



**Nestlé** Good Food, Good Life

## Nine-month Sales 2019



# Disclaimer



This presentation contains forward looking statements which reflect Management's current views and estimates.

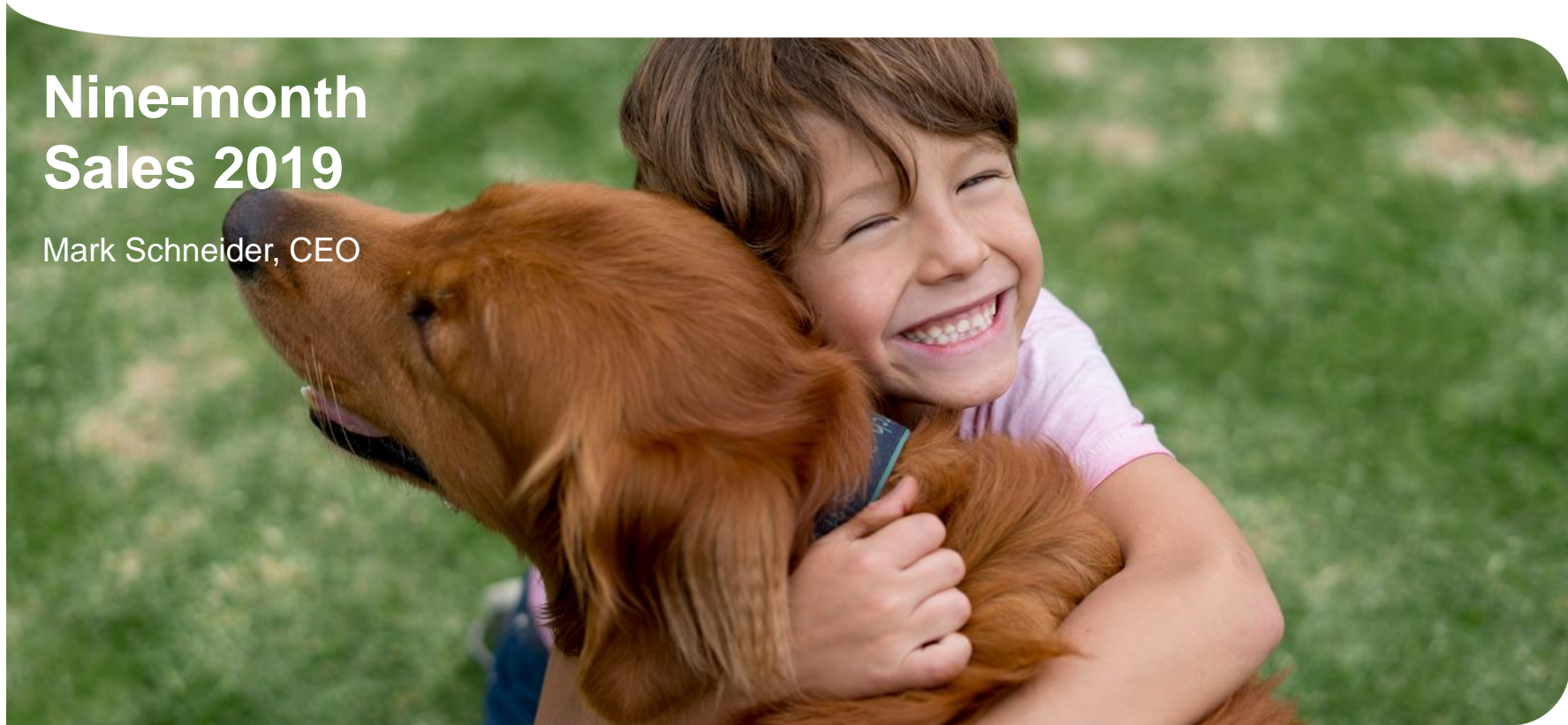
The forward looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.



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# Nine-month Sales 2019

Mark Schneider, CEO



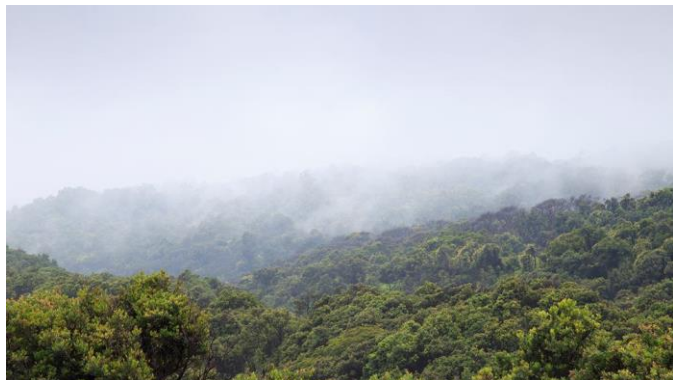
# Key Messages



- Strong RIG supported by innovation
- Positive growth momentum in the United States and from *Purina* PetCare
- Continued development of the Group's organizational structure
- Up to CHF 20 bn cash to be distributed to shareholders from 2020 to 2022



# Our business as a force for good: Working together to end deforestation



## Committed to achieving deforestation-free products

- 77% of our key commodities are verified deforestation-free
- Close to 100% expected within next 3 years

## Utilizing technology

- Pioneering the deployment of real-time monitoring systems
- Building trust and traceability through transparent supply chains

## Supporting smallholder farmers

- Making forest conservation economically attractive
- Scaling up regenerative agriculture to restore carbon stocks

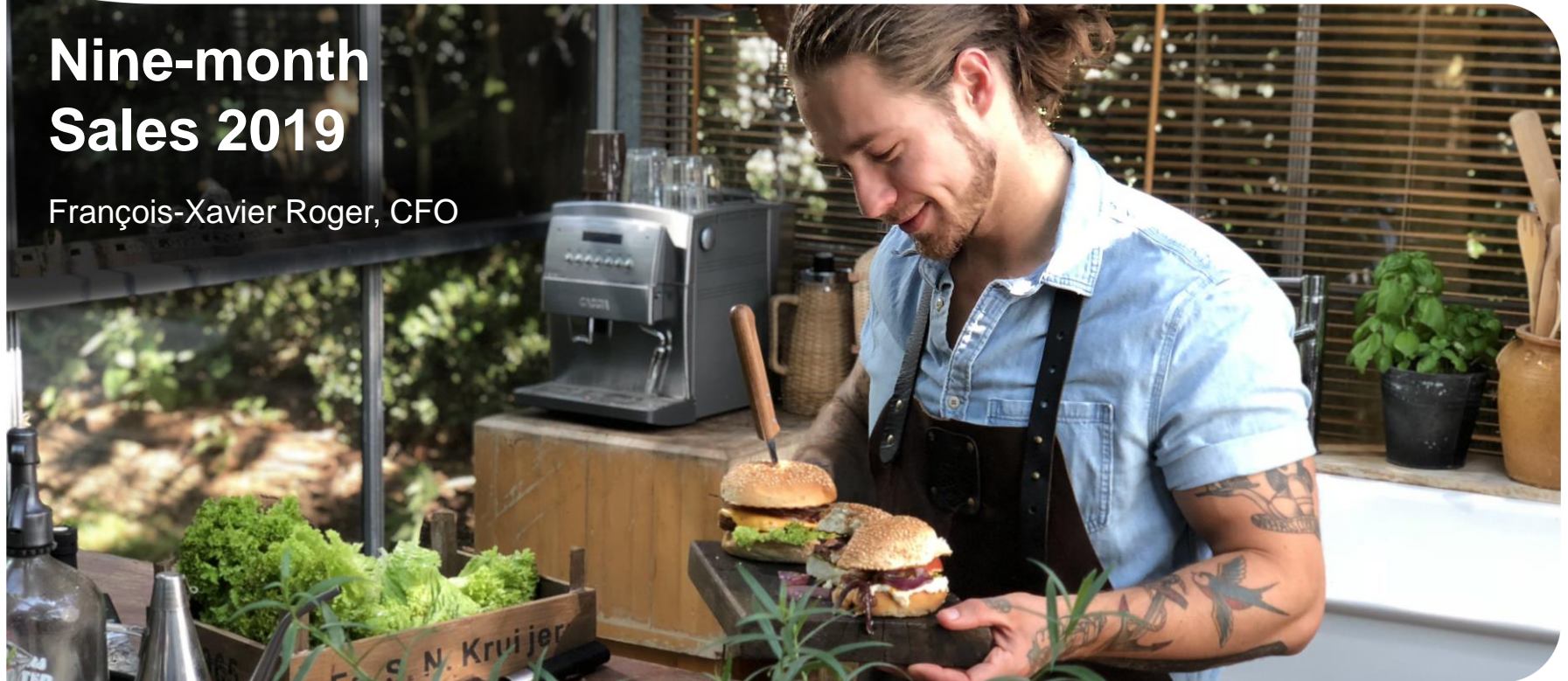
## Advocating for collective action and disclosure



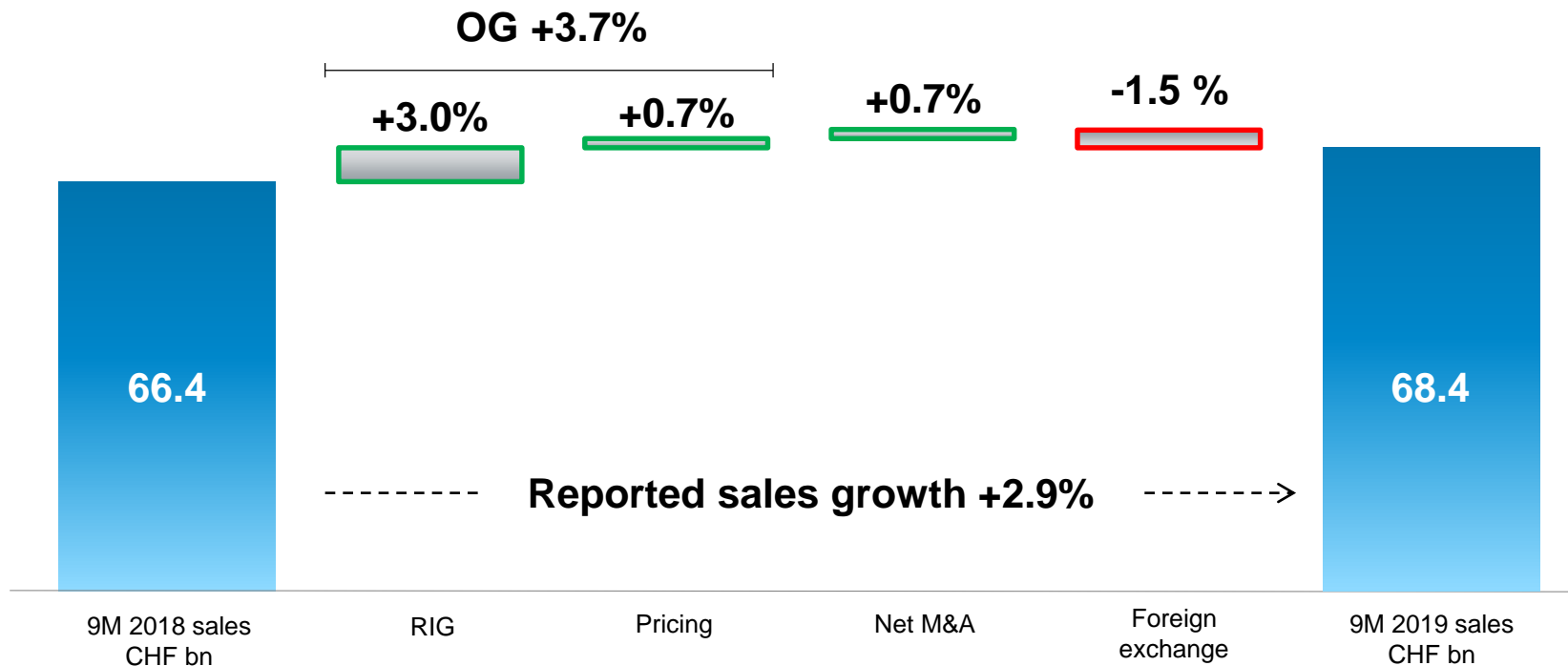
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# Nine-month Sales 2019

François-Xavier Roger, CFO



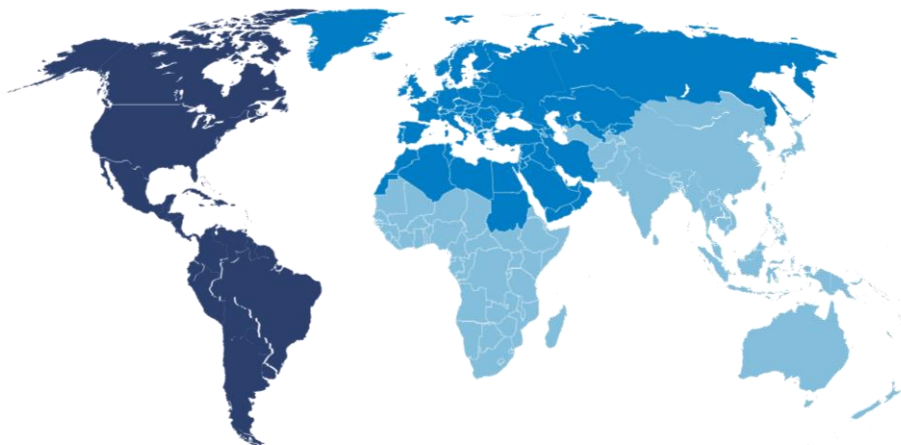
# Nine-month sales growth



# Strong momentum in the Americas



	AMS	EMENA	AOA
<b>Sales</b> (in CHF)	<b>31.2 bn</b>	<b>19.5 bn</b>	<b>17.7 bn</b>
RIG	2.6%	3.4%	3.3%
Pricing	1.7%	-0.8%	0.6%
<b>OG</b>	<b>4.3%</b>	<b>2.6%</b>	<b>3.9%</b>



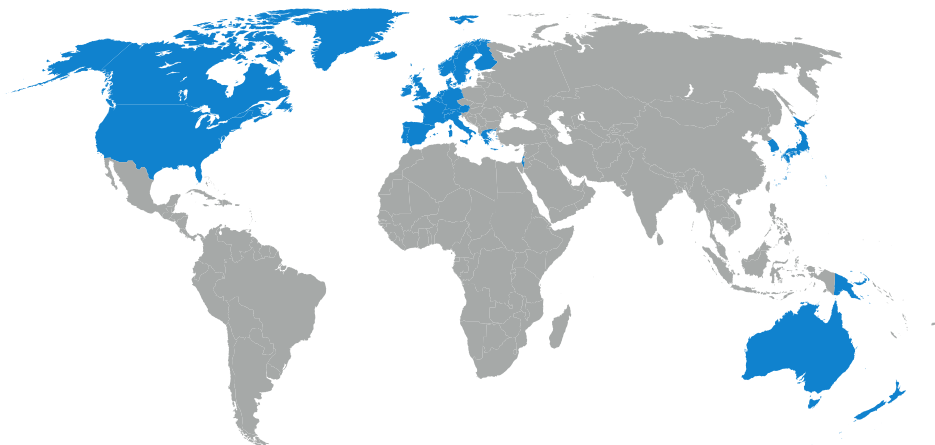
Each geography includes zones, Nestlé Waters, Nespresso, Nestlé Health Science and Nestlé Skin Health



# Positive growth in developed and emerging markets



	Developed	Emerging
<b>Sales</b> (in CHF) % of group sales	<b>39.7 bn</b> 58%	<b>28.7 bn</b> 42%
RIG	2.6%	3.6%
Pricing	0.1%	1.4%
<b>OG</b>	<b>2.7%</b>	<b>5.0%</b>



# Zone AMS



<b>Sales</b>	<b>CHF 24.0 bn</b>
Real internal growth	<b>+2.7%</b>
Pricing	<b>+1.4%</b>
<b>Organic growth</b>	<b>+4.1%</b>

- Solid momentum, supported by higher RIG
- Continued strong growth in North America. Good progress in the transition from DSD to warehouse model
- Brazil and Mexico saw mid single-digit growth
- *Purina* Petcare and beverages were the strongest contributors



# Zone EMENA



<b>Sales</b>	<b>CHF 13.7 bn</b>
Real internal growth	<b>+4.6%</b>
Pricing	<b>-1.7%</b>
<b>Organic growth</b>	<b>+2.9%</b>

- Solid growth with strong RIG across regions. Negative pricing mainly due to decreasing coffee prices
- *Purina* Petcare, infant nutrition and confectionery were the main growth contributors
- Coffee with positive RIG, supported by the launch of Starbucks



# Zone AOA



Sales	CHF 15.9 bn
Real internal growth	+2.5%
Pricing	+0.6%
Organic growth	+3.1%

- Solid growth supported by South East Asia, South Asia and Africa
- China reported flat growth
- Largest contributions to Zone growth came from infant nutrition, culinary products and *Purina* PetCare



<b>Sales</b>	<b>CHF 6.1 bn</b>
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Real internal growth	<b>-2.5%</b>
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Pricing	<b>+3.0%</b>
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<b>Organic growth</b>	<b>+0.5%</b>
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- Subdued growth due to pricing comparables in North America and a disappointing summer in Europe
- North America saw flat growth. Premium brands grew double digit, but affordable offerings declined
- Emerging markets posted high single-digit growth, supported by innovation





# Other Businesses

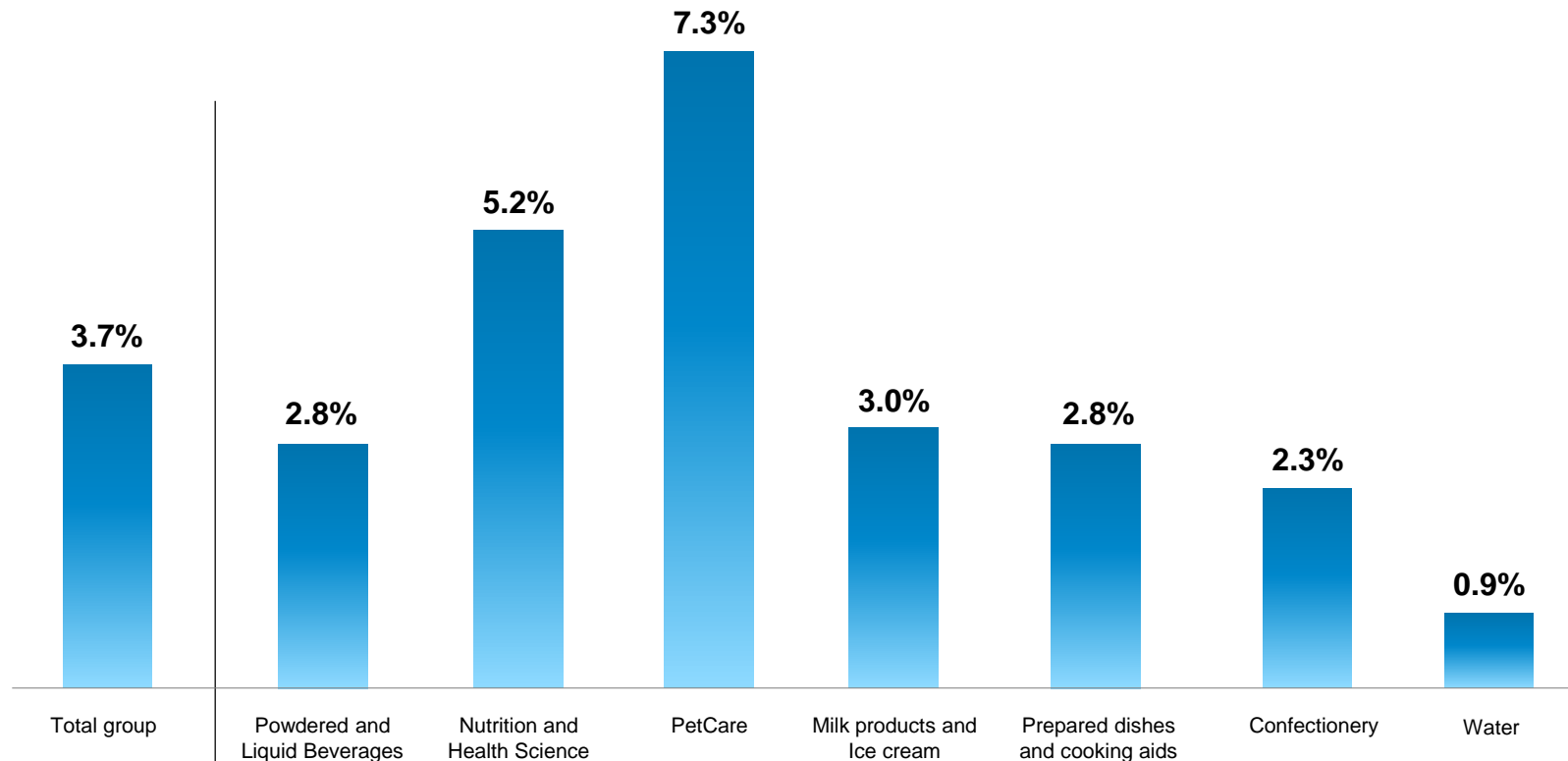


<b>Sales</b>	<b>CHF 8.7 bn</b>
Real internal growth	<b>+6.4%</b>
Pricing	<b>+0.7%</b>
<b>Organic growth</b>	<b>+7.1%</b>

- Nespresso maintained mid single-digit growth supported by Vertuo and North America
- Nestlé Health Science grew mid single-digit, led by medical nutrition and Atrium Innovations
- Sale of Nestlé Skin Health completed on October 1, 2019



# Strong portfolio with standout performance by PetCare



# 2019 guidance confirmed



- Organic sales growth of around 3.5%
- Underlying trading operating margin improvement at or above 17.5%
- Increase in underlying EPS in constant currency and capital efficiency

# 9M-2019 Operating segments – topline summary



9M-2019 sales							
	Sales (CHF m)	RIG %	Pricing %	OG %	Net M&A %	F/X %	Reported sales growth %
Zone AMS	23 995	2.7	1.4	4.1	5.5	-0.1	9.5
Zone EMENA	13 650	4.6	-1.7	2.9	-0.1	-3.4	-0.6
Zone AOA	15 938	2.5	0.6	3.1	-0.1	-2.1	0.9
Nestlé Waters	6 097	-2.5	3.0	0.5	-0.2	-0.8	-0.5
Other Businesses	8 687	6.4	0.7	7.1	-7.3	-1.6	-1.8
<b>Total Group</b>	<b>68 367</b>	<b>3.0</b>	<b>0.7</b>	<b>3.7</b>	<b>0.7</b>	<b>-1.5</b>	<b>2.9</b>

# 9M-2019 Products – topline summary



	9M-2019 sales			
	Sales (CHF m)	RIG %	Pricing %	OG %
Powdered and liquid beverages	16 880	2.7	0.1	2.8
Water	5 764	-2.2	3.1	0.9
Milk products and ice cream	9 806	1.7	1.3	3.0
Nutrition and Health Science	11 698	5.0	0.2	5.2
Prepared dishes and cooking aids	8 888	3.0	-0.2	2.8
Confectionery	5 358	3.4	-1.1	2.3
Petcare	9 973	5.6	1.7	7.3
<b>Total group</b>	<b>68 367</b>	<b>3.0</b>	<b>0.7</b>	<b>3.7</b>



# 9M-2019 historical eight quarters



Period	RIG %	Pricing %	OG %
Q4-2017	1.2	0.7	1.9
Q1-2018	2.6	0.2	2.8
Q2-2018	2.4	0.2	2.6
Q3-2018	2.0	0.9	2.9
Q4-2018	2.8	0.9	3.7
Q1-2019	2.2	1.2	3.4
Q2-2019	3.0	0.9	3.9
Q3-2019	3.9	-0.2	3.7

# 9M-2019 currency overview



			Weighted average rate		
			9M-2018	9M-2019	Variation in %
US Dollar	1	USD	0.973	0.994	+2.2
Euro	1	EUR	1.161	1.118	-3.7
Chinese Yuan Renminbi	100	CNY	14.924	14.490	-2.9
Brazilian Real	100	BRL	26.905	25.574	-4.9
Philippine Peso	100	PHP	1.851	1.912	+3.3
UK Pound Sterling	1	GBP	1.312	1.267	-3.4
Mexican Peso	100	MXN	5.105	5.166	+1.2
Canadian Dollar	1	CAD	0.755	0.748	-0.8
Japanese Yen	100	JPY	0.887	0.912	+2.8
Australian Dollar	1	AUD	0.736	0.698	-5.2
Russian Ruble	100	RUB	1.579	1.530	-3.1

# Abbreviations



<b>OG</b>	Organic growth
<b>RIG</b>	Real internal growth
<b>AMS</b>	Americas
<b>EMENA</b>	Europe, Middle East, and North Africa
<b>AOA</b>	Asia, Oceania, and sub-Saharan Africa