NestlÃ© to sell mainstream vitamins business to Yellow Wood Partners for $1 Bn

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Divestment of the Holistic Health portfolio marks another step in NestlÃ©â??s portfolio reshaping, allowing the company to focus investment on premium, science-led vitamins, minerals and supplements

Nestlé is selling its mainstream Vitamins, Minerals and Supplements (VMS) business to private equity firm Yellow Wood Partners for USD 1.0 billion (CHF 0.8 billion), in another move by the food and consumer health giant to sharpen its portfolio around businesses where it sees stronger competitive advantages. The transaction, which remains subject to applicable regulatory approvals, is expected to close in the first half of 2027. The deal covers Nestlé's so-called Holistic Health portfolio, comprising seven established brands — Nature's Bounty, Osteo Bi-Flex, Ester-C, Gard, Nuun, Puritan's Pride and Sisu — as well as the company's US private-label supplements business.

The transaction also includes dedicated manufacturing, packaging, warehousing and distribution operations supporting the business. In 2025, the portfolio generated USD 1.2 billion (CHF 1.0 billion) in sales, meaning the agreed transaction value represents roughly 0.8 times the business's annual revenue. The business is predominantly focused on the United States, with operations and sales also spanning several international markets, including Canada and China.

Nestlé draws a sharper line between mainstream and premium health
For Nestlé, the divestment is less about abandoning the VMS category than about deciding where the company wants to compete within it. “This is another important step in the strategic transformation of our portfolio,” said Philipp Navratil, CEO of Nestlé. “We are focusing our resources where we have the strongest competitive advantage.” Navratil said Nestlé intends to concentrate on the premium, science-led segment of VMS, where brands such as Solgar and Pure Encapsulations continue to perform strongly.

The distinction reflects a broader shift in the consumer health market, where products increasingly compete not simply on availability and brand recognition, but on perceived scientific credibility, specialised formulations and premium positioning. “At the same time, the category has evolved, and the mainstream VMS business requires a different approach under dedicated ownership," Navratil said. The transaction therefore gives Nestlé a more focused position in VMS while transferring a large mainstream portfolio to an owner whose strategy can be more directly aligned with the needs of the business.

A sizeable consumer health portfolio changes hands

The assets being acquired by Yellow Wood represent a substantial consumer health platform rather than a collection of individual brands. Nature's Bounty is among the best-known names in the portfolio, alongside brands spanning bone and joint health, vitamin supplementation, wellness and hydration. The transaction also includes Nuun, which has a strong position in hydration products, and Puritan's Pride, together with the US private-label supplements operation.

By including manufacturing, packaging, warehousing and distribution infrastructure, the deal gives Yellow Wood control over much of the operating platform behind the portfolio. That could allow the new owner to pursue a more integrated approach to brand development, manufacturing efficiency and distribution once the transaction closes.

US market remains central to the business

The portfolio's centre of gravity is the United States, one of the world's most developed markets for dietary supplements. Its presence in Canada, China and other markets gives the business an international footprint, but the transaction is fundamentally anchored in the US consumer health market. The transfer also comes as consumer interest in vitamins, minerals and supplements continues to evolve toward more specialised products and differentiated health propositions.

Nestlé's decision suggests that the company sees greater value in concentrating its capital and innovation capabilities on premium categories rather than maintaining the same breadth across mainstream and premium VMS.

Nestlé continues to build around premium health

The divestment leaves Nestlé with a narrower but more strategically defined position in the VMS sector. Its remaining portfolio includes Solgar and Pure Encapsulations, brands that Navratil highlighted as continuing to perform strongly. Rather than treating VMS as a single market, Nestlé is effectively separating the category into segments with different competitive dynamics.

The company is betting that its strengths in innovation and brand building will be most valuable in premium, science-led products, where consumers may be more willing to pay for specialised formulations and stronger product credentials. That strategy also fits with Nestlé's wider effort to reshape its portfolio around businesses capable of delivering stronger long-term growth and where its global scale can provide a meaningful competitive advantage.

Yellow Wood gains a platform with scale

For Yellow Wood Partners, the transaction provides access to a sizeable portfolio of established consumer health brands, a US private-label business and an integrated operating infrastructure. The $ 1.0 billion purchase price compares with $ 1.2 billion in 2025 sales, providing Yellow Wood with a business that already has considerable revenue scale and market presence. The challenge will be turning that scale into sustainable growth while managing a portfolio that spans multiple consumer health categories and brands.

The deal's expected closing in the first half of 2027 also leaves a transition period for regulatory approvals and preparations for the business to operate under its new ownership.

Portfolio transformation takes another step

Nestlé, the transaction is ultimately a capital-allocation decision. The company is giving up a business that generated $ 1.2 billion in annual sales in favour of a more concentrated strategy built around premium VMS brands and science-led consumer health. That makes the deal significant beyond the seven brands changing hands. It illustrates how large consumer companies are increasingly separating broad category participation from areas where they believe they can build differentiated, defensible positions.

Nestlé's message is clear: it does not intend to leave vitamins, minerals and supplements. Instead, it is narrowing its exposure to the part of the market where it believes its innovation and brand-building capabilities can create the greatest value. The transaction with Yellow Wood Partners is expected to close in the first half of 2027, subject to regulatory approvals.