



**Nestlé** Good Food, Good Life

# Accelerating growth in 2019

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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 in Zone AMS

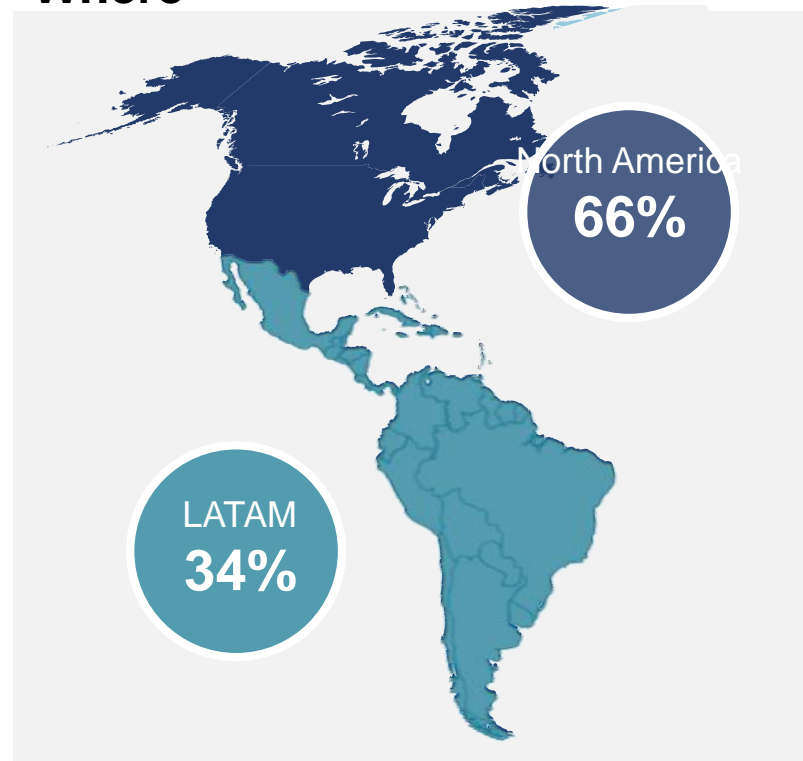


## Key 2018 figures

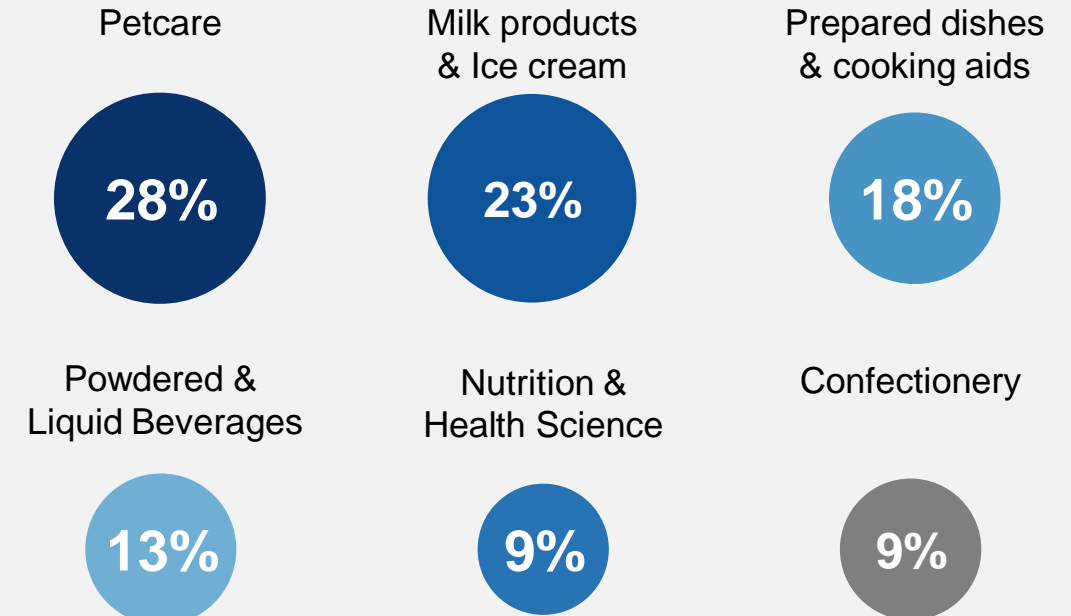
Sales  
**CHF 31.0 bn**

Underlying  
TOP  
**21.1%**

## Where



## What



Employees

**85 100**

Factories

**119**



Top brands



# Challenging external environment



Trade war  
impact



Input costs



Transportation costs



Latin American  
currencies



Trade  
environment



Stricter regulatory  
environment





# Our virtuous circle

## Creating Shared Value

- Most trusted company
- NHW, youth, plastics / environment, diversity
- Safety: Zero irreversible injuries
- Quality: Zero major incidents

## Achieving efficiencies

- Ambitious end-to-end efficiency plans
- CHF 300 m annual cost savings through redesign

## Investing in growth

- CHF 300 m annual CAPEX increase in the last 3 years to support growth
- Increase in marketing investment to support innovation and core business
- Active portfolio management

## Delivering profitable growth

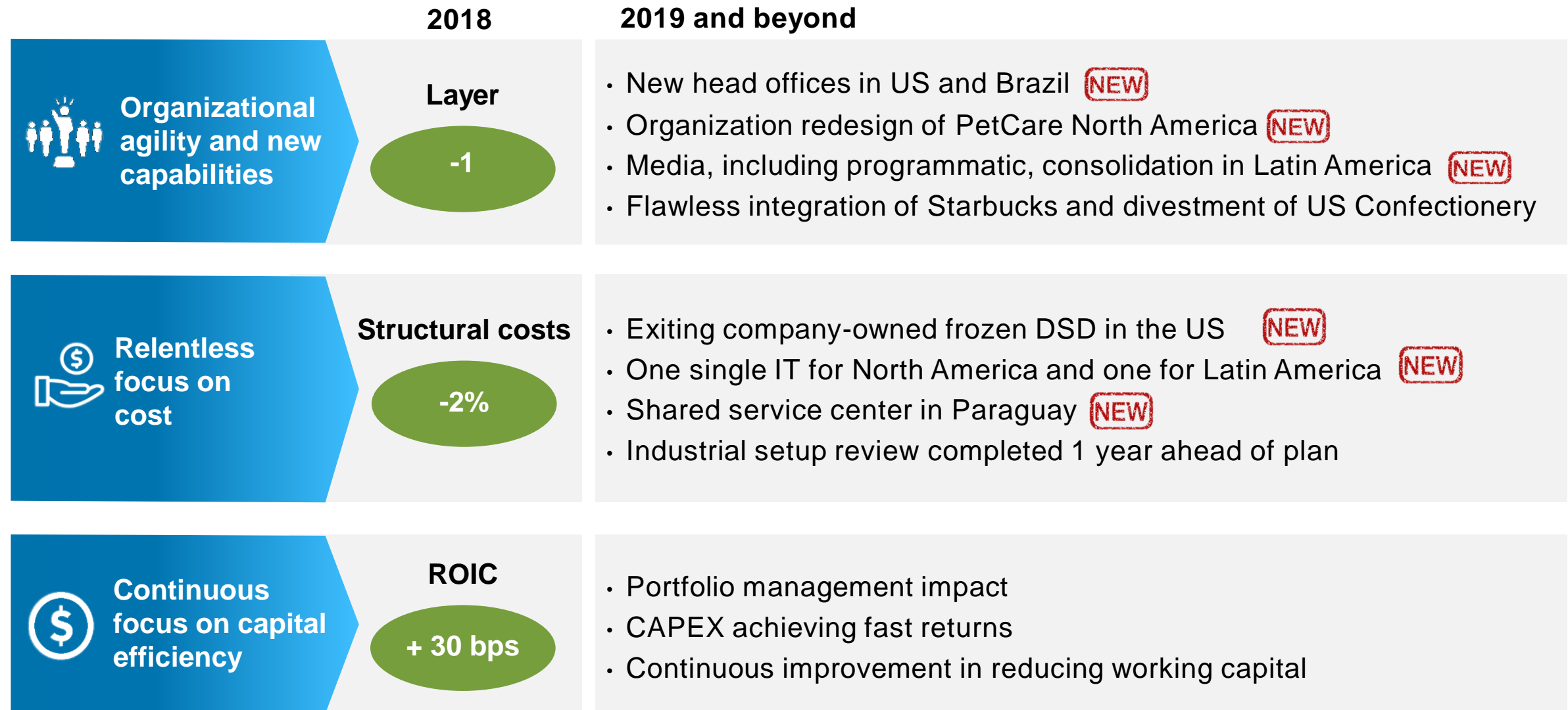
- Growth acceleration
- Margin expansion on track for 2020

## Driving market share

- Market leadership expansion (800 bps positive gap vs #2)
- Investment in high growth channels & new business models



# Ambitious efficiency plans



# Focus on high-growth, high-margin businesses



## Win in pet care



## Win in coffee



## Win in infant nutrition



# Win in pet care: CHF 8.8 bn of sales



## Growth momentum in North America and Latin America



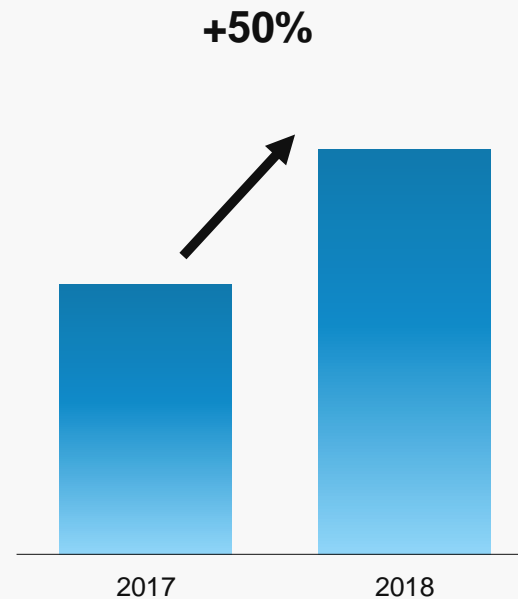
North America growth at 2.9%\* with additional production capacity in wet and litter



Latin America growth at 10.9%\* and additional production capacity in wet and dry

\* 2018

## PURINA US e-commerce sales booming, winning market share



## Capturing natural and organic trends





# Win in coffee: CHF 4.0 bn of sales



## Accelerated growth through premiumization and natural



## Starbucks flawless integration



## Accelerate out-of-home



# Win in infant nutrition: CHF 2.8 bn of sales



Sustained market share performance in Nestlé infant nutrition

## Organic & natural baby food



## Infant formula



## Supplements



## Personalized consumer engagement



Reinventing Gerber



## Organic & natural baby food



## Infant formula



## Supplements



## International expansion





# Focus on US frozen meals turnaround



Improve relevance of the core



Expand new platforms





# Expanding footprint in core categories



Hartwell, Georgia  
(2019)



Allentown, Pennsylvania  
(2019)



Bloomfield, Missouri  
(2020)



Veracruz, Mexico  
(2020)



Silao, Mexico  
(2018-2019)



Teno, Chile  
(2018)



Nantli, Mexico  
(2017)



Montevideo, Uruguay  
(2019)





# Maximizing the mix through portfolio management



## Disposed and under strategic review

### US Confectionery



**Gerber Life Insurance**



**Brazil Portfolio optimization**

## Acquisition or investment

### Merrick



### Blue Bottle



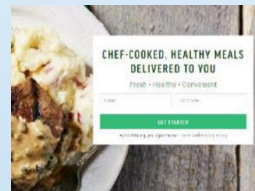
### Sweet Earth



### Chameleon

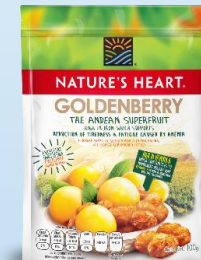


### Freshly



FRESHLY

### Terraferfertil



### Starbucks



# Leveraging trends to innovate



## Superior nutrition



## Organic / natural



## Food intolerance



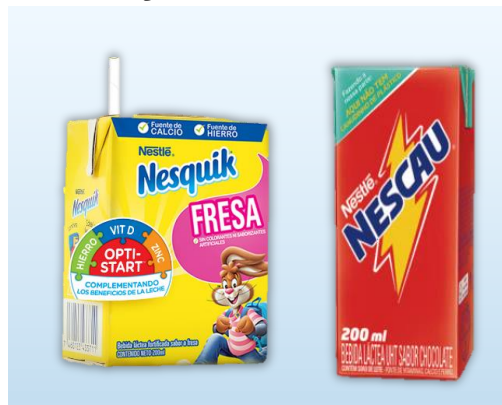
## Vegan / plant-based



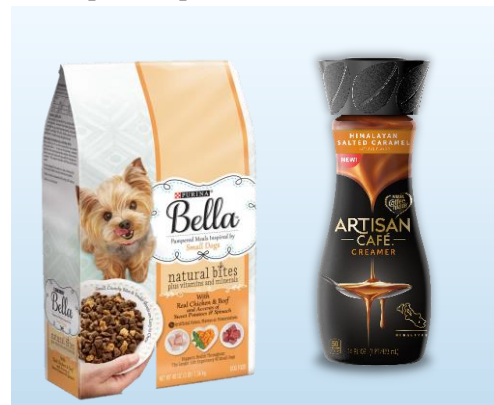
## Local origins



## Ready-to-Drink



## Super premium



## Convenience





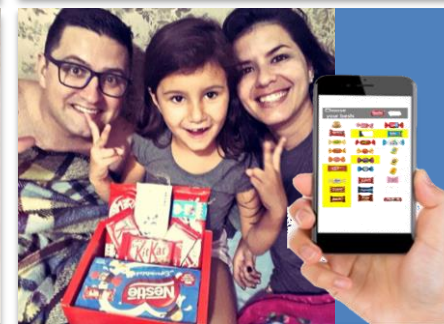
# Developing new innovation models



## Gaining momentum



## What's new



# Driving e-business



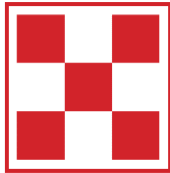
Focus on  
e-commerce growth platforms



Drive personalization at scale:  
Data + Content + Media

E-commerce sales CHF 1.1 bn with 50% growth

## Categories



## Markets

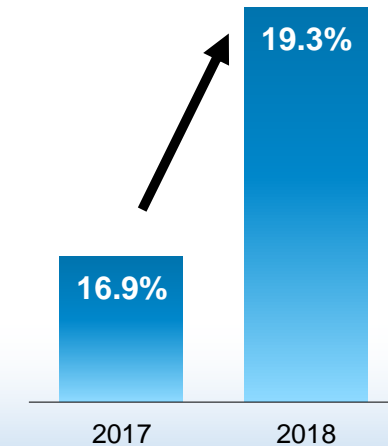


## Initiatives

petfinder



## Market share\*



\* Available only for US pet care and infant nutrition



# Building an intelligent enterprise



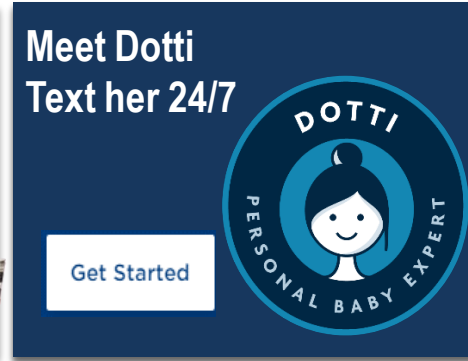
## Enhance digital capability across the value chain



Sales analytics to improve promotion/ assortment and planning



Digitally connected operations to better serve our consumers



Personalized nutrition advice for consumers



Personalized communication experiences

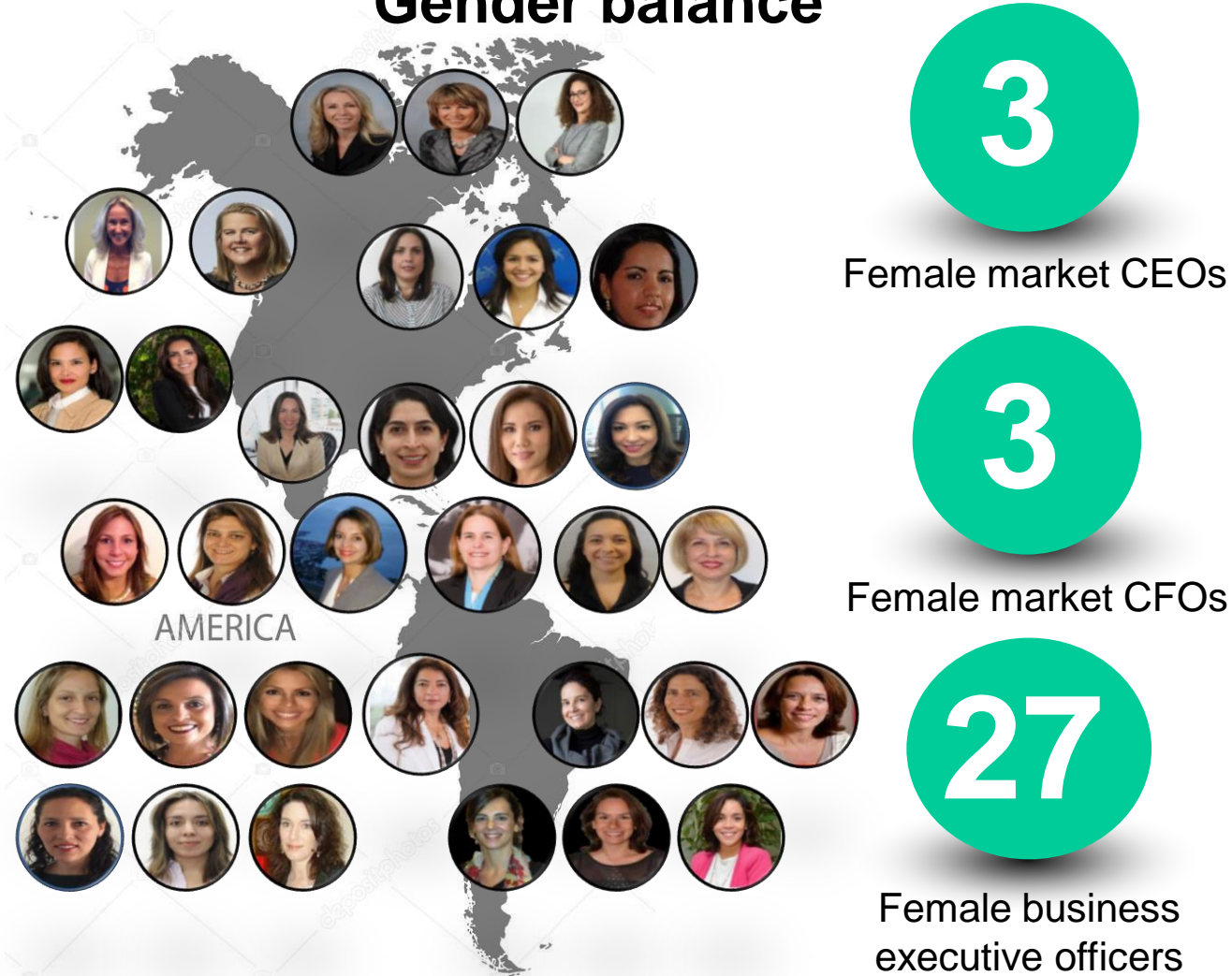


People analytics to improve agility of our organization



# Winning with People and Teams

## Gender balance



## Safety - journey towards zero accidents





# Creating Shared Value



NESTLÉ for  
HEALTHIER KIDS



- Reach 1.5 million kids/year

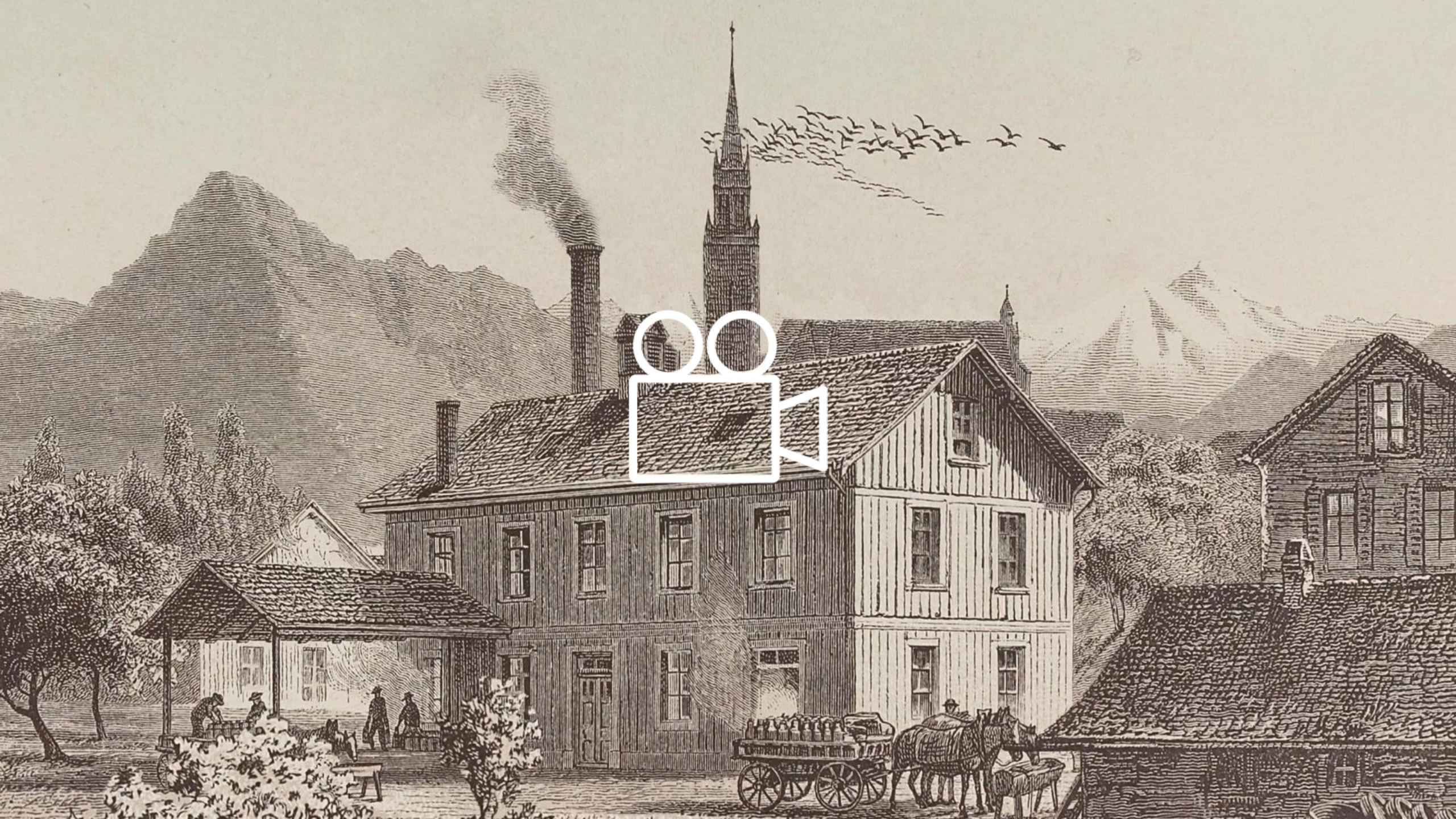


- Alliances with 100+ partners
- Helped 1 million young people



- All factories with Caring for Water program by 2021
- First triple zero factories: Montes Claros (BRA), Lagos Moreno (MX)



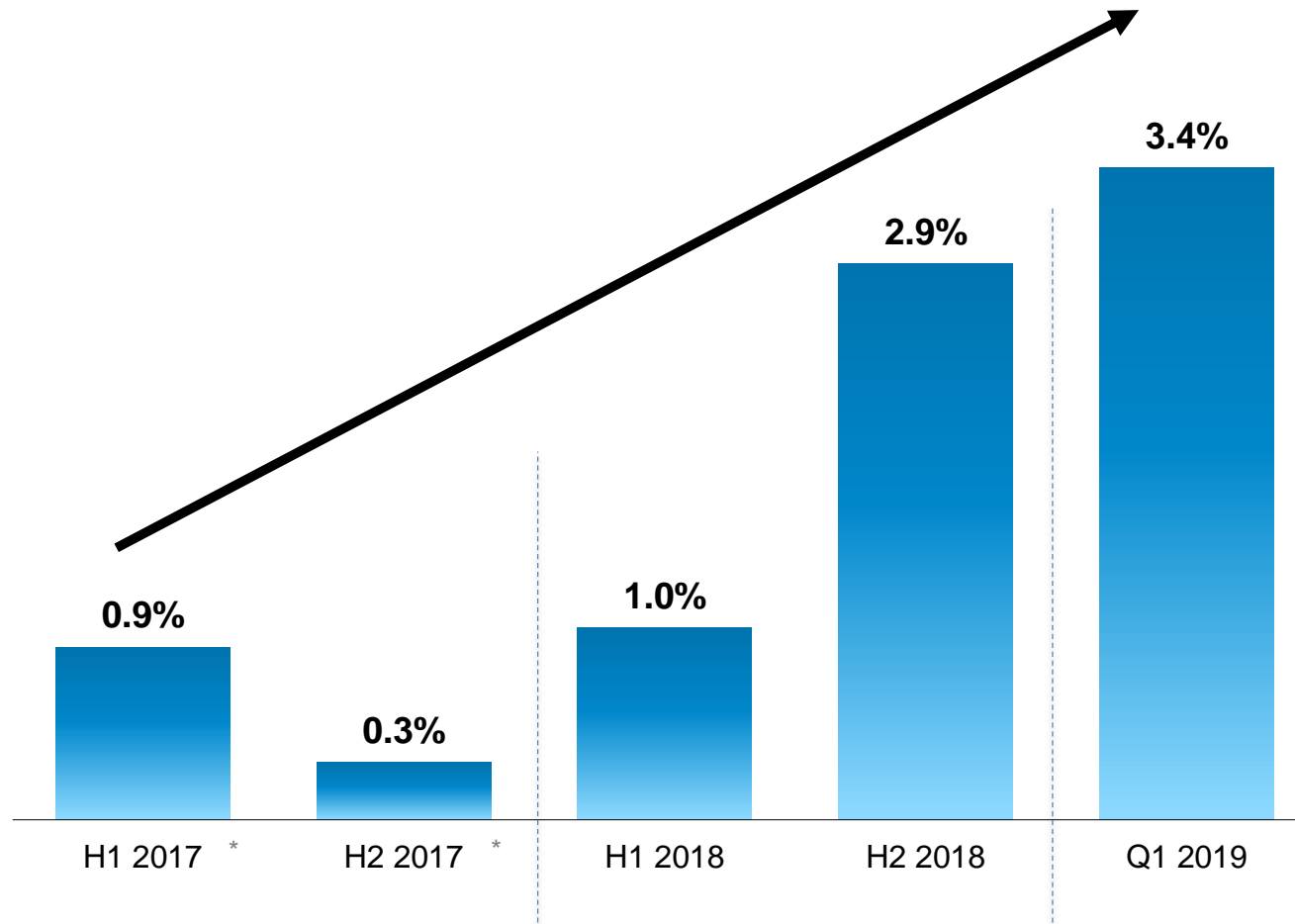




# Growth momentum is back



## Momentum in organic growth



\* Pro forma figures include the re-organization of Nestlé Nutrition into the Zones

## Growth across Zone AMS

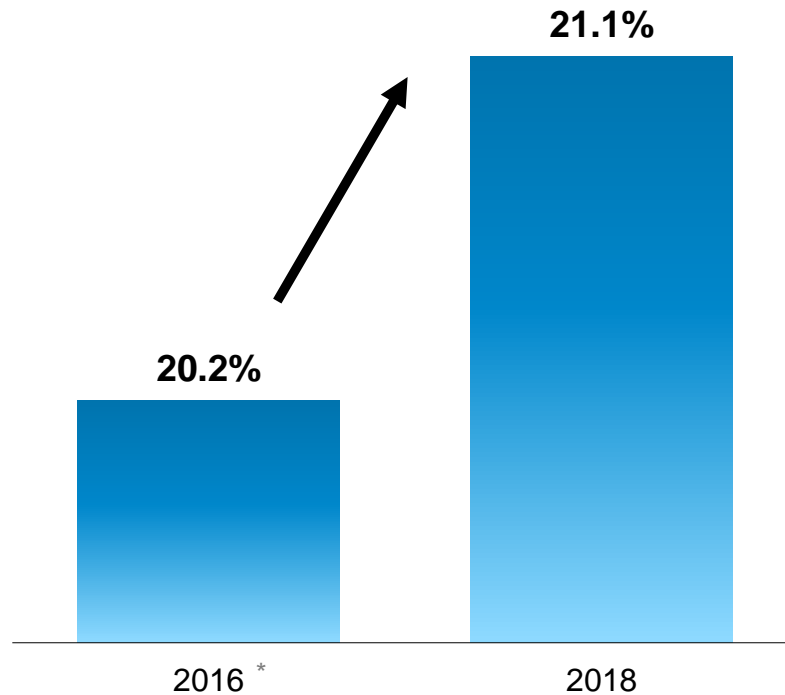
- **North America and Latin America accelerating**
- **Brazil back to growth**
- **E-commerce booming +50%**
- **Double digit growth in:**
  - PURINA Latin America
  - Plata Region, Latin Caribbean
  - NDG and KitKat

# ... with improved margins and capital efficiency



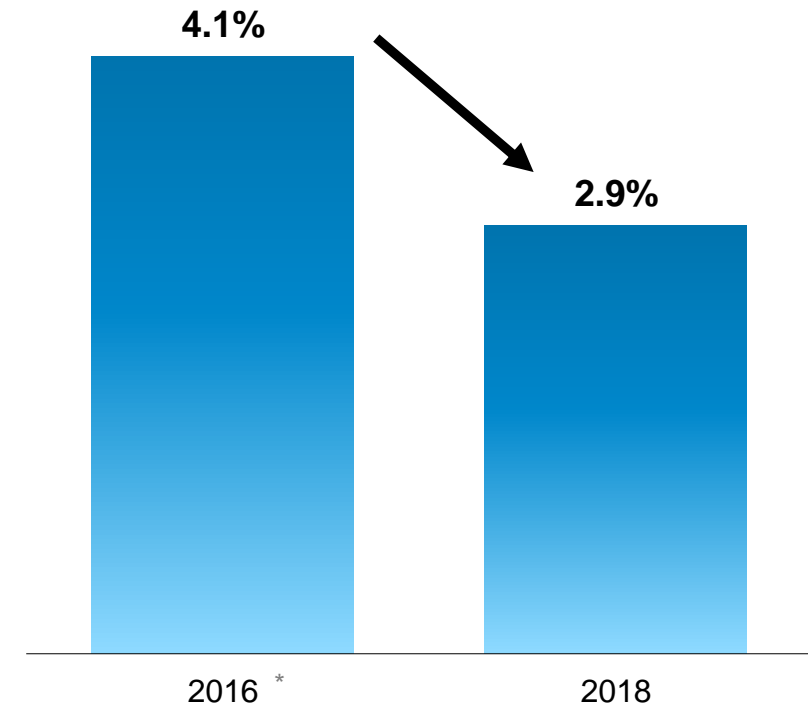
## Improved underlying TOP margin

(as % of sales)



## Improved working capital

(as % of sales)



\* Pro forma figures include the re-organization of Nestlé Nutrition into the Zones. No restatement has been made for accounting changes

# Key takeaways



- Growth momentum is back and accelerating, driven by coffee, pet care, infant nutrition and professional
- Margin is improving and on track to achieve 2020 ambition
- While reshaping organization and portfolio for the new reality