ITC Limited
Virginia House
37 J. L. Nehru Road
Kolkata 700 071, India
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19th October, 2023

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

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

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

Dear Sirs,

Unaudited Financial Results – Media Statement and Presentation

Further to our letter dated 19th October, 2023 forwarding the Unaudited Financial Results of the Company Quarter and Six Months ended 30th September, 2023, 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

RAJENDRA KUMAR SINGHI
Digitally signed by RAJENDRA KUMAR SINGHI
Date: 2023.10.19 20:33:34 +05'30'

(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

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Media Statement

October 19, 2023

Standalone Financial Results for the Quarter ended 30th September, 2023

Highlights

- **Gross Revenue (excl. Wheat & Rice exports) up 8.9% YoY; PAT at Rs. 4,927 crores, up 10.3% YoY**
- **Strong performance continues in FMCG – Others; Segment Revenue up 8.3% YoY on a high base; 2-yr CAGR @ 14.5%**
  - Segment EBITDA margin expanded 150 bps YoY to 11.0%; Segment PBIT up 36.8% YoY.
- **Resilient performance in Cigarettes Segment; Net Segment Revenue up 8.5% YoY and Segment PBIT up 8.0% YoY on a high base**
  - Sustained volume claw back from illicit trade on the back of deterrent actions by enforcement agencies and relative stability in taxes
  - Market standing reinforced through focused portfolio/market interventions & agile execution.
- **Stellar performance in Hotels Business with record high second quarter performance; Segment Revenue and PBIT up 21% and 50% YoY respectively on a high base**
  - Segment EBITDA margin up 170 bps YoY to 30.7% driven by higher RevPAR, structural cost interventions & operating leverage
  - ITC Hotels was honoured to have exclusively curated and served from the best of India's culinary heritage at the prestigious G20 summit, Bharat Mandapam, New Delhi. ITC Maurya also had the honour of hosting the President of the United States of America and the entire US delegation to the Summit
  - Scheme of Demerger approved by Board in August 2023; progressing as per scheduled timelines.
- **Agri Business Segment Revenue up 26.4% YoY (excl. Wheat & Rice exports); Segment PBIT up 3.3% YoY (2-yr CAGR +9.7%)**
  - Geopolitical tensions and climate emergencies have led to concerns over food security and food inflation globally. To ensure India remains food secure, Government has had to impose trade restrictions on agri commodities; consequently limiting business opportunities for the Agri Business. The Company continues to engage with farmers to build resilience in agrarian practices against extreme weather events; the Company's Climate Smart Agriculture programme covers over 23 lakh acres and about 7.5 lakh farmers in the country
  - Strong customer relationships and agile execution in Leaf Tobacco & Value Added Agri products continue to drive growth
  - In line with its strategy to rapidly grow the salience of value-added products in the portfolio, the Business ramped up capacity utilisation of the recently commissioned value-added Spices processing facility in Guntur. Further, the state-of-the-art facility (being set up by IIVL - a wholly owned subsidiary of the Company) to manufacture and export Nicotine and Nicotine derivate products conforming to US/EU pharmacopoeia standards has been commissioned; exports are expected to commence over the next few months.
- **Performance in the Paperboards, Paper and Packaging Segment reflects the impact of low priced Chinese supplies and muted demand in export markets, sharp reduction in global pulp prices and high-base effect; domestic demand was also relatively subdued in certain discretionary categories**
  - Sharp drop in net sales realisation and global pulp prices witnessed during the quarter are likely to have bottomed out; green shoots of revival in demand were visible towards the end of the quarter
  - The project for augmentation of in-house chemical pulp capacity by appx. 20% was completed during the quarter; this initiative will further enhance substitution of imported pulp and enable reduction in operating costs
  - Structural advantages of the integrated business model, Industry 4.0 initiatives, strategic investments in pulp import substitution, High Pressure Recovery Boiler and proactive capacity augmentation in Value Added Paperboards aided in partly mitigating pressure on margins.

The global economy remains in the grip of a marked slowdown with growth in China and the Euro Area now expected to be lower than earlier estimates reflecting, inter alia, structural weaknesses in these economies. India remains a bright spot with buoyant tax collections, moderating inflation, credit growth uptick being some of the key positives amongst high frequency indicators. While public investment remains strong, consumption demand has been relatively subdued especially in the value segment and rural markets on the back of sub-par monsoons and persistent Food inflation which saw a sharp spike during the quarter. Green shoots of recovery are visible, with prospects of improved agri output, onset of the festive season, increase in rural wages and government spending on infrastructure auguring well for a recovery in rural markets. Pace of economic growth in China and other Advanced Economies, rising geopolitical tensions, crude oil prices, consumer price inflation (especially Food), commodity price volatility and agri output – would be the key monitorables in the near term.

Amidst a challenging operating environment as stated above and high base effect in some of its operating segments, the Company sustained its strong growth momentum during the quarter driven by focus on customer centricity, accelerated digital adoption, execution excellence and agility. Gross Revenue stood at Rs. 17549 crores representing a growth of 3.4% YoY (excl. Wheat & Rice exports: up 8.9%) while PBT at Rs. 6514 crores grew by 9.7% YoY. PAT grew by 10.3% YoY to Rs. 4927 crores. Earnings Per Share for the quarter stood at Rs. 3.96 (previous year Rs. 3.61).

FMCG – OTHERS

- **The FMCG Businesses continue to deliver strong performance with Segment Revenue growing 8.3% YoY on a high base to Rs. 5,292 crores (2-yr CAGR +14.5%)**; **Segment EBITDA margins expanded 150 bps YoY to 11%.**
  - Atta, Spices, Personal Wash and Agarbatti drive growth amidst relatively subdued consumer demand environment.
  - In the Stationery business, Classmate Notebooks and Pens witnessed strong growth on YoY basis. Exports continue to be scaled up leveraging capabilities of the state-of-the-art owned manufacturing facility.
  - The FMCG Businesses continued to witness robust growth in both urban and rural markets on a high base, driven by enhanced distribution footprint, superior last mile execution, deep consumer insights, purposeful innovation and portfolio premiumisation. Both traditional and emerging channels (viz. Modern Trade, e-Commerce, Quick Commerce) witnessed robust traction driven by sharp execution of channel-specific business plans, collaborations, format-based assortments catering to the needs of a diverse set of shoppers and category-specific sell-out strategies. Certain categories such as Biscuits, Snacks, Noodles, popular Soaps witnessed increasing competitive intensity including from local/regional players in the backdrop of commodity price deflationary conditions.
  - While commodity prices declined on a YoY basis, the overall input cost table remains elevated compared to pre-pandemic levels; certain commodities such as wheat, maida, sugar, potato etc. witnessed sequential uptick in prices. The Businesses remain focused on driving profitability improvement through multi-pronged interventions viz. premiumisation, supply chain optimisation, digital interventions across the value chain, strategic cost management and judicious pricing actions.
  - The Company's Trade Marketing & Distribution highway has transformed into a smart omni-channel network including 6 Direct to Consumer (D2C) platforms. 'ITC e-Store', the Company's exclusive D2C platform, is now operational in 24,000+ pin-codes and continues to receive excellent consumer response. Category specific D2C platforms viz. Classmateshop.com, Dermafique.com and Aashirvaad.com/Meri Chakki are being scaled up to gain consumer insights, as well as commerce. These initiatives continue to receive encouraging consumer response.
  - The Company's digitally powered eB2B platform, UNNATI app (now also available in several vernacular languages) covers over 6.3 lakh outlets, facilitating sharp 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** posted robust growth reinforcing its leadership position in the Branded Atta industry
  - Value-added atta range sustained its strong growth momentum driven by increased thrust in Modern Trade and e-Commerce channels.
  - In line with its strategy to address value-added adjacencies leveraging mother brands, the Aashirvaad portfolio was augmented with the launch of several differentiated variants such as 'Gluten Free Flour', 'Ragi Flour', 'Multi-Millet Mix', Rava ('Aashirvaad Samba Broken Wheat', 'Aashirvaad Bansi Rava' and

'Aashirvaad Double Roasted Suji Rava'), 'Aashirvaad Organic Dals', 'Aashirvaad Besan' and 'Aashirvaad Vermicelli'. These products have received excellent response and continue to gain consumer franchise in launch markets.

- **'Sunfeast' Biscuits and Cakes** recorded resilient performance during the quarter on the back of stability in core brands and scale up of recent launches. The 'Sunfeast Dark Fantasy' range of differentiated cookies sustained its leadership position in the premium segment. 'Mom's Magic' range of cookies also witnessed strong growth. The portfolio mix was further enriched with the launch of 'Bounce Day & Night' – a delicious dark choco biscuit with soft vanilla cream. Towards deepening consumer engagement, the brand launched the highly innovative 'MyFantasyAdWithSRK' campaign, leveraging Gen-AI technology, enabling consumers to live their #fantasy of starring in a personalised advertisement opposite the iconic Shah Rukh Khan. The initiative has already witnessed more than 7 lakh+ engagements within a short span of time.
- **'YiPPee!' Noodles** sustained its position as a strong No. 2 brand amidst increasing competitive intensity. In line with the Government's initiative of promoting millets and in keeping with the Company's strategy of creating a portfolio of healthier and 'Good For You' products, the Business augmented its portfolio with the launch of 'YiPPee! Magic with Millets'. During the quarter, the brand launched 'Be a Star' contest in its new campaign 'Why just be happy, when you can be YiPPee!', inspiring participants to craft, capture, and share their most creative 'Noodle slurping moment' with YiPPee!.
- **'Bingo!' Snacks** continued to strengthen its product portfolio across an exciting range of snacks and namkeens, with a focus on the target cohort i.e. youth segment. Recently launched variants viz. 'Bingo! Nachos Chilli Limon' and 'Bingo! Tedhe Medhe Cream & Onion' have been well received by customers and are being scaled up. The Business launched a differentiated millet-based variant - 'Bingo! Tedhe Medhe Chatpata Twist', a deliciously crunchy snack with a spicy twist, which continues to gain increasing consumer traction.
- **'Sunrise' Spices** posted robust growth during the quarter. Product portfolio was augmented with launch of an exclusive 'Swaad Bihar Ka' range of spices customised to regional taste including 'Sunrise Chicken Masala', 'Sunrise Meat Masala', 'Sunrise Kitchen King Masala' and 'Sunrise Rajshahi Garam Masala' in a limited-edition pack featuring 'Madhubani' artwork.
- The Frozen Snacks category under the **'ITC Master Chef'** brand, delivered robust growth, powered by a range of innovative and differentiated offerings. Recently launched variants such as 'ITC Master Chef Paneer Pakoda', 'ITC Master Chef Batata Vada' and 'ITC Master Chef Crispy Onion Rings' continue to gain strong traction.
- **'Aashirvaad Svasti'** fresh dairy portfolio comprising pouch milk, curd, lassi and paneer continued to gain strong consumer traction on the back of best-in-class quality standards, differentiated products and superior taste profile.

➢ In the **Personal Care Products Business**, 'Fiama' range of personal wash products registered strong growth fuelled by investments in brand building, wider distribution and growth in emerging channels. 'Savlon Cool' soap based on the proposition of skin friendly germ protection continued to garner encouraging consumer response. In the Homecare portfolio, Nimyle posted robust growth on the back of its unique proposition of '100% Natural Action' and hygienic floors for children and pets.

➢ In the **Education and Stationery Products Business**, 'Classmate' Notebooks fortified its leadership position with continued focus on portfolio premiumisation, exports and leveraging institutional strengths. The premium portfolio comprising 'Paperkraft', 'Classmate Pulse' and 'Classmate Interaktiv' continued to gain strong traction. To build brand affinity with college students, Classmate Pulse Style Icon campaign was launched with on-ground activation comprising quizzes, competitions targeting the top 75 universities across the country, leveraging back to college season. The recently launched 'Classmate Spin Ball Pen' was amplified with high-decibel TV campaigns.

➢ **'Mangaldeep' Agarbattis and Dhoop** recorded robust growth during the quarter anchored on a range of differentiated products and enhanced visibility. The portfolio was augmented with the launch of 'Mangaldeep Scent 3in1', 'Mangaldeep Flora' and a new ziplock range. The Dhoop portfolio was further enhanced with the launch of 'Dhoop 3in1'. In **Safety Matches**, the Business strengthened its market leadership position by driving value-added portfolio and wider distribution.

FMCG – CIGARETTES

Net Segment Revenue and Segment PBIT up 8.5% and 8.0% YoY respectively; 2-yr CAGR: Net Segment Revenue +15.7%, Segment PBIT +15.5%

- The Business continues to counter illicit trade and reinforce market standing by fortifying the product portfolio through innovation, democratising premiumisation across segments and enhancing product availability backed by superior on-ground execution
  - Several differentiated variants launched recently continue to perform well.
- As seen in the past, stability in taxes on cigarettes, backed by deterrent actions by enforcement agencies, enables volume recovery for the legal cigarette industry from illicit trade leading to higher demand for Indian tobaccos and bolstering revenue to the exchequer from the tobacco sector.
- Sharp escalation in costs of leaf tobacco and certain other inputs, along with increase in taxes, largely mitigated through improved mix, strategic cost management and calibrated pricing.

HOTELS

Segment Revenue grew 21.2% YoY, on a high base (1.5x of Q2 FY20); Segment PBIT up 50% YoY (~7.2x of Q2 FY20). Stellar performance across properties driven by retail and MICE segments.

- Strong growth was witnessed in ARRs across properties. Occupancy remained flattish YoY mainly due to renovations and relatively fewer wedding dates during the quarter. The Business continued to focus on its strategy of offering a host of curated propositions across accommodations and iconic cuisine brands to augment revenues across properties.
  - Strategic investments towards renovations and refurbishments continue in line with the Businesses' commitment to deliver exceptional quality and seamless experience across properties.
- Segment EBITDA margin expanded by 170 bps YoY to 30.7% driven mainly by higher RevPAR, curated packages, finest F&B offerings and strategic cost management initiatives.
- The Business had the exclusive distinction of curating and serving from the best of India's culinary heritage at the prestigious G20 Summit, Bharat Mandapam, New Delhi. ITC Maurya also had the honour of hosting the President of the United States of America and the entire US delegation to the Summit.
- Digital investments continue to be leveraged towards enhancing guest experience, facilitating guest acquisition, augmenting revenue generation and driving operational efficiency.
- In line with its 'asset-right' strategy, the Business added three new properties to the Group portfolio including 'WelcomHeritage Santa Roza, Kasauli', 'Fortune Park Hoshiarpur' and 'Fortune Ranjit Vihar, Amritsar' and continues to strengthen its pipeline of managed properties to be launched in a phased manner over the next few quarters.
- Reaffirming the Company's commitment to the ethos of 'Responsible Luxury', ITC Maurya received the 'Best Green Hotel' award by H&RA recognizing the sustained commitment towards excellence in hospitality services. Further, Welcomhotel Guntur received the 'Best Eco-friendly Hotel' award at Andhra Pradesh State Annual Tourism Excellence Award – 2023.
- During the quarter, the Board approved the scheme of demerger of Hotels Business under a scheme of arrangement, with ITC holding a stake of ~40% in ITC Hotels and the balance shareholding of ~60% to be held directly by shareholders of ITC proportionate to their shareholding in ITC.
  - The Scheme has been submitted to stock exchanges for requisite approvals.

AGRI BUSINESS

Agri Business Revenue grew by 26.4% YoY (excl. Wheat & Rice exports) driven by Value Added Agri products & Leaf Tobacco

- During the quarter, stock limits on wheat, ban on non-basmati rice exports and export duty on parboiled rice, further limited business opportunities for the Agri Business.
- Capacity utilisation of the recently commissioned state-of-the-art value-added Spices processing facility in Guntur ramped up. The Business seeks to leverage the facility's multi-dimensional capabilities, its identity-preserved sourcing expertise, custody of supply chain and strong customer relationships to rapidly grow exports to Food Safe Markets.
- During the quarter, ITC IndiVision Limited (IIVL), a wholly owned subsidiary of the Company, received requisite regulatory approvals for its facility to manufacture Nicotine & Nicotine Derivative products conforming to US & EU pharmacopoeia standards. The distinctive capabilities of the Company's Agri Business in crop development and the ability to provide complete traceability & assurance of sustainability across the value chain, will enable establishing IIVL as the trusted partner for supplying high quality nicotine/nicotine derivative products to discerning customers.

- ITCMAARS (Metamarket for Advanced Agriculture and Rural Services) – a crop-agnostic 'phygital' full stack AgriTech platform has been scaled up across nine states. Over 1250 Farmer Producer Organisations (FPOs) encompassing more than 10.6 lac farmers have been added to the Company's network.

PAPERBOARDS, PAPER & PACKAGING

Performance in the Paperboards, Paper & Packaging Segment reflects the impact of low priced Chinese supplies and muted demand in export markets, sharp reduction in global pulp prices, relatively subdued domestic demand and high base effect; Segment Revenue declined 9.5% YoY (2-yr CAGR +6.4%)

- Low priced Chinese supplies in global markets, drop in Chinese domestic demand and slump in EU markets exerted pressure on exports. Further, subdued consumer demand in domestic markets impacted customer offtake during the quarter.
- Margins were impacted largely by sharp drop in realisations and increased cost of inputs (primarily wood and coal). Segment PBIT declined 49.9% YoY.
- Sharp drop in net sales realisation and global pulp prices witnessed during the quarter are likely to have bottomed out; green shoots of revival in demand for VAP and recycled boards were visible towards the end of the quarter.
- Fine paper prices remained relatively firm and Décor paper witnessed strong performance.
- Integrated business model and strategic interventions in import pulp substitution, High Pressure Recovery Boiler, digital interventions and cost competitive fibre chain partially mitigated inflationary impact.
- Augmentation of in-house chemical pulp capacity was completed during the quarter. The additional capacity of approx. 20% of chemical pulp, will enable higher import substitution and reduce operating costs.
- In the Packaging and Printing Business, new business development is being accelerated in domestic and export markets offering innovative and customised solutions, with special focus on consumer electronics, QSR and personal care products. Capacity utilisation at the recently commissioned Nadiad unit in Gujarat continues to be ramped up progressively to efficiently service customers in proximal markets.
- The sustainable paperboards/packaging solutions portfolio continues to witness strong growth leveraging cutting-edge innovation platforms (+27% YoY; 2-yr CAGR +62%). The Company's wholly owned subsidiary, ITC Fibre Innovations Limited, is in the process of setting up a state-of-the-art premium Moulded Fibre Products manufacturing facility in Badiyakhedi, Madhya Pradesh. The project is progressing as per schedule.

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 21 years), 'carbon positive' (for 18 years), and 'solid waste recycling positive' (for 16 years)**. The Company sustained its **'AA' rating by MSCI-ESG for the 5th successive year** - the highest amongst global tobacco companies. The Company has also been included in the **Dow Jones Sustainability Emerging Markets Index** for the third year in a row - 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 'C' for climate change and 'B' for water security) by CDP, a reputed independent global platform for disclosures on environmental impacts.

The Company's infrastructure facilities continue to set new benchmarks of sustainability. All luxury collection hotels of the Company are now **LEED Platinum certified** with 12 ITC Hotels being certified as **LEED Zero Carbon**.

The Sustainability & Integrated Report 2023 is available on the Company's corporate website at
https://www.itcportal.com/sustainability/sustainability-integrated-report-2023/ITC-Sustainability-Integrated-Report-2023.pdf

Please refer link below for performance highlights of the quarter:
https://www.itcportal.com/investor/pdf/ITC-Quarterly-Result-Presentation-Q2-FY2024.pdf

The Board of Directors, at its meeting on 19th October 2023, approved the financial results for the quarter ended 30th September 2023, which are enclosed.

(Nazeeb Arif)
Executive Vice President
Corporate Communications

Enduring Value

NATION FIRST: SAB SAATH BADHEIN

Q2 FY24 Results

19th October, 2023

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

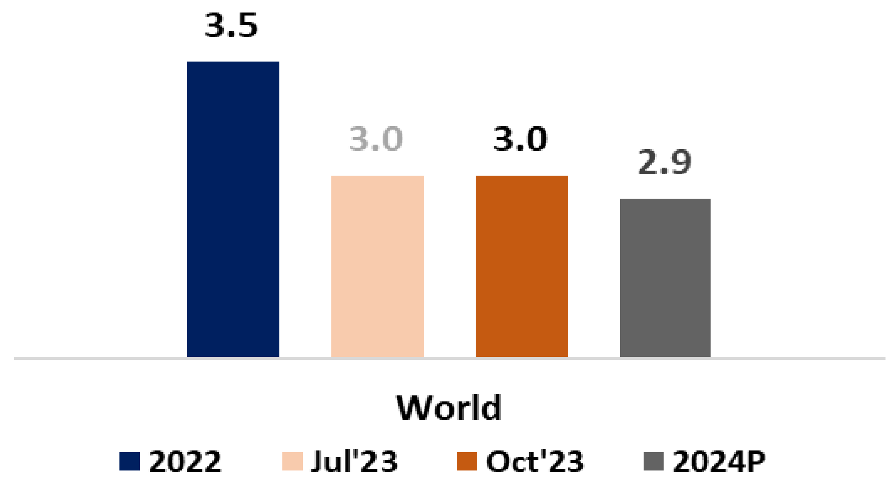
Macro Economic Environment

Enduring Value

Global Economy remains weak

- **2023 Global GDP growth** estimated at **3.0%** (vs 3.5% in 2022);
  - *Growth in Advanced Economies slowing down*
  - ***China** & **EU** facing structural weakness*
- **Tight monetary conditions** weighing on investment and activity
  - *Advanced economies near peak of rate hike cycle; "higher for longer"*
- **Geo-political dynamics** pose downside risk to growth

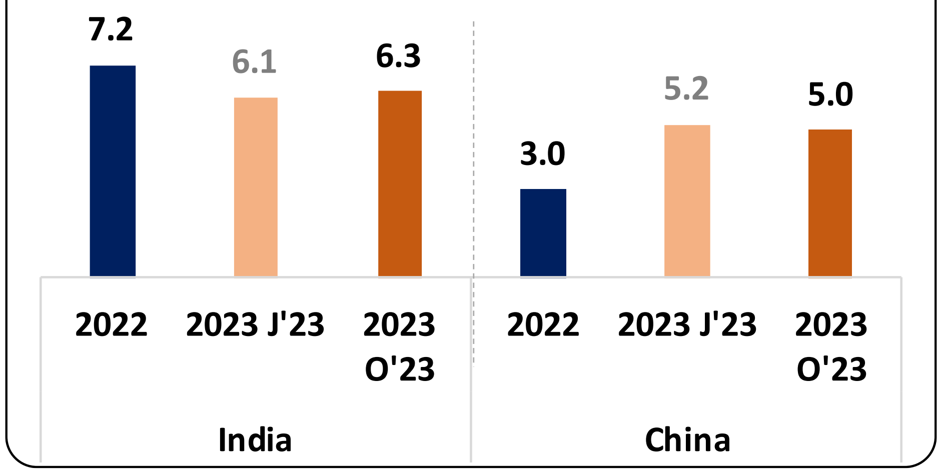
Global Growth Slowdown in 2023 (GDP % y-o-y)



India remains relatively better placed but growth to be lower than LY

- **FY24 GDP** expected to grow by **6.5%** (vs 7.2% in FY23)
- **Inflation** in FY24 expected to drop to ~5.4% Vs 6.7% in FY23
  - *Sharp spike in Food inflation in Jul'23; remains elevated*
  - *Crude oil prices up ~25% over the last three months*
- **Subdued consumer demand**
  - *Rural/Value segment weak; Discretionary categories also remain muted*

India growth outlook FY24 (Real GDP % y-o-y)

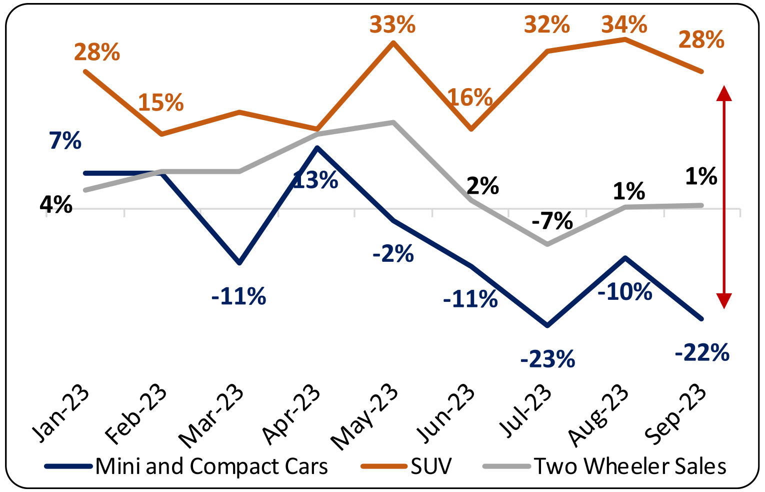


Elevated Food Inflation & below-normal Monsoon

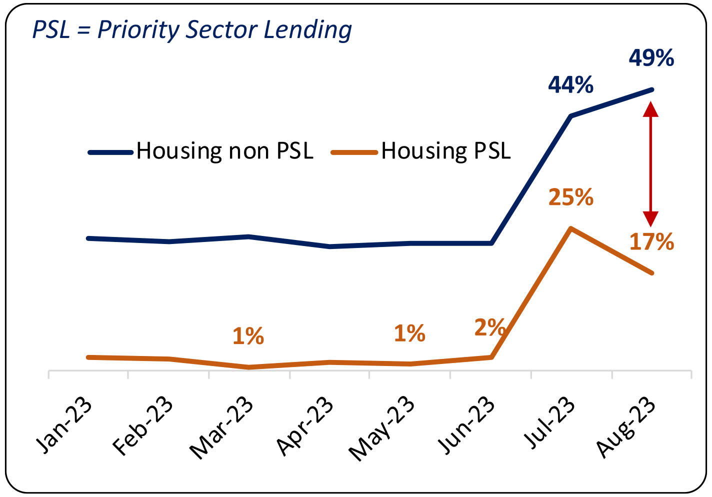
Subdued Consumer Demand (Rural / Value Segment)

Enduring Value

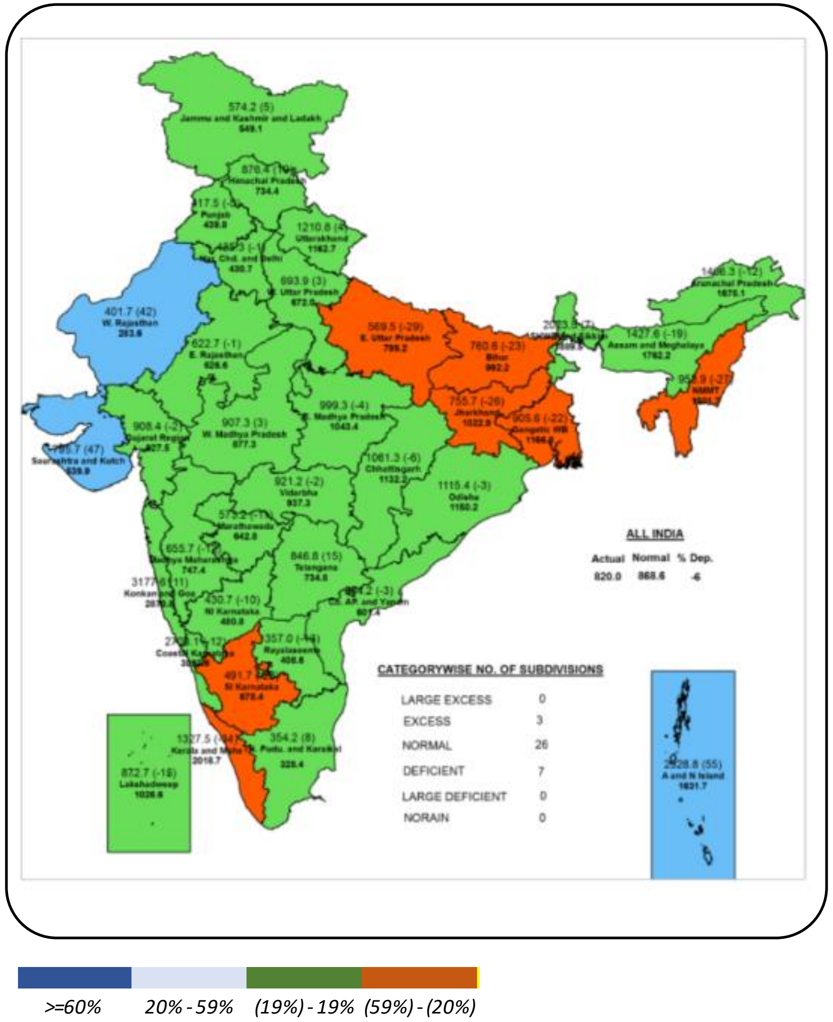
2W, compact car and SUV sales (YoY%)



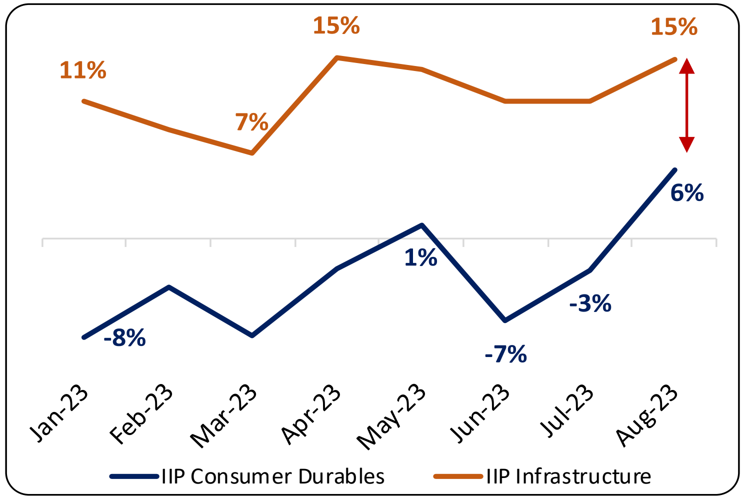
Housing Credit (YoY%)



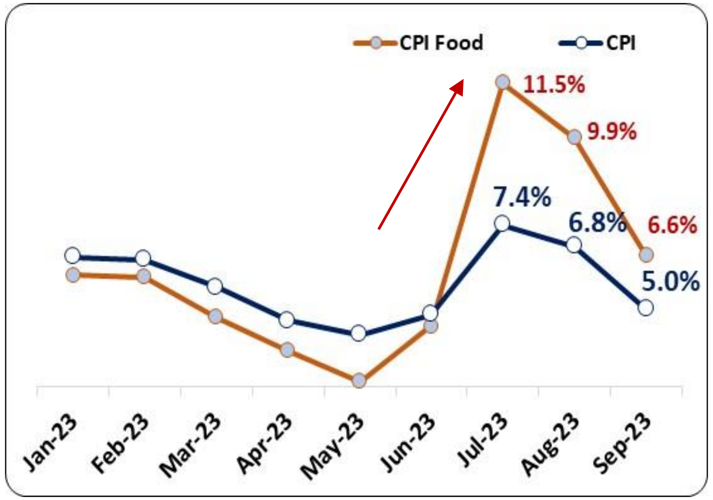
Rainfall & Reservoir levels (-)6% LPA; Spatial/Temporal skews; Recovery in Kharif sowing



IIP Infra. and Consumer Durables (YoY%)



Food inflation remains elevated (YoY%)



Source : SIAM, RBI, MOSPI, IMD

Enduring Value

Key Positives	Key Monitorables
Moderating Inflation	Subdued Consumption
Strong tax collections	Crude oil prices
Buoyancy in services and uptick in consumer sentiments	Global growth & external trade
Stable growth outlook	Private capex yet to pick up

Uncertainty on Consumption Demand

Heightened Uncertainty

- Geopolitical dynamics
- Commodity price volatility
- Climate Emergency

Q2 FY24 Results

Key Highlights

Key Highlights: Q2 FY24

Gross Revenue

excl. Wheat & Rice exports

▲ +8.9%

EBITDA

excl. Paperboards, Paper & Packaging Segment

▲ +9.5%

Profit After Tax

▲ +10.3%

Key Highlights: Q2 FY24

- **Strong performance continues in FMCG – Others; Segment Revenue up 8.3% YoY on a high base; 2-year CAGR +14.5%**
  - *Atta, Spices, Personal Wash and Agarbatti drive growth amidst relatively subdued consumer demand environment*
  - *Classmate Notebooks and Pens witnessed strong growth on YoY basis*
  - *Segment EBITDA margins expanded 150 bps YoY to 11.0%*
  - *Segment PBIT up 36.8% YoY*

- **Resilient performance in Cigarettes Segment**
  - *Net Segment Revenue up 8.5% YoY; Segment PBIT up 8.0% YoY on a high base*
  - *2 Yr. CAGR: Net Segment Revenue +15.7%, Segment PBIT +15.5%*

- **Stellar performance in Hotels Business with record high second quarter performance; Segment Revenue and PBIT up 21% and 50% YoY respectively on a high base**
  - *Strong growth in ARRs across properties; Occupancy largely flattish (fewer wedding dates, pre-season renovations)*
  - *Segment EBITDA margin up 170 bps YoY to 30.7% driven by higher RevPAR, structural cost interventions & operating leverage*
  - *Exclusively curated and served from the best of India's culinary heritage at the prestigious **G20 summit**, Bharat Mandapam, New Delhi*
  - *Scheme of Demerger approved by Board in August 2023; progressing as per scheduled timelines*

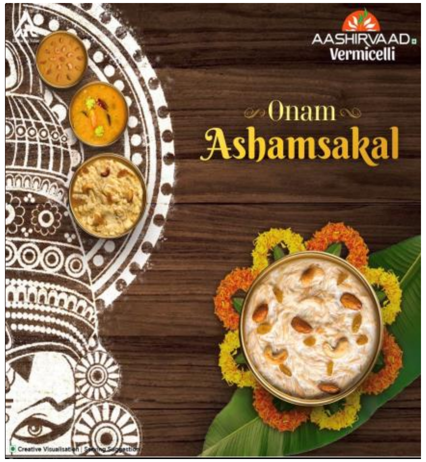
Key Highlights: Q2 FY24

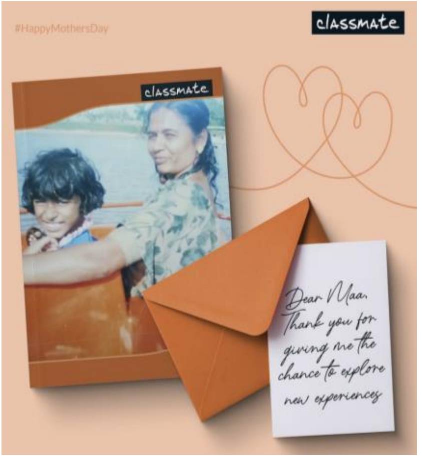
- Agri Business **Segment Revenue up 26.4% YoY (excl. Wheat & Rice exports)** driven by **Value Added Agri products & Leaf Tobacco**
  - *Segment PBIT up 3.3% YoY (2 Yr. CAGR +9.7%)*
  - *Geopolitical tensions & climate emergencies raise concerns on food security and food inflation; trade restrictions imposed by Govt. on agri commodities limit business opportunities for the segment*

- **Performance in Paperboards, Paper and Packaging Segment reflects the impact of low priced Chinese supplies and muted demand in export markets, sharp reduction in global pulp prices and high-base effect; domestic demand relatively subdued in certain discretionary categories**
  - *Sharp drop in net sales realisation & global pulp prices witnessed during the quarter are likely to have bottomed out; green shoots of revival in demand were visible towards the end of the quarter*
  - *The project for augmentation of in-house chemical pulp capacity by appx. 20% completed during the quarter; will further enhance substitution of imported pulp & enable reduction in operating costs*
  - *Integrated business model and strategic interventions (in-house pulp, VAP, Digital, HPRB) partly mitigate pressure on margins*

Enduring Value

FMCG Others





AASHIRVAAD | Sunfeast | BINGO! | Sunfeast YiPPee! | fiama | classmate | AASHIRVAAD svasti | SUNRISE PURE | Savlon

B Natural | Vivel #AbSamjhautaNahin | ITC MASTER CHEF | Sunfeast Farmlite | ENGAGE | nimyle | AIM | FABELLE | CHARMIS

SUNBEAN | DERMAFIQUE cell by cell | Dark Fantasy | Kitchens of India | Paperkraft | MANGALDEEP | CANDYMAN | Sunfeast MOM'S MAGIC

Segment Revenue up 8.3% YoY on a high base

- **Segment Revenue up 8.3% YoY; 2 Yr. CAGR +14.5% on a high base; Q2 FY23 had witnessed sharp sequential growth**
  - *Strong YoY growth in Atta, Spices, Personal Wash and Agarbatti*
  - *Notebooks & Pens continues to witness strong traction*
- **Rapid scale up in Alternate Channels**
  - *Channel specific business plans, collaborations and format-based assortments enable robust traction*
- **Commodity price deflation** on YoY basis; sequential uptick in certain commodities *(viz. wheat, maida, sugar, potato)*
- Increasing **competitive intensity** including from local / regional players in the backdrop of commodity price deflation
- **Marketing investments** stepped up

FMCG Segment Revenue

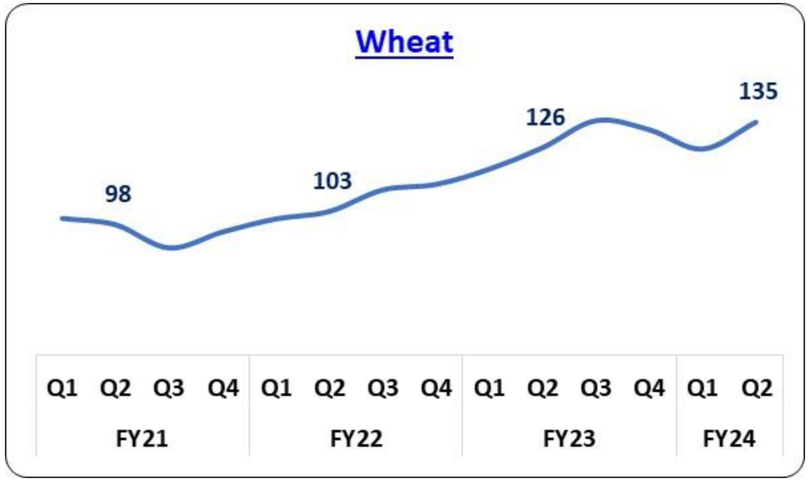
Rural Markets	Direct outlet servicing
Scale up of stockists network (3.4x^)	1.25x^

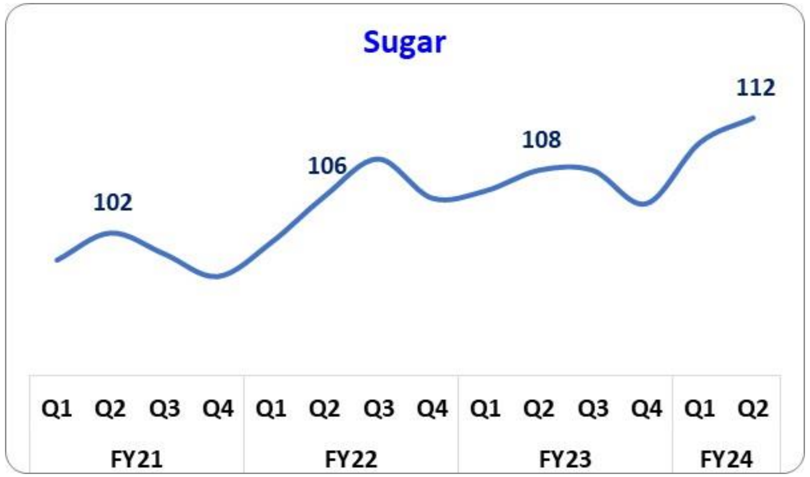
Market Coverage	Total outlet servicing
2.0x^	1.12x^

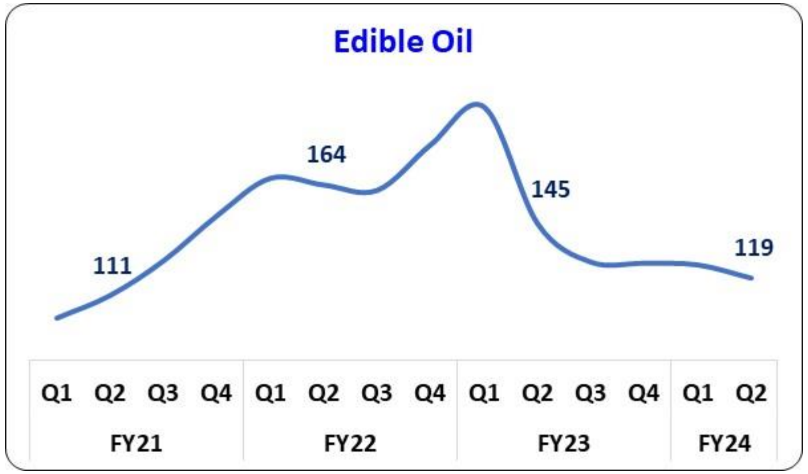
^of pre pandemic levels

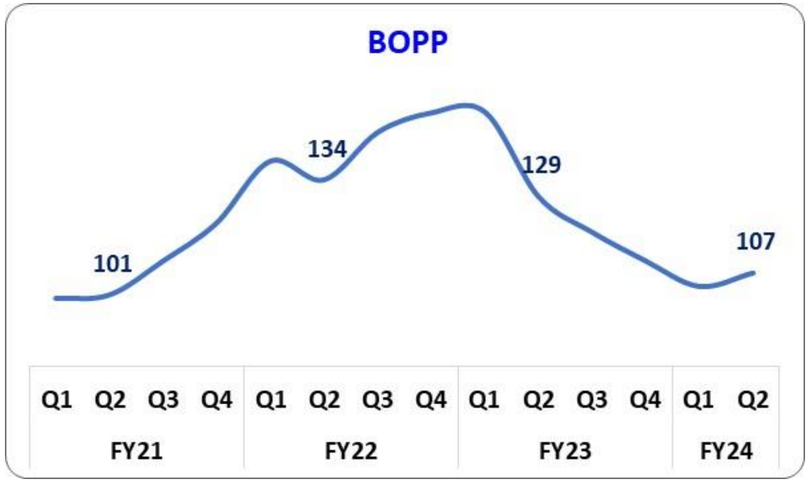
Commodity Price Trends

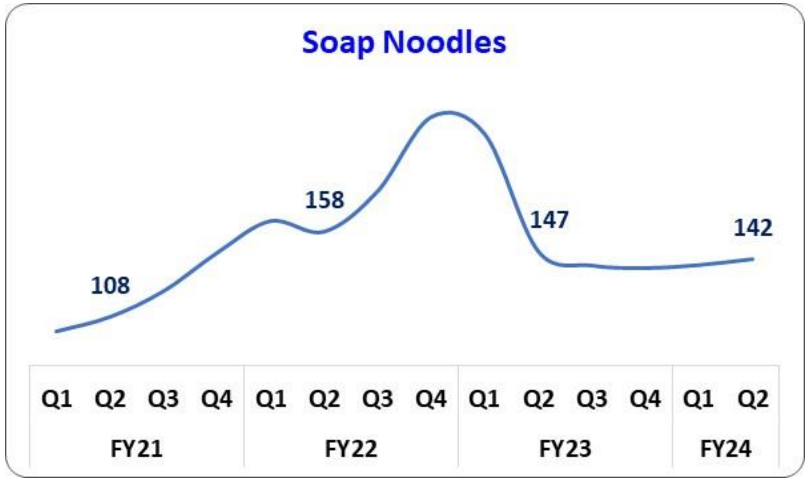
A Mixed Bag











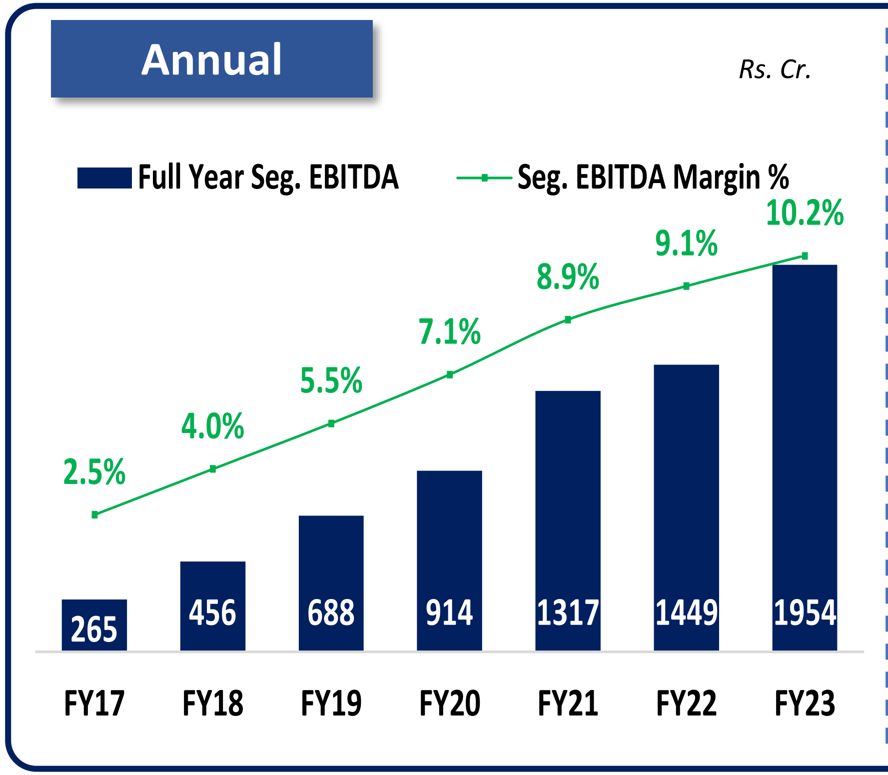
Indexed market rates

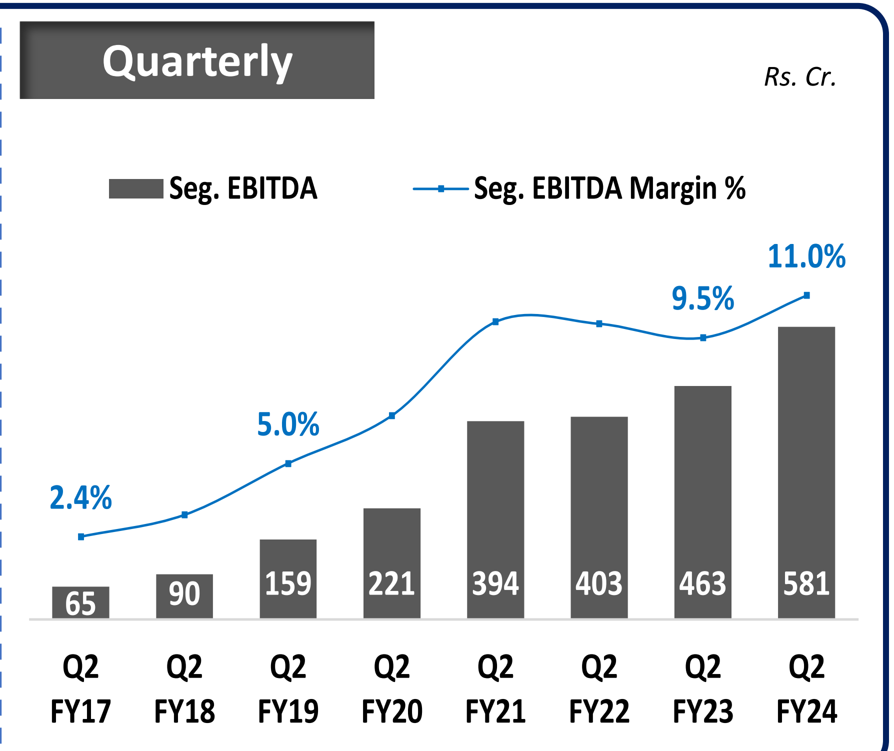
FMCG Others

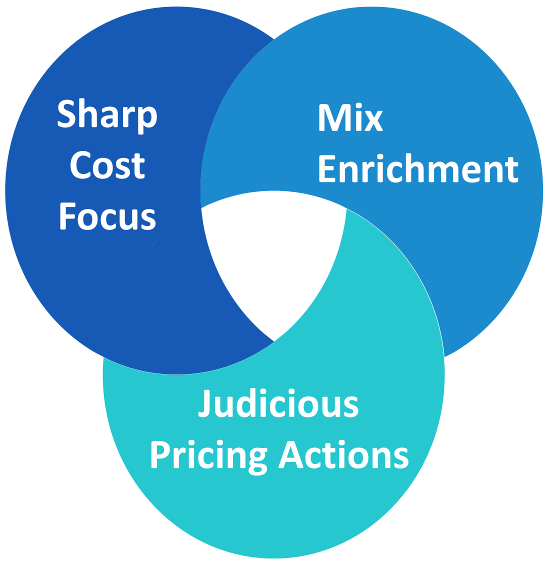
Segment EBITDA +25% YoY
Margins up 150 bps YoY

Enduring Value

- **Q2 Segment EBITDA margins at 11.0%** *up 150 bps YoY*
  - *Margin expansion driven by multi-pronged interventions viz. premiumisation, supply chain agility, judicious pricing actions, digital initiatives and strategic cost management*







Purposeful Innovation

Recent Launches

Tedhe Medhe |Bingo! Nachos
Cream & Onion | Chilli Limon

Sunfeast YiPPee!
Magic with Millets

Bounce Day & Night
Choco & Vanilla

Sunfeast Fantastik
Roast Almond|
Choco Almond

Aashirvaad Svasti
Paneer Slices

ITC Master Chef Frozen Snacks
Paneer Pakoda | Onion Rings

Sunrise Spices
Chicken Masala

Savlon Handwash
Herbal Sensitive

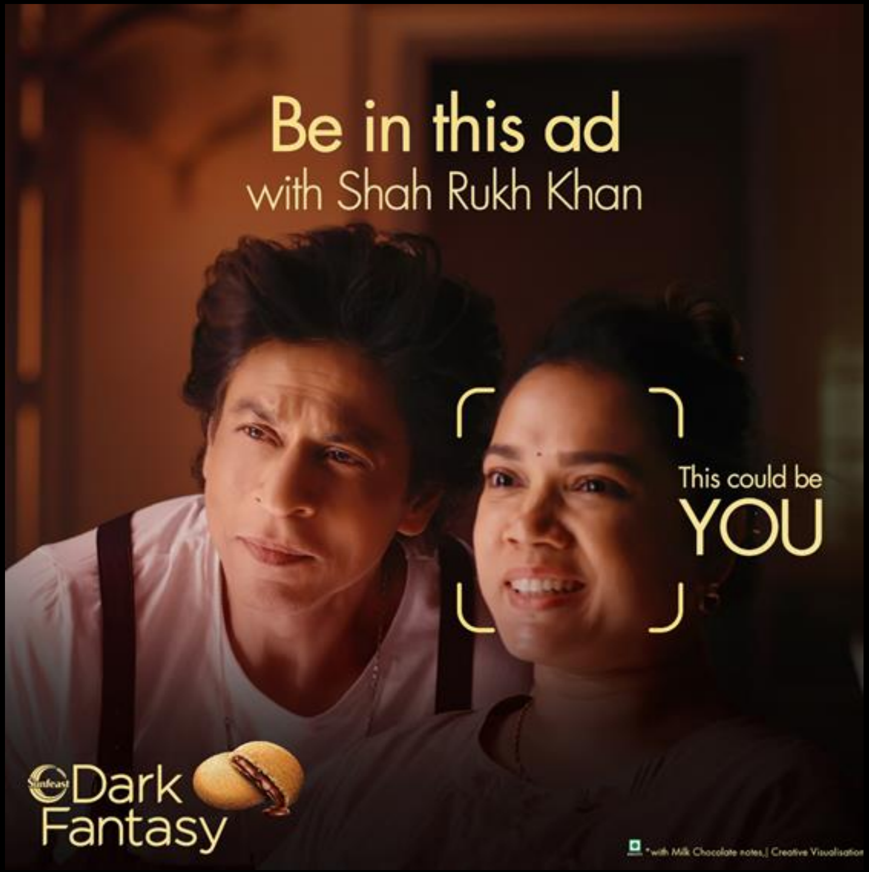
Engage L'amante
Intensity

Classmate
Spin Ball Pen

Mangaldeep
Flora

Deepening Consumer Engagement

Leveraging Emerging Trends



darkfantasyadwithsrk.in

HAR DIL KI **FANTASY**

Dark Fantasy

Engagements: 7 lakh+

Scan to try now!

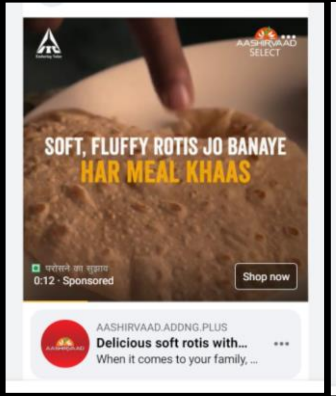
Targeted Brand Collaboration

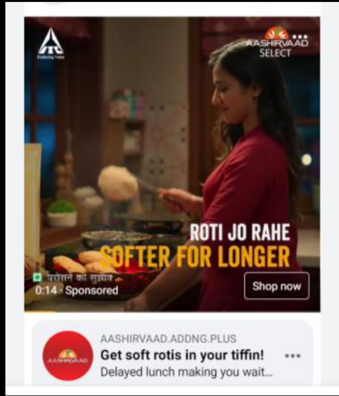
Leveraging Special Occasions to enhance Consumer Connect

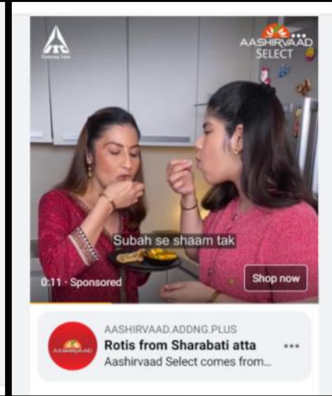
High Intensity Activations

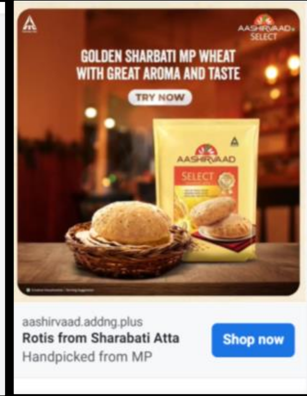
Regional taste and preferences

Sharpening Value Proposition









Cohort based marketing

IF YOUR PET
IS ONE OF THESE…….


NAP GOD


YOGA LOVER


TREAT HUNTER

Enduring Value

FMCG Cigarettes

FMCG Cigarettes – Q2 FY24

Enduring Value

Segment Revenue

7658 cr. ▲ **10.1%**

Segment Results

4782 cr. ▲ **8.0%**

- **Net Segment Revenue* up 8.5% and Segment PBIT up 8.0% YoY** on a high base
  - ***2 Yr. CAGR: Net Segment Revenue +15.7%, Segment PBIT +15.5%***
- **Portfolio Vitality | Product Availability | Execution Excellence**
  - *Several differentiated variants launched recently continue to perform well*
  - *Market standing reinforced by fortifying the product portfolio/ market interventions & agile execution*
  - ***Innovation & democratising premiumisation*** *across segments*
- Sharp **cost escalation** (Leaf Tobacco & certain other inputs) + increase in **taxes** → **largely mitigated** through improved mix, strategic cost management and calibrated pricing

Relative stability in taxes, backed by deterrent actions by enforcement agencies, enables continued volume recovery from illicit trade

** Net of Excise Duty/NCCD on Sales*

FMCG Cigarettes

Reinforcing market standing

Enduring Value

Innovation

- Classic Connect
- Gold Flake SLK
- American Club Clove Mint
- Gold Flake Indie Mint

Portfolio Fortification

- Gold Flake Neo SMART Filter
- Wills Deluxe
- Bristol Deluxe FT
- Flake XL
- Flake Skipper

Recent Introductions

- Classic Alphatec
- Classic Verve Balanced Taste
- GF Glostar
- American Club Smash
- American Club Clove Magik
- Flake Snap
- Players Rush
- Capstan Victory

Enduring Value

Hotels Business

ITC HOTELS
RESPONSIBLE LUXURY

HONOURED TO HAVE CURATED AND SERVED
FROM THE BEST OF INDIA'S CULINARY HERITAGE
AT THE G20 SUMMIT,
BHARAT MANDAPAM, NEW DELHI.

Record high second quarter

Segment Revenue

649 cr.

(+21%; 1.5x of Q2 FY20)

Segment Results

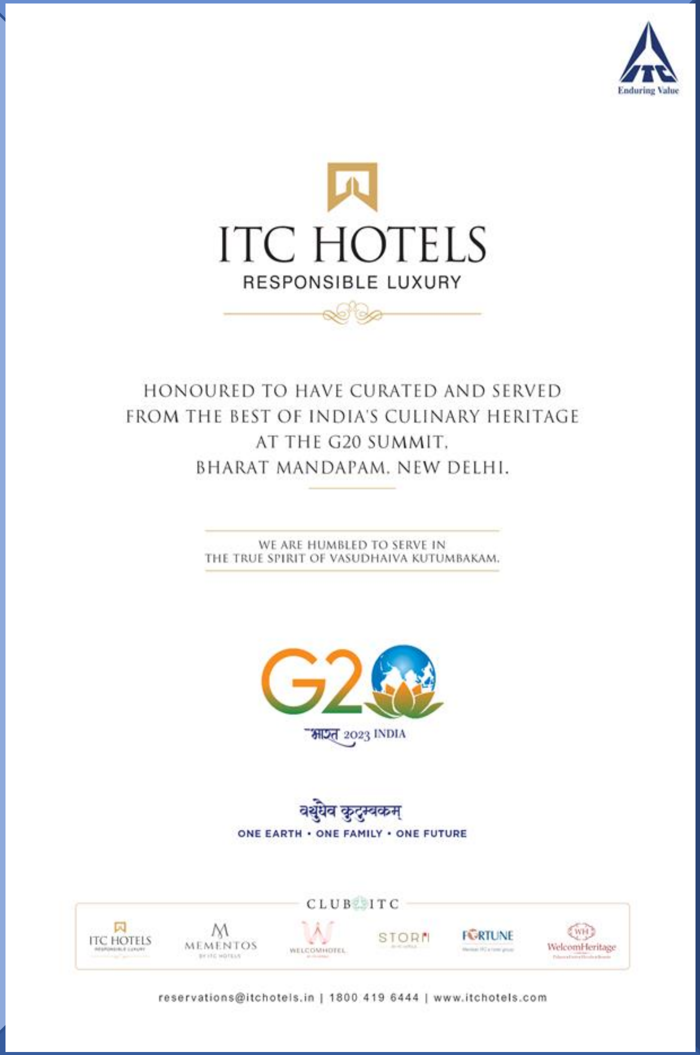
126 cr.

(+50%)

- **Strong growth in ARRs** across properties
  - *Occupancy flattish YoY mainly due to renovations & relatively fewer wedding dates.*
- Healthy pipeline of management contracts under **Mementos, Welcomhotel, Storii, Fortune and WelcomHeritage brands**
  - *Phased openings over the next few quarters*
- **Segment EBITDA margin expanded by 170 bps YoY to 30.7%**; margin expansion driven by higher RevPAR, curated packages, finest F&B offerings and strategic cost management initiatives
- Scheme of Demerger approved by Board in August 2023; progressing as per scheduled timelines.
  - *Scheme submitted to stock exchanges for requisite approvals.*

Curated from the best of India's culinary heritage at G20 summit, New Delhi

Enduring Value



Diplomatic privileges

State dinners across the world aren't known for their food. But ITC's chefs set a new standard at this year's G20 Summit

VIR SANGHVI

There was a time in my life when I used to have to attend state banquets in various countries. Some of them were fun. I got to sit next to interesting people and when I was attending banquets abroad, I gained rare insight into the country I was visiting because high-powered guests at my table often spoke candidly and indiscreetly.

But almost every banquet had one thing in common: The quality of the food. It was usually unmemorable and sometimes just

...egation, and the food they made for foreign guests who came for small lunches and dinners with Vajpayee was always outstanding.

Given this background, I was more than a little surprised to hear foreign delegates raving about the food served at the recently concluded G20 heads-of-government meet in Delhi. Various ambassadors told me that their bosses were full of praise for the food and service.

Given that over 350 people attended the big dinner thrown

The Largest and the most exclusive catering in Hospitality ever

Curated offerings to drive demand

Enduring Value

Special Occasions leveraged

Marketing campaigns

CLUB ITC

Celebrations on Gourmet Couch

Trails and Tales

Onam Sadhya

Executing 'Asset Right' Strategy

MEMENTOS BY ITC HOTELS | WELCOMHOTEL BY ITC HOTELS | STORII BY ITC HOTELS | FORTUNE Member ITC's hotel group | WelcomHeritage Palaces • Forts • Havelis • Resorts

Bouquet of brands catering to relevant need spaces (21 properties added in the last 18 months)

Strong pipeline of management contracts

Enduring Value

Agri Business

Agri Business – Q2 FY24

Revenue up 26.4% (excl. Wheat & Rice exports)
driven by Value Added Agri & Leaf Tobacco

Enduring Value

Segment Revenue

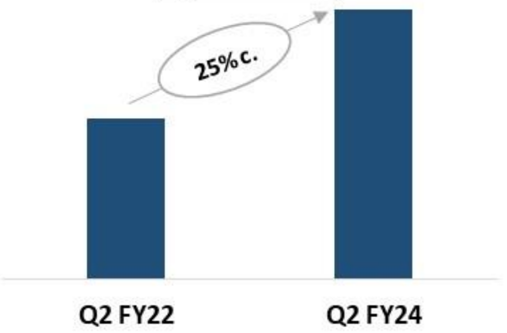
3931 cr. ▼ **1.7%**

Segment Results

357 cr. ▲ **3.3%**

- Strong **customer relationships** & **agile execution** in Leaf Tobacco & Value Added Agri exports continue to drive growth
- **Strategic sourcing support** to Branded Packaged Foods Businesses – Wheat, Dairy, Beverages & Spices
- Stock limits on wheat, ban on non-basmati rice exports and export duty on parboiled rice, limited business opportunities for the Agri Business
- State-of-the-art facility^ at Mysuru for manufacture and export of **Nicotine & Nicotine Derivative** products conforming to US & EU pharmacopoeia standards
  - *Commissioned during the quarter; exports expected to commence over the next few months*
  - *Distinctive capabilities in crop development + complete traceability & sustainability assurance → competitive advantage*

Robust growth in Value Added Agri Turnover



c. denotes 2 yr. CAGR

ITCMAARS

ई-चौपाल

किसानों के हित में, किसानों का अपना

9 States	**1,250** FPOs	**7** Languages
~60 Tie-ups with Partner Cos	**10.6** lac Farmer registrations	**8.2** lac App downloads

^ Being undertaken by ITC IndiVision Limited (IIVL), the Company's wholly owned subsidiary

Enduring Value

Paperboards, Paper & Packaging

Challenging operating environment & high base effect

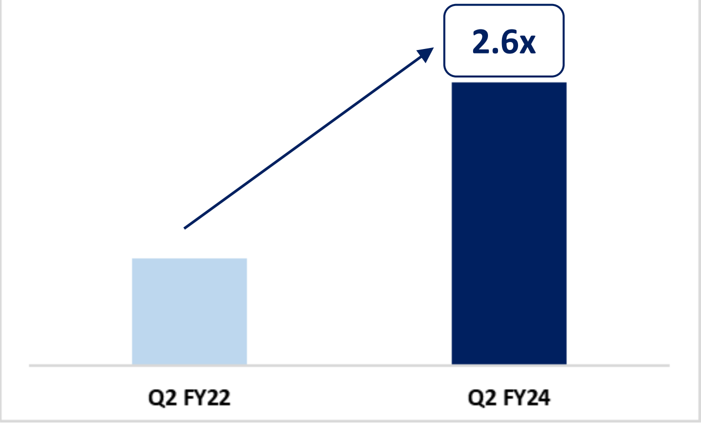
Segment Revenue

2070 cr. ▼ 9.5%

Segment Results

316 cr. ▼ 49.9%

Rapid scale up of Sustainable products



- Performance reflects impact **of low priced Chinese supplies in global markets, drop in Chinese domestic demand and slump in EU markets exerted pressure on exports; sharp reduction in global pulp prices and high base effect**
  - — *Domestic demand subdued in certain discretionary categories*
  - — *Sharp drop in realisations and global pulp prices → likely to have bottomed out*
  - — *Green shoots of demand revival visible towards the quarter end*
- **Chemical pulp capacity expansion (~+20%)** project completed → *substitution of imported pulp + reduction in operating costs*
- **Sharp escalation in wood & coal costs**; Integrated business model & strategic interventions (in-house pulp, VAP, Digital, HPRB) partly mitigate pressure on margins
- **New business development** being accelerated offering innovative and customised solutions, with special focus on consumer electronics, QSR and personal care products
- **Sustainable Products** portfolio continues to witness strong growth
  - — *State-of-the-art premium* ***Moulded Fibre Products*** *manufacturing facility^ being set up in Badiyakhedi, Madhya Pradesh.*

^ *Being undertaken by ITC Fibre Innovations Limited, the Company's wholly owned subsidiary*

Financials

Key Financials – Q2 FY24

Rs. Cr.	Q2 FY24	Q2 FY23	YoY growth
Gross Revenue	17,549	16,971	***3.4%***
Net Revenue	16,357	15,976	***2.4%***
EBITDA	6,042	5,864	***3.0%***
PBT	6,514	5,939	***9.7%***
PAT	4,927	4,466	***10.3%***

+8.9% ***YoY (excl. Wheat & Rice exports)***

+9.5% ***YoY (excl. Paperboards, Paper & Packaging Segment)***

Standalone basis

Segment Revenue Q2 FY24

Rs. cr.	Q2 FY24	Q2 FY23	Q2 YoY growth
Segment Revenue			
a) FMCG - Cigarettes	7658	6954	*10.1%*
- Others	5292	4885	*8.3%*
Total FMCG	**12949**	**11839**	***9.4%***
b) Hotels	649	536	*21.2%*
c) Agri Business	3931	3997	*-1.7%*
d) Paperboards, Paper & Packaging	2070	2288	*-9.5%*
Total	**19600**	**18659**	***5.0%***
Less : Inter - Segment Revenue	2051	1688	*21.5%*
Gross Revenue from sale of products and services	**17549**	**16971**	***3.4%***

- **FMCG Cigarettes**
  - *Net Segment Revenue* up 8.5% YoY*
    - *2 Yr. CAGR at 15.7%*
- **FMCG Others**
  - *Segment Revenue up 8.3% YoY on high base*
    - *2 Yr. CAGR at 14.5%*
  - *Staples, Notebooks & Pens, Personal Wash & Agarbatti drive growth amidst relatively subdued consumer demand environment*
- **Hotels**
  - *Best-ever Q2, Revenue up 21% YoY on high base*
- **Agri Business**
  - *Revenue up 26.4% YoY (excl. Wheat & Rice exports)*
- **Paperboards, Paper & Packaging**
  - *Low priced Chinese supplies and muted demand in export markets*
  - *Sharp reduction in global pulp prices and high base effect*

** Net of Excise Duty/NCCD on Sales*

Segment Results Q2 FY24

Rs. cr.	Q2 FY24	Q2 FY23	Q2 YoY growth
Segment Results			
a) FMCG - Cigarettes	4782	4429	*8.0%*
- Others	439	321	*36.8%*
Total FMCG	**5220**	**4750**	*9.9%*
b) Hotels	126	84	*49.8%*
c) Agri Business	357	345	*3.3%*
d) Paperboards, Paper & Packaging	316	630	*-49.9%*
Total	**6019**	**5809**	*3.6%*
Less : i) Finance Cost	11	11	
ii) Other un-allocable (income) net of un-allocable expenditure	-505	-140	
Profit Before Exceptional Items & Tax	**6514**	**5939**	*9.7%*

- **FMCG Cigarettes**
  - *Segment PBIT up 8.0% YoY*
    - *2 Yr. CAGR at 15.5%*
- **FMCG-Others:**
  - *Segment EBITDA at 581 cr. (+25% YoY)*
  - *EBITDA margin at 11.0%*
    - *Up 150 bps YoY*
- **Hotels:**
  - *EBITDA margins expanded by 170 bps YoY*
- **Paperboards, Paper & Packaging***:*
  - *Sharp drop in realisations + increase in input costs partly offset through strategic interventions (in-house pulp, VAP, Digital, High Pressure Recovery Boiler)*

ITC – A Global Exemplar in Sustainability

Impactful Social Performance

Enduring Value

ITC e-Choupal
4 Million Farmers empowered

Afforestation
Over 11,13,000 acres greened

Watershed Development
Over 1.5 million acres covered

Livestock Development
Over 21.7 lac milch animals covered

Solid Waste Management
Well-being Out of Waste programme covers 57.2 lac households

Women Empowerment
1.39 lac poor women benefitted

Skilling & Vocational Training
Skilled over 1.05 lac youth

Primary Education
Reaching over 12.7 lac Children

Mother & Child Health
Over 6.8 lac beneficiaries covered*

Climate Smart Agriculture
23 lac acres covered*

*Basis FY23

Sustainability 2.0

REDUCE I RECYCLE I RESTORE

Sustainability Targets 2030

Raising the Bar

Enduring Value

Strategic Interventions to Combat Climate Change

- De-Carbonization
- Climate Adaptation and Resilience
- Circularity
- Building Green Infrastructure
- Nature based solutions
- Inclusive Value Chains

Renewable Energy	Specific GHG Emissions	Recyclable Plastic Packaging	Plastic Neutrality
50%	50% ↓	100%	100% Collection since FY22

Water Security for All

5x of ITC's Net Consumption

AWS Certification

for High Water Stressed Sites by 2035

Biodiversity & Agriculture

1	million acres	Biodiversity Conservation
3	million acres	Climate Smart Village
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**

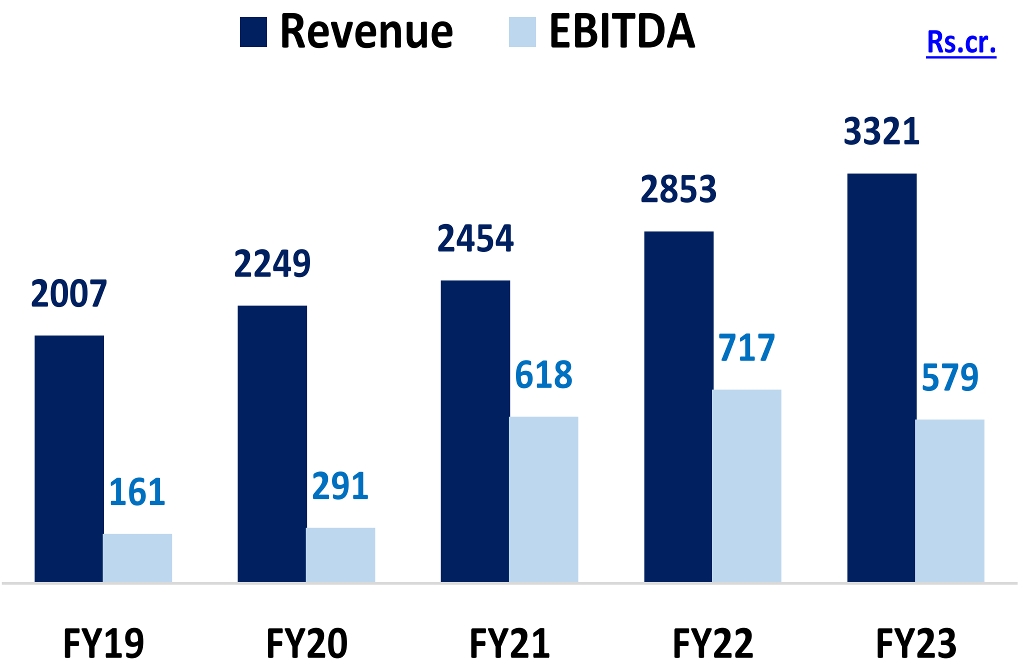
Sustainability – Highlights

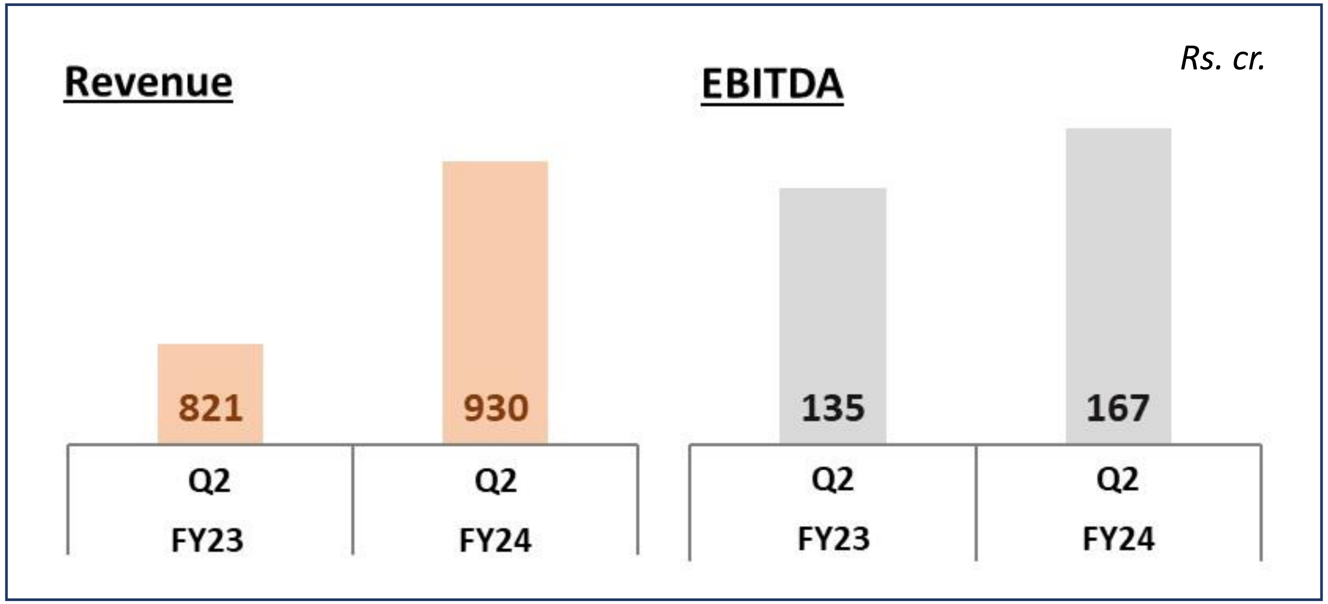
Enduring Value

- Exceeded commitment on **Plastic Neutrality**; collected and sustainably managed over 60,000 MT of plastic waste in FY23
- **60% critical Tier - 1 suppliers trained on ESG** related aspects during FY23
- Best-in-class ESG Ratings:
    - **AA rating by MSCI** for the 5th consecutive year; **A- Leadership score under CDP ratings** - **ahead of Asia & Global average;** Continues to be included in the **Dow Jones Sustainability Emerging Markets Index** - a reflection of being a sustainability leader in the industry
- The only enterprise of comparable dimensions globally to have achieved and sustained the three key global indices of environmental sustainability of being **'water positive' (for 21 years)**, **'carbon positive' (for 18 years)**, and **'solid waste recycling positive' (for 16 years)**
- **Water Stewardship:**
    - **ICML Malur → first F&B unit in Asia** and **Paper mill at Kovai → second site in the world** to receive **Platinum level certification** by AWS (Alliance for Water Stewardship)
- **Bio Diversity:**
    - Winner of the first **UNDP Mahatma Award for Biodiversity** → in recognition of efforts in promoting biodiversity conservation through intensive community engagement

ITC Infotech

ITC Infotech





- Strong double digit sequential growth in Revenue
- Healthy Total Contract Value (TCV) signings; strong pipeline
- Investments continue in **Capability building** in **strategic focus areas, sales org.** & **infrastructure.**

Q2 FY24 EBITDA margin
@ upper-end of mid-tier IT cos.

Enduring Value

A passion for
Profitable growth...

in a way that is
Sustainable...

and
Inclusive.

Links

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/
ITC : Creating Enduring Value for India	https://youtu.be/VwnE4eN_BTk
Details on the Company's Sustainability 2.0 vision	https://www.itcportal.com/sustainability/sustainability-integrated-report-2023/ITC-Sustainability-Integrated-Report-2023.pdf
Quarterly Media Statement	https://www.itcportal.com/investor/pdf/ITC-Press-Release-Q2-FY2024.pdf