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24<sup>th</sup> October, 2024

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 24<sup>th</sup> October, 2024 forwarding the Unaudited Financial Results of the Company for the Quarter and Six Months ended 30<sup>th</sup> September, 2024, 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  
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cc: Societe de la Bourse de Luxembourg  
35A Boulevard Joseph II  
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**ITC Limited**  
Virginia House  
37 J. L. Nehru Road  
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## **Media Statement**

**October 24, 2024**

### **Standalone Financial Results for the Quarter ended 30<sup>th</sup> September, 2024**

#### **Highlights**

- **Resilient performance amidst a challenging operating environment**
  - **Gross Revenue records strong growth; up 16% YoY driven by Agri Business and Hotels**
  - **EBITDA up 5% YoY; ex-Paper up 6.3% YoY**
  - **Subdued demand conditions, unusually heavy rains in parts of the country, high food inflation and sharp escalation in certain input costs (leaf, wood etc.) witnessed during the quarter.**
- **FMCG – Others Segment Revenue up 5.4% YoY; up 7% YoY ex-Notebooks**
  - Staples, Biscuits, Snacks, Frozen Snacks, Dairy, Premium Soaps, Homecare and Agarbatti drive growth
  - Notebooks impacted by high base effect and opportunistic play by local brands led by sharp drop in paper prices
  - Segment EBITDA up c.2% YoY; marginal drop of 35 bps in margins amidst inflationary headwinds in input costs; 2-year CAGR up 13%.
- **Cigarettes Net Segment Revenue up 7.3% YoY, Segment PBIT up 5.1% YoY**
  - Market standing continues to be re-inforced through strategic portfolio and market interventions with focus on competitive belts and to counter illicit trade
  - Differentiated and premium offerings continue to perform well
  - Severe cost escalation in leaf tobacco partially mitigated through improved mix, strategic cost management and calibrated pricing actions.
- **Hotels Segment delivered strong performance on a high base (LY includes G20 related business); Segment Revenue up 12.1% YoY (2-yr CAGR +16.5%); Segment PBIT up 20.2% YoY**
  - F&B, Retail & Wedding segments drive growth
  - EBITDA margin expands 70 bps YoY driven by higher RevPAR, operating leverage and strategic cost management
  - The Company's first international property ITC Ratnadipa<sup>1</sup>, opened in April 2024 at Colombo, Sri Lanka continues to garner excellent response and widespread appreciation
  - Hotels Demerger Update: The Hon'ble National Company Law Tribunal, Kolkata Bench (NCLT), vide Order dated 4th October, 2024, has sanctioned the Scheme of Arrangement amongst ITC Limited and ITC Hotels Limited and their respective shareholders and creditors under Sections 230 to 232 read with the other applicable provisions of the Companies Act, 2013 (the Scheme); certified copy of the NCLT Order is awaited. The Scheme will be effective on the first day of the following month after filing of certified copy of the aforesaid NCLT Order with the Registrar of Companies, West Bengal, and fulfilling other conditions & matters referred to in the Scheme.
- **Agri Business Segment Revenue up 47% YoY led by Leaf Tobacco & Value Added Agri products; Segment PBIT up 27.5% YoY**
  - Strong growth in Leaf Tobacco exports leveraging strong customer relationships and new business development
  - Value-added agri portfolio (e.g. Coffee, Fruits & Vegetables, Spices) performed well

<sup>1</sup> A project undertaken by WelcomHotels Lanka (Private) Limited, a wholly owned subsidiary, comprising 352 luxury hotel rooms and 132 super-premium residential apartments ('The Sapphire Residences')

- The Company continues to engage with farmers to build crop resilience against extreme weather events through customised agronomy practices. The Climate Smart Agriculture programme covers over 28 lakh acres and about 7.5 lakh farmers in the country.
- **Paperboards, Paper and Packaging Segment remains impacted due to low priced Chinese supplies in global markets including India, soft domestic demand conditions and unprecedented surge in wood prices**
  - Segment Revenue up 2.1% YoY driven by exports; up 7% QoQ
  - Subdued realisation, surge in domestic wood prices and ocean freight continue to weigh on margins. Unseasonal rains adversely impact wood availability, quality and procurement price
  - Strategic interventions, including sharp focus on portfolio augmentation, export customer/market development & structural cost management, continue to be made to mitigate near term challenges.

The Indian economy continues to demonstrate macro-economic stability even as high frequency indicators such as automobile sales, bank credit & personal loan growth, credit card transaction volumes, GST collections, merchandise exports growth, manufacturing PMI etc. pointed to a deceleration in the pace of economic activity during the quarter. The quarter also witnessed excessive rains in August and September and a resurgence in food inflation which led to CPI hitting a 9-month high. The combination of these factors along with inflationary trends in commodity prices weighed on consumption expenditure and the FMCG sector.

Amidst a challenging operating environment as stated above, the Company delivered a resilient performance during the quarter. Gross Revenue stood at Rs. 20,360 crores representing a robust growth of 16.0% YoY. PBT (before exceptional items) and PAT stood at Rs. 6,755 crores and Rs. 5,078 crores respectively. Earnings Per Share for the quarter stood at Rs. 4.06.

Despite the near-term headwinds, the Indian economy continues to be extremely resilient amidst a sluggish global economy on the back of multi-dimensional and purposeful policy interventions by the Government and its thrust on creating physical, digital, agri and rural infrastructure. India continues to be acknowledged as one of the fastest growing major economies in the world with significant headroom for growth over the medium and long-term. A favourable demographic profile, increasing affluence, rapid urbanisation and accelerated digital adoption represent some of the key structural drivers of growth of the Indian economy. Expectations of a good crop output, anticipated moderation in inflation, improving agri terms of trade, and the Government's thrust on public infrastructure & the rural sector augur well for a pick-up in consumption demand.

#### **FMCG – OTHERS**

- **The FMCG Businesses delivered resilient performance amidst muted demand conditions with Segment Revenue growing 5.4% YoY to Rs. 5578 crores; up 7% YoY ex-Notebooks**
  - Staples, Biscuits, Snacks, Frozen Snacks, Dairy, Premium Soaps, Homecare and Agarbatti drive growth
  - Incessant rains and flooding in certain parts of the country adversely impacted categories with higher salience of discretionary/out-of-home consumption
  - Inflationary headwinds were witnessed across several key inputs (viz. edible oil, wheat, maida, potato etc.) during the quarter.
  - Competitive intensity continues to remain high (including from local players) in certain categories such as Noodles, Snacks, Biscuits and Popular Soaps
  - Emerging channels (viz. e-Commerce, Quick Commerce, Modern Trade) witnessed robust growth on the back of sharp execution of channel-specific business plans, collaborations, format-based assortments and category-specific sell-out strategies
  - The Trade Marketing & Distribution vertical (TM&D) remains at the forefront of leveraging cutting-edge digital technologies and building a digital ecosystem to drive productivity, improve market servicing, draw actionable insights for sharp-focused interventions, augment sales force capability and deepen connect with retailers. The Company's digitally powered eB2B platform, UNNATI app

(now also available in several vernacular languages) covers over 7 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

- Multi-pronged interventions continue to be made to accelerate growth across categories leveraging the Company's strong growth platforms. The portfolio continues to be further augmented with sharper focus on fortifying the core categories, addressing value-added adjacent opportunities leveraging mother brands and scaling up new growth vectors. Appreciable progress has been witnessed in these newer categories, which continue to be scaled up
- The Company's deep & wide multi-channel distribution network, with tailored channel-specific assortments, continues to sharp target opportunity areas through superior product availability and visibility. Focused investments continue to be made to enhance distribution infrastructure and drive penetration across markets. Significant capability augmentation also continues in emerging channels (Quick commerce, e-Commerce and Modern Trade) to enable portfolio premiumisation, and enhance market standing. Strategic cost management initiatives and supply chain optimisation continue to significantly mitigate the impact of inflationary headwinds.

### ➤ **Branded Packaged Foods Businesses**

- **'Aashirvaad' Atta** posted robust growth reinforcing its leadership position in the Branded Atta industry
  - Value-added atta range sustained its high growth trajectory driven by superior value proposition and strong performance in emerging channels. Towards deepening consumer engagement, 'Aashirvaad Select Atta' launched its new ad-campaign 'Gehoon Ka Sartaj' with celebrity Chef Ranveer Brar as its brand ambassador. The association is aimed at communicating the core benefits of 'Select' Atta, a premium offering made from 100% Sharbati wheat, resulting in soft and great-tasting rotis
  - In line with its strategy to address value-added adjacencies leveraging mother brands, the Business augmented its portfolio with the launch of Aashirvaad Soya Chunks and Roasted Short Vermicelli anchored on the value proposition of '100% Veg., Absorbs More Masala, Juicy and Tasty' and 'Made from wheat, non-sticky & non-lumpy' respectively. These products have received positive consumer feedback in their respective launch markets. 'Aashirvaad Besan' continues to witness strong traction and has been expanded to newer markets. Other value-added differentiated variants such as 'Gluten Free Flour', 'Ragi Flour', Rava ('Aashirvaad Samba Broken Wheat', 'Aashirvaad Bansi Rava' and 'Aashirvaad Double Roasted Suji Rava'), 'Aashirvaad Organic Dals' and 'Aashirvaad Vermicelli' continue to garner excellent consumer traction.
- **'Aashirvaad' Salt** posted robust growth in focus markets during the quarter, supported by its distinctive positioning – 'Created by Sun and Sea - pure just like nature intended it to be'. The recently launched 'Aashirvaad Himalayan Pink Salt' continued to scale up, serving the needs of health-conscious consumers with the proposition of 'Purity which you can see and taste'.
- **'Sunfeast' Biscuits and Cakes** recorded resilient performance during the quarter on the back of differentiated products and powerful brand propositions anchored on strong consumer connect and local insights. Recent launches including 'Sunfeast Mom's Magic Cashew & Almond Ghee Roasted Nuts', 'Sunfeast Bounce Day & Night' and first-to-market 'Sunfeast Super Egg & Milk' continued to scale up. The 'Sunfeast Dark Fantasy' range of differentiated cookies continued to fortify its leadership position in the premium segment.
- **'YiPPee!' Noodles** sustained its position as a strong No. 2 brand amidst heightened competitive intensity. The Business continued to strengthen its portfolio through a combination of product laddering across multiple price points, enhanced assortment to cater to diverse consumer cohorts and launch of differentiated offerings. The recently launched YiPPee! Korean Noodles, with two variants - 'Korean Fiery Hot Style noodles' and 'Korean Spicy Kimchi Style noodles', continue to scale up amidst excellent consumer feedback. The brand continued to invest in various high decibel campaigns to connect with regional culture codes to generate positive consumer buzz. In line with

its purpose of creating 'A Better World', the brand continues to promote sustainability through plastic waste management and recycling.

- **'Bingo! Snacks'** delivered robust performance during the quarter and continued to strengthen its product portfolio with the launch of exciting variants of snacks/namkeens. The Business reinforced its leadership position in the Bridges segment and leveraged the 'Hot & Spicy' trend with the launch of 'Bingo! Tedhe Medhe Xtraa Teekha' and 'Bingo! Mad Angles Red Alert!'. The recently launched 'Bingo! 2X Hot and Spicy Korean-Style chips' variant continues to witness strong traction. The 'Tedhe Medhe' range of Bingo! Namkeens was augmented with the launch of Pudina Twist, Papdi Gathiya and Bhavnagari Gathiya which have received encouraging consumer response.
- **'Sunrise' spices** delivered strong growth during the quarter and continued to strengthen its market standing in the core market of West Bengal while expanding in other adjacent markets including, North East, Bihar and Jharkhand. The brand continued its culture-centric marketing strategy across operating geographies towards deepening consumer connect. Large scale awareness campaigns underscoring the importance of quality, safety and hygiene of packaged spices were organised to enhance consumer awareness and drive penetration.
- The **'ITC Master Chef'** range of Frozen foods continued to deliver strong growth in both Retail and Food Service channels, powered by over 60 high quality, innovative and differentiated offerings in both vegetarian and non-vegetarian segments. The product portfolio was further augmented with the launch of no-onion-no-garlic 'ITC Master Chef Sabudana Tikki' made from 'sendha namak', suitable for fasting occasions.
- In the **Dairy & Beverages category**, **'Aashirvaad Svasti'** fresh dairy portfolio comprising pouch milk, curd, lassi and paneer recorded strong growth on the back of best-in-class quality, differentiated products and superior taste profile. The fresh dairy portfolio was enriched with the launch of 'Aashirvaad Svasti Creamy Rich Milk' in select markets.
- In line with the Company's commitment to fostering nutrition, health and wellness, the Business has launched a range of nutrition dense products under the **'Right Shift'** brand to address the nutritional needs of consumers over 40. The portfolio has been curated using natural and proprietary ingredients developed at the ITC Life Sciences & Technology Centre. Anchored on the vectors of strength and energy building, the range currently comprises Millet Oats, Jaggery Cookies, Multigrain Flour and Roasted Snacks, with other products in the pipeline.
- The **Personal Care Products Business** registered robust growth across segments. 'Fiama' range of Personal Wash products, 'Engage' range of Fragrances and 'Nimyle' range of Homecare products recorded strong growth leveraging the rapidly growing emerging channels. Business continued to strengthen its product portfolio with launch of several differentiated offerings viz. 'Engage Exquisite Collection' a luxury grooming set for men, 'Vivel Pure Sandal oil' soap for soft & glowing skin etc. Further, the Business has been recognised for its sharp communication & consumer engagement with several prestigious awards including Silver at the London International Awards for 'Savlon Swasth India Mission'. Operations at the recently commissioned state-of-the-art manufacturing facility at Uluberia, West Bengal were scaled up during the quarter.
- The **Education and Stationery Products Business** continued to witness heightened competitive intensity especially from regional/local players on the back of sharp reduction in paper prices. Amidst such conditions, 'Classmate' Notebooks fortified its leadership position through relentless focus on portfolio premiumisation, innovation and leveraging institutional strengths. To build brand affinity with the college student cohort, Classmate Pulse Style Icon campaign was launched with on-ground activation comprising quizzes & competitions which garnered significant participation from target audience in 100 colleges across 17 cities.
- **'Mangaldeep' Agarbattis and Dhoop** recorded strong growth during the quarter leveraging a range of differentiated products backed by execution of channel-led trade inputs & engagement programmes and retail distribution drives. The Business launched a new campaign, '*Dil se Karo Baat, Bhagwan Ke Saath*' which celebrates one's divine connection with God. The campaign has garnered over 50 million engagements within a short span of time. In **Safety Matches**, the Business strengthened its market leadership position by driving its value-added product range and wider distribution.

## **FMCG – CIGARETTES**

### **Net Segment Revenue up 7.3% YoY; Segment PBIT up 5.1% YoY**

- The Business continues to counter illicit trade and make strategic portfolio & market interventions with focus on competitive belts to reinforce market standing
  - Differentiated variants and premium segment continue to perform well
  - Product portfolio continues to be strengthened through the scale up of innovative and differentiated offerings as well as strategic laddering interventions, leveraging mainstream trademarks
  - Agile last mile execution leveraging deep and wide distribution network.
- Sharp cost escalation in leaf tobacco, partly mitigated through improved mix, calibrated pricing and strategic cost management.
- Trade marketing spends restructured for sharper last mile execution.
- 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.

## **HOTELS**

### **Segment Revenue up 12.1% YoY (2-yr CAGR 16.5%); Segment PBIT up 20.2% YoY (2-yr CAGR 34.2%)**

- Strong performance on a high base (LY includes G20 related business) driven by F&B, Retail and Wedding segments.
- Segment EBITDA margin expanded by 70 bps YoY driven mainly by higher RevPAR, operating leverage and strategic cost management initiatives.
- The F&B portfolio was augmented with launch of 2 new outlets - 'Ottimo' at ITC Grand Goa and 'Avartana' at ITC Maurya.
- ITC Ratnadipa (opened in April 2024) at Colombo, Sri Lanka continues to garner excellent response and receive widespread appreciation from discerning customers; 250 rooms and 8 F&B outlets are currently operational.
- In line with the 'asset right' strategy, nine managed properties were operationalised and management contracts for fifteen properties were signed-up during the first half of the year. The pipeline of managed properties continues to be strengthened across Welcomhotel, Mementos, Storii, Fortune and WelcomHeritage brands
  - 30 properties added to the portfolio in the last 24 months.

## **AGRI BUSINESS**

### **Agri Business Segment Revenue up 47% YoY led by Leaf Tobacco & Value Added Agri products; Segment PBIT up 27.5% YoY**

- The value-added agri portfolio (including Coffee, Fruits & Vegetables, Spices etc.) recorded robust growth during the quarter. The Business continues to leverage the multi-dimensional capabilities of its state-of-the-art value-added Spices processing facility in Guntur to scale up exports.
- Agility in operations, strong customer relationships and new business development enabled robust growth in leaf tobacco exports. Steep escalation in green leaf tobacco costs and surge in ocean freight weighed on margins; this was partially mitigated through strategic cost management initiatives. The AI/ML powered real-time buying platform continues to be scaled up to facilitate efficient leaf tobacco buying across auction platforms.
- The Business continues to scale up interventions to build crop resilience against extreme weather events across agri value chains (including wheat, tobacco etc.) thereby enhancing crop competitiveness and protecting farmer incomes.

- ITCMAARS (Metamarket for Advanced Agriculture and Rural Services) – a crop-agnostic ‘phygital’ full stack AgriTech platform has been scaled up across ten states. Over 1650 Farmer Producer Organisations (FPOs) encompassing more than 1.7 million farmers have been added to the Company’s network.
- The state-of-the-art facility to manufacture and export Nicotine & Nicotine derivative products conforming to US and EU pharmacopoeia standards, set up by the Company’s wholly owned subsidiary, ITC IndiVision Limited, which was commissioned recently, has received EU REACH approvals. Product trials have been successfully completed on a pilot basis; trials at scale are underway. Export shipments are expected to be scaled up progressively.

## PAPERBOARDS, PAPER & PACKAGING

**The operating environment remained challenging with low-priced Chinese supplies in global markets including India, soft domestic demand, unprecedented surge in domestic wood costs and subdued realisations.**

- Amidst a challenging environment, the segment registered a resilient performance
  - Segment Revenue up 2.1% YoY driven by strong growth in exports; up 7% QoQ.
- The Business continued its sharp focus on portfolio augmentation, export customer/market development and structural cost management to mitigate near term challenges
  - Leadership position in VAP segment reinforced through anchor grades which continue to witness robust growth led by liquid packaging board and competitive offers.
- Domestic wood costs witnessed further increase during the quarter. Incessant rains in core plantation areas adversely impacted wood availability, quality and procurement prices. The Business continues to make strategic interventions in this area, including accelerating plantations in core areas, developing new areas, and implementing satellite-based plantation monitoring systems, among others.
- The Business continues to engage with policy makers to address key industry challenges including increasing wood availability through collaborative public-private plantation models to strengthen the competitiveness of domestic industry and arrest the rapid increase of low priced imports of paper & paperboard into the country.
- The Packaging and Printing Business witnessed subdued demand from end user industries with muted order books and soft realisations. Business continues to focus on accelerating new business development in domestic and export markets offering innovative and customised solutions.
- The sustainable paperboards/packaging solutions portfolio continues to witness strong growth leveraging cutting-edge innovation platforms. The recently commissioned state-of-the-art premium Moulded Fibre Products manufacturing facility<sup>2</sup> in Badiyakhedi, Madhya Pradesh is being progressively scaled up.
- Structural advantages of the integrated business model, Industry 4.0 initiatives, strategic investments in High Pressure Recovery Boiler and proactive capacity augmentation in Value Added Paperboards aided in partly mitigating pressure on margins.

## 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 22 years), ‘carbon positive’ (for 19 years), and ‘solid waste recycling positive’ (for 17 years)**. The Company sustained its **‘AA’ rating by MSCI-ESG for the 6<sup>th</sup> successive year** - the highest amongst global tobacco companies. The Company has also been included in the **Dow Jones Sustainability Emerging Markets Index** for the fourth 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.

<sup>2</sup> A project undertaken by ITC Fibre Innovations Limited, a wholly owned subsidiary



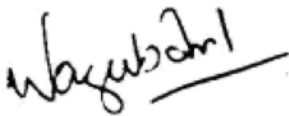
The Company has entered the prestigious 'A List' for **CDP Water** by achieving the highest 'A' rating 'Leadership Level', which is higher than the Asia and Global average of 'C'. For CDP Climate, the Company retained 'Leadership Level' score of 'A -', which is higher than the Asia and Global average of 'C'.

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** and 5 ITC Hotels being certified as **LEED Zero Water**. The Kapurthala unit of Foods Business and Bhadrachalam paper mill, recently achieved **Platinum level certification**, the highest recognition for water stewardship, under the **Alliance for Water Stewardship Standard (AWS)**. With this, **9 units** of the Company have achieved Platinum level certification under AWS.

The Sustainability Report 2024 is available on the Company's corporate website at <https://www.itcportal.com/sustainability/sustainability-integrated-report-2024/ITC-Sustainability-Integrated-Report-2024.pdf>

Please refer link below for performance highlights of the quarter:  
<https://www.itcportal.com/investor/pdf/ITC-Quarterly-Result-Presentation-Q2-FY2025.pdf>

The Board of Directors, at its meeting on 24<sup>th</sup> October 2024, approved the financial results for the quarter ended 30<sup>th</sup> September 2024, which are enclosed.



**(Nazeeb Arif)**  
**Executive Vice President**  
**Corporate Communications**



**Enduring Value**

NATION FIRST: SAB SAATH BADHEIN

# Q2 FY25 Results

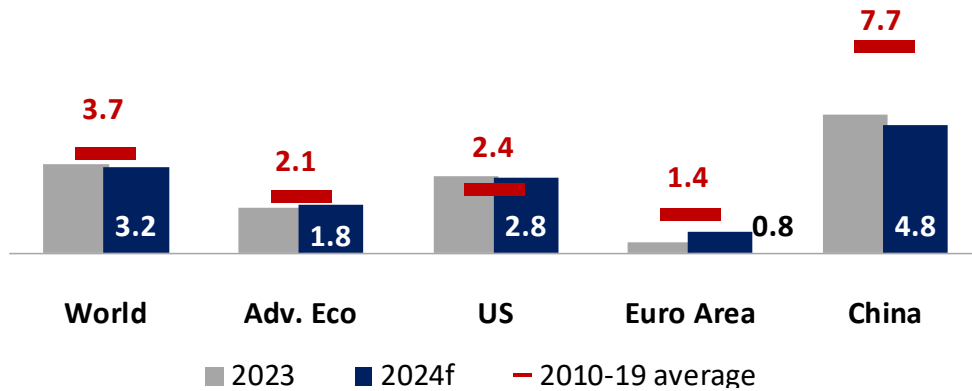
24<sup>th</sup> October, 2024

*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

## Global outlook steady with downside risks

Real GDP Growth YoY

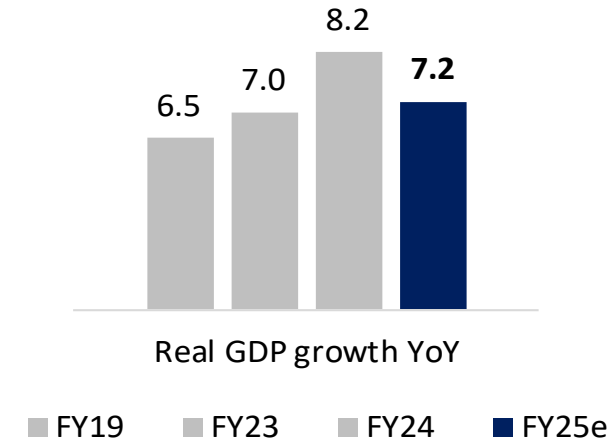


Source: IMF WEO Oct'24

- **Heightened Geo political & Climate uncertainties** → downside risk
- **Structural weakness** in Chinese economy persists
  - Central Bank rolls out a sizeable stimulus
- **Debt distress** in emerging and low income economies
- **Some Central Banks** initiate policy easing as inflation moderates in Advanced Economies

## India remains resilient

Real GDP growth YoY

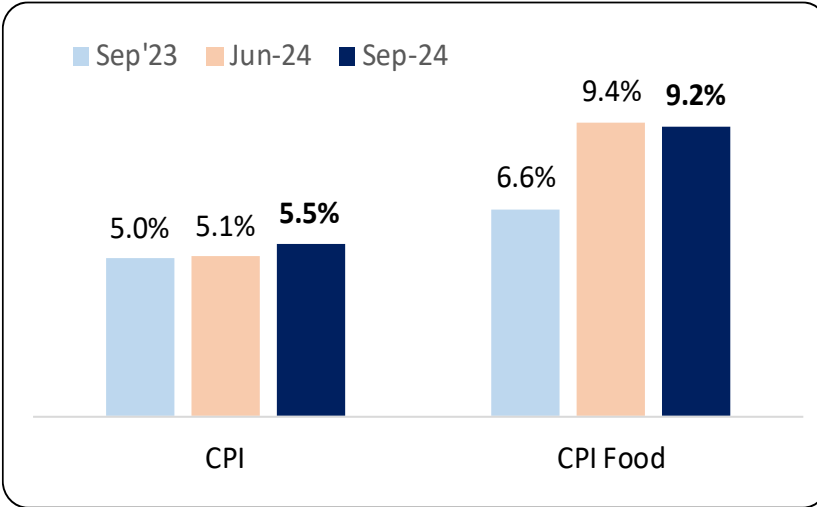


Source: MOSPI, RBI

- FY25 GDP expected to grow by 7.2% (vs 8.2% in FY24)
- **Resilient Macros**
  - Strong Bank and Corporate Balance Sheets
  - Forex Reserves at all time high
  - Purposeful policy interventions by Government

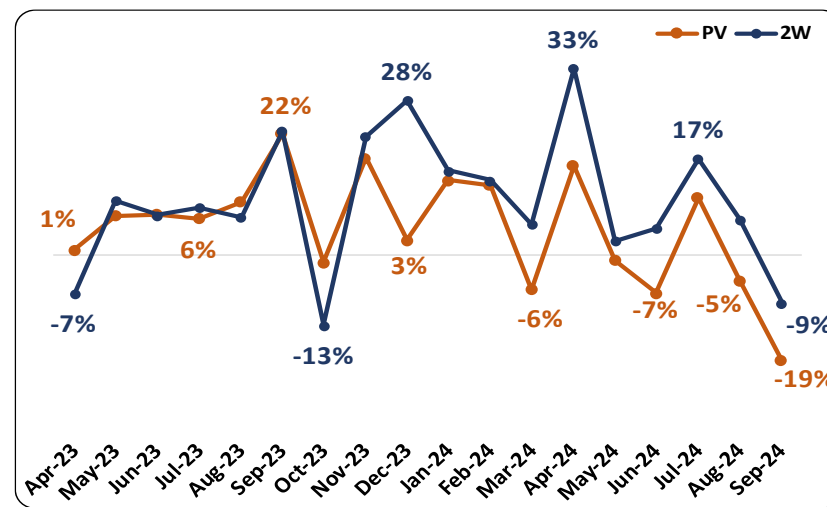
# Weakening trend in Consumption Amidst Overall Macroeconomic Stability

**Food inflation remains sticky (YoY%)**



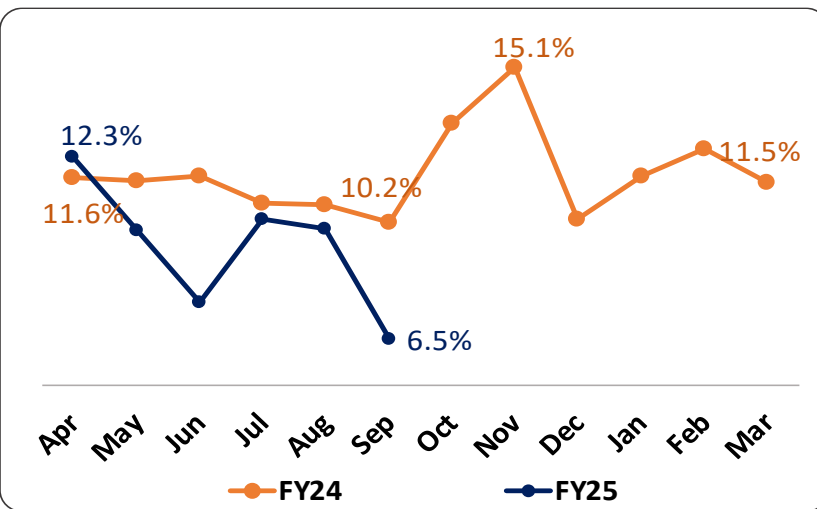
Source: MOSPI

**Passenger vehicle and 2W retail sales declining (YoY%)**



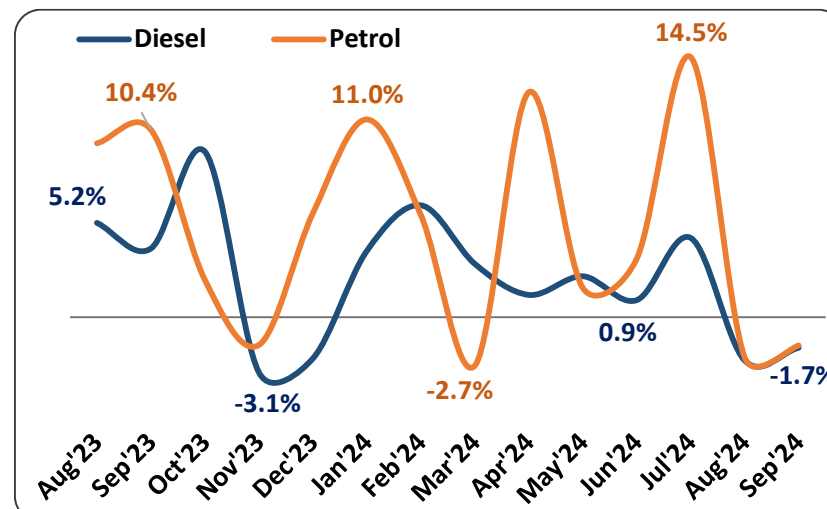
Source: FADA

**GST collection slows to a 39-month low (YoY%)**



Source: Ministry of Finance

**Fuel Consumption degrowth in recent months (YoY%)**



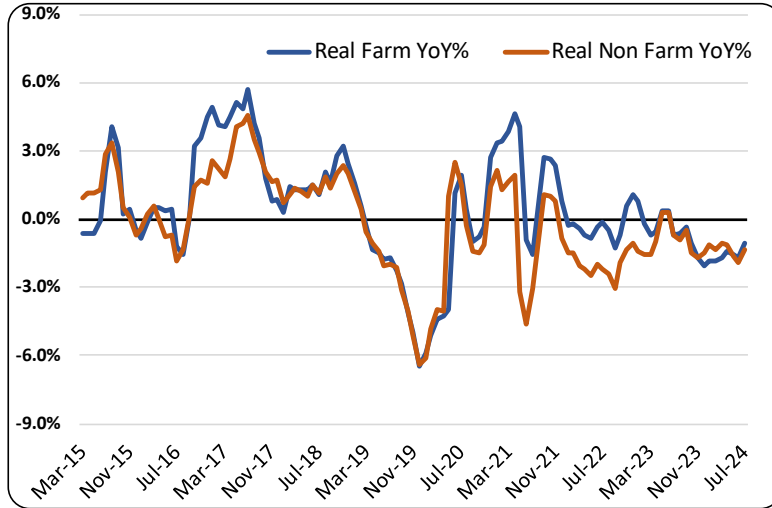
Source: PPAC

# High Frequency Indicators Indicate Deceleration in Economic Activity in Q2 FY25

Unusually heavy rains in August/September 2024

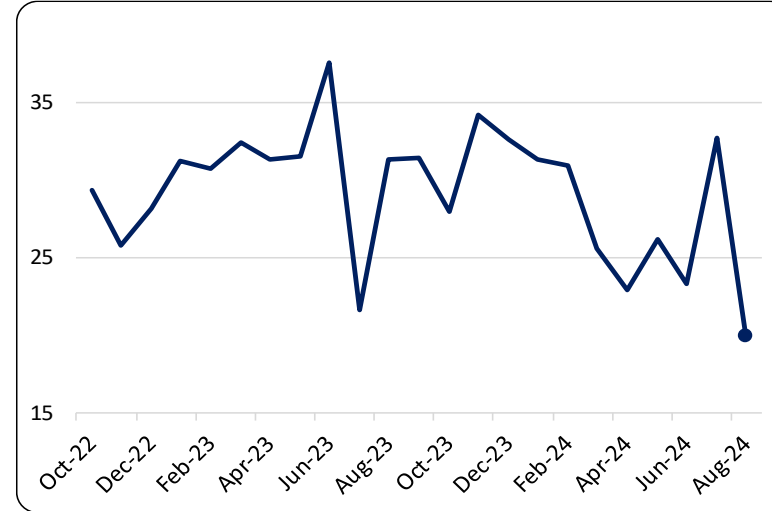


Real rural wages remain weak



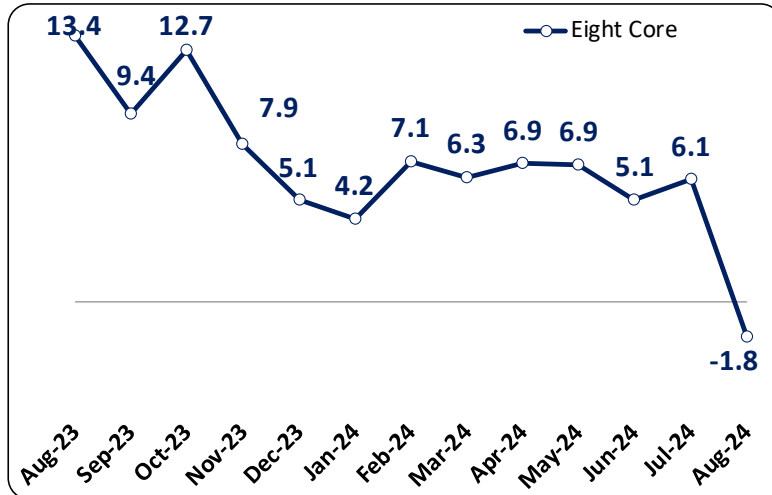
Source: Labour Bureau, CMIE

Slower growth in credit card spends (YoY%)



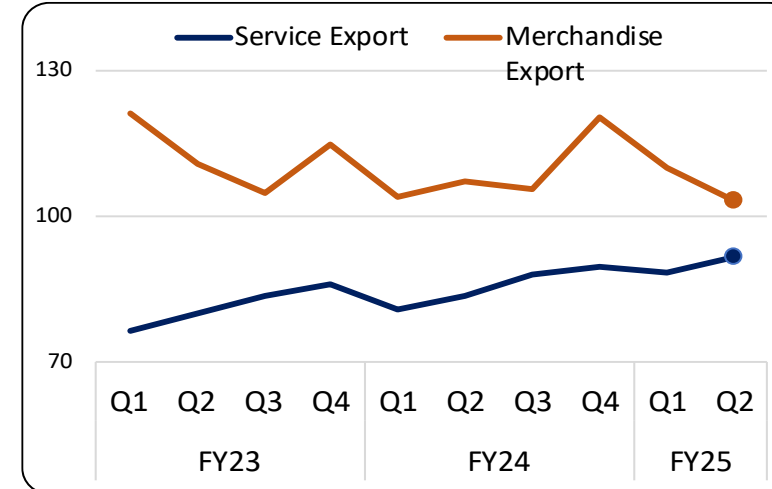
Source: RBI

Core sector declines (YoY%)

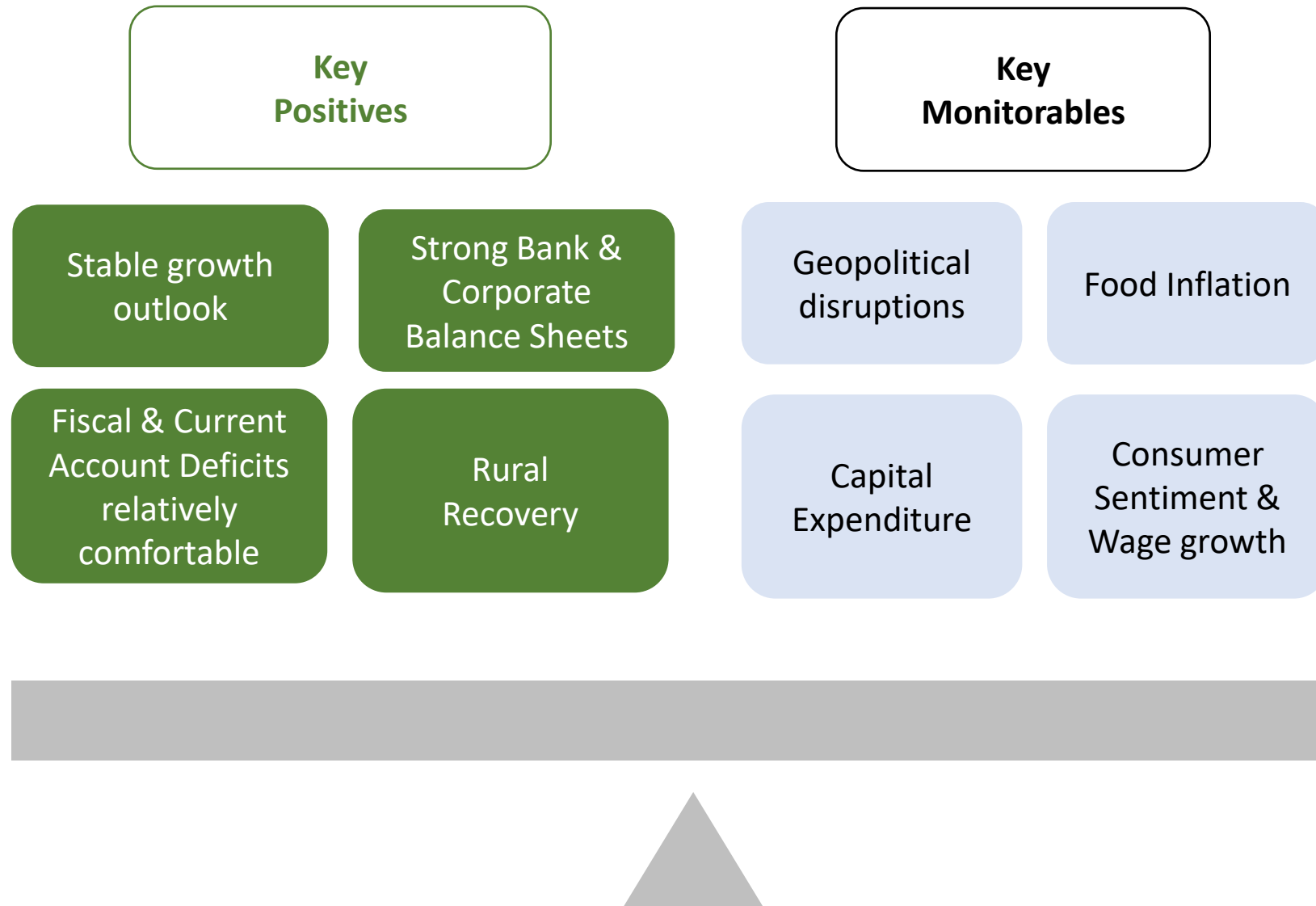


Source: Office of the Economic Advisor

Services supporting overall export growth (\$ bn)



Source: Ministry of Commerce, RBI





# Q2 FY25 Results

## Headline Financials & Business Highlights

### Gross Revenue

▲ +16%

### EBITDA

▲ +5%

*ex-Paper up 6.3% YoY*

### Profit Before Tax

▲ +3.7%

### Profit After Tax

▲ +3.7%

*Post adjusting for LT<sup>CG</sup><sup>^</sup>  
tax related changes*

## ■ Resilient performance amidst a challenging operating environment

- *Gross Revenue records strong growth; up 16% YoY driven by Agri Business and Hotels*
- *EBITDA up 5% YoY, ex-Paper up 6.3% YoY*
- *Subdued demand conditions, unusually heavy rains in parts of the country, high food inflation and sharp escalation in certain input costs (leaf, wood, etc.) witnessed during the quarter*

## ■ FMCG – Others Segment Revenue up 5.4% YoY; up 7% YoY ex-Notebooks

- *Staples, Biscuits, Snacks, Frozen Snacks, Dairy, Premium Soaps, Homecare & Agarbatti drive growth*
- *Notebooks impacted by high base effect and opportunistic play by local brands led by sharp drop in paper prices*
- *Segment EBITDA up c.2% YoY; marginal drop of 35 bps in margins amidst inflationary headwinds in input costs*
  - **2-yr CAGR up 13%**

- **Cigarettes Net Segment Revenue up 7.3% YoY, Segment PBIT up 5.1% YoY**
  - *Market standing continues to be re-inforced through strategic portfolio and market interventions with focus on competitive belts and to counter illicit trade*
  - *Differentiated & premium offerings continue to perform well*
  - *Severe cost escalation in leaf tobacco partially mitigated through improved mix, strategic cost management and calibrated pricing actions*
  
- **Hotels Segment delivered strong performance on a high base (LY includes G20 related business); Revenue up 12.1% YoY (2 yr. CAGR +16.5%); Segment PBIT up 20.2% YoY**
  - *F&B, Retail & Wedding segments drive growth*
  - *EBITDA margin expands 70 bps YoY driven by higher RevPAR, operating leverage and strategic cost management*
  - **Demerger update:** *Scheme sanctioned by NCLT on 4th October 2024 (certified copy of the Order awaited)*

- **Agri Business Segment Revenue up 47% YoY led by Leaf Tobacco & Value Added Agri products; Segment PBIT up 27.5% YoY**
  - *Strong growth in Leaf Tobacco exports leveraging strong customer relationships & new business development*
  - *Value Added Agri portfolio (e.g. Coffee, Fruits & Vegetables, Spices) performed well*
  
- **Paperboards, Paper and Packaging Segment remains impacted due to low priced Chinese supplies in global markets including India, soft domestic demand conditions and unprecedented surge in wood prices**
  - *Segment Revenue up 2.1% YoY driven by exports; up 7% QoQ*
  - *Subdued realisation, surge in domestic wood prices and ocean freight continue to weigh on margins*
    - *Unseasonal rains adversely impact wood availability, quality and procurement price*
  - *Strategic interventions, including sharp focus on portfolio augmentation, export customer/market development & structural cost management, continue to be made to mitigate near term challenges*



Enduring Value

# FMCG Others Q2 FY25

| SUBJECT  | GRADE |
|----------|-------|
| Softness | A+    |
| Aroma    | A+    |
| Taste    | A+    |
| Shape    | A+    |

#HappyTeachersDay

Bring your  
cravings  
to life!

#HappyTeachersDay

Two teams  
One goal

#HappyNavaratri

Dandiya Beats,  
Fantasy  
Treats.

#HappyNavaratri

THE SCENT OF  
INDEPENDENCE

#HappyIndependenceDay

Together, we create a  
squeaky-clean bond!

#HappyFriendshipDay

In the Temple's fragrant heart, lamps softly glow,  
His Divinity makes the soul overflow.

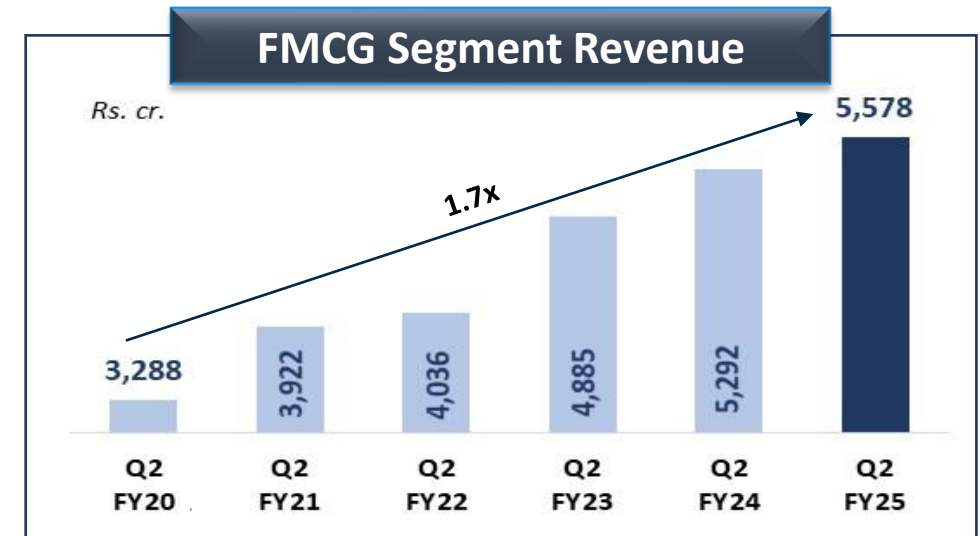
#KrishnaJanmashtami

This  
Raksha  
Bandhan  
there is a perfect gift for  
your sibling

#HappyNavaratri



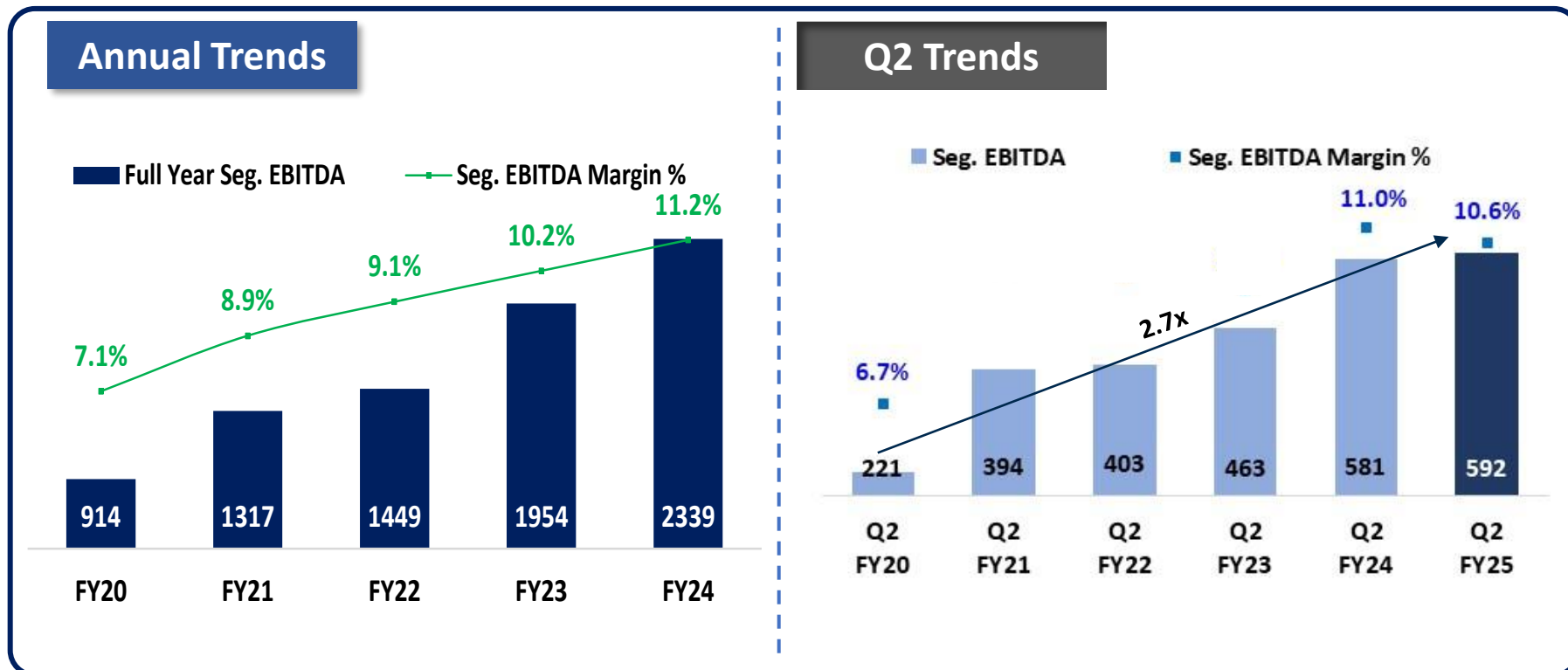
- **Segment Revenue up 5.4% YoY, up 7% YoY ex-Notebooks**
  - Staples, Biscuits, Snacks, Frozen Snacks, Dairy, Premium Soaps, Homecare & Agarbatti drive growth
- Incessant rains/flooding in certain parts of the country adversely impacted discretionary/out-of-home consumption
- Notebooks impacted by high base effect, sharp drop in paper prices and consequent opportunistic play by local brands
- Heightened competitive intensity (incl. local players) in certain categories – Noodles, Snacks, Biscuits & Popular Soaps
- **Strong growth in emerging channels** (viz. e-Commerce, Quick Commerce, Modern Trade)



- Multipronged interventions to accelerate growth across categories leveraging strong growth platforms
  - Fortifying the Core, addressing Value Added adjacent opportunities & scaling up new vectors of growth
- Focused investments to enhance distribution infrastructure and drive penetration

- **Q2 Segment EBITDA margins remained resilient**

- Steep inflationary headwinds in input costs largely mitigated by premiumisation, supply chain optimisation, calibrated pricing actions, digital initiatives & strategic cost management





## Fortifying the Core



**Bingo!**  
Original Style  
Himalayan  
Pink Salt



**Mangaldeep Scent**  
Crystal Waters |  
Mystic Amber



**Sunfeast**  
Biscuits  
Super Egg &  
Milk

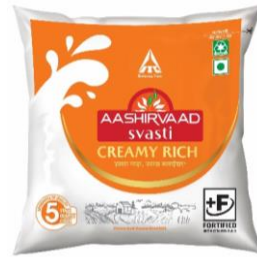


**YiPee! Korean Noodles**  
Fiery Hot | Spicy Kimchi



**Vivel Soap**  
Pure Sandal Oil

## Addressing Adjacencies



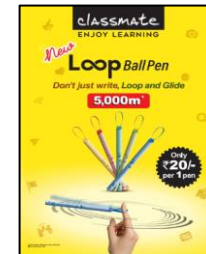
**Aashirvaad Svasti Milk**  
Creamy Rich



**Aashirvaad**  
Roasted Short Vermicelli



**Bingo! Tedhe Medhe**  
Bhavnagari Gathiya |  
Papdi Gathiya



**Classmate pen**  
Loop Ball Pen

## New Growth Vectors



**Dermafique**  
Face Serum  
Aqua Cloud



**Sunfeast Fantastik!**  
4D Chocolate



**Fabelle Exquisite Chocolates**  
Hazelnut Mousse



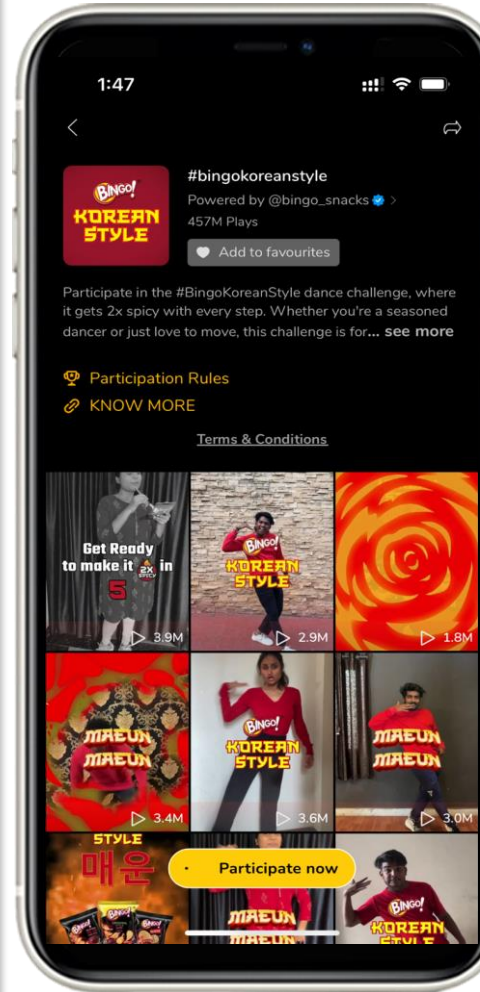
**ITC Master Chef**  
Sabudana Tikki



## Sharpening Value Proposition



## Digital @ Consumer



**#BingoKoreanStyle**



## Marketing Campaigns Across Platforms



## Brands with purpose



Sunfeast Mom's Magic has always championed the fierce Mom, who stands up for what's right. Through this campaign we aim to inspire her to become a #MomofChange and ensure equal inheritance for her daughter by making a Will of Change.

To support the initiative and to give daughters their equal inheritance visit [willofchange.com](http://willofchange.com)

Campaign Live Now

\*As per our survey conducted amongst 563 families in Kharup Madurai, Japur, Patna, Meerut between 09/07/2024 and 09/08/2024



Be elegantly eco-friendly  
Cover made with  
**80% Recycled Plastic PET Bottles**



Enduring Value

# FMCG Cigarettes

## Q2 FY25





**Segment Revenue**  
**8177 cr. ▲ 6.8%**

**Segment Results**  
**5023 cr. ▲ 5.1%**

- **Q2 Net Segment Revenue\*** up 7.3% YoY
- Business continues to **counter illicit trade** and make **strategic portfolio & market interventions** with focus on competitive belts to **reinforce market standing**
  - **Differentiated variants & premium segment** continue to perform well
  - **Product portfolio** continues to be strengthened through the scale up of innovative & differentiated offerings as well as strategic laddering interventions, leveraging mainstream trademarks
  - Agile **last mile execution** leveraging deep and wide **distribution network**
- **Sharp cost escalation** in leaf tobacco, partly mitigated through improved mix, calibrated pricing & strategic cost management
- Trade marketing spends restructured for **sharper last mile execution**

**Stability in taxes, backed by deterrent actions by enforcement agencies → volume recovery from illicit trade**

\*Net of Excise Duty/NCCD on Sales

### Innovation

- **Classic Connect**
- **American Club Clove Mint**
- **Gold Flake Indie Mint**
- **Uni Klov**

### Portfolio Fortification

- **Flake Spl**
- **Classic Burst Portfolio**
- **Scissors**
- **Silk Cut Red**

### Recent Introductions

- **Classic Icon**
- **Gold Flake Social Red**
- **Gold Flake Social 2-Pod**
- **Bristol Maja Mix**
- **Gold Flake SLK**
- **Gold Flake Tango Mix**
- **American Club Super Slims**
- **Flight**



Enduring Value

# Hotels Business Q2 FY25





### Segment Revenue

**728 cr.** ▲ **12.1%**

2-Yr CAGR **+16.5%**

### Segment Results

**151 cr.** ▲ **20.2%**

2-Yr CAGR **+34.2%**

- **Strong performance on a high base** (*LY includes G20 related business*)
  - F&B, Retail & Wedding segments drive growth
  - 2 new F&B outlets launched → *Ottimo* at ITC Grand Goa & *Avartana* at ITC Maurya
- **ITC Ratnadipa, Colombo**, continues to garner widespread appreciation
  - 250 Rooms and 8 F&B outlets operational
- **Demerger update:** Scheme sanctioned by NCLT on 4th October 2024 (certified copy of the Order awaited)

### Asset Right Strategy

**30** Hotels in last 24 months  
(Oct 2022 – Sep 2024)

**28** Hotels in next 24 months  
(Oct 2024 – Sep 2026)

### F&B offerings being expanded



# Curated offerings to drive demand

## Special occasions leveraged



This Teacher's Day, we're honouring the educators who have shaped our lives with exclusive dining and delivery offers – a heartfelt thank you to the mentors who guide us.



## F&B collaborations



**Culinary rendezvous featuring Asia's best**

**Michelin Star renowned**

**Chef Thitid (Le Du & Nusura) | Chef Pam (Potong)**

**ITC Maurya, ITC Grand Chola, ITC Royal Bengal & ITC Maratha**

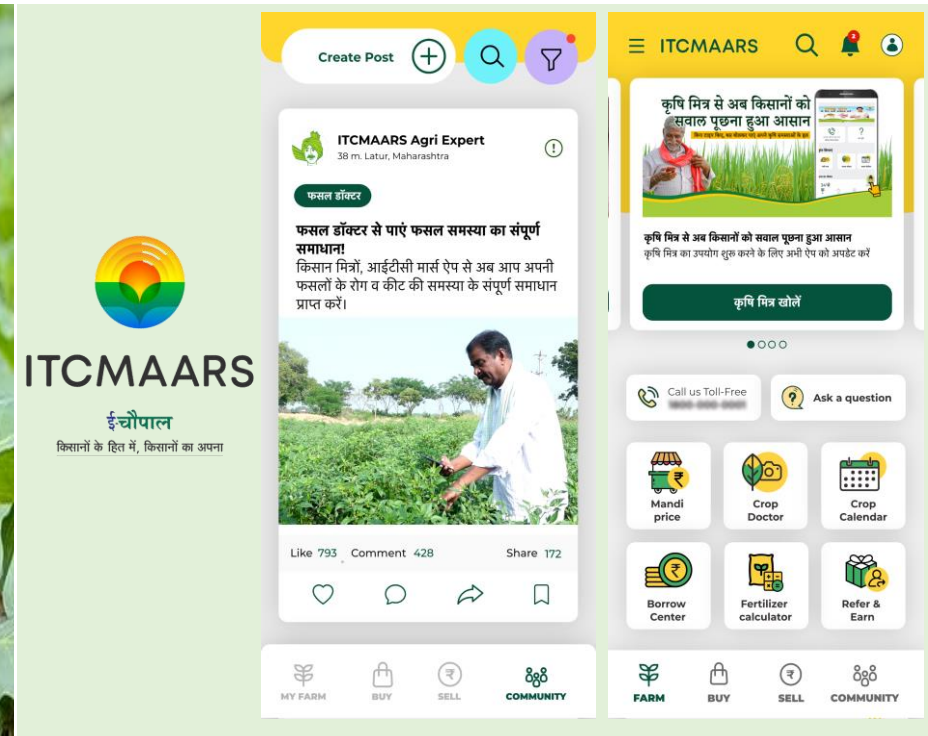
## Celebrations on Gourmet couch







# Agri Business Q2 FY25



### Segment Revenue

5781 cr. ▲ 47.1%

### Segment Results

455 cr. ▲ 27.5%

- Value-Added Agri portfolio (e.g. Coffee, Fruits & Vegetables, Spices etc.) recorded robust growth
- Strong growth in Leaf Tobacco exports** leveraging strong customer relationships and new business development
- Business continues to scale up interventions to **build resilience** against extreme weather events **across Agri value chains** (including Wheat, Tobacco etc.) → enhancing crop competitiveness and protecting farmer incomes
- The **state-of-the-art facility**<sup>^</sup> to manufacture and export Nicotine & Nicotine derivative products commissioned; EU REACH approvals received. Product trials successfully completed on pilot basis; trials at scale underway; export shipments expected to be scaled up progressively



#### Multiple Sourcing Models

Farmer | Trader | Mandi



#### Multi Modal Transportation

Railway | Coastal | Road



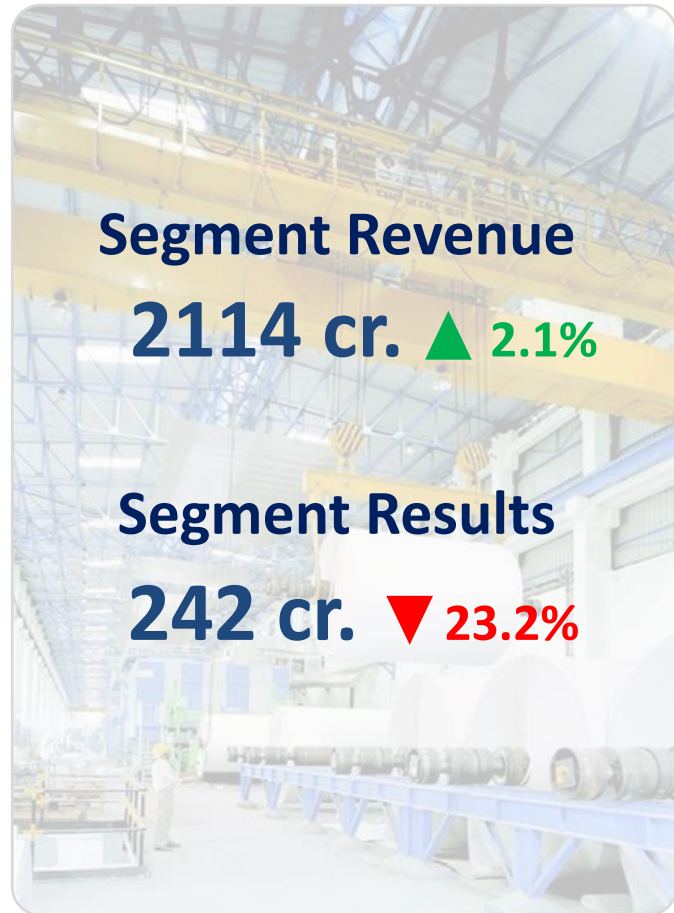
<sup>^</sup> Set up by ITC IndiVision Limited (IIVL), the Company's wholly owned subsidiary



Enduring Value

**Paperboards, Paper &  
Packaging  
Q2 FY25**





## Segment Revenue up 2.1% YoY; up 7% QoQ

- Sharp focus on portfolio augmentation, export customer/market development and structural cost management to mitigate near term challenges
  - Leadership position in VAP segment reinforced through anchor grades
- Surge in domestic wood cost
  - Incessant rains in core plantation areas impacts wood availability, quality & procurement prices.
- Strategic interventions underway (accelerating plantations, developing new areas, SAT based monitoring) to mitigate wood crisis
- Continuous engagement with policy makers to address key industry challenges
  - Collaborative Public-Private plantation models
  - Arresting rapid increase of low priced imports



# Financials



| <i>Rs. Cr.</i>       | Q2 FY25 | Q2 FY24 | <b>YoY<br/>Growth</b> |
|----------------------|---------|---------|-----------------------|
| <b>Gross Revenue</b> | 20,360  | 17,549  | <b>16.0%</b>          |
| <b>Net Revenue</b>   | 19,121  | 16,357  | <b>16.9%</b>          |
| <b>EBITDA</b>        | 6,335   | 6,042   | <b>4.9%</b>           |
| <b>PBT</b>           | 6,754   | 6,514   | <b>3.7%</b>           |
| <b>PAT</b>           | 5,078   | 4,927   | <b>3.1%</b>           |

**PAT up 3.7%** on comparable basis, post adjusting for LTCG<sup>^</sup> tax related changes in Union Budget 2024.

| Rs. cr.   | Q2           |              |            |
|---|--------------|--------------|------------|
|   | FY25         | FY24         | YoY growth |
| <b>Segment Revenue</b>                                  |              |              |            |
| a) FMCG - Cigarettes                                    | 8177         | 7658         | <b>7%</b>  |
| - Others  | 5578         | 5292         | <b>5%</b>  |
| <b>Total FMCG</b>                                       | <b>13755</b> | <b>12949</b> | <b>6%</b>  |
| b) Hotels   | 728          | 649          | <b>12%</b> |
| c) Agri Business  | 5781         | 3931         | <b>47%</b> |
| d) Paperboards, Paper & Packaging                       | 2114         | 2070         | <b>2%</b>  |
| <b>Total</b>  | <b>22377</b> | <b>19600</b> | <b>14%</b> |
| Less : Inter Segment Revenue                            | 2017         | 2051         | <b>-2%</b> |
| <b>Gross Revenue from sale of products and services</b> | <b>20360</b> | <b>17549</b> | <b>16%</b> |

- **Cigarettes:** Net Revenue up 7% YoY
- **FMCG Others**
  - **Revenue up 5% YoY** amidst subdued demand conditions & disruptions a/c excessive rains in parts of the country
    - Up 7% YoY ex-Notebooks
  - Staples, Biscuits, Snacks, Frozen Snacks, Dairy, Premium Soaps, Homecare & Agarbatti drive growth
  - Notebooks : high base effect, sharp drop in paper prices → opportunistic play by local brands
- **Hotels**
  - Strong performance on a high base; Revenue up 12% (2-yr CAGR 16.5%)
  - F&B, Retail & Wedding segments drive growth
- **Agri Business**
  - Revenue up 47% led by Leaf Tobacco & Value Added Agri products
- **Paperboards, Paper & Packaging**
  - Segment performance remains impacted due to subdued realisations, low priced Chinese supplies in global markets including India & soft domestic demand conditions.

| <i>Rs. cr.</i>   | Q2          |             |             |
|--|-------------|-------------|-------------|
|  | FY25        | FY24        | YoY growth  |
| <b>Segment Results</b>   |             |             |             |
| a) FMCG - Cigarettes   | 5023        | 4782        | <b>5%</b>   |
| - Others   | 442         | 439         | <b>1%</b>   |
| <b>Total FMCG</b>  | <b>5465</b> | <b>5220</b> | <b>5%</b>   |
| b) Hotels  | 151         | 126         | <b>20%</b>  |
| c) Agri Business   | 455         | 357         | <b>27%</b>  |
| d) Paperboards, Paper & Packaging                                  | 242         | 316         | <b>-23%</b> |
| <b>Total</b>   | <b>6314</b> | <b>6019</b> | <b>5%</b>   |
| Less : i) Finance Cost   | 15          | 11          |             |
| ii) Other un-allocable (income)<br>net of un-allocable expenditure | (456)       | (505)       |             |
| iii) Exceptional items   | 1           | -           |             |
| <b>Profit Before Tax</b>   | <b>6754</b> | <b>6514</b> | <b>4%</b>   |

## • FMCG Others

- Segment Results 2-yr. CAGR +17%
- Marginal drop of 35 bps in Segment EBITDA margins, amidst inflationary headwinds in input costs

## • Hotels

- Segment results up 20% YoY

## • Paper

- Subdued realisation + steep increase in domestic wood costs & ocean freight continue to weigh on margins

# ITC – A Global Exemplar in Sustainability



**ITC e-Choupal**  
4 Million Farmers empowered



**Climate Smart Agriculture**  
Over 28 lac\* acres covered



**Natural Resources Management – Water Stewardship**  
Over 17.1 lac acres covered



**On-farm livelihood diversification – Afforestation**  
Over 12.50 lac acres Greened



**Off-farm livelihood diversification – Livestock Development**  
Over 22.5 lac milch animals covered



**Primary Education**  
Reaching over 19.5 lac Children



**Skilling & Vocational Training**  
Skilled over 1.1 lac youth



**Mother & Child Health and Nutrition**  
Over 9.2 lac beneficiaries covered^

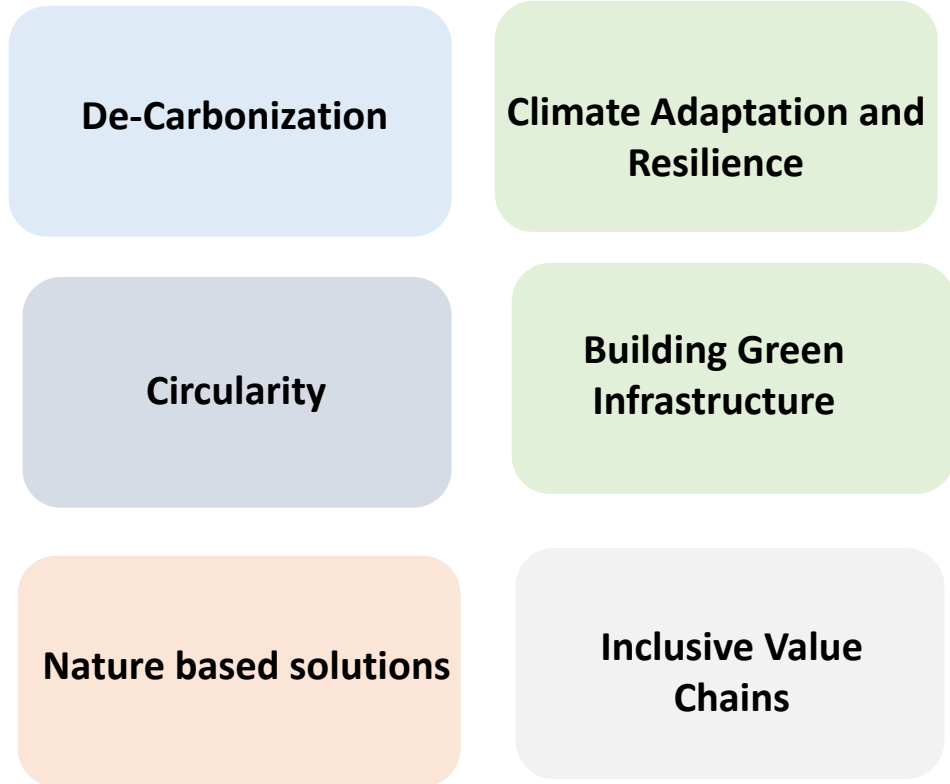


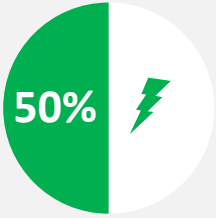

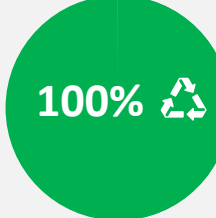


**Solid Waste Management**  
Over 12.4 million households covered across programmes



**Women Empowerment**  
Over 3.6 lac poor women covered

### Strategic Interventions to Combat Climate Change



|  |   |   |  |                        |                           |                        |                       |                          |                          |
|--|---|---|--|------------------------|---------------------------|------------------------|-----------------------|--------------------------|--------------------------|
| <p><b>Renewable Energy</b></p>  <p>50%</p>  | <p><b>Specific GHG Emissions</b></p>  <p>50%</p> | <p><b>Recyclable Plastic Packaging</b></p>  <p>100%</p>  | <p><b>Plastic Neutrality</b></p>  <p>100% Collection since FY22</p> |                        |                           |                        |                       |                          |                          |
| <p><b>Water Security for All</b></p>  <p><b>5x</b> of ITC's Net Consumption</p> <p><b>AWS Certification</b><br/>for High Water Stressed Sites by 2035</p> |   | <p><b>Biodiversity &amp; Agriculture</b></p> <table border="1"> <tr> <td><b>1</b> million acres</td> <td>Biodiversity Conservation</td> </tr> <tr> <td><b>3</b> million acres</td> <td>Climate Smart Village</td> </tr> <tr> <td><b>1.5</b> million acres</td> <td>Social Farm and Forestry</td> </tr> </table> |  | <b>1</b> million acres | Biodiversity Conservation | <b>3</b> million acres | Climate Smart Village | <b>1.5</b> million acres | Social Farm and Forestry |
| <b>1</b> million acres   | Biodiversity Conservation   |   |  |                        |                           |                        |                       |                          |                          |
| <b>3</b> million acres   | Climate Smart Village   |   |  |                        |                           |                        |                       |                          |                          |
| <b>1.5</b> 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

- Comprehensive **policies & guidelines** institutionalized
- **9 ITC Units** have received **AWS (Alliance for Water Stewardship) Platinum certification** till date
- **50% energy from renewable sources** achieved for the first time, **well ahead of 2030 target**
- **Plastic Neutrality commitment exceeded** - ~70,000 MT of plastic waste managed in FY24
- **100% critical tier-1 suppliers trained** and ~40% assessed on ESG aspect
- **Water +ve (for 22 years), Carbon +ve (for 19 years), and Solid waste recycling +ve (for 17 years)**
- **World class ESG credentials – MSCI, DJSI, CDP** - Received 'A' rating in CDP water security for the first time



Sustained 'AA' rating 6 years in a row

Member of  
**Dow Jones  
Sustainability Indices**

Powered by the S&P Global CSA

Included in the Dow Jones  
Sustainability Emerging Markets Index

ITC's CDP Scores

**A**

*In Water Security*

**A-**

*In Climate Change*



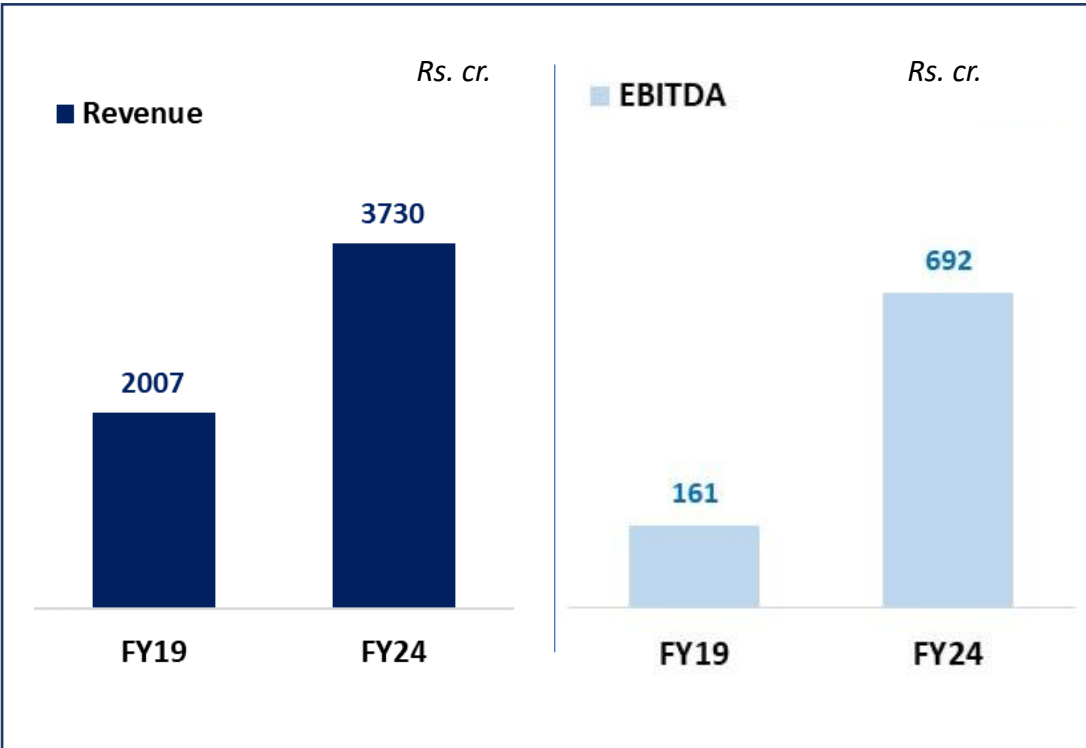
**Water Security: ITC ahead of  
Asia regional average of 'C'.**

**Climate Change: ITC ahead of  
Asia regional average of 'C'**

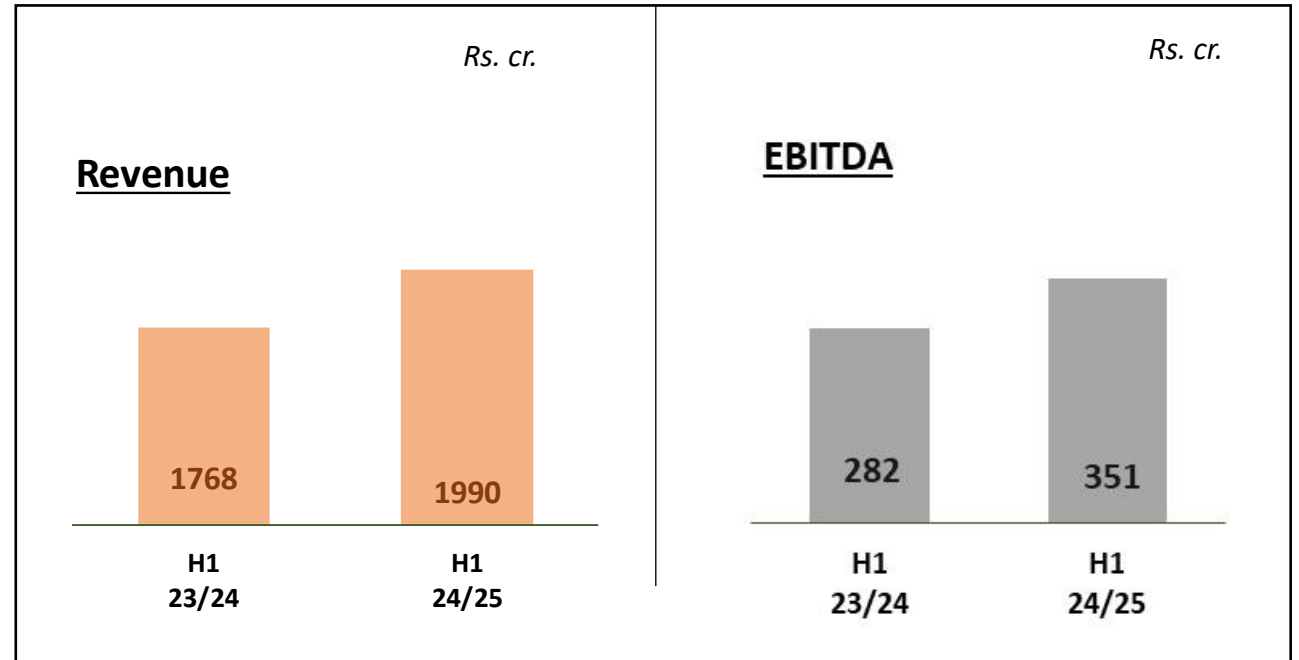
ITC Infotech







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



- **Broad based growth; Healthy Total Contract Value (TCV) signings**
- **Investments continue in Capability building in strategic focus areas, sales org. & infrastructure.**

Completed acquisition of 100% equity stake in **Blazeclan Technologies**. Acquisition is expected to augment ITC Infotech’s capabilities to service its customers in a multi-cloud and hybrid cloud environment with a focus on the Partner eco-system to accelerate future growth.







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



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



**and  
Inclusive.**

| Product/initiative   | Link  |
|--|---|
|  Bingo! on Instagram                | <a href="https://www.instagram.com/bingo_snacks/">https://www.instagram.com/bingo_snacks/</a>   |
|  YiPPee! on Instagram               | <a href="https://www.instagram.com/sunfeast_yippee/">https://www.instagram.com/sunfeast_yippee/</a>   |
|  Aashirvaad on Instagram            | <a href="https://www.instagram.com/aashirvaad/">https://www.instagram.com/aashirvaad/</a>   |
|  Sunfeast Dark Fantasy on Instagram | <a href="https://www.instagram.com/sunfeastdarkfantasy/">https://www.instagram.com/sunfeastdarkfantasy/</a>   |
|  Mom's Magic on Instagram           | <a href="https://instagram.com/sfmomsmagic/">https://instagram.com/sfmomsmagic/</a>   |
|  Classmate on Instagram             | <a href="https://instagram.com/classmatebyitc/">https://instagram.com/classmatebyitc/</a>   |
| ITC : Abiding Commitment to Nation-Building  | <a href="https://youtu.be/oP8d-Q8AD1w">https://youtu.be/oP8d-Q8AD1w</a>   |
| Details on the Company's Sustainability 2.0 vision   | <a href="https://www.itcportal.com/sustainability/sustainability-integrated-report-2024/ITC-Sustainability-Integrated-Report-2024.pdf">https://www.itcportal.com/sustainability/sustainability-integrated-report-2024/ITC-Sustainability-Integrated-Report-2024.pdf</a> |
| Quarterly Media Statement  | <a href="https://www.itcportal.com/investor/pdf/ITC-Press-Release-Q2-FY2025.pdf">https://www.itcportal.com/investor/pdf/ITC-Press-Release-Q2-FY2025.pdf</a>   |