



Nestlé Good Food, Good Life



*Empowering healthier lives
through nutrition*

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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 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.

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Our business



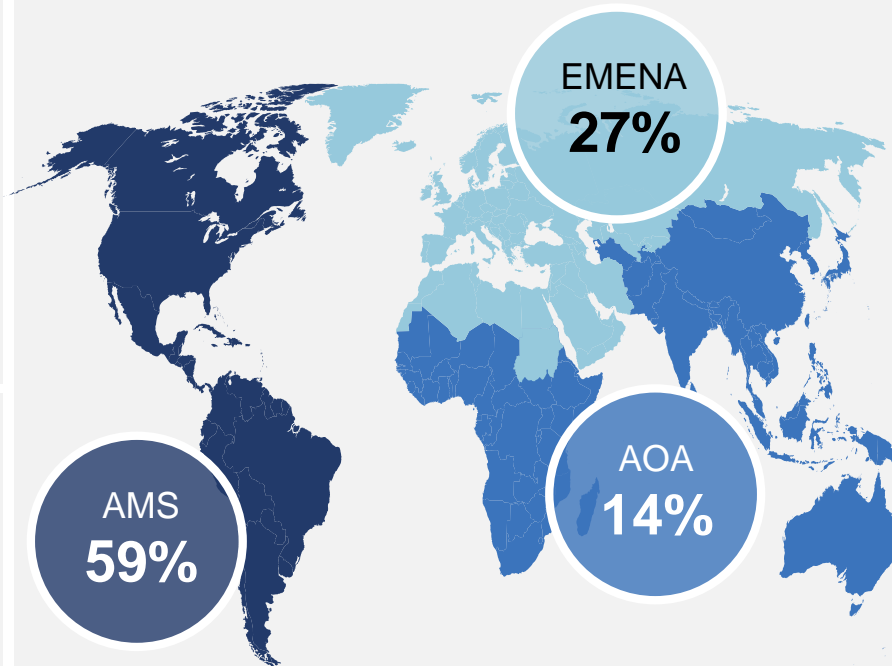
Key 2018 figures

Sales
CHF 2.7 bn

Underlying
TOP

15.5%

Where



What

**Consumer
care**

53%

**Medical
nutrition**

47%

Number of factories
11 dedicated factories
19 shared factories

Top brands

Peptamen®

resource®

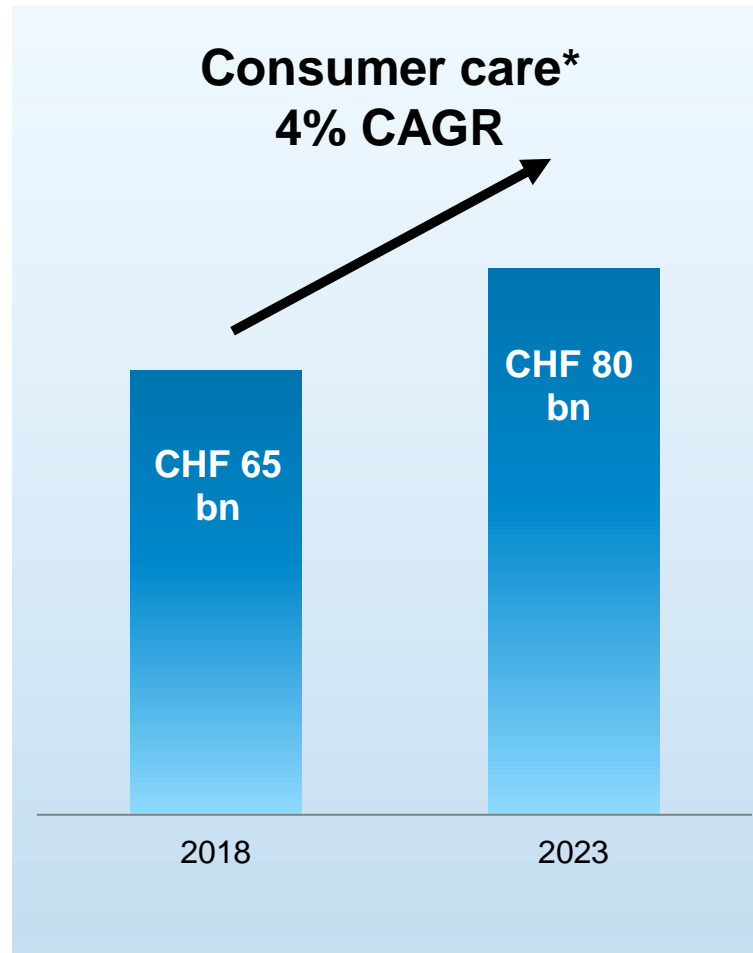


pure
encapsulations

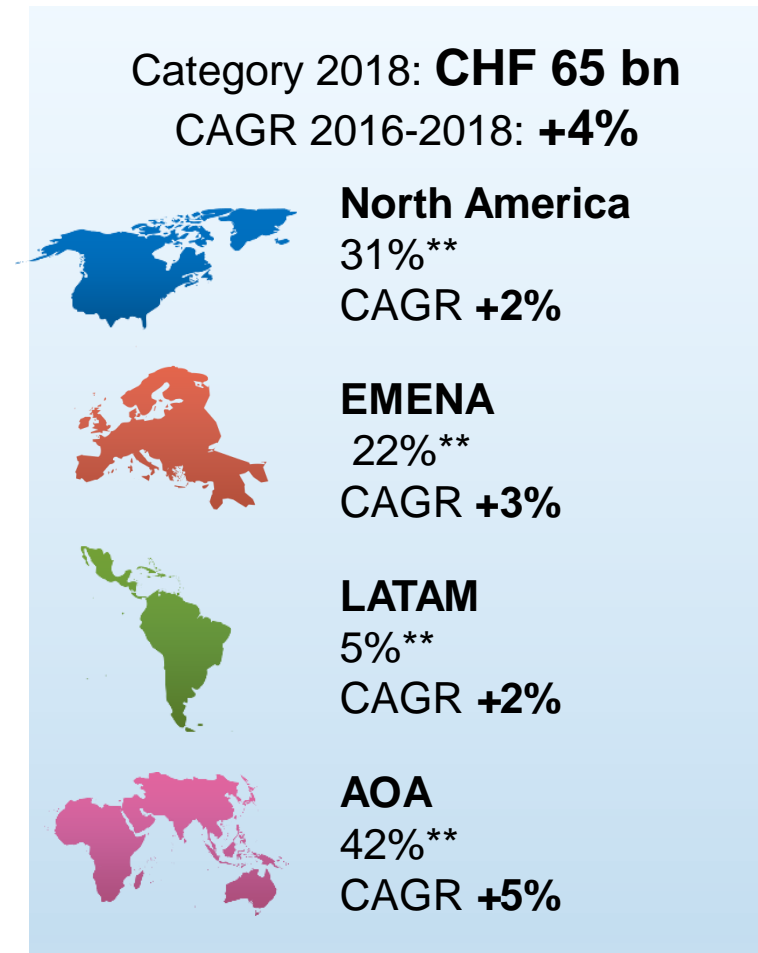
Consumer care category is large with attractive growth



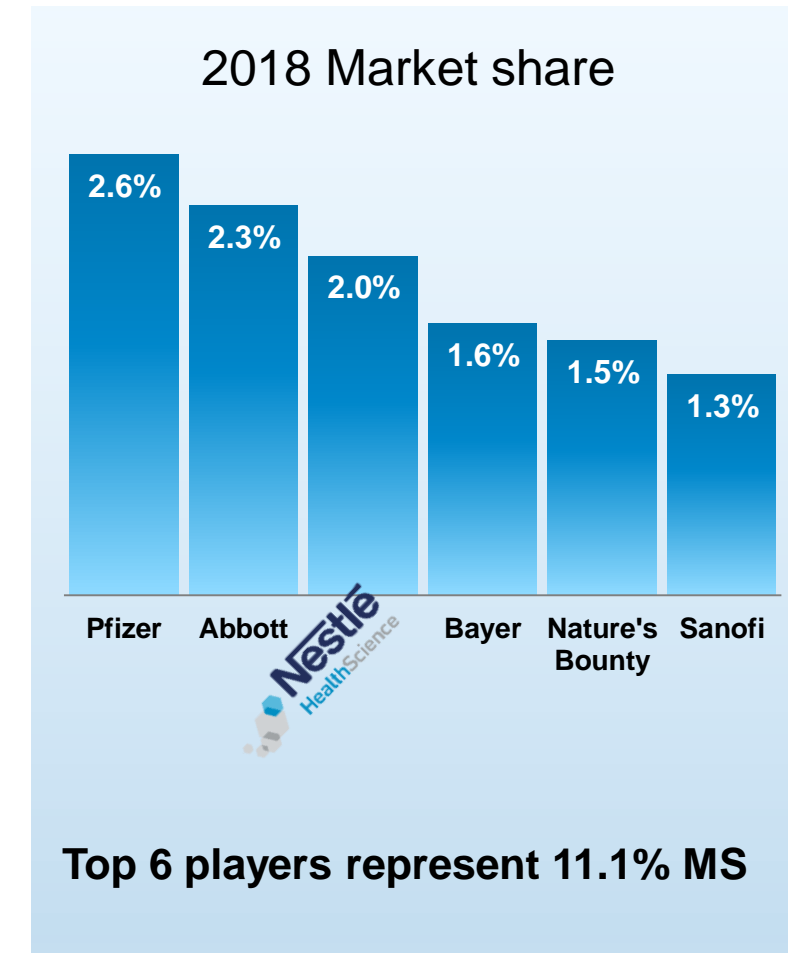
Category outlook



Broad-based growth



Competitive landscape



*Category consists of: Active nutrition, sports nutrition and weight management, vitamins, minerals, supplements and herbals

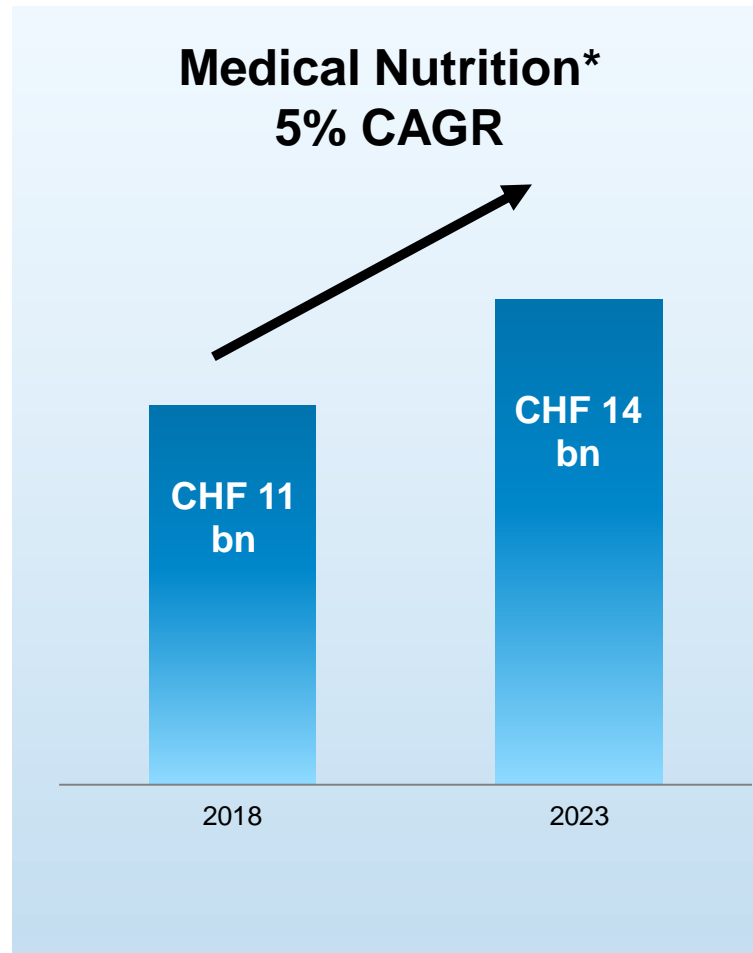
** % of 2018 category sales

Source: Euromonitor 2019

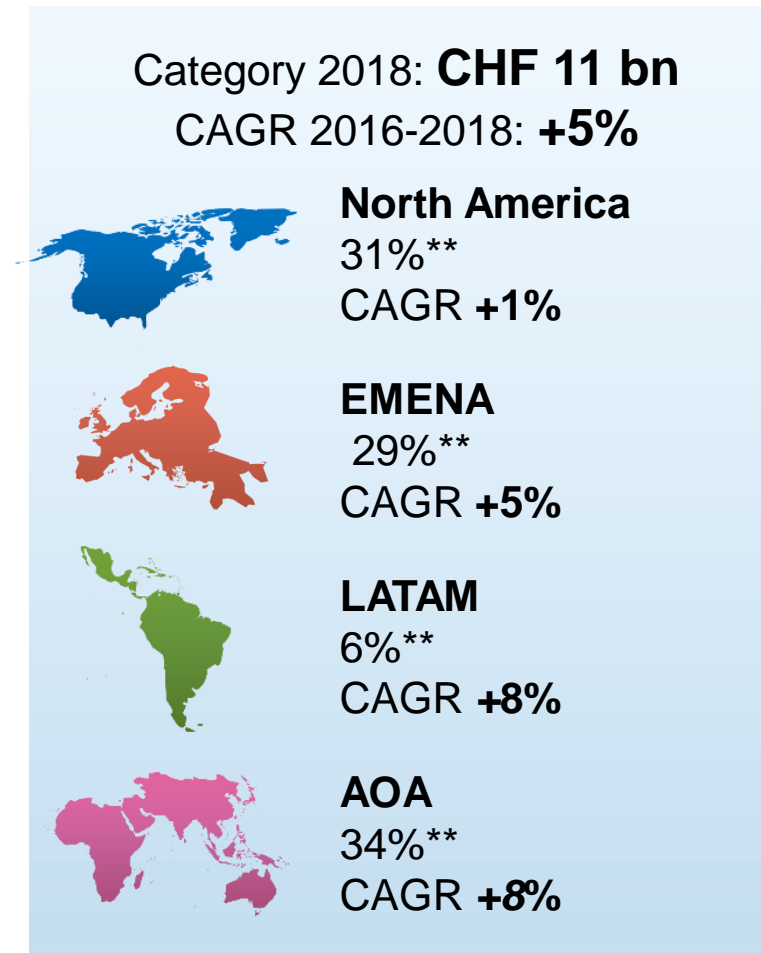
Global medical nutrition category has strong growth



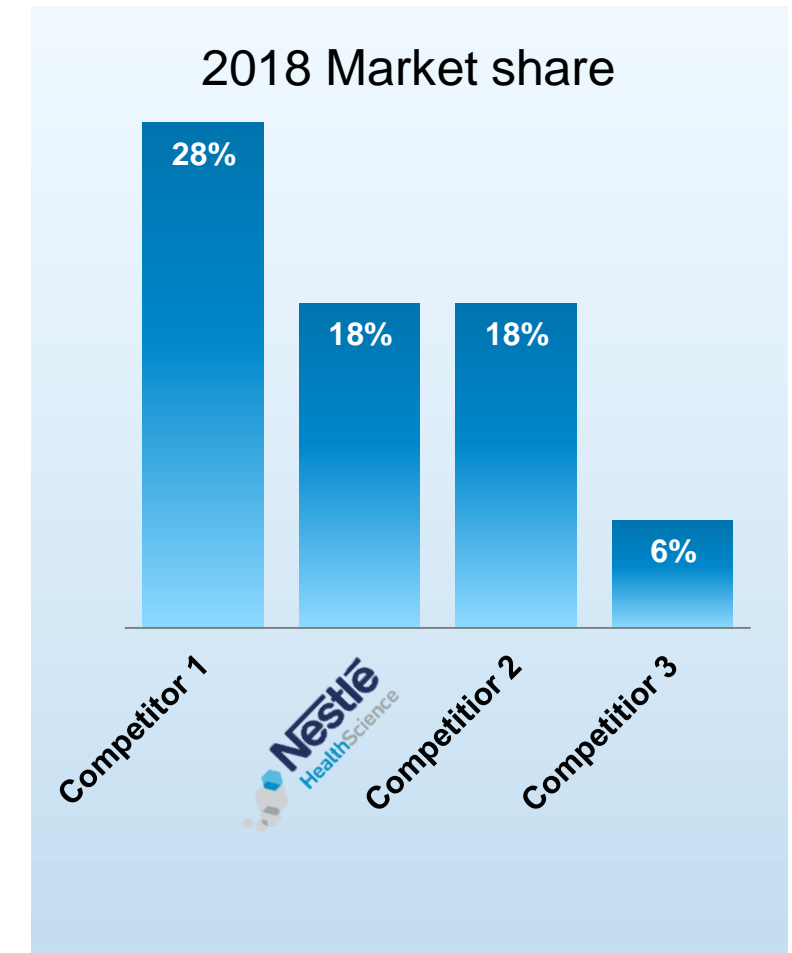
Category outlook



Broad-based growth



Competitive landscape



* % of category sales

** % of 2018 category sale

Source: financial reports, market data and internal analysis

Key category trends



(Dr. Google) health consciousness, prevention and self-pay



Specialized diets
(Keto, vegan, gluten free, etc.)



Natural, organic, non-GMO, real food



Sustainability



Disease and treatment specific
Dialysis, cancer, etc...



Growing scientific evidence for the impact of nutrition on health



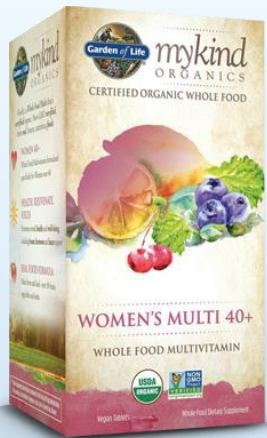
Our strong brands have leading positions



Consumer care



Medical nutrition



**#1 VMS*
brand in
specialty
retail and US
e-commerce**



**#1 VMS
brand in
HCP**
#4 on US
e-commerce**



**#2 RTD adult
nutrition in
the US**



**Leading
brand in
Latin
America and
Asia**



**Global
leader in
specialty
intensive
care unit**



**Leading
brand
globally in
severe
allergy**



**Leading
brands in
tube feeding
and oral
nutrition**

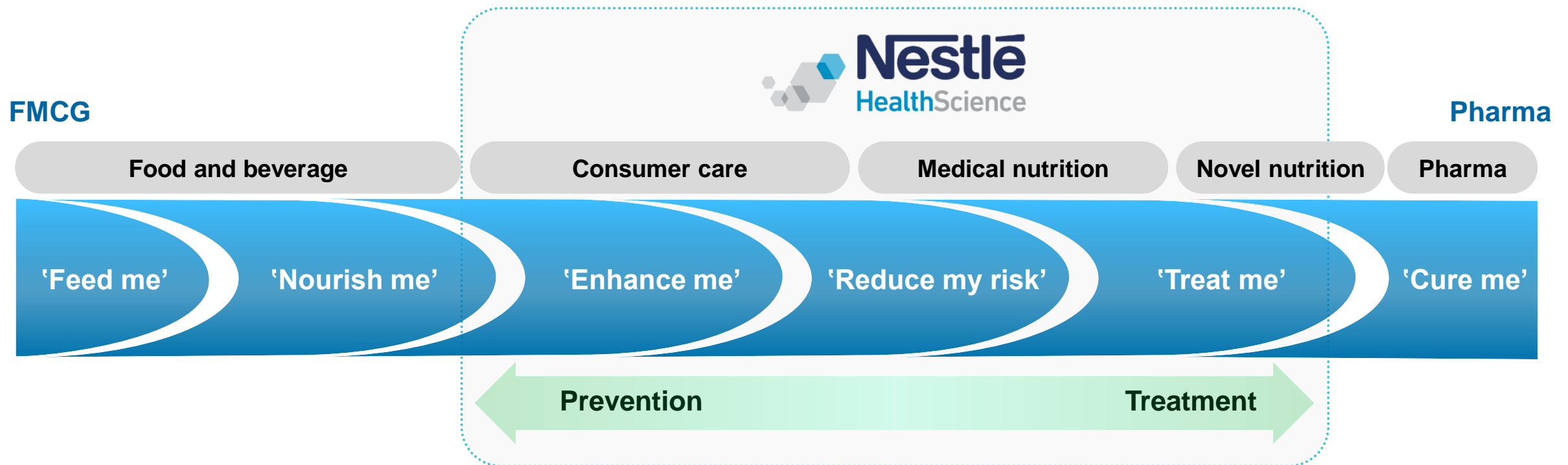
* Vitamins, minerals, supplements

** Health care practitioner

Focusing on nutritional health between F&B and pharma



Specialized nutrition providing science-based health solutions to consumers, patients and health care professionals in prevention and treatment



Strong capabilities driving successful execution



Health care practitioner *and* consumer access and insights create a *powerful ecosystem* to succeed

Health care practitioner

Leveraging:

- Clinical evidence
- Key opinion leaders
- Sales force
- Market access



Consumer

Providing:

- Consumer insights
- DTC marketing
- Retail distribution
- E-commerce



Priorities to drive growth



Grow the core

- Medical nutrition specialty growth
- Consumer care targeted expansion
- Lead in digital and e-commerce



Deliver new growth

- Leading innovation
- Global expansion
- Channel expansion
- External opportunities



Sustainable operational excellence

- Reliable and efficient supply chain
- R&D and clinical productivity
- Excellence in quality, regulatory and medical



Winning through people and teams

- Strong employee engagement
- Unleashing talent
- Growing capabilities

Key areas of focus to address internal and external growth opportunities



Allergy

From prevention to treatment



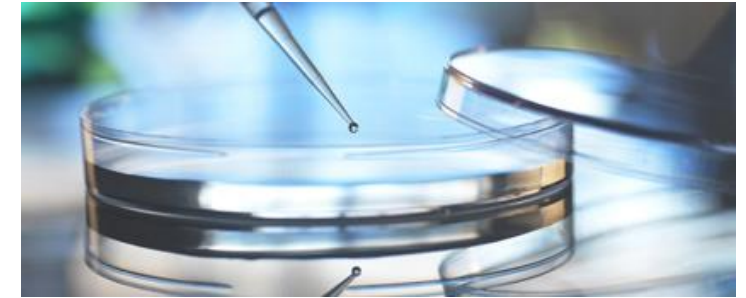
Healthy aging mitochondrial health

From general health to cellular nutrition



Microbiome

From gut benefits to disease impact



Metabolic health

From weight management to diabetes



Personalization

From targeted needs to individualization



Vertical e-commerce and services

From increasing access to eHealth solutions



Capturing digital and e-commerce opportunities

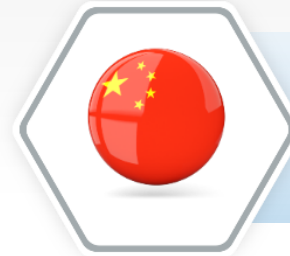


Strong performance and promising outlook

CHF 300 m e-commerce sales in 2018 (CAGR 2016-2018, 29%)



+57% organic growth



+87% organic growth



#1 VMS brand
on US e-commerce



#4 VMS brand and
1 professional brand
on US e-commerce

Key strategies

Accelerate e-commerce ROW

Invest in digital health

Strengthen online consumer
engagement and social media

Strong innovation pipeline aligned with global consumer trends



Authenticity

Natural / Organic and fresh/ Raw



Authentic and origin

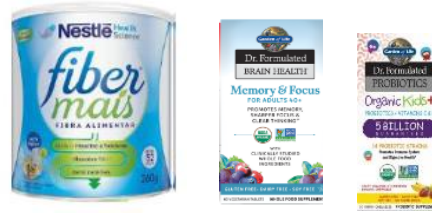


Healthy lifestyles

Free-from / Food sensitivities



Microbiome / Prebiotic



Vegetarian and vegan



Proactive health management



Experiences

Experimental and novel



Sustainability



Strong innovation and science: Early in trends



First national supplement brand to launch CBD oil in the US



Setting the right standards in CBD

- Well known and trusted brand
- Dr. formulated and recommended
- THC-free
- 3rd Party certified for purity and potency
 - Organic and traceable farming practices
 - Grown to organic standards
 - Complete US supply chain
- Solvent-free CO₂ supercritical extraction



Strong innovation and science: Early in trends



Leading professional supplement brands to launch CBD oil in the US



High potency solvent-free CBD supplement:

- Patented delivery system for improved absorption
- Solvent-free CO2 extraction
- THC-free
- 100% US-sourced, field-grown agricultural hemp
- Gluten-free, non-GMO softgel capsules
- Broad spectrum support with over 10 phytocannabinoids

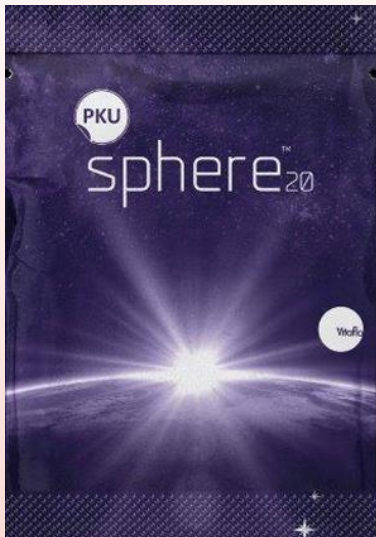
Strong alignment with the trend to personalization



Mass customization

Targeted product solutions

- Targeted solutions for rare diseases and special needs.
- Tailored products for patients with health related restrictive diets



Integration of product and services

Crohn's disease

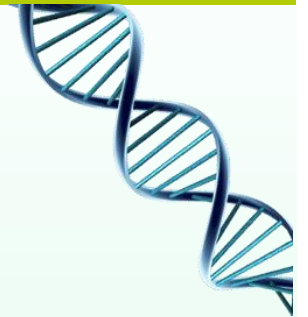
- Track food intake
- Recommend ingredients / food to reduce inflammation
- Connect with nutrition specialists about diet (CDED*) anywhere, anytime
- Large selection of recipes and meal plans
- Educate through content



Truly individualized regimens

PureGenomics®

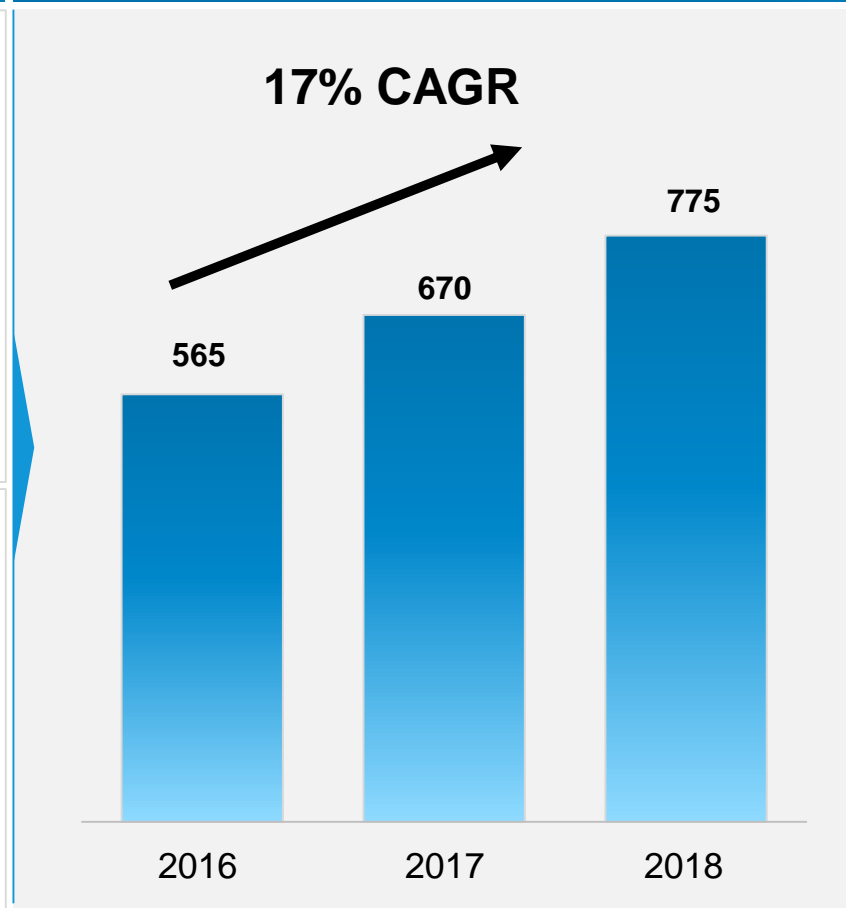
- DNA analysis based digital platform for doctors and their patients
- Identify and target common genetic variations
- Translate DNA analysis into actionable health benefits



* CDED: Crohn's disease exclusion diet - proprietary

Atrium: Continued strong growth; 3X faster than category



Market position	2016-18 CAGR	Channels	Geographies	Atrium sales CHF m								
<ul style="list-style-type: none">• #1 in Health food stores• #1 on US e-commerce• Entered food, drug and mass in Q2 2018	24%	<ul style="list-style-type: none">• Health food stores• Online• Food, drug and mass	<ul style="list-style-type: none">• U.S.• Canada• China• UK	 <p>17% CAGR</p> <table><tr><th>Year</th><th>Atrium sales CHF m</th></tr><tr><td>2016</td><td>565</td></tr><tr><td>2017</td><td>670</td></tr><tr><td>2018</td><td>775</td></tr></table>	Year	Atrium sales CHF m	2016	565	2017	670	2018	775
Year	Atrium sales CHF m											
2016	565											
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<ul style="list-style-type: none">• #1 brand with practitioners• #4 on US e-commerce	23%	<ul style="list-style-type: none">• Health care practitioners• Online• Pharmacies	<ul style="list-style-type: none">• U.S.• Canada• Europe									

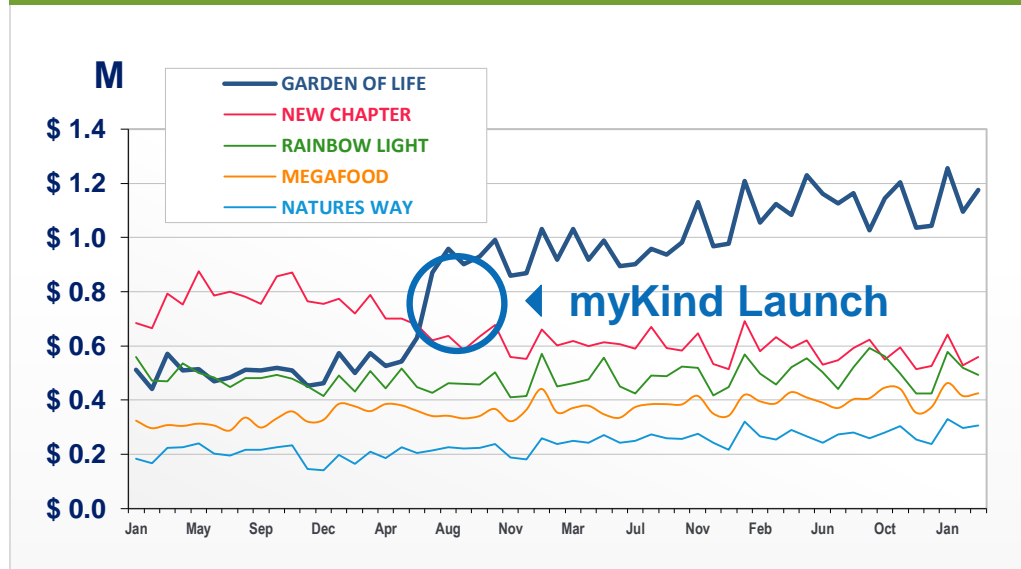
Fast and prolific launches fueling growth



“Fail fast, move forward”

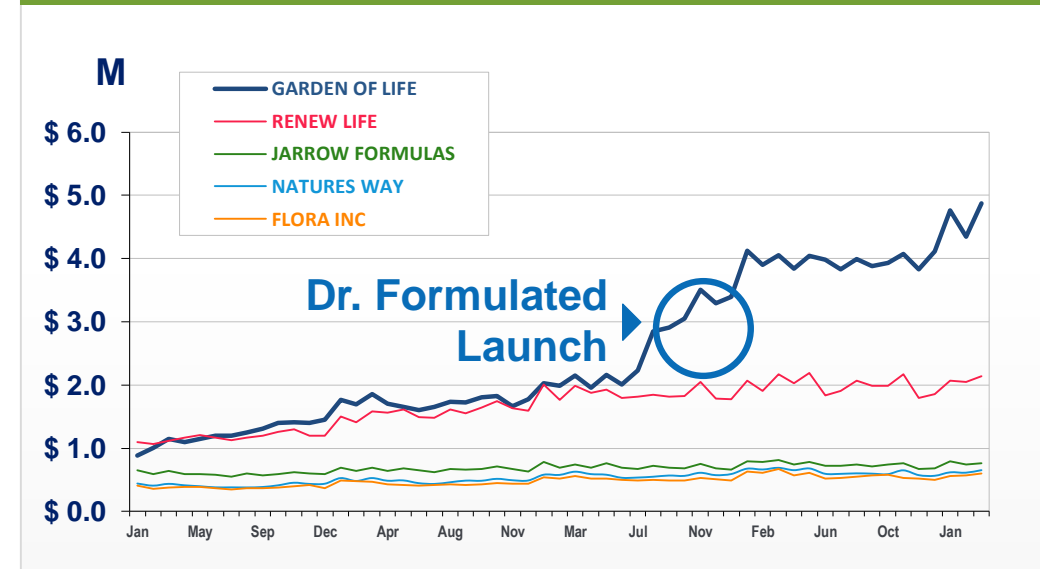
myKind organics women's vitamins launched

Top 5 women's vitamin companies by USD



Dr. Formulated probiotics launched

Top 5 probiotics companies by USD



Source: SPINS

Impacting the well-being of people around the globe



Making a difference - every single day

Caring for Crohn's patients



Creating products and services that connect with patients and directly improves their lives

Cancer solutions



Giving cancer patients the nutritional support they deserve

Sustainability in everything we do



Impacting individuals and society

WHAT IS IN MY PRODUCT?

Better ingredients and packaging



- **Compleat Organic Blends innovation**
- **Straws removal:** 105 m by end-2019, + 100 m by end-2020
- **Bottle light-weighting:** 770 t reduction

HOW IS IT MADE?

Science support



- **50% energy and water reduction:** Aseptic tube-feed
- **Reduction of 104 trucks / 108 t CO2:**
Boost US supply chain
- New science in aging and oncology

WHERE DOES IT COME FROM?

Sourcing and transparency

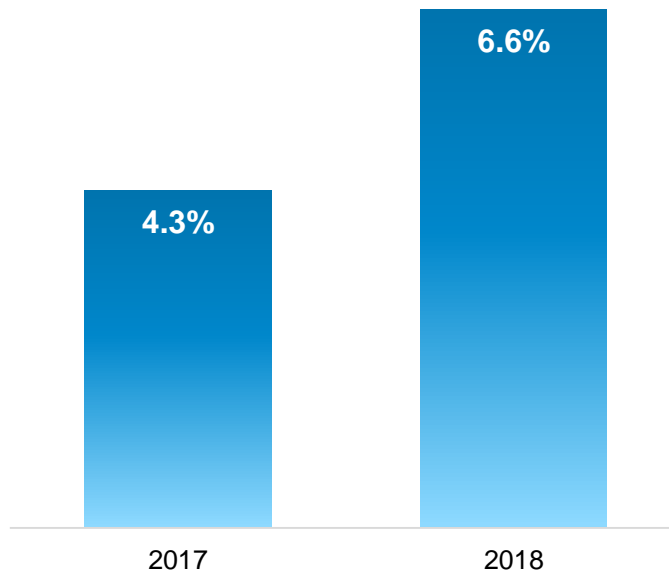


- GOL organic, non-GMO, B-Corp certified
- Medical formula with **100% real food**

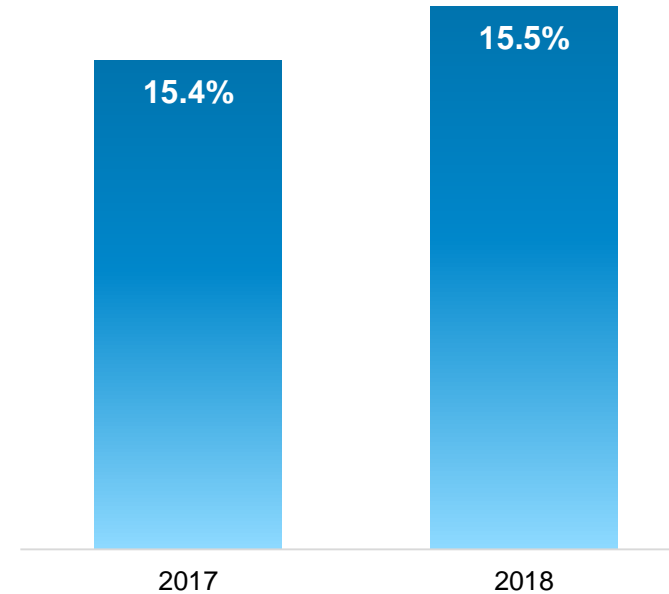
Delivering profitable growth



Organic growth



Underlying TOP



Key takeaways



- Success in health and nutrition through innovation in nutritional science
- Leading with global trends
- Winning brands
- Scale for fast growth
- Proven execution capabilities