Nestlé

Good food, Good life

Half-Year Report
January–June 2026

Letter to our shareholders

Dear fellow shareholders,

Foreword

The *Half-Year Report* contains certain financial performance measures not defined by IFRS Accounting Standards (hereinafter "IFRS"), which are used by management to assess the financial and operational performance of the Group. They include among others:

- Organic growth, Real internal growth and Pricing;
- Underlying trading operating profit margin and Trading operating profit margin;
- Net financial debt;
- Free cash flow; and
- Underlying earnings per share as reported and in constant currency.

Management believes that these non-IFRS financial performance measures provide useful information regarding the Group's financial and operating performance.

The *Alternative Performance Measures* document published under www.nestle.com/investors/publications defines these non-IFRS financial performance measures.

Introduction

Our RIG-led growth strategy is delivering, with organic growth of 3.7% and RIG of 1.8% in Q2, making steady progress towards our medium-term guidance. Emerging markets growth accelerated, and we delivered solid performance in developed markets. We are increasing and prioritizing our investment behind our leading brands and growth platforms, sharpening our portfolio focus and driving further efficiencies to reinvest. While the external environment remains uncertain, we are taking actions to accelerate consistent growth.

Group results

Group sales

Total reported sales in H1-26 were CHF 43.1 billion. Organic growth (OG) was 3.6%. Pricing was 2.1%, reflecting roll-over pricing from 2025 supported by incremental pricing actions this year. RIG was 1.5% in the first half, improving from 1.2% in Q1 to 1.8% in Q2. Real internal growth (RIG) was positive across all of our categories in Q2 and performance in emerging markets was particularly strong. Foreign exchange movements had a negative impact of 6.2%.

By product category, H1 growth was broad-based, led by Coffee and Food & Snacks. Coffee OG was 7.5%, driven by *Nescafé*. In Petcare, OG was 2.7%, driven by continued strength in cat and an improvement in dog in Q2. Nutrition OG was –1.2%, with strong performance in adult and medical nutrition offset by infant nutrition. The infant formula recall had an impact on group OG of approximately 90 basis points (bps) in Q1 and 30 bps in Q2. We expect to regain share by the end of the year. Food & Snacks OG was 3.7%, supported by strong performance in global brands such as *Maggi*, *KitKat* and *Milo*.

By geography, OG in developed markets was 2.3%, with RIG of 0.6% and pricing of 1.7%. In emerging markets, OG was 5.6%, with RIG of 2.8% and pricing of 2.8%. Greater China is now stable, a year after we took action to reduce trade inventory and redefine our operating model.

By channel, OG in retail sales was 3.6% and in out-of-home channels was 4.1%. Within retail, e-commerce had OG of 12.2% and reached 21.8% of total Group sales.

Gross profit and operating profit

Gross profit was CHF 20.0 billion. The gross profit margin decreased by 20 bps to 46.4% due to higher coffee and cocoa prices flowing through the P&L, the impact of the infant formula recall and headwinds from tariffs, largely offset by cost savings and net pricing.

Distribution expenses as a percentage of sales were 8.4% versus the prior year at 8.3%.

Marketing and administration expenses as a percentage of sales decreased by 20 bps to 20.2%. Within this, advertising and marketing expenses as a percentage of sales increased by 30 bps to 8.9%, reflecting a larger increase in gross spend partially offset by some efficiencies. Administration expenses as a percentage of sales included a 30 bps benefit related to changes in a pension scheme.

Research and development costs as a percentage of sales were stable at 1.8%.

Our *Fuel for Growth* program targets procurement and operational efficiency savings of CHF 3.0 billion by the end of 2027. In the first half of 2026, we delivered CHF 0.6 billion of incremental savings, slightly ahead of our plan. This brings the total program savings to CHF 1.7 billion, and we are on track to deliver our interim target of CHF 2.0 billion cumulative savings in 2026.

Underlying trading operating profit (UTOP) was CHF 7.1 billion, a decrease of 2.8%. The UTOP margin was 16.4%, a year-on-year decrease of 10 bps on a reported basis or flat in constant currency. The decrease was primarily driven by higher coffee and cocoa prices flowing through the P&L, the impact of the infant formula recall, increased advertising and marketing spend, and headwinds from tariffs and foreign exchange, largely offset by actions to drive cost savings, pricing and RIG leverage.

Restructuring and net other trading items was CHF 0.8 billion compared to CHF 0.4 billion in H1-25, mainly due to increased restructuring costs linked to our cost savings program. Trading operating profit decreased by 9.3% to CHF 6.2 billion. The trading operating profit margin was 14.5%, a decrease of 110 bps on a reported basis.

Other operating expenses was negatively impacted by a non-cash write-down of CHF 1.3 billion as we classify the businesses we are divesting as “assets held for sale”.

Net financial expenses and Income tax

Net financial expenses decreased to CHF 688 million from CHF 759 million in H1-25, reflecting a lower level of average net debt. The average cost of net debt was 2.5% compared to 2.5% previously.

The Group’s reported tax rate was 28.7%, compared to 26.4% in the prior-year period. The increase was mainly due to limited tax deductibility on the write-down of assets held for sale. The underlying tax rate was 22.3% compared to 22.0% in H1-25.

Net profit and Earnings per share

Net profit decreased by 31.4% to CHF 3.5 billion driven by increased restructuring costs and the write-down of assets held for sale. Basic earnings per share decreased by 31.4% to CHF 1.35, driven by lower net profit.

Underlying net profit was CHF 5.7 billion, a decrease of 2.4% and an increase of 3.4% in constant currency. Underlying earnings per share was CHF 2.22, a decrease of 2.4% and an increase of 3.4% in constant currency.

Cash flow

Cash generated from operations was CHF 6.3 billion compared to CHF 6.2 billion in the same period last year. Free cash flow increased to CHF 3.4 billion compared to CHF 2.3 billion in H1-25, with the increase primarily due to lower capex and lower working capital outflow, partly offset by foreign exchange headwinds.

Net debt

Net debt was CHF 56.3 billion as at June 30, 2026, compared to CHF 51.4 billion as at December 31, 2025 and CHF 60.0 billion as at June 30, 2025. The increase versus December largely reflected cash outflows for the dividend payment of CHF 8.0 billion, partly offset by free cash flow generated.

Acquisitions and divestures

On July 23, 2026, Nestlé and Platinum Equity announced a plan to create Peranel, a 50:50 joint venture for Nestlé’s waters and premium beverages business, designed to establish a dedicated player with strengthened focus to drive growth in a dynamic category. The transaction is subject to employee consultation processes and applicable regulatory approvals and is expected to close in H1 2027. It assigns an enterprise value of EUR 4.9 billion (CHF 4.5 billion) to Peranel, implying cash proceeds for Nestlé of approximately EUR 3.0 billion (CHF 2.8 billion) at closing.

In early July, we completed the acquisition of the remaining 51% ownership in yfood Labs GmbH from its founders. Sales for yfood were approximately EUR 150 million in 2025, representing double-digit year-on-year growth. The company is now preparing for its next phase of growth, including the brand’s expansion into new markets.

During H1-26, we divested Blue Bottle Coffee to Centurium Capital.

2026 guidance

For the full year, OG is expected to be in the range of 3% to 4%, with RIG accelerating versus 2025, driven by our focused growth plans. Based on current spot rates, we expect the impact of foreign exchange movements on sales to be approximately –3%.

2026 UTOP margin is expected to improve versus 2025. After a good profit delivery in H1, second half margin is now expected to be broadly similar to the first half. Compared to H1, we expect H2 UTOP margin to benefit from lower coffee and cocoa costs impacting the P&L and further cost savings, offset by some higher transportation and energy costs arising from the Middle East conflict.

Free cash flow is expected to be above CHF 9 billion.

Operating segments

H1-2026 operating performance

	Total Group	Zone Americas	Zone Asia, Oceania and Africa	Zone Europe	Nespresso	Nestlé Waters & Premium Beverages	Other Buisnesses
Sales H1-2026 (CHF m)	**43 109**	**18 646**	**10 366**	**9 044**	**3 147**	**1 781**	**125**
Sales H1-2025 (CHF m)	44 228	19 220	10 774	9 094	3 172	1 821	147
Real internal growth (RIG)	1.5%	1.0%	2.8%	0.5%	1.7%	1.6%	5.9%
Pricing	2.1%	2.2%	1.5%	2.2%	2.6%	3.5%	(0.5%)
Organic growth	**3.6%**	**3.3%**	**4.3%**	**2.7%**	**4.3%**	**5.1%**	**5.4%**
Net M&A	0.1%	0.0%	(0.3%)	0.9%	0.1%	(0.7%)	(13.3%)
Foreign exchange	(6.2%)	(6.2%)	(7.9%)	(4.0%)	(5.1%)	(6.7%)	(7.3%)
Reported sales growth	**(2.5%)**	**(3.0%)**	**(3.8%)**	**(0.5%)**	**(0.8%)**	**(2.3%)**	**(15.1%)**
UTOP H1-2026 (CHF m)	**7 081**	**3 606**	**2 219**	**1 484**	**651**	**168**	**16**
UTOP H1-2025 (CHF m)	7 287	3 771	2 300	1 598	695	170	(8)
UTOP Margin H1-2026	**16.4%**	**19.3%**	**21.4%**	**16.4%**	**20.7%**	**9.5%**	**12.5%**
UTOP Margin H1-2025	16.5%	19.6%	21.4%	17.6%	21.9%	9.3%	(5.5%)
UTOP Margin YoY	-10 bps	-30 bps	flat	-120 bps	-120 bps	20 bps	n.m.

Q2-2026 sales performance

	Total Group	Zone Americas	Zone Asia, Oceania and Africa	Zone Europe	Nespresso	Nestlé Waters & Premium Beverages	Other Buisnesses
Sales Q2-2026 (CHF m)	**21 792**	**9 540**	**5 150**	**4 429**	**1 592**	**1 023**	**58**
Sales Q2-2025 (CHF m)	21 627	9 461	5 071	4 432	1 577	1 012	74
Real internal growth (RIG)	1.8%	0.8%	4.8%	0.0%	1.5%	2.2%	10.4%
Pricing	1.9%	1.9%	1.7%	1.5%	2.0%	4.4%	(0.1%)
Organic growth	**3.7%**	**2.8%**	**6.5%**	**1.5%**	**3.4%**	**6.6%**	**10.3%**

Zone Americas (AMS)

H1-26 operating performance

– OG was 3.3%, with RIG of 1.0% and pricing of 2.2%.
– Reported sales were CHF 18.6 billion, with a negative impact of 6.2% from foreign exchange movements.
– UTOP margin decreased by 30 bps to 19.3%, driven by increased consumer investment and tariff headwinds, largely offset by cost efficiencies.

Q2-26 sales performance

In Zone Americas, growth was broad-based, with positive OG across all markets and all categories. Performance was supported by continued execution focus and targeted investments. Our US business remains resilient despite low consumer confidence weighing on spending for some consumers. In Latin America, robust RIG-led growth highlights the strength of our brands and execution.
– OG was 2.8%, with RIG of 0.8% and pricing of 1.9%.
– North America OG was 1.5%, with –0.6% RIG and 2.1% pricing. In Latin America, OG was 5.8%, with 4.2% RIG and 1.5% pricing.
– For the Zone, Mexico and Brazil were the main drivers of RIG, which accelerated in both markets as pricing eased. In the US, OG momentum was maintained, driven by pricing in Coffee and RIG in Petcare and Nutrition.
– Market share continued to improve in Petcare and remained largely stable across Coffee and Food & Snacks, with some share loss in Nutrition.

Q2-26 key growth drivers by product category

– **Coffee** (20% of Zone sales): OG was mid-single digit, driven by pricing. In the US, OG slowed as increased pricing was more than offset by softer RIG. Outside the US, RIG strengthened further as pricing eased. Growth was strong in the out-of-home channel. For the Zone, OG continued to be driven by double-digit growth in *Nescafé* across all major markets, reflecting the strength of the brand and the consumer value proposition. *Starbucks* delivered price-led growth, while *Coffee mate* declined.
– **Petcare** (32% of Zone sales): OG was low single digit, with a balanced contribution from RIG and pricing. Growth was held back by some retailer inventory reduction in the US, but sell-out trends continued to strengthen in both cat and dog, reflecting improving category dynamics and our better execution. Performance was further supported by strong growth in Latin America.
– **Nutrition** (20% of Zone sales): OG was low single digit, driven by RIG. Growth was led by an acceleration in adult nutrition, driven by *Nature's Bounty*, *Vital Proteins* and *Pure Encapsulations*, as well as another strong quarter in medical nutrition. Performance in *Gerber* continues to be challenged.
– **Food & Snacks** (28% of Zone sales): OG was low single digit, driven by pricing. RIG slowed slightly in the quarter driven by seasonal phasing in confectionery. Performance in frozen foods in the US continues to reflect current category softness, but the growth trend was stable sequentially.

Zone Asia, Oceania and Africa (AOA)

H1-26 operating performance

– OG was 4.3%, with RIG of 2.8% and pricing of 1.5%.
– Reported sales were CHF 10.4 billion, including a negative impact of 7.9% from foreign exchange movements.
– UTOP margin was flat year-on-year at 21.4%. Strong progress on structural cost savings was offset by increased investment to support commercial execution and brand building, as well as the impact of the infant formula recall.

Q2-26 sales performance

In Zone AOA, Q2-26 growth was broad-based across all categories and most markets. Strong execution is driving positive momentum in our business, despite the mixed consumer environment in different markets. In Greater China, our business is now stable, the planned trade inventory reduction is complete, and we are making good progress in our transition to a demand-led growth model.
– For total Zone AOA, OG strengthened to 6.5%, with RIG accelerating to 4.8% and pricing of 1.7%.
– In Zone AOA excluding Greater China, OG was 7.7%, with 6.0% RIG and 1.8% pricing – all improving in Q2 compared to Q1.
– Greater China delivered 2.0% OG, comprising 0.5% RIG and 1.5% pricing. Growth was positively impacted by lower trade inventory reductions in Q2-26 compared to last year. Growth continues to be negative in the categories in which we operate.
– In Zone AOA, growth was positive across most geographic markets, reflecting strong execution and market momentum. Highlights included double-digit RIG-led growth in India, the Central & West Africa Region and Indonesia.

– Market share gains continued in Food & Snacks and Petcare, with ongoing improvement in Coffee; Nutrition market share remained under pressure.

Q2-26 key growth drivers by product category
– **Coffee** (26% of Zone sales): OG was high single digit, led by RIG with moderating pricing carryover from increases taken last year. Growth was led by *Nescafé*, both in soluble coffee and RTD, with positive momentum across most markets.
– **Petcare** (4% of Zone sales): OG accelerated to high single-digit, driven by robust RIG across developed and emerging markets. Wet cat was the key driver, supported by launches of innovations in key markets.
– **Nutrition** (32% of Zone sales): OG returned to low single-digit growth, reflecting strong growth in adult nutrition. Infant formula brands affected by the Q1 recall showed a good recovery and *Lactogen* grew strongly.
– **Food & Snacks** (38% of Zone sales): OG was double digit, driven by RIG and reflecting the sustained positive trend over the past two years. Growth was led by confectionery, supported by continued momentum for *KitKat*. *Maggi* contributed strongly through savory cooking solutions and noodles, supported by new launches and focused brand investments. *Milo* continues to do well across geographies.

Zone Europe (EUR)

H1-26 operating performance
– OG was 2.7%, with RIG of 0.5% and pricing of 2.2%.
– Reported sales were CHF 9.0 billion, with a negative impact of 4.0% from foreign exchange movements.
– UTOP margin decreased year-on-year to 16.4%. Profitability was impacted by higher input costs, increased marketing investment and the impact of the infant formula recall. This was partly mitigated by continued cost discipline and savings initiatives.

Q2-26 sales performance
Performance in Zone Europe was solid, underpinned by disciplined execution in a competitive environment. Growth continued to be driven by strength in Coffee and Petcare. RIG was impacted by temporary delistings with certain retailers, mitigated by capturing other growth opportunities. As expected, pricing moderated as we lapped increases taken last year.
– OG was 1.5%, with flat RIG and pricing of 1.5%.
– By market, trends were mixed. Türkiye, UK & Ireland and South & Eastern Europe were the largest contributors to growth, while other larger markets were impacted by declines in infant nutrition and some temporary delistings.
– Market share strengthened further in Petcare, and trends continued to improve in Coffee and Food & Snacks. In Nutrition, market share remains impacted by the infant formula recall.

Q2-26 key growth drivers by product category
– **Coffee** (29% of Zone sales): OG was high single-digit, driven by RIG. Pricing continued to moderate, as we lapped increases taken during H1-25, while RIG accelerated. Growth was primarily driven by *Nescafé* soluble coffee, with portion coffee and RTD coffee further supporting growth.
– **Petcare** (30% of Zone sales): Petcare continued to deliver mid single-digit OG, driven by RIG, sustaining the positive trajectory of the last two years. Growth was broad-based across markets and brands, including *Pro Plan*, *ONE* and *Felix*, driven by premium wet cat and strong performance in the e-commerce channel.
– **Nutrition** (14% of Zone sales): OG declined low single-digit due to the infant formula recall across Europe. Outside infant nutrition, growth was good, driven by medical nutrition and strong RIG in adult nutrition, led by *Solgar* and *Pure Encapsulations*.
– **Food & Snacks** (27% of Zone sales): OG declined mid single-digit, driven by RIG. Both food and confectionery saw lower sales, reflecting a challenging environment across several markets. Within confectionery, *KitKat* continued to deliver positive growth.

Nespresso

H1-26 operating performance

– OG was 4.3%, with RIG of 1.7% and pricing of 2.6%.
– Reported sales were CHF 3.1 billion, impacted by a negative effect of 5.1% from foreign exchange movements.
– UTOP margin decreased by 120 bps to 20.7%, reflecting higher input costs driven by inflation in coffee and tariffs, as well as an increase in marketing investment to support growth.

Q2-26 sales performance

Nespresso delivered solid OG in the quarter in the context of moderating pricing. We continue to focus on growing our active base with targeted consumer acquisition activities, particularly in North America. In Q2, this trend was partially offset by softer consumption in some markets.

– OG was 3.4%, with RIG of 1.5%; pricing was 2.0%, easing compared to the previous quarter as we cycle prior year increases.
– By geography, performance was again led by high single-digit OG in North America, where growth moderated in the US, but strengthened in Canada. Growth was supported by AOA, while OG in Europe was flat.
– By system, growth continues to be driven by *Vertuo*, supported by the rollout of the new *Vertuo Up* machine, now available in almost 50 markets.
– By channel, out-of-home OG was high single-digit, growing across all segments.
– Market share gains continued in North America, while Europe remains pressured across key markets due to ongoing competitive intensity.
– Consumer engagement remained strong, supported by the early success of summer limited editions such as *Yuzu Vanilla Over Ice*. The launches resonated strongly with consumers, driving robust accessories growth and reinforcing Nespresso's premium lifestyle proposition.

Nestlé Waters & Premium Beverages (NW&PB)

H1-26 operating performance

– Organic growth was 5.1%, with RIG of 1.6% and pricing of 3.5%.
– Reported sales were CHF 1.8 billion, with a negative impact of 6.7% from foreign exchange movements.
– UTOP margin improved 20 bps year-on-year to 9.5%. Profitability was driven by growth leverage and cost focus, which more than offset increased packaging and distribution costs and currency headwinds.

Q2-26 sales performance

Growth in Nestlé Waters & Premium Beverages accelerated, led by North America, key international brands and favorable weather in Europe.

– Organic growth was 6.6%, with RIG of 2.2% and pricing of 4.4%.
– International brands continued to lead growth. *S.Pellegrino* waters delivered high single-digit growth, which was broad-based across geographies. *Sanpellegrino* and *Maison Perrier* delivered strong double-digit growth reflecting the international expansion of *Maison Perrier* and the successful rollout of premium beverages innovations. These included *Sanpellegrino*'s *CIAO!* and *ZERO* and *Maison Perrier*'s new *French Kiss* probiotic water. Market share gains continue in our key international brands.
– By market, growth was broad-based, led by an acceleration in North America. In Europe, several key markets accelerated in Q2, driven by improved retail execution as well as favorable weather in the region.
– By channel, growth was led by retail, which benefited from strong category momentum, premium mix and innovation. Out-of-home also contributed positively.

Performance by product category

H1-2026 operating performance

	Total Group	Coffee	Petcare	Nutrition	Food & Snacks	Waters & Premium Beverages
Sales H1-2026 (CHF m)	**43 109**	**12 126**	**8 933**	**8 339**	**11 930**	**1 781**
Sales H1-2025 (CHF m)	44 228	12 016	9 229	9 082	12 077	1 824
Real internal growth (RIG)	1.5%	2.9%	1.8%	(1.3%)	1.9%	1.6%
Pricing	2.1%	4.7%	0.9%	0.2%	1.8%	3.5%
Organic growth	**3.6%**	**7.5%**	**2.7%**	**(1.2%)**	**3.7%**	**5.1%**
UTOP H1-2026 (CHF m)	**7 081**	**2 304**	**1 943**	**1 651**	**2 077**	**169**
UTOP H1-2025 (CHF m)	7 287	2 403	2 037	1 877	2 039	170
UTOP Margin H1-2026	**16.4%**	**19.0%**	**21.8%**	**19.8%**	**17.4%**	**9.5%**
UTOP Margin H1-2025	16.5%	20.0%	22.1%	20.7%	16.9%	9.3%
UTOP Margin YoY	-10 bps	-100 bps	-30 bps	-90 bps	50 bps	20 bps

Q2-2026 sales performance

	Total Group	Coffee	Petcare	Nutrition	Food & Snacks	Waters & Premium Beverages
Sales Q2-2026 (CHF m)	**21 792**	**6 124**	**4 538**	**4 355**	**5 752**	**1 023**
Sales Q2-2025 (CHF m)	21 627	6 008	4 525	4 444	5 636	1 014
Real internal growth (RIG)	1.8%	2.2%	2.0%	0.9%	1.8%	2.1%
Pricing	1.9%	3.6%	0.8%	0.7%	1.5%	4.4%
Organic growth	**3.7%**	**5.8%**	**2.8%**	**1.7%**	**3.2%**	**6.6%**

Coffee delivered 5.8% OG in Q2, led by pricing of 3.6%, which continues to ease, along with RIG of 2.2%. All Zones contributed broadly evenly to OG. Growth was led by *Nescafé*, *Starbucks* and *Nespresso*, partially offset by softness in *Coffee mate*.

Petcare OG was 2.8% in Q2 with RIG of 2.0%. OG improved in Zone Americas and Zone AOA, and was solid in Zone Europe. Both cat and dog contributed to growth. By brand, growth was led by *Pro Plan*, *ONE* and *Felix*.

Nutrition OG recovered to 1.7% in Q2 after declining in Q1. The improvement was driven by reduced drag from the infant formula recall, led by a strong recovery in Zone AOA. Adult nutrition and medical nutrition reported strong results, supported by brands such as *Vital Proteins* and *Pure Encapsulations*.

Food & Snacks recorded OG of 3.2%, driven by RIG. Growth was broad-based across segments, except for frozen food, with AOA the key driver by Zone. From a brand perspective, growth continued to be driven by our global-leading billionaire brands *Maggi*, *KitKat* and *Milo*.

Pablo Isla
Chairman of the Board

Philipp Navratil
Chief Executive Officer

Key figures (consolidated)

Key figures in CHF

In millions (except for data per share)	January–June 2026	January–June 2025
Results		
Sales	43 109	44 228
Underlying trading operating profit *	7 081	7 287
as % of sales	16.4%	16.5%
Trading operating profit *	6 247	6 885
as % of sales	14.5%	15.6%
Profit for the period attributable to shareholders of the parent (Net profit)	3 472	5 065
as % of sales	8.1%	11.5%
Balance sheet and cash flow statement		
Total Equity [(a)]	29 504	29 047
Net financial debt *[/(a)]	56 344	60 019
Operating cash flow	5 341	4 872
Free cash flow *	3 375	2 307
Capital additions	1 719	2 168
Data per share		
Weighted average number of shares outstanding (in millions of units)	2 573	2 573
Basic earnings per share	1.35	1.97
Market capitalization	**213 756**	**202 831**

Principal key figures in USD and EUR (illustrative)

Income statement and cash flow statement figures translated at average rate;
Balance sheet figures at end-of-June exchange rate

In millions (except for data per share)	January–June 2026	January–June 2025	January–June 2026	January–June 2025
	in USD	in USD	in EUR	in EUR
Sales	54 811	51 244	46 969	46 976
Underlying trading operating profit *	9 003	8 442	7 715	7 739
Trading operating profit *	7 943	7 978	6 807	7 313
Profit for the period attributable to shareholders of the parent (Net profit)	4 414	5 868	3 783	5 379
Total Equity [(a)]	36 486	36 402	31 997	31 013
Basic earnings per share	1.72	2.28	1.47	2.09
Market capitalization	264 337	254 190	231 814	216 562

* Certain financial performance measures are not defined by IFRS Accounting Standards. For further details, refer to the document "Alternative Performance Measures" published under www.nestle.com/investors/publications.

(a) Situation as at June 30.

Consolidated income statement for the six months ended June 30, 2026

In millions of CHF	Notes	January–June 2026	January–June 2025
Sales	3	**43 109**	**44 228**
Other revenue		191	182
Cost of goods sold		(23 118)	(23 609)
Distribution expenses		(3 628)	(3 685)
Marketing and administration expenses		(8 700)	(9 043)
Research and development costs		(773)	(786)
Other trading income	5	16	73
Other trading expenses	5	(850)	(475)
Trading operating profit	3	**6 247**	**6 885**
Other operating income	5	292	183
Other operating expenses	5	(1 520)	(244)
Operating profit		**5 019**	**6 824**
Financial income		174	170
Financial expense		(862)	(929)
Profit before taxes, associates and joint ventures		**4 331**	**6 065**
Taxes		(1 242)	(1 602)
Income from associates and joint ventures	6	507	704
Profit for the period		**3 596**	**5 167**
of which attributable to non-controlling interests		124	102
of which attributable to shareholders of the parent (Net profit)		3 472	5 065
As percentages of sales			
Trading operating profit		14.5%	15.6%
Profit for the period attributable to shareholders of the parent (Net profit)		8.1%	11.5%
Earnings per share (in CHF)			
Basic earnings per share		1.35	1.97
Diluted earnings per share		1.35	1.97

Consolidated statement of comprehensive income for the six months ended June 30, 2026

In millions of CHF	January–June 2026	January–June 2025
Profit for the period recognized in the income statement	**3 596**	**5 167**
Currency retranslations, net of taxes	735	(3 132)
Changes in cash flow hedge and cost of hedge reserves, net of taxes	40	(335)
Share of other comprehensive income of associates and joint ventures	108	(272)
Items that are or may be reclassified subsequently to the income statement	883	(3 739)
Remeasurement of defined benefit plans, net of taxes	19	(131)
Fair value changes of equity instruments, net of taxes	57	32
Share of other comprehensive income of associates and joint ventures	(96)	(64)
Items that will never be reclassified to the income statement	(20)	(163)
Other comprehensive income for the period	**863**	**(3 902)**
Total comprehensive income for the period	**4 459**	**1 265**
of which attributable to non-controlling interests	118	76
of which attributable to shareholders of the parent	4 341	1 189

Consolidated balance sheet as at June 30, 2026

In millions of CHF	Notes	June 30, 2026	December 31, 2025
Assets			
Current assets			
Cash and cash equivalents		3 551	4 579
Short-term investments		2 583	1 651
Inventories		13 261	12 813
Trade and other receivables		10 021	10 561
Prepayments		783	479
Derivative assets		690	295
Current income tax assets		1 237	1 383
Assets held for sale	2	5 451	208
Total current assets		**37 577**	**31 969**
Non-current assets			
Property, plant and equipment		31 031	32 549
Goodwill		26 782	27 636
Intangible assets		14 994	16 673
Investments in associates and joint ventures		11 637	12 096
Financial assets		3 677	3 641
Derivative assets		261	229
Employee benefits assets and reimbursement rights		1 497	1 412
Deferred tax assets		928	946
Total non-current assets		**90 807**	**95 182**
Total assets		**128 384**	**127 151**

In millions of CHF	Notes	June 30, 2026	December 31, 2025
Liabilities and equity			
Current liabilities			
Financial debt		16 345	11 606
Derivative liabilities		168	202
Trade and other payables		18 591	20 023
Accruals		5 226	5 575
Provisions		778	850
Current income tax liabilities		2 482	2 338
Liabilities directly associated with assets held for sale	2	1 700	100
Total current liabilities		**45 290**	**40 694**
Non-current liabilities			
Financial debt		46 500	46 246
Derivative liabilities		187	144
Employee benefits liabilities		2 128	2 299
Provisions		1 124	980
Deferred tax liabilities		3 604	3 554
Other payables		47	176
Total non-current liabilities		**53 590**	**53 399**
Total liabilities		**98 880**	**94 093**
Equity			
Share capital	8	258	258
Treasury shares		(319)	(388)
Translation reserve		(29 204)	(29 944)
Other reserves		(320)	(667)
Retained earnings		58 815	63 551
Total equity attributable to shareholders of the parent		**29 230**	**32 810**
Non-controlling interests		274	248
Total equity		**29 504**	**33 058**
Total liabilities and equity		**128 384**	**127 151**

Consolidated cash flow statement for the six months ended June 30, 2026

In millions of CHF	Notes	January–June 2026	January–June 2025
Operating activities			
Operating profit	7	5 019	6 824
Depreciation and amortization		1 766	1 799
Impairment		181	88
Net result on disposal of businesses and write-down of assets held for sale	5	1 250	(11)
Other non-cash items of income and expense		(26)	86
Cash flow before changes in operating assets and liabilities	7	**8 190**	**8 786**
Decrease/(increase) in working capital		(1 694)	(2 165)
Variation of other operating assets and liabilities		(146)	(385)
Cash generated from operations		**6 350**	**6 236**
Interest paid		(826)	(861)
Interest and dividends received		112	113
Taxes paid		(1 039)	(1 361)
Dividends, other distributions and interest from associates and joint ventures		744	745
Operating cash flow		**5 341**	**4 872**
Investing activities			
Capital expenditure		(1 769)	(2 441)
Expenditure on intangible assets		(160)	(166)
Acquisition of businesses, net of cash acquired	2	(9)	(50)
Disposal of businesses, net of cash disposed of	2	135	(8)
(Investments)/divestments, net, in associates and joint ventures		73	(68)
Inflows/(outflows) from treasury investments		(731)	1 303
Acquisition (net of disposal) in long-term investments		(14)	(96)
Other investing activities		(37)	42
Investing cash flow		**(2 512)**	**(1 484)**
Financing activities			
Dividend paid to shareholders of the parent	8	(7 976)	(7 849)
Dividends paid to non-controlling interests		(92)	(98)
Acquisition (net of disposal) of non-controlling interests		(51)	(1 190)
Purchase of treasury shares		(49)	(135)
Inflows from bonds and other long-term financial debt		1 581	1 780
Outflows from bonds, lease liabilities and other long-term financial debt		(4 125)	(425)
Inflows/(outflows) from short-term financial debt		6 865	4 093
Financing cash flow		**(3 847)**	**(3 824)**
Currency retranslations		29	(470)
Increase/(decrease) in cash and cash equivalents		**(989)**	**(906)**
Cash and cash equivalents at beginning of year [(a)]		4 595	5 558
Cash and cash equivalents at end of period		**3 606**	**4 652**
Cash and cash equivalents classified as held for sale		(55)	—
Cash and cash equivalents as per balance sheet		**3 551**	**4 652**

(a) Including CHF 16 million classified as held for sale as of December 31, 2025 (2024: CHF 2 million).

Consolidated statement of changes in equity for the six months ended June 30, 2026

In millions of CHF

	Share capital	Treasury shares	Translation reserve	Other reserves	Retained earnings	**Total equity attributable to shareholders of the parent**	Non-controlling interests	**Total equity**
Equity as at January 1, 2025	**262**	**(4 283)**	**(26 788)**	**363**	**66 363**	**35 917**	**776**	**36 693**
Profit for the period	—	—	—	—	5 065	**5 065**	102	**5 167**
Other comprehensive income for the period	—	—	(3 107)	(605)	(164)	**(3 876)**	(26)	**(3 902)**
Total comprehensive income for the period	—	—	(3 107)	(605)	4 901	**1 189**	76	**1 265**
Dividends	—	—	—	—	(7 849)	**(7 849)**	(98)	**(7 947)**
Movement of treasury shares	—	(55)	—	—	(11)	**(66)**	—	**(66)**
Equity compensation plans	—	95	—	—	(20)	**75**	—	**75**
Changes in non-controlling interests [(a)]	—	—	—	—	(58)	**(58)**	(533)	**(591)**
Reduction in share capital [(b)]	(4)	3 910	—	—	(3 906)	**—**	—	**—**
Total transactions with owners	(4)	3 950	—	—	(11 844)	**(7 898)**	(631)	**(8 529)**
Other movements [(c)]	—	—	—	(342)	(40)	**(382)**	—	**(382)**
Equity as at June 30, 2025	**258**	**(333)**	**(29 895)**	**(584)**	**59 380**	**28 826**	**221**	**29 047**
Equity as at January 1, 2026	**258**	**(388)**	**(29 944)**	**(667)**	**63 551**	**32 810**	**248**	**33 058**
Profit for the period	—	—	—	—	3 472	**3 472**	124	**3 596**
Other comprehensive income for the period	—	—	740	147	(18)	**869**	(6)	**863**
Total comprehensive income for the period	—	—	740	147	3 454	**4 341**	118	**4 459**
Dividends	—	—	—	—	(7 976)	**(7 976)**	(92)	**(8 068)**
Movement of treasury shares	—	(38)	—	—	(11)	**(49)**	—	**(49)**
Equity compensation plans	—	107	—	—	(27)	**80**	—	**80**
Changes in non-controlling interests	—	—	—	—	(49)	**(49)**	—	**(49)**
Total transactions with owners	—	69	—	—	(8 063)	**(7 994)**	(92)	**(8 086)**
Other movements [(c)]	—	—	—	200	(127)	**73**	—	**73**
Equity as at June 30, 2026	**258**	**(319)**	**(29 204)**	**(320)**	**58 815**	**29 230**	**274**	**29 504**

(a) Movements reported under Retained earnings include put options for the acquisition of non-controlling interests, see Note 2.3.
(b) Reduction in share capital, see Note 8.
(c) Other movements in Other reserves relate mainly to cash flow hedge transactions.

Notes

1. Accounting policies

Basis of preparation
These Condensed Interim Financial Statements are the unaudited Condensed Interim Consolidated Financial Statements (hereafter "the Condensed Interim Financial Statements") of Nestlé S.A., a company registered in Switzerland, and its subsidiaries for the six-month period ended June 30, 2026. They have been prepared in accordance with International Accounting Standard IAS 34 – Interim Financial Reporting, and should be read in conjunction with the Consolidated Financial Statements for the year ended December 31, 2025.

The accounting conventions and accounting policies are the same as those applied in the Consolidated Financial Statements for the year ended December 31, 2025 (as described in Note 1 and highlighted with a gray background in the relevant Notes). Accounting policies not disclosed in the Consolidated Financial Statements for the year ended December 31, 2025, are disclosed in the Condensed Interim Financial Statements with a gray background.

The preparation of the Condensed Interim Financial Statements requires Group Management to exercise judgment and to make estimates and assumptions that affect the application of policies, reported amounts of revenues, expenses, assets and liabilities and disclosures. The key sources of estimation uncertainty within these Condensed Interim Financial Statements remain the same as those applied to the Consolidated Financial Statements for the year ended December 31, 2025.

The Condensed Interim Financial Statements 2026 were approved for issue by the Board of Directors on July 22, 2026.

Changes in presentation – Analyses by segment
As of January 1, 2026, the Group is organized into three geographical Zones and two Globally Managed Businesses following the integration of the Nestlé Health Science Globally Managed Business into the Nutrition business of the three geographic Zones, and therefore from that date the Group's reportable segments are:
- Zone Americas (AMS);
- Zone Asia, Oceania and Africa (AOA);
- Zone Europe (EUR);
- Nespresso; and
- Nestlé Waters & Premium Beverages (NW&PB).

Other business activities and operating segments continue to be combined and presented in Other businesses.

In addition, effective January 1, 2026, the previously disclosed seven product groups are now presented under four main categories: Coffee, Petcare, Nutrition, Food & Snacks, with Waters & Premium Beverages disclosed separately.

2025 comparatives have been restated for both of the above changes (see Note 3).

Changes in IFRS Accounting Standards
The following amendments became effective in 2026: Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7, Annual Improvements to IFRS Accounting Standards – Volume 11, Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7. The initial application of these amendments did not have a material impact on the Condensed Interim Financial Statements.

Changes in IFRS Accounting Standards that may affect the Group after December 31, 2026

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. The new standard will be effective for annual periods from January 1, 2027, and will apply retrospectively with 2026 restated comparative figures.

IFRS 18 will introduce some changes to how the Group's financial statements are presented. The new standard mainly focuses on the income statement, defining new operating, investing and financing categories for income and expenses in addition to the existing income taxes and discontinued operations, and requiring the presentation of two new subtotals, Operating profit and Profit before financing and income taxes, on the face of the income statement. It also mandates additional disclosures and reconciliations of management-defined performance measures (MPMs) used by the Group to explain its performance. These changes will not affect the Group's net result or net cash flow, but will modify the presentation of certain line items and subtotals in both the income statement and the statement of cash flow.

A requirement of the new standard is to classify and present expenses in a useful structured summary, aggregating and disaggregating line items based on shared characteristics. As a result of these requirements, the Group expects that Marketing and selling expenses will be presented separately in the income statement, whereas they are currently included under the Marketing and administration expenses line. In addition, the Group's historically reported subtotal Trading operating profit will no longer be presented on the face of the income statement. Furthermore, the income statement will include new line items to separately present certain categories of income and expenses that were previously aggregated. In particular, under IFRS 18, the Group will introduce a line item titled "Business realignment income and expenses", which will capture the results of reorganization and optimization initiatives (including related restructuring costs as well as gains or losses on business disposals). These amounts are currently included within Other trading income/expenses and Other operating income/expenses. Likewise, items of income or expenses whose allocation to other operating lines would be arbitrary or not provide a faithful representation of the functions (for example, goodwill impairment, the direct financial effects of natural disasters, large litigation settlements or hyperinflation remeasurement impacts) will be shown in a separate line item in the new income statement.

Overall, the mandatory IFRS 18 subtotal Operating profit for the Group is expected to remain broadly consistent with the current Operating profit figure, since only a limited number of items are anticipated to be reclassified between the new IFRS 18 categories.

IFRS 18 also brings amendments to IAS 7 Statement of Cash Flows which affect the starting point of the cash flows determination and the classification of certain items. Notably, IFRS 18 eliminates the previous options for classifying interest and dividends and establishes a unified approach. As a result, cash flows for Interest paid will be reported as financing outflows, while Interest and dividends received will be reported as investing inflows, instead of being included in operating cash flow as was previously permitted.

The analysis of the standard's impact is ongoing, and the Group will continue to monitor industry practice and additional guidance, including IFRS Interpretation Committee agenda decisions, over the course of 2026. At this stage, the Group does not anticipate IFRS 18 will significantly change the Group's key performance indicators or reported profit figures.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2. Scope of consolidation, assets held for sale and acquisitions of non-controlling interests

2.1 Change of scope of consolidation

Acquisitions

There were no acquisitions during the 2026 interim period and no significant acquisition during the 2025 comparative period.

Cash outflows of the 2026 interim period as well as for the 2025 comparative period are related to settlement of consideration payables for acquisitions in previous years.

Disposals

There were no significant disposals during the 2026 interim period nor during the 2025 comparative period.

During the first six months of 2026, among several other non-significant disposals, end of May, the Group disposed of Blue Bottle Coffee including its activities in the US, China, Hong Kong, Korea and Japan (disclosed as part of the Other businesses operating segment).

Cash inflows of the 2026 interim period and of the 2025 comparative period are related to non-significant disposals.

2.2 Assets held for sale

Assets held for sale and disposal groups
Non-current assets held for sale and disposal groups are presented separately in the current section of the balance sheet when the following criteria are met: the Group is committed to selling the asset or disposal group, an active plan of sale has commenced, and in the judgement of Group Management it is highly probable that the sale will be completed within 12 months. Immediately before the initial classification of the assets and disposal groups as held for sale, the carrying amounts of the assets (or all the assets and liabilities in the disposal groups) are measured in accordance with the applicable accounting policy. Assets held for sale and disposal groups are subsequently measured at the lower of their carrying amount and fair value less cost to sell. Assets held for sale are no longer amortized or depreciated.

As of June 30, 2026, assets held for sale and liabilities directly associated with assets held for sale are mainly composed of the following disposal groups:
– Nestlé Waters & Premium Beverages (NW&PB), which is disclosed separately as an operating segment. NW&PB has been classified as held for sale as a result of the strategy of building a winning portfolio with the decision to pursue the development of the business under a partnership structure. The Group is expecting to lose control of this business in the first half of 2027.
– Mainstream and value brands in Vitamins, Minerals and Supplements (VMS) business, which is part of the three Zones operating segments (predominantly in Zone AMS) and was formerly part of the Nestlé Health Science Cash Generating Unit (CGU), a larger CGU than the disposal group, before its classification as held for sale. This business has been classified as held for sale as a result of the strategy of building a winning portfolio. The Group is expecting to lose control of this business by the first half of 2027. Upon classification as held for sale, a write-down of the disposal group of CHF 1.3 billion has been recognized in other operating expenses under loss on disposal (see Note 5.2) of businesses to arrive at the estimated fair value. The write-down has been allocated first to goodwill and then pro rata to other non-current assets on the basis of the carrying amount of each asset of the disposal group. The estimated fair value is based on information, gathered through the sale process, available at the time of the establishment of the Condensed Interim Financial Statements (categorized as Level 3 in accordance with IFRS 13).
– Some non-significant disposal groups, including assets related to the remaining ice cream business to be sold to the joint venture Froneri.

As of June 30, 2026, assets held for sale and liabilities directly associated with assets held for sale amounted to CHF 5451 million and CHF 1700 million, respectively. The assets are composed of CHF 1712 million of property, plant and equipment, CHF 1901 million of intangible assets and goodwill, CHF 1638 million of trade and other receivables and inventory, and CHF 200 million of other assets.

The related cumulative loss historically recognized in other comprehensive income (mainly cumulative currency translation reserve) has been estimated at about CHF 1.3 billion loss for NW&PB and an insignificant amount for the mainstream and value brands in VMS business. It will be recognized in the income statement at the date the control is lost.

As of December 31, 2025, there were no significant assets held for sale.

2.3 Acquisitions of non-controlling interests

During the first six months of 2026, there was no significant transaction with non-controlling interests.

During the first six months of 2025, the Group increased its ownership interests in certain subsidiaries, primarily in Hsu Fu Chi (full acquisition of the non-controlling interests) and Orgain (partial acquisition of the non-controlling interests), leading to a decrease of non-controlling interests amounting to CHF 451 million. The total consideration to non-controlling interests was in the form of cash of CHF 1194 million. Part of the consideration was recorded as a liability in previous years for CHF 686 million. The equity attributable to shareholders of the parent was negatively impacted by CHF 57 million.

3. Analyses by segment

3.1 Operating segments

Revenue and results

In millions of CHF	Sales (a)	Underlying trading operating profit (b)	Trading operating profit	Net other trading income/(expenses) (c)	of which impairment of property, plant and equipment	of which restructuring costs	Depreciation and amortization
January–June 2026							
Zone AMS	18 646	3 606	3 282	(324)	(118)	(105)	(717)
Zone AOA	10 366	2 219	2 150	(69)	(3)	(46)	(296)
Zone EUR	9 044	1 484	1 231	(253)	(3)	(230)	(423)
Nespresso	3 147	651	539	(112)	—	(68)	(139)
NW&PB	1 781	168	137	(31)	(20)	(7)	(66)
Other businesses (d)	125	16	14	(2)	—	—	(6)
Unallocated items (e)	—	(1 063)	(1 106)	(43)	—	(13)	(119)
Total	**43 109**	**7 081**	**6 247**	**(834)**	**(144)**	**(469)**	**(1 766)**

In millions of CHF	Sales (a)	Underlying trading operating profit (b)	Trading operating profit	Net other trading income/(expenses) (c)	of which impairment of property, plant and equipment	of which restructuring costs	Depreciation and amortization
January–June 2025 *							
Zone AMS	19 220	3 771	3 617	(154)	(9)	(16)	(741)
Zone AOA	10 774	2 300	2 211	(89)	(29)	(21)	(308)
Zone EUR	9 094	1 598	1 550	(48)	(20)	(48)	(409)
Nespresso	3 172	695	669	(26)	(13)	(7)	(141)
NW&PB	1 821	170	132	(38)	(10)	(5)	(78)
Other businesses (d)	147	(8)	(10)	(2)	(1)	—	(18)
Unallocated items (e)	—	(1 239)	(1 284)	(45)	(1)	(4)	(104)
Total	**44 228**	**7 287**	**6 885**	**(402)**	**(83)**	**(101)**	**(1 799)**

* 2025 figures restated following the integration of the Nestlé Health Science Globally Managed Business (GMB) into the Nutrition business of the three geographic Zones, as of January 1, 2026.

(a) Inter-segment sales are not significant.
(b) Trading operating profit before Net other trading income/(expenses).
(c) Included in Trading operating profit.
(d) Composed of businesses not under the direct control of the Zones or GMBs and Group procurement activities.
(e) Mainly corporate expenses as well as research and development costs.

Other information

In millions of CHF	January–June 2026		January–June 2025 *	
	Impairment of non-commercialized intangible assets (c)	Impairment of intangible assets (d)	Impairment of non-commercialized intangible assets (c)	Impairment of intangible assets (d)
Zone AMS	—	(13)	—	(1)
Zone AOA	—	—	—	—
Zone EUR	—	—	—	—
Nespresso	—	—	—	(4)
NW&PB	—	(6)	—	—
Other businesses (a)	—	—	—	—
Unallocated items (b)	(1)	(17)	—	—
Total	**(1)**	**(36)**	**—**	**(5)**

* 2025 figures restated following the integration of the Nestlé Health Science Globally Managed Business (GMB) into the Nutrition business of the three geographic Zones, as of January 1, 2026.

(a) Composed of businesses not under the direct control of the Zones or GMBs and Group procurement activities.
(b) Mainly corporate and research and development assets.
(c) Included in Operating profit.
(d) Included in Trading operating profit.

3.2 Products
Revenue and results

In millions of CHF	Sales	Underlying trading operating profit (a)	Trading operating profit	Net other trading income/(expenses) (b)	of which impairment of property, plant and equipment	of which restructuring costs
						January–June 2026
Coffee	12 126	2 304	2 059	(245)	(4)	(178)
Petcare	8 933	1 943	1 820	(123)	(47)	(67)
Nutrition	8 339	1 651	1 512	(139)	1	(64)
Food & Snacks	11 930	2 077	1 825	(252)	(74)	(140)
Waters & Premium Beverages	1 781	169	137	(32)	(20)	(7)
Unallocated items (c)	—	(1 063)	(1 106)	(43)	—	(13)
Total	**43 109**	**7 081**	**6 247**	**(834)**	**(144)**	**(469)**

In millions of CHF	Sales	Underlying trading operating profit (a)	Trading operating profit	Net other trading income/(expenses) (b)	of which impairment of property, plant and equipment	of which restructuring costs
						January–June 2025 *
Coffee	12 016	2 403	2 325	(78)	(25)	(30)
Petcare	9 229	2 037	1 981	(56)	(14)	(1)
Nutrition	9 082	1 877	1 804	(73)	(13)	(12)
Food & Snacks	12 077	2 039	1 928	(111)	(20)	(49)
Waters & Premium Beverages	1 824	170	131	(39)	(10)	(5)
Unallocated items (c)	—	(1 239)	(1 284)	(45)	(1)	(4)
Total	**44 228**	**7 287**	**6 885**	**(402)**	**(83)**	**(101)**

* 2025 figures restated following the decision to analyze the products under four categories: Coffee, Petcare, Nutrition and Food & Snacks, as of January 1, 2026, with Waters & Premium Beverages disclosed separately.

(a) Trading operating profit before Net other trading income/(expenses).
(b) Included in Trading operating profit.
(c) Mainly corporate expenses as well as research and development costs.

Other information

In millions of CHF	January–June 2026		January–June 2025 *	
	Impairment of non-commercialized intangible assets (b)	Impairment of intangible assets (c)	Impairment of non-commercialized intangible assets (b)	Impairment of intangible assets (c)
Coffee	—	—	—	(4)
Petcare	—	—	—	—
Nutrition	—	(13)	—	—
Food & Snacks	—	—	—	(1)
Waters & Premium Beverages	—	(6)	—	—
Unallocated items (a)	(1)	(17)	—	—
Total	**(1)**	**(36)**	**—**	**(5)**

* 2025 figures restated following the decision to analyze the products under four categories: Coffee, Petcare, Nutrition and Food & Snacks, as of January 1, 2026, with Waters & Premium Beverages disclosed separately.

(a) Mainly corporate and research and development assets.
(b) Included in Operating profit.
(c) Included in Trading operating profit.

3.3 Sales by geographic area (country and type of market)

In millions of CHF	January–June 2026	January–June 2025
AMS	**20 559**	**21 131**
United States	13 113	14 110
Brazil	2 154	2 017
Mexico	1 932	1 714
Other markets of geographic area	3 360	3 290
AOA	**11 707**	**12 134**
Greater China	2 249	2 470
Philippines	1 212	1 343
India	1 063	1 019
Other markets of geographic area	7 183	7 302
EUR	**10 843**	**10 963**
United Kingdom	1 641	1 701
France	1 625	1 659
Germany	864	951
Other markets of geographic area	6 713	6 652
of which Switzerland	485	498
Total sales	**43 109**	**44 228**
of which developed markets	24 846	26 047
of which emerging markets	18 263	18 181

3.4 Reconciliation from Underlying trading operating profit to Profit before taxes, associates and joint ventures

In millions of CHF	January–June 2026	January–June 2025
Underlying trading operating profit [(a)] **as per Note 3.1**	**7 081**	**7 287**
Net other trading income/(expenses) as per Note 5.1	(834)	(402)
Trading operating profit as per Note 3.1	**6 247**	**6 885**
Impairment of non-commercialized intangible assets	(1)	—
Net other operating income/(expenses) excluding impairment of non-commercialized intangible assets	(1 227)	(61)
Operating profit	**5 019**	**6 824**
Net financial income/(expense)	(688)	(759)
Profit before taxes, associates and joint ventures	**4 331**	**6 065**

(a) Trading operating profit before Net other trading income/(expenses).

4. Seasonality

The business of the Group is not highly cyclical. Seasonal evolutions in some countries or product groups are generally compensated within the Group.

5. Net other trading and operating income/(expenses)

5.1 Net other trading income/(expenses)

In millions of CHF	January–June 2026	January–June 2025
Other trading income	**16**	**73**
Restructuring costs	(469)	(101)
Impairment of property, plant and equipment and intangible assets	(180)	(88)
Litigations and onerous contracts	(108)	(209)
Miscellaneous trading expenses	(93)	(77)
Other trading expenses	**(850)**	**(475)**
Total net other trading income/(expenses)	**(834)**	**(402)**

5.2 Net other operating income/(expenses)

In millions of CHF	January–June 2026	January–June 2025
Profit on disposal of businesses	106	38
Miscellaneous operating income [a]	186	145
Other operating income	**292**	**183**
Loss on disposal of businesses and write-down of assets held for sale [b]	(1 356)	(27)
Impairment of non-commercialized intangible assets	(1)	—
Miscellaneous operating expenses	(163)	(217)
Other operating expenses	**(1 520)**	**(244)**
Total net other operating income/(expenses)	**(1 228)**	**(61)**

(a) Including CHF 50 million (2025: CHF 74 million) of hyperinflation adjustments.
(b) In 2026, mainly composed of the write-down of assets held for sale of CHF 1.3 billion at initial classification, see Note 2.2.

6. Income from associates and joint ventures

This item mainly includes our share of the estimated results of our joint ventures, L'Oréal and other associates.

7. Cash flow before changes in operating assets and liabilities

In millions of CHF	January–June 2026	January–June 2025
Profit for the period	**3 596**	**5 167**
Income from associates and joint ventures	(507)	(704)
Taxes	1 242	1 602
Financial income	(174)	(170)
Financial expense	862	929
Operating profit	**5 019**	**6 824**
Depreciation of property, plant and equipment	1 584	1 606
Impairment of property, plant and equipment	144	83
Amortization of intangible assets	182	193
Impairment of intangible assets	37	5
Net result on disposal of businesses and write-down of assets held for sale	1 250	(11)
Net result on disposal of assets	11	(27)
Non-cash items in financial assets and liabilities	(57)	121
Equity compensation plans	70	66
Hyperinflation adjustments	(50)	(74)
Non-cash items of income and expense	**3 171**	**1 962**
Cash flow before changes in operating assets and liabilities	**8 190**	**8 786**

8. Equity

8.1 Share capital

The most recent share buyback program of CHF 20 billion started on January 3, 2022, and was completed on December 23, 2024. The share capital changed in 2025 as a consequence of this share buyback program. The cancellations of shares were approved at the Annual General Meeting on April 16, 2025, and the share capital reduced by 43 480 000 shares from CHF 262 million to CHF 258 million.

At June 30, 2026, the share capital of Nestlé S.A. is composed of 2 576 520 000 registered shares with a nominal value of CHF 0.10 each.

8.2 Dividend

The dividend related to 2025 was paid on April 22, 2026, in accordance with the decision taken at the Annual General Meeting on April 16, 2025. Shareholders approved the proposed dividend of CHF 3.10 per share, resulting in a total dividend of CHF 7976 million.

9. Fair value of financial instruments

9.1 Fair value hierarchy

In millions of CHF	June 30, 2026	December 31, 2025
Derivative assets	187	29
Bonds and debt funds	1 951	838
Equity and equity funds	156	169
Other financial assets	33	33
Derivative liabilities	(47)	(114)
Prices quoted in active markets (Level 1)	**2 280**	**955**
Derivative assets	752	484
Bonds and debt funds	467	441
Equity and equity funds	750	951
Other financial assets	525	501
Derivative liabilities	(308)	(232)
Valuation techniques based on observable market data (Level 2)	**2 186**	**2 145**
Equity and equity funds	535	191
Other financial assets	52	64
Valuation techniques based on unobservable input (Level 3)	**587**	**255**
Total financial instruments at fair value	**5 053**	**3 355**

The fair values categorized in level 2 above were determined as follows:
- Derivatives are valued based on discounted contractual cash flows using risk-adjusted discount rates and relying on observable market data for interest rates and foreign exchange rates; and
- The other level 2 investments are based on a valuation model derived from the most recently published observable financial prices for similar assets in active markets.

The fair values categorized in level 3 above were measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

During the interim period, the Group transferred financial assets with a carrying amount of CHF 294 million from Level 2 to Level 3. The transfers primarily relate to equity instruments due to changes in the observability of significant valuation inputs used in determining their fair value. The Group assesses transfers between levels of the fair value hierarchy at each semi-annual reporting date. No other significant transfers between levels of the fair value hierarchy occurred during the 2026 and 2025 interim periods.

9.2 Carrying amount and fair value

As at June 30, 2026, the carrying amount of bonds issued is CHF 47.0 billion (December 31, 2025: CHF 49.0 billion), compared to a fair value of CHF 45.1 billion (December 31, 2025: CHF 47.3 billion). This fair value is categorized as level 2, measured on the basis of quoted prices in markets that are not considered active.

For all other financial assets and liabilities, the carrying amount is a reasonable approximation of the fair value.

10. Bonds

In millions of CHF							January–June 2026
Issuer		Face value in millions	Coupon	Effective interest rates	Year of issue/ maturity	Comments	Amount
New issues							
Nestlé Capital Corporation, USA	USD	750	4.20%	4.28%	2026–2031		588
	USD	500	4.50%	4.58%	2026–2033		391
	USD	750	4.80%	4.87%	2026–2036		587
Total new issues							**1 566**
Repayments							
Nestlé Finance International Ltd., Luxembourg	EUR	1 000	1.13%	1.27%	2020–2026		(918)
	EUR	1 250	0.00%	0.00%	2021–2026		(1 147)
Nestlé Holdings, Inc., USA	USD	750	0.63%	0.77%	2020–2026		(590)
	USD	1 000	5.25%	5.32%	2023–2026		(787)
	USD	266	1.00%	1.06%	2020–2027	(a)	(209)
	USD	132	1.15%	1.22%	2021–2027	(a)	(104)
Total repayments							**(3 755)**

(a) 144A bonds partially repurchased before their maturity on March 18, 2026.

11. Contingencies

With food safety as a primary goal, operating practices at some of Nestlé's natural mineral water production sites may not be in line with the applicable regulatory framework. The Group continues to engage with the relevant authorities to ensure that its operating practices are fully compliant. The Group has not identified material liabilities as at the balance sheet date related to these practices. In this context, no material provisions were recognized nor were material contingent liabilities identified, as it is not possible to quantify any potential future liabilities related to these events.

12. Events after the balance sheet date

On July 22, 2026, the Board of Directors approved a plan to create a joint venture with Platinum Equity for its Nestlé Waters & Premium Beverages business, a disposal group classified as held for sale (see Note 2.2).

At July 22, 2026, the date of approval for issue of the Condensed Interim Financial Statements by the Board of Directors, the Group has no other material subsequent events which either warrant a modification of the value of its assets and liabilities or any additional disclosure.

Principal exchange rates

CHF per		June 2026	December 2025	June 2025	January–June 2026	January–June 2025
				Ending rates		Average rates
1 US Dollar	USD	0.809	0.793	0.798	0.787	0.863
1 Euro	EUR	0.922	0.931	0.937	0.918	0.942
100 Chinese Yuan Renminbi	CNY	11.914	11.344	11.141	11.460	11.895
100 Brazilian Reais	BRL	15.637	14.415	14.573	15.274	14.980
100 Mexican Pesos	MXN	4.628	4.407	4.244	4.503	4.318
1 Pound Sterling	GBP	1.071	1.068	1.095	1.058	1.118
100 Philippine Pesos	PHP	1.319	1.346	1.417	1.311	1.510
100 Indian Rupee	INR	0.854	0.882	0.933	0.845	1.002

Shareholder information

Stock exchange listing
At June 30, 2026, Nestlé S.A. shares are listed on the SIX Swiss Exchange, Zurich (ISIN code: CH0038863350).
American Depositary Receipts (ISIN code: US6410694060) representing Nestlé S.A. shares are offered in the USA by Citibank, N.A., New York.

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The *Half-Year Report* is available online as a PDF in English, French and German.

www.nestle.com

October 22, 2026
2026 nine-months sales figures

February 18, 2027
2026 full-year results

The *Half-Year Report* contains forward-looking statements which reflect Management's current views and estimates. The forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward-looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, tariffs, commodities prices, competitive product and pricing pressures, and regulatory developments.

This *Half-Year Report* is published in English, German and French. The English version is binding for the content.

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