



Unilever pre-close aide-mémoire Q2 2025

This document sets out public information previously provided by Unilever PLC, or else widely available in the market, which may prove helpful in estimating the financial performance of Unilever ahead of its half year and second quarter results on 31 July 2025. Unless otherwise specified, the outlook and noteworthy commentary below come from the Q1 trading statement and associated results call on 24 April 2025. No new information is given, and there will be no comment on current trading or further guidance provided.

Outlook

Underlying sales growth (USG)

- We expect USG in the full year 2025 to be within our range of 3% to 5%.

Underlying operating margin (UOM)

- We anticipate a modest improvement in UOM for the full year, versus 18.4% in 2024.
- Margins in the first and second half will be more balanced than in 2024.
- The direct impact of tariffs on our profitability is expected to be limited and manageable.

Other financial guidance for 2025

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

Noteworthy commentary

Unilever

- Indonesia and China: We expect Indonesia and China to contribute to growth from the second half of 2025 as a result of the decisive actions we have taken in both markets.
- Tariffs: the direct impact of tariffs on our business is expected to be limited. In the current macroeconomic environment, currency stability and consumer sentiment remain uncertain and we will be agile in adjusting our plans as necessary.

Ice Cream separation on track to complete by the end of 2025

- Operational separation of the business by 1st July.
- The Magnum Ice Cream Company Capital Markets Day on 9th September in London.
- Demerger during Q4.
- Ice Cream reported as discontinued operations from Q4.

Productivity programme remains ahead of plan

- Our productivity programme remains ahead of plan in its delivery of €800m of savings and a reduction of 7,500 mainly office-based roles.
- By the end of the first quarter, there was a reduction of around 6,000 FTEs. We expect to realise around €550m of the programme's savings (of which around €200m were delivered in 2024) by the end of 2025.

Business Groups, Q1 2025

(unaudited)	Prior period: Q1 2025			Comparator period: Q2 2024		
	USG	UVG	UPG	USG	UVG	UPG
Unilever	3.0%	1.3%	1.7%	3.9%	2.9%	1.0%
Beauty & Wellbeing	4.1%	2.5%	1.5%	6.8%	5.4%	1.3%
Personal Care	5.1%	2.7%	2.4%	6.4%	4.4%	1.9%
Home Care	0.9%	1.0%	-%	3.4%	4.9%	(1.4)%
Foods	1.6%	(1.1)%	2.7%	2.7%	0.4%	2.2%
Ice Cream	4.0%	1.8%	2.2%	(0.5)%	(1.1)%	0.6%

Beauty & Wellbeing

- Growth was driven by a strong Wellbeing performance. During the Q1 conference call, the CEO commented that Wellbeing represented 18% of the Business Group and “we continue to see that business going from strength to strength”.
- Prestige Beauty declined low-single digit reflecting a slowdown in the beauty market.
- Growth in core Skin Care was low-single digit, driven by volume.
- Hair Care was flat. While Dove and Nexxus grew well, led by innovations, Sunsilk was flat against a strong comparator and Clear declined on the back of softer markets in China.

Personal Care

- Growth in Personal Care was led by Dove, which grew high-single digit and represents around 40% of the Business Group. On the Q1 call, the CEO noted “we continue having excellent momentum in Dove”.
- Deodorants grew mid-single digit, with strong growth in North America partially offset by softer performances of Rexona and Axe that have a large footprint in Latin America.
- Skin Cleansing grew low single-digit, with strong performance in North America and Europe, and challenging markets in Indonesia, China and India.

Home Care

- Home Care underlying sales increased 0.9% as continued strong growth in Europe, fuelled by the rollout of premium innovations, was largely offset by challenging market conditions in Latin America.
- Home Care saw sequential improvement in UPG in Q1 as commodity cost inflation returned.

Foods

- Foods delivered a competitively resilient performance amidst slowing markets.
- Cooking Aids grew low-single digit driven by price, and Knorr grew low-single digit.
- Condiments grew low-single digit with positive volume and price. Hellmann’s grew mid-single digit with positive volume and price.
- Unilever Food Solutions was flat, as China lapped double-digit growth which had benefitted from the timing of Chinese New Year. During the Q1 call, the CEO stated, “we remain confident in the strength of our food service business”.
- In India, growth in tea and coffee was offset by a decline of Horlicks.

Ice Cream

- Ice Cream performance reflected strong innovation and continued operational improvements, building strong foundations for the summer season.
- At Q1 the CEO noted “we remain focused on strengthening our operational model while navigating the challenges brought by significant inflation in key materials like cocoa”.

Geographical areas (including subsidiary outlook information), Q1 2025

Developed markets

- **North America:** benefitted from the multi-year transformation of our portfolio, which showed resilience during a period of declining consumer sentiment.
- **Europe** also delivered good growth driven mainly by Home Care.
- A strong innovation pipeline and increased levels of brand investment are evidence of our commitment to accelerate performance consistently in these important hard currency markets.

Emerging markets

- **India** (*HUL March Quarter and Financial Year 2025 results presentation, 24 April 2025*)
 - Expect growth to gradually improve during the year led out of portfolio transformation and improving macro-conditions; H1 FY'26 > H2'25 (*Note: March end Financial Year*).
 - If commodities remain where they are, price growth is expected to be in the low-single digit range
 - Continue to focus on driving volume led competitive growth.
 - Gross margin expected to moderate as we continue to deliver the right price-value proposition.
 - Stepping up investments to land portfolio transformation in high-growth demand spaces supported by a strong innovation pipeline.
 - Consequently, EBITDA margin to be within a healthy range of 22-23%.
 - **Indonesia** (*Unilever Indonesia Q1 2025 results presentation, 24 April 2025*): Expect to see improvements from reset actions in H2 2025 onwards.
 - **China:** We continued our operational turnaround of the business and expect China to contribute to growth in the second half of the year.
- Latin America:** Underlying sales growth in Q1 was 1.5%, reflecting challenging market conditions and against strong H1 comparators, with softer comparators in the second half of the year.

Additional disclosures

Reminder of recent transactions

- Unilever announced it has signed an agreement to acquire personal care brand **Dr. Squatch** in June 2025. Turnover for the brand was less than \$0.5bn in 2024.
- Unilever acquired the personal care brand **Wild** in April 2025. Turnover for the brand was less than €0.1bn in 2024.
- Unilever announced that it has received a binding offer from Vivera to acquire **The Vegetarian Butcher** in March 2025. Turnover for the brand was less than €0.1bn in 2024.
- Hindustan Unilever Limited announced it has signed a definitive agreement to acquire the premium active-led beauty brand **Minimalist** in January 2025. The brand has an annual revenue run rate of c.€50m (INR 500cr).
- Unilever announced that it has received binding offers from Zwanenberg Food Group to acquire the **Unox** and **Zwan** brands and from Paulig Group to acquire the **Conimex** brand in December 2024. The three brands combined represented around €250m of turnover.
- Unilever completed the sale of our **Russian subsidiary** to Arnest Group in October 2024. The sale includes all of Unilever's business in Russia and its four factories, as well as our business in Belarus. The business represented around 1% of the Group's turnover.
- Unilever completed the sale of its stake in **Qinyuan Group**, to Yong Chao Venture Capital Co., Ltd. in August 2024. Unilever completed the sale of its water purification businesses **Pureit**, to A.O. Smith in November 2024. The combined turnover was less than €0.3bn in 2023.
- Unilever completed the disposal of **Elida Beauty** in June 2024. The business generated turnover of c.€0.8bn in 2023.
- Unilever completed the acquisition of the **K18** brand in February 2024. Turnover for the brand was more than €0.1bn in 2024.

Number of shares

- As at 02 June 2025, Unilever has 2,452,731,981 ordinary shares in issue with voting rights attached. This excludes treasury shares and shares held by or on behalf of companies in the Unilever group, for which voting rights are not exercisable.

Share buyback programme

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

Debt

- As at 31 December 2024, Unilever's net debt was €24.5bn, representing 1.9x underlying EBITDA in line with our guidance of around 2x.

Hyperinflationary economies

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

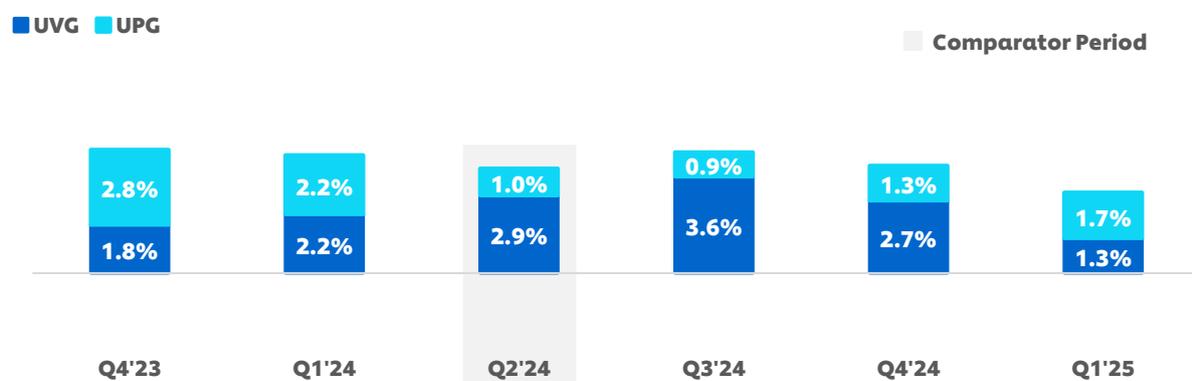
The Argentinian economy was designated as hyperinflationary from 1 July 2018 and the Turkish economy was designated as hyperinflationary from 1 July 2022. As a result, application of IAS 29 'Financial Reporting in Hyperinflationary Economies' has been applied to all Unilever entities whose

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

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

Appendix

Quarterly UVG and UPG evolution, Unilever Group



Quarterly USG history

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

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

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