



# Growth through Innovation

## **Introduction**

**Patrice Bula**

EVP, Strategic Business Units,  
Marketing, Sales

## **Science for Business**

**Stefan Catsicas**

EVP, Chief Technology Officer:  
Innovation, Technology and R&D

## **Experience Innovation**

**Patrice Bula**

Nestlé Investor Seminar  
24 – 25 May, 2016

# 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.

# A Dynamic Innovation Ecosystem

SOCIAL LISTENING  
AND CONVERSATION



DISRUPTIVE TREND  
IDENTIFICATION



INSTITUTE FOR THE FUTURE

SCIENCE, NUTRITION  
& HEALTH



Research

SILICON VALLEY  
OUTPOST



Silicon Valley  
Innovation  
Outpost

MARKET CONSUMER  
INSIGHTS



OPEN INNOVATION  
PLATFORM



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# Brands are living creatures

31% of sales from  
products <3 years old



>1000 renovations  
>3000 recipe  
reformulations



>500 “clean label”

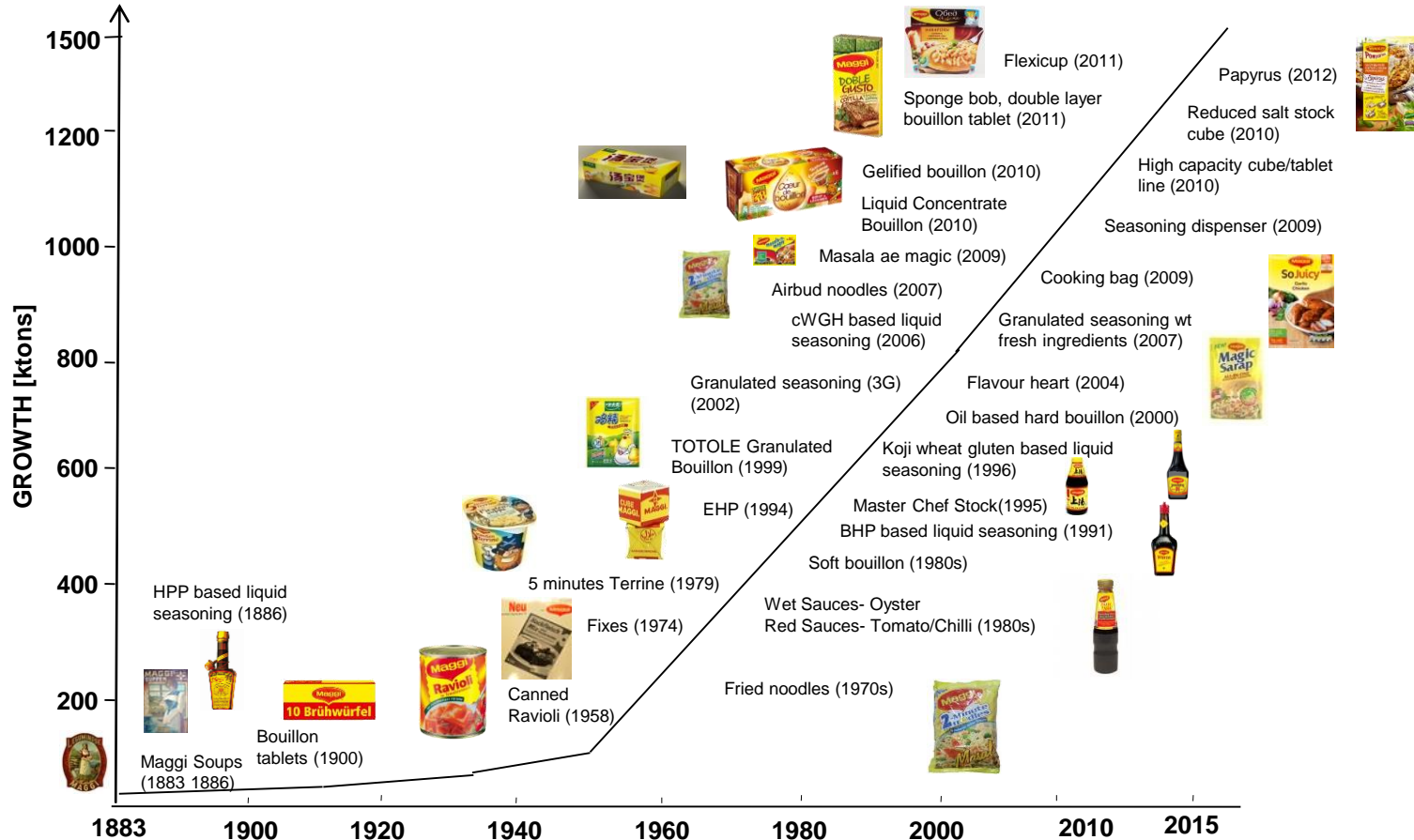


>200 taste  
preference test  
(60/40)  
renovations





# Innovations drive brand success



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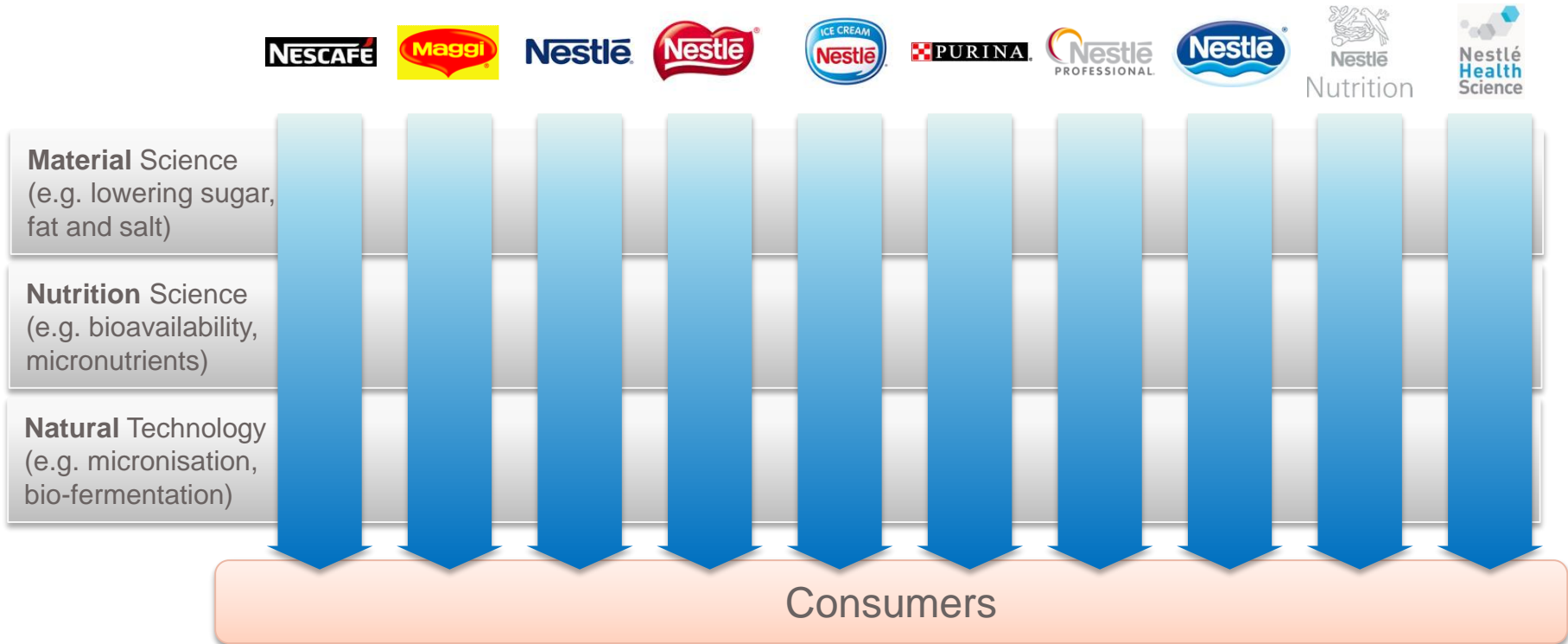
MARKET CONSUMER  
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# A unique R&D ecosystem





# A strategy to improve the nutritional value of our products *The Nestlé in Society Commitments*



Sugars, Salt, Saturated / Trans Fats



Fortification *and Provide:*

- ✓ whole grain
- ✓ vegetables
- ✓ natural ingredients
- ✓ portion guidance

**Without compromising Taste & Pleasure**



# Deploying new science and technology



Sugar Salt  
Reduction



Fat Proteins  
Balance



Healthy  
Lipids



Pure  
Fractions



Fortified  
Foods



Brain  
Energy



# Deploying new science and technology



Sugar Salt  
Reduction



Fat Proteins  
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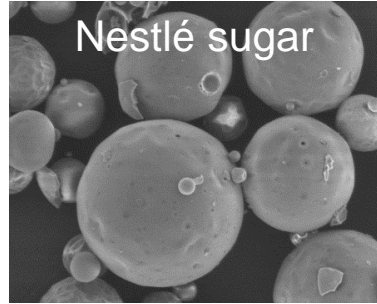
Fortified  
Foods

Brain  
Energy

# Nestlé leverages material science to reduce sugar



Slow dissolution



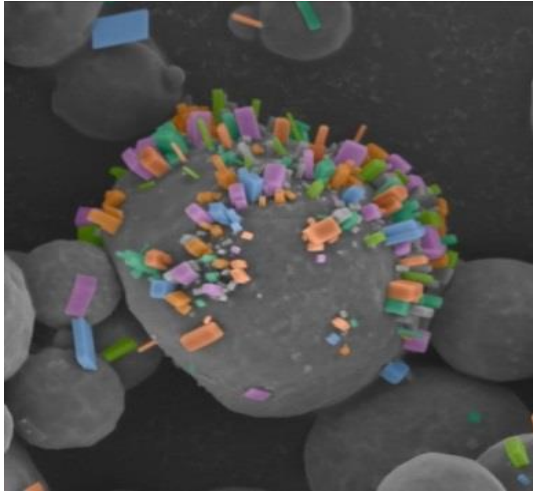
Fast dissolution



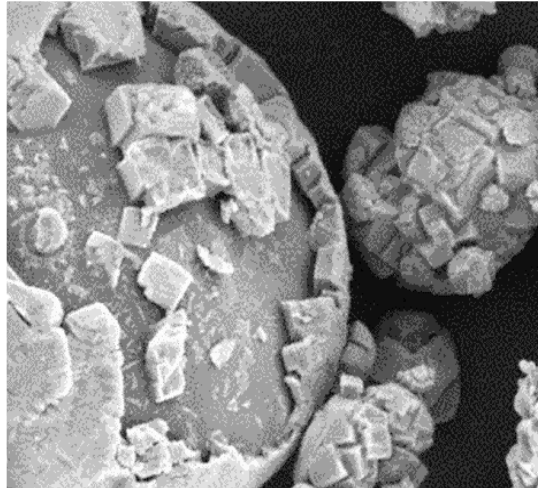
2017 → 2019

Natural  
20-40% reduction

# Nestlé leverages material science to reduce salt



Micro salt particles  
maximize perception



“Artisanal” corn  
applied to pizza crust



2016 —————> 2019  
Natural  
15-30% reduction

# Deploying new science and technology



Sugar Salt  
Reduction

Fat Proteins  
Balance



Healthy  
Lipids

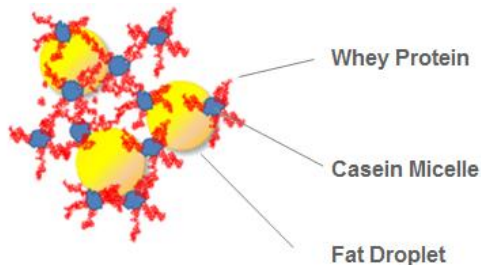
Pure  
Fractions

Fortified  
Foods

Brain  
Energy



# Fat reduction, proteins, and new textures



- Controlled aggregation of proteins
- Fat reduction
- Enhance **creaminess and mouthfeel**
- Improved **flavour release**
- Cost improvement



# Deploying new science and technology



Sugar Salt  
Reduction

Fat Proteins  
Balance

Healthy  
Lipids

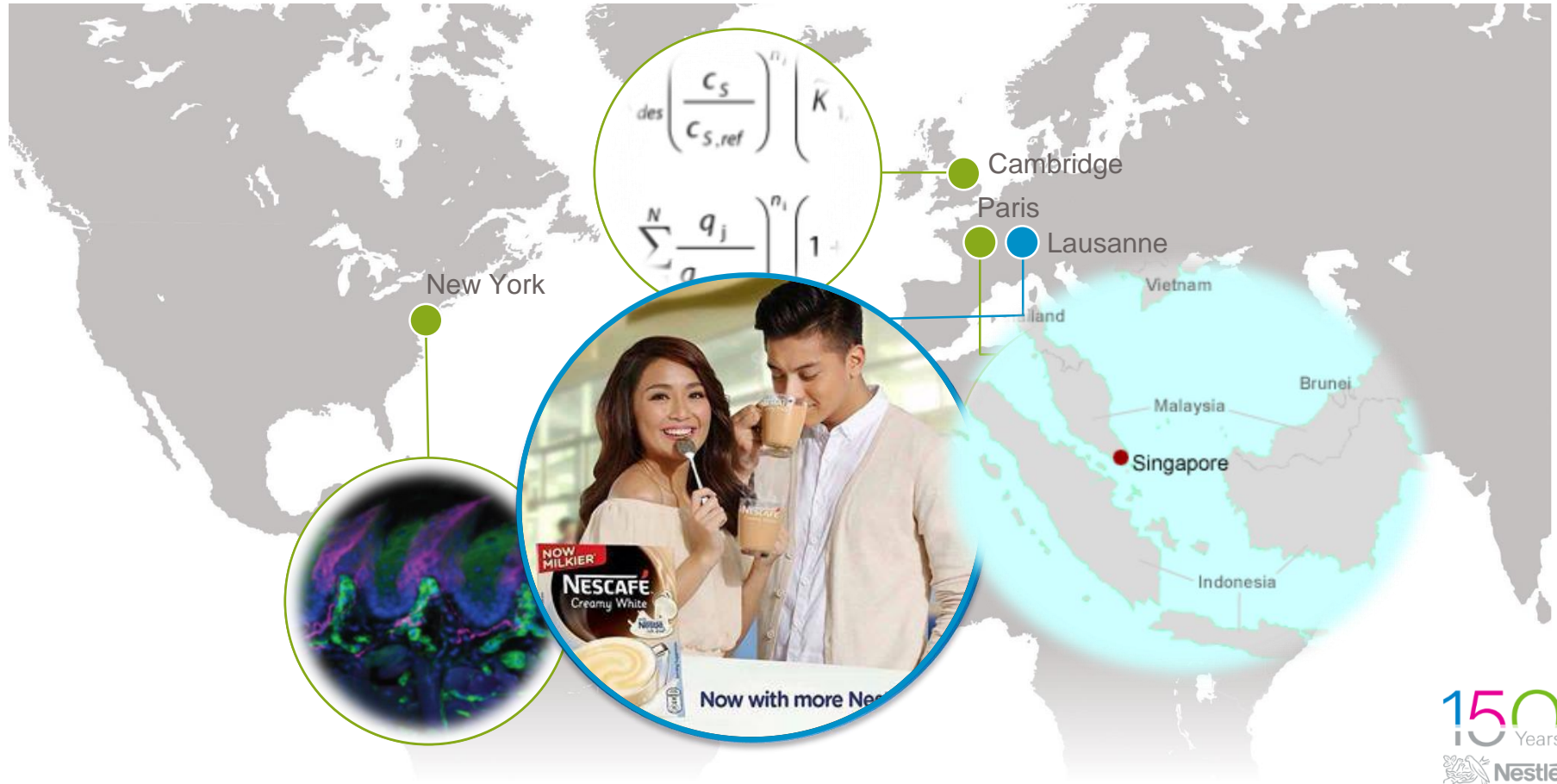


Pure  
Fractions

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# Open innovation with three leading universities



# Deploying new science and technology



Sugar Salt  
Reduction

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# Delivering the smoothest & freshest NESCAFÉ CLASSIC

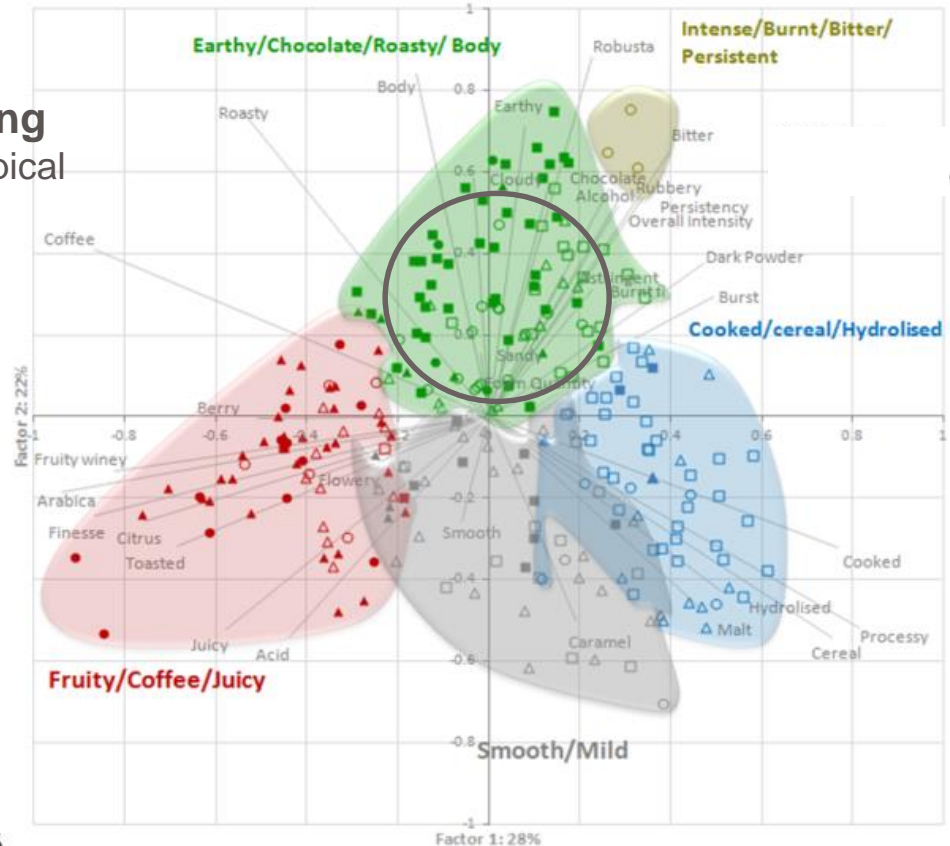
## Consumer insight: Sensory mapping

Many consumers dislike harsh Robusta typical rubbery, earthy, process and bitter notes



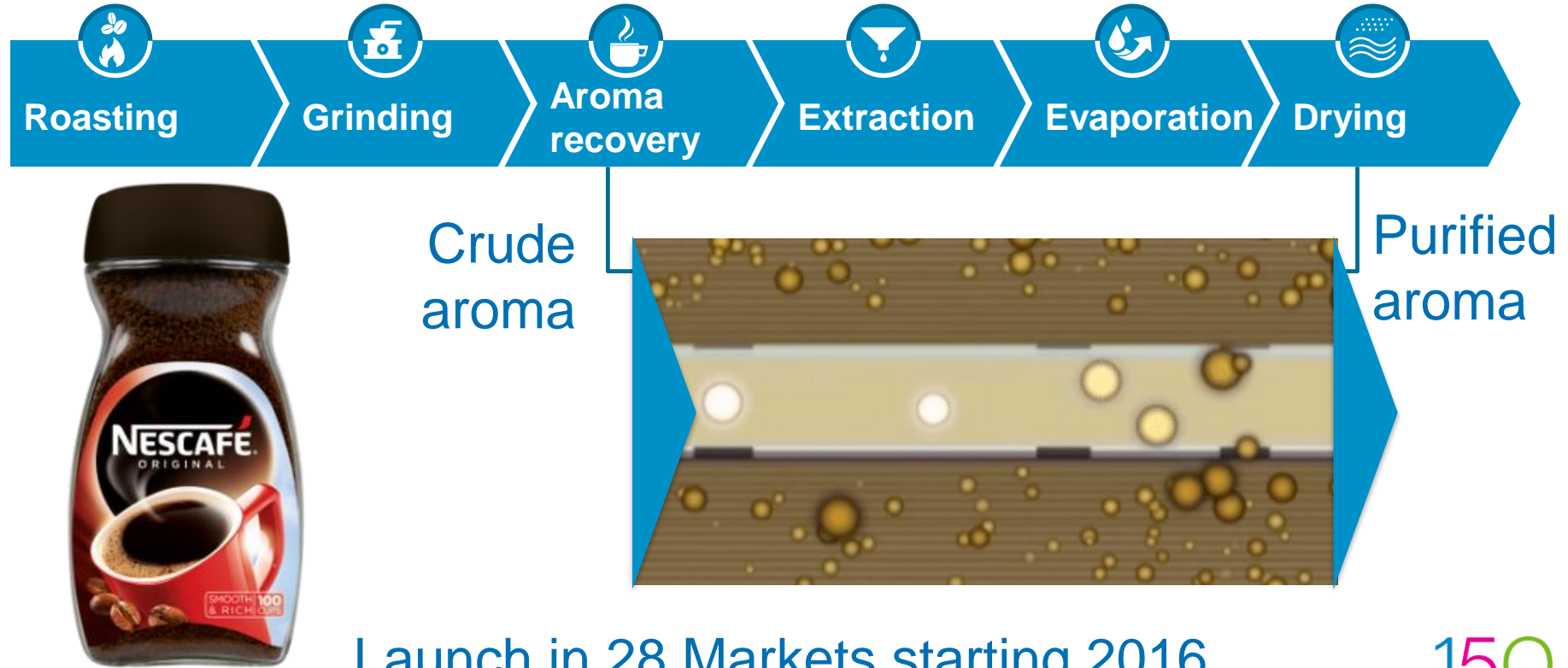
### Key

- Mainstream
- ▲ Premium
- Super Premium



Full points: Nescafé,  
Hollow points: competitors

# Membrane purification using carrier lipids

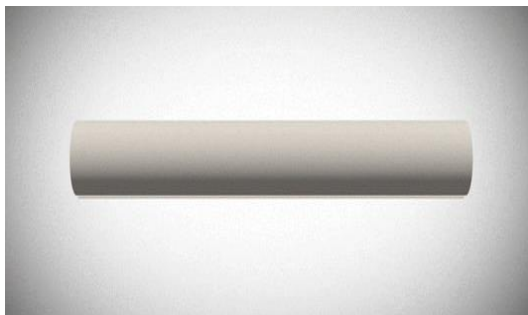
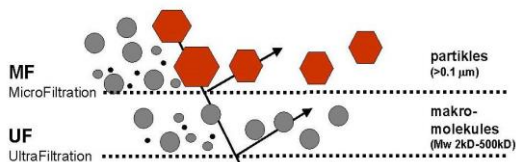


Launch in 28 Markets starting 2016



# Membrane purification of new prebiotic ingredients

## Milk oligosaccharides



Nutrition  
**illumina**



Harnessing a Child's  
Natural Potential

2016 → 2019

# Deploying new science and technology



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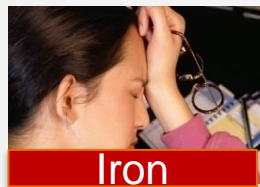
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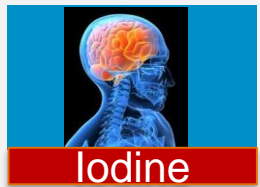
# Fortification: an unmet nutritional need: 192b servings in 2015



48 bn servings\* / year



36 bn servings\* / year



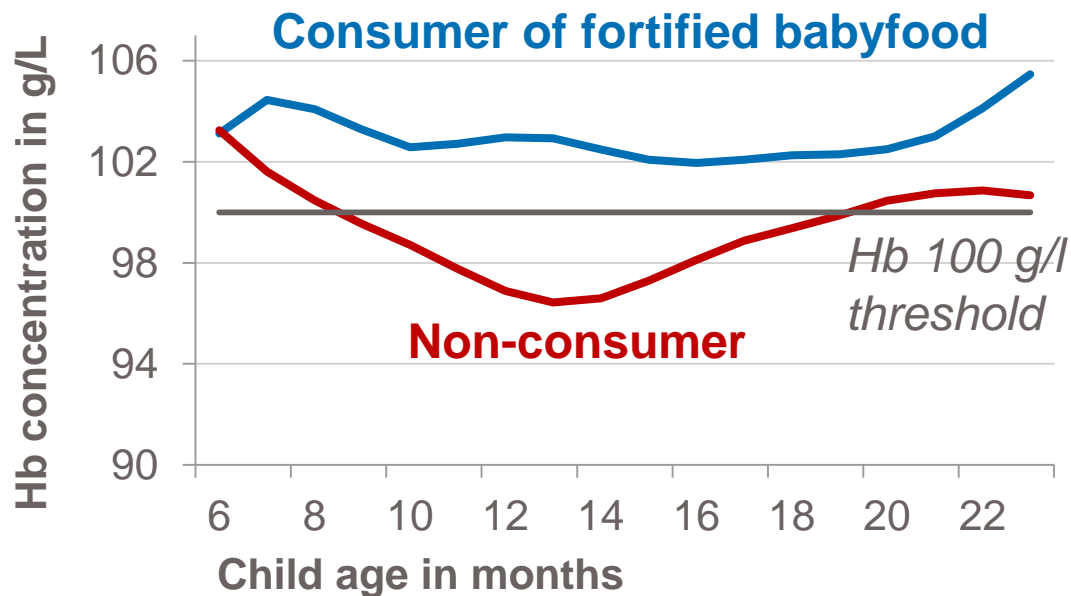
68 bn servings\* / year



22 bn servings\* / year



# Average haemoglobin and access to fortification



50% lower  
anaemia risk

Improved  
cognition

5-17% gain  
productivity

Prieto A & Detzel P: Association between feeding types and haemoglobin concentrations in India. Poster presentation ISPOR, Italy 2015 – based on NFHS 2005-06

Eichler et al. BMC Public Health 2012, 12:506

# The EpiGen-Nestlé collaboration on gestational diabetes

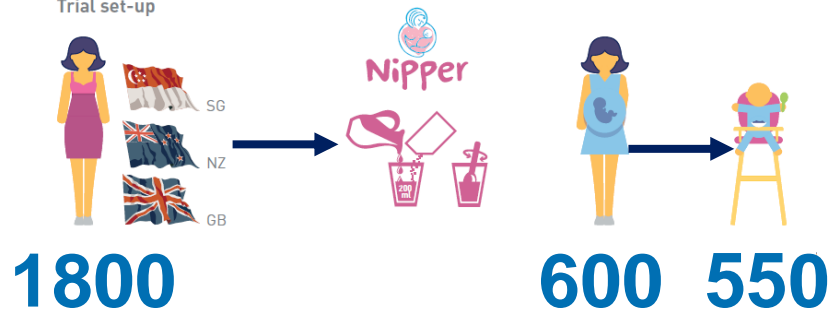
 **Southampton**  
United Kingdom

 **Lausanne,**  
Switzerland



 **Singapore**

Trial set-up



 **Auckland**  
New Zealand

**Epigenetics**

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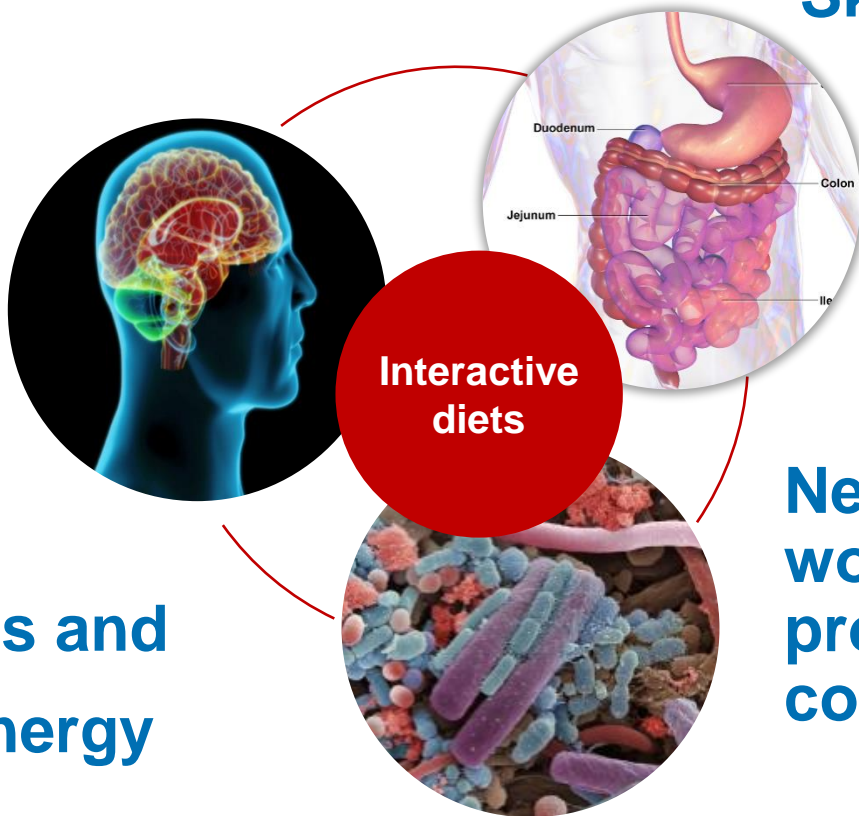
Brain  
Energy





# The Gut-Brain-Skin nexus

**Skin and gut  
mirror our  
health**



**Brain is  
5% of body mass and  
20% of body energy**

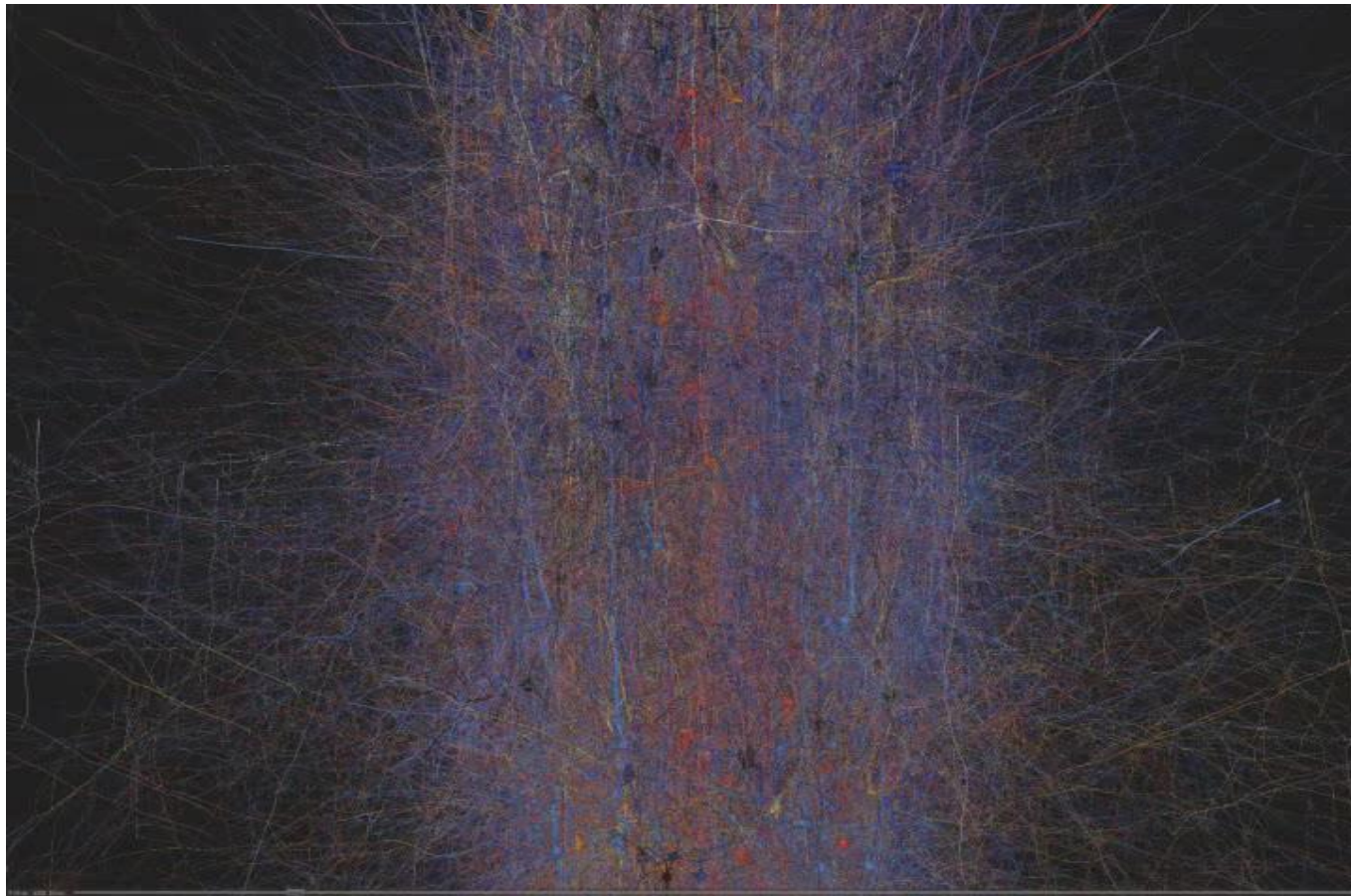
**Nestlé has the  
world's largest  
probiotic  
collection**

# Brain energy : Refractory epilepsy

Charlie's Story, courtesy of "The Food Hospital", Channel 4



# Brain energy : “Big Data” 10'000 neurons reconstruction

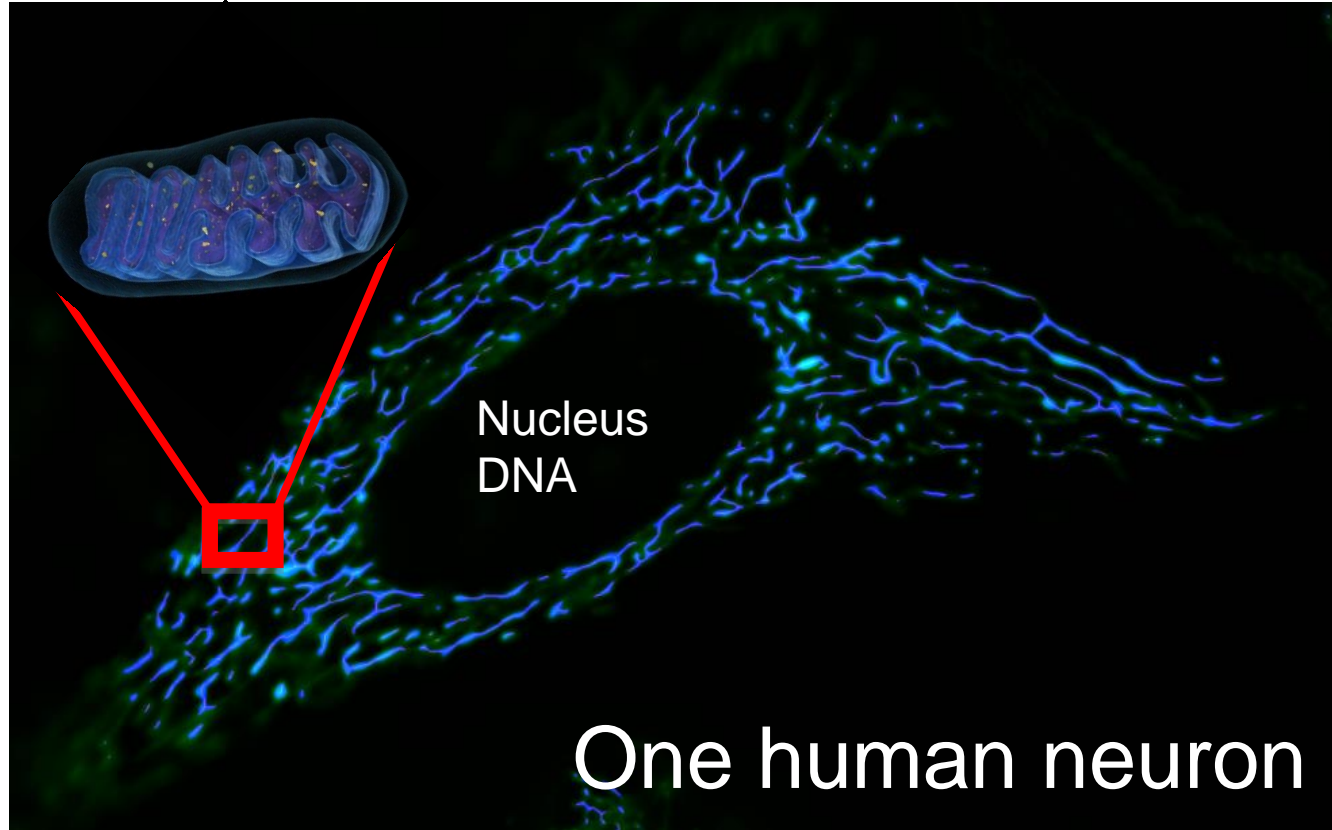


ÉCOLE POLYTECHNIQUE  
FÉDÉRALE DE LAUSANNE





# Brain energy



MCTs  
Ketone  
bodies

# Vitaflo: Ketogenic diet with quality of life

Ketogenic Diet

MCT Therapy

Cellular Metabolism

Yesterday

High Fat Diets/Calorie Restriction



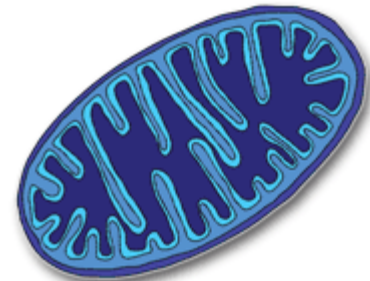
Today

Modified Diet Therapies



Tomorrow

Mechanism of novel therapies



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# Nutrition, Health & Wellness is about People's Quality of Life

*First do no harm*



*Inspired by nature*

## 4 Key Take-aways

1

### PEOPLE CENTRIC RESEARCH AND DEVELOPMENT

Nestlé is actively addressing people's needs and global trends with cutting edge food, nutrition and health science

2

### CATEGORY FOCUS AND MULTI-CATEGORY SOLUTIONS

Solutions by Nestlé Research are business driven and can be deployed across categories and businesses

3

### GLOBAL PRESENCE

Our geographical reach gives us the opportunity to address the needs of local communities in a personalized way

4

### OPEN INNOVATION

We are connected with world class academia, research institutions and innovation partners through long-term partnerships that support future innovations for Nestlé

# Nutrition science led innovation

## "Shape"

Low Protein



## Health Science



## Cognitive Performance

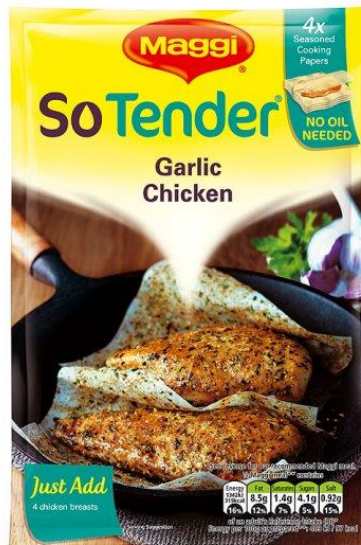


# Technology led innovation

Special.T



Papyrus



L'Atelier



# Consumer Insight

## The new Health and Wellness dimension

### Gluten Free



### Natural / Authentic / Organic





# Consumer Insight

## The new Health and Wellness dimension

### Flexitarian



### Lactose Free



### Grains Based Diet





# Premiumisation

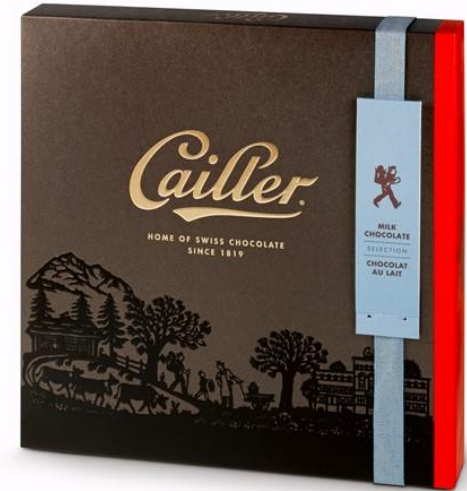
## Ice Cream



## Culinary



## Confectionery



# Answering the Good Lifers specific needs

## Health Science



## Adult Milk

Jia-Jien<sup>TM</sup>

Multi-care Nutrients



Good Mobility  
Calcium,  
Glucosamine

Good Digestion  
Fibersol 2

Good Vitality  
Omega3

Good Eyesight  
Vitamin A, Lutein

## Acticol Omega



# Innovating beyond products

## Digital Services



## Health Services

Nestlé  
WELLNESS CLUB  
Personalized health solution  
for Active Seniors



## Route to market

