

Nestlé® announces organic growth of 8.7%

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In its half-year market report for 2023, Nestlé® announced impressive organic growth of 8.7 per cent, with pricing alone accounting for 9.5 per cent of that growth. The real internal growth was -0.8 per cent. Nestlé® CEO Mark Schneider attributes this success to the company's focus on strategic priorities and adaptability to changing consumer trends. As a result of this strong performance, Nestlé® has upgraded its organic sales growth outlook for 2023. Total reported sales increased by 1.6 per cent, reaching \$53.76 billion. However, foreign exchange decreased sales by 6.7 per cent, and net acquisitions decreased by 0.4 per cent.

Schneider notes that at-home consumption, which was significantly impacted by COVID-19, has returned to normal levels, allowing for growth in out-of-home channels. Nestlé®'s underlying trading operating profit margin increased to 17.1 per cent on a reported basis and 30 basis points in constant currency. Additionally, underlying earnings per share increased by 11.1 per cent in constant currency, and free cash flow increased by \$2.21 billion to \$3.95 billion.

Based on these results, Nestlé® has raised its organic sales growth guidance to a range of 7 to 8 per cent, with the underlying trading operating profit margin expected to be between 17 and 17.5 per cent. Furthermore, underlying earnings per share in constant currency are expected to increase between 6 and 10 per cent. Schneider is confident that Nestlé® will continue to deliver strong results by focusing on volume and mix, improving gross margin, increasing marketing investments,

and implementing sustainability initiatives. Overall, Nestl  is well-positioned to grow and generate value for its stakeholders.