Q3 2026 Trading Statement

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FERNANDO FERNANDEZ

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

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

In a moment, Srini will take you through the details of the quarter, and I will come back at the end to sum up before we take your questions.

Consistent performance with superior volume growth

So let me start by setting this quarter's performance in the context of our continued progress.

I have said consistently that volume growth is the true measure of demand, a key indicator of the underlying strength of our business.

Since 2024, Unilever's volume growth has averaged 2.7%, ahead of our medium-term ambition of over 2%. Volume growth has been even stronger for our HPC business, at

3.3%, and for our Power Brands at 3.8%. And year to date, our performance is even stronger.
That is not the result of one quarter, one category or one market. It comes from continued progress against our strategic priorities, with stronger brands, superior innovation and sharper execution driving increasingly consistent performance.
And we are delivering this performance while we are transforming our portfolio.

Strong performance continues in Q3

Now let me summarise what I see as the key elements of this quarter's results.

Strong performance continued in the third quarter, in an environment that remains demanding. Input costs are higher, while consumer conditions remain mixed across markets.

Underlying sales grew 5.2%, with volume up 2.9%.

Our Power Brands continued to lead, growing 5.8%, with 3.3% from volume. Ten Power Brands grew double-digit in the quarter, including Dove, our largest brand, as well as Vaseline, Sunsilk, Clear, and Cif.

Growth was broad-based across our HPC businesses at 7.0%, with 4.1% from volume. Home Care, Personal Care and Beauty & Wellbeing each grew volume above 3%.

Home Care and Personal Care were particularly strong. Home Care grew 9.1%, with double-digit volume growth in India and Brazil. Personal Care grew 6.3%, and we further strengthened our Deodorants leadership in the US.

Emerging markets were again a key driver, growing 9.5%, with volume up 6%. Our largest emerging market, India, stood out with growth of 15% and strong momentum across all four Business Groups, and we saw continued strength in Latin America and South East Asia.

This continues to reflect the evolution of our emerging markets portfolio towards higher-growth segments, social-first demand generation and improvements we have made to our go-to-market capabilities.

Developed markets were soft and performance also reflected tougher prior year comparators. Europe remained subdued. And in North America, good growth in Personal Care and Beauty was offset by Wellbeing and Foods.

In Foods, growth was flat overall. Our emerging market business and Unilever Food Solutions continued to grow but were offset by a decline in developed markets retail. In US
Condiments, performance was below our expectations, and we need to strengthen our competitiveness.

We are taking action on innovation and restoring price competitiveness, state by state. It will take some time to see the full impact, but the actions are in place and Srini will cover this in a moment.

Volumes remained strong in a quarter in which we also stepped up pricing to 2.3%.

Along with productivity initiatives, this helped to offset the impact of higher commodity costs. And we are pricing with a clear focus on staying competitive.

Overall, this was another strong quarter, and with nine months of strong performance, we have upgraded our outlook for 2026.

And now, I will hand over to Srini to take you through the quarter and our outlook in more detail.

SRINIVAS PHATAK

Strong volume delivery

Thank you, Fernando.
Let me start with the growth profile in the quarter.

Underlying sales grew 5.2%, with 2.9% from volume and 2.3% from price. On a two-year basis, volume growth was 2.3%. And for the first nine months, underlying sales grew 4.9% with volume up 3.8%.

The three HPC Business Groups led delivery in the quarter - with Beauty & Wellbeing, Personal Care and Home Care each growing volume above 3%. On a two-year CAGR basis, for the first nine months, our HPC growth was 4.9% with volume growth of about 3.2%.

Price growth stepped up from 0.6% in the first half, as we responded to higher commodity costs and normalised promotions in Personal Care following the FIFA World Cup ™. Price growth was most notable where we see the largest impact from inflation, that is in emerging markets and in Home Care. We have taken a calibrated approach, market by market and category by category to stay competitive, and volumes have held up well.

Our Power Brands continue to outperform, which reflects their equities strengthening and the value of concentrating our investment behind our biggest growth opportunities. These brands, which represent around 79% of our turnover, grew 5.8%, with 3.3% from volume.

Our Unmissable Brand Superiority scores are strong, with over 60% of turnover being stable or improving.

Beauty & Wellbeing: Strong Momentum led by Hair Care

Beauty & Wellbeing grew 5.7%, with 3.6% from volume and 2.1% from price.
Hair Care keeps accelerating and grew double-digit, led by volume, with Dove, Sunsilk, Clear and K18 all growing double-digit. Dove continues to benefit from the strength of its premium innovation ranges, Sunsilk and Clear are outperforming in Latin America, and K18 delivered another quarter of very strong growth.

Skin Care grew mid-single digit. Vaseline delivered another quarter of double-digit growth, with double-digit volumes and broad-based strength across both emerging and developed markets. Earlier this year, we extended the brand's Gluta-Hya range into lip care with a new Gluta-Hya lip serum, which continues to perform well. We also saw good performances from Hourglass, Paula's Choice and Dermalogica.

Wellbeing declined high-single digit in the quarter partly driven by shipment timings that benefited the second quarter.
We compete in wellbeing segments in which the market is growing high-single digit. Year to date Wellbeing is down 1%, reflecting conscious choices to rebalance revenues and relative pricing between direct to consumer, club, pure-play online and omni-channels.

Across our brands, the picture is mixed. Liquid I.V. grew year to date, with gains in mass retail, online and international.

Year to date, OLLY also grew mid-single digit as it lapped last year's distribution gains. Nutrafol declined year to date, as the measures to improve customer acquisition remain at an early stage.

Grüns, which we acquired earlier this year, delivered very strong growth in its first full quarter with Unilever. It will enter our underlying sales growth measure next year in June.
We expect sequential improvement in Wellbeing's performance versus the third quarter.

Personal Care: Broad-based growth, strong brand equity following FIFA World Cup 2026™

Personal Care delivered another very strong quarter, growing 6.3% with 3.8% from volume and 2.4% from price. Growth was broad-based, with high-single digit growth in Emerging Markets and mid-single digit growth in the US.

Price growth stepped up in response to higher commodity-costs, as well as a normalised promotional environment. Dove grew double-digit with strong volumes in both Deodorants and Skin Cleansing.

Deodorants grew mid-single digit, led by volume. In the US, continued momentum was supported by strong brand equity and further strengthening of our market leadership following the FIFA World Cup ™, while Latin America grew double-digit. Dove and Dr. Squatch both grew double-digit in the quarter.

Skin Cleansing grew high-single digit, with balanced volume and price. Growth was broad-based, with double-digit emerging markets growth and mid-single digit growth in both North America and Europe. Dove was strong as it continued to premiumise the category with skincare-led body care ranges, while Lux grew well, supported by new botanicals ranges in China.

Oral Care declined low-single digit, as growth in South East Asia and India was offset by a decline in Europe.

Home Care: Strong volume growth continues with accelerated pricing

Home Care grew 9.1%, with 5.4% from volume - another quarter of strong volume-led growth. Price growth stepped up to 3.6% as planned, in response to higher commodity costs. On a two-year CAGR basis, our volume growth was 3.9%.

Growth was led by emerging markets, with double-digit growth in both Asia Pacific Africa and Latin America, and double-digit volume growth in our largest Home Care markets, India and Brazil. We continued to gain share across value and volume in the vast majority of our markets given the strength of our brands, our R&D capabilities and supply chain resilience.

By category, Fabric Cleaning grew double-digit, with high-single digit volume. Home & Hygiene and Fabric Enhancers grew mid-single digit, led by Comfort. We have started to build Cif in China through social commerce, as well as launching Comfort's perfume-inspired fabric enhancers in the market.

Our multi-year innovation platforms Omo Wonder Wash and Cif Infinite Clean continue to scale successfully across markets and expand with new variants. Wonder Wash is

now present in over 40 markets, and we have rolled out range extensions in South East Asia in the quarter. CIF Infinite Clean is now available in eight markets.

Foods: Emerging markets and UFS strength offset by developed markets retail

Foods grew 0.1%, with volume down 1.1% and price up 1.3%.
Emerging markets continue to grow well across both Latin America and Asia Pacific Africa.

Unilever Food Solutions grew low-single digit, led by its second-largest market North America, where it accelerated to mid-single digit growth on the strength of our premium customer propositions. China, its largest market, continued to grow low-single digit.

Growth in emerging markets and Unilever Food Solutions was offset by a decline in developed markets retail, in particular in US Condiments, where our performance was below our expectations.

Hellmann's brand continues to be strong and leads the category.
However, as we said in July, we have seen increased competition in the fast-growing premium segments of the market, such as avocado oil mayonnaise, and with discount brands gaining distribution nationally.

We are taking targeted actions to improve competitiveness including bringing additional innovation to market and corrective pricing actions. Hellmann's 100% avocado oil mayonnaise is building distribution, with more to come over the next few quarters.

We are confident in the actions we are taking, while recognising that it will take some time for these to take effect.

Emerging markets drove strong, volume-led growth

Turning to our geographies.
Emerging markets, which are around 60% of our turnover, grew 9.5%, with 6.0% from volume. Developed markets declined by 0.9%.

Asia Pacific Africa grew 10.1% with 5.8% from volume and 4.1% from price, with broad-based growth across the Business Groups and markets.

India, our largest emerging market, grew 15% with 7% from volume, continuing the momentum of the first half and lapping a GST-led lower prior year comparator. Growth was broad-based. Home Care and Beauty & Wellbeing grew strong double-digit. Premiumisation and innovation accelerated our growth, with premium Hair Care and Fabric Cleaning liquids outperforming. We delivered high-single digit growth in Foods and Personal Care, where market development actions in body wash continued to build penetration.

Indonesia grew 7%, led by volume, supported by stronger execution, innovation and digital activation. All Business Groups grew in the quarter, including mid-single digit growth in Foods which was led by local brands.

China grew low-single digit, with mid-single digit volume, including volume contribution from all Business Groups and strong performance from social commerce. Beauty & Wellbeing and Personal Care benefited from premium innovation, including new ranges in Vaseline and Lux, and Home Care sustained mid-single digit growth, while Unilever Food Solutions grew low-single digit.

Double-digit volume growth in Vietnam, Pakistan and Thailand also contributed to the broad-based result for the region.

Latin America grew 8.5%, with 6.5% from volume. Beauty & Wellbeing and Home Care grew double-digit, and Personal Care grew high-single digit. In Foods, low-single digit growth was driven by continued strength in Condiments. The largest market Brazil grew high single digit with double-digit volume, supported by market share improvement in our two largest categories Fabric Cleaning and Deodorants, following the corrective actions taken last year. Mexico grew low-single digit, led by volume, and Argentina grew double-digit, with positive volume.

North America declined 0.7% in the third quarter, while continuing to gain volume share. Personal Care grew mid-single digit, led by strong performances in both Deodorants and Skin Cleansing. In Beauty and Wellbeing, we saw double-digit growth in Vaseline and our Prestige brands. This was offset by declines in Wellbeing and Foods. On a two-year CAGR basis, underlying sales growth in North America was 2.7%, with volumes of 1.5%.

Europe declined 1.7%. Beauty & Wellbeing and Personal Care grew, supported by strong growth in Dove and strengthened competitiveness in Deodorants. This was offset by declines in Foods and Home Care. In the case of Foods the market environment remains soft.

Turning now to Turnover.

Strong operating performance driving turnover

Turnover for the quarter was 13.3 billion euros, up 6.7%.

Underlying sales growth contributed 5.2%.

Acquisitions, mainly Grüns and Dr. Squatch, added 1.4% and disposals reduced the turnover by 0.6%.

As expected, the currency headwind has eased through the year. Exchange rate movements were neutral in the quarter, versus negative (5.1)% in the first half. Based on October spot rates, we now expect the full-year currency impact to be around minus 2% on turnover and around minus 30 basis points on underlying operating margin.

Turning to our outlook.

Full year 2026 outlook upgraded

Following strong performance in the first nine months of the year, we have upgraded our outlook for 2026.

We continue to expect underlying sales growth for the full year to be within our multi-year range of 4% to 6%.

We now expect at least 3% underlying volume growth for the full year. And underlying sales growth in the second half of around 5%.

On earnings, we are confident of delivering growth in hard currency, with modest improvement in underlying operating margin versus 20.0% of 2025 as we navigate a tougher cost environment while continuing to invest competitively behind our brands. The external environment is uncertain. But the strength of our brands, the momentum within our business, and the increasing consistency of our execution gives us the confidence in delivering our outlook.

And now I will hand you back to Fernando.

FERNANDO FERNANDEZ

Thank you, Srini.

Let me sum up.

Perform and transform

We have been consistent in our conviction that, to succeed in our industry, you have to perform and transform at the same time.

This quarter is further evidence that we are doing both and we are building a track record of consistent strong performance.

We are managing a more volatile cost environment with discipline - pricing where we need to, staying competitive, and continuing to invest behind our brands.

Since 2024, over the last eleven quarters, our volume growth has averaged 2.7%. This comes from the continued progress we have made on our strategic priorities. Desire at Scale at work across our brands and higher quality execution across our markets.
You can see it in the breadth of growth across our Power Brands this quarter, and in innovation platforms like Wonder Wash, and Cif Infinite Clean or Dove Hair Mask scaling across markets.

And we are transforming our portfolio.

The combination of our Foods business with McCormick remains on track. Separation and integration work is progressing well and until completion we remain fully focused on the performance of our Foods business.

Next week, at our Investor Event in New York, we will set out how greater focus, Desire at Scale and sharp execution will unlock Unilever's full potential as a focused HPC pureplay company, and deliver sustained competitive performance. We look forward to seeing many of you there in person and online.

For now, thank you for listening. Srini and I will be happy to take your questions.

Q&A

JEMMA SPALTON
Thank you very much for joining today. Our first question comes from Olivier at Goldman Sachs. Go ahead Olivier.

OLIVIER NICOLAI, GOLDMAN SACHS
Thank you Jemma.

Good morning Fernando and Srini. I got two questions please.
First of all, would you expect the developed markets to accelerate in Q4, U.S. and Europe? And can you give us the building-blocks, for those two regions?

And secondly, going back to, to costs, you're stepping up the pricing in Q3 and I guess we should expect pricing to accelerate further in Q4, considering the COGS inflation increasing and also the negative category mix and FX impact, are you able to find more cost savings? I think previously you mentioned the 850 million of COGS inflation that

you are trying to offset. Could you essentially give us a bit more how we should think about. about margins, over the next 12 months? Thank you.

FERNANDO FERNANDEZ

Thank you Olivier and good morning everyone.

Let me start by the Developed Market questions and Srini will take on the costs and pricing point.

Two different pictures, I believe that in European markets we see a subdued market, you know, it is probably the most challenged regions in terms of market growth. In quarter three, we grew 6% in Beauty, low single-digits in Personal Care, but we saw some declines in Home Care and Foods where we have seen promotional intensity increasing, and also the pressure of the buying alliance has been very high so negative pricing has put a bit of a, some challenges in the, in the European markets, so overall Beauty and Personal Care are in good shape. Also the development of our British business in Europe is accelerating, but Foods that is close to 40% of our revenue in Europe, the performance has been below expectation, particularly in Germany and Eastern Europe, and some promotional pressure in Home Care, affecting pricing.

Let me now move into US. Are these more important in terms of our overall numbers? We have delivered 4% volume growth in North America in the last three years, 3.2% during the first half of 2026. So the 2.6% decline in quarter three against a tough comparator is a clear outlier, and we expect US return to growth in quarter four, I will repeat this, you know, we see our North American business back to growth in quarter four.

Year to date, HPC, in North America is 3.8% with UVG at 2.4%. In quarter three performance was strong in Personal Care. Both Deodorants and Skin Cleansing have been single-digit, Hair Care growing high single-digit and Prestige Beauty in double-digits in North America. All these businesses are having great momentum, led by Dove.

Dove is growing 7.5% in the US in the quarter and it has achieved number one brand position in the Deodorants Female segment that is a is a big, big achievement for a brand and is helping us to strengthen the market leadership and the Deodorants category is one of the most important for us in the US. But Foods and wellbeing in the quarter were weak.

In Foods, we have some issues with, some value players discounting and extending National distribution and got some, development of a fast growing premium avocado oil segment, in both we are taking corrective actions there.

In Wellbeing the high single-digit decline is a clear outlier, but we have two short-term issues that we have to deal. In Nutrafol that is mainly a DTC business, you know, the brand continues having excellent levels of attention, but we have seen a much higher customer acquisition cost. We are driving significant traffic into our website. But the conversion rates have gone down, particularly with younger and less affluent consumers. So this is something which we are working on and we need to find solutions. We are working both in the website content and the value equation of Nutrafol to improve this.

In Liquid I.V. and in the rest of Wellbeing portfolio, the hydration powder market in particular is growing high single-digit with a growing share in Walmart, Amazon Grocery channels. But the brand has been too exposed to the club channel and tends to operate in that channel at a significant price discount. Given the fact that the main club banner is introducing private label, we decided to rebalance our revenue, our relative pricing our growth channel is there, and this has some short-term impact that it really was very, very heavy in the quarter three, so we expect quarter four in US to be positive, we expect Wellbeing to get progressively better.

On costs and pricing Srini…

SRINIVAS PHATAK

Yeah, thanks. Good morning. Olivier.

Lets say we try and do this in two parts because you had asked about a view on costs and price over the next 12 months. I'll give you a first view on how we see this year and a bit more colour on next 12 months, and we will spend more time at Capital Markets Day next week unpacking some of that.

We had called out about 850 million as a midpoint estimation for inflation for the year. You will appreciate that crude has continued to be high over the past few months, if you see months of September and October, it has been over 105 and 106. More importantly, our commodity inflation is a function of many other elements most notably kerosene, logistics cost, foreign exchange.

Our current view for the full inflation for this year is about 900 million. We had indicated about 800 to 900. We thought 850, but the outlook is more like 900 today. We continue to drive all initiatives. Pricing is obviously one which we said there will be a calibrated and judicious approach. You have seen that, you have seen a sequential step up, and we will see some more pricing come through in quarter four, which will be higher than quarter three.
And that's a responsible way of really managing our business. But we've always been clear that we do not use pricing to manage margins. We are driving very hard all our productivity initiatives across all lines of the P&L, whether it's mix, whether it's volumes, whether it's the deployment of capital, savings and we also put in many measures, including control on our recruitment, our overheads costs and therefore this is giving us ability to really manage the full P&L. For 2026 therefore, we said that we will deliver hard currency earnings, and we are confirming that we will drive modest margin improvement.

Over the next 12 months I will give you a quick headline. The situation continues to be extremely volatile. If you really look at the energy fundamentals, the fundamentals are actually improving. But there is a lot of instability in the market. A good data point is if you really look at, let's say, the global crude output. It's actually back to 80 million barrels a day, which is actually back to the pre-war level.

So if you really see just from a supply perspective, supplies have been normalized. Yes, there is some stock which can be built up in China which has been depleted, but it's not a supply challenge. What is really happening today is a very high risk premium, given the potential disruption to the logistics, given potential geopolitical issues. So that becomes actually a fairly uncertain element to call out.

In our view, at least, given where we are today, with the information that we have, from a 2027 perspective, we expect inflation to be somewhere in the range of 700 to 1 billion. It has to be a bit of a wide range given the elements that we are dealing with. So I would say give or take about 2.5% to 3.5% of the cost base, with one important difference. The HPC inflation next year, we expect, will be lower than this year, and the Foods inflation is likely to be higher given everything which is happening with soy and other elements. Again, in the Capital Markets they will unpack 2027, but it is important to reiterate that we are still committed on a multi-year basis to hard currency earnings. And we will drive P&L exactly on the lines we have articulated below before.

JEMMA SPALTON

Thank you. Our next question comes from Warren at Barclays. Go ahead Warren.

WARREN ACKERMAN, BARCLAYS

Morning, everybody, Warren here at Barclays. The first question is back on Foods Fernando. I think you said that you would hand over the Foods business to McCormick

in good shape. Do you still think that, given the US is sort of tracking below expectations and maybe at the same time, you can give us a bit of an update? I know you'll give us a bit more at the CMD, but where we are on the kind of, closing process, antitrust, etc. Just, keen to understand those two elements of timing and your comment about handing over in good shape.

And then, the second question really is on the Emerging Markets, obviously, Fernando, super strong. Can you talk about your outlook for the big four countries in EM of India, Brazil, China and Indonesia? And perhaps you can specifically touch on Brazil in Q4 given a sales tax, but also given the massive FX decline on the presidential win, Lula, and then on India, you had a super easy comp this quarter. How do you see the outlook that is just trying to understand, like the shape of it, and maybe you can dig a little bit into some of the key, key elements, particularly Brazil. Thanks.

FERNANDO FERNANDEZ

Cool, thank you Warren, I will start with Emerging Markets and then cover Foods just to give Srini the voice on the closing process also.

Emerging Markets, very very strong performance. You know we have seen a strong broad-based performance across all our key markets and across all our key categories including Foods and Food Service that in Emerging Markets is really doing very well. We see our strengths in Emerging Markets is significant long term competitive advantage you know, and I feel the performance is improving dramatically there. We have seen some acceleration of market growth in Emerging Markets, not dramatic, but we have seen some improvement there.

In India you could you, you could see that we deliver 15% growth in the quarter, 22% in Home Care, double-digit growth in Beauty and Wellbeing with very significant share gains in both categories. We have improved a significant overall performance in

Personal Care, and in Foods that are now running up high single-digits, including Horlicks. There was an issue that we have in our portfolio a couple of years ago now growing double-digit.

In China, we see this slowly getting better. We are close to 4% volume growth in China, with very significant growth in what we call New Online, particularly in Douyin and Pinduoduo. Physical retail is declining, but we are compensating with the acceleration of our innovation program for these kind of new online channels. Just to give you an idea, Douyin has been growing for us in the last three years, around 40%, gross, on an annual basis.

In Indonesia, a strong performance, particularly in Home Care, and in Hair Care. We have relaunched all our key brands in Indonesia, the performance, the, the fundamentals of the company much better and really the business, did very, very well in this quarter and is a continuous acceleration of performance.

Brazil, and I can say Latin America as a whole accelerating we're nearly at 8.5% growth in the third quarter. In Latin America, the year to date performance is 8% growth with 6% in volume. Year to date Brazil is at 8%, Argentina is at five and Mexico at four, in volumes and we continue delivering competitive growth in all the others like Central America and Chile, they are all very important for us.
So in Brazil in particular, you know, we see very, very strong performance in Laundry where we are gaining significant share and Deodorants, where all the actions to restore competitiveness has been put in place and particularly we have reignited growth in the aerosol format. That is a one that really developed market value in the market. Brazil, in the short term, a lot of political instability. The country was not in such good shape after the first round of election and is not in bad in such a bad shape after the second round of the election. Of course, there has been a significant devaluation of the currency in the last few days, but it follows what has been a significant appreciation of the Real during the whole year so this has been one of the currencies has been a stronger in

emerging market, so we don't see a particularly negative impact for us in our performance in Brazil going forward.

Regarding Foods, yeah. We are absolutely committed to give the business to McCormick in good shape. Our Food business has been flattish in the last couple of quarters. We are disappointed with that no doubt about it. But, you know, we have a strong momentum in our Food business across Emerging Markets.

We see our Food Service is gaining momentum in both China and the US but performance in the overall market was below expectation. I feel in Europe the markets are soft. We see negative pricing due to a combined effect of buying alliances, pressure and the increased promotion intensity, particularly in countries like Germany and Poland. But probably the most important factor has been the US, in which we have consistently outperformed the sector in the last few years. But the Condiment business, Hellmann's has been under share pressure in the, in the, in the last couple of quarters, you know, two issues there.

One is the development of the premium segment in Mayo. We have just launched our own avocado oil Hellmann’s mayonnaise. We have another big launch expected for quarter one, next year and we also corrected, pricing. We were operating at a significant premium versus some value players. At the time that we were increasing price because soybean oil has gone up significantly, some of our competitors has been going down and increasing promotional intensity and expanding national distribution. This has been corrected. We have set up a new price pack architecture, also in the quick format. That is very, very important for us and we have materialised significant gains in total distribution points. So it will not be a short-term fix but we expect definitely that 27 will be a better year than 26 in Foods.

We are absolutely committed to deliver this business to McCormick in good shape. Srini?

SRINIVAS PHATAK

So from a Foods separation point of view, the work is progressing extremely well and is on track. We had said that more than 200 people from our side, as well as McCormick side are working. The working has been extremely positive, extremely collaborative.

If I really look at some of the important milestones, we have finished the covered accounts in a record period of time and we have, you know, filed our SEC filings round one. That's progressing quite well. When we look at some of the antitrust discussions which have been going on with antitrust authorities in multiple markets, they have been progressing quite well. In a couple of markets we have to look at some disposal of some assets to facilitate that. That's completely on track.

We've also started making good progress on about on TSA arrangements. They had about seventeen key TSA arrangements on which we are continuing to engage with with McCormick. And we are in a good space in terms of trying to identify the key work streams, the milestones, and how we manage it.

So all in all, where we are today, we should say that is quite promising. It was always our intention to get this transaction done by before first half of next year, and our internal ambition continues to push it prior to that date. So everything that we know right now, Warren, is progressing well. But obviously now we will get into the last mile activities when it comes to some of the regulatory elements, which we'll have to navigate through. But from a separation, integration and setting up, it is all progressing quite well.

JEMMA SPALTON

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

CELINE PANNUTI, JP MORGAN

Thank you. Good morning everyone. So my first question is, as you land prices and you started in Q3, you said you have had a very, like diligent approach and market by

market. Just want to understand, you know, we share as well competitors, and, you know, across different categories that prices are going to land, so how do you think about, further price increases and, you know, elasticity in your choice between, maybe, a certain level of prices and keeping the volume, given that, it seems that, it's a KPI, you really focus on, that obviously I presume we'll talk about that next week. But, given that you are focusing on compounding, you know, your level of, confidence, that, 27, you can keep compounding at the same, at a rhythm of above 2% volume in an environment where effectively, there may be a bit more pricing.

And then my second question, I want to go back to the COGS inflation numbers, which, well, thank you very much, first of all, to give us for 27 already a steer on that, but, I look at it 2, 2.5% COGS inflation, one of your major US peers, I think, was talking about five and when I look at, inflation across different commodities, oil prices and all of that, 2.5 to 3%, sounds pretty low so could you explain a bit why that is? Thank you.

FERNANDO FERNANDEZ

Cool, thank you Celine. We are pleased with, basically the fact that we deliver 3% volume growth in the quarter, despite pricing growth acceleration from around 0.5 – 0.6% in the first half to 2.3% in quarter three.

I feel in previous earnings calls we have been very clear that we are going to manage that business in a more volatile cost environment, focusing on volume growth, price competitiveness and disciplined management of every single line of the P&L, this is what we have done managing cost through formulation flexibility, promotion optimization, tighter management of, of overheads so we have been relatively cautious on pricing and we have more clarity in terms of supply, security and commodity cost environment.

Now that we have more clarity about it, you know we are accelerating pricing. At the same time that also, you know, most of the price corrections we did in terms of relative pricing in categories we were unsure of or in which we were uncompetitive, are now

lapping the examples of India and Brazil Laundry are probably the ones that you remember the most so we expect pricing to keep accelerating and this will contribute growth to underlying sales growth and sustain gross margin.

But let me be very clear. The ambition of growing at least 2% volume growth is absolutely fundamental for us.

We will ensure that we have a good balance between volume and pricing in whatever, whatever we do in the short and in the in the medium-term. We will emphasize the drivers of demand that have a higher return, as we always do, ensure that we are competitive in both pricing, brand marketing and investment in order to deliver the 2% volume growth in a context in which we expect pricing to have a higher contribution. We definitely expect pricing in 2027 to be higher than the one of 2026. Srini?

SRINIVAS PHATAK

Yes, so just one to two comments on first on the pricing and the inflation.
It is good to remind everyone that we said that half the inflation that we see was really coming in Home Care and about 70% of that was really coming through in Emerging Markets. And that is where you have seen a very calibrated approach using the full levers of pack price architecture.
If you really look at the performance of Home Care in the quarter or for that example, even in India, where they have grown 15%, but with a good combination of half of it coming from volume and half coming from price, starts to give you an indication in terms of how we are navigating it.

Coming back to 2027, look, I mean, no one is really planning right now for a blow out, a geopolitical blow out, if that were to happen, because then the dynamic will be very different.

We are already talking about crude at levels often, give or take to this spot is about 114. We believe that there will be some short term pressures which will continue in crude into the near-term, but into half two of next year we should see some bit of stability coming through, because again, I go back to the point about supplies, notwithstanding the geopolitical and warlike situation in the Middle East.
Today, the volumes are really back to the pre-war levels so that's an important assumption, and that's an important point of view that we have, that there will be stability, but not in the short term. Again, when we look at some of the vegetable oils and key commodities such as palm, they have again been at historical highs. Whenever there have been dips, we have been started to cover some of these commodities.
But again, when you really look at the interplay between some of the oils given where they are, there will be some more inflation.
We believe in first half that could be a bit muted, but in half two we'll also have to deal with El Nino. So we have done a bit of a scenario planning around those elements.
We've also looked at elements which are really coming through from the perspective of forex, logistics and other costs. It is important to clarify here. I'm not calling out a market inflation, and what I am really calling out is the inflation that we will land in the P&L, because this is also supported by a significant amount of product logic productivity initiatives, which therefore goes on to mitigate the significant inflation that you see. In next week in the Capital Markets Day we will give you a very good sense in terms of some of the initiatives which we have perfected over the years, but some of the new muscle that we are really building to handle and therefore drive optimization across the value chain.

JEMMA SPALTON

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

GUILLAUME DELMAS, UBS

Thank you Jemma, and good morning, Fernando and Srini. Two questions for me please, the first one is on the balance between volume growth and gross margin protection. Because we saw from Hindustan Unilever and Unilever Indonesia, I mean, a very strong volume performance in the quarter, but at the same time, we saw a marked contraction in gross margin, both sequentially and I guess even more pronounced on a year over year basis.

So my question here is, I mean, have you made the conscious decision to prioritize volume share over input cost recovery, at least in the short-term, or is this gross margin contraction more reflective of, you know, what we usually see, you know, that lag between inflation hitting your P&L and when you can actually implement pricing. And I guess what I'm getting to is, I did some of the first off results, you talked about a gross margin in the back half being relatively similar to the first half. Is it still the case?

And then my second question is on the Skin Cleansing, big category for you, high single-digit growth in the quarter. I think it's your best performance since, the first half of 2023, when the growth was, very much led by pricing. So, Fernando I'm wondering if you could shed some light on, Skin Cleansing. What's driving this improvement? Whether maybe you feel like you've turned a corner and that despite some planned pricing actions, you're still confident about future market share gains on a volume basis. Thank you very much.

FERNANDO FERNANDEZ

Thank you Guillaume. I will start with the Skin Cleansing and we will cover the gross margin, the gross margin question.

In Skin Cleansing it is true, we are really improving performance in some of our core markets. You know, we have a strong North America business. Just to give you an idea,

Dove represents 40% of Personal Care revenue globally, and it has grown in the quarter, 11.5%. So Dove in Skin Cleansing is really doing very, very strongly.
We also see improvements in India. Basically, we see acceleration of Lux in India, very strong performance of Dove and Pears in the premium segment and one of our problem child that we have had that has been Lifebuoy for a while. It has improved is now growing low single-digit is far from where we would like Lifebuoy to be, but is in a much better position than it was a couple of years ago. Also, countries like Indonesia are really improving a lot. Innovation in Skin Cleansing has been very strong. We are coming with significant, premium innovation, particularly around Dove and Lux. Lux China, really accelerating, Lux China in Douyin is really making significant inroads, it became the second shower gel brand in Douyin in the market. So overall we are pleased with the innovation program in Skin Cleansing. This is a very important category for us, in which probably in the past we have not innovated with the level of quality that we should. And now we are taking some of the learnings from premium categories like Beauty, Hair Care, Skin Care and bringing much more science, much more premium offering, particularly in brands like Dove and Lux that are really, resulting in significant share growth, and significant acceleration of performance in the, in the category.

To your question about balance between volume growth and GM protection, there is always some lag between price and cost. Of course, we will protect the integrity of the P&L in the medium-run. Our absolute priority is always to defend that floor of 2% volume growth. We are really committed to that, it could be that one quarter is below that or many quarters is above that but overall, our mid-term ambition of growing the business about 2% volume remains as one of our most fundamental metrics. So, in the short-term, you know, we will manage as Srini mentioned with sensitivity using the different lines of the P&L. You want to add something on that Srini?

SRINIVAS PHATAK

So yes a couple of elements to this, Guillaume. You're right I think that the two examples that you picked up, whether it's India or Indonesia, it's also important to highlight that these two businesses have a big exposure to the Home Care business, and that's where they have seen material inflation. So obviously the first objective in these markets is to recover the absolute costs first, because you realize that, you know, to price from margins, you almost have to price 1.3 to 1.5 times the cost inflation and that's where it's important to play the lag game, do it sensibly, do it periodically, use all the levers and therefore you have a route to recovering it.

Coming back to your question, yes, some, some elements of life have indeed changed from the time we last spoke to you. I gave you an... I gave you already that the inflation number was what we had expected to be about 850 million, is today 900 million. There is also another important element, the contribution from Home Care, to our overall business, is much higher than what we had originally expected, which is, which is great from a growth perspective and so I think the consumer's perspective. But if you really look at the gross margins that we have in Home Care, which are around the 35% mark, are lower when it comes to the group average, which is give or take around about the 46 to 47 mark. This by definition means that we do have some mix headwind, that we will have to factor in. On the contra side, the BMI that we spend in Home Care is also lower, and therefore, by the same logic, you will start to see mathematically a bit of lower BMI. In a sense, we do expect that gross margins to be a bit lower than what we had originally planned, but what we are managing the totality of the P&L through all the levers, and therefore we are committed to really looking at a modest margin expansion.

FERNANDO FERNANDEZ

Yeah, I feel just to repeat, operating margin expansion will continue committing to a modest improvement this year. And I feel the point about the mix is important. Home Care is growing very, very fast. This has a mix of negative effect on gross margin,

positive mix effect in BMI. Also, particularly in Home Care, we have seen local competitors in particularly recent market investments significant, while we have protected a very, very strong share of volumes there. So we are very, very happy with the performance in Home Care and we will continue managing this with balance.

JEMMA SPALTON

Thank you. Our next question comes from Nicolas at Bank of America. Go ahead Nicolas.

NICOLAS CERON, BANK OF AMERICA

Thanks Jemma, morning Fernando, Srini, Two questions for me please. First one is on the Wellbeing. You know, it's down 1% year to date and I was wondering whether this performance has changed your view on the M&A going forward in that category.

And the second one is I think Ruby Lu, resigned from the board a couple of days ago. I could not see any reason in the press release as to why that happened. Maybe if you could explain or give us a bit more background behind this. Thank you.

FERNANDO FERNANDEZ

Yeah, in Wellbeing let me start first for a wider picture in Beauty and Wellbeing.

You know, we deliver 8.1% growth in the second quarter and we grew Beauty & Wellbeing in the third quarter of 5.7% and remember, there is a thirty million moving between the two quarters due to the advance Amazon Prime shipments that benefited quarter two and have had a negative impact in quarter three.

We have a very strong performance in Beauty. Beauty grew 7.5% in the quarter. But is you know, we grew double-digit in Emerging Markets. You know, we grew 6% in

Europe. But of course, you know, Wellbeing has been disappointing at around high single-digit decline, and in the year is -1%. Nothing changed in our view of our Wellbeing being a key trend for the future and in the attractiveness of the category, we don't see any structural issues. We are underperforming the categories this year. We believe that the segments in which we compete are growing around high single-digit, but we are paying the price of what I call growth pains. You know, we grew the business with a significant exposure to the club channel. That growth had to be rebalanced at one point of time. We have taken the decision earlier this year to rebalance our exposure to club channel and expand dramatically our business in the other channels. This has some short-term impact and we are paying the price of that. But Wellbeing will improve and will definitely improve in quarter four. But I would say that from the second half of next year, we expect Wellbeing to be growing ahead of the markets again, as we have done for many, many years to come.

In the case of Ruby Lu, she has been a fantastic contributor to our board more than five years of service. There are some personal reasons why, she decided to resign to the board, but we are very grateful for everything that she has brought into our board. It's a pity that she cannot stay. But, you know, sometimes personal reasons prevail in this kind of situation.

JEMMA SPALTON

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

SARAH SIMON, MORGAN STANLEY

Yes. Morning. I have a couple. First one was back on Brazil. There's obviously tax changes coming, and I was just wondering if you could update us on whether you still think there could be destocking, in Q4, or if the political environment is going to change

that and the second one was just on financing costs. Some of the safest players have been flagging, cost of debt going up, which is obviously not really very surprising, but wondered if you would give us a bit of a steer on that for next year. Thanks.

SRINIVAS PHATAK

Hi Sarah, I'll take both of the questions. We had actually highlighted the potential Brazil tax change, effective 1st January. So far we haven't had any update or new news on that subject. We continue to have high levels of preparedness and in our guidance that we have now given today or the outlook that we have given today, we have factored in some of these elements and some of the other ins and outs of the business. But again, so from a full year guide, we are in the right balanced position and at the moment we have some further updates in terms of actual implementation. We can't update the markets, because we will also have to see what happens in Brazil post-elections and whether that is, still on track. But at this stage, we, we continue to be ready to really get that done.

On, on finance costs. We are not making any change to our, our guide that we say around 3% in half one of the year, we were at about two and a half. We've had some levels of refinancing, which have already happened during the course of half two which will take up the net interest cost above half one levels, but well below the, the 3% that we have indicated. From a next year perspective, it's also important to give a quick update on a highlight, that look, we will also get the proceeds from the Foods transaction, and one of the elements that we have to do with those proceeds is consistent with what we have said, we will be looking to pay down debt and manage the balance sheet in a responsible and sensible manner. With those proceeds, there will be no requirement for us to actually get into the market to do any refinancing of the long-term debt. What we will be really focused on is managing the short-term commercial papers. So therefore, we are only likely to think about if any bond raising in

2028. For these factors, taking into account where we stand, we still say that for the next year we should be again around the guide of 3%, from a net interest cost perspective.

FERNANDO FERNANDEZ

Cool. I feel we get to closing Jemma –

JEMMA SPALTON

No we have we have one more, the next question comes from David at Jefferies, go ahead David

DAVID HAYES, JEFFERIES

Thanks, Jemma, morning all, So two from me as well, firstly in Emerging Markets, impressive execution, impressive performance again, in that region effectively, just want to see, apart from the execution because a lot of your peers seem to be doing better in Emerging Markets as well in the last couple of quarters. So is there certain markets where the consumer is better and whether you would call out, and I guess the other dynamic here, would you say that local competitors have been struggling with the supply chain disruptions, with more media price increases coming through, into their sales prices, and is that, is that advantage now fading as you take prices up and as maybe they adapt to some of the supply chain issues? Is that something we should be accounting for in the Emerging Markets moving forward?

And then the second area question was just on Wellbeing, down south, high single-digits in the third quarter, I think you said the OLLY and Liquid I.V. were both still in growth. So just trying to understand what the offsets were. Nutrafol you called out but is that sort of down mid sort of 20% percent levels or is there other brands within that category, that are kind of offsetting some of the growth that you're still seeing in some of the brands. Thank you.

FERNANDO FERNANDEZ

Cool, the Emerging Market, David, thank you for the question. Very, very strong performance for us, you know, is around 60% of our turnover, grew 9.5% with 6% of volume.

We see markets getting slightly better, particularly in Southeast Asia and Latin America, including places like Mexico or Argentina where it's a bit soft, particularly an acceleration of the market, but also in India. But it's true also that our performance in India is boosted by significant share gains in our main categories, particularly in Hair Care and Laundry that are our two largest categories there so that is a bit of help from the market but also our performance.

We are outperforming markets significantly in Emerging Markets. We are doing it in Brazil, we are doing it in Indonesia, we are doing it in India, we are doing it in Vietnam. We are doing it in Pakistan, Bangladesh and many other Emerging Markets that are strongholds of Unilever. China, as I mentioned before, also came a bit better. Our growth is around 4% in volume there. And the market is showing some, I would say a slight improvement there.

To the other local competitors, I feel what we have seen is some reaction in the level of investments, particularly in Home Care. These are categories in which some of the competitors have been cautious in pricing. You know, probably that has limited their ability to invest behind the brands, we are taking advantage of that. We have very, very significant share gains. As you can see, we are growing Home Care close to 9%. This is a clear outperformance versus the market. Our gains in places like India or Brazil are very significant. The same in places like Vietnam or Turkey, or Pakistan or Bangladesh.

We don't see now any fundamental supply security issue in the market. We have seen the flow of oil across the Hormuz Strait to really improve. This was something that we were very concerned earlier in the year about, now we have visibility of supply, and I assume that this is the same for local competitors. Regarding Wellbeing, I feel in the

quarter we have a decline that was probably broad-based in Wellbeing, but also, you have to remember that there was some issue with Amazon shipments there. Nutrafol is the most challenged brand but, you know, it's also not in double-digit decline. Of course, it's a high single-digit decline that we have seen in the quarter. In the case of liquid well-, Liquid I.V. and Wellbeing in the year they are growing. But in the quarter there were declines there for the reasons that I have mentioned before. We are rebalancing our channel exposure we expect Wellbeing to be a contributor to growth in the next few quarters and definitely we expect Wellbeing to grow ahead of markets in the second half of next year.

JEMMA SPALTON

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

JEFF STENT, BNP PARIBAS EXANE

Okay. Thank you Jemma. Just, just back to the topic of inflation, I mean, ballpark, you're guiding to a similar absolute quantum of inflation in 27 to 26, yet you think pricing will be higher next year. So if you could just explain why pricing will be higher next year when the inflation will be similar.

And secondly, on inflation, you know, you highlighted that it's going to be more Foods focused next year so should we assume from that that on the HPC business inflation levels will be below the 2.5 to 3.5% that you referenced? Thank you.

SRINIVAS PHATAK

Yeah. So two elements Jeff.

Even this year, if you see our pricing in first half of the year was fairly muted, right. If you really think about it, we have actually price 0.6%. And we have now started to pick up pricing in quarter three and quarter four and a sequential improvement. We have taken benefit of some of the covers that we had and obviously the levels of pricing that we have are not sufficient to cover fully the inflation that we have seen this year and what you see next year is further inflation. So we will have to step up some of the pricing to cover what I call as the existing inflation and the new inflation, which is likely to come through. I think that gives you a bit of a flavour of where we are.

Two elements, just to again clarify, because again, I am dealing with wide ranges here because the levels of market uncertainty remain quite high. We are working with a large set of assumptions, and therefore the 700 to the billion, the two and a half to three and a half. What's very clear, at least if I were to give you a bit of a colour from a Beauty and Wellbeing perspective we believe it's going to be similar levels of inflation. Home Care, given that we have seen already a big move up, right? Crude has moved up from the 70s to the over 100 and over 105 and 110, year on year we think there will still be inflation but lower inflation. From a palm perspective, we are likely to see higher inflation next year just given the El Nino and other impacts.

What we'll try and do is actually at the Capital Markets Day unpack this a bit further. That's why I said that on aggregate when I talk about similar numbers, I think the HPC inflation will be lower, its inflation but lower than this year, Foods will be higher than this year.

FERNANDO FERNANDEZ

And let me repeat also, 50% of our inflation is related to Home Care, 70% is in Emerging Markets. These give us more degrees of freedom to manage inflation, than probably some of our competitors have.

JEMMA SPALTON

Thank you. Our final question comes from Ed Lewis at Rothschild. Go ahead. Ed?

EDWARD LEWIS, ROTHSCHILD & CO REDBURN

Yes. Thanks very much. Just a couple for me. I guess you've changed sort of your approach to business over the past few years since you came CFO and then CEO Fernando and just wondering the approach to around pricing, how much of the pricing are you looking to land now with more innovation and price pack architecture than you did before?

And related to that, as we think about the Power Brands clearly doing very well, driving, driving a lot of the growth, how much of a regional mix is, are the Power Brands helping? What are they really driving a lot of growth in Emerging Markets as well, which you wouldn't not necessarily have a focused on to the same degree before?

FERNANDO FERNANDEZ

Yeah. Thank you Ed. Regarding prices, you know, it's just you can only increase pricing relative to market through the strengthening of your brand equities. This is a principle that we follow with discipline. You know, we fundamentally move pricing with the market where we see opportunities through a strengthening of our brand equities or through introduction of premium innovation. This helps us to increase the net revenue realization at the unit level and this is our fundamental approach to pricing, always respecting a fundamental principle of our strategy that we want to deliver volume growth above 2% consistently across time.

Regarding Power Brands, yep, I feel we are building a sharper, simpler, more focused portfolio and the concentration of revenue in Power Brands is a strategic path that we have chosen. These are the brands that have the strongest equities, leading positions, ability to travel across geographies and you know, they are close to 80% of the revenue now. They were 70% in 2023. And the growth is very strong. You know, you have today we had a 5.9% volume in in our, sorry, year to date we are 5.9% USG in our Power Brands with 4.7% in volume.

Ten of our power brands are growing double-digit in the third quarter and year to date. So we believe that this is the right strategy. Some work to do in the rest of the portfolio also, they continue playing, an important role because particularly in moments in which we see pricing acceleration, some of our local brands that we don't consider, pricing brands, Power Brands, they are very important to be resilient to our portfolio and to ensure that any potential long trading, in particular in emerging market, is captured in our portfolio.

CLOSING REMARKS

FERNANDO FERNANDEZ

With that, I believe that we can we can get to closing. Thank you very much for, for joining.

We have delivered another quarter of, of consistent competitive growth, strong volumes, a step up in pricing. We are very pleased, very pleased with how volumes have held up in a context of acceleration of pricing.

Our HPC business continued to drive our performance, growing 7% in quarter three with 4.1% from volume and 6.3% year to date with 4.9% volume growth. We have continued momentum in Emerging Markets, we expect the overall market to return to growth in quarter four and I want to be very clear, North America will be positive in quarter four.

This gives us confidence to raise our outlook for the year to at least 3% volume growth and confirm a modest operating margin increase.

We are performing while transforming Unilever and next week in our Investor Event, we hope to have you all to show you how greater focus, Desire at Scale and sharper execution is driving sustained competitive performance. Thank you very much. See you next week.