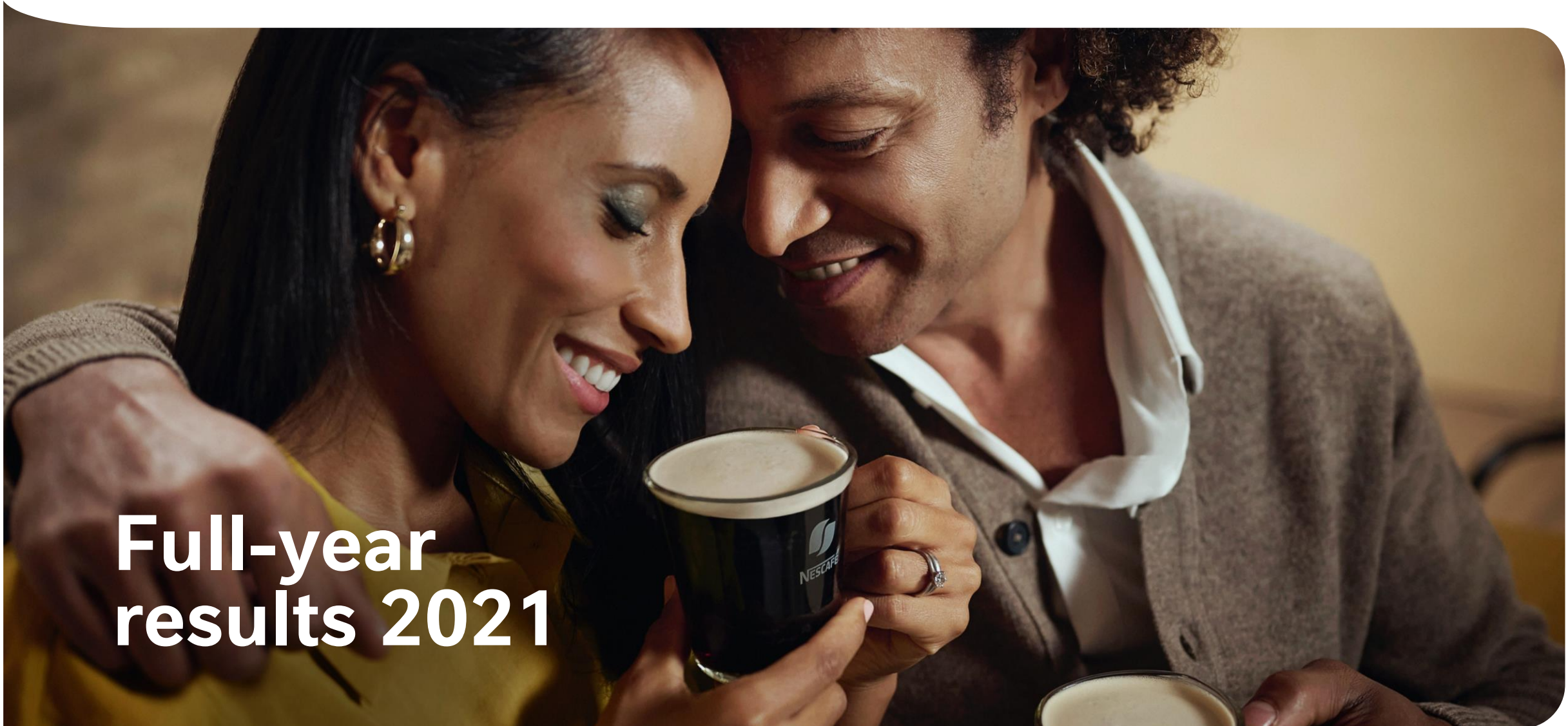




Nestlé Good food, Good life



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

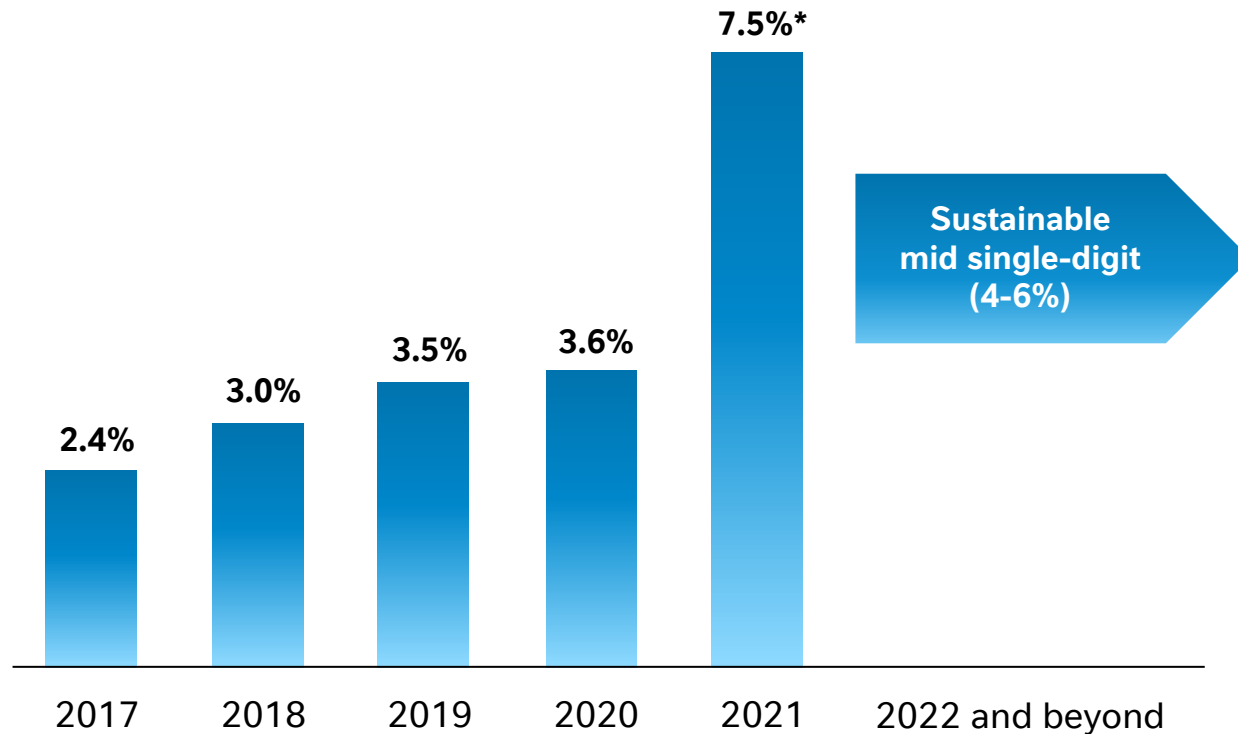


Key messages 2021

- **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

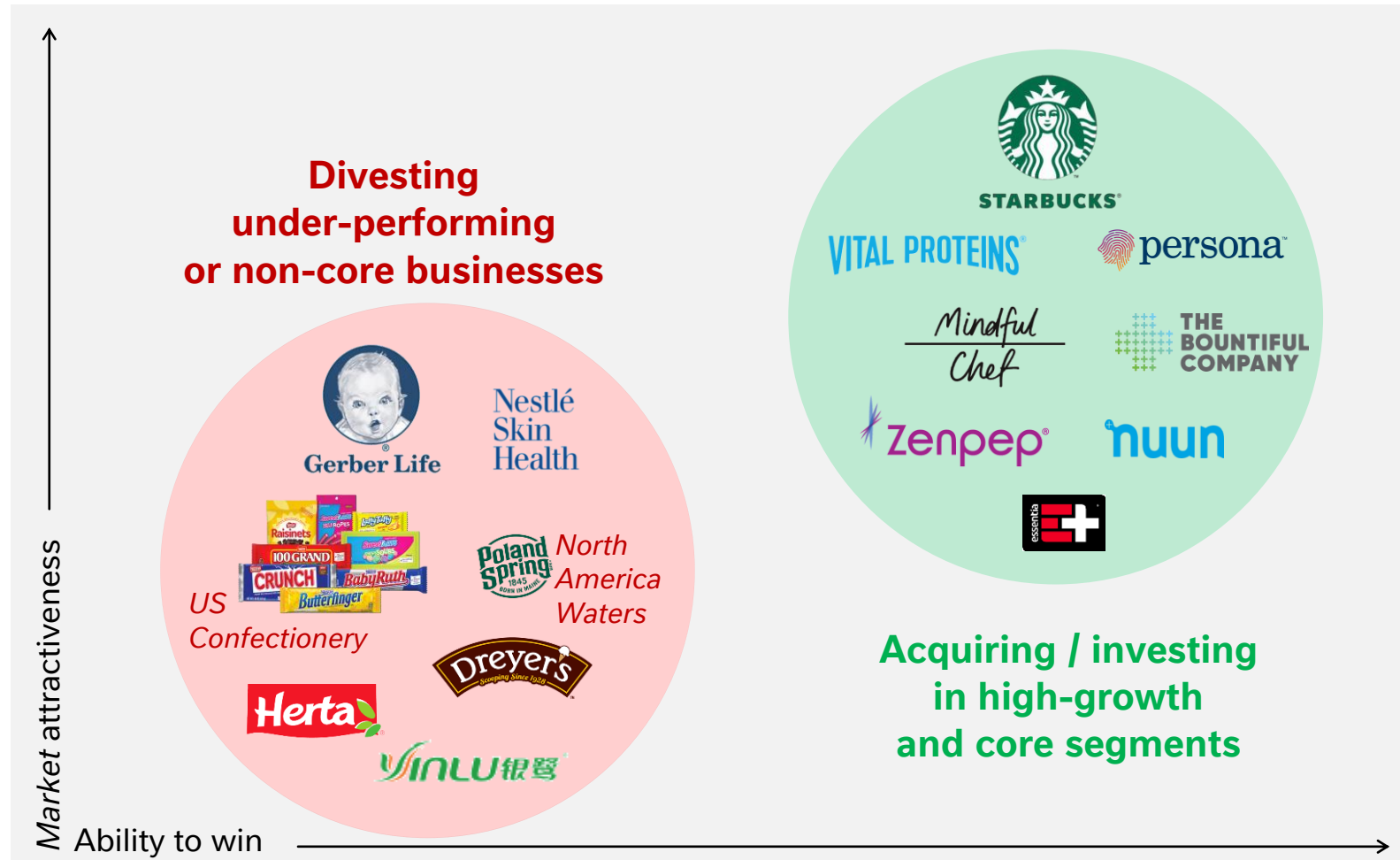
- **Portfolio management**

- **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

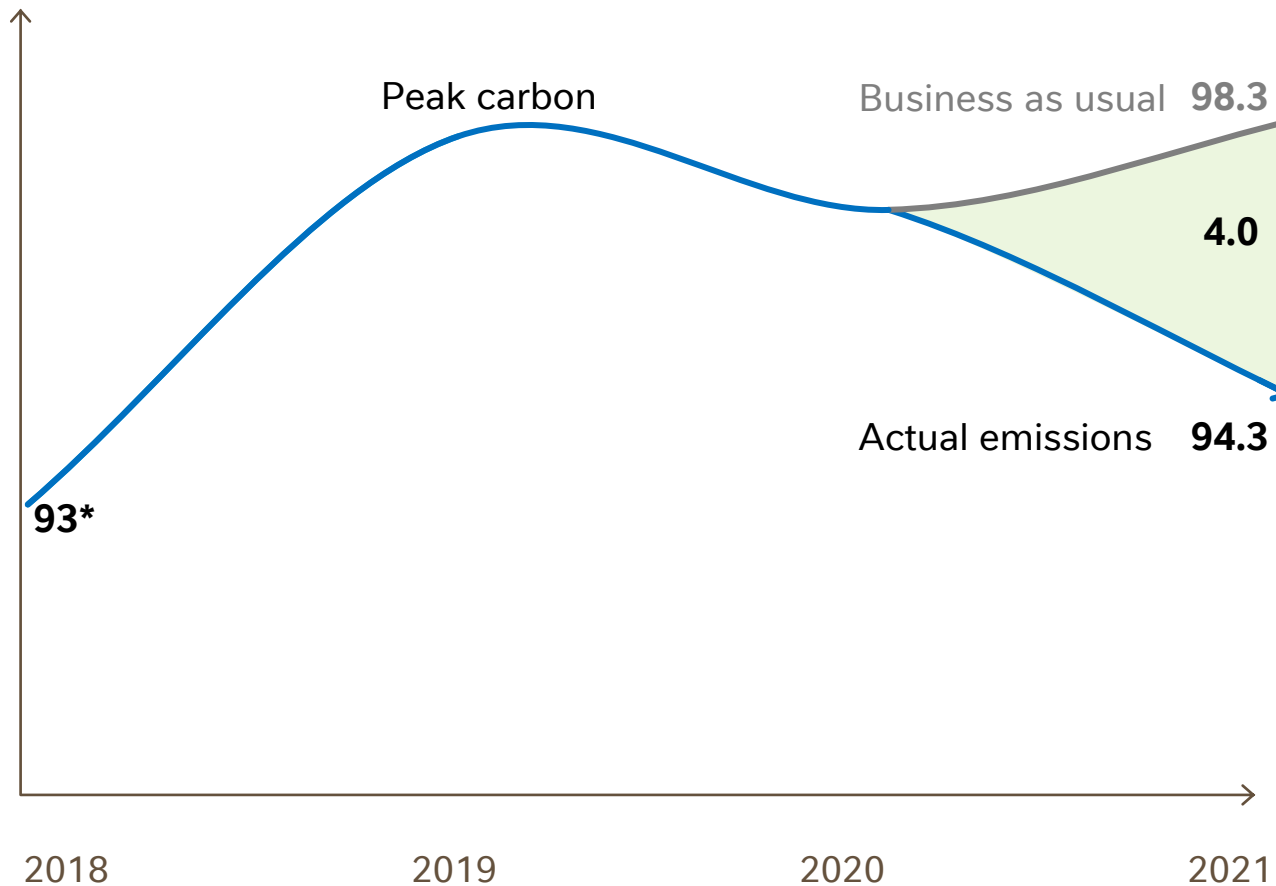
Delinked from production volume to drive sustainable benefit for smallholders

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**





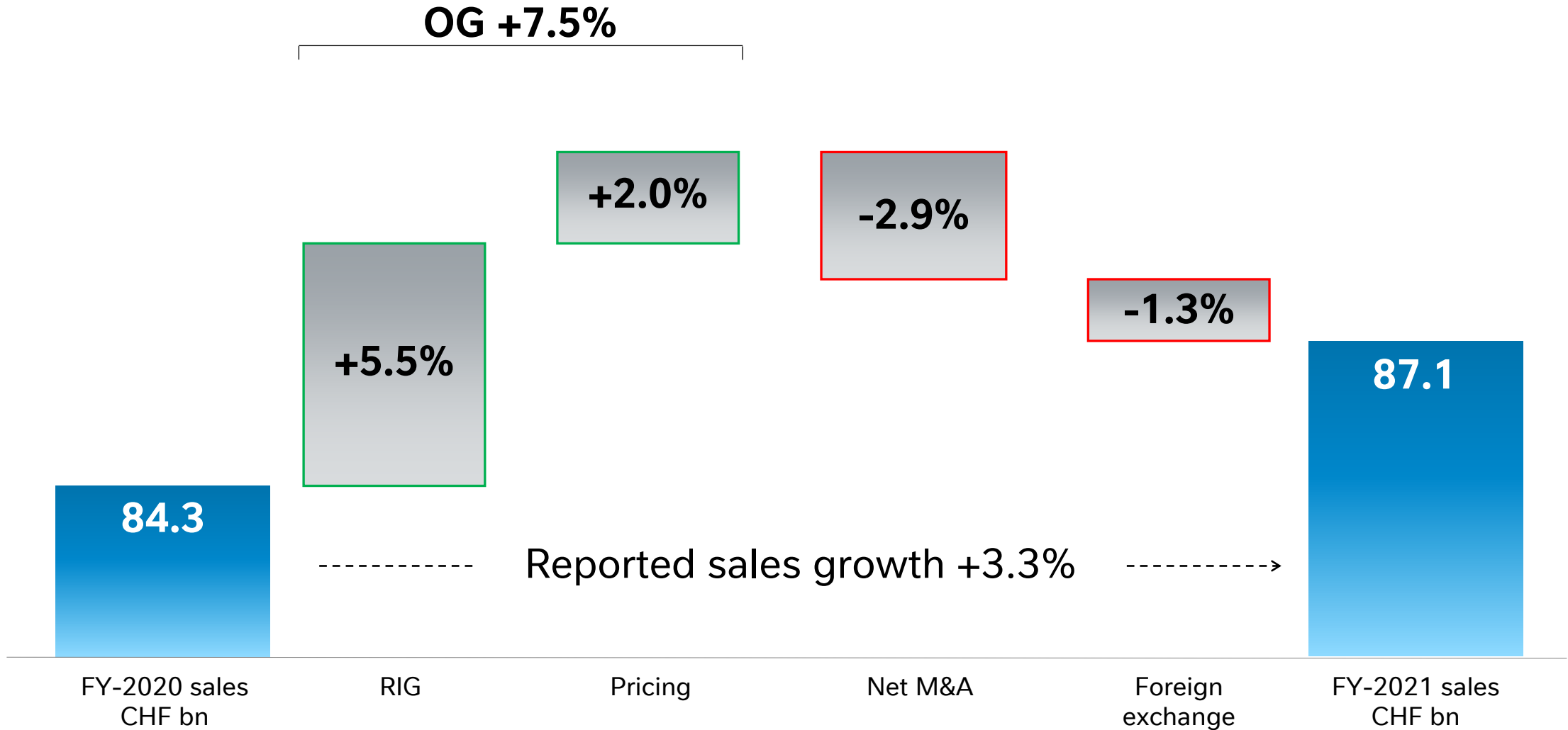
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Full-year results 2021

François-Xavier Roger, CFO

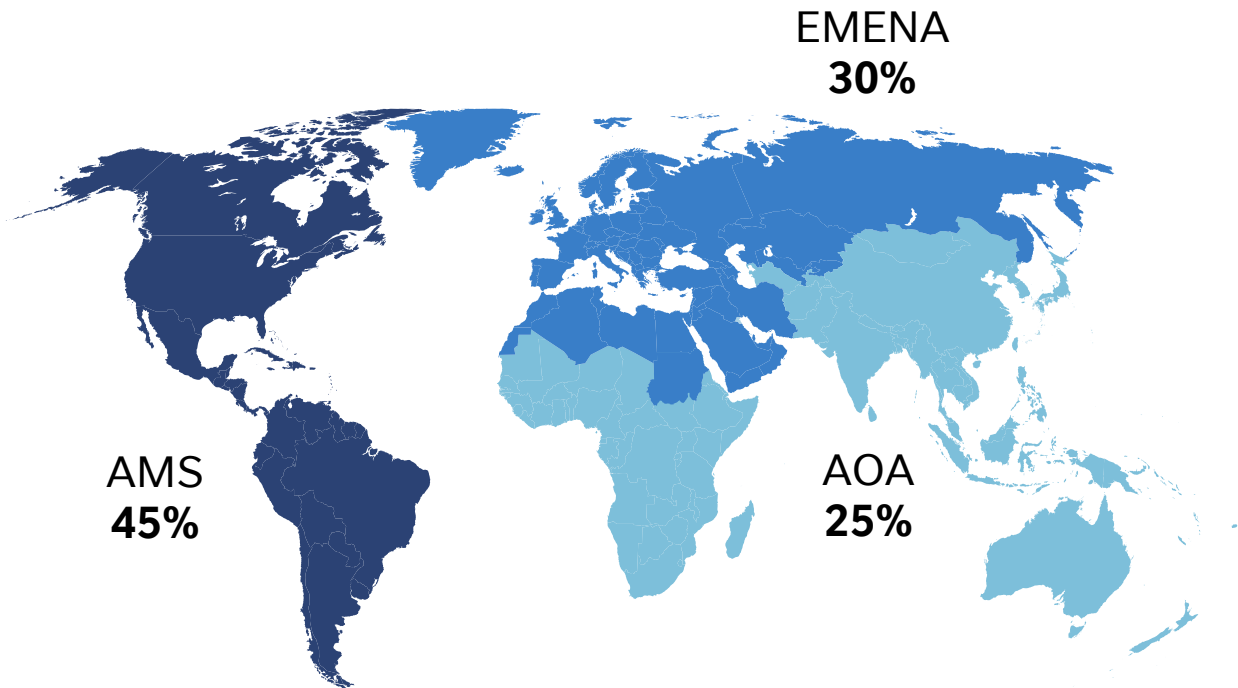


Full-year sales growth

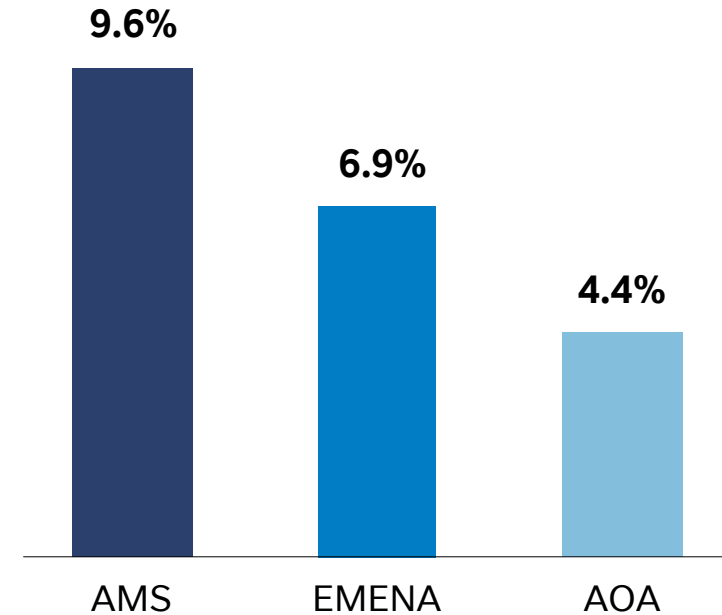


Broad-based growth across geographies

2021 sales: CHF 87.1 bn



2021 organic sales growth

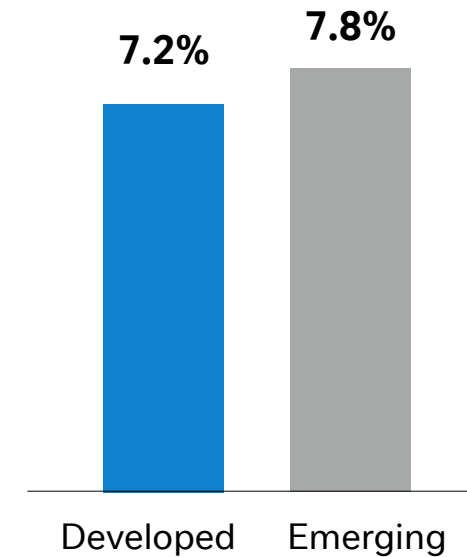
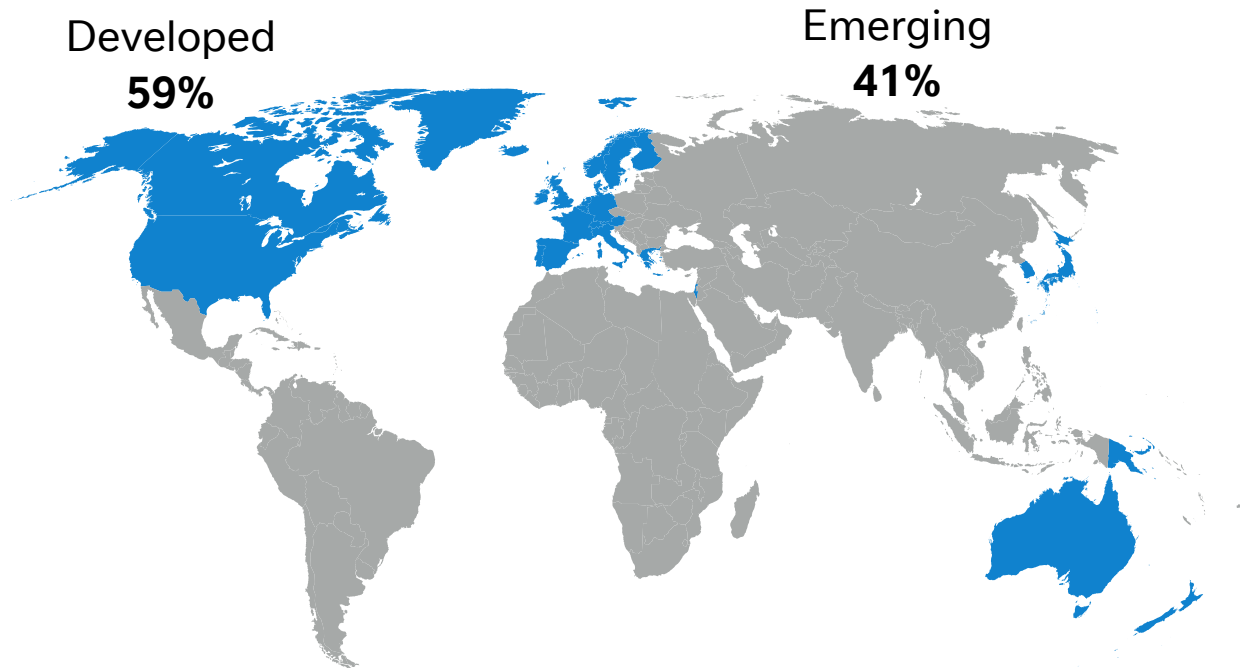


Each geography includes zones, Nespresso, Nestlé Health Science and Other Businesses

Strong growth across developed and emerging markets

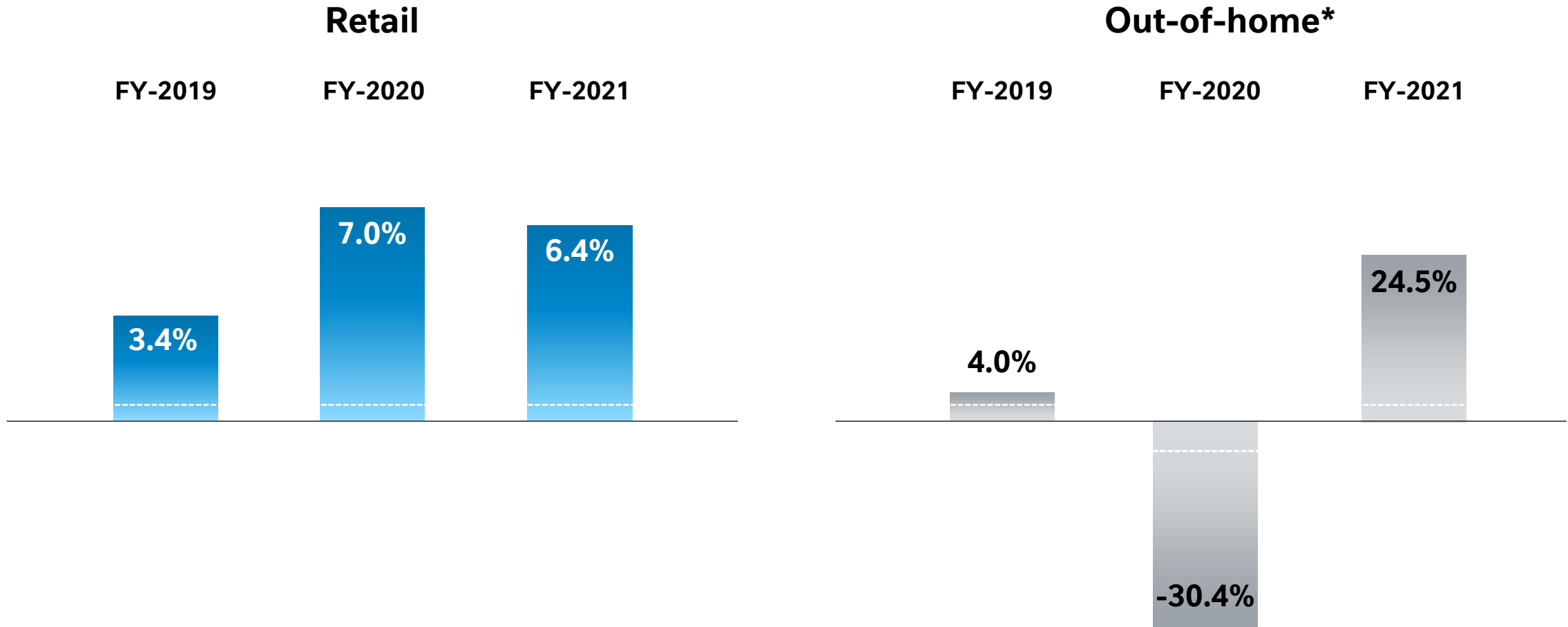
2021 sales: CHF 87.1 bn

2021 organic sales growth



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

Organic sales growth

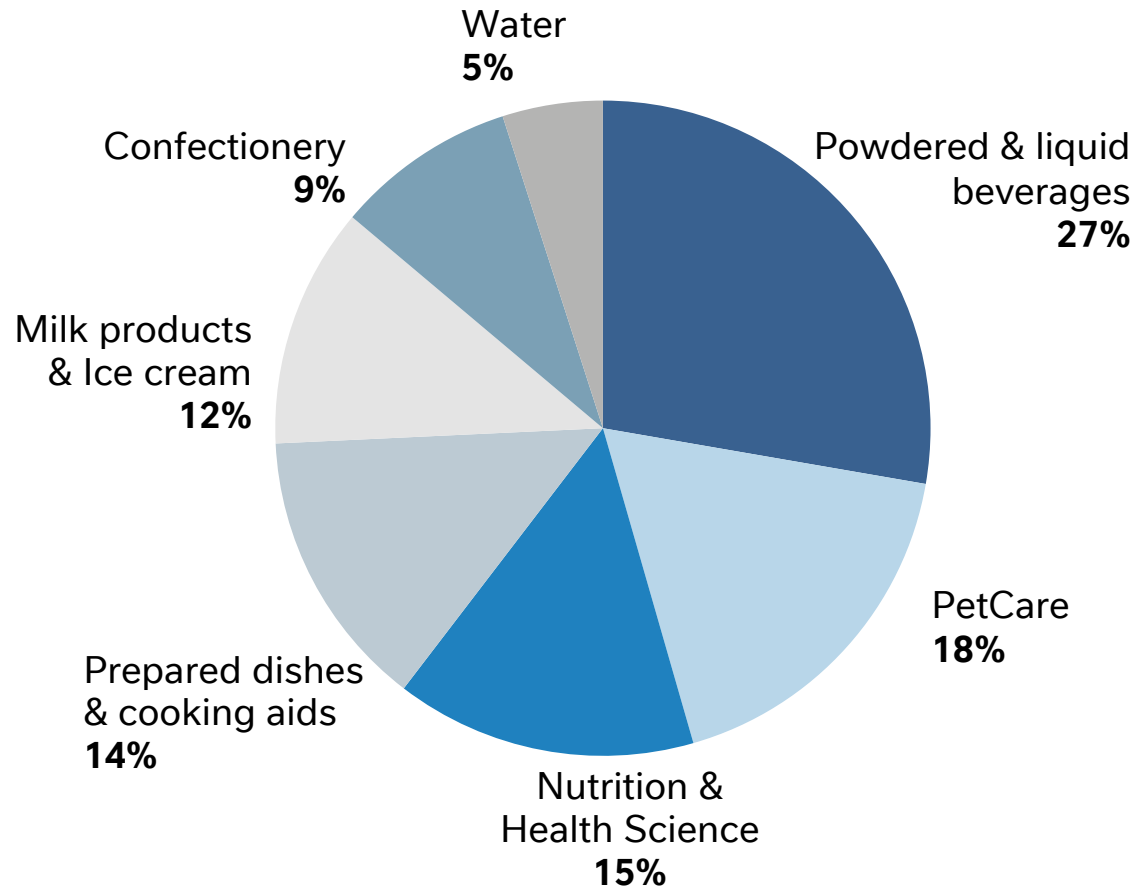


* Includes Nestlé Professional, foodservice activities of Nespresso, Starbucks products and water, travel retail and Blue Bottle

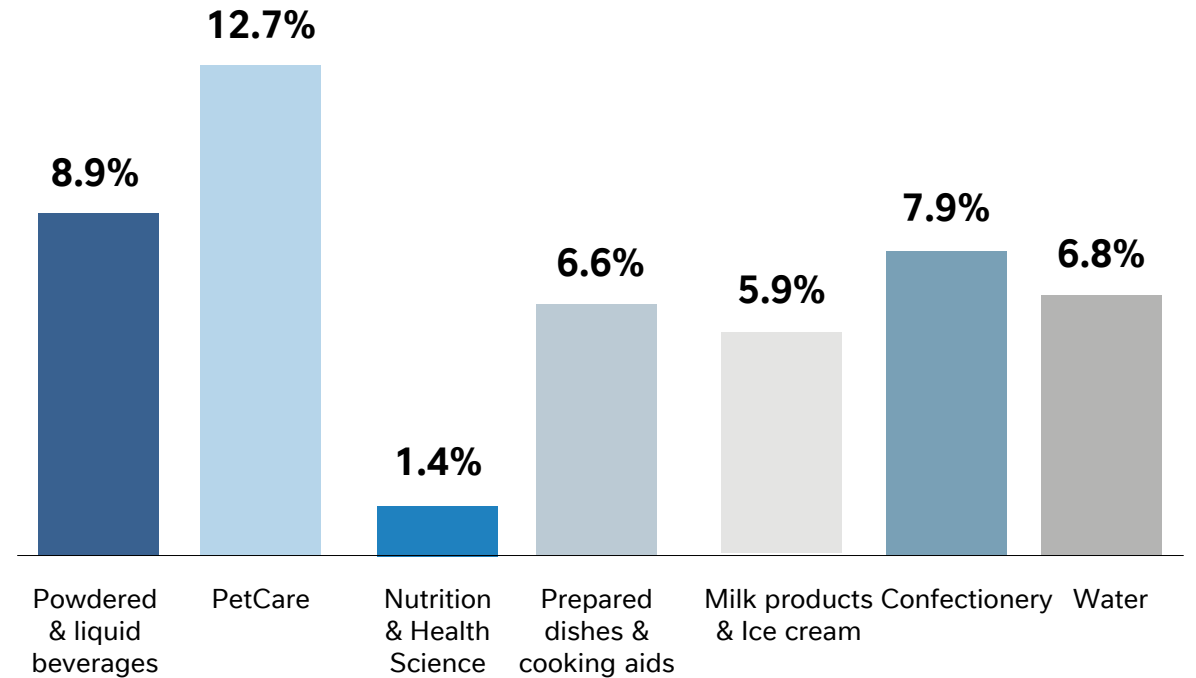


Strong growth across most categories

2021 sales: CHF 87.1 bn



2021 organic sales growth

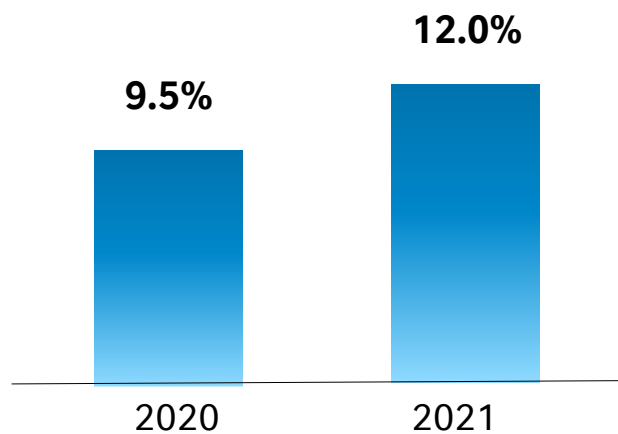


Key growth platforms

Organic sales growth

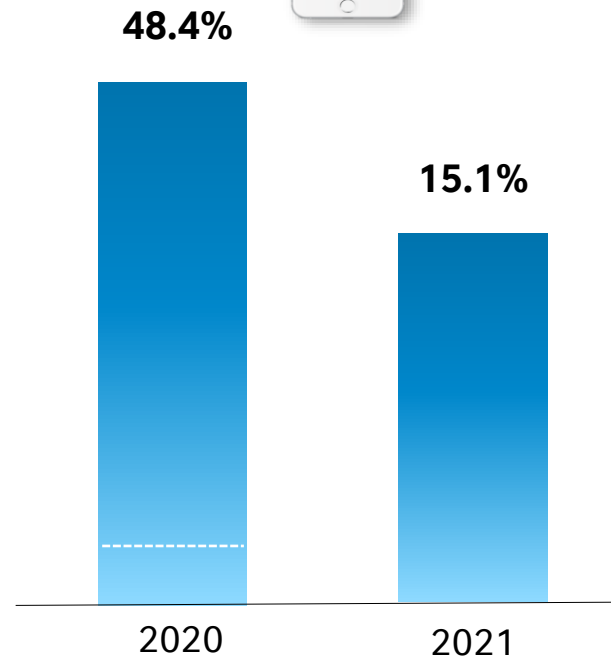
Premium products

35% of sales



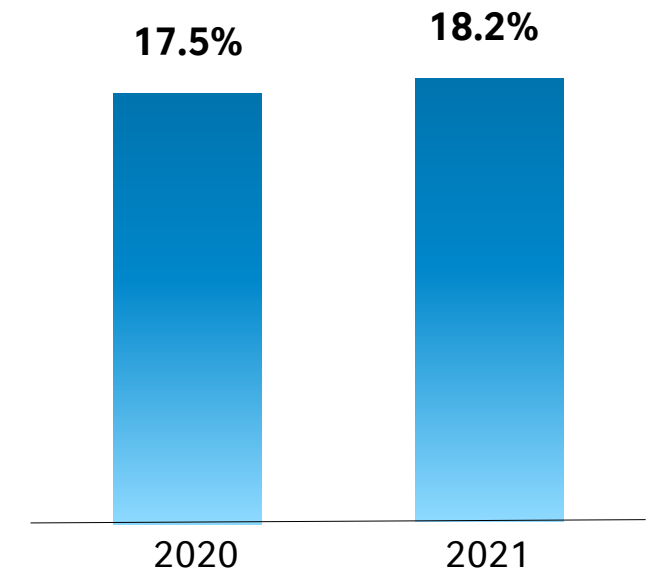
E-commerce

14.3% of sales



Recently-acquired businesses*

8% of sales

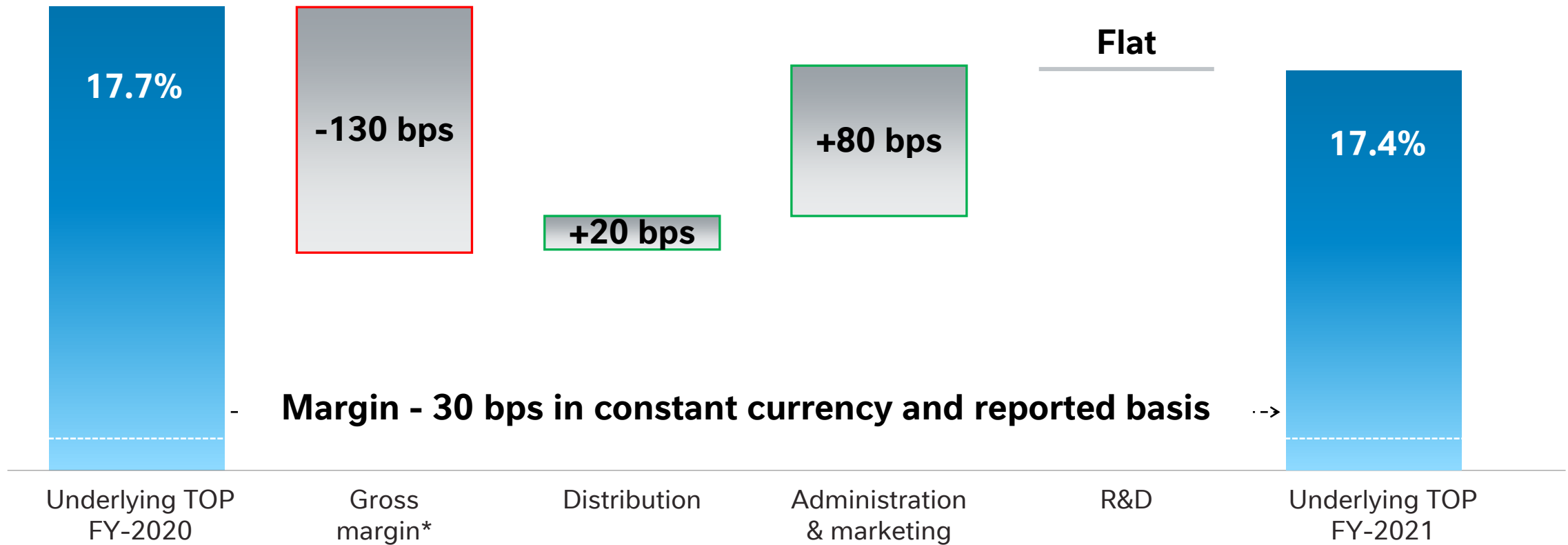


* From acquisitions between 2017 and 2021



Strong growth leverage largely offsetting cost inflation

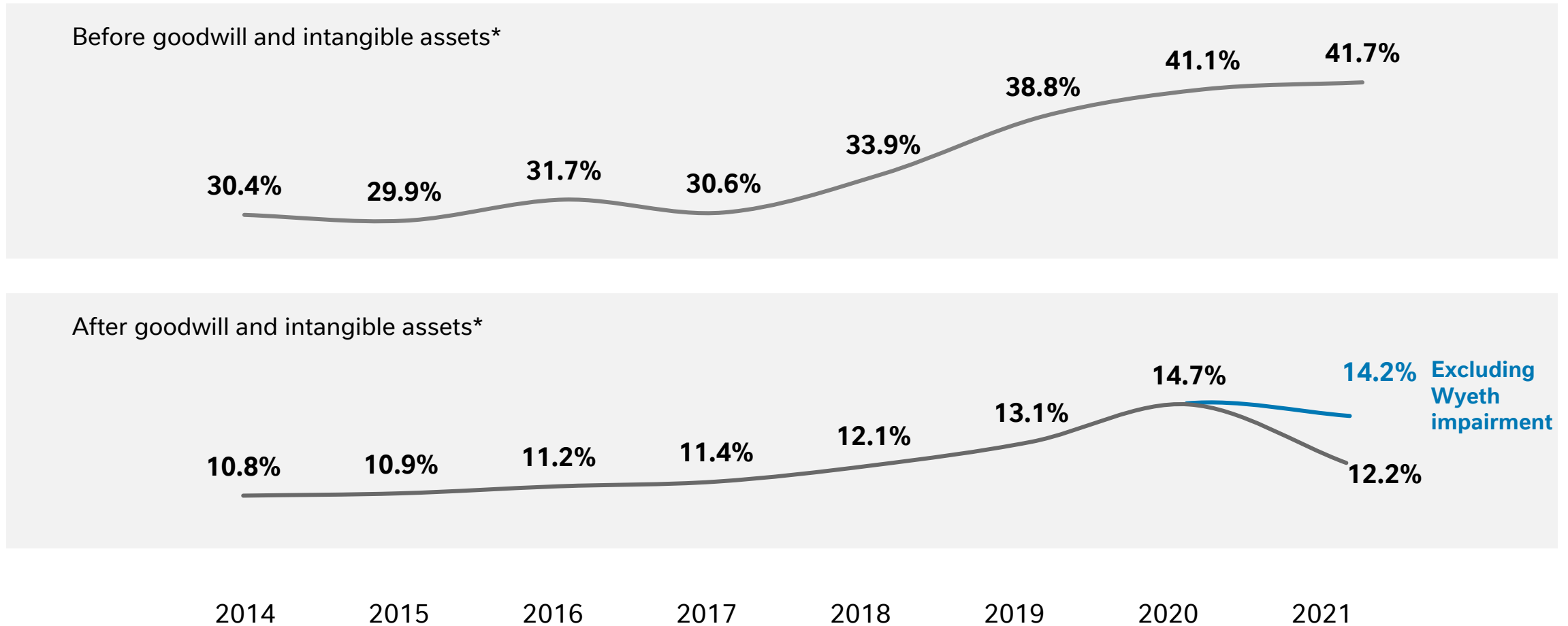
Underlying trading operating profit margin



* Gross margin = Sales – cost of goods sold



Return on invested capital

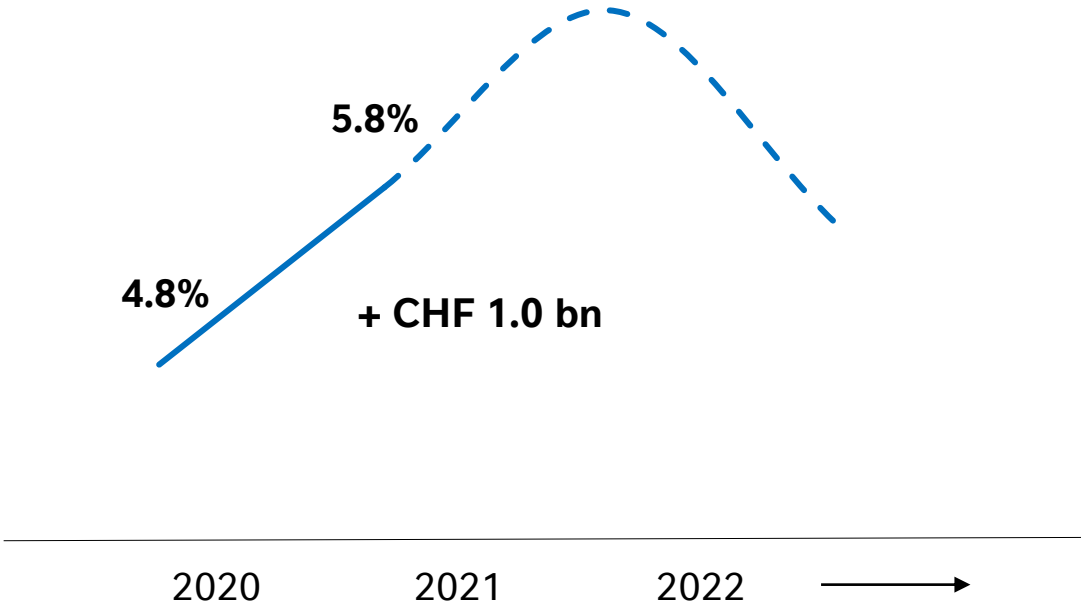


* Restated to reflect implementation of IFRS 15 and IFRS 16 in 2017. Excludes impairment of Nestlé Skin Health in 2017 and Yinlu in 2019

Free cash flow decrease reflects temporary step-up in CAPEX and inventory

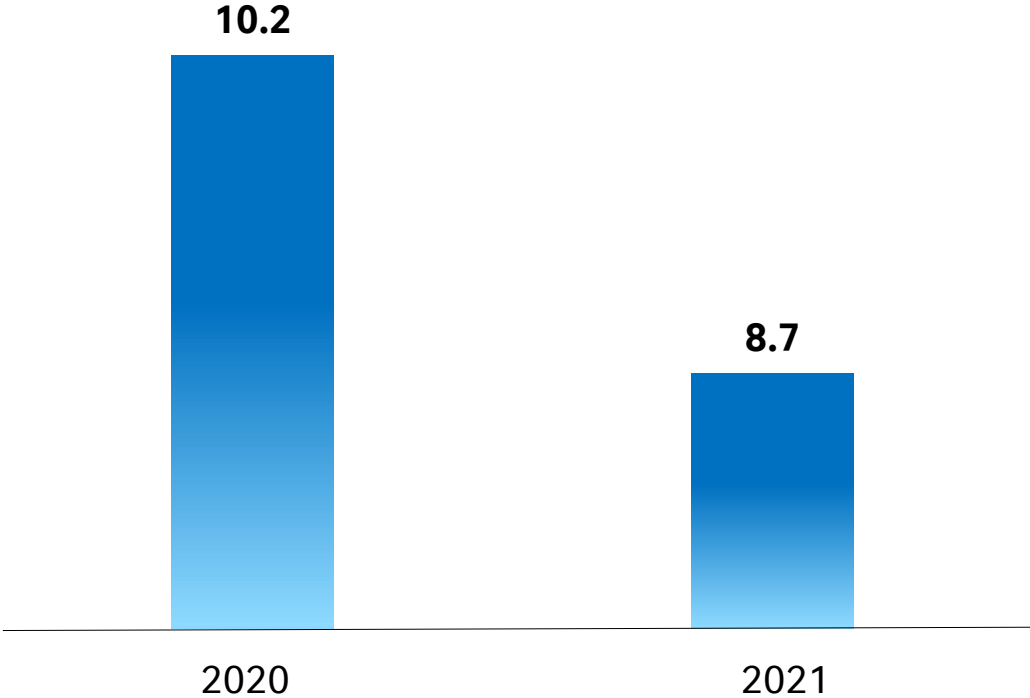
As a % of sales

CAPEX investment



In CHF bn

Free cash flow





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Full-year results 2021

Q&A

