Richard Williams
Unilever at CAGNY

18th February 2020
Safe harbour statement

This announcement may contain forward-looking statements, including ‘forward-looking statements’ within the meaning of the United States Private Securities Litigation Reform Act of 1995. Words such as ‘will’, ‘aim’, ‘expects’, ‘anticipates’, ‘intends’, ‘looks’, ‘believes’, ‘vision’, or the negative of these terms and other similar expressions of future performance or results, and their negatives, are intended to identify such forward-looking statements. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Unilever Group (the ‘Group’). They are not historical facts, nor are they guarantees of future performance.

Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. Among other risks and uncertainties, the material or principal factors which could cause actual results to differ materially are: Unilever’s global brands not meeting consumer preferences; Unilever’s ability to innovate and remain competitive; Unilever’s investment choices in its portfolio management; inability to find sustainable solutions to support long-term growth including to plastic packaging; the effect of climate change on Unilever’s business; significant changes or deterioration in customer relationships; the recruitment and retention of talented employees; disruptions in our supply chain and distribution; increases or volatility in the cost of raw materials and commodities; the production of safe and high quality products; secure and reliable IT infrastructure; execution of acquisitions, divestitures and business transformation projects; economic, social and political risks and natural disasters; financial risks; failure to meet high and ethical standards; and managing regulatory, tax and legal matters.

These forward-looking statements speak only as of the date of this announcement. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Further details of potential risks and uncertainties affecting the Group are described in the Group’s filings with the London Stock Exchange, Euronext Amsterdam and the US Securities and Exchange Commission, including in the Annual Report on Form 20-F 2018 and the Unilever Annual Report and Accounts 2018.
Unilever today

190 countries

2.5 billion consumers

85% leading positions

Developed markets 40%
Emerging markets 60%

Home Care 21%
Foods & Refreshment 37%
Beauty & Personal Care 42%

80% local leaders. #1 CPG employer in 52 countries
2019 Results

Growth
- Underlying Sales Growth: +2.9%
- Underlying Volume Growth: +1.2%

Margin
- Underlying Operating Margin: +50 bps
- Gross Margin: +30 bps

Earnings
- Underlying EPS: +8.1%
- Constant Underlying EPS: +5.8%

Cash
- Free Cash Flow: €6.1bn
- vs 2018: +€0.7bn
### Progress against 2020 strategic plan

<table>
<thead>
<tr>
<th>Improvement Area</th>
<th>Key Milestones</th>
</tr>
</thead>
<tbody>
<tr>
<td>USG in 3-5% range</td>
<td>3% CAGR 2017-19</td>
</tr>
<tr>
<td>Simpler, faster organisation</td>
<td>Closer to the markets, delayered</td>
</tr>
<tr>
<td>Accelerated margin progression</td>
<td>UOM 16.4% → 19.1%, &gt;€6bn savings 2017-19</td>
</tr>
<tr>
<td>Faster portfolio evolution</td>
<td>BPC increased to &gt; 40% of portfolio New Prestige business built to &gt;€600m</td>
</tr>
<tr>
<td>Simpler capital/legal structure</td>
<td>Preference shares cancelled, trust office closure, unification withdrawn</td>
</tr>
<tr>
<td>Increased leverage &amp; returns</td>
<td>High teens ROIC, net debt at 2X</td>
</tr>
</tbody>
</table>
2019: Setting foundations

**Jan**
- One Strategy

**April**
- Delayering

**July**
- Roles by cell

**Dec**
- Accelerate growth
- Turnaround growth
- Sustain growth
- Unlock margin

**Management changes**
- Role changes
- Promotion
- External
Top line growth: our diagnosis

- Focus on fundamentals
  - Consistent execution
  - More operational grip
  - Improve channel capability
- Strengthen innovation, particularly BPC
- Greater leverage from emerging market strongholds
- Bolder portfolio shift
Today’s themes

FOCUSED EXECUTION
- Improved penetration
- Impactful innovation
- Design for channel
- Purposeful brands
- Fuel for growth

5 growth fundamentals

POWERING OUR MARKETS
Emerging markets

ACTIVE PORTFOLIO MANAGEMENT
Reshaping the business
2020 growth fundamentals

1. Improved penetration
   - Mental and physical availability in key cells

2. Impactful innovation
   - Product superiority
     - Decisive choices

3. Design for channel
   - Focused channel capability

4. Purposeful brands
   - 100% product & purpose integration

5. Fuel for growth
   - €2bn+ savings p/a
Improved penetration

- Product availability
- Product superiority
- Advertising superiority

Increasing mental and physical availability
**India penetration**

**Surf Excel penetration**

- CAGR: 10%
- While driving market development through premiumization

**Skin cleansing penetration**

**Skin cleansing business results**

- USG%
- Two biggest brands: Declining penetration

**Laundry business results**

- MAT 2019
- 10%
Impactful innovation - rebalancing

Hey, did you notice?
each one of our bottles is now beautifully unique

GLOBAL: Dial up

LOCAL: More choiceful
Impactful innovation – technology led

Rexona Clinical Protection

- 2019: > 10 markets
- Premium pricing ~150 index
- Margin accretive
- > 3% Market share of deos market in Y1
Design for channel

Capturing growth in fast growing channels

• Focused channel capability

• Future fit portfolio
  o Agile R&D and Net Revenue Management

• Execution
  o Design for complexity & agile supply chain

• Content & demand creation
  o Data driven marketing driving conversion

Out of home

E-commerce

Health & beauty

Professional
Purposeful brands

% of global adult population
2020 = 55%

- Gen Z: 75%
- Millennial: 72%
- Gen X: 63%
- Baby boomers: 56%

% motivated to be brand loyal to brands making positive impact

Source: GlobeScan, Healthy & Sustainable Living Report 2019 / UN population data
Fuel for growth

Robust pipeline of savings programmes

5s savings

Change Programmes

Enabled through €3.5bn restructuring spend
Reinvesting in the business

**Brands**

**Brand Power**

76%

Stable or increasing

**Innovation**

**Capabilities**

> 1,500
Digital talent recruited in 2018/19

> 500
Talent in Digital Hubs & People Data Centres

> 20 U-Studios

> 30 People Data Centres

Piloting Insight Hubs
Today’s themes

FOCUSED EXECUTION
- Improved penetration
- Impactful innovation
- Design for channel
- Purposeful brands
- Fuel for growth

POWERING OUR MARKETS
- Emerging markets

ACTIVE PORTFOLIO MANAGEMENT
- Reshaping the business
Future market growth

">60% of global GDP growth to 2030"

Seeding the future

GDP growth (PPP adjusted) 2020 – 2030. Source: IMF, IFS
EM powerhouses

India: 9% of turnover

Brazil: 6% of turnover

Indonesia: 5% of turnover

China: 5% of turnover

Nielsen data, China adjusted for non-tracked channels
Managing through volatility

Crises are all different

Hyper recession

Hyper stagflation

Rapid responses

Value brands

Counter-cyclical premium

Competitive growth

Argentina: Volume ahead of the market

Brazil USG %

USG 6%

Market growth

Argentina: Volume ahead of the market
Developing our route to market

- Brazil B2B hub focused on small retailers
- Multi-industry marketplace
- Growing >50%
- Rolling out to Argentina
Today’s themes

FOCUSED EXECUTION
- Improved penetration
- Impactful innovation
- Design for channel
- Purposeful brands
- Fuel for growth

5 growth fundamentals

POWERING OUR MARKETS

Emerging markets

ACTIVE PORTFOLIO MANAGEMENT

Reshaping the business
Capital allocation

Operational investment
- Brands
- Innovation
- Capital expenditure
- Restructuring
- Capabilities
- Sustainability
- Minority buybacks

Portfolio reshape
- Bolt on acquisitions
- Large acquisitions
- Disposals

Returns to shareholders
- Dividends
- Event driven share buybacks
- Regular share buybacks

Net debt leverage ratio of approximately 2X
Portfolio reshape

Beauty & Personal Care

<table>
<thead>
<tr>
<th>Year</th>
<th>% Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>BPC 30%</td>
</tr>
<tr>
<td>2019</td>
<td>BPC 42%</td>
</tr>
</tbody>
</table>

Foods & Refreshment

<table>
<thead>
<tr>
<th>Year</th>
<th>% Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>F&amp;R 53%</td>
</tr>
<tr>
<td>2019</td>
<td>F&amp;R 37%</td>
</tr>
</tbody>
</table>

Home Care

<table>
<thead>
<tr>
<th>Year</th>
<th>% Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>HC 17%</td>
</tr>
<tr>
<td>2019</td>
<td>HC 21%</td>
</tr>
</tbody>
</table>

€11bn outflow, €8bn inflow
Maintaining high ROIC while changing the portfolio

<table>
<thead>
<tr>
<th>Year</th>
<th>ROIC %</th>
<th>No of acquisitions</th>
<th>Acquisition examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>19.2%</td>
<td>4</td>
<td>Seventh Generation</td>
</tr>
<tr>
<td>2017</td>
<td>18.5%</td>
<td>9</td>
<td>Sundial, Carver Korea, Equilibra</td>
</tr>
<tr>
<td>2018</td>
<td>18.1%</td>
<td>7</td>
<td>Oilly, Tatcha</td>
</tr>
<tr>
<td>2019</td>
<td>19.2%</td>
<td>8</td>
<td></td>
</tr>
</tbody>
</table>

2018 restated for IFRS 16
Future growth categories

Luxury beauty
Focus skin care

Health, wellness, personal nutrition
Focus VMS

€350m
2015

€600m
2019

Double digit growth

2015
2017
2019
Global tea
Today's themes

**FOCUSED EXECUTION**
- Improved penetration
- Impactful innovation
- Design for channel
- Purposeful brands
- Fuel for growth

5 growth fundamentals

**POWERING OUR MARKETS**
Emerging markets

**ACTIVE PORTFOLIO MANAGEMENT**
Reshaping the business