



Nestlé

Good food, Good life

NHI Group

**Summarized Half-Yearly
Financial Statements**
June 30, 2024 – Unaudited

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Responsibility Statement

Rui Barbas, Chief Financial Officer, confirms that to the best of his knowledge that the Summarized Unaudited Interim Financial Statements of the NHI Group for the six-month period ended 30 June 2024 give a true and fair view of the assets, liabilities, financial position and profit or loss of the NHI Group.

September 24, 2024

Consolidated unaudited income statement for the six months ended June 30, 2024

In millions of Dollars	January-June 2024	January-June 2023
Sales	14 912	14 991
Cost of goods sold	(8 501)	(8 755)
Distribution expenses	(1 367)	(1 395)
Marketing and administrative expenses	(2 162)	(2 021)
Royalties to affiliated company	(1 618)	(1 636)
Other trading income	59	47
Other trading expenses	(123)	(124)
Trading operating profit	1 200	1 107
Other operating income	17	33
Other operating expenses	(55)	(33)
Operating profit	1 162	1 107
Financial income	564	432
Financial expense	(612)	(506)
Profit before taxes and associates	1 114	1 033
Taxes	(370)	(286)
Loss from associates	(2)	-
Net profit for the period	742	747

Consolidated unaudited statement of comprehensive income for the six months ended June 30, 2024

In millions of Dollars	January-June 2024	January-June 2023
Profit for the period recognized in the income statement	742	747
Changes in cash flow hedge and cost of hedge reserves, net of taxes	33	(67)
Items that are or may be reclassified subsequently to the income statement	33	(67)
Remeasurement of defined benefit plans, net of taxes	1	(105)
Items that will never be reclassified to the income statement	1	(105)
Other comprehensive income/(loss) for the period	34	(172)
Total comprehensive income/(loss) for the period	776	575

Consolidated unaudited balance sheet as at June 30, 2024

In millions of Dollars	June 30, 2024	December 31, 2023 (Audited)	December 31, 2022 (Audited)
Assets			
Current assets			
Cash and cash equivalents	162	330	412
Short-term investments	809	31	46
Inventories	3 399	3 215	3 710
Trade and other receivables	2 771	3 191	2 627
Loans to parent and affiliates	31 068	30 895	25 709
Prepayments	85	59	44
Derivative assets	3	3	25
Total current assets	38 297	37 724	32 573
Non-current assets			
Property, plant and equipment	11 766	11 046	9 434
Goodwill	14 811	14 817	14 773
Intangible assets	4 504	4 536	4 585
Investments in associates	63	53	-
Derivative assets	138	154	-
Financial assets	1 315	1 276	1 337
Employee benefits assets	-	-	48
Loans to parent and affiliates	660	643	1 588
Total non-current assets	33 257	32 525	31 765
Total assets	71 554	70 249	64 338

In millions of Dollars	June 30, 2024	December 31, 2023 (Audited)	December 31, 2022 (Audited)
Liabilities and equity			
Current liabilities			
Financial debt	2 034	3 940	3 064
Derivative liabilities	9	21	26
Trade and other payables	3 818	3 809	3 574
Loans from affiliates	2 785	2 678	2 565
Accruals	2 049	2 507	2 459
Provisions	142	147	143
Current income tax liabilities	831	671	566
Total current liabilities	11 668	13 773	12 397
Non-current liabilities			
Financial debt	32 494	28 116	25 087
Derivative liabilities	392	284	509
Employee benefits liabilities	1 211	1 337	1 413
Provisions	110	107	85
Deferred tax liabilities	1 447	1 352	1 217
Other payables	3	7	10
Total non-current liabilities	35 657	31 203	28 321
Total liabilities	47 325	44 976	40 718
Equity			
Additional paid-in capital	5 680	5 680	5 680
Other reserves	(966)	(1 000)	(912)
Retained earnings	19 515	20 593	18 852
Total equity	24 229	25 273	23 620
Total liabilities and equity	71 554	70 249	64 338

Consolidated unaudited cash flow statement for the six months ended June 30, 2024

In millions of Dollars	January-June 2024	January-June 2023
Operating activities		
Operating profit	1 162	1 107
Depreciation and amortization	453	404
Impairment	15	32
Net result on disposal of businesses	-	-
Other non-cash items of income and expense	(34)	(4)
Cash flow before changes in operating assets and liabilities	1 596	1 539
Decrease/(increase) in working capital	(131)	(113)
Variation of other operating assets and liabilities	(62)	(274)
Cash generated from/(used in) operations	1 403	1 152
Interest received/(paid)	(76)	18
Taxes received/(paid)	42	(55)
Operating cash flow	1 369	1 115
Investing activities		
Capital expenditure	(1 315)	(1 012)
Expenditure on intangible assets	(15)	(31)
Acquisition of businesses, net of cash acquired	-	(73)
Investments in associates	(180)	(62)
Inflows/(outflows) from treasury investments	(778)	(120)
Other investing activities	40	121
Investing cash flow	(2 248)	(1 177)
Financing activities		
Loans from/(to) parent and affiliates, net	(82)	(2 899)
Dividend paid to the shareholder	(1 820)	-
Inflows from bonds and other long-term financial debt	4 644	2 991
Outflows from bonds, lease liabilities and other long-term financial debt	(1 328)	(722)
Inflows/(outflows) from short-term financial debt	(703)	503
Financing cash flow	711	(127)
Increase/(decrease) in cash and cash equivalents	(168)	(189)
Cash and cash equivalents at beginning of period	330	412
Cash and cash equivalents at end of period	162	223

Consolidated unaudited statement of changes in equity for the six months ended June 30, 2024

In millions of Dollars

	Share capital	Additional paid-in capital	Other reserves	Retained earnings	Total equity
Equity as at January 1, 2023	-	5 680	(912)	18 852	23 620
Profit for the period	-	-	-	747	747
Other comprehensive income/(loss) for the period	-	-	(172)	-	(172)
Total comprehensive income/(loss) for the period	-	-	(172)	747	575
Other movements	-	-	-	-	-
Equity as at June 30, 2023	-	5 680	(1 084)	19 599	24 195
Equity as at January 1, 2024	-	5 680	(1 000)	20 593	25 273
Profit for the period	-	-	-	742	742
Other comprehensive income/(loss) for the period	-	-	34	-	34
Total comprehensive income/(loss) for the period	-	-	34	742	776
Dividend paid to the shareholder	-	-	-	(1 820)	(1 820)
Equity as at June 30, 2024	-	5 680	(966)	19 515	24 229

Notes to the summarized unaudited interim financial statements for the six months ended June 30, 2024

1. Description of NHI

Nestlé Holdings, Inc. (“NHI”) (herein, together with its subsidiaries, referred to as the “NHI Group”) incorporated in the State of Delaware, United States, is a wholly owned subsidiary of NIMCO US, Inc., which is an indirect wholly owned subsidiary of Nestlé S.A., incorporated in Switzerland, which is the Parent company of the Nestlé Group of companies (hereinafter, referred to as the “Nestlé Group”). The NHI Group’s registered office is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States and its principal place of business is located at 1812 North Moore Street, Arlington, Virginia 22209, United States.

NHI is the holding company for Nestlé S.A.’s principal operating subsidiaries in the United States. The direct and indirect subsidiaries of NHI which individually comprise more than 10% of the total assets of NHI Group for the six months ended June 30, 2024 are:

- Nestlé Capital Corporation
- Nestlé Purina PetCare Company
- Nestlé USA, Inc.

The direct and indirect subsidiaries which individually comprise more than 5% and less than 10% of the total assets of NHI Group for the six months ended June 30, 2024 are:

- Nestlé Prepared Foods Company
- Other direct subsidiaries of NHI are:
- Gerber Products Company
 - Nestlé Insurance Holdings, Inc.
 - Nestlé HealthCare Nutrition, Inc.
 - Nespresso USA, Inc.
 - Nestlé Regional Globe Office North America, Inc.

The NHI Group engages primarily in the manufacture and sale of food products, pet care products, premium waters, beverage products as well as nutrition and health science products. These businesses derive revenue across the United States and in international markets.

The subsidiary businesses are organized by principal product groups as described below.

Nestlé USA, Inc. manufactures and sells a wide range of grocery and food service products, including coffee, non-dairy creamers and other beverages. These products are marketed under several brand names, including “Nestlé”, “Nescafé”, “Starbucks”, “Nesquik”, “Coffee Mate”, “Chef Mate”, “DiGiorno”, “Tombstone”, “California Pizza Kitchen” frozen pizza, “Nestlé Toll House” Baking, “Perrier”, “S. Pellegrino”, “Acqua Panna”, “Essentia” and others.

Nestlé Purina PetCare Company manufactures and sells a diverse range of pet care products including dog and cat foods and litter under several brand names, including “Purina”, “Dog Chow”, “Cat Chow”, “Pro Plan”, “Beneful”, “Friskies”, “Alpo”, “Purina ONE”, “Fancy Feast”, “Beyond”, “Beggin”, “Tidy Cats”, “Merrick” and others. Nestlé Prepared Foods Company manufactures and sells prepared foods for the grocery and food service trade and frozen prepared foods entrées under the “Stouffer’s” and “Lean Cuisine” brand names. The Nestlé Prepared Foods Company also produces the “Hot Pockets” and “Lean Pockets” line of frozen sandwiches.

Nestlé HealthCare Nutrition, Inc. manufactures and sells medical nutritional products and related devices, as well as distributes therapeutic products, such as supplements, food and beverages products under the “Vital Proteins” brand.

Nespresso USA, Inc. sells high-quality portioned coffee that is delivered through a consumer model that includes online and exclusive retail boutiques. It also sells coffee machines, and certain of such coffee machines are developed and manufactured with machine partners.

Gerber Products Company manufactures and sells infant and toddler food products under several brand names, including “Gerber®,” “Gerber® Graduates®” and others.

2. Other information for investors

The bonds and commercial paper issued by the NHI Group benefit from a joint and several suretyship pursuant to Article 496 of the Swiss Code of Obligations, with Nestlé S.A., the ultimate parent company of the Nestlé Group. For the latest financial statements of Nestlé S.A. and the Nestlé Group, visit the Nestlé Group Publications archive / <https://www.nestle.com/investors/publications>.

As of 2024, NHI has transferred the responsibility for issuance of new bonds to its wholly owned subsidiary, Nestlé Capital Corporation, and is no longer required to prepare audited financial statements and detailed footnote disclosures for the NHI Group. The audited financial statements of NHI Group for 2023 and prior years can be found on the page Debt Issuance Program documents <https://www.nestle.com/investors/bonds/investorbonds/debt-issuance-program-documents>. These summarized consolidated interim financial statements are published pursuant to NHI’s obligation to provide information to qualified investors under U.S. SEC Rule 144A(d)(4). They are established using financial information prepared in accordance with IFRS Accounting Standards (“IFRS”) and reported to the Nestlé Head Quarter to establish the IFRS Consolidated Financial Statements of the Nestlé Group, with financial information modified if needed considering the NHI scope.

Further information about Nestlé Capital Corporation can be found on the page Debt investors / <https://www.nestle.com/investors/bonds/investorbonds>.