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Press Release

Ad hoc announcement pursuant to Art. 53 LR

Vevey, October 17, 2024

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Nestlé reports nine-months sales for 2024

- Organic growth was 2.0% for the first nine months, with positive real internal growth (RIG).
 - RIG was 0.5%, in an environment of softening consumer demand and actions taken in the third quarter to reduce customer inventory.
 - Pricing was 1.6%, reducing following unprecedented increases in the prior two years.
- Total reported sales amounted to CHF 67.1 billion (9M-2023: CHF 68.8 billion), down 2.4%. Foreign exchange reduced sales by 4.1% and net divestitures by 0.3%.
- Organizational and Executive Board changes announced to drive performance and transformation (see separate press release).
- **Full-year 2024 outlook updated:** organic sales growth expected to be around 2%. Underlying trading operating profit margin expected to be around 17.0%. Underlying earnings per share growth in constant currency expected to be broadly flat.

Laurent Freixe, Nestlé CEO, commented: *"We delivered organic sales growth, driven by positive real internal growth. Consumer demand has weakened in recent months, and we expect the demand environment to remain soft. Given this outlook and our further actions to reduce customer inventories in the fourth quarter, we have updated our full-year guidance, with organic sales growth expected to be around 2%, in line with the first nine months.*

Nestlé is uniquely positioned to win in our industry, given our global scale, broad portfolio of iconic brands and innovative products that connect with people every day and in every stage of their lives. Building on this strong foundation, we will sharpen our focus on consumers and customers and advance our categories to accelerate performance and gain market share. We will also expand our digital transformation to enhance agility and efficiency. For our brands to win in the market, we need to invest. We will generate the resources we need through efficiencies and growth leverage. Disciplined in-market execution will drive Nestlé's virtuous circle to sustain profitable growth over time, and we have exceptional people to make this happen.

Today's organizational changes will align Nestlé, bringing simplicity and focus. I look forward to sharing more of our plans at our Capital Markets Day in November."

	Total Group	Zone North America	Zone Europe	Zone AOA	Zone Latin America	Zone Greater China	Nestlé Health Science	Nespresso	Other Businesses
Sales 9M-2024 (CHF m)	67 148	18 524	13 900	12 542	8 913	3 550	4 915	4 586	218
Sales 9M-2023 (CHF m)	68 829	19 027	14 144	13 223	9 139	3 624	4 850	4 617	205
Real internal growth (RIG)	0.5%	-0.9%	0.8%	0.8%	-0.7%	3.9%	3.0%	1.3%	8.6%
Pricing	1.6%	0.6%	2.5%	2.8%	2.5%	-1.5%	0.8%	0.5%	1.3%
Organic growth	2.0%	-0.3%	3.3%	3.6%	1.9%	2.5%	3.8%	1.8%	9.8%
Net M&A	-0.3%	0.0%	-2.2%	0.0%	0.0%	0.2%	0.5%	0.2%	0.0%
Foreign exchange	-4.1%	-2.3%	-2.9%	-8.7%	-4.2%	-4.7%	-3.0%	-2.6%	-3.3%
Reported sales growth	-2.4%	-2.6%	-1.8%	-5.2%	-2.3%	-2.0%	1.3%	-0.7%	6.6%

Group sales

Organic growth was 2.0% for the nine months, similar to the 2.1% achieved in the first half. RIG was 0.5%, impacted by soft consumer demand and consumer hesitancy towards global brands, linked to geopolitical tension. Additionally in the third quarter, RIG was negatively impacted by approximately 60 basis points by actions taken to reduce customer inventory, mainly in the Americas. Pricing was 1.6%, continuing to normalize following unprecedented increases in the prior two years. In third quarter, pricing increases in confectionery and coffee linked to higher input costs were partly offset by the impact of promotional activity in PetCare and dairy. By geography, organic growth was driven by emerging markets and Europe, which together more than offset a slight decrease in North America. In developed markets, organic growth was 1.1%, with positive pricing and RIG. In emerging markets, organic growth was 3.5%, led by pricing with positive RIG.

Organic growth by product category:

- Coffee was the largest growth contributor with mid single-digit growth, supported by the three leading coffee brands, *Nescafé*, *Starbucks* and *Nespresso*.
- Purina PetCare delivered low single-digit growth, driven by continued momentum for science-based premium brands *Purina ProPlan*, *Purina ONE* and *Fancy Feast*.
- Sales in confectionery grew at a mid single-digit rate, led by *KitKat* and key local brands.
- Nestlé Health Science posted low single-digit growth. The recovery plan is on track, with double-digit growth in the third quarter.
- Water delivered mid single-digit growth, underpinned by continued momentum for *S.Pellegrino* and a recovery in *Perrier*.
- Infant Nutrition sales grew at a low single-digit rate, supported by continued momentum for *NAN*, *Lactogen* and human milk oligosaccharides (HMOs) products.
- Dairy posted negative growth, as a decline in coffee creamers and ambient dairy more than offset growth for affordable milks and dairy culinary solutions.
- Culinary reported negative growth, driven by a decline for frozen food in North America, while growth for *Maggi* was robust.

By channel, organic growth in retail sales was 1.9%. Organic growth of out-of-home channels was 3.4%. E-commerce sales grew organically by 9.7%, reaching 18.5% of total Group sales.

Net divestitures impacted sales by 0.3%, largely related to the creation in 2023 of a joint venture with PAI Partners for Nestlé’s frozen pizza business in Europe. The impact on sales from foreign exchange was negative at -4.1%. Total reported sales decreased by 2.4% to CHF 67.1 billion.

Zone North America

- 9M-2024: -0.3% organic growth: -0.9% RIG; 0.6% pricing.

	Sales 9M-2024	Sales 9M-2023	RIG	Pricing	Organic growth	Net M&A	Foreign exchange	Reported Growth
Zone North America	CHF 18.5 bn	CHF 19.0 bn	-0.9%	0.6%	-0.3%	0.0%	-2.3%	-2.6%

Organic growth was -0.3%. RIG was -0.9%, but remained positive in the third quarter, supported by strong growth in e-commerce and specialty channels. As previously highlighted, RIG in the second and third quarter was impacted by phasing in customer inventory related to some retailer promotional campaigns, which negatively impacted growth in the third quarter by approximately 100 basis points. Pricing was 0.6%, but was negative in the third quarter, with the promotional environment returning to pre-Covid levels. Foreign exchange had a negative impact of 2.3%. Reported sales decreased by 2.6% to CHF 18.5 billion. The Zone drove market share gains in pet food and coffee, with losses in frozen pizza and coffee creamers.

By product category, Purina PetCare was the largest growth contributor with low single-digit growth, led by *Purina Pro Plan*, *Fancy Feast* and *Friskies*. Sales of confectionery grew at a mid single-digit rate, led by *Tollhouse* baking products. Water delivered low single-digit growth, driven by sustained momentum for *S.Pellegrino* and the launch of *Maison Perrier*. Growth for the beverages category was positive, with continued momentum for *Starbucks* and *Nescafé* offsetting a sales decrease in *Coffee mate*. Infant Nutrition saw a sales decrease, driven by a category slowdown that impacted *Gerber* baby food, more than offsetting robust growth for *Nido* growing up milks. Frozen food saw negative growth, with the category continuing to see intense competition, particularly in pizza.

Zone Europe

- 9M-2024: 3.3% organic growth: 0.8% RIG; 2.5% pricing.

	Sales 9M-2024	Sales 9M-2023	RIG	Pricing	Organic growth	Net M&A	Foreign exchange	Reported Growth
Zone Europe	CHF 13.9 bn	CHF 14.1 bn	0.8%	2.5%	3.3%	-2.2%	-2.9%	-1.8%

Organic growth was 3.3%. RIG was 0.8%, turning slightly negative in the third quarter, reflecting softness in consumer demand and temporary retailer delistings. Pricing was 2.5%. Foreign exchange reduced sales by 2.9% and net divestitures by 2.2%. Reported sales decreased by 1.8% to CHF 13.9 billion. The Zone delivered market share gains in pet food and portioned coffee, with share losses in confectionery and water.

By product category, the largest contributor to growth was Purina PetCare, which delivered mid single-digit growth, driven by premium brands *Purina ONE*, *Gourmet* and *Pro Plan*. Coffee delivered mid single-digit growth, led by *Nescafé* soluble coffee and *Starbucks* products. Confectionery posted mid single-digit growth, fueled by continued momentum for *KitKat* and key local brands. Sales in water grew at a low single-digit rate, supported by the relaunch of *Perrier*. Nestlé Professional delivered mid single-digit growth, led by beverage solutions. Infant Nutrition posted slightly negative growth, reflecting a category slowdown. Culinary reported slightly negative growth.

Zone Asia, Oceania and Africa (AOA)

- 9M-2024: 3.6% organic growth: 0.8% RIG; 2.8% pricing.

	Sales 9M-2024	Sales 9M-2023	RIG	Pricing	Organic growth	Net M&A	Foreign exchange	Reported Growth
Zone AOA	CHF 12.5 bn	CHF 13.2 bn	0.8%	2.8%	3.6%	0.0%	-8.7%	-5.2%

Organic growth was 3.6%. RIG was 0.8%, reflecting ongoing consumer hesitancy toward global brands, linked to geopolitical tensions. Pricing was 2.8%. Foreign exchange reduced sales by 8.7%. Reported sales decreased by 5.2% to CHF 12.5 billion. By geography, the key growth drivers were Central and West Africa, the Philippines and Thailand. The Zone achieved market share gains in confectionery, with losses in dairy and culinary.

By product category, coffee delivered mid single-digit growth, driven by *Nescafé*, particularly in ready-to-drink offerings. Culinary delivered high single-digit growth, fueled by strong sales momentum and innovation for *Maggi* cooking solutions. Sales in Infant Nutrition grew at a mid single-digit rate, with continued momentum for *NAN* and *S-26* as well as the affordable nutrition range *Lactogen*. Sales for Nestlé Professional grew at a high single-digit rate across most geographies and categories, underpinned by customer acquisition. Confectionery reported low single-digit growth, with continued momentum for *KitKat* supported by new product launches. Purina PetCare delivered mid single-digit growth, led by *Felix* and *Purina One*. Dairy posted slightly positive growth.

Zone Latin America

- 9M-2024: 1.9% organic growth: -0.7% RIG; 2.5% pricing.

	Sales 9M-2024	Sales 9M-2023	RIG	Pricing	Organic growth	Net M&A	Foreign exchange	Reported Growth
Zone Latin America	CHF 8.9 bn	CHF 9.1 bn	-0.7%	2.5%	1.9%	0.0%	-4.2%	-2.3%

Organic growth was 1.9%. RIG was -0.7%, becoming more negative in the third quarter, reflecting soft consumer demand and customer inventory reductions. Pricing was 2.5%. Foreign exchange had a negative impact of 4.2%. Reported sales decreased by 2.3% to CHF 8.9 billion. Growth in the Zone was driven by robust sales momentum in Brazil and Mexico, partially offset by weaker performance in other markets. The Zone achieved market share gains in chocolate, portioned coffee and culinary, with losses in dairy and soluble coffee.

By product category, confectionery grew at a mid single-digit rate, driven by key local brands, particularly *Garoto* as well as *KitKat*. Nestlé Professional grew at a sustained double-digit rate, fueled by continued customer expansion. Culinary delivered low single-digit growth, driven by *Maggi*. Coffee posted low single-digit growth, led by *Nescafé*, with strong growth for *Nescafé Dolce Gusto*. Purina PetCare posted flat growth, supported by *Felix* and *Friskies*. Infant Nutrition and dairy posted negative growth, with robust demand for *NAN* infant formula more than offset by a sales decline in *Nido*.

Zone Greater China

- 9M-2024: 2.5% organic growth: 3.9% RIG; -1.5% pricing.

	Sales 9M-2024	Sales 9M-2023	RIG	Pricing	Organic growth	Net M&A	Foreign exchange	Reported Growth
Zone Greater China	CHF 3.6 bn	CHF 3.6 bn	3.9%	-1.5%	2.5%	0.2%	-4.7%	-2.0%

Organic growth was 2.5%. RIG was 3.9%, increasing in the third quarter supported by new product launches and by improved momentum in Infant Nutrition. Pricing was -1.5%, reflecting a low inflation environment for the food & beverage industry. Foreign exchange had a negative impact of 4.7%. Reported sales decreased by 2.0% to CHF 3.6 billion. The Zone drove market share gains in soluble coffee, Infant Nutrition and confectionery, with losses in culinary and dairy.

By product category, Infant Nutrition was the largest contributor to growth, with mid single-digit growth, driven by *NAN* and improved sales for *illumina*. Coffee delivered high single-digit growth, driven by *Nescafé* ready-to-drink and soluble offerings. Sales of confectionery grew at a mid single-digit rate, driven by *Shark Wafer* and *KitKat*. Nestlé Professional and Culinary reported positive growth, with a slow-down for out-of-home channels. Sales in Purina PetCare continued to grow at a double-digit rate, building on

new product launches and continued e-commerce momentum for *Purina Pro Plan* and *Friskies*. Dairy posted negative growth, reflecting a sharp market slowdown in dairy-based categories.

Nestlé Health Science

- 9M-2024: 3.8% organic growth: 3.0% RIG; 0.8% pricing.

	Sales 9M-2024	Sales 9M-2023	RIG	Pricing	Organic growth	Net M&A	Foreign exchange	Reported Growth
Nestlé Health Science	CHF 4.9 bn	CHF 4.9 bn	3.0%	0.8%	3.8%	0.5%	-3.0%	1.3%

Organic growth was 3.8%, and reached double digits in the third quarter. RIG was 3.0%, accelerating strongly in the third quarter driven by increased product availability. Net acquisitions increased sales by 0.5%. Foreign exchange negatively impacted sales by 3.0%. Reported sales increased by 1.3% to CHF 4.9 billion. By geography, North America delivered low single-digit growth. Europe delivered high single-digit growth, while other regions combined saw positive growth.

Growth in vitamins, minerals and supplements was broadly flat in the first nine months, with double-digit growth in the third quarter. The recovery plan is on-track, and the business has started retaking market share. Active nutrition saw low single-digit growth, with strong sales contribution from *Orgain*. Medical Nutrition delivered close to double-digit growth, with continued market share gains. Growth was driven by strong sales momentum for adult medical care products, particularly *Peptamen*, *Resource* and *Vitaflo*. Sales for gastrointestinal products continued to grow at a double-digit rate.

Nespresso

- 9M-2024: 1.8% organic growth: 1.3% RIG; 0.5% pricing.

	Sales 9M-2024	Sales 9M-2023	RIG	Pricing	Organic growth	Net M&A	Foreign exchange	Reported Growth
Nespresso	CHF 4.6 bn	CHF 4.6 bn	1.3%	0.5%	1.8%	0.2%	-2.6%	-0.7%

Organic growth was 1.8%. RIG was 1.3%. Pricing was 0.5%. Foreign exchange negatively impacted sales by 2.6%. Reported sales decreased by 0.7% to CHF 4.6 billion. By geography, sales in North America grew at a mid single-digit rate with market share gains. Europe posted slightly negative growth in a market that remains competitive.

Growth was driven by the *Vertuo* system, with continued broad-based sales momentum. Out-of-home channels continued to generate robust growth, fuelled by the further adoption of the *Momento* system.

Outlook

Full-year 2024 outlook updated: Given the consumer environment and further actions to reduce customer inventories in the fourth quarter, full-year guidance has been updated. Organic sales growth is now expected to be around 2%, in line with the first nine months. Underlying trading operating profit margin is expected to be at around 17.0%. Underlying earnings per share growth in constant currency is expected to be broadly flat.

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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	Vestlé Health Science	Nespresso	Other Businesses
Sales 9M-2024 (CHF m)	67 148	18 524	13 900	12 542	8 913	3 550	4 915	4 586	218
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Real internal growth (RIG)	0.5%	-0.9%	0.8%	0.8%	-0.7%	3.9%	3.0%	1.3%	8.6%
Pricing	1.6%	0.6%	2.5%	2.8%	2.5%	-1.5%	0.8%	0.5%	1.3%
Organic growth	2.0%	-0.3%	3.3%	3.6%	1.9%	2.5%	3.8%	1.8%	9.8%
Net M&A	-0.3%	0.0%	-2.2%	0.0%	0.0%	0.2%	0.5%	0.2%	0.0%
Foreign exchange	-4.1%	-2.3%	-2.9%	-8.7%	-4.2%	-4.7%	-3.0%	-2.6%	-3.3%
Reported sales growth	-2.4%	-2.6%	-1.8%	-5.2%	-2.3%	-2.0%	1.3%	-0.7%	6.6%

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-2024 (CHF m)	67 148	17 952	2 474	7 648	11 313	7 826	5 920	14 015
Sales 9M-2023 (CHF m)	68 829	18 257	2 606	8 100	11 470	8 649	5 735	14 012
Real internal growth (RIG)	0.5%	1.3%	-0.8%	-0.8%	0.8%	-2.2%	0.7%	1.8%
Pricing	1.6%	1.7%	3.7%	0.1%	1.3%	0.5%	5.1%	1.2%
Organic growth	2.0%	3.0%	3.0%	-0.7%	2.1%	-1.6%	5.8%	3.0%