



# Z-EMENA Growth in challenging environments

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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.

# Agenda



Growth



Efficiencies



Inclusivity



Leadership

Zone Europe, Middle East and North Africa

## Priorities and Commitments 2016

Vision: Be the most innovative, inclusive and competitive NHW company to enhance the quality of life with good food and beverage everywhere by offering the tastiest and healthiest choice, helping consumers to care for themselves and their families.

*Our **success** is based upon*

### ✓ Growth

- EMENA a value creation opportunity
  - Innovation and focus

### ✓ Efficiencies

- Maximize the Virtuous Circle
  - Quality of execution

### ✓ Inclusivity

- Taking care of people
- Giving accessibility to our products: whenever, wherever, however
  - Engage with society

### ✓ Leadership

- People, not process
- Embracing the organisational principles



Luis Cantarell



Nestlé  
Good Food, Good Life

FOR INTERNAL USE ONLY

# Z-EMENA: a society of challenges & opportunities



# A challenging context

VOLUME GROWTH F&B



0.5%

INFLATION

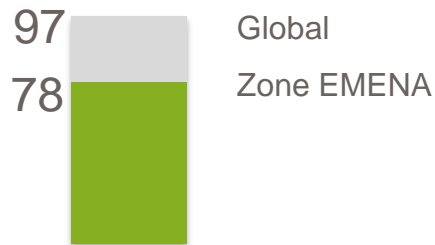


0%

INCREASING RETAIL  
CONCENTRATION



CONSUMER CONFIDENCE FMCG

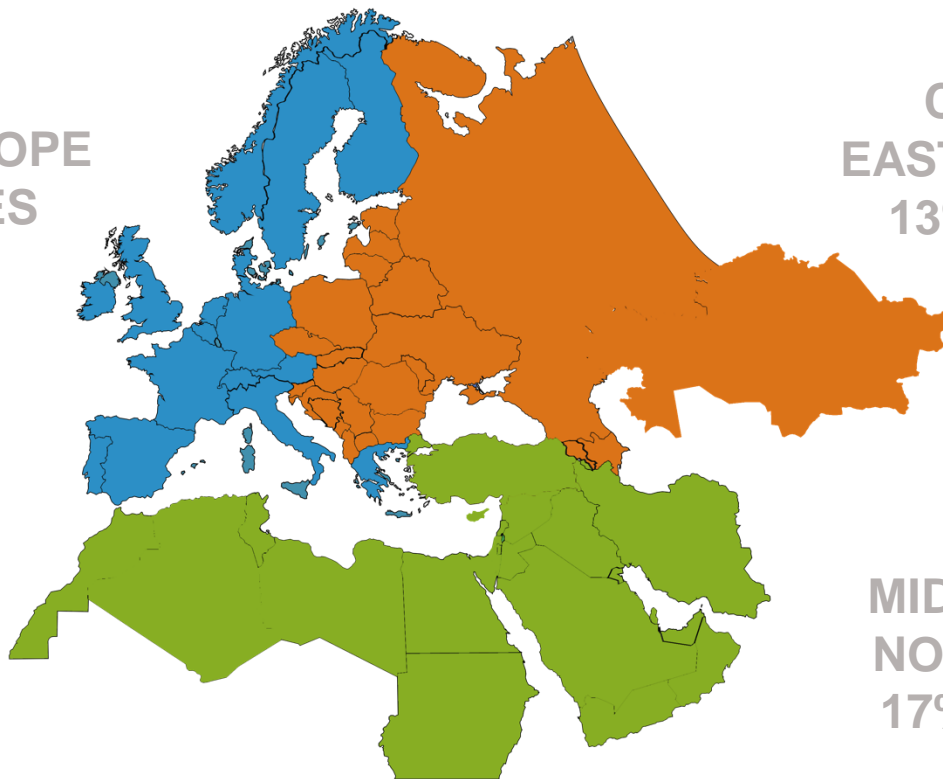




# Nestlé in EMENA at a geographical glance

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



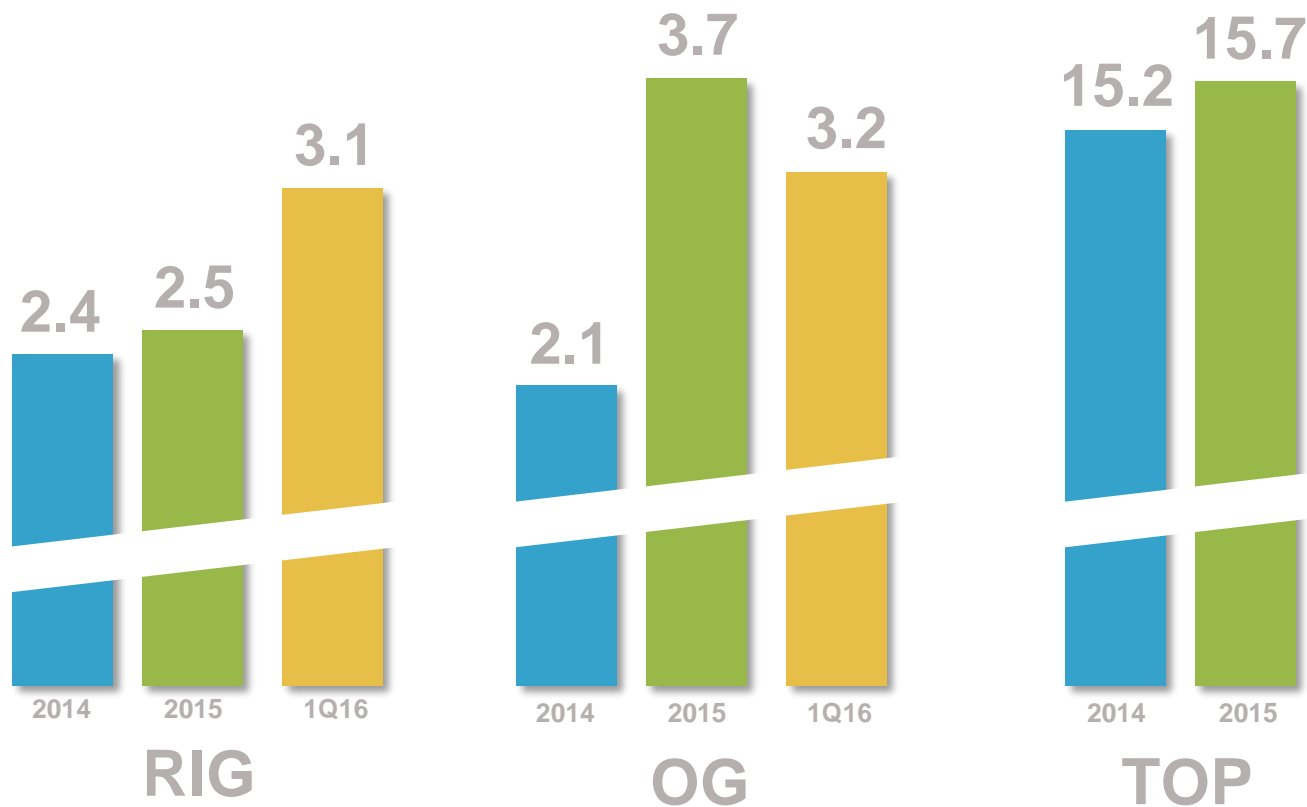
171 factories

# A broad based and balanced product portfolio



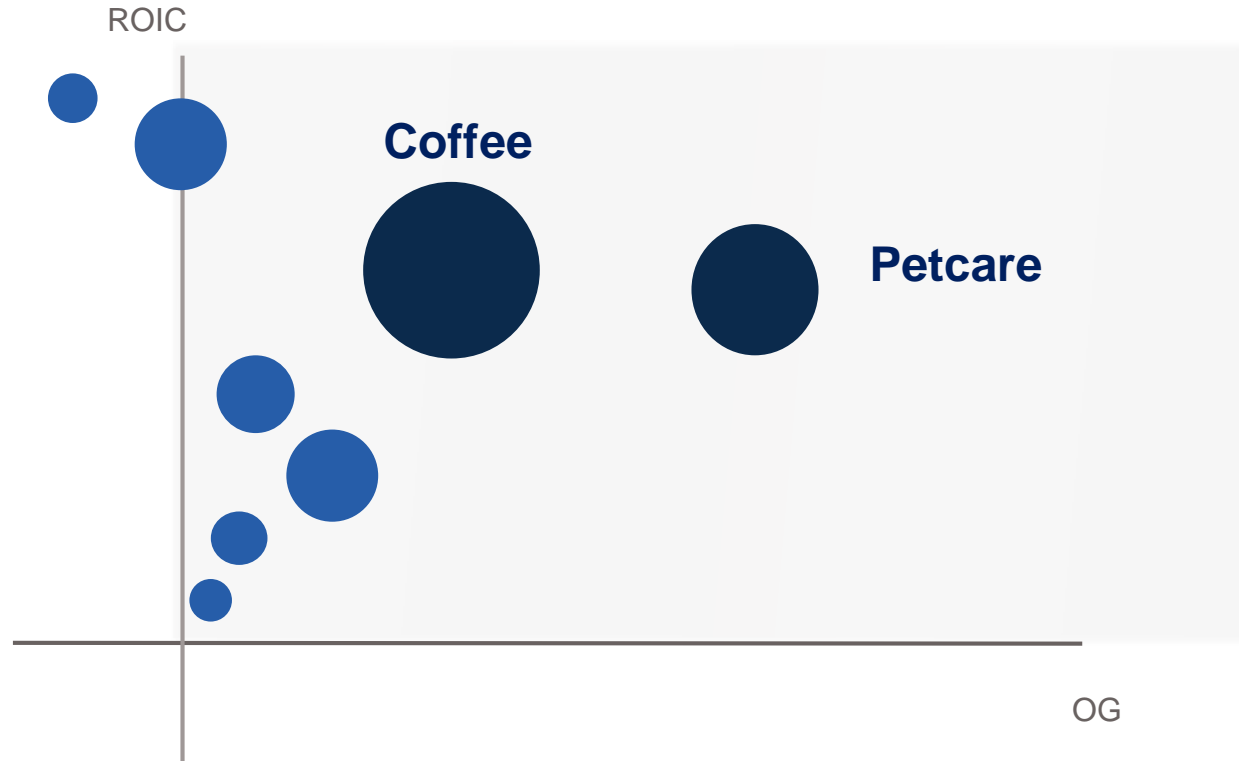


# Accelerating Zone performance



# Focus 2/3 of investments on 1/3 of sales

✓ Growth



# Growth through blockbuster innovations

✓ Growth

Sales

2006



CHF 4 m

2015



~ CHF 1 bn



#1  
in retail

43  
countries

# Natural trend offers new opportunities to premiumise

✓ Growth



Index CHF/kg

# Addressing new trends

✓ Growth



Coffee shop at home



Healthier eating



Children Health



Snacking



Premium ice cream



Premium chocolate

# Managing complexity through different models, where structure follows strategy (1)

✓ Growth



- 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)

✓ Growth



- 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

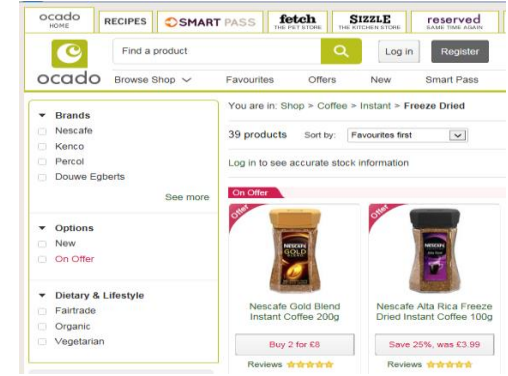
✓ Growth



Hypermarkets /  
Supermarkets



Discount / Proximity

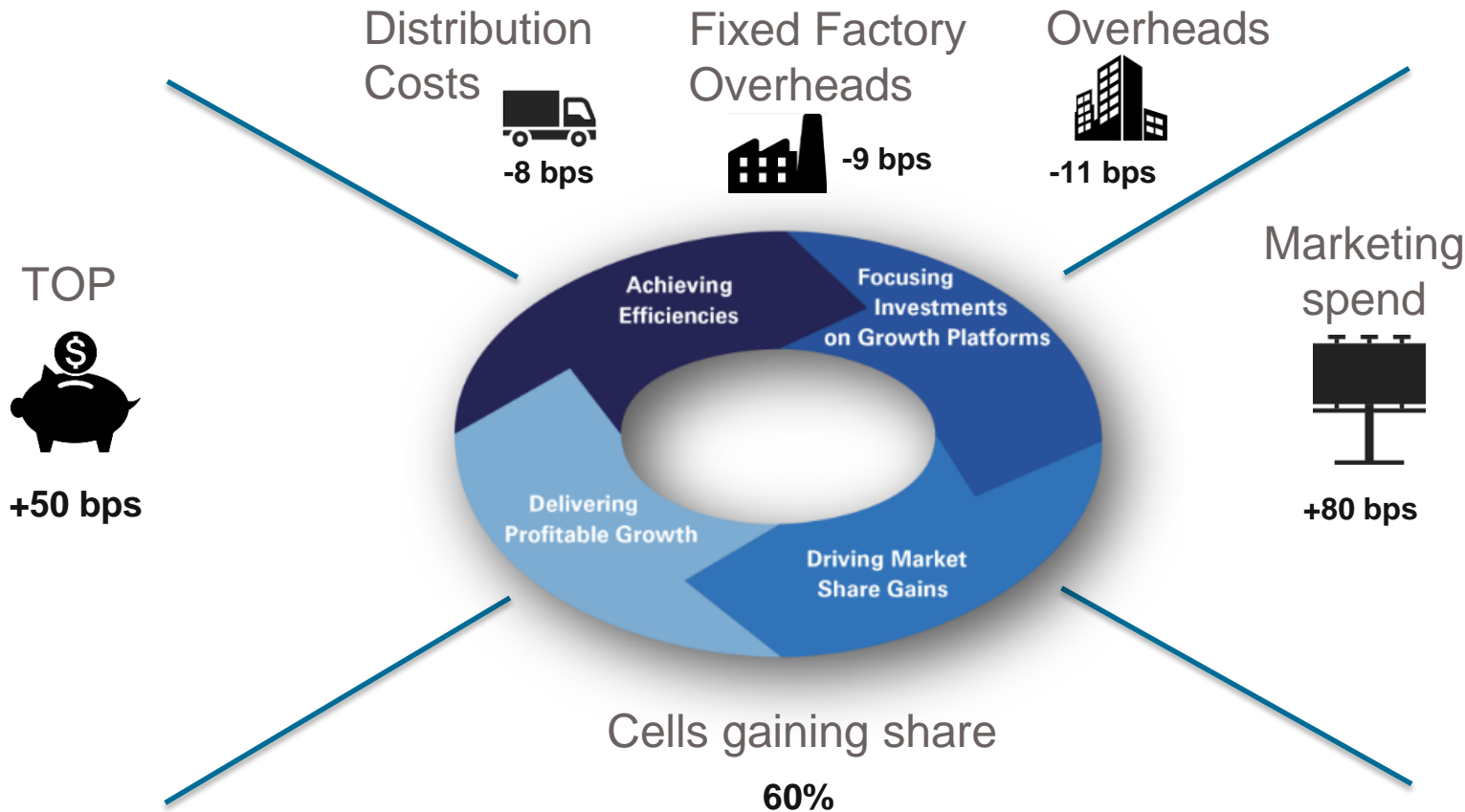


eCommerce / On-line



# Free up resources to fuel growth (FY15 vs FY14)

✓ Efficiencies



# Building trust to drive growth

✓ Inclusivity



Environmental  
Sustainability



Nutrition, Health &  
Wellness

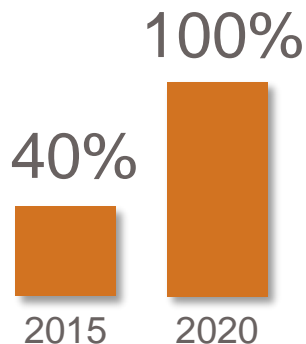


YOUth employability

# Environmental sustainability

✓ Inclusivity

Factories without  
waste to landfill



CO<sub>2</sub> emissions



2020 / 2010



-35%

Water  
consumption



2020 / 2010



-44%

# Nutrition, Health & Wellness Commitments

✓ Inclusivity

Sugar  
-10%



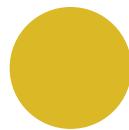
Sodium  
-10%



SFA  
-10%



TFA  
0





# Youth employability

✓ Inclusivity



## NESTLÉ AMONG THE MOST ATTRACTIVE EMPLOYERS



# What really matters

✓ Leadership



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