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 June 2026 as follows:

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

	3 months ended 30 June			6 months ended 30 June		
	2026 RM'000	2025 RM'000	%	2026 RM'000	2025 RM'000	%
Revenue - Sale of goods	**1,813,089**	**1,668,411**	**8.7%**	**3,693,491**	**3,436,655**	**7.5%**
Cost of sales	(1,218,928)	(1,172,088)		(2,500,137)	(2,393,022)	
Gross profit	**594,161**	**496,323**	**19.7%**	**1,193,354**	**1,043,633**	**14.3%**
Operating expenses	(377,915)	(331,652)		(692,597)	(649,445)	
Operating profit	**216,246**	**164,671**	**31.3%**	**500,757**	**394,188**	**27.0%**
Finance costs	(10,838)	(15,985)		(23,493)	(32,409)	
Finance income	53	40		124	69	
Share of profit/(loss) of an equity-accounted associate, net of tax	210	(169)		211	(247)	
Profit before tax	**205,671**	**148,557**	**38.4%**	**477,599**	**361,601**	**32.1%**
Income tax expense	(50,656)	(36,447)		(117,466)	(88,148)	
Profit after tax	**155,015**	**112,110**	**38.3%**	**360,133**	**273,453**	**31.7%**
Minority interests	-	-		-	-	
Profit after tax and minority interest	**155,015**	**112,110**	**38.3%**	**360,133**	**273,453**	**31.7%**
Profit for the period	**155,015**	**112,110**	**38.3%**	**360,133**	**273,453**	**31.7%**
Other comprehensive income/(expenses), net of tax						
Item that may be reclassified to profit or loss in subsequent periods						
Cash flow hedge	1,054	(5,549)		(396)	(4,166)	
Total other comprehensive income/(expenses) for the period, net of tax	1,054	(5,549)		(396)	(4,166)	
Total comprehensive income for the period	**156,069**	**106,561**	**46.5%**	**359,737**	**269,287**	**33.6%**
Basic earnings per share (sen)	66.10	47.81		153.57	116.61	
Proposed/Declared dividend per share-net (sen)	80.00	70.00		80.00	70.00	

	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
Net assets per share attributable to owners of the parent (RM)	3.09	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 JUNE 2026

	As at 30.06.2026 RM'000	As at 31.12.2025 RM'000
Assets		
Property, plant and equipment	1,677,941	1,745,624
Right-of-use assets	203,030	220,917
Intangible assets	234,360	234,360
Investment in an associate	5,506	5,295
Deferred tax assets	12,601	9,940
Trade and other receivables	10,660	10,239
Total non-current assets	2,144,098	2,226,375
Trade and other receivables	563,052	491,988
Inventories	820,308	901,819
Current tax assets	27	20,398
Cash and bank balances	5,038	6,120
Total current assets	1,388,425	1,420,325
Total assets	**3,532,523**	**3,646,700**
Equity		
Share capital	267,500	267,500
Hedging reserve	(1,641)	(1,245)
Retained earnings	459,409	310,326
Total equity attributable to owners of the parent	725,268	576,581
Liabilities		
Lease liabilities	116,027	134,471
Employee benefits	20,661	21,165
Deferred tax liabilities	172,192	184,375
Total non-current liabilities	308,880	340,011
Trade and other payables	2,009,939	1,867,609
Loans and borrowings	363,193	788,495
Lease liabilities	40,326	39,604
Current tax liabilities	84,917	34,400
Total current liabilities	2,498,375	2,730,108
Total liabilities	2,807,255	3,070,119
Total equity and liabilities	**3,532,523**	**3,646,700**
Net assets per share attributable to owners of the parent (RM)	3.09	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 JUNE 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	-	(4,166)	-	(4,166)
Profit for the period	-	-	273,453	273,453
Total comprehensive (loss)/income for the period	**-**	**(4,166)**	**273,453**	**269,287**
Dividends to owners				
- Interim dividend for the year 2024	-	-	(173,530)	(173,530)
At 30 June 2025	**267,500**	**(1,025)**	**376,831**	**643,306**
At 1 January 2026	**267,500**	**(1,245)**	**310,326**	**576,581**
Cash flow hedge	-	(396)	-	(396)
Profit for the period	-	-	360,133	360,133
Total comprehensive (loss)/income for the period	**-**	**(396)**	**360,133**	**359,737**
Dividends to owners				
- Interim dividend for the year 2025	-	-	(211,050)	(211,050)
At 30 June 2026	**267,500**	**(1,641)**	**459,409**	**725,268**

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 JUNE 2026

	6 months ended 30.06.2026 RM'000	**6 months ended 30.06.2025 RM'000**
Cash flows from operating activities		
Profit before tax	477,599	361,601
Adjustments for:		
Amortisation and depreciation	121,098	112,656
Impairment loss on property, plant and equipment	9,324	10,863
Net finance costs	23,369	32,340
Gain on disposal of property, plant and equipment	(12,199)	(253)
Net write-down/(reversal) of slow moving inventories	16,004	(5,096)
Add/Less:		
Movement in working capital	127,765	106,685
Income tax paid	(61,297)	(67,381)
Others	8,158	2,245
Net cash from operating activities	**709,821**	**553,660**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(43,591)	(63,521)
Proceeds from disposal of property, plant and equipment	12,199	268
Others	124	69
Net cash used in investing activities	**(31,268)**	**(63,184)**
Cash flows from financing activities		
Finance costs paid	(23,493)	(32,409)
Repayment of borrowings	(410,000)	(50,000)
Dividends paid	(211,050)	(173,530)
Payment of lease liabilities	(19,790)	(18,972)
Net cash used in financing activities	**(664,333)**	**(274,911)**
Net increase in cash and cash equivalents	**14,220**	**215,565**
Cash and cash equivalents at 1 January	**(32,375)**	**(243,456)**
Cash and cash equivalents at 30 June	**(18,155)**	**(27,891)**

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 June 2026		6 months ended 30 June 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)	1,993	22	2,276	22
Plant and machinery, tools, furniture and equipment (including Asset under construction)	28,873	293	40,720	785
Information systems	594	-	595	-
	31,460	**315**	**43,591**	**807**

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 June 2026		6 months ended 30 June 2026	
	Addition RM'000	Derecognition RM'000	Addition RM'000	Derecognition RM'000
Buildings	1,845	-	2,068	-
	1,845	**-**	**2,068**	**-**

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**

Dividends paid during the reporting period are as follows:

	3 months ended 30.06.2026 RM'000	6 months ended 30.06.2026 RM'000
Interim dividend for the financial year ended 31 December 2025 3rd interim: 90.00 sen per share (single-tier)	211,050	211,050
Total	**211,050**	**211,050**

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.

	6 months ended 30 June 2026		
	Food & Beverages RM'000	Others RM'000	Total RM'000
Segment revenue and results			
Revenue	2,973,853	719,638	3,693,491
Operating Profit	392,882	109,183	502,065

	6 months ended 30 June 2025		
	Food & Beverages RM'000	Others RM'000	Total RM'000
Segment revenue and results			
Revenue	2,736,327	700,328	3,436,655
Operating Profit	302,885	92,307	395,192

The comments on page 6 apply to both segments Food & Beverages (81% of total sales) and Others (19% of total sales).

Reconciliations of reportable segment operating profit:	6 months ended 30.06.2026 RM'000	6 months ended 30.06.2025 RM'000
Total operating profit for reported segments	502,065	395,192
Other unallocated expense	(1,308)	(1,004)
Consolidated operating profit	**500,757**	**394,188**

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 30.06.2026 RM'000	6 months ended 30.06.2026 RM'000
Sales of goods	370,532	708,967
Rendering of services	8,946	21,572
Purchases of goods and services	543,077	1,097,809
Purchases of plant and equipment	3,955	10,196
Royalty expenses	87,254	181,546
IT shared service expenses	15,602	30,525

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 2, 2026 vs Quarter 2, 2025)

Revenue for the second quarter ended 30 June 2026 was RM1.81 billion, representing an increase of 8.7% compared to the corresponding quarter in 2025. Growth was supported by resilient domestic demand, while export sales remain stable. This reflects the strength of the Group's diversified portfolio and the sustained relevance of its trusted brands across various consumer segments and consumption occasions.

Profit Before Tax (PBT) and Profit After Tax (PAT) increased to RM205.7 million and RM155.0 million respectively. The improvement was underpinned by broad-based topline growth, effective cost management and efficiencies across the value chain. Continued investment in innovation and brand building strengthened key categories such as coffee, nutrition and active lifestyle offerings under Malaysians' favourite brands such as MILO, MAGGI, NESCAFÉ, and KIT KAT, ensuring the Group's portfolio remains relevant for consumers across all demographic segments.

Beyond delivering solid financial performance, the Group remains focused on strengthening the capabilities that will sustain profitable growth in the years ahead. This includes investing in our people's talent and skills, advancing digitalisation and manufacturing excellence, and reinforcing Malaysia's position as a strategic Halal manufacturing and export hub for the Nestlé Group, while delivering a steady stream of relevant product innovations. These investments enhance our ability to compete in an increasingly dynamic environment.

The Group continued to advance its sustainability programmes, further progressing on plastic circularity and the strengthening of the Group's Halal ecosystem. These efforts reflect Nestlé Malaysia's focus on areas where its scale, partnerships and deep-rooted presence can contribute meaningfully to consumers, communities and the nation.

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

For the first half ended 30 June 2026, the Group recorded a turnover of RM3.69 billion, an increase of 7.5% compared to the corresponding period in 2025, reflecting a stronger first-half performance of resilient domestic demand and steady export sales.

PBT and PAT for the first half increased to RM477.6 million and RM360.1 million respectively. The performance resulted from topline growth, supported by disciplined cost management and operational efficiencies.

In line with the Group's commitment to delivering sustained shareholder value, the Board declared an interim dividend of RM0.80 per share for the financial year ending 31 December 2026, compared to RM0.70 per share in the corresponding period of 2025.

3 Variation of results against previous quarter (Quarter 2, 2026 vs Quarter 1, 2026)

Revenue for the second quarter of 2026 was RM1.81 billion, at 3.6% lower compared to the preceding quarter, primarily due to higher sales recorded in the first quarter during the festive period. PBT declined to RM205.7 million, reflecting lower sales for the period.

4 Current year prospects

The Group remains focused on sustaining growth through strengthening its core brands, accelerating innovation and expanding its presence across all channels. Despite ongoing global uncertainties and evolving consumer preferences, the Group remains confident in its ability to deliver a robust financial performance for FY2026. The Group will also continue investing in digitalisation, automation and other initiatives to enhance operational efficiency, agility and long-term competitiveness.

5 Profit forecast

We do not issue any profit forecast.

6 Income tax expense

	3 months ended 30.06.2026 RM'000	6 months ended 30.06.2026 RM'000
Current tax		
Malaysian - Current period	59,246	132,185
Total current tax expense	**59,246**	**132,185**
Deferred tax		
Origination and reversal of temporary differences	(8,590)	(14,719)
Total deferred tax income	**(8,590)**	**(14,719)**
Total income tax expense	**50,656**	**117,466**

The Group's effective tax rates for the current quarter was 24.6% which was slightly 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 30.06.2026 RM'000
Short term - Unsecured loans	
Revolving credits	40,000
Bank overdraft	23,193
Loan from a financial institution	300,000
Total short term loans	**363,193**

11 Derivatives

a. Summary of outstanding derivative assets / (liabilities) as at 30.06.2026 :

Type of derivatives	Notional Value RM'000	Fair Value RM'000	Difference RM'000	Ageing
Forward exchange contracts	1,226,846	1,224,841	(2,005)	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 declared an interim dividend of 80 sen per share (2025: 70 sen per share) in respect of year ending 31 December 2026 which will be paid on 1 October 2026 to shareholders whose names appear on the Record of Depositors on 3 September 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 3 September 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 June		6 months ended 30 June	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Depreciation of property, plant and equipment	53,574	46,843	101,143	92,713
Depreciation of right-of-use assets	9,911	9,974	19,955	19,943
Finance cost of lease liabilities	1,715	2,086	3,521	4,271
Impairment loss on property, plant and equipment	9,324	10,863	9,324	10,863
Property, plant and equipment written off	315	179	807	192
Gain on disposal of property, plant and equipment	(32)	(231)	(12,199)	(253)
Net (gain)/loss on derivatives	(68)	9	(24)	(1)
Allowance for/(Reversal of) expected credit loss on trade receivables	131	(8)	396	77
Net write-down/(reversal) of slow moving inventories	12,661	(10,266)	16,004	(5,096)
Net foreign exchange loss/(gain)	3,627	(1,244)	(13,143)	9,570

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 RM360.1 million (RM273.5 million in June 2025) and the number of ordinary shares outstanding of 234.5 million (234.5 million in June 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 : 28 July, 2026