



Nestlé Good Food, Good Life

Nutrition

**Winning with science,
innovation and speed in the
First 1 000 Days**

Thierry Philardeau
Head of Nutrition SBU

Disclaimer



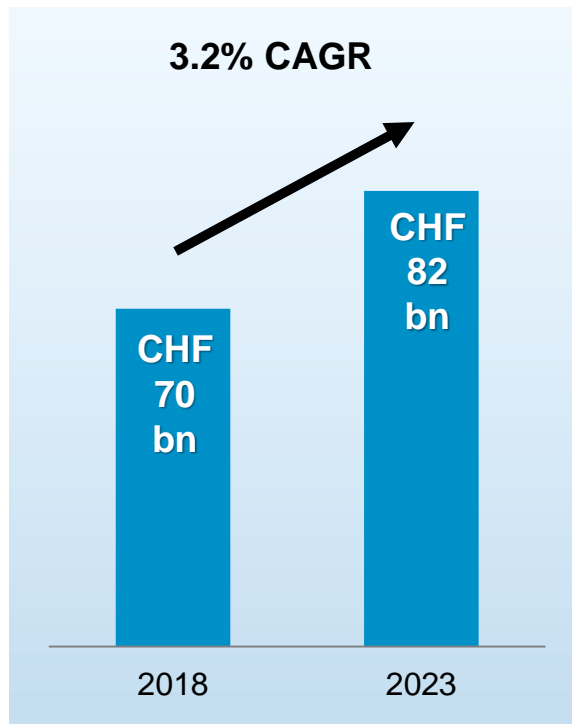
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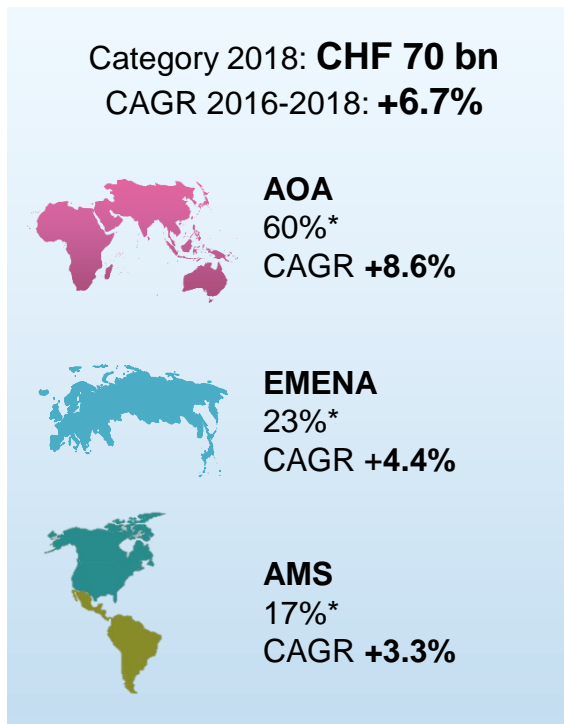
Infant nutrition, a growing and competitive category



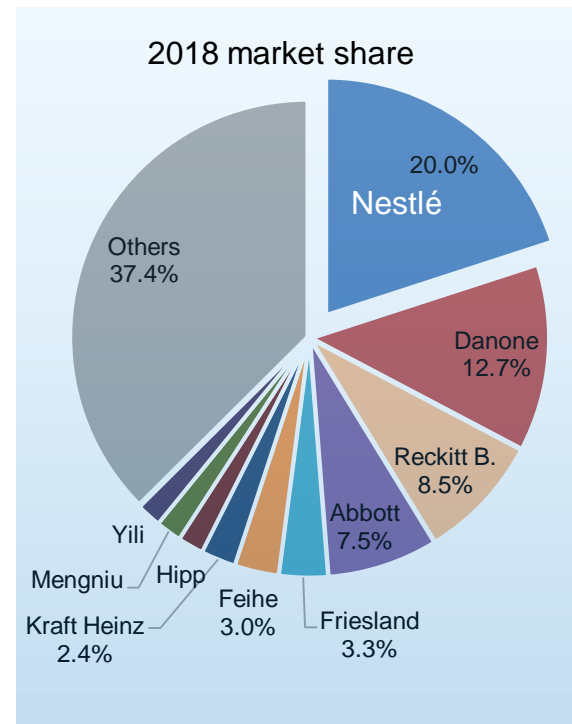
Category outlook



Regional growth



Competitive landscape



* % of 2018 category retail sales

Source: Euromonitor, 2016-18 based on current prices, 2018-23 based on constant prices

Category will continue to grow and ample innovation opportunities still exist



Scientifically- proven innovation



Human Milk
Oligosaccharides (HMO)



OPTIPRO

Naturalization and new food beliefs

Naturally healthy



Ancient
grains



Late stage products beyond 1 000 days

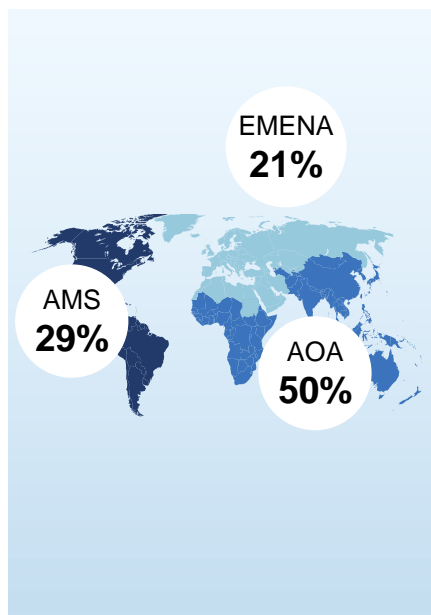


Our business enjoys a unique competitive position



A balanced geographic footprint

Nestlé infant nutrition 2018 sales*



7 billionaire brands – 86% of the business



Supported by unsurpassed nutrition & scientific expertise

- 223 patents in past 5 years
- 33 on-going clinical studies
- 1 fundamental R&D center
- 4 Product technology centers



An engaged SBU-Zones-Markets organization

- 15 000 passionate employees
- 450 nutrition science & technology experts



* Includes infant formula, baby food; Excludes Gerber Life Insurance

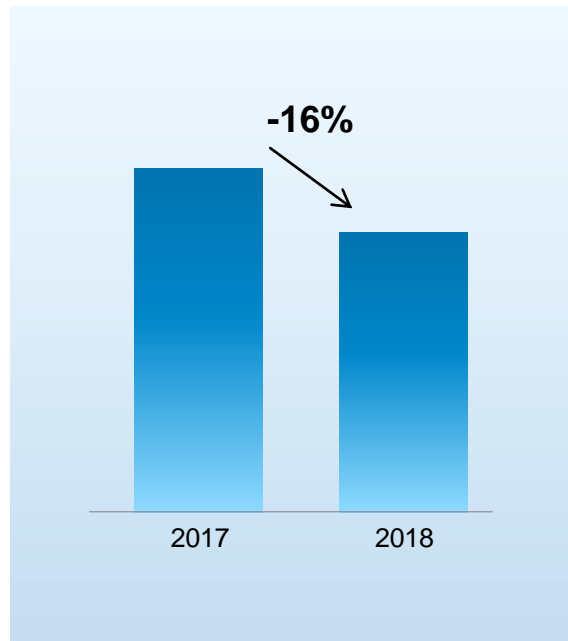
Re-organized to win with speed and agility



Gained speed, agility and efficacy...

- 1 **Strategic Business Unit** with authority and embedded R&D
- 3 agile regions reporting to **Zone leadership**
- **Markets** timely and efficient execution and adaptation of the strategy

having reduced structural costs* in 12 months...



and increased speed to market

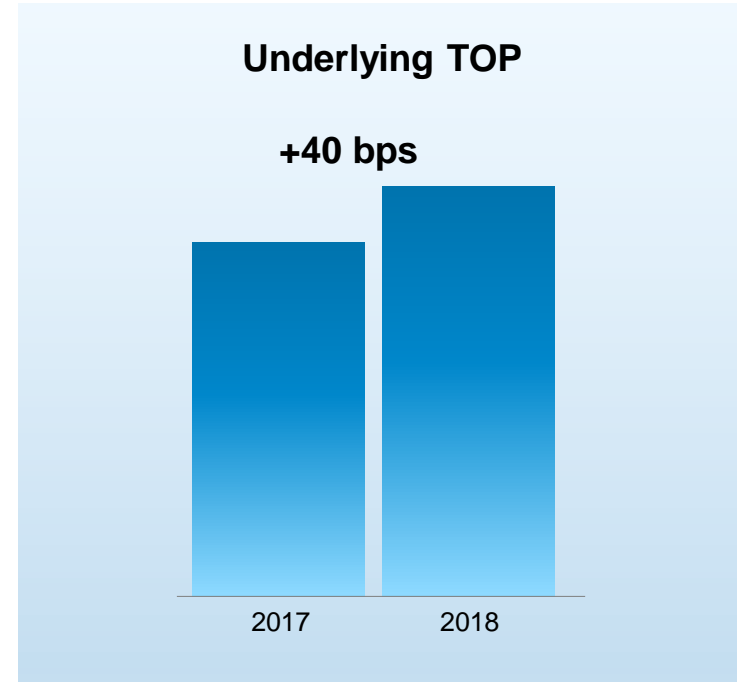
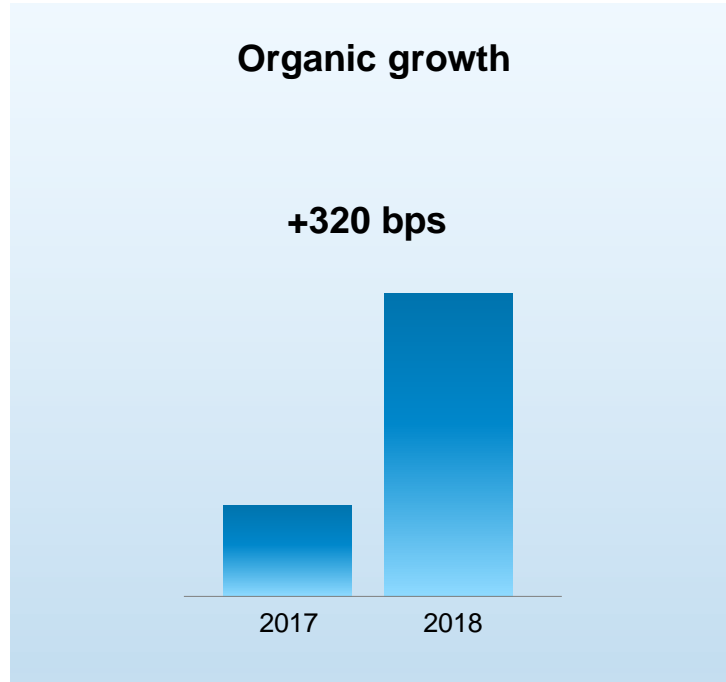


* Refers to above-market structural costs only

Growth acceleration while maintaining strong margins



Nestlé infant nutrition*



* Includes infant formula, baby food; Excludes Gerber Life Insurance

Our vision



Become a recognized, trusted business and societal leader in infant and parenting nutritional solutions for the *First 1 000 Days of Life*

- **Breastfeeding** is the ideal nutrition for babies
- **Every child** has the **right to the best possible first thousand days** of life
- **All mums** should feel **respected** and **at peace with their decision** about how to feed their baby

- **Deliver cutting-edge innovation and services to all parents and babies**
- **Lead the industry in responsible marketing practices**

International Code
of Marketing
of Breast-milk Substitutes



FTSE4Good



Nestlé 'First 1 000 Days', together nurturing a healthier generation



Leading products and brands

Essential services for parents and healthcare professionals



4 key strategic priorities



1

Continue to build our leadership in Greater China Region (GCR)



2

Strengthen infant formula leadership globally



3

Turnaround GERBER US



4

Realize CERELAC full potential

1 The Chinese market is pivotal to category leadership



Large & growing...

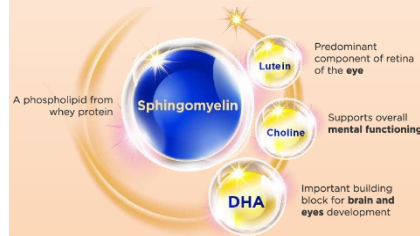
receptive to innovation and premiumization...

with new business models...

and a uniquely competitive landscape



Cutting-edge science



Innovative baby stores



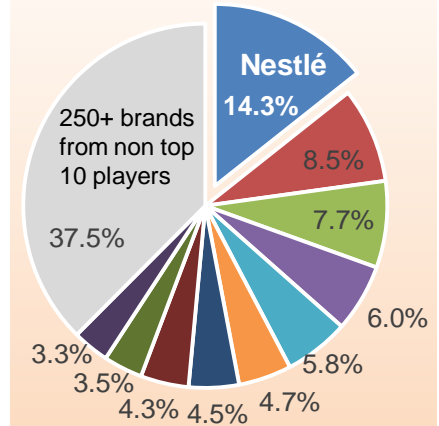
Advanced e-commerce



Unique cross-border



Nutrition market shares %



Source: Euromonitor

1

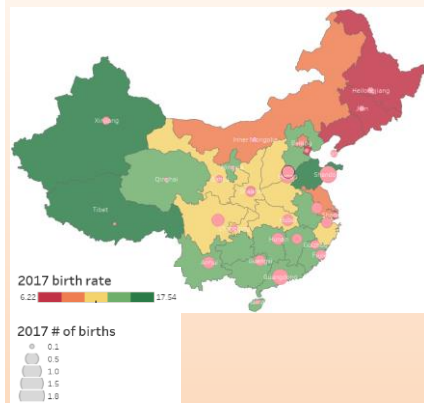
Seize new opportunities to strengthen our leadership



Lead in innovation to strengthen our 3 large brands



Execute tailor-made strategy in 3rd/ 4th tier cities



Accelerate domestic and cross-border e-commerce

Partner with reference players, category captainship



Accelerate launch of innovation via cross-border



Dedicate cross-border e-commerce organization



Expand in baby food with organic



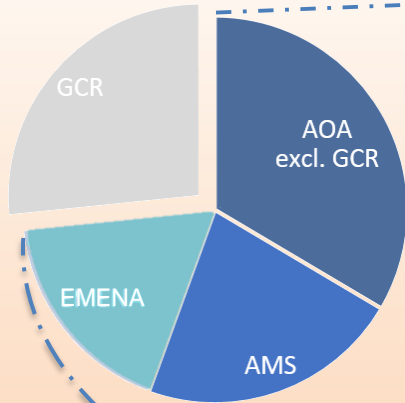
Source: National Bureau of Statistics

2 Strengthen further our infant formula global leadership



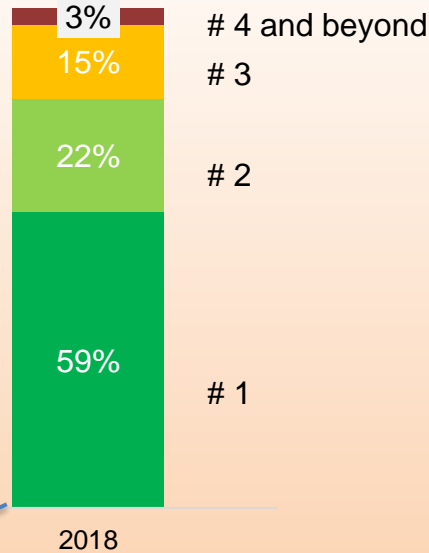
Balanced geographic footprint

Nestlé infant formula 2018 sales



Strong market position (Euromonitor data)

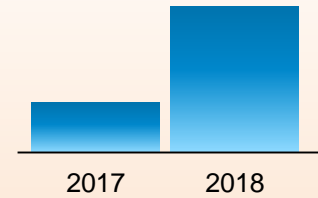
Nestlé sales Nestlé rank



Delivering profitable growth

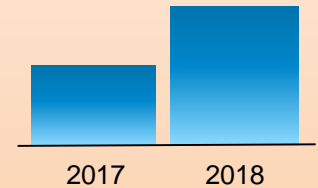
Organic growth

+470 bps



Underlying TOP

+60 bps



2 Lead innovation to create further gap



With cutting-edge nutrition, clinically proven



1 in HMOs
44 markets

Happy healthy growth
5 markets



NAN, protein expert
70 markets

With organic and new 'naturalness'



Organic formula
24 markets



A2

With the latest innovation for specific baby conditions



Clear leader in Hypoallergenic



Comprehensive suite for a variety of baby conditions

With age adapted nutrition through the 1 000 days and beyond



Motor skills



Social skills



Autonomy

3 Turnaround GERBER US



Relaunch executed

Restaged the core

- Impactful new design
- Pouch acceleration
- Variety and on-trend ingredients



Accelerated organic

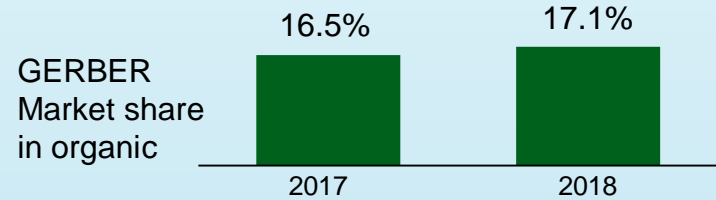


- Dedicated line
- Innovation across segments

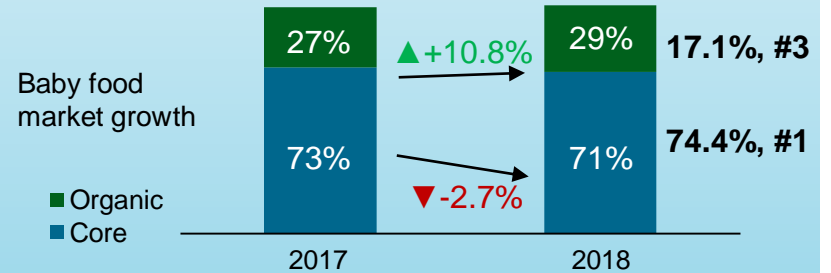


Needs further acceleration

Gaining momentum in organic



Need to reinvent the core



Source: Euromonitor, Nielsen

3 Execute a profound transformation of our business



Bring 'naturalness' to the core range



- Clean labels
- Stringent farming practices

20 launches Q2 2019

Further deepen our organic offer



21 launches Q2 2019

Win in growing channels



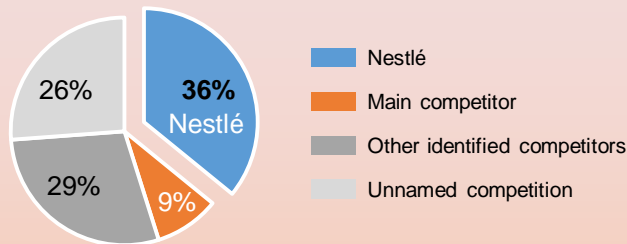
Lead with best-in-class personalized services



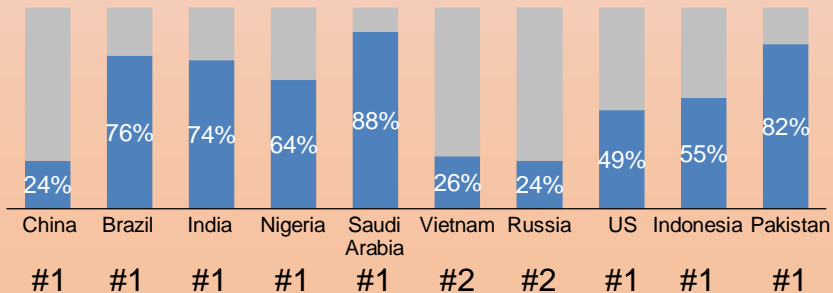
- 10 000 personalized interactions / month
- 24/7 service
- Real advice from Infant Nutritionists

Clear leadership in weaning food...

Global market share in infant cereals

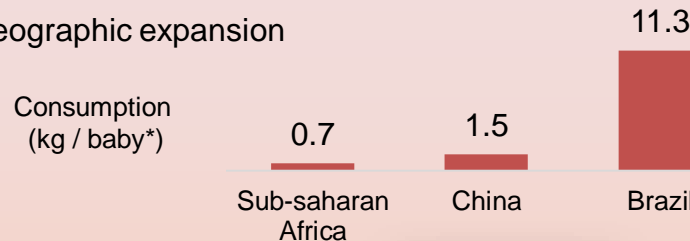


Nestlé market share in top 10 markets (72% global market)



and still ample growth opportunities

Geographic expansion



Consumption occasions



State of the art nutrition



* Estimated as number of annual births
Source: Euromonitor, Nielsen, internal market data

4 Realize CERELAC full potential



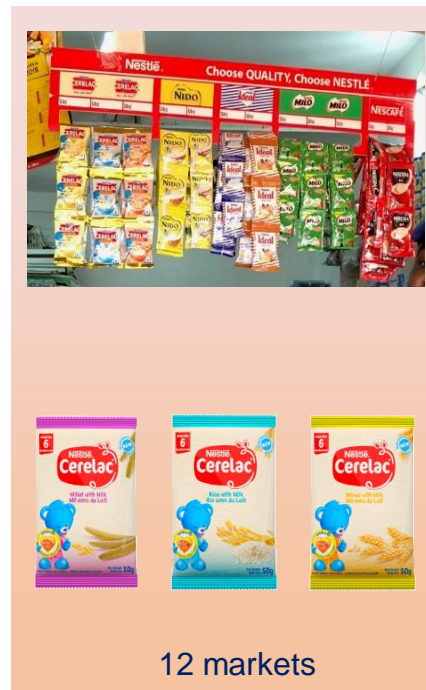
Rollout no-added sugar and zero sucrose



Drive new 'cereals' ideology



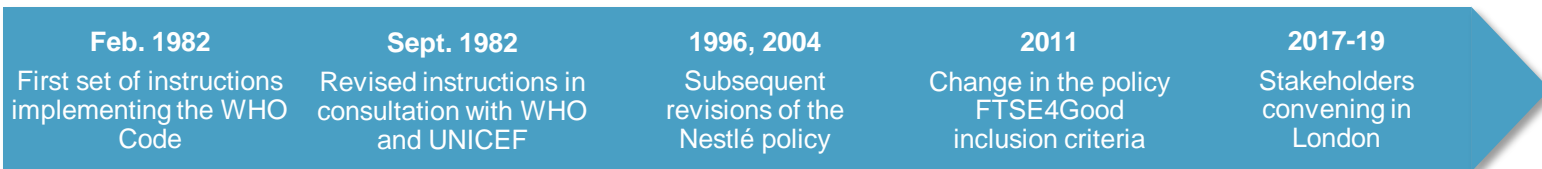
Drive affordability to conquer new markets



Expand consumption to snacking and meals



Leading the industry in responsible marketing



- **Industry-leading policies to market breast milk substitutes responsibly**

- **External and internal auditing**

- FTSE4Good
 - ATNI
 - Internal audits
- } • 28 internal and external audits
- } • 11 employees dismissed after due process



FTSE4Good

- **Progressive Maternity Protection Policy**

- 425 breastfeeding rooms at Nestlé
- 5 437 external breastfeeding rooms



We are well positioned to continue to win



- 7 trusted brands
- Innovation based on unsurpassed early life nutrition science
- Advantaged geographical footprint
- A complete portfolio of nutritional solutions for the '*First 1 000 Days*'