

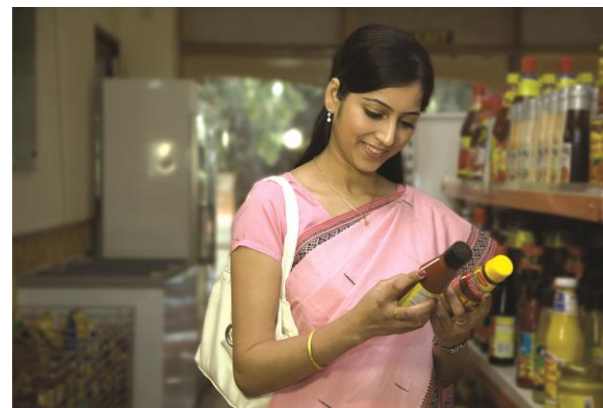


Nestlé Good food, Good life

Growing Together Consistently Today and Tomorrow

Analyst and Institutional Investors Meet, October 25, 2023





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

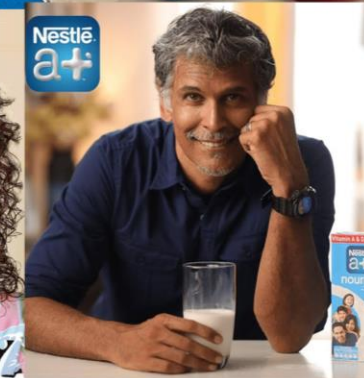


Disclaimer

- 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

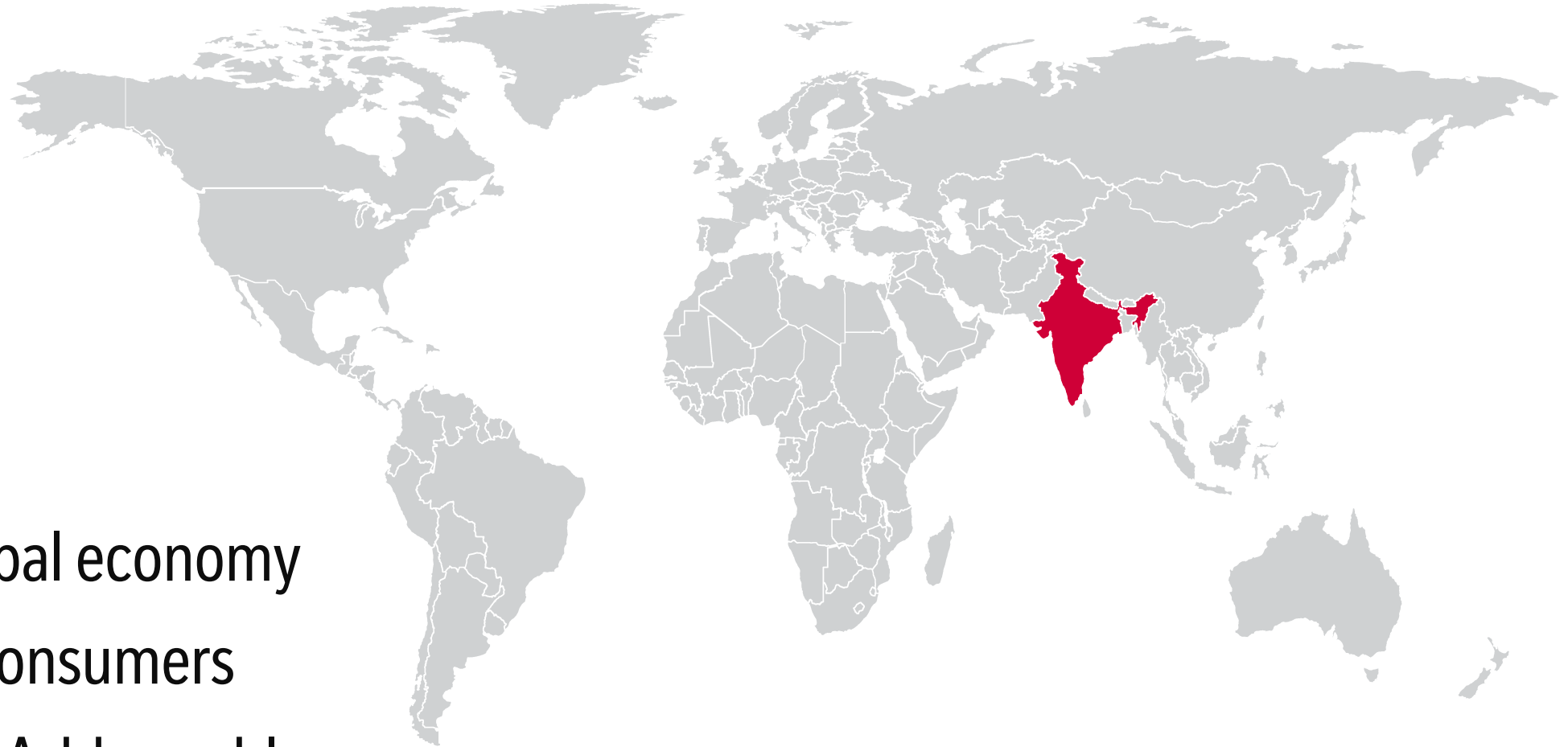


Action engagement with the
environment and issues

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



Unlocking India – **from promise to potential**



5th 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



BCG



Indian Manufacturing:
The Next Growth Orbit
Aspiration and Roadmap for Indian Manufacturing

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 2019



WORLD
ECONOMIC
FORUM
COMMITTED TO
IMPROVING THE STATE
OF THE WORLD

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

McKinsey & Company

The rise of India's neo middle class



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



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

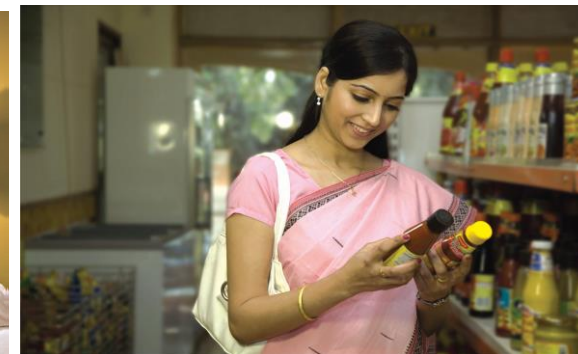
Source: IPSOS Trends

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

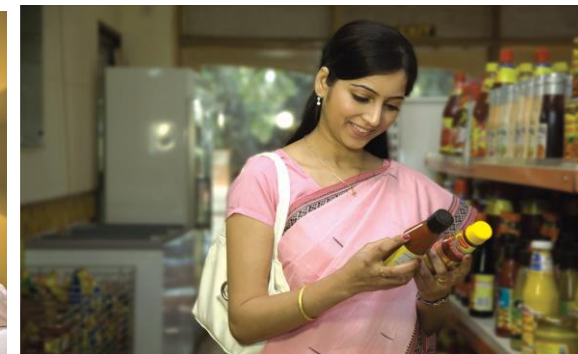
Source: Mondelez Snacking
report India

**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**



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



2,200 Million units



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**

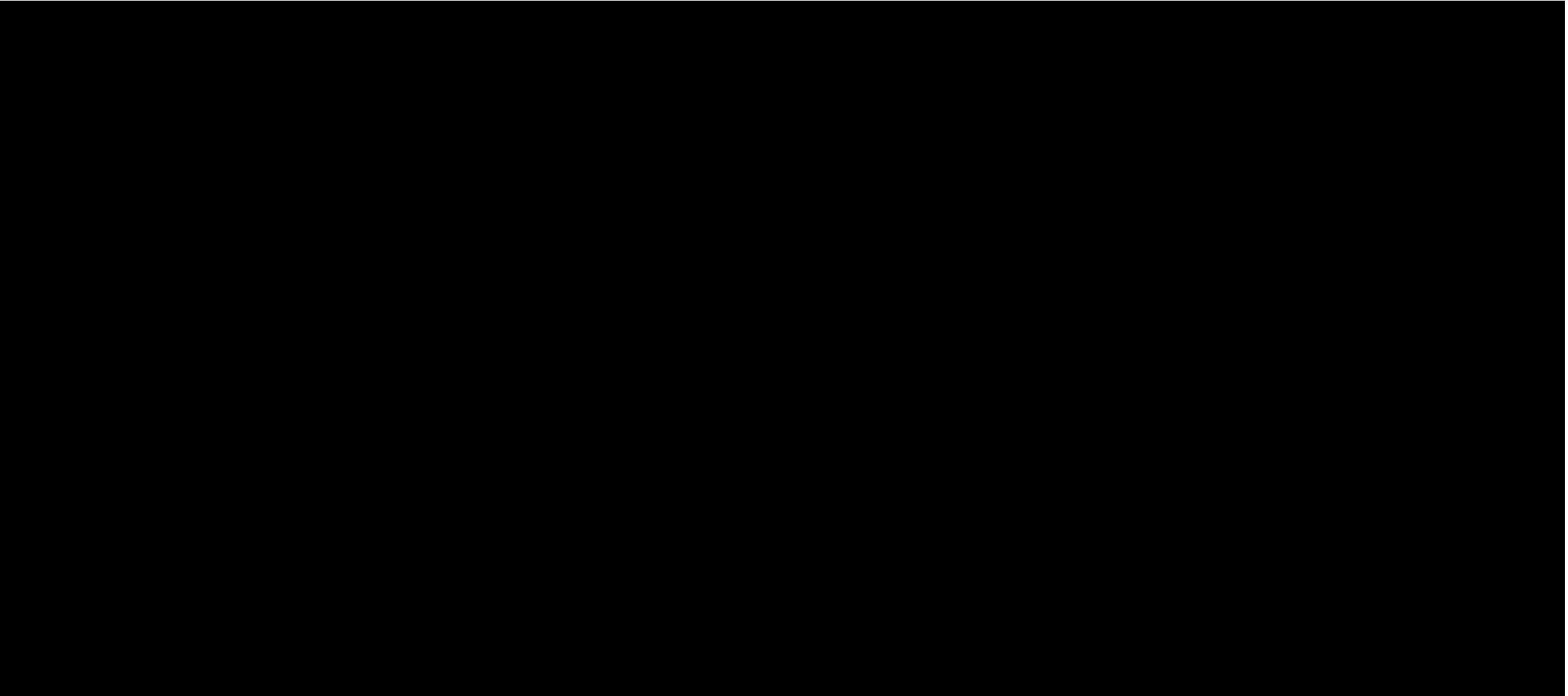


95% of the workforce are less than 40 years of age

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

12 people with disabilities work on the production line

Sanand – a glimpse of our diversity



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**

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 CO₂ 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 30th 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**

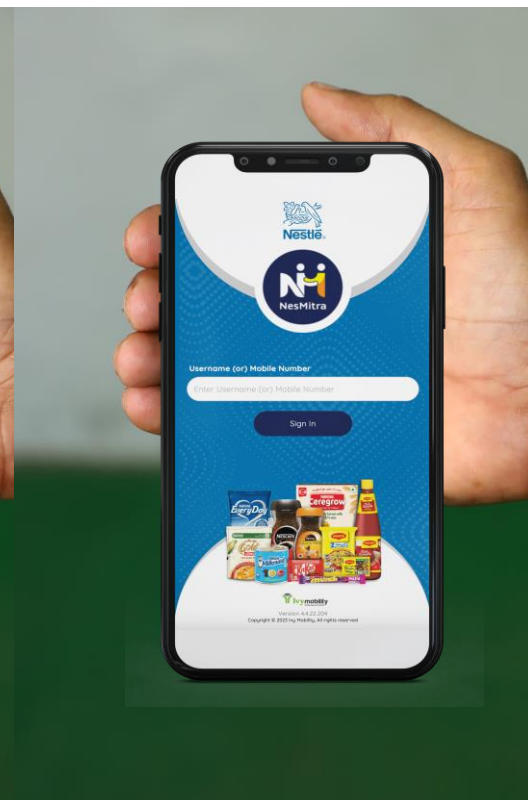


Paras Spices Pvt. Ltd. – A
partnership of over **40 years**

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

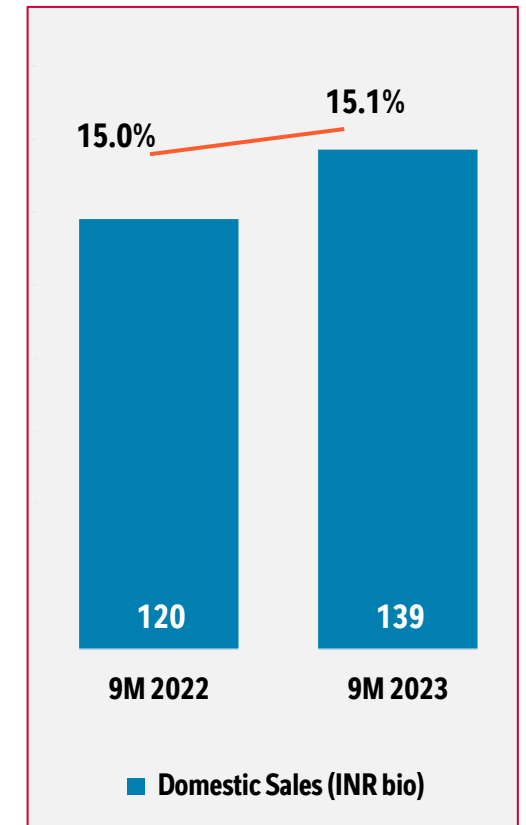
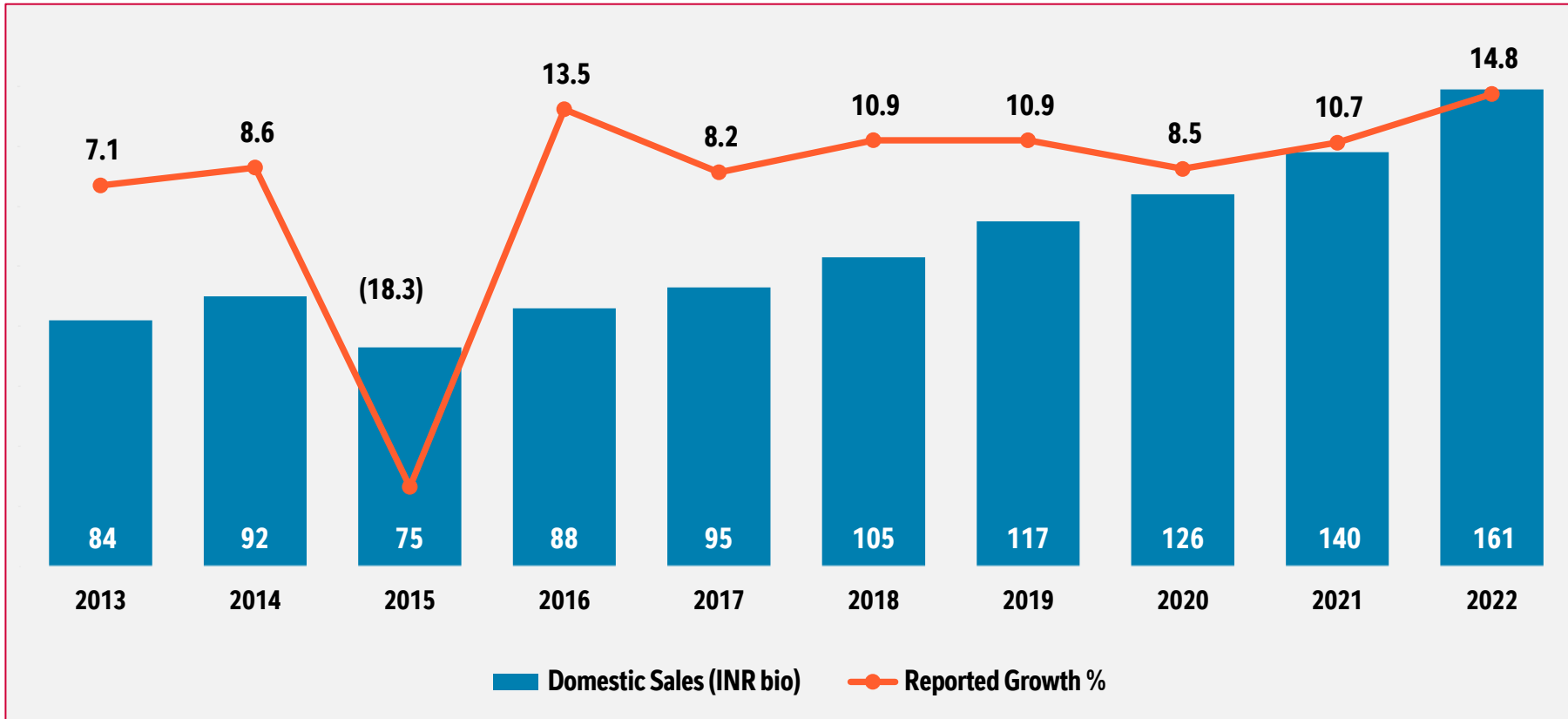
Nesmitra - Retailer self order application

PERFORMANCE

Consistent Collaborative Committed



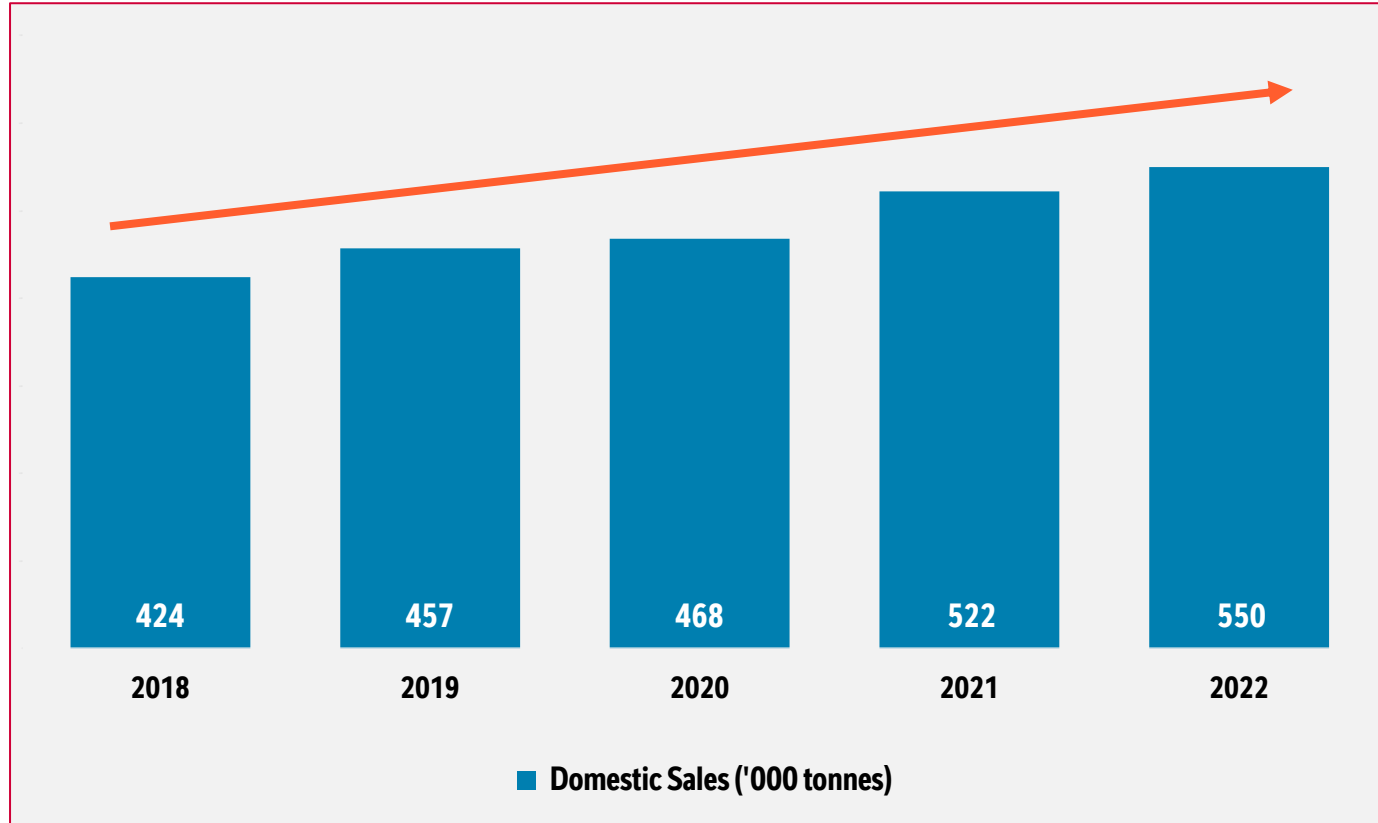
10 years of **strong domestic sales growth**



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

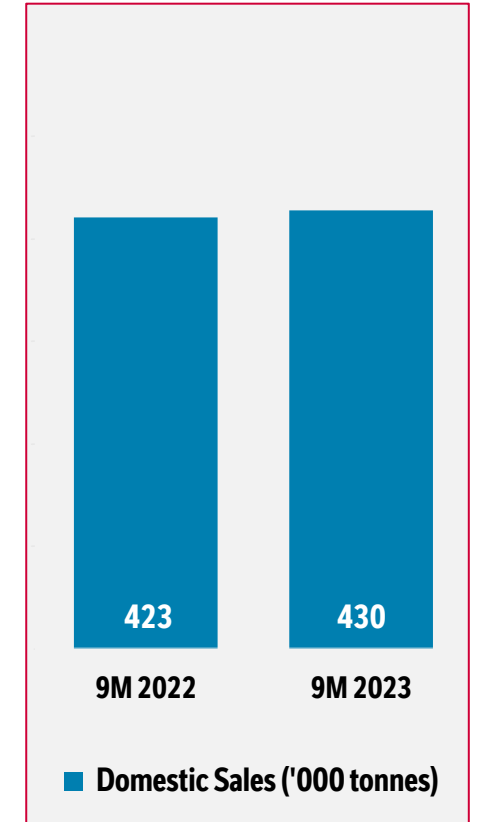
****2015 Sales impacted due to MAGGI issue**

Strong **volume** growth

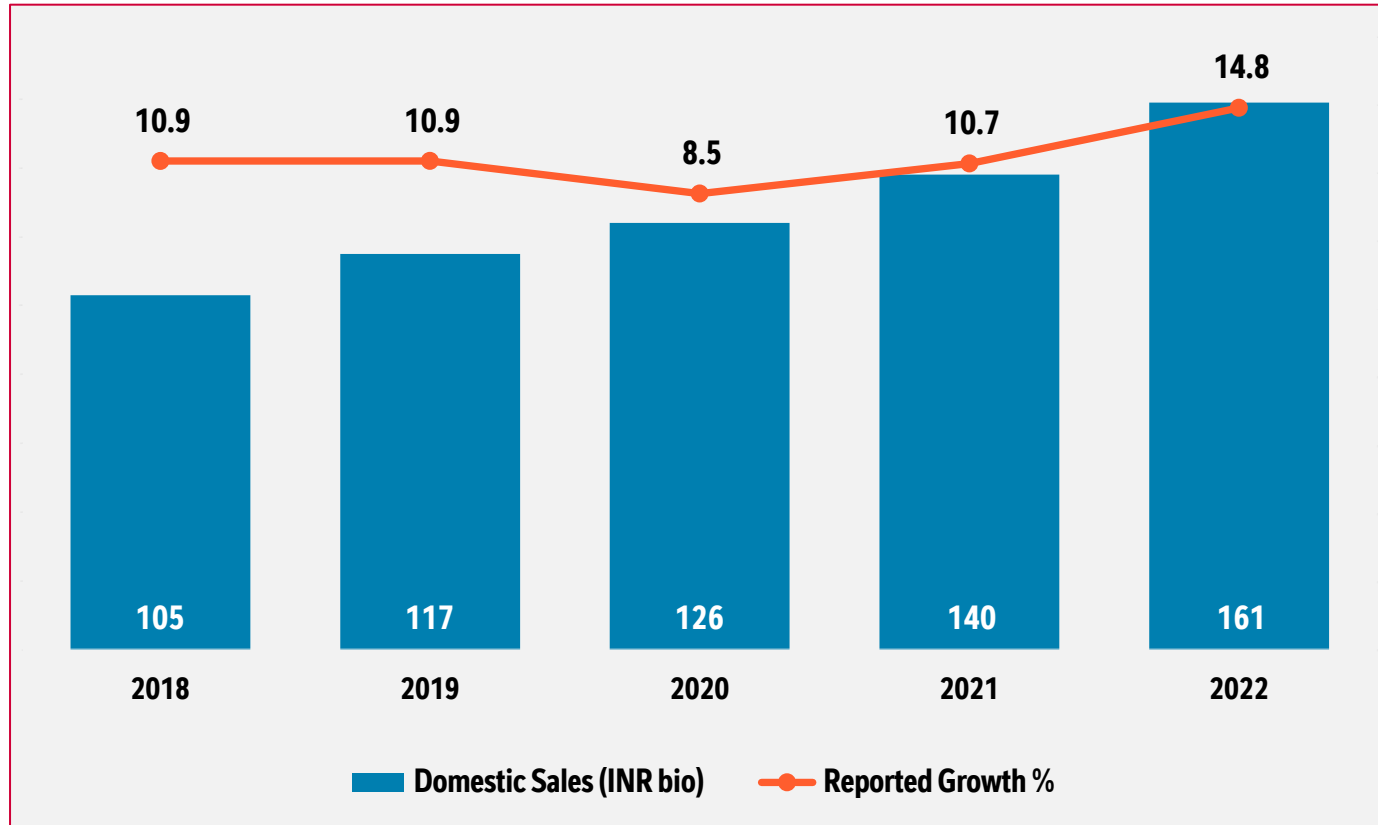


CAGR
2018-22

6.7%

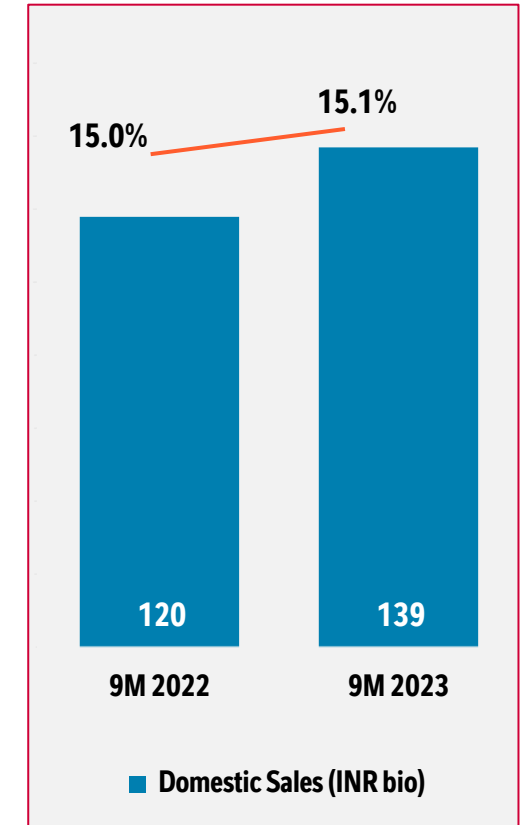


Leading to sustained **value growth**



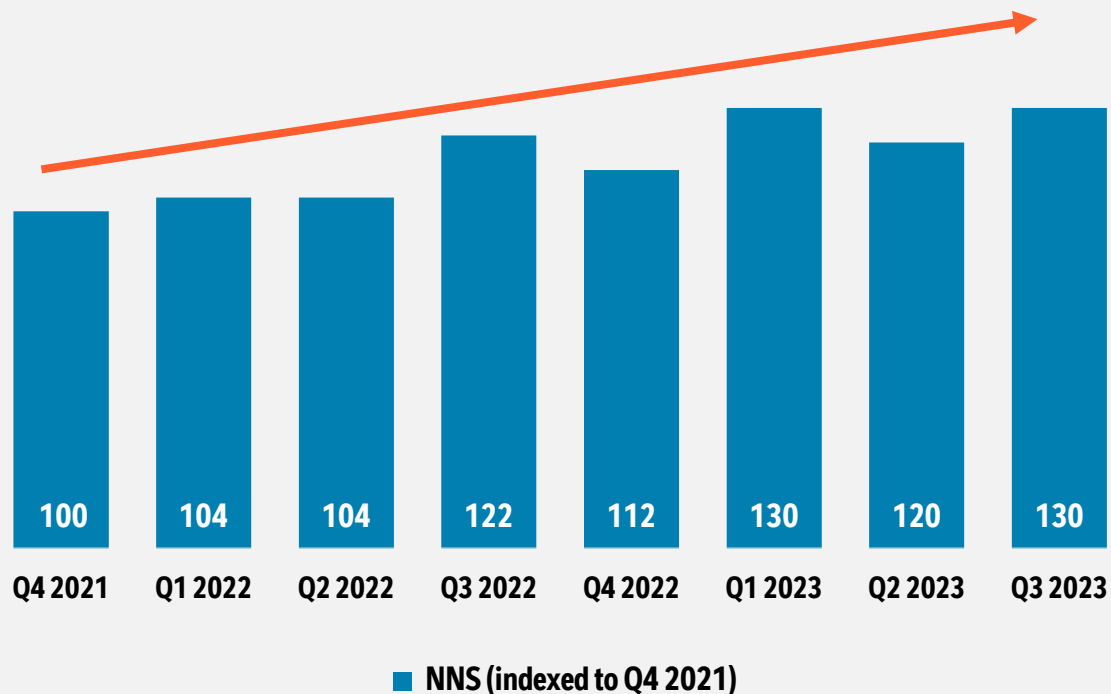
CAGR
2018-22

11.3%

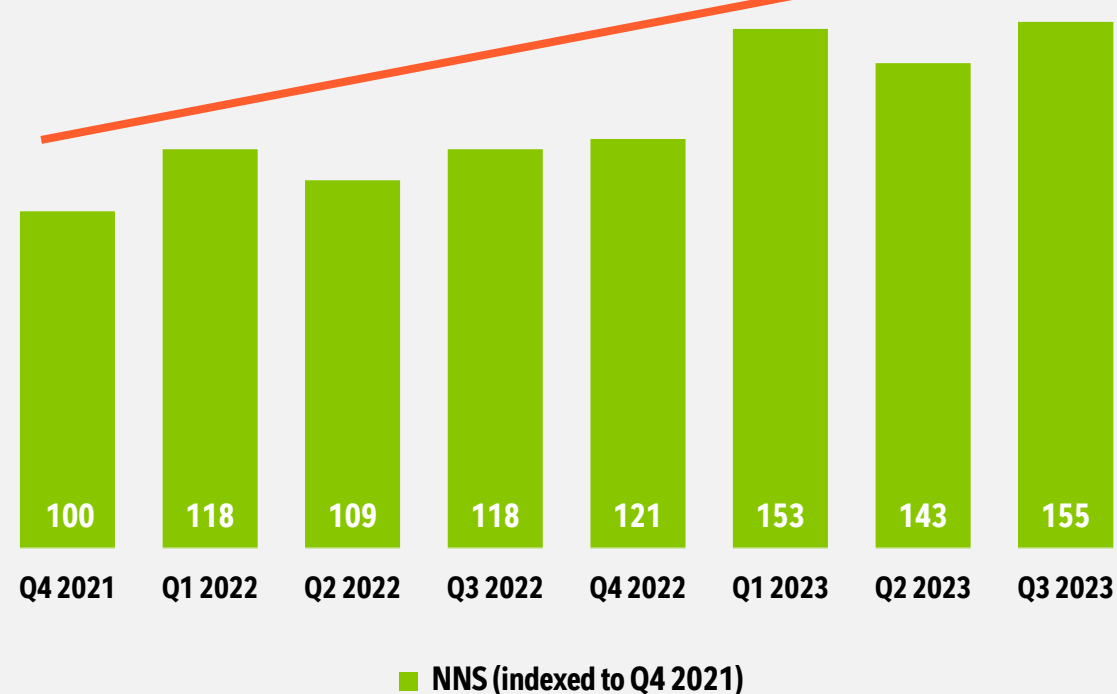


Changing fortunes of Nestlé India

Mega City



Metro



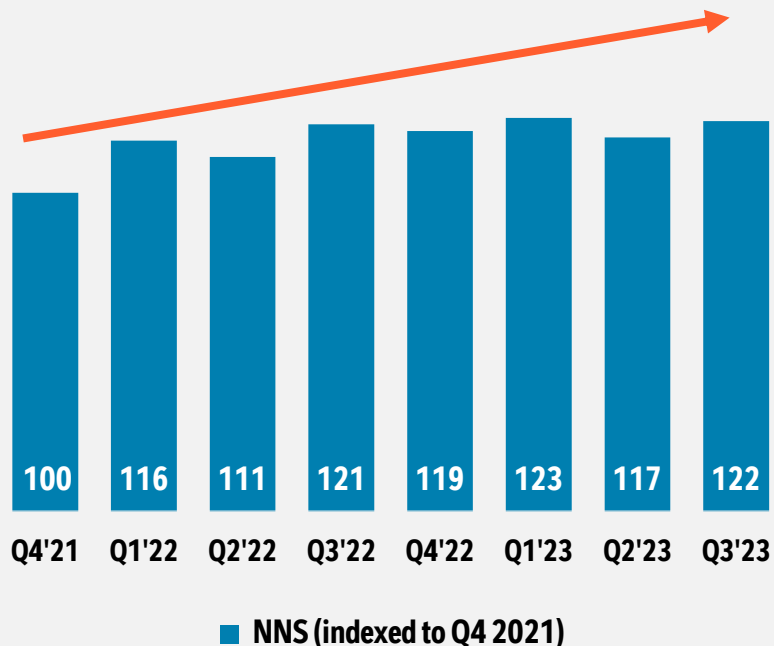
Trend growth in mega city and metros is positive

3 Year CAGR – **15.4%**

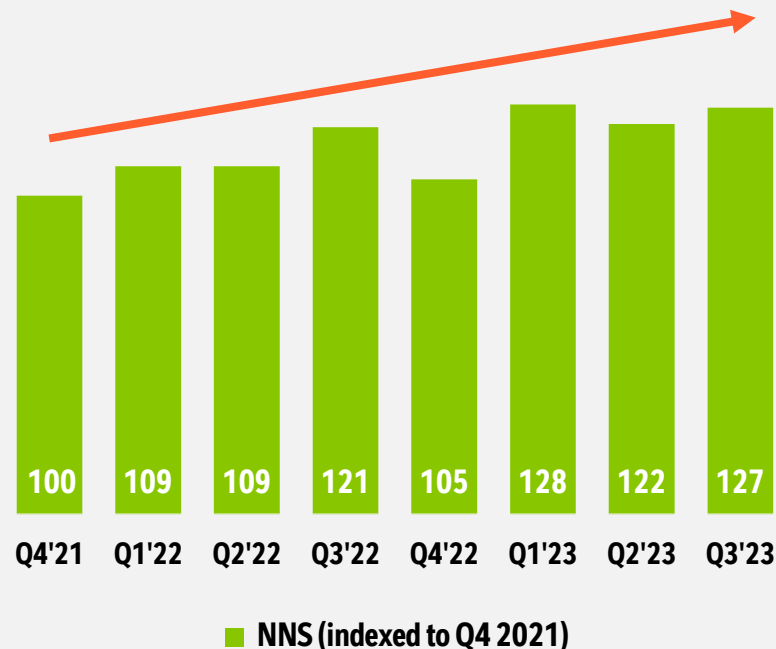
3 Year CAGR – **21.0%**

Changing fortunes of Nestlé India

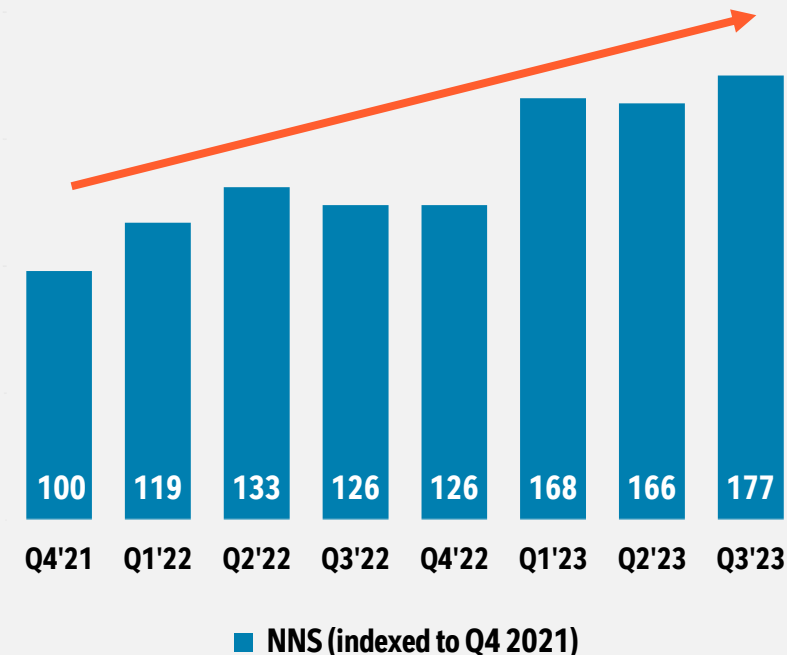
TC 1



TC 2-6



Villages



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

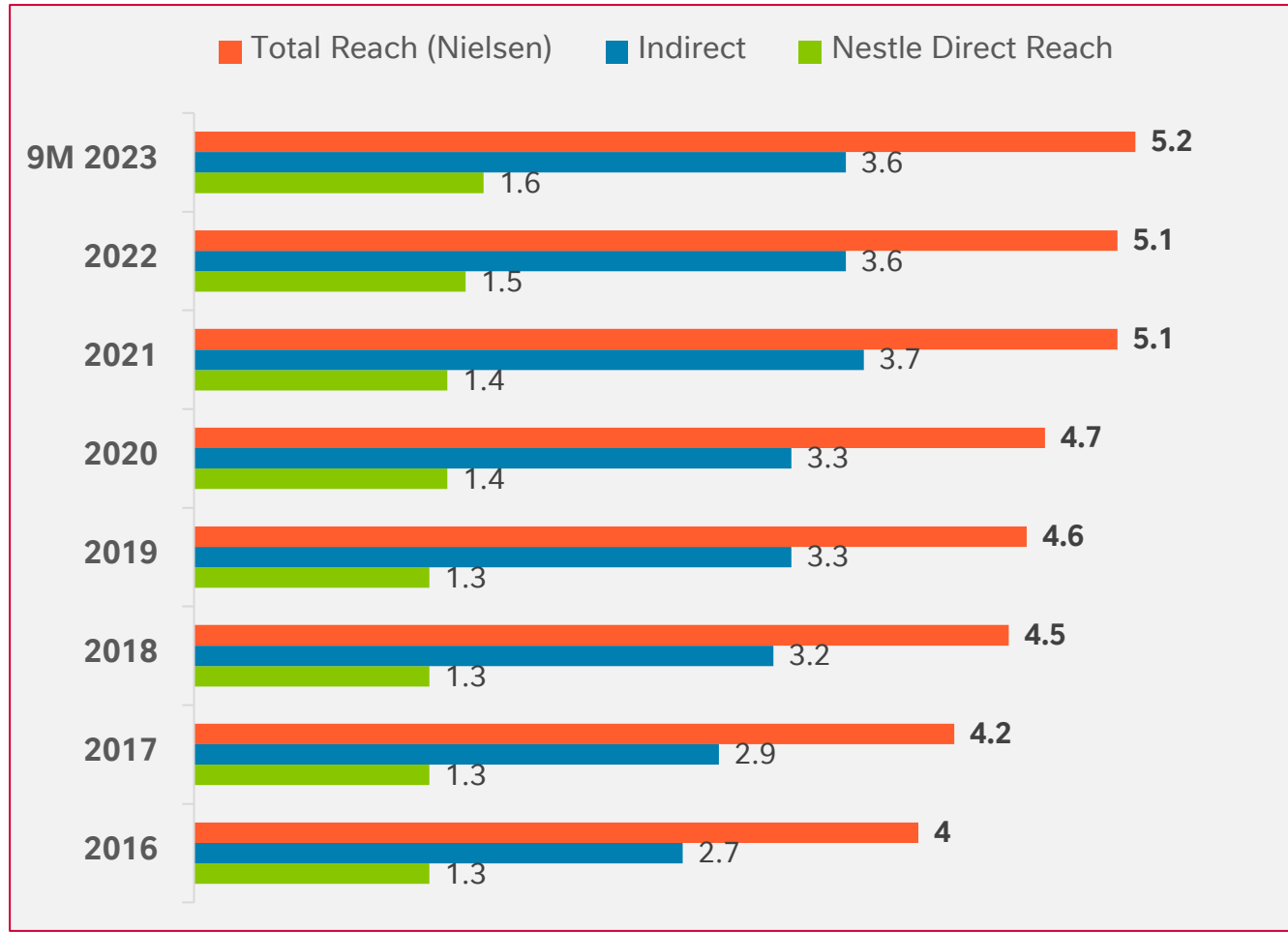
3 Year CAGR – **10.2%**

3 Year CAGR – **11.2%**

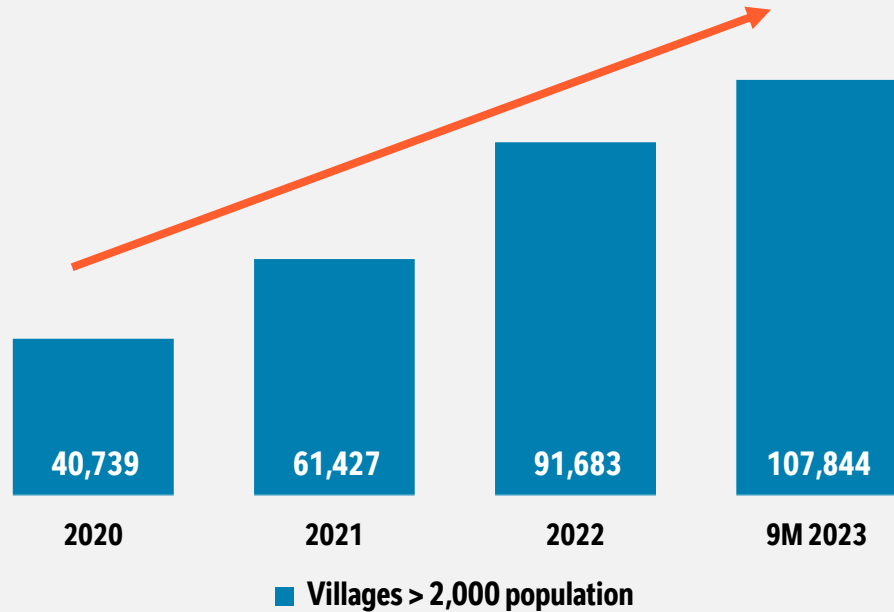
Secular and strong growth in rural India

3 Year CAGR – **26.6%**

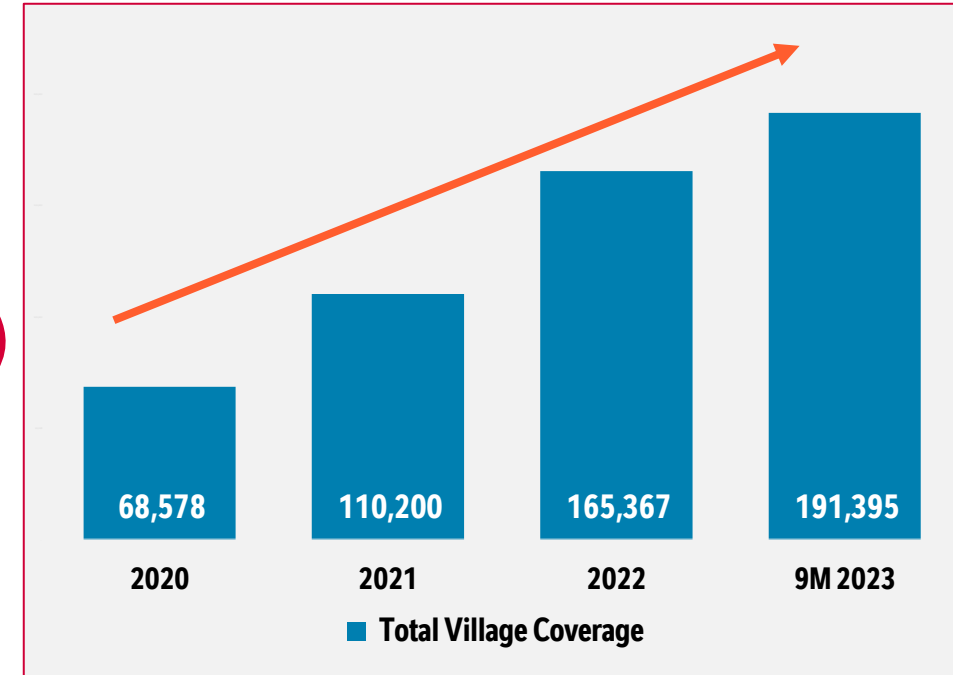
Acceleration of our route to market – **strengthening our distribution**



Deepening **Rural** reach



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

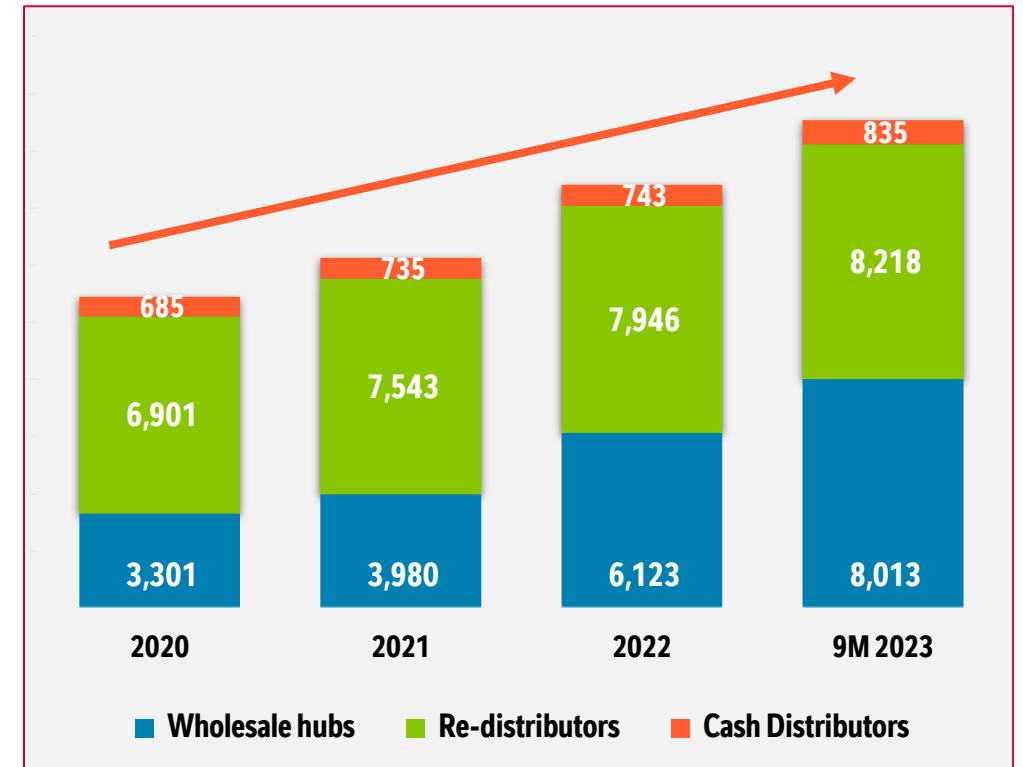


Increased presence in **RURBAN**

1. Strengthened distribution infrastructure



Distribution Touch Points

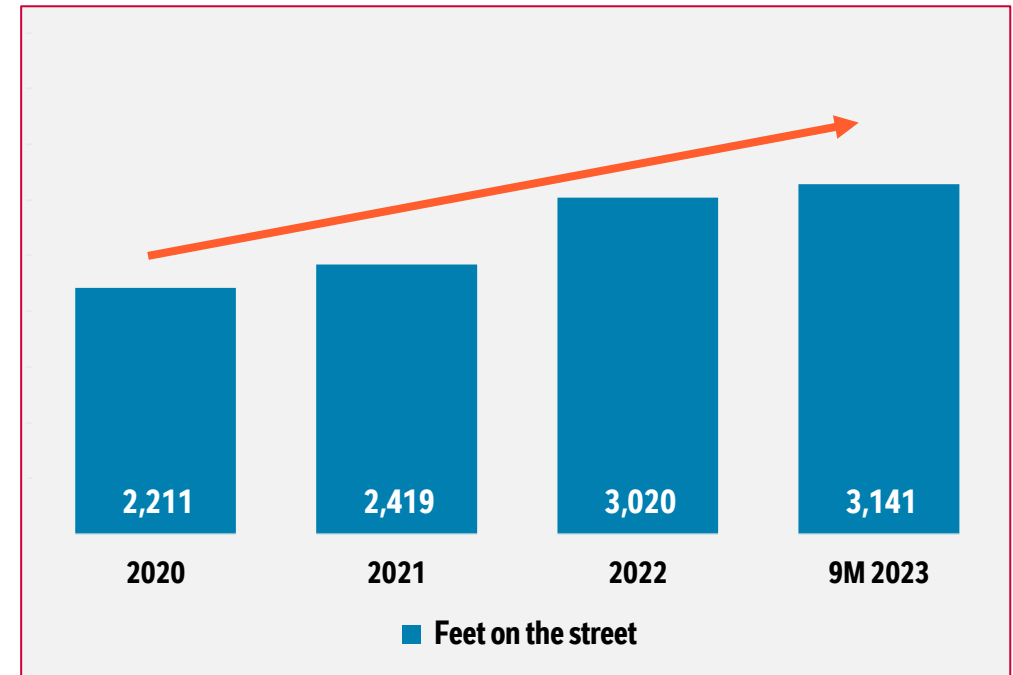


Increased feet on the street in **RURBAN**

2. Increased feet on the street



Feet on the street

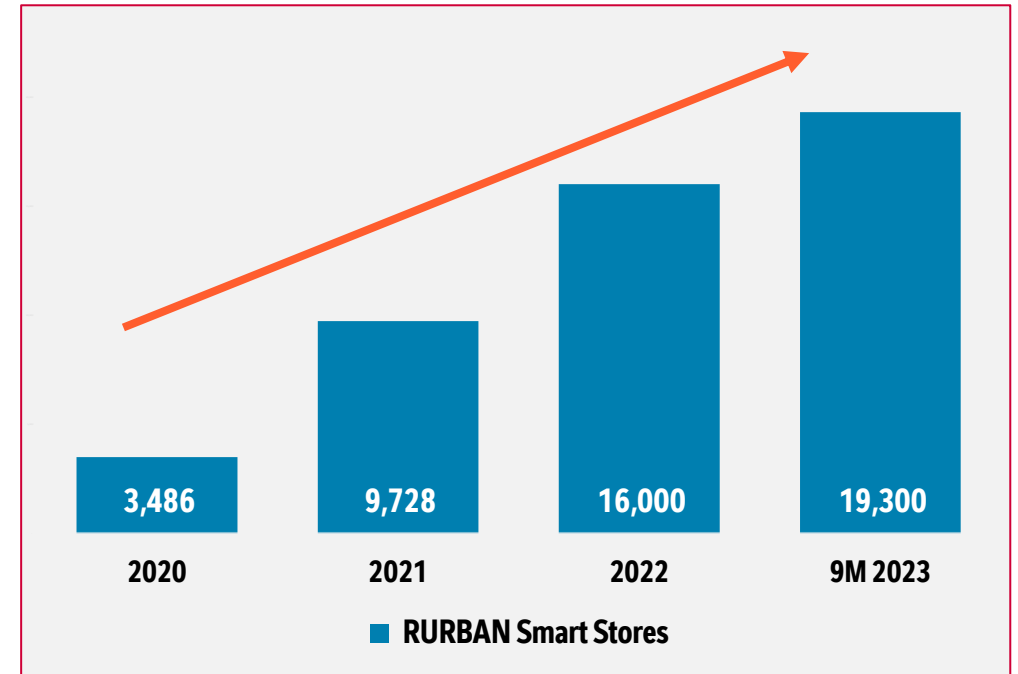


Increased visibility in **RURBAN**

3. Increased in-shop visibility



RURBAN Smart Stores

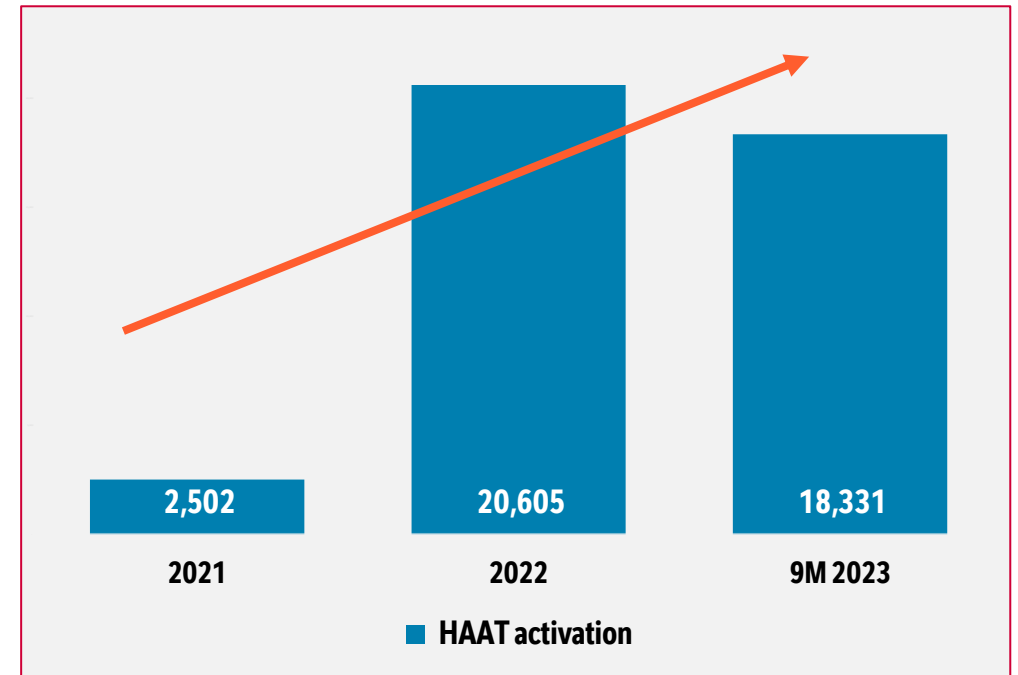


Increased activation in **RURBAN**

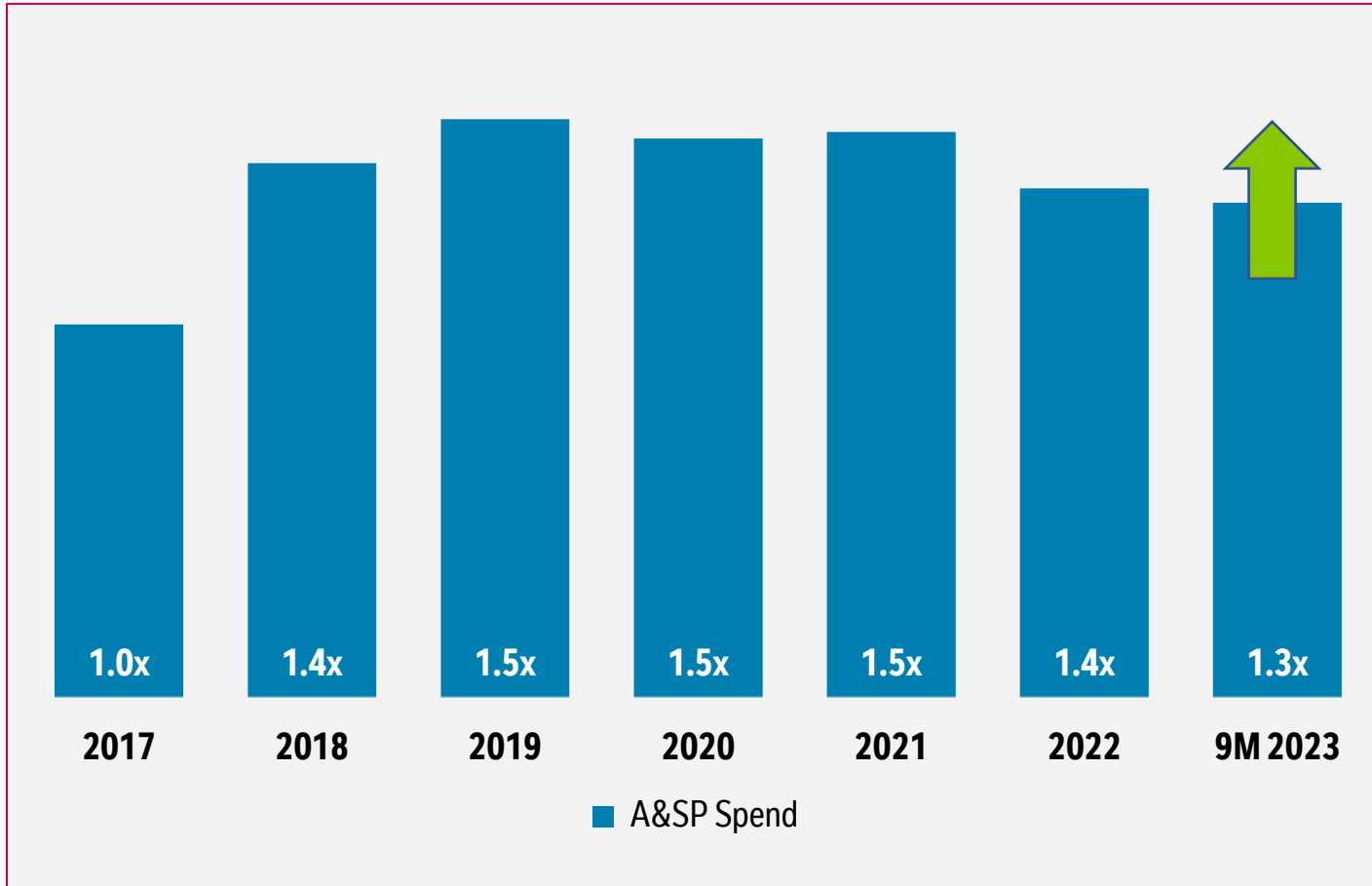
4. Increased HAAT activation



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

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%

Confectionery



16.8%
Contribution

21.4%
Growth

Powdered And Liquid Beverages



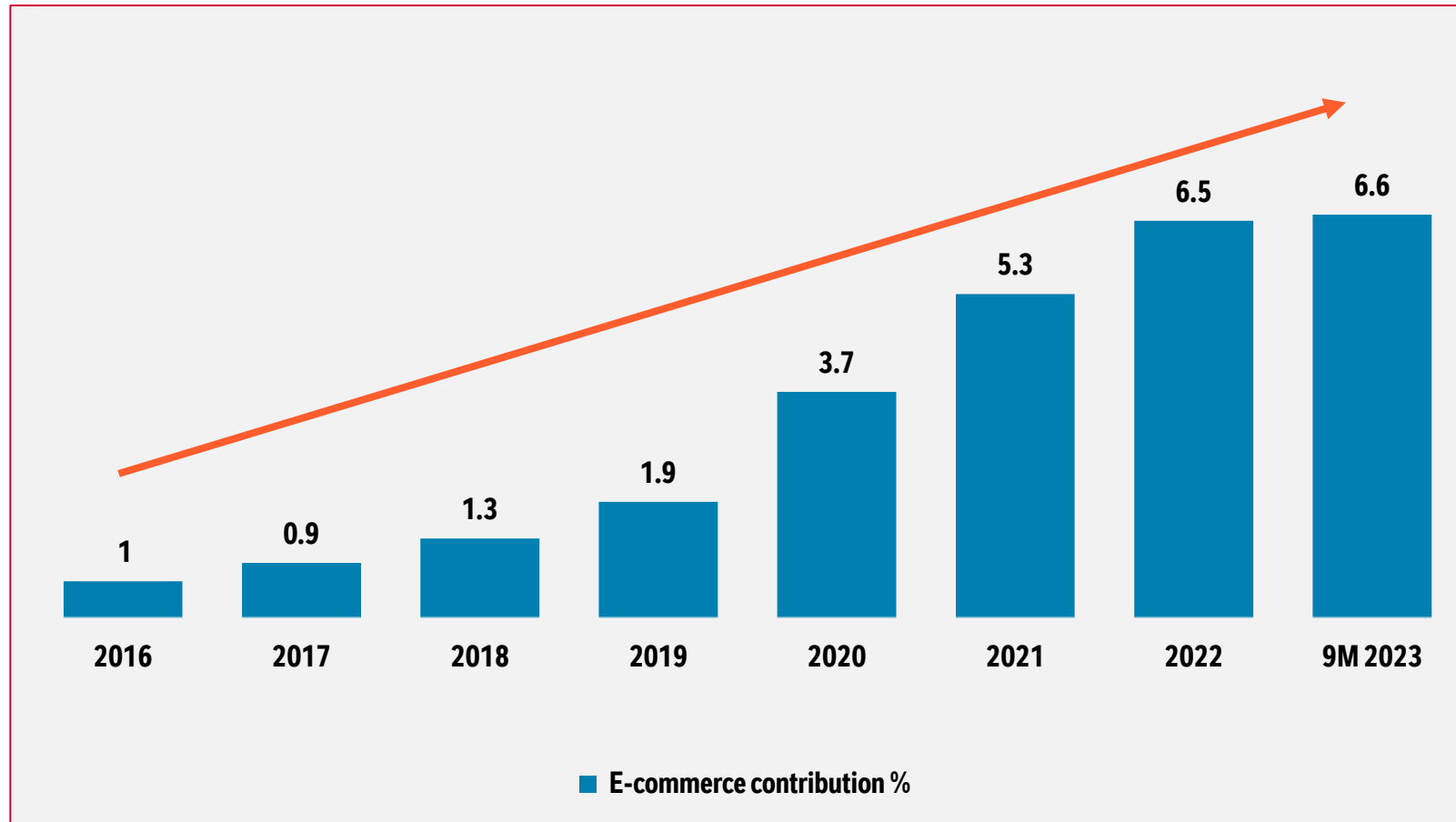
11.1%
Contribution

18.6%
Growth

Data represents Jan-Sept 2023

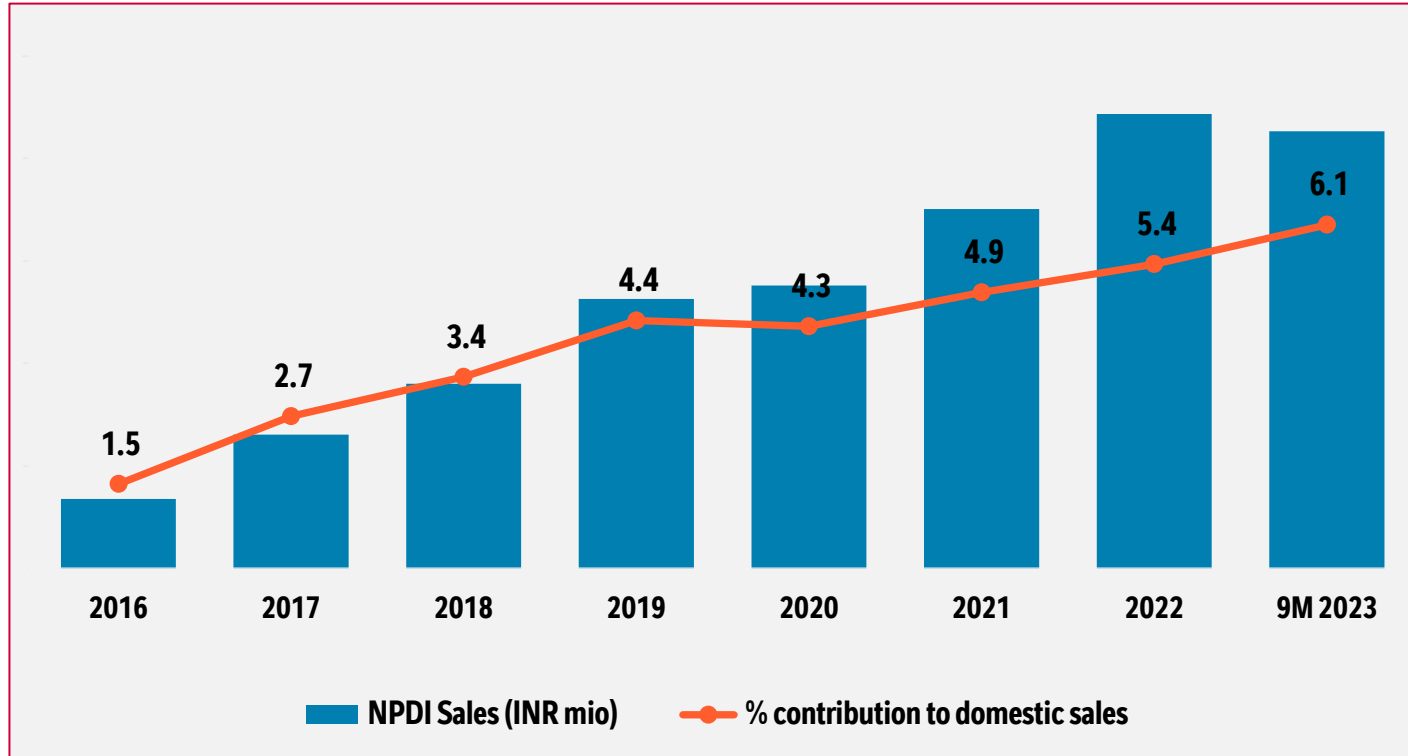
15.1% Domestic Sales Growth

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



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

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

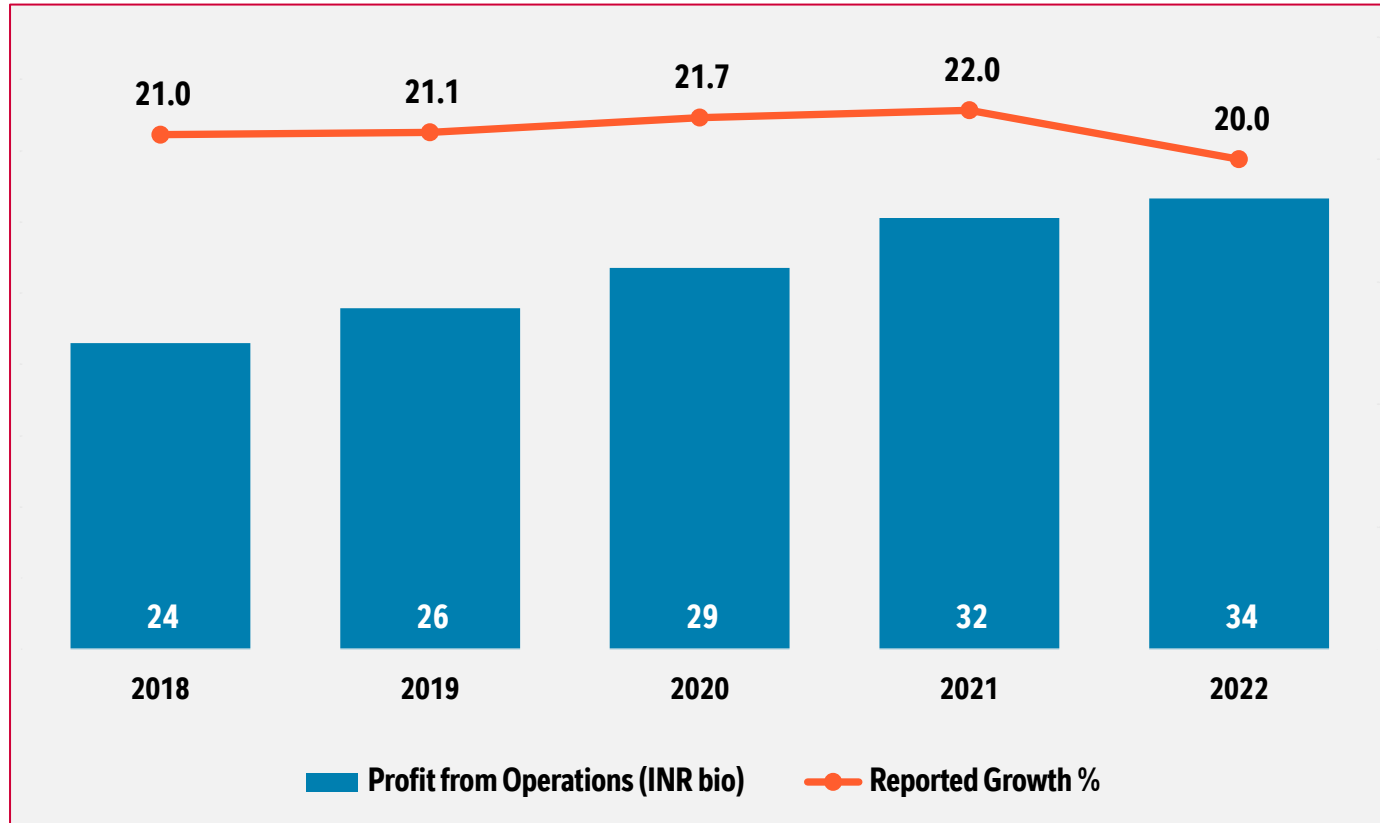


Over 125 new products in last 7 years

10 new projects in pipeline

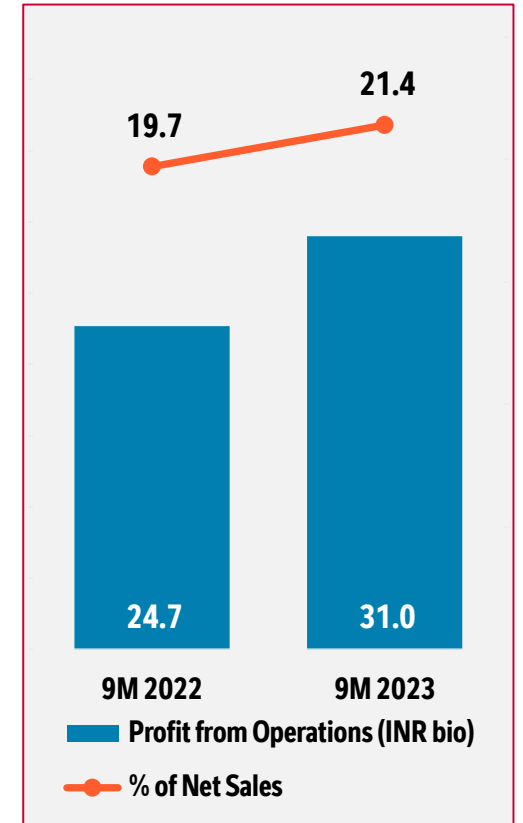


Sustained profit from **operations**



CAGR
2018-22

9.4%



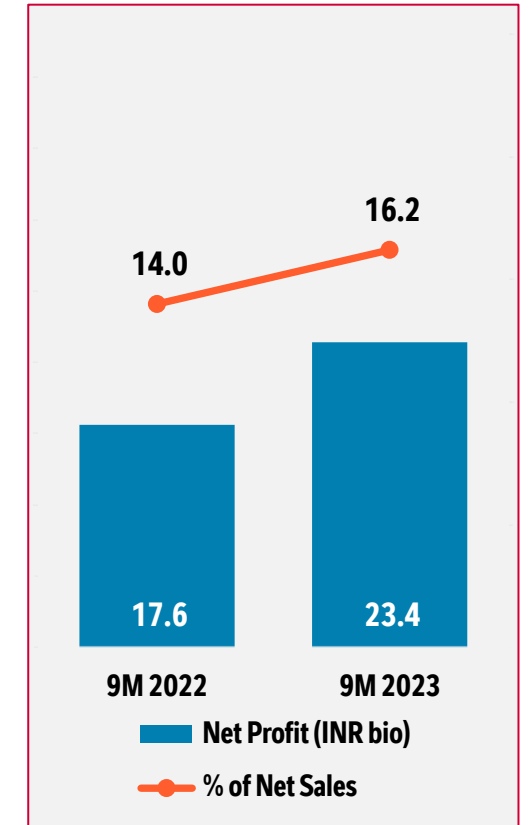
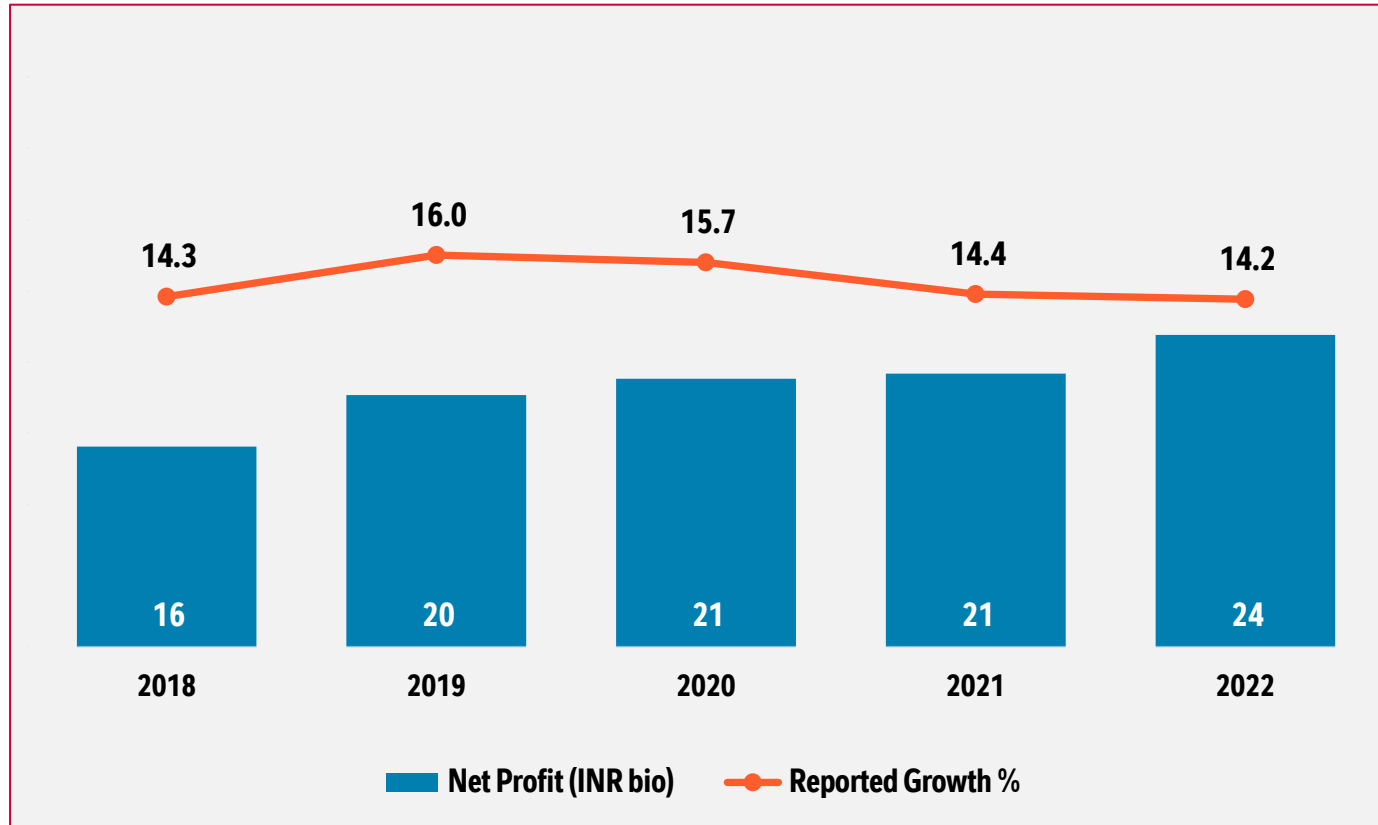
Buying efficiencies and economies of scale

Recipe efficiencies

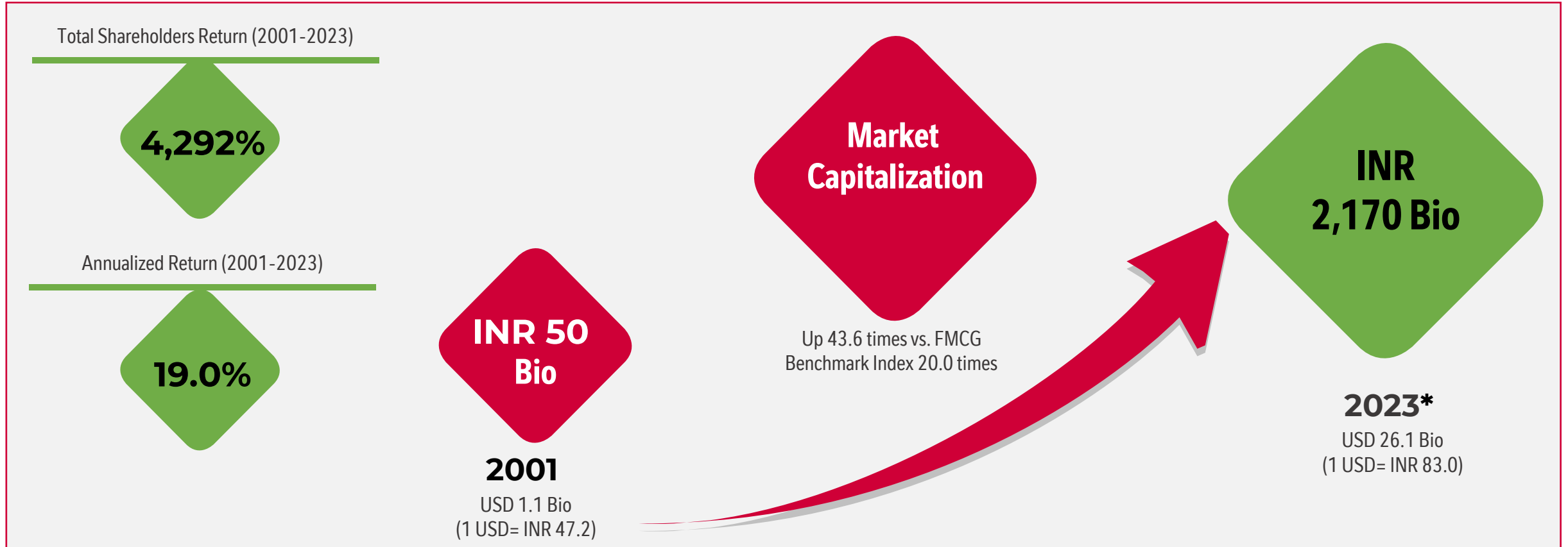
Portfolio management

Appropriate pricing

Leading to sustained **net profit**

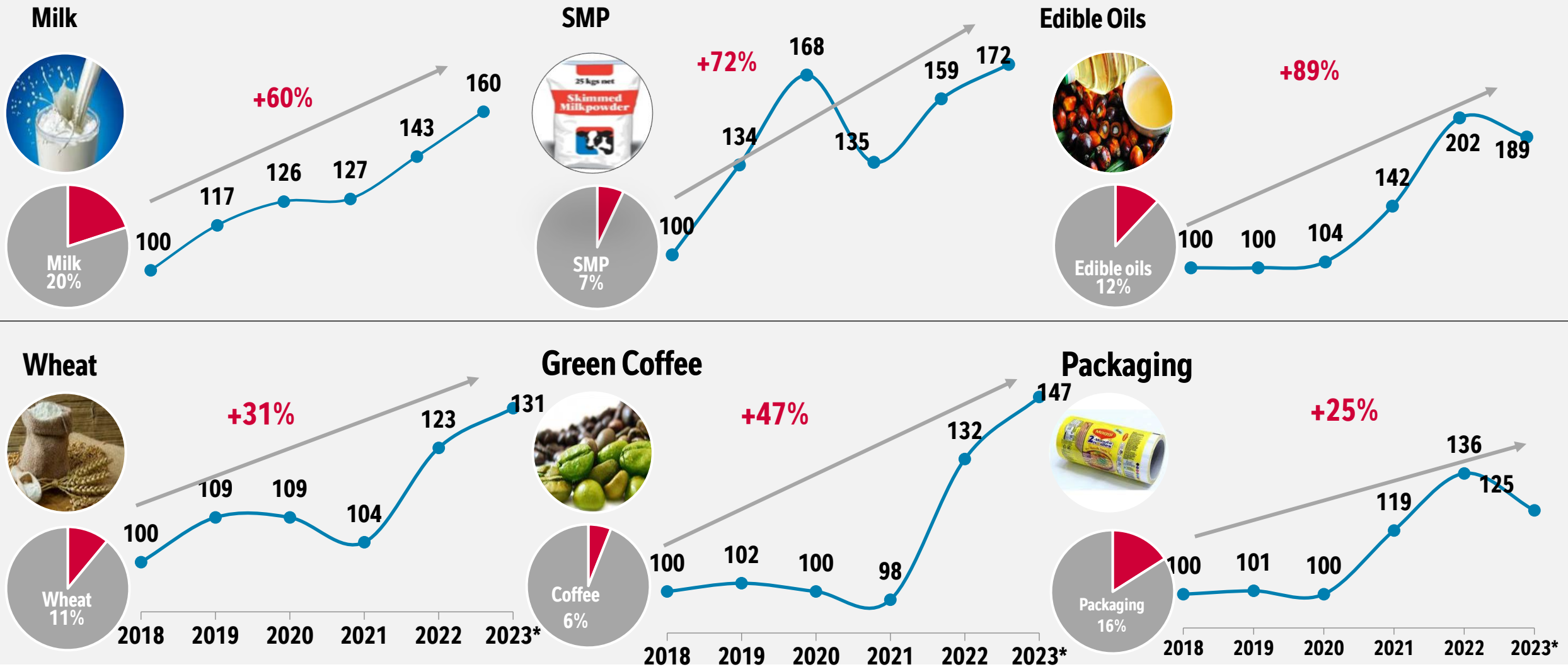


Thereby, creating significant value for **investors**



*As at 30th 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



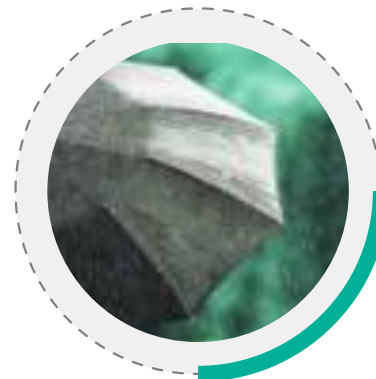
~10,000 projects since 2011 on cost reduction, enhanced efficiency and speed of making decision



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**





Consistency Collaboration Commitment ...Our Promise.

