Mondelēz International
SNACKING MADE RIGHT

Fourth-Quarter and Full-Year 2025 Earnings Prepared Remarks
February 3, 2026
Attributed to Dirk Van de Put, Chair and Chief Executive Officer

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In Q4, we delivered **accelerating top-line growth of +5.1%,** driven by cocoa-led pricing execution, partially offset by volume/mix decline of 4.8pp, of which 1.3pp is attributable to price-pack architecture changes. **Adjusted EPS for the quarter grew +4.6% at constant currency, to $0.72,** lapping record high cocoa input costs, some tax favorability last year, and reflecting our continued commitment to cost savings.

For the **full year, we generated strong cash flow of $3.2 billion, while returning $4.9 billion in capital back to shareholders.**

As we transition to 2026, we are encouraged by the continuing normalization of cocoa costs for the long-term benefit of the business, and we are focused on improving performance in Developed Markets while maintaining strong performance in Emerging Markets.

Slide 5: Growth & Profitability

For the quarter, **organic net revenue grew +5.1%**, driven by strategic pricing to navigate record cocoa input cost inflation. **Volume/mix declined 4.8pp,** due to continued consumer cost-of-living pressures and value-seeking behaviors, coupled with elasticity from significant cocoa-led pricing on our chocolate range, as well as the impact of revamped price-pack architecture.

Profitability improved meaningfully as we moved past the impact of the 50-year high in cocoa input costs experienced in Q4 2024, through year-on-year pricing combined with cost saving initiatives, including both productivity improvements and SG&A savings. As a result, **adjusted operating income grew +22.1%** in constant currency. **Adjusted EPS grew +4.6%** in constant currency, reflecting the impact of the prior year's one-time tax benefit.

For the year, organic net revenue grew +4.3%, reflecting consumers' continued loyalty to our iconic brands even as they focus on affordability. As expected, **full-year adjusted operating income declined 15.5%, and adjusted EPS declined 14.6%.**

Slide 6: Improving Developed Markets Performance

Our teams remain agile in anticipating and navigating a challenging macro environment – focusing on strategic actions to maintain brand momentum and position our business for sustainable long-term growth. We are particularly focused on improving performance in Developed Markets.

In the **United States, consumer confidence remains weak due to broad economic uncertainty and cost-of-living concerns, and we expect this trend to continue for the balance of 2026**. Accordingly, the U.S. biscuits category remains soft, with value-seeking consumers increasingly turning to value and club stores, while higher-income consumers increasingly are choosing premium indulgence options alongside better-for-you snacks – particularly those featuring protein. To address these headwinds, we're increasing A&C investments to drive awareness, penetration, frequency and buy rate, while adapting our price-pack architecture to offer a broader range of price points. We're also focused on expanding distribution in under-indexed channels such as convenience, club and value stores. Additionally, we're accelerating innovation in attractive areas like premium biscuits with chocolate and choco-bakery, as well as better-for-you crackers and protein bars, while offering a broader array of our brands to tap into incremental munching occasions. We have seen early signs of progress with our largest mass partner, as well as the value channel, where we grew progressively stronger in the last three months.

In Europe, consumer confidence remains fragile due to economic uncertainty, with snacking growth projected to be steady – led by e-commerce, convenience and discount channels, with shoppers increasingly focused on affordability and functional ingredients. We expect chocolate volumes to stabilize following last year's pricing wave, with biscuits remaining resilient. Accordingly, we're focused on offering strong consumer value through price-pack architecture that delivers the right products and the right package sizes at critical price points – supported with robust A&C. We're also expanding our range of pralines, filled chocolates and choco-bakery innovations that not only offer exciting new flavor profiles for consumers, but also require lower cocoa volume to produce. Additionally, we're continuing to grow our presence in premium chocolate and other channels where we have historically under-indexed. We're making strong progress in several areas. For example, our chocolate brands featuring Biscoff are exceeding our expectations, while our Cakes & Pastries business delivered a 2025 share gain of ~1pp, led by our Milka croissant blockbuster.

Slide 7: Strategic Growth Progress

Against a dynamic and challenging macro environment, we continued to make progress toward our strategic growth agenda. Highlights include:

- **Continuing to accelerate brand equity.** Our iconic global and local brands represent the "taste of the nation" in key markets across the globe. For example, in 2025, Oreo U.S. household penetration stands at about 50%, while Cadbury U.K. household penetration is about 85%, highlighting strong consumer desire for our brands. We're continuing to reinvest in breakthrough activations that resonate with consumers, deliver incremental lift, and further strengthen consumer loyalty.
- **Expanding distribution around the world** – adding 300,000 directly served stores in emerging markets. We continue investing in new capabilities to accelerate our leadership in expanding routes to market.
- **Growing channels to reach new customers and expand occasions.** Notably, our award-winning World Travel Retail business, anchored by the iconic Toblerone brand, grew solidly in 2025 – supported with robust seasonal and tourist-themed activations and premium offers, including highly personalized gifting. Our World Travel Retail business was recently ranked #1 in the Duty-Free channel – not only in snacking but across all categories – on the global Advantage survey.
- **Motivating our highly engaged team.** We were honored to be recognized as a global Top Employer and one of Fortune's Most Admired Companies. We continue to believe that our local-first business model and winning culture enable us to stay a step ahead of evolving consumer trends, build strong partnerships with key customers, and inspire our colleagues to create the future of snacking.

Slide 8: Current State and Path Forward

The **external macro environment continues to pose significant headwinds,** including soft consumer sentiment driven by broad economic uncertainty in many markets; affordability challenges for retailers and families alike; and shifting consumer tastes and preferences. At the same time, input costs for our most important commodity, cocoa, remain elevated above historical norms, even as they have declined from last year's record peak. Against this challenging backdrop, our **teams remain agile, focused and resilient – and we're taking prudent, strategic actions to maintain brand momentum** and position our business for sustainable long-term growth.

First, we continue to **invest significantly in our brands** – building consumer loyalty, accelerating innovation, and strengthening retailer partnerships to accelerate our leadership in key categories. Second, we're continuing to **advance our price-pack architecture to address affordability and value,** with a broad range of new formats such as our U.S. "fresh stacks" concept targeting critical consumer price points. Third, we're **rapidly expanding distribution in Emerging Markets, fueled by accelerated digitization in our supply chain and sales force**. Finally, we're **scaling our offerings to meet growing consumer demand in segments like better-for-you, premium and protein.** Some examples include the recent launch of Oreo Zero Sugar and a broader Perfect Bar assortment, as well as expanded distribution for on-trend Hu chocolate, as well as high-protein, low-sugar Clif Builders and Grenade bars. As one of the leading chocolate companies in the world, we are also investing in initiatives to strengthen the resiliency and stability of the cocoa supply chain.

While the external environment continues to evolve, our commitment to leading the future of snacking remains very high – and our dedicated, passionate team remains focused on bringing the world's most delicious snacks to the customers and consumers who love them. We remain confident that our broad global scale, our strong portfolio of iconic brands, our extensive route-to-market capabilities, our robust supply chain – and, perhaps most importantly, our great Team Mondelez people – position us well for attractive long-term growth.

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Slide 10: Top-Line by Market

Organic revenue growth for the year was +4.3% led by pricing execution associated with cocoa inflation across our chocolate portfolio in both Developed and Emerging Markets. For the quarter, organic revenue increased +5.1% with similar pricing dynamics as the year. Volume/mix was down 3.7pp for the year primarily due to:

- Higher elasticity related to chocolate pricing
- Revenue growth management and package downsizing – accounting for 1.1pp impact
- Soft U.S. Biscuits consumption

Emerging Markets grew by +7.2% for the year and +8.0% for the quarter with a full year volume/mix decline of 3.3pp. Emerging Market strength was driven by Brazil, India, Mexico, Middle East Africa and Southeast Asia. Our business is demonstrating broad-based strength across a significant portion of these geographies.

Developed Markets grew +2.5% for the year and 3.4% for the quarter, due to strong pricing execution in Western Europe, Canada and Australia/New Zealand. Full year developed market **volume/mix declined 3.8pp of which 1pp is attributable to price-pack architecture.**

Slide 11: Growth by Category

Biscuits and Baked Snacks grew +0.8% for the year. Brands including Oreo, LU, 7 Days, Give & Go, Perfect, Builders and Zbar all delivered growth. The U.S. biscuit business was the primary driver of softer results as economic anxiety and low consumer sentiment around broader inflation have dampened growth. On the flipside, Europe, Latin America and AMEA all posted solid biscuit growth for the year.

Chocolate increased +11.4% with broad-based growth in both Developed and Emerging Markets. Volume/mix was down 7.5pp, driven primarily by elasticities in Europe, along with revenue growth management and product downsizing accounting for more than 3pp of decline in the category. Brand growth was strong across nearly all brands including Cadbury Dairy Milk, Milka, Lacta, Cote d'Or, Freia/Marabou and Hu.

Gum and Candy grew +2.8% driven by strength in Brazil, Mexico, the Middle East and Africa.

Slide 12: Share Performance

Share performance was impacted by soft biscuit performance in the U.S. with **40% of our revenue base either gaining or holding share.** Value growth in our snacking categories remains solid on a global basis. Chocolate and Gum & Candy continue to display strong growth. Biscuit and Baked Snacks category value grew modestly, with mid-single digit international growth being partially offset by a decline in the U.S. business resulting from weak consumer sentiment.

Slide 13: Regional Growth

Europe revenue grew +8.6% for the year and +8.3% for the quarter driven by robust pricing and revenue growth management. Volume declines in Europe were driven primarily by elasticity from cocoa-related pricing as well as revenue growth management activities related to cocoa inflation. Impact of price-pack architecture was 0.9pp on vol/mix for the year and 1.5pp for the quarter, respectively.

North America revenue declined 1.9% for the year and 0.5% for the quarter due primarily to soft consumption in U.S. biscuit. The U.S. market continues to display soft category performance due to economic anxiety and low consumer sentiment. There are several dynamics shaping the U.S. biscuit category, including flat basket sizes over the past 2 years, a shift in channels toward value and club, premiumization led by higher income cohorts, more emphasis on better-for-you, and growing on-the-go consumption.

AMEA revenue grew +5.7% for the year and +7.5% for the quarter. Volume/mix was down 2.1pp for the year. Strong results from India, Australia/New Zealand, Middle East and Africa drove top-line growth for both the year and quarter. China grew low-single digits for the year with a small decline in the second half related to a distributor transition and lapping very strong prior year growth in the Evirth business.

Latin America revenue grew +4.6% for the year and +4.4% for the quarter driven by solid price execution. Brazil posted high-single digit growth for both the year and the quarter with strong chocolate, biscuit and gum performance. Mexico grew low-single digit for the year, with high-single digit growth in the quarter underpinned by solid results in both biscuits and chocolate.

Slide 14: Profitability Drivers

Full-year adjusted gross profit dollars declined 11.4% and adjusted operating income dollars declined 15.5% in constant currency. Solid top-line growth and cost savings partially offset lower volumes and substantial double-digit cocoa inflation for the year.

Q4 adjusted gross profit dollars increased +1.6% and adjusted operating income dollars increased +22.1% in constant currency led by disciplined cost management, pricing implementation and lapping Q4 2024 cocoa costs.

Slide 15: Earnings Per Share

Full-year EPS declined 14.6% in constant currency. The vast majority of the decline was driven by record levels of cocoa inflation in the chocolate business. **Q4 EPS grew +4.6% in constant currency, with improved profitability from operations partially offset by previous year one-time tax benefit.**

Slide 16: Cash Flow & Capital Deployment

Strong free cash flow remains a clear focus for the company. We generated **$3.2 billion in free cash flow for the year with solid cash conversion metrics.** Share repurchases totaled $2.4 billion for the year at an average price of $58.02. **Total cash returned to shareholders was $4.9 billion for the year when combining dividends and share buybacks**. We will continue to maintain an opportunistic stance with respect to future share buybacks.

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Slide 18: Cocoa Trends

Cocoa prices have declined significantly in the last few weeks due to several factors, but in particular, reflecting the fact that the unprecedented prices of 2024 and 2025 were not structurally justified. In addition, a surplus is expected in the 2025-26 cycle due to favorable weather in West Africa, continued supply growth outside of West Africa, and demand elasticity. Cocoa grindings have come in lower than expected, with the latest combined Q4 reading of -6%.

The vast majority of our 2026 cocoa exposure has been hedged at this point, but at relatively higher prices than current spot levels. We estimate the overall industry is covered for the vast majority of the year, with the exception of

Private Label. We continue to drive progress against our strategic cocoa priorities. These priorities include:

- Large scale farming where we have made several investments.
- Expanded diversity of origins, including Brazil and Ecuador.
- Cocoa alternatives such as fermented cocoa, which shows encouraging results.
- Reformulation for certain non-chocolate items.

Slide 19: 2026 Outlook

As we enter 2026, we continue to expect a challenging backdrop on several fronts, including soft consumer sentiment, volatility in certain commodities, and continued tensions in the geopolitical environment. Our objective is to invest substantially behind our brands, demonstrate significant volume trajectory change, grow distribution and occasions, and remain a strong, thoughtful allocator of capital. In addition, we believe it is important to have a prudent, risk-adjusted outlook that provides flexibility to make the right decisions for the health of our business whether it be next year, three years or beyond.

As such, we expect full-year 2026 organic revenue to be flat to up +2%. This revenue outlook reflects ongoing softness in category growth along with select price investments to protect scale in our business. **Adjusted EPS growth is expected to be flat to up +5%.** This earnings per share outlook incorporates our plans for substantial reinvestment to drive improved volume trends and select price investments in key market segments. **Organic revenue and EPS outcomes and ranges are dependent upon where cocoa will eventually stabilize for 2026, as well as possible competitive reaction that might require some price reinvestments ahead of our actual pipeline costs, which are higher than current spot.**

Our free cash flow outlook is approximately $3 billion dollars.

Key assumptions for this outlook include:

- No incremental tariff costs since our last earnings call
- Interest expense of approximately $375 million
- Adjusted effective tax rate of mid-20s
- Share repurchase of ~$2 billion
- FX impact: Net Revenue growth +2pp and EPS impact of +$0.06 cents

<u>While we do not usually provide outlook commentary on a quarterly basis, there are few notable items to consider as it relates to the phasing of our plan for 2026:</u>

- We are anticipating **some customer disruption in Europe for H1, based on usual pricing negotiations.**
- **H1 profitability impacted negatively by YoY inventory cost phasing headwind totaling approximately $500MM, with the majority impacting Q1. This reflects our negative inventory impacts from prior year high pipeline cost levels to lower pipeline costs for 2026.**

We believe cocoa costs settling at about a £3000-plus level is most likely a fairer representation of longer-term supply and demand dynamics than the levels we saw most recently. Importantly, at these more normalized levels, we expect a volume rebound and a profit pool that is more in-line with historical norms for our chocolate category than what we saw in 2025 and what we are projecting in 2026 due to higher pipeline costs. We will continue with our plans to invest in large-scale cocoa farming and cocoa alternatives to provide an additional "insurance policy" alongside our traditional risk management methods.

<u>Slide 20</u>: 2026 Remarks

We remain confident in our fundamentals, clear in our objectives to drive improvement, and committed to delivering on our long-term priorities despite challenging conditions in certain markets. Emerging Markets continue to be a powerful growth engine for the company, and 2025 was another strong year for these geographies. In Developed Markets, we expect to drive improved performance and have clear plans, informed by consumer insights, to achieve this improvement. In North America, these actions include:

- Increasing working media investments to drive improved awareness, penetration and frequency
- Meeting the consumer where they are with consumer-centric offerings and providing more affordability and value
- Expanding offerings in growth channels, segments and occasions
- Activating a supply chain program that improves cost, capacity and flexibility

In Europe, our actions to drive improvement include:

- Delivering price competitiveness and leveraging price-pack architecture
- Driving value, innovation and strong in-store activations
- Ensuring long-term resiliency in our cocoa supply chain

We will highlight more detail around these actions at the CAGNY 2026 conference later this month.

We believe our Developed Market actions to improve volume trends and revenue growth will put the company in a stronger position for the coming years. We expect strong 2027 EPS growth driven by Developed Markets growth actions, sustained performance from Emerging Markets, cost savings in both supply chain and SG&A, and stabilization of cocoa costs.