



GENERAL MILLS FISCAL 2026 Q1 EARNINGS CALL

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CORPORATE PARTICIPANTS

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Jeff Harmening, Chairman and Chief Executive Officer

Kofi Bruce, Chief Financial Officer

PRESENTATION

Jeff Siemon

Good morning! This is Jeff Siemon, Vice President of Investor Relations and Corporate Finance. Thank you for listening to General Mills' prepared remarks for our fiscal 2026 first-quarter earnings. Later this morning we will hold a separate, live question-and-answer session on today's results, which you can hear via webcast on our investor relations website. Joining me for this morning's presentation are Jeff Harmening, our Chairman and CEO, and Kofi Bruce, our CFO. Before I hand things over to them, let me first touch on a few housekeeping items.

First, on our website, you will find our press release that posted this morning, along with a copy of the presentation and a transcript of these remarks. Please note that today's remarks include forward-looking statements that are based on management's current views and assumptions. The second slide in today's presentation lists several factors that could cause our future results to be different than our current estimates.

Additionally, I'm pleased to announce that General Mills will be hosting an Investor Day event at our World Headquarters in Minneapolis, Minnesota on Tuesday, October 14th. We will webcast a presentation and Q&A session with senior management highlighting our strategic priorities and long-term growth plans focused on driving remarkability across our global brands, and we hope you will join us online for that session. In-person attendees will have the opportunity to engage with a broad set of business and functional leaders, experience our product news and innovation, get a first-hand view of our digital capabilities, and tour our global R&D center. For more information, please email our Investor Relations team at investor.relations@generalmills.com.

And with that, I will turn it over to Jeff.

Jeff Harmening

Thank you, Jeff, and hello to everyone.

Let me start with today's key messages. The most important job we have in fiscal 2026 is restoring volume-driven organic sales growth. To achieve this, we're leaning into what makes our brands

remarkable for consumers. That means investing to strengthen our value, product news, innovation, advertising, and visibility in store and online. Price remains an important tool, especially in today's environment, but it is not sufficient to drive lasting growth. Sustainable, profitable growth comes from making sure that all elements of remarkability—product, packaging, messaging, omnichannel execution, and value—truly resonate with consumers.

We've already seen proof points that give us confidence this is the right path. In the second half of fiscal 2025, we invested to bring consumers more value in targeted businesses like Pillsbury, Totino's, and fruit snacks, which enabled our product news, advertising, and in-store execution to break through more meaningfully. And the early results were encouraging, with noticeable improvement in pounds and volume share for those businesses.

We've expanded our investment in remarkability in fiscal 2026, and through the first quarter, our topline performance was in line with our expectations. We expected that the combination of higher investments and the impact of the North American yogurt divestitures would pressure our reported sales results this year, so we've been closely watching our Nielsen-measured in-market performance to measure success. Thus far, we've been pleased with the results, with improved pound trends and increased volume share across most of our top 10 categories.

Looking forward, we're focused on driving further improvement behind continued execution of our price investments, new advertising campaigns, stronger in-store events, and exciting innovation like Blue Buffalo's new Love Made Fresh line of fresh pet food, which started shipping this week.

With early momentum, a continued disciplined focus on execution, and confidence in our strategies, we reaffirmed our full-year fiscal '26 guidance this morning.

Our first quarter results are summarized on slide 5. We improved our competitiveness, including holding or growing pound share in 8 of our top 10 U.S. categories and driving continued strong share performance in International and foodservice channels.

Organic volume was down 1 percent and organic net sales were down 3 percent, which were in line with our expectations and included the impact of price investments and trade phasing headwinds, as well as shipment timing headwinds in our North America Pet segment.

Our adjusted operating profit and adjusted EPS results were both down double digits, though they finished a bit ahead of our expectations. The profit and EPS declines in the quarter were driven largely by an 8-point reduction in reported volume, including the impact of the yogurt divestitures.

We continue to manage through an evolving operating environment in fiscal 2026 with cautious consumer behavior connected to economic uncertainty, global conflicts, and changing food policy regulations. We continue to see consumers seeking value and prioritize their spending on key benefits like protein, bold flavors, and feelings of nostalgia from brands they love. And in pet, we expect pet parents to continue to look for more elevated and humanized pet offerings while maintaining a focus on value.

Against this consumer backdrop, we are executing against three key priorities for fiscal '26:

- First, we are working to return North America Retail to volume growth by investing in remarkable experiences to strengthen pound share and household penetration for our brands.
- Second, we will accelerate our North America Pet growth, including improving our core Blue Buffalo businesses and driving new opportunities with our Love Made Fresh launch, our recently acquired Tiki Cat business, and the rollout of Edgard & Cooper super-premium dog food in the U.S.
- And third, to help fund these investments, we'll drive efficiencies to reinvest in growth. This means continuing to deliver best-in-class Holistic Margin Management, or "HMM" productivity and transforming how we work to free up our teams to focus on growth.

As I mentioned earlier, our plans to reinvigorate growth for our brands are guided by our Remarkable Experience Framework. By evaluating how our brands perform across five key dimensions – product, packaging, brand communication, omnichannel execution, and value – we can clearly see where we're meeting consumer expectations and where we need to raise our game to be more competitive.

This framework is the lens through which we'll continue to make brand investment decisions, ensuring each business has a defined path to stronger remarkability and greater impact for consumers. Let me show you how we used remarkability to deliver results in Q1.

In North America Retail, our team is focused on a multi-year journey to improve the remarkability of our brands, and we have robust plans in place to strengthen all elements of the framework. We saw positive results from these plans in the first quarter, with 8 of our top 10 U.S. categories holding or growing pound share, building on improved momentum we delivered in Q4 of fiscal '25. We saw our pound trends improve sequentially from Q4 to Q1 across 7 of our top 10 U.S. categories. And we grew household penetration for our U.S. portfolio for the first time in three years.

Our dollar performance lagged our pound performance in Q1, as we expected, due to investments to address key price cliffs and gaps. We expect this to continue through fiscal '26, though we think the gap between pounds and dollars will begin to narrow in the second half as we start to lap the initial price investments we made a year ago.

Our progress in Q1 in North America Retail was driven by our investments to improve brand remarkability across each of the five elements of our framework.

- On product superiority, our Q1 innovation lineup was a great success, with customer acceptance, distribution, and volume all tracking ahead of our expectations for new items like Cheerios Protein, Progresso Pitmaster soups, and Mott's Fruit-filled Bars. We continue to expect our total net sales from innovation in NAR will be up 25 percent this year.
- On remarkable package design, we leveraged our price-pack architecture toolkit to deliver new sizes and package formats to meet key price points for consumers in Q1, helping drive Nielsen-measured pounds up high-single digits on salty snacks and up low single-digits on fruit snacks.

- On brand communication, we launched new, social-first media campaigns on some of our biggest brands, including Cheerios, Pillsbury, and our Fruit Snacks franchise. And we continued to see improved ROIs on our media investment, driven by advanced, data-driven marketing capabilities.
- On omnichannel execution, we leveraged our broad portfolio to execute a fully omnichannel Back to School event, themed “Free Snacks for Every Backpack,” where we delivered significant value to consumers during a stressful Back to School shopping season. We were able to gain differential retailer engagement on this event, with strong increases in display, distribution, and merchandising lift.
- Finally, we expanded our work to deliver compelling value to consumers by investing to address key price cliffs and gaps. As we said at the start of the year, our goal is to make price/value adjustments in roughly two-thirds of our NAR portfolio in fiscal '26. We got a bit more than half of that reflected in the market in Q1, with elasticities in line with our expectations. We expect to complete the remainder of that work in Q2, and we'll track closely and adjust where necessary to ensure we continue to see ROIs in line with our expectations.

We continue to see more and more evidence that when we deliver greater remarkability for consumers across all elements of the framework, our business grows. We saw this play out in Q1 on Cinnamon Toast Crunch, the #2 brand in the U.S. cereal category. We emphasized the great taste of ‘cinnadust’ in our truly remarkable product, adding a new flavor variety, highlighted value through multiple pack sizes, and amplified it all with a truly remarkable, new social-led “Must Cinnadust” campaign that generated a 500 percent increase in social engagement for the brand. By leaning into all aspects of remarkability, we were able to drive growth in pounds, pound share, and dollar share for Cinnamon Toast Crunch in Q1.

As we transition to Q2, we have strong plans in place that address all aspects of remarkability to further strengthen our offerings for consumers:

- We'll bring more compelling product news, highlighting our “Bakes Up Bigger” renovation on Pillsbury refrigerated dough. We'll introduce more remarkable innovation, like our Totino's Ultimate Pizza. And we'll expand availability for protein innovation, like Annie's Super Mac, which is already turning in the top third of the category at major customers.
- We'll deliver value to consumers through remarkable package design, featuring new brand partnerships with *Wednesday* and *Wicked*, expanding price/pack architecture formats, and increased seasonal offerings.
- We'll strengthen our brand communication with increased investment behind new campaigns across many of our global brands, including Old El Paso, Cheerios, Pillsbury, and Nature Valley.
- We'll elevate our omnichannel execution with another strong GameDay event planned in Q2, including partnerships with NFL all-star wide receivers Justin Jefferson, Ja'Marr Chase, and Amon-Ra St. Brown, who will be featured on Big G cereals. And we have terrific plans for baking and soup seasons, leveraging consumer-relevant innovation, renovation, and in-store visibility.
- And we'll continue to improve our value for consumers by completing our work to address key price cliffs and gaps across our NAR portfolio.

Stepping back, I'm pleased with the progress we made in driving greater remarkability across NAR in Q1, I'm confident in our plans for Q2, and I think we're on the right track to returning this business to volume growth in fiscal '26.

Now turning to North America Pet, our plan for fiscal '26 is to improve growth on our core Blue Buffalo business and accelerate into faster-growing segments of the category, like fresh feeding.

Our performance on the core was mixed in Q1, with a slowdown in dog feeding offset by improvement in treats, while our cat feeding business continued to lead our growth. For the quarter, we held or grew pound share across dog feeding, cat feeding, and treating.

On dog feeding, our main challenge continues to be our Wilderness sub-line, which slowed sequentially from Q4 to Q1. To address this, we're doing work on all elements of remarkability to ensure we're delivering the right combination of product news, brand communication, in-store execution, and value that will help Wilderness better resonate with pet parents. At the same time, we're continuing to support Life Protection Formula to maintain its strong track record of growth.

On treats, we drove encouraging improvement in Q1 behind stronger in-store visibility and selected price investments to improve value for pet parents, resulting in mid-single-digit pound growth and stable dollars across all channels. As we move to Q2, we expect to continue this momentum behind our new Nudges GameDay campaign and seasonal treat offerings.

And we continued to deliver great results for our core Blue Buffalo cat feeding business, with retail sales for our Tastefuls sub-line up mid-single digits behind increased support for our head-to-head taste-preference advertising and new trial-pack formats to recruit new pet parents into the brand.

On our pet accelerators, we're making good progress and continue to see exciting opportunities to build a stronger presence in high-growth segments of the pet food category. Just this week, we started shipping Love Made Fresh, Blue Buffalo's first full line of refrigerated fresh pet food for dogs. We're launching nationally with a broad array of roll and tub offerings in a variety of proteins and breed sizes. We've had strong retailer acceptance, and we expect to be in roughly 5,000 coolers by the end of our second quarter. We'll support the launch with a national media campaign rolling out this quarter, geared toward driving awareness and trial and highlighting our ingredient superiority and our compelling "kibble plus fresh" positioning.

We're taking a thoughtful approach to our growth plans for Love Made Fresh to maximize our odds of success. We expect this business will start small and build over time as we grow distribution, drive trial, and eventually generate repeat and increased turns at the shelf. For those interested in learning more, be sure to attend our Investor Day event next month.

In addition to Love Made Fresh, we have two more accelerators that are adding growth for our North America Pet segment this year. We launched Edgard & Cooper in the U.S. earlier this summer through an exclusive partnership with PetSmart, and we're already seeing a great response from pet parents after just a few months in market. We acquired this super-premium European brand a little more than a

year ago, and we're excited for the opportunity to bring this line of high-quality products to more pet parents across 1,000 stores in the U.S.

Finally, our recent acquisition of the North America Whitebridge business is further adding to our pet growth. The Tiki Cat brand is the jewel of this portfolio, and it is driving double-digit retail sales growth behind remarkable innovation and distribution expansion. We're working to accelerate that growth through innovation like our recent launch of Tiki Cat Solutions.

Turning to our North America Foodservice segment, our focus in fiscal '26 is driving growth by leading in breakfast through nutrition and by expanding our frozen baked goods portfolio. I'm pleased to share we're off to a great start on both.

On breakfast, our cereal market share was up another full point in Q1, led by continued strong growth in K-12 schools. We're driving our strong share momentum with our regulation-ready portfolio, including our commitment to removing certified colors by the summer of 2026, which is ahead of USDA regulations. We're also investing behind growth initiatives like frozen breakfast, offering a broad array of solutions that meet school nutrition guidelines and minimize challenges for K-12 operators.

On our frozen baked goods portfolio, we're driving share growth with relevant innovation, like our new blondie bars. Our continued efforts to reinvest in the remarkability of our biscuits platform have resulted in almost three points of share growth fiscal year to date.

Turning to our International business, we're pleased with the growth we delivered in the first quarter across our global brands.

Outside of shops, retail sales for Häagen-Dazs were up double digits, driven by increased distribution of our core flavors as well as strong performance on our renovated European stick bar line. In China, a relaunch of our stick bar business helped drive high-single-digit growth for Häagen-Dazs in retail channels.

Old El Paso remains the global category leader in Mexican food, and we see tremendous opportunity for long-term growth for this brand. Others have seen this opportunity, too, which has translated into increased competitive activity and resulted in flat retail sales for the brand in Q1. We have plans to improve our competitiveness by investing in brand building and innovation to reach new households and to encourage existing consumers to make Old El Paso a more frequent part of their meal routine.

And on Nature Valley, we drove high-single-digit retail sales growth in Q1, led by continued strong performance in France, where our brand-building investment and distribution gains helped us expand our #1 market share position in the snack bar category.

To support our growth plans and investments in remarkability, we continue to drive efficiency across our business. Our efforts are focused in two key areas: Holistic Margin Management cost savings and our Global Transformation initiative.

On HMM, we're building on our industry-leading productivity track record, with good visibility to delivering another year of 5 percent savings in cost of goods sold in fiscal '26. These results have been enabled by our increased use of digital and AI tools within our supply chain, helping drive efficiencies in our sourcing, manufacturing, and logistics networks.

On our Global Transformation initiative, we are streamlining our end-to-end processes and identifying new ways of working that match today's evolving environment. One specific example where we're seeing good progress is in demand forecasting. We started from a position of strength, benchmarking in line with leading peers in terms of demand forecast accuracy. By leveraging advancements in AI and machine learning, our transformation work is reducing our teams' efforts while still delivering top-tier accuracy. We are in the process of transitioning more business to "no-touch" demand forecasting, with no manual interventions. For these businesses, this has created time savings for our brand teams of greater than 50 percent, and we think we can reach 75 percent time savings over time, enabling greater focus on demand generation. As an added benefit, these efforts have resulted in our highest operational demand forecast accuracy on record, which has driven measurable waste reduction and improved customer service.

With good progress on our priorities in Q1 and strong plans to drive further improvement in the year-to-go, we remain on track to deliver the financial outlook we provided for fiscal '26. Now let me turn it over to Kofi to go into more detail on our first-quarter fiscal '26 results.

Kofi Bruce

Thanks, Jeff. And hello everyone.

Our first-quarter financial results are summarized on slide 19. As a reminder, we expected our price investments, the divestiture impact, and trade expense timing would put significant pressure on sales and profit results in the first half of the year, before favorable trade timing comparisons, a 53rd week, and improved volume trends drive positive results in the second half.

Reported net sales of \$4.5 billion dollars were down 7 percent, including a 4-point headwind from the net impact of divestitures and acquisitions. Organic net sales were in line with our expectations at down 3 percent, driven primarily by unfavorable price/mix due to our price investments and unfavorable trade expense timing.

On the bottom line, our Q1 results finished a bit ahead of our expectations, driven by favorable phasing of input cost inflation and timing benefits in International, both of which we expect will largely unwind in Q2. Adjusted operating profit of \$711 million dollars was down 18 percent in constant currency, driven by lower volume and higher input costs, partially offset by favorable product mix stemming from the North American yogurt divestitures. Adjusted diluted earnings per share totaled \$0.86 in the quarter and were down 20 percent in constant currency, driven primarily by lower adjusted operating profit.

Moving to the components of total company net sales growth in the quarter, organic net sales declined 3 percent in the quarter, driven by lower organic price/mix and pound volume. Organic pound volume was down 1 percent, including the impact of a shipment timing headwind in North America Pet.

In terms of inorganic items, foreign exchange was immaterial to net sales, and the net impact of divestitures and acquisitions was a 4-point headwind to net sales in Q1.

Shifting to segment results, first-quarter organic net sales for North America Retail were down 5 percent. Our organic net sales lagged Nielsen-measured U.S. retail sales by roughly 1 point, driven primarily by a previously anticipated headwind from trade expense timing.

Including the North America yogurt divestitures, reported net sales declined double-digits for the Big G Cereal & Canada operating unit, which represents the combination of the previous U.S. Morning Foods and Canada operating units. Net sales were down high-single digits for U.S. Snacks and low-single digits for U.S. Meals & Baking Solutions.

As Jeff noted, our increased consumer value, innovation, and product news drove improved pound competitiveness in Q1, including pound share growth in 8 of our top 10 U.S. categories.

On the bottom line, constant-currency segment operating profit was down 24 percent in the quarter, due primarily to lower volume, including the impact of yogurt divestitures.

Net sales for our North America Pet segment increased 6 percent, including the impact of the Whitebridge acquisition. Organic net sales were down 5 percent, driven largely by a 4-point shipment timing headwind in the quarter.

Including the Whitebridge acquisition, reported net sales in the quarter were up double digits for cat feeding and pet treating, and down mid-single digits for dog feeding.

We maintained our pound competitiveness in Q1, holding pound share in dog feeding, cat feeding, and treating.

And on the bottom line, first-quarter North America Pet segment operating profit was down 5 percent in constant currency, driven by higher input costs and higher SG&A expenses, including investments ahead of our upcoming Fresh pet food launch, partially offset by favorable price/mix.

North America Foodservice organic net sales were up 1 percent in the quarter, driven by good growth in cereal and biscuits, partially offset by a 2-point headwind from market index pricing on bakery flour.

We continued our strong competitiveness in the quarter, with 80 percent of our priority businesses holding or growing share, driven by positive results in non-commercial channels including healthcare, K-12 schools, and colleges and universities.

On the bottom line, North America Foodservice segment operating profit was down 1 percent in Q1, with the headwind from the yogurt divestitures largely offset by growth on the remaining businesses.

Shifting to our International segment, we generated good growth in net sales and operating profit, helped in part by certain timing benefits totaling approximately 3 percent of segment net sales that are expected to unwind in the remainder of this year, primarily in the second quarter.

First-quarter organic net sales were up 4 percent, driven primarily by growth in India, North Asia, and Europe.

Our net sales performance in China improved in Q1 relative to our fiscal 2025 trend, with a relatively small decline resulting from the closure of certain underperforming Häagen-Dazs shops. Excluding shops, we delivered net sales growth in China, driven by Häagen-Dazs retail and foodservice channels and our Wanchai Ferry dumpling business, giving us more confidence that our long-term plans for China are on the right track.

We continued to compete effectively in International in Q1, including holding or growing dollar share in roughly half of our priority businesses.

Inclusive of timing benefits, first-quarter segment operating profit totaled \$66 million dollars compared to \$21 million last year, driven by favorable price/mix, partially offset by higher SG&A expenses.

Slide 25 summarizes our joint venture results. Cereal Partners Worldwide net sales were down 2 percent in constant currency in Q1, driven by declines in Latin America and Europe, partially offset by growth in Asia, Oceania, and Africa. Häagen-Dazs Japan net sales were up 7 percent in constant currency, reflecting growth on our core cup and handheld formats.

First-quarter combined after-tax earnings from joint ventures decreased to \$7 million dollars compared to \$19 million dollars in the same period in fiscal 2025, driven primarily by asset impairment charges and transaction costs related to assets held for sale at CPW.

Turning to margin performance, adjusted gross margin of 34.2 percent of net sales was down 120 basis points versus last year, driven primarily by higher input costs, partially offset by favorable mix impact from the North American yogurt divestitures.

Our first-quarter adjusted operating profit margin was down 210 basis points to 15.7 percent, driven by lower adjusted gross margin and higher SG&A expenses as a percent of net sales.

Moving to other noteworthy Q1 income-statement items:

- Adjusted unallocated corporate expenses increased \$11 million dollars in the quarter, driven by the lapping of favorable one-time items from last year. As a reminder, we expect corporate unallocated expenses to be up significantly for the full year, driven by a normalization of corporate incentive compensation after last year's below-average payout.

- First-quarter net interest expense was up \$9 million dollars, driven by higher average long-term debt balances.
- The adjusted effective tax rate was 24.1 percent compared to 21.9 percent a year ago, due to certain nonrecurring discrete tax benefits in fiscal '25 and unfavorable earnings mix by jurisdiction in fiscal 2026.
- Finally, average diluted shares outstanding in the quarter were down 4 percent to 542 million, reflecting our continued net share repurchase activity.

Turning to the balance sheet and cash flow on slide 28. First-quarter operating cash flow decreased year over year to \$397 million dollars, driven primarily by lower net earnings, including the impact of divested earnings related to the North American yogurt divestitures, as well as unfavorable changes in core working capital. Capital investments in the quarter totaled \$110 million dollars. We paid \$330 million dollars to shareholders in dividends in Q1. And with the divestiture of our U.S. yogurt business closing in June, we received \$1.8 billion dollars in gross proceeds. After taxes and transaction costs, we utilized the majority of the net proceeds to pay down debt, which will help us make progress on our deleveraging goal for the year. Finally, we returned \$500 million dollars in cash to shareholders in the quarter through net share repurchases.

I'll wrap up my comments by summarizing our reaffirmed fiscal 2026 outlook.

- We expect organic net sales to range between down 1 percent and up 1 percent.
- Adjusted operating profit and adjusted diluted earnings per share are both expected to be down 10 to 15 percent in constant currency, including the impact of significant growth investments, a 5-point headwind from the net impact of divestitures and acquisitions, and a 3-point headwind from the normalization of corporate incentive expense. And while there have been changes to our forecast on tariffs over the past 3 months, we continue to expect the gross impact of tariffs to add another 1 to 2 percent of COGS, and we continue to work to mitigate as much of that impact as possible through product reformulation, ingredient substitution, and Strategic Revenue Management actions.
- Finally, we continue to expect free cash flow conversion of at least 95 percent of adjusted after-tax earnings.

With that, let me turn it back to Jeff for some closing remarks...

Jeff Harmening

Thanks, Kofi. Let me wrap-up with a few closing thoughts.

Our number one goal for this year remains clear: restoring volume-driven organic sales growth. And the path to that goal is equally clear: investing to improve the remarkability of our total product offerings. We've been encouraged by the fact that where we've made investments, we've seen the returns we've expected, including in Q1. And while we're pleased with our progress, we are by no means yet satisfied – we remain sharply focused on executing our plans and getting back to growth.

I have confidence in our plan, and in our team, whose track record of execution is excellent. I look forward to reporting our progress as we execute our priorities, accelerate our growth, and drive returns for our shareholders.