Nestlé investor seminar 2022

Nestlé HealthScience®

Shaping a leader in Nutrition and Health

Greg Behar

CEO

Nestlé Health Science

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.

Key takeaways

Our leadership journey on nutrition and health is well underway

3 strategic imperatives

Boosting growth in the core

- Expanding geographically, enhancing category leadership and building customer partnerships

Differentiating through insights

- Understanding consumer/patient needs, leveraging R&D capabilities and innovation ecosystem

Unlocking growth via portfolio management

- Strengthening leadership through M&A and delivering on acquisition and synergy plans

Driving further value creation to 2025

Grow organically at a high single-digit rate

Reach underlying TOP margin of > 18%

Operating in segments with attractive long-term trends

Aging population

Focus on immunity, health and well-being

More people following specialized diets
(e.g. keto, vegan, gluten-free)

Sustainability, natural, organic, non-GMO

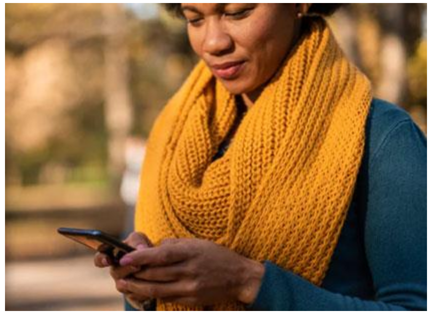
Demand for prevention and self-care

Rise of chronic diseases and allergy prevalence

Shift to lower-cost models of patient care
(e.g. at-home)

Personalization

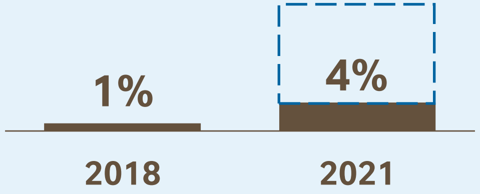
Continuous access to information
("Dr. Google")

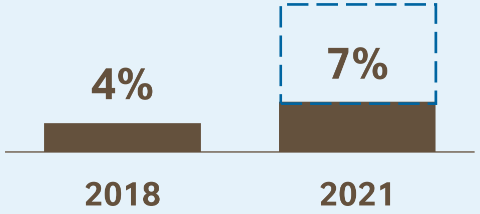


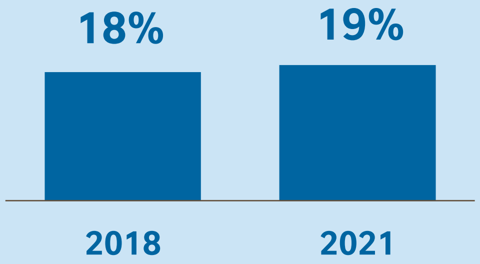
Growing scientific evidence for the impact on nutrition and health

Strong and focused portfolio

	Consumer Care		Medical Nutrition
	Vitamins, Minerals and Supplements (VMS)	**Active Nutrition**	
Market size (CHF)	140 bn	29 bn	12 bn
CAGR 2022-26	~ 5%	~ 6%	~ 5%
	NATURE'S BOUNTY, Garden of Life, pure encapsulations, SOLGAR	VITAL PROTEINS, BOOST, Orgain, nuun	Alfaré, Althéra, Alfamino, PEPTAMEN, IMPACT
Market share	14% in the U.S.	18% in the U.S.	

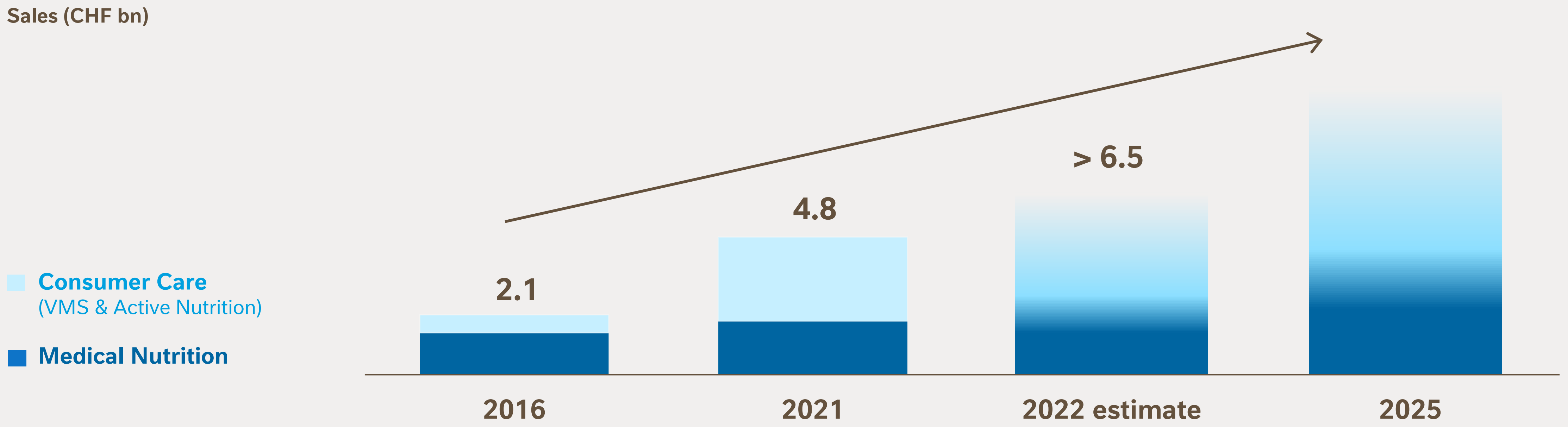






Euromonitor, IRI and Nutrition Business Journal, company and industry reports, internal analysis

Strengthening our leadership through strong growth & margin development



Organic growth	Mid single-digit	High single-digit
Underlying TOP margin	Mid-teens	> 18%

Placing *Palforzia* under strategic review

***Palforzia* has strong data**
- 67% desensitization rate for aged 4-17
- 74% for aged 1-4

Penetrating the U.S. market has been challenging
- Limited patient motivation (vs. continued peanut avoidance)
- Slow adoption by Health Care Professionals

Exploring strategic options

Expected to be completed in H1 2023

Continued commitment to allergy nutrition portfolio in Consumer Care and Medical Nutrition

Just completed clinical trials for ages 1 to < 4

Our strategy is focused on nutrition and metabolism

Wellness | **Prevention** | **Treatment**

Consumer Care
VMS & Active Nutrition

Medical Nutrition

Nutrition and supplements to support overall health and wellness

Medical food and treatments for specific medical needs and disease areas

Nestlé HealthScience

Focusing on our expertise in nutrition and metabolism

Playing selectively and with winning positions

Consumer Care

VMS
- Everyday well-being
- Mobility
- Gut health pro/prebiotics

Metabolism
- Weight management
- Pre-diabetes
- Diabetes

Active Nutrition
- Collagen
- Plant-based
- Healthy aging
- Hydration
- Sports nutrition (selectively)

Medical Nutrition

Disease specific medical nutrition
- Malnutrition
- Surgery recovery
- Cancer supportive care

Food allergy
- Pediatric food allergy

Nutrition related disorders
- Gastrointestinal
- Metabolic disorders (especially Inborn errors of metabolism)

Pediatric
- Pediatric Medical Nutrition

Where we do not play

- Multi-level marketing / direct selling
- General over-the-counter/ personal care
- Diagnostics
- Broad-based pharma

Global market leader: Everyday well-being, Mobility, Collagen, Malnutrition, Surgery recovery, Cancer supportive care

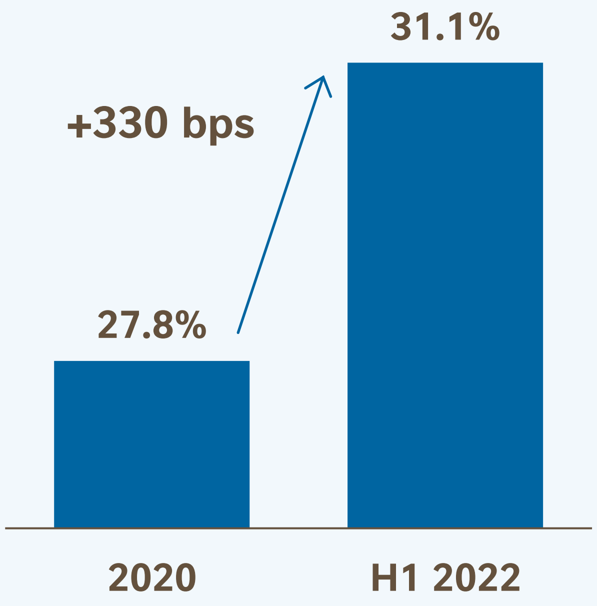
Global leadership position (top 3): Gut health pro/prebiotics, Plant-based, Healthy aging, Pediatric food allergy, Gastrointestinal, Metabolic disorders, Pediatric Medical Nutrition

Powerful synergies between Consumer Care and Medical Nutrition

- Clinical evidence
- Face to face selling
- Digital marketing
- Education

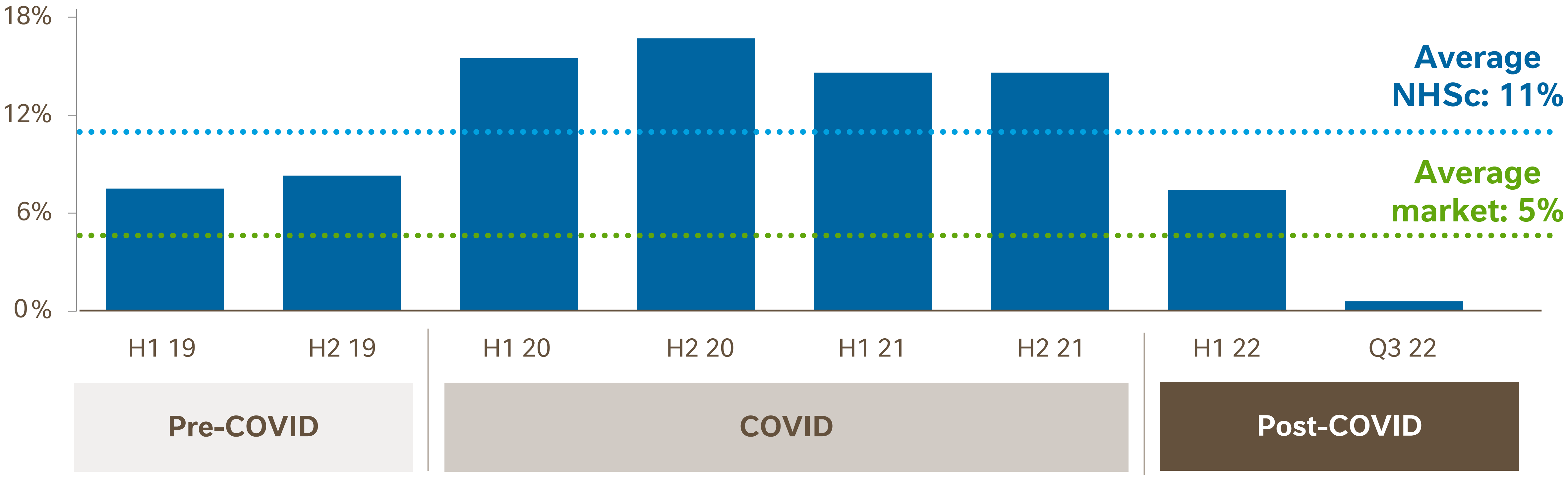
- Competitive TV & promotions
- Expanded retail distribution
- Optimized e-commerce
- Consumer insights

Boost market share in the U.S.



Recent growth has been solid over a high base of comparison

Total NHSc organic growth



Pro Forma, to include all M&A as if these companies were acquired on 1st January of their acquisition year

Committed to doing business responsibly and sustainably

Managing our environmental footprint

Climate

Net zero by 2050

100% renewable electricity by 2025

Packaging

Close to 100% designed for recycling/reusable by 2025

Achieved zero waste to landfill in 2020*

Ingredients

Developing plant-based options and clean recipes

Responsible sourcing

Enhancing our social impact

Consumers/ Patients

Purpose centered around impacting people's health and wellbeing

B-Corp

Garden of Life nuun

Expected by 2023:

Orgain VITAL PROTEINS

Diversity

50% of top positions and **> 50%** of management positions held by women

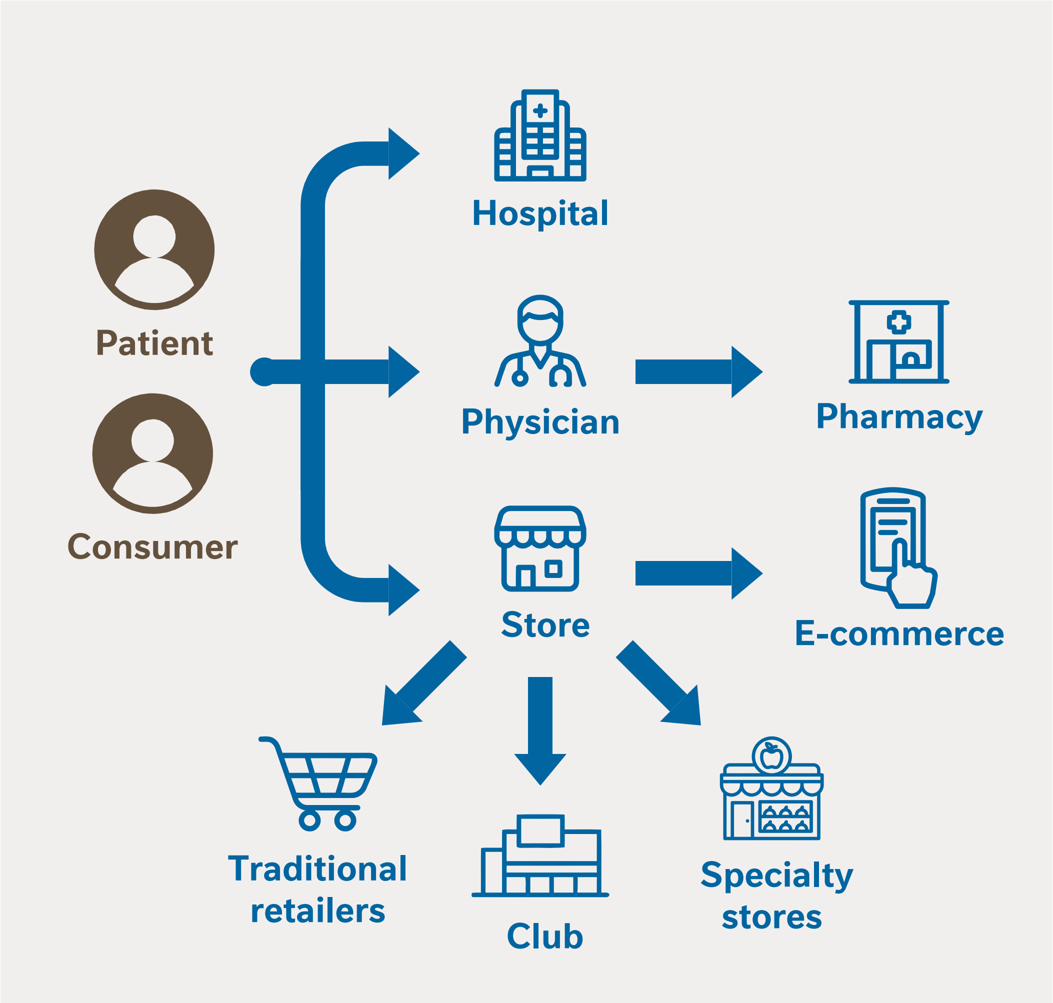
*Excluding factories from 2021/2022 acquisitions, which we aim to achieve by 2025

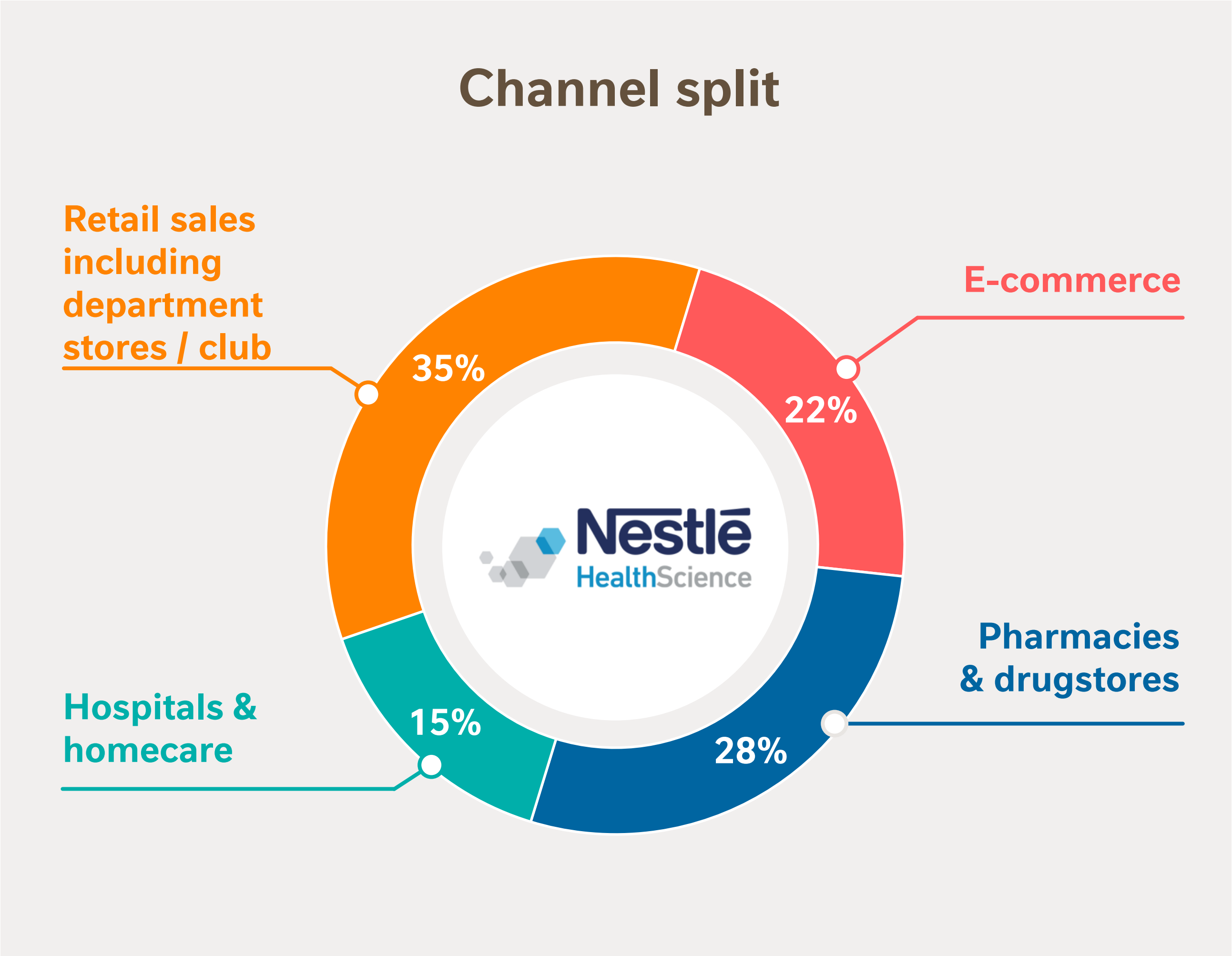
Drivers for continued growth and improved profitability

3 strategic imperatives	Key drivers
Boosting growth in the core	• Extending category leadership • Expanding geographically • Building partnerships with customers
Differentiating through insights	• Understanding and addressing consumer & patient needs • Enhancing and accelerating our R&D capabilities • Building our health and wellness ecosystem
Unlocking growth via portfolio management	• Delivering on acquisition plans • Driving synergies and efficiencies • Active portfolio management

Boosting growth in the core

Omni-channel synergies between Consumer Care and Medical Nutrition

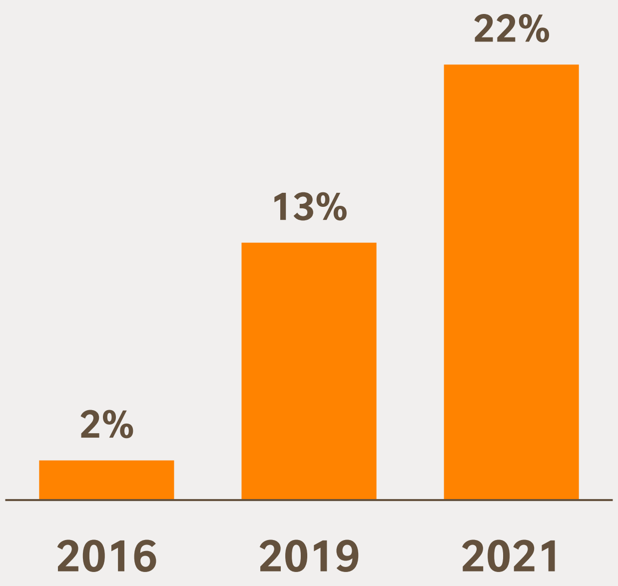




Boosting growth in the core

Scaling our e-commerce capabilities

E-commerce as % of sales



#1 VMS brand on Amazon U.S. with Garden of Life, & 4 other brands in the top 8

#1 collagen brand in e-commerce

#1 Health Care Professional brand on Amazon

#1 D2C VMS brand in Brazil

#1 Allergy in China e-commerce, growing 2x faster than market

Garden of Life

#3 in probiotics in China CBEC*, growing 3x faster than market

Puritan's Pride

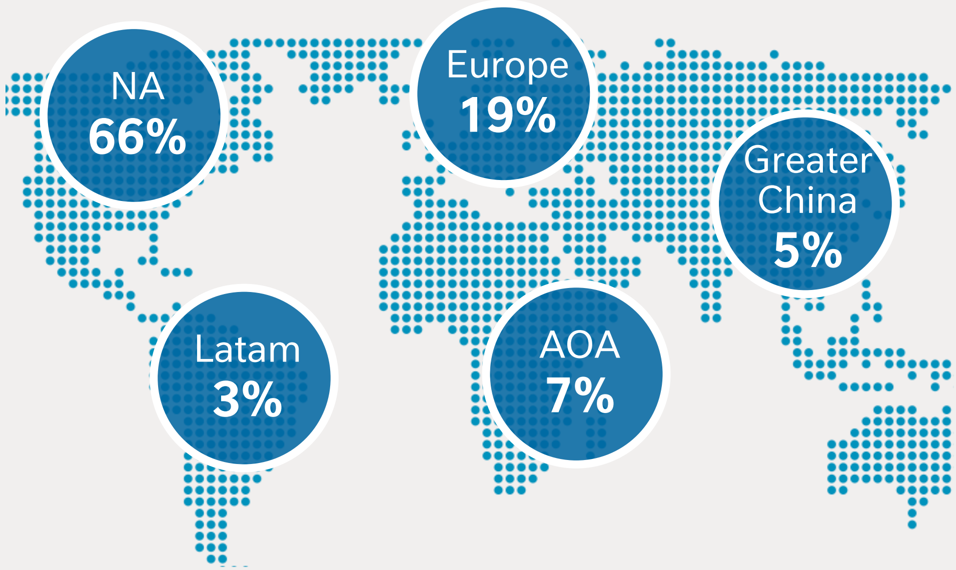
Industry leading D2C supplement brands

*CBEC – Cross Border E-commerce

Boosting growth in the core

Fueling growth through geographic expansion

Where we are today



Our strategy

> 100 roll outs of specific brands across 40 geographies

Nature's Bounty · Orgain · Vital Proteins · Solgar · nuun · pure encapsulations · Peptamen · Impact · Alfaré · Althéra · Alfamino

Supported by

Leading U.S. positions	Existing NHSc global presence	Local understanding and know-how	Deep capabilities in nutrition & health	Omni-channel approach	Leverage the broader Nestlé network

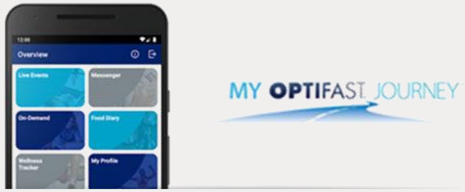
Differentiating through insights

Key drivers of innovation

Speed of innovation

- **Innovation accelerator** driving fast launches and shop tests
- Vital Proteins gummies and collagen chocolate **developed in 6 months**

Digitalization



- Virtual support including coaching for **weight management** program, **weight loss** program and support program for **Crohn's disease**

R&D capabilities

- **Centre of Excellence** for liquids, powders, solid dose and gummies
- **Pilot and small batch** manufacturing

Disrupting with partnerships

Enterome
labcorp
CODEXIS
Amazentis
epitomee
Flagship Pioneering
VALBIOTIS
SERES

48% of organic growth in 2022 from innovation/renovation (vs. 38% in 2018)

Incremental sales from products launched in the last 2 years

Differentiating through insights

Shaping market trends through innovation

Metabolic health
(GlucoSmart)

Gastro-Intestinal
(3 in one: pre + pro + postbiotics)

Healthy aging/ mitochondrial health

Food allergies (HMOs)

Sleep and immunity

Personalization & ecosystems

Unlocking growth via portfolio management

Strengthening our portfolio through M&A

2018	2019	2020	2021	2022
Atrium Innovations	Persona	Vital Proteins, Zenpep (pancrelipase) Delayed-Release Capsules, Aimmune Therapeutics	The Bountiful Company, Nuun	Orgain, PronoKal, Puravida, The Better Health Company

Unlocking growth via portfolio management

Model for M&A integration creates efficiencies and nurtures differentiation

Varied integration levels to meet the unique needs of our businesses	The Bountiful Company, Garden of Life, Pure Encapsulations, Vital Proteins, Nuun, Orgain

Dedicated brand capabilities	Shared competencies to leverage NHSc breadth and scale			
Marketing	R&D	Sales	Operations & supply chain	Back-office
Digital & e-commerce	Integrated technology backbone			
	Common leadership approach			

Unlocking growth via portfolio management

Significant cost synergy opportunities

Total synergies

~300 bps improvement

From 2022 to 2025

Manufacturing	• Rationalizing raw and packaging material • Insourcing into NHSc existing infrastructure • Reviewing SKUs & recipes
Supply chain	• Eliminating potential duplicate warehouses • Leveraging increased scale • Consolidating shipments between brands
Selling, General, Adminstrative	• Rationalizing overlapping overhead and back-office functions • Onboarding to Nestlé IT system • Scaling savings in A&P / Media buying