Nestlé Good food, Good life

Aide-Mémoire

Nestlé 2026 Nine-month sales

September 28, 2026

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Note: references to guidance in this document do not include any potential financial impact from the developing situation regarding Nestlé's operations in the Russia region, which we are continuing to evaluate (see press release from September 18, 2026).

Guidance for 2026

- OG expected to be in the range of 3% to 4%, with RIG accelerating versus 2025, driven by our focused growth plans.[1]
- UTOP margin expected to improve versus 2025; second half margin now expected to be broadly similar to the first half.[1]
- Free cash flow expected to be above CHF 9 billion.[1]

Sales

- Q2-26 OG of 3.7%, with RIG of 1.8% and pricing of 1.9%.[1]
- Q3-25 OG of 4.3%, with RIG of 1.5% and pricing of 2.8%. RIG recovered strongly to 1.5%, driven by our growth investments and actions to manage price elasticity, helped by an easier comparison base.[2][3]
- In Q2-26, pricing was 1.9%. We will continue to take pricing where we think the consumer can tolerate it and where we think it is appropriate. Pricing will be lower as we move past some of the rollover pricing from last year.[1][4][5]
- In Q2-26 Coffee, significant recent Starbucks pricing impacted RIG. As we saw last year, when we take price in coffee, there is an initial elasticity reaction, with RIG then recovering afterwards, and we expect the same here.[5]
- Petcare growth was negatively impacted by retailer inventory reduction in Q2-26. Petcare organic growth has been lumpy over recent quarters as we have moved from capacity constraints to pipeline replenishment, pre-buying ahead of a price increase and now retailer destocking as our customers adjust to consistent supply. The retail sell-out data shows an acceleration in consumers buying our products. Looking forward, we note the comp in Q4-26 for Petcare is higher due to the pre-price increase buy-in a year ago.[5]

- We had a customer delisting in Q2-26, which is part of the normal course of business in Europe. Underlying consumption between Q1-26 and Q2-26 showed consistent momentum, so the delisting is a phasing situation, associated with a single customer.[5]
- The infant formula recall had an impact on group OG of approximately 90 bps in Q1-26 and 30 bps in Q2-26. In Q1-26, infant nutrition sales were down mid-teens, while in Q2-26 the decline was mid-single digits. We expect further improvement through the second half, and to have largely recovered by the end of the year.[1][5]
- For the full year 2026, we expect an approximately -3% headwind from foreign exchange on sales, assuming the spot rates as of Q2-26 results release on July 23, 2026.[1]

Gross profit and operating profit

- FY-26 gross margin is expected to improve vs FY-25.[6][7]
- Compared to H1-26, we expect H2-26 UTOP margin to benefit from lower coffee and cocoa costs, impacting the P&L and further cost savings. On the other hand, we will have some higher transportation and energy costs arising from the Middle East conflict. Guidance does not include any assumptions for tariff refunds, which would come on top.[5][10]
- We continued to step up marketing investments in H1-26, increasing spend by 30 basis points year-on-year to 8.9% of sales. As we look to the second half, we expect a similar level of marketing investment as a percentage of sales.[5]
- In H1-26, cumulative *Fuel for Growth* cost savings now up to CHF 1.7 billion; on track for target of CHF 2.0 billion for 2026.[1]
- As a rule of thumb, a 5% strengthening in the Swiss Franc has a 10 to 15 bps negative impact on UTOP margin.[8]

Operating segments

Zone Americas

- In Q2-26, OG was 2.8%, with RIG of 0.8% and pricing of 1.9%. Growth was broad based, with positive OG across all markets and all categories. Our US business remains resilient despite low consumer confidence weighing on spending for some consumers. US OG momentum was maintained, driven by pricing in Coffee and RIG in Petcare and Nutrition. In Latin America, robust RIG-led growth highlights the strength of our brands and execution.[1]
- Petcare growth in Q2-26 was held back by some retailer inventory reduction in the US, but sell-out trends continued to strengthen in both cat and dog, reflecting improving category dynamics and our better execution.[1]
- In Q3-25 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.[3]

Zone Asia, Oceania and Africa

- In Q2-26, OG was 6.5%, with RIG of 4.8% and pricing of 1.7%. Growth was broad based across all categories and most markets.[1]

- In Q2-26, Greater China delivered 2.0% OG, comprising 0.5% RIG and 1.5% pricing. Growth was positively impacted by lower trade inventory reductions in Q2-26 compared to last year. Our business is now stable, the planned trade inventory reduction is complete, and we are making good progress in our transition to a demand-led growth model. Growth continues to be negative in the categories in which we operate.[1]
- In Q3-25 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.[3]

Zone Europe

- In Q2-26, growth continued to be driven by strength in Coffee and Petcare. Organic growth was 1.5%, with flat RIG and pricing of 1.5%. RIG was impacted by temporary delistings with certain retailers, mitigated by capturing other growth opportunities. As expected, pricing moderated as we lapped increases taken last year.[1]
- In Q3-25, 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.[3]

Nespresso

- In Q2-26, OG was 3.4%, with RIG of 1.5%; pricing was 2.0%, easing compared to the previous quarter as we cycle prior year increases. We continue to focus on growing our active base with targeted consumer acquisition activities, particularly in North America. In Q2, this trend was partially offset by softer consumption in some markets.[1]
- In Q3-25, 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.[3]

Nestlé Waters & Premium Beverages

- In Q2-26, OG was 6.6%, with RIG of 2.2% and pricing of 4.4%. Growth was driven by North America, key international brands and favorable weather in Europe.[1]
- Partnership announced to form 50:50 JV for waters and premium beverages; net cash proceeds of approximately CHF 2.8 billion expected in H1 2027.[1]
- In Q3-25, OG was 3.8%, with 1.4% RIG and 2.4% pricing. 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.[3]

Sources

[1] 2026 Half Year Results Press Release
[2] 2026 Half Year Results Investor Presentation
[3] 2025 Nine Month Sales Press Release
[4] 2026 Three Month Sales Investor Call Transcript
[5] 2026 Half Year Results Investor Call Transcript
[6] 2025 Full Year Results Investor Call Transcript
[7] 2025 Full Year Results Press Release
[8] 2025 Three Month Sales Investor Call Transcript
[9] 2025 Full Year Results Investor Presentation
[10] 2026 Barclays 19th Annual Global Consumer Conference Nestlé Fireside Chat Transcript