



Nestlé House, 28<sup>th</sup> July 2020

## **Nestlé India continues its positive journey of sustainable results.**

Continues its sharp focus on “People & Partners First” Approach

### **Nestlé India – Q2 2020**

- Total Sales of INR 3,041 Crore
- Total Sales Growth at 2%. Domestic Sales Growth at 2.6%.
- Profit from Operations at 22% of Sales
- Net Profit of INR 487 Crore
- Earnings Per Share of INR 50.47

The Board of Directors of Nestlé India met today, through video conferencing, and approved the results for the second quarter and first half of 2020. Commenting on the results and the prevailing environment, **Mr. Suresh Narayanan, Chairman and Managing Director, Nestlé India said**, “In these extremely challenging times, at Nestlé, we hark back to our ‘Purpose’ which enshrines our inspiration for actions – ‘We unlock the power of food to enhance quality of life for everyone, today and for generations to come’, and serves as our guiding light. This has translated, for each of us, to deliver unimpeachable safety in every pack we produce, harness the best quality of nutrition, deliver memorable taste and enjoyment but also serve the consumers while protecting the numerous employees, partners, stakeholders and suppliers (large and small) in these difficult times.

Health and safety of our people will always remain our top priority wherever they are and whichever capacity they work. We are determined to protect, respect & nurture the sustenance of thousands who depend on Nestlé operations in the value chain, be it suppliers, small MSMEs, milk farmers, distribution partners and numerous others whose collective efforts make us Nestlé! This quarter is a tribute to each one of them and I would like to express my heartfelt gratitude!

The past three months have witnessed volatility, uncertainty and stresses that we had never imagined before nor experienced. This led to disruptions across the value chain of the Company that has impacted our results, though we have built back momentum strongly as we ended the quarter. Relentless efforts, determined professional actions and abiding teamwork has led us to restore our eight factories almost to their pre-COVID manufacturing capabilities and our distribution capacity goes from strength to strength. It is a tribute to all our employees, partners & stakeholders who are imbued in the Nestlé culture of respect and quiet but determined dedication. While we progress each day, challenges in sales and distribution due to precautionary and well-intended measures taken by the authorities do cause disruptions.

We delivered strong performance in the ‘e-commerce’ channel which grew by 122% this quarter and now contributes 3.6% to domestic sales. The demand in all ‘Out of Home’ consumption channels experienced a sharp decline due to the lockdown. However Nestlé brands enjoy trust, credibility and strength as far as “in home consumption” is concerned and this boosted sales of EVERYDAY Dairy Whitener, Nestlé a+ Milk, other

milk based portfolio, NESCAFÉ Classic and NESCAFÉ Sunrise, all of which performed well this quarter. MAGGI also witnessed solid growth towards the end of the quarter after initial supply constraints. Overall, we accelerated our digital engagements across key parts of our portfolio, put out innovative campaigns to engage the consumers in many, while ensuring judicious application of marketing spends in line with the current business scenario.

As a responsible corporate citizen, we continue to offer our help, in particular to the most vulnerable in society. Nestlé India contributed toward relief efforts in particular towards providing PPEs, medical equipment and feeding programs for communities through participation with leading NGOs along with distribution of essential groceries to the needy.”

**Highlights for the quarter ended 30 June 2020:**

1. Total Sales increased by 2.0%. Domestic Sales increased by 2.6%. Export Sales declined by 9.3%. Sales were adversely impacted due to the COVID 19 induced lockdown leading to production disruption across factories. Demand in Out Of Home channel was severely reduced.
2. Tax Expense for both the Quarter ended 30 June 2020 has been computed at the rates introduced by the Taxation Laws (Amendment) Ordinance 2019, dated 20 September 2019. Net Profit after Tax and Earnings per share have been positively impacted by the lower tax rates.

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