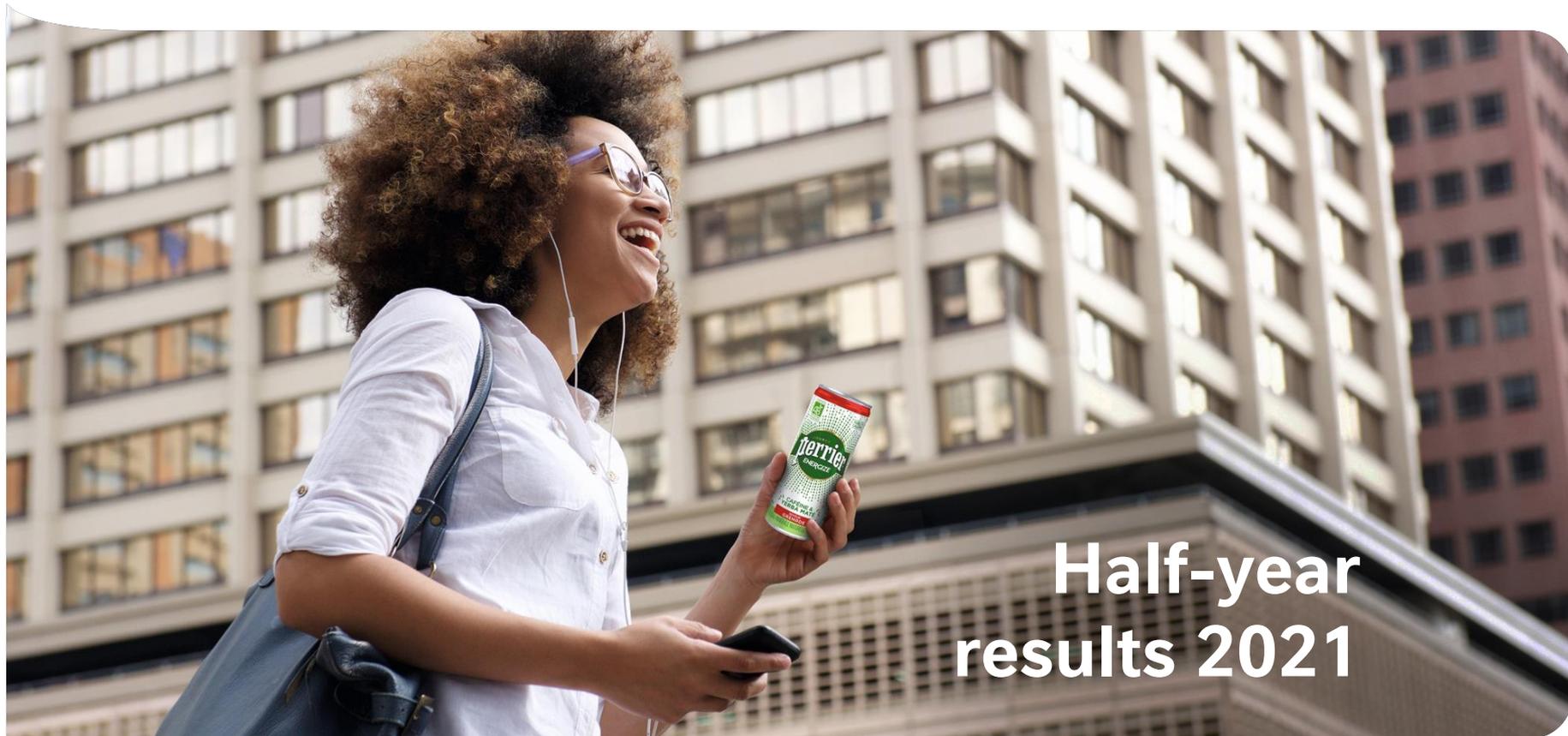




Nestlé Good food, Good life



Half-year
results 2021

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.

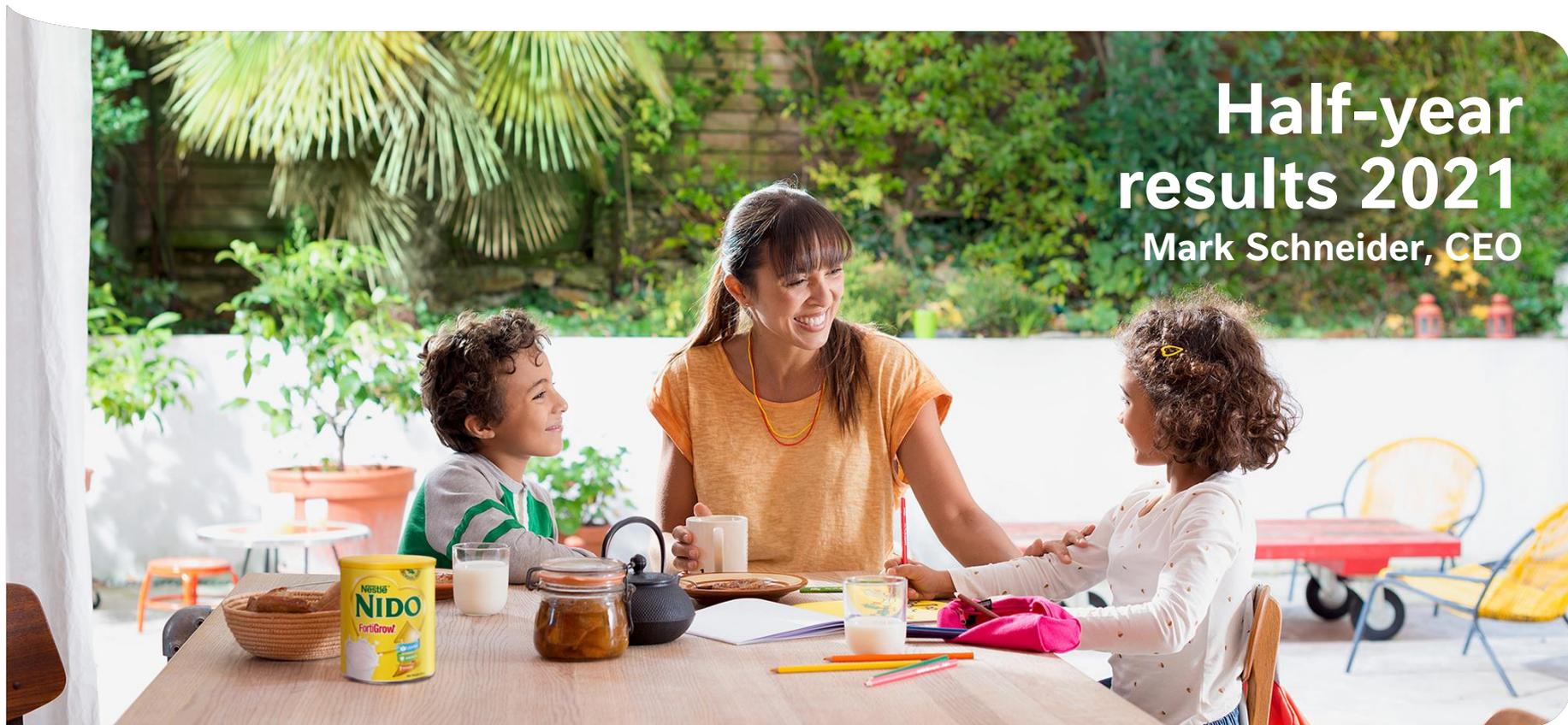




Nestlé Good food, Good life

Half-year results 2021

Mark Schneider, CEO



Key messages

- **Organic sales growth** of 8.1%, with strong RIG and increased pricing
- **Underlying trading operating profit margin** unchanged at 17.4%
- **Underlying EPS** growth of 10.5% in constant currency
- Further progress in **portfolio transformation**, including acquisition of The Bountiful Company's core brands and strengthening of our Starbucks alliance
- Continued progress on our **sustainability** agenda



Creating a global leader in vitamins, minerals and supplements

- **Large, fast-growing categories** addressing the needs of health-conscious consumers
- **Step change with the Bountiful acquisition making Nestlé Health Science the global leader**
 - **Complementary** product and channel mix
 - **Increased scale** and **synergies**, including R&D and manufacturing
 - **International expansion** opportunities

Current brands



New acquisitions*



* Pending deal completion for The Bountiful Company brands



Business as force for good: towards a water positive future



Regenerating local water cycles

- 100 projects across 48 Nestlé Waters sites
- Expands on ongoing Alliance for Water Stewardship commitment
- Solutions tailored to local challenges
- Science-based approach, backed by external panel of experts



2021 guidance updated

- We expect full-year **organic sales growth** between 5% and 6%
- The **underlying trading operating profit margin** is now expected around 17.5%, reflecting initial time delays between input cost inflation and pricing as well as the one-off integration costs related to the acquisition of The Bountiful Company's core brands. Beyond 2021, our mid-term outlook for continued moderate margin improvement remains unchanged.
- **Underlying earnings per share** in constant currency and capital efficiency are expected to increase





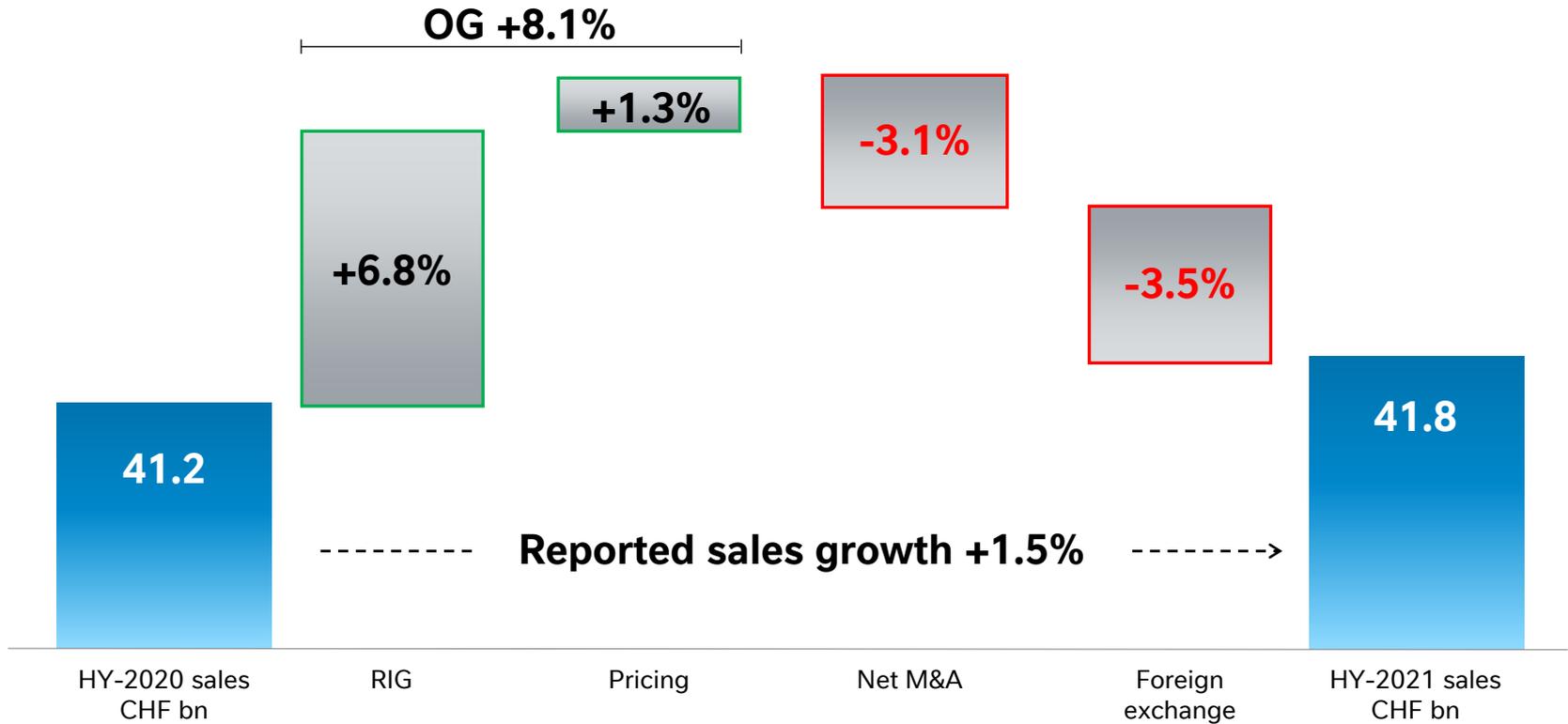
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Half-year results 2021

François-Xavier Roger, CFO



Half-year sales growth



Broad-based growth

	AMS	EMENA	AOA
Sales (in CHF)	18.3 bn	12.6 bn	10.9 bn
RIG	6.9%	7.3%	6.1%
Pricing	2.0%	0.7%	0.7%
OG	8.9%	8.0%	6.8%

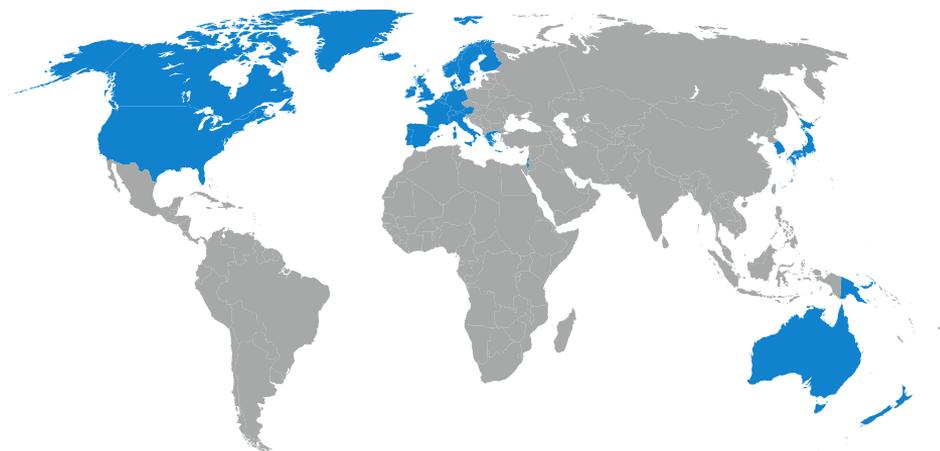


Each geography includes Zones, Nespresso, and Nestlé Health Science



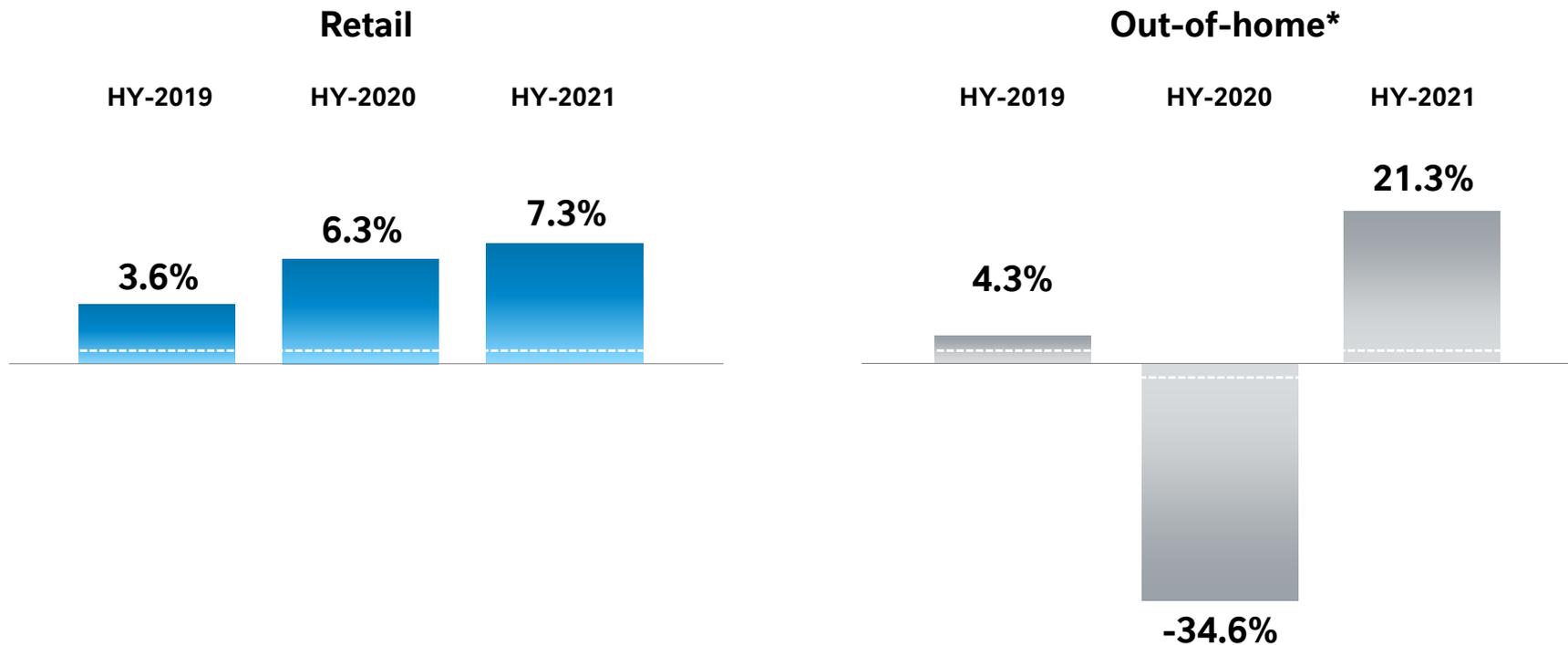
Strong growth across developed and emerging markets

	Developed	Emerging
Sales (in CHF) % of Group sales	24.3 bn 58%	17.5 bn 42%
RIG	6.7%	7.1%
Pricing	0.1%	2.9%
OG	6.7%	10.0%



Strong momentum in retail, gradual recovery in out-of-home

Organic sales growth

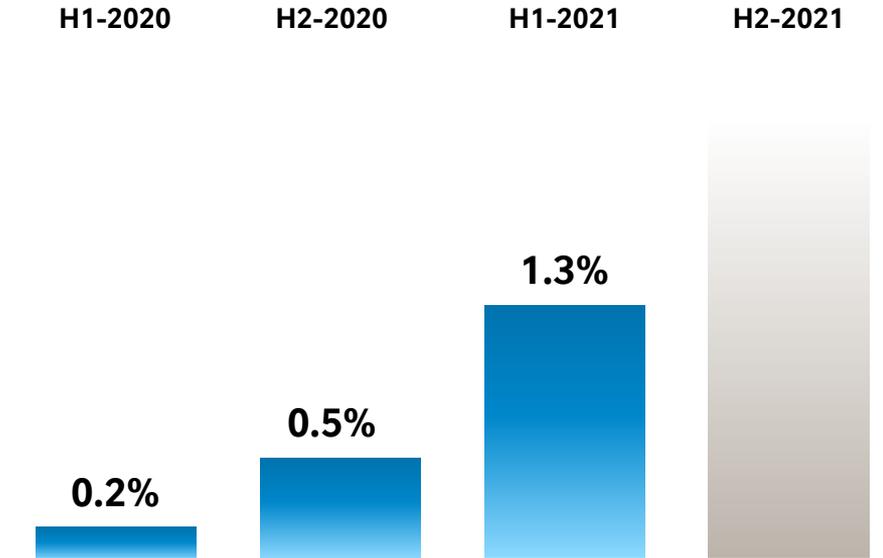


* Includes Nestlé Professional, foodservice activities of Nespresso, Starbucks products and water, travel retail and Blue Bottle



Managing cost inflation

Pricing



Mitigating actions

- Increasing pricing, while strengthening access to affordable nutrition
- Optimizing product mix
- Rolling out strategic revenue management tools
- Leveraging efficiencies, cost management initiatives and centralized procurement

Zone AMS

Sales	CHF 16.2 bn
Organic growth	7.6%
Real internal growth	5.3%
Underlying TOP margin	19.3%
vs LY	+40 bps

- Strong organic growth, based on innovation, e-commerce momentum and market share gains
- North America reported mid single-digit growth, led by *Purina* PetCare, coffee and creamers
- Latin America reached double-digit growth, with strong contributions across most geographies and categories
- Margin +40 bps based on operating leverage, structural cost reductions and product mix



Zone EMENA

Sales	CHF 10.2 bn
Organic growth	7.3%
Real internal growth	6.7%
Underlying TOP margin	18.8%
vs LY	+50 bps

- Strong organic growth, supported by innovation, e-commerce momentum and market share gains
- All regions reported positive growth, with strong sales developments in Russia, Turkey, the U.K. and Italy
- Coffee, *Purina* PetCare and Nestlé Professional were the key drivers with double-digit growth
- Margin +50 bps supported by operating leverage, structural cost reductions and product mix



Zone AOA

Sales	CHF 10.2 bn
Organic growth	6.8%
Real internal growth	6.3%
Underlying TOP margin	22.3%
vs LY	-40 bps

- Robust organic growth in a difficult environment, with market share gains in most categories
- China posted double-digit growth, helped by out-of-home recovery and the timing of Chinese New Year
- Outside of China, the Zone saw mid single-digit growth
- Margin -40 bps reflecting commodity inflation and product mix



Nespresso

Sales	CHF 3.2 bn
Organic growth	14.6%
Real internal growth	13.8%
Underlying TOP margin	26.0%
vs LY	+10 bps

- Strong organic growth, led by *Vertuo* and a return to growth in boutiques and out-of-home
- The Americas, EMENA and AOA saw double-digit growth
- Market share gains, with contributions from most markets
- Margin +10 bps reflecting operating leverage and structural cost reductions



Nestlé Health Science

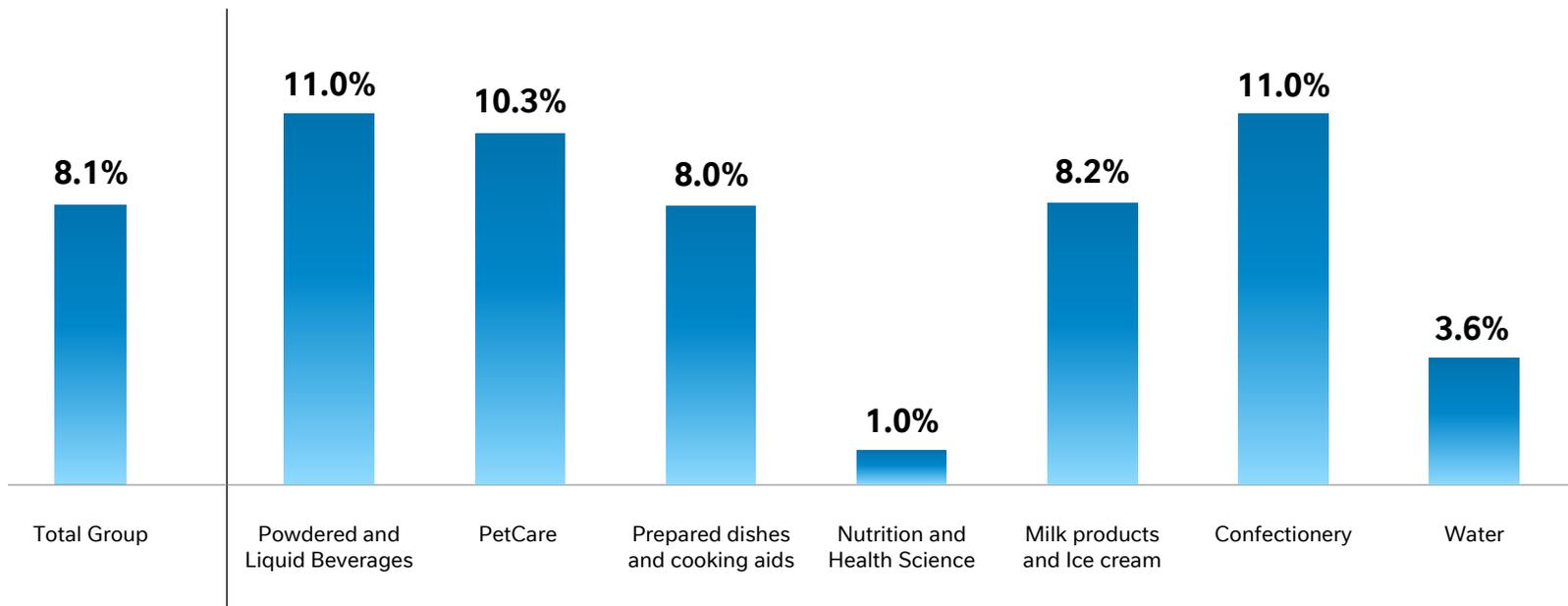
Sales	CHF 1.9 bn
Organic growth	13.6%
Real internal growth	13.6%
Underlying TOP margin	13.5%
vs LY	-580 bps

- Strong organic growth, driven by sustained e-commerce momentum, product launches and geographic expansion
- Consumer care saw double-digit growth, led by vitamins, minerals, supplements and healthy-aging products
- Medical Nutrition saw mid single-digit growth, with robust demand for adult medical care and pediatric care products
- Margin -580 bps due to investments in Aimmune and consumer-facing marketing expenses



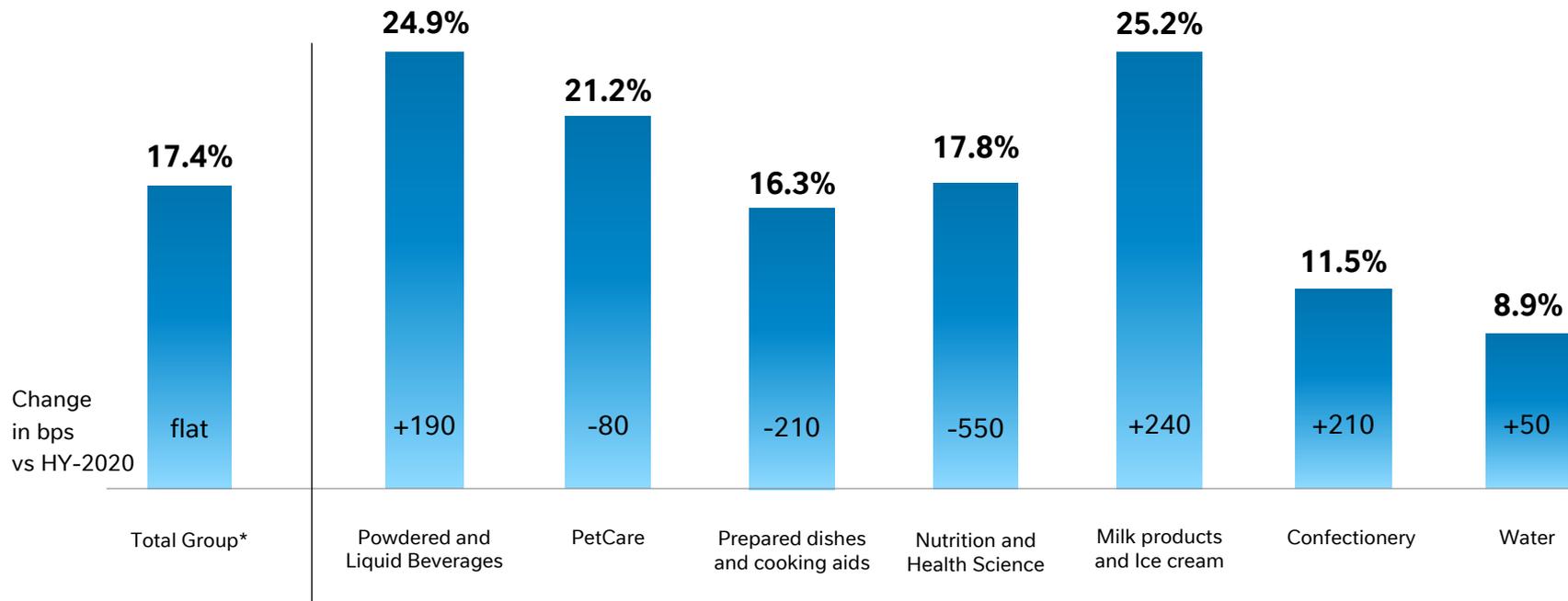
All categories back to growth

Organic sales growth %



Underlying trading operating profit margin by category

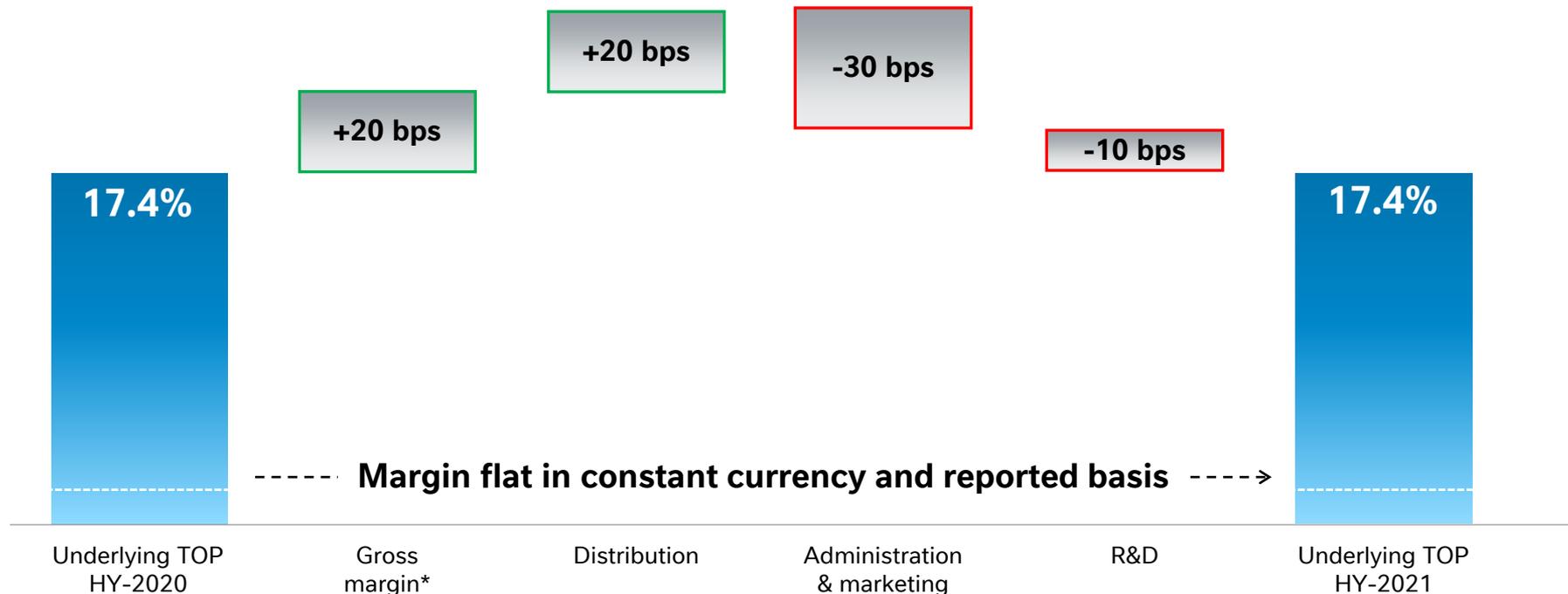
In % of sales



* Includes unallocated items



Underlying trading operating profit margin

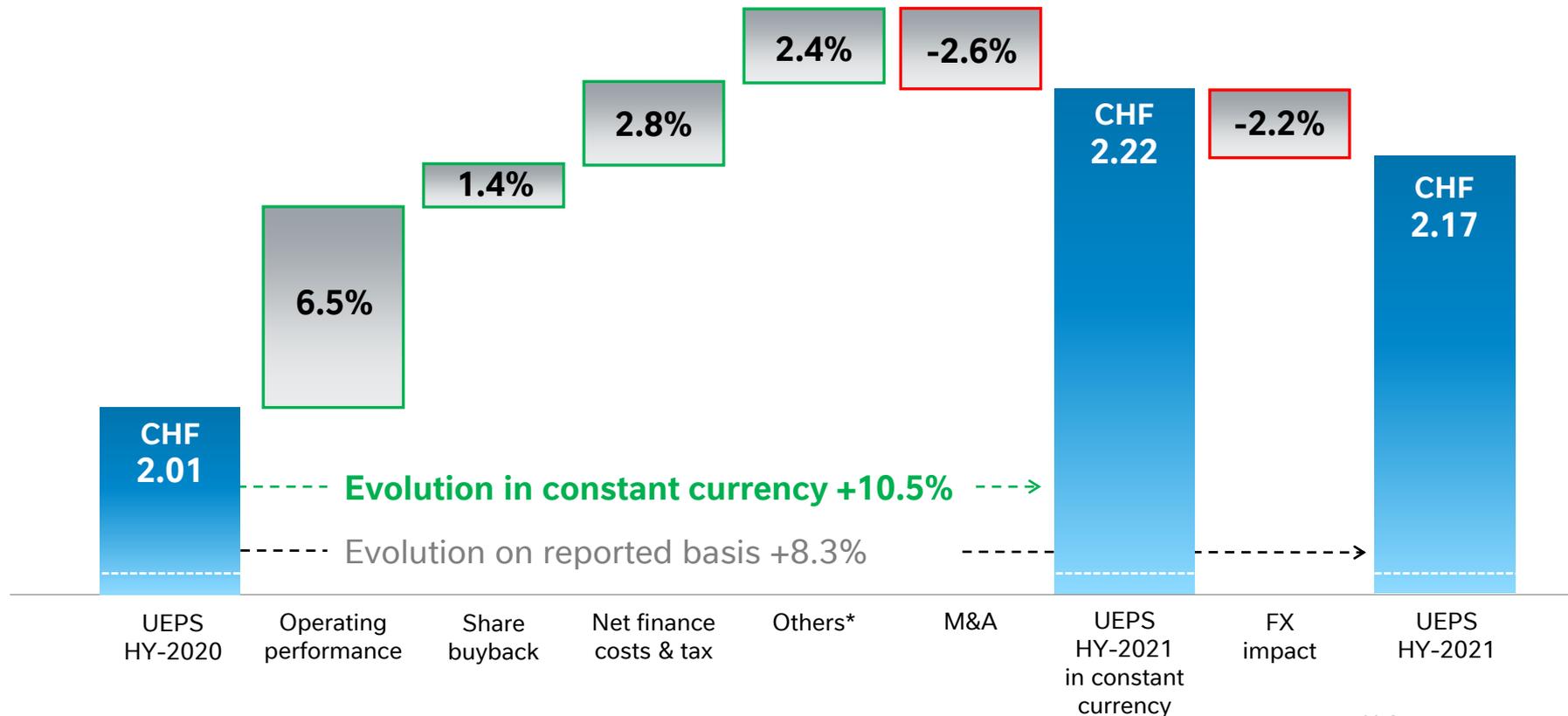


* Gross margin = Sales – cost of goods sold



Underlying earnings per share

In constant currency

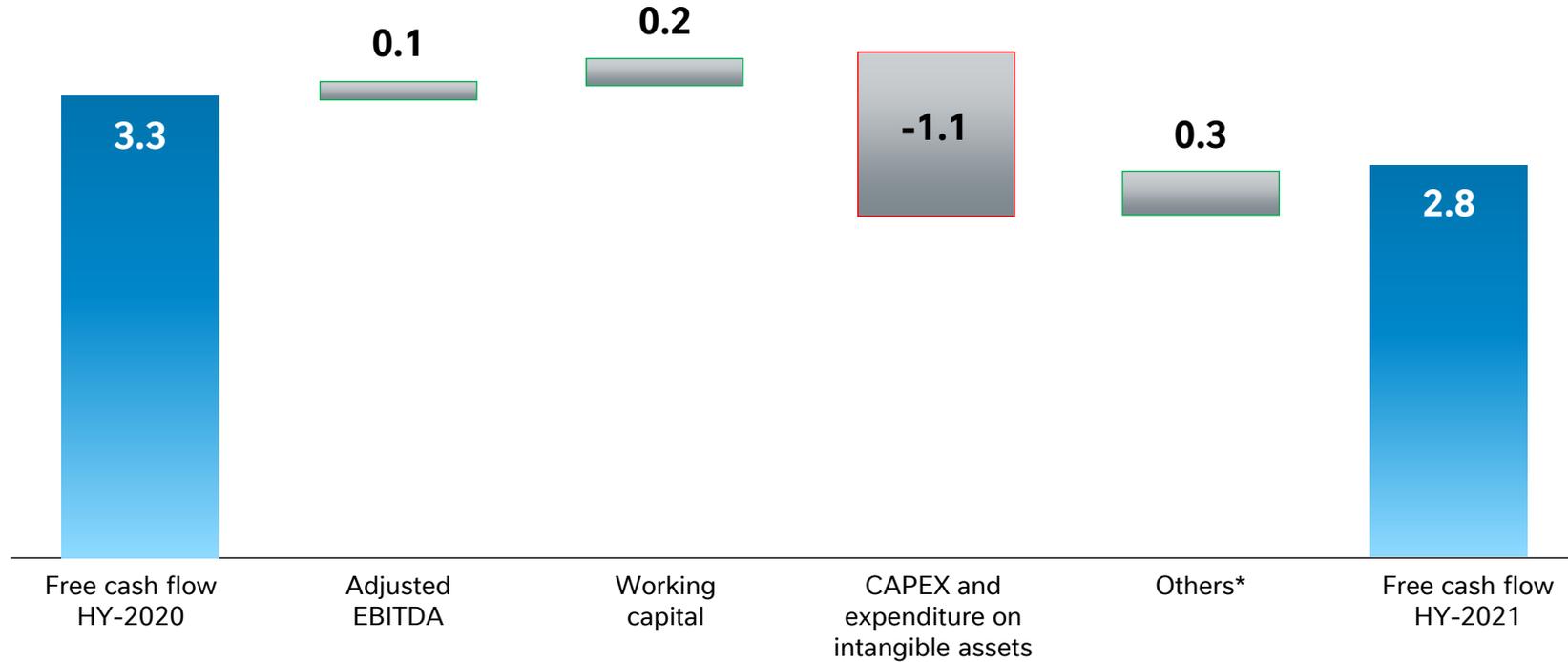


* Includes income from associates and joint ventures



Free cash flow

In CHF billion

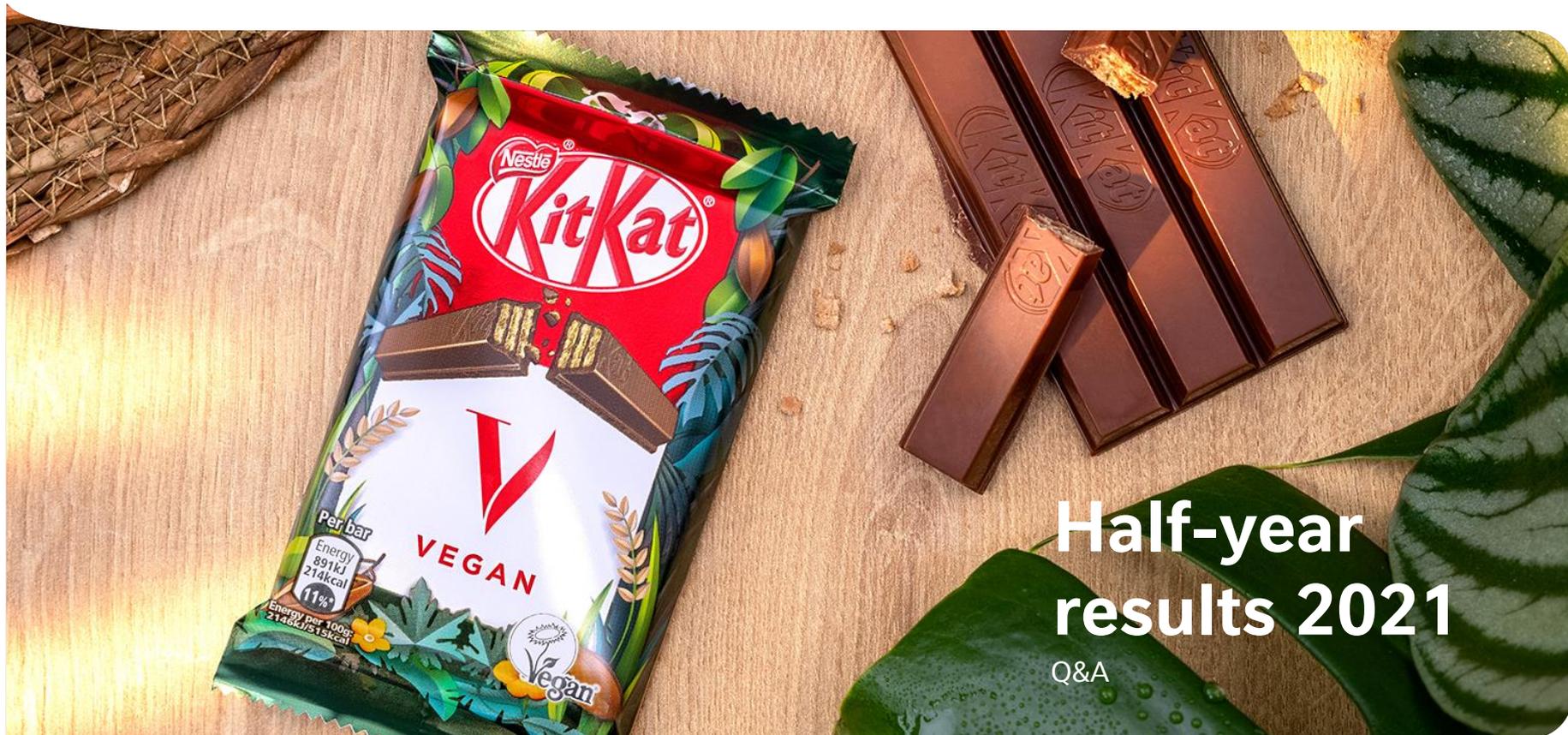


* Includes the effect of delayed dividend payment of an associate company in 2020





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Half-year results 2021

Q&A



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Half-year results 2021

Supporting slides



HY-2021 Operating segments – topline summary

	HY-2021 sales						
	Sales (CHF m)	RIG %	Pricing %	OG %	Net M&A %	F/X %	Reported sales growth %
Zone AMS	16 162	5.3	2.3	7.6	-4.3	-6.3	-3.1
Zone EMENA	10 214	6.7	0.6	7.3	-4.1	-1.4	1.8
Zone AOA	10 210	6.3	0.5	6.8	-3.7	-1.7	1.5
Nespresso	3 158	13.8	0.8	14.6	-0.2	-0.1	14.3
Nestlé Health Science	1 914	13.6	0.0	13.6	15.1	-4.4	24.3
Other businesses	97	18.4	-0.4	18.0	0.0	-3.0	15.0
Total Group	41 755	6.8	1.3	8.1	-3.1	-3.5	1.5



HY-2021 Products – topline summary

HY-2021 sales				
	Sales (CHF m)	RIG %	Pricing %	OG %
Powdered and liquid beverages	11 648	10.3	0.7	11.0
Water	2 291	2.0	1.6	3.6
Milk products and ice cream	5 205	4.8	3.5	8.2
Nutrition and Health Science	6 060	-0.1	1.1	1.0
Prepared dishes and cooking aids	5 919	7.1	0.9	8.0
Confectionery	3 229	9.1	1.9	11.0
PetCare	7 403	9,5	0.8	10.3
Total Group	41 755	6.8	1.3	8.1



HY-2021 Historical eight quarters

Period	RIG %	Pricing %	OG %
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
Q4-2020	3.0	0.9	3.9
Q1-2021	6.4	1.2	7.7
Q2-2021	7.3	1.3	8.6



HY-2021 Operating segments – revenue and results

	In CHF m						
	Sales	Underlying Trading Operating Profit	Trading Operating Profit	Net other trading income/ (expense)	Of which impairment of property, plant and equipment	Of which restructuring costs	Depreciation and amortization
Zone AMS	16 162	3 112	2 958	(154)	(23)	(5)	(482)
Zone EMENA	10 214	1 918	1 933	15	(19)	(31)	(438)
Zone AOA	10 210	2 282	2 270	(12)	(3)	(4)	(347)
Nespresso	3 158	822	811	(11)	(1)	(8)	(152)
Nestlé Health Science	1 914	258	256	(2)	-	(1)	(92)
Other businesses	97	7	(75)	(82)	(8)	(1)	(20)
Unallocated items	-	(1 148)	(1 166)	(18)	6	(12)	(140)
Total Group	41 755	7 251	6 987	(264)	(48)	(62)	(1 671)



HY-2021 Products – revenue and results

In CHF m						
	Sales	Underlying Trading Operating Profit	Trading Operating Profit	Net other trading income/ (expense)	Of which impairment of property, plant and equipment	Of which restructuring costs
Powdered and Liquid Beverages	11 648	2 905	2 767	(138)	(24)	(14)
Water	2 291	204	143	(61)	(6)	-
Milk products and Ice cream	5 205	1 309	1 290	(19)	-	-
Nutrition and Health Science	6 060	1 079	1 068	(11)	1	(7)
Prepared dishes and cooking aids	5 919	962	997	35	(3)	(3)
Confectionery	3 229	372	317	(55)	(14)	(34)
PetCare	7 403	1 568	1 571	3	(8)	8
Unallocated items	-	(1 148)	(1 166)	(18)	6	(12)
Total Group	41 755	7 251	6 987	(264)	(48)	(62)



HY-2021 EPS reconciliation (1 of 2)

From net profit to underlying net profit

	In CHF m	
	HY-2020	HY-2021
Net Profit	5 883	5 945
Restructuring costs	66	62
Impairments of property, plant & equipment, goodwill and int. assets	493	177
Net result on disposal of businesses	(1 482)	(212)
Other adjustment in Net other income/(expense)	246	358
Adjustment for income from associates and joint ventures	(22)	60
Tax effect on above items & adjustment of one-off tax items	563	(259)
Adjustment in non-controlling interests	(11)	(50)
Underlying Net Profit	5 736	6 081
Weighted Average number of shares outstanding (million)	2 860	2 799
Underlying EPS	2.01	2.17

HY-2021 EPS reconciliation (2 of 2)

From underlying trading operating profit to underlying net profit

In CHF m

	HY-2020	HY-2021
Underlying trading operating profit	7 156	7 251
Net financial income / (expense)	(447)	(416)
Adjusted taxes	(1 435)	(1 380)
Adjusted income from associates and joint ventures	618	777
Adjusted non-controlling interests	(156)	(151)
Underlying Net Profit	5 736	6 081
Weighted Average number of shares outstanding (million)	2 860	2 799
Underlying EPS	2.01	2.17



HY-2021 Currency overview

			Weighted average rate		
			HY-2020	HY-2021	Variation in %
US Dollar	1	USD	0.966	0.908	-6.0%
Euro	1	EUR	1.064	1.094	+2.8%
Chinese Yuan Renminbi	100	CNY	13.729	14.011	+2.1%
Brazilian Real	100	BRL	19.710	16.914	-14.2%
Philippine Peso	100	PHP	1.908	1.882	-1.4%
UK Pound Sterling	1	GBP	1.215	1.261	+3.8%
Mexican Peso	100	MXN	4.509	4.497	-0.3%
Canadian Dollar	1	CAD	0.706	0.729	+3.3%
Japanese Yen	100	JPY	0.893	0.843	-5.6%
Australian Dollar	1	AUD	0.633	0.701	+10.7%
Russian Federation Ruble	100	RUB	1.385	1.223	-11.7%



Underlying EPS

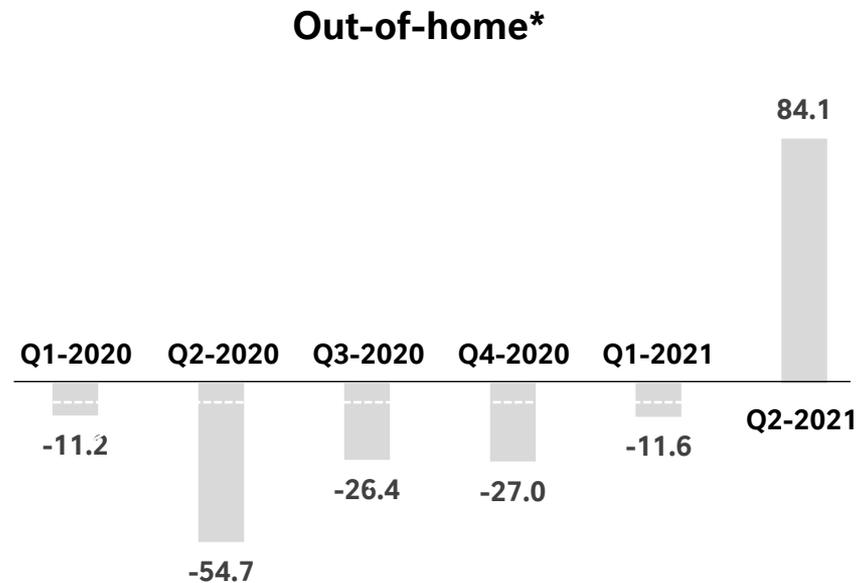
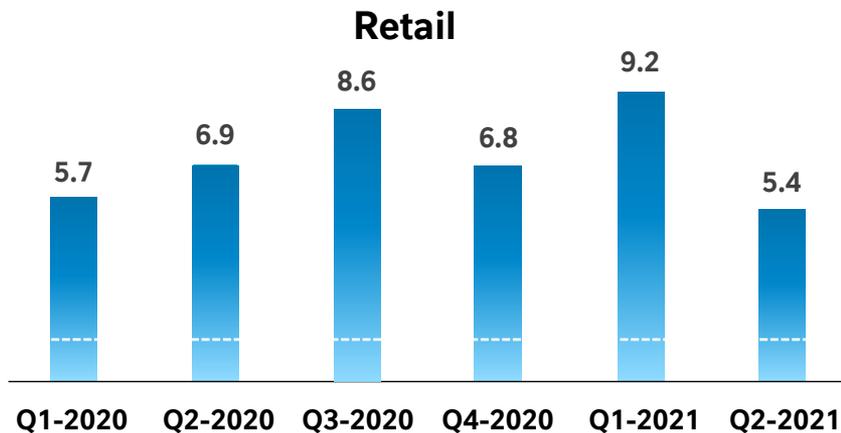
	% of sales	HY-2021 vs HY-2020
Underlying trading operating profit	17.4%	flat
Impairment of assets (excl. Goodwill and non-commercialized intangible assets)		-20 bps
Result on real estate operations		+10 bps
Restructuring, onerous contracts, litigation and other trading income / expenses		-10 bps
Trading operating profit	16.7%	-20 bps
Impairment of goodwill and non-commercialized intangible assets		+100 bps
Gain / loss on disposals		-310 bps
Taxes		+220 bps
Other		flat
Net profit	14.2%	-10 bps
Weighted average number of shares outstanding	2 799 m	-2.1%
Underlying EPS	CHF 2.17	+10.5%*

* In constant currency



Quarterly organic sales growth by channel

OG %



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



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
- EPS Earnings per share
- COGS Cost of goods sold
- FCF Free cash flow
- TOP Trading operating profit
- UTOP Underlying trading operating profit
- Structural costs Mainly production, distribution and administrative fixed costs
- Adjusted EBITDA As per definition in Alternative Performance Measures (APM)

