



Nestlé Good food, Good life

Determined to Keep Strong Nestlé India Full Year Earnings Call

17 February 2022



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- 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 as a result of the spread of 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.
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Agenda

16:00 - 16:20

Determined to Keep Strong
Suresh Narayanan

16:20 - 16:45

Q&A



Determined to Keep Strong

By
Suresh Narayanan

Nestle India Full Year Earnings Call, 17th Feb 2022



Image used as reference



Good food, Good life

Key Takeaways Last Time



Unwavering
Commitment
to India



Leveraging the
RURBAN
opportunities



Strive to
continue robust
business model



Sustainability
across our
Operations



Caring for
Communities a
way of life



A Vibrant
Workplace fit
for the future

Insights into a dynamic and resilient organization



FY21 Results, Q421,
and Underlying
Performance



Reimagining
retirement benefits



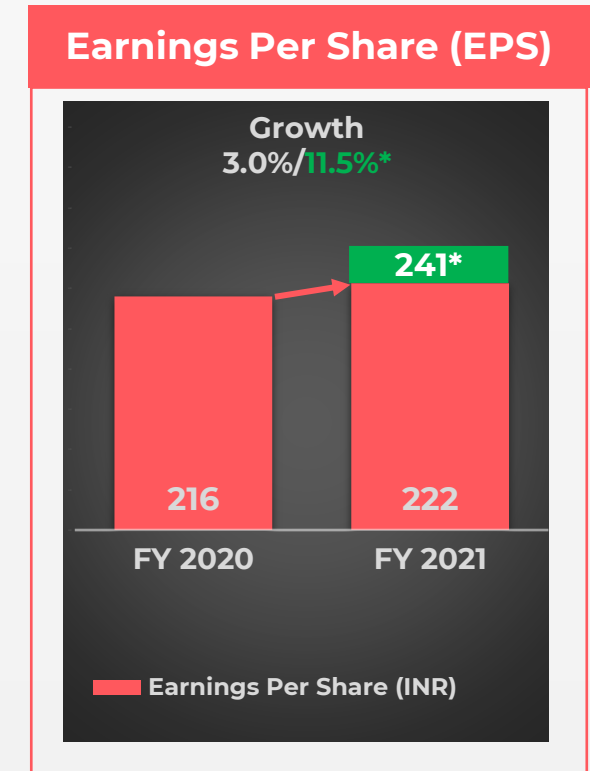
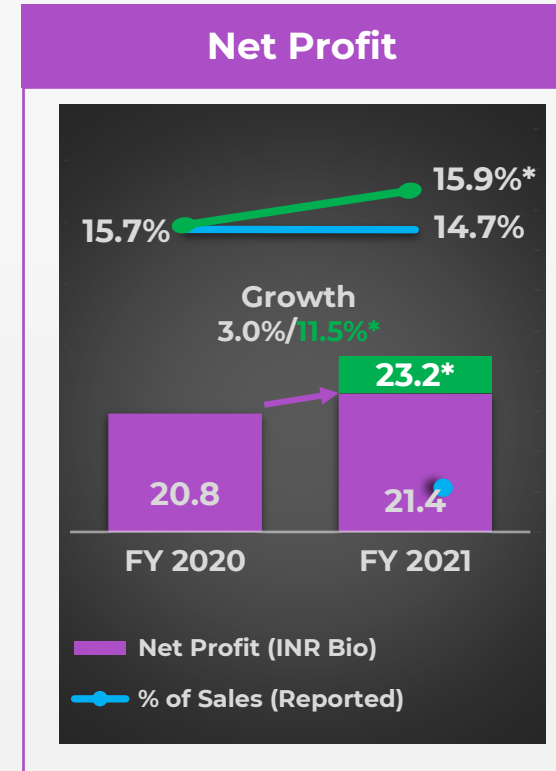
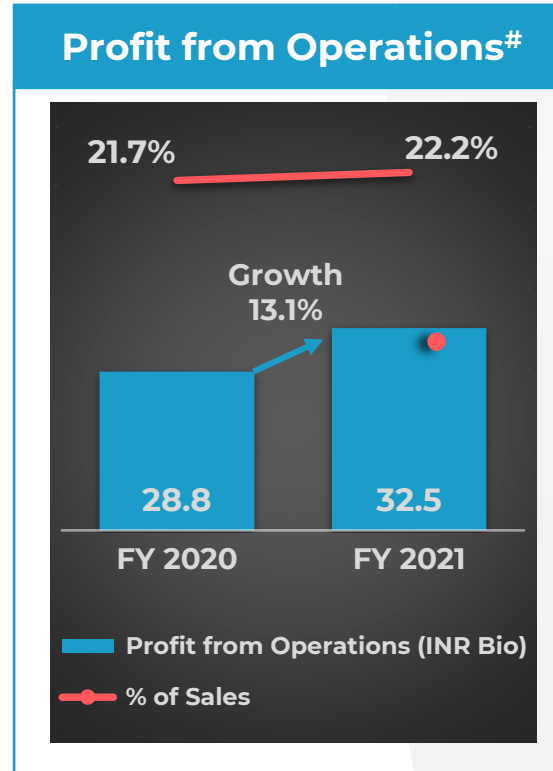
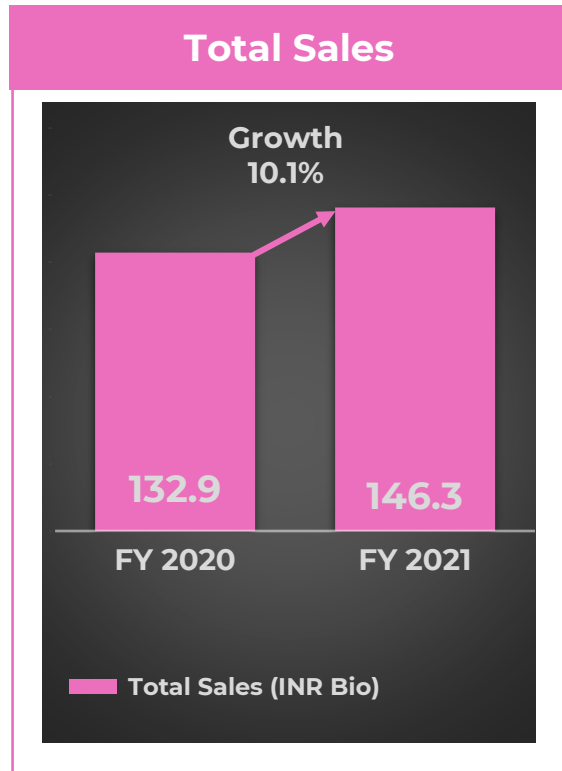
Digital and
Analytics Journey



Sustainability

Key Highlights: Strong growth continues; Profit from operations improved

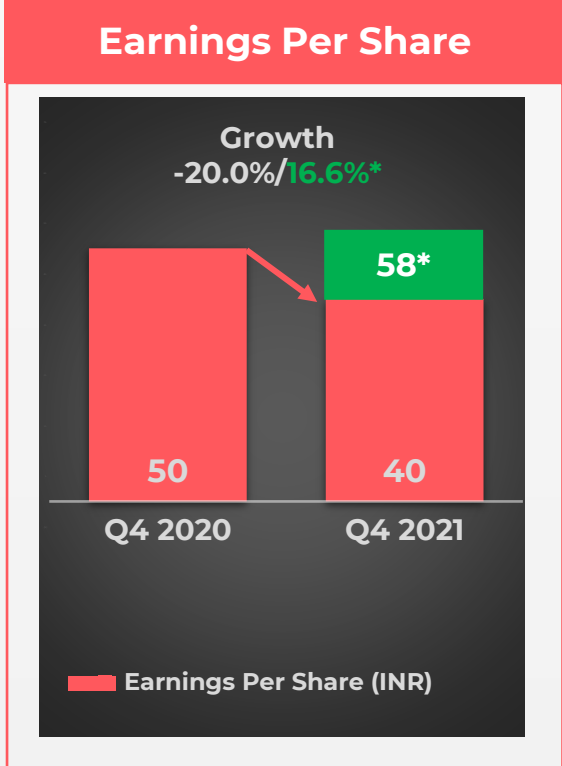
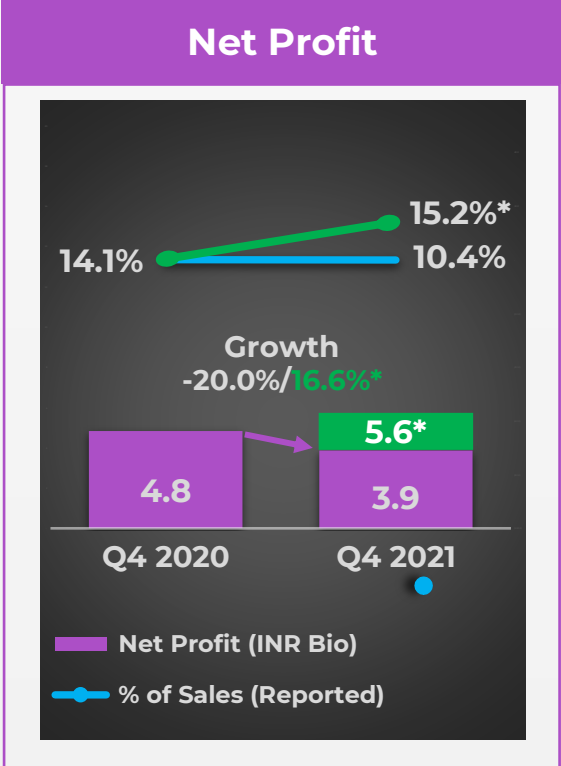
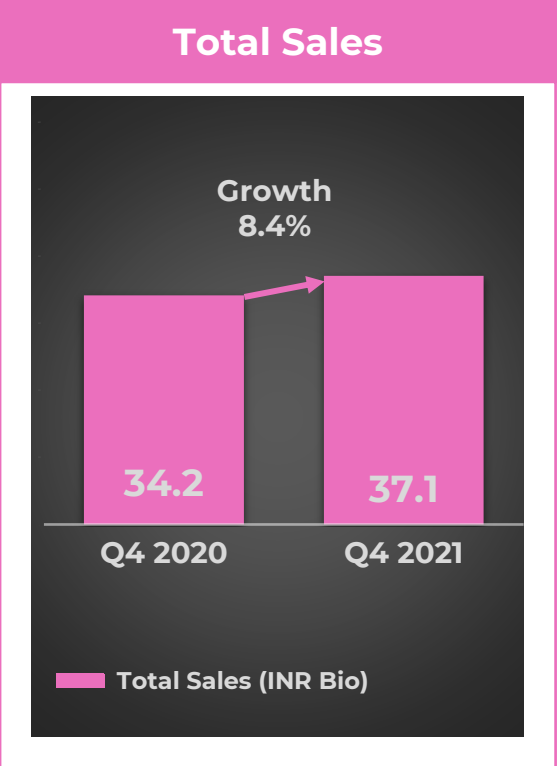
FY 2021



*Comparable values without the impact of Exceptional Item (Transition cost of Pension Plan)

Key Highlights: Robust growth continues; Profit from operations improved

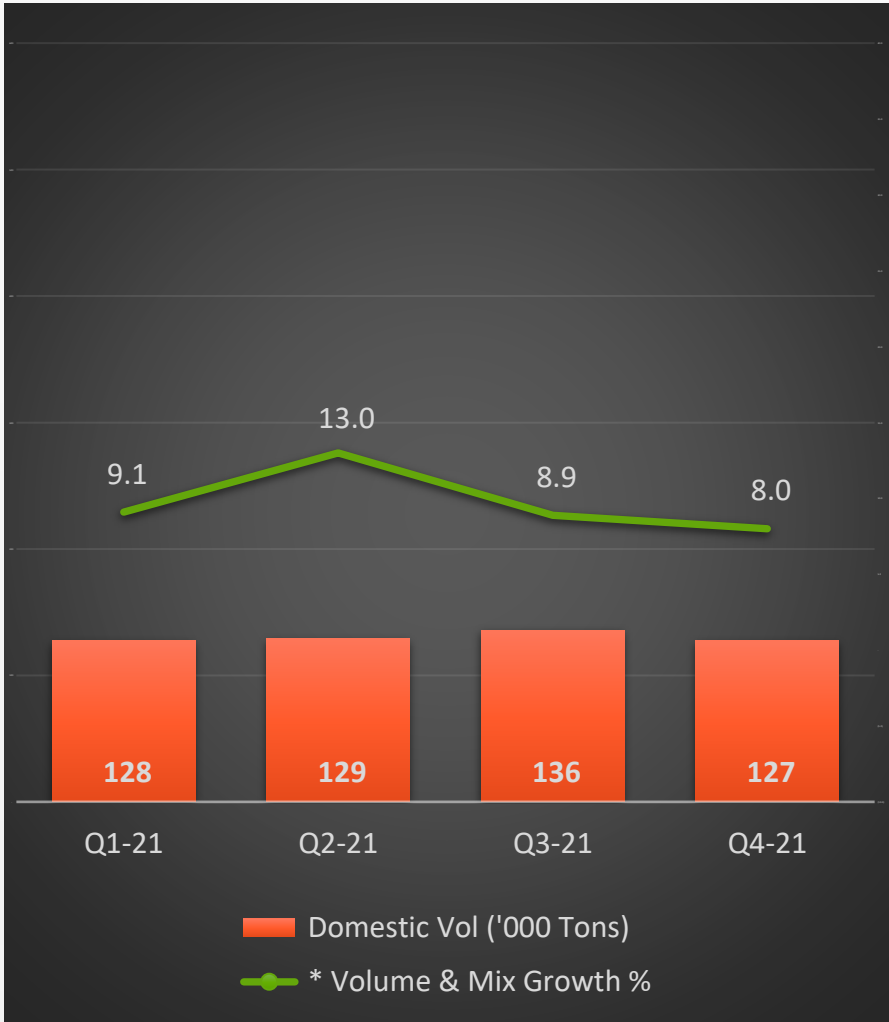
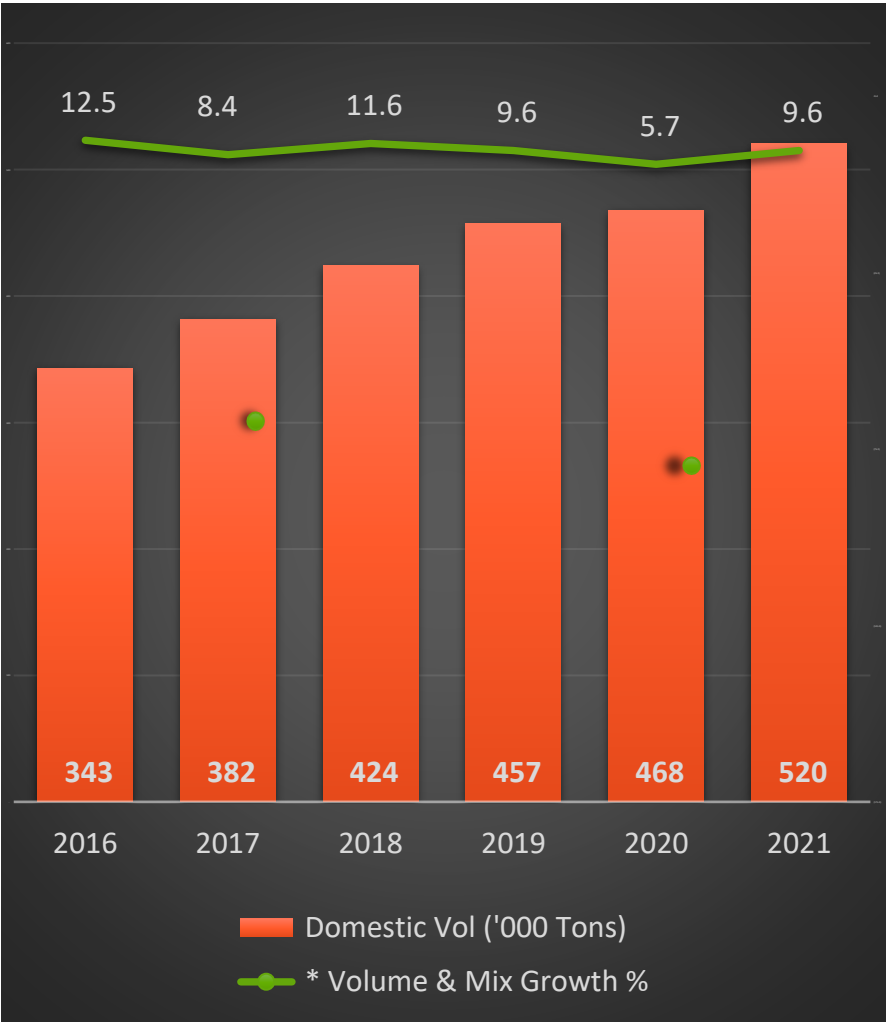
Q4 2021



*Comparable values without the impact of Exceptional Item (Transition cost of Pension Plan)

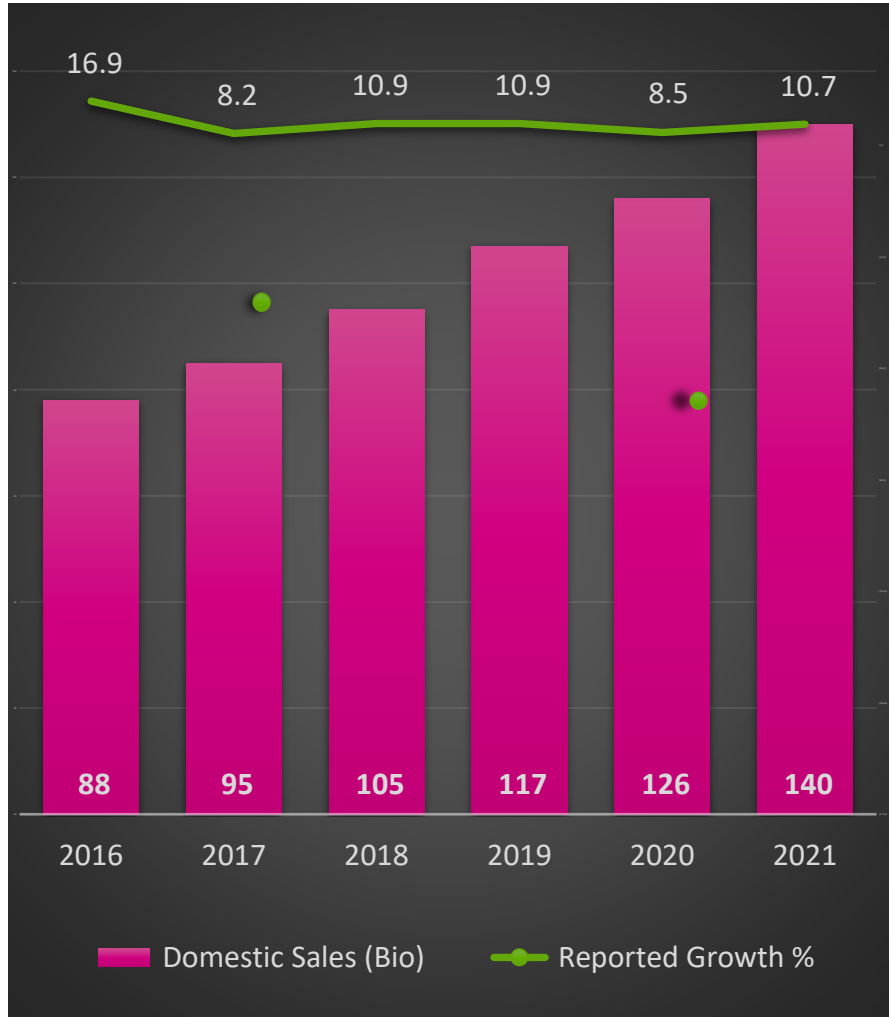


Sustained Volume & Mix Led Growth

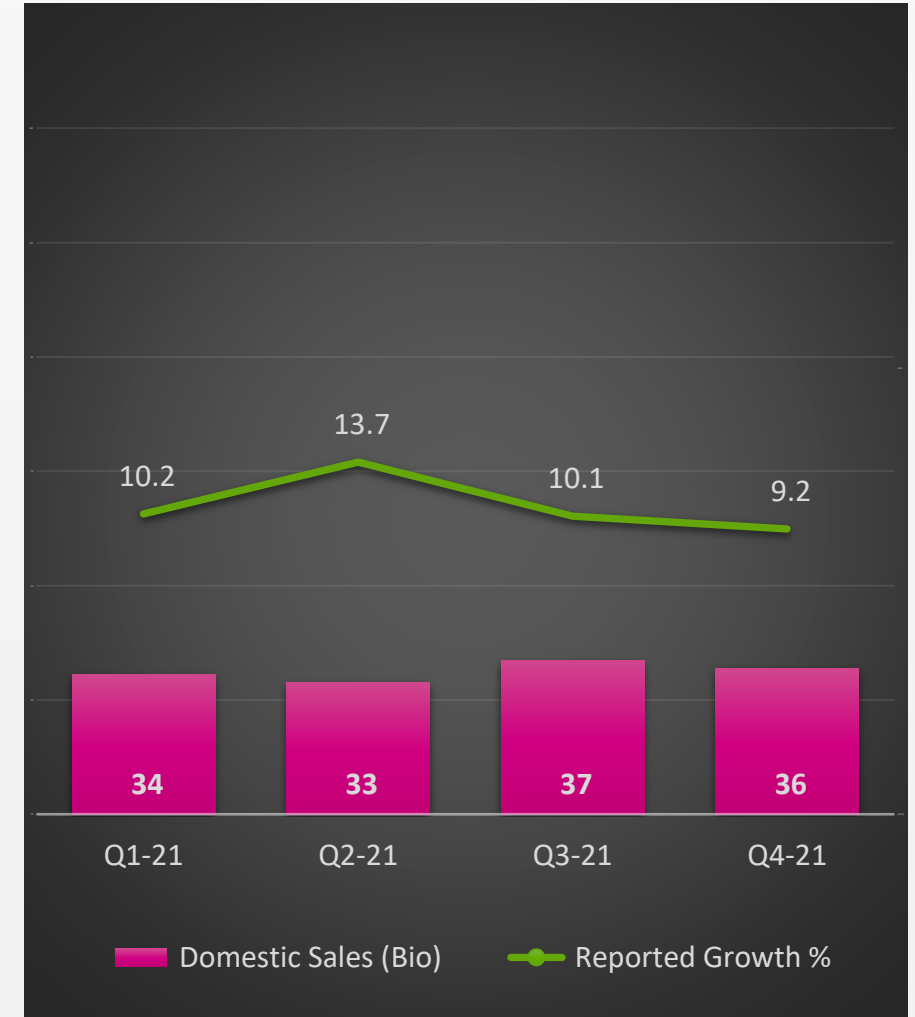


* Volume and Mix Growth computed as per Internal reporting standards

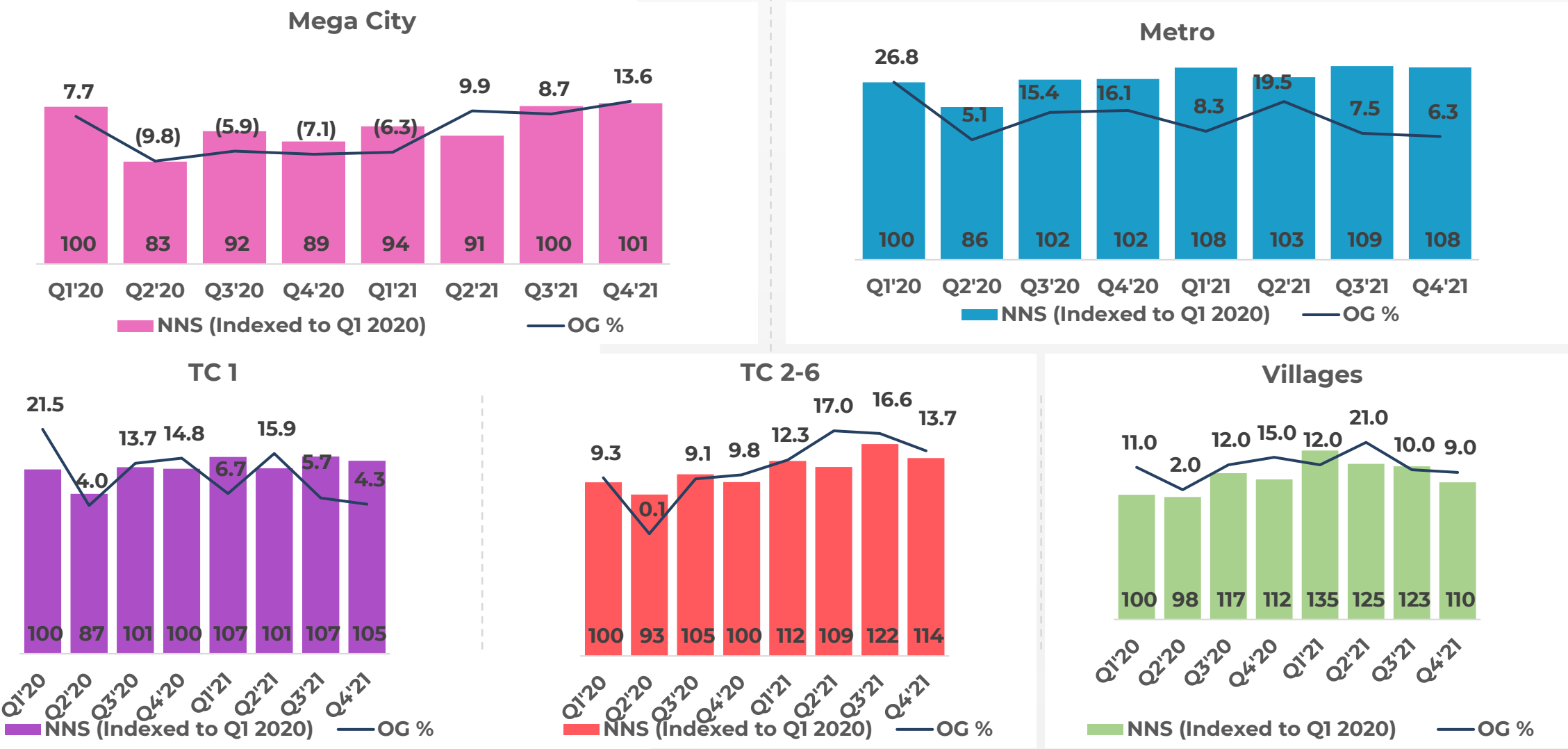
Leading to Strong Value Growth



CAGR
2016-21
10.4%

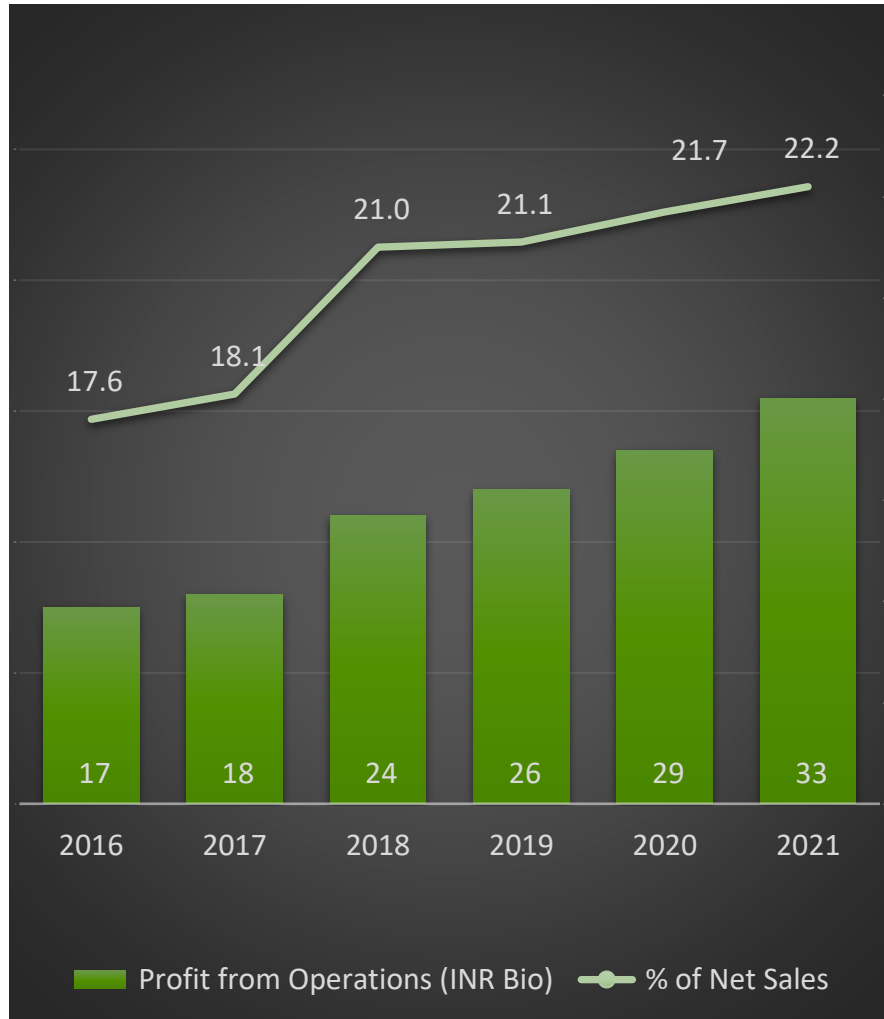


Growth by Town Class: Strong and Sustained

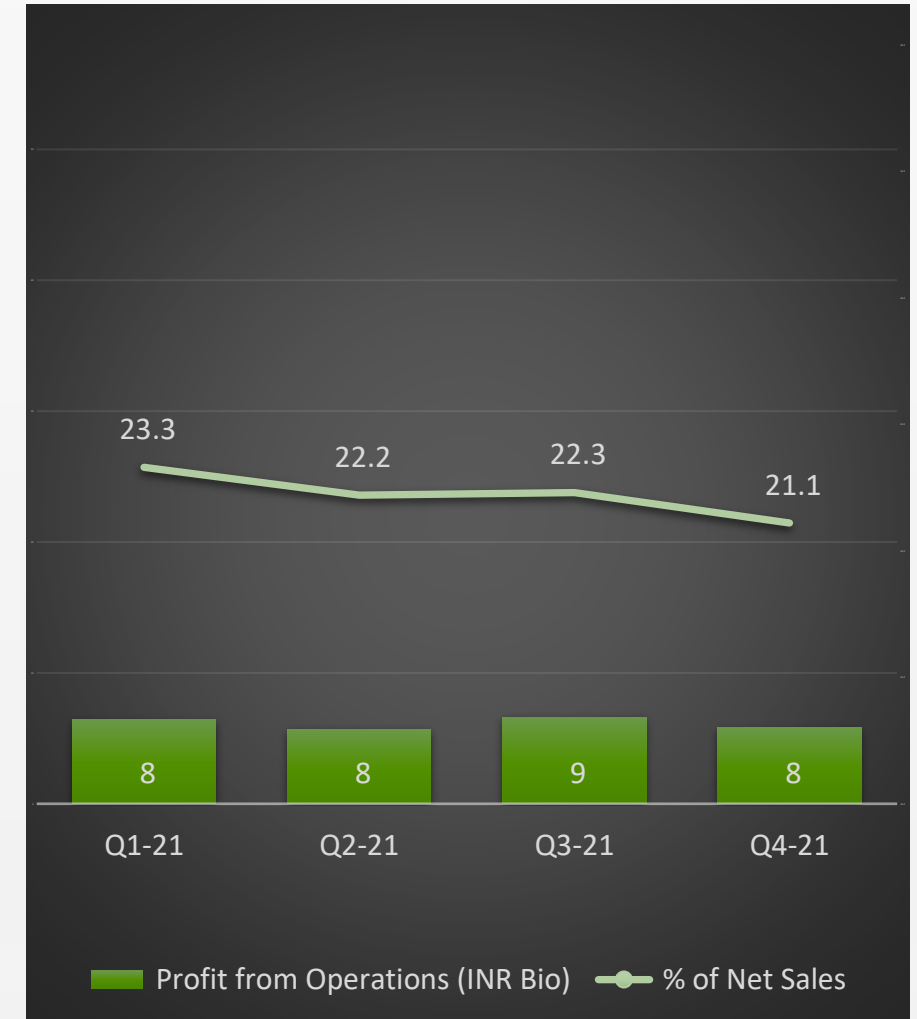


Town Class based on population
Mega City > 40L Metro >=10L & <40L
TC 1 >=1L & <10L TC 2-6 >=1L
Rural 25 to 10000 +

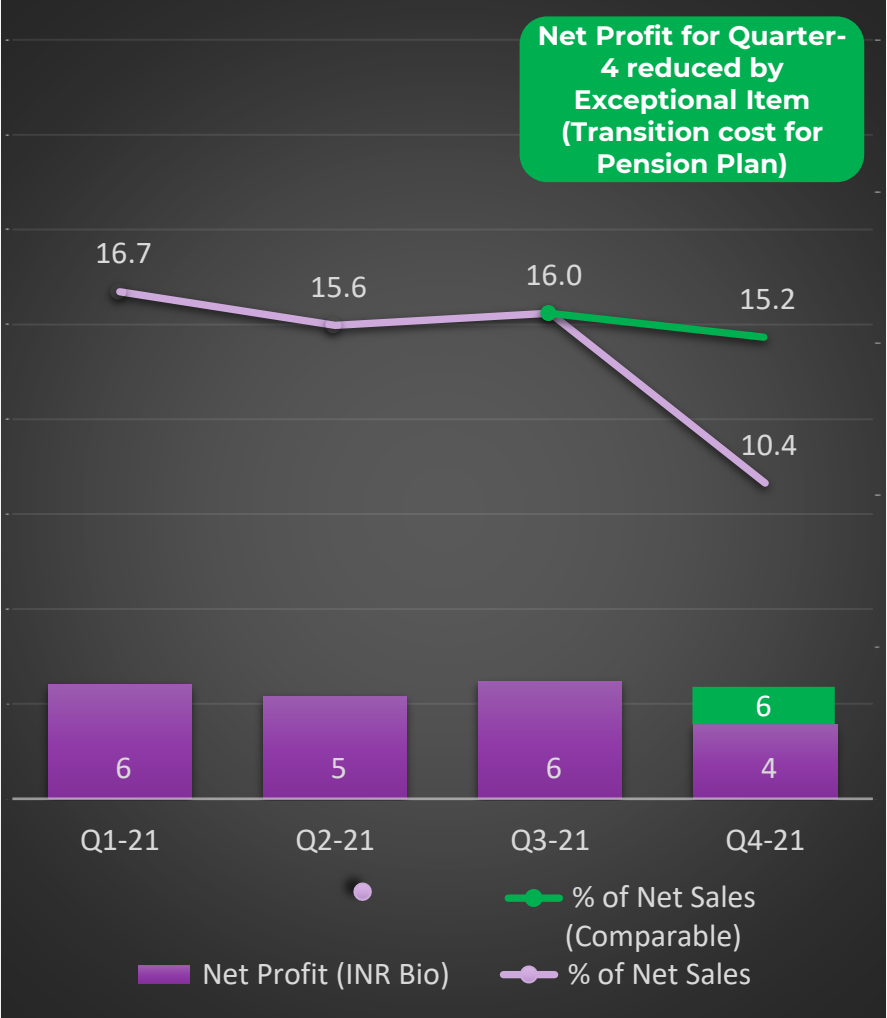
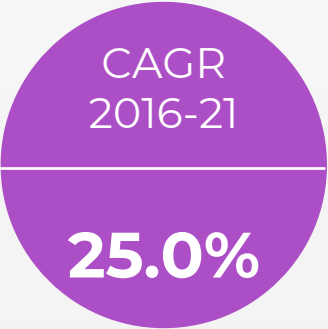
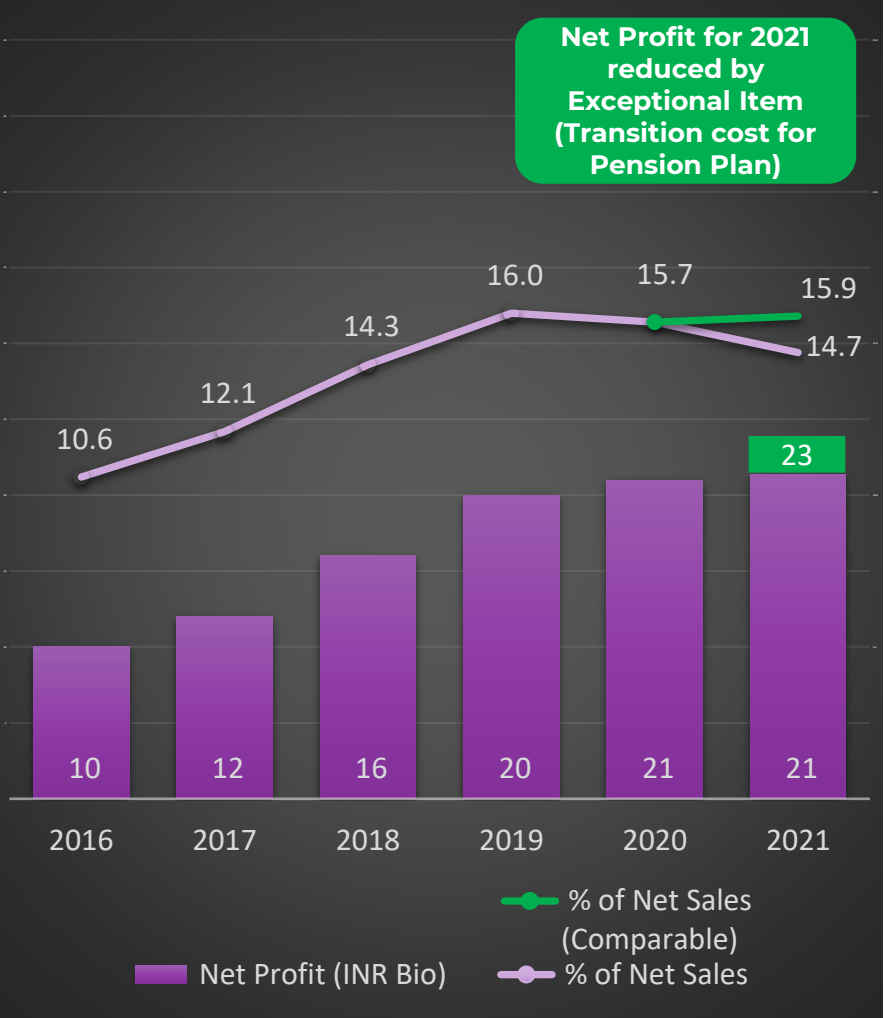
Accelerated Profit from Operations



CAGR
2016-21
16.0%



And Accelerated Net Profit



Domestic Sales: Broad Based Performance Across All Product Groups

FY
2021

Milk Products and Nutrition



42.4%

Contribution

2.6%*

Growth

Prepared dishes and cooking aids



31.8%

Contribution

16.7%

Growth

Confectionery



14.8%

Contribution

20.4%

Growth

Powdered and liquid beverages



11.0%

Contribution

16.1%

Growth

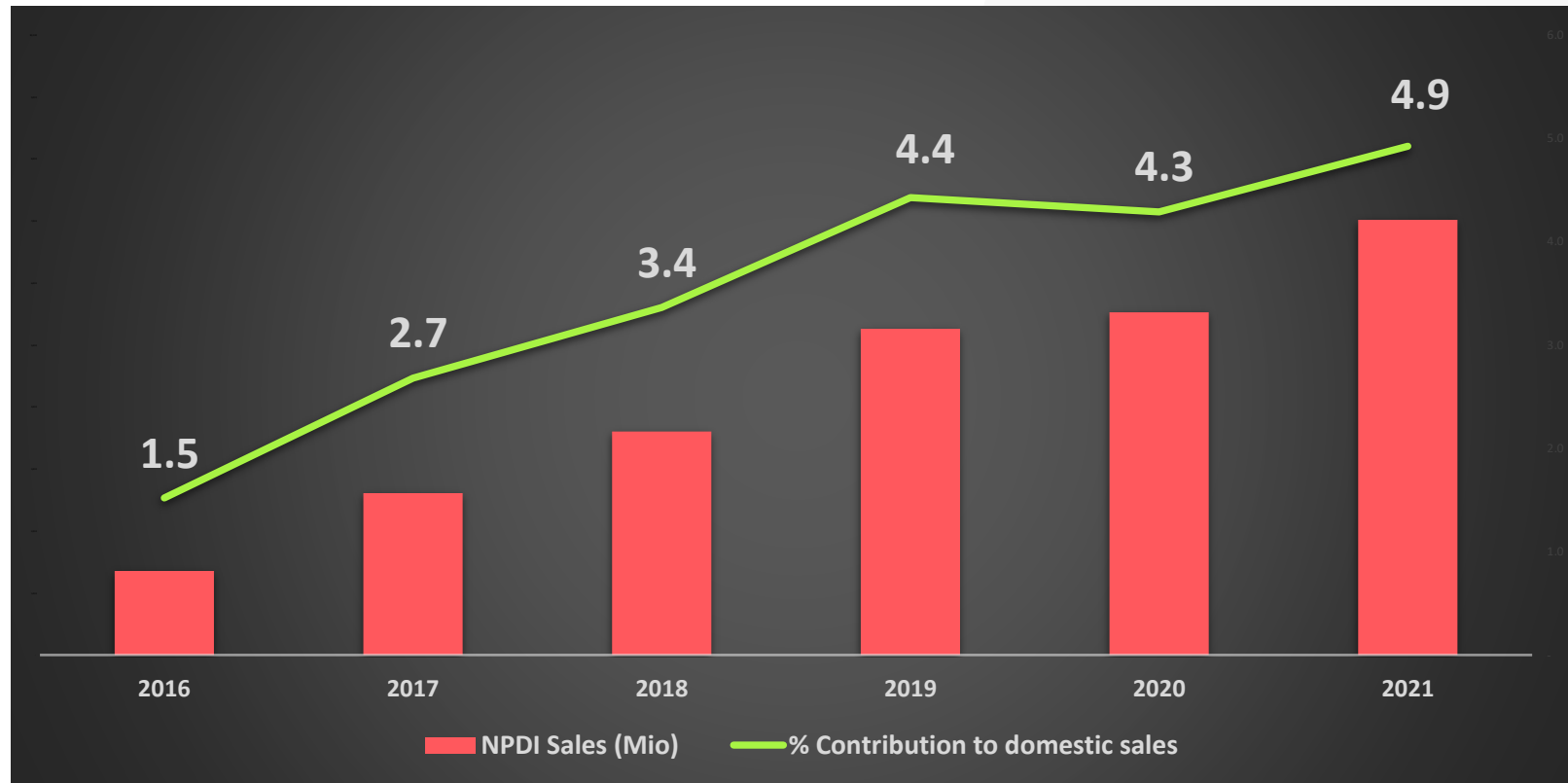
*High base effect

Data represents Jan-Dec 2021

10.7% Domestic Sales Growth



Innovation Continues as a Priority



Over 100
new
products
in last 5
years

~ 20 new Projects in Pipeline

New Categories being considered

Thereby, Creating Significant Value for Investors

Total Shareholders Return

3,638%

Annualized Return

19.8%

Market Capitalization

Up 38.2 times vs.
FMCG Benchmark
Index 14.7 times

INR 50 Bn

2001

USD 1.1 Bn
(1 USD= INR 47.2)

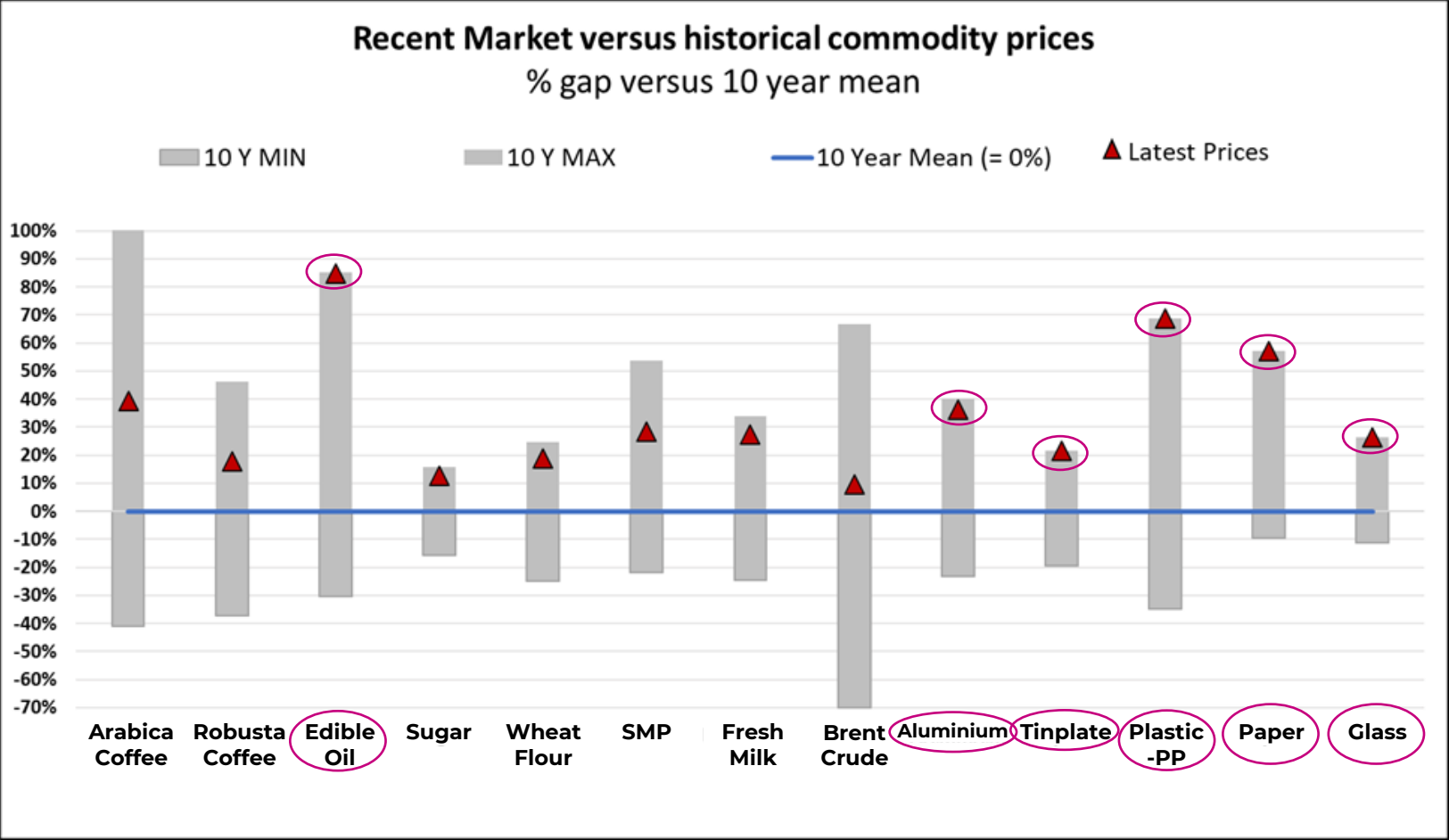
**INR
1,900
Bn**

2021*

USD 25.6 Bn
(1 USD= INR 74.3)

*As at 31st Dec 2021
INR Billion is INR 100 crore.
Source: Bombay Stock Exchange.

Storm Clouds on the Horizon – Global Commodity Prices



Reimagining Retirement Benefits



The Future Ready Plan

Earlier Pension Plan

- ✓ **Defined Benefit Pension Plan** was unfunded
- ✓ No portability
- ✓ Pension eligibility only at retirement

'Future Ready Plan'

- ✓ Aligned to market practice and is **fully funded**
- ✓ A combination of **Frozen Defined Benefits** for past services and **Defined Contribution** for future services

Benefits to Employees

- ✓ **Security:** fully funded plan managed by financial experts
- ✓ **Portability:** fully portable benefits irrespective of age and service
- ✓ **Flexibility:** choice of annuity products basis financial needs

Benefits to Investors

- ✓ Embedded risk of a **Defined Benefit Plan** mitigated bringing future cost certainty
- ✓ Favorable impact in the future

Financial Impact

- ✓ **Approximate Two thirds** of the Defined Benefit Pension Liability covered
- ✓ One-time, **Exceptional cost** of INR 2.4 Billion [*EPS lower by ~ INR 18.*]
- ✓ Investment of INR 13.7 Billion covering the obligation under the plan



Image used as reference

Transforming ourselves with Digital and Analytics



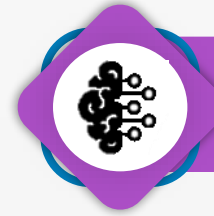
Multi-Intelligent Data Analytics System - Data-Fed, Analytics-Led, Future Ready Platform for Business Interventions



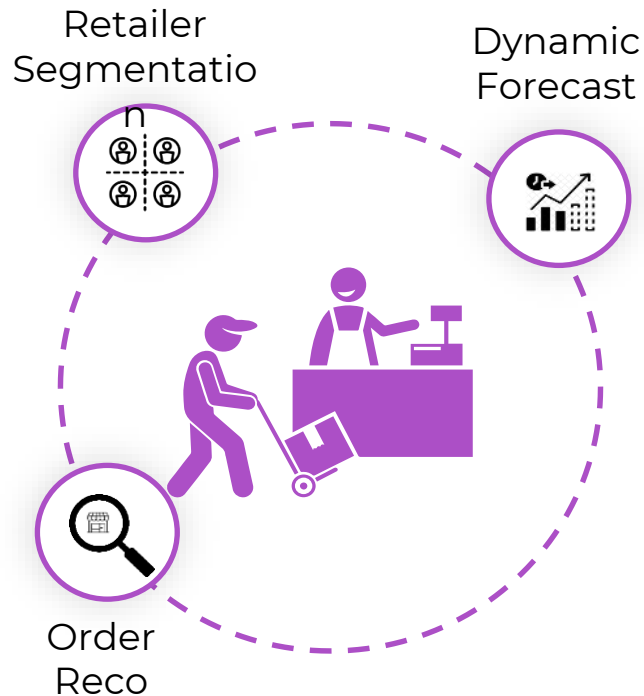
Enterprise-wide Data warehouse



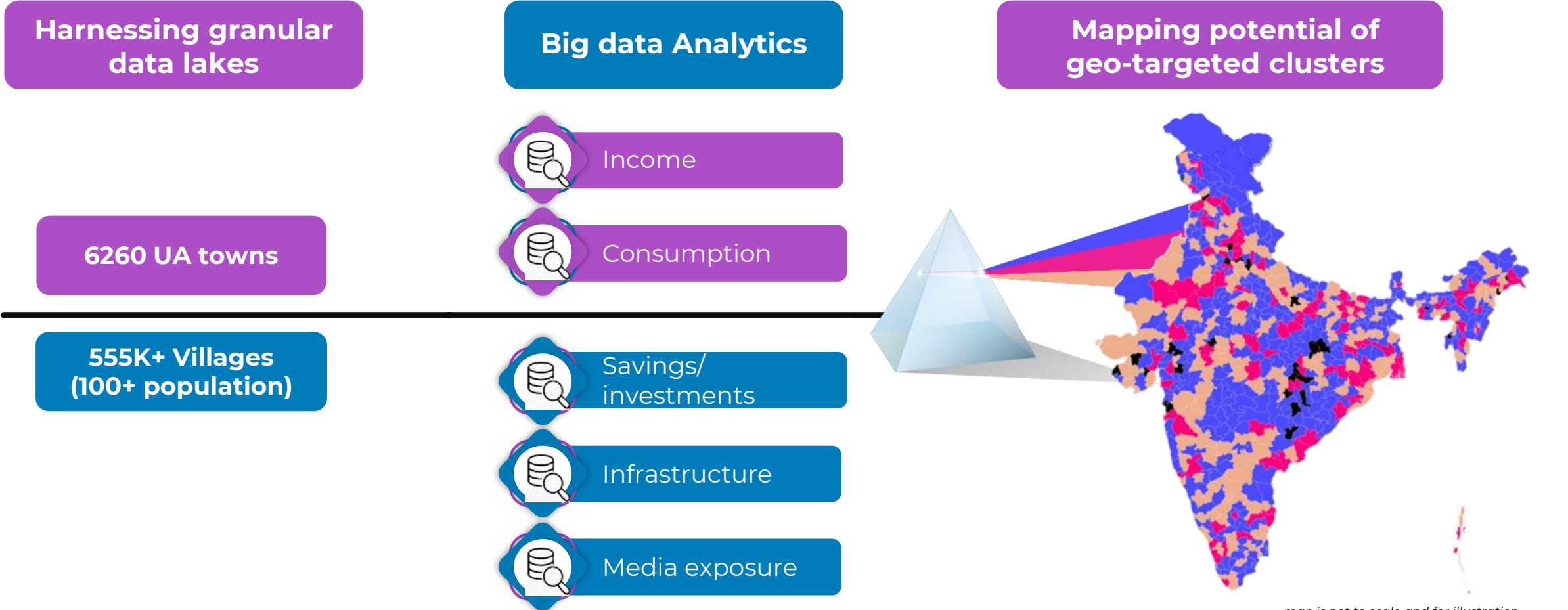
Cockpits for Business Management



Advanced Analytical Models

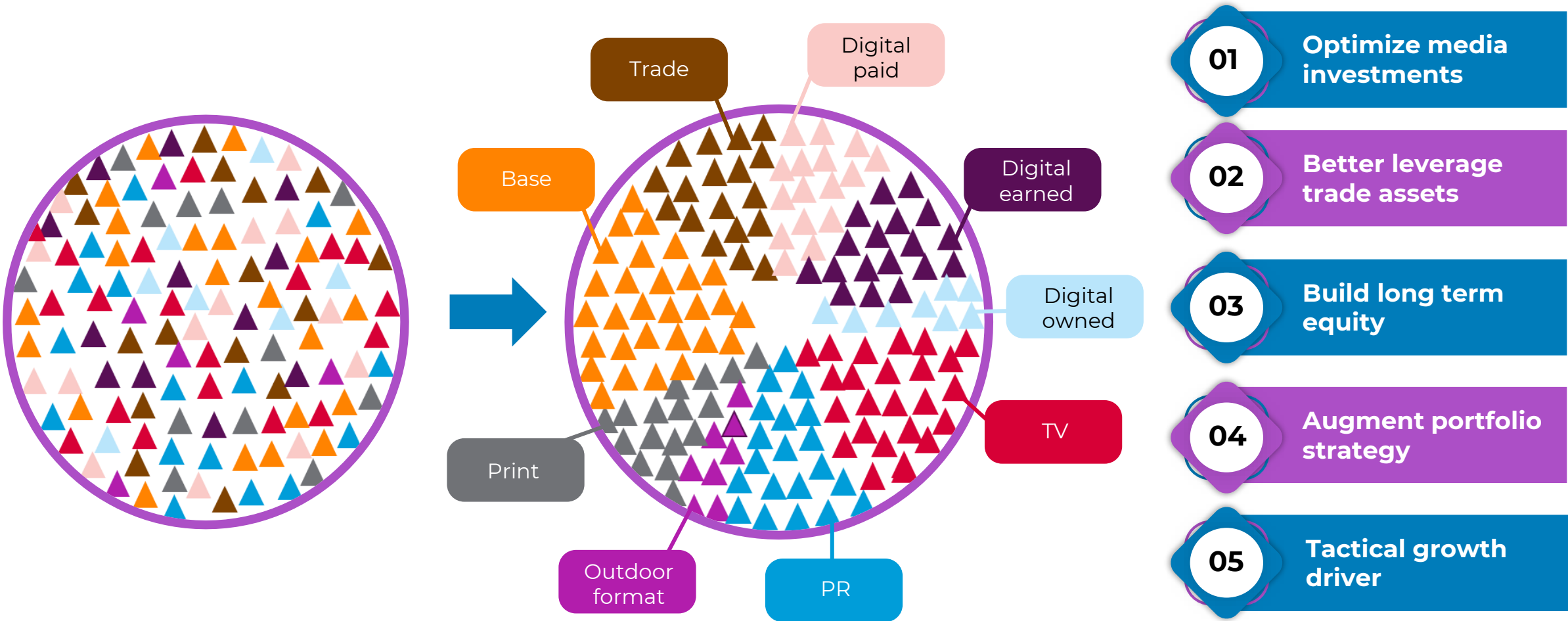


Granular Clusters – Leveraging the geographic dispersion within India



Sources: Reserve Bank of India, Census of India, Economic Census Survey – Urban and Rural Sector, IRS Indian Readership & Other Media Data, Agriculture Prices in India, Fertiliser and Agriculture Statistics, Indiastat.com

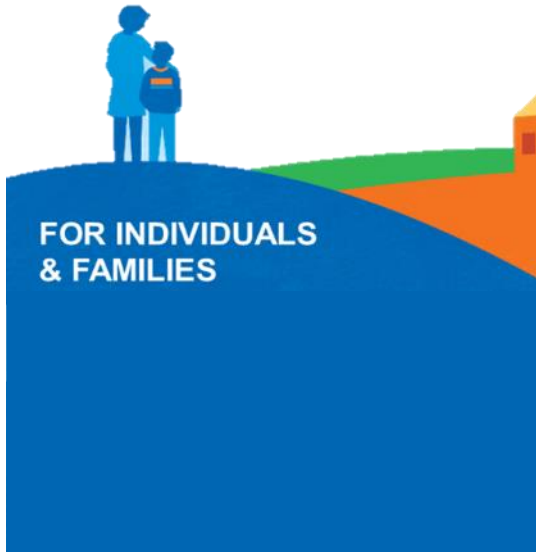
Market Mix Modelling: Tangled web of marketing activity data unraveled



You Can Always Ask Nestlé



Brought alive Nestlé corporates trust credentials via a service ecosystem



Authentic, Relevant, Applicable Tools & Trackers and Regional Content



Built positive inclination towards brands and stronger business connect with focus on first party data for a cookie less future




2021
Key
Figures

 **4.8 Mio**
Visits

 **23%**
Repeats

 **48 Sec**
Average
Time on site

 **61.7%**
Bounce Rate

 **9.3 K**
Registrations



OUR SUSTAINABILITY JOURNEY

TEN YEARS OF THE NESCAFE PLAN



NESCAFE®

pictures taken pre-pandemic

NESCAFÉ Plan – 3 Pillars

Launched in 2012 with a demo farm and training center at Kushalnagar



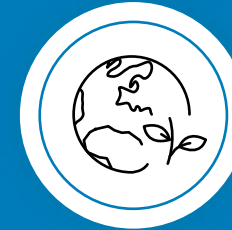
Farmers

To exert a positive and sustainable change in the **livelihood of coffee** farmers, their families and farm workers



Community

The resilience and prosperity of **farming communities** and the stakeholders across our value chain



Planet

The sustainable management of **landscapes** linked to our value chain



Monitoring and Evaluation (M&E) of the progress is assessed by a third party every year

The NESCAFÉ Plan



Improving livelihoods

- ✓ Better varieties – Trials under Coffee board
- ✓ Yield improvement through the training by our Agronomists



Responsible Sourcing

- ✓ Traceability and the transparency - Where is it coming from and how is it produced
- ✓ Sustainability 4C Certification of farms



Environmental Impact

- ✓ Soil test and fertilizer recommendation according to the plant requirement and protecting soil
- ✓ Reduced water usage for the irrigation

Sustainability in Coffee Procurement



THE LAUNCH OF
THE
NESCAFÉ PLAN
MARKED
THE BEGINNING
OF
A STRONGER
SUSTAINABILITY
STRATEGY



POURING
RESPECT FOR
PEOPLE AND
THE PLANET
INTO YOUR CUP.

THAT'S THE
QUALITY
COFFEE
THAT COMES
FROM THE
NESCAFÉ PLAN.

Key Takeaways This Time



Sustainable Volume
Led Growth



Strong Value Growth
across Rural and
Urban India



Sustainable
performance



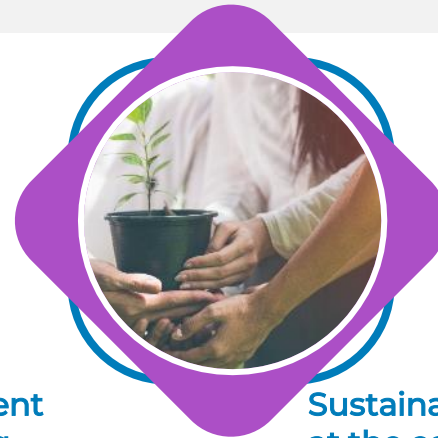
Innovation continues
to be an engine of
growth



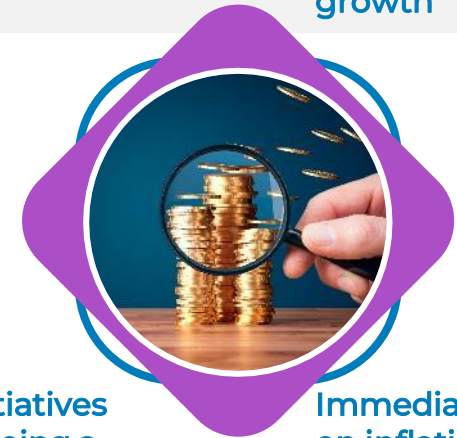
Implemented
future ready plans
for our people



Strong commitment
to transform using
data and analytics



Sustainable initiatives
at the core of being a
force for good



Immediate concerns
on inflation, while the
road looks promising

Determined in
Adversity,
Inspired to
Grow.

