



Nestlé Good food, Good life

# Nine-month sales 2021



# 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

- **Organic sales growth of 7.6%**
  - Strong RIG and increased pricing
  - Broad-based growth and market share gains across most geographies and categories
  - Continued momentum in retail sales, with a steady recovery in out-of-home channels
- **Completed the acquisition of core brands of The Bountiful Company**
- **Sharpening geographic focus, creating Zones North America and Greater China**



# Sharpening geographic focus to drive sustained profitable growth



- Moving from 3 to 5 Zones, with the addition of Zones North America and Greater China
- Enhancing proximity to consumers and retail partners
- Ensuring agility in a fast-moving consumer environment
- Effective January 1st, 2022

# Business as force for good: regenerative agriculture



Supporting farmers and accelerating a just transition to regenerative food systems

- Technical assistance and local deployment of state-of-the art science
- Investment support to mitigate initial risks
- Premiums for raw materials produced using regenerative agriculture



# 2021 guidance updated

- We expect full-year **organic sales growth** between 6% and 7%
- **Underlying trading operating profit margin** is expected around 17.5%
- **Underlying earnings per share** in constant currency and capital efficiency are expected to increase

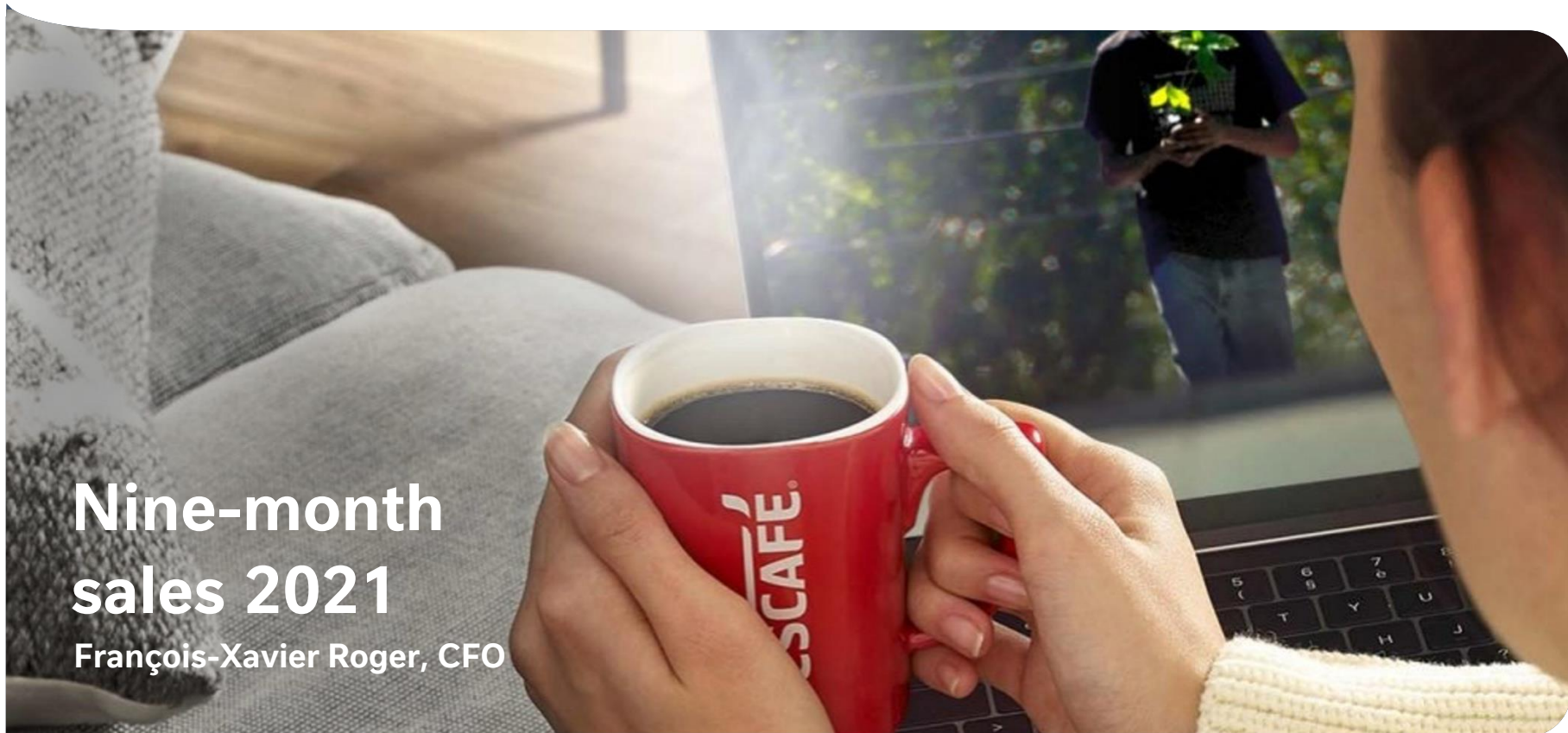




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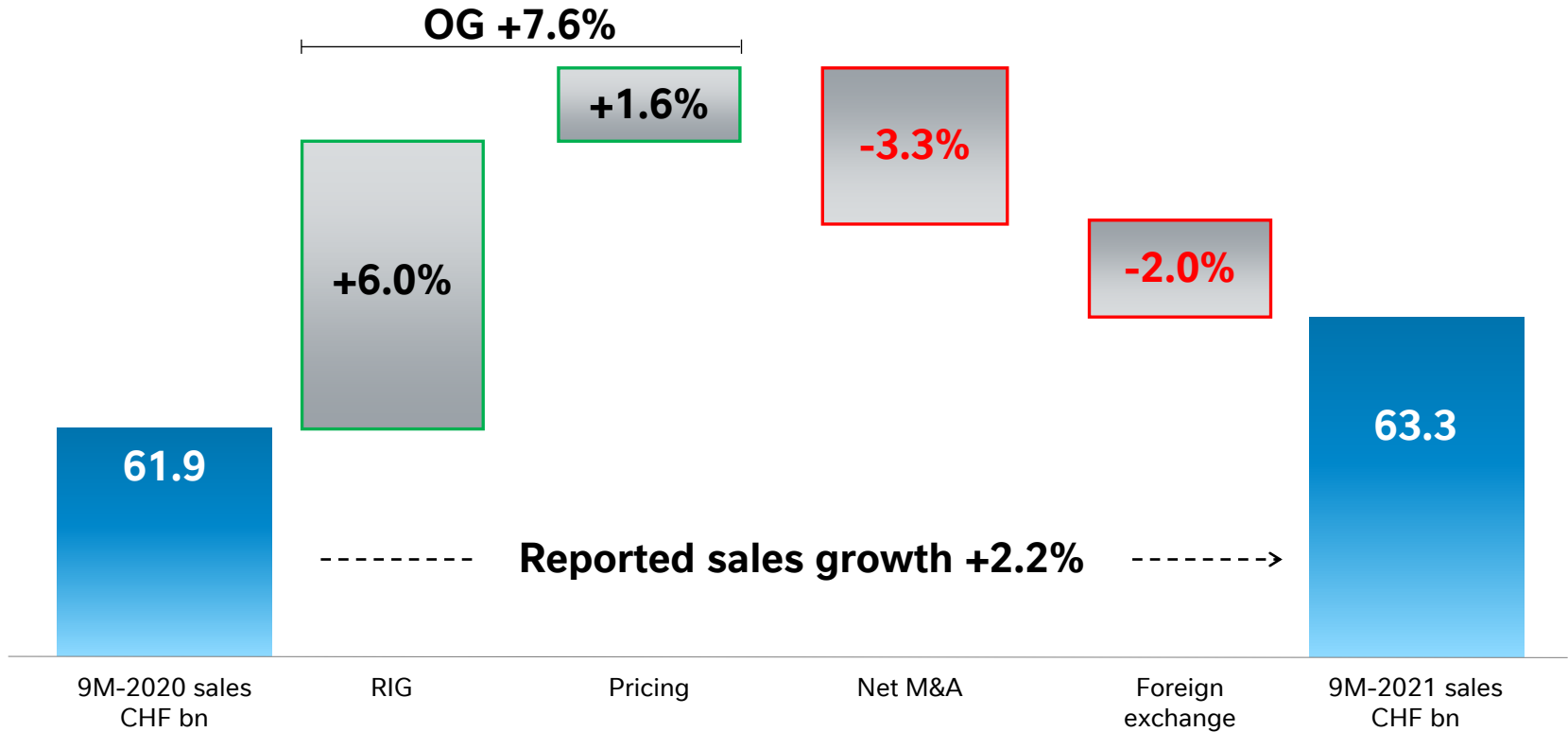
# Nine-month sales 2021

François-Xavier Roger, CFO



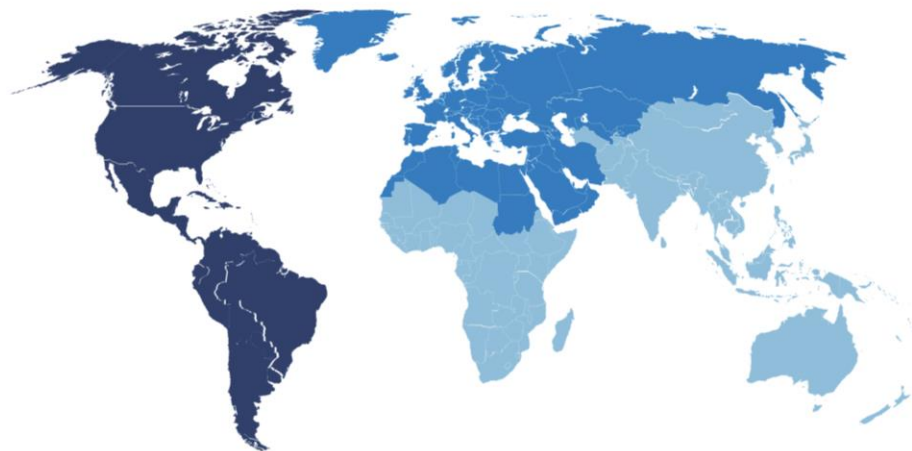


# Nine-month sales growth



# Broad-based growth

	AMS	EMENA	AOA
<b>Sales</b> (in CHF)	<b>28.1 bn</b>	<b>18.9 bn</b>	<b>16.3 bn</b>
RIG	<b>6.8%</b>	<b>6.5%</b>	<b>4.1%</b>
Pricing	<b>2.8%</b>	<b>0.8%</b>	<b>0.3%</b>
<b>OG</b>	<b>9.6%</b>	<b>7.4%</b>	<b>4.4%</b>

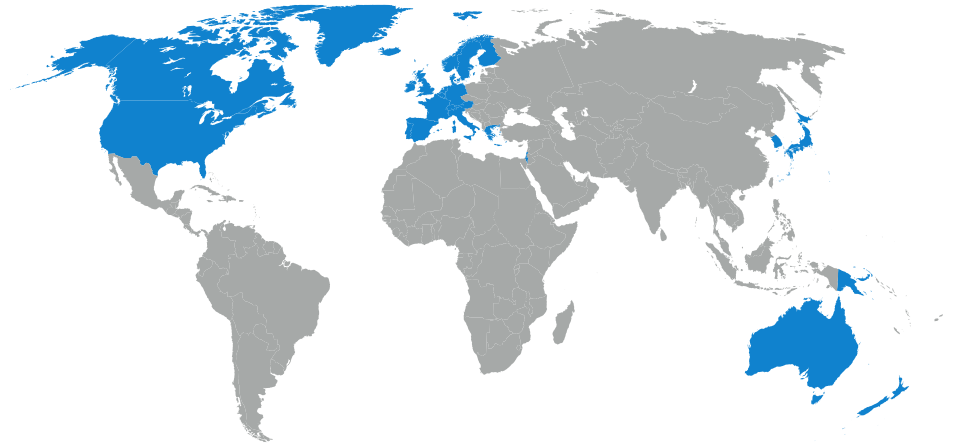


Each geography includes Zones, Nespresso, and Nestlé Health Science



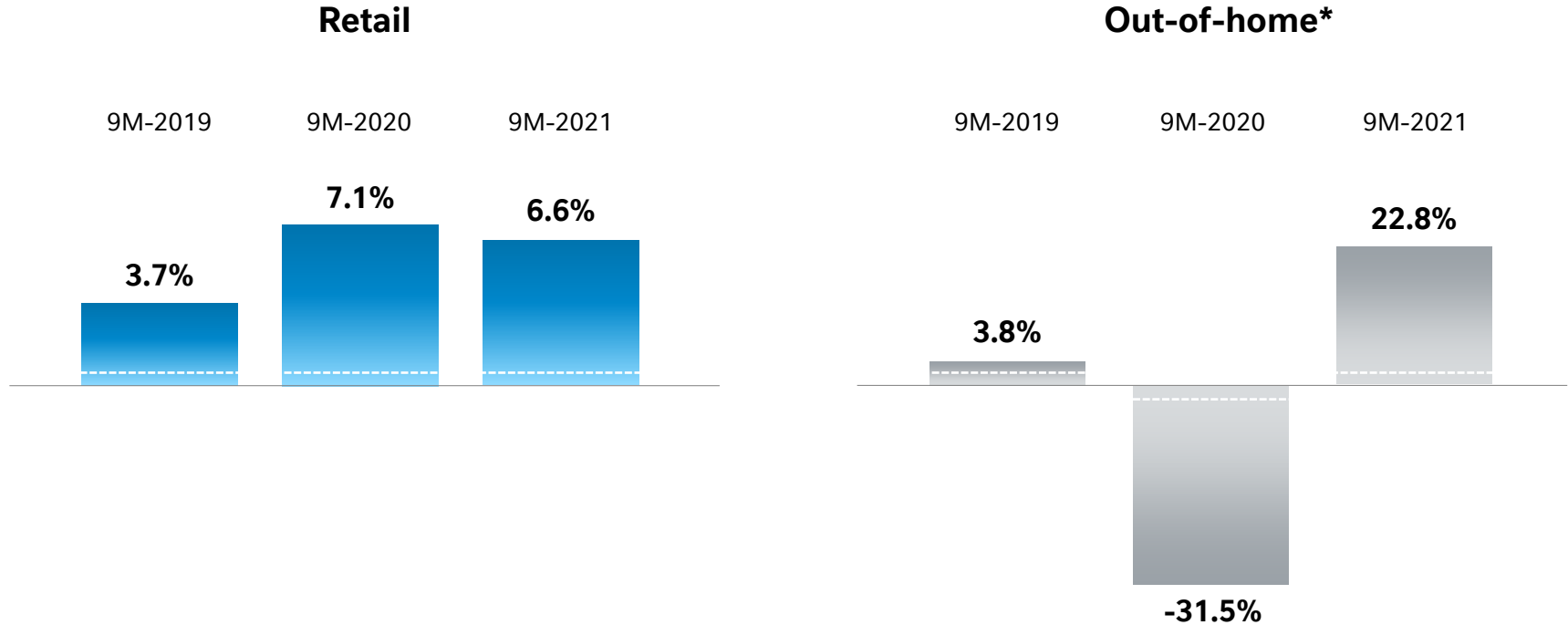
# Strong growth across both developed and emerging markets

	Developed	Emerging
<b>Sales</b> (in CHF) % of Group sales	<b>37.0 bn</b> 58%	26.3 bn 42%
RIG	<b>6.3%</b>	5.6%
Pricing	<b>0.8%</b>	2.6%
<b>OG</b>	<b>7.1%</b>	8.3%



# Sustained growth in retail, steady recovery in out-of-home

## Organic sales growth



\* Includes Nestlé Professional, foodservice activities of Nespresso, Starbucks products and water, travel retail and Blue Bottle

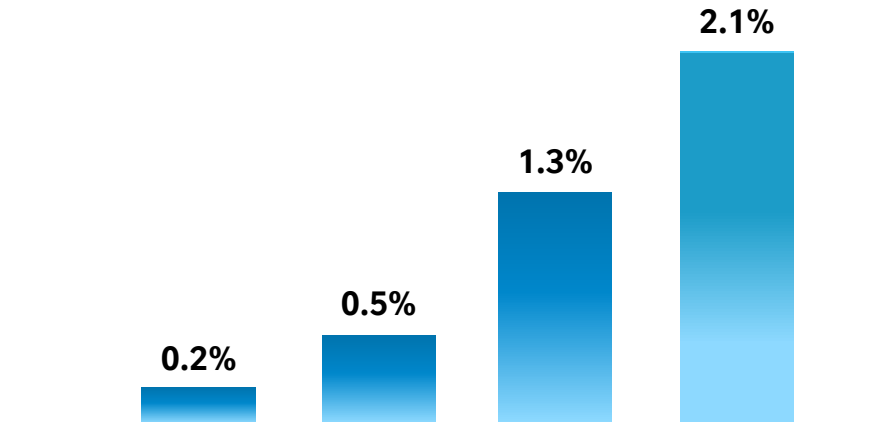


# Increased pricing reflecting input cost inflation

## Pricing

## Mitigating actions

H1-2020    H2-2020    H1-2021    Q3-2021



- Increasing pricing in a responsible manner
- Optimizing product mix
- Rolling out strategic revenue management tools
- Leveraging efficiencies, cost management initiatives and centralized procurement

# Zone AMS

<b>Sales</b>	<b>CHF 24.6 bn</b>
Real internal growth	<b>+5.2%</b>
Pricing	<b>+3.2%</b>
<b>Organic growth</b>	<b>+8.4%</b>

- Strong organic growth with increased pricing, based on innovation, e-commerce and market share gains
- North America reported mid single-digit growth in the context of significant supply chain constraints
- Latin America reached double-digit growth, with strong contributions across most geographies and categories



# Zone EMENA

<b>Sales</b>	<b>CHF 15.5 bn</b>
Real internal growth	<b>+6.4%</b>
Pricing	<b>+0.8%</b>
<b>Organic growth</b>	<b>+7.2%</b>

- Strong organic growth with market share gains, driven by innovation, e-commerce and specialist channels
- All markets reported positive growth, with strong sales developments in Russia, Turkey, the U.K. and Italy
- *Purina* PetCare, coffee and Nestlé Professional were the key drivers with double-digit growth



# Zone AOA

<b>Sales</b>	<b>CHF 15.2 bn</b>
Real internal growth	<b>+3.9%</b>
Pricing	<b>+0.2%</b>
<b>Organic growth</b>	<b>+4.1%</b>

- Solid organic growth with market share gains in most categories, despite a difficult environment
- China posted low single-digit growth, impacted by a sales decrease in infant nutrition
- Outside of China infant nutrition, the Zone saw high single-digit growth





# Nespresso

<b>Sales</b>	<b>CHF 4.7 bn</b>
Real internal growth	<b>+10.4%</b>
Pricing	<b>+0.6%</b>
<b>Organic growth</b>	<b>+11.0%</b>

- Strong organic growth led by *Vertuo*, with Original system also contributing positively
- The Americas and AOA posted double-digit growth and EMENA reported high-digit growth
- Market share gains, with contributions from most markets



# Nestlé Health Science

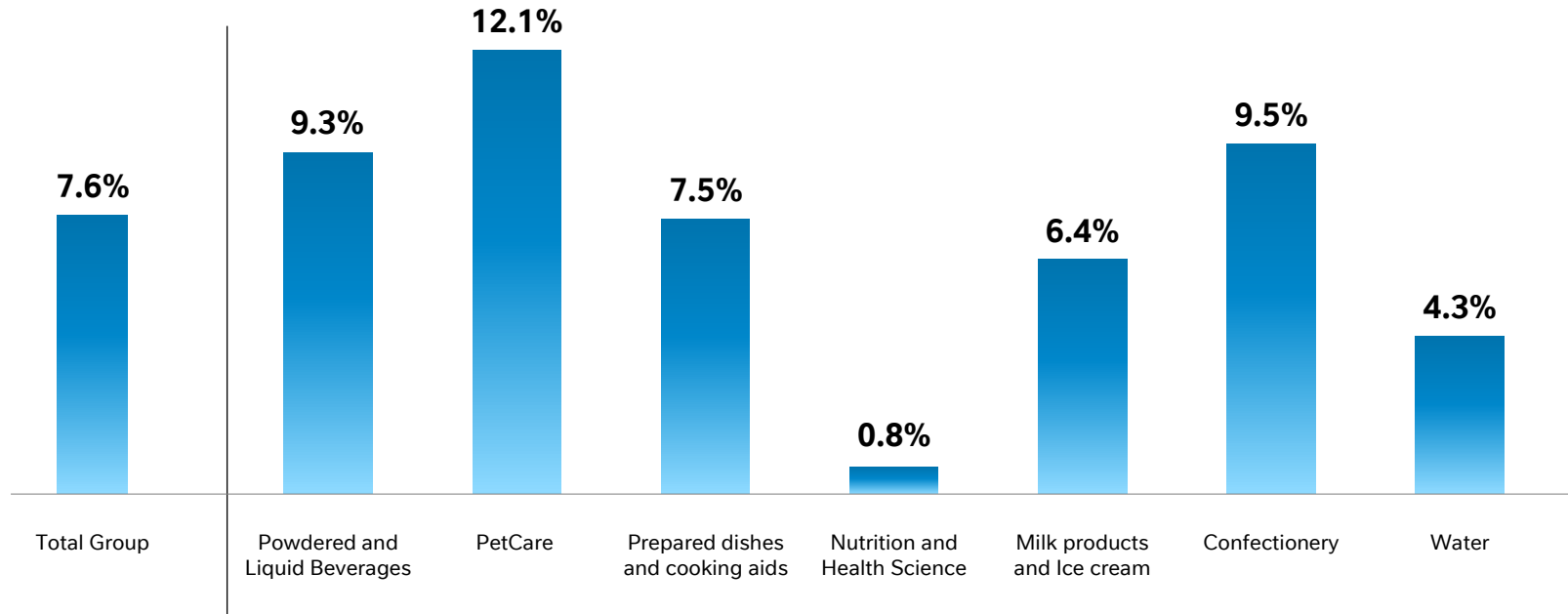
<b>Sales</b>	<b>CHF 3.2 bn</b>
Real internal growth	<b>+14.1%</b>
Pricing	<b>+0.1%</b>
<b>Organic growth</b>	<b>+14.3%</b>

- Strong organic growth, driven by sustained e-commerce momentum, product launches and geographic expansion
- Consumer care saw double-digit growth, led by vitamins, minerals, supplements and healthy-aging products
- Medical nutrition saw mid single-digit growth, with robust demand for adult medical care and pediatric care products



# Strong growth across most categories

## Organic sales growth %





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# Nine-month sales 2021

Q&A





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# Nine-month sales 2021

Supporting slides



# 9M-2021 Operating segments – topline summary

	9M-2021 sales						
	Sales (CHF m)	RIG %	Pricing %	OG %	Net M&A %	F/X %	Reported sales growth %
Zone AMS	24 589	5.2	3.2	8.4	-6.0	-3.9	-1.5
Zone EMENA	15 492	6.4	0.8	7.2	-2.8	-0.7	3.6
Zone AOA	15 172	3.9	0.2	4.1	-4.1	-0.7	-0.6
Nespresso	4 654	10.4	0.6	11.0	-0.1	0.4	11.3
Nestlé Health Science	3 237	14.1	0.1	14.3	22.4	-2.8	33.8
Other businesses	150	25.5	2.9	28.5	0.0	-2.4	26.0
<b>Total Group</b>	<b>63 294</b>	<b>6.0</b>	<b>1.6</b>	<b>7.6</b>	<b>-3.3</b>	<b>-2.0</b>	<b>2.2</b>



# 9M-2021 Products – topline summary

	9M-2021 sales			
	Sales (CHF m)	RIG %	Pricing %	OG %
Powdered and liquid beverages	17 499	8.6	0.7	9.3
Water	3 230	1.9	2.4	4.3
Milk products and ice cream	7 837	3.2	3.2	6.4
Nutrition and Health Science	9 363	0.1	0.6	0.8
Prepared dishes and cooking aids	8 873	5.9	1.6	7.5
Confectionery	5 132	7.9	1.5	9.5
PetCare	11 360	9.9	2.3	12.1
<b>Total Group</b>	<b>63 294</b>	<b>6.0</b>	<b>1.6</b>	<b>7.6</b>



# 9M-2021 Historical eight quarters

<b>Period</b>	<b>RIG %</b>	<b>Pricing %</b>	<b>OG %</b>
Q4-2019	<b>2.5</b>	<b>0.5</b>	<b>3.0</b>
Q1-2020	<b>4.7</b>	<b>-0.4</b>	<b>4.3</b>
Q2-2020	<b>0.5</b>	<b>0.8</b>	<b>1.3</b>
Q3-2020	<b>4.8</b>	<b>0.1</b>	<b>4.9</b>
Q4-2020	<b>3.0</b>	<b>0.9</b>	<b>3.9</b>
Q1-2021	<b>6.4</b>	<b>1.2</b>	<b>7.7</b>
Q2-2021	<b>7.3</b>	<b>1.3</b>	<b>8.6</b>
Q3-2021	<b>4.4</b>	<b>2.1</b>	<b>6.5</b>





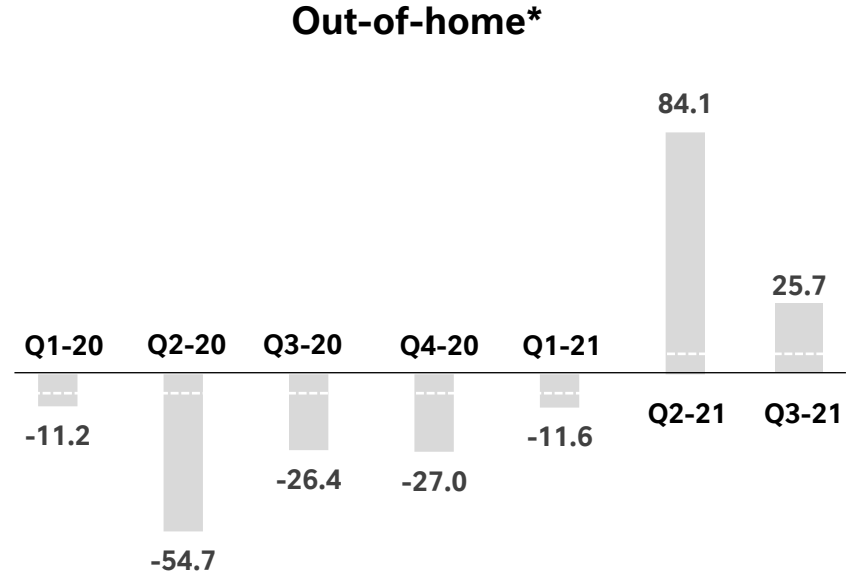
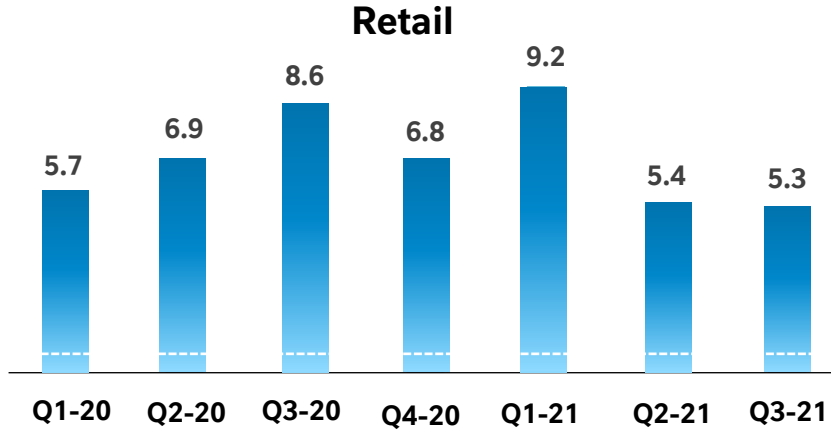
# 9M-2021 Currency overview

			Weighted average rate		
			9M-2020	9M-2021	Variation in %
US Dollar	1	USD	0.950	0.912	<b>-4.0%</b>
Euro	1	EUR	1.068	1.091	<b>+2.1%</b>
Chinese Yuan Renminbi	100	CNY	13.574	14.067	<b>+3.6%</b>
Brazilian Real	100	BRL	18.745	17.159	<b>-8.5%</b>
Philippine Peso	100	PHP	1.899	1.865	<b>-1.8%</b>
UK Pound Sterling	1	GBP	1.206	1.263	<b>+4.7%</b>
Mexican Peso	100	MXN	4.394	4.527	<b>+3.0%</b>
Canadian Dollar	1	CAD	0.700	0.729	<b>+4.2%</b>
Japanese Yen	100	JPY	0.884	0.840	<b>-5.0%</b>
Australian Dollar	1	AUD	0.642	0.691	<b>+7.7%</b>
Russian Federation Ruble	100	RUB	1.335	1.233	<b>-7.6%</b>



# Quarterly organic sales growth by channel

OG %



\* Includes Nestlé Professional, foodservice activities of Nespresso, Starbucks products and water, travel retail and Blue Bottle



# 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

