



Nestlé Good food, Good life

Nine-month sales 2020



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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Mark Schneider, CEO



Key messages

- **Nestlé remained dependable and resilient in a difficult and volatile environment**
- **Organic growth of 3.5%** led by sustained strong sales development in the Americas, *Purina* Petcare and Nestlé Health Science
- **Retail sales saw strong growth, out-of-home channel remained under pressure**
- **Continued progress in portfolio transformation**
- **Decisive action on sustainability**
- **Organic growth expected to be around 3% for the full year**



Building NHSc into a nutrition and health powerhouse

Strong organic growth, fueled by science-based innovation



Consumer Care



Medical Nutrition



Nutritional Therapeutics

Targeted acquisitions to expand growth platforms and capabilities



2018

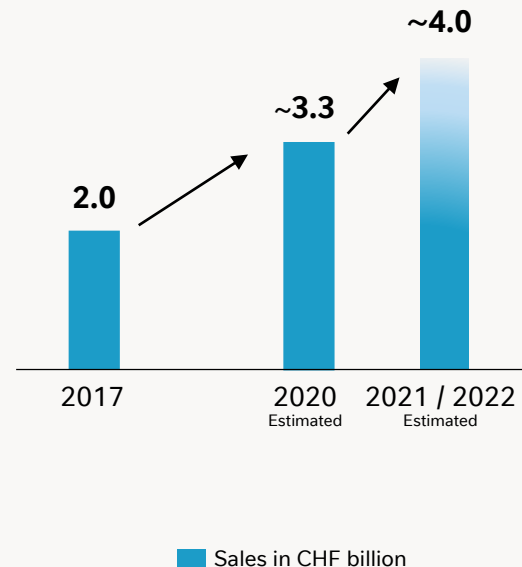


2019



2020

On our way to doubling sales



Our business as a force for good: Sustainable packaging

Packaging reduction / elimination



Reusable / refillable packaging systems



Materials innovation to facilitate recycling



Recycling / waste management infrastructure



Consumer behavior



2020 guidance updated

- Full-year organic sales growth around 3%
- Underlying trading operating profit margin to improve
- Underlying earnings per share in constant currency and capital efficiency to increase





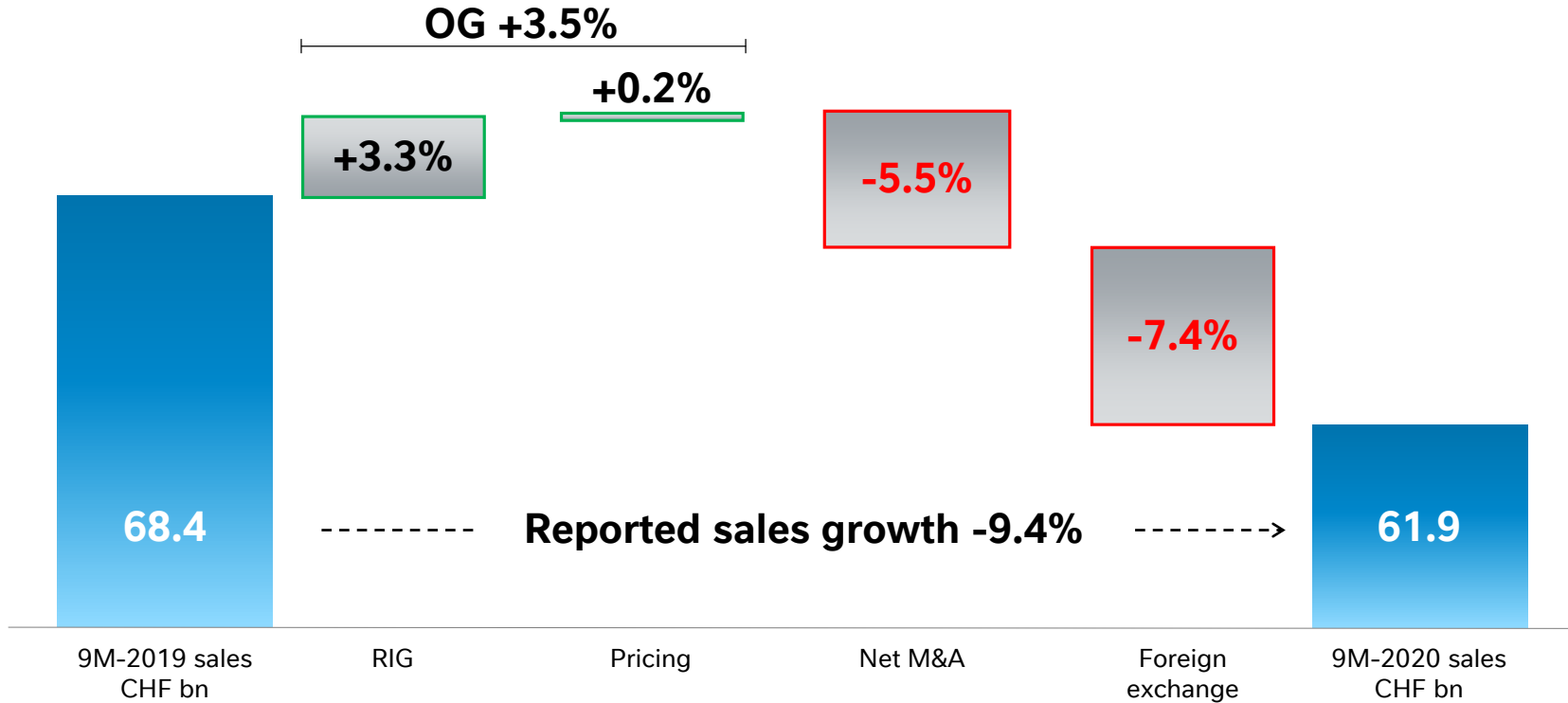
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François-Xavier Roger, CFO

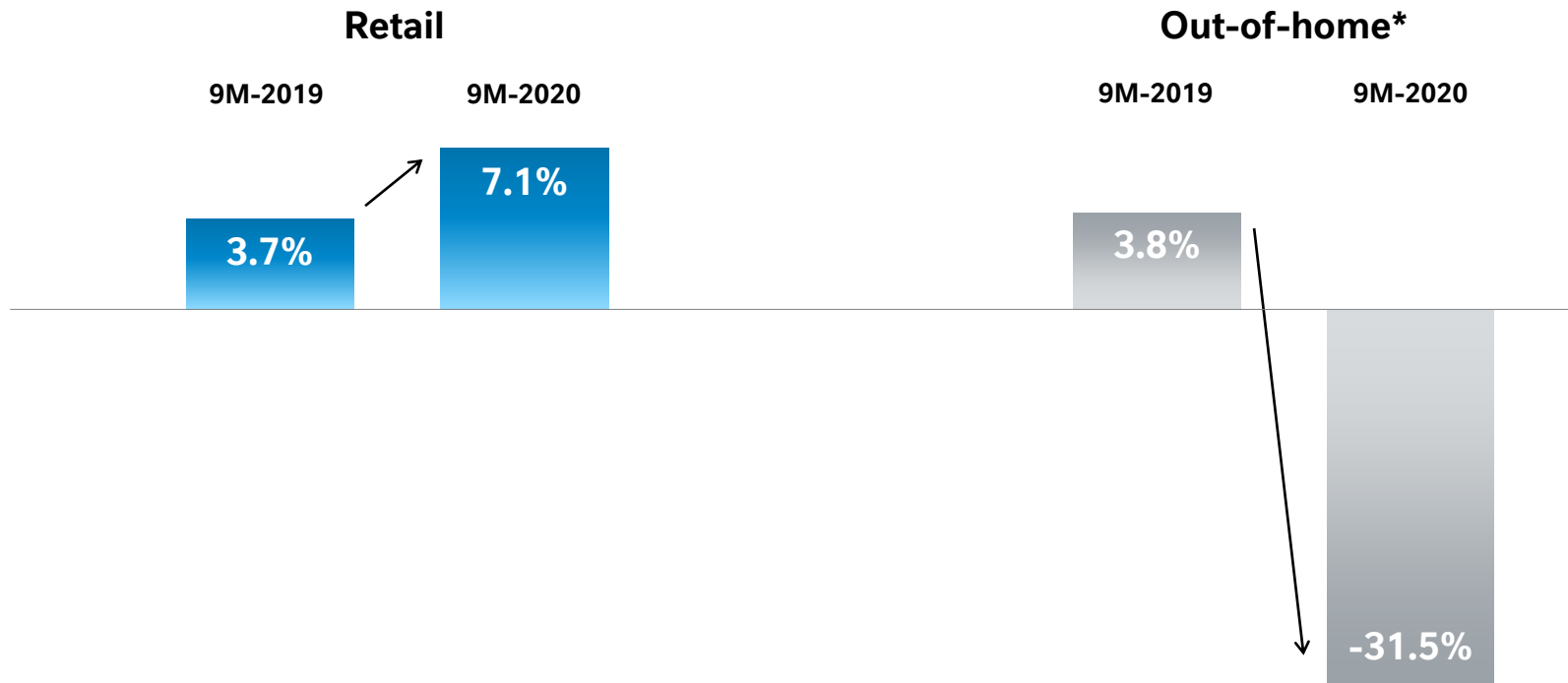


Nine-month sales growth



Contrasted momentum by channel

Organic growth



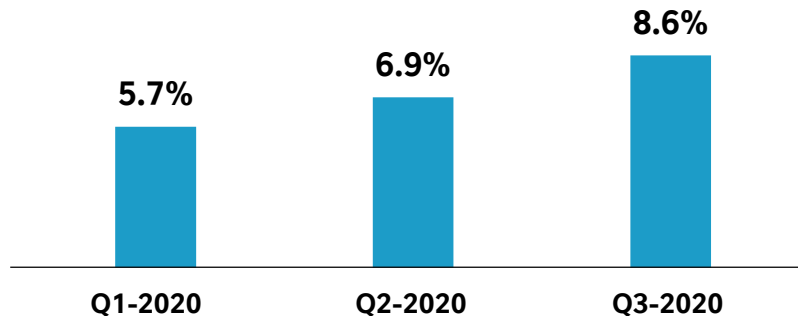
* Includes Nestlé Professional, foodservice activities of Nespresso, Starbucks products and water, travel retail and Blue Bottle



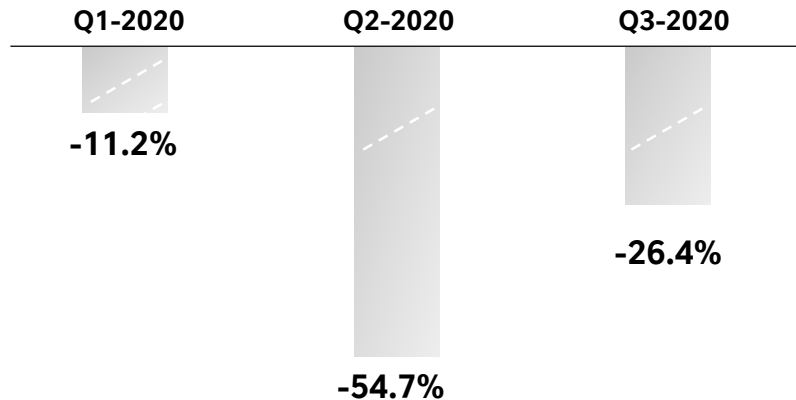
Strong growth in retail sales

Organic growth

Retail



Out-of-home*

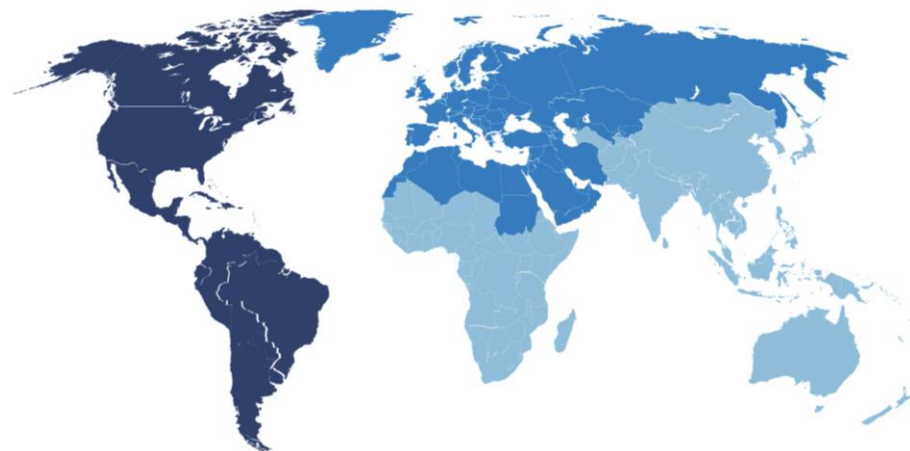


* Includes Nestlé Professional, foodservice activities of Nespresso, Starbucks products and water, travel retail and Blue Bottle



Positive growth across all geographies

	AMS	EMENA	AOA
Sales (in CHF)	27.7 bn	18.0 bn	16.2 bn
RIG	5.7%	2.4%	0.3%
Pricing	0.5%	-0.2%	0.3%
OG	6.2%	2.2%	0.6%

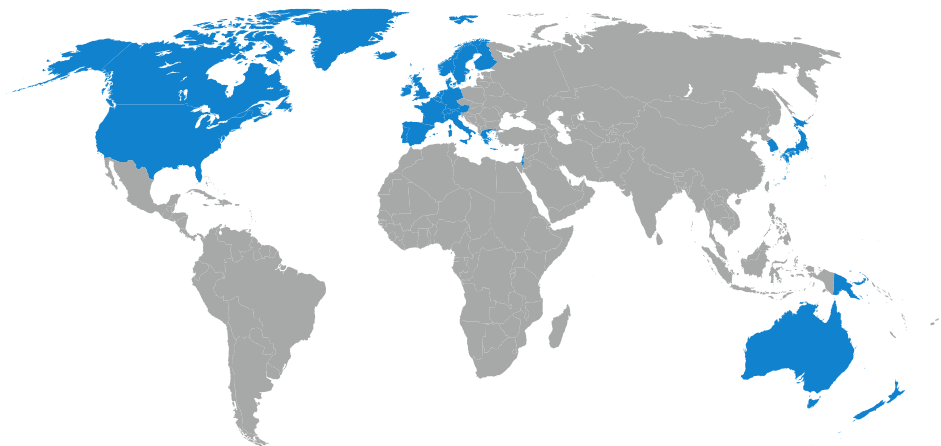


Each geography includes Zones, Nespresso, and Nestlé Health Science



Strong real internal growth in developed markets

	Developed	Emerging
Sales (in CHF) % of Group sales	36.1 bn 58%	25.8 bn 42%
RIG	4.9%	1.3%
Pricing	-1.0%	1.5%
OG	3.9%	2.8%



Zone AMS

Sales	CHF 25.0 bn
Real internal growth	+4.7%
Pricing	+0.4%
Organic growth	+5.1%

- Strong momentum, supported by positive RIG and pricing
- North America continued to see mid single-digit growth, led by *Purina* PetCare, coffee and frozen food
- Growth in Latin America reached a high single-digit rate, led by Brazil and Chile



Zone EMENA

Sales	CHF 15.0 bn
Real internal growth	+3.3%
Pricing	-0.4%
Organic growth	+2.9%

- Increased organic growth based on solid RIG, with broad-based market share gains
- All regions contributed positively, with strong momentum in Russia, the United Kingdom and France
- Coffee, *Purina* PetCare and culinary all continued to report double-digit growth in retail sales



Zone AOA

Sales	CHF 15.3 bn
Real internal growth	-0.2%
Pricing	+0.2%
Organic growth	0.0%

- Flat organic growth, reaching a mid single-digit rate in the third quarter
- China saw a sales decrease, with growth turning positive in the third quarter. Other regions posted mid single-digit growth
- By product category, the main growth contributors were dairy, culinary, coffee and *Purina* PetCare



Other Businesses

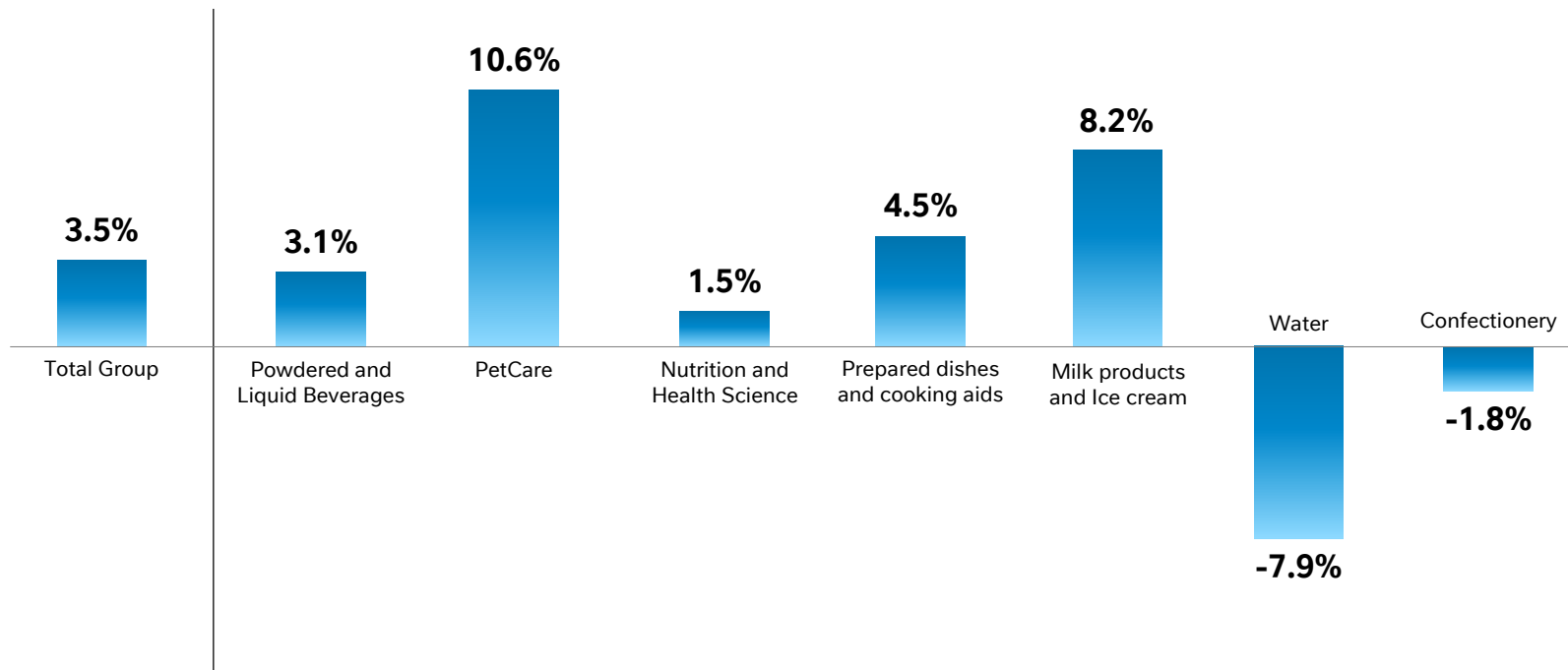
Sales	CHF 6.7 bn
Real internal growth	+6.8%
Pricing	+0.6%
Organic growth	+7.4%

- Nespresso saw mid single-digit organic growth, with strong momentum in e-commerce and the *Vertuo* system
- Nestlé Health Science posted double-digit organic growth, supported by continued strong demand for consumer care and medical nutrition products



Contrasted category dynamics

Organic Growth %





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Q&A

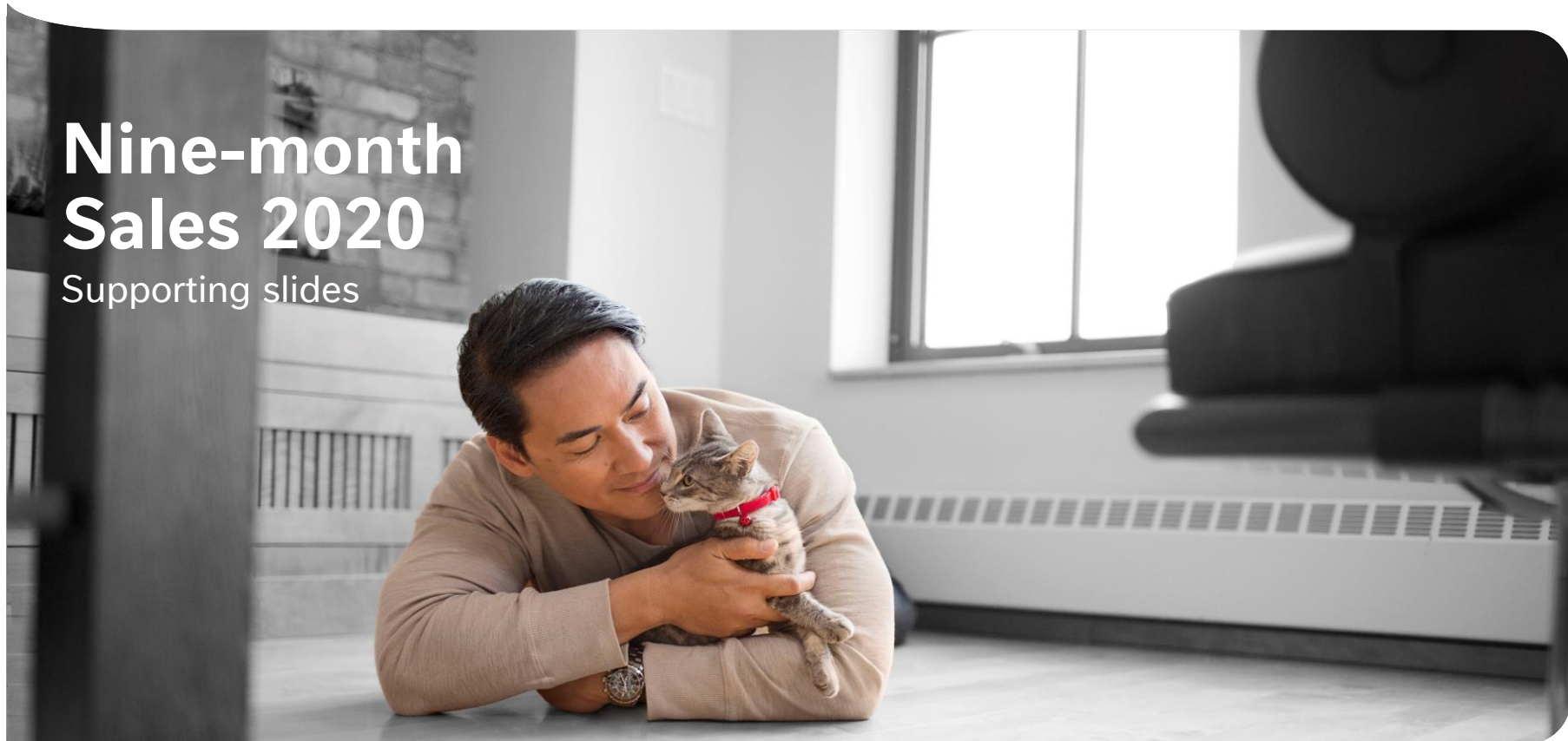




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Supporting slides



9M-2020 Operating segments – topline summary

	9M-2020 sales						
	Sales (CHF m)	RIG %	Pricing %	OG %	Net M&A %	F/X %	Reported sales growth %
Zone AMS	24 991	4.7	0.4	5.1	-5.7	-8.9	-9.5
Zone EMENA	14 952	3.3	-0.4	2.9	-1.7	-6.2	-5.0
Zone AOA	15 251	-0.2	0.2	0.0	0.0	-6.7	-6.7
Other Businesses	6 718	6.8	0.6	7.4	-24.0	-6.1	-22.7
Total Group	61 912	3.3	0.2	3.5	-5.5	-7.4	-9.4



9M-2020 Products – topline summary

9M-2020 sales				
	Sales (CHF m)	RIG %	Pricing %	OG %
Powdered and liquid beverages	16 219	2.9	0.2	3.1
Water	5 020	-6.6	-1.3	-7.9
Milk products and ice cream	8 114	6.6	1.6	8.2
Nutrition and Health Science	9 004	1.1	0.4	1.5
Prepared dishes and cooking aids	8 460	4.6	-0.1	4.5
Confectionery	4 713	-0.6	-1.2	-1.8
PetCare	10 382	10.0	0.6	10.6
Total Group	61 912	3.3	0.2	3.5



9M-2020 Historical eight quarters

Period	RIG %	Pricing %	OG %
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
Q2-2020	0.5	0.8	1.3
Q3-2020	4.8	0.1	4.9



9M-2020 Currency overview

US Dollar	1	USD
Euro	1	EUR
Chinese Yuan Renminbi	100	CNY
Brazilian Real	100	BRL
Philippine Peso	100	PHP
UK Pound Sterling	1	GBP
Mexican Peso	100	MXN
Canadian Dollar	1	CAD
Japanese Yen	100	JPY
Australian Dollar	1	AUD
Russian Federation Ruble	100	RUB

Weighted average rate		
9M-2019	9M-2020	Variation in %
0.994	0.950	-4.4%
1.118	1.068	-4.5%
14.490	13.574	-6.3%
25.574	18.745	-26.7%
1.912	1.899	-0.6%
1.267	1.206	-4.8%
5.166	4.394	-14.9%
0.748	0.700	-6.5%
0.912	0.884	-3.1%
0.698	0.642	-8.1%
1.530	1.335	-12.8%



Abbreviations

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

