

Unilever - Deutsche Bank Conference

Graeme Pitkethly / Nitin Paranjpe

June 15th 2017



Unilever®



SAFE HARBOUR STATEMENT

This announcement contains forward-looking statements, including 'forward-looking statements' within the meaning of the United States Private Securities Litigation Reform Act of 1995, including statements related to underlying sales growth, underlying operating margin. 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; customer relationships; the recruitment and retention of talented employees; disruptions in our supply chain; the cost of raw materials and commodities; the production of safe and high quality products; secure and reliable IT infrastructure; successful execution of acquisitions, divestitures and business transformation projects; economic and political risks and natural disasters; the effect of climate change on Unilever's business; 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 2016 and the Unilever Annual Report and Accounts 2016.

Nitin Paranjpe

President Home Care



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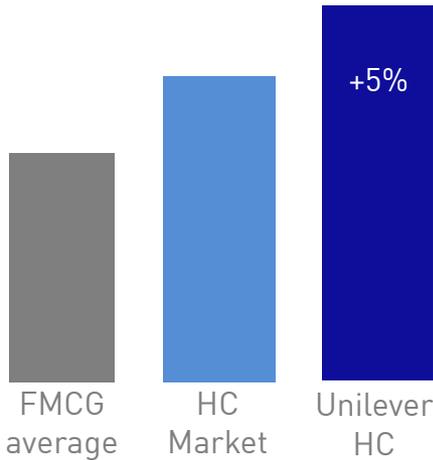


Unilever Home Care

Attractive market

Fast-growing & far from saturated

2016 growth



Leading business

€10bn turnover, strong brands



Strong geographic footprint

80% turnover in emerging markets



Our journey

Investing in our brands



Annual spend

Winning products:
70% wins in blind tests

Restoring competitive growth

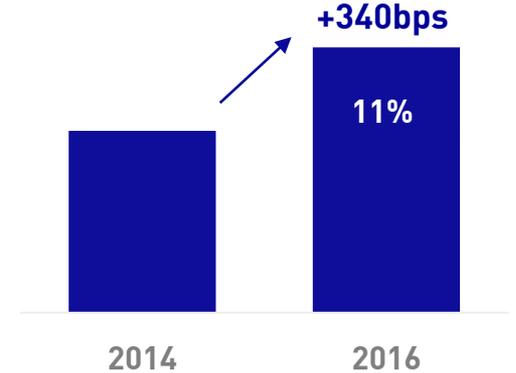


2014-2016

Growth ahead of the market:
+120bps market share

Improving profitability

Underlying operating margin



Reached mid-term ambition,
but much more to go for

Now well-placed to deliver more value

Our Home Care strategy

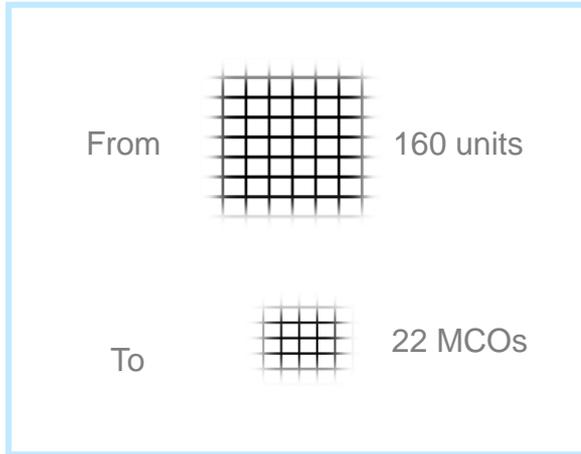
WINNING
TODAY 
WINNING
 TOMORROW

- ❖ More global & more local innovation
- ❖ Addressing key segments
- ❖ Driving up margins

Play Home Care mega trends film

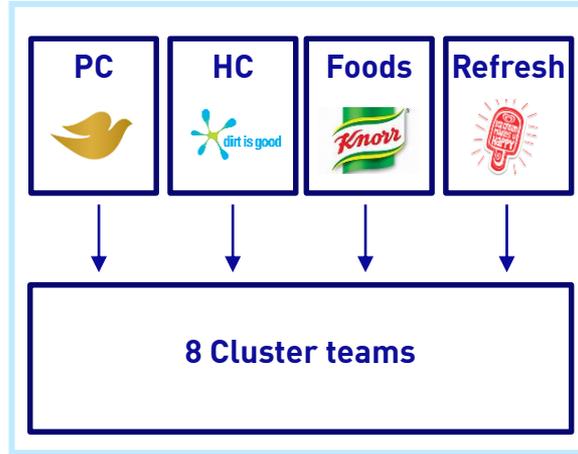
C4G: a simpler, faster organisation

2008 - 2010
One Unilever



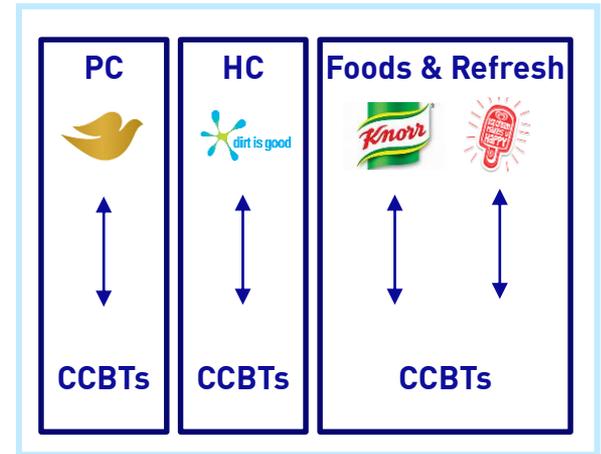
Largely local resource & processes

2011-2016
4 Global Categories



Building global scale

From 2017
Connected 4 Growth



More global and more local

Global teams focussed on scale where it matters

Brands with purpose

e.g. Domestos: To fight unsafe sanitation



Growing double digit

Differentiated technology

e.g. Sunlight smart foam: less suds, less water



50% of the population in water stressed areas by 2025

Target: Reduce time from first to last roll-out by 30%

Local CCBT's now responsible for local innovation

Thailand black



Idea to launch in 2 months

Vim Bar – Anti odour



Idea to launch in 7 month

Comfort Sakura



Idea to launch in 5 months

Sun all-in-1 tablets



Idea to launch in 4 months

Comfort perfume pearls



Idea to launch in 15 months

Omo Coconut



Idea to launch in 6 months

Target: Reduce time from idea to launch by 50%

Addressing future pockets of growth : Key geographies

Well-positioned to capture market growth. For example over the next 5 years:

- India & China will contribute 40% of global market growth
- The incremental growth from Philippines & Vietnam will be the same as that from the US

Example: India

Macro trends driving growth:

- Urbanisation
- More people into middle income
- More women in the workforce
- Rising machine penetration
- Water scarcity

How we will benefit:

- Scale Household Care
- Benefit-led innovation
- Increase penetration of fabric conditioner from 15%
- Drive usage of machine specialist products
- Science-led innovation to combat emerging needs

Addressing future pockets of growth : Sensitive

Persil Sensitive



Already in 12 countries, more to come

Neutral – 0% skin allergy



Already in 9 countries, more to come

35% of consumers claim skin sensitivity in the household

Addressing future pockets of growth: Naturals

Seventh Generation



Already >\$200m and growing double digit

Already available in US, Canada & the UK



Walmart

Ahold
Delhaize

Rite Aid
PHARMACY

COSTCO
WHOLESALE

amazon

WHOLE
FOODS
MARKET



Overwritea

Loblaws

LONDON
DRUGS

amazon.ca

save on food

Well.ca

WHOLE
FOODS
MARKET

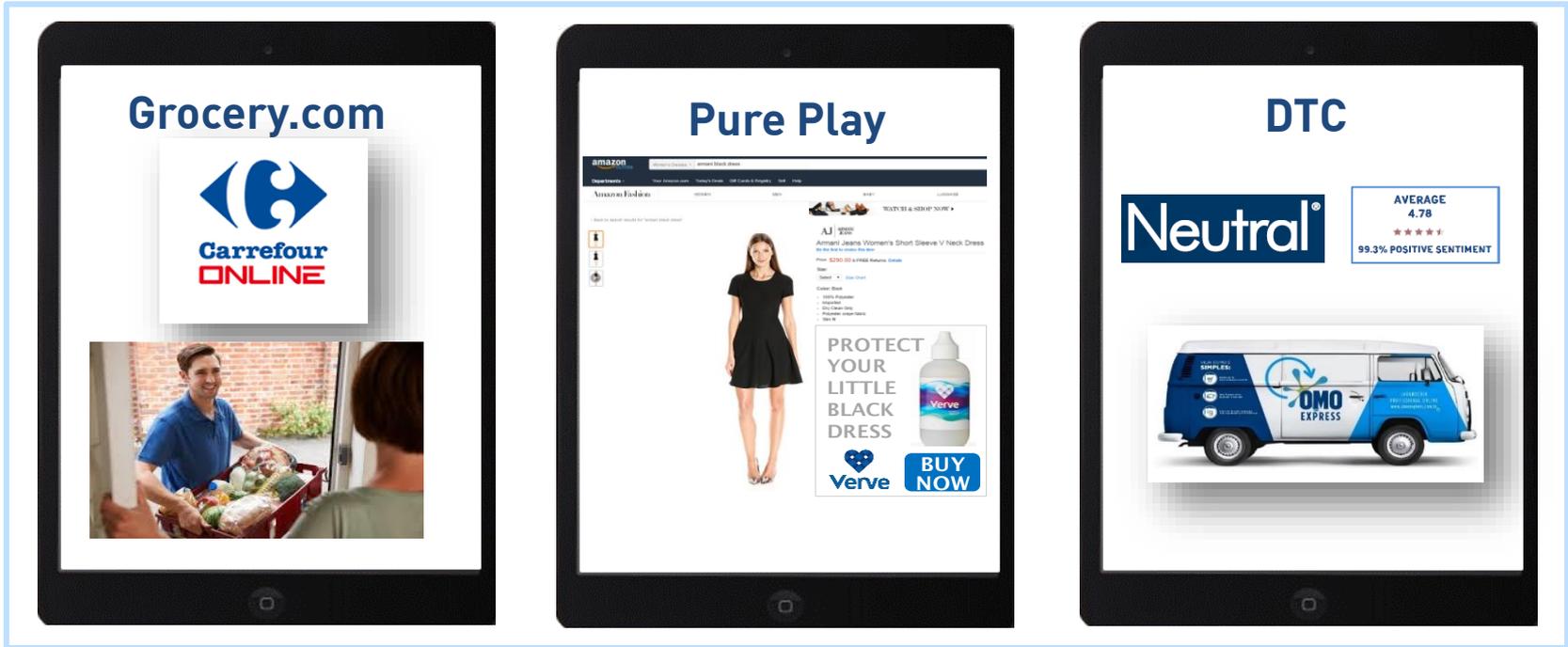


TESCO

more to come...

Naturals segment growing at >8%

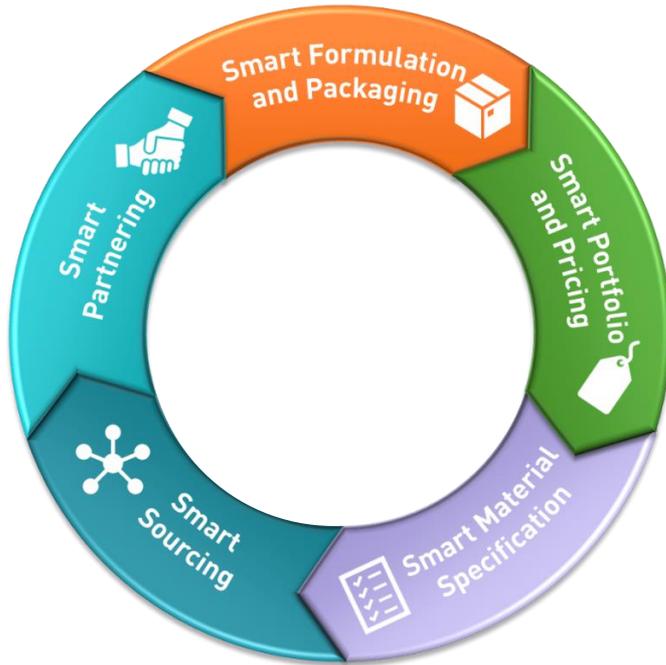
Addressing future pockets of growth : E-commerce



Already > 4% of Home Care turnover and can be a €1 billion growth opportunity

Driving margins through 5-S

5-S



Delivering results

Examples

- Formulations reduced by > 30%
- Net revenue management improving cost recovery and price realisation
- Supply chain integration with our partners
- Design to value
- Margin-accretive innovation

Savings 4% of turnover in 2015/2016

More to come in 2017 and beyond

Driving margins through ZBB – marketing examples

Create 30% fewer adverts
... & show the good ones for longer

e.g. Sunlight



Used a montage of existing footage for 10% of the cost of a new film

Lower cost alternatives
... less can be more

e.g. CIF transformers



Created a soundtrack in 6 days for 10% of the cost to renew existing rights

Reduce saturation levels
... 10% saving with no growth impact

e.g. Indonesia Sunlight



Capped frequency at optimal point to avoid overexposure

In summary:

- ❑ Continued competitive growth, ahead of the markets**
- ❑ Actively reshaping our portfolio**
- ❑ Changing our organisation to be more agile & flexible**
- ❑ Further stepping-up our margins to industry levels**

Graeme Pitkethly

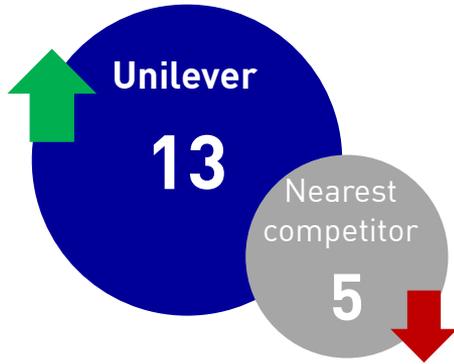
Chief Financial Officer



Strong and growing brands

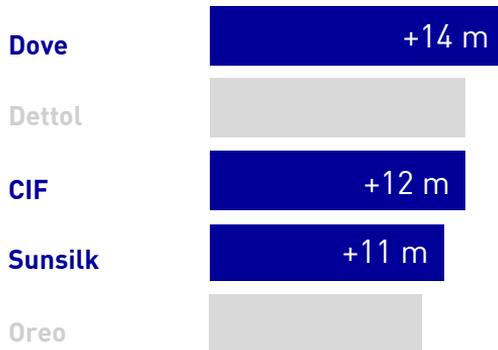
Unrivalled global scale

Number of top 50 FMCG brands



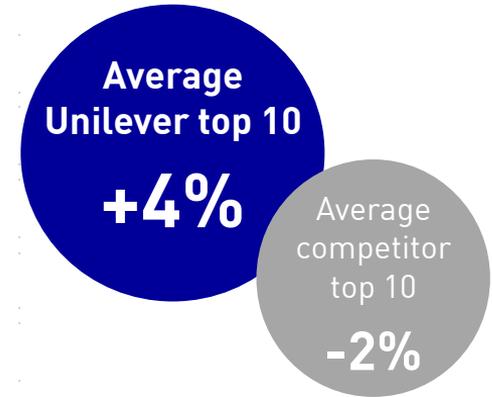
Increasing penetration

Number of households gained



Increasing frequency

% increase of purchase occasions



Faster pace of change

Fragmentation



Changing cost & price dynamics



Disruptive new models

Benchmarks re-set

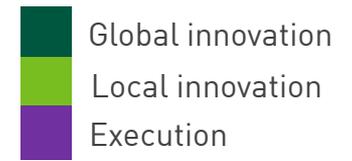
FRONERI

KraftHeinz

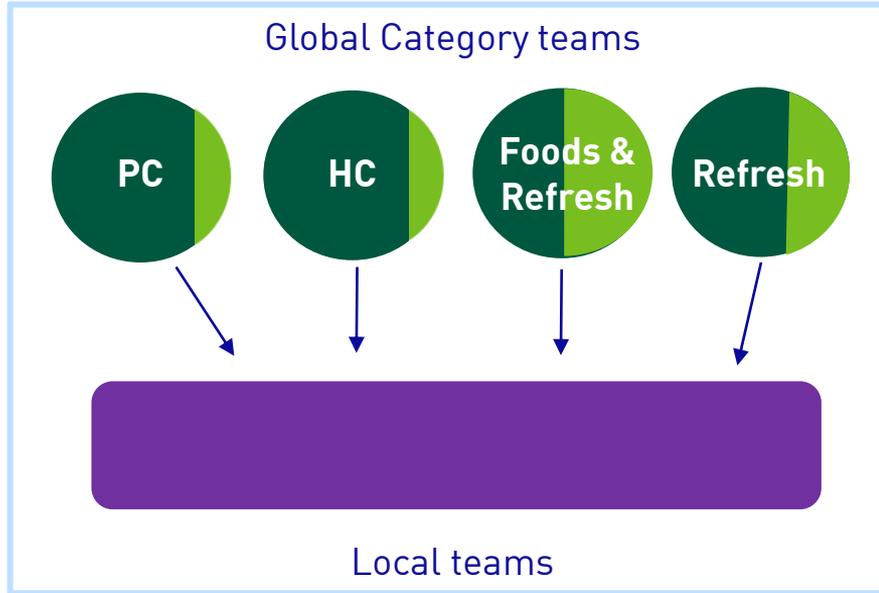
PATANJALI

graze
nature delivered .COM

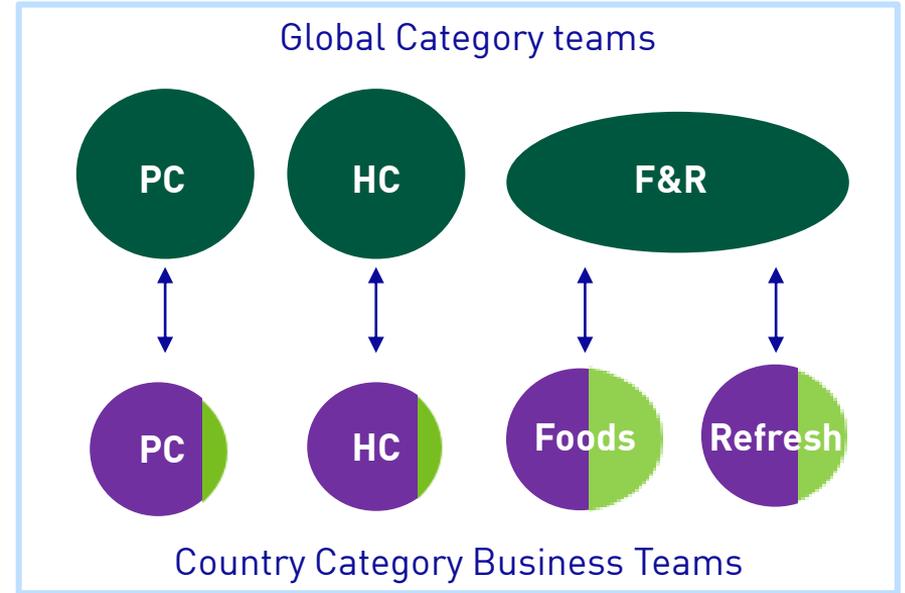
C4G: a simpler, faster organisation



From:

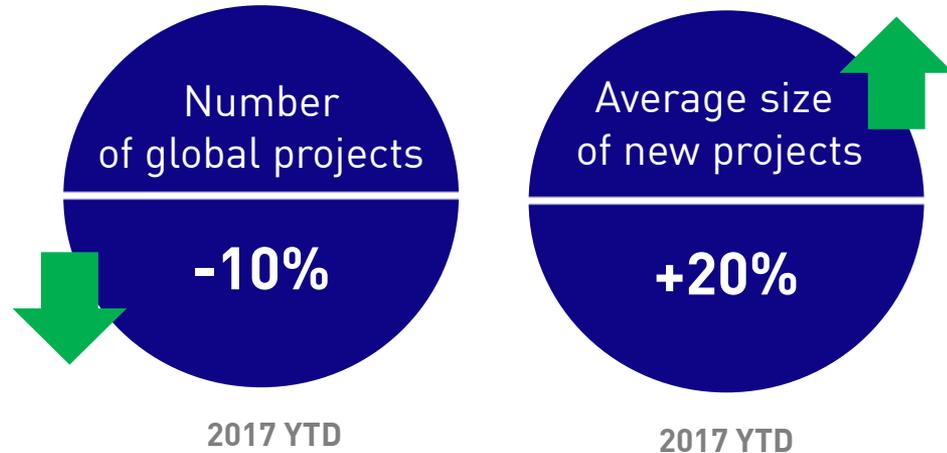


To:



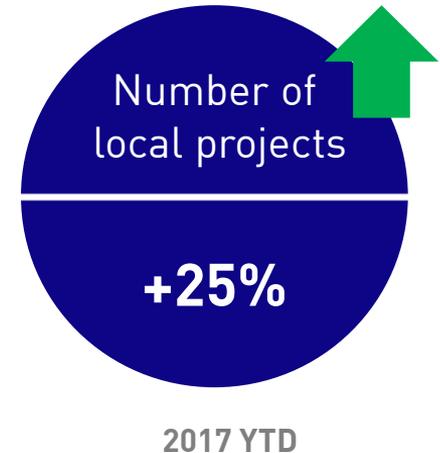
C4G: More global and more local

Global category teams now more focussed



Fewer, bigger, better innovation, rolled out faster

More local innovations



Rapid launches, meeting local trends

Value-creating M&A

Building key segments & channels



SIR KENSINGTON'S



Living proof.



Unlocking faster growth
Adding new capabilities & consumer touch-points

Building scale

e.g. Quila acquisition



Building market strength
Accessing synergies

More dynamic evolution of our portfolio

- ❑ **Right time to dispose of Spreads**
- ❑ **Unified legal structure is simpler and more flexible ('optionality')**

Accelerated improvement in margins

3 key programmes

5s savings

- Savings in Supply Chain
- Successful in Home Care, now rolling out

ZERO BASED BUDGETING

- Savings mainly in B&M and overheads
- Well into implementation
- Locked into financial & operational KPIs

C4G

- Savings in Overheads
- 15% reduction in mid & senior management
- A leaner Foods & Refreshment unit

Delivering €6bn of savings

2017 – 2019 savings

Supply Chain

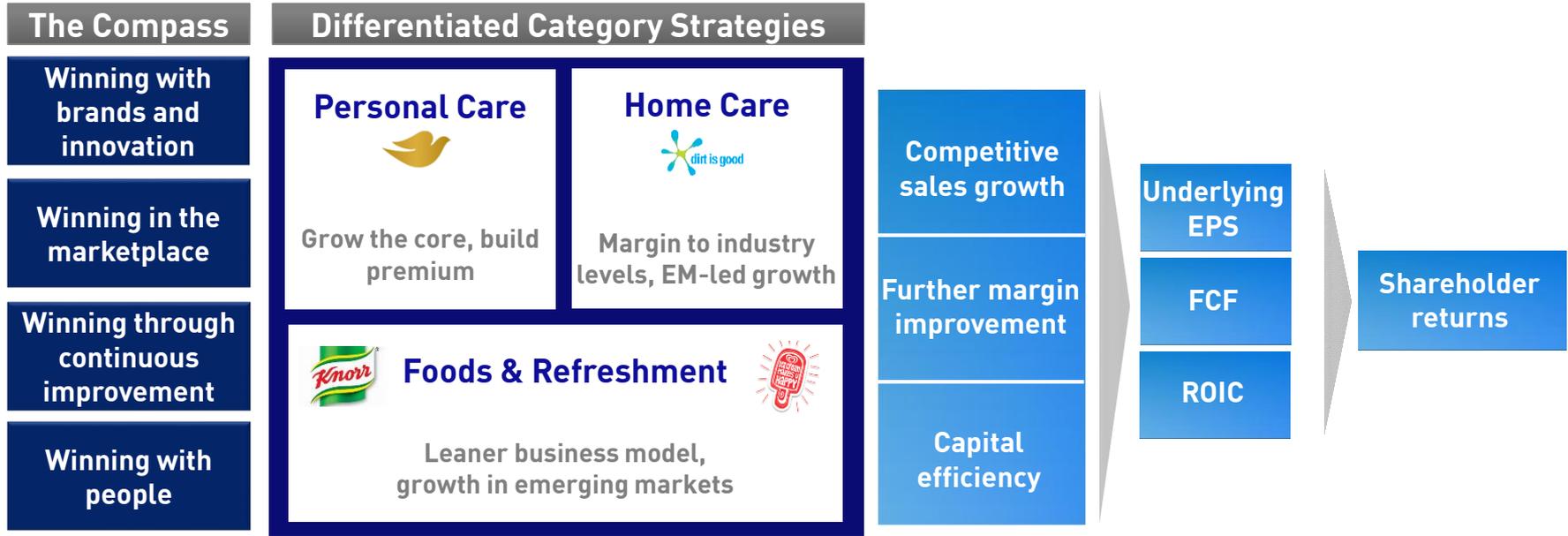
€4bn

Overheads &
Brand &
Marketing

€2bn

With €3.5bn restructuring

Committed to our long term strategy



Sustainable Living: more growth, lower costs, less risk, more trust

Accelerated returns: New financial targets

**Underlying
Sales Growth**

**Ahead of
markets
3-5%**

**Underlying
Operating Margin**

**20%
by 2020**

**Cash
conversion**

**100%
by 2020**

Capex 3% of turnover

One-off cash injection
to pension funds

**Return On
Invested Capital**

**High
teens**

**Leverage &
returns**

**2x
Net debt/
EBITDA**

€5bn share buyback

12% dividend increase
in 2017

Cash conversion defined as Free Cash Flow as a % of Net Profit before profits & losses on disposals

ROIC defined as Underlying Operating Profit after tax / Average (PPE + Working Capital+ Assets held for sale + Goodwill + Software)

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