



## Unilever pre-close aide-mémoire Q3 2025

*This document sets out public information previously provided by Unilever PLC, or else widely available in the market, which may prove helpful in estimating the financial performance of Unilever ahead of its third quarter trading statement on 23 October 2025. Unless otherwise specified, the outlook and noteworthy commentary below come from Unilever's half year and second quarter results and associated results call on 31 July 2025. No new information is given, and there will be no comment on current trading or further guidance provided.*

### Outlook

#### Underlying sales growth (USG)

- We expect USG in the full year 2025 to be within our range of 3% to 5%.
- We expect second half growth ahead of the first half despite subdued market conditions.

#### Underlying operating margin (UOM)

- We anticipate an improvement in UOM for the full year, with second half margins of at least 18.5%, a significant improvement versus the second half of 2024.

#### Other financial guidance for 2025

- Capex above 3% of turnover.
- Restructuring around 1.4% of turnover.
- Net finance costs around 3% on average net debt.
- Underlying effective tax rate around 26%.
- Leverage of around 2x net debt / underlying EBITDA.
- Currency impact around (5)% to (6)% on turnover and around (20)bps on UOM, based on spot rates in July 2025.

### Noteworthy commentary

## H1 2025 commentary: Geographical areas (including subsidiary outlook information)

#### Developed markets

- **North America:** Benefitted from the multi-year transformation of our portfolio which showed resilience in spite of weaker consumer sentiment. Growth was led by the ongoing success of our Wellbeing brands as well as competitive growth in Personal Care and continued momentum in Hellmann's. Share gains across key categories were supported by premium innovations and underpinned by a continued step-up in brand investment.
- **Europe:** Resilient growth, which was broad-based across countries, led by premium innovations and improved execution. Growth was driven by Home Care, with further roll out of successful innovations across the region, and Ice Cream.

#### Emerging markets

- **India** ([HUL disclosure 26 September 2025](#))
  - The latest Goods and Services Tax ("GST") reforms are a positive step by the Government to drive consumption. These reforms are expected to increase disposable income and drive long-term demand across key categories.
  - With the revised GST rates, approximately 40% of our portfolio now benefit from a reduced GST rate of 5%, down from the previous GST rates of 12% or 18%.
  - While this measure supports long-term consumption, we have seen a transitory impact in the form of disruption at distributors and retailers across channels to clear existing inventories with old prices.

This has resulted in postponement of ordering in anticipation of receiving new stocks with updated prices and lower orders across the overall portfolio as consumers delayed their pantry buying.

- This has led to a short-term impact on sales for the Company in September. Given our existing pipeline inventory in the channels, we expect this impact to continue into October as well. This is a one-off, transitory impact, and we anticipate recovery starting November as prices stabilise, underpinned by rising disposable incomes and our ongoing portfolio transformation actions.
- We expect the consolidated business growth to be near flat to low-single digit for the quarter ending 30th September 2025, basis current view.
- **Indonesia** (*Unilever Indonesia Q2 2025 results presentation, 31 July 2025*): Expect to deliver growth from Q3 2025 onwards.
- **China**: The actions we are taking to strengthen our go-to-market approach and accelerate the premiumisation of our portfolio are showing early signs of success. We expect the business to continue to improve in the second half of the year. On the H1 call, the CFO noted *"in the sequence we will start to see Indonesia grow faster and better than China. We are comfortable with how China is progressing."*
- **Latin America**: Economic conditions in the region were volatile, particularly in Brazil and Mexico our two largest markets. At The Barclays Global Consumer Staples Conference in September 2025, the CEO commented *"I believe for the rest of the year it will be tough... I don't expect Latin America to be a great contributor in the second half."*

## H1 2025 commentary: Business Groups

(unaudited)	Prior period: Q2 2025			Comparator period: Q3 2024		
	USG	UVG	UPG	USG	UVG	UPG
<b>Unilever</b>	3.8%	1.8%	2.0%	4.5%	3.6%	0.9%
<b>Beauty &amp; Wellbeing</b>	3.4%	1.0%	2.4%	6.7%	5.7%	0.9%
<b>Personal Care</b>	4.5%	0.2%	4.3%	4.4%	3.1%	1.3%
<b>Home Care</b>	1.8%	1.3%	0.4%	1.9%	3.3%	(1.4)%
<b>Foods</b>	2.8%	1.7%	1.0%	1.5%	0.4%	1.1%
<b>Ice Cream</b>	7.1%	5.0%	1.9%	9.8%	6.7%	2.9%

### Beauty & Wellbeing

- Growth was led by continued momentum in Wellbeing, which has delivered double-digit growth for 21 consecutive quarters.
- Core Skin Care delivered low single-digit growth. Vaseline and Dove grew double-digit, partially offset by declines in China and Indonesia, where we are resetting our business.
- Hair Care was flat, with low single digit price offset by decline in volume. Mid-single digit growth in Dove was offset by a decline in Clear, impacted by slow market growth in China, and a volume decline in TRESemmé.
- Prestige Beauty was flat. Some of our most premium brands, Tacha, Hourglass, and K18 continued to grow double-digit while Paula's Choice and Dermalogica declined as the prestige beauty market remained subdued.

### Personal Care

- Personal Care performance was led by Dove which grew high-single digit. Q2 volumes were impacted by a decline in Latin America, where subdued markets offset share gains.
- Deodorants grew low-single digit with volume growth in North America and Europe partially offset by decline in Latin America. At The Barclays Global Consumer Staples Conference in September 2025, the CEO noted *"there has been some growth of what we call contact applicators... These formats have a revenue per use that is significantly lower than aerosol.... [this has] affected the market growth due to the format change. So that's something that we need to we need to rebalance."*
- Skin Cleansing grew low-single digit, led by price. Strong contributions from North America and India offset declines in Indonesia and China.

### Home Care

- Growth in Home Care was led by continued momentum in Europe and sequential improvement in key markets in Asia, partially offset by a decline in Latin America.
- Fabric Cleaning declined low-single digit, impacted by a decline in Brazil, as volumes declined due to headwinds from recent pricing actions.
- Fabric Enhancers grew high-single digit, led by volume, as Comfort continued to perform well.
- Home & Hygiene grew mid-single digit, supported by format innovations in Domestos and Cif.

### Foods

- Foods delivered competitive growth, which improved in Q2 led by continued momentum in Hellmann's and volume gains in Unilever Food Solutions.
- Cooking Aids grew low single digit. Volume turned positive in Q2, led by the largest brand Knorr.
- Condiments delivered low-single digit growth led by Hellmann's, which grew mid-single digit, with flavoured mayonnaise remaining a key growth driver.
- Unilever Food Solutions was flat. Good growth in North America was offset by a decline in China. China was flat in Q2, following a decline in Q1, which lapped a particularly strong 2024 that benefitted from a later Chinese New Year.

### Ice Cream

- Growth in Ice Cream reflected strong innovations and improved execution.
- In-Home and Out-of-Home ice cream both grew mid-single digit, with positive volume and price.
- At H1 the CFO noted growth was *"supported by the actions we have taken over the last 18 months to enhance our innovations, our pricing and promotions, and our operations... laying the foundations for Ice Cream's future success as an independent company."*

## Other noteworthy commentary

### Ice Cream demerger

- Ice cream began operating on a standalone basis from 1<sup>st</sup> July.
- Demerger on track to complete in mid-November 2025.
- Ice Cream reported as a discontinued operation from Q4.
- Upon demerger, Unilever will retain a <20% stake in The Magnum Ice Cream Company, subject to regulatory approvals, for a period of up to 5 years.
- Subject to shareholder approval, Unilever intends to consolidate its share capital following completion of the demerger, to maintain comparability between Unilever's share price, earnings per share, and dividends per share before and after the demerger.

### Productivity programme

- Our productivity programme remains ahead of plan in its delivery of €800m of savings.
- We expect to realise around €650m of the programme's savings (of which around €200m were delivered in 2024) by the end of 2025. The remaining €150m of savings will be delivered in 2026.

### Tariffs

- The direct impact of tariffs is not material for Unilever in aggregate and are included within our margin expectations.

## Additional disclosures

### Reminder of recent transactions

- Unilever **completed the acquisition** of personal care brand **Dr. Squatch** in September 2025. Turnover for the brand was less than \$0.5bn in 2024.
- Unilever **acquired** the personal care brand **Wild** in April 2025. Turnover for the brand was less than €0.1bn in 2024.
- Hindustan Unilever Limited **completed the acquisition** of premium actives-led beauty brand **Minimalist** in April 2025. The brand has an annual revenue run rate of c.€50m (INR 500cr).
- Unilever **completed the sale** of **The Vegetarian Butcher** to Vivera in September 2025. Turnover for the brand was less than €0.1bn in 2024.
- Unilever **completed the sale** of our **Russian subsidiary** to Arnest Group in October 2024. The sale includes all of Unilever's business in Russia and its four factories, as well as our business in Belarus. The business represented around 1% of the Group's turnover.
- Unilever **completed the sale** of its stake in **Qinyuan Group**, to Yong Chao Venture Capital Co., Ltd. in August 2024. Unilever completed the sale of its water purification businesses **Pureit**, to A.O. Smith in November 2024. The combined turnover was less than €0.3bn in 2023.
- Unilever announced that it has **received binding offers** from Zwanenberg Food Group to acquire the **Unox** and **Zwan** brands and from Paulig Group to acquire the **Conimex** brand in December 2024. The three brands combined represented around €250m of turnover.

### Number of shares

- As at 01 September 2025, Unilever has 2,451,884,702 ordinary shares in issue with voting rights attached. This excludes treasury shares and shares held by or on behalf of companies in the Unilever group, for which voting rights are not exercisable.

### Share buyback programme

- On 30 May 2025, Unilever announced the completion of its share buyback programme initially announced on 13 February 2025. A total of 27.8m ordinary Unilever PLC shares were purchased with an aggregate market value equivalent to €1.5bn.

### Debt

- As at 30 June 2025, Unilever's net debt was €26.4bn, representing 2.1x underlying EBITDA, in line with our guidance of around 2x.

### Hyperinflationary economies

The Unilever business in Turkey accounted for under 3% of Group turnover and Argentina accounted for around 2.5% of Group turnover in 2024.

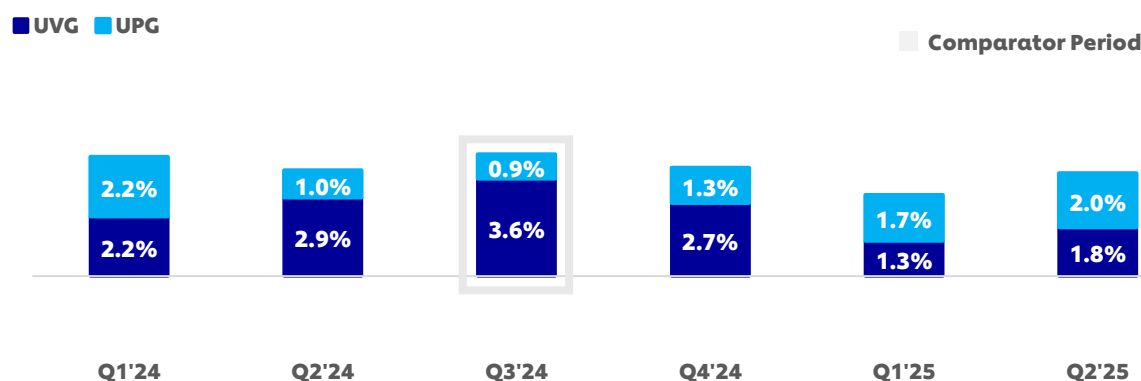
The Argentinian economy was designated as hyperinflationary from 1 July 2018 and the Turkish economy was designated as hyperinflationary from 1 July 2022. As a result, application of IAS 29 'Financial Reporting in Hyperinflationary Economies' has been applied to all Unilever entities whose

- assets and liabilities for the change in purchasing power caused by inflation from the date of initial recognition to the balance sheet date.
- Adjustment of the income statement for inflation during the reporting period.
- Translation of income statement at the period-end foreign exchange rate instead of an average rate.
- Adjustment of the income statement to reflect the impact of inflation and exchange rate movement on holding monetary assets and liabilities in local currency.

From Q2 2022 reporting, Unilever has capped the growth metrics UPG and USG in Turkey, using the same methodology applied for other hyperinflationary countries. As part of the Unilever practice, a normalised level of price growth is included in USG, which is capped at an annual rate that is equivalent to approximately 2% per month compounded.

## Appendix

### Quarterly UVG and UPG evolution, Unilever Group



### Quarterly USG history

	2023					2024					2025	
%	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2
<b>Unilever, USG</b>	<b>10.5</b>	<b>7.9</b>	<b>5.2</b>	<b>4.7</b>	<b>7.0</b>	<b>4.4</b>	<b>3.9</b>	<b>4.5</b>	<b>4.0</b>	<b>4.2</b>	<b>3.0</b>	<b>3.8</b>
UVG	(0.2)	(0.3)	(0.6)	1.8	0.2	2.2	2.9	3.6	2.7	2.9	1.3	1.8
UPG	10.7	8.2	5.8	2.8	6.8	2.2	1.0	0.9	1.3	1.3	1.7	2.0
<b>Beauty &amp; Wellbeing, USG</b>	<b>9.3</b>	<b>8.8</b>	<b>7.4</b>	<b>7.9</b>	<b>8.3</b>	<b>7.4</b>	<b>6.8</b>	<b>6.7</b>	<b>5.2</b>	<b>6.5</b>	<b>4.1</b>	<b>3.4</b>
UVG	2.6	4.9	3.6	6.3	4.4	5.6	5.4	5.7	3.9	5.1	2.5	1.0
UPG	6.5	3.7	3.6	1.5	3.8	1.7	1.3	0.9	1.2	1.3	1.5	2.4
<b>Personal Care, USG</b>	<b>12.7</b>	<b>9.0</b>	<b>8.0</b>	<b>6.4</b>	<b>8.9</b>	<b>4.8</b>	<b>6.4</b>	<b>4.4</b>	<b>5.3</b>	<b>5.2</b>	<b>5.1</b>	<b>4.5</b>
UVG	3.0	3.4	3.9	2.5	3.2	1.4	4.4	3.1	3.6	3.1	2.7	0.2
UPG	9.4	5.4	4.0	3.8	5.5	3.4	1.9	1.3	1.6	2.1	2.4	4.3
<b>Home Care, USG</b>	<b>10.2</b>	<b>6.7</b>	<b>5.3</b>	<b>1.7</b>	<b>5.9</b>	<b>3.1</b>	<b>3.4</b>	<b>1.9</b>	<b>3.0</b>	<b>2.9</b>	<b>0.9</b>	<b>1.8</b>
UVG	(2.8)	(2.1)	0.4	0.8	(0.9)	4.3	4.9	3.3	3.3	4.0	1.0	1.3
UPG	13.4	9.0	4.8	0.9	6.8	(1.1)	(1.4)	(1.4)	(0.3)	(1.1)	(0.0)	0.4
<b>Foods, USG</b>	<b>11.9</b>	<b>8.9</b>	<b>5.6</b>	<b>4.7</b>	<b>7.7</b>	<b>3.7</b>	<b>2.7</b>	<b>1.5</b>	<b>2.6</b>	<b>2.6</b>	<b>1.6</b>	<b>2.8</b>
UVG	(1.3)	(2.6)	(3.8)	(1.1)	(2.2)	(0.4)	0.4	0.4	0.5	0.2	(1.1)	1.7
UPG	13.4	11.8	9.8	5.9	10.1	4.1	2.2	1.1	2.1	2.4	2.7	1.0
<b>Ice Cream, USG</b>	<b>6.0</b>	<b>5.6</b>	<b>(2.8)</b>	<b>(0.4)</b>	<b>2.3</b>	<b>2.3</b>	<b>(0.5)</b>	<b>9.8</b>	<b>4.3</b>	<b>3.7</b>	<b>4.0</b>	<b>7.1</b>
UVG	(4.1)	(5.8)	(10.1)	(0.8)	(6.0)	(0.9)	(1.1)	6.7	2.2	1.6	1.8	5.0
UPG	10.5	12.1	8.2	0.4	8.8	3.2	0.6	2.9	2.0	2.1	2.2	1.9

Sources of information for the additional disclosures and appendix above include:

- Regulatory announcements: <https://www.unilever.com/investors/news-and-announcements/regulatory-announcements/>
- Unilever's historical financial statements: <https://www.unilever.com/investors/results-presentations-webcasts/>
- Transaction announcements: <https://www.unilever.com/investors/news-and-announcements/acquisitions-disposals/>