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Media Statement

May 22, 2025

Standalone Financial Results for the Quarter and Year ended 31st March, 2025

Highlights

- **Board recommends Final Dividend of Rs. 7.85 per share.** Including Interim Dividend of Rs. 6.50 per share paid on 7th March, 2025, **Total Dividend for the financial year ended 31st March, 2025 amounts to Rs. 14.35 per share** (FY24: Rs. 13.75 per share).

- **Resilient performance amidst a subdued demand environment and sharp escalation in input costs.**

Continuing Operations

- **Full Year: Gross Revenue up 10.2% YoY and EBITDA up 2.3% YoY (ex- Paper, up 4.4% YoY)**
- **Q4: Gross Revenue up 9.2% YoY and EBITDA up 2.5% YoY (ex-Paper, up 4.2% YoY)**
- Sharp escalation in key input materials (edible oil, wheat, maida, potato, cocoa, leaf tobacco, pulpwood etc.), especially in the second half of the year.
- **Hotels Business demerged into ITC Hotels Limited (ITCHL) with effect from 1st January 2025**
 - 'The Scheme'¹ for demerger of the Hotels Business of the Company into ITCHL became effective from 1st January, 2025, being the Appointed Date and Effective Date of the Scheme. Pursuant to the scheme, the Hotels Business (along with all assets and liabilities thereof, excluding ITC Grand Central, Mumbai) and the investments held by the Company in Hospitality entities², have been transferred to ITCHL on a going concern basis.
 - **Reported as 'Discontinued Operations' in the financial results for the year ended 31st March, 2025 in line with applicable Indian Accounting Standards.**
 - Hotels Business posted its **highest ever Revenue and operating profits** on the back of strong growth in RevPar for the 9 months ended 31st December, 2024. **Profit Before Exceptional items and Tax** stood at Rs. 573 crores (Rs. 445 crores for the same period in previous year; Rs. 691 crores for FY24).
 - **Profit After Tax from Discontinued operations** for FY25 stood at Rs. 15104 crores (previous year Rs. 512 crores), including an exceptional gain of Rs. 15163 crores.
- **Overall Profit After Tax for FY25 (including Profit from Discontinued Operations) stood at Rs. 35196 crores.**
- In line with the ITC Next Strategy of building a future ready portfolio, accelerating growth and enhancing competitiveness, several **value accretive acquisitions** were announced during the year in the FMCG space viz. **M/s. Sresta Natural Bioproducts (24 Mantra Organic Foods), Mother Sparsh Baby Care (Mother Sparsh) and Ample Foods (Prasuma & Meatigo)**. These interventions are expected to augment the Company's presence and market standing in high-growth and future-facing businesses. The Company also entered into a Business Transfer Agreement to acquire the **Pulp and Paper Undertaking of Aditya Birla Real Estate Limited (Century Pulp and Paper)**. The acquisition will immediately add significant scale and economies to existing operations with potential for further capacity expansion, provide locational advantage for efficient customer servicing and proximity to key raw material sources, mitigate operational risks through multi-site operations and enhance resilience across industry cycles through portfolio diversification.

- ITC sustained its '**AA**' rating by **MSCI-ESG for the 7th successive year** – the highest amongst global tobacco majors. The Company has also been included in the Dow Jones Sustainability Emerging Markets Index for the fifth year in a row - a reflection of being a sustainability leader in the industry and a recognition of its continued commitment to people and planet.

¹ 'The Scheme' of Arrangement amongst the Company and ITC Hotels Limited ('ITCHL') and their respective shareholders and creditors under Sections 230 to 232 read with the other applicable provisions of the Companies Act, 2013

² Fortune Park Hotels Limited, Bay Islands Hotels Limited, Landbase India Limited, WelcomHotels (Lanka) Private Limited, Srinivasa Resorts Limited, International Travel House Limited, Gujarat Hotels Limited and Maharaja Heritage Resorts Limited

PERFORMANCE HIGHLIGHTS

- **Resilient performance in FMCG–Others Segment amidst subdued demand conditions and sharp escalation in input costs**
 - **Full Year:** Segment Revenue **up 4.8% YoY; up 6.2% YoY ex-Notebooks**
 - **Q4:** Segment Revenue **up 3.7% YoY; up 5.4% YoY ex-Notebooks**
 - Atta, Spices, Snacks, Frozen Snacks, Dairy, Premium Personal Wash, Homecare & Agarbatti drive growth
 - Notebooks impacted by heightened competitive intensity with opportunistic play by local/regional brands led by sharp drop in paper prices
 - Strong performance continues in premium portfolio and alternate channels
 - Severe inflationary pressures witnessed in prices of edible oil, wheat, maida, potato, cocoa, packaging inputs etc.; partially mitigated through focused cost management initiatives, portfolio premiumisation and calibrated pricing actions
 - Sustained competitive levels of trade & marketing investments to support growth and market standing.
- **Cigarettes Net Segment Revenue up 7.1% YoY & Segment PBIT up 4.9% YoY for the Full Year**
 - **Q4:** Net Segment Revenue up **6.0% YoY**; Segment PBIT up **4.0% YoY**
 - Strategic portfolio and micro market interventions, with focus on competitive belts and to counter illicit trade, drive volume-led growth and reinforce market standing
 - Differentiated and premium offerings continued to perform well leveraging mainstream trademarks & innovation
 - Severe cost escalation in leaf tobacco partially mitigated through product mix enrichment.
- **Robust growth in Agri Business Segment led by Leaf Tobacco, Value Added Agri Products and Rice exports**
 - **Full Year:** Segment Revenue and Segment PBIT up **25% and 18% YoY** respectively
 - **Q4:** Segment Revenue and Segment PBIT up **18% and 26% YoY** respectively
 - Strong customer relationships and agile execution continue to drive growth in Leaf Tobacco & Value Added Agri exports (Coffee, Spices, etc.)
 - Post extensive product development and customer trials, shipments from the state-of-the-art³ facility to manufacture and export Nicotine and Nicotine derivative products have commenced in Q4 FY25. Progressive scale up is expected in FY26
 - The Company continues to engage with farmers to build resilience in agri practices against extreme weather events; the Company's Climate Smart Agriculture programme covers over 31.7 lakh acres and about 12 lakh farmers in the country.
- **Paperboards, Paper and Packaging Segment remains impacted due to low priced Chinese & Indonesian supplies in global markets including India, soft domestic demand conditions and unprecedented surge in wood prices**
 - Subdued realisation and surge in domestic wood prices continue to weigh on margins
 - Structural advantages of an integrated business model, Industry 4.0 initiatives, strategic investments in High Pressure Recovery Boiler and proactive capacity augmentation in Value Added Paperboards aided in partly mitigating pressure on margin
 - Specialty Papers segment witnessed robust growth driven by capacity augmentation in Décor paper
 - Focused market/customer development drive strong growth in Exports
 - Strategic interventions continue to be made in areas spanning plantations including collaborative public partnership models on degraded forest land, sharpening the product portfolio and thrust on structural cost management. Representations continue to be made at appropriate forums for suitable measures to safeguard domestic industry.

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³ Set up by ITC IndiVision Ltd. – a wholly owned subsidiary of the Company

MACRO ECONOMIC CONTEXT

Global growth slowed down from 3.5% in 2023 to 3.3% in 2024⁴ and remained appx. 40 bps below the long-term trend rate, with the slowdown being largely attributable to slowdown in Advanced Economies and structural weakness in the Chinese economy.

India remains the fastest growing large economy in the world and a relatively bright spot amidst a global growth slowdown. The pace of Real GDP growth, however, moderated from 9.2% in FY24 to 6.5% in FY25. While headline inflation (CPI) remained within the RBI's target range at 4.6%, food inflation witnessed a sharp uptick (at 7.3% YoY). The cumulative impact of inflationary pressures on household savings, along with muted wage growth over the last few years, continued to weigh on consumption expenditure, particularly in urban markets. The weakness in consumption was reflected, inter alia, in the muted volume growth of the FMCG sector. While growth in Industry witnessed deceleration at 5.6% (Vs. 10.8% in 2023-24), Services sector grew at 7.3% and the Agri sector witnessed a moderate uptick at 4.6% (vs 2.7% in 2023-24).

India's macro-economic variables are expected to remain stable in the year ahead, with GDP growth for FY26 expected in the range of 6.2% to 6.5%. Consumption expenditure is expected to pick up progressively led by continued recovery in rural demand backed by a good monsoon, along with improvement in urban demand amidst lower inflation levels and tax cuts announced in the Union Budget, which is expected to boost disposable incomes. The cumulative impact of pick-up in Government capex in the second half of FY25 and front loading of capex outlay in FY26, along with interest rate cuts and liquidity support from RBI, would also be supportive of growth.

OVERALL COMPANY PERFORMANCE

The Company delivered a resilient performance during the year amidst a challenging macroeconomic and operating environment. For FY25, Gross Revenue and EBITDA from Continuing Operations stood at Rs. 73464.55 crores and Rs. 24024.83 crores respectively. Profit Before Exceptional items and Tax stood at Rs. 26000.86 crores. Earnings Per Share for the year stood at Rs. 16.07 (previous year Rs. 15.98).

Profit Before Exceptional items and Tax from Discontinued Operations for the 9 months ended 31st December, 2024 stood at Rs. 572.52 crores (Rs. 445.04 crores for the same period in previous year; Rs. 691.22 crores for FY24). Profit After Tax from Discontinued operations for FY25 stood at Rs. 15103.76 crores (previous year Rs. 511.74 crores), including an exceptional gain of Rs. 15163.06 crores (2024 (-) Rs. 7.57 crores).

Overall Profit After Tax for FY25 (including Profit from Discontinued Operations) stood at Rs. 35195.61 crores (previous year Rs. 20421.97 crores). Total Comprehensive Income for the year stood at Rs. 34266.23 crores (previous year Rs. 22703.03 crores).

CORPORATE ACTION

The Board of Directors of the Company have recommended to the shareholders for their approval a Final Dividend of Rs. 7.85 per share for the financial year ended 31st March, 2025. Together with the Interim Dividend of Rs. 6.50 per share paid on 7th March, 2025, the total Dividend for the financial year ended 31st March, 2025 amounts to Rs. 14.35 per share (previous year: Rs. 13.75 per share). Total cash outflow on account of Dividend (including Interim Dividend of Rs. 8133.11 crores paid in March 2025) will be Rs. 17956.69 crores.

FMCG – OTHERS

The FMCG-Others Segment delivered a resilient performance amidst weak demand conditions and significant increase in competitive intensity from regional/local players. Costs of several major inputs such as edible oil, wheat, maida, potato and cocoa witnessed sharp escalation, especially in the second half of the financial year, weighing on margins. The inflationary pressures were partially mitigated through focused cost management, portfolio premiumisation, supply chain agility, digital interventions and calibrated pricing actions. The Business sustained competitive levels of trade & marketing investments during the year towards supporting growth and market standing. Over 100 new products anchored on the vectors of Health & Nutrition, Hygiene, Protection & Care, Convenience & On-the-Go, Indulgence etc., were launched across target markets during the year, leveraging the R&D platforms of the Company's Life Sciences and Technology Centre (LSTC) and agile product development teams across Businesses.

⁴ As per IMF WEO April 2025

The Businesses continue to leverage the power of digital to drive superior consumer insights & innovation, deepen consumer engagement and enhance brand loyalty. The Company continues to make strategic interventions aimed at delivering delightful brand experiences seamlessly across touchpoints through personalised journeys mapped to individual's needs, preferences and context.

Several impactful and clutter-breaking campaigns were launched during the year deepening consumer engagement. These include the '*Will of Change*' digital campaign for 'Sunfeast Mom's Magic' (which puts a spotlight on the deep-seated societal bias that denies daughters their inheritance rights and advocates a shift towards equality, with mothers as the pillars of change), '*Dil se Karo Baat, Bhagwan Ke Saath*' for Mangaldeep (which celebrates one's divine connection with God), etc., which widely resonated with the consumers.

The Company's deep & wide multi-channel distribution network, with tailored channel-specific assortments, continues to sharp target opportunity areas through superior product availability and visibility. Focused investments continue to be made to enhance distribution infrastructure and drive penetration across markets; market coverage was stepped up to appx. 2x of pre-pandemic levels. In rural markets, direct reach enhancement was supported through a hub and spoke distribution model with the continued expansion of rural stockists network to 1.4x over last three years. The Company's digitally powered eB2B platform – UNNATI was rapidly scaled up during the year covering nearly 8 lakh outlets facilitating sharp and direct engagement with retailers, superior analytics and deeper brand engagement. Digitally enabled sales have grown rapidly in recent years and, together with Modern Trade, now account for 31% of the Company's Branded Packaged Foods, Personal Care Products and Incense Sticks (Agarbattis) and Safety Matches sales (Vs. 17% in FY20).

Over the years, the Company has made significant investments in setting up state-of-the-art Integrated Consumer Goods Manufacturing and Logistics facilities (ICMLs) proximal to large demand centres. Currently, 11 ICMLs are operational in locations proximal to large demand centres enabling delivery of fresher products, reduction in distance to market and delayering of operations. Further, the Company continues to leverage the benefits of the state-of-the-art Ancillary Manufacturing cum Logistics Facilities (AMLFs) at Pudukkottai, Kapurthala and Panchla. These automated facilities are co-located with the ICMLs and provide several structural advantages including inventory optimisation, delayering operations and lowering cost of market servicing.

Branded Packaged Foods Businesses

The Branded Packaged Foods Businesses remain focused on addressing emerging consumer preferences through innovations anchored on the vectors of health, nutrition, wellness, immunity, naturals, indulgence and convenience. With the overarching vision to 'Help India Eat Better', the Company's Nutrition strategy seeks to create a sustainable ecosystem anchored on a portfolio of healthier, affordable & accessible 'Good For You/Free From' value-added products, supported by responsible policies in line with national priorities on nutrition.

Key highlights of the Branded Packaged Foods Businesses are given below:

- In the Staples Business, 'Aashirvaad' consolidated its market standing and delivered robust growth on an elevated base. The value-added portfolio, consisting of Multigrain, Select and Sugar Release Control Atta posted healthy growth driven by superior value propositions. Millet products viz., ('Atta with Millet', 'Gluten Free Flour', 'Ragi Flour'), Organic portfolio ('Organic Atta' and 'Organic Dals'), 'Aashirvaad Vermicelli', 'Aashirvaad Rava' (Suji Rava, Bansi Rava, Samba Rava) and 'Ready-to-Cook Chapati' continued to witness strong growth. In line with its strategy to address value-added adjacencies leveraging mother brands, the Business augmented its portfolio with the launch of 'Aashirvaad Soya Chunks' and 'Roasted Short Vermicelli' during the year, which garnered excellent consumer response. 'Aashirvaad Besan' continues to witness strong traction driven by its 'smooth and lump-free batter' value proposition.
- Value Added variants and Staples Adjacencies continue to scale up rapidly (~1.8x over 2 years) and now comprise ~14% of Aashirvaad Staples portfolio.

'Aashirvaad' Salt posted robust growth in focus markets during the year, supported by its distinctive positioning – 'Created by Sun and Sea - pure just like nature intended it to be'.

In the Spices category, the 'Sunrise' brand delivered strong growth and strengthened its market leadership position in the core market of West Bengal, while making significant gains in other adjacent markets of Northeast, Bihar and Jharkhand. The brand continued to delight consumers by introducing unique and differentiated products catering to regional tastes and preferences, such as 'Sunrise Soya Curry Masala', 'Sunrise Chinese Fried Rice Masala', 'Sunrise Schezwan Masala'. The portfolio was further augmented with launch of novel products such as 'Sunrise Peri Masala' and 'Sunrise Restaurant Magic Masala' for new age consumers. Aashirvaad Spices

continues to enhance its presence in emerging channels and core markets to enable full portfolio play along with expansion of the blended portfolio.

- 'Sunfeast' Biscuits continues to strengthen its core portfolio with investments behind powerful brand ideas, superior products, strong consumer connect with local insights and differentiated offerings. The portfolio mix was further enriched with the launch of 'Sunfeast Wowzers', a 14-layered cracker enrobed with cream (currently available in Cheese and Lemon variants) and 'Evening Marie' - a differentiated Marie with a savoury twist, in select markets. The Business also introduced a portfolio of Super Premium Cookies under 'Sunfeast Baked Creations' with globally sourced ingredients to address emerging niche spaces in the Quick-commerce channel.
- 'Bingo!' Snacks delivered resilient performance during the year and strengthened its product portfolio with the launch of exciting variants of snacks/namkeens. During the year, Bingo! forayed into the Popped Chips segment with the launch of three exciting variants - 'Sour Cream & Herbs', 'Salt n Pepper' and 'Indian Spice Mix', with 30% less fat proposition for consumers indulging in mindful snacking. Leveraging the "Hot & Spicy/ Korean" trend, the Bingo! Snacks portfolio was augmented with a slew of differentiated offerings straddling across product categories including 'Bingo! Tedhe Medhe Xtraa Teekha', 'Bingo! Mad Angles Red Alert', and 'Bingo! Nachos Korean Flavour'. Other launches during the year include an innovative Pink Salt flavoured 'Bingo! Original Style Pink Salt Chips' and Millet based offering under 'Bingo! Tedhe Medhe Pudina Twist'.
- YiPPee! sustained its position as a strong No. 2 brand in the Instant Noodles segment amidst heightened competitive intensity from local/regional players. The Business continued to strengthen its portfolio through a combination of product laddering across multiple price points, wider assortment to cater to diverse consumer cohorts and scale up of differentiated offerings. The portfolio was further augmented with the launch of 2 exciting flavours in the Korean Noodles segment during the year.
- In the Dairy & Beverages Business, 'Aashirvaad Svasti' fresh dairy portfolio comprising pouch milk, curd, lassi and paneer continued its strong growth momentum on the back of best-in-class quality standards, differentiated products and superior taste profile. These products are currently available in Bihar, West Bengal & Jharkhand markets and are being scaled up. The value-added portfolio was strengthened during the year with the launch of differentiated offerings such as 'Shahi Lassi' and 'Cow Ghee with 90% low cholesterol' in select markets.
- The 'ITC Master Chef' range of Frozen snacks continued to grow at an accelerated pace, powered by over 80 delectable and innovative products catering to 'any time' snacking and meal occasions. The product portfolio was further augmented with the launch of no-onion-no-garlic 'ITC Master Chef Sabudana Tikki' made from 'sendha namak', suitable for fasting occasions.
- In line with the Company's commitment to fostering nutrition, health and wellness, the Business has launched a range of nutrition dense products under the 'Right Shift' brand to address the nutritional needs of consumers over 40. The portfolio has been curated using natural and proprietary ingredients developed at the ITC Life Sciences & Technology Centre. Anchored on the vectors of strength and energy building, the Business launched a range of products such as 'Jaggery Ragi Cookies', 'Millet Oats Kheer mix', 'Millet Oats Upma mix' and 'Millet Chana Mixture' during the year.

Personal Care Products

The Personal Care Products Business, continued to strengthen its core strategic levers of building brands with purpose, introducing first-in-category innovations, focusing on categories of the future and rapidly scaling up presence in emerging channels. During the year, the Business witnessed strong volume growth led by rapid scale-up in emerging channels (E-commerce/Q-commerce & Modern Trade).

In the Personal Wash segment, premiumisation remains a key vector of growth. During the year, 'Fiama' sustained its high growth trajectory, in both gel bars and shower gels. The Business augmented its product portfolio with the launch of 'Fiama Moisturising Bars with Japanese Hokkaido Milk' in 3 variants, offering moisture rich indulgence, non-sticky nourished skin and mood uplifting fragrances. Beyond product innovation, Fiama expanded its Virtual Therapy platform with the MINDS Foundation. In line with its commitment to raise awareness on mental well-being and encourage proactive conversations around the subject, 'Fiama' collaborated with Filmfare for an exclusive "Fiama presents Best Portrayal of Mental Health in Cinema" Award which was a first in the industry. The 'Vivel' portfolio continued to strengthen its core association with aloe vera and natural ingredients, with the launch of Sandal Soap, Aloe Vera based Bodywash & a new range of naturals based Handwash liquids. The 'Vivel' brand continued to strengthen its association with Women Empowerment with its collaboration with Azad Foundation, through 'Parvaz',

a year-long leadership training programme that fosters women's empowerment and enables young women leaders to be catalysts of change in their communities.

'Savlon' delivered resilient performance, leveraging initiatives such as 'Savlon Lao Shaan Badhao'. As a testament to the Business' focus on innovation, Savlon was recognised with the NIQ BASES Breakthrough innovation award by Nielsen, making it one of 15 winners out of 40000 new launches across the country.

In the Fragrance category, 'Engage' launched the 'Spirit' range of deos, with olfactive profiles of Oudh, Musk, fruity & floral during the year. The premium L'amante range was extended with differentiated variants such as Oudh, Fern, Soie and Fluor. A new range of gift packs known as Vibes was also introduced, providing a premium gifting experience. These new launches have elicited encouraging consumer response.

In the Home Care segment, the 'Nimyle' range of products continued to expand rapidly across geographies and channels. The brand provides a markedly differentiated proposition to consumers with a 100% natural action which is safe for kids and pets. During the year, the brand launched 'Nimyle Clean Equal Mission' - a first-of-its kind educative module for children across schools, designed to foster cleaning at homes as a shared responsibility, by raising awareness and inspiring action among the next generation.

Education and Stationery Products

The Education and Stationery Products industry witnessed heightened competitive intensity with opportunistic play by local/regional brands on the back of sharp drop in paper prices. Against this backdrop, the Business delivered a resilient performance with the flagship brand 'Classmate' sustaining its market leadership position in the Notebooks segment, leveraging the Company's institutional strengths such as paper manufacturing expertise, multi-channel distribution infrastructure and brand building capabilities.

In keeping with its proposition of 'Enjoy Learning', the Business launched a new digital feature, Classmate eduGAMES Infinity, an innovation designed in alignment with the principles of the National Education Policy 2020, providing children with an engaging learning experience that enhances their cognitive, logical, mathematical and verbal skills.

During the year, the Business remained focused on premiumising the product portfolio by scaling up 'Classmate Pulse' through sharp targeted brand communication and activations, and strengthening the 'Paperkraft' portfolio with the launch of a new range of notebooks with distinctive design themes. 'Classmate Interaktiv' notebooks continue to witness encouraging consumer response driven by a wide range of offerings that enable 'Do It Yourself' activities, immersive technologies such as augmented reality and playful covers.

The Business sustained its leadership position on e-Commerce platforms through consistent availability of a wide assortment of products, backed by focused interventions to enhance consumer traction.

Equipped with state-of-the-art technology, the dedicated manufacturing facility at Vijayawada is enabling the Business develop differentiated notebook formats, drive cost reduction and enhance capabilities to exploit opportunities in overseas markets.

Incense Sticks (Agarbattis) and Safety Matches

The Incense Sticks (Agarbattis) category continued to witness robust growth during the year. The Company's flagship brand 'Mangaldeep' leveraged market opportunities and enhanced its market standing during the year.

The Business launched several new products during the year leveraging its superior consumer insighting and product development capabilities. This includes the introduction of a new sub-brand 'Fusion', with each pack containing a novel blend of traditional and modern long-lasting fragrances with superior sensorials - Sambrani & Oud, Sandal & Vetiver, Lavender & Sage. The Business also expanded the 'Scent' range with the launch of premium and novel fragrances in dry dhoop sticks & cones format.

In order to address the growing need for wellness, the Business has recently launched 'Pranah' built on the core promise of 'Earth Inspired Aromatherapy'. The range comprises scented candles, incense sticks and cones, which are curated with fragrances inspired by nature and backed by the science of wellness.

The Business launched several impactful on-ground activation initiatives to enhance consumer connect on the occasion of Maha Kumbh Mela in Prayagraj, including participation in sacred rituals, hosting evening bhajans etc. Immersive digital experiences were also created leveraging augmented reality to enable consumers to connect with the sanctity of the Maha Kumbh from the comfort of their homes. The engagement was further amplified with 'Jalbatti' initiative—a ceremonial offering integrated with sustainable incense rituals, which garnered wide participation and media coverage.

Mangaldeep aims to be an enabler of devotion and wellbeing through its fragrances. Over the years, the brand has built a range of products on a differentiated consumer proposition of long-lasting fragrances. The Business has co-created these superior fragrances with the help of 150+ visually impaired fragrance evaluators as part of its 'Mangaldeep Sixth Sense' panel. It supports them with livelihood opportunities and empowers them with dignity and pride.

In the Safety Matches industry, the Business strengthened its market leadership position by leveraging the brand 'Homelites' – built on differentiated positioning of stronger, longer and karborised sticks. The Business continues to focus on scaling up the share of value-added products in its portfolio and enhancing supply chain efficiency by sourcing products manufactured closer to markets.

FMCG – CIGARETTES

The Business continues to make strategic portfolio and market interventions, with focus on competitive belts and to counter illicit trade, to drive volume-led growth and reinforce market standing. Differentiated variants and premium segment continue to perform well leveraging mainstream trademarks & innovation. Several innovative variants have been introduced recently under the 'Classic', 'Gold Flake', 'American Club', 'Flake' brands amongst others. The Business also strengthened its presence in focus markets with the launch of several differentiated offerings across segments.

Sharp cost escalation in leaf tobacco was partly mitigated through improved mix, calibrated pricing action and focused cost management initiatives.

Manufacturing facilities of the Business continue to set new benchmarks in the areas of quality, sustainability, supply chain responsiveness and productivity, driven through investments in new technology induction, digital technologies, innovation, and ensuring product & process excellence. Cutting-edge technologies in the areas of Industry 4.0 and Data Sciences are being leveraged to build a smart manufacturing environment of connected systems. These initiatives, coupled with innovative capabilities, in-house design and development expertise, have further improved the speed-to-market for launch of new and differentiated offers of the Business.

Punitive taxes on the legal cigarette industry in earlier years have resulted in rapid growth of illicit cigarette trade – making India the 4th largest illicit cigarette market globally according to Euromonitor estimates. Over the years, this has created attractive tax arbitrage opportunities for unscrupulous players indulging in illicit cigarette trade, accounting for about 1/3rd of the legal industry.

The Business continues to counter illicit trade and reinforce market standing by fortifying the product portfolio through innovation, democratising premiumisation across segments and enhancing product availability backed by superior on-ground execution. The recent amendment to the Central Goods and Services Tax Act, 2017, to include an enabling provision for implementing 'Track and Trace' mechanism, is also expected to strengthen the efforts of enforcement agencies towards controlling illicit cigarette trade.

The extremely stringent regulations along with the discriminatory and steep taxation on cigarettes have had numerous negative, albeit unintended repercussions. These include revenue loss to the Exchequer, widespread availability of tobacco products of dubious quality and hygiene, large component of tobacco consumption remaining outside the tax net and persistently adverse impact on the livelihood of tobacco farmers. The recent stability in taxes coupled with deterrent action on illegal and contraband cigarettes, has helped the legal industry in partially recovering its lost volumes, leading to higher demand for Indian tobaccos and bolstering revenue to the Exchequer from the tobacco sector.

The Company continues to engage with policy makers for a framework of pragmatic, equitable, non-discriminatory, evidence-based regulations and taxation policies that balance the economic imperatives of the country and tobacco control objectives, to maximise the potential of cigarettes within the overall tobacco basket, cognising for the unique tobacco consumption pattern in India.

AGRI BUSINESS

Leaf Tobacco

The Business continued to leverage its deep customer relationships, crop development expertise, superior product quality, world-class processing facilities and strong sustainability credentials to strengthen its position as a reliable supply chain partner for global customers besides accessing new customers/markets. During the year, the Business scaled up exports of Indian Burley tobacco leveraging its sustainable tobacco programme. Deeper farmer & customer

engagement, operational agility and supply chain efficiency enabled the Business to deliver enhanced value to customers and consolidate its pre-eminent position as the largest Indian exporter of unmanufactured tobacco.

The Business continues to set benchmarks in green leaf threshing operations through focused initiatives and innovative technological & digital solutions. Sustained investments are being made in Company's Green Leaf Threshing plants (GLT) at Anaparti, Chirala and Mysuru towards capacity enhancement, delivering world-class quality and upgrading processing technology. The electrical energy needs of all three GLTs are substantially met from renewable sources in line with the Company's philosophy of adopting a low-carbon growth path.

While the Business witnessed robust revenue growth during the year, surge in cost of leaf tobacco weighed on margins. Strategic cost management across the value chain continues to be a key focus area for the Business. The AI/ML powered real-time buying platform continues to be scaled up to facilitate efficient leaf tobacco buying across auction platforms. Several other digital initiatives, implemented across the value chain in recent years, have led to improved operating efficiencies in areas of crop development, leaf procurement and supply chain.

Commercial sales from state-of-the-art facility to manufacture and export Nicotine & Nicotine derivative products set up by the Company's wholly owned subsidiary, ITC IndiVision Limited, had started to scale towards the end of the financial year post extensive product development efforts and customer trials.

Other Agri Commodities

The Business delivered robust performance during the year with the Value-Added Agri Products (VAAP) portfolio recording strong growth driven by spices and coffee exports. While operations remained constrained due to continuation of trading restrictions on certain agri-commodities, the Business demonstrated execution agility in leveraging opportunities in rice exports in the second half of the year when restrictions were eased.

The strategic focus of the Business continues to be on accelerating growth by rapidly scaling up its VAAP portfolio, straddling multiple value chains comprising spices, coffee, frozen marine products and processed fruits, amongst others.

The Business consolidated its position as a preferred supply chain partner to buyers in spices such as chilli, cumin, turmeric, and coriander and enhanced its presence in 'food safe' markets, viz., the USA, EU, and UK, by leveraging its institutional strengths, such as identity-preserved sourcing expertise, strong backward integration, supply chain control, and customer-centric strategies. The Business continues to maintain its unblemished track record in terms of complying with stringent food safety parameters. The capacity utilisation at the state-of-the-art spices processing facility in Andhra Pradesh has been further scaled up.

International coffee prices surged during the year, primarily due to lower supply in global markets by leading coffee producers viz. Brazil and Vietnam. The Business leveraged its strategic sourcing presence in major coffee-growing regions of India and deepened its focus on certified and sustainably sourced coffees to expand its market share in exports. The Business further strengthened its footprint across key international markets, particularly in Europe and the Middle East, by leveraging its long-standing customer relationships, strong sustainability credentials and agile execution.

The Business continues to leverage its wide sourcing network, robust crop development initiatives, and digital tools to secure supplies of critical grades of wheat of benchmark quality to support the growing requirements of the Aashirvaad atta portfolio. During the year, procurement was scaled up through direct farm linkages and FPOs, with a significant share of wheat sourced via digitally enabled platforms. Crop development efforts were intensified to improve climate resilience, enhance yields, and secure premium varieties to provide consumers with best-in-class product quality and experience. Milk procurement network in Bihar, West Bengal, and Jharkhand was strengthened during the year towards meeting the growing demands of the Company's Fresh Dairy portfolio under the 'Aashirvaad Svasti' brand, and the 'Sunfeast' Dairy Beverages in Punjab. The Business continues to scale up sourcing of spices to meet the growing requirements of Sunrise and Aashirvaad brands.

Towards enhancing the competitiveness of domestic agri-value chains, strengthening market linkages and further augmenting value creation opportunities, the Company has successfully scaled up ITCMAARS – a crop-agnostic full stack AgriTech platform, together with a 'phygital' ecosystem across 11 states. Over 2,050 Farmer Producer Organisations (FPOs) encompassing appx. 2.1 million farmers have been added to the ITCMAARS network. By synergistically integrating NextGen agri technologies, this integrated ecosystem has the potential to unlock several evolving opportunities that can help reimagine the future of the agri sector and propel the Business to create new and scalable revenue streams, whilst also benefiting farmers.

PAPERBOARDS, PAPER & PACKAGING

The Paperboards, Paper and Packaging Segment delivered resilient performance during the year amidst a challenging operating environment as aforesaid. The Business continued its sharp focus on portfolio augmentation, export customer/market development and structural cost management to mitigate near term challenges.

The Business further strengthened its leadership position in the Value-Added Paperboard (VAP) segment through focused innovations and development of customised solutions for end-use industries. The Business also consolidated its leadership position in the eco-labelled products and premium recycled paperboards segments. Structural advantages of the integrated business model, stepped-up end-user engagements, Digital interventions and increase in salience of margin accretive exports and Plastic substitution (PlaSub) products aided in partly mitigating pressure on margins.

The Business remains confident of leveraging its market standing and competitive strengths to mitigate the impact of cheap imports into the country. Representations continue to be made at appropriate forums for suitable measures to safeguard domestic industry. In this regard, it is pertinent to note that the Directorate General of Trade Remedies (DGTR), Ministry of Commerce and Industry, India has also initiated an Anti-Dumping investigation on virgin paperboard imports. Indian Paper Manufacturers Association (IPMA) has also approached Ministry of Commerce for considering imposition of Minimum Import Price (MIP) on paperboards imports into India.

The Business had to contend with sub-optimal domestic wood availability and quality issues even as wood prices witnessed sharp escalation during the year, exacerbated by heavy cyclonic rainfall in core plantation areas and spurt in demand from other wood based industries. The Business continues to focus on accelerating plantations in core areas, developing new areas, collaborating with other wood-based industries and implementing satellite-based plantation monitoring systems, among others.

The Business continues to engage with policy makers to address key industry challenges including increasing wood availability through collaborative public-private plantation models to strengthen the competitiveness of domestic industry and arrest the rapid increase of low priced imports of paper & paperboard into the country.

Packaging and Printing Business continues to be acknowledged as a 'first choice packaging partner' by several reputed FMCG companies in the country for providing superior and cost-effective packaging solutions. Amidst sluggish consumer demand and heightened competitive intensity in the packaging and printing industry, the Business continues to aggressively pursue new business development across various segments. The recent capacity addition at Nadiad, Gujarat, with state-of-the-art equipment to cater to markets in the Western region, has further augmented the Business' capabilities in Cartons packaging. Capacity utilisation at the facility was progressively ramped up during the year.

The sustainable paperboards/packaging solutions portfolio continues to witness strong growth leveraging cutting-edge innovation platforms and has grown appx. 2.4x over the last 3 years. During the year, the Business launched 'FiloBev Mini,' an innovative plastic substitute designed specifically for small cups (less than 90ml), with an objective to replace traditional plastic cups with a sustainable and environmentally friendly alternative.

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

In line with its superordinate goal of serving larger national priorities and creating value for all stakeholders, the Company's paradigm of 'Responsible Competitiveness' focuses on building extreme competitiveness in a manner that replenishes the environment and supports sustainable livelihoods.

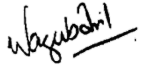
ITC is a global exemplar in 'Triple Bottom Line' performance and is the only enterprise in the world of comparable dimensions to have achieved and sustained the three key global indices of environmental sustainability of being **'water positive' (for 23 years)**, **'carbon positive' (for 20 years)**, and **'solid waste recycling positive' (for 18 years)**. The Company sustained its **'AA' rating by MSCI-ESG for the 7th successive year** - the highest amongst global tobacco companies. The Company has also been included in the **Dow Jones Sustainability Emerging Markets Index** for the fifth year in a row - a reflection of being a sustainability leader in the industry and a recognition of its continued commitment to people and planet.

Water stress, a critical fallout of climate change, is being systematically managed by the Company's integrated water stewardship approach to champion water security for all stakeholders and address the twin issues of increasing water availability on the supply side while promoting efficient water usage inside operating units as well as at the catchment level. The Kapurthala unit of Foods Business and Bhadrachalam paper mill, recently achieved **Platinum level certification**, the highest recognition for water stewardship, under the **Alliance for Water Stewardship Standard (AWS)**. With this, **9 units** of the Company have achieved Platinum level certification under AWS.

Please refer link below for performance highlights of the quarter:

<https://www.itcportal.com/investor/pdf/ITC-Quarterly-Result-Presentation-Q4-FY2025.pdf>

The Board of Directors, at its meeting on 22nd May 2025, approved the financial results for the year ended 31st March 2025, which are enclosed.



(Nazeeb Arif)

Executive Vice President

Corporate Communications