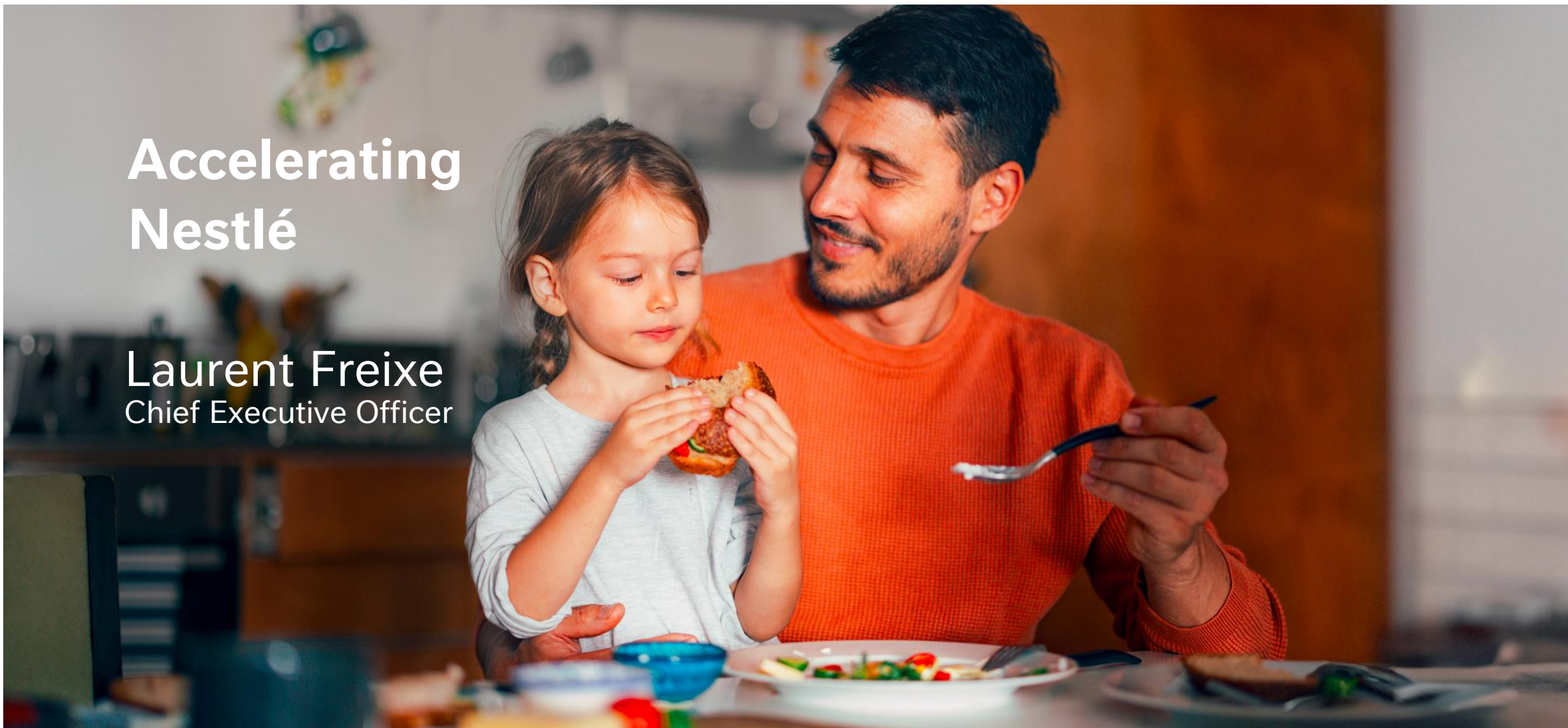




Nestlé Capital  
Markets Day 2024

# Accelerating Nestlé

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Chief Executive 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.

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# Deep Nestlé experience driving continuous growth

## My history at Nestlé

### Broad frontline experience

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16 years on  
Executive Board

Three times Zone CEO:  
Europe, Americas, Latam

Market head Iberia and  
Hungary, led Nutrition France

### Prioritizing organic growth and productivity

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Delivering in all  
market conditions

Building new businesses

Increasing exposure  
to growing channels

Leading Group  
productivity initiatives

### Biggest career learnings

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Growth is  
of the essence

It's all about  
winning teams

Less  
is more

# Moving forward at pace

## First 80 days as CEO

### Strategy developed and in place

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Strategy development with  
leadership teams

Communication across  
the organization

### Intensive engagement with stakeholders

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Top-to-bottom colleague  
engagement

Market and business  
reviews

External engagement with  
consumers, customers and partners

### Putting the 'action' into the action plan

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Created alignment  
across our teams

Launched  
productivity initiatives

Implemented new  
organizational structures

# Nestlé's power is in being the 'most global' and the 'most local'

## Unique market presence and capabilities

**Global scale  
and geographic  
footprint**

**Leadership  
positions across  
all categories**

**Unmatched  
product &  
brand portfolio**

**Local power  
with unrivalled  
market penetration**

**Scaled R&D ecosystem  
with leading science-  
based innovation**

**Strong foundations  
in people, culture &  
values**



# Nestlé is the Nutrition, Health and Wellness company

- Our ambition is to bring tasty and balanced diets within reach for billions.
- Our brands play a role in the diet of everyone, everywhere at every stage of life.
- We enhance quality of life for people & pets and address key consumer needs through food, nutrition & beverages backed by science-based innovation.



# Strengths underpin long-term results but 2024 performance weaker

## Last 10 years

**4.7%**

organic sales  
growth p.a.

annual average 2014-23

**110 bps**

UTOP<sup>1</sup> margin  
increase

2023 vs 2014

**7.1%**

underlying EPS  
growth p.a. (ccy)

annual average 2014-23

**3.4%**

DPS growth  
(in CHF)

annual average 2014-23

## But in 2024

**~2%**

organic sales  
growth

guidance

**-30 bps**

UTOP<sup>1</sup> margin  
change

guidance<sup>2</sup>

**Broadly flat**

underlying EPS  
growth (ccy)

guidance

**1%**

DPS growth  
(in CHF)

consensus<sup>3</sup>



# Structural trends present significant opportunities



## Health for life

Good4me, holistic health, healthy ageing



## 'Smart shopping'

Affordable & premium winning



## New & elevated experiences

New flavors & textures, world food



## Mindful snacking & ready to drink/eat

On-the-go, take home, delivery



## Always-on-digital

Ecosystems, influencers, AI, new eCom



## Eco-conscious consumers

Good for the planet & for communities



# Our plans and what shareholders should expect

## Positioned to win in our markets

- Inherent strengths and competitive advantages
- Portfolio gives exposure to the right categories

## Returning to best-in class delivery

- Quality of execution is the key focus
- Increase in investment to support growth, funded by efficiencies

## Improving financial performance

- Growth plan supports 4%+ organic sales growth in the medium term
- RIG-led growth from driving category growth and improving market share
- Margin improvement expected after 2025, returning to 17%+ in the medium term
- Focus on driving strong cash flow generation and return on invested capital

# Strategic Virtuous Circle is our framework



# Clear action plan to drive performance and transformation

## Drive operational excellence

1. Sharpen value propositions
2. Focus our innovation
3. Step up investment
4. Achieve efficiencies

## Unlock full portfolio potential

5. Expand winners
6. Build new growth engines
7. Address underperformers

## Strengthen foundations

8. Engage our people
9. Digitalize end-to-end
10. Embed sustainability



# Action plan to drive two key outcomes

A background image showing several hands of different skin tones cupped together in a supportive gesture, symbolizing teamwork and shared success. The image has a soft, blue-tinted overlay.

## Perform

deliver superior, sustainable  
and profitable growth

## Transform

shape the long-term future  
of Nestlé



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# Sharpening our value propositions to achieve superiority

## 1. Sharpen our value propositions

### Execute the basics on consumer offering

-  Product preference: 60/40 Good Taste win rates
-  Competitive Price Pack Architecture
-  Distribution, order fulfilment, on-shelf availability
-  Share of voice > share of market

### Prioritize consumers...

- Leverage data for better insights
- Respond quickly to shifting demand
- Tailor experiences for deeper engagement

### ...and customers

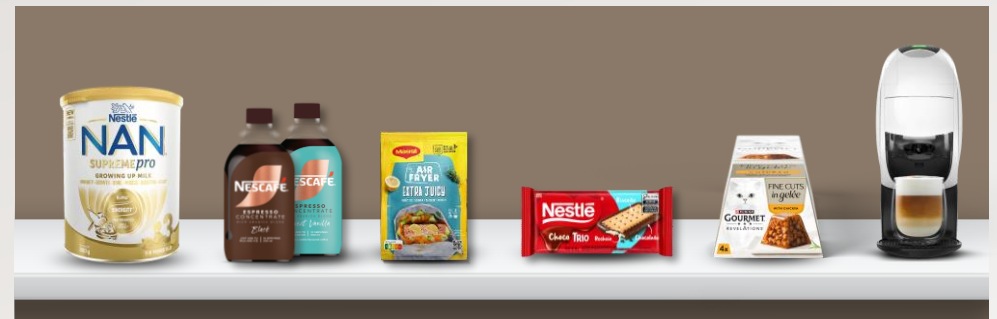
- Shared insights, innovation & sustainability
- Leverage the power of “Nestlé in Market”
- Tailor channel strategies to win together

# Focus our innovation for greater impact: fewer, bigger, better

## 2. Focus our innovation

- Clear prioritization on select global, regional and local “big bets”
- Optimized and sustained investment to reduce time to impact
- Execution quality enhanced and maintained through focus on key metrics

- ✔ Winning value proposition
- ✔ Multi-market launch plans to drive speed to scale
- ✔ End-to-end governance to ensure higher ROI
- ✔ Capacity to sustain



# Increasing investment to drive growth and support our brands

## 3. Step up investment

- Consumer-facing investment reduced by cumulative CHF 5bn over the last 3 years
- Step up in advertising and marketing spend to 9% of sales to support brands and growth platforms
- Investment will also be more focused and returns tracked rigorously



# Delivering cost efficiencies to fund the increased investment

## 4. Achieve efficiencies

- Targeting incremental cost savings of CHF 2.5 billion by the end of 2027, in addition to existing efficiency initiatives
- Key initiatives already underway
  - Procurement
  - Commercial investment
  - Operational efficiencies





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# Unlocking full portfolio potential means global plus regional platforms

Global platforms 62%\*

Nutrition &  
Health Science

PetCare

Coffee

Regional platforms 38%\*

Waters & Other

Dairy

Confectionery

Food

31 billionaire brands



Non-exhaustive examples

# Accelerating our categories through expanding existing strengths

## 5. Expand winners

- Strengthen our global platforms
- Expand most successful brands
- Increase exposure to growing channels
- Scale our big bets

### Examples

- Coffee: out of home, ready-to-drink
- PetCare: AOA & Latam, therapeutics & supplements
- KitKat, Maggi
- eCommerce, convenience, value retailers
- Cold coffee concentrates
- Shaped premium cat food

# Building new growth platforms to drive the growth of the future

## 6. Build new growth platforms

- Opportunities capturing emerging global themes, shaped by consumer needs
- Prioritized by size of the prize and Nestlé's ability to win

### Examples

- Modern cooking & eating
- GLP-1 nutritional support
- Women's health
- Healthy longevity
- Kids & teens healthy foods

# Addressing underperformers to support growth

## 7. Address underperformers

- Be more systematic in our approach
- Diagnose the issues
- Rigorously implement the action plan

### Examples

#### Creamers US

- Key issues: capacity issues, innovation, price points
- Next action: scale new capacity

#### Nespresso Western Europe

- Key issues: compatible competition in retail
- Next action: availability, visibility, authorized brands

#### Frozen Food US

- Issues: consumer headwinds, innovation, price points
- Next action: increase innovation & renovation, PPA\*

#### Waters

- Issues: capacity constraints, portfolio mix, scale
- Next action: standalone business, explore partnerships



# Creating a standalone Waters business to unlock value

## 7. Address underperformers

- Nestlé waters and premium beverages activities will become a standalone business as of 1 January, 2025.
- The strategy for the business will be evaluated – includes exploring partnership opportunities.
- Focus is to unlock value and enable Nestlé's iconic brands and growth platforms to achieve their full potential.



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# Engaging our people to increase alignment and ownership

## 8. Engage our people

- Culture  
Winning mindset; it's not enough to be the biggest, must be the best
- Organization  
Simplified organization to increase alignment and ownership
- Ways of working  
Clarity on what should be defined globally (e.g. digitalization) vs decided locally

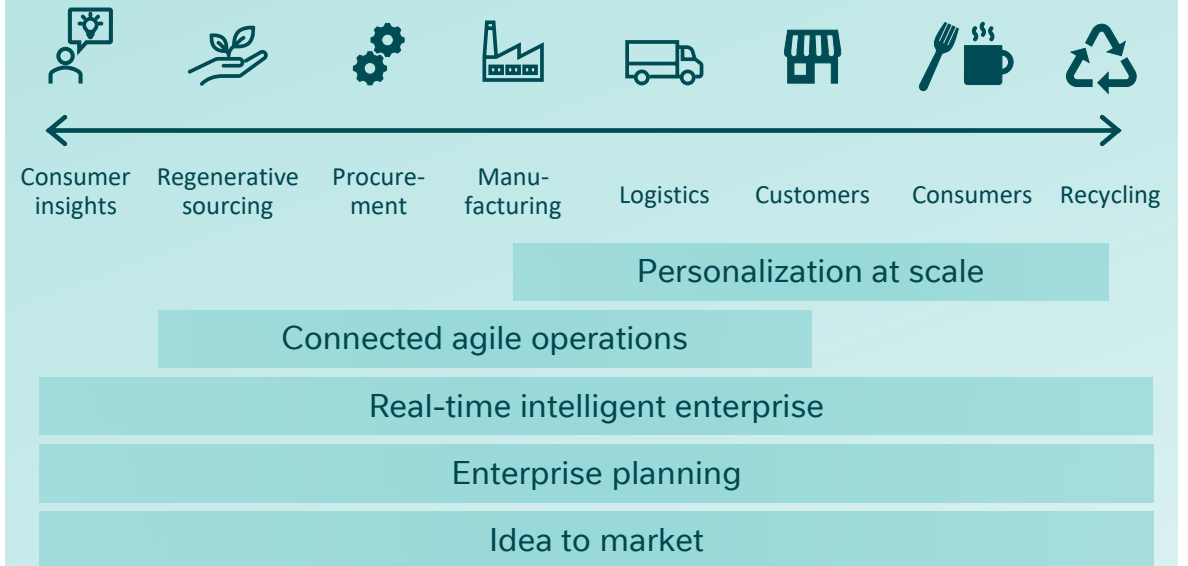


# Digitalizing to be a real-time, end-to-end connected enterprise

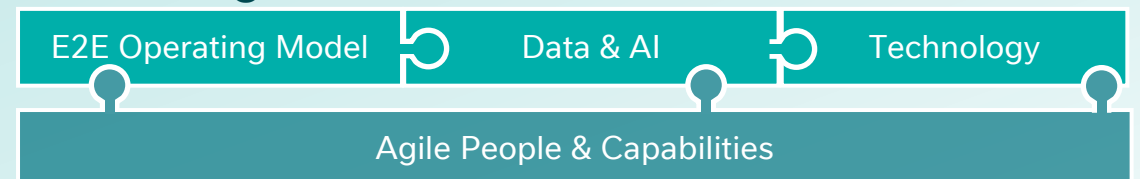
## 9. Digitalize end-to-end

- End-to-end real-time connected agile operations
- Customer and consumer personalization at scale
- Powered by data and AI, and leveraging agile people and capabilities

### Be digital



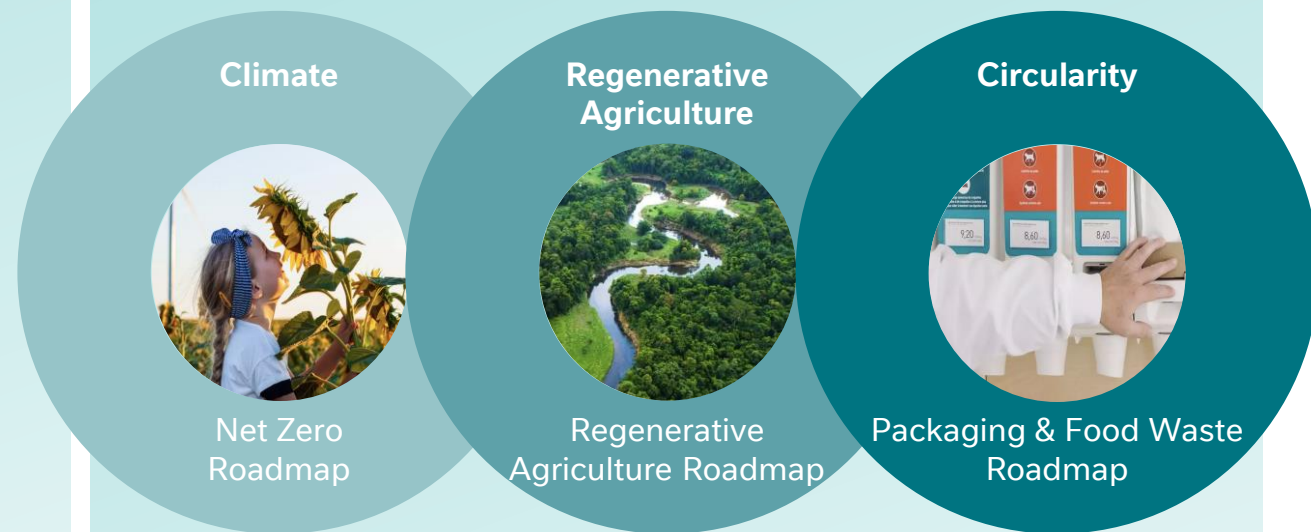
### Enable digital



# Embedding sustainability to drive long-term positive impact

## 10. Embed sustainability

- Focusing on long-term positive impact that matters to the planet and our stakeholders
  - Climate
  - Regenerative agriculture
  - Circularity





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# Strategic Virtuous Circle brings it all together



# Key takeaways driving performance and transformation

- Clear plan focused on accelerating Nestlé
- Step-up in investment in advertising & marketing to 9% of sales by end of 2025 to support growth
- Incremental cost savings of CHF 2.5bn by end of 2027, in addition to existing initiatives
- Nestlé's waters and premium beverages activities to become a standalone business
- New medium-term guidance
  - Organic sales growth 4%+ in a normal operating environment
  - Underlying operating profit margin 17.0%+