Growing in Zone EMENA

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Our business in Zone EMENA

Key 2018 figures

Sales
CHF 18.9 bn
21% of total Nestlé sales

Underlying TOP
19.0%*

Where

Western Europe 62%
Central & Eastern Europe 19%

MENA 19%

What

Beverages incl. coffee
27%

Prepared dishes & cooking aids
21%

PetCare
18%

Confectionery
17%

Nutrition & Health Science
11%

Milk products & Ice cream
6%

Employees
74,000

Factories
101

Top brands

* Before unallocated items
Our transformational journey ‘EMENA 2020’

7 regionally-managed businesses created

Leading to a structural shift in sales

Enabling and driving an evolution in our ways of working

EMENA sales by business model

2017
- Global: 42%
- Regional: 13%
- Local: 45%

2019
- Global: 30%
- Regional: 70%

Winning together in the market
- Combining the best of category focus and local market competence
- Aligned decision making
- Clear decision rights on local and above market processes

P&L responsibility at category level
Our virtuous circle

Creating Shared Value
- Healthier Kids
- YOUth initiative
- Zero environmental impact across operations

Achieving efficiencies
- Distribution costs: -8 bps in 2018
- Overheads: -41 bps in 2018

Delivering profitable growth
- 2018: +80 bps UTOP margin helped by portfolio management

Investing in growth
- 2018: CHF 24 m in additional consumer marketing investment

Driving market share
- Zone EMENA growing ahead of market (in value terms)
Category growth opportunities

Petcare
- 18% of Zone sales
- Building a strategic partnership Purina – IVC

Nutrition
- 11% of Zone sales
- Capturing mainstream opportunities

Beverages
- incl. coffee
- 27% of Zone sales
- Driving the Starbucks opportunity

Plant-based:
- Free from meat
- < 1% of Zone sales
- Accelerating the Incredible Burger launch
Improving margins through lower structural costs, portfolio management, and steady growth

Zone EMENA: Underlying TOP and structural cost evolution (in % of sales)

Organic growth figures before 2018 are pro forma and include the reorganization of Nestlé Nutrition and Nestlé Professional into the Zones. No restatement has been made for accounting changes before 2017.
Expanding beyond “EMENA 2020”

EMENA

Connect

Sustainable by design
Inclusive teams
Digital by design
Consumer & shopper centricity
Creating competitive gaps in operations

EMENA 2020
Key takeaways

- **Transforming** the way we operate in EMENA

- **Optimizing costs** through reduction of complexity and optimal industrial set-up

- Delivering market share gains and solid profit improvement

- **Preparing the future** with EMENA Connect