

BNP Paribas CEO Conference 2026**Paris, 1:30pm, Wednesday 3rd June 2026****Fernando Fernandez Chief Executive Officer, Unilever****Jeff Stent Head of European Consumer Staples Equity
Research, BNP Paribas****JEFF STENT**

Okay. Thank you everyone for coming along this afternoon. I'm delighted to have Fernando Fernandez, who is the CEO of Unilever and a company where I guess quite a lot has been happening over the last few years. And it'll be the usual format. So, there'll be about 25 minutes or so of fireside chat between myself and Fernando. We'll then open up to questions from the audience. And you can pose questions via the app, and in theory, those will come through here. And the theory has been working. And we'll also put a mic around the room. So, with that, shall we start?

McCormick. I'm going to be punchy here. You know, McCormick over the last year or so, the shares have been relatively underwhelming. What makes them a better owner of your food business than you were?

FERNANDO FERNANDEZ

Well, the shares of the American food sector have been under pressure. But McCormick has been a clear outperformer in the food sector for a long period of time. And Unilever Foods has been a outperforming global foods for a significant period of time. But, you know, we have seen McCormick

always as a perfect complement for our food business. Of course, we have taken the decision with the Board of really making a real HPC pure play. We saw that as our future. Probably, the McCormick transaction came in earlier than we were expecting. But you know, there is nothing like a perfect deal at the perfect time. You know, sometimes you have to decide and move on. We see McCormick as a very complementary company. So, it's very difficult to make a merger or combination of businesses in which there are significant adjacencies that lead to significant revenue growth and cost synergies, and very limited overlap that gives you deal certainty because of the lack of antitrust issues. And this is exactly the case, you know. So, McCormick and Unilever are very complementary. A lot of adjacencies: Unilever mayonnaise with McCormick hot sauces and mustard; Unilever stock cubes with McCormick herbs and spices. But we have very, very limited overlap in categories. Our businesses are very complementary, also both in the retail side and in the food service side. You know, McCormick food service tends to be very strong in North America and top of the table front of house, Unilever is really strong international and in back of house. So, huge complementarity. So, we believe this gives the potential of building a large \$20 billion food company, very, very focused in flavour. In, one of the few verticals of foods in which GLP-1 is a tailwind and not a headwind. Because when you consume more proteins, you have the flavour them. You know? And, in one of the few verticals in which private label exposure in foods is very limited. So, I believe we are giving birth to what will be one of the greatest food companies in the world, you know. I was not prepared to give our

shareholders exposure to a poor portfolio of quality when really separating Foods. But you know, I feel what we are giving Unilever shareholders now is, first of all, we are not increasing their exposure to foods. They used to own about 100% of a \$12 billion business. Now they own 65% of a \$20 billion business. We are improving the quality of their exposure to foods, because we are giving them now a company that really lives completely in the flavour space. And we are giving them optionality, because when they were shareholders of Unilever, they were forced to own foods. Now they have the option of owning or not owning foods. You know, so I believe that we are really creating significant value. We know, and we are very conscious that we have brought uncertainty because you know, we have signed the deal in March, and it will take probably one year of fifteen months to close the deal. And when you increase uncertainty you increase risk and you require higher returns, you know. So, there is an element of uncertainty about this year. But overall, I believe in the long term, we achieved two big things: one is create a great foods company in which Unilever and its shareholders will own sixty five percent ; and make Unilever an HPC pure play with a business is already very, very strong. In the last three years, 5% top line growth, 2.5% volume growth, two hundred and ninety basis points of gross margin expansion, one hundred and seventy basis points of operating margin expansion. How many companies in the staples sector have done this? I think we are in good shape.

JEFF STENT

Thank you. On McCormick – don't worry we will move away from McCormick soon - one thing that really surprised me was that the business is guiding to a 3%-5% organic growth rate. Because when I went to look at my spreadsheet, and when I looked at what the business grew last year, it was 2%, and I looked at Q1, it was 2%. So, how can we bridge to this kind of higher growth rate that's expected over the midterm?

FERNANDO FERNANDEZ

Well, the combined business of McCormick and Unilever Foods has delivered in the last three years, 2.4% percent growth. You know, but we really believe that there is potential, as I mentioned before let's look at food service. Food service is a unit economics business. You know. So, when you increase the critical mass of your offering, you are fundamentally able to open more doors. You know, and we are fundamentally doubling potentially doubling the foods service business. I have been going to my Chinese company, for example, for many years. And when we were talking with our food service people, the common phrase was, "If we would have the portfolio of McCormick..." You know? Because imagine the vast wide portfolio of spices of McCormick in the infrastructure of international food service of Unilever. Imagine the leverage that today, the new McCormick will have will retailers when you have the portfolio that you have that crosses from herbs and spices, from stock cubes, to mustard, to mayonnaise to hot sauces. So, I believe that there is significant leverage here in the new portfolio. And I believe the possibility of growing three to five percent a year is in reach. You know, it will happen in one year,

probably not, but I believe that the new McCormick entity will be probably one of the companies with the most appealing growth potential in the food sector.

JEFF STENT

Thank you. One thing that I am conscious of about this is, you know, it's very easy as a sell side analyst, we sit there sell that buy this. You know, it's very easy in an Excel spreadsheet. The real-world reality of it is very, very complex. You know, getting out of Ice Cream was incredibly complex. You know, doing that globally, we've still got shared services being provided to The Magnum Ice Cream Company, now you are going to be getting out of Food, carving that out. There'll be shared services getting provided to food as well. Are you comfortable with the sheer complexity, the amount of change we have here? Are you worried some of the wheels may start to wobble? And how are you sort of thinking about that?

FERNANDO FERNANDEZ

Well, I think you are raising one of the key questions that investors are raising with us, "Fernando, will this separation of Foods disrupt what has been a very good performance". The truth is that we have been able to separate Ice Cream and at the same time, accelerate our top line and accelerate our bottom line. Separating businesses is not easy, but it's probably less complex than many people think. And of course, you know, I was not going to lose the opportunity of preparing the company for a separation of Foods when I was separating Ice Cream. You know so some

of the heavy lifting has been done. Um, you know I think it's important, you know and, you know this Jeff, but Unilever operates today in the top twenty four markets with sixty three different sales forces. Eighty percent of our Food business runs with a completely commercial standalone organisation. So, in the market, one to twenty-four of Unilever, Foods operate as a single entity. You know, so that basically made that separation relatively easy. There is the rest of twenty percent of, Foods that operate in what we call One Unilever. So, smaller markets in which there was no real critical mass to separate Foods from the rest of the business. And in these markets, of course, there will be TSAs in place in which we will have to provide to McCormick to ensure the continuity of the business, and then McCormick will have to decide how to operate these businesses. We are confident that we will replicate what we have done in the case of Ice Cream separating the business and at the same time continue delivering top line and the bottom line of Unilever. I feel one of the secrets of this success in the management of Unilever during the separation of Ice Cream was that we really attacked our cost base before the stranded costs hit the P&L. So, I feel this is what we would do now. It was a lot of effort at that time, but I believe the culture in Unilever has changed a lot. And honestly, I probably would not have spent a lot of my personal time on to this because I really am very confident now that the cost discipline in the company, the mindset of performance in Unilever is very different to the one we have two or three years ago.

JEFF STENT

Thank you. Maybe sort of moving on from Foods, you know, and looking towards the future. The new Unilever. Does the exit of Foods do anything to change remaining company? You know, should the remaining company be a faster growth business with Foods gone? Is there anything it will be able to do that it wasn't able to do with Foods there?

FERNANDO FERNANDEZ

I think something that has gone a bit unnoticed is that we are separating 21% of our revenue, but we are 33% of the category-geography cells of Unilever. I will run a company with two thirds the geographic category cells I was running before, and this is a serious simplification when it comes to allocation of resources, allocation of talent. So, our operations as a whole in the new HPC become easier. And also, when you run foods and you run HPC, you can do very different things. Foods is a low innovation cycle category; HPC is a high innovation cycle. HPC the foundations of HPC are common. The science behind a shampoo, a beauty product, a body care product, you know, and a laundry product is all around surfactant science. You know. When you have a common R&D and you go with the common scientific base, you have a common manufacturing base. And the challenge of distribution HPC is very clear: an omni-channel distribution model in which e-commerce is playing significantly higher role with time, and it's also a marketing which structural premiumisation is very clear. So, there are many patterns in HPC that are common and in Foods it's very

different. So, the overall management of the company is simpler. I believe it will help us to allocate resources. And let me be really transparent, you know, I believe McCormick is a better home for our Foods business than Unilever was. First of all, because it's very obvious, that McCormick and Unilever Foods has more synergies than Unilever Foods and Unilever HPC, And I believe that you know, the remaining HPC company will be simpler to manage. And you know, in the past when there was an additional penny to invest, the decision was between Dove and Knorr. And you know we tended to go into a Dove side. And I feel now, you know, this will be, you know, the allocation of resources into our best brands will be very, very clear.

JEFF STENT

I'd like to talk about emerging markets because, with Foods gone, over sixty percent of the business will be in emerging markets. I was looking back at my spreadsheet again, which was back quite a long way, because I have been doing this for some time. Over the last thirty-five years, Unilever's growth in EM has averaged 8%. How would you think about the future? Because one thing I am very cognisant of is that historically, physical distribution was really important for Unilever. But now, with the growth of e-commerce, quick commerce, and modern trade, this structure in EMs is changing rapidly. Do you still think that's a reasonable growth ambition for your EM business? And do you believe that Unilever can hold share in EM? Or do you think some share loss is inevitable?

FERNANDO FERNANDEZ

Let me start with, I like a lot 62% of our revenue in emerging markets. You know, and emerging markets have superior population growth, have much more headroom for wealth expansion, they got space for urbanisation, they got space for formalisation of trade et cetera et cetera. So, it's very difficult to think that developed markets has more growth than emerging markets. So I don't have any doubt that emerging markets will grow faster than developed markets in the long run. Probably eight percent that you talk, you know, has a significant negative currency effect that you have to take into account. It's probably too ambitious. But do I believe that the emerging market has potentially three percent volume growth? Yes. Emerging markets tend to have three to four percent pricing, you know. I think there is an important point when you compare emerging markets today with emerging markets of ten years ago. Today, do you know what is the percentage of global population that lives with double-digit inflation? 6%. These are very different emerging markets to what it used to be. Imagine the current geopolitical tensions, ten years ago, what would have been what would have been the impact of that in the Latin American currencies? All Latin American currencies are appreciating today. You know, of course we are having depreciation in Asia, but that's not a fundamental macroeconomic issue; it's a fundamental oil price shock issue. So, I believe that in the long run, I probably don't see the eight percent top line, but I don't see the negative currency effect that I have seen in the past. So do I believe that emerging markets are a mid-to-high-single digit

growth potential. Yes, I believe that. We have an excellent exposure to emerging markets, and we have an extraordinary exposure to what will be probably the only exponential growth story of the next decade that is India. In India we have you know 47% share in laundry. We have 76% share in for fabric conditioners. We have 60% share in dishwash. We have 55% share in hair. We have 33% share in sun care. We have 45% share in tea. We have 61% sharing functional nutrition. We have an extraordinary position. I mean, give me one good reason why I would lose share in laundry? Why? I have more share, I have higher share in modern trade than in traditional trade. I have higher share in urban India than in rural India. I have more share in premium segments and in value segments. The trends are playing in our favour. There are very few categories, particularly in beauty, which there will be more fragmentation, emergence of e-commerce will play a role, yes of course. But I was recently in Lucknow, it's a very important city in Uttar Pradesh, in the centre of India. The GDP is growing twelve percent there. The most aspirational brand in that segment, in that place is called Dove. So, there is growth for everyone in India and there will not be any company that will get the benefit of explosion of consumption in India, like Unilever will have.

JEFF STENT

Very clear, thank you. The US is alongside India, is your other high priority market? Yeah, you know, if you think about the US population growth is no longer what it was. There's increasing income inequality. It's a market that's become much more challenging for many people. So again, if we take that

mid-to-long term perspective, how do you think about Unilever's opportunity in the US?

FERNANDO FERNANDEZ

Well, I think population growth is a very important factor of the growth algorithm in emerging markets. But it's a much less important factor in developed markets. You know, I believe in developed markets you know premiumisation is much more important. And I feel in the US, we have delivered 4% volume growth in the US in the last three years. Recently the top two physical retailers of the US have given Unilever the supplier of the year awards in the consumer category. So, there is something going on in our business in the US that is really working very well when you have the two key players there awarding us the best supplier of the year. And I believe what is going on is that we have really transformed fundamentally our category and our segment footprint and our portfolio today is very strong. We grew 9% in Walmart last year, we grew 17% in Amazon last year. We have a brand like Dove that is a powerhouse in the US. So, we delivered 4% volume growth in the last 3 years in the US. Do I see 4% volume growth forever in the US? Probably not. But do I believe that Unilever has built a portfolio with a category segment footprint that can deliver 3 % volume growth consistently? I believe so. Could be one quarter with less, could be one quarter with more, but I see this kind of 3% volume growth as a reasonable ambition for me in the US in an economy that has become K-shaped, and we are predominantly exposed to the higher side of the K.

JEFF STENT

Thank you. Maybe turning to inflation. During the last inflationary cycle, it was quite sharp initial margin compression in Unilever HPC, and then it quickly recovered over the subsequent two years. I appreciate that this cycle is different, but would you expect a similar shape of development? I.e. we could see some margin downside and then recovery, or how are you thinking about this inflationary cycle?

FERNANDO FERNANDEZ

It's a different inflationary cycle because I feel the last inflationary cycle was widespread, with a significant depreciation of currencies across the world, in emerging markets. I think, in this case, you have a situation which the inflation is very concentrated in petrochemical utilities. That affects fundamentally our home care business. So, 50% of the inflation that we are having in our business this year, for example, is concentrated in Home Care and over 70% of our Home Care business is in emerging markets. Emerging markets give you some degrees of freedom on pricing that developed markets doesn't have because fundamentally you have more frequency of price increases. In US you have one to two windows of price increases per year. In Europe if you are lucky, you have one. You know in emerging markets, you can go for sequential small price increases that allow you to compensate the cost. So, I feel it's a bit of a different cycle of inflation to the one in the past. We will have inflation of around nine hundred million euros this year. This is around three hundred and fifty to five hundred million euros more than we were expecting at the beginning of the year. But I

believe it is a manageable number. Of course, we have taken measures to ensure that we contain the cost in the company in the different lines of the P&L. So, I believe it's managed well, and I believe that it will be another year in which we will deliver earnings growth in hard currency which we have been consistently delivering in the past few years.

JEFF STENT

So, there's we should expect margins to continue to progress?

FERNANDO FERNANDEZ

I think I think we are in good shape and we have a good track record now of margin expansion. I look at the gross margin fundamentally, and you know, there are five fundamental levers for the gross margin expansion. I feel the most important for me is the strength of our brand equity. We have sixty percent of our revenue now growing brand equities. When you grow brand equities, your brands have more pricing power. You know, your relative pricing can improve over time. The second is we are growing 2.5% volume in the last few years. And remember that the new Unilever will be a 48% gross margin, you add back logistics costs and it's 54%. Our next unit of volume, the marginal contribution is 60%-65%. So, you have 2.5% volume growth, you don't have usually many issues in margin. And then, of course, we have done a lot of interventions in some of the value chains or key materials. And, we are allocating now 55% of our capex to margin expansion initiatives. We are allocating close to 1.6%-1.7% of our revenue to margin expansion initiatives. These kinds of activities tend to have a three-

to-four-year payback period that gives you twenty-to-thirty basis points of margin expansion and gross margin leverage. So, I think we have a good plan. Of course, you know volatility sometimes can generate some shaking, but hey, I believe we are in good shape.

JEFF STENT

The industry in aggregate in Q1 had relatively buoyant volumes, but it's fair to say the investor community was a little bit sceptical. You know, thinking about the phasing of festivals, thinking about maybe stocking up ahead of price increases, et cetera. Do you think investors were right to be sceptical, or have you seen anything that would suggest that Q1 for the industry was a function of temporary phasing impacts?

FERNANDO FERNANDEZ

I cannot comment on other companies, you know. What I can tell you is there has not been fundamental one-offs in our case. You know, we are operating, particularly in emerging markets, at the lowest level of stock in history that we have had. You know, our efficiencies are very clear. When we read market data, we read a market volume growth at a global level of around 1%, something like that. And we are very clearly gaining volume share and allows us to be at 2%. So, the market has been a bit softer than what has been one year ago when it comes to volume growth, that's obvious. But you know, I don't see any fundamental Q1 factor that has affected Unilever. So, we expect another good quarter in Q2. I cannot say more than that. But you know, there is no factor in Unilever that has been

pushing our volumes in Q1 in an artificial way. I know that some companies have been talking about buy-in and all that stuff. Honestly, I've not seen anything of that in our numbers.

JEFF STENT

I'd like to talk about a subject matter that's quite close to both of our hearts, and that is the World Cup. Now, I suspect your chances as an Argentinian are rather better than my chances as a Scotsman. Nonetheless, I remain optimistic.

FERNANDO FERNANDEZ

Are you talking about the first round or are you talking about the whole competition?

JEFF STENT

I am talking about beating Haiti. But anyway. The World Cup's going to be the biggest activation that Unilever has ever done across the business. I've never seen Unilever do anything on this scale. Can, you just talk about that and the sorts of things you are doing and how big it could be for the business? And also, crucially, why it's not just a sort of pea of one event and there could be some sort of follow on.

FERNANDO FERNANDEZ

The reason why we are putting a lot of emphasis in events, marketing and particularly in sport marketing is because in a context of media

fragmentation, we see that the return on investment in events marketing are higher than they were in the past. Exactly the same applies for example to investment in physical presence in store. You know, so I feel the media has fragmented so much that when you have events like this, it gives you an opportunity to build awareness at scale. And events like the FIFA World Cup, you know, it's an excellent excuse to what we call "flood the feeds." You know, just going to the Instagram and TikTok and Reels of every single person. And, we are doing that in a category that historically has not been doing that like personal care and beauty. And I admire what some companies, you know, like Coke or some of the beer companies do. And I believe they become an excellent work in this space. But I believe that what is very interesting in the case of Unilever, is that categories like deodorants, for example, are relatively low frequency categories, you know? People buy three, four, five times a year. So, this gives us a serious excuse to really concentrate activities. And capture a significant part of the consumer spending in the year. And we have now, I believe, much better products than we had three years before. We have products that are more scientific, more science inside, better clinical proof, they have excellent packaging and excellent sensorials. Our repeat rates tend to be high. So, when you have an opportunity of capturing additional trial, you know, it gives us a good opportunity. So, we are very excited about it. It's the first time we do something like this, so results will tell if we were right or not. But in principle, I feel the theoretical framework that we are applying to this activity is solid. We are very excited and it's a global activity. Of course, We're doing this, of course, in the US; it's a very important market, but

African markets are crazy about the World Cup, you know? So, we are doing this at scale there, you know? Argentina. It has more supporters in Bangladesh than in Argentina. You know, so Brazil the same. So, there are countries like Brazil, Bangladesh, Pakistan that are important markets for Unilever in which this is a big event, you know? So, I feel this gives us the opportunity to do an activation at a global scale using digital marketing at scale and I think we are getting much better at that. And. So we are very, very excited about the impact that this will have on the equities of our brands. And the residual effect in the long run.

JEFF STENT

And finally, I'd like to ask you about AI. Now, every meeting I've sat in there has been questions on AI, so I don't want to sort of repeat ground that's probably been discussed quite a lot. But I'd like to ask you what is when you reflect on it from a Unilever perspective, what do you think is the one area you really need to get right? And what's the one thing that scares you?

FERNANDO FERNANDEZ

Well, I'm obsessed with the impact of AI in demand generation. The message I'm landing in the company all the time is, AI for productivity in the company - of course it will happen, but this will be table stakes. You know, every company will do it. And if I'm six months late on that, that's not a big deal. But where we cannot be late is being at the forefront of AI when it comes to strengthening our demand creation activities. And we are doing a lot, I feel like I can separate things in several buckets, you know. First of all,

AI is helping us to really reduce the innovation cycle times. You know, if you were going to a Unilever R&D facility five years ago, 80% of the activity was physical, was people putting stuff in bottles et cetera. Today, 80% of the activity is digital. We have 15,000 active patents, you know, and we have more than 25 million data points of lab data plus consumer data. And we can now interact them in seconds and get 10,000 different scenarios. So, this really accelerating the innovation cycle. This the reason why for example we have invested in in-house fragrance facilities because today there is a digital approach to fragrance development that is really improving our sensorials. Very, very strongly. AI is dramatically increasing the amount of content we can put in front of the consumer. Two years ago, we had 10,000 content creators working for Unilever. Today we have 300,000. You cannot have 300,000 content creators without the support of AI. You know, so we are really supporting them in the creation of content. And this is very, very important because the lifespan of a video today is four days. After four days you have diminishing returns or negative returns. So, you have to change. And I'm not happy yet where I am because I recently went to China and I saw a company that built an €800 million business in TikTok. They create 700,000 pieces of content a year. So, things are accelerating even more. So, but then the other important point is the impact of LLM in search, proof and conversion. And I personally believe, you know that you know, this will be an important change in the future. Particularly when it comes to proof, you know, and I believe this plays in favour of big companies and big brands because an intermediated AI recommendation of a brand in a category will require a significant presence of body of

evidence: clinical proof, publications, patents, ratings and reviews, influencer recommendations, expert recommendations, etc. This is a big budget game. And I believe this plays in favour of big brands in the future. One investor this week, I was talking with him, they did a big research in China and US, and they have exactly the same view we have, that this really plays in favour of big brands. We are doing a lot in that space. I have now twenty markets, fifty brands in twenty markets. Being tracked on a daily basis in presence in LLM rankings, we are not perfect there, but you know it allows us to really understand what our gaps are. What do we need to do about it? I have now twenty-six brands in the US running sponsored Amazon prompts, you know, on a daily basis in the customer journey. So, we are doing a lot of stuff. I believe we are one of the companies that are embracing data at highest speed, but hey, much more things need to be done, and these things are changing every two weeks. So, probably what I am saying today is depreciated in fifteen days, you know. But I believe that we are moving at pace.

JEFF STENT

So, the great news is we're finished with my questions. There's a few that have come through remotely, and we've got five minutes left, so, let's try and go through some of these questions from the audience here as well. The first one is, did you have any other interested parties for Foods, or was it just McCormick? Was a tax-free spin or a cash sale possible?

FERNANDO FERNANDEZ

We had several options in Foods. You know, we could have disposed the business. We could have disposed the business to private equity. We could have separated and listed like in the case of Ice Cream. In all these cases, the tax bill would have been two times the one that we are having now. But also, there was no clear strategic value for this business, and you know how private equity works. So, I believe that the valuation that we have got in the case of McCormick is very, very strong. But also, as I said before, you know a reverse Morris Trust was the most efficient way of doing it. And in that context, McCormick was by far the best candidate to make it happen. So, it was an inbound proposal. It probably came a bit earlier than we were expecting it. But we like it, and we decided to pull the trigger on this one. And we are very happy that we have done it. I believe there will be a bright future for McCormick as a large standalone, global flavour powerhouse. And there will be a bright future. There is a bright future for our HPC company, and I believe there will be an even brighter future for Unilever HPC.

JEFF STENT

I'm smiling at this one, and against my better judgment, I'm going to ask you it. Why are the analysts not so positive about the stock?

FERNANDO FERNANDEZ

I never blame markets and I never blame analysts. You know, and I feel Unilever has been a very inconsistent performer for many, many years. You

know, and I feel now we are giving the market some reasons to believe because we have now three years in which we have delivered outperformance consistently. Against the staple sector. But it's true that we have brought some uncertainty in the short term. I believe that every quarter that it goes by, and we deliver the numbers that we have been delivering, and we get closer to the closing of a transaction of McCormick, the value of Unilever will be shown. And I have to say, you know, I would like our share price to be higher, but it's a good place to be a top quartile performer with a bottom quartile valuation. I prefer that than to be a bottom quartile performer with the top quartile valuation. So, I see valuation upside in the Unilever. But this is about how well we do our job every single day, and we think that our responsibility is to ensure that every quarter, we deliver what we have to deliver.

JEFF STENT

One more, this is one of my own. On the valuation upside: if it's not realised, would you consider a US primary listing as some corporates have? You know they've got your street with European markets.

FERNANDO FERNANDEZ

The best value company in the sector is a European company, you know they have a primary listing here in France. So, they are highly valued because they are a great company, you know. My obsession now is to be as good as they are, you know? Not about changing the listing. So, it's

completely off the table. So, we are absolutely focused now on making the company better every single quarter.

JEFF STENT

How does quick commerce affect you in India?

FERNANDO FERNANDEZ

Well, it's just a key driver of growth for us now. Quick commerce is around four percent of our sales, but it's growing really fast. We can build a standalone organisation to drive quick commerce now. Last year, we had some issues for customer service in quick commerce because we were not organised to deliver that, but this is really moving in the right direction already. This visit I did to Lucknow, this is anecdotal, I went to visit a consumer in what we call 'rurban' area. So, the intersection of rural and urban. And it was a 24-year-old lady. I was shocked because she said, you know, every morning when I wake up, I open my phone and I look if Blinkit has added my zip code for delivery. This is how things are changing. But we have, as I said before, incredible shares in India, incredible brands. And the more people that can get these brands every single day, the better for us.

JEFF STENT

We're nearly out of time. But Gerard here told me he had a punchy question. So, I'd like to put him on the spot. Can we have a microphone down at the front here please? No pressure Gerard!

GERARD ZAFFRAN

Fernando, thank you very much for taking the question very quickly. Obviously, we started a conversation to exit from Magnum at the end of 2025, exit of Foods at some point in 2027. So, the company is going to be much smaller, about a third smaller. How do you think about this? You and the board firstly maybe in terms of compensation. Does that have any impact on the way the board, yourself are compensated. And how quickly are you going to want to rebuild your original size? You speak about bolt-on, India, the US. What about large deals?

FERNANDO FERNANDEZ

The remaining Unilever will be practically the size of L'Oreal. The remaining Unilever will be two times the size of Colgate, you know. We don't have a scale issue, you know. I'm obsessed. I'm not obsessed with being the larger company. I'm obsessed with being the best company. You know, I always have preferred quality over scale. You know, quality of portfolio over scale of portfolio. I really think it's much better. You know, Church & Dwight is a fabulous company. What is the size of Church & Dwight? You know? So, if the underlying question behind that is, will you do any bigger acquisition to restore your scale? The answer is no. What is the transformational acquisition L'Oreal has done in their history? What is the transformational acquisition Church & Dwight have done in their history? We need to learn from the best. You know, we are learning from the best. We are very committed to our bolt-on acquisition program. In the last five years, we have done fourteen acquisitions. And in an average tenure of three years,

we have multiplied their acquired revenue by two point five times. That's a good deal, you know? So, I'm really happy with the size we have. I'm very happy with the portfolio we have. Unilever has gone into a very long journey to make the portfolio more coherent, more consistent, more global with less drags. I will not pollute the portfolio of Unilever with big transactions. I like some big brands, I like some big brands you know. But, you know, our focus now is to continue developing a portfolio that is great. And continue allocating around two billion euros a year in bolt-on acquisition, with focus in the US because US is the only market that gives you local critical mass and gives you a foundation for international brands. So, we buy digital-native, high exposure to e-commerce brands in Beauty & Wellbeing, in Personal Care, in the US with the potential to travel internationally. To build a new leg of a global portfolio in the premium segment, that is what Unilever has historically missed. The times of Unilever having a good idea about buying soap in Angola or buying detergent in Colombia or buying mayonnaise in Poland are gone. We are concentrating our capital allocation to build a strong US portfolio that can travel internationally, in the premium segment. We are very disciplined about it and we will continue doing that.

JEFF STENT

Fernando, thank you ever so much and best of luck for the World Cup. Thank you.