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# Press Release

Ad hoc announcement pursuant to Art. 53 LR

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## Nestlé reports three-month sales for 2024

- Organic growth of 1.4%, with pricing of 3.4% and real internal growth (RIG) of -2.0%.
- Total reported sales were CHF 22.1 billion, a decrease of 5.9% (3M-2023: CHF 23.5 billion). Foreign exchange decreased sales by 6.7%. Net divestitures had a negative impact of 0.6%.
- Overall, organic sales growth for the Group was driven by Europe and emerging markets, with a negative impact from North America.
- **Full-year 2024 outlook confirmed:** we expect organic sales growth of around 4% and a moderate increase in the underlying trading operating profit margin. Underlying earnings per share in constant currency is expected to increase between 6% and 10%.

### Mark Schneider, Nestlé CEO, commented:

*"We had expected a slow start and see a strong rebound in RIG in the second quarter with reliable delivery for the remainder of the year. A wide range of growth initiatives across the Group are now starting to deliver.*

*In North America, we have stepped up our innovation intensity and commercial activities, primarily in frozen food, which lost ground in the first quarter. The integration plan for Nestlé Health Science's vitamins, minerals and supplements business is on track, with the turning point expected in the second quarter and strong growth thereafter.*

*Nestlé's top priorities remain to execute with excellence, leverage our science and nutrition expertise and drive growth with our billionaire brands. We reiterate our 2024 guidance and look ahead with confidence."*

	Total Group	Zone North America	Zone Europe	Zone AOA	Zone Latin America	Zone Greater China	Nestlé Health Science	Nespresso	Other Businesses
Sales 3M-2024 (CHF m)	22 092	5 823	4 642	4 240	3 072	1 233	1 511	1 503	68
Sales 3M-2023 (CHF m)	23 470	6 312	4 881	4 681	3 032	1 311	1 617	1 567	69
Real internal growth (RIG)	-2.0%	-5.8%	-0.2%	-0.4%	-0.8%	2.1%	-3.6%	-0.2%	3.0%
Pricing	3.4%	3.3%	4.6%	4.1%	3.9%	1.5%	1.9%	1.2%	1.7%
Organic growth	1.4%	-2.5%	4.4%	3.6%	3.1%	3.7%	-1.8%	1.0%	4.7%
Net M&A	-0.6%	0.1%	-3.6%	-0.1%	-0.1%	0.2%	0.7%	0.1%	0.0%
Foreign exchange	-6.7%	-5.3%	-5.8%	-13.0%	-1.5%	-9.8%	-5.6%	-5.1%	-5.9%
Reported sales growth	-5.9%	-7.7%	-5.0%	-9.4%	1.5%	-5.9%	-6.6%	-4.1%	-1.2%

## Group sales

Organic growth was 1.4%. Pricing was 3.4%, following a high base of comparison in 2023. RIG was -2.0%, impacted by soft consumer demand, particularly in North America, and the temporary supply constraints for vitamins, minerals and supplements.

By geography, organic growth was driven by Europe and emerging markets, which more than offset a sales decrease in North America. In developed markets, organic growth was -0.4%, with negative RIG and positive pricing. In emerging markets, organic growth was 4.1%, led by pricing with slightly negative RIG.

By product category:

- Purina PetCare was the largest contributor to organic growth, fueled by continued momentum for science-based premium brands, *Purina ONE*, *Fancy Feast* and *Friskies*.
- Coffee delivered low single-digit growth, with continued momentum for *Nescafé*, *Nespresso* and *Starbucks*.
- Sales in Confectionery grew at a mid single-digit rate, with strong growth for *KitKat* and seasonal products.
- Water delivered mid single-digit growth, underpinned by the rebound in *Perrier* and continued momentum for *S.Pellegrino*.
- Infant Nutrition sales grew at a low single-digit rate, based on continued momentum for *NAN* and human milk oligosaccharides (HMOs) products.
- As expected, Nestlé Health Science recorded negative growth, with robust demand for Medical Nutrition more than offset by the temporary supply constraints for vitamins, minerals and supplements.
- Dairy posted negative growth, following a high base of comparison in the prior year.
- Culinary posted negative growth, as strong demand for *Maggi* was more than offset by a sales decline for frozen food in North America.

By channel, organic growth in retail sales remained robust at 1.4%. E-commerce sales grew by 6.1%, reaching 17.4% of total Group sales. Organic growth of out-of-home channels was 2.0%.

Net divestitures decreased sales by 0.6%, largely related to the creation 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 6.7%. Total reported sales decreased by 5.9% to CHF 22.1 billion.

## Zone North America

- -2.5% organic growth: -5.8% RIG; 3.3% pricing.

	Sales 3M-2024	Sales 3M-2023	RIG	Pricing	Organic growth	Net M&A	Foreign exchange	Reported Growth
Zone North America	CHF 5.8 bn	CHF 6.3 bn	-5.8%	3.3%	-2.5%	0.1%	-5.3%	-7.7%

Organic growth was -2.5%. Pricing moderated to 3.3%, following a high base of comparison in 2023. RIG was -5.8%, primarily driven by a decline in frozen food. Foreign exchange had a negative impact of 5.3%. Reported sales in Zone North America decreased by 7.7% to CHF 5.8 billion. The Zone saw market share gains in Purina PetCare and Coffee, with losses in frozen pizza and coffee creamers.

By product category, Purina PetCare was the largest growth contributor, with broad-based demand, particularly in e-commerce. *Fancy Feast*, *Friskies* and *Purina One* all delivered strong growth. Water sales grew at a mid single-digit rate, with strong momentum for *S.Pellegrino* and *Acqua Panna*. The beverages category posted a sales decrease, as robust growth for *Starbucks*, *Nescafé* and *Seattle's Best* was more than offset by negative growth for *Coffee mate* with a high base of comparison in the prior year. Infant Nutrition saw a sales decrease, as strong growth for *Nido* growing up milks was more than offset by declines for *Gerber* baby food. Growth in frozen food was negative, reflecting soft consumer demand for the category and intense price competition, particularly in frozen pizza and snacks, as well as the winding down of the frozen meals business in Canada, which is near completion.

## Zone Europe

- 4.4% organic growth: -0.2% RIG; 4.6% pricing.

	Sales 3M-2024	Sales 3M-2023	RIG	Pricing	Organic growth	Net M&A	Foreign exchange	Reported Growth
Zone Europe	CHF 4.6 bn	CHF 4.9 bn	-0.2%	4.6%	4.4%	-3.6%	-5.8%	-5.0%

Organic growth was 4.4%, with pricing of 4.6% and RIG of -0.2%. Foreign exchange negatively impacted sales by 5.8%. Net divestitures reduced sales by 3.6%. Reported sales in Zone Europe decreased by 5.0% to CHF 4.6 billion. Growth was broad-based

across geographies and categories. The Zone saw market share gains in pet food and Infant Nutrition, with slowing market share losses in water.

By product category, the key contributor to growth was Purina PetCare, driven by premium brands *Purina One*, *Felix* and *Gourmet*. Sales in Coffee grew at a mid single-digit rate, with strong contributions by *Nescafé* and *Starbucks* products. Confectionery saw mid single-digit growth, with strong demand for *KitKat* and seasonal products. In January, the Zone launched *KitKat Breaks for Good*, the first chocolate bar made with cocoa sourced from farming families supported by Nestlé's income accelerator program. Water recorded mid single-digit growth, underpinned by a sales rebound for *Perrier*. Culinary sales grew at a low single-digit rate, led by *Maggi*, which expanded distribution for its noodles portfolio. Infant Nutrition saw low single-digit growth, following a high base of comparison in 2023.

### Zone Asia, Oceania and Africa (AOA)

- 3.6% organic growth: -0.4% RIG; 4.1% pricing.

	Sales 3M-2024	Sales 3M-2023	RIG	Pricing	Organic growth	Net M&A	Foreign exchange	Reported Growth
Zone AOA	CHF 4.2 bn	CHF 4.7 bn	-0.4%	4.1%	3.6%	-0.1%	-13.0%	-9.4%

Organic growth was 3.6%, with pricing of 4.1% and RIG of -0.4%. Foreign exchange reduced sales by 13.0%, impacted by significant currency depreciation. As a result, reported sales in Zone AOA decreased by 9.4% to CHF 4.2 billion. By geography, the key growth drivers were Central and West Africa, India and the Philippines. In these markets, affordable offerings fueled growth, led by *Maggi*, *Lactogen* and *Nescafé*. The Zone saw market share gains in confectionery, coffee and pet food, with losses in dairy.

By product category, Infant Nutrition was the largest growth contributor, led by *NAN* and *Lactogen*. Culinary achieved high single-digit growth, fueled by distribution expansion and innovation for *Maggi* across product segments. Coffee delivered mid single-digit growth, with continued robust demand for *Nescafé*. Sales in Nestlé Professional grew at a high single-digit rate across geographies and categories, fueled by distribution expansion. Confectionery reported low single-digit growth, with strong momentum for *KitKat*. Dairy posted close to flat growth.

### Zone Latin America

- 3.1% organic growth: -0.8% RIG; 3.9% pricing.

	Sales 3M-2024	Sales 3M-2023	RIG	Pricing	Organic growth	Net M&A	Foreign exchange	Reported Growth
Zone Latin America	CHF 3.1 bn	CHF 3.0 bn	-0.8%	3.9%	3.1%	-0.1%	-1.5%	1.5%

Organic growth was 3.1%, with pricing of 3.9% and RIG of -0.8%. Foreign exchange had a negative impact of 1.5%. Net divestitures decreased sales by 0.1%. On March 1<sup>st</sup> 2024, the Group completed the acquisition of a majority stake in Grupo CRM, a premium chocolate player in Brazil. Reported sales in Zone Latin America increased by 1.5% to CHF 3.1 billion. Growth was led by Brazil, with continued momentum for *Garoto*, *KitKat* and *Nescafé*. Mexico delivered low single-digit growth, based on strong sales momentum for Purina PetCare, *La Lechera* and *Carlos V*. The Zone achieved market share gains in pet food, Infant Nutrition, and portioned coffee, with losses in dairy, following portfolio optimization.

By product category, confectionery was the largest growth contributor, with strong momentum for *KitKat* and key local brands. Sales for Nestlé Professional grew at a double-digit rate, with continued customer expansion. Culinary delivered low single-digit growth, based on strong demand and distribution expansion for *Maggi*. Purina PetCare saw low single-digit growth, supported by *Alpo* and *Felix*. Dairy sales grew at a low single-digit rate, with strong growth for *La Lechera*. Infant Nutrition and Coffee posted sales decreases, following a high base of comparison in 2023.

## Zone Greater China

- 3.7% organic growth: 2.1% RIG; 1.5% pricing.

	Sales 3M-2024	Sales 3M-2023	RIG	Pricing	Organic growth	Net M&A	Foreign exchange	Reported Growth
Zone Greater China	CHF 1.2 bn	CHF 1.3 bn	2.1%	1.5%	3.7%	0.2%	-9.8%	-5.9%

Organic growth was 3.7%, with pricing of 1.5% and RIG of 2.1%. Foreign exchange had a negative impact of 9.8%. Reported sales in Zone Greater China decreased by 5.9% to CHF 1.2 billion. Growth was driven by continued momentum in out-of-home and e-commerce channels. The Zone saw market share gains in soluble coffee, confectionery, and pet food, with losses for Wyeth infant nutrition products.

By product category, confectionery was the largest growth contributor, led by *Hsu Fu Chi* and *Shark Wafer*. Nestlé Professional achieved double-digit growth, fueled by innovation and customer acquisition. Coffee delivered mid-single digit growth, driven by *Nescafé* ready-to-drink offerings. Sales for Purina PetCare grew at a double-digit rate, based on new product launches and strong e-commerce momentum, particularly for *Pro Plan* and *Fancy Feast*. Infant Nutrition saw positive growth, with continued strong demand for *NAN*, which more than offset a sales decline for Wyeth products. Culinary posted slightly negative growth, as positive sales trends in out-of-home channels were more than offset by a decrease in retail sales.

## Nestlé Health Science

- -1.8% organic growth: -3.6% RIG; 1.9% pricing.

	Sales 3M-2024	Sales 3M-2023	RIG	Pricing	Organic growth	Net M&A	Foreign Exchange	Reported growth
Nestlé Health Science	CHF 1.5 bn	CHF 1.6 bn	-3.6%	1.9%	-1.8%	0.7%	-5.6%	-6.6%

Organic growth was -1.8%, with pricing of 1.9%. RIG was -3.6%, impacted, as expected, by the temporary supply constraints for the vitamins, minerals and supplements business. Net acquisitions increased sales by 0.7%. Foreign exchange negatively impacted sales by 5.6%. Reported sales in Nestlé Health Science decreased by 6.6% to CHF 1.5 billion. By geography, Europe reported mid single-digit growth, while other regions combined posted negative growth.

Vitamins, minerals and supplements posted negative growth, reflecting the continued impact of supply constraints encountered in the second half of 2023. The integration plan is on track, and the constraints are expected to be resolved by the end of the first half of 2024. *Pure Encapsulations*, which was not affected by the supply issue, continued to deliver strong double-digit growth. Active Nutrition posted negative growth. Medical Nutrition delivered mid single-digit growth and continued to gain market share. Growth was driven by strong sales momentum for adult medical care products and *Vitaflo*. Sales for gastrointestinal products continued to grow at a double-digit rate.

## Nespresso

- 1.0% organic growth: -0.2% RIG; 1.2% pricing.

	Sales 3M-2024	Sales 3M-2023	RIG	Pricing	Organic growth	Net M&A	Foreign Exchange	Reported growth
Nespresso	CHF 1.5 bn	CHF 1.6 bn	-0.2%	1.2%	1.0%	0.1%	-5.1%	-4.1%

Organic growth was 1.0%, with pricing of 1.2%. RIG was -0.2%, impacted by the phasing of commercial activities. Foreign exchange negatively impacted sales by 5.1%. Reported sales in Nespresso decreased by 4.1% to CHF 1.5 billion. By geography, sales in North America grew at a mid single-digit rate, with market share gains. Europe posted slightly negative growth.

Growth was driven by the *Vertuo* system, which continued to generate broad-based momentum. Growth in out-of-home channels was also robust, fueled by further adoption of the *Momento* system. Innovation continued to resonate with consumers, based on new limited editions, particularly Pierre Hermé and Maple Pecan.

## **Business as a force for good: Nespresso's integrated approach to sustainability**

Nespresso stands for truly outstanding coffee, brewed with matchless convenience. Since the beginning, the business has understood that delivering exceptional taste to consumers should go hand-in-hand with a true commitment to sustainability: from coffee growing all the way to delivering a superb brew. Nespresso uses just the right amount of coffee, water and energy for each cup, while also helping to improve the livelihoods of coffee farmers and protect the environment. Today, Nespresso is recognized as one of the top 100 brands in the world by Interbrand, a global brand consultancy. The business embeds its sustainable production and consumption initiatives in its communication and engagement with its consumers.

Having achieved B Corp certification in 2022, Nespresso is part of a global community of businesses that meet high standards of social and environmental performance, accountability and transparency.

The business's sustainability work focuses on two key aspects: its supply chain and end-of-life management of used materials.

The Nespresso *AAA Sustainable Quality* Program supports coffee farmers in implementing best agriculture practices, improving their productivity, and producing higher-quality coffee. Co-created with the Rainforest Alliance, the program celebrated its 20th anniversary last year and is building on its experience and helping farmers transition to regenerative agriculture.

With over 95% of its green coffee being priced above the Fairtrade International minimum, Nespresso is helping provide AAA coffee farmers with a stable income. It is also scaling up a crop insurance program to give farmers a safety net when impacted by weather events. The business additionally works with partners to revive coffee production in origins that have suffered from natural disasters or conflicts, including in Cuba, the Democratic Republic of Congo, Puerto Rico and Uganda.

Nespresso has also taken great strides in reducing waste. It uses at least 80% recycled aluminum content in its Original and Vertuo capsules and is expanding its RELOVE refurbished machine program to more countries. Since 2014, Nespresso has invested significantly in its recycling programs globally to make recycling easier and more convenient. Today, more than 90% of Nespresso aluminum capsules are purchased by consumers with access to a convenient recycling option. The business has worked with various partners to showcase creations using recycled coffee capsules, for instance, [Hublot watches](#), [Caran d'Ache ball pens](#), or [e-bikes from start-up Miloo](#). Most recently, Nespresso introduced a new range of paper-based home compostable coffee capsules.

With the conviction that coffee can make a positive impact on people and planet, Nespresso will continue to be a pioneer in turning sustainable practices into a superior coffee experience for consumers.

## Outlook

**Full-year 2024 outlook confirmed:** we expect organic sales growth of around 4% and a moderate increase in the underlying trading operating profit margin. Underlying earnings per share in constant currency is expected to increase between 6% and 10%.

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### Three-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 3M-2024 (CHF m)	22 092	5 823	4 642	4 240	3 072	1 233	1 511	1 503	68
Sales 3M-2023 (CHF m)	23 470	6 312	4 881	4 681	3 032	1 311	1 617	1 567	69
Real internal growth (RIG)	-2.0%	-5.8%	-0.2%	-0.4%	-0.8%	2.1%	-3.6%	-0.2%	3.0%
Pricing	3.4%	3.3%	4.6%	4.1%	3.9%	1.5%	1.9%	1.2%	1.7%
Organic growth	1.4%	-2.5%	4.4%	3.6%	3.1%	3.7%	-1.8%	1.0%	4.7%
Net M&A	-0.6%	0.1%	-3.6%	-0.1%	-0.1%	0.2%	0.7%	0.1%	0.0%
Foreign exchange	-6.7%	-5.3%	-5.8%	-13.0%	-1.5%	-9.8%	-5.6%	-5.1%	-5.9%
Reported sales growth	-5.9%	-7.7%	-5.0%	-9.4%	1.5%	-5.9%	-6.6%	-4.1%	-1.2%

### Three-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 3M-2024 (CHF m)	22 092	5 847	701	2 605	3 680	2 626	2 043	4 590
Sales 3M-2023 (CHF m)	23 470	6 223	761	2 800	3 880	3 107	2 030	4 669
Real internal growth (RIG)	-2.0%	-1.4%	-1.6%	-2.3%	-2.5%	-6.5%	0.4%	-0.4%
Pricing	3.4%	3.0%	5.9%	1.7%	3.2%	2.3%	5.9%	4.7%
Organic growth	1.4%	1.6%	4.3%	-0.6%	0.7%	-4.2%	6.3%	4.3%