Nestlé outlines value creation model and 2025 targets at investor seminar

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Back to Press releases [Ad hoc announcement pursuant to Art. 53 LR] Follow today's event live 08:30 CET Investor webcast Full details in Events - Confirms its longstanding Nutrition, Health and Wellness strategy. Focus on food and beverages, including Nestlé Health Science and nutritional health products as an additional growth platform. - Confirms sustainable mid single-digit organic sales growth expectation. - Affirms return to underlying trading operating profit margin range of 17.5% to 18.5% by 2025. - Sets annual underlying EPS growth target range of 6% to 10% in constant currency. - Announces strategic review of Palforzia. - Updates full-year 2022 outlook: we now expect organic sales growth between 8% and 8.5%. The underlying trading operating profit margin is expected around 17.0%. Underlying earnings per share in constant currency and capital efficiency are expected to increase. At its investor seminar today in Barcelona, Nestlé will share its strategy for sustainable value creation and outline its 2025 targets. The company will detail how it will continue to deliver sustainable mid single-digit organic sales growth. Nestlé expects to return to an underlying trading operating profit margin range of 17.5% to 18.5% by 2025, following the margin impact of a sharp increase in cost inflation in 2021 and 2022. The company also expects to deliver an annual underlying EPS growth range of 6% to 10% in constant currency over the period 2022 to 2025. It plans to trend toward free cash flow of 12% of sales and ROIC of 15% by 2025. During today's presentations, Nestlé will describe its plans to boost growth through brand building, innovation and digitalization, while supporting margin development through efficiency programs. The seminar will also cover how Nestlé Health Science is developing its leadership position in nutrition and health. Mark Schneider, Nestlé CEO: "We have made significant progress in recent years, accelerating organic growth, increasing margins and enhancing capital efficiency. Today, we outline our value creation model and targets for 2025 as we aim to deliver consistently in turbulent times. We will continue to invest for future growth, investing behind our

brands, delivering impactful innovation, leveraging digitalization and improving speed and agility. Creating shared value for stakeholders remains our focus, with Good for You, Good for the Planet at the heart of our strategy." Regarding financial metrics, Nestlé pursues a value creation model that balances growth in earnings per share, competitive shareholder returns, flexibility for external growth and access to financial markets. The company will continue to invest to drive brand building, innovation, digitalization and sustainability. The company has created significant value through portfolio management, contributing to increased growth and improved margins. The net annual return on acquisitions since 2018 is between 11% and 13%, with a large majority of transactions at or above their business plans. Nestlé will continue to pursue external growth opportunities in fast growing segments and regions. The company remains disciplined in its approach to portfolio management, looking for strategic and cultural fit, as well as attractive financial returns. Nestlé has decided to explore strategic options for Palforzia, the peanut allergy treatment, following slower than expected adoption by patients and healthcare professionals. The review is expected to be completed in the first half of 2023. Going forward, Nestlé Health Science will sharpen its focus on Consumer Care and Medical Nutrition. Nestlé also confirms its ongoing program to repurchase CHF 20 billion of its shares over the period 2022 to 2024. The company has already bought around CHF 9.7 billion of shares in 2022. Nestlé aims to maintain its practice of increasing its dividend year-on-year in Swiss francs. Today's investor seminar will be webcast live and available for replay, along with the slides of the presentations in Events. Contacts: Media: Christoph Meier Tel.: +41 21 924 2200 Investors: Luca Borlini Tel.: +41 21 924 3509 PDF press releases:

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