Unilever at Deutsche Bank

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BEAUTY & WELLBEING

JUN 2023
This document 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. Forward-looking statements also include, but are not limited to, statements and information regarding the Unilever Group’s (the ‘Group’) emissions reduction targets and other climate change related matters (including actions, potential impacts and risks associated therewith). These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Group. They are not historical facts, nor are they guarantees of future performance or outcomes.

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; the effect of climate change on Unilever’s business; Unilever’s ability to find sustainable solutions to its plastic packaging; 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. A number of these risks have increased as a result of the Russia/Ukraine war.

These forward-looking statements speak only as of the date of this document. 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 Unilever Annual Report and Accounts 2022 and the Annual Report on Form 20-F 2022.
€60bn
Turnover

16.1%
Underlying operating margin

€5.2bn
Free cash flow

5 Business Groups

Beauty & Wellbeing
€12bn

Personal Care
€14bn

Home Care
€12bn

Nutrition
€14bn

Ice Cream
€8bn

Top 5 markets
1. United States
2. India
3. China
4. Brazil
5. Indonesia

3.4bn people use our products everyday

59% of turnover in Emerging Markets

Note: all figures as of Full Year 2022
14 billion Euro brands

3 bigger than €4bn

Dove  Knorr  OMO

3 between €2bn and €4bn

Rexona  Hellmann’s

8 between €1bn and €2bn

Ben & Jerry’s  Magnum  Lifebuoy  AXE  Comfort  Sunlight  sunsilk  LUX

54% of turnover

>50% of innovation funnel has differentiated technology

>€900m annual spend on R&D

Top Sustainability leader for 12 years (Globescan)

Masters status for 5th year running (Gartner’s Supply Chain report)

Note: all figures as of Full Year 2022
Building blocks in place for higher growth

**Clear strategy**

- **Portfolio focus**
  - 5 Business Groups with sharpened category focus

- **Priority to big brands**
  - Billion Euro brands grow ahead of Unilever average

- **Growth markets**
  - US, India and China our top priority markets

- **Channels of the future**
  - Digital commerce now 15% of turnover

Note: all figures as of Q1 2023
Building blocks in place for higher growth

Clear strategy

- Portfolio focus
- Priority to big brands
- Growth markets
- Channels of the future

Sharpened portfolio

Out
- Suave
- Lipton
- Flora

In
- NUTRAFOL
- LIQUIDIV
- Horlicks
- OLLY
- PAULA'S CHOICE

17% of portfolio rotated since 2017

Note: all figures as of Q1 2023
Building blocks in place for higher growth

Clear strategy

- Portfolio focus
- Priority to big brands
- Growth markets
- Channels of the future

Sharpened portfolio

- Product superiority
- Impactful innovation
- Digital transformation
- Sustainability

Step-up in execution

Note: all figures as of Q1 2023
Investing for higher growth

**Brand and marketing investment**
- Increasing absolute BMI
  - 2021: €7.8bn
  - 2022: €7.8bn
  - 2023-25: €7.8bn

**Research & development**
- Increasing absolute R&D
  - 2021: €0.9bn
  - 2022: €0.9bn
  - 2023-25: €0.9bn

**Capex**
- Increasing Capex as % turnover
  - 2021: 2.7%
  - 2022: 2.7%
  - 2023-25: 2.7%
Q1 results show continued progress

**Q1 growth**

- **10.5%** Underlying sales growth

- **10.7%** (0.2)%
  - UPG
  - UVG

**Price and volume**

- **UPG**
  - Q1’22: 8.3%
  - Q2’22: 11.2%
  - Q3’22: 12.5%
  - Q4’22: 13.3%
  - Q1’23: 10.7%

- **UVG**
  - Q1’22: (1.6)%
  - Q2’22: (2.1)%
  - Q3’22: (1.0)%
  - Q4’22: (3.6)%
  - Q1’23: (0.2)%

**Competitiveness**

- **48%** % Business Winning MAT\(^1\)

\(^1\)Moving Annual Total / Last 52 weeks
A new organisation, better strategic and operational execution
Beauty & Wellbeing

FERNANDO FERNANDEZ
PRESIDENT
BEAUTY & WELLBEING

JUN 2023
A fast-growing market, premiumising and pivoting to online

Sizeable, fast-growing
€ 385bn at 4-6% growth

Health and Wellbeing (VMS)
€ 160 bn

Skin Care
€ 145 bn

Hair Care
€ 80 bn

Fragmenting and Premiumising

A unique channel footprint

VMS
50% 29% 22%

SKIN
55% 28% 17%

HAIR
36% 17% 46%

FMCG
10% 10% 80%

Source: Euromonitor (FY 2022)

Source: Kantar (FY 2022), Euromonitor (FY 2022).
A €12bn Unilever Beauty & Wellbeing business

€12bn
FY’22 Turnover

3.8%
3Y USG CAGR
(’20-’22)

Hair Care
Skin Care
Prestige Beauty
Health & Wellbeing (H&W)

Europe
Latin America
Asia Pacific
Africa
North America

Hair Care
Skin Care
Prestige Beauty
Health & Wellbeing
Positions of strength in Emerging Markets, investing in portfolio development

**Margin-accrative to Unilever**
- Turnover: 80% Beauty & Wellbeing, 20% Rest of Unilever
- Profit: 72% Beauty & Wellbeing, 28% Rest of Unilever

**Strongholds in Emerging Markets**
- Turnover: 52% North America, Europe and North Asia, 48% Emerging Markets
- Relative Market Share: 0.7 North America, Europe and North Asia, 2.3 Emerging Markets

**Investing in portfolio development**
- Turnover: >20% Prestige Beauty and Health & Wellbeing, <80% Core Hair & Skin
- Investment: 30% Prestige Beauty and Health & Wellbeing, 70% Core Hair & Skin
We must accelerate growth in our Core and sustain strong performance of Prestige and H&W.
Our financial growth model

Ruthless focus on volume growth and mix, shift to high growth channels

<table>
<thead>
<tr>
<th></th>
<th>Turnover</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beauty &amp; Wellbeing</td>
<td>Growth &gt;5%</td>
<td>100%</td>
</tr>
<tr>
<td>Core Hair &amp; Skin</td>
<td>Accelerate</td>
<td>70%</td>
</tr>
<tr>
<td>Prestige and Health &amp; Wellbeing</td>
<td>Sustained Double Digit</td>
<td>30%</td>
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Consumer trends that inform our strategy

**Increased demand for authenticity, transparency and science**
Due to unprecedented access to information

- **Inclusive Beauty**
- **Transformational Results**
- **Indulgence**
- **Blurring of Beauty and Wellbeing**

**Premiumisation**
Makes specialist and online channels economically viable
Where we will focus

**CORE HAIR & SKIN**
Shift resources to high growth potential and most profitable cells
Focus and increased investment in 6 strongest brands

**PRESTIGE AND HEALTH & WELLBEING**
Focus on market-beating growth in the US
Use strongest brands to step change growth in Developed Markets
Portfolio development increasing exposure to premium

**Acquisitions**

**Leading positions in well-defined segments**
- **DTC Skin Ingredients Expert**

**Strong organic growth (€bn)**
- 1.5
- 1.0
- ~2.5

**Pre/Post Natal and Kids**
- **Functional Hydration**
- **Brain & Mood**

**Disposals**

**Sale of Suave**
- Reduces exposure to low-growth value segment in North America
Future-fit portfolio in the US, with potential for global expansion

Reshaping our US Portfolio...

Prestige and Health & Wellbeing
Core Hair & Skin

Full Year ’22 Turnover

... with a stable of brands to expand internationally

PAULA’S CHOICE
SKINCARE
dermalogica®
HOURGLASS
TATCHA.
NUTRAFOL
LIQUIDI.V.
Codifying how we will win

PURPOSE
A distinctive strength

SCIENCE
Plans to scale

DESIRE
Knowledge built through acquisitions
Unilever brings outstanding science leveraged across Core Hair, Skin and Prestige

 Winning Science

10x Anti-Oxidant Power through GAP

75% increase in Skin Strength through Pro-Lipids

8x Stronger Hair through 3D Bonding

Application at Scale

Fast-growing Consumer Cohorts

Premium Segments and Formats

High-value Hero Products
Prestige activity systems are being scaled in the Core

- **Premium Innovation**
  - Aesthetics
  - Sensorials

- **Marketing Capability**
  - Influencer Marketing
  - Expert Recommendation

- **Channel Expertise**
  - In-Store Execution/Partnership
  - Digital Commerce
India Hair from 43% to 55% share in 10 years

#StopTheBeautyTest

98% less breakage

Skinification of hair
VASELINE winning in Asia and on its way to the €1bn mark

PURPOSE

Heal the world’s skin

SCIENCE

10x power of Vitamin C

DESIRE

Premium sensorials
LIQUID I.V. >€0.6bn turnover, 5x since acquisition

**PURPOSE**

Hydration for all

**SCIENCE**

3x electrolytes vs sports drinks

**DESIRE**

Influencer network at scale
PAULA’S CHOICE, largest Prestige acquisition, growing 20%+

Research-first skin care

Expert Credentialing: 8 US Beauty Awards in Q1

Global TikTok Views +250% YOY
You are NOT ALONE.

NUTRAFOL, largest H&W acquisition, growing at 80%+

PURPOSE
- Shed the Silence

SCIENCE
- These hair supplements for work for all hair types
- #1 Dermatologist-recommended

DESIRE
- Industry-leading retention rate
Key takeaways

Priority: accelerate growth through volume and premiumisation

Restore competitive growth in core

Shift resource to Emerging Markets, focus India

Anchor Developed Markets and China portfolio in Prestige and H&W

Win through Purpose. Science. Desire
Thank you.
Beauty & Wellbeing

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