Nestlé: Pursuing our value creation strategy

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Chief Executive Officer,
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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 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.

This presentation contains certain financial performance measures which are not defined by IFRS. Management believes that these non-IFRS measures provide additional useful information to assess the financial and operational performance of the Group. Such measures may not be comparable to similar measures presented by other companies and are explained and/or reconciled with our IFRS measures (Consolidated Financial Statements) in the Nestlé Group Alternative Performance Measures (APMs) document available on our Investor Website.
In my own words…

• We have a clear path to achieving our 2020 targets
• We have sharpened our Nutrition, Health and Wellness strategy
• We pursue growth, margin and capital efficiency for sustainable value creation
• We are innovating faster for a changing world
• We are committed to Creating Shared Value
Progress on improvement areas identified in 2017

**Accelerate NHW strategy**
- Sharpened focus on core food & beverage and nutritional health products
- Active portfolio management totaling CHF 14.7 bn (2017-2018)

**Boost organic growth**
- Improved organic growth to 3.0% in 2018, 3.4% in Q1 2019
- Upgraded R&D innovation engine to drive superior and sustainable organic growth

**Balance growth and margin**
- Structural savings program on track
- Underlying trading operating profit margin increased by 100 bps since 2016

**Improve capital efficiency**
- ROIC after goodwill increased by 90 bps since 2016, now at 12.1%
- Leveraging balance sheet with CHF 20 bn share buyback (Jul 2017-Dec 2019)

**Drive speed and simplicity**
- Infant nutrition business integrated into Zones
- Faster and leaner innovation model
Pursuing our Nutrition, Health and Wellness strategy

Food and beverages are core

- Healthy, delicious, convenient products for modern time-constrained lifestyles
- Premiumization in developed and emerging markets
- Affordable high-quality nutrition in developing countries

Nestlé Health Science and nutritional health products as an additional growth platform

Creating Shared Value (CSV) to generate value for shareholders and society
Our long-term value creation model

Balanced pursuit of top-line and bottom-line growth with capital efficiency

Increase growth
Reach mid-single digit organic growth by 2020

- Fix base business
- Portfolio management
- Invest in high-growth categories and geographies

Improve margins
Reach underlying trading operating profit margin of 17.5% to 18.5% by 2020

- Reduce structural cost
- Increase operational efficiency
- Deliver procurement savings

Allocate capital prudently

- Invest in growth drivers: R&D, marketing
- Exercise discipline in CAPEX, acquisitions and disposals
- Return cash to shareholders

Maximize long-term shareholder value

Creating Shared Value

Increasing growth
Reach mid-single digit organic growth by 2020

Allocate capital prudently

- Invest in growth drivers: R&D, marketing
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Maximize long-term shareholder value

Creating Shared Value

Accelerating growth
Strategy
Consistent results

May 7, 2019 | Nestlé Investor Seminar 2019
Investing in high-growth categories and geographies...

2018

High-growth categories

- Sales
  - Coffee, PetCare, Infant Nutrition, Water, NHS**: 57%
  - Other categories: 43%

- Underlying TOP*
  - Coffee, PetCare, Infant Nutrition, Water, NHS**: 61%
  - Other categories: 39%

High-growth geographies

- Sales
  - Developed: 58%
  - Emerging: 42%

- Underlying TOP*
  - Developed: 55%
  - Emerging: 45%

Organic growth

- High-growth: 4.9%
- Developed: 1.6%
- Emerging: 4.0%

* Underlying trading operating profit (UTOP) is before unallocated items
**NHS refers to Nestlé Health Science
…while capturing opportunities in other categories

<table>
<thead>
<tr>
<th>Product</th>
<th>Growth Description</th>
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<tbody>
<tr>
<td>Maggi</td>
<td>High single-digit growth in AOA</td>
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<tr>
<td>Milo (Ready-to-Drink)</td>
<td>Double-digit growth</td>
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<tr>
<td>KitKat</td>
<td>High single-digit growth</td>
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<tr>
<td>Sweet Earth and Garden Gourmet</td>
<td>Strong double-digit growth</td>
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<tr>
<td>Bear Brand and Yiyang</td>
<td>Adult milk with double-digit growth</td>
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<tr>
<td>Häagen-Dazs</td>
<td>Mid single-digit growth</td>
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Addressing underperformers

Nestlé Skin Health

- Significant progress in past two years
- Developed convincing growth strategies
- Regained competitive cost structure
- Exploring strategic options

- Contemporizing with organic offerings and healthy snacks
- Accelerating innovation frequency
- Innovating beyond plain water

- Transforming visuals
- Expanding new platforms: plant-based and other food trends
- Investing in growth channels
- Premiumizing key local brands
- Focusing on sustainability

- Developed convincing growth strategies
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Developing our portfolio

Divesting / reviewing under-performing or non-core businesses

Acquiring / investing in high-growth and core segments

~ 50 transactions / reviews since 2017, equivalent to ~ 9% of Group sales
Bringing relevance to consumers

Science- and consumer-driven innovation…

- Science-based
- Organic / Natural
- Food intolerance
- Local origins
- Packaging
- Plant-based
- Personalized nutrition
- Ready-to-Drink
- Convenience

…brought to market faster…

… and continuously updated to resonate with consumers
Driving organizational agility

<table>
<thead>
<tr>
<th>Fast</th>
<th>Simple</th>
<th>Digitally switched on</th>
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<tbody>
<tr>
<td>• De-layering</td>
<td>• Streamlined processes</td>
<td>• Connected</td>
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<tr>
<td>• Increased accountability</td>
<td>• Increased automation</td>
<td>• Data-driven</td>
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<tr>
<td>• Enhanced decision-making</td>
<td>• Economies of scale</td>
<td>• Platform-focused</td>
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<tr>
<td>• Increased risk appetite</td>
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Creating Shared Value

Creating Shared Value

Sustainability

Compliance

For individuals and families

For our communities

For the planet
Creating Shared Value: Living our purpose and values

Contribute to healthier lives

Lead the way towards a waste-free future

Foster diversity and inclusion

Build strong communities and supply chains
Brands with purpose: Garden Gourmet
Sustainable and responsible by design

Sustainability at the core

- Journey to 100% plant-based ingredients
- Responsible raw material sourcing
- Veganizing assortment to minimize carbon footprint

Ambition to become a role model in packaging

**Recyclable**
All packaging components 100% recyclable by **2019**

**Responsible**
Minimize packaging materials used

**Plastic-free**
Move to non-plastic alternatives **2022 +**
Our long-term approach delivers strong total shareholder returns

<table>
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<tr>
<th>Consistent TSR* performance</th>
<th>CHF 118 bn returned to shareholders since 2008</th>
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<tbody>
<tr>
<td>10 year</td>
<td>5 year</td>
</tr>
<tr>
<td>Nestlé</td>
<td>373%</td>
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<tr>
<td>STOXX F&amp;B</td>
<td>282%</td>
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CHF 49 bn Share buybacks

CHF 69 bn Dividend payments

* Total Shareholder Returns (TSR): Share price appreciation plus dividend reinvestment. Both Nestle and peer median STOXX 1800 Global Food and Beverage are calculated in EUR. All data is gross except STOXX 5 and 10-year where net data is used as gross values are unavailable. Source Bloomberg Data as of 30.04.2019.
Much done, more to come

<table>
<thead>
<tr>
<th>Accelerate NHW strategy</th>
<th>• Further evolve portfolio towards high-growth categories and geographies</th>
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<tbody>
<tr>
<td>Boost organic growth</td>
<td>• Accelerate innovation and improve pricing</td>
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<tr>
<td>Balance growth and margin</td>
<td>• Deliver consistent, sustainable improvement on both dimensions</td>
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<tr>
<td>Improve capital efficiency</td>
<td>• Maintain capital deployment discipline and increase accountability</td>
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<tr>
<td>Drive speed and simplicity</td>
<td>• Continue to speed up to stay ahead of changing markets / competition</td>
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