

Nestlé India
29th Financial Analysts
& Institutional
Investors Meet
9th August 2019



Disclaimers

1. This presentation may contain statements which reflect Management's current views and estimates and could be construed as forward looking statements. 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 factors such as general economic conditions, commodities and currency fluctuations, competitive product and pricing pressures, industrial relations and regulatory developments.
2. Real Internal Growth (RIG) and Organic Growth (OG) are basis Nestlé Internal Reporting Standards.
3. Figures are regrouped / reclassified to make them comparable.
4. Calculations are based on non-rounded figures.
5. 'Analytical data' are best estimates to facilitate understanding of business and NOT meant to reconcile reported figures.
6. Answers may be given to non-price sensitive questions.

A photograph of a family of four—a mother, a father, and two children—smiling and embracing each other. They are all wearing white clothing. The background is a bright, indoor setting with soft lighting.

Agenda

***Building for a Healthier Future
(15:30 hrs): Suresh Narayanan***

***Sustained Growth, Value
Creation***

(16:20 hrs): Shobinder Duggal

***Reaching out to Consumers –
Route to Market***

(16:45 hrs): Ravi Ramchandran

Q&A

(17:00 – 17:30 hrs)



Key Takeaways From Last Time

Speed, Sharpness, Sustainability

Innovations at the Core → Improvise but Act !

Growth dimension → Thrive not Survive

Manage for “Market Share” → Our growth > Category Growth

Clusters, Micro targeting, Resourcing for Action

Key efficiency enhancement through Nestlé Business Excellence

Active engagement with environment and issues

People, passion, progress our way of our life

Building for a Healthier Future



Building Value



Building Brands



Building Capacity



Building Society



Building People



Building Value

Building Value

What we have achieved

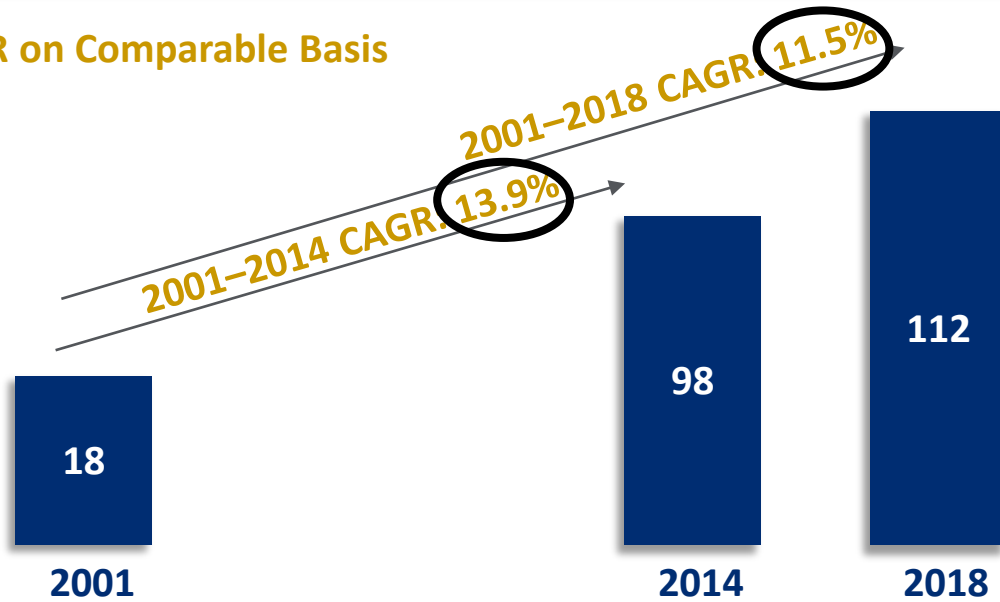


Where we are today



Sales of Products (INR Billion)

CAGR on Comparable Basis

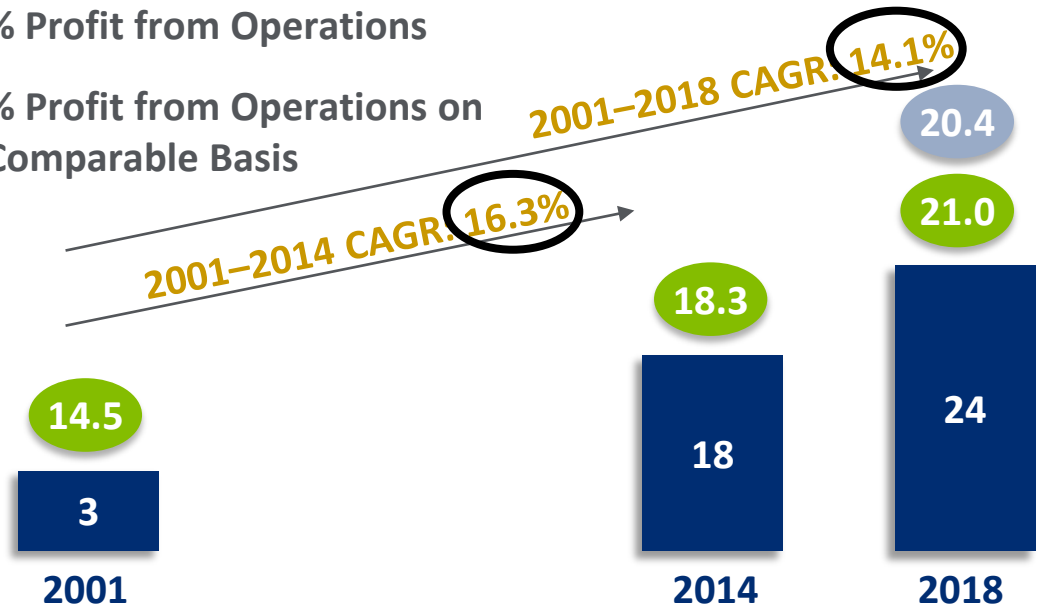


**A History
of Strong
Growth**

Profit from Operations*(INR Billion)

XX % Profit from Operations

XX % Profit from Operations on
Comparable Basis



Figures from 2016 onwards are as per Ind AS.

Effective 1 July 2017, sales and ratios derived from sales are not comparable due to change in structure of Indirect taxes.

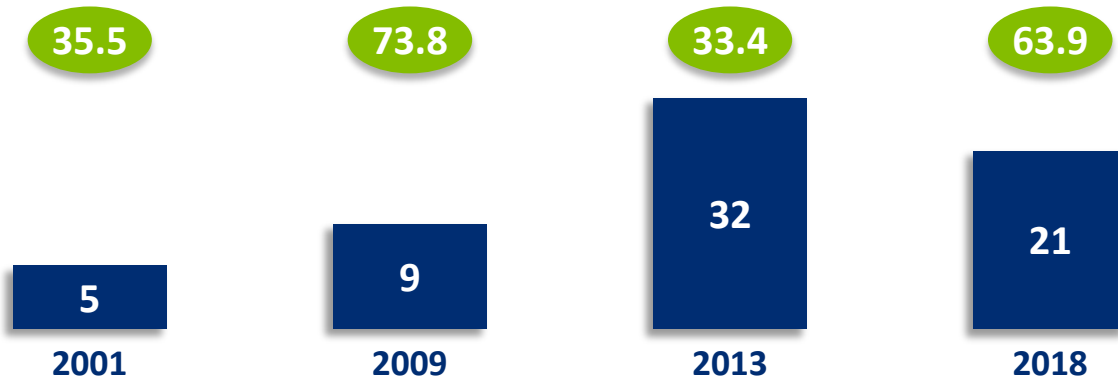
*Profit from Operations is arrived from 'Profit before Tax' after reducing Other Income and adding back Finance Costs (including interest cost on employee benefit plans), Net provision for contingencies (others) and corporate social responsibility expense.

Invested Capital* (INR Billion)

XX % Return on Invested Capital

Capital Expenditure

2001-2009: INR 12 Billion
2010-2018: INR 44 Billion



A Record
of
Creating
Value

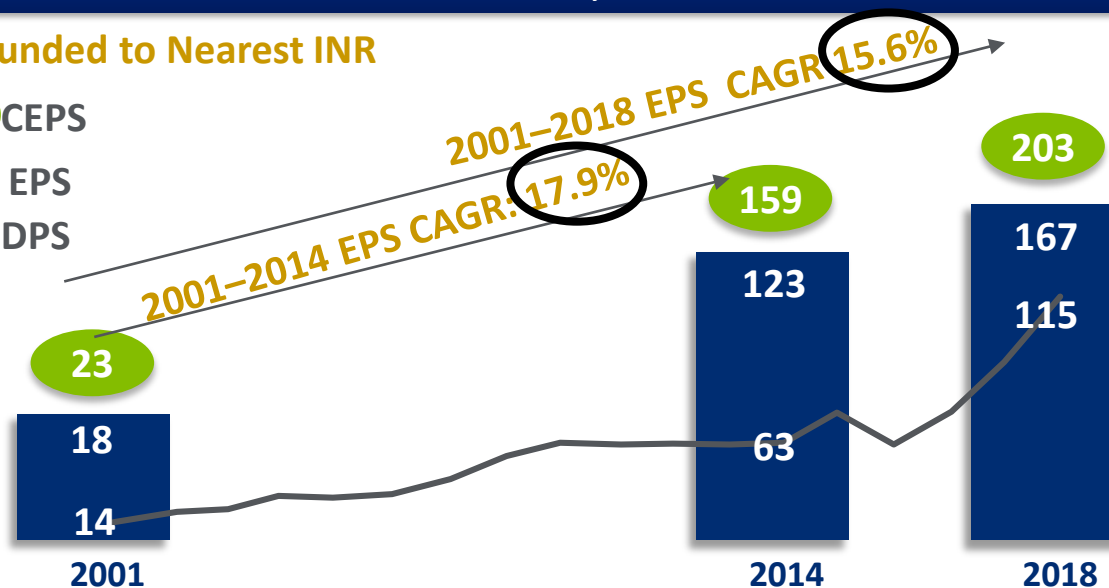
Evolution of CEPS, EPS and DPS

Rounded to Nearest INR

XX CEPS

■ EPS

— DPS



*Invested Capital consists of net fixed assets, net working capital (trade and other elements), net deferred tax liability.

CEPS: Cash Earnings Per Share, EPS: Earnings Per Share, DPS: Dividend Per Share..

Created Significant Value For Investors

Market Capitalization

Total Shareholders Return

2,234%

Annualized Return

19.3%

Up 23.1 times vs. FMCG
Benchmark Index 11.7 times

INR
50 Billion

2001

INR
1,149
Billion

2019*

Continuing Our Momentum

Reported Sales growth at
10.2%

Market leadership in
~85% of Portfolio

Domestic Sales growth
is 11.6%

H1 2019 Highlights

Penetration led Volume &
Mix Growth - 10.8%

Sustained profitable
growth

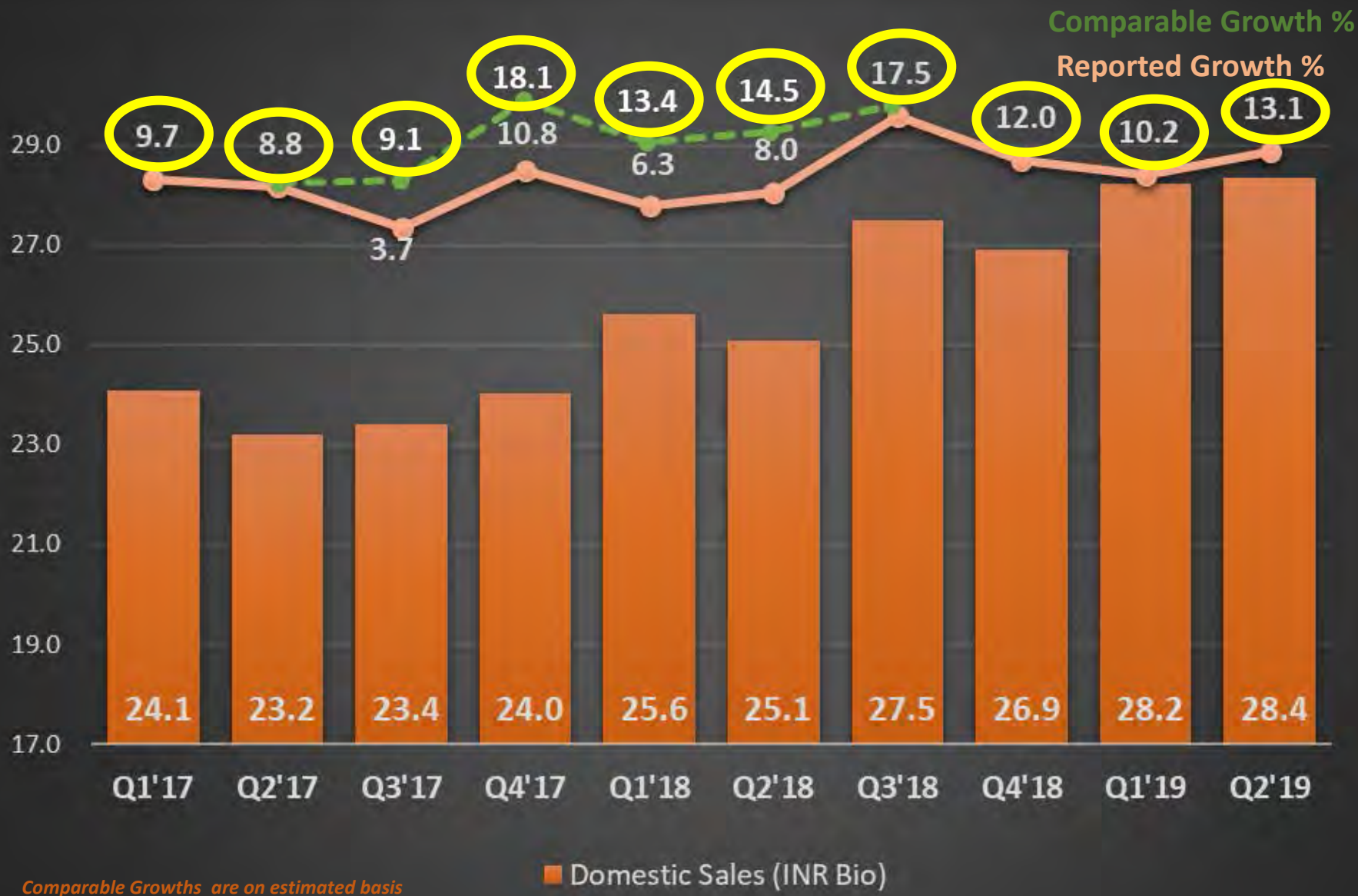
Strong cash
generation from
operations

Increased Dividend
Payout and Sustained
Value Creation for
Shareholders

10 Quarters of Sustainable Volume & Mix Led Growth

RIG % - Real Internal
Growth (Volume & Mix)





Leading to
10 quarters
of
Sustainable
Value
Growth

*Reported growth rates are adversely impacted due to lower reported sales by the change in structure of indirect taxes and reduction in realisations to pass on the GST benefits

A woman with long dark hair, wearing a denim jacket over a red patterned top, is drinking from a red mug with the word 'Nissan' on it. She is standing in a cafe or shop. In the background, a man is writing on a piece of paper, and another man is sitting. A sign that says 'Closed' is visible in the background. A white circle with a thin orange border is positioned above the woman's head, and a thin orange line connects it to the text 'Building Brands' on the right.

Building Brands

Building Brands – Delighting Consumers

What we have achieved

**Strong
Reputation**

**Market
Leadership**

What we are doing

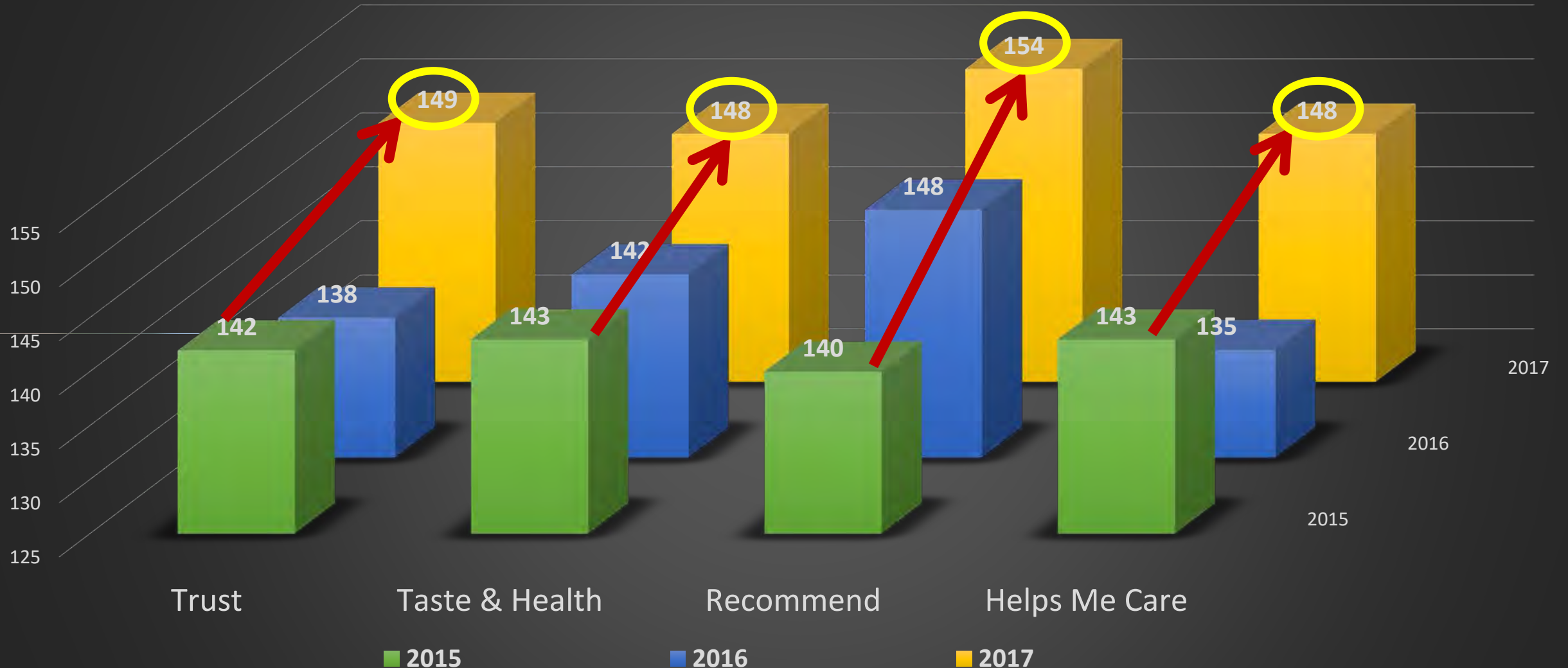
**Innovation
and
Renovation
Journey to
continue**

**Leveraging
e-commerce**

**The Out of
Home
opportunity**

















**Harnessing
'cluster'
opportunities**

Strengthening our Trust with Consumers



Source – Relative Equity Index - Corporate Equity Monitor (Internal)

Leading With Strong Market Shares

Category	Brand	Market Share (Value)	Nestlé India Position
Infant Cereals		96.5	
Infant Formula		66.6	
Tea Creamer		44.1	
Instant Noodles		59.2	
Ketchups & Sauces		20.5	
Instant Pasta		73.7	
White & Wafers		63.4	
Instant Coffee		50.5	

MAT JUN'19

Source -
Nielsen

Science and Consumer Driven Innovation and Renovation





3.7%
Contribution
to Domestic
Sales in H1
2019



61
innovations
since 2016



And the Innovation Journey Continues This Year.....

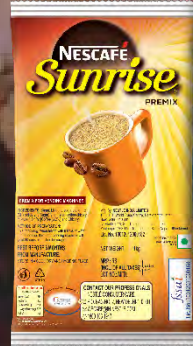
Seizing The Out of Home Opportunity

Where we
were

Traditional Hot
Beverages

Powder Based
Solutions

Limited Category
play - Coconut
Milk Powder &
Milkmaid



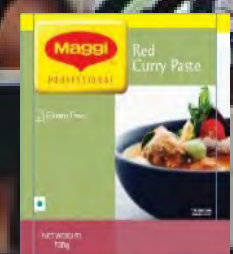
Where we are

Entry into
Premium
beverages with
Liquid Milk

Digital Payment
based Vending

Leadership in
Cold Vending

Wider Portfolio



Harnessing The 'One Nestlé' Initiative

**Our
Ambition:
1000 kiosks**

**Our Goals -
Accessing Target,
Offering Variety,
Enhancing Sampling**

Employment
Generated:
750+ People

Average 13.5
million
footfall across
all kiosks/per
annum

Over 400
kiosks



Leveraging E-Commerce

Rapidly changing reality

350 million
connected
smartphone
users

400 million
internet
users

Average 40
million
users
added
annually

200 million
e-commerce
shoppers

Leading to
a Digital
Revolution

Omnichannel: The growing confluence of online and offline

The rise of omnichannel is enabling consumers to make seamless online and offline experiences

50%

of organized retail is likely to be influenced by digital in 2020

75%

YoY growth in "near me" queries



SoftBank may serve up fresh funds to the tune of \$300-500 million for Swiggy

THE \$1BN CLUB

Udaan is the seventh startup to achieve the unicorn status in 2018, along with Policybazaar, Swiggy, Zomato, Byju's, Paytm and Freshworks

Money raised (USD m) Valuation (USD m)

Series A 10 40m

Series B 50 220m

Latest round 225 1bn

The B2B e-comm startup has become the fastest Indian unicorn in just under 2 years

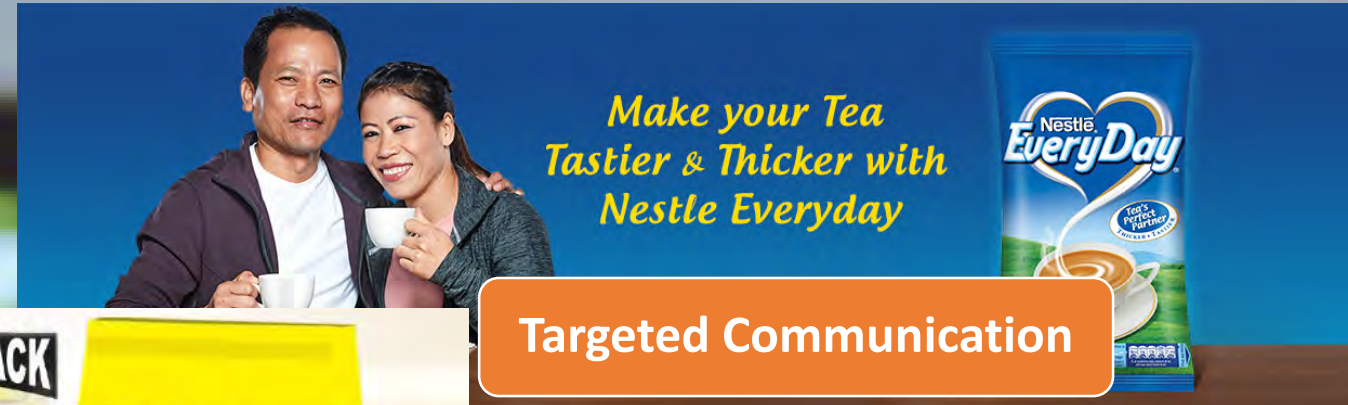
India has the highest number of unicorn startups after the US and China

Leveraging E-Commerce

Capturing
Our
Opportunity



Range Selling



Targeted Communication

Crave a delicious
multigrain breakfast?

Get a NesPlus™
Breakfast Cereal pack FREE

ORDER NOW

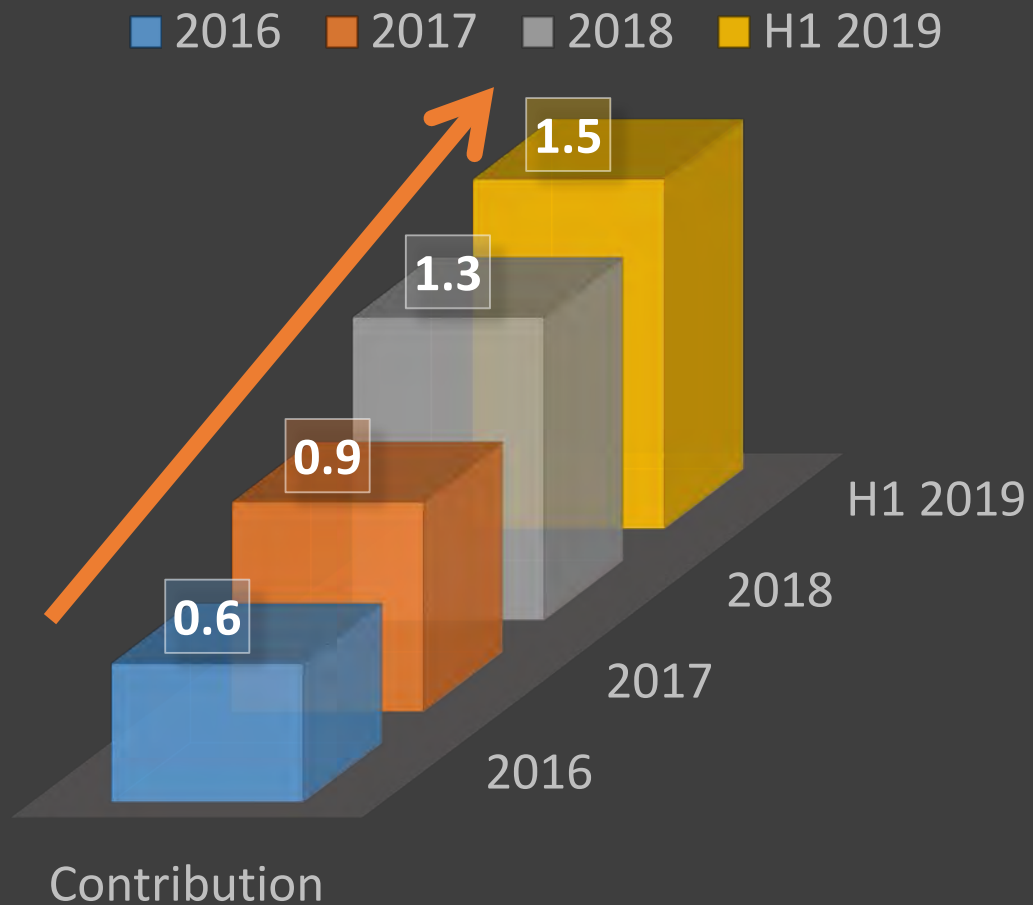
Consumer base for sampling



Leveraging E-Commerce

What have we achieved

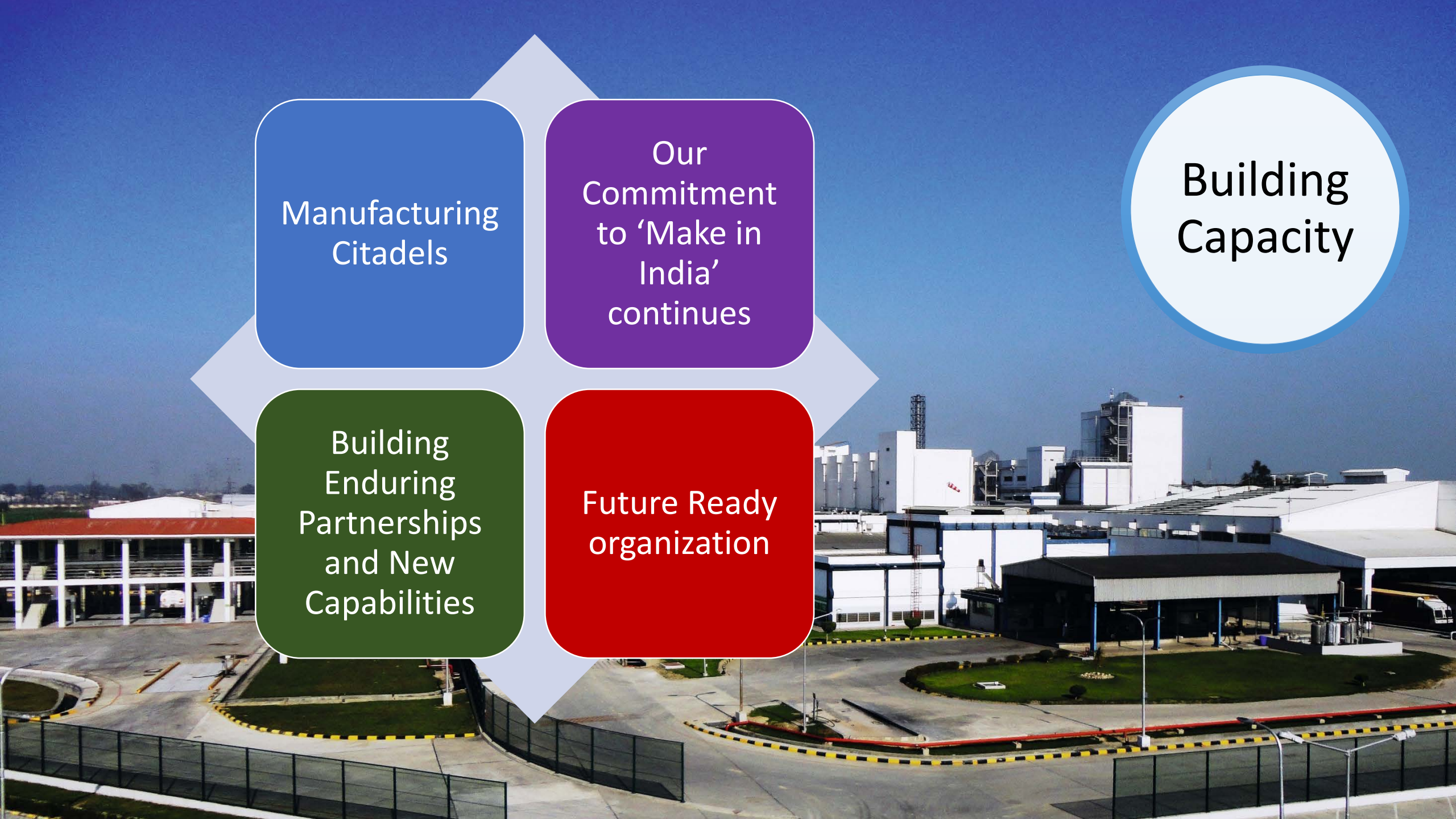
Growing Contribution Of E- Commerce To Domestic Sales



Harnessing the Consumer Opportunity in Clusters

Building Capacity





Manufacturing
Citadels

Our
Commitment
to 'Make in
India'
continues

Building
Capacity

Building
Enduring
Partnerships
and New
Capabilities

Future Ready
organization

Moga (1961)



Choladi (1967)



Instant Tea largely for exports

Nanjangud (1989)



Samalkha (1992)



Ponda (1995)



Bicholim (1997)



Pantnagar (2006)



Tahliwal (2012)



Manufacturing
Citadels

Our Commitment to 'Make in India' Continues

98% of what we sell is
'Made in India'

Sanand, Gujarat
- our 'navratna'

Construction to
commence soon
- a dedicated
MAGGI factory

State of the Art -
reinforcing our
sustainability
journey

Employment
Generation
around 400
people

Initial Investment
over two years
INR 700 Crore

Our diversity
ambition - 50%
women workforce
at the factory



Map not to scale

Build Enduring Relationships



2500 coffee
farmers



4600 suppliers and
1700 distributors



100,000
dairy
farmers



1200 spice
farmers

And Build New Capabilities

Develop a new
sourcing mindset

Organic grains from
Rajasthan, Andhra
Pradesh and
Karnataka

Natural, real and
toxin-free organic
fruits

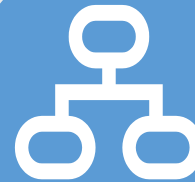
Milk from
Rajasthan from
Cows fed with
100% organic and
farm grown fodder

20 member
supplier
development team
– farm to factory

India Organic,
Jaivik Bharat and
SGS certified
products



Building a Future Ready Organization



Support Demand
Focused Organizations



**Center of
Scale
(CoS)**

**Center of
Competence
(CoC)**

Provide World Class
Business Services



SOURCE TO PAY



ORDER TO CASH



HIRE TO RETIRE



RECORD TO REPORT



IDEA TO LAUNCH



PLAN TO EXECUTE

Optimize Global
End-to-End Flows



Building Society

Building Society



Our Philosophy



Our Initiatives



**Commitment to
a Healthier
Planet - Plastic
Waste
Management**



**Empowering
Consumers on
Nutrition– Ask
Nestlé**



Our Philosophy of Creating Shared Value and CSR

Programme relevant nationally and resonate with global objective.

Focus on impact rather than just numbers.

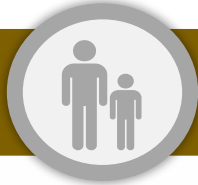
Each programme has deliverables that are measurable.

Programmes are evolved over a period of time



Our Initiatives

For Individuals and Families



Project Jagriti

Encouraging Good Nutrition and Breastfeeding Practices through Community Action

4.6 Mio Beneficiaries



Helping Adolescents Live Healthier

Over 280,000 Adolescents



Engaging Employees in Social Initiatives

Over 1,850 Employees

For Our Communities



Creating Access to Clean Drinking Water

Over 136,500 Students



Project Serve Safe Food

Over 14,000 Vendors



Sanitation facilities for girl students

Over 182,000 beneficiaries

For the Planet



Reducing Water use in Agriculture



Creating Awareness about Water Conservation

Over 112,700 Students



Recycling Waste Paper at Our Offices

Nearly 300 Trees Saved





**Project Vriddhi:
Enhancing the
quality of life
for the people
of Rohira Village
(Nuh District,
Haryana)**

Our Initiatives



Before Intervention



School



Work in Progress



Water chamber



Commitment to a Healthier Planet – Plastic Waste Management

Pioneering
alternative
materials

**Our ambition is
to achieve 100%
recyclable or
reusable
packaging by
2025.**

Drive new behaviour

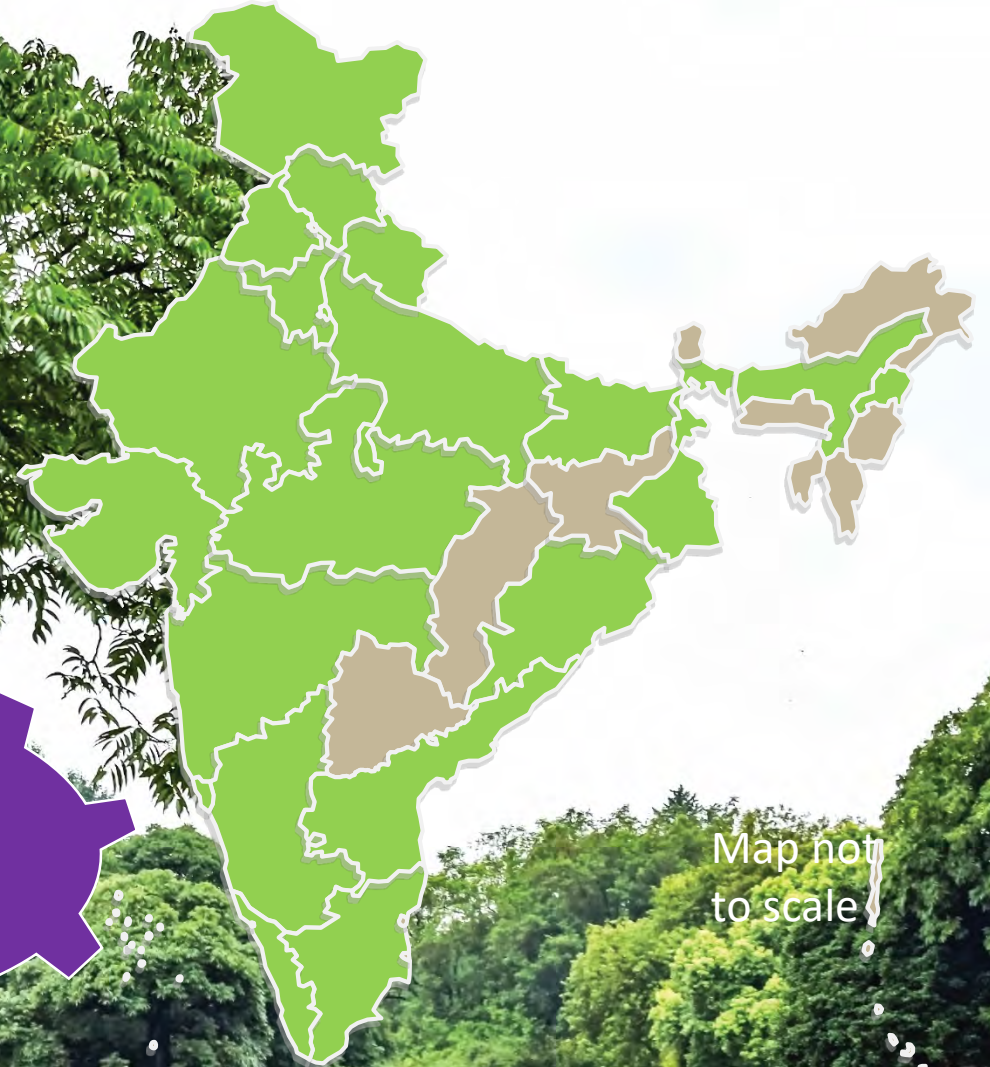
Shaping a waste free future

Mono-material Packaging roll-out

EPR Roll out in 20 states in 2019



6000 MT of
MLP Collected
and Recycled
in 2018



Map not
to scale

Integrated Media Campaign : Dehradun, Mussoorie & Kumbh 2019



Collective Change: Establishing An End To End Waste Solid Management System In Mussoorie

दिल बदलो
हिल बदलो

2019-21: To be taken forward in Dalhousie, Nainital, Darjeeling, Mahabaleshwar, Ooty, Goa



Waste management programs specifically for the Hill states



Plastic Express: In Dehradun & Mussoorie

Empowering and Respecting Over 100 Waste Workers in Mussoorie

Provision of protective gear

Health camps for regular check-ups.

Regular Recognition



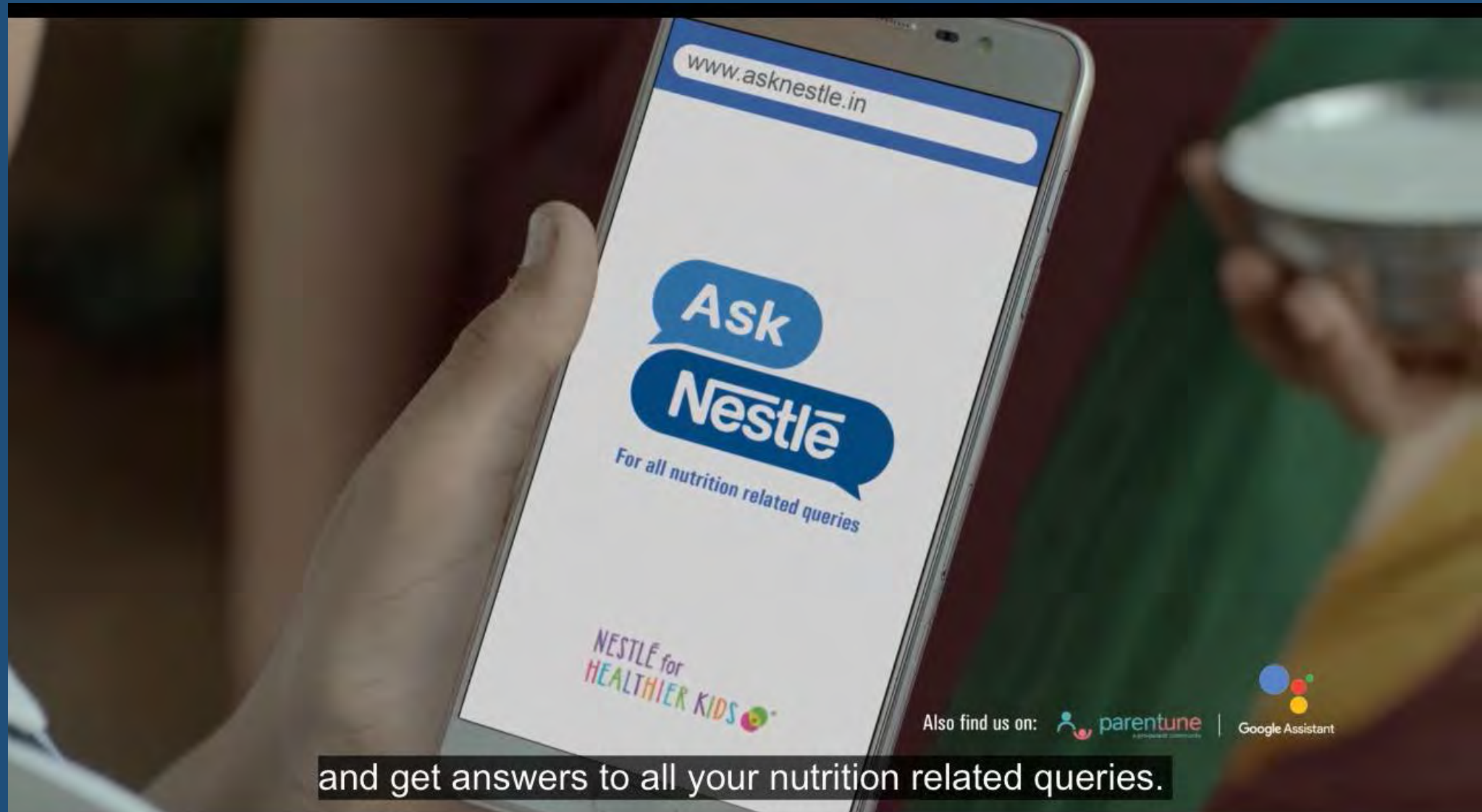


**2000
volunteers
participate in
clean up
drives across
India**

**6 Tons of
Waste
Collected**

**Our Employees Walk
The Talk**

Empowering Consumers on Nutrition - Ask Nestlé



and get answers to all your nutrition related queries.



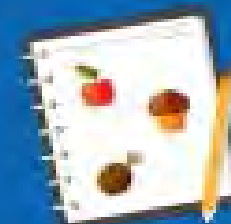
Custom Meal Plans

Customized to children's nutritional needs



Growth Tracker

Track growth against Indian children of similar age



Food Diary

Bridge gaps in everyday nutrition



Recipes

Everyday good food recipes

Over 1 MILLION hits in
14 weeks of launch



ZERO Waste

ONE Team

100% Engagement

Building People

VARGHANAM

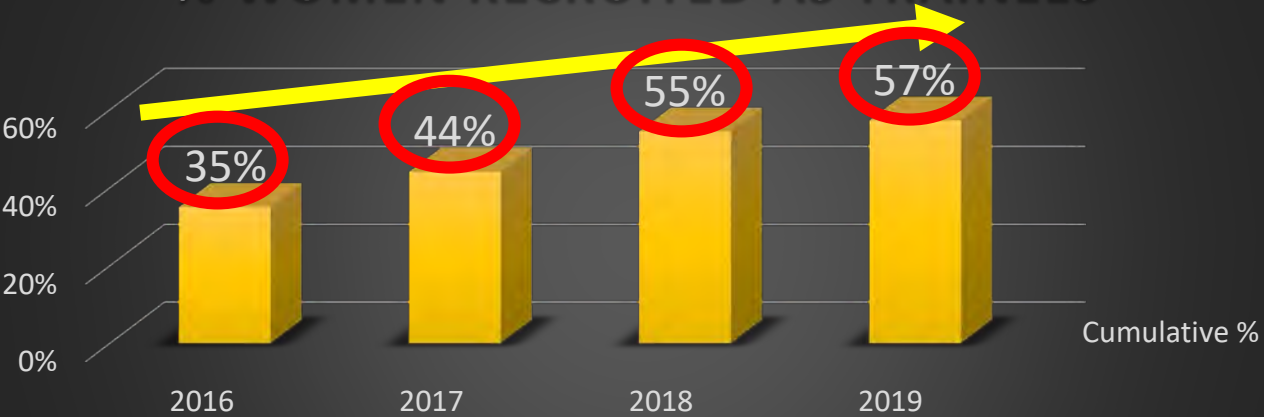
CONTINUOUS
IMPROVEMENT
EXCELLENCE

AT

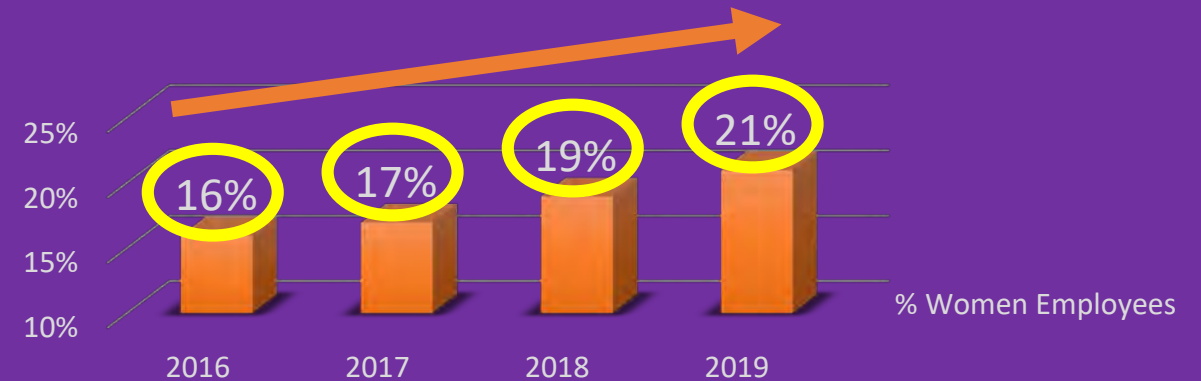
HEMAHG

Gender Balance & Retention

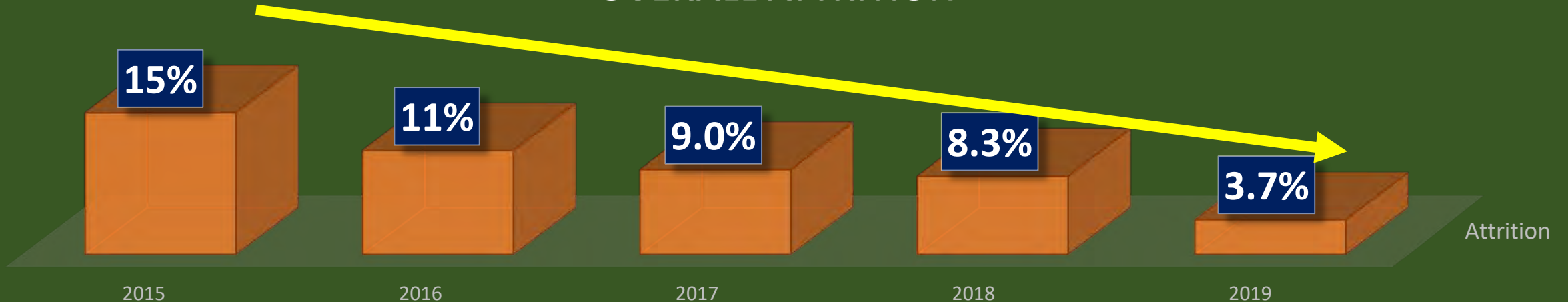
% WOMEN RECRUITED AS TRAINEES



% WOMAN EMPLOYEES



OVERALL ATTRITION





Travel benefit for mothers till the child turns 2



Day Care Reimbursement Policy for kids up to 6 years



Unconscious Bias:
Awareness for employees
and for people managers

Breaking The Taboo:
Menstrual hygiene
sessions in factories



Key Practices & Positive Perception



100 Best Companies For Women In
India: Best Of Best Conference 2018



Only FMCG In Top 10 Most-attractive Employer Brands In India (Randstad Employer Brand Research 2019)

Humbled By The Recognition

Forbes India Leadership
Award for Best CEO – MNC

'The Best CFO of a MNC –
Large' by YES BANK and
Business World

ET Brand Equity Survey Rankings

2017

13



2018

4

Food Products

6



5

Hot
Beverages



Consumer Survey of
Product Innovation



Strong Value Creation Model

Brands Built on Robust I&R

In sync with the Consumer

Harnessing the Consumer opportunity in clusters

Being future ready with appropriate capacity creation

Integrated with Society to build a healthier tomorrow

Attracting and retaining the very best talent

Key Takeaways
From Today

A photograph of a modern, multi-story building at night, illuminated from within. The building features a prominent glass facade and a dark, angular roof structure. A large, semi-transparent purple circle is overlaid on the right side of the image, containing the text "Thank You" in white. The background is a solid purple color.

**Thank
You**

Agenda

1

Market Momentum

2

Value Creation

3

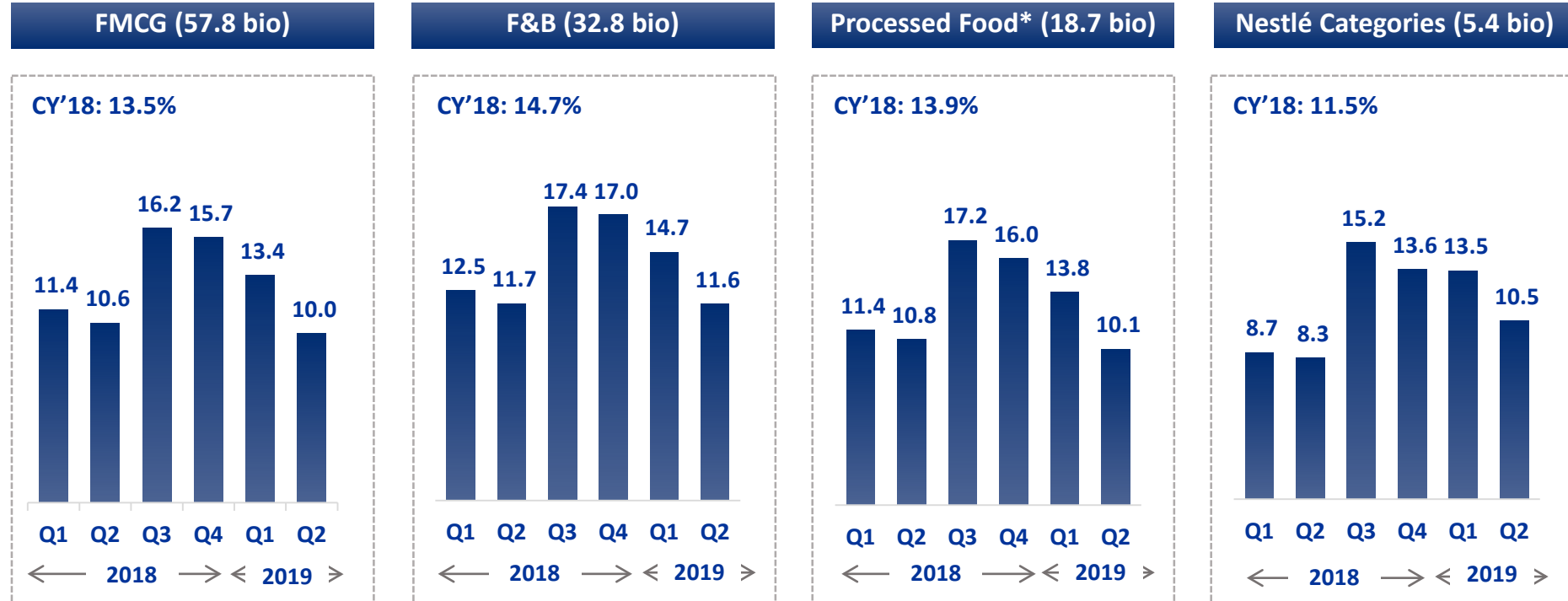
Ind AS 116 on Leases

In a nutshell...

- ✓ The market momentum somewhat moderates.
- ✓ Largely sustained market leadership. KITKAT gains market share.
- ✓ Organic growth broad based across regions driven by strong real internal growth aided by superior performance of premium products.
- ✓ KITKAT, MUNCH, NAN, MAGGI Noodles & Masala-ae-magic are outperformers within our overall product portfolio.
- ✓ Operating margins impacted by headwinds in commodities and investments in new products.
- ✓ Value creation model generates strong operating cash flows.
- ✓ Stepped up dividend per share over the years post the MAGGI issue.
- ✓ Return on equity to improve after the special interim dividend.
- ✓ Built back capital efficiency and economic profitability.

Market momentum somewhat moderates

2018 Market Size (USD)



YoY Market Growth%


*Excluding commodities

Source: Nielsen June 2019. Market Size in USD Bio for 2018 (1 USD = INR 68.4)

Infant Formula and Infant Cereal included. Water, Juices and Carbonated soft drinks excluded from the above data.

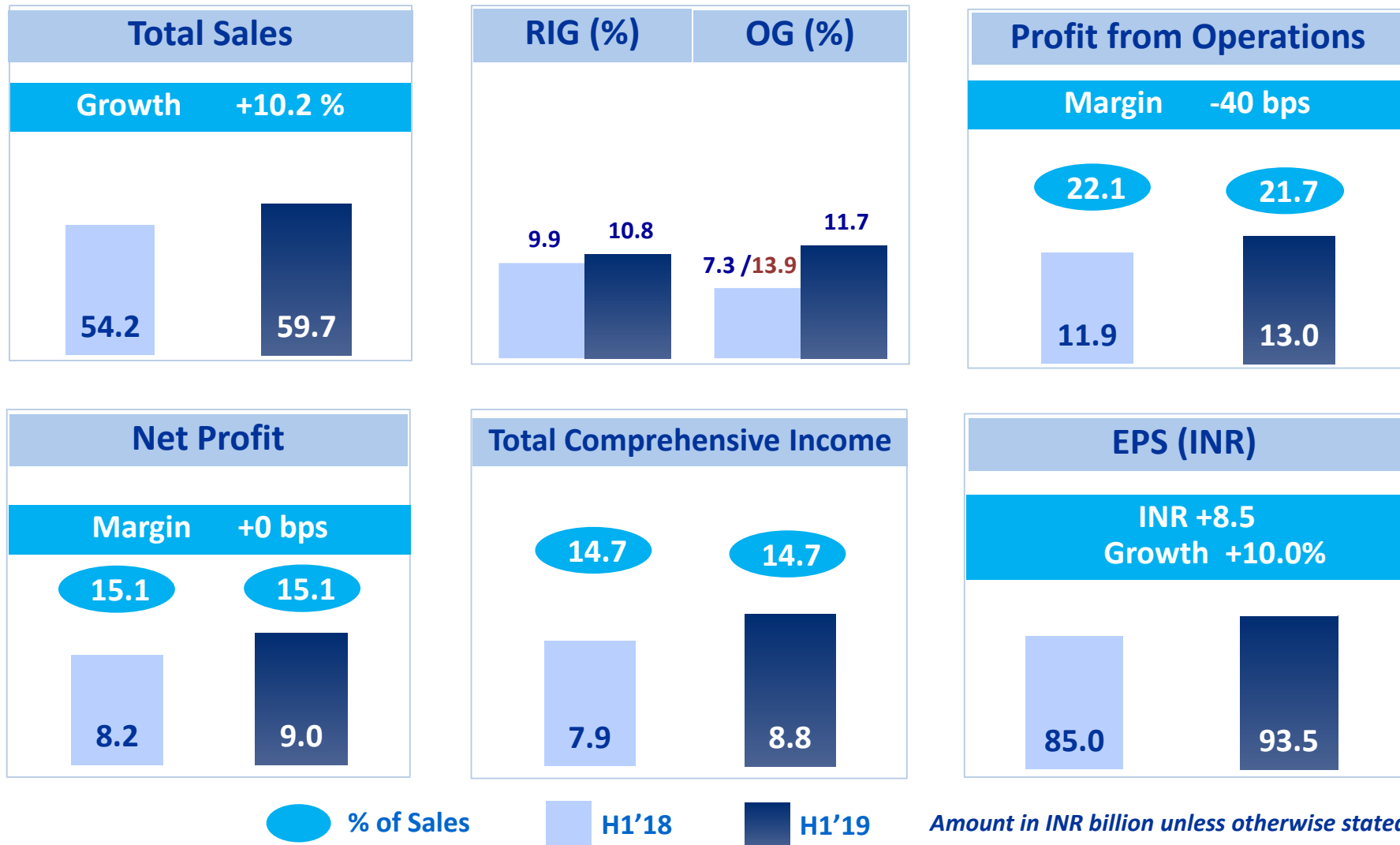
Channels excluded: E-commerce, CSD, OOH, institutional sales to hospitals, hotels.

Product portfolio holding leading positions

Category	Brand	Market Share (Value) ¹ H1 2019
Infant Cereals		96.7
Infant Formula ²		66.3
Tea Creamer		43.8
Instant Noodles		59.6
Ketchups & Sauces		19.8
Instant Pasta		76.2
White & Wafers		64.1
Instant Coffee		50.9
Condensed Milk		>70.0 ³

Note: 1) Source A.C. Nielsen. 2) Excludes Amulspray 3) Internal Estimates

Growth & Returns : Jan – June



a) RIG & OG % are based on Nestlé Internal Reporting Standards in relation to third party sales

b) Figures in maroon colour represents comparable numbers

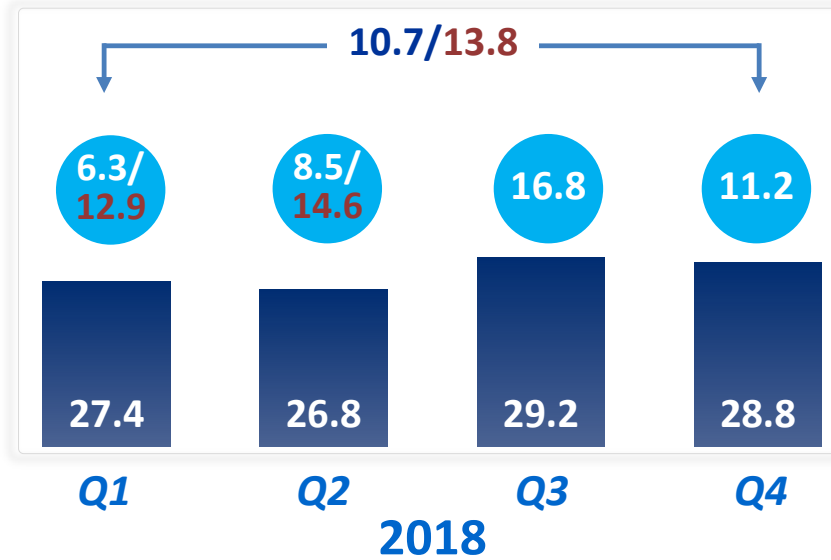
A look at the last 6 quarters...

% YoY Growth



Total Sales

INR Bio



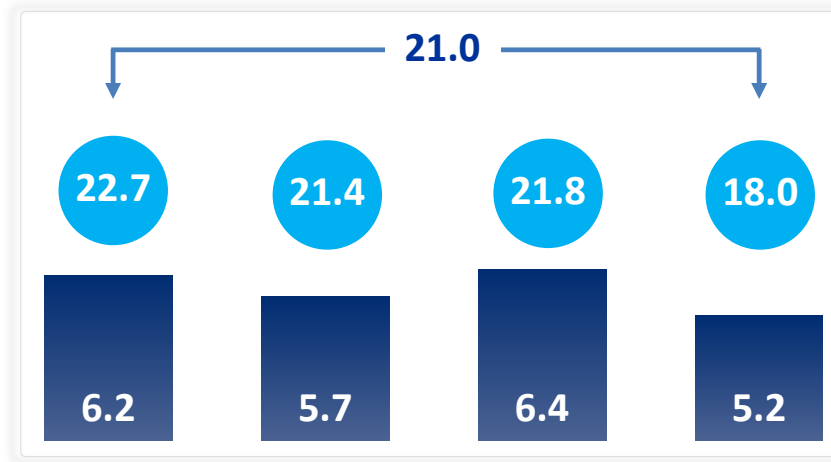
Domestic Sales Growth W/o CSD & Ghee
Q1'19 12.0% Q2'19 12.0%

% of Net Sales

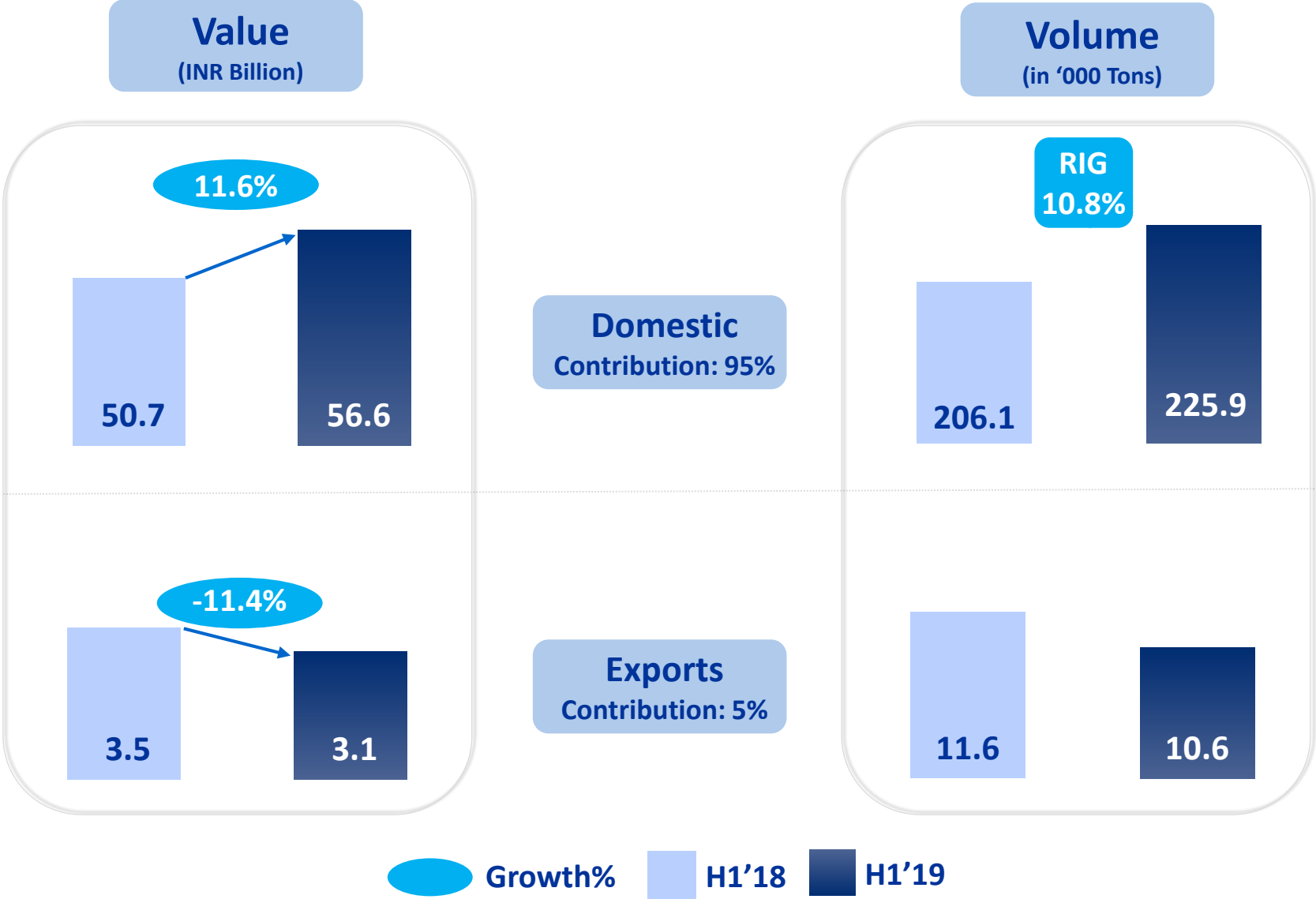


Profit from Operations

INR Bio



Domestic & Export sales

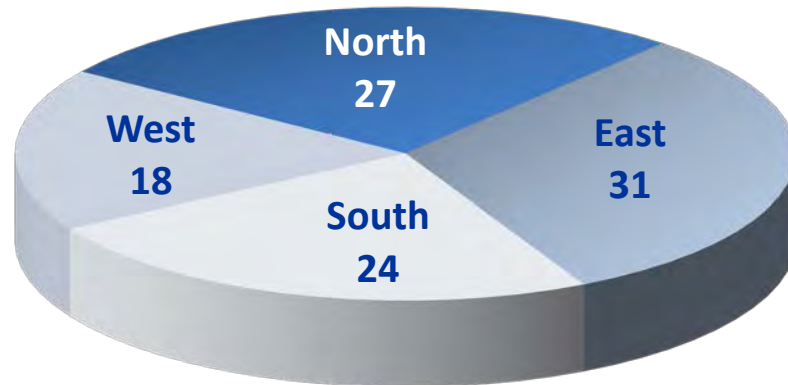


Domestic sales - Value Growth



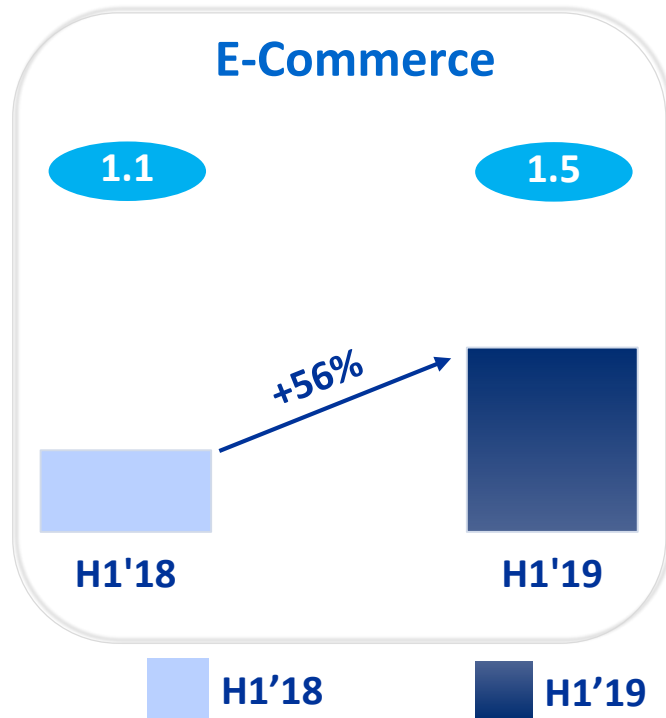
Balanced growth across regions

% Contribution to Domestic Sales



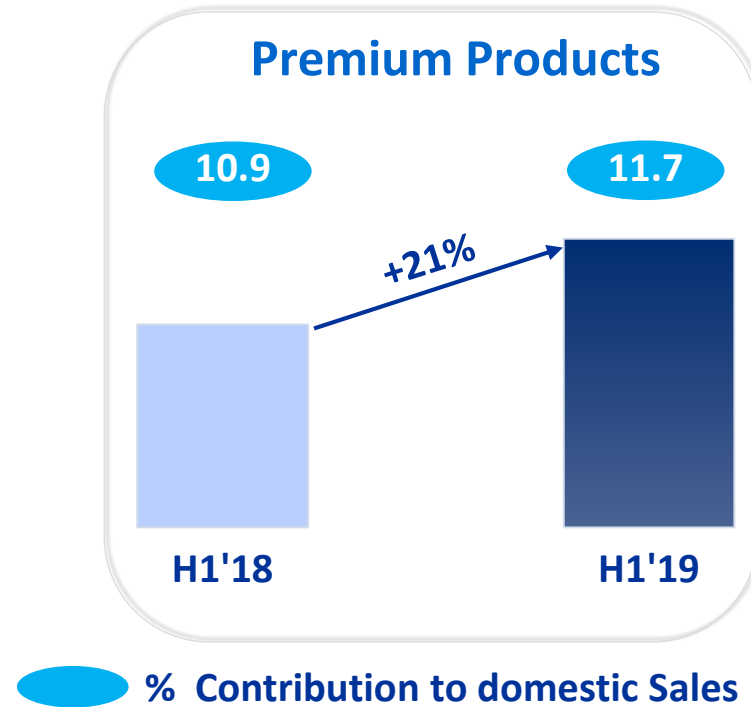
	Growth%	
	H1'18	H1'19
North	7.9 / 14.6	12.2
East	9.4 / 16.2	11.3
South	3.9 / 10.4	11.4
West	6.9 / 13.6	11.8
Total	7.1 / 13.8	11.6

Other growth enablers



Bar size represents Sales Value

Strong growth in E-Commerce channel



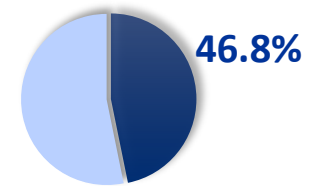
Premium products grew ~2x faster

Category wise domestic performance

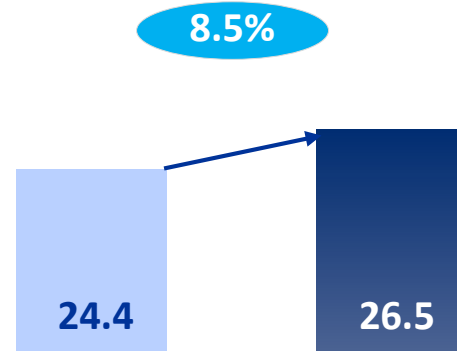
Contribution (%)	Products & Product Groups	H1'19 Growth%
46.8	 <p>Milk Products & Nutrition</p>	8.5
28.9	 <p>Prepared Dishes & Cooking Aids</p>	15.0
13.9	 <p>Confectionery</p>	22.5
10.4	 <p>Powdered & Liquid Beverages</p>	4.2
Domestic Growth		11.6

Domestic Sales: INR 56.6 Billion

Milk products & nutrition - Domestic



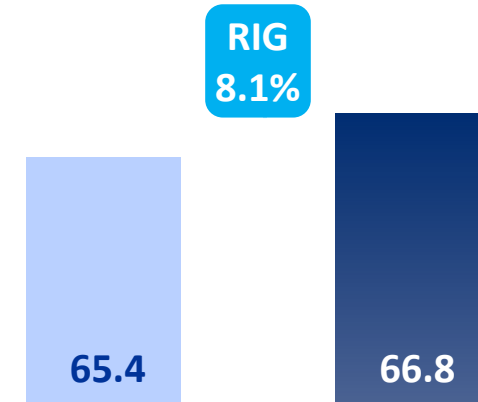
Value (INR Bio)



8.5%

OG and RIG favourably impacted by higher sales of Surplus Fat (+60 bps each)

Volume (000' Tons)



RIG 8.1%

Growth% H1'18 H1'19

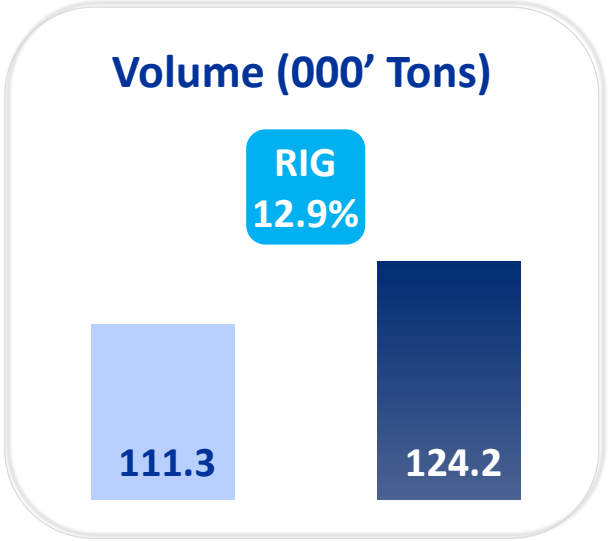
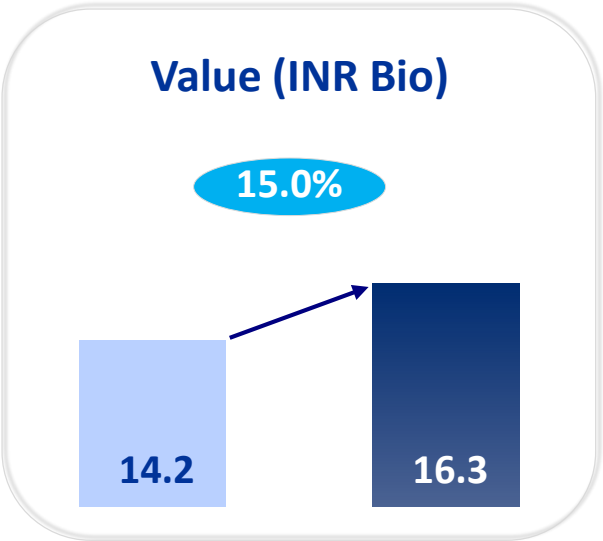
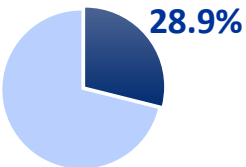
Key products performed well

Sustained performance of I&R : CERELOW & NANGROW.

Organic Cereals launched



Prepared dishes & cooking aids - Domestic



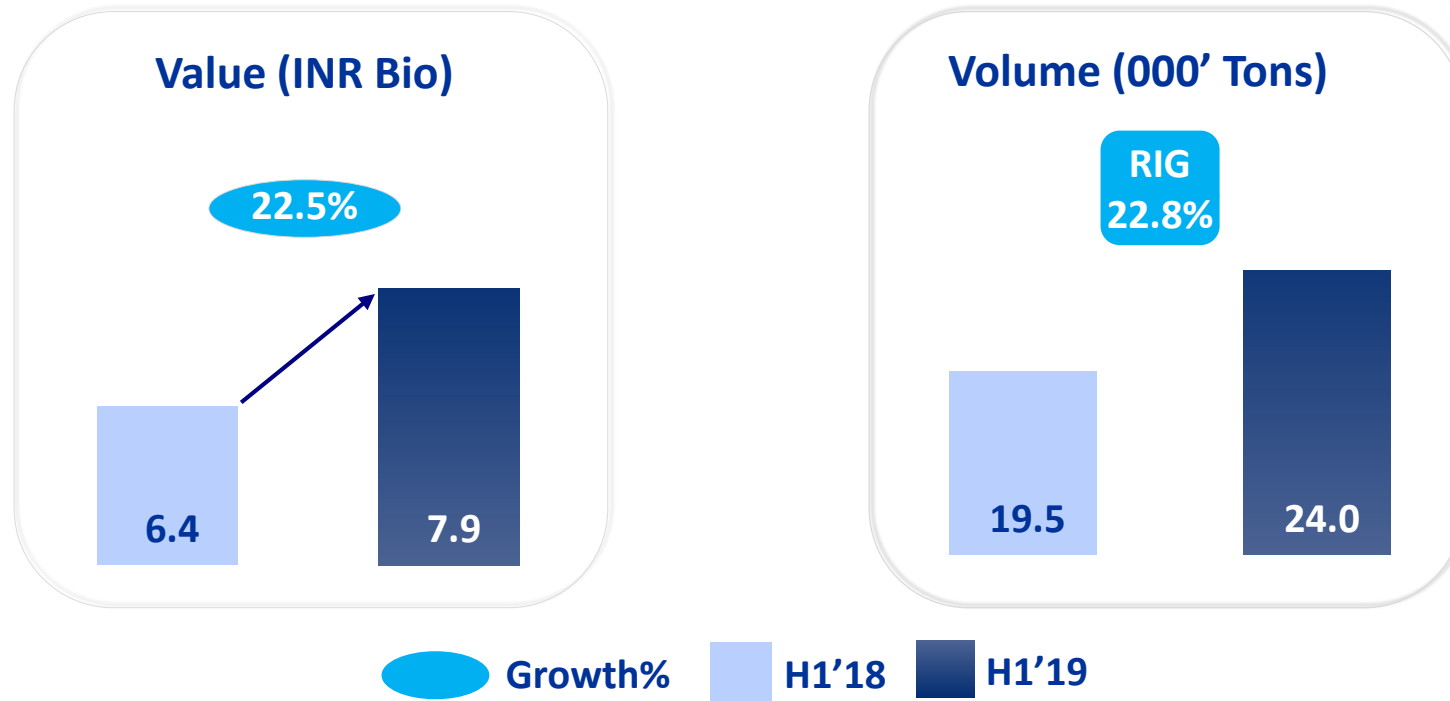
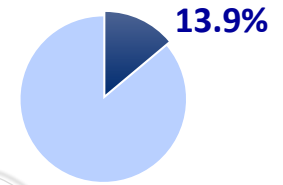
Growth% H1'18 H1'19

Strong growth in MAGGI Noodles & Masala–ae–Magic

MAGGI Noodles surpass pre-crisis level of value & volume



Confectionery - Domestic

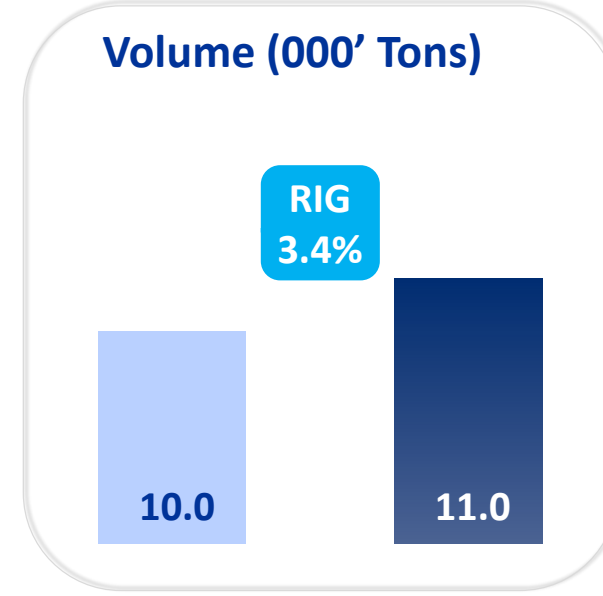
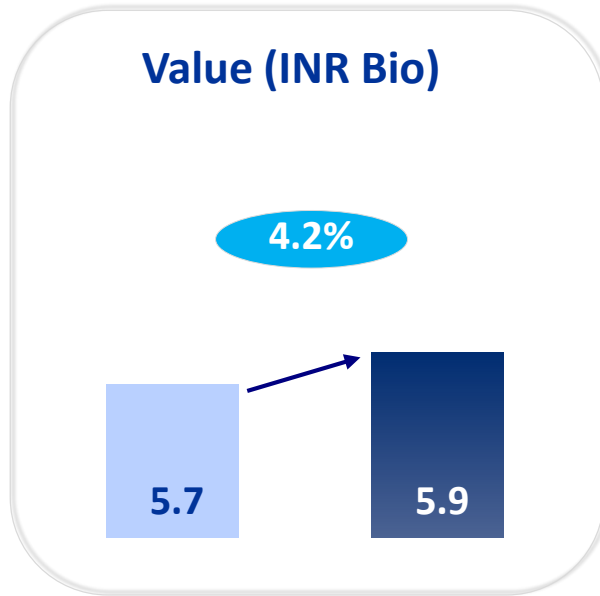
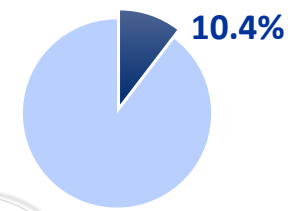


Strong Growth aided by market momentum. Kitkat gains market share.

I&R : Kitkat Dessert Delight, Milkybar Moosha, limited editions yield good results



Powdered & liquid beverages - Domestic



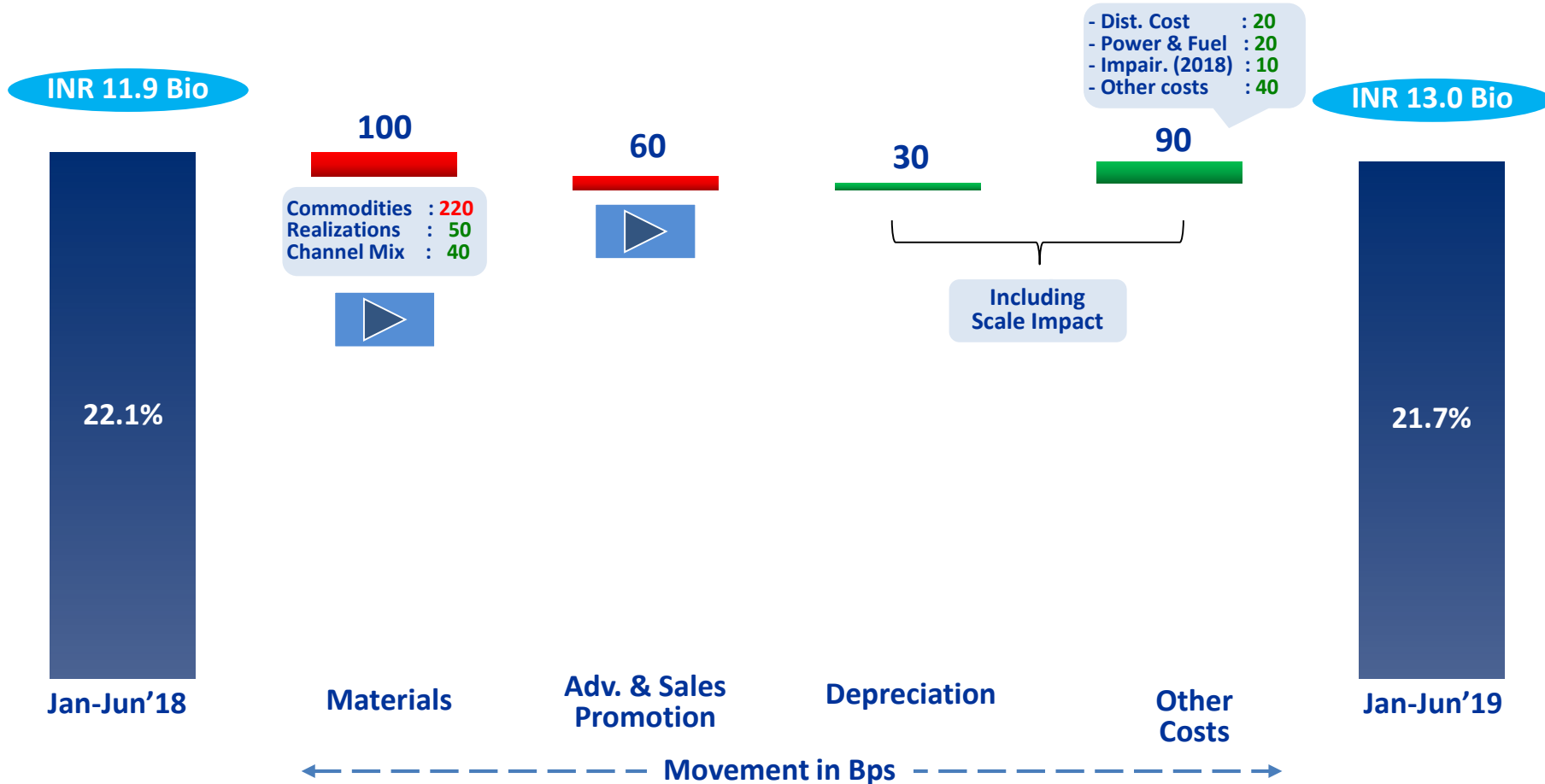
Growth% H1'18 H1'19

Growth adversely impacted by lower sales of instant coffee to CSD (220 bps)

Nescafe RTD continues to grow strongly



Profit from Operations*

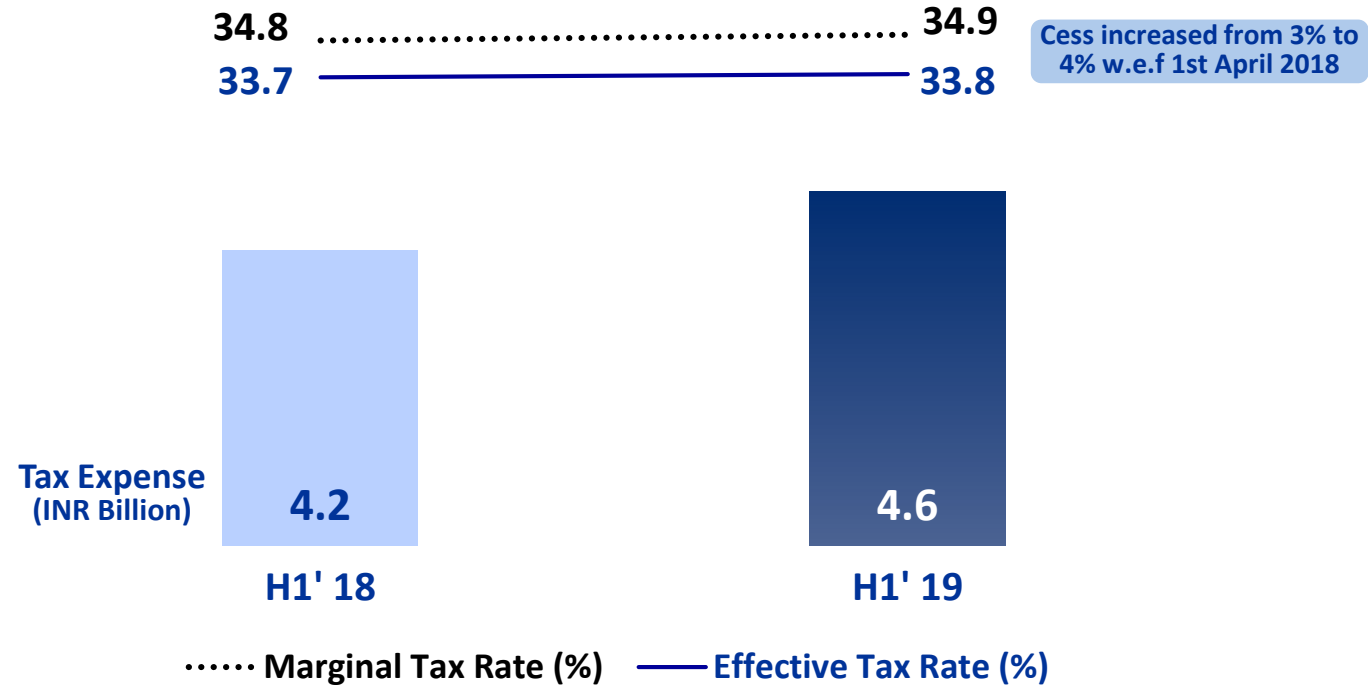


Margins adversely impacted by input costs and A&SP, partially off-set by operating leverage

***Profit from Operations is arrived from 'Profit before Tax' after reducing Other Income and adding back Finance Costs (including interest cost on employee benefit plans), Net provision for contingencies (others) and corporate social responsibility expense.**

Percentages are with reference to sales

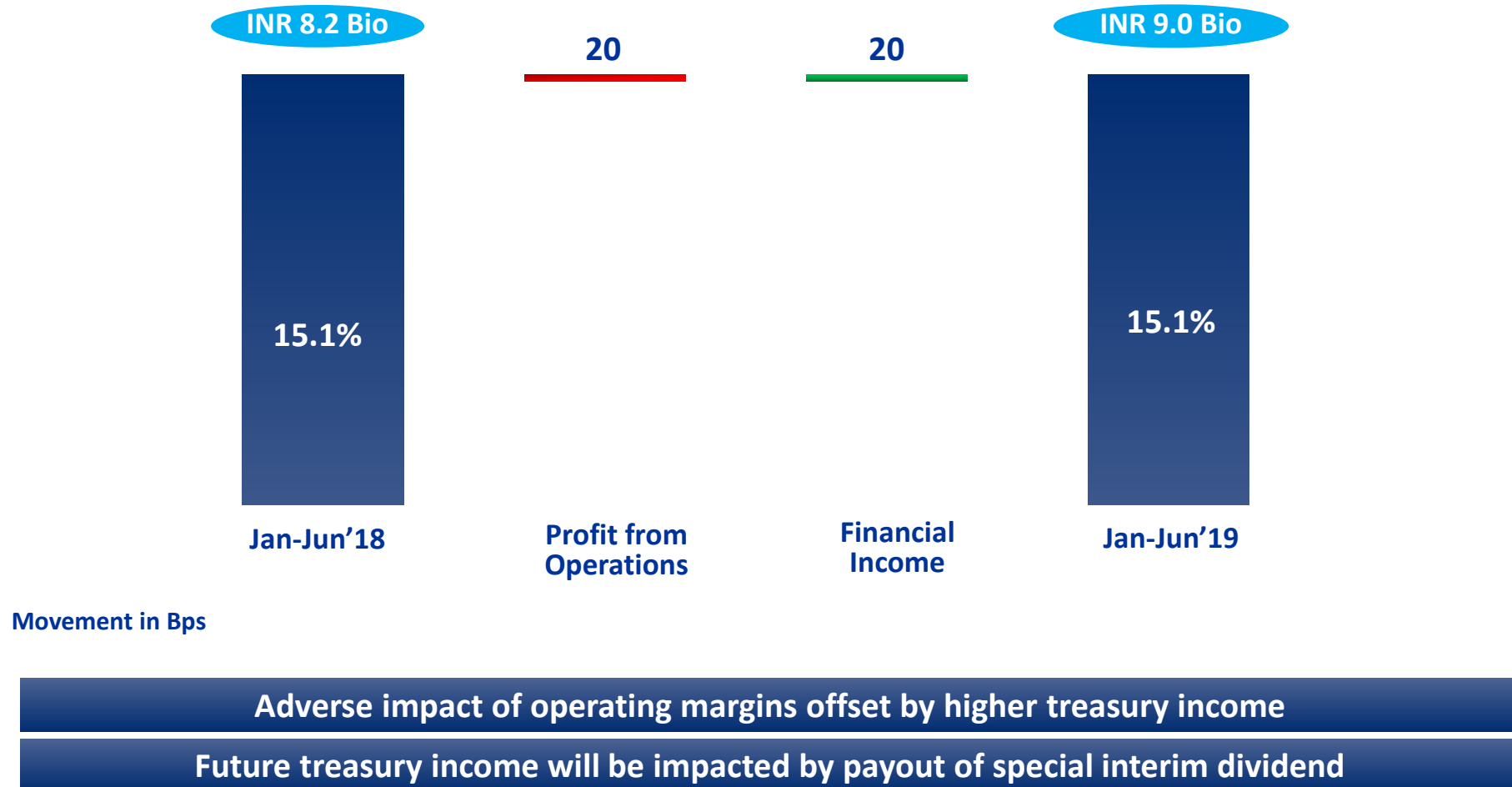
Tax expense and effective tax rate



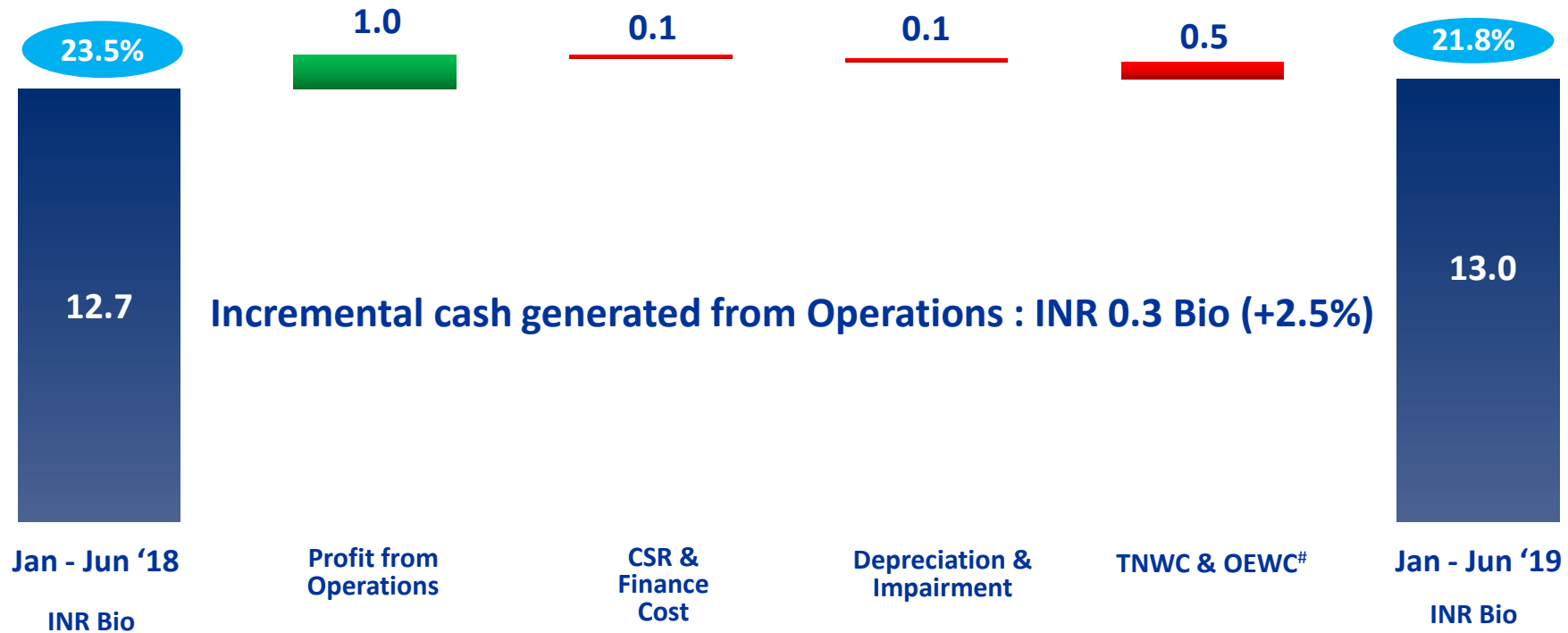
Effective tax rate remains stable

“Samalkha factory Unit II” tax holiday ends on 31st March 2022

Net Profit margins sustained

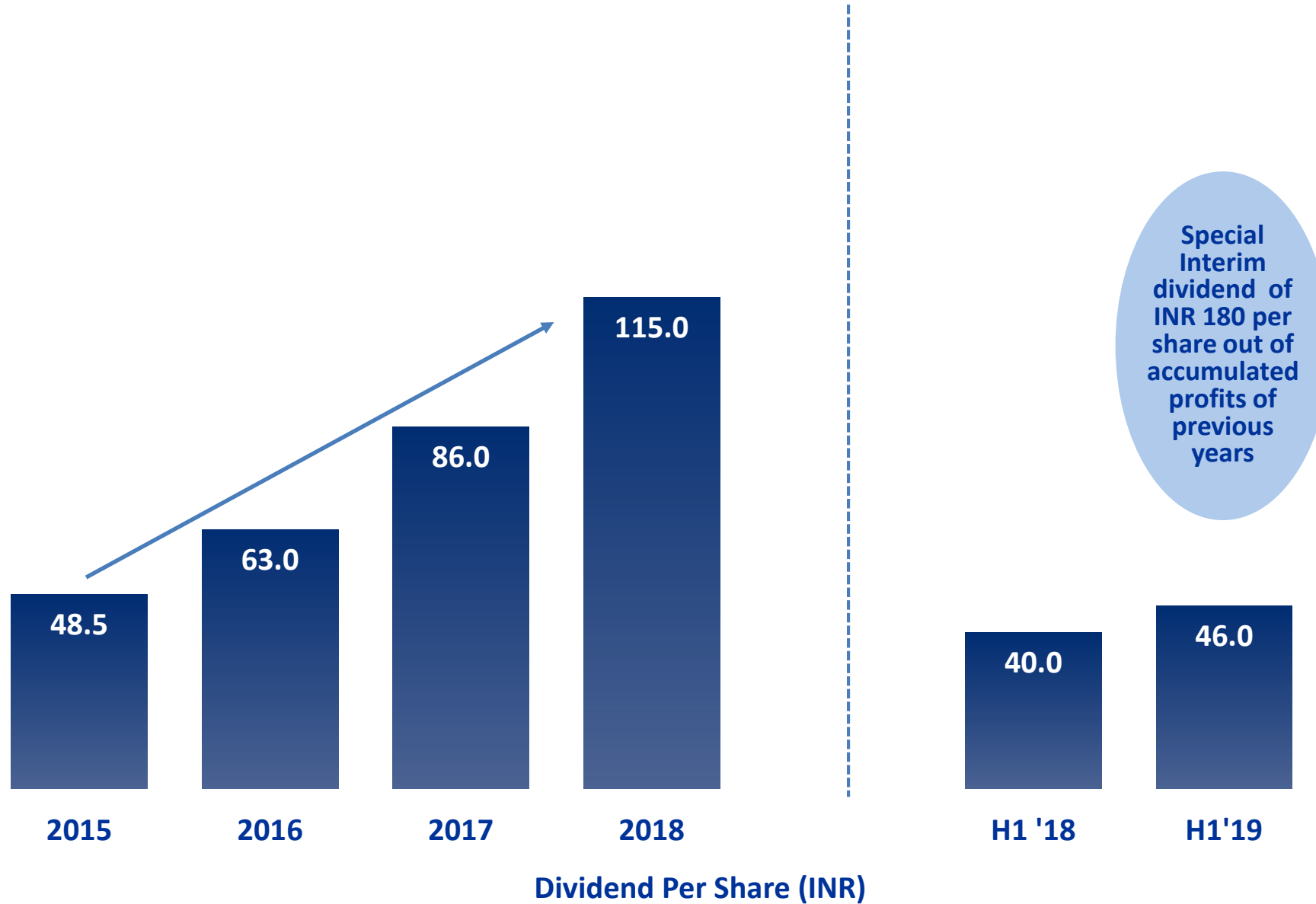


Healthy cash generation from operations

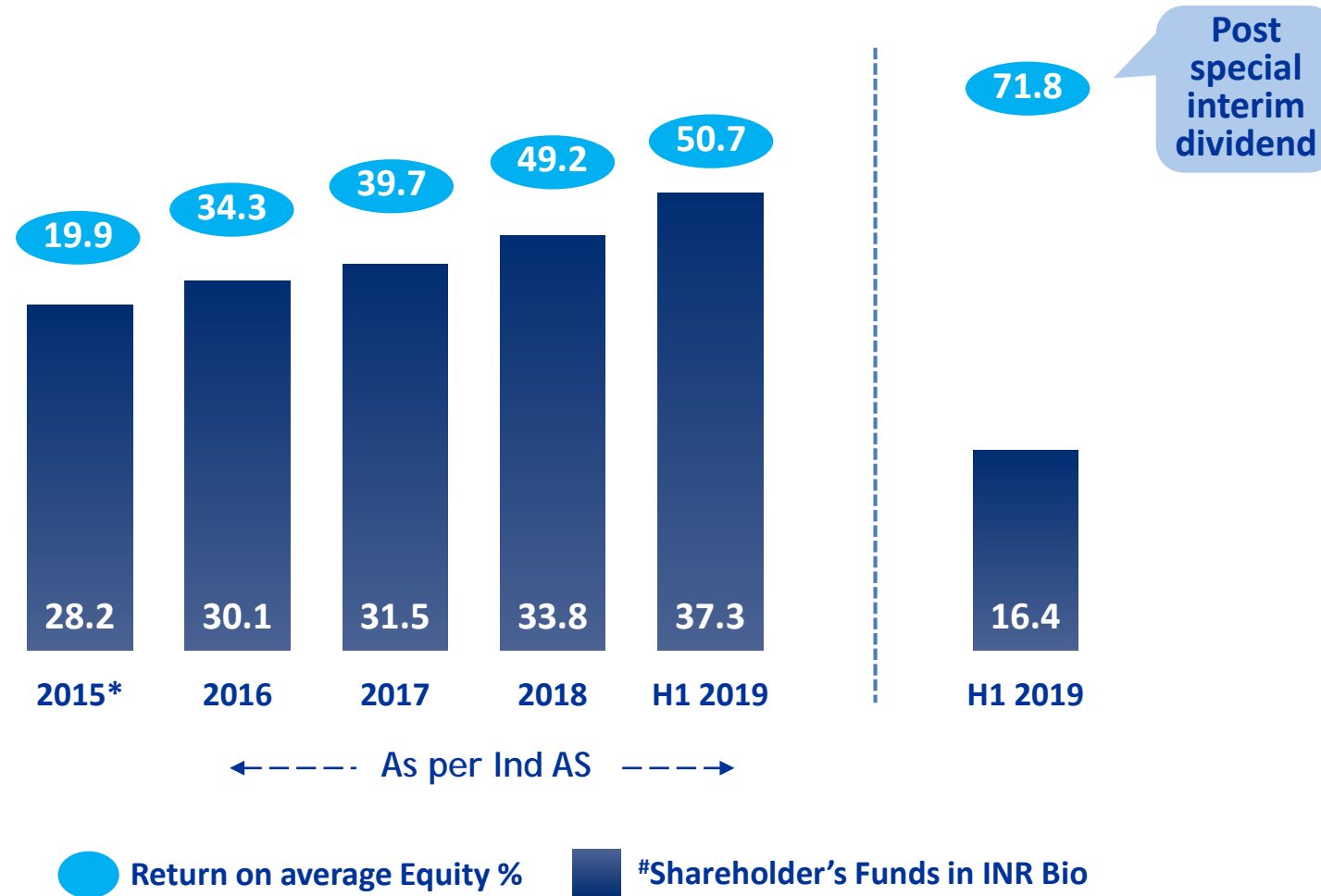


#TNWC & OEWC – Trade Net Working Capital and Other Elements of Working Capital
Percentages are with reference to sales

Consistently increased dividend per share post MAGGI issue



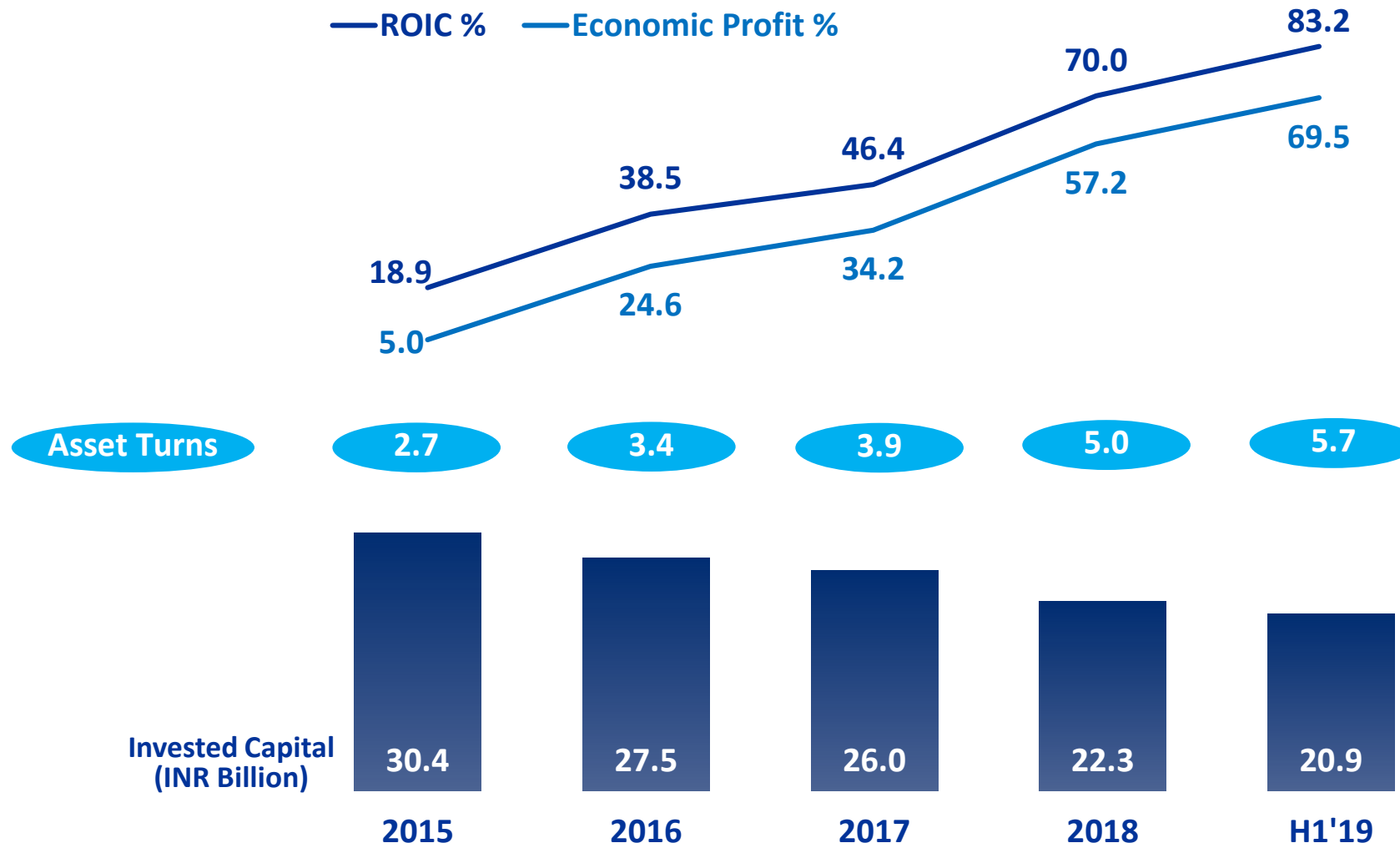
Return on Equity will further improve after the special interim dividend



*Impacted by MAGGI Noodles issue

#Shareholder's funds after adjusting final dividend

Built back capital efficiency & value creation



Ind AS 116 on Leases

Ind AS 116 on Leases

Applicable for Nestlé India w.e.f. Jan 1, 2020 with comparatives being restated

Removes distinction between Finance & Operating leases

Balance Sheet

- All Leases will be recognized as “Right to Use” - Asset and as financial liability

Income Statement

- Lease payments will be recognized as Depreciation and Interest over the life of the lease

Cash Flow

- Lease payments will be classified as financing activities

Ind AS 116 – Estimated impact basis 2018*

Values in INR Mio

P&L	Current Ind AS 17	Future Ind AS 116	Bps
Revenue	-	-	
Depreciation	-	+ 500	
Other expenses	+ 580	-	
Operating Profit		+ 80	+ 6
Interest Cost	-	+ 100	
Profit before Tax		- 20	- 2

Balance Sheet	Current Ind AS 17	Future Ind AS 116
Assets	-	+ 1,250
Liability	-	+ 1,400
Equity	-	- 150

Cash Flow	Operating Activity	Financing Activity
Rental Payment	+ 580	- 580

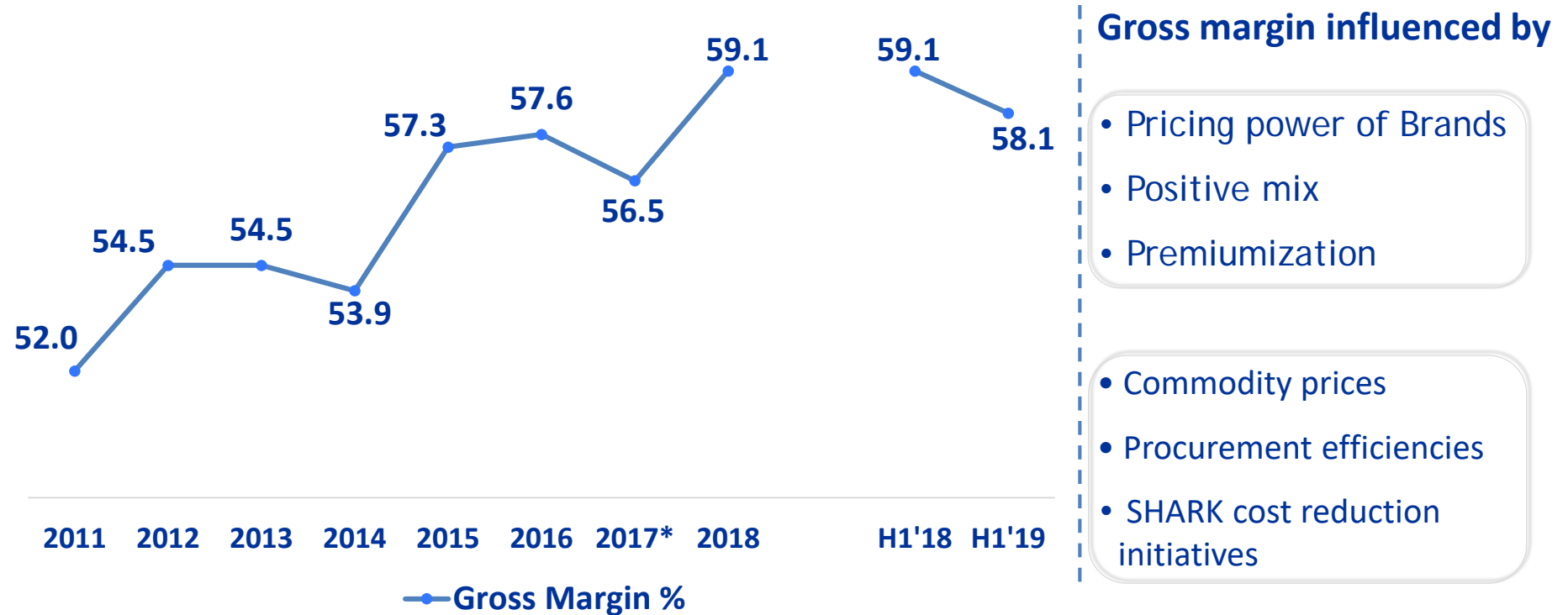
Also impacts financial ratios such as ROIC, Asset Turnover etc.

* Approximate numbers for 2018 basis Nestlé Internal Reporting Standards. Doesn't include deferred tax impact.

THANK YOU

Linked Slides

Gross margin evolution reflects strength of our business model

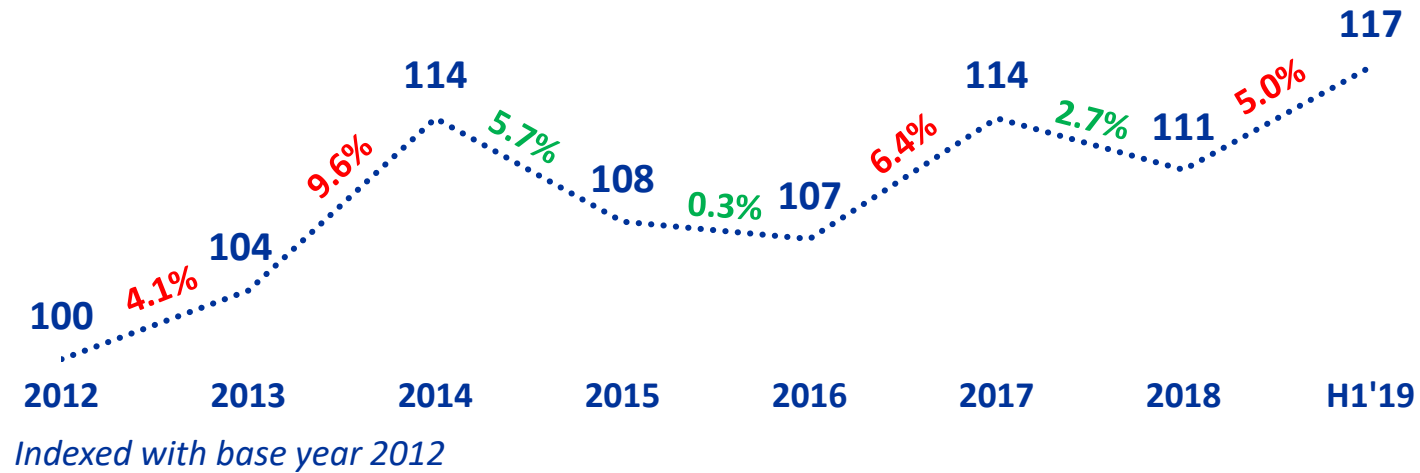


*Figures from 2017 are as per Ind AS. 2017 numbers adjusted to reflect implementation of GST

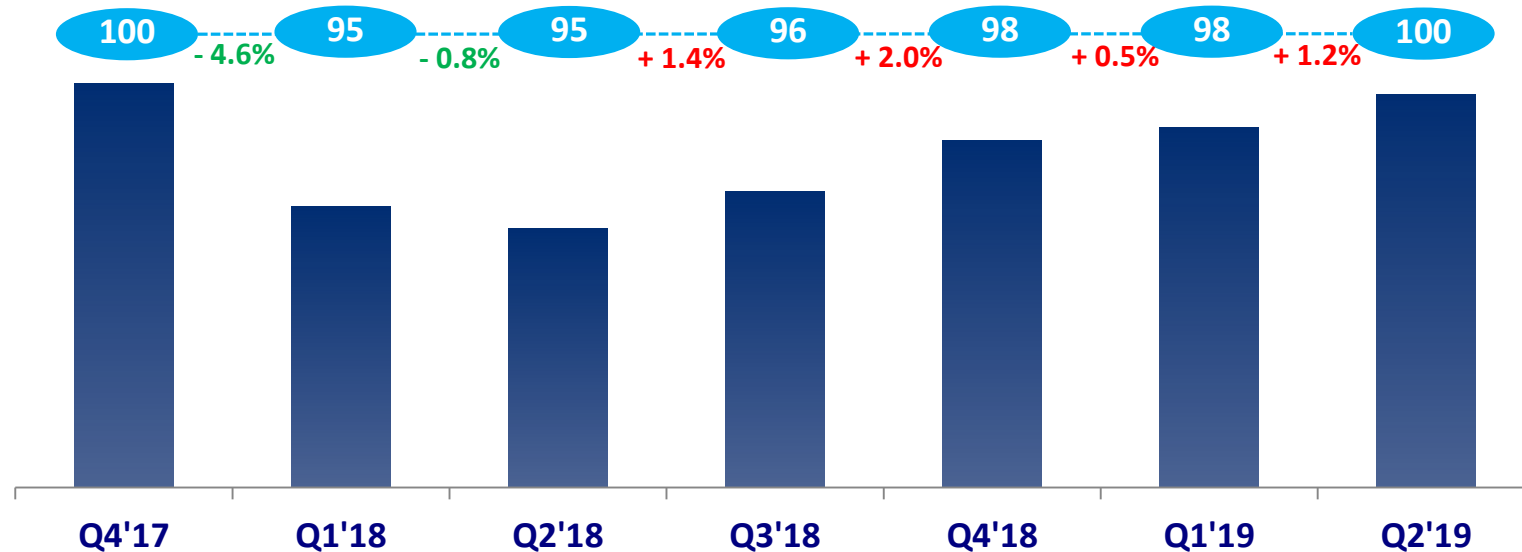
Gross Margin % = (Sales – Cost of materials consumed – Purchases of stock-in-trade – Changes in inventory) / Sales



Price index of our commodity basket over the years

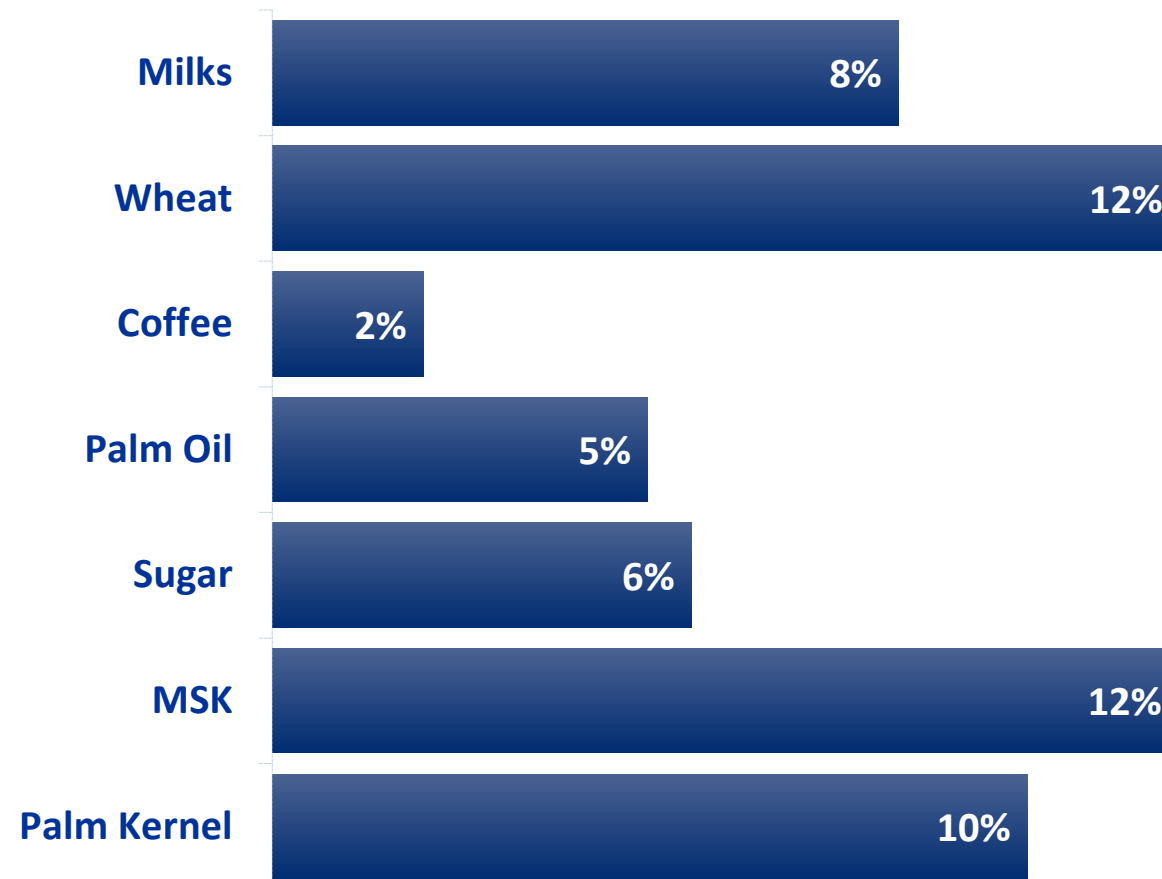


Price index of our commodity basket over the quarters

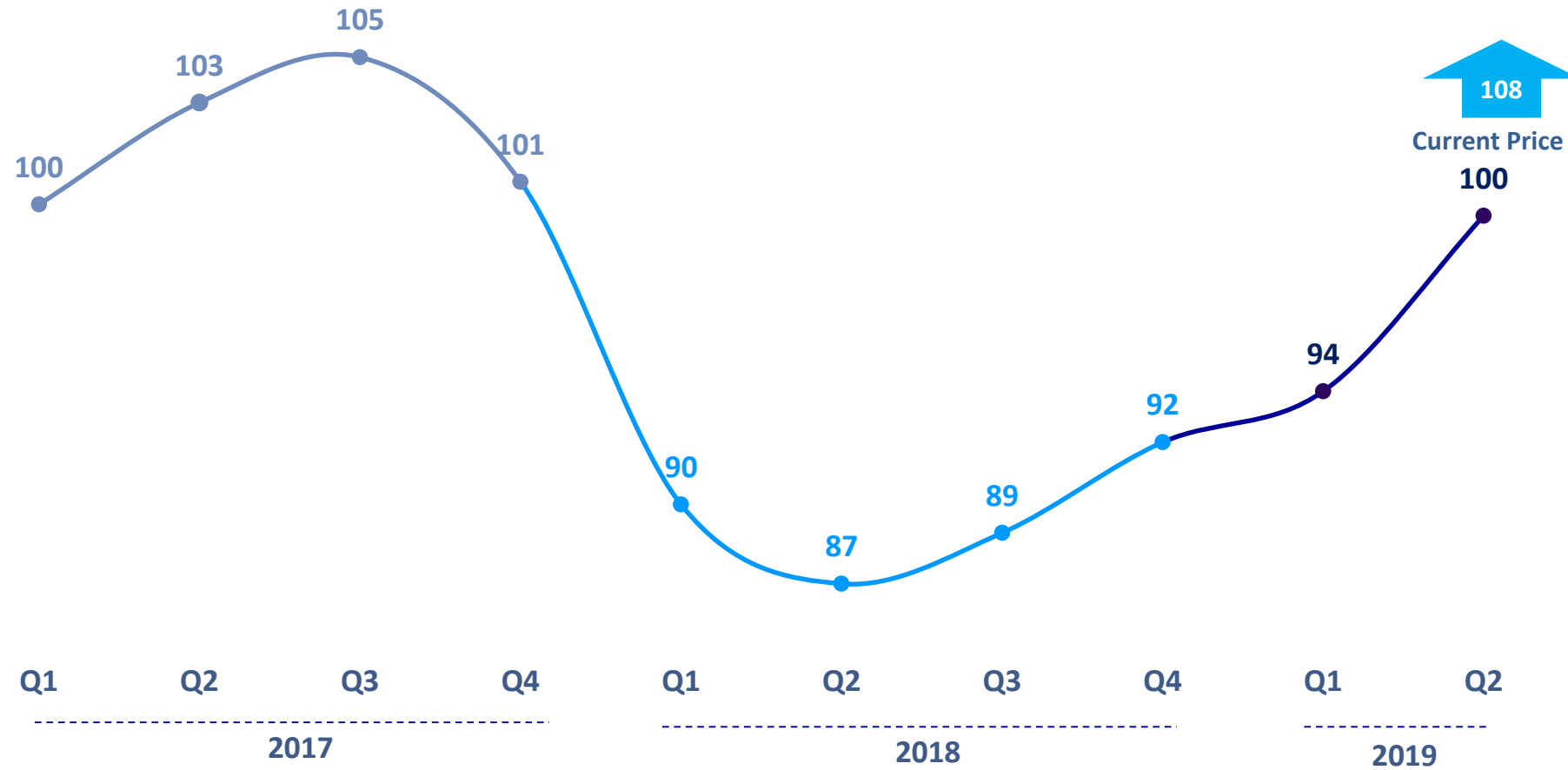
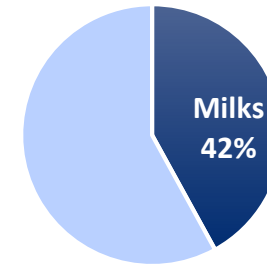


Price movement of key commodities

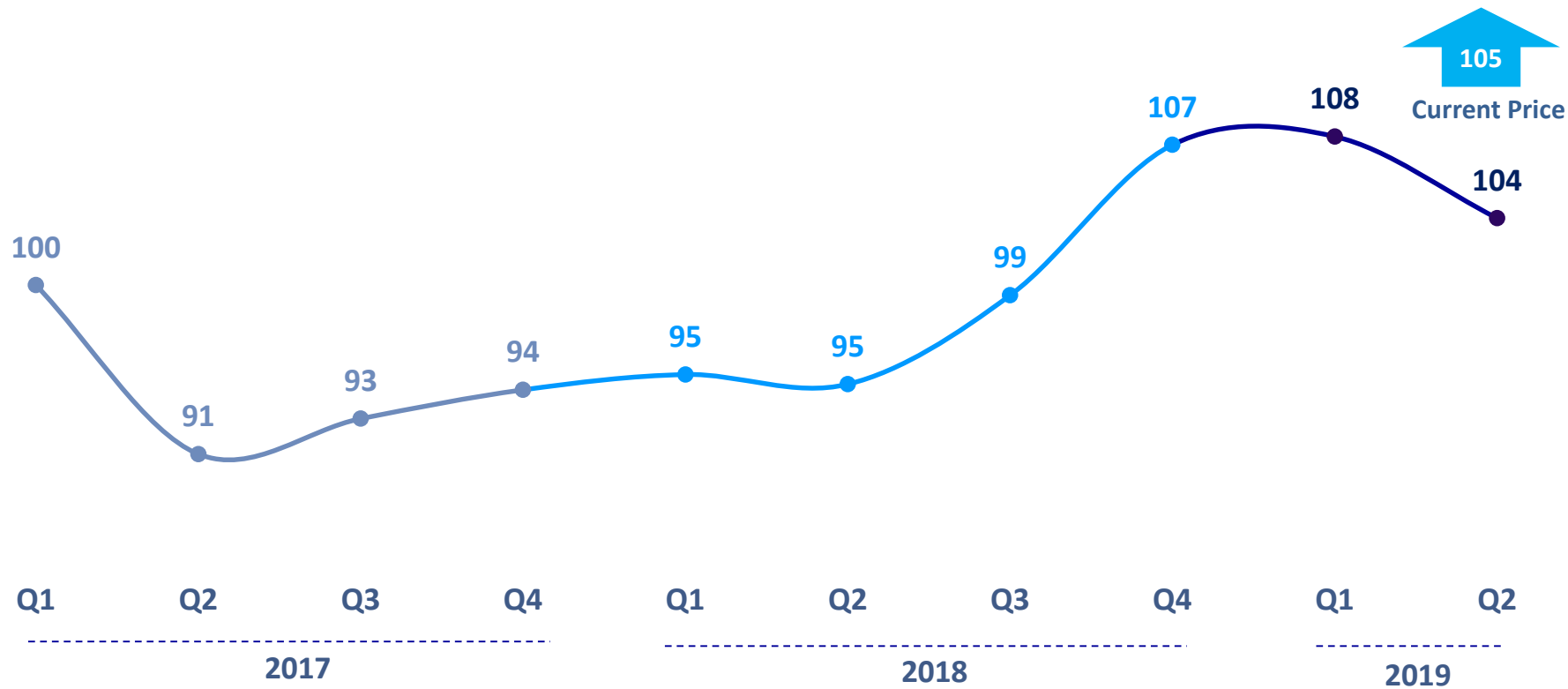
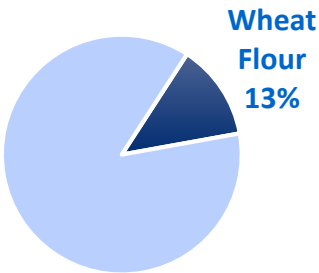
H1'19 Vs H1'18



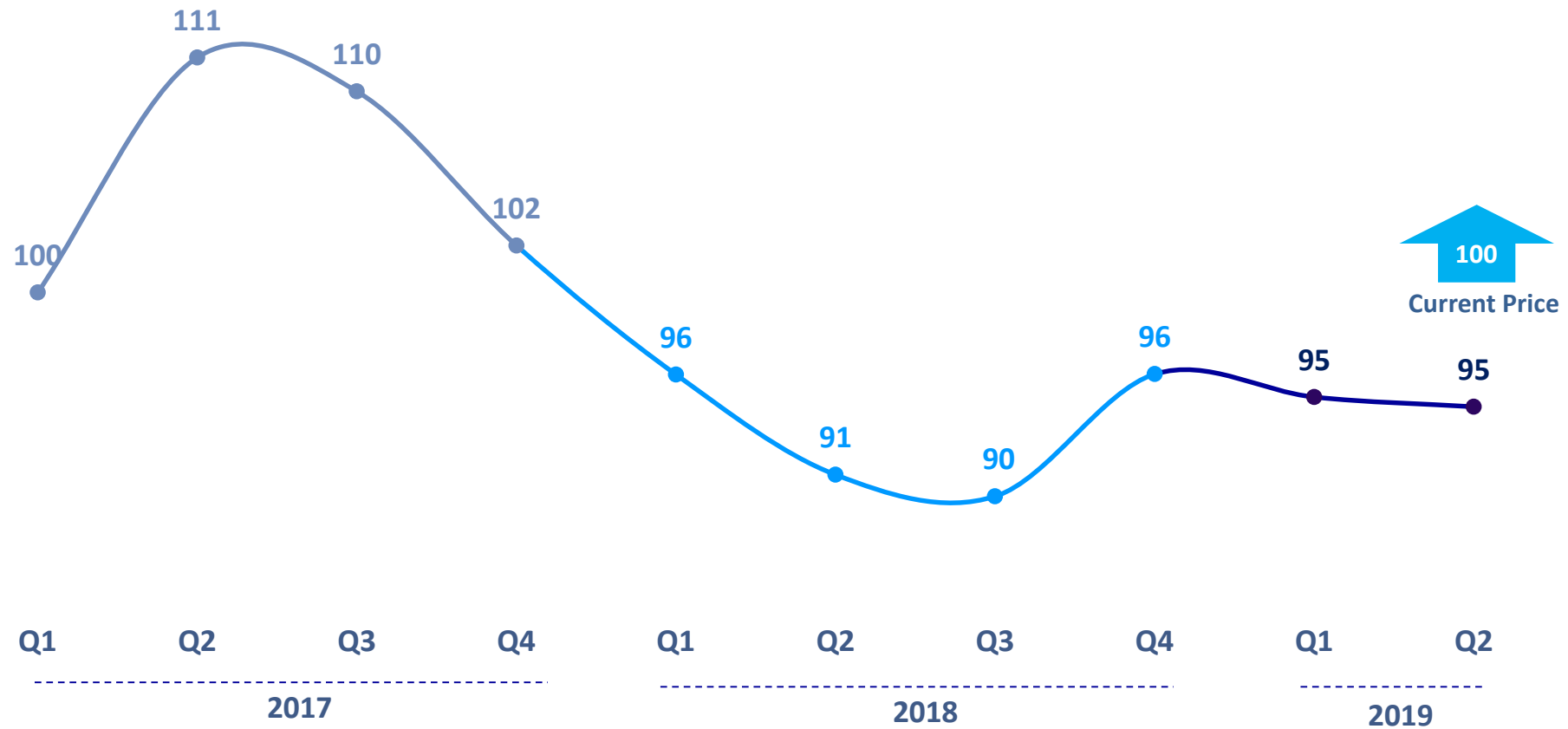
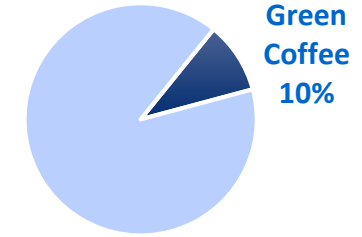
Price index : Milk



Price index : Wheat Flour

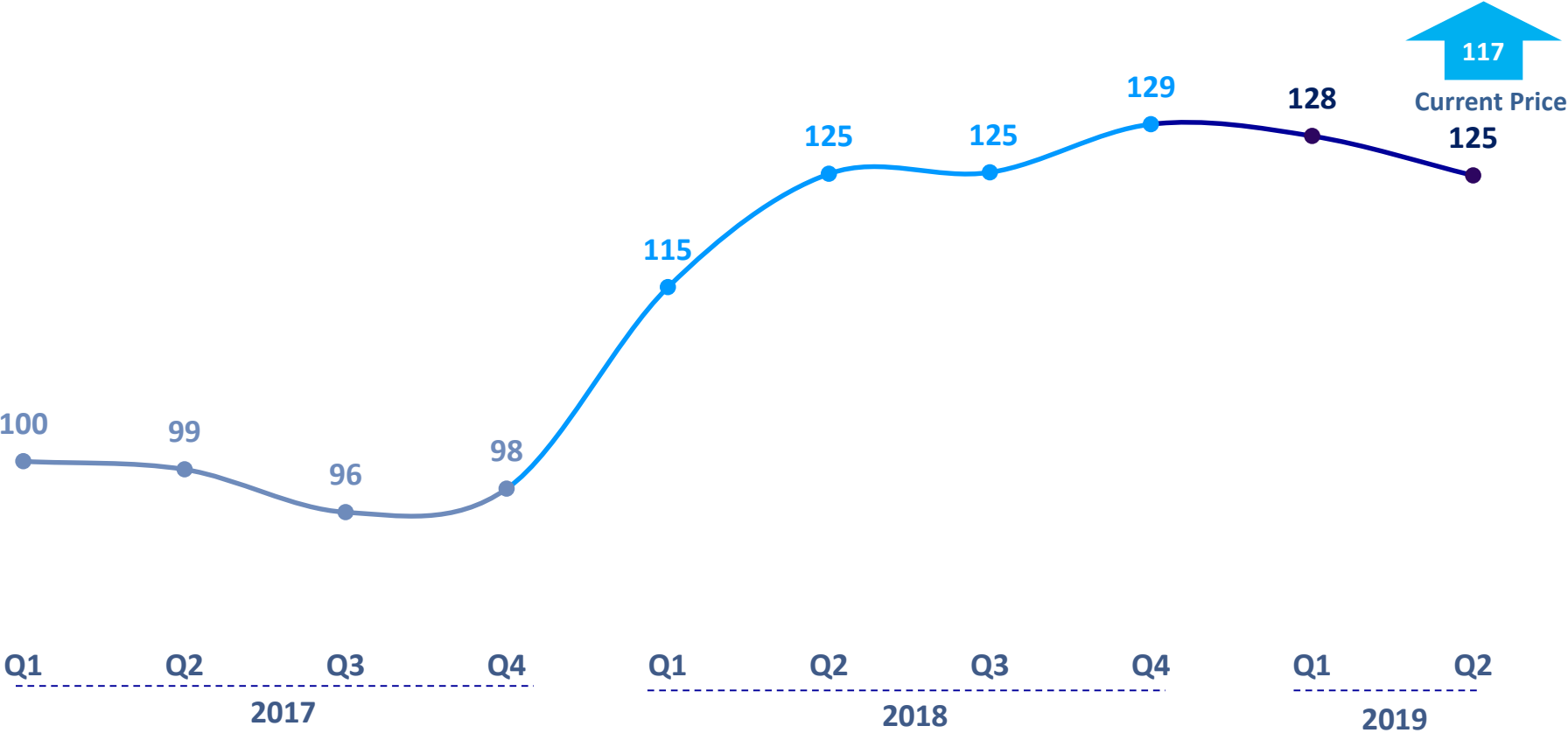
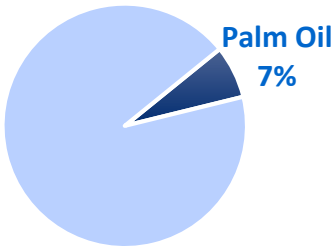


Price index : Green Coffee



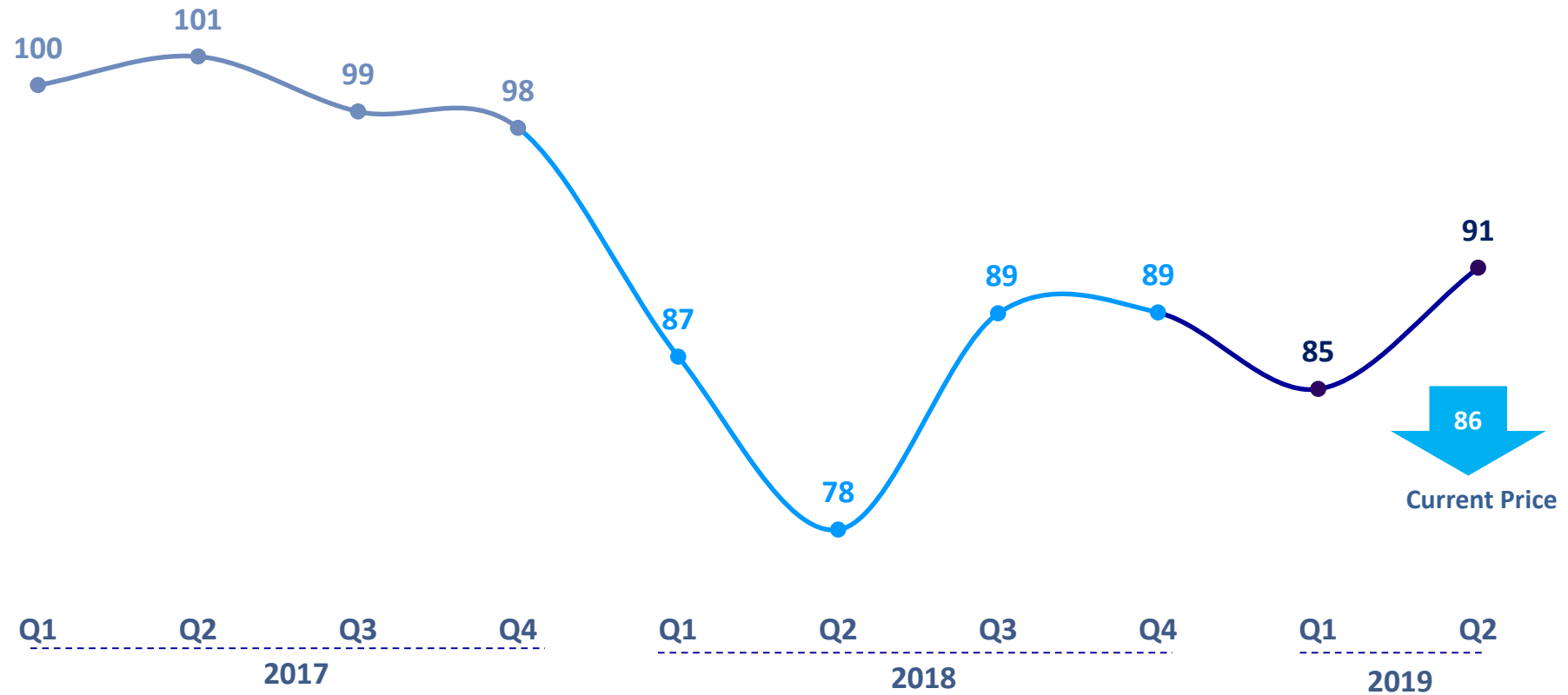
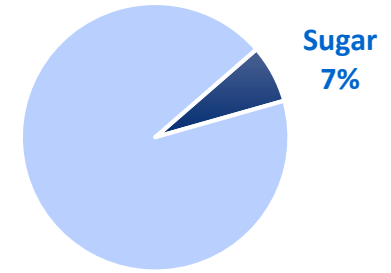
- Indexed with base Q1-17. Indices are on consumption basis
- Q3'17 onwards, rates are net of input taxes with the implementation of GST w.e.f. 1st July 2017

Price index : Palm Oil



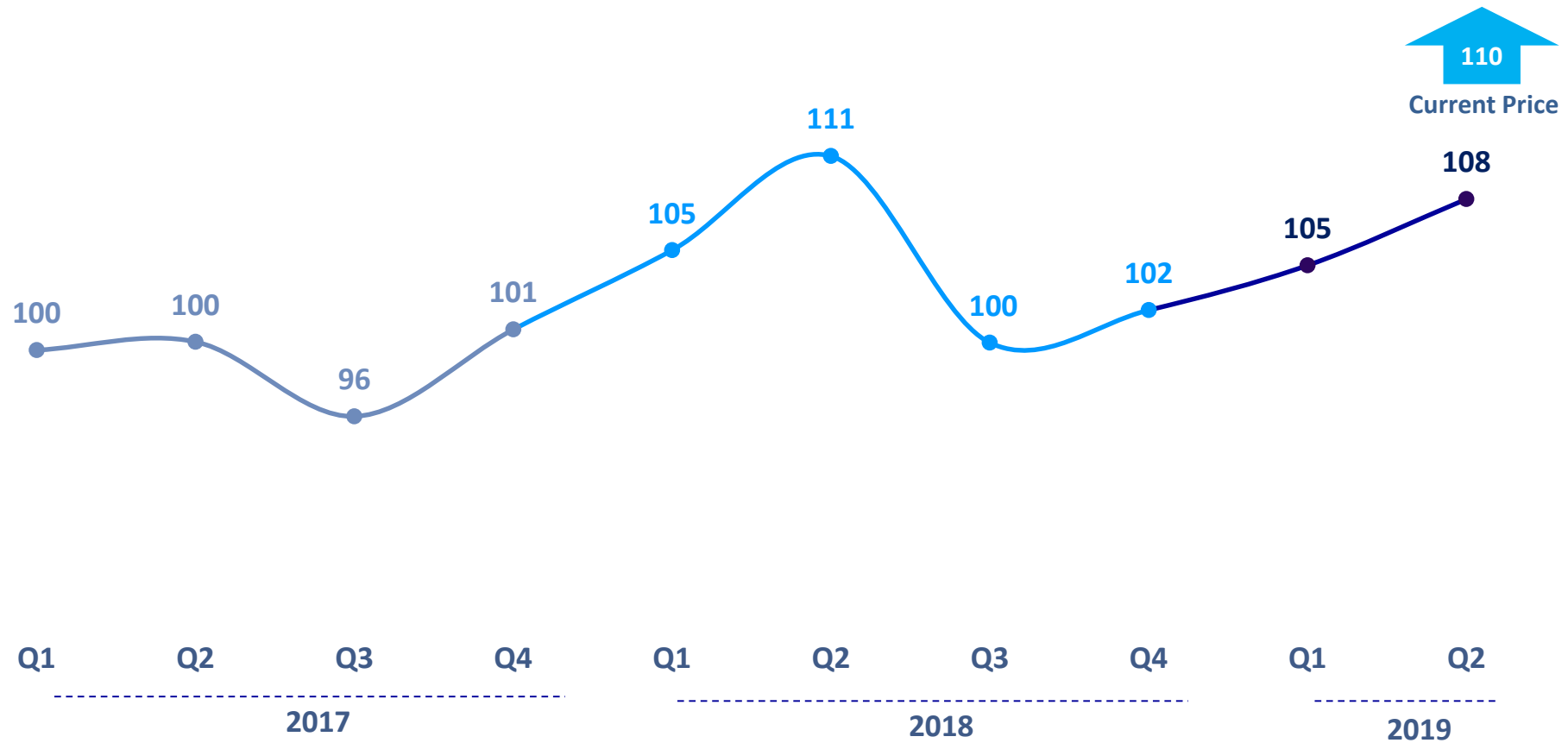
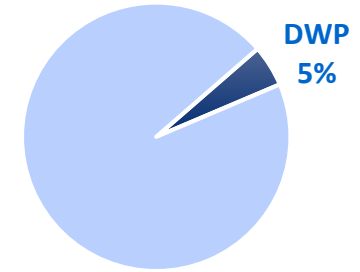
- Indexed with base Q1-17. Indices are on consumption basis
- Q3'17 onwards, rates are net of input taxes with the implementation of GST w.e.f. 1st July 2017

Price index : Sugar



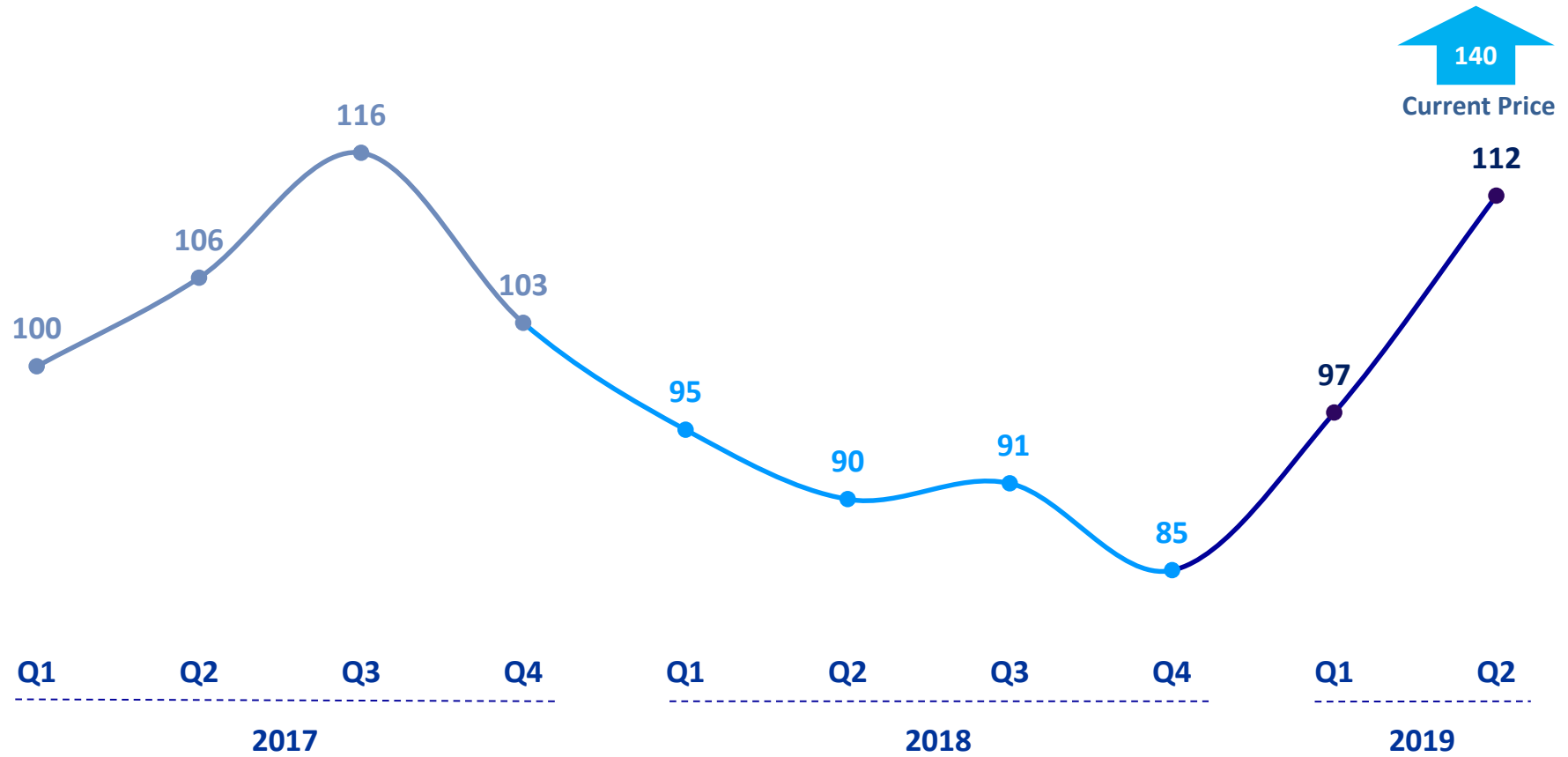
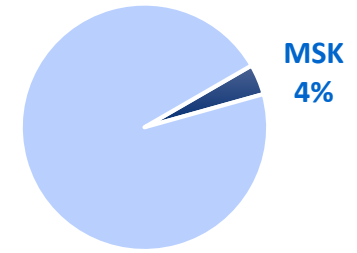
- Indexed with base Q1-17. Indices are on consumption basis
- Q3'17 onwards, rates are net of input taxes with the implementation of GST w.e.f. 1st July 2017

Price index : DWP



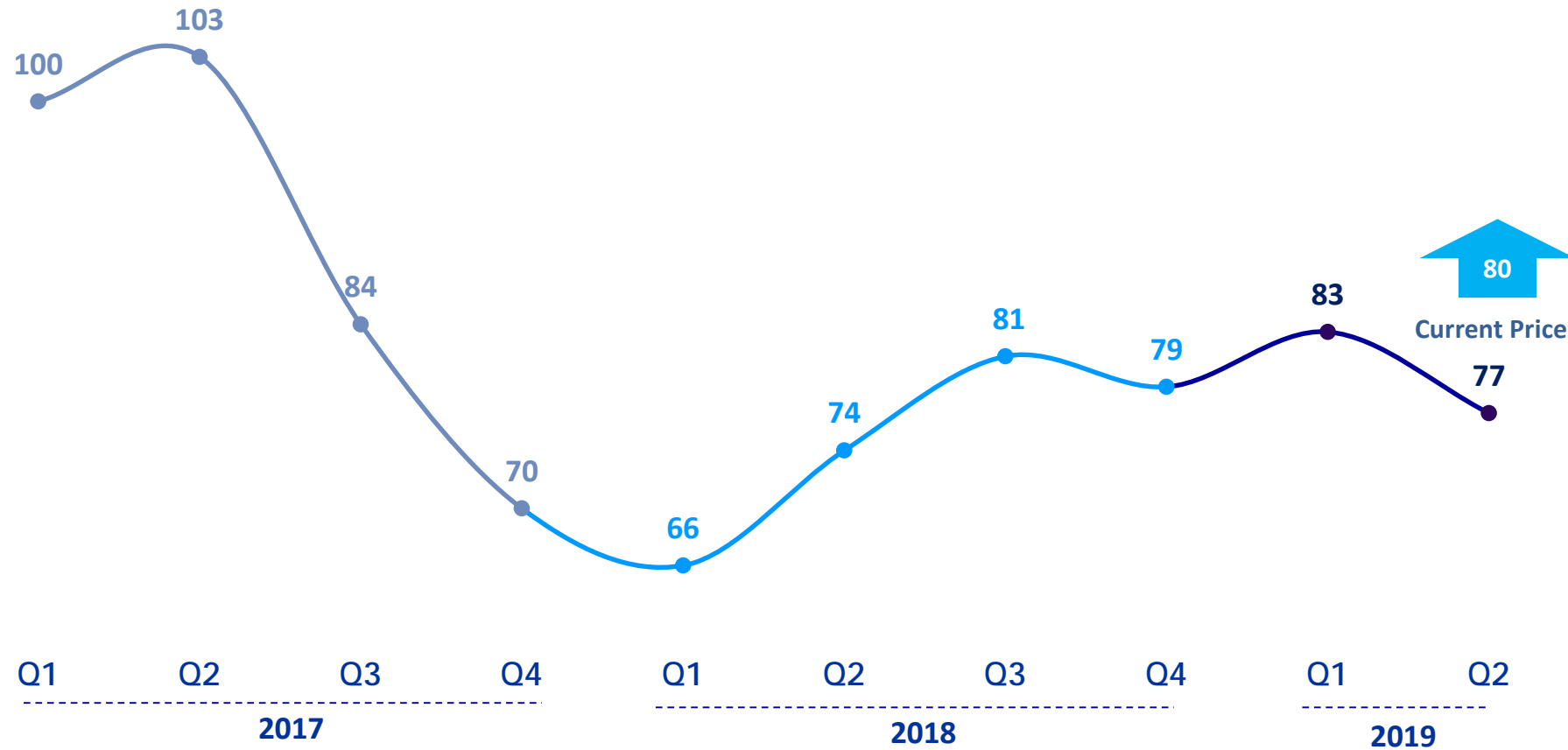
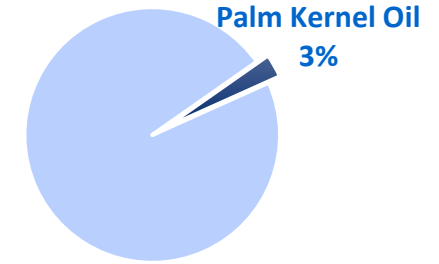
- Indexed with base Q1-17. Indices are on consumption basis
- Q3'17 onwards, rates are net of input taxes with the implementation of GST w.e.f. 1st July 2017

Price index : MSK



- Indexed with base Q1-17. Indices are on consumption basis
- Q3'17 onwards, rates are net of input taxes with the implementation of GST w.e.f. 1st July 2017

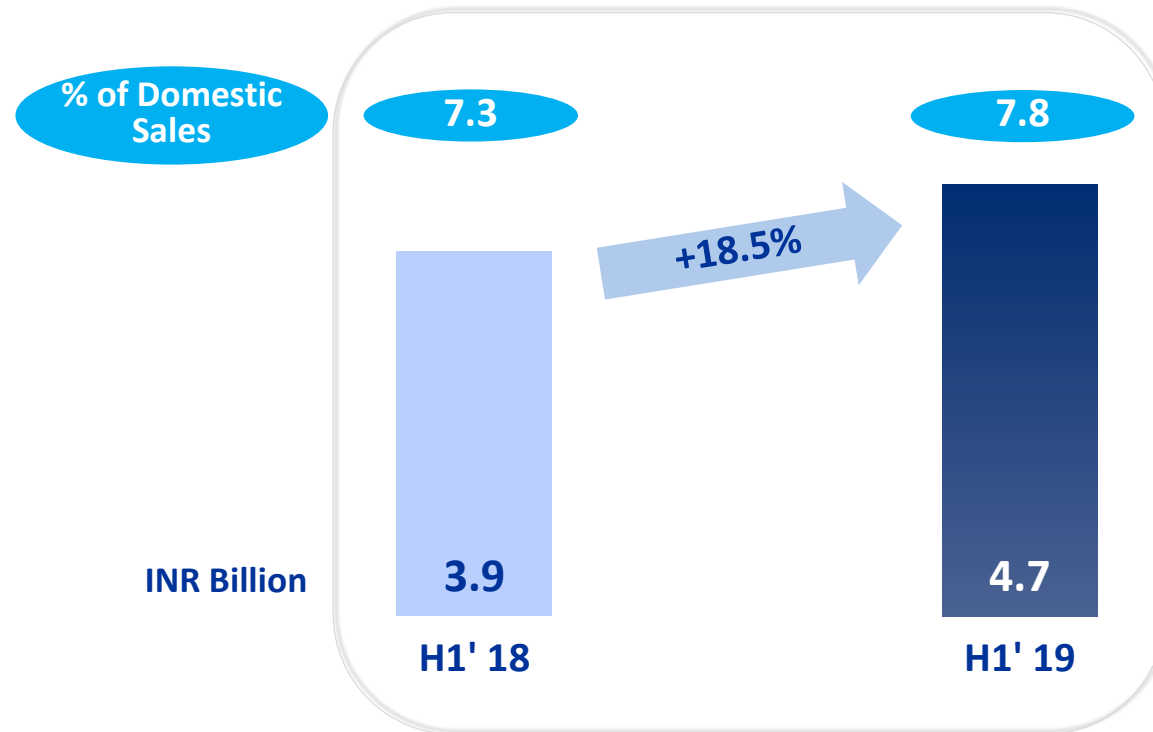
Price index : Palm Kernel Oil



- Indexed with base Q1-17. Indices are on consumption basis
- Q3'17 onwards, rates are net of input taxes with the implementation of GST w.e.f. 1st July 2017



Marketing spends*



Direct Marketing spends continued to grow faster

Sustained investment behind I & R

Digital Media spends growing at CAGR of ~ 45% for past 4 years

(a)*Marketing Spend include: Advertisement & Sales Promotion, Marketing & Selling incentives to trade, free goods to consumers etc.





Reaching out to Consumers... Route to Market

Presentation Outline



1 Distribution Infrastructure

2 Urban – Coverage, Channel, Shopper

3 Unlocking the Rural Opportunity

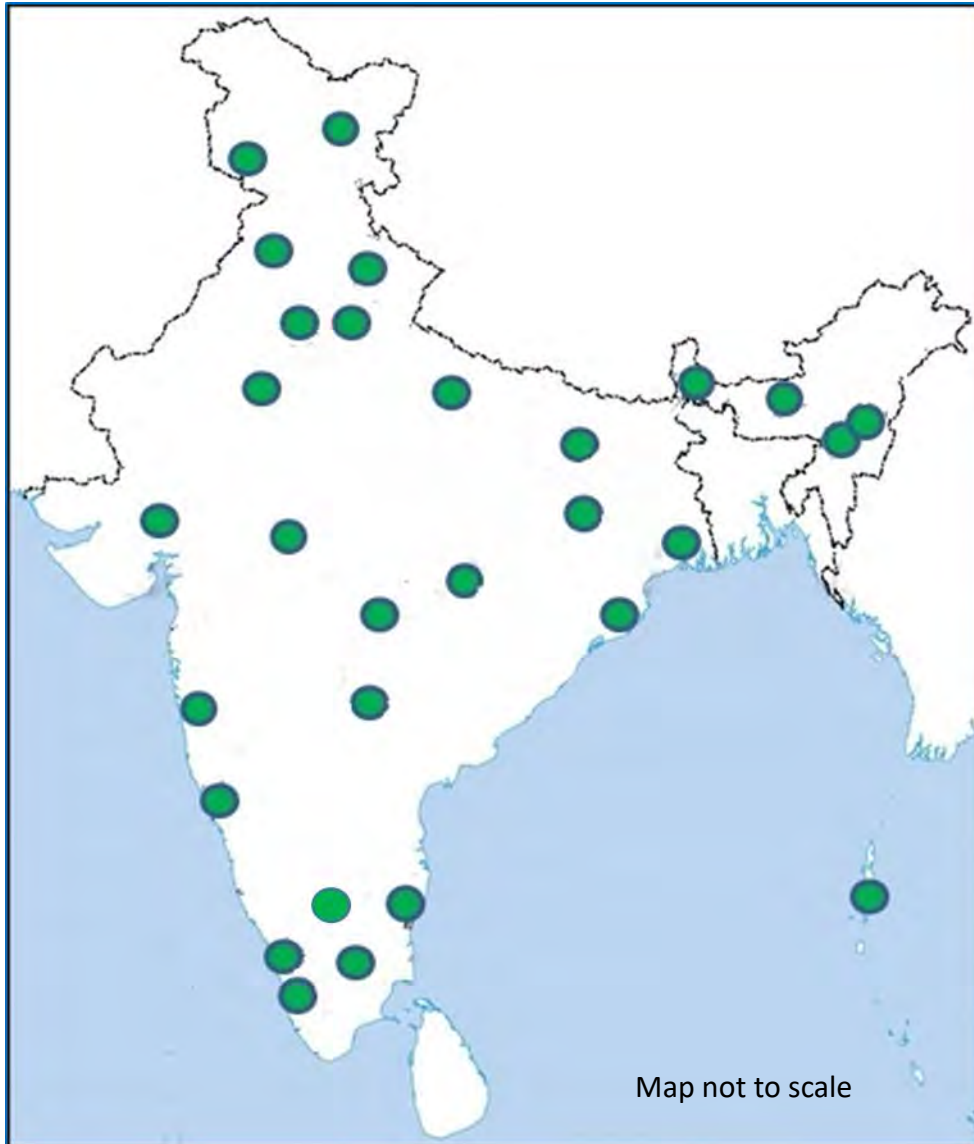
4 Delighting Consumer - Freshness

5 Leveraging Technology

6 Capability development

7 Enduring Partnerships

Reaching out ...



29 Distribution Centers



**1700 + Cash Distributors
7000+ Re-distributors
2600 + Wholesale Hubs**

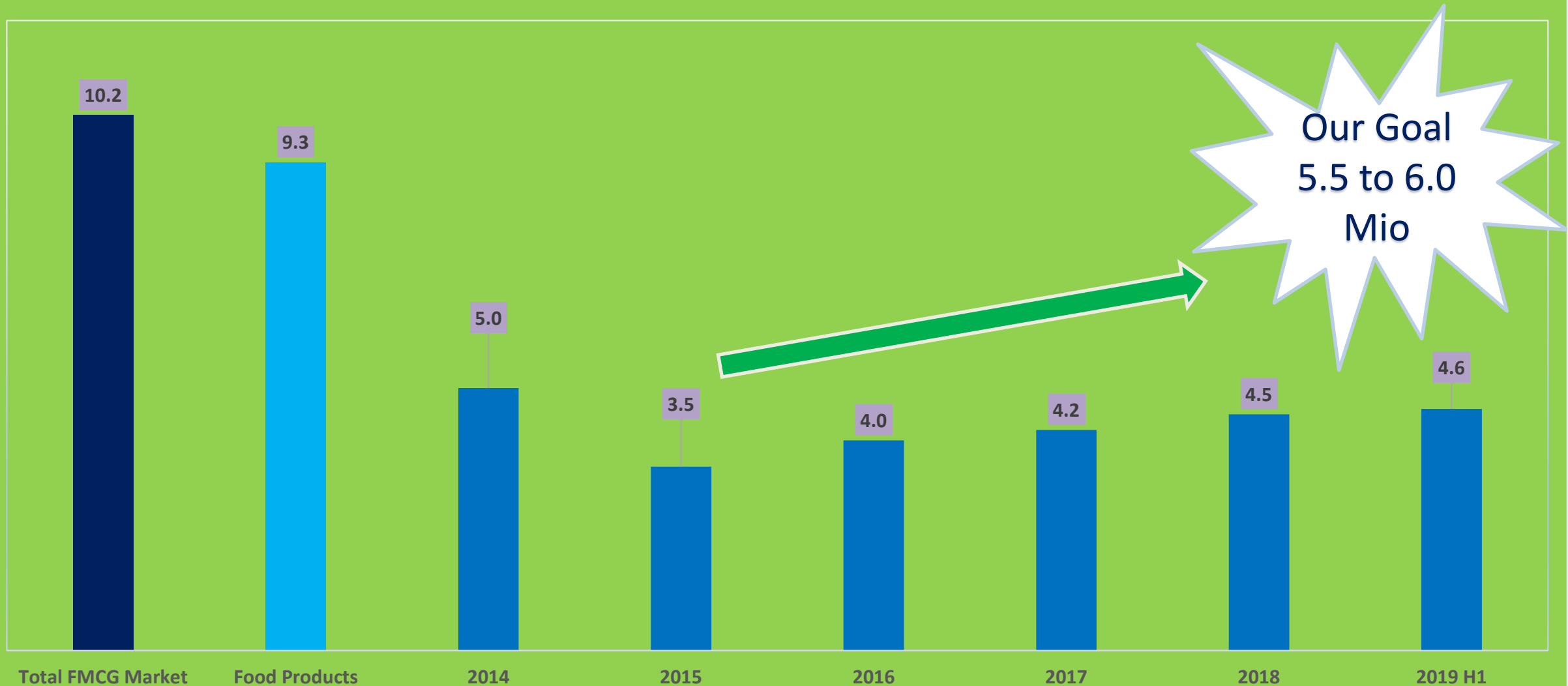


10000 + Feet on Street

 Distribution Centers

Total Reach (Outlets in Mio)

Nestlé Total Reach Progression



Urban Town Reach & Coverage model

Towns : ~ 8000

Covered by Cash Distributor & Re Distributor

Leveraging the Cluster approach

1. Split Coverage Weighted outlets : By Category



2. Regular coverage Regular outlets : All categories



3. Small Outlets coverage Ready Stock Units & Tele Callers



*Source : census 2011

Channel specific programs to influence the Shopper



Super Market



Grocery Large & Bakery



Grocery Small

Organized Trade



Total 27 customers, ~ 8400 stores

3 Constituents

Retail

Cash n Carry

Chain
Pharmacy

Chain Pharmacy Outlet



Fast.Focused.Flexible

Delighting the Consumer during Festivities

Our merchandising team's core expertise



Fast.Focused.Flexible

Delighting the Consumer during Festivities



Fast.Focused.Flexible

Delighting the Consumer during Festivities



Delighting the Consumer during Festivities



Unlocking Rural Market : Reaching Rural customer

No. of villages	Villages under direct coverage
~ 600,000	52,000 +

1. Re Distributor Model
- 7000+ Redistributors



2. Whole sale Hub Model
- 2600+ Wholesale Hub's



*Source : census 2011

Reaching out to Rural customer

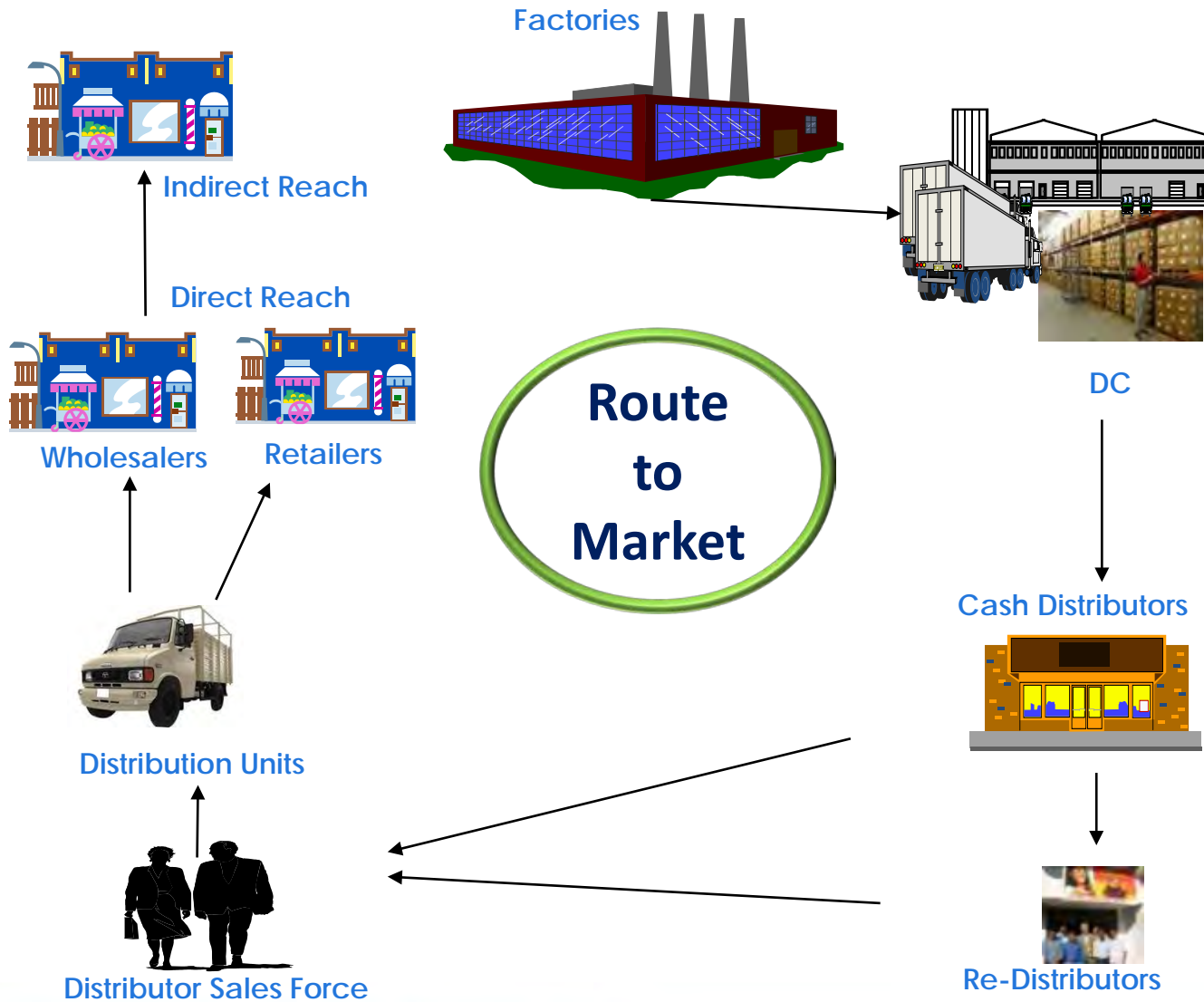


Reaching out to Rural consumer

Village Haat Activity



Our Promise of Freshness ..



Right Availability, Freshness, Quality
- Competitive Advantage

The Process...

IDENTIFICATION

- Select Towns
- Select SKUs



ENLISTMENT

Stores across Channels:
Groceries, Supermarkets
Chemist, Bakery



TECHNOLOGY

InShelf App

- Nestlé Proprietary tool
- Accessible to relevant stakeholders

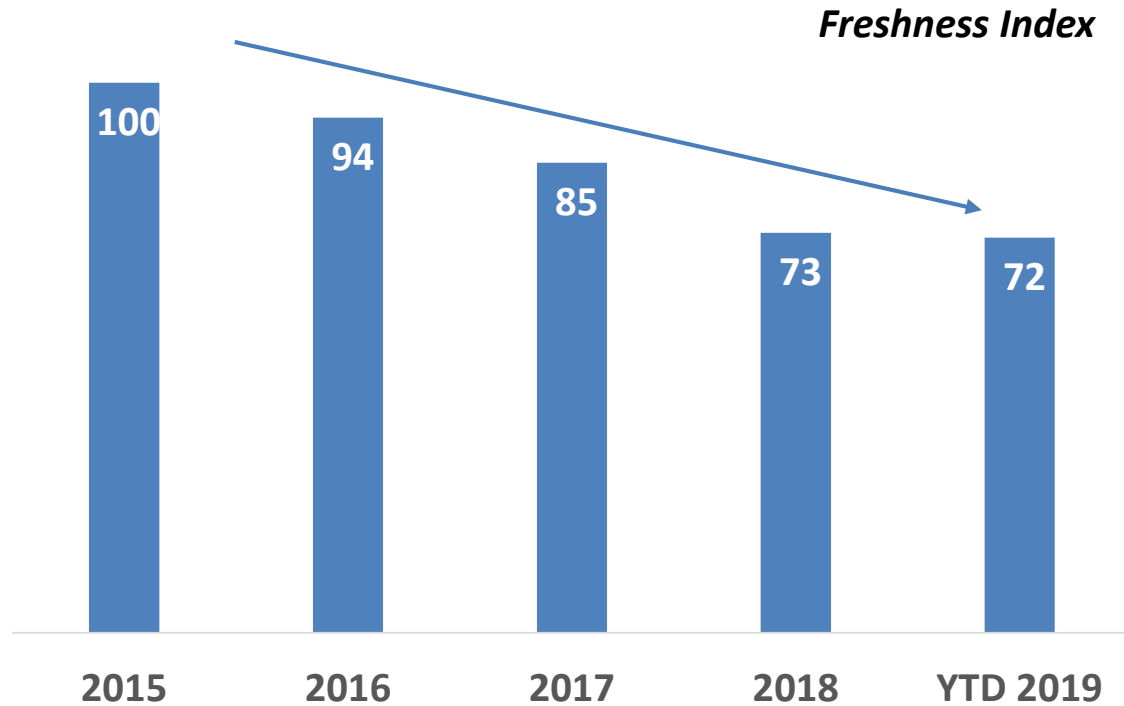


EXECUTION

- Field salesforce capture data
- Data Analysis
- Upstream & Downstream actions identified



Our Results ..



UPSTREAM ACTIONS

- Minimum production run
- Production sequencing
- Transit Time reduction with PIT STOP model



DOWNSTREAM ACTIONS

- Focused Generating Demand Activities
- Rationalization of SKU : Channel Region
- Statistical Forecast (SAS) led Demand Plan accuracy

Leveraging Technology & Analytics in Sales

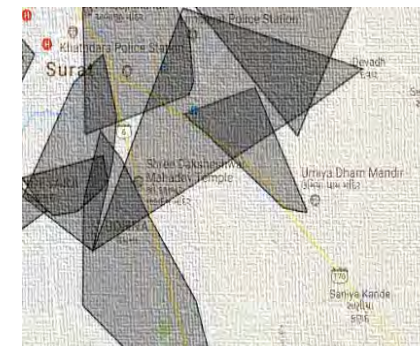


- Retailer creation centrally : 100% accuracy of data
- Real Time Scheme / inputs execution : Zero time lag
- Efficient business transactions with Retailers
- Ease of Operations : Any device , any location access.
- More user friendly Performance dash boards



Retailer Geo Tagging

- Customer database
- **Optimized Sales Route** for Salesman
- Efficiency & Effectiveness
- Reduced cost on market service



Bad Route Plan



Good Route Plan

Leveraging Technology & Analytics in Sales



RD Automation

- Pilot Salesman uses HHT while working in RD Markets.
- Re-Distributor (RD) **closing stock** inventory captured
- RD Market **outlet summary** in application
- RD **Secondary Sales** data availability

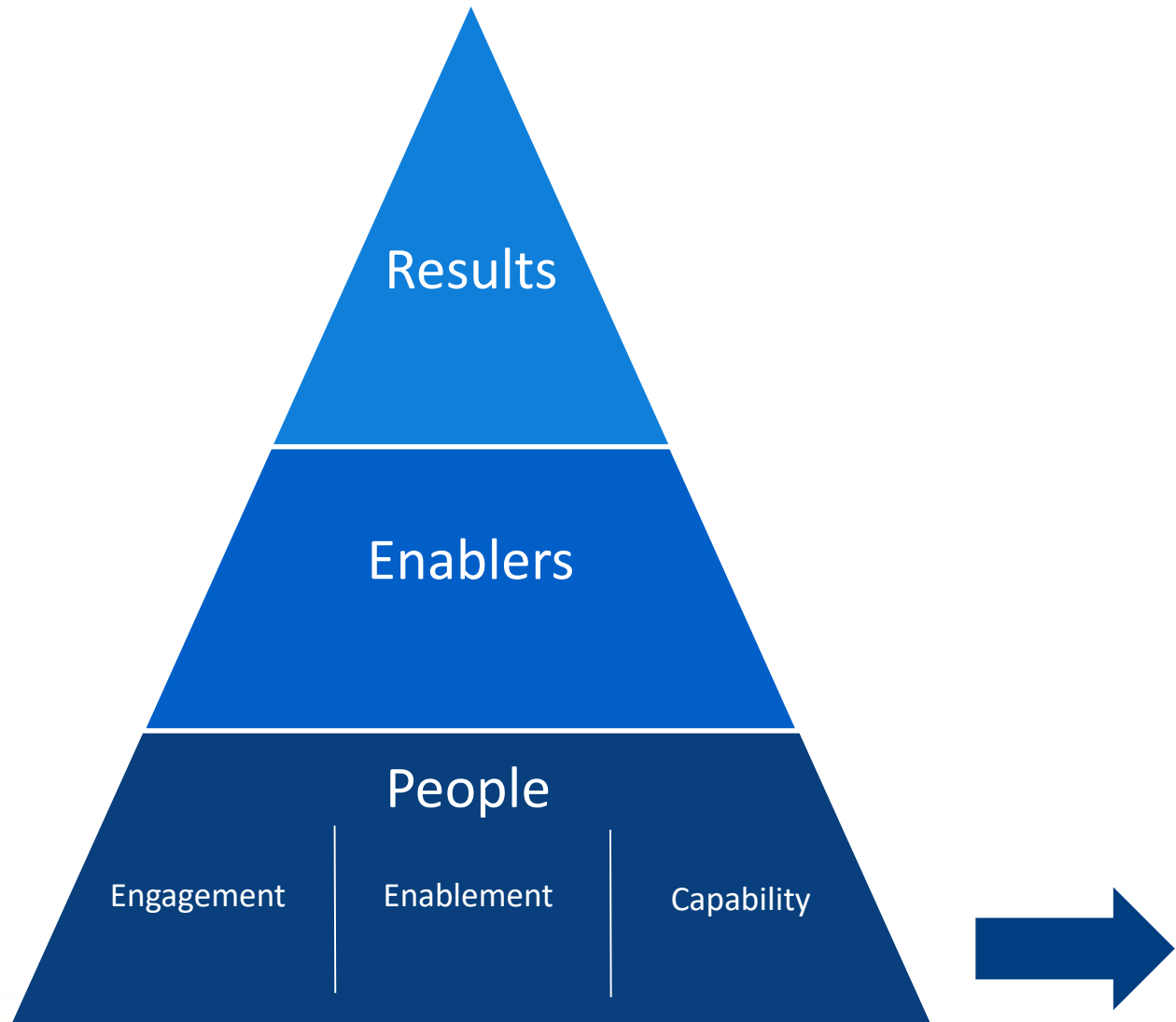


Visibility Automation

- Merchandisers are using one standard application
- **Live capturing** of Visibility Program execution
- **Picture of success** is evaluated by third party



Building Capability



Our Approach





- Need based intervention
- SME trainer Pool
- Localized content
- Lead by line manager
- Leverage global expertise

Identified Training need Addressed *

- 94% of Nestle sales force
- 96% of Distributor field force

* Annual Basis

#Winning Everyday @ Market Place enabled by **NCE** Ways of Working

Daily Operation Reviews at Distributor Point



Benefits

- ✓ Improved Collaboration: Distributor, Secondary Sales Force, Merchandiser, Sales Officer
- ✓ Clear Action Plan
- ✓ Escalate Concerns
- ✓ 360 Degree Evaluation – selling merchandising and collection of payments

Short Term Action				
S-No.	ISSUE	ACTION	WHEN	STATUS
1.	Drine Nestea volume	TGT: 238 ACH: 206 BAL: 32	24.4	
2.	Munch Nuts	TGT: 19 BAL: 9 ACH: 10	25.4	
3.	Kittkat 4F	TGT: 285 ACH: 252 BAL: 33		
4.	Munch Nuts	TGT: 170 ACH: 96 BAL: 74	25.4	

Nurturing partnership with Distributors over decades.

Business Partners meet..



Distributors

Partners in progress
for more than

- 75 years + : 07 CDs
- 50 years + : 31 CDs
- 25 years + : 241 CDs
- 10 years + : 511 CDs



Building on



- **Strong Urban Distribution & Increased Focus on Rural**
- **Strong Activation & Leverage Regional Opportunities**
- **Our Promise of Product Freshness**
- **Use Technology for Efficient and Effective operations**
- **Focus on Capability Building**
- **Building Enduring Partnerships**

Thank You