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

- One of India’s most Admired and Valuable companies
  - Market Capitalisation: ~Rs. 3.5 lakh crores

- A US$ 10 billion enterprise by Gross Sales Value
  - ~59% of Net Revenue from non-Cigarette segments

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

- 10 year Value Addition ~ Rs. 3.1 lakh crores (US$ 55 billion).
  - Among the top tax payers in the country

- ITC & its Group Companies employ over 32,000 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 16 years), 'carbon positive' (for 13 years), and 'solid waste recycling positive' (for 11 years)

^ FY18 Reported Gross Revenue (US$ 7 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>2017-18</th>
<th>22-yr Cagr 95-96 to 17-18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Revenue</strong></td>
<td>2,536</td>
<td>39,255</td>
<td><strong>13.3%</strong></td>
</tr>
<tr>
<td><strong>PBT</strong></td>
<td>452</td>
<td>16,439</td>
<td><strong>17.7%</strong></td>
</tr>
<tr>
<td><strong>PAT</strong></td>
<td>261</td>
<td>10,953</td>
<td><strong>18.5%</strong></td>
</tr>
<tr>
<td><strong>Capital Employed</strong></td>
<td>1,886</td>
<td>53,336</td>
<td><strong>16.4%</strong></td>
</tr>
<tr>
<td><strong>Segment ROCE%</strong></td>
<td>36.3</td>
<td>69.0</td>
<td></td>
</tr>
<tr>
<td><strong>Market Capitalisation</strong></td>
<td>5,571</td>
<td>3,12,308</td>
<td><strong>20.1%</strong></td>
</tr>
<tr>
<td><strong>Total Shareholder Returns %</strong></td>
<td></td>
<td></td>
<td><strong>22.4%</strong></td>
</tr>
</tbody>
</table>

**Sensex (CAGR 95-96 to 17-18) : 10.9%**

*Gross Revenue (Rs. 43957 cr.) not comparable a/c GST transition; PBT & PAT for FY18 before exceptional items
Market Cap and TSR based on FY-end prices for FY96 and FY18*
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 H1FY19, Market Capitalisation based on BSE closing as on 31st Dec 2018
ITC’s Economic Contribution to the Nation

- **10 year Value addition** ~ Rs. 3.1 lakh crore (US$ 55 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 ₹ 200000 crores of which nearly ₹ 150000 crores accrued to the Exchequer.

- **Foreign exchange earnings** in the last 10 years: US$ 7.1 bln
  - Of which agri exports constituted ~56%
Social Performance

- **Direct employment** ITC Group: over 32,000
- 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 **683,000 acres** and generated nearly **125 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 - 16 years in a row

- Carbon positive enterprise – 13 years in a row
  - Sequestering over twice the amount of CO₂ that the Company emits

- Solid waste recycling positive – 11 years in a row

- Over 43% of total energy consumed is from renewable sources


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
  - Mama’s Magic
  - Nissin

- Personal Care
  - Vivel
  - Embrace

- Lifestyle Retailing

- Education & Stationery

- Safety Matches & Incense Sticks

- Hotels

- Paperboards, Paper & Packaging

- Agri Business

- Information Technology
ITC’s Cigarettes Business

- Market leadership
  - Leadership across all segments - geographic & price
- State-of-the-art technology and world-class products
Cigarette Industry in India

- 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 87% of Tax Revenue, despite constituting only 10% of Tobacco consumption.

Cigarette taxes remain, effectively, about 50 times higher than on other tobacco products (on a per Kg basis of tobacco consumption).

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

- Cigarette taxes in India are 14 times higher than USA, 9 times higher than Japan, 7 times higher than China, 5 times higher than Australia and 3 times higher than Malaysia and Pakistan.

*Source: WHO Report on the Global Tobacco Epidemic, 2015-Raising Taxes on Tobacco*
Per Capita Consumption of Tobacco in India (gms per year)


Per Capita consumption is ~60% of World Average
Per Capita Cigarette Consumption – 11% of World average


- Although India accounts for over 17% of world population, its share of world cigarette consumption is less than 2%
- Per Capita consumption in India ~11% of World average
• **Legal cigarette industry volumes remain under pressure**
  
  - While the legitimate cigarette industry has declined steadily since 2010-11 at a compound annual rate of 4.8% p.a., illegal cigarette volumes in contrast have grown at about 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 not comparable a/c GST transition; Comparable FMCG Business growth for FY18 at 11.3% as compared to reported growth of 7.8%
Annual Consumer Spends of ~16000 cr. (FY18)
Branded Packaged Foods Portfolio

Biscuits, Staples, Snacks, Noodles & Pasta, Confectionery, Ready to Eat, Juices, Dairy, Chocolates and Coffee
Fabelle Chocolate

Ganache

Fabelle Chocolate Boutique at ITC Grand Chola

Gianduja

Fabelle Luxury Bars

Fabelle Société de Chocolat

Fabelle Diwali Gift Hampers
Branded Packaged Foods: Some recent launches

- Aashirvaad Pouch Milk and Dahi
- Sunfeast Wonderz Milk Shakes
- Yippee! My Noodles Range
- Fabelle Choco Deck and Soft Centre Bars
- Sunfeast Mom’s Magic Choco Chip
- Sunfeast Snacky “Masala Twist” and “Something Else”
- Candyman Fantastik
Sharpening communication

Dark Fantasy – Can’t Wait Won’t Wait Campaign

Aashirvaad Select – Gehoon Ka Sartaj

YiPPee! Mood Masala campaign

Bingo! Tedhe Medhe – Eat, Phir Repeat campaign
Integrated Manufacturing and Logistics facilities

- Commissioned state-of-the-art consumer good manufacturing facility at Trichy, Tamil Nadu in Sep'18 and Juices/Milk based 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.
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

- Dermafique range of Premium Skincare
- Charmis Cold Cream
- Savlon Chota Bheem Handwash
- Savlon Hand Sanitizer Gel
- Vivel Bodywash
- Nimyle Herbal Floor Cleaner
Enhanced consumer engagement

Deepening consumer engagement in Vivel anchored on Women’s Empowerment through ‘AbSamjhautaNahin’ & ‘Know Your Rights’ initiatives


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.
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.

4.3 lakh downloads; 23,500 active users
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
Hotels Business

- **The Chain**: 106 properties across 71 locations
  - 4 Brands: **ITC Hotels, WelcomHotel, Fortune & WelcomHeritage**
    - 27 Five-Star Deluxe/ Five-Star Properties with over 5400 rooms
    - 46 Fortune Hotels with over 3600 rooms
    - 33 WelcomHeritage Properties with over 800 rooms

- **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
  - Construction activity is progressing as per schedule
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 over 3.1 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 7.2% p.a.
- Value-added Paperboards - the fastest growing segment (10.5% p.a.) 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, commissioned in Q4FY17 – lower dependence on imported pulp and source of competitive advantage.
  - Décor Machine at Tribeni unit completely refurbished incorporating latest technology features along with capacity expansion.
  - Rebuilt Value Added Paperboard (1.5 lakh TPA) line commissioned in Aug’18.

- **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, Soya, Potato, Coffee, 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

ITC Master Chef prawns

ITC Master Chef Frozen Snacks

Farmland Apples

Farmland Potatoes

ITC Master Chef Super Safe Smart Onions

ITC Master Chef Mango Puree
ITC’s Agri Commodity Business

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


– 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).


– 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** – the second largest producer of tobacco (World excl. China)

- **However, India’s share is only at 9% of world tobacco trade**
  - Leaf exports declined 4th year in a row to ~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.**
## ITC - Key Financials – Q3 2018/19

<table>
<thead>
<tr>
<th></th>
<th>Q3 CY</th>
<th>Q3 LY</th>
<th>GOLY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Revenue</strong></td>
<td>11,340</td>
<td>9,853</td>
<td>15.1%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>4,326</td>
<td>3,889</td>
<td>11.2%</td>
</tr>
<tr>
<td><strong>PBT</strong></td>
<td>4,821</td>
<td>4,217</td>
<td>14.3%</td>
</tr>
<tr>
<td><strong>PAT</strong></td>
<td>3,209</td>
<td>2,820</td>
<td>13.8%</td>
</tr>
<tr>
<td><strong>Exceptional items</strong></td>
<td></td>
<td>413</td>
<td></td>
</tr>
<tr>
<td><strong>PBT (incl. Exceptional items)</strong></td>
<td>4,821</td>
<td>4,630</td>
<td>4.1%</td>
</tr>
<tr>
<td><strong>PAT (incl. Exceptional items)</strong></td>
<td>3,209</td>
<td>3,090</td>
<td>3.8%</td>
</tr>
<tr>
<td><strong>Other Comprehensive Income (net of tax)</strong></td>
<td>428</td>
<td>87</td>
<td></td>
</tr>
<tr>
<td><strong>Total Comprehensive Income</strong></td>
<td>3,637</td>
<td>3,177</td>
<td>14.5%</td>
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</tbody>
</table>
### Gross Segment Revenue – Q3 18/19

(₹ crs)

<table>
<thead>
<tr>
<th>Q2</th>
<th>Q3</th>
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<th></th>
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<tbody>
<tr>
<td></td>
<td>2018-19</td>
<td>2017-18</td>
<td>Goly(%)</td>
<td></td>
</tr>
<tr>
<td>Segment Revenue (Gross)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5026</td>
<td>a) FMCG</td>
<td>5073</td>
<td>4629</td>
<td>9.6</td>
</tr>
<tr>
<td>3160</td>
<td>- Cigarettes</td>
<td>3201</td>
<td>2872</td>
<td>11.5</td>
</tr>
<tr>
<td>8186</td>
<td>- Others</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>363</td>
<td>b) Hotels</td>
<td>452</td>
<td>404</td>
<td>11.7</td>
</tr>
<tr>
<td>2220</td>
<td>c) Agri Business</td>
<td>1925</td>
<td>1531</td>
<td>25.7</td>
</tr>
<tr>
<td>1424</td>
<td>d) Paperboards, Paper &amp; Packaging</td>
<td>1543</td>
<td>1280</td>
<td>20.5</td>
</tr>
<tr>
<td>12193</td>
<td>Total</td>
<td>12193</td>
<td>10716</td>
<td>13.8</td>
</tr>
<tr>
<td>1098</td>
<td>Less : Inter segment revenue</td>
<td>853</td>
<td>863</td>
<td>(1.2)</td>
</tr>
<tr>
<td>11095</td>
<td>Gross Revenue from sale of products &amp; services</td>
<td>11340</td>
<td>9853</td>
<td>15.1</td>
</tr>
</tbody>
</table>

- **Cigarettes**: Growth in Volumes on a soft base
- **FMCG Others**: Revenue growth driven by Staples, Snacks & Meals, Notebooks, Fragrancing products & Liquids (handwash & bodywash) *partly offset by* restructuring in Apparel and changes in timing of trade promotions in Matches & Agarbatti Business.
- **Hotels**: Higher ARRs and new properties (ITC Kohenur & ITC Grand Goa)
- **Agri Business**: Trading opportunities in Wheat, Oilseeds, Coffee, Aqua & Spices
- **Paperboards, Paper & Packaging**: Enriched mix, higher volumes, Décor & PM1A machine and increased realisation
Segment Results – Q3 18/19

<table>
<thead>
<tr>
<th>Q2</th>
<th>Segment Results</th>
<th>Q3</th>
<th>Goly(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-19</td>
<td></td>
<td>2018-19</td>
<td>2017-18</td>
</tr>
<tr>
<td>3579</td>
<td>a) FMCG - Cigarettes</td>
<td>3558</td>
<td>3269</td>
</tr>
<tr>
<td>58</td>
<td>- Others</td>
<td>77</td>
<td>47</td>
</tr>
<tr>
<td>3638</td>
<td>Total FMCG</td>
<td>3634</td>
<td>3316</td>
</tr>
<tr>
<td>16</td>
<td>b) Hotels</td>
<td>60</td>
<td>55</td>
</tr>
<tr>
<td>236</td>
<td>c) Agri Business</td>
<td>199</td>
<td>233</td>
</tr>
<tr>
<td>311</td>
<td>d) Paperboards, Paper &amp; Packaging</td>
<td>332</td>
<td>268</td>
</tr>
<tr>
<td>4200</td>
<td>Total</td>
<td>4226</td>
<td>3873</td>
</tr>
<tr>
<td>14</td>
<td>Less: i) Finance Cost</td>
<td>6</td>
<td>24</td>
</tr>
<tr>
<td>(183)</td>
<td>ii) Other un-allocable (income) net of un-allocable expenditure</td>
<td>(601)</td>
<td>(368)</td>
</tr>
<tr>
<td>4369</td>
<td>Profit Before exceptional items &amp; Tax</td>
<td>4821</td>
<td>4217</td>
</tr>
</tbody>
</table>

- **FMCG-Others:** Segment EBITDA at 173 cr. (+42%) - enhanced scale, mix enrichment & operating leverage, despite sustained marketing investment, gestation of new categories & start-up costs of new facilities and restructuring of Apparel.
- **Hotels:** up 29% excl. new properties (ITC Kohenur & ITC Grand Goa)
- **Agri Business:** margin compression in leaf tobacco exports
- **Paperboards, Paper & Packaging:** Growth driven by enriched mix, higher realisation, scale-up of in-house pulp utilisation and improvement in pulp yield.
### Segment Capital Employed Q3 18/19

(₹ crs)

<table>
<thead>
<tr>
<th>Q2</th>
<th>Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-19</td>
<td><strong>Segment Capital Employed</strong></td>
</tr>
<tr>
<td>3847</td>
<td>a) FMCG - Cigarettes *</td>
</tr>
<tr>
<td>6388</td>
<td>- Others</td>
</tr>
<tr>
<td><strong>10235</strong></td>
<td>Total FMCG</td>
</tr>
<tr>
<td>5193</td>
<td>b) Hotels</td>
</tr>
<tr>
<td>2373</td>
<td>c) Agri Business</td>
</tr>
<tr>
<td>6108</td>
<td>d) Paperboards, Paper &amp; Packaging</td>
</tr>
<tr>
<td><strong>23909</strong></td>
<td>Total Segment Capital Employed</td>
</tr>
<tr>
<td>122</td>
<td>* Local Tax Provision not incl.</td>
</tr>
</tbody>
</table>

Increase in Segment Capital Employed primarily a/c Capacity augmentation and business expansion.
Key Financials – YTD Q3 2018/19

Gross Revenue for nine months ended Dec’18 is not comparable with the previous period a/c GST transition

<table>
<thead>
<tr>
<th></th>
<th>YTD Q3 CY</th>
<th>YTD Q3 LY</th>
<th>GOLY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Sales Value ^</td>
<td>55,342</td>
<td>49,148</td>
<td>12.6%</td>
</tr>
<tr>
<td>Gross Revenue</td>
<td>33,157</td>
<td>33,251</td>
<td>-0.3%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>12,734</td>
<td>11,397</td>
<td>11.7%</td>
</tr>
<tr>
<td>PBT</td>
<td>13,490</td>
<td>12,106</td>
<td>11.4%</td>
</tr>
<tr>
<td>PAT</td>
<td>8,982</td>
<td>8,021</td>
<td>12.0%</td>
</tr>
<tr>
<td>Exceptional items</td>
<td></td>
<td>413</td>
<td></td>
</tr>
<tr>
<td>PBT (incl. Exceptional items)</td>
<td>13,490</td>
<td>12,518</td>
<td>7.8%</td>
</tr>
<tr>
<td>PAT (incl. Exceptional items)</td>
<td>8,982</td>
<td>8,291</td>
<td>8.3%</td>
</tr>
<tr>
<td>Other Comprehensive Income</td>
<td>306</td>
<td>215</td>
<td></td>
</tr>
<tr>
<td>(net of tax)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Comprehensive Income</td>
<td>9,289</td>
<td>8,505</td>
<td>9.2%</td>
</tr>
</tbody>
</table>

^Gross Sales Value includes all taxes (GST, Compensation Cess, VAT, Excise Duty, NCCD, etc.)
### Segment Revenue – YTD Q3 18/19

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

(₹ crs)

<table>
<thead>
<tr>
<th>Segment Revenue (Gross)</th>
<th>YTD Q3</th>
<th></th>
<th>Goly(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018-19</td>
<td>2017-18</td>
<td></td>
</tr>
<tr>
<td><strong>FMCG</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Cigarettes</td>
<td>15227</td>
<td>17958</td>
<td>(15.2)</td>
</tr>
<tr>
<td>- Others</td>
<td>9231</td>
<td>8277</td>
<td>11.5</td>
</tr>
<tr>
<td><strong>Total FMCG</strong></td>
<td>24458</td>
<td>26234</td>
<td>(6.8)</td>
</tr>
<tr>
<td>b) Hotels</td>
<td>1156</td>
<td>1010</td>
<td>14.5</td>
</tr>
<tr>
<td>c) Agri Business</td>
<td>7296</td>
<td>6259</td>
<td>16.6</td>
</tr>
<tr>
<td>d) Paperboards, Paper &amp; Packaging</td>
<td>4323</td>
<td>3949</td>
<td>9.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>37232</td>
<td>37452</td>
<td>(0.6)</td>
</tr>
<tr>
<td>Less : Inter segment revenue</td>
<td>4075</td>
<td>4201</td>
<td>(3.0)</td>
</tr>
<tr>
<td><strong>Gross Revenue from sale of products &amp; services</strong></td>
<td>33157</td>
<td>33251</td>
<td>(0.3)</td>
</tr>
</tbody>
</table>
## Segment Results – YTD Q3 18/19

(₹ crs)

<table>
<thead>
<tr>
<th>Segment Results</th>
<th>YTD Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018-19</td>
</tr>
<tr>
<td>a) FMCG</td>
<td></td>
</tr>
<tr>
<td>- Cigarettes</td>
<td>10695</td>
</tr>
<tr>
<td>- Others</td>
<td>185</td>
</tr>
<tr>
<td><strong>Total FMCG</strong></td>
<td><strong>10880</strong></td>
</tr>
<tr>
<td>b) Hotels</td>
<td>89</td>
</tr>
<tr>
<td>c) Agri Business</td>
<td>629</td>
</tr>
<tr>
<td>d) Paperboards, Paper &amp; Packaging</td>
<td>939</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12538</strong></td>
</tr>
<tr>
<td>Less: i) Finance Cost</td>
<td>26</td>
</tr>
<tr>
<td>ii) Other un-allocable (income) net</td>
<td>(979)</td>
</tr>
<tr>
<td>of un-allocable expenditure</td>
<td></td>
</tr>
<tr>
<td><strong>Profit Before exceptional items &amp; Tax</strong></td>
<td><strong>13490</strong></td>
</tr>
</tbody>
</table>
Gross Revenue for the year ended Mar’18 is not comparable with the previous period a/c GST transition.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>Goly %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Sales Value</td>
<td>67082</td>
<td>64174</td>
<td>4.5</td>
</tr>
<tr>
<td>Gross Revenue</td>
<td>43957</td>
<td>55002</td>
<td>-20.1</td>
</tr>
<tr>
<td>PBDIT</td>
<td>15541</td>
<td>14578</td>
<td>6.6</td>
</tr>
<tr>
<td>PBT (before exceptional items)</td>
<td>16439</td>
<td>15503</td>
<td>6.0</td>
</tr>
<tr>
<td>Exceptional items</td>
<td>413</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PBT</td>
<td>16852</td>
<td>15503</td>
<td>8.7</td>
</tr>
<tr>
<td>PAT</td>
<td>11223</td>
<td>10201</td>
<td>10.0</td>
</tr>
<tr>
<td>Other Comprehensive Income</td>
<td>382</td>
<td>77</td>
<td>-</td>
</tr>
<tr>
<td>Total Comprehensive Income</td>
<td>11606</td>
<td>10278</td>
<td>12.9</td>
</tr>
</tbody>
</table>

- **Gross Sales Value** up 4.5% amidst a sharp slowdown in the economy, steep increase in tax incidence on cigarettes, subdued demand conditions in the FMCG industry, shortage of tobacco crop in Andhra Pradesh and lack of trading opportunities in the Agri Business

- Reversal of TN Entry Tax provision pursuant to favourable Supreme Court judgement reported as **Exceptional item (413 cr.)**

^Gross Sales Value includes all taxes (GST, Compensation Cess, VAT, Excise Duty, NCCD, etc.)
Gross Segment Revenue – FY 17-18

Gross Revenue for the year ended Mar’18 is not comparable with the previous period a/c GST transition.

(₹ crs)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>Goly (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) FMCG</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Cigarettes</td>
<td>22894</td>
<td>34002</td>
<td>-32.7</td>
</tr>
<tr>
<td>- Others</td>
<td>11329</td>
<td>10512</td>
<td>7.8</td>
</tr>
<tr>
<td>Total FMCG</td>
<td>34223</td>
<td>44514</td>
<td>-23.1</td>
</tr>
<tr>
<td>b) Hotels</td>
<td>1418</td>
<td>1342</td>
<td>5.6</td>
</tr>
<tr>
<td>c) Agri Business</td>
<td>8068</td>
<td>8265</td>
<td>-2.4</td>
</tr>
<tr>
<td>d) Paperboards, Paper &amp; Packaging</td>
<td>5250</td>
<td>5363</td>
<td>-2.1</td>
</tr>
<tr>
<td>Total</td>
<td>48957</td>
<td>59483</td>
<td>-17.7</td>
</tr>
<tr>
<td>Less : Eliminations</td>
<td>5001</td>
<td>4481</td>
<td>11.6</td>
</tr>
<tr>
<td>Gross Revenue from Sale of Products &amp; Services</td>
<td>43957</td>
<td>55002</td>
<td>-20.1</td>
</tr>
</tbody>
</table>

- Legal Cigarette industry volumes impacted; steep increase in tax incidence
- FMCG Others: comparable Revenue growth at 11.3% driven by Foods, Personal Care and Education business; Apparel sales impacted by ongoing restructuring of retail & trade footprint
- Hotels: higher ARRs and F&B revenue
- Agri Business: limited trading opportunities, high base effect (imported Wheat in LY), shortage & adverse quality of Andhra tobacco crop
- Paperboards, Paper & Packaging: Subdued Cigarette/FMCG/Liquor demand, cheap imports and surplus capacity continue to weigh on demand
## Segment Results – FY 17-18

(R\text{\textcurrency} crs)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>Goly (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) FMCG - Cigarettes</td>
<td>13341</td>
<td>12514</td>
<td>6.6</td>
</tr>
<tr>
<td>- Others</td>
<td>164</td>
<td>28</td>
<td>483.6</td>
</tr>
<tr>
<td><strong>Total FMCG</strong></td>
<td><strong>13505</strong></td>
<td><strong>12542</strong></td>
<td><strong>7.7</strong></td>
</tr>
<tr>
<td>b) Hotels</td>
<td>140</td>
<td>111</td>
<td>26.0</td>
</tr>
<tr>
<td>c) Agri Business</td>
<td>849</td>
<td>906</td>
<td>-6.3</td>
</tr>
<tr>
<td>d) Paperboards, Paper &amp; Packaging</td>
<td>1042</td>
<td>966</td>
<td>7.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>15536</strong></td>
<td><strong>14525</strong></td>
<td><strong>7.0</strong></td>
</tr>
<tr>
<td>Less: i) Finance Cost</td>
<td>87</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>ii) Unallocated corporate expenditure - Net</td>
<td>(990)</td>
<td>(1001)</td>
<td></td>
</tr>
<tr>
<td><strong>Profit Before Exceptional items &amp; Tax</strong></td>
<td><strong>16439</strong></td>
<td><strong>15503</strong></td>
<td><strong>6.0</strong></td>
</tr>
</tbody>
</table>

- **FMCG Others**: aided by enhanced scale, mix enrichment and cost management initiatives; notwithstanding stepped up marketing expenses, gestation cost of new categories and ongoing restructuring of Apparel
- **Hotels** growth driven by higher room rates and F&B revenue
- **Agribusiness** impacted by increase in leaf prices, lower export incentives & limited trading opportunities
- **Paperboards, Paper & Packaging** margin expansion driven by benign wood cost, structural cost saving initiatives and improved mix
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)

ITC recognised amongst the Top 10 employers in India by Randstad Employer Brand Research survey 2018. ITC recognised amongst Top 5 most preferred employer in ‘Campus Track’. (Nielsen survey, 2017)
Harvard Business Review ranked ITC Chairman Y C Deveshwar as the 7th Best Performing CEO in the World.

Chairman Y C Deveshwar was conferred the Padma Bhushan by the Government of India (2011).

Chairman Y C Deveshwar conferred the Management Man of the Year Award by the Bombay Management Association (BMA).

Chairman Y C Deveshwar conferred ‘CII President’s Award for Lifetime Achievement’ for the year 2018.

Chairman Y C Deveshwar has been conferred the Lifetime Achievement Award by All India Food Processors’ Association and 4 eminent media houses (Economic Times, Business Standard, Business Today and CNBC).

Chairman Y C Deveshwar was conferred the ‘Banga Bibhusan Award’, the highest civilian honour instituted by the Govt. of West Bengal.

ITC conferred the prestigious ‘World Business and Development Award 2012’ at the Rio+20 UN Summit for its Social and Farm Forestry Initiatives.
Awards & Accolades (3)

- Rainforest Alliance awarded ITC's Bhadrachalam Unit, the Forest Stewardship Council Forest Management certification
- ITC Hotels awarded the ‘Most Trusted Hotel brand’ in the Public Choice Honours category at the Times Travel Honours
- Businessworld FICCI CSR award in Large Enterprise category
- AIM Asian CSR Award by the Asian Forum on Corporate Social Responsibility
- Best Overall Corporate Social Responsibility Performance: Institute of Public Enterprise
Recent Awards & Accolades (1)

ITT 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.

‘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.

‘Savlon Healthy Hand Chalk Sticks’ the first Indian brand to win the Grand Prix for ‘Creative Effectiveness’ at the Cannes Lions

The campaign had also won 7 Lions at Cannes 2017 and also recognised as one of the top 10 PR Campaigns in the World at Global SABRE Awards.

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 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 Choice Awards. ITC Maurya was adjudged the ‘Most Eco Friendly Hotel’ by the Ministry of Tourism at the National Tourism Awards.
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.
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http://www.itcportal.com/default.aspx

ITC Corporate App

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