

## Q1 2026 Trading Statement

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### **FERNANDO FERNANDEZ:**

Good morning and thank you for joining us for Unilever's first quarter trading statement for 2026.

I am joined today by Sriniv Phatak, our Chief Financial Officer.

In a moment, Sriniv will take you through the detail of the quarter.

I will also come back to say a few words on the recent announcement regarding our Foods business, and why we believe this is the right move – for Foods, for Unilever, and ultimately for our shareholders – that will unlock significant value.

But first, let me set out what I see as the key elements of our performance in the first quarter.

We made a good start to the year.

Growth was solid, and – importantly – in line with the strategic priorities we have set for the business.

We delivered underlying sales growth of 3.8% driven by a strong volume growth of 2.9% in the quarter.

Growth was broad-based across categories, with a particularly strong quarter in Home Care – with volumes up 6.2% driven by a strong innovation plan and good volumes in our two largest Home Care markets: India and Brazil.

Our Power Brands, which represent around 78% of turnover, continued to lead the way, growing 5% in the quarter, with volumes up 4% - reflecting the benefits of our high-quality innovation and focused investment behind these brands.

Emerging markets performed well with a further step-up in volume growth, to 4.2%. We saw strong performances in markets such as India, Turkey and Vietnam. At the same time, those markets where we have taken decisive actions to improve competitiveness – Indonesia, China, Brazil – all continued to make good progress.

Developed markets remained resilient in a challenging environment.

North America, delivered volumes of 2.2%, led by Personal Care and Beauty, despite strong comparators. Europe remains more subdued, reflecting the softer backdrop.

We also continued to make good progress against our strategic priorities – strengthening Desire at Scale across our portfolio and improving the quality of our execution; and I will come back to say more on this later.

But first, over to Srimi to take you through the results in more detail...

**SRINIVAS PHATAK:**

Thank you, Fernando.

Let me start with our growth profile in the quarter.

We delivered 3.8% underlying sales growth, with volume at 2.9% and pricing at 0.9%, maintaining a strong volume-led growth profile.

On a two-year basis, volume growth remains robust at 2.0% CAGR, reflecting the improving quality and consistency of our growth.

Looking at performance on a quarterly basis, we have delivered average volume growth of 2.5% over the last nine quarters, demonstrating the resilience and repeatability of our model.

This consistency reflects the progress we are making to elevate our brands and execute flawlessly in our markets through Desire at Scale.

Growth continues to be driven by our Power Brands, which grew 5%, with 4% from volume. These brands represent 78% of turnover and remain our primary growth engine.

The rest of the portfolio grew at a lower rate due to a few specific factors:

- in Foods, commodity deflation weighed on our tea brands in India
- in Beauty and Personal Care, we are prioritising investment behind brands with strong momentum while reducing support for tail brands.

Pricing in the quarter was 0.9%. This reflects the carryover impact of price reductions in Home Care, notably in Brazil and in liquids in India; tea deflation in India and increased in-store activation and shelf investment in Personal Care linked to our FIFA World Cup activations.

As we look ahead, and given the commodity cost environment, we expect pricing to play a bigger role as the year progresses, particularly into the second half.

Importantly, our competitive position remains stable in both value and volume terms.

Beauty & Wellbeing delivered 3.6% underlying sales growth, with 1.9% from volume and 1.6% from price, driven by a solid performance across the Beauty portfolio.

Hair delivered high-single digit growth, led by double-digit growth in Dove Hair and K18, with premium innovations such as Dove UV repair and Glow, bringing advanced protection against UV damage. We also saw improving performance in Sunsilk and Clear, with growth becoming more balanced across markets.

Skin grew low-single digit, with strong growth in Vaseline, supported by the Pro-Derma Body range. This was complemented by continued momentum in Dermalogica and Tatcha, partially offset by a weaker performance in local brands.

Wellbeing declined low-single digit, reflecting a very strong Q1 comparator of over 23% in the prior year. Olly delivered double-digit growth, supported by digital commerce momentum and distribution gains. We expect performance to improve from Q2, driven by Liquid I.V. and Nutrafol, as campaigns to drive multiple usage occasions and attract new consumers gain traction.

Personal Care delivered 3.7% underlying sales growth, with 1.1% from volume and 2.5% from price, with volume showing sequential improvement.

Dove continued to lead growth, delivering double-digit growth in Deodorants and high-single digit growth in Skin Cleansing.

At a category level, Deodorants and Skin Cleansing both delivered mid-single digit growth, supported by strong performance in North America.

In Deodorants, growth was broad-based, with sequential improvement in Rexona and Axe, including early signs of recovery in Brazil.

Skin Cleansing growth was supported by the continued rollout of premium innovations such as Dove Serum + Oils Body Wash, with strong performance in emerging markets.

Oral Care was flat, with growth in Asia Pacific Africa offset by softer performance in Europe.

We are excited by our FIFA World Cup 2026™ platform, activations and campaign. These will scale in the coming quarters and amplify growth momentum, particularly in Deodorants.

Home Care delivered 6.1% underlying sales growth, with 6.2% from volume and price broadly flat, reflecting strong volume-led growth led by emerging markets.

Brazil delivered double-digit volume growth, while India delivered high-single digit volume growth, with double-digit growth in liquids and record market share in powders.

At a category level, Fabric Cleaning and Fabric Enhancers both delivered mid-single digit growth, led by our premium portfolio.

In Fabric Cleaning, this included double-digit growth in liquids, supported by the rollout of new Wonder Wash variants, alongside a return to growth in powders. Wonder Wash is now available in 41 countries. Fabric Enhancers continued to benefit from the strength of Comfort.

Home & Hygiene also delivered mid-single digit growth, with Cif continuing to perform strongly, supported by the launch of Cif Infinite clean Anti-bac.

Looking ahead, given commodity pressures, we expect more balance between volume and price in the coming quarters.

Foods delivered underlying sales growth of 2.2%, with 2.4% from volume and price slightly negative, reflecting volume-led growth across both retail and food service.

Hellmann's delivered mid-single digit volume growth, supported by the continued success of its premium, flavour-led innovations and strong execution across markets. Performance was particularly strong in Brazil, supported by the NBA campaign, and in the UK with the launch of the new Ranch range.

Cooking Aids delivered low-single digit growth, with strong performance in Asia Pacific Africa partly offset by softer conditions in developed markets, notably Europe.

Unilever Food Solutions also grew low-single digit, supported by improving trends in away-from-home consumption, particularly in China, its largest market.

We will continue to step up innovation and sharpen execution to sustain and strengthen our competitive growth.

Emerging markets delivered strong broad-based growth, with improving momentum across key markets.

Asia Pacific Africa delivered 5.9% underlying sales growth, with 5.0% from volume, reflecting broad-based performance and improving competitiveness across markets.

Over the last three quarters, on average, we have delivered volume-led growth of around 6%.

India accelerated to 7%, with 6% volume growth, continuing the improving momentum seen over recent quarters. Growth was broad-based, with Home Care and Beauty & Wellbeing performing strongly, and solid delivery across the rest of the portfolio.

Importantly, this is not driven by a single category or short-term factor.

It reflects the progress we are making on sharper portfolio choices, fewer, bigger growth bets, and improved execution across channels, with higher-growth segments and premium parts of the portfolio contributing disproportionately to performance.

We are also seeing continued progress in newer channels and demand drivers, including e-commerce and modern trade, which are growing ahead of the core business and supporting overall mix.

In China, we delivered another quarter of mid-single digit growth, in what remains a highly competitive market environment with differentiated growth across channels.

Performance was driven by Beauty & Wellbeing and Personal Care, supported by premium innovation, improved go-to-market execution, and continued progress in social and digital channels. We are seeing improving competitiveness, particularly in our Power Brands.

Indonesia delivered solid growth of 4% which reflects a clear improvement in the trajectory of the business following the reset.

We are now seeing a return to more sustainable growth levels, with underlying performance stronger than reported trends, supported by improved execution across

channels, stronger innovation pipelines, and better activation in both traditional and modern trade.

Importantly, market shares have stabilised, with around half of the business now gaining share, reflecting progress from the actions taken, although there is still more to do to fully restore competitiveness.

We are also seeing strong growth in newer channels, including health & beauty and e-commerce, which are growing ahead of the core business and contributing to overall momentum.

We also delivered strong growth across several other markets in the region, with double-digit volume growth in Turkey, Vietnam, Pakistan and Australia.

The Middle East represents around 2% of our turnover, and our operations in the region remained intact in Q1, with no material disruption to supply. Our priority remains the safety of our teams working in the region.

More broadly, we have built a highly localised and flexible supply chain, which, together with inventory covers, has enabled us to manage the situation effectively to date. We continue to monitor and take proactive actions in what remains a volatile environment.

Turning to Latin America, we delivered 6.2% underlying sales growth, with solid volume growth of 2.6% alongside 3.5% pricing, reflecting a clear improvement in momentum across the region.

This was supported by a strong volume performance in Brazil Laundry, following corrective pricing actions, and in Mexico Personal Care driven by operational improvements.

Beauty & Wellbeing delivered double-digit growth, with good performance across key markets.

Developed markets delivered a mixed performance in the quarter.

North America delivered resilient performance in a soft market, with 2.1% growth driven by 2.2% volume, while price was slightly negative. This reflects the strength of our execution and the competitiveness of our portfolio, with continued momentum in our Power Brands.

Growth was led by Personal Care, which delivered mid-single digit growth, with strong volume momentum in deodorants and skin cleansing, underpinned by continued strength in Dove and our premium innovations.

In Beauty & Wellbeing, volume-led growth in skin care and hair care was offset by Wellbeing, which declined against a strong prior-year comparator.

In Foods, performance was flat overall, with Hellmann's continuing to deliver good volume growth.

In Europe, underlying sales declined 0.9%, with a 1.2% decline in volume and 0.3% growth from price.

Performance reflects a soft market environment across categories, with consumer demand remaining subdued.

Within that, premium innovations supported growth in categories such as Laundry, Deodorants and Condiments. Our largest category, Cooking Aids, declined low-single digit in line with market conditions.

Turnover for the quarter was 12.6 billion euros, down 3.3% year-on-year.

Underlying growth of 3.8% was more than offset by currency headwinds, with FX reducing reported turnover by 7.7%. Given that currency devaluation was more pronounced in the second half of 2025, the base effect should ease as the year progresses, and based on April spot rates we expect the full-year currency impact on turnover to be lower, at around minus 3%.

Portfolio changes contributed a net positive 0.9%, with acquisitions adding 1.4%, reflecting the strong performances of Dr. Squatch, Wild and Minimalist, partly offset by a 0.5% impact from disposals, primarily relating to Foods and the tea business in Indonesia.

Our full year outlook which remains unchanged.

We expect underlying sales growth for full year 2026 to be at the bottom end of our multi-year guidance range of 4% to 6%, with at least 2% underlying volume growth for the full year.

On margin, we expect a modest improvement versus last year, with broadly similar absolute margin levels between the first and second halves.

This is supported by volume growth, mix improvement, continued savings and benefits from our productivity programme, which continues to run ahead of schedule and has already delivered 750 million euros by the end of Q1. We will maintain competitive and healthy levels of brand investment.

Given current environment, there are a number of moving parts – particularly around input costs, pricing and market conditions – and we will continue to manage these with discipline.

On capital returns, today, we initiated a 1.5 billion euros share buyback, and we remain committed to sustained, attractive and growing dividends. We expect to complete the programme towards the end of the first half.

Our medium-term leverage target remains around 2.0x. We expect to be below 2.0x immediately following the separation of Foods.

With that, over to you, Fernando

## **FERNANDO FERNANDEZ**

Thank you, Srin.

Let me come back now to the broader steps we are taking to build a simpler, sharper, faster Unilever.

At the highest level, there are three things we are doing – and they are very much interconnected.

- First, elevating our brands to outperform markets in volume growth.
- Second, stepping up operational excellence across all our geographies.
- And third, taking decisive portfolio actions to unlock value.

Let me start with the first - Desire at Scale. This is the model we are using to elevate the quality, relevance and the reach of our brands. And it is, without question, the single biggest driver of the improvement we are seeing in the Unmissable Brand Superiority scores of our portfolio and in the volume growth rates of our Power Brands.

Desire at Scale is built around a very clear and simple framework – what we call ‘SASSY’ brands.

It is about brands that are rooted in superior science with top notch aesthetics and visibility and with truly compelling sensorials. Brands that are talked about, recommended by many to many, and that are culturally relevant.

Simple. Clear. Effective.

You can see this very clearly in brands like Dove and Vaseline.

Dove is now close to a 7 billion euro brand, and it has delivered more than 6% growth for 14 consecutive quarters. Over the last five years, it has added around 2 billion euros of incremental turnover. And that is coming from a step-change in product superiority, combined with a completely different model of consumer engagement – with more than 100,000 creators actively working with the brand.

Or take Vaseline. A 150-year-old brand that we have fundamentally transformed. It has been delivering double-digit growth over the last 5 years. And by combining superior science with cultural relevance, it is now building real momentum with younger consumers. For example, delivering more than 100% growth in Tik Tok Shop in South East Asia - a demonstration of Vaseline’s strength in social commerce at scale.

The second element is operational excellence. Because Desire at Scale only works if it is supported by flawless execution. This is about how we create categories and how we execute in the market, together with our customers. Understanding consumers better, activating brilliantly and executing perfectly in-store, both offline and online.

Again, we have a growing number of great examples.

Like Dirt is Good and Wonder Wash - an innovation anchored in superior science, already at around €200 million of annualised turnover. By redefining the category to short wash cycles, Wonder Wash is strengthening our position in the fast-growing segment of laundry liquids and scaling up at speed.

Or Hellmann's. Flavoured mayo is now in 35 markets and has already reached €100 million of annualised turnover.

Different brands. Different categories. Different geographies.

All benefiting from a common marketing philosophy rooted in what consumers expect and demand of brands today: brands that are a creative and dynamic reflection of the present, and not a tired representation of the past.

Let me turn now to the third element – the portfolio. Here, we are taking decisive action to unlock value through the separation of Foods and its combination with McCormick.

And we are doing this from a position of strength, fully aligned with the strategy we have been executing.

The transaction we have announced creates two businesses with improved growth profiles.

First, a simpler and more focused Unilever – a pureplay HPC business.

A business with a very coherent portfolio, where around 90% of turnover is in number one or two positions, and with a proven ability to deliver top-tier volume growth and top tier return on invested capital. Given relative valuation and relative in market performance to peers, we see clear valuation upside here.

Second, a highly distinctive foods business. A scaled, global flavour powerhouse, with iconic brands and leading positions in attractive segments of the Foods market, and with significant revenue growth potential.

There is a clear strategic fit between Unilever Foods and McCormick, centred around complementary geographic footprints, a stronger presence in retail, a scaled business across Food Service channels, and leading science and Research & Development capabilities focused exclusively on flavour.

It is for all these reasons I am referring to this as a growth-led separation of our Foods business; one that will give shareholders the same level of exposure to Foods, but with much higher quality exposure to Foods, and more optionality than today.

We know that this is a significant change and that it has to be delivered flawlessly. We are confident that it will.

We have proven experience in separations – most recently with Ice Cream.

Our experience confirms our ability to separate a business of scale while delivering topline growth, volume and margin progression; and the TSAs will ensure continuity, while providing the time needed to remove stranded costs before they impact the P&L.

We already have dedicated teams in place working closely and collaboratively alongside McCormick, who themselves have a strong integration track record. All workstreams to separate Foods from Unilever and integrate it into McCormick are now in motion. We are moving fast.

With that, let me briefly sum up after what has been a positive start to 2026 for Unilever.

It was a quarter in which we once again demonstrated our ability to both perform and transform.

Performance comes in the shape of superior volume-led growth – our single, biggest priority – driven by our Power Brands and by one of our distinctive assets – our strength in Emerging Markets business.

Underpinning this positive start to the year is a further step-up in operational discipline, something which becomes even more important in light of the current heightened macroeconomic uncertainties.

We will manage the business in a more volatile cost environment, focusing on volume growth, price competitiveness and disciplined management of every single line of the P&L. We will emphasise the drivers of demand that have the highest return in the current context.

We are confident in our delivery, and we are re-asserting our full year outlook for 2026.

We have taken a decisive action to transform our future portfolio, and we have done it from a position of strength and driven by a growth mindset.

Our organisation today is stronger. Our portfolio is sharper. Our priorities are clearer. And Desire at Scale is breathing new life into our Power Brands and into our marketing.

We are now capitalising on these developments with much more disciplined in market execution. And wherever we have made decisive interventions, like Indonesia, China, or more recently in Brazil, positive results are showing up.

To go through these changes in more depth, we look forward to hosting a Capital Markets Day on 4th November, when we will go deeper into how we will capitalise on

our new sharper, fully focused, Home and Personal Care pure play; one that is aligned to:

- higher growth categories;
- faster growing geographies;
- more premium segments;
- and a superior route to market.

For now, thank you for listening. We look forward to taking your questions.

**OPERATOR:**

Many thanks for joining the call. If you would like to ask a question, please press star followed by one on your keypad. If you no longer wish to ask a question, please press star Q to exit the queue. Your name will be called out when you are to answer the question. Please keep your questions to a maximum of two.

**JEMMA SPALTON:**

Thank you very much for joining the call, our first question comes from Warren at Barclays. Go ahead Warren.

**WARREN ACKERMAN:**

Good morning, Fernando, Srini, and Jemma. Warren here. One housekeeping: did you say North America would accelerate from here? It was a bit quick, so if you could clarify that. My two questions are, firstly Fernando, on emerging markets are you able to talk about the four big engines of Brazil, India, China and Indonesia as we look into Q2 and the second half. Any signs of a slowdown also in Southeast Asia? Just so the EM outlook from here, you obviously have easy comparator in places like LATAM. Then secondly, Srini, on the margin guidance with oil, are you able to give us an NMI number and how much scope do you have push productivity savings and or price to make sure you are indeed able to deliver the margin guide despite higher oil, thank you.

**FERNANDO FERNANDEZ:**

Cool. Thank you, Warren. I will cover the geographical part and Srimi will cover the cost one. Well, let me start saying that we are pleased with our good start to the year, 3.8% USG, 2.9% in volume, Power Brands at 4% USG. Dove, our largest brand, at 7% USG and we have seen also a strong start to quarter two, despite all the uncertainties that are very obvious to everyone in terms of geopolitical and macroeconomic environment so momentum continues in the business. Regarding emerging markets, as I mentioned this many, many times, but our strength in emerging markets is definitely a long-term competitive advantage given the exposure it gives us to better population growth rate, wealth expansion. And we know this gap versus developed markets are reducing versus the past, but it remains significant and the resilience of our portfolio in emerging markets is a particular advantage when you have to drive the business in conditions of significant volatility. Regarding the specific regions you mentioned, in Latin America, our performance is accelerating. We deliver more than 6% underlying sales growth in the quarter. Foods and Beauty & Wellbeing keep performing strongly as they did in 2025, but we are also starting to see the impact of the decisive actions we have taken in both Laundry and Deodorants, particularly in Brazil. In Brazil, we deliver double digit growth in Laundry. Two reasons for that, the successful introduction of Wonder Wash in the Liquids segment, but also the return we are seeing for the correction in pricing that we have done to restore competitiveness in the Powders segment, that is the largest in the laundry categories. In Deos also, we are seeing momentum there. The aerosol format is recovering. This is crucial to boost market growth and also to boost our competitiveness. We are in early stages of that recovery we see this will accelerate in quarter two with the FIFA World Cup 2026™ activity that we will have, and with the setup of the new planograms that we have done in partnership with our retailers. India, Srimi can cover in more detail, but a strong broad-based performance, 9% growth in Home Care, 8% in Beauty & Wellbeing, 5% both in Personal Care and Foods. India, Srimi can cover a bit more on that. China, returned to mid-single digit growth. We are very pleased with the improvements in Food Service, particularly in China. We are seeing the out of home channel in China picking up, and that's very important for our most

important Food Service business, that is the one in China. And Indonesia, run rate continue improving. It's the fifth consecutive quarter with run rate improving. We deliver 4% growth. That is much more sustainable. Of course, we have had in the second half of last year, very low comparators there, but performance is good. In US, as you know, we have delivered 4% volume growth in North America in the last three years. It has been a very consistent performance despite tough markets. Probably has been one of the best performances in the sector, and we believe this performance is a reflection of the profound transformation we have done to our portfolio. And we are seeing also significant improvement in our relationship with customers. I have mentioned before that in the Advantage survey, we have ranked number one in Personal Care and Foods, number three in Beauty & Wellbeing, but recently we have received the Consumable Supplier of the Year Award and the Excellence in Assortment Award from the largest US retailer. This is another evidence that our partnership with retailers in US is really going from strength to strength. Quarter one was softer at 2.1% USG. All came from volume. Performance in Personal Care was strong. Great performance in Dove Hair and TRESemmé styling. But the quarter was affected by weak performance in Foods and Wellbeing. Wellbeing had very, very strong comparators, more than 20% in the same quarter last year, more than 40% in Liquid IV but we remain very, very confident of the structural growth potential of the Wellbeing verticals, and we see Wellbeing firmly back into growth in US in Q2. There are a couple of brands that we need to fix in US, particularly Nexxus and Shea Moisture in Hair Care, but we see our performance in US accelerating from Q2 onwards. Srini?

**SRINIVAS PHATAK:**

Yeah. Thanks, Fernando. Thanks, Warren. I'll cover it in two parts. First, I'll talk a bit about India, then I'll go on to commodity inflation and how we're going to manage that. I think the point Fernando made is the right one. The quality of performance in India has been of a very high order. It's just not the headline number, but it's across the breadth of the performance, which is broad based. Giving you some colour, let's say when we look at it from a Home Care perspective, while growth was at 9%, what is really impressive is that

in Liquids we have grown double digit. That's really leading the market development. And in Powders, we've actually hit record shares. That's on that. If I really talk about, let's say, Beauty and Wellbeing, the strong momentum in Hair continues, and we are making very clear choices and investments between quick commerce, e-commerce, and broader omnichannel. The pricing actions along with the GST have started to spur growth in this. Even the new age brands such as Minimalist are performing quite well in the market, and that's giving us a lot of confidence in this segment. Personal Care growth was at 5%, but strong step up in the premium segment, which is including Dove and Pears. And for example, in a market development opportunities such as body washes, we have actually gained about 400 basis points of share, which again starts to step up well into the future. And last element, when you think from a Foods perspective, we've also seen a bit of an uptick, actually an improvement in Horlicks with all the actions we have taken. While there is some deflation in tea, but overall, from a volume and a value perspective, the Foods business is looking good. This is all aligned to the strategic progress that we've made across the four pillars of segmenting consumers, making our brands desirable, accelerating the frontline capabilities, and making fewer and bigger bets. Just to add a couple of elements, we have put in a new organization to really address our quick commerce and e-commerce and omnichannel capability- that is functioning well. From a general trade perspective, we have increased the outlet coverage by about 200,000 outlets, which takes us to about 2.3 million, and the India operating model is actually enabling us to drive execution and agility. It's also important to highlight one element from an India context. While there is inflation, and there will be both from an imported crude as well as currency, it's important to highlight that classically, in a category such as Home Care, this actually works in our favour. We have the portfolio to cater to the different price points through brands, but more importantly, a lot of the local players get constrained both from a supply perspective as well as cash. So you have the unique opportunity and the ability to actually manage the right price and volume equation in India and continue to keep the growth momentum going. So therefore, from a broad demand outlook perspective, India is looking good, and we are quite confident in terms of our ability to continue to keep the growth momentum.

Now, coming to the question on cost and commodity, I will take a little bit of time to explain this. I do appreciate that it's on everyone's mind. First and foremost, we want to reiterate that there is no change to the Unilever value creation model. Our model is built on volume-led growths, premiumization in mix, driving gross margins to invest behind our brands, and keeping a very tight discipline in terms of the cost. While you all know we have made significant progress in the past few years in terms of our gross margin expansion, upwards of 400 basis points, we've also increased our investments behind our brands from about 13% to 16%, and we have continued to drive a model which works for us on a multi-year basis.

If I just give a bit of a context to 2025, again, it's important to see last year we had reasonable amount of commodity inflation, but a significant pressure coming from currencies. From an EPS or an earnings perspective, the currency drag last year was as high as 8.8%. When you contrast it to this year, given the commodity outlook, we will expect commodity inflation to be higher. But from a currency perspective this year, we definitely see that it's going to be much better. Even when you see when we've called out in the earnings call, we expected the impact of Forex on our top line should be more normalized to (3)% and if you contrast it to last year, that was (6)%. So the key essence of the message here is, while we will see inflation from a commodity, currency at an aggregate will really be, from the information we have, favourable for us. Now, coming to the inflation, of course, the Middle East crisis has created uncertainties and has made the outlook a bit challenging. Inflation for us is just not one number. While there is crude and everyone really anchors around crude, it is complex because there are many crude linked derivatives. There is forex, there are elements of supply chain costs, wage inflation, and others. So at a commodity level, there are elements which then start to play out differently. Our expectation for the full year inflation is in the range of about €750 million to €900 million. This is the total inflation, this is just not material inflation, but also the non-material costs, including logistics and our factory operations. If you were to put it into context, this will be about €350 million to €500

million higher than our prior expectations when we began the year. Our working assumption for all these costs is really crude at around \$100. While we are all looking at the spot crude, which is today's context of \$124 or yesterday it was \$110, it's also important to highlight that when you really look at the futures, quarter three futures are still at \$100, and quarter four futures are at about \$90. On a balance, therefore, what we have done is to really take \$100 as a working assumption in our guide, and on that basis, we have said that we will continue to deliver a modest margin expansion. Couple of other elements to highlight in this, because that becomes very important. When we really see it from a category perspective, when you see Beauty and Wellbeing and Personal Care, the aggregate levels of inflation that we see in 2026 are not materially different to what we experienced in the prior year. And in the prior year, we have managed both the volume and the pricing extremely well in these two Business Groups. The place where we will see heightened inflation, actually 50% of the total net inflation for us is coming through in Home Care, and 70% of that is actually focused around the emerging markets. We are deploying the full range of mitigation opportunities, competitive buying, commodity covers, formulation flexibility, packaging interventions, SKU focus, and productivity across the value chain, and a complete and a very tight control over the discretionary costs. At this level of inflation, we do recognize while we will drive all of this, it will or it may not be possible for us to just cover it from the cost actions, so we will take pricing. Pricing will be needed in selected markets and categories, notably Home Care. It will be calibrated and it will be done in a competitive manner. Our priority will be to really protect the consumer value while also taking care of our financial model. On this point, again, it's good to repeat that in emerging markets, given the strength of our portfolio, our ability to be judicious in the way we manage pricing, we will have levers to manage it in a sensible manner is a good point. Just last two points to complete the picture on this. On brand investments, we will continue to invest behind our brands at competitive levels to sustain the growth momentum. And we always said that our competitive spends will be classically in the range of 15 to 16%, and therefore we are not going back to an era of under-investing, but we will ensure that the spend is deployed effectively and in the right channels. From an

overheads perspective, you have seen that we have already delivered €750 million, so almost 80 million incremental savings in quarter one. We are more than confident that we will complete the €800 million program in the next quarter, and given the various series of measures that we have taken to manage costs, we will drive this harder and deliver higher savings. So in an essence, in this range of €750 to €900 million, we are comfortable to say that we can manage competitive growth, deliver on our guide of 4 to 6% USG, and drive modest margin expansion.

**JEMMA SPALTON:**

Thank you. Our next question comes from Celine at JP Morgan. Go ahead, Celine

**CELINE PANNUTI:**

Yes, good morning, everyone. So my first question is on the balance of growth for the year. So you reiterated your guidance to be at the low end of 4 to 6, and I understand that price mix will be more balanced in Home Care as we go through the year. Can you talk about, first of all, that volume will be above 2% for the year, and when we look at your two category Beauty & Wellbeing and Personal Care, volume was below, in fact, that 2%. Should we fairly expect that this will be in the range of two each for the year? And what should drive that acceleration in the second half?

And then my second question is coming back on maybe Wellbeing. You said it was down low-single digit. Is it possible to understand how was it in the US versus the rest of the world? What's happening in the rest of the world in terms of your white space opportunity? And in the US, if you could go a bit deeper in understanding Nutrafol and Liquid I.V. performance and the go forward. Thank you.

**FERNANDO FERNANDEZ:**

Thank you, Celine. Yeah, we are confident in delivering above 2% volume growth. If you look at the last nine quarters, '24, '25, and quarter one '26, our average volume growth has been 2.5%. And we had a good start to the year with 2.9% in the first quarter and as I

mentioned before, we have a good start of the quarter two. I feel the key point to say is just this is the result of brand equities that are strengthening. More than 60% of our revenue is increasing, what we call Unmissable Brand Superiority score. We have a great innovation plan, one of the best that we have had in years, hitting the markets now. And we have one of the strongest activation platforms in years with the Personal Care sponsorship of FIFA World Cup 2026™, so this give us real confidence that we will deliver volume growth for the year above 2%. Turnover-weighted market volume growth is in the territory of 1%, so this clearly shows outperformance of the markets when it comes to volume growth. We expect pricing to accelerate along the year, so we expect the H1, our growth to be led by volume. We expect better balance between volume and price in the second half of the year.

And when it comes to Beauty & Wellbeing, basically, we delivered 3.6% in Q1. Our Beauty business performed really strongly, but Wellbeing was dilutive for the first time since we entered the category. We had a great quarter in Hair Care with high single-digit growth, and we have a great quarter in Prestige, where we grew around 10%. Strong results across every single period of Prestige in skin, in hair, and in colour cosmetics, particularly at the highest end of pricing, brands like Tatcha, Hourglass, and K18 really performing very very well. Regarding Wellbeing, we declined 2%. Our Wellbeing business continue being fundamentally anchored in the US, so the international business grew nicely, but it doesn't change the overall numbers of Wellbeing. Olly grew 18% in the quarter, but we have some issues in Liquid I.V. and Nutrafol that we have to sort out. In Liquid I.V., we lapped a comparator of more than 40% growth last year. There was a different phasing in the shipments prior to the summer season in US. We continue seeing solid growth in the powdered hydration market, but our share has been a bit under pressure due to a new wave of market entrants that have reduced our share of assortment in the category. We have seen this many many times before since we acquired Liquid I.V. in 2020. Hundreds of new brands enter in the category, but very few can sustain velocity after some period of time. Liquid I.V. is four times the size of the second player in the category. We are reinforcing our

plans to regain share, and we are very, very confident that we will have a strong quarter two for Liquid IV. In the case of Nutrafol, the brand continues having exceptional levels of retention. I have never seen anything like that in any brand I have worked in my career. But we need to address the issue of a significant increase in the cost of acquiring new customers. We have seen particularly telehealth platforms in the US significantly investing in the cross-selling of GLP-1 injectables and hair fall products, most of them with significant negative side effects. We are addressing this. We are highlighting the clinical superiority and the no side effects of Nutrafol, and we expect in the case of Nutrafol, the results to become better in the second half of the year. The brand was flattish in Q1.

**JEMMA SPALTON:**

Thank you, our next question comes from Nicolas at Bank of America, go ahead Nicolas.

**NICOLAS CERON:**

Good morning. Thank you. Two questions from me, please. The first one is coming back on the pricing element. Are you pricing enough in Asia, PAC, Africa? Because I see your pricing is around 1%, and the FX is down (10)%. Do you think that kind of gap is sustainable, or do you expect that to close in the future? And then just if you could talk a bit about Dr. Squatch. We've seen a lot of slowdown in scanner data. So if you could just update us on whether you think that brand is still on track to achieve their business case. Thank you.

**FERNANDO FERNANDEZ:**

Let me start by Dr. Squatch, and then Srini will cover pricing. A good performance overall of Dr. Squatch. We are seeing significant growth in body shower and in deodorants in particular. We see some slowdown in the Dr. Squatch bar segment. But we expect Dr. Squatch will be part of our underlying sales growth from September, if I'm not wrong. And we expect double-digit growth in Dr. Squatch going forward. So we have been delisting some items that we didn't think were fundamental for the brand

going forward. This is affecting some of the share reading, but in the core of Dr. Squatch, the performance is strong, and we see this as a strong contributor to our growth from September onwards in the US market. Srini?

**SRINIVAS PHATAK:**

So from a pricing perspective, what you will see is that it's important to say that you will start to see a step-up in the pricing. Q1 low pricing also gets explained by what's happening in a few of our categories. For example, if you see in the case of India, we had deflation in Tea, and therefore that has played out. That does not impact the value creation in the model there. In the last year, we'd also taken pricing corrections in our Liquids part of the portfolio, which actually annualize in Q1. So in that sense, if what you see in the Q1 is the lowest point of it, we've already initiated price increases, and that's coming through right from quarter one to Q2. We'll start to see the benefit going forward. In case of Home Care, at a broader level, it also impacts some of the... I'm also giving you a broader question on pricing. This also reflects some of the actions we took in Brazil and Latin America, which actually will then start to annualize again in a matter of one more quarter. So broadly speaking, from a pricing perspective, what you see is a reflection of the tail end of some of the actions which we have taken in the prior year and which have given us benefits. Going forward, we are pricing up in a sensible and a competitive manner to while cover commodity when it comes to the commodity-linked categories and linked to innovations in Beauty & Wellbeing. And therefore, you will start to see a step-up on pricing right from quarter two. And as Fernando has alluded to see, you will see a better mix of it, and it'll improve progressively as we go into half two.

**FERNANDO FERNANDEZ:**

Let me add something because I feel I have mentioned this before, but I want to repeat it to be clear. The times of being uncompetitive in Unilever in any driver of demand are gone and we will manage the business in a more volatile cost environment, focusing on volume growth, on price competitiveness, and a disciplined management of every single line of the P&L. We will emphasize the drivers of demand that have the highest

return in the current context and ensure competitiveness in both pricing and brand marketing investment with the assumptions that Srinu has made in terms of the oil price that we see and the impact that we have in cost inflation. Despite this, we continue to see the possibility of increasing our operating margin in modest terms as we have highlighted in our guidance.

**JEMMA SPALTON:**

Thank you. Our next question comes from Jeff at BNP. Go ahead, Jeff.

**JEFF STENT:**

Okay. Two questions, if I may. When you move into more inflationary environment, historically, like for likes have always started to accelerate. So why are you still guiding to the bottom end of the 4 to 6? Because obviously the inflationary backdrop is rather different to what it was at the start of the year when you initially set the guide. That's the first question.

And the second question is, we've heard one of your notable peers talking about some suspicion that there may have been a degree of retailer stocking ahead of expected price increases. I'm just wondering if you've seen any evidence of that, particularly in the emerging markets business. Thank you.

**FERNANDO FERNANDEZ:**

Thank you, Jeff. I will cover the second part, and Srinu can cover the inflationary environment and the guidance. No, we have not seen any significant stocking. There have been a few countries, the Easter facing has been different. But at the same time, as I mentioned before, in the case of Liquid I.V., particularly in the US, our phasing has a bias into Q2. So in terms of retailers stocking in anticipation of price increases, we have not seen anything of material impact at all. So nothing in that space. On inflation, pricing?

**SRINIVAS PHATAK:**

So I think two important points, Jeff. Obviously, we are going to ensure competitiveness in both volume and price. And for the dynamics that I've explained, look, both from a Beauty & Wellbeing point of view and Personal Care point of view, the inflation levels are in the ballpark of what we handled last year. So when we take these into account, yes, it actually gives us the confidence to say that we will be able to deliver our 2% volume, as well as the 4 to 6 top line. However, what we're also conscious and cognizant is that the levels of inflation which are coming through, and it's just not on our sector alone, what we are likely to see that there could be a potential larger impact on consumer and consumer sentiment. And the way inflation is going to land, given the dynamics, it could also be different in different parts of the world. So we will require to have some more visibility in terms of how consumer demand is playing out. We need to have some more visibility in terms of how some of the buying patterns are playing out. Therefore, it'll be prudent for us to actually come back and revisit the guide at half. So at this stage, what we have therefore said on a prudent basis is to ensure that we give confidence to the markets that we still will deliver our 4 to 6%, and we will come back with a better read in a quarter's time, and then we could actually have a conversation on the full year.

**FERNANDO FERNANDEZ:**

Mm-hmm. And I would like to reinforce, in the last earning call, I mentioned that we firmly believe that in the long run, our combined category and geographical footprint offer around 2% market volume growth and around 2 to 3% pricing. At that time, you told me that the 2% pricing looked very far. The situation has changed now. But this is what we have seen in the last decade or so. We expect the same to play out in the long run. And as you know, most of the impact in pricing this year will be in the second half. So we are cautious at this stage, and as Srini mentioned, we will revise this when it comes second quarter results.

**JEMMA SPALTON:**

Thank you. Our next question comes from James at RBC Capital Markets. Go ahead, James.

**JAMES EDWARDES JONES:**

Thank you, Jemma. You're presenting your updated remuneration policy to the AGM in a couple weeks' time. What's the thinking behind the annual bonus and performance share plan kicking in for sales growth well below your 4 to 6% guidance?

**FERNANDO FERNANDEZ:**

Yeah, we are presenting the remuneration policy in the next AGM, that is the 13th of May. There is a clear intention of becoming competitive with global companies in that space when it comes to remuneration. And when it comes to the targets that we put at the beginning of the year for our annual bonus, it reflected the market conditions, and it reflected what top TSR performance implied. As we mentioned before, the situation now has changed in terms of what is a potential inflationary context in which we are working, and what we present the targets on an annual basis, and we will change that if the next year, the conditions are different for the PSP and for the annual bonus.

**SRINIVAS PHATAK:**

So maybe just one additional element to add on that. The key is really the long-term incentives, and actually a couple of the measures in the long-term incentives are completely actually bulk of the remuneration there is linked to shareholder return and outperformance. So 30% of the weighting in the long-term incentive continues to be on TSR, therefore, that takes into account any of these changes. Second, if you actually, again, look at it from a return on invested capital, that's again a long-term measure, which is again linked to competitive outperformance. So, in some ways, I don't believe that that materially changes. Anything that is coming in the remuneration policy is linked to shareholder return.

**JEMMA SPALTON:**

Thank you. Our next question comes from Olivier at Goldman Sachs. Go ahead, Olivier.

**OLIVIER NICOLAI:**

Thank you, Jemma. Good morning, Fernando, Srini. Two questions. First, you mentioned previously that 50% of inflation is in Home Care. Can you perhaps comment on the magnitude of the price increase in Home Care you would need to take to offset the security cost inflation that you're seeing? And regarding other divisions like Personal Care as well, should we expect a price increase? And then secondly, it might be a little bit of a technical one, but notice that the share buyback is still at €1.5 billion the same amount, but it's going to be done by July 6th. That's going to be done over the next 45 working days. Last year, it was done same amount, but it was more like 70-plus working days. So any rationale for this increase in speed? Thank you.

**FERNANDO FERNANDEZ:**

Well, share buyback acceleration, it's very clear that the markets have suffered in terms of valuation, and we are very confident in the future valuation of the company given our performance. We really believe that the Unilever that we are shaping, as we mentioned when we announced the McCormick transaction, is one that has been bottom quartile in valuation with top quartile in performance. So this is a good moment to make share buybacks, and it's a good moment to make share buybacks in an accelerated way. Regarding Middle East conflict, I would like to highlight a couple of things. First of all, Middle East represents for us around 2% of the revenue, and until now, we have not seen any material impact in consumption level or disruptions in the operations. Of course, the closure of the Strait of Hormuz may have potential implications in terms of availability of petrochemical materials. But this can be an opportunity for us, because we have a very resilient supply chain, a multipolar supply chain with multiple sources of materials, and this resilience can imply a competitive advantage. We see growth opportunity in laundry powders because we see local

players, particularly in India and Southeast Asia being affected in terms of availability of materials. Srini, you want to comment on the inflation in Home Care?

**SRINIVAS PHATAK:**

So just a couple of things. It is Home Care, and a lot of that, of the total inflation, 70%, is in emerging markets, which therefore is an opportunity for us to actually be able to take up prices. Having said that, in line with our own experience and best practices, and to ensure our competitiveness, we will lead pricing where we are leaders, we will follow where we are not. The price increases we will take will always be calibrated. There will be frequent price increases, but in small doses. That ensures that we get the right balance of giving value to the consumer while protecting our model. This could also mean that there could be a bit of a lag between when commodity starts to hit, when pricing starts to come in. Now, these are the elements which we'll have to continue to monitor and validate, and therefore we will fine-tune. That's also the reason we talked about all the other measures which start becoming important for us to manage the P&L, from formulation to logistics to the manufacturing costs. And that's the only reason at this stage, yes, we should expect pricing to be higher, but it's not going to be a one-to-one correlation and for that reason, we will not be able to give you a specific guide today. We could have a better conversation in three months' time when we have better clarity of the environment and overall consumer demand.

**FERNANDO FERNANDEZ:**

And Olivier, I would like to highlight something that Srini mentioned in the beginning of the call, because the situation is different in different markets. Very, very differently to previous global crisis we have seen, we are seeing emerging market currencies holding relatively well. If you take a market like Brazil, for the moment, we have seen an appreciation of the currency that is higher than the increasing material cost that we are having. So I feel the situation is very different for different Home Care business depending on the geographies in which we are operating.

**JEMMA SPALTON:**

Thank you. Our next question comes from Callum at Bernstein. Go ahead, Callum.

**CALLUM ELLIOTT:**

Great. Thank you very much. Just to start coming back to Home Care, please, the 6% volume growth is obviously quite remarkable. Reading your commentary, it seems like it's quite broad-based across Fabric Cleaning, Fabric Enhancers and Home & Hygiene. But maybe you could just add some colour for us, please, on what are the drivers of that 6%, how much is market growth versus your share gain? What are your share gains being driven by? And are there any one-off factors in the plus six that we should be cognizant of?

And then my second is, actually unusually, coming back to remuneration. You had some very interesting commentary and examples in the annual report about your ability, or probably I should say inability, to attract talent, especially in the US, where it seems like your compensation is just not market competitive. So my question is, how are you and the Board thinking about this, given the strategic focus on growth in the US market, and could there be pressures on margins if you need to structurally improve your compensation packages? Thank you.

**FERNANDO FERNANDEZ:**

Thank you, Callum. Regarding Home Care, our comparator was relatively low in Home Care, but I feel what is important to highlight that on a two-year basis, we have been delivering consistently volume growth in Home Care above 3% and this is a combination of a solid performance in Fabric Cleaning, and I would say a stellar performance in Home & Hygiene and Fabric Enhancers. I feel Cif grew this quarter around 15%, Domestos high-single digit. As Srini mentioned, in the case of India, we achieved the highest ever share in laundry powders. We are increasing our position in Liquids strongly. We have had double-digit volume growth in Brazil, in Fabric Cleaning, in Vietnam, in Arabia, in Turkey, high single-digit growth in Argentina. So there is a broad-

based very, very strong growth. And I believe it's a combination of really restoring our pricing competitiveness in Powder, and at the same time accelerating the market development of Liquids with an special role to Wonder Wash, that is already more than 200 million euros in annualized sales and is already present in 41 countries. So overall, broad-based good performance in Home Care. We see momentum in the business, and we see momentum in the three pillars of Home Care, in Fabric Cleaning, in Home & Hygiene, and in Fabric Enhancers. Probably the one that is a bit slower, that is growing at around 5%, is Dishwash. That is more exposed to Southeast Asia, and that's a category in which we have seen a bit less dynamism.

In terms of remuneration, it's true, as you know, we have been looking at appointing some top leaders in the organization from the outside. This is a very different Unilever, in which the combination of born and bred talent and talent inflow from the outside is much more balanced than in the past. We are increasing our exposure to the US, and we are allocating significant capital into the US and it's very, very important that we are able to compete with American companies when it comes to remuneration. We don't believe that this has an impact at the global level in terms of our cost base, but we need to really increase the ceiling of remuneration in the company to be able to ensure that we can attract top-notch American talent, because at this stage and for many, many years, we have been lacking leadership at the top of the organization coming from North America, and this has to change in the future.

**SRINIVAS PHATAK:**

Maybe one small clarification on the question related to any one-offs in Home Care and otherwise. At an aggregate Unilever, there is nothing specifically to be called out. Could there be some small pockets of people buying in? Possible. Did we have some adverse impact because of Eid timing? Slightly possible. So therefore, there are always some small ins and outs in a few places, but when we look at it in an aggregate, there is nothing that we would really call out as being something to point out from a quarter perspective.

**FERNANDO FERNANDEZ:**

And I believe it's important also to highlight that our distributor covers are one of the minimums we have in history. So basically, this is showing the efficiency of our model, our operational discipline, and also the care we are taking in ensuring that the working capital across the value chain is properly managed.

**JEMMA SPALTON:**

Our next question is from Karel at Kepler. Go ahead, Karel.

**KAREL ZOETE:**

Yes, good morning. Thanks, Jemma. Two questions. The first one, I know you already discussed market shares for a couple of individual markets and regions, but on an aggregate level, what have your market shares done over the last quarter? And then the other question is a follow-up on Latin America. You discussed Brazil, but what's the trajectory going forward? Because it's been quite volatile in '25, but things seem to be getting better. So what should we anticipate for LATAM as a region going forward?

**FERNANDO FERNANDEZ:**

Market share have been stable in the last few readings for us, after significant gains that we have had around the first three quarters of 2025. Srinu can give more colour on that. Regarding Latin America, as I mentioned before, we have delivered 6% growth in the quarter. We already in 2025, were having excellent performance in Foods and Beauty and Wellbeing, but we have some issues in laundry and deodorants, particularly in Brazil. This has been corrected. We see momentum in the business. The actions we have taken in deos are at that early stage, so we probably will see further acceleration in our Personal Care performance in Latin America. That is very important because Deodorants in particular, Latin America, is a big contributor to the growth of the total Personal Care business. So, a lot of confidence in our development in Latin America

going forward. I would say in Americas overall, because we expect also North America to be better from quarter to onwards so optimistic about it. Market share, Srinini?

**SRINIVAS PHATAK:**

So, three simple messages, both from a value as well as a volume shares perspective, we are relatively stable. I think that's actually quite encouraging just given the context of where we are. It also is ensuring that we are in the right space, both in terms of volume and our pricing in the market. Point number two, we have seen some positive acceleration coming through in India, and that's understandable given the quality of the performance which has come. I think that positions us well. The other element to highlight is, again, when we see the last four weeks read in North America, we have seen a strong comeback in some of our categories, most notably in Personal Care. That again positions us well. So just a bit more colour to the comment, but at an aggregate, shares are stable both on value and volume terms.

**FERNANDO FERNANDEZ:**

And remember that we cover around two-thirds of our revenue in market share reading. If you look at our 2.9% volume growth and you compare with markets growing around 1%, it's very clear that we are outperforming the market there.

**JEMMA SPALTON:**

Thank you. Our next question comes from David at Jefferies. Go ahead, David.

**DAVID HAYES:**

Thanks. So two for me, just firstly on Thailand. I know not a big market, but we picked up that you lowered prices coming into April, and apparently a reaction to the struggles on energy prices for the consumer. I think you explicitly made that point. So just wonder is that something that you're having to do in other Asian markets, and is that something you're doing proactively, or is there an element of government pressure in that market or other markets to be seen to be helping consumers with the tougher environment?

And the second question, just came back to the Home Care dynamics. Pricing obviously been very low for the last nine quarters, up one or even negative for some of those quarters. So just explain the dynamics there. Is that the input cost was deflationary, and that's what was allowing that pricing, or is it a competitive intensity dynamic? And then related to that and some of the moving parts you talked about, will Home Care margins you think be up this year, or is that an area where you have to sacrifice profitability given where the input costs lie and you make it up in other divisions? Thank you.

**FERNANDO FERNANDEZ:**

Let me cover a couple of things and then Home Care margins, Srini can take it. Thailand is a very special situation. Thailand has entered into a conflict with Cambodia. Around 10 to 15% of the volumes of the Thailand market were flowing into Cambodia. That has been closed. Fundamentally, this has made some players in the market to really react with significant promotional investment. And we have reacted to really ensure that our competitiveness was strong. So basically, it's a very, very peculiar situation. We have seen some international players in particular reducing prices significantly. And as I mentioned before, being uncompetitive in Unilever is not an option anymore, and we have reacted to that. In the case of Home Care, yes, the context of it has been deflationary for around, I would say, one year and a half. This is, of course, changing now, and we see pricing in Home Care accelerating. We have been enjoying very, very solid gross margins in Home Care, and our operating margin has been increasing strongly. But you want to add some colour on that?

**SRINIVAS PHATAK:**

So the additional colour to that is that it's absolutely right that there has been deflationary with crude sitting at about 60, which had actually started tapering off from the mid-70s, and therefore that reflected in pricing. The other element, these are the corrections which we actually put in the first half of last year. That's when we addressed some of the places where we were not competitive, or we had to react to ensure we were competitive, notably Brazil and India. We took those corrective actions. In all the

markets that we operate today, we are on strategic pricing in Home Care. That positions us extremely well and the way we have really articulated in terms of taking judicious pricing, calibrated pricing, will position us well. Coming back to your question on overall Home Care margins, it will be our first endeavour to ensure that each business group really delivers on its financial model. But given the magnitude of some of the commodity inflation and the lead lag between pricing and commodity, if we need to really support Home Care and make it up in some other business groups and categories and sales in the short term, we will do it. But that's something that we will do in a sensible manner without impacting the competitiveness of any of the single sales.

**FERNANDO FERNANDEZ:**

And remember, David, also that Home Care is a category that is very sensitive to volume, and we see opportunities coming from the constraints in supply in the global market. Our supply chain is multipolar, it's very resilient. We are seeing some shortage in some local players, particularly in India and Southeast Asia, that can support our volumes, and it will make easier the passing of pricing in the future.

**JEMMA SPALTON:**

Thank you. Our next question comes from Jeremy at HSBC. Go ahead, Jeremy.

**JEREMY FIALKO:**

Yeah. Hi. Good morning. Thanks for taking the questions. A couple from me. First one is perhaps you could talk a little bit about what you're seeing from a consumer standpoint in some of the emerging markets, which on paper would be more affected by the higher oil price, yet particularly some of those around Southeast Asia. Whether there's been anything you've noticed in terms of how consumers are behaving, their consumption patterns, or whether there isn't really a lot of evidence so far. And then the second one is just on your margins. You talk about the margins being balanced in absolute terms between the first and the second half, which on paper would mean that the margin expansion you deliver for 2026 would be coming basically all in the second

half. So given that's when the commodity pressure would hit more, could you talk about what some of the other things you've got going in your favour in the second half to make sure that you land the margin numbers that you currently expect? Thanks.

**FERNANDO FERNANDEZ:**

Yeah. Jeremy, emerging markets, we have not seen any material changes in market volume growth at this stage. As I mentioned, we have been growing very nicely in places like Vietnam, Pakistan, Bangladesh, Arabia, India, Philippines. Probably the exception to that is Thailand, where, as I mentioned in David's questions, there has been a pricing issue that we have to sort out. But overall, not materially impacting consumption at this stage, coming from the higher fuel prices that are starting to materialize in these countries. China, importantly for us, we have seen improvements in China since mid-2025. We are solidly now operating at around 5% growth. And as I mentioned before, particularly our Food Service business, that is important in the context of China. We have seen some improvements in the out of home channel there that is supporting the growth of the Food Service business. Margin?

**SRINIVAS PHATAK:**

So on the margins, I think there was a bit of a confusion in the marketplace in terms of whether you talk about the absolute margins on the basis points. From a full year perspective, we had delivered margins of 20%. If you looked at prior two years, there was a bit of a lot more volatility and seasonality between half one and half two, with ice cream moving away. We were in the space of saying that, look, we are likely to have that steady margin profile from a first half and second half point of view. From a first half perspective, we are trending well, given all the actions that we have taken, given the volume-led growth and our gross margin progression. So we should see improvement at least first half, maintaining last year's margins or a slight improvement. That's what we're aiming for. Second half, we have discussed some of the cost challenges and some of the actions that we are taking. At this stage, we believe that we will have all the mitigants in place to cater to that, and therefore the overall approach.

Best at this stage would be to really focus on how we want to navigate the environment, the situation, and deliver the model on a full year basis. And we could actually have a proper conversation at half one results with a better outlook on the full year.

**JEMMA SPALTON:**

Thank you. Our next question comes from Sarah at Morgan Stanley. Go ahead, Sarah.

**SARAH SIMON:**

Yes, good morning. Just following on from that shape of the margin. Should we expect a significant skew in terms of marketing investment as a percentage of revenues between H1 and H2, given the FIFA World Cup 2026™ stuff? Thanks.

**FERNANDO FERNANDEZ:**

No, we feel very comfortable with the investment that we are having in the market now. We believe that we can operate between 15 and 16% in terms of brand marketing investment. We have increased around 300 basis points our investment behind the brands in the last three years. So we feel comfortable with that kind of level. We measure that, of course, on a monthly basis. Our share both in the digital space and in the old media space, is solid. And as I mentioned before, we will keep our competitiveness as a key metric of success for us, ensuring that the enablers of demand, both in terms of pricing and brand market investments, are solid. So don't expect significant changes in the level of investment that we should have in the two halves.

**SRINIVAS PHATAK:**

So just, again, a little more colour, especially in the developing markets and what we have seen historically, I'm not saying that that plays out exactly. When these kind of levels of inflation do play out, as an industry, as a category, people do make calibration between pricing and investments to ensure that they give the right value to the consumers. What effectively that means that the media hit could come off significantly. Our endeavour is to ensure that we invest adequately behind our brands. We do

everything to support our innovations, but we will actually keep a lens if the media heat does come off. We will ensure that we are deploying our resources effectively and not really wasting some of the media money. I feel it's important that history shows that when there is significant commodity inflation, there tends to be media deflation. So we will look at, particularly in emerging markets. So that's something that we are looking in detail, and our procurement team is very active in that space.

**JEMMA SPALTON:**

Our next question comes from Tom from Deutsche Bank go ahead, Tom.

**TOM SYKES:**

Yeah. Morning, everybody. Thank you. Just on the US, first of all, the share data in Nielsen suggests that you're losing share of the Amazon channel, and that channel seems to be growing the fastest in HPC, in Personal Care, Deos, and Bath and Shower, very strong on Amazon. From your perspective, do you think you're holding share on that channel, which seems to disproportionately be growing? And then on pricing on Amazon, it's not annual contracts, as I understand, and so in theory, you could put up pricing pretty quickly. Do you believe your pricing power or elasticity is the same on Amazon as it would be on other channels? And a final one, just on the follow-up on the media, is there any element in your increase of use of influencers and KOLs, et cetera, that there is an inbuilt flexibility on what you pay them depending on volumes? And so therefore, that would naturally come down a bit if volumes in, say, EMs came down, please.

**FERNANDO FERNANDEZ:**

Yeah. The last question, yes, influencer cost is a variable cost. And pricing, of course, it has a component of volume there. Regarding pricing in Amazon, we don't see a fundamental difference between our pricing ability in the Amazon channel and the offline channel. As you know, they are closely linked, because you have to ensure that

there are no pricing conflict across channels so we don't see any fundamental issue there. You want to talk about shares?

**SRINIVAS PHATAK:**

So what we really follow, Tom, is Circana has been more representative of some of the share trends, whether it is in Amazon or broader e-commerce, d-commerce. Therefore, progressively in the last 12, 18 months, we have validated the database, and that is what we actually look at. The reads that we see on that continue to show much better. So there is a divergence which is happening between the two data sources. But at an aggregate, we are not seeing some of the elements that you have spoken about. But happy to engage with you offline to go into further details.

**FERNANDO FERNANDEZ:**

Mm-hmm. Yeah, I don't have the latest number, but our growth in Amazon, it has been in the high teens for 2025. I need to check exactly what it was in quarter one. I don't have that data here.

**JEMMA SPALTON:**

Thank you. Our next question comes from Guillaume at UBS. Go ahead, Guillaume.

**GUILLAUME DELMAS:**

Thank you very much, and good morning, Fernando, Srini, and Jemma. Two questions from me, please. First one is on Europe. Kind of second consecutive quarter now that both USG and UVG are a bit soft. But wondering if it's mostly down to lower category growth, or if you're also seeing some maybe challenges in terms of your market share development in an environment that seems to be highly promotional. So maybe if you can unpack this performance for us. And I guess looking ahead, do you expect similar trends in Europe, or are you hopeful you can go back to positive USG and UVG in the next quarter? And then my second question is on Foods. Appreciate it's really early days, but Fernando, I'm wondering how the business has been reacting following the

announcement of the deal with McCormick. And between now and the completion of the deal, how to ensure that Foods doesn't get distracted too much by the carve out. I'm sure for some employees, some job uncertainty. So I guess, what will be the focus for Foods in the next four to five quarters? Thank you very much.

**FERNANDO FERNANDEZ:**

Thank you, Guillaume. Well, Europe indeed, the market has been subdued. We have had very good share progress in Home Care and Personal Care in the last nine to 10 quarters. Foods has been a bit more difficult. It's 40% of our revenue there, and we have seen some increase in promotional pressure in Foods, and that has put some negative impact on pricing that is affecting us. But we expect our performance in Europe to improve along the year. We are really banking in a very strong quarter two in Personal Care with all the FIFA activation that in Europe will be very, very significant. We are starting to roll out some of our most successful Beauty & Wellbeing brands into Europe. So, we don't expect Europe to become a key engine of growth in the future, but we expect a slight recovery, despite the fact that the impact of energy prices in Europe can be significant in terms of consumer purchasing power and confidence. So, a slight improvement expected in Europe going forward.

Regarding Foods, we have, of course, been very active communicating the transaction internally to our employees. I was recently in Netherlands having a Town Hall with all our employees there in the central Foods team and talking to the whole Foods team across the globe. I believe there is some real excitement about the potential that the McCormick transaction offer for our people. It was very clear that Foods was not a key priority in terms of portfolio development within Unilever. But Knorr will be the number one brand in the enlarged McCormick, and Hellmann's will be the number two brand in the enlarged McCormick. So, the concept of building a real global flavour powerhouse with significant revenue synergies, in what I call a growth separation of Foods, I believe it resonated with our people. Of course, there is some anxiety, and we are working very aligned with McCormick to ensure that we shorten time frames in every single work

stream. We are working very collaboratively with the McCormick leadership team. Separation work streams are all in motion. And the integration plan with McCormick is being managed in conjunction between the two companies. This week, the McCormick Leadership Team is here in Europe. We have been talking to them. They have been presenting to some of you, I believe also and we are very, very happy with the progress that we are doing, and the intention is to shorten our timings as much as we can.

**JEMMA SPALTON:**

Our final question comes from Ed at Rothschild. Go ahead, Ed.

**ED LEWIS:**

Yes, thanks very much. A couple of ones, just looking at the Asia-Pac and LATAM, you referenced Beauty and Wellbeing, strong performance in LATAM, also Beauty & Wellbeing driving growth in China. Just trying to understand what parts of the Beauty & Wellbeing are growing there. Is it the more premium sides of the business? Is it largely online led? Just to understand how you're positioned there. And then as we think about a period of more macro uncertainty, how should we think about the One Unilever markets in that context? Do you feel more confident about being able to navigate potential uncertainty or macro uncertainty given the way you now run those One Unilever markets?

**FERNANDO FERNANDEZ:**

Yeah. Thank you, Ed. Yeah, performance in Beauty & Wellbeing in emerging markets has been strong. As I mentioned before, our Hair business grew high single digits at total level, and that was driven by a strong performance in emerging markets. India grew 8%. I feel in Latin America, Beauty & Wellbeing was, I believe, in double-digit growth. We are seeing strong growth also in Middle East and in some other Southeast Asia. So I feel the performance has been strong. We have an excellent performance of Dove Hair. Dove Hair is growing 15%. It initiated with the relaunch in the US that is performing extremely well, but now this relaunch is rolled out across all our geographies. Vaseline growing

very, very strongly, close to 10%, and Sunsilk growing 8% in Beauty & Wellbeing. So if you look at the top three brands of our Beauty and Wellbeing business, Dove Hair 15%, Vaseline 9%, if I'm not wrong, and Sunsilk 8%. So performance is strong. It's strong in different price points, particularly in the upper mass to premium segment. But also, as I mentioned before, our Prestige business in the US also doing very, very well. So overall, good performance in Beauty & Wellbeing, particularly in emerging markets.

Regarding One Unilever markets, we are very happy with the performance there. It has been one of our fastest growing cluster last year. Performance in quarter one continues being strong. We are running in One Unilever markets a much tighter portfolio. Usually, in every market in what we call One Unilever, that are markets 25 onwards, we run a portfolio between six and eight brands and in the quarter one, we deliver above 2% volume once again. So we believe that it could be, as I mentioned before, opportunities for us in these markets. When there are supply constraints in the market, there are two things that happen. A resilient supply chain, like the one of Unilever, can build some competitive advantage to drive more volume, and second, the ability to pass pricing is higher.

**JEMMA SPALTON:**

Thank you very much.

**FERNANDO FERNANDEZ:**

Good. I would like to close with a couple of messages. The first one is that we started the year, as I mentioned, with a strong volume growth, and our confidence in delivering above 2% volume growth for the year is reinforced by the fact that we are having a strong start to quarter two with practically April finished now. Pricing will definitely accelerate along the year. The majority of our cost inflation is in Home Care and is in emerging markets, and the frequency of pricing and the ability to pass pricing in these regions is higher. The cost environment is volatile, but we will manage the business with clear focus on volume and ensuring competitiveness in both price and BMI and as I

mentioned before, we will emphasize the driver of demand with the highest return depending on the environment. We are really making good progress regarding the Food separation. Of course, there are elements that are not completely in our control, like the antitrust clearance, the timing of the antitrust clearance, and the timing of the SEC approval. But all the work streams are in motion. We are working as one team with the McCormick leadership team, and we expect to really accelerate the timing of separation and integration, and we are reaffirming our guidance. We continue expecting our top line to grow within the range of 4 to 6%, most probably at the bottom end of that range, and we expect, despite the increase in commodity inflation that we expect hitting our P&L in the second half of the year, to deliver modest operating margin expansion. We will use every single level of the P&L, from formulation flexibility to productivity, to hiring freeze, to tighter overheads management to ensure that we are able to deliver the modest operating margin expansion that is in our guidance. With that, thank you very much.