



**Nestlé** Good Food, Good Life

## Three-Month Sales 2016

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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 materially 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.

# Confirmation of momentum in Real Internal Growth

*Sales*  
*(in CHF)*

**20.9 bn**

*Real Internal Growth*  
*(RIG)*

**+ 3.0%**

*Organic Growth*  
*(OG)*

**+ 3.9%**

# Growth is broad-based, RIG accelerates in each Zone

**AMS**

**EMENA**

**AOA**

**Sales**  
(in CHF)

**8.9 bn**

**6.5 bn**

**5.5 bn**

**RIG**

**+3.5%**

**+3.0%**

**+2.4%**

FY 2015

**+2.4%**

**+2.8%**

**+1.2%**

**OG**

**+5.5%**

**+3.0%**

**+2.3%**

FY 2015

**+5.8%**

**+3.5%**

**+1.9%**

*Each geography includes Zones, Nestlé Waters, Nestlé Nutrition, Nestlé Professional, Nespresso, Nestlé Health Science, and Nestlé Skin Health*

# RIG accelerates in Developed *and* Emerging Markets

Developed

Emerging

**Sales** (in CHF)  
% of Group sales

**11.9 bn**  
57%

**9.0 bn**  
43%

**Real Internal Growth**  
FY 2015

**2.9%**  
2.2%

**3.2%**  
2.2%

**Organic Growth**  
FY 2015

**2.5%**  
1.9%

**5.6%**  
7.0%

# Zone AMS

Sales: CHF 5.8 bn			
RIG	2.7%	OG	5.0%



- Market share gains across the Zone
- Acceleration of RIG in **North America**
  - Strong US Frozen Food
  - Solid in ice cream and *Coffee-mate*
  - Petcare positive despite *Beneful*
- Mixed picture in volatile **Latin America**
  - Mexico with broad-based double-digit growth
  - Brazil resilient in the worsening macro-economic situation
  - *Nescafé Dolce Gusto* and petcare continued momentum



# Zone EMENA

Sales: CHF 4.0 bn			
RIG	3.1%	OG %	3.2%



- Good RIG momentum and market share gains across the Zone
- **Western Europe** with positive growth in deflationary environment
  - Germany, Great Britain, Spain and Italy with solid performance
  - *Nescafé*, petcare, frozen pizza and ice cream did well
- **Central and Eastern Europe**
  - Russia delivered double-digit growth
  - *Nescafé*, chocolate and petcare grew across the region
- **Middle East and North Africa** positive despite instability
  - Turkey delivered double-digit growth

# Zone AOA

Sales: CHF 3.6 bn			
RIG	1.7%	OG	2.1%



- Good momentum across Zone but India and Yinlu weighing down performance
- **China** with two dynamics:
  - Good Nescafé, confectionery and culinary
  - Yinlu challenging
- *Maggi* noodles in **India** recovering:
  - Gained back market share
  - Comparatives still unfavourable
- **ASEAN** with high single-digit growth
- **Sub-Saharan Africa** with double-digit growth
- Strong performance in **Japan**



# Nestlé Waters

Sales: CHF 1.8 bn			
RIG	5.8%	OG	5.3%



- RIG drove growth in all geographies, double-digit in emerging markets
- Accelerating double-digit growth for premium brands *Perrier* and *S.Pellegrino*
- *Nestlé Pure Life* grew double-digit in emerging markets
- Local brands also contributed, notably *Ozarka* in the United States, *Buxton* in the United Kingdom, and *La Vie* in Vietnam

# Nestlé Nutrition

Sales: CHF 2.6 bn

RIG

2.2%

OG

2.6%



- Category pricing affected by the low dairy costs
- Emerging markets main source of growth:
  - Wyeth a key contributor with *illumina*
  - Sub-Saharan Africa, Indonesia and Mexico grew well
- North America affected by:
  - Exit from certain regional contracts in 2015
  - Transition to innovative formats in baby food
- Solid performance in meals and drinks, supported by Latin America and France

# Other Businesses

Sales: CHF 3.2 bn			
RIG	4.5%	OG	5.2%



## ■ Nestlé Professional

- Grew in both developed and emerging markets
- Beverage solutions and food solutions continued to perform well

## ■ Nespresso

- Positive growth momentum in all regions
- *VertuoLine* performed well in North America

## ■ Nestlé Health Science

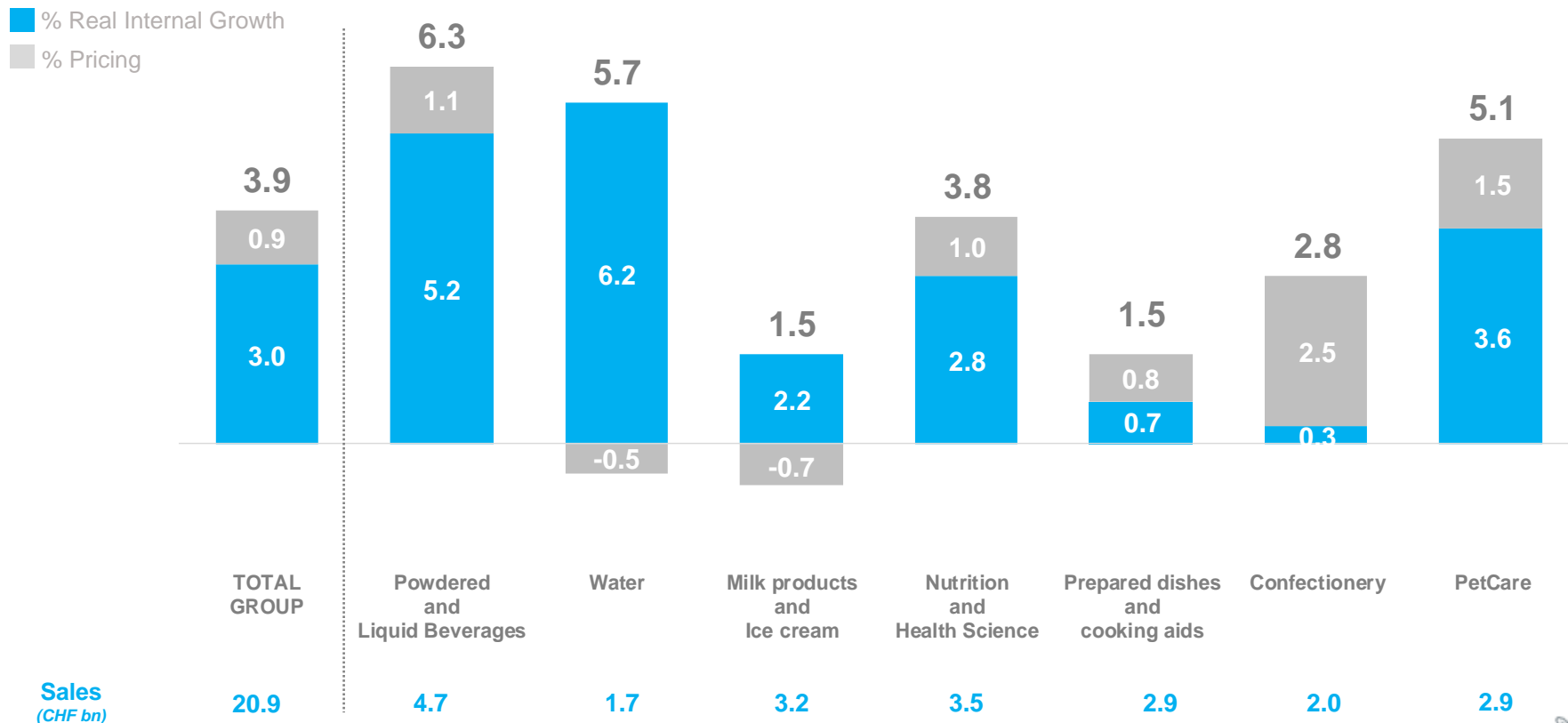
- Double-digit growth in Consumer Care
- Strategic partnerships in the microbiome therapy field and protein technology

## ■ Nestlé Skin Health

- Innovation and continued geographic expansion
- Announced acquisition of leading OTC acne treatment



# Broad-based growth across product groups



# Summary

- Broad-based growth across geographies and categories
- RIG acceleration – sustainable growth
- Pricing low – deflationary environment / commodities
- Steady gains in market share
- Full-Year Outlook confirmed:

**Organic growth in line with 2015 with improvements in margins and underlying earnings per share in constant currencies, and capital efficiency.**



# Three-Month Sales 2016

## Discussion

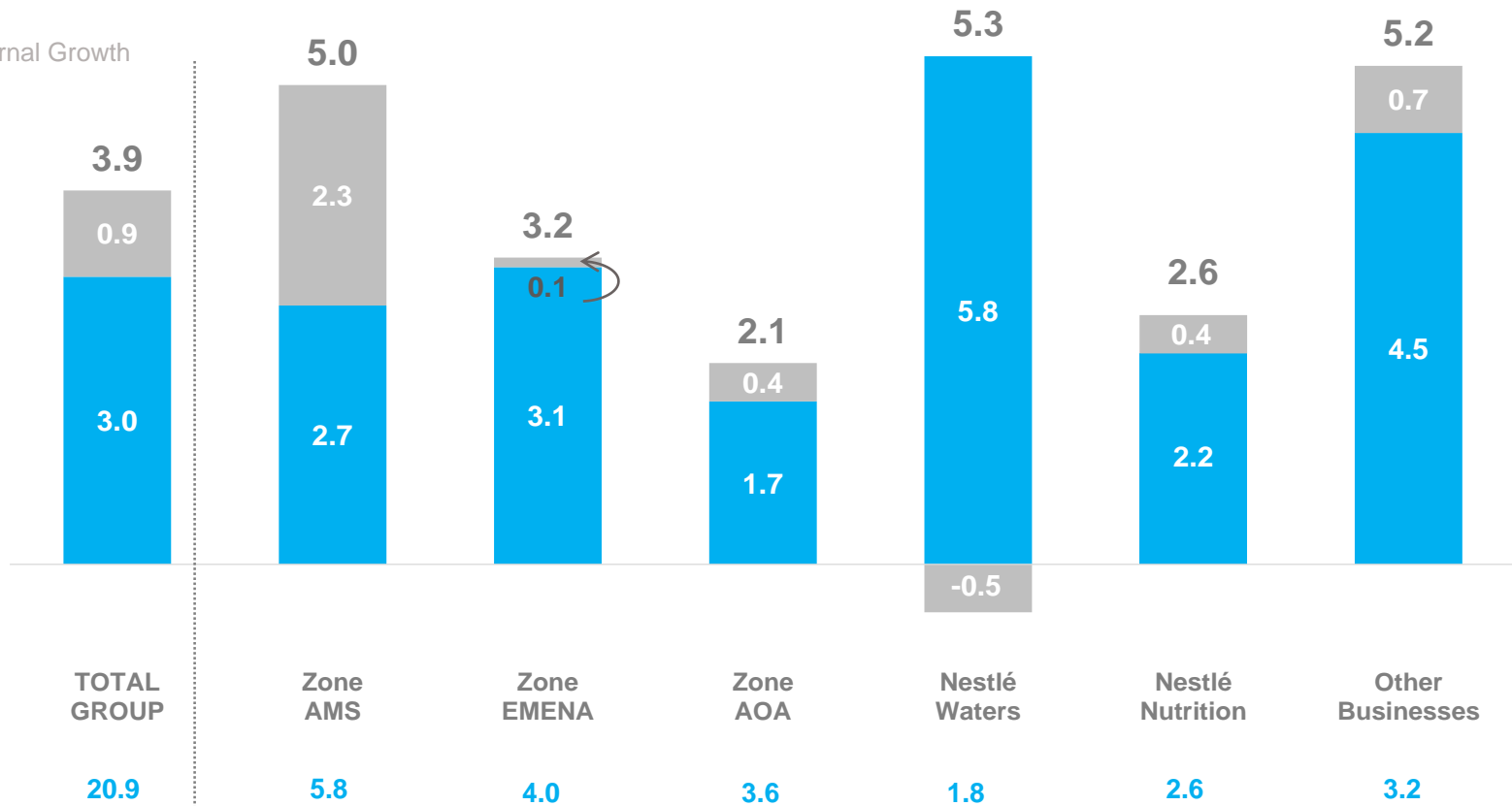


# Three-Month Sales 2016

**Supporting Slides**

# Operating Segments

■ % Real Internal Growth  
 ■ % Pricing



Sales  
 (CHF bn)





# Currency Overview

			Weighted average rate		
			3M 2015	3M 2016	Variation
US Dollar	1	USD	0.95	<b>0.99</b>	<b>+4.1%</b>
Euro	1	EUR	1.07	<b>1.10</b>	<b>+2.1%</b>
Chinese Yuan Renminbi	100	CNY	15.30	<b>15.21</b>	<b>-0.6%</b>
Brazilian Reais	100	BRL	33.04	<b>25.58</b>	<b>-22.6%</b>
UK Pound Sterling	1	GBP	1.45	<b>1.42</b>	<b>-1.6%</b>
Mexican Pesos	100	MXN	6.38	<b>5.51</b>	<b>-13.6%</b>
Philippine Pesos	100	PHP	2.15	<b>2.10</b>	<b>-1.9%</b>
Canadian Dollar	1	CAD	0.77	<b>0.72</b>	<b>-5.8%</b>
Russian Ruble	1	RUB	0.015	<b>0.013</b>	<b>-12.2%</b>
Australian Dollar	1	AUD	0.75	<b>0.72</b>	<b>-4.3%</b>
Japanese Yen	100	JPY	0.80	<b>0.86</b>	<b>+7.9%</b>

# FX Impact

	<b>FX Impact</b>
	<b>3M 2016</b>
Zone AMS	<b>-5.9%</b>
Zone EMENA	<b>-0.5%</b>
Zone AOA	<b>-2.4%</b>
Nestlé Waters	<b>+0.6%</b>
Nestlé Nutrition	<b>-3.9%</b>
Other Businesses	<b>-1.7%</b>
<b>Total</b>	<b>-2.8%</b>