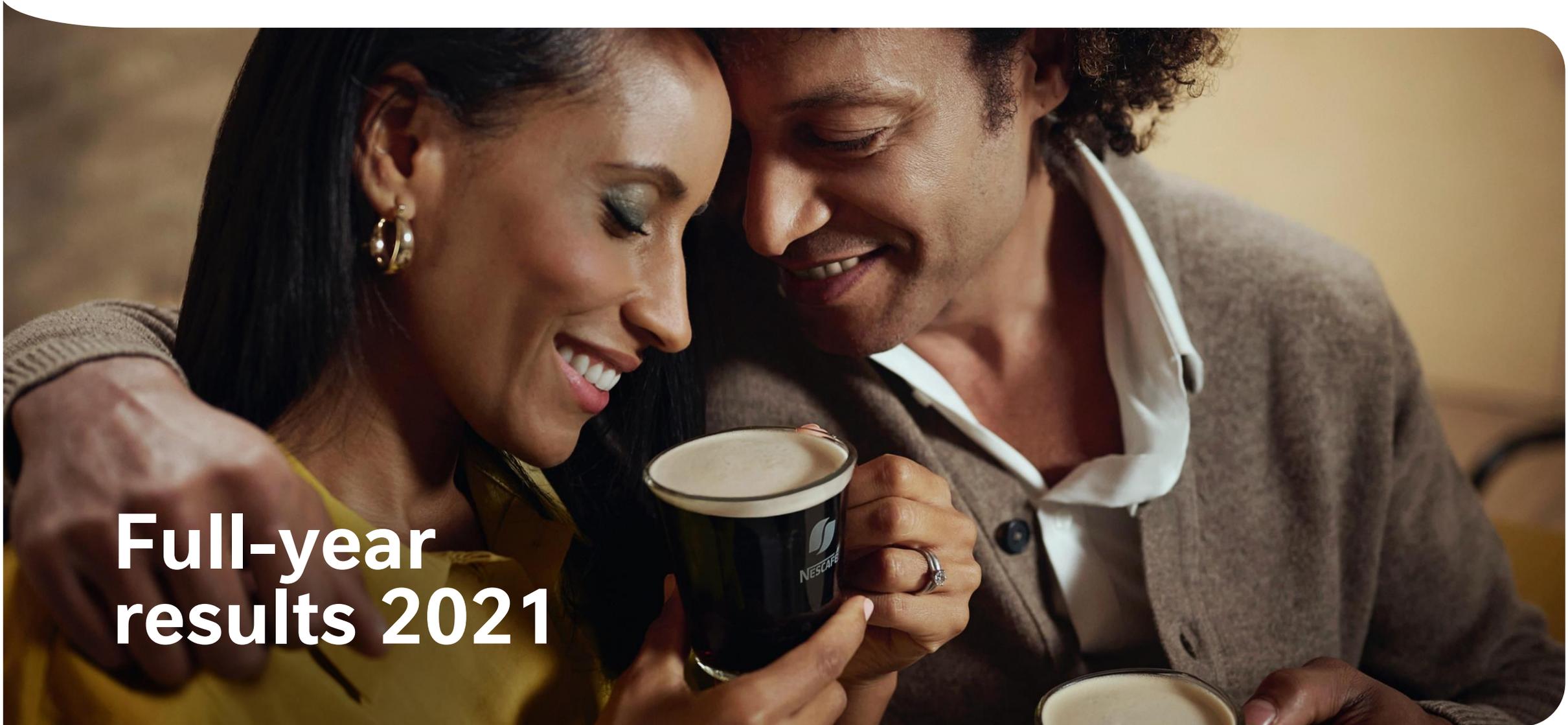




Nestlé Good food, Good life



Full-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

Full-year results 2021

Mark Schneider, CEO



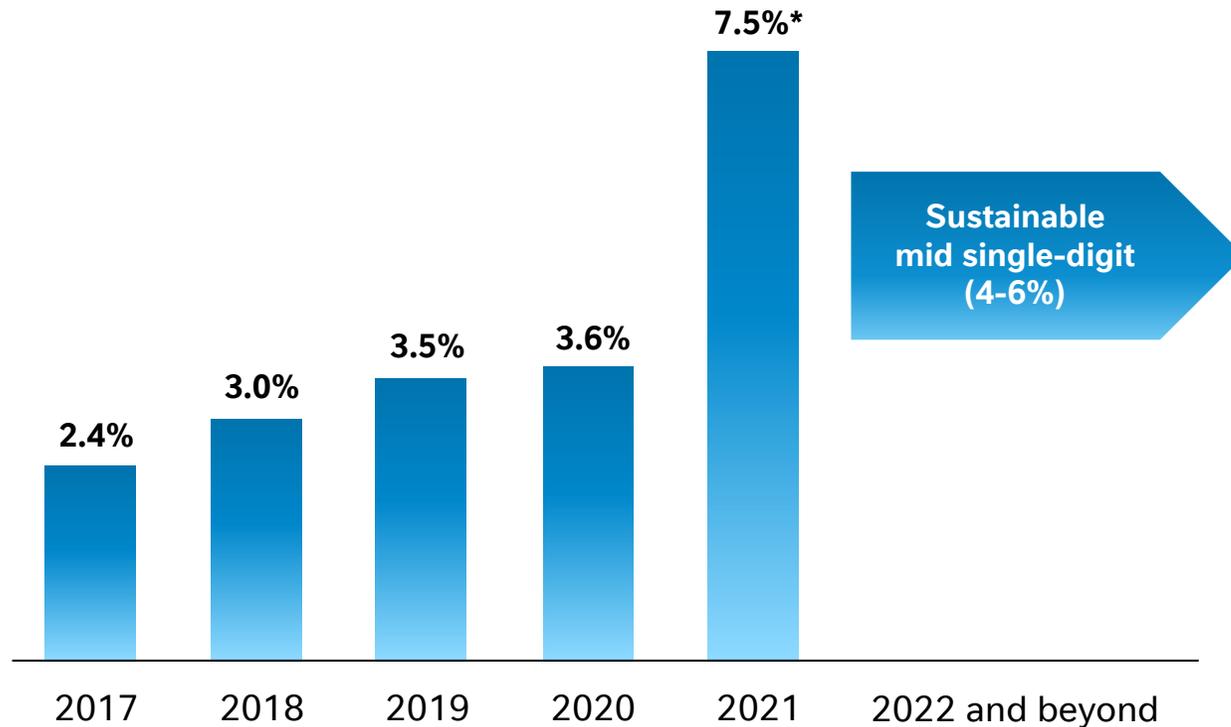
Key messages 2021

- **Strong organic sales growth of 7.5%**
- **Underlying trading operating profit margin** decreased by 30 bps to **17.4%**, reflecting time delays between cost inflation and pricing adjustments
- **Underlying EPS growth of 5.8%** in constant currency
- **Portfolio transformation fully on track**
- **Board proposes dividend per share of CHF 2.80**, marking 27th consecutive increase
- **Continued progress on ESG agenda**



Portfolio geared for mid single-digit organic sales growth

Organic sales growth



- Investments in fast-growing categories and geographies
- Fast-paced innovation
- Increased digitalization
- Market share gains
- Portfolio rotation

* Reflects elevated demand related to COVID-19



Key drivers of accelerated organic sales growth in 2021

- **High-growth categories and channels**

- **PetCare:** +12.7% organic sales growth
- **Coffee:** +9.7% organic sales growth; Starbucks with CHF 1 bn incremental sales since 2018
- **Nestlé Health Science:** +13.5% organic sales growth
- **Plant-based food:** +16.8% organic sales growth
- **E-commerce:** +15.1% organic sales growth

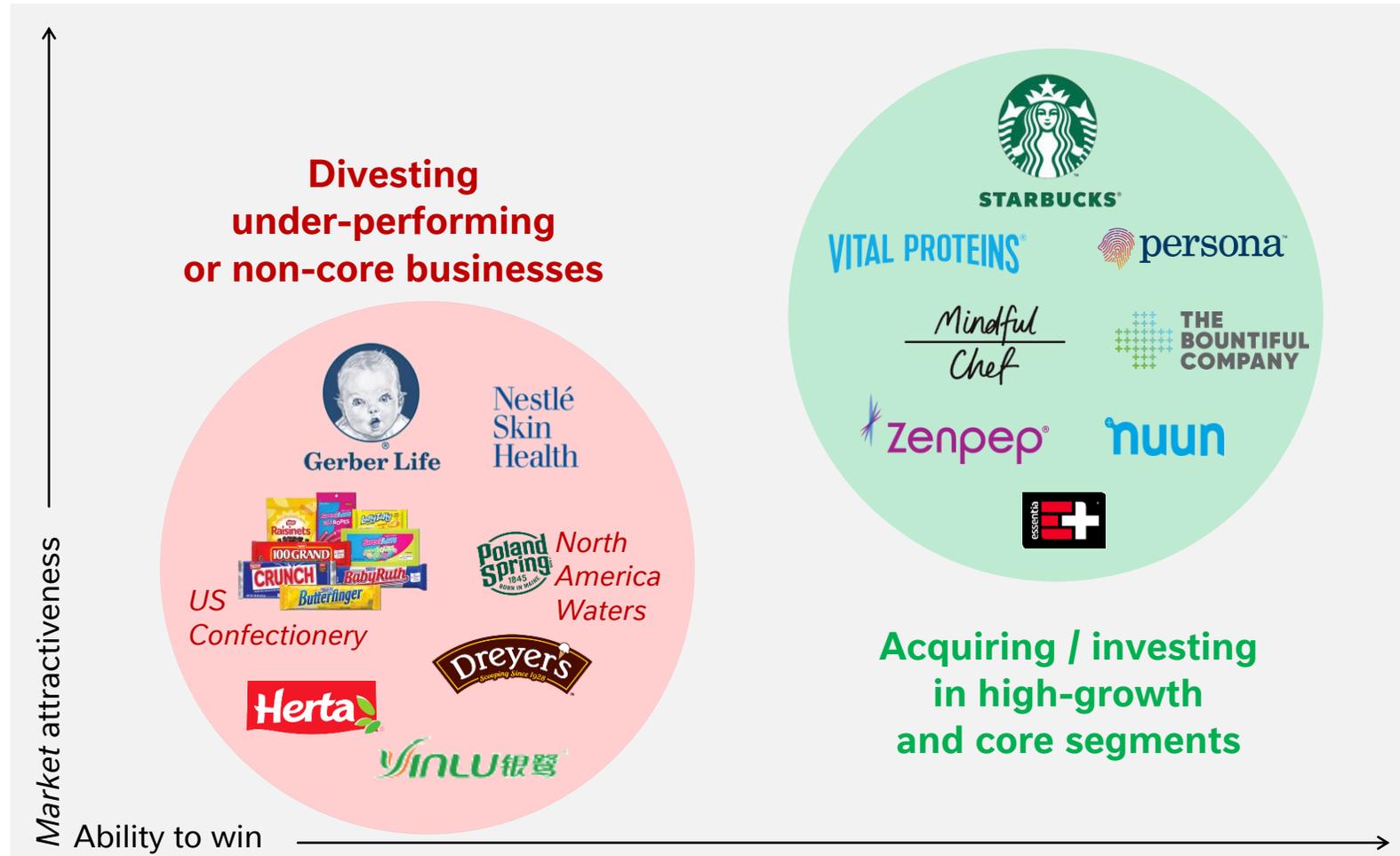
- **Portfolio management**

- **Building Nestlé Health Science into the leading global nutrition and health platform**
- **Transforming our global water business**

- **Fixing underperforming/recovering businesses**

- **Out-of-home channels:** +24.5% organic sales growth
- **Frozen meals U.S.:** +9.3% organic sales growth

Further developing our portfolio



> 85 transactions closed or announced since 2017, equivalent to ~20% of Group sales

Organic sales growth contribution in 2021* ~80 bps

* From acquisitions between 2017-2021

Sustainable livelihoods: reducing child labor risks in cocoa



Novel incentive and support program

Expanding efforts to tackle child labor risks, building on our Creating Shared Value approach

Premium paid to families and linked to:

- School enrollment
- Sustainable agricultural practices
- Agroforestry
- Income diversification

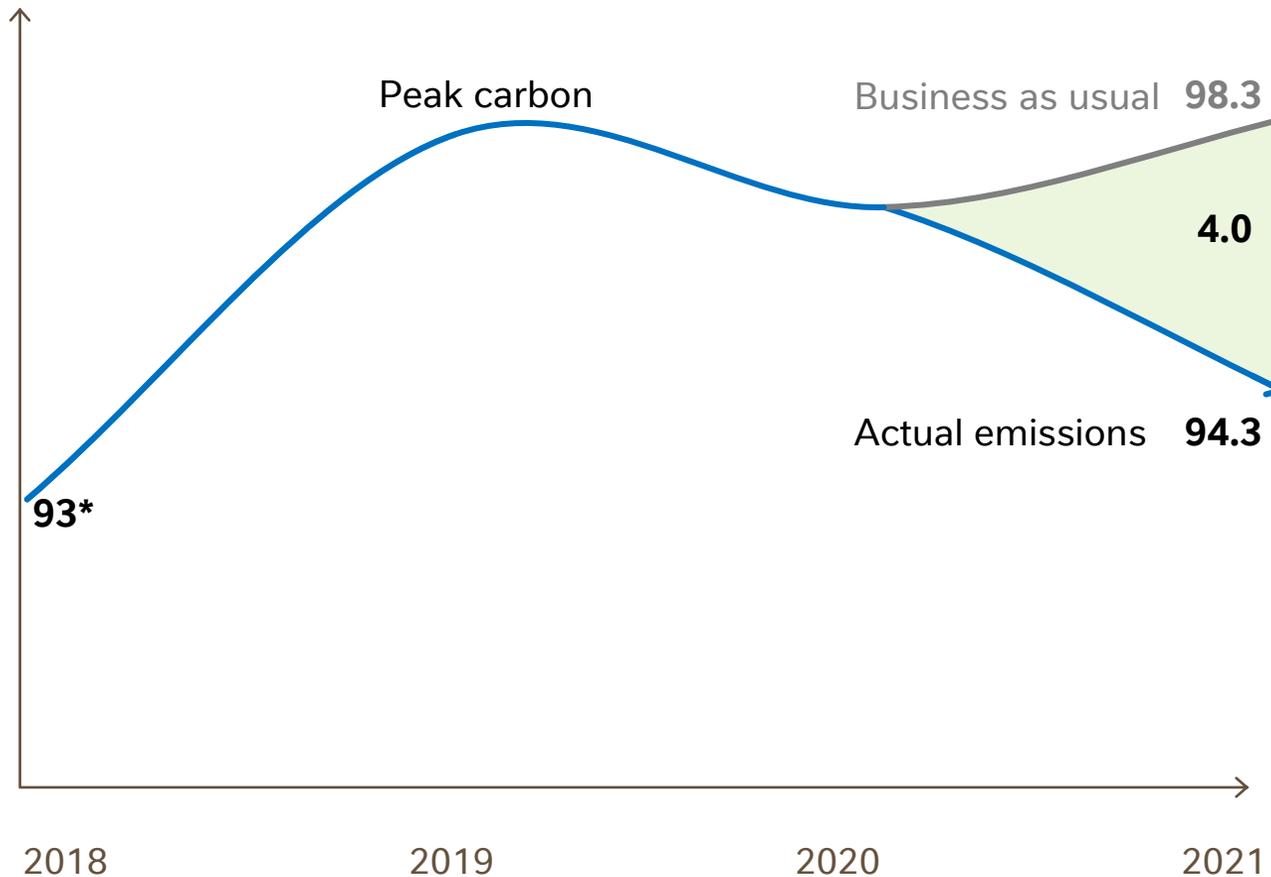
Delinked from production volume to drive sustainable benefit for smallholders

Traceable supply chain to build consumer trust

Nestlé climate roadmap progress update

Greenhouse gas (GHG) emissions reductions

Million tonnes of CO₂e



- **Peak carbon is behind us**
- **2 consecutive years of reduction**, while business volume has grown significantly
- **On track** to reduce emissions vs. 2018 baseline:
 - -20% by 2025
 - -50% by 2030

* Adjusted scope due to acquisitions and divestitures, aligned with SBTi



2022 guidance

- **Organic sales growth around 5%**
- **Underlying trading operating profit margin between 17.0% and 17.5%**
- **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**



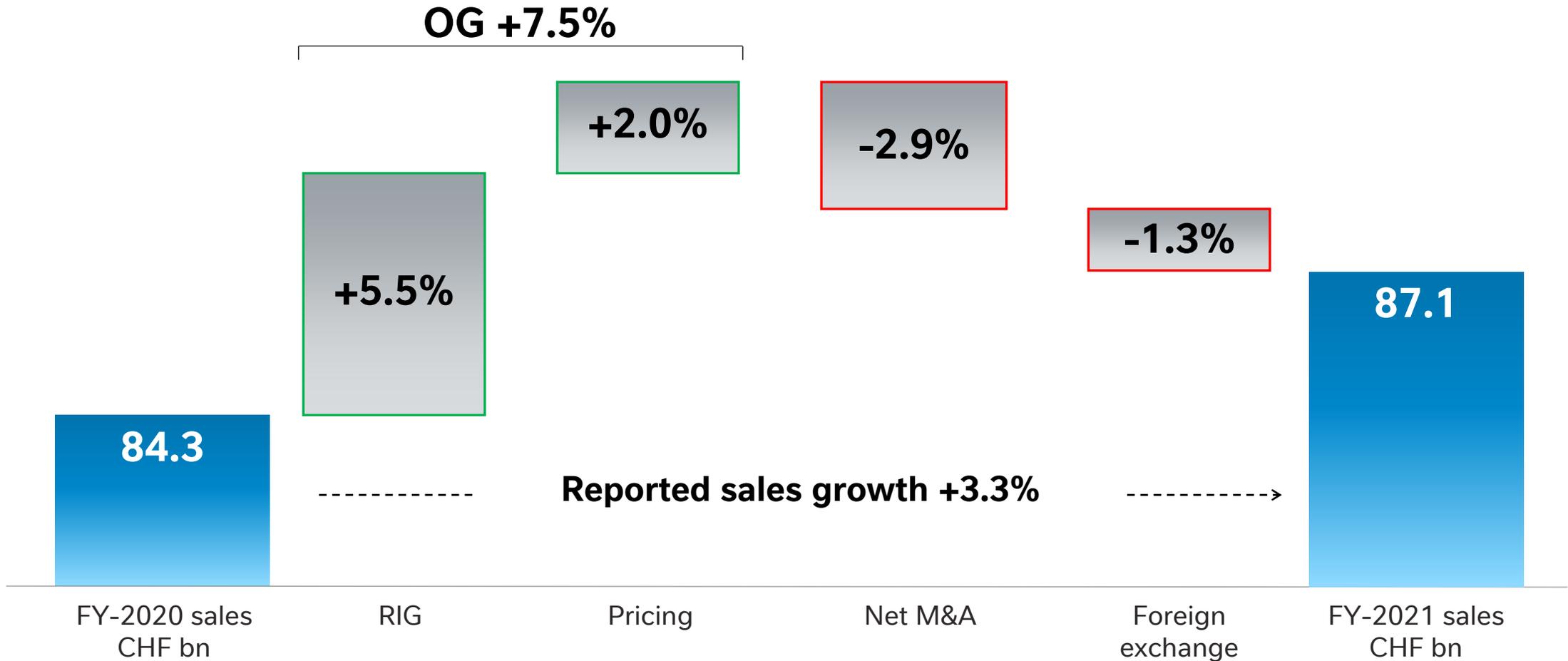
Nestlé Good food, Good life

Full-year results 2021

François-Xavier Roger, CFO

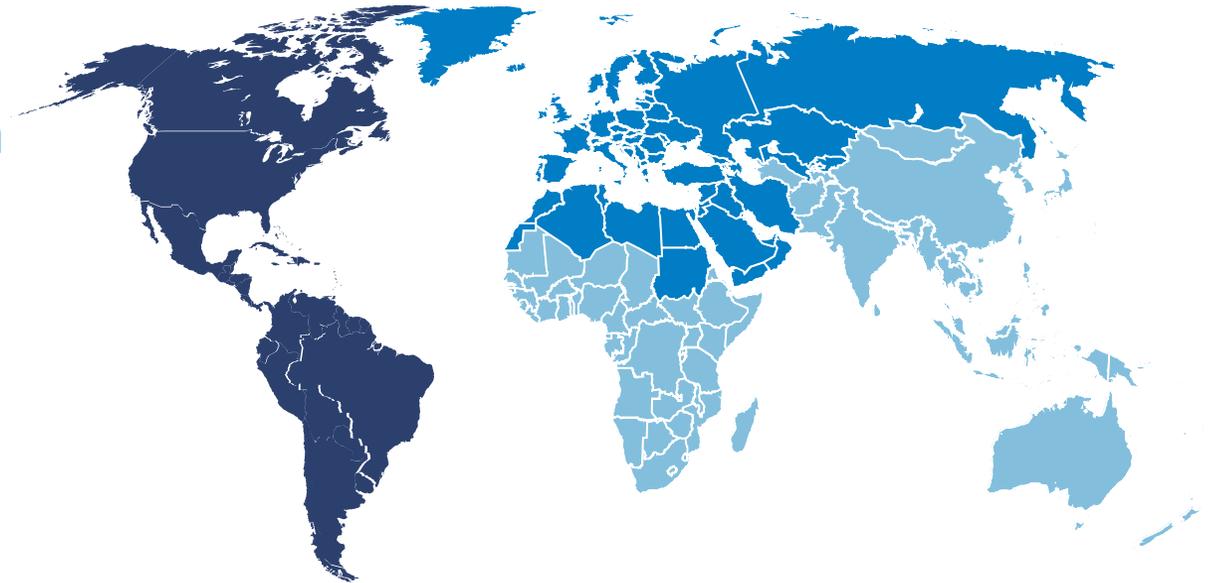


Full-year sales growth



Broad-based growth across geographies

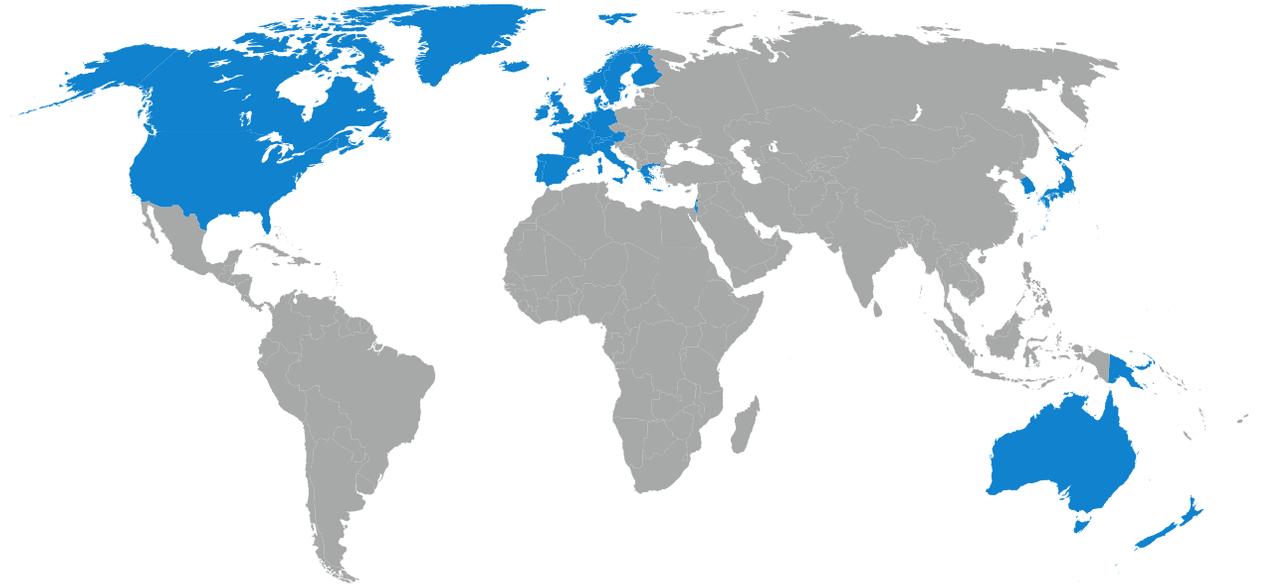
	AMS	EMENA	AOA
Sales (in CHF)	39.1 bn	25.8 bn	22.2 bn
RIG	6.4%	5.7%	3.7%
Pricing	3.3%	1.2%	0.7%
OG	9.6%	6.9%	4.4%



Each geography includes zones, Nespresso, Nestlé Health Science and Other Businesses

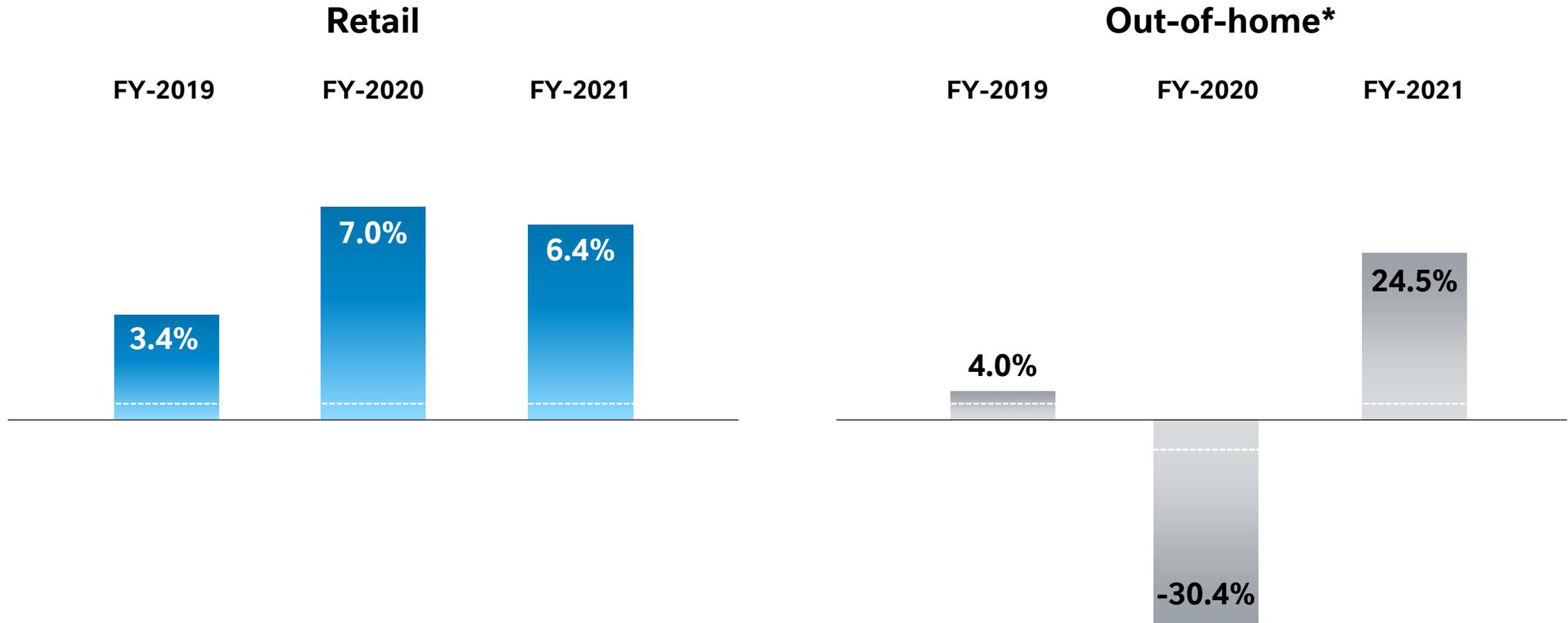
Strong growth across developed and emerging markets

	Developed	Emerging
Sales (in CHF) % of Group sales	51.2 bn 59%	35.9 bn 41%
RIG	5.9%	4.9%
Pricing	1.3%	2.9%
OG	7.2%	7.8%



Strong momentum in retail and partial recovery in out-of-home

Organic sales growth

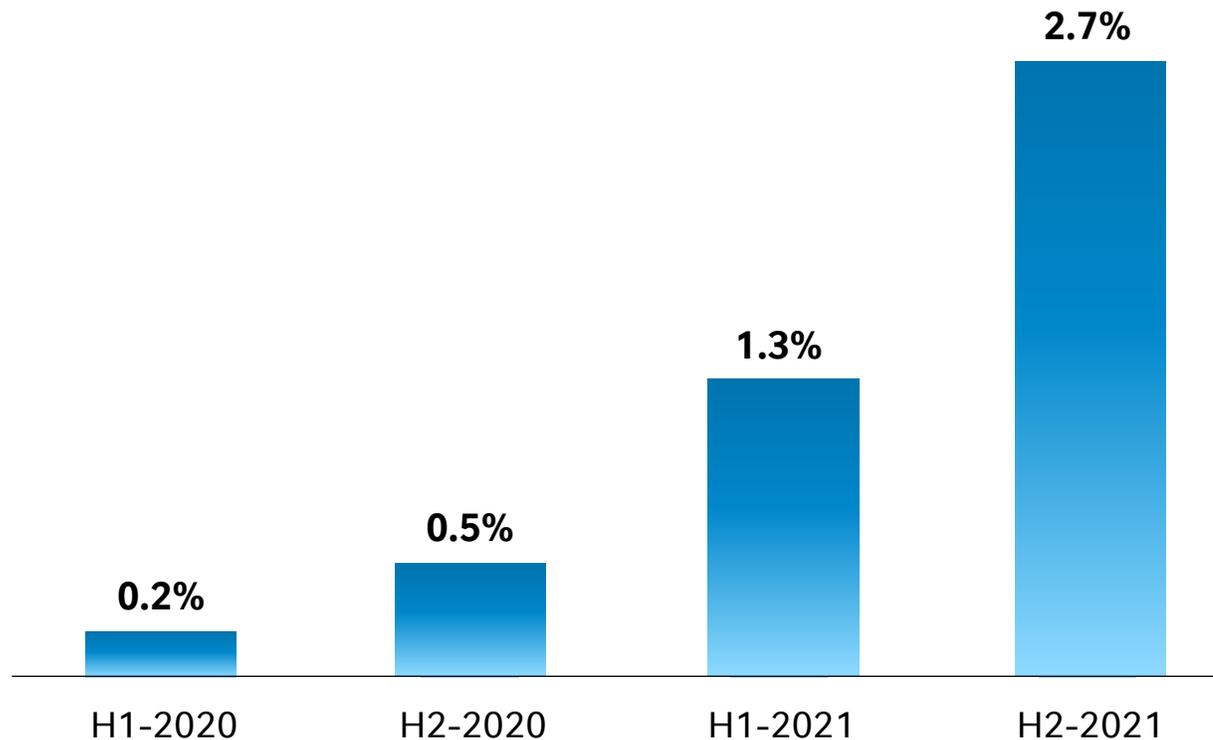


* Includes Nestlé Professional, foodservice activities of Nespresso, Starbucks products and water, travel retail and Blue Bottle



Using multiple levers to offset cost inflation

Pricing



Mitigating actions

- Increasing pricing in a responsible manner
- Optimizing product mix
- Rolling out strategic revenue management tools
- Leveraging efficiencies, cost management initiatives and centralized procurement

Zone AMS

Sales	CHF 33.8 bn
Organic growth	8.5%
Real internal growth	4.8%
Underlying TOP margin	20.8%
vs LY	+30 bps

- Sustained strong momentum, with a balanced contribution from volume, mix and pricing
- North America saw high single-digit growth, led by Purina PetCare, Nestlé Professional, coffee and food
- Latin America posted double-digit growth, with strong contributions across most geographies and categories
- Margin +30 bps mainly due to the divestment of the Nestlé Waters North America brands



Zone EMENA

Sales	CHF 21.1 bn
Organic growth	7.2%
Real internal growth	6.0%
Underlying TOP margin	18.5%
vs LY	-10 bps

- Strong organic growth with broad-based share gains
- All markets contributed positively, with strong momentum in the UK, Russia, Italy and France
- Purina PetCare, coffee and Nestlé Professional were the main contributors to growth
- Margin -10 bps as cost inflation and growth investments more than offset operating leverage and product mix



Zone AOA

Sales	CHF 20.7 bn
Organic growth	4.2%
Real internal growth	3.5%
Underlying TOP margin	21.8%
vs LY	-40 bps

- Solid organic growth in a difficult economic environment
- China saw low single-digit growth, impacted by a sales decline in infant nutrition
- Outside of China, Zone posted high-single-digit growth led by Sub-Saharan Africa, South Asia and Japan
- Margin -40 bps due to cost inflation and product mix



Nespresso

Sales	CHF 6.4 bn
Organic growth	8.8%
Real internal growth	8.2%
Underlying TOP margin	23.0%
vs LY	-60 bps

- Strong organic growth led by *Vertuo* and a recovery in boutiques and out-of-home channels
- The Americas and AOA posted double-digit growth. EMENA reported mid single-digit growth
- Continued market share gains in most markets
- Margin -60 bps reflecting increased growth investments



Nestlé Health Science

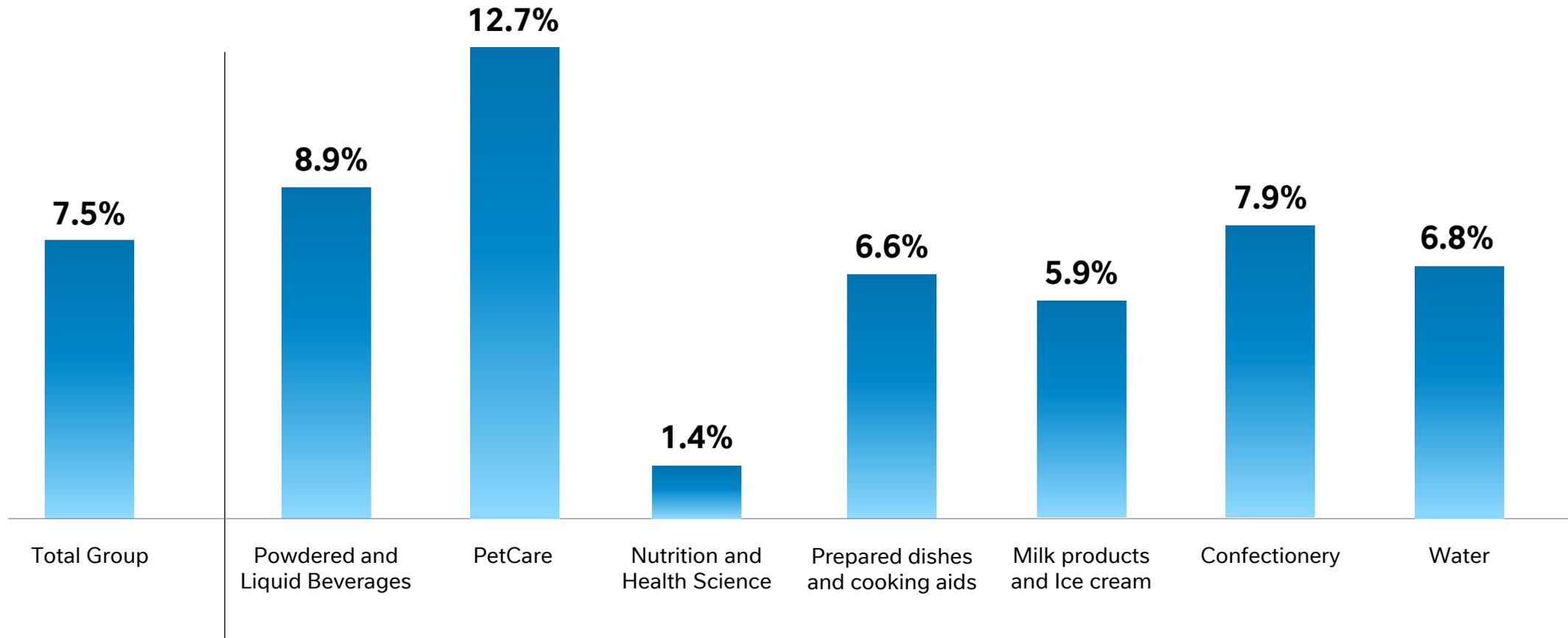
Sales	CHF 4.8 bn
Organic growth	13.5%
Real internal growth	13.4%
Underlying TOP margin	13.6%
vs LY	-290 bps

- 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 high single-digit growth, led by pediatric and adult medical care products
- Margin -290 bps reflecting growth investments and one-off integration costs linked to the Bountiful acquisition



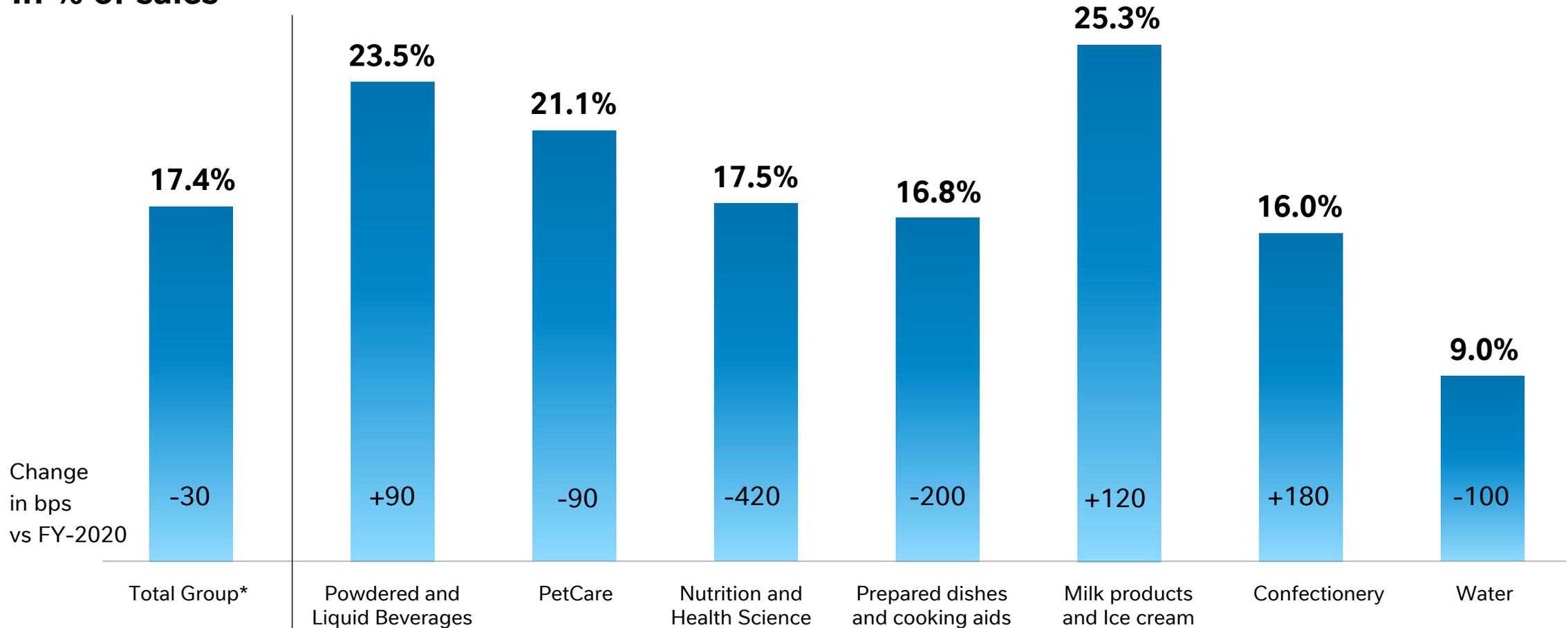
Strong growth across most categories

Organic sales growth %



Underlying trading operating profit margin by category

In % of sales

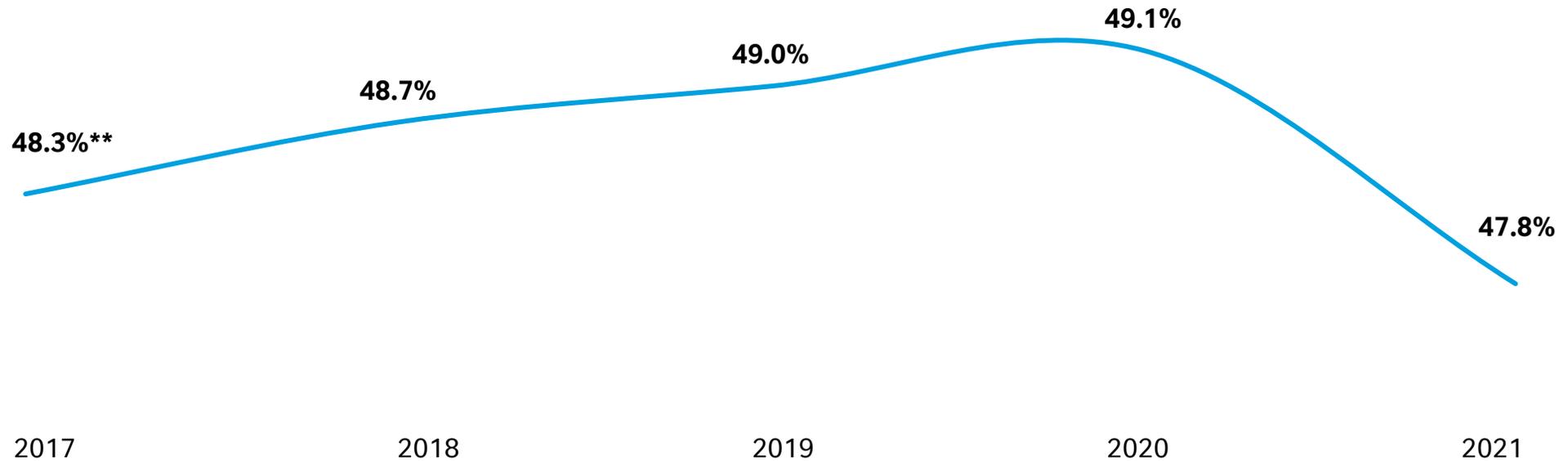


* Includes unallocated items



Gross margin impacted by delay between cost inflation and pricing actions

Gross margin* = (Sales - Cost of good sold) / Sales



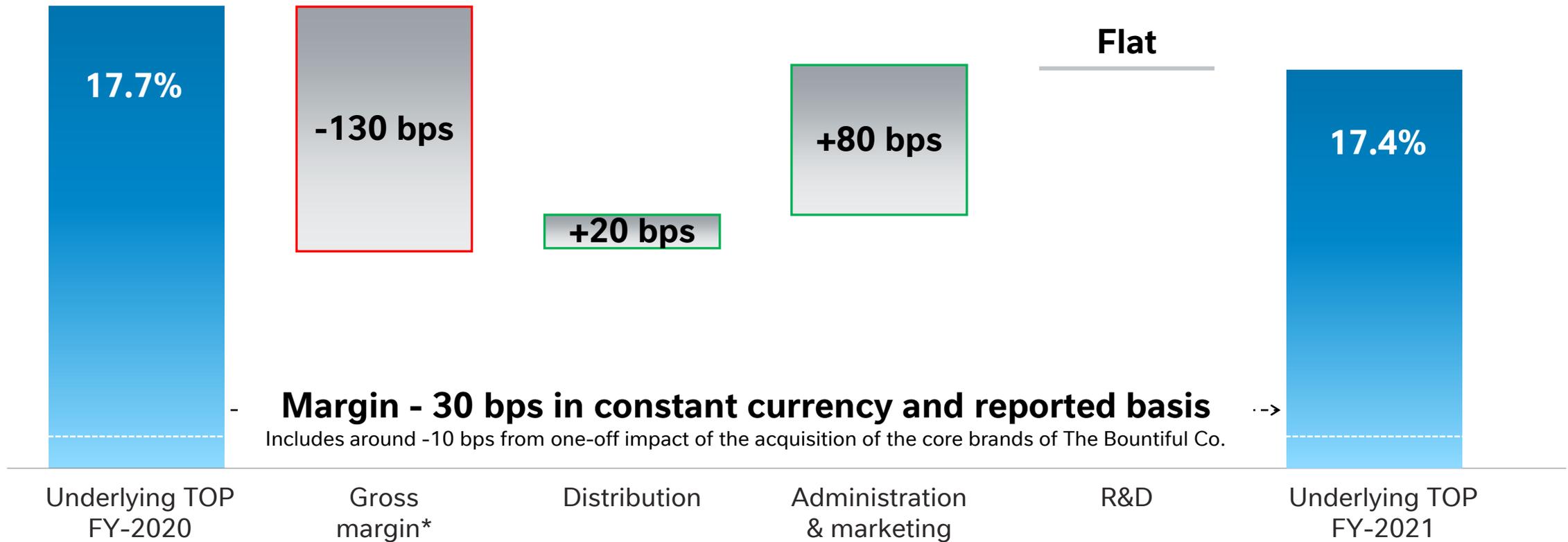
* Excluding Nestlé Skin Health

** Restated to reflect implementation of IFRS 15, IFRS 16 and reclassification of certain cost items from marketing and administration to cost of goods sold



Strong growth leverage largely offsetting cost inflation

Underlying trading operating profit margin



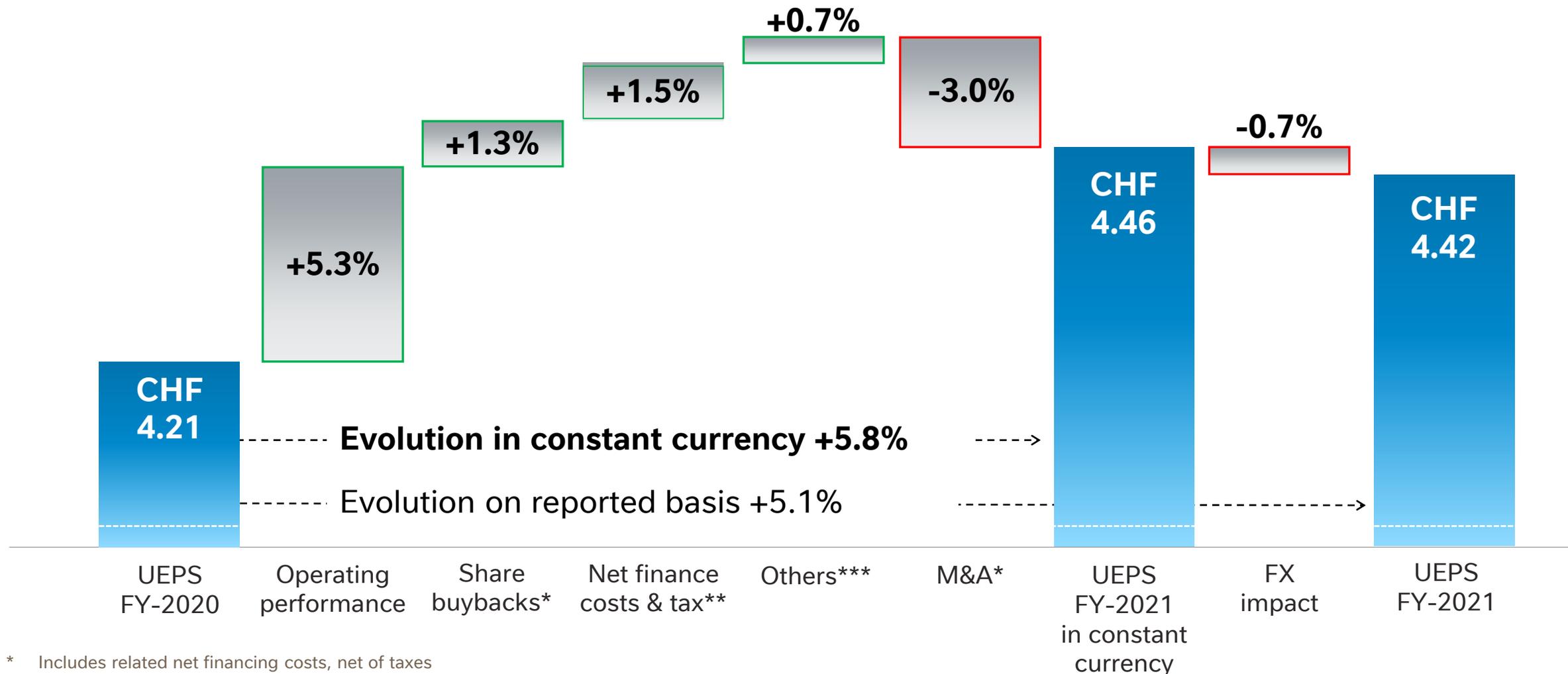
* Gross margin = Sales – cost of goods sold

Significant net profit increase

	% of sales	2021 vs 2020
Underlying trading operating profit	17.4%	-30 bps
Restructuring		-10 bps
Impairment of assets		-200 bps
Onerous contracts, litigations and other operating income / expenses		-50 bps
Trading operating profit	14.0%	-290 bps
Gain / loss on disposals		-170 bps
Taxes		+140 bps
Income from associates / joint ventures		+770 bps
Others		+40 bps
Net profit	19.4%	+490 bps



Underlying earnings per share



* Includes related net financing costs, net of taxes

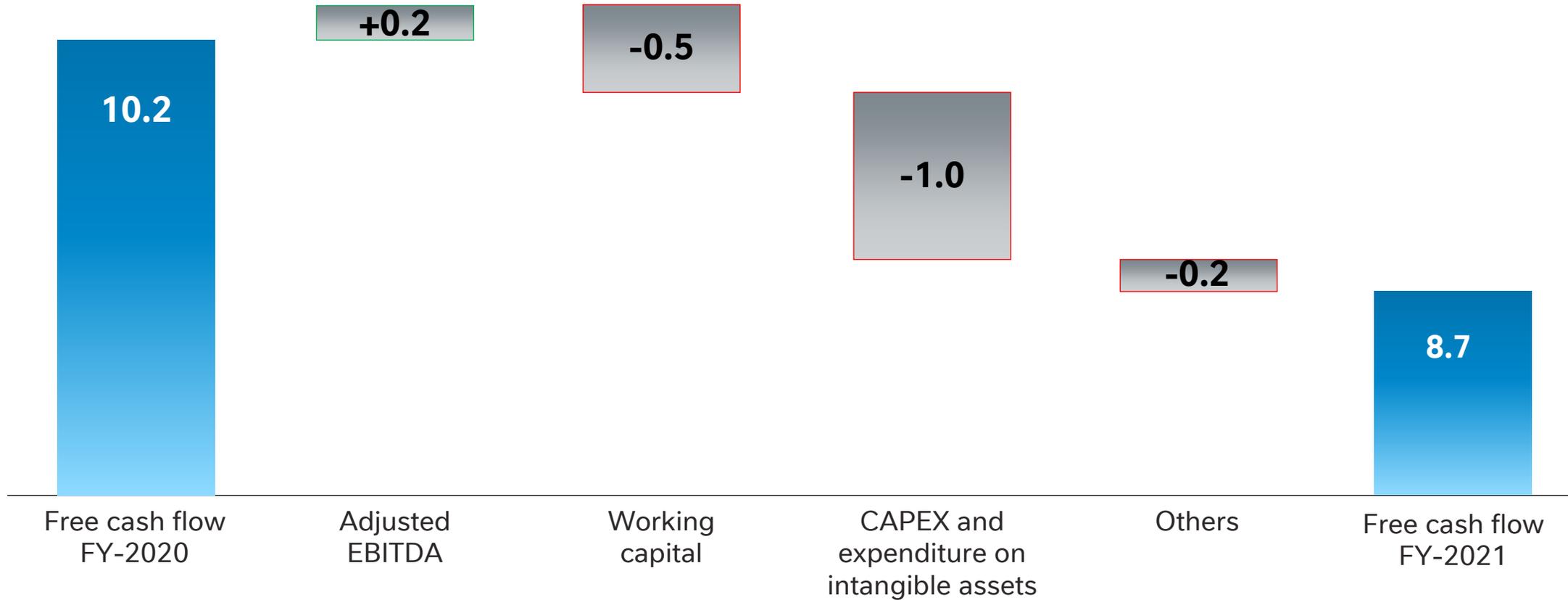
** Excludes net financing costs on share buyback and M&A, net of taxes

*** Includes income from associates and joint ventures



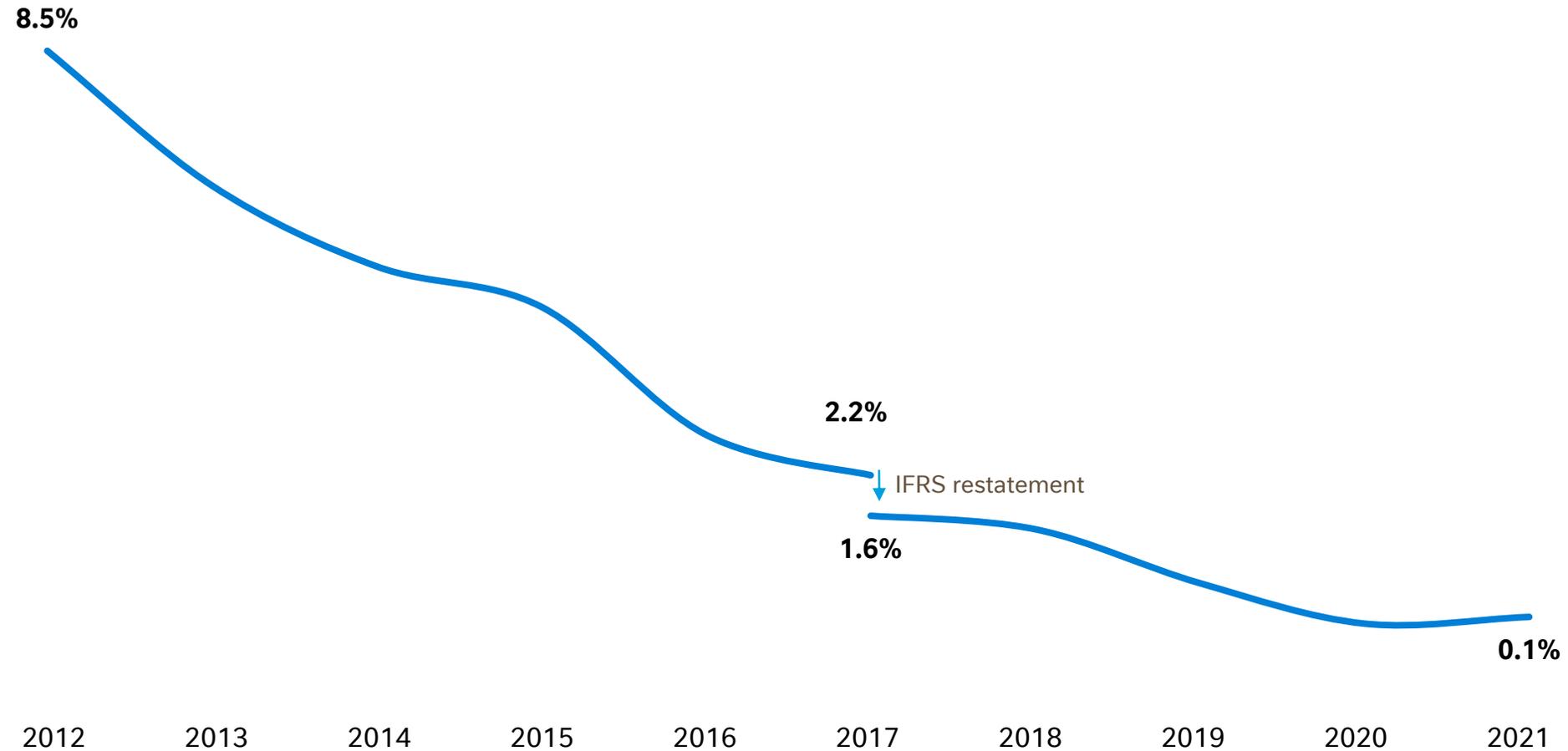
Free cash flow

In CHF billion



Continued discipline in working capital management

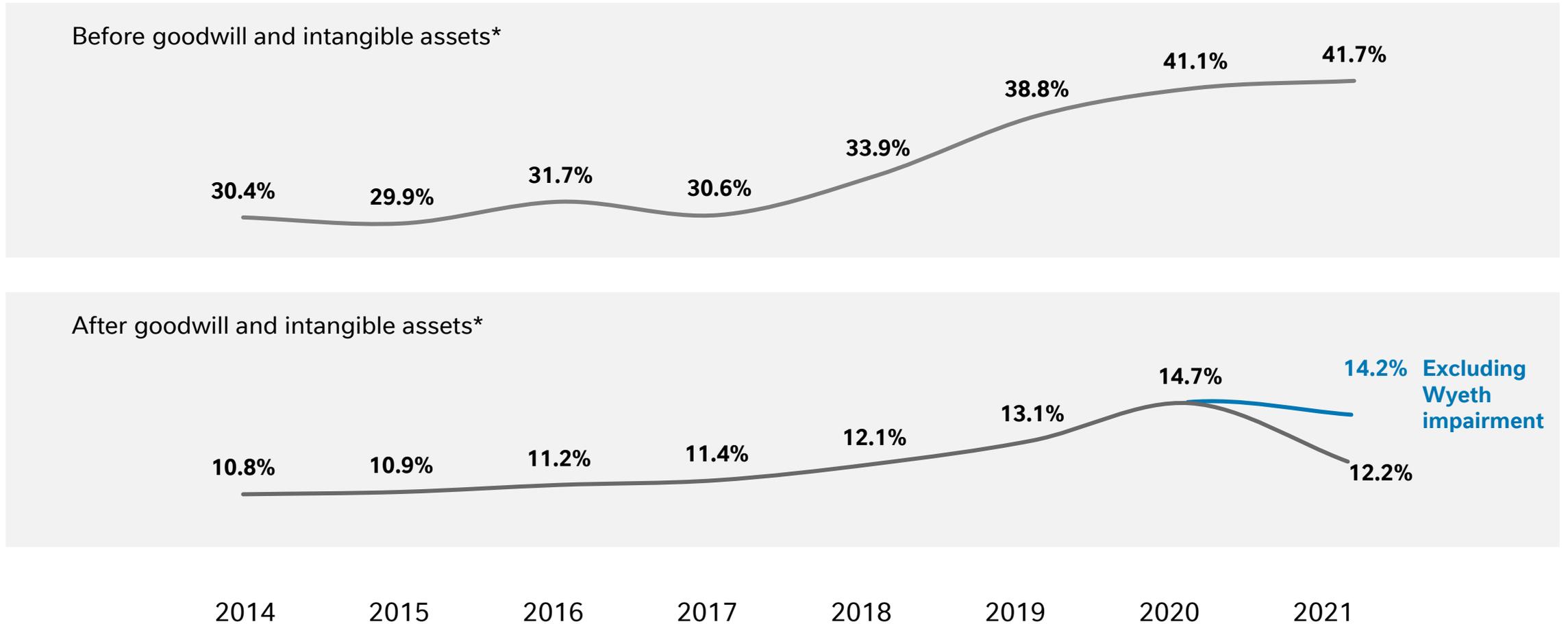
Working capital as a % of sales, calculated on a 5-quarter average



Note: 2017 restated, reflecting implementation of IFRS 15 and IFRS 16



Return on invested capital

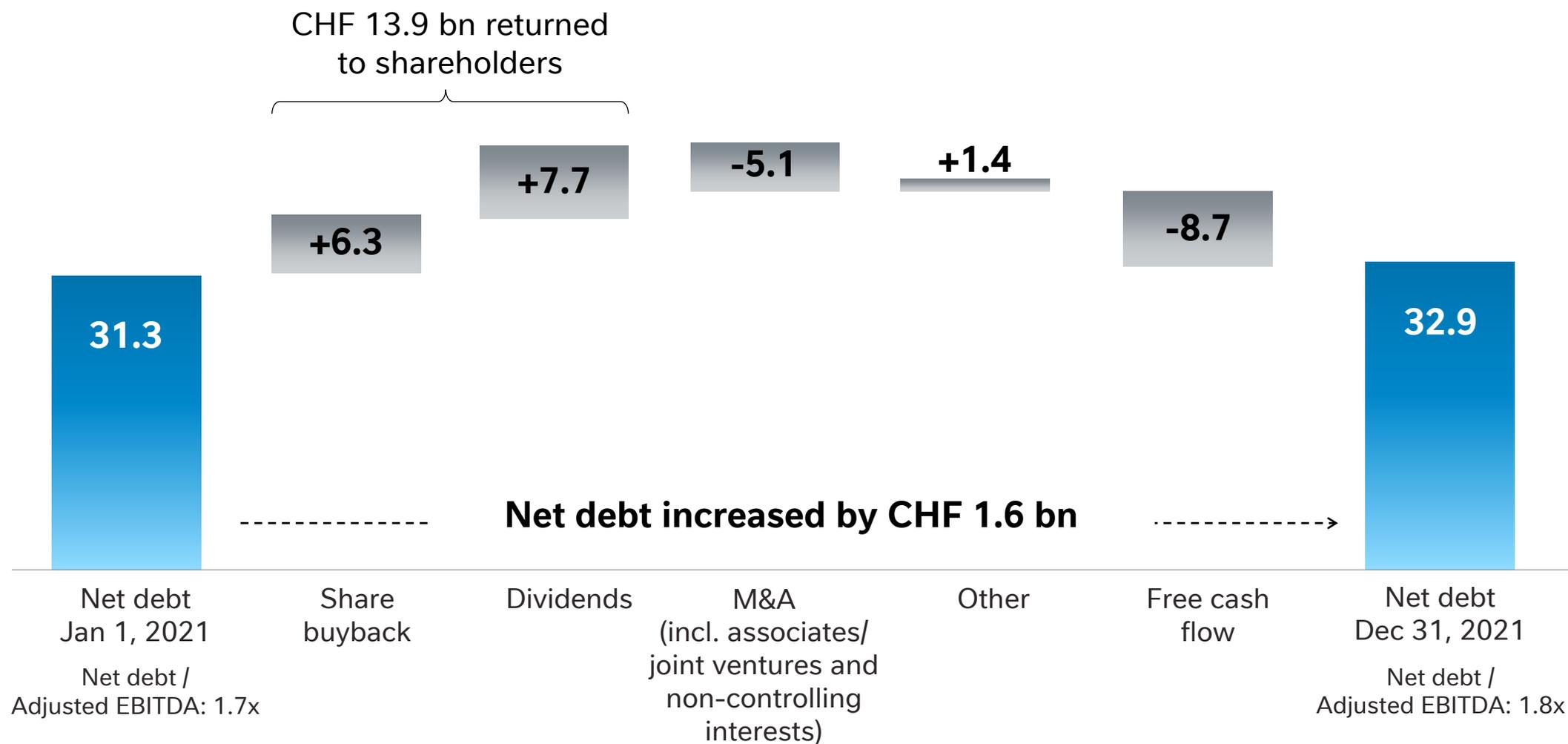


* Restated to reflect implementation of IFRS 15 and IFRS 16 in 2017. Excludes impairment of Nestlé Skin Health in 2017 and Yinlu in 2019



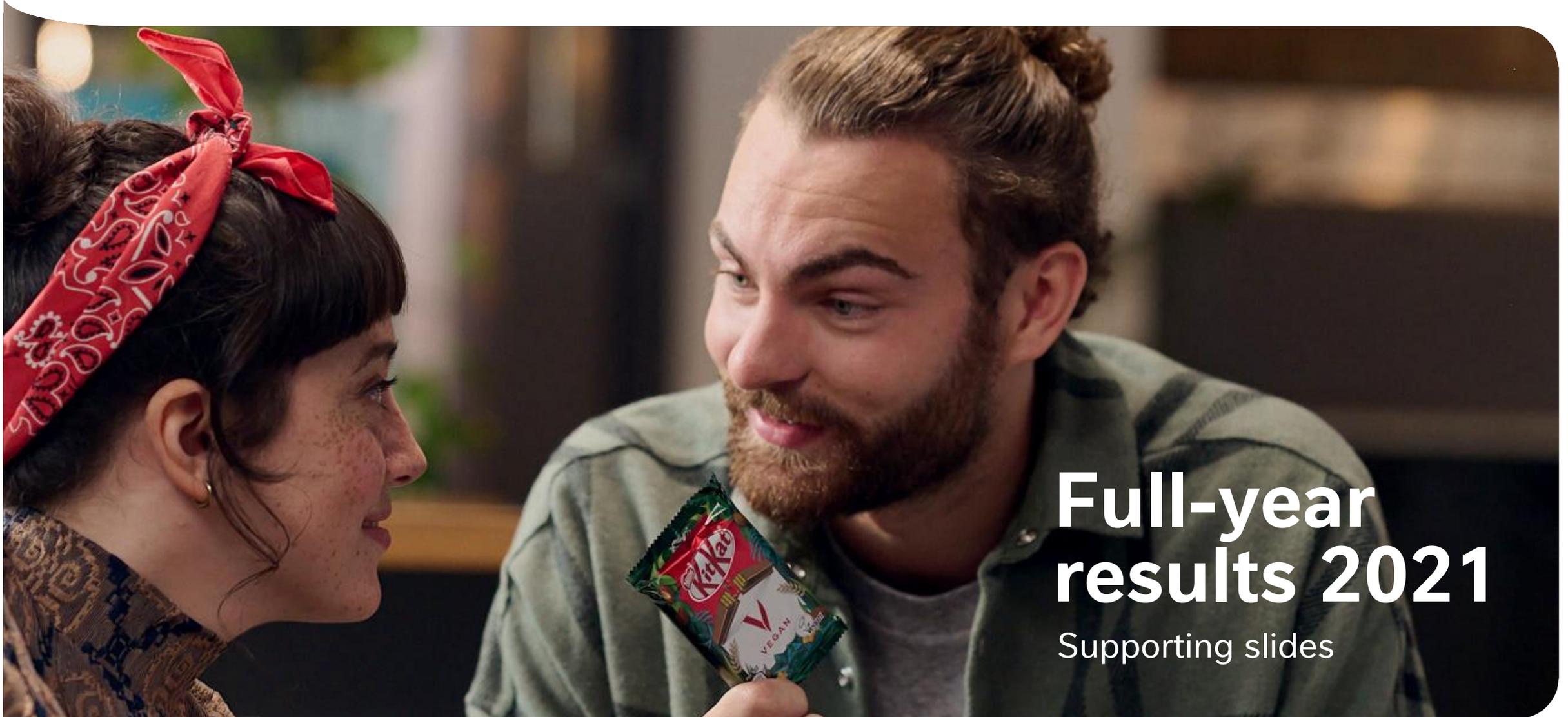
Net debt

In CHF bn





Nestlé Good food, Good life



Full-year results 2021

Supporting slides

FY-2021 Operating segments – quarterly summary

	Q4-2021 sales			
	Sales (CHF m)	RIG %	Pricing %	OG %
Zone AMS	9 190	3.4	5.2	8.6
Zone EMENA	5 636	4.9	2.5	7.4
Zone AOA	5 563	2.4	2.2	4.5
Nespresso	1 764	2.7	0.5	3.2
Nestlé Health Science	1 585	12.0	0.1	12.1
Other Businesses	56	24.1	-3.2	20.8
Total Group	23 794	4.0	3.1	7.2



FY-2021 Operating segments – topline summary

	FY-2021 sales						Reported sales growth %
	Sales (CHF m)	RIG %	Pricing %	OG %	Net M&A %	F/X %	
Zone AMS	33 779	4.8	3.7	8.5	-6.6	-2.5	-0.7
Zone EMENA	21 128	6.0	1.2	7.2	-2.2	-0.6	4.5
Zone AOA	20 735	3.5	0.8	4.2	-3.9	-0.4	0.0
Nespresso	6 418	8.2	0.6	8.8	0.0	0.3	9.1
Nestlé Health Science	4 822	13.4	0.1	13.5	33.2	-1.8	45.0
Other Businesses	206	25.1	1.2	26.3	0.0	-1.8	24.5
Total Group	87 088	5.5	2.0	7.5	-2.9	-1.3	3.3



FY-2021 Products – topline summary

	FY-2021 sales			
	Sales (CHF m)	RIG %	Pricing %	OG %
Powdered and liquid beverages	23 975	7.8	1.1	8.9
Water	4 040	3.0	3.7	6.8
Milk products and ice cream	10 700	3.0	2.9	5.9
Nutrition and Health Science	13 157	0.4	1.0	1.4
Prepared dishes and cooking aids	12 146	4.6	1.9	6.6
Confectionery	7 514	6.3	1.6	7.9
Petcare	15 556	9.4	3.4	12.7
Total Group	87 088	5.5	2.0	7.5



FY-2021 historical eight quarters

Period	RIG %	Pricing %	OG %
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
Q3-2021	4.4	2.1	6.5
Q4-2021	4.0	3.1	7.2



FY-2021 Operating segments – revenue and results

In CHF m							
		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
	Sales						
Zone AMS	33 779	7 012	6 601	(411)	(112)	(69)	(991)
Zone EMENA	21 128	3 903	3 772	(131)	(33)	(135)	(901)
Zone AOA	20 735	4 524	2 477	(2 047)	(138)	(57)	(704)
Nespresso	6 418	1 475	1 456	(19)	1	(12)	(302)
Nestlé Health Science	4 822	654	628	(26)	-	(16)	(241)
Other businesses	206	(32)	(121)	(89)	(16)	-	(36)
Unallocated items	--	(2 417)	(2 654)	(237)	(46)	(22)	(265)
Total Group	87 088	15 119	12 159	(2 960)	(344)	(311)	(3 440)

FY-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	23 975	5 631	5 406	(225)	(46)	(60)
Water	4 040	364	257	(107)	(8)	(57)
Milk products and Ice cream	10 700	2 707	2 642	(65)	-	(20)
Nutrition and Health Science	13 157	2 307	2 43	(2 064)	(134)	(54)
Prepared dishes and cooking aids	12 146	2 040	1 931	(109)	(78)	(43)
Confectionery	7 514	1 205	1 093	(112)	(22)	(45)
Petcare	15 556	3 282	3 241	(41)	(10)	(10)
Unallocated items	--	(2 417)	(2 654)	(237)	(46)	(22)
Total Group	87 088	15 119	12 159	(2 960)	(344)	(311)



FY-2021 currency overview

			Weighted average rate		
			FY-2020	FY-2021	Variation in %
US Dollar	1	USD	0.937	0.915	-2.4%
Euro	1	EUR	1.070	1.081	1.0%
Chinese Yuan Renminbi	100	CNY	13.596	14.179	4.3%
UK Pound Sterling	1	GBP	1.202	1.257	4.6%
Brazilian Real	100	BRL	18.175	16.988	-6.5%
Philippine Peso	100	PHP	1.893	1.855	-2.0%
Mexican Pesos	100	MXN	4.395	4.505	2.5%
Canadian Dollar	1	CAD	0.698	0.730	4.5%
Japanese Yen	100	JPY	0.877	0.831	-5.3%
Indian Rupee	100	INR	1.267	1.236	-2.5%
Russian Federation Ruble	100	RUB	1.292	1.243	-3.8%
Australian Dollar	1	AUD	0.646	0.686	6.2%



FY-2021 underlying EPS reconciliation (1 of 2)

From net profit to underlying net profit

	In CHF m	
	FY-2020	FY-2021
Net profit	12 232	16 905
Restructuring costs	220	311
Impairments of property, plant & equipment, goodwill and int. assets	711	2 614
Net result on disposal of businesses	(1 678)	(235)
Other adjustment in Net other income/(expense)	854	750
Adjustment for income from associates and joint ventures	(577)	(7 270)
Tax effect on above items & adjustment of one-off tax items	400	(684)
Adjustment in non-controlling interests	(179)	(57)
Underlying net profit	11 983	12 334
Weighted Average number of shares outstanding (m)	2 845	2 788
Underlying EPS	4.21	4.42



FY-2020 underlying EPS reconciliation (2 of 2)

From underlying trading operating profit to underlying net profit

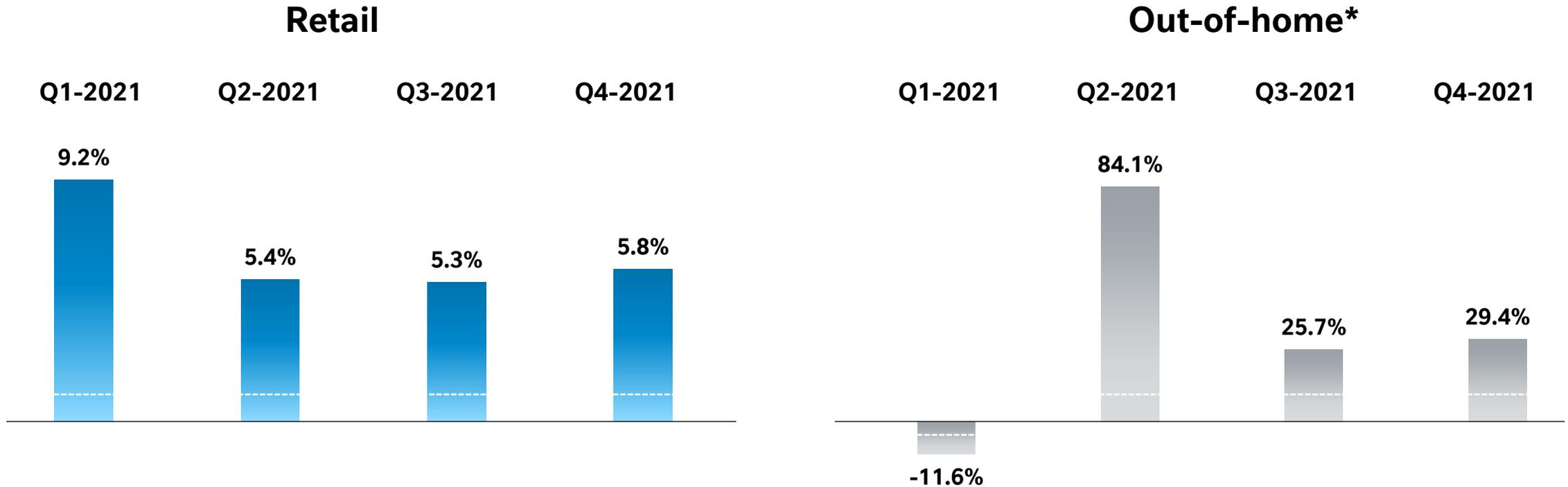
In CHF m

	FY-2020	FY-2021
Underlying trading operating profit	14 903	15 119
Net financial income / (expense)	(874)	(873)
Adjusted taxes	(2 965)	(2 945)
Adjusted income from associates and joint ventures	1 238	1 381
Adjusted non-controlling interests	(319)	(348)
Underlying net profit	11 983	12 334
Weighted Average number of shares outstanding (m)	2 845	2 788
Underlying EPS	4.21	4.42



Strong growth in retail sales

Organic sales growth %



* 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)

