Nestlé Good food, Good life

Press Release

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Full-year results 2025 and strategic update: Strong momentum, accelerating strategic change

Philipp Navratil, Nestlé CEO commented: *"I am encouraged by our performance during 2025, which reflects the targeted actions we have taken in a difficult external environment. Real internal growth (RIG) was positive across all Zones and global businesses. We increased our investment in marketing, delivered a UTOP margin of 16.1% and generated CHF 9.2 billion in free cash flow. Improving organic growth, RIG and market share trends in the second half show that our actions are working.*

We are accelerating our strategy. We are focusing our portfolio on four businesses, led by our strongest brands, with prioritized resources and a simplified organization. We are upgrading our marketing and innovation and increasing investment behind high-potential growth platforms, which now have an expanded scope and represent 30% of sales. We are stepping up our efficiencies and strengthening our financial position. This is underpinned by a performance culture that rewards excellence and results.

While there is more to be done, we are confident that our faster execution of a more focused strategy will deliver sustained improvement through 2026 and beyond."

Results performance summary

In millions of CHF, unless stated	2025	2024	Reported change
- Real internal growth (RIG)	*0.8%*	*0.8%*	
- Pricing	*2.8%*	*1.5%*	
Organic growth	3.5%	2.2%	
Net acquisitions/(disposals)	0.1%	-0.3%	
Foreign exchange movements	-5.7%	-3.7%	
Reported sales growth	-2.0%	-1.8%	
Sales	89,490	91,354	-2.0%
Underlying trading operating profit	14,389	15,704	-8.4%
Gross profit margin	45.6%	46.7%	-110 bps
Underlying trading operating profit margin	16.1%	17.2%	-110 bps
Net profit[1]	9,033	10,884	-17.0%
Basic EPS (CHF)	3.51	4.19	-16.3%
Underlying EPS (CHF)	4.42	4.77	-7.3%
Dividend per share (proposed for 2025)	3.10	3.05	1.6%
Free cash flow	9,154	10,666	-14.2%

[1] Profit for the year attributable to shareholders of the parent

Accelerating our growth strategy

- **Sharpening the portfolio around four businesses**
  - Focus on powerhouse global businesses in Coffee, Petcare and Nutrition (together 70% of sales) along with leading regional positions in Food & Snacks.
  - Integrating Nutrition and Nestlé Health Science into a single business to strengthen our category leadership, and drive synergies and simplification.
  - Driving focus in Food & Snacks with continued brand rationalization, including advanced negotiations for the sale of our remaining ice cream business to Froneri.
- **Prioritizing RIG-led growth**
  - Expanding the scope of our growth platforms to 30% of sales, delivering high single-digit growth, supported by CHF 0.6 billion of additional investment in 2026.
  - Upgrading and connecting consumer insights, innovation and marketing capabilities.
- **Accelerating our business transformation**
  - Simplifying organizational structure with enhanced local accountability.
  - Executing with urgency on cost program, with 20% of targeted CHF 1 billion annual savings in white-collar operational efficiencies already achieved, ahead of plan.
- **Driving free cash flow (FCF) and lowering net debt**
  - Further action to reduce working capital and optimize capex building on H2-25 progress.
  - Regular review of smaller non-core assets to drive focus and unlock value.
- **Building a performance culture**
  - Fostering a culture where winning is recognized and rewarded, and where teams act as business owners, with no complacency about underperformance.
  - Incentives adjusted to support RIG delivery and reward execution of strategic priorities.

Financial performance in 2025[1]

- **Broad-based momentum in organic sales growth (OG)**
  - 2025 OG of 3.5%, with real internal growth (RIG) of 0.8% and pricing of 2.8%.
  - Targeted growth investments helped drive strong RIG acceleration from 0.2% in H1-25 to 1.4% in H2-25, with improvement across our categories and Zones.
  - Market share trends improving significantly, with Group volume share now flat; billionaire brands share growth is turning positive – the best performance for more than a decade.
  - Good momentum maintained into Q4-25 with OG of 4.0%, RIG of 1.3% and pricing of 2.8%.

[1] Related to the infant formula recall, 2025 results include the estimated impact of sales returns (CHF (75) million in UTOP) and inventory write-offs (CHF (110) million in other operating expenses). The impact of sales returns on OG and RIG will be recognized in 2026.

- **Delivering on guidance while increasing investment**
  - Underlying trading operating profit (UTOP) margin of 16.1%, in line with guidance.
  - *Fuel for Growth* cost savings of CHF 1.1 billion, exceeding target for the year by over CHF 350 million, supporting margin delivery despite higher-than-expected headwinds.
  - Advertising and marketing expenses reached 8.6% of sales, reflecting increased investment and improved efficiency.
  - Net profit of CHF 9.0 billion, basic earnings per share of CHF 3.51.
  - Free cash flow of CHF 9.2 billion with strong H2-25 performance; net debt/Adjusted EBITDA 2.85x; proposed dividend per share increased to CHF 3.10.

Guidance 2026

- OG expected to be in the range of around 3% up to 4%, with RIG accelerating versus 2025, driven by our focused growth plans; this includes the expected impact of sales returns and stock shortages of approximately -20 bps from the infant formula recall; additional impact is uncertain and could drive OG towards the lower end of the range.
- UTOP margin expected to improve versus 2025, strengthening in the second half of the year.
- Free cash flow expected to be above CHF 9 billion.

Changes to the Executive Board

With the formation of the newly integrated Nutrition business, the Globally Managed Business structure of Nestlé Health Science will be removed. Anna Mohl, CEO of Nestlé Health Science, will step down from the Executive Board on 28 February 2026 and has chosen to pursue opportunities outside Nestlé. The Board of Directors warmly thanks Anna Mohl for her leadership and significant contributions to Nestlé and wishes her every success in her future endeavors.

Follow today's events live
09:00 CET Analyst & investor call – video webcast
11:00 CET Media Q&A – audio webcast
Full details on our website

Press release links
2025 full year press release – French (pdf), German (pdf)

Other reports published today
2025 Financial Statements (pdf)
Annual Review 2025 (pdf)
Corporate Governance Report 2025 (pdf)
Non-Financial Statement 2025 (pdf)
Creating Shared Value at Nestlé 2025: Our impact (pdf)
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Accelerating our growth strategy

Our actions in 2025 have delivered clear results, with growth and market share trends strengthening in the second half. Building on this momentum, our accelerated strategy is centered on five priorities.

1. Winning portfolio

Our portfolio is focused on four businesses: Coffee, Petcare, Nutrition and Food & Snacks. In the first three, we have market-leading positions in truly global categories; these are approximately 70% of sales. Food & Snacks is a more regional business, and we have leading global and local brands. These are all winning businesses: in terms of growth, returns, market positions and performance. They are also a winning combination: leveraging commercial synergies and common capabilities, such as route-to-market scale and science & technology know-how. Together, this gives us a winning portfolio.

Our Coffee and Petcare businesses are global powerhouses backed by leading brands: including *Nescafé*, *Nespresso* and *Starbucks* in Coffee, and *Pro Plan*, *Purina ONE* and *Friskies* in Petcare. For these two businesses, it is all about executing on our opportunities. In Nutrition, we are creating a third global powerhouse by integrating our nutrition and Nestlé Health Science units. This will drive focus, simplification and synergies that allow us to accelerate growth. In Food & Snacks, we continue our disciplined portfolio management through targeted brand rationalization. This includes advanced negotiations to sell our remaining ice cream businesses to Froneri. For Nestlé Waters & Premium Beverages, we began the formal engagement process with potential partners in Q1 2026 and expect the business to be deconsolidated from 2027.

2. RIG-led growth

Our portfolio benefits from advantaged exposures, with sales for our categories expected to grow at 3-4% over the coming years. To deliver growth across our portfolio, we are focusing on key trends driving food and beverages; these include affordability for consumers, winning customer channels such as e-commerce and discounters, and health-conscious consumption.

Our ambition is to grow faster than our categories, with organic growth of 4%+ over the medium term. We are driving acceleration by investing boldly in high potential growth platforms, expanding their scope to 30% of Group sales (from 10% last year). Growth platforms should deliver high single-digit organic growth, driven by targeted investment plans that capitalize on our competitive strengths in structurally growing areas. Examples include cold coffee, pet therapeutics & supplements, medical nutrition and *KitKat*.

Marketing is a critical growth enabler. In recent years, Nestlé lost some of its marketing muscle. We are changing that with best-in-class brand-building as a global standard, prioritizing fewer brands, and modernizing our operating model to improve speed, quality and efficiency. We are also better connecting consumer insights, innovation and marketing to put the consumer at the center. Delivering value for the consumer is the ultimate driver of our business.

3. Transformation and efficiency

To support growth and improve efficiency, we are fundamentally changing how work gets done across Nestlé, simplifying our operating model and clarifying accountabilities. One example is the simplification of our nine end-to-end business processes, such as procure-to-pay and hire-to-retire. While underpinned by consistent IT infrastructure, these processes vary considerably market to market, both the activities and whether the activities take place in shared services. This slows us down and limits the value of our data. We have begun accelerating our use of shared services, allowing us to standardize and automate. This will deliver a simpler, more agile and more productive operating model.

In Q4 2025, we announced an acceleration of planned global headcount reductions to c. 16,000 by the end of 2027. This includes c. 12,000 white-collar professionals, driving an increased target for annual operational efficiency savings of CHF 1.0 billion by the end of 2027. We are executing with urgency on this program, with 20% of the targeted savings already achieved, ahead of plan. In conjunction with our procurement savings program, we are on track to deliver total *Fuel for Growth* cost savings of CHF 3.0 billion by the end of 2027.

4. Cash and capital allocation

Cash is a key focus. Performance is improving because we have enhanced governance and accountability, supported by data. This makes stronger cash generation a repeatable capability. KPIs now give a detailed view of working capital impactors, allowing sharper challenge and faster corrective action. Capex discipline is tightened with rigorous scrutiny of business cases and investment only where it creates returns. Safety and quality remain non-negotiable.

Our capital allocation principles are clear: investment in organic growth, shareholder returns through dividends, and net debt reduction are the highest priorities. During 2025, we received an extraordinary distribution from our Froneri joint venture (JV) and sold our minority stake in Herta, helping to reduce financial leverage and drive focus. We will continuously review smaller non-core assets for opportunities to simplify and unlock value.

5. Performance culture

Culture is defined by how the organization collaborates, sets goals, makes decisions, recognizes impact and develops talent. A strengthened focus on sustainable performance ensures that we create a culture where winning is recognized and rewarded, where teams act as accountable business owners, with no complacency around underperformance.

Greater accountability is enabled by changes in our organizational structure. The core principle is about empowering markets to own local execution – and the operating P&L – without ambiguity. Above-market activities are limited to those benefiting from scale and close global coordination. The integrated Nutrition business reflects this approach – it will be run locally through the Zones, with the globally-managed business structure of Nestlé Health Science being removed.

Delivery of the Group strategic priorities is supported by evolved metrics for the annual bonus. Organic growth now includes a RIG “gatekeeper”, personal goals are set using common objective KPIs and functional leaders are aligned behind Group performance. A new performance and development framework from 2026 increases transparency and strengthens assessment.

Guidance 2026

Organic growth for 2026 is expected to be in the range of around 3% up to 4%, with RIG accelerating versus 2025, driven by our focused growth plans. This range includes the expected impact of sales returns and stock shortages of approximately -20 bps from the infant formula recall; additional impact is uncertain and could drive OG towards the lower end of the range. UTOP margin is expected to improve versus 2025, strengthening in the second half of the year. Free cash flow is expected to be above CHF 9 billion.

Financial review 2025

Sales

Total reported sales were CHF 89.5 billion. Organic growth was 3.5%. Pricing contribution was 2.8%, with targeted increases to address input cost inflation in coffee and cocoa-related categories. RIG was 0.8% despite price increases and a challenging macroeconomic environment marked by weakening consumer sentiment. We continued to invest behind our brands and market share trends improved. Foreign exchange had a negative impact of 5.7% as the Swiss franc strengthened significantly during the year.

Targeted growth investments helped drive strong RIG acceleration from 0.2% in H1-25 to 1.4% in H2-25, with improvement in every category and Zone. During the year, market share trends also improved significantly. For the Group, the value gap to the market (i.e. the underperformance of Nestlé sales growth versus market sales growth) reduced by 60%, and the volume gap is now flat. Billionaire brands share growth is turning positive, the best performance for more than a decade.

By category, confectionery and coffee were the largest organic growth contributors, driven by high single-digit pricing. Our focus in these two categories was on smart pricing action to fully address input cost increases where possible, while maintaining medium-term consumer penetration. In coffee, elasticity effects have been limited, and RIG was slightly positive over the year. In confectionery, short-term elasticities were more pronounced, consistent with historical trends. Outside coffee and confectionery, organic growth was positive across most categories, notably with RIG-led growth in PetCare.

By geography, organic growth in developed markets was 2.3%, balanced between RIG of 1.1% and pricing of 1.2%. In emerging markets, organic growth was 5.4%, with pricing of 5.1% and RIG of 0.2%.

By channel, organic growth in retail sales was 3.4% and in out-of-home was 5.4%. E-commerce sales grew organically by 13.5%, reaching 20.5% of total Group sales.

Gross profit and operating profit

Gross profit was CHF 40.8 billion. The gross profit margin decreased by 110 bps to 45.6%, driven by the impact of higher coffee and cocoa prices on cost of goods sold, tariffs and foreign exchange effects, which were only partially compensated by price increases and cost savings.

Distribution expenses as a percentage of sales were 8.2%, slightly down versus the prior year, driven by the successful implementation of savings initiatives. Marketing and administration expenses as a percentage of sales increased by 20 bps to 20.0%. This was driven by an increase in advertising and marketing expenses as a percentage of sales, up 50 bps to 8.6% as we stepped up growth investments; administration and other marketing expenses as a percentage of sales decreased by 30 bps to 11.4%. Research and development costs as a percentage of sales were flat at 1.8%.

Our *Fuel for Growth* program targeted savings of CHF 0.7 billion in 2025, scaling to CHF 3.0 billion by the end of 2027 following the upsized target announced at 9M-25. In 2025, we delivered savings of CHF 1.1 billion as part of this program, more than CHF 350 million ahead of plan. In addition, we also achieved over CHF 1 billion of savings as part of ongoing efficiencies in 2025, not included under *Fuel for Growth*.

Underlying trading operating profit (UTOP) was CHF 14.4 billion, a decrease of 8.4%. UTOP margin was 16.1%, a decrease of 110 bps on a reported basis or 100 bps in constant currency. The year-on-year decline in UTOP margin was primarily driven by the impact of input cost inflation on gross profit margin as well as the increase in advertising and marketing expenses and the impact of tariffs, partly offset by pricing and cost savings initiatives.

Restructuring and net other trading items was CHF 1.7 billion compared to CHF 1.1 billion in 2024. The increase was mainly driven by impairments, litigation and the allowance for inventory write-offs due to the infant formula recall. Trading operating profit was CHF 12.7 billion, down 13.4%. Trading operating profit margin was 14.2%, a decrease of 180 bps on a reported basis.

As % of sales	**2025**	**2024**	**Reported change**	**Constant currency change**
Sales	**100.0%**	**100.0%**	-	
Cost of goods sold	-54.4%	-53.3%	-110 bps	
Gross profit margin	**45.6%**	**46.7%**	**-110 bps**	
Other revenue	0.5%	0.4%	10 bps	
Distribution expenses	-8.2%	-8.3%	10 bps	
Marketing and administration expenses	-20.0%	-19.8%	-20 bps	
Research and development costs	-1.8%	-1.8%	0 bps	
Underlying trading operating profit margin	**16.1%**	**17.2%**	**-110 bps**	**-100 bps**
Other trading income	0.2%	0.1%	10 bps	
Other trading expenses	-2.1%	-1.3%	-80 bps	
Trading operating profit margin	**14.2%**	**16.0%**	**-180 bps**	**-170 bps**
Other operating income	0.3%	0.5%	-20 bps	
Other operating expenses	-0.8%	-0.4%	-40 bps	
Operating profit margin	**13.7%**	**16.1%**	**-240 bps**	

Net financial expenses and income tax

Net financial expenses were CHF 1.5 billion in 2025, in line with 2024. The average cost of net debt was 2.6% in both 2025 and 2024.

The Group reported tax rate was 24.6%, compared to 25.0% in the prior year. The decrease was due to lower one-off tax charges compared to 2024. The underlying tax rate was 22.1%, compared to 21.9% in the prior year.

Net profit and earnings per share

Net profit decreased by 17.0% to CHF 9.0 billion. Basic earnings per share decreased by 16.3% to CHF 3.51, driven by lower net profit.

Underlying net profit was CHF 11.4 billion, a decrease of 8.2%, and a decrease of 2.7% in constant currency. Underlying earnings per share was CHF 4.42, a decrease of 7.3%, and a decrease of 1.8% in constant currency.

Cash flow

Cash generated from operations decreased to CHF 16.9 billion from CHF 19.6 billion in 2024. Free cash flow was CHF 9.2 billion, compared to CHF 10.7 billion in the same period last year, with the decrease primarily due to lower Adjusted EBITDA and a negative contribution from working capital movements, partially offset by lower capex. This FCF performance reflects strong delivery in the second half of the year. FCF in H1 was CHF 2.3 billion, negatively impacted by the effect of input cost inflation on working capital as well as the effect of actions to mitigate tariff impacts. In H2, we delivered CHF 6.8 billion of FCF, helped by actions to improve working capital efficiency and strengthen capex discipline.

Dividend

At the Annual General Meeting on April 16, 2026, the Board of Directors will propose a dividend of CHF 3.10 per share, an increase of 5 centime. Nestlé has maintained or increased the dividend in Swiss francs over the last 66 years, and we remain committed to our dividend practice.

Net debt

Net debt was CHF 51.4 billion as at December 31, 2025, compared to CHF 60.0 billion as at June 30, 2025 and CHF 56.0 as at December 31, 2024. The decrease reflected strong free cash flow generation in the second half of the year, along with a CHF 2.0 billion extraordinary distribution from our Froneri joint venture, and a benefit from foreign exchange movements.

Return on invested capital

Return on invested capital was 12.7%, compared to 14.1% in 2024. This reduction reflects lower operating profit and higher impairments, partially compensated by a lower invested capital base.

Acquisitions and divestures, minority interests and joint ventures

In 2025, we increased our ownership in two companies as follow-ons from earlier acquisitions. In China, we acquired all the outstanding minority interests of confectionery company Hsu Fu Chi, and in Nestlé Health Science we further increased our majority stake in Orgain, a leader in plant-based nutrition, where we had an option as part of the original acquisition structure. In South Korea, we took control of our Purina business from the existing JV structure and integrated it into Nestlé South Korea. During Q4 2025, we disposed of our remaining stake in the Herta JV that was established in 2019. This was part of our regular review of smaller non-core assets for opportunities to simplify and unlock value.

Infant formula recall

In January 2026, Nestlé launched a global precautionary recall of batches of infant formula after detecting the presence of cereulide, caused by an ingredient sourced from a global industry supplier. Full details of the recall and timeline are available at www.nestle.com/ask-nestle.

Nestlé maintains high quality standards and safety protocols, which go well beyond Good Manufacturing Practices and current regulations, including for managing cereulide risk in infant formula. The recall removed all batches of products that could potentially contain a level of cereulide ≥0.2 ng/g in infant formula powder. This is more stringent than the action limit for recalls of 0.43 ng/g recently defined by the EU and being implemented across the bloc.

Nestlé's recall is completed and we are now focused on replenishing stocks. Production has resumed at all infant formula factories, using alternative ingredient suppliers and with extensive testing before, during and after production. Our top priorities are quality, product safety and compliance, and all our products on the market are safe.

Operating segment review

	Total Group	Zone Americas	Zone AOA	Zone Europe	Nestlé Health Science	Nespresso	Nestlé Waters & Premium Beverages	Other businesses
Sales 2025 (CHF m)	**89,490**	**34,482**	**20,553**	**17,581**	**6,551**	**6,481**	**3,548**	**294**
Sales 2024 (CHF m)	91,354	36,135	21,177	17,082	6,739	6,378	3,551	292
Real internal growth (RIG)	0.8%	0.1%	0.8%	0.4%	3.5%	1.6%	2.6%	3.0%
Pricing	2.8%	2.8%	2.5%	3.9%	-0.3%	4.4%	2.7%	1.3%
Organic growth	**3.5%**	**2.8%**	**3.2%**	**4.3%**	**3.2%**	**6.0%**	**5.3%**	**4.3%**
Net M&A	0.1%	-0.1%	-0.4%	1.2%	-0.4%	0.2%	-0.1%	0.0%
Foreign exchange	-5.7%	-7.3%	-5.8%	-2.6%	-5.6%	-4.6%	-5.2%	-4.3%
Reported sales growth	**-2.0%**	**-4.6%**	**-3.0%**	**2.9%**	**-2.8%**	**1.6%**	**0.0%**	**0.0%**
UTOP 2025 (CHF m)	**14,389**	**7,118**	**4,254**	**2,834**	**1,056**	**1,160**	**322**	**6**
UTOP 2024 (CHF m)	15,704	7,918	4,658	3,063	943	1,278	323	-13
UTOP margin 2025	**16.1%**	**20.6%**	**20.7%**	**16.1%**	**16.1%**	**17.9%**	**9.1%**	**2.2%**
UTOP margin 2024	17.2%	21.9%	22.0%	17.9%	14.0%	20.0%	9.1%	-4.3%
UTOP margin YoY	*-110 bps*	*-130 bps*	*-130 bps*	*-180 bps*	*210 bps*	*-210 bps*	*Flat*	*650 bps*

Zone Americas

2025 highlights: Zone Americas delivered broad-based OG of 2.8% for the full year, achieving positive RIG despite a challenging macroeconomic environment and cautious consumer sentiment. In North America, growth was driven by RIG, and market share trends continued to improve. In Latin America, growth was driven by pricing in confectionery and coffee as well as continued momentum in out-of-home.

Q4-25 highlights: In Q4, the Zone delivered solid, balanced growth of 3.7% OG, 2.4% pricing and 1.3% RIG. North America OG was 2.5%, of which RIG was 2.4%. The sequential improvement in RIG was driven by PetCare, with particular strength in wet cat, as capacity came online after constraints earlier in the year, further supported by customer buy-in ahead of a price increase on 1 January. In Latin America, growth continued to be driven by pricing actions for coffee and confectionery.

Segment performance summary for 2025

- Organic growth was 2.8%, with 0.1% RIG and 2.8% pricing.
- Reported sales were down versus the prior year at CHF 34.5 billion, driven by a negative impact of 7.3% from foreign exchange movements.
- In North America, OG was 1.0%, with 0.8% RIG and 0.2% pricing. In Latin America, OG was 6.7%, with -1.4% RIG and 8.0% pricing.
- By market, growth was seen across almost all regions, led by Brazil and the U.S.
- Market share continues to improve, led by gains in North America, particularly in portioned and soluble coffee, coffee enhancers and frozen food. In Latin America, we saw market share losses in confectionery, ambient dairy and soluble coffee.
- UTOP margin decreased by 130 bps to 20.6%, driven by input cost inflation, increased consumer investment, and currency and tariff headwinds that more than offset pricing actions and efficiencies.

Key organic sales growth drivers by product category for 2025

- Beverages (including coffee and coffee enhancers) posted high single-digit growth with strong pricing and positive RIG. *Nescafé* and coffee enhancers were key growth contributors.
- Confectionery delivered strong high single-digit growth led by pricing in *Garoto* (Brazil) and *Tollhouse* (U.S.). RIG was negative but improved in the second half, helped by actions to manage price elasticities in chocolate and by expansion in chocobakery.
- In Nestlé Professional, growth was mid single-digit, driven by broad-based contributions across Latin America.
- PetCare growth was solid across the Zone. Growth was led by wet cat food in the U.S., helped by new capacity in Q4 after supply constraints impacted most of the year. The wet cat category continued to be positive, while dog food was softer, impacting mainstream brands and snacks.
- Infant Nutrition sales declined for the period, driven by on-going challenges with *Gerber* and supply constraints in *Nido* in the first half of the year.
- In frozen food, growth remains negative but trends have improved further, with market share gains in *Stouffer's* and *DiGiorno*.

Zone Asia, Oceania and Africa

2025 highlights: In Zone AOA, 3.2% OG was broad based across markets with the exception of Greater China. The strongest contribution came from the Central & West Africa Region, South Asia and the Philippines. In Greater China, sales declined in a deflationary market as we correct trade inventory and redefine our operating model. By category, growth in Zone AOA reflected strengthening performance in coffee and food in the second half of the year, together with RIG-led growth in confectionery.

Q4-25 highlights: OG was 4.6%, with 2.6% pricing and 2.0% RIG. In Zone AOA excluding Greater China, OG reached 8.6%, continuing the trend of sequential improvement seen during the first nine months; Q4 RIG of 5.5% is the strongest since 2020, even excluding the positive impact of Ramadan timing. In Greater China, Q4 OG was -7.0%, improving compared to the previous two quarters due to the lower impact of trade inventory correction.

Segment performance summary for 2025

- Organic growth was 3.2%, with 0.8% RIG and 2.5% pricing.
- Reported sales were down versus the prior year at CHF 20.6 billion, due to the negative impact of 5.8% from foreign exchange movements.
- In Zone AOA excluding Greater China, organic growth was 6.1%, with 2.3% RIG and 3.8% pricing. In Greater China, organic growth was -6.4%, with -4.5% RIG and -1.9% pricing.
- Market share gains were achieved in confectionery, cocoa malt beverages and PetCare, while soluble coffee and ambient culinary showed ongoing improvement.
- UTOP margin decreased by 130 basis points to 20.7%, mainly reflecting higher cost of goods sold, driven by commodity inflation in coffee and cocoa as well as increased investment to strengthen competitiveness in the trade and in brand building.

Key organic sales growth drivers by product category for 2025

- Coffee posted mid single-digit growth, driven by pricing. The largest growth contributor was *Nescafé* soluble, with continued strong momentum behind cold coffee via *Nescafé* Espresso Concentrate and ready-to-drink coffee.
- Confectionery grew at a high single-digit pace, driven by *KitKat,* with overall market share gains and positive growth in most markets. 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,* led by cooking aids and noodles.
- Nestlé Professional achieved mid single-digit growth across geographies and categories, led by dairy and coffee.
- Infant Nutrition and dairy growth was low single digit, led by double-digit growth in both *Milo* and *NAN* across most geographies, partly offset by *illuma*.
- PetCare growth was negative, driven by inventory corrections in Greater China and category softness in developed markets; other emerging markets delivered strong double-digit growth, supported by increased strategic investment.

Zone Europe

2025 highlights: In Zone Europe, OG was 4.3%, with RIG of 0.4%. Growth was broad based across most categories and markets, driven by coffee and confectionery, with targeted pricing to address input cost inflation, and by RIG-led growth in PetCare. Market share trends were positive across most categories. Overall, the environment remains competitive, with a strong focus on providing value for consumers, especially among retailers in some markets.

Q4-25 highlights: In Q4, OG was 4.4%, with 4.2% pricing and 0.2% RIG. OG was driven by coffee and confectionery. In coffee, OG was high single digits, moderating from Q3-25 against a more difficult comparison base. In confectionery, OG and RIG continued to strengthen, driven by reduced consumer elasticity effects. PetCare continued to perform well, with mid to high single-digit RIG across most major markets, while food remained challenging. By market, growth was solid across the majority of larger markets, with continued strengthening of OG and RIG in UK & Ireland and France, and an improvement in Germany.

Segment performance summary for 2025

- Organic growth was 4.3%, with 0.4% RIG and 3.9% pricing.
- Reported sales were up versus the prior year at CHF 17.6 billion, including a negative impact of 2.6% from foreign exchange movements.
- Growth was positive across most markets and categories, with the strongest contributions from Türkiye, Iberia, France and South & Eastern Europe.
- Market share trends were positive, with gains in PetCare and improved trends across most other categories.
- UTOP margin decreased by 180 bps to 16.1%, as a result of a lower gross profit margin, with operational efficiencies being reinvested in growth through a step-up in advertising and marketing spend.

Key organic sales growth drivers by product category for 2025

- Coffee posted high single-digit growth, led by pricing, with RIG impacted by consumer elasticity effects. The largest growth contributor was *Nescafé* soluble coffee.
- Confectionery posted high single-digit growth, driven by pricing, with negative RIG reflecting elasticity effects. *KitKat* and *Dessert* both delivered double-digit growth.
- PetCare delivered mid single-digit growth. Growth was RIG-led and broad based across markets, led by *Felix*, *Pro Plan, Gourmet* and *Purina 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.

Nestlé Health Science

2025 highlights: Nestlé Health Science delivered RIG-led growth for the year, driven by enhanced execution focus and portfolio optimization. Growth was broad-based across our three segments with strong performance in *Orgain* and *Pure Encapsulations*.

Q4-25 highlights: In Q4, growth was low single-digit driven by Medical Nutrition and strong consumption trends in *Orgain* and *Pure Encapsulations*. This was partially offset by softness in *Garden of Life* and the discontinuation of some private label Vitamins, Minerals and Supplements (VMS).

We have concluded the strategic review of our mainstream and value brands in VMS and are moving ahead with the process to engage with potential buyers for these parts of the business.

Segment performance summary for 2025

- Organic growth was 3.2%, with 3.5% RIG and -0.3% pricing.
- Reported sales decreased by 2.8% to CHF 6.6 billion, driven by a negative foreign exchange impact of 5.6%.
- Market share losses showed an improved trend across all regions, particularly within the VMS and Active Nutrition segments.
- UTOP margin increased by 210 bps to 16.1%, driven by a reduction in structural costs and improved gross profit margin.

Key organic sales growth drivers by product category for 2025

- By geography, North America grew low single-digit, while Europe and other regions delivered mid single-digit growth.
- VMS reported positive growth, driven by premium brands *Pure Encapsulations* and *Solgar*. This 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, which was driven by RIG-led momentum from innovation and distributions gains in *Orgain* and partially offset by *Vital Proteins*.
- Medical Nutrition delivered mid single-digit growth across all segments, with strong contributions from *Resource* and *Compleat*.

Nespresso

2025 highlights: Nespresso delivered OG of 6.0%, led by pricing and supported by positive RIG. North America remained the key growth driver, with double-digit growth, strong consumer acquisition and continued market share gains, supported by increased investments. In Western Europe, market conditions remained challenging.

Q4-25 highlights: In Q4, OG was 4.2%, with -0.6% RIG and 4.8% pricing. Growth was driven by the U.S., with continued double-digit OG led by RIG, albeit slowing compared to a very strong Q3. In Europe, the environment remains competitive, with broadly flat OG reflecting some price elasticity and the negative effect of some customer order phasing.

Segment performance summary for 2025

- Organic growth was 6.0%, with 1.6% RIG and 4.4% pricing.
- Reported sales were up versus the prior year at CHF 6.5 billion, despite a negative foreign exchange impact of 4.6%.
- Market share gains in North America continued to build strong momentum. In Europe, share remained under pressure across key markets due to competitive intensity.

- UTOP margin declined by 210 bps to 17.9%, reflecting higher cost of goods sold in H2, driven by inflation in coffee, tariffs as well as a marked increase in marketing investment to support growth.

Key organic sales growth drivers for 2025

- By geography, North America delivered strong double-digit growth, led by RIG and fueled by successful brand campaigns, celebrity collaborations as well as impactful innovations. In Europe growth was positive and led by pricing.
- By system, growth was driven by *Vertuo*. Out-of-home grew mid single-digits, led by strong hotels, restaurants and cafés (horeca) momentum and increased machine placements.
- Digital transformation remained a key enabler. Deployment of the Nespresso mobile app contributed to increasing basket value and purchase frequency, *Starbucks* direct-to-consumer received strong reception, while e-retail and marketplaces were key growth drivers of business to consumer channel.

Nestlé Waters & Premium Beverages

2025 highlights: In Nestlé Waters & Premium Beverages, OG was 5.3%, with RIG of 2.6% and pricing of 2.7%. Performance was broad based across geographies, brands and sales channels. Growth was driven by *Maison Perrier* and *Sanpellegrino* as well as out-of-home channels.

Q4-25 highlights: In Q4, OG was 8.3%, with 4.5% RIG and 3.8% pricing. Q4-25 marked the fourth quarter of positive RIG and the strongest quarter of the year. Performance was broad based, helped by a softer comparison base, with particular strength in Americas and in premium beverages, led by *Maison Perrier* and *Sanpellegrino*.

We are moving ahead with the partial disposal of the business, and we have started engaging with potential partners.

Segment performance summary for 2025

- Organic growth was 5.3%, with 2.6% RIG and 2.7% pricing.
- Reported sales was up compared to prior year at CHF 3.5 billion, despite the negative impact from foreign exchange of 5.2%.
- Market share gains continued in *S.Pellegrino* and *Perrier*.
- UTOP margin was unchanged compared to prior year at 9.1%, as increased investment behind premium beverages brands was offset by operational cost savings.

Key organic sales growth drivers for 2025

- By geography, Americas posted high single-digit growth, AOA and Europe delivered mid single-digit growth.
- Premium beverages continued to outperform with strong double-digit growth, driven by the international expansion of *Maison Perrier*, which is now present in 80 markets, and the rollout of *Sanpellegrino* innovations in CIAO! and Zero ranges.

- Within waters, we saw solid growth from our international premium brands including *Maison Perrier*, *S.Pellegrino* and *Acqua Panna*, partly offset by a weaker performance from *Perrier* reflecting continued supply constraints.

Category performance

	Total Group	Powdered & Liquid Beverages	Water	Milk products & Ice cream	Nutrition & Health Science	Prepared dishes & cooking aids	Confec-tionery	PetCare
Sales 2025 (CHF m)	**89,490**	**25,144**	**3,128**	**9,698**	**14,304**	**10,114**	**8,696**	**18,406**
Sales 2024 (CHF m)	91,354	24,598	3,180	10,397	15,137	10,711	8,449	18,882
Real internal growth (RIG)	0.8%	0.7%	1.0%	0.8%	0.1%	-0.2%	-0.7%	2.6%
Pricing	2.8%	6.6%	2.9%	0.5%	0.5%	-0.1%	8.8%	-0.4%
Organic growth	**3.5%**	**7.3%**	**3.9%**	**1.3%**	**0.6%**	**-0.4%**	**8.2%**	**2.2%**
UTOP 2025 (CHF m)	**14,389**	**4,324**	**288**	**2,229**	**2,825**	**1,977**	**1,107**	**4,000**
UTOP 2024 (CHF m)	15,704	4,920	279	2,442	3,006	2,137	1,299	4,087
UTOP Margin 2025	**16.1%**	**17.2%**	**9.2%**	**23.0%**	**19.7%**	**19.5%**	**12.7%**	**21.7%**
UTOP Margin 2024	17.2%	20.0%	8.8%	23.5%	19.9%	19.9%	15.4%	21.6%

Powdered and Liquid Beverages was the largest category growth contributor, with 7.3% organic growth, led by pricing, as we took actions to address input cost inflation in coffee. *Nescafé* and *Nespresso* were the leading contributors of growth. RIG remained positive, with only limited elasticity observed following the price increases.

Confectionery organic growth of 8.2% was driven by pricing and led by *KitKat*. Negative RIG reflects short-term volume softness resulting from price-driven elasticity.

PetCare delivered 2.2% organic growth, helped by improved performance in the fourth quarter of the year. Growth was led by wet and dry cat, partly offset by weakness in dry dog. Market share grew globally, driven by Europe.

Milk products and Ice cream posted 1.3% organic growth, led by solid performance from dairy culinary brands, *Nestlé* and *La Lechera*.

Water delivered organic growth of 3.9%, led by good performance from *Maison Perrier* and *S.Pellegrino*.

Nutrition and Health Science recorded organic growth of 0.6%, driven by strong performance from *NAN* and *Orgain*, partially offset by weakness in *Gerber* and *illuma*.

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

Annex

Fourth-quarter performance

	Total Group	Zone Americas	Zone AOA	Zone Europe	Nestlé Health Science	Nespresso	Nestlé Waters & Premium Beverages	Other businesses
Sales Q4-2025 (CHF m)	**23,621**	**9,188**	**5,290**	**4,796**	**1,702**	**1,775**	**795**	**75**
Sales Q4-2024 (CHF m)	24,206	9,568	5,536	4,626	1,824	1,792	786	74
Real internal growth (RIG)	1.3%	1.3%	2.0%	0.2%	1.9%	-0.6%	4.5%	5.4%
Pricing	2.8%	2.4%	2.6%	4.2%	-0.4%	4.8%	3.8%	0.4%
Organic growth	**4.0%**	**3.7%**	**4.6%**	**4.4%**	**1.5%**	**4.2%**	**8.3%**	**5.8%**

	Total Group	Powdered & Liquid Beverages	Water	Milk products & Ice cream	Nutrition & Health Science	Prepared dishes & cooking aids	Confec-tionery	PetCare
Sales Q4-2025 (CHF m)	**23,621**	**6,701**	**697**	**2,523**	**3,586**	**2,669**	**2,622**	**4,823**
Sales Q4-2024 (CHF m)	24,206	6,646	706	2,749	3,824	2,885	2,529	4,867
Real internal growth (RIG)	1.3%	-0.6%	2.1%	0.7%	-0.1%	0.9%	1.4%	5.4%
Pricing	2.8%	7.4%	3.9%	-0.9%	0.8%	-1.2%	7.0%	-0.1%
Organic growth	**4.0%**	**6.8%**	**6.0%**	**-0.1%**	**0.7%**	**-0.3%**	**8.4%**	**5.3%**