CAGNY 2023
Generating strong growth and returns in PetCare

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

2022 sales of **CHF 94.4 bn**, with an underlying TOP margin of **17.1%**

<table>
<thead>
<tr>
<th>Where we sell</th>
<th>What we sell</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latin America 13%</td>
<td>Beverages (incl. coffee) 27%</td>
</tr>
<tr>
<td>North America 35%</td>
<td>Nutrition &amp; Health Science 16%</td>
</tr>
<tr>
<td>Europe 24%</td>
<td>Confectionery 9%</td>
</tr>
<tr>
<td>Greater China 6%</td>
<td>Milk products &amp; ice cream 12%</td>
</tr>
<tr>
<td>AOA 22%</td>
<td>Prepared dishes &amp; cooking aids 13%</td>
</tr>
<tr>
<td></td>
<td>Prepared dishes &amp; cooking aids 13%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Resources</th>
<th>Number of employees</th>
<th>R&amp;D spend</th>
<th>Factories</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>275 000</td>
<td>CHF 1.7 bn</td>
<td>344</td>
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</tbody>
</table>

Our business is global, balanced and diversified
At a glance: our Purina PetCare business

Sales 2022
CHF 18.1 bn

Underlying TOP margin
20.5%

Where we sell

<table>
<thead>
<tr>
<th>Region</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>26%</td>
</tr>
<tr>
<td>Latin America</td>
<td>9%</td>
</tr>
<tr>
<td>North America</td>
<td>60%</td>
</tr>
<tr>
<td>Greater China</td>
<td>1%</td>
</tr>
<tr>
<td>AOA</td>
<td>4%</td>
</tr>
</tbody>
</table>

What we sell

<table>
<thead>
<tr>
<th>Product</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dry dog</td>
<td>30%</td>
</tr>
<tr>
<td>Wet dog</td>
<td>32%</td>
</tr>
<tr>
<td>Dry cat</td>
<td>19%</td>
</tr>
<tr>
<td>Wet cat</td>
<td>4%</td>
</tr>
<tr>
<td>Others*</td>
<td>15%</td>
</tr>
</tbody>
</table>

* Other refers to snacks, litter and therapeutic diets / supplements
6 billionaire brands
2022 sales CHF

Note: Pro Plan includes Veterinary Diets
Becoming a global leader in 2001 through the Ralston Purina acquisition

Successful track record in Purina PetCare

**Increasing contribution to Nestlé results**

**Sales**

- **2002**
  - PetCare CHF 9.0 bn*
    - 12%
- **2022**
  - PetCare CHF 18.1 bn
    - 19%

**Underlying TOP**

- **2002**
  - PetCare 16%
- **2022**
  - PetCare 23%

**Strong organic growth since acquisition, with recent step-up (average)**

- 2002-2016: 6.2%
- 2017-2022: 8.7%

*2002 sales restated for estimated net sales after trend spend*
Large global player, with further share opportunities

**Strong global position**

- **Pet care: CHF 96 bn category**
  - Mars: 21.9%
  - Purina PetCare: 20.6%
  - Hills: 5.1%
  - Private Label: 9.6%
  - Blue Buffalo: 3.3%
  - JM Smucker: 3.5%
  - Others: 45.6%

**Significant share opportunity in emerging markets**

- North America: 29%
- Latam: 23%
- Europe: 21%
- AOA: 10%
- Greater China: 3%

Sources:
- Euromonitor
- Nielsen
Strong market positions in fast-growing segments

<table>
<thead>
<tr>
<th></th>
<th>Dry dog</th>
<th>Wet dog</th>
<th>Dry cat</th>
<th>Wet cat</th>
<th>Snacks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market size</td>
<td>35</td>
<td>10</td>
<td>17</td>
<td>17</td>
<td>15</td>
</tr>
<tr>
<td>(CHF bn)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market growth</td>
<td>7.5%</td>
<td>7.1%</td>
<td>8.9%</td>
<td>7.5%</td>
<td>9.8%</td>
</tr>
<tr>
<td>(CAGR ’17 - ’21)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market share</td>
<td>18.0%</td>
<td>11.7%</td>
<td>25.4%</td>
<td>36.3%</td>
<td>9.7%</td>
</tr>
<tr>
<td>(2021)</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Source: Euromonitor
Future pet care category growth drivers

Expected pet care category CAGR, 2022-2025: 6% - 8%

### Pet population

- **2.4% CAGR**
- Expected increase in global pet population 2022-2025

Source: Euromonitor

### Calorific coverage in emerging markets

- 2013: 77%
- 2022: 79%
- Developed markets: 34%
- Emerging markets: 41%

Source: Euromonitor

### E-commerce

- Pet care category sales CAGR 2017-2021
- Online: +31%
- Speciality: +5%
- Grocery: +5%

Source: Euromonitor

### Premiumization

- CAGR for premium products vs. economy products, 2013 - 2021
- 2.3x faster

Source: Euromonitor

### Expected increase in global pet population 2022-2025

2.4% CAGR

Source: Euromonitor

### Future pet care category growth drivers

- Premiumization
- E-commerce
- Pet population
- Calorific coverage in emerging markets

Source: Internal analysis, Euromonitor
Balanced growth supported by premiumization

Well-balanced growth
(Purina PetCare average 2020-2022)

- **Volume**: 27%
- **Pricing**: 37%
- **Mix**: 35%

Broad portfolio of strong brands

- **Therapeutic**
- **Premium**
- **Mainstream**
Strong margin and returns while investing for growth

Purina PetCare underlying TOP margin reflecting growth investments

- 2013: 20.3%
- 2022: 20.5%

Purina PetCare return on invested capital

- 2013: 20.3%
- 2022: +130 bps
Investing to meet higher demand

Selected Purina PetCare projects: ~ CHF 3 bn, 2022-2025

Dry
Eden, NC, U.S.

Dry
Williamsburg Township, OH, U.S.

Dry & Wet
Vargeão, Brazil

Dry & Wet
Tianjin, China

Wet
Wroclaw, Poland

Wet
Rayong, Thailand
United States: Pet care category overview & Purina PetCare strategy

Nina Leigh Krueger
President & CEO,
Nestlé Purina, North America
OUR PURPOSE
Enrich the lives of pets and the people that love them

OUR BELIEF
Pets and People are better together
Committed to leading the way in pet nutrition today and tomorrow

every ingredient has a purpose

PURINA Institute
Advancing Science for Pet Health

February 24, 2023
CAGNY
U.S. pet care category overview
U.S. is the largest pet care market globally

USD 46 bn pet care category
pet care = dog & cat food, treats, supplements and litter

60% of U.S. households own a pet

185 m dog + cat population
+4.7 m pets in last 2 years

2x total store (xAOC) growth
xAOC = grocery, mass, club, dollar, drugstore, convenience

Source: 52-week category USD sales NielsenIQ xAOC + Pet retail ending (Dec 22) + 1010 data e-commerce + IDEXX vet clinics (Dec 2022); 52-week category growth NielsenIQ xAOC; NielsenIQ homescan panel household + pet pop. Survey 2021
Three key drivers fueling pet care category growth

Additional USD 12.6 bn between ‘19-’22 (+11% CAGR)

78% of growth

22% of growth

Source: Based on NielsenIQ xAOC + Pet Retail + 1010data e-commerce + Idexx Vet Clinics (CY19-22)
Category growth led by e-commerce, with dog the largest segment

E-commerce 2x category growth

Pet care category (sales by channel)

- E-commerce: 20%
- Pet retail: 30%
- xAOC: 50%

Pet retail = PetSmart, Petco, PSP, independent pet stores, and vet clinics

Dog accounts for ~2/3 category

Pet care category (sales by sub-category)

- Dry dog: 37%
- Wet dog: 10%
- Cat litter: 9%
- Cat treats: 3%
- Wet cat: 13%
- Dry cat: 12%
- Dog treats: 14%
- Frozen / Refrigerated: 2%

Source: Calendar Year 2022 data for Nielsen xAOC + Pet Retail (through 12/31/22) + 1010data e-commerce (through December 2022) + IDEXX vet clinics (through December 2022)
Purina PetCare is market leader in U.S. pet care

Market share 2022

- Purina PetCare: 29%
- Mars: 17%
- Blue Buffalo: 6%
- Hills: 7%
- JM Smucker: 8%
- Private Label: 8%
- Others: 25%

Source: Calendar Year 2022 data for Nielsen xAOC + Pet retail (through 12/31/22) + 1010data e-commerce (through December 2022) + IDEXX Vet Clinics (through December 2022)
Pet care category expected to continue delivering strong growth

Source: Internal Estimates based on Nielsen xAOC + Pet Retail + 1010data e-commerce + Idexx Vet Clinics

USD 46 bn

2022

6% - 8% CAGR

USD > 57 bn

2025 forecast

February 24, 2023
CAGNY
Purina PetCare U.S. key growth strategies & enablers
Purina PetCare brands well-positioned to win

56 m households

#1 company pet parents “trust completely”

#1 household loyalty

#1 share in e-commerce

Source: 1) NielsenIQ homescan panel, 52w/e Q3-22; 2) Dimensions research, 26w/e June 2022; 3) 1010data, 52w/e through November 2022
Growth acceleration driven by strong brand portfolio

Purina PetCare sales growth

Two billionaire brands added since 2018

- **2018**: Friskies
- **2022**: Fancy Feast

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Growth (%)</td>
<td>3%</td>
<td>6%</td>
<td>9%</td>
<td>10%</td>
<td>15%</td>
</tr>
</tbody>
</table>
Scaling and transforming supply to fuel growth

Commitment to quality & safety

100,000 safety & quality checks conducted daily

Digital transformation

Automation
Artificial intelligence
Robotic operations

Capex to unlock capacity

USD 2 bn investment by 2025
Key consumer trends shaping the future of the pet care category

- Evolving human food ideologies
- Proactive health management
- Social responsibility
- Elevated & frictionless experience
Purina PetCare key growth strategies

1. Extend category leadership through innovation and premiumization
2. Strengthen consumer connection via omni-channel and Purina ecosystem
3. Create shared value via societal contribution for pets, people and planet
Extending leadership through innovation and premiumization

Drive science-based solutions

Elevate feeding experience

Increase presence in emerging areas


February 24, 2023
Driving strong growth via digitally-enabled sales

Digitally-enabled sales expected to increase from 25% of pet care category in 2022 to 30% by 2025

Digitally-enabled = pure play + store-based e-commerce

Purina PetCare digitally-enabled sales more than tripled over the last 4 years

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>0.9 bn</td>
</tr>
<tr>
<td>2022</td>
<td>3.1 bn</td>
</tr>
</tbody>
</table>

> 3x increase

#1 market share in digitally-enabled

Delivering value for consumers via new business models

Acquire first-party data

Drive loyalty via App

Deliver proactive health solutions
Simplifying the pet parenting journey

PET PARENTING JOURNEY

ACCLIMATION

ESTABLISH EARLY CARE

TRIAL FOOD & TREATS

TRANSITION TO ADULT FOOD

FIND SUPPORT NETWORK

UNEXPECTED HEALTH EVENT

PROACTIVE CARE

TRANSITION TO SENIOR

ACQUISITION

Notional representation of the pet care ecosystem
Removing friction in pet parenting experience via Purina ecosystem

Data-powered insights enable Purina PetCare to drive higher consumer loyalty
Creating shared value by addressing key consumer needs

Individuals

Families & communities

Our planet through sustainability

Purina U.S. reputation score significantly ahead of pet care industry and U.S. average, reaching all-time high in 2022

Source: 2022 RepTrak survey, N=1065
PURINA RepTrack score 74.9
Purina PetCare well-positioned to continue winning in pet care

- Operating in an attractive high-growth category
- Portfolio of leading brands, built on deep consumer insights
- Deep knowledge of pet nutrition to drive world-class innovation
- Committed to continued profitable growth
- Creating shared value for all stakeholders, pets and their owners
THANK YOU