

BARRY CALLEBAUT

Cloetta

Mondelēz
International

meiji


LINDT & SPRÜNGLI

Nestlé[®]

CCF Industry

Earnings season 2025 Q4

HERSHEY'S[®]

INTRODUCING

A streamlined approach to the earnings scramble

Every earnings seasons, major dairy earnings reports drop over a few short weeks. You've likely spent weekends buried in Mondelez's 34-page report and Cloetta's earnings transcripts while leadership asks "Is my competitive landscape overview ready yet?"

What you'll find in the pages ahead is a streamline approach to the earnings season scramble; 70% of the quarterly analysis work has been done for you — consolidated, validated, and reviewed by industry analysts — leaving you time for the strategic thinking about what this means for your business.



Synthesis

2025 Q4 - Earnings season CCF



Pricing as the Primary Growth Lever Amid Cocoa Inflation

- Across players, top-line growth is largely price-driven as companies offset cocoa cost inflation.
- Mondelez and Nestlé both reported organic growth mainly from pricing, with negative real internal growth due to elasticity effects, while Hershey's North America Confectionery highlighted better-than-expected elasticity trends despite price increases.
- Orkla Snacks also saw organic growth primarily from pricing in chocolate, and Cloetta improved profitability through pricing and margin-focused actions rather than volume expansion.



Persistent Volume Pressure in Chocolate, with Brand-Led Pockets of Strength

- Chocolate volumes declined at Barry Callebaut, Orkla Snacks, and Mondelez as higher prices weighed on consumption.
- However, resilience appeared in specific brands and regions: KitKat globally for Nestlé, Hello Panda in the US and strong chocolate sales in Japan for Meiji, and Bubs' US rollout supporting Orkla Snacks' confectionery volumes.
- Emerging markets outperformed for Mondelez, partially offsetting developed market softness.



Active Margin Defense Through Cost Control and Portfolio Prioritization

- Profitability is being protected through disciplined cost management and strategic focus on higher-return segments.
- Barry Callebaut deliberately reduced lower-return cocoa volumes and benefited from easing cocoa bean prices, while Cloetta delivered a significant EBIT uplift through cost control and portfolio optimization.
- Orkla Snacks improved EBIT through operational efficiencies and cost reductions, and Mondelez relied on productivity initiatives to mitigate input cost pressure.



Strategic Shift Toward Mix Optimization, Innovation, and Structural Adaptation

- Companies are adapting structurally rather than relying solely on price.
- Mondelez is refining price-pack architecture and increasing brand investments to stabilize consumption, while Barry Callebaut is expanding non-cocoa solutions such as ChoViva to reduce input volatility exposure.
- Nestlé and Meiji are leveraging strong global brands and geographic expansion, and Cloetta is prioritizing Superbrands and halting capital-intensive projects to improve capital efficiency.

What's the sentiment?

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REVENUE GROWTH

Positive revenue growth, largely driven by pricing rather than underlying volume expansion. Across companies such as Nestlé, Lindt and Orkla, organic growth remained solid, with Nestlé Confectionary reporting 8.2% organic growth led by KitKat, Lindt leading in growth with all regions contributing positively and Orkla Snacks achieving 9% sales growth primarily from pricing in the chocolate segment.

PROFITABILITY

Profitability sentiment across the industry is mixed, as some margins are under pressure from elevated commodity costs, particularly cocoa. Nestlé highlighted that gross margins were negatively impacted by input cost inflation in coffee and confectionery, reflecting the broader pressure from raw material prices. Mondelez reports 7.7 p.p. margin decrease, however management is preparing for margin recovery as cocoa costs normalize.

MARKET DYNAMICS

Price increases are beginning to weigh on volumes across several companies. Nestlé reported negative real internal growth due to higher prices, while Hershey also experienced volume declines linked to price elasticity, despite strong retail takeaway. This suggests that although demand for confectionery remains resilient, consumers are increasingly reacting to higher prices, leading to weaker volume trends.

GROWTH OUTLOOK

Companies expect category demand to remain stable but acknowledge near-term pressure from higher pricing and its impact on volumes. Nestlé noted that actions to address consumer sensitivity to price increases are beginning to stabilize volumes, while Hershey highlighted innovation as supporting performance. However, with volumes still under pressure in several markets, companies remain cautious about the pace of future growth.

PROFITABILITY OUTLOOK

Companies expect gradual margin recovery through pricing discipline, cost savings programs, and operational efficiencies. Nestlé expects its operating margin to improve versus 2025, while Orkla anticipates favorable input cost developments in 2026, suggesting some easing of cost pressures. Nevertheless, the persistence of commodity volatility means that margin recovery may be gradual rather than immediate.

What's the sentiment?





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● Positive
 ● Neutral / Mixed
 ● Negative

*All results shown are for Q4 or FY, except for Fonterra, which reports on a H1. Please keep this difference in mind when making comparisons
 Note: A grey bubble = not mentioned in the earnings update. Hence no sentiment can be derived from its reporting on these developments.

Overview of results (1/2)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)	OPER. PROFIT (%PT. DEV.)	GROWTH DRIVERS	INSIGHTS & OUTLOOK
 [The Hershey Company] North America Confectionary	2025 - Q4 3 months	€ 2.197M (+5.3%)	n/a	<ul style="list-style-type: none"> -0.1% FX impact +0.4% impact of acquisition -5% organic volume/mix 	<ul style="list-style-type: none"> North America Confectionery delivered resilient performance despite significant cocoa inflation and macro volatility. Pricing actions were implemented thoughtfully, with early elasticity trends tracking better than expected, supporting volume stability as increases rolled through. Management emphasized that the category remains rational and highly differentiated in the U.S., with strong brand equity and affordability, as most of the portfolio remains accessible at lower price points.
 MAÎTRE CHOCOLATIER SUISSE DEPUIS 1845 Lindt & Sprüngli	2025 - Q4 YTD 12 months	€ 6.315M (+8.2%)	16.4% (+0.2%)	<ul style="list-style-type: none"> +12.4 Group's organic growth +13% Germany +15.5% France +34.9% Benelux +12.8% Switzerland 	<ul style="list-style-type: none"> Delivered solid performance in 2025, supported by strong demand for premium products and successful product innovation, including the global launch of Lindt Dubai Style Chocolate. Growth was supported by resilient demand in key markets such as North America, where Lindt and Ghirardelli performed strongly. Margins improved as pricing measures and operational efficiencies helped offset cost inflation. The company also expanded its global presence through new subsidiaries and flagship stores to strengthen brand reach.
 [Nestlé] Confectionary	2025 - H2 3 months	€ 2,799M (+3.7%)	n/a	<ul style="list-style-type: none"> +8.4% organic growth driven by pricing and led by KitKat +7% pricing +1.4% real internal growth 	<ul style="list-style-type: none"> Confectionery delivered strong organic growth, driven primarily by pricing actions to address cocoa cost inflation, while volumes were pressured by short-term price elasticity. Real internal growth was negative, reflecting temporary volume softness following price increases, though elasticity effects eased in the second half in Europe. KitKat was the key growth driver globally, with additional contributions from brands such as Garoto in Latin America and Tollhouse in the US.
 Barry Callebaut	2026 - Q1 3 months	€ 3.917M (+6.4%)	n/a	<ul style="list-style-type: none"> -9.9% volume decline due to temporary production suspension in Canada -6.8% Chocolate volume -22% Cocoa volume 	<ul style="list-style-type: none"> Barry Callebaut reported volume declines across multiple sectors, reflecting challenging market conditions, high pricing impacts in Global Chocolate, and a temporary factory halt in North America. The company deliberately reduced cocoa volumes to prioritize higher-return segments, while resilience was seen in cacao coatings and AMEA. Innovation remains a strategic focus, including expansion of non-cocoa solutions to adapt to volatile input markets.

Overview of results (1/2)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)		OPER. PROFIT (%PT. DEV.)		GROWTH DRIVERS	INSIGHTS & OUTLOOK
 [Meiji] Chocolate	2026 - Q3 YTD 9 months	€ 814M	(+8.7%)	9.2%	(+0.3%)	<ul style="list-style-type: none"> • sales of chocolate in Japan increased thanks to price increases • China and US drove overseas sales 	<ul style="list-style-type: none"> • In Japan, chocolate sales were strong, supported by solid demand for both chocolate tablets and chocolate snacks, alongside the positive impact of prior price revisions. • Overseas, performance was driven by significant growth of Hello Panda in the US, mainly from expanded new listings, while Meltykiss and chocolate bar sales in China were also strong. • Overall, confectionery benefited from pricing, brand strength, and overseas expansion, with both domestic and international markets contributing to growth.
 Mondelez	2025 - Q4 3 months	€ 9.304M	(+9.3%)	9.1%	(-7.7%)	<ul style="list-style-type: none"> • +8.00% net pricing • -3.70% volume/mix • -1.60% FX impact 	<ul style="list-style-type: none"> • Mondelēz delivered revenue growth driven primarily by pricing actions amid unprecedented cocoa inflation, while volumes declined as consumption adjusted to higher prices. • Emerging markets outperformed with broad-based strength, offsetting softer demand in developed regions, where sequential margin improvement reflected cost savings and pricing discipline. • Management emphasized stabilizing chocolate consumption through refined price-pack architecture and increased brand investment while preparing for margin recovery as cocoa costs normalize.
 Cloetta	2025 - Q4 3 months	€ 202M	(-2.4%)	14.1%	(+3.1%)	<ul style="list-style-type: none"> • +1.1 organic growth • -3.5% FX impact 	<ul style="list-style-type: none"> • Cloetta reported a slight decline in net sales, mainly due to currency headwinds and structural portfolio changes, while underlying business momentum improved toward year-end. • Profitability increased supported by pricing actions, disciplined cost control, and a stronger focus on margin-enhancing activities. • Branded packaged products remained stable despite FX pressure, and management prioritized portfolio optimization, halting the greenfield project and concentrating on Superbrands and targeted geographic expansion.
 [Orkla] Snacks	2025 - Q4 3 months	€ 261M	(+9.0%)	Adj. EBIT* 16.2%	(+1.0%)	<ul style="list-style-type: none"> • +7% organic growth • +5.3% price driven by chocolate segment • +1.7% volume/mix 	<ul style="list-style-type: none"> • Orkla Snacks delivered organic growth driven mainly by pricing in chocolate, while volume mix turned positive, supported by snacks and confectionery. • Chocolate volumes continued to decline, reflecting category pressure, but the Bubs U.S. rollout contributed to confectionery volume gains. • Profitability improved due to volume mix in snacks, operational efficiency improvements in biscuits, and continued cost reductions.

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