

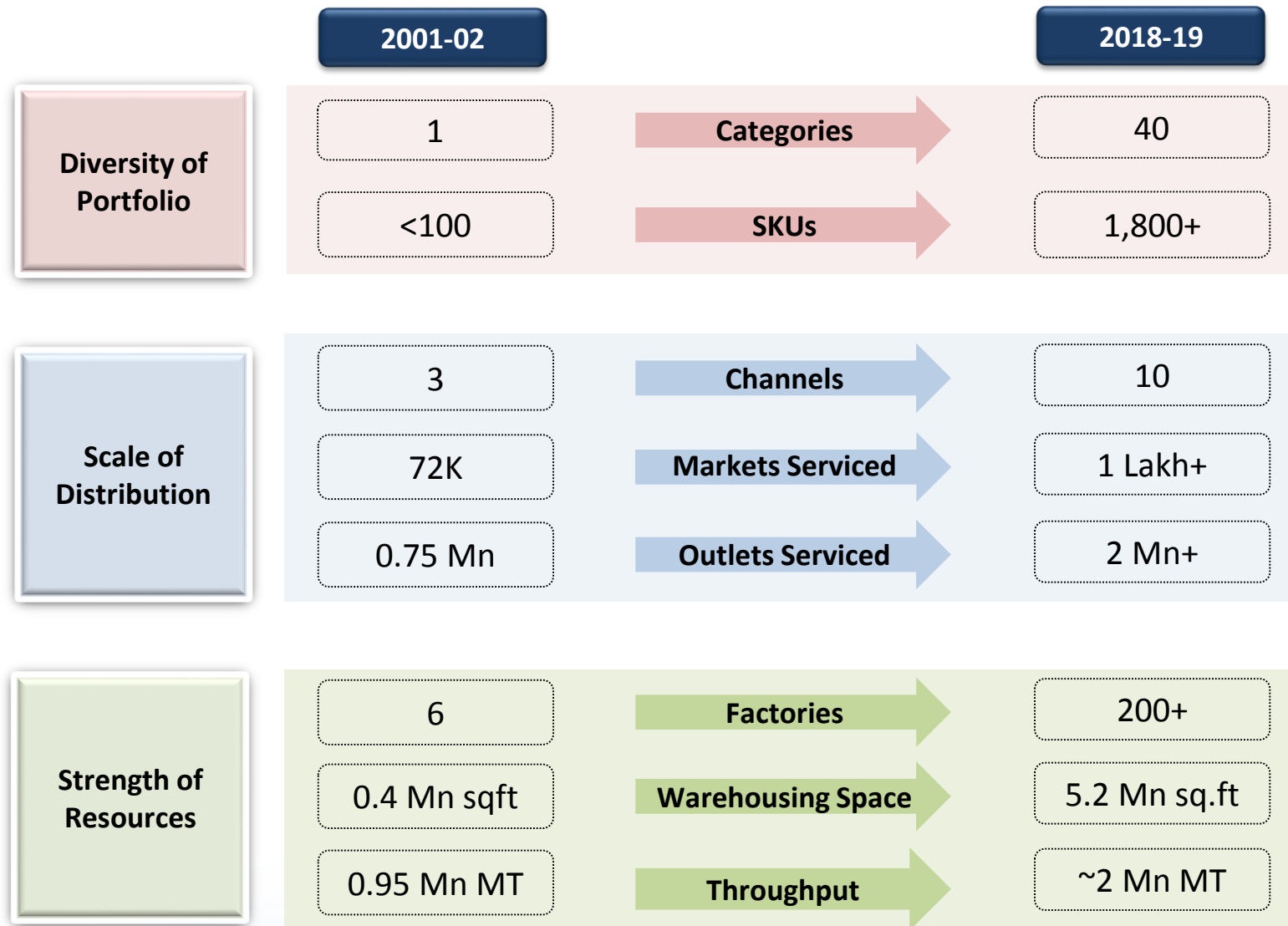


Creating Multiple Drivers of Growth through Responsible Competitiveness

*Morgan Stanley's 21st Annual India Summit
12th June 2019*

- **Leading FMCG marketer in India**
- **Clear market leader in the Indian paperboards, paper and packaging industry - scale, profitability & sustainability**
- **2nd largest Hotel chain by Revenue, leader in profitability & trailblazer in Green Hoteliering**
- **India's foremost Agribusiness player pioneering rural transformation**
- **Global exemplar in Sustainability**

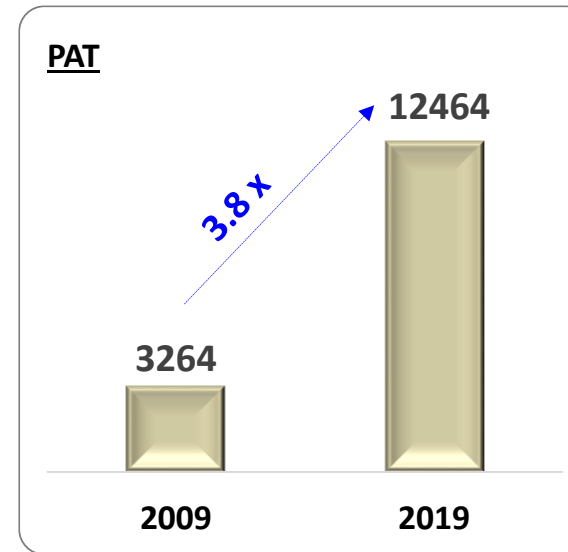
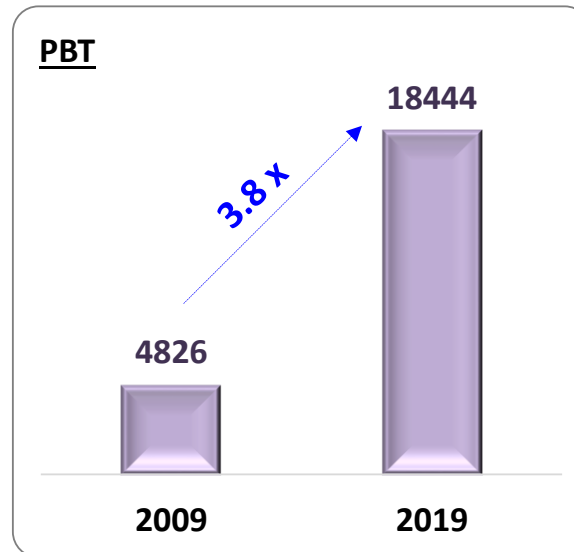
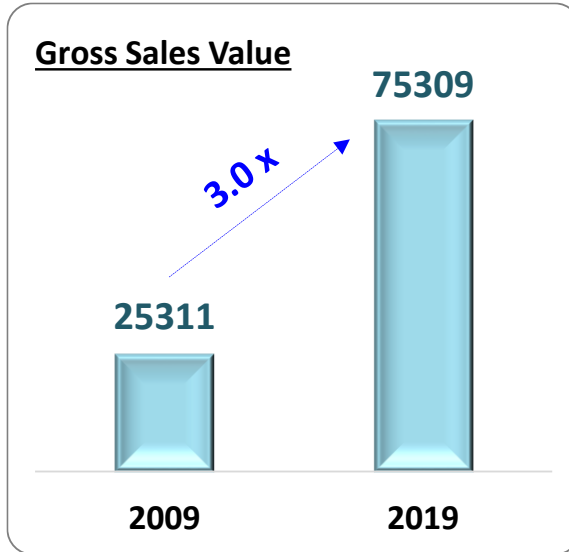




Performance Track Record – Last 10 Years



(₹ cr.)



ITC TSR : 20.3% Vs. Sensex: 14.8%

Growth largely organic-led and funded through Retained Earnings

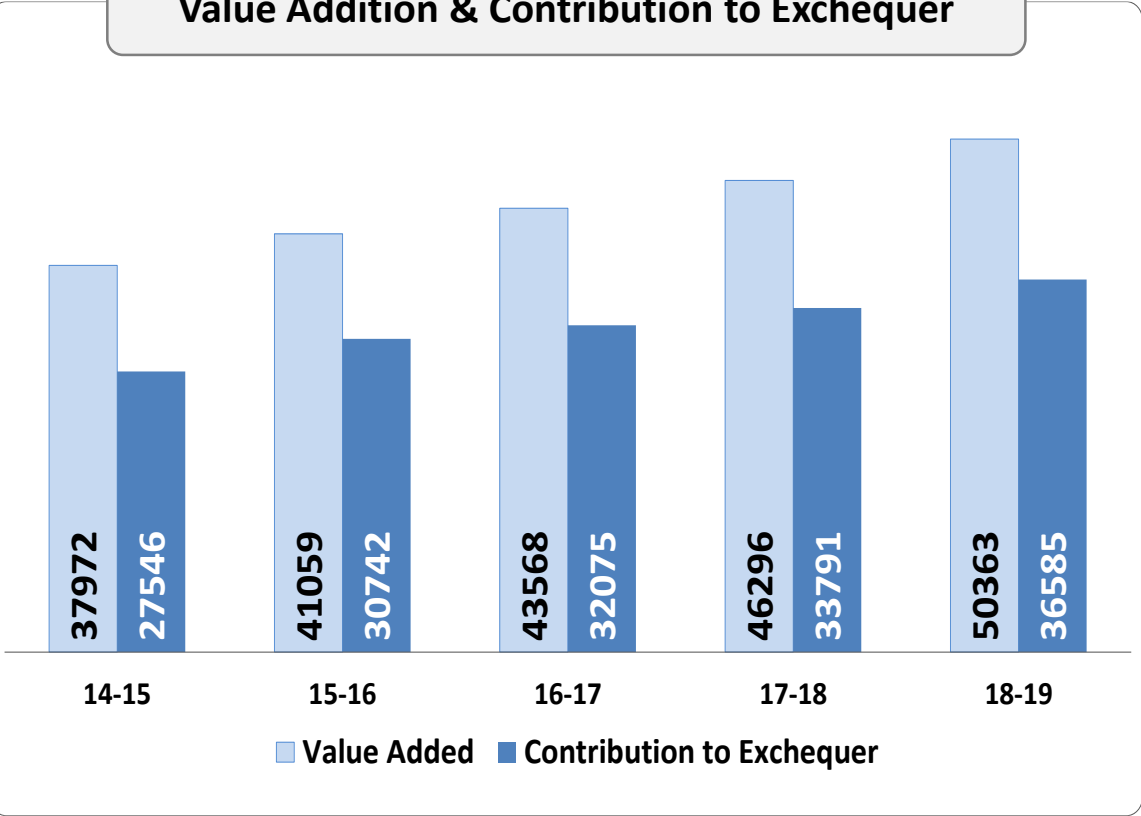
Market Cap and TSR based on FY-end prices for FY09 and FY19

Gross Sales Value includes all taxes (GST, Compensation Cess, VAT, Excise Duty, NCCD, etc.)

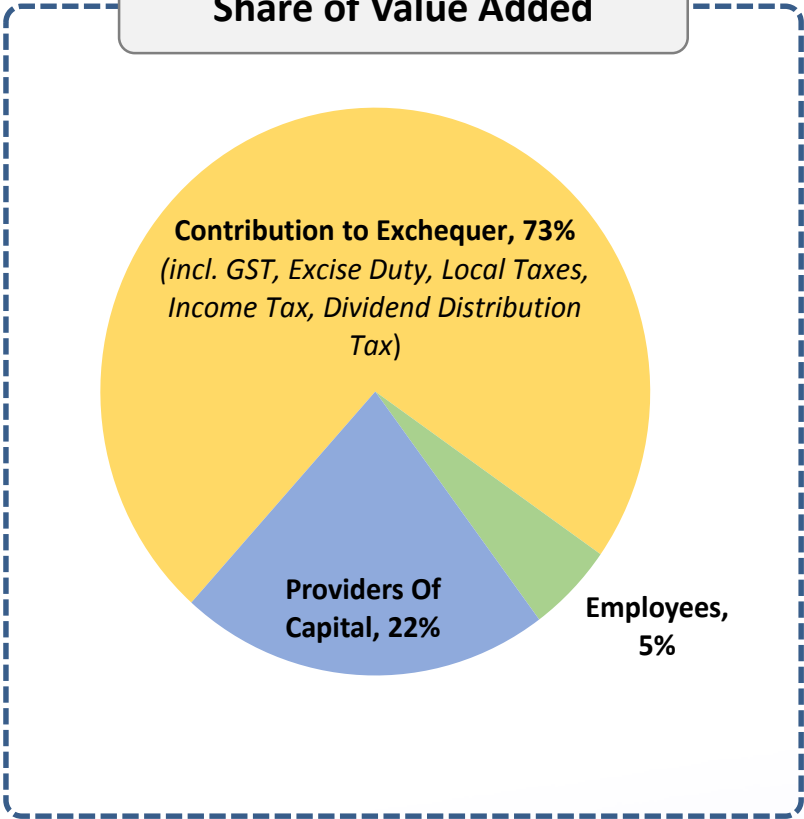
ITC ranks amongst the **Top 3 Contributors to Exchequer** (pvt. sector)



Value Addition & Contribution to Exchequer



Share of Value Added

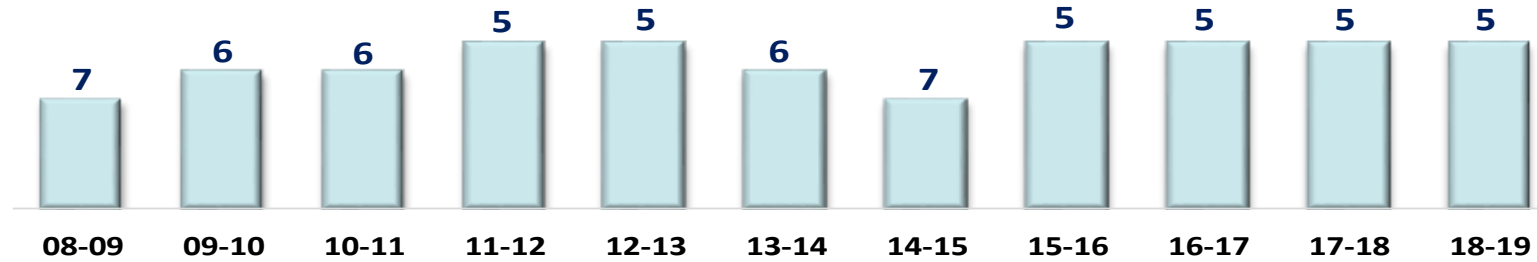


Cumulative **Value Addition** in the last 5 years @ 2.2 lakh cr.
Contribution to Exchequer @ 1.6 lakh cr.

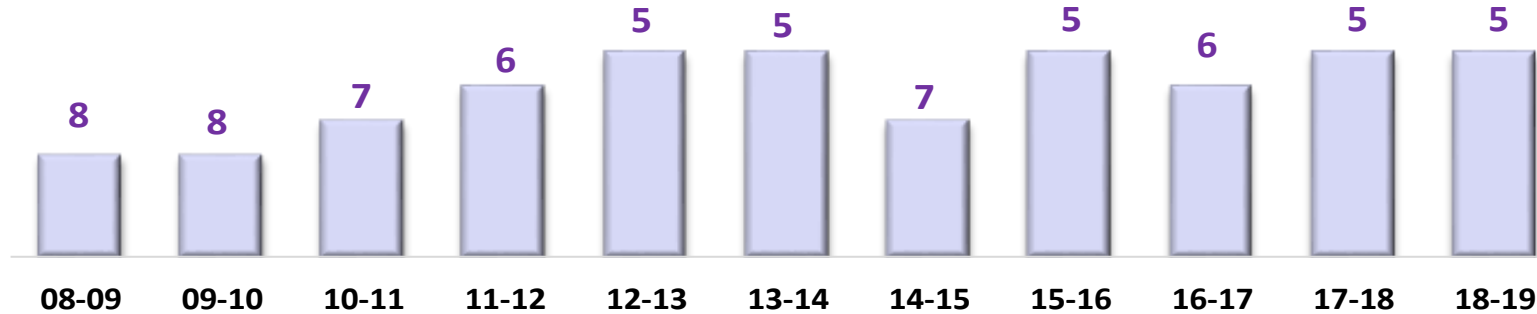
ITC consistently in the Top League

ITC's ranking amongst listed private sector cos.

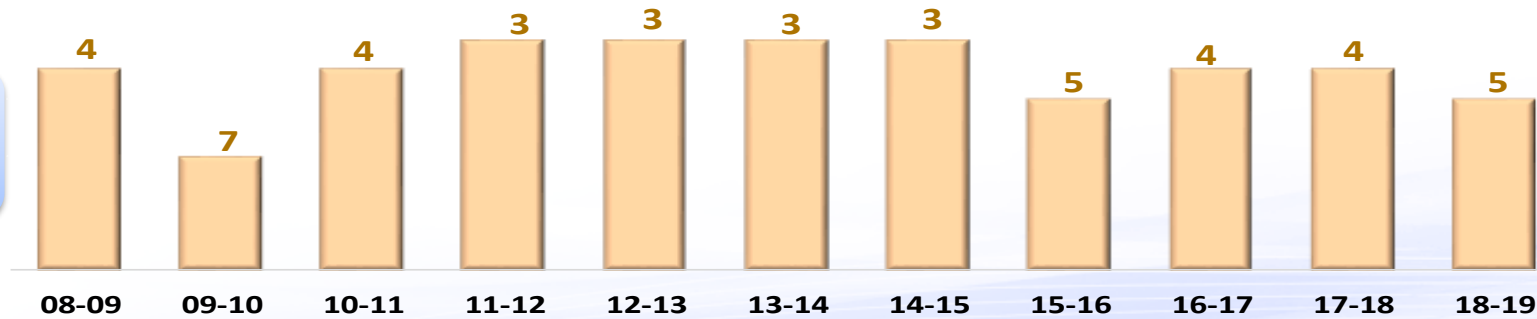
PBT



PAT



Market
Cap.





Sustainable livelihoods supported by ITC's businesses: Over 6 million



The only Company in the world to be:



Carbon Positive 14 years



Water Positive 17 years



Solid Waste Recycling Positive 12 years



Renewable energy: Over 41% of total energy consumption

Pioneer of green building movement in India: Established 24 green buildings



World's greenest luxury hotel chain:
ITC Hotels



World's highest rated green building:
ITC Green Centre, Gurugram



World's largest LEED® Platinum certified green hotel:
ITC Grand Chola, Chennai



World's first LEED® Platinum certified data centre:
ITC Sankhya, Bengaluru

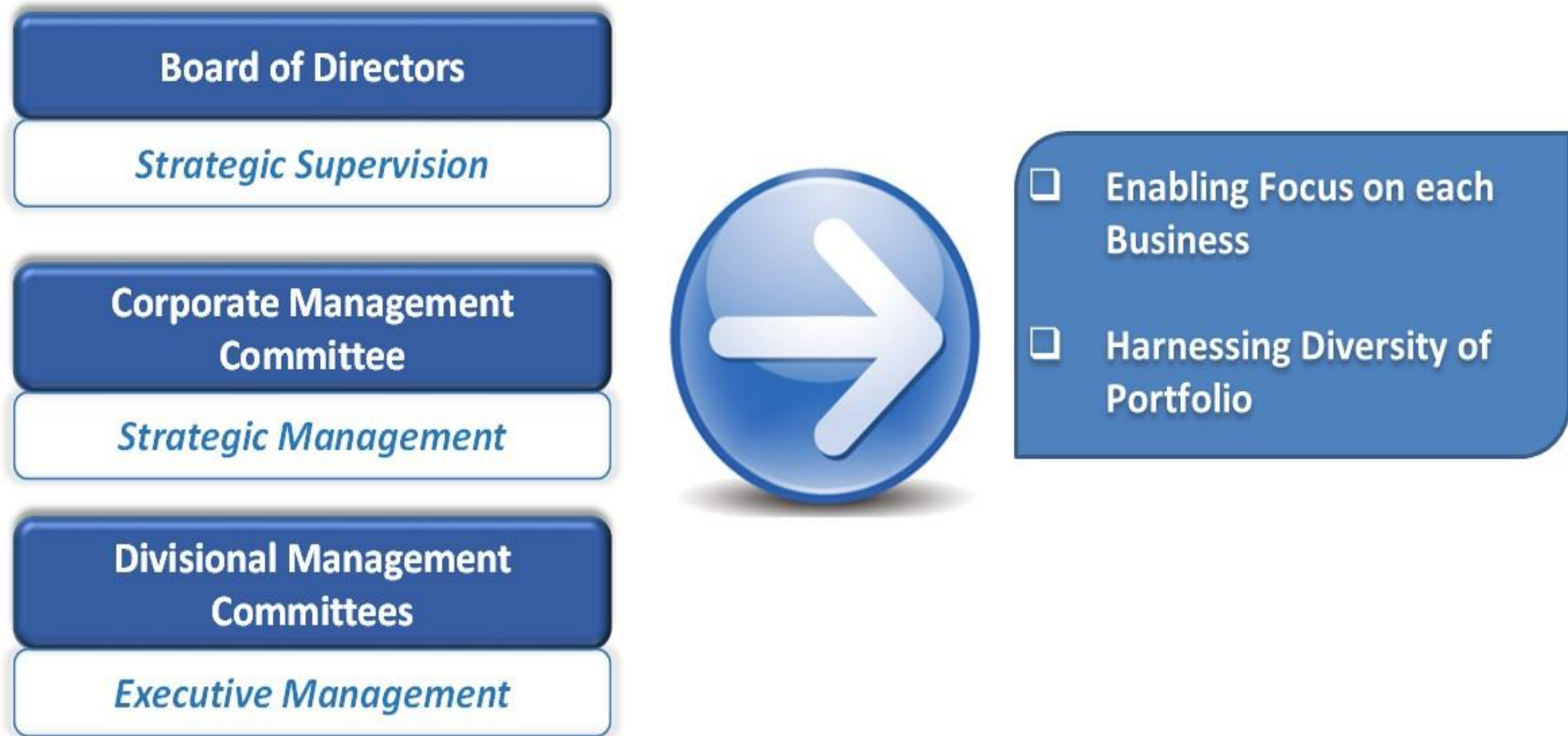
- **Make a significant and growing contribution towards :**
 - mitigating societal challenges
 - enhancing shareholder rewards

By

- creating **multiple drivers of growth** while **reinforcing leadership in tobacco**, and
- focusing on **'Triple Bottom Line' Performance**
 - ✓ **Enlarge contribution to the Nation's**
 - **Financial capital**
 - **Environmental capital**
 - **Social capital**

- **Focus on the chosen business portfolio**
 - Best fit - market opportunity & enterprise strengths
 - FMCG; Hotels; Paperboards, Paper & Packaging; Agri Business
- **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 **innovation, quality, accessibility** and **costs**
- Pursue **Triple Bottom Line** objectives and leverage **sustainable business practices** as a distinct source of competitive advantage
- Build & nurture a **world-class talent** pool and foster a '**proneurial**' spirit

3-Tiered Governance Structure





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

ITC's Non-Cigarette Business Portfolio



FMCG

Foods



Personal Care



Education & Stationery



Safety Matches & Incense Sticks



Lifestyle Retailing



Hotels



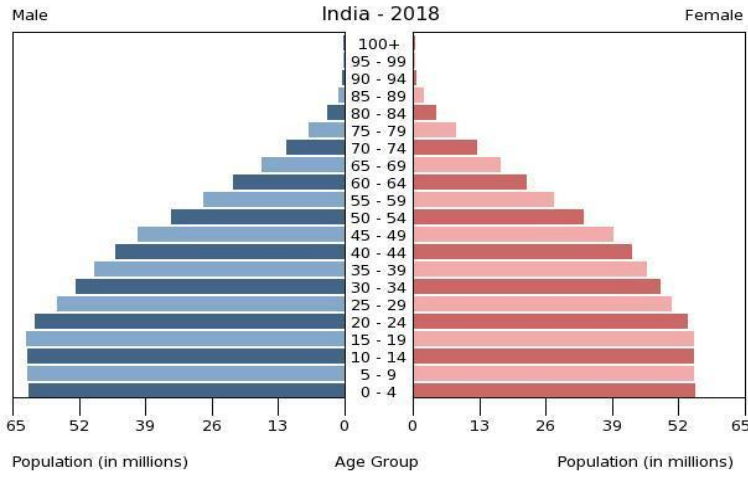
Paperboards, Paper & Packaging



Agri Business



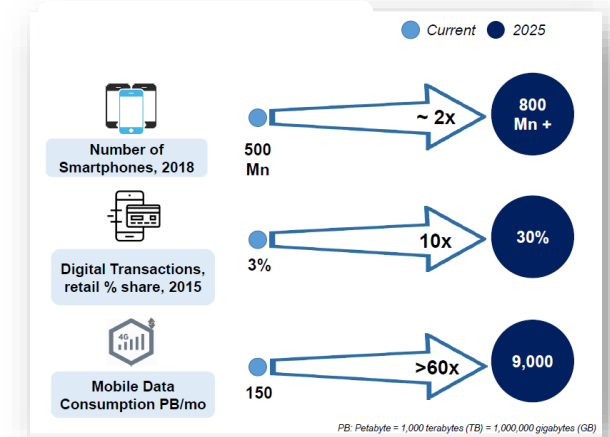
Structural Drivers of Growth - FMCG in India



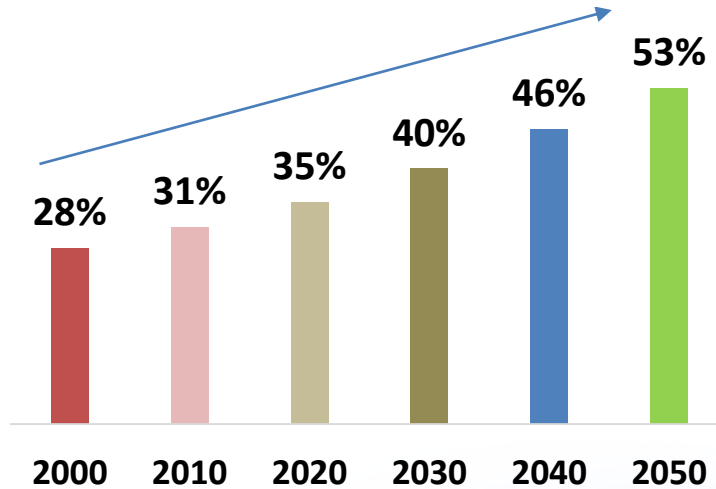
Median age among the lowest in the world

Type of household	Number of households in 2018 (in million)	Number of households 10-year compound annual growth rate (in %)	Average spend per household
Elite and above (₹20 lakh and above)	9	13	8.6
Affluent (₹10-20 lakh)	24	9	8.6
Aspirer (₹5-10 lakh)	57	6	8.5
Next billion (₹1.5-5 lakh)	129	2	8.5
Struggler (Less than ₹1.5 lakh)	67	-2	8.5

Increasing affluence

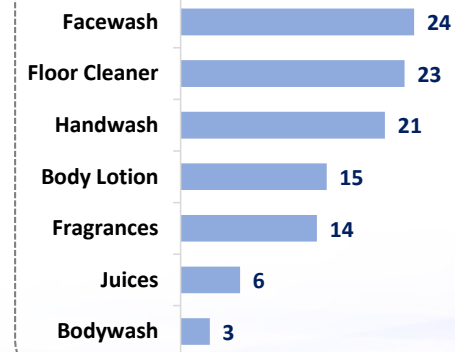


Digital explosion



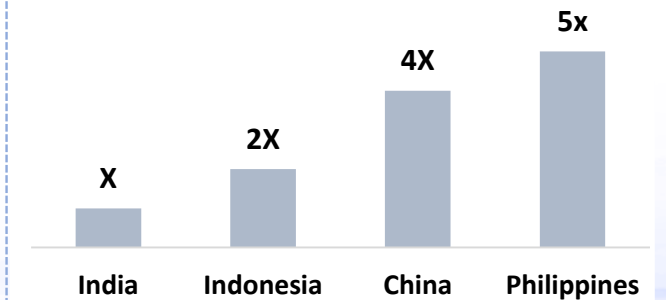
Rapidly urbanising population

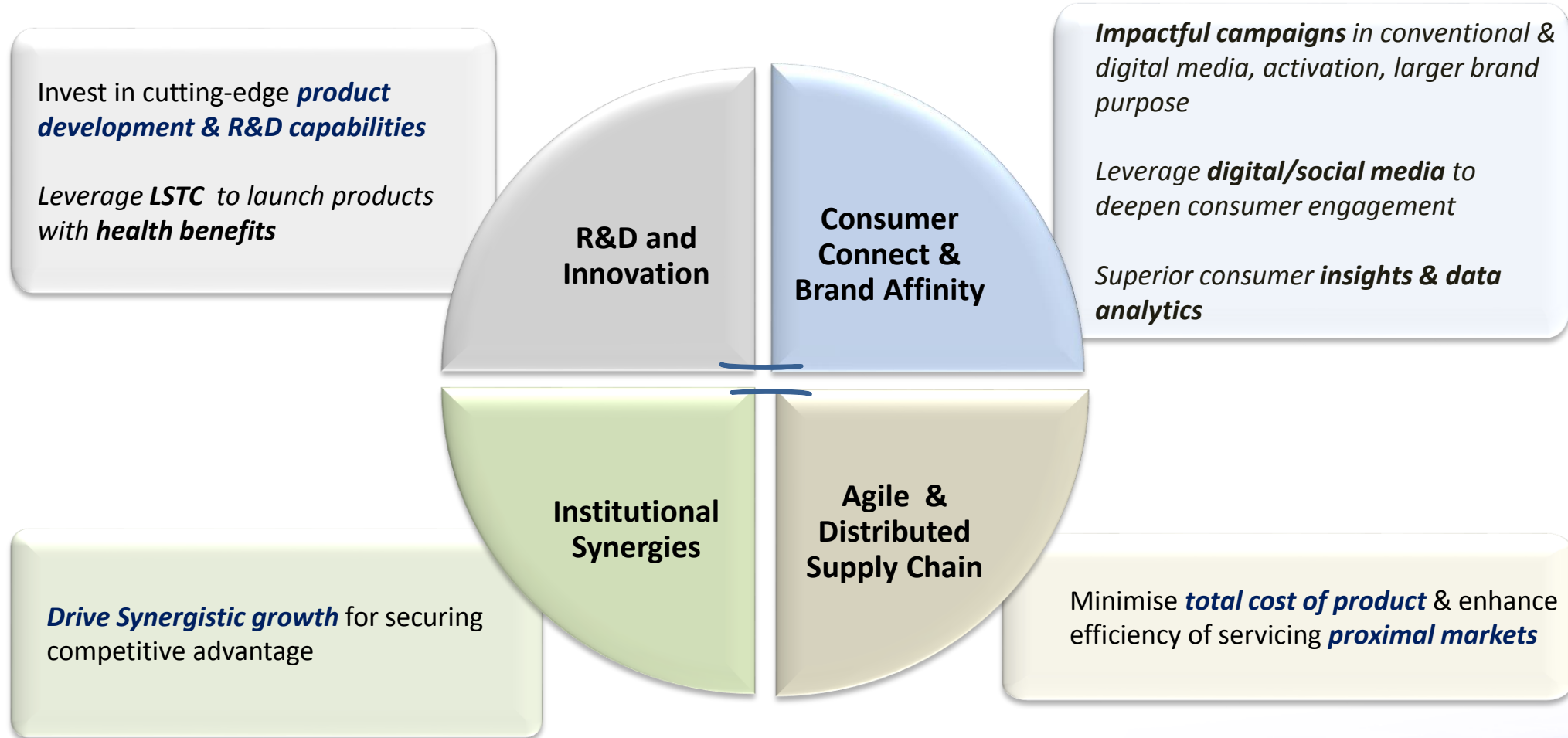
% Penetration (All India Urban)



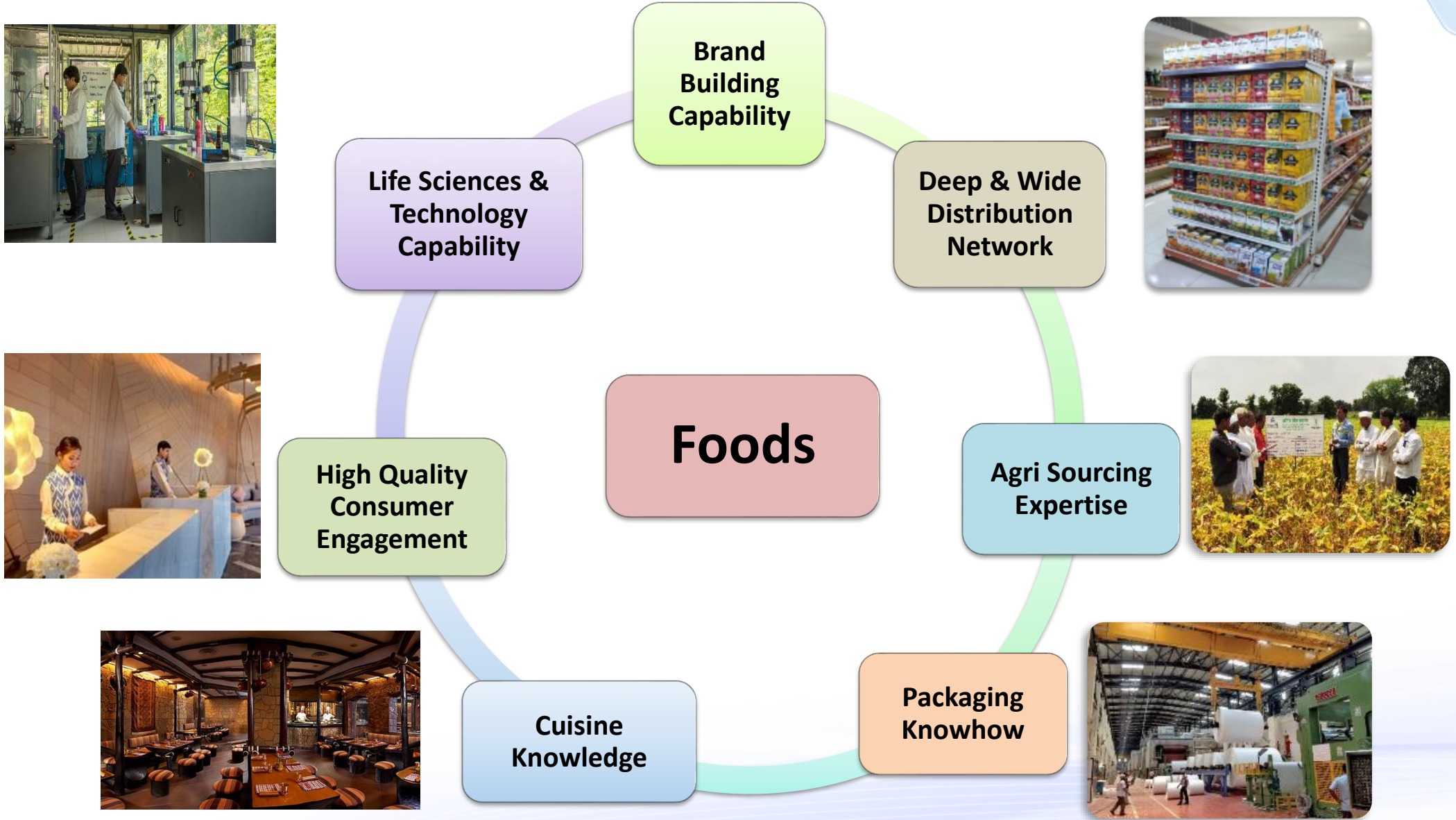
Low penetration and per capita usage

FMCG Per Capita Consumption

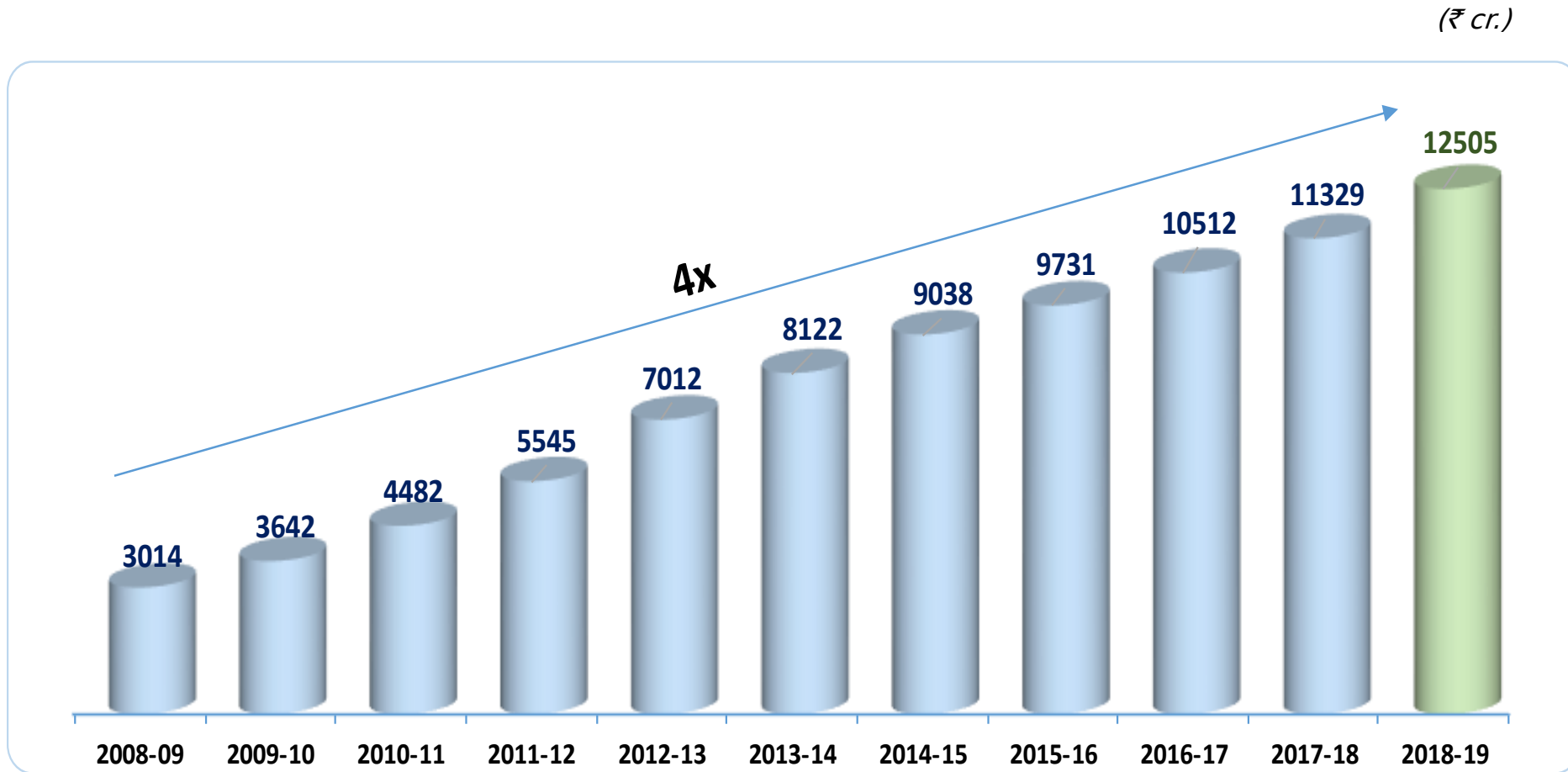




Enhance scale in existing categories while simultaneously seeding new categories



Rapid scale up of FMCG businesses

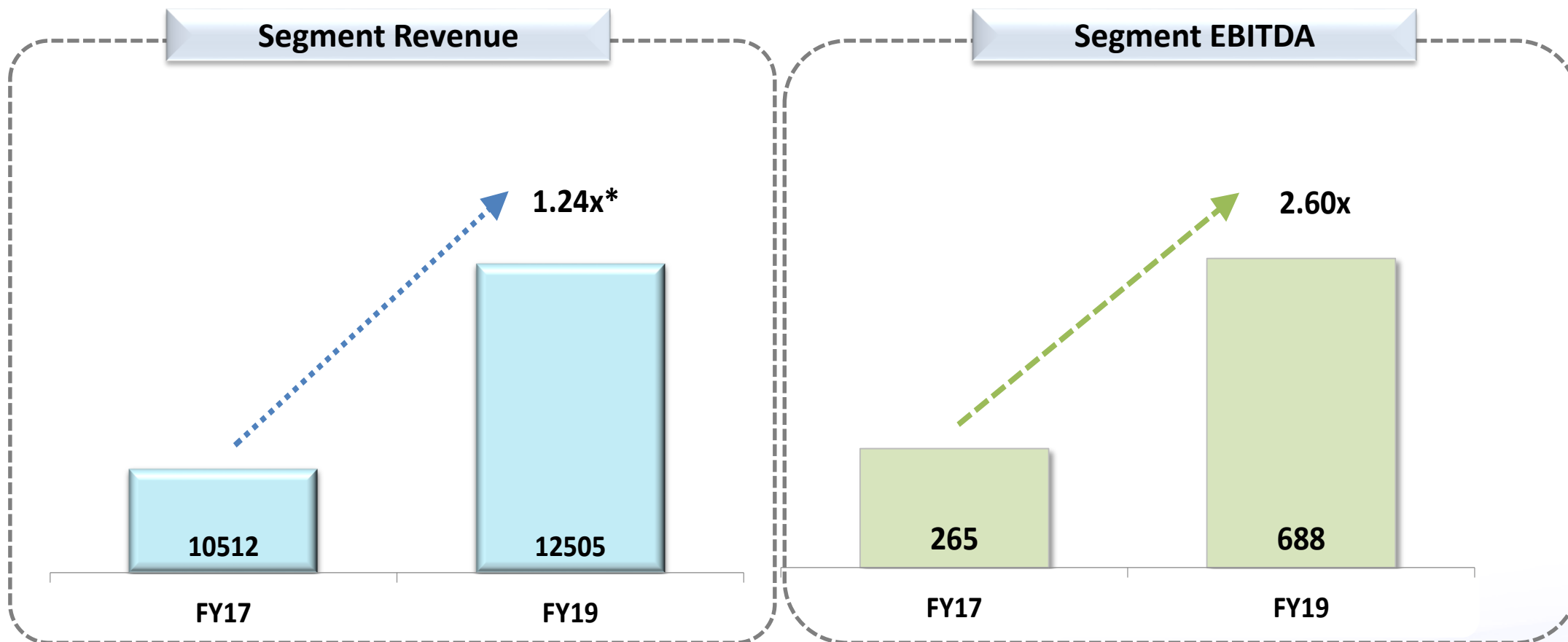


3rd Largest FMCG Player in India

One of the fastest growing Foods Businesses in India

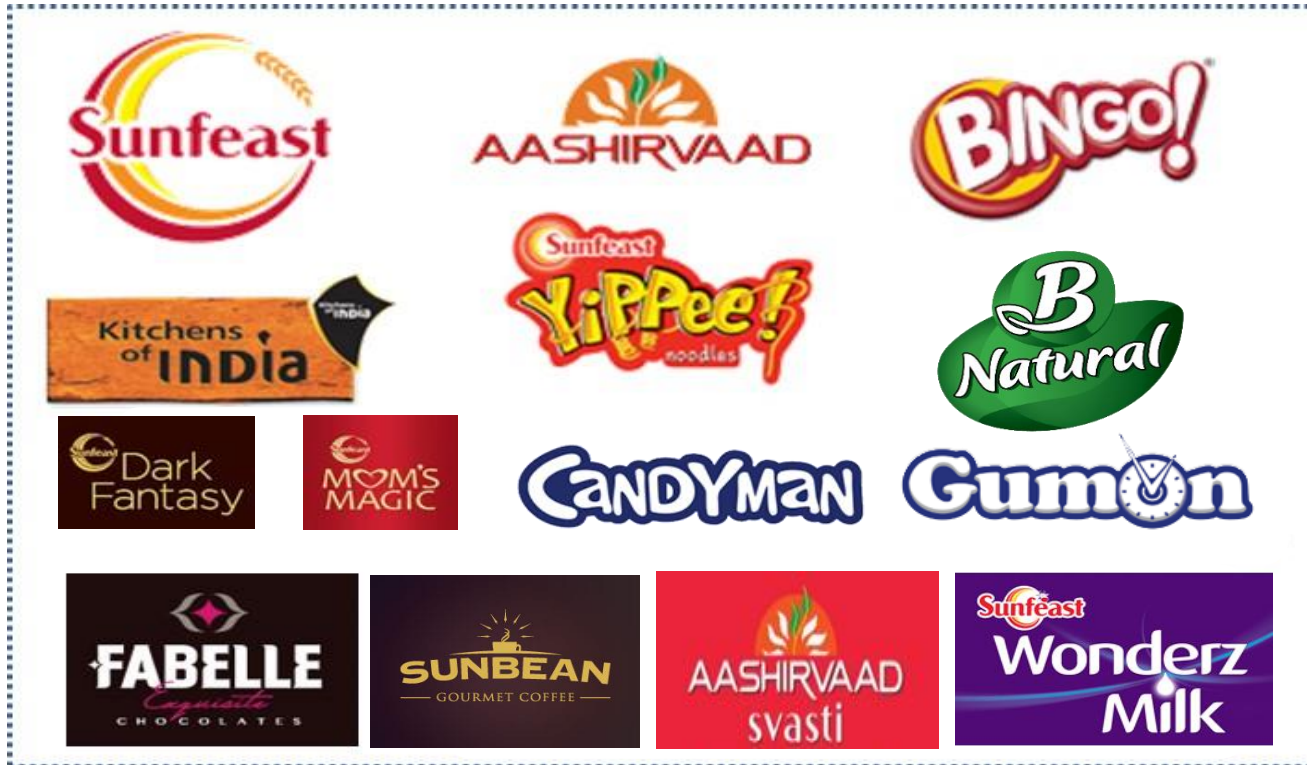
FMCG – Others: Significant increase in **Scale & Profitability**

(₹ cr.)

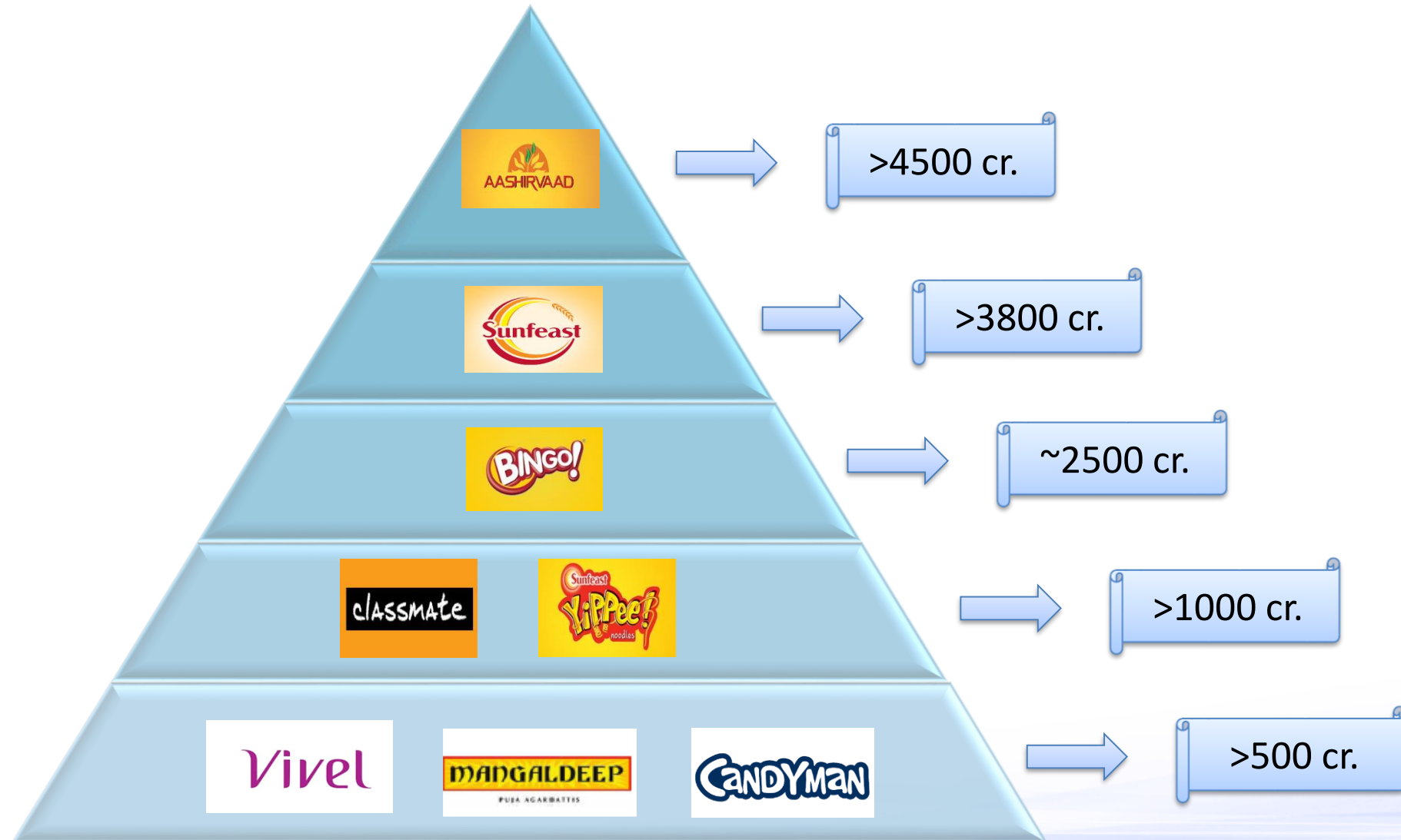


**On comparable basis*

Creating over 25 world-class mother brands for Indian Consumers



Annual Consumer Spends of over 18000 cr. (FY19)



Impressive **market standing** in a relatively short span of time



1 in Branded Atta



1 in Notebooks



#1 in Cream Biscuits
3 Overall



2 in Deodorants



1 in Bridges segment
1 in Potato Chips (South)



2 in Bodywash



2 in Noodles



#1 in Dhoop
2 in Agarbatti

Branded Packaged Foods Portfolio



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



Soaps, Shower Gels, Fragrancing products, Antiseptic Liquids, Hand Wash Skin Care, Shampoos, Floor Cleaner



Education & Stationery Products



Notebooks, Pens, Pencils, Art Stationery, Geometry Boxes, Scholastic Products



Incense sticks (Agarbattis) & Safety Matches





Dark Fantasy ChocoFills
Luscious chocolate filling
enrobed within a rich
cookie



Sunfeast YiPpee!
Unique round shape and
non-sticky noodles



Sunfeast Wonderz
Real fruit inclusions



B Natural Juices
Aseptic PET format



Sunfeast Bounce Minis
Bite Sized Cream Filled
Cookies



Fabelle
India's first Ruby
Chocolate



Bingo! No Rulz
Multiple shapes
in every pack



Mad Angles Fillos
Peanut masala filled
Snacks



Engage Flip Dual
2 fragrances @ pocket
format



Fiamma Body Wash
Fragrance encapsulation
technology



Savlon Hand sanitizer
Pen format

Regional Taste & Preferences



Bingo! Tedhe Medhe Wakhra Style, Tomato Masti & Pudina Twist



Aashirvaad MP Atta



Aashirvaad Koora Karam Spices



Sunfeast Marie Light Vita



YiPPee! WoW Chicken



Bingo! Red Chilli Bijli & Fiery Red Tomato



Mangaldeep Jathimalligai

Premiumising the Portfolio



Dark Fantasy Yumfills and Jeliffills



Aashirvaad Select Atta



YiPee! Quik Mealz



Candyman Jelimals, Tadka Time & Fantastik



Body Wash with fragrance encapsulation



Dermafiqe Skin care



Premium Perfume range



Classmate Asteroid Geo Boxes

Building a 'Free From' and 'Good For You' portfolio



Aashirvaad Nature's Super Foods range
Ragi Flour, Multi Millet Mix, Gluten Free Flour



ITC Master Chef Super Safe Prawns



Aashirvaad Sugar Release Control Atta



Aashirvaad Atta with multigrains



YiPPee! Power Up Masala Noodles



Sunfeast Farmlite Digestive & Protein Power



Sunfeast A2 Cow Milk Biscuits



Farmland Low Sugar & Anti-oxidant Potato

Innovation anchored on Affordability & Convenience



Savlon Handwash
80 ml / Rs. 20



Vivel Bodywash
75 ml / Rs. 20



Savlon Hand sanitizer
9 ml / Rs. 45



Fiama Showergel
100 ml / Rs. 55



Engage ON
18 ml / Rs. 60



Essenza Di Wills Travel Pack
16 ml / Rs. 799



Sunfeast Bounce Cakes
17 gms / Rs. 5



Sunfeast Dark Fantasy
20 gms / Rs. 10

Key Strategies

Deepening capability

Developing tailored products

Strategic planning with large accounts

On-the-Go

(Airports, Railway Stations, Airlines, Corporate Parks etc.)



Modern Trade



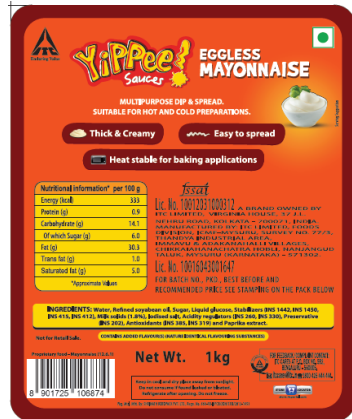
MT Growth @ 2x of General Trade

e-Commerce



Explosive growth in e-Com in recent years – holds immense potential

Addressing the Food Services opportunity



Eggless Mayonnaise



Tomato Ketchup



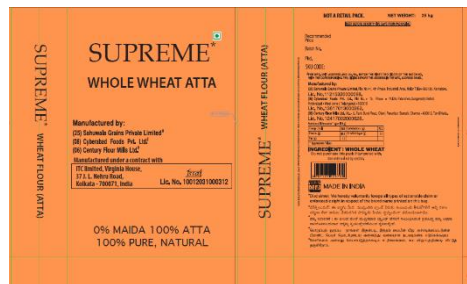
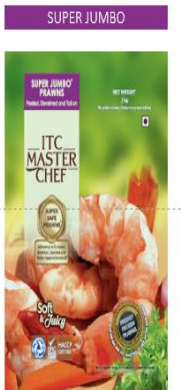
Green Chilli Sauce



ITC Master Chef
Frozen Snacks



ITC Master Chef
Super Safe Prawns



Bulk Atta



Basmati Rice



Mango Pulp



Tomato Puree



Dehydrated Onions

Leveraging Digital to deepen consumer engagement – The 3C's



Content

Innovative & Unique Recipes

Fostering Learning through Gamification & Augmented reality

Devotional Content

Brand Advocacy by employees

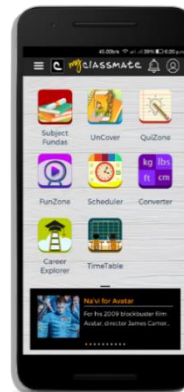
Connect



Dark Fantasy ChocoFills recipes



Aashirvaad Atta recipes



myClassmate



Mangaldeep



ITC IRIS



Digital Influencers

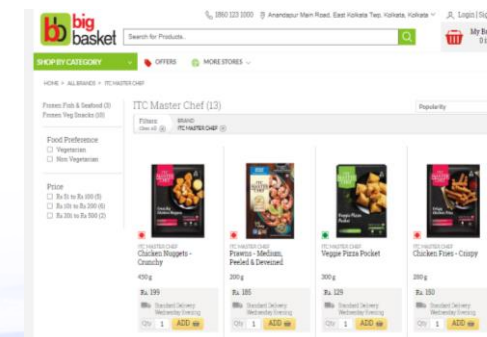
Commerce



ITCstore.in



Classmateshop.com



ITC MasterChef@bigbasket.com



Freshmenu.com

Sixth Sense - Marketing Command Centre



Marketing Command Centres
operational in Kolkata & Bengaluru
Dashboards on Social Media & Brand
Performance Indicators (online / offline)
Over **200 creatives** generated

Social Listening

Tracking

Reporting performance

Analytics & Insights



Harmanpreet Kaur
Century – B Natural



Mothers Day –
Mom's Magic



Virat Kohli 10000
Runs – YIPpee!



Mary Kom Gold Medal
– Vivel



Apna Time Aayega –
Farmlite



10 year Challenge –
Aashirvaad

Moment Marketing

Anchoring **Brand Purpose** on **larger consumer needs**



Vivel's brand purpose anchored on **Women Empowerment**



Savlon 'Healthy Hands Chalk Sticks' initiative



Braille-enabled packs introduced on World Sight Day

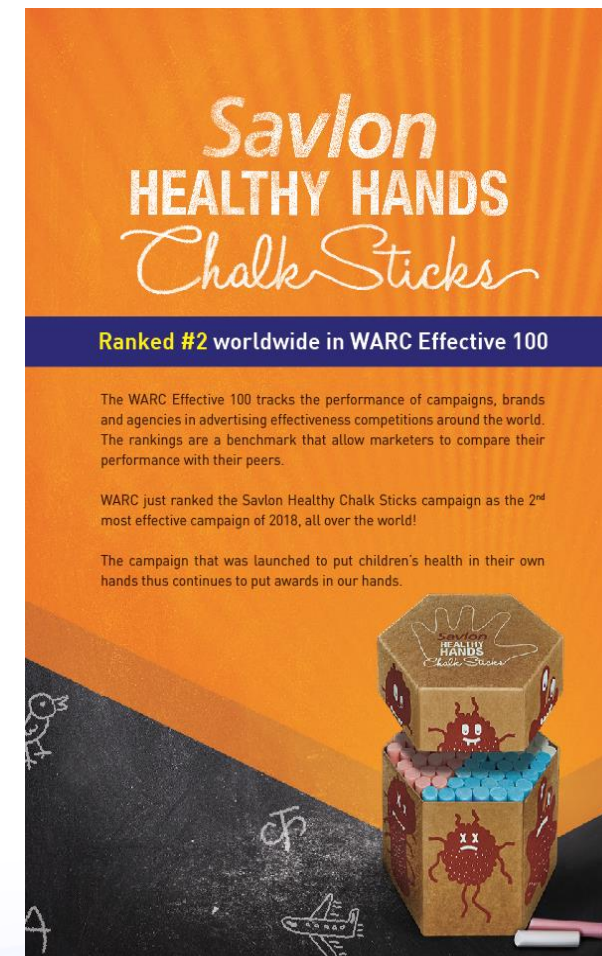
Savlon 'Healthy Hands Chalk Sticks' Campaign : Global Recognition



Grand Prix for Creative Effectiveness (Cannes 2018)



Won 7 Cannes Lions (2017)



Ranked Second most effective campaign in 2018 globally by WARC.



Develop centers of manufacturing excellence - safety, quality, cost, people capability, process



Ensure recipe secrecy and integrity & protect manufacturing know-how



Provide fresher products and reduce distance to market



Optimise Inventories & reduce logistics cost with co-hosted warehouses





Commissioned in November 2017 - Currently manufacturing Atta, Biscuits, Beverages, Noodles, Snacks



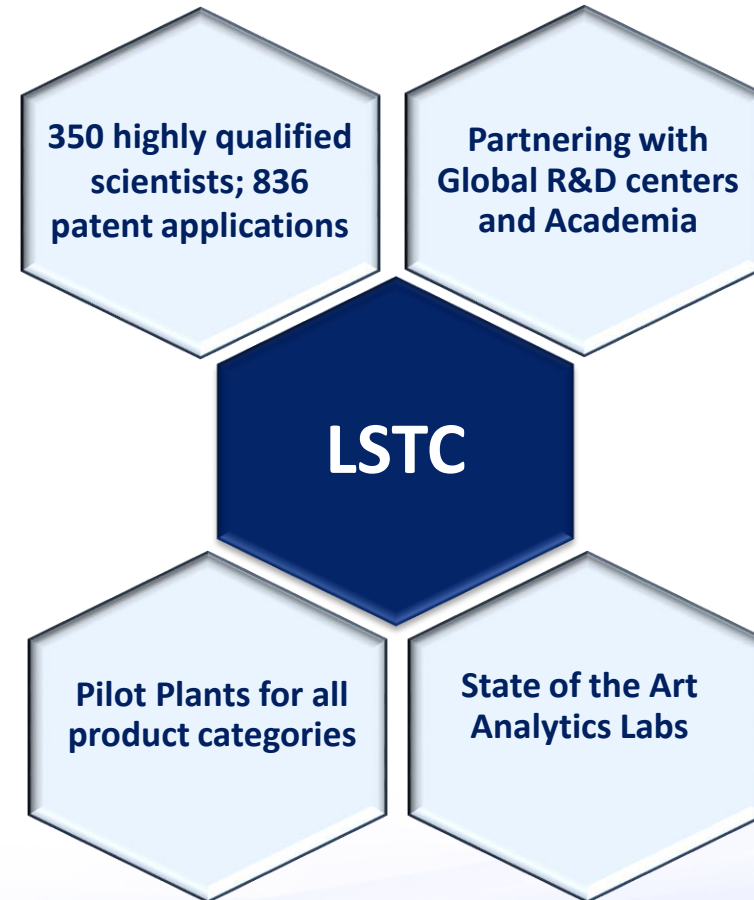
Commissioned in August 2018 - Currently manufacturing Atta, Biscuits, Noodles, Snacks



Commissioned in November 2016 - Currently manufacturing Atta, Biscuits, Snacks

Cutting-edge R&D capability

Life Sciences and Technology Centre, Bengaluru



Planning

Demand Forecast

Supply Planning

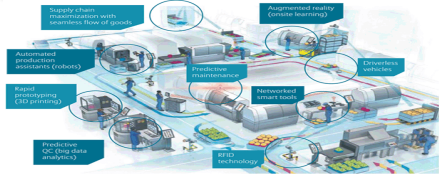
Inventory Planning

S&OP Planning



Manufacturing & Operations

Smart Manufacturing



Smart Utilities

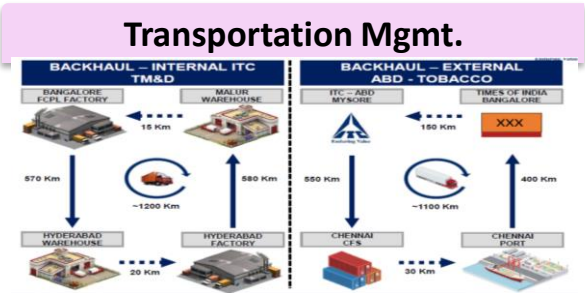


Warehousing

jda.

Bastian SOLUTIONS

muratec

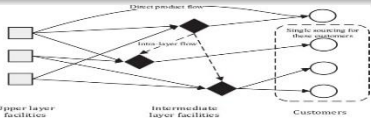


Distribution

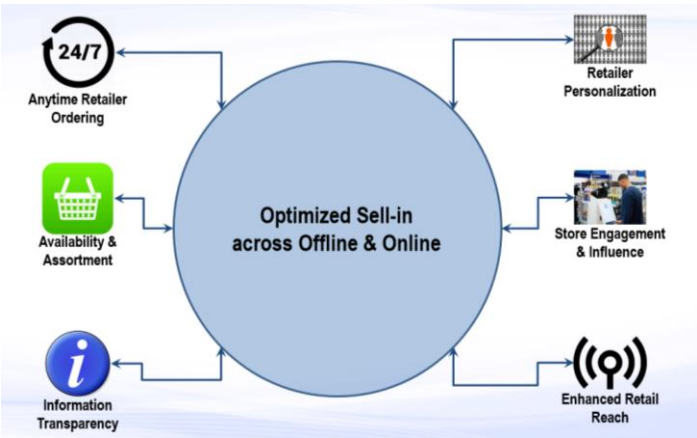
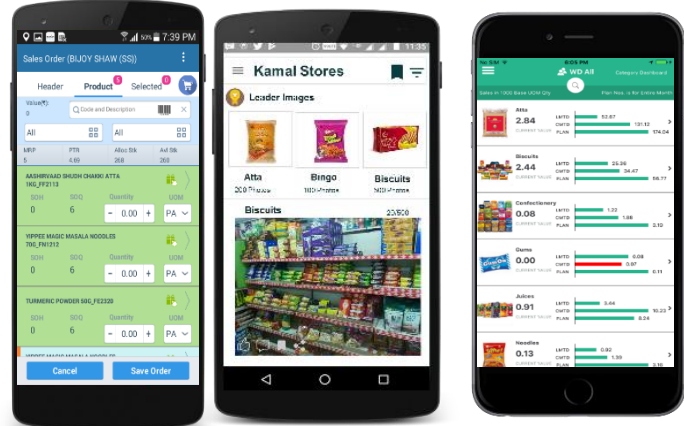
Dealer Management System



Network Design & Optimization



Sales & Marketing



Unique sources of competitive advantage – FMCG



- Deep rural linkages, agri-sourcing, culinary expertise of Hotels
- **State-of-the-art ICMLs** – structural cost management & driving efficiency in market servicing
- Relentless focus on **quality, hygiene** and **food safety**
- **Established trademarks** facilitating effective forays into new categories/adjacencies
- **Cutting-edge R&D** capability – LSTC, Bengaluru
- **World-class & motivated talent pool** – ‘proneurial’ spirit





Leading Agri Business player in India & Pioneer in rural transformation

Sourcing and supply operations spread across 20 states

Largest procurer of wheat after FCI

5th largest leaf tobacco exporter in the world - 43% value share of Indian exports



Deliver **sustainable competitive edge** to ITC's FMCG Businesses through agri sourcing



Enhance **scale & scope of external business** leveraging deep and wide sourcing network



Build a robust portfolio of **value-added products** to expand margin
Establish **B2B & B2C brands**



Wheat

New Varietal Development
Securing premium varieties
Least cost Logistics



Potato

Security of Supply
Yield improvement
Proximal to Manufacturing



Fruit Pulp

High quality at competitive prices
Develop supply chain for unique offerings



Spices

Sourcing Food Safe products
Develop new products



Milk

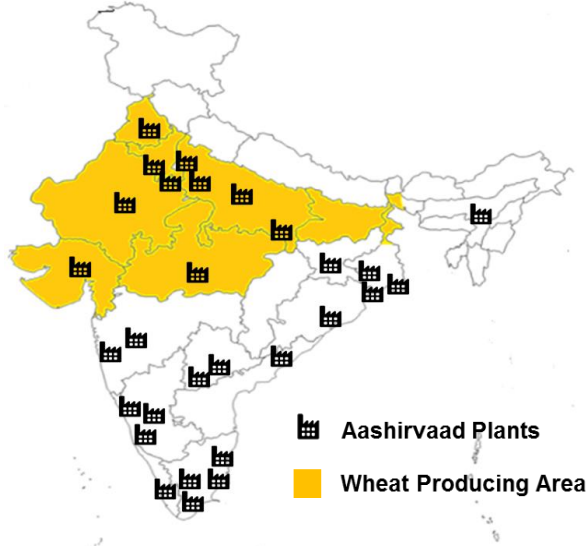
Sourcing of high quality milk through farmer connect, deployment of milk chillers



Agri Business capability

Delivering **competitive advantage** to Aashirvaad Atta

Securing Premium Varieties, Cost Quality Optimisation, Identity Preserved SCM, Lowest Landed Cost Logistics



Multiple distributed bulk buying, storage & manufacturing locations

Optimised delivery network

Securing Long Term Advantage through R&D and Crop Development



Identification of Alternate Varieties



New Variety Development & Seed multiplication

Agri Business: Increasing focus on Value Addition



Basic Commodity

Wheat, Rice, Oilseeds



Regional/Varietal Grades

Region specific:
Coffee, Sharbati Wheat, High Heat Chilli



Basic Value Added

Fruit Pulp, Tomato Puree, IPM Chilli, IQF Prawns



Attribute Based Value Added

High Curcumin Turmeric, Blended Spices, Low sugar potato, Organic pulp



Brands

Brands, B2B and B2C : Prawns, Bulk Staples, Tomato Puree, Spices, Frozen Snacks





One of the fastest growing hospitality chains in India
Trailblazer in Green Hoteliering
Leader in Profitability



ITC Kohenur & ITC Grand Goa added to portfolio in FY19



ITC Kohenur - 271 keys, 6 F&B Outlets



ITC Grand Goa

252 keys, 6 F&B outlets, 36,000 sq. ft. of Spa space



Projects in progress: 'ITC Hotels' & 'WelcomHotel'



ITC Royal Bengal
Phase 1 commissioned in Jun'19



ITC Narmada, Ahmedabad



WelcomHotel, Guntur



WelcomHotel, Bhubaneswar



WelcomHotel, Amritsar

- **Drive profitable growth by leveraging world-class infrastructure & capability**
 - Iconic properties
 - Iconic cuisine brands
 - Loyalty programmes
 - Cutting-edge digital infrastructure / distribution
- **Leveraging assets and growing through management contracts**
 - Asset-right approach - **WelcomHotel** brand proposition sharpened for management contracts in 5-Star segment



Paperboards & Packaging Business

No. 1 in Size

No. 1 in Profitability

World-class Environmental Performance





- **Market leader in fast growing Value Added Paperboards segment**
- **Integrated Operations**
 - In-house ozone bleached pulp mill
 - Bleached Chemical Thermo Mechanical Pulp Mill commissioned in Mar'17 – first-of-its-kind in India
- **Secure, sustainable & cost competitive fibre base**
 - Cumulative plantations @ 7.3 lakh acres
- **42% of energy used in operations is from renewable sources**

Key Sustainability Initiatives

**Water
Positive**

17 years



**Carbon
Positive**

14 years



**Solid Waste
Recycling
Positive**

12 years



Create innovative, synergistic models that reinforce sustainable competitive advantage & foster inclusive growth as well as create sustainable value chains

➤ **Embed sustainability in Business operations**

- Low Carbon footprint, Water and Solid waste management



➤ **Deepen engagement in ITC's core catchments (agri-business & factory areas) for higher impact**

- **Drive behavioural change through focus on demand generation**
 - Enabling participation, contribution & asset creation for the community
- **Strengthen capability of community based organisations and NGOs in project catchments**
 - Foster participatory planning ownership and sustainability of interventions



➤ **Build capability through strategic partnerships with national & international organisations**



e-Choupal:
4 million
farmers
empowered



Afforestation:
Over
7,30,000
acres greened



**Watershed
Development:**
Over
10,12,000
acres covered



**Livestock
Development:**
Over
17,70,000
milch animals
covered



**Solid Waste
Management:**
Well-being
Out of Waste
(WoW)
programme
covers **89 lakh**
citizens



**Women
Empowerment:**
Over **64,000**
poor women
benefitted



**Skilling and
Vocational
Training:**
Covering over
67,000
youth



**Primary
Education:**
Reaching
over
6,90,000
children



**Health &
Sanitation:**
Over **35,000**
toilets built

Making Agri value chains competitive

Quality, productivity, market access, sustainable practices



Baareh Mahine Hariyali Initiative



Doubling Farmers Income through round-the-year interventions

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





Greening over 7,33,000 acres

Creating 125 million person days of employment



High yielding varieties developed by ITC R&D



Clonal Saplings grown in Nursery



Agro-Forestry Model





Rough Colour Grading

ITC Farm Forestry

45 sec

30 04 19



**Over 15,000 structures creating rainwater harvesting
potential of 34.6 Million KL irrigating 10.1 lakh acres
(3x of ITC's net water consumption)**

Participatory Watershed Planning



Copyright ITC Limited

Water User Groups





Copyright ITC Limited



Copyright ITC Limited



ITC WATERSHED

45 SEC
30 04 19

Low Carbon Footprint



Renewable Energy – 41% of energy consumed



**24 Platinum rated Green Buildings;
World's Greenest Luxury Hotels chain**



**ITC Sankhya: World's First LEED Platinum Data
Centre**



**Continuous Reduction in Specific Energy/Water
Consumption**



World Business and Development Award 2012 at the Rio+20 UN Summit



Inaugural UNDP-ICC Award



Sustainability Leadership Award, Zurich



The Stockholm Challenge Award



Development Gateway Award

**A passion for
profitable growth....**



....in a way that is sustainable.....



**.... and
inclusive**

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.

Thank You