

NESTLÉ S.A.

**2026 THIRD-QUARTER AND NINE-MONTH RESULTS
PREPARED REMARKS TRANSCRIPT**

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David Hancock, Head of Investor Relations, Nestlé S.A.

Good morning, and welcome to Nestlé's third-quarter and nine-month 2026 results. I am David Hancock, Head of Investor Relations and I am joined today by Phillipp Navratil, CEO and Anna Manz, CFO.

Before we get started, please take a moment to review the disclaimer on slide 2. Let me quickly take you through our agenda. Phillipp will start with some highlights of our progress made in the quarter, before Anna reviews the numbers in more detail. We will then open up the lines for Q&A. With that, I'll hand over to Philipp.

Philipp Navratil, Chief Executive Officer, Nestlé S.A.

Thank you, David. Good morning, everyone, and thank you for joining us. Let me start with the key messages.

We delivered a strong quarter of growth. Organic growth was 4.0%, with RIG of 2.8% and pricing of 1.1%. We are on track towards our mid-term ambition.

Organic growth was positive across all Zones and globally managed businesses. And it was positive across all categories.

Emerging markets continued to grow strongly, while we saw improving momentum in developed markets. On strategy, we keep executing. We are prioritizing incremental investment behind our growth platforms, which again delivered high single digit growth, and the performance in the core is improving further. In September, we reached an agreement to sell our mainstream VMS business, following the partnership for Waters we announced in July. As we already announced, our operations in Russia have been placed under temporary external management. Anna will pick this up in more detail. Last but not least, we are maintaining our full-year guidance.

It is now a year since I first stood before you as CEO of Nestlé. We have made good progress in the last 4 quarters. That has come from focus: setting clear priorities and embedding them in the organization. We are starting to see improvement — in the way the organization is changing and in our financial results. This gives me confidence that we are on the right path.

I am pleased with our progress. But I am not satisfied. There is much more for us to do to deliver the potential of the business. We need to continue this journey, execute relentlessly, and deliver consistently.

Before sharing some examples of our progress driving growth, let me briefly return to our growth model. We target sustained organic growth of 4% plus, led by RIG of at least 2%.

We are combining growth platforms that compound over time at a higher rate with improving performance in the core. Our growth platforms receive incremental investment, funded through efficiencies. This puts more resources behind the opportunities with the greatest potential to drive growth. Let me share some examples of what this looks like in practice.

This slide shows four of our growth platforms, with one example from each of our categories.

Each is different but the approach is consistent. Structural growth opportunities, differentiated consumer proposition, a science or technology advantage, strong brands and execution models that can travel across markets. Let me go into more detail on two of them.

First, emerging-market Petcare. This is a significant opportunity. Pet population growth in emerging markets is far outpacing developed markets, growing mid- to high- single digits annually since pre-pandemic. Consumers increasingly want higher-quality nutrition, driving increased calorific coverage and premiumization. We are perfectly positioned to capture this opportunity.

From our leading Petcare business in developed markets, we already know that our propositions work— we have the product expertise and the brands. Our focus is therefore on investing behind awareness, and building the category.

And across the emerging markets, Nestlé has an unparalleled distribution footprint. We are leveraging this to bring our exciting pet food propositions to more consumers in Asia and Latin America.

All this is already starting to pay off, with around 10% organic growth in emerging markets Petcare so far this year, doubling from a year ago.

Turning next to Noodles. On the last slide, we talked about taking Petcare know-how from developed to emerging markets. With noodles, it's a bit the other way around. We have a well-established base in Zone AOA, especially India, Malaysia and Singapore. And we have lots of headroom to grow here – driving further category penetration and market share. We are also excited about opportunities beyond Asia. We have ambitious expansion plans in Europe and the Americas, built on clear consumer insights. Noodles is an attractive category, as consumers increasingly move between traditional meals and smaller, convenient eating occasions.

At the same time, consumers — particularly younger consumers — are looking to World Cuisine for bolder flavors and more exciting meal experiences. Noodles are growing at around twice the rate of Food, and World Cuisine is growing twice as fast again.

We are capturing this opportunity through Korean and Ramen ranges – taking us from convenient everyday meals to bolder, more adventurous taste experiences. This innovation is supported by culturally relevant partnerships and digital activation across channels.

These propositions are already being rolled out across more than 25 markets covering all three Zones.

This is our growth platform approach in action. It's simple and repeatable. Structural opportunities with differentiated consumer propositions, putting additional resources behind them to scale fast and deep across markets.

This focus on simple, repeatable execution discipline also applies in our core which brings me to Milo. Milo is a billionaire brand with deep roots across Asia, Oceania and Africa. But heritage alone does not deliver growth. Two years ago, Milo was one of our underperformers. So we went back to the fundamentals: Product superiority, value, visibility and communication.

Product superiority starts with taste. And for Milo, this wasn't good enough. So we worked systematically across Milo's products to get back to winning taste preference.

We also made Milo's nutritional proposition more tangible, and relevant in each local market. It is based on a "Triple Advantage": growth from milk protein and calcium, focus from iron and zinc, vitality from B-vitamins.

We also developed product innovations and extensions for specific nutritional and consumption needs. For example, Milo Pro ready-to-drink gives older teens permission to keep enjoying a taste they love when they outgrow the drink of their childhood.

Second, value. Cocoa inflation placed significant pressure on costs. We protected the key price points and funded this through efficiencies.

Third, visibility. We expanded distribution so that Milo is consistently visible and available wherever consumers shop.

Fourth, communication. Across Nestlé, we are focusing our brand investments - fewer campaigns, bigger impact. This is what we are doing at Milo.

Milo's proposition has always been about encouraging a more active lifestyle through sport and physical activity. The Milo Marathon has been held in the Philippines since 1974.

And we are building on that positioning. From January, Milo will be part of a three-year partnership with the NBA across 21 countries. The ambition is to help an additional 2.5 million young people become more active over three years.

Our approach is working. From being an underperformer, Milo is back to delivering double-digit growth and gaining market share, with increasing household penetration and growing servings.

It takes time, but it shows we can turn a core brand into a growth story. Milo is one example, and we have many more opportunities across Nestlé.

With that, let me hand over to Anna, who will take you through the numbers in more detail.

Anna Manz, Chief Financial Officer, Nestlé S.A.

Thanks Philipp and good morning.

We delivered 4% organic sales growth in Q3, with RIG of 2.8% and pricing of 1.1%. Reported sales grew 5.2%. And for the first time since I joined Nestlé, I am able to say that our sales growth benefited from a positive FX impact in the quarter. Assuming current spot rates, the currency headwind for the full year is now around 2%.

Looking at our performance in a bit more detail. We delivered another good quarter of RIG-led growth. And within RIG, the majority is coming from volume rather than mix, meaning that consumers are eating and drinking our products more.

With now 5 quarters of better OG and RIG, we are building good growth momentum. As Philipp said, this comes from putting incremental investment against our biggest opportunities, and improving execution. Progress is never linear and Q3 RIG was particularly strong, but we are confident that we are moving towards our guidance sustainably in the medium term.

Before I focus on RIG, a few comments on pricing. Pricing has been moderating through 2026 and that's mainly due to input cost dynamics. Last year we took significant pricing in coffee and confectionery due to rising input costs. This year we have been lapping those increases, with limited further price increases, as coffee and cocoa prices fell.

Looking forward, there is now again some upward pressure again on input costs. And through this volatility, our approach won't change: We'll take pricing to the extent we can without damaging medium term consumer penetration. As you've seen over the last 18 months, when we take price there can be a short term RIG reaction as consumers adjust but it comes back quickly where the consumer proposition is strong.

Smart Price Pack Architecture and innovation is how we build those strong consumer propositions. And of course we will continue driving cost savings within our own business. And this is why we are confident we can continue to deliver RIG led-growth and pricing.

Now let's get into RIG. Across our Zones, the improvement in RIG was broad-based. We saw positive volume growth in every Zone. This reflects both the strength of our execution and the resolution of the temporary impactors we saw in Q2. I'll talk more about the improving performance of Coffee and Petcare in the US on the next slide.

In Europe, the delisting issue we had towards the end of Q2 was resolved during Q3, although the environment remains competitive. And in Nutrition, recovery from the infant formula recall continues to progress, particularly in AOA. The strong RIG in the quarter reflects our underlying business performance.

Turning to North America. We delivered good improvement in the quarter, with OG accelerating to 2.6% and RIG recovered from negative in Q2, to 1.8% in Q3. Progress was driven by 3 categories.

In Coffee, we took significant price increases in Starbucks and Nescafé earlier in the year, impacting RIG in Q2. Momentum has been recovering progressively through Q3 and growth also benefited from a modest improvement in Coffee mate.

In PetCare, the category continues to strengthen, particularly in wet cat. We have had some lumpiness in organic growth in recent quarters, but in Q3, sell-in was in-line with sell-out. Looking forward to Q4, keep in mind that we are lapping a tough comp.

Food & Snacks delivered strong growth, with an improvement in Confectionery and in Frozen. Our actions are driving share gains in both categories, and we also had some benefit from the timing of customer orders. So, progress across 3 of our 4 categories.

The fourth is Nutrition, where in Q3 we underperformed our potential. Medical nutrition is performing well, accelerating for the sixth consecutive quarter. Gerber is soft, but stabilizing. And in Adult, growth is uneven, partly impacted by the phasing of innovation and we've got work to do on the consistency of execution.

Stepping back, at the edge, the US consumer is increasingly challenged, but our results show that our execution is improving and we are delivering performance despite a tough market.

Next, emerging markets, which continued to drive growth. One of the things that make Nestlé special is the breadth and scale of our EM footprint across Latin America, Asia, and Africa. We have 10 markets with annualized sales of at least 1 billion Swiss francs, and we are seeing good growth across our entire footprint.

Turning to the Zones, I'll be brief as we've already covered a lot of the moving parts. Within AMS, I've talked about North America. Latin America delivered another strong quarter, broad based across markets and categories.

Momentum in AOA continued. India delivered 20% OG, and we had double digit growth in Middle East & North Africa, Japan, Malaysia and Singapore.

In Greater China, the headline growth reflects underlying progress and also the base effect of inventory adjustments last year. The market environment remains challenging.

And in Europe, growth has been moderating this year, largely driven by tougher comps. With consumer caution and pricing pressure across the zone, we are focused on providing attractive value propositions to our consumers through innovation. And this is driving improved market share.

Turning to the globally managed businesses. Nespresso delivered solid performance against a strong prior year comp. Growth has moderated as we lap last year's pricing, along with some market softness in the US, where we continue to gain share. Encouragingly, capsule volumes are positive, as we drive recruitment and consumption.

Finally, Nestlé Waters. Waters delivered exceptional RIG led growth in the quarter, across all of our markets. Performance benefited from a hot summer in Europe and continued strong demand for our international brands.

Moving to our categories. Coffee continues to perform well, with the slowing growth rate largely a function of the prior year comps. Nescafé continues to drive RIG pretty much everywhere, as we provide the right product experience and price point for every need in every market.

To give you an example, in Mexico our offering spans from the entry-level Nescafé Classico, through Tasters Choice, up to Nescafé Reserva. That coupled with our actions on price pack architecture, means we are relevant to all consumers, whatever their budget, allowing us to gain share.

I've already talked about Petcare in North America, but the category strength is really a global story. OG and RIG were mid-single digit or better in Europe, LATAM, and AOA, as well as North America.

The Nutrition story for the group is also similar to what I described for North America: Medical strong, Infant improving, and Kids & All family and Adult uneven. We view Nutrition as one of our biggest areas of opportunity. The integration of Nestlé Nutrition and Nestlé Health Science clarifies our brands and strengthens our global leadership positions. We now need to step up execution.

Finally, Food & Snacks delivered strong growth. This was primarily driven by our largest brands, including Maggi, KitKat, and Milo.

Turning to Russia. Following the presidential decree issued in September, our business in Russia has been placed under temporary external management. As a result, we will stop

consolidating it into our financials effective end of September. There is no impact to OG, RIG and pricing, as Russia has been excluded from organic growth since 2022. But the deconsolidation does impact reported Sales, UTOP and free cash flow, starting in Q4 this year.

In addition, the net assets of the business have also been derecognized. In total, this is expected to negatively impact group net debt by approximately 900 million Swiss francs for the full year 2026. The situation remains fluid, and we will continue to provide updates as appropriate.

Turning to 2026 guidance. We continue to expect: Organic growth in the range of 3 to 4 percent, with RIG accelerating versus 2025. And UTOP margin improving versus last year.

Our underlying UTOP margin expectations are unchanged from July. The deconsolidation of Russia will have a limited impact on the full year, so we still expect second half margin to be broadly similar to the first. This margin guidance excludes any tariff refund benefits in the second half.

And finally, no change on free cash flow, which we expect to be above 9bn for the full year.

So to conclude, we are strengthening how we work: prioritizing our investment and getting more consistent on execution. The strong Q3 results are evidence of our progress, and with much more still to do. And with that, I hand over to David to start the Q&A.

END OF TRANSCRIPT