



FrieslandCampina n.v.
nourishing by nature

Royal FrieslandCampina N.V. Global Investor Update

24 July 2025



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Agenda

Highlights half year 2025

- Performance
- Company and Business Groups
- Sustainability

Financial Profile

Outlook and priorities

Questions & Answers

Hans Janssen
CFO



David Tillmanns
*Global Treasury
Director*





Strong results in first half of 2025, cost savings on track

12 out of 16
targets

Winning in the market

6.9
billion euros
+7.1%

Net revenue
Before currency translation effects

6.8
billion euros
+6.4%

Net revenue

363
million euros
301 in H1 2024

Operating profit

230
million euros
183 in H1 2024

Net result

132
million euros
versus 2024

Cost savings
In cost price and overhead

-69
million euros
-30 in H1 2024

Free cash flow
Operational & Investing cash flow

103
million euros
61 in H1 2024

Pro forma Suppl. Cash payment

Strong results in first half of 2025



Winning in the market

- 7 out of 10 B2C and 5 out of 6 B2B targets winning
- Volumes for value-added products under pressure

Expanding our margins

- Strong EBIT, higher gross margin
- Cost savings through Expedition 2030 and Performance+

Generating cash

- Free Cash Flow under pressure due to increased working capital
- Solid financial ratios

Strong results in first half of 2025

<i>(amounts in €m)</i>		H1 2025	H1 2024	Δ	%
	Net revenue	6,847	6,433	+414	+6.4
	Cost of goods sold	-5,622	-5,352		
1	Gross profit	1,225	1,081	+144	+13.3
	<i>Gross margin</i>	17.9	16.8	<i>+110bpt</i>	
	Marketing spend	-333	-296		
2	Selling, General & Administrative costs	-406	-432		
3	Other results and exceptional items	-21	9		
	EBIT based on Guaranteed Price	465	362	+103	+28.4
	Pro-forma suppl. Cash payment	-102	-61		
	Operating profit	363	301	+62	+20.6

Reported operating result includes pro forma supplementary cash payment ('dividend')

	Result based on GP	Pro forma Suppl. cash payment	Half-year report
Revenue	6,847		6,847
Operating expenses	-6,382	-102	-6,484
Operating profit	465	-102	363
Other corrections	1	-1	
Result JVs and associates	11		11
Net finance costs	-35		-35
Profit before tax	442 24.7%	-103	339 32.2%
Tax	-109		-109
Profit for the year	333	-103	230
Profit attributable to:			
Providers of member bonds	-27		
Providers of perpetual bonds	-8		
Provider of cooperative loan	-4		
Non controlling interests	-37		
Basis for calculation suppl. cash	257		



40% of €257 =
€103m

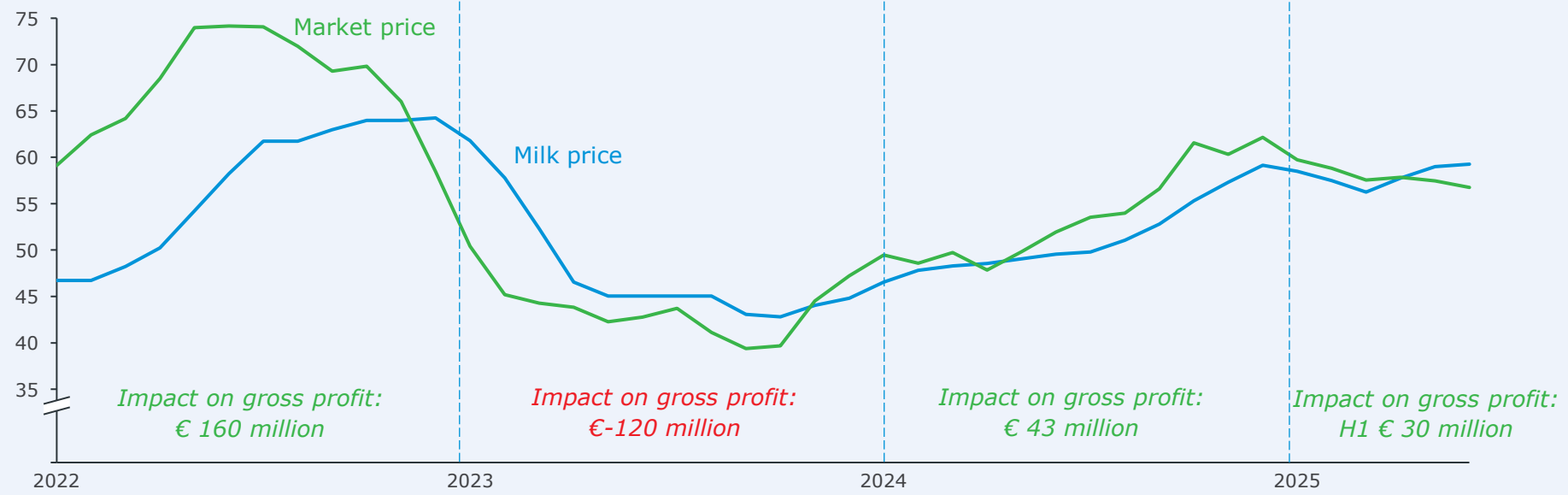
As of 2023, the accrual for the supplementary cash payment is part of Cost of goods sold in the current year.

No gross up due to expected full year available fiscal result in the Netherlands.

1 Gap between milk price and market prices

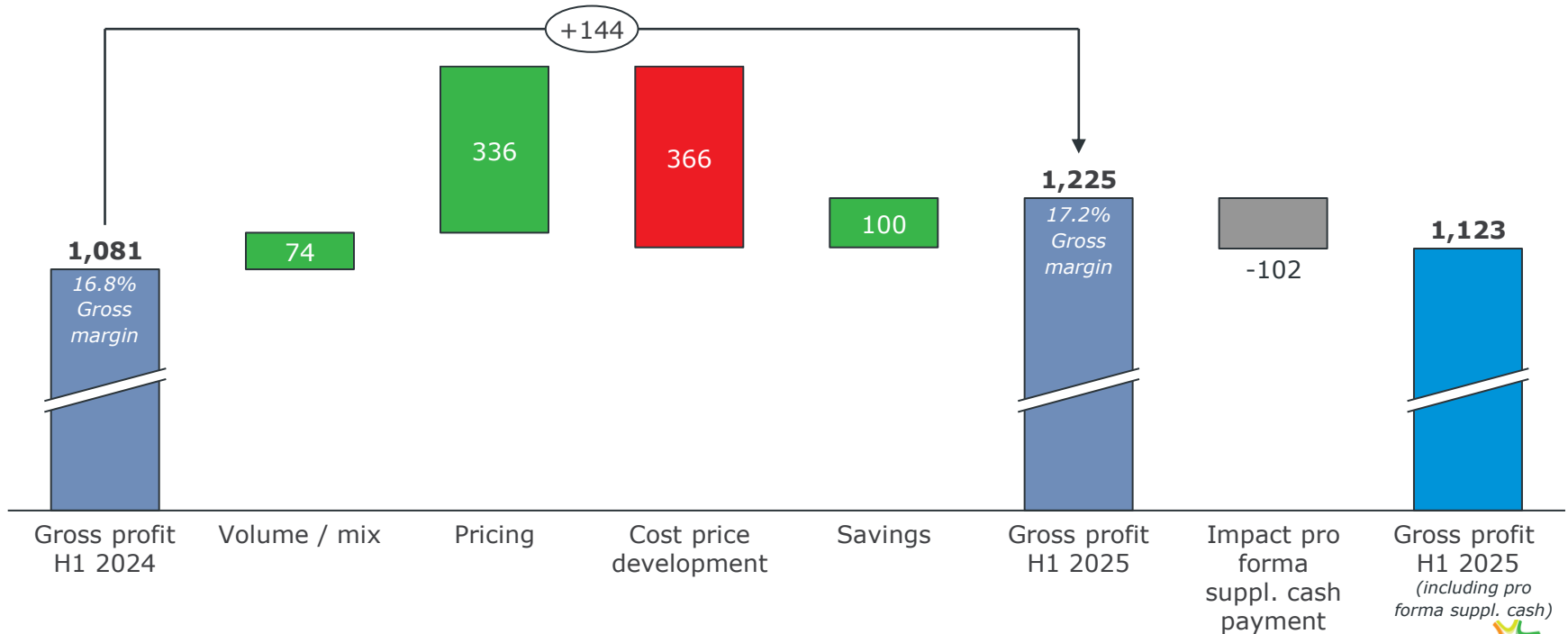
Development milk prices

(€ / 100 kg)



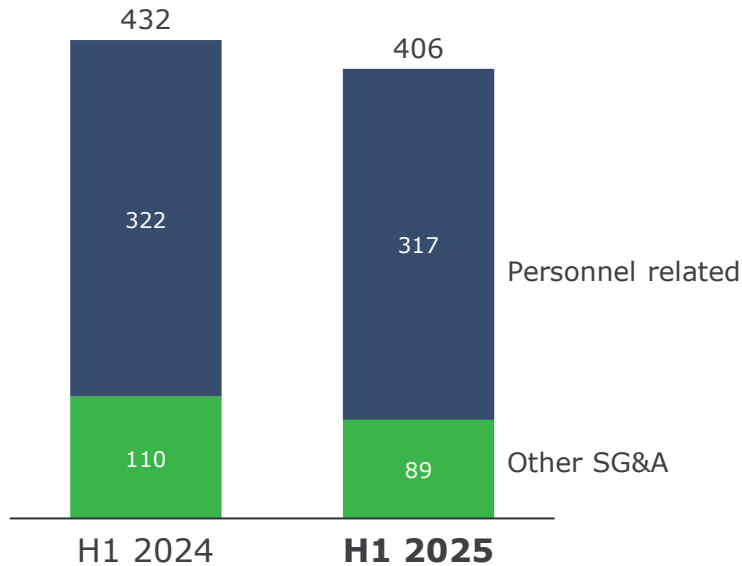
1 Gross profit at good level due to pricing, volume / mix and savings

(amounts in €m)

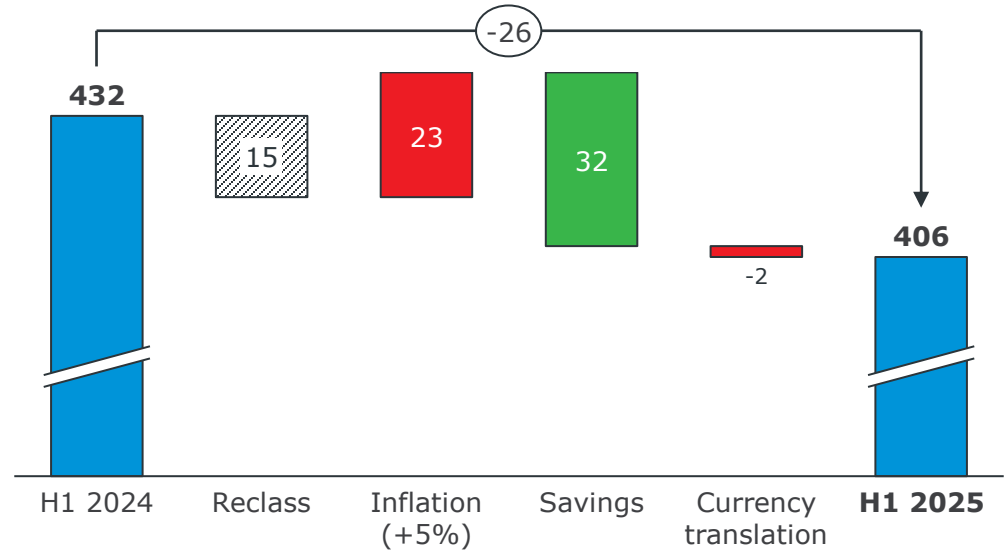


2 Inflation SG&A offset by savings

Selling, General & Administrative costs
(amounts in €m)



Development SG&A
(amounts in million Euros)



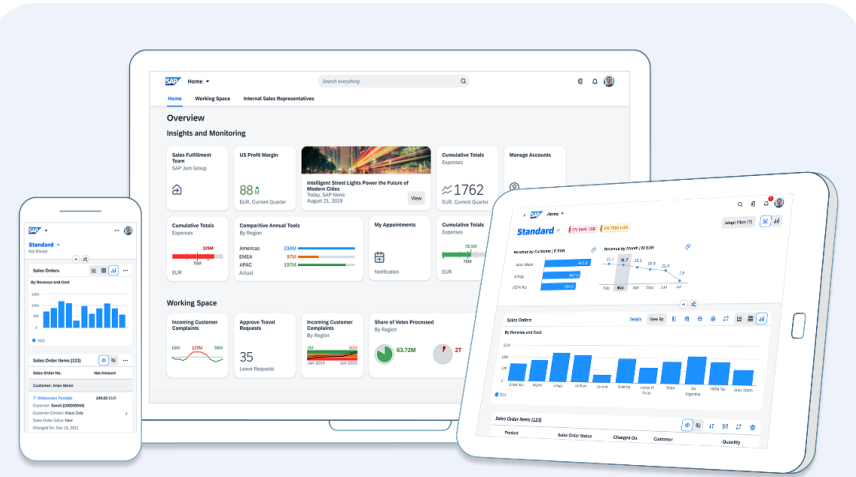
3 Other results and exceptional items

(amounts in €m)

Sale PPE Rotterdam and Dronrijp
 Currency exchange Nigeria
 Optimus (upgrade ERP systems)
 Other (M&A, restructuring, settlement
 pension scheme etc)

Total

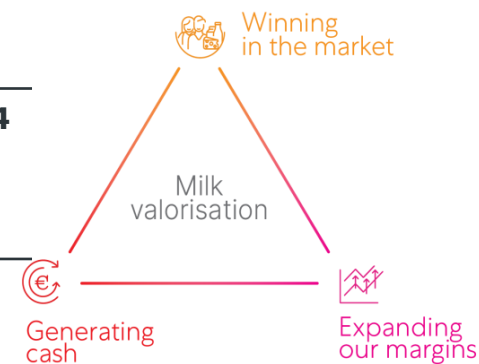
	H1 2025	H1 2024
	15	10
	-22	
	-14	-1
Total	-21	9



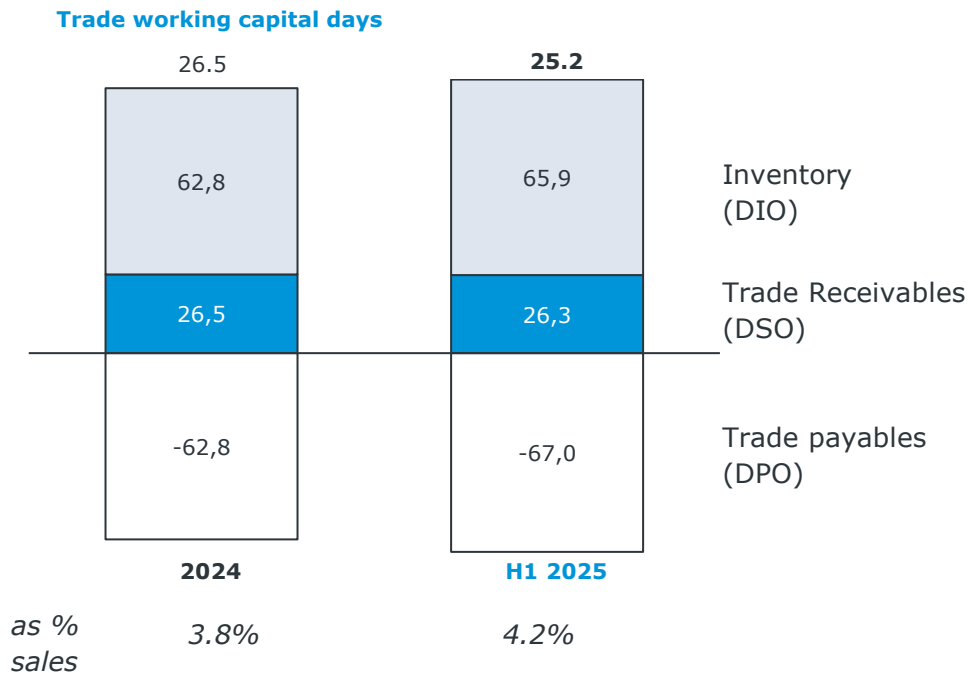
Optimus: simplification of systems and business processes, for optimisation and harmonisation

Free Cash Flow under pressure due to increased working capital

(amounts in €m)	H1 2025	H1 2024	Δ
Result before tax	339	296	
Depreciation, amortisation and impairment	193	208	
Movements working capital	-387	-154	
Other operating activities	-102	-103	
Net cash flow from operating activities	43	247	-204
Investments	-170	-228	
Other investing activities	58	-49	
Free cash flow	-69	-30	



Lower TWC days, mainly due to higher DPO partly offset by increased DIO



One-off cash flows in H1 2025

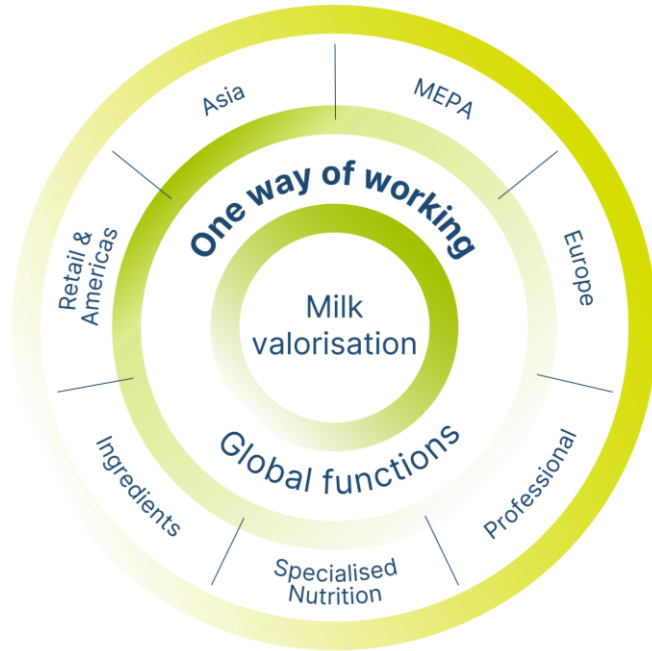
Buy-out of pension liabilities and assets by Achmea

- Costs (3 million euros) processed in other results
- Outgoing cash flow: 32 million euros, including one-off contribution (10 million euros) in new indexation depot
- Included in cash flow from other operating activities

Redemption of hybrid bonds (listed on Euronext Dublin)

- Concerns issued hybrid bonds on 10 September 2020 (300 million euros)
- Bonds bought back for 228 million euros in 2024
- Remaining principal (72 million euros) repaid in June 2025
- Included in cash flow from other financing activities

How we win: our foundation, our operating model



Flexible milk valorisation, through:

- Seven diverse **business groups**
- One global **supply chain**
- One way of working for **global functions**



Europe: growth market share and volume of priority brands

Performance triangle*

Winning in the market ●

Expanding our Margin ●

Generating cash ●

- Positive development of market shares and strong volume growth of priority brands
- Overall volumes down slightly, due to lower volumes of private label and non-priority brands
- Result higher than in 2024, partly due to one-off gain from sale of assets Rotterdam



Netherlands

On-trend product introductions for Campina, Optimel and Chocomel



Belgium

Focus on priority brands: Joyvalle becomes Campina

Revenue ▲	828	4.3%
Operating result ▼ (excl. GSC allocation)	23	-33.2%
Operating result as % revenue third party ▲	2.7	

In million euros

In millions of euros, percentages delta vs H1 2024



Retail & Americas: positive commercial development

Performance triangle

Winning in the market ●

Expanding our Margin ●

Generating cash ●

- Good result despite slight margin pressure
- Volume growth helped by successful collaboration with retail partners
- Focus on high-quality dairy products strengthened market position
- Increase in working capital depresses cash flow



Pilot on regenerative agriculture with **Lidl** and **National Green Fund**



Contract for valorisation greenhouse gas reduction With **Spanish** supermarket cooperative **Eroski**

Revenue ▲	1,026	14.0%
Operating result ▲ (excl. GSC allocation)	7	21.8%
Operating result as % revenue third party ▲	0.7	

In millions of euros, percentages delta vs H1 2024



MEPA: strong product mix and strict cost control

Performance triangle

Winning in the market ●

Expanding our Margin ●

Generating cash ●

- Market share growth despite volume decline due to economic headwinds
- Stable commercial result, improvement in operational result
- Margins maintained thanks to strong product mix and strict cost control



Recovery in **Nigeria**, positive operating result



Volume pressure in **Pakistan**, nevertheless positive operating result

Revenue ▼	680	-0.3%
Operating result ▲ (excl. GSC allocation)	34	6.0%
Operating result as % revenue third party ▲	5.0	

In millions of euros, percentages delta vs H1 2024



Asia: challenging market conditions and declining demand

Performance triangle

Winning in the market ●

Expanding our Margin ●

Generating cash ●

- Volume and sales lower due to pressure on market shares
- Lower result partly due to higher cost price
- Lower cash flow due to higher working capital
- Growing demand for nutritious dairy products for children



In **Indonesia**, market is declining and market share of condensed milk is under pressure



Foremost Omega takes #1 position in **Thailand** with strong growth in market penetration, distribution and market share

Revenue ▼	786	-5.8%
Operating result ▼ (excl. GSC allocation)	56	-34.3%
Operating result as % revenue third party ▼	7.1	

In millions of euros, percentages delta vs H1 2024



Ingredients: growing demand for functional ingredients

Performance triangle

- Winning in the market ●
- Expanding our Margin ●
- Generating cash ●

- Strong first half compared to first half 2024
- Positive development of strategic volumes
- Growing demand for functional ingredients, especially in infant nutrition, sports nutrition and medical applications



Retirement Herman Ermens announced, succeeded by Anne Peter Lindeboom



Good deal due to fast development of new hydrosylate with production by FCI Delhi (US)

Revenue ▲	758	5.6%
Operating result ▲ (excl. GSC allocation)	136	39.3%
Operating result as % revenue third party ▲	17.9	

In millions of euros, percentages delta vs H1 2024



Specialised Nutrition: continuation of strong performance

Performance triangle

Winning in the market ●

Expanding our Margin ●

Generating cash ●

- Friso market shares improved, but not yet in line with target
- Demand for premium infant formula in China remains high
- Innovations contributed to both revenue growth and operating profit



Innovation and **marketing** such as with Friso Signature contributed to growth



Expansion of China portfolio with **Friso Prestige Pura**, from organic milk

Revenue ▲	718	18.1%
Operating result ▲ (excl. GSC allocation)	236	58.4%
Operating result as % revenue third party ▲	32.8	

In millions of euros, percentages delta vs H1 2024



Professional: growth of strategic brands

Performance triangle

- Winning in the market ●
- Expanding our Margin ●
- Generating cash ●

- Strategic brands grew; less profitable product will be phased out
- Profit declined as sales prices did not fully offset cost increases
- Prices of milk and butter/fat are high. Good for sales, tough for profitability.



Lattiz and **Debic** continued to grow. Debic now #3 brand of FrieslandCampina after Friso and Frisian Flag



Name change to **Professional**, trading activities remain part of business group

Revenue ▲	2,037	8.5%
Operating result ▼ (excl. GSC allocation)	28	-31.6%
Operating result as % revenue third party ▼	1.4	

In millions of euros, percentages delta vs H1 2024



Member recruitment: positive line

Objective

Volume in kg/year ●

- Update first half 2025, team and support on full strength
- Accessibility of milk volume scheme to new members helps member recruitment
- Leads on potential member farms:
MelkLeveren@frieslandcampina.com



New campaign brings cooperative close



Recruiting new members in the German state of Lower Saxony, gets attention in German agricultural press

New members started

(Per 1 January 2025)

New members contracted ▲

(Start of delivery in 2025 or 2026)

Volume in kg/year

64.9 million

100.3 million



One global supply chain

Cost savings ▲

100

Of which negotiation results
(product specifications and raw materials)

4

Performance

(in million euros)

- Cost savings of 100 million euros in first half 2025, on track for total targeted savings
- Strong productivity improvement at >30 production sites through 'Our Way of Working'



New state-of-the-art distribution centre at DLMI in **Malaysia**



Gerkesklooster reduces water consumption: now 70% self-sufficient



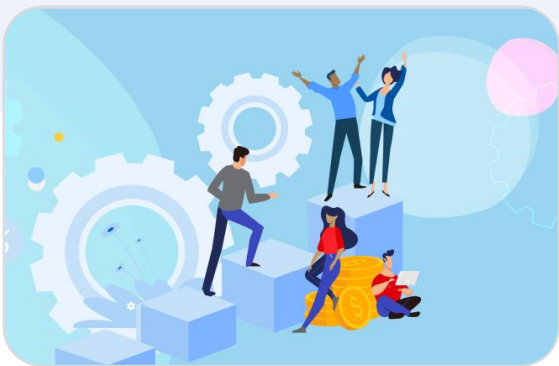
94% effectiveness on SCM production line **Cikarang**



DLMI: from 63% to 80% effectiveness on production line



One way of working for our global functions



- Global Business and Digital Solutions (GBDS) to simplify business processes
- IT project Optimus is one of the biggest change projects: replaces SAP systems and harmonises work processes worldwide



New R&D structure:
support all business groups with four specialised teams



Further relocation of **financial administration** to Budapest

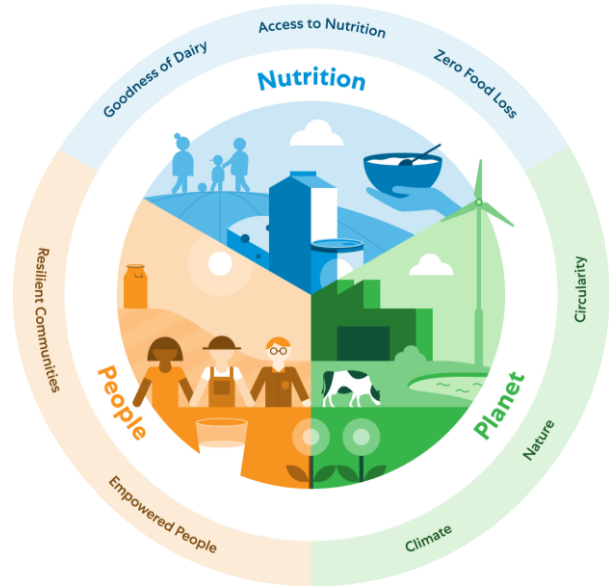


Global HR Operating Model introduced. **'Finder'** is now **central portal** for all employees worldwide



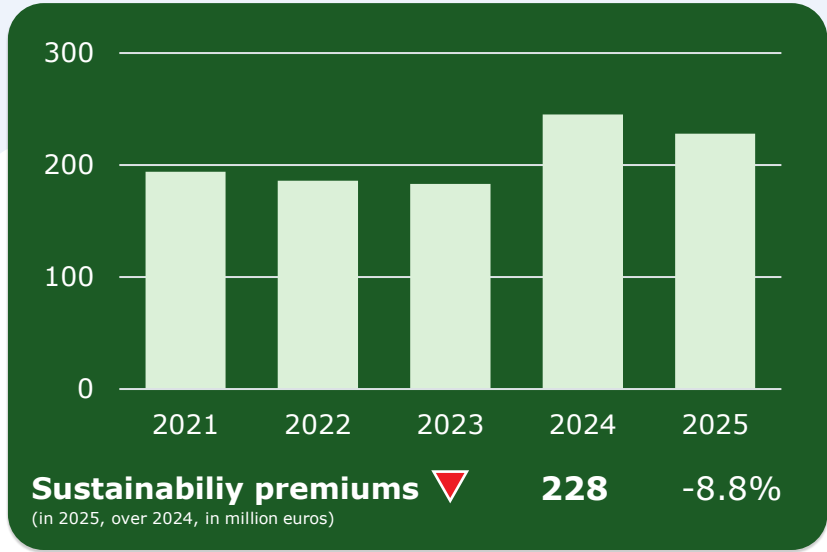
Optimus IT project design phase completed

In balance with the planet





228 million paid to member dairy farmers for sustainability performance in 2024



- Decline due to recalibration threshold Foqus planet and challenging conditions at the farm: roughage quality, grazing and bluetongue

Objective remains to get as much **out of the market** as possible



- Approved climate targets for 2030 vs 2020**
 Concrete and substantiated as per requirements SBTi:
- -30% scope 1 and 3 FLAG-emissions
 - -42% scope 1,2 and 3 non-FLAG emissions

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Prudent financing policy

Prudent financing policy

- **Maintaining a conservative capital structure**
- **Strong commitment to remain investment grade**
 - Adapted milk payment regulation in July 2020, to make **milk payments subordinated specifically to senior debt**
 - Issuance of Milk Certificates in January 2022
- **Diverse funding profile with healthy equity levels**
- **Significant headroom with covenant levels**
 - Net debt/EBITDA < 3.5x¹
 - EBITDA interest coverage > 3.5x¹
- **Conservative profit allocation policy** set for 3 year periods (to be renewed in H2 2025)
- **Retaining 60% of net income as equity**²

Credit ratings

FitchRatings

BBB+ (Stable Outlook)

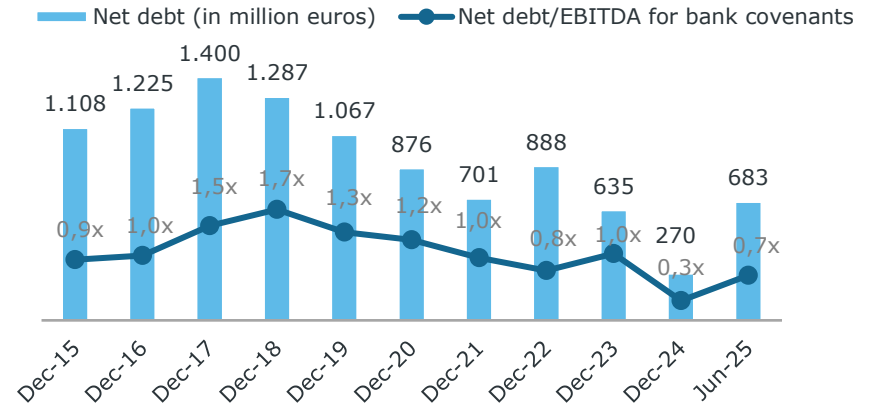
as of March 2021

S&P Global

BBB (Stable Outlook)

as of June 2021

Net debt development (in €m)



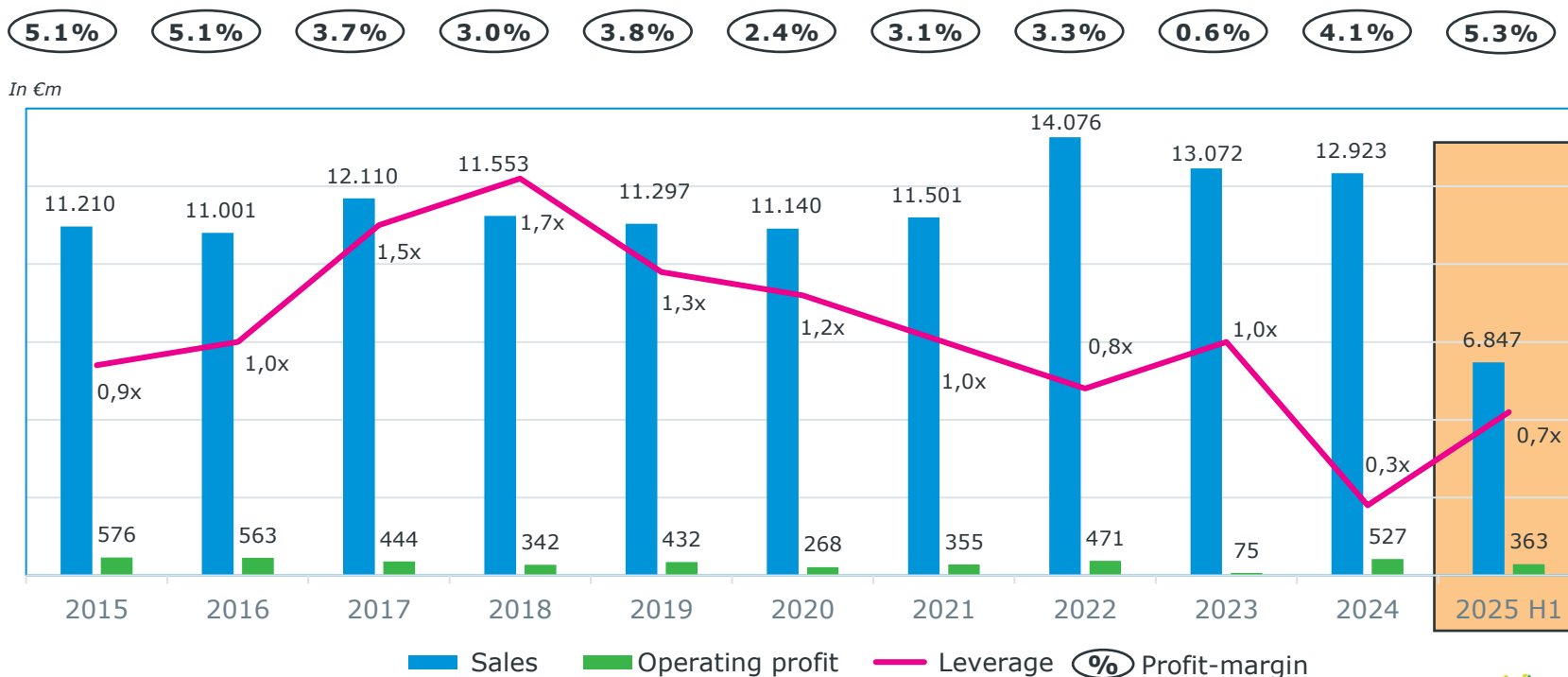
Note: 1) Based on LTM EBITDA for bank covenants as defined in the Compliance Certificate, adjusted for performance related supplementary cash payments; 2) Allocation policy set for 3 year periods and laid down in the milk price regulations. Shareholder's Board can, at the proposal of the Executive Board with approval of the Supervisory Board, lower the share added to equity capital in event of a goodwill impairment >€100m or add book profits to equity capital if book profits are >€100m and result out of (i) the sale of assets or (ii) revaluation of an interest in subsidiaries, in accordance with the milk price regulation and the reservation policy;

Financial ratios remain within thresholds

	Threshold	H1 2025	YE 2024	H1 2024
Net Debt in €m (frozen GAAP)		683	270	806
12-mnth EBITDA in €m used for ratios		992	903	917
Net Debt to EBITDA	<3.5	0.7	0.3	0.9
Interest coverage ratio	>3.5	12.7	11.4	14.1
Return on Capital Employed		15.8%	13.5%	8.1%

* Net debt as per covenant guidelines (adjusted for lease obligations)

Strong and stable financial track record the last decade

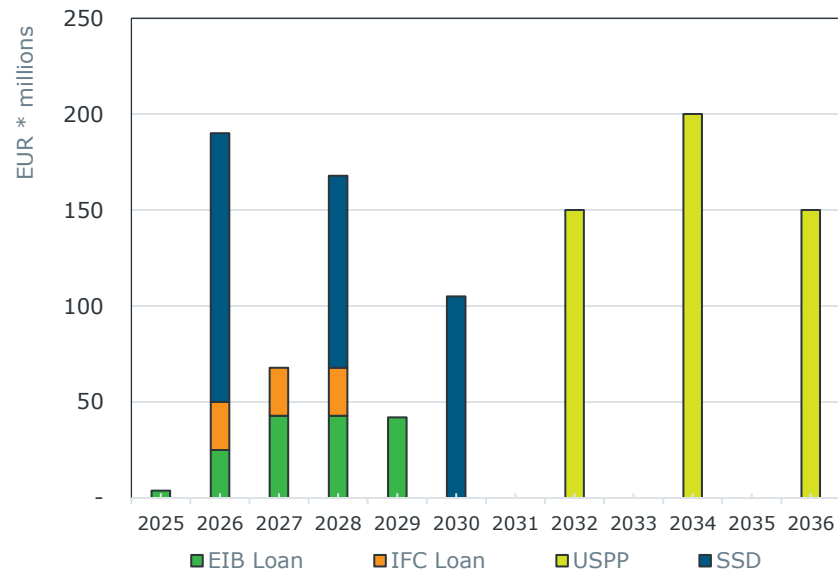


Funding profile and debt maturity profile

Current net debt¹

€m	Jun-25	Dec-24
Private placements	485	497
IFC loans	75	75
EIB loans	158	208
SSD	345	345
KFW loan	0	75
Other borrowings from credit institutions	148	135
Revolving Credit Facility	0	0
Other	14	29
Total interest-bearing debt	1,225	1,364
Payable to /(Receivable from) Zuivelcoöperatie FrieslandCampina U.A.	44	(45)
Cash and cash equivalents (not restricted)	(586)	(1,049)
Net debt¹	683	270

Current debt maturity profile LT Debt (EUR 1,063mio)



- KFW loan of EUR 75mio was prepaid per 28 February 2025 (original maturity date in 2028)
- Remaining amount Hybrid 2020 of EUR 72mio was prepaid per 26 June 2025

Note: 1 Net debt based on frozen GAAP (disregarding the impact of IFRS 16), in accordance with covenant guidelines; Excludes lease liabilities of €175m

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Milcobel & FrieslandCampina: Stronger together towards the future



The priorities for 2025 are clear and already in progress

1. Accelerate growth in profitable dairy segments
Both organic as external via M&A. Priority areas milk market, premium protein ingredients and Asia
2. Expand margins and reduce volatility in basic dairy
3. Continue cost savings Performance+ and Expedition 2030
4. Retain and recruit member farmers
5. Nourish, by nature: Nutrition, People & Planet
6. Build strong and diverse talent base

Market developments

Short term: challenging

- Consumer confidence is low worldwide
- Currency developments create negative impact
- Commodity dairy markets develop less favourably

Long term: positive

- Sustained demand for high-quality proteins
- Global demand for dairy continues to rise



Outlook 2025

- Balanced product portfolio provides solid foundation
- Ongoing cost saving programmes deliver significant savings
- Market developments lead to lower profitability in second half of 2025



We go full steam ahead in second half of 2025





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nourishing by nature

Questions & answers

