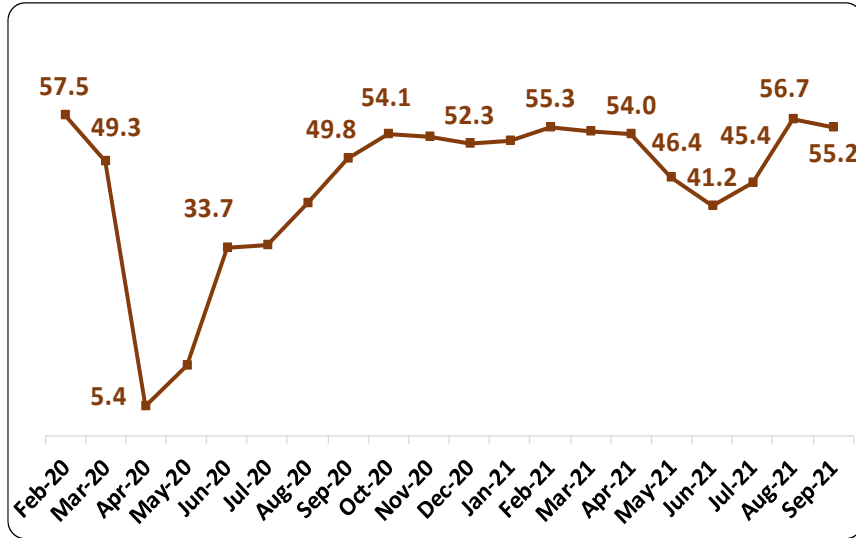
Improved mobility improves Business environment



FTQ	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21	Jun 21	Sep 21
NIBRI	93.0	54.9	74.2	86.4	95.4	74.9	98.8

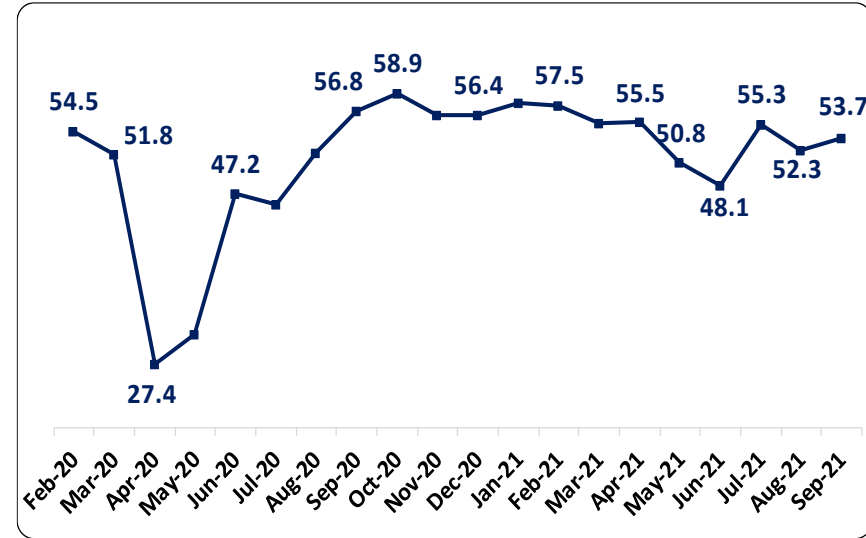


India Services PMI (> 50 denotes expansion)



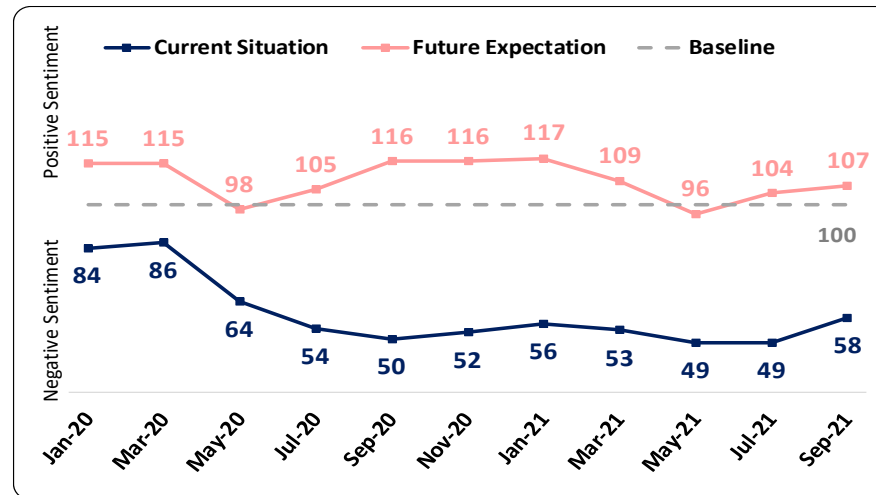
Source : IHS Markit

Manufacturing PMI (> 50 denotes expansion)

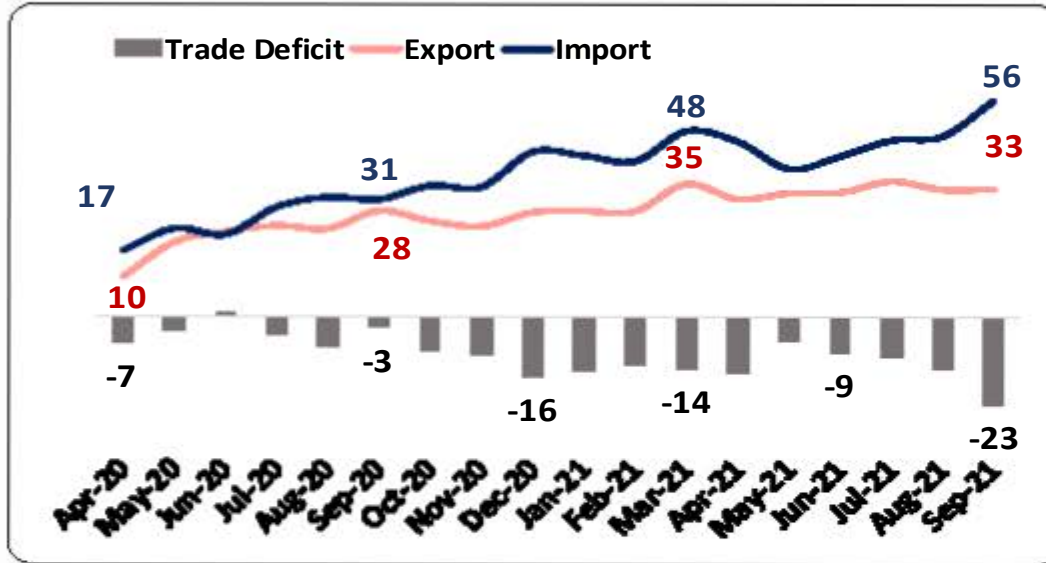


Source : IHS Markit

RBI Consumer Confidence Index

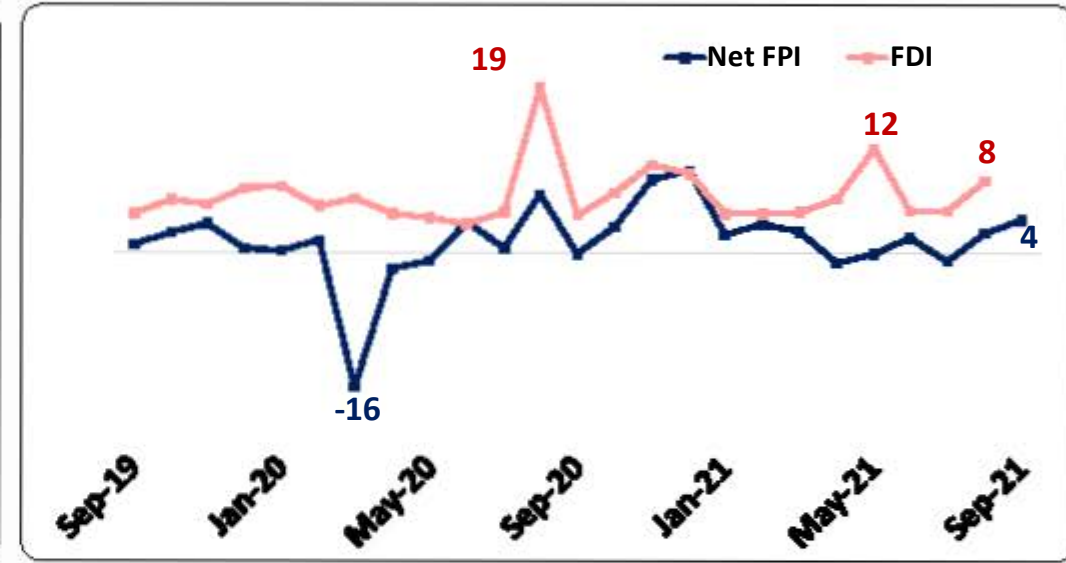


Merchandise Export / Import (\$ bn)



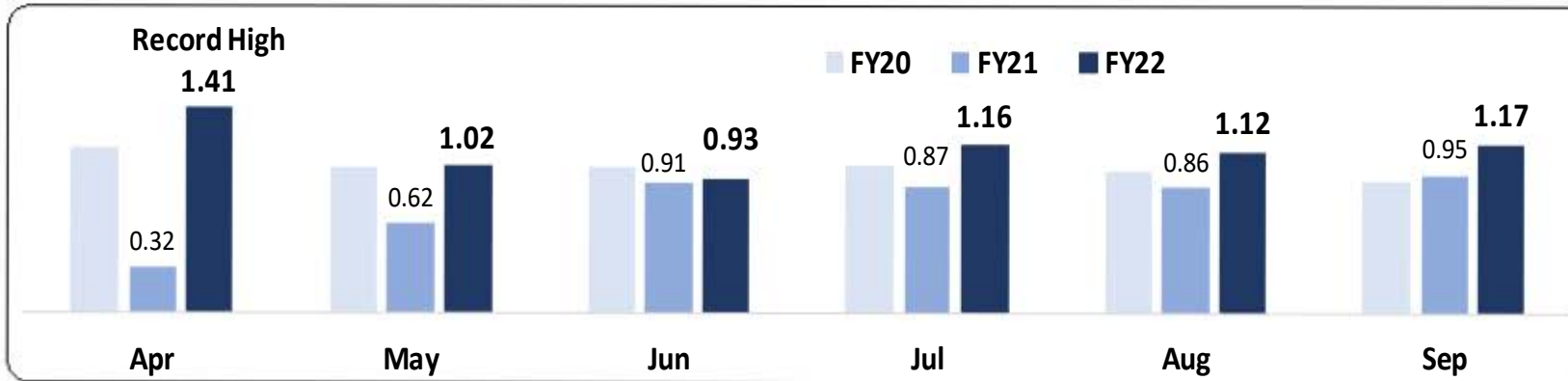
Source : RBI

Net FPI and FDI (\$ bn)

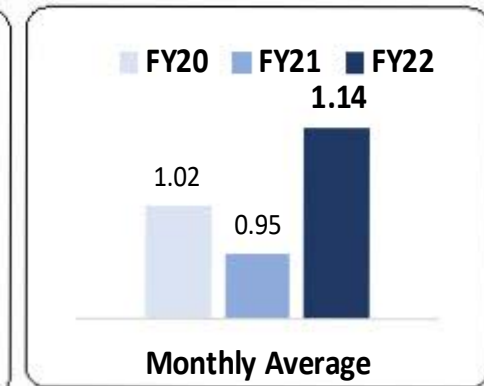


Source : RBI, CDSL

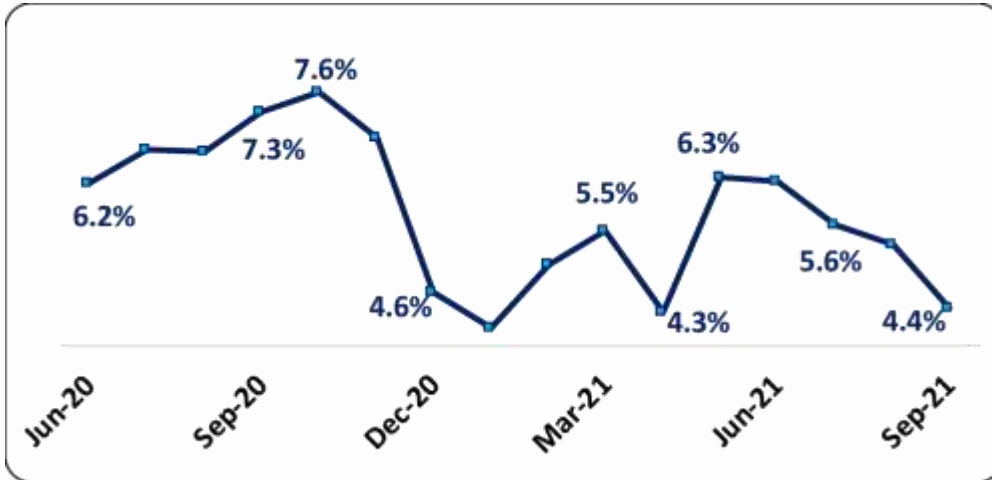
GST Collections (Rs lakh cr.)



Source : Ministry of Finance



Headline CPI (y-o-y%)



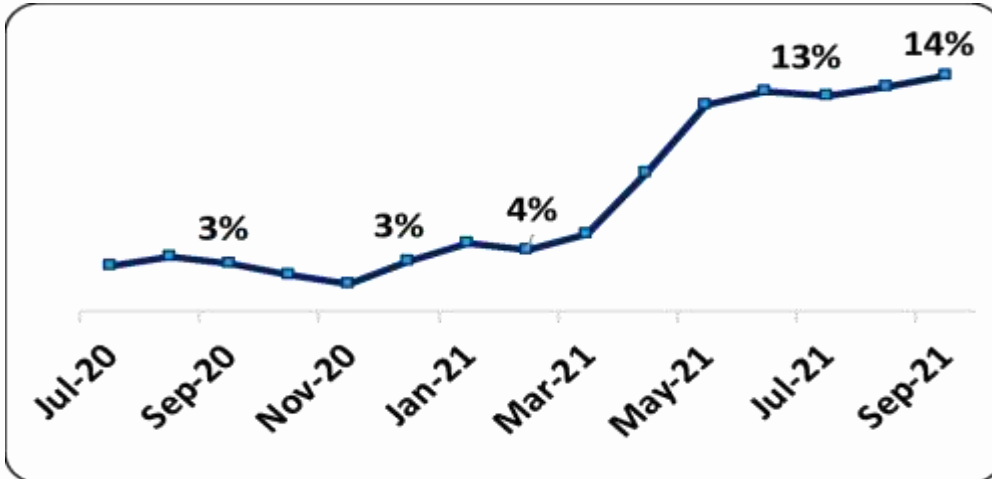
Source: MOSPI

Core CPI (y-o-y%)



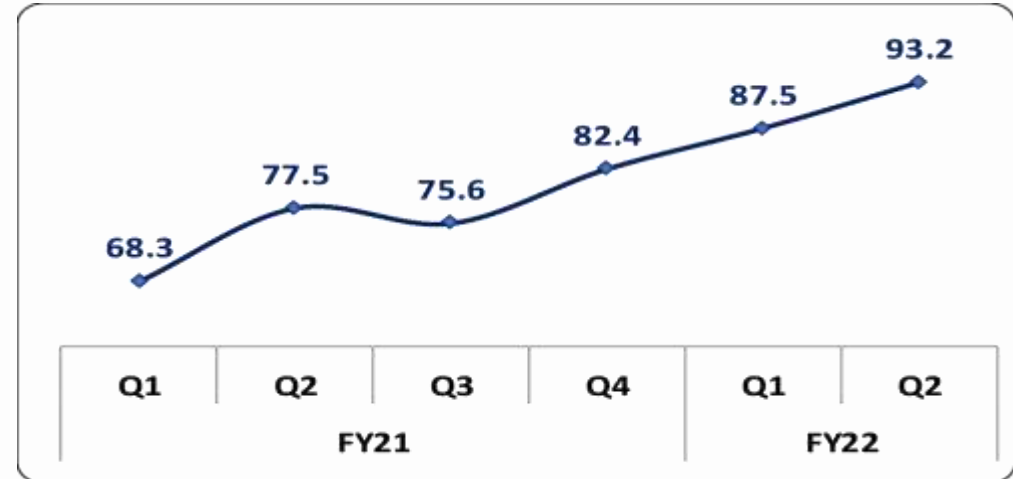
Source: MOSPI

CPI – Fuel & Light (y-o-y%)



Source: MOSPI

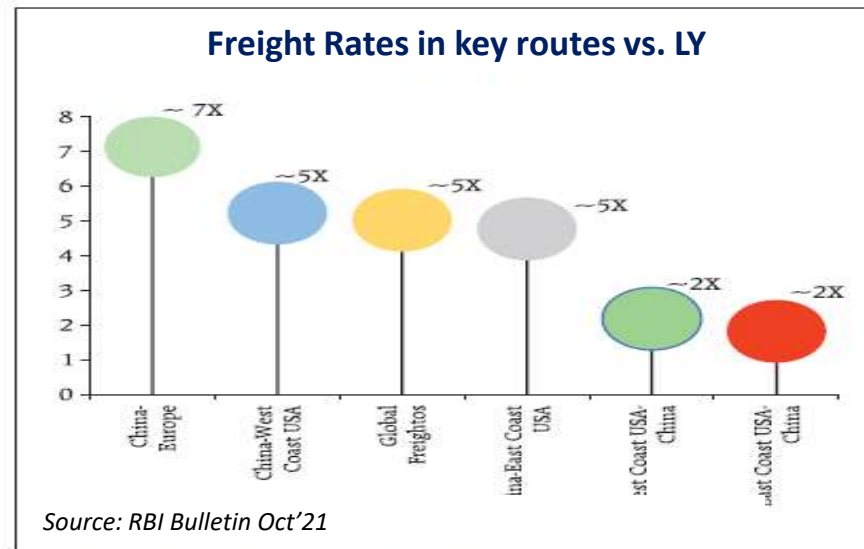
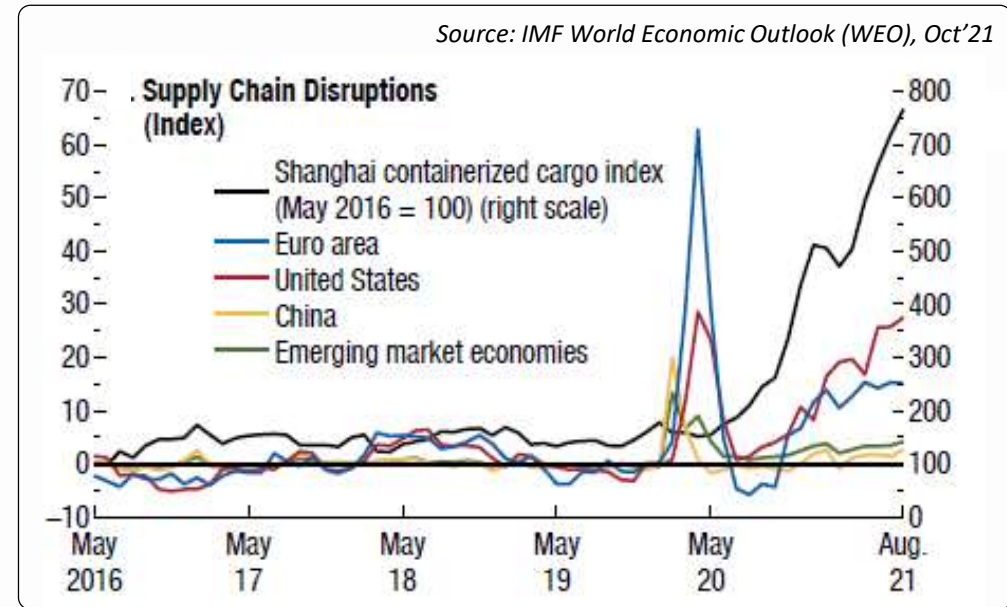
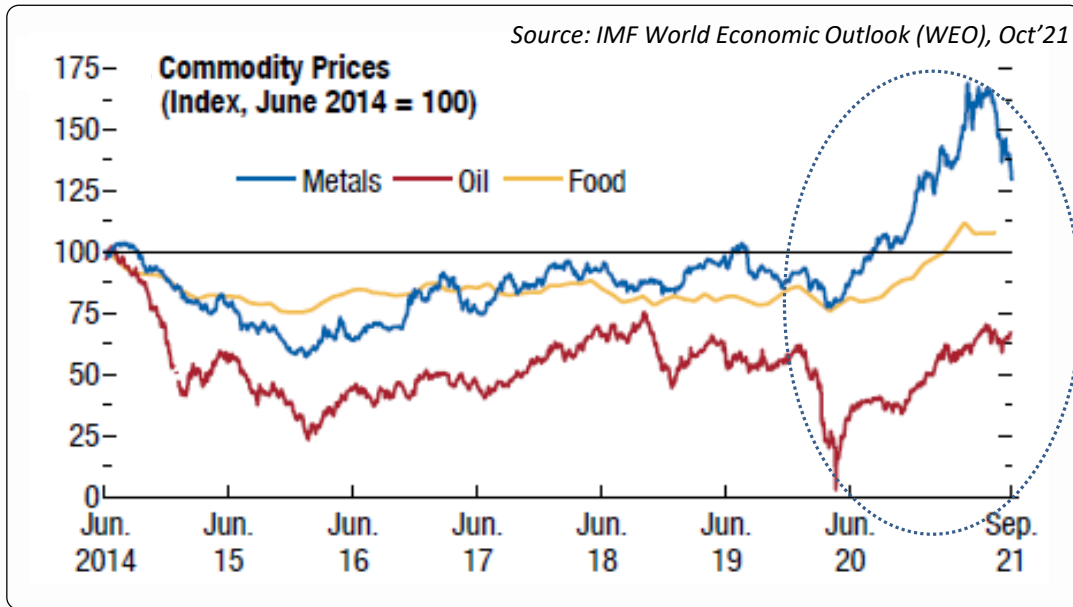
Diesel (Rs/Litre)



Source: CMIE

Slowdown in Global Recovery Momentum

Resurgent Demand + Rising Commodity/Energy Prices + Supply Disruptions
Surge in Inflation



Q2 FY22 Results

Headline Financials & Business Highlights

- **Strong pick-up across all operating segments after severe disruptions in Q1**
 - *Sequentially, Revenue (ex. Agri) up 12%; EBITDA up 16%*

- **FMCG delivers resilient performance growing on a high base quarter; Revenue up 23% vs. Q2 FY20 & 8% sequentially**
 - *Sharp rebound in **Discretionary/‘Out-of-Home’** consumption*
 - ***Staples and Convenience Foods** witness moderation in y-o-y growth on a high base; remains well above pre-Covid levels*
 - *Marked demand volatility in **Hygiene** portfolio; moderates sequentially with lower intensity of the pandemic; significantly above pre-pandemic levels*
 - *Segment EBITDA at 403 cr., **up 35% sequentially and 82% over Q2 FY20***
 - ***Segment EBITDA Margins sustained at 10%** in spite of unprecedented commodity inflation*
 - *Closure of educational institutions continues to impact **Education & Stationery Products Business***

- **Smart recovery witnessed in Cigarettes with exit volumes near pre-Covid levels**
 - *Faster recovery in volumes vs. first wave of the pandemic*
 - *Broad-based recovery witnessed across markets during the quarter; certain markets in Kerala and East remain relatively subdued*

- **Marked improvement in Occupancy (3x of Q2 LY) drives faster recovery in Hotels**
 - *Leisure destinations continue to perform well while Business travel gathers momentum*
 - *Q2 turns EBITDA positive (+134 cr. swing vs. Q2 FY21)*

- **Paperboards, Paper & Packaging Segment delivers strong performance; Segment Revenue up 25% y-o-y**
 - *Paperboards volumes at record high*
 - *Robust performance aided by revival of demand across most end-user segments*

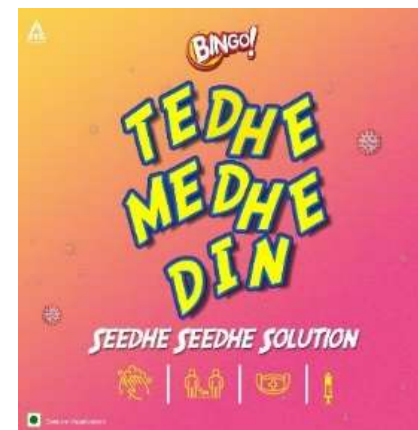
- **Strong growth in Agri Business external revenue driven mainly by Wheat, Rice and Leaf tobacco exports, leveraging strong customer relationships and robust sourcing network**

- **About 90% of eligible employees fully vaccinated; 100% vaccinated with at least one dose**

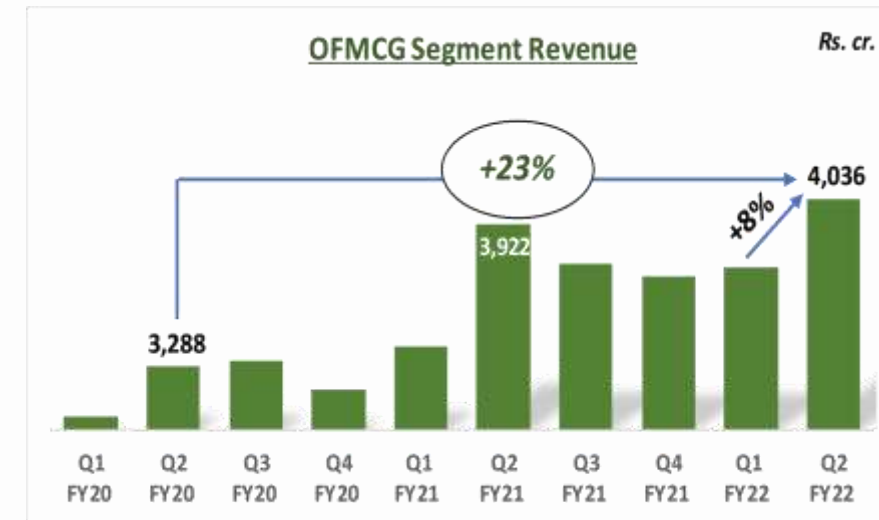


Enduring Value

FMCG Others

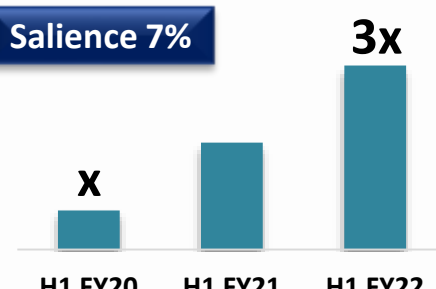


- Resilient performance growing on a high base quarter which witnessed exceptional surge in sales (Q2FY21 up by 19%)
 - **Sequential Revenue up 8%**
 - Sharp recovery in **Discretionary/OOH portfolio** (Snacks, Confectionery and Beverages)
 - Moderation in **Staples & Convenience Foods** on a high base while remaining well above pre-Covid levels; performs well sequentially for the second consecutive quarter
 - Marked demand volatility in **Hygiene** portfolio; moderates sequentially with lower intensity of the pandemic; remains significantly above pre-pandemic levels
- Continued closure of educational institutions impacts Education & Stationery Products Business
- **Robust performance in emerging channels continues**
 - Modern Trade sales grew strongly y-o-y (favourable base) and q-o-q



e-Commerce

Saliency 7%



3x

ITCstore.in

Continues to garner strong consumer franchise; now operational in 15 cities.

<http://www.itcstore.in>

Rural Markets

Scale up of stockists network (**2x** of LY)

Market Coverage

1.4x of LY levels

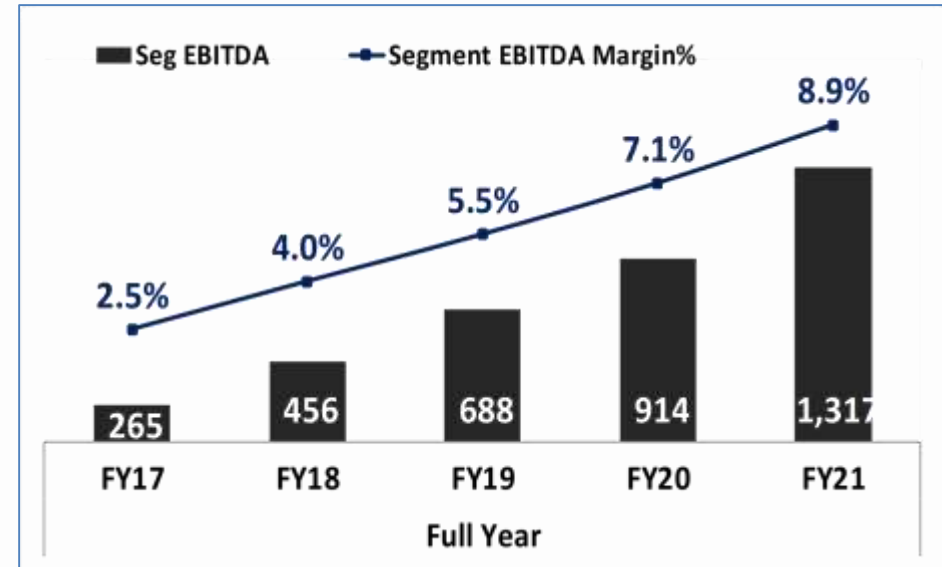
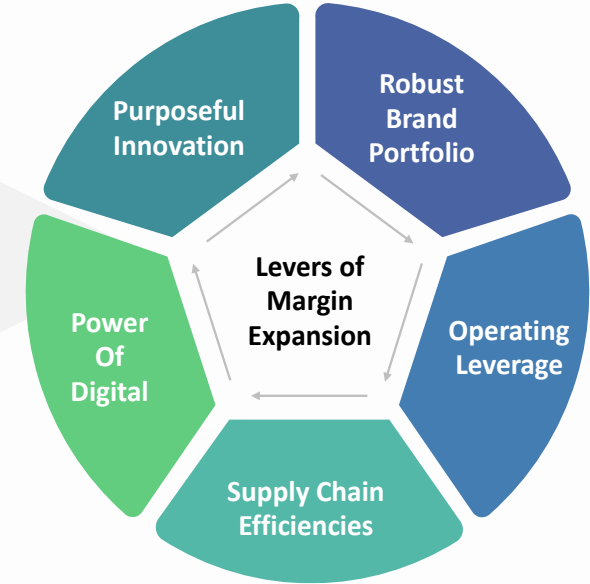
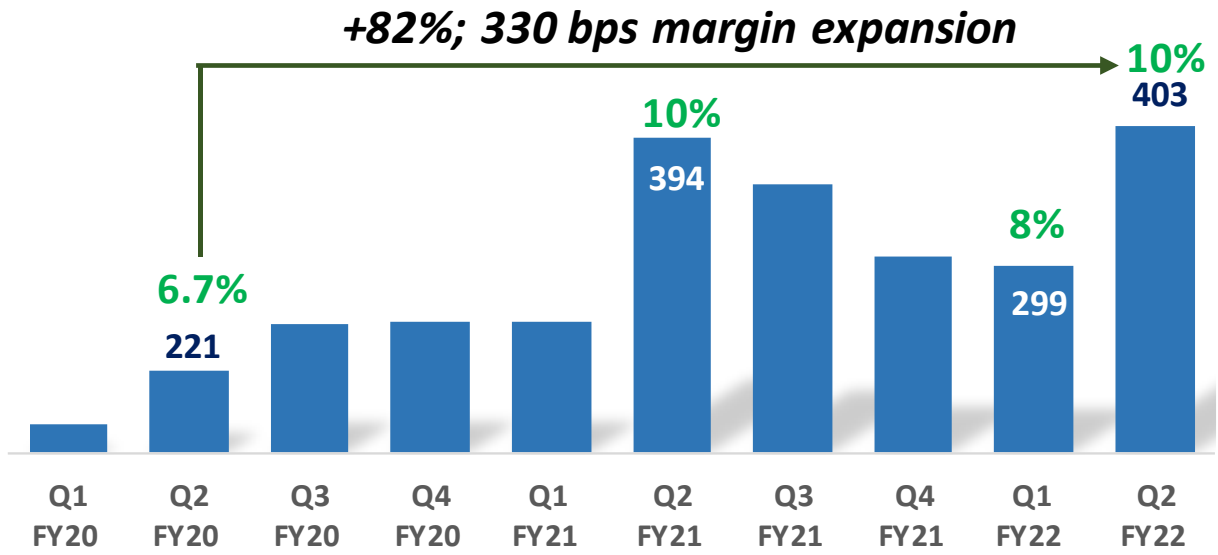
Direct outlet servicing

1.1x of LY levels

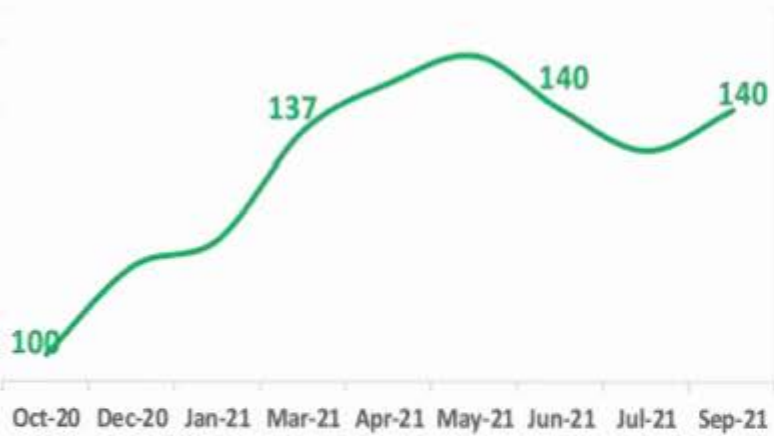


- Unprecedented inflationary headwinds in key input commodities
- Q2 Segment EBITDA margins sustained at 10.0%
 - Inflation impact largely offset through focused cost management actions, premiumisation, judicious pricing actions, fiscal incentives and favourable business mix

Seg. EBITDA margins sustained at 10% despite inflationary headwinds Rs. cr.



Edible Oil



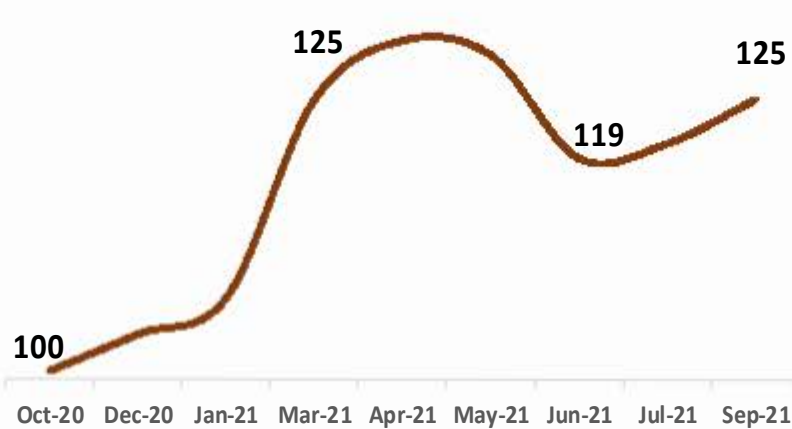
Kraft Paper



Metalocene



BOPP



Soap Noodles





Capabilities

350 highly qualified scientists; over 900 patent applications

Partnerships with Global R&D centers & Academia

LSTC

Pilot Plants for all product categories

State of the Art Analytics Labs



Health & Hygiene

Indulgence



Aashirvaad Vermicelli



B Natural / Sunfeast Nutriline Health Range



Savlon Handwash Powder



Dark Fantasy Vanilla Fills



Sunfeast Bounce Fruit Fills



Sunfeast All Rounder



Nimeasy Spray; Nimyle Lemongrass Floor Cleaner



Savlon Moisturizing Hand Sanitizer



Savlon Soaps Cool Hexa



Sunfeast Yippee! Max Masala



Fantastik Chocobar XL



Bingo Cream & Onion

Convenience



Engage ON Chota Pocket Perfume



Nimyle Sachet



Savlon Handwash Pichkiao



Savlon Surface Disinfectant Spray (70 GM SKU)



Engage ON Fragrances Convenient Packs



Aashirvaad Svasti Ghee

Range Expansion



Mangaldeep Premium - Lo Smoke Royal Rose, Mystic Jasmine



Mangaldeep Popular - Upaveda Range Camphor Tulsi, Panchamrit



Fiama Menthol & Magnolia Soap / Shower Gel



Engage Exclusive range for Emerging Channels

Sharpening Value Proposition



On-the-Go



Direct Marketing



QSR




Kitchens of India AT INOX
Authentic Indian Dishes For Fine Dining At The Movies!
LIVE & LET DINE!
BIRYANI ROYALE!
KITCHENS OF INDIA
NOW AT THE MOVIES!
TO SPICE UP THE MOVIE FUN
FROM AT THE MOVIES!
Also covered in BusinessLine moneycontrol BW MARKETING alfaqs! MEDIA BRIEF

Sustainable Products

Reduced Plastic



Using Recycled Material



Plastic Free



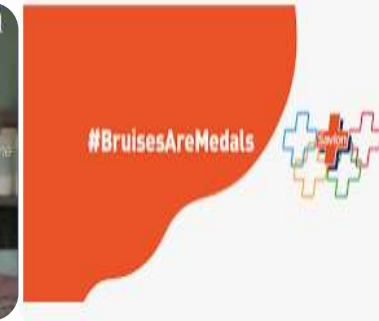
Lo Smoke Agarbatti



Focused Brand Campaigns



#RespectWorkForHome



#BruisesAreMedals



#NoMoreMissedCalls



#FeelGoodWithFiama



Made with Temple Flowers
Rural Women Engagement



Building Devotional Connect

Deepening Consumer Connect



ITC Connect: A platform to engage with consumers in Digital World
(www.itc-connect.com)



Interactive Cooking Workshop



Get "Pujo Ready" with Sunrise

Celebrity endorsements and influencers



#HarRecipeKaPehlaStep
Nimwash: Chef Kunal Kapur



Nimyle
Aiyoshreddha



Vivel Bodywash: Kirti Sanon



Engage Pocket Perfume & No Gas Spray: Kartik Aaryan, Tara Sutaria

Multi-Pronged Initiatives

Persuasive communication



Onam, Independence Day,
Durga Puja Activations

Regional initiatives



Savlon
Collaboration with
Manorama Weekly

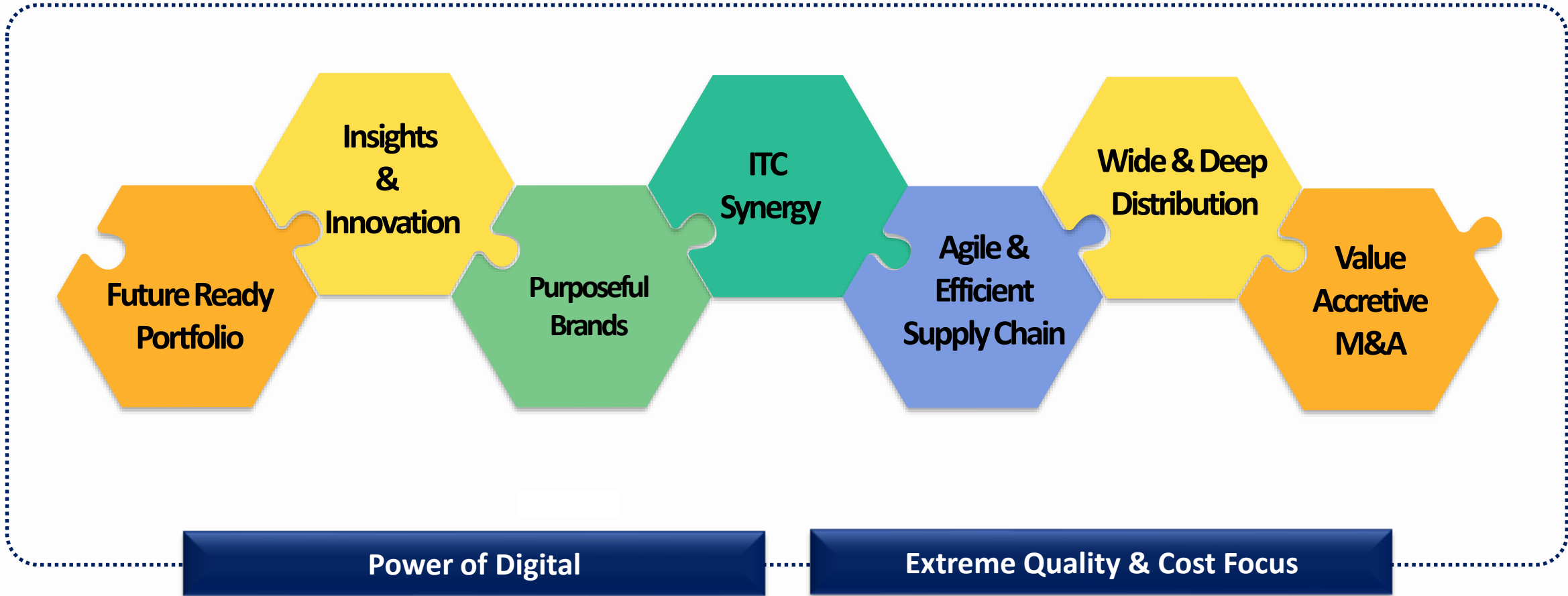
Savlon school
connect

High impact visibility drives



Bundled Offers on ITC e-store





Fortifying the Core



No.1 In Branded Atta



No.1 In Cream Biscuits



No.1 In Bridges Snacks



No.1 In Notebooks



No.2 In Noodles



No.1 In Dhoop
No.2 in Agarbatti

Annual Consumer Spends ~22,000 cr.

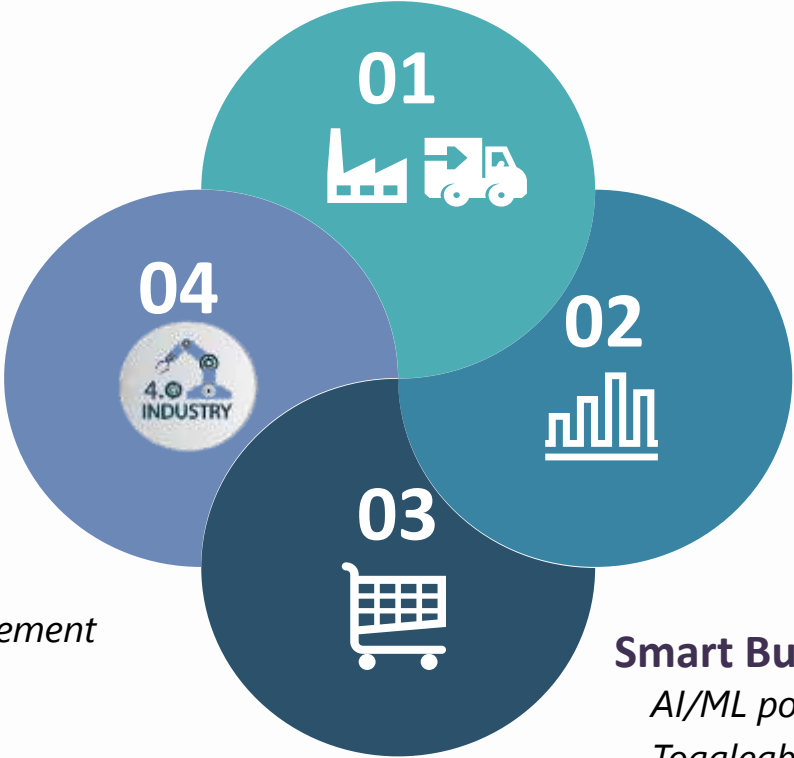
Addressing Adjacencies through Mother Brands



Building the New Core



ICML Network
Reduce Distance-to-Market
Fresher Products
Responsive supply chain



Delaying Operations
Direct shipments
Eliminate Multiple Handling

Smart Manufacturing
Industry 4.0
Automation
Energy, Quality, Yield management

Smart Buying & Value Engineering
AI/ML powered real-time price discovery
Toggleable Recipes
Packaging innovations

Smart Consumer



Smart Trade

	Retail Tech	<ul style="list-style-type: none"> • App for online ordering/engagement with top outlets • Virtual Salesman App for online ordering/scheme communication
	POS Solutions	AI driven customised consumer offers integrated with POS solutions
	Payments & Financing	Channel Financing, Direct Payments
	B2B2C	Whatsapp based store locator & ordering



Smart Operations

Segment Revenue

5642 cr. ▲ 10.2%

Segment Results

3583 cr. ▲ 10.4%

- **Q2 Segment Net Revenue* and Segment Results up 10.3% and 10.4% y-o-y respectively; Segment EBIT Margins up 10 bps**
- **Progressive normalisation of convenience store operations across markets**
 - *Faster recovery in volumes vs. first wave*
 - *Broad-based recovery witnessed across markets during the quarter; certain markets in Kerala and East remain relatively subdued*
- **Market standing reinforced, leveraging a portfolio of world-class products, focused innovation and agile execution**
 - *Scaled up accessibility by augmenting stockists network (2.1x y-o-y) & rural servicing infrastructure (1.1x y-o-y)*

Legal Industry volumes remain impacted a/c high tax incidence on Cigarettes

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

- **Gold Flake Kings Mixpod**
- **Wave Boss**
- **American Club Smash**
- **5s Flake Mint**
- **Flake Nova**

Other Interventions

Refreshed Packs of **Flake Excel, Wills Navy Cut Filter, Berkeley Hero** in focus markets.

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



Hotels Business



Rs. cr.

Segment Revenue

Q2 FY22: 295 (+2.6x vs. LY)

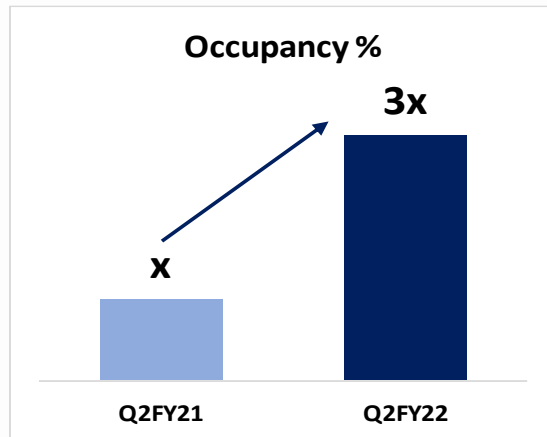
Segment EBITDA

Q2 FY22: 17

(Positive Swing of 134 vs. SPLY)

- **Sharp growth in revenue** driven by domestic leisure travel & Staycations; Business travel continues to gather momentum
 - Strong recovery in Occupancy levels
 - ARR and RevPar improve sequentially and y-o-y; still below pre-Covid levels
- Demand creation through sharply targeted packages catering to emerging trends and consumer needs along with focused communication campaigns
- Structural cost management actions undertaken in the last year aided in reduction of controllable cash fixed cost by 31% vs. Q2 FY20

Sharp rebound in Occupancy



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

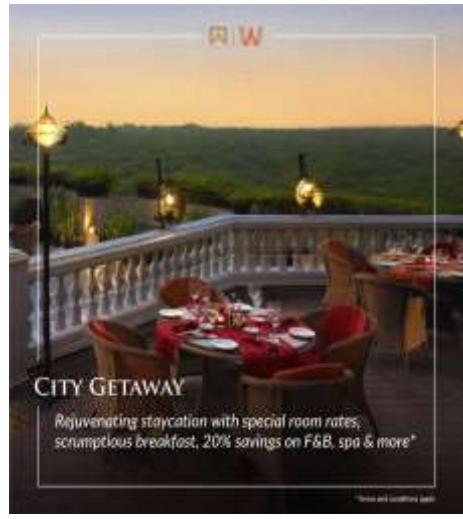
Demand Creation Through Curated Offerings

Culinary Tourism

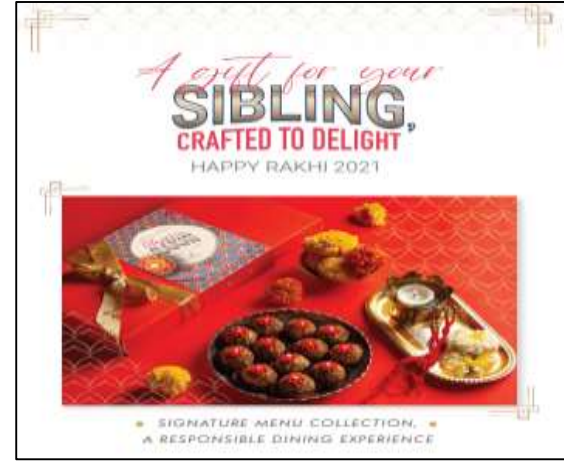
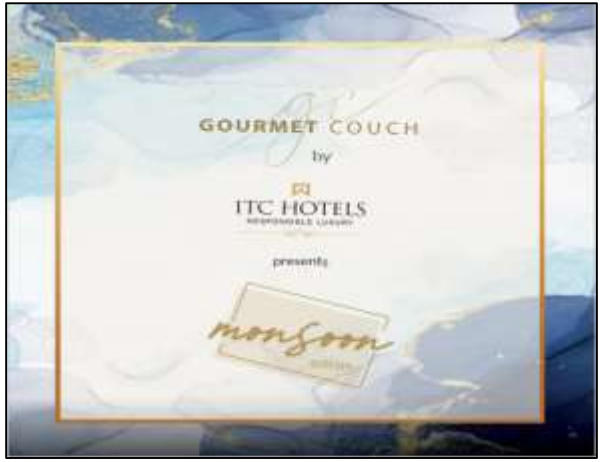


Gourmet Tales
AN EXQUISITE CULINARY GETAWAY

Accommodation Packages with Flexible Dining Benefits



Revamped F&B Offerings



Welcomhotel Bhubaneswar



A visual ode to architectural traditions and eventful history of the Golden Triangle of the East

Welcomhotel Katra



Located at the foothills of Mata Vaishno Devi temple; offers a perfect balance of modern minimalism and classic elegance

**Welcomhotel Brand footprint scaled up to 22 properties/2500 keys
4 more properties to be launched soon**

Mementos

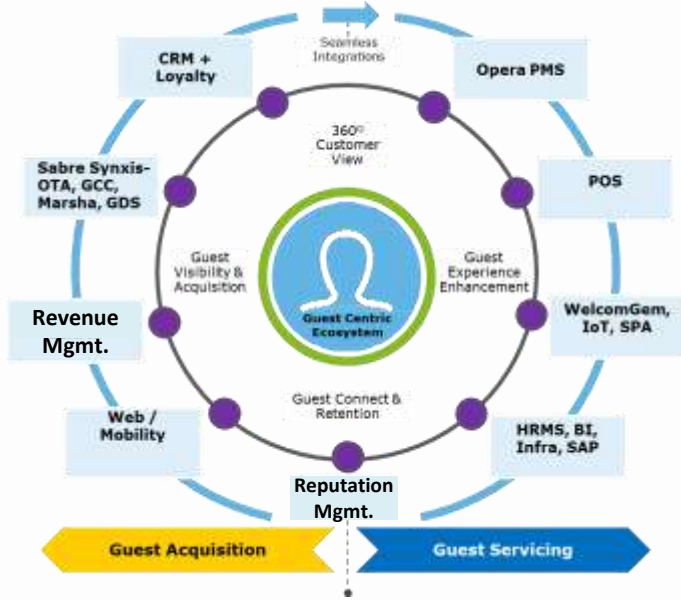


Collection of **unique luxury hotels** across varied destinations ranging from **modern retreats to historic treasures**

Storii



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



Loyalty Programs: Maximise enrollments and drive engagement

Gifting: Partnership, Engagement and Offers

Takeaways: Enhanced visibility, offers, etc.

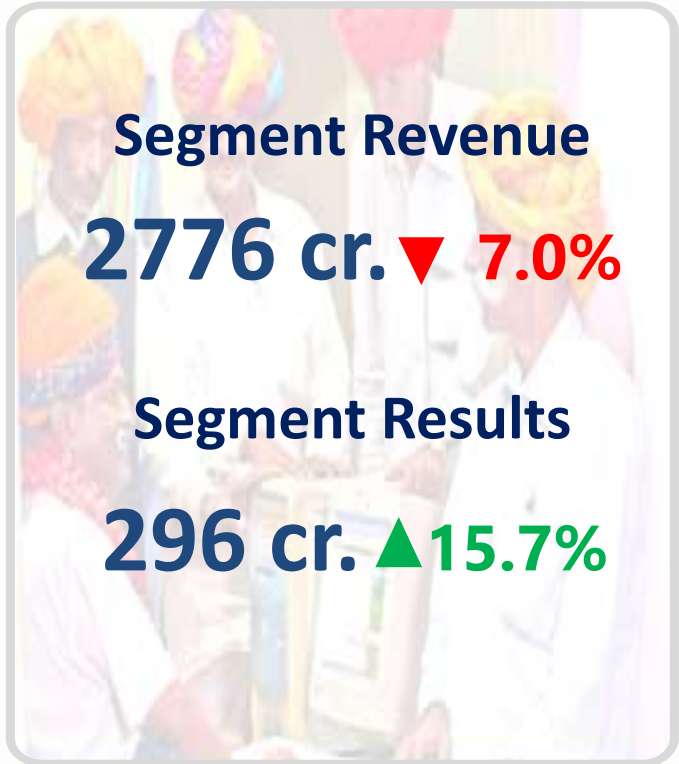
Structural interventions across all nodes

- Sustained benefits expected over the long run
- Resource Optimisation



Agri Business







Segment Revenue
2776 cr. ▼ 7.0%


Segment Results
296 cr. ▲ 15.7%

- **Robust growth in external business**
 - *Wheat, Rice, Leaf Tobacco, Aqua and Spices exports*
 - *Shortage in availability of containers/port congestions & inclement weather delay customer call-offs*
- **Continues to provide cost-competitive strategic sourcing support to Branded Packaged Foods Businesses by leveraging e-Choupal network**
 - *Sourcing strategy aligned to market dynamics*
- **Leveraging ‘Digital’ for sourcing efficiencies**
 - *Leveraged Project ‘Astra’ – AI/ML and advanced analytics based digital platform to facilitate spatial and temporal sourcing optimization*
- **Strategic focus on rapidly scaling up Value-Added product portfolio to accelerate growth and enhance value capture**
 - *Value Added Spices to Food Safe markets continue to gain traction*
 - *The Company’s wholly owned subsidiary, IIVL^ is progressing construction of a world-class manufacturing facility at Mysuru, for export of Nicotine & Nicotine derivative products to US/EU*





Multiple Sourcing Models
Farmer | Trader | Mandi



Multi Modal Transportation
Railway | Coastal | Road

Zero disruption in supplies
despite significant operating challenges

+16%
Value Added portfolio

^ ITC IndiVision Limited



Deliver sustainable competitive advantage to ITC Businesses
High quality & cost competitive agri-sourcing



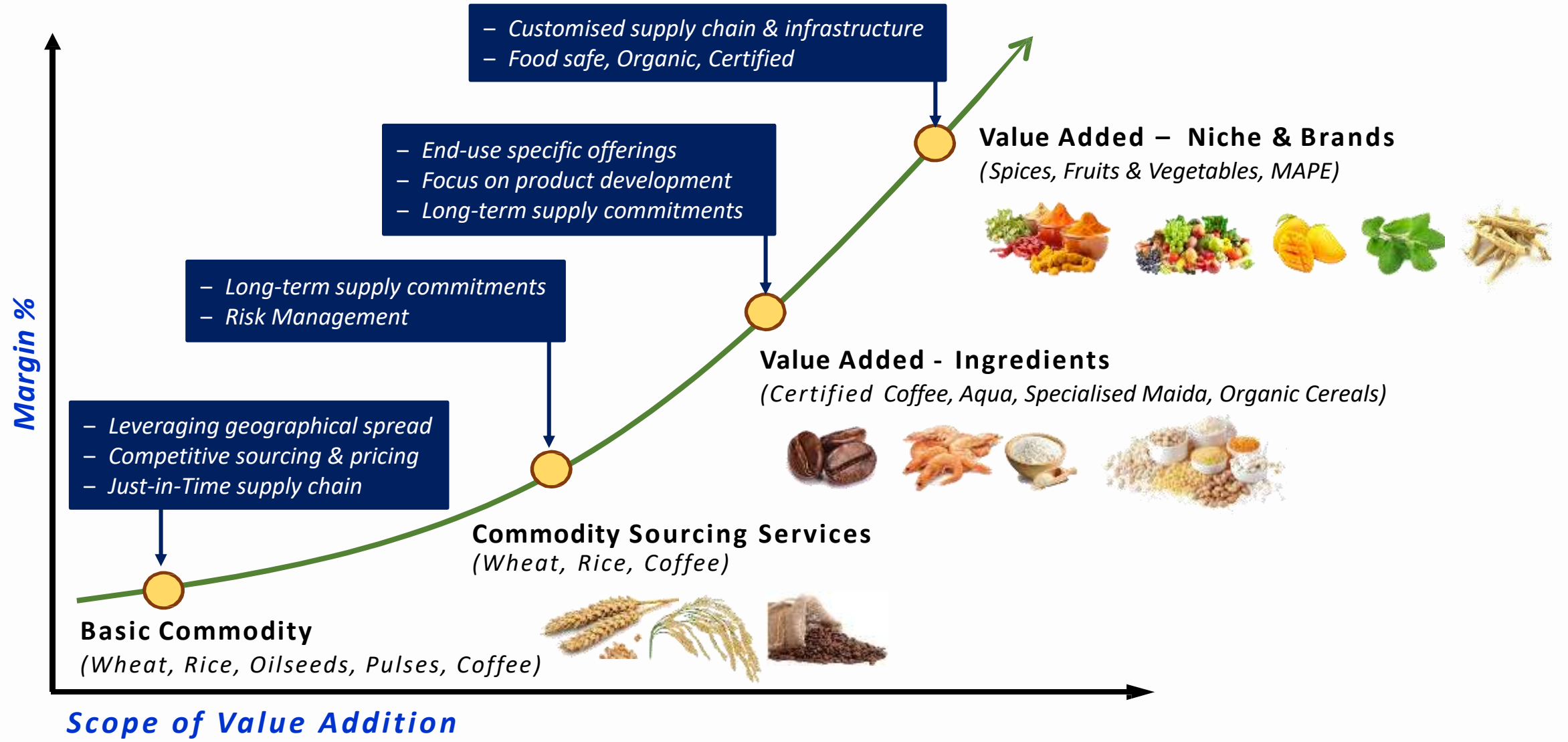
Develop a Future Ready portfolio of value-added products to drive growth & margins
Organic/Food safe



Develop a robust business model to scale up e-Choupal 4.0
Customized solutions for farmers + re-engineer commodity sourcing thru FPOs



Develop NexGen Indian agriculture
Digitally powered + climate smart value chains + Market linkages





Enduring Value

**Paperboards, Paper &
Packaging**



Segment Revenue

1830 cr. ▲ 25%

Segment Results

409 cr. ▲ 24%

Paperboards & Specialty Paper:

- Robust growth aided by revival of demand across most end user segments
 - Publications, Quick Service Restaurants (QSR) and wedding card segments, remain relatively subdued.
- Robust growth in VAP segment; strong performance in exports on a high base notwithstanding logistical challenges.
- Margin expansion despite escalation in key input prices enabled by higher realisations, investments in pulp import substitution, cost-competitive fibre chain, sharper focus on operational efficiency leveraging data analytics and Industry 4.0
- High Pressure Recovery Boiler & Pulp mill expansion project on schedule

Packaging and Printing Business performed well driven primarily by cartons segment.



Bio-degradable Boards



Exclusively for paper cups



Deep freeze applications



Replacing takeaway plastic bowls



Completely **Biodegradable** under composting conditions



Barrier against liquids/grease etc. at par with traditional plastic coated boards

Recyclable Boards



Exclusively for paper cups



Food serving applications



Food delivery/ deep freeze application



Completely **Recyclable** in existing standard recycling conditions



Excellent water/oil & grease barrier properties

Sustainable Packaging

Bioseal

Compostable packaging solutions with high grease resistance and seal-ability for Personal care, QSR and Pkgd. foods industries.

Oxyblock

Recyclable packaging solution with enhanced barrier properties for packaged foods, edible oils, etc.

Antimicrobial Coating

Solution for germ free packaging surface





Financials

Q2 FY20	<i>Rs. Crs.</i>	Q2 FY22	Q2 FY21	GOLY
11,750	Gross Revenue	13,356	12,019	11.1%
11,542	Net Revenue	12,543	11,278	11.2%
4,562	EBITDA	4,615	4,088	12.9%
4,808	PBT	4,880	4,301	13.5%
4,023	PAT	3,697	3,253	13.7%
-43	Other Comprehensive Income (net of tax)	151	162	
3,980	Total Comprehensive Income	3,849	3,414	

(Rs. cr.)

	Q2		
	FY22	FY21	GOLY%
Segment Revenue			
a) FMCG - Cigarettes	5642	5121	10.2%
- Others	4036	3922	2.9%
Total FMCG	9678	9044	7.0%
b) Hotels	295	82	2.6x
c) Agri Business	2776	2985	-7.0%
d) Paperboards, Paper & Packaging	1830	1459	25.4%
Total	14579	13570	7.4%
Less : Inter Segment revenue	1223	1551	-21.2%
Gross Revenue from sale of products & services	13356	12019	11.1%

- **FMCG Others**

- **Segment Revenue up 23% Over Q2 FY20**
- Sequential Revenue up 8%
- Sharp recovery in Discretionary/OOH portfolio
- High base effect in Staples, Convenience Foods & Hygiene Portfolio

- **Hotels**

- Strong recovery in Occupancy levels
- ARR and RevPar improved sequentially and y-o-y; still below pre-Covid levels

- **Agri Business**

- Robust growth in external Revenue on a high base driven by Wheat, Rice, Leaf Tobacco, Aqua and Spices Exports
- Wheat procurement strategy aligned with market dynamics

- **Paperboards, Paper & Packaging**

- Revival of demand across most end-user segments
- VAP segment and Exports drive growth

(Rs. cr.)

	Q2		
	FY22	FY21	GOLY%
Segment Results			
a) FMCG - Cigarettes	3583	3245	10.4%
- Others	272	279	-2.7%
Total FMCG	3855	3524	9.4%
b) Hotels	-48	-185	
c) Agri Business	296	256	15.7%
d) Paperboards, Paper & Packaging	409	330	23.8%
Total	4512	3926	14.9%
Less : i) Finance Cost	10	14	
ii) Other un-allocable (income) net of un-allocable expenditure	(378)	(390)	
Profit Before Exceptional Items & Tax	4880	4301	13.5%

- **FMCG Others**

- *Segment EBITDA at 403 cr. (+2.2% YoY on a high base)*

- *1.8x of Q2 FY20*

- *EBITDA margins sustained at 10% in spite of unprecedented commodity inflation*

- *up 330 bps vs. Q2 FY20*

- **Hotels**

- *EBITDA at 17 cr., positive swing of 134 cr. vs. LY*

- **Agri Business**

- *Margin expansion led by richer business and customer mix, incentives*

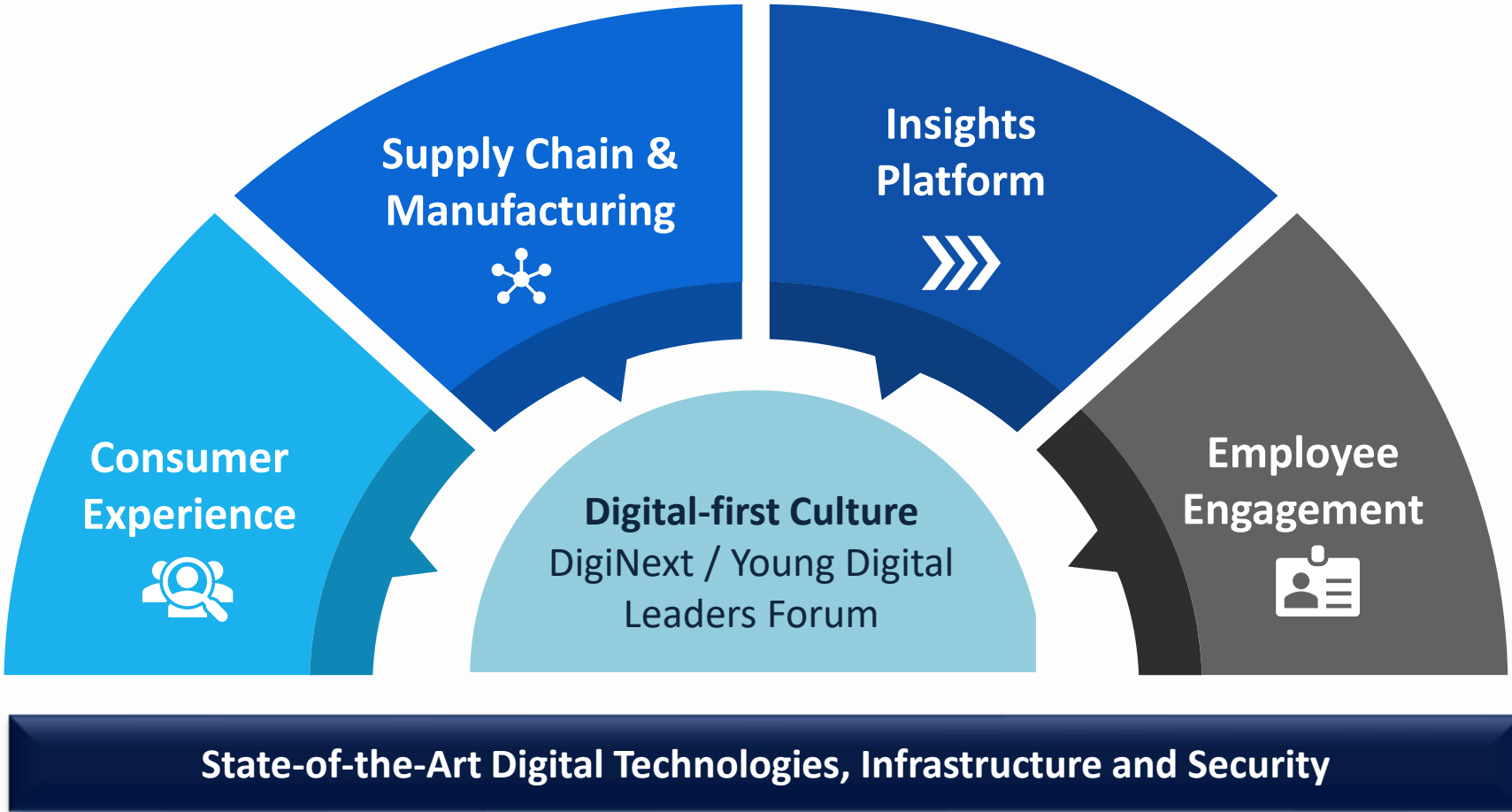


Enduring Value

Shaping the Future

Powered by Data & Digital





- *Integrated & synchronized planning processes*
- *Advanced demand & forecasting models*
- *Planning Control watch tower + Data Visualization tools*

Synchronised Planning

Agile Supply Chain

Smart Operations

Smart Demand Capture & Fulfilment

Smart Manufacturing And Sourcing

Next generation agile FMCG supply chain

- *Automated end-to-end processes*
- *Flexible design*
- *Supply Chain Cockpit*

AI/ML & Advanced Analytics platform to drive operational efficiency & seamless execution

- *Mobile Apps for Salesmen*
- *Retailer Apps*
- *Data driven optimization of last mile delivery, Omni Channel fulfillment*

- *Digital Factory*
- *Real time monitoring of process & product performance*
- *Digital Sourcing platforms*



ITC SIXTH SENSE COMMAND CENTER

- AI-powered hyper personalised platform
- Strong partner ecosystem for content & data



MOMENT MARKETING

Contextual Communications & Consumer Promotions

2000+ Content Assets created

CONSUMER DATA HUB

Harvesting insights & new product development



- **Direct-to-Consumer** channel operational in 15 cities; 45+ Categories and 850+ products under one roof
- Offers wide range of ITC FMCG products
- Socializes Premium & Niche Brands with consumers

ITCstore



ITC – A Global Exemplar in Sustainability

Action on Climate Change

41.3% Energy from Renewables

Pioneer in Green Buildings in India

33 Platinum Rated Buildings

Large Scale Afforestation Programmes for Sequestering Carbon

900,000 acres Greened over

2X CO₂ sequestered as compared to emissions from ITC's operations



Climate Hazard & Risk Study based on Climate Modelling Completed for ITC's Physical Assets

Water Security for All

Rainwater Harvesting (RWH) Potential Created

43 million kl

over 1.2 million acres of land, equivalent to

4X ITC's Net Water Consumption

Demand Side Savings from Crop Water Use Efficiency

208 million kl



1st in India, 2nd Globally

PSPD Kovai Unit – Platinum Rated Facility

360° Approach to Plastic Waste

Source Segregation Programmes Covering

18 million Citizens

Plastic Waste Collection

~30,000 MT in 2020-21

80%

Collections in 2020-21 equivalent to 80% of Multi-Layered Plastic packaging utilised by ITC

Coverage

24 States/ UTs

Focus on Improving Recyclability, Optimisation, Substitution & Innovation.

Future-Ready Agri Value Chains

Globally Recognized e-Choupal Platform

4 million Farmers Empowered

e-Choupal 4.0: New Age Digital Solution

Sustainable Agriculture Programme

881,000 acres of Farms covered

Climate Smart Agriculture Programme

8,000 villages

Baareh Mahine Hariyali

2X Large scale Programme on Doubling Farm Income

Sustainable Livelihoods

Sustainable Livelihoods Supported across Operations

6 million

Annual CSR Spend over

Rs. 350 Cr.

in 2020-21

SDGs

Impact across SDGs



Recent Global Recognitions



ITC Rated AA, Highest amongst Global Peers

Member of Dow Jones Sustainability Indices

Powered by the S&P Global CSA

ITC is listed on DJSI's Emerging Markets Index

1st in World

ITC Windsor Becomes First Hotel in the World to achieve LEED Zero Carbon Certification



ITC e-Choupal
4 Million Farmers empowered



Afforestation
Over 900,000 acres greened



Watershed Development
Over 12,75,000 acres covered



Livestock Development
Over 19,72,000 milch animals covered



Solid Waste Management
Well-being Out of Waste programme covers 15 million citizens



Women Empowerment
over 79,000 poor women benefitted



Skilling & Vocational Training
Covering over 101,000 youth



Primary Education
Reaching over 833,000 Children

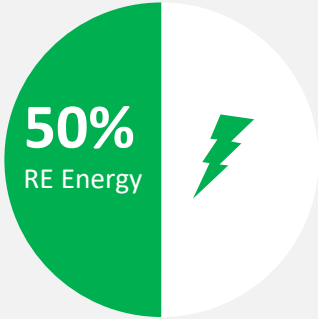


Health & Sanitation
Over 38,800 toilets built

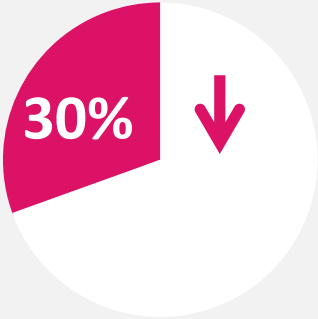


Pioneer of Green Building movement in India
33 platinum rated green buildings

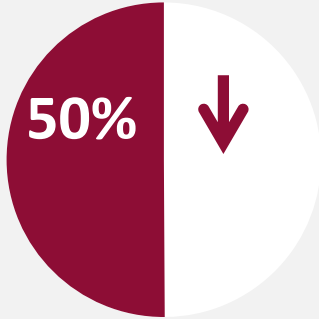
Renewable Energy (RE)



Specific Energy Consumption*



Specific GHG Emissions*



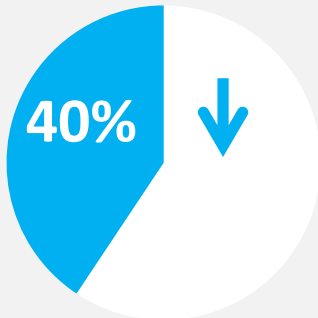
Sustainable Packaging Plan



Supporting Sustainable Livelihoods



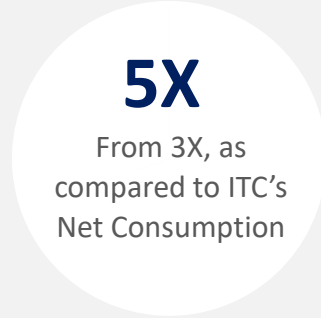
Specific Water Consumption*



Water Security for All



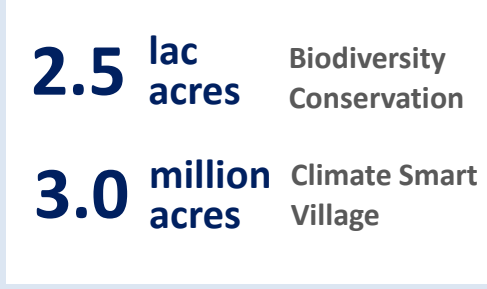
Rainwater Harvesting Potential



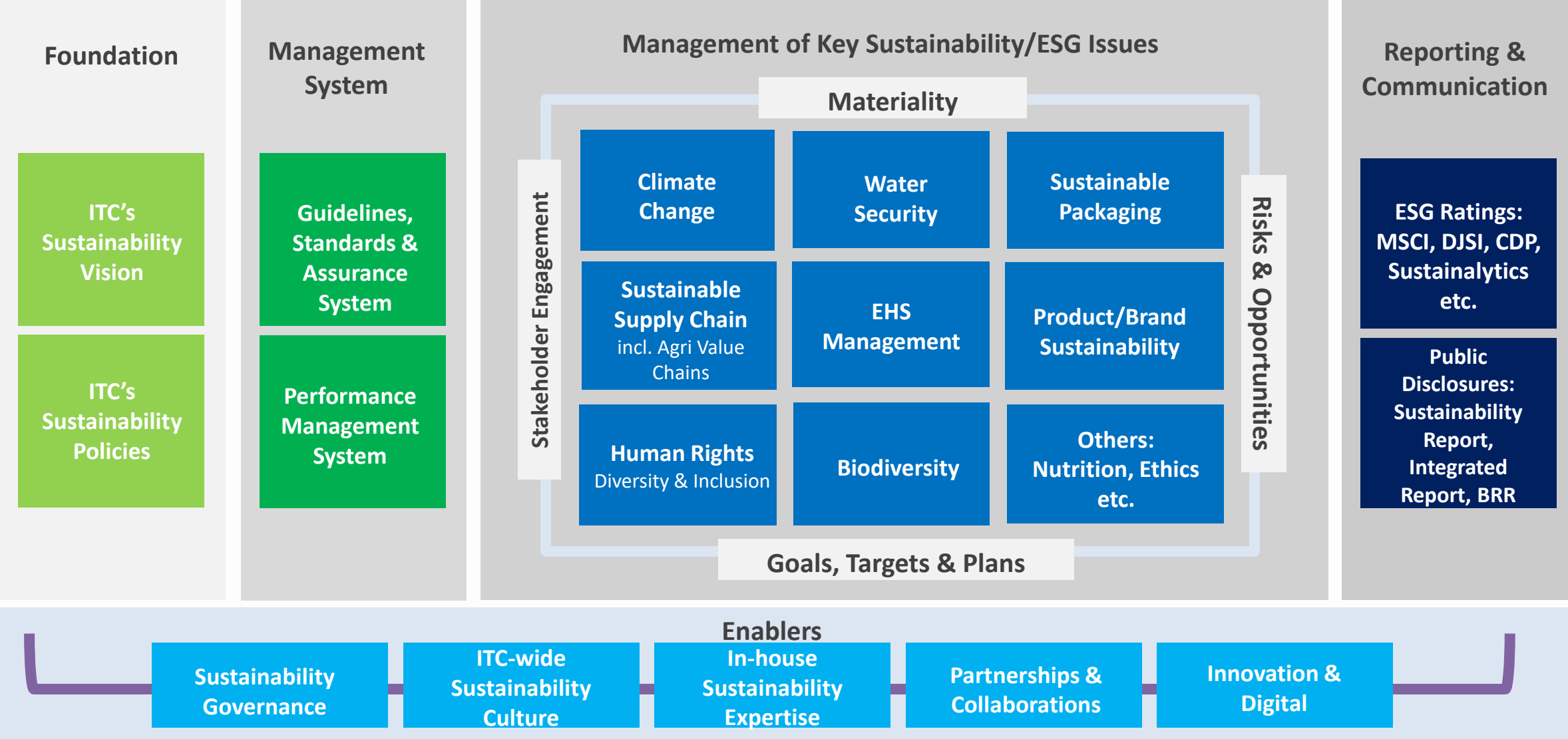
Plastic Neutrality



Biodiversity & Agriculture

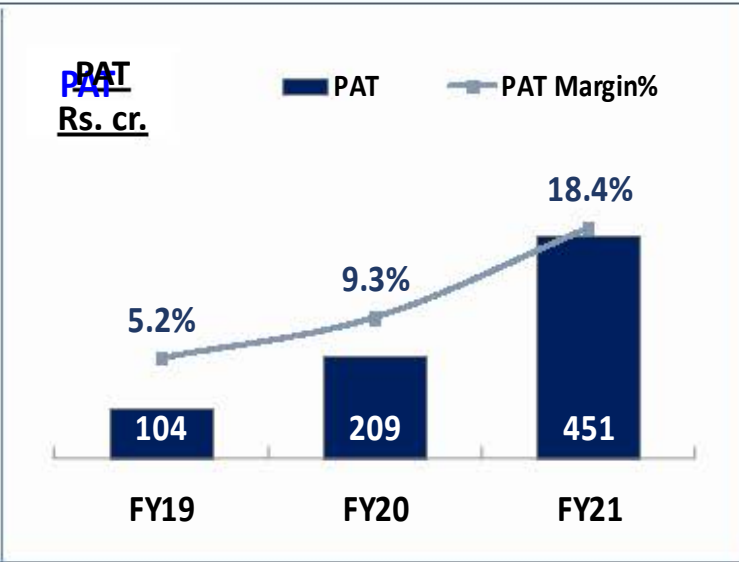
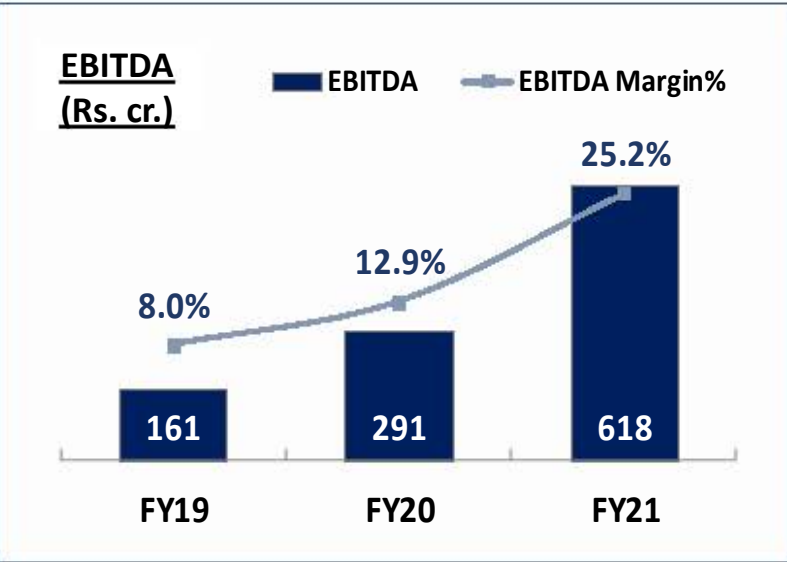
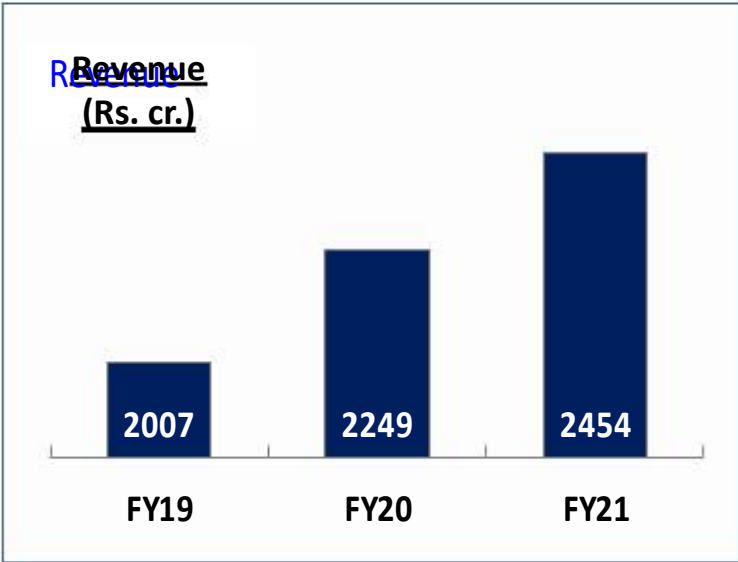


Proactively work towards achieving 'Net Zero' emission status.



ITC Infotech





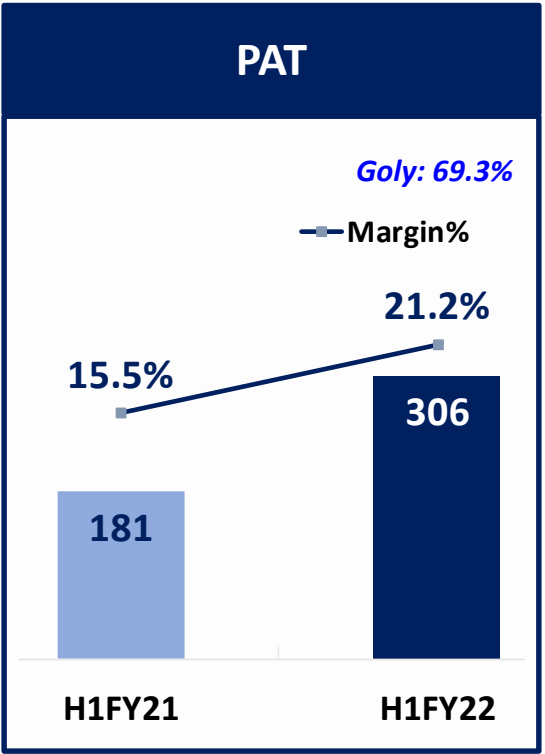
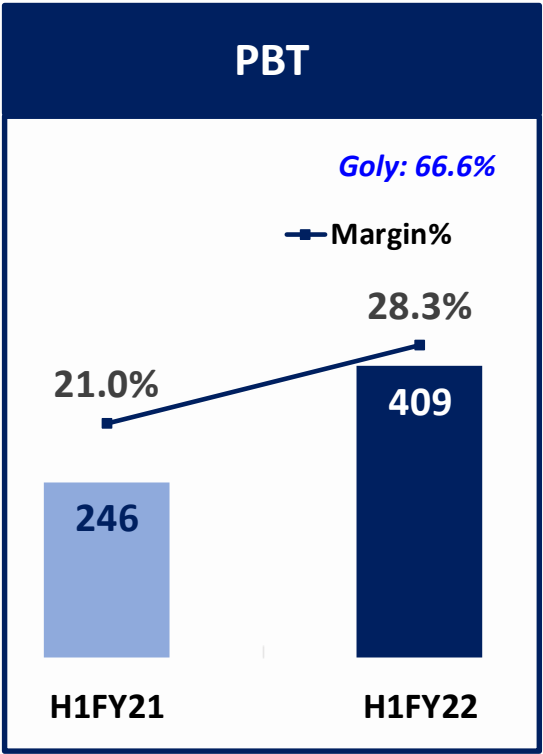
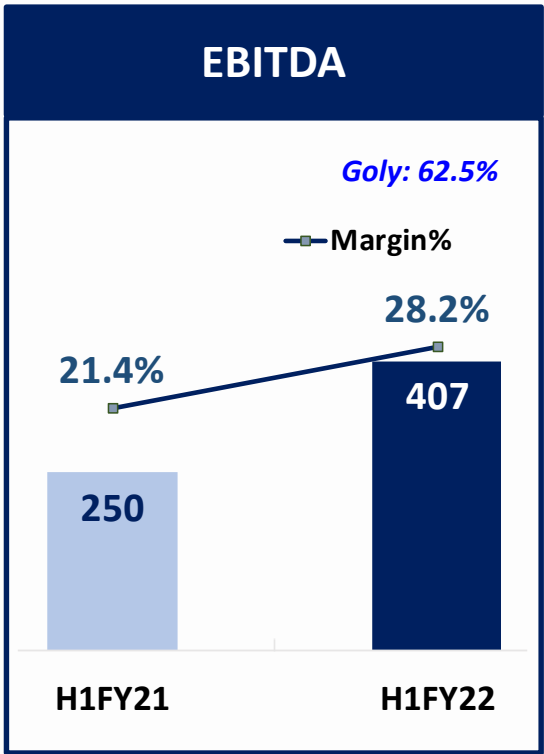
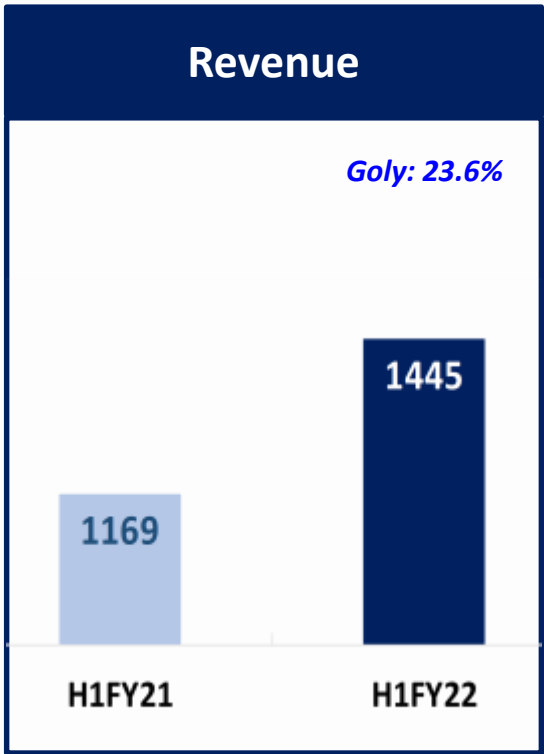
Strategy Pillars

-  Customer Centricity
-  Employee Centricity
-  Operational Excellence

Delivering business friendly solutions to clients across **29** countries, including **60+** Fortune listed clients



Rs. cr.



Margin expansion a/c improved Business mix and higher resource productivity



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



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



**and
Inclusive.**

Thank You

Product/initiative	Link
 <p>Aashirvaad Vermicelli</p>	https://www.facebook.com/Aashirvaad/videos/589090418787992/
 <p>Aashirvaad Happy Tummy</p>	https://happytummy.aashirvaad.com
 <p>Sunfeast Dark Fantasy Moms Magic #NoMoreMissedCallsFromMom</p>	https://m.youtube.com/watch?v=kWPWUGFpv88&feature=youtu.be https://www.youtube.com/watch?v=T_DqIXctTbc
 <p>ITC Vivel #RespectWorkForHome campaign</p>	https://www.facebook.com/VivelbyITC/videos/556999492399120/?app=fbl/
 <p>YiPee! and Bingo! on Instagram</p>	https://www.instagram.com/sunfeast_yippee/ https://www.instagram.com/bingo_snacks/
 <p>Differentiated variants of 'B Natural-Nutrilite' co-created with Amway #Nutribev</p>	https://www.bnatural.in/nutribev/
 <p>"WeAssure" programme</p>	https://www.itchotels.in/content/dam/projects/hotelswebsite/itc-hotels/WeAssure/WeAssure-itc-hotels.pdf
<p>Quarterly Media Statement</p>	https://www.itcportal.com/investor/pdf/ITC-Press-Release-Q2-FY2022.pdf