

Nestlé House, Gurugram, 14<sup>th</sup> February, 2018

## Historic Year for Nestlé India - Clocks Over ₹ 10,000 Crores in Revenue

### Nestlé India – Full Year, 2017

- Total Sales of ₹ 10,135 Crores
- Domestic Sales Growth at 8.2%. Comparable Growth estimated at 11.8%.
- Profit from Operations at 18.1% of Sales
- Net Profit of ₹ 1,225 Crores
- Enables contribution to exchequer of ₹ 2,727 Crores
- Operating cash flow at ₹ 1,818 Crores
- Earnings Per Share of ₹ 127.07
- Final Dividend Recommended ₹ 23.00 per equity share
- Total Dividend including final dividend ₹ 86.00 per equity share

The Board of Directors of Nestlé India met today at Nestlé House and approved the results for the full year 2017. Commenting on the results, **Mr. Suresh Narayanan, Chairman and Managing Director, Nestlé India** said, “It is extremely pleasing that we ended year 2017 on a strong note by reaching a historic milestone of over ₹ 10,000 Crores in Revenue, in a year where we had to adapt to significant changes in the external environment. I owe a debt of gratitude to the dedication and energy of all our employees, farmers, suppliers, shareholders and trade partners who laid the foundation of this company and ensured that the growth stayed true to its course. We renew ourselves to the values of trust and respect, and to be inspired by our purpose for the future.

Nestlé is over a 105 years old in India and is building for the next 100 years. This is showcased by our continuous thrust on innovation and renovation with over fifteen products launched last year. The highlights being MAGGI Nutri-licious Noodles, MILKYBAR Moosha, KIT KAT Dessert Delight, MILO RTD as well as new variants of GREKYO. Also, we completed 3 wonderful years of the Nestlé Healthy Kids Program in association with Magic Bus India Foundation which has already benefited over 150,000 adolescents.

We will continue to be responsive, committed to society, nimble-footed and an organization that lives up to its purpose of enhancing quality of life and contributing to a healthier future. “

### **Highlights for the full year 2017:**

In accordance with Ind AS 18 on “Revenue” and Schedule III to the Companies Act, 2013, Sales for the previous year ended 31 December 2016 and for the period 1 January to 30 June 2017 were reported gross of Excise Duty and net of Value Added Tax (VAT)/ Sales Tax. Excise duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1 July, 2017, VAT/Sales Tax, Excise duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales as per the requirements of Ind AS 18. This has resulted in lower reported sales in the current year in comparison to the sales reported under the pre-GST structure of indirect taxes. With the change in structure of indirect taxes, expenses are also being reported net of taxes. Accordingly, financial results for the quarter and year ended 31 December 2017 and in particular Sales, absolute expenses, elements of working Capital (Inventories, Trade payable, other current assets/current liabilities etc.) and ratios in percentage of sales are not comparable with the corresponding periods. Profit from Operations in percentage of sales and Net Profit

in percentage of Sales are positively impacted as the percentages have been calculated on lower reported sales.

- **Total Sales and Domestic Sales** for the year increased by 7.7% and 8.2%, respectively. These growth rates are adversely impacted due to lower reported sales by the change in structure of indirect taxes and reduction in realisations to pass on the GST benefits. On a comparable basis the domestic sales growth is 'estimated' at 11.8% due to increase in volumes including rebuild of MAGGI Noodles, supplemented by better underlying realisations. "Export Sales" increased by 0.9%.
- **Profit from Operations and Net Profit in percentage of Sales** are positively impacted by 60 bps and 40 bps respectively as the percentages have been calculated on lower reported sales

**Highlights for the quarter ended 31<sup>st</sup> December, 2017:**

- **Total Sales and Domestic Sales** for the quarter increased by 10.9% and 10.8%, respectively on a base impacted by withdrawal of high denomination currency notes in circulation. These growth rates are adversely impacted due to lower reported sales by the change in structure of indirect taxes and reduction in realisations to pass on the GST benefits. On a comparable basis the domestic sales growth is 'estimated' at 18.1% due to increase in volumes including rebuild of MAGGI Noodles, supplemented by better underlying realisations coming from previous periods. "Export Sales" increased by 12.7%.
- **Profit from Operations and Net Profit in percentage of Sales** are positively impacted by 110 bps and 70 bps respectively as the percentages have been calculated on lower reported sales

**Dividend:**

The Board of Directors have recommended a final dividend of ₹ 23.00 per equity share amounting to ₹ 2217.6 million for the year 2017. The total dividend for 2017 aggregates to ₹ 86.00 per equity share which includes three interim dividends of ₹ 15.00 per equity share paid on 2 June 2017, ₹ 15.00 per equity share paid on 16 August 2017 and ₹ 33.00 per equity share paid on 22 December 2017.

**For more information:**

Ambereen Shah, Nestlé India, +91-9717022731

Shashank Kumar Nair, Nestlé India, + 91-9818077775

Nestlé India Limited, Head Office: Nestlé House, Jacaranda Marg, M Block, DLF City Phase – II, Gurugram 122 002 (Haryana)

Phone: +91-124-3321824, Fax: +91-124-2389381

Registered Office: 100 / 101, World Trade Centre, Barakhamba Lane, New Delhi – 110001

Corporate Identity Number: L15202DL1959PLC003786

Email ID: [media.india@in.nestle.com](mailto:media.india@in.nestle.com); [investor@in.nestle.com](mailto:investor@in.nestle.com), Website: [www.nestle.in](http://www.nestle.in)

