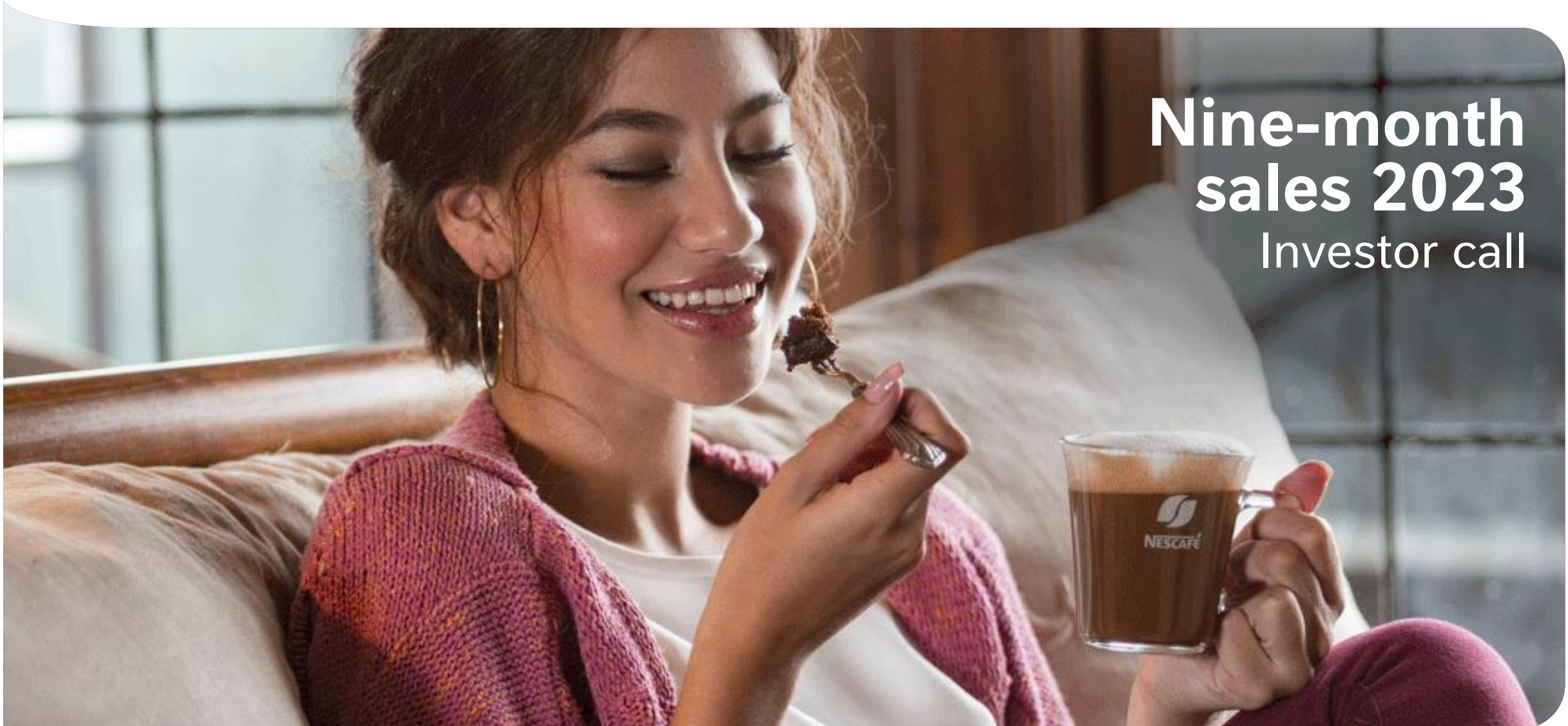




Nestlé Good food, Good life



Nine-month sales 2023

Investor call

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

Nine-month sales 2023

Mark Schneider, CEO



Key messages

- **Strong broad-based organic sales growth of 7.8%**
 - Pricing of 8.4%, reflecting historic input cost inflation
 - Real internal growth (RIG) of -0.6%, impacted by portfolio optimization and capacity constraints
- **RIG expected to turn positive for the second half**
 - Positive RIG in the third quarter when adjusted for one less trading day
 - Portfolio optimization starting to deliver
- **Continued robust growth for PetCare and coffee**
- **Short-term supply constraints at Nestlé Health Science**
- **Further strengthened nutrition strategy and stepped-up efforts to support a balanced diet**

Nestlé Health Science confirming mid-term objectives

Significant growth and synergy opportunity

- Market expected to grow at a mid single-digit rate. Vitamins, minerals and supplements category has returned to positive growth
- Cost synergy opportunities of 300 basis points

Key achievements to date

- Market share gains for medical nutrition (+400 bps since 2021)
- Leading position in U.S. e-commerce with #1, 2 and 5 brands in vitamins, minerals and supplements
- Vitamins, minerals and supplements expansion into 25 new markets since 2022
- *Pure Encapsulations* with strong double-digit growth for 9M-2023
- Delivery of cost synergies on track

Short-term supply constraints for vitamins, minerals and supplements

- IT integration issue surfaced in August during consolidation of U.S. packaging sites
- Constraints expected to be resolved by early 2024

2025 objectives* for Nestlé Health Science confirmed with a 6-month delay

*High single-digit organic growth and underlying TOP margin > 18%



Creating economic opportunities for the world's youth



10 years of Nestlé Needs YOUth

- Making people more employable
- Inspiring the next generation of farmers
- Turning young innovators into entrepreneurs

2023 guidance confirmed

- Organic sales growth guidance in the 7% to 8% range
- Underlying trading operating profit margin expected to be between 17.0% and 17.5%
- Underlying earnings per share in constant currency expected to increase between 6% and 10%





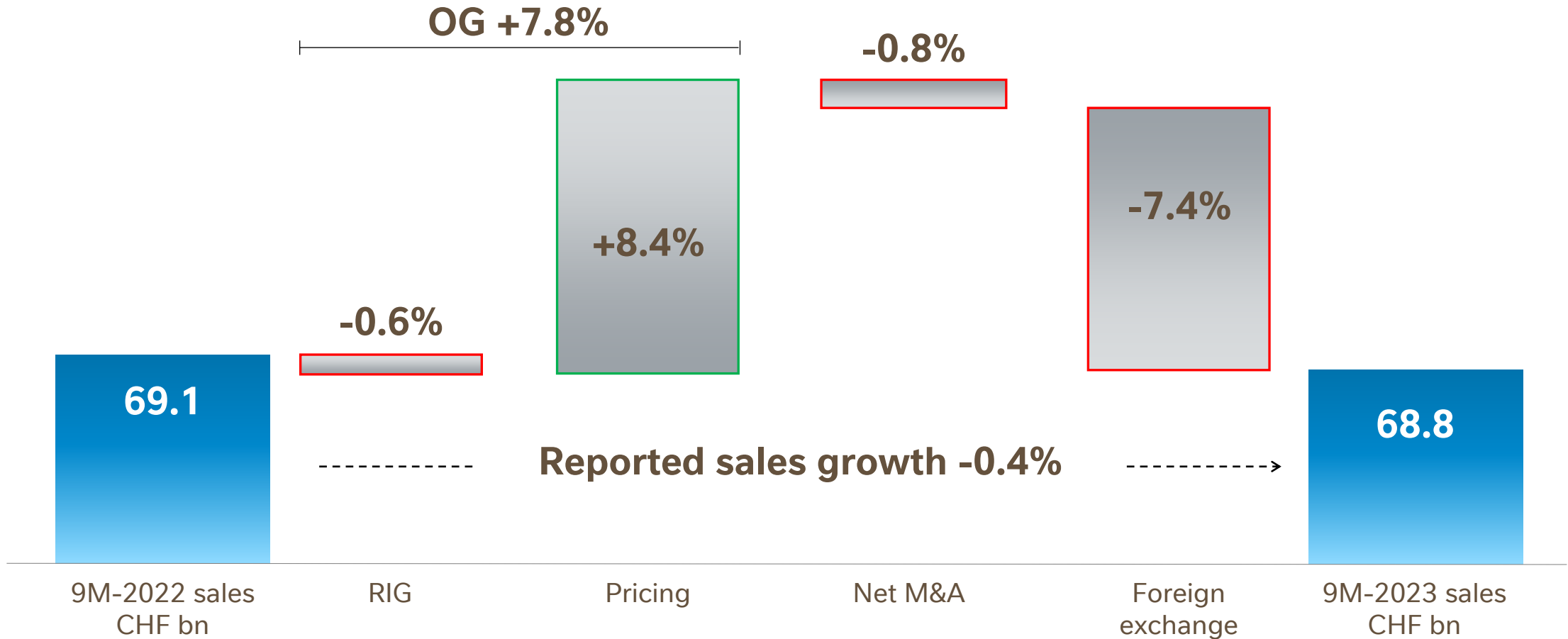
Nestlé Good food, Good life



Nine-month sales 2023

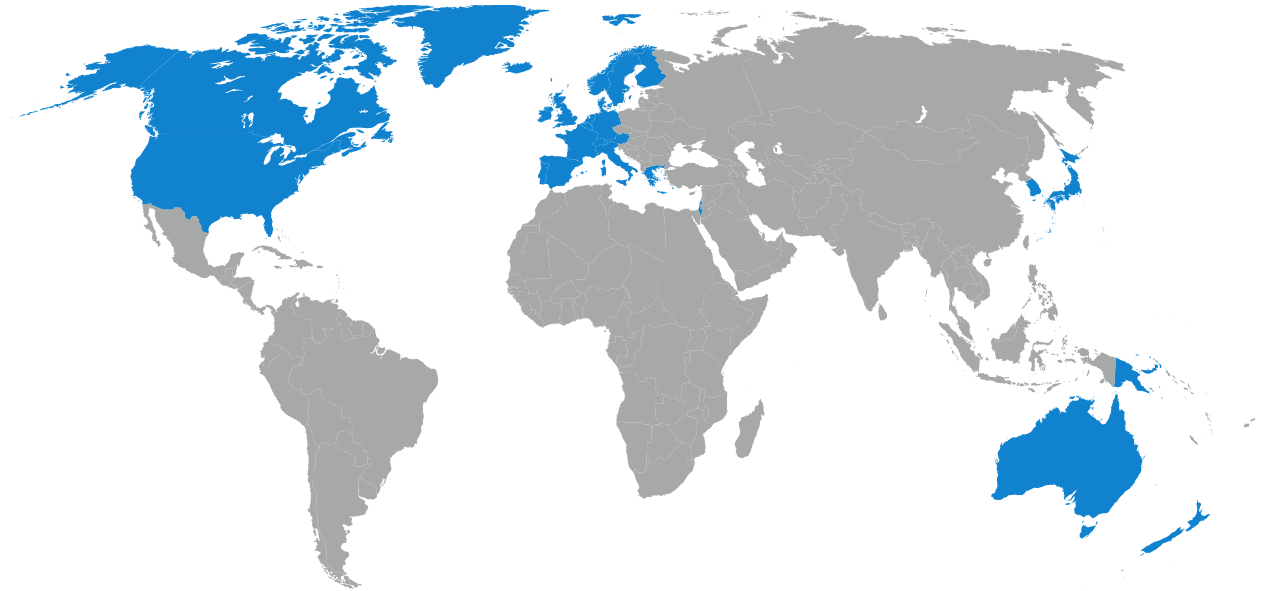
François-Xavier Roger, CFO

Nine-month sales growth

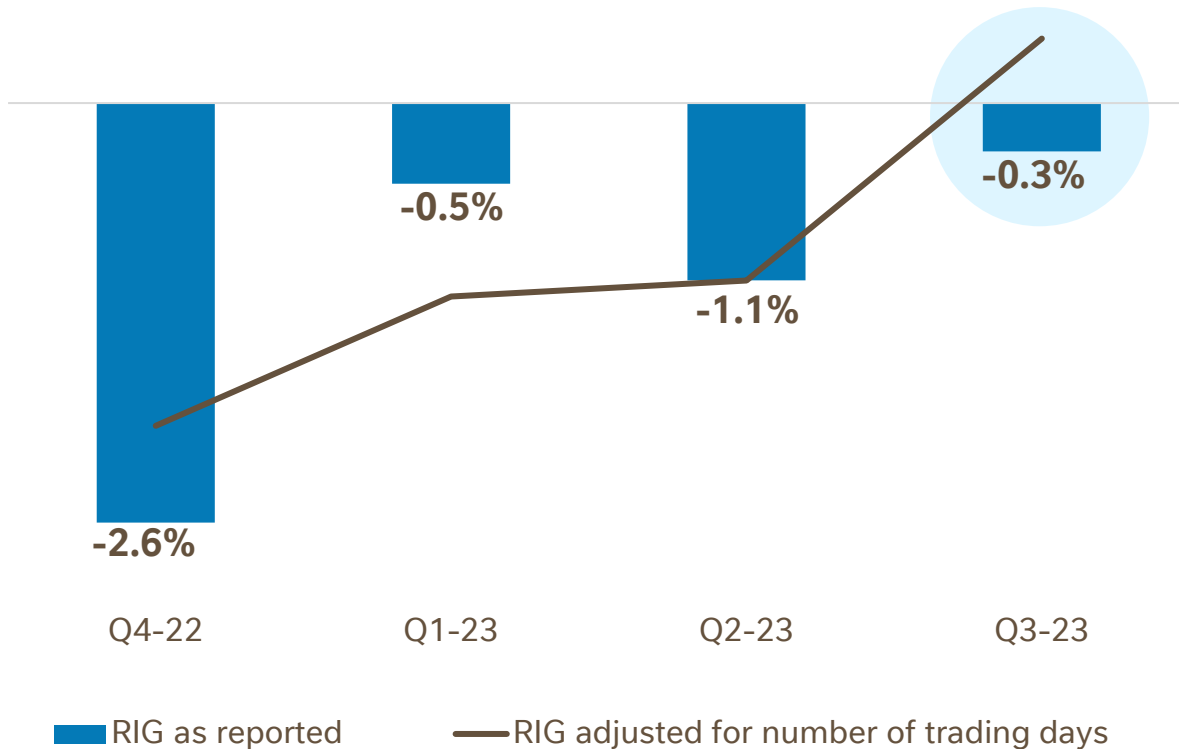


Strong growth across developed and emerging markets

	Developed	Emerging
Sales (in CHF) % of Group sales	40.2 bn 58%	28.6 bn 42%
RIG	-1.3%	0.3%
Pricing	8.2%	8.6%
OG	6.9%	9.0%



RIG trending to positive territory



Key factors

- Moderation of new pricing
- Benefits of portfolio optimization
- Increased marketing investments

Seeing benefits of portfolio optimization

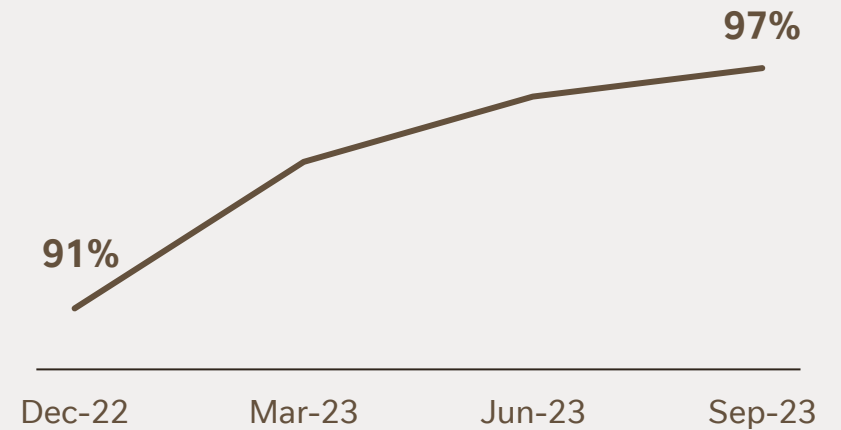
Freeing up resources

- Discontinuation of low-growth, low-margin businesses nearly completed
- Annualized impact: ~ CHF 0.7 bn sales



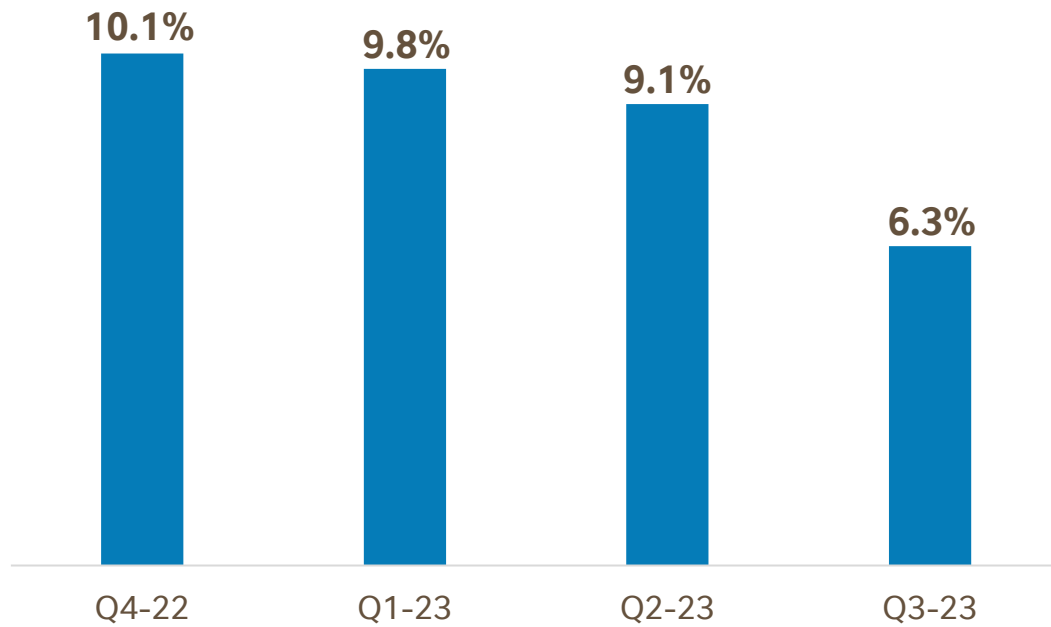
Reallocating resources

- Material improvement in customer service levels*



* Excludes Nestlé Health Science

Pricing moderating



Key factors

- High base of comparison
- Cost inflation moderating for some commodities, while remaining at high level

Zone North America

Sales	CHF 19.0 bn
Real internal growth	-0.9%
Pricing	8.9%
Organic growth	8.0%

- Broad-based organic growth despite a challenging consumer environment
- Favorable mix and strong momentum in e-commerce and out-of-home channels supported growth
- Purina PetCare, Nestlé Professional and Starbucks out-of-home products were the key growth drivers



Zone Europe

Sales	CHF 14.1 bn
Real internal growth	-2.3%
Pricing	11.1%
Organic growth	8.8%

- Strong organic growth led by pricing. RIG impacted by capacity constraints and portfolio optimization
- E-commerce momentum and out-of-home channels supported growth
- Purina PetCare, coffee and confectionery were the main growth contributors



Zone Asia, Oceania and Africa

Sales	CHF 13.2 bn
Real internal growth	0.0%
Pricing	8.6%
Organic growth	8.6%

- Strong organic growth, driven by pricing
- Continued momentum for e-commerce and out-of-home channels supported growth
- Infant nutrition, culinary and coffee were the key growth drivers



Zone Latin America

Sales	CHF 9.1 bn
Real internal growth	-0.6%
Pricing	10.5%
Organic growth	10.0%

- Sustained double-digit organic growth led by pricing
- Strong operational execution and continued momentum of out-of-home channels supported growth
- Confectionery, infant nutrition and coffee were the main growth contributors



Zone Greater China

Sales	CHF 3.6 bn
Real internal growth	2.3%
Pricing	2.6%
Organic growth	4.9%

- Positive organic growth, driven by both RIG and pricing
- Strong sales developments for out-of-home businesses and e-commerce momentum supported growth
- Nestlé Professional, confectionery and culinary were the key growth drivers



Nestlé Health Science

Sales	CHF 4.9 bn
Real internal growth	-1.9%
Pricing	4.4%
Organic growth	2.5%

- Pricing-led organic growth, with negative RIG
- Consumer Care saw negative growth, reflecting short-term supply constraint for vitamins, minerals and supplements in the third quarter
- Active nutrition posted mid single-digit growth, driven by *Orgain* and *Vital Proteins*
- Medical nutrition recorded double-digit growth



Nespresso

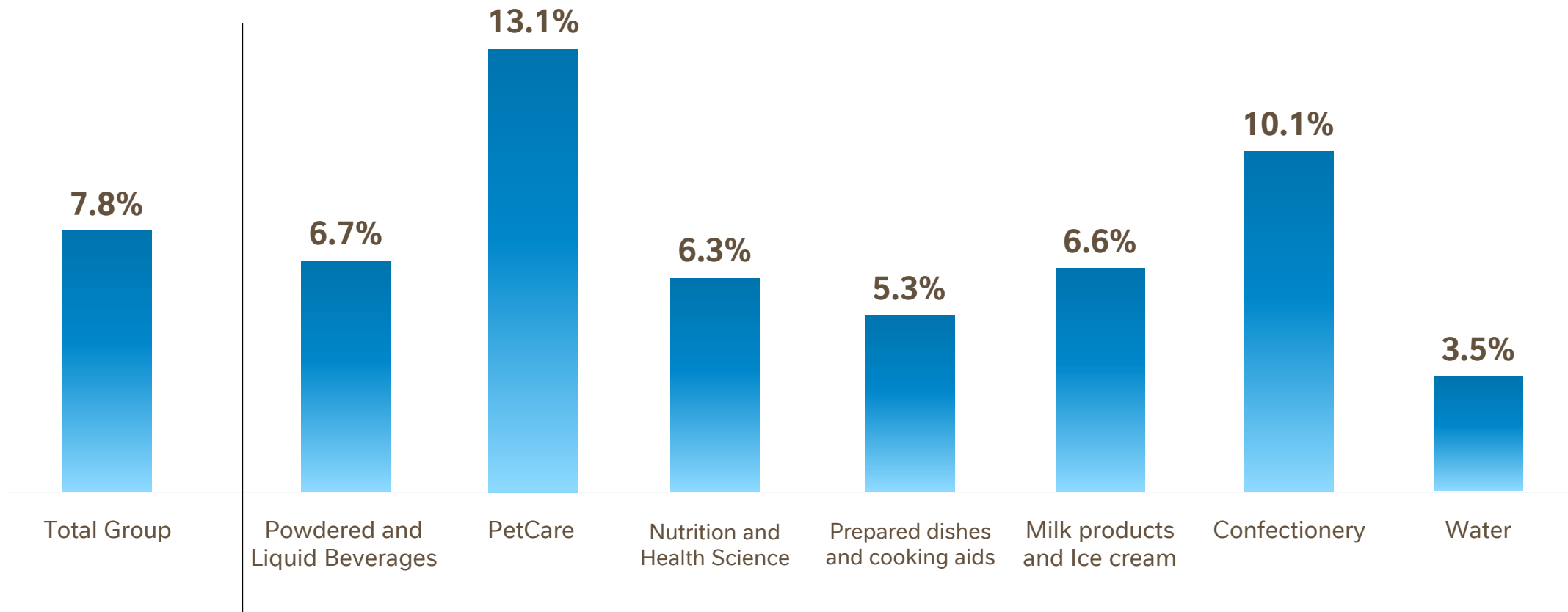
Sales	CHF 4.6 bn
Real internal growth	1.6%
Pricing	3.5%
Organic growth	5.2%

- Organic growth driven by pricing and sequentially improving RIG
- *Vertuo*, strong demand in out-of-home channels and innovation supported growth
- North America posted double-digit growth. Europe reported positive growth



Broad-based growth across categories

Organic sales growth %



Q&A



Supporting slides



9M-2023 Operating segments – topline summary

	9M-2023 sales						Reported sales growth
	Sales (CHF m)	RIG %	Pricing %	OG %	Net M&A %	F/X %	%
Zone North America	19 027	-0.9	8.9	8.0	-2.2	-6.1	-0.3
Zone Europe	14 144	-2.3	11.1	8.8	-2.4	-5.2	1.3
Zone AOA	13 223	0.0	8.6	8.6	-0.1	-13.3	-4.8
Zone Latin America	9 139	-0.6	10.5	10.0	0.0	-4.3	5.7
Zone Greater China	3 624	2.3	2.6	4.9	0.1	-10.6	-5.7
Nestlé Health Science	4 850	-1.9	4.4	2.5	3.8	-5.9	0.5
Nespresso	4 617	1.6	3.5	5.2	-0.6	-5.7	-1.2
Other Businesses	205	8.3	1.5	9.8	0.0	-5.1	4.7
Total Group	68 829	-0.6	8.4	7.8	-0.8	-7.4	-0.4



9M-2023 Products – topline summary

	9M-2023 sales			
	Sales (CHF m)	RIG %	Pricing %	OG %
Powdered and liquid beverages	18 257	-0.3	7.0	6.7
Water	2 606	-6.9	10.4	3.5
Milk products and Ice cream	8 100	-3.0	9.6	6.6
Nutrition and Health Science	11 470	-0.8	7.1	6.3
Prepared dishes and cooking aids	8 649	-3.2	8.5	5.3
Confectionery	5 735	2.2	7.9	10.1
Petcare	14 012	2.6	10.4	13.1
Total Group	68 829	-0.6	8.4	7.8



9M-2023 historical eight quarters

Period	RIG%	Pricing %	OG %
Q4-2021	4.0	3.1	7.2
Q1-2022	2.4	5.2	7.6
Q2-2022	0.9	7.7	8.7
Q3-2022	-0.2	9.5	9.3
Q4-2022	-2.6	10.1	7.5
Q1-2023	-0.5	9.8	9.3
Q2-2023	-1.1	9.1	8.0
Q3-2023	-0.3	6.3	6.0



9M-2023 Currency overview

			Weighted average rate		
			9M-2022	9M-2023	Variation in %
US Dollar	1	USD	0.953	0.902	-5.3
Euro	1	EUR	1.012	0.978	-3.4
Chinese Yuan Renminbi	100	CNY	14.415	12.866	-10.7
Brazilian Real	100	BRL	18.625	18.014	-3.3
Philippine Peso	100	PHP	1.778	1.625	-8.6
UK Pound Sterling	1	GBP	1.194	1.122	-6.0
Mexican Peso	100	MXN	4.692	5.066	8.0
Canadian Dollar	1	CAD	0.742	0.670	-9.8
Japanese Yen	100	JPY	0.744	0.654	-12.1
Australian Dollar	1	AUD	0.673	0.603	-10.4
Indian Rupee	100	INR	1.229	1.095	-10.9



Abbreviations

- OG Organic growth
- RIG Real internal growth
- AOA Zone Asia, Oceania, and Africa
- LATAM Zone Latin America
- GC Zone Greater China

