Nestlé Good food, Good life

Press Release

Ad hoc announcement pursuant to Art. 53 LR

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Nine-month sales 2025: Positive trends; focus on driving growth

Philipp Navratil, Nestlé CEO commented: *"Driving RIG-led growth is our number one priority. We have been stepping up investment to achieve this, and the results are starting to come through. Now we must do more and move faster to accelerate our growth momentum.*

As Nestlé moves forward, we will be rigorous in our approach to resource allocation, prioritizing the opportunities and businesses with the highest potential returns. We will be bolder in investing at scale and driving innovation to deliver accelerated growth and value creation. We are fostering a culture that embraces a performance mindset, that does not accept losing market share, and where winning is rewarded.

The world is changing, and Nestlé needs to change faster. This will include making hard but necessary decisions to reduce headcount over the next two years. We will do this with respect and transparency. Along with other measures, we are working to substantially reduce our costs, and today we are increasing our savings target to CHF 3.0 billion by the end of 2027.

The actions we are taking will secure Nestlé's future as a leader in our industry. Collectively, they will enable us to improve our overall performance and deliver shareholder value."

Sales performance summary

	Total Group	Zone Americas	Zone AOA	Zone Europe	Nestlé Health Science	Nespresso	Nestlé Waters & Premium Beverages	Other businesses
Sales 9M-2025 (CHF m)	**65 869**	**25 294**	**15 263**	**12 785**	**4 849**	**4 706**	**2 753**	**219**
Sales 9M-2024 (CHF m)	67 148	26 567	15 641	12 456	4 915	4 586	2 765	218
Real internal growth (RIG)	0.6%	-0.4%	0.3%	0.5%	4.1%	2.4%	2.0%	2.2%
Pricing	2.8%	2.9%	2.4%	3.7%	-0.3%	4.3%	2.4%	1.6%
Organic growth	**3.3%**	**2.5%**	**2.7%**	**4.3%**	**3.8%**	**6.7%**	**4.4%**	**3.8%**
Net M&A	0.1%	-0.1%	-0.4%	0.9%	-0.3%	0.3%	-0.0%	-0.0%
Foreign exchange	-5.4%	-7.2%	-4.8%	-2.5%	-4.8%	-4.3%	-4.8%	-3.4%
Reported sales growth	**-1.9%**	**-4.8%**	**-2.5%**	**2.6%**	**-1.4%**	**2.6%**	**-0.4%**	**0.4%**

Financial and operational highlights

- **Broad-based topline improvement**
  - 9M organic sales growth (OG) of 3.3%, with 0.6% real internal growth (RIG) and 2.8% pricing.
  - OG strengthened sequentially during the period across all Zones and major global businesses, led by improved RIG across all major categories.
  - Q3 OG of 4.3%; RIG recovered strongly to 1.5%, driven by our growth investments and actions to manage price elasticity, helped by an easier comparison base.
  - Greater China continues to be a drag, impacting Q3 Group OG by 80 bps and RIG by 40 bps; new management is now in place and executing our plan to transform this business.
- **Growth investments delivering results**
  - In 9M-25, OG increased to 3.3% from 2.0% in 9M-24. The vast majority of this 130 bps acceleration was driven by areas where we are focusing growth investments and execution improvement:
    - 60 bps from our priority growth opportunities (which accounted for 10% of total sales), where OG accelerated to 14% from 7%;
    - 40 bps from the 18 key underperforming business cells, where OG improved to flat from -2.5%.

Strategic priorities for the coming months

- **Rigorously prioritizing growth opportunities**
  - Clear focus on allocating capital in a rational, data-based, and unbiased way, supporting the strongest opportunities with increased investment at scale.
  - Increased ambition on innovation, building on the momentum of the six global 'big bets' and broadening our approach, including a step change in consumer insights and marketing capabilities.
- **Accelerating our *Fuel for Growth* cost savings program**
  - Increased focus on operational efficiency, including leveraging shared services and automating our processes, to drive positive business transformation.
  - Planned global headcount reduction of c. 16,000 over next two years, subject to consultation where applicable:
    - Includes c. 12,000 white-collar professionals across functions and geographies, driving annual savings of CHF 1.0 billion by end of 2027 (doubled versus original plan of CHF 0.5 billion); related one-off restructuring costs expected at two times annual savings;
    - Further c. 4,000 headcount reduction as part of ongoing productivity initiatives in manufacturing and supply chain.
  - Total *Fuel for Growth* cost savings target increased to CHF 3.0 billion (up from CHF 2.5 billion previously) by the end of 2027.

- **Focused on driving cash generation, committed to sustainable shareholder returns**
  - Clear plan to deliver free cash flow above CHF 8 billion in 2025, recovering in 2026 onwards with FCF growth in CHF that is consistently higher than dividend growth.
  - Committed to our long-standing dividend practice.

2025 guidance

- Organic sales growth is expected to improve compared to 2024. Sequentially, momentum remains positive, although the comparison base will be tougher in Q4.
- UTOP margin is expected to be at or above 16.0%, as we invest for growth; this includes increased negative impact from tariffs currently in place and current foreign exchange rates.
- Despite ongoing risks from macroeconomic and consumer uncertainties, we remain committed to investing for the medium term.

Follow today's event live

09:30 CEST Analyst & investor call – video webcast

Full details on our website

Press release links

9M sales press release – French (pdf)

9M sales press release – German (pdf)

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Sales review

1. Group

In the first nine months, total reported sales were CHF 65.9 billion, a decrease of 1.9%. OG was 3.3%, with positive growth across all Zones and globally managed businesses. RIG strengthened to 0.6%, while pricing was steady at 2.8%. Foreign exchange movements had a negative impact of 5.4% and net acquisitions a positive 0.1% impact.

In the third quarter, OG was 4.3%, strengthening from 2.9% in the first half. RIG recovered strongly in Q3 to 1.5%, with improvements across all major product categories, benefiting from our growth investments. Pricing was 2.8%, which reflects increases taken in confectionery and coffee, along with some targeted actions in Q3 to optimize pricing and maintain medium-term consumer penetration.

By category, coffee and confectionery were the largest organic growth contributors. This growth was pricing-led, with double-digit increases in some markets. Elasticity was more pronounced in confectionery, consistent with historical trends, with coffee more resilient as RIG remains positive through the nine month period. Outside of coffee and confectionery, organic growth was positive across most categories.

By geography, all regions contributed to positive organic growth. In developed markets, organic growth was 2.1%, with an even balance between RIG and pricing. In emerging markets, organic growth was 5.2%, driven by pricing with RIG flat.

By channel, organic growth in retail sales was 3.1%. Organic growth of out-of-home channels was 6.2%. E-commerce sales grew organically by 13.2%, reaching 20.2% of total Group sales.

2. Operating segments

Zone Americas

9M-25 highlights: Zone Americas delivered broad-based 2.5% OG in the first nine months, despite ongoing macroeconomic uncertainty and fragile consumer confidence. In North America, OG, RIG and pricing were all slightly positive, with improving market share trends across most categories. In Latin America, OG was 6.8%, led by pricing in confectionery and coffee, as well as continued strong performance in out-of-home.

Q3-25 highlights: OG was 3.4%, with 3.4% pricing and flat RIG. North America OG was 0.5%, the same as in Q2. Pricing strengthened slightly, driven primarily by increases in coffee, with some short-term elasticity effects negatively impacting RIG. In Latin America, OG and RIG accelerated across all categories in Q3, led by coffee, confectionery and nutrition, and helped by the comparison base.

Segment performance summary for 9M-25

- Organic growth was 2.5%, with -0.4% RIG and 2.9% pricing.
- Reported sales were down versus the prior year at CHF 25.3 billion, including a negative impact of 7.2% from foreign exchange movements.
- In North America, OG was 0.4%, with 0.2% RIG and 0.2% pricing. In Latin America, OG was 6.8%, with -1.4% RIG and 8.3% pricing.
- By market, growth was seen across almost all regions, led by Brazil.
- Market share gains were achieved in North America in portion and soluble coffee, baking chocolate and frozen meals, with continued positive market share progress in coffee enhancers and frozen pizza. In Latin America, we saw market share losses in confectionery, ambient dairy and soluble coffee.

Key organic sales growth drivers by product category for 9M-25

- Beverages (including coffee and coffee enhancers) posted high-single digit growth, strengthening through the period, with strong pricing and positive RIG. *Nescafé* and coffee enhancers were key contributors to growth.
- Confectionery delivered high single-digit growth, led by pricing in *Tollhouse* (US) and *Garoto* (Brazil). RIG remained negative but improved sequentially, helped by actions to manage price elasticities in chocolate and by expansion in chocobakery.
- In Nestlé Professional growth accelerated to high-single digits with strong contributions from most categories, especially in Latin America.
- PetCare growth was positive, driven by Latin America, with North America RIG and pricing both broadly flat. Stronger contributions from cat were partially offset by weaker category dynamics in dog, impacting mainstream and snacks.
- Infant Nutrition sales declined for the period, but returned to growth in Q3, led by an improvement in *Nido*, while performance in *Gerber* remains challenged.
- In frozen food, growth remains negative but the trend improved further, with market share gains in *Stouffer's* and solid progress in frozen pizza.

Zone Asia, Oceania and Africa

9M-25 highlights: In Zone AOA, 2.7% OG in the first nine months was again broad-based across markets and categories, with the strongest contributions from Central & West Africa, South Asia and the Philippines. In Greater China, sales declined in a deflationary environment as we continued to improve the business model. By category, growth in Zone AOA was led by strengthening performance in coffee and food, along with RIG-led growth in confectionery.

Q3-25 highlights: OG was 3.5%, with 1.9% pricing and 1.5% RIG. In Zone AOA excluding Greater China, OG reached 7.3%, continuing the trend of sequential improvement seen during the first half. Q3 RIG of 3.7% is the strongest since 2021. In Greater China, Q3 OG of -10.4% was in-line with Q2, as we bring down excess inventory and new leadership refocuses the organization on demand generation.

Segment performance summary for 9M-25

- Organic growth was 2.7%, with 0.3% RIG and 2.4% pricing.
- Reported sales were down versus the prior year at CHF 15.3 billion, including a negative impact of 4.8% from foreign exchange movements.
- In Zone AOA excluding Greater China, organic growth was 5.3% with 1.3% RIG and 4.0% pricing.
- In Greater China, organic growth was -6.1%, with -2.9% RIG and -3.2% pricing.
- Market share gains were achieved in confectionery, PetCare and cocoa malt beverages while soluble coffee and ambient culinary showed an improving trend.

Key organic sales growth drivers by product category for 9M-25

- Coffee grew at mid single-digit, driven by pricing. The largest growth contributor was *Nescafé* soluble. Consumer traction was strong in investment areas of *Nescafé Espresso Concentrate* and ready-to-drink coffee.
- Confectionery grew at a high single-digit pace, driven by *KitKat* with strong double-digit growth in South Asia and Japan. Chocobakery has been launched in several markets and is performing well.
- Culinary delivered mid single-digit growth fueled by solid sales momentum and market share gains for *Maggi* with double-digit growth in key markets like Central & West Africa, South Asia and the Philippines.
- Nestlé Professional achieved mid single-digit growth, broad-based across geographies and product segments, led by dairy and coffee.
- PetCare growth was negative, driven by Greater China and developed markets; growth in other emerging markets was strong double-digit.
- Infant Nutrition and dairy growth was positive, led by double-digit growth in both *Milo* and *NAN*.

Zone Europe

9M-25 highlights: In Zone Europe, OG was 4.3% with RIG of 0.5%, strengthening across most key markets and categories during the period. Growth was driven by coffee and confectionery, with targeted pricing to address input cost inflation, and by RIG-led growth in PetCare.

Q3-25 highlights: In Q3, OG was 5.8%, with 3.8% pricing and 2.0% RIG. OG was driven by coffee and confectionery. RIG increased in coffee and recovered strongly in confectionery, both driven by reduced consumer and customer elasticity effects, and helped by an easing comparison base. PetCare continued to perform well, and was the primary driver of the 2.0% RIG. By market, growth was solid across most of the Zone, with an improving performance in key markets such as UK & Ireland and France.

Segment performance summary for 9M-25

- Organic growth was 4.3%, with 0.5% RIG and 3.7% pricing.
- Reported sales were up versus the prior year at CHF 12.8 billion, including a negative impact of 2.5% from foreign exchange movements.
- Growth was positive across most markets and categories, with the strongest contributions from Türkiye, Iberia, South & Eastern Europe and Nordics.
- Market share gains were achieved in PetCare with losses in confectionery.

Key organic sales growth drivers by product category for 9M-25

- Coffee growth was high single-digit, led by pricing, with RIG improving gradually during the period. The largest growth contributors were *Nescafé* soluble, ready-to-drink and portion coffee.
- Confectionery posted strong mid single-digit growth, driven by pricing, with *KitKat* and *Dessert* both delivering double-digit growth.
- PetCare delivered mid single-digit growth. Growth was RIG-led and broad-based across markets, led by *Felix*, *Pro Plan* and *ONE*.
- Sales in Nestlé Professional grew at a high single-digit rate, driven by beverage solutions.
- Infant Nutrition recorded positive growth, in line with subdued category dynamics.
- Food experienced a sales decline due to a challenging customer and competitive environment in some markets, but improved through the period and was flat in Q3.

Nestlé Health Science

9M-25 highlights: In Nestlé Health Science, OG for the first nine months was solid, with all segments contributing to positive RIG-led growth. In VMS, premium brands grew strongly, partially offset by the discontinuation of some private label business and a weaker performance across some mainstream brands. In Active Nutrition, *Orgain* sustained its strong growth momentum, supported by new product launches. In Medical Nutrition, solid growth was driven by pediatric care products.

Q3-25 highlights: In Q3, growth was mid single-digits, supported by strong growth in Active Nutrition and an improvement in VMS for *Nature's Bounty*. Growth in Medical Nutrition eased to a mid-single digit pace reflecting the impact of negative pricing linked to changes in drug reimbursement models in the US.

The strategic review of our mainstream and value brands in VMS is ongoing, which may result in the divestment of these brands.

Segment performance summary for 9M-25

- Organic growth was 3.8%, with 4.1% RIG and -0.3% pricing.
- Reported sales decreased by 1.4% to CHF 4.8 billion, including a negative foreign exchange impact of 4.8%.
- Market share was stable in Medical Nutrition, with losses in VMS and Active Nutrition.

Key organic sales growth drivers by product category for 9M-25

- By geography, North America posted low single-digit growth, whilst Europe and other regions delivered mid single-digit growth.
- VMS reported low single-digit growth, as strong sales momentum in premium brands, particularly *Pure Encapsulations* and *Solgar*, was partially offset by the discontinuation of some private label activities and sales declines in some mainstream and value brands.
- Active Nutrition posted mid single-digit growth, with strong momentum for *Orgain* partially offset by a weaker performance from *Vital Proteins*.
- Medical Nutrition delivered mid single-digit growth, led by pediatric care products, with strong double-digit growth in the allergy range.

Nespresso

9M-25 highlights: Nespresso delivered robust OG of 6.7%, led by pricing and with solid RIG. In North America, we increased our growth investments and delivered double-digit growth with market share gains. *Vertuo* continued to deliver very solid performance with positive growth across all geographies. In Western Europe, the environment remains competitive.

Q3-25 highlights: In Q3, OG was 8.5%, with 3.3% RIG and 5.3% pricing. OG was driven by the US, supported by strong impact in the quarter from the timing of innovation launches and marketing campaigns, as well as some phasing effects. In Europe, RIG trends improved in key markets such as France, Switzerland and UK & Ireland, supported by growth in e-commerce and resilience in out-of-home.

Segment performance summary for 9M-25

- Organic growth was 6.7%, with 2.4% RIG and 4.3% pricing.
- Reported sales growth was up versus the prior year at CHF 4.7 billion, including a negative foreign exchange impact of 4.3%.
- Market share gains in North America continue to increase while stabilizing in Europe.

Key organic sales growth drivers for 9M-25

- By geography, sales in North America grew at a double-digit rate, led by RIG. Growth was fueled by strong innovation (limited editions, functional coffees, double espresso formats, accessories) and effective brand campaigns and collaborations. Europe posted positive growth, with improving trends across key markets in Q3.
- By system, growth was driven by *Vertuo*. Sales for out-of-home channels grew mid single-digits, led by the hotels, restaurants and catering (horeca) sector and positive machine placements.
- Digital transformation continues to drive growth. The new mobile app is now live in 21 markets, we have successfully launched *Starbucks* direct-to-consumer in several markets, and we are expanding in e-retail and marketplaces.

Nestlé Waters & Premium Beverages

9M-25 highlights: Performance in our waters and premium beverages business was broad-based across geographies, brands and sales channels. Growth was driven by the *Maison Perrier* and *Sanpellegrino* beverage platforms with continued innovation, as well as solid sales momentum for out-of-home channels.

Q3-25 highlights: In Q3, growth moderated slightly as cooler temperatures reduced category momentum in European markets at the end of the peak season after a strong start to the summer.

Our strategic evaluation of the business is ongoing, including exploring partnership opportunities.

Segment performance summary for 9M-25

- Organic growth was 4.4%, with 2.0% RIG and 2.4% pricing.
- Reported sales remained stable at CHF 2.8 billion including a negative impact from foreign exchange of 4.8%.
- Market share continued to improve in most markets, led by strong gains for *S.Pellegrino*.

Key organic sales growth drivers for 9M-25

- By geography, AOA posted high single-digit growth, Europe and the Americas delivered mid single-digit growth.
- Growth was driven by continued strong momentum in premium beverages, driven by the international expansion of *Maison Perrier* and *Sanpellegrino Ciao* and *Zero* ranges.
- Within waters, we saw solid growth from *Acqua Panna*, *S.Pellegrino* and *Erikli*, with a weaker performance from *Perrier* reflecting continued supply constraints.

3. Category performance

	Total Group	Powdered & liquid beverages	Water	Milk products & ice cream	Nutrition & Health Science	Prepared dishes & cooking aids	Confec-tionery	PetCare
Sales 9M-2025 (CHF m)	**65 869**	**18 443**	**2 431**	**7 175**	**10 718**	**7 445**	**6 074**	**13 583**
Sales 9M-2024 (CHF m)	67 148	17 952	2 474	7 648	11 313	7 826	5 920	14 015
Real internal growth (RIG)	0.6%	1.2%	0.7%	0.8%	0.1%	-0.6%	-1.5%	1.6%
Pricing	2.8%	6.3%	2.7%	1.0%	0.4%	0.3%	9.6%	-0.5%
Organic growth	**3.3%**	**7.5%**	**3.4%**	**1.8%**	**0.5%**	**-0.4%**	**8.0%**	**1.2%**

Powdered and liquid beverages continues to be the largest category growth contributor with 7.5% organic growth, led by pricing as we took actions to address input cost inflation in coffee. RIG remained positive as we saw only a limited impact from elasticity.

Confectionery organic growth of 8.0% was driven by pricing and led by *KitKat*. Negative RIG reflects short-term elasticity as consumers respond to the price increases.

PetCare organic growth of 1.2% reflects a general category slowdown. Growth was led by wet and dry cat partly offset by weakness in dry dog.

Milk products and Ice cream organic growth of 1.8% led by continued performance from dairy culinary brands *Nestlé* and *La Lechera*.

Water delivered organic growth of 3.4% led by good performance from *Maison Perrier* and *S.Pellegrino*.

Nutrition and Health Science recorded organic growth of 0.5% with strong performance from *NAN* and *Orgain* offset by weakness in *illuma* and *Gerber*.

Prepared dishes and cooking aids reported slightly negative organic growth of 0.4% driven by weakness in US Frozen Foods partly offset by growth in *Maggi*.

Annex

Third-quarter performance

	Total Group	Zone Americas	Zone AOA	Zone Europe	Nestlé Health Science	Nespresso	Nestlé Waters & Premium Beverages	Other businesses
Sales Q3-2025 (CHF m)	**21 641**	**8 340**	**4 821**	**4 318**	**1 624**	**1 534**	**932**	**72**
Sales Q3-2024 (CHF m)	22 104	8 746	5 050	4 114	1 676	1 489	956	73
Real internal growth (RIG)	1.5%	0.0%	1.5%	2.0%	5.6%	3.3%	1.4%	5.1%
Pricing	2.8%	3.4%	1.9%	3.8%	-1.0%	5.3%	2.4%	0.0%
Organic growth	**4.3%**	**3.4%**	**3.5%**	**5.8%**	**4.6%**	**8.5%**	**3.8%**	**5.1%**

	Total Group	Powdered & liquid beverages	Water	Milk products & ice cream	Nutrition & Health Science	Prepared dishes & cooking aids	Confectionery	PetCare
Sales Q3-2025 (CHF m)	**21 641**	**6 135**	**820**	**2 345**	**3 481**	**2 394**	**2 112**	**4 354**
Sales Q3-2024 (CHF m)	22 104	5 911	853	2 460	3 677	2 564	2 075	4 563
Real internal growth (RIG)	1.5%	2.4%	0.2%	2.2%	1.9%	0.3%	-0.5%	1.3%
Pricing	2.8%	7.3%	2.5%	1.1%	-0.3%	0.5%	7.6%	-0.4%
Organic growth	**4.3%**	**9.7%**	**2.7%**	**3.3%**	**1.6%**	**0.9%**	**7.1%**	**0.9%**