Z-EMENA
Growth in challenging environments

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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.
Agenda

✓ Growth
✓ Efficiencies
✓ Inclusivity
✓ Leadership
Z-EMENA: a society of challenges & opportunities
A challenging context

VOLUME GROWTH F&B
0.5%

INFLATION
0%

INCREASING RETAIL CONCENTRATION

CONSUMER CONFIDENCE FMCG

97
Global

78
Zone EMENA
Nestlé in EMENA at a geographical glance

WESTERN EUROPE
70% OF SALES
RIG 2.3%

CENTRAL & EASTERN EUROPE
13% OF SALES
RIG 2.9%

MIDDLE EAST & NORTH AFRICA
17% OF SALES
RIG 3.2%

Full year 2105
Nestlé in EMENA in a nutshell

- Sales CHF 27 bn
- 69 countries
- 21 markets
- 110’000 employees
- 171 factories
A broad based and balanced product portfolio
Accelerating Zone performance

- **RIG**
  - 2014: 2.4
  - 2015: 2.5
  - 1Q16: 3.1

- **OG**
  - 2014: 2.1
  - 2015: 3.7
  - 1Q16: 3.2

- **TOP**
  - 2014: 15.2
  - 2015: 15.7
Focus 2/3 of investments on 1/3 of sales

- ROIC
- Coffee
- Petcare
Growth through blockbuster innovations

Sales

2006: CHF 4 m

2015: ~ CHF 1 bn

#1 in retail
43 countries
Natural trend offers new opportunities to premiumise

- **Premiumisation within brand**
  - GOURMET Gold: 100 Index CHF/kg
  - Simpup: 280 Index CHF/kg

- **Premiumisation within portfolio**
  - Friskies: 100 Index CHF/kg
  - Beyond: 245 Index CHF/kg

Growth
Addressing new trends

- Coffee shop at home
- Healthier eating
- Children Health
- Snacking
- Premium ice cream
- Premium chocolate
Managing complexity through different models, where structure follows strategy (1)

- 50/50 ice cream joint venture
- Nestlé/R&R complementary business models
- Operational 4Q16

- Lactalis/Nestlé 60/40 chilled dairy joint venture
- LA LAITIERE leading brand in France
- Operational since 2006

- Nestlé/General Mills 50/50 breakfast cereals joint venture
- Leader in key countries in Europe
- Operational since 25 years
Managing complexity through different models, where structure follows strategy (2)

• Nestlé Purina Petcare Europe
• Regionally managed business based in Lausanne
• Consistent share gains year over year

• Nescafé EMENA business unit
• Above market resource allocations and P&L
• Launched in 2016

Locally managed businesses
Covering all channel opportunities

Hypermarkets / Supermarkets

Discount / Proximity

eCommerce / On-line

TASTE OF HOME: Imported from Nestlé markets worldwide, products from the range comply with European food laws and are sold in Mtrri and Pop stores, as pictured, across Europe.
Free up resources to fuel growth (FY15 vs FY14)

- Distribution Costs: -8 bps
- Fixed Factory Overheads: -9 bps
- Overheads: -11 bps
- TOP: +50 bps
- Marketing spend: +80 bps

Cells gaining share: 60%
Building trust to drive growth

- Environmental Sustainability
- Nutrition, Health & Wellness
- YOUth employability
Environmental sustainability

Factories without waste to landfill

2015: 40%
2020: 100%

CO2 emissions

2020 / 2010: -35%

Water consumption

2020 / 2010: -44%
Nutrition, Health & Wellness Commitments

Sugar -10%
Sodium -10%
SFA -10%
TFA 0

Inclusivity
Youth employability

NESTLÉ AMONG THE MOST ATTRACTIVE EMPLOYERS

Source: Universum
What really matters

- Diversity
- Gender balance
- Retaining the best talents
- Nestlé & I
4 Key Takeaways

- **Growth**: In a zero volume growth deflationary environment Z-EMENA is achieving industry leading growth, thanks to innovation and a flexible and focused organization.

- **Efficiencies**: Driving efficiencies is a pre-requisite to increase investments behind our growth platforms.

- **Inclusivity**: Creating shared value for society and shareholders is how we do it.

- **Leadership**: Our people are a competitive advantage.