

The world of Nutrition at the center of Nestlé Nutrition Health and Wellness (NHW)

World of Nutrition
CHF 22.3 bn (2023 Sales)



~71%



- F&B solutions targeted by life-stage
- Dedicated brands by age segment
- Mass retail



~29%



- Medical Nutrition and Consumer Care
- Broadline brands across life stages
- Specialized channels

Scope of Nutrition activities covered in this presentation are reported externally through Nutrition and Health Science, Milk products and Ice cream (i.e. Nido), and Powdered and Liquid Beverages (i.e. Milo) segments



Nestlé Capital
Markets Day 2024



NUTRITION
For lifelong health and well-being

Leading from pre-conception to healthy longevity

Nutrition Strategy & Growth Platforms

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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.

#3 category for Nestlé: sizable and profit accretive business

Sales 2023

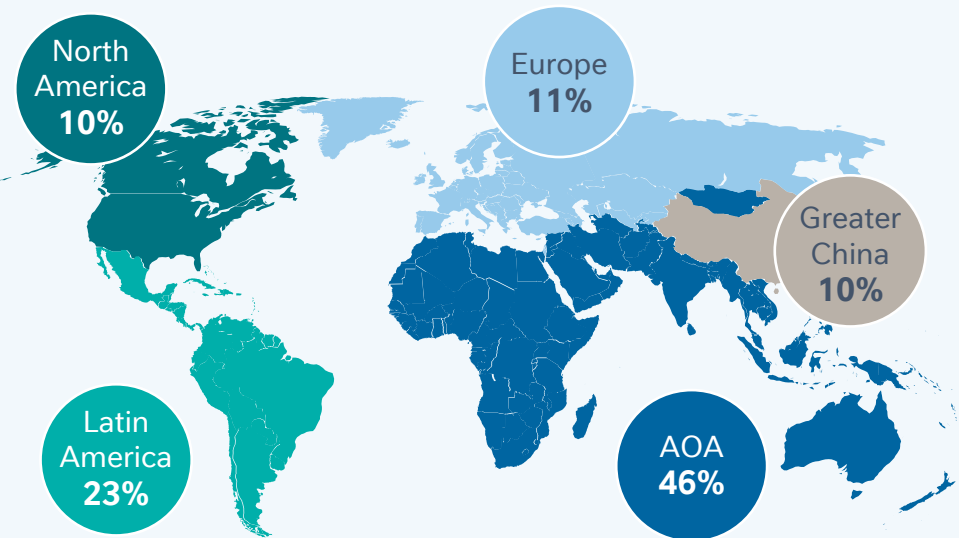
CHF 15.8 bn

#3 in Nestlé

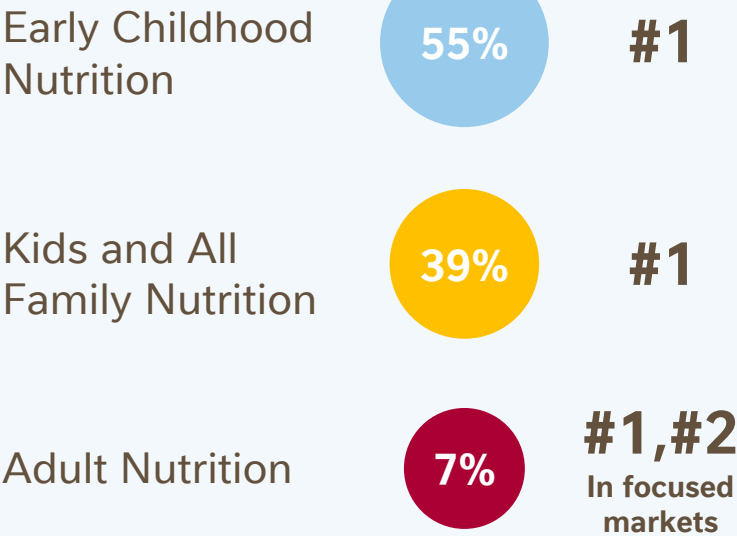
18% of total
Group Sales

Underlying
TOP margin
~ 20%

Where we sell



What we sell and our position



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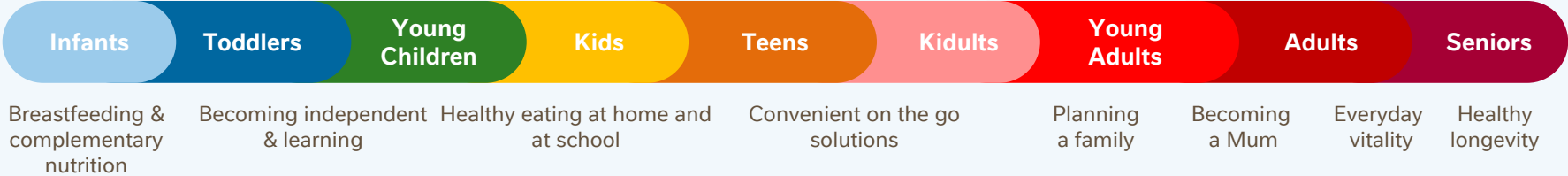
Our Scope

Age-adapted nutritional solutions from pre-conception to healthy longevity



New SBU created in 2023 merging Infant Nutrition and Dairy

CONSUMER & NEEDS











LEADING BRANDS ACROSS THE CATEGORIES WE PLAY



COMMON DENOMINATOR

Products nutritionally designed for an age-adapted diet, leveraging transversal science
Nutrition is #1 contributor to healthier section of Group portfolio (Health Star Rating > 3.5)

Four macro forces shaping the future evolution of the market

| | | | | | | |
|---|--|---|---|---|---|---|
| 1 |  | DECLINING BIRTH RATES BUT GEOGRAPHIC DISCREPANCIES | Flattening number of live births and less babies per household | China weight declining while AOA rising |  | |
| 2 |  | AGING POPULATION | Older age groups: 45-65+ growing fastest | Proactive approach to ageing |  | |
| 3 |  | HEALTH CHALLENGES | Later pregnancies: from 29 to 33 years | Pre-term babies and health sensitivities on the rise | High-incidence of stunting and micro-nutrient deficiencies |  |
| 4 |  | POLARISATION OF CONSUMPTION | Premium and affordable fastest growing segments | |  | |

  Macro force impact on the market

A CHF ~160B addressable market with attractive growth pools

**ADDRESSABLE
MARKET
(CHF bn, 2023)**

Early Childhood
Nutrition

Kids & All Family
Nutrition

Adult
Nutrition

~160bn

**MARKET
CAGR 2025-2027**

2-3%

3%

5%+

**KEY DRIVERS
OF GROWTH**

- **Premiumization**
- High **penetration of inappropriate feeding** in emerging markets

- Convenience & on-the-go: **Healthy Snacks** for school-age; **RTD**
- **Increased nutritional gaps**: 30% of children suffer from malnutrition

- **Women's health**
- **Healthy Longevity F&B**

We are best positioned to lead across the lifelong journey globally

A global powerhouse

Strong local presence across all Zones

Leader in largest geographies



Resilient to macro-shocks & flexible global/local operations

Trusted brands across price segments

Premium segment



Mainstream



Affordable



Ability to capture polarized consumption

Proprietary science & technology mastery

Biotics

Probiotics, HMOs, symbiotic



Sugar reduction technologies

Precise hydrolysis, for milk, malt & infant cereals



Macro & micronutrients fortification

Hybrid milks, iron absorption (Ferripro)



Differentiated innovations to drive premium & category penetration

Focus on consumer centricity and portfolio choices

| | Challenging context in 2021-2023... | ...but resilient business & portfolio choices... | ...with clear strategic principles |
|--------------------------------|--|--|---|
| Early Childhood Nutrition | Birth rates decline, particularly in China | <ul style="list-style-type: none">• Overperformed the category in Infant Formula• Exited businesses with low ability to win – Meals & Drinks FR | Expanding beyond the first 1000 days |
| Kids & All Family Nutrition | <ul style="list-style-type: none">• Rising prices of dairy derivatives & cocoa• High price elasticity | <ul style="list-style-type: none">• Affordable portfolio with positive RIG• Addressed value diluters | Value-up our solutions and sustain marketing investments |
| Adult Nutrition | Increasingly fragmented space | Differentiated Healthy longevity portfolio and repositioned Materna brand | Deploy dedicated platforms |

Our key strategic growth platforms

1

Accelerate market share gain in Early Childhood Nutrition



- Lead in **premium Infant Formula** with next generation HMOs
- Win vs. **inappropriate feeding**
- Accelerate growth of regional platforms: **Pediatric Supplements, Healthy snacks**

2

Drive volume growth in Kids and All Family nutrition



- Step-up investments behind **kids' nutritious beverages brands**
- Accelerate **school-age segment** through differentiated innovations
- Scale **affordable solutions** in AOA and Latam

3

Scale Adult Nutrition



- Grow presence in **Women health**
- Expand globally **Healthy Longevity** portfolio beyond China

Cutting edge innovations fueling our growth

1

Accelerate market share gain in Early Childhood Nutrition

Next generation HMOs

Unlocking Synergistic Nutrition with an exclusive blend of most advanced HMOs and proprietary probiotic, delivering 6-in-1 benefits



2

Drive volume growth in Kids and All Family nutrition

Nutritious beverages for teens



Hybrid affordable milks



3

Scale Adult Nutrition

Maternal supplements & nutrition



Holistic healthy longevity



Powerhouse Nestlé Philippines



Woven into the fabric of Philippine society

Sizable contribution to economy

0.8%

of the Philippine's GDP

18%

value share of packaged F&B

In-depth household penetration

>1

Serving per Filipino per day

#1

Nutrition for Healthy Kids program in Nestlé group

Outstanding corporate reputation & trusted brands

#1

Most trusted among FMCG companies

3

out of top 10 FMCG brands



Challenging yet relevant consumer context



- 1.5 million babies born per year
- Micro-nutrient deficiencies are rampant
- 27% of all children below 5 are stunted



- Less than \$3 disposable income per day per person



- 14th largest country in the world, only ranked 29th globally in milk consumption per capita

Leader in the lifelong journey with power brands across price segments



Early Childhood Nutrition

Kids & Family Nutrition

Adult Nutrition

LEADING BRANDS



LEADING POSITION

Strong #1 leader in each age bracket, RBES score >140 in each segment
+4.2% Sales CAGR (2021-2023)

Most trusted brand when it comes to Nutrition vs. other companies

Early childhood nutrition: strengthening our leadership through superior innovations and engagement

Past success

Advanced formulation with **proprietary clinical trials**



Sales CAGR 2021-23

6.8%

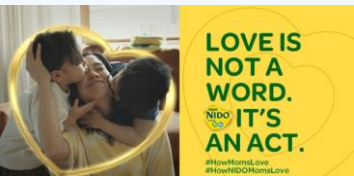
Integrated **digital ecosystem**



Engaged consumers

1.6 m

Unique **purpose driven campaigns**



Healthcare professionals brand recommendation

Mainstream
88%

Premium
46%

Unlocking future growth

1. Address **inappropriate substitutes**



2. Win in the **catch-up growth** territory



3. Expand in **pediatric supplements**



Kids and family nutrition: Bear Brand and Milo strong footprint with opportunity to expand further

Past success

Strong **value proposition** at accessible price points



Sustained investments in brand building and grassroots programs



Household penetration

>90%

&

FMCG numerical distribution

Amongst Top 5 FMCG brands

Unlocking future growth

1. Continue address **micro-nutrient deficiencies** with proprietary technologies
2. Scale **affordable solutions** via hybrid milks
3. Build further **out of home consumption**: schools/universities coverage expansion
4. Expand portfolio and distribution with **on-the-go nutritious solutions**



Adult nutrition: leverage strong brand equity to value-up and capture additional consumption moments

Past success

- Leveraged **strong brand equity of Bear Brand** to enter Adult Nutrition segment
- Tailored nutrition for Adults at **accessible price point**

Market share gain
YTD

+230
bps



Unlocking future growth

1. Drive **penetration** of Bear Brand Adult



2. Value up consumer propositions via **RTD**



3. Expand into **maternal health** across price segments

Nestlé
Materna



Key messages

- **Nutrition is core to Nestlé** with **attractive growth pools** to accelerate – Premiumization, Affordable solutions and Adult Nutrition.
- We're **uniquely positioned to lead from pre-conception to healthy longevity**.
Philippines being a lighthouse to illustrate that.
- We focus on:
 - 1) **Accelerate market share gain in Early Childhood Nutrition;**
 - 2) **Drive volume growth in Kids and All family Nutrition;**
 - 3) **Scale Adult Nutrition** focusing on Women Health and Healthy Longevity.