



Good food, Good life

Press Release

Vevey, April 22, 2021

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Nestlé reports three-month sales for 2021

- Organic growth reached 7.7%, with real internal growth (RIG) of 6.4% and pricing of 1.2%. Growth was broad-based across most geographies, supported by early signs of recovery from out-of-home channels, improved pricing and market share gains.
- Foreign exchange reduced sales by 5.3% due to the continued appreciation of the Swiss franc against most currencies. Net divestitures had a negative impact of 1.0%. As a result, total reported sales increased by 1.3% to CHF 21.1 billion (3M-2020: CHF 20.8 billion).
- Portfolio management on track. The sale of Nestlé's regional spring water brands, purified water business and beverage delivery service in the U.S. and Canada was completed on March 31, 2021. The acquisition of Essentia Water was completed on March 5, 2021.
- **Full-year 2021 outlook confirmed:** continued increase in organic sales growth towards a mid single-digit rate. Underlying trading operating profit margin with continued moderate improvement. Underlying earnings per share in constant currency and capital efficiency expected to increase.

Mark Schneider, Nestlé CEO, commented: *"We are pleased with Nestlé's strong organic sales growth in the first quarter, building on broad-based contributions from most geographies and product categories. Our growth was fueled by disciplined execution, enhanced digital capabilities and rapid innovation, resulting in further market share gains. Retail sales saw solid growth and out-of-home channels saw signs of improvement. We confirm our guidance for the year and our mid-term outlook for sustained mid single-digit organic growth."*

The development of COVID-19 vaccines has given the world hope and we are supporting the broad and equitable delivery of vaccines in the communities where we operate. Our partnership with the International Federation of Red Cross and Red Crescent Societies is helping to get vaccines to those who need them most. In these challenging times, we can truly demonstrate how business can act as a force for good and help accelerate the recovery."

	Total Group	Zone AMS	Zone EMENA	Zone AOA	Nespresso	Nestlé Health Science	Other Businesses
Sales 3M-2021 (CHF m)	21 089	8 244	5 203	5 094	1 571	930	47
Sales 3M-2020 (CHF m)*	20 812	8 347	5 313	4 974	1 359	765	54
Real internal growth (RIG)	6.4%	4.8%	3.8%	8.8%	16.3%	9.4%	-11.1%
Pricing	1.2%	2.4%	0.6%	0.3%	0.8%	0.1%	0.3%
Organic growth	7.7%	7.2%	4.4%	9.1%	17.1%	9.5%	-10.8%
Net M&A	-1.0%	0.3%	-3.7%	-3.4%	-0.1%	17.3%	0.0%
Foreign exchange	-5.3%	-8.6%	-2.8%	-3.4%	-1.4%	-5.2%	-2.3%
Reported sales growth	1.3%	-1.2%	-2.1%	2.3%	15.6%	21.6%	-13.2%

* 2020 figures restated following the disclosure of Nestlé Health Science and Nespresso as standalone segments from 2021 onwards (previously combined and presented in Other Businesses).

Group sales

Organic growth reached 7.7%, with RIG of 6.4%. Pricing increased to 1.2%, reflecting input cost inflation.

Growth was broad-based across most geographies. Organic growth was 5.0% in developed markets, based mostly on RIG. Pricing was positive. Growth in emerging markets was 11.4%, with strong RIG and positive pricing.

Most product categories delivered strong organic growth. Coffee was the largest contributor to growth, fueled by strong demand for *Nespresso*, *Nescafé* and Starbucks products. Dairy grew at a double-digit rate, based on elevated demand for home-baking products and fortified milks. *Purina* PetCare saw high single-digit growth, led by its science-based and premium brands *Purina Pro Plan*, *Purina ONE* and *Felix*. Prepared dishes and cooking aids posted broad-based double-digit growth, with robust momentum across most brands. Vegetarian and plant-based food offerings continued to see strong double-digit growth, led by *Garden Gourmet*. Confectionery grew at a double-digit rate, supported by improved growth in impulse and gifting products as well as sustained momentum in home-baking products. Nestlé Health Science reported high single-digit growth, reflecting increased demand for vitamins, minerals and supplements and healthy-aging products. Infant Nutrition saw a sales decrease. A return to positive growth in China was more than offset by sales declines in other markets, due to consumer stockpiling in March last year and lower birth rates in the context of the pandemic. Water recorded negative growth due to its high exposure to out-of-home channels.

By channel, retail sales posted high single-digit organic growth, reflecting continued strong demand for at-home consumption. Sales declines in out-of-home channels moderated, with a return to positive growth in AOA. E-commerce sales grew by 39.6%, reaching 14.5% of total Group sales. Most categories saw strong momentum, particularly coffee, *Purina* PetCare and culinary.

Net divestitures decreased sales by 1.0%, largely related to the divestment of the Herta charcuterie business and the Yinlu peanut milk and canned rice porridge businesses. Foreign exchange reduced sales by 5.3%, reflecting the appreciation of the Swiss franc versus most currencies, particularly in emerging markets. Total reported sales increased by 1.3% to CHF 21.1 billion.

Portfolio Management

On March 5, 2021, Nestlé completed the acquisition of Essentia Water, a premium functional water brand in the U.S.

On March 31, 2021, Nestlé completed the sale of its regional spring water brands, purified water business and beverage delivery service in the U.S. and Canada to One Rock Capital Partners, in partnership with Metropoulos & Co. for USD 4.3 billion.

Zone Americas (AMS)

- 7.2% organic growth: 4.8% RIG; 2.4% pricing.
- North America posted mid single-digit organic growth, with strong RIG and positive pricing.
- Latin America reached double-digit organic growth, with positive RIG and pricing.

	Sales 3M-2021	Sales 3M-2020	RIG	Pricing	Organic growth	Net M&A	Foreign exchange	Reported Growth
Zone AMS	CHF 8.2 bn	CHF 8.3 bn	4.8%	2.4%	7.2%	0.3%	-8.6%	-1.2%

Organic growth was 7.2%, with strong RIG of 4.8%. Pricing contributed 2.4%, improving in both North and Latin America. Net acquisitions increased sales by 0.3%. The acquisitions of Freshly and Essentia Water more than offset the divestiture of the U.S. ice cream business. Foreign exchange had a negative impact of 8.6%, reflecting broad-based currency depreciations against the Swiss franc, particularly in Latin America. Reported sales in Zone AMS decreased by 1.2% to CHF 8.2 billion.

Zone AMS reported high single-digit organic growth, with a high base of comparison in 2020. The Zone saw broad-based market share gains, led by pet food, coffee, dairy and Infant Nutrition.

North America recorded mid single-digit growth, with strong RIG in most product categories and positive pricing. Frozen and chilled food was the largest growth contributor, supported by *Stouffer's*, *Lean Cuisine* and the recently launched *Life Cuisine*. The newly acquired Freshly business posted strong growth, helped by expanded distribution. The beverages category grew at a double-digit rate, with strong demand for Starbucks at-home products, *Coffee mate* and *Nescafé*. *Purina* PetCare delivered mid single-digit growth, with strong momentum in e-commerce and premium brands *Purina Pro Plan*, *Purina ONE* and *Fancy Feast*. *Merrick* recorded strong growth, supported by new product launches in *Healthy Grains*. Home-baking products,

including *Toll House* and *Carnation*, saw positive growth. Sales of ice cream and confectionery in Canada grew at a double-digit rate, driven by *Häagen-Dazs* and *KitKat*. Water and Nestlé Professional reported negative growth, with sales declines moderating.

Latin America reached double-digit growth, with both strong RIG and pricing across geographies and most product categories. Sales in Brazil grew at a double-digit rate, with strong growth in confectionery, dairy and coffee. Mexico also reported broad-based double-digit growth, reflecting high demand for *Nescafé* and home-baking brands, *La Lechera* and *Abuelita*. Sales in Chile grew at a double-digit rate, led by ice cream and confectionery. By product category, dairy, confectionery, *Purina* PetCare and coffee saw double-digit growth. Infant Nutrition continued to see positive sales development, particularly in Mexico and Brazil. Sales in Nestlé Professional turned positive.

Zone Europe, Middle East and North Africa (EMENA)

- 4.4% organic growth: 3.8% RIG; 0.6% pricing.
- Western Europe saw low single-digit organic growth with solid RIG, partially offset by negative pricing.
- Central and Eastern Europe reached high single-digit organic growth, with strong RIG and positive pricing.
- Middle East and North Africa posted mid single-digit organic growth, based on positive RIG and pricing.

	Sales 3M-2021	Sales 3M-2020	RIG	Pricing	Organic growth	Net M&A	Foreign exchange	Reported growth
Zone EMENA	CHF 5.2 bn	CHF 5.3 bn	3.8%	0.6%	4.4%	-3.7%	-2.8%	-2.1%

Organic growth reached 4.4%, with strong RIG of 3.8% supported by favorable mix. Pricing turned positive, contributing 0.6%. Net divestitures reduced sales by 3.7%, largely related to the divestment of the Herta charcuterie business. Foreign exchange negatively impacted sales by 2.8%. Reported sales in Zone EMENA decreased by 2.1% to CHF 5.2 billion.

Zone EMENA reported mid single-digit organic growth, with a high base of comparison in 2020. Each region posted positive growth, with strong momentum in Russia, Turkey, the United Kingdom and Italy. The Zone continued to see broad-based market share gains, including in pet food, coffee, plant-based food products and Infant Nutrition.

By product category, the key growth drivers were coffee and *Purina* PetCare, fueled by continued momentum in e-commerce and new product launches. Coffee saw double-digit growth, with strong demand for *Nescafé* and Starbucks products. *Nescafé Farmers Origins*, a new range of coffee capsules for *Nespresso* machines, was launched in Spain. Sales in *Purina* PetCare grew at a double-digit rate, driven by premium brands *Purina Pro Plan*, *Purina ONE* and *Felix*. *Tails.com* and *Lily's Kitchen* also saw strong momentum, supported by continued distribution expansion. Culinary posted high single-digit growth, led by *Maggi* seasoning, *Garden Gourmet* and the recently acquired *Mindful Chef* business. Sales of ambient dairy in the Middle East and

North Africa grew at a double-digit rate, with strong growth in *Nido*. Confectionery reported low single-digit growth, with strong sales developments in France and Russia. *Incoa*, a premium chocolate made exclusively with cocoa fruit and no added sugar, was launched in France and the Netherlands with other European markets to follow. Infant Nutrition posted negative growth due to consumer stockpiling in March last year and lower birth rates in the context of the pandemic. Water and Nestlé Professional reported a sales decrease, with improvement towards the end of the quarter.

Zone Asia, Oceania and sub-Saharan Africa (AOA)

- 9.1% organic growth: 8.8% RIG; 0.3% pricing.
- China posted double-digit organic growth, based on strong RIG partially offset by slightly negative pricing.
- South-East Asia saw low single-digit organic growth, with positive RIG and slightly negative pricing.
- South Asia reported double-digit organic growth, with strong RIG and positive pricing.
- Sub-Saharan Africa recorded double-digit organic growth, led by strong RIG and positive pricing.
- Japan, South Korea and Oceania combined saw low single-digit organic growth. Positive RIG was partially offset by slightly negative pricing.

	Sales 3M-2021	Sales 3M-2020	RIG	Pricing	Organic growth	Net M&A	Foreign Exchange	Reported Growth
Zone AOA	CHF 5.1 bn	CHF 5.0 bn	8.8%	0.3%	9.1%	-3.4%	-3.4%	2.3%

Organic growth reached 9.1%, with RIG of 8.8%. Pricing increased to 0.3%. Net divestitures had a negative impact of 3.4%, largely related to the divestment of the Yinlu peanut milk and canned rice porridge businesses in China. Foreign exchange reduced sales by 3.4%. Reported sales in Zone AOA increased by 2.3% to CHF 5.1 billion.

Zone AOA reported high single-digit organic growth, helped by a low base of comparison in China. Outside of China, the Zone grew at a mid single-digit rate. Most categories gained market share, particularly coffee and pet food.

China saw double-digit growth, helped by a recovery in out-of-home channels and the timing of Chinese New Year. Growth was broad-based across most product categories, reflecting continued momentum in e-commerce and a strong innovation pipeline. The largest growth contributor was Nestlé Professional, as sales improved significantly. Coffee, culinary, dairy and confectionery all grew at double-digit rates. Growth in Infant Nutrition turned positive. *Purina* Petcare reported strong growth, led by premium offerings such as *Purina Pro Plan* and veterinary products.

South-East Asia posted low single-digit growth in a difficult economic environment. Positive sales developments for most categories were partially offset by sales decreases in out-of-home channels and Infant Nutrition. South Asia recorded double-digit growth, with positive contributions from *Maggi*, *Nescafé* and *KitKat*. Sub-Saharan Africa grew at a double-digit rate, based on strong sales developments for *Maggi*, *Milo* and *Nescafé*. Japan posted mid single-digit growth, led by *KitKat* and Starbucks

products. Sales in South Korea grew at a strong double-digit rate, driven by coffee. Oceania reported slightly negative growth due to a high base of comparison.

By product category, sales in culinary, dairy and coffee all grew at double-digit rates. Infant Nutrition posted slightly negative growth, but gained market share in South Asia and Africa. Growth in confectionery and Nestlé Professional turned positive, led by China and Japan.

Nespresso

- 17.1% organic growth: 16.3% RIG; 0.8% pricing.

	Sales 3M-2021	Sales 3M-2020	RIG	Pricing	Organic growth	Net M&A	Foreign exchange	Reported growth
Nespresso	CHF 1.6 bn	CHF 1.4 bn	16.3%	0.8%	17.1%	-0.1%	-1.4%	15.6%

Organic growth reached 17.1%, based on strong RIG of 16.3% and pricing of 0.8%. Foreign exchange negatively impacted sales by 1.4%. Reported sales in Nespresso increased by 15.6% to CHF 1.6 billion.

Nespresso reported double-digit organic growth, reflecting continued expansion of the *Vertuo* system and strong demand for the Original system. Growth was fueled by continued strong momentum in e-commerce and innovation. New products included the expansion of the *World Explorations* range, including *Buenos Aires* and *Shanghai*, and new limited editions in the *Master Origins* range, and a new *Master Origins* offering, *Nicaragua La Cumplida Refinada*.

By geography, the Americas, EMENA and AOA all posted double-digit growth. North America was the strongest contributor to growth and continued to gain market share.

In March, Nespresso announced a CHF 117 million investment in the expansion of its Avenches production and distribution center in Switzerland to meet growing consumer demand worldwide.

Nestlé Health Science

- 9.5% organic growth: 9.4% RIG; 0.1% pricing.

	Sales 3M-2021	Sales 3M-2020	RIG	Pricing	Organic growth	Net M&A	Foreign exchange	Reported growth
Nestlé Health Science	CHF 0.9 bn	CHF 0.8 bn	9.4%	0.1%	9.5%	17.3%	-5.2%	21.6%

Organic growth was 9.5%, with strong RIG of 9.4% and pricing of 0.1%. Net acquisitions increased sales by 17.3%, largely related to the acquisitions of Vital Proteins, Zenpep and Aimmune. Foreign exchange negatively impacted sales by 5.2%. Reported sales in Nestlé Health Science increased by 21.6% to CHF 0.9 billion.

Nestlé Health Science posted high single-digit organic growth, building on a strong first quarter last year. Vitamins, minerals and supplements that support health and the

immune system continued to see strong demand. Growth was supported by momentum in e-commerce, new product launches and geographic expansion.

Consumer Care posted double-digit growth, with strong contributions from *Garden of Life* and *Vital Proteins*. *Persona*, the subscription-based personalized vitamin business, more than doubled its sales. Healthy-aging products grew at a double-digit rate. Medical Nutrition saw mid single-digit growth with robust sales developments for acute and adult medical care products, particularly *Peptamen* and *Compleat*.

By geography, the Americas posted double-digit growth. Sales in EMENA and AOA grew at a mid single-digit rate.

Business as a force for good: Supporting equitable COVID-19 vaccination

The development of effective vaccines against COVID-19 has given the world hope. Widespread vaccination is crucial to overcoming the pandemic, and Nestlé advocates for everyone getting vaccinated in line with public health priorities.

There is an urgent need to advance equitable access of vaccines, particularly in low-income countries. That is why Nestlé has entered into a new partnership with the International Federation of Red Cross and Red Crescent Societies (IFRC) and National Red Cross and Red Crescent Societies, to support the delivery of vaccines to underserved communities around the world.

The partnership includes action at the global level, as well as targeted support in vulnerable countries and regions. Much of the work will focus on the establishment of vaccination sites, the transport of vaccines, information campaigns and promotion of the vaccination of high-risk groups.

Together with other partnerships, Nestlé has committed CHF 10 million to equitable vaccination efforts to date. Nestlé recently announced a [contribution to support COVAX](#) to rapidly scale up the international delivery of vaccines to low-income countries. We are also working directly with government authorities in some countries to provide donations and support for local vaccination programs.

The support for equitable access to vaccines is just the latest phase in Nestlé's response to the COVID-19 crisis. We will continue to engage in the fight against the pandemic and its consequences, protecting people, maintaining global food supply and giving a helping hand in our local communities.

[Read more.](#)

Outlook

Full-year 2021 outlook confirmed: continued increase in organic sales growth towards a mid single-digit rate. Underlying trading operating profit margin with continued moderate improvement. Underlying earnings per share in constant currency and capital efficiency expected to increase.

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Annex

Three-month sales overview by operating segment

	Total Group	Zone AMS	Zone EMENA	Zone AOA	Nespresso	Nestlé Health Science	Other Businesses
Sales 3M-2021 (CHF m)	21 089	8 244	5 203	5 094	1 571	930	47
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Real internal growth (RIG)	6.4%	4.8%	3.8%	8.8%	16.3%	9.4%	-11.1%
Pricing	1.2%	2.4%	0.6%	0.3%	0.8%	0.1%	0.3%
Organic growth	7.7%	7.2%	4.4%	9.1%	17.1%	9.5%	-10.8%
Net M&A	-1.0%	0.3%	-3.7%	-3.4%	-0.1%	17.3%	0.0%
Foreign exchange	-5.3%	-8.6%	-2.8%	-3.4%	-1.4%	-5.2%	-2.3%
Reported sales growth	1.3%	-1.2%	-2.1%	2.3%	15.6%	21.6%	-13.2%

Three-month sales overview by product

	Total Group	Powdered & liquid beverages	Water	Milk products & ice cream	Nutrition & Health Science	Prepared dishes & cooking aids	Confectionery	PetCare
Sales 3M-2021 (CHF m)	21 089	5 771	1 389	2 598	2 995	3 016	1 700	3 620
Sales 3M-2020 (CHF m)	20 812	5 440	1 586	2 642	3 058	2 952	1 632	3 502
Real internal growth (RIG)	6.4%	9.3%	-8.1%	11.6%	-1.1%	9.9%	9.1%	7.7%
Pricing	1.2%	0.6%	2.5%	4.1%	0.7%	0.3%	1.2%	1.0%
Organic growth	7.7%	9.9%	-5.6%	15.7%	-0.5%	10.2%	10.3%	8.7%

* 2020 figures restated following the disclosure of Nestlé Health Science and Nespresso as standalone segments from 2021 onwards (previously combined and presented in Other Businesses).