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SPECIAL SITUATIONS RESEARCH

NORTH AMERICA
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▶ SPIN-OFF
POST-BANKRUPTCY REORG
POTENTIAL BREAK-UP
EXCHANGE OFFER / SPLIT-OFF
BROKEN IPO

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UPDATE REPORT: UNILEVER (ULVR LN) / THE MAGNUM ICE CREAM CO. (MICC NA)

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Unilever - Pre-Spin: N/A (previously NEUTRAL)

Share Price (12/5/2025)	£ 44.56
Ticker	ULVR LN
Shares Outstanding	~2,512 million

Market Capitalization	£ 111.93 billion
Dividend	£ 0.3928
Yield	3.06%

Unilever (Post-Spin): NEUTRAL

Share Price (12/9/2025)	£ 48.43
Ticker	ULVR LN
Fair Value Estimate	~£ 50.51 per share
Shares Outstanding	2,233 million
Market Capitalization	~£ 108.14 billion

Magnum Ice Cream Co. (Post-Spin): BUY

Share Price (12/9/2025)	€ 12.51
Fair Value Estimate	£ 15.82 per share
Shares Outstanding	612 million
Market Capitalization	€ 7.66 billion
Ticker	MICC NA

UPDATE: ULVR Completes the Separation of MICC; Maintain Post-Spin NEUTRAL Rating on ULVR with a BUY Rating on MICC

On December 6, 2025, Unilever PLC (ULVR LN) completed the tax-free separation of its global Ice Cream division, The Magnum Ice Cream Company (TMICC). Shares of TMICC began trading on the Euronext Amsterdam, with secondary listings on exchanges in both London and New York, on December 8, 2025. Unilever shareholders received one share of TMICC for every five Unilever shares held, as per the agreed upon distribution ratio.

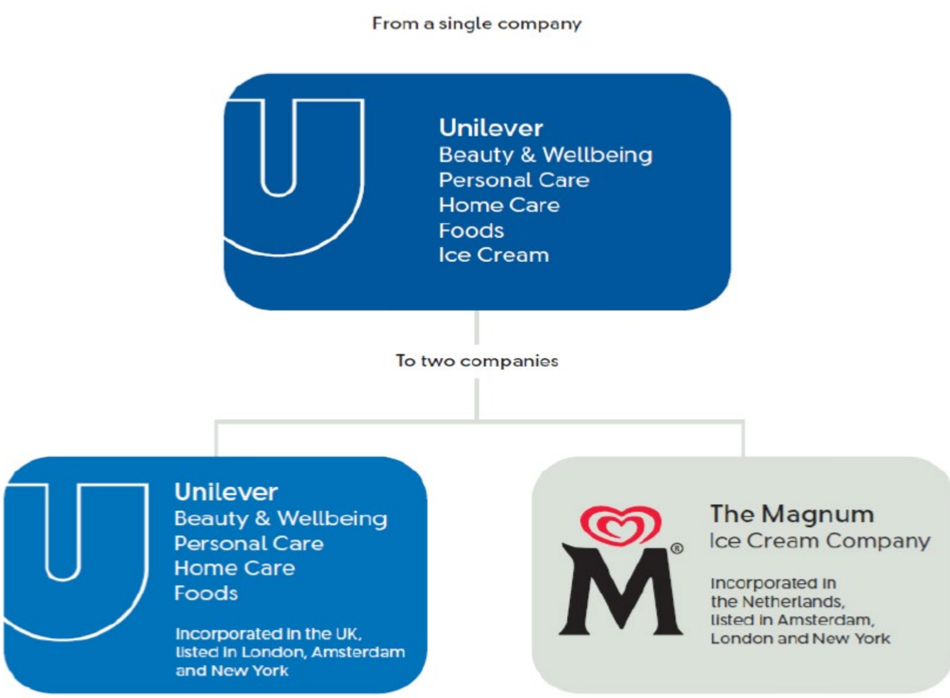
Objectively, TMICC is trading below the technical reference price of €12.80 set on December 5th and at a material discount to both consensus and our internal fair value estimate. In our view, the initial reset in share price reflects a number of near-term pressures/concerns, including the well-documented governance controversy at Ben & Jerry's, passive investor rebalancing, and a broader market preference to see evidence of management's ability to deliver on its margin expansion goals before assigning a higher multiple, particularly given the perceived trend toward healthier lifestyles (e.g., MAHA). On the first point, a recent Unilever-backed audit identified deficiencies in financial controls and governance at the Ben & Jerry's Foundation, prompting Magnum to withhold funding and calls for board chair Anuradha Mittal's resignation, which she has resisted amid claims that such a move would undermine the Board's autonomy. For context, Ben & Jerry's accounts for annual revenue of €1.1 billion (14% of Magnum's global turnover) and the governance issues/internal acrimony have seemingly introduced an additional layer of uncertainty (although we still view the odds of a divestiture as low).

Reflecting updated prospectus disclosures, operational challenges, and the multi-year path to achieving Froneri-like margins, we apply a 20% discount to the Froneri transaction multiple of 12.6x, yielding a 10.1x EV/EBITDA target multiple for TMICC. Applying this to TMICC's 2025E EBITDA of €1.3 billion implies an enterprise value of €13.2 billion.
Post-spin and share consolidation, Unilever is trading broadly in line with our £50.51 per-share revised fair value estimate (£48.43 at LSE), consistent with our earlier view that a structurally higher-margin, asset-light, premiumization-driven portfolio would prove more resilient at listing.

Importantly, post-spin trading dynamics have been broadly in line with our pre-spin expectations. To that end, we had advised existing Unilever shareholders to maintain positions, given the value-unlock catalyst and optionality from TMICC's listing. We also noted that incremental investors were better served waiting for a more attractive post-spin entry point in TMICC, where early dislocations seemed likely. Current pricing confirms that stance. That said, in our view, TMICC now presents an attractive entry point for investors with medium to long-term view.

Please see the *European Spin-Off Report* dated October 22, 2025 for more information.

Exhibit 1 Unilever: Spin-Off Structure



Source: Company reports.

Exhibit 2 TMICC: Mid-Term Financial Targets

Above market growth	Consistent margin expansion	Strong, improving FCF
3-5% Average annual OSG in the medium-term[1] from 2026	40-60bps Average annual Adj. EBITDA increase in the medium-term[1] from 2026	€0.8bn – €1bn FCF in 2028 and 2029
Adjusted ROIC	**Investment grade leverage**	**Effective Tax Rate**
~20% (ahead of snacking average)	2.0x – 2.5x Net Debt / Adj. EBITDA Moody's: Baa2	~25-27%

Source: Company reports.

Exhibit 3 Unilever: Post-Spin Sum-of-the-Parts (SOTP) Valuation

(Amounts in millions)

	Beauty, Personal & Home Care
2027E EBITDA	€8,968
Target EV/EBITDA	13.1x
Enterprise Value	**€117,035**
	Foods
2027E EBITDA	€3,429
Target EV/EBITDA	10.8x
Enterprise Value	**€36,960**
Total Enterprise Value	**€153,996**
Net Debt*	€22,583
TMICC Retaining Stake	€1,524
Minority interest	€2,109
Pension liabilities	€943
Total Equity value	**€129,885**
Shares Outstanding	2,233
Target Price Per share	**£50.51**

Current Price	*£48.43*
Implied Upside	***4.3%***

**The company has guided 2.0x net debt/ EBITDA for RemainCo. Applying 2x multiple to 2025E EBITDA yields a net debt of €22.6 billion.*

Source: Company reports, Bloomberg, PCS Research Group estimates.

Exhibit 4 TMICC: Post-Spin Valuation

(Amounts in millions)

	TMICC
2025E EBITDA	€1,311
Target EV/EBITDA	10.1x
Enterprise Value	**€13,215**
Net Debt	€3,415
Minority interest	€27
Pension liabilities	€88
Total Equity value	**€9,685**
Shares Outstanding	612.3
Target Price Per share	**€15.82**
Current Price	*€12.51*
Implied Upside	***26.4%***

Source: Company reports, Bloomberg, PCS Research Group estimates.

Disclosures

This report was produced by Canyon River Advisors. The following persons associated with Canyon River Advisors contributed to this report: Robert Dunn, Director of Research and Victor Khong, Analyst. Canyon River Advisors is located at 88 Pine Street, Suite 3100, New York, NY 10005. At the time of this report, there are no planned updates to the recommendations. Canyon River Advisors has not provided previous recommendations concerning the same issuer(s) during the preceding 12-month period.

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