Accelerating growth through meeting consumer needs

Dharnesh Gordhon
Chief Executive Officer
Nestlé Nigeria
Nigeria represents an extraordinary opportunity:

- **Population**: 170 Mio growing at 2.4%
- **8th most populous country**
- **24.8% unemployment**
- **Low life expectancy and high rate of infant mortality**
- **Urban/rural split**: 52/48
- **Road density**: 1/7 that of India
- **Power generation capacity**: 1/5 that of India
- **GDP**: 500 Billion USD
- **26th largest economy in the world**

Nigeria represents an extraordinary opportunity:
The Nigerian Consumer: Reflecting the diversity of the country

Population est. to be 170 Mio +

19 million
UPPER CLASS (11%)
CHF 90,000-270,000

31 million
UPPER MIDDLE CLASS (18%)
CHF 30,000-80,000

44 million
LOWER MIDDLE CLASS (25%)
CHF 8,000-18,000

59 million
LOWER CLASS (34%)
CHF 2,700-7,000

21 million
SUBSISTENT (12%)
< CHF 900

Population est. to be 170 Mio +
Nestlé Nigeria PLC

- 2,367 permanent employees
- Over 14,000 people work full time as a result of our activities
- 2 Distribution Centers
- Sales operations covering the country

3 manufacturing sites producing over 280,000 tons

Most Trusted Food Company in Nigeria
Best in Corporate Governance
Best Place to work
Our Portfolio

- No.1 *Milo* Powder market in the world
- 80 million *Maggi* cubes sold daily
- Market Leadership in all key categories
- Covering 300,000 stores weekly
Our numbers show our resilience and ambition

**Revenue (NGN Bn)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
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</thead>
<tbody>
<tr>
<td>Value</td>
<td>98</td>
<td>117</td>
<td>133</td>
<td>143</td>
<td>151</td>
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</tbody>
</table>

**+13.6% CAGR**

**Operating Profit (NGN Bn)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
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<tbody>
<tr>
<td>Value</td>
<td>22</td>
<td>26</td>
<td>28</td>
<td>29</td>
<td>34</td>
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</tbody>
</table>

**+12.3% CAGR**

**Marketing & Trade Spends (NGN Bn)**

<table>
<thead>
<tr>
<th>Year</th>
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<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
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<tbody>
<tr>
<td>Value</td>
<td>8</td>
<td>10</td>
<td>14</td>
<td>14</td>
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**+15.8% CAGR**

**EPS**

<table>
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<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>20.8</td>
<td>26.7</td>
<td>28.1</td>
<td>28.1</td>
<td>30</td>
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</tbody>
</table>

**+9.4% CAGR**

**5yr Averages**

- ROA 23%
- ROE 64.3%
- ROIC 47.8%
Nestlé is outperforming the market

Revenue (5 year CAGR %)

- Flour Mills: 3.4%
- GSK: 12.7%
- Nestlé: 13.6%
- Unilever: 4.8%
- Nigerian Breweries: 9.6%
- Guinness: 1.6%

EBITDA (5 year CAGR%)

- Flour Mills: -8.3%
- GSK: -4.8%
- Nestlé: 13.4%
- Unilever: -2.9%
- Nigerian Breweries: 11.7%
- Guinness: 1.4%
Unlocking opportunities through:

1. Sustained brand building
Unlocking opportunities through:

2 Creating Shared Value

- 20 Million households reached with iron-fortified Maggi cubes
- 320 Million servings of Vitamin A enriched Golden Morn consumed
- 24,000 tons of maize purchased from local farmers
- Developing engineers at the Nestlé Training Centre Agbara
- Creating Youth Employment through MYOWBU (My Own Business Scheme)
Unlocking opportunities through:

3 Unique and affordable products

- 10 Naira for 3 cubes
  - 5 cents $
- 55 Naira for 50g
  - 25 cents $
- 40 Naira for 20g
  - 20 cents $
- 60 Naira for 32g
  - 30 cents $
- 20 Naira for 3 cubes
  - 3 cents $/cube
- 25 Naira for 2g
  - 12 cents $
- 70 Naira for 50g
  - 35 cents $
- 10 Naira
  - 5 cents $

The secret has always been Soya

With MAGGI, Every Woman is a Star
Unlocking opportunities through:

4. Best-in-class proximity to shopper

We serve 300,000 retail points every week.
Nestlé has the ideal strategy to access opportunities

1. Large growing consumer base

2. Increasing demand for healthier, tastier options

3. Growth of modern trade will expand category range

4. Premiumization opportunity at the top of the pyramid

5. Local sourcing, a key to sustaining growth

When scaled against the size of the market the upside potential is immense
4 Key Takeaways

1. **UNIQUE AND AFFORDABLE PRODUCT PORTFOLIO**
   is key to unlocking the opportunities

2. **FOCUS ALLOWS US TO ALLOCATE RESOURCES TO THE RIGHT IDEAS**
   whilst mastering complexity over market and supply networks

3. **CREATING SHARED VALUE**
   enables a clear competitive edge in all aspects of the value chain

4. **ROUTE TO MARKET SUPREMACY**
   is critical to accelerating growth