ITC Limited
One of India’s Most Admired and Valuable Companies
Profile

- **One of India’s most Admired and Valuable companies**
  - Market Capitalisation: ~Rs. 3.6 lakh crores

- **A US$ 10.8 billion enterprise by Gross Sales Value**^*
  - ~60% of net revenue from non-Cigarette segments

- **Leading Fast Moving Consumer Goods (FMCG) marketer** in India
  - Established over 25 world-class mother brands within a short span of time

- **10 year Value Addition ~ Rs. 3.5 lakh crores (US$ 59 billion).**
  - Among the top tax payers in the country

- **ITC & its Group Companies employ over 34,000 people directly;** Sustainable development models and value chains have **supported creation of ~6 million sustainable livelihoods**

- **A global exemplar in sustainable business practices**
  - Only enterprise in the world of comparable dimensions to have achieved and sustained the 3 key global indices of environmental sustainability of being 'water positive' (for 17 years), 'carbon positive' (for 14 years), and 'solid waste recycling positive' (for 12 years)

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^ FY19 Reported Gross Revenue (US$ 6.5 billion) not comparable a/c GST transition; Gross Sales Value includes all taxes (GST, Compensation Cess, VAT, Excise Duty, NCCD, etc.)
## ITC Performance Track Record

<table>
<thead>
<tr>
<th></th>
<th>1995-96</th>
<th>2018-19</th>
<th>23-yr Cagr 95-96 to 18-19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Revenue</strong></td>
<td>2,536</td>
<td>44,415</td>
<td>13.3%</td>
</tr>
<tr>
<td><strong>PBT</strong></td>
<td>452</td>
<td>18,444</td>
<td>17.5%</td>
</tr>
<tr>
<td><strong>PAT</strong></td>
<td>261</td>
<td>12,464</td>
<td>18.3%</td>
</tr>
<tr>
<td><strong>Capital Employed</strong></td>
<td>1,886</td>
<td>60,005</td>
<td>16.2%</td>
</tr>
<tr>
<td><strong>Segment ROCE%</strong></td>
<td>36.3</td>
<td>70.3</td>
<td></td>
</tr>
<tr>
<td><strong>Market Capitalisation</strong></td>
<td>5,571</td>
<td>363,714</td>
<td>19.9%</td>
</tr>
<tr>
<td><strong>Total Shareholder Returns %</strong></td>
<td></td>
<td></td>
<td>22.3%</td>
</tr>
</tbody>
</table>

**Sensex (CAGR 95-96 to 18-19) : 11.2%**

*Gross Revenue (Rs. 45,221 cr.) not comparable a/c GST transition; Market Cap and TSR based on FY-end prices for FY96 and FY19*
ITC’s ranking
Amongst all listed private sector cos.

PBT: No. 5

PAT: No. 5

Market Capitalisation: No. 5

Note: Based on Published Results for YTD Q3 FY19, Market Capitalisation based on BSE closing as on 29th March 2019
ITC’s Economic Contribution to the Nation

- **10 year Value addition** ~ Rs. 3.5 lakh crore (US$ 59 billion)
  - Among the top tax payers in the country
  - Over the last five years, the Value-Added by your Company, i.e. the value created by the economic activities of your Company and its employees, aggregated over ₹ 220000 crores of which nearly ₹ 160000 crores accrued to the Exchequer.

- **Foreign exchange earnings** in the last 10 years: US$ 7.2 bln
  - Of which agri exports constituted ~56%
Social Performance

- **Direct employment** ITC Group: over 34,000
- Supported creation of \(~6\) million sustainable livelihoods
- **e-Choupal**: world’s largest rural digital infrastructure serving more than 4 million farmers
- **Social and Farm forestry** initiative has greened nearly 733,000 acres and generated nearly 135 million person days of employment for rural households, including poor tribal and marginal farmers.
- Significant thrust on **social sector** investments under ‘Mission Sunehra Kal’ initiatives
  - Natural resource management
  - Sustainable livelihoods
  - Community development programmes in the economic vicinity of operating locations
Environmental Performance

- Water positive - 17 years in a row

- Carbon positive enterprise – 14 years in a row
  - Sequestering over twice the amount of \(CO_2\) that the Company emits

- Solid waste recycling positive – 12 years in a row

- Over 41% of total energy consumed is from renewable sources - a creditable performance given the expanding manufacturing base


Only enterprise in the world of comparable dimensions to have achieved and sustained the 3 key global indices of environmental sustainability of being Carbon positive, Water positive and Solid waste recycling positive
Sustain ITC’s position as one of India’s most valuable and admired corporations through world-class performance, creating growing value for the Indian economy and the Company’s stakeholders.
ITC’s Vision

- Make a significant and growing contribution towards:
  - mitigating societal challenges
  - enhancing shareholder rewards

By

- creating **multiple drivers of growth** while **sustaining leadership in tobacco**, and

- focusing on ‘**Triple Bottom Line’ Performance**
  - Enlarge contribution to the Nation’s
    - Financial capital
    - Environmental capital
    - Social capital
Key Corporate Strategies

- **Focus on the chosen business portfolio**
  - FMCG; Hotels; Paperboards, Paper & Packaging; Agri Business; Information Technology

- **Blend diverse core competencies residing in various Businesses to enhance the competitive power of the portfolio**

- **Position each business to attain leadership on the strength of world-class standards in quality and costs**

- **Craft appropriate ‘Strategy of Organisation’ and governance processes to:**
  - Enable focus on each business *and*
  - Harness diversity of portfolio to create unique sources of competitive advantage
Strategy of Organisation

3-Tiered Governance Structure

Board of Directors

- Strategic Supervision

Corporate Management Committee

- Strategic Management

Divisional Management Committees

- Executive Management

- Enabling Focus on each Business
- Harnessing Diversity of Portfolio
ITC’s Business Portfolio

**FMCG**

- **Cigarettes**
  - Classic
  - Gold Flake
  - Navy Cut
  - Flake
  - Scissors Berkeley

- **Foods**
  - Savita
  - Complan
  - Danone

- **Personal Care**
  - Vivel
  - Engage

- **Lifestyle Retailing**
  - John Players

- **Education & Stationery**

- **Safety Matches & Incense Sticks**

**Other Businesses**

- **Hotels**

- **Paperboards, Paper & Packaging**

- **Agri Business**

- **Information Technology**

*‘John Players’ trademark/copyright divested during Q4FY19*
ITC’s Cigarettes Business

- Market leadership
  - Leadership across all segments - geographic & price

- State-of-the-art technology and world-class products
Legal cigarettes account for only \(~10\%) of tobacco consumed in India due to a punitive and discriminatory taxation and regulatory regime.

India is the 4th largest illegal cigarette market in the World; resulting in Revenue loss of over 13,000 cr. p.a. to the Exchequer.

42% of adult Indian males consume tobacco. Only 7% of adult Indian males smoke cigarettes as compared to 14% who smoke bidis and 30% who use smokeless tobacco (Source: Global Adult Tobacco Survey India 2016-17)

Annual per capita adult cigarette consumption in India is approx. one-ninth of world average.
Legal Cigarettes contribute 86% of Tax Revenue, despite constituting only 10% of Tobacco consumption.

- **Consumption Share**
  - Other Tobacco Products: 90%
  - Legal Cigarettes: 10%

- **Tax Revenue Share**
  - Legal Cigarettes: 86%
  - Other Tobacco Products: 14%

Cigarette taxes remain, effectively, about 55 times higher than on other tobacco products (on a per Kg basis of tobacco consumption).

*Note: Consumption Share and Tax Revenue based on 2016/17 data*
Cigarettes are least affordable in India

As shown above, in GDP per Capita terms, Cigarettes in India are less affordable than in other countries viz. USA, Germany, China, Australia, Malaysia & Pakistan.

Source: WHO Report on the Global Tobacco Epidemic, 2015-Raising Taxes on Tobacco
Per Capita Cigarette Consumption – 11% of World average

No. of cigarettes per capita per annum

- China: 2043
- Japan: 1583
- USA: 1017
- UK: 828
- UAE: 748
- Pakistan: 363
- India: 89


- Although India accounts for over 17% of world population, its share of world cigarette consumption is less than 2%
• Legal cigarette industry volumes remain under pressure
  - While the legitimate cigarette industry has declined steadily since 2010-11 at a compound annual rate of over 4% p.a., illegal cigarette volumes in contrast have grown at nearly 5% p.a. during the same period, making India one of the fastest growing illegal cigarette markets in the world
  - This is also borne out by the fact that there has been a quantum jump in the number of seizures of smuggled cigarette consignments by enforcement agencies across the country over the last few years.

• New graphic health warnings with even more gruesome images have been introduced from 1st September 2018
Creating World-class brands for Indian Consumers
Rapid scale up of FMCG businesses

Note: Reported Gross Revenue for FY18 & FY19 not comparable a/c GST transition; Comparable FMCG Business growth for FY19 at 12% as compared to reported growth of 10.4%
Annual Consumer Spends of over 18000 cr. (FY19)

- >4500 cr.
- >3800 cr.
- >2500 cr.
- >1400 cr.
- >1100 cr.
- >500 cr.
Branded Packaged Foods Portfolio

Biscuits, Staples, Snacks, Noodles & Pasta, Confectionery, Ready to Eat, Juices, Dairy, Chocolates and Coffee
Branded Packaged Foods: Some recent launches

- Aashirvaad Pouch Milk, Dahi and Paneer
- Sunfeast Wonderz Dairy Beverages
- B Natural Juices with regional flavours
- B Natural Watermelon juice
- Sunfeast Mom’s Magic Choco Chip
- Sunfeast Snacky “Masala Twist” and “Something Else”
- Yippee! My Noodles Range
- Candyman Fantastik
- Sunbean Coffee Ready-to-use beaten caffe
- Fabelle India’s first Ruby Chocolate
- Fabelle Choco Deck and Soft Centre Bars
Sharpening communication

Dark Fantasy – Can’t Wait Won’t Wait

B Natural – 100% Indian Fruit

YiP Pee! MY range

Bingo! Tedhe Medhe
Integrated Manufacturing and Logistics facilities

– Commissioned state-of-the-art consumer good manufacturing facility at Trichy, Tamil Nadu in Sep'18 and Juices/Dairy Beverages line at Kapurthala in Dec’18.

– Capacity Utilisation at Kapurthala, Panchla, Uluberia, Mysuru and Guwahati being progressively ramped up.

– Steady progress is being made towards development of other such facilities which are expected to be commissioned in the near to medium term.
Personal Care Products

- The Business continues to **enhance market standing** in the **Fragrance** and **liquids** (handwash & bodywash) categories.

- ‘Engage’ range of deodorants continue to strengthen its market standing.
  - Clear No. 2 brand in the category; No. 1 in Women’s segment.
  - ‘Pocket Perfume’ range drive robust growth.
  - Range augmented with the launch of unique slider-flip pack.

- Recent category launches
  - Premium skin care range – ‘**Dermafique**’
  - Premium bath care range – ‘**Fiama**’
  - Moisturising skin cream - ‘**Charmis**’
  - Floor cleaner - ‘**Nimyle**’
  - Essential Oils – ‘**Fiama**’
Personal Care: Some recent launches

Engage On Pocket Perfume

Engage Deo – Nudge & Tickle

Fiama Body Wash

Vivel Bodywash

Charmis Cream

Nimyle Herbal Floor Cleaner

Dermafique range of Premium Skincare

Savlon Chota Bheem Handwash
Enhanced consumer engagement

Savlon on World Sight Day (11th October) introduced Braille enabled packs of Savlon Antiseptic liquid to help the visually impaired to identify & access the product easily.

This World Hand Hygiene Day, Savlon Swasth India Mission introduced the “Germ Fu” Video – inspired by martial arts


Ranked No.2 in WARC Effective 100 global index

Charmis new campaign recognises and celebrates the lessons best learnt from mothers and how they guide children to make the right choices as they navigate through the maze of life and respond to challenges and conflicts thrown up each day
Education & Stationery Products Business

- Leverage Company’s paper & printing expertise and distribution network
  - Classmate, Saathi and Paperkraft brands continue to enhance market standing

- Industry growth driven by increasing literacy and enhanced scale of government and public-private education initiatives

- **Classmate** is the Market leader in Notebooks segment
  - Deepening consumer engagement through Classmateshop.com and MyClassmate app to deliver customized notebooks

- Increase presence in **writing instruments and scholastic products** segment leveraging the Classmate brand
Incense sticks (Agarbattis) & Safety Matches

• ‘Mangaldeep’ continues to fortify its market standing in the Agarbatti and Dhoop segment.

• ‘AIM’ continues to be the largest selling safety matches brand in India.

• Launched in September 2016 on both Android & iOS platforms the Mangaldeep App is currently available in nine languages and caters to the everyday devotional needs of consumers.

5 lakh downloads; healthy rating of 4.6/5
Hotels

- One of the fastest growing hospitality chains in India
- Trailblazer in Green Hoteliering
- Leader in Profitability
Hotels & Tourism Industry

- Foreign Tourist Arrivals (FTA) growth has picked up in the last few quarters.
  - FTA into India crossed the 10 million mark but remains far behind China (~59 million)
    [Source: Ministry of Tourism, UNWTO Tourism Highlights 2017 edition]
  - Going forward, as economic conditions and infrastructure improve, leisure tourism and business related travel is also projected to grow faster

- Industry: Current Room inventory ~240,000 rooms, of which ~66,000 rooms are in the Luxury and Upper-Upscale segments
The Chain: 108 properties across 74 locations
- 4 Brands: ‘ITC Hotels’ in the Luxury segment, ‘Welcomhotels’ in the Upper-Upscale segment, ‘Fortune’ in the Mid-market to Upscale segment and ‘WelcomHeritage’ in the Leisure & Heritage segment
  - 27 Five-Star Deluxe/ Five-Star Properties with over 5400 rooms
  - 47 Fortune Hotels with over 3500 rooms
  - 34 WelcomHeritage Properties with over 850 rooms

Enhancing Business scale by adopting ‘asset-right’ strategy - Managed properties now account for more than 50% of room inventory of ITC hotels group.

Projects underway:
- ITC Hotels at Kolkata, Ahmedabad
- WelcomHotels at Bhubaneswar, Guntur and Amritsar

Company’s first overseas project in Colombo, being undertaken by a wholly-owned subsidiary in Sri Lanka
- The recent socio-economic stress in Sri Lanka has adversely affected the economic and business environment of the country. The company has put in place appropriate measures to ensure adequate safeguard of its assets and people in Sri Lanka.
ITC Kohenur & ITC Grand Goa continued to receive excellent response from discerning guests

**ITC Kohenur**

Located in HITEC City overlooking the picturesque Durgam Lake

271 keys, 6 F&B Outlets

**ITC Grand Goa**

252 keys, 6 Signature F&B outlets, 36,000 sq. ft. of Spa space
ITC Hotels: Trailblazer in Green Hoteliering

All ITC Luxury Hotels LEED Platinum certified

“Responsible Luxury” ethos woven into the Brand Identity
Paperboards & Packaging Business

• No. 1 in Size
• No. 1 in Profitability
• World-class Environmental Performance
Indian Paperboard market

- Annual paperboard demand nearly 4 million tonnes
- Low per capita usage of paper at around 13 kgs p.a. (world average – over 57 kgs p.a.)
- Indian paperboard market growing at 8% p.a.
- Value-added Paperboards - the fastest growing segment in India driven by:
  - Increasing demand for branded packaged products
  - Growth in organised retail
  - Use of packaging as a key differentiator, especially in the FMCG sector
ITC’s Paperboards, Paper & Packaging businesses

- Market leader in Value-Added Paperboards segment

- World-class technology & quality
  - Fully integrated Ozone bleached Pulp Mill (3.5 lakh TPA) – one of its kind in Asia meeting world-class environmental standards
  - India’s first Bleached Chemical Thermo Mechanical Pulp (BCTMP) mill, reduced dependence on imported pulp and source of competitive advantage.
  - The new Décor machine commissioned last year is operating at optimum capacity and the diverse product range has been well accepted by discerning customers
  - Rebuilt Value Added Paperboard (1.5 lakh TPA) line commissioned in Aug’18; operating at near-full capacity.

- ITC’s packaging SBU - India’s largest converter of Paperboard into high quality packaging
  - Provides superior packaging solutions to cigarettes and other FMCG businesses
  - Leading supplier to Indian FMCG industry
  - Strengthened its capabilities as a one-stop-shop for packaging solutions with the addition of a rigid box and a flexo corrugation line

TPA: Tonnes per annum
Agri Business

- Leading Agri Business player in India
- Pioneer in rural transformation
- No. 1 in Leaf Tobacco
ITC’s Agri Commodity Business

- Distinctive sourcing capability for ITC’s Branded Packaged Foods Businesses
  - Identity-preserved superior quality wheat for ‘Aashirvaad’ atta
  - Superior quality fruit pulp for ‘B Natural’ range of juices
  - Sourcing support for spices
  - Scale up in milk procurement

- Farm linkages in 17 States covering Wheat, Oilseeds, Coffee, Spices, Milk etc.

- Unique Customer Relationship Management programme for commodity customers in both domestic and international markets

- Leveraging Information Technology for the transformational ‘e-Choupal’ initiative
  - Rural India’s largest Internet-based intervention
  - Over 35000 villages linked through around 6100 e-Choupals servicing about 4 million farmers
ITC’s Agri Commodity Business- Value-Added Agriculture

- Augmented presence in Value-Added Agriculture space
  - Wide range of **Frozen Snacks** launched in retail segment in Sep’18
e-Choupal: Strategic Thrust

- **Procurement:** cost & quality optimisation
  - strategic sourcing support to the Branded Packaged Foods Businesses
  - cost-effective sourcing for exports/domestic external business

- **Rural retail**
  - 23 Choupal Saagars operational
ITC e-Choupal – Global Recognition

- **World Development Report 2008** published by World Bank

- **Stockholm Challenge Award 2006** in the Economic Development category which recognises initiatives that leverage Information Technology to improve living conditions and foster economic growth in all parts of the world.

- First Indian Company and second in the world to win the Development Gateway Award 2005 for its trail-blazing e-Choupal initiative.

- **Corporate Social Responsibility Award 2004** from The Energy and Resources Institute (TERI).

- **World Business Award 2004**: International Chamber of Commerce & the HRH Prince of Wales & International Business forum.

- **Harvard University** case study

- Applauded by the then President of India Dr APJ Abdul Kalam in his special address during the national symposium to commemorate 60th year of Independence.
ITC’s Leaf Tobacco Business

- India is the second largest tobacco grower in the World.

- However, India’s share is only at 9% of world tobacco trade
  - Leaf exports declined 4\textsuperscript{th} year in a row to \sim 178 million Kgs.

- ITC – India’s largest buyer, processor, consumer & exporter of cigarette tobaccos
  - 5th largest leaf tobacco exporter in the world

- Pioneering cultivation of flavourful Flue-cured and superior Burley tobaccos in India

- Pressure on legal cigarette industry volumes, subdued demand for leaf tobacco in international markets, adverse quality & leaf cost escalation pertaining to Andhra 2017 crop weighed on the business performance.
Headline Financials : FY 18-19

Gross Revenue for the year ended Mar’19 is not comparable with the previous period a/c GST transition.

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>GOLY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Sales Value</td>
<td>75,309</td>
<td>67,082</td>
<td>12.3%</td>
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<tr>
<td>Gross Revenue</td>
<td>45,221</td>
<td>43,957</td>
<td>2.9%</td>
</tr>
<tr>
<td>PBDIT</td>
<td>17,306</td>
<td>15,541</td>
<td>11.4%</td>
</tr>
<tr>
<td>PBT</td>
<td>18,444</td>
<td>16,439</td>
<td>12.2%</td>
</tr>
<tr>
<td>PAT</td>
<td>12,464</td>
<td>10,953</td>
<td>13.8%</td>
</tr>
</tbody>
</table>

**Exceptional items**

<p>| | | | |</p>
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<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>PBT (incl. Exceptional items)</td>
<td>18,444</td>
<td>16,852</td>
<td>9.4%</td>
</tr>
<tr>
<td>PAT (incl. Exceptional items)</td>
<td>12,464</td>
<td>11,223</td>
<td>11.1%</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>GOLY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Comprehensive Income (net of tax)</td>
<td>363</td>
<td>382</td>
<td></td>
</tr>
<tr>
<td>Total Comprehensive Income</td>
<td>12,827</td>
<td>11,606</td>
<td>10.5%</td>
</tr>
</tbody>
</table>

^Gross Sales Value includes all taxes (GST, Compensation Cess, VAT, Excise Duty, NCCD, etc.)
### Gross Segment Revenue – Full Year

Gross Revenue not comparable with the previous period a/c GST transition

(₹ crs)

<table>
<thead>
<tr>
<th>Segment Revenue (Gross)</th>
<th>Full Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
</tr>
<tr>
<td>a) FMCG - Cigarettes</td>
<td>20713</td>
</tr>
<tr>
<td>- Others</td>
<td>12505</td>
</tr>
<tr>
<td>Total FMCG</td>
<td>33218</td>
</tr>
<tr>
<td>b) Hotels</td>
<td>1665</td>
</tr>
<tr>
<td>c) Agri Business</td>
<td>9397</td>
</tr>
<tr>
<td>d) Paperboards, Paper &amp; Packaging</td>
<td>5860</td>
</tr>
<tr>
<td>Total</td>
<td>50140</td>
</tr>
<tr>
<td>Less : Inter segment revenue</td>
<td>4919</td>
</tr>
<tr>
<td>Gross Revenue from sale of products &amp; services</td>
<td>45221</td>
</tr>
</tbody>
</table>

- **Cigarettes**: Stability in taxes during the year provided some relief to the legal cigarette industry; growth in volumes on soft base
- **FMCG Others**: Comparable Revenue^ up 12% with most major categories enhancing their market standings
- **Hotels**: Improvement in RevPar and addition of two world-class properties to the portfolio
- **Agri Business**: Trading opportunities in Wheat, Coffee, Oilseeds & Spices; leaf exports flat
- **Paperboards, Paper & Packaging**: Enriched mix, higher volumes, Décor & PM1A capacity, improved realisation

^ Comparable revenue and excluding Lifestyle Retailing Business
## Segment Results – Full Year

<table>
<thead>
<tr>
<th>Segment Results</th>
<th>2019</th>
<th>2018</th>
<th>Goly(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) FMCG - Cigarettes</td>
<td>14551</td>
<td>13341</td>
<td>9.1</td>
</tr>
<tr>
<td>- Others</td>
<td>316</td>
<td>164</td>
<td>92.4</td>
</tr>
<tr>
<td>- Restructuring of Lifestyle Retailing Business</td>
<td>70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total FMCG</td>
<td>14937</td>
<td>13505</td>
<td>10.6</td>
</tr>
<tr>
<td>b) Hotels</td>
<td>178</td>
<td>140</td>
<td>27.1</td>
</tr>
<tr>
<td>c) Agri Business</td>
<td>777</td>
<td>849</td>
<td>(8.5)</td>
</tr>
<tr>
<td>d) Paperboards, Paper &amp; Packaging</td>
<td>1239</td>
<td>1042</td>
<td>18.9</td>
</tr>
<tr>
<td>Total</td>
<td>17131</td>
<td>15536</td>
<td>10.3</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Finance Cost</td>
<td>34</td>
<td>87</td>
<td></td>
</tr>
<tr>
<td>ii) Other un-allocable (income) net of un-allocable expenditure</td>
<td>(1347)</td>
<td>(990)</td>
<td></td>
</tr>
<tr>
<td>Profit Before Exceptional items &amp; Tax</td>
<td>18444</td>
<td>16439</td>
<td>12.2</td>
</tr>
</tbody>
</table>

### Analysis:

- **FMCG-Others** Segment EBITDA up 51% to 688 cr. aided by enhanced scale, mix enrichment & operating leverage; despite stepped up marketing expenses, input cost increases, gestation of new categories & start-up costs of new facilities and ongoing Lifestyle Retailing Business restructuring.

- **Hotels** growth driven by higher room rates and operating leverage; gestation cost of new properties absorbed.

- **Agribusiness** impacted by subdued demand for leaf tobacco in international markets and leaf cost escalation pertaining to Andhra 2017 crop.

- **Paperboards, Paper & Packaging** margin expansion driven by product mix enrichment, higher realisation, strategic investments in imported pulp substitution, process innovation and a cost-competitive fibre chain.
## ITC - Key Financials – Q4 18-19

<table>
<thead>
<tr>
<th></th>
<th>Q4 2019</th>
<th>Q4 2018</th>
<th>GOLY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Revenue</td>
<td>12,064</td>
<td>10,706</td>
<td>12.7%</td>
</tr>
<tr>
<td>PBDIT</td>
<td>4,572</td>
<td>4,144</td>
<td>10.3%</td>
</tr>
<tr>
<td>PBT</td>
<td>4,954</td>
<td>4,333</td>
<td>14.3%</td>
</tr>
<tr>
<td>PAT</td>
<td>3,482</td>
<td>2,933</td>
<td>18.7%</td>
</tr>
<tr>
<td>Other Comprehensive Income (net of tax)</td>
<td>56</td>
<td>168</td>
<td></td>
</tr>
<tr>
<td>Total Comprehensive Income</td>
<td>3,538</td>
<td>3,100</td>
<td>14.1%</td>
</tr>
</tbody>
</table>
Gross Segment Revenue – Q4 18/19

(₹ crs)

<table>
<thead>
<tr>
<th>Segment Revenue (Gross)</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
</tr>
<tr>
<td>a) FMCG</td>
<td></td>
</tr>
<tr>
<td>- Cigarettes</td>
<td>5486</td>
</tr>
<tr>
<td>- Others</td>
<td>3274</td>
</tr>
<tr>
<td>Total FMCG</td>
<td>8760</td>
</tr>
<tr>
<td>b) Hotels</td>
<td>510</td>
</tr>
<tr>
<td>c) Agri Business</td>
<td>2101</td>
</tr>
<tr>
<td>d) Paperboards, Paper &amp; Packaging</td>
<td>1537</td>
</tr>
<tr>
<td>Total</td>
<td>12908</td>
</tr>
<tr>
<td>Less: Inter segment revenue</td>
<td>844</td>
</tr>
<tr>
<td>Gross Revenue from sale of products &amp;</td>
<td></td>
</tr>
<tr>
<td>services</td>
<td>12064</td>
</tr>
</tbody>
</table>

• **Cigarettes**: growth in volumes on a soft base

• **FMCG Others**: revenue growth driven by Foods, Personal Care Business *partly offset by* restructuring in Lifestyle Retailing Business and pipeline calibration in Education & Stationery Products Business.

• **Hotels**: higher ARRs and new properties (ITC Kohenur & ITC Grand Goa)

• **Agri Business**: trading opportunities in Oilseeds & Coffee and Wheat

• **Paperboards, Paper & Packaging**: higher volumes, capacity addition and improved realisation
## Segment Results – Q4 18/19

<table>
<thead>
<tr>
<th>Segment Results</th>
<th>Q4 2019</th>
<th>Q4 2018</th>
<th>Goly(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) FMCG - Cigarettes</td>
<td>3856</td>
<td>3506</td>
<td><strong>10.0</strong></td>
</tr>
<tr>
<td>- Others</td>
<td>130</td>
<td>91</td>
<td><strong>43.1</strong></td>
</tr>
<tr>
<td>- Restructuring of Lifestyle Retailing Business</td>
<td>70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total FMCG</td>
<td><strong>4057</strong></td>
<td><strong>3597</strong></td>
<td><strong>12.8</strong></td>
</tr>
<tr>
<td>b) Hotels</td>
<td>89</td>
<td>75</td>
<td><strong>17.5</strong></td>
</tr>
<tr>
<td>c) Agri Business</td>
<td>147</td>
<td>124</td>
<td><strong>18.8</strong></td>
</tr>
<tr>
<td>d) Paperboards, Paper &amp; Packaging</td>
<td>301</td>
<td>242</td>
<td><strong>24.0</strong></td>
</tr>
<tr>
<td>Total</td>
<td><strong>4593</strong></td>
<td><strong>4039</strong></td>
<td><strong>13.7</strong></td>
</tr>
<tr>
<td>Less : i) Finance Cost</td>
<td>8</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>ii) Other un-allocable (income) net of un-allocable expenditure</td>
<td>(368)</td>
<td>(318)</td>
<td></td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td><strong>4954</strong></td>
<td><strong>4333</strong></td>
<td><strong>14.3</strong></td>
</tr>
</tbody>
</table>

### Robust growth across Segments

- **FMCG Others** Segment EBITDA up 31% to 228 cr.; Segment EBITDA margin at 7% Vs. 5.7%
- **Paperboards, Paper & Packaging** up 24% a/c higher realisation, enriched mix, higher in-house pulp utilisation
## Segment Capital Employed

<table>
<thead>
<tr>
<th>Segment Capital Employed</th>
<th>Full Year</th>
<th>2019</th>
<th>2018</th>
<th>Goly(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>a) FMCG</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Cigarettes *</td>
<td></td>
<td>3594</td>
<td>3332</td>
<td>262</td>
</tr>
<tr>
<td>- Others</td>
<td></td>
<td>6076</td>
<td>5717</td>
<td>359</td>
</tr>
<tr>
<td><strong>Total FMCG</strong></td>
<td></td>
<td>9670</td>
<td>9049</td>
<td>621</td>
</tr>
<tr>
<td><strong>b) Hotels</strong></td>
<td></td>
<td>5408</td>
<td>4999</td>
<td>409</td>
</tr>
<tr>
<td><strong>c) Agri Business</strong></td>
<td></td>
<td>2994</td>
<td>2507</td>
<td>486</td>
</tr>
<tr>
<td><strong>d) Paperboards, Paper &amp; Packaging</strong></td>
<td></td>
<td>6211</td>
<td>5953</td>
<td>258</td>
</tr>
<tr>
<td><strong>Total Segment Capital Employed</strong></td>
<td></td>
<td>24283</td>
<td>22508</td>
<td>1775</td>
</tr>
<tr>
<td>*** Local Tax Provision not incl.**</td>
<td></td>
<td>123</td>
<td>233</td>
<td>(110)</td>
</tr>
</tbody>
</table>

Increase in Segment Capital Employed primarily a/c Capacity augmentation and business expansion.
Awards & Accolades (1)

- One of the foremost in the private sector in terms of:
  - Sustained value creation
  - Operating profits
  - Cash Profits
  - Contribution to Exchequer

- ITC won the prestigious Porter Prize 2017 for 'Excellence in Corporate Governance and Integration' and for its exemplary contribution in 'Creating Shared Value'.

- ITC ranked 3rd amongst leading corporates in India in terms of Corporate Reputation (Nielsen Corporate Image Monitor 2014-15)

- ITC ranked as the most admired company in India in 2014 (Fortune-Hay Group survey)

Awards & Accolades (2)

ITC conferred the prestigious ‘World Business and Development Award 2012’ at the Rio+20 UN Summit for its Social and Farm Forestry Initiatives.

ITC Hotels awarded the ‘Most Trusted Hotel brand’ in the Public Choice Honours category at the Times Travel Honours.

Rainforest Alliance awarded ITC’s Bhadrachalam Unit, the Forest Stewardship Council Forest Management certification.

Best Overall Corporate Social Responsibility Performance: Institute of Public Enterprise.

Businessworld FICCI CSR award in Large Enterprise category.

AIM Asian CSR Award by the Asian Forum on Corporate Social Responsibility.
Recent Awards & Accolades (1)

‘Savlon Healthy Hand Chalk Sticks’ the first Indian brand to win the Grand Prix for ‘Creative Effectiveness’ at the Cannes Lions. The campaign won 7 Lions at Cannes 2017 and also recognised as one of the top 10 PR Campaigns in the World at Global SABRE Awards. The campaign was also ranked No.2 in WARC Effective 100 global index.

‘Engage’ won a Gold at Abby (India's biggest advertising and creative award) for its social and digital campaign. The ‘Engage’ campaign on social media also won two Golds at the Content Marketing Awards, South Asia.

ITC Hotels named India's 'Buzziest' brand in the Hotels segment by afaqs!, the country's leading media portal.

Engage featured among the Top 5 in the Personal Care segment.

ITC Foods won the SABRE Diamond Award for its campaign – ‘A Viral Truth – As pure as a Blessing’ to protect the trust of millions of Indian consumers on Aashirvaad Atta.

Classmate bloggers campaign won the SABRE Gold Award.

‘Winning with India First’ & Vivel’s ‘Know your Right’ campaign won certificate of excellence.
ITC Limited was recognised and felicitated as the ‘Corporate Trailblazer’ at the India Today Safaigiri Awards. ITC was the only Corporate to have been presented the Safaigiri Award by India Today.


ITC Hotels featured as the ‘Sectoral Leader’, for the fourth time in the Business World ‘Most Respected Companies’ listing.

Club ITC won the ‘210 Award’ at the 29th Annual Freddie Awards held in Settle USA.

ITC Grand Bharat was ranked amongst the top resorts in Asia for the third year in a row in the coveted Conde Nast Traveler U.S. Readers’ Choice Awards.

ITC Maurya was adjudged the ‘Most Eco Friendly Hotel’ by the Ministry of Tourism at the National Tourism Awards.
Mr. Yogesh Chander Deveshwar led the Company as Chairman for over two decades. He was conferred the Padma Bhushan, one of the highest civilian awards in the country, by the Government of India in 2011. He was also ranked as the 7th Best Performing CEO in the world by the Harvard Business Review. In 2017, he was conferred the prestigious ‘Banga Bibhushan award’, the highest civilian honour instituted by the Government of West Bengal. He was also conferred the Lifetime Achievement Award by All India Food Processors’ Association and 4 eminent media houses (Economic Times, Business Standard, Business Today and CNBC).

The Board of Directors of the Company at the meeting held on 13th May, 2019 appointed Mr. Sanjiv Puri, Managing Director, also as the Chairman of the Company with effect from 13th May, 2019. Consequently, Mr. Puri's new designation is Chairman & Managing Director of the Company.
Forward-looking Statements

Statements in this presentation describing the Company’s objectives, future prospects, estimates, expectations etc. may be “forward looking statements” within the meaning of applicable securities laws and regulations. Investors are cautioned that “forward looking statements” are based on certain assumptions of future events over which the Company exercises no control. 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. Therefore there can be no guarantee as to their accuracy. These statements involve a number of risks, uncertainties and other factors that could cause actual results 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.
For More Information & Updates

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http://www.itcportal.com/default.aspx

ITC Corporate App

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