

## **Barclays Global Consumer Staples Conference 2025**

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### **Speakers:**

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Barclays

**Warren Ackerman**

The format today is Fernando's going to do a set piece presentation for about 30 minutes and then I've got a few questions for him for 10 minutes, 10/15 minutes or 10 minutes, and then there's going to be a breakout next door, which you can join. I'm going to be here because I'm doing Nestle back-to-back. So that's the way it's going to work. So Fernando, why don't you take the stage and we'll go from there.

**Fernando Fernandez**

Good. Thank you, Warren, and thank you Barclays for having me here today and good morning, everyone. It's a real pleasure to be here with you.

Hey, I have been the CEO of Unilever since March this year. Before that, the CFO of the company, before that President of Beauty & Wellbeing and many, many other executive roles in the company.

I will try in the next 25 minutes or so to really give you five fundamental chapters of presentation. One is for the American investors that have not followed Unilever so closely, to give you a brief snapshot of what Unilever is today. Then, assure you that the fundamental organisational and portfolio changes we have embarked ourselves in the last two years are largely complete and are fundamentally behind us. Then, be clear about what are my belief system in order to accelerate performance and what are the clear priorities in terms of geographies, channels, categories and segments in which Unilever will play. I will try to show you also how we are really making Unilever a marketing and sales machine, how we are driving desires at scale as the fundamental mantra to elevate our brands and how we are really executing rigour in every single geography. And finally give you fundamentally a glimpse in what you can expect from earlier in 2025 beyond.

We made a significant organisational change in 2022. After more than 100 years running the company on a geographical basis, we move into a category led organisation at a global level. We set up the company in five Business Groups, our revenue is 61 billion at 2024 numbers. Beauty and Wellbeing, Personal Care, Home Care and Foods all very sizable

business between 12 and 14 billion. And a fifth business group Ice Cream of 8.3 billion that as you know we are separating by November this year. These five Business Groups are led by a Business Group President, they have full P&L accountability, end to end accountability, they own 93% of the lines of investment and cost in their P&L. We run these Business Groups with two to three verticals in each of them. We operate 13 verticals in the company nowadays and this is the company that we have today.

We have strong financials. In 2024 we delivered 11 billion profit, 18.4% underlying operating margin. We delivered 7 billion cash, our cash conversion has been very consistent in the last five years or so, around 100%. Of this 7 billion cash we returned to shareholders 5.8 billion, 4.3 in dividends, 1.5 in share buybacks. And we have one of the best return on invested capital in the sector at 18.1%. So strong financials and a strong competitive position you know. We have 80% of our revenue in leading positions in the geographies and categories where we operate.

But I know also that Unilever has been an inconsistent performer, you know. We know what are the gaps we have had, particularly since the Kraft Heinz bids in 2017. Time flies and things changed a lot, as you know, but that really derailed Unilever a lot, you know. We lost our focus on volume growth. We put, we set up a margin guidance that really put the company very, very tight. But there were many other issues in the company that we are addressing fast, you know. A very complex organisation. From 2005 to 2021 we ran a very heavy matrix organisation, you know, very, very complex with the profit in the countries, but a very bloated organisation in the centre running category, strategy brands, innovation.

We have been inconsistent in defining volume growth as our fundamental metric, you know. I think very, very differently. I believe that what gives relevance to a company is to grow volume every single year. We have been very inconsistent in our investment behind our brands. We have used the BMI line as an adjustment to ensure earnings growth. And we have had a very inconsistent performance culture, you know. Some pockets of excellence, you know. I grew up in one of them, our Argentinian company, our Latin American business. India. Many other companies in Unilever. But also many pockets of mediocrity in the

company. So, we recognise that. We know that this has to change and we have made significant interventions in the company to really change these.

What we have changed: we have announced the separation of Ice Cream on March last year, it will complete by November this year. Ice Cream is a very good business, you know. We have 5 of the 10 biggest global brands, but it's a business with very different features to the rest of Unilever, you know. High capital intensity, seasonality, completely different channel structure, etc. So, we are now focused our portfolio in four Business Groups that are very complementary in terms of the R&D capabilities, technology, manufacturing, logistics channels in which we operate. So, it's a more focused portfolio.

The separation of Ice Cream has a significant impact in some of our financials, you know. Our gross margin will go close to 47%. We have an expansion in our UOM and in our return on invested capital of around 100 basis points of each. So the business that remain is very, very attractive.

We have also decided to focus our portfolio in 30 Power Brands, you know. I tend to say that one of the fundamental strategic issues of Unilever is that it's not truly a global company; it's a federation of local and regional brands. And we are changing that. We used to operate with 400 brands. I'm sure Warren has that number in his mind. By the end of 2024, we have 200. But 30 Power Brands concentrating 75% of our revenue. They are accretive in volume growth. We delivered 3.8% volume growth last year in these 30 Power Brands. And we have chosen these brands because are the brands in which we believe we can scale them regionally, globally, we can allocate our best technology because there is space for premiumization in all of them. And this is where we are putting all our focus for growth.

We have also made some significant interventions in how we organise ourselves at the country level. The top 24 markets of Unilever are now run by the Business Groups, by each of the pillars. Because these are businesses with enough critical mass to separate our organisation. And because we believe that in these biggest markets, to compete with pure plays like the ones we compete in Beauty or in Foods or in Home Care

or in Personal Care, we need a significant level of specialisation. We need specific capabilities and skills in order to compete with these guys. In market 25 onwards, in the other 165 markets in which we operate, we will continue operating the company at the One Unilever level, and that's fundamentally to ensure that we really get the benefit of scale, efficiency and productivity. But with a very significant difference - in these 165 markets, we will support only eight brands. And these are eight of our 30 Power Brands, five in Beauty and Personal Care, two in Home Care, one in Foods. Not a single penny will go for specific local brands in these smaller markets. My ambition is to make these One Unilever markets, at least the contribution of our brands, 90% in a relatively short period of time.

We have also made significant interventions, talking to many of you, in a very non-Unilever way, in terms of our organisation, in terms of accountability. In 18 months we have reduced in reality 18% our white collar workforce with the latest number we have. We have announced that we were going to deliver 800 million savings by the end of 2026. By the end of this year, we are already in 650 cumulative savings. And importantly, we have absolute accountability now in the company. Four Business Group Presidents, 44 P&L units. I have their names, I have their phones, you know, I know who they are, you know, no they can't hide.

Results are starting to show. In 2024, we delivered our highest volume growth in a decade. We deliver our highest gross margin in a decade. And we invested the percentage of turnover highest in a decade. So, 2.9% volume growth, 45% gross margin, more than 15% investment in brand and market investment, and an increase in the last 4-5 years of 33% in our marketing budgets, you know. And it shows, you know, we were top three in our peer group when it comes to volume growth both in 24 and in the first half this year, you know. You know, I speak volume, I don't speak another number. You know, pricing is fundamental to compensate inflation, but we are very, very happy with the development that we have had in volume, in the context of very difficult market conditions.

Let me now go into how we will, and particularly what am I doing personally, in instilling a play to win culture, an ultra-competitive winning

culture in Unilever. And what are we really doing to really ensure that the portfolio we operate has more tailwinds than headwinds.

First of all is our speed in decision making and decisiveness in decision making. We have taken big decisions and we are taking decisions with 70% certainty fast, you know. Because 90, 100% certainty you are late. Late in consumer goods is a very bad word.

We are building a new marketing philosophy. Built around two fundamental concepts. Desire at scale to elevate the aspirationality of our brands. And market making, because the only way in FMCG to ensure consistent share gain is to create markets, to create formats, to create segments and get the disproportionate share of the new segments that emerge.

We are execution. We are ensuring ruthless execution everywhere. In every market we have codified what are the metrics we will measure. All our operators, these 44 guys in the markets, know what they have to deliver. We are fed up with the mediocrity that we have in some places. We are attacking that fast. We are ensuring accountability, as I mentioned before. And we have a new breed of leadership, you know. The Board of Unilever is different, the leadership executive of Unilever, and the first CEO of Unilever coming from emerging markets. There is a clear blend of cultures in the new leadership team and there is a significant influx of non-Unilever born and bred people into the leadership of the company.

In terms of talent, we are now assessing our top 200 leaders with Korn Ferry, one by one, ensuring the benchmarking with the market. Are they good enough, are they at the level that Unilever deserves, yes or not. We expect 25% refreshing from that. We are fast tracking emerging stars, we are bringing new people from the market. We have changed significantly the incentive system. We have increased the range of incentive for performance from, you know, now from zero to 200. But also very important, our long term incentive plan now is fundamentally hard currency incentive system. That's very different to what Unilever used to have in the past.

I have 7 clear priorities. More Beauty, more Wellbeing, more Personal Care, more premium, more ecommerce, more US, more India. And our

money is going following these priorities. You can like it. You cannot like it, but we are very clear about what we want to do. These are the priorities we have in terms of our categories, our segments, our channels and our geographies.

There is a fundamental transformation in the Unilever portfolio. Beauty and Personal Care now are 51% of our revenue and our ambition is to make it 2/3 of our revenue in the mid-term. You can see there the significant reduction of exposure to Foods and Refreshment that the company has achieved in the last 10 years.

We're increasing our exposure to premium. We have a portfolio with probably an excess of exposure to mainstream position and to value position. It's very clear what we are doing. We are acquiring premium, we are divesting value, and this is changing the portfolio of Unilever. And we are fundamentally innovating in the premium segment to progressively increase our exposure to premium, because the profit pool of our categories is shifting up, in every single one of them.

We are making US and India our centres of gravity going forward. After the separation of Ice Cream, US and India will be 32% of our revenue. In reality, 35% after the latest acquisitions that we have done - 21% in US, 14% in India. And US is very, very important for us. Historically, our US business has been a receiver of innovation for Unilever. Now we work US for US, and US for the globe. That's a fundamental change in our strategy. And you can see the evolution of our portfolio in the US, 76% of our revenue now in Beauty, Wellbeing and Personal Care, through a combination of significant bolt-on acquisitions, significant disposals, particularly in the value segment, and significant organic growth of our premium brands, like Dove, in the market.

And results speak by themselves, you know. We have now four consecutive quarters of volume growth above 4% in US. We believe we are building the company with the fastest growth footprint in the US in the sector. You know, we are the number seven company in terms of size, but I'm absolutely convinced we are building a structural fast growing volume business in the US. And customers are starting to see that. What you see in the right of the chart is a result of what is called Advantage survey. This is 130 retailers giving, you know, scoring, you

know, hundreds of companies in the US. You know, we were number eight in the last few years. We jumped to number two this year, number one in Personal Care, number three in Beauty, number one in Foods, you know. So, it's a very, very significant way in in how the customers are seeing us. They measure us in vision, partnership, execution, you know, and these are the results that we are seeing. This is a fundamental change in Unilever.

India is the other anchor of our business. We have incredible positions in India and we believe that India will be for Unilever what China has been for some of our competitors in the last decade. This is the only large exponential volume growth opportunity in the globe. And we have incredible positions. More than 50% share in hair care, in skin care in functional foods, in dishwash. 45% share in laundry. 37% share in skin cleansing. In all these categories we are two to four times our closest competitor. We have been growing at 4%, but our emissions higher than that, you know. The GDP real growth in India should be a good proxy of our volume growth in the future. That's our ambition.

We have made decisive changes in terms of leadership there. The leader of the business now has been my Chief Marketing Officer in Beauty. You know, we are very, very confident that with the changes also in the economy of India, I believe that there are some significant stimulus going there, this should be one key growth area for Unilever in the future.

We know also that the portfolio that brought us to this position in India is not the portfolio that will propel us into the future. And that's the reason that we are acquiring new businesses in India, business that are in super growth stage. These are two recent acquisitions in India, Minimalists in skin care, Oziva in VMS. These two business together will be around €100 million by the end of this year, and growing I will not tell you double digit, it's just much more than that.

We know also that we need to digitise dramatically our distribution system. We reached 9 million stores in India, 3 million stores directly, you know. We are digitising. We have the best digital platform for traditional trade coverage in India and we believe this is a very significant competitive advantage for us.



Let me now move in how we are transforming Unilever into a real marketing and sales machine. And there are two fundamental concepts, two fundamental mantras that we are establishing the Company. One is what we call desire at scale. The second is what we call perfect stores: offline and online.

Desire at scale is anchored in what we call the development of SASSY brands. And sassy, of course, means bold, disruptive. But in this case, it's an acronym for five features that we believe are fundamental to guide our product development strategy and our models of reach and engagement.

S of Science for superior functionality. A of premium Aesthetics. S of Sensorial experiences. S of Said by others. Very, very, very important. We really believe that brands of the future are the ones that will be recommended by peers. And Y for Young spirited brands that remain contemporary. And this is what guiding both innovation and the models of reach and persuasion. I will show you a video, one minute, that encapsulates this idea.

### **Desire at Scale video**

The game has changed. Consumers now discover, engage and decide in moments. Attention is scarce and must be earned to win it, we connect through what people love. This is a new marketing model of reach and persuasion. Social platforms are the road influencers are the engines, content is the fuel powered by what's said by others and it's delivering. Vaseline termed what was said by others into a global growth machine. By tapping into millions of social posts, the brand brought the most viral Vaseline Jelly hacks into the lab to verify what really worked, co-created with influencers. The campaign made verified hacks trusted, shareable, and shoppable. Then it went viral. Even celebrities and brands jumped in organically, to have their say. Driving even more cultural buzz and relevance with over 60 million interactions, the result a 150 year old brand reimagined for a new generation driving double digit volume growth.

When Dove met Crumbl cookies, it wasn't just sweet, it's proof of what happens when a brand moves at the speed of culture, a collaboration that lives for young, spirited attitude. Social by design to earn attention and drive desire at scale and fast. "This is the collab of the season. Ohh, wow." The sensorial skin treat no one saw coming. Over 5000 pieces of content at launch, created by and for the community, not the brand. A social first sensation that didn't just get people talking but got them buying. Over 2 billion impressions. Craveable. In culture. Completely Dove. This is how we build brands people desire with powerful science, premium aesthetics, irresistible sensorial, said by others, and young spirited thinking at the core. This isn't just a framework, it's a growth engine driving deeper connections and bigger impact.

### **Fernando Fernandez**

We have a repeatable model, we call it the four V's. Variety of creators, Virality of content, Velocity of posting and Validity of content, you know, and we are applying this in every single brand, everywhere. And Dove and Vaseline are excellent examples of that, you know Dove is our biggest brand. It's a 7 billion revenue brand. It has been growing last year 8% in volume this year, close to 5% in volume. And probably the most impressive one is Vaseline. You know, Vaseline is a 155 year old brand. It was sleeping for many, many years.

In the last three years, we have added 400 million into this brand. You know 10% volume growth in '24. 11% volume growth this year in volume, you know in a very, very significant historical legacy brand. You know, we could not have done this without the capabilities and skills that we acquired in Prestige Beauty and in Wellbeing. So, the acquisitions that we have done of Liquid IV, Nutrafol, Paula's Choice, Tatcha, Hourglass, brought a set of capabilities that are very unique and we are deploying in our core business and our core business is starting to respond. Of course we have issues, of course we have many brands in which we need to fix issues, but these are clear examples of where we want to take the vast majority of our portfolio.

Let me go into execution and fundamentally how to deliver, you know strategy only exist in the markets. Everything starts with a very clear and

granular model to really assess how our brands perform in every geography against competition. We have developed a proprietary model based in public information and in proprietary data of Unilever. We call it a Unmissable Brand Superiority (UBS) framework. 23 metrics around the six P's that we measure with absolute clarity, understanding what the weightage of each of these metrics in any particular geography/brand cell metric and this is what guide how we operate in every market.

And of course, it has significant implications when it comes to promotion, place, pricing in execution in the markets.

We have now defined 9 very clear metrics for offline execution, 11 metrics for online execution. From price point, relative pricing, share of shelf, share of promotion, location in primary shelf, adjacency in secondary shelf, call to action of every brand in each store. Or in online ratings and reviews, the quality of the content. If I can remember this by memory, imagine my people in the ground. This is what guide every single conversation I have when I go to every single market in Unilever.

We also are building 3 fundamental hubs for what we believe is strong expansion that we will have in e-commerce. We have already 20% of our business in e-commerce. When you go to Beauty & Wellbeing it is already 30%, but we are making US the hub for Amazon development. We are making China the hub for TikTok shop development, and we are making India the hub for quick commerce development. We are learning in these markets and rolling out quickly.

I'm a great admirer, also of what some beverages company have done in terms of events and activations and in a context of media fragmentation, this is more important than ever, and we are doing it. We are doing with Liquid IV in Lollapalooza; we are doing it with the World Cup next year for Beauty and Personal Care. We are doing it with Home Care, or we are doing it with the NBA, helping mayonnaise booming in Brazil, for example, so events and activation a very important part of our strategy.

And also, we really believe that in store theatre, in store visibility, in physical and online stores is more important than ever. In the context of

media fragmentation, how we execute in store is more important than ever. You have here images of Hellmann's in Brazil, Persil Wonder Wash in the UK, K18 in Sephora and every brand doing exactly the same. We are expanding our investing in visibility big time. We believe this is a key capability and skill that we have to continue developing in the company.

So what can you expect from Unilever? And I'm finished in a couple of minutes. We will deliver what we promised for this year, we will deliver between 3 and 5% in our USG. We expect to deliver an underlying operating margin of at least 18.9%. We delivered 19.3% in the first half of the year and we expect for the remaining company an acceleration of our volume performance in the second half of the year with quarter four even higher than quarter three. We will treat Ice Cream as a discontinued operation from quarter four onwards and we expect to close the separation of ice cream sometime in November.

We have absolute clarity about this model that we need to be top third TSR in the sector. You know we need to deliver consistently 2 plus percent volume growth. We need to deliver a modest margin improvement based on a consistent gross margin expansion. We considered gross margin expansion on the fundamental financial backbone of our plan and we will be ruthless on that. We have 4 fundamental levers for that.

Volume growth, mix development, significant interventions in the procurement of some key materials in the value chain of some key materials and ruthless discipline in our control cost management. If we do that, we believe that we can deliver profit growth in hard currency consistently at the level of the best companies in the sector.

With that, let me summarise. You can expect that we will go for more Beauty, more Wellbeing, more Personal Care. We will disproportionately invest behind US and India. We will play to win, and we will do it, making desire at scale the core of our strategy.

We will build a culture in which playing to win is really recognised with very, very strong incentives for our leadership and ensure that Unilever is never again an insular company. It is a company that is open to the

Board, that is open for talent coming from outside. And with that, we believe that we have a very optimistic future. Thank you very much.

### **Warren Ackerman**

So here we are again, Fernando our fireside chat. So, thank you for that. I want to pick up on the US because obviously your big claim to be the fastest growing or the aspiration to be the fastest growing US CPG company, do you think you can still outperform when the comps get much tougher and how are you performing with, you know, big retailers are winning like Walmart and Amazon? And then you know where you're not winning in the US, you know where you've got issues like US hair care, some brands in Prestige like Dermalogica, Paula's Choice. What are you doing to fix those?

### **Fernando Fernandez**

Our portfolio in the US has been radically transformed, you know, and I believe the exposure to Beauty and Personal Care and Wellbeing is very significant now and you know we believe that we have a distinct portfolio with the very significant exposure to e-commerce also you know. So can we continue growing 4% volume consistent across time, I don't know. But do I believe that the 3% volume consistently can be delivered? Yes. I believe. Also, you know we have put some of our best talent in the US you know we have some of our best brands here. You know we have 45% share in Hellmann's, we have 45% share in Deodorants. You know we have an incredibly strong Dove you know. So, we believe that our portfolio has a strength. Of course, we have some what I call speedboats here you know like Liquid IV, Nutrafol, some of these brands growing double digits very, very strongly. So, we are very confident in the portfolio that we have built and we are very confident in the capabilities that we are building in the country. I believe probably of this presentation, one of the most important charts is the one that is how customers are scoring us in the US relative to peers, you know, and this is a significant improvement in the perception that customers have about Unilever and we are growing very fast with Walmart. We are growing

close to 20% with Amazon in the US. We have not seen any destocking, you know everybody is talking about this, really have not seen anything. I have tried to find it but really, I have not. I have not found destocking here.

You know, we are confident that we have built the portfolio and what is very important is I will not deploy a single penny in M&A outside US and outside India. And the role of US is very, very important because I feel US is the only market that offers both, local critical mass to scale brands very, very rapidly, but also it gives you a hub for the rollout of international brands. And I believe strategically for Unilever, in a digital world without borders, having a set of powerful global brands born and with the scale in the US is very, very important.

### **Warren Ackerman**

In terms of the second half of the year, Fernando, I think you did 3.8% in the second quarter. Can you talk a little bit about your confidence about the acceleration in the second half versus the second quarter? Do you think Q4 will be stronger than Q3? Would it be even in the back half? And then maybe the big geographies, Indonesia, China and Latam are the three big swing factors with the back half. Can you maybe touch on those?

### **Fernando Fernandez**

Yeah, well, you know we will treat Ice Cream as a discontinued operations in quarter four. So probably better to refer to the remaining company. I see acceleration of our volume in the second half versus the first half, and I see a quarter four that is better than the quarter 3. So, I'm very confident that that will happen. I feel in Indonesia we have fixed the fundamentals of the business. You know I don't believe that we have fixed the long-standing issues. You know we have a very strong competitor; they are operating usually at 20% discount. So, you have to justify a 25 premium all the time and that requires the quality of innovation that I believe we have not had in the past. But we are improving, and we have seen since February this year, we have seen

our run rates improving consistently in Indonesia. In China, there is a big channel shift you know. As you know, I spent one week recently there, I feel the quarter four particularly we will start to see significant progress in China. Part of that is comparator but also, we have made significant changes in the distribution system but also, we are putting some particular changes in how we run some of our brands. Particularly the three key brands we have there that are Clear, Lux and Vaseline.

LATAM, we are having a relatively difficult time, and I believe for the rest of the year it will be tough. There is a macro context there. You know, Mexico has been seriously affected by the uncertainty on tariffs. Brazil now has been, you know the famous 50% tariffs is affecting a bit the economy, but also we have scored some own goals, and I need to recognise that, particularly in laundry, you know we priced ourselves off the market. It has been very volatile. You know the exchange rate going from 500 to 640 now it's at 540. We priced ourselves a bit outside. We have corrected. But you know this correction takes some time to implement. And particularly in the Deodorant categories, that is very important to us. You know, there has been some growth of what we call contact applicators. You know the roll-ons and sticks. These formats have a revenue per use that is significantly lower than aerosol and I believe we have promoted a bit excessively these formats. We are gaining a tonne of shares. You know we are gaining close to 250 basis point share in Brazil, but we have affected the market growth due to the format change. So that's something that we need to we need to rebalance. So I don't expect Latin America to be a great contributor in the second half. But you know, our Latin American business is structurally very strong. We don't see any fundamental competitive issues beyond the laundry issue in Brazil that we are correcting. And you know from next year onwards, we should be back to normal.

### **Warren Ackerman**

And India is your second biggest market, you have got Priya in place now as the head of HUL, you know you've stepped up growth in the second quarter to 5%, 4% volume. What's your expectation medium term? You know, what should India volume look like and what are the building blocks to accelerate it further?

**Fernando Fernandez**

Well, as I said, you know, I feel our position in India is incredibly strong. I always say that you know, when I grow 7% my hair business, I ate my main competitor in hair, you know so and that happens in many other categories. So, Priya is a person I trust 100%. I brought her as my Chief Marketing officer of Beauty & Wellbeing when I ran the division. Then she succeeded me in Beauty. And I believe Priya will be a very important leader for Hindustan Lever because she knows India deeply. She ran their Home Care, Beauty, Personal Care. But I believe differently to what has been our previous leaders in India, she has generated a view of the world with her experience as a global leader that is very important for the India of the future. Because you know big companies like Hindustan Lever can fall in the trap of becoming very insular. And thinking that the model of the past is the one that will propel you into the future. So hey, the economy in India should be growing 5 to 6% real GDP growth. I expect that in the long run, we should align our volume growth with that kind of level. Now in the short term, our focus is try to get consistent growth in the level that we delivered in quarter 2. So that's our ambition. Let's see how the market evolves. You know the government has taken some important measures. The central bank also. So there has been some stimulus in the economy, there is food deflation in India. That is important because it puts money in the pockets of hundreds of millions of people, and we have made significant changes in our leadership team also not only Priya. We have brought in Foods, the CEO of Britannia, that is one of the most successful food companies in India and we have brought as CFO, the CEO of Hiro motorcycles, that is one of the most important automotive companies in India and with an incredible track record. So, we have put the top-notch team there and we are very confident about the future.

**Warren Ackerman**

Final question, Fernando, before we do the breakout. Desirability at scale works well in Beauty and Wellbeing and Personal Care. But what about Foods? You know, how do you do desirability at scale in Knorr or Hellmann's or Food service. And you know how much volume can you



get out of Foods and would you maybe kind of contrast Hellmann's versus Knorr versus Foodservice? The three big pillars, how do you think about that?

**Fernando Fernandez**

I don't believe that desirability is a Beauty concept. You know, I feel desirability in Foods is fundamentally incredible indulgence, for example, or desirability in Home Care is premium experiences. You know the importance of fragrances, for example in Home Care is bigger than ever. So, I believe the concept of desire that scale is a concept that travels across organisation and packaging, aesthetics and sensorials, that's something that works in every category. I feel regarding Foods, I believe we have one of the best foods companies in the world. You know, if you look at the brand like Hellmann's, you know is probably in one of the most dynamic verticals of foods like it is condiments. You know, if you look at what are the multiples that some condiments companies have, you know, I believe this is this is not reflected in the valuation of Unilever.

Hellman's is a machine. You know we have a 45% share here, 55% share in Brazil, a very strong share in Europe. I feel Knorr is a more difficult animal because it is a bit less consistent and I don't believe that the quality of our marketing in Knorr has been at the level of the quality of our marketing in Hellmann's. My challenge to the to the Knorr team, when I visited them recently was hey guys, you have to be the Dove of food. You know you have to look like Dove looks today. Which is very different how Dove used to look 3-4 years ago. But there is a lot of work to be done in Knorr, and we are not there yet. The other important point about our Foods business is we have a very strong food service component there and that food service component, you know that is close to 30% of our Foods business has 30% in China, 30% in US with huge potential of doors expansion. So, do I believe that Foods can grow volume at the level of Beauty and Personal Care? The answer is not. Do I believe that Foods can grow volume? Yes. Do I believe that our Foods business should be one of the best performing companies of foods in volume growth? No doubt.

**Warren Ackerman**

I'm going to squeeze one more in on influencers. How many influencers do you now have? You said you want influencers everywhere in India and Brazil. And what are the guard rails on that, does it increase risk?

**Fernando Fernandez**

We are building a massive infrastructure. I feel in our fireside chat, I said I want one influencer in every ZIP code of India, it has 15,000. We have now 12,000. You know, in US Dove I have 8000 in Liquid IC US I have 18/17 thousand. So, this is something that we are measuring in every single market in every single brand. The risk profile is higher of course you know because in the past you had absolute control of your communication. When you were putting an ad on TV, it was absolutely under your control. But what is the option? Staying with that model, that's not an option. So, you have to live with a bit more risk. And of course, we have a very serious screening process of influencers in every market. And I believe that a company like Unilever, with the infrastructure we have, that's a potential competitive advantage versus smaller players. You know we can put that infrastructure in place, other people cannot.

**Warren Ackerman**

OK, thank you, Fernando

**Fernando Fernandez**

Thank you, Warren.