ITC Limited

One of India’s Most Admired and Valuable Companies
Profile

- One of India’s most Admired and Valuable companies
  - Market Capitalisation: ~Rs. 2.5 lakh crores#

- A US$ 10.6 billion enterprise by Gross Sales Value^ 
  - ~Over 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. 3.8 lakh crores (US$ 62 billion).
  - Among the top tax payers in the country

- ITC & its Group Companies employ over 36,500 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 18 years), 'carbon positive' (for 15 years), and 'solid waste recycling positive' (for 13 years)

# As at 30th June 2020
^ FY20 Reported Gross Revenue (US$ 6.4 billion) not comparable a/c GST transition; Gross Sales Value includes all taxes (GST, Compensation Cess, VAT, Excise Duty, NCCD, etc.)
Consistent performer in terms of Shareholder Value creation

- Over the last 10 years, **Total Shareholder Return** has grown at a **Cagr of 11%**, significantly outperforming Sensex (Cagr: 6.9%)

Gross Revenue (Rs. 46,324 cr.) not comparable a/c GST transition; TSR based on FY-end prices for FY10; FY20 based on market price as on 30th June 2020

<table>
<thead>
<tr>
<th></th>
<th>2009-10</th>
<th>2019-20</th>
<th>10-yr Cagr 09-10 to 19-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenue</td>
<td>18,153</td>
<td>45,266</td>
<td>9.6%</td>
</tr>
<tr>
<td>PBT (bei)</td>
<td>6,015</td>
<td>19,299</td>
<td>12.4%</td>
</tr>
<tr>
<td>PAT</td>
<td>4,061</td>
<td>15,136</td>
<td>14.1%</td>
</tr>
<tr>
<td>Capital Employed</td>
<td>19,409</td>
<td>65,655</td>
<td>13.0%</td>
</tr>
<tr>
<td>ROIC%</td>
<td>44%</td>
<td>58%</td>
<td></td>
</tr>
<tr>
<td>Segment ROCE%</td>
<td>48%</td>
<td>72%</td>
<td></td>
</tr>
</tbody>
</table>

Note: FY20 financials based on Ind-AS; FY10 based on previous GAAP; bei = before exceptional items
ITC’s ranking

Amongst all listed private sector cos.

PBT: No. 4

PAT: No. 4

Market Capitalisation: No. 9

Note: Based on Published Results for Q4 FY20, Market Capitalisation based on BSE closing as on 30th June 2020
ITC has been Ranked No.1 globally amongst peers and No.3 overall on ESG performance in the Food Products industry by Sustainalytics - a global ESG* rating company.

*ESG stands for Environmental, Social and Governance.

^ (comprising companies with market capitalisation between USD 38 Bln. and USD 51 Bln.)
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**

<table>
<thead>
<tr>
<th>Cigarettes</th>
<th>Foods</th>
<th>Personal Care</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Classic</em> Gold Flake</td>
<td><em>Aashirwad</em> Multigrain</td>
<td><em>Vivolt</em></td>
</tr>
<tr>
<td><em>Navy Cut</em> Flake</td>
<td><em>Bingi</em></td>
<td><em>Engage</em></td>
</tr>
<tr>
<td><em>Capstan</em> Scissors Berkeley</td>
<td><em>Beryl</em></td>
<td><em>Pluto</em></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Education &amp; Stationery</th>
<th>Safety Matches &amp; Incense Sticks</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Mom's Magic</em></td>
<td><em>AIM</em></td>
</tr>
<tr>
<td><em>Classmates</em></td>
<td><em>Tenderlove</em></td>
</tr>
<tr>
<td><em>Maxwell House</em></td>
<td><em>Eveready</em></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hotels</th>
<th>Paperboards, Paper &amp; Packaging</th>
<th>Agri Business</th>
<th>Information Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>![Hotel Image]</td>
<td>![Paperboards Image]</td>
<td>![Agri Business Image]</td>
<td>![ITC Office Image]</td>
</tr>
</tbody>
</table>
ITC’s Cigarettes Business

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

- State-of-the-art technology and world-class products

- New variants introduced for catering to continuously evolving consumer preferences
  - Innovative and differentiated offerings such as Gold Flake Indie Mint, Gold Flake Luxury, Gold Flake Neo and Classic Rich & Smooth
  - Focused offers for key markets under the ‘American Club’, ‘Wave’, ‘Player’s Gold Leaf’, ‘Pall Mall’ and ‘Flake’ trademarks
Cigarette Industry in India (1)

- Legal cigarettes account for less than 1/10th of tobacco consumed in India due to a punitive and discriminatory taxation and regulatory regime.

- India is the 4th largest market for illegal cigarettes in the World; causing a Revenue loss of over 15,000 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.
Cigarette Industry in India (2)

• Legal cigarette industry volumes remain under pressure
  - Since 2010/11, legal cigarette industry volumes have declined by about 20% while the illicit duty-evaded cigarette segment has grown by 36%.
  - 13% increase in cigarette taxes w.e.f. 1st February’ 20 will provide further fillip to the large and rapidly growing illicit cigarette trade in the country.

• Graphic health warnings covering 85% of the surface area of the packet, is amongst the largest in the world.
  - Smuggled illegal cigarettes either do not bear the mandated pictorial or textual warnings or bear much smaller pictorial warnings as per the tobacco laws of the countries from where these cigarettes are sourced.
  - This creates a perception in the consumer’s mind that these smuggled cigarettes are relatively ‘safer’.
Legal Cigarettes contribute more than $\frac{4}{5}$ of Tax Revenue, despite constituting less than $\frac{1}{10}$ of Tobacco consumption.
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, Pakistan & Malaysia.

Source: WHO Report on the Global Tobacco Epidemic, 2019
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%

Creating World-class brands for Indian Consumers
Rapid scale up of FMCG businesses

3rd Largest FMCG Player in India
One of the fastest growing Foods Businesses in India

Note: Reported Gross Revenue for FY18, FY19 and FY20 not comparable a/c GST transition; Comparable FMCG Business growth for FY19 at 12%.
For FY20, Comparable Revenue (ex LRBD) grew 5%
Annual Consumer Spends of over 19,700 cr. (FY20)

- ~6000 cr.
- ~4000 cr.
- ~2700 cr.
- ~1400 cr.
- ~1300 cr.
- ~800 cr.
- >500 cr.

Brands:
- Aashraad
- Sunfeast
- Bingo!
- Classmate
- Sunny Yippee
- Mangaldeep
- Vivel
- Candyman
Branded Packaged Foods Portfolio

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

- Bingo! Starters Range
- Bingo! No Rulz Curlz Masala and Cheese
- Bingo! Mad Angles Cheese Nachos and Pizza
- Bingo! Tedhe Medhe Herby Spin & Chatpata Swing
- Aashirvaad Nature’s Super Foods Range
- Sunfeast Bounce Loops Choco, Jam & Vanilla
- Sunfeast Bounce Double Cream
- Sunfeast Veda Marie Light
Refreshed & High Decibel Campaigns across Key Brands

- Sunfeast YiPPee!
- Bingo! Tedhe Medhe
- Dark Fantasy ChocoFills

Connecting with consumer empathy towards ‘Local’ brands

- Aashirvaad: Proudly Indian
- Snacks that are SE DESI
- Fabelle: Making India proud globally
- Bingo: For India
Deepening Consumer Engagement

Online recipes and shows

Purpose-led and Relevant Communication

YiPPee! Better World

Sunfeast Mom’s Magic – Saluting Mothers

Jelimals – Communicating Hygiene practices to kids
Integrated Manufacturing and Logistics facilities

- 9 state-of-the-art ICMLs set up in recent years
- The manufacturing capability of ICML Trichy was augmented during the year with the commissioning of state-of-the-art lines for Finger Snacks, Atta and Biscuits.
- 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.
  - No. 2 in Bodywash segment.

- ‘Engage’ range of deodorants continue to strengthen its market standing.
  - Clear No. 2 brand in the category; No. 1 in Women’s segment.
  - Pocket Perfumes range augmented with the launch of unique dual fragrance.

- **Recent category launches**
  - Premium skin care range – ‘**Dermafique’**
  - Floor cleaner - ‘**Nimyle’**
  - Fruits and vegetable cleaner – ‘**Nimwash’**
  - Disinfectant spray – ‘**Savlon’**
  - Germ protection wipes – ‘**Savlon’**
Personal Care: Recent launches

Engage Deo - Intrigue and Spirit
Engage On Dual Fragrance Pocket Perfume
Savlon Disinfectant Spray
Savlon Hexa Sanitizer and Bodywash
Savlon Hand Sanitizer – pouch format

Engage L`amante
Fiama Hand Wash
Dermaifique range extension
Savlon Germ Protection Wipes
Nimwash
Refreshed & High Decibel Campaigns across Key Brands

Engage Deodorants

Fiama Handwash

Savlon Handwash
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](http://Classmateshop.com) & **MyClassmate app** to deliver customised notebooks
  - A dedicated **manufacturing facility for notebooks**, equipped with state-of-the-art machinery was commissioned at Gollapudi, Andhra Pradesh

- Increase presence in **writing instruments & scholastic products** segment leveraging the Classmate brand

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**MyClassmate APP**

![MyClassmate APP](image_url)
‘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.

Mangaldeep App caters to the everyday devotional needs of consumers.

The Business launched several innovative offerings incl. ‘Mangaldeep Lo Smoke Agarbattis’ (80% lesser smoke) & Mangaldeep Temple range of dual fragranced agarbattis.

8 lakh+ downloads; 37,000+ 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 been steady with significant headroom for growth.
  - FTA into India at 10.5 million but remains far behind China (~60 million)
    [Source: Ministry of Tourism, UNWTO Tourism Highlights 2018 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 ~290,000 rooms, of which ~69,000 rooms are in the Luxury and Upper-Upscale segments
Hotels Business

- **The Chain:** 109 properties over 70 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
    - 30 Five-Star Deluxe/ Five-Star Properties with nearly 6200 rooms
    - 43 Fortune Hotels with nearly 3200 rooms
    - 36 WelcomHeritage Properties with nearly 900 rooms

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

- **New iconic properties commissioned during the year** - ITC Royal Bengal, Kolkata (455 room hotel) and Welcomhotel Amritsar (101 room hotel)

- **Projects** underway:
  - ITC Hotel at Ahmedabad
  - Welcomhotels at Bhubaneswar & Guntur
Recently commissioned properties continued to receive excellent response from discerning guests

**ITC Royal Bengal**
455 Keys, ~60,000 sq.ft banquets
5 Signature F&B restaurants

**ITC Kohenur**

**ITC Grand Goa**
ITC Hotels: Industry Recognition (Travel + Leisure Awards 2019)

- ITC Hotels - ‘Best Luxury Hotel Chain’
- ITC Grand Goa – ‘Best Wedding Venue (Domestic)’
- ITC Royal Bengal – ‘Best New Hotel (Domestic)’
- Club ITC – ‘Best Hotel Loyalty Programme’
Reassuring guests on best hygiene practices

‘WeAssure’ – Best hygiene practices

Exploring Adjacencies

Takeaways/Deliveries

Laundry Services
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
- Best-in-class 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 50 kgs 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 (VAP) 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 diverse product range of the recently commissioned Décor machine 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
  - One-stop-shop for packaging solutions

*TPA: Tonnes per annum*
Sustainable Packaging Solutions – Plastic Substitution

**Bio-degradable boards**

- Omega Bev: Exclusively for paper cups
- Omega Barr: Deep freeze applications

- Completely Biodegradable under composting conditions
- Barrier against liquids/grease etc. at par with traditional plastic coated boards

**Recyclable boards**

- Filo Serve: Food serving applications
- Filo Pack: Food delivery application

- Completely recyclable in existing standard recycling conditions
- Excellent oil and grease resistant properties
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 Indian fruit pulp for ‘B Natural’ range of juices
  - Sourcing support for ‘Aashirvaad’ and ‘ITC Master Chef’ spices
  - Scale up in milk procurement for ‘Aashirvaad Svasti’ range dairy products

- 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 with over 35000 villages linked through around 6100 e-Choupals servicing about 4 million farmers
  - Cost-effective sourcing for exports/domestic external business
ITC’s Agri Commodity Business - Value-Added Segment

• Value-Added segment scaled up
  – Frozen Snacks continues to receive encouraging consumer response, and being scaled up.
  – Launched attribute based Staples (Maida, Suji, Besan & Dal) in the Food Service channel.
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 tobacco exports declined to a decade low of ~180 million kgs.

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

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

- Subdued demand for leaf tobacco in international markets, relatively steeper depreciation in currencies of competing origins and adverse customer mix weighed on profitability in recent times.
## Headline Financials: FY 19-20

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>GOLY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Revenue</strong></td>
<td>46324</td>
<td>45221</td>
<td>2.4%</td>
</tr>
<tr>
<td><strong>PBDIT</strong></td>
<td>20918</td>
<td>19790</td>
<td>5.7%</td>
</tr>
<tr>
<td><strong>PBT</strong></td>
<td>19299</td>
<td>18444</td>
<td>4.6%</td>
</tr>
<tr>
<td><strong>Exceptional Items</strong></td>
<td></td>
<td>132</td>
<td></td>
</tr>
<tr>
<td><strong>PBT (incl. exceptional items)</strong></td>
<td>19167</td>
<td>18444</td>
<td>3.9%</td>
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<tr>
<td><strong>PAT</strong></td>
<td>15136</td>
<td>12464</td>
<td>21.4%</td>
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</table>
### Gross Segment Revenue – Full Year

**Segment Revenue (Gross)**

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>GOLY (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>a) FMCG - Cigarettes</strong></td>
<td>21202</td>
<td>20713</td>
<td>2.4</td>
</tr>
<tr>
<td></td>
<td>12844</td>
<td>12505</td>
<td>2.7</td>
</tr>
<tr>
<td><strong>Total FMCG</strong></td>
<td>34046</td>
<td>33218</td>
<td>2.5</td>
</tr>
<tr>
<td><strong>b) Hotels</strong></td>
<td>1837</td>
<td>1665</td>
<td>10.3</td>
</tr>
<tr>
<td><strong>c) Agri Business</strong></td>
<td>10241</td>
<td>9397</td>
<td>9.0</td>
</tr>
<tr>
<td><strong>d) Paperboards, Paper &amp; Packaging</strong></td>
<td>6107</td>
<td>5860</td>
<td>4.2</td>
</tr>
<tr>
<td><strong>Total Segment Revenue (Gross)</strong></td>
<td>52231</td>
<td>50140</td>
<td>4.2</td>
</tr>
<tr>
<td><strong>Less : Inter segment revenue</strong></td>
<td>5907</td>
<td>4919</td>
<td>20.1</td>
</tr>
<tr>
<td><strong>Gross Revenue from sale of products &amp; services</strong></td>
<td>46324</td>
<td>45221</td>
<td>2.4</td>
</tr>
</tbody>
</table>

- **Cigarettes**: Steep increase in taxes w.e.f. 1st February 2020 and disruptions in operations due to outbreak of COVID-19 weighed on performance.
- **FMCG Others**: Comparable Revenue^ up 5% with most major categories enhancing their market standings
- **Hotels**: Addition of two world-class properties to the portfolio
- **Agri Business**: Trading opportunities in oilseeds & pulses and scale-up of the value-added portfolio.
- **Paperboards, Paper & Packaging**: Capacity addition in the Value Added Paperboards segment drove revenue.

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

(₹ crs)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>GOLY (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Full Year</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) FMCG - Cigarettes</td>
<td>14853</td>
<td>14551</td>
<td>2.1</td>
</tr>
<tr>
<td>- Others</td>
<td>423</td>
<td>316</td>
<td>34.0</td>
</tr>
<tr>
<td>- Restructuring of</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lifestyle Retailing</td>
<td>70</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total FMCG</strong></td>
<td>15276</td>
<td>14937</td>
<td>2.3</td>
</tr>
<tr>
<td>b) Hotels</td>
<td>158</td>
<td>178</td>
<td>-11.2</td>
</tr>
<tr>
<td>c) Agri Business</td>
<td>789</td>
<td>777</td>
<td>1.6</td>
</tr>
<tr>
<td>d) Paperboards, Paper &amp; Packaging</td>
<td>1305</td>
<td>1239</td>
<td>5.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>17528</td>
<td>17131</td>
<td>2.3</td>
</tr>
<tr>
<td>Less: i) Finance Cost</td>
<td>56</td>
<td>34</td>
<td>63.0</td>
</tr>
<tr>
<td>ii) Other un-allocable (income) net of un-allocable expenditure</td>
<td>-1827</td>
<td>-1347</td>
<td></td>
</tr>
<tr>
<td><strong>Profit Before Exceptional items &amp; Tax</strong></td>
<td>19299</td>
<td>18444</td>
<td>4.6</td>
</tr>
</tbody>
</table>

- **FMCG-Others**: Segment EBITDA up 33% to 914 cr. despite sustained investments in brand building, increase in input costs, gestation & start-up costs of new categories / facilities and impact due to disruptions following the outbreak of COVID-19 pandemic.
- **Hotels**: Segment EBITDA up 12% to 420 cr.
- **Agribusiness**: Margins impacted by adverse business mix
- **Paperboards, Paper & Packaging**: margin expansion driven by higher in-house pulp production, enhanced operating efficiencies and benign input costs.
## Segment Capital Employed

<table>
<thead>
<tr>
<th>Segment Capital Employed</th>
<th>2020</th>
<th>2019</th>
<th>Mvt.</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) FMCG - Cigarettes</td>
<td>2909</td>
<td>3594</td>
<td>-686</td>
</tr>
<tr>
<td>- Others</td>
<td>6575</td>
<td>6076</td>
<td>499</td>
</tr>
<tr>
<td><strong>Total FMCG</strong></td>
<td><strong>9483</strong></td>
<td><strong>9670</strong></td>
<td><strong>-187</strong></td>
</tr>
<tr>
<td>b) Hotels</td>
<td>5788</td>
<td>5408</td>
<td>380</td>
</tr>
<tr>
<td>c) Agri Business</td>
<td>2932</td>
<td>2994</td>
<td>-61</td>
</tr>
<tr>
<td>d) Paperboards, Paper &amp; Packaging</td>
<td>6059</td>
<td>6211</td>
<td>-152</td>
</tr>
<tr>
<td><strong>Total Segment Capital Employed</strong></td>
<td><strong>24263</strong></td>
<td><strong>24283</strong></td>
<td><strong>-20</strong></td>
</tr>
</tbody>
</table>

Decrease in Segment Capital Employed primarily a/c lower year end working capital *partly offset by* investments in capacity augmentation.
ITC’s Economic Contribution to the Nation

- **10 year Value addition** ~ Rs. 3.8 lakh crore (US$ 62 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 ₹ 232000 crores of which nearly ₹ 166000 crores accrued to the Exchequer.

- **Foreign exchange earnings** in the last 10 years: US$ 7.2 bln
  - Of which agri exports constituted ~55%
## Social Performance

- **Direct employment** ITC Group: over 36,500

- Supported creation of \( \sim 6 \text{ million sustainable livelihoods} \)

- **e-Choupal**: world’s largest rural digital infrastructure serving more than \( 4 \text{ million farmers} \)

- **Social and Farm forestry** initiative has greened over \( 802,000 \text{ acres} \) and generated nearly \( 147 \text{ million person days of employment} \) 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
Making Agri value chains competitive
Quality, productivity, market access, sustainable practices

- Climate Smart Agriculture (eg. Zero Tillage, Micro Irrigation)
- Cropping Intensity (High Yielding, Short Duration Varieties)
- Creating Market Linkages (via ITC e-Choupal and Foods Brands)

• Partnering NITI Aayog in 27 Districts
• Over 2 lakh farmers trained till date
Environmental Performance

- **Water positive - 18 years in a row**

- **Carbon positive enterprise – 15 years in a row**
  - Sequestering over twice the amount of CO₂ that the Company emits

- **Solid waste recycling positive – 13 years in a row**

- **Around 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*
Awards & Accolades

- 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.
Awards in 2019/20

- Sunfeast Farmlite bagged Bronze for ‘Video Craft’ in Music category at ABBY Awards 2019.
- Dermafique wins Cosmopolitan Awards 2019 for ‘Best Body lotion’ and ‘Best BB Cream’
- Essenza Di Wills wins Silver for ‘Video Craft’ in Cinematography category at ABBY Awards 2019
- Club ITC won the ‘210 Award’ at the 29th Annual Freddie Awards held in Seattle USA.
- ITC PSPD, Unit Kovai has been awarded the prestigious “GreenCo Platinum” Award by CII in 2019.
- ITC PPB recognised as ‘PrintWeek Printing Company of the Year 2019’ and ‘Green Company of the Year’ at PrintWeek Awards 2019.
Major Awards in 2018/19

Mr Sanjiv Puri, Chairman & Managing Director, was honoured with the ‘Distinguished Alumnus Award of the Year 2018’ conferred by IIT, Kanpur in recognition of his achievements of exceptional merit.

- ITC’s leading hygiene brand Savlon, became the first Indian brand to win the Grand Prix for ‘Creative Effectiveness’ at the coveted Cannes Lions 2018
- ITC received the ‘Diamond Award for Excellence in Public Relations’ (ITC Aashirvaad) and ‘Gold Award in the consumer products category’ (ITC Classmate) at the SABRE Awards South Asia 2018

- ITC Hotels was awarded the Best Luxury Hotel Chain, ITC Kohenur - Best New Luxury Hotel (India), ITC Grand Bharat - Best Luxury Resort (India) & ITC International Terminal Lounge, New Delhi - Best Airport Lounge by Travel+Leisure India & South Asia at the ‘India’s Best Awards’

- ITC’s Paperboards Business was recognised as the Best Performer in the pulp & paper sector by the Bureau of Energy Efficiency under the Perform, Achieve and Trade Scheme.

- ITC’s Agri Business Division, Chirala Unit conferred the ‘Sarvashreshtha Suraksha Puraskar’ by National Safety Council of India.
Major Awards & Accolades over the years

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.
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.
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ITC’s 12 initiatives to fight COVID-19

COVID-19 SEBI update
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