



**Nestlé** Good Food, Good Life

# Growing in Zone EMENA

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# 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 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.

This presentation contains certain financial performance measures which are not defined by IFRS. Management believes that these non-IFRS measures provide additional useful information to assess the financial and operational performance of the Group. Such measures may not be comparable to similar measures presented by other companies and are explained and/or reconciled with our IFRS measures (Consolidated Financial Statements) in the Nestlé Group Alternative Performance Measures (APMs) document available on our Investor Website.

# Our business in Zone EMENA

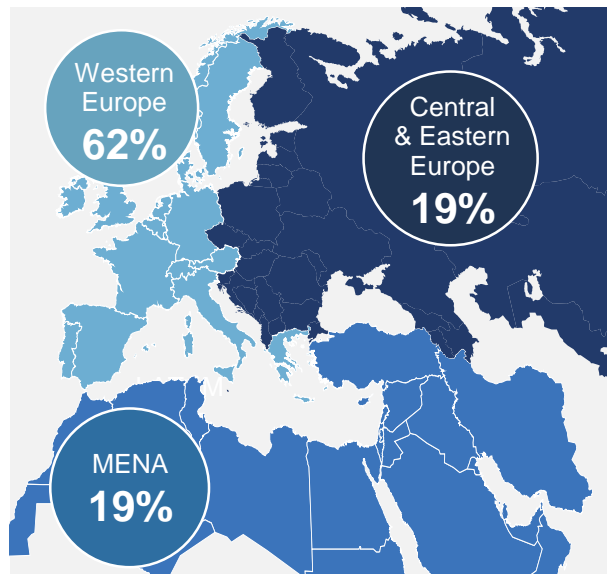


## Key 2018 figures

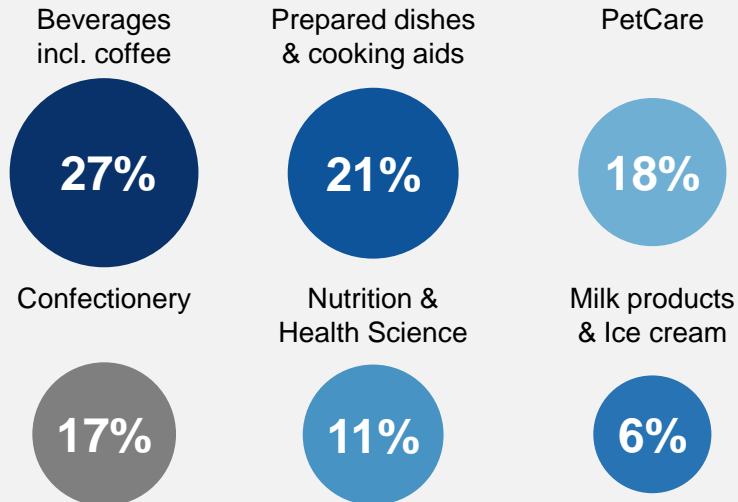
Sales  
**CHF 18.9 bn**  
21% of total  
Nestlé sales

Underlying  
TOP  
**19.0%\***

## Where



## What



Employees  
**74 000**

Factories  
**101**



## Top brands

\* Before unallocated items

# Our transformational journey 'EMENA 2020'



## 7 regionally-managed businesses created

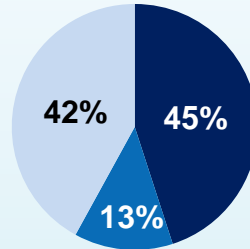


## Leading to a structural shift in sales

### EMENA sales by business model

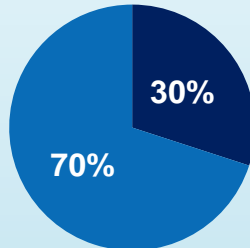
2017

- Global
- Regional
- Local



2019

- Global
- Regional



## Enabling and driving an evolution in our ways of working



Middle East...

### 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

## Driving market share

- Zone EMENA growing ahead of market (in value terms)

## Investing in growth

- 2018: CHF 24 m in additional consumer marketing investment



# 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

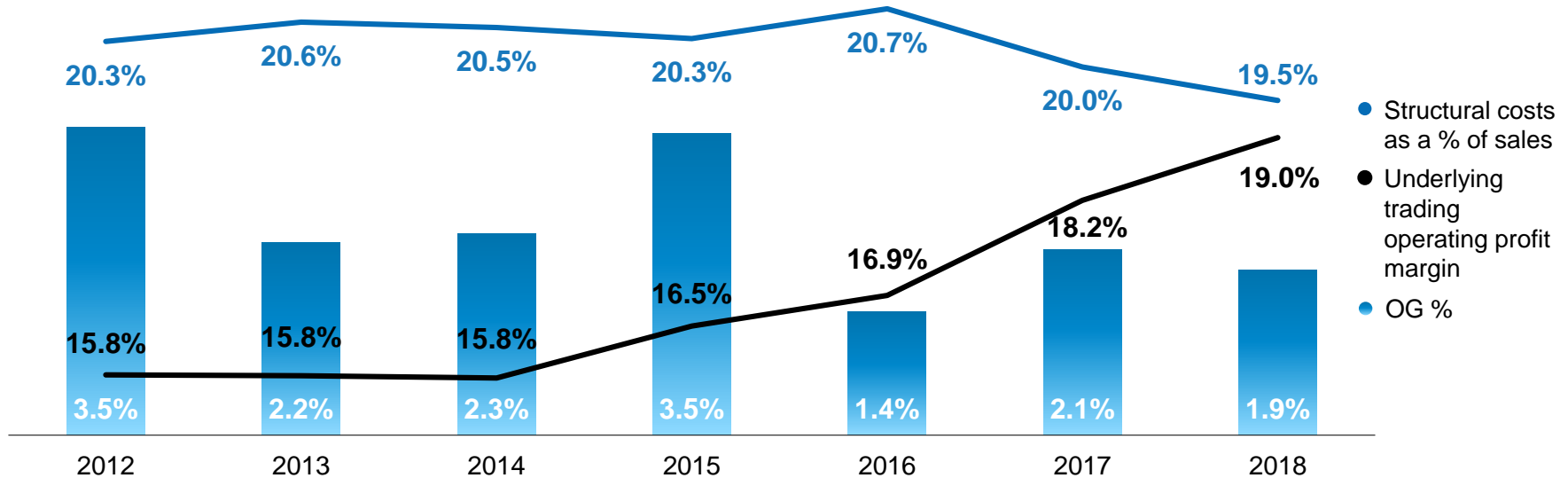


Accelerating the Incredible Burger launch

# Improving margins through lower structural costs, portfolio management, and steady growth

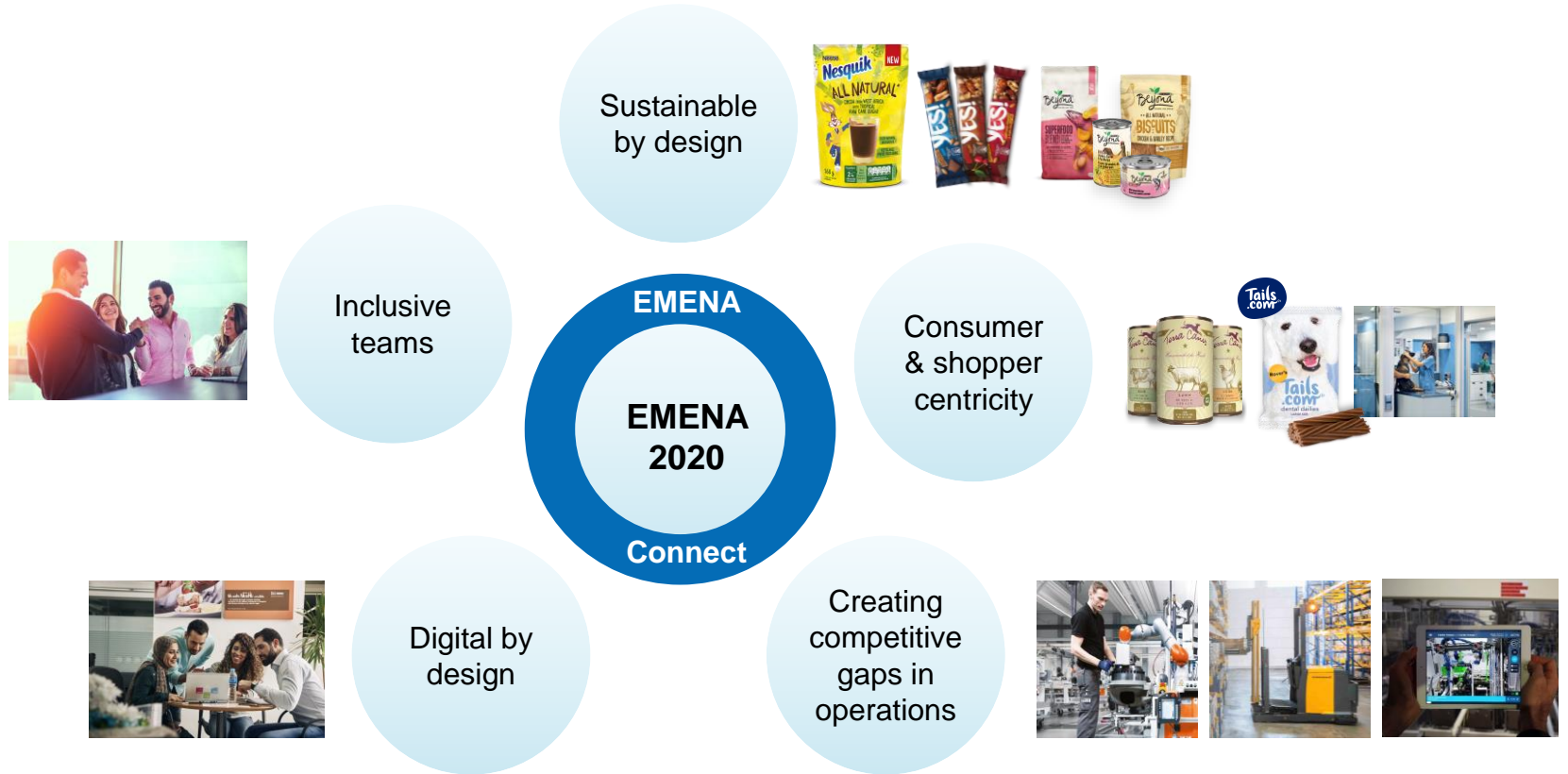


## Zone EMENA: Underlying TOP and structural cost evolution (in % of sales)



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”





# 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