



Good food, Good life

Press Release

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Nestlé reports nine-month sales for 2023

- Organic growth reached 7.8%, with pricing of 8.4% and real internal growth (RIG) of -0.6%. Growth was broad-based across geographies and categories.
- Total reported sales decreased by 0.4% to CHF 68.8 billion (9M-2022: CHF 69.1 billion). Foreign exchange decreased sales by 7.4%. Net acquisitions had a negative impact of 0.8%.
- Portfolio management progressing. In the third quarter, Nestlé announced an agreement to acquire a majority stake in Grupo CRM, a premium chocolate company in Brazil. Nestlé also divested *Palforzia*, its peanut allergy treatment business, to Stallergenes Greer.
- **Full-year 2023 outlook confirmed:** we expect organic sales growth between 7% and 8% and underlying trading operating profit margin between 17.0% and 17.5%. Underlying earnings per share in constant currency is expected to increase between 6% and 10%.

Mark Schneider, Nestlé CEO, commented: *"Our diversified portfolio and differentiated offerings helped us deliver strong organic growth in the first nine months of the year. Growth was driven by pricing as we continued to navigate historic inflation levels. The recovery of our volume and mix is underway. We are seeing the benefits of our portfolio optimization initiatives and increasing marketing investments behind our billionaire brands. These steps underpin our confidence that real internal growth, the sum of volume and mix, will turn positive in the second half of the year and again become the main driver of growth going forward.*

At the same time, Nestlé has further strengthened its nutrition strategy and stepped-up its efforts to guide people towards a balanced diet. Actions include providing clear, front-of-pack portion guidance, transparency on the nutritional value of our products and leading marketing-to-children policies. We also set an ambitious target to grow the sales of our more nutritious products by CHF 20-25 billion by 2030."

	Total Group	Zone North America	Zone Europe	Zone AOA	Zone Latin America	Zone Greater China	Nestlé Health Science	Nespresso	Other Businesses
Sales 9M-2023 (CHF m)	68 829	19 027	14 144	13 223	9 139	3 624	4 850	4 617	205
Sales 9M-2022 (CHF m)	69 132	19 093	13 968	13 899	8 648	3 843	4 811	4 674	196
Real internal growth (RIG)	-0.6%	-0.9%	-2.3%	0.0%	-0.6%	2.3%	-1.9%	1.6%	8.3%
Pricing	8.4%	8.9%	11.1%	8.6%	10.5%	2.6%	4.4%	3.5%	1.5%
Organic growth	7.8%	8.0%	8.8%	8.6%	10.0%	4.9%	2.5%	5.2%	9.8%
Net M&A	-0.8%	-2.2%	-2.4%	-0.1%	0.0%	0.1%	3.8%	-0.6%	0.0%
Foreign exchange	-7.4%	-6.1%	-5.2%	-13.3%	-4.3%	-10.6%	-5.9%	-5.7%	-5.1%
Reported sales growth	-0.4%	-0.3%	1.3%	-4.8%	5.7%	-5.7%	0.5%	-1.2%	4.7%

Group sales

Organic growth was 7.8%. Pricing was 8.4%, reflecting the impact of cost inflation over the last two years. RIG was -0.6%, impacted by portfolio optimization and remaining capacity constraints. In the third quarter, RIG improved to -0.3%, despite temporary capacity constraints for *Perrier* and a short-term supply constraint for vitamins, minerals and supplements, which surfaced in August.

Growth was broad-based across most geographies and categories. In developed markets, organic growth was 6.9%, led by pricing with negative RIG. In emerging markets, organic growth was 9.0%, driven by pricing and slightly positive RIG.

By product category, Purina PetCare was the largest contributor to organic growth, with strong momentum across all channels. *Purina ONE*, *Purina Pro Plan* and *Felix* all recorded double-digit growth. Coffee saw high single-digit growth, with positive sales developments across brands and channels. *Starbucks* products reported strong growth, supported by innovation and the launch of ready-to-drink offerings in South-East Asia and Oceania. Infant Nutrition posted high single-digit growth, with broad-based contributions across brands and geographies. Confectionery recorded double-digit growth, fueled by a strong sales development for *KitKat*. Dairy reported high single-digit growth, led by coffee creamers and affordable fortified milks. Prepared dishes and cooking aids posted mid single-digit growth, with strong demand for *Maggi*. Nestlé Health Science recorded low single-digit growth, as continued momentum for Medical Nutrition was partly offset by a sales decline in vitamins, minerals and supplements. Water posted low single-digit growth, impacted by temporary capacity constraints for *Perrier*.

By channel, organic growth in retail sales remained robust at 7.1%. E-commerce sales grew by 12.7%, reaching 16.6% of total Group sales. Organic growth of out-of-home channels was 15.7%.

Net divestitures decreased sales by 0.8%, largely related to the divestment of a majority stake in *Freshly* as well as the disposal of the *Gerber Good Start* infant formula brand. The impact on sales from foreign exchange was negative at 7.4%, following broad-based

appreciation of the Swiss Franc. Total reported sales decreased by 0.4% to CHF 68.8 billion.

Portfolio Management

Nestlé and private equity firm PAI Partners have completed the transaction to create a joint venture for Nestlé's frozen pizza business in Europe. The effective date is September 1, 2023. Nestlé retains a non-controlling stake with equal voting rights alongside PAI Partners, remaining invested in this business and participating in future growth and value creation in the category.

On September 4, 2023, Nestlé divested *Palforzia*, its peanut allergy treatment business, to Stallergenes Greer, a biopharmaceutical company which specializes in the diagnosis and treatment of allergies. The transaction was closed upon signing. Nestlé will receive milestone payments and ongoing royalties from Stallergenes Greer.

Nestlé announced an agreement with Advent International on September 7, 2023, to acquire a majority stake in Grupo CRM, a premium chocolate player in Brazil. The transaction is expected to close in 2024, subject to customary regulatory approvals.

Zone North America

- 8.0% organic growth: -0.9% RIG; 8.9% pricing.

	Sales 9M-2023	Sales 9M-2022	RIG	Pricing	Organic growth	Net M&A	Foreign exchange	Reported Growth
Zone North America	CHF 19.0 bn	CHF 19.1 bn	-0.9%	8.9%	8.0%	-2.2%	-6.1%	-0.3%

Organic growth was 8.0%, with pricing of 8.9%. RIG was -0.9%, reflecting portfolio optimization actions and capacity constraints. Net divestitures reduced sales by 2.2%, as a result of the divestment of a majority stake in *Freshly* as well as the disposal of the *Gerber Good Start* infant formula brand. Foreign exchange had a negative impact of 6.1%. Reported sales in Zone North America decreased by 0.3% to CHF 19.0 billion.

Zone North America maintained broad-based growth across most brands and categories, despite a challenging consumer environment. Growth was driven by pricing, favorable mix as well as strong momentum in e-commerce across categories and out-of-home channels. The Zone saw market share gains in pet food, soluble and portioned coffee, as well as frozen meals.

By product category, Purina PetCare was the largest growth contributor, with broad-based demand across brands, segments and channels, particularly e-commerce. In July, the Zone launched *Tidy Care*, a new range of litter products to enhance comfort and monitor cat health, with strong initial demand. Sales for Nestlé Professional and *Starbucks* out-of-home continued to grow at a strong double-digit rate, led by new customer acquisition and e-commerce momentum. The beverages category, including *Starbucks* products, *Coffee mate* and *Nescafé*, posted mid single-digit growth. *Gerber*

baby food reported mid single-digit growth, led by healthy snacking and infant cereals. *Nido* fortified milks reported strong double-digit growth, driven by distribution expansion. Confectionery in Canada recorded double-digit growth, fueled by *KitKat*. Growth in frozen food was negative, impacted by the winding down of the frozen meals and pizza business in Canada. In the U.S., growth in frozen food was positive, with robust growth and market share gains for mainstream pizza brands *Jack's* and *Tombstone*. Water saw a sales decrease, as temporary capacity constraints for *Perrier* continued to outweigh strong growth for *S.Pellegrino* and *Acqua Panna*.

Zone Europe

- 8.8% organic growth: -2.3% RIG; 11.1% pricing.

	Sales 9M-2023	Sales 9M-2022	RIG	Pricing	Organic growth	Net M&A	Foreign exchange	Reported Growth
Zone Europe	CHF 14.1 bn	CHF 14.0 bn	-2.3%	11.1%	8.8%	-2.4%	-5.2%	1.3%

Organic growth was 8.8%, with pricing of 11.1%. RIG was -2.3%, following capacity constraints and portfolio optimization actions. Foreign exchange negatively impacted sales by 5.2%. Net divestitures reduced sales by 2.4%. Reported sales in Zone Europe increased by 1.3% to CHF 14.1 billion.

Growth in Zone Europe was supported by pricing, strong sales development for e-commerce and continued momentum for out-of-home channels. The Zone saw market share gains in pet food and Infant Nutrition.

By product category, the key contributor to growth was Purina PetCare, driven by differentiated offerings across premium brands *Felix*, *Gourmet* and *Purina ONE*. Coffee saw mid single-digit growth, with particular strength for *Nescafé*. In September, the Zone launched *Nescafé Dolce Gusto Neo* paper-based pods in France and Switzerland. Confectionery reported high single-digit growth, with continued market share gains for *KitKat*. Nestlé Professional posted double-digit growth, led by beverages. Infant Nutrition recorded high single-digit growth, based on continued momentum for premium infant formula, particularly *NAN* and *BEBA*. Culinary posted mid single-digit growth, with robust sales developments for *Maggi* and *Thomy*. In the third quarter, the transaction to create a frozen pizza joint venture in Europe was completed. Sales growth in water was flat, as strong growth for *S.Pellegrino* and *Acqua Panna* was offset by the impact of temporary capacity constraints for *Perrier*.

Zone Asia, Oceania and Africa (AOA)

- 8.6% organic growth: 0.0% RIG; 8.6% pricing.

	Sales 9M-2023	Sales 9M-2022	RIG	Pricing	Organic growth	Net M&A	Foreign exchange	Reported Growth
Zone AOA	CHF 13.2 bn	CHF 13.9 bn	0.0%	8.6%	8.6%	-0.1%	-13.3%	-4.8%

Organic growth was 8.6%, with flat RIG. Pricing increased to 8.6%, with broad-based contributions from all geographies and categories. Foreign exchange reduced sales by 13.3%. Reported sales in Zone AOA decreased by 4.8% to CHF 13.2 billion.

Growth in Zone AOA was supported by pricing as well as continued momentum of e-commerce and out-of-home channels. The Zone saw market share gains in coffee, cocoa and malt beverages as well as chocolate.

South-East Asia posted mid single-digit growth, with strong sales developments in the Philippines, Malaysia and Thailand. South Asia recorded strong double-digit growth across most categories. Growth in India was based on continued distribution expansion and new product launches, with particularly strong performance for *KitKat* and *Nescafé*. Middle East and Africa saw double-digit growth, with particular strength for affordable offerings in culinary, Infant Nutrition and coffee. Japan reported low single-digit growth, with particular strength for *KitKat* based on innovation and gifting products. South Korea posted high single-digit growth, fueled by *Starbucks* products. Oceania recorded mid single-digit growth, supported by Purina PetCare, *KitKat* and *Nescafé*.

By product category, Infant Nutrition was the largest growth contributor, led by *Lactogen*, *NAN* and *Cerelac*. Culinary recorded double-digit growth, with continued strength for *Maggi* based on increased distribution and new product launches. Coffee saw high single-digit growth, with robust demand for *Nescafé* and *Starbucks* products and strong commercial execution. Ambient dairy posted mid single-digit growth, driven by increased focus on value-added segments following portfolio optimization actions. Sales for Nestlé Professional grew at a strong double-digit rate across most geographies and categories, supported by channel penetration and customer acquisition. Confectionery reported high single-digit growth, fueled by strong momentum for *KitKat*. Purina PetCare saw mid single-digit growth, led by *Purina ONE*, *Supercoat* and *Felix*.

Zone Latin America

- 10.0% organic growth: -0.6% RIG; 10.5% pricing.

	Sales 9M-2023	Sales 9M-2022	RIG	Pricing	Organic growth	Net M&A	Foreign exchange	Reported Growth
Zone Latin America	CHF 9.1 bn	CHF 8.6 bn	-0.6%	10.5%	10.0%	0.0%	-4.3%	5.7%

Organic growth was 10.0%, with pricing of 10.5%. RIG was -0.6%, turning slightly positive in the third quarter. Foreign exchange had a negative impact of 4.3%. Reported sales in Zone Latin America increased by 5.7% to CHF 9.1 billion.

Zone Latin America recorded strong growth across all geographies and product categories. Growth was supported by pricing, strong operational execution and continued momentum of out-of-home channels. The Zone saw market share gains in pet food, Infant Nutrition and culinary.

Brazil posted strong double-digit growth, with continued momentum for confectionery, Infant Nutrition and beverages, including *Nescafé* and *Nescau*. Mexico reported high single-digit growth, with strong sales developments for dairy, coffee and Nestlé Professional.

By product category, confectionery was the largest growth contributor, reflecting strong demand for *KitKat* and key local brands as well as new product launches. Infant Nutrition saw double-digit growth, based on solid momentum for *NAN* infant formula and *Mucilon* infant cereal. Coffee reported broad-based double-digit growth, supported by *Nescafé* soluble coffee. Recent launches such as *Nescafé Dolce Gusto Neo* and *Nescafé Farmers Origins*, resonated strongly with consumers in Brazil. Dairy posted high single-digit growth, supported by dairy culinary solutions and fortified milks. Sales for Nestlé Professional grew at a strong double-digit rate, with continued strength for branded coffee solutions. Culinary posted close to double-digit growth, based on new product launches and continued traction for *Recetas Nestlé*, the online recipe platform. Purina PetCare saw mid single-digit growth, following a high base of comparison in 2022.

Zone Greater China

- 4.9% organic growth: 2.3% RIG; 2.6% pricing.

	Sales 9M-2023	Sales 9M-2022	RIG	Pricing	Organic growth	Net M&A	Foreign exchange	Reported Growth
Zone Greater China	CHF 3.6 bn	CHF 3.8 bn	2.3%	2.6%	4.9%	0.1%	-10.6%	-5.7%

Organic growth was 4.9%, with pricing of 2.6%. RIG was 2.3%. Foreign exchange had a negative impact of 10.6%. Reported sales in Zone Greater China decreased by 5.7% to CHF 3.6 billion.

Growth in Zone Greater China was supported by strong sales developments for out-of-home businesses, e-commerce momentum and pricing. The Zone saw market share gains in pet food and confectionery.

By product category, Nestlé Professional was the largest growth contributor, supported by innovation and distribution expansion. Confectionery recorded high single-digit growth, led by *Hsu Fu Chi* and *Shark* wafer. Culinary posted high single-digit growth, with increased demand for *Totole* in out-of-home channels and innovation. Infant Nutrition saw low single-digit growth, led by *NAN* specialty offerings. Coffee reported low single-digit growth, supported by ready-to-drink offerings. Sales for Purina PetCare grew at a double-digit rate, based on new product launches and the recent expansion of local production.

Nestlé Health Science

- 2.5% organic growth: -1.9% RIG; 4.4% pricing.

	Sales 9M-2023	Sales 9M-2022	RIG	Pricing	Organic growth	Net M&A	Foreign exchange	Reported Growth
Nestlé Health Science	CHF 4.9 bn	CHF 4.8 bn	-1.9%	4.4%	2.5%	3.8%	-5.9%	0.5%

Organic growth was 2.5%, with pricing of 4.4%. RIG was -1.9%, impacted by a short-term supply constraint in the third quarter for the vitamins, minerals and supplements business. Net acquisitions increased sales by 3.8%, largely related to the consolidation of *Orgain*. Foreign exchange negatively impacted sales by 5.9%. Reported sales in Nestlé Health Science increased by 0.5% to CHF 4.9 billion.

Vitamins, minerals and supplements saw negative growth. Sales in the third quarter decreased following an IT integration issue when implementing highly automated systems during the consolidation of U.S. packaging sites. The resulting short-term supply constraints are expected to be resolved by early 2024. Market growth in the vitamins, minerals and supplements category has returned to positive territory.

Active nutrition reported mid single-digit growth, with market share gains and a robust sales development for *Orgain* and *Vital Proteins*.

Medical Nutrition recorded strong double-digit growth, with market share gains across all segments. Growth was led by adult medical care products as well as pediatric and allergy products. The gastrointestinal portfolio, including *Vowst* and *Zenpep*, saw strong double-digit growth.

By geography, North America saw low single-digit growth. Europe reported high single-digit growth. Other regions combined posted mid single-digit growth.

Nespresso

- 5.2% organic growth: 1.6% RIG; 3.5% pricing.

	Sales 9M-2023	Sales 9M-2022	RIG	Pricing	Organic growth	Net M&A	Foreign exchange	Reported Growth
Nespresso	CHF 4.6 bn	CHF 4.7 bn	1.6%	3.5%	5.2%	-0.6%	-5.7%	-1.2%

Organic growth was 5.2%, with pricing of 3.5%. RIG was 1.6%, reaching 3.5% in the third quarter. Foreign exchange negatively impacted sales by 5.7%. Reported sales in Nespresso decreased by 1.2% to CHF 4.6 billion.

The key growth contributor was the *Vertuo* system, which continued to see broad-based momentum. Growth in out-of-home channels was also strong, with further adoption of the *Momento* system, particularly in the office segment. Innovation continued to resonate with consumers, following the launch of home compostable coffee capsules in France and Switzerland.

By geography, North America posted double-digit growth, with continued market share gains. Europe reported positive growth. Other regions combined saw low single-digit growth.

Business as a force for good: Creating economic opportunities for the world's youth

Nestlé celebrates the tenth anniversary of Nestlé Needs YOUth this year. The company launched this initiative at a time when youth unemployment in Europe was at a record high. The goal was to help young people all over the continent improve their employability and obtain employment. Since then, the program has scaled to a global scope.

Nestlé helps youth become more employable by offering traineeships and apprenticeships. Last year alone, the company provided nearly 11 500 such opportunities. Nestlé also offers online training, career guidance, mentorships and networking opportunities. Well over one million people took part in digital events in 2022. While many trainees and apprentices take a permanent position with Nestlé, the goal of the program is to equip them with skills that can help them secure a job anywhere.

Employability remains a key pillar of the program today, but Nestlé has also expanded it to include two additional dimensions: agripreneurship and entrepreneurship. Supporting young farmers and entrepreneurs all over the world is in line with the company's objectives to advance regenerative agriculture and to develop innovative products and services.

With the average age of farmers now well into the 50s in many parts of the world, Nestlé is also striving to make farming more attractive to young people. Encouraging them to pursue a livelihood in farming is an opportunity to embed regenerative agriculture methods, which are key to helping address climate change. Through Nestlé's Agripreneurship Program, young farmers learn how to run their farms as businesses from which they can make a decent living. Nestlé provides them with access to training courses that include regenerative farming topics like agroforestry, soil health and animal welfare. In 2022, more than 5 000 young farmers participated in the program.

The ability to sustainably feed the world's growing population will be determined not only by today's young farmers but also by today's young innovators. Many of them have ideas in line with Nestlé's priorities – be they related to regenerative agriculture, plant-based products, sustainable packaging solutions, or nutrition. Through Nestlé's [Youth Entrepreneurship Platform](#), the company empowers young people to learn, develop new skills, test ideas and turn concepts into viable business projects. It connects them to like-minded individuals and provides them with access to experts, equipment and R&D labs.

Nestlé endeavors to scale this important work to have a greater impact. That's why it founded the [Global Alliance for YOUth](#) and brought together 24 other like-minded companies that also provide training and first job opportunities to young people. It has additionally partnered with UNESCO to help young people in Latin America achieve positive social impact in their communities, and it continuously looks for new opportunities to support more of the world's youth.

Outlook

Full-year 2023 outlook confirmed: we expect organic sales growth between 7% and 8% and underlying trading operating profit margin between 17.0% and 17.5%. Underlying earnings per share in constant currency is expected to increase between 6% and 10%.

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Annex

Nine-month sales overview by operating segment

	Total Group	Zone North America	Zone Europe	Zone AOA	Zone Latin America	Zone Greater China	Nestlé Health Science	Nespresso	Other Businesses
Sales 9M-2023 (CHF m)	68 829	19 027	14 144	13 223	9 139	3 624	4 850	4 617	205
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Real internal growth (RIG)	-0.6%	-0.9%	-2.3%	0.0%	-0.6%	2.3%	-1.9%	1.6%	8.3%
Pricing	8.4%	8.9%	11.1%	8.6%	10.5%	2.6%	4.4%	3.5%	1.5%
Organic growth	7.8%	8.0%	8.8%	8.6%	10.0%	4.9%	2.5%	5.2%	9.8%
Net M&A	-0.8%	-2.2%	-2.4%	-0.1%	0.0%	0.1%	3.8%	-0.6%	0.0%
Foreign exchange	-7.4%	-6.1%	-5.2%	-13.3%	-4.3%	-10.6%	-5.9%	-5.7%	-5.1%
Reported sales growth	-0.4%	-0.3%	1.3%	-4.8%	5.7%	-5.7%	0.5%	-1.2%	4.7%

Nine-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 9M-2023 (CHF m)	68 829	18 257	2 606	8 100	11 470	8 649	5 735	14 012
Sales 9M-2022 (CHF m)	69 132	18 461	2 776	8 267	11 625	9 152	5 640	13 211
Real internal growth (RIG)	-0.6%	-0.3%	-6.9%	-3.0%	-0.8%	-3.2%	2.2%	2.6%
Pricing	8.4%	7.0%	10.4%	9.6%	7.1%	8.5%	7.9%	10.4%
Organic growth	7.8%	6.7%	3.5%	6.6%	6.3%	5.3%	10.1%	13.1%