# 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

150 Years Nestlé

# Nestlé Waters is essential to Nestlé’s Nutrition, Health & Wellness journey


150 Years Nestlé

# 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

150 Years Nestlé

# Fast changing consumers are driving the category

**1** GROWING & AGEING POPULATION

**2** CERTIFIED QUALITY & SAFETY

**3** HEALTHY LIVING

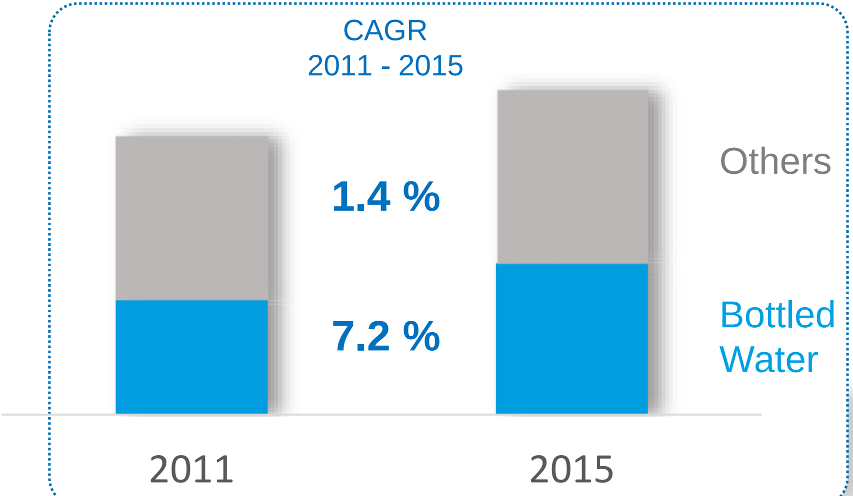
**4** SENSORIAL PLEASURE

**5** FLUID LIFESTYLE

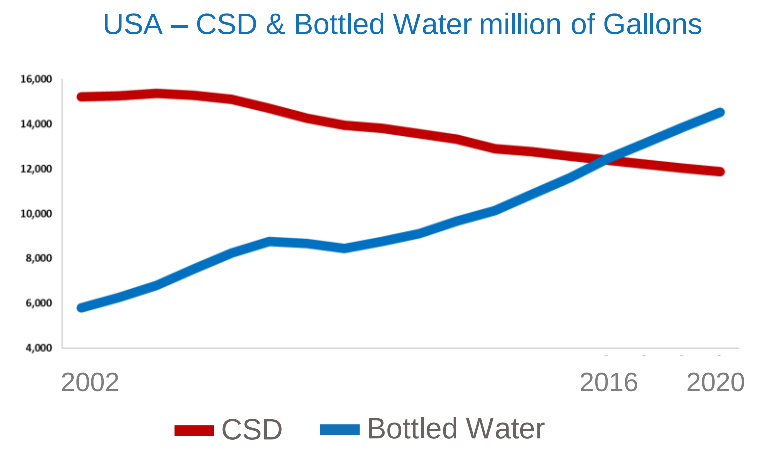
**6** EARTH GUARDIAN

150 Years Nestlé

# Bottled Water is the largest and fastest growing beverage category




NON ALCOHOLIC RTD BEVERAGES VOLUME SIZE IN BILLION LITERS



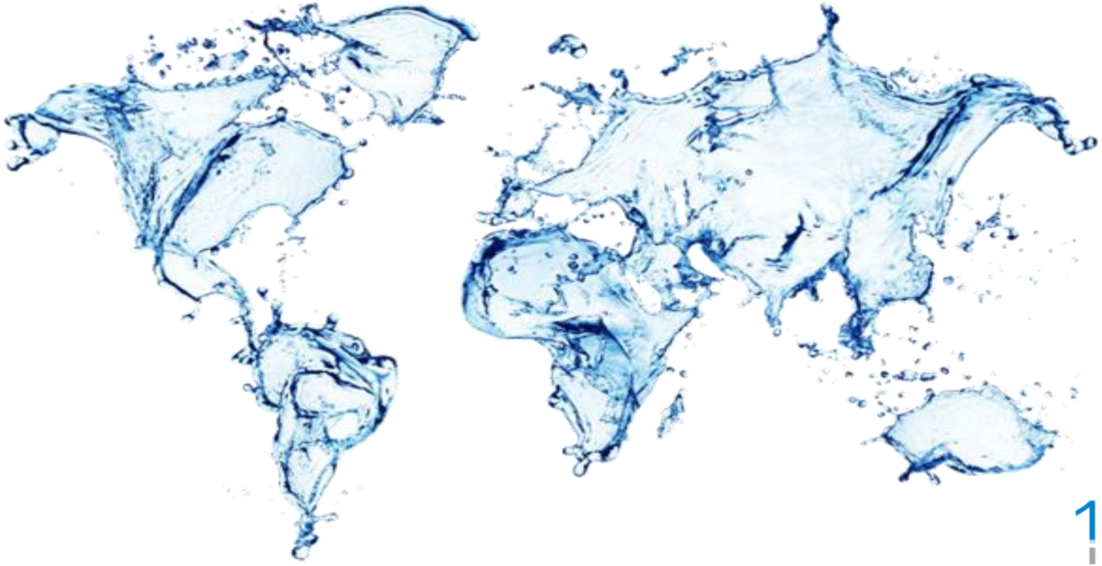

CONSUMERS WILL PURCHASE MORE BOTTLED WATER THAN SOFT DRINKS IN 2016

Source : Euromonitor & Zenith International

150 Years Nestlé

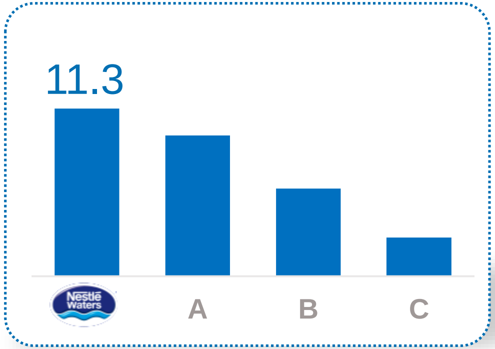
The Healthy Hydration Company™

# Enhance people's quality of life by leading Healthy Hydration through our passion for water



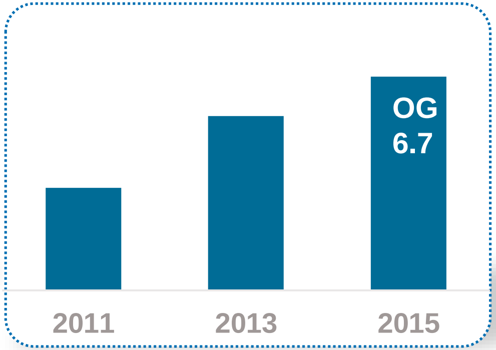
# Nestlé Waters delivered profitable growth

## WORLDWIDE MARKET LEADERSHIP



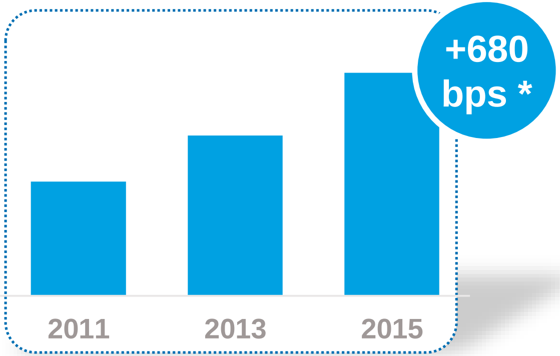

Top 4 players
Value market share
2015

## SUSTAINED GROWTH




Sales

## VALUE CREATION

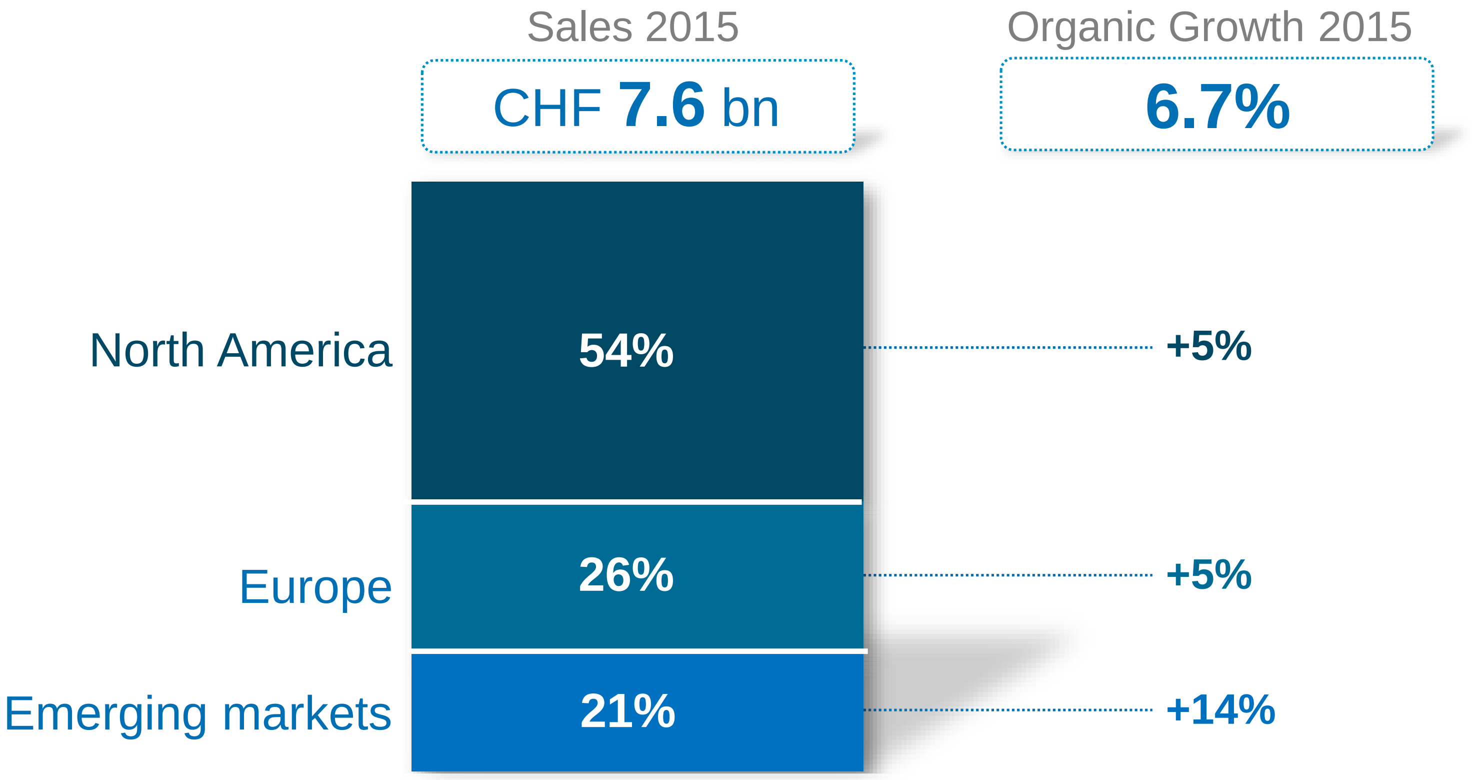



(*) 2015 vs 2011

ROIC

Source : Zenith International

# We leverage category growth via our geographic presence



# We leverage category growth via our Unique Brand Portfolio

| | | | | Price Index | Share of total Sales |
|---|---|---|---|---|---|
|  | Status hydration | PREMIUM INTL SPARKLING BRANDS | S.PELLEGRINO, Perrier | **440** | **18%** |
|  | Active health | LOCAL BRANDS | Erikli, Levissima, Poland Spring | **130** | **57%** |
|  | Daily healthy hydration | NESTLÉ BRANDS | Nestlé Pure Life | **100** | **26%** |



Internal Data 2015

# We are leading the fast growing Sparkling segment

2011-2015 above **7%** yearly growth




NESTLÉ WATERS **#1** ON THE SPARKLING SEGMENT

# Our Local brands have strong territories rooted in their origin

Erikli

NATURAL VITALITY

LEVISSIMA

MOUNTAIN STRENGTH

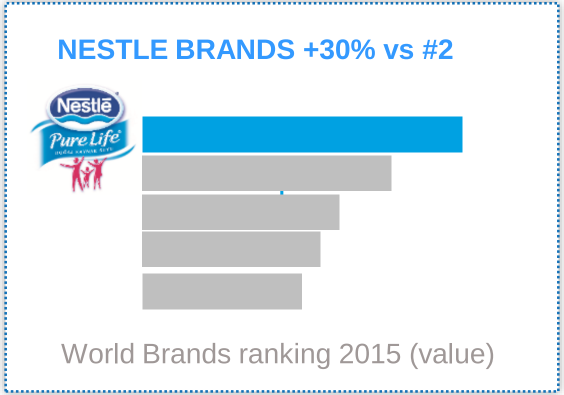

Buxton
NATURAL MINERAL WATER

NATURE'S FORCE


100% NATURAL SPRING WATER
Poland Spring
Proudly From MAINE

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



150 Years Nestlé

# Innovations are driving portfolio valorization


PREMIUMIZATION


PLEASURE

ON-THE-GO

FUNCTIONAL


DIGITAL



150 Years Nestlé

# 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

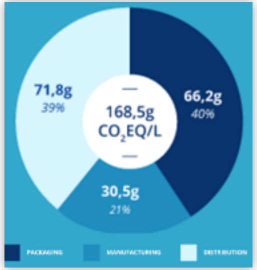
CONTRIBUTE TO COMMUNITIES


STRIVE FOR SOLUTIONS

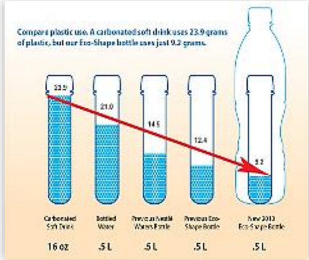
150 Years Nestlé

# 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

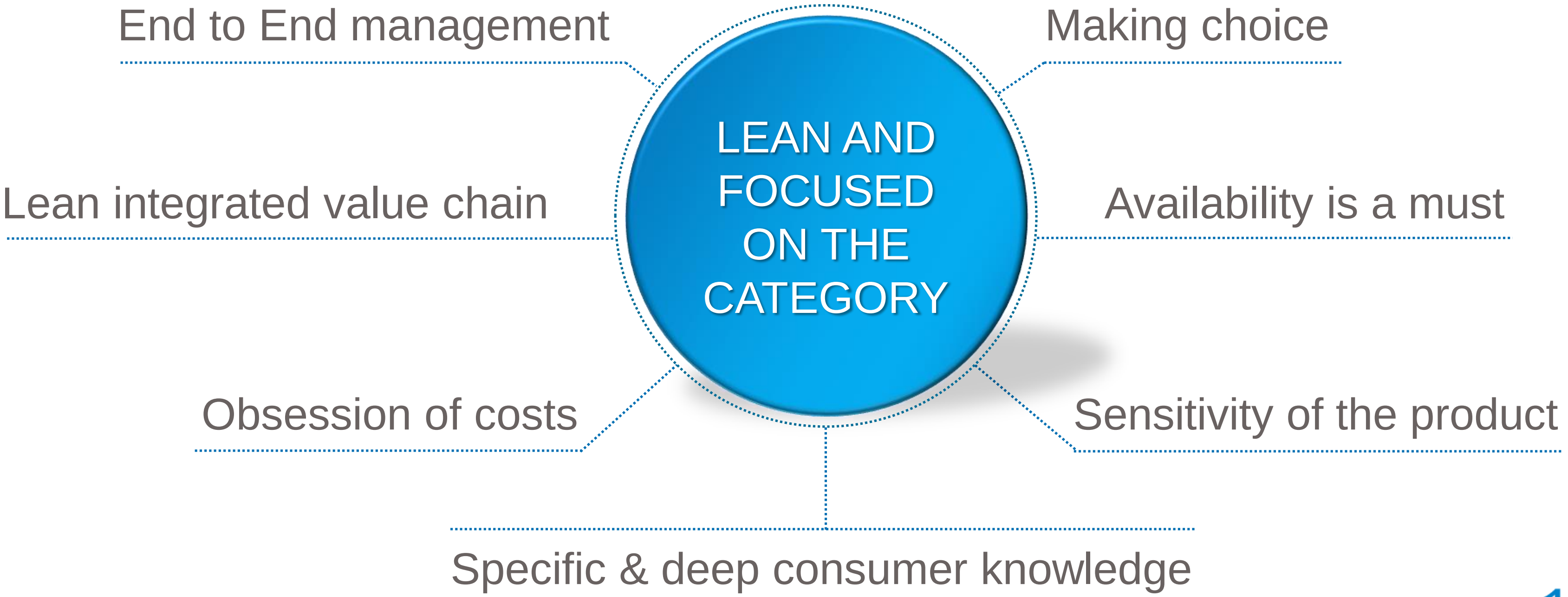

EDUCATE OUR CONSUMERS

ENGAGE FOR THE FUTURE



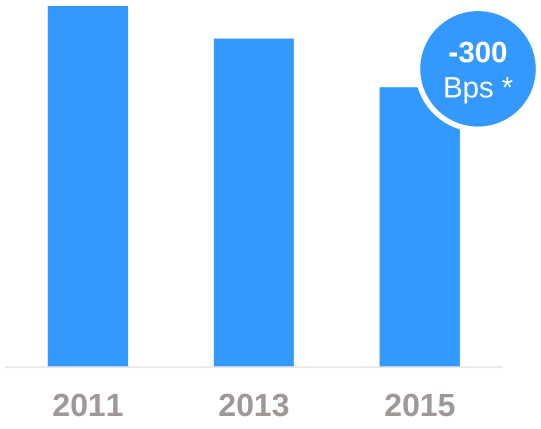
150 Years Nestlé

# Strong competitive advantage from our business model



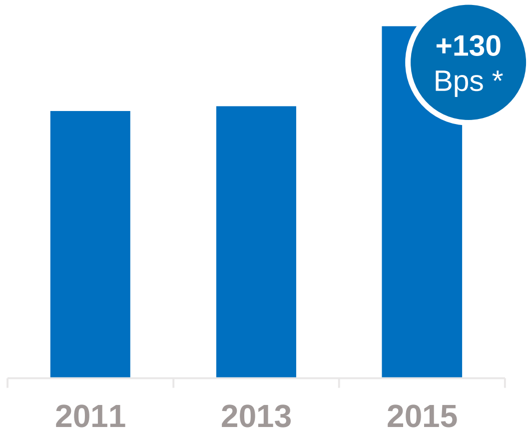
# Focus on efficiency gains and Brands investments leads to sustainable value creation

### Focusing on efficiency gains With a Lean Value Chain,



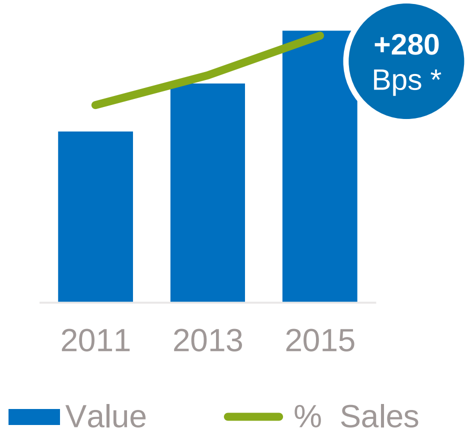

DELIVERED COSTS as % of Sales

### Fueling our Brands value




BRAND INVESTMENTS

### Profit improvement above Group average




TRADE OPERATING MARGIN

(*) 2015 vs 2011

**ROIC AND FREE CASH FLOW ABOVE GROUP AVERAGE**

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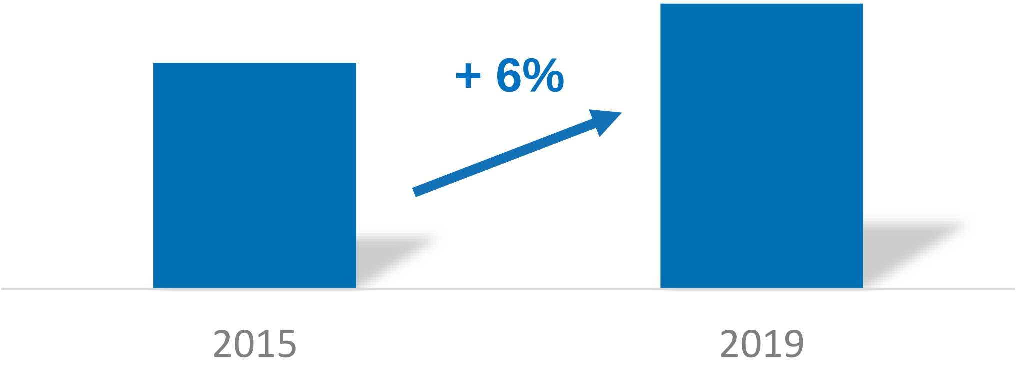
# We will leverage the fastest growing beverage category




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