

Mondelēz posts steady Q3 growth despite record cocoa costs; projects 4%+ revenue rise in 2025

29 October 2025 | News

Gross profit fell \$387 million, with the gross margin declining 580 basis points to 26.8 per cent, impacted by higher input and transportation costs



Gross profit fell \$387 million, with the gross margin declining 580 basis points to 26.8 per cent, impacted by higher input and transportation costs

Mondelēz International reported steady third-quarter performance despite record-high cocoa cost inflation, reaffirming its confidence in long-term fundamentals. The snacking giant anticipates organic net revenue growth of over 4 per cent and free cash flow exceeding \$3 billion in 2025, even as it expects adjusted earnings per share to decline by around 15 per cent on a constant currency basis due to cost pressures.

Chair and Chief Executive Officer Dirk Van de Put said the third quarter marked the peak of cocoa costs for the year, yet the company managed to deliver solid top-line growth. “We are encouraged by recent moderation in cocoa prices and promising signs for a strong crop this fall,” Van de Put said. “Our teams are focused on executing clear plans for volume improvement, increasing growth investments, and driving cost efficiencies. We remain confident in our ability to navigate volatility and sustain growth momentum into next year and beyond.”

Resilient Performance Despite Cost Pressures

For the quarter, net revenues rose 5.9 per cent, supported by 3.4 per cent organic net revenue growth, favourable currency movements, and incremental contributions from the acquisition of Evirth. The company’s revenue gains were driven primarily by higher pricing, which helped offset unfavourable volume and mix trends.

However, profitability remained under pressure. Gross profit fell \$387 million, with the gross margin declining 580 basis points to 26.8 per cent, impacted by higher input and transportation costs. Adjusted gross profit margin dropped to 30.4 per cent, reflecting inflationary headwinds and a less favourable product mix, partially offset by pricing actions and productivity gains.

Operating income decreased by \$409 million, resulting in an operating margin of 7.6 per cent, down 490 basis points year-on-year. On an adjusted basis, operating income fell by \$582 million at constant currency, with margins narrowing to 12.0 per

cent.

The company's diluted earnings per share (EPS) stood at \$0.57, a 9.5 per cent decline, while adjusted EPS came in at \$0.73, down 24.2 per cent on a constant currency basis. The decline was driven by higher input costs and operating expenses, partly offset by lower taxes, improved productivity, and share repurchases.

Strong Shareholder Returns and Steady Outlook

In the first nine months of 2025, Mondeľz returned \$3.7 billion to shareholders through cash dividends and share repurchases, underscoring its commitment to capital discipline amid a volatile environment.

Looking ahead, the company expects continued growth in revenue, though margins will remain under pressure due to elevated commodity costs and geopolitical uncertainty. Mondeľz projects organic net revenue growth of 4 per cent or higher, adjusted EPS down about 15 per cent on a constant currency basis, and free cash flow of more than \$3 billion. Currency translation is expected to have a modestly positive impact on both revenue and EPS.

While the broader operating environment remains uncertain, influenced by trade, regulatory, and commodity market fluctuations, Mondeľz said it remains focused on sustained investment, productivity improvement, and strategic pricing to maintain its growth trajectory.