Dairy Industry

Earnings season **2025 Q4**

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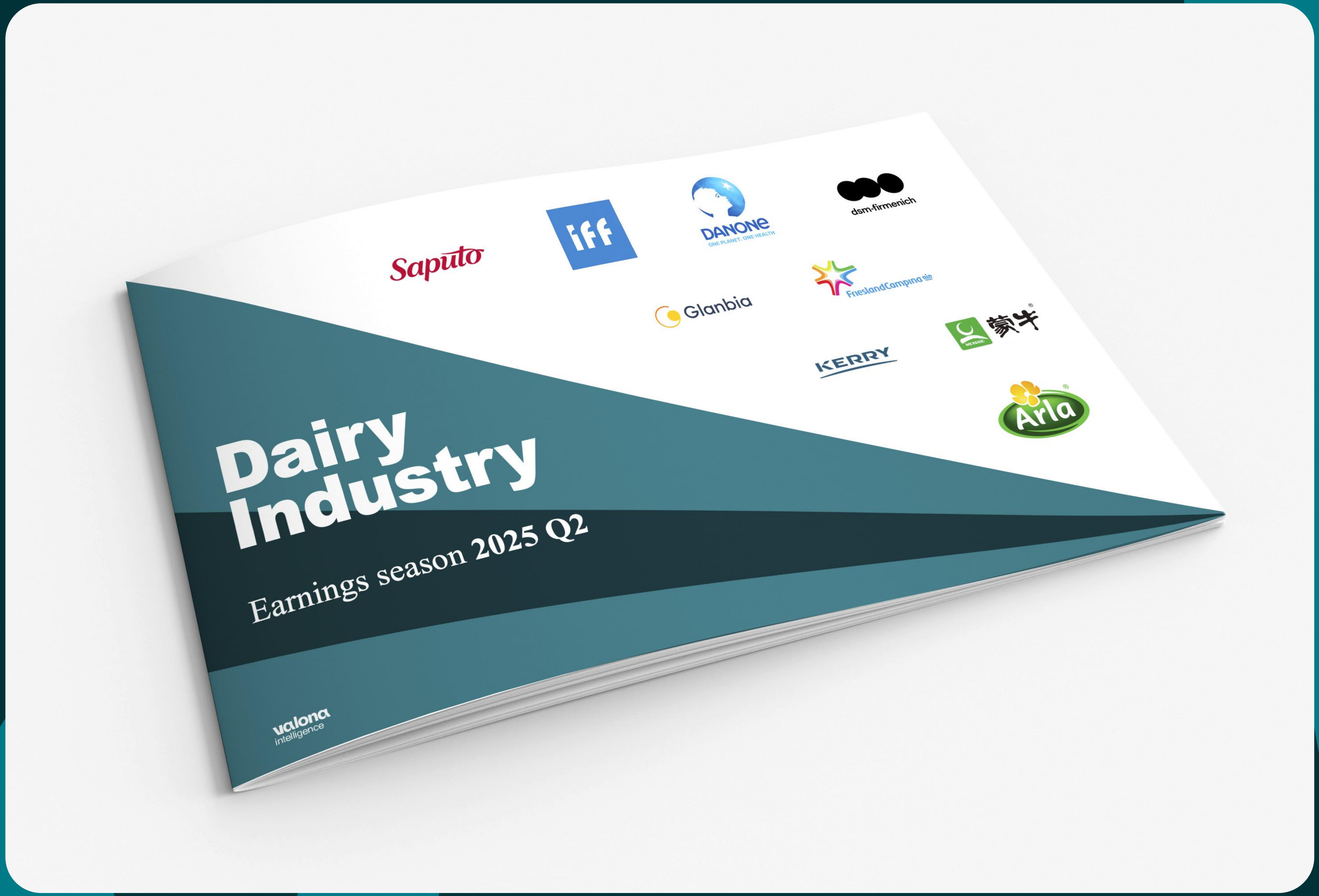
INTRODUCING

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 Arla's 34-page report and FrieslandCampina'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.



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Synthesis

2025 Q4 - Earnings season Dairy

Milk price fluctuations and demand shifts

FrieslandCampina reported that **global milk supply increased** in most exporting regions, with European milk production rising by over 2.5%, which contributed to falling commodity dairy prices in the second half of the year. **Arla** also highlighted that **milk prices declined in the second half of 2025** as global milk availability increased after strong harvests and favorable weather conditions. Despite these price declines, demand for certain dairy products remains solid, particularly in protein-based and value-added categories.

Portfolio optimization focuses companies on higher-value nutrition segments

Several companies are restructuring portfolios to concentrate on higher-margin businesses. **IFF** launched the sale of its Food Ingredients segment, while **Glanbia divested SlimFast** and Body & Fit to strengthen its nutrition platform. **FrieslandCampina** also adjusted its portfolio through the sale of Romanian operations and expansion via the **Milcobel merger**. These actions indicate a broader shift toward value-added nutrition, specialty ingredients, and branded products.

Protein and specialized nutrition products drive industry growth

High-protein and functional nutrition products continue to **drive demand** across the sector. **Arla** reported 19.5% growth in Arla Protein, while **Danone** highlighted strong performance in specialized nutrition in Asia. **Glanbia's Health & Nutrition segment grew** 11.5%, supported by premix and ingredient demand. These developments show that protein-rich and functional food categories are key growth engines for dairy and nutrition companies.

Efficiency programs strengthen margins in a volatile environment

Companies are increasingly investing in operational efficiency to offset inflation and protect profitability. **Saputo improved margins** through network modernization and facility consolidation, while **Kerry** expanded margins through its Accelerate operational excellence program. **Meiji** also improved profitability through **supply chain optimization** and cost reductions. These initiatives demonstrate that efficiency programs are becoming essential to sustain margins in volatile market conditions.

What's the sentiment?

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REVENUE GROWTH

Revenue growth across the sector is mixed, resulting in a neutral sentiment. Some companies achieved strong expansion, while others reported **declines due to foreign exchange effects and commodity pricing**. Arla reported revenue growth of 9.4% to €15.1 billion, **Oatly** grew 9.1% to $233.8 million, and **FrieslandCampina** increased revenue 8.9% to €2,038 million. In contrast, **Nestlé** reported sales declining 2.0% to CHF 89.5 billion, and **Saputo's** revenue fell 2.1% due to lower dairy commodity prices.

PROFITABILITY

Some companies improved margins through efficiency and pricing actions, while others faced pressure from higher input costs. For example, **Saputo** reported EBITDA margin growth of 1.7p.p and **Meiji Dairy** increased its operating margin by 2.3p.p **through cost control**. In contrast, Glanbia reported EBITDA margin down 1.7p.p due to high whey costs and **RFC's profitability remained relatively stable** with slight pressure.

MARKET DYNAMICS

Market conditions remain challenging across the dairy segment. Companies highlighted **pressures from inflation, commodity volatility, geopolitical uncertainty, and cautious consumer demand**. **Nestlé** described a "difficult external environment", while **FrieslandCampina** noted falling commodity dairy prices due to increased milk supply. **Glanbia** also highlighted inflation and trade uncertainty affecting the macro environment.

GROWTH OUTLOOK

Future revenue **expectations are positive**, with several companies guiding for steady growth driven by innovation and nutrition-focused products. **Danone** expects 3%–5% sales growth in 2026, while **Oatly** forecasts 3%–5% revenue growth supported by its growth strategy. **Glanbia** targets 5%–7% organic growth in Performance Nutrition and 4%–6% in Health & Nutrition. These projections indicate that **nutrition products, innovation, and geographic expansion will support industry growth**.

PROFITABILITY OUTLOOK

Profit expectations remain neutral, as companies combine cautious guidance with targeted improvement plans. **Kerry** expects earnings growth of 6–10%, and **IFF** projects EBITDA growth of 3–8% through efficiency initiatives. However, **FrieslandCampina** expects weaker profitability in early 2026 due to lower dairy commodity prices. Overall, improvement efforts are balanced by market uncertainty, resulting in a stable but cautious outlook.

What’s the sentiment?

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	OVERALL	Arla	Fonterra	glanbia	iff	THE ORIGINAL OATLY!	KERRY	meiji Dairy		Saputo	SAVENCIA FROMAGE & DAIRY
REVENUE GROWTH	Neutral / Mixed	Positive	Positive	Positive	Negative	Positive	Negative	Positive	Positive	Neutral / Mixed	Negative
PROFITABILITY	Neutral / Mixed	Neutral / Mixed	Positive	Negative	Neutral / Mixed	Positive	Positive	Positive	Neutral / Mixed	Positive	Neutral / Mixed
MARKET DYNAMICS	Neutral / Mixed	Neutral / Mixed	Neutral / Mixed	Negative	Negative	Neutral / Mixed	Neutral / Mixed	Neutral / Mixed	Negative	Neutral / Mixed	Negative
GROWTH OUTLOOK	Positive	Positive	Positive	Positive	Neutral / Mixed	Positive	Positive	Positive	Negative	Positive	Negative
PROFITABILITY OUTLOOK	Neutral / Mixed	Neutral / Mixed	Negative	Neutral / Mixed	Neutral / Mixed	Neutral / Mixed	Positive	Positive	Negative	Positive	Neutral / Mixed

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 (1/3)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)		OPER. PROFIT (%PT. DEV.)		GROWTH DRIVERS	INSIGHTS & OUTLOOK
Arla	2025 - Q4 YTD 12 months	€ 15,066M	(+9.4%)	4.3%	-0.0%	• +7.1% price effect • +0.67% volume effect • -0.8% FX impact	• Arla delivered a strong 2025 performance, supported by strategic expansion and solid demand for nutritious dairy products. • Profitability was supported by strong performance in Arla Foods Ingredients and disciplined cost and pricing management. • The Valley Queen Cheese agreement expanded North American production capacity, reinforcing its ability to meet demand.
[Danone] EDP segment	2025 - Q4 3 months	€ 3,288M	(-2.0%)	n/a		• +3.5% LFL sales growth • +1.7% volume/mix growth	• Dairy segments delivered only modest full-year growth, supported by Nestlé and La Lechera in dairy and by NAN and Orgain in nutrition, while Gerber and illuma remained weak. • In Q4, Milk products and Ice cream turned negative, while Nutrition and Health Science stayed slightly positive. • Nestlé is integrating Nutrition and Nestlé Health Science into one business to strengthen category leadership and drive synergies and simplification
[Nestlé] Dairy segments	2025 - Q4 3 months	€ 6,521M	(-7.1%)	n/a		• +0.7% organic growth in Nutrition & Health Science • -0.1% organic growth in Milk products & Ice cream	• Dairy segments delivered only modest full-year growth, supported by Nestlé and La Lechera in dairy and by NAN and Orgain in nutrition, while Gerber and illuma remained weak. • In Q4, Milk products and Ice cream turned negative, while Nutrition and Health Science stayed slightly positive. Overall, revenue growth offset by FX headwinds. • Nestlé is integrating Nutrition and Nestlé Health Science into one business to strengthen category leadership and drive synergies and simplification
Fonterra	2026 - H1 6 months	€ 7,177M	(+10.5%)	8.8%	(+0.1%)	• +10% non-reference products volume, drove larger absolute increase in revenue • -2% reference products volume	• Fonterra reported strong revenue driven by demand for proteins, creams, and cheeses in its Foodservice and Ingredients segments, reflecting a focus on higher-value products. • Operational performance remained solid as efficiency improvements helped offset higher milk costs and weather-related disruptions. • The Mainland Group divestment supports strategic refocus on core dairy operations and capital allocation priorities.

Overview of results (2/3)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)		OPER. PROFIT (%PT. DEV.)		GROWTH DRIVERS	INSIGHTS & OUTLOOK
Glanbia	2025 - Q4 YTD 12 months	€ 3.498M	(+2.8%)	EBITDA* 12.6%	(-1.7%)	• +3.7% volume effect • 0.5% price effect • +6.8% Health & Nutrition LFL	• Glanbia delivered modest revenue growth in FY25, with Health & Nutrition leading through strong volume gains supported by acquisitions and added capacity. • Profitability came under pressure from whey inflation, although cost discipline helped protect margins and cash generation remained strong. • Strategic acquisitions of Sweetmix and Scicore strengthened scale in Health & Nutrition and support future growth.
IFF	2025 - Q4 3 months	€ 2.295M	(-6.6%)	3.7%	(-0.8%)	• +2% sales in Taste segment • -4% Food Ingredioent • +5% Health & Biosciences	• IFF saw mixed 2025 performance, with currency-neutral sales growth despite lower reported sales. • Health and Biosciences was the main growth driver, supported by pricing and productivity, while Taste also improved modestly, and cost discipline supported margin stabilization. • The divestiture of Food Ingredients sharpened the portfolio toward higher-value businesses and increased financial flexibility.
Oatly	2025 - Q4 3 months	€ 207M	(+9.1%)	Adjusted EBITDA* 4.7%	(+7.6%)	• +2.9% volume effect • +4.8% FX impact • +1.4% price/mix effect	• Oatly delivered strong Q4 revenue growth, led by Europe & International and supported by improved execution where its strategy is fully deployed. • Margin improvement was driven by supply chain efficiency, product mix, and disciplined cost control, leading to a significant improvement in adjusted EBITDA. • The ongoing review of Greater China remains an important strategic priority as the company reshapes its footprint.
Kerry Group	2025 - Q4 YTD 12 months	€ 6.758M	(-2.5%)	EBITDA* 17.9%	(+0.7%)	• +3% volume effect • -0.3% pricing effect • -3.8% FX effect • +1.4% acquisitions effect	• Kerry Group delivered solid 2025 growth, with volume-led progress supported by innovation in foodservice and nutritional renovation in retail. • Margin expansion was driven by operational efficiencies, portfolio optimization, and operating leverage, reinforcing strong end-market outperformance. • Expansion of the manufacturing footprint in emerging markets and the launch of Accelerate 2.0 support the next phase of growth.

Overview of results (3/3)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)		OPER. PROFIT (%PT. DEV.)		GROWTH DRIVERS	INSIGHTS & OUTLOOK
[Meiji] Dairy	2026 - Q3 YTD 9 months	€ 1.216M	(+0.7%)	10.2%	(+2.3%)	• +3.1% sales Functional yogurt • +3.1% Yogurt • flat Drinking milk	• Meiji's dairy business was broadly stable in Q1-Q3, with sales largely unchanged as price increases and stronger promotions for core yogurt brands in Japan offset weak home delivery performance. • Overseas growth was supported by consumer-market drinking milk and yogurt, including the launch of Meiji Oishii Gyunyu in China. • Profit improved significantly, helped by price increases, lower indirect manufacturing costs in Japan, and reduced losses in China through profitability measures.
Royal FrieslandCampina	2025 - Q4 YTD 12 months	€ 13.393M	(+3.6%)	3.8%	(-0.3%)	• +1.5% sales ingredients • +10.8% Specialised Nutrition • +4.9% Professional	• FrieslandCampina reported slightly better sales results despite challenging market conditions and geopolitical uncertainty. • Higher milk supply helped offset weaker basic dairy prices in the second half, while cost control and operational efficiencies kept profitability steady. • Strategic partnerships, including with EIT Food, supported innovation and farmer support, in line with its focus on value creation for member dairy farmers..
Saputo	2026 - Q3 3 months	€ 3,099M	(-2.1%)	Adj. EBITDA* 10.1%	(+1.7%)	• Higher sales volumes in all sectors • +4.1% sales Canada • -7% USA • +8% Europe	• Saputo reported slightly lower Q3 FY26 revenue, as higher sales volumes and pricing in key markets were offset by unfavorable US dairy commodity conditions. • Canada and Europe led performance, supported by cheese and value-added dairy products, while operational efficiencies and disciplined cost management drove clear margin improvement. • The closure of the Green Bay facility and transfer of production to Franklin supported network optimization and scale benefits.
Savencia Fromage & Dairy	2025 - Q4 YTD 12 months	€ 6.957M	(-2.6%)	n/a		• -4.3% FX effect • +1.6% organic growth • +0.2% structural effect from integration of Ugalait	• Savencia reported lower 2025 net sales due to a strong unfavorable forex effect, while organic growth remained positive. • Other Dairy Products drove growth through strong international momentum and specialty ingredients, while Cheese Products stayed stable despite weaker volumes and fragile consumption. • Margins were pressured by record milk prices and volatile demand, but cost controls helped limit further erosion, and the integration of Ugalait added structural support.

Better, together

See you next earnings season?

The combined power of Valona Intelligence and A-INSIGHTS helps you deliver faster, clearer, and more actionable insights across the dairy industry. We consolidate the earnings data, leaving you time to deliver sharp strategic insights for leadership. Simple as that.

Worth discussing how this could work for your team every quarter?

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