

Nestlé agrees to sell U.S. confectionery business to Ferrero



PUBLISHED JAN 16, 2018
BY [NESTLÉ](#)

Nestlé today announced that it agreed to sell its U.S. confectionery business to Ferrero for USD 2.8 billion in cash. Nestlé's 2016 U.S. confectionery sales reached about USD 900 million. The transaction is expected to close around the end of the first quarter of 2018 following the completion of customary approvals and closing conditions.

Nestlé CEO Mark Schneider commented:

With Ferrero we have found an exceptional home for our U.S. confectionery business where it will thrive. At the same time, this move allows Nestlé to invest and innovate across a range of categories where we see strong future growth and hold leadership positions, such as pet care, bottled water, coffee, frozen meals and infant nutrition.

Nestlé's U.S. confectionery business represents about three percent of U.S. Nestlé Group sales. It includes popular local chocolate brands such as Butterfinger, Crunch, BabyRuth, 100Grand, Raisinets, Chunky, OhHenry! and SnoCaps, as well as local sugar brands such as SweeTarts, LaffyTaffy, Nerds, FunDip, PixyStix, Gobstopper, BottleCaps, Spree and Runtts.

The transaction covers the U.S.-focused confectionery brands only and does not include Nestlé's iconic Toll House baking products, a strategic growth brand which the company will continue to develop. Nestlé remains fully committed to growing its leading international confectionery activities around the world, particularly its global brand KitKat.

With sales of CHF 26.7 billion in 2016, the U.S. is Nestlé's largest market. Nestlé products can be found in 97 percent of U.S. households under brands such as Purina, Nestlé Pure Life, Coffee-Mate, Gerber and Stouffer's. The company employs 50,000 people in more than 120 locations across the U.S., including 77 factories and 10 R&D centers.

Media: Robin Tickle Tel.: +41 21 924 22 00

Investors: Steffen Kindler Tel.: +41 21 924 35 09

Press release distributed by Wire Association on behalf of Nestlé, on Jan 16, 2018. For more information subscribe and [follow us](#).

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Primary Email: mediarelations@nestle.com

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