

NESTLÉ S.A.

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NESTLÉ FIRESIDE CHAT TRANSCRIPT**

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Speakers:

**François-Xavier Roger, Chief Financial Officer, Nestlé S.A.**

**Bruno Monteyne, Senior Analyst, Bernstein**

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**Bruno Monteyne, Bernstein:**

Good morning, Francois. Thank you very much for joining us today. It's a great pleasure to have you talk at our annual conference. In terms of the format of the session, I think you will take us through some key messages with some slides, and then we will go on to the questions with me. Over to you Francois.

**François-Xavier Roger, Nestlé S.A:**

Thank you very much Bruno. Good morning, everyone. I will start indeed with the presentation. It will be very short and then we'll move to a Q&A session.

**Slide: Our business is global, balanced and diversified**

So, Nestlé is the largest player in the industry. We had sales of CHF 84.3 billion in 2020. We have a very diversified portfolio of both geographies and categories. We operate in ~190 countries in the world, and we have a couple of categories where we have strong positions. So we are very diversified both from a geographic and category point of view. We are the largest spender in R&D in our industry, with CHF 1.6 billion of spending. And we have about 273, 000 employees and 376 plants. We are far less capital intensive and labor intensive than we were five years ago though.

**Slide: Our mid-term value creation model**

So, you know our value creation model, which is based on, as far as the top-line is concerned, a sustained mid-single digit organic sales growth. So we expect to be between 4% and 6% on a sustainable basis. We have the portfolio now geared for that level of growth. As far as the bottom line is concerned, we expect to deliver moderate underlying trading operating profit margin improvement, especially as we have to finance a fairly heavy sustainability agenda and I'll come back to that. And we are very prudent in terms of capital allocation, while at the same time we are really looking for capital efficiency improvement. And the foundation of everything obviously is the fact that we expect to create value not only for our shareholders, but we want to create value for society as well. And we have a key role to play there.

**Slide: Growth driven by continuous innovation, agility and purpose**

Nestlé is a company that is very much driven by science and technology. So we do invest a lot in science and technology, that helps us to differentiate ourselves in our market, which is important

because we are in a business which is increasingly commoditized, but through R&D and technology, we can differentiate ourselves, for sure.

We have specific and deep knowledge in nutrition, in gastrointestinal health, in metabolic health, in brain health, in healthy aging. And we have really invested a lot lately in R&D so as to reduce the time to market. When we used to develop products within two years in the past, we do it now within six months.

And even R&D, we use it a lot in order to help us to develop our sustainability agenda. This is helping us a lot to develop new products, to develop new packaging, new recipes, use new ingredients. And so also this is important, not only for products, but for packaging as well.

**Slide: Creating shared value: Living our purpose and values**

So, we are really investing a lot to create shared value, which is very much about ESG in its totality. So, that means that we are investing along four main pillars. One of them is climate. The other one is sustainable packaging, water, responsible sourcing. The cost of doing it will be fairly significant. We expect to spend about CHF 1 billion per annum over the years 2021 to 2025, out of which about CHF 3.2 billion will be on carbon neutrality and including CHF 1.2 billion for regenerative agriculture. And in addition to the carbon agenda, we expect to spend over the five years about CHF 1.5 billion for food grade recyclable plastic as well.

**Slide: HY 2021 results demonstrate resilience**

You know our results for H1 already. So we reached sales of almost CHF 42 billion with a superb organic growth of 8.1%. We may not be able to sustain that obviously, but this is partly linked to the pandemic and we had a little bit of tailwind in H1 and the comps were relatively easy. Our underlying trading operating profit margin was at 17.4% in H1, which is equivalent to the level of last year. We continue to generate strong free cash flow, which was partially impacted in H1, and it will be the case for the rest of the year and for next year as well, as we are really ramping up our CAPEX investment, more specifically in Coffee and PetCare.

**Slide: 2021 guidance**

And just as a last slide, a quick reminder of our 2021 guidance. So we expect for the top line to have organic sales growth between 5% and 6%. So we revised it upwards recently. Our underlying trading operating profit margin is expected to be around 17.5%, as we expect to have some time delays between the input cost inflation, which is a quite significant issue today and

pricing. We are really pushing on pricing now, but there might be a little bit of a timing difference in the second part of 2021, which explains the fact that we revised our guidance to around 17.5% and the rest of the guidance remains similar to what it was before. Underlying earnings per share in constant currency and capital efficiency are expected to increase.

So that concludes my initial presentation and I think that we will move directly to a Q&A session now.

<b>Question:</b> <b>What makes Nestlé different to its peers</b>
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**Bruno Monteyne, Bernstein:**

Thank you very much Francois for that overview. You had a long career before Nestlé, and so did your CEO Mark. As outsiders coming into Nestlé. What makes Nestlé different. And if it makes it easy to think about the question, if you were to contrast Nestlé with some of its peers and I'm thinking about Danone or Unilever, what does Nestlé excel at, compared to those companies?

**François-Xavier Roger, Nestlé S.A:**

I think it's a good question to start with. Looking at it after six years with Nestlé, clearly I think that the first thing that qualifies Nestlé as a different company from others is the fact that we are really working for the long term. And I do think that it does make a difference. We are not just looking for the next quarter or the next year, but really positioning us for the long-term. The other thing is that we have an exceptional global footprint operating in ~190 countries. So we are very global, very international, but at the same time, we are very local as well. And you can see it through the way for example, we handled the pandemic. We have delegated really and managed the pandemic at country level and I think it was absolutely necessary. So that shows the fact that we can be both global and extremely local.

Nestlé is also a company that is extremely good at execution. So I think that it does make a difference versus some of our competitors. It's not just about defining a strategy, but it's about execution and I think we are very well positioned. And one thing that clearly differentiates us as well, is our interest and our deep investment in science and technology. So we can be a marketing house as well, but we have a clear, competitive advantage as far as science and technology is concerned.

<b>Question:</b> <b>Growth vs size</b>
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**Bruno Monteyne, Bernstein:**

Thank you. Now I'd like to focus in today's discussion on a few inherent tensions at a company like Nestlé. I sort of see six tensions, there are three of those I'd love to discuss. And the first one is the tension of growth versus size. I mean, you want to grow organically at mid single-digit, but that's well above the natural rate of the food market. So, to keep growing at mid single-digit, does that imply you have to keep pruning the tail and you can't stop the pressure from commoditization. There will always be a weakest business unit that holds you back. Therefore, does the growth target imply a cap on the total size of Nestlé?

**François-Xavier Roger, Nestlé S.A:**

No, not really. We don't see a cap in our growth. I think that we have been very active in portfolio management lately. We have rotated, which is a sum of what we bought and what we disposed of, about 18% of our portfolio. It's certainly helped us to grow, but we don't see a limitation to our growth and there is no cap.

Indeed I mean, we will have to fix underperformers on a regular basis, but we believe that structurally, we have a portfolio today which is geared for mid single-digit growth clearly. Portfolio management will help us. We do aim at gaining market share, that does make a difference. And this is really what has happened significantly as well, over the last two years. So, I think that when you look at a continuous active portfolio management, market share gains and structurally the portfolio we have, I think that it will help us to continue growing in the mid single-digit space for some time.

<b>Question:</b>	<b>M&amp;A contribution to growth</b>
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**Bruno Monteyne, Bernstein:**

So, I presume the mid single-digits is about organic growth. So I'm thinking, can M&A be a net contributor? So thinking can it add a hundred basis points per year, in addition to organic growth?

**François-Xavier Roger, Nestlé S.A:**

I think, that if you look at the situation last year, acquisitions contributed to about 70 basis points of organic sales growth, which is quite significant. If you look at all assets that we have bought over the last four years, they contributed last year in 2020, about CHF 4 billion of sales. And these assets combined grew by 17% and contributed 70 basis points of growth. So it's a little bit at the lower end of what you say around 100 basis points. We don't have any such objective anyway, but certainly it will help.

And I want to add as well that it is not just about contributing on the top-line. What is interesting as well is to understand that M&A, all the activities that we have done on portfolio over the last four years, did contribute to about one third of the margin improvement over the last four years, which is quite important. But I want to insist on something else as well. Managing Nestlé is not just about doing M&A. So, we are working very actively as well, and this is portfolio management as well, on our base business. And so, I think this is very important, what we do in terms of innovation, what we do in terms of reducing time-to-market, accelerating innovation in the market, premiumizing our range, is as valuable and as key a contribution as well to our organic sales growth.

<b>Question:</b>	<b>Acquisition focus</b>
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**Bruno Monteyne, Bernstein:**

And in terms of, I mean you obviously have Bountiful, which was a major sort of additive to the business. If you were to look for more of this kind of assets, which I'm assuming you're doing, what are the areas where we should expect you to be trying to do material bolt-on?

**François-Xavier Roger, Nestlé S.A:**

So, we are very interested in making further acquisitions. By the way, over the last couple of years, we did more disposals than acquisitions. So, we are very much interested now to be even more acquisitive, expect that there will be less disposals. We have done the bulk of what we wanted to do back in 2017. Even if this is a process that we are regularly revisiting, we have done the bulk of it. So do expect to see us more active even on acquisitions.

We are more interested in the sweet-spots of small to medium-sized acquisitions, less interested in large acquisitions. That's the type of acquisition that you just mentioned, the Bountiful company. This is what we did with Starbucks. This is what we did with Atrium Innovation as well. And there are plenty of opportunities in that space. We are not looking at any single category per se. We are interested in doing it for all our categories, even if we have what we call high-growth categories, but we can make acquisitions as well in the other categories, with the idea to strengthen our existing position, with the idea to get access to growth assets, just to relate to what we said earlier. So this is very much what we want to do. We don't have any priority either from a geographic point of view. So we are fairly agnostic and we will look at any geography and any category.

**Question: Growing faster and being healthier****Bruno Monteyne, Bernstein:**

Now, the second tension I wanted to think about was the tension between maintaining growth and health credentials. The motto of Nestlé is *Good food, Good life*. But at the same time, your own internal health presentation suggests that 60% of your mainstream food and drinks are not healthy enough. I know that ratio doesn't really apply across the entire portfolio, but still it's a pretty high ratio across meals. And some of the products that your internal document described are particularly bad for our health. So I'm thinking you could be getting healthier a lot faster if you got out of those activities, but that will be limiting your growth. So, the question really is there a tension between growing faster and being healthier, and if there is, who makes those calls and what is the right balance?

**François-Xavier Roger, Nestlé S.A:**

No, we don't see it that way. We don't think that there is a conflict between offering healthy proposition to consumers and growing. I mean, they can go together. You are referring to an article that had appeared in the media whereby, something like about, it's actually around 30% of our products that were classified as being less nutritionally attractive, or less attractive from a health benefit point of view, as per a classification that applies in Australia. We are not neglecting it, by the way this report, we are using this report and actually the top management asked some people in the organization to look at our portfolio and really look at the way we could improve the nutritional and health profile of our products.

This is something that we have been very active upon over the last couple of years. Just as an example, we reduced sugar in our products by about 17% over the last seven years. And the same percentages are applying as well to salt and fat. So we are really working very actively on it, aware of our responsibilities and aware as well of the fact that okay, we can sell indulgence products. By the way, even if one third of our products or less than one third of our products today have a profile which is maybe not ideal from a nutritional or health point of view. You know, once again, we can improve it, but everybody knows it. I mean, we are selling KitKat, we are selling pizza and we don't feel bad about it. But we don't see any conflict between growth on the one hand, and health benefit on the other hand.

**Question: ESG and portfolio management**

**Bruno Monteyne, Bernstein:**

Thinking about dealing with health and some ESG issues, there seems to be a trend. Some of the big companies are trying to do the right things in terms of ESG metrics to sell-off sort of badly performing assets. I'm thinking about your mass market water businesses in the U.S., but I'm sure every company has a few of those. Now I'm just thinking, when you sell to PE, are you sort of passing all the moral buck to somebody else? And when you really think about your broader ESG responsibilities, does that come into play, that actually disposing isn't really solving the issue for society.

**François-Xavier Roger, Nestlé S.A:**

No, That's a very good question because we don't think that addressing some of the issues that we are facing like carbon or packaging, that the way to address them is to dispose of these businesses. By the way we disposed of some of our businesses, take the example of U.S. Confectionery, a few years back, we did not dispose of it for these reasons. We disposed of it because we had a limited ability to win, with about 4% market share. We disposed of North American Water because it was a very mainstream business and we did not think that we were the right owner of these kind of assets. But you know, it's not because we are facing some challenges, as many other companies do, to decarbonize the company or with packaging, that the easy escape would be to dispose of these businesses.

No, we are taking the challenge. We are taking responsibility. We believe that we can make all of our categories carbon neutral by 2050. That's not an easy challenge. That's a costly exercise that we can self-finance. Absolutely, we will not ask our shareholders to pay. We don't think that consumers will pay in the vast majority of cases. We take the challenge. Take the example of carbon, about 70% of the carbon emissions at Nestlé are coming from agricultural commodities. And the bulk of it is coming from Dairy. So, the easy solution to be carbon neutral would be to say, let's exit Dairy. No, but babies need dairy products. Children need milk, adults do and elder people even more. So we don't want to escape our responsibility. We take the challenge. We believe that we can do it.

The same applies for plastic. It would be too easy to exit the Water category. We don't want to do that. That's a growth category. That is health, I mean, water is important. This is a pure NHW, Nutrition, Health, and Wellness. So we want to play there. Let's tackle the issue of plastic by making it as a first step, recyclable and reusable. And we take the challenge, both from a technology point of view and from a financial point of view.



**Question:                    Generating new categories****Bruno Monteyne, Bernstein:**

I was also thinking to what extent some of these problems could actually generate entire new markets for Nestlé. Now in terms of food or milk or dairy that you talked about before, I was sort of thinking beyond plant-based foods. If you think about a new fermentation process or other, where you might be able to get milk proteins generated in a very different way without climate change. Is that a potential, could that in 10 years be an entire new division, like Nespresso became a new division or is it too bold, too fast?

**Francois Roger, Nestlé S.A:**

So, we are clearly very interested once again, in making a difference in terms of technology and science. So we are testing some technologies, like for example, cultured meat. It's too early to conclude, but we are planting some seeds and we are testing some of these technologies and science-driven innovation. We will see what it does at the end. I don't think that it will be necessarily a specific division later on because it can fit within our own categories that are already in existence, let's see.

But clearly we are very, very much interested in investing. Take some examples, like plant protein-based products, take some examples like food allergy. Food allergy is a category that doesn't exist. Neither in food, nor in pharma by the way. While there are clear unmet medical needs, so we can address it. And once again, I'm coming back to my first remarks in your first question. We are investing for the long term, even if it could be costly at the beginning, but we have the scale, we have the size, we have the balance sheet, we have the P&L that allows us to create entirely categories for the long term.

We did that with Infant Nutrition when Nestlé was born. We did that with Soluble Coffee 80 years ago, we did that with Nespresso 35 years ago. We did that with HMO, human milk oligosaccharides for Infant Nutrition 5 years ago. So, we will continue really investing for the long term and making a difference through science and technology.

**Question:                    Aimmune****Bruno Monteyne, Bernstein:**

Yeah, that reminds me, I think you once said that Nespresso took like 10 or 11 years of investment before you could really create or spawn a whole new industry. I'm thinking about Aimmune, which

is back to the food allergy. I mean, it's an expensive acquisition, still relatively unproven potentially. How long do you think for investors, you might be needing to invest before you really know if it's going to work or not?

**François-Xavier Roger, Nestlé S.A:**

So once again, we like the category of food allergy. You have 20 large food allergies in the world from shrimp to fish, to cheese, to gluten, and peanut allergy. Today, there is no cure for people suffering from these diseases. The only thing that they can do is to avoid eating these food items, but it can be dangerous. I mean, they can even die out of it. So this is a serious matter. We have the ambition to participate in the creation of a new category.

So, we bought this asset Palforzia, and we bought this company Aimmune. That was a sizeable investment, but we expect that product to be a blockbuster, which means we expect to reach over time, it will take a few years, a billion dollars in sales. And so, we are very confident, even if we are maybe a little bit late because of COVID that delayed a little bit the launch of the product. But we are very confident about it that we will reach it in a few years, and this is once again, clearly addressing unmet medical needs.

<b>Question:</b>	<b>Living income</b>
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**Bruno Monteyne, Bernstein:**

And the next trade off, challenges between profits and poverty. I mean, you're doing a lot to help alleviate poverty in the supply chain and to try to avoid child labor in your Confectionery business. From the data I see, Nestlé and all your peers are losing the battle. I mean, you're relying on very poor farmers in countries of suboptimal governance and therefore child labor is still unacceptably high. It's obviously linked to the human rights laws on making a decent living. Now, many or most of these farmers don't earn a living income. I also know it's complex, I've read all the Nestlé documents, but it seems affordable to me to increase the price of chocolate, probably by mid single-digit inflation or possibly even less to ensure that those farmers earn a living income. And that would obviously take a big problem of the child labor away and would be a clear sign of food manufacturers taking responsibility for the poverty. Your peer Unilever is committing to living wage by 2030. So, what can Nestlé do more of to deal with those issues?

**François-Xavier Roger, Nestlé S.A:**

That's a very important question and we take that very seriously. We do not tolerate child labor. Both child labor and living income are issues that require broad stakeholder collaboration. We are actively working on these challenges and we help to pioneer practical solutions on the ground, such as the child labor monitoring and remediation system, which is now standard industry practice. We know that we can do more, just to be clear, and I think it is important as well for everybody to understand that it is clearly our interest to support our partners to live well and our farmers to live well.

So we pay a premium for high quality ingredients and we can absorb these costs as it helps to differentiate our products. The costs can vary per annum and so forth, and it will vary over time, but we will take the cost.

Our approach to poverty alleviation has historically been about improving livelihoods, by working with supply chain partners. And we also work directly with farmers to improve practices, standards and quality. We do this through our Farmer Connect program, which allows us to train and support more than 500,000 farmers globally. In addition, and more specifically, because your question was about that on cocoa, we have a number of household income accelerator pilots that are running that will test and learn how we can boost incomes in a responsible and sustainable manner. And as part of this process, we're also testing alternative income models based on the achievement of certain KPIs, such as planting trees, growing different crops and ensuring children attend school. So, I think this is important. We are still in the testing phase.

Outside of cocoa, we are also working to support and remunerate quality through programs such as the Nespresso AAA program. This is a coffee sourcing program, designed to ensure the continued supply of high-quality coffee, while improving the livelihoods of farmers and their communities and at the same time protecting the environment.

<b>Question:</b> <b>Growth vs. margin</b>
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**Bruno Monteyne, Bernstein:**

Now, the next tension is about growth versus margin. And so, the first bit is, do you agree that there's implicitly a trade-off between your margin and your growth profile? And if there is a trade-off, how do you decide the calibration? Is it a board decision? Is it you and Mark? And what framework do you use to sort of make the right choices for the company.

**François-Xavier Roger, Nestlé S.A:**

I don't agree that there is a trade-off, and we don't agree. By the way, over the last couple of years, we have been in a position where we have really looked for a balanced pursuit of both growth and margin, and we have managed to do so over the last four to five years. By the way, we improved significantly our organic growth moving from 2.6% to 3.6% last year. And we will be between 5% and 6% this year. And we improved at the same time, our margin moving from 16% operating margin to 17.6% last year.

So, we can have a balanced suite of both these KPIs. We don't like extreme behaviors, if I can say so. Look at what happened a couple of years ago. I remember when I joined Nestlé six years ago, everybody was talking about zero-based-budgeting, everybody was looking for margin and then, okay it did not provide obvious results, so probably not good results. We never went there. We are always going for a balance pursuit of both KPIs. And frankly speaking, we can do it. So it's never good if you go too much in one extreme or the other.

<b>Question:</b>	<b>Mid-term outlook for infant nutrition business</b>
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**Bruno Monteyne, Bernstein:**

The next thing is sort of thing about valuation and how private and public markets look at it very differently, Francois. So, it seems that private equity has become the natural owner for low growth, but cash generating assets. I mean, public markets only want to see growth and your share price as well is closely linked to the growth expectations investors have from you.

Now the reason I'm talking about, I'm going to get to infant nutrition. And I know Nestlé is committed to the Infant Nutrition business, and that there are many ways in which you are improving the business, but then taking a step back, given what global birth rates are, considering a whole public market that have never really seemed to fully appreciate a stable cash generative business, isn't Infant Nutrition doomed for private equity ownership in the near to medium-term future?

**François-Xavier Roger, Nestlé S.A:**

I'm glad you asked the question Bruno, not as far as Nestlé is concerned. Okay we understand that some of our competitors may have a different view, but clearly, we are committed, as you said to Infant Nutrition. By the way, it's not because we are going through a little bit more difficult times in the short term, I said it up front, we are a company working for the long-term. By the way, until 2019, we were growing nicely in Infant Nutrition.

The Infant Nutrition category has been affected over the last 18 months by the pandemic because we have seen across geographies in the world, not only in China, we have seen across geographies, a reduction of birth rates between 10% and 15%. So, we should not conclude on a short-term issue. In addition to that, we have some issues that are largely self-inflicted in China, but even if you take the example of China, until 2019, we were enjoying a high level of growth.

So, we don't have a negative view on Infant Nutrition, neither today, nor tomorrow. So, we believe that this is a category where we can find growth through innovation, through science-based innovation. Look at what we have done with HMOs, human milk oligosaccharide, which are infant formulas that are close to breast milk. We reach kind of a blockbuster status for these products in year three. So, we reached \$1 billion of sales in year three, at consumer level, outside of our main market China. So even in pharma standards, because I'm talking about blockbuster, reaching one billion of sales in year three is already an excellent performance. And we managed to do that. So, we don't want to give up, we believe that this is a high growth category where we can make a difference through science-based innovation.

<b>Question:</b> <b>Turnaround of infant nutrition business in China</b>
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**Bruno Monteyne, Bernstein:**

So, sticking a bit to the Chinese performance in there, you talked about trying to fix it. When I look at the latest data, I don't think the tide has turned just yet on market share in China, would I be right to say, is there a timing you had in mind before, at least you stabilize in China market share?

**François-Xavier Roger, Nestlé S.A:**

I think it will probably be at the earliest, a 2022 event. We are working actively on it. So we started to tackle it. Once again, these are largely self-inflicted issues. So, we started to put together a plan last year, really pushing on innovation, such as we launched a new product Belsol, designed specifically for Chinese babies, manufactured in China. We launched organic, natural formulas, A2 milk formulas. We went into tier three, tier four cities. We put more feet on the ground in terms of salesforce. I think the plan is working as per our expectation, but it's not enough to compensate the decline that we see on our base business, and more specifically on Wyeth and illumina. So we need to do more. We are working on it. And once again, probably at the earliest we will get some better results in 22 or 23.

<b>Question:</b> <b>Scale vs. agility</b>
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**Bruno Monteyne, Bernstein:**

Now the next tension and probably the last one is scale versus agility. And for most of the last decade, Nestlé and your peers have been losing market share to smaller brands, particularly until COVID started. Is that still the case? And what are you doing differently today to counteract those threats?

**François-Xavier Roger, Nestlé S.A:**

So, Bruno, actually we were losing market share. We, like most of our large international peers, we were losing market share to the benefit of small players, startups and so forth because these guys were more agile, more nimble, and they were innovating faster than we did. I think what we did back from 2015, 16 is really to accelerate our innovation, reduce time to market from formerly two years to six months. Basically, what we did is to copy their business model and really accelerate innovation.

From the point we did that, these guys started to gain less market share and even around 18, 19, they were not gaining market share against us, anymore. So, it has proven to be extremely efficient in terms of acceleration of R&D delivering on the market. And again, before the pandemic, we were even starting to gain market share against these guys, during the pandemic we even gained even more market share because obviously in terms of supply chain, it was maybe a little bit easier for us to manage some of the challenges during the pandemic than maybe for these guys. So now we are gaining market share against them, but this is not something that happened only because of the pandemic. We could see that already starting to move in the right direction as far as we are concerned from 2017 onwards and before the pandemic we were already gaining market share.

<b>Question:</b>	<b>L'Oréal</b>
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**Bruno Monteyne, Bernstein:**

Now, my last question is about capital allocation. I mean, your balance sheet is sitting on a very big L'Oréal asset. And so, the question is what are the criteria for you and the Board to decide to reduce that stake and linked to that, if you were to make a decision to sell your L'Oréal stake, what would be the likely uses of the cash?

**François-Xavier Roger, Nestlé S.A:**

So, Bruno, I don't want to discuss any of the options because I think it could be misinterpreted if I was commenting on any of the options. We want to keep all options open. It is clear that we have created a lot of value through that investment for Nestlé shareholders, which is our main interest obviously. And we are very happy with what we have seen so far. The Board is reviewing, it has a fiduciary duty, we are reviewing with the management all the options, but we want to keep all options open, but be assured that we always look at that with a view to create value for Nestlé shareholders.

**Bruno Monteyne, Bernstein:**

I think with that Francois, we've come to the end of my questions. Thank you very much for your time today.

**François-Xavier Roger, Nestlé S.A:**

Thank you very much Bruno and thank you to everyone for their time and interest.

**End of Transcript.**