



Nestlé Good food, Good life



Three-month sales

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.



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Mark Schneider, CEO

Key messages



- Solid organic growth, in line with Full-year guidance
 - Strong RIG
 - Soft pricing
- Broad-based growth across geographies
 - Improvement in the US
 - Continued good growth in EMENA
 - Strong growth in AOA
- Progress on the execution of our portfolio strategy
- 2018 Full-year guidance confirmed



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Francois-Xavier Roger, CFO

Three-month performance highlights



Organic growth

+2.8%

Real internal
growth

+2.6%

+0.2% pricing

Net M&A
+0.2%

Foreign exchange
-1.6%

Sales (in CHF)

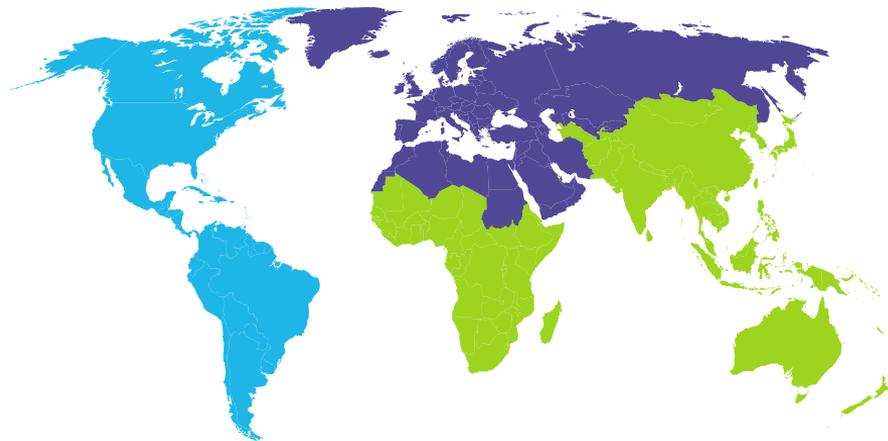
21.3 bn

+1.4% on a reported basis

RIG acceleration across geographies



	AMS	EMENA	AOA
Sales (in CHF)	8.9 bn	6.6 bn	5.8 bn
RIG	1.9%	2.3%	3.8%
OG	2.0%	2.3%	4.5%

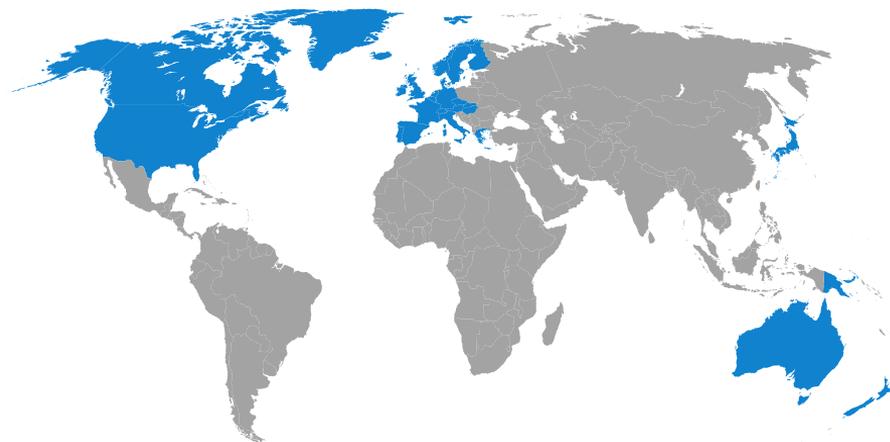


Each geography includes zones, Nestlé Waters, Nestlé Nutrition, Nestlé Professional, Nespresso, Nestlé Health Science and Nestlé Skin Health

Strong RIG in developed and emerging markets



	Developed	Emerging
Sales (in CHF) % of group sales	11.9 bn 56%	9.4 bn 44%
RIG	1.4%	4.0%
OG	1.5%	4.5%



Zone AMS



Sales	CHF 6.8 bn
Real internal growth	+1.6%
Pricing	-0.4%
Organic growth	+1.2%

- RIG in North America improved, driven by petcare and coffee creamers
- RIG held positive in Brazil, organic growth was negative due to persisting deflationary pressures
- Growth in Latin America was led by coffee, confectionery and nutrition



Zone EMENA



Sales	CHF 4.7 bn
Real internal growth	+2.6%
Pricing	-0.4%
Organic growth	+2.2%

- Western Europe: RIG held positive, while organic growth was impacted by soft pricing
- Central and Eastern Europe: maintained mid single-digit RIG-driven growth
- Middle East and North Africa: RIG accelerated, supported by good growth in nutrition and dairy



Zone AOA



Sales	CHF 5.3 bn
Real internal growth	+3.9%
Pricing	+0.8%
Organic growth	+4.7%

- China had strong growth, supported by the timing of Chinese New Year
- South-East Asia maintained positive RIG and pricing, led by double-digit growth in *Milo*
- South Asia region grew well with positive performance across most categories
- Oceania and Japan delivered volume-based growth



Nestlé Waters



Sales	CHF 1.7 bn
Real internal growth	-1.2%
Pricing	+1.7%
Organic growth	+0.5%

- North America improved moderately, with pricing as the main driver. Pricing reflected cost inflation, notably in distribution.
- Emerging markets reported limited organic growth, impacted by weak sales in China and Brazil
- International premium brands continued to deliver strong growth



Other Businesses



Sales	CHF 2.7 bn
Real internal growth	+5.2%
Pricing	+1.2%
Organic growth	+6.4%

- Nespresso sustained its good momentum, with all regions positive and further acceleration in North America
- Nestlé Health Science sustained mid single-digit organic growth, led by Medical Nutrition
- Nestlé Skin Health had positive RIG and pricing

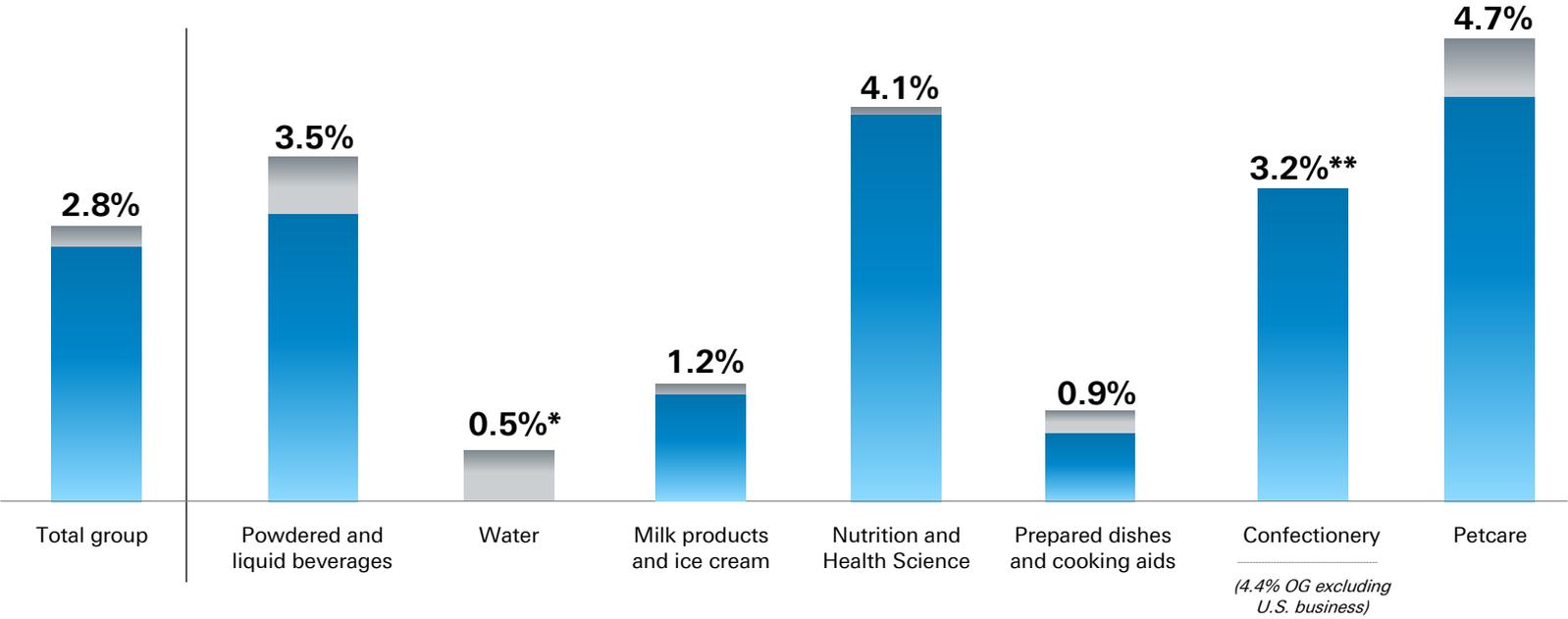


Growth by products



Organic growth

● Pricing
● RIG



* Comprised of -1.0% RIG and +1.5% pricing

** Comprised of +4.9% RIG and -1.7% pricing

2018 guidance confirmed



- Organic sales growth of 2% to 4%
- Underlying trading operating margin improvement in line with 2020 target
- Restructuring costs* are expected at around CHF 700 million
- Increase in underlying EPS** and capital efficiency

* Not including impairment of fixed assets, litigation and onerous contracts

** In constant currency



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Discussion



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Supporting slides

3M-2018 Operating segments – topline summary



	3M-2018 sales						Reported sales growth
	Sales* (CHF million)	RIG %	Pricing %	OG %	Net M&A %	F/X %	
Zone AMS	6'761	1.6	-0.4	1.2	-0.1	-5.3	-4.2
Zone EMENA	4'737	2.6	-0.4	2.2	-0.1	4.2	6.3
Zone AOA	5'286	3.9	0.8	4.7	-0.1	-2.3	2.3
Nestlé Waters	1'732	-1.2	1.7	0.5	-0.9	-2.5	-2.9
Other businesses	2'748	5.2	1.2	6.4	2.7	0.5	9.6
Total group	21'264	2.6	0.2	2.8	0.2	-1.6	1.4

* Effective as from 1 January 2018, Nestlé Nutrition is reported in the zones as a regionally managed business, with the Gerber Life Insurance business reported in Other Businesses. 2017 sales comparables have been restated mainly to reflect this change of management responsibility and the new accounting standards for revenue measurement following the implementation of IFRS 15.

3M-2018 Products – topline summary



3M-2018 sales				
	Sales*	RIG	Pricing	OG
	(CHF million)	%	%	%
Powdered and liquid beverages	5'013	2.9	0.6	3.5
Water	1'631	-1.0	1.5	0.5
Milk products and ice cream	2'991	1.1	0.1	1.2
Nutrition and Health Science	3'766	4.0	0.1	4.1
Prepared dishes and cooking aids	2'841	0.7	0.2	0.9
Confectionery	2'003	4.9	-1.7	3.2
Petcare	3'019	4.1	0.6	4.7
Total group	21'264	2.6	0.2	2.8

* Effective as from 1 January 2018, Nestlé Nutrition is reported in the zones as a regionally managed business, with the Gerber Life Insurance business reported in Other Businesses. 2017 sales comparables have been restated mainly to reflect this change of management responsibility and the new accounting standards for revenue measurement following the implementation of IFRS 15.

3M-2018 historical eight quarters



Period	RIG %	Pricing %	OG %
Q2-2016	2.7	0.4	3.1
Q3-2016	1.9	1.3	3.2
Q4-2016	2.0	0.9	2.9
Q1-2017	1.3	1.0	2.3
Q2-2017	1.5	0.9	2.4
Q3-2017	2.6	0.5	3.1
Q4-2017	1.2	0.7	1.9
Q1-2018	2.6	0.2	2.8

3M-2018 currency overview



US Dollar	1	USD
Euro	1	EUR
Chinese Yuan Renminbi	100	CNY
Brazilian Reias	100	BRL
UK Pound Sterling	1	GBP
Mexican Pesos	100	MXN
Philippine Pesos	100	PHP
Canadian Dollar	1	CAD
Russian Ruble	100	RUB
Australian Dollar	1	AUD
Japanese Yen	100	JPY

Weighted average rate		
3M-2017	3M-2018	Variation in %
1.004	0.947	-5.6
1.070	1.165	+8.9
14.581	14.932	+2.4
32.003	29.114	-9.0
1.243	1.319	+6.1
4.941	5.060	+2.4
2.007	1.837	-8.5
0.758	0.748	-1.3
1.713	1.665	-2.8
0.762	0.744	-2.2
0.884	0.877	-0.8

Abbreviations



OG	Organic growth
RIG	Real internal growth
AMS	Zone Americas
EMENA	Zone Europe, Middle East, and North Africa
AOA	Zone Asia, Oceania, and sub-Saharan Africa
EPS	Earnings per share
COGS	Cost of goods sold
FCF	Free cash flow
TOP	Trading operating profit
Underlying TOP/ UTOP	Trading operating profit before net other trading income / (expenses). Net other trading income / (expenses) includes restructuring, impairment and results on disposals of PP&E, onerous contracts and litigations.