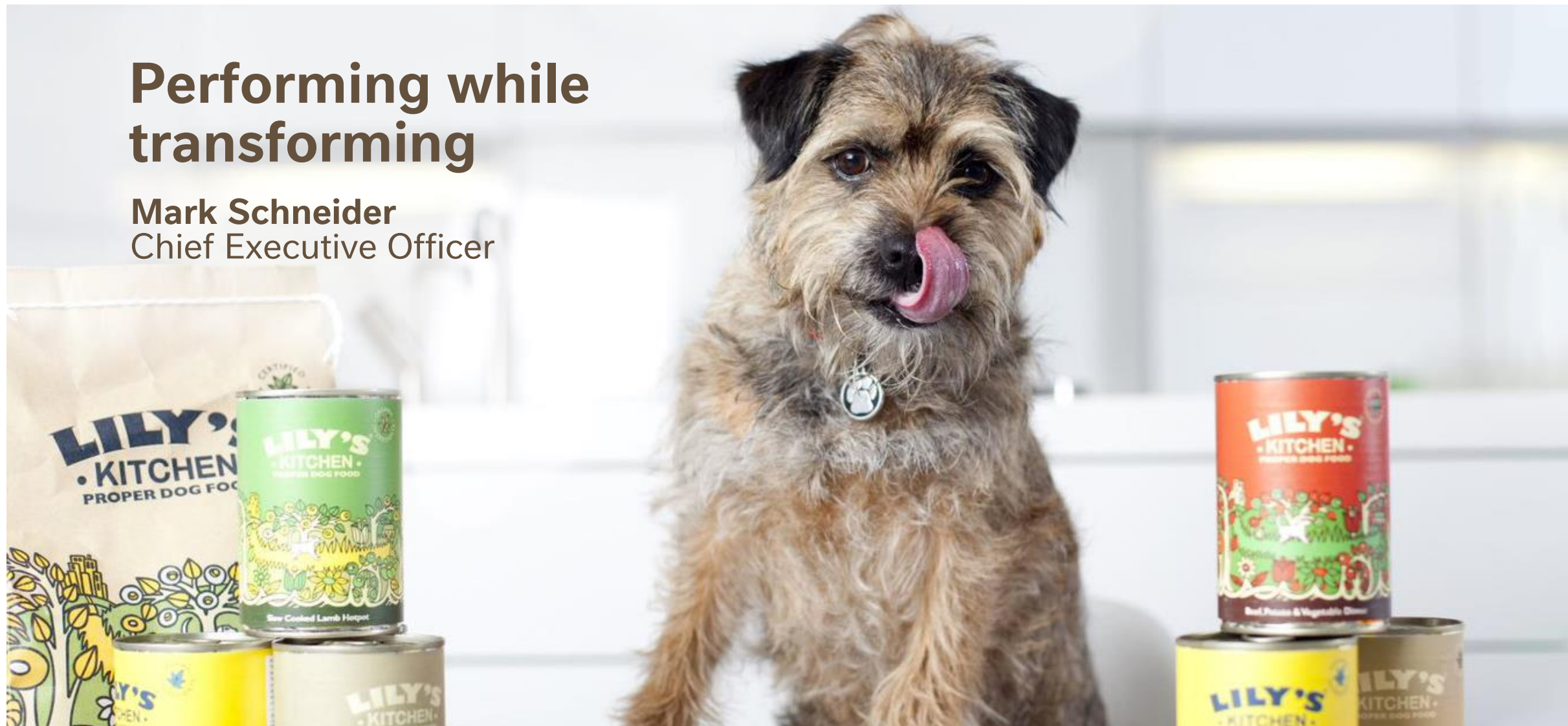




Nestlé investor
seminar 2022

Performing while transforming

Mark Schneider
Chief Executive 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.

This presentation contains certain financial performance measures which are not defined by IFRS. Management believes that these non-IFRS measures provide additional useful information to assess the financial and operational performance of the Group. Such measures may not be comparable to similar measures presented by other companies and are explained and/or reconciled with our IFRS measures (Consolidated Financial Statements) in the Nestlé Group Alternative Performance Measures (APMs) document available on our Investor Website.

In my own words ...

We have delivered

- Focused food & beverage strategy geared for growth
- Growth up, margin up

We understand and embrace the realities of the new decade

- Dynamic hands-on crisis management where needed
- Navigating the resurgence of global volatility and geopolitical uncertainty
- Meeting environmental and societal expectations
- Pursuing our long-term initiatives and commitments with tenacity and flexibility
- Correcting mistakes quickly to focus on scaling proven business models

We uphold the core aspects of our Nestlé value creation model in these turbulent times

Taking stock: what we have accomplished together

Sharpened focus	Increased focus on differentiated offerings in food, beverage and nutritional health Rotated ~20% of portfolio between 2017-2021; successful M&A track record
Accelerated growth	Stepped-up growth, particularly in Coffee, PetCare and Nestlé Health Science Revved up innovation engine to drive growth
Improved margins	Delivered significant improvement Transitioned to leaner, more agile organization with enhanced structural cost discipline
Improved capital efficiency	Increased ROIC from low to mid-teens Reduced working capital
Reshaped organization	Set-up new Zone structure with enhanced regional focus Jump-started digitalization

Taking stock: lessons learned and work to do

Focus NHSc	Advance Consumer Care and Medical Nutrition as key growth platforms
Revitalize Infant Nutrition	Strengthen infant formula core, pursue new growth opportunities from pre-conception to pre-school
Strengthen Water	Drive cost efficiency, value-added offerings and sustainability
Balance sustainability and affordability	Incorporate volatility, new learnings and changing consumer needs into the pursuit of long-term commitments
Relentless focus on quality	Stay abreast of latest science & technology, empower our people through clear roles and responsibilities
and...	Speed, Speed, Speed !

Our strategy

Food and beverages are core, including Nestlé Health Science and nutritional health products as an additional growth platform

- Meet the needs of modern time-constrained consumers with healthy, delicious, convenient products
- Bring differentiated, premium innovations to market fast
- Offer affordable, high-quality nutrition in developing markets
- Lead on climate and sustainability agenda

Creating Shared Value (CSV) to generate value for shareholders and society

Key strategic directions in the 2020s

Good for You



Good for the Planet



Good for You: bringing tasty, balanced diets within reach for billions

Transparent reporting



Portfolio nutrition profile

Benchmarking entire portfolio against a government-endorsed nutrient profiling model

Responsible marketing



New policy

on marketing breastmilk substitutes (WHO code)

No formula promotion

for babies 0-6 months globally



New policy

on marketing communication to children

Industry leadership

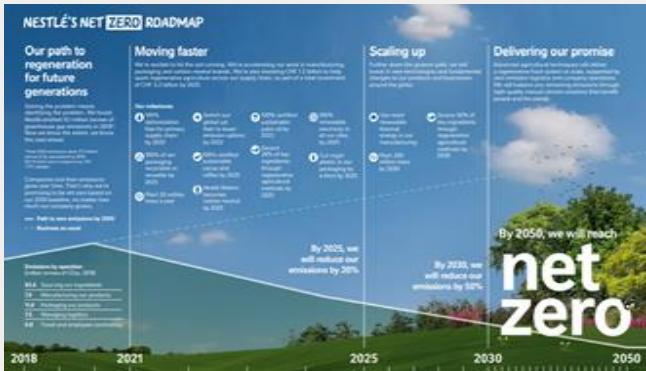
voluntarily restrict our marketing to children under the age of 16

No direct advertising

including confectionery, ice cream, water-based beverages with added sugars

Good for the Planet: enhancing supply chain resilience & consumer relevance

Climate action



Beyond peak carbon

4 m tonnes
CO2eq reductions since 2018

64%
of electricity from renewable sources

Packaging



Beyond peak virgin plastic

0.5 m tonnes
reduction in plastic footprint vs. 2019 via product portfolio shifts and packaging redesign

80%
of plastic packaging designed for recycling, heading toward > 95% by 2025

Supply chain due diligence



97%
deforestation-free in primary meat, palm oil, pulp & paper, soya & sugar chains

83%
coffee sustainably sourced, expect to reach 87% by year-end 2022

51%
cocoa sustainably sourced, expect to reach 68% by year-end 2022

Numbers relate to 2021 achievements, unless otherwise stated

Enhancing value through portfolio management

Active portfolio management

- Rotated > 20% of portfolio
- More than 90 transactions with total deal value of > CHF 50 bn

Disciplined and flexible approach to maximize value creation

- More than CHF 50 bn of deal value reviewed but not pursued since 2017
- Creative deals with focus on mid-sized transactions

Positive track record with material contribution to Group results

- +50 bps per annum to organic sales growth from acquisitions
- Contributing around 1/3 of underlying TOP margin increase
- 83% of transactions by value achieving or exceeding acquisition plans
- CHF 7 - 9 bn value created over acquisition price (11% - 13% annual return)

Portfolio rotation refers to M&A transactions concluded between 2017 and 2022. Track record refers to deal transactions with value of > CHF 0.5 bn between 2018 and 2021. Value created calculated at lower multiples than at acquisition applied to 2022 EBITDA, plus tax savings and with conservative impairment scenario for Palforzia.

Two acquisitions that did not meet our expectations



Focus Nestlé Health Science

Consumer Care

- Global leadership in Vitamins, Minerals and Supplements
- Strong Active Nutrition portfolio, including kids and adult nutrition, collagen and plant proteins
- Significant geographic expansion and cost synergy opportunities



Medical Nutrition

- #2 global player in medical nutrition
- Solid category fundamentals, including aging population and rising chronic conditions
- Building on decades of experience



Complementing our consumer goods and nutrition expertise

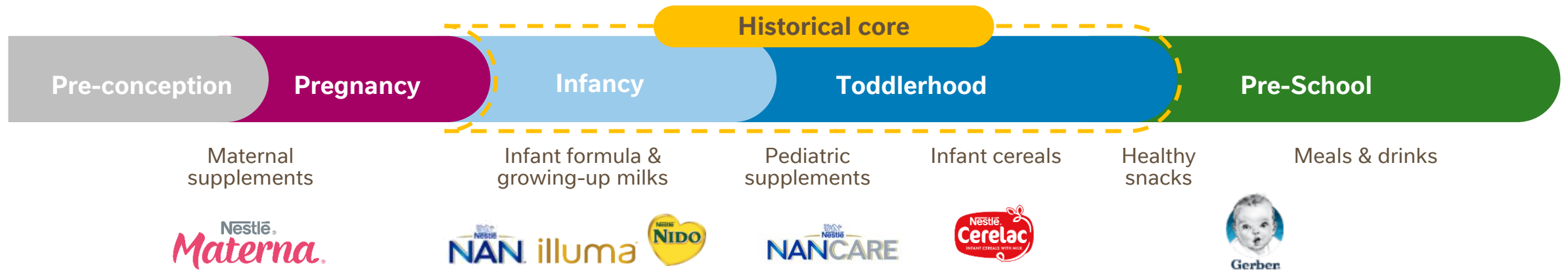
Revitalize Infant Nutrition

Grow the core

- Lead in science-based innovation
- Confirm turnaround in China
- Reignite growth in baby food

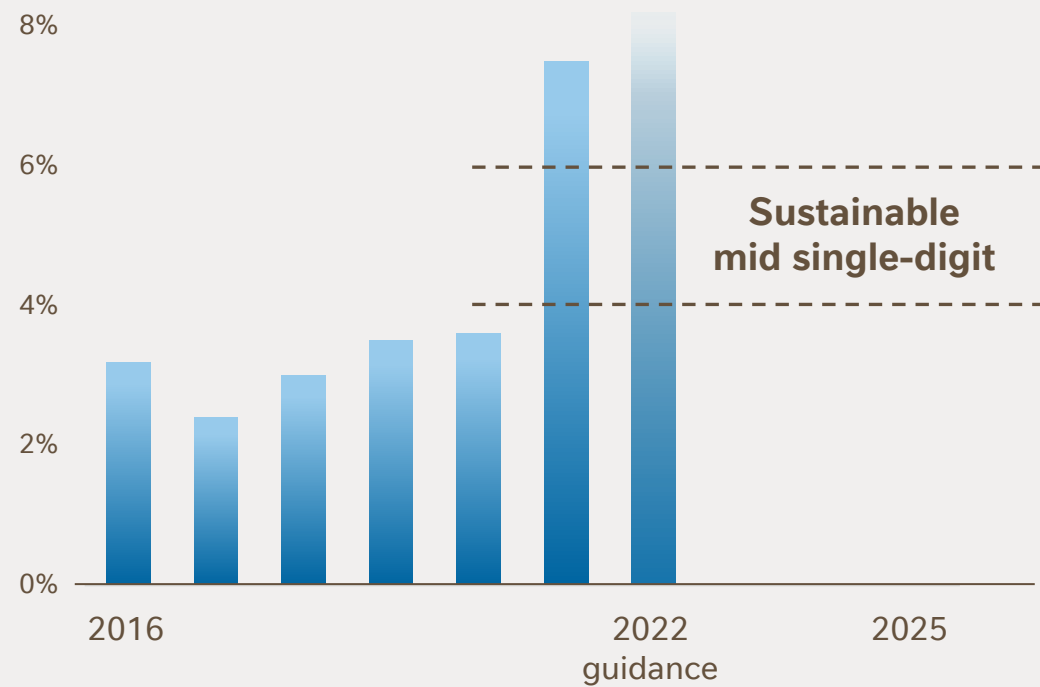
Expand category boundaries

- Build up maternal care
- Scale pediatric supplement opportunity
- Expand food portfolio for toddlers and children



We have what it takes to deliver mid single-digit organic sales growth

2025 organic sales growth target



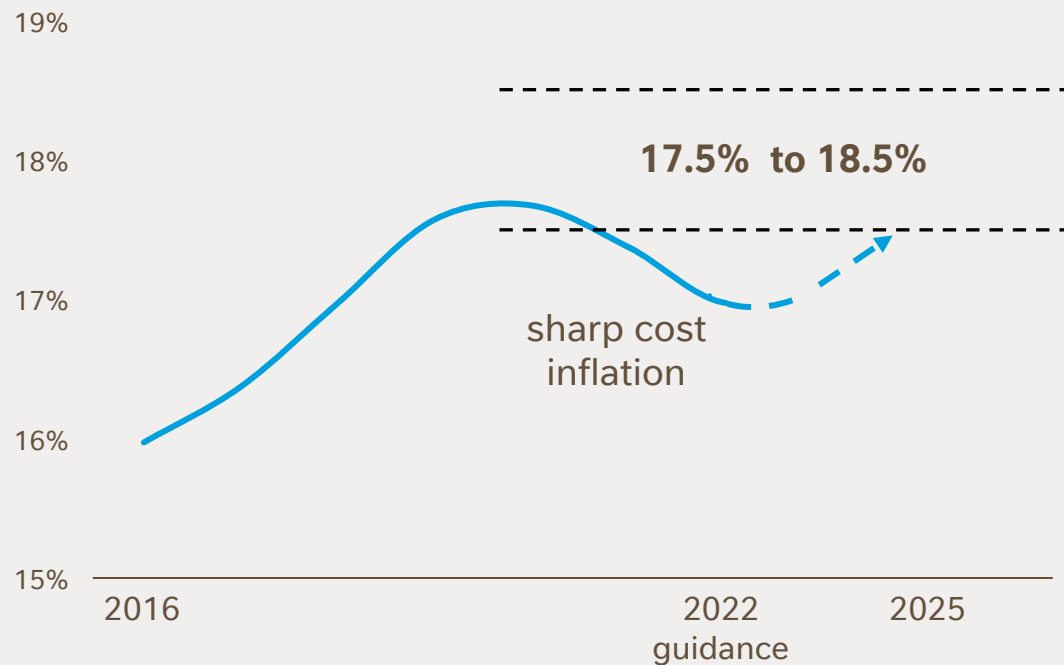
Key drivers

- Invest selectively in attractive, fast-growing categories & regions
- Fix underperformers
- Drive faster, relevant, impactful innovation
- Leverage digital capabilities
- Manage portfolio proactively

2021 and 2022 organic sales growth reflect elevated demand linked to COVID-19 pandemic

Committed to return to an underlying TOP margin of 17.5% - 18.5%

2025 underlying TOP margin target



Key drivers

- Implement responsible pricing
- Premiumize product offerings
- Secure strong growth leverage
- Drive cost efficiencies
- Manage portfolio actively

Our value creation model and 2025 targets

Operating performance

Sustainable organic sales growth
mid single-digit

Underlying TOP margin
17.5 -18.5%

Annual underlying EPS growth
6 - 10%

Free Cash Flow
trending toward
12% of sales

Capital discipline

Working capital
0% of sales

Capex
~ 5% of sales

ROIC
trending toward 15%

Financial policy

Dividend
maintain practice
increase y-o-y in CHF

Net Debt / EBITDA
2.0-3.0x

Share buybacks
return excess cash

Value creation for both society and our shareholders

Organic growth may exceed the mid single-digit level if pricing is materially above the average level of the last 10 years
Underlying EPS growth in constant currency. Underlying EPS growth and ROIC targets exclude any significant M&A activity
Working capital calculated on a 5-quarter average

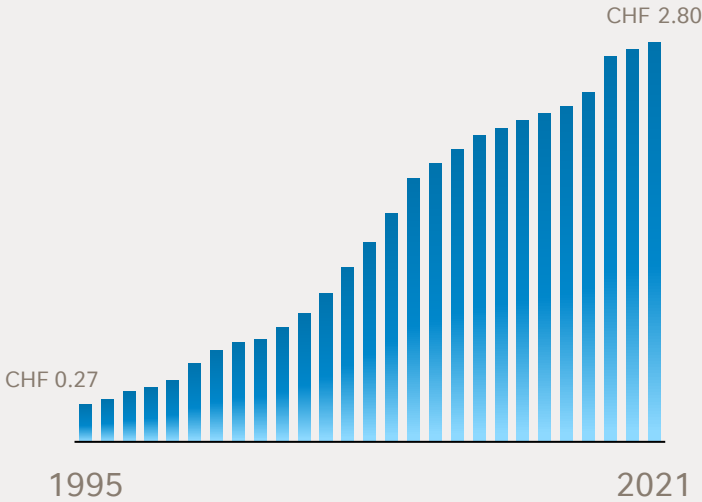
Consistent and dependable shareholder returns

Outperforming
Global STOXX 1800 F&B Net Return
Index over most time horizons

	1 year	3 year	5 year	10 year
Nestlé	9%	20%	79%	201%
STOXX F&B	13%	18%	51%	150%

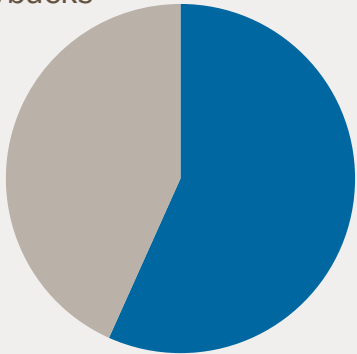
TSR in EUR, gross data except STOXX 10 year
Data as of 30.09.2022

27 years
of consecutive dividend increases



CHF 171.4 bn returned
to shareholders over last 15 years

CHF 76.1 bn
Share buybacks



CHF 95.4 bn
Dividend payments

Returns as of 31.12.2021

Winning in the 2020s: organizational evolution

Local first, global second

- Enhance proximity to consumers
- Simplify / shorten / diversify supply chains
- Take advantage of local talent pools

Unlock new levels of agility and productivity

- Creation of Zone North America and Greater China
- Faster decision-making and leaner headquarters

Digital front to back, top to bottom

- Leverage evolving capabilities in analytics and automation

A few personal comments

Today's deep dives

Meaningful innovation to boost growth



Accelerating data-driven digital transformation



Leading the world of coffee



Unlocking agility and productivity



Nestlé Health Science: shaping a leader in nutrition and health

