The Magnum Ice Cream Company

September 8, 2026
3:45 PM EDT

Warren Ackerman: So, I'm sure you've all been waiting for this. Peter ter Kulve from Magnum on stage, his debut at the Back to School Conference. So, Peter, thank you for joining us today. The format is Peter's got a few slides that he'll share. I think it'll take about just over 10 minutes and then once that's done you and I will have a chat. So, Peter, why don't you kick it off and then we'll go from there?

Peter ter Kulve: Great. Welcome everybody. It's exciting to be here. Warren told me already a year before you need to be here is the most important session to meet your investors. Because this is a new company, I took some space. I will show you a couple of slides. For some of you it's old news, for some of you it's maybe a little bit of news.

Oh, this is nothing. Ice cream is a huge market. It's part of an even larger snacking market. And ice cream is growing 3% to 4% a year, balanced volume value, and there is growth both in the developed part of the world as even more growth in emerging markets.

We are Number 1. We are Number 2 in China. We are very proud of that because we try harder. And we're Number 2 in India, but in many large markets, we have Number 1 positions. We're eight billion euro, I don't know, somewhere like a $9 billion business. We have some really big brands. Some are well known in the States and some are not so, known. Ben and Jerry, obviously Americans know, but we also have Klondike, Breyers, Yasso, Popsicle, you name it. And we are the number one in all sales channels and we have an interesting type of moat and that is three million cabinets which is 1.5 square meters of real estate in three million retailers.

This is doing well. We are very proud over the last 10 quarters that we -- since we run it as a business outside Unilever, 9 out of 10 we gained market share. Last year we had 4.2% growth, good volume grew in all geographies. H1 was decent, again at 4.7. We had 3% growth in the US, which is decent. I can't say yet how we are trading now, but what I can say is that the market is growing with 5% globally and we're gaining market share. So, we're a good growth consumer goods company.

And it's more interesting that we had good growth, but where is it coming from in the future? There are many geographies with consumption. Headroom, actually GLP-1. really works for ice cream and I'm very interested how agentic commerce and agentic search impacts food.

Consumption gap, developed markets versus emerging markets is a Factor. Ice cream is often not the first category that comes versus soft drinks, snacks, sweets. And ice cream comes later in the chain. We drive availability, we drive accessibility, sell at snacking price points, and we have an occasion-based model to drive demand. Because people don't need to eat ice cream, you need to teach people when and where to eat ice cream. For example, festivals in India, Diwali is not an ice cream festival yet, but we're turning it into an ice cream festival.

This is very interesting as some of you who have talked with me before know. Actually, people who are on drugs and off drugs still want to enjoy themselves. They still need emotional uplifts. And handheld ice cream gets an enormous boost. So, index 115 versus 100 non -- no GLP usage, bulk ice cream, big tops go down, but handheld ice cream goes up and in total the category goes up. Why? Ice cream offers portion control, calorie control, we are bringing, making, our formulations more functional, whether that's protein or hydration or structural sugar reduction. And ice cream is a high reward. The whole world loves ice cream and in general frozen products are more delightful than the same flavors in ambient form.

Really important; agentic search. You will all know that when you do agentic search, they remember; the system remembers what you have searched before. Our industry is based on logo and features on shelf, but in an agentic search world, actually your agent analyzes the formulations and the declarations. So, what is in the product all of a sudden is getting more important than the logo on the pack. And as ice cream is naturally preserved through freezing, has dairy, chocolate, fruit, nuts. It's actually quite a natural product and that works. So, we have a really good product fit with agentic search and agentic shopping versus many other snacks.

There's a lot of work for us to get our data into the good space because you will imagine when we don't supply the right data across the world to the agentic search engines, the system doesn't work. And we need to make sure that we create agentic visibility. So, when you say I want to snack 100 calorie maximum pleasure, ice cream needs to come up.

There's a lot of work in there. But this is going to transform, together with GLP-1, how people consume foods and buy foods. What is our business model? And Warren knows this, we believe in beauty level, demand creation and innovation. Actually, ice cream and beauty are the only categories that for the last 10 years have gained share from private labels but you need to put a beauty type of innovation and activation [inaudible]. Our business is relatively low margin, bulky. We need soft drink type of discipline in operation and channel management.

And then last but not least, I did a lot of work to create an ownership culture in the company. And I will say a couple of words more. I will now go into innovation. Forty-percent of our products sold this year are innovated, either improved or new products. So, we run at very high innovation levels and more yet to come, especially in the new benefit space. I have a very small video to entertain you and inform you a little bit on how we activate our brands. So --

[Video Played]

Unknown: When Wall's asked how to connect with culture, so, we gave it a place. Mad for Wall's. [Foreign language.]

-- cherry has left the group does not mean you're down. Relax, because the whole container has 410 calories.

[End Video]

Peter ter Kulve: Our marketing system has fully pivoted already to social influencer, lots of retail media. There were lots of questions in my session. Retail media are great. This is not a bribe of customer, but allows you to advertise closer to the point of purchase. And we have a full store marketing system.

We did a lot of work. The business is not profitable enough. We do 16% EBITDA, we strive to do 20% EBITDA. We embarked on overheads and supply chain transformation program. I probably get some more questions. It is delivery, delivering, and we are on our journey to unlock our margin. Really important and then I hand over, the biggest change versus Unilever is at the cultural and organizational level. I organized the business in 24 P&L units and all these P&L units get paid on the performance of their unit. So, Germany gets paid on gross, EBITDA, cash and market share in only Germany.

For senior managers like myself, we created the system that when you invest your own money in the company, you get for every share you buy, you get five options. For me and my senior management, when we want to make money, we need to get the share price up. As simple as that. Then we get paid. But the real money is in the share price.

What is our outlook? We believe we can grow this business 3% to 5% a year and improve profitability to 40 bps to 60 bps a year. We also believe that we can do this year. So, we're on our path of the CMD. What we said in October, what is it, almost a year ago, still holds. We had a hiccup with the chocolate cost, where we had a negative impact of 350 to 400 bps. We dealt with that. It will flow back into the P&L. And it just showed for us because we made EBIT go up despite this chocolate effect but the margins did not improve as quickly as we wanted. Underlying is there and it is now slowly coming out.

Closing it off, ice cream is large, it's a resilient category, lots of runway on growth. We're a clear global brand leader. I actually think that GenAI search and GLP-1 will shape the food industry, but we're in a good place. We can pivot to move where the puck is moving. We have a very simple model of creating demand, converting demand and getting to compounding returns. And we have now shown that 9 out of 10 periods we gain share. And our gross is nicely balanced between volume and value.

This is the Magnum Ice Cream Company. Warren, over to you.

Warren Ackerman: Great piece. I'm just digesting your slides. So, I guess maybe to start with, it's nine months since you've been an independent company.

Peter ter Kulve: Totally independent, yep.

Warren Ackerman: Can you, unfair question, kind of score yourself, like what have you learned in that nine month period? What's going well, what is going less well? If you had to mark yourself out of 10, what would you say?

Peter ter Kulve: Seven. Why a seven? I think what works well is competitiveness. We put a really good team together, including a very serious board with people like Josh Frank and Jean-Francois van Boxmeer, who was running Heineken. So, good team, strategy is working, especially the supply chain unlocks are coming through. The distribution steps are coming through. I would have liked to have more margin coming earlier. Our margins last year were a little bit of a disappointment. I also did not get my full pay because of that. It was chocolate but still it was not there. And I would have liked to see portfolio transformation going faster than it's going. It's going, but it's not going fast enough.

So, when I look at execution, when I go to a factory, there's always stuff which is not good. When I go into a store, I mostly cry because the shelf is not what it should be. So, we're on the journey. It's going well, but it can still go a lot better.

Warren Ackerman: In terms of the top line growth, because I guess that's where there have been questions. You said the market is growing 5%, which is the top end of the 3% to 5%. You've had a couple of decent quarters. Some of them might argue it's low hanging fruit and weather and heat wave. How much of the growth would you say is those factors versus how much actually is real kind of execution benefits? Because I guess coming into the third quarter, that's actually, you've always said it, it's actually the toughest comp on a two-year view. How would you kind of like separate out those factors versus the real underlying?

Peter ter Kulve: Yeah, the first is weather, because I always -- because we all have a proximity bias. When you now live in London, you think that London has become the new Saint-Tropez. Because it's -- and our GM in the UK believes he can walk on water and he is sort of the third coming of Christ. But that is the UK. When you look at global weather this year, actually China was very bad, especially in May and June. Turkey and Greece started very badly. UK was -- US was normal. Northern Europe was phenomenal. I think by the end of the year when you look at global weather it is the same with a little bit, maybe a little bit better.

So, we believe that most of it is execution because we gained market share in Europe, in the US and that is ultimately -- can you execute well? Do you get the stuff on shelf? Can you deliver during any heat wave? Do the factories run well? Is operational effectiveness in the factories improving? Is the waste levels going down? And of all these scores we're not perfect but it is moving in the right direction. So, what I would say, yeah, in Northern Europe there's a lot of work. We have two years of double-digit growth in the UK and at a certain moment we will probably have a flat year or a declining year. I hope for the UK that it stays like the Saint-Tropez but you know it's not very likely. But overall, execution is the biggest impact.

Warren Ackerman: And in terms of market share, Peter, obviously when ice cream was part of Unilever, had a quite consistent track record of losing share, we've seen the share turning around. Where are we in terms of market share? What percentage of portfolio is winning share? And are there any particular geographies or brands which are kind of hot spots? for you to focus on.

Peter ter Kulve: Yeah, they're luckily always hot spots to focus on, otherwise it would be boring. We gained share 9 out of 10 periods, so, that's sort of nice for the team. We have gained share in every geography, [bar], Brazil, and Italy. Italy is now coming back, Brazil is not coming back.

Last year we had a share walkover, we gained 70%, 80% share. I was scared shitless when the board said, you know, 50 bps gain is a good target for this year. We said, no, 10 bps is much better. I think we will end up between the

10 or 20 bps. The beginning of the year, we got Froneri, which is a private equity-owned competitor. They had some gains in the UK and Germany. We sort of corrected that.

Last period, we had some pressure versus Haagen-Dazs in the US. We are correcting that. So, it's a battle, but overall, we're still in share gain. But it's consumer goods, so you have to fight for your money and we are very lucky that we have a very good competitor. It's quite a concentrated market. I can't say it's holistic because that's not a good word I've understood from the lawyers. So, there tend to be two competitors in most markets and we battle it out. It's fierce, it keeps us sharp and it drives the industry.

Warren Ackerman: And in terms of margin, Peter, clearly you just mentioned that you're not quite as happy with where the margins are.

Peter ter Kulve: No.

Warren Ackerman: There's quite a lot of moving pieces around India consolidation, TSA facing cocoa input cost versus pricing. You've still got quite a bit to do in the second-half to get to the zero to 20. How confident do you feel about that and what are the kind of moving pieces around it? What kind of contribution do you need from each of the pieces to kind of hit the 0 to 20? And then once you get past the 0 to 20, do we go then back to algo, which is --

Peter ter Kulve: We need to go back to algo because we need to get the EBITDA above 20. So, that is clear because ultimately we're all incentivized to get the share price up. And we believe the best way to do that is get EBITDA above 20, have ROIC above 20, where we came from sort of 23, and grow competitively and then we hope good stuff will happen and the world will decide whether they believe in it. But that needs to happen.

Last year, the first year we had a good start on profitability. Last year with the chocolate hit, we had a bad year, we were sort of flattish. We need to compensate that. I think the beginning of this year was still tough, combination of TSA, India coming in, chocolate still hatched on last year prices. That is all ramping up. So, that will drive H2 profitability and we feel sort of comfortable that we hit what we have promised you that we would deliver underlying 40 to 60 bps and that should continue into next year where we basically need to accelerate that trend.

Warren Ackerman: And in 2027, is it clean then, or do you still have some residual TSA? It kind of rolls off in 2028, so 2027 is --

Peter ter Kulve: 2027 is not clean yet, but we still have TSA. So, we have double running. What's a TSA? It's a difficult word for double running cost. We're building up our own back offices, IT systems, but we are still running it on Unilever's back offices and IT systems and we pay for both. So, it's of course not a good place to be in. So, we try to run as quickly off the Unilever systems which should be finished by the end of next year. It's an unbelievable effort and a big piece of work. And then we're a clean company and for example our back offices and overheads will go down below the level we had as a unit of Unilever.

Warren Ackerman: And in terms of the US, Peter, I mean you talked about the big shift from bulk tubs towards premium handheld formats. It's a big kind of shift. How much of the ice cream market in the US is bulk versus kind of premium? And it sounds like you think that trend has got legs. If it does, how does that then play into brands like Klondike and Good Humor-Breyers, which are maybe arguably a bit more on the kind of bulk side? How do you kind of manage that shift while still growing those kind of legacy American brands?

Peter ter Kulve: Yeah, America has a very interesting ice cream market. And for all of you, when was the period that America really got the boost? That was when alcohol was banned? When alcohol was banned, people started to massively consume ice cream. But Americans have an interesting ice cream behavior because when your mother in Germany bakes a cake and you get a warm piece of cake, they put [Sana], cream on top, but the Americans would put ice cream, vanilla ice cream, on top of everything. That segment of the market is disappearing very rapidly, or disappearing. Big tubs go down 2% a year. But what's happening, people move to handheld ice creams, or the bar sticks, cones, pints, and that segment of the market is growing very fast. It's growing between 5% and 10% a year.

Pints grow 6% a year. And this is both highly indulgent pints like Ben & Jerry or Haagen-Dazs or Jenis or Van Leeuwen. But also for example, Yasso pints, which by now are as large as Jeni's pints in the first year. So, handheld is growing fast. Why is that happening? Because people like, A, the convenience, you don't have to have a big tub in your fridge, you don't have to scoop it out. B, it offers portion and calorie control and, C, all we and the rest of the industry makes better products, more natural, better ingredients, more healthy, more protein, hydration and all this stuff. And that's why this somehow is a fast growing segment in the snacking market. Not only eating from pints, but also eating from potato chips, chocolates, sugary drinks.

So, it is a space with real momentum. Our business was more skewed towards handheld, so, we were lucky in a way that we were overweighted there and to be honest it is much more difficult to add value to vanilla ice cream in a big tub than to handheld ice cream which you can have all kinds of tricks to make it more interesting.

Warren Ackerman: Shifting gears, India, you've been quite outspoken in saying it's only a matter of time --

Peter ter Kulve: Absolutely.

Warren Ackerman: Before India becomes the world's biggest ice cream market. I think per capita is about half a liter versus six liters in Turkey and you are making big investments in India in terms of cabinets, in terms of the quality of the product actually selling ice cream rather than dairy fats. So, I guess the question is, what size are we talking about? How quickly does it get there? How much investment do you need to get there? And do you become more loss-making as you put the investment in before you get a return?

Peter ter Kulve: What I explained to my board, we have a fantastic strategy that will increase our losses. So, what did we do? We moved everything. We are not selling ice cream in India, and in India dairy is actually really important culturally, and we moved from vegetable fat to dairy ice cream. Our pricing was not aligned with popular snack point pricing in India. We reduced prices by 30%. We basically moved to a closed distribution system and placed 70,000 cabinets a year and set up distributors, replaced every single person in the business apart from the factory workers. Everybody replaced over a period of half a year and started to make bigger losses.

So, that is the joke. So, why do we feel very comfortable with that? Because growth rates have massively stepped up. Per capita consumption is very low. It will go to 5 liters ahead and then the Indian ice cream market is larger than the American ice cream market. What do we do to get out of the losses? We basically had to decentralize our manufacturing. We were manufacturing everything outside Mumbai and we are building five factories all around India. Then our lower logistic cost, manufacturing cost will bring margins back in the business combined with very successful premium brands like Magnum and Cornetto and increased volume will turn this business into a profitable business like our Pakistan business because our Pakistan business is slightly smaller than the current Indian business and is profitable on the same Turkish business system that we're now installing into India.

It's a big bet. When it works, we'll have a lot of fun with it for many years and we believe that India can become 1% of our global growth in volume relatively quickly. We have months that we have volume growth of 40% now in India. So, it started with a lot of popsicle. And I sold ice cream for $0.05 to $0.10. The original Popsicle, when it was launched in San Francisco, cost $0.05. It was launched during the Depression. And ice cream is an affordable luxury. And I have an investor in the business. He's very rich. I won't mention him by name. He comes out of Brooklyn. He's obsessed about the Fudgesicle. He can afford everything on his yacht, but I need to supply him Fudgesicles because that is the ice cream he really, really likes.

Warren Ackerman: Sounds good. [Inaudible] know him. So, the other big geography in the rest of the world is Turkey, or Turkiye, I should say. I was there with you a year ago. I saw the business with my own eyes. I saw 80% market shares and I saw very high margins and big out of home business. But regulation is changing, you have to open up the freezers to competition, 30% of the freezers. Is there a risk when I look at say rest of world margins that you've got super normal margins in Turkey that could come down because you're moving from effectively a monopoly before you kind of get the margins moving up in India so that you actually see the overall rest of world margin kind of compressing? Could that be an air pocket?

Peter ter Kulve: Well, you know what happened in Turkey? We had -- four years ago we had 82% market share and we got an antitrust sort of investigation and we had to open our cabinets which is basically in everywhere in the world you need to open cabinets and make sure you have contractors that don't foreclose competition. It's actually very normal. We did that in Turkey but market share went up. And there was political pressure on the antitrust authorities in Turkey, which are very, very good. So, these are very decent people, very professional and they reopened the investigation and they said as an interim measure, in the smaller stores, when there is only one cabinet, you need to open 30% of your space, which is sort of a little bit insane because you have to tell retailers, sorry, you're not allowed to sell our products in 30% of the cabinets and it's not our problem that there is no alternative.

We implemented that. It cost quite a lot of volume and turnover in Q2. That's why we didn't have a lot of volume growth in Q2 in that part of the world. What have we done? We have increased the size of our cabinets in these outlets. We have made a massive drive in hard discounters and in scooping. The Turks are back, ahead of their original targets for the year and profitability and the whole works. So, we can deal with it, but in general, when you have -- and our market share is increasing, which is sort of problematic. But we need to deal with it and it is logic that authorities look when you have very high market shares that you don't misuse it, but at the moment we deal with it and I wish this was my problem in more parts of the world would be a good problem to have.

Warren Ackerman: And there's two other geographies I want to touch on, Peter. China, I think just back from China. I'd love to hear your observations. And in Brazil you said things are not improving. What needs to happen for that to change?

Peter ter Kulve: Yes. Okay, so, it's very good. I actually did something which I wanted to do for a long time. I lived and worked for a month in China. My wife joined me for two weeks, which was very nice. And I traveled not -- because normally I go three days to Shanghai and maybe one day Beijing, but very short. And now I was a month and I went to smaller towns, Tier 3, Tier 4 towns. I went to the West. I went to Chengdu, Chongqing. And actually China is super in flux. It is sophisticated, you can't believe it. When you come from Amsterdam you feel like a country pumpkin when you go to Chinese towns. They're clean, they're electrified, they're infested, real estate works. And actually the growth in our industry is in lower tier cities, mainly. Growth in top tier cities is lower than in the lower tier cities.

Our business is mainly in top tier cities. So, that was one, and how do we pivot and go deeper regionally and how do we organize for that? And the second thing is, which only happens in China, a couple of years ago, all of us in consumer good channel, the best channel were the convenience stores because limited assortments, good locations, well presented, the convenience stores have collapsed over a period of two years. But it is literally collapsed and a new channel has developed and it's the snack store. And this is a store where they sell 12,000 snacking products in a space of 200 square meters. There are chains -- I met with two owners who open like 400 stores a month.

I met one chain owner who had 20,000 stores, another guy who had 12,000 stores, and they moved to Tier 3, Tier 4 cities, and they moved to the west of China. And as it's going so fast, my business, and I don't know how the others do it, we were moving too slow with this channel because it's actually a massive opportunity because they basically managed the logistics for us going deeper.

There's one downside, these are also, they are like -- a little bit like they want very aggressive pricing. So, you cannot sell your same products you're selling convenience in that channel, otherwise you get price conflicts versus channel. So, what we needed to do, make versions of our brands at lower price points, slightly higher margin points, to fit in that channel and ride the wave to four or five cities and to the west of China. It happened at a speed which is insane.

I also met with the founder of Luckin Coffee who is literally opening 50 stores a day. And they developed the infrastructure, very agentic business models to do that. When you haven't been in China recently, go to China because China is on the move. And I know they have all kinds of problems and life is not perfect. When you're Uyghur, life is not perfect, you know, but China is on the move. And we need to pivot at China's speed to profit from the opportunity.

Warren Ackerman: Is Brazil on the move?

Peter ter Kulve: Yes, Brazil is on the move. We have a good team now. Execution is better. We're now growing, but we're not growing enough. We also have a pricing problem. Over the last 10 years we have priced up, but we didn't stick to price points. And when I look at Mondelez and I look at Pepsi, they stuck to real price points and we price, price, price. Not all competition priced. So, I'm of populous price points and I need to bring it back, in many ways the same as I did in India.

Warren Ackerman: Yes. I want to ask you about innovation. You mentioned at the beginning 40%, but you obviously paid to take views in the next five years about where consumers are going. Seems like your bets are on things like hydration, health, globalizing brands, you know, taking [inaudible] Asia, Yasso. So, maybe can you just sort of, what are your top three bets?

Peter ter Kulve: Yes. I think that's the interesting part of my job. You know, what do you do as a CEO? You need to recruit good people and make sure that they stay with you. Then secondly you need to build an execution culture because with crappy execution you get crappy outcomes.

But the more interesting part is you need to sort -- and it's not linear, you need to think through where consumers, customers, channels and technology will be five years out. I believe that GLP-1 and agentic search and shopping will drive food consumption over the coming five, ten years. You see it already happening in certain markets like India, like China, like in the US.

It will be everywhere and what do people want? People still want uplifting, delicious snacks that give you the emotional uplift and the instant reward. But people don't want to lose calories anymore. People want calories that work and I need to create a portfolio that is calorie efficient and we're lucky, because ice cream is there, but also has positive nutrition, to say, okay, I take this, it's an indulgence, but I also get my protein, I also get my hydration, I get my energy. And I think just like it has driven drinks and snacking, wellness will drive ice cream and we are naturally well positioned because we are naturally locale and we naturally have a natural conservation method. But I need to pivot the portfolio. It's fun, exciting and it seems to be working, Warren.

Warren Ackerman: Final question, Peter. Capital allocation, M&A, obviously you've been focusing on the kind of turnaround, but as you move beyond that, how do you sort of see the landscape in ice cream. It seems like there's two big players, lots of small players. Is there any technologies, any kind of areas that you are missing, I guess?

Peter ter Kulve: For now, I've been basically building up a team, building an execution culture, getting our tech stack to work. That's also where all the capital goes. So, there was not a lot of money yet to do acquisitions. What I have done over the last two years, I've built relationships with all the owners of geographic potential fill-ins. I built relationships with cool brands that could maybe fit in the portfolio.

Because generally, when you want to buy a company and nobody wants to sell, you actually don't want to buy because you pay too much. But what you get in a lot of this Asian business, which when you talk geographic fill-ins in Saudi or Vietnam, often when there's a generational shift, they had to think through, do we stay in this industry or do we want to be -- open a hedge fund or do we want to be in PE as a family?

So, these are the moments, but you need to build a relationship. Same with the cool brands in the States. You know, these founders, you know, do I do the next $100 million myself or is this a good moment to check out? And yeah, in our capital allocation, as soon as our cash flow is back to a billion plus, sort of half of it will go to dividends and half of them is there for investments and M&A is one of the places it could flow to.

Warren Ackerman: Peter, it's been fascinating. [We're on the buzz], but it's not over. We have a breakout session, I think. So, please do join us in the breakout and Peter will have another 10 to 15 minutes.

Peter ter Kulve: My pleasure.

Warren Ackerman: Thank you. Thank you, everybody.

Peter ter Kulve: Thank you.