Sustainable Growth with Returns in Waters

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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.
Healthy Hydration: pillar of an healthy lifestyle…

DRINK WELL

EAT WELL

MOVE

CSD: 1ST SOURCE OF ADDED-SUGAR
Nestlé Waters is essential to Nestlé’s Nutrition, Health & Wellness journey
Water availability: a key challenge for the future

**WATER SUPPLY**

40% water shortfall by 2030

**WATER (QUALITY) ACCESS**

About 700 m people don’t have access to improved drinking water

**BOTTLED WATER IS PART OF THE SOLUTION**
Fast changing consumers are driving the category

1. GROWING & AGEING POPULATION
2. CERTIFIED QUALITY & SAFETY
3. HEALTHY LIVING
4. SENSORIAL PLEASURE
5. FLUID LIFESTYLE
6. EARTH GUARDIAN
Bottled Water is the largest and fastest growing beverage category

CAGR 2011 - 2015

1.4 %

7.2 %

2011 2015

Others

Bottled Water

NON ALCOHOLIC RTD BEVERAGES VOLUME SIZE IN BILLION LITERS

USA – CSD & Bottled Water million of Gallons

CONSUMERS WILL PURCHASE MORE BOTTLED WATER THAN SOFT DRINKS IN 2016

Source: Euromonitor & Zenith International
Enhance people’s quality of life by leading Healthy Hydration through our passion for water
Nestlé Waters delivered profitable growth

WORLDWIDE MARKET LEADERSHIP

Top 4 players Value market share 2015

SUSTAINED GROWTH

Sales

2011 2013 2015

OG 6.7

VALUE CREATION

ROIC

2011 2013 2015

+680 bps *

Source: Zenith International

(*) 2015 vs 2011
We leverage category growth via our geographic presence

Sales 2015

CHF 7.6 bn

Organic Growth 2015

6.7%

North America

54%

Europe

26%

Emerging markets

21%

+5%

+5%

+14%
We leverage category growth via our Unique Brand Portfolio

<table>
<thead>
<tr>
<th>Status</th>
<th>Brand Portfolio</th>
<th>Price Index</th>
<th>Share of total Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>hydration</td>
<td>PREMIUM INTL SPARKLING BRANDS</td>
<td>440</td>
<td>18%</td>
</tr>
<tr>
<td>Active health</td>
<td>LOCAL BRANDS</td>
<td>130</td>
<td>57%</td>
</tr>
<tr>
<td>Daily healthy</td>
<td>NESTLÉ BRANDS</td>
<td>100</td>
<td>26%</td>
</tr>
</tbody>
</table>

Internal Data 2015
We are leading the fast growing Sparkling segment

2011-2015 above 7% yearly growth
Our Local brands have strong territories rooted in their origin

**Erikli**

**LEVISSIMA**

**Buxton**

**Poland Spring**

NATURAL VITALITY

MOUNTAIN STRENGTH

NATURE’S FORCE

LOCAL RECONNECTION
Nestlé Pure Life global Leader

NUMBER ONE BOTTLED WATER BRAND IN THE WORLD (41 COUNTRIES, OG 2015 10%)

CHAMPION FOR HEALTHY HYDRATION

PROMISING INNOVATION

NESTLE BRANDS +30% vs #2

World Brands ranking 2015 (value)
Innovations are driving portfolio valorization

- **PREMIUMIZATION**
- **FUNCTIONAL**
- **ON-THE-GO**
- **PLEASURE**
- **DIGITAL**
We care for people by leading healthy hydration

WE BELIEVE WATER SHOULD BE PROMOTED AS THE CHOICE FOR DAILY HYDRATION

HEALTHY PORTFOLIO

EDUCATE KIDS

ENGAGE WITH OTHERS
We care for water by pioneering the water stewardship movement

WE BELIEVE WE CAN DEVELOP OUR BUSINESS BY HAVING A POSITIVE IMPACT ON WATER RESOURCES

SAVE WATER

PROTECT WATER & CATCHMENT

SHARE OUR KNOWLEDGE

CONTRIBUTE TO COMMUNITIES

STRIVE FOR SOLUTIONS
We care for environment by finding new solutions

WE BELIEVE WE CAN DEVELOP OUR BUSINESS WHILE BEING ENVIRONMENTALLY SUSTAINABLE

MEASURE OUR IMPACT

IMPROVE OUR PERFORMANCE

INNOVATIVE SOLUTIONS

EDUCATE OUR CONSUMERS

ENGAGE FOR THE FUTURE
Strong competitive advantage from our business model

End to End management
Lean integrated value chain
Obsession of costs
Specific & deep consumer knowledge
Making choice
Availability is a must
Sensitivity of the product

LEAN AND FOCUSED ON THE CATEGORY
Focus on efficiency gains and Brands investments leads to sustainable value creation

Focusing on efficiency gains With a Lean Value Chain,

Delivered Costs as % of Sales

Fueling our Brands value

Brand Investments

Profit improvement above Group average

ROIC and Free Cash Flow above Group Average

(*) 2015 vs 2011
We will leverage the fastest growing beverage category

BOTTLED WATERS VOLUME SIZE

Source: Zenith International
We are ideally positioned to capture future profitable growth.

LEVERAGING THE FASTEST GROWING BEVERAGE CATEGORY....

UNIQUE WATER ACCESS

AN UN-BEATENED BRAND PORTFOLIO

EFFICIENT AND FOCUSED BUSINESS MODEL

AN INCLUSIVE CULTURE