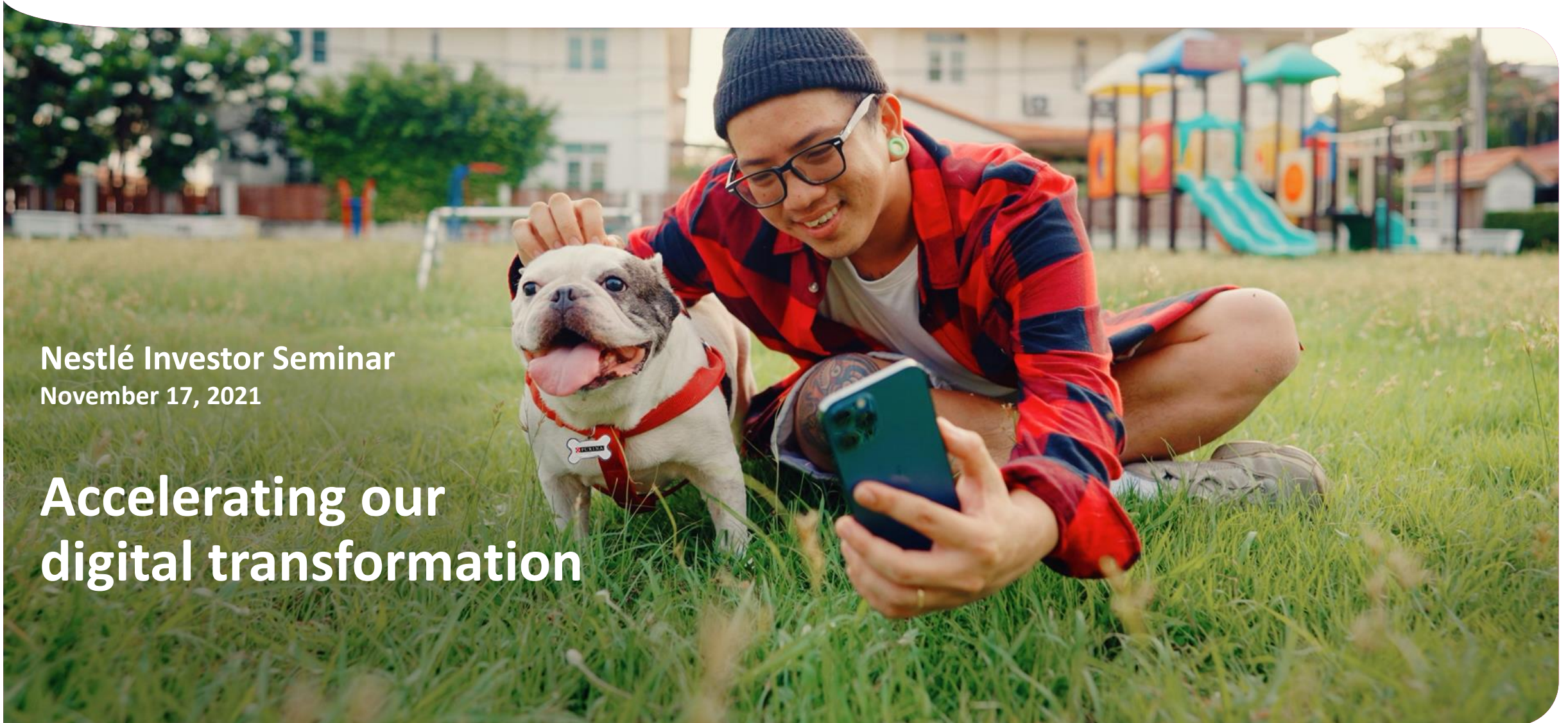




Nestlé Good food, Good life

Nestlé Investor Seminar
November 17, 2021

Accelerating our digital transformation

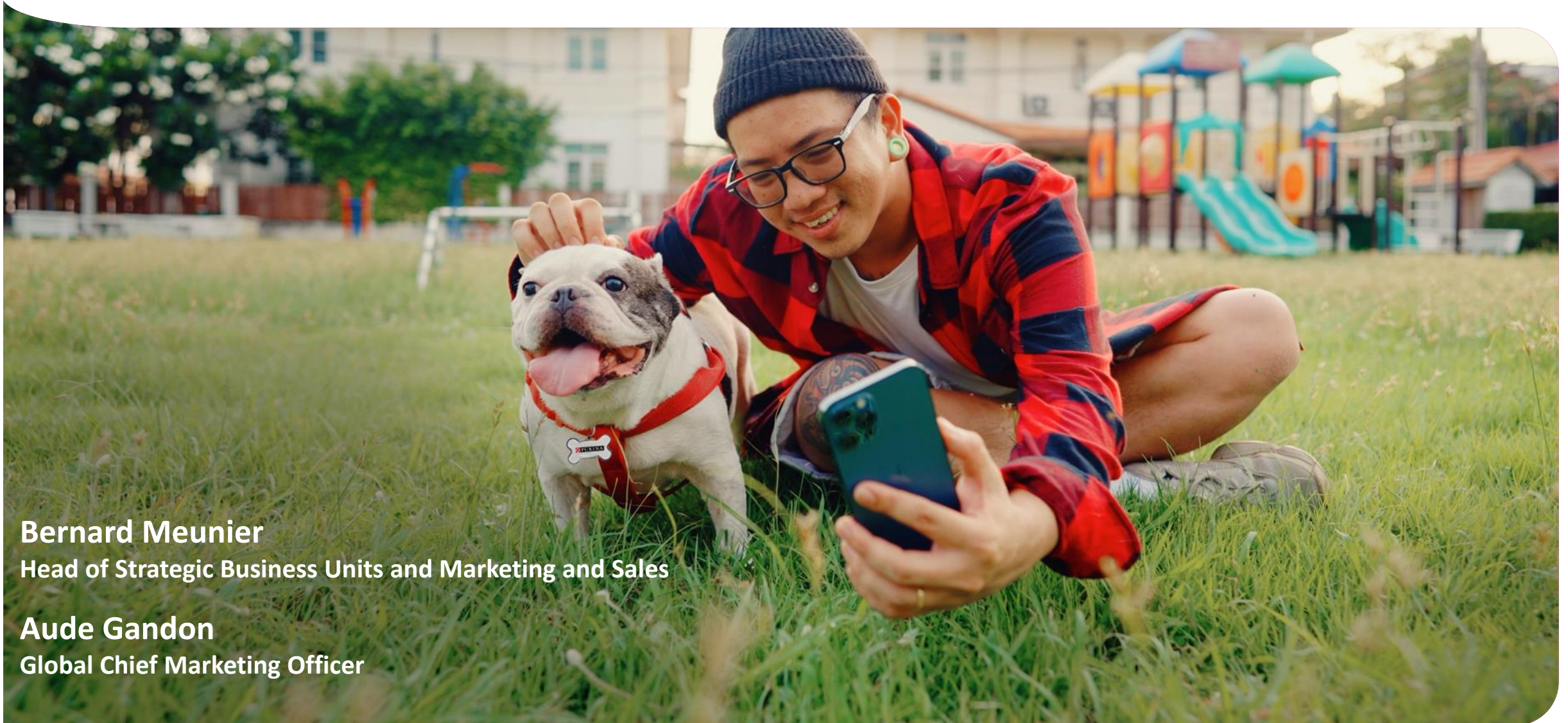


Disclaimer

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



Bernard Meunier

Head of Strategic Business Units and Marketing and Sales

Aude Gandon

Global Chief Marketing Officer

Acceleration is now



Digitalization is dramatically reshaping consumer behaviors

3 BN

Recipes viewed on TikTok every month



30%

of consumers have pivoted to online shopping for food



Food queries on YouTube

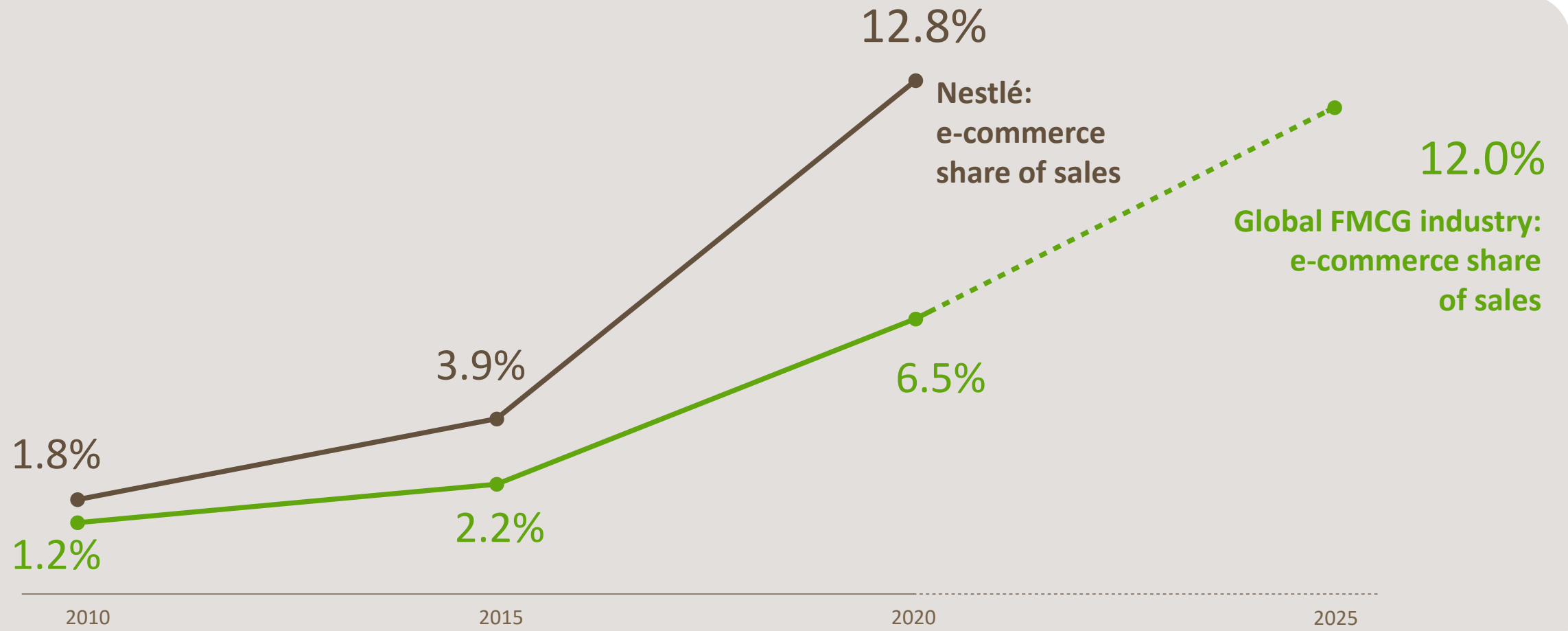
x3



45%

of online shoppers have made a purchase through social platforms

Nestlé is leading the transformation



Source : Kantar, GFK, IRI May 2021 projection



Successful brands now require a different consumer engagement model

BRAND
SUCCESS
THEN



- Solid product concept
- Fight for distribution
- Price accurately
- Support initial awareness with advertising



BRAND
SUCCESS
NOW

- Sustainable by design, enhanced by the service
- Customize to win in every channel
- Always-on optimization
- Influenced by digital communities

Direct access to consumer DATA is a key competitive advantage

Acceleration is now



E-COMMERCE

From 12.8% in 2020

to **25%**

of sales online

by 2025



DIGITAL MARKETING

From 47% in 2020

to **70%** & to **400M**

marketing investment
spent online

by 2025

From 205m in 2020

consumer data records



Strategic approach



Our focus is to rejuvenate the core and accelerate the new



← Digital intensity across all categories →

AMPLIFY
digital-centric
businesses

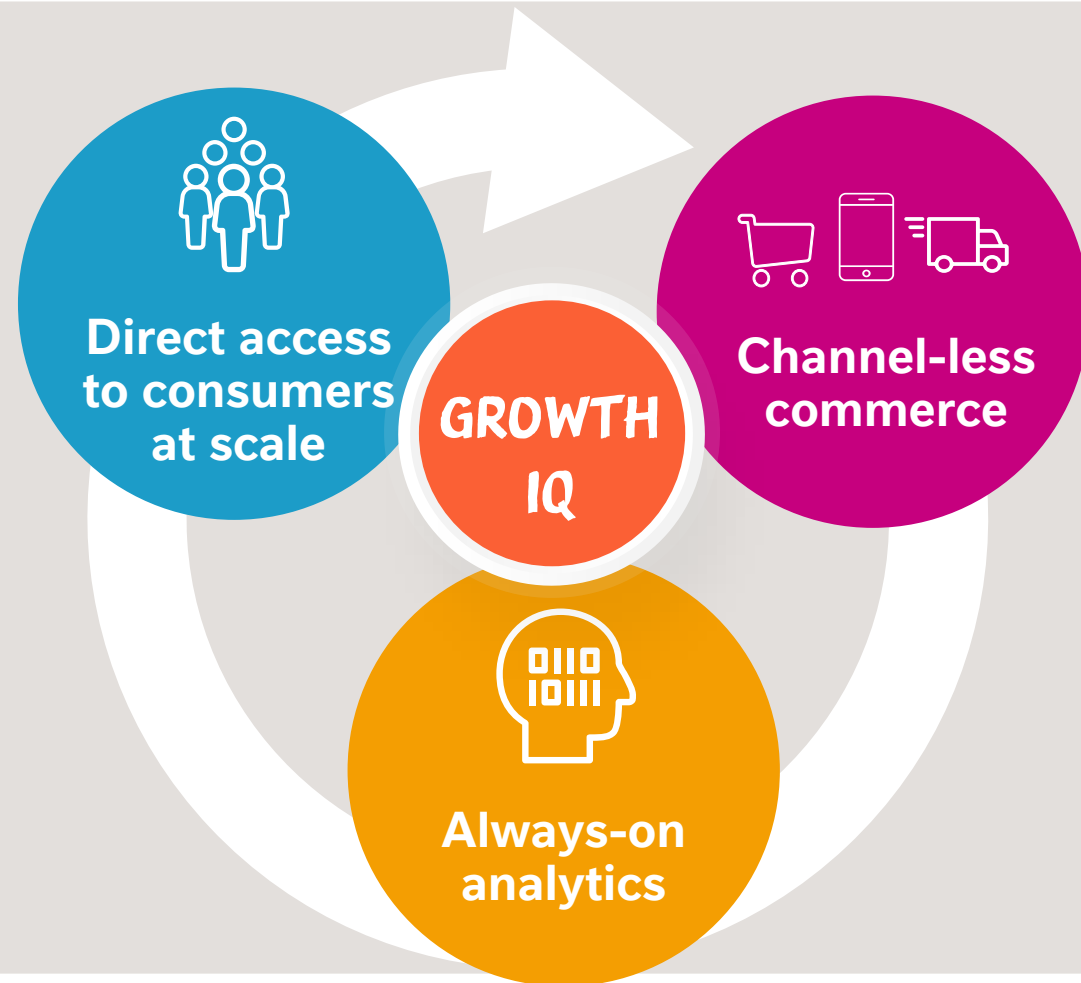


+ 31 billionaire brands

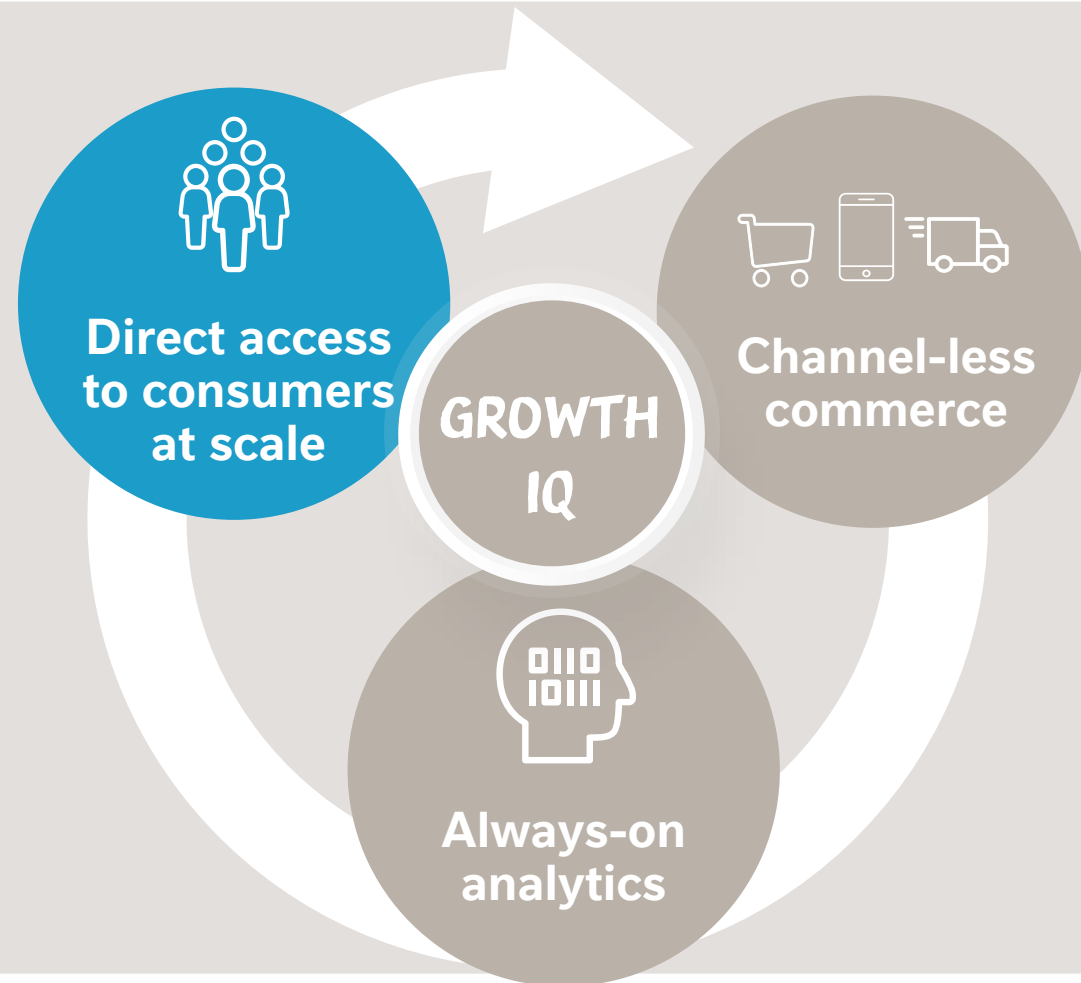
**EMBED
& SCALE**
core businesses



3 strategic priorities to drive growth through digital



3 strategic priorities to drive growth through digital





205 M

consumer data records in 2020

BEVERAGES

BABY CARE

+95%

NESTLÉ HEALTH SCIENCE

PET CARE

CULINARY

400 M

consumer data records by 2025





PRECISION MARKETING

identify & engage at key demand moments



DIRECT ENGAGEMENT

increase lifetime value



CONTENT PERSONALIZATION

activate with more effective content



PRODUCT PERSONALIZATION

to grow beyond the core

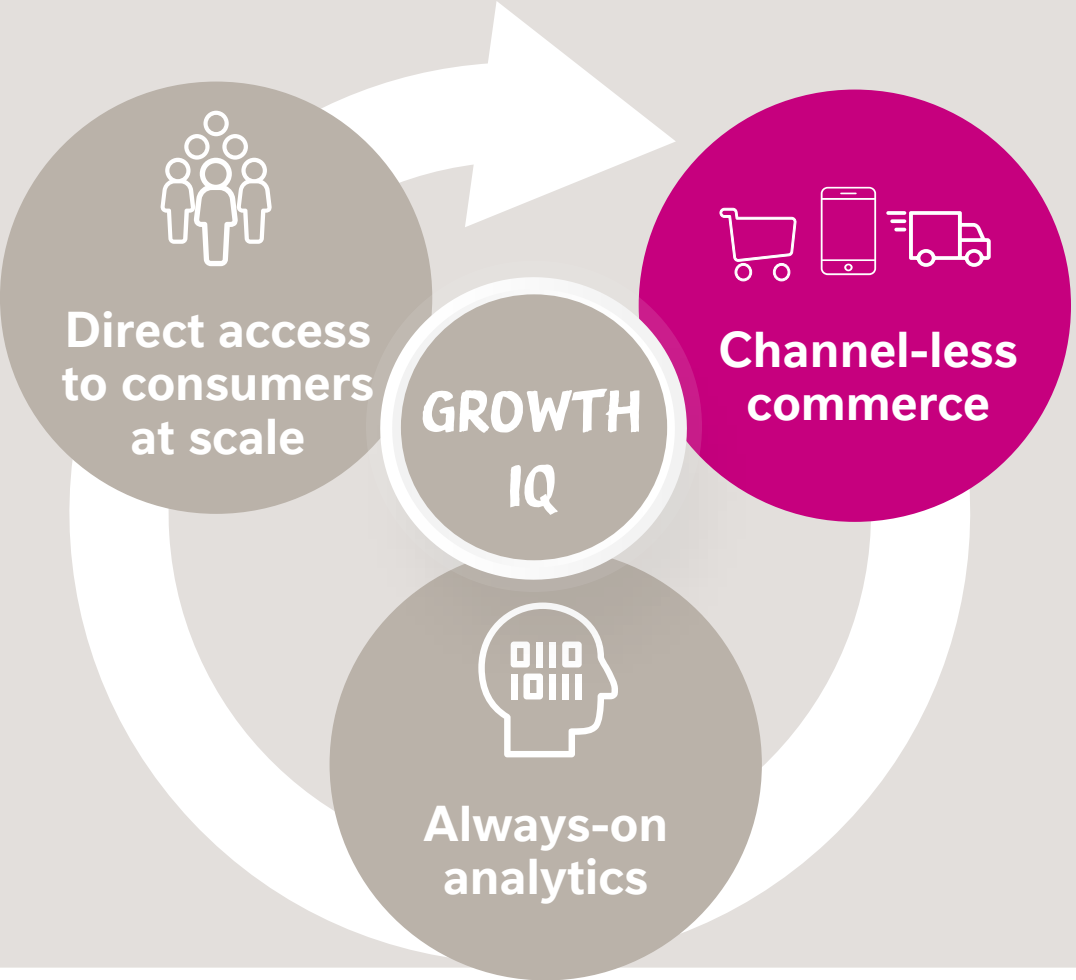




Purina: from pet food to petcare

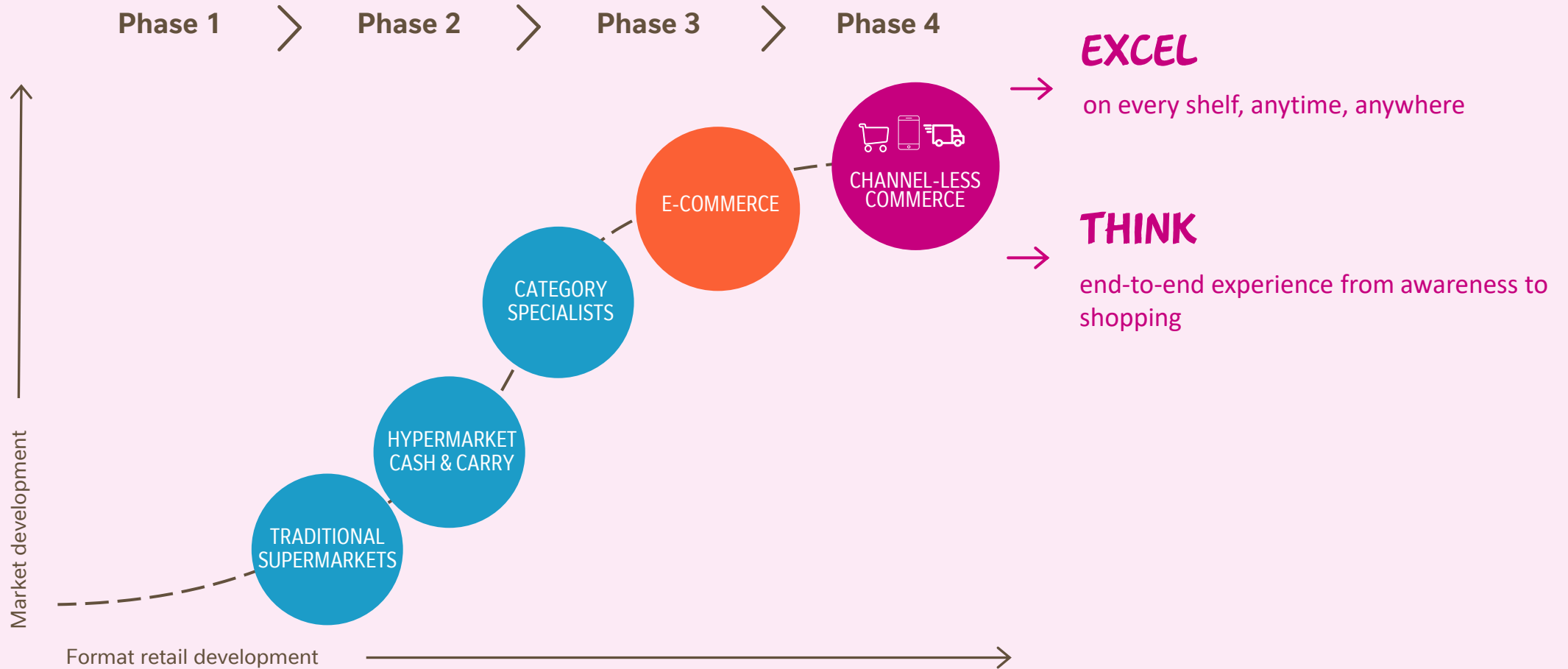


3 strategic priorities to drive growth through digital





Next phase of retail is channel-less





Maintaining momentum

E-commerce

organic growth in
the first half of 2021

+ 19.2%

following + 48.4%
organic growth in 2020

E-market share

gaining or holding
share in

~ 60%

of business cells
we are tracking

Direct-to-consumer

e-commerce direct-to-consumer
businesses represent

> 6%*

of total Nestlé sales
in the first half of 2021

* Total direct-to-consumer sales across channels represent 9.3% of total Nestlé sales in the first half of 2021





Investing in critical enablers



**Fit-for-purpose
packaging solutions**

MORE THAN 40%
of our total e-commerce sales



**Direct platform
investment**

+ 200% IN 2 YEARS
digital media spend with e-commerce platforms



**Optimizing retailers'
online shelves 24/7**

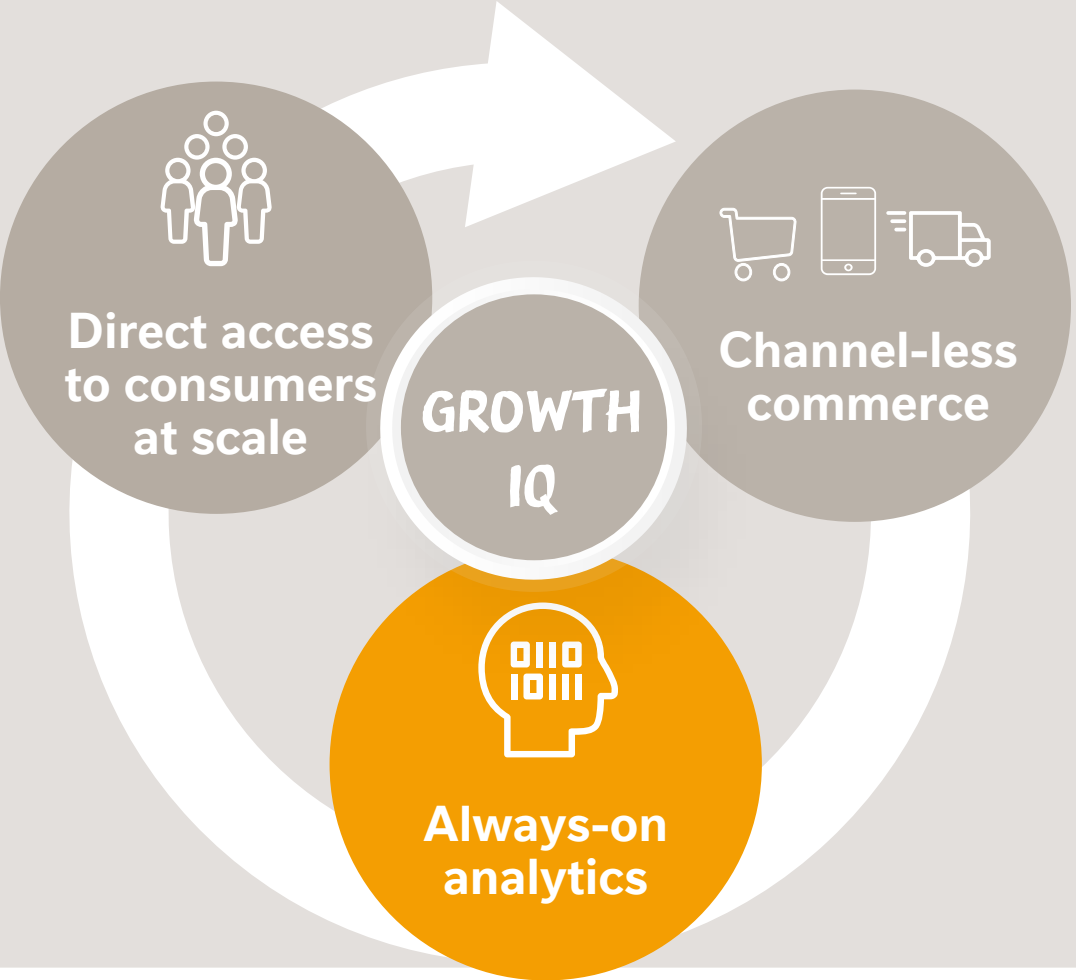
60 MARKETS
covering 90% of our online sales



Nespresso: next-level consumer experience



3 strategic priorities to drive growth through digital





 **Harness the power of data**

Strategic

Predictive

Real-time

Increase sales price & promotion optimization



Identify innovation opportunities

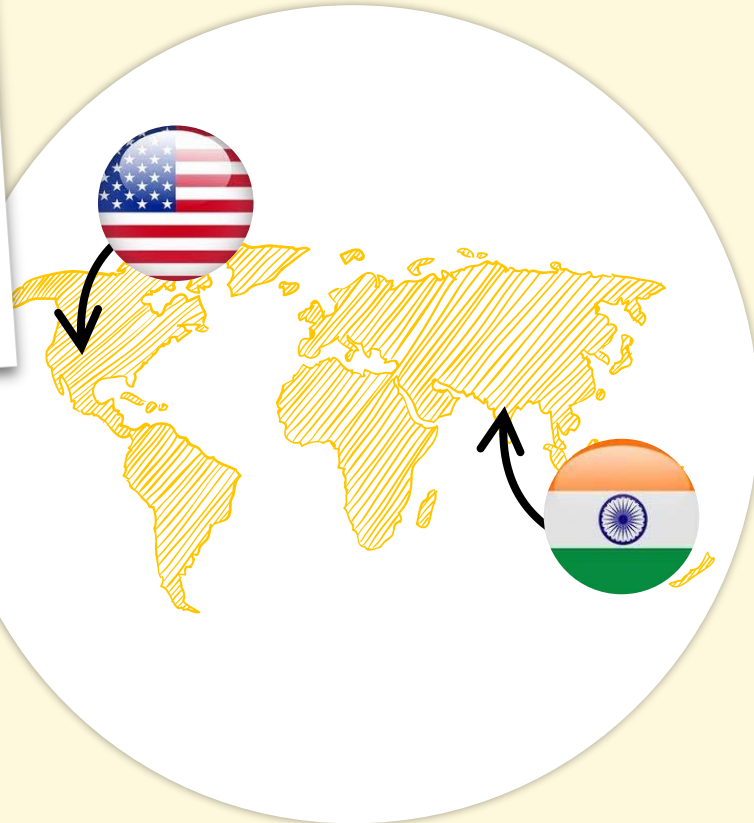




Developed markets

U.S.

Next generation Strategic Revenue Management & AI powered sales teams
~ 5% uplift in incremental sales



Emerging markets

INDIA

Smart identification of priority store outlets and must-sell items & total investment optimization

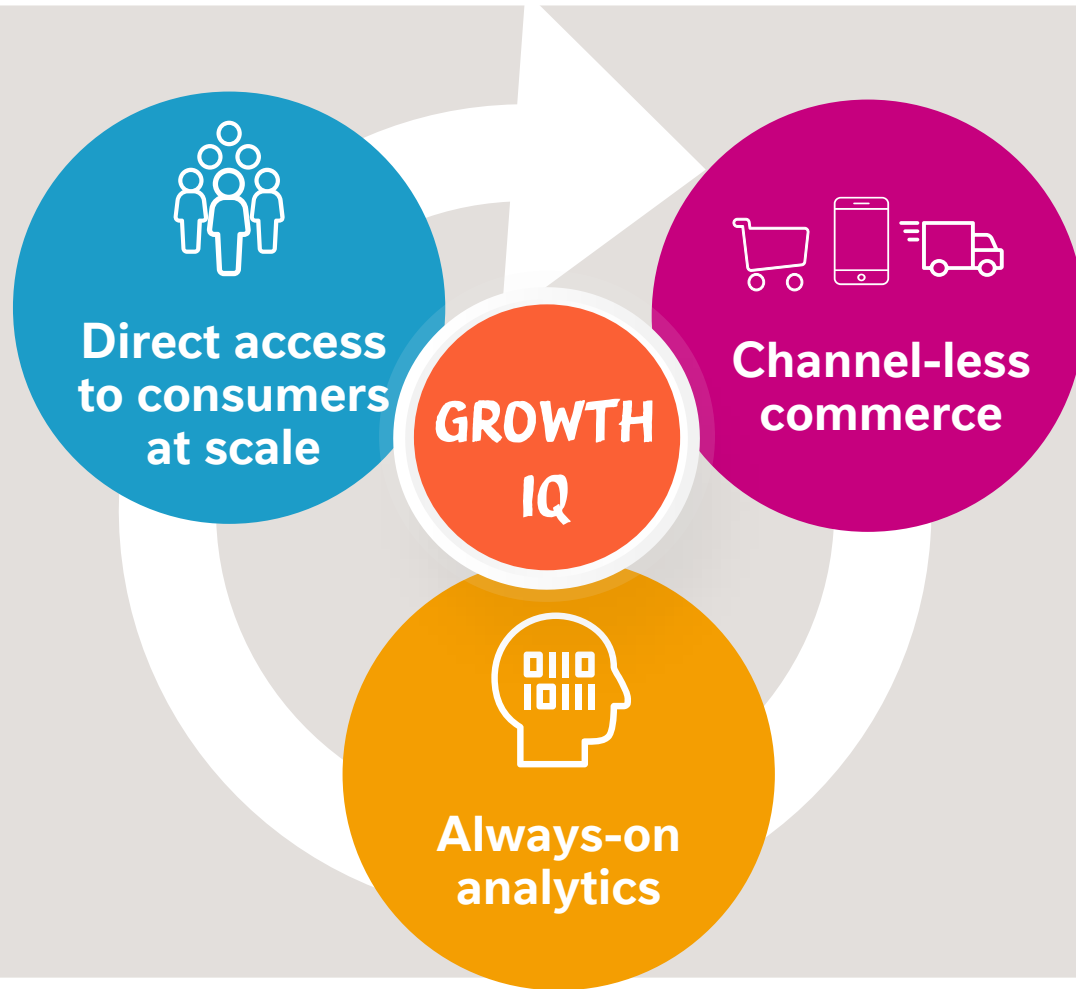
Resulting in incremental sales of ~ 2-4%

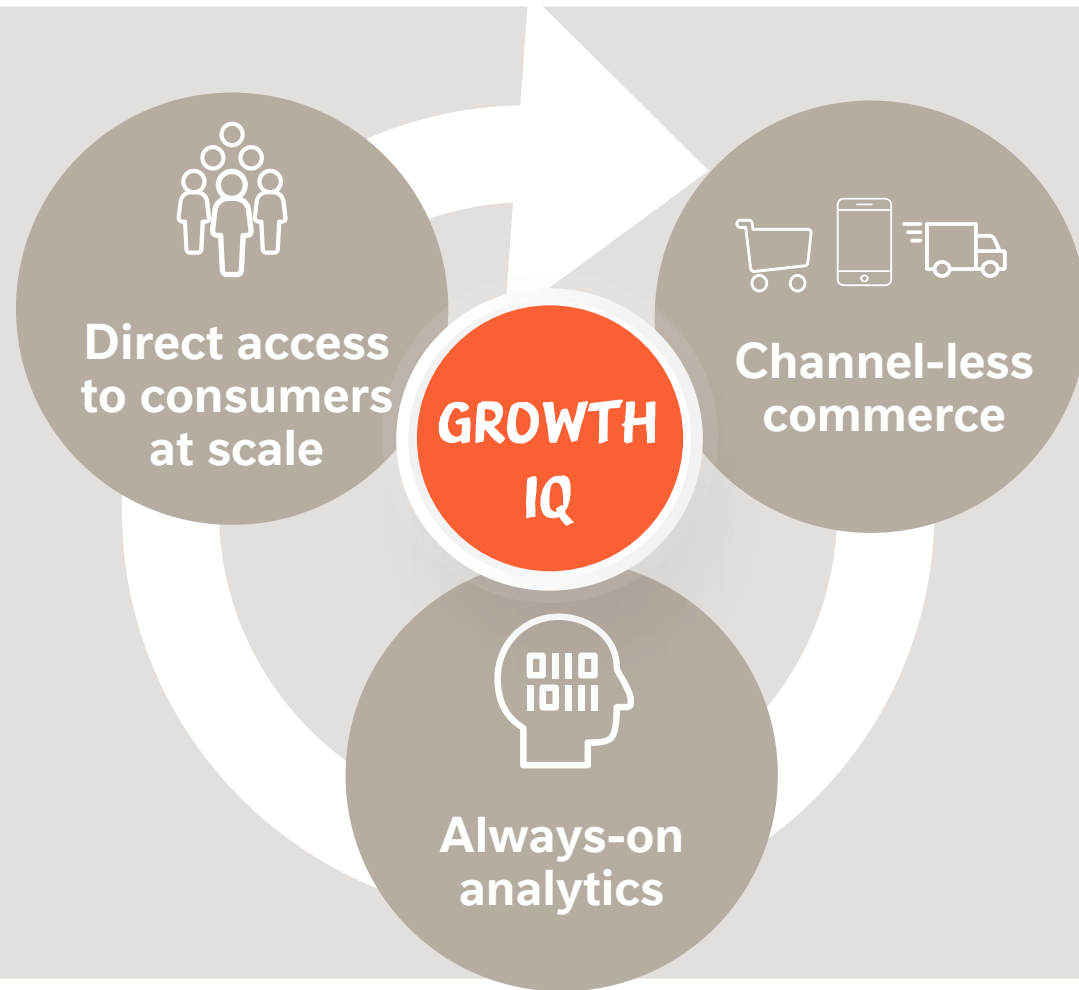




Nestlé China: innovation agility through real-time consumer data







Raising Growth IQ through our people



Investing in our people

eBusiness Academy



Raising the bar

enhancing digital literacy
across the organization

**31 000 people upskilled with
Google / Facebook training programs**

Expert networks



Empowering

creating a digitally
creative culture

+ 500 experts in digital*

* New digital experts added in the last 24 months to business teams, Integrated Marketing Services or Analytics Services



Fast-paced trial and error

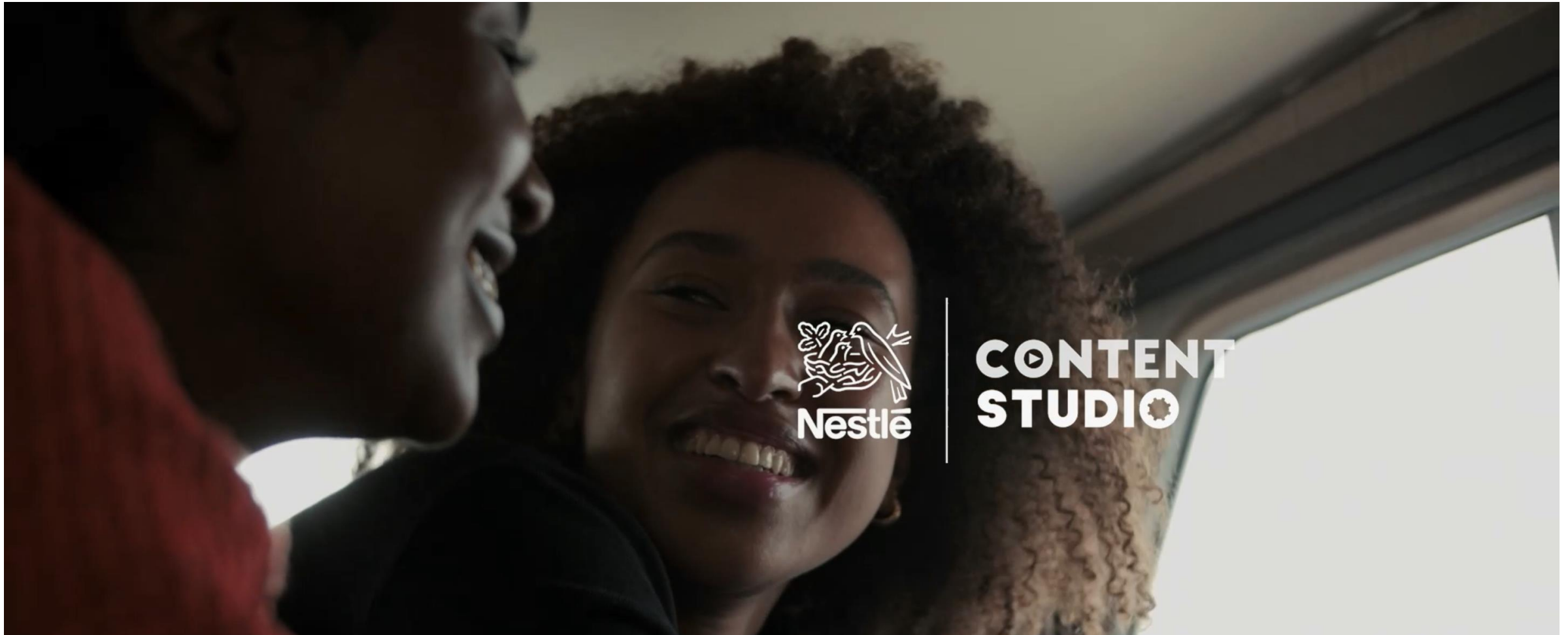
Nestlé R&D accelerators



Rapid prototyping



In-housing talents to build more effective end-to-end content engines



Starbucks global roll-out: leveraging new digital content capabilities



Key takeaways



**ACCELERATION
IS NOW**



THE FUTURE OF OUR INDUSTRY:

**TECHNOLOGY
& DATA-DRIVEN**

**NESTLÉ WILL LEAD
THE TRANSFORMATION**

3 strategic priorities



**Direct access
to consumers
at scale**



**Channel-less
commerce**



**Always-on
analytics**

Develop our Growth IQ



**GROWTH IQ
TAKES CENTER
STAGE**

**31 000
UPSKILLED
+ 500
DIGITAL EXPERTS
+ 35
CONTENT STUDIOS**

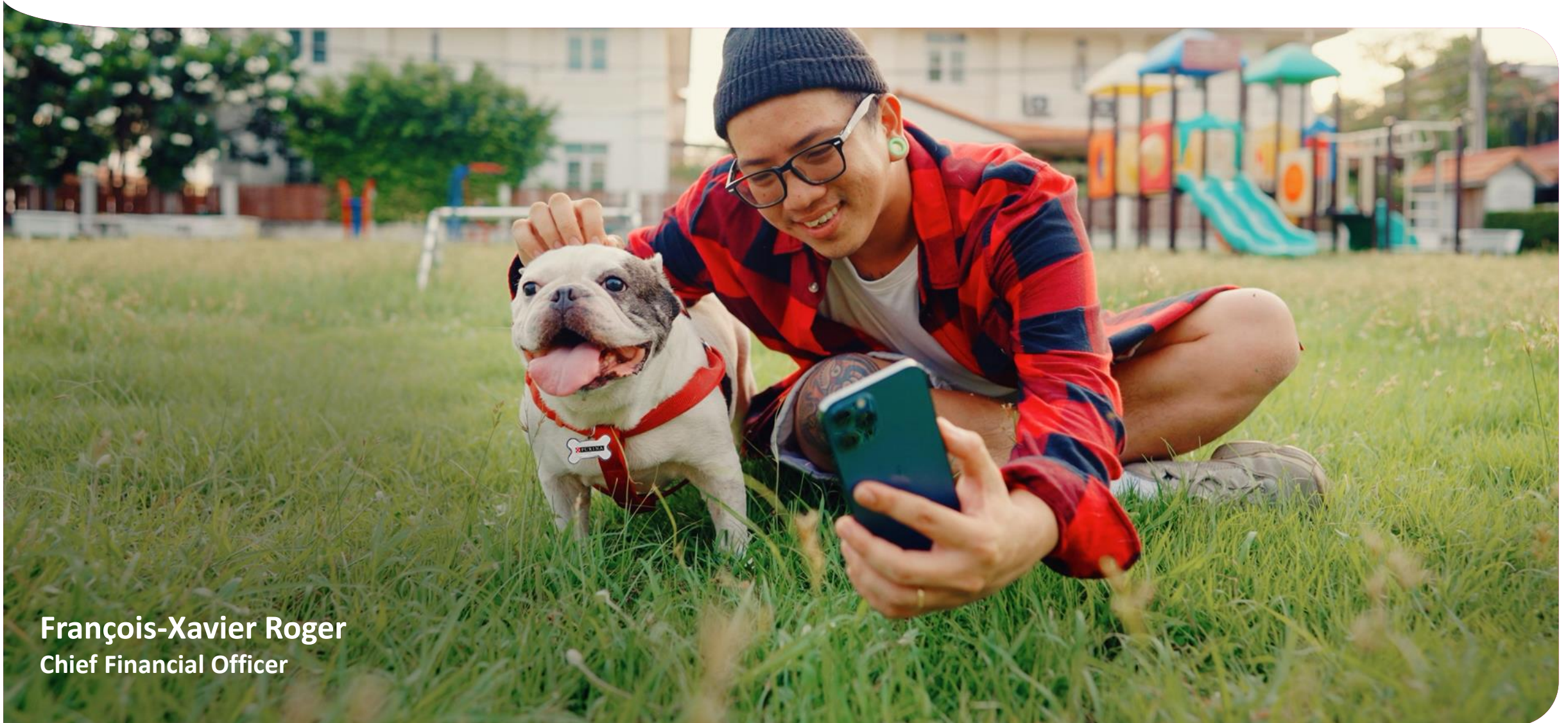
**TO CREATE
A CULTURE
OF DIGITAL
CREATIVITY
WORLDWIDE**

Thank you!



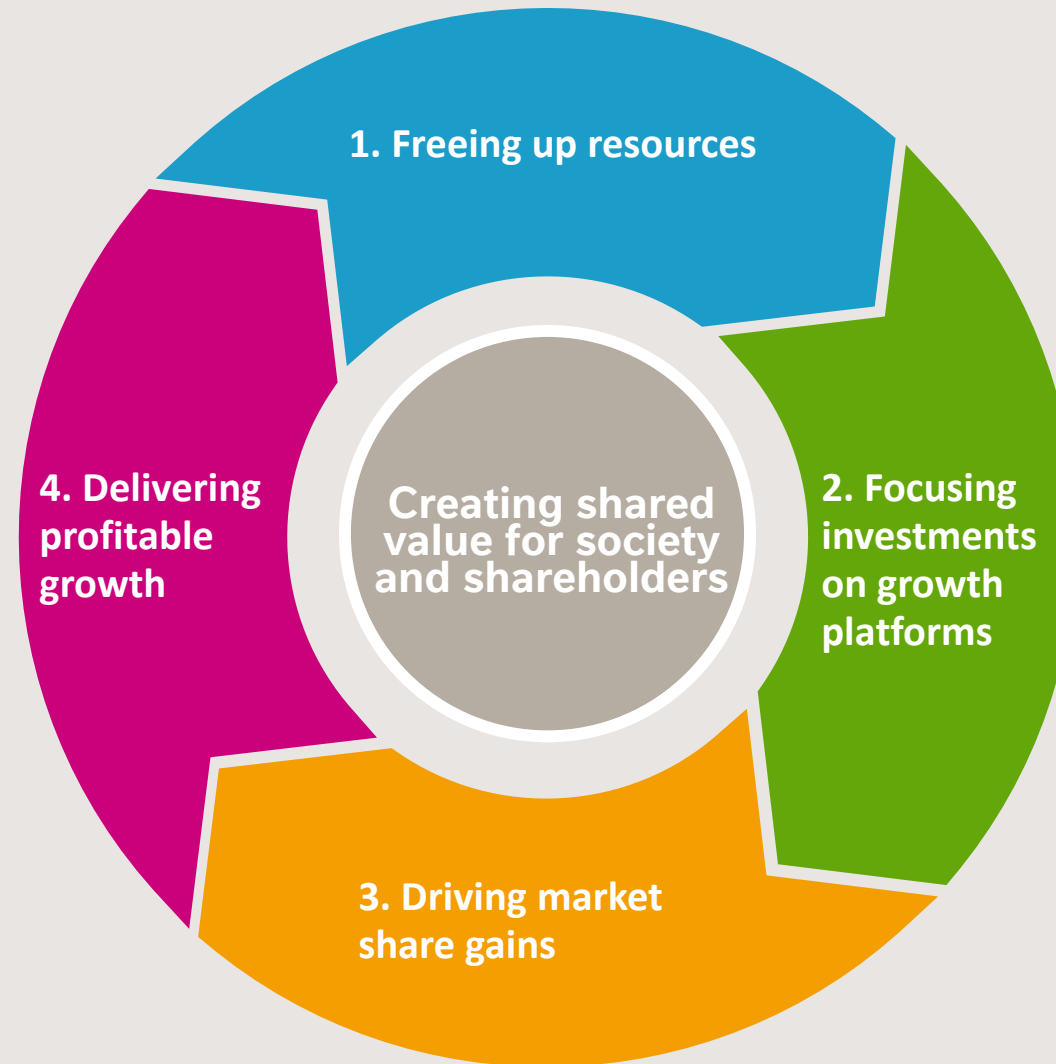


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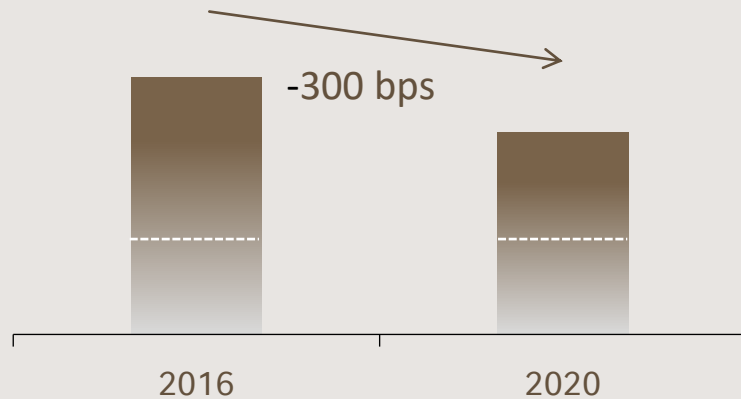
François-Xavier Roger
Chief Financial Officer

Our virtuous circle of value creation



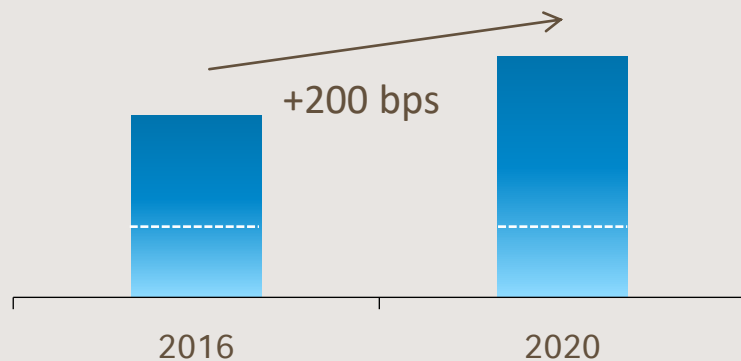
Driving efficiencies to invest for growth

Structural costs (in % of sales)*



- Freeing up resources
- Cost discipline
- Savings across manufacturing, procurement, G&A

Trade spend, consumer-facing marketing investments and R&D (in % of sales)*



- Marketing
- R&D & technology
- Sustainability

* Excluding Nestlé Skin Health

Structural costs represents ~19% of net sales, mainly production, distribution and administrative fixed costs

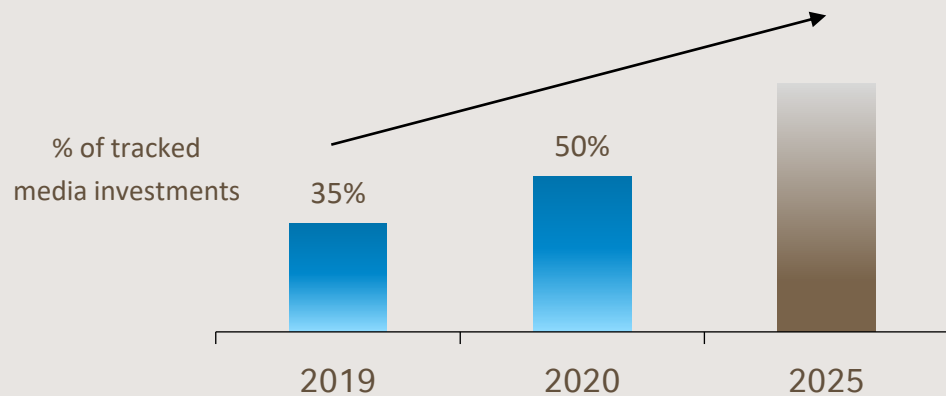
Trade spend includes allowances and discounts granted to customers which are deducted from reported sales



Increasing the return on marketing investments

Accelerating systematic ROI* tracking

- Systematic ROI analysis used across ~50% of media investments (+40% increase in 2020)
- In test markets, increased tracking resulted in a 10% increase in ROI in 2020



Increasing digital investment

- Digital media investments increased to 47% of total spend (vs. 32% in 2017)
- Average ROI on digital media at Nestlé is ~2x higher than traditional media**



~2x



~2x



~3x

* ROI = Return on marketing investment, calculated as incremental sales divided by working media spend
** ROI measured differs by categories and level of investment



Supporting our value creation model

**Becoming
faster and
more effective**

**Freeing up
resources
to invest in:**

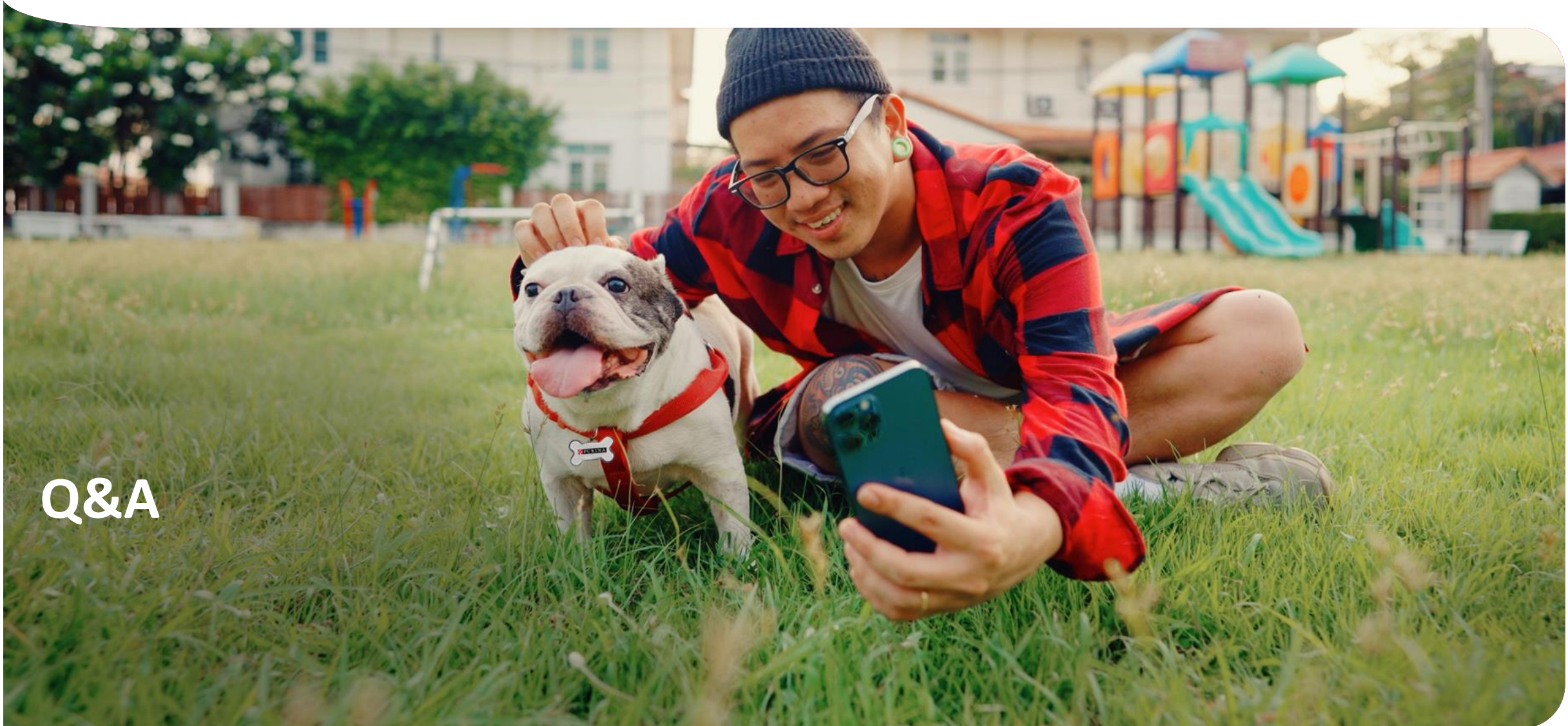
- Digitalization
- Technology
- Innovation
- Sustainability

**Unlocking
opportunities
to deliver
sustainable
profitable
growth**

**Creating
shared
value**



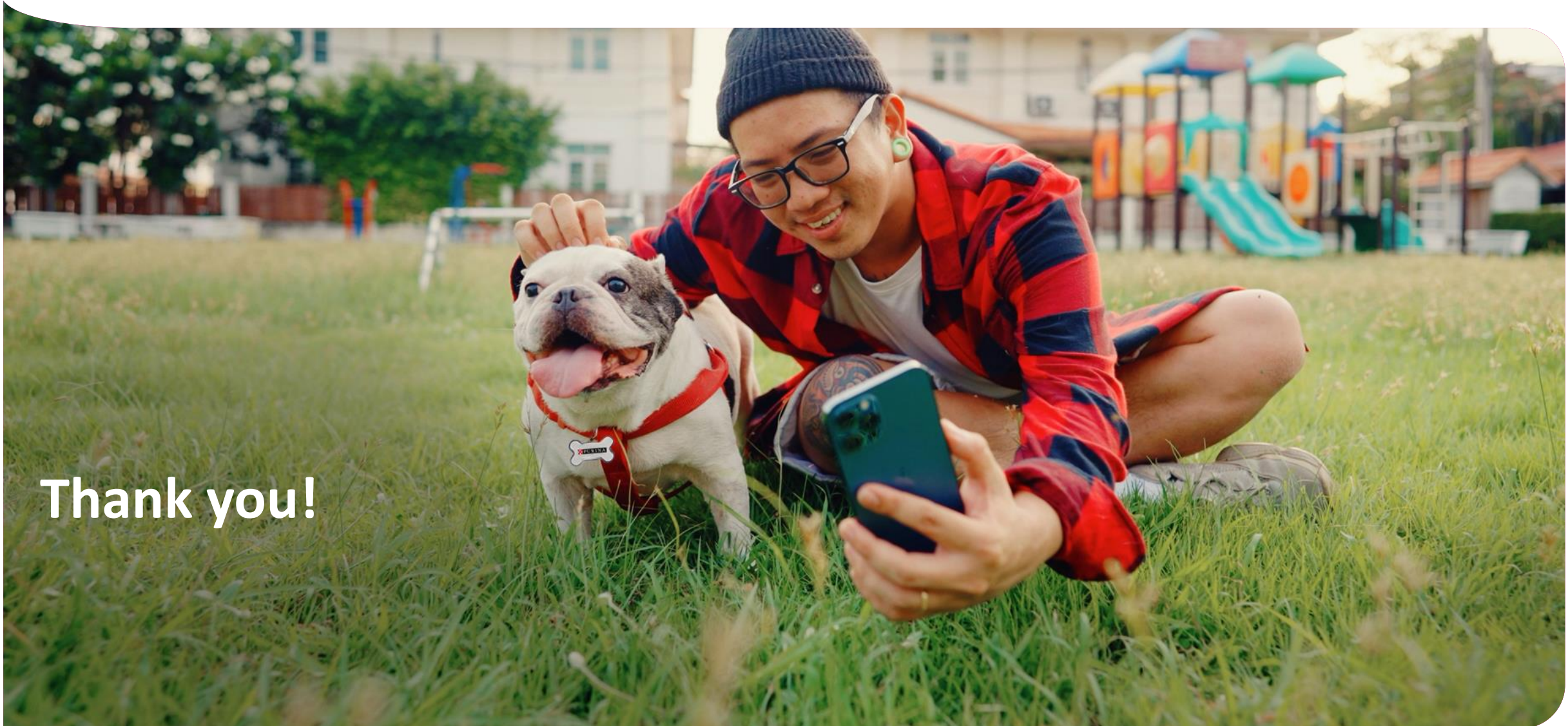
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Q&A



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Thank you!