



Nestlé investor
seminar 2022



A global leader in Consumer Care

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Consumer Care is a highly attractive global category

	Market size	CAGR 2018-21	CAGR 2022-26
VMS	CHF 140 bn	~ 8%	~ 5%
Active Nutrition	CHF 29 bn	~ 6%	~ 6%

Highly attractive category

Consumer-driven category driven by trusted branded players

Fragmented market where scaled players overperform

Innovation and premiumization driving growth

Resilient category during economic downturns

Long-term, structural drivers of growth

Megatrend towards **holistic wellness**

Shift towards **self-care** driven by rising healthcare costs

Aging population: seniors spend > 2x per capita

Parents **prioritizing clean & healthy** options for their kids

Category is highly consumer-driven with brands playing a significant role

**Branding impacts
consumer preferences and behaviors**

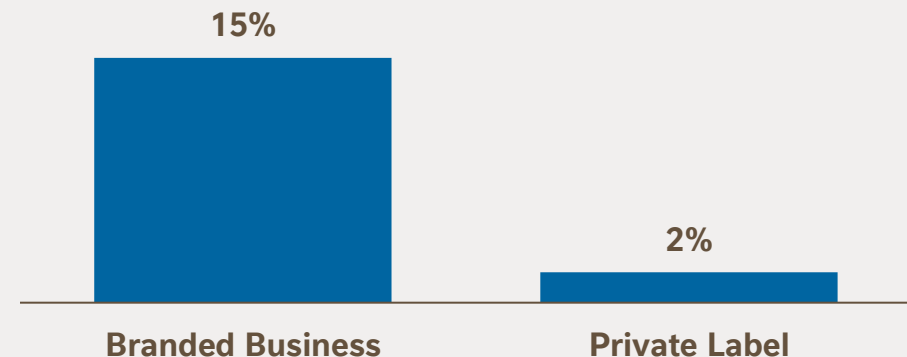
Brand is one of the most influential factors
driving **Consumer Care purchases**

Consumers prefer **trustworthy
brands backed by research and science**

Consumer awareness developed
through **scaled distribution
and brand building** campaigns

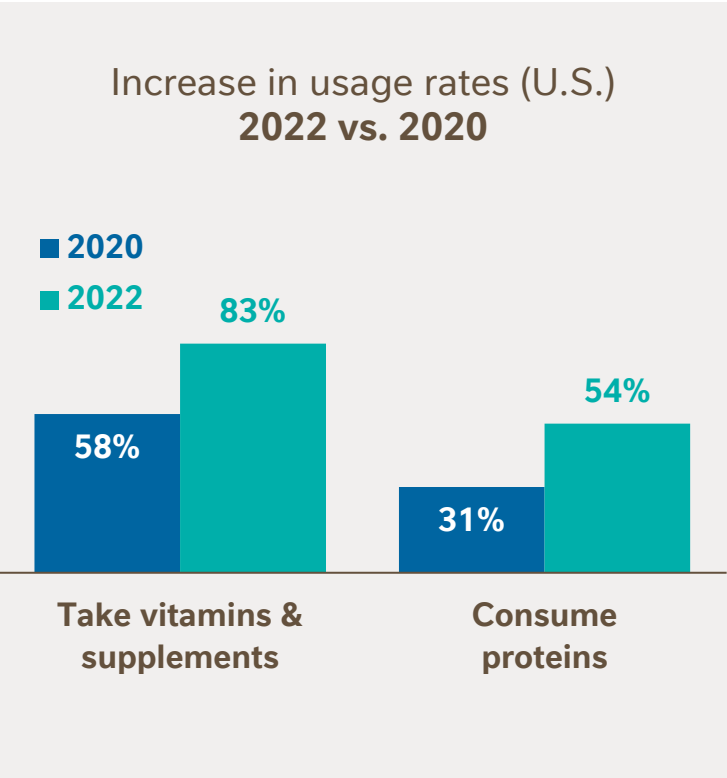
**Brands are driving
category growth**

% growth 2018 to 2021

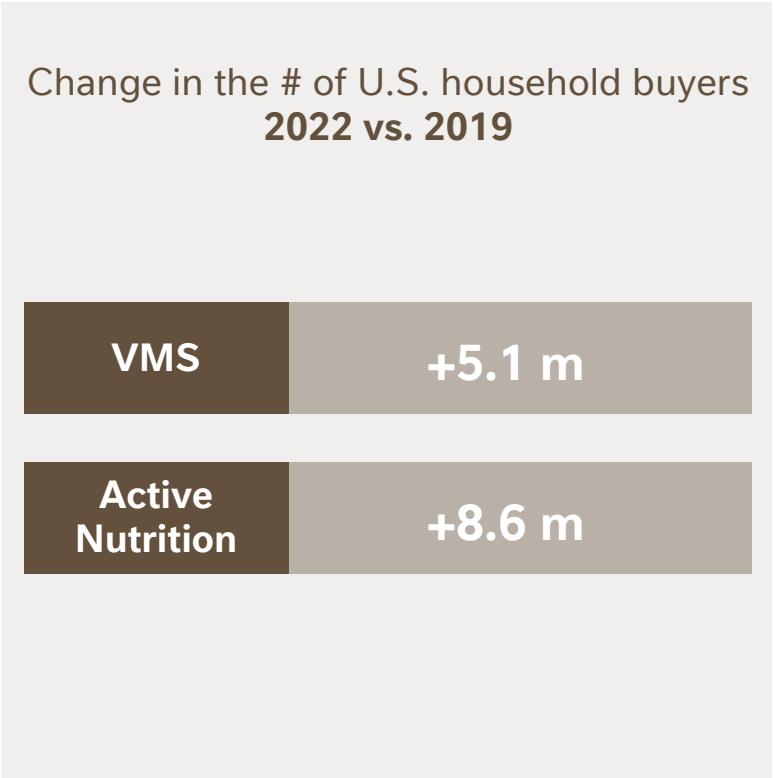


COVID accelerated underlying trends leading to elevated sales and enduring category changes

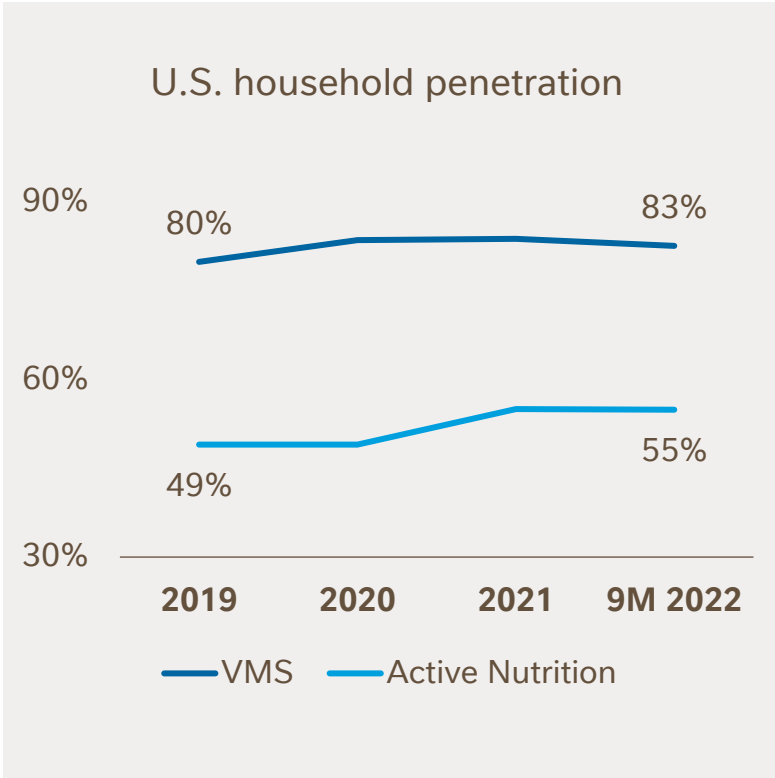
Increased category usage to manage health & wellness



Brought new users into the Consumer Care category

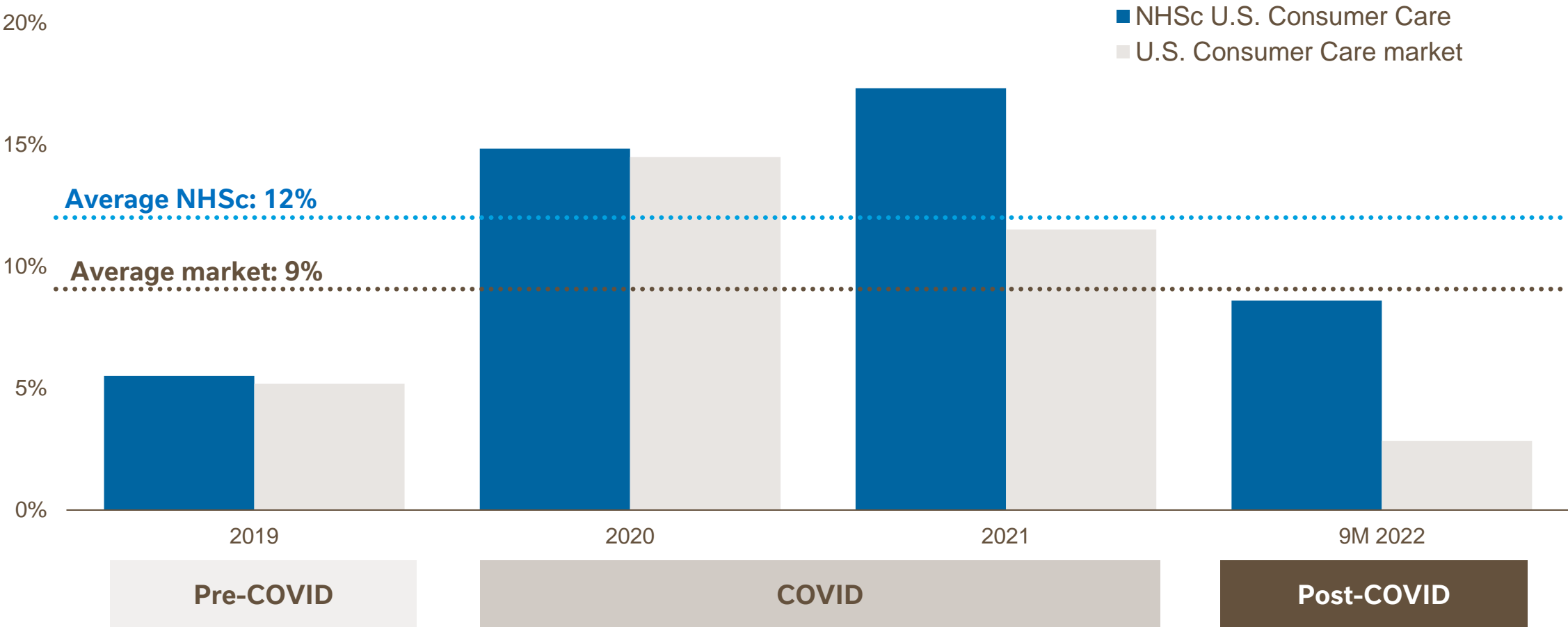


Penetration levels remain elevated post-pandemic



Sources: Brado U.S. health & wellness attitude & usage study (Feb 2022); IRI
November 29, 2022

Maintaining solid growth despite an elevated base of comparison

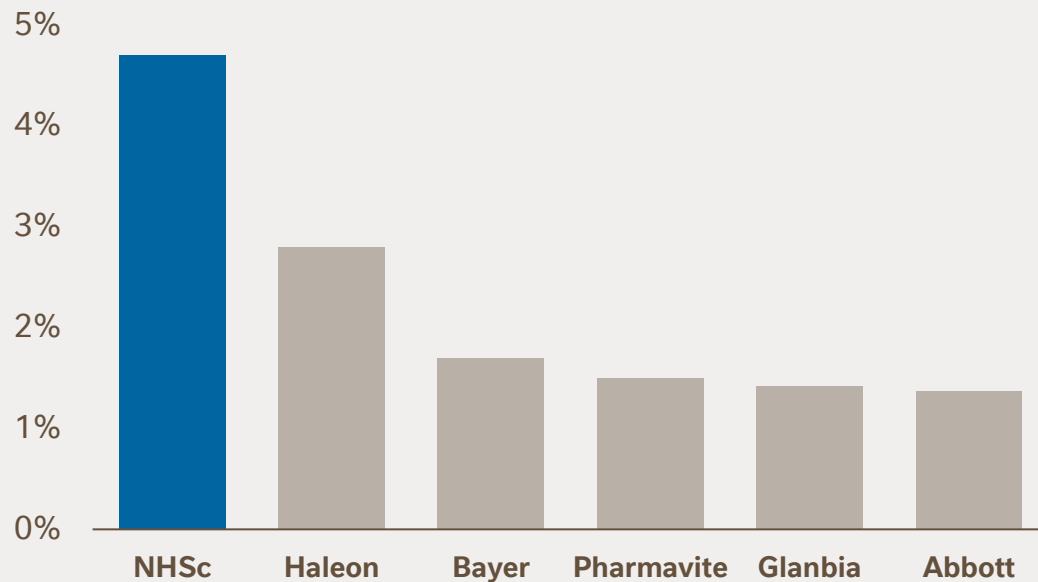


Pro forma done to include Orgain and The Bountiful Company as if these companies were acquired on 1st January of their acquisition year
Market based on IRI data

NHSc is the leading nutrition-focused Consumer Care player

2021 Global Consumer Care market share

(in VMS and Active Nutrition categories)



Benefits of focus and scale

- **Category-specific investments** and capability building
- **Comprehensive consumer understanding**
- **Scale science and innovations** across multiple brands and categories
- **Strong retailer partnerships**
- **Vertically-integrated value chain** with streamlined and efficient operations

Brands are positioned across key price points and channels



Driving further premiumization through enhanced benefits

Implementing strategy within VMS business...



Melatonin
(10mg)

\$0.25 / tablet

1.7x
premium

Sleep³

\$0.44 / tablet



- Innovative triple action tablet with time release technology
- Includes both quick and extended-release Melatonin
- Features chamomile, lavender, lemon balm, and valerian root

...and rolling it out to other product lines



Organic plant
protein

\$2.00 / serving

2x
premium

Organic plant
protein meal

\$4.00 / serving








- Includes 80+ superfoods and vitamins & minerals
- Features 5g of healthy fats and 10g of fiber
- Leverages a comprehensive enzyme blend to support digestive health



Boosting growth
in the core

NHSc has leading brands in the U.S., that can be leveraged internationally

	VMS	Active Nutrition		
		Adult nutrition	Plant protein	Collagen
U.S. market growth (‘21 vs. ‘20)	7.7%	10.3%	9.8%	48.2%
NHSc U.S. share & share growth (‘21 vs. ‘20)	14.3% (+ 50 bps)	28.0% (+ 10 bps)	18.7% (+ 80 bps)	50.0% (+ 130 bps)
Current NHSc U.S. status	#1 brand on Amazon & specialty channel #2 in multi outlet channel	#2 brand	#1 plant-based protein in powders and shakes	#1 brand with leading positions across retailers
Key U.S. Brands	 			

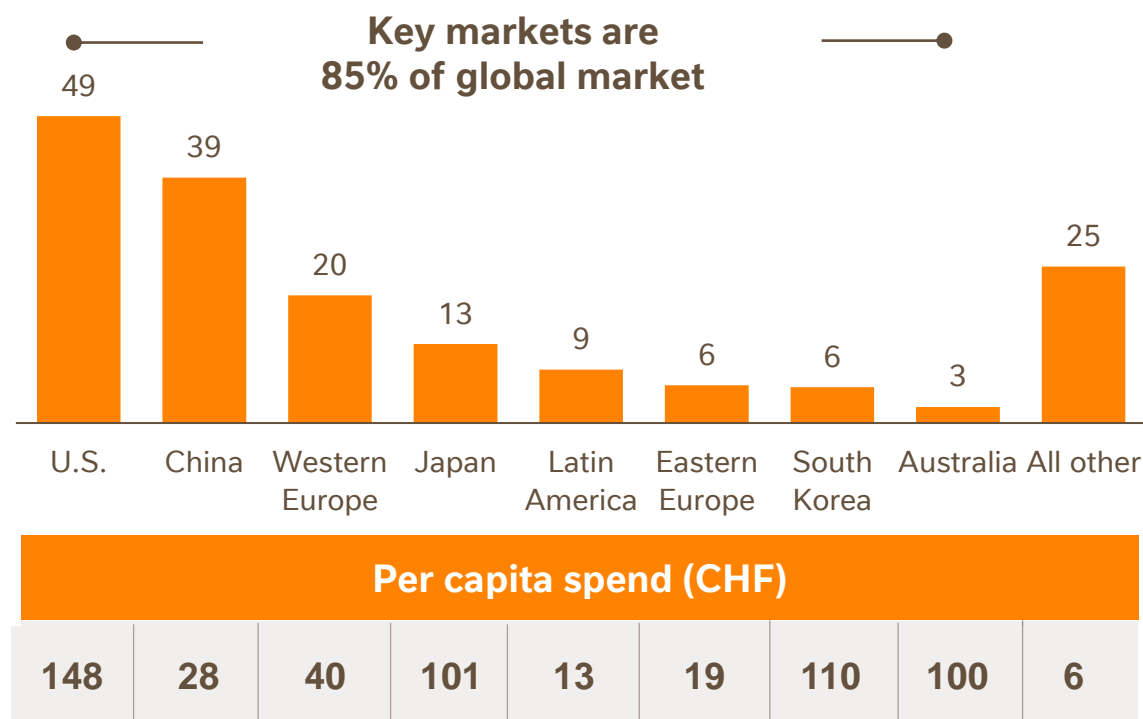
Source: Euromonitor, Nutrition Business Journal, IRI



Boosting growth
in the core

U.S. is the largest market, with significant international growth opportunities

Consumer Care global market: CHF 169 bn



International growth drivers

Capitalizing on global trend towards **health and wellness**

Capturing **international per capita consumption** potential

Creating **globally relevant Consumer Care brands**

Leveraging **science & innovation** across multiple markets and brands

Source: Euromonitor



Boosting growth
in the core

Strategy focused on scaling U.S. brands internationally

International business to reach CHF 1 bn
by 2025, with a 20% CAGR

Global brands will be the primary growth drivers



Roll out focuses on strategically deploying brands
in select geographies

Prioritizing expansion in key markets and channels
with largest upside potential

Building global brands by driving awareness and education

Executing a **tailored route-to-market approach**
based on local market dynamics

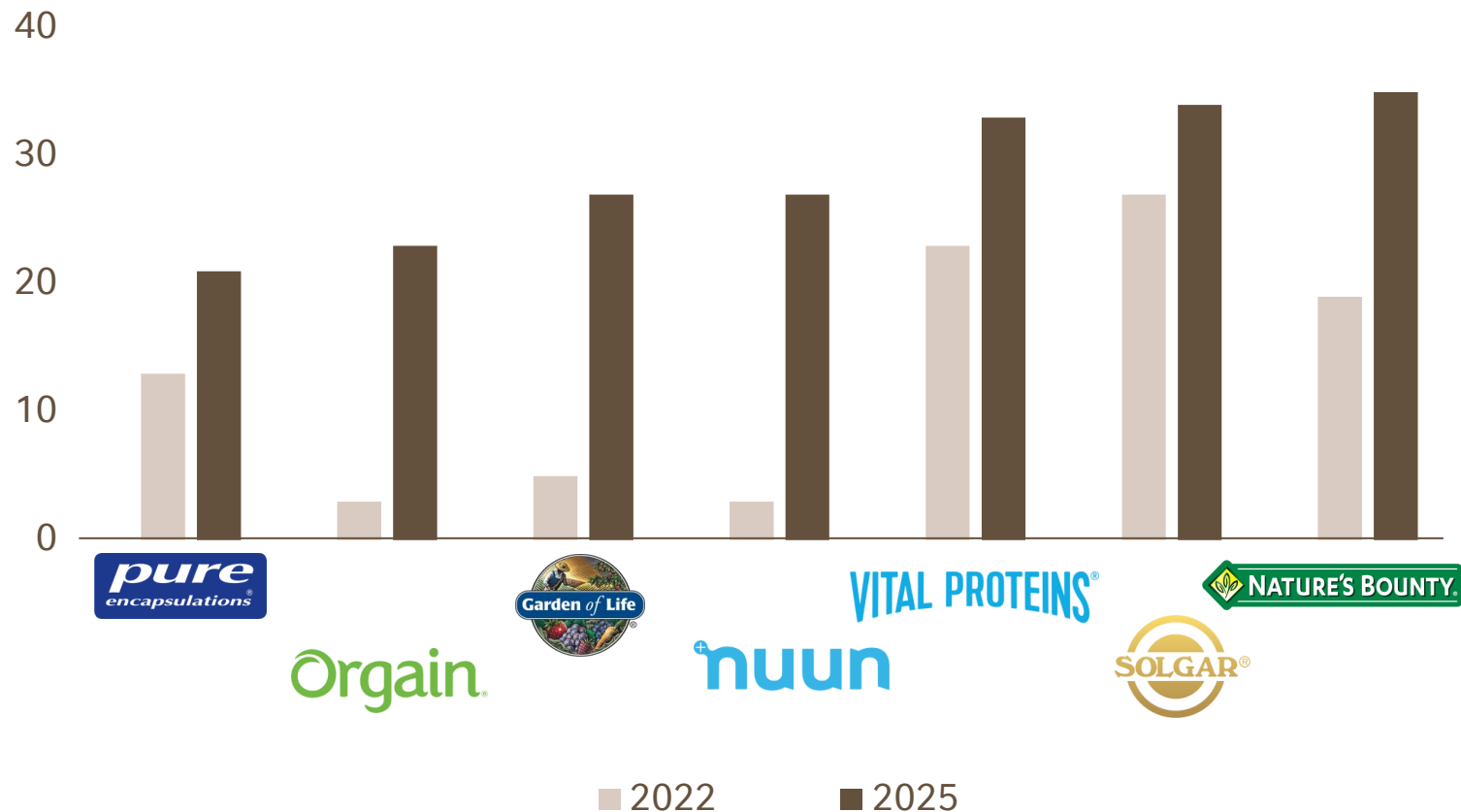
Leveraging e-commerce to drive overall strategy
across brands and geographies



Boosting growth
in the core

Significantly increasing the geographic footprint of all our global brands

of geographies



Geographic expansion is following
a tiered approach

Examples

Must win

- Greater China Region
- Japan
- South Korea

Accelerate growth

- Canada
- UK
- Brazil
- Oceania

Invest to develop

- Mexico
- India
- France
- Türkiye
- Italy

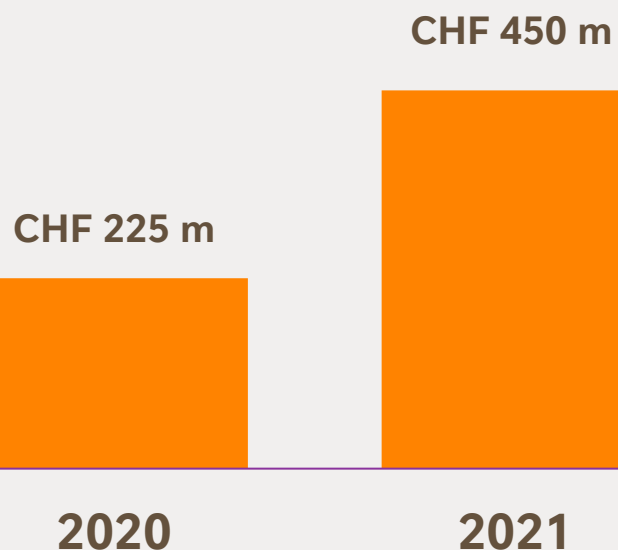
One geography can contain multiple markets



**Boosting growth
in the core**

Building on U.S. success to expand Vital Proteins internationally

Doubling sales in the first year of acquisition



FY-20 sales reflect a pro forma view

International expansion strategy

**Globally
recognized
partner**



**Localized
campaign &
activations**



**NHSc
infrastructure
& capabilities**

**Regulatory
& quality
expertise**

**Global
operations
network**

**Local sales
& marketing
teams**



Differentiating through insights

Nature's Bounty Sleep 3

First-to-market with a new format and technology

Key Insights

- Waking up in the middle of the night is a top consumer problem
- Most supplements only help consumers fall asleep



Science

Tablet delivers three benefits

Layer 1: Immediate release melatonin and L-theanine
Layer 2: Extended-release melatonin
Layer 3: Immediate release herbs, melatonin and L-theanine

Sensory

Tri layer technology visually reinforces three benefits



Story

The first and only maximum strength tri-layer sleep supplement that helps you

- Relax and unwind
- Fall asleep faster
- Achieve a long-lasting sleep

Results

Leading melatonin item



+30% incremental to the sleep category





Differentiating through insights

Orgain's Kids ready-to-drink

Helps parents fill kids' nutritional gaps

Key Insights

- Parents are looking for low-sugar and convenient offerings that fill nutritional gaps
- Parents are prioritizing organic offerings because they are considered "healthier" & "safer"



Science

Healthier formula & cleaner ingredients

- **40% less sugar** than the leading kids high protein shake*
- **Upgraded protein:** grass-fed dairy or plant-based
- U.S. Department of Agriculture Organic & non-GMO
- No artificial sweeteners, flavors, or preservatives

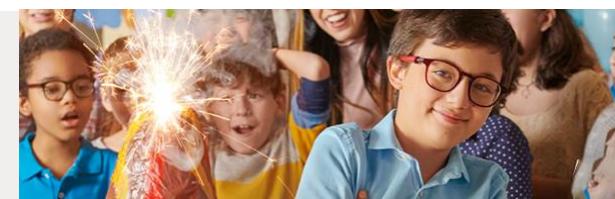
Sensory

- **Convenient & portable** ready-to-drink format
- **Delicious kid-friendly flavors:** chocolate, vanilla & strawberry



Story

A convenient way to ensure kids are getting the well-rounded nutrition they need



Results

Fastest growing kids ready-to-drink brand

Orgain

#1 kids shake brand

amazon

*Made without milk, wheat, soy, eggs, peanuts, tree nuts, sesame, fish, or crustacean shellfish ingredients

Source: IRI



Unlocking growth via
portfolio management

The Bountiful Company acquisition strengthened our global leadership

Pre-acquisition

- Selection of premium VMS and Active Nutrition brands
- Fit for purpose sales capabilities specific to each business unit
- Scaled liquids and powders manufacturing facilities



The Bountiful Company

- Leading VMS brands across key channels and price points
- Multi-functional dedicated retail sales organization
- Global VMS supply chain



Current state

- Integrated leadership structure
- Portfolio of Consumer Care brands to scale globally
- Best-in-class partnerships across retail and health care
- Comprehensive and vertically-integrated supply chain





Unlocking growth via
portfolio management

▶ Driving growth through expanded portfolio
and increased commercial scale

Scaling winning formulas and technologies across the portfolio

Leveraging probiotic technology and
expertise across VMS portfolio



Establishing NHSc as the preferred partner to retailers

Mobilized unified NHSc sales force to
secure incremental distribution



Standing up NHSc joint business planning
process at select customers



Increasing productivity of marketing and trade spend

Cross-brand programming
and promotions



Increased advertising
productivity through
centralized coordination



Unlocking growth via
portfolio management

Expanding margins over the next five years by executing a mix of efficiency initiatives

Manufacturing

- Streamline product formulations and SKUs
- Insource powders and liquids
- Leverage scale to bring down supplier expenses

Supply chain

- Optimize distribution network
- Improved planning accuracy by onboarding businesses to Nestlé's systems

Selling, General and Administrative

- Streamlining of overhead and back-office functions
- Capture marketing efficiencies

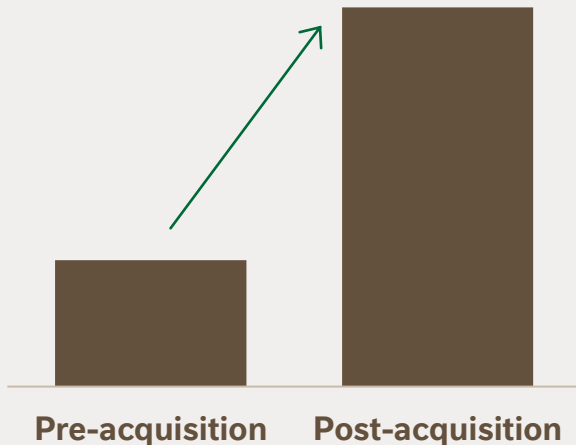


Unlocking growth via
portfolio management

Leveraging scale and new capabilities to drive operational efficiencies

Expanded supply chain network is driving improved service levels

10x increase to manufacturing
and packaging capacity



Expanded capabilities unlocking in-sourcing opportunities

Manufacturing capabilities



Powders



Liquids



Soft gels &
gummies



Solid dose

Scaled organization is delivering procurement savings

Using scale
to achieve
efficiencies with
key suppliers