



Nestlé

Good Food, Good Life

Nestlé in the USA & Frozen Meals Performance

February 23, 2017

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President

Nestlé Food Division

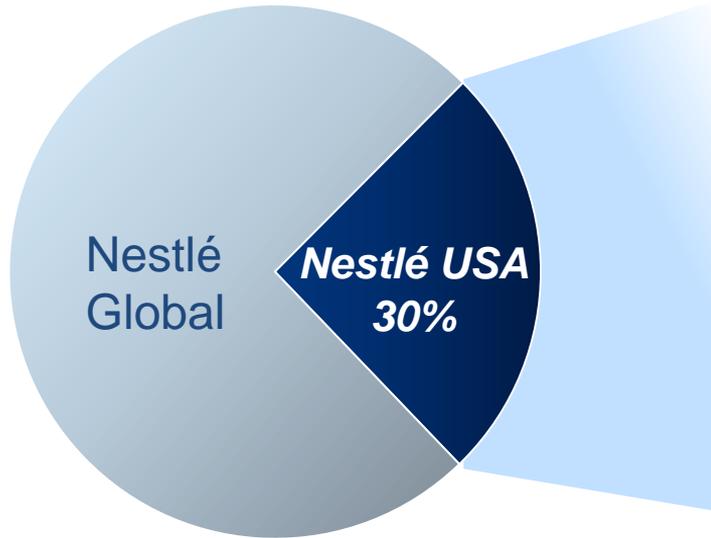
Nestlé USA

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.

USA is a key contributor to Nestlé Global

Group Sales

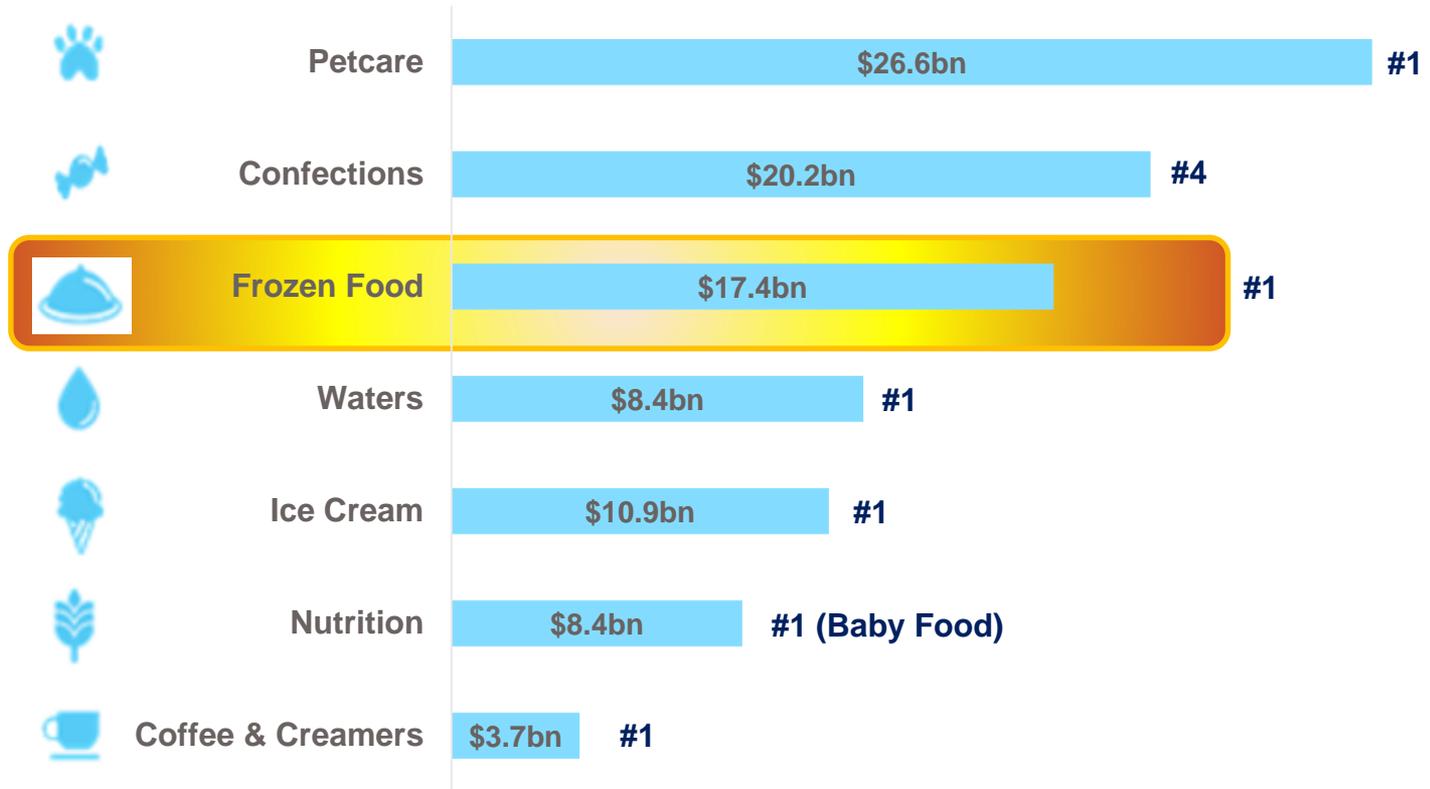


(% of Nestlé USA)

Petcare	27%
Waters	15%
Frozen Food (ex-Pizza)	9%
Frozen Pizza	5%
Infant Formula & Baby Food	8%
Ice Cream	7%
Coffee Creamers	6%
Confectionary	5%
All Other	17%

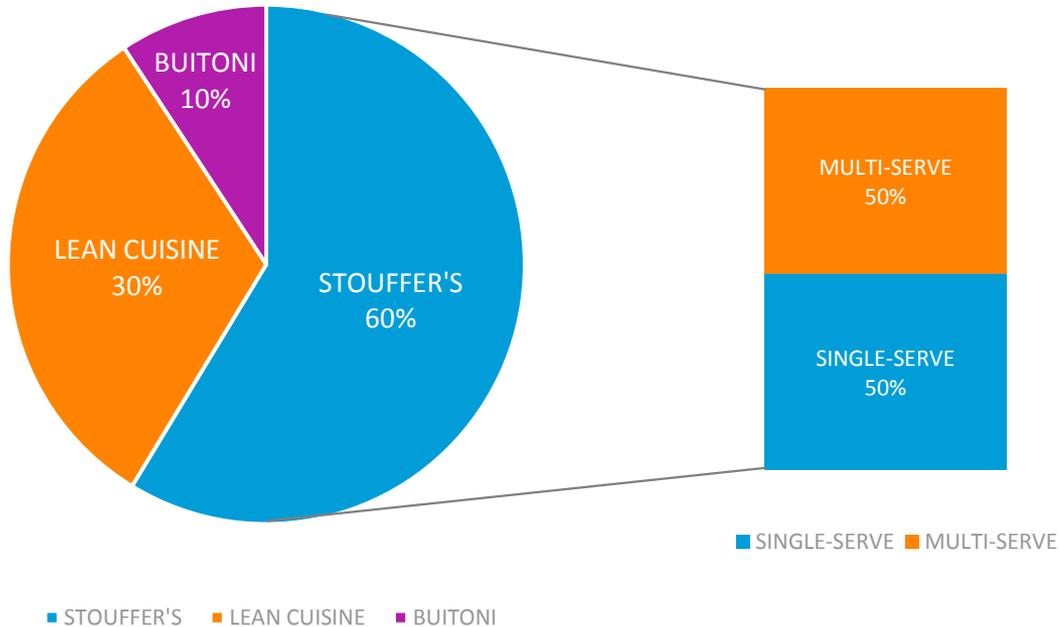
Total Nestlé USA: **USD 27 bn**

We operate in a broad range of categories with leading brands

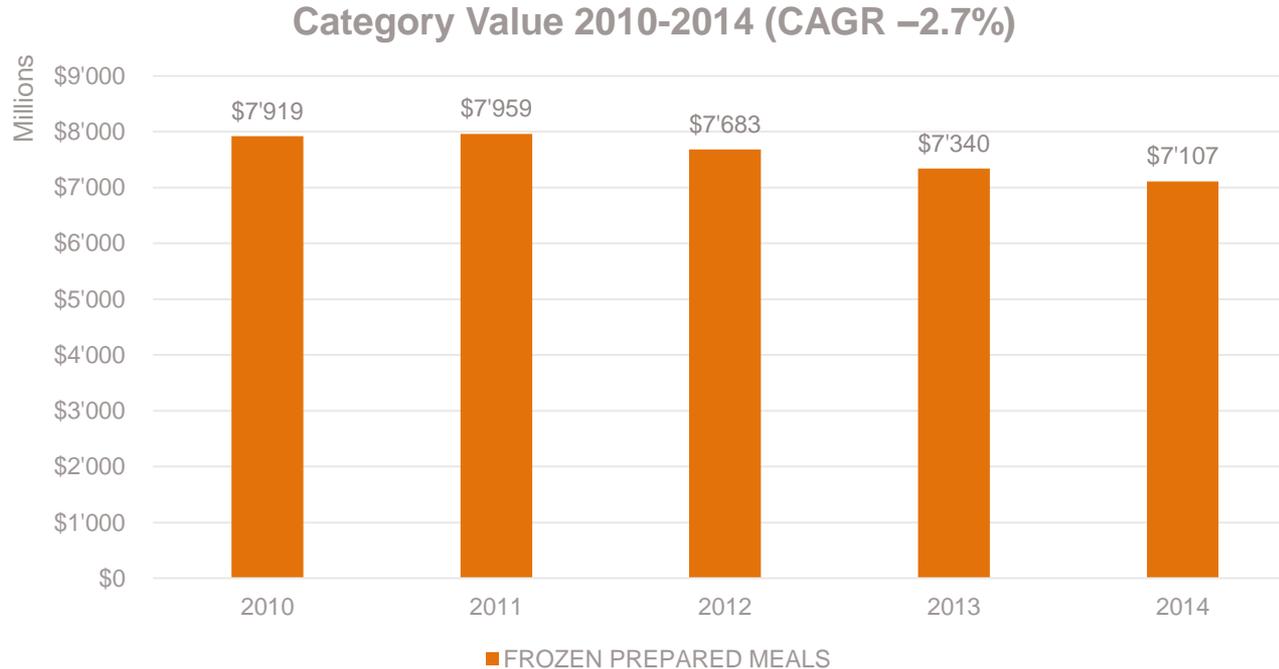


Nestlé Prepared Foods Sales (\$2.6B)

2016 Nestle Retail \$ Value



US Frozen Meals Category was in steady decline



Fundamental Change to Return the Business to Growth



Better reflect **changing consumer trends** in our brands

Drive **clean label recipes** across the portfolio



Leverage **digital and social media** to communicate more effectively



Extend brand reach to attractive new territories

Take a **Total Market Approach** to communication



Stouffer's has Evolved



Help America enjoy a **Real Dinner** every night

FROM

83 Words*

Focus on simple,
high quality
ingredients

TOMATO PUREE (WATER, TOMATO PASTE), BLANCHED LASAGNA (WATER, SEMOLINA), WATER, COOKED BEEF, LOW-MOISTURE PART-SKIM MOZZARELLA CHEESE (PASTEURIZED PART-SKIM MILK, CHEESE CULTURES, SALT, ENZYMES), PART-SKIM MOZZARELLA CHEESE AND MODIFIED CORNSTARCH (PART-SKIM MOZZARELLA CHEESE [PASTEURIZED MILK, SALT, CULTURES, ENZYMES], MODIFIED CORNSTARCH NONFAT MILK, FLAVORS), DRY CURD COTTAGE CHEESE (CULTURED SKIM MILK, ENZYMES), MODIFIED CORNSTARCH, SALT, BLEACHED WHEAT FLOUR, DEHYDRATED ONIONS, SUGAR, PARMESAN CHEESE (CULTURED MILK, SALT, ENZYMES), SPICES, SEASONING (SOY SAUCE [WATER, SOYBEAN, WHEAT, SALT], AUTOLYZED YEAST EXTRACT, DEXTROSE, SOYBEAN OIL), YEAST EXTRACT, DEHYDRATED GARLIC



TO

35 Words*

MEAT SAUCE: WATER, BEEF, MODIFIED CORNSTARCH, TOMATO PASTE, SALT, WHEAT FLOUR, DEHYDRATED ONIONS, DEHYDRATED GARLIC, SUGAR, SPICES, SOY SAUCE [WATER, SOYBEAN, WHEAT SALT], **PASTA:** WATER, SEMOLINA, **CHEESE:** SKIM MILK, MODIFIED CORNSTARCH, SALT, CULTURES, ENZYMES, FLAVORS

Reach new
Consumers



America's Favorite
Comfort Food



Fit Kitchen for consumers
with an 'Active Lifestyle'



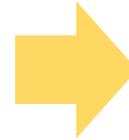
Lean Cuisine successfully repositioned

lean
cuisine.

Feeding your Phenomenal

Range
Segmentation

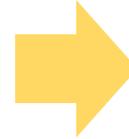
FROM



TO



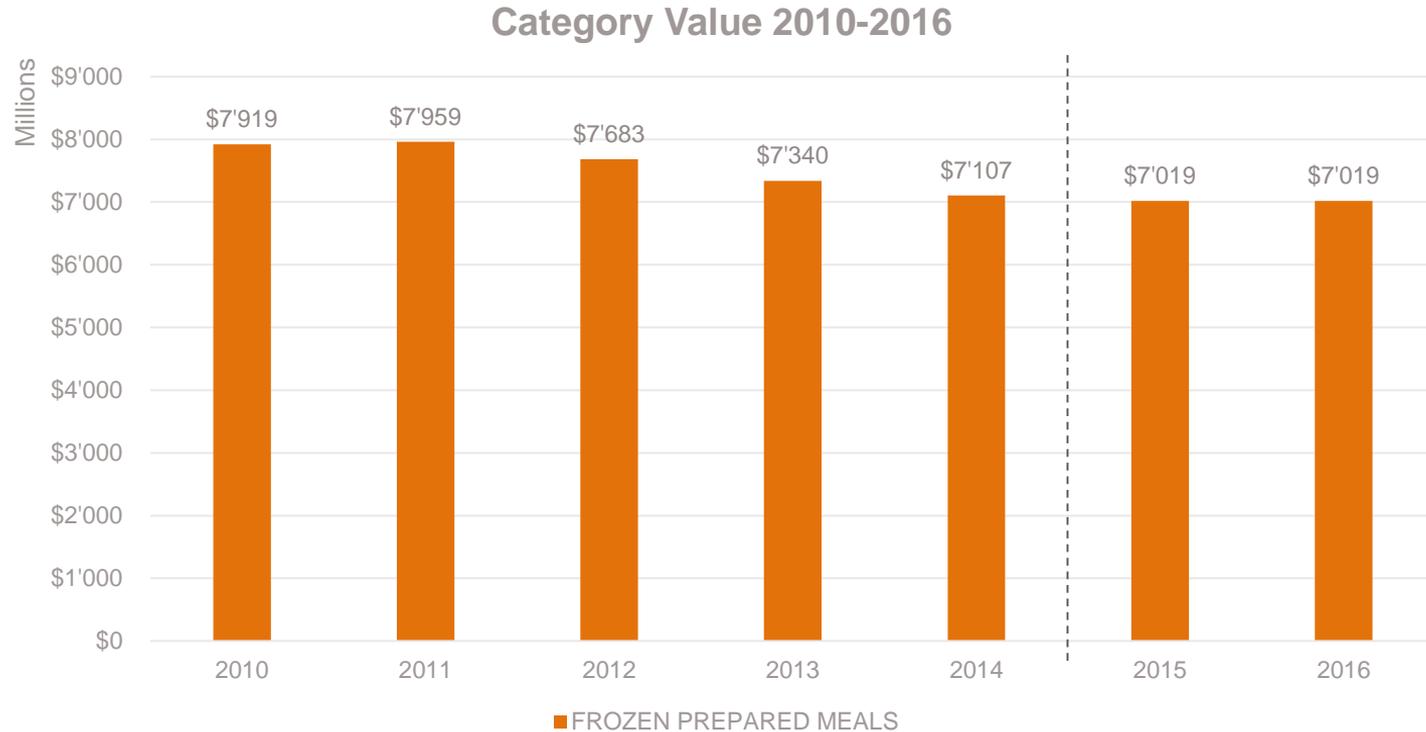
New Health
Benefits



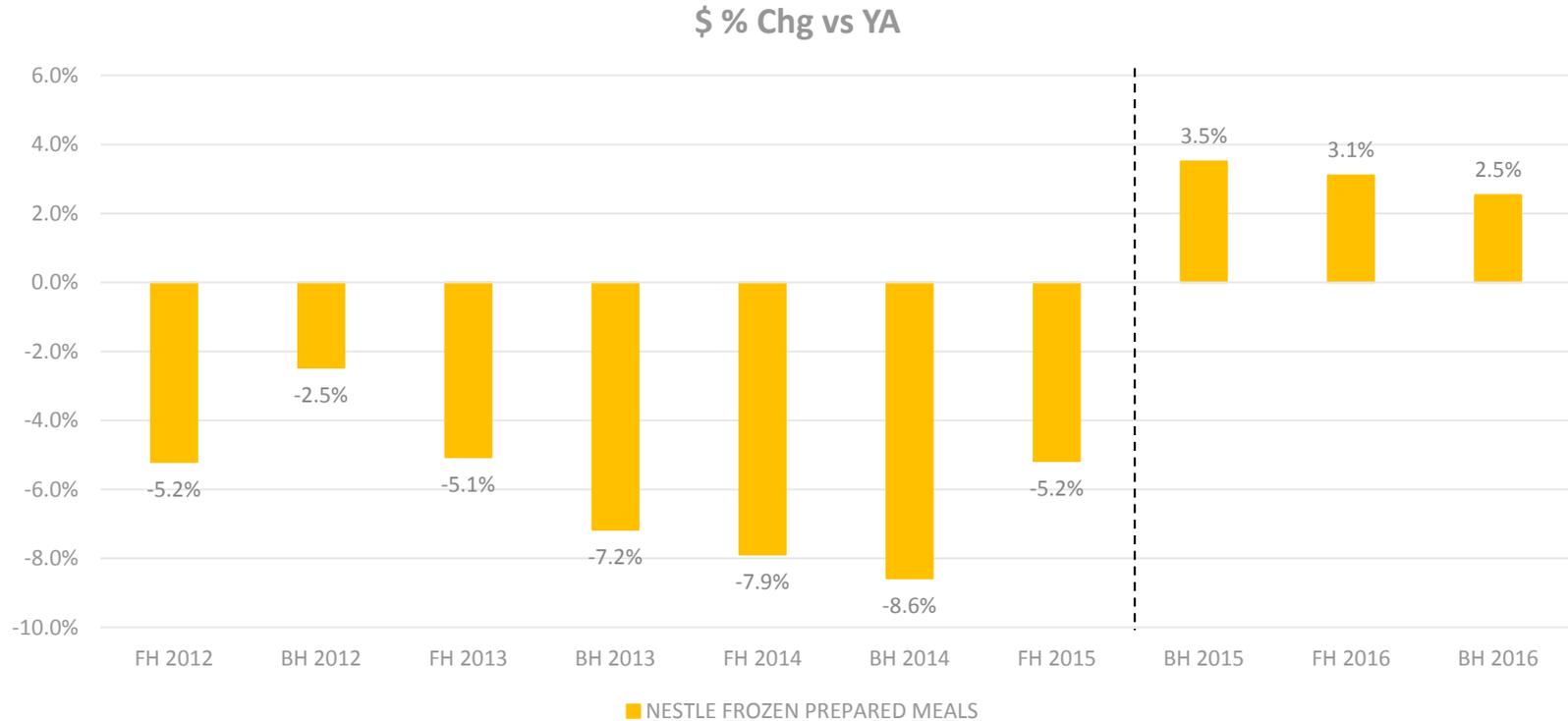
Modern Culinary
Recipes



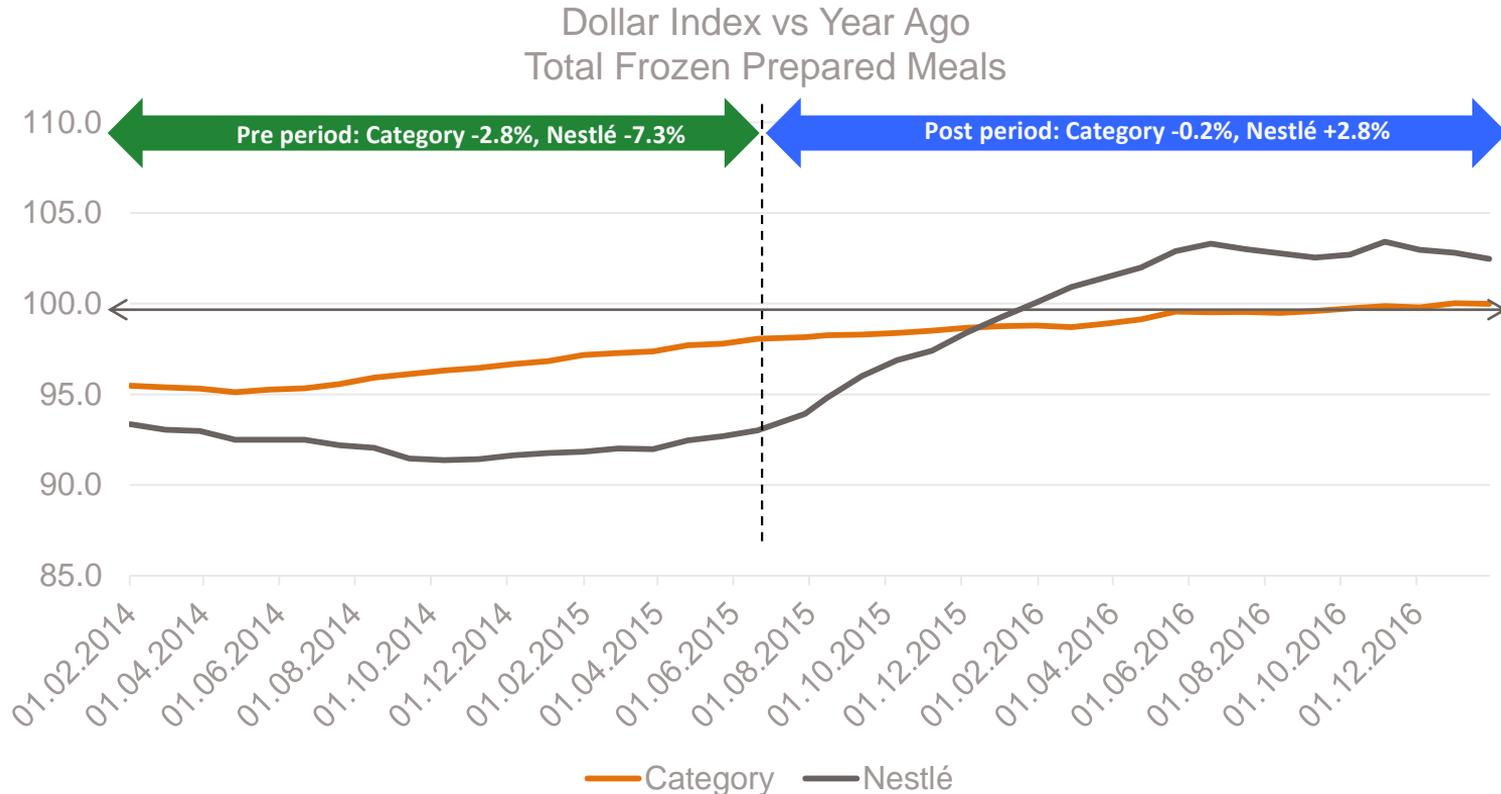
Frozen Meals Category has stabilized



Nestlé has Pulled the Category Back to Growth



Category growth has improved with Nestlé consistently above the category since relaunch



Source: Nielsen RMS, Rolling 12 weeks, Total XAOC - Frozen Prep Foods Databases data through 01/28/17



Frozen delivers on fundamental consumer needs...



Perfect preservation –
**frozen at the peak of
freshness**

Provides simple management
of **portion control**



Helps consumers understand
and ensure **nutritional balance**



Supports controlled
intake of **sodium**
and **calories**



Increases
convenience and
eases hectic
lifestyles

Reduces
**food
waste**

LOVE
FOOD
NOT WASTE

And is an attractive business



Category is **large and profitable**



Improving category trends as offerings become more relevant



High growth segments yet to be fully penetrated

Nascent opportunity in **eCommerce**



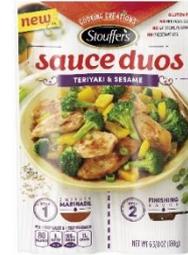
Supplier investment and retailer commitment have returned

How to Sustain the Performance



Evolve core business in line with consumer trends

Increase participation in high growth segments and channels



Drive cost efficiencies to improve ROIC and invest for growth

Expect to achieve sustainable low-to-mid single digit growth

