

## Nestlé India Limited

(CIN : L15202DL1959PLC003786)

Nestlé House

Jacaranda Marg, 'M' Block, DLF City, Phase – II

Gurugram – 122002, Haryana

Phone 0124 - 3940000

E-mail: investor@in.nestle.com

Website www.nestle.in



**PKR:SG: 72:23**

**25<sup>th</sup> October 2023**

### **BSE Limited**

Phiroze Jeejeebhoy Towers,

Dalal Street, Fort,

Mumbai – 400001

BSE Scrip Code: 500790

### **National Stock Exchange of India Limited**

Exchange Plaza, Plot No. C/1,

G Block, Bandra-Kurla Complex,

Bandra (East), Mumbai - 400 051

NSE Symbol: NESTLEIND

**Subject: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”): Presentation for analysts and institutional investors meet on the unaudited financial results and business performance for the period ended 30<sup>th</sup> September 2023**

Dear Madam/ Sir,

Further to our letter PKR:SG: 66:23 dated 10<sup>th</sup> October 2023 intimating about analysts and institutional investors meet on unaudited financial results and business performance of the Company for the period ended 30<sup>th</sup> September 2023, and in terms of the requirement of Regulation 30 read with Part A of Schedule III of the Listing Regulations, please find enclosed herewith the presentation to be made at the analysts and institutional investors meet scheduled to be held today at 3:30 P.M. (IST) and the same is also being uploaded on the website of the Company. As prescribed under the Listing Regulations, the recording and transcript of the aforesaid Meet will be uploaded on the website of the Company at www.nestle.in and will be intimated to the Stock Exchanges in due course.

This is for your information and record.

Thanking you,

Yours truly,

**NESTLÉ INDIA LIMITED**

**PRAMOD KUMAR RAI**

**COMPANY SECRETARY AND COMPLIANCE OFFICER**

Encl.: *as above*



Nestlé Good food, Good life

# Growing Together Consistently Today and Tomorrow

Analyst and Institutional Investors Meet, October 25, 2023

Mr. Suresh Narayanan, Chairman and Managing Director, Nestlé India



# Disclaimer

- Except for the historical financial information contained herein, this presentation may contain statements which reflect Management's current views and estimates and could be construed as forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements, which holds only as of the date.
- The future involves uncertainties and risks that could cause actual results to differ materially from the current views being expressed.
- Potential uncertainties and risks include but are not limited to factors such as changes in general economic, political or market conditions, commodities and currency fluctuations, competitive product and pricing pressures, industrial relations and regulatory developments.
- Significant disruptions in the operations due to unforeseen events (including spread of any disease)
- Volume and Mix and Organic Growth (OG) are basis Nestlé Internal Reporting Standards.
- Figures are regrouped / reclassified to make them comparable.
- Calculations are based on non-rounded figures.
- 'Analytical data' are best estimates to facilitate understanding of business and NOT meant to reconcile reported figures.
- Answers to Questions may be given basis generally available information in public domain.
- No person is authorized to give any information or to make any representation not contained in and not consistent with this presentation and, if given or made, such information or presentation must not be relied upon as having been authorized by or on behalf of Nestlé India Limited
- Current year and previous year numbers have been restated to include the financials of acquired Pet Food Business as per requirements of Ind AS 103 – Business Combinations under Common Control

# Today we will discuss

-  Looking back – 2018 – **What we promised and what we delivered**
-  Emerging, exciting, aspiring India – **Rise of the new consumer cohort**
-  Our heartbeat 5 P's – **Purpose, People, Planet, Partnerships and Performance**
-  Key takeaways



# Looking back – 2018

Innovation  
at the core –  
Improvise but act!



Manage for "market share" -Our  
growth >  
category growth



Key efficiency  
enhancement through  
Nestlé Business Excellence



People, passion,  
progress  
our way of life



Speed, sharpness,  
sustainability



Growth dimension-  
Thrive not survive



Clusters, micro targeting,  
resourcing for action

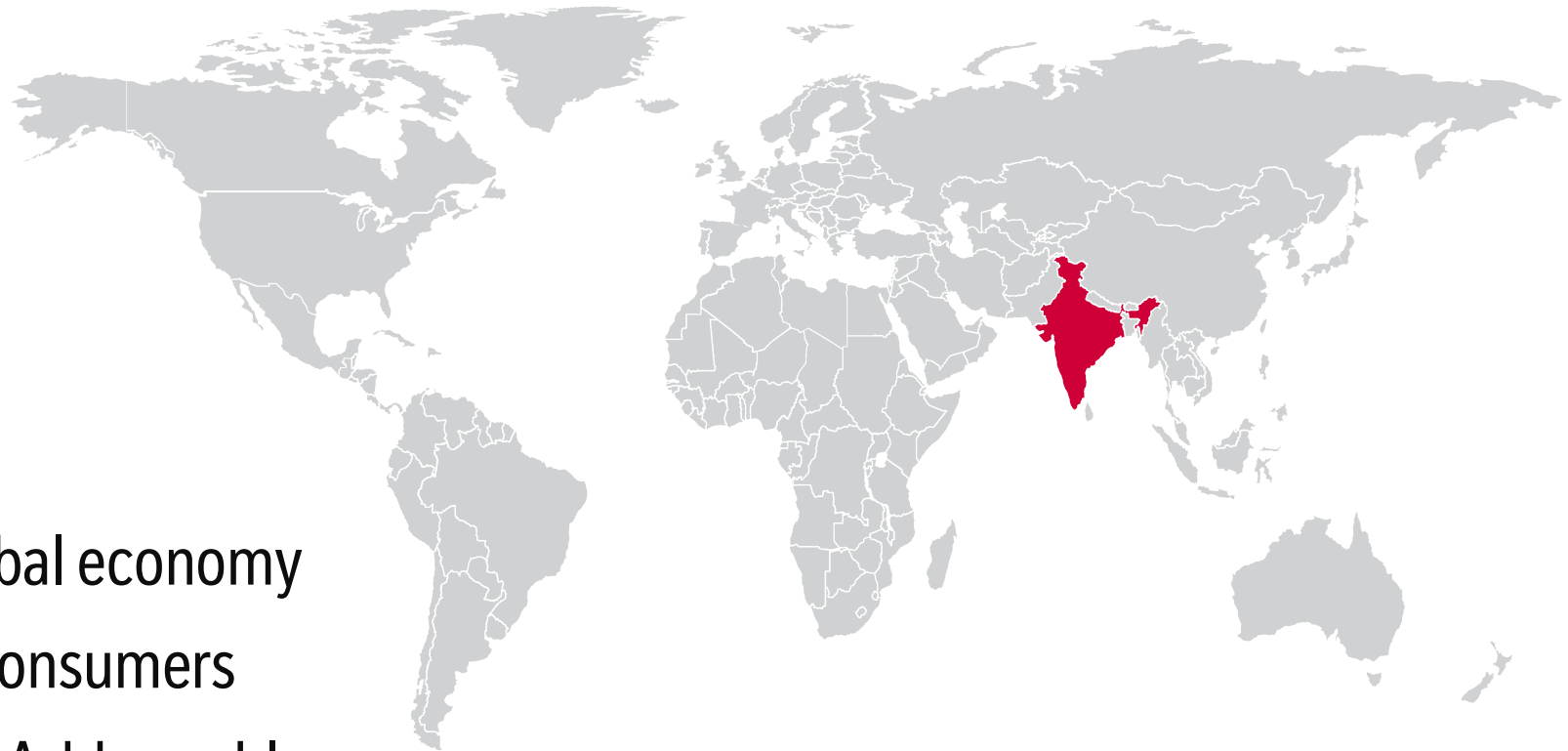


Action engagement with the  
environment and issues

Emerging, exciting,  
aspiring India  
**Rise of the new  
consumer cohort**



# Unlocking India – **from promise to potential**



**5<sup>th</sup>** Largest global economy

**1.4 Billion** Consumers

**487 Million** Addressable consumers

# Rising middle class and **consumption driven growth**

Poised for higher growth:  
Digital India revolution is  
on a sound footing

**Business Standard**



**Digital India**  
Power To Empower

WORLD ECONOMIC FORUM  
COMMITTED TO IMPROVING THE STATE OF THE WORLD

Insight Report

**Future of Consumption  
in Fast-Growth Consumer Markets:  
INDIA**

A report by the World Economic Forum's System Initiative on Shaping the Future of Consumption  
Prepared in collaboration with Bain & Company

January 2016



McKinsey Global Institute



**The 'bird of Gold': The rise of  
India's consumer market**

**McKinsey & Company**

The rise of India's neo middle class



**min** **BCG**

How India's new consumers can contribute  
to a \$6 trillion opportunity



**BAIN & COMPANY**



# Rise of **new India**

## Digital rise

**1.2 Bio**  
Mobile users



**20 GB** Per capita data  
consumption per month



## Infrastructural rise

**29 Kms** Road  
built per day



**100 %** Rural electrification



## Consumer rise

**470 Mio** Gen Z  
population



**10 Bio** Monthly  
UPI transactions



## Entrepreneurial rise

**3rd** Highest unicorns  
(Nos- 108)



**85 Bio** Annual FDI  
inflow (USD)



# The "and" truth about India



## Urban

**35%** population



## Rural

**65%** population



## Penetration

Monthly category penetration ~ **10-50%**



## Consumption

Per capita packaged food  
China **4.2x**, Philippines **3.3x**



## Premium

**30%** Premium segment in nutrition



## Affordable

**72%** Macro snacks <Rs.10



## Connected

**1.2** billion mobile users  
**750** million internet users



## Traditional

**892** million TV viewers

# Lifestyle trends – brands, millennials and GenZ

Natural,  
fresh, sustainable

**90 Mio**

Health-conscious  
individuals

Source: Redseer  
Consulting, Kantar

Reelization

**22% more  
engagement**

Instagram reels gets more  
engagement than other  
Instagram posts

Source: Instagram Global  
Report 2023

Experiences,  
Identity,  
personalization

**70%**

Seeking personalized  
services/ products

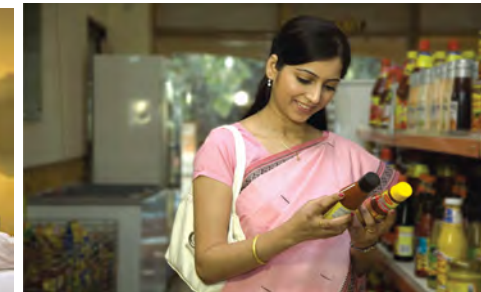
Source: IPSOS Trends

Experimentation

**43%**

Urban households  
are open to experiment  
with new categories

Source: Kantar Worldpanel



# Lifestyle trends – brands, millennials and GenZ

**Trust  
importance**

**59%**

Trust on brand is an important factor

Source: Kantar 2022 research

**Mindful  
indulgence**

**68%**

Taste – the most important driver

Source: Ipsos Snacking Growth Drivers

**Snacking  
and variety**

**7/10**

Snack more than pre-covid

Source: Mondelez Snacking report India

**Health and  
wellness, hygiene**

**78%**

Consider themselves as more conscious eaters now

Source: IPSOS Isobar India Survey



Our Purpose  
**Unlocking the power  
of food to enhance  
quality of life for  
everyone, today and  
for generations to  
come**

Analyst and Institutional Investor Meet, October 2023



Our heartbeat -the 5 Ps  
**Purpose, People,  
Planet, Partnerships,  
Performance**



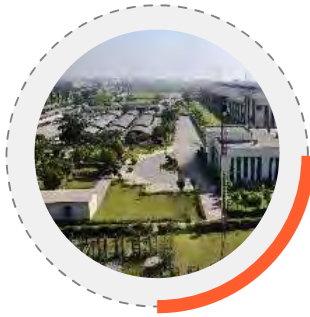
Analyst and Institutional Investor Meet, October 2023

# Our roadmap – **focus and growth**



# Nestlé's **India story**

Legacy of **110+ years**  
of safe, quality nutrition



India **one of the fastest**  
growing markets for Nestlé



**8,000+**  
Employees



**194,000+**  
Shareholders



**10th Factory**  
to be set up in Odisha



**10,000 +**  
Distributors & redistributors



**5.2 + million outlets**  
Total reach



**108%**  
Return on equity



**10 million+ beneficiaries**  
Societal initiatives



# Our brand footprint in India

12 Billion cups

5 Billion serves

3,300 Million fingers

29 Million tins

700+ One Nestlé Kiosks  
12+ Million footfalls



12 Billion packs reaching homes. Serving families. Touching lives.

# Bringing **purpose** to life through powerful brands



World class safety and quality guaranteed

~ **125** new products launched in last 7 years, contributing to **6%** of sales

**10** new projects in the pipeline

# Bringing **purpose to life** by recalibrating innovations



Integrating millets into our products to enhance quality of life

**Good for you**  
High in fiber  
Lower in calories  
High on nutrients

**Good for farmers**  
Climate-smart crop  
More resistant to pests

**Good for environment**  
Requires less water  
Lesser carbon footprint

# Bringing **purpose to life through social impact**



Touching **10 Mio** lives

**25 states and union territories** in India

- Nutrition awareness
- Water, sanitation and hygiene
- Education
- Environment
- Rural development



**People**  
**The soul of our**  
**business**

Analyst and Institutional Investor Meet, October 2023

# Diversity as a force for good



## Diverse workforce

- 50% of the Board of Directors are women
- Multi-generational workforce
- Over 25% of the employees are women

## Empowered women - charting Nestlé's future

- Women are key part of the management, salesforce and factories
- Empowerment with safer and hygienic choices for women in the field
- Travel assistance for women in their third trimester and flexi working for returning mothers

## New parental leave policy

- 26 weeks leave for primary caregiver
- 4 weeks leave for secondary caregiver

# Sanand – **the bedrock of diversity**



**95%** of the workforce are less than 40 years of age

More than **60%** of the workforce are women

**12** people with disabilities work on the production line

# Sanand – a glimpse of our diversity

VIDEO



# Planet **Committed to a sustainable future**



# 4 facets of our **sustainability journey**



# Committed to **a sustainable future**



**6x** investments in  
Sustainability (2023 vs 2020)

**~60** people engaged on  
sustainability

Working with **10 direct  
and indirect partners**

# Our ambition - Making **sustainable choices**



**Coal free** manufacturing locations by mid 2024

**Fossil fuel free** manufacturing locations by mid 2025

Stubble briquettes to be used in Moga factory to **reduce stubble burning**

# Committed to **managing plastic responsibly**



EPR of **23,300** tonnes  
in 2022

All our brands are plastic  
neutral for past 3 years

Brand-led initiatives to address  
plastic waste

# Committed to **sustainable agriculture – dairy**



**~100,000** dairy farmers engaged

**~340 Mio** kilograms of milk collected last year

Multiple interventions to reduce GHGE in dairy value chain

# Committed to **sustainable agriculture**



# Committed to **sustainable agriculture – coffee**



Nescafé Plan celebrates **10+**  
**years**

**~5,000** coffee farmers  
engaged

**~55%** coffee procured  
sustainably



# Committed to **sustainable agriculture**

VIDEO

# Committed to **sustainable agriculture – spices**



**~1,250** spice farmers  
engaged across **8** states

**Focus on 3Ps** – People,  
Planet, Profitability

**~100%** traceability of  
cumin, coriander, chilly and  
turmeric

# Committed to **sustainable manufacturing**



GHG emissions **52%**↓

Water usage **51%**↓

Wastewater generation **38%**↓

Energy usage **36%**↓

\*For the period 2007-2022

# Committed to **sustainable logistics**



Increased use of railways from **0.2%** to **6%** in last 3 years

Better payload utilization from **90.3%** to **94%** in last 3 years

Introduction of LNG fleet reducing CO<sub>2</sub> emissions

Higher usage of CNG and electric vehicles

# Partnerships Growing together to go far



Analyst and Institutional Investor Meet, October 2023

# Growing together **our distributor network**



More than **2,000** distributors

**~470** Distributors with more than **10**  
**years of association**

**~360** Distributors with more than  
**20 years of association**

# Trustworthy partnerships **with our distributors**



**V.G.Rajamani Agencies**  
Coimbatore partnership of over  
60 years

**Turnover** growth from INR **3.6 Lakhs** to INR **40 Crore** per annum

Caters to more than **600 retail outlets**

# Nurturing relationships - our Swabhimaan network



More than **1,600 women**  
entrepreneurs

Generate business worth **INR**  
**80 Mio\***

Across **14** states

\* Till 30<sup>th</sup> Sept 2023



# Nurturing relationships – **RURBAN** story

## INSIDE NESTLE INDIA'S BHARAT TRAVELS

For decades, Nestle worked on building a portfolio of packaged food for urban consumers. That's changing.



More than **18,000 haat activities**

More than **16,000** Distribution touchpoints

Coverage across **7,405 towns**

# Strong long-term relationships – **our supplier network**



More than **4,500** suppliers

More than **3,000** suppliers with more than **10 years of association**

# Strong long-term relationships – **our supplier network**

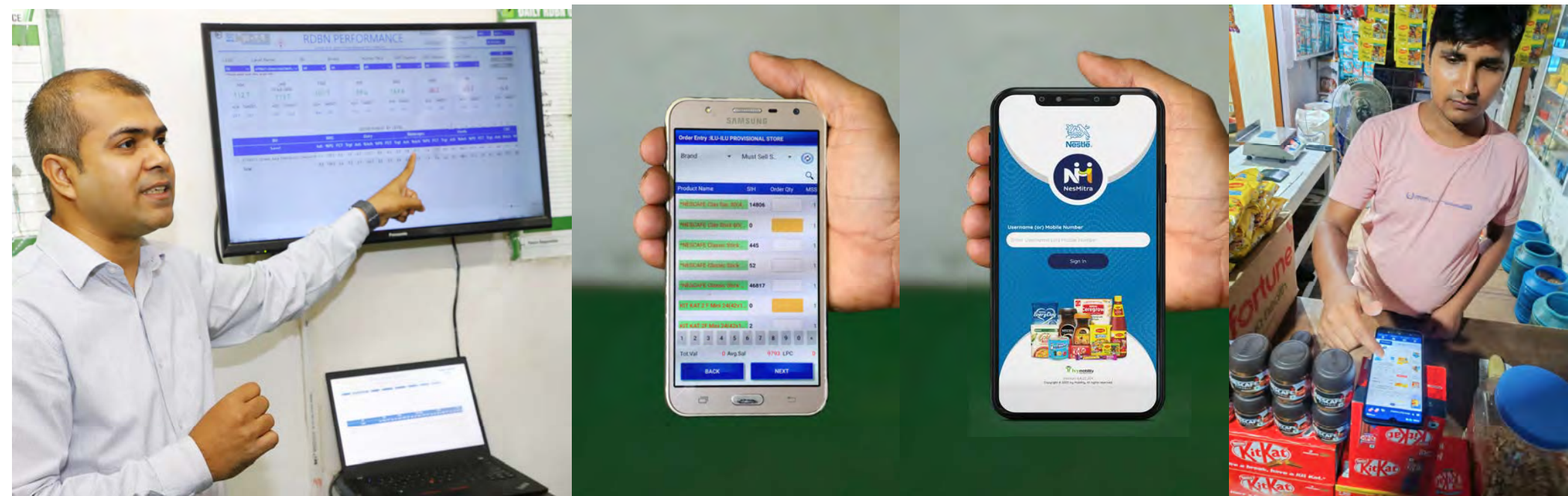


**Paras Spices Pvt. Ltd. – A**  
partnership of over **40 years**

**Turnover of INR 650**  
**crore** per annum

**Exporting to** USA, UK,  
Middle East, Sri Lanka and  
Bangladesh

# Integrating technology **to strengthen partnerships**



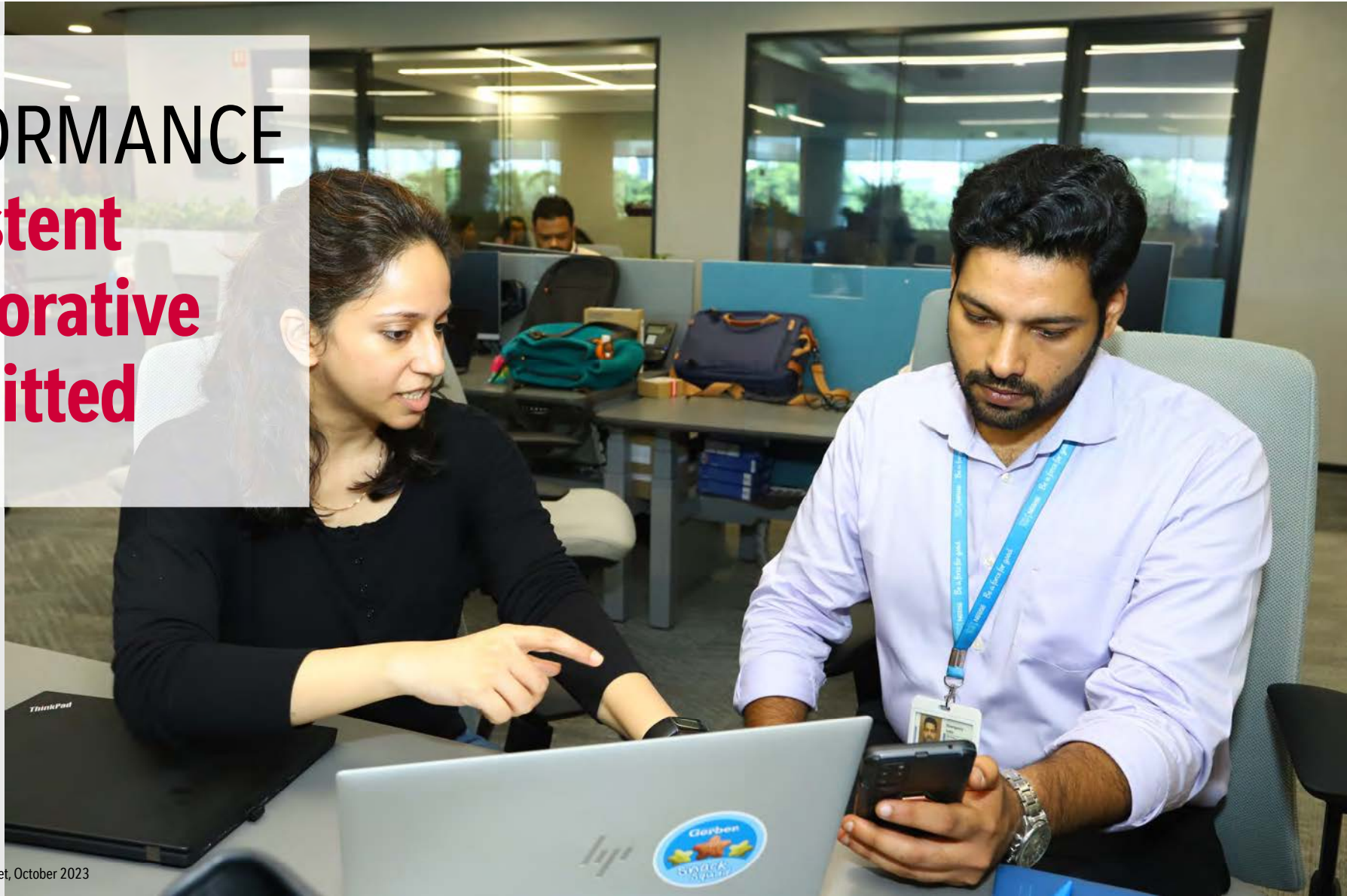
**Simplification and consolidation**

**Marketing and Consumer Insights**

**Nesmitra - Retailer self order application**

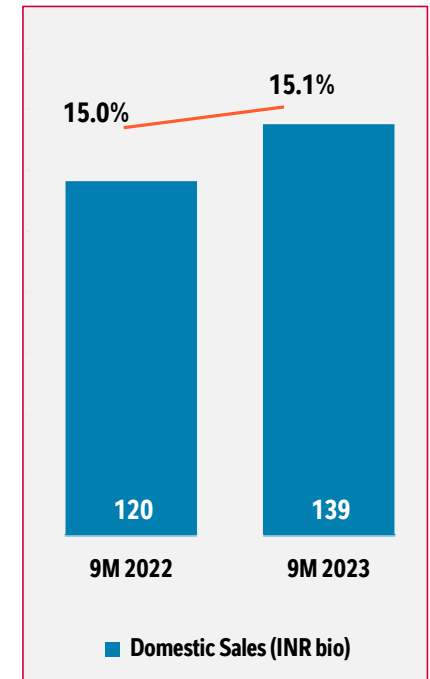
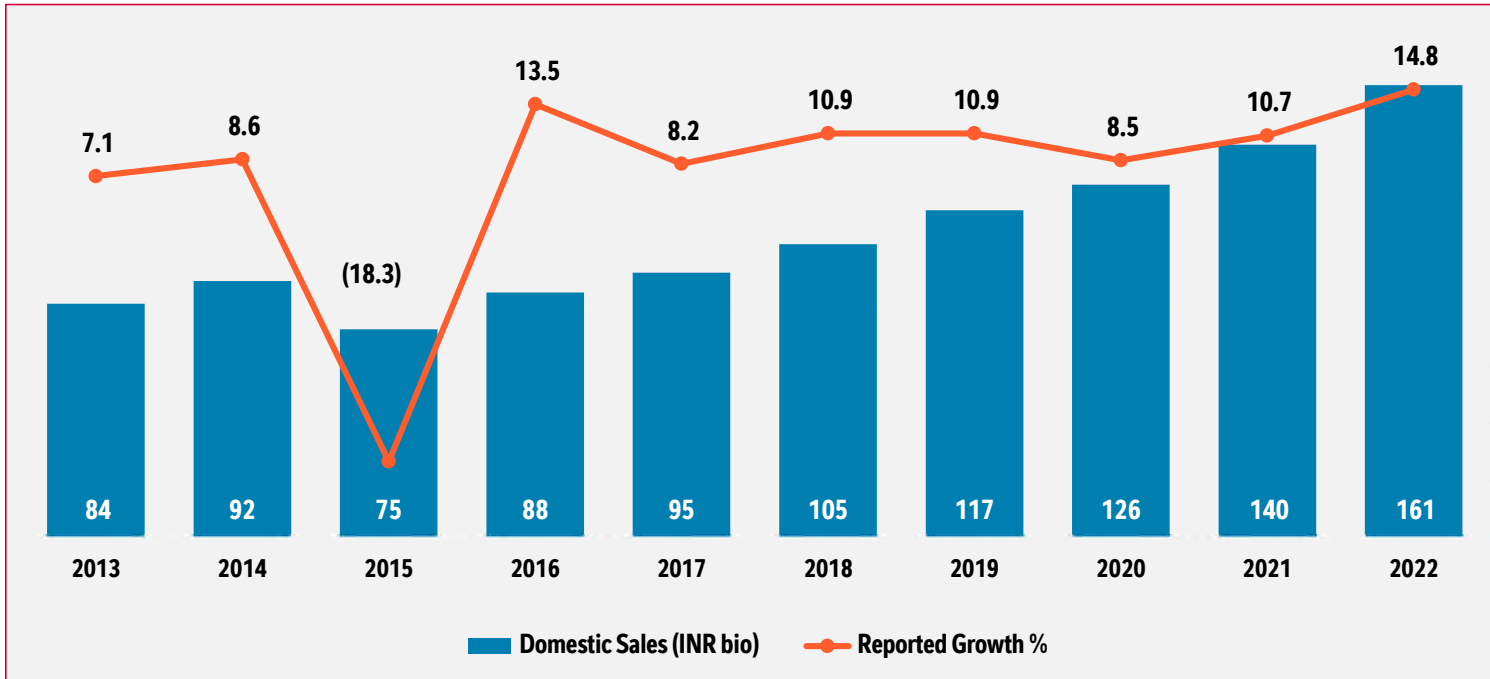
# PERFORMANCE

**Consistent**  
**Collaborative**  
**Committed**



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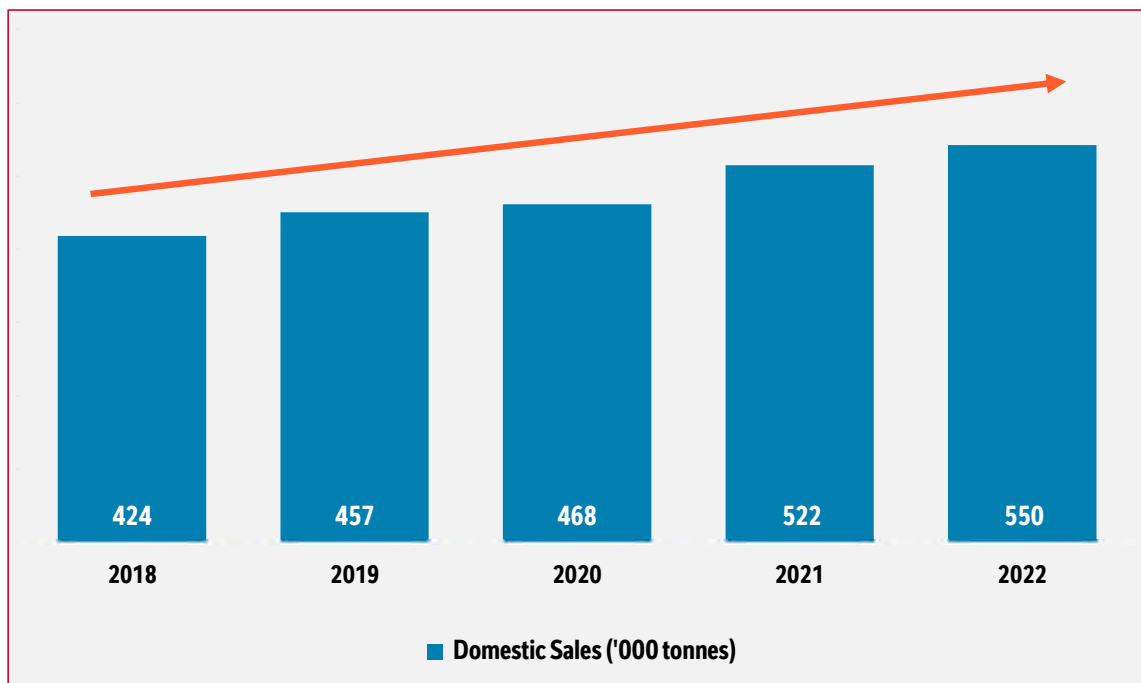
# 10 years of **strong domestic sales growth**



**\*2016 growth is restated due to IND-AS implementation**

**\*\*2015 Sales impacted due to MAGGI issue**

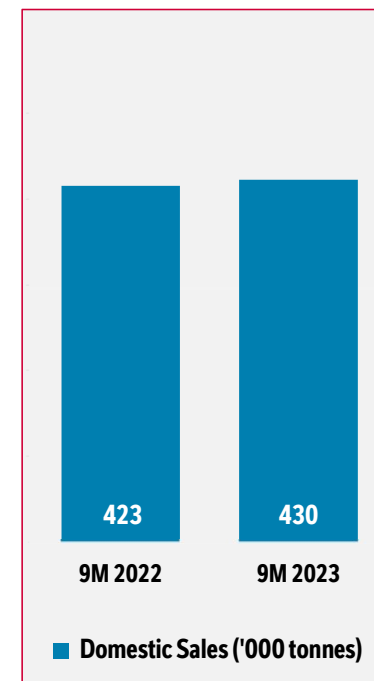
# Strong **volume growth**



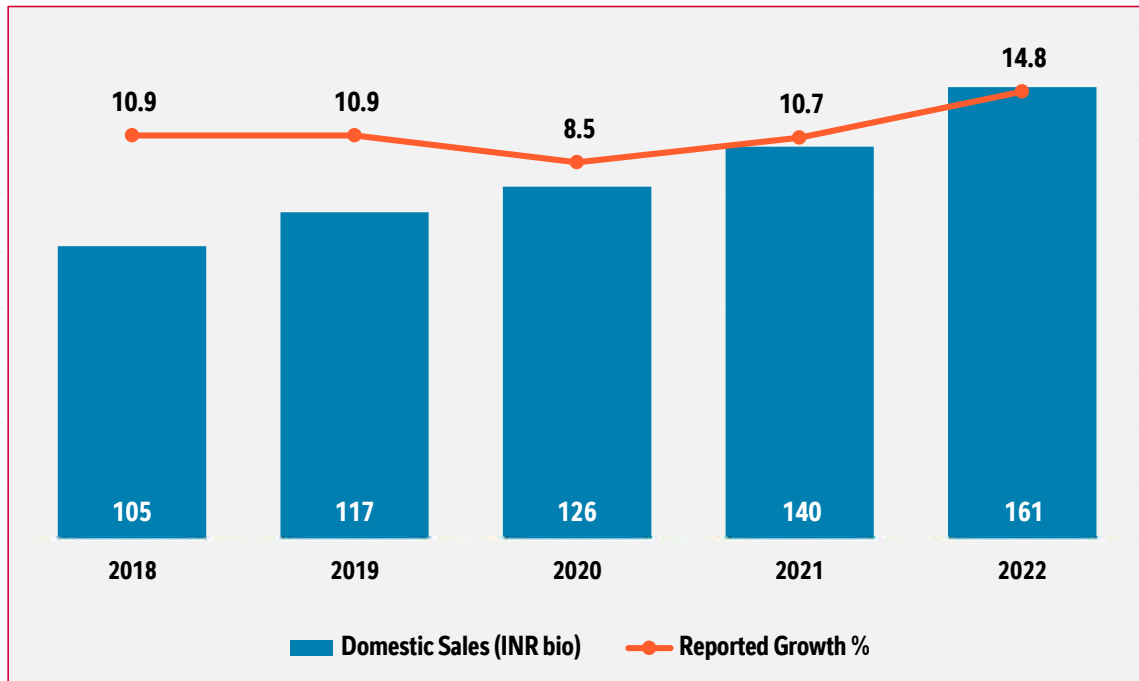
CAGR  
2018-22  

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6.7%



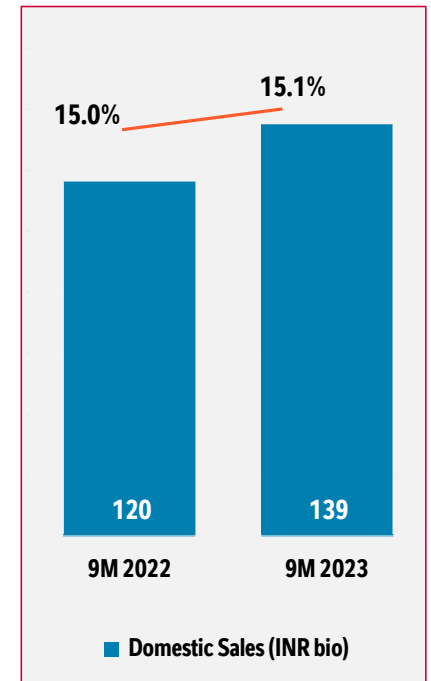
# Leading to sustained **value growth**



CAGR  
2018-22  

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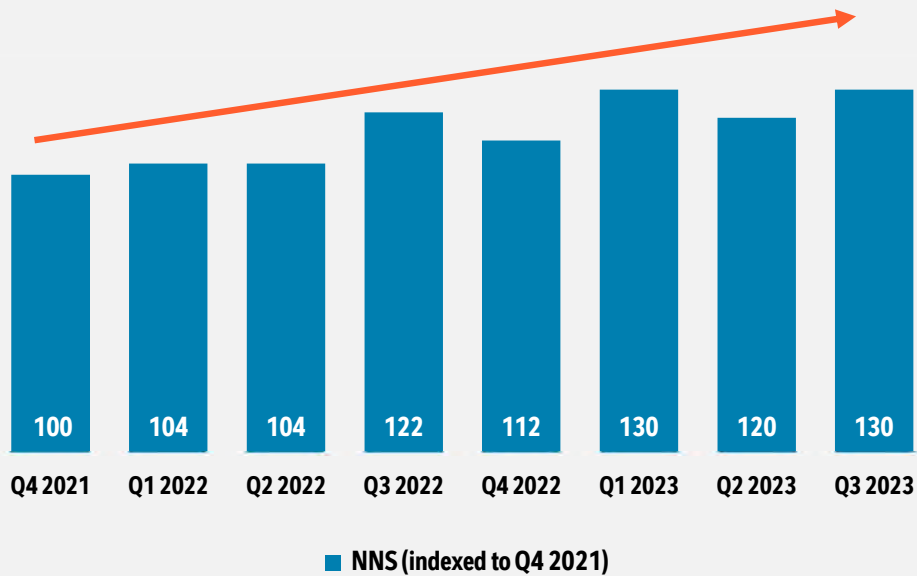
11.3%



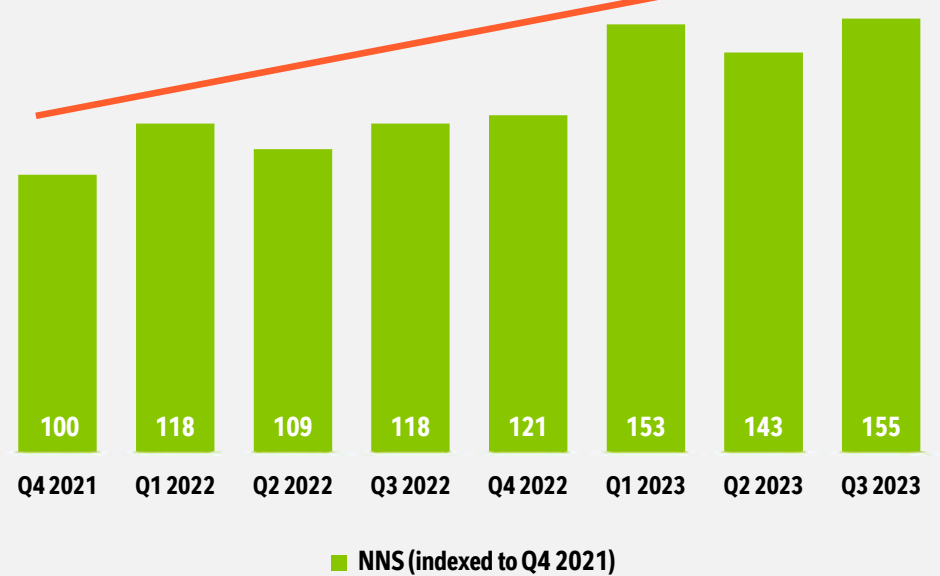


# Changing fortunes of Nestlé India

### Mega City



### Metro



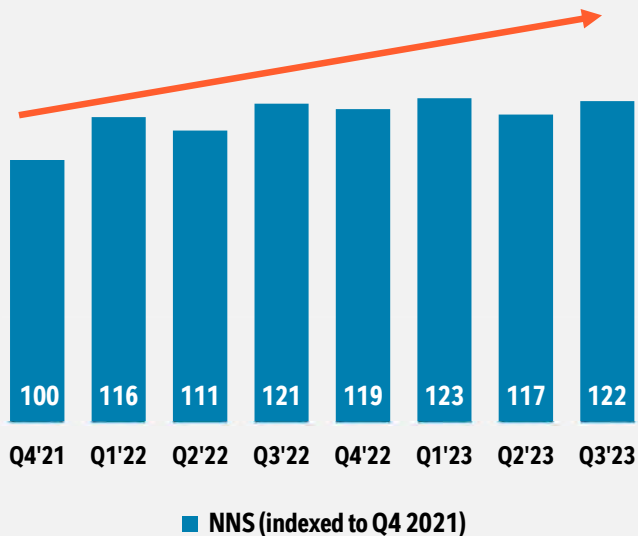
Trend growth in mega city and metros is positive

3 Year CAGR – **15.4%**

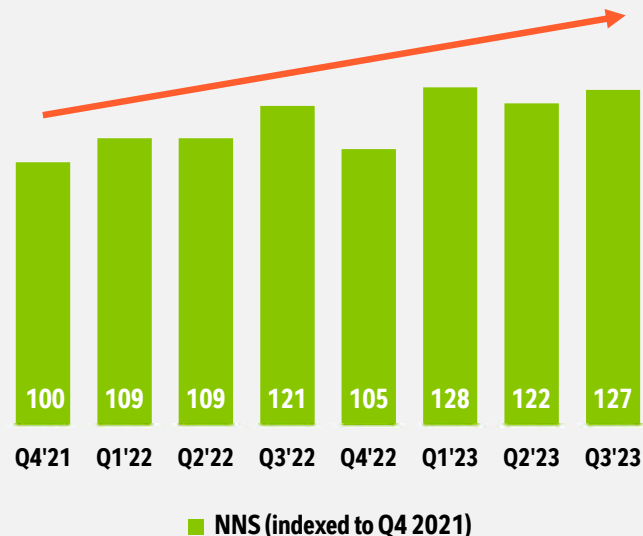
3 Year CAGR – **21.0%**

# Changing fortunes of Nestlé India

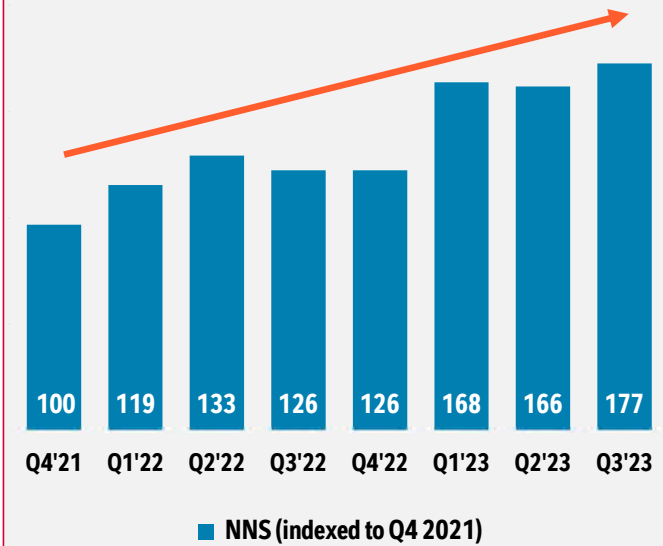
TC 1



TC 2-6



Villages



TC 1-6 growth creditable but impacted by inflation led pricing

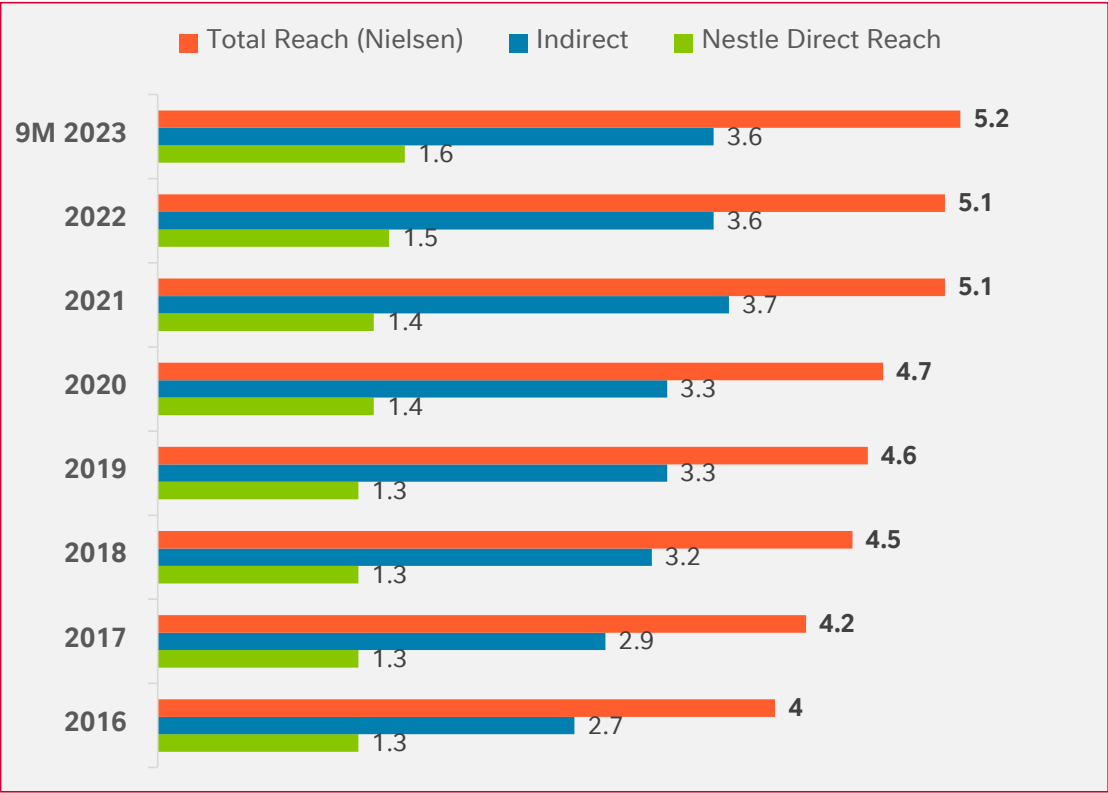
3 Year CAGR – **10.2%**

3 Year CAGR – **11.2%**

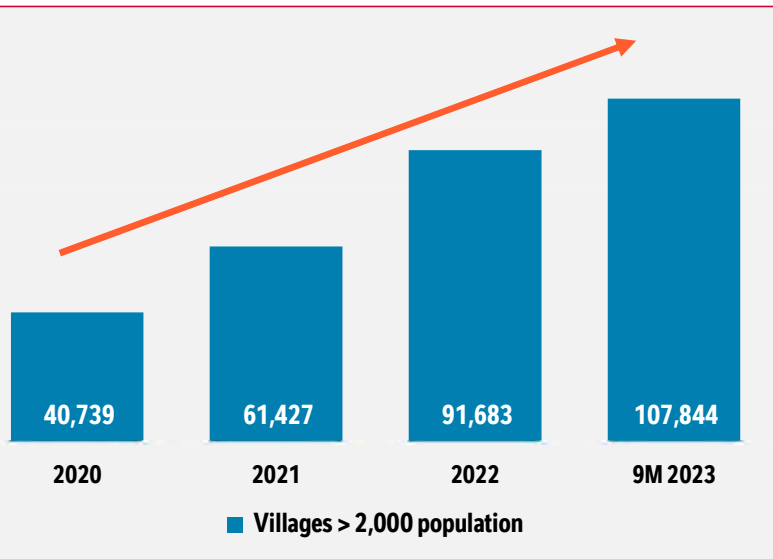
Secular and strong growth in rural India

3 Year CAGR – **26.6%**

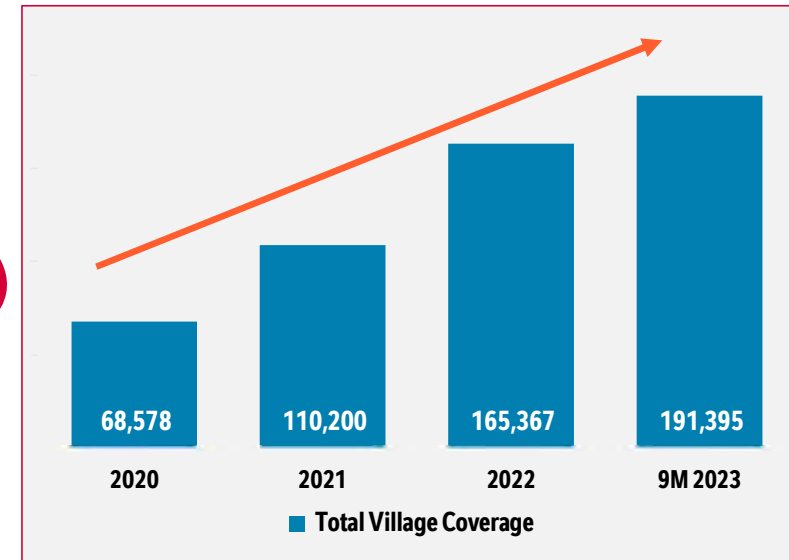
# Acceleration of our route to market – strengthening our distribution



# Deepening **Rural reach**

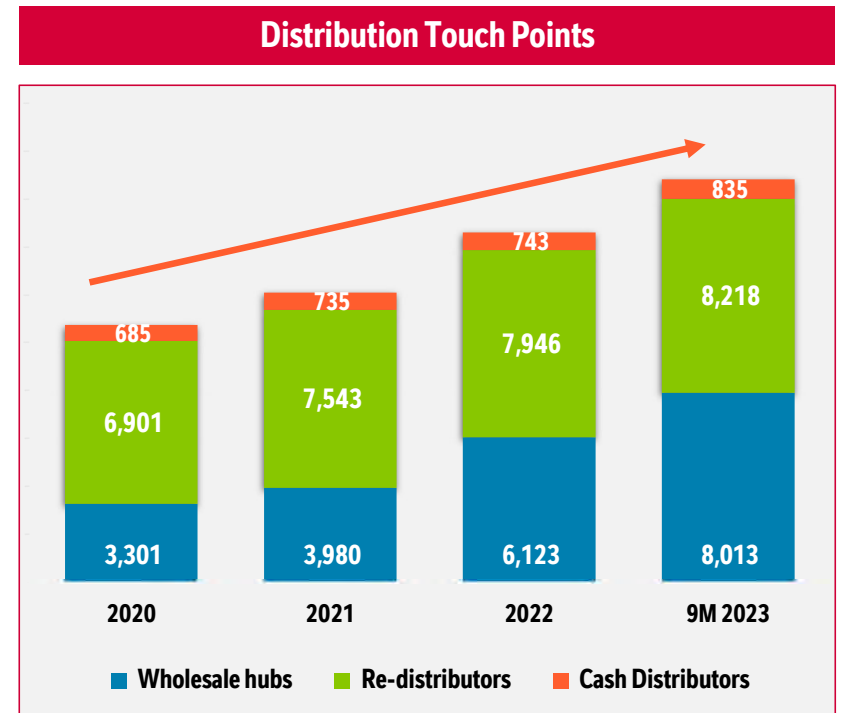


**Ambition  
120,000  
Villages by 2024  
(Population  
over 2,000)**



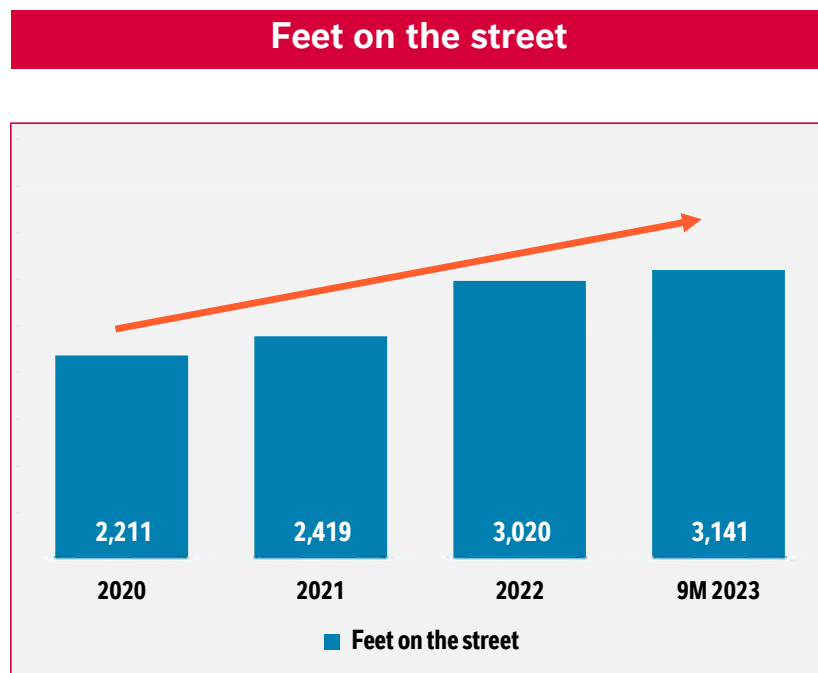
# Increased presence in **RURBAN**

## 1. Strengthened distribution infrastructure



# Increased feet on the street in **RURBAN**

## 2. Increased feet on the street

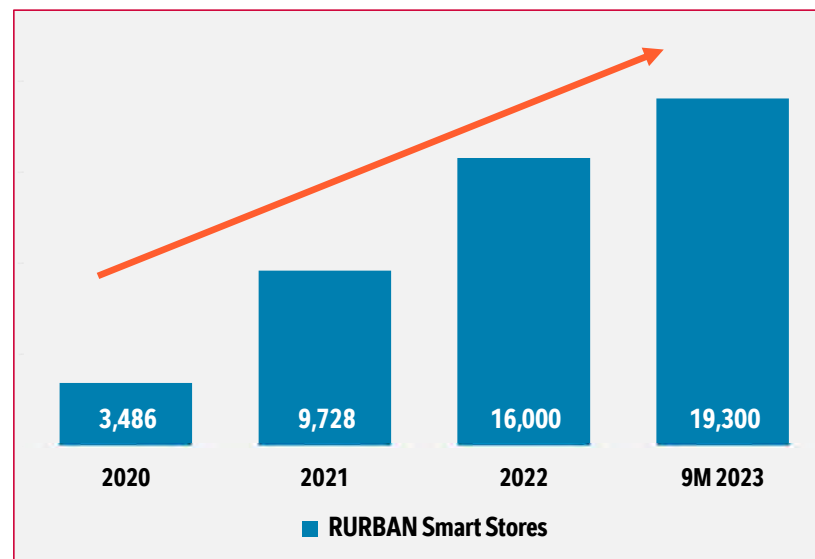


# Increased visibility in **RURBAN**

## 3. Increased in-shop visibility



### RURBAN Smart Stores

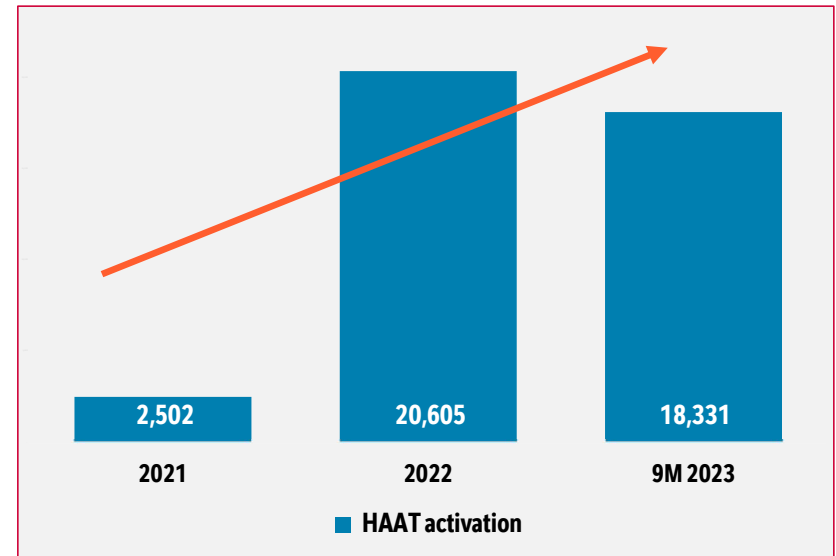


# Increased activation in **RURBAN**

## 4. Increased HAAT activation

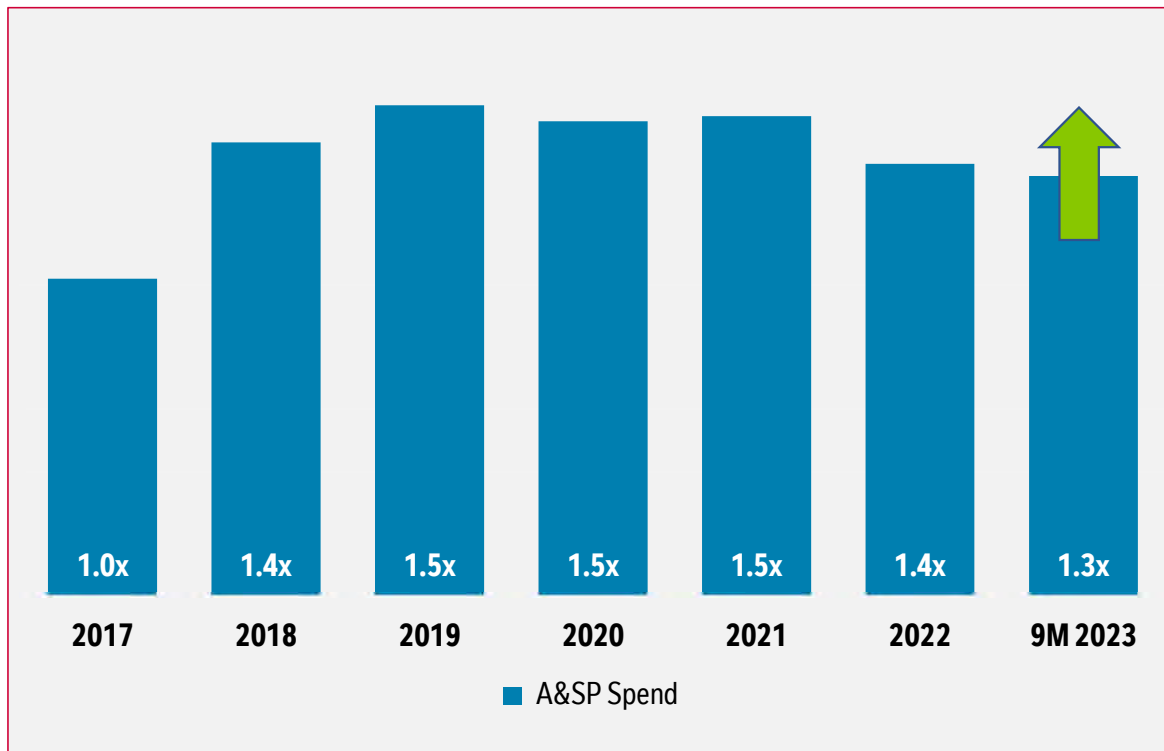


### HAAT Activity as Consumer Engagement





# Consistent **media support**



**Strong investment behind the growth-pillars**

**Improved efficiencies in buying media**

**Targeted communication leveraging consumer clusters**

**Accelerated digital spend**

**Investing in building brand equity vs short term promotion**

*Note: Year values have been indexed taking 2017 as the base*

# Domestic sales: **strong, double digit** across all product groups

## Milk Products And Nutrition



**40.5%**  
Contribution

**15.3%**  
Growth

## Prepared Dishes And Cooking Aids



**31.6%**  
Contribution

**10.7%**  
Growth

## Out of Home



**30%**  
Growth

## Confectionery



**16.8%**  
Contribution

**21.4%**  
Growth

## Powdered And Liquid Beverages



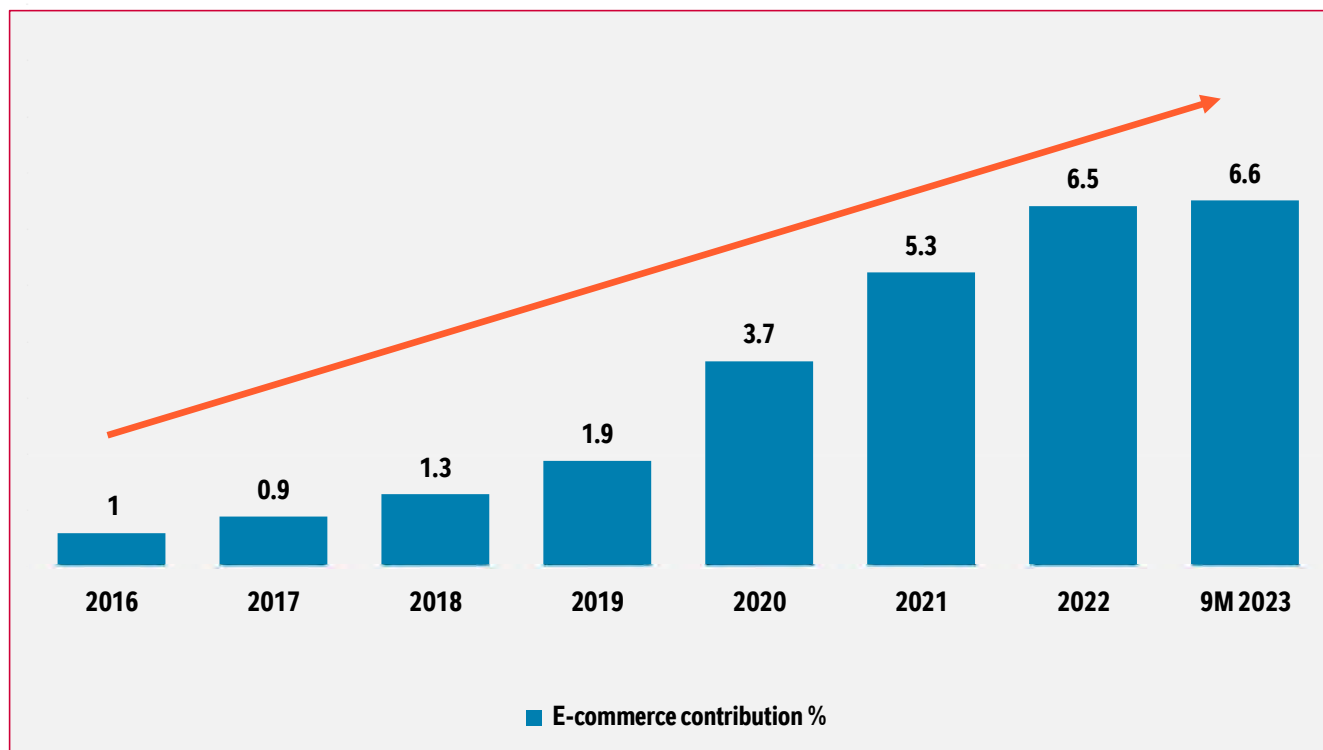
**11.1%**  
Contribution

**18.6%**  
Growth

Data represents Jan-Sept 2023

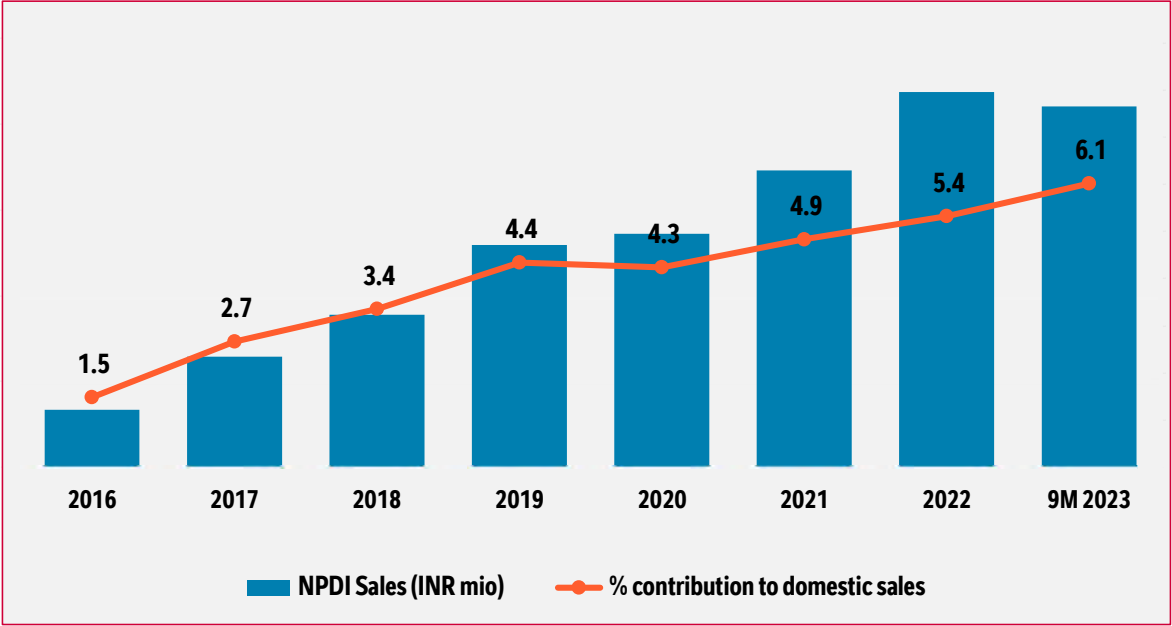
15.1% Domestic Sales Growth

# Rapidly accelerating our footprint **on e-commerce**



E-Commerce grew by  
**20%**  
9M 2023 vs 9M 2022

# Innovations now contribute **over 6% of sales**

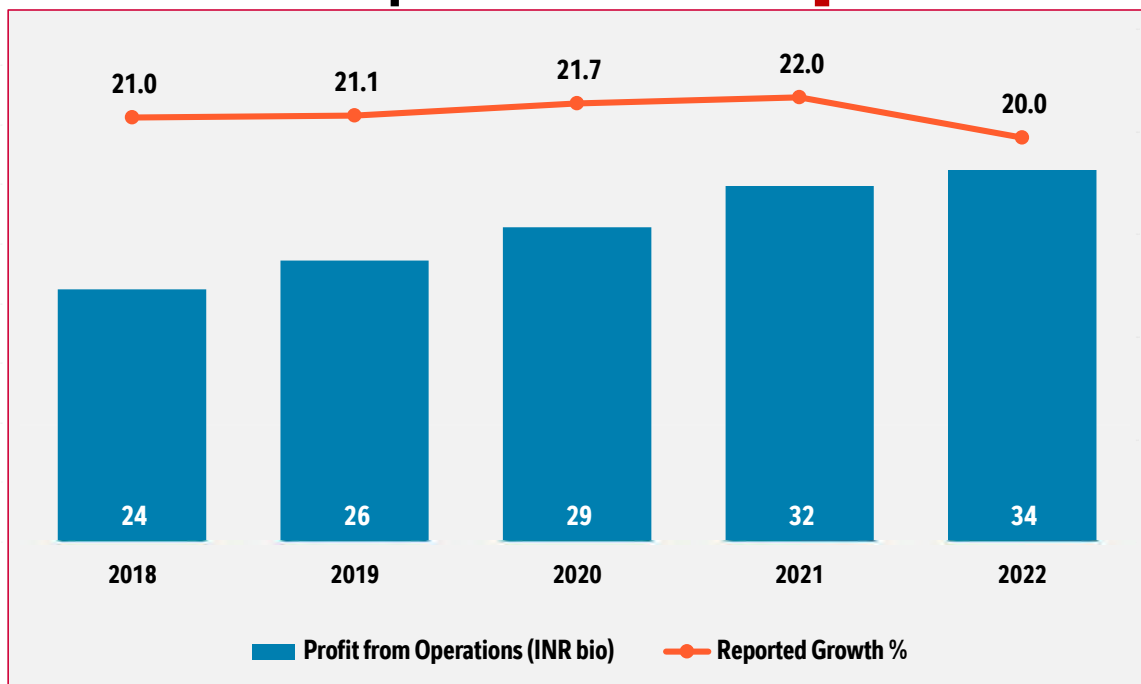


Over 125 new products in last 7 years

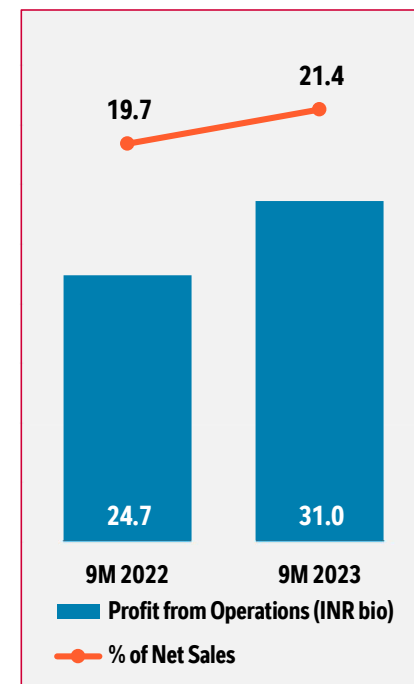
10 new projects in pipeline



# Sustained profit from **operations**



**CAGR  
2018-22**  
**9.4%**



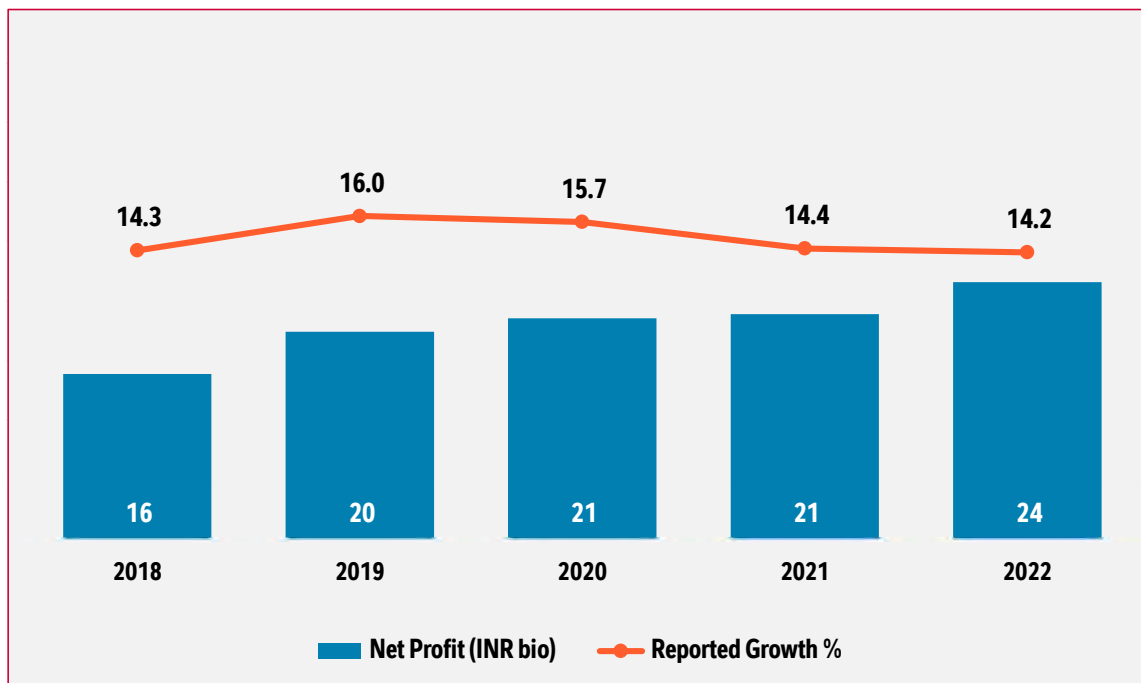
Buying efficiencies and economies of scale

Recipe efficiencies

Portfolio management

Appropriate pricing

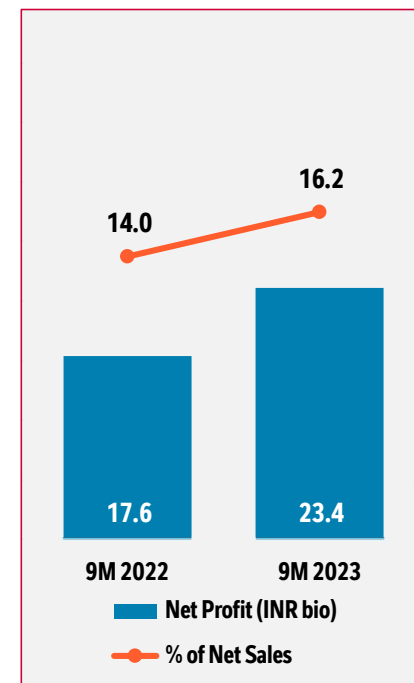
# Leading to sustained **net profit**



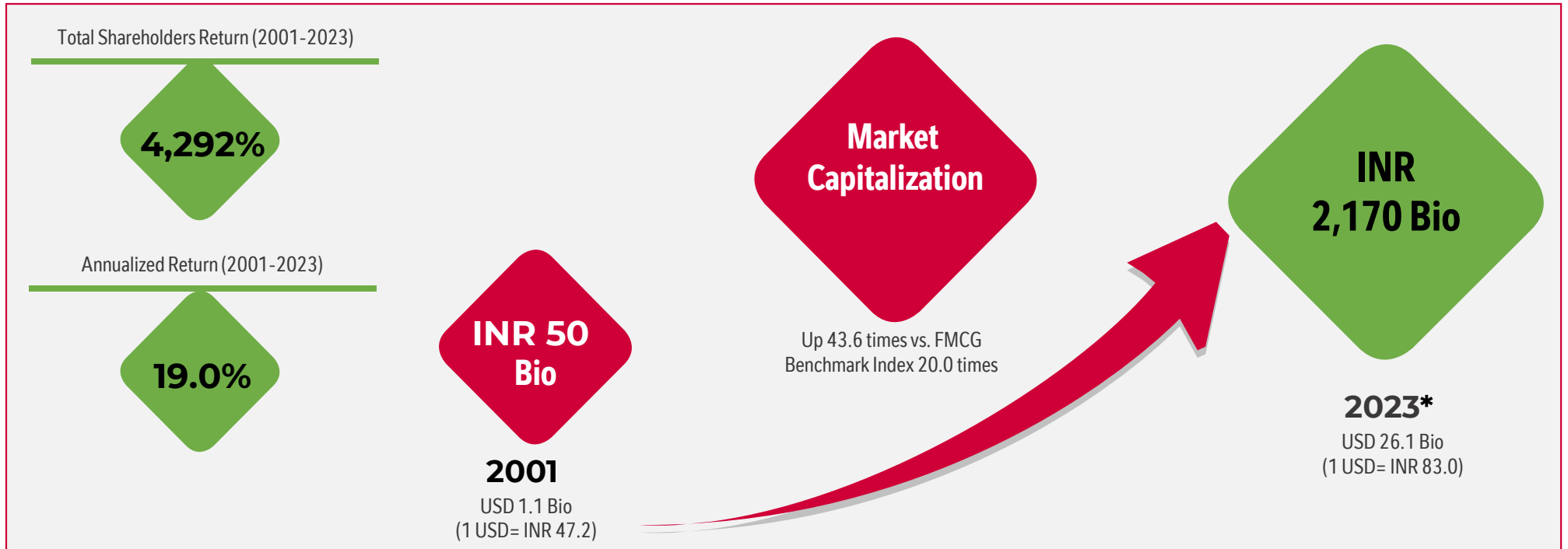
CAGR  
2018-22  

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10.4%

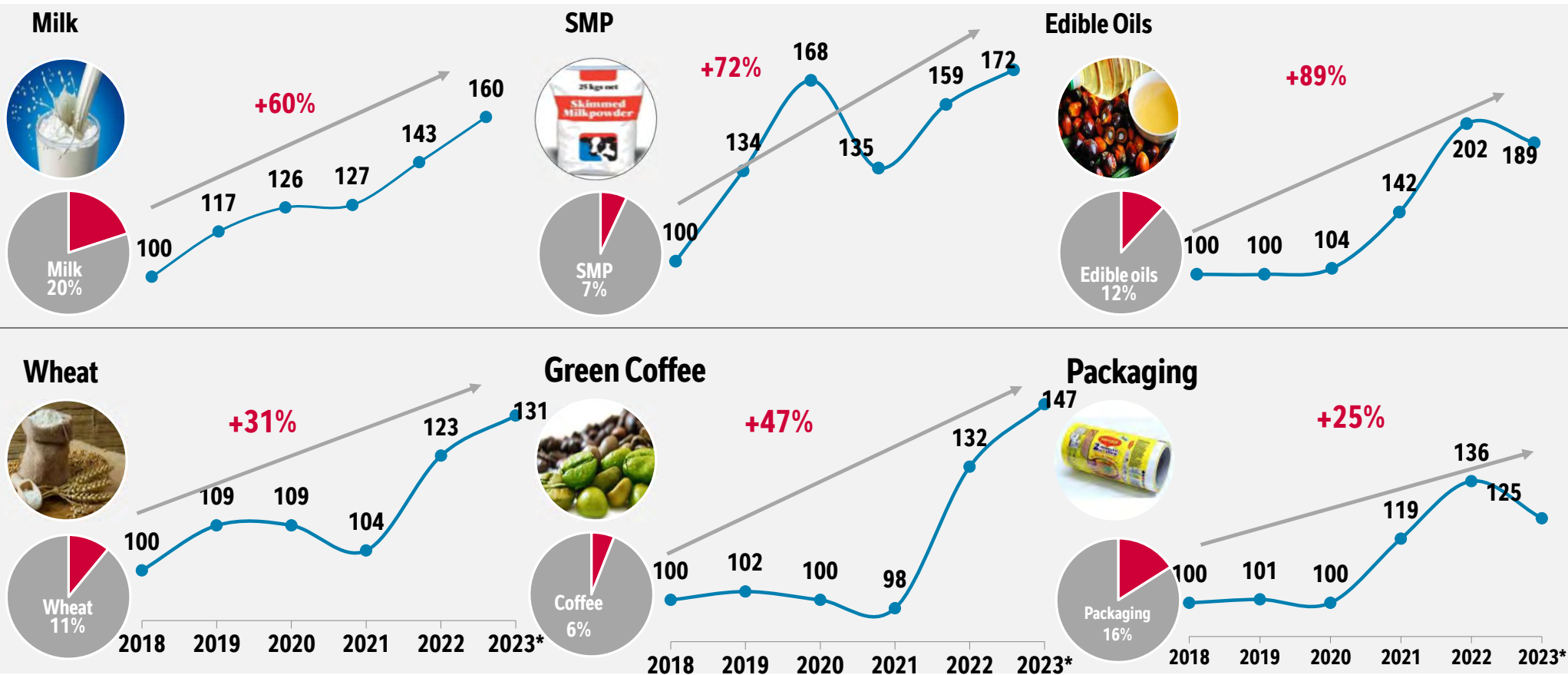


# Thereby, creating significant value for **investors**



\*As at 30<sup>th</sup> September 2023  
INR Billion is INR 100 crore.  
Source: Bombay Stock Exchange.

# Looming challenges



Note: Year values have been indexed taking 2018 as the base



# Lessons learnt from navigating **challenges**

Accelerated economies of scale and sharp procurement strategies



~10,000 projects since 2011 on cost reduction, enhanced efficiency and speed of making decision



SHARK saving programme reached new highs



Calibrated consumer insight-based pricing decisions across all categories



Alignment, courage and exceptional teamwork



# 10 Mantras **to define our future**

**Consistent balance  
between growth  
and profitability**

**Expanding  
the opportunities  
with new consumer  
cohort**

**Strong investments in  
manufacturing and  
supply chain**



# 10 Mantras **to define our future**



# 10 Mantras **to define our future**

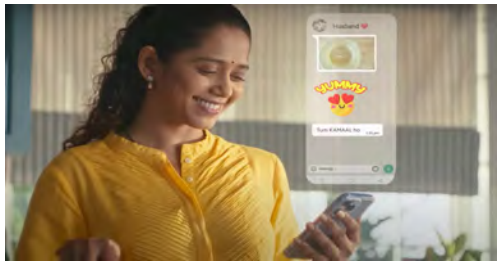
**Accelerating our sustainability journey**

**Focus on people - diversity, talent, > generational shift**

**Nutrition as a platform for innovation**

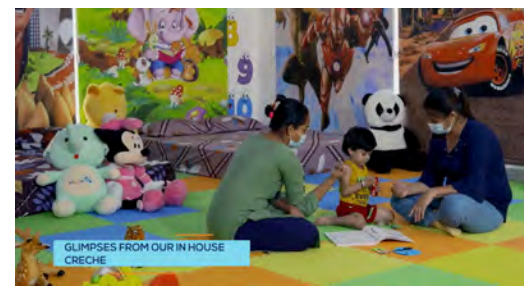
**Enable strong impact on communities**





GLIMPSES FROM OUR SANAND FACTORY, GUJARAT

# Consistency Collaboration Commitment ...Our Promise.



GLIMPSES FROM OUR IN HOUSE CRECHE

