Unilever Q3 2025 Trading Statement

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Speakers:

Fernando Fernandez	Chief Executive Officer
Srinivas Phatak	Chief Financial Officer
Jemma Spalton	Head of Investor Relations

Chart 1: Q3 Trading Statement

Chart 2: Safe Harbour Statement

Fernando Fernandez

Hello and welcome to Unilever's third quarter trading statement for 2025.

Thank you for being with us today.

I am joined by Srini Phatak.

Srini's appointment as Chief Financial Officer was confirmed by the Board last month, following an extensive search process.

Srini's vast experience and expertise are great assets for Unilever and I am delighted we will keep building on the strong partnership we have formed.

In a moment, Srini will take you through the detail of the third quarter results.

Chart 3: Broad-based growth, on track for full year outlook

First, though, let me highlight the key elements of our performance, as I see it.

We have delivered a good quarter with 4% underlying sales growth and acceleration of volume growth to 1.7% for Unilever excluding Ice Cream, despite subdued markets.

Growth was broad-based across all Business Groups, with each of them delivering underlying sales growth above 3%.

This performance keeps Unilever on track to meet our full-year outlook and is evidence of powerful innovation, improved execution and significant shifts into premium segments and fast-growing channels.

It is also fully in line with the priorities we have set for the business.

For example:

- Our major growth engines, Beauty & Wellbeing and Personal Care delivered particularly strong performances.

- Our Power Brands continued to outperform, delivering 4.4% growth in the quarter with volumes up 1.7% for Total Group and 2.2% excluding Ice Cream.

- We also saw a continuation of sustained strength in Developed markets, led by North America. Volume led-growth of 5.5% was driven by Personal Care, an improving performance in Prestige

Beauty, and once again, exceptional delivery in Wellbeing.

- Europe grew underlying sales by a competitive 1.1%, despite a strong comparator. Structurally, our business in Europe continues to improve and strengthen.

- Our emerging market business stepped-up with 4.1% USG, led by a return to growth in Indonesia and China. Overall, emerging markets grew well, despite the short-term impact of the Goods and Services Tax reforms in India and some challenges in Latin America.

- We have delivered these results while preparing our Ice Cream business for demerger, which we expect to be completed before the end of the year. The timeline is being revised as a result of the US Government shutdown impacting the work of the SEC. Srini will say more about the final stages towards demerger in a moment.

In summary, a positive set of results this quarter that reaffirm our confidence in the steps we have taken to make Unilever a marketing and sales machine. They will continue to guide and inform our actions over the quarters ahead.

With that, I will hand over to Srini to take you through the third quarter results in detail, after which I will come back to say something about the remainder of this year and beyond – and also provide a brief wrap-up.

We will then take questions.

First, though, over to Srini...

Chart 5: All Business Groups delivered USG above 3%

Srinivas Patak

Thank you, Fernando.

Unilever's underlying sales growth in the third quarter was 3.9%, with broad-based progress across business groups. Underlying price growth was 2.4% and volume contributed 1.5%, resulting in a two-year compound annual volume growth rate of 2.6%.

We expect the demerger of Ice Cream to be completed in 2025. In this context, excluding Ice Cream, underlying sales grew 4.0%. Volume growth in the quarter was 1.7%, compared to 1.1% in the previous quarter. All four Business Groups delivered positive volume growth with a 2-year compound annual volume growth rate of 2.4%

Chart 6: Power Brands continue to drive growth

Our Power Brands, which represent over 75% of turnover, grew 4.4% in the third quarter, including 1.7% from volume. Power Brands excluding Ice Cream delivered 2.2% volume growth, in line with our medium-term volume ambition. Strong performances included double-digit growth from Vaseline, Liquid I.V., Nutrafol, Cif and Domestos, and high single-digit growth from Comfort, Olly and Cornetto. Dove, our biggest brand, keeps outperforming markets with 6% USG in the quarter and 8% year to date.

Chart 7: Developed markets remain strong, emerging markets improving

Before turning to the Business Groups, let me first provide some colour on our performance across different geographies.

Chart 8: Developed markets continued outperformance

Developed markets continued to perform strongly.

North America grew underlying sales by 5.5%, with 5.4% from volume, reflecting the continued benefits of our multi-year portfolio transformation. Growth was driven by strong performances in our Personal Care and Wellbeing brands, underpinned by premium innovations. This marks the fifth consecutive quarter of robust, volume-led growth in North America, supported by share gains across key categories and sustained brand investment.

Europe grew underlying sales by 1.1%, with a 0.6% decline in volume and 1.7% growth from price. Our performance was broad-based and robust given high comparators of over 6% growth. We gained share across major markets. Power Brands and multi-year premium innovations, including the rollout of Wonder Wash and Cif Infinite Clean, continued to perform well.

Chart 7: APA growth accelerated; challenges in Latin America

Asia Pacific Africa, delivered 6.8% underlying sales growth, with 3.5% from volume and 3.1% from price.

This is a clear acceleration versus the first half, reflecting improved performance in key markets and stronger execution across categories.

Indonesia returned to growth, as we saw the benefits of the extensive business reset we've undertaken. Strengthened brand plans, sharper channel execution, and renewed customer partnerships are driving improved trends. Sequential improvements in run rates position Indonesia for sustained progress into 2026.

In China, while the market environment remains subdued, we delivered low single-digit growth, supported by innovation within our key brands and interventions in pricing.

The macro environment in India continues to be favourable. Earlier in the year, personal income tax and interest rates were lowered. In September, the Government reduced GST (or sales taxes) to 5% on around 40% of our portfolio, making affected products roughly 10% cheaper. While these changes are expected to improve consumption through higher disposable income and improved sentiment, Q3 sales were temporarily impacted as trade reduced inventories and consumers delayed purchases in anticipation of lower prices. Trading conditions are expected to normalise from November onwards. Underlying performance was driven by premium portfolios in Beauty & Wellbeing and Personal Care.

Turning to Latin America, underlying sales declined 2.5% in the third quarter, with a 7.3% decline in volume partly offset by 5.2% from price.

Markets across Latin America are experiencing a broad-based softening, reflecting continued macroeconomic pressure on category growth and consumer demand.

In Brazil, our focus remains on restoring competitiveness in Laundry where we are seeing early signs of progress. In Deodorants, we continued to gain share in a declining market impacted by a temporary shift in product formats. Our Foods business delivered double-digit growth in Hellmann’s, supported by the continued success of its flavoured mayonnaise range.

In Argentina, the macroeconomic backdrop remains unstable amid ongoing political uncertainty.

We expect to see improvement in the region during 2026.

Chart 10: Beauty & Wellbeing

Beauty & Wellbeing underlying sales growth was 5.1%, driven by strong volume growth of 2.3% and 2.7% from price. Our volume momentum remains very solid, with a two-year CAGR of 4.0%.

Dove hair, Vaseline, Hourglass, K18, Liquid I.V.and Nutrafol all delivered double-digit, volume-led growth, reflecting the strength of our premium innovations and disciplined execution.

Hair Care was broadly flat. Growth in our premium portfolio was offset by declines in Clear and Sunsilk, which were impacted by soft market conditions in China and Brazil, and by lower TRESemmé volumes in the US, where we have pricing and promotional corrections in place to support improvement.

Core Skin Care grew mid single-digit, led by Vaseline, which delivered double-digit growth in both sales and volume. Growth was supported by premium innovations such as the new Cloud Soft Light Moisturiser in India.

Prestige Beauty grew mid-single digit, led by volume as the category showed gradual recovery. Performance remained mixed, with Hourglass and K18 continuing to grow double-digit, while Paula's Choice and Dermalogica returned to low-single digit growth after declines in the first half.

Wellbeing continued its exceptional run, delivering strong double-digit growth. Power Brands Nutrafol and Liquid IV sustained their outstanding performance, supported by a deep innovation funnel, increased brand investment, and selective international expansion.

Chart 11: Personal Care

Personal Care underlying sales growth was 4.1%, driven by 1.0% volume and 3.1% price. The two-year compound annual volume growth rate of 2.0% reflects continued resilience across our core categories, supported by strong growth in Asia Pacific Africa and in North America driven by Dove.

Premium innovations in Deodorants and Skin Cleansing continued to lead growth, with the rollout of Whole-Body deodorants and the expansion of premium body wash driving strong consumer engagement and share gains.

Deodorants grew low single-digit, led by Dove in North America. Growth was partly offset by weaker performance in Latin America, reflecting a decline in category volumes and a temporary shift in product formats.

Skin Cleansing grew low single-digit, with commodity related pricing weighing on volumes. Dove continued to perform well, supported by its premium innovations and the launch of limited-edition seasonal body wash ranges. Lifebuoy grew low single-digit.

Oral Care delivered high-single digit growth, led by our Power Brands, Close-Up and Pepsodent, with strong momentum in Asia Pacific Africa.

In September, we further strengthened our Personal Care portfolio with the completion of the acquisition of Dr. Squatch, expanding our presence in the fast-growing premium male grooming segment in North America.

<u>Chart 12: Home Care</u>

Home Care underlying sales grew 3.1% in the third quarter, with 2.5% from volume and 0.6% from price. Volume growth stepped up versus the previous quarter, driven by sustained performance in Europe and improving trends across several key markets in Asia Pacific Africa.

Fabric Cleaning was flat overall. Europe grew mid-single digit as the rollout of Wonder Wash continued to drive volume growth and strengthen competitiveness. Wonder Wash will reach 30 markets by the end of the year. This was partly offset by a decline in Brazil, where market conditions remained soft and we implemented corrective pricing actions.

Home & Hygiene grew mid-single digit, with balanced contributions from both price and volume. Growth was led by Cif and Domestos, both delivering double-digit performances. Cif Infinite Clean — a multi-purpose cleaner, powered by probiotics — has now been rolled out across major European markets and is delivering strong early results.

Fabric Enhancers grew high single-digit. Comfort delivered strong volume-led growth supported by the continued success of its CrystalFresh technology.

Chart 13: Foods

Foods delivered growth ahead of the market with underlying sales of 3.4%, with 1.3% from volume and 2.1% from price. Growth was broad-based across regions, led by strong brand execution.

Condiments delivered mid-single digit growth, with positive volume and price. Hellmann’s maintained its strong momentum with mid-single digit growth led by volume. This was supported by competitive growth in developed markets and by a particularly strong double-digit growth in Brazil where Hellmann’s is going from strength to strength.

Cooking Aids grew low-single digit, with positive volume and price. Knorr and Unilever Food Solutions both delivered low-single digit growth amidst subdued market conditions.

Chart 14: Ice Cream

Ice Cream underlying sales grew 3.7% in the third quarter, with flat volume and 3.7% from price.

Volumes were flat against a mid-single digit comparator last year, with a two-year compound annual volume growth rate of 3.4%.

Growth continues to be competitive, reflecting strong innovation, ongoing operational improvements and disciplined execution across regions.

Cornetto led with high-single digit growth, while Ben & Jerry's grew mid-single digit, supported by the launch of new Sundae flavours and a larger, shareable pack format that is expanding consumption occasions.

Chart 15: Ice Cream demerger timetable

Now, let me take you through the latest update on the Ice Cream Demerger.

All the preparatory work for demerger remains on track, with the shareholder circular published on 2nd October and approval of the share consolidation received on 21st October.

Due to the US Government shutdown, the SEC is currently unable to declare the US registration statement effective, resulting in revisions to the original timeline.

We remain committed to and confident of implementing the Demerger in 2025 and we will share further updates as soon as practicable, once there is greater clarity on timing.

Chart 16: Ice Cream demerger practicalities

Let me now explain how the demerger and share consolidation will work in practice.

As part of the demerger, shareholders will receive one share in The Magnum Ice Cream Company for every five Unilever shares they hold.

Following the demerger, we will carry out a consolidation of Unilever shares to maintain comparability between Unilever's share price and key per-share metrics before and after the demerger. This is a standard technical adjustment in transactions of this nature, and the final ratio will be confirmed shortly after TMICC shares begin trading.

Importantly, Unilever is expected to pay Q4 dividend in-full, ensuring continuity for our shareholders through the completion of the Ice Cream demerger.

Chart 17: USG offset by net disposals and adverse currency

Turnover for the third quarter was 14.7 billion euros, down 3.5% year-on-year. Underlying sales growth of 3.9% was more than offset by a negative currency impact of (6.1) %. We now expect an adverse currency impact on full year turnover of around 6% and a 30 bps on underlying operating margin.

Portfolio changes also reduced reported turnover, with an impact of (1.0)% from net disposals. Acquisitions contributed 0.5%, led by strong double-digit growth from K18 and Wild, and supported by the addition of Dr. Squatch following the completion of its acquisition in September.

This was more than offset by a (1.6)% impact from portfolio disposals, including The Vegetarian Butcher, which completed in September.

With that, over to you, Fernando.

Slide 18: On track to deliver full year 2025

Fernando Fernandez

Thank you, Srini.

Let me conclude by saying something about how we see the remainder of the year.

In short, our outlook is unchanged - and that applies both including and excluding Ice Cream.

In either case, we expect underlying sales growth to be within our 3-5% multi-year range.

Growth in the second half will be ahead of the first half.
This despite some softness in certain markets, notably Latin America.

Overall, we expect we will continue to outperform our markets, with a strong competitive performance in developed markets and an improved performance in emerging markets.

Volume growth in quarter 4 should be at least in line with quarter 3.

On the bottom line, we continue to expect an improvement in underlying operating margin for the full year, with second half margins of at least 18.5% - or at least 19.5% excluding Ice Cream.

Of course, we will continue to monitor external events closely in what remains an uncertain environment.

Slide 19: Progressing against strategic priorities

Finally, on the back of a strong quarter, we are looking ahead to the rest of the year – and into 2026 – with confidence and resolve.

Unilever is changing - fast.

Under the strategic priorities we have set out….

- The portfolio is stronger, with more Beauty, more Wellbeing, more Personal Care. This quarter saw Beauty & Wellbeing up 5.1% and Personal Care up 4.1%.

- The shift to premium and digital commerce is accelerating, both organically and through M&A as per the recent acquisitions of Wild and Dr Squatch.

- Our anchor markets are delivering superior growth. Our US business has now posted 5 consecutive quarters of strong volume-led growth.

- The performance expectations we are placing on people within the company are higher, with clear accountability and real differentiation in our incentive outcomes.

- And our commitment to make Unilever a marketing and sales machine permeates everything we are doing. From the acceleration of ‘desire at scale’ in elevating our brand portfolio, to the significant investments we are making to step-up executional excellence in every part of the business.

In short, we are crystal clear on what we need to do and on where we want to invest. We will not be diverted from these priorities.

As we look ahead, it’s clear that some markets and categories will remain soft for a while. But we have put Unilever on a stronger footing and are increasingly confident in our ability to continue to outperform our markets, whatever the conditions.

Slide 20: Q&A

With that, thank you for listening and we are looking forward to taking your questions.

Thank you for joining today's call. I hope it's clear that:

- Our major growth engines of Beauty & Wellbeing and Personal Care continue to deliver strong performances
- Our shift to premium and digital commerce is accelerating
- Developed market performance continues to be strong with further standout volume growth in our US business
- Emerging market performance is improving - India is very well positioned over the medium-term, Indonesia and China continue to improve, and while LATAM will take time, the inherent strengths of our business in the region remain firmly intact
- All of which give us confidence for the remainder of this year and in our ability to continue to outperform markets.