

Leading the world of coffee



David Rennie
Head of Beverages SBU

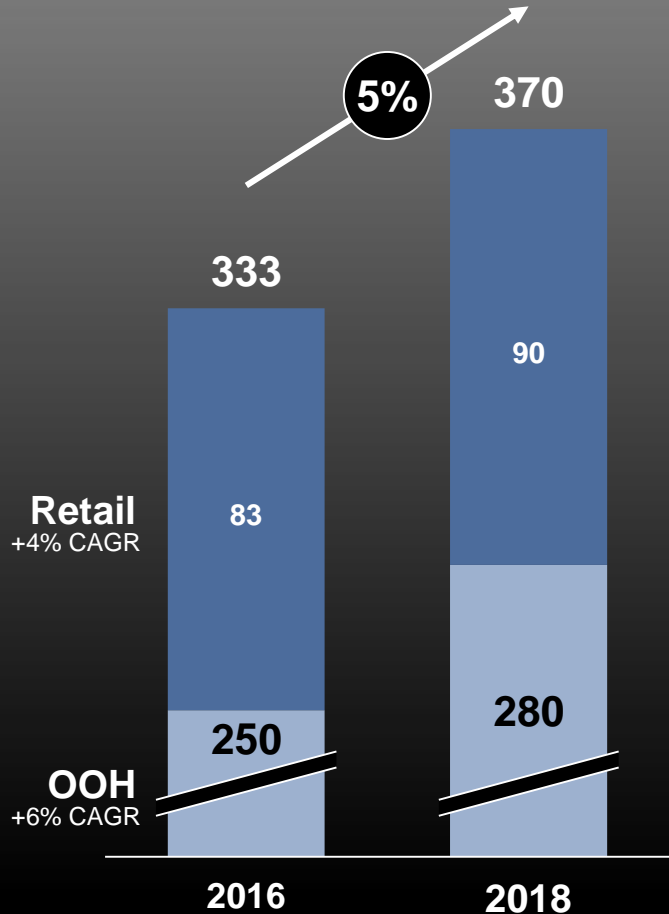
Disclaimer

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 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.

Coffee is a dynamic and growing category

A fast-growing category (Value growth 2016-2018, CHF bn)



Significant category growth opportunities to target in next 5 years

Portioned	CHF +5 bn CAGR +5%
RTD*	CHF +4.5 bn CAGR + 8%
Soluble	CHF +3.5 bn CAGR +3%
Premium R&G and Whole Beans	CHF 1 bn CAGR +6%
Workplace	CHF +12 bn CAGR +5%
Hotels	CHF +4 bn CAGR +3%

* Excluding RTD Japan

With the three most iconic coffee brands, Nestlé now has the best portfolio to delight consumers around world

NESCAFÉ



The world's preferred coffee brand

Mainstream, everyday premium, approachable, versatile, universal

NESPRESSO



Leading premium portioned coffee brand

The everyday affordable luxury, stylish, European flair, undisputed superior quality



STARBUCKS



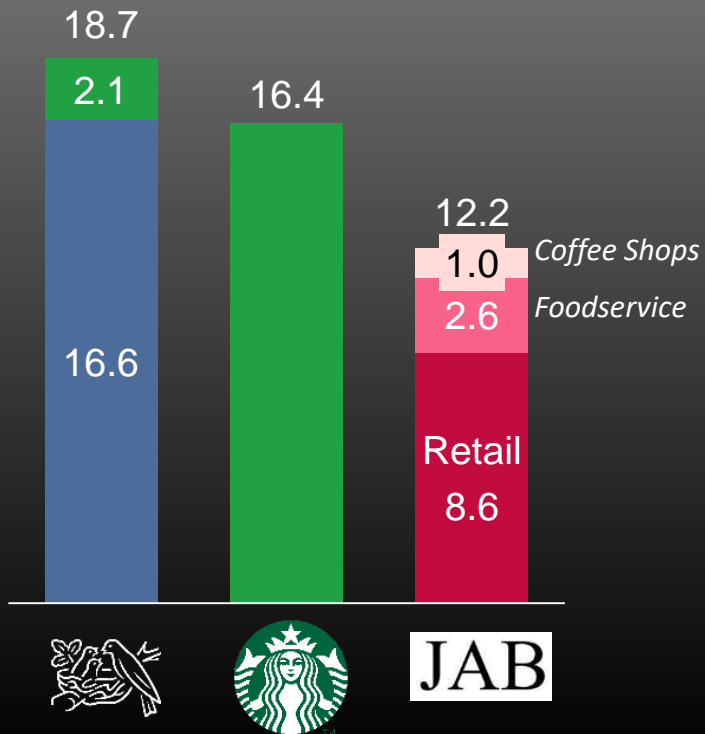
The iconic coffee shop brand

American lifestyle, long cup, indulgent, convivial, innovative

Nestlé leads the global Coffee category

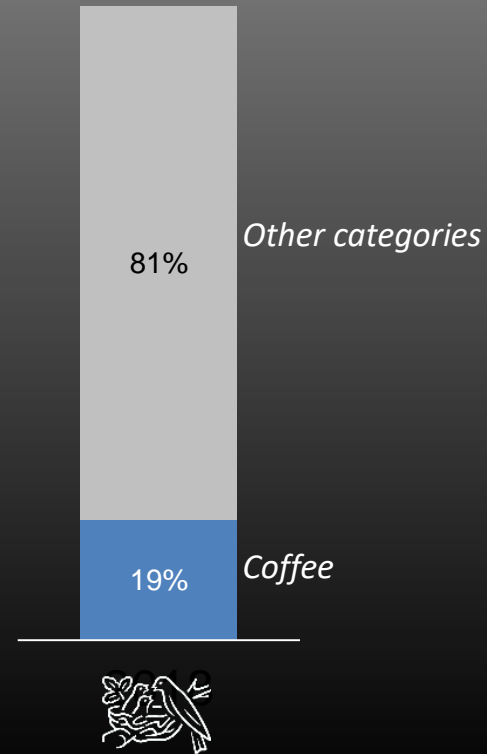
#1 coffee company

Estimated coffee sales
Top 3 players (2018, CHF bn)



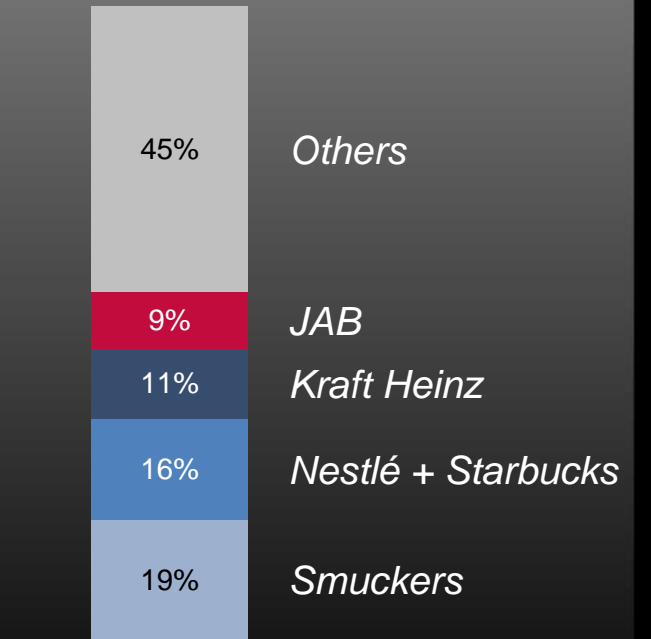
#1 category for the Group

Reported Nestlé sales 2018, CHF bn



#2 in US with Starbucks

US retail coffee market 2018



Nestlé sales including Starbucks pro forma
Source: Nestlé data and estimates of coffee sales

5 strategic growth imperatives

Strengthen
our core business



Lead
in innovation



Embrace
the cold opportunity



Accelerate
in OOH



Deliver
the Starbucks plan



5 strategic growth imperatives

Strengthen
our core business



Lead
in innovation



Embrace
the cold opportunity



Accelerate
in OOH



Deliver
the Starbucks plan



Origins to reinforce our coffee authenticity and superiority



Nescafé Gold Origins

18 markets, 2018-2019



Master Origins

Global, September 2018

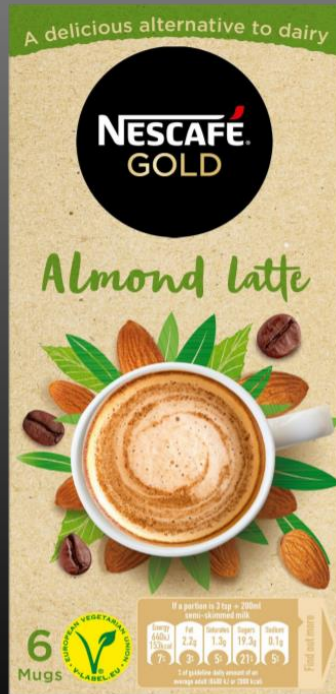


Nescafé Dolce Gusto
Absolute Origins

Global, March 2018-2019

Bringing new sensory experiences to coffee lovers

Offering the first soluble
plant-based mixes



Nescafé plant-based mixes
EMENA & LATAM, July 2019

Indulgent milk & cold based
experiences



Nespresso Barista Creations
Global, April 2019

Coffee shop inspired ranges



Nescafé Dolce Gusto Flat White
Global, Sept. 2018

Driving sustainability as a competitive advantage

Reviving high-quality coffee production in regions where it was under threat



Nespresso revival
2019

Engaging with consumers on our coffee sourcing practices



Grown Respectfully
Global campaign 2018

Leading on responsible aluminum sourcing & recycling



Caran d'Ache
June 2018

5 strategic growth imperatives

Strengthen
our core business



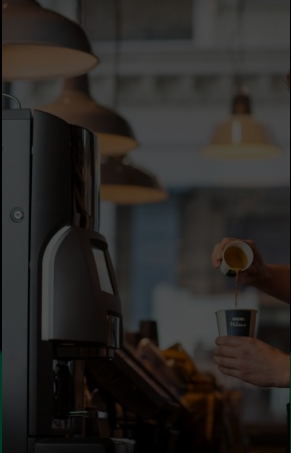
Lead
in innovation



Embrace
the cold opportunity



Accelerate
in OOH



Deliver
the Starbucks plan



Leverage patented technology to make the difference in the cup

Delivering superior taste

Patent



Proprietary in-house manufacturing of Cold Brew

Offering healthier and more sustainable choices

Patent



Indulgent mixes with reduced fats & sugar

Leading new trends

Patent



Connectivity for enhanced personalized coffee experience

Create gaps in machine design and functionality

Upgrading the long cup coffee experience



Nespresso Vertuo
Global

Connected system for full personalization



Nescafé Dolce Gusto Esperta
Global, March 2019

On-the-go coffee smart mug



É by Nescafé
India, Oct. 2018

5 strategic growth imperatives

Strengthen
our core business



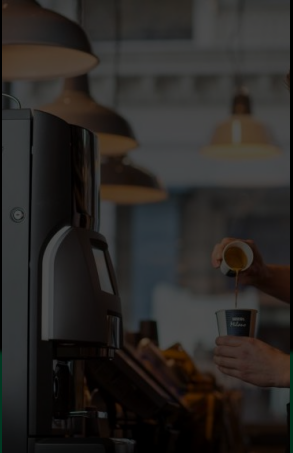
Lead
in innovation



Embrace
the cold opportunity



Accelerate
in OOH



Deliver
the Starbucks plan



Continue to create competitive gaps in Asia

China



#1 in China
Nescafé Cold brew

ASEAN



#1 in ASEAN

Japan



#1 in Japan
(Take Home)

A focused strategy to grow fast in the US

Authenticity



Chameleon Cold Brew
with organic milk
US, 2018

Sensory experiences



Cold Whipped Latte
US, Jan. 2019

Healthy lifestyles



Coffee Protein Smoothie
US, Jan. 2019

5 strategic growth imperatives

Strengthen
our core business



Lead
in innovation



Embrace
the cold opportunity



Accelerate
in OOH



Deliver
the Starbucks plan



Incremental 50 bn cup opportunity to target in 5 priority channels



Workplace



Hotel



Convenience

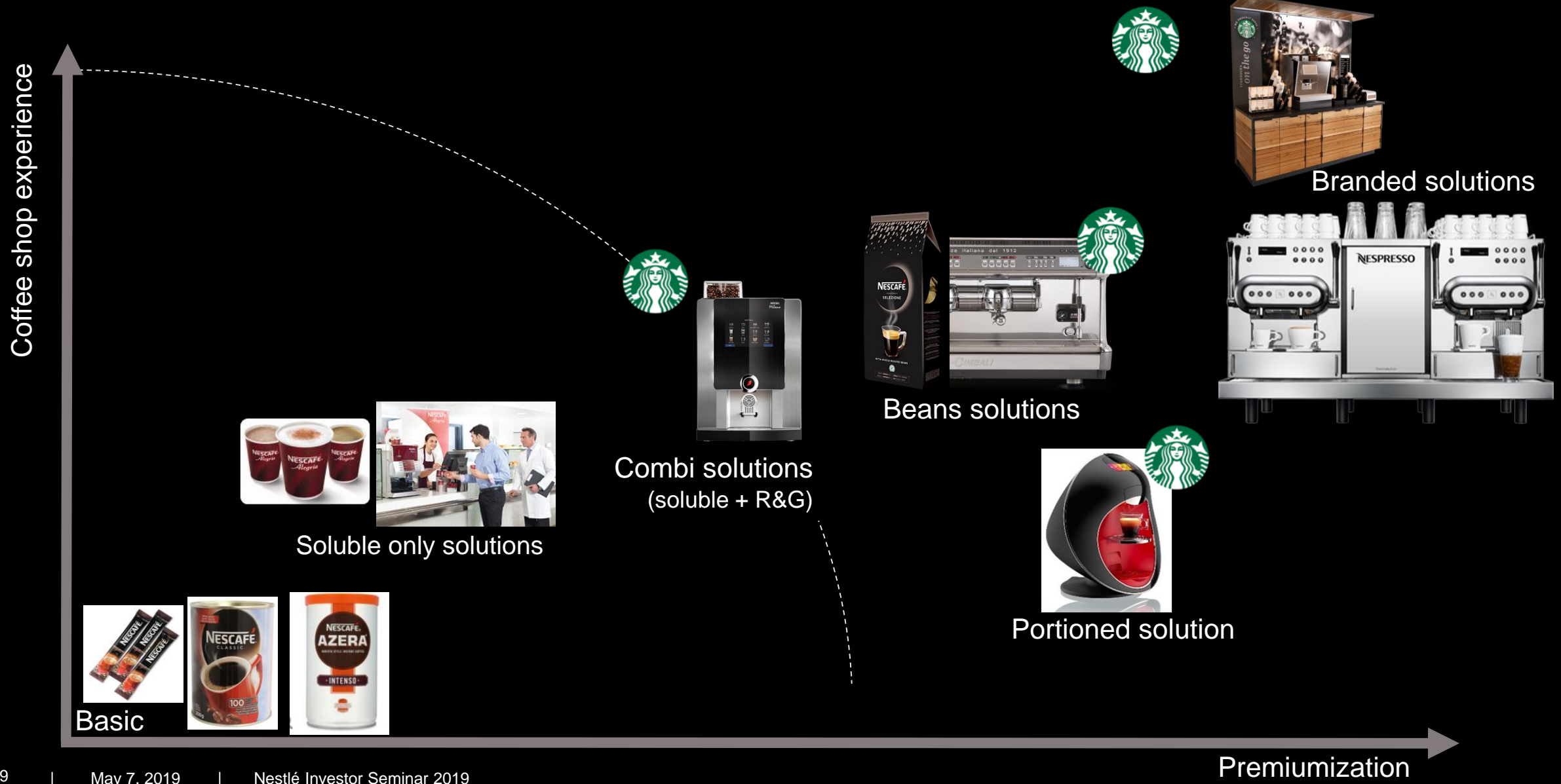


Travel



Education

Enriching consumers' experiences with our 3 leading brands



Create customer value and enrich consumer experiences

Connected system with
integrated telemetry,
dispenser & payment



Nespresso Momento
Global, 2019

Re-defining experience for
self-served / paid consumption



Nescafé Corner
China, Malaysia, Turkey, France, 2018

Bringing Starbucks experience
to offices and hotels



We proudly serve Starbucks
Accelerated rollout China & Brazil, 2019

5 strategic growth imperatives

Strengthen
our core business

Lead
in innovation

Embrace
the cold opportunity

Accelerate
in OOH

Deliver
the Starbucks plan

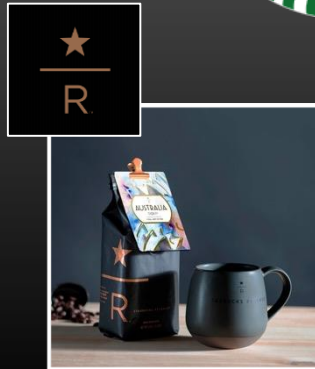


We have built a unique coffee portfolio with the Starbucks deal

We have acquired a successful USD 2 bn business...



and licensed in perpetuity and globally the Starbucks brands...



in all CPG formats excl. RTD & all OOH channels



We have moved fast – from acquisition to launch in 6 months

August

Deal closed

July - Sept.

Priority markets &
launch range agreed

Products validated

Sept. - November

Launch plan approval

March 2019

Launch



Expanding fast in new formats and new markets



Starbucks by Nespresso



Starbucks by Nescafé Dolce Gusto



Starbucks R&G and WB

Continue to win in the US

Authenticity



Premium select
2019

Sensory experiences



Cold brew pitcher packs
Sept. 2018

Healthy lifestyles



Plus K-Cups
2018-2019

Starbucks coffee is coming home



Key takeaways

- Nestlé #1 globally with the 3 leading brands
- Significant growth opportunities across brands, channels and markets
- Leading innovation capabilities and strong pipeline
- Moving at speed to capture the growth