Unilever H1 2019 Results
Alan Jope & Graeme Pitkethly
25th July 2019
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.

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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.
H1 2019: Sustained progress in growth and margin

**Growth**
- Underlying Sales Growth: +3.3%
- Underlying Volume Growth: +1.2%

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

**Earnings**
- Underlying EPS: +5.0%
- Constant Underlying EPS: +3.0%

**Cash**
- Free Cash Flow: €1.5bn
- vs 2018: €0.5bn
Sustained growth momentum

Underlying Sales Growth exc. Venezuelan price from Q417 onwards, and Argentinian price from Q318 onwards

- Asia/AMET/RUB
- Brazil truckers
- Argentina
- Difficult weather comparator
Improving momentum in emerging markets

Underlying Sales Growth exc. Venezuelan price from Q4'17 onwards, and Argentinian price from Q3'18 onwards
Uncertain markets

Market affected by weather

Europe value market growth (%)

2.0%

(0.5%)

MAT

L12 wks

Diverging economic outlooks

GDP

USA

'19

'20

'19

'20

EMs

Source: Nielsen

Source: Oxford Economics

Benign currency

Source: NASDAQ, rebased to 100, vs USD
Beauty & Personal Care

H1 2019

USG
3.3%

UPG
1.6%

UVG
1.7%

UOM
+100bps

Naturals

Emerging markets
Home Care

H1 2019

- USG: 7.4%
- UPG: 4.5%
- UVG: 2.8%
- UOM: +120bps

Enhancing the core

Less plastic

New ecorefill
Reuse your spray bottle
Foods & Refreshment

H1 2019

USG

1.3%

UPG

1.4%

UVG

(0.1)%

UOM

(40)bps

Sustainable packaging

Acquisitions
Purpose-led campaigns

Beauty & Personal Care
All Things Hair Refillery

Home Care
Indonesia Mosque Cleaning

Foods & Refreshment
Ben & Jerry’s Justice ReMix’d
Data driven marketing delivering

- 24 Digital Hubs
- 600+ DDM campaigns
- 1.5bn consumer connections

Axe Martin Garrix

Indonesia food festival
Asia / AMET / RUB

H1 Turnover
€12.2m

H1 USG  6.2%
H1 UVG  2.9%

USG
6.3%  6.6%  6.0%  6.0%  6.3%

UPG

UVG

'18 Q2  '18 Q3  '18 Q4  '19 Q1  '19 Q2
Latin America

H1 Turnover €3.5bn

H1 USG 4.9%
H1 UVG 0.5%

Underlying Sales Growth exc. Venezuelan price from Q417 onwards, and Argentinian price from Q318 onwards

USG  (6.9%)  1.5%  (0.4%)  0.4%  9.3%

UPG

UVG

‘18 Q2  ‘18 Q3  ‘18 Q4  ‘19 Q1  ‘19 Q2

1.6% exc. truckers
**Argentina hyperinflation**

<table>
<thead>
<tr>
<th>Price impact</th>
<th>Total UL</th>
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<tbody>
<tr>
<td>35bps</td>
<td>70bps</td>
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<tr>
<td>USG Argentina</td>
<td>10.0%</td>
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- UVG Q2’18: 17.4%, (6.3)%
- UPG Q2’18: 34.2%, (10.3)%
- UPG Q3’18: 64.0%, (21.6)%
- UVG Q1’19: 78.1%
- UPG Q2’19: 75.5%, (7.4)%
North America

H1 Turnover €4.6bn

H1 USG  0.1%
H1 UVG  (0.5)%
Europe

H1 Turnover €5.8bn

H1 USG (0.6)%
H1 UVG (0.2)%

USG
- '18 Q2: 0.4%
- '18 Q3: 1.4%
- '18 Q4: 0.8%
- '19 Q1: 0.7%
- '19 Q2: (1.6)%

UPG

UVG
H1 2019: Turnover

- USG 3.3%
- 1.2%
- 2.1%
- (5.5)%
- 0.5%
- 1.1%

H1 2018: €26.4bn
UVG
UPG
Disposals
Acquisitions
FX
H1 2019: €26.1bn
H1 2019: Underlying operating margin

- Gross Margin: +30 bps
- Brand & Marketing Investment: +30 bps
- Overheads: -(10) bps

H1 2018: 18.8%
H1 2019: 19.3%
H1 2019: Underlying earnings per share

Underlying EPS +5.0%
Cash flow & balance sheet

Free cash flow
- €1.5bn vs 2018
- €(0.5)bn

Net debt
- Net debt/EBITDA: 2.1x
- €24.2bn

Pension deficit
- FY 2018: €0.9bn
- H1 2019: €0.5bn
2019 outlook

- Underlying Sales Growth in lower half of multi-year 3-5% range

- Underlying Operating Margin: continued progress to 20%

- Strong cash flow
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