



**Nestlé** Good food, Good life



**2023**  
**Three-month sales**  
Investor call

# 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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# 2023 Three-month sales

Mark Schneider, CEO



# Key messages

- Strong broad-based organic sales growth of 9.3%
  - Pricing of 9.8%, reflecting significant cost inflation
  - RIG of -0.5%, impacted by capacity constraints and portfolio optimization, with limited demand elasticity
- RIG improvement vs. Q4-2022, particularly for Zone North America and Zone AOA
- Ongoing portfolio optimization to focus on high-growth, high-margin products
- Continued market share gains for billionaire brands

# Creation of joint venture with PAI Partners for frozen pizza in Europe

- Creates a dedicated frozen pizza player in a competitive and dynamic category
- Proven track record of Froneri joint venture with PAI Partners
- Key facts
  - Sales: CHF ~400 m in 2022
  - Key brands: Wagner, Buitoni and Garden Gourmet pizza
  - Manufacturing facilities: Nonnweiler in Germany, Benevento in Italy
- Scope
  - Germany, Italy, France, Spain, Switzerland, Portugal, Austria, Belgium and The Netherlands



# Material progress on packaging in 2022

## Transforming packaging footprint through redesign

- Eliminated 200 000 tonnes in product packaging
- Cut number of packaging pieces by 14 billion
- Reduced greenhouse gas emissions by 280 000 tonnes

## Driving next-generation solutions

- Reuse and refill pilots: 20 pilots in 12 countries
- Recyclable paper: Quality Street and KitKat
- Compostable paper coffee pods: *Nescafé Dolce Gusto* and *Nespresso*



# 2023 guidance confirmed

- Organic sales growth of 6-8%
- Underlying trading operating profit margin between 17.0% and 17.5%
- Underlying earnings per share in constant currency and capital efficiency expected to increase





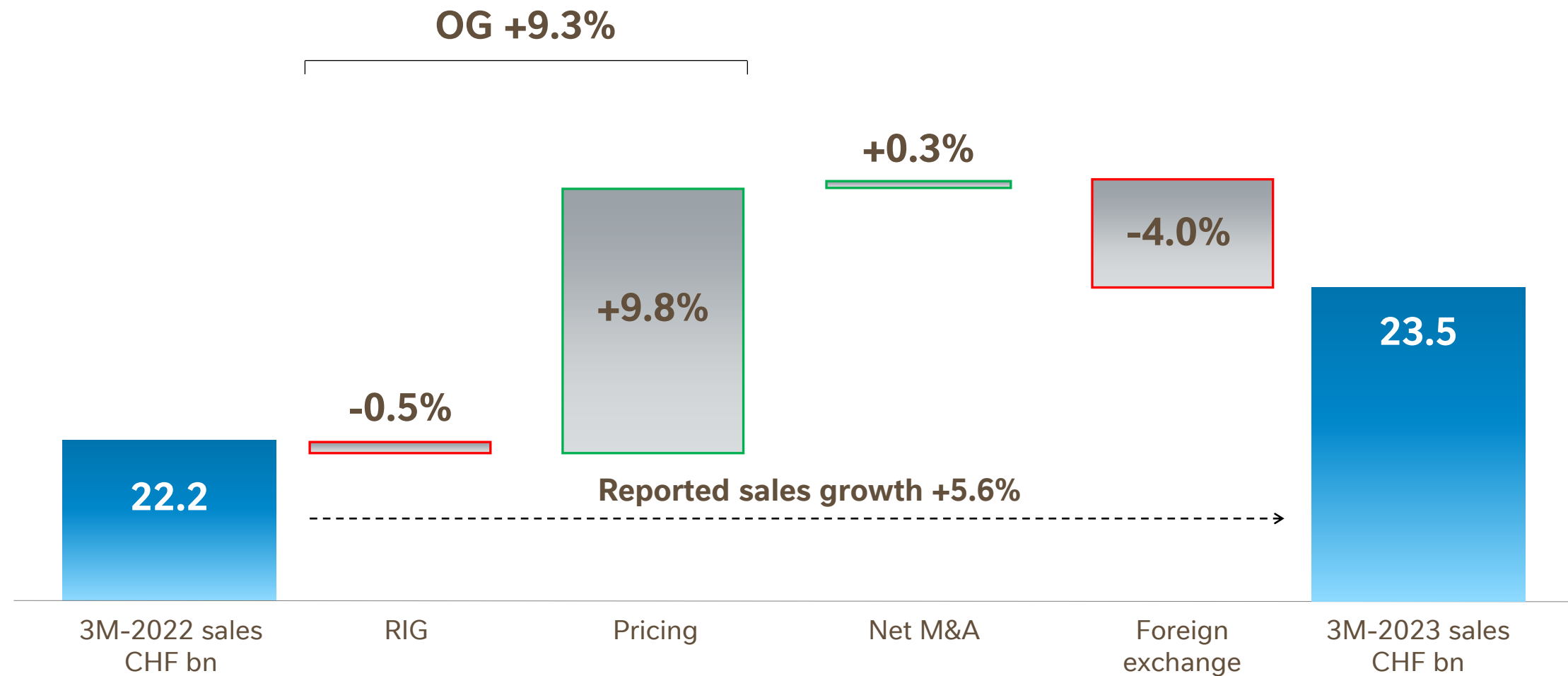
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# 2023 Three-month sales

François-Xavier Roger, CFO

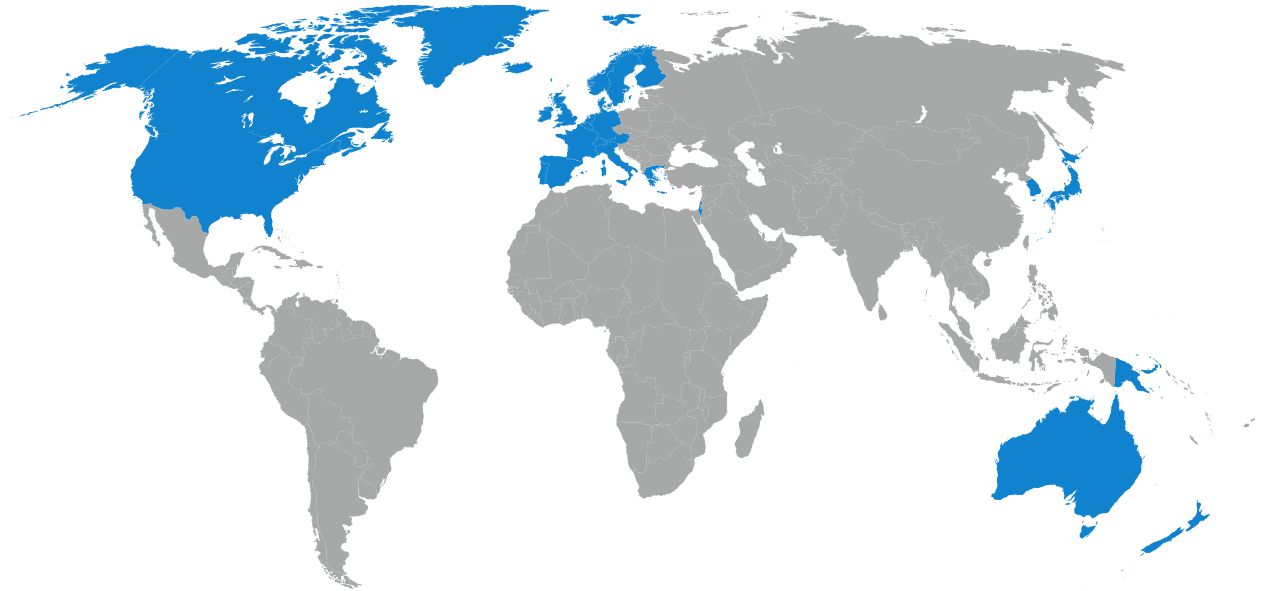


# Three-month sales growth

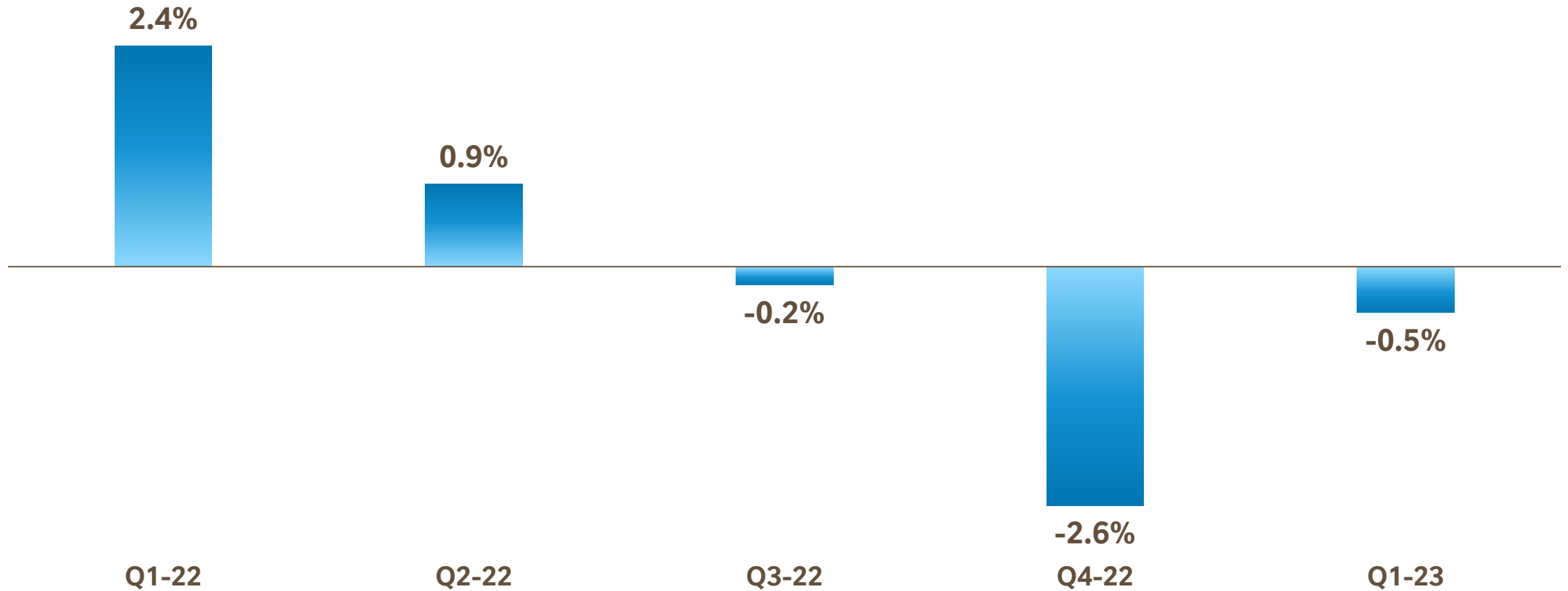


# Strong growth across developed and emerging markets

	Developed	Emerging
<b>Sales</b> (in CHF) % of Group sales	<b>13.5 bn</b> 57%	<b>10.0 bn</b> 43%
RIG	<b>-1.0%</b>	0.3%
Pricing	<b>9.7%</b>	10.0%
OG	<b>8.6%</b>	10.3%



# Improved RIG in Q1-2023 versus Q4-2022



# Zone North America

<b>Sales</b>	<b>CHF 6.3 bn</b>
Real internal growth	<b>-0.8%</b>
Pricing	<b>12.4%</b>
<b>Organic growth</b>	<b>11.6%</b>

- Strong organic growth, driven by pricing. RIG recovering strongly versus Q4-22
- E-commerce momentum and recovery of out-of-home channels supported growth
- Purina PetCare, coffee creamers and frozen food were the key growth drivers



# Zone Europe

<b>Sales</b>	<b>CHF 4.9 bn</b>
Real internal growth	<b>-1.0%</b>
Pricing	<b>10.7%</b>
<b>Organic growth</b>	<b>9.7%</b>

- Strong organic growth led by pricing
- Growth supported by e-commerce momentum and out-of-home channels
- Purina PetCare, confectionery and coffee were the main growth contributors



# Zone Asia, Oceania and Africa

<b>Sales</b>	<b>CHF 4.7 bn</b>
Real internal growth	<b>1.3%</b>
Pricing	<b>9.1%</b>
<b>Organic growth</b>	<b>10.4%</b>

- Strong organic growth, supported by pricing and resilient RIG
- Improved mix and continued momentum of out-of-home channels supported growth
- Infant nutrition, culinary and coffee were the key growth drivers



# Zone Latin America

<b>Sales</b>	<b>CHF 3.0 bn</b>
Real internal growth	<b>-0.6%</b>
Pricing	<b>13.4%</b>
<b>Organic growth</b>	<b>12.8%</b>

- Sustained double-digit organic growth based on pricing
- Growth supported by strong operational execution and continued momentum of out-of-home channels
- Confectionery, dairy and infant nutrition were the main growth contributors



# Zone Greater China

<b>Sales</b>	<b>CHF 1.3 bn</b>
Real internal growth	<b>-0.8%</b>
Pricing	<b>3.9%</b>
<b>Organic growth</b>	<b>3.1%</b>

- Positive organic growth, RIG partly impacted by the timing of Chinese New Year
- Strong operational execution, robust e-commerce momentum and continued innovation supported growth
- Infant nutrition and Nestlé Professional were the key growth drivers



# Nestlé Health Science

Sales	CHF 1.6 bn
Real internal growth	-2.2%
Pricing	5.0%
Organic growth	2.8%

- Positive organic growth, with market share gains. RIG remains impacted by high base of comparison
- Consumer Care saw negative growth, with a sales decrease in VMS and positive growth in active nutrition
- Medical nutrition recorded double-digit growth, led by pediatric and allergy products



# Nespresso

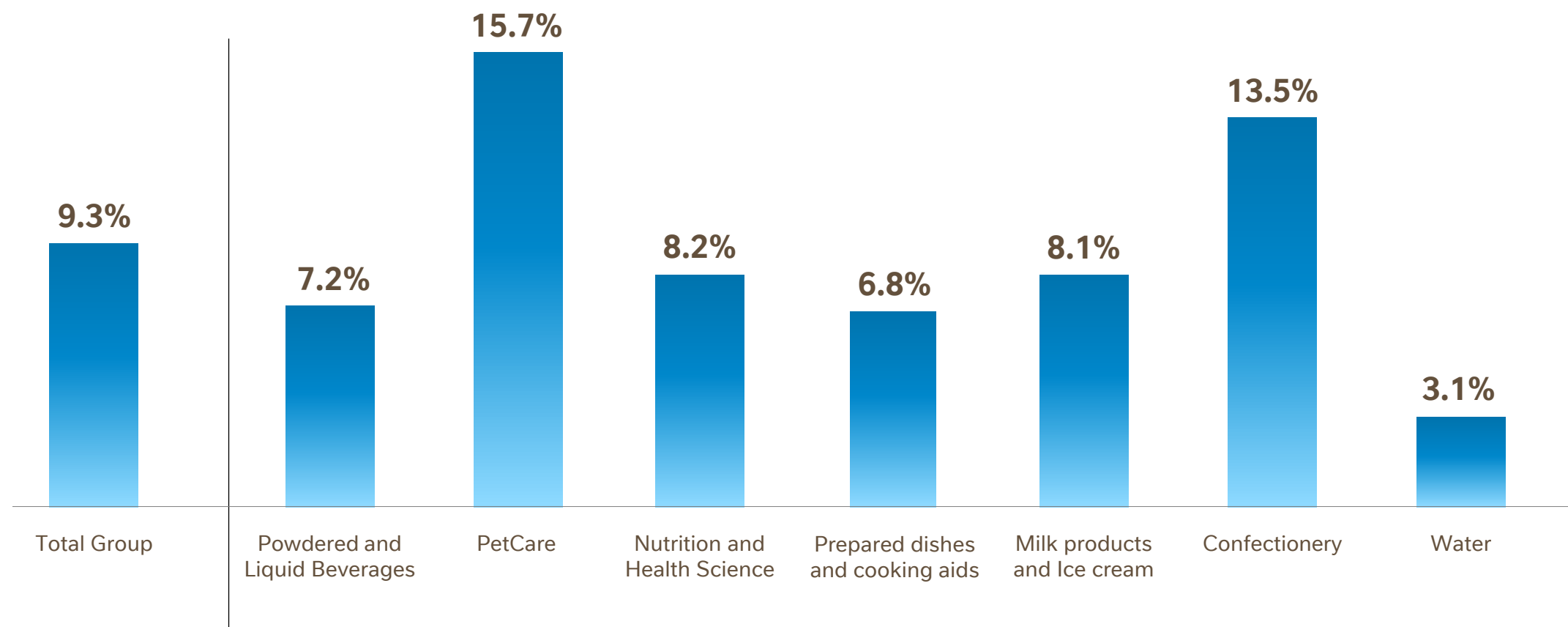
Sales	CHF 1.6 bn
Real internal growth	-1.1%
Pricing	4.0%
Organic growth	2.9%

- Organic growth driven by pricing. RIG impacted by post-pandemic normalization
- *Vertuo*, strong demand in out-of-home channels and innovation supported growth
- North America posted double-digit growth. Europe reported a sales decrease



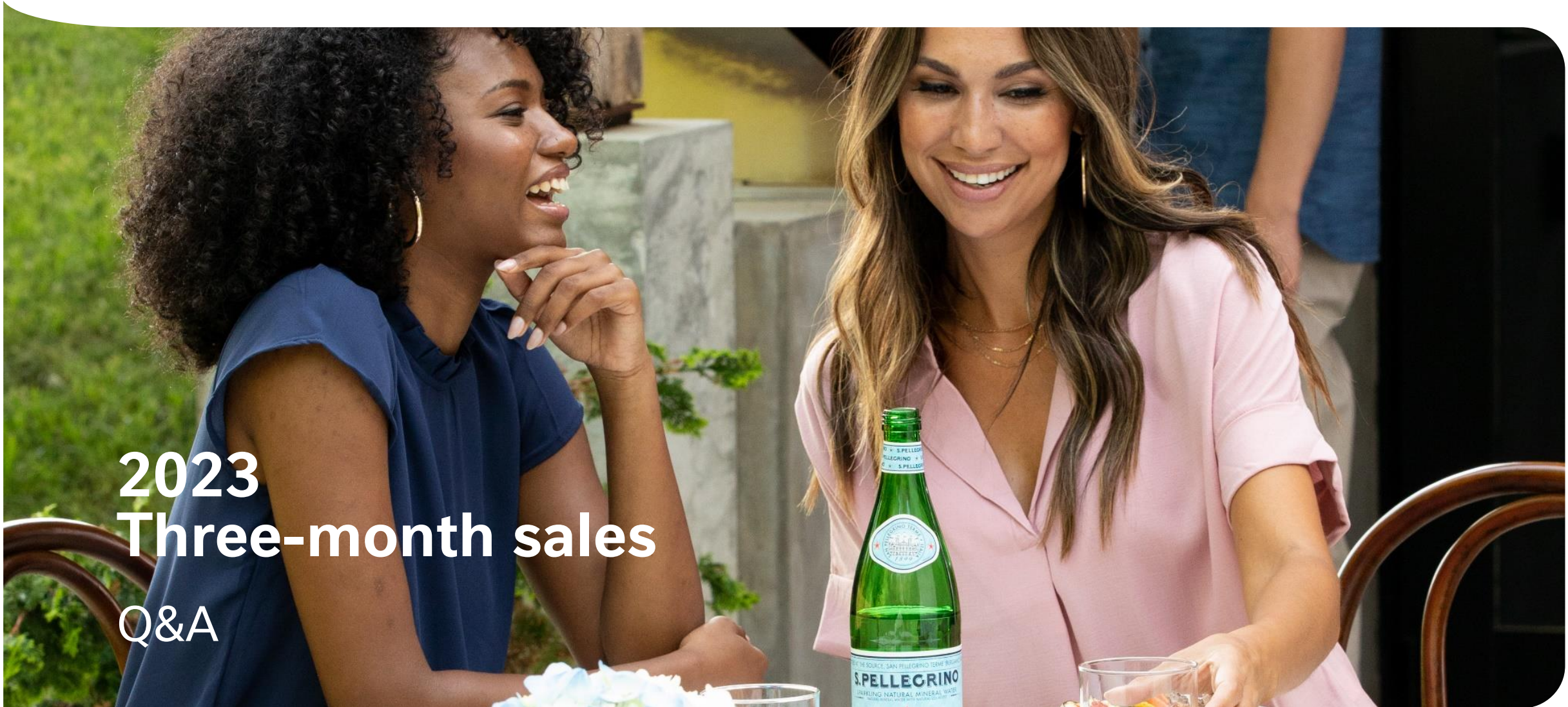
# Broad-based growth across categories

Organic sales growth %





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2023  
Three-month sales  
Q&A

# Supporting slides



# 3M-2023 Operating segments – topline summary

	3M-2023 sales						
	Sales (CHF m)	RIG %	Pricing %	OG %	Net M&A %	F/X %	Reported sales growth %
Zone North America	6 312	-0.8	12.4	11.6	-2.3	-0.4	8.9
Zone Europe	4 881	-1.0	10.7	9.7	1.1	-5.4	5.4
Zone AOA	4 681	1.3	9.1	10.4	-0.1	-9.2	1.1
Zone Latin America	3 032	-0.6	13.4	12.8	0.2	-0.6	12.5
Zone Greater China	1 311	-0.8	3.9	3.1	0.0	-6.8	-3.7
Nestlé Health Science	1 617	-2.2	5.0	2.8	10.3	-1.7	11.3
Nespresso	1 567	-1.1	4.0	2.9	-1.3	-3.8	-2.2
Other Businesses	69	12.7	0.1	12.8	0.0	-2.3	10.5
<b>Total Group</b>	<b>23 470</b>	<b>-0.5</b>	<b>9.8</b>	<b>9.3</b>	<b>0.3</b>	<b>-4.0</b>	<b>5.6</b>

# 3M-2023 Products – topline summary

	3M-2023 sales			
	Sales (CHF m)	RIG %	Pricing %	OG %
Powdered and liquid beverages	6 223	-1.1	8.3	7.2
Water	761	-7.3	10.5	3.1
Milk products and Ice cream	2 800	-3.7	11.8	8.1
Nutrition and Health Science	3 880	0.3	7.9	8.2
Prepared dishes and cooking aids	3 107	-4.3	11.1	6.8
Confectionery	2 030	5.9	7.6	13.5
Petcare	4 669	3.5	12.2	15.7
<b>Total Group</b>	<b>23 470</b>	<b>-0.5</b>	<b>9.8</b>	<b>9.3</b>



# 3M-2023 historical eight quarters

Period	RIG%	Pricing %	OG %
Q2-2021	7.3	1.3	8.6
Q3-2021	4.4	2.1	6.5
Q4-2021	4.0	3.1	7.2
Q1-2022	2.4	5.2	7.6
Q2-2022	0.9	7.7	8.7
Q3-2022	-0.2	9.5	9.3
Q4-2022	-2.6	10.1	7.5
Q1-2023	-0.5	9.8	9.3



# 3M-2023 currency overview

			Weighted average rate		
			3M-2022	3M-2023	Variation in %
US Dollar	1	USD	0.924	0.925	0.1
Euro	1	EUR	1.036	0.993	-4.2
Chinese Yuan Renminbi	100	CNY	14.538	13.522	-7.0
Brazilian Real	100	BRL	17.780	17.796	0.1
Philippine Peso	100	PHP	1.792	1.687	-5.9
UK Pound Sterling	1	GBP	1.239	1.124	-9.3
Mexican Peso	100	MXN	4.501	4.953	10.0
Canadian Dollar	1	CAD	0.730	0.684	-6.3
Japanese Yen	100	JPY	0.794	0.698	-12.1
Australian Dollar	1	AUD	0.669	0.633	-5.4
Indian Rupee	100	INR	1.228	1.125	-8.4

# Abbreviations

- **OG** Organic growth
- **RIG** Real internal growth
- **AOA** Asia, Oceania and Africa
- **LATAM** Latin America
- **GC** Greater China

