



Nomad Foods

First Quarter Conference Call Recorded Remarks

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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*

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

Jason English

Hello and welcome to the pre-recorded discussion of Nomad Foods First Quarter 2026 Earnings Results.

We have posted the accompanying press release and Investor presentation on Nomad Foods website at nomadfoods.com.

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.

In addition to these remarks, we'll host an analyst Q&A session today at 8:30 A.M. Eastern. A replay of this webcast and our subsequent Q&A session will be available on the Investor Relations section of our website. These prepared remarks will include forward-looking statements 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'll also discuss non-IFRS financial measures during the call today. These non-IFRS financial measures should not be considered a replacement for, it 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 or gains, and hedge ineffectiveness. Unless otherwise noted, comments from here will refer to those adjusted numbers.

With that, I'll hand it over to Dominic.

Dominic Brisby

Thank you Jason and hello everyone.

I'm happy to join you here today for my second quarterly earnings call as Nomad's new CEO. I'm eager to share what my team and I have accomplished since my start as CEO on January 1st, but first let's review the quarterly results.

First quarter results were slightly above our internal expectations, and we remain confident in our ability to deliver on the full year organic sales and Adjusted EBITDA guidance we provided last quarter. As we noted in this morning's press release, we now see a slightly higher range of adjusted EPS outcomes given our share repurchase activity in the quarter.

As previously discussed, two mechanical factors shaped first quarter results. First, some retailers built inventory in December ahead of our price increase, which created a headwind in early Q1. Second, we ended our historical practice of shipping ahead of consumption late in the quarter to better align sell-in with sell-out. Whilst this resulted in a sharp year-on-year decline in shipments at quarter end, we believe it is a healthier and more efficient operating model.

As a result of these dynamics, organic sales declined 5.3% in the quarter while retail sell-out was flat. We believe retail sell-out is the better indicator of underlying demand. Pricing benefit was limited in Q1 due to the timing of our price increases and when combined with ongoing cost inflation, this led to a lower gross

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margin compared to prior year and a 23% decline in our Adjusted EBITDA. While clearly not where we want to be, these results were modestly better than we initially expected and leave us runway to demonstrate the earning power or momentum of the business as we move forward.

As you can see on Slide 4, our overall category remains very strong at 3.8% this quarter. This is an acceleration from the 2% growth we saw last quarter, with a stronger growth driven by volume. An early Easter likely inflated March volumes, but category growth was tracking at 3% before March. Our category remains very healthy.

Turning to our performance, as you can see on Slide 5, we experienced a temporary market share setback this quarter, with our value share contracting by 60 basis points year-on-year and our volume share falling 20 basis points. This was the result of select retailers pausing orders and promotions to pressure price negotiations. Our initial guidance for the year had already contemplated the risk of disruption, so this has come as no surprise to us.

Cost inflation remains real and industry wide. We therefore maintained our resolve to secure pricing, consistent with our long-term track record. I'm happy to say that we've now successfully secured the price increases assumed in our plans and therefore believe this temporary and anticipated disruption is now behind us.

Our in-market performance has varied by market. We underperformed in Germany and France this quarter, due largely to price negotiation disruptions. While the UK remains soft, trends improved meaningfully versus last year. Elsewhere, we saw low single-digit growth in Italy, Austria, Portugal, Sweden and Switzerland, mid-single-digit growth in Serbia, high single-digit growth in Norway and mid-teens growth in Croatia.

I also want to highlight the strength of our cash generation. Adjusted free cash flow conversion increased year on year, reflecting our progress on cash discipline. This enabled us to repurchase €24 million worth of shares, fund our dividends, currently yielding approximately 7% on an annualized basis, and still end the quarter with €283 million of cash. The incremental share repurchase activity also enabled us to increase our EPS guidance for the year.

Beyond the numbers, we are moving decisively to strengthen the Company's foundation. During the quarter, I made significant changes to the leadership team and advanced key external hires. We announced two new Regional Presidents reporting directly to me, and earlier today, we announced our new Chief Marketing Officer. Later this summer, we intend to name a third Regional President. Once complete, half of my direct reports will be new to the organization, bringing fresh thinking and deep industry expertise.

We have also begun restructuring our marketing organization, which has become overly complex and inefficient. By the end of summer, the marketing organization will be approximately half its prior size, with greater accountability pushed into the local markets. This will reduce non-working A&P, and will allow us to reinvest more directly behind consumers and brands.

Collectively, these actions are about simplifying the business, accelerating decision-making, and reallocating resources towards growth. They are also contributing to our ongoing progress against the €200 million three-year cost efficiency goal that we announced last September. Over the past several months, we have conducted a deep assessment of our growth potential, and I'm increasingly excited by what we found. We see various opportunities across channels, countries, and segments for incremental growth.

Nomad Foods has a strong pan-European footprint, with a broad range of categories and capabilities. But in many of our markets, our portfolio has remained very narrow, given a strong focus on our core. There were similar constraints within our existing categories, where we held ourselves to exacting nutrition standards, even in categories like pizza, where consumers craved indulgence rather than health. We are removing some of these obstacles. It is liberating, and will unlock new avenues for growth as Nomad begins its next chapter in its second decade as a public company.

I'm eager to share all of this and more with you in detail at an Analyst and Investor Day in New York this fall. I believe you will find our plans and potential compelling, and I believe you will agree that this growth potential is not being appreciated by the market today. We intend to change the perception that our business is declining over the long term, and plan to create meaningful shareholder value by delivering improved results in the quarters and years ahead.

As a testament to my confidence, this past quarter I purchased 377,000 shares of Nomad Foods in the open market, while Ruben bought 72,000, adding to the open market purchase he made last September. This was in addition to the 500,000 shares that each of our Co-Founders purchased during the quarter. Also, as indicated earlier, we are implementing new incentive compensation plans. Our aim is to ensure that employees within our markets are rewarded for the results they can control, and at the executive level, we are incentivizing more share ownership to ensure alignment with shareholder interests and foster a culture of ownership. This has also allowed us to recruit top-tier talent.

I am eager to share more at our Analyst Day later this year, but for now, let me hand it to Ruben to take you through the quarterly results and outlook in more detail. Ruben?

Ruben Baldew

Thank you, Dominic, and good morning, everyone.

As Dominic mentioned, we delivered first quarter results that were modestly better than our expectations. As you can see on Slide 6 and 7, our organic revenue declined by 5.3%, lagging retail sell-out that was flat year-on-year in the quarter. The difference between sell-in and sell-out was due to the two dynamics that Dominic discussed.

First, an inventory destocking by some retailers in January. This followed the December buy-in ahead of our price increases. This impact was amplified by the price negotiation disruptions at a select few retailers.

Second, a realignment of order patterns at the end of the quarter. As we discussed in February, when we reported fiscal '25 results, this is the first quarter when we began to reduce end-of-quarter sales incentives to better align orders and shipments. This negatively impacted results this quarter, but is not expected to have a material impact on quarterly results going forward.

Moving down to P&L, our gross margin declined by 210 basis points this quarter, as we experienced only a partial benefit of a price increase while continuing to see meaningful cost pressure. We expect the cost pressure to continue, but both price and productivity are expected to have a more positive contribution to gross margin for the remainder of the year.

The combination of the organic sales decline, gross margin compression, and a modest A&P timing benefit as investment shifted from the first quarter to the second quarter led to an Adjusted EBITDA decline of 23% year-on-year. Adjusted EPS was €0.23, €0.12 lower than the prior year.

Turning to cashflow on Slide 8, our adjusted free cash flow conversion ratio was 36% for the quarter, a healthy increase from the 24% conversion ratio in the first quarter of '25. Some of that was driven by different phasing of our interest payments. However, we're also seeing underlying improvements on working capital coming through.

The improved conversion ratio allowed us to fund €21 million dividend payments, €24 million of share buybacks equating to 2.7 million shares, while building to €283 million of cash on our balance sheet. Our balance sheet and cashflow profile remain healthy, and as a reminder, we have no debt maturities until 2028. Last week we announced that our Board of Directors declared another cash dividend of \$0.17 per share payable on May 28, 2026, to shareholders.

Turning to our guidance for 2026 on Slide 9. We continue to expect to deliver organic sales and Adjusted EBITDA results inline with the initial guidance we issued last quarter. As a reminder, we expect full year organic revenue to decline by 2% to 5%, constant currency Adjusted EBITDA to decline by 5% to 10%. We have increased our adjusted EPS guidance range to €1.47 to €1.62, from €1.45 to €1.60 due to the incremental share repurchase activity completed in the quarter. At recent exchange rates, our revised adjusted EPS guidance range for the full year translates into \$1.72 to \$1.90.

Turning to adjusted free cash flow, we continue to expect a conversion ratio of 90% or greater for the full year. We expect organic sales and Adjusted EBITDA growth rates to be below our full year targets in the second quarter driven by the rephasing of A&P activities in quarter two, and some residual impact from the price negotiation disruptions early in the quarter. This remains consistent with the expectations we had coming into the year.

We look forward to delivering more robust results in the second half of the year, and I look forward to sharing our strategy plan and multi-year growth targets at our Analyst and Investor Day this fall. This remains a growth-advantaged business with great products, strong brands, and category tailwinds. We are excited to share our plans to harness this full potential and unlock meaningful value creation for our stakeholders.

Thank you for your time.