



Nestlé Good food, Good life

Full-year results 2020

Press Conference



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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Full-year results 2020

Mark Schneider, CEO

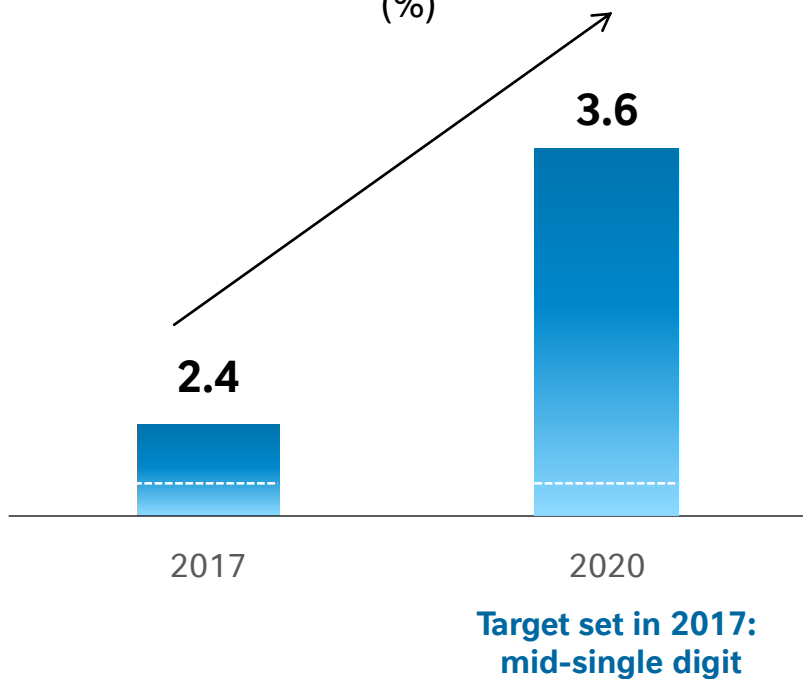
Key messages 2020

- **Rising to the challenge of the global pandemic**
 - Employee safety, business continuity, community support
- **Strong financial results**
 - Organic sales growth of 3.6%
 - Underlying trading operating profit margin increases by 10 bps to 17.7%
- **Portfolio transformation fully on track**
- **Board proposes to raise dividend by 5 centimes per share to CHF 2.75**
- **Detailed roadmap to achieve net zero greenhouse gas emissions by 2050**

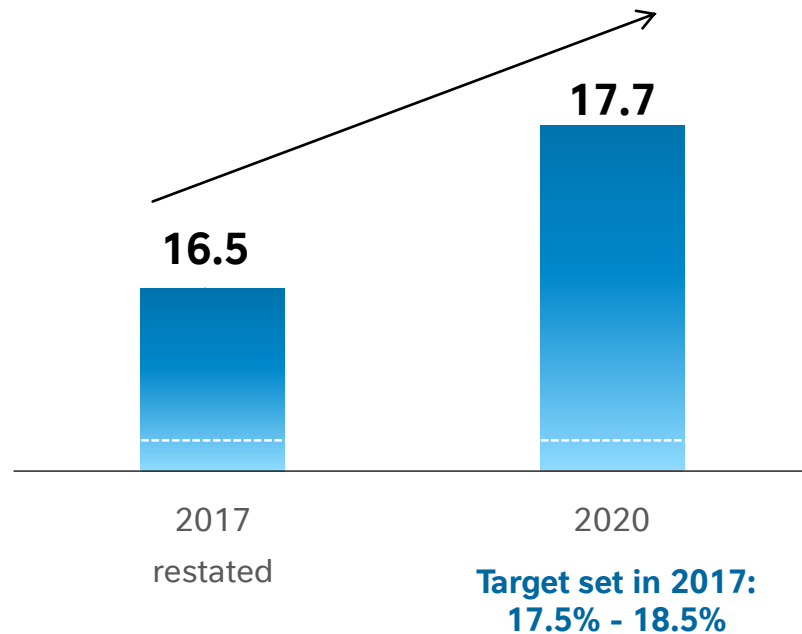


Third consecutive year of improved growth and margins

Organic sales growth
(%)



Underlying trading operating profit
(in % of sales)



Continued progress in 2020 towards mid single-digit organic sales growth

- **High-growth categories and channels**

- **PetCare:** +10.2% organic sales growth
- **Coffee:** Starbucks brand with ~CHF 400 m incremental sales, Nespresso with +7.0% organic sales growth
- **Plant-based food:** strong double-digit organic sales growth
- **E-commerce:** +48.4% organic sales growth

- **Portfolio management**

- **Acquisitions:**

- Building Nestlé Health Science into a nutritional powerhouse: Zenpep, Vital Proteins, Aimmune
- Expanding direct-to-consumer presence: Freshly, Mindful Chef

- **Disposals of non-core businesses:**

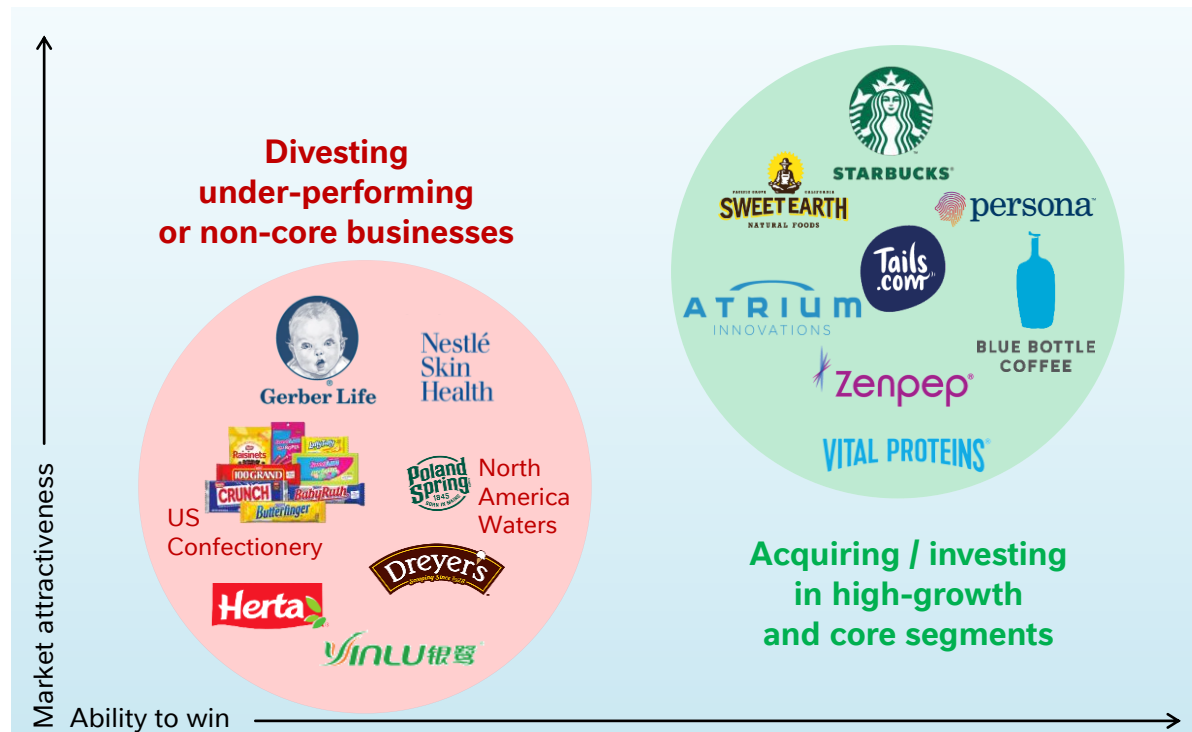
- U.S. ice cream, Herta charcuterie, Yinlu peanut milk/congee
- Agreement to sell regional spring water brands, purified water business and beverage delivery service in the U.S. and Canada

- **Fixing underperforming businesses**

- **Affordable offerings, Lean Cuisine frozen meals**



Further developing our portfolio



**> 75 transactions
closed or announced
since 2017, equivalent to
~ 18% of Group sales**

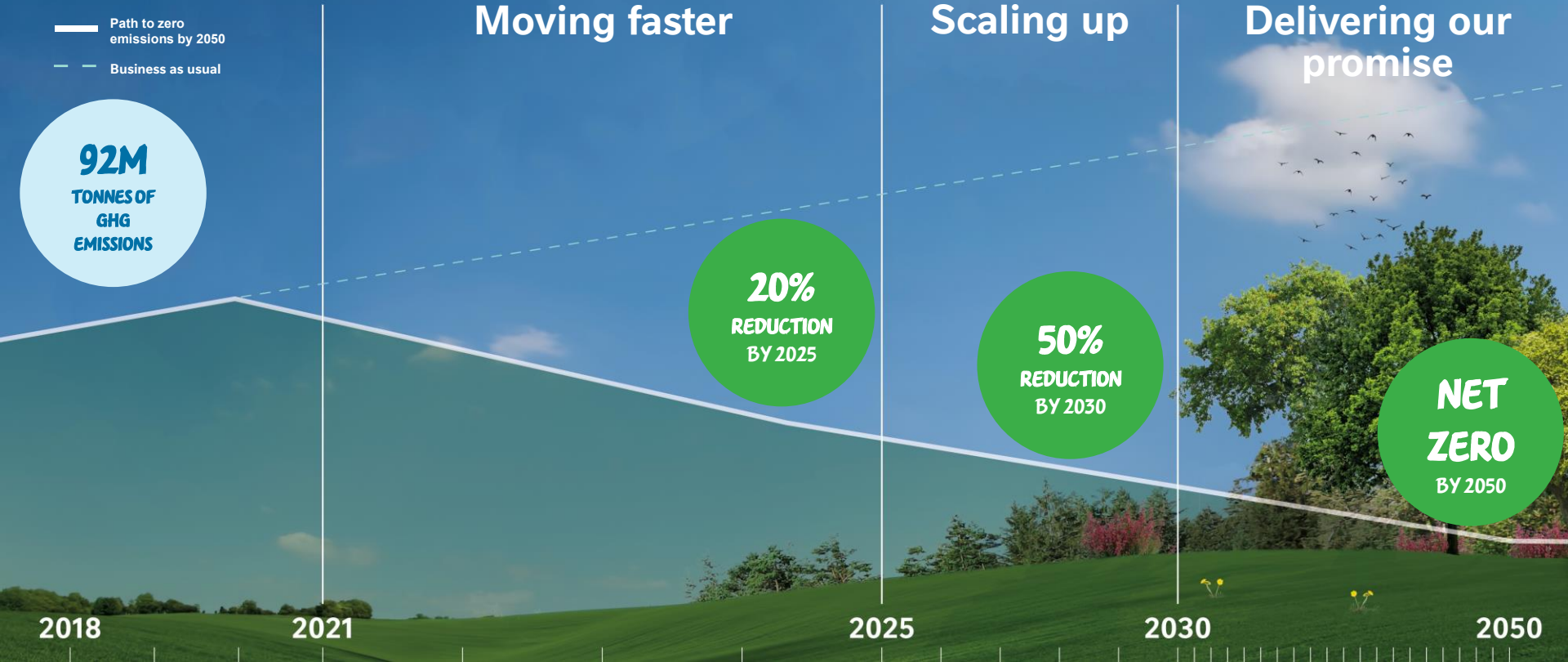
**Organic sales growth
contribution in 2020*
~60 bps**

* From acquisitions between 2017-2020



Nestlé's Net Zero Roadmap

Our path to regeneration for future generations



Sustainability is key to our value-creation strategy

- **Balancing short-term and long-term** stakeholder expectations
- **Creating competitive advantage** by enhancing relevance with consumers, regulators, employee base and investors
- **Keeping sustainability investments earnings neutral** through growth leverage and structural cost reduction



2021 guidance

- **Continued increase in organic sales growth towards a mid single-digit rate**
- **Underlying trading operating profit margin with continued moderate improvement**
- **Underlying earnings per share in constant currency and capital efficiency expected to increase**



Mid-term outlook

- **Sustained mid single-digit organic sales growth**
- **Continued moderate underlying trading operating profit margin improvements**
- **Continued prudent capital allocation and capital efficiency improvements**
- **Value creation for both society and our shareholders**



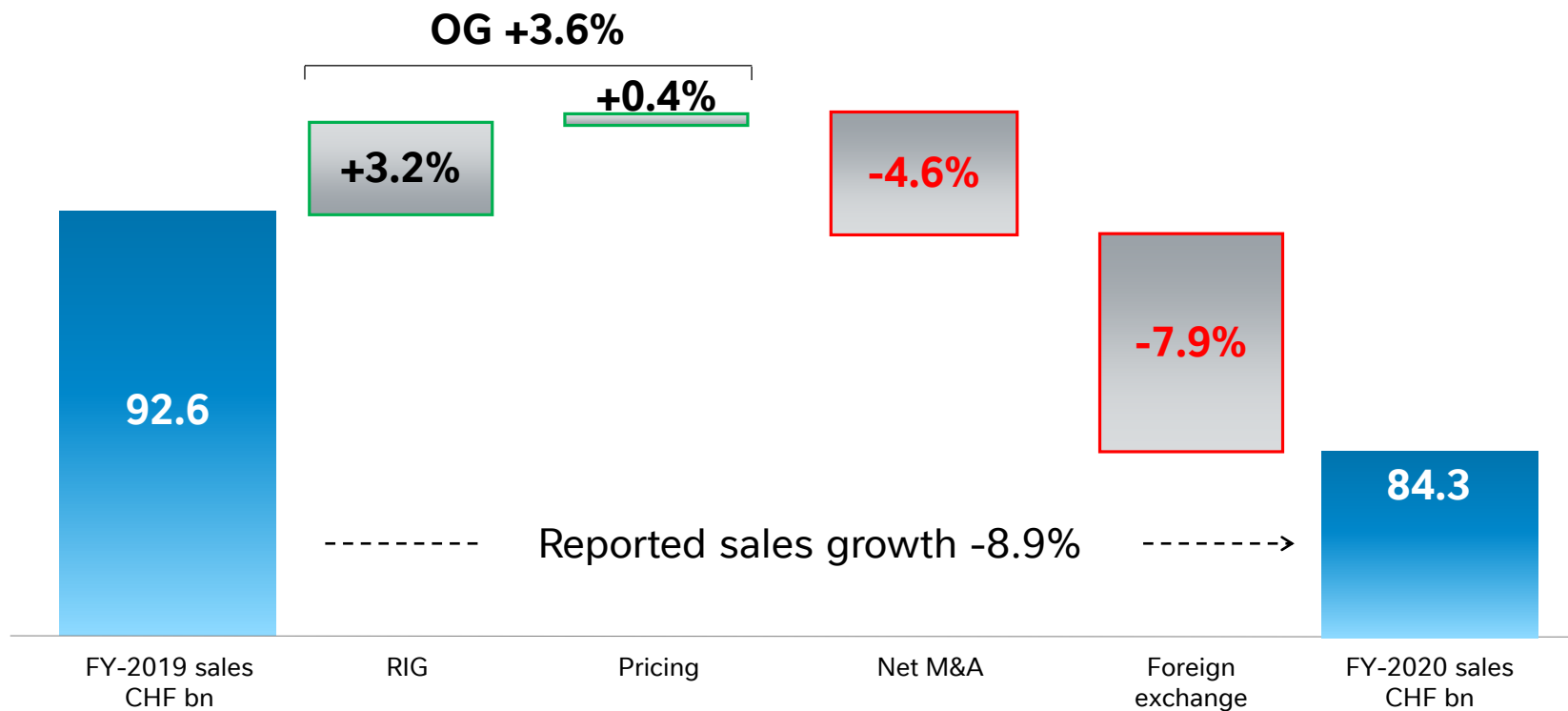
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François-Xavier Roger, CFO

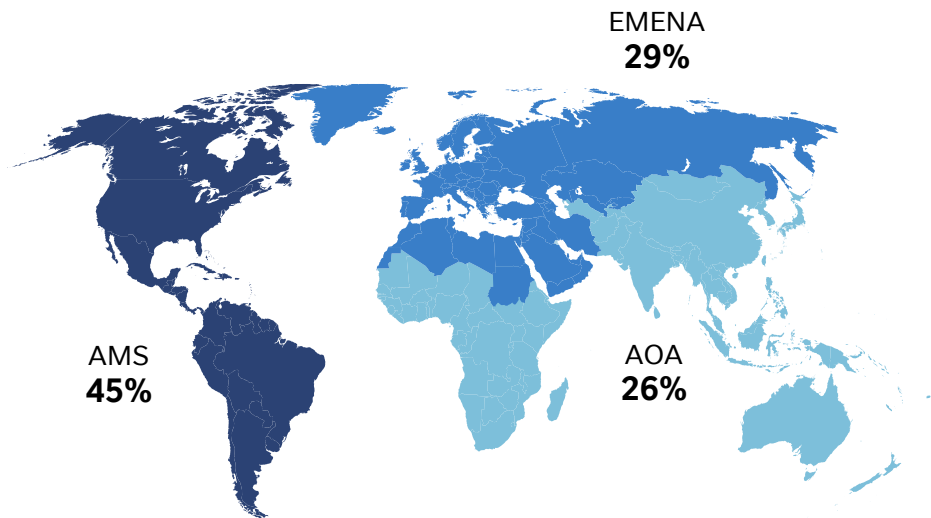


Full-year sales growth

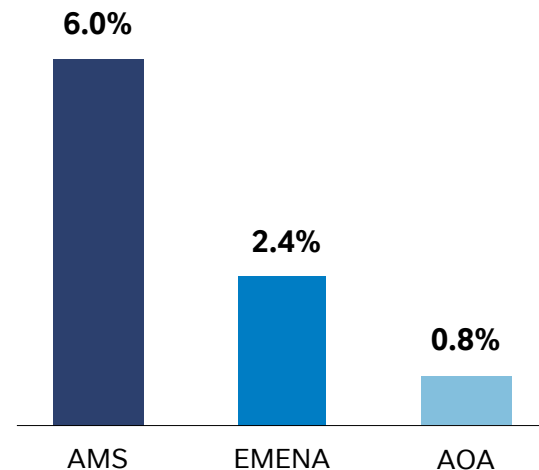


Broad-based growth with strong momentum in the Americas

2020 sales: CHF 84.3 bn



2020 organic sales growth

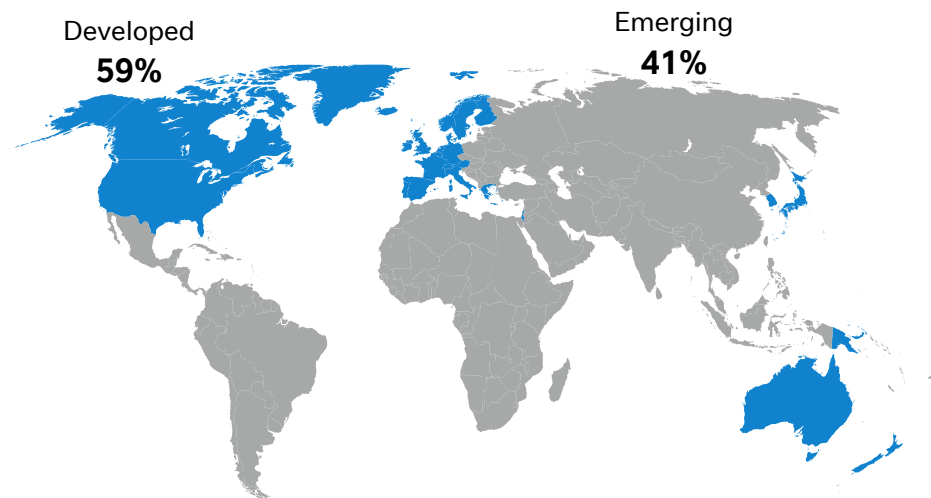


Each geography includes zones, Nespresso and Nestlé Health Science

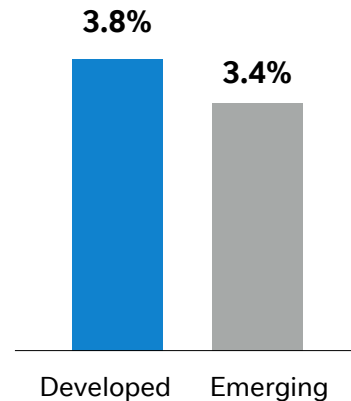


Strong growth in developed markets

2020 sales: CHF 84.3 bn

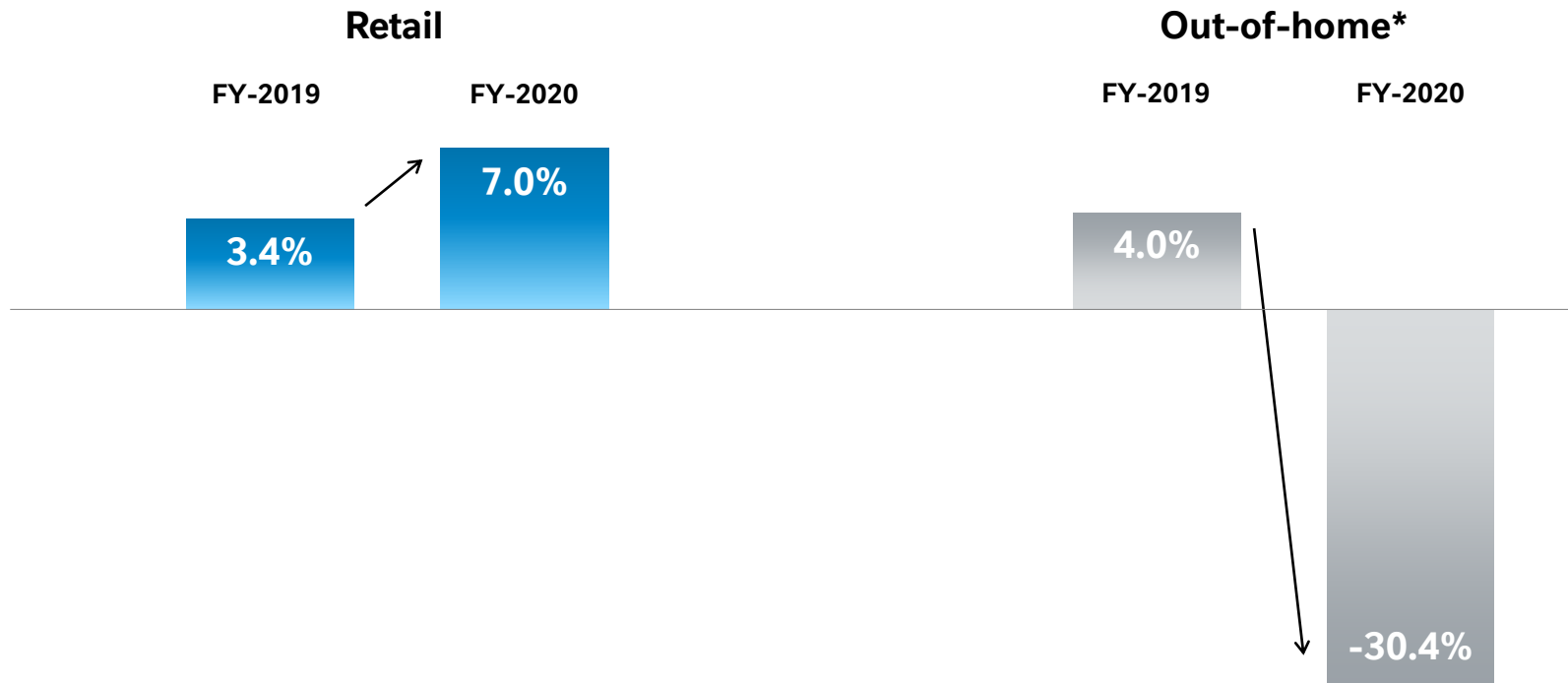


2020 organic sales growth



Contrasted momentum by channel

Organic sales growth

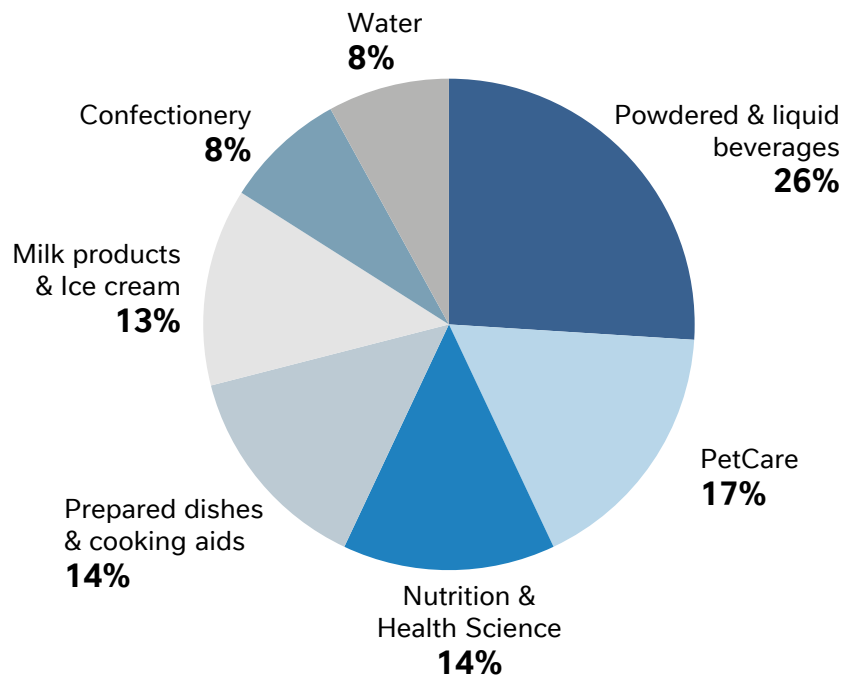


* Includes Nestlé Professional, foodservice activities of Nespresso, Starbucks products and water, travel retail and Blue Bottle

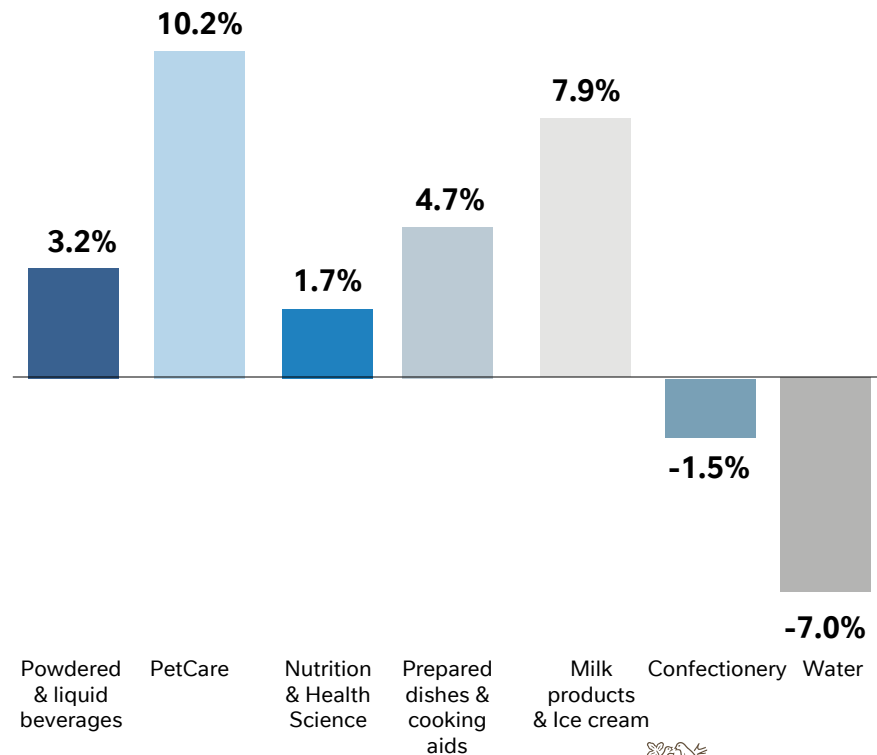


Contrasted growth across categories

2020 sales: CHF 84.3 bn



2020 organic sales growth

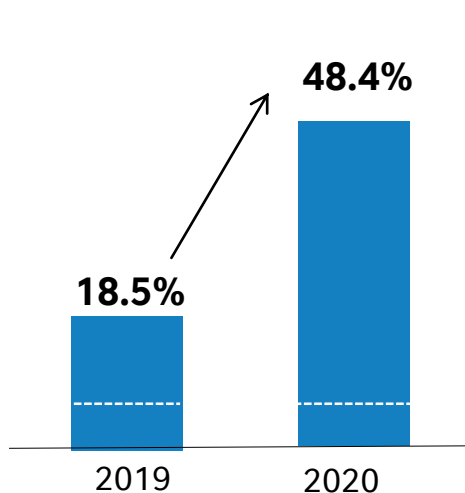


Key growth platforms

All figures relate to organic sales growth

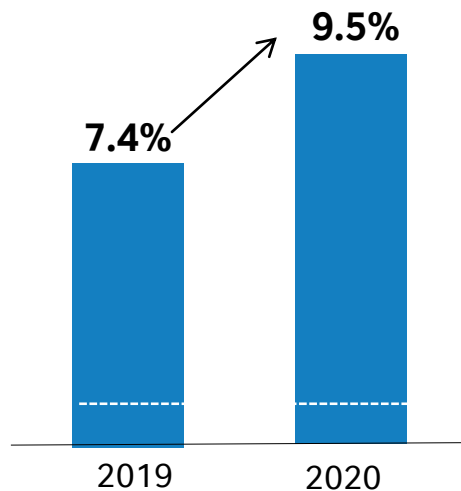
E-commerce

12.8% of sales



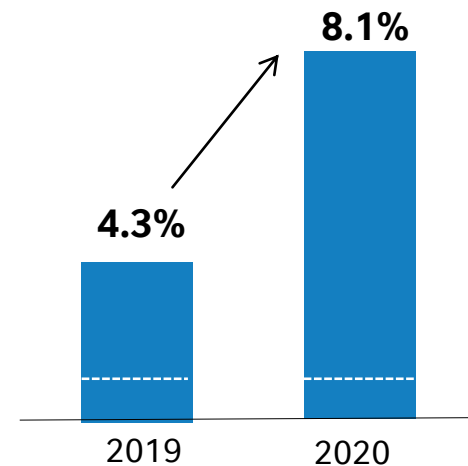
Premium products

30% of sales



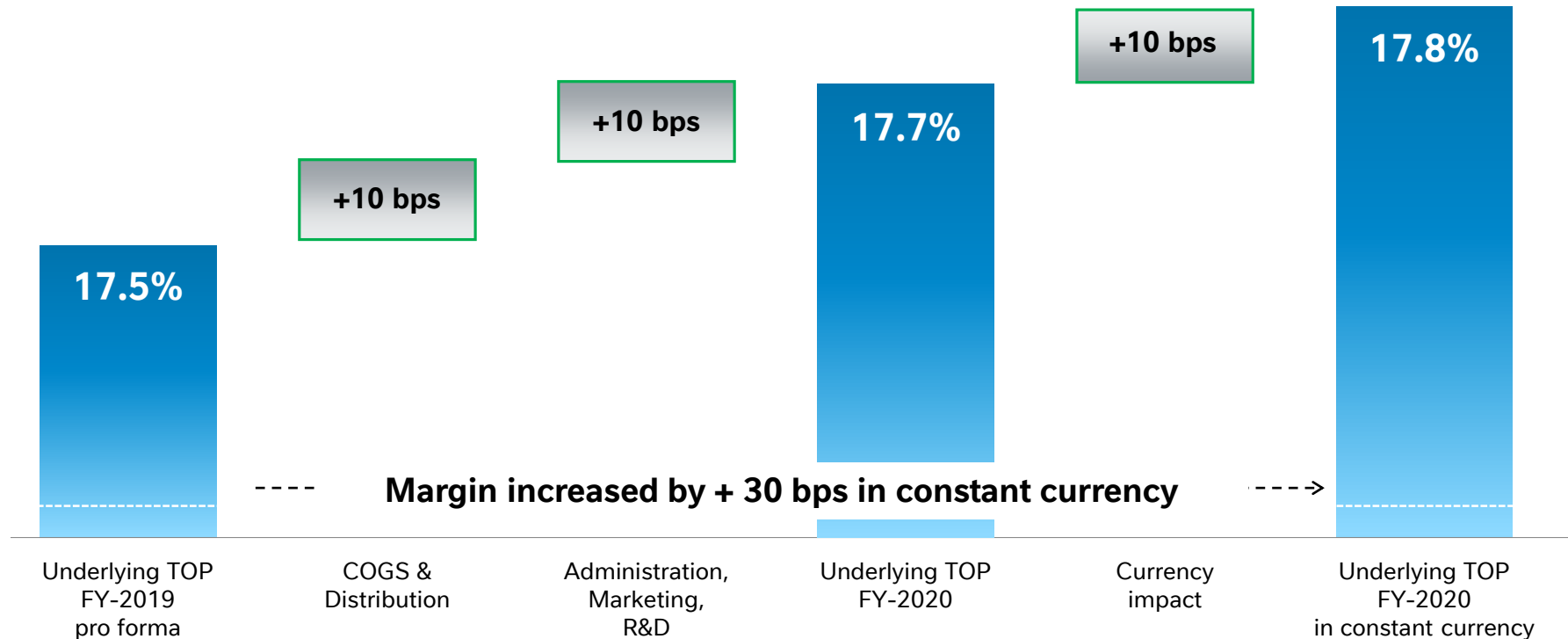
Affordable offerings

8% of sales



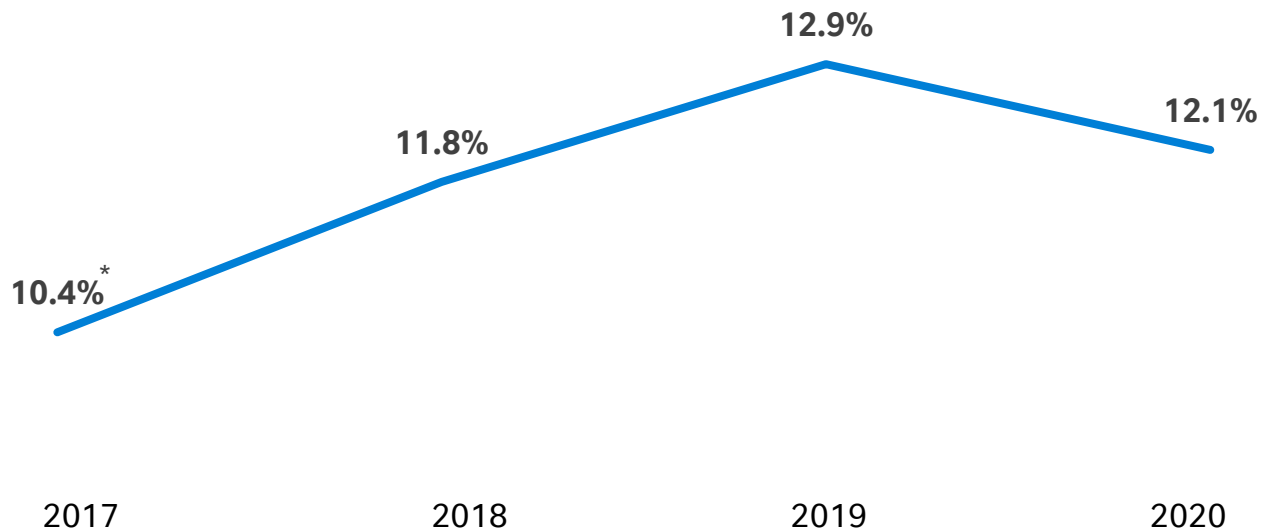
Continued margin expansion

Underlying TOP margin pro forma, excluding Nestlé Skin Health



Strong free cash flow of CHF 10.2 bn

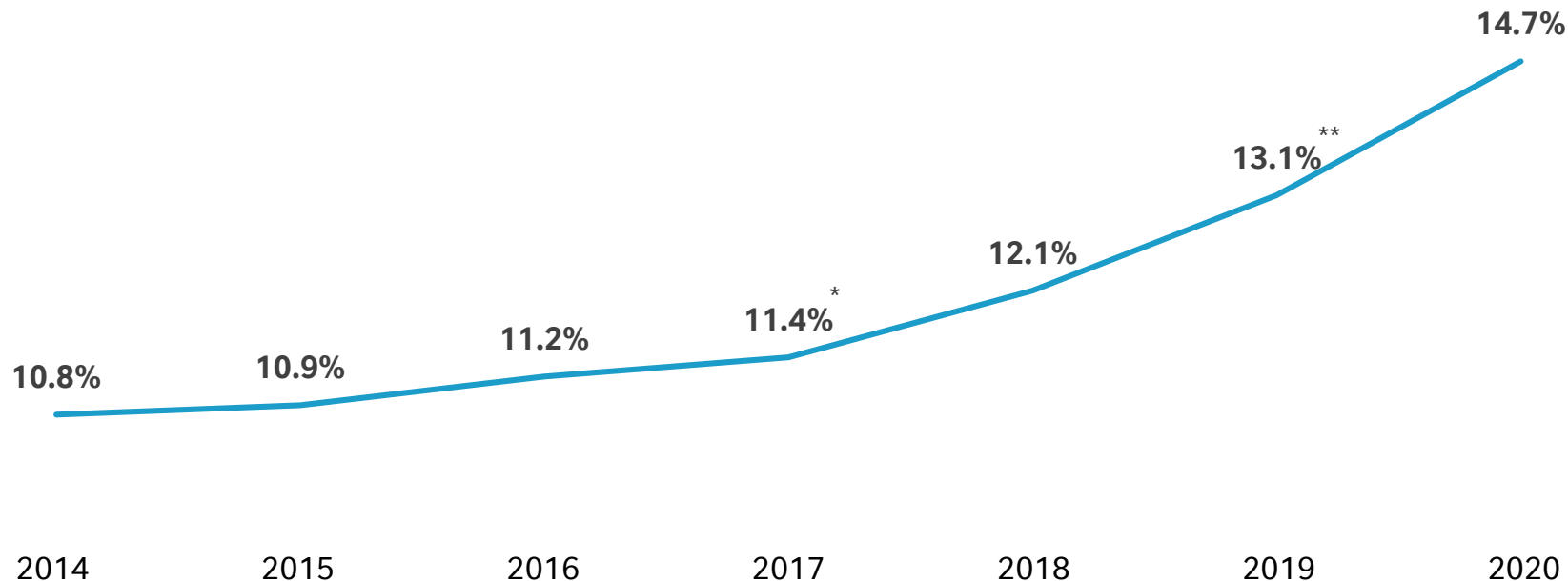
Free cash flow in % of sales



* Restated, reflecting implementation of IFRS 15 and IFRS 16



Steady progress in ROIC, led by disciplined capital allocation



* Excludes impairment of Nestlé Skin Health and restated to reflect implementation of IFRS 15 and IFRS 16

** Excludes impairment of Yinlu





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Q&A

