



**Nestlé** Good food, Good life

**CAGNY 2022**

**Structurally gearing our portfolio  
for mid single-digit growth**

**François-Xavier Roger  
EVP, Chief Financial Officer**

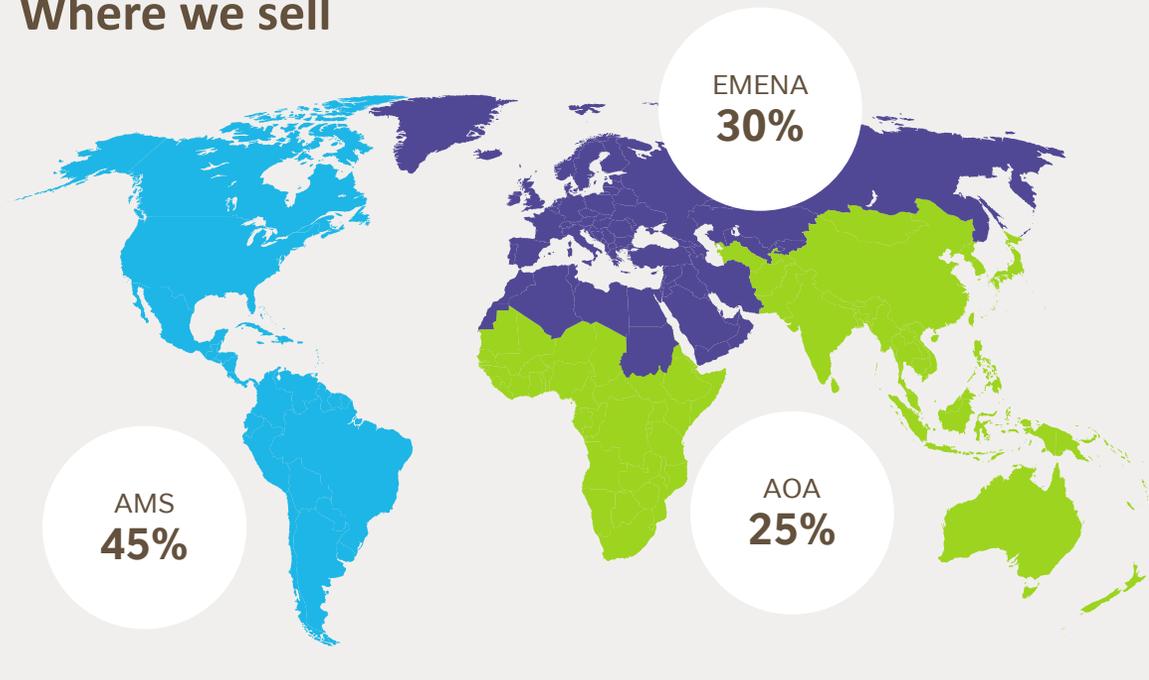
# Disclaimer

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.

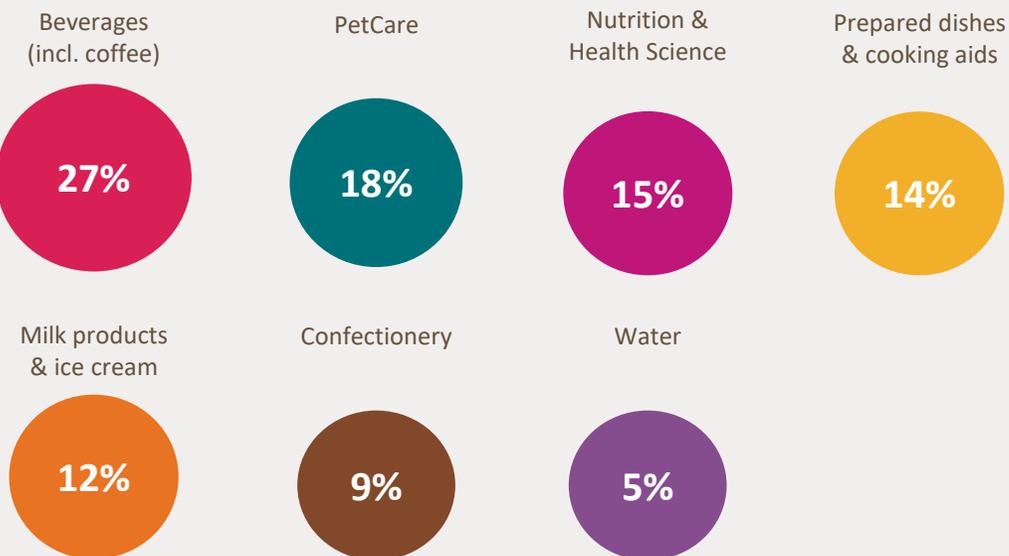
# Our business is global, balanced and diversified

2021 sales: CHF 87.1 bn

## Where we sell



## What we sell



## Resources

Number of employees

276 000

R&D spend

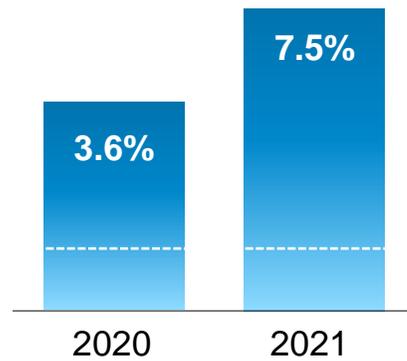
CHF 1.7 bn

Factories

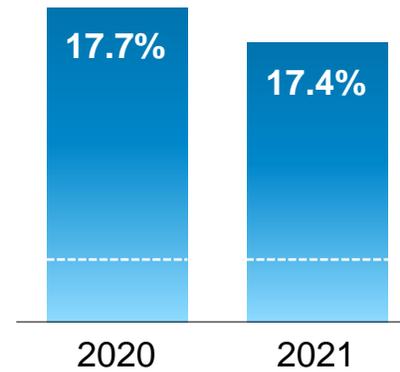
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# Resilient financial results in 2021

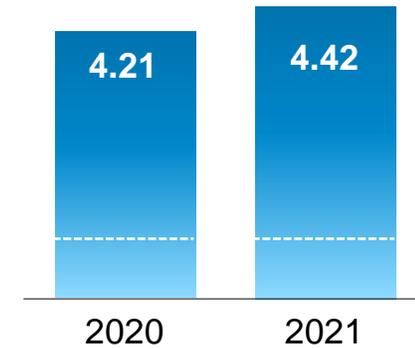
## Organic sales growth



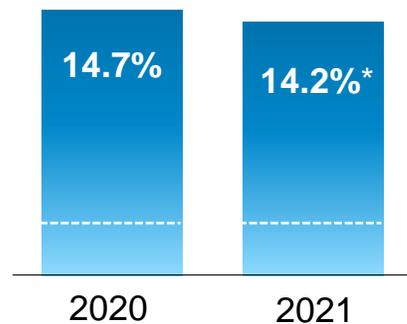
## Underlying TOP margin



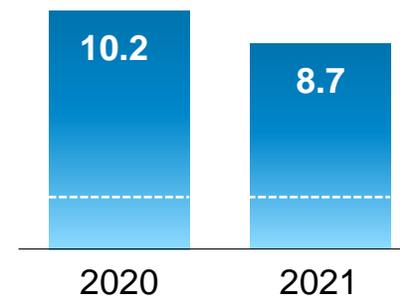
## Underlying EPS (in CHF) +5.8% in constant currency



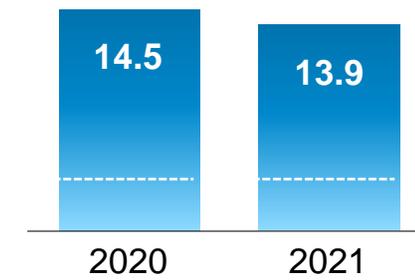
## Return on invested capital



## Free cash flow (CHF bn)



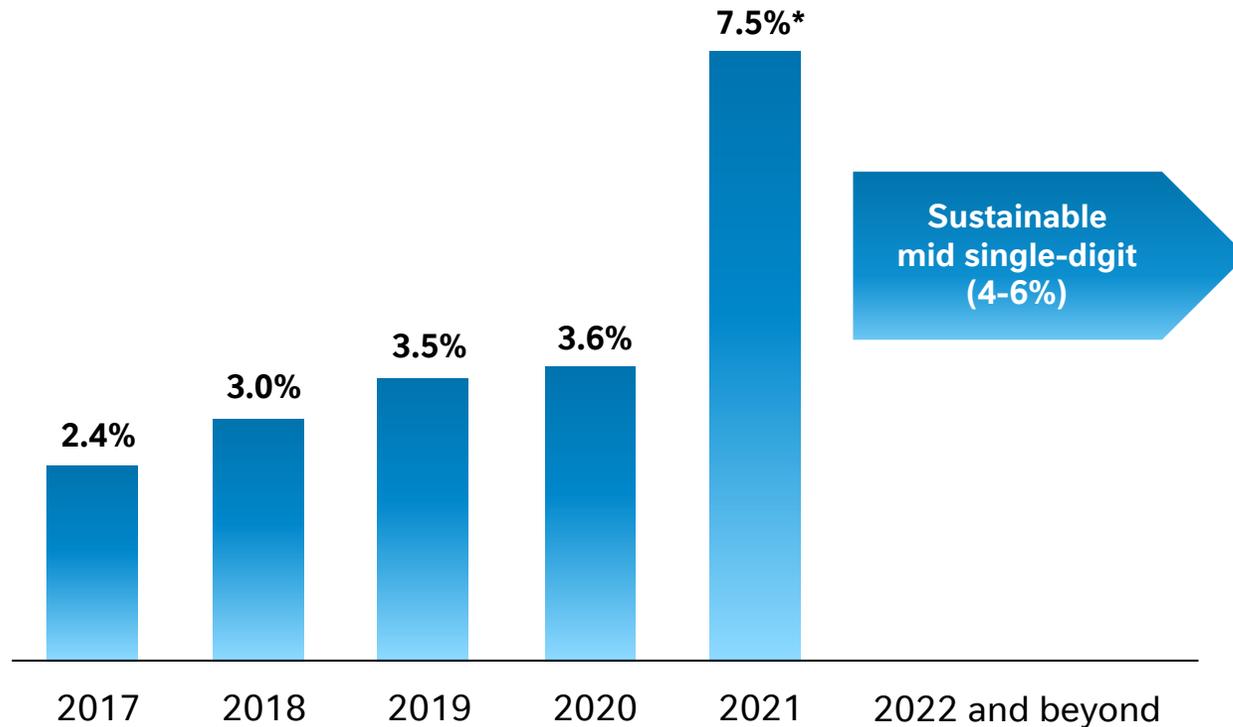
## Cash returned to shareholders (CHF bn)



\* Excluding Wyeth impairment

# Portfolio geared for mid single-digit organic sales growth

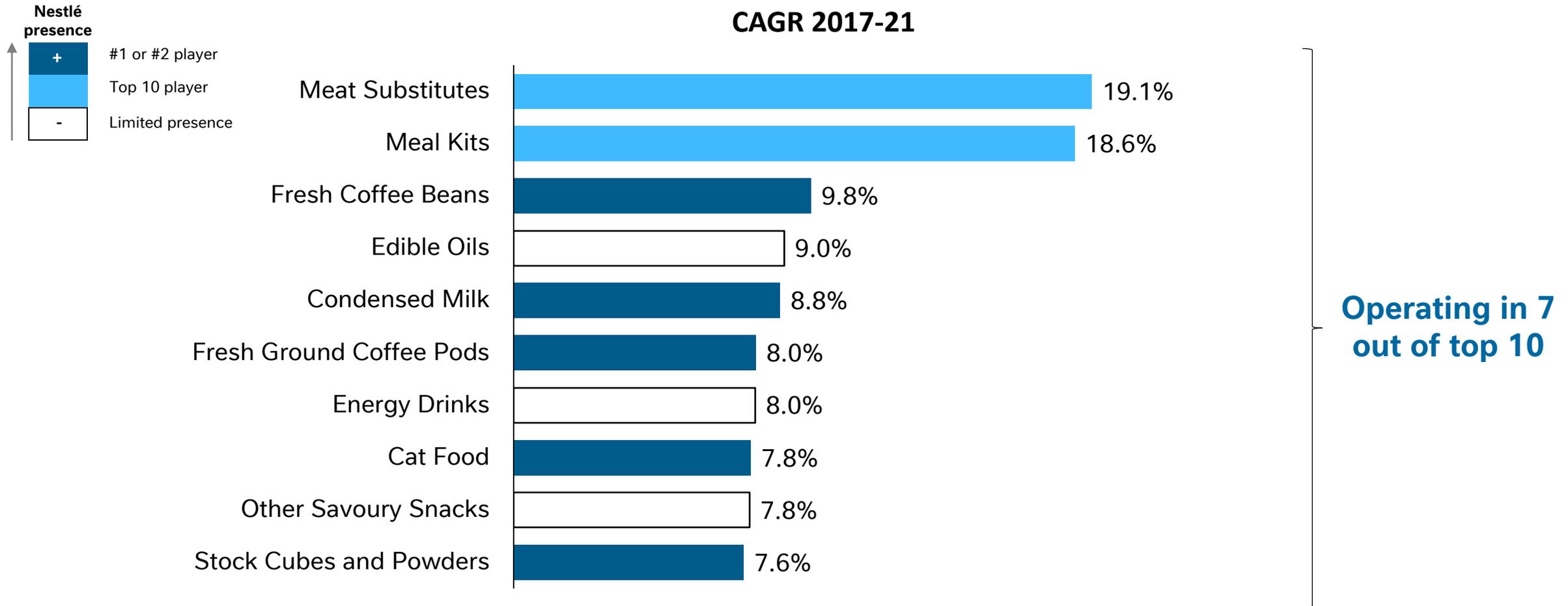
## Organic sales growth



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

\* Reflects elevated demand related to COVID-19

# Playing in the fastest growing categories in food and beverage



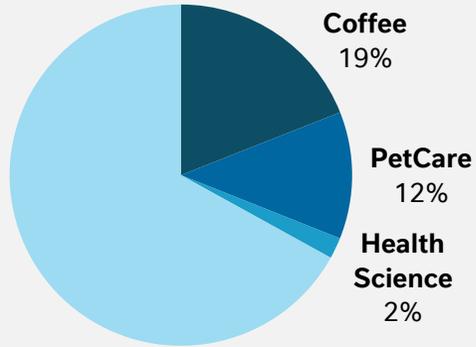
Source: Euromonitor  
(categories above CHF 4 bn value RSP)

# Portfolio increasingly focused, premiumized and digital

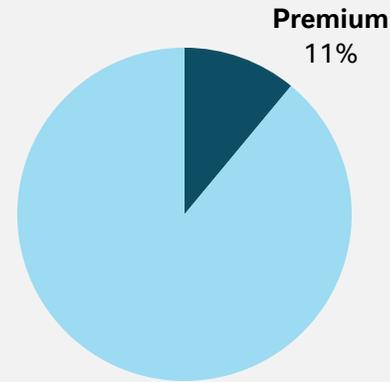
Sales

2012

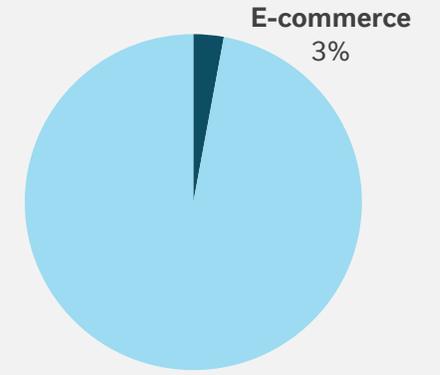
Category



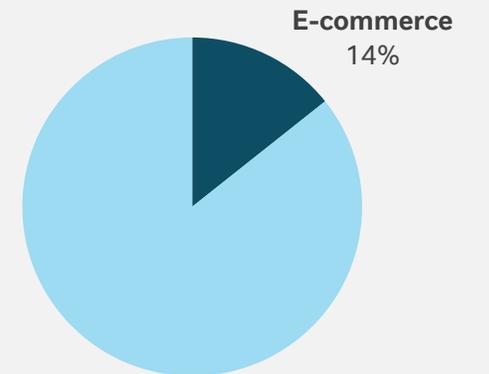
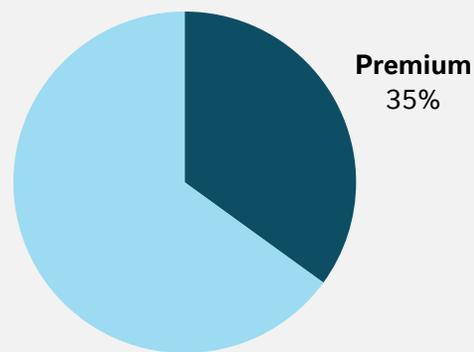
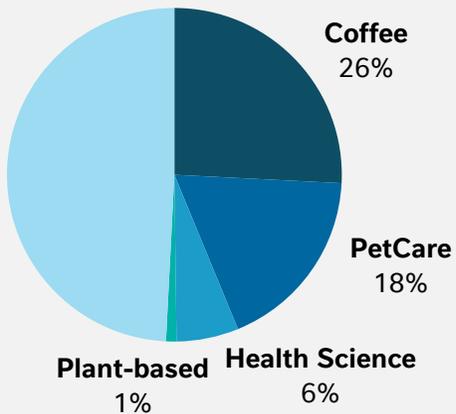
Product mix



Channel

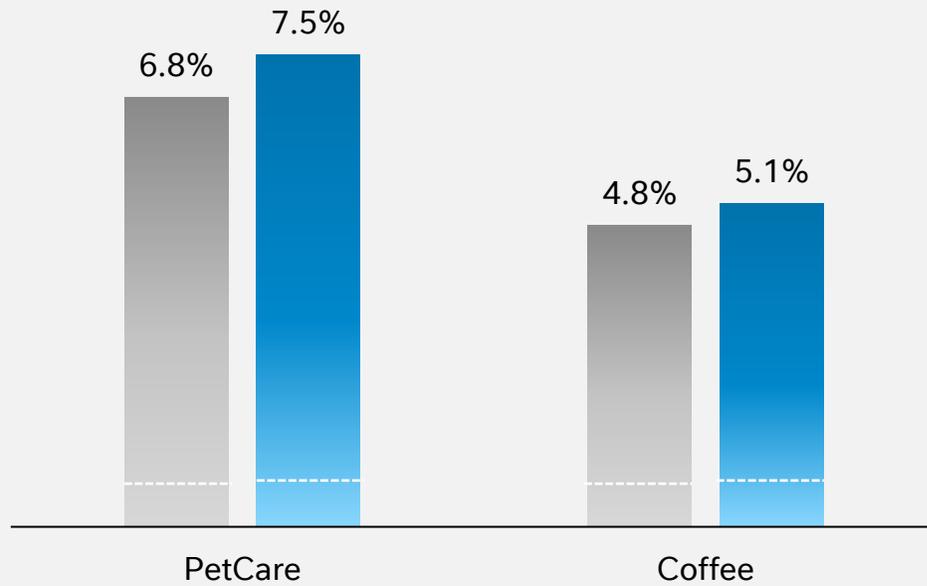


2021



# Outperforming in our largest categories and future growth platforms

## Winning share in our largest categories

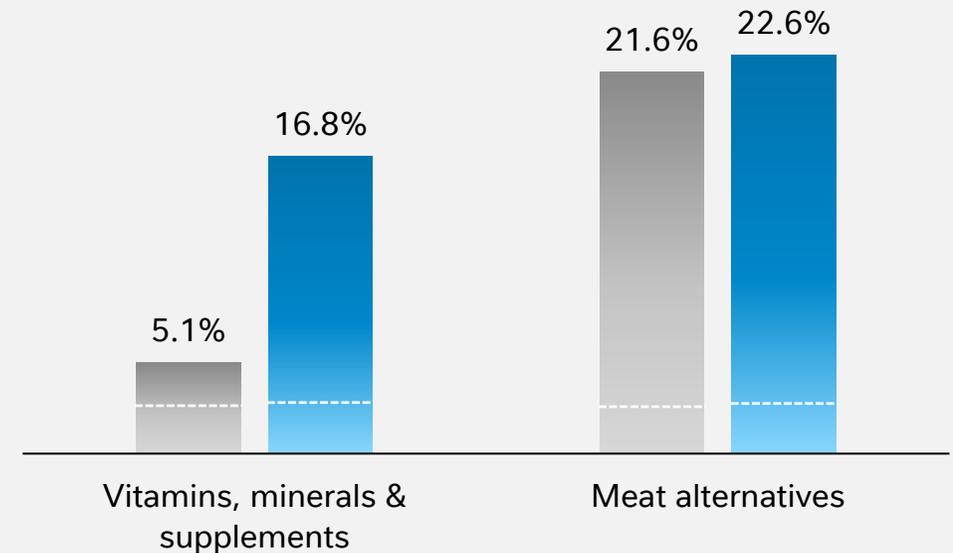


**Market size**  
(retail value)

CHF 144 bn

CHF 86 bn

## Building platforms for the future



CHF 112 bn

CHF 5 bn

Organic growth 2017-2021\*



Market



Nestlé

Source: Euromonitor

\*Vitamins, minerals & supplements is 2018-2021 and meat alternatives is 2019-2021 to reflect the timing of Nestlé's entrance to the category



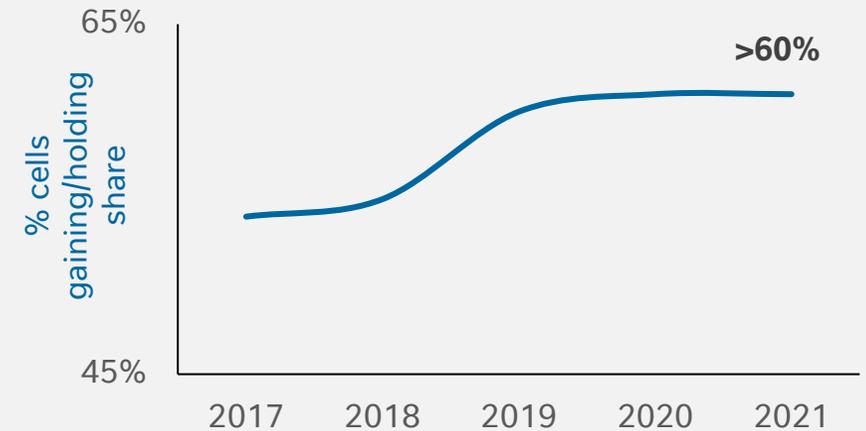
# Increasing differentiation across categories, with market share gains

## Focusing on value-added products



Increasing focus on differentiation particularly on premium, affordable and functional offerings

## Broad-based market share gains



~80% of sales where we are the market leader or close follower

# Rapid innovation to better capture consumer trends

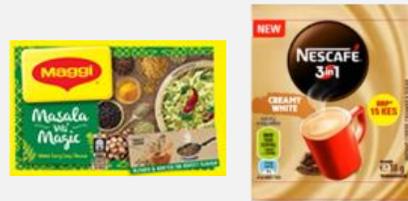
More than 60 fast-track projects leading to launches within 6-12 months in 2021

## Premiumization



- 35% of sales
- 12.0% organic growth

## Affordability



- 19% of emerging market sales
- 7.7% organic growth

## Plant-based food



- ~ CHF 800 m sales
- 16.8% organic growth

## Sustainability



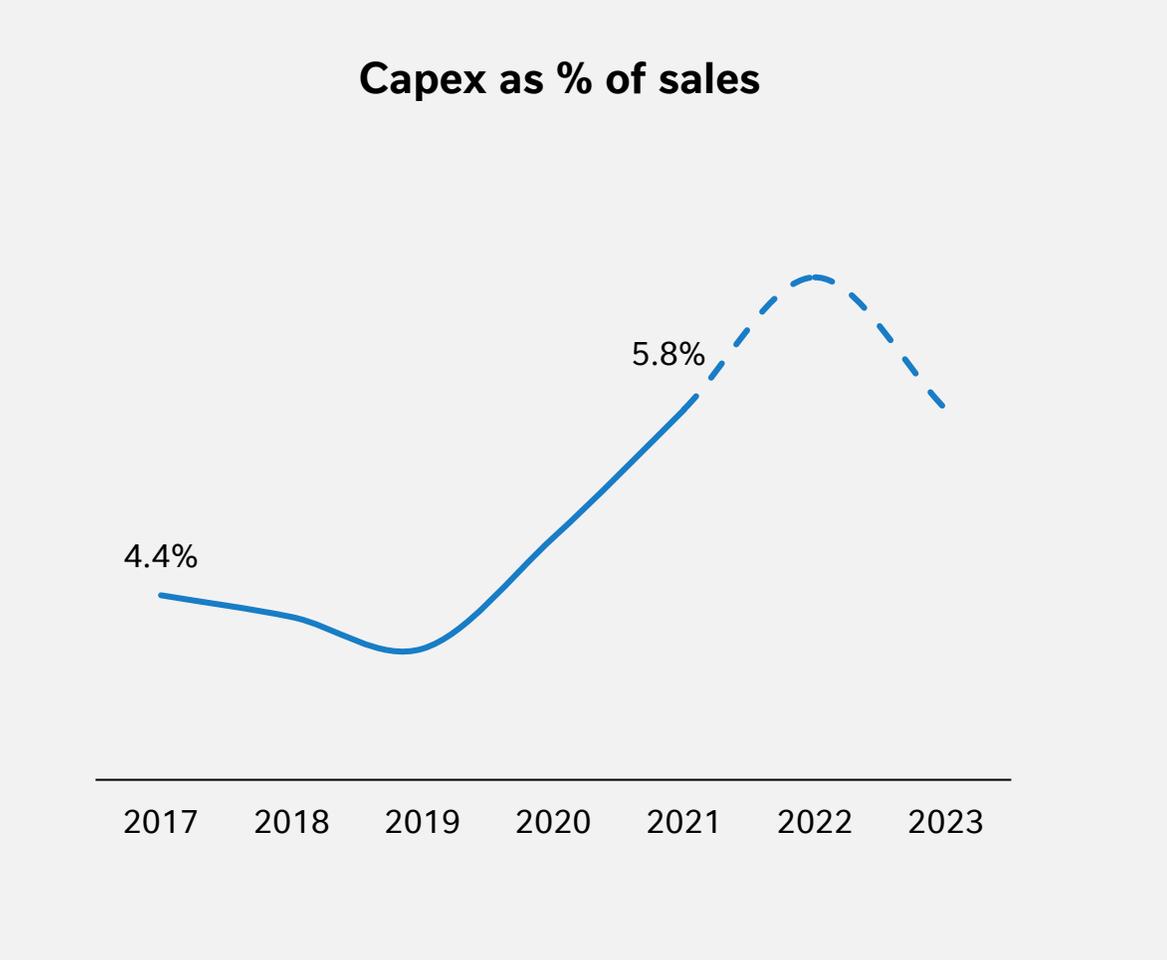
- 4 brands achieved carbon neutrality in 2021
- Converted all straws from plastic to paper (4.5 bn annual quantity)

## Digitalization



- 14.3% of sales in e-commerce
- 51% of marketing investment spent online

# Stepping up investments behind growth platforms



# Combined with continuous prudent M&A activity



## Acquisitions

## Divestitures

2017

2021



North America Waters

> 85

Transactions closed or announced since 2017, equivalent to ~ 20% of Group sales

CHF 6.8 bn

Sales from acquired businesses in 2021\*

+ 80 bps

Organic sales growth contribution in 2021\*

~ 30% of

Underlying TOP margin expansion since 2017

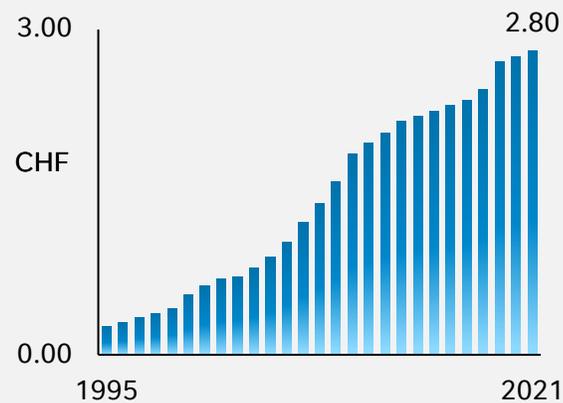
\* From acquisitions between 2017-2021



# Creating significant value for shareholders

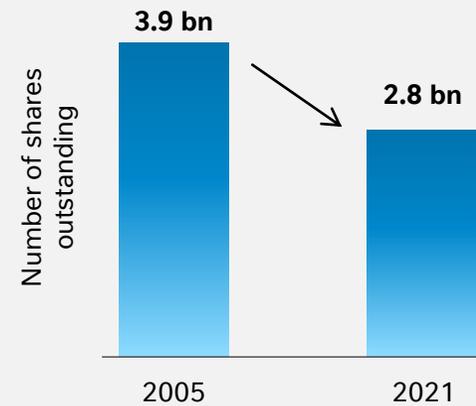
## 27 years of dividend increases in CHF

CHF 102 bn since 2005



## Share buybacks

CHF 80 bn since 2005



## Total shareholder return\*

15-year  
TSR:  
14% CAGR  
vs. 10% for  
STOXX F&B



**CHF 182 bn returned to shareholders since 2005**

\* Total Shareholder Returns (TSR): Share price appreciation plus dividend reinvestment. Both Nestlé and peer median STOXX 1800 Global Food and Beverage are calculated in EUR. All data is gross except STOXX 15-year where net data is used as gross values are unavailable. Source Bloomberg Data as of 31.12.2021



# Our mid-term value creation model

**Sustained  
mid single-digit organic  
sales growth**

**Continued moderate  
underlying trading operating profit  
margin improvements**

**Continued prudent capital allocation  
and capital  
efficiency improvements**

**Value creation for both society and our shareholders**

Thank you!

