



Nestlé Good food, Good life

Full-year results 2022



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.



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Full-year results 2022

Mark Schneider, CEO

Key messages

Resilient financial performance

- Strong organic sales growth of 8.3%, led by pricing with slightly positive RIG
- Underlying trading operating profit margin decreased by 30 bps to 17.1%, reflecting significant cost inflation, partially mitigated by cost efficiencies and growth leverage
- Underlying earnings per share growth of 9.4% in constant currency

Building for the long-term

- Investing in capex, innovation and sustainability
- Rotated ~22% of portfolio between 2017-2021

Continued progress on Good for You, Good for the Planet agenda

Board proposes dividend per share of CHF 2.95, an increase of 15 centimes



2022 achievements

Categories, regions and channels

- **PetCare:** +14.5%
- **Coffee:** resilient at +8.1%, with Starbucks +CHF 1.5 bn incremental sales since 2018
- **Emerging markets:** +10.0%, supported by growth in affordable offerings
- **Out-of-home channels:** +23.5%

Fixing underperforming businesses

- **China infant nutrition:** back to high single-digit growth
- Addressing **low-margin businesses** and streamlining **SKU portfolio**

Portfolio management

- **Focus Nestlé Health Science** on Consumer Care and Medical Nutrition
- **Food:** creation of a B2B fresh-food platform, combining Freshly and Kettle Cuisine



Good for You: continued progress on nutrition



- **Continuing our journey** to reduce sodium, sugar and saturated fats
- **Targeting continued growth** in plant-based food & beverages
- **Empowering consumers** to make more informed decisions on food and diet choices
- **Delivering on** our transparency and responsible marketing commitments

Good for the Planet: progress on greenhouse gas reduction



- **Peak carbon is behind us**
- **Greenhouse gas emissions now below 2018 level**
- **On track to deliver 20% carbon emission reduction by 2025 vs. 2018 level**
- **Significant reduction expected in 2023** as we reap the benefit of investments made over the last 2 years

Key focus areas for 2023

Strategic

- Accelerate **portfolio optimization**
- Drive **faster, relevant, impactful innovation**
- Lead on **climate, sustainability** and **nutrition** agendas

Operational

- Protect **volume growth**
- Drive **cost efficiencies**
- Step-up **marketing investments**

Financial

- Restore **gross margin** and **cash flow generation**



Accelerating portfolio optimization

Strong delivery to date - expanding scope of portfolio optimization beyond SKUs to brands, segments and geographies

Freeing up resources via
SKU optimization and portfolio pruning



Re-allocating resources toward
high-growth, high-margin products



Select dairy SKUs
Brazil



Frozen food
Canada



2023 guidance

- **Organic sales growth** between 6% and 8%
- **Underlying trading operating profit margin** between 17.0% and 17.5%
- **Underlying earnings per share growth in constant currency** between 6% and 10%





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François-Xavier Roger, CFO

Resilient financial performance

**Organic
growth**

+8.3%

**Underlying
TOP margin***

**17.1%
-30 bps**

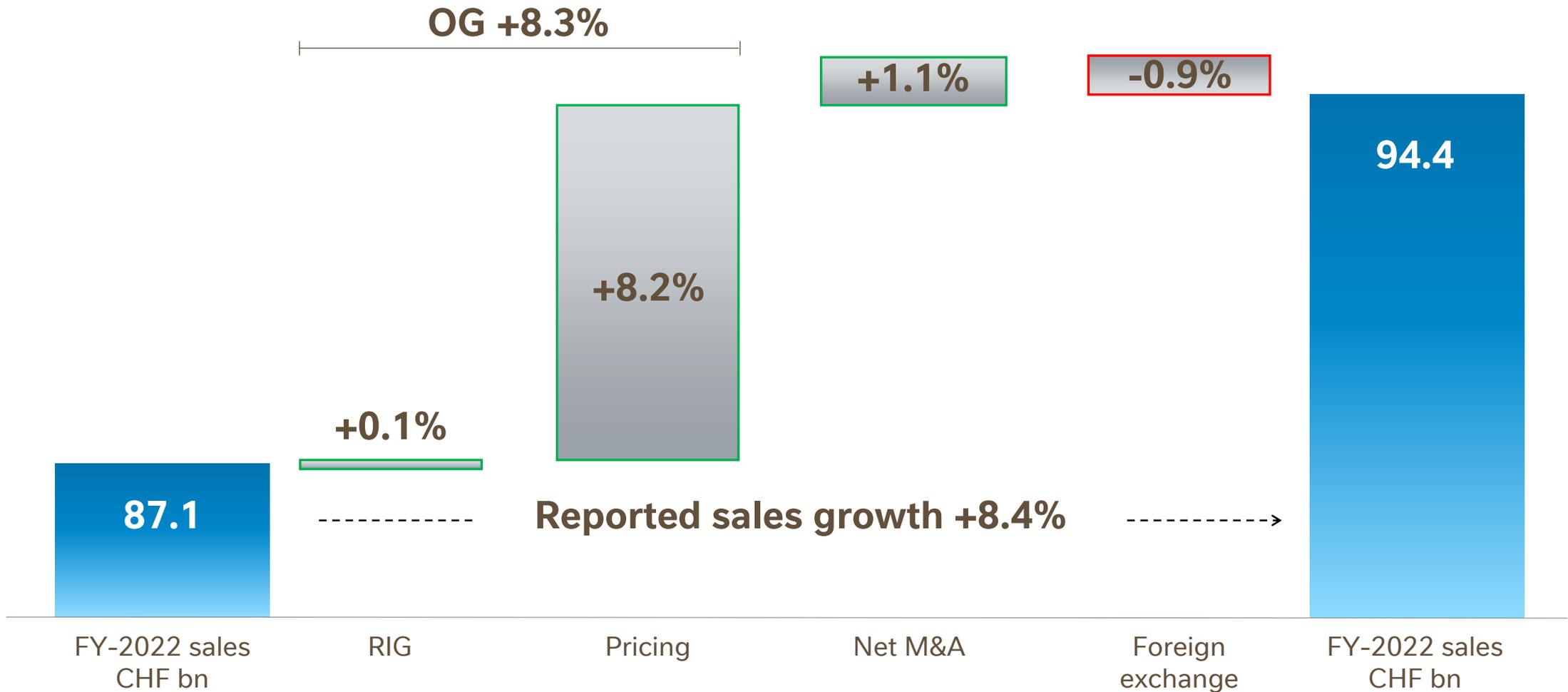
**Underlying
EPS growth**
(in constant currency)

+9.4%

* Underlying TOP margin as reported



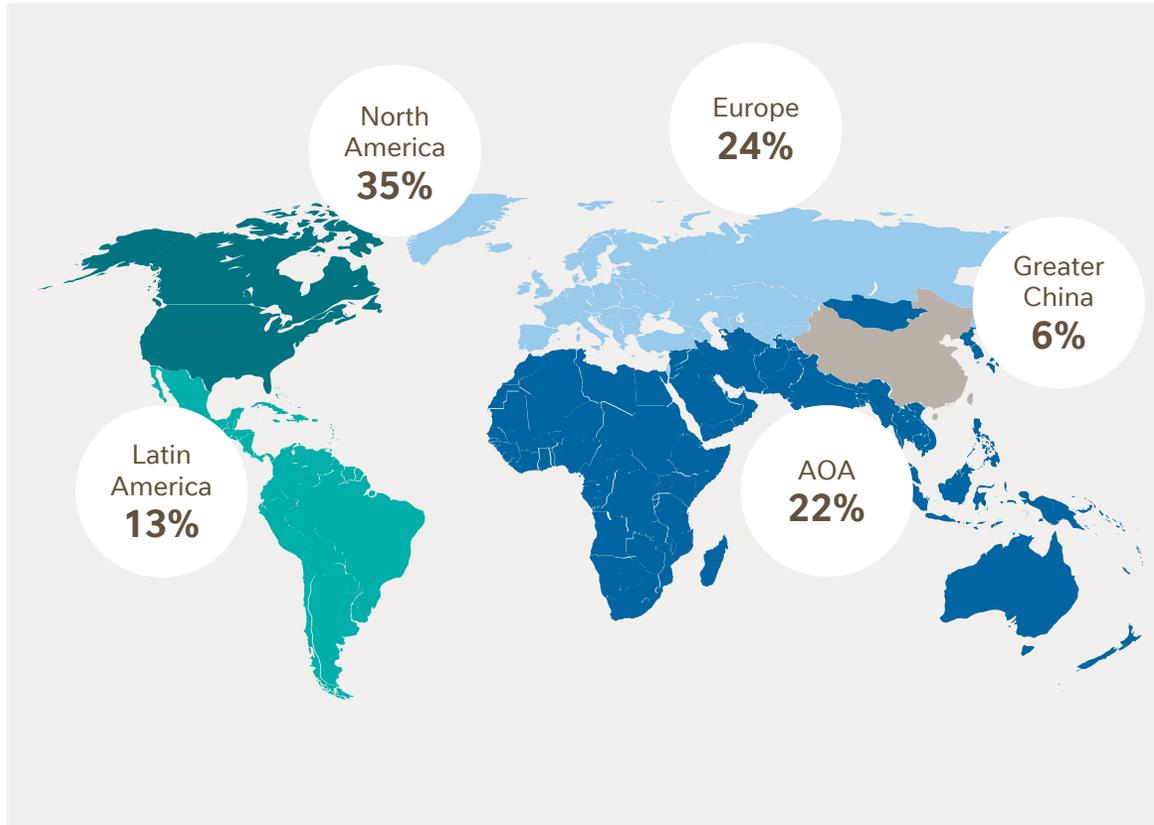
Full-year sales growth



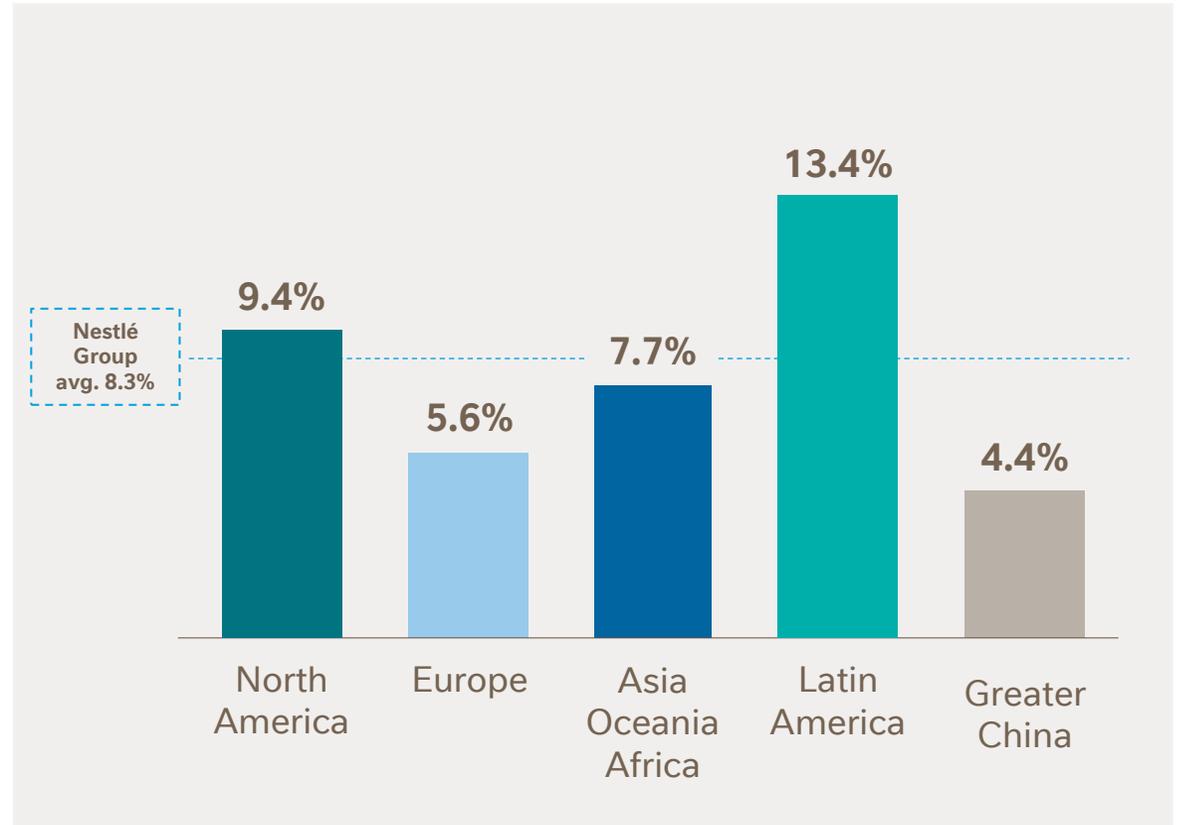
RIG, pricing and organic growth figures exclude the Russia region, with a corresponding impact on the M&A and foreign exchange lines

Broad-based growth across geographies

Sales split



2022 organic sales growth



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

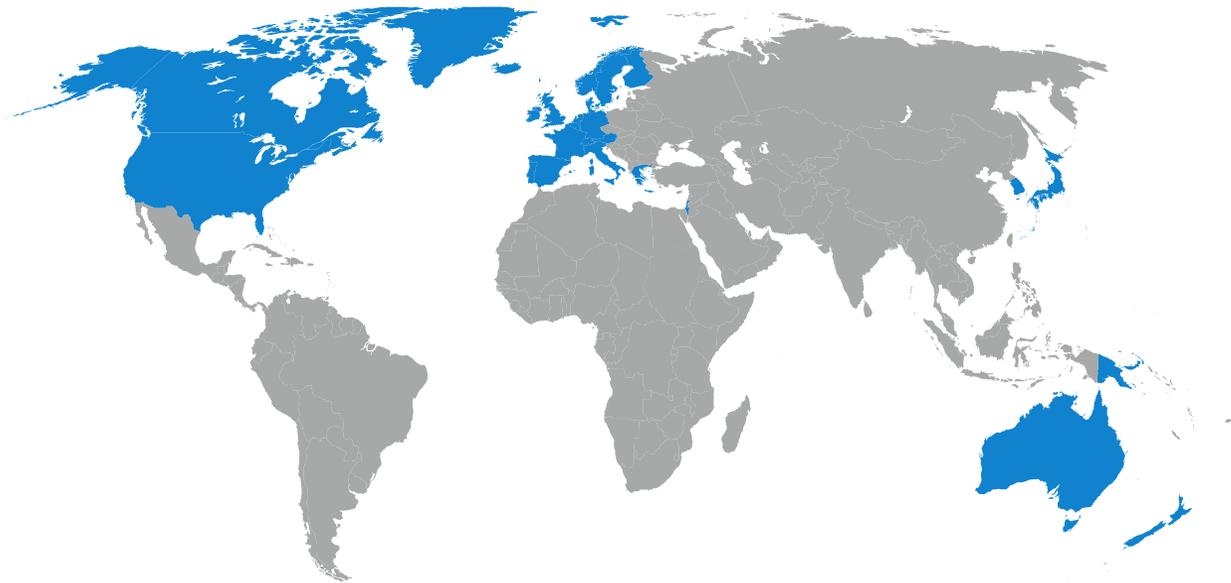


Strong growth across developed and emerging markets

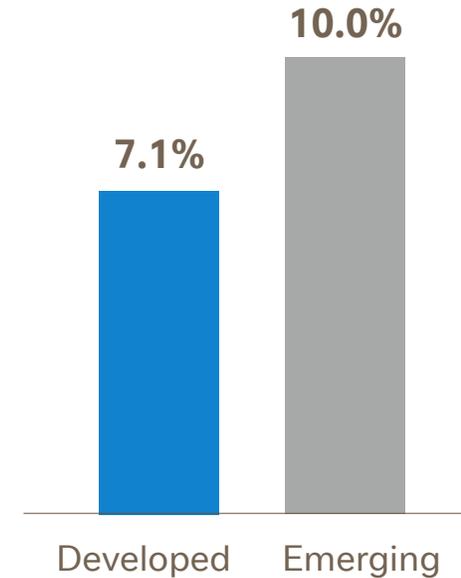
Sales split (in CHF)

Developed
58%

Emerging
42%

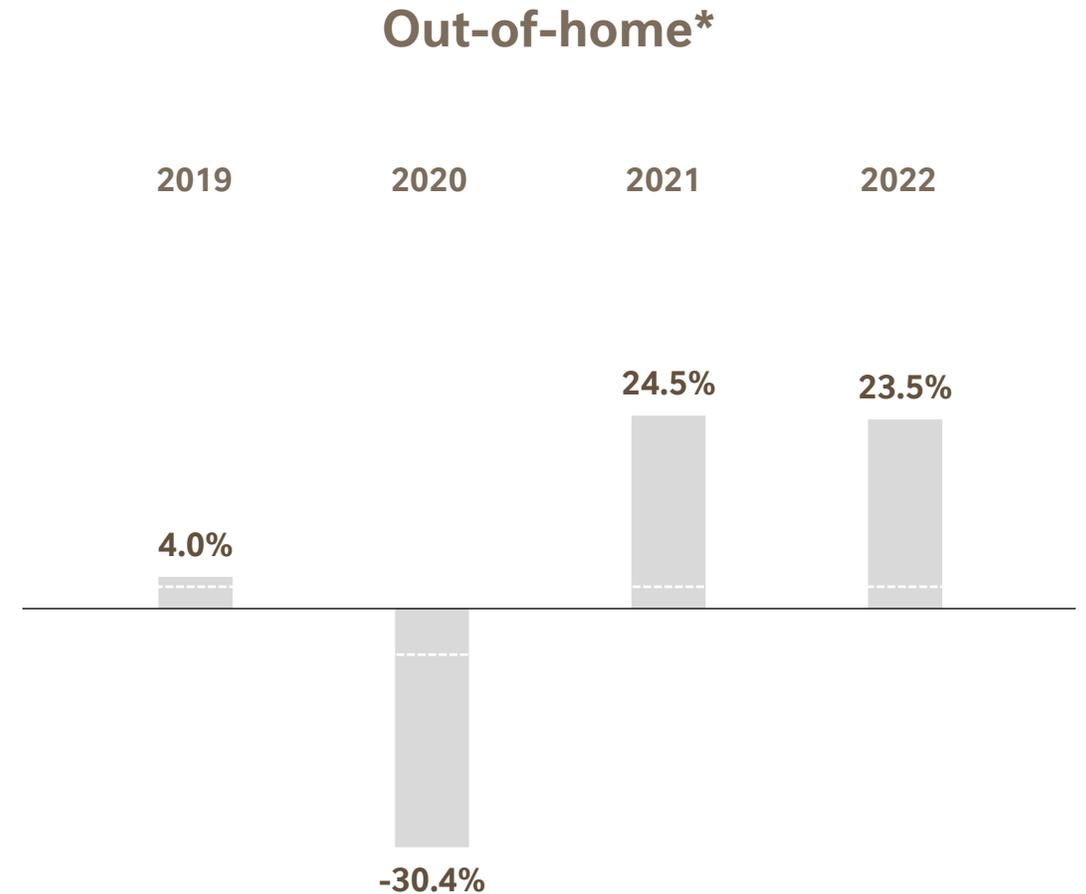


2022 organic sales growth



Sustained momentum in retail and out-of-home channels

Organic sales growth %

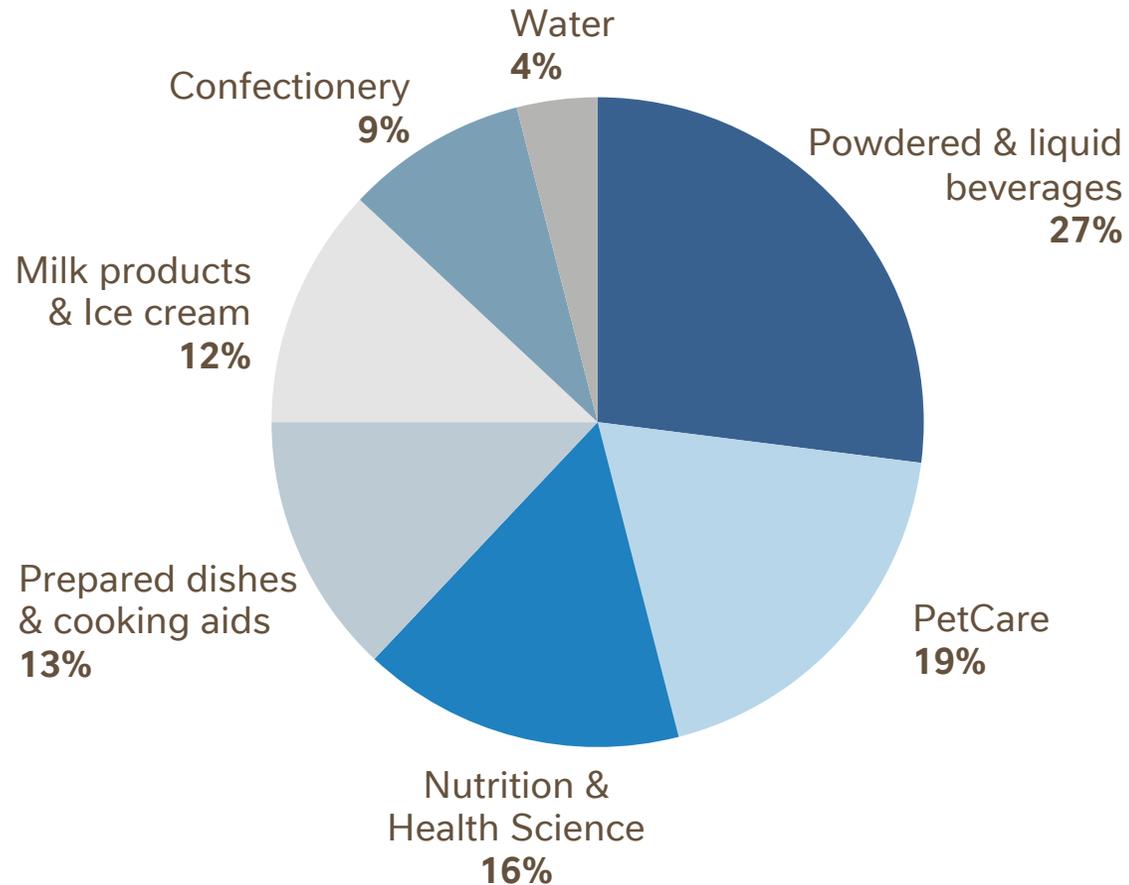


* Includes Nestlé Professional, foodservice activities of Nespresso, Starbucks products and water, travel retail and Blue Bottle

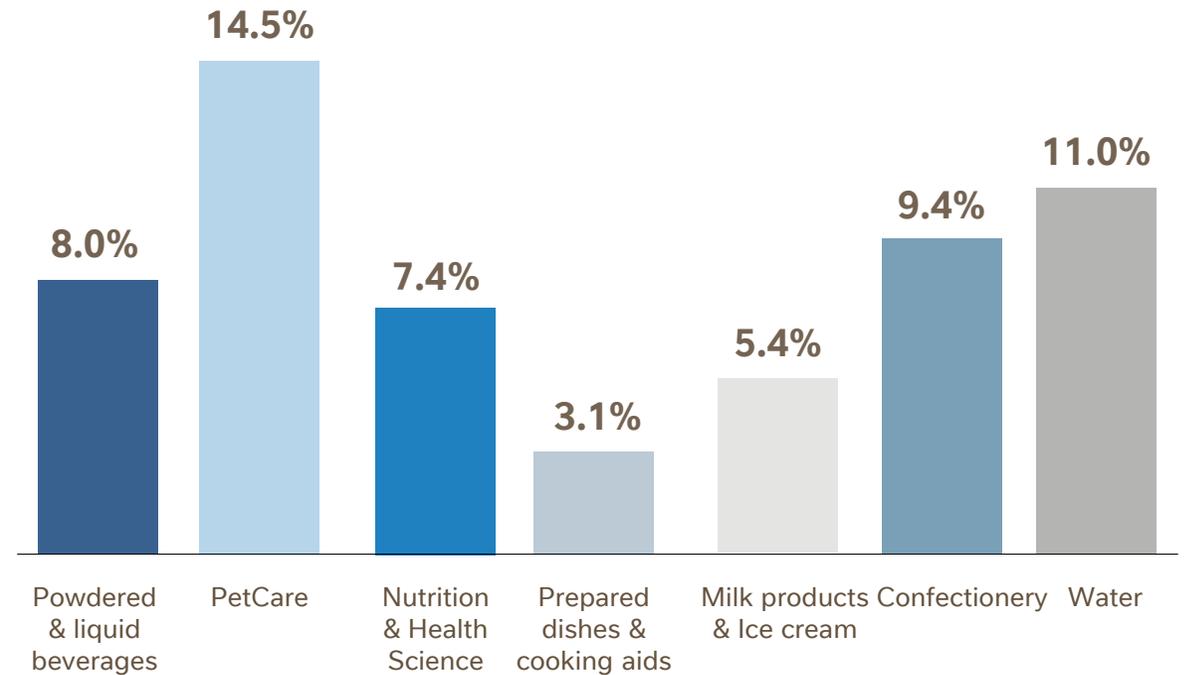


Strong growth across most categories

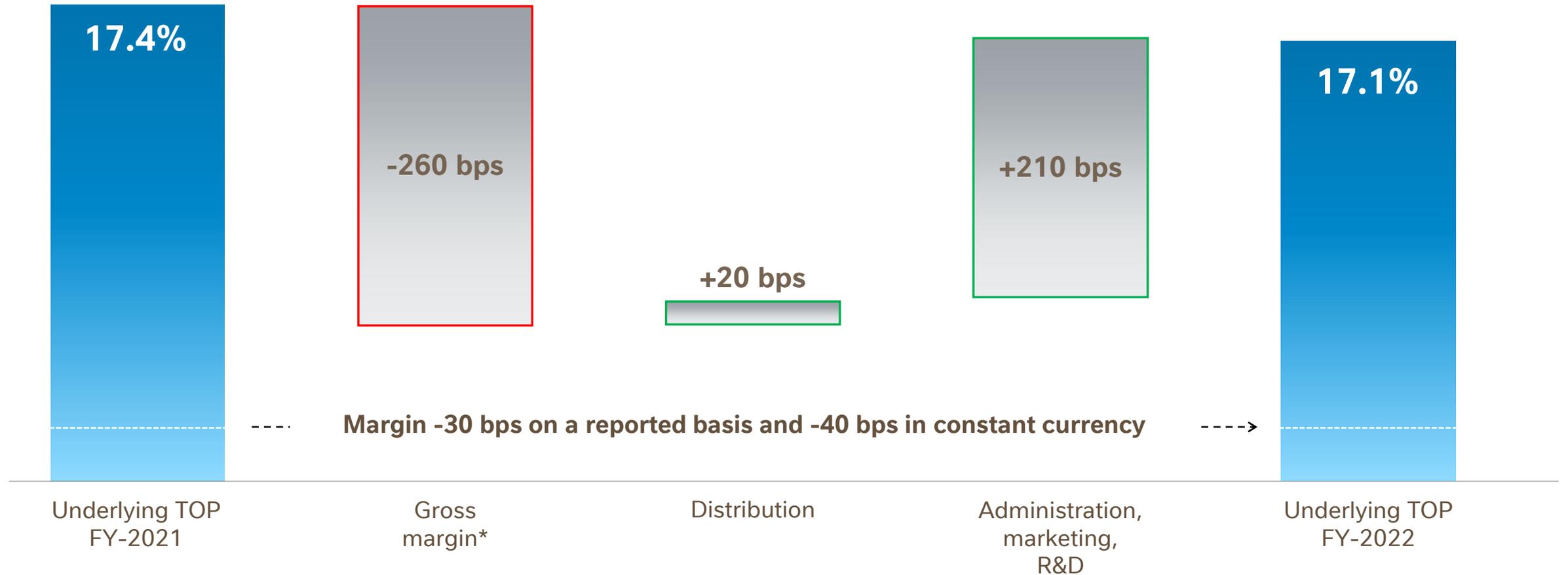
2022 sales split



2022 organic sales growth

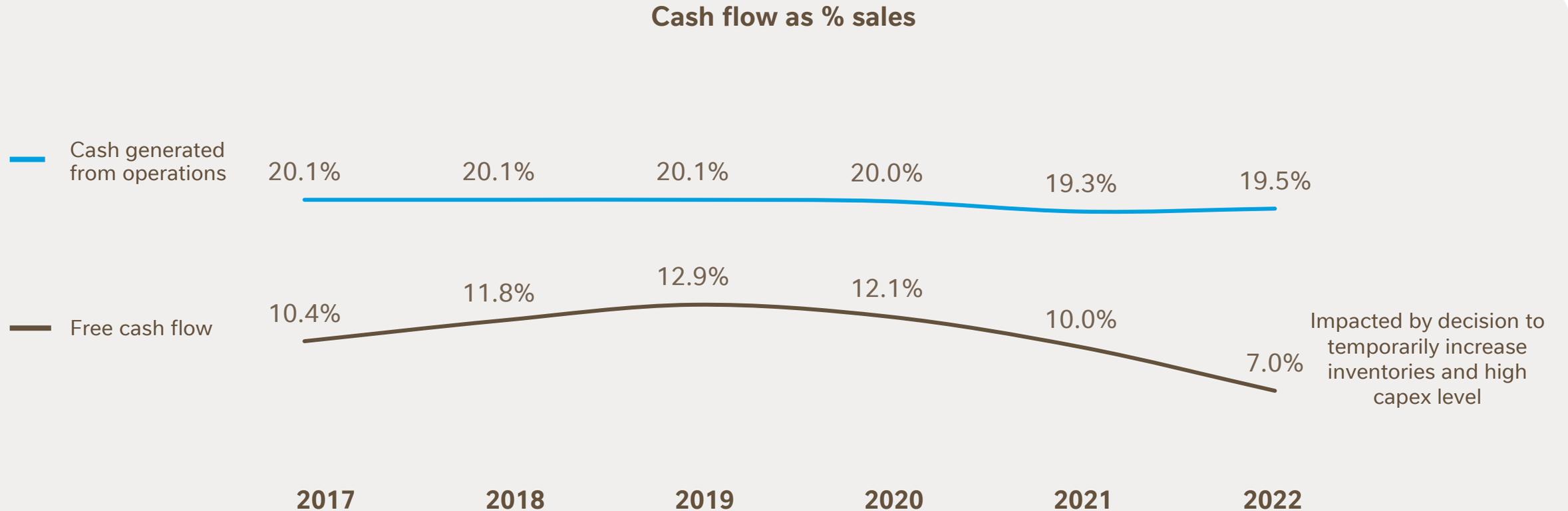


Inflation more than offset pricing, growth leverage and efficiencies



* Gross margin = Sales – cost of goods sold

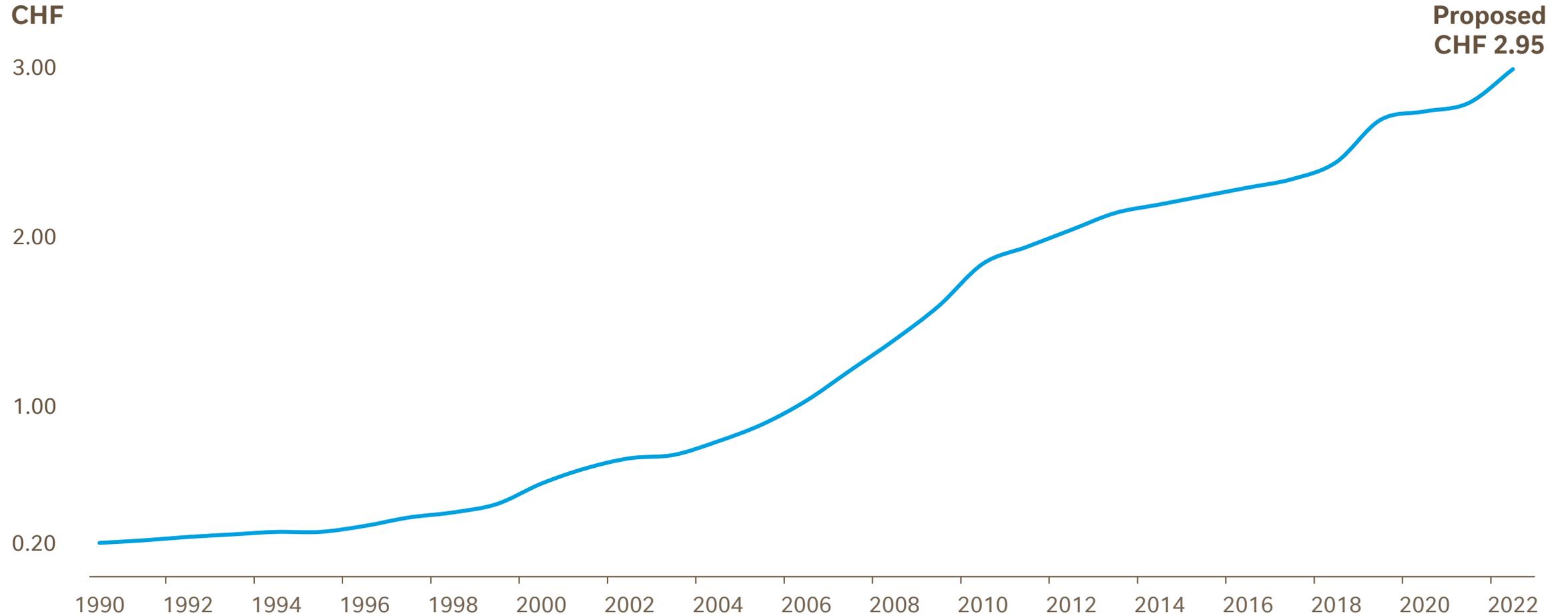
Sustaining strong operating cash flow generation



Cash generated from operations before changes in working capital; 2017 restated, reflecting implementation of IFRS 15 and IFRS 16



28th consecutive dividend increase in CHF



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Q&A



Thank you!

