Nestlé India Limited
(CIN: L15202DL1959PLC003786)
Nestlé House
Jacaranda Marg
'M' Block, DLF City, Phase – II
Gurugram – 122002, Haryana
Phone: 0124 - 3940000
E-mail: investor@in.nestle.com
Website: www.nestle.in

PKR:SG: 38:2026-27 **7th August 2026**

BSE Limited (BSE)
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

BSE Scrip Code: 500790

National Stock Exchange of India Limited (NSE)
Exchange Plaza, Plot No. C-1,
G Block, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

NSE Symbol: NESTLEIND

Subject: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"): Transcript of analyst and institutional investors meet (virtual) held on 4th August 2026

Dear Madam/ Sir,

Further to our letter PKR:SG: 33:2026-27 dated 23rd July 2026 and PKR:SG: 36:2026-27 and PKR:SG: 37:2026-27 both dated and 4th August 2026, and pursuant to Regulation 30 read with Part A of Schedule III of the Listing Regulations, please find enclosed transcript of analyst and institutional investors meet held virtually on 4th August 2026. The same is being uploaded on the Company's website at https://www.nestle.in/investors/analystsmeet.

The above is for your information and record.

Thanking you,

Yours truly,

NESTLÉ INDIA LIMITED

PRAMOD KUMAR RAI
Digitally signed by PRAMOD KUMAR RAI
Date: 2026.08.07 17:12:02 +05'30'

PRAMOD KUMAR RAI

COMPANY SECRETARY AND COMPLIANCE OFFICER

Encl.: *as above*

Nestlé India Limited
Analyst and Institutional Investor Meet

August 4, 2026

Management: Mr. Manish Tiwary - Chairman & Managing Director
Mr. Edouard Mac Nab - Executive Director - Finance & Control and Chief Financial Officer
Mr. Rachit Chaudhary – Head, FP&A & Investor Relations
Ms. Sarah Bhambre – Senior Manager - Investor Relations

Sarah Bhambre: Good afternoon, everyone. A very warm welcome to Nestlé India's Analyst and Institutional Investor Meet 2026. We are delighted to have you with us today and sincerely appreciate your time and participation. My name is Sarah Bhambre, and I am part of the Investor Relations team. Joining me today are members of Nestlé India's Management team, Mr. Manish Tiwary, Chairman and Managing Director, Mr. Edouard Mac Nab, Executive Director - Finance & Control and Chief Financial Officer. We also have Mr. Rachit Chaudhary, Head, FP&A and Investor Relations. Before we commence, I would like to draw your attention to the disclaimer slide. Thank you. It is now my pleasure to invite Mr. Manish Tiwary to deliver his presentation themed, Consumer First, Brand Strong, Future Ready. Over to you, Mr. Tiwary.

Manish Tiwary: Thank you. Thank you so much, Sarah. And thank you, everyone, for joining us today afternoon. It is a pleasure to be able to share how we see our performance over the last one year and more importantly, how we see the path forward. What I would be doing today is spending the next 30 to 40 minutes on the growth journey, the way we see the opportunity in this country, and some of the key focus areas and takeaways, and then happy to take some questions post that. In Nestlé, whenever before we start and get into the business end of things, I always tell people that it is important to keep ourselves anchored on the purpose behind, which has guided Nestlé for the last 160 years globally and for the last close to 115 years, all of us in India. The story behind this Company began in 1867 when Henri Nestlé developed Farine Lactée. This was an infant cereal designed to help working mothers to take care of their and to take nourishment to their babies. And this really helped reduce infant mortality at that period of time. This simple invention was rooted in a very, very powerful belief for everyone in Nestlé, which is good nutrition has the power to improve lives. And over the last 160 years, we have evolved from a single product nutrition Company into one of the world's leading food and beverage companies. But the one thing which has remained the same is the purpose. The purpose behind Nestlé has remained unchanged. And I always feel it is an important point to start any business presentation, because that is what we are anchored around at Nestlé India.

I would start with the growth journey. Before getting on to the numbers, it is important to remind ourselves, we have been around for the last close to 115 years now, and we are truly a ‘Make in India’ company. We manufacture most of our products in the country ourselves, and we source close to 96% of our ingredients from India. Over the years, the presence of Nestlé in this country has grown. We have close to 8,500 employees today and consumers can reach out to six million touch points and buy some of their loved brands. And one of the greatest things, which is quite unique about Nestlé in India is, along with the trust, which we built with the consumers, with our partners, with our customers, there is also a very important stakeholder, the trust we built with our investors. Today, we have a family of over 500,000 shareholders and many of them have remained invested in this Company across generations. Even today when I am traveling, I take flights, very often I run into people who tell me about their association with Nestlé about how their parents or grandparents bought Nestlé India share decades ago, and the wealth, which got created through that investment decades ago has gone on to fund children's education, support marriages, and really help build the family legacy. To me and to all of us at Nestlé, that is the true meaning of long-term value creation. At the core of what we do is the brands we love, and the brands which millions and millions of Indians have loved across generations. Today, if you look at our business, two out of three households in this country interact and engage with our brands. So, when you get up in the morning, the chances are very bright that you would start your day with a cup of NESCAFÉ, enjoy your favorite MAGGI, and then, of course, take a KITKAT break. All of us have such fond memories about childhood consumption of MILKMAID. And in the recent past, we have now entered some new segments. We are one of the leading players in terms of pet nutrition across the world, and very proud to share that Nestlé India is very active both in the dog and the cat nutrition space. And of course, we have an out-of-home business, which ensures that not only do consumers get to enjoy some of our brands at home, even when you are outside home, you interact with the multiple points of presence which we have. And this business serves close to 535 million customers outside home. So, a very, very impactful presence across the country and yes, some of these loved brands have resulted in the business performing really, really strongly. I mean, if you look at the trajectory over the last five years, as a company, we have always delivered double-digit growth. It has been a very, very resilient growth across the years. And the great thing about this is it is not only the resilience, it is actually the acceleration which we are now witnessing over the last few quarters. I think this consistent performance is the result of the brands which are referred to, the strength of these brands. It is a result of some great disciplined execution and the result of the entire organization's ability to capture some of the new growth opportunities, which are popping up across the consumer segment.

The great thing about growth is not just that the value growth, it has been underpinned by a very, very steady recovery in volumes. And that is very, very important because it means more and more consumers are getting a chance to engage with our brands. We have seen the momentum build progressively. So if you look at the last five years, we were getting a CAGR of close to 4.2% volume growth. But what has been really heartening is if you look at the last few quarters, we moved into double-digit volume growth consistently. And this volume growth improvement reinforces that our growth is broad based. It is volume led, which is very, very critical, especially in a country with such low penetration. And it is supported by the super strong brands we have, the distribution width we have created, and of course, continuing to win consumer preference. And that is the story of our growth, which is volume-led growth accelerating in the last four to five quarters. And this, of course, has resulted in acceleration in our penetration. If you look at some of the numbers, these are the household penetrations. You can see the trajectory being upwards, be it MAGGI, be it NESCAFÉ or KITKAT. But what I want to draw your opportunity is if you look at the actual penetration numbers, they are still in the mid-50s across. And that clearly indicates that there is a significant headroom. Remember, all these numbers which I am sharing with you, these are annual penetration numbers. Basically, 50% of houses are right now enjoying the MAGGI in a year. And that clearly indicates while that growth has been there, driven by volumes, there is sizable white space that remains across our current categories.

And as I take you through this presentation, I will dwell a lot on driving penetration, driving innovation, driving premiumization, and continue to invest strongly behind our brands. That is what our growth hypothesis is based on. This drive in penetration, we can also see very clearly happening in rural. If you look at the distribution coverage, it is one of the things all of us at Nestlé are really proud about. In 2021, we had around 13,500 distribution points. These are typical distributor points. There are various names we use, like CD, RD, depending on the population they serve, whether it is urban, rural, semi-rural. But our distribution points have gone up by close to four times. And as a result of that, if you look at our total village coverage, it has shot up. It is very, very important. We are a foods business, and we want to keep a direct control over the distribution channel to ensure the freshest products reach our consumers. And which is why, whenever we drive distribution, a large chunk of it is driven by direct distribution, something which we are very focused to ensure high quality products with the right shelf life reach all our consumers. And this has clearly resulted in the gain which we are getting in distribution overall, which is urban plus rural. Over the last five years, we have added close to 500,000 retail outlets. This is the reporting as per AC Nielsen. What is also really heartening is when we compare our outlet addition we have very clearly had the highest ever expansion in terms of outlet reach across our peer group. That clearly shows that today more and more consumers across the country can access our brands. A wider reach basically means greater availability, stronger visibility for our products and more opportunities to drive penetration, recruit new consumers. And that is why we are so excited about the continued improvement we have had in our distribution width and backed by bulk of it being direct distribution, not through indirect channels like wholesale.

And while we are very excited about rural, there is, of course, the emerging opportunity, which is e-commerce and q-commerce. And very clearly, if you see that growth in this channel has been well ahead of the overall market growth, which these customers, these partners are experiencing. I think there is something really great which is happening in the consumption story because of this channel. These channels are not just about overall consumption, but it is about acquiring new customers, more importantly, premiumizing our portfolio, and then of course, driving rapid innovation using this channel. You know, the teams have worked very, very well with these channel partners to become, to make these e-commerce and q-commerce sites, almost a launch pad for innovation. And even beyond innovation, we are working with these partners for fit-for-purpose portfolios. So, for example, if you see that MAGGI Bowl, which was an iconic innovation we did with one of the q-commerce partners, the Vietnamese Latte launch, a lot of new launches will start with these partners. And I think what it is helping us is to deliver targeted activation, drive consumption occasions, and of course, we are even getting onto off-platform collaborations with them. I think together with our partners in q-commerce and e-commerce, these capabilities are helping us scale faster in urban markets, drive our innovations faster, and premiumize much faster. So, a very, very significant role. And now when you think of it, it is now showing up in our premiumization drive. If you look at our premium portfolio, the contribution has grown rapidly from 11% to 14%. More importantly, the growth in this part of the portfolio is well, well ahead of our overall growth. So, the premium part is growing by close to 500 bps ahead of overall growth.

And I want to bring your attention to some of these innovations. I mean, if you look at the NESCAFÉ Can, which is there, the NESCAFÉ Roastery. This is really high class, specialty coffee, barista crafted beverages. And it really drives that immersive brand experiences we want. You look at KITKAT Delight, again one of our most successful premiumization efforts, and it has already become a very, very big success, especially with the Gen Z kind of consumers. If you look at Pro Plan, Pro Plan is a really scientifically designed advanced nutrition range. We just launched it for cats, and it has some really specialized solutions which pet parents really care about, for example, in terms of urinary care, hair fall control. These products have great science backing them up and they address some of the most common and growing needs of our pets. So, across the portfolio, backed with some great innovation, backed with science and R&D, we are very happy to report our premiumization drive has done well over the last few years and continue to accelerate, especially with some of our channel partners providing the right platform like q-commerce and e -commerce.

Overall, when we look back, I always keep on saying, a business is like a flywheel. Once the right ingredients come together, the flywheel picks momentum and starts moving faster and faster. We are experiencing that. We are very, very delighted with the way our value creation journey continues. It has consistently delivered, but more importantly, this growth model is sustainable. As you saw through some of our numbers, our performance is not the result of one single initiative. It is the outcome of what I call very, very disciplined and running a model, which is well proven. And what do we do? To put it simply, invest behind our brands, strengthen the customer and the consumer trust, expand our distribution, and this results in higher sales growth, better profitability, because we are driving volume-led growth. And as a result, we have a stronger cash generation. This cash again gets reinvested behind our brands or behind creating capacity. And that is the value creation. That is the flywheel I am talking about.

When you sit back and look at this disciplined approach, it is translated into superior shareholder returns for all our 500,000 plus shareholders with a TSR of over 15% in the last one year. I strongly believe the fundamentals of our business have never been stronger. And with the significant growth opportunities which I referred to in terms of penetration, in terms of premiumization, we remain confident in our ability to continue to create sustainable long-term value for all our shareholders.

I think it is important as we talk about the Company to take a step back and look at some of the opportunities India provides us with. It is a matter of great pride for us that India is a priority market for Nestlé worldwide. And it has always been classified as a strong growth driver for the group. In a very recent interaction, and I am sure some of you would have read about that, our Global CEO, Philipp, he actually called out India and said that India has delivered a very, very strong performance, crediting the region's momentum, India's momentum to disciplined execution on product innovation, availability and support. It is also a matter of great pride for us that India, it has always been the largest market for MAGGI worldwide and now is also the largest market for KITKAT globally. So, India clearly occupies a place of great importance for Nestlé worldwide.

And more importantly, when you think of India's opportunity, it just comes alive. India's consumption story is very, very clearly entering a new phase, the rapidly expanding middle and affluent consumer base, it really creates some very, very exciting opportunities across those tiers. I mean, by 2034, the number of affluent and aspiring households is going to increase significantly. And therefore, the share of the consumption, their expenditure will continue to rise. We believe Nestlé, we are positioned very uniquely to capture this opportunity. Our portfolio spans across the entire income segments and I will talk a little more about it in the slides to come. And therefore, our growth story is therefore not just about gaining share, it is about growing alongside India's evolving consumer and wherever they are on their consumption journey we believe we have the innovations and the brand to actually engage with them.

Let me shift and talk about some of the key focus areas which we believe given where we have come from, some of the performance I spoke about, and the India opportunity, which all of us believe are important for the business as we go forward. The first and something which is very, very close to all of us, the growth has to be led by volume. That is a very important thing. Given the low penetration, we believe there is a chance for more and more Indians to engage with our brands. And then, of course, at the same time, there is a massive premiumization opportunity. Second, we have to optimize across the value chain to make sure we save every rupee so that we can invest it behind, delighting our customers and consumers. As we enter into this growth phase, we also realize our brands need investment, two kinds of investment. One is, of course, to support the communication and the innovation, and then also to scale up capacity because bulk of our growth, which has happened over the last two years, is volume led.

Now, to drive the top three, there are a couple of things which are very, very important. And I think one of the most important things which has really helped us leverage and deliver the kind of results we have been talking about is how to use technology. We strongly at Nestlé believe that technology can be the force multiplier as we enter into this growth phase. So, all of this put together and a disciplined capital deployment model and margin management, I believe these are the things underpinned with awesome execution, which we feel can lead Nestlé India to the next level of growth.

Let me start with, I spoke about it a couple of times, about the growth opportunity. And I spoke about penetration and premiumization. If I can just draw your attention to the left hand, the blue bars, it shows the penetration of noodles, and MAGGI is a large player in that market, vis-a-vis some of the other categories like biscuits or salty snacks. And when you look at the numbers, what it shows you very clearly that compared to biscuits, for example, which have close to 100% monthly penetration, noodles is one third of that. So, while we are very, very proud about what MAGGI stands for, the fact that, it spent 50 years in India, it is the most trusted noodle brand, we still believe that with a brand as strong as MAGGI, with the right innovation and investment, there is a lot of headroom to recruit new consumers, to drive innovations across format and which is why we are so excited. We have the brands which have this really, really strong positioning in the mind of the Indian consumer and we have the opportunity to grow when we compare noodles to a salty snacks or a biscuits category and this is true across.

So, if you move to coffee, a few decades back, minus south we would say India is a tea market that is shifting, that is shifting rapidly, and I am sure all of you encounter it. You go to any office, and when you ask the machine operators, and we are one of the large machine operators in this country, the consumption is almost 50:50, 50% coffee consumption, 50% tea. At Nestlé India, we are not just growing our coffee business, we are actively shaping India's coffee culture and how are we doing it? Through the right consumer campaigns, through affordable entry packs, premium offerings, and creating new consumption occasions and that is the role of a category captain. That is what NESCAFÉ is driving in India and if you look at it, it has delivered some great results. Last quarter, NESCAFÉ recorded its 20th consecutive quarter of double-digit growth, so clearly shows a market shifting from tea to coffee and NESCAFÉ playing the role of the lead brand in this space and it is clearly a reflection of the strength of this brand and the innovation, which has gone behind and of course, I keep on saying it, the consistent execution across brands and channels. If you look at, I am sure a lot of you would have seen the "Bana Apni Duniya" campaign it is an example of how we are elevating the NESCAFÉ experience, the brand experience far beyond just functional coffee, and making it an aspirational lifestyle proposition. As coffee consumption continues to evolve in India, we believe our brand NESCAFÉ is in a unique position to sort of capture this growth opportunity.

The same is true for confectionery. KITKAT, it is a matter of pride now that India is the largest KITKAT market globally for Nestlé, at the same time, we are super excited about what this brand can achieve. If you look at the penetration numbers, the purchase locations, the market share, it clearly tells you that this brand should be growing rapidly and what the team has done in terms of innovation and brand building, this entire idea of a KITKAT break really, really vibes with the Gen Z, with everyone who works in office, the "Break the Loop" campaign, I am sure some of you would have encountered this campaign, which KITKAT did with Spotify, it was almost to give consumers a lighthearted, relatable reason to pause their day and enjoy that KITKAT. So, some of the best campaigns, this is a brand which has won various communication awards. For example, the recent series with a globally popular anime, The One Piece, to launch an exciting collaboration. It is one of our most viral campaigns and it has now fans across the country. So clearly, KITKAT has the momentum and the opportunity to grow rapidly and within all these categories, the thing which stands out is not just low penetration it is also premiumization. Clearly, while we have done well, we believe there is a lot of headroom for premium food and beverage categories and we are positioned really, really well to capitalize on this, supported by some really strong brands, supported by some innovation.

If you look at one of our most premium entries NESPRESSO in the last one year we have expanded, we now have four boutique stores in three cities, and we are seeing great traction on NESPRESSO across the country. If you just take a look at coffee as an example, and if you look at our portfolio, I spoke about affordable entry packs, I spoke about driving consumption occasions, I spoke about premiumization, I think this portfolio brings it alive beautifully. At the entry point, we have Rs.2 sachets as consumers want to explore coffee, it is a very easy access point, affordable access point for them. To drive multiple consumption occasions the reality is we now have Ice Roast, Black Roast, these are occasion-based to make cold coffee, espresso, and therefore we are driving that up and it keeps on getting laddered up. From Rs.2 to Rs.100 a pod for an espresso, the brand has the brand strength to cover the entire range of use cases, and this laddered portfolio, it allows us simultaneously to recruit new consumers, drive consumption and premiumize. So, which is what I said at the beginning, a portfolio gives us that opportunity and that ability to straddle across the entire price range and it just does not stop at the product and in-home consumption.

If you look at the consumption occasions, one of the key things which is happening on the coffee space is cold. People are consuming cold coffee. One out of four coffee cups in summers is cold. By the way, even if you went to winters, it just changes to one out of five. Now think about the opportunity over there. We launched these machines, if you look at that machine with that red and blue, it is India's first dispensing machine at scale. It is called the NESCAFÉ Duo Gusto it can dispense both hot and cold beverage and it is complemented by low or zero sugar options, so there is some major innovation happening in this space. The NESCAFÉ Ready to Drink, it has been one of our most successful launches and we are further strengthening it. We just launched the Vietnamese Latte, the iced cappuccino variants, you can clearly see that NESCAFÉ as a brand is at the forefront of this trend. So, whether it is Espresso hot, NESPRESSO capsules, the ability to take on the cold opportunity, we have a very, very holistic way to make sure we engage with the consumer at every possible touch point and more and more consumers, the number of occasions consumers are consuming food out of home is increasing quite rapidly. If you look at it, it is close to doubled in the last decade and this is something which all of us experience. When we go out, we have coffee, we have our favorite MAGGI, desserts, I am really, really proud about how the out-of-home business has developed. It is already the second largest out-of-home business for Nestlé in this part of the world, when I say this part of the world I am talking about Asia, Africa, and Oceania and when you walk into a Thai restaurant and have your green coconut curry, the chances are very bright that it is the Nestlé coconut milk powder, which is being used in that recipe. So, it is not about the product we actually train the chefs. When you have some of your favorite desserts, do not be surprised that MILKMAID would be a critical ingredient for that dessert. Similarly, on the beverage solution, I spoke about some of the innovations we are doing and we are very, very excited about how this opportunity is panning out and given our service plus brand strength we believe we are in a good place to sort of leverage and right on to this changing consumer habit of consuming more and more food and beverage outside. I think at the back of all these innovations, what really makes us stand out as a food and beverage player is the science.

Innovation has always been at the heart of what we do, and we have one of the largest R&D organizations in the world in the food and beverage industry, close to 4,000 people working. We spent close to 1.6 billion Swiss francs behind research and the great thing is one of the most critical research centers is actually next to our office here in India, in Manesar and that gives us ability to borrow and leverage global research, and then marry it with what Indian consumers, South Asian consumers want. If you look at some of our businesses, the nutrition business is a good example, where we leverage the R&D, which happens globally, and some of the technological enhancements to offer some of the best products in India. For example, we just launched Nestlé NAN EXCELLAPRO with five HMOs and probiotics together. LACTOGEN got relaunched with probiotics and prebiotics and it is not just restricted to human food and nutrition. Goes on to our pet portfolio, pet food is Nestlé's second largest business worldwide and we have a dedicated Purina PetCare Research Unit in the US. This world-class R&D facility we have leveraged that so that we can meet the need of pets and pets' parents in India with specific formulations happening for this country. So, this business, which has been performing really well for us, what gives us confidence is the science which goes behind all these products and that is really, really critical for a Company, which is all about nutrition, be it humans or be it our pets.

Now to drive all this, some of the innovations, some of the R&D strength we spoke about, what is really, really important is do we have the right cost structures? and I am really proud that one of the things which the team has done really well across is if you look at our cost saving programs it is really accelerated. In a normal year, we would be around 1.8 to 1.9%, we have really stepped up, we have gone to 2.6% in 2025 and this year we are further accelerating on that. Why is this happening? I think one of the most important levers for unlocking the savings is it has been a very structured program with great governance across and the team has been ready to challenge status quo by looking at the outside in. So how can we be best at India, best at Nestlé, on every metric which can help us delight our consumers and customers. That is what has unlocked efficiencies across the value chain and as a result of that we are now in a position to invest more behind our brands. So, if you look up at advertising, we have really stepped it up over the last few years and in the last few quarters, and we have reported this every quarter, the investments are growing up by close to 40% and this is what I call the flywheel impact. Invest behind your brands, generate the cash, make sure your cost programs work well and that further creates stronger brands, which generates the right bottom-line and cash. We believe that this investment will continue to help us. I spoke about driving penetration, premiumization and share gain in a couple of categories. I think this is the investment which is required and the team is making sure that it goes into the right places. Close to 55% to 60% of our money goes behind digital now, because there is a large population which is the digital first customer and for them, what happens is our investment into these channels, they really help because it is far easier to do performance marketing, it is far easier to measure the customer engagement and I personally believe that the increasing contribution of digital spends will just result in much better ROI and impact on our business. So very, very excited about our hypothesis of increased investment playing out to support our brand growth and to do all of this it is very, very important that we continue to invest in our capital expenditure. Like I said, we are a 'Make in India', bulk of our products are made in India, bulk of our raw materials are sourced from India, and we have been on a capacity expansion to support our volume growth. So, if you look at the last five years, we have invested more than 64 billion. In the last one calendar year, we started a new MAGGI line with close to Rs.170 Crores plus investment, a new Munch line where again we invested close to Rs.225 Crores, so I think a virtuous cycle of growth is moving and capital expenditure is something we would continue to do to ensure we deliver quality products to our consumers.

One of the things which I touched upon, which is really, really helping us grow in its current avatar without resources growing in the same linear manner is the use of technology. I think I am very proud of how all of us in Nestlé India have jumped onto this opportunity of using technology as something, which can deliver great value across the value chain. If you look at it, we started embedding and the fact is we have a great ERP system. We have migrated to the SAP S/4HANA system, so when you have good quality data, it is very easy to embed the right heuristics ML and AI model on top and from end-to-end, right from the millions of touch points of sales, right up to the raw material planning we are integrating the entire value chain to drive the right kind of efficiencies, which will help us deliver it at the right cost to our consumers and customers and you would see it across be it supply chain, be it operations, be it sales. So very, very enthused by what this can do and it is really, really helping us build a far more agile data-driven organization and despite the kind of volume growths we are having, we see improved service levels, better productivity, and our cost efficiency is going up. So excited about what technology can do for Nestlé India and how it can be a growth multiplier.

I have spoken about the opportunities. I have spoken about the India piece and what we are doing and why we do this, I think it is important and a lot of people ask me that what about the macro environment? and it is a very, very important factor for any CPG. Yes, there are a few headwinds, if you want to call that. There are a few things happening in the environment. The fact is, we are seeing a little bit of slowdown in market growth, as reported by Nielsen, also there is a little bit of impact on food inflation, but I would just like to point out some of these macro factors impact you when your penetration levels are 100%, when your consumption levels are comparable to some of the other countries, which have similar profile. While these are headwinds, inflation would be of concern. I just feel that given where we are on this journey in terms of penetration, in terms of the rural consumer, in terms of premiumization, I remain quite confident of our ability to handle these short-term blips and the same is true for the macroeconomic, the geopolitical situation. Yes, it is a challenge. There are some costs which are going up of things like energy, packaging, oil, shipping disruptions, there is volatility in the currency, does it concern us? Yes. We try our best to have the best kind of BCPs in place to make sure we can handle that and I still believe the medium-to-long-term growth story for us does not get impacted. The team has the resilience to work around and address some of these challenges while continuing to delight our consumers in India and therefore, the growth journey continues.

I want to conclude by saying there is a great amount of confidence we have on our growth journey in India it continues to remain stronger than ever. We believe that India continues to offer one of the most compelling long-term consumption stories and this is across, I am saying, the 190 countries which Nestlé operates in. The fact that we have a strong portfolio of brands, we have great consumer understanding, local R&D support, and what is really exceptional is our execution capability across functions that gives us the confidence that we would very successfully tap onto this growth journey. It is built around a dual engine while we continue to strengthen our core brands, the MAGGI, NESCAFÉ, KITKAT, CERELAC, we will continue to expand and move into new consumption locations. NESPRESSO, Purina, out of home, these are just some examples of that and technology would be at the heart of what we do. I strongly believe what AI can do for our business is multiply what the human capacity we have, and we will continue to depend on our people to drive the foundation of this success. Nestlé India, in a big, big way, is not just participating in the growth story in this country, I believe we are helping shape it, especially in the food and beverage part of the industry. With a strong, resilient model, exceptional executional capabilities, and a clear long-term strategy, we believe our best years of growth are still to come and like my team keeps on saying, we will, as a group of people, 8,600 people who work for Nestlé and the thousands and thousands of partners and farmers, who work with us, we would continue to be relentless in the inputs we control and resilient in the output. So, thank you so much for giving me a chance to share with you how we look at the business and why we are so excited about the growth journey in India. Thank you. Sarah, over to you!

Sarah Bhambre: Thank you, Mr. Tiwary. We will now open the floor for the Q&A session. Instructions for joining the queue are being displayed on the screen. We will pause briefly to allow participants to join the queue. When it is your turn, the moderator will unmute your line and invite you to ask your question. To ensure that as many participants as possible have an opportunity to engage with the management team, we request a maximum of two questions per participant. Thank you and we look forward to an engaging session. Over to you, Inba!

Moderator: Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. To ask a question, please click the Ask a Question button below the media player, enter your details and wait for your turn to be announced. After your question is answered, you may click 'Leave' to return to the webcast page. If you have a follow-up question, you can submit it the same way or use the Raise Hand button if you remain on the panelist platform. We will take the first question from Abneesh Roy of Nuvama. Please go ahead.

Abneesh Roy: Thank you. Am I audible?

Moderator: Yes.

Abneesh Roy: My first question is on your three new businesses, so if you could tell us more about how breakfast cereals, pet foods and say NESPRESSO has done and one follow up on pet food is Nestlé parent has a small stake in Drools I wanted to understand is there any cross synergy if at all between Drools and Purina? That is my first question.

Manish Tiwary: I will take this on, and you can add if you need it. I think let me start with the cereals part of the business. We have seen some great success on the Munch portfolio. We are very happy with how that segment is developing, also it helps us create a master brand, which works across confectionery and cereals, so a great place to be in, and Munch is our second strong pillar in that business, KITKAT is the main confectionery brand, and then we have Munch, so very, very happy with the way the business is emerging. I think NESPRESSO has been a revelation to us in a positive way. There were people sourcing NESPRESSO through e-commerce websites, people would buy the latest capsule variant from duty-free in various airports and bring it to the country. Since we have introduced NESPRESSO officially in India, both through online and like I said, we now have four boutiques across three cities. Customers locally are delighted to be able to source the various variants we have to source machines from India with a complete service backup, and it has really, really positively surprised us with the traction it is getting. I keep on saying that given the booming affluent population, I think NESPRESSO has a long, long runway to sort of work on. I am very, very excited about the NESPRESSO part of the business. Pet food is a very interesting one. We are one of the global leaders in this, especially when it comes to cat food and if you look at India, even the pet adoption post COVID has really shot through and the interesting thing is, in some of the metros the dog and the cat population is almost 50:50. We have very strong propositions both for dog and for cat, with the Pro Plan portfolio, Felix portfolio, Friskies portfolio and we are doing really well. One of the things which we always hold ourselves accountable and responsible for, we want to build a business in the right way. It is a nutrition for our pet friends and therefore, we work through the vet channel, through the specialty channel, through breeders and if you meet some of the top dog breeders in the country, they actually depend on Pro Plan. So very, very happy, excited with the way these businesses are getting built up. I call them Acons, so while we have the big trees of MAGGI and NESCAFÉ, KITKAT, these are the Acons which will build and will give us a chance to address more consumers and consumption occasions. Drools is just a financial investment, which the Nestlé worldwide group has done, so I do not have any specific comments on Drools per se. It is just a financial investment. Ed, anything to add?

Edouard Mac Nab: No, just maybe I will add just on pet food, the cat food is we gain market share in that category and it is a category that is growing now, and where we are growing actually, also very strongly.

Abneesh Roy: Thank you. My second and last question is on the spectacular scale up Company has seen after you joined so I wanted to understand which is the most important reason for such sharp growth, there are three reasons, one is, of course, 40%, 50% higher ad spend Y-o-Y last three quarters, second is, of course, your eight years' experience in Amazon, and clearly Nestlé India, pre your joining and now are clearly there was an opportunity to catch up in terms of q-com and third, of course, is GST, so in your view, which is the most important reason in terms of the fast scale up Nestlé has seen?

Manish Tiwary: Thank you. I think you are being very kind if you attribute it to me. I think it is very, very important I keep on saying this, in our business there are two things which are critical, the brands and the people. If you look at some of the brands we have, if you think of culinary, we have one single brand called MAGGI, which is really loved and has great impact. Similarly for coffee on NESCAFÉ, similarly for CERELAC and LACTOGEN, all of us have been brought up on these brands. I think the brands are extraordinarily strong. The same is true for our people. What we have done is we have unlocked a lot of investments behind these great brands and that is what is moving the flywheel much faster. You spoke about the ad spend. These brands deserve more investment. At the moment, when you put your money behind something which is really strong you can see the results. I think q-commerce is doing well. I also think when you think of a q-commerce player, they are close to 6000 dark stores. They need partners who can reliably supply because that is one of the biggest challenge because for two days of stock in 6,000 dark stores it is not easy to manage that and I think the supply chain team has done, we are one of the best suppliers if you speak to some of our q-commerce partners. GST was something which was, I think the Government really should be congratulated on unlocking this for our consumers. It happened across the industry. I think the execution which the team did across the millions of outlets across changing all the packmat, pricing, weight, I think that was flawless. So, if you recollect, we did not have a GST downside in Q3 of the calendar year last year nor did we have a downside in Q4 of the calendar year we actually saw an upside and I think that is a proof of how well the team has executed it. So, the big blocks of brand and people is what gives us the strength, the fact that we are now optimizing cost and investing behind them is what is resulting in the flywheel moving faster.

Abneesh Roy: Sir, just one last follow up and I will end there it is on advertising. So if I see 40% to 50% higher ad spend by such a large Company for three successive quarters unprecedented in India so what is the reason for this was Nestlé under indexed in its categories or second if I see chocolates where I think clearly you are a much smaller player than the market leader for example, in from your slide Nestlé is a 23% penetration and Chocolate's overall is 63% penetration, so can you elaborate that your spends in the last three quarters is it reflecting this 23% versus 63% or now you are outspending so much versus your advertising market share versus say volume market share that you are getting a benefit out of that, so one, if you could explain why so much advertising is happening, and second, is this the main funnel for future growth also, you did say that you will keep spending, but if you could elaborate from Q3, what happens, right, Q3, the base becomes very high, then what kind of growth you will be expecting?

Manish Tiwary: Yes, thanks for that. I keep on telling people that it is not about a base, it is always about the penetration levels we have and the future opportunities. Of course, there will be a quarter where the GST would be in the base, but those are, when you think of a slightly more medium-term journey it is about are you getting the secular volume growth, which we are right now. You touched upon the ad spends. Yes, we are dialing up the support and we are dialing it up because putting it simply, you would put money behind the Virat Kohli's. We believe our brands have that kind of legs, they have the strength to run a long distance and we are investing that. Obviously, it would not be 40% all the time we have some pretty hard financial metrics around this investment in terms of ROI, the ROAS, which we get on digital, and we monitor that very, very carefully, so all cholesterol is not good cholesterol, and we are very, very conscious of it and therefore we would never hesitate to invest behind the brand as long as it is giving us the right returns. At this point, we have not I would say the trend would continue. Would it be 40% every quarter? Obviously not because of the base catching. Ed, anything?

Edouard Mac Nab: Yes, maybe what I can add is that our investment is obviously funded by the efficiency that you were noticing in your earlier discussion.

Manish Tiwary: I think that is a very important point because we keep on referring to the virtuous cycle, the flywheel, you can see it playing out for us in the last few quarters. Higher investment, still better profitability because the growth is driven through volume, premiumization. I think those are the things, which are helping us drive the slide a bit faster.

Abneesh Roy: Thanks. That is all from me.

Moderator: Thank you. We take the next question from Latika Chopra of J.P. Morgan. Please go ahead.

Latika Chopra: Hi, Manish and team. Thank you for a lot of insights today. My first question was on revenue growth outlook. You have talked about various levers of growth, a lot of it is execution led clearly, but as you mentioned, there were some GST tailwinds as well. In FY2026, just to set a context, you had a close to 11% volume growth. When you look ahead, do you think double-digit volume growth for your business is doable, considering what we saw today? You are talking about penetration, premiumization, and of course, higher penetration and higher participation in fast-growing channels? Also, I wanted to add, when you look at FY2026, it seemed you had a disproportionately higher growth in chocolates and coffee, and hence the question on sustainability of this double-digit volume growth, if you could talk about this?

Manish Tiwary: Yes, thanks for that, Latika. I think, to start with, I am not getting into forward-looking projections or numbers. I really want to take a step back and all of us very strongly believe, if we just do look at the market, and I compared, say, noodles to the biscuits category, biscuits has close to 100% penetration monthly. Noodles, and we are just one player in the noodles category, is still around 35, 36. Even in urban, we would be half of biscuits. We would be much smaller than salty snacks and that clearly tells you, because what are we talking about? A family consuming one pack of MAGGI in a month and obviously, given the brand love, given the kind of innovation, there is headroom, so I believe across all our businesses, whether it is nourishment, we are still a country which has healthy child growth. The pet nourishment, one of the fastest growing countries in terms of getting pets into home and pet parents. Coffee, tea, I spoke about, it is a change shift you can see across every day. Confectionery, our shares are much, much smaller, and the category is growing in terms of penetration overall, so I believe the secular growth opportunity exists. Having said that, it is for our teams, my team, and all of us to realize that and to realize that opportunity we need the fuel behind our brands and our people, and which is why right now it seems to be working well. You referred to confectionery and spoke about growth. If you look at the last few quarters and we do not share category-wise growth, but suffice to say, all our businesses are getting healthy growth. I spoke about coffee, 20 quarters of double-digit growth, so it is not just a confectionery thing. I think KITKAT has now become one of those viral brands. We are very happy with the way it is progressing. Yes, we did run out of capacity, we are putting in more capacity, but the growth we are seeing is equally strong. Keeping the relative positioning in mind, we are delighted with some of the responses we are seeing on MAGGI, on the Spicy range, on Double Masala, so it is secular growth and I believe it is up to me and the team to make sure we realize those growth opportunities. There could be quarters which could be a little off, but my belief and our team's belief on the secular short to medium term growth opportunity stays.

Latika Chopra: Thank you for that and the second bit, is it fair to assume given a focus on operational efficiencies and a lot of digital techs that you talked about. When you look at margins, and I know you have to navigate various volatility on raw material, etc., but at a very broad level would the Company be able to at least maintain or modestly improve margins on an aggregate basis, again, quarterly volatility one can exclude, but, more from a medium-term perspective?

Manish Tiwary: I think overall we are very, very focused on making sure every rupee we spend helps our consumer or a customer and that is a way we look at all our expenditure because this country is very, very price sensitive still and in our businesses across, we spoke about low penetration, which is why the price point back continues to be very, very important. So that is a thrust with the entire team is driving because if we keep on sort of flexing the pricing, we will lose out on the penetration opportunity. As far as margins are concerned, Ed, do you want to jump in?

Edouard Mac Nab: Yes, I think we have a track record of margin and maintaining our margin and obviously our efficiency programs are here to tell on how we hold those margins.

Latika Chopra: Sure, and just to double check your comment on near-term outlook, this was more a caution from a macro perspective, but you believe, considering the penetration levels in your categories are low, this is not an outlook for Nestlé India perspective.

Manish Tiwary: I was referring to, very often we get asked this question, and Latika, it is important, when you are in a category where penetration is 100%, what happens when a macroeconomic sort of shift hits you is very different from what happens when your penetration levels are much lower. So, while we are concerned about some of the rising costs and the challenges, I think the last one year clearly gives me the confidence that my team has the resilience to work around it and while there could be a month of up and down, I believe this growth story, the secular growth story remains in place strongly.

Latika Chopra: Thank you so much, gentlemen, and wish you the best.

Manish Tiwary: Thank you.

Moderator: Thank you. Before we take our next question, we would like to remind participants to please limit your questions to two per party. Time permitting, you may come back in the queue for a follow-up question. Our next question is from Arnab Mitra of Goldman Sachs. Please go ahead.

Arnab Mitra: Am I audible?

Moderator: Yes.

Arnab Mitra: Hi, Manish and team. My first question was actually on milk and nutrition because this has been one segment where there has been a challenge in the last decade in terms of growth. So, Manish, as you have looked at this business from a new set, fresh pair of eyes what do you diagnose as the reason as why the growth has been lacking in this segment and can there be something that Nestlé can do here to accelerate the growth of this portfolio and you could talk about the various parts of the portfolio if that helps?

Manish Tiwary: Yes, I think I am personally quite happy with the way the dairy and nutrition business has been performing and if you see the callout we have had the last quarter I has had good volume-led growth. It is important that when we look across the various businesses we operate in, our starting position can be very different. So, when I think of a confectionary versus a dairy and nutrition position, the starting position is different. Having said that, the same opportunity exists when you look at penetration in terms of infant nutrition, in terms of dairy, the headroom for growth is there. I feel very good about the fact that we have some great science backing up our products and therefore, I would say I continue to be as optimistic about that business as I would for confectionery, keeping in mind there are two different categories and the growth opportunities on both of them would never be identical, but I am very, very enthused with what we are doing on some of our nutrition and dairy brands.

Arnab Mitra: Got it and anything you want to highlight in terms of the last three, four quarters which have done in this milk and nutrition segment, which is different from the past and which is showing some promise of accelerating the growth for the portfolio?

Manish Tiwary: I think what is important is, I say this very often, and you know it more than some other people. 80% of points is on good execution, the day in day out execution. Yes, and I said, I started by saying in this business, we are among the few countries, which continues to have very healthy child growth and it is true for me, it is true for you and it is true for the next generation. People look up to trusted brands like LACTOGEN, CERELAC every day for their nutrition needs. So, I just think it is better execution, better science, which is supporting a journey on this business.

Arnab Mitra: Got it. Thanks so much. My last question is on, in the foods category, we are seeing these trends of protein adoption, nutraceuticals, functional foods what is your take on it, is Nestlé participating, is going to participate more in these segments than what you do today, any thoughts on these emerging growth areas, vectors and nutrition and foods?

Manish Tiwary: I think I just want to share that we already participate in some of these segments. If you look at the top end of nutrition and protein needs, it is always in the ICU and if you ever, hopefully you will never get a chance, but if you ever went there, doctors in ICUs depend on Nestlé Health Science brands like Peptamen. There is a joint venture we have with DRL, Celevida. These are some of the brands which operate right at the top end of what you would call the nutrition needs when the human body is most fragile, so we do address that and we are globally in a very, very good position backed with the right science. Of course, there is work happening on some of these. What is important for us is we have been around for 114 years. Whenever it comes to food and nutrition, we would be very thoughtful, very measured, and we would make sure that if it is a new trend, it is backed with the right research, the right product and gives us the right to win. That is a slightly different approach, especially because it is a food thing and people trust the Nestlé brand. But like I said on the top-end on the medical front we already have brands which are operating and yes, we are constantly looking for innovations and things which could delight our consumers in India. Ed, anything to add?

Arnab Mitra: Thanks so much. That is it from my side. All the best.

Moderator: Our next question is from Avi Mehta of Macquarie Capital. Please go ahead.

Avi Mehta: Hi Manish. Thanks for this. Just two bits. One, you did point towards this reach expansion opportunity. Could you kind of give us a sense on how, where we are in this journey? Would you say largely done 40%, 50 % or how, any thoughts or clarity on that front? And the second bit I wanted to kind of just get your thoughts was on the infant nutrition bit. You know, we have done some new innovations in that segment post those growth concerns that emerged, especially with sugar. So, if you could kind of give a sense on what is the consumer acceptance and your thoughts on how it is kind of trending as we speak. Thank you.

Manish Tiwary: Thank you. So, I think the first question was on reach. Where are we? I think it is very important. I touched upon it earlier. It is not about reach. I would say it is about controlled reach. One of the reasons, one could step back and say, but why were you not in rural? You have been there for so long. It is about, did we have the technology to ensure that the product, when it lands in the store in a village, is still fresh, is still in the right condition? And therefore, we would always want that any store which is selling a Nestlé product, by leveraging technology, we can see the freshness of the product, the quality of it, which is very important for us. So, we have been thoughtful and measured. And which is why, vis-a-vis some other peer group companies, you might say, have you taken longer? I say, no, we have not taken longer. We have done it the right way. What the brands and products we sell deserve it in that manner. Where are we on this journey? A long way to go. It is not just reach. I would keep on saying it is the contribution which comes from, say, quote unquote, the rural segment. We still have half of what some of our peer group companies are. And let us face it with, rural has been one of the more resilient parts of the market when I compare to urban. And the kid in the village is as eager to eat a MAGGI or a Kit Kat as is the kid in urban. And we have the right price point packs. We have a lot of packs which work at 5, 10, all the relevant price points. So, we believe we have the brands, the proposition, and now the reach is enabling us. So, I would say it's still a journey. I would not say it is like x percentage of the journey, still a long way to go. And remember, contribution is always on a denominator. What we are eager is rural grows faster than urban. And that is what is more important. And right now it is doing. So that is the first part of it.

I think on infant nutrition, if you compare some of our products, whether it is the science I touched upon, the HMOs, the prebiotics, the postbiotics, the work we are doing. Even today, EVERYDAY is one of the most tested creamers which we use for our tea, coffees. We have some extremely strong markets in Northeast and Kerala. So, when I think of nutrition, I think of science. I think of building that trust. And again, I am very, very happy with the progress we are making. Whenever it comes to food, I would always say we would be measured. We would be a little cautious because it is something which our millions of consumers consume.

So, we have been around for 115 years. We will be around for the next 100 years. We will build it up, but we will build it up the right way.

Avi Mehta: Okay, sir. Sorry, my question was largely on that infant nutrition bit. I do understand the other products in the science bag. So, any color on the new innovations, because you did address…

Manish Tiwary: Okay. Sorry. You are referring to CERELAC, I guess. Yes. I just want to re-clarify. CERELAC as a brand has always met every standard which FSSAI had. It was below the FSSAI standards, for example, on sugar. But we got some consumer feedback. And I always say the consumer is always right. We would not just say because it is below regulatory level. So, we launched a ZAS version, which is zero added Sucrose. Now across the entire CERELAC range, moms have a choice of using ZAS or the sugar within the permissible limit. I think both parts of the portfolio have traction, and this is a choice we leave to the consumer. So, post a little bit of disturbance, CERELAC is back to where it should be. So, both the ZAS, which is the zero added sugar, and the CERELAC, the earlier part of the portfolio have traction. And like I said, moms make the choice for their kids.

Avi Mehta: Got it, sir. Thank you very much. That is all from me, sir.

Moderator: Thank you. Our next question is from Nihal Jham from HSBC. Please go ahead.

Nihal Jham: Am I audible?

Moderator: Yes.

Nihal Jham: Good afternoon, Manish and everyone. Two questions. The first one was again on MPN. I know you have mentioned about the aspiration, but if you look at the historical track record, it has been sort of negative volume growth for this business for the last four or five years. And for a volume driven organization that we are, I am sure that is obviously not as per what expectations we would have had for the entire portfolio. So, with that as a backdrop, since you have come in, what are the incremental initiatives that you have taken beyond, obviously, the launch in CERELAC, which you just highlighted? And is there a visibility that you can see this portfolio maybe going to mid- to-high single digit volume growth in the coming future?

Manish Tiwary: I assume you are referring to the nutrition portfolio, right?

Nihal Jham: Yes.

Manish Tiwary: Okay. I think there is, I always keep on saying in a company which has a history of 115 years, well-oiled machine, it is like a ship moving forward. I would not say I have added something. It is just doing it a little better. I think on the nutrition portfolio, we now have the right product range. I referred to it in my earlier answer. I also, we are, as you pointed out, the kid birth story in India is still strong. We are investing more both in the R&D side and also in making sure mothers and doctors get the right nutritional information. We believe this is a business where it is our job to help mothers as they bring up their children. And we look at it a little differently. Would we get volume growth on this business? Yes. If we have the right products, I feel very confident. And we have had volume growth in this business. I referred to it in the last quarter's results. We saw good volume growth in this part of the business. And I see no reason for that to change in the future also.

Nihal Jham: Sure Manish. Second question was on the chocolates and confectionary portfolio. As per the annual report and the performance, it has obviously been a spectacular turnaround improvement, let me call it that way. I do understand there have been few interventions. One is obviously you have mentioned about distribution expansion. There have also been a lot of product launches like the Pops and all that. So, can you just highlight that what has sort of been the key driver? Is it the distribution that has led this kind of a surge or is it say the launch of the Rs.10 rupee or the Rs.5 SKUs, which is sort of driven? I know it could be a combination of both, but if you can just highlight what has been the key driver here?

Manish Tiwary: I think you made my job a little easier. It is a combination. There is no silver bullet in business. I think what we need to realize is if we take a step back, I would say KITKAT is one of the most viral global brands now. We lose a truck of KITKAT and it becomes a global story. It is a product which is very unique in its format. And consumers who like KITKAT love KITKAT. I mean, I am not exaggerating across age groups I have these anecdotes about, my grand mom used to eat a KITKAT a day. So, the brands are extremely strong. Both KITKAT and Munch in their own ways are really, really strong. And what the team has done well is, In India, you need Visi coolers to keep your entire range. If you do not have a Visi cooler, the product can get melted. You know some of the challenges we have. Today we have started with the right brands. We have the right range. So, if you look at KITKAT, it is across Delight, it is across Pops, a lot of it is imported from the Middle East, KITKAT Chunky. It is there in the right price points, which you referred to, and so is Munch. Munch is now across price points, has a max range, it is into value-added products. I think the whole story, all the vectors are getting aligned which is great distribution with the right Visi cooler, the right brands and the right money behind the brands and the right innovations. So, you are right. It is one of our best performing businesses. But more than that, what I'm really excited about is the brand strength which it has. And therefore, this is a business which we are very, very optimistic about in the medium-to-long term future also.

Nihal Jham: Sure. Wish you all the best. Thank you so much.

Moderator: Thank you. Our next question is from Mihir Shah of Nomura. Please go ahead.

Mihir Shah: Good evening, Mr. Tiwary and team. Thank you for taking my question. Sir, since you have taken over, there is a material step up in the growth that we have seen. The people, the brand, the secular growth opportunity that you highlighted was always there. Can you share the top two tangible factors contributed the most for this trajectory shift? Everyone will have their own thesis, so will I, but wanted to hear from you. What are these factors that would have led to this material step up in growth? And part two of the question is, is this growth rate a new normal that one should think about? Because the opportunity that you highlighted is huge and the steps you are taking will be consistent. And if this will not be the normative growth, what would be a normative band in your view? So that is my first question.

Manish Tiwary: I think I will repeat. I take the credit for all the hard work others do. But it is good timing. I really want to stress on the fact that, when you have a starting point with the kind of brands we have and take a step back and think of any category. And I have worked across multiple, I am not mentioning those categories, but you would. There are very few categories where you have one or two brands, which are so impactful, like a MAGGI, like NESCAFÉ, like a KITKAT, like a Munch, like a LACTOGEN, a CERELAC. When you have lesser but more impactful brands, portfolio management becomes easier. You can put a lot behind them. And like I said, I showed it in the numbers. They still have legs to run very, very far, based on penetration and consumption occasions. I think that is a very, very important thing because it is like, I referred to cricket earlier. It is like if you have the Virat Kohli's and Sachin's in your team, it is easy to win. The coach might take the credit, but it is the brands in this case. And then of course, the people behind the brands. I want to narrate an incident which all of you are familiar with. During the GST transition, we were among the very, maybe the only large CPG company, which did not have a downside. And the reason we did not have a downside is, the relationships which Nestlé has built with its partner vendors, with its distributors and retailers. There were retailers who actually had the confidence. At that point of time, there were all kinds of advice floating around on what is right, what is wrong. Because we have a large proportion of our business which goes through direct distribution, when the field people actually brief the trade, I am not exaggerating, but they said, okay, if Nestlé is saying it, we will work with you on this. Yes. And that shows the trust and the execution of the people. Because everyone has a sales force, everyone has distributors. Why was Nestlé not impacted? Our vendors were willing to step up on packaging material, on change parts for volume or value changes. I think that is a very, very important thing. And that does not get built up with the change of an MD or a Chairman. It is a legacy. So, I think the brands and the people contributed. Sometimes people like me are lucky that you come at a point where the vectors are aligned.

I think the two things which we are now focusing on and doubling down on. One is how do we leverage technology to drive this kind of growth so that our costs do not grow up at a linear manner. That is important because when you have the awesome cricketers, which I keep on referring to, you need to give them the right coaching and the inputs. And that we are doing. I am blessed that I have been a little exposed to technology and I can add some value on that front. And that is a little bit of an ingredient which I get, but that would be about it. There is nothing, no other silver bullet on that part.

I think on what is the new growth, I called out the opportunity, both in terms of penetration, consumption and premiumization. When I speak about these opportunities, and if you reflect on the various sectors you cover within the CPG, you would acknowledge, be it confectionery, be it tea, coffee, be it culinary, noodles versus biscuits, some of the biggest opportunities sit for our portfolio. How well we realize it is now up to us. So, I would not get into a forward looking of what the new normal is, Am I and the team convinced that the growth opportunity is there? We are. We believe, based on the last performance of the last few years, our playbook seems to be working. We will have to keep on innovating. There is, like I said, it is not a silver bullet. We will have to keep on innovating. But given the quality of brands and people, I believe that we can pull this through. And that is why we are confident. Ed, anything?

Edouard Mac Nab: No, I just want again to re-emphasize, the accelerated saving program that we have engaged that allows us, obviously, to reinvest behind our brands. I see that as a milestone as well.

Manish Tiwary: Plus one to that.

Mihir Shah: Absolutely. I think that that was my second question. Actually, given the drive on penetration, how should one think about the interplay with the mix and the impact on gross and EBITDA margins? What would be again a very normative margin profile at a gross level that the brands can achieve? Or they have to offer? And how should one think about brand investment spends, given the flywheel is coming together and working well, one may want to keep it going with higher ad spends. So, can operating margins stay at the same level that they are? Or can one expect some expansion and flow through from the gross level going into the EBITDA level as well?

Manish Tiwary: I will touch upon a few aspects and then I will request you to, I think what is important is as we talk about, I spoke a lot about penetration and premiumization. One of the critical things for driving penetration is the right price points. And therefore, as a company, we need to innovate to make sure we can deliver those price points value to our consumers at the same time while maintaining a certain profitability. And that is a task we have to do. You are aware like close to 80% of the snacking market is still below Rs.20. Consumers are very, they aspire for brands, but it is our job to make it affordable for them. And we continue to work on it because that is a key to unlocking penetration. When we talk about premiumization, the kind of support, the media support, on-ground support it needs is obviously very, very different from large brands as a percentage. So, I think to drive both of this, we need the investment to keep on fueling the right price points and the right support for our premiumization. Ed touched upon it. We believe as a company with our size and the fact that we are not getting distracted with too many priorities. I keep on saying there is enough headroom for our own categories. If we stay focused on it, I believe we can sort of drive the flywheel of virtuous growth, get the savings, get the scale benefits to be able to continue to maintain the required profitability margins across. And that is something which we have established in the last couple of years. Ed, anything more to add?

Edouard Mac Nab: No, just maybe to add, we are not chasing growth at the cost of margin. We will deliver and maintain our margin in line with our past track record. And we will continue to spend driven by those efficiency programs that we have put in place and the work we are doing.

Mihir Shah: Got it. Thank you very much and wishing you all the best.

Moderator: Thank you. Our next question is from Nitin Gupta of HDFC Securities. Please go ahead. Mr. Nitin Gupta, please unmute your connection and ask your question now. Please go ahead, sir.

Nitin Gupta: My first question pertains to how you are looking at products from the parent portfolio. I mean to say what kind of discussion you have regarding new launches. Along with this, I would also wanted to check upon what are your thoughts around M&A to expand or like you want to sort of focus more on the organic growth?

Manish Tiwary: Could you repeat the first part? I was not very clear.

Nitin Gupta: The first part is more pertaining to like getting a portfolio from the parent end.

Manish Tiwary: Okay. I get it. Yes. I think we are blessed when you are like part of such a large food and beverage company with some extraordinary brands across the world. And that is something which we actively keep on scanning for. And it is brand, it is formats, it is sub-brands. I mean, all of them are important. We spoke about Pops and Delight and ready-to-drink cold coffee, the Vietnamese coffee. These are all product formats which we leverage into the worldwide parent group. We spoke about Purina, the way we are accelerating Friskies launch, NESPRESSO. So, it is a constant work in progress to look at the portfolio and get in the right relevant brands. What is really important is the right relevant parts because it is not just about getting it in, it is about also giving it the right support and executing it at the point of purchase. So, like I said, delighted that we have a parent company which has that kind of portfolio. I think on the next point which you said is on M&A, I think bulk of our focus on growth in the medium term, I believe we have the headroom to do it through our current categories. I spoke about the numbers. Sometimes I think it is very important. I keep on telling it to my teams. It is not only what you do which will define you, it is also what you do not do. Saying no is a very difficult thing, but we have to remain focused on our big growth opportunities, invest behind them with almost relentless focus. And that is what is giving us some of the results. So, it is not that we are close to M&A. Ed and team keeps on looking at some of the opportunities. We keep on scanning them. But 9 out of 10 points is for continuing to build our current businesses. There is enough headroom for growth on this. Ed, anything you would like to add?

Nitin Gupta: Thanks for the insights. My second question pertains to e-commerce. So, we used to provide insights around the contribution of e-commerce. Would be great if you can share what is the current contribution and how has been the growth in the last couple of years?

Manish Tiwary: I think e-commerce, let me break it up into two parts. One is we have always had a very, very important play with the traditional e-commerce players like Amazon and Flipkart. A lot of our products, especially the nutritional products, moms, depend on e-commerce. They look at the reviews, the ratings, and that really, if you look at most of our brands, they do really, really well. And then q-commerce has come in, and now it is playing a pivotal role in some of our culinary, nutritional portfolio, new products, confectionery. I think the way I look at q-commerce and e-commerce is not growth. I always keep on looking at share within the categories because there is a lot of inorganic growth happening, new dark stores, new cities, new players expanding. Growth can be misleading. It is about the relative growth, which is more important. And I am happy to report on most of our brands, we are growing ahead of the market wherever players share that data. I think the second thing about e-commerce is how we partner with the q-commerce platforms. I still believe a lot of people do not understand the complexity. Think of 6,000 warehouses with two days of stock where you have to continuously replenish it. And when someone orders, if there are two packs in that and if one of that is out of stock, it really hurts the q-commerce players because there is Rs.30 to Rs.50 delivery cost. I think the thing which I am really, really proud about is the way the supply chain team has worked with all the big players, Blinkit, Instamart, Zepto, Amazon Now, Flipkart Minutes, Big Basket. We have one of the best fill rates. And which is why I keep on saying that we have a far more sustainable, collaborative model with the q-commerce platforms. And as long as I continue to build share on that and grow the categories, to me, that is the mark of success more than just absolute growth.

Nitin Gupta: Sure, thanks a lot.

Moderator: Thank you, Mr. Gupta. Ladies and gentlemen, we take that as the last question for today. I now hand the floor back to Sarah for closing remarks.

Sarah Bhambre: Thank you, sir. This concludes today's session. On behalf of Nestlé India, I would like to thank you all for your participation. A recording of this session as well as the transcript will be made available on our website, Nestlé India's website, and also will be submitted to the Stock Exchanges. Thank you once again, and we wish you a pleasant day ahead.

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