



Nestlé Good Food, Good Life

# Three-month Sales 2019



# 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.



**Nestlé** Good Food, Good Life

# Three-month Sales 2019

Mark Schneider, CEO



# Key Messages



- Solid organic growth of 3.4%, pricing increased to 1.2%
- Good growth momentum in United States, China and Brazil
- Strong growth contributions from *Purina* petcare, dairy and infant nutrition
- Portfolio management fully on track
- Full-year guidance for 2019 confirmed

# Our business as a force for good: Creating Shared Value is at the heart of Nespresso's consumer proposition



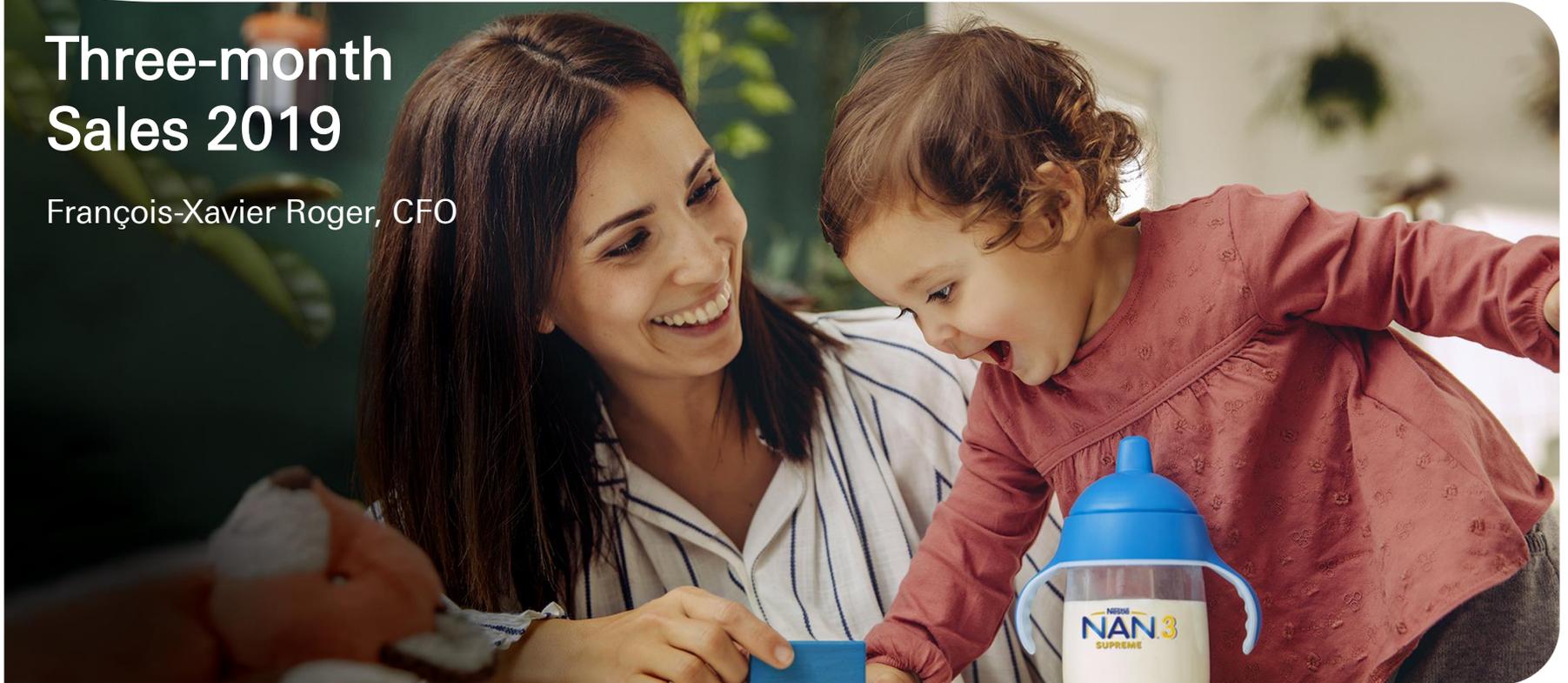
- **Clear focus on environmental sustainability**
- **Sustainable premium quality**
- **Resilient coffee farms and communities**



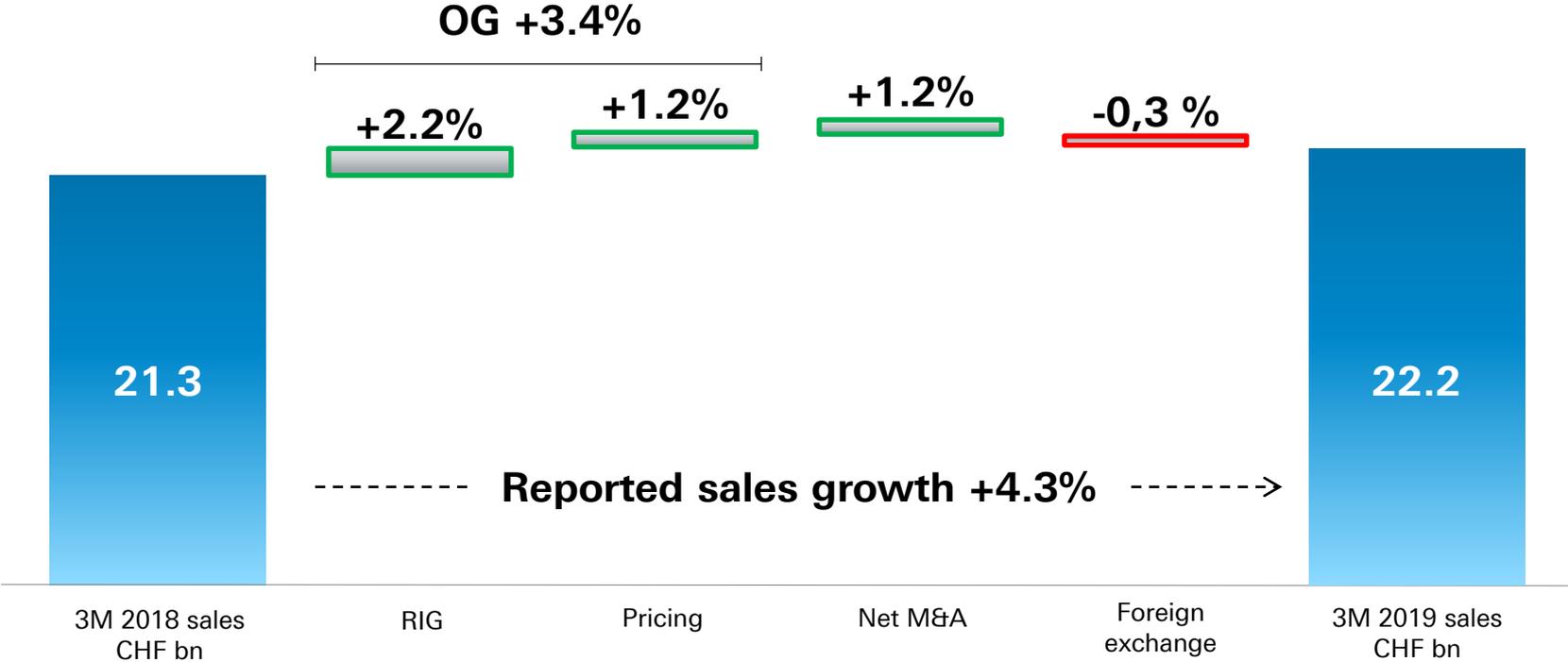
Nestlé Good Food, Good Life

# Three-month Sales 2019

François-Xavier Roger, CFO



# Three-month sales growth



# Improved momentum in the Americas



	AMS	EMENA	AOA
<b>Sales</b> (in CHF)	<b>9.7 bn</b>	<b>6.6 bn</b>	<b>5.9 bn</b>
RIG	1.5%	2.1%	3.3%
Pricing	2.5%	-0.1%	0.9%
<b>OG</b>	<b>4.0%</b>	<b>2.0%</b>	<b>4.2%</b>



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

# Strong OG in emerging markets



	Developed	Emerging
<b>Sales</b> (in CHF) % of group sales	<b>12.5 bn</b> 56%	<b>9.7 bn</b> 44%
RIG	1.0%	3.7%
Pricing	0.2%	2.6%
<b>OG</b>	<b>1.2%</b>	<b>6.3%</b>



# Zone AMS



<b>Sales</b>	<b>CHF 7.5 bn</b>
Real internal growth	+0.9%
Pricing	+2.5%
<b>Organic growth</b>	<b>+3.4%</b>

- Maintained good momentum with increased pricing
- Continued solid growth in North America. The largest contributors were *Purina* petcare, Nestlé Professional and beverages. Frozen food returned to growth
- Brazil accelerated to double-digit growth, with positive RIG and significantly improved pricing
- Latin America saw high single-digit growth across dairy, confectionery and *Purina* petcare



# Zone EMENA



<b>Sales</b>	<b>CHF 4.7 bn</b>
Real internal growth	+3.1%
Pricing	-1.0%
<b>Organic growth</b>	<b>+2.1%</b>

- Maintained solid OG based on resilient RIG
- *Purina* petcare and infant nutrition in Eastern Europe and MENA were the main contributors to growth
- Coffee saw flat RIG and negative pricing due to lower coffee bean prices
- Western Europe posted strong RIG. Organic growth was impacted by negative pricing



# Zone AOA



<b>Sales</b>	<b>CHF 5.4 bn</b>
Real internal growth	+2.3%
Pricing	+1.0%
<b>Organic growth</b>	<b>+3.3%</b>

- Solid growth in the first quarter, with a slight slow-down due to Japan and Oceania
- China maintained mid single-digit growth, supported by infant nutrition, Nescafé RTD coffee and culinary
- South East Asia had strong growth, with double-digit growth in Indonesia and Vietnam driven by Bear Brand, NAN and Nescafé
- *Purina* petcare saw strong growth overall



# Nestlé Waters



<b>Sales</b>	<b>CHF 1.8 bn</b>
Real internal growth	-2.3%
Pricing	+4.3%
<b>Organic growth</b>	<b>+2.0%</b>

- Growth remained in line with last year
- In North America, pricing increased significantly and RIG declined. There was strong growth in premium brands
- Europe saw slightly negative growth but emerging markets accelerated to high single-digit growth
- Overall the international premium brands posted high single-digit growth, supported by innovation



# Other Businesses

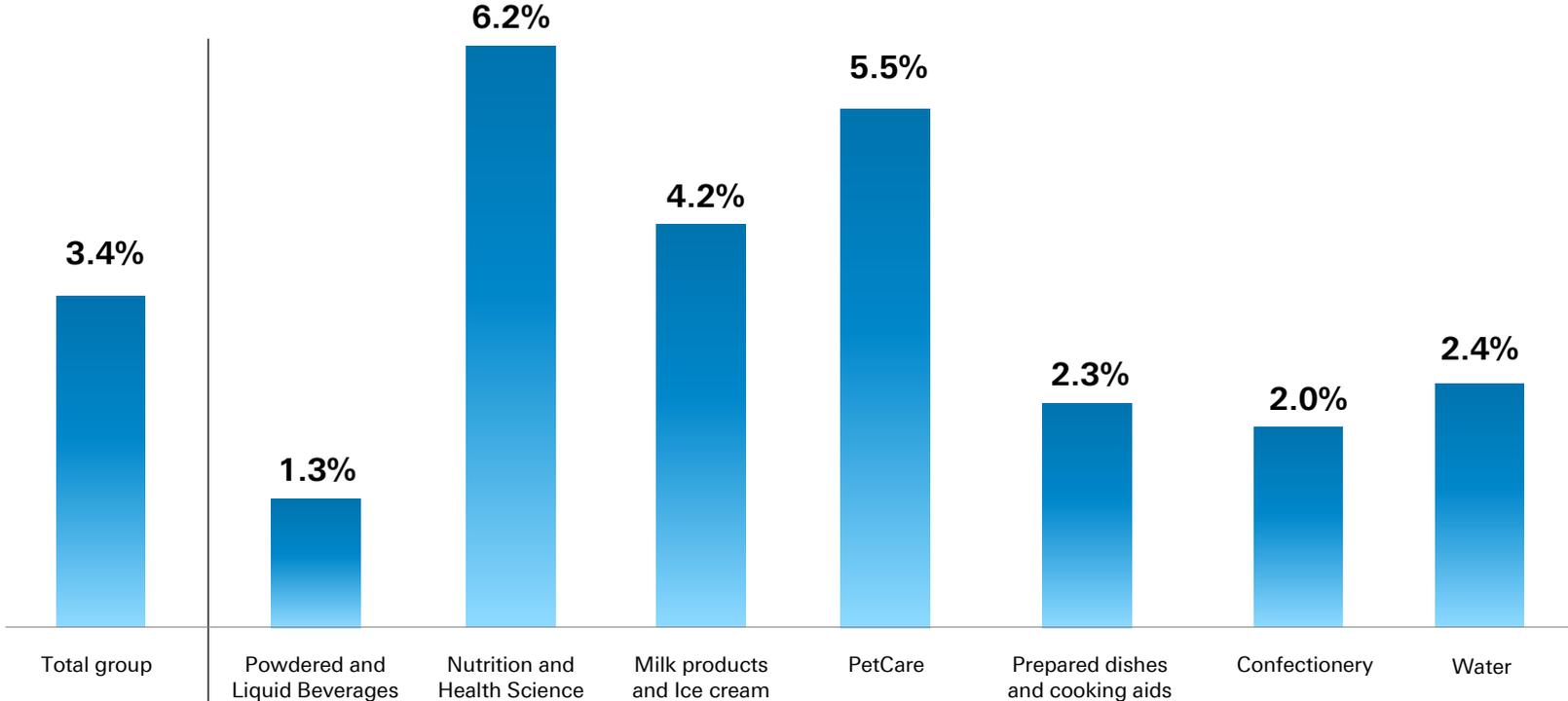


<b>Sales</b>	<b>CHF 2.8 bn</b>
Real internal growth	+6.5%
Pricing	+0.3%
<b>Organic growth</b>	<b>+6.8%</b>

- Nespresso sustained mid single-digit OG, with strong momentum in North America and emerging markets. Growth was supported by the *Vertuo* system
- Nestlé Health Science posted mid single-digit OG, supported by double-digit growth in Medical Nutrition and geographic expansion in emerging markets
- Nestlé Skin Health accelerated with double-digit growth



# Strong portfolio with broad-based organic growth



# 2019 guidance confirmed



- Continued improvement in organic sales growth and underlying trading operating margin towards our 2020 target
- Increase in underlying earnings per share in constant currency and capital efficiency

# 3M-2019 Operating segments – topline summary



	3M-2019 sales						Reported sales growth %
	Sales (CHF m)	RIG %	Pricing %	OG %	Net M&A %	F/X %	
Zone AMS	<b>7'510</b>	<b>0.9</b>	<b>2.5</b>	<b>3.4</b>	<b>6.0</b>	<b>1.7</b>	<b>11.1</b>
Zone EMENA	<b>4'703</b>	<b>3.1</b>	<b>-1.0</b>	<b>2.1</b>	<b>0.0</b>	<b>-2.8</b>	<b>-0.7</b>
Zone AOA	<b>5'389</b>	<b>2.3</b>	<b>1.0</b>	<b>3.3</b>	<b>-0.2</b>	<b>-1.2</b>	<b>1.9</b>
Nestlé Waters	<b>1'773</b>	<b>-2.3</b>	<b>4.3</b>	<b>2.0</b>	<b>-0.5</b>	<b>0.9</b>	<b>2.4</b>
Other Businesses	<b>2'808</b>	<b>6.5</b>	<b>0.3</b>	<b>6.8</b>	<b>-4.3</b>	<b>-0.4</b>	<b>2.1</b>
<b>Total Group</b>	<b>22'183</b>	<b>2.2</b>	<b>1.2</b>	<b>3.4</b>	<b>1.2</b>	<b>-0.3</b>	<b>4.3</b>

# 3M-2019 Products – topline summary



	3M-2019 sales			
	Sales (CHF m)	RIG %	Pricing %	OG %
Powdered and liquid beverages	5'538	0.8	0.5	1.3
Water	1'679	-2.1	4.5	2.4
Milk products and ice cream	3'124	2.1	2.1	4.2
Nutrition and Health Science	3'833	5.7	0.5	6.2
Prepared dishes and cooking aids	2'928	2.6	-0.3	2.3
Confectionery	1'858	1.1	0.9	2.0
Petcare	3'223	2.9	2.6	5.5
<b>Total group</b>	<b>22'183</b>	<b>2.2</b>	<b>1.2</b>	<b>3.4</b>

# 3M-2019 historical eight quarters



<b>Period</b>	<b>RIG %</b>	<b>Pricing %</b>	<b>OG %</b>
Q2-2017	<b>1.5</b>	<b>0.9</b>	<b>2.4</b>
Q3-2017	<b>2.6</b>	<b>0.5</b>	<b>3.1</b>
Q4-2017	<b>1.2</b>	<b>0.7</b>	<b>1.9</b>
Q1-2018	<b>2.6</b>	<b>0.2</b>	<b>2.8</b>
Q2-2018	<b>2.4</b>	<b>0.2</b>	<b>2.6</b>
Q3-2018	<b>2.0</b>	<b>0.9</b>	<b>2.9</b>
Q4-2018	<b>2.8</b>	<b>0.9</b>	<b>3.7</b>
Q1-2019	<b>2.2</b>	<b>1.2</b>	<b>3.4</b>

# 3M-2019 currency overview



			Weighted average rate		
			3M-2018	3M-2019	Variation in %
US Dollar	1	USD	0.947	0.996	+5.1
Euro	1	EUR	1.165	1.133	-2.8
Chinese Yuan Renminbi	100	CNY	14.932	14.752	-1.2
Brazilian Real	100	BRL	29.114	26.433	-9.2
Philippine Peso	100	PHP	1.837	1.905	+3.7
UK Pound Sterling	1	GBP	1.319	1.301	-1.4
Mexican Peso	100	MXN	5.060	5.193	+2.6
Canadian Dollar	1	CAD	0.748	0.750	+0.4
Japanese Yen	100	JPY	0.877	0.905	+3.1
Australian Dollar	1	AUD	0.744	0.710	-4.6
Russian Ruble	100	RUB	1.665	1.516	-8.9

# Abbreviations



<b>OG</b>	Organic growth
<b>RIG</b>	Real internal growth
<b>AMS</b>	Zone Americas
<b>EMENA</b>	Zone Europe, Middle East, and North Africa
<b>AOA</b>	Zone Asia, Oceania, and sub-Saharan Africa