**NESTLE FINANCIAL ANNUAL REPORTS**

Nestlé, the Swiss multinational food and beverage company, recently released its half-year results for 2023. Here's a breakdown of the key information:

**Financial Overview:**

* Organic growth reached an impressive 8.7%, driven by pricing of 9.5% and real internal growth (RIG) of -0.8%. This growth was widespread across geographies and categories.
* Total reported sales increased by 1.6% to CHF 46.3 billion, with foreign exchange negatively impacting sales by 6.7%. Net acquisitions had a slight negative impact of 0.4%.
* Underlying trading operating profit (UTOP) margin improved to 17.1%, up 20 basis points on a reported basis and 30 basis points in constant currency.
* Underlying earnings per share increased by 11.1% in constant currency, reaching CHF 2.43. Earnings per share increased by 10.6% to CHF 2.13 on a reported basis.
* Free cash flow increased by CHF 1.9 billion to CHF 3.4 billion, mainly due to lower inventory levels.

**Outlook for 2023:**

* The full-year outlook has been upgraded, with an increase in organic sales growth guidance to a range of 7% to 8%.
* The underlying trading operating profit margin is expected to be between 17.0% and 17.5%.
* Underlying earnings per share in constant currency are expected to increase between 6% and 10%.
* CEO's Comments:
* Mark Schneider, Nestlé CEO, expressed confidence in the company's strategic priorities and performance. He highlighted the normalization of at-home consumption post-COVID, strong growth in out-of-home channels, and a positive outlook for the remainder of the year. Schneider emphasized the commitment to ongoing portfolio management, optimization, and sustainability initiatives.

**Segment Performance:**

* Sales and organic growth varied across Nestlé's business segments, with notable contributions from Purina Pet Care, coffee, infant nutrition, confectionery, and more.
* Different zones, including North America, Europe, Asia, Latin America, and Greater China, demonstrated diverse growth rates and challenges**.**

**Nestle Strategic Innovation**

Nestlé's strategic initiatives revolve around sustainable and responsible business practices, aligning with their commitment to enhancing the quality of life and contributing to a healthier future. The company prioritizes innovation and renovation of its product portfolio, with a focus on meeting evolving consumer needs, particularly in the areas of health and wellness. Nestlé aims to leverage its global scale and resources to address societal challenges such as climate change and water scarcity. The company actively engages in creating shared value for both shareholders and society, ensuring that its business operations contribute positively to the well-being of communities worldwide.

**Corporate Governance**

In terms of corporate governance, Nestlé places a strong emphasis on transparency, accountability, and ethical conduct. The Board of Directors oversees the company's affairs, ensuring sound decision-making and risk management. Nestlé is committed to maintaining high standards of integrity, with a comprehensive governance framework that includes regular audits and compliance assessments. Most of Nestlé’s food and beverage business is managed in five zones – North America, Latin America, Europe, Asia, Oceania and Africa (AOA), plus Greater China. The exceptions are our globally managed businesses, which include Nespresso and Nestlé Health Science, as well as joint ventures such as Cereal Partners Worldwide and Froneri. The day-to-day management of the Nestlé business is taken care of by our Executive Board. The designated Executive Board Members manage diverse parts of the global business.

**NESTLE CORPORATE WEBSITE**

**Mission**

Nestlé's mission statement is not a single, concise sentence, but rather a broader concept encapsulated by their tagline: "Good Food, Good Life." This tagline reflects Nestlé's commitment to providing high-quality, nutritious food and beverage products that enhance people's lives.

Stating in their website “Our mission of "Good Food, Good Life" is to provide consumers with the best tasting, most nutritious choices in a wide range of food and beverage categories and eating occasions, from morning to night”.

**Corporate Structure: Details on Subsidiaries, divisions and Social presence**

Nestle's primary organizational structure revolves around five geographically defined zones: North America, Latin America, Europe, Asia, Oceania & Africa (AOA), and Greater China. This structure, adopted in 2021, simplifies decision-making and leverages regional expertise. Each zone oversees its own food and beverage portfolio, tailoring it to local tastes and preferences.

However, Nestle recognizes the power of its iconic brands that transcend borders. Nespresso, Nestlé Health Science, and joint ventures like Cereal Partners Worldwide and Froneri operate as separate units with global reach. This allows them to maintain brand consistency and leverage economies of scale.

At the helm sits the 14-member Executive Board, led by a CEO and other regional and functional leaders. They drive the company's strategic direction, ensuring alignment between the zones and global brands.

Ultimately, the Board of Directors, composed of diverse and experienced individuals, sets the long-term vision and oversees the entire operation. They ensure responsible governance and adherence to ethical practices.

Nestle's global presence is as sprawling as its structure. With operations in over 180 countries, employing over 270,000 people, and managing some of the world's most recognized brands, Nestle navigates a complex balance between regional autonomy and global coherence. This unique structure allows it to cater to local needs while maintaining its dominant position in the global food and beverage landscape.

**REPUTABLE BUSINESS DATABASES**

At February 16, 2023 Nestle SA sold fewer of its products in the fourth quarter as price hikes turned consumers off branded items, a signal the world’s biggest food company is reaching the limits of its pricing power.

\_\_\_\_\_\_\_\_Bloomberg

March 31, 2023: Nestle is seeing an easing of price pressures stemming from raw materials, transport and packaging costs, said Chairman Paul Bulcke, adding that company would still increase prices.

\_\_\_\_\_\_\_\_\_\_Reuters

April 25, 2023 - Nestle reported slightly better-than-expected first-quarter sales on Tuesday, as the world's biggest packaged food company increased prices to offset weak sales volumes.

\_\_\_\_\_\_\_\_\_\_Reuters

July 27, 2023 - Nestle will raise prices at a more moderate rate in the remainder of 2023, its CEO said on Thursday, as the company hit back at criticism that food manufacturers are charging more than they need to.

\_\_\_\_\_\_\_Reuters

September 28, 2023 - Nestle SA said the total amount of food and drink sold globally has been falling since the start of the year, highlighting the challenge for the sector

\_\_\_\_\_\_\_\_\_Bloomberg

October 19, 2023 - Nestle posted lower-than-expected nine-month sales growth on Thursday as higher product prices made shoppers balk, sending shares down about 2% in morning trade, but said it expects volumes to turn positive again by the end of the year.

\_\_\_\_\_\_\_\_\_\_Reuters

**Competitor Comparison**

Nestle faces formidable competition across diverse sectors, ranging from snacks and confectionery to dairy, beverages, and coffee. Noteworthy competitors include Mondelez, MARS, Kraft Heinz, Danone, Hershey's, Unilever, General Mills, Kellogg, Lindt, Ghirardelli, Pepsico, Ferrero Rocher, Amul, Engro Foods, Starbucks, Keurig, Maxwell House, and Coca-Cola. These industry heavyweights boast substantial revenues, with strengths varying from global market presence to iconic product portfolios. Adaptability and innovation are paramount for Nestle to thrive in this competitive landscape, where consumer preferences continually evolve. Understanding the unique strengths of each competitor positions Nestle strategically in navigating this dynamic market.

**Nestlé's Competitive Landscape**

Nestlé faces formidable competition from diverse global players across various segments of the food and beverage industry. Each competitor brings unique strengths and areas of focus, shaping a dynamic landscape for Nestlé.

1. Unilever (Food and Beverage): Key Insights: Offers a diverse portfolio, directly competing in segments like ice cream, ready-to-eat meals, and nutrition. Both companies compete in various segments, with Unilever's emphasis on sustainability.
2. The Coca-Cola Company (Non-Alcoholic Beverages): Known for soft drinks and non-alcoholic beverages, directly competing in carbonated soft drinks, bottled water, and juices. Both are major players in the non-alcoholic beverage market, with Coca-Cola's iconic brand portfolio.
3. PepsiCo (Food and Beverage): Offers a diverse range of products, directly competing in snacks, carbonated beverages, and sports drinks. Both companies compete in segments of the food and beverage industry, with PepsiCo's strong presence in the snack industry.
4. Danone (Dairy and Nutrition): Specializes in dairy and plant-based products, directly competing in yogurt, infant nutrition, and bottled water. Both compete in segments of the dairy and nutrition industry, with Danone's focus on health and sustainability.
5. Mondelez International (Snack and Confectionery): Known for snacks and confectionery products, directly competing in chocolate, biscuits, and snack bars. Both compete in the snack and confectionery industry, with Mondelez's emphasis on iconic brands.
6. General Mills (Cereal and Snacks): Offers cereals and snacks, directly competing in breakfast cereals, granola bars, and baking mixes. Both compete in the cereal and snack industry, with General Mills' recognizable brands.
7. Kraft Heinz (Packaged Foods and Condiments): Offers packaged foods and condiments, directly competing in ketchup, pasta sauces, and frozen meals. Both compete in segments of the packaged foods and condiments industry, with Kraft Heinz's well-established brands.
8. Mars, Incorporated (Confectionery and Pet Food): Known for confectionery and pet care products, directly competing in chocolates, pet food, and pet snacks: Both compete in the confectionery and pet food industries, with Mars' focus on iconic brands and responsible sourcing.
9. Kellogg Company (Breakfast Cereals and Snacks): Offers breakfast cereals and snacks, directly competing in cereal bars, crackers, and frozen waffles. Both compete in the breakfast cereals and snacks industry, with Kellogg's recognizable brands.