



Nestlé Good food, Good life

# Nestlé's long-term strategy: Good for You, Good for the Planet

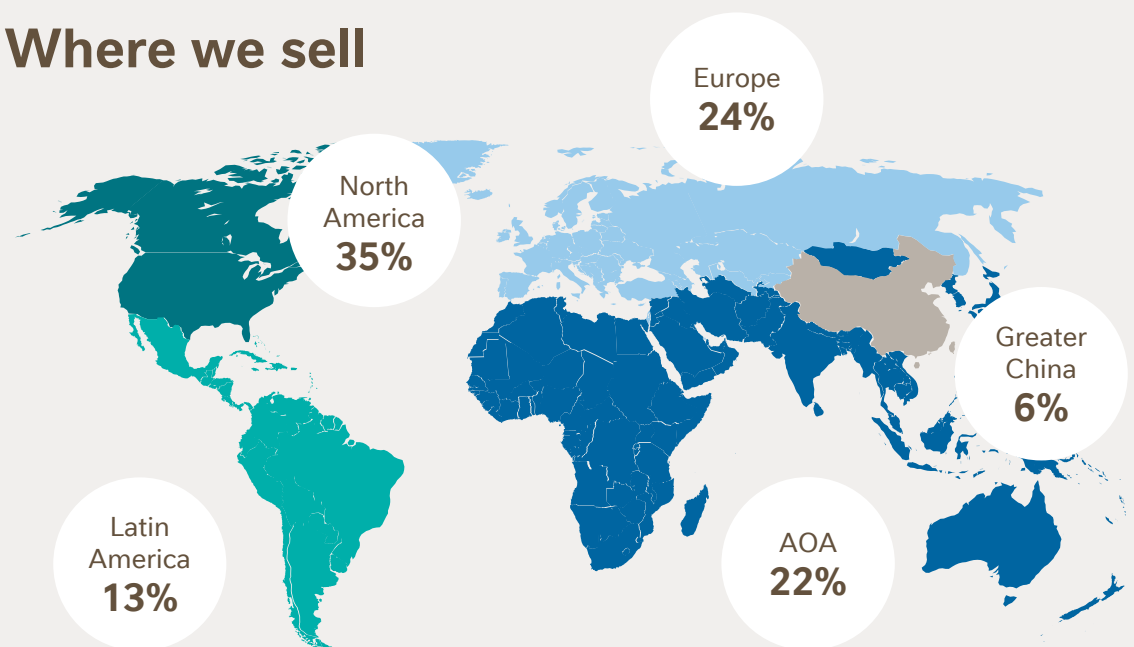
Mark Schneider  
Chief Executive Officer



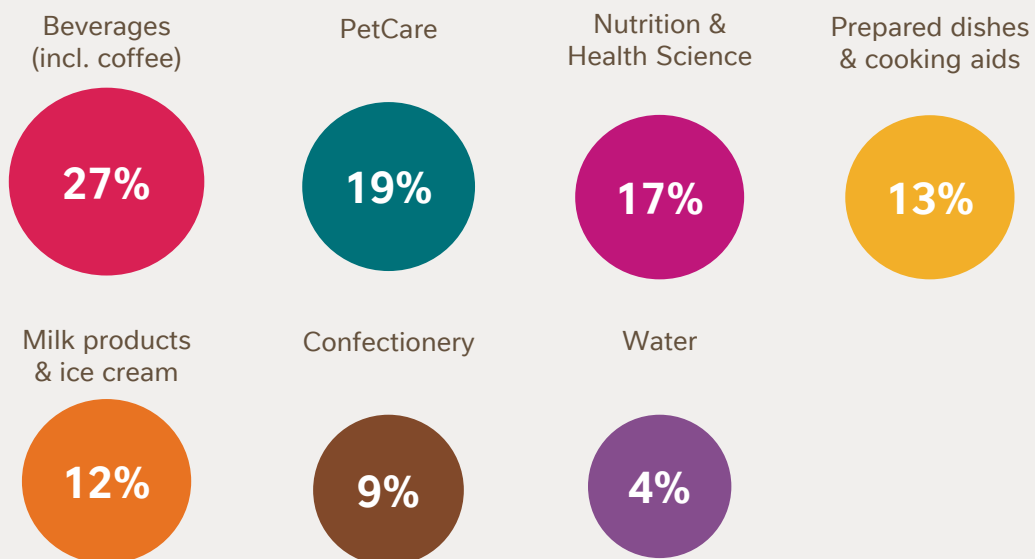
# Our business is global, balanced and diversified

2022 sales of **CHF 94.4 bn**, with an underlying TOP margin of **17.1%**

## Where we sell



## What we sell



## Resources

Number of employees

**275 000**

R&D spend

**CHF 1.7 bn**

R&D locations

**23**

Factories

**344**



# Our strategy

## Food and beverages are core, including Nestlé Health Science and nutritional health products as an additional growth platform

- Meet needs of modern time-constrained consumers with healthy, delicious, convenient products
- Bring differentiated, premium innovations to market fast
- Offer affordable, high-quality nutrition in developing markets
- Lead on climate and sustainability agenda

## Creating Shared Value (CSV) to generate value for shareholders and society



# Key strategic directions shaping our portfolio in the 2020s

## Good for You

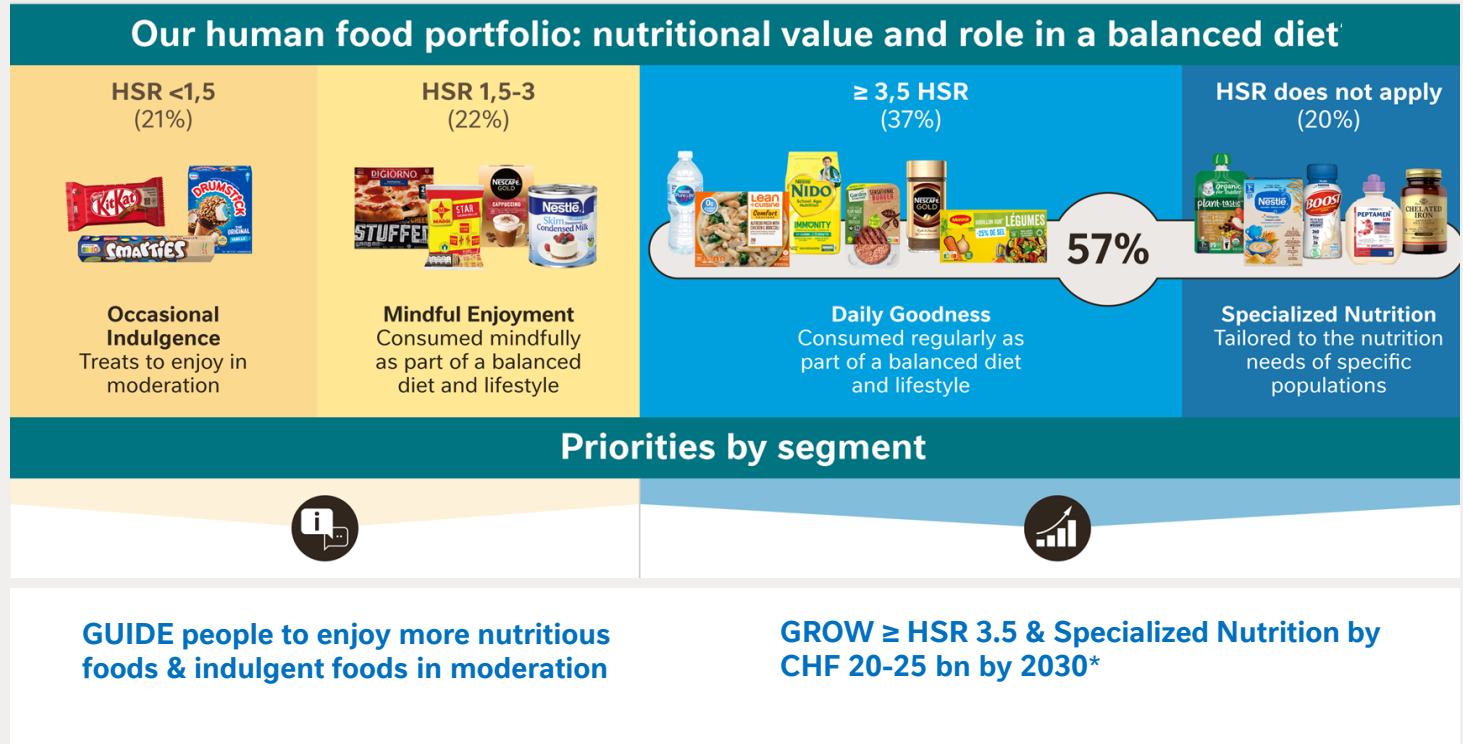


## Good for the Planet



# Bringing tasty, balanced diets within reach for billions

## Transparent reporting & support for balanced diets



## Healthy aging and longevity

Active lifestyle support



Nutritional balance



Preventative health



\* Target excludes infant formula 0-12 months





# Delivering carbon reductions & supporting longer-term transformation

## Scope 1: Direct operations

Investing in factory modernization



Rice husk biomass boiler  
Nestlé Indonesia Kejayan Factory

## Scope 2: Indirect operations

Switching to renewables electricity



Ganado solar project  
Jackson County, Texas

## Scope 3: Value chain

Supporting farmer adaptation



Drought and disease resistant coffee plantlets  
Columbia



# Supporting the transition to regenerative agriculture



## Biodiversity

Increase plant and animal biodiversity above and below the ground.



## Farmers



## Soil

Scale up farming practices that protect soil health and increase soil organic matter.



## Water

Reduce chemical farm inputs, optimize organic fertilization, biological pest control and irrigation techniques.



## Livestock

Integrate livestock and optimized grazing in farming systems where feasible.



# Strengthening brand and product differentiation via sustainability

## Climate action



## Human rights



## Regenerative agriculture

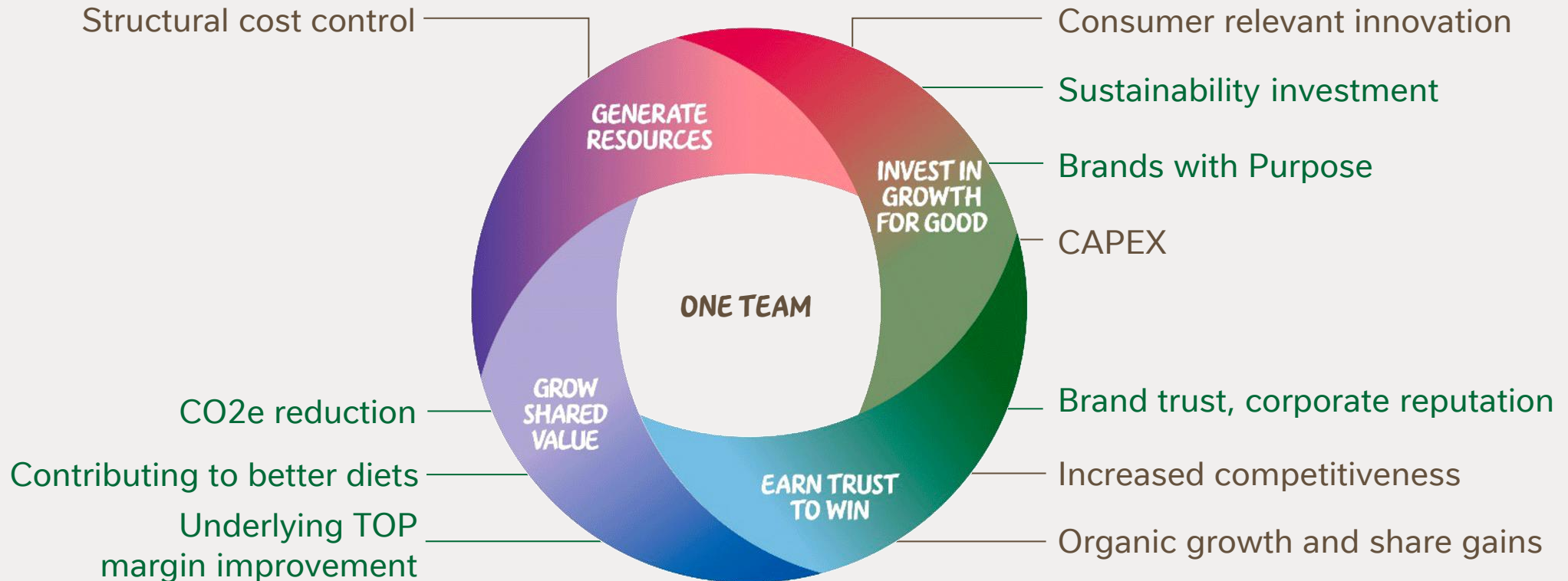


# How climate action is integrated into Nestlé long-term strategy

Operating model: evolving the Virtuous Circle

Financial performance drivers and metrics

Integrated sustainability performance drivers and metrics



# How climate action is integrated into Nestlé long-term strategy

Governance: integrating sustainability-linked KPIs at multiple levels of the business

## Sustainability committee

- **Board of Director level**
- Created March 2021
- **Reviews sustainability agenda** and how long-term strategy creates shared value

## ESG council

- **Executive Board members**
- Created November 2020
- **Ensures focus and accountability** across key material issues
- Oversees five working groups

## Creating Shared Value council

- **External advisor panel**
- Created 2009
- **Facilitates continuing evolution** of Creating Shared Value agenda

# A Board of Directors with diverse and relevant experience

	Year added	Nationality	Public Company CEO / CFO	Int'l Business	FMCG	Retail / Brand / Marketing	Financial / M&A	Technology	Gov't / NGO	Sustainability
<b>Paul Bulcke</b>	2008	Belgian / Swiss	✓	✓	✓	✓	✓			
<b>Mark Schneider</b>	2017	American / German	✓	✓	✓	✓	✓			
<b>Henri de Castries</b>	2012	French	✓	✓			✓			
<b>Renato Fassbind</b>	2015	Swiss	✓	✓		✓	✓			
<b>Pablo Isla</b>	2018	Spanish	✓	✓	✓	✓	✓	✓		
<b>Patrick Aebischer</b>	2015	Swiss		✓				✓	✓	✓
<b>Kimberly A. Ross</b>	2018	American	✓	✓	✓	✓	✓			
<b>Dick Boer</b>	2019	Dutch	✓	✓	✓	✓	✓			✓
<b>Dinesh Paliwal</b>	2019	American / Indian	✓	✓		✓	✓	✓		✓
<b>Hanne Jimenez de Mora</b>	2020	Swiss		✓			✓			✓
<b>Linda Majele Sibanda</b>	2021	Zimbabwean							✓	✓
<b>Luca Maestri</b>	2022	Italian / American	✓	✓			✓	✓		
<b>Chris Leong</b>	2022	Malaysian		✓		✓				✓
<b>Rainier Blair</b>	2023	American	✓	✓			✓	✓		
<b>M.G Ineichen-Fleisch</b>	2023	Swiss							✓	✓



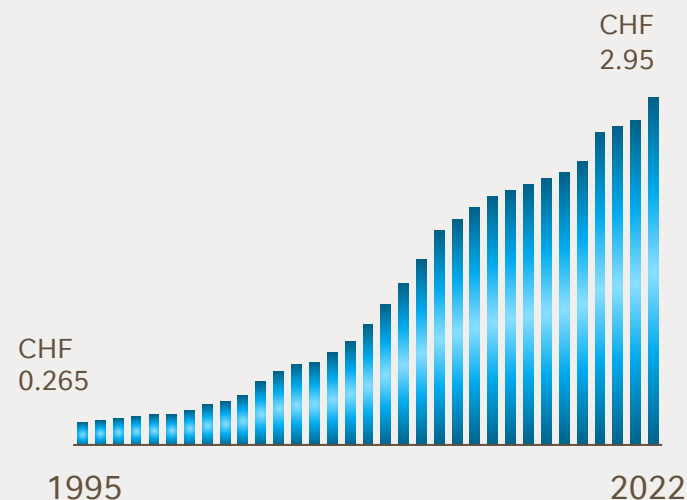
# Consistent and dependable shareholder returns

Outperforming Global STOXX 1800 F&B Net Return Index over long-time horizons

	1 year	3 years	5 years	10 years
<b>Nestlé</b>	<b>-4%</b>	<b>14%</b>	<b>55%</b>	<b>154%</b>
<b>STOXX F&amp;B</b>	<b>-12%</b>	<b>24%</b>	<b>41%</b>	<b>107%</b>

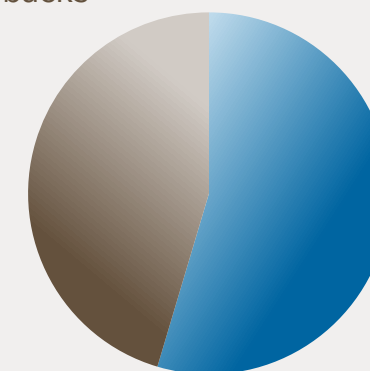
TSR in EUR, gross data except STOXX 10-year  
Data as of 30.10.2023

28 years of consecutive dividend increases



CHF 181.3 bn returned to shareholders over last 15 years

CHF 99.0 bn  
Share buybacks



CHF 82.3 bn  
Dividend payments

Returns for period 2008-2022



# Our value creation model and 2025 targets

## Operating performance

**Sustainable organic sales growth**  
mid single-digit

**Underlying TOP margin**  
17.5 -18.5%

**Annual underlying EPS growth**  
6 - 10%

**Free Cash Flow**  
trending toward 12%  
of sales

## Capital discipline

**Working capital**  
0% of sales

**Capex**  
~ 5% of sales

**ROIC**  
trending toward 15%

## Financial policy

**Dividend**  
maintain practice

**Net Debt / EBITDA**  
2.0-3.0x

**Share buybacks**  
return excess cash

## Value creation for both society and our shareholders

Organic growth may exceed the mid single-digit level if pricing is materially above the average level of the last 10 years



# Nestlé: a dependable company



**Unlocking the power of food**

**Making the greatest difference  
to the lives of people and pets...**

**Protecting and enhancing  
the environment...**

**Generating significant value  
for our shareholders and other  
stakeholders alike**



# Thank you

