



## Third-quarter 2025 Earnings Prepared Remarks

October 28, 2025

Attributed to Dirk Van de Put, Chair and Chief Executive Officer

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### Slide 4: Q3 Highlights

In Q3, we delivered **top-line growth of +3.4%**, led by pricing execution, partially offset by volume/mix decline. Against a backdrop of continued consumer uncertainty, we delivered **robust market share performance** – reinforcing our confidence in enduring consumer and customer loyalty to our beloved, iconic brands.

Lingering softness in European chocolate consumption following the summer heat wave, combined with record-high cocoa input costs, impacted our results for the quarter. Our teams remain focused on executing our long-term chocolate playbook, and we are encouraged by recent moderation in cocoa prices, as well as promising signs for a strong cocoa crop this fall.

Due to the challenging operating environment, we are **updating our full-year 2025 outlook to 4%+ organic net revenue growth and approximately 15% EPS decline on a constant currency basis**. We remain focused on driving **solid free cash flow, with significant capital returns to shareholders**. Based on today's conditions, we expect **on-algorithm EPS growth for 2026**.

Our teams continue to demonstrate agility and consumer centricity in the face of macro pressures – and we remain confident that Mondelēz is well positioned to deliver our long-term growth strategy. Year after year, survey data shows that consumers count on their favorite cookies, crackers, chocolates, cakes, and

pastries to celebrate both major life milestones and everyday pleasures. The continued evolution of snacking occasions offers exciting opportunities to navigate changing consumer tastes and habits while delivering attractive long-term growth.

### **Slide 5: Growth & Profitability**

For the quarter, **organic net revenue grew +3.4%**, driven by strategic pricing to navigate record cocoa input cost inflation, where Q3 represented the peak cost for the year. **Volume/mix declined 4.6pp**, due to a combination of consumer cost-of-living pressures and revenue growth management, including pack downsizing, of which the impact was more than 1 percentage point.

**Adjusted gross profit declined 21.3%, mostly resulting from unprecedented levels of cocoa inflation in the chocolate business.** As expected, adjusted EPS declined 24.2%.

### **Slide 6: Current Situation and our Actions for Developed Markets**

Our teams remain agile in anticipating and navigating a challenging macro environment – taking prudent, strategic actions to maintain brand momentum and position our business for sustainable long-term growth.

**In North America, consumer confidence remains weak due to broad economic uncertainty and cost-of-living concerns**, exacerbated by the ongoing U.S. government shutdown. The U.S. biscuits category has softened over the last three months, with value-seeking consumers increasingly turning to discounters and club stores, while higher-income consumers increasingly are choosing premium and better-for-you products. Promotional efforts generally are not yielding the returns on investment we've seen in previous cycles. To address these headwinds, we're doubling down on the following:

- **Accelerating innovation**, particularly in attractive areas like premium biscuits with chocolate and choco-bakery, as well as better-for-you crackers and snack bars with on-trend ingredient profiles. Some examples:
  - Making Oreo Reese's a permanent offering in 2026 after the stellar success of our current, limited-time offering
  - Further expanding our Clif Builders high- protein, low-sugar offerings
  - In addition, Tate's and Give and Go still have tremendous potential.

- **Leveraging our proven Revenue Growth Management playbook** to expand value offerings with more differentiation between smaller and larger formats.
- **Building out our omnichannel presence** by adapting price-pack-architectures, increasing displays and additional route-to-market investments, as we under-index in channels like value, clubs and convenience.
- **Upgrading our promotion framework** to deliver stronger ROIs.

**In Europe, consumer confidence remains generally unchanged, with biscuits and chocolate categories growing broadly in-line to our expectations, and Mondelez is gaining share.** Specifically, in chocolate, strong value growth due to cocoa-driven pricing was partially offset by volume elasticity in Q3 – and we’re seeing elasticity continuing to tick up in select chocolate market segments, along with some shifts to smaller formats. As a result, we’re taking several actions including:

- **Robust innovation** in new flavors and formats, supported by strong advertising spend and activation to strengthen brand loyalty, particularly in seasonals. Some examples: activating our successful Milka Croissant offerings to more markets and launching more chocolate products with Biscoff.
- **Adjusting price gaps** in a couple of select markets/segments to eliminate price cliffs and enhance promo effectiveness.
- **Leveraging Revenue Growth Management** to expand our offerings at critical price points to drive better frequency and improved volumes.

### Slide 7: Agenda

### Slide 8: Top-Line by Market

In Q3, our organic revenue growth was +3.4%. This growth was led by sound pricing execution associated with cocoa inflation across our chocolate portfolio in both developed and emerging markets. Volume/mix was down 4.6% due to:

- Higher elasticity from chocolate pricing
- Revenue growth management including pack downsizing – accounting for over 1pp impact
- Soft U.S. Biscuits consumption with lower value growth in the last 3 months vs. the first half
- Heatwave consumption drag in Europe chocolate and subsequent trade stock adjustments

**Emerging Markets grew by +7.1% with a volume/mix decline of 4.7%.** Emerging market strength was driven by Brazil, India, Mexico, Middle East Africa and Southeast Asia. **Volume/mix in chocolate held up quite well compared to pricing that was taken;** yet material volume declines in Argentina, which we manage with a tight cash control model, impacted the overall volume/mix for developing markets.

**Developed Markets grew +1.2%** due primarily to strong pricing execution in Western Europe, Canada and Australia/New Zealand with a **volume/mix decline of 4.5% mostly attributable to chocolate in the UK and Germany, where some price gaps are being corrected.**

#### **Slide 9: Growth by Category**

**Biscuits and baked snacks grew +1.2% during Q3. Brands including Oreo, LU, 7 Days and Zbar all delivered growth.** The U.S. biscuit business declined primarily due to lower consumption associated with weak consumer sentiment linked to economic and inflation concerns. This dynamic resulted in an overall category volume decline, while our share held flat. The U.S. biscuits category softened further during Q3 versus the first half of the year amid an increasingly cautious consumer. Also, Argentina's economic environment resulted in a meaningful volume/mix negative impact overall.

**Chocolate increased +8.2% with broad-based growth in both developed and emerging markets. Volume/mix was down 10.5%, driven by an uptick in elasticities in Europe, specifically UK and Germany, along with revenue growth management and product downsizing.** Brand growth was broad-based with strong increases coming from Cadbury Dairy Milk, Milka, Lacta, Cote d'Or, Freia/Marabou and Hu.

**Gum and Candy grew +2.4%** driven by strength in Brazil, the Middle East and Africa.

#### **Slide 10: Share Performance**

Share performance remains robust **on a year-to-date basis with 70% of our revenue base either gaining or holding share.** Our snacking categories value growth remains vibrant globally. Chocolate and Gum & Candy are both growing

well. Biscuit and Baked Snacks category growth is low-single digits, when excluding the U.S. market, which is heavily impacted by weak consumer sentiment and economic anxiety.

### **Slide 11: Regional Growth & Profitability**

**Europe revenue grew +5.1% in Q3 behind robust pricing and substantial revenue growth management.** Volume declines in Europe were driven by elasticity associated with pricing and revenue growth management activities in light of cocoa inflation, as well as some trade de-stocking following the heat wave, and some specific price gaps that are being addressed.

Europe profitability was significantly impacted by cocoa inflation, as operating income dollars were down more than 60% in the quarter. Q3 represents the highest levels of cocoa cost inflation for the year.

**North America revenue declined moderately by 0.3%, due primarily to soft U.S. consumption within the food and mass channels, partially offset by double-digit growth in Give and Go and our Ventures business, where propositions like Perfect Snacks and Tate's are in line with consumer trends.** Nevertheless, the U.S. market continues to experience softer category performance due to weak consumer sentiment. At the same time, growth continues to shift to channels where we under-index, including value, club and online channels. We expect to make tangible progress against our plans to grow our omnichannel business as well as growing our premium and better-for-you offerings.

North America operating income declined 7.8% in Q3 related to lower volumes and some cocoa cost inflation in our Oreo and Chips Ahoy! brands.

**AMEA revenue grew +5.3% in the third quarter.** Strong results from India, Australia/New Zealand, Southeast Asia and Middle East Africa drove top-line growth. India grew mid-single digits underpinned by a robust chocolate business, while China posted a low-single digit decline due to ongoing weakness in consumer confidence, coupled with one-time phasing impacts associated with a channel transition. Australia, New Zealand and Japan delivered another strong quarter with high-single-digit top-line growth from strong pricing execution.

AMEA operating income dollars declined 28.2%, due primarily to cocoa input cost inflation.

**Latin America revenue grew +4.7% with solid price execution and a volume/mix decline of 4.0%, mostly due to Argentina.** Brazil posted double-digit growth with strong chocolate, biscuit and gum performance. Mexico grew mid-single digits with solid results in both chocolate and gum.

Latin America operating income dollars increased 7.0%, primarily due to better results in Mexico which more than offset cocoa inflation in the region.

### **Slide 12: Profitability Drivers**

**Q3 adjusted gross profit dollars declined 21.3% and adjusted operating income dollars declined 33.5% in constant currency.** Solid top-line growth and cost discipline partially offset lower volumes and significant cocoa inflation, with the third quarter representing the highest cocoa costs of the year. Our full-year 2025 outlook for cocoa cost inflation remains unchanged.

### **Slide 13: Earnings Per Share**

**Q3 EPS declined 24.2% in constant currency. The majority of the decline was driven by unprecedented levels of cocoa inflation in the chocolate business.**

### **Slide 14: Cash Flow & Capital Deployment**

Strong free cash flow remains a key priority. We generated **\$1.2 billion in free cash flow year-to-date with solid growth and a negative cash conversion cycle performance. Share repurchases total \$1.9 billion year-to-date at an average price of \$59.00.** We will continue to maintain an opportunistic approach with respect to share buybacks.

### **Slide 15: Agenda**

### **Slide 16: Revised Outlook**

**We are updating our 2025 outlook for organic revenue and earnings per share to reflect the impact of higher Europe chocolate elasticities on both the top and bottom lines, as well as an incremental softening of the U.S. biscuit market over the past 3 months relative to the first half of 2025.** Although we have seen some recent improvements in Europe elasticities and we are addressing UK/Germany price points in selected segments, we believe this approach is prudent given the

current operating environment. **We now expect full-year organic sales growth of 4% plus and a decline in Adjusted EPS of approximately 15%. We maintain our free cash flow outlook of \$3 plus billion dollars.** Most key assumptions remain consistent with our last earnings call. Key elements of those assumptions include:

- **No incremental tariff costs since our last earnings call.**
- **FX impact: Net Revenue growth ~+0.5pp and EPS impact of +\$0.05 cents.**

### **Slide 17: Cocoa Trends**

**Cocoa prices have declined in recent weeks, due to multiple drivers.** The main crop outlook is strong and expected to result in a surplus. Cocoa grindings have declined with the latest combined reading of Europe, North America and Asia at -8.7%. **At this point, we have covered and protected a significant majority of our cocoa exposure for 2026.** We are also making good progress against our strategic cocoa priorities. These priorities include:

- Large scale farming where we have made several investments.
- Diversity of origins.
- Cocoa alternatives such as cell-cultured cocoa, which shows encouraging results.
- Reformulation for certain non-chocolate items.

### **Slide 18: 2026 Considerations**

We remain confident in our ability to execute against our strategy and deliver on our long-term commitments despite challenging conditions in some markets. **We currently expect on-algorithm EPS growth for 2026, which reflects the deflationary impact of cocoa prices versus 2025, while remaining at much higher levels than historical averages. This earnings expectation also incorporates clear actions and significant investments in the business.** These actions include driving developed market category growth, emerging market distribution gains, significant brand investments with an emphasis on working media, and continued cost savings with a new, multi-year North America Supply Chain program. Our view of 2026 does not incorporate an improvement in the macro environment.