

INTERIM REPORT

NESTLÉ (MALAYSIA) BERHAD

(198301015532 (110925-W))

(Incorporated in Malaysia)

The Directors are pleased to present the following report for the period ended 30 September 2026 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2026

	3 months ended 30 September			9 months ended 30 September		
	2026 RM'000	2025 RM'000	%	2026 RM'000	2025 RM'000	%
Revenue - Sale of goods	**1,855,924**	**1,762,334**	**5.3%**	**5,549,415**	**5,198,989**	**6.7%**
Cost of sales	(1,222,761)	(1,242,456)		(3,722,898)	(3,635,478)	
Gross profit	**633,163**	**519,878**	**21.8%**	**1,826,517**	**1,563,511**	**16.8%**
Operating expenses	(360,155)	(327,158)		(1,052,752)	(976,603)	
Operating profit	**273,008**	**192,720**	**41.7%**	**773,765**	**586,908**	**31.8%**
Finance costs	(9,886)	(14,430)		(33,379)	(46,839)	
Finance income	63	76		187	145	
Share of (loss)/profit of an equity-accounted associate, net of tax	(66)	46		145	(201)	
Profit before tax	**263,119**	**178,412**	**47.5%**	**740,718**	**540,013**	**37.2%**
Income tax expense	(65,609)	(64,368)		(183,075)	(152,516)	
Profit after tax	**197,510**	**114,044**	**73.2%**	**557,643**	**387,497**	**43.9%**
Minority interests	-	-		-	-	
Profit after tax and minority interest	**197,510**	**114,044**	**73.2%**	**557,643**	**387,497**	**43.9%**
Profit for the period	**197,510**	**114,044**	**73.2%**	**557,643**	**387,497**	**43.9%**
Other comprehensive income/(expenses), net of tax						
Item that may be reclassified to profit or loss in subsequent periods						
Cash flow hedge	2,405	993		2,009	(3,173)	
Total other comprehensive income/(expenses) for the period, net of tax	2,405	993		2,009	(3,173)	
Total comprehensive income for the period	**199,915**	**115,037**	**73.8%**	**559,652**	**384,324**	**45.6%**
Basic earnings per share (sen)	84.23	48.63		237.80	165.24	
Proposed/Declared dividend per share-net (sen)	80.00	60.00		160.00	130.00	

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
Net assets per share attributable to owners of the parent (RM)	3.15	2.46

This financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2025.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2026

	As at 30.09.2026 RM'000	As at 31.12.2025 RM'000
Assets		
Property, plant and equipment	1,665,617	1,745,624
Right-of-use assets	193,545	220,917
Intangible assets	234,360	234,360
Investment in an associate	5,440	5,295
Deferred tax assets	13,135	9,940
Trade and other receivables	11,421	10,239
Total non-current assets	2,123,518	2,226,375
Trade and other receivables	613,129	491,988
Inventories	817,073	901,819
Current tax assets	11,753	20,398
Cash and bank balances	25,651	6,120
Total current assets	1,467,606	1,420,325
Total assets	**3,591,124**	**3,646,700**
Equity		
Share capital	267,500	267,500
Hedging reserve	764	(1,245)
Retained earnings	469,319	310,326
Total equity attributable to owners of the parent	737,583	576,581
Liabilities		
Lease liabilities	106,032	134,471
Employee benefits	19,619	21,165
Deferred tax liabilities	174,930	184,375
Total non-current liabilities	300,581	340,011
Trade and other payables	2,130,348	1,867,609
Loans and borrowings	316,958	788,495
Lease liabilities	40,686	39,604
Current tax liabilities	64,968	34,400
Total current liabilities	2,552,960	2,730,108
Total liabilities	2,853,541	3,070,119
Total equity and liabilities	**3,591,124**	**3,646,700**
Net assets per share attributable to owners of the parent (RM)	3.15	2.46

This financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2025.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

	Non-Distributable		*Distributable*	
	Share capital	Hedging reserve	Retained earnings	Total Equity
	RM'000	RM'000	RM'000	RM'000
At 1 January 2025	**267,500**	**3,141**	**276,908**	**547,549**
Cash flow hedge	-	(3,173)	-	(3,173)
Profit for the period	-	-	387,497	387,497
Total comprehensive (loss)/income for the period	**-**	**(3,173)**	**387,497**	**384,324**
Dividends to owners				
- Interim dividend for the year 2024	-	-	(173,530)	(173,530)
- Interim dividend for the year 2025	-	-	(164,150)	(164,150)
At 30 September 2025	**267,500**	**(32)**	**326,725**	**594,193**
At 1 January 2026	**267,500**	**(1,245)**	**310,326**	**576,581**
Cash flow hedge	-	2,009	-	2,009
Profit for the period	-	-	557,643	557,643
Total comprehensive income for the period	**-**	**2,009**	**557,643**	**559,652**
Dividends to owners				
- Interim dividend for the year 2025	-	-	(211,050)	(211,050)
- Interim dividend for the year 2026	-	-	(187,600)	(187,600)
At 30 September 2026	**267,500**	**764**	**469,319**	**737,583**

This financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2025.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

	9 months ended 30.09.2026 RM'000	9 months ended 30.09.2025 RM'000
Cash flows from operating activities		
Profit before tax	740,718	540,013
Adjustments for:		
Amortisation and depreciation	178,732	170,155
Gain on disposal of property, plant and equipment	(11,923)	(310)
Impairment loss on property, plant and equipment	9,314	33,731
Net finance costs	33,192	46,694
Net write-down/(reversal) of slow moving inventories	9,061	(5,433)
Property, plant and equipment written off	843	245
Others	7,838	4,731
Add/Less:		
Movement in working capital	23,167	171,897
Income tax paid	(157,136)	(107,414)
Retirement benefit paid	(1,552)	(1,340)
Net cash from operating activities	**832,254**	**852,969**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(79,337)	(83,631)
Proceeds from disposal of property, plant and equipment	12,277	333
Others	187	145
Net cash used in investing activities	**(66,873)**	**(83,153)**
Cash flows from financing activities		
Finance costs paid	(33,379)	(46,839)
Repayment of borrowings	(450,000)	(280,000)
Dividends paid	(211,050)	(173,530)
Payment of lease liabilities	(29,884)	(29,108)
Net cash used in financing activities	**(724,313)**	**(529,477)**
Net increase in cash and cash equivalents	**41,068**	**240,339**
Cash and cash equivalents at 1 January	**(32,375)**	**(243,456)**
Cash and cash equivalents at 30 September	**8,693**	**(3,117)**

This financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2025.

NOTES TO THE FINANCIAL REPORT

1 Basis of preparation

This financial report has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, Interim Financial Reporting in Malaysia, Malaysian Financial Reporting Standards, and International Financial Reporting Standards. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2025.

2 There was no qualification made on the preceding audited financial statements.

3 The Group's operations are affected by economic cycles and festive seasons.

4 Items affecting assets, liabilities, equity, net income or cash flow

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group.

a. Property, plant and equipment

As at the end of this quarter, the Group has acquired / disposed the following assets:

	3 months ended 30 September 2026		9 months ended 30 September 2026	
	Assets acquired RM'000	Assets disposed / write-off RM'000	Assets acquired RM'000	Assets disposed / write-off RM'000
Buildings (improvements and additions)	929	165	3,205	187
Plant and machinery, tools, furniture and equipment (including Asset under construction)	32,178	167	72,898	952
Information systems	2,639	58	3,234	58
	35,746	**390**	**79,337**	**1,197**

b. Right-of-use

As at the end of this quarter, the movement in the right-of-use assets is as follow:

	3 months ended 30 September 2026		9 months ended 30 September 2026	
	Addition RM'000	Derecognition RM'000	Addition RM'000	Derecognition RM'000
Buildings	459	-	2,527	-
	459	**-**	**2,527**	**-**

5 Changes in estimates

There were no significant changes in estimates for prior periods that have materially affected the results of this quarter.

6 Debts and equity security

There was no issuance of debts and equity security in this quarter.

7 Dividends paid

There was no dividend payment in this quarter.

8 Operating segment

MFRS 8 requires separate reporting of segmental information for operating segments. Operating segments reflect the Group's management structure and the way financial information is regularly reviewed by the Chief Executive Officer and Chief Financial Officer.

The Group is focused in two areas of activity, Food & Beverages and Others which include Nutrition, Nestlé Professional, Nestlé Health Science and NESPRESSO.

	9 months ended 30 September 2026		
	Food & Beverages RM'000	Others RM'000	Total RM'000
Segment revenue and results			
Revenue	4,458,897	1,090,518	5,549,415
Operating Profit	603,306	172,403	775,709

	9 months ended 30 September 2025		
	Food & Beverages RM'000	Others RM'000	Total RM'000
Segment revenue and results			
Revenue	4,153,047	1,045,942	5,198,989
Operating Profit	463,997	124,382	588,379

The comments on page 6 apply to both segments Food & Beverages (80% of total sales) and Others (20% of total sales).

Reconciliations of reportable segment operating profit:	9 months ended 30.09.2026 RM'000	9 months ended 30.09.2025 RM'000
Total operating profit for reported segments	775,709	588,379
Other unallocated expense	(1,944)	(1,471)
Consolidated operating profit	**773,765**	**586,908**

9 Valuation of property, plant and equipment

There were no changes or amendments to the valuation of property, plant and equipment from the previous annual financial statements.

10 Material events subsequent to the current quarter

There were no material events subsequent to the current quarter up to the date of this report.

11 Changes in the composition of the Group

There were no changes in the composition of the Group in this quarter.

12 Changes in contingent liabilities

As of the date of this report, there were no other contingent liabilities to the Group.

13 Related party transactions

Transactions related to Nestlé S.A. and companies owned by Nestlé S.A. and other affiliates are as follows:

	3 months ended 30.09.2026 RM'000	9 months ended 30.09.2026 RM'000
Sales of goods	366,952	1,075,919
Rendering of services	12,751	34,323
Purchases of goods and services	530,804	1,625,997
Purchases of plant and equipment	2,507	12,703
Royalty expenses	88,195	269,741
IT shared service expenses	18,553	51,694

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS

1 Review of performance (Quarter 3, 2026 vs Quarter 3, 2025)

The Group recorded turnover of RM1.86 billion for the quarter, an increase of 5.3% from RM1.76 billion in the corresponding quarter of the previous year. Sales growth was primarily driven by stronger domestic demand across key product categories, supported by continued innovation and effective commercial execution. Demand for the Company's Halal made-in-Malaysia products remained consistent across export markets.

During the quarter, the Company continued to invest in its core brands through innovation, brand-building and strong marketplace execution, reinforcing their relevance to consumers across multiple consumption occasions. This included the latest edition of Nestlé's flagship *Gaji Seumur Hidup* campaign, which brought together brands across the Company's portfolio and further strengthened engagement with Malaysians.

Profit Before Tax (PBT) increased to RM263.1 million, while Profit After Tax (PAT) rose to RM197.5 million. The improvement was attributable to higher sales, some softening in commodity costs and continued focus on operational efficiencies and digitalization initiatives.

2 Review of performance (Year-to-date, 2026 vs Year-to-date, 2025)

For the first nine months ended 30 Sep 2026, the Group recorded turnover of RM5.55 billion, an increase of 6.7% from RM5.20 billion in the same period of last year, driven primarily by stronger domestic sales.

PBT and PAT increased to RM740.7 million and RM557.6 million respectively compared with the corresponding period of the previous year. The improvement was mainly attributable to higher sales, some softening in commodity costs, and continued focus on operational efficiency initiatives, which supported ongoing investments in the Group's brands and growth priorities.

In line with its commitment to delivering sustainable shareholder returns, the Board of Directors has declared a second interim dividend of RM0.80 per share for the financial year ending 31 December 2026.

3 Variation of results against previous quarter (Quarter 3, 2026 vs Quarter 2, 2026)

For the third quarter ended 30 September 2026, the Group posted a turnover of RM1.86 billion, up 2.4% from the preceding quarter, driven by sustained momentum in domestic sales.

PBT rose to RM263.1 million from RM205.7 million and PAT increased to RM197.5 million from RM155.0 million due to higher sales, some softening in commodity costs and continued focus on operational efficiencies and digitalization initiatives.

4 Current year prospects

The Group reaffirms its positive outlook for the full year 2026 and remains focused on sustaining growth through disciplined execution, innovation and meeting evolving consumer needs. Ongoing investments in digitalisation, automation and productivity initiatives are expected to enhance operational efficiency and agility. Supported by its local manufacturing footprint, extensive distribution network and strong talent base, the Group remains well positioned to deliver sustainable long-term growth.

5 Profit forecast

We do not issue any profit forecast.

6 Income tax expense

	3 months ended 30.09.2026 RM'000	9 months ended 30.09.2026 RM'000
Current tax		
Malaysian - Current period	59,788	191,973
- Under provision in prior year	4,376	4,376
Total current tax expense	**64,164**	**196,349**
Deferred tax		
Origination and reversal of temporary differences	4,987	(9,732)
Over provision in prior year	(3,542)	(3,542)
Total deferred tax income	**1,445**	**(13,274)**
Total income tax expense	**65,609**	**183,075**

The Group's effective tax rates for the current quarter and nine months ended 30 September 2026 were 24.9% and 24.7% respectively. The effective tax rates were higher than the 24.0% statutory tax rate mainly due to certain expenses not deductible for tax purpose.

7 Unquoted investments

Not applicable in this quarter.

8 Quoted investments

Not applicable to the Group.

9 Status of corporate proposals

There were no corporate proposals announced but not completed at the date of this report.

10 Loans and borrowings

Group Borrowings and Debt Securities are:

	As at 30.09.2026 RM'000
Short term - Unsecured loans	
Bank overdraft	16,958
Loan from a financial institution	300,000
Total short term loans	**316,958**

11 Derivatives

***a.* Summary of outstanding derivative assets / (liabilities) as at 30.09.2026 :**

Type of derivatives	Notional Value RM'000	Fair Value RM'000	Difference RM'000	Ageing
Forward exchange contracts	1,281,280	1,281,878	598	Less than 1 year

***b.* Fair value changes of financial liabilities**

Other than derivatives which are classified as liabilities only when they are at fair value loss position as at the end of the reporting period, the Group does not remeasure its financial liabilities at fair value after the initial recognition.

12 Material litigation

As of the date of this report, there were no material litigations against the Group.

13 Dividend

The Board of Directors has proposed second interim dividend of 80 sen per share (2025: 60 sen per share) in respect of year ending 31 December 2026 which will be paid on 9 December 2026 to shareholders whose names appear on the Record of Depositors on 11 November 2026. Under current rules, single-tier dividends are not taxable in the hand of shareholders.

A Depositor shall qualify for entitlement only in respect of:
a. shares transferred into the Depositor's Securities Account before 5.00 p.m. on 11 November 2026 in respect of ordinary transfers.
b. shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of the Bursa Malaysia Securities Berhad.

14 Profit for the period

Profit for the period is arrived at after charging/(crediting) the following:

	3 months ended 30 September		9 months ended 30 September	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Depreciation of property, plant and equipment	47,690	47,046	148,833	139,759
Depreciation of right-of-use assets	9,944	10,452	29,899	30,396
Finance cost of lease liabilities	1,629	2,022	5,150	6,293
(Reversal of impairment)/Impairment loss on property, plant and equipment	(10)	22,868	9,314	33,731
Property, plant and equipment written off	36	53	843	245
Loss/(Gain) on disposal of property, plant and equipment	276	(57)	(11,923)	(310)
Net loss on derivatives	97	26	73	24
Allowance for/(Reversal of) expected credit loss on trade receivables	150	(69)	546	8
Net (reversal)/write-down of slow moving inventories	(6,943)	(337)	9,061	(5,433)
Net foreign exchange loss/(gain)	7,930	(11,787)	(5,213)	(2,217)

15 Basic earnings per share

a. Basic earnings per share

The calculation of the basic earnings per share is based on the net profit attributable to ordinary shareholders of RM557.6 million (RM387.5 million in September 2025) and the number of ordinary shares outstanding of 234.5 million (234.5 million in September 2025).

b. Diluted earnings per share

Not applicable for the Group.

BY ORDER OF THE BOARD
Tengku Ida Adura Binti Tengku Ismail
Company Secretary
(SSM PC No. 201908001581)
(MACS 01686)

Date : 27 October, 2026