

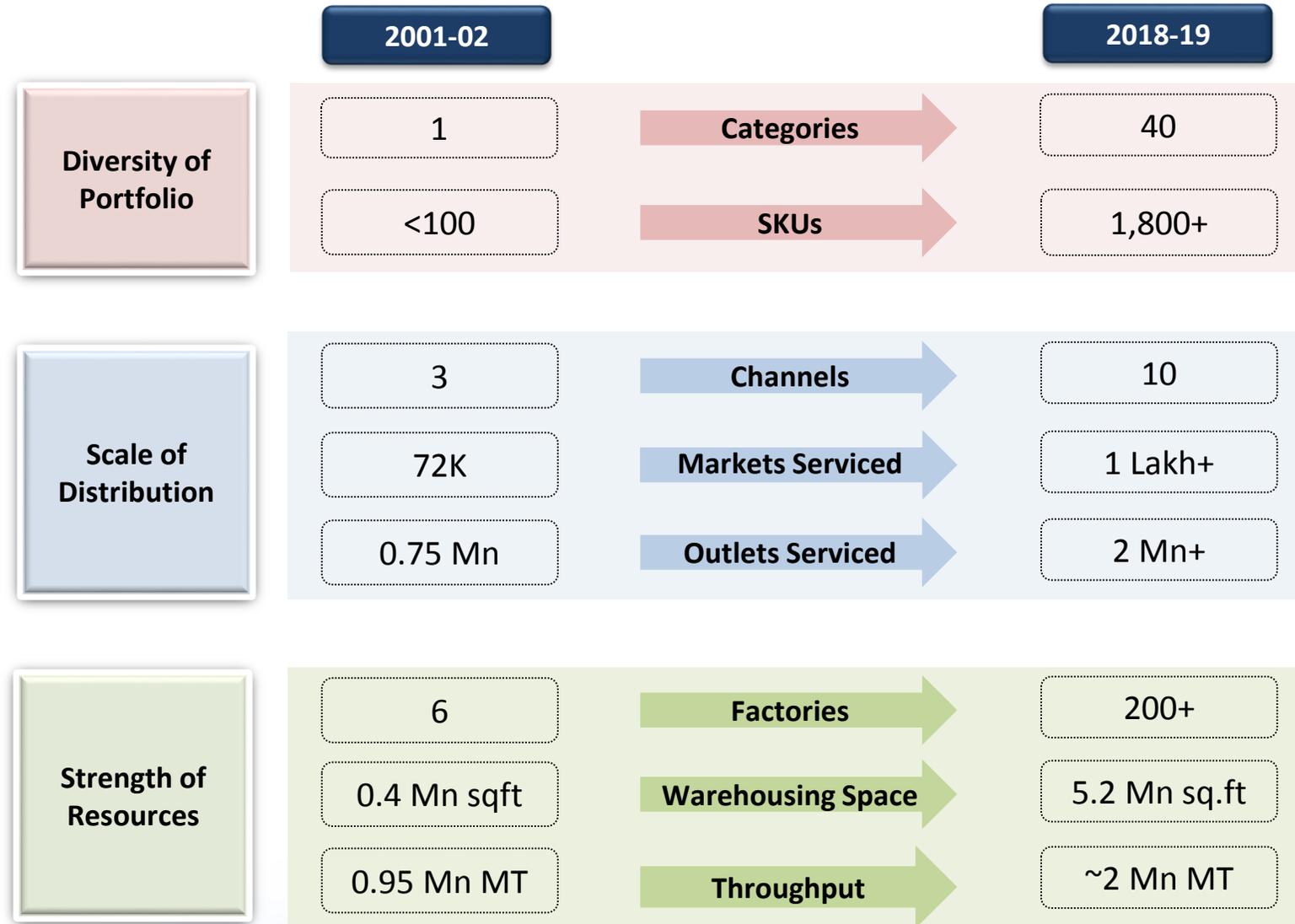


Creating Multiple Drivers of Growth through Responsible Competitiveness

*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**

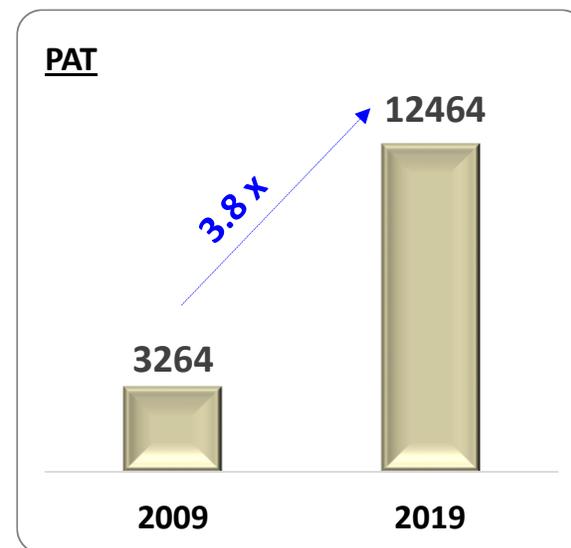
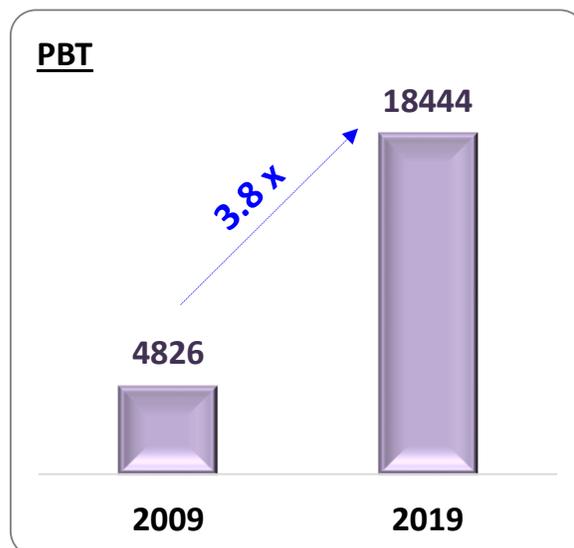




Performance Track Record – Last 10 Years



(₹ cr.)



ITC TSR : 20.3% Vs. Sensex: 14.8%

Growth largely organic-led and funded through Retained Earnings

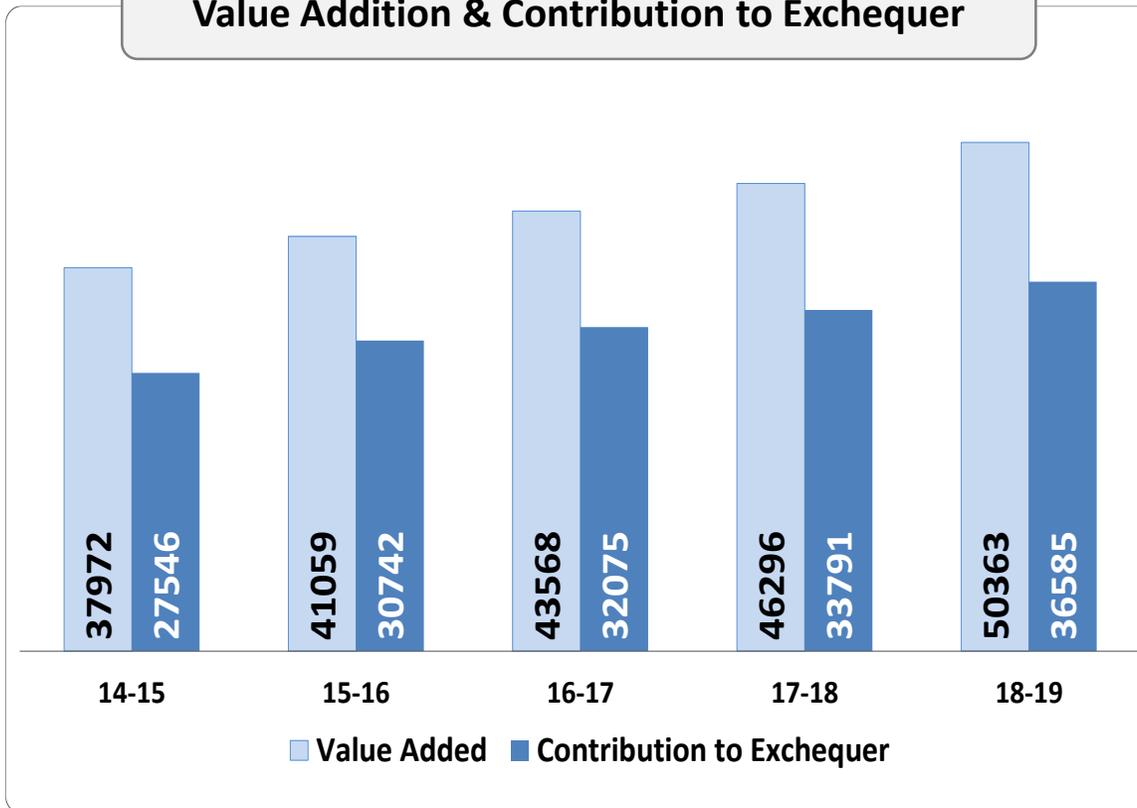
Market Cap and TSR based on FY-end prices for FY09 and FY19

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

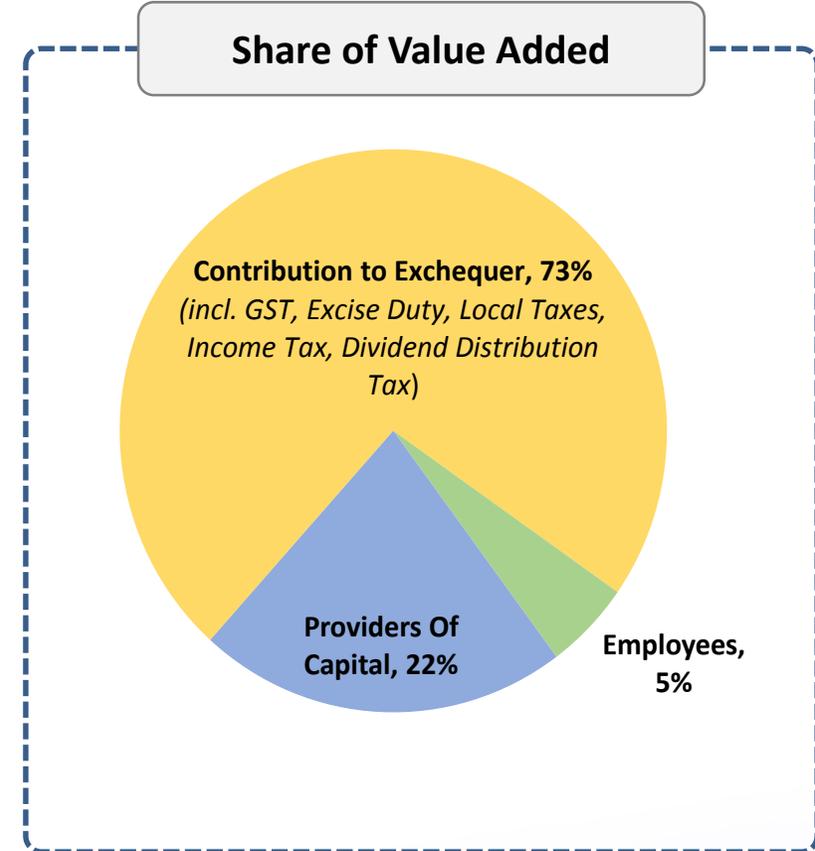
ITC ranks amongst the **Top 3 Contributors to Exchequer** (pvt. sector)



Value Addition & Contribution to Exchequer



Share of Value Added



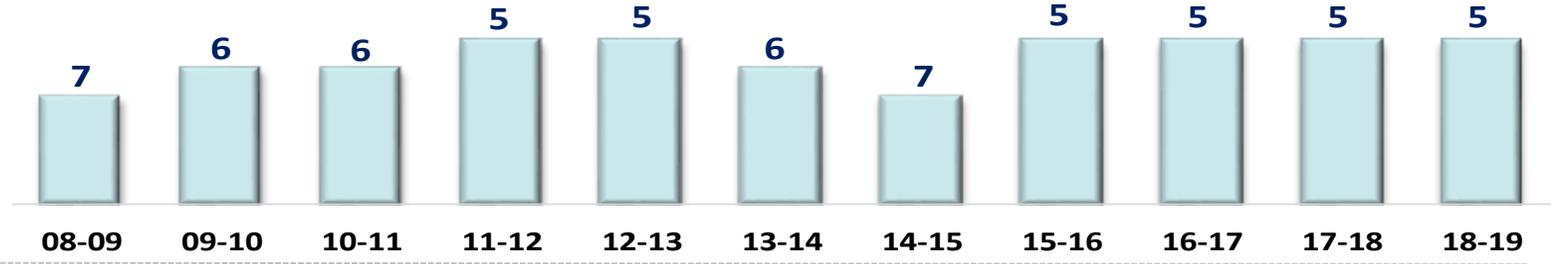
Cumulative **Value Addition** in the last 5 years @ 2.2 lakh cr.
Contribution to Exchequer @ 1.6 lakh cr.

ITC consistently in the Top League

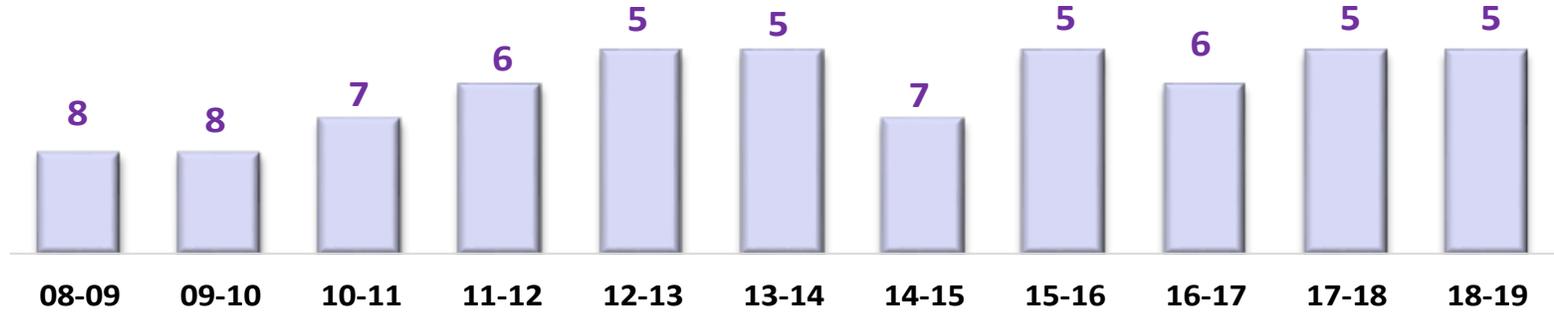


ITC's ranking amongst listed private sector cos.

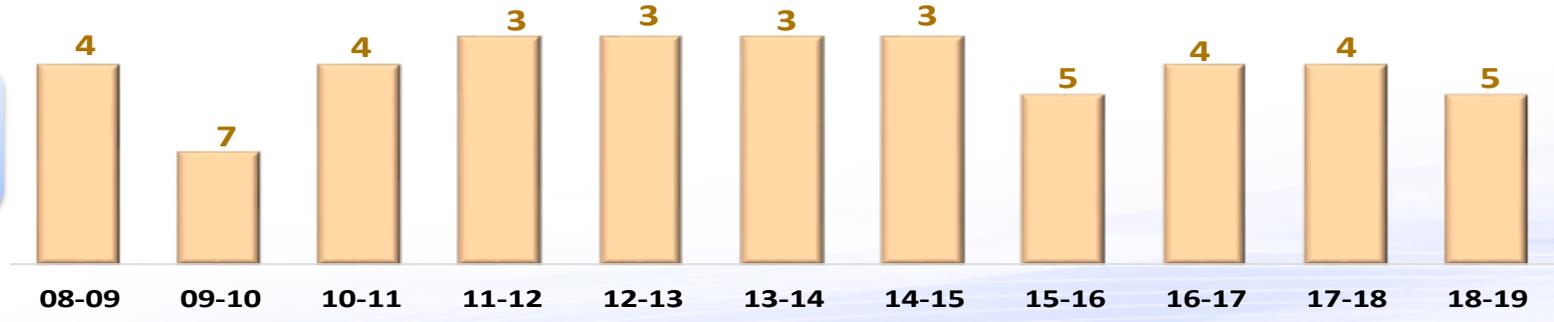
PBT



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**

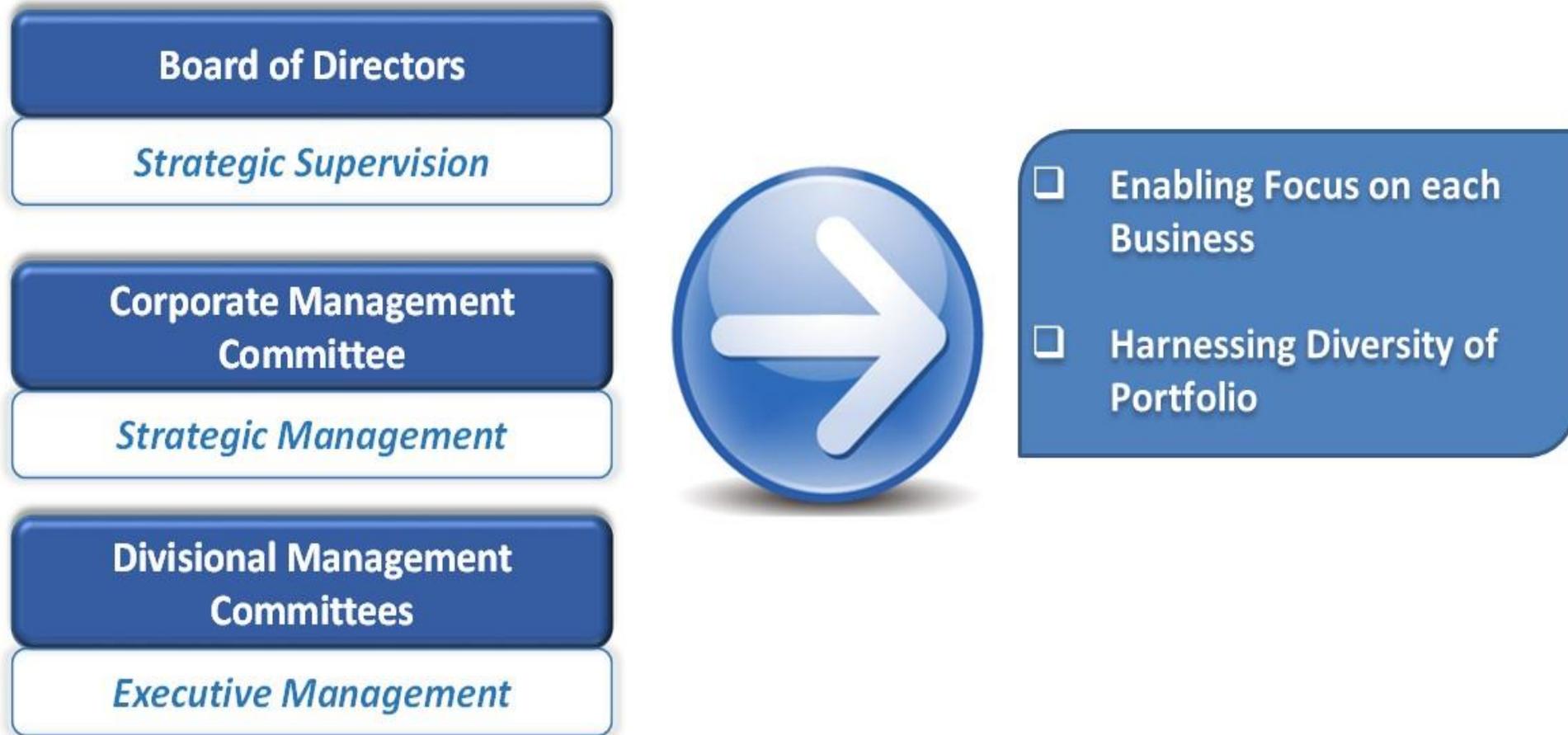
- **Make a significant and growing contribution towards :**
 - mitigating societal challenges
 - enhancing shareholder rewards

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



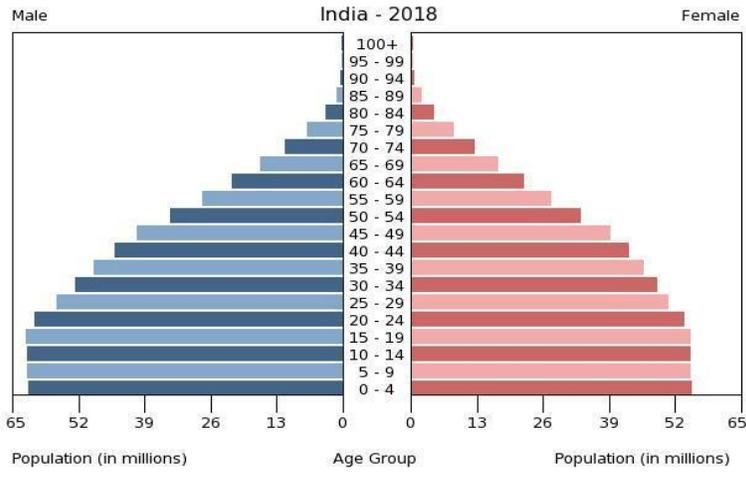
Paperboards, Paper & Packaging



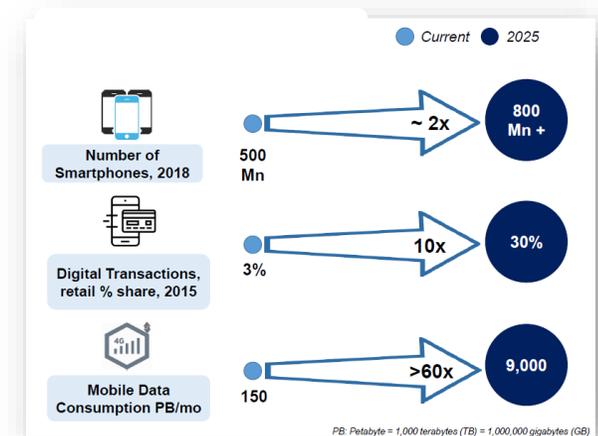
Agri Business



Structural Drivers of Growth - FMCG in India



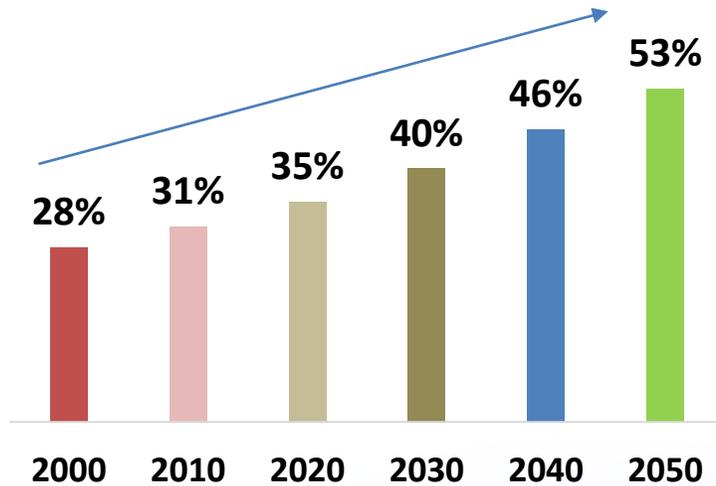
Type of household	Number of households in 2018 (in million)	Number of households 10-year compound annual growth rate (in %)	Average spend per household
Elite and above (₹20 lakh and above)	9	13	8.6
Affluent (₹10-20 lakh)	24	9	8.6
Aspirer (₹5-10 lakh)	57	6	8.5
Next billion (₹1.5-5 lakh)	129	2	8.5
Struggler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



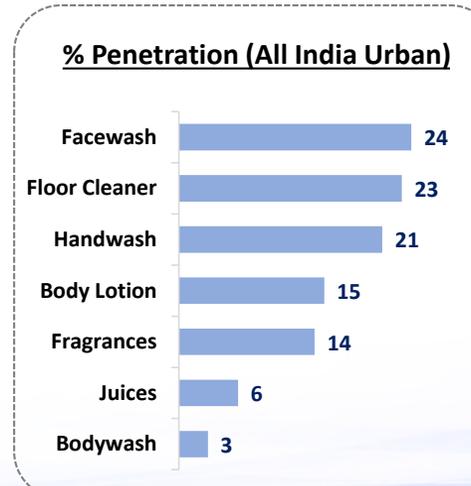
Median age among the lowest in the world

Increasing affluence

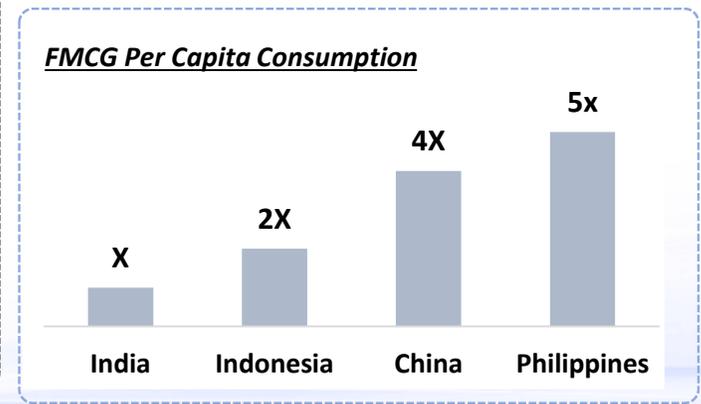
Digital explosion

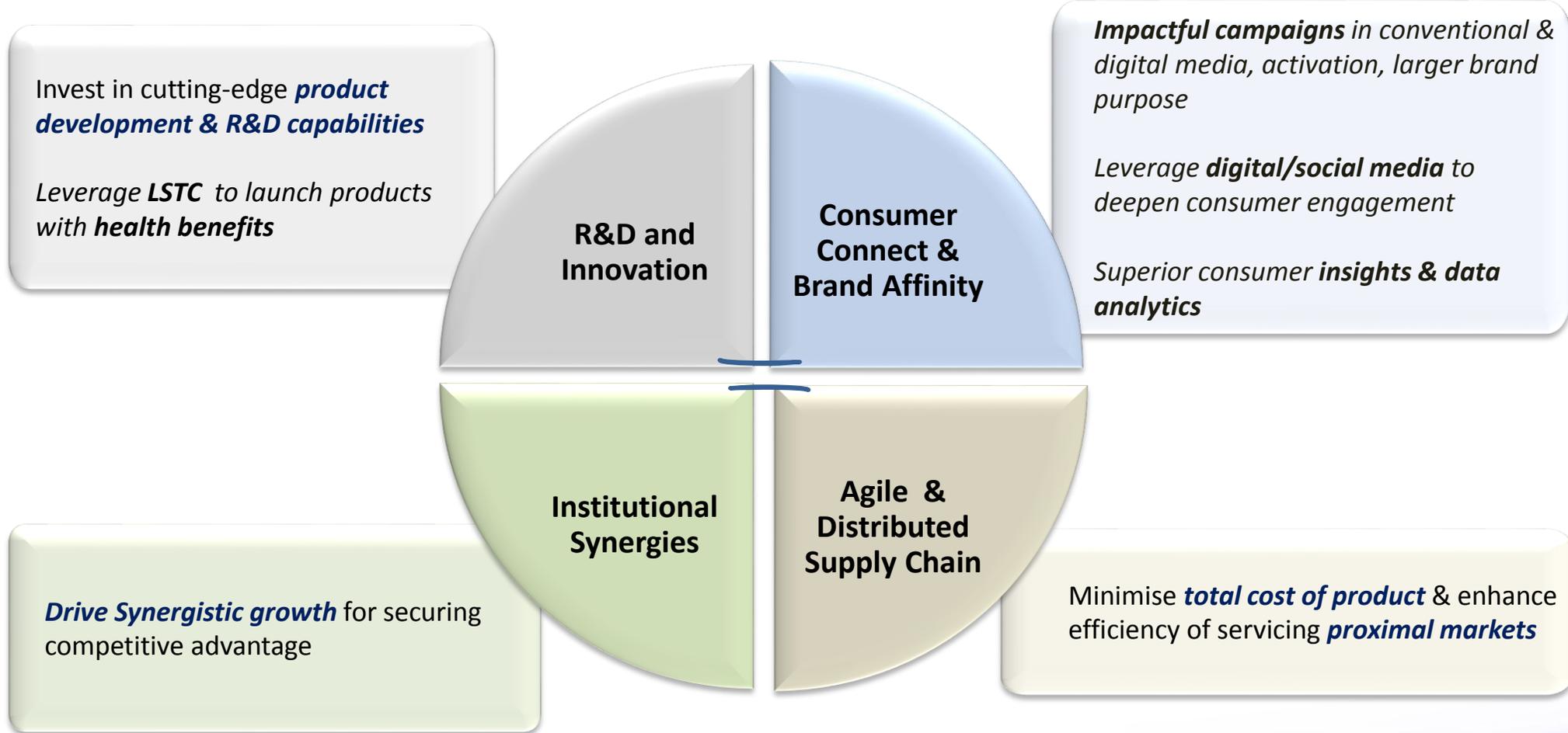


Rapidly urbanising population



Low penetration and per capita usage





Enhance scale in existing categories while simultaneously seeding new categories

Driving synergistic growth



Life Sciences & Technology Capability

Brand Building Capability



Deep & Wide Distribution Network



High Quality Consumer Engagement

Foods

Agri Sourcing Expertise

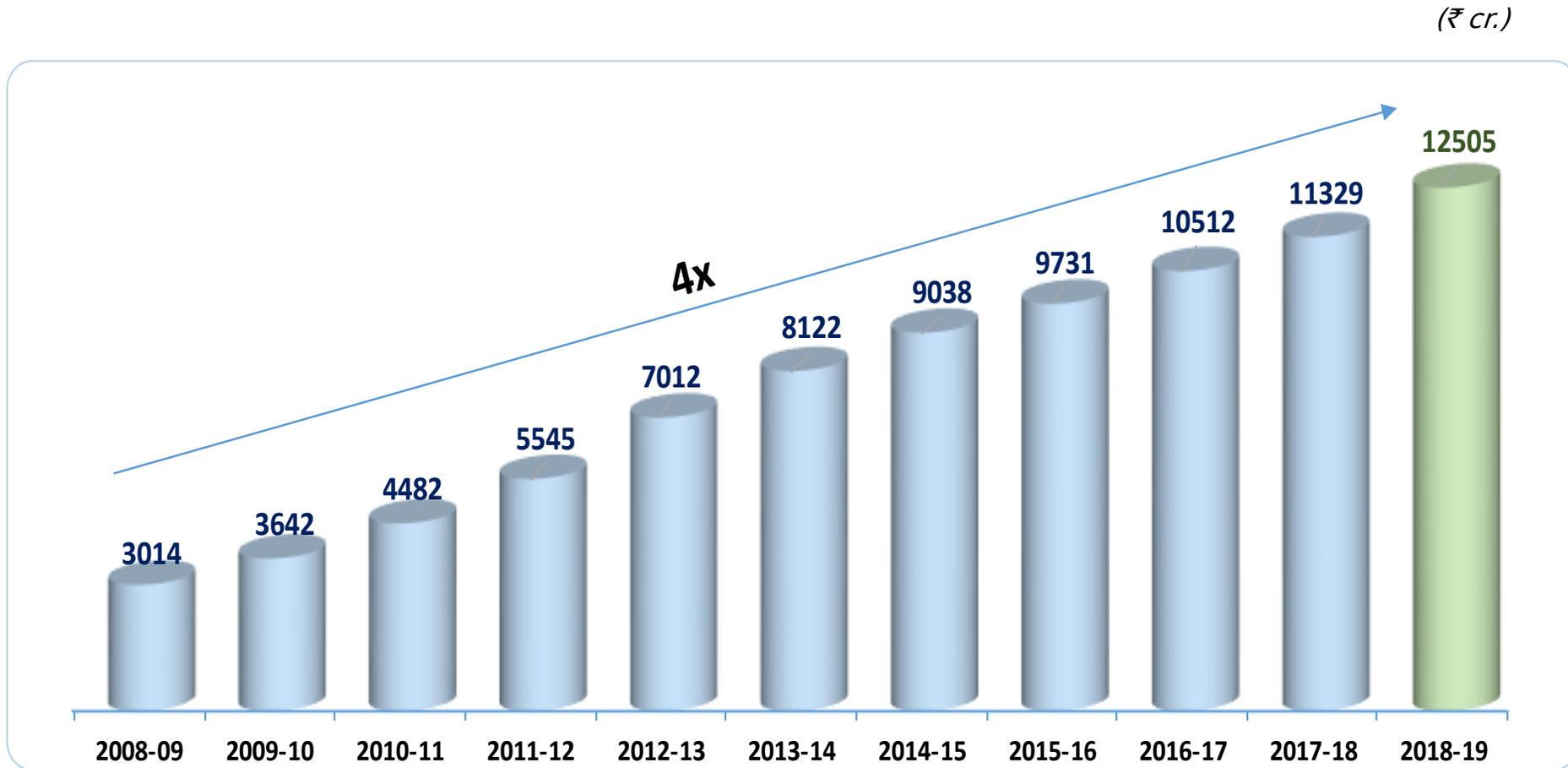


Cuisine Knowledge

Packaging Knowhow



Rapid scale up of FMCG businesses



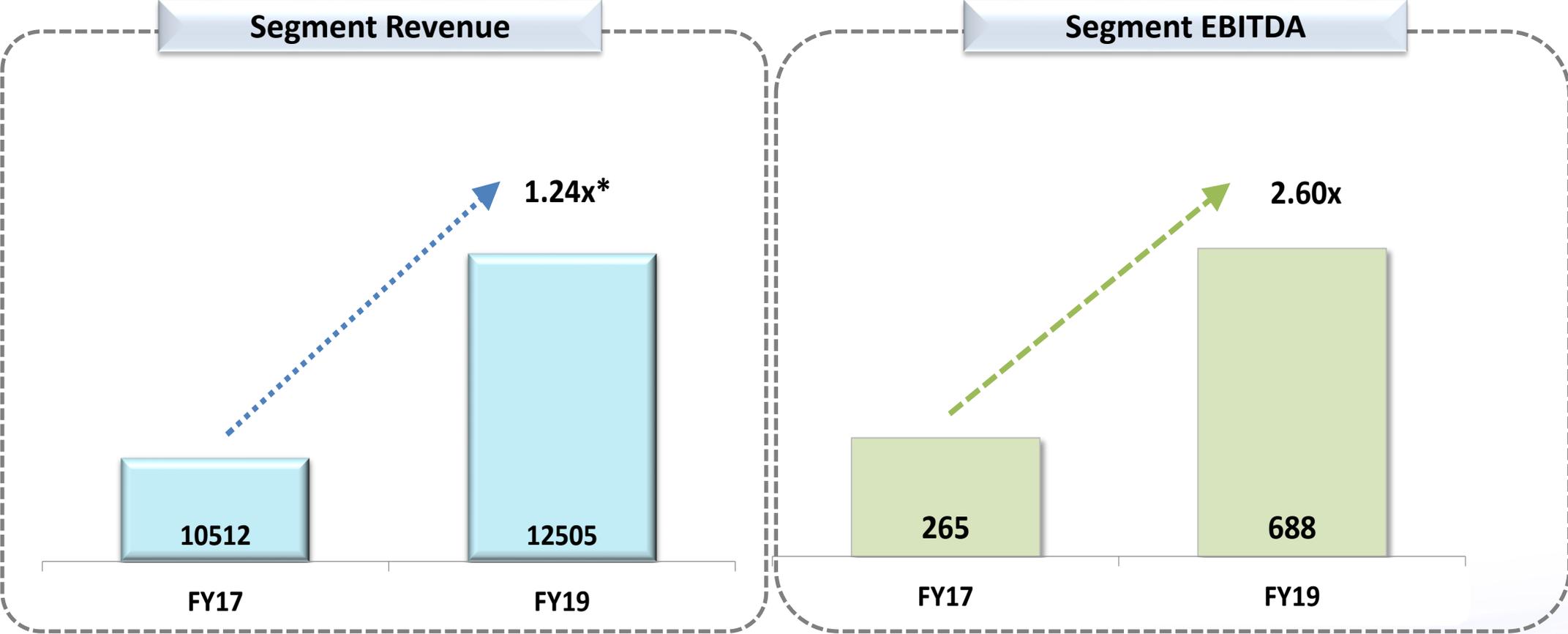
3rd Largest FMCG Player in India

One of the fastest growing Foods Businesses in India

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



(₹ cr.)

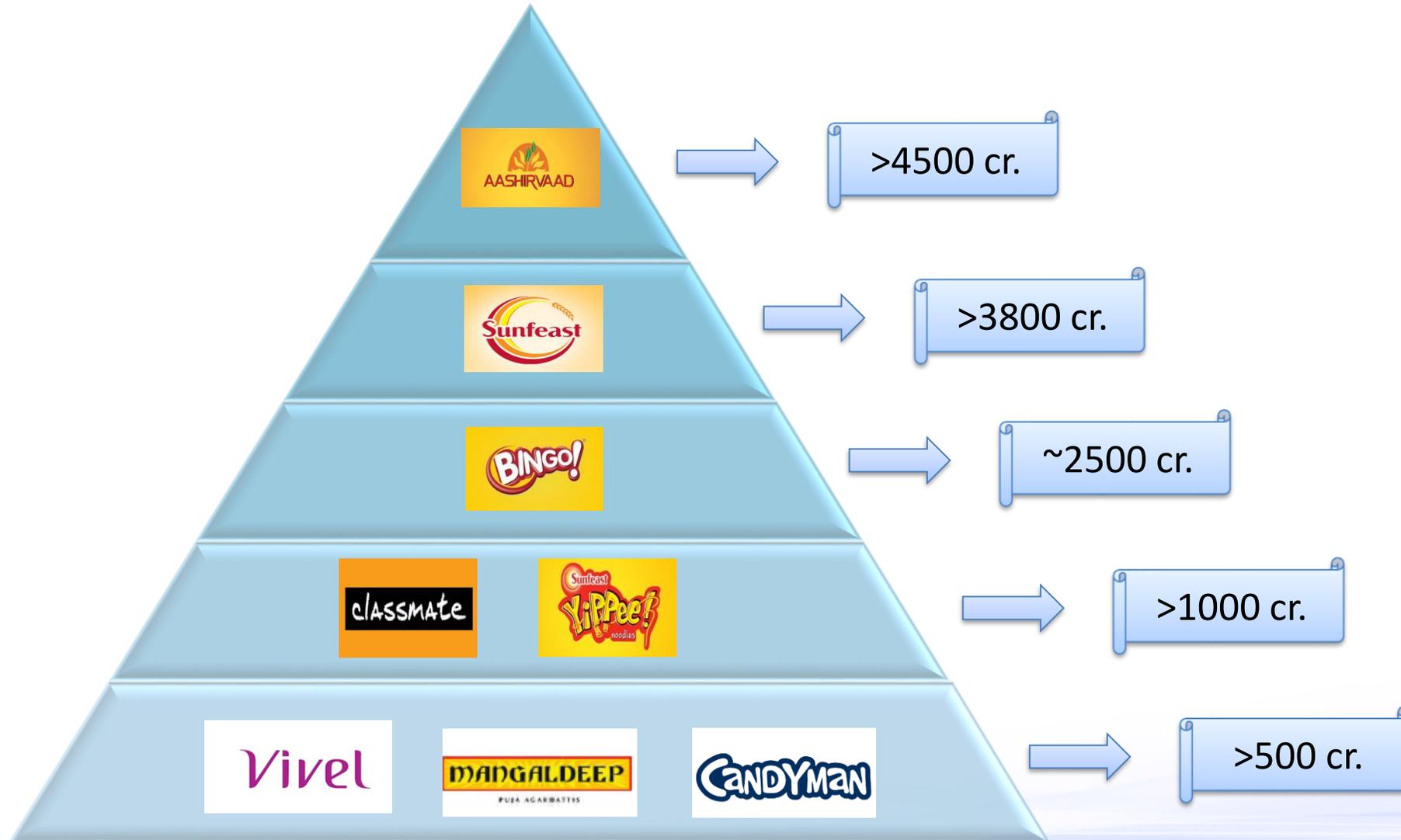


**On comparable basis*

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



PUJA AGARBATTIS

*#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



YiPee! WoW Chicken



Bingo! Red Chilli Bijli & Fiery Red Tomato



Mangaldeep Jathimalligai

Premiumising the Portfolio



Dark Fantasy Yumfills and Jellifills



Aashirvaad Select Atta



YIPpee! 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



YiPee! 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



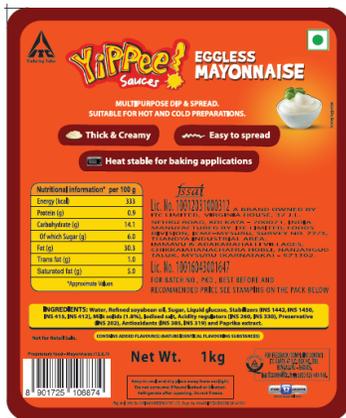
MT Growth @ 2x of General Trade

e-Commerce

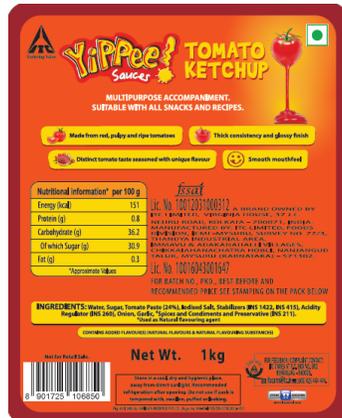


Explosive growth in e-Com in recent years – holds immense potential

Addressing the Food Services opportunity



Eggless Mayonnaise



Tomato Ketchup



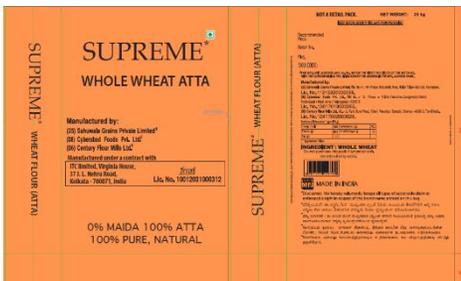
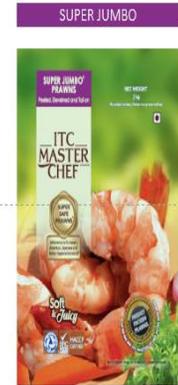
Green Chilli Sauce



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

Connect

Commerce

Innovative & Unique Recipes

Fostering Learning through Gamification & Augmented reality

Devotional Content

Brand Advocacy by employees



Dark Fantasy ChocoFills recipes



Aashirvaad Atta recipes



myClassmate



Mangaldeep



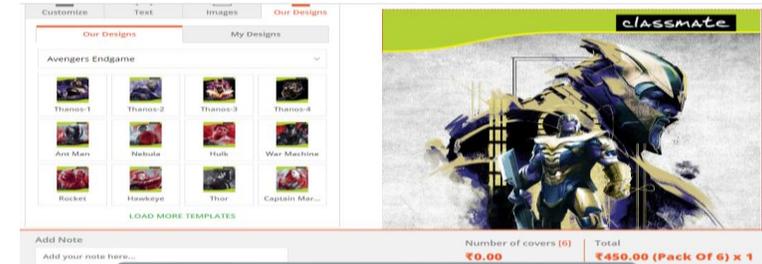
ITC IRIS



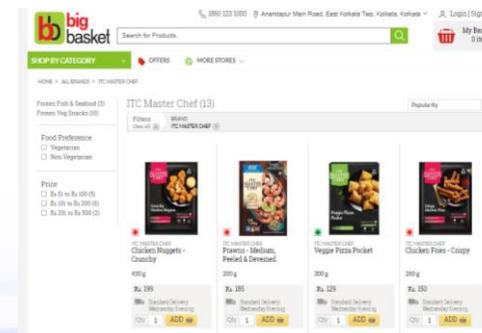
Digital Influencers



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

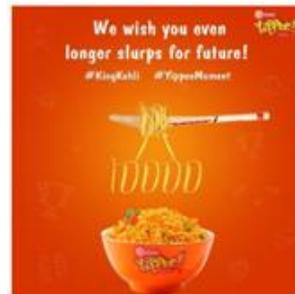
Analytics & Insights



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



Savlon Chalk Sticks
 BECOMES THE MOST AWARDED INDIAN CAMPAIGN
 AT CANNES LIONS 2017

Savlon Healthy Hands Chalk Sticks campaign which was carried out to induce the habit of washing hands in school children won the hearts of jury across various categories at Cannes Lions 2017. It won 2 Gold, 1 Silver and 3 Bronze in advertising lions. Additionally it was also awarded with a Bronze in Health Lions and 3 shortlist in various disciplines. This makes it one of the top performing campaigns from India in Cannes Lions history.

GOLD LION OUTDOOR	GOLD LION PR
SILVER LION DESIGN	BRONZE LION PR
BRONZE LION PROMO & ACTIVATION	BRONZE LION PUBLIC DESIGN
BRONZE LION HEALTH	

Savlon HEALTHY HANDS Chalk Sticks

Ranked #2 worldwide in WARC Effective 100

The WARC Effective 100 tracks the performance of campaigns, brands and agencies in advertising effectiveness competitions around the world. The rankings are a benchmark that allow marketers to compare their performance with their peers.

WARC just ranked the Savlon Healthy Chalk Sticks campaign as the 2nd most effective campaign of 2018, all over the world!

The campaign that was launched to put children's health in their own hands thus continues to put awards in our hands.

Grand Prix for Creative Effectiveness (Cannes 2018)



Won 7 Cannes Lions (2017)

Ranked Second most effective campaign in 2018 globally by WARC.



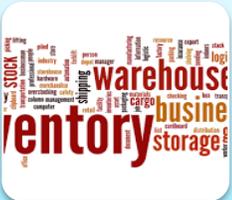
Develop centers of manufacturing excellence - safety, quality, cost, people capability, process



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



350 highly qualified scientists; 836 patent applications

Partnering with Global R&D centers and Academia

LSTC

Pilot Plants for all product categories

State of the Art Analytics Labs

Planning

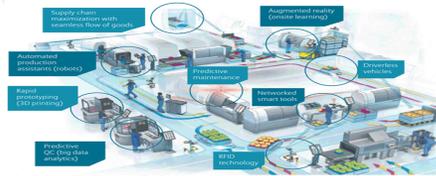
Manufacturing & Operations

Distribution

Sales & Marketing

Demand Forecast
Supply Planning
Inventory Planning
S&OP Planning

Smart Manufacturing



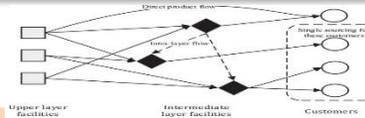
Smart Utilities



Dealer Management System



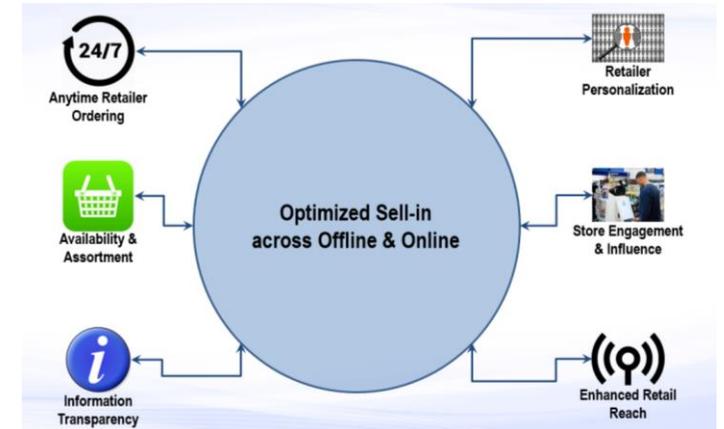
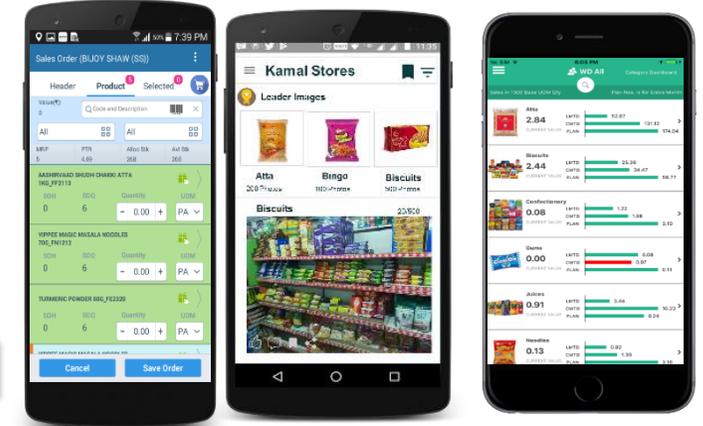
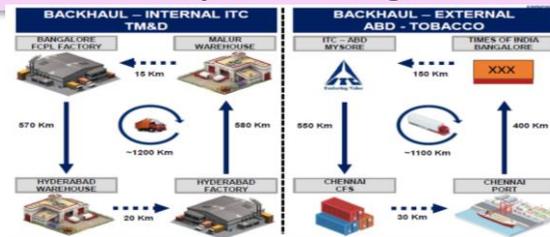
Network Design & Optimization



Warehousing



Transportation Mgmt.



Robotics Process Automation (RPA) & Data Analytics

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

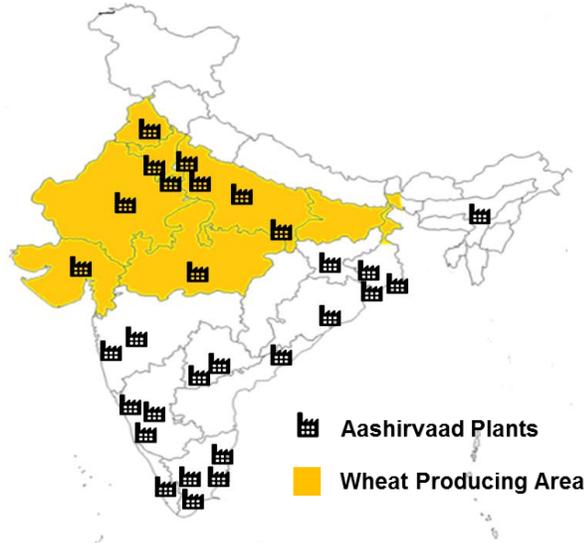
Sourcing of high quality milk through farmer connect, deployment of milk chillers



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



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



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



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

Wasteland Conversion



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)



Copyright ITC Limited



Copyright ITC Limited



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