



# Nestlé

## Investor Seminar 2014

### Nestlé Waters in North America

Tim Brown  
President & CEO  
Nestlé Waters North America

*June 3<sup>rd</sup> & 4<sup>th</sup>, Liberty Hotel, Boston, USA*

# Disclaimer

This presentation contains forward looking statements which reflect Management's current views and estimates. The forward looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.



Blueprint 2014

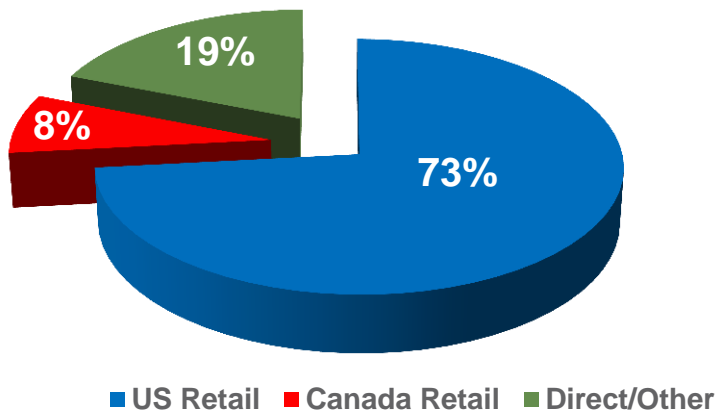
## Our Vision

Be the Leading Healthy Hydration  
Company by enhancing people's  
quality of life

&

Ensuring responsible water  
management

# Nestlé Waters in North America



**Contribution of Sales**

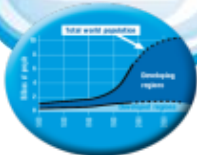
**7,700 employees**  
**29 Production Facilities**  
**14 Brands**

**2013 Sales of \$4.0bn, with 4.2% CAGR<sub>2011-2013</sub>**

# A fast growing category led by solid fundamentals

1

**Growing  
Population**



2

**Urbanization**



3

**Quality &  
Safety**



4

**Aging  
Population**



5

**Healthy  
Hydration/  
Obesity Issue**



6

**Taste &  
Pleasure for  
Myself**



7

**Convenience  
& Portability**



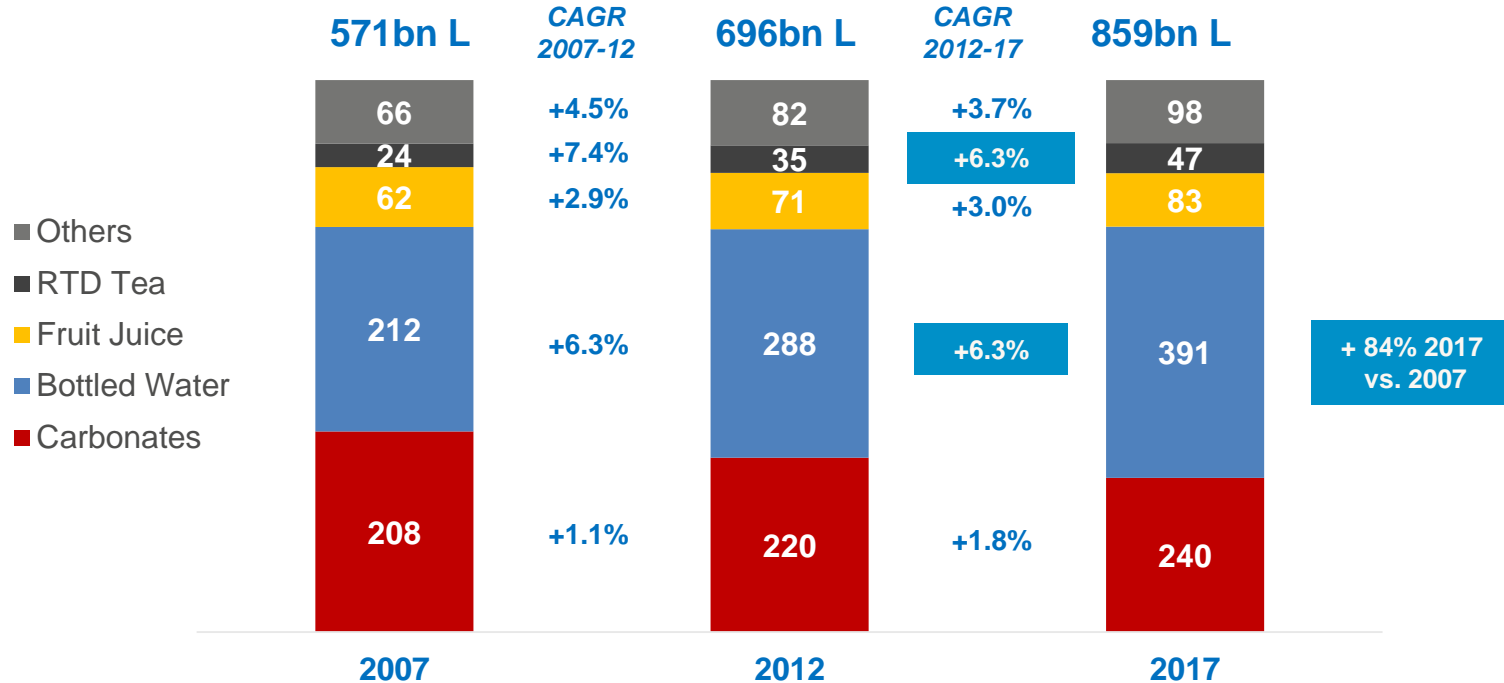
8

**Caring  
for the  
Environment**



# Bottled water the healthy choice vs. CSD...

## ■ Bottled Water will continue to overcome CSD's growth



*Evolution of Consumption of Non-alcoholic Beverages Worldwide (in billion liters)*

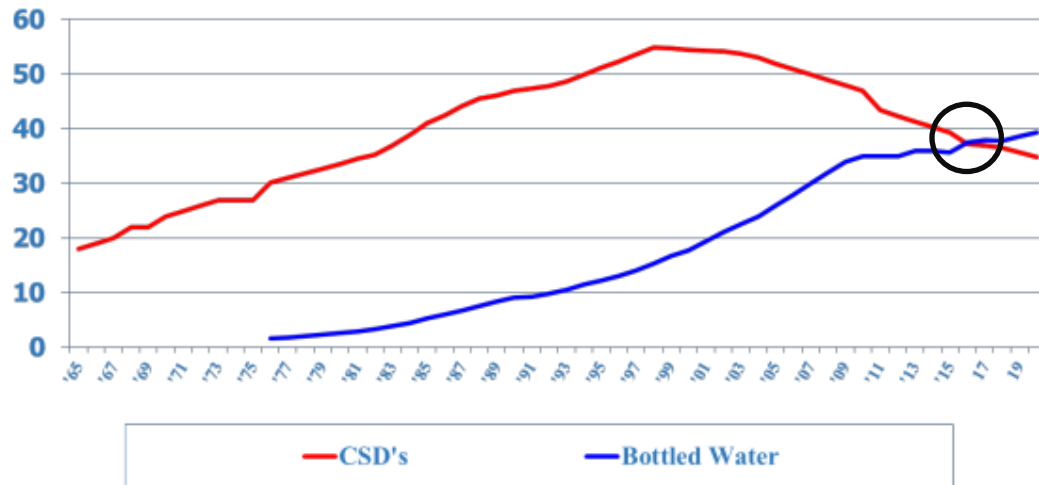
# Fighting obesity at the core of the shift



Partnership for Healthy America  
Drink UP

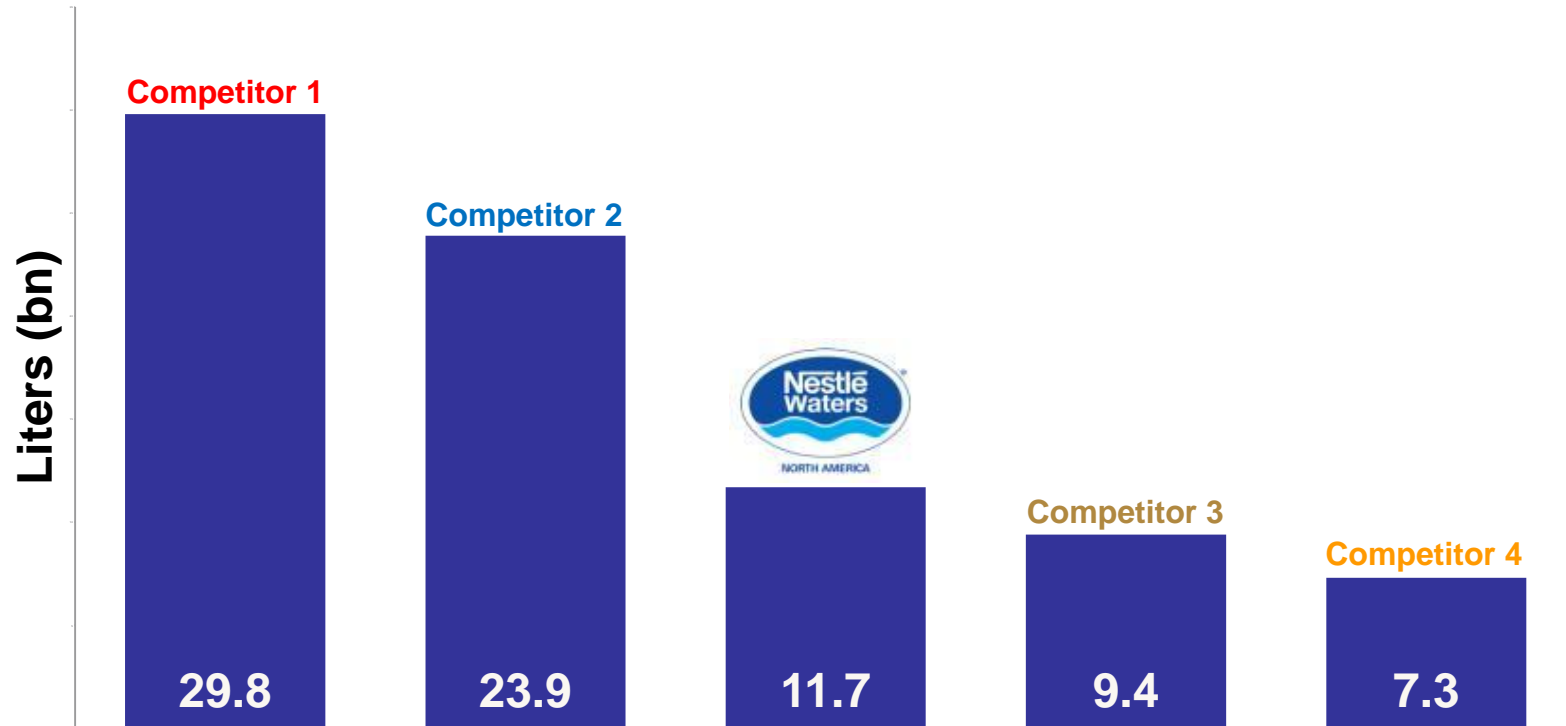
## U.S. Consumption - Gallons Per Capita

Source: Beverage Marketing Corp



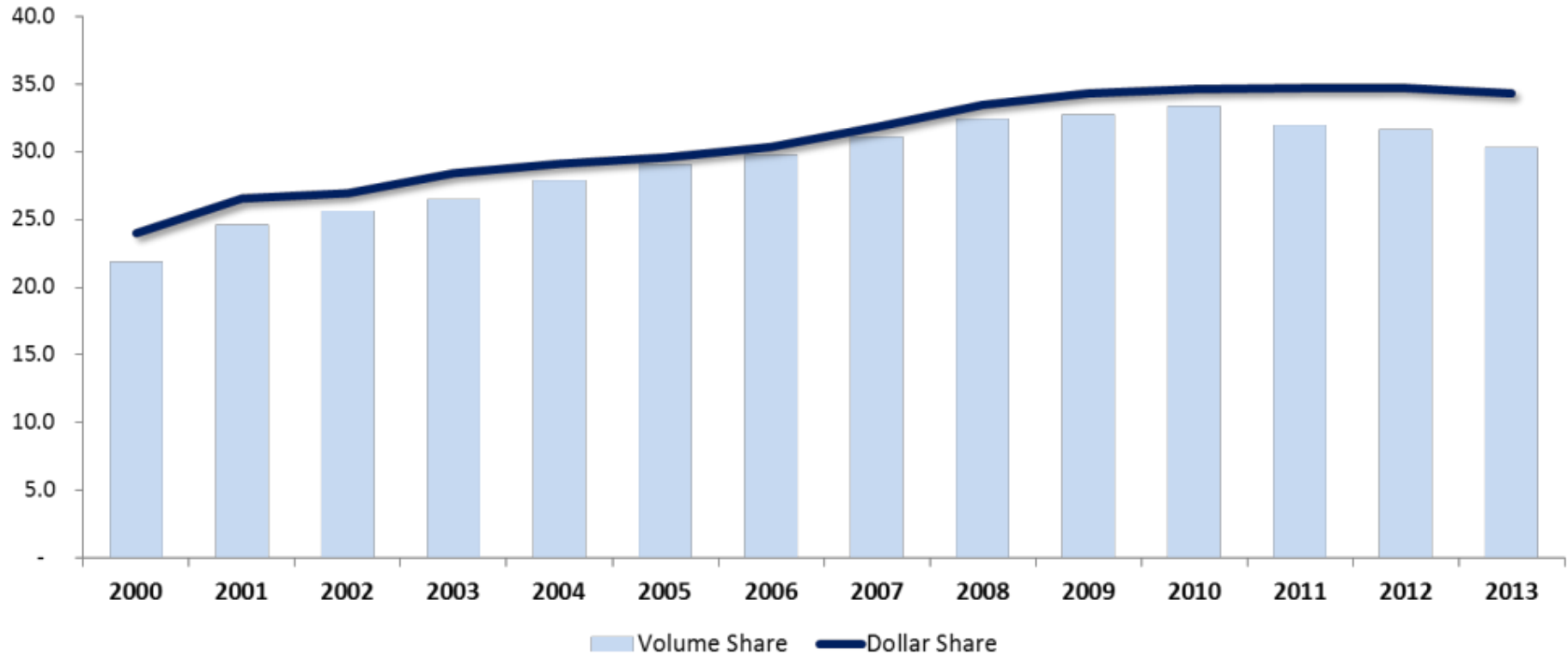
Category 4-Year CAGR +5%

# 3rd largest US non-alcoholic beverage business





# Nestlé Waters North America – Market share



# Headwinds and tailwinds in the marketplace

Importance of drinking water and anti-soft drink sentiments growing the category



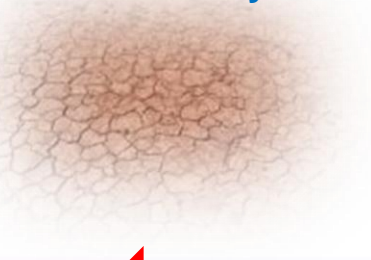
Industry reducing plastic and setting goals for recycling



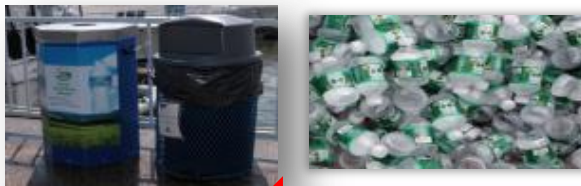
Industry recognized for role in times of need



Water issues increasing globally and locally



Plastic and litter remain issues for consumers and stakeholders



Opposition bans focused in parks, cities, universities





# Our Priorities

Create Value For  
Consumers &  
Society

Focus On  
Profitable Growth

Drive Operational  
Excellence Across  
The End-To-End  
Value Chain

Foster Lean &  
Entrepreneurial  
Mindset

# NWNA competitive advantages

## Incomparable water resources

40 Spring Sites/ 29 Factories

## Unique brand portfolio...

6 Regional Water Brands

3 International Brands

2 Nestlé/National Brands

3 Tea Brands

**Best-in-Class distribution  
and environmental performances**

**Strong local partners with  
great community engagement...**





# Nestlé Waters NA competes in multiple segments



Convenience Serve



Multi Serve



Sparkling



Sweetened Enhanced



Ready to Drink Tea & Liquid Enhancers

# Seizing the sparkling opportunity

Nestlé Pure Life  
Sparkling with  
Natural Flavors



And the winner of the  
US Perrier Take Home a  
Warhol Sweepstakes is

...



S. Pellegrino wins  
Oscar with  
La Grande Bellezza



Capturing CSD Migration  
New Occasions  
Package & Flavor Innovation



**2013 FY NWNA Sparkling Volume Growth: + 7.5%**  
**2013 Volume Share 54.5%**

# Brands

Be the  
Leading Healthy Hydration Company  
by Enhancing People's Quality of Life

International  
Brands

Healthy Pleasure

Premium



S.PELLEGRINO

ACQUA PANNA



Flavored  
Brands & Tea

Healthy  
Indulgence

Flavor Lovers



NESTEA

Tradewinds  
SLOW BREWED ICED TEA

SWEET LEAF  
ICED TEAS

SANPELLEGRINO  
SPARKLING FRUIT BEVERAGES FROM ITALY

Local Brands

Active Healthy

Individuals



DEER PARK

ARROWHEAD

Zephyrhills

Potlatch  
Spring

Ozarka

ICE MOUNTAIN

resource  
NATURAL SPRING WATER

Nestlé Pure Life

Hydration

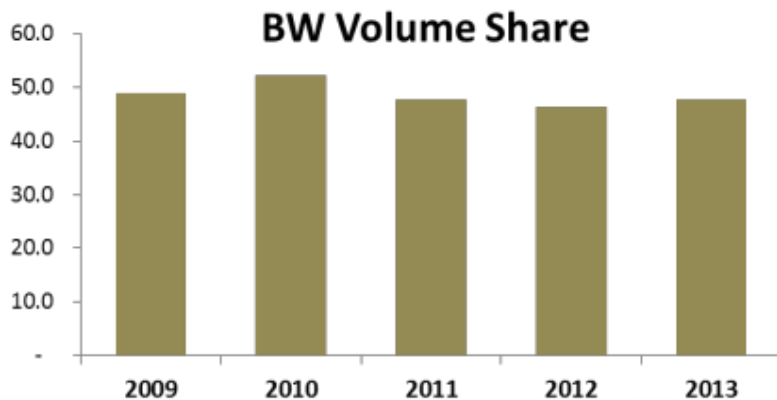
Family



# Poland Spring



**2013 FY Volume Growth**  
**PS Region +5.7%**



**NEW YORK POST**

*Poland Spring is the metro area's  
favorite drink...*

By Josh Kosman  
December 26, 2013

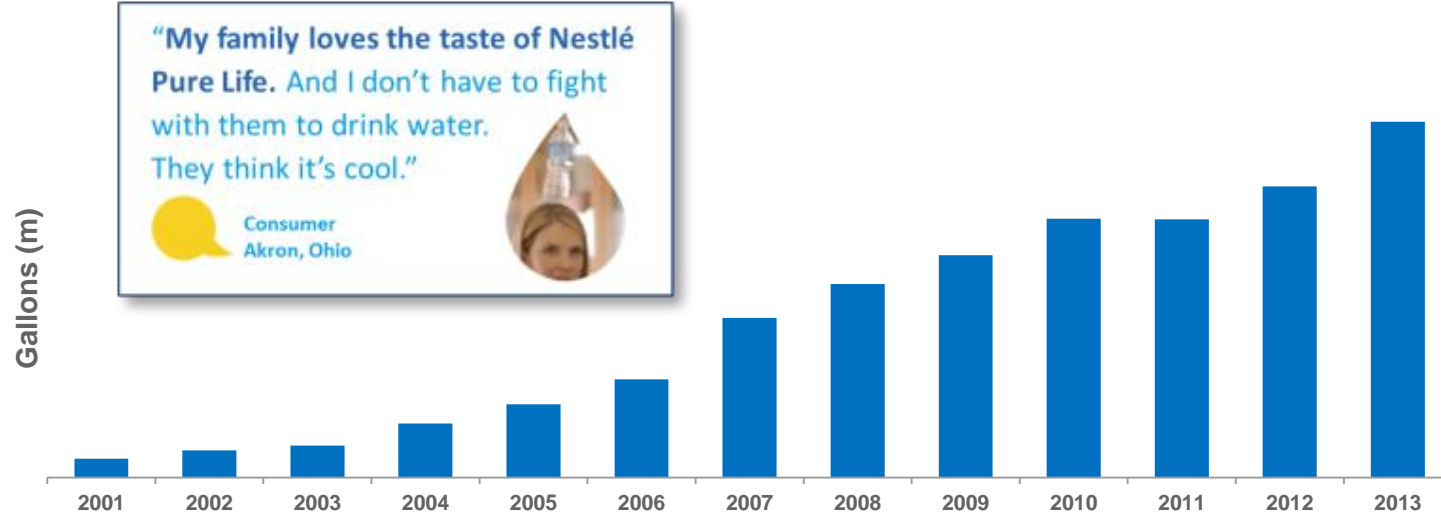


# Nestlé Pure Life is #1 bottled water brand in US

- ◆ Nestlé Pure Life is a **Billion Dollar Brand**
- ◆ In **more households** than any bottled water brand
- ◆ Top scores out of national bottled water brands for **loyalty** (Nielsen Homescan Panel 2013)



- ◆ **Growing volume** in Grocery, Hispanic Grocery, Pharmacy and Convenience Store
- ◆ Leading families to a **healthier lifestyle**
- ◆ Committed to **investing in the consumer**



# Balance high volume base

Balance Core  
.5L Case Pack



Brand Equity / Innovation

# Flexible route to market

A hybrid approach



NWNA Factory



Large Stores



Customer DC



Wholesaler



3<sup>rd</sup> Party Distributor



Company Owned  
Route

# At your service driven by consumer demand

## EASY

- Multi-Channel Accessibility
- No Membership Required
- Choice of Delivery Options
- Digitally Enabled

## TRUST

- Satisfaction Guarantee
- Top Beverage Brands

## VARIETY

- Full Portfolio Featured

## GREAT SERVICE

- Personalized Communications





# Nestlé Waters and the commitment to environmental responsibility



## Sharing our Progress; Engaging with Transparency:



- ✓ Environmental NGOs
- ✓ Media
- ✓ Lawmakers
- ✓ Community
- ✓ Employees

# Creating Shared Value through raising awareness of healthy hydration and water stewardship

## Healthy Hydration

Partner to build awareness and understanding of the importance of healthy hydration



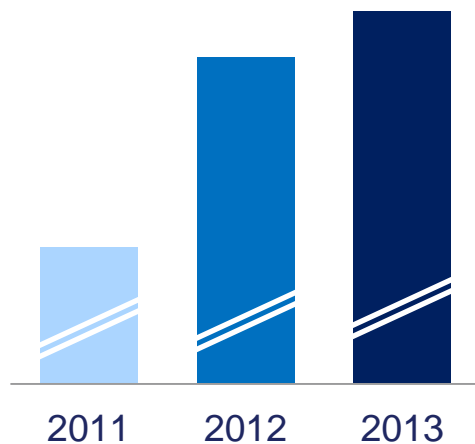
## Water Stewardship

Ensure sustainable management of our sources; work with others to improve watersheds and educate about water



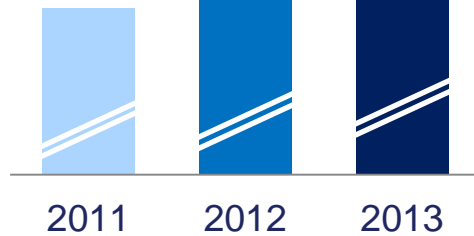
# Nestlé Waters North America

**+4.2%**  
CAGR<sup>(1)</sup>



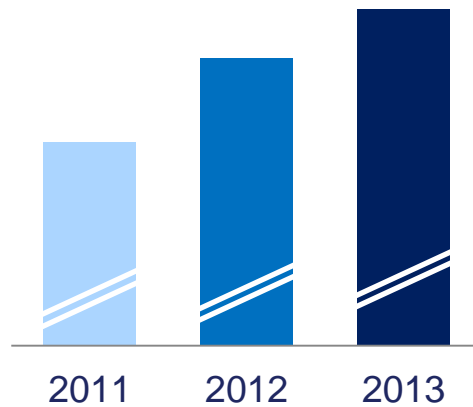
Sales  
(in USD)

**+6.9%**  
CAGR<sup>(1)</sup>



Trading Operating Profit  
(in USD)

**+320 bps<sup>(1)</sup>**



ROIC after goodwill

# Summary of Nestlé Waters NA



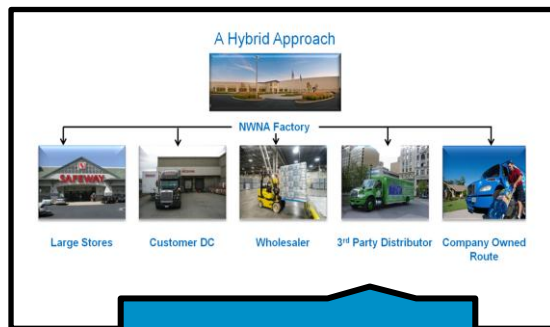
## Growing Category



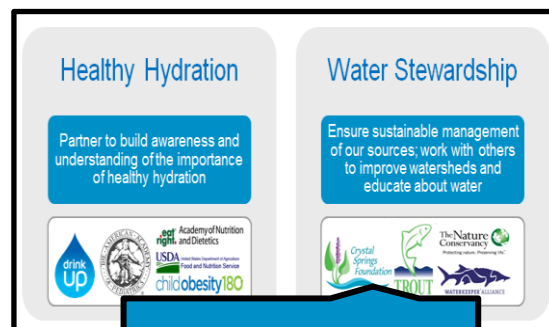
## Brand Portfolio



## Profitable Growth



## Route to Market



## Creating Shared Value