



Press Release

Nestlé House, 25th July 2024

Nestlé India continues with resilience in a challenging environment

RURBAN expansion strengthened through concerted action

The Board of Directors of Nestlé India today approved the results for the first quarter of 2024-25.

Commenting on the results, **Mr. Suresh Narayanan, Chairman and Managing Director, Nestlé India** said, "I am pleased to share that despite external challenges such as lower consumption growth, concerns on continued food inflation and volatile commodity prices, we have delivered growth across our product groups. Almost a fourth of our growth has been mix and volume led, and we hope to strengthen this trend in the coming months.

I am happy to inform you that 5 of our top 12 brands grew double-digit. Our Beverages business stood out, with strong double-digit growth, despite a scorching summer across many parts of India. Strong consumer led activation on 'Cold opportunity' helped NESCAFÉ CLASSIC post double-digit growth. In consonance, NESCAFÉ Sunrise, and NESCAFÉ GOLD also delivered strong growth. The launch of NESCAFÉ Roastery has further strengthened our premium coffee portfolio. In our endeavour to build cold coffee as a strategic pillar, we successfully launched Nescafé Ice Roast with encouraging response across key markets and channels.

Prepared Dishes and Cooking Aids too maintained its growth momentum, with innovations contributing to ~30% of the growth in the quarter. MAGGI Korean Noodles has been well received by our consumers and Masala-Ae-Magic saw double digit growth. KITKAT delivered double digit growth. We take pride in confectionery being one of the most distributed businesses with highly connected digital brands and a slew of innovations in the pipeline. Milk Products and Nutrition portfolio-maintained growth.

E-commerce sustained its upward trajectory, contributing to 7.5% of domestic sales and growing at double digit. The Out-of-Home business continued its growth momentum despite unprecedented headwinds of extreme weather conditions across India. In addition to the successful collaboration with SOCIAL for the plant-based range, we have now launched Special Korean noodles menu across all SOCIAL outlets pan India for a limited period.

We continue our relentless focus on building 'distribution infrastructure' as our touchpoints in RURban geographies have been expanding consistently. During the period, we have successfully added over 800 new distribution touchpoints that includes cash distributors, re-distributors and wholesale hubs. Moreover, this quarter our village coverage has increased by 5,000 taking it to ~ 2,05,000 villages.

We continue to make strides in digitalization and technology. I am happy to announce that we have recently launched Re-distributor Management Solution for sub-distributors in rural markets to leverage technology in their daily operations. This improves efficiency, through automated order processing, equips sub-distributors to make informed decisions about stocking and promotions. Sub-distributors are enabled to respond swiftly to retailer needs, creating a powerful

network for rural distribution. This reinforces our partnership approach with trade to consistently find ways to enhance their capabilities.

I am pleased to share that our factories also have been on an ambitious digitalization journey. All our factories today are leveraging digital solutions under the overarching theme of 'Digital Manufacturing Operations' that provide intuitive experience for operators and supervisors, bringing in efficiency and speed at shop floor.

MAGGI has been an advocate for responsible plastic waste management, driving positive change over the years. This World Environment Day, MAGGI highlighted the power of small actions through the inspiring story of Iqra Khan, a young Nestlé executive, who educated people about the right way of disposing empty MAGGI packets. This story serves as a powerful reminder that every individual has a role to play in protecting our planet and contributing to a cleaner and healthier environment.

We believe business can be a force for good. I am immensely proud to share that Nestlé Healthy Kids Programme, our long-standing initiative, dedicated to fostering healthy lifestyles among adolescents and parents, across India has successfully completed 15 years. Launched as a pilot in 2009, the programme has grown exponentially, reaching over 600,000 adolescents and 56,000 parents across 26 states and union territories. By equipping young adolescents with the knowledge and skills to make informed choices about nutrition and physical activity, we are empowering them to lead healthier lives."

Financial Highlights - Quarter 1, 2024-25 :

- Total Sales of INR 4793.0 crore
- Total Sales Growth at 3.8%. Domestic Sales Growth at 4.2%.
- Profit from Operations at 21.3% of Sales
- Net Profit of INR 746.6 crore
- Earnings Per Share of INR 7.74
- Interim Dividend INR 2.75 per equity share declared on 8th July 2024

Business Comments - Quarter 1, 2024-25:

- **E-commerce:** Continued to accelerate, with strong growth in quick commerce, driven by brands such as KITKAT, NESCAFÉ, MAGGI Masala-ae-Magic, MILKMAID and RTD. Growth was aided by new user acquisition and targeted digital communication across touchpoints.
- **Organized Trade:** Retail grew in double-digit, led by value added noodles, beverages and overall premiumization.
- **Out of Home (OOH):** Strong growth momentum fuelled by portfolio transformation, innovations, penetration and premiumization.
- **Export:** Expanded its footprint by introducing new SKUs to markets in USA, Canada, Middle East and North Africa. A significant milestone was achieved with the first ever export of breakfast cereals such as KOKO KRUNCH and NESTLÉ GOLD Oats and Corn Flakes.

Product Groups Performance (Domestic) – Quarter 1, 2024-25:

- **Prepared Dishes and Cooking Aids** – Strong consumer engagements, media campaigns, innovations and enhanced RURBAN penetration enabled the business to maintain its momentum.
- **Milk Products and Nutrition** – Growth was driven by MILKMAID and toddler range of products.
- **Confectionery** – MUNCH continued to make regional inroads. Category first initiatives were initiated on OTT platforms for KITKAT, while MUNCH entered a movie partnership.
- **Beverages** – Witnessed robust performance across all products. NESCAFÉ Sunrise gained traction in South India. With this strong performance, NESCAFÉ has further solidified its leadership position in the market, gaining market share and achieving significant household penetration gains.
- **Petcare Business** – Felix wet cat food continued to receive positive feedback from trade and cat parents. Strong focus on e-commerce and quick commerce was instrumental in reaching out to more pet families.

Commodity Outlook:

Commodity prices are seeing unprecedented headwinds in coffee and cocoa with all time high prices and an ongoing price rally. Cereals and grains are going through a structural cost increase backed by MSP. There is relative stability in milk prices, packaging and edible oils.

Cautionary Statement:

Statements in this Press Release, particularly those which relate to outlook, describing the company's projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

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