



Good food, Good life

Three-month Sales 2020

Investor call



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.

2019 figures have been restated following the decision to integrate the Nestlé Waters business into the Group's three geographical Zones, effective January 1, 2020.



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Responding to COVID-19

- Key priorities:
 - Safeguarding people's health
 - Ensuring business continuity
 - Supporting communities
- Frontline workers have been instrumental in securing supply and meeting consumer needs

Key messages

- Nestlé remains resilient given its diversified portfolio of products and geographies
- Organic growth of 4.3%
- Strong momentum in the Americas and EMENA, AOA with negative growth
- High demand for *Purina* PetCare, culinary, coffee and Nestlé Health Science products
- Disciplined portfolio development towards attractive high-growth categories
- Continued commitment to our sustainability goals

Exploring strategic options for Yinlu-branded businesses

Review peanut milk and canned rice porridge businesses

- Sales: ~CHF 700 m in 2019
- Strong local brand heritage with nationwide distribution reach
- ~11 000 employees and 5 factories



Retain and develop high-growth *Nescafé* ready-to-drink coffee

- Ready-to-drink coffee market is growing fast
- *Nescafé* is the leading coffee brand in China



2020 guidance

As it is still too early to assess the full impact of COVID-19, we maintain our original full-year guidance for the time being

- Continued improvement in organic sales growth and underlying trading operating margin
- Increase in underlying earnings per share in constant currency and capital efficiency



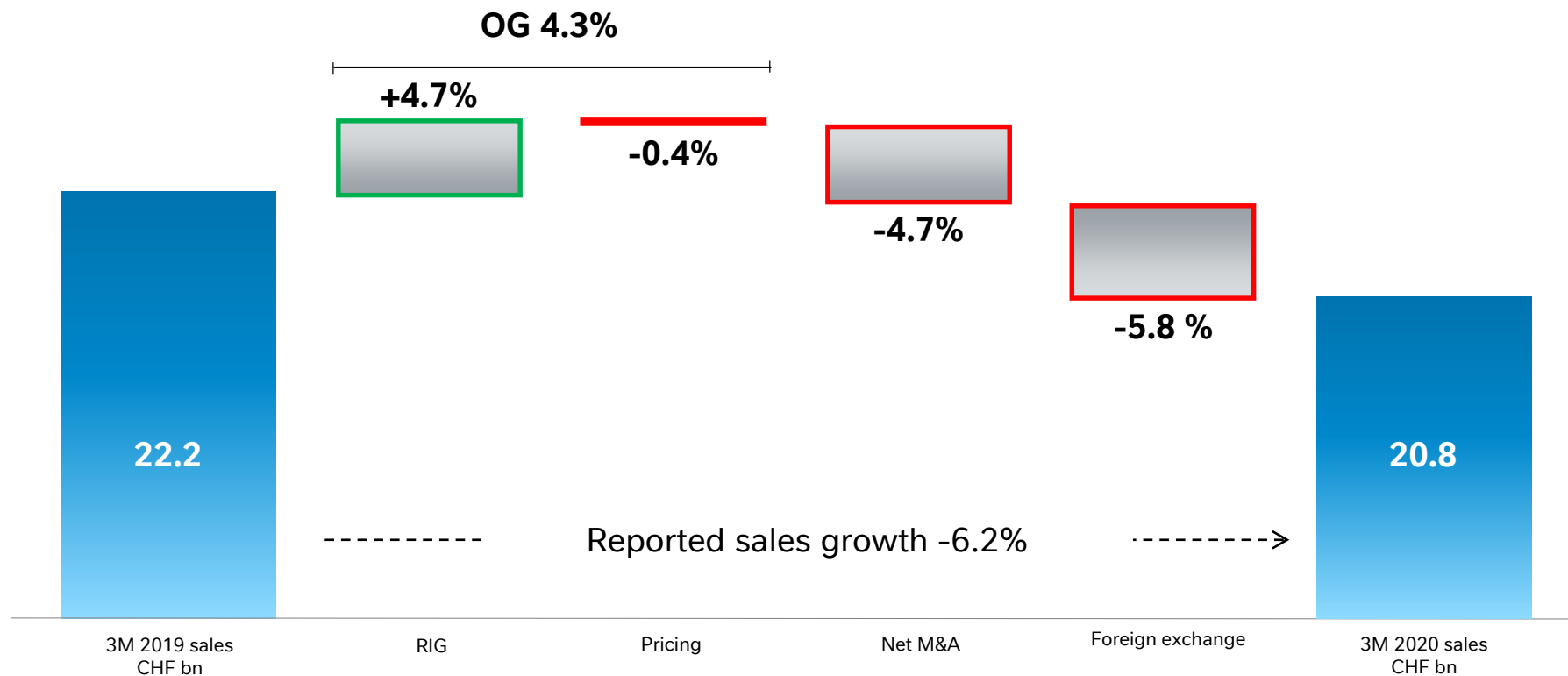
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Three-month sales 2020

François-Xavier Roger, CFO



Three-month sales growth



Business impact of COVID-19

Geographies



↑ North America and Europe

↓ China

Categories



↑ Prepared dishes and cooking aids, *Purina* PetCare, coffee, and Nestlé Health Science products

↓ Ice cream and confectionery

Sales channels

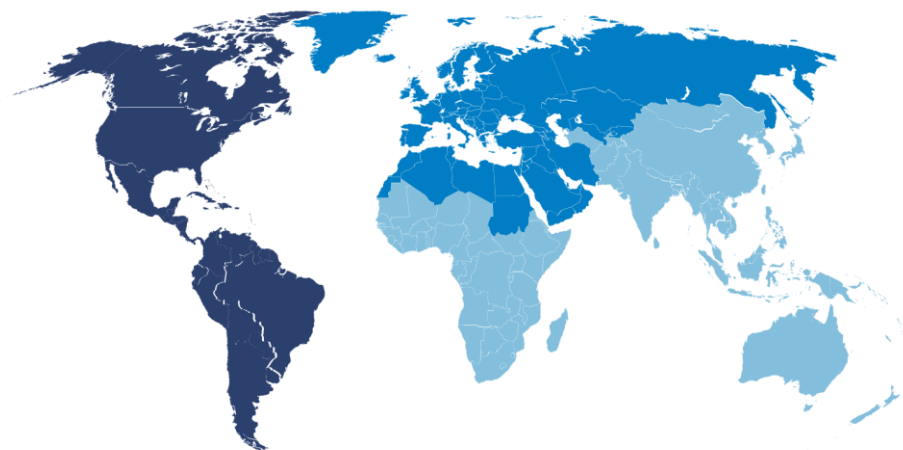


↑ Retail and e-commerce

↓ Out-of-home and food service

Growth by geography

	AMS	EMENA	AOA
Sales (in CHF)	9.2 bn	6.3 bn	5.3 bn
RIG	8.8%	6.8%	-3.8%
Pricing	-0.4%	-0.8%	0.0%
OG	8.4%	6.0%	-3.8%

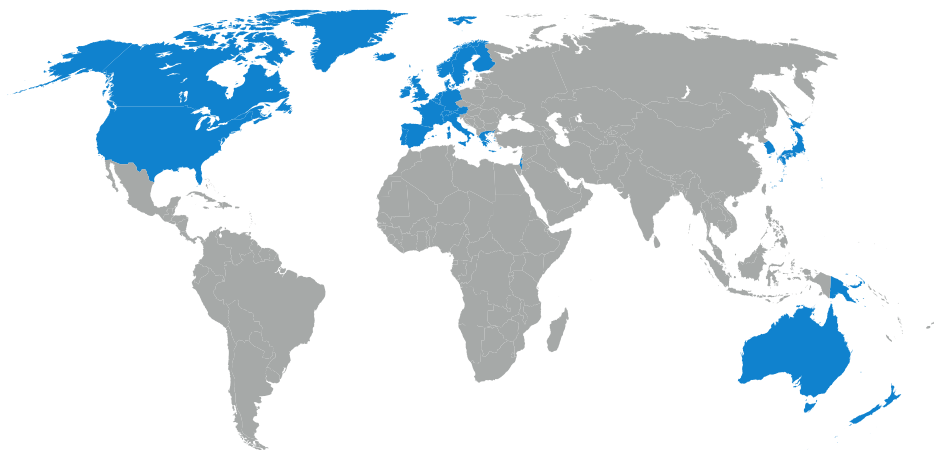


Each geography includes Zones, Nespresso, Nestlé Health Science



Strong growth in developed markets

	Developed	Emerging
Sales (in CHF) % of group sales	12.0 bn 58%	8.8 bn 42%
RIG	8.8%	-0.3%
Pricing	-1.4%	0.8%
OG	7.4%	0.5%



Zone AMS

Sales	CHF 8.3 bn
Real internal growth	+7.9%
Pricing	-0.5%
Organic growth	+7.4%

- Increased organic growth, based on strong RIG
- North America reported high single-digit growth, led by *Purina PetCare*, coffee and frozen food
- Latin America saw mid single-digit growth, supported by most geographies and product categories



Zone EMENA

Sales	CHF 5.3 bn
Real internal growth	+8.2%
Pricing	-1.1%
Organic growth	+7.1%

- Strong RIG-based organic growth
- Most markets saw increased growth
- Prepared dishes and cooking aids, coffee, *Purina* PetCare and infant nutrition reported double-digit growth



Zone AOA

Sales	CHF 5.0 bn
Real internal growth	-4.6%
Pricing	0.0%
Organic growth	-4.6%

- China posted double-digit negative organic growth, mainly due to a sales decline in the out-of-home channel and timing of Chinese New Year
- Other sub-regions posted mid single-digit growth
- *Purina* PetCare, *Milo* and *Maggi* reported positive growth overall. Outside of China, infant nutrition had good sales momentum



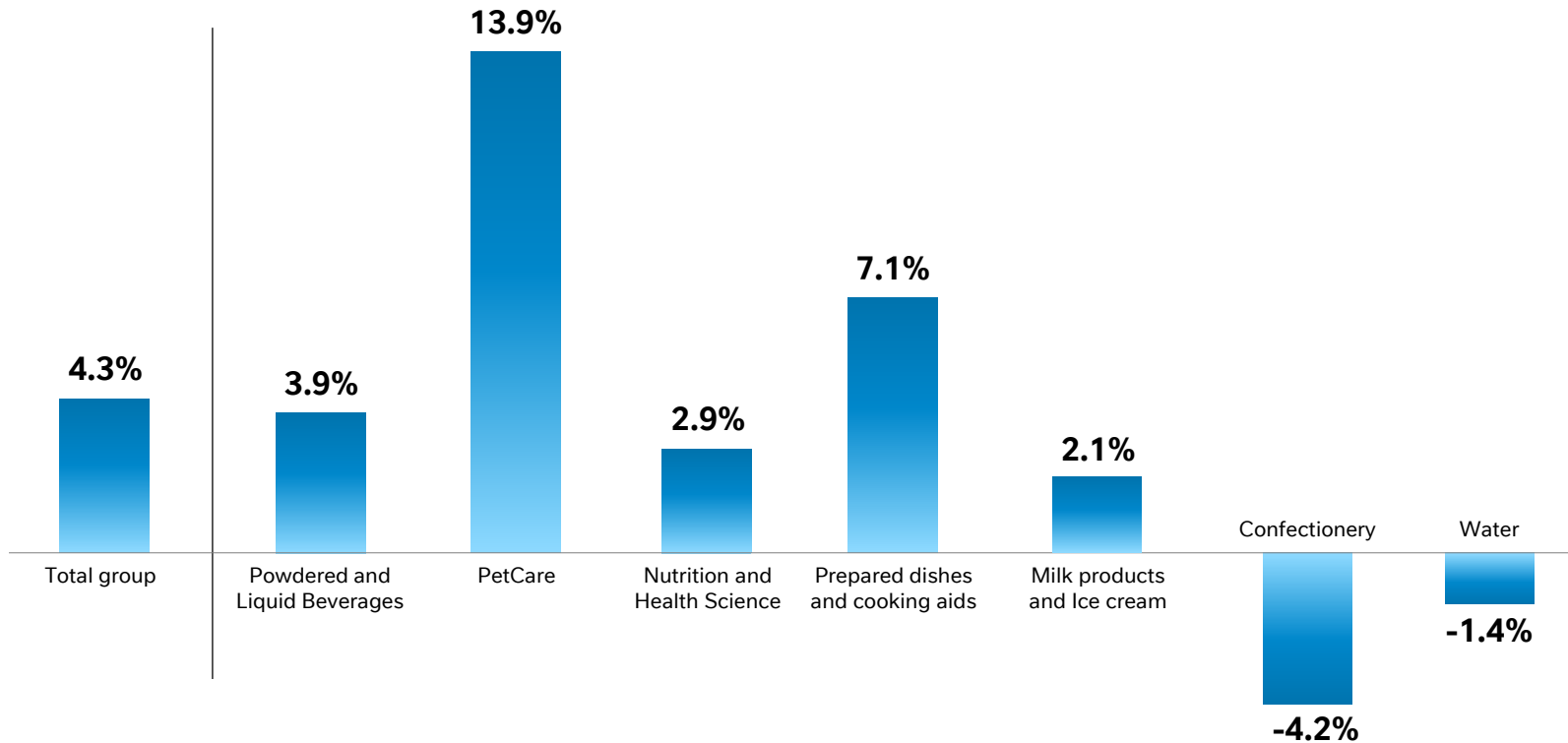
Other Businesses

Sales	CHF 2.2 bn
Real internal growth	+8.0%
Pricing	+0.5%
Organic growth	+8.5%

- Nespresso sustained mid single-digit organic growth, led by North America and AOA
- Nestlé Health Science accelerated to double-digit organic growth, supported by strong momentum for consumer and medical nutrition products



Contrasted category dynamics





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Supporting slides



3M-2020 Operating segments – topline summary

3M-2020 sales							Reported sales growth
	Sales (CHF m)	RIG %	Pricing %	OG %	Net M&A %	F/X %	%
Zone AMS	8 347	7.9	-0.5	7.4	-4.0	-6.1	-2.7
Zone EMENA	5 313	8.2	-1.1	7.1	-0.5	-6.2	0.4
Zone AOA	4 974	-4.6	0.0	-4.6	0.0	-5.1	-9.7
Other Businesses	2 178	8.0	0.5	8.5	-25.4	-5.5	-22.4
Total Group	20 812	4.7	-0.4	4.3	-4.7	-5.8	-6.2



3M-2020 Products – topline summary

	3M-2020 sales			
	Sales (CHF m)	RIG %	Pricing %	OG %
Powdered and liquid beverages	5 440	3.8	0.1	3.9
Water	1 586	1.9	-3.3	-1.4
Milk products and ice cream	2 642	2.0	0.1	2.1
Nutrition and Health Science	3 058	2.8	0.1	2.9
Prepared dishes and cooking aids	2 952	7.9	-0.8	7.1
Confectionery	1 632	-2.3	-1.9	-4.2
Petcare	3 502	13.3	0.6	13.9
Total group	20 812	4.7	-0.4	4.3



3M-2020 historical eight quarters

Period	RIG %	Pricing %	OG %
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
Q4-2019	2.5	0.5	3.0
Q1-2020	4.7	-0.4	4.3



3M-2020 currency overview

			Weighted average rate		
			3M-2019	3M-2020	Variation in %
US Dollar	1	USD	0.996	0.967	-2.8
Euro	1	EUR	1.133	1.067	-5.8
Chinese Yuan Renminbi	100	CNY	14.752	13.893	-5.8
Brazilian Real	100	BRL	26.433	21.520	-18.6
Philippine Peso	100	PHP	1.905	1.903	-0.1
UK Pound Sterling	1	GBP	1.301	1.233	-5.2
Mexican Peso	100	MXN	5.193	4.857	-6.5
Canadian Dollar	1	CAD	0.750	0.717	-4.4
Japanese Yen	100	JPY	0.905	0.889	-1.8
Australian Dollar	1	AUD	0.710	0.632	-11.0
Russian Ruble	100	RUB	1.516	1.438	-5.2



Abbreviations

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

