



Enduring Value

NATION FIRST: SAB SAATH BADHEIN

Q4 FY22 Results

Forward-Looking Statements

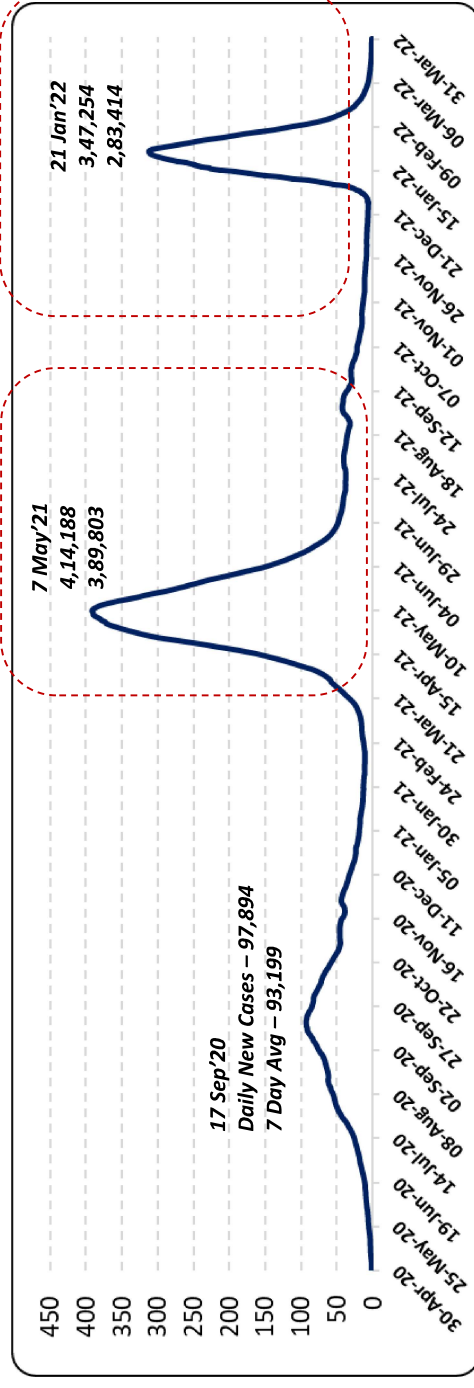
This presentation contains certain forward-looking statements including those describing the Company's strategies, strategic direction, objectives, future prospects, estimates etc. Investors are cautioned that "forward looking statements" are based on certain assumptions of future events over which the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

Macro Economic Context

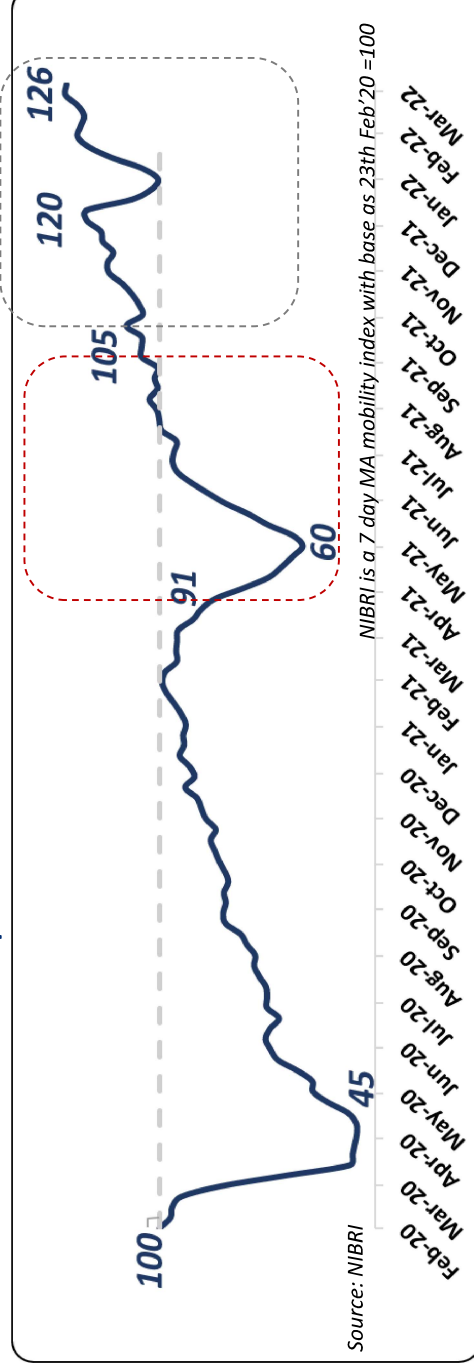
India witnessed 2 Covid waves in FY22 Delta in May/June'21 & Omicron in Dec'21/ Feb'22

Economic activity severely impacted by Delta variant
Omicron impact relatively less

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



Nomura India Business Resumption Index

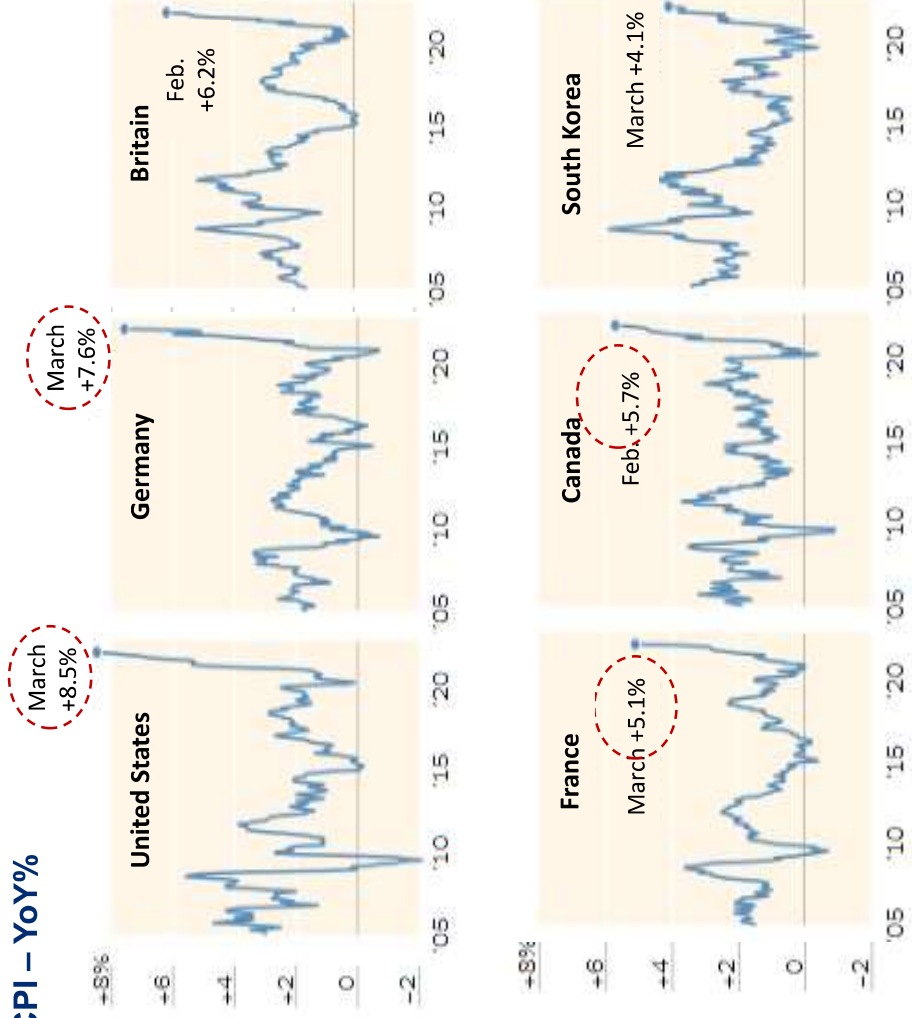


Inflation surging globally Interest rates moving up

Supply chain disruptions | Commodity supercycle | Greenflation

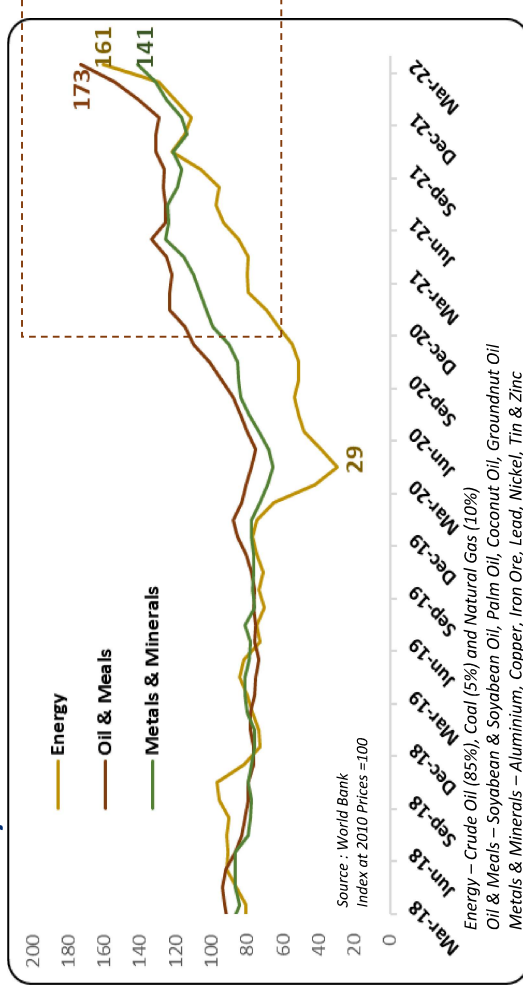
Russia – Ukraine conflict exacerbates the situation

CPI – YoY%

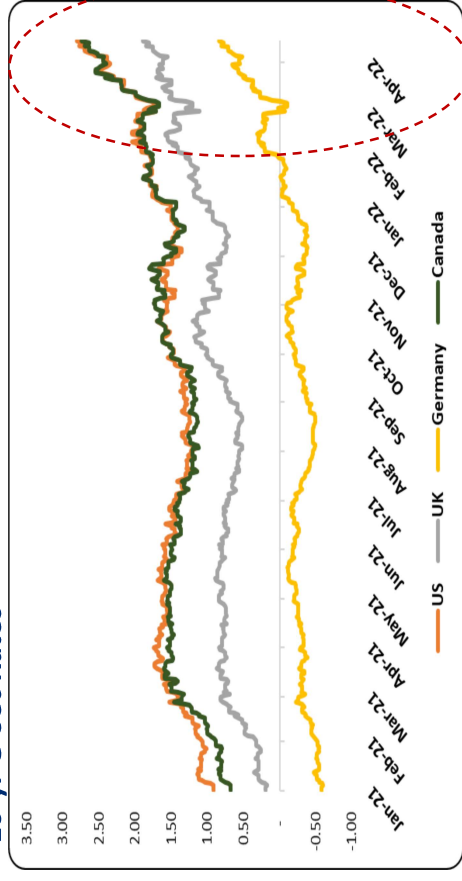


Source : Bureau of Labour Statistics, UK Office of National Statistics, Statistics Canada, NY Times

Commodity Price Index



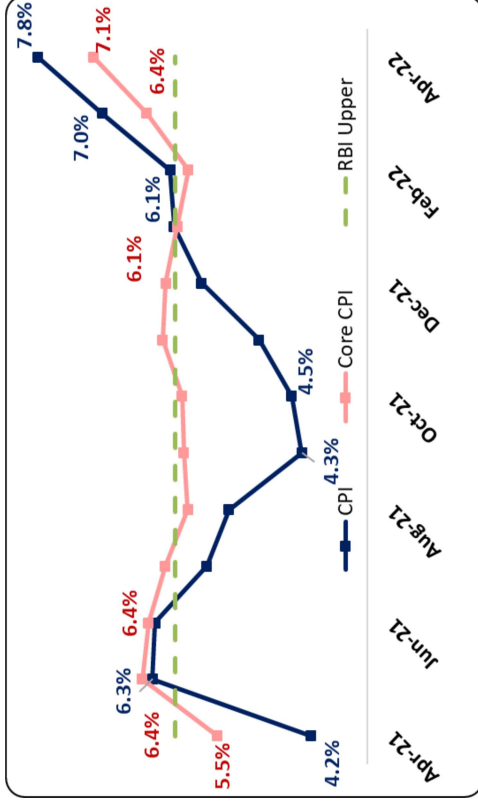
10-yr G-Sec Rates



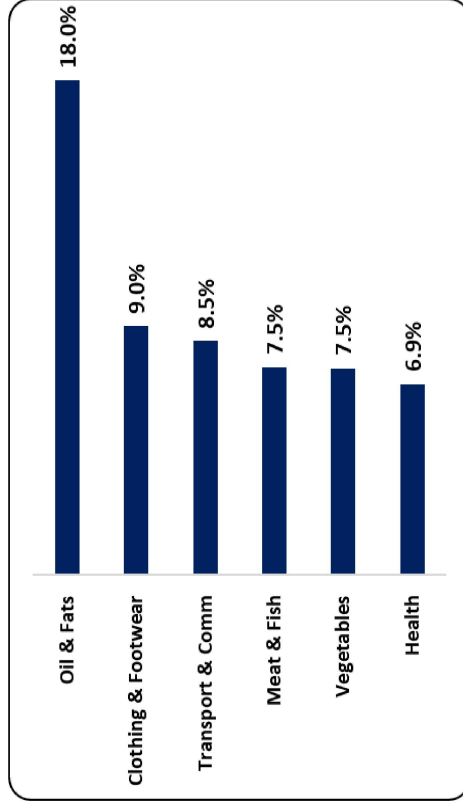
Retail Inflation @ 17-month high

Soaring prices impacting household Budgets

CPI and Core CPI (YoY%)



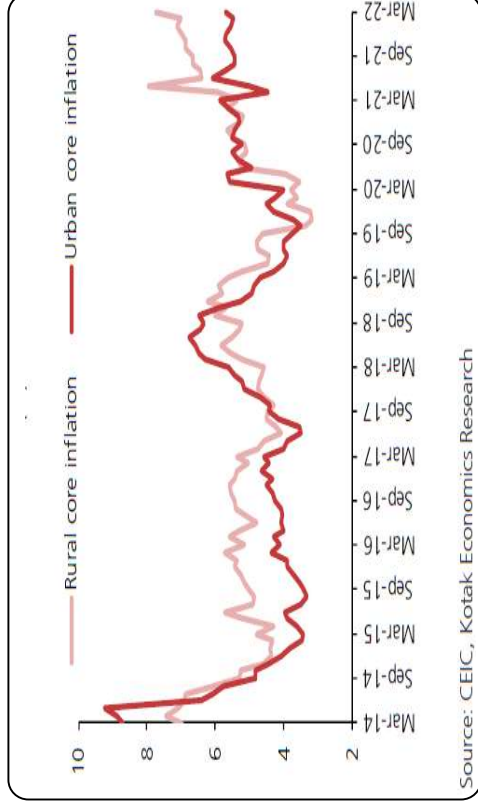
CPI Q4 FY22 (YoY%)



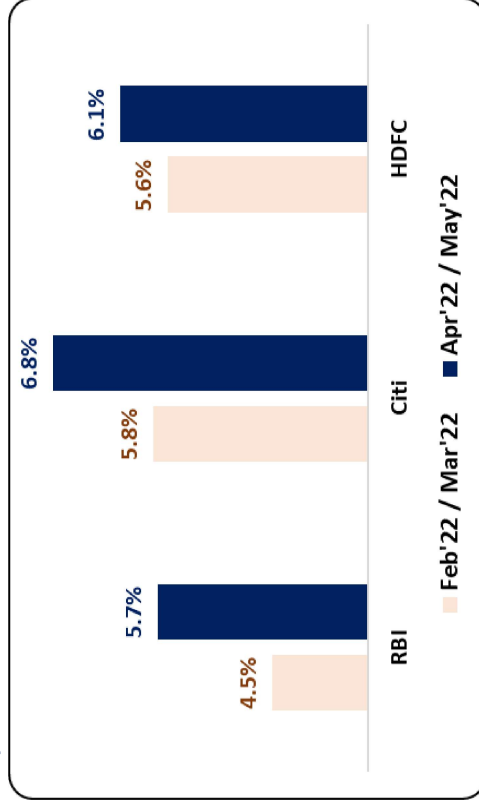
Rural Inflation outpaces urban Inflation

Sharp increase in inflation outlook by RBI

Rural and Urban Core CPI (YoY%)



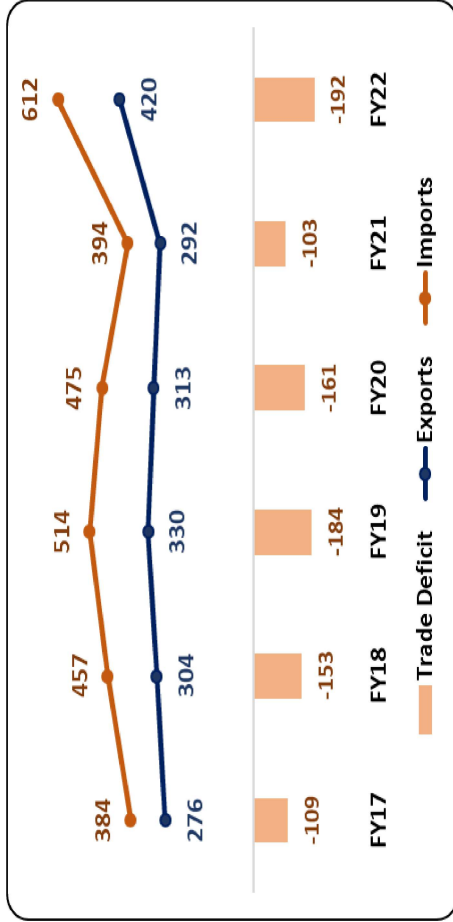
Upward revision to Inflation estimates for FY23 (YoY%)



Source : RBI,
Citi, HDFC

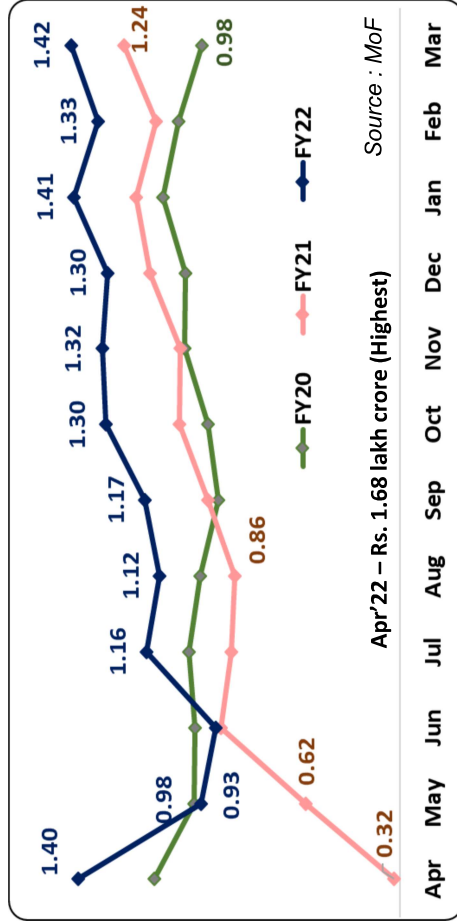
Bright Spots - Robust External Sector | Buoyant tax collections | Resilient Agri Sector

External Trade - Merchandise (\$bn.)



Source : Ministry of Commerce

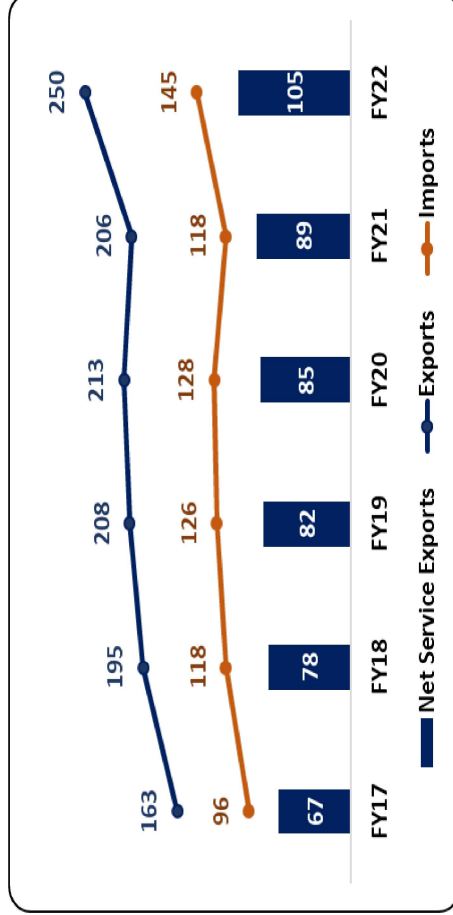
GST Collection (Rs lakh cr.)



Source : MoF

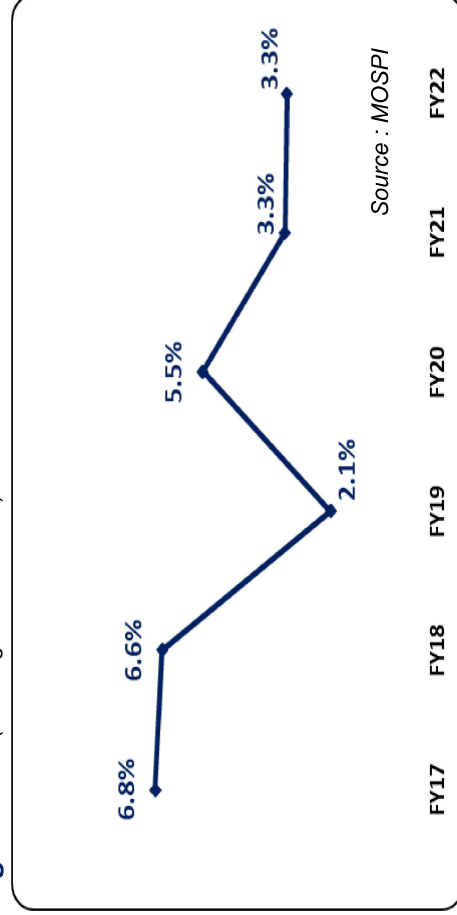
Apr'22 – Rs. 1.68 lakh crore (Highest)

External Trade - Service (\$bn.)



Source : Ministry of Commerce

Agriculture (YoY% growth in GVA.)



Source : MOSPI

Challenging Macro Environment

Global Macro

Slowdown in global growth momentum

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

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

Geo-political tensions, rising inflation pose further downside risks

Quantitative tightening & Rising Interest rates in the US

Transmission impact thru Capital, Trade, Currency channels

India Macro

Key Positives

Gol's bold reform
agenda and Infra push

Stronger corporate/bank
Balance Sheets

Robust external
demand

Buoyancy in tax
collections

Key Monitorables

High Inflation
High Crude prices

Uneven Recovery
across sectors

Private Consumption
below pre-Covid level
Muted Rural demand

Private Capex yet to
pick-up

Q4 and FY22 Results

Headline Financials & Business Highlights

Key Highlights: FY22

Strong rebound in performance

Gross Revenue	▲ +22.7% <i>ex Agri, up 16.6%</i>	EBITDA	▲ +22.0%	Overall Segment PBIT Margin <i>ex – Agri Business</i>	35.8% ▲ 160 bps
PAT	▲ +15.5%	EPS	▲ +15.4%	Total Dividend	Rs. 11.50 per share

Key Highlights: FY22

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

Key Highlights: FY22

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

Key Highlights: Q4 FY22

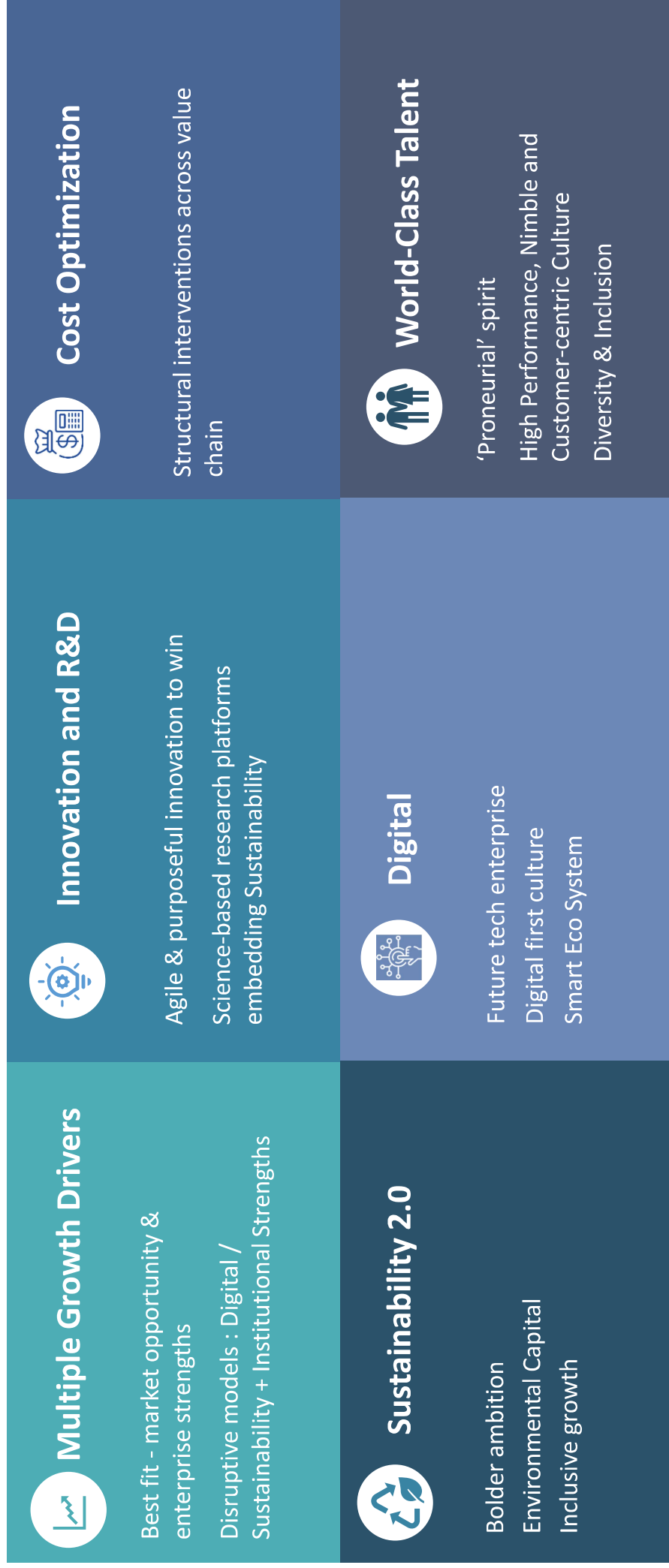
**Strong growth
across all operating
segments**

Gross Revenue	EBITDA
▲ +15.7% <i>ex Agri, up 13.9%</i>	▲ +16.8%
Profit After Tax	Overall Segment PBIT Margin <i>ex – Agri Business</i>
▲ +11.8%	36.2% ▲ 20 bps

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

Key Highlights: Q4 FY22

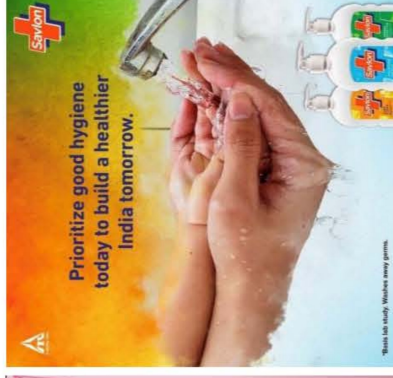
- **Strong growth across all operating segments**
 - *Resilient performance despite third wave of pandemic*
- **Robust broad-based recovery in Cigarettes**
 - *Volumes surpass pre-pandemic levels despite disruptions caused by third wave*
- **FMCG revenue +12.3% on a relatively high base (+30.1% vs. FY20);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





Enduring Value

FMCG



FMCG Others – Q4 FY22

Resilient Performance Segment Revenue up 30.1% over Q4 FY20



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

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

■ Robust Performance in emerging channels continues

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

Rural Markets

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

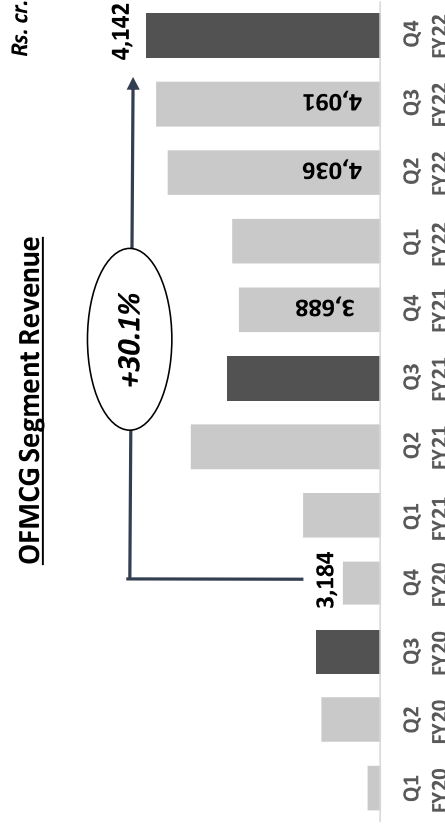
Market Coverage

1.4x of LY levels

Direct outlet servicing

1.1x of LY levels

OFMCG Segment Revenue



Scaling up D2C

ITCstore.in

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

<http://www.itcstore.in>

myclassmate

Creative Product personalisations

<https://classmateshop.com/>

Acquisition of minority stakes in



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

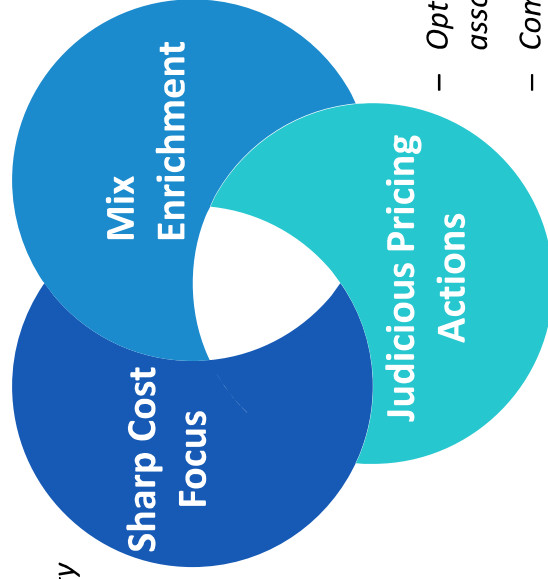


Full stack community eco-system addressing the parenting needs of consumers

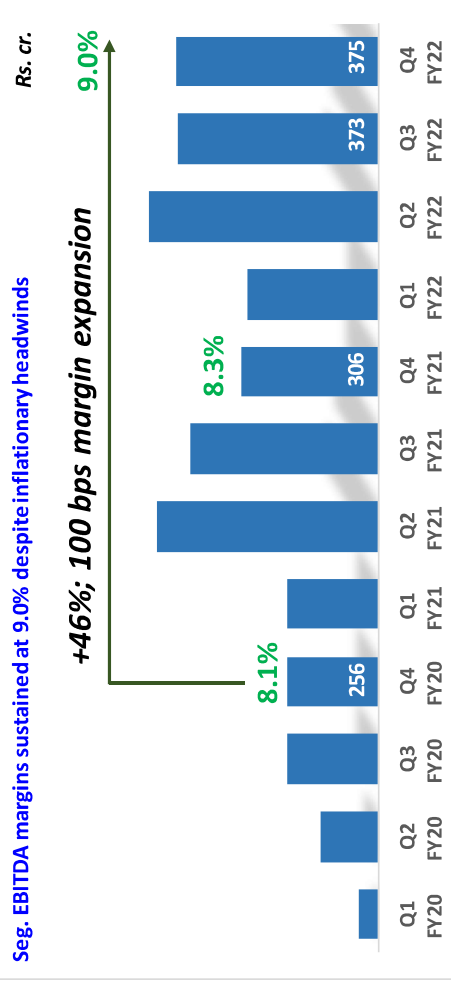
- Q4 Segment EBITDA margins sustained at 9.0% despite unprecedented inflationary headwinds (+75 bps YoY; +100 bps Vs. FY20)

- Persistent high commodity prices largely offset through

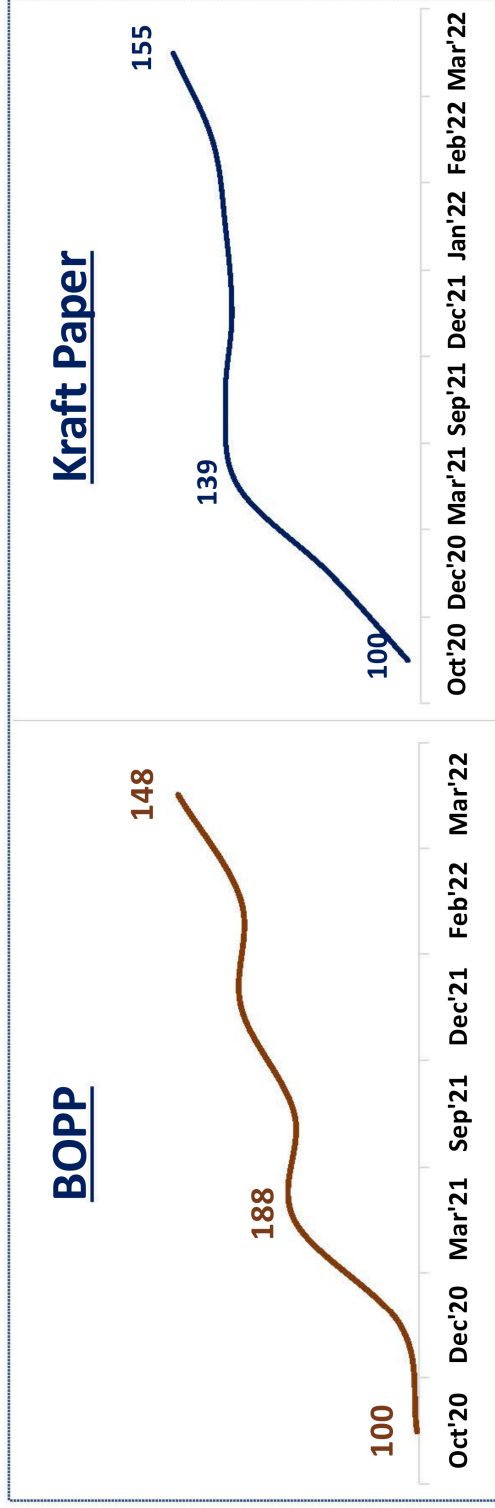
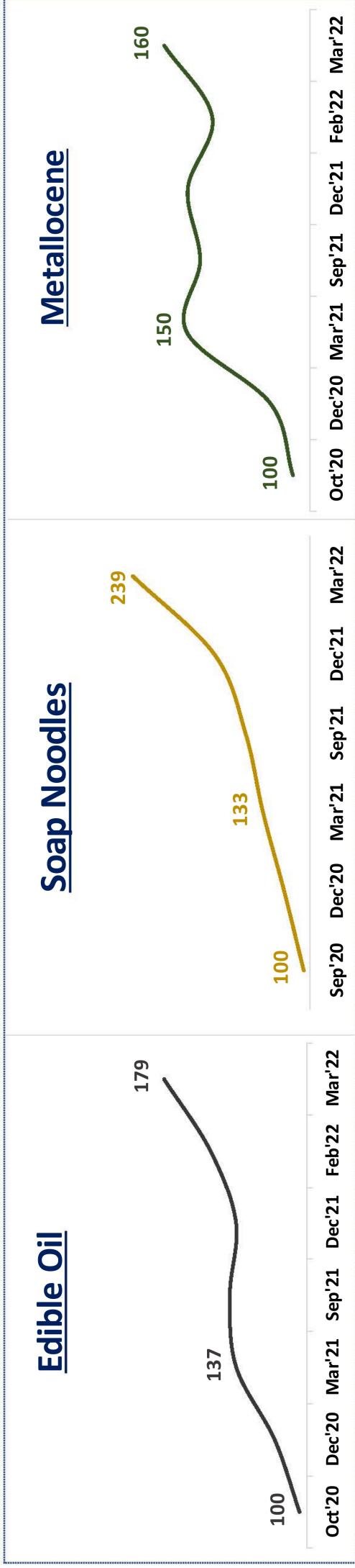
- Strategic cost management
- Leveraging Digital programmes
- Fiscal Incentives
- Supply Chain agility
- Portfolio premiumisation
- Favorable Business mix



- Optimizing channel assortments
- Competitive trade & market investments

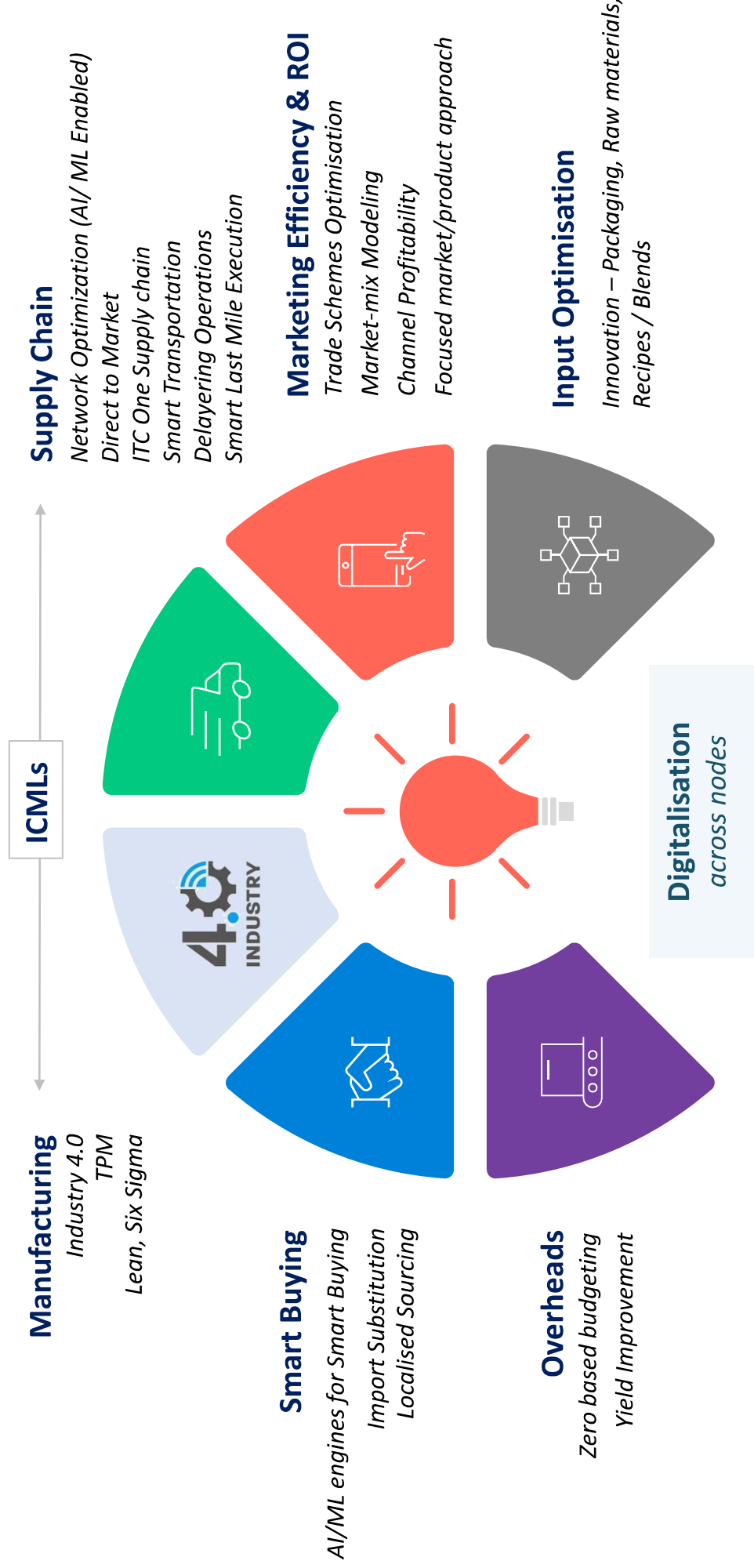


Unprecedented Inflation in Commodity Prices



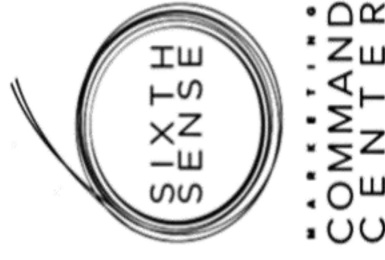
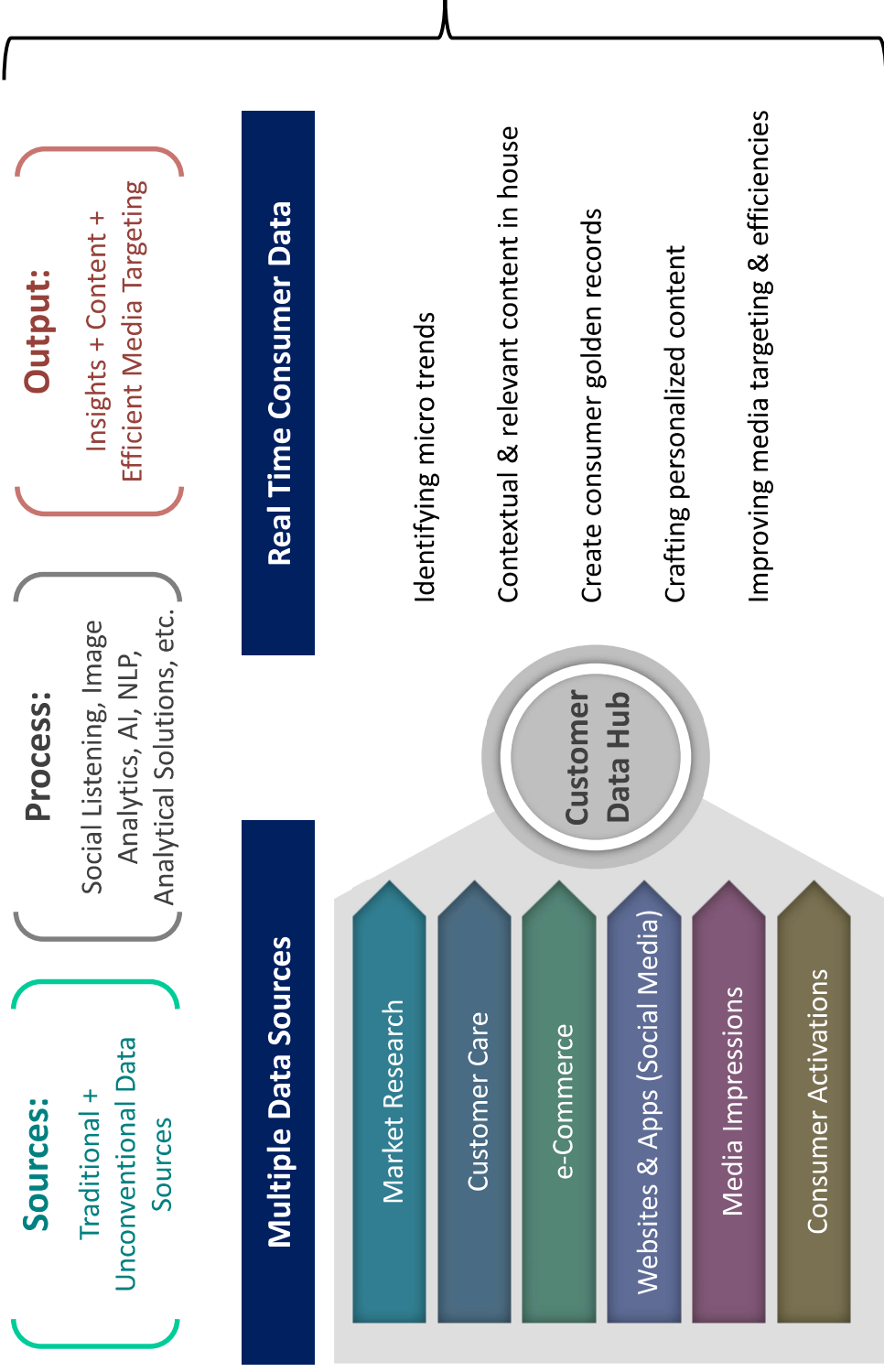
Driving Cost Agility & Productivity

Remove | Reduce | Re-engineer



Consumer Insighting

Triangulating multiple data sources in real-time



Addressing Emerging Consumer Need Spaces with Agility

Hygiene++, Protection & Care



Savlon

Disinfectants, Masks & Wipes



Nimyle

Floor Cleaner

Convenience



Savlon

HandWash Powder



ITC Master Chef

Frozen Foods



Engage

Chota Pocket | Convenient Packs

Nimble

Sachet pack

Interactive Education



Classmate Interaktiv

Origami Books

Devotion



Mangaldeep Agarbatti

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



Aashirvaad Nature's Super Foods

Need for Organic

Rising Gluten Intolerance & Going back to Roots



Aashirvaad Salt Proactive

Better Heart health



Sunfeast Farmite &

Marie Veda

Traditional knowledge of Health



B Natural | Sunfeast

Nutralite

Health Range



Nimyle Floor Cleaner

Power of Neem



YiPee! Power Up Noodles

Goodness of Whole Wheat Atta



Aashirvaad Svasti Milk

Select Milk

Easy Digest Milk (Lactose Free)



Savlon Surface Disinfectant

Spray | Handwash

Expert Germ Protection



B Natural

Immunity Focus



Jelimals ImmunoZ

Vitamin C + Zinc

...and Indulgence



Sunfeast Dark Fantasy

A unique decadent filled cookie experience



Sunfeast Bounce

A fun-filled flavourful experience



Fabelle

Signature Luxury Dessert collection



Bingo! Snacks

Extravaganza of Flavour & Texture



Candyman Fantastik

More chocolate in every experience



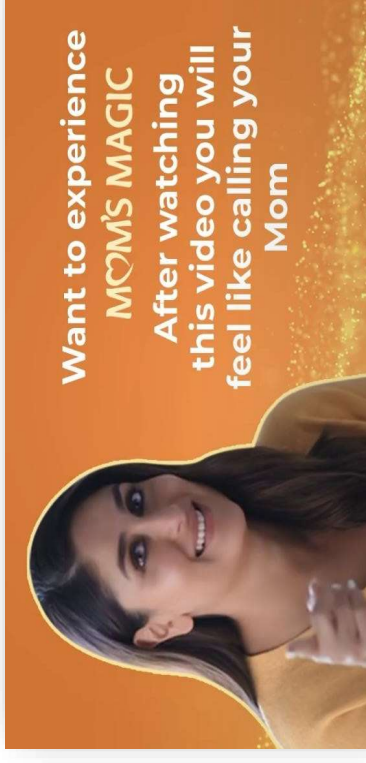
Creating Purpose-led brand experiences for consumers



Savlon Swasth India



Vivel - Women Empowerment



Mom's Magic- NoMoreMissedCallsFromMom



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



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

Driving Digital Engagement

Leveraging OTT platforms



Association with series/IPL



Impactful Campaigns



83%+

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

AI Based Fragrance Finder



Personalize your shopping
experience with

Engage Fragrance Finder

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

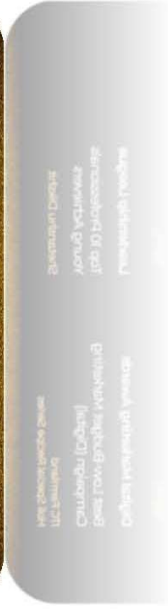
Partnering with Influencers & Celebrities



3000+

Content assets through
ITC Sixth Sense

Awards and Accolades



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

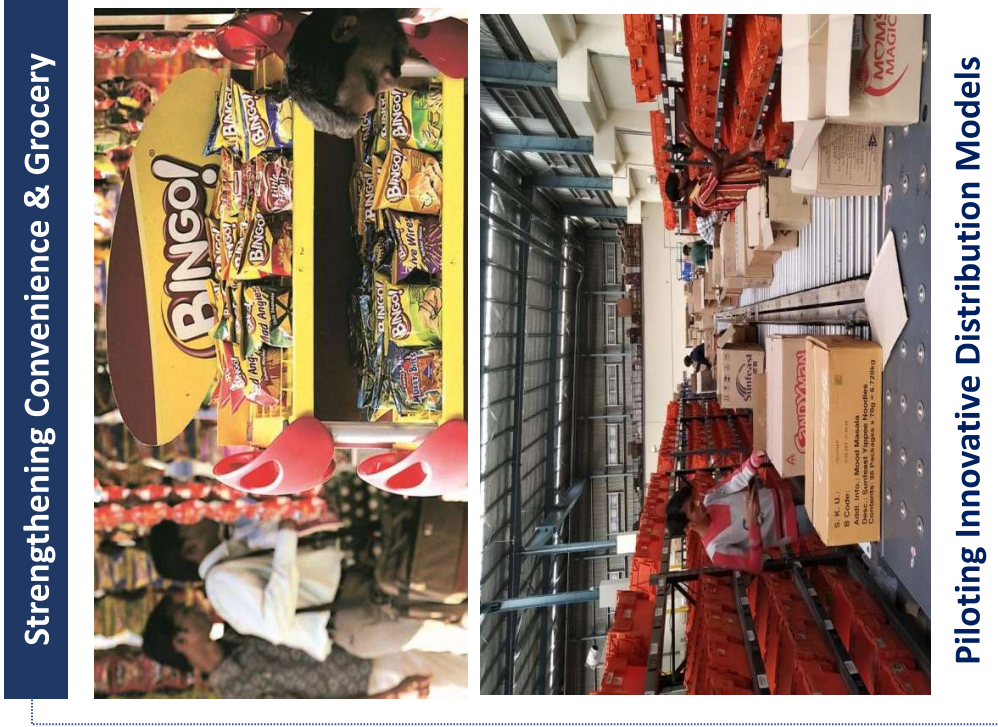
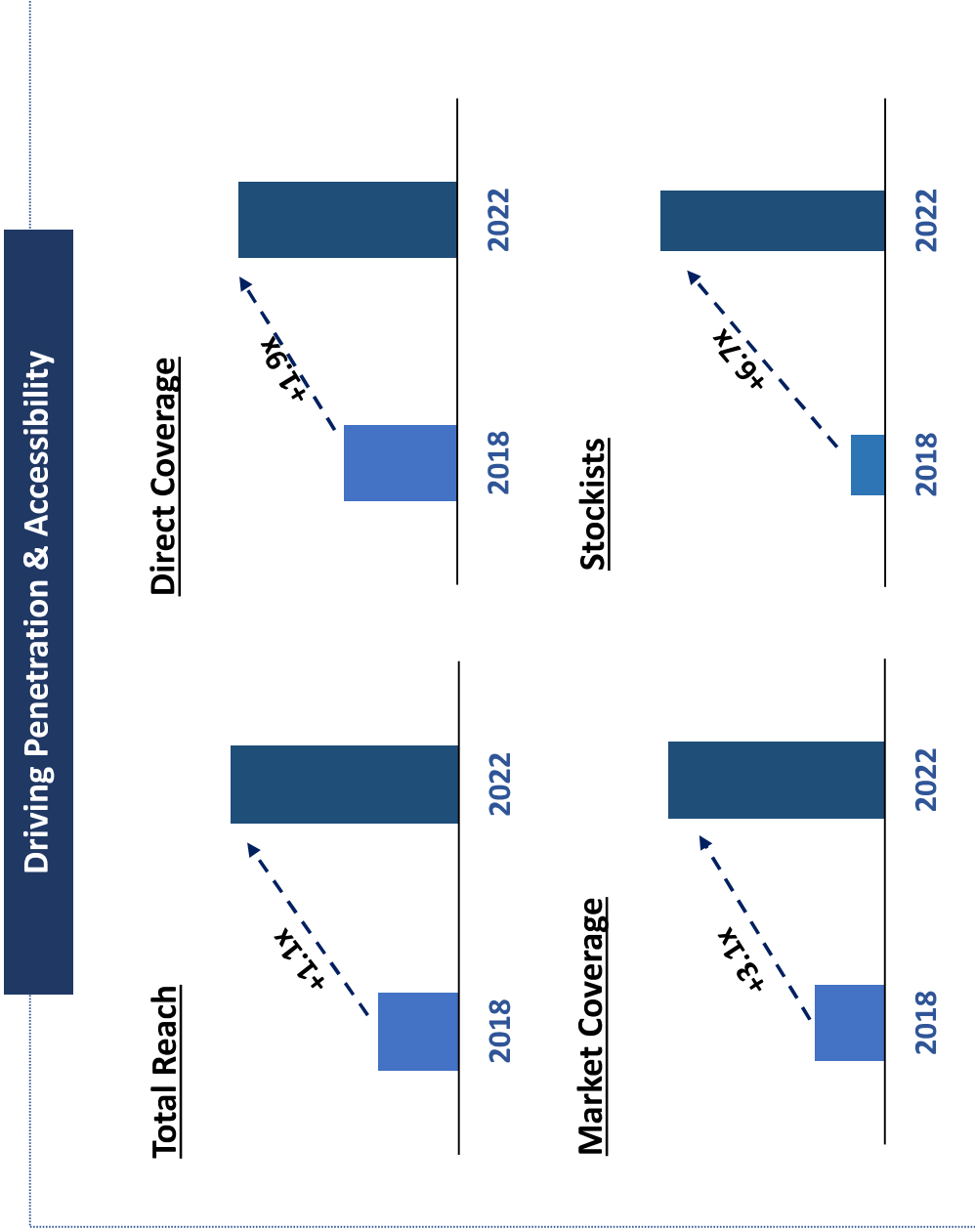


- Best Influencer Marketing Campaign
- Best Indian New Brand Launch
- Best Social Media Campaign of the Year
- Best Video Content Marketing Award



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

Multi channel Go-to-Market Capability



Expanding Reach in Emerging Channels

Winning in Emerging Channels

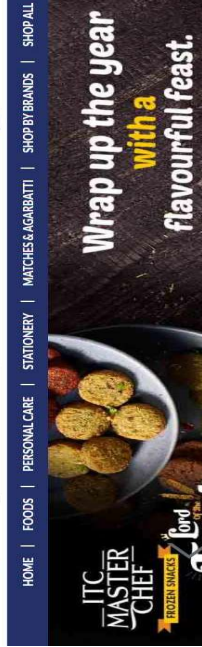


Modern Trade



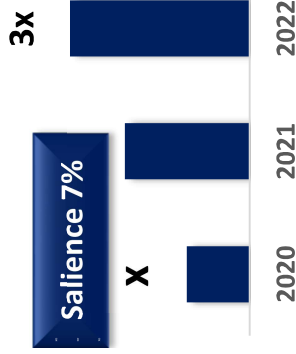
Fast-tracking E-Com,
D2C, Cash & Carry

ITCstore.in



ITC e-Store - Operational in 15 cities

Expanding e-Com



New Routes to Market

On-the-Go



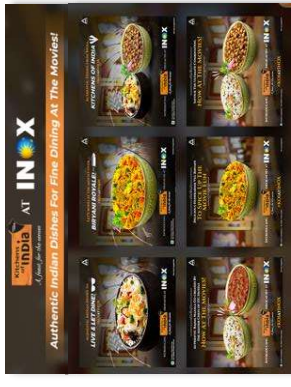
Direct Marketing



QSR



Strategic Partnerships



Climate Controlled Supply Chain

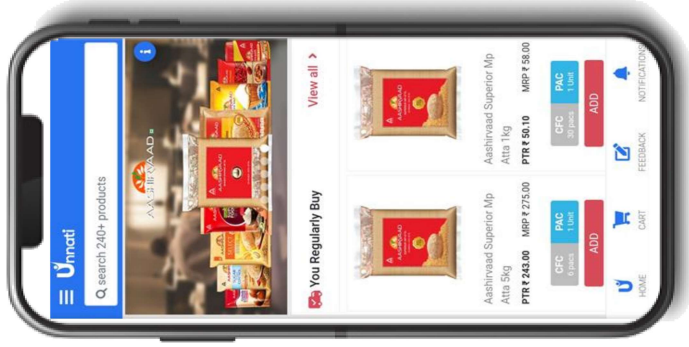
Frozen | Dairy | Chocolates



Scaling-up Food Services



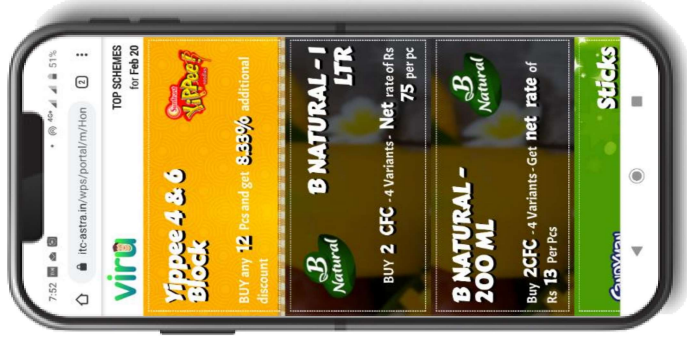
eB2B: UNNATI



~3 lakh

Outlet penetration

VIRU: Virtual Salesman



VISTAAR: Rural App



Project Zen



Next Generation Agile
FMCG Supply Chain



FMCG Cigarettes



Segment Revenue

6443 cr. ▲ 10.0%

Segment Results

4114 cr. ▲ 12.2%

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

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

Innovation

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

Portfolio Fortification

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

Recent Introductions

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

Other Interventions

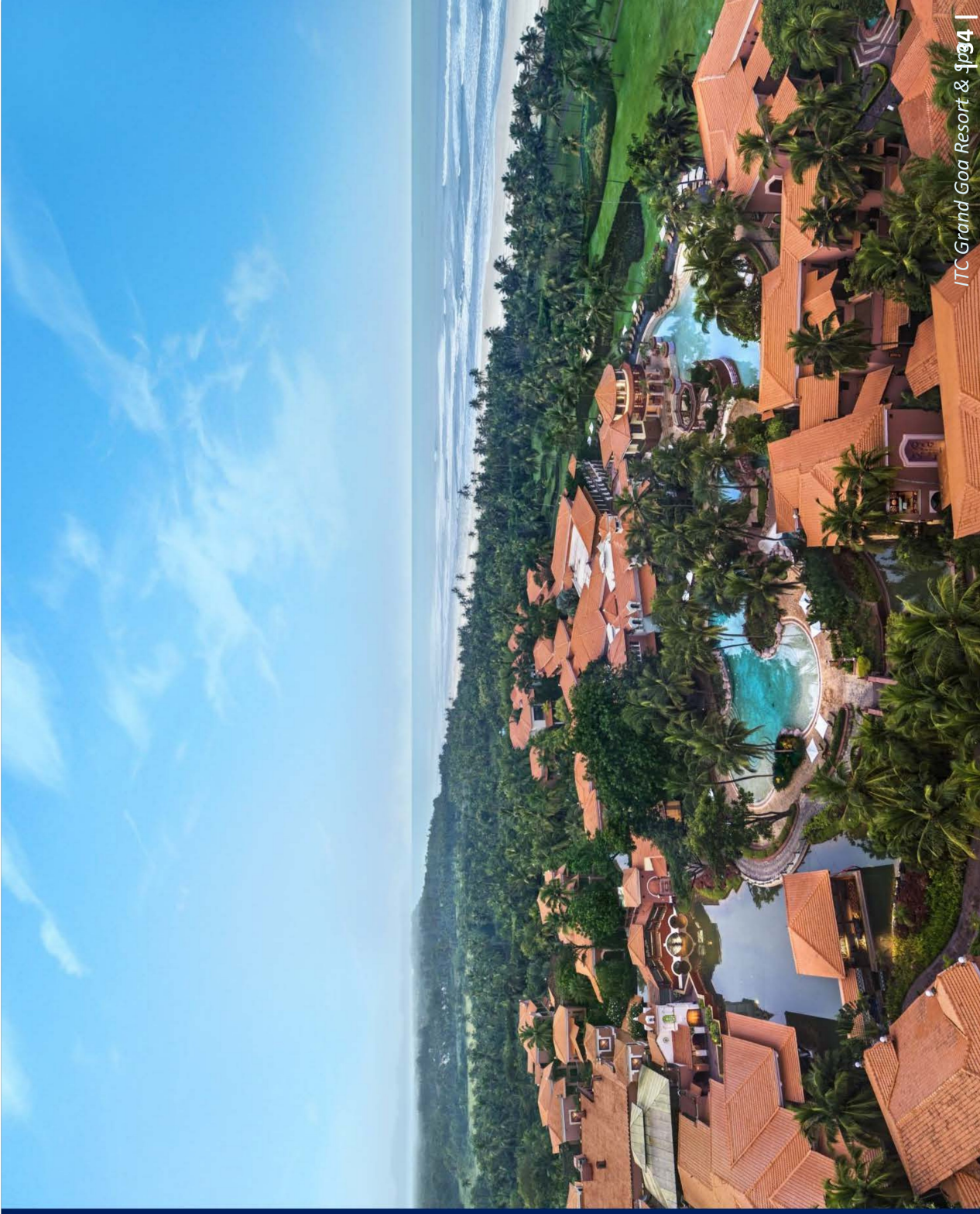
New variants of Flake Excel, Wills Navy Cut Filter, Berkeley Hero in focus markets.

5s Packs -
Gold Flake Premium and Capstan Special



Enduring Value

Hotels Business



ITC Grand Goa Resort & Spa

Hotels – Q4 FY22

Segment Revenue

Q4 FY22: 390 cr.
(+35 % vs LY; 84% of FY20)

Segment EBITDA

Q4 FY22: 32 cr.

Rs. cr.

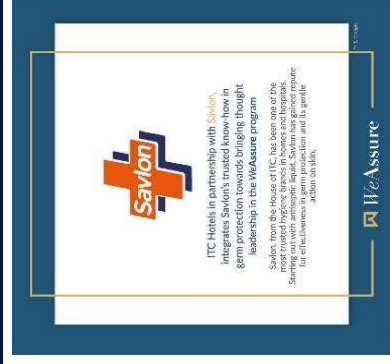
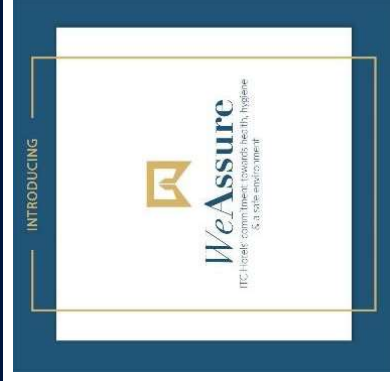
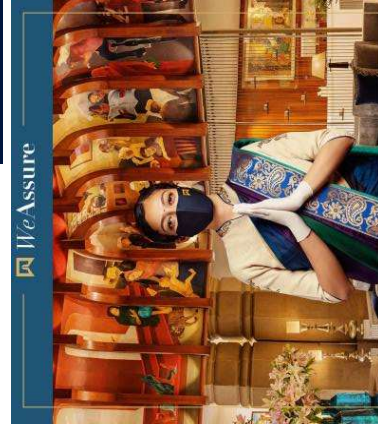
Smart recovery

despite third wave of pandemic

Exit occupancies surpass pre-pandemic levels

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

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



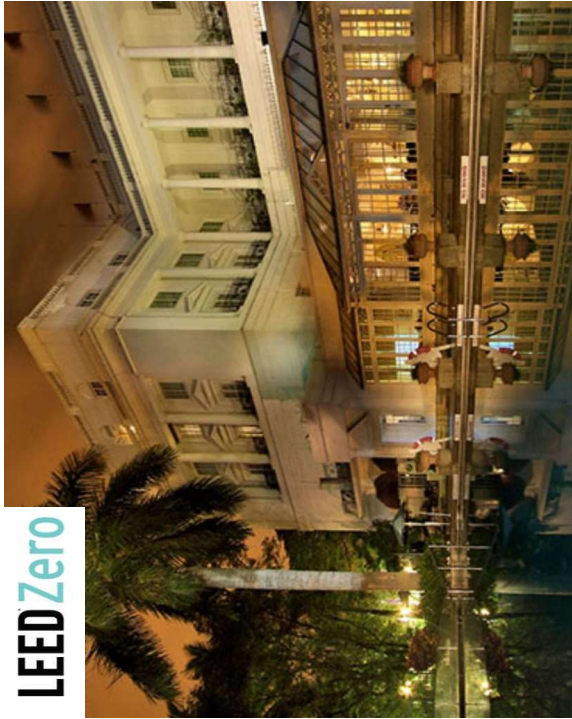
Trailblazer in Responsible Luxury

First 3 hotels in the world
to achieve LEED Zero Carbon Certification



ITC Windsor

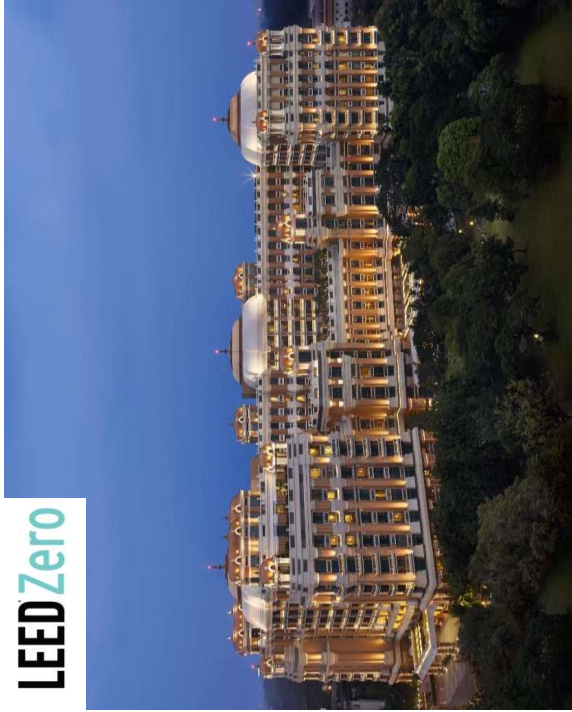
LEED Zero



World's 1st Hotel with
LEED Zero Carbon Certification

ITC Grand Chola

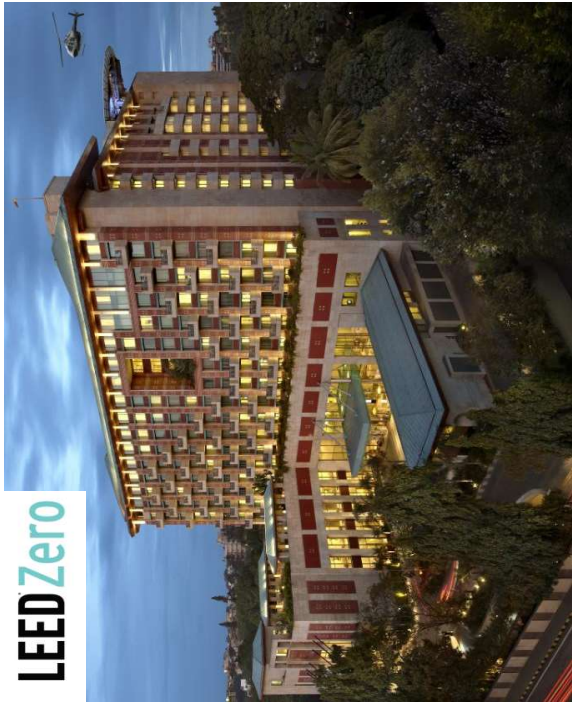
LEED Zero



World's Largest Hotel with
LEED Zero Carbon Certification

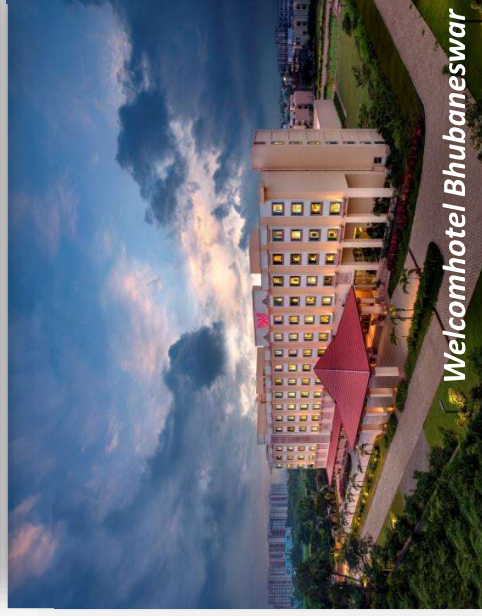
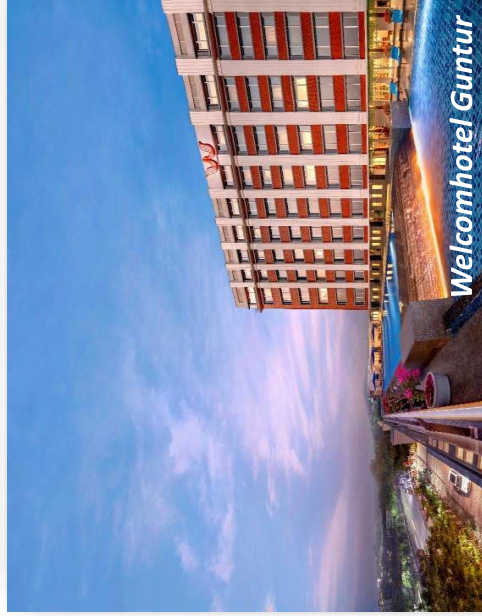
ITC Gardenia

LEED Zero

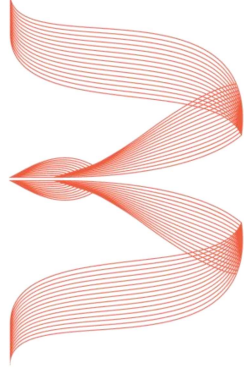


World's 3rd Hotel with
LEED Zero Carbon Certification

Expanding the Welcomhotel footprint



Healthy pipeline of management
contracts



WELCOMHOTEL

MEMBER ITC'S HOTEL GROUP

Welcomhotel Brand footprint scaled up
to 23 properties/2600 keys

Portfolio additions to be launched
progressively over coming quarters

Executing 'Asset-Right' Strategy

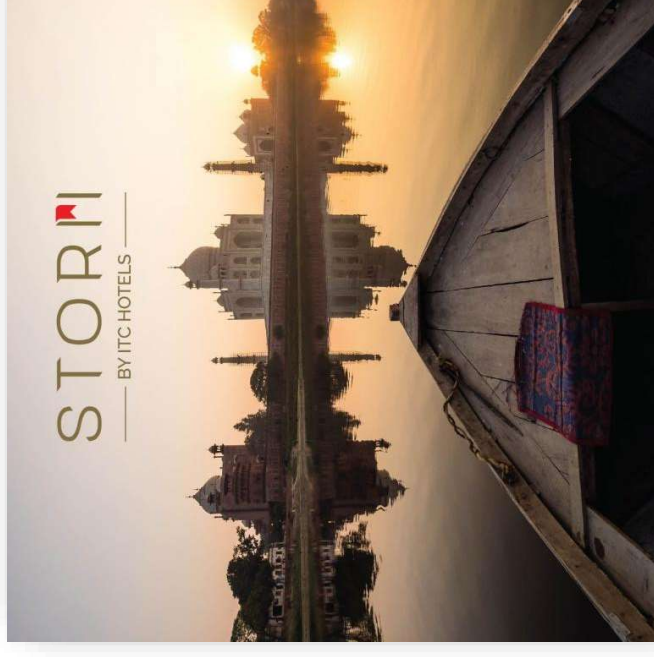
2 New Brands Launched

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

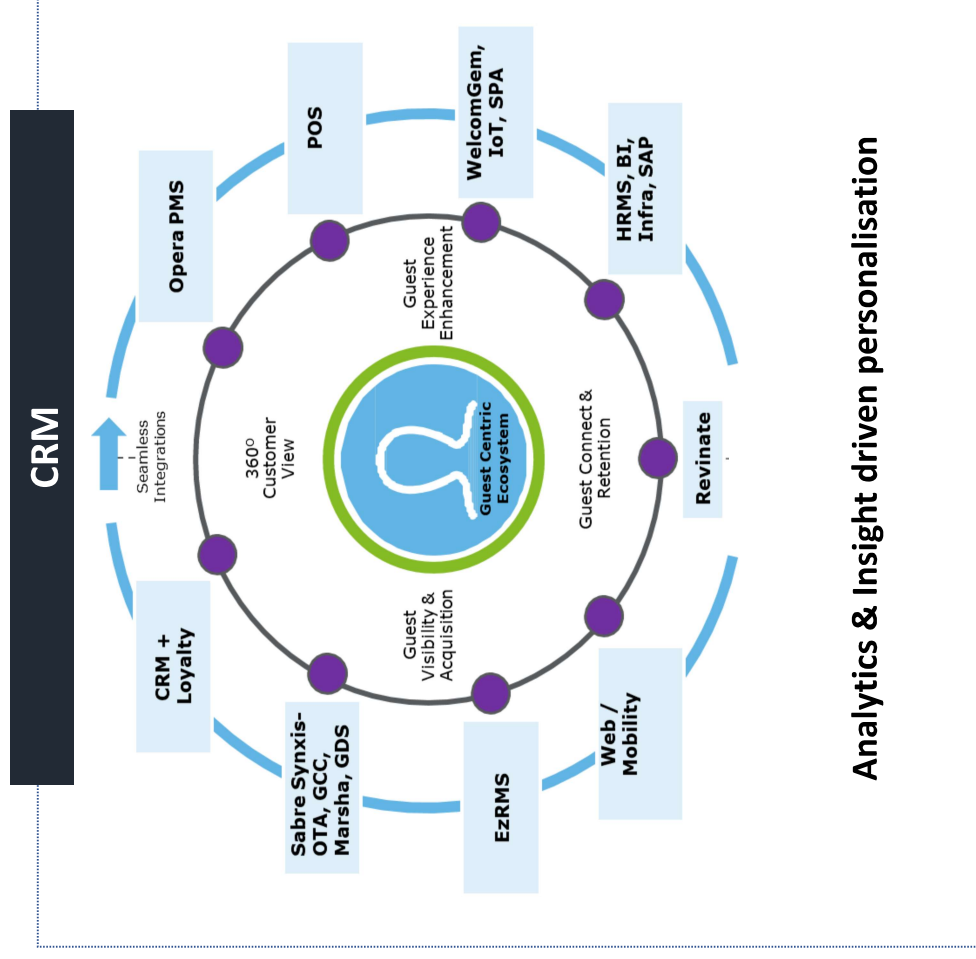
Driving Value through Digitalisation

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

4366 cr. ▲ 29.6%

Segment Results

244 cr. ▲ 28.5%

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



Multiple Sourcing Models

Farmer | Trader | Mandi



Multi Modal Transportation

Railway | Coastal | Road



Robust growth
in Value Added portfolio



Paperboards, Paper & Packaging



Segment Revenue

2183 cr. ▲ 31.8%

Segment Results

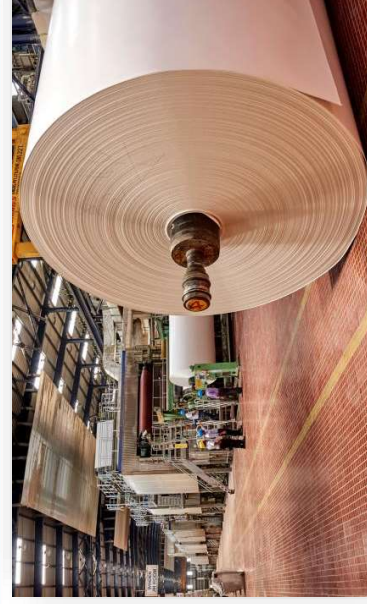
450 cr. ▲ 39.1%

Paperboards & Specialty Paper

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

Packaging and Printing

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



Scaling up Sustainable Solutions

ITC LSTC | External Collaborations

Sustainable Solutions Portfolio



Extrusion Coated Boards




Bio-based Coated Boards



Anti fungal Boards

Online Coated Antifungal Boards



Water, Oil & Grease Resistant Boards





Antimicrobial Coating



Laminating Base



ToughPack Paper + Barrier Coatings Paper + HSL

Flexible Packaging Paper



Tableware, FMCG applications

Moulded Fibre Products




Bioseal



O₂ XY BLOCK

Oxyblock



Financials

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

Robust growth in Revenue and EBITDA

Segment Revenue Q4 FY22

Robust growth across Segments



• FMCG- Others revenue up 12.3% (+30.1% vs FY20)

- Strong growth in Discretionary/OOH categories
- Staples & Convenience Foods remain resilient
- Demand volatility in Hygiene portfolio; remains significantly above pre-pandemic levels
- Re-opening of schools/colleges aids recovery in Education and Stationery Products Business

• Hotels

- Exit occupancies surpass pre-pandemic levels
- Sequential improvement in ARR's but still below pre-pandemic levels

• Agri Business: Wheat, Rice, Leaf Tobacco exports

- Paperboards, Paper & Packaging: Robust growth led by higher realisations and volumes

Rs. cr.

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

Segment Results Q4 FY22

Robust growth across Segments



(Rs. cr.)

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

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

ITC – A Global Exemplar in Sustainability

Impactful Social Performance



ITC e-Choupal
4 Million Farmers
empowered



Afforestation
Over 953,000 acres
greened



Watershed Development
Over 1.29 million acres
covered



Livestock Development
Over 2,045,000 milch
animals covered



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



Women Empowerment
over 86,700 poor women
benefitted



**Skilling & Vocational
Training**
Covering over 107,300 youth



Primary Education
Reaching over
8,64,000 Children

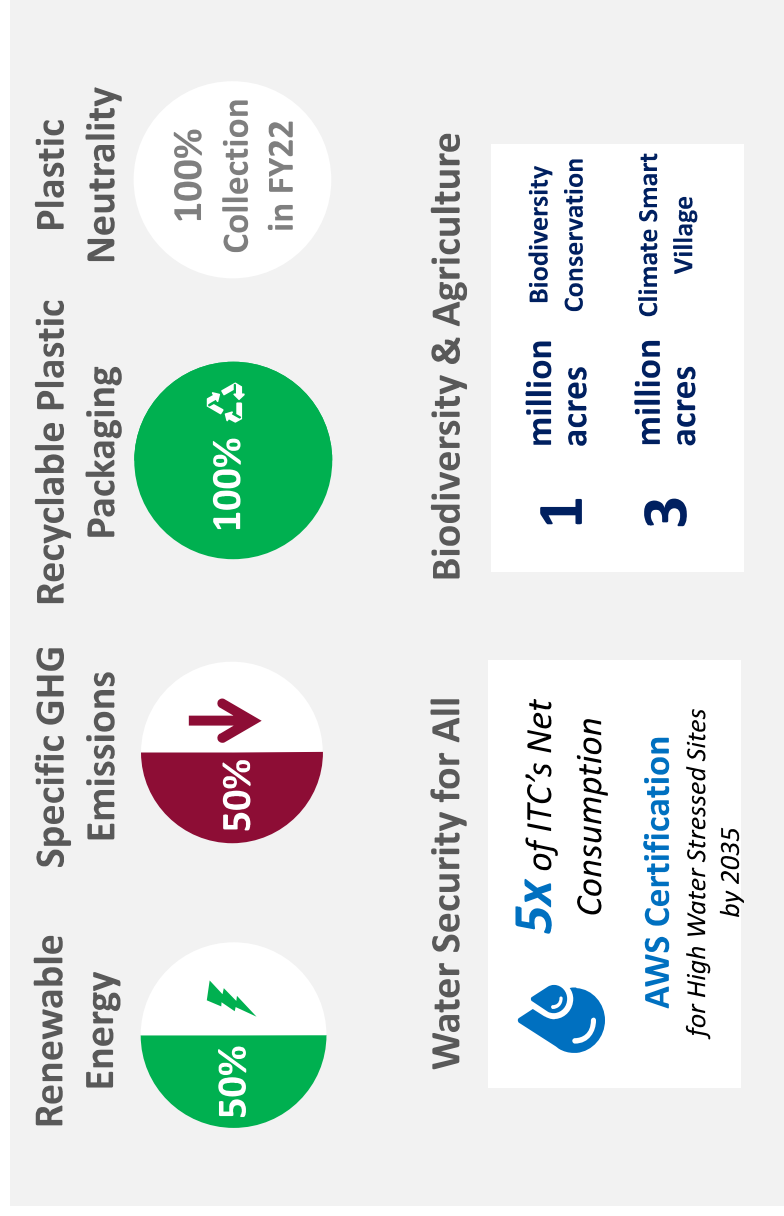
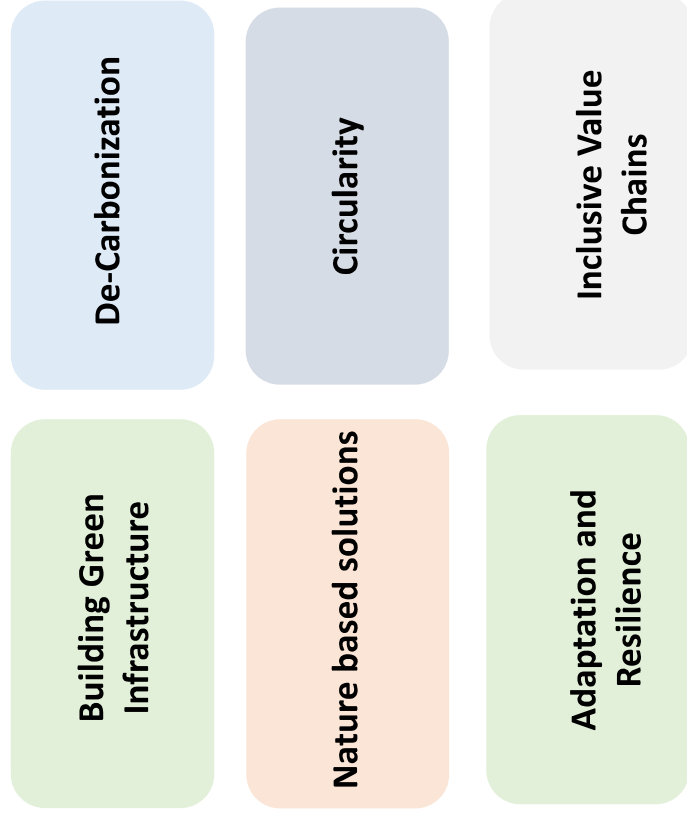


Health & Sanitation
Over 39,400 toilets built



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

Strategic Interventions to Combat Climate Change



Proactively work towards achieving 'Net Zero' emission status

Supporting Sustainable Livelihoods: From 6 million to 10 million

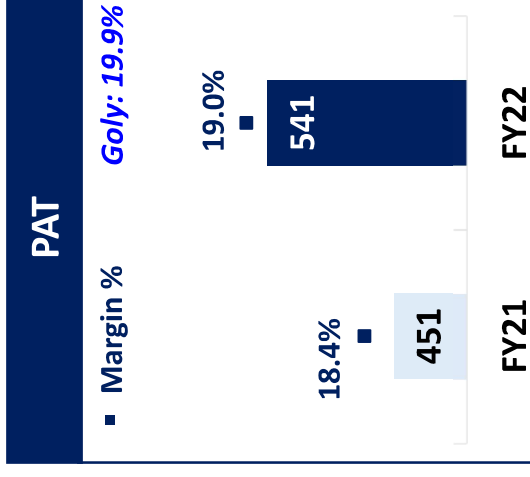
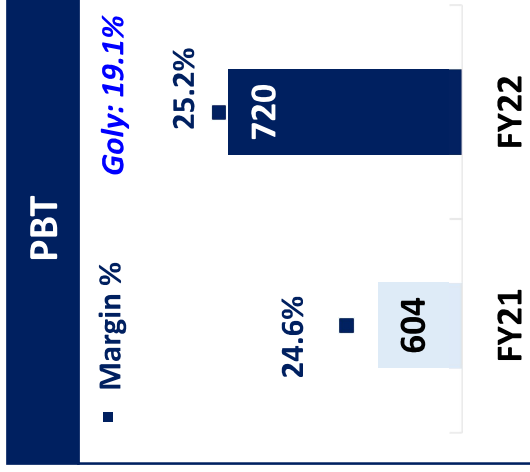
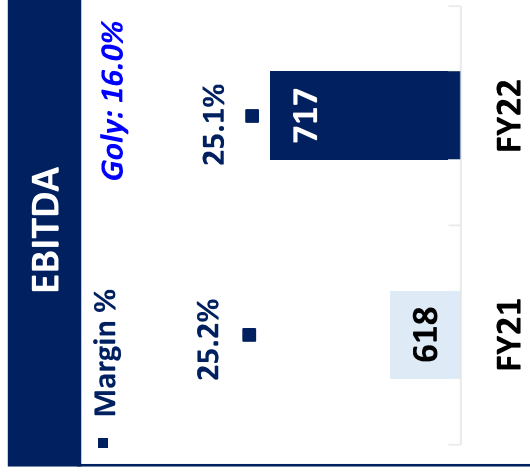
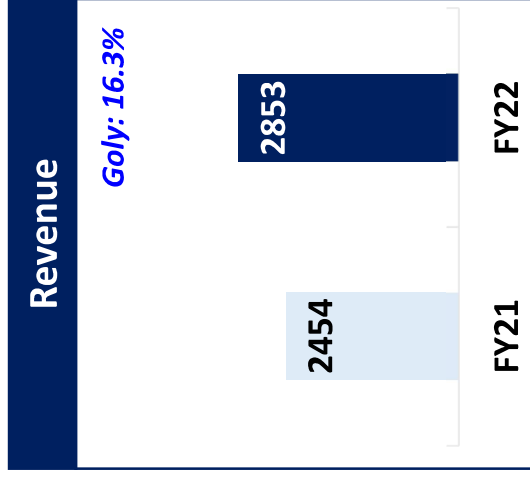
Sustainability – FY22 Highlights

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



ITC Infotech



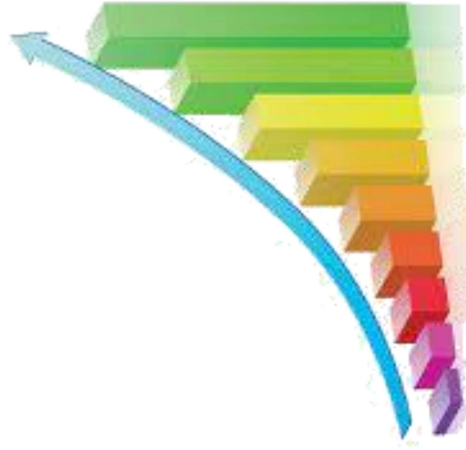


Rs. cr.

Margin expansion a/c improved operating leverage and higher productivity

Strategic Partnership Agreement signed with PTC Inc.

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



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



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



**and
Inclusive.**

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