

Q4 & Full Year 2025 Results

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Fernando Fernandez

Hello and welcome to Unilever's full year results announcement.

Thank you for joining us.

In a moment, Srinivas Phatak, our Chief Financial Officer, will take you through a detailed breakdown of Unilever's results for 2025.

But before that, I would like to share with you a few reflections on our performance last year.

Let me start by saying that we have delivered a solid year, fully in line with our commitments, despite challenging conditions.

When I took over as CEO, I made clear that one of my biggest priorities was to ensure that in Unilever, we could both perform and transform.

2025 has demonstrated our ability to do both.

We delivered a good performance, delivering competitive volume growth, positive mix and gross margin expansion - with sequential improvement throughout the year.

We sharpened the portfolio. The successful demerger of Ice Cream - combined with 10 deals, including acquisitions like Minimalist, Wild and Dr Squatch and the disposal of several non-strategic brands - means that we have rotated 15% of the total portfolio in 2025.

We have significantly elevated the offering of our brands – stepping up their functionality, their aesthetics, their sensorials.

Strong innovation plans and a decisive shift to social first demand generation models also contributed to a strong improvement in the Unmissable Brand Superiority scores of our brands, a key reason for our ability to outperform markets. This is then powered by another increase in our brand and marketing investment.

We improved our execution, reflected by our continuing strength in developed markets and our improved performance in emerging markets, including the successful operational resets in key markets like Indonesia and China.

We have also acted decisively to correct performance gaps in areas like Home Care and Deodorants in Brazil, or US Hair - businesses in which we expect significant improvements during 2026.

We drove cost discipline, and improved overheads by 50 basis points through the continuing delivery of our productivity programme, that is significantly ahead of schedule.

We are moving at speed to build a business that drives desire at scale in our brands, and execution excellence. There is much still to do, but we have entered 2026 as a simpler, sharper, more focused business, better able to capture the many growth opportunities that exist across our categories and our

channels.

Our performance in 2025 gives us added confidence that we are on the right track, as Srini will now highlight in taking you through the numbers.

Srini...

Srinivas Phatak

Thank you, Fernando

Before I turn to the results, just a brief point on the basis of reporting.

All the figures that I'll refer to today are on a continuing basis, which excludes Ice Cream. Comparative figures have been restated to reflect the demerger of the Ice Cream business, so all growth, margin and cash metrics are presented on a like-for-like basis.

For the full year, underlying sales growth was 3.5%, with volumes at 1.5% and price at 2.0%.

Looking beyond the single year, performance over a two-year period highlights the underlying momentum of the business. Particularly in Beauty & Wellbeing, Home Care and Personal Care, which delivered compounded annual volume growth of 3.6%, 3.1% and 2.1% respectively.

In 2025, we saw a clear sequential improvement through the year with Q4 growth at 4.2%, with a step-up in volumes to 2.1%, and pricing at 2.0%.

This reflects our disciplined execution and our sharper focus on volume-led growth.

Our 30 Power Brands, which represent more than 78% of the Group turnover,

continued to grow ahead of the average, delivering 4.3% underlying sales growth for the full year, with volumes up 2.2%, in line with our medium-term growth algorithm. This performance has been sustained over time, with Power Brands delivering a two-year compound annual growth rate of 5.0%, including 3.4% volume growth.

Power Brands have the first call on incremental resources, with 100% of our incremental BMI in 2025 being invested behind them. The performance we see reflects the impact of those prioritisation choices.

Momentum strengthened further in the fourth quarter, with Power Brands delivering growth of 5.8%, driven by volume growth of 3.5%.

Beauty & Wellbeing delivered balanced growth across the year, with underlying sales growth of 4.3%, evenly split between volume of 2.2% and price at 2.1%.

Dove, Vaseline and our premium brands continued to outperform - delivering double-digit growth, reflecting the strength of our innovation and focused execution.

Category performance varied across the year, reflecting differing stages of portfolio reshaping, innovation delivery and execution.

Hair Care was flat overall, with pricing offset by lower volumes. Within this context, Dove Hair continued to deliver double-digit growth, driven by the rollout of its fibre repair range across multiple markets.

Total Hair Care performance in North America was flat, reflecting portfolio simplification actions, while softer market conditions in some emerging markets weighed on volumes.

Core Skin Care delivered mid-single-digit growth. Vaseline again stood out, delivering double-digit growth for the third consecutive year and becoming our eighth-largest brand.

Wellbeing remained a key growth engine, delivering double-digit growth for the year, led by volume. Liquid I.V. and Nutrafol both delivered double-digit growth, with Liquid I.V. reaching two important milestones: becoming a billion-dollar brand and achieving a record U.S. household penetration of over 18%. Olly delivered high-single digit growth and it is now an over 500-million-dollar brand.

Prestige Beauty delivered low-single-digit growth. Hourglass and K18 continued to grow double-digit, and Dermalogica and Paula's Choice returned to growth in the second half.

In the fourth quarter, Beauty & Wellbeing growth stepped up to 4.7%, with volumes up 2.8%. This performance underpins a two-year compounded annual volume growth rate of 3.3%, reflecting improved execution and a stronger performance across several key Asia Pacific Africa markets as the year progressed.

While market growth moderated in Wellbeing, we delivered volume growth above 5% for the quarter, continuing to materially outperform the market. Meanwhile, our core portfolio delivered improved growth, with hair care at mid-single-digit growth.

From a profitability perspective, underlying operating profit in Beauty & Wellbeing was 2.5 billion euros in 2025, with underlying operating margin at 19.2%, down 20 basis points year-on-year.

This reflects a significant improvement in overhead efficiency, with increased

brand and marketing investments behind Power Brands and premium innovations supporting long-term sustainable growth.

Personal Care delivered underlying sales growth of 4.7% for the full year, with a much stronger competitive performance driven by the momentum in the United States.

The US remains a big growth engine and benchmark for execution across the Business Group. Price contributed 3.6%, largely reflecting commodity-driven increases, with volumes growing 1.1%, supported by premium innovations, particularly in Dove, which delivered high-single-digit growth.

Strong volume growth in developed markets - led by North America - more than offset softer conditions in Latin America, where volumes declined but the performance remained ahead of the category.

Deodorants delivered low-single-digit growth, supported by both price and volume. Dove again led performance, delivering double-digit growth, with scaling of Whole Body Deos across 15 markets, reinforcing our leadership in the category. In the fourth quarter, growth improved sequentially to mid-single-digit, as actions to address product format mix in Brazil began to gain traction.

Skin Cleansing delivered mid-single-digit growth, led by price and continued premiumisation. Oral Care also delivered mid-single-digit growth, driven by strong performances in Close Up and Pepsodent, with premium whitening and naturals innovations in Asia Pacific Africa.

During the year, we further strengthened Personal Care's portfolio through the acquisitions of Wild and Dr Squatch. These acquisitions enhanced our exposure to premium segments and are expected to contribute meaningfully to growth

over time.

In the fourth quarter, underlying sales growth remained strong at 5.1%, led by North America and Asia Pacific Africa. Growth was driven by price and supported by positive volume, reflecting the positive trajectory of the business and the sustainability of US-led momentum.

From a profitability perspective, underlying operating profit in Personal Care was 3.0 billion euros. Underlying operating margin increased by 50 basis points to 22.6%, driven by improvements in gross margin and overhead efficiency.

We continued to invest behind our brands, most notably in the U.S. and in the premium segments, in line with our strategic priorities.

Home Care delivered underlying sales growth of 2.6% for the year, with growth primarily volume-led at 2.2% and a modest contribution from price of 0.4%. Performance improved sequentially through the year, supported by strong growth momentum in Europe, driven by premium innovations and improved execution and performance in India.

Fabric Cleaning was flat, as strong performance in Europe was offset by a softer performance in Brazil, where corrective pricing actions were taken earlier in the year to restore competitiveness. Wonder Wash continues to go from strength to strength following its launch in 2024 and it's now established in more than 30 markets; this demonstrates the speed at which we can roll out high-impact innovations at scale.

Home & Hygiene delivered mid-single-digit growth, led by Cif and Domestos. Growth was supported by premium innovations, including Cif Infinite Clean, and the continued rollout of Domestos Powerfoam beyond Europe, extending our

leadership in hygiene formats.

Fabric Enhancers delivered high-single-digit growth, led by volume. Comfort, one of our billion-euro brands, performed particularly well, supported by premium formats and fragrance-led innovation, with strong momentum across several emerging markets.

In the fourth quarter, growth accelerated to 4.7%, driven by 4.0% volume growth, underlining the recovery of the business. India was a key contributor to this momentum, with Home Care delivering mid-single digit volume growth, led by strong performance in liquids across Fabric Wash and Household Care, and reaching its highest-ever market share.

Brazil, Home Care's second-largest market, also returned to growth in the quarter, further supporting the overall improvement.

From a profitability perspective, underlying operating profit in Home Care was 1.7 billion euros, with underlying operating margin of 14.9%, up 40 basis points year-on-year.

This reflects improved overhead efficiencies and disciplined brand investments, focused on fewer, higher-impact innovations, partly offset by a decline in gross margin.

Foods delivered underlying sales growth of 2.5% for the year, with 0.8% from volume and 1.7% from price. Growth was ahead of the market, driven by a strong performance in emerging markets, while developed markets were broadly flat amid weaker consumer demand.

Against that backdrop, this represents a solid performance, with clear evidence of competitiveness across our core brands.

Hellmann's continued to perform well, delivering mid-single-digit, volume-led growth for the year. This was supported by the continued strength of its flavoured mayonnaise range, now scaled across more than 30 markets and established as a 100 million euros platform, demonstrating our ability to premiumise at scale.

Cooking Aids delivered low-single-digit growth, driven primarily by price. Knorr grew low single digit, with softer retail conditions in developed markets offset by volume and price growth in emerging markets.

Unilever Food Solutions was flat. Volumes were positive in North America, offset by declines in China, reflecting a weaker out-of-home consumption. We expect the UFS performance in China to improve during 2026.

In the fourth quarter, underlying sales growth was 2.3%, with volumes up 1.3%, reflecting a market environment that remain subdued into year-end.

From a profitability perspective, Foods delivered a record year, with underlying operating margin increased by 130bps to 22.6%, the highest level achieved by the Business Group. Underlying operating profit was 2.9 billion euros.

This reflected portfolio pruning, disciplined pricing, productivity gains in gross margin, tight overhead control, alongside continued, focused brand investments in line with our Foods strategy.

We delivered balanced growth across developed and emerging markets, despite a more uneven macro and consumer backdrop through the year. This highlights the advantage of our geographic footprint.

In developed markets, we grew ahead of our categories, despite consumer conditions softening, particularly in the second half. In emerging markets,

performance improved throughout the year, reflecting decisive actions we took to address challenges, alongside improved execution, a step-up in innovation and a more focused channel execution, as well as an improving trading environment in several key markets.

Developed markets, which represent 41% of Group turnover, delivered underlying sales growth of 3.6% for the year, a sustained outperformance versus the market. Growth moderated in the second half as the macro and the consumer backdrop softened, with fourth-quarter underlying sales growth of 1.7%, with slower market growth in both the US and Europe.

North America was the standout performer. Underlying sales grew 5.3% for the year – with volumes contributing 3.8%, reflecting continued share gains and the benefits of multi-year reshaping of our portfolio toward Beauty & Wellbeing and Personal Care. Premium innovations, supported by strong retail execution, continued to underpin growth, allowing us to outperform the market despite more subdued consumer conditions.

In the fourth quarter, growth moderated as category conditions softened across the segments. Despite this, our portfolio performance remained resilient, reflecting the strength of our portfolio and execution.

Europe delivered low-single-digit underlying sales growth for the year. Home Care and Personal Care performed well, supported by volume growth and the continued rollout of Wonder Wash and Whole Body Deodorants. This was partly offset by softer conditions in Foods, where we continued to outperform the market.

Growth across Europe was uneven, with good momentum in France and Italy offset by softness in Germany. In the fourth quarter, underlying sales were flat,

in line with a slowing market environment, but our performance remained robust relative to the categories.

Emerging markets, which account for 59% of the Group turnover, delivered underlying sales growth of 3.5% for the year. Performance improved sequentially through the year, with growth accelerating to 5.8% in the fourth quarter, including 3.2% volume growth, reflecting the impact of decisive actions taken earlier in the year, alongside a return to growth in Latin America.

Asia Pacific Africa delivered underlying sales growth of 4.6% for the year, with volumes contributing 3.0% and price 1.6%, reflecting strengthening of execution across several key markets. Momentum strengthened in the fourth quarter, with APA delivering underlying sales growth of 6.9%, driven by volume growth of 5.7%.

In India, underlying sales grew 4% for the year, with volumes up 3%.

Growth accelerated in the fourth quarter to 5%, with volumes up 4%, reflecting market share gains, a gradual recovery in market growth, and the normalisation of the trade environment following GST adjustments in the third quarter. Performance was led by our premium Personal Care portfolio and strong execution in laundry liquids.

In Indonesia, underlying sales grew at 4% for the year, with a sharp recovery in the second half following a comprehensive reset of the business. Alongside pricing stabilisation and trade stock normalisation, we stepped up innovation and significantly increased social first brand activation, strengthening relevance and demand across our core categories. As execution improved, availability and affordability were sharpened, the performance stepped up materially, with growth accelerating to 17% in the fourth quarter against soft prior year

comparators.

In China, underlying sales were flat for the year, with clear improvement in the second half, including mid-single-digit growth in the fourth quarter.

Actions to reset the business, including strengthening of go-to-market execution and accelerating premiumisation, supported this improvement. This was led by Beauty & Wellbeing and Personal Care, despite overall market growth remaining weak.

In Latin America, underlying sales grew 0.5% for the year, reflecting a broad-based market slowdown amid ongoing macro and political uncertainty. Price growth of 5.9% largely offset a volume decline of 5.1%, with elevated price elasticity continuing to weigh in on volumes as consumer demand remained under pressure. The region returned to growth in the fourth quarter.

For the year, Beauty & Wellbeing and Foods both delivered low single-digit growth. In Foods, performance was supported by Hellmann's, led by the continued strength of the flavoured mayonnaise range in Brazil. In Beauty & Wellbeing, growth reflected improved execution and the strength of the core brands.

During the year, we took targeted actions in Brazil to restore competitiveness, including corrective pricing in Fabric Cleaning and adjustments to the format mix in Deodorants. Home Care returned to growth in the fourth quarter, providing a clear indication that these actions are beginning to gain traction.

One Unilever markets delivered mid-single-digit growth, with positive volume and price, and were accretive to both Group sales and profit growth in 2025.

This performance reflects the benefits of radical prioritisation and sharper focus in our smaller markets.

Turnover for the full year was 50.5 billion euros, down 3.8% versus the prior year. This was driven by significant currency headwinds, with FX reducing turnover by 5.9%.

The currency impact was broad-based, reflecting a weaker U.S. dollar alongside depreciation across a number of emerging market currencies, including several of our large markets. This was only marginally offset by strength in a small number of currencies.

Excluding currency, turnover increased by 2.3%, driven by underlying sales growth of 3.5%, partly offset by portfolio actions as we continued to sharpen the business.

The net impact from acquisitions and disposals was negative 1.2%. Within this, acquisitions contributed 0.6%, driven by Minimalist, Wild and Dr Squatch, all performing in line with their acquisition business cases.

This was more than offset by a disposal impact of 1.8%, reflecting the exits of Unilever Russia and the China water purification business in 2024.

Disposals of Conimex, The Vegetarian Butcher and Kate Somerville were completed during 2025.

Underlying operating margin expanded by 60 basis points to 20.0% in 2025, reflecting a structurally strong margin profile.

Gross margin contributed positively, expanding by 20 basis points and marking

a third consecutive year of gross margin expansion. Importantly, following the Ice Cream demerger, gross margin now is at a structurally higher level of 46.9%. This reflects a fundamental shift in the shape of the Group, alongside improvements in mix, price and sustained delivery of savings.

Our productivity programme and the ongoing cultural shift enabled a further 50 basis point reduction in overheads. Since the programme began, we have delivered more than 670 million euros of savings, and are well ahead of plan. We remain on track to complete the 800 million euros programme in 2026.

Brand and marketing investment increased by 10 basis points to 16.1% of turnover, the highest percentage in over a decade, and 300 basis points higher than four years ago. This reflects a clear choice to prioritise investment behind our strongest brands and innovations, consistent with our focus on sustainable growth and long-term value creation. 100% of the incremental BMI was allocated behind Beauty & Wellbeing and Personal Care.

Underlying operating profit was 10.1 billion euros, a decline of 1.1% versus prior year.

In line with our multi-year priority, in 2025 we delivered hard currency underlying earnings growth.

Underlying EPS rose to 3.08 euros, up 0.7% versus the prior year, with sales growth and margin expansion together contributing 6.5% to EPS growth.

Net finance costs were broadly flat year on year, reflecting active balance sheet management and disciplined funding decisions.

Net finance costs represented 2.1% of average net debt, underscoring the resilience of our financing structure following the Ice Cream separation.

Tax contributed positively, adding 1.3% to underlying earnings per share, as the underlying effective tax rate decreased slightly to 25.7%. This reduction reflects the mix of earnings and the benefits of local tax optimisation measures.

Our share buyback programmes contributed 1.5% to underlying EPS.

These positives were mostly offset by currency, which had a negative impact of 8.8% on the underlying earnings per share. On a constant currency basis, underlying earnings per share grew by 9.5%.

Following the separation of Ice Cream, an eight-for-nine share consolidation was implemented in December 2025 to ensure comparability of earnings per share, share price and dividends, with prior periods being restated accordingly.

Sustainability remains a fundamental part of Unilever's strategy and is managed with the same discipline as our financial performance, with clear accountability and a direct link to remuneration.

In 2025, we reached an important milestone on plastics, delivering both on our multi-year targets due this year. This reflects sustained focus and investment, and demonstrates our ability to deliver against complex commitments.

Free cash flow for the year was 5.9 billion euros, representing 100% cash conversion.

Compared with the previous year, free cash flow was around 400 million euros lower, reflecting costs associated with the Ice Cream demerger, including separation-related tax on disposals. Excluding these demerger-related items, free cash flow was 6.3 billion euros, underlining the cash-generating strength of

the business.

Net debt at year end was 23.1 billion euros, an absolute reduction of 1.4 billion euros following the Ice Cream separation. This reflects the combined impact of cash generation and the demerger, offset by dividends, acquisitions and share buybacks.

Net debt to underlying EBITDA closed at 2.0 times, remaining within our target range and consistent with our capital structure objectives.

Turning to returns, our underlying return on invested capital was 19.0%, placing us in the top third of the sector. Our ROIC benefited by around 100 basis points from Ice Cream demerger, reflecting the higher quality and lower capital intensity of the Group following the separation.

Overall, ROIC remains firmly in the high-teens, which we continue to view as a key guardrail for capital allocation and a core pillar of our multi-year value creation model.

Our capital allocation is clear and disciplined and remains focused on three priorities: growth and productivity, actively shaping the portfolio, and delivering attractive capital returns.

Starting with growth and productivity, we continue to invest at scale where it matters most. Brand and marketing investment was 16.1% of turnover, while capital expenditure was 3.1% of turnover. Importantly, more than half the capex is directed towards productivity and margin initiatives, reflecting our focus on strengthening the underlying economics of the business while continuing to support our brands and innovation agenda.

Turning to the portfolio, we remain value-focused. We are continuing to simplify

the portfolio through targeted disposals, while pursuing bolt-on acquisitions aligned to our strategy. Our focus remains on Beauty & Wellbeing and Personal Care, with an emphasis on premium segments, digitally native brands and D-commerce exposure, particularly in the U.S. and India.

Finally, on capital returns, we returned 6.0 billion euros to shareholders in 2025, comprising 4.5 billion euros in dividends and 1.5 billion euros in share buybacks. This reflects our capital allocation priorities, with a clear preference to maintain, in principle, a 70:30 balance between dividends and share buybacks.

Taken together, this provides consistency and visibility, supported by strong cash generation and disciplined execution.

We continued to transform the portfolio in 2025, allocating capital toward higher-growth, premium segments, while exiting businesses that no longer fit our strategic direction.

Taken together, 2025 represents a step-change in portfolio transformation. With the Ice Cream demerger and ten transactions completed or announced during the year, we materially increased the focus and growth profile of the Group.

On the acquisition side, the additions of Minimalist, Dr Squatch and Wild strengthen our exposure to Beauty, Wellbeing and Personal Care, premium segments and digitally native, D-commerce-led brands, with particular emphasis on the U.S. and India.

At the same time, we were decisive in simplifying the portfolio. We completed exits from lower-growth or non-core businesses, including Conimex, The Vegetarian Butcher and Kate Somerville, and announced further disposals such as Graze, Indonesia Tea and the Home Care businesses in Colombia and

Ecuador. These actions further sharpen the focus of the Group and reduce complexity.

The Ice Cream demerger is the most significant step in this portfolio transformation. It reflects a deliberate decision to simplify the Group and increase strategic focus, enabling both Unilever and the Ice Cream business to pursue distinct strategies, capital structures and growth priorities more effectively.

Overall, the scale and pace of change in 2025 underlines that this is a different Unilever - one that is actively transforming its portfolio to drive higher-quality growth and stronger returns over time.

Turning to 2026, our outlook reflects the progress we've made and a disciplined focus on what we can control in a slower market environment.

On growth, we expect underlying sales growth for the full year to be at the bottom end of our multi-year range of 4 to 6%. We expect underlying volume growth of at least 2%, maintaining focus on our volume-led growth and outperforming slower markets.

On margins, we are confident of a further modest improvement to underlying operating margin. Our structurally strong gross margin will continue to benefit from value chain interventions, fueling ongoing reinvestment into our brands. In 2026, we expect inflationary pressures in select commodities with the overall inflation being lower than 2025.

As before, margin progression is an outcome of our choices, not a short-term objective in its own right.

On capital returns, we have announced a new share buyback of 1.5 billion

euros, reflecting confidence in the strength of our balance sheet and the consistency of our capital allocation framework. We also continue to expect sustained, attractive and growing dividends, supported by strong cash generation.

With that, over to you Fernando

Fernando Fernandez

Thank you, Srin.

As we look ahead, we expect conditions to remain challenging, with soft markets in many parts of the world.

Our confidence in the future stems from the significant progress we made in 2025, and we enter 2026 as a very different looking business, one that is not only simpler and more focused but also now built to deliver, consistently.

We are building a sales and marketing machine founded on three fundamental shifts that transcend our whole business, with seven clear growth priorities.

Let me take them in turn.

The 3 fundamental shifts encompass our brands, our organisation, and our people.

Our brands are benefiting from a 'Desire at Scale' model that is elevating every stage of the journey - from product development right through to the way we reach and engage with consumers, to the way we execute in both offline and online retail. Where fully deployed, we have seen incredibly strong performances in brands like Dove, Vaseline, Persil and Hellmann's.

We're making our organisation fit for the AI Age – transforming every link in the value chain - particularly around the consumer.

That means deploying AI to supercharge demand generation, scaling and hyper-targeting marketing content, partnering with consumer facing LLMs, and working with retailers on agentic shopping models. Creating a future fit model for how our brands are discovered and shopped.

And our people are embracing a new 'play to win' philosophy and approach, where the demands may be greater, but where targets are sharper, accountability is clearer, potential rewards are higher, and - with the highest ever differentiation between best and worst performers.

When it comes to our growth priorities, these will be increasingly familiar to you by now. They involve honing-in - and doubling down - on our biggest growth opportunities: across categories, with more Beauty, more Wellbeing and more Personal Care; across geographies - with the US and India as clear anchor markets for Unilever; and across segments and channels focusing on premiumising the portfolio and further increasing our exposure to d-commerce.

These seven areas are already driving a large proportion of our growth. And with the additional focus - and investment - we are bringing to them, we see opportunities to go considerably further.

I look forward to going deeper on these fundamental shifts and growth priorities at next week's CAGNY conference in Orlando.

Nowhere does the robustness and validity of these transformational fundamental shifts and strategic growth priorities show up more clearly than in the strength and quality of our innovation programme.

You have seen in our results today how effective our premium innovation is when we create or grow categories like powdered hydration, short cycle laundry, probiotics in surface cleaning, flavored mayo. All powered by our superior science, irresistible aesthetics and elevated sensorials.

We are doubling down on this approach in 2026, with an excellent pipeline of innovation - leveraging our multi-year scientific streams and introducing new ones. And many of our Personal Care innovations will be activated alongside our sponsorship of the FIFA World Cup 2026™ - an exciting moment for us and our brands.

A simpler, more focused company is not an end in itself. It is all about delivery. Consistent delivery. That is what we are concentrated on, and while there is a lot more to do - and more to prove - we are confident that 2026 will be another big step forward in moving to a model and an approach that is built for delivery.

The key elements are all there.

First. Our mantra is - and will remain - volume growth, positive mix and gross margin expansion. We are laser focused on these very clear metrics. This is the route to sustained success for Unilever and to top third shareholder returns -- and we will continue to invest accordingly to achieve these objectives.

Second. With the well-executed separation of Ice Cream now behind us - and with other, recent bolt-on deals successfully completed - we have a sharper portfolio, radically focused around our strongest categories and our biggest brands.

Third. With our Emerging Markets strengthening and Developed Markets

continuing to outperform, we have a real opportunity now to leverage one of Unilever's most distinctive assets - our global strength.

Fourth. Our capital allocation priorities, as you heard from Srimi, are crystal clear, focused on driving growth and productivity by supporting our brands, sharpening our portfolio and maximising margin initiatives, while at the same time delivering strong capital returns to shareholders.

And finally. The extent of the organisational change at Unilever over recent years can hardly be overstated. The heavy lifting has been done. This is now a new business: simpler, leaner, more accountable, with P&L ownership now squarely in the hands of our category-led Business Groups, all backed up by differentiated reward to drive top performance.

All these elements give us the confidence that we are moving towards a model and an organisation built for consistent delivery, even in markets that will remain tough.

Thank you for your attention. We look forward now to taking your questions.

Q&A

Operator

Good morning and many thanks for joining the call. *[Operator Instructions]*

Jemma Spalton

Thank you very much for joining the call. Our first question comes from Celine at JPMorgan. Celine, please go ahead. Celine? Moving to the second question,

Warren. The second question comes from Warren Ackerman at Barclays.
Warren, over to you, please.

Warren Ackerman

Yeah. Good morning. Fernando, Srini. Warren here at Barclays. Can you hear me?

Jemma Spalton

Yeah. We can. Hi.

Warren Ackerman

Okay. Super. So first one Fernando, can you talk a bit about the emerging market outlook for 2026. I think about the big four Brazil, India, China, Indonesia. Can you maybe hit on some of the key topics that people are interested in, the sticks on Brazil deos for example? Is China and Indonesia proper reset. Is it done? How should we think about volumes EM in 2026? First one. Second one another deo one is on the US obviously slowed versus Q3. Can you talk a little bit, Fernando, about where you see US category growth. Any signs of price pressure in the US and your confidence about the 2026 delivery? What kind of innovation pipeline, what kind of delivery should we expect out of the US in 2026? And just quickly, if I can squeeze in the housekeeping for Srini. Can you just tell us where the productivity savings landed, Srini? Is the €800 million done and what should we think about productivity wise in 2026? Thank you.

Fernando Fernandez

Thank you, Warren. Good morning, everyone. Well, let me start saying that we consider our strengths in emerging markets a significant long-term competitive

advantage, given the exposure it gives us to better population growth rate, gross margin expansion, et cetera. And we have a portfolio in emerging markets that is really diversified in terms of geographies, category, segment, price points. And these give us resilience against volatility. We are very, very confident in step up in emerging markets. We are seeing now – with the exception of LatAm, in which the market volume growth is flattish, we are seeing now growth in Asia-Pacific, Africa in the territory of 3% volume growth for the market. And our performance is improving across the board. You know, in India is improving both in terms of economic backgrounds and the fundamentals of the business, you know, particularly the strengthening of our brand equity, our Unmissable Brand Superiority scores in India are improving across the board. Our execution, particularly in rural areas and traditional trade, independent trade, is also improving. We are growing shares, particularly in Home Care, you know that is 40% of our business there, we have achieved the highest ever share there in the last reading. China is slowly, slowly getting better. Growth has accelerated in the second half 2025. We have made some significant interventions in the route-to-market of e-commerce. More work to do there, but we expect a better year in China in 2026. In Indonesia, we are very pleased with the renewed leadership team that we have put in place. They have done the right thing to reset the fundamentals of the business. We are now operating with the – with very, very historic low levels of stock in our distributors that has removed any fundamental issue of channel price conflict we have had in the past. We have relaunched our eight top brands in the market. And of course, in quarter four, we were benefitted for a very weak comparator. But I feel the metric that we look obsessively in Indonesia is an improvement in our sales run rates and every single quarter we have been selling more in Indonesia in the last four quarters. Other markets like Vietnam, Pakistan, Bangladesh, Arabia are also improving.

We have significant operations in all the countries. So, all this is growing nicely. Regarding LatAm, markets remain flattish. We have seen in the second half of last year around 0% growth, volume growth in Latin America. Macroeconomic remained challenging in Mexico and Brazil. But we are pleased with the return to growth in quarter four led by the great momentum in foods. We have a flying Hellmann's there, solid growth in Beauty & Wellbeing. I'm very, very pleased with the fast reaction in Home Care to the corrective actions that we have put in pricing to restore competitiveness. You know, this is starting to – to bear fruits there. We expect improvements in deos in the next few months. Actions have been put in place to – to rebalance our investment, increase in the one in aerosol relative to the one in contract applicator formats. Reigniting growth in aerosol is absolutely critical given the higher revenue per use and the higher profit per use. We are getting a lot of support from retailers in this aspect. We are resetting planograms in thousands of stores across the region, and we expect deos in Latin America to be a key contributor to growth from quarter two onward. So, in summary, optimistic about the emerging markets in 2026. In US., let me start saying that our volume growth in North America in the last three years has been 3.9% in 2023, 4.2% in 2024, 3.8% in 2025. So, this is a very consistent performance despite tough markets, probably one of the best performances in the sector. You know, and this is a reflection of a profound transformation we have done in our portfolio. The setup for a – of a US for US innovation model and a huge focus in a strengthened relationship with key retailers there. Quarter four had a soft start, but we are encouraged by the fact that the market has rebounded in December and January. We are – we are off to a good start in North America in in 2026. Of course, you know, we have – we have seen some slowdown in Wellbeing. You know, Wellbeing in North America in the quarter four delivered around 5% volume growth when it was in double digit in

the first three quarters. We have a couple of issues there. Fundamentally, the share of assortment of Liquid I.V. in a key retailer of the club channel. Also, some increase in the customer acquisition cost of our DTC business of Nutrafol. But we continue very, very confident in the structural growth in the verticals of Wellbeing in which we compete and in our ability to continue expanding our leadership there. So, optimistic about emerging markets, really optimistic about emerging markets. I believe that this solid delivery in US in the last three years give us confidence that we will continue with outperforming the market there.

Srinivas Phatak

Thanks, Warren. On the productivity savings, I think we've said it in the press release. Cumulatively, we have now delivered about €670 million of savings. The program is ahead of our own plans and internal plans and schedule. Most of this benefit you will actually see in our SG&A line or general overheads line. While some part of it was in supply chain overheads. From a 2026 perspective, we – we expect to at least deliver the balance €130 million. That was a commitment we said about €800 million and we'll continue to go further on that. And more as a cultural shift that we have really made in the companies. We will continue to keep our SG&A costs and other overhead costs and run rates, which are lower than the turnover, and therefore in a sense that productivity therefore becomes an ongoing habit.

Jemma Spalton

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

Guillaume Delmas

Thank you very much and good morning all. Couple of questions for me, please. The first one is on the pricing outlook for 2026. Fernando, can you maybe shed some light on how you expect price growth to play out this year, particularly given the sequentially, I think, lower inflationary pressures you're expecting for 2026. And also, it seems a pickup in the promo activities in in many of your categories and regions. So, it would be interesting to hear if you anticipate some maybe contrasted pricing developments by region or product category this year? And then the second question probably for Srini, could you – could you maybe walk us through the key building blocks that supports your confidence in achieving this modest margin improvement in 2026? And in terms of phasing, anything you would flag at this stage be it margin or for underlying sales growth? Thank you very much.

Fernando Fernandez

Thank you, Guillaume. Well, you know, I feel that the category and geographical footprint of Unilever offer in the long run around 3% pricing. That's the kind of normal pricing we have seen in the last 10 years. You know, this year would really see that probably a bit lower than that, around 2%. We have seen some increased promotional spending, in promotional intensity, particularly in Foods. But it's not dramatic. We have not seen really an increase in promotional intensity in emerging markets. So overall, you know, I would expect pricing to be around the 2% level. Commodity inflation, Srini can give a bit of background on that.

Srinivas Phatak

So, you're absolutely right. I think Fernando summarized the pricing outlook quite well. In 2026, the commodity inflation is not going to be broad based. It's actually concentrated in a few set of the materials, most notably really being palm kernel oil and surfactants where we continue to see year-on-year pressure coming through. The second angle, which is important – and the first element that really comes from a Home Care and a Personal Care perspective, that's where we will start to see elevated inflation in comparison to the other categories. The second aspect is important and sometimes overlooked as a half, our inflation classically comes from imported inflation or currency devaluation in the emerging markets. And therefore, that becomes an important element. It's also equally important to highlight that in some other commodities, or notably in some of the food side of it, or at the crude related, including packaging, we are actually seeing deflation. So it's important in the first element to understand the difference between the different sets of the commodities that we have. Notwithstanding, we all recognize that there is also wage inflation, which is happening in the markets. And that's also an important element which we'll have to cover through a combination of productivity and through pricing.

Coming back to, I think the point really on the building blocks, on gross margin. It's actually been quite an incredible story. If you really read, we have not consecutively increased our gross margins over the last three years, and the increases have actually been sizable over 330 basis points. What we now start at 46.9% is a structurally and a sustainably high gross margin business. And the levers in a manner, are consistent with what we have been talking about. Mix plays a very important role for us through a combination of portfolio geography. We'll continue to drive that harder. Our savings program notably in

procurement, has actually demonstrated very differentiated capabilities now. On a consistent basis, we are actually beating across more commodities and markets were beating the market and that's actually flowing into the bottom line. We have also significantly enhanced some of our commodity risk management practices, which is enabling us to use more of the tools and the instruments to really hedge and actually mitigate the risk for us. We also talked about capital investment. More than 50% of our capital has been now consistently for the past 18, 24 months being put towards savings and that's something that we will continue. A combination of these elements. We are quite confident that our gross margin expansion in 2026 is likely to be higher than 2025, and that becomes actually a super important lever for us to actually continue to invest behind our brands. 2025 we actually reached 16%. We will continue to increase the spend both on our Power Brands and also on our Beauty and Personal Care businesses. And completing the picture, I did talk about overheads. Culturally and philosophically, we will keep overheads increases lower than sales. That means that is inherent productivity built into our plans. Combination of all of this actually then starts to give us a confidence to have a higher gross margin, which we will reinvest and therefore deliver what we called as really a modest margin expansion. The last point in terms of your question on the phasing, while from a margin perspective, we do not expect material differences between half one and half two, it's important to highlight that we will have slightly additional or higher headwinds of currency in – in half one. That is really reflecting what has happened in base of 2025. But from a full year perspective, we should be in the right ballpark.

Jemma Spalton

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

Jeremy Fialko

Hi. Thanks for taking a couple of questions from me. First one is on Europe. Perhaps you could just go to a little bit more detail on that. So it was a flattish at the end of the year. Was that reflecting kind of entirely slower markets or did your relative performance slip a bit? And then what was the outlook for the region be in 2026? And then the second part was I guess the Power Brands versus everything else. I guess that was an unusually big difference from what I can remember in Q4. Perhaps you could talk about sort of the non-Power Brands stuff because you know, logically that – that was quite a lot weaker. Just kind of how you. how you kind of intend to manage that sort of 25% of the business. To make sure that it doesn't become too big a drag on your turnover, or whether you're happy with this sort of more dramatic Power Brand versus everything else growth that you saw over the quarter? Thanks.

Fernando Fernandez

Thank you, Jeremy. Well, in Europe, you know, our performance, yes, there was some slowdown in Europe in the – in the last quarter. We have seen markets getting a bit more flattish in Europe. We continue outperforming the market, particularly in Home Care and Personal Care they continue performing really well. Our Home Care business is gaining share broad based, you know, across laundry household care and our deodorants business really performing also very, very strong. We have a strong innovation pipeline coming into – into 2026 into categories. You know, we continue thinking that we will remain strong when it comes to our competitiveness. We are in a round of negotiation with retailers at this stage. Everything is progressing well, so we don't expect any kind

of big impact coming from – from that. Probably the biggest issue in Europe has been in Foods, that has been a relatively soft, particularly in Netherlands, Germany. We have very, very good performance in Italy and France. Overall, UK has been solid for us. Poland has been a weakness for us. Forty percent of our European business is food, so that has an impact, but overall, you know, we are confident that the kind of improved performance that we have had in Europe in the last couple of years, we can sustain that in others. When it comes to Power Brands and non-Power Brands, Power Brands are now 78% of our revenue. You will remember that we used to call out around 75% 18 months ago, and they are growing strongly. In quarter four we grew close to 6% USG in Power Brands with the 3.5% UVG. This is where we are concentrating all our incremental investment, particularly in the Power Brands of Beauty, Wellbeing, and Personal Care. When you look at the non-Power Brands, 22% of our revenue. For the year, we deliver a volume growth negative of 1%, it has accelerated to minus 3% in the quarter four. There are some discontinuations that we have done in that quarter and also that is some geographical elements that has played a role there. But hey - we continue thinking that the strategy of focusing behind our most strongest assets is the right one. If you look at our Beauty, Wellbeing, and Personal Care combined, our performance has been, I believe, 4.5% growth for the year and 4.9% in quarter four. And if you look at Power Brands in that territory, it's close to 6%. So that's what we will continue putting the focus on and we will manage the rest of the portfolio accordingly. I would like to highlight also that the One Unilever markets, you know, that our smaller markets. have an excellent performance in 2025. This is an organization that we have put in place in 2025, with 35% reduction in head count. It delivered a 5.2% growth, and we have delivered an expansion of margin of more than 250 basis points. So, the smaller market for us are a key engine for growth, but we are

managing them in a simpler way, in a sharper way, with clear focus in our portfolio. We are focused in the portfolio there and we are very confident that will show results.

Jemma Spalton

Thank you. Our next question is coming from Celine at JP Morgan. Celine, we'll try your line again. Celine, can you hear us?

Celine Pannuti

Yes. Can you hear me?

Jemma Spalton

We can. Thank you.

Celine Pannuti

Excellent. Good morning. So, I hope I'm not asking something that's already been asked, but my first question would be on the sequencing of growth for the year. So, you're looking to grow around 4%. I understand may be pricing 2% and volume above 2%. But then you've been flagging probably some weakness in the US in the fourth quarter and I presume the normalization in Asia, at least in Indonesia. So, can you talk about how we should expect these to evolve throughout the year? My second question is coming back on the Beauty & Wellbeing category. If you can talk about on the Wellbeing side, what are you doing in the US to reconnect with growth and as well, what is your expectation about internationalization in that business and what can we expect of that business? I would say more normalized growth rate to be, if I could use that

word. And think on that division too, if you can talk about hair care and what we should expect for 2026. Thank you.

Fernando Fernandez

Good. Thank you, Celine. You know, we are guiding our top line growth at the lower end of our mid-term guidance from 4% to 6%. If we are doing that, of course, there are going to be some quarters and can be below and some quarters that can be above that 4%. Okay. So, we will not guide on a quarterly basis. We have a good start in January. But you know, there is a lot to do in the – in the next few weeks to close quarter one. But overall, you know, we are confident that we will be the leader in that 2-plus percent volume growth for the year and at least 4% for the top line growth. Going into Beauty & Wellbeing and what is – what is the performance? As I mentioned before, you know, if – if you look at Beauty, Wellbeing, and Personal Care that combined business and all because there are some brands that travel across the categories, we deliver an aggregate growth of 4.9% in the quarter four and 4.5% in the full year. And within Beauty and Personal Care, we have another great year of our largest brand, Dove, which grew 9% with 7% volume growth, on top of another 7% volume growth in the previous year. I would like to highlight that. In the case of Beauty & Wellbeing, we saw a solid performance in skin care, great performance in Dove and Vaseline. Vaseline has delivered for the second year in a row, double-digit volume growth. In Hair Care, we have been accelerating performance throughout the year. Dove Hair relaunch is a great success. We are – we are seeing growth in markets like US are up 20%. This mix is traveling globally and the rollout is expected to be completed in all key markets by mid 2026. We expect better performance from Sunsilk and Clear that in 2025 were affected by the issues in Brazil and China. In Prestige Beauty we

accelerated. Also, the second half in 2025 was much better on the first half. We have great performances in brands like Hourglass and K18, our last acquisition. And in the retail channel for Dermalogica, we need to improve performance. In Paula's Choice, there is a full relaunch of the brand ready for March this year, and we hope to improve performance in the professional channels of Dermalogica that takes 30% of the brand. In Wellbeing, another great year. If you look at each of our three biggest brands. Liquid I.V. 16% growth, Nutrafol 23% growth, Olly 9% growth. You know, all these brands are US centric. We saw some softening quarters four. Some of That fundamentally linked to the market growth. The volume growth we deliver in the quarter was about 5%. We expect a relatively soft quarter one due to strong comparators, but we, as I mentioned before, we are very confident the structural growth potential of the Wellbeing verticals in which we compete. I think we need to continue spanning the leadership positions our brands enjoy there. I highlighted before, there are a couple of issues that we have to sort out. You know, there was a decrease of share of assortment for Liquid I.V. in an important customer of the club channel, and there is some increase in the customer acquisition cost in Nutrafol, but we have great teams working on that and we will find a solution quickly.

Jemma Spalton

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

Jeff Stent

Good morning. Two questions, if I may. The first one is with respect to innovation, you've made quite a few comments about it, but could you just tell us

what are the sort of big new innovations that you've got coming to market this year that we should be expecting to hear quite a lot about as the year progresses? And the second one really just a housekeeping issue. But are you able to quantify the magnitude of the TSA receipts that you'll be getting from Magnum? Thank you.

Fernando Fernandez

Thank you, Jeff. Well, first of all, I would like to highlight that our first pennies go to continue investing behind the innovations have been very successful in the – in the last few quarters. You know the Dove Hair relaunch, Persil Wonder Wash, Vaseline Gluta-Hya and Vaseline Pro Derma. The flavoured range of Hellmann's that is really driving significant growth. All these platforms are above the €100 million, €200 million. So this is really going very, very fast and we continue investing behind them. There is new noise in the market in multiple categories. I would like to mention, you know, the UV repair range of Dove, hitting the market in January in countries like China, Indonesia, Thailand, Vietnam, South Asia, Philippines. The Derma Scalp Range of Dove Hair will focus in developed markets. I would call out particularly Vaseline Lips. That's a €100 million franchise already. We are gaining share in every single market around the globe. We see Lips as an entry for younger users into Vaseline, and we are very excited with the kind of Gluta-Hya range and Lip care that we are bringing to market. The rollout of the silk press range of TRESemmé. That has been a big success in India. We are rolling out that across Asia. Nexxus, a big relaunch in US and significantly innovation in China and Indonesia. In China, Nexxus is really one highlight of our performance. In Personal Care, many things coming into our market, but I would like to highlight the importance of the activation around The FIFA World Cup 2026™. This will

be a real support for our performance, particularly in quarter two and quarter three. In Foods, continuing the development of Hellmann's flavoured mayo, but we are entering with protein cups in Knorr with the launch in US and scaling in the European markets within the year. These are just some of the things that we are doing. So, our innovation machine I believe has improved a lot in the last two to three years. Now, our focus is ensuring that our execution capabilities are in line with the improvements that we have done in product development and innovation. But the good plan for the year, as I mentioned before, our absolute priority is in investing heavily behind the big winners that we have in the portfolio now.

Srinivas Phatak

On the TSA, Jeff, we are not actually quantifying externally the cost of the total – or the total cost of the TSA. Having said that, there are three important elements. It's a cost plus, and therefore there's a very small markup that we charge on these services that's got to do with IT and it's got to do with the other commercial services, mostly in the functions. Point number two is that most of these TSAs, there are separate contracts, individual components. Between 2026 and 2027 we expect most of them to really be tapered off as – as the Magnum Ice Cream company starts to take on these activities. Third element is that we have clear plans which are ensuring that we manage these contracts well. And more importantly, there are no stranded costs left at a Unilever level. So, all in all, very clear plans to handle this for the benefit of both companies.

Jemma Spalton

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

Olivier Nicolai

Good morning, Fernando, Srini, and Jemma. Could you please provide an update on the strategy for Prestige Beauty first? Some brands are doing great, like K18, Hourglass although less so. Do you need more brands for the portfolio to reach a bigger scale? And what does the M&A landscape look like at the moment? And then secondly, going back to food, you had an amazing margin improvements, and you reached 22.6% margins there. That's well above historical trends. What's a driver behind this improvement? How sustainable is it? And perhaps is Food Solution better margins than the rest? Thank you.

Fernando Fernandez

Cool. I will cover Prestige and Srini will cover the – the food margin question. In Prestige, you are right. We have a great performance in brands like Hourglass, Tatcha, K18, not so well in Dermalogica and Paula's Choice. Even if Dermalogica in the retail is showing a lot of strength, but the brand is as exposed to a professional channel that is declining and we need to address some issues there. The Prestige market, is changing dramatically. I feel you see a less importance of travel retail. You department stores practically disappearing. You see a huge growth of the e-commerce channel. And I believe these give us a lot of opportunities. And we consider our presence in Prestige a natural continuity of our presence in skin care and hair care. So that's how we see that we are working in a much more integrated way, particularly in areas like Asia in which channels of specialist beauty are not so developed, and e-commerce is really taking the lead in developing the prestige market. We are always scanning the market for opportunities. You know, our acquisition criteria are very, very, very clear. You know, we look at brands that are digitally native with a big exposure to

e-commerce in others in which we can add value. And there are a set of criteria that we follow with a lot of – with a lot of rigor. But, you know, we will not rush into acquisitions if the right asset doesn't emerge. And at this stage, we have not been acquiring prestige recently because we have not seen any asset that really feel any gap in the portfolio that we can have. But super, super committed to a skin care, hair care to a brand like Hourglass that is a real jewel in the global cosmetic super premium space. We see Prestige as a natural continuity of our presence in our skin care and hair care business. Yeah.

Srinivas Phatak

On the Foods margins, we are actually quite pleased with the way the whole business has been managed and being operated. There is a very sharp strategic choices that we made in terms of where to play, how to win. And what's also notable is actually the execution discipline which has come into this business, which is actually leading to a market outperformance across various markets and various segments. A lot of this really is led through gross margin. Some of the levers which I explained earlier are also applicable to the Foods business, and therefore I will not repeat them. Having said that, Foods business has also benefited significantly from some of the portfolio rationalization. We have over the past 18, 24, 36 months taken out or delisted the parts of the portfolio which were not value accretive. So, I think that is really helped us. Second is we also have some very good whole pack price architecture, especially when it comes to Hellmann's and some of the innovations. Secondly, when it comes to the UFS business, where we manage it extremely well with profitable accounts, has also been a big driver for us. It's also important that the whole overheads element of savings, which we have executed in the company, are also benefiting from a Foods perspective. Having said that, we continue to invest well. I think that's the

most important element because we see foods as a growth business for us. So, we are absolutely determined to invest, to really grow the business. At an aggregate level, I think we are quite happy with the margins. The focus from year on for us is going to be more drive growth, volume led growth and not necessarily a big margin expansion.

Jemma Spalton

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

Sarah Simon

Yes. Morning. I have two questions please. One was the impact of discontinuations generally across the group. Can you quantify that in terms of volume? And then the second one was on Dr. Squatch, can you – obviously that was growing super-fast before you acquired it. Can you give us any idea how much that's grown during fiscal 2025.

Fernando Fernandez

Yeah. I – I don't know if we will provide any discontinuation figure, Srin, but in Dr. Squatch, of course, you know, this is an important acquisition for us. It will only count in our underlying sales growth from September next year, but the performance has been good since acquisition. You know, continue to grow in double-digit. A strong brand very interesting proposition in the male grooming space. Really making significant inroads, particularly in the deo category after establishing a very, very strong positioning in skin cleansing. So, we are very pleased with having Dr. Squatch in our portfolio. We expect that to be a significant contributor to growth during 2026. But as I mentioned before, it will

only count in our underlying sales growth from September onwards. But of course, pleased with the performance until now. Absolutely in line with the business case that we have put at acquisition time.

Srinivas Phatak

Just a short one. So, anything that we actually do from an M&A or disposal perspective, you get full list of those disposals and the impact. Discontinuation and you know, new launches of SKUs happen in the normal course of our business. Having said that, some of these discontinuations actually sit in the non-Power Brands section. And Fernando actually gave you a bit of a flavour in terms of whether it is the list of SKUs in Beauty & Wellbeing or some of the elements and, and Foods. I think that's the right place to keep looking for it and it gives you a bit of a sense in terms of what's happening there.

Jemma Spalton:

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

David Hayes

Thanks, Jemma. Just one for me I think in terms of the topic. Just Latin America, which I know you talked about a little bit, but it feels like that's recovered volume wise, a little bit quicker than maybe you have kind of indicating at the third quarter. So just whether that is the case of what was done better, that meant that that's happened? I guess to some extent was there innovations, a relaunch that took place and did that effectively – did that factor the quarterly volumes in the fourth? Maybe leading on to then saying it will volume growth, you think be flat to positive in the first quarter of the first half. Thank you.

Fernando Fernandez

Yeah. Yeah. We don't see in Latin America any performance that is fundamentally different to what we – what we said to you one quarter ago. The macro environment remains tough both in Brazil and Mexico and you know, markets as I mentioned has been flattish. But we have intervened in some areas in which, as I mentioned before, we got to score some on goals, particularly in home care pricing and in deos format focused. Our food business continued performing very, very well, particularly Hellmann's, you know, having a blast in Brazil, gaining share penetration, brand equity and Beauty & Wellbeing has had a solid performance. You know, in the case of Home Care, as I mentioned, we are pleased with the reaction to our pricing correction. It is showing impact in our volumes, particularly in Brazil. And in deos, I believe there is much more to come. Some of the actions that we have taken are being implemented now, particularly the reset of planogram in thousands of stores across the region. We are really investing heavily behind aerosol format that, as I mentioned before, has a much higher revenue per use and profits per than some of the contact applicators, and we have a strong support from the retailers in that space. So, we are confident for 2026 that Latin America will have a much better contribution to our performance. I have been associated with Latin America for many years. I have never seen two bad years in a row in Latin America, so we are very confident that we will deliver in the region and the team is super, super committed in the region to improve performance there.

Jemma Spalton

Thank you. Our next question comes from Tom at Deutsche Bank. Go ahead, Tom.

Tom Sykes

Yeah. Morning, everybody. Thank you. I wondered if you could just say a few words on the channel shift that is occurring in North America and how that's impacting you? We're obviously seeing very high growth on Amazon. And it appears that your shares are a bit lower on Amazon than they would be off. So, what is the outlook for your share on that channel and what's the effect of that channel growth? And particularly I guess, as well as is just the growth of smaller peers and what that then does to the cadence of your innovation, because you're staking a lot of innovation globally, but it's not clear whether that is speeding up in any one particular market. If you say, particularly in North America. So, are you combating the growth of smaller peers by fewer, bigger innovations or more iterative, please?

Fernando Fernandez

Thank you, Tom. Well. You know, we're going to have a strong performance in digital commerce. You know, and I would say there are three types of digital commerce in which we have delivered strong performances. One is classic marketplace in North America. You know, big retailers like Amazon or Walmart.com. You know, I have mentioned the performance last quarter. I will not repeat the number today. But we are growing double-digit with these people strongly in North America. Social commerce in places like Southeast Asia and China and quick commerce in India. So, you know the thing, we are growing double-digit. We are growing double-digit through a special assortment of our core brands, and of course, through the portfolio of new brands that we have been acquiring, particularly in the case of North America. You know, our focus on acquisition has been in digitally native brands with a strong exposure to e-

commerce, and that has been working for us properly. We have not seen a significant slowdown in in the North American market in the e-commerce side, probably what you have seen, particularly in the months of October, that was very weak in the North American market. It was more related with physical stores, with the offline channel. And, you know, hey there is always of course - e-commerce opens an entry point to many small brands, but very few brands have been able to scale big. I continue thinking, you know, brands like Dove or Vaseline have significant competitive advantage also in online. When I said before that the Dove is growing 7% volume globally, when you look at Dove's growth in e-commerce is practically two times that. So good performance in digital commerce. Of course, this is accelerating, particularly in some markets in Asia. That is, I would say, a leapfrog of more physical retail into e-commerce. But we are very well prepared to take advantage of that.

Jemma Spalton

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

Ed Lewis

Yes, thanks very much, everyone. Couple one for me. I guess a lot of change, a lot of heavy lifting, as you said, Fernando, the last two years. So, what should we think about 2026? Is this really the first year that we should start to see the benefits of the revamped approach to innovation that you introduced a couple of years ago? And then for Srimi, just on the CapEx plans, over 3% turnover. How much CapEx will be spent on what you called margin enhancing activities? I think you were close to around 60% last year.

Fernando Fernandez

Thank you, Ed. Yeah. A lot of the heavy lifting has been done, I would say, you know, particularly in terms of organization, you know. If you're seeing the last year with these, you analyze our sales force with separate Ice Cream. We made significant steps in our productivity program. All these are potential very disruptive initiatives. And the fact that we delivered a solid year in the context of all these initiatives, we consider that something important for us. You know, our product development, our innovation capabilities definitely are in a very different place to where they were three years ago. I would have not said three years ago that I would have been proud when I stand up in front of the Dove shelf or the Vaseline shelf, I am now. And that's basically a sentiment and administration experience with many, many of our brands. You know, of course, there are some elements in execution that has to improve. You know, we have had the issues of channel break conflict in some markets, you know, some issues in countries like Brazil that should have not happened. We have launched a program of what we call a Perfect Store in order to ensure that pricing, assortment, visibility are really properly managed and in a homogeneous way across Unilever. I am really focusing on that now. But as you said, a lot of the heavy lifting has been done and we see 2026 as a very important year to really bear some of the fruits of this investment that we have put in the business, both in terms of money and time focus during all these years. Srin.

Srinivas Phatak

So, on the CapEx for the past two years, we've actually been spending around the 3% level. And you're right that we are even from 2026 point of view, we will

look to spend anywhere about 55% to 60% going towards what we call as productivity or savings. From a capacity perspective, I think we are well-covered and therefore that gives us the ammunition to continue to drive the savings harder. Having said that, we are actually open to increasing the levels of CapEx to support the further growth and the productivity agenda, but with two caveats. One is obviously each of the business cases have to justify themselves, and we have actually taken up the thresholds in terms of both the IRRs as well as the payback periods. And these are non-negotiable. So, each of the projects have to justify and they justify we will invest. That will not be a constraint. The second element is we are committed to maintaining 100% cash conversion. So, therefore, we will generate this cash for us to be able to fund it. But our focus on leveraging productivity CapEx remains on track from 2026 perspective.

Fernando Fernandez

Cool. I believe there are no more questions. So, thank you everyone for joining the call. You know, let me close saying that I hope it is clear that the first we have delivered a very solid 2025 despite subdued markets and a very negative current environment for Unilever. Second, that we enter 2026 as a simpler, more focused business with the stronger brands and competitive level of investment. We are investing now 16% of our revenue in our brands. Three years ago, we were at 13%. Third, that our footprint is an asset and we are very confident in a step up in emerging markets in 2026. A fourth that our key metrics don't change: volume growth, positive mix, and gross margin expansion, to deliver earnings growth in hard currency. That's what the whole company is focussed on. Thank you very much.