

Nestlé India Limited

(CIN : L15202DL1959PLC003786)

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BM:PKR: 07:22

17.02.2022

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort, Mumbai – 400 001

Scrip Code: 500790

- Subject**
1. **Regulation 33 of Listing Regulations : Audited Annual Financial Results for the year 2021**
 2. **Regulation 30 of Listing Regulations :**
 - a) **Recommended Final Dividend for the year 2021;**
 - b) **Recommended to the members for appointment of Ms Anjali Bansal as an Independent Non-Executive Director for a term of five consecutive years effective 1st May 2022;**
 - c) **Noted retirement of Ms Rama Bijapurkar as an Independent Non-Executive Director on completion of her term on 30th April 2022; and**
 - d) **63rd Annual General Meeting on Wednesday, 30th March 2022 through Video Conferencing / Other Audio-Visual Means (VC/OAVM).**
 3. **Regulation 42 of Listing Regulations : 63rd Annual General Meeting ('63rd AGM') and Record Date.**

Dear Sir/ Madam,

1. Audited Annual Financial Results for the year 2021

The Board of Directors at their meeting held today:-

- a. approved the Audited Annual Financial Results for the year ended 31st December 2021. Enclosed are the Audited Annual Financial Results along with the Report of the Auditors thereon and the declaration in respect of Audit Reports with unmodified opinion for the Financial Year ended 31st December 2021. The Audited Annual Financial Results shall be published in newspapers as required. Also, find enclosed Press Release relating to the results. The above are being uploaded on the Company's website;
- b. approved the Annual Financial Statements of the Company for the year 2021 including Balance Sheet as at 31st December 2021 and Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date.

2. Recommended Final Dividend for 2021

The Board of Directors recommended final dividend for the year 2021 of Rs. 65/- (Rupees Sixty Five only) per equity shares of Rs. 10/- each.

3. Recommended to the members appointment of Ms Anjali Bansal as an Independent Non-Executive Director for a term of five consecutive years effective from 1st May 2022

The Board of Directors at their meeting held today, on the recommendation of the Nomination and Remuneration Committee, approved the recommendation to the members the appointment of Ms Anjali Bansal (DIN: 00207746) as an Independent Non-Executive Director of the Company for a term of five consecutive years effective from 1st May 2022.

Ms Anjali Bansal is the Founder of Avaana Capital, a venture fund that invests in technology and innovation led startups focused on sustainability to generate outsized returns and impact at scale. Ms Bansal serves as an independent non-executive director on leading boards including Piramal Enterprises, Tata Power, Siemens, and Kotak AMC. She also serves on the Advisory Council of Open Networks for Digital Commerce (ONDC), Experts Advisory Committee of Startup India Seed Fund Scheme announced by Honorable Prime Minister. She has vast experience in the area of banking, corporate governance, strategy, e-commerce, digital and new technologies, mergers and acquisitions, finance, audit, sustainability, innovation management, information technology and human resources. Ms Bansal has a BE in Computer Engineering from Gujarat University, a Masters in International Finance and Business from Columbia University, and the YPO Presidents Program at Harvard Business School.

Ms Anjali Bansal has no relationship with any other directors on the Board of the Company and she is not debarred from holding the office of director by virtue of any SEBI order or any other such authority. Approval of the members for the appointment shall be sought at the 63rd Annual General Meeting of the Company.

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4. Noted that Ms Rama Bijapurkar (DIN:00001835), Independent Non-Executive Director of the Company, would be retiring on 30th April 2022, on completion of her term of appointment.

5. Approved convening of the 63rd AGM and fixed Record Date for the Final Dividend for 2021

The Board of Directors at their meeting held today, approved convening of the 63rd Annual General Meeting (AGM) of the Company on Wednesday, 30th March 2022 through Video Conferencing/ Other Audio Visual Means (VC/ OAVM).

The Record Date for the purpose of determining entitlement of the members to the Final Dividend for the year 2021 is 8th April 2022. The Final Dividend for 2021, if approved by the members at 63rd AGM, shall be paid on and from 26th April 2022. Intimation of Record Date is enclosed. Soft copy of the Annual Report and Notice of the 63rd AGM shall be sent in due course. The same shall also be uploaded on the Company's website.

The meeting of the Board of Directors commenced at 9:30 hours and all the above agenda items concluded at 11:40 hours.

Thanking you,

Yours truly,
NESTLÉ INDIA LIMITED



B. MURLI
GENERAL COUNSEL & COMPANY SECRETARY

Encl.: as above



Good food, Good life

Press Release – Q4 & Full Year 2021

Nestlé House, 17th February 2022

Nestlé India Delivers Double Digit Growth pivoted on Volume & Mix performance

The Board of Directors of Nestlé India today approved the results for the fourth quarter and full year 2021.

Commenting on the results, **Mr. Suresh Narayanan, Chairman and Managing Director, Nestlé India** said, “2021 was a very challenging year and I am proud of the determination of the team, our partners and stakeholders to face the context and continue to be inspired to grow.

Nestlé India witnessed broad based, double digit, volume and mix led growth, despite a highly volatile economic environment. Total sales and domestic sales for 2021 increased by 10.1% and 10.7% respectively. Strong growth momentum continued in MAGGI Noodles aided by increased availability. KITKAT and MUNCH registered stellar growth throughout the year. NESCAFÉ Classic continued to deliver double digit growth. Growth in e-commerce was fuelled by new emerging formats such as ‘Quick Commerce’ and ‘Click & Mortar’. We have progressed firmly and resolutely on our RURBAN journey and this has borne fruit with strong rural growth performance in addition to sustained growth in smaller town classes and urban agglomerates.

Nestlé India is delighted to announce that our Sanand Factory in Gujarat is now fully operational and meeting our highest standards. It is a matter of great pride that about 62% of the factory workforce are women and it is our digitally and environmentally most advanced factory. The recent announcement by the Government of the PLI Scheme in Food Processing of which Nestlé India is a beneficiary will provide greater impetus to our manufacturing initiatives in the country.

We continue to witness high inflation in our key raw and packaging materials, where many are at 10-year highs. However, we remain confident of our ability and competencies and will continue to make all efforts towards cost optimization and seeking systematic efficiencies to mitigate the impact.

Leveraging granular growth opportunities using the power of data and analytics is a core ambition of our business strategy. We have harnessed this by building a multi-intelligent data analytics system that sources internal and external data to converge on insights that triggers swift and decisive business actions.

Nestlé India is committed to environmentally sustainable business practices at all stages of our operations by making the right choices to protect the future. We have accelerated our sustainability journey by working with focus and coordinated actions across 4 pillars --

climate change, packaging, responsible sourcing including regenerative farming practices and water management.

This year marks the tenth year of the NESCAFÉ Plan which over the years has enabled close collaboration with 4400 coffee farmers from over 250 villages in Karnataka, Kerala and Tamil Nadu. Through the NESCAFÉ Plan, we train coffee farmers to develop good agricultural practices pivoted on quality, productivity, and sustainability. We also support them in obtaining sustainability certificates and providing premium to the coffee farmers when purchasing coffee that is sustainably produced.

We are very heartened by the fact that the NESCAFÉ Plan has brought about positive and sustained change in the livelihood of coffee farmers and their families. It has enabled support in the sustainable management of landscapes linked to the value chain; enhanced biodiversity in coffee farms with intercropping and encouraging traceability and transparency. Such visible change through constructive and respectful partnerships with coffee farmers gives Nestlé India team even greater inspiration to extend this initiative to other farm interventions that we have across India.”

Financial Highlights – Full Year 2021:

- Total Sales of INR 14,634 Crore
- Domestic Sales Growth at 10.7%
- Profit from Operations at 22.2%
- Net Profit of INR 2,145 Crore
- Robust Cash Generated from Operations at INR 2,999 Crore
- Earnings Per Share of INR 222.5
- Final Dividend recommended INR 65.00 per equity share
- Total Dividend including final dividend INR 200.00 per equity share
- CSR Spend INR 53.4 Crore
- Contribution to exchequer of INR 3810 Crore

Business Comments – Full Year 2021:

- **E-commerce:** The channel showed strong acceleration on the back of convenience and pandemic driven consumer behaviour, fully leveraged by Nestlé India through meaningful shopper insights, data analytics, speed, sharp communication and customization for the channel.
- **Organized Trade:** Witnessed a resurgence and good revenue growth, despite the impact of the second wave.
- **Out of Home (OOH):** Though OOH channels were impacted by COVID Wave 2, Nestlé Professional Business promptly initiated revenue acceleration and business recovery measures through building and scaling up opportunities, coupled with channel led initiatives (Focus on delivery / Cloud kitchen) to bounce back faster.
- **Exports:** Expanding our product offering and exploring opportunities across the globe remains a key growth driver, especially with the MAGGI range in both ethnic and mainstream channels in the UK and Australia.

Category Performance – Full Year 2021:

Year 2021 witnessed broad based, double digit, volume & mix led growth, despite challenging and highly volatile economic environment. Creditable urban and rural growth was witnessed in the portfolio.

- **Prepared Dishes and Cooking Aids:** Strong growth momentum continued in Noodles aided by increased availability. MAGGI Masala-ae-Magic also posted healthy double-digit growth. MAGGI Sauces had somewhat muted growth due to decreased in-home consumption, high base and increased competitive intensity.
- **Milk Products and Nutrition:** Toddler range (CEREGROW, NANGROW) posted strong double-digit growth throughout the year. Milk products continued to face challenges from competition.
- **Confectionery:** KITKAT and MUNCH registered stellar growth throughout the year aided by media campaigns, augmented availability and attractive consumer promotions.
- **Beverages:** NESCAFÉ Classic continued to deliver double digit growth led by increased penetration, strong consumer engagements, market presence and sustained generating demand inputs.

Commodity Outlook in Short to Medium Term:

Price outlook for key categories like edible oils, coffee, wheat, fuel remains firm to bullish while costs of packaging materials continue to increase amid supply constraints, rising fuel and transportation costs. Input prices are expected to be on bullish trend both globally and to some extent locally. Fresh milk prices are expected to remain firm with continued increase in demand and rise in feed costs to farmers. In an environment of raw and packaging material inflation, we continue to keenly look for opportunities for cost optimization and efficiencies.

Key Highlights for the Quarter and Year ended 31 December 2021:

- Total Sales and Domestic Sales for the year increased by 10.1% and 10.7% respectively. Domestic Sales growth is largely driven by volume & mix and is broad based. Export Sales were lower by 1.2% mainly due to lower coffee exports and change in product mix.
- Total Sales and Domestic Sales for the quarter increased by 8.4% and 9.2% respectively. Domestic Sales growth is broad based and largely driven by volume & mix. Export Sales were lower by 6.6% largely due to change in product mix.
- **Exceptional Items:** Effective 1 December 2021, the Defined Benefit Pension Scheme for certain category of employees is amended and replaced by 'Future Ready Plan' which is a combination of amended Defined Benefit Pension Scheme for past period of service and a Defined Contribution Scheme for future service. The defined benefit obligation for past period of service as per the 'Future Ready Plan' has been determined based on actuarial valuation carried out by an independent actuary basis the amended plan and has been frozen.

The frozen amount as determined under the 'Future Ready Plan' has been invested by the Company in an appropriate investment product of an Insurance company. The accumulated investment balance shall be in future utilized to purchase pension annuities from the Insurance company for the employees as per the 'Future Ready Plan'. The investment so made is recognized as having 'reimbursement rights' as per Ind AS 19 Employee Benefits.

Also, under the 'Future Ready Plan', liability towards a certain category of pensioners has been transferred to an Insurance company and future annuities will be paid by the insurance company.

Exceptional Item as disclosed in the Statement of Profit and Loss Account comprises of the following, in aggregate:

- Past Service Cost i.e. the difference between the frozen amount for past service as determined under the 'Future Ready Plan' and the Defined Benefit obligation under the old plan as on 1 December 2021;
- Settlement cost i.e. the difference between the carrying value of the defined benefit obligation towards pensioners as on 1 December 2021 and the purchase price as charged by the insurance company to service the future annuities and
- Incidental expenses incurred for the above projects.

Dividend

The Board of Directors have recommended a final dividend for 2021 of INR 65.00 per equity share (Face value INR 10/- per equity share) amounting to INR 6267.0 million. The total dividend for 2021 aggregates to INR 200.00 per equity share which includes first interim dividend of INR 25.00 per equity share paid on 19 May 2021; and second interim dividend of INR 110.00 per equity share paid on 16 November 2021. The final dividend is subject to approval by the shareholders at the ensuing Annual General Meeting of the Company and therefore has not been recognised as a liability as at the balance sheet date in line with Ind AS 10 on "Events after the Reporting Period".

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.

For more information:

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