



Nomad Foods

First Quarter 2026 Earnings Q&A Session

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C O R P O R A T E P A R T I C I P A N T S

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Dominic Brisby, *Chief Executive Officer*

Ruben Baldew, *Chief Financial Officer*

C O N F E R E N C E C A L L P A R T I C I P A N T S

Scott Marks, *Jefferies*

John Baumgartner, *Mizuho Securities*

Jon Tanwanteng, *CJS Securities*

PRESENTATION

Operator

Ladies and gentlemen, greetings and welcome to the Nomad Foods First Quarter 2026 Earnings Q&A session.

At this time, all participants are in a listen-only mode. As a reminder, this conference is being recorded.

I would now like to turn the call over to your host, Jason English, Head of Investor Relations. Thank you. You may begin.

Jason English

Hello. Good morning folks and welcome to Nomad Foods First Quarter 2026 Earnings Question & Answer Session. We've posted the associated press release, prepared remarks, and Investor Presentation on Nomad Foods website at nomadfoods.com. I hope you've all had a chance to review them.

I'm Jason English, Head of Investor Relations and Corporate Strategy, and I'm joined by Dominic Brisby, our CEO, and Ruben Baldew, our CFO.

During this call, we will make forward-looking statements about performance that are based on our view of the Company's prospects, expectations, and intentions at this time. Actual results may differ due to risk and uncertainties, which are discussed in our press release, our filings with the SEC, and in our Investor Presentation, which includes cautionary language.

We will also discuss non-IFRS financial measures during this call today. These non-IFRS financial measures should not be considered a replacement for and should be read together with IFRS results. Users can find the IFRS to non-IFRS reconciliations within our earnings release and in the appendices at the end of the slide presentation available on our website.

Please note that certain financial information within this presentation represents adjusted figures. All adjusted figures have been adjusted primarily for, when applicable, share-based payment expenses and related employer payroll taxes, exceptional items, foreign currency, translation charges, gains, and hedging effectiveness. Unless otherwise noted, comments from here will refer to those adjusted numbers.

With that, Ryan, back to you. Let's open the line to questions.

Operator

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. If you would like to ask a question, please press star and one on your telephone keypad. A confirmation tone will indicate your line is in the question queue. You may press star and two if you'd like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset before pressing the star keys. Ladies and gentlemen, we will wait for a moment while we poll for questions.

Ladies and gentlemen, a reminder, if you wish to ask a question, please press star and one.

We take the first question from the line of Scott Marks from Jefferies. Please go ahead.

Scott Marks

Hey, good morning all. Thanks very much for taking our questions this morning.

I wanted to start just to ask about the quarter itself. It seems like some of the disruption tied to price negotiations came in a little bit better than feared. I know you called out some strong growth in markets outside of U.K., France, and Germany. Just wondering if you can help us understand to what you attribute the better performance and how should we be thinking about that level of potential disruption for Q2 and beyond.

Dominic Brisby

Good morning. Thank you. Thank you for the question. This is Dominic.

The quarter did come in slightly more better than we were expecting in terms of category growth. So, it came in at 3.8%, which was stronger than we'd expected. And as a result of that, our top line performance was slightly better than we'd been planning for and drove upside through the P&L.

Going forward, we continue to anchor to a category growth of roughly 2%, which is consistent with what we saw last year. We're encouraged by our strength year to date, but as I mentioned in the prepared remarks, some of that is likely due to various factors such as earlier Easter this year, some A&P phasing and so on. And of course, the broader economic and consumer backdrop remains pretty dynamic, so we don't believe now is the right time to start embedding more optimistic planning assumptions.

If you look in terms of what's been happening with retailers, we told you last quarter that we were planning for some disruptions as we implemented our price increases, given that this is a fairly normal occurrence in many European markets, and those planning assumptions that we made ended up being prudent as we did experience some disruptions, primarily in France and Germany and they weighed on both our sell-in and, more recently, our sell-out performance.

Now, a couple of retailers temporarily suspended orders for some of our products and cancelled some promotions, and this resulted in some out of stocks, which, when combined with low promotions, negatively impacted our market share in March, which also continued through April, weighing on shipments in that month. And you also see that in Nielsen, when the next batch of Nielsen data is released.

The good news is that those issues are now behind us and were anticipated already in our full-year guidance. We've now secured our plan pricing, our shelves are being restocked, and we have robust promotional plans in all our markets for the remainder of the year.

Scott Marks

Understood. Appreciate the context there. Maybe next one, you made a comment in your prepared remarks about previously operating with a more narrow portfolio focus, but now kind of removing some of those obstacles. I'm wondering if you can share a bit more context about this strategy and what exactly you mean by that.

Dominic Brisby

We'll be able to be much more expansive on precisely what that means and when, when we have our Analysts and Investor Day in the fall. But to give you a rough view of where our heading is thinking, previously Nomad had quite a strong focus on products, which in one way or another could be described as healthy and some of those worked very well. However, we consider our ability to be a real champion of frozen food and of course some frozen food is very healthy, but sometimes as part of a very good and very balanced diet, you may choose to have the occasional treat or the occasional product or brand that is less healthy. So we're going to give ourselves more flexibility in doing what is commercially successful rather than simply driving a health agenda. But we'll give you much more details of that later in the year.

Scott Marks

Understood. Then maybe if I could just squeeze in one more. Obviously, there's been a lot of volatility, especially around energy costs and inflationary pressures, like the Middle East conflict. Wondering if you can just help us understand how you see that impacting your business, whether for this year or beyond. Thanks.

Dominic Brisby

Yes, very, very happy to. You can imagine this is something we've been giving a lot of thought to and a lot of focus on.

Really, when we're looking at the situation in the Middle East, we're looking at it through three lenses. So firstly, supply chain disruptions. Secondly, impact on consumer demand. And thirdly, cost inflation. And if I may, I'll deal with those three topics in order.

So first of all, supply chain disruption. On that, we've seen no impact on our business. Our products are produced locally, and whilst our procurement is diverse geographically, none of it's been adversely affected by the Middle East situation at this point in time.

If you look at it from the lens of consumer demand, so we're watching the situation very closely, but we have not yet seen any evidence of consumer demand for our categories being impacted. In fact, as I said now, the growth has been rather greater than we were anticipating, in both volume and in value growth. So this isn't a large area of concern for us going forward. Our categories deliver strongly on value for money, which has historically, at least, made us relatively insulated from economic volatility versus some other food companies.

So as you can imagine, the focus and our focus is on the third point, which is cost inflation. And as you know very well, the cost of fuel, the cost of fertilizers, the cost of resins have all moved higher and the situation is very fluid. But as of today, our direct and indirect exposure to these costs is manageable, and we've got good coverage through most of 2026.

As a result, our overall COGS inflation rates for this year has ticked up by less than 1% and remains within our mid-single-digit outlook. However, we do expect to see that incremental inflation will start to roll through our P&L in the fourth quarter and into fiscal 2027 if current conditions carry on. However, as we're demonstrating this year, we have the ability to pull various price levers and various revenue growth management levers to manage commodity cost inflation.

We've also got a very robust productivity pipeline that will further generate substantial cost savings next year. So as a result, as we look at this point in time, although it's very fluid, we see it as an eminently manageable situation for Nomad.

Scott Marks

Understood. Appreciate the context. I'll pass it on.

Dominic Brisby

Thank you.

Operator

Thank you. We take the next question from the line of John Baumgartner from Mizuho Securities. Please go ahead.

John Baumgartner

Good morning. Thanks for the question. Maybe first off, thinking through the downside risks to 2026, I'm wondering if you can speak, maybe first off, to the expectations for the Adriatics here in Q2, Q3, given maybe some of the more local economic disruptions in that area. And then B thinking about the U.K. and Europe more broadly, I'm curious, Ruben, I think during past periods of economic dislocation, we've actually seen that benefit frozen food demand. And so I'm curious, with your pricing in place now where you're seeing price gaps, how are you thinking generally speaking about the competitive environment this year? Do you anticipate other branded competitors, private label to raise prices following you? Just broader thoughts on just consumer sensitive pricing here. Thank you.

Dominic Brisby

Hey, Ruben, do you want to do Adriatics and I'll do private label? Would that work?

Ruben Baldew

Yes, yes, sure. In Adriatics at this moment we're not seeing macroeconomical or geopolitical issues hampering our business. The execution and results are fully in line with our plan. So that's, I think, one important point.

The second point is also if you look at our full-year guidance. we expect the step up in H2 in terms of profitability to come. And one of the elements is also in H2, and especially in Quarter 3, we expect a positive margin mix because last year the summer was slightly disappointing. Now, we're not planning for an excellent summer, but all other things equal and normal we do expect then that Adriatics can deliver value for us in Quarter 3 thanks to an improved sell-out and sell-in of our out of home ice cream business.

Dominic Brisby

Then if we look at your points on private label, so of course, it's early days, and a lot of our price increases have only just hit shelves or are just beginning to hit shelves. So in certain markets we've begun to see private label move already. In others, we're still waiting to see, to see what happens. But we've embedded the risk of delays in our guidance. And the likelihood is actually, when you look at it in real depth, is that the private label players are experiencing as much as, if not more cost inflation than we are. For example, in fish, many private label producers source double frozen fish from China and the cost of that has risen far more than it has for other sources of fish. So we do tend to believe it's a question of when and not if they will raise prices. That's roughly how we're seeing things.

John Baumgartner

Okay. And then I'm curious, Dominic, as you dig deeper into the business, and I know you're making changes to marketing, and there's been some discussion as well about improving joint business plans and some of the point-of-sale engagement. I'm curious how retailers look at this category, frozen food right now. Because it feels like some of the retailers, they focus more on the fresh business.

When you think about frozen engagement, to what extent are you seeing the balance of benefits for you being multi-category exposure relative to certain categories that stand out where you can drill deeper? I guess, how are you thinking about those joint business plans with retailers from here?

Dominic Brisby

It's still fairly early days but in all the discussions that I've been having with retailers and that the team has been having with retailers, we're seeing a great thirst from them to work closer with us as the clear, undisputed leader in frozen food in Europe, to work with them how to grow the category. Not how to grow the category, how to grow the category more. I mean, 3.8% category growth in the quarter is pretty impressive in itself.

But one of the things that came across with Nomad historically was that the relations sometimes with retailers had been a little transactional, whereas what we really need to do is to work out with the retailers how to grow the business and how to grow the category with them.

Interestingly, you'll have seen we've made certain new appointments, and we've consciously chosen people who are very good at that and who have a clear record of doing that. For example, in the U.K., and of course, the U.K., as you know, it's by far our biggest individual market. So the person we put in as president of the U.K., who's reporting directly to me, someone called Simon Ball, has spent pretty much his whole life in food in the U.K., but on both the manufacturer's side and the retailer's side. So he has a much deeper understanding of how retailers think what they want and how they operate versus what many people in that position would have. So we're seeing great desire from retailers to work with us.

I think a certain sense of positivity that we're very keen to work with them and so the early indications are positive.

And it's worth saying, even without this, even without the full force of the Nomad muscle and the Nomad intellect which we're bringing in, the category is still growing by itself, so the retailers are pretty, pretty excited.

John Baumgartner

Great. Thanks, Dominic. Thanks, Ruben.

Dominic Brisby

Thank you.

Ruben Baldew

Thank you.

Operator

Thank you. Ladies and gentlemen, a reminder: if you wish to ask a question, please press star and one.

We take the next question from the line of Jon Tanwanteng from CJS Securities. Please go ahead.

Jon Tanwanteng

Hey, thank you for taking my questions, guys, and a nice job on the quarter.

I was wondering if you could talk about trends in Q2 so far, what you're seeing from a consumer's perspective. Then on top of that, when would you expect your sell-in to start to track the sell-out and how that progresses through the year? Thank you.

Ruben Baldew

Yes, so maybe let me answer that. Maybe just first macro, and it links to what Dominic just said on trends in the consumer, we see a category which is healthy. It's at 3.8% growth, also growth in volume plus 1.5% so that is strong. Clearly, as Dominic said, we're monitoring the situation in terms of potential uncertainty on inflation, on what is happening geopolitically, but at this moment we don't have any data suggesting that the consumer would trade down or would lead to a decrease in the category in itself. So that's one point.

Then if you zoom in a bit more specifically at our numbers, both sell-in and sell-out, as Dominic said, we have executed and implemented the price increase in line with our plan and in line with guidance. But as is normal in certain regions, we did see disruption and that disruption will flow into Quarter 2, specifically in the month of April.

Now, the good thing is we've now closed our negotiations. So from May, we now see the shipments fully back on, but that will weigh on the quarter for itself. That could be a couple of basis points, that's one. But minor overall, we see a bit of shipments in Easter, but it's not that big, could be 0.5%. So those are a bit the trend for us specifically.

And then the other big point, which we already said for the full year and also reflected in our guidance, we see generic inflation, and as Dominic said, specifically, for example, in fish, we see quite a bit of inflation. So it's not a matter if private label will follow, but when. However, what we've seen in the past, there's often a bit of a time lag.

Now, our products will now, with the price increase, the consumer prices will go up. That's clearly at the discretion of the retailer. We expect private label to follow, but there will be some time lag. And that elasticity impact will weigh in Quarter 2.

Jon Tanwanteng

Got it. I have a follow-up, if I could. I was wondering if you could talk maybe a little bit more about the risk in your supply chain from inflation and financial pressure. I understand that you secure a lot of your costs ahead of time, but I'm just wondering if you've thought about yields or material financial constraints and how those might flow through, and if there's a risk to your ability to secure supply, even if you have contracts in place.

Ruben Baldew

Yes. We've looked clearly in depth at our contracts and which contracts have the ability to reopen. I think in our business—and you have to understand a lot of our commodity spent is linked to agricultural, livestock, fish, which is much more linked to season than really linked to input costs, so we see a bit less of exposure there.

I think the big point where not only us, but more companies are looking at, okay, what could be the indirect impact of this? And that again, as Dominic said, is not a big impact for '26, but how could this flow into '27 with the cost of fertilizers, with the cost of petrol and fuel, with potential impact of labor inflation and how that will go into the cost price of our products into '27. We're monitoring that, but I think it's just too early and too fluid to give an element of numbers there.

We do expect it to be elevated versus what we're seeing in 2026.

Jon Tanwanteng

Understood. Thank you.

Operator

Thank you. Ladies and ...

Jason English

Ryan, we think we lost you. You still there?

Operator

Am I audible, sir?

Jason English

Yes. Now I can hear you. Yes.

Operator

All right. Ladies and gentlemen, if you wish to ask a question, please press star and one.

As there are no further questions from the participants, I now hand the conference over to Dominic Brisby for his closing comments.

Dominic Brisby

Thank you all for joining us today and your interest in Nomad Foods. I look forward to speaking with many of you in the days and weeks ahead, and then seeing many of you at our Analyst Day this fall. Thank you.

Operator

Thank you. Ladies and gentlemen, the conference of Nomad Foods has now concluded. Thank you for your participation. You may now disconnect your lines.