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Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

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John Heilrping, Associated Press

GENEVA (AP) — Nestle SA, the world's biggest food and drinks maker, managed to brush aside the impact of a soaring Swiss franc to post strong growth and bigger-than expected profits in 2011 with brisk sales in developing countries.

However, the maker of Nescafe, Perrier, Jenny Craig, Haagen Dazs, Carnation, Maggie and Perrier accompanied its full-year statement on Thursday with a warning that tough times lie ahead.

With 280,000 employees worldwide and factories or operations in almost every country in the world, Nestle is a major buyer of food commodities such as wheat, sugar, milk and coffee and its results are a good indicator of consumer demand and the health of the global economy as a whole.

The company based in Vevey, Switzerland reported that its 2011 net profit fell to 9.5 billion Swiss francs (\$10.35 billion) — but rose 8 percent if the disposal of eye care company Alcon is stripped out of the comparison. The sale last year had boosted Nestle's 2010 profit to 34.2 billion Swiss francs (\$35.8 billion).

Nestle's 7.5 percent sales growth in its continuing sales during the year was better than expected. Analysts had predicted growth of about 7 percent as it grappled with volatile markets, rising commodity prices and the strength of the Swiss franc.

Shares in Nestle closed up more 2 percent at 55.60 francs in Zurich trading Thursday.

Overall sales for 2011, however, fell 4.8 percent to 83.6 billion francs (\$91.11 billion) from almost 110 billion francs the year before. The decline, largely due to changes in currency rates and the impact of asset disposals, was slightly less than expected as the Swiss National Bank intervened in the markets to try and stem the rise of the franc, helping sales in the last few months of the year.

The company said it expects organic sales growth over the coming year would likely come in lower but still at its target of 5-6 percent.

"It was a challenging year, and we do not expect 2012 to be any easier," said Chief Executive Paul Bulcke.

"We're really living in a new reality," Bulcke said of the world's financial crises and political upheaval in the past year. He called them "tectonic shifts" in which wealth was moving to developing nations and where governments were faltering in solving big problems, such as Europe's debt crisis.

"That lowers consumer confidence," he said.

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Nestle said it was nevertheless continuing to grow in all regions of the world, with 5 percent growth in Europe and 6.4 percent in the Americas — where pet care products and frozen pizza were selling well. Sales rose 13.1 percent in Asia, Oceania and Africa. Some of the best growth was seen in India, Pakistan, North Africa, Central West Africa and Egypt.

James Singh, the chief financial officer, said "the battle for 2011" was how to contend with the strong franc and keep costs down. He said the company pulled every "lever" it could to contain costs.

Singh would not comment on the company's interest in buying Pfizer's \$10 billion Wyeth infant nutrition business to further bolster its growth in China, where sales are now almost 5 billion francs annually.

He said that by 2020 emerging markets probably will account for half of all sales, up from about 40 percent now.

Jean-Philippe Bertschy, an analyst at Bank Vontobel in Zurich, said Nestle's planned dividend of 1.95 francs per share and underlying profit were in line with expectations.

The double-digit growth in emerging markets helped it deliver a "phenomenal" final quarter in 2011, he said, but its strict control of operating expenses and high prices also helped it outpace competitors.

"Nestle had great results from a very good quarter, beating the competition again," he said. "The outlook is relatively positive, given the difficult environment."

Patrik Schwendimann, of Zuercher Kantonalbank, said Nestle deserves a prize for its great results and called it a positive sign that Nestle was helped by Switzerland's currency intervention.

Bulcke said Nestle's 31 percent stake in French cosmetics maker L'Oreal will not be affected "in any way" by its board shakeup from 89-year-old heiress Liliane Bettencourt, who has a 30 percent stake in L'Oreal, being replaced on the board by her grandson.

Source URL (retrieved on 09/02/2014 - 10:05am):

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