THE MAGNUM ICE CREAM COMPANY

The Magnum Ice Cream Company Full Year 2025 Results

Thursday, 12th February 2026

Michele Negen

Good morning, everyone. Welcome to The Magnum Ice Cream Company's first full year 2025 results webcast. My name is Michèle Negen, Head of Investor Relations. I am here today with our CEO, Peter ter Kulve, and our CFO, Abhijit Bhattacharya.

The press release and investor presentation were published on our Investor Relations website this morning. The replay and full transcript of this webcast will be made available after the call as well.

Before we start, I want to draw your attention to our cautionary statement on the screen. You will also find this statement in the presentation published on the website.

[Display of Cautionary Statement on screen]

In a moment, Peter will talk you through the key elements of our performance in 2025 and how we are executing on our strategy. Abhijit will then look at the financial performance in further detail by talking you through revenue, profitability, cash flow and looking at the financial outlook for 2026 before Peter closes. After that, we will open the floor for questions.

Peter, over to you.

Peter ter Kulve (CEO)

Good morning, everyone, and thank you for joining us today. I am pleased to welcome you to The Magnum Ice Cream Company's first full year results call as a separate, publicly-listed company. This is an important moment for our business as we present our performance as a focused global ice cream company and outline what we are going to do to position TMICC for sustainable, profitable and competitive growth.

2025 was a foundational year. It was a year of operational and strategic progress and delivery against a challenging macroeconomic climate and serious headwinds from commodity inflation at an unprecedented level of 380 basis points.

At the same time, we completed the demerger and set up the business with the right structure, governance, and most importantly, talent and culture to drive accountability and profitable growth.

In headline terms, we delivered a solid performance in 2025, with full year organic sales growth of 4.2% and I was particularly pleased that volume grew by 1.5%. Every region contributed to growth, with market share gains across most markets. This was supported by improved availability, innovation, strategic pricing and operational rigour.

To build on the volume growth in 2024, we made the decision to price competitively across brands and geographies to enable volume growth, despite this intense cost inflation. In the year, we also right-priced our portfolio in several geographies and corrected trade margins in China and Southeast Asia. These actions were geared towards getting our business fundamentals in the right shape and it worked.

Forex movements and TSA-related cash costs affected adjusted EBITDA margin. But excluding these impacts, adjusted EBIT at constant exchange rates was up by €48 million, as disciplined execution of

our productivity programme, supported by select pricing actions, partially offset the impact of commodity price inflation.

The strength of the Magnum brand was evident as we maintained volumes despite price increases to mitigate cocoa inflation.

Before I talk about our strategy and performance in more detail, a word on quarter four. The final quarter of the year is a smallest quarter, representing around 15% of full year sales. Many of our typical faster-growing away-from-home markets, such as Turkey and China, have a limited contribution in this period. In these markets, we used this time of the year to take back cabinets and trade stocks to get the cabinet fleet ready for next year's season.

As a result, in Q4, the Americas drive over 50% of Q4's revenue, compared to around a third for the full year. This year, disruption in food stamps in the US and a late start to the Brazilian season impacted the fourth quarter. While we continue to outpace the category, both in the Americas and globally, it was more challenging, which led to a decline of less than 1% OSG in the quarter.

As this is our first results call since the separation from Unilever, I want to take a step back and remind you of the market opportunity and strategy we outlined at the Capital Markets Day in September.

The ice cream market is resilient. In many ways, we are the lipstick of foods. I just returned from Brazil, and it was interesting to hear direct from consumers that even economically challenged families make space for ice cream in their family budget.

In 2025, the market continued to grow by 3% to 4%, in line with the last ten years. This growth was again driven by penetration and distribution built in emerging markets, a more developed markets by the trend from larger to smaller and more premium handheld portions, and increasingly better for you, high protein, low cal, real fruit products.

Our thinking on GLP-1 has evolved even since the Capital Markets Day in September, based on the premium treat substitution effect. When people eat less overall, the question is, which treat is the winner? And the data is telling an increasingly clear story.

When on GLP-1, people still treat themselves, as ice cream is a very competitive treat. The category premiumises as people choose smaller portions, better quality and when on offer, more real fruit and protein. We believe that GLP-1s will accelerate the premiumisation of the category, which is good for Magnum.

Further, as consumer using GLP-1s are eliminating low quality munching categories first, categories like premium chocolate, premium ice cream and protein snacks could gain share in the overall snacking market. Increasingly, these trends are guiding our innovation and portfolio strategy and you will see that come through today.

Our vision for TMICC in this market is simple. We want to make the most loved ice cream in the world, to grow the market and build a highly competitive snacking business for our shareholders and customers, because life tastes better with ice cream.

And we are going to do that by delivering our strategy to grow the ice cream market as category leader. Our plan is built on three pillars: growth, productivity, and reinvestment.

As it goes, that means combining the strengths of our brands with a business system designed specifically for ice cream, enabling faster decision-making, sharper execution and disciplined capital allocation to maintain an investment-grade balance sheet.

Our growth strategy is built around: growing consumption occations with market-making innovation; pricing competitively across all snacking and refreshment price points; rolling out premium brands internationally and take the multiformat; driving digitally-led demand creation and massive out-of-home visibility; increasing our availability across channels, especially e-commerce and in emerging markets away-from-home.

Importantly, this growth is enabled by a €500 million productivity programme that resets our supply chain and structural cost base. This gives us the fuel to reinvest behind our brands, capability and leadership through disruptive innovation, increased demand creation and best-in-class digitised execution.

The strength of our portfolio, channel management and global footprint give me confidence in our strategy and our ability to win in the market. We own some of the most iconic brands Magnum, Ben & Jerry's, Cornetto, and then, of course, what we call the Heartbrand, which encompasses brand names like Good Humor, Ola, Algida, Wall's and sub-brands like Solero, Calippo, Carte D'Or and Twister.

The strength of our brands has translated into leading market share positions across most channels in our core markets and critically, in the fast growing digital channel, which is growing double digit.

So, we have a well-balanced portfolio, world-class brands that grow ahead of market, clear growth opportunities through our presence in fast-growing emerging markets and in established markets like the US, our biggest, China, the UK, Germany and next to that, a very strong channel footprint.

Our performance in 2025 reflects the success of our strategy and the choices we made. A core pillar of that strategy is winning through skill, innovation and premiumisation. Not as one of launches, but as a repeatable growth engine.

In 2025, that engine delivered across our leading brands, combining premium formats and stronger execution to drive growth and share gains across the vast majority of our key markets, including the USA, our biggest. Magnum outperformed with the launch of Utopia and Bonbons. Ben & Jerry's gained share in the US and Europe across the at-home and away-of-home channels with its unique socially-led digital model sustaining strong relevance.

Cornetto grew ahead across its top ten markets, supported by the Cornetto Max and a new stick format in China. And the Heartbrand grew through socially first activations with a multi-layered stick architecture, now scaling from Asia into Europe to secure a first-mover advantage.

We are also extending this engine into the formats shaping the category, better for you and portion control. Yasso grew over 30% in 2025 as we expanded into the new formats in the US. While Breyers CarbSmart continued to grow. We also moved Magnum and Ben & Jerry into bites, and we are extending this to other brands, including Solero and Cornetto.

Finally, we are getting faster from idea to launch. Magnum Dubai Chocolate in Turkey was delivered in six months from concept to shelf.

But as all of us know, it is not just about innovation. It is about execution in market. Most marketers are seeing meaningful channel shifts, with growth moving to digital, convenience and value-led formats. Our strategy is to win where the mix is shifting and availability expansion across channels progressed significantly in 2025.

We were an early-mover into digital commerce and it remained our fastest growing channel, delivering double-digit growth. In China, it is already more than 20% of our sales. Click & Collect is going from strength to strength in the United States and many European markets.

In at-home, we grew mid-single-digit by stepping up customer execution with our new fully dedicated TMICC sales force, which enabled us to gain better shelf positions and promo effectiveness, whilst executing improved customer growth plans across markets.

Away-from-home achieved mid-single digit growth. This was supported by the second year of cabinet fleet expansion in relevant markets, progress en route to market digitalisation and a stronger frontline organisation.

Alongside delivering growth, we continue to successfully execute our productivity programme across supply chain transformation, overheads reduction and tech-enabled productivity, delivering €180 million further savings this year. This is on top of the €70 million savings delivered in the second half of 2024, bringing cumulative savings to €250 million.

Key actions included reducing SKU complexity and focusing resources on our most productive innovations. We freed up capacity for our global brands in local markets and invested in our factories to remove capacity constraints and hasten innovation speed to market. We are also making significant progress in reducing under the skin complexity, strengthening demand forecasting and seasonal planning using advanced weather forecasting models which are being integrated into our planning systems, driving end-to-end cost discipline across procurement, logistics and overhead. This was evident across the regions, but particularly in the Americas.

The US end-to-end supply chain reset enabled growth and realised efficiencies and cost savings through factory modernisation, distribution optimisation, and improved procurement. Continuing the process of exiting our TSA as planned with an expectation to be complete by the end of 2027. These actions are not one-off. They are structural improvements that will continue to benefit TMICC in the years ahead, and fuel our reinvestment strategy to power the flywheel of long-term growth and profit improvement.

We are reinvesting for growth and productivity. Cabinets are a key part of this as a critical enabler of growth and sometimes overlooked or misunderstood mode in our business. Our cabinets are like soft drinks chillers. They provide unique advantages that help us to maintain and grow market leadership.

In 2025, we increased cabinet CAPEX by around 10% to grow our market-leading fleet of three million cabinets. And we began deploying new technology to better forecast out-of-stocks and to spot trends.

The impact of our growth strategy combined with improved execution was proved out in each of our regions.

In the US, our biggest market, we gained share for the second consecutive year, 24 basis points and we are solid number one. We delivered organic sales growth of 1.7% and volume growth of 1.8%, which is high in the US snacking industry.

2025 was a year of significant operational progress in the US. We finalised our organisation with a dedicated ice cream sales force. Disciplined execution of our productivity programme helped us to become cost-competitive and re-enter the club and value channel with good progress. But we have more to do.

During customer plans with key omnichannel partners like Walmart and Target delivered strong results across store and digital channels. Ben & Jerry and Yasso grew double-digit in e-commerce on year. And our performance on Amazon went from strength to strength.

In Europe, Australia and New Zealand, strong performance in the UK, France and Spain led to an OSG of 3.3%, and market share gains for the second year in a row were 37 basis points in 2025. Growth was driven by strong innovation and brand performance, but critically was enabled by operational rigour, improved physical availability, new value channel listings and strengthened partnerships with key retail customers.

Our performance in Italy is still a work in progress, but our performance in the UK was truly outstanding. We had not only drove strong sales, helped by favorable weather, but also took share. Overall, it may not have felt like that in London, but the weather index in Europe and ANZ was close to the long term average.

AMEA delivered double-digit growth of 10.9% with 4.5% volume growth and share gains. Turkey and Pakistan delivered double-digit growth. In Turkey, premium innovation and better distribution in the HORECA channel drove volume growth. In Pakistan, growth was driven by an expansion of cabinets, seasonal packs and snacking formats.

As mentioned before, in China and Indonesia, we delivered high-single-digit growth and share gains by improved channel and customer execution, including right setting trade terms and a strong innovation programme. It was the first that a Chinese concept, the multi-layer stick, has become a global innovation.

Looking ahead, while the external environment remains uncertain, the ice cream market has good momentum and we have a strategy that continues to deliver. We also have an exciting pipeline of innovation landing in 2026.

As I said, during the Capital Markets Day, the ice cream category had gotten a little bit stuck in nostalgia and creamy indulgence, and we are clear on the opportunity of bringing modern snacking and refreshment benefits to the ice cream category.

There are four distinct pillars to our innovation strategy, which I will talk you through. And on the slides you will see some of the fantastic new products we are bringing to market in the year ahead.

Firstly, its core superiority. We carefully benchmark every single core product versus the competition and continuously improve where appropriate. Over the last 18 months, we have relaunched 80% of our core products and have invested in better ingredients and formulations.

Secondly, we perfect the portfolio by sharpening the right mix of format, flavour, pack and price to match occasions and channels. Especially in the US and Europe, the teams have made great progress in optimising our portfolio.

Third is the global rollout of our premium brands and a deliberate strategy to take their core brand promise into new formats to unlock incremental penetration and usage.

The last pillar is category expanding innovation, taking ice cream into new benefit areas such as better for you. For example, we are launching an hydration ice cream, scaling protein propositions, introducing new high fruit content ices and investing in nascent sugar replacement technology.

In regards to outlook, the ice cream market is expected to grow between the 3% to 4%. We expect organic sales growth for 2026 to be between 3% to 5%, with underlying margin improvement.

Now I will hand over to Abhijit, our Chief Financial officer, who will take you through the financial performance in more detail. Thank you.

Abhijit Bhattacharya (CFO)

Thank you, Peter, and good morning, everyone. I will walk you through our financial performance for 2025, focusing on revenue, profitability, cash flow, capital allocation and our financial outlook for 2026.

Starting with revenue. For the full year, TMICC reported revenue of €7.9 billion with an organic growth of 4.2%. Price contributed approximately 2.6 percentage points, reflecting disciplined revenue management and selective price increases to partially combat material price inflation.

Most encouragingly, volume and mix was up by a healthy and competitive 1.5%, despite cautious consumer sentiment in some markets, primarily the Americas. Innovation contributed meaningfully to growth in our premier brands, as Peter just highlighted with several super examples.

Geographically, all three regions contributed to growth for the year. Europe, Australia and New Zealand delivered a solid growth of 3.3%, led by strong innovations, a disciplined and strategic approach to pricing and improved execution in core markets, including stronger customer relationships and new value channel listings.

Our productivity programme delivered €72 million of savings, as planned. The adjusted EBIT margin in the region declined operationally by 70 basis points and an additional 30 basis points due to lower royalties.

Operational profitability in the region was impacted primarily due to raw material price increases, mainly cocoa. In addition to these factors, previously allocated depreciation costs, which are charged as cash costs from the second half of 2025 due to the transitional service agreements, impacted the adjusted EBITDA margin by 50 basis points.

Now, let me move to AMEA, which is Asia, Middle East and Africa. AMEA grew by double digits with strong momentum in many of our markets, notably Turkey, Pakistan, China and Indonesia. Across markets, we have expanded availability with more cabinets, met key snacking price points, and continued to land premium innovations including Volcanix, our first premium multi-layered stick in Asia and Turkey. Profitability was impacted by rising cocoa price and hyperinflation in Turkey.

The Americas was resilient with continued market share gains and distribution expansion. In the US, we expanded availability with new value channel listings and more cabinets and helped to grow the market with premium ranges in higher growth segments. This led to strong volume growth in the US of 1.7%.

In Brazil, we have reset the team. Our promotional and pricing strategy and invested in cabinets, and we are seeing early signs that this is working.

On an adjusted EBIT basis, margin was up 10 basis points for the region as the productivity programme more than offset the inflationary impact of raw material prices. On an adjusted EBITDA level, the reduction of 60 basis points was primarily due to the impact of depreciation becoming a cash charge due to the start of the transitional service agreements in the second half of the year.

Now turning to profitability. Year-on-year, on a reported currency basis, adjusted EBITDA declined by 100 basis points, of which 50 basis points was due to the translation effect of currency and 50 basis points due to the commencement of the transitional service agreements with Unilever in the second half of 2025, where depreciation charges will be charged as a cash cost during the period of the TSAs.

To give you a bit more color, let me start with gross margin, which was resilient but impacted by commodity and other supply chain cost inflation in 2025 of 380 basis points, primarily due to significant cocoa inflation. Selective pricing actions had an impact of 230 basis points, which helped offset part of the commodity headwinds of 380 basis points.

Supply chain productivity savings of 170 basis points, together with the pricing actions that I just mentioned, more than offset the massive commodity headwinds. In addition, there was a negative 50 basis points impact from FX translation. Therefore, operationally, excluding FX, we were able to improve gross margin by 20 basis points while the reported gross margin was down by 30 basis points.

Secondly, our SG&A cost increased by 20 basis points, primarily due to double running costs as we ramped up our Group functions, reinvested in our frontline with more dedicated sales representatives and other strategic investments, for example, re-setting the route to market in Italy.

Our overheads productivity programme delivered savings of €40 million, which offset inflation for the year. These savings were driven by organisational simplification, tight control of discretionary spend, productivity initiatives across the functions. Importantly, we achieved this while continuing to invest behind our brands, particularly in marketing and innovation.

So to conclude, although the adjusted EBITDA declined in the year due to the factors just mentioned, our underlying performance was resilient as adjusted EBIT at constant currency increased by €48 million as the significant raw material headwinds were more than offset with productivity savings, pricing, premiumisation and operating leverage.

I would like to spend a bit of time to help interpret the cash flow for the year, given that we are operating on an interim operating model till 2027.

Let me draw your attention to the next slide of the deck.

The first thing is to make the free cash flow of 2024 and 2025 comparable. Since we were part of Unilever in 2024, we had very low interest costs as the interest costs for 2024 only covered entities dedicated to the ice cream business.

Further, due to the operation of the Transitional Service Agreement with Unilever, depreciation costs are now part of cash costs charged to TMICC. Hence, the so-called comparable free cash flow for 2024 is €660 million. The comparable number for 2025, excluding separation related costs, is €602 million. The difference of the €58 million comprises of two items: higher CAPEX of €31 million, of which around one third is from additional cabinets and the rest for capacity and productivity; and number two, the negative translation effect of foreign exchange of €27 million.

Our cash flow further had the effects of the demerger costs and the transitioning to the interim operating model, which amounted to €564 million, leading to a net free cash flow of €38 million.

We ended the year with a net debt-to-adjusted EBITDA ratio of 2.4 times, in line with our stated capital allocation policy.

A brief word on the effective tax rate. The effective tax rate, as reported, is 31.3%, excluding the impact of adjusting items such as hyperinflation, which is non-cash and non-deductible VAT arising from the separation. The adjusted tax rate for the year was 26%, which is in line with our medium-term plan of 25% to 27%. For the year 2026, we expect the adjusted effective tax rate to be around 27% at the upper end of our mid-term plan.

I would like to provide some clarity on our perimeter. We had three entities that didn't transfer to us on 6th December 2025, the demerger date. Subsequent to that date, we have had the Indonesia business transferred to our company. We have secured the necessary permissions for the listing of the Indian business, and it will be listed in the stock exchange in India by around the middle of this month, which is earlier than planned.

We then expect to acquire the Indian business in the first half of this year, subject to regulatory approvals. The last business that will move to us will be the Portugal business, which is expected to be acquired by us in the first half of this year. So our plans are now firmly on track.

We issued our debut bond on 19th November 2025 and received a good response. Our offer was oversubscribed by over seven times, and we were able to secure our financing needs as a standalone company at very competitive interest rates.

In order to help you with your modeling in the initial years of us being a standalone company, I would like to give you some estimates for the year.

We expect net finance costs to be around €180 million for the year. We expect adjusted items for the year to be in the region of €425 million to €450 million, primarily for costs to build our new IT stack, as well as separation and restructuring expenses.

Going forward, we will publish on our website, a company compiled consensus on a half year and full year basis. We will also publish the exchange rate impact based on actual movements in FX rates expected for the next half year after this call, and publish an update just before the end of the half year and the full year.

Let me finish by giving you the outlook for the year. Looking ahead, while we are mindful of macro uncertainty, our expectations are as follows.

We expect organic sales growth for the full year 2026 to be between 3% to 5%, with the ice cream market expected to grow between 3% to 4%. For the full year 2026, we expect adjusted EBITDA margin improvement of 40 to 60 basis points on a comparable perimeter basis. The reported improvement in adjusted EBITDA margin is expected to be 0 to 20 basis points, primarily due to the impact of the anticipated acquisition of the India business in the first half of 2026. We expect the improvements in the year to be weighted more in the second half of 2026, due to the phasing of TSAs and commodity prices.

Peter, back to you.

Peter ter Kulve (CEO)

Thank you, Abhijit.

To close, before we go to the Q&A, we operate in a market that is large, is growing ahead of core foods, is highly resilient, and has attractive returns.

We are the largest ice cream company in the world with 160 years of expertise and heritage. We have a portfolio that is well positioned for growth with world-class innovation and strong brands, channel positions and geographic footprint.

As a new standalone company, our governance is in place and operating effectively. We are building a strong, frontline focused organisation with the capabilities and culture to capture the market and value opportunity. We have a clear strategy to deliver growth and improve productivity, and we are delivering on it with a solid full year operational performance that has proven that we can cope with even extreme input cost shocks.

The day we listed in many ways was the end of the beginning. Now the hard work begins. But we are ready as an energised as a one Magnum team to deliver. We will now take your questions.

Q&A

Operator

Thank you. We will now begin the question and answer session. If you wish to ask a question, you would need to press *111 on your telephone and wait for your name to be announced. To withdraw

your question, please press *11 again. We would like to ask you to ask one question per person plus one follow up to give everyone a chance to ask questions.

We will take our first question. And the question comes from the line of Warren Ackerman from Barclays. Please go ahead, your line is open.

Warren Ackerman (Barclays)

Yeah, Good Morning, everybody. Hopefully you can hear me okay. So I am Warren Ackerman here at Barclays. So I have got one question and one follow-up. So my main question is around the just to get a bit more clear on this EBITDA margin guidance, because I think sell side is quite a wide range of estimates. You are saying zero to 20 bps all in on a comparable basis. Can you maybe say what India will be? I think we know that India was €200 million last year with zero EBITDA. But what is your expectation for India when you buy out? So any color on on India.

Then what happens around the India royalty? Because I thought that was also a 20 bps headwind on EBITDA in 2026. Just trying to understand this TSA phasing and commodity to try and give us a bit more colour on those moving pieces on the perimeter, but also a little bit on the phasing and the commodities. Still a bit unclear to me on that.

Then the follow-up is really on the outlook for pricing. I guess maybe one for Peter. I mean, Peter, obviously, you have seen snacking prices are coming down big time in the US from some of the US food peers. Your commodity costs are are coming down, particularly cocoa. And you have got a de-premiumisation strategy as you go after mass and value. There is lots of factors that would seem to suggest that pricing should be going down, strategy plus commodity. Is there a scenario where you think pricing in aggregate for Magnum could be negative in 2026? So yes, if you can maybe address that pricing piece and how to think about the the price volume equation within the organic sales growth guide of 3% to 5%? Thank you.

Peter ter Kulve

Good morning, Warren, or good afternoon. Good question. I will start with the pricing question, make a couple of remarks on India, and then will let Abhijit explain the perimeter.

This year our raw material costs went up with 380 bps. We decided not to fully price them and reinvest our 230 bps structural productivity savings to stay competitive. And it worked, because this year we grew volume and we grew value. Particularly when you look at the US, where we grew volume with 1.8%, actually in value, 1.7%, so we hardly priced in the US and did that very deliberately.

In the US, we have less chocolate in our portfolio, and I expect that our pricing will stay stable and that we will have mainly mix and volume-led growth. But in general, I feel actually really good about our American pricing and the tough choices and painful choices that we made this year.

In Europe, we priced Magnum, but not in full. We are partially covered. I expect in the chocolate segment actually stable prices and overall an environment of more volume than value-led growth.

In emerging markets, I still see a combination of good pricing and on top of the underlying volume growth that we always see. So our pricing environment will be relatively stable because we never made enormous increases that some of other people in the industry did.

Now, before I hand over to Abhijit, a little bit on China. As you know, I worked in China in the 90s. When I look at the Indian market, it is actually like China in the early 90s or Turkey in the last 80s, very low per capita consumption. But with a booming economy, you see consumption going up rapidly in the cities and increasingly also in secondary and tertiary cities.

It is the biggest growth opportunity in the industry. At this moment in time, India is already the largest dairy market in the world. It would not surprise me that in 20 years time, India is the largest ice cream market in the world, surpassing the US. We are lucky that we have a very good position in India from which to build, but it was not a very successful business over the last 20 years. Basically, it lost a lot of share. The profitability was flat this year. Last year it was in decline. So we are in a turnaround mode. But we are extremely lucky to have this business in our portfolio because we can use it as a base to build up a leading business.

Abhijit, over to you on perimeter.

Abhijit Bhattacharya

Thanks, Peter. Hi, Warren. Good morning. Let me explain the guidance a little bit. What we have said is, for the existing perimeter, that is for The Magnum Ice Cream Company, before the acquisition of India and Portugal, we expect profit to go up in the 40 to 60 basis points range.

Now, as you mentioned, the Indian business is around the €200 million turnover. But because we are making investments there, it will come with a loss-making P&L, and that causes the headwind on one side. And then because the India business was not part of the perimeter, it was paying The Magnum Ice Cream Company a certain amount of royalty because they were using our brands.

Once it becomes part of our perimeter, that royalty will stop as well. And that is why we said that that will cause a headwind in total, both because of the negative profitability of India and the stopping of royalties will have an impact such that the reported numbers that you see in 2026, in a perimeter that is including India and Portugal, will be in the 0 to 20 basis points.

Does that clarify on the EBIT? Then I take your question on the TSA phasing and commodities Warren.

Warren Ackerman (Barclays)

Yes. Sorry, just on the final piece on the technicals and the non-cash cash depreciation, is that still 20 bp headwind in 2026 as well?

Abhijit Bhattacharya

Yes.

Warren Ackerman(Barclays)

So it is 80 bps of technicals. 40 bps India, 20 bps royalty, 20 bps depreciation.

Abhijit Bhattacharya

Exactly. That is what I had explained in the earlier call that we did together with the sell side.

Then on TSA phasing and commodities. The way it works is, of course, we have started with TSAs from 1st July last year. It phases out over time because as we build up our own organisation, we stop services from Unilever. That is done in a proper schedule that we have agreed between the two companies.

So as we go through 2026, our TSAs during the year will come down. Then in 2027, they will come down further, and then we will exit all TSAs by the end of 2027. The phasing of commodity prices, we expect some benefit, but it will come in the second half of the year, because as you have also heard from many other companies, all the cocoa prices have now come down. A lot of us are hedged already at higher prices. And that is why we have said that the improvement in our performance will be more second-half weighted.

Warren Ackerman(Barclays)

Okay, thank you.

Abhijit Bhattacharya

Thanks, Warren.

Operator

We will take our next question.The next question comes from the line of Celine Pannuti from JP Morgan. Please go ahead, your line is open.

Celine Pannuti (JP Morgan)

Thank you. Good morning, everyone. So, my first question is on trying to understand the TSA again for 2025, because there was a 50 basis point extra that we did not expect, because you had TSA impact. If I look at your bridge, you had a minus 20 basis point net negative on the SG&A when you had TSA and then you had a non-cash. So if you could explain that, because I think that was new news this morning.

Then putting all together on what you said for the top line and the margin expectation, your FX, your tax guidance and your net income, how should we look at EPS for the year on a year-on-year basis? Are we expecting a decline? If you could help us framing that.

My second question is on the overall environment. Peter, I heard you saying that you think that pricing should remain positive. If I look at Europe, it seems that the volume was still negative in the fourth quarter. I appreciate it is a small quarter. Then you mentioned as well that the USA, it was a tougher market environment. I am maybe struggling about what you are saying on the market growth of 3% to 4%, and yet it seems that the exit rate at least in developed markets as we can into the fourth quarter. So if you could help on that. Thank you.

Peter ter Kulve

Hi, Celine. Let me answer Q4 first and then give the difficult questions to Abhijit.

You know, the overall year, we grew ahead of our expectations at 4.2%, with 1.5% volume share growth everywhere, with especially a very good third quarter. I do not know whether everybody appreciates that, but in 2024, we grew more than 9% and we did 4% on top of Q3. So actually not Q2, but Q3 was the remarkable quarter for us.

Let me give some context on Q4. In our seasonal out-of-home channel-driven businesses, we use Q4 to optimise the system. Take cabinets back, replace them, optimise distributors, and did this in a very disciplined way to have a really good start in 2026.

In the Southern hemisphere, we had a particularly good performance in Indonesia and ANZ. China is like Europe. That is the same seasonality. But Indonesia and ANZ did a really good job. Philippines was a little bit soft because there were a lot of typhoons this year, unseasonal. And in Brazil we had a slow start of the season. You see that also with the beer companies. And it only started in December in earnest. And Brazil was weak last year. So we were really happy with this December pickup.

In Europe, we shifted the promo strategy last year and we did a promo pressure more towards Q2 and Q3 as it gives higher returns as the market is larger, and this has proven to be a really good strategy with solid volume and value growth in Europe. And 3.3% overall growth is not bad. Actually 1.2% growth in Europe was a really good year.

The US started well early October, but then became soft end-October, November and especially November with the government shut down and a food stamp challenges. It only picked up in the last weeks of December when the momentum came back in the market. Having said all of this, there was nothing structural in Q4 that makes me worried about 2026 and the predictions that we have for the market.

I hope this answers, Celine. When that is okay, I will hand over to Abhijit. Are you okay?

Celine Pannuti(JP Morgan)

Thank you.

Peter ter Kulve

I assume yes. Abhijit?

Abhijit Bhattacharya

Let me clarify on the margin expansion and the tax guidance. First, let me maybe start with the extra depreciation. What I have said is, on the SG&A bridge, we increased our SG&A in the second half of this year. There were two big factors there. One was the double run cost. Basically, we were building up our organisation as we were trying to take over functions from Unilever, that just brings additional cost. The second one is the temporary service agreements, which comes with a certain tax markup. Those are the two factors that increased our overheads by 20 basis points.

The 50 basis points, which you said was not expected. Actually, that is what I had mentioned in the earlier call, that depreciation which was allocated to us from Unilever, used to come before separation as a non-cash cost. Therefore, in the EBITDA that used to be depreciation that was deducted.

When you go on to a TSA, Unilever charges us that depreciation as a cash cost, and that is simply a technical impact why it impacts the EBITDA, because what was earlier a non-cash cost will become or has become a cash cost for the period of the TSA.

Then regarding the EPS, given all the moving parts, we are not guiding because also the separation cost and all of that. But if you look at an adjusted EPS for the year taking out FX, yes, we will see a little bit

growth in earnings, as we have said. That should help the EPS to be around flattish or a little bit up for the year on an adjusted basis.

Celine Pannuti(JP Morgan)

All right. That includes the tax rates being higher and the net financial cost as well.

Abhijit Bhattacharya

Yes.

Operator

The next question comes from Jeff Stent from BNP Paribas. Please go ahead.

Jeff Stent (BNP Paribas)

Good morning, gents. Two questions, if I may. Both very simple. The first one, could you just clarify whether or not 2025 profits, i.e. EBIT, EBITDA were actually in line with your expectation?

The second one, just to clarify the last point. You said taking out FX. You expected the EPS would be flattish or what do you expect based on current FX? What the adjusted earnings will do just as current FX stands?

Peter ter Kulve

Thanks, Jeff. On the first question, yes, because we knew the massive cost inflation that we had at the beginning of our year and our plans had built us in, and we more or less ended where we ended helped because the productivity plan came through in full, otherwise we would not have been able to price as we did and basically have slightly positive EBIT.

On the first one, Abhijit, over to you.

Abhijit Bhattacharya

Maybe also on the 2025 EBITDA, if you remember, for the first half, we were already minus 30 down. At that time we had also said that we do not expect an improvement, maybe a slight decline. So that is where you see that the minus 30 only became minus 50. Then the additional 50 basis points was simply the whole depreciation thing that I just explained.

The EPS. Look, it is very difficult to predict FX rates. In next week or so, we will publish what is our FX expectation for the year. Now that will change, of course, because if we could predict it accurately, then we would be in a different business. But I will give you that outlook next week.

When we say around flattish EPS, it could be a bit up or a bit down depending on where we end the year, but it is not that there is a big decline in adjusted EPS. And the FX impact, we will give you some idea next week.

Jeff Stent (BNP Paribas)

Okay, thank you.

Peter ter Kulve

Thanks, Jeff.

Operator

We will take our next question. Your next question comes from David Roux from Morgan Stanley. Please go ahead.

David Roux(Morgan Stanley)

Good morning, gents. Two questions from my side. Firstly on the margin, If we take a step back and we look at the two main components of your medium term margin expansion ambitions, you've got the cost savings and you have got the reinvestment, right? By the end of 2025, it looks like you have hit about 50% of your cost savings targets on a cumulative basis. Just out of interest, by comparison, how much of your reinvestment spend have you done by the end of 2025? Thank you.

Then I will follow-up with the next one.

Peter ter Kulve

I will hand over to Abhijit. But let me say a little bit what we did this year. We basically want to run the business on long term fundamentals for the long run and aim for volume and competitive growth. With the 380 bps inflation, which was truly unprecedented last year, mainly dairy and chocolate, we decided to invest our 230 bps productivity savings to keep pricing competitive. That was a choice. We discussed it internally a lot, shall we do more profit and have less volume growth and less share?

But we took the decision to invest behind the competitiveness of the business. And as discussed with all of you, get this volume engine going for the second year. That was the big thing that impacted profitability this year.

Over to you, Abhijit, to further build.

Abhijit Bhattacharya

Yes. On the reinvestment part, there were two parts, as you will recall, David. One was the step up in CAPEX. That we have moved up. I think last year we ended around the 4.5. We were coming from 3.5 to 4. We ended at 4.5. That is going as planned.

Actually, there were three parts. The second part was we said we will invest in our sales force by adding a dedicated sales force that has also been done,

Peter ter Kulve

1,000 people.

Abhijit Bhattacharya

Then the last thing we had said was we will step up A&P, but we had said we will do that in two ways. We said, first, we will make the 12.5% that we spend more efficient, and then if necessary, we will take that up. You would have seen we have announced our new collaboration or partnership with Publicis, which gives us, despite being a separate standalone company, quite some leverage and efficiency in the spend that we do.

Once we have captured that and we feel the need to do more, we have enough room to do that in the coming years.

David Roux(Morgan Stanley)

Okay. That is clear. Just to clarify, on the sales force, as a percentage of revenue, the cost for the sales force will come down a bit from 2025, given those double costs you spoke about.

Abhijit Bhattacharya

Yes, the double cost is not for the sales force. The double cost is more for the support functions. For example, if you have, I take a number, 50 people doing payables from Unilever, we have to build up an organisation of 50 people. They have to learn the work from Unilever, and then Unilever winds down their people. That is the double cost.

Peter ter Kulve

It is more back office related.

David Roux(Morgan Stanley)

Okay. Your headcounts on the sales force is that steady state by the end of 2025, right?

Abhijit Bhattacharya

Yes.

Peter ter Kulve

Steady state, and when possible I will add. Our business is very demand creation driven. When we see that more demand support works to drive growth, we will do it. When more sales people would lead to more sales, we would invest. We try to keep head offices and regional offices and back offices as lean as possible. Central teams as lean as possible and push the resources to the front line where they drive turnover growth.

David Roux(Morgan Stanley)

Okay. That makes sense. Then just briefly on my follow-up question. You mentioned taking out some cabinets in Q4. Can you quantify the impact of this on OSG in Q4? Then how should we think about the phase-in on the 2% growth in cabinets through next year?

Peter ter Kulve

Basically, what we do, there are certain markets, like a convenience store, a 7-Eleven, the cabinet will stay in the outlet and in the low season just sells not a lot. There are also markets where a lot of the other outlets, small stores, leisure, we pull back at the end of the season, we take them with stock and we basically restate them, put the stock in really cold warehouses and make everything ready to start the season again.

Same for regional distributors. We optimise their stock levels, and we make sure that the whole system is ready to basically – yes, we are like farmers – to put the cabinets on the ground again when

the season starts in February, March and April. This is a yearly process. So there was nothing new last year.

But as you can imagine, we basically said, this is one of these fundamental issues, you need to do this with very big discipline because you can postpone it and have a little bit of extra sales. But we said, best practice is to manage the whole out-of-home network with a lot of discipline, both at distributor level as well as outlet level. That is basically it.

In general of the three million outlets, but I'm now making it up a little bit. But I think somewhere between the 500,000 and 700,000 cabinets come back every season.

And we have 2,000 distributors and you can imagine, it is very important that you manage that with a lot of discipline, that you do not have a lot of stock at the end of the season because it would destroy your Q1. And you want the cash back. This is operationally intense activity system where discipline is really important and we applied a lot of discipline this year.

Operator

Thank you. Your next question comes from Karel Zoete from Kepler Chevereux. Please go ahead.

Karel Zoete (Kepler Cheuvreux)

Yes, good morning, all. I want to start with a question on cash flow and working capital, because this year has been some negative outflows on the working capital side of about €200 million. You already provided more insights in cash flows, but how should we think about working capital going forward? The guide is minus 4.5% of revenues. What are your expectations on cash flow in 2026?

Then the other question is is much more about Latin America. Historically, I think Brazil used to be a good business. What are you doing to get the Brazilian business back on track, as well as what you are seeing in Mexico? What are some of the interventions you have made in that market?

Peter ter Kulve

Okay, Karel. This is a really good question. I am just back from Brazil and I went there the week before Carnival, so it was strictly business. Brazil is a really interesting country because the Brazilian ice cream market is on fire.

Our Kibon business, which used to be a star 10 years ago, had sort of deteriorated. What was the problem? A, the market has grown mainly more premium and more cheaper, more affordable and we got stuck in the middle. We, actually over a 10-year period, had lost a lot of share.

Now what did we do? We first, last year, replaced the full management team and all managers in the business. So we put a new team in place. Then secondly, our factories ran on very high wage levels and bad operational efficiencies, and I am very pleased that we are making now really good steps to improve that.

Over the coming years, we will need to evolve the portfolio in Brazil and become more affordable and more premium at the same time. That will take a little bit more time. As I said, it was really a horrible year. It was a horrible year before and this year was not very good. But in December we actually made

really good progress as we hit the new season with good growth and actually the beginning of this year, I cannot say anything about it here.

But I was just there. We are in much better shape.

Abhijit Bhattacharya

Yes. Karel, let me take your question on the cash flow. The interim operating model creates a bit of difficulty because it is a very complicated process where, on an average basis, we have a subsidy from Unilever, and then they manage our receivables and payables as part of the interim operating model. So it is not really a cash outflow. It is a temporary cash outflow, which will unwind when we get off the TSAs.

The way to understand it is a couple of things. One is, if you look at our working capital as a company in terms of number of days between 2025 and 2024, there is no change. So we have actually managed it well. We have a little bit of increase in terms of number of days on receivable, and we had a two-day improvement in inventory. The payables have remained the same.

If you look at the operational working capital and therefore if you look at the bridge on the operational or comparable cash flow as I have presented, you will see that there is no impact on working capital because we have managed that roughly flat year-on-year. That is also the reason why in the Capital Markets Day, we did not give a separate guidance on cash flow for 2026 and 2027 because it is just very difficult to do. Therefore, we said from 2028 and 2029 the guidance we have given or the outlook we have given for cash flow will remain.

As we go through the year, we will probably give some clarity, but this year and next year, just because of the interim operating model, it is difficult to give an outlook on that.

Karel Zoete(Kepler Cheuvreux)

Thank you

Peter ter Kulve

But stock creditors, debtors is all fully in control, and we are as tight as we ever were.

Abhijit Bhattacharya

Yes.

Operator

Thank you. Your next question comes from Robert Jon Vos from ABN Amro ODDO BHF. Please go ahead.

Robert Jan Vos (ABN AMRO-ODDO BHF)

Hi , Good Afternoon. Thank you for taking my question. I have one left in the meantime. Your guidance for adjusting items. It implies a cumulative roughly €750 million to €770 million in 2025 and 2026 combined. If I recall correctly, your guidance was €800 million for the years 2025 to 2028. So I was wondering, are you ahead of schedule timing wise, or should we anticipate that the €800 million cumulatively will be exceeded?

Abhijit Bhattacharya

Yes. Thanks, Robert. Let me clarify. If you look again at the Capital Markets Day, we guided to €800 million of separation cost, including the IT stack. Then we said we would have 80 basis points, if I am not wrong, on restructuring and basically this €425 to €450 that I am guiding for next year is including both. Therefore, it is not a big shift in timing. It is pretty much give or take a few million. It is in line with what we had said.

Robert Jan Vos(ABN AMRO-ODDO BHF)

That makes sense. Thank you.

Operator

Thank you. Next question comes from Bing Zhu from Rothschild and Co, Redburn. Please go ahead.

Bingqing Zhu (Rothschild & Co Redburn)

Hi, thank you for taking my questions. I want to shift gears a little bit. I have a couple of questions about AMEA. You had a solid growth there. But it seems like from the presentation you have maintained or gained market share slightly in that region. Can you touch on the market share performance in AMEA and how the competitive landscape is evolving in some markets with some strong local player?

And tied to that, at the Capital Market day, you highlight the cabinet penetration in markets like Philippines, China and Indonesia still lagged others. Can you give us an update on the progress you have made this year, in order to prepare for the for the high season next year? Then I have a follow-up, please.

Peter ter Kulve

Thank you, Bing, you for the question. Yes. As you know, Asia is not a homogeneous territory. So I will need to go in a little bit of country detail. We won share in China. I am very proud of that because it follows a long trajectory of share growth. We gained share versus most of the players and menu, and our a solid number two new organisation, new sales approach. We reset trade margins and had a really good innovation programme.

In Indonesia, for many years, we were on the share pressure because the Chinese ice, which is related to menu, had moved into Indonesia, and with new management and a new strategy, we basically were able to grow share and the leader of Southeast Asia as the boss of China. So we apply all our China knowledge to compete.

We also gained share in Thailand after a long period of weakness and massive share gains in Pakistan. I cannot comment on India, of course.

In Turkey, we lost a little bit of share, but that is planned because we do not always want to compete in the value segment versus DOBs, but it is planned environment. Overall, we gained share in the region.

Now talking about cabinets. China is actually less of a cabinet business because it is more e-commerce, more convenience stores who run their own cabinets. In the Philippines, we increased distribution. In Pakistan, we massively increased distribution. And in Indonesia a little bit because main part of the year was to get the distributors their margin and the portfolio in good order. That is approximately, where we were with distribution and share gains in the region.

I love the region. I live so long in Singapore and in China, but it is still an area of really good growth for us. But it is not hyper growth like Asia. It is very solid, high-single-digit growth, but not hyper growth, but very good still.

Bingqing Zhu(Rothschild & Co Redburn)

That is really helpful. Then my follow-up question is still on AMEA. That is your highest margin region. I understand that is helped by the channel mix. But how much further room do you see to improve productivity and the margin, especially seems like a lot of focus is on driving top line? And with the Indian consolidation being margin dilutive, and you mentioned you need to invest in Indian being high growth. How should we think about medium-term margin in the region?

Peter ter Kulve

The main opportunity to improve margin in our business is Europe and the US. We have pretty solid businesses in Asia. But like everywhere else, we can still improve the supply chain by further automation of the factories, improving layouts, robotisation. But our real focus in Asia and AMEA is growth, growth and growth. Margin is for Europe and the US.

Bingqing Zhu(Rothschild & Co Redburn)

Thank you very much.

Operator

Thank you. Your next question comes from David Hayes from Jeffries. Please go ahead.

David Hayes (Jefferies)

Thank you. Morning all. Two for me or two areas for me, I guess. Just on the food voucher flag that you made in terms of the US. I wonder if you can quantify that at all for the fourth quarter? And then should we think about that as a three, four year dynamic that we take account of? Because as I understand it, there is a fading of these food vouchers over a longer period of time.

Just in terms of the dynamics of it, is this certain states taking out ice cream products from what is eligible for the vouchers, or is it just an indirect effect that people have got less spend generally in grocery channels and that is knocking onto their purchase of ice cream?

Then the second area is on the freezer rollout. I wondered if you can quantify to what the freezer number went from and to, from the beginning to the end of the year? It looks like when you look at the quality of the Indian subsidiary slides that perhaps almost half the extra freezers are going to be based

in India. Is that right? Or is that an additional number of freezers that we should look at once it is consolidated?

Then just a point of clarification, still on freezers. Just what you were saying before about the fourth quarter freezer review. It sounded like there is almost a sale and return dynamic in the fourth quarter, which you see in other seasonal businesses, that if you do not sell sun cream in certain retailers, then you basically give the money back. It is a negative sales dynamic in the fourth quarter. Is that what goes on? Is that what you are saying happened a little bit. And then that just varies year by year in terms of the season success? Thank you so much.

Peter ter Kulve

Okay. Yes. Thank you. Most of the stuff last year went totally in line with what we had planned for and what we had worked to. This government shutdown, the main impact was not the delay of the listing, but was basically government employees not getting paid and food stamps, which basically fell out in November, which had an impact on our business. But it actually came back at the end of December as I already mentioned, and we got further momentum.

Approximately 6% to 8% of our turnover in the US comes from food stamps. It is by the way, in every food category in the US. So this is an important channel for us. But it was temporary.

Then when you look at the freezers, yes, indeed, India will be a core investment area. We actually saw last year a couple of things. We were able to negotiate freezers better than we did in the past because we put a lot of focus on it. So we got more bang for our freezer buck and invested more money behind freezers. And a large part of our new freezers, as we optimise them, go to the areas with higher returns.

This is also a logic. There are not that many new swimming pools in Germany. But there are many new outlets and regions in India, in Pakistan, still in Turkey that we can develop. But as you know, because you have seen it, in India, we have a cabinet for every 2,000 to 3,000 inhabitants. In Turkey for every 250. As the market develops, these massive growth opportunity will take a large part of our cabinet.

On your last question on these cabinets, actually, as I already said during one of the other questions, there are many geographies where we put cabinets in, in certain channels and pull them back. That is nothing new, but that is the dynamic how we run these categories. I think indeed some sunscreen businesses do that as well. You put your whole rack with all your sunscreens in, and at the end of the season, you take it out and then you bring it back again in the season. You have to see it like that.

It is not all of our freezers, but it is a part of our freezers. And you want to do that because you want to start the year with a bang again.

David Hayes (Jefferies)

Thank you so much.

Operator

Thank you. Your next question from Antoine Prevot from Bank of America. Please go ahead.

Antoine Prévot (Bank of America)

Yeah, thanks. Hi, Peter, Abhijit, Michele. One quick question for me. On pricing for Europe in 2026, please. I think you said you expected broadly flat price environment, but with COGS deflation into that, you pointed out, what makes you confident you will not need some price rollback or reinvestments to remain competitive as you target volume growth there, and ultimately, Europe remains quite competitive market on price. Thank you.

Peter ter Kulve

Yes. As I said before, this is a business where we believe in volume-led competitive growth and we have priced accordingly. At this moment in time, we feel that we are well placed in the European context, also analysing the covers everybody has in the industry. And we do believe that we will still get a little bit of mixed growth in Europe as consumers everywhere.

I did not get the GLP question yet, but as the consumers everywhere are going to more handheld juniors, more portion control, more premium products, so you get mix. But yes, we are price competitive and we do expect, because the European market is actually quite a healthy market, that there also still be volume growth in the market. So a little bit of price, a little bit of mix and continued volume growth.

Antoine Prévot (Bank of America)

Thank you.

Operator

Thank you. Your next question is from Maxime Stranart from ING Bank. Please go ahead.

Maxime Stranart, your line is open. Please ask your question.

If you are happy, we will move to the next question. The next question is from Jeremy Lindsay Kincaid from Van Lanschot Kempen. Please go ahead.

Jeremy Kincaid (Van Lanschot Kempen)

Hi everyone. Good afternoon. Thanks for taking my question. I have have one remaining one. Obviously, you closed the deal with Indonesia and transferred that business into your business clearly. However, I do not see any entry on the cash flow statement there for an acquisition. Can you help me understand the dynamics, please?

Abhijit Bhattacharya

No, this was just part of the overall demerger dividend. It does not go out from the cash flow. It was just a delayed transfer which happened for technical reasons one day after we became a listed company. So you will not also see in our cash flow the price or whatever we have paid for all the other markets. So you should look at Indonesia as just any other market. Just that the technical date of transfer was a day after we listed.

Peter ter Kulve

Yes, it is different than India and Portugal.

Jeremy Kincaid (Van Lanschot Kempen)

Understood. Thanks!.

Operator

Thank you. Your final question comes from the line of Guillauma delmas from UBS. Please go ahead.

Guillaume Delmas (UBS)

Thank you very much. Good morning, all. Main question is on the market growth, because you anticipate another year of 3% to 4%. But, would it be fair to assume that category growth this year should be more driven by volume mix rather than pricing, given what is happening on the commodity cost front? And therefore, by extension, does it mean that for Magnum to comfortably reach the 3% to 5% organic sales growth in 2026, your volume growth would have to further improve compared to the 1.5% you have just achieved in 2025?

Then my second question, just a quick point of clarification. Commodity cost wise, you have signalled that we should have a contrasted picture between the first and the second half of 2026. Just wondering if for the year as a whole, you anticipate commodities to be a headwind or a tailwind?

Peter ter Kulve

On the growth, as a global business, we believe that the American market will have low volume, still good mix as the blips drive also the underlying premiumisation trend further, a little bit of price. Europe will be still volume based on the historic trends and mix, and Asia and the rest of the world will be a combination of price and volume.

Actually, we expect that the overall global mix, although built up a little bit differently than three years ago, will still be into the 3% to 4% growth. What you also get is that certain really fast-growing markets like Brazil and like India become a larger part of the global pie. This 3% to 4% is pretty robust and we feel good about our 3% to 5%.

Why do we feel good about that? Because we have a good geographic mix. Our portfolio is more premium, and most of the accelerated growth is in premium segment of the market, handheld portion control, premium.

Yes, so in this way we believe that again, it will be a three to five years. That is the year. And yes, our volume growth of 1.5%, it will be 1.5%, 2% this year. We will think with a little bit of mix and pricing, we will end up between the 3% and 5% again.

Abhijit Bhattacharya

On commodities, maybe good to clarify that 2025 was just a very specific year where we had close to 9% inflation on commodities. We expect that to be significantly lower, maybe in the low single-digit range this year. So there will be a little bit of headwind, but not anything near as much as we saw last year.

Guillaume Delmas (UBS)

Very clear, thank you.

Operator

This concludes today's question and answer session. I will now hand the call back to Peter ter Kulve for closing remarks

Peter ter Kulve

Thank you, Heidi. Thank you, Michèle. Let me leave you with three messages.

One, the ice cream market is healthy and resilient. It is partly the lipstick effect, but also increasingly GLP-1s that will help to premiumise the category, further premiumise the category.

Two, over the last two years, we took €8 billion turnover out of Unilever and created a company with a hungry team, solid fundamentals and good governance. Performance was in line with plan and strengthening. Market shares are really good. We had positive volumes everywhere and have a good grip on profitability, as shown this year, how we effectively dealt with this 380 bps cost spike. But in our thinking, it is still very much day one and I will keep it that way.

Thank you very much for being here today, and look forward to catching up with many of you over the coming weeks and months. Bye-bye.

[END OF TRANSCRIPT]