



Nestlé House, 23rd October 2020

Nestlé India gets back to “Double Digit” growth – Commits investments for the future

Plans to invest a further INR 2600 Crore in India over the next three to four years

Nestlé India – Q3 2020

- Total Sales of INR 3,525 Crore
- Total Sales Growth at 10.2%. Domestic Sales Growth at 10.2%.
- Profit from Operations at 22.9% of Sales
- Net Profit of INR 587 Crore
- Earnings Per Share of INR 60.89
- Interim Dividend INR 135 per equity share

Key Highlights:

- INR 2600 Crore planned investment over the next three to four years
- Factories return to normal output
- Double digit growth in key brands, boosted by in-home consumption
- Demand in ‘Out of Home’ channels improved during the quarter
- E-commerce grew by 97%, contributing about 4% of domestic sales

The Board of Directors of Nestlé India met today, through audiovisual means, and approved the results for the third quarter and first nine months of 2020. Commenting on the results, **Mr. Suresh Narayanan, Chairman and Managing Director, Nestlé India** said, “I am extremely proud of my team, our distribution partners, hundreds of suppliers including MSMEs, many thousand farmers, agencies, service providers large and small, as well other stakeholders in our business, for their determination, anticipation, tenacity, imagination and sheer hard work that has helped us achieve a strong performance this quarter. This has been achieved in the face of daunting challenges in operations thrown at us by this pandemic.

We are proud of our 108-year long association with the nation and nearly six-decade long manufacturing journey. As a vindication of the confidence and trust in the Nestlé journey in India, I am pleased to share that we plan to invest INR 2600 Crore (INR 26 Billion) over the next three to four years to augment our existing manufacturing capacities, as well as towards our new under construction ‘state of the art’ factory in Sanand, Gujarat.

The quarter witnessed growth driven by an improved supply situation, as our factories returned to normal output. Boosted by an increase in in-home consumption, our key brands like MAGGI Noodles, MAGGI Sauces, KITKAT, Nestlé MUNCH, NESCAFÉ CLASSIC & NESCAFÉ SUNRISE witnessed double digit growth. Demand in ‘Out of Home’ channels improved during the quarter but continues to be impacted due to the overall environment. We continued our strong performance in the e-commerce channels, which grew by 97% and now contributes about 4% of domestic sales.”

Highlights for the quarter ended 30 September 2020:

1. Total Sales and Domestic Sales both increased by 10.2% driven by volume and mix. Export Sales increased by 9.4%. Demand in Out of Home channel improved through the quarter but continues to be impacted by COVID.
2. Tax Expense for the quarter ended 30 September 2020 is not comparable. The cumulative effect of lower tax rate made applicable from 1 April 2019 was adjusted fully in quarter ended 30 September 2019. Net Profit after Tax and Earnings per share are also not comparable for the same reason.

Dividend:

The Board of Directors have declared an interim dividend for 2020 of INR 135 per equity share (Face value INR 10/- per equity share) amounting to INR 13,016.1 million, which will be paid on and from 20 November 2020.

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