



ITC Limited

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20th October, 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,

Unaudited Financial Results – Media Statement and Presentation

Further to our letter dated 20th October, 2022 forwarding the Unaudited Financial Results of the Company for the Quarter and Six Months ended 30th September, 2022, we now enclose a copy of the Media Statement issued by the Company and a presentation on the Company's financial performance for the aforesaid period for information of the investors.

Yours faithfully,
ITC Limited

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

Encl: as above.



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

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



Media Statement

October 20, 2022

Standalone Financial Results for the Quarter ended 30th September, 2022

Highlights

- **Strong performance continues across segments**
 - Gross Revenue and EBITDA up 27.1% on YoY basis
 - Gross Revenue (ex- Agri Business) up 6.1% sequentially
 - Segment PBIT margin (ex-Agri Business) up ~150 bps YoY and ~40 bps sequentially.
- **Robust performance in FMCG – Others; Segment Revenue up 21.0% YoY, at appx. 1.5x of Q2 FY20**
 - Staples & Convenience Foods and Discretionary/Out of Home categories drive growth
 - Education & Stationery Products Business continues to witness strong traction
 - Segment EBITDA margin at 9.5% (-50 bps YoY; +170 bps sequentially) – severe inflationary impact mitigated through multi-pronged interventions.
- **Stability in taxes on cigarettes, backed by deterrent actions by enforcement agencies, enable continued volume recovery from illicit trade**
 - Cigarettes Segment Revenue up 23.3% YoY; Segment PBIT up 23.6% YoY
 - Market standing continues to be reinforced through focused portfolio/market interventions and agile execution.
- **Hotels Segment Revenue up 81.9% YoY and 25.6% over Q2 FY20**
 - ARR and Occupancy ahead of pre-pandemic levels
 - Segment EBITDA at 156 cr. (up 138 cr. YoY and 68 cr. over Q2 FY20)
 - Segment EBITDA margin at 29.0% (Vs. 20.4% in Q2 FY20) driven by higher RevPAR and structural cost interventions.
- **Robust growth in Agri Business; Segment Revenue up 44.0% YoY driven by wheat, rice and leaf tobacco exports**
 - Leveraged strong customer relationships, robust sourcing network and agile execution
 - ITCMAARS being scaled up with 460+ FPOs in 9 states with about 180,000 farmer registrations till date.
- **Paperboards, Paper and Packaging Segment continues to deliver strong performance; Segment Revenue up 25.0% YoY while Segment PBIT up 54.0% YoY; Segment PBIT margin at 27.5%**
 - Strong demand across end-user segments; sustainable products portfolio continues to be scaled up
 - Nadiad unit in Gujarat commenced operations during the quarter
 - Integrated business model, Industry 4.0 initiatives and strategic investments in pulp import substitution and proactive capacity augmentation in Value Added Paperboards segment enable margin expansion amidst commodity price escalation.

Economic activity continued to gather momentum during the quarter along with improvement in business and consumer sentiments. However, input prices remained elevated even as some commodities witnessed softening in course of the quarter. Inflationary headwinds continued to weigh on consumption expenditure which was partly offset by early onset of festive season this year in some parts of the country.

Amidst such a challenging operating environment, the Company's focus on accelerated digital adoption, customer centricity, execution excellence and agility enabled it to continue to deliver strong growth across operating segments during the quarter, both sequentially and on YoY basis. Gross Revenue stood at Rs. 16,971 crores representing a growth of 27.1% YoY while EBITDA at Rs. 5,864 crores also grew by 27.1% YoY. PAT grew by 20.8% YoY to Rs. 4,466 crores. Earnings Per Share for the quarter was Rs. 3.6 (previous year Rs. 3.0).

The anticipated moderation in inflation going forward, normal monsoons in most parts of the country and proactive interventions by the Government and RBI augur well for sustained recovery and a pick-up in consumption expenditure in the second half of the year.

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FMCG – OTHERS

- **The FMCG Businesses continue to deliver strong performance with Segment Revenue growing 21.0% YoY; Segment Revenue and Segment EBITDA up 49% and 110% respectively over Q2 FY20.**

- Staples & Convenience Foods recorded robust growth mainly driven by Biscuits, Atta and Noodles
- Discretionary/Out of Home categories viz. Snacks, Confectionery, Agarbattis and Fragrances continue to witness strong traction
- The 'Fiama' and 'Vivel' range of Personal Wash products performed well; Hygiene segment was subdued, while remaining significantly ahead of pre-pandemic levels.
- Segment EBITDA margin at 9.5% (Q1 FY23: 7.8%; Q2 FY22: 10.0%)

The FMCG Businesses witnessed strong growth across channels and markets (both urban and rural) driven by ramp-up in outlet coverage, enhanced penetration and last mile execution. Sharp escalation in input costs was mitigated through multi-pronged interventions viz. strategic cost management, premiumisation, supply chain agility, judicious pricing actions, fiscal incentives, leveraging digital and optimising channel assortments. Segment EBITDA margins have expanded by 280 bps over Q2 FY20.

- The Company remains focused on rapidly scaling up the FMCG businesses anchored on strong growth platforms and a future-ready portfolio powered by purpose-led brands and supported by agile innovation leveraging the robust R&D platforms of ITC Life Sciences and Technology Centre (LSTC). In addition to fortifying their core portfolio, the Businesses continue to address adjacent growth opportunities by leveraging the 25+ powerful mother brands established over the years. Simultaneously, the Businesses continue to make strategic investments in building categories of the future and establishing the Company's 'right to win' by progressively scaling up those nascent categories where beachheads have been created.
- The FMCG Businesses continue to create structural competitive advantages and enhance profitability by leveraging world-class distributed infrastructure, multi-channel distribution network, delayed operations, smart buying & value engineering and smart manufacturing anchored on the twin pillars of Digital and Sustainability.
- The Company's deep & wide multi-channel distribution network with growing presence in emerging channels and tailored channel-specific assortments continues to deliver competitive advantage through superior product availability, visibility and freshness.
 - Market and Outlet coverage at appx. 2.0x and 1.3x of pre-pandemic levels
 - e-Commerce continues to scale up rapidly leveraging account specific strategies, new product introductions (including e-Commerce first brands) and customised supply chain solutions; availability of products has been further expanded with new trade partners on Quick Commerce and Social Commerce platforms
 - Modern Trade sales accelerated with resumption of activities, higher store footfalls and joint business planning with key accounts

- Product availability and accessibility continues to be augmented by leveraging new routes-to-market through multiple strategic partnerships covering a range of brands including 'B Natural', 'Sunfeast', 'ITC Master Chef', etc.
- The ICML at Medak, Telangana, commissioned in March 2022 is being scaled up rapidly. The ten ICMLs operating in proximity to large demand centres enable delivery of fresher products, reduction in distance to market and higher cost agility. In addition, three co-located automated logistics facilities have been established which together with next generation agile supply chains will enable superior and efficient fulfilment.
 - Several of these manufacturing facilities represent industry leading gender diversity in the labour force. With every successive ICML coming on-stream, the representation of women has progressively increased and the recent ICMLs at Pudukkottai and Medak have a large majority of women in the on-roll labour force, reflecting the Company's commitment to foster Diversity and Inclusion.
- Cutting-edge digital technologies including Industry 4.0, Advanced Analytics, Big Data and industrial Internet of Things (IoT) continue to be deployed towards strengthening the Company's real time operations and execution platform. Several digitally powered interventions are underway towards enhancing productivity, driving efficiency and reducing costs. These initiatives are anchored on the key pillars of deepening trade & consumer connect, synchronised planning & forecasting, next generation agile supply chain, smart manufacturing & sourcing, and smart demand capture & fulfilment.
 - 'ITC e-store' (<http://www.itcstore.in>), the Company's exclusive D2C platform, continues to receive excellent consumer response
 - 'Unnati', the digitally powered eB2B platform, has been rolled out to over 4.4 lakh retailers facilitating focused and direct engagement with retailers, superior analytics, personalised recommendations of hyperlocal baskets based on consumer purchase insights, and deeper brand engagement.

➤ **Branded Packaged Foods Businesses**

- **'Aashirvaad' Atta** consolidated its leadership position in the branded atta industry and continues to focus on enhancing penetration and premiumisation.
 - Aashirvaad's value-added atta range, part of the Business' growing portfolio of 'Good For You' / 'Free From' offerings, witnessed robust growth. The 'Meri Chakki' atta Direct to Consumer (D2C) initiative, which redefines consumer experiences by providing customisation options, continues to generate interest among target groups. Towards enhancing consumer awareness on nutrition and digestive health, a dedicated content marketing platform 'Happy Tummy', created with blogs, expert videos, nutritionist consultations and high fibre recipes continues to witness favourable consumer response.
- **'Bingo! Snacks** witnessed strong consumer traction and grew at a rapid pace driven by 'Tedhe Medhe' and 'Mad Angles'. In addition, several recently launched variants viz. 'Bingo! Hashtags Cream & Onion', 'Bingo! Hashtags Spicy Masala', 'Bingo! Street Bites Dahi Chaat Remix' and 'Bingo! Street Bites Pani Puri Twist' continue to witness excellent consumer response.
- **'YiPpee! Noodles** posted robust growth on the back of increased brand outreach and consumer engagements with normalisation of mobility. Innovative media campaigns and focused digital interventions viz. 'Magic with Plastic' – a fun and exciting series of art & craft workshops for children to create awareness on how to make useful objects out of waste materials - continued to create buzz around the brand, resulting in sustained traction with consumers.
- **'Sunfeast' Biscuits and Cakes** recorded robust growth led by the 'Dark Fantasy' range of premium offerings and 'Mom's Magic' range of cookies. The portfolio mix was further enriched with the launch of 'Sunfeast Mom's Magic Cashew Fills' (*Centre filled cookies with cashews and molten creme*), 'Sunfeast Mom's Magic Golden Edition' (*Cashew cookies loaded with cashews & butter*) and 'Sunfeast Mom's Magic Butter Fills' (*Centre filled cookies with molten butter creme*). The

recently launched range of thin potato biscuits, 'Sunfeast All Rounder' was augmented with the launch of All Rounder 'Cream and Herb' variant.

- **Dairy & Beverages** Business posted strong growth during the quarter, gaining strong consumer traction on the back of best-in-class quality standards, differentiated offerings and superior taste profile. The milk procurement network continues to be strengthened, empowering farmers by providing infrastructure and imparting package of best practices to improve operational efficiency, maintain high quality and ensure identity preservation and traceability. The '**Aashirvaad Svasti**' brand continues to be enhanced with focus on growing the value-added dairy portfolio. During the quarter, the Business launched 'Aashirvaad Svasti Organic Cow Ghee' – made with 100% organic cow milk. The '**Sunfeast**' range of milk shakes was further expanded with the launch of 'Sunfeast Kids Dailyshake'. The '**B Natural**' range of Juices continued to progressively scale up during the quarter, leveraging emerging channels and augmenting new routes-to-market. Consumer engagement was further deepened through the Business' purpose led brands e.g. 'B Natural's #MainBhiKisaan #Farmerette campaign which aims to spark conversations, create awareness about women in agriculture and change the existing belief that farmers are almost exclusively male, in keeping with the Company's focus of Diversity and Inclusion across all nodes of operations.
- '**Mangaldeep**' **Agarbattis and Dhoop** witnessed strong growth across product segments. The Agarbatti portfolio continues to provide differentiated offerings to consumers and further strengthened its presence in emerging channels with the launch of channel-specific assortments viz. 'Chandan 3in1' and 'Temple'; the portfolio was also augmented with launch of 'Deetyaa Luxury Fragrance' and 'Mangaldeep 3in1' variants. The Dhoop portfolio was enhanced with the launch of 'Dhuno Cups' and 'Dry Dhoop Sticks'. 'Mangaldeep Upaveda' range of 'Naturals' agarbattis, which draw inspiration from ancient scriptures, also garnered increasing consumer traction.
- In the **Education and Stationery Products Business**, 'Classmate' Notebooks further strengthened its leadership position leveraging its flagship campaign 'Learn with Classmate'. Notebooks sales continued to witness strong traction in the premium portfolio comprising 'Paperkraft', 'Classmate Pulse' and 'Classmate Interaktiv'. Creative brand campaigns leveraging Digital were launched to promote 'Classmate Interaktiv - AR series' of notebooks and craftbooks in collaboration with Disney India. The Business continues to leverage topical themes viz. Teachers' Day to deepen consumer engagement.
- Within the **Personal Care Products Business**, the Fragrances category registered strong growth driven by 'Engage'. 'Fiama' and 'Vivel' range of personal wash products performed well during the quarter; 'Nimyle' also continued to scale up in the Homecare segment leveraging the Naturals proposition of the brand. The 'Hygiene' category remained subdued, though significantly ahead of pre-pandemic levels. The Business portfolio continues to be enhanced with innovative launches viz. 'Vivel VedVidya' – range of soaps that are inspired by ingredients used in ancient beauty rituals and 'Fiama Men Deep Clean Gel Bar, with Charcoal & Grapefruit', which contains charcoal that enables deep cleaning and grapefruit which offers a refreshing feel.

FMCG – CIGARETTES

Segment Revenue and Segment Results up 23.3% and 23.6% YoY respectively

- 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.
 - The Business also continues to launch several differentiated variants to further strengthen and ensure future-readiness of the product portfolio.
- As seen in the past, stability in taxes on cigarettes, backed by deterrent actions by enforcement agencies, continues to enable volume recovery for the legal cigarette industry from illicit trade, thereby engendering domestic demand for Indian tobaccos, while also mitigating loss of tax revenue to the exchequer. 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, cognising for the unique tobacco consumption pattern in India.

HOTELS

Stellar performance across properties; Segment Revenue at Rs. 536 cr. (up 25.6% over Q2 FY20); Segment EBITDA up 138 cr. YoY and 68 cr. over Q2 FY20.

- ARR and Occupancy ahead of pre-pandemic levels driven by Retail (packages), Leisure, Weddings and MICE segments. Domestic business travel continues to witness progressive normalisation; inbound foreign travel has also picked up. Iconic cuisine brands continue to be leveraged to promote dine-ins with limited-period menus, curated for festive occasions featuring global and Indian favourites.
- Segment EBITDA margin for the quarter stood at 29.0% (Vs. 20.4% in Q2 FY20); margin expansion driven by higher RevPAR, operating leverage and structural cost interventions.
- ITC Narmada – a luxury 291-key hotel in Ahmedabad was launched in August '22. The property is architecturally inspired by the traditional stepwells of Gujarat and is a befitting tribute to the rich heritage, grandeur and vibrant culture of the State. It is also the first hotel in Gujarat to receive the LEED® Platinum certification for its sustainability interventions and environmental stewardship.
- During the quarter, two new properties were added to the portfolio under the 'Storii by ITC Hotels' brand – Storii Shanti Morada in Goa and Storii Amoha Retreat in Dharamshala.
 - In line with its 'asset-right' strategy, the Business has generated a healthy pipeline of management contracts under its brands viz. Welcomhotel, Mementos, Storii and Fortune, which is expected to be a key vector of growth. More properties under these brands are expected to be launched in a phased manner over the next few quarters.
- Welcomhotel Bengaluru received the prestigious LEED® Zero Carbon certification by USGBC during the quarter, reaffirming the Company's commitment to the ethos of 'Responsible Luxury'. This is the fourth Hotel in the chain to have received this certification.
- Digital investments continue to be leveraged towards facilitating guest acquisition, enhancing guest experience, augmenting revenue generation and driving operational efficiency. The recently launched full stack ITC Hotels App with cutting-edge user experience continues to receive good response and enables swift and easy access to Room and F&B Reservations, F&B delivery offers, loyalty benefits besides a host of exclusive offers.

PAPERBOARDS, PAPER & PACKAGING

Paperboards, Paper & Packaging Segment continues to deliver strong performance; Segment Revenue up 25.0% and Segment Results up 54.0% YoY; Segment PBIT margin for Q2 FY23 stands at 27.5%

- Segment Revenue growth driven by strong demand across end-user segments and exports.
 - Value Added Paperboard (VAP) sales grew at a rapid pace aided by higher realisation and strong exports performance
 - Fine Paper segment witnessed robust performance with pick up in the Publications and Notebooks segments
 - Strategic investments in capacity expansion in VAP segment, pulp import substitution, cost-competitive fibre chain, decarbonisation of operations, sharper focus on operational efficiency leveraging data analytics and Industry 4.0 enabled scaling up the Business and margin expansion despite escalation in key input prices.
- The Packaging and Printing Business witnessed robust growth across Cartons and Flexibles platforms; Nadiad unit in Gujarat commenced operations during the quarter.
- Digital and emergent technologies remain deeply embedded in the operations of the Business, and continue to be leveraged towards enhancing operational efficiency, reducing wastages and enabling

cost optimisation across the value chain. The multi-dimensional digital interventions encompass Industrial IoT for Smart Operations, Integrated Data Infra/Platform, AI/ML algorithms for optimisation in the manufacturing process, AI/ML based image analytics and IoT based crop monitoring & advisory.

- In line with its strategic focus on developing sustainable paperboards/packaging solutions as a new vector of growth leveraging cutting-edge innovation platforms (LSTC capabilities as well as external collaborations), the Company is actively engaged in developing and promoting suitable paper and paperboard substrates to substitute single-use plastics.
 - The sustainable products portfolio, comprising recyclable paperboards, 'FiloPack' and 'FiloServe', and biodegradable paperboards, 'OmegaBev' and 'OmegaBarr', which are alternatives to plastic coated containers, cups and other deep freeze applications, witnessed robust growth across applications (at appx. 2.5x of last year's levels)
 - Similarly, the Packaging Business is pro-actively engaging with end users to scale up adoption of sustainable packaging solutions viz. 'Bioseal' (compostable packaging solutions for Quick Service Restaurants, personal care and packaged foods industries), 'Oxyblock' (a recyclable coating solution with enhanced barrier properties for packaged foods, edible oils, etc.) and Germ-free coating (solution for microbial free packaging surface addressing the consumer consciousness towards hygiene and safety).

AGRI BUSINESS

Robust growth in Segment Revenue, up 44.0% driven by wheat, rice and leaf tobacco exports.

- 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.
- ITCMAARS (Metamarket for Advanced Agriculture and Rural Services) – a crop-agnostic 'phygital' full stack AgriTech platform is being scaled up with 460+ FPOs in 9 states encompassing about 180,000 farmers (registered till date). This platform provides farmers with AI/ML driven personalised and hyperlocal crop advisories, access to good quality inputs and market linkages as well as allied services like pre-approved loans. It also offers advanced technologies like real-time soil testing, quality assaying and precision farming at the doorstep of farmers.
- The Business continues to enhance value capture by steadily growing its value-added portfolio straddling multiple value chains comprising Spices, Coffee, Frozen Marine Products and Processed Fruits etc., leveraging the Company's deep rural linkages and extensive sourcing expertise.
 - Construction of the value-added spices manufacturing facility at Guntur is progressing well and is expected to be commissioned shortly. The Business seeks to significantly scale up its presence in food safe export markets leveraging this world-class facility together with its identity-preserved sourcing expertise, custody of supply chain and strong customer relationships
 - 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 making steady progress. The facility is being geared to manufacture purest nicotine derivatives conforming to US and EU pharmacopoeia standards and is expected to be commissioned by the end of the current financial year.

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

ITC is a global exemplar in 'Triple Bottom Line' performance and is the only enterprise in the world of comparable dimensions to have achieved and sustained the three key global indices of environmental sustainability of being **'water positive' (for 20 years)**, **'carbon positive' (for 17 years)**, and **'solid waste recycling positive' (for 15 years)**. The Company sustained its **'AA' rating by MSCI-ESG for the 4th successive year** - the highest amongst global tobacco companies. The Company has also been included in the **Dow Jones Sustainability Emerging Markets Index** - a reflection of being a sustainability leader in the industry and a recognition of its continued commitment to people and planet.

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

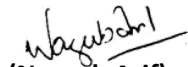
The Sustainability & Integrated Report 2022 is available on the Company's corporate website at

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

Please refer link below for performance highlights of the quarter:

<https://www.itcportal.com/investor/pdf/ITC-Quarterly-Result-Presentation-Q2-FY2023.pdf>

The Board of Directors, at its meeting on 20th October 2022, approved the financial results for the quarter ended 30th September 2022, which are enclosed.



(Nazeeb Arif)

Executive Vice President

Corporate Communications



Enduring Value

NATION FIRST: SAB SAATH BADHEIN

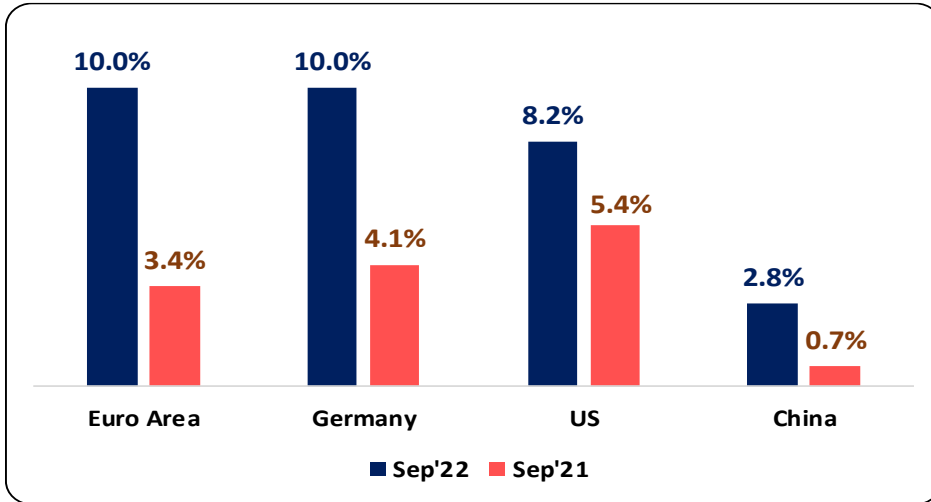
Q2 FY23 Results

20th October, 2022

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.

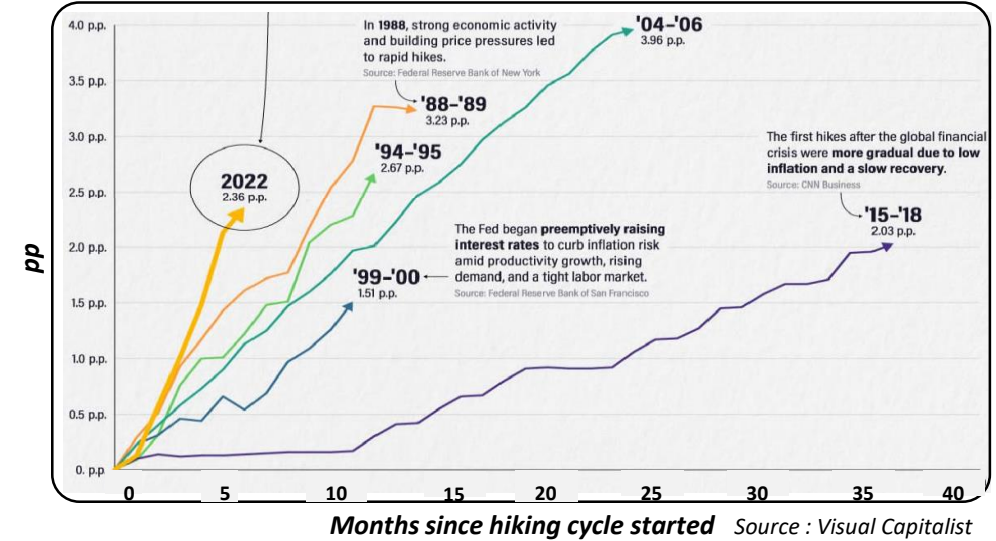
Macro Economic Context

Rising Inflation



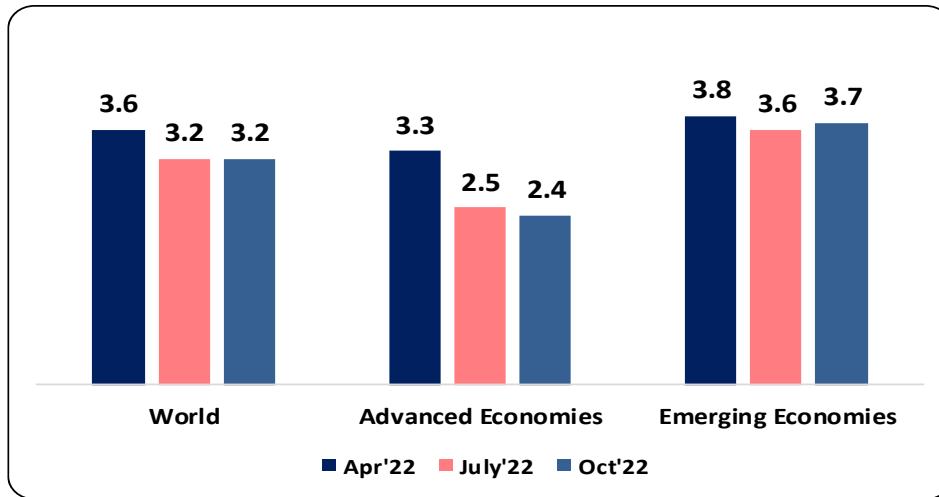
Source : Statista, Trading Economics

US Interest rates : Steepest rise in history



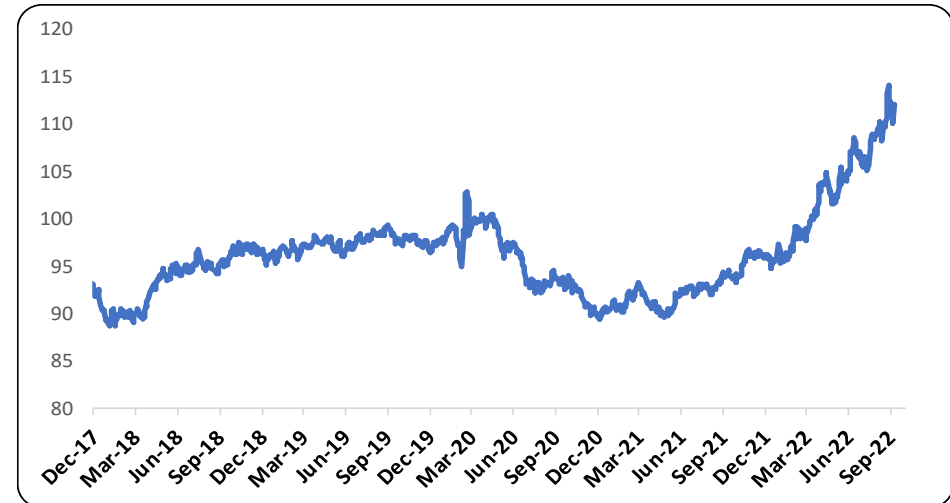
Source : Visual Capitalist

Lower growth Outlook for 2022 (GDP % y-o-y)



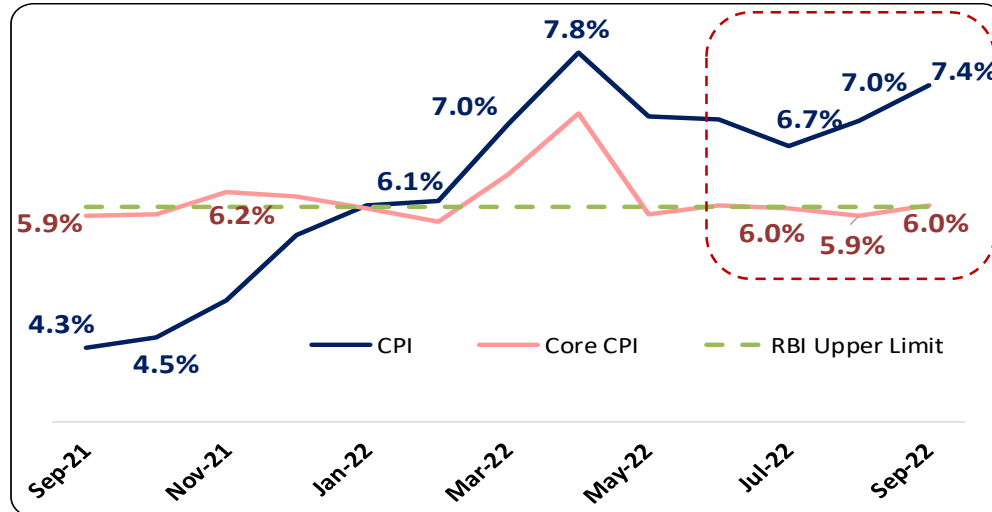
Source : IMF WEO, Oct'22

Dollar Index at a 20 year high (DXY)



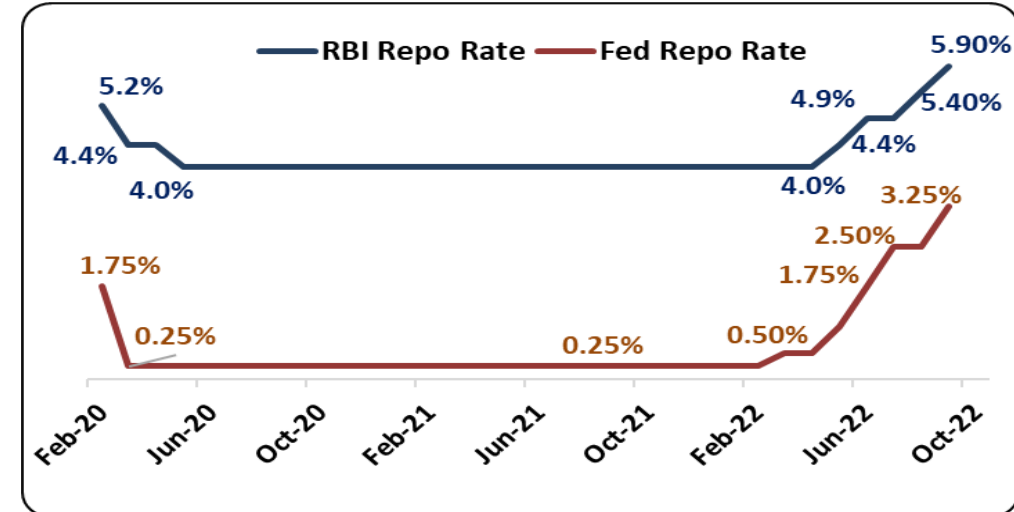
Source : Reuters

CPI, Core CPI (% y-o-y)



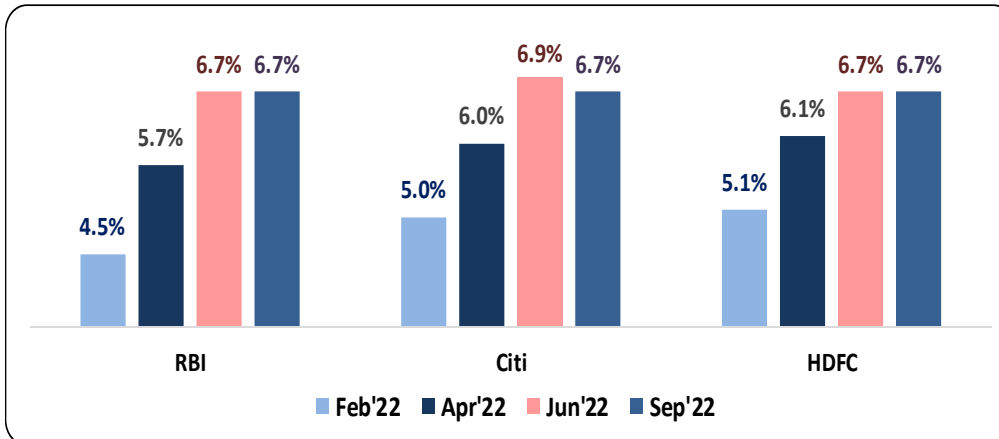
Source : MOSPI

Interest Rates on the rise (%)



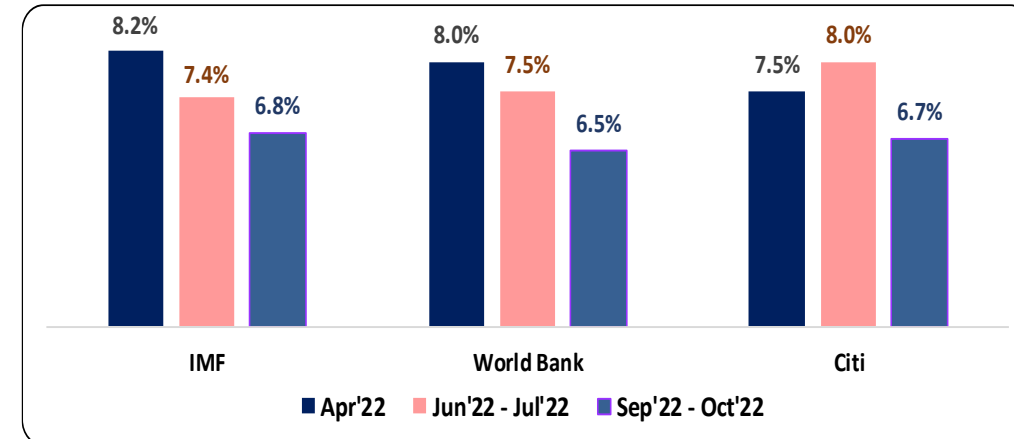
Source : RBI, Fed

FY23 Inflation estimates revised upwards (% y-o-y)



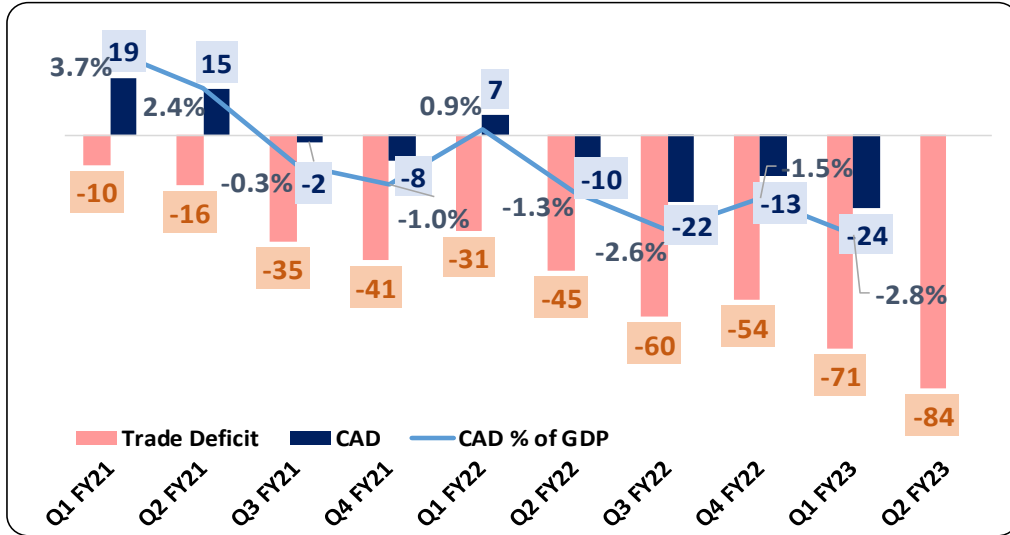
Source : Analysts Reports

FY23 GDP growth estimates revised downwards (% y-o-y)



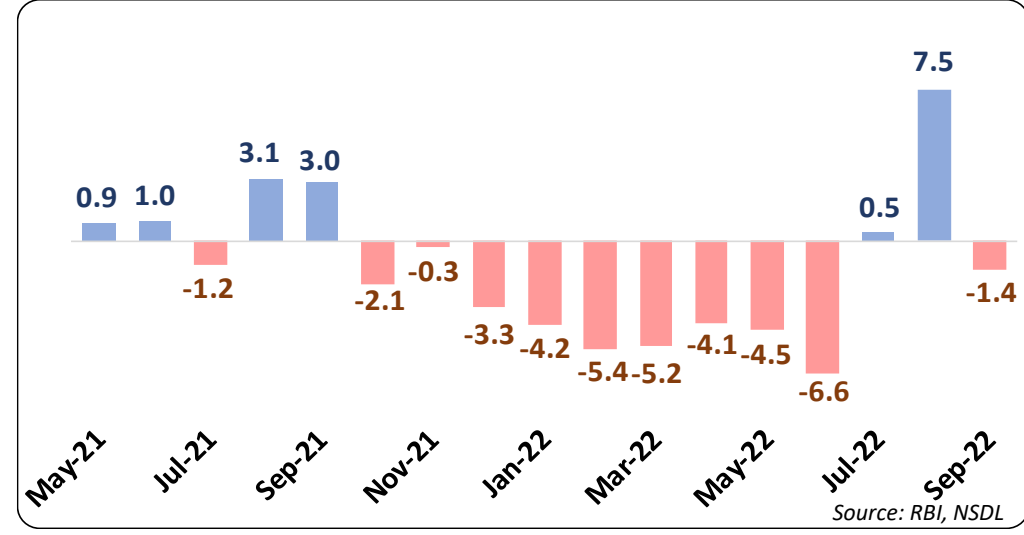
External headwinds weigh on macro outlook

Trade Deficit; Q1 FY23 CAD highest since Sep'18 (\$bn)



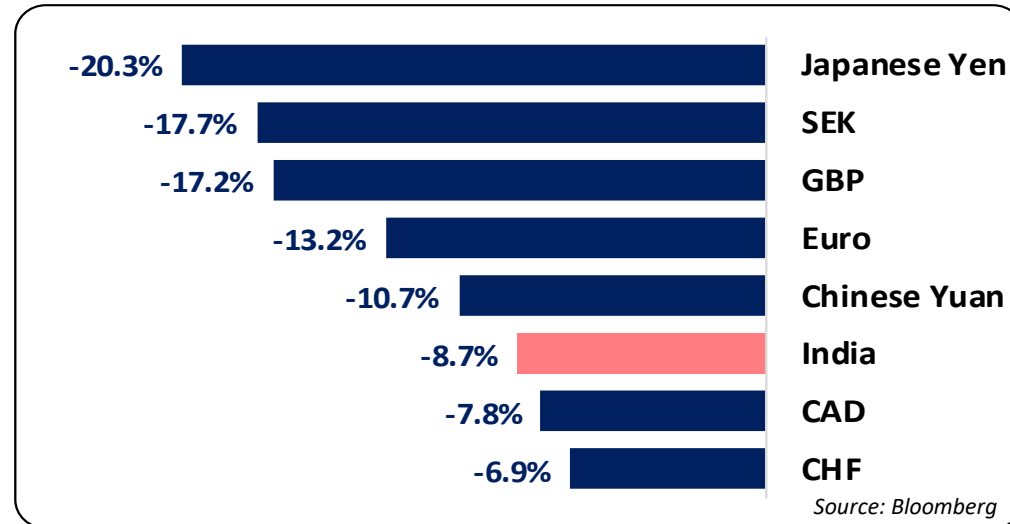
Source: MoC and RBI

Net FII flows (\$bn)



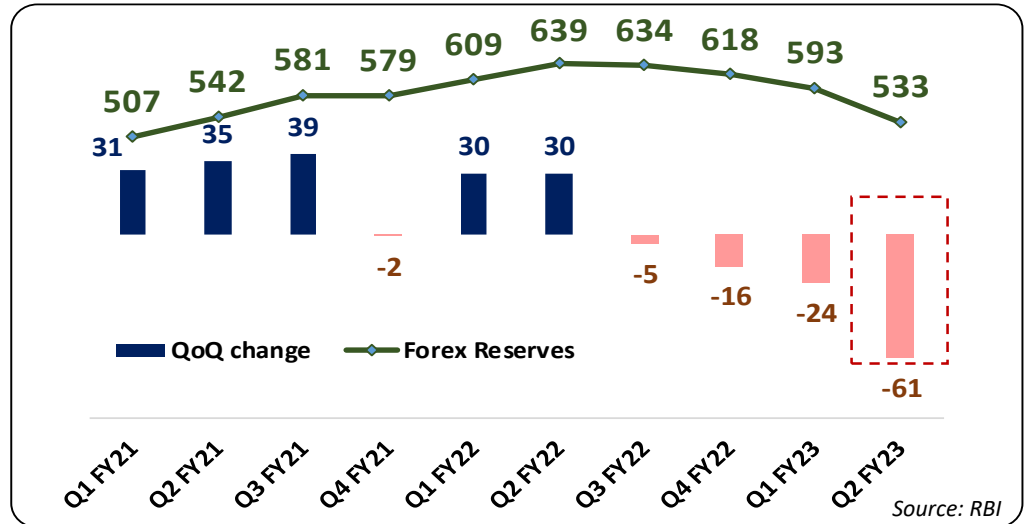
Source: RBI, NSDL

All major currencies depreciated Vs. USD (Jan – Sep'22)



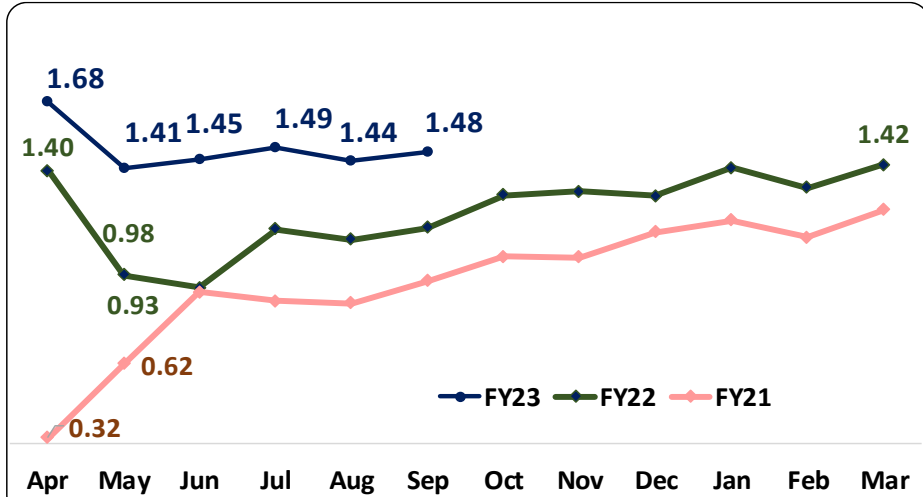
Source: Bloomberg

RBI Forex Reserves (\$bn)



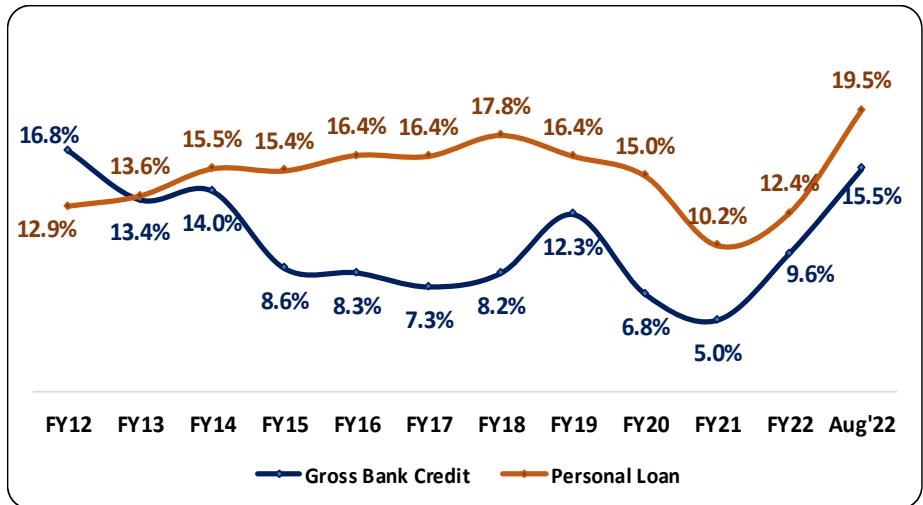
Source: RBI

Stable GST collections (Rs. Lakh crore)



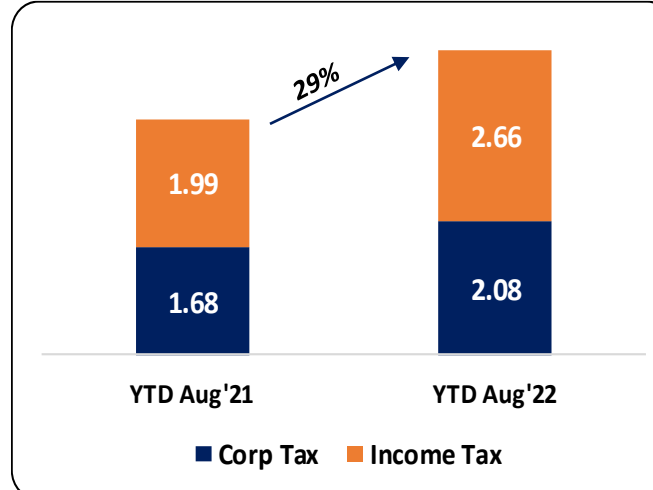
Source : MoF

Pickup in Banking System Credit growth (% y-o-y)



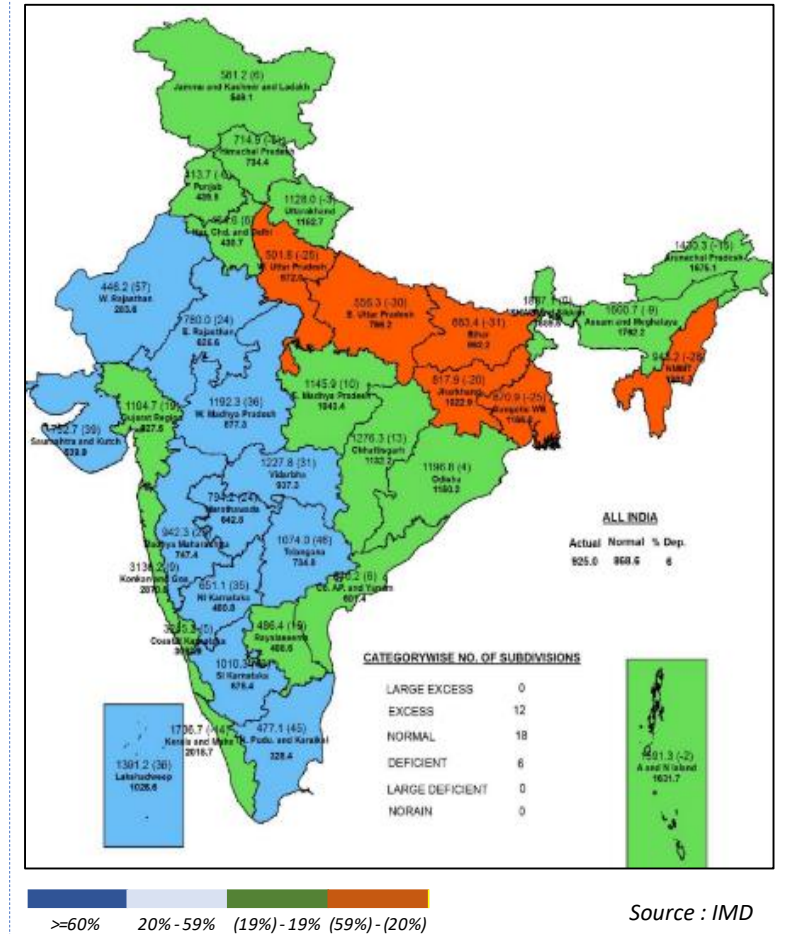
Source : RBI

Net Direct Tax collections (Rs. Lakh crore)

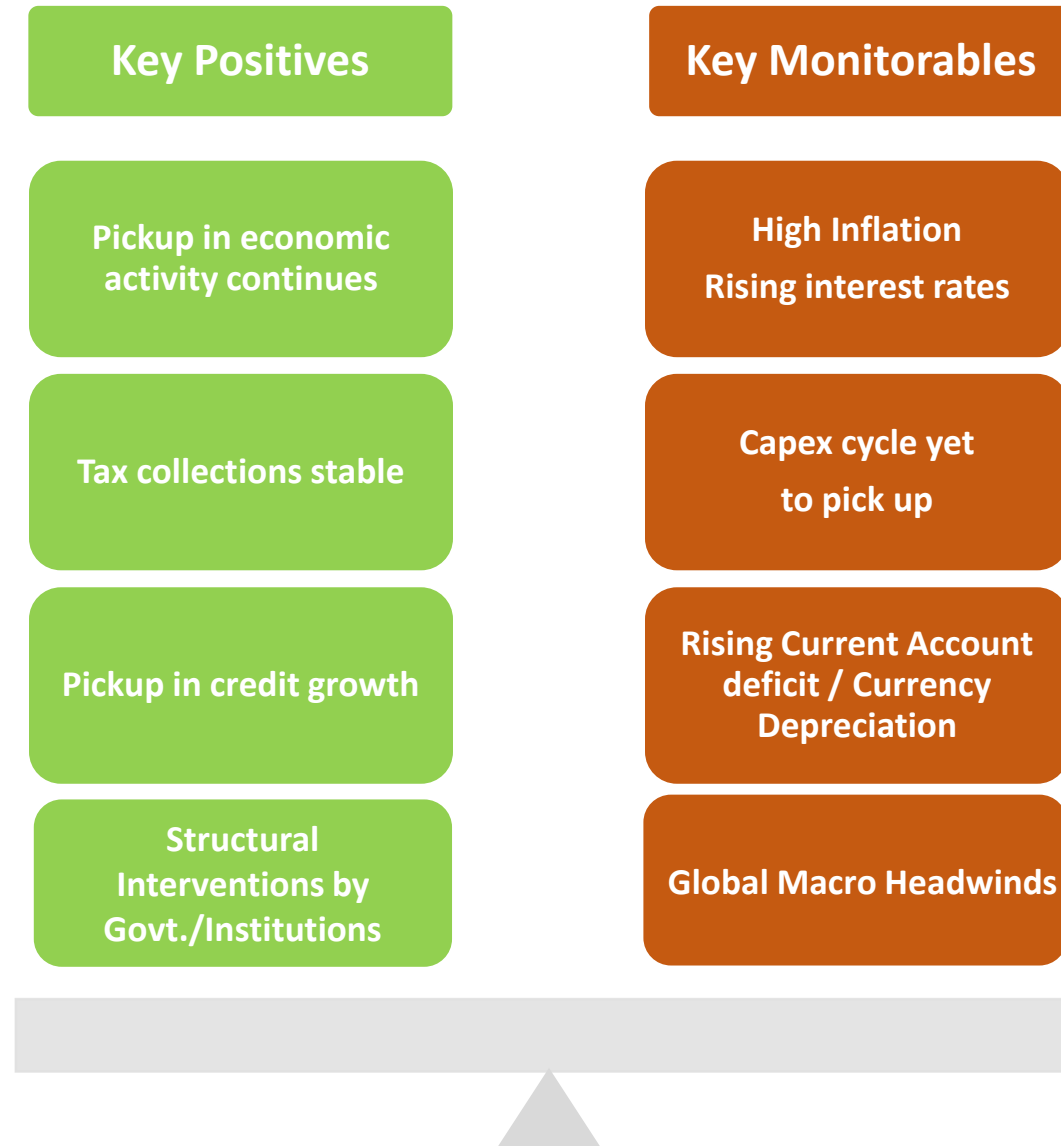


Source : CGA

Rainfall +6% LPA (1st Jun'22 – 30th Sep'22)



Source : IMD



Q2 FY23 Results

Headline Financials & Business Highlights

**Strong performance
continues across
segments**

Gross Revenue

▲ +27.1%

EBITDA

▲ +27.1%

Overall Segment PBIT Margin

ex – Agri Business

37.3% ▲ 150 bps

PAT

▲ +20.8%

EPS

▲ +20.3%

- **Strong and broad-based growth in FMCG – Others across markets & channels; Segment Revenue up 21.0% YoY, at appx. 1.5x of Q2 FY20**
 - *Staples & Convenience Foods and Discretionary/Out of Home categories drive growth*
 - *Education & Stationery Products Business continues to witness strong traction*
 - *Segment EBITDA margin at 9.5% (-50 bps YoY; +170 bps QoQ) – severe inflationary impact mitigated through multi-pronged interventions*
- **Stability in taxes on Cigarettes, backed by deterrent actions by enforcement agencies, enable continued volume recovery from illicit trade**
 - *Segment Revenue up 23.3% YoY; Segment PBIT up 23.6% YoY*
- **Hotels Segment Revenue up 81.9% YoY and 25.6% over Q2 FY20**
 - *ARR and Occupancy ahead of pre-pandemic levels*
 - *Segment EBITDA at 156 cr. (up 138 cr. YoY and 68 cr. over Q2 FY20); Segment EBITDA Margin at 29.0%*

- **Robust growth in Agri Business; Segment Revenue up 44.0% YoY**
 - *Wheat, Rice and Leaf Tobacco exports*

- **Paperboards, Paper & Packaging Segment continues to deliver strong performance; Segment Revenue up 25.0% YoY while Segment PBIT up 54.0% YoY; Segment PBIT margins at 27.5%**
 - *Strong demand across end-user segments; sustainable products portfolio continues to be scaled up*
 - *State-of-the-art Packaging & Printing facility at Nadiad, Gujarat commenced operations during the quarter*
 - *Integrated business model, Industry 4.0 initiatives, strategic investments and proactive capacity augmentation enable margin expansion amidst commodity price escalation*



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

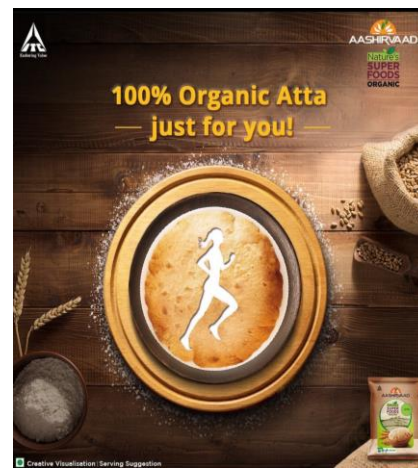
High Performance, Nimble and Customer-centric Culture

Diversity & Inclusion

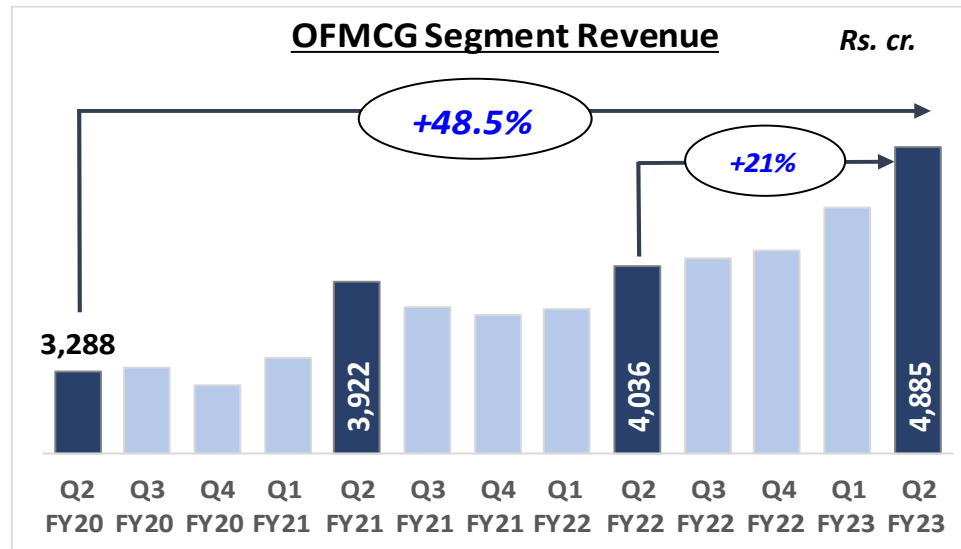
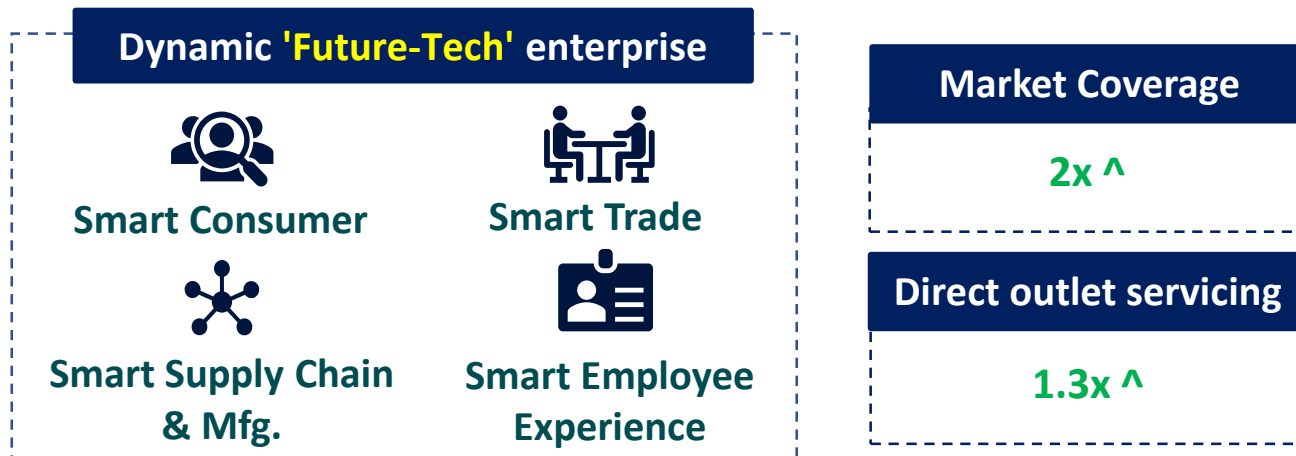


Enduring Value

FMCG Others



- Strong and broad-based growth across markets and channels**
 - Strong growth in Staples & Convenience Foods (Biscuits, Atta, Noodles) and Discretionary/Out-Of-Home categories (Snacks, Beverages, Fragrances, Agarbatti, Frozen Foods)
 - 'Fiama' & 'Vivel' range of Personal Wash products performed well; Hygiene portfolio subdued but remains significantly above pre-pandemic levels
 - Education & Stationery Products Business continues to witness strong traction
- Growing presence in emerging channels**
 - Rapid growth in E-Com / Quick Commerce / Modern Trade / Institutional channels



Scaling up D2C

ITCstore.in

<http://www.itcstore.in>

<https://classmateshop.com/>

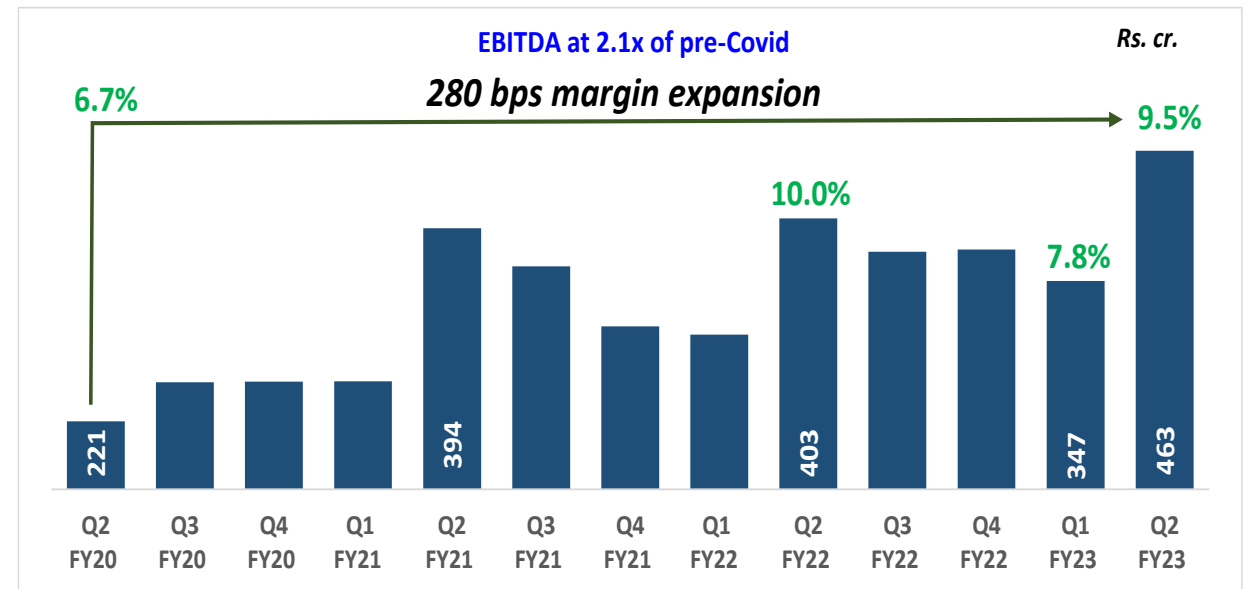
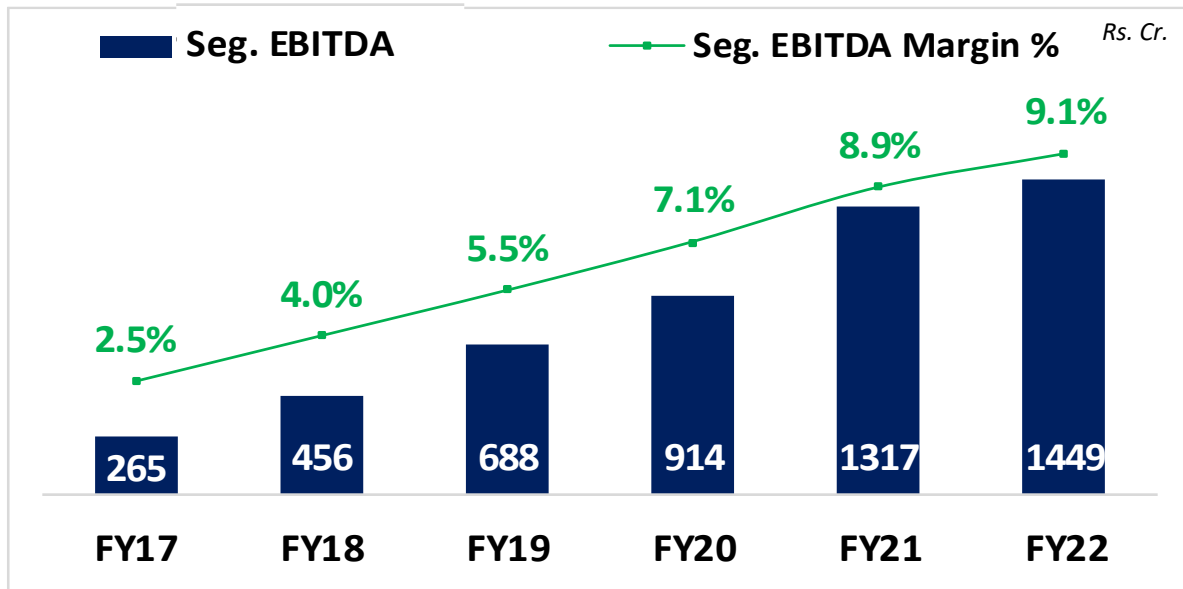
- Operational in 14 cities
- 700+ FMCG products
- 45+ categories

Creative Product personalisations

Supporting startups in the D2C space



- **Segment EBITDA Margin at 9.5%** (Q2 FY22: 10.0%)
 - *Sequential improvement of 170 bps*
- Sharp escalation in input costs mitigated through **multi-pronged interventions**:
 - *Strategic cost management, premiumisation, supply chain agility, judicious pricing actions, fiscal incentives and digital*



Solar Plant, Dindigul



AMLF Kapurthala



Shorter
Distance-to-market,
Reduced Emissions



Quality, Hygiene
& Freshness



Responsive
Supply Chain



Co-hosted Automated
Warehouses



10 ICMLs
Operational

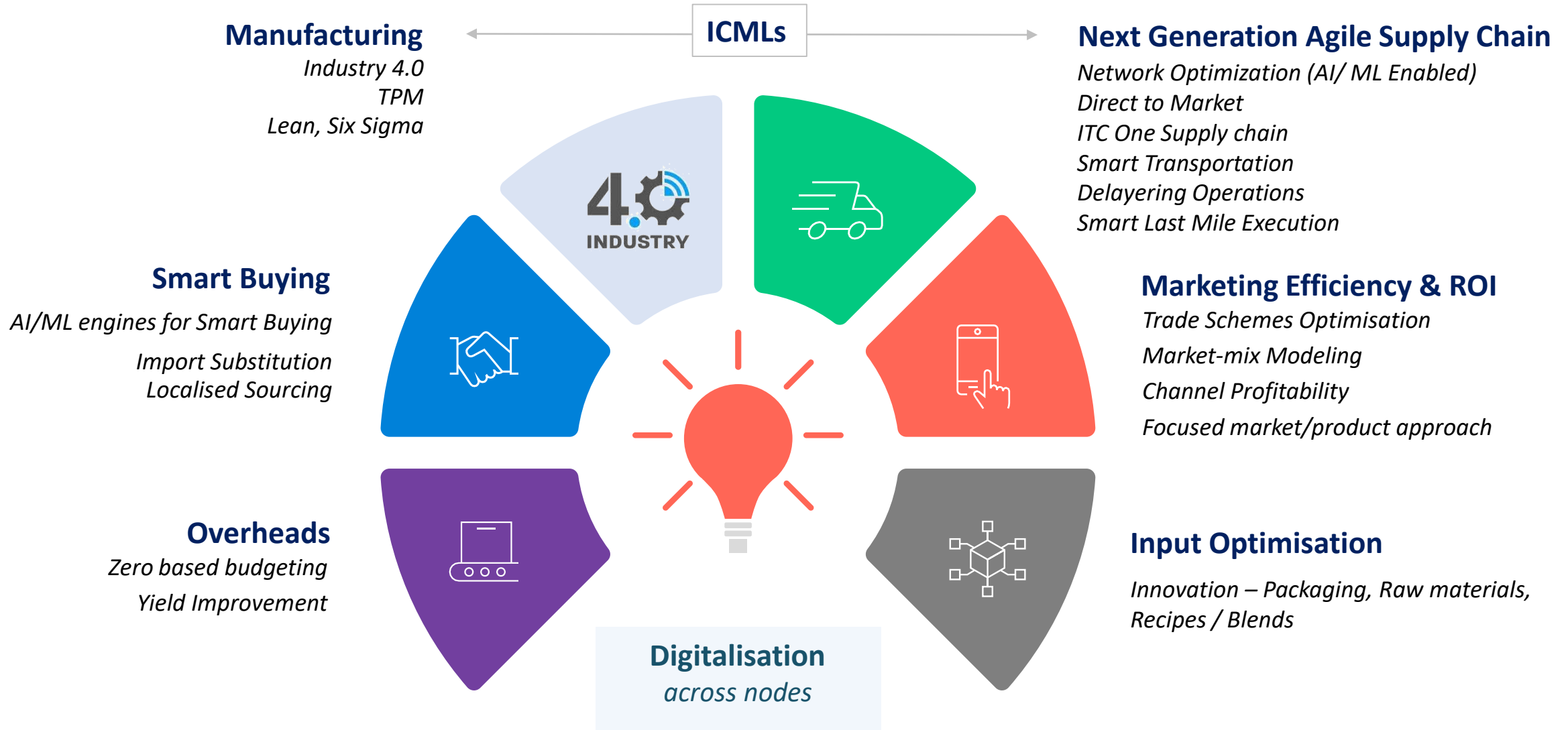
ICML Trichy



ICML Medak



Diversity & Inclusion: Industry leading gender diversity



Addressing Emerging Consumer Need Spaces with Agility

Robust innovation pipeline



Aashirvaad Meri Chakki Atta
Pick Your Mix



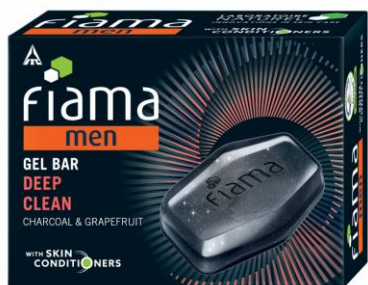
Bingo! Snacks
Differentiated Flavors & Textures



Mom's Magic
Centre Filled with Cashews
& Molten Butter Creme



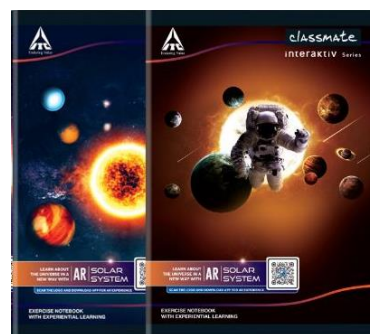
Sunfeast Dark Fantasy
Premium Filled Cookies



Fiamo Charcoal & Grapefruit
Deep Clean Gel Bar



Nimyle Power
Power of Neem



Classmate Interaktiv
Augmented Reality Notebooks



Mangaldeep 3in1 | Deetyaa
Long Lasting | Luxury Fragrance



Mangaldeep Dhuno Cups
Authentic Dhunachi Experience



Aashirvaad Nature's Super Foods
Gluten Free & Multi Millet Mix | Organic



Roasted Vermicelli
No Added Preservatives



Aashirvaad Svasti
Organic Cow Ghee



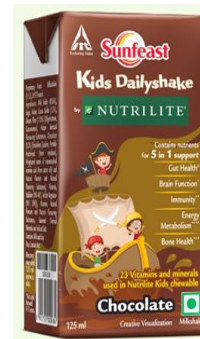
Aashirvaad Svasti Milk
Select Milk
Easy Digest Milk (Lactose Free)



Aashirvaad Salt Proactive
Better Heart Health



Farmlite Digestive
Goodness of Whole Wheat



Sunfeast Kids Dailyshake
23 Vitamins and Minerals



B Natural | Sunfeast Nutrilite
Health Range



Master Chef
IncrEDIBLY VegAN



#Farmerettes



Supporting Women Farmers



A Better World



PAPER SNOWMAN



GIFT WRAPPING



BOOKMARK

Creating awareness amongst children about environmental concerns



Eco-Friendly India Mission



PRESENTING
**NIMYLE
ECO-FRIENDLY
INDIA
MISSION**

Nimyle Eco-Friendly India Mission (NEMIM) is focused on driving an eco-friendly attitude in the country. Flopping in the next generation into the conversation and drive this consciousness is one of the key tasks under this program.

Kick starting the program, we at NEMIM partnered with the Himachal Pradesh State Pollution Control Board to launch the

HIMACHAL ENVIRO QUIZ

The state level inter-school quiz competition on the theme of environment aims to raise awareness and drive eco-consciousness among kids and thereby motivate them to make sustainable choices.

State Level
Inter School
Quiz
Competition

3000+
Schools

6000+
students

Generating awareness and driving
consciousness to save the environment

Leveraging Festive Occasions



*Aashirvaad 'Amar Maa' pandal: A Tribute to fearless, strong, compassionate mothers
Real life mothers visiting the pandal projected as Maa Durga*



Aashirvaad associates with Rath Yatra



Mangaldeep 3in1 Agarbatti



Aashirvaad Svasti Celebrating Sadhya Meal of Onam



*Sunfeast Dark Fantasy
Ganesh Chaturthi*



*Sunfeast Marie
Raksha Bandhan*

Expanding Reach in Emerging Channels



Winning in Emerging Channels

Modern Trade



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

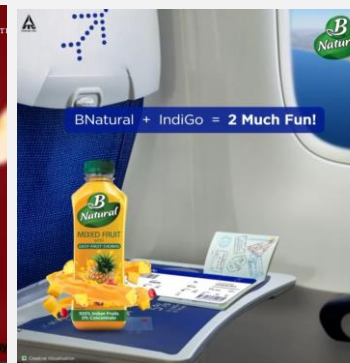


New Routes to Market

Direct Marketing



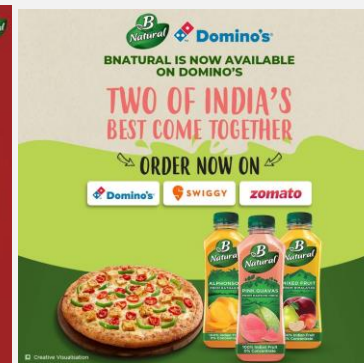
On the Go



Strategic Partnership

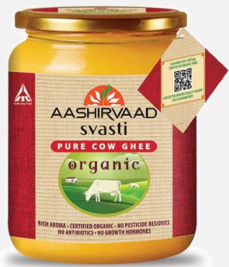


QSR



Channel Specific Launches

E-Com | Modern Trade | Strategic Tie-Ups



Aashirvaad Svasti Organic Cow Ghee



Sunfeast Kids Dailyshake



Mangaldeep Temple



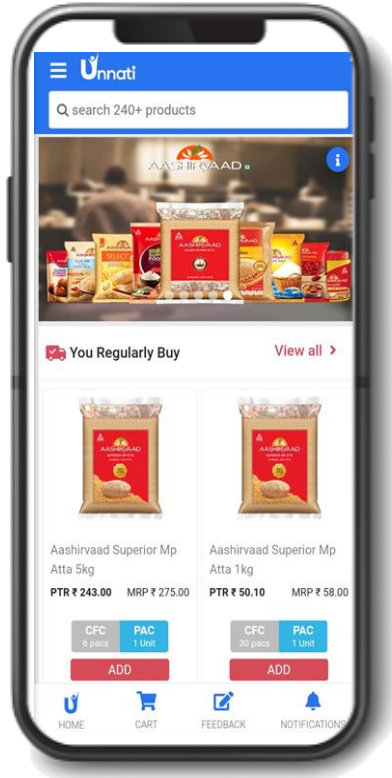
Engage Moderna Range

Climate Controlled Supply Chain

Dairy | Frozen | Chocolates

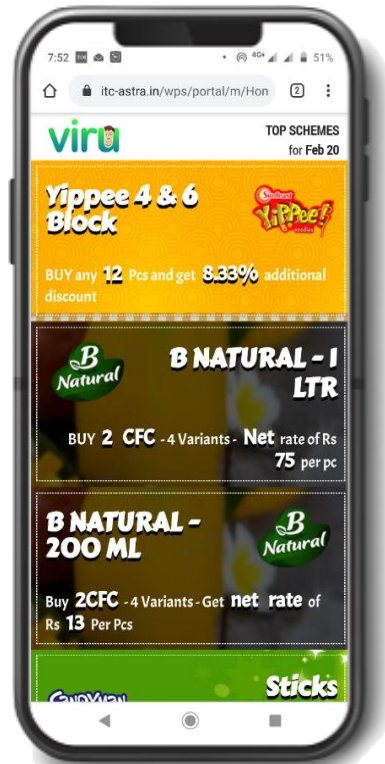


eB2B: UNNATI

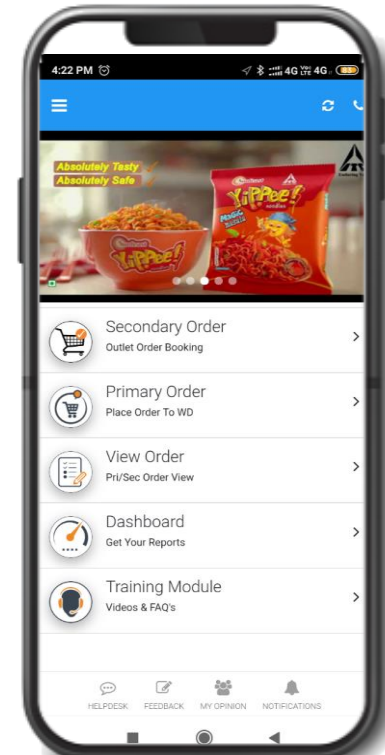


Over 4.4 lakh
Outlet penetration

VIRU: Virtual Salesman



VISTAAR: Rural App



Project Zen



Next Generation Agile
FMCG Supply Chain



Enduring Value

FMCG Cigarettes



Segment Revenue
6954 cr. ▲ 23.3%

Segment Results
4429 cr. ▲ 23.6%

- Net Segment Revenue* up 23.4% YoY; Segment PBIT up 23.6% YoY
- Innovation & democratising premiumisation across segments
- Portfolio Vitality | Product Accessibility | Execution Excellence
 - Recent launches continue to gain traction
 - Market standing continues to be reinforced through focused portfolio/market interventions and agile execution
 - Robust growth across regions & markets

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

Innovation

- Classic Connect
- American Club Clove Mint
- Gold Flake Indie Mint
- Gold Flake Neo
- Capstan Fresh

Portfolio Fortification

- Gold Flake Neo SMART Filter
- Navy Cut Deluxe
- Player's Gold Leaf Chase
- Gold Flake Star

Recent Introductions

- Classic Verve Balanced Taste
- Gold Flake Kings Mixpod
- American Club Smash
- Gold Flake Smart Mintz
- Wills Fab
- Wills Protech
- Wave Boss
- Flake Nova

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



Segment Revenue

536 cr.

(+81.9%; 1.3x of Q2FY20)

Segment EBITDA

156 cr.

+138 cr. YoY

+68 cr. over Q2 FY20

- **ARR and Occupancy** ahead of pre-pandemic levels; Retail, Leisure, Weddings and MICE drive growth
- **Segment EBITDA margin** at 29.0% (Vs. 20.4% in Q2 FY20); margin expansion driven by higher RevPAR, operating leverage and structural cost interventions
- **ITC Narmada**, a luxury 291-key hotel in Ahmedabad launched in Aug'22
- Healthy pipeline of properties under **Welcomhotel, Mementos, Storii** and **Fortune**; phased openings over the next few quarters
- **Welcomhotel Bengaluru** received **LEED® Zero Carbon Certification - 4th in the chain**



Economic Times
Sustainable Organisation Award 2022
ITC Grand Central



Tamil Nadu Tourism Awards 2022
Best Classified Hotel: 5 Star
ITC Grand Chola

ITC Narmada launched in Aug'22

Responsible Luxury



Introductory Offer

Hotel Credits, 3x Reward points, inclusive of Signature Breakfast and more



LEED Platinum Certification - 1st in Gujarat

Two launches during the quarter



Storii Shanti Morada, Goa



Storii Amoha Retreat, Dharamshala

Phased openings over the next few quarters



Mementos Udaipur



Welcomhotel Corbett

STORII
— BY ITC HOTELS —

MEMENTOS
—
BY ITC HOTELS


WELCOMHOTEL

Special Occasions leveraged to drive demand

CELEBRATING 75

75 Year Celebration

Celebrating the generation which built the nation with a special culinary offer.

Pay 75% of your bill, if accompanied by a guest aged 75 years or more.

Valid on: August 13 - 15, 2022

Flavours of Freedom


Celebrate the momentous occasion with a special Independence day lunch and dinner buffet across all ITC Hotels and Welcomhotels.

INR 1947 per person*
Valid on: August 15, 2022

The Taste of Freedom


Pay 75% on all food delivery and takeaway orders placed on the ITC Hotels App using the multi-use promo code **PAY75**.

Valid on: August 13 - 15, 2022



Scan to download the ITC Hotels App

REVEL IN THE Festivities



Choose from a bouquet of limited time offers* to celebrate 75 years of India's Independence.

Celebrate the Joy of Freedom

Save up to 25% on your stays on booking ITC One, Suites and equivalent room categories at participating hotels.

Book before August 16, 2022 for stays up to August 21, 2022.

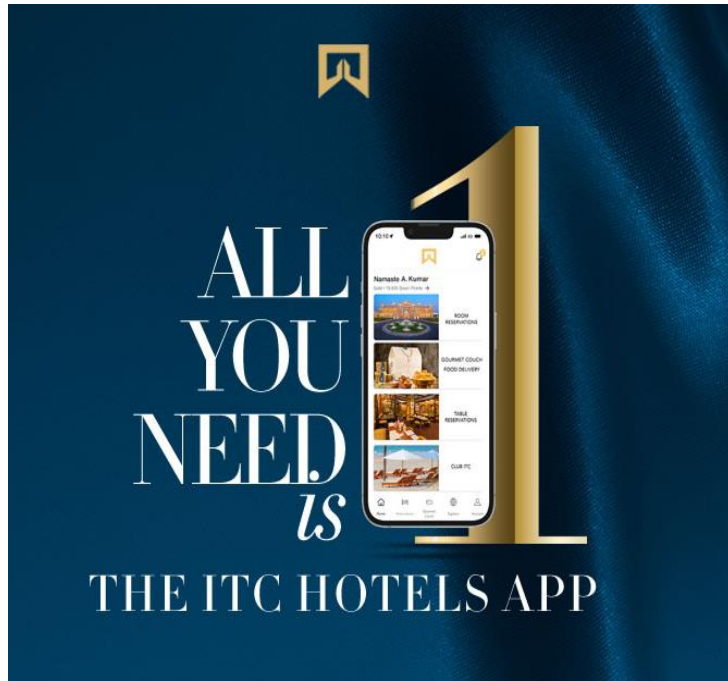
BOOK NOW

Saluting our Nation's Heroes

We salute the valiant members of our Armed Forces with exclusive room rates and saving on food and select beverages.

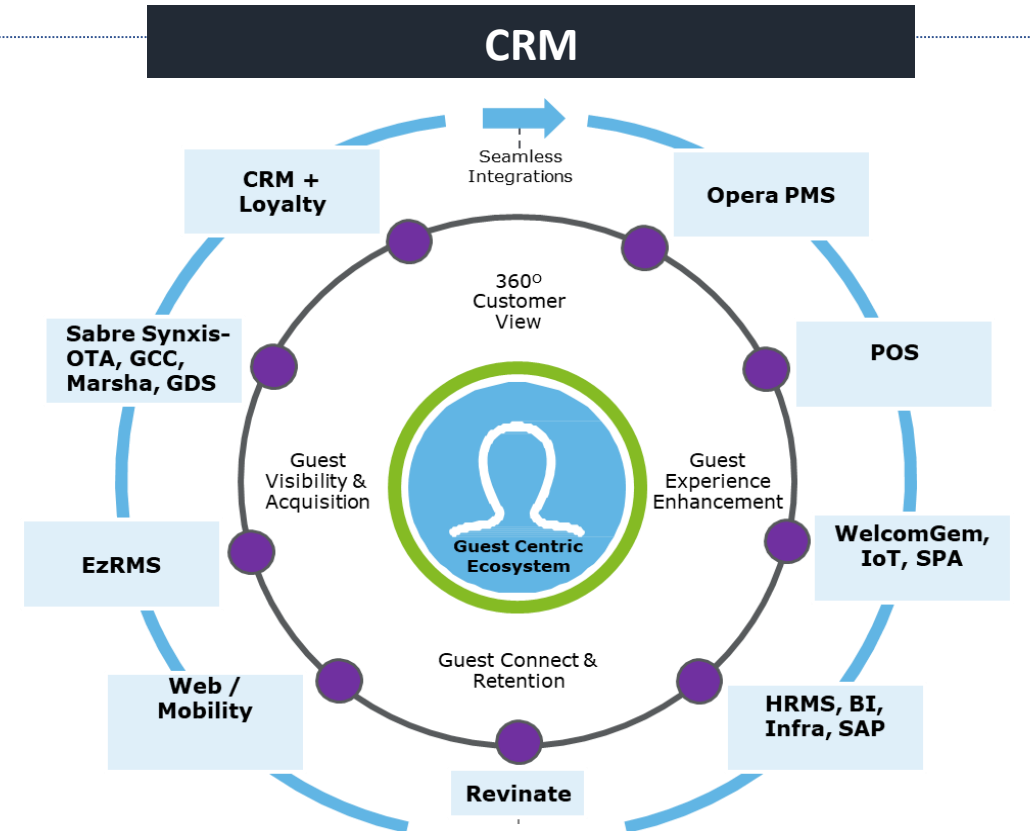
BOOK NOW

Brand/Guest Experience



One stop shop for all guest needs

Room Reservation | Restaurant Booking
Takeaway | Loyalty | Room Controls

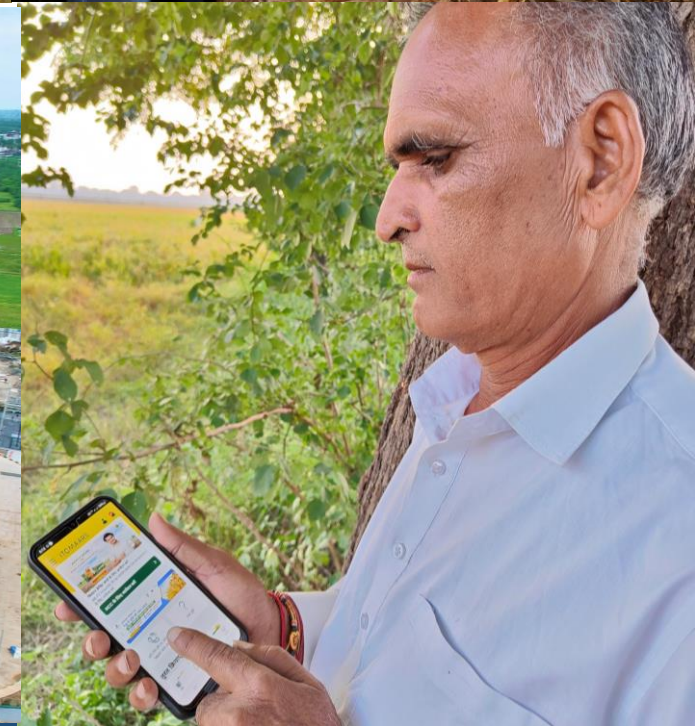


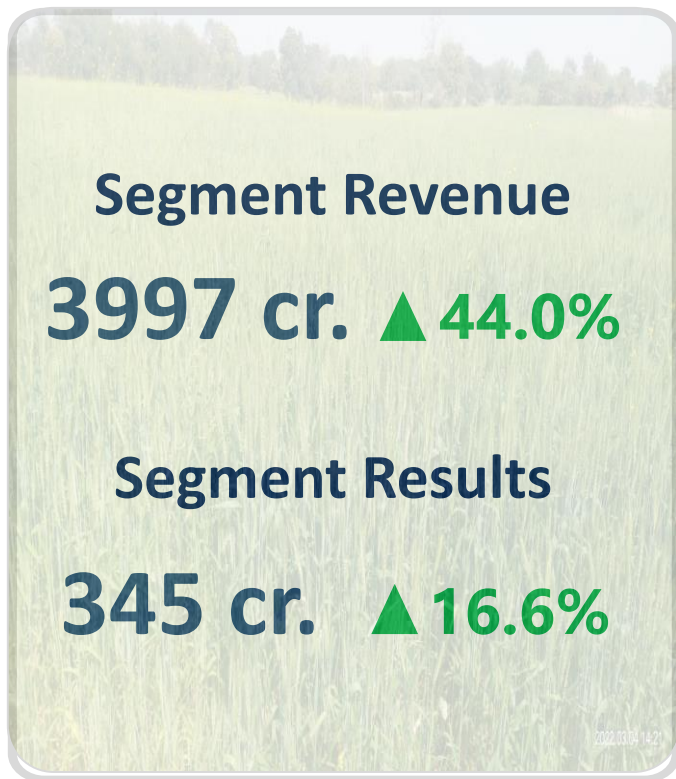
Analytics & Insight driven personalisation



Enduring Value

Agri Business






Segment Revenue
3997 cr. ▲ 44.0%

Segment Results
345 cr. ▲ 16.6%



- **Segment Revenue up 44.0% YoY driven by wheat, rice and leaf tobacco exports**
 - *Strategic sourcing support to Branded Packaged Foods Businesses – Wheat, Dairy and Spices*
- **ITCMAARS*** – a crop-agnostic ‘phygital’ full stack AgriTech platform being scaled up with 460+ FPOs in 9 states with about 1.8 lac farmer registrations till date
- Strategic focus on rapidly **scaling up Value-Added product portfolio** to enhance value capture across multiple crop value chains
 - *World-class manufacturing facility^ at Mysuru for export of Nicotine & Nicotine derivative products to US/EU is making steady progress; expected to be commissioned in Q4 FY23*
 - *New Spices facility at Guntur expected to be commissioned shortly*



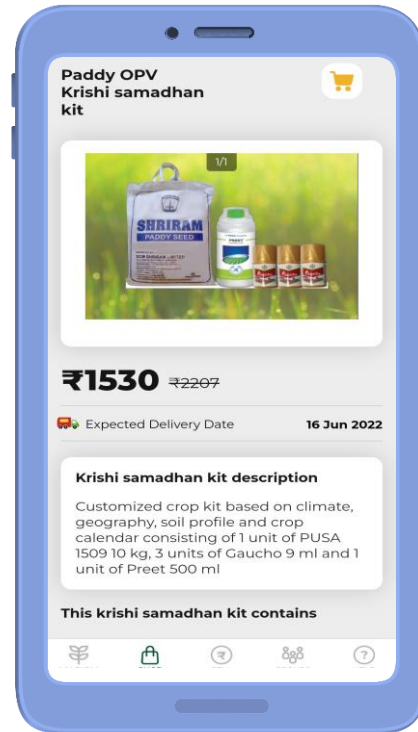
Multiple Sourcing Models
Farmer | Trader | Mandi



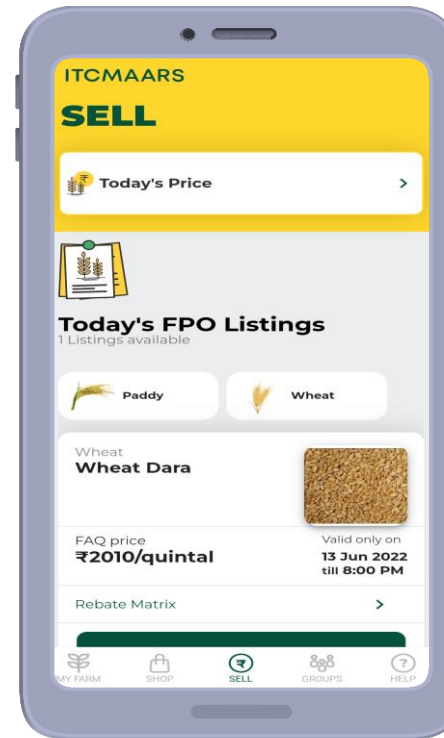
Multi Modal Transportation
Railway | Coastal | Road



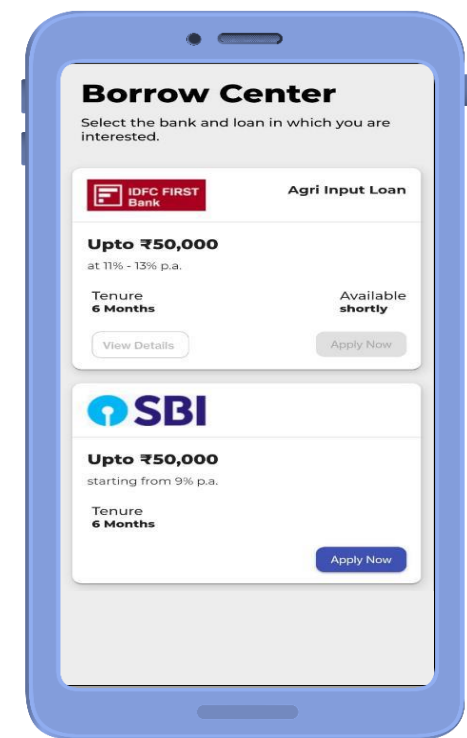
Advisory



Inputs



Outputs



Services

460+ FPOs
9 states

~1.8 lac
Farmer registrations

~1.2 lac
App downloads

50+
Tie-ups with partners



Enduring Value

Paperboards, Paper & Packaging



Segment Revenue

2288 cr. ▲ 25.0%

Segment Results

630 cr. ▲ 54.0%

Paperboards & Specialty Paper

- Paperboards, Paper & Packaging Segment continues to deliver strong performance
- Robust growth in Revenue driven by higher realisation
 - Strong demand across end-user segments and exports
 - VAP^ segment sales grew at a rapid pace
- Sustainable products portfolio continues to be scaled up
- Investments in VAP capacity, pulp import substitution, cost-competitive fibre chain, decarbonisation of operations, data analytics and Industry 4.0 enabled margin expansion despite escalation in key input prices.

Packaging and Printing

- Robust growth witnessed across Cartons and Flexibles platforms
- State-of-the-art facility at Nadiad, Gujarat commissioned during the quarter



Sustainable Packaging Solutions New Growth Vector

ITC LSTC | External Collaborations



Extrusion Coated Boards



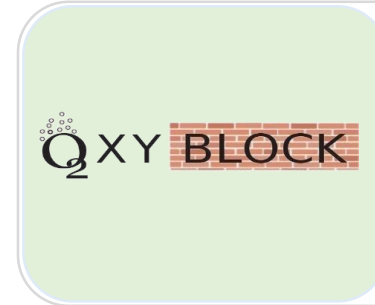
Bio-based Coated Boards



Antimicrobial Coating



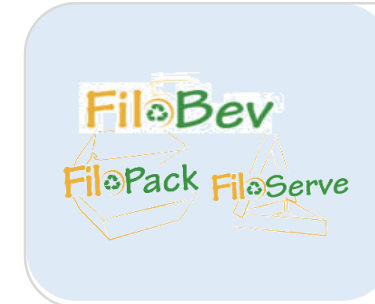
Laminating Base



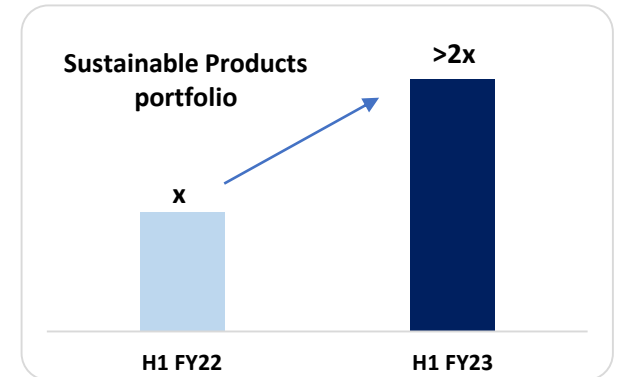
Oxyblock



Bioseal



Water, Oil & Grease Resistant Boards



Financials

<i>Rs. Cr.</i>	Q2 FY23	Q2 FY22	YoY growth
Gross Revenue	16,971	13,356	27.1%
Net Revenue	15,976	12,543	27.4%
EBITDA	5,864	4,615	27.1%
PBT	5,939	4,880	21.7%
PAT	4,466	3,697	20.8%

Strong performance continues across segments

Rs. cr.	Q2		
	FY23	FY22	YoY growth
Segment Revenue			
a) FMCG - Cigarettes	6954	5642	23%
- Others	4885	4036	21%
Total FMCG	11839	9678	22%
b) Hotels	536	295	82%
c) Agri Business	3997	2776	44%
d) Paperboards, Paper & Packaging	2288	1830	25%
Total	18659	14579	28%
Less : Inter - Segment Revenue	1688	1223	38%
Gross Revenue from sale of products and services	16971	13356	27%

- **FMCG Others**

- Segment Revenue up 21.0% YoY, at approx. 1.5x of Q2 FY20
- Staples & Convenience Foods and Discretionary/OOH categories drive growth
- ‘Fiama’ & ‘Vivel’ range of Personal Wash products performed well; Hygiene portfolio subdued but remains significantly above pre-pandemic levels
- Education & Stationery Products Business continues to witness strong traction

- **Hotels**

- ARR and Occupancy ahead of pre-pandemic levels

- **Agri Business**

- Wheat, Rice & Leaf Tobacco exports drive growth

- **Paperboards, Paper & Packaging**

- Strong demand across end-user segments

Rs. cr.	Q2		
	FY23	FY22	YoY growth
Segment Results			
a) FMCG - Cigarettes	4429	3583	24%
- Others	321	272	18%
Total FMCG	4750	3855	23%
b) Hotels	84	-48	
c) Agri Business	345	296	17%
d) Paperboards, Paper & Packaging	630	409	54%
Total	5809	4512	29%
Less : i) Finance Cost	11	10	
ii) Other un-allocable (income) net of un-allocable expenditure	-140	-378	
Profit Before Exceptional Items & Tax	5939	4880	22%

- **FMCG-Others:**

- Segment EBITDA at 463 cr.
 - at 2.1x of Q2 FY20
- EBITDA margin at 9.5%
 - -50 bps YoY; +170 bps QoQ; +280 bps vs. Q2 FY20

- **Hotels:**

- Positive swing of 138 cr. Vs. LY

- **Paperboards, Paper & Packaging:**

- Higher realisations, internal efficiencies & strategic interventions offset input cost inflation

ITC – A Global Exemplar in Sustainability



ITC e-Choupal

4 Million Farmers empowered



Afforestation

Over 10,00,000 acres greened



Watershed Development

Over 1.37 million acres covered



Livestock Development

Over 20,73,000 milch animals covered



Solid Waste Management

Well-being Out of Waste programme has covered ~20 million citizens



Women Empowerment

over 1.05 lacs poor women benefitted



Skilling & Vocational Training

Covering over 1.13 lacs youth



Primary Education

Reaching over 8.9 lacs Children



Health & Sanitation

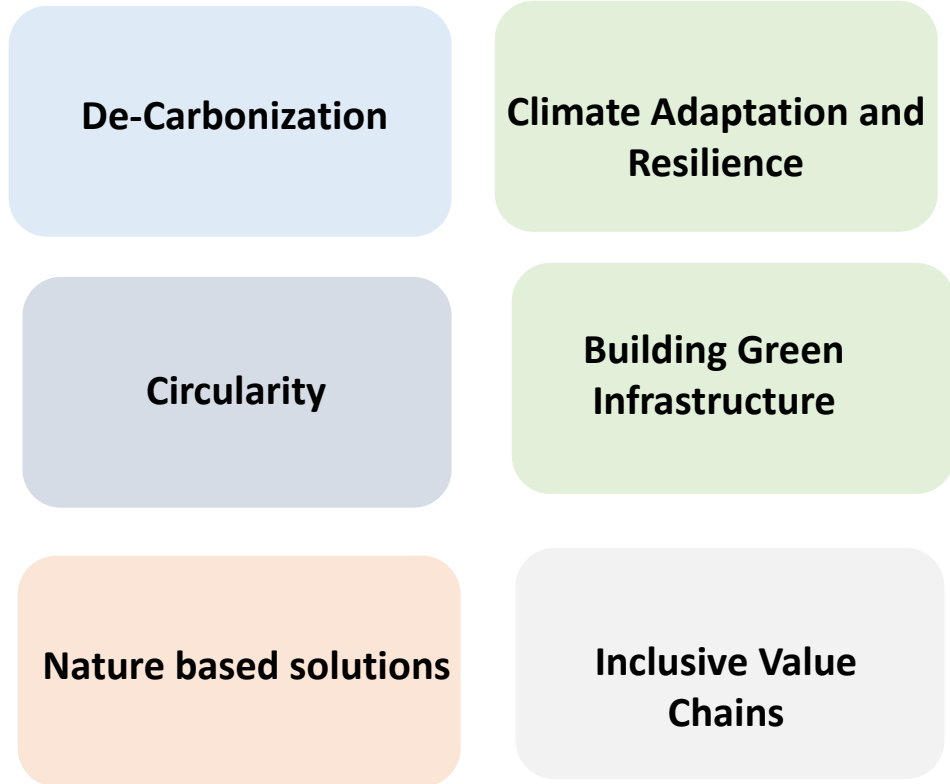
Over 39,400 toilets built

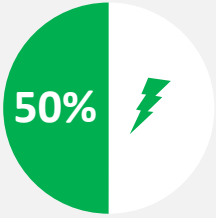






Pioneer of Green Building movement in India

40 platinum rated green buildings

Strategic Interventions to Combat Climate Change



<p>Renewable Energy</p>  <p>50%</p>	<p>Specific GHG Emissions</p>  <p>50%</p>	<p>Recyclable Plastic Packaging</p>  <p>100%</p>	<p>Plastic Neutrality</p>  <p>100% Collection in FY22</p>
<p>Water Security for All</p>  <p>5x of ITC's Net Consumption</p> <p>AWS Certification for High Water Stressed Sites by 2035</p>		<p>Biodiversity & Agriculture</p> <ul style="list-style-type: none"> 1 million acres Biodiversity Conservation 3 million acres Climate Smart Village 1.5 million acres Social Farm and Forestry 	

Proactively work towards achieving 'Net Zero' emission status

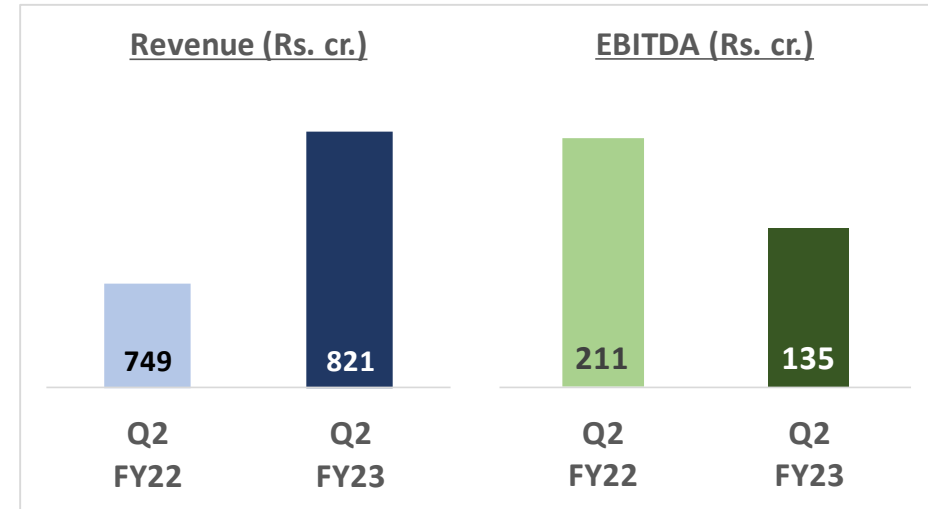
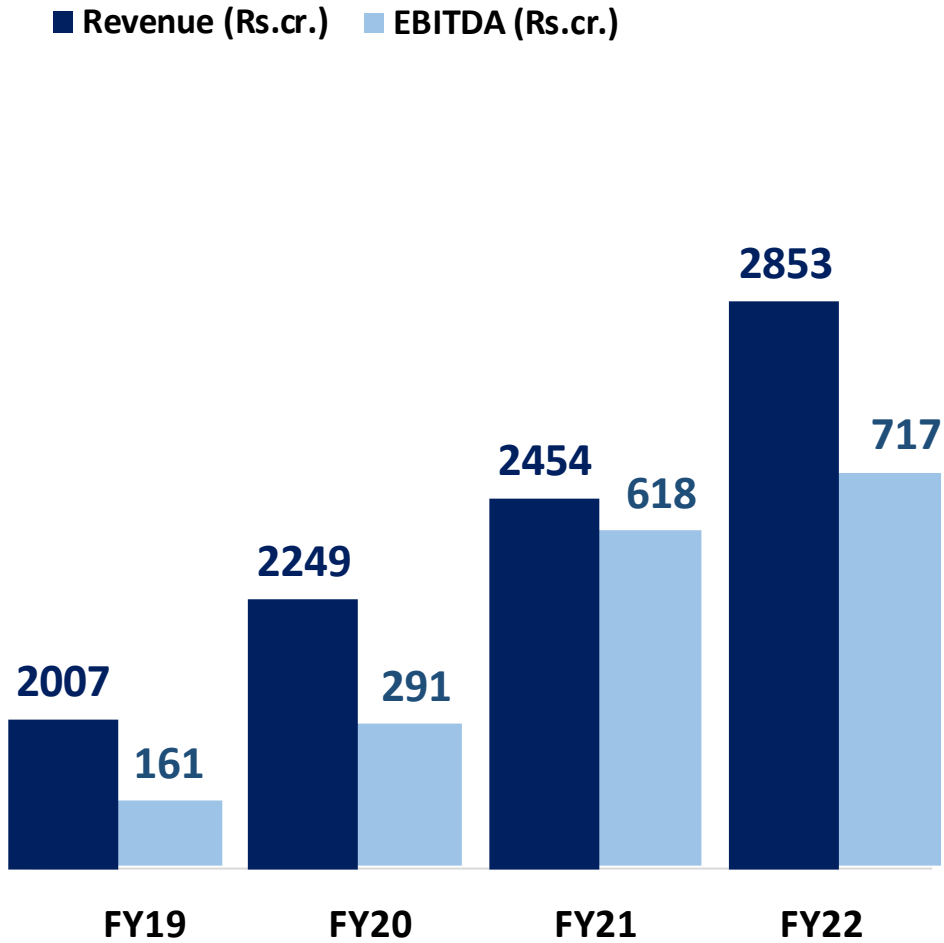
Supporting Sustainable Livelihoods: From 6 million to 10 million

- All Businesses **aligned with 2030 targets**
- Comprehensive set of **policies & guidelines** institutionalised
- Exceeded commitment on **Plastic Neutrality**; collected and sustainably managed over 54000 MT of plastic waste in FY22 across 35 states/UT
- The only enterprise in the world of comparable dimensions to have achieved and sustained the three key global indices of environmental sustainability of being **‘water positive’ (for 20 years)**, **‘carbon positive’ (for 17 years)**, and **‘solid waste recycling positive’ (for 15 years)**.
- Achieved **A- Leadership score under CDP ratings** - ahead of Asia & Global average in Climate change (B-) & Water Security (B)
- Sustained **AA rating by MSCI** for the 4th consecutive year - **highest among global tobacco players**
- **Included in the Dow Jones Sustainability Emerging Markets Index** - a reflection of being a sustainability leader in the industry



ITC Infotech





Q2 FY23 includes the impact of:

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

Investments continue to be made towards **capability building** in **strategic focus areas & infrastructure**

Q2 FY23 comparable EBITDA margin @ upper-end of mid-tier IT cos.



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



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



**and
Inclusive.**



Product/initiative	Link
Bingo! on Instagram	https://www.instagram.com/bingo_snacks/
YiPPee! on Instagram	https://www.instagram.com/sunfeast_yippee/
Aashirvaad on Instagram	https://www.instagram.com/aashirvaad/
Sunfeast Dark Fantasy on Instagram	https://www.instagram.com/sunfeastdarkfantasy/
Mom's Magic on Instagram	https://instagram.com/sfmomsmagic/
Classmate on Instagram	https://instagram.com/classmatebyitc/
Creating a Future Ready ITC	https://youtu.be/u_Gn_WNmGLs
ITC Spearheading Water Stewardship	https://youtu.be/kHgOXrqbyNw
ITC Celebrating 'Azadi ka Amrit Mahotsav'	https://youtu.be/4jMtvbESPBs
Details on the Company's Sustainability 2.0 vision	https://www.itcportal.com/sustainability/sustainability-integrated-report-2022/ITC-Sustainability-Integrated-Report-2022.pdf
Quarterly Media Statement	https://www.itcportal.com/investor/pdf/ITC-Press-Release-Q2-FY2023.pdf