Nestlé Outlines Value Creation Progress

PUBLISHED JUL 2, 2018
BY NESTLÉ

Nestlé's Board of Directors and management team are implementing an accelerated long-term value creation strategy for one of the world's leading global consumer goods companies. Through swift and decisive action, the company's Board and management are delivering results.

In just over a year, Nestlé has:

- Transitioned to a new CEO with a strong track record to lead the accelerated implementation of its Nutrition, Health and Wellness (NHW) strategy, under the full involvement and guidance of the Board, to deliver long-term shareholder value;

- Accelerated the repositioning of the portfolio with a clear focus on its high-growth, high-margin categories. The company announced a global coffee partnership with Starbucks, concluded the acquisition of Atrium Innovations (a global leader in nutritional health products) and invested in brands such as Freshly, Sweet Earth, Blue Bottle Coffee, Chameleon Cold-Brew and Terrafertil. Furthermore, Nestlé has executed strategic divestitures, including the USD 2.8bn sale of its U.S. Confectionery business, and is exploring strategic options, including a potential sale, for its Gerber Life Insurance business;

- Delivered revenue growth in a challenging environment, with volume growth at the high end of the food and beverage industry;

- Continued to invest in its brands and innovation to ensure sustained future revenue growth;

- Set a specific margin target and has already begun delivering ahead of expectations. The company is on track to meet its 2020 goals for margin improvement, operating profit, and structural cost savings;

- Accelerated its restructuring and improved operational efficiency, leading to a corresponding margin improvement of +50 bps in constant

currency in 2017; and

- Returned substantial capital to shareholders, including returning over CHF 10bn in 2017 through dividend and share repurchases, and increasing its dividend for the 23rd consecutive year.

Nestlé has delivered strong total shareholder return over the long term (+135% total shareholder return in CHF over the past 10 years) and continues to focus on creating sustainable shareholder value.

Following its robust director selection process, Nestlé's shareholders recently elected three new independent directors, each of whom are world-class business leaders with strong records of successfully navigating today's rapidly changing consumer environment and delivering results. With these new directors, Nestlé has added seven new independent directors in the last three years.

Nestlé's Board and management take all shareholders' perspectives seriously and welcome their continued input.

Media: Christoph Meier Tel.: +41 21 924 22 00

Investors: Luca Borlini Tel.: +41 21 924 35 09

Press release distributed by Wire Association on behalf of Nestlé, on Jul 2, 2018. For more information subscribe and follow us.

Media Assets

Embedded Media

Visit the online press release to interact with the embedded media.

https://wireassociation.eu/newsroom/nestle/releases/en/nestle-outlines-value-creation-progress-1335

Nestlé

Newsroom: https://wireassociation.eu/newsroom/nestle
Website: https://www.nestle.com/
Primary Email: mediarelations@nestle.com

Social Media

Twitter - https://twitter.com/nestle
Facebook - https://www.facebook.com/Nestle?brandloc=DISABLE
Linkedin - https://www.linkedin.com/company/nestle-s-a-
Flickr - https://www.flickr.com/photos/nestle/collections/
Youtube - https://www.youtube.com/user/NestleCorporate
Instagram - https://www.instagram.com/nestle/