

# Unilever H1 2022 Results

Alan Jope & Graeme Pitkethly

26<sup>th</sup> July 2022



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# Unilever H1 2022 Results

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26<sup>th</sup> July 2022



**H1 2022 Overview & Strategic Priorities**

Alan Jope

**H1 2022 Results & Outlook**

Graeme Pitkethly

First half performance builds on growth momentum of 2021

Growth delivered in line with strategic priorities

Portfolio: Tea completed, Nutrafol acquired

Simpler, more category focused organisation in place

# Challenging environment, Unilever well positioned

## Strong brands with pricing power



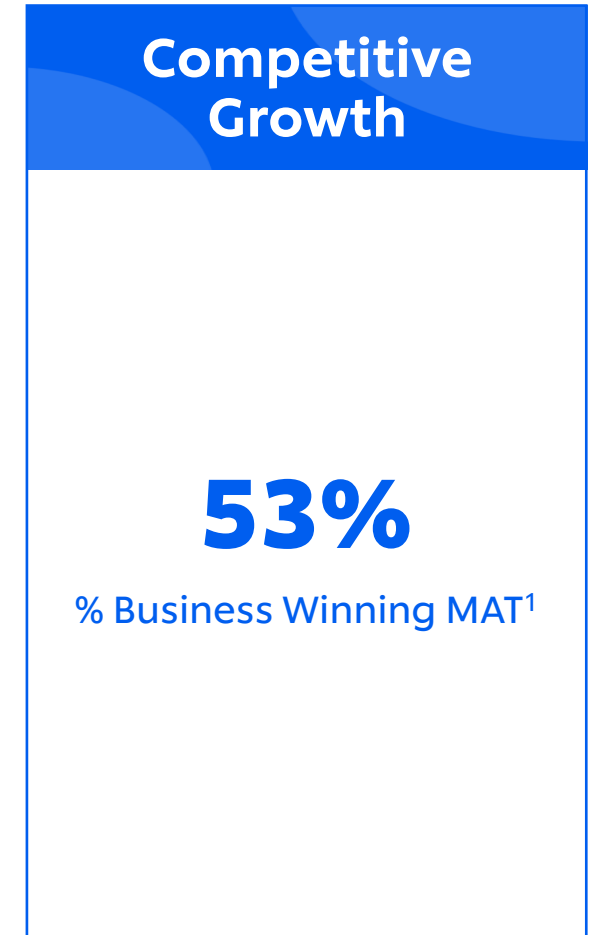
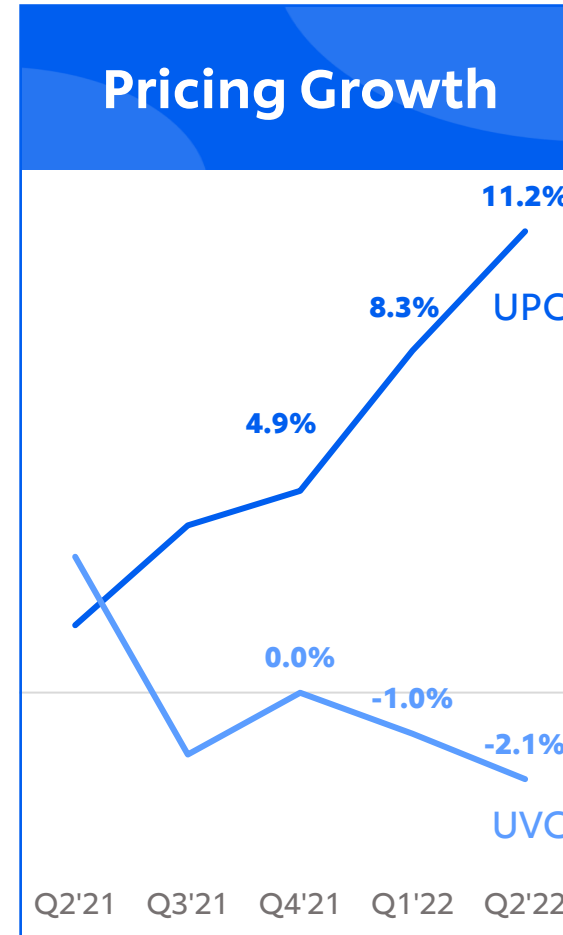
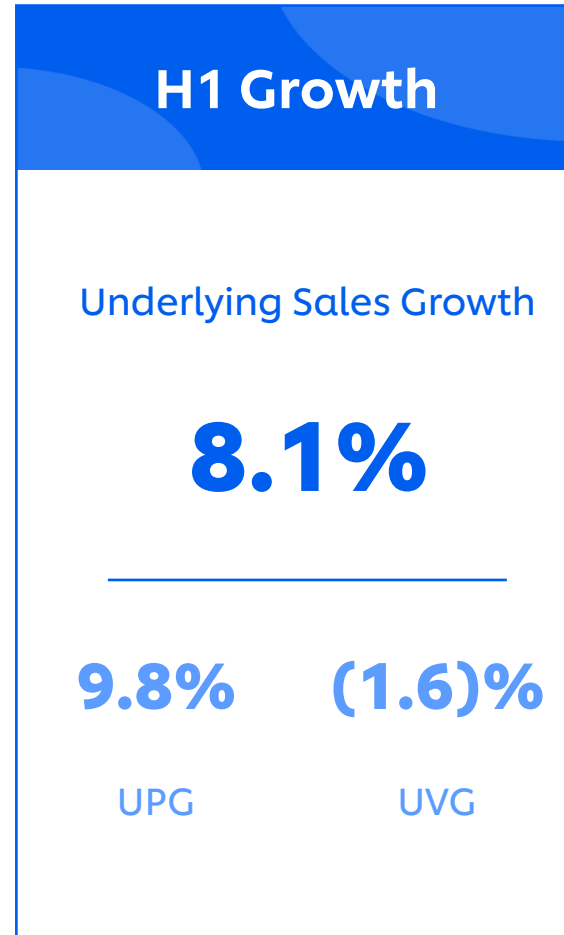
## Experience in high inflation environments



## New, agile organisational structure



# Growth momentum maintained, price led



<sup>1</sup>Moving Annual Total / Last 52 weeks

# Margin delivery in line with guidance

## Margin

Underlying Operating Margin

**17%**

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**(180)bps**

vs 2021

## Earnings

Underlying EPS

**1%**

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**€1.34**

Underlying EPS

## Cash

Free Cash Flow

**€2.2bn**

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**€(0.2)bn**

vs 2021



# Five clear strategic priorities

1.

Win with  
**brands** and  
innovation

2.

Move  
**portfolio** into  
high growth  
spaces

3.

Accelerate  
**USA, India,  
China** and  
EMs

4.

Lead in  
**channels** of  
the future

5.

Purpose -led,  
future-fit  
**organisation**  
& culture

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# 1. Winning with brands and innovation

**€1bn+**  
brands

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**52%**  
of turnover

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**10%**  
Q2'22 USG

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**9.4%**  
H1'22 USG



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## 2. Move portfolio into high growth spaces

### Divested Tea business, ekaterra

- €4.5bn on a cash-free, debt-free basis

### Acquired Nutrafol

- #1 dermatologist recommended hair growth supplement in the U.S
- Strong clinical support

### Prestige Beauty

Q2 USG 14%



### Health & Wellbeing

Q2 USG 28%



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### 3. Accelerate USA, India, China and Emerging Markets



**€9.9bn**  
FY'21 TO

**€5.6bn**  
FY'21 TO

**€3.3bn**  
FY'21 TO

**USG%**  
Q2 '22

**8.7%**

**19.5%**

**(9.3)%**

**UVG%**  
Q2 '22

**(0.3)%**

**6.8%**

**(10.5)%**

**USG%**  
H1 '22

**8.8%**

**14.9%**

**(2.2)%**

**Consumer Behaviour**

More shopping in physical stores

Inflation impacting rural more than urban

Covid impacting supply and demand

# 3. Accelerate USA, India, China and Emerging Markets

## Turkey

Q2 USG:  
Q2 UVG:

44%  
15%

## SEA excl. Indonesia

8%  
(1)%

## Indonesia

10%  
(4)%

## Latin America

17%  
(4)%

### Consumer behaviour

- Consumer demand holding
- Pantry loading
- **Vietnam:** multi-channel shopping
- **Thailand:** Shift to modern trade
- Trading down in Home Care
- BPC and F&R less impacted
- Multi-channel shopping
- Polarisation: trading up & down

### Strong innovation



Superior Clean



Premium propositions



All price points



Recession proofing



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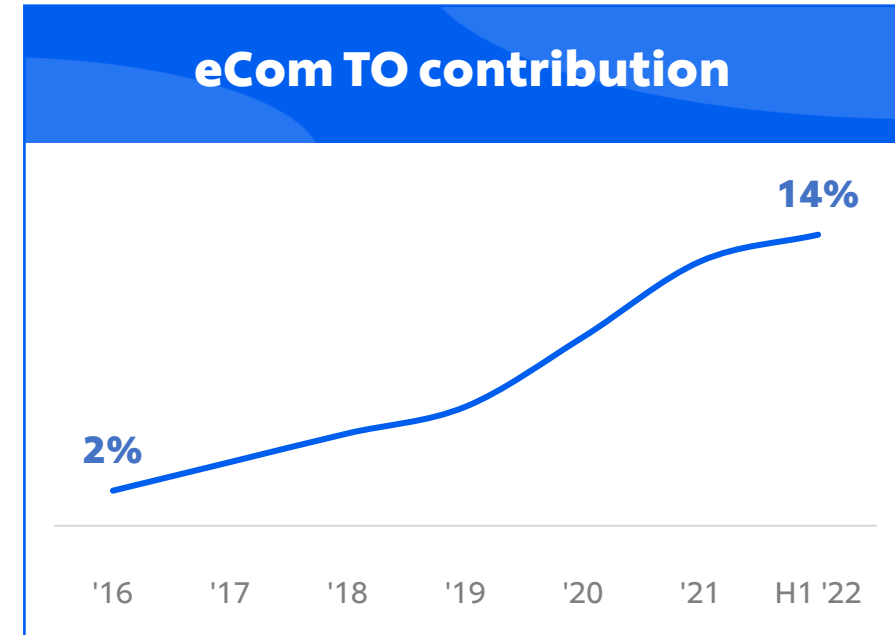
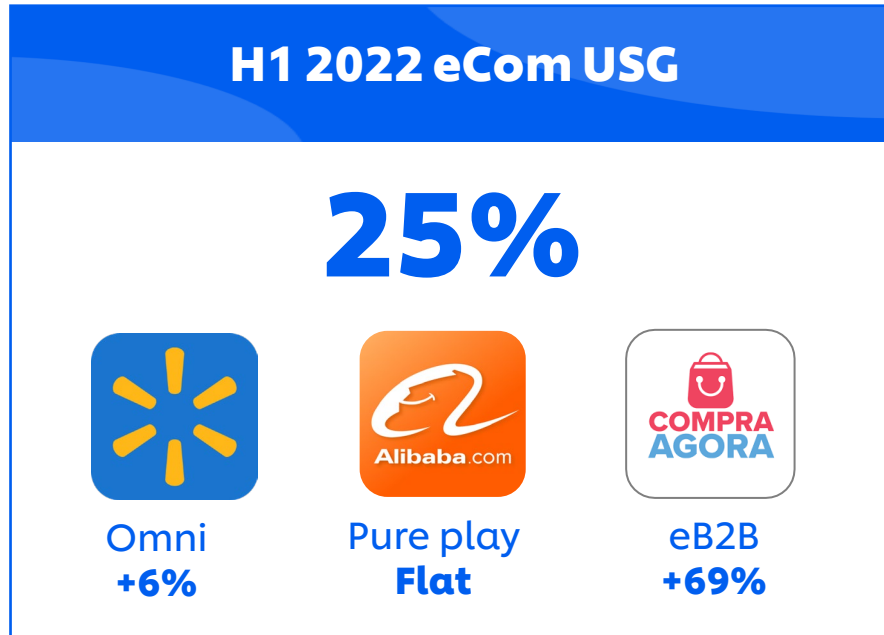
4.

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# 4. Lead in channels of the future - eCommerce



## Channel-specific Innovation



Dove treatment masks



Clear premium scalp care



Lifebuoy bundles

# Five clear strategic priorities

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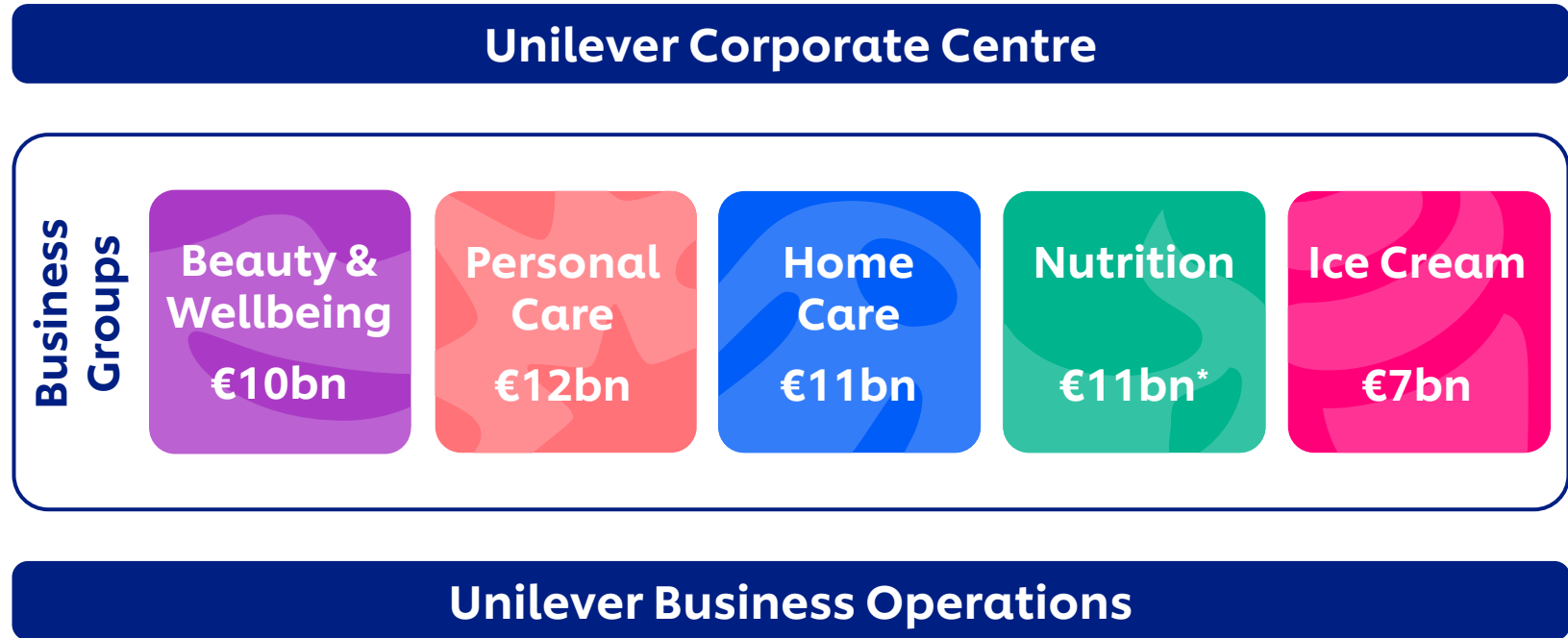
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# 5. Future-fit organisation & culture

- Operational from 1<sup>st</sup> July
- **Simpler, faster, and more agile**
- Greater **category focus** and **expertise**
- More **empowered** and **accountable**
- **Focus** of five, **power** of one



\* 2021 turnover excluding ekaterra

First half performance builds on growth momentum of 2021

Growth delivered in line with strategic priorities

Portfolio: Tea completed, Nutrafol acquired

Simpler, more category focused organisation in place

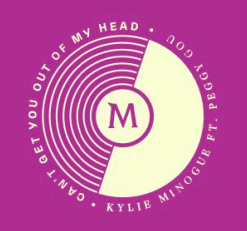
# Graeme Pitkethly

H1 2022 Results

26<sup>th</sup> July 2022



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Unilever

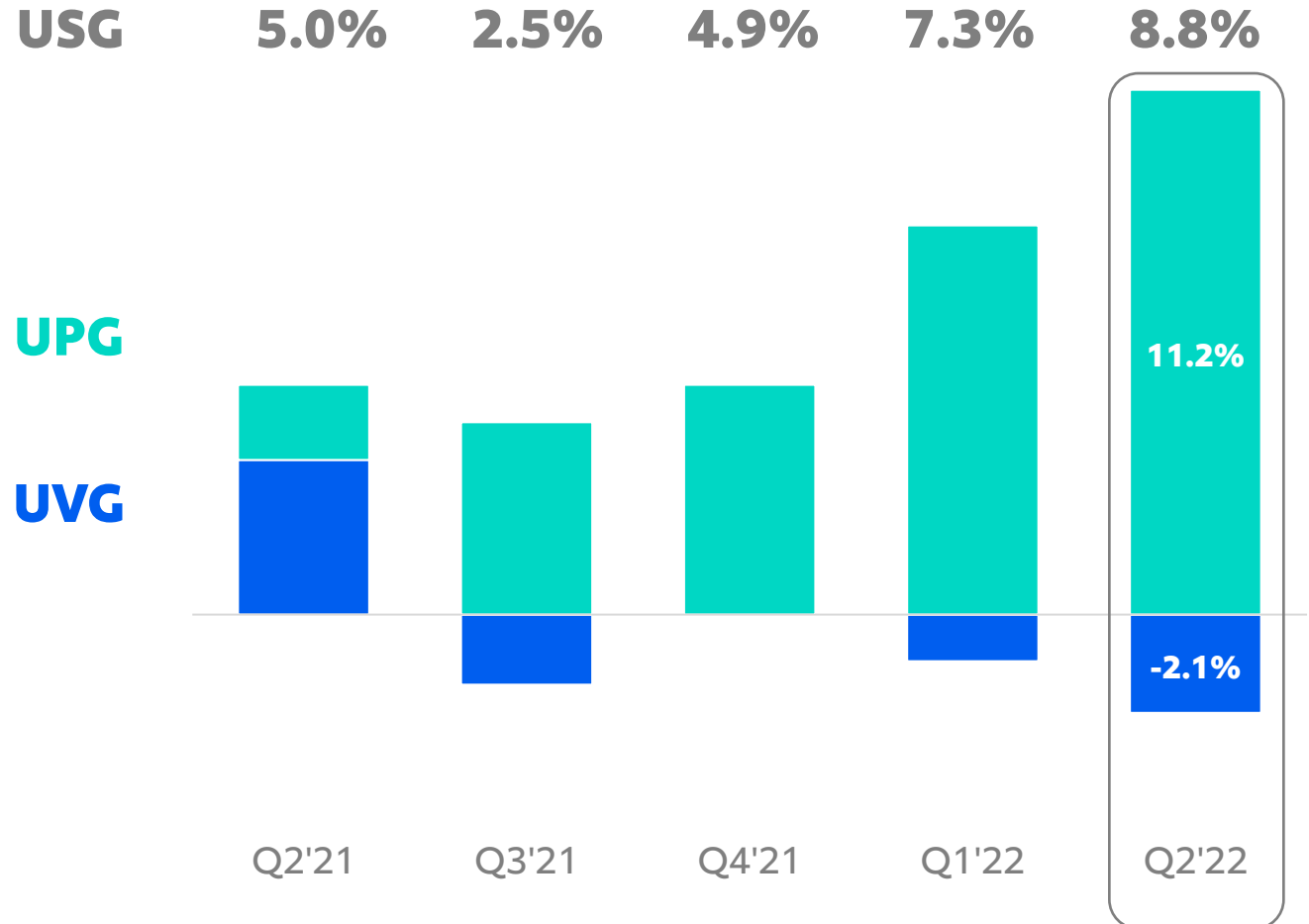
## Results summary

**8.1%**  
H1 USG

**-1.6%**  
H1 UVG

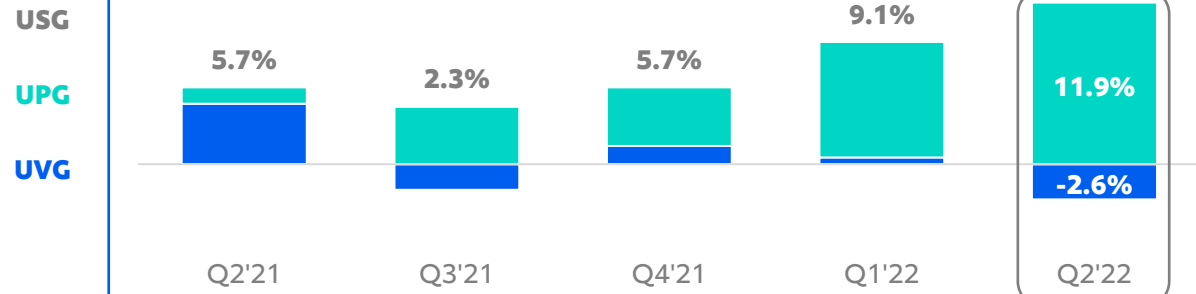
**9.8%**  
H1 UPG

- Good first half performance in a challenging environment
- Broad-based growth across all divisions
- Pricing sequentially stepped up
- Volume impact tracking as expected

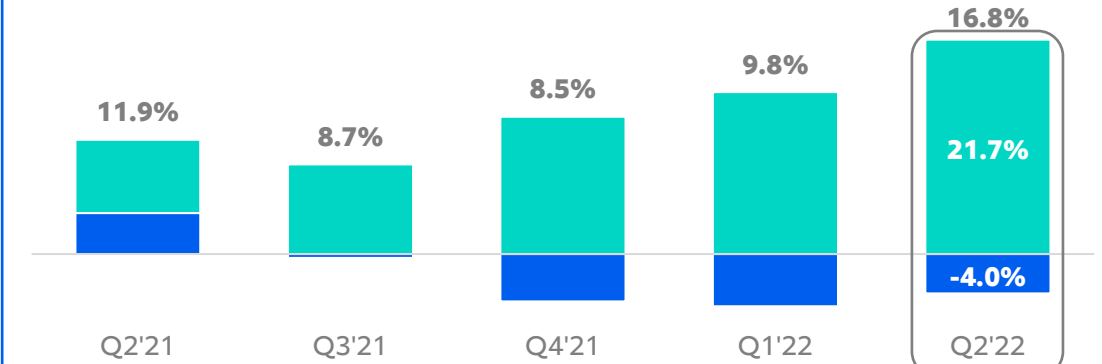


# Regional growth by quarter

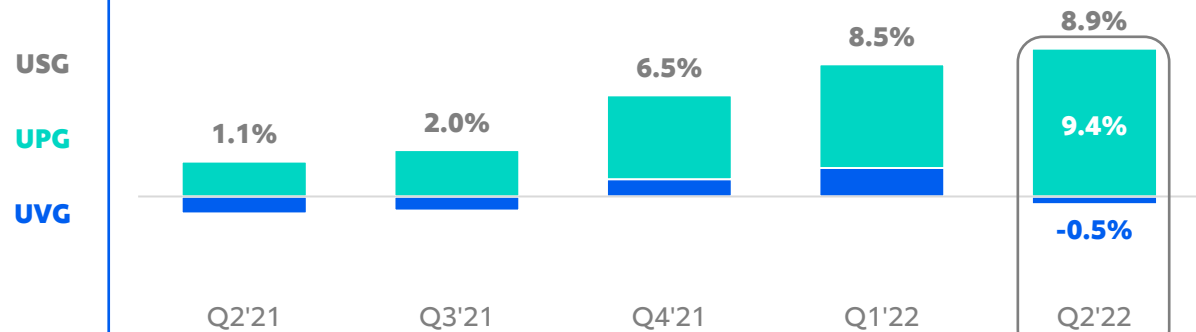
**Asia / AMET / RUB**  
€14bn TO



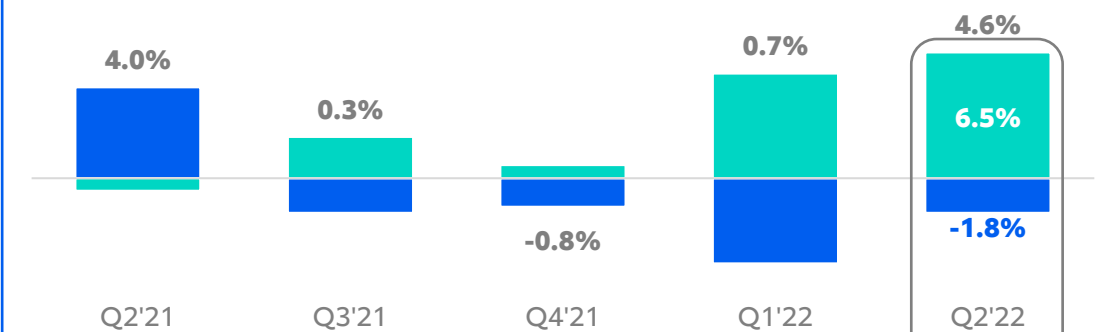
**Latin America**  
€4bn TO



**North America**  
€6bn TO

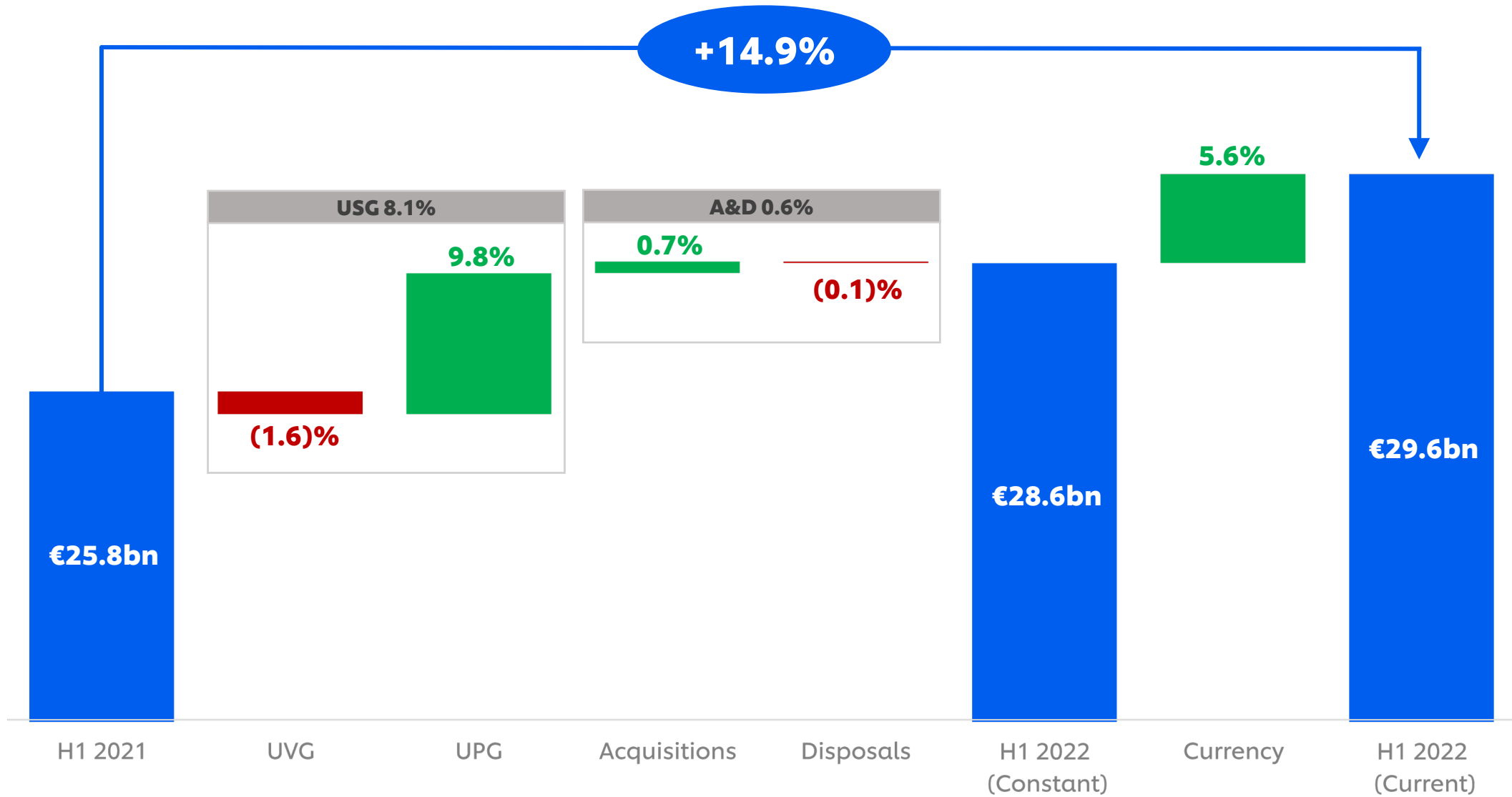


**Europe**  
€6bn TO





# H1 2022: Turnover growth



H1	7.5% USG	(1.3)% UVG	9.0% UPG
Q2	8.0% USG	(2.3)% UVG	10.5% UPG

- Strong pricing across all categories
- Premiumisation and innovation contributed to double-digit growth in Deodorants
- Skin care grew off a strong base
- Prestige Beauty continued double-digit growth momentum

## Growth Segments



Axe relaunch

## Growth Channels



UI partnership with IHG Hotels

## Growth Geographies



Pond's spot-less glow

## Purposeful Brands



Sunsilk relaunch

H1	7.3% USG	(0.9)% UVG	8.3% UPG
Q2	8.1% USG	(1.2)% UVG	9.4% UPG

- Ice cream sales driven by strong growth in out-of-home
- In-home foods grew on the back of strong comparator
- Food Solutions +6% vs 2019, despite severe China lockdown impact

## Growth Segments



Summer feeling in-home

## Growth Channels



Magnum's partnership with getir

## Growth Geographies



Knorr's #HelpKidsGrowBest

## Purposeful Brands



Hellmann's 'make it something'



H1	10.7% USG	(3.4)% UVG	14.5% UPG
Q2	12.2% USG	(3.8)% UVG	16.6% UPG

- Strong pricing in response to high input costs exposure
- Double digit growth in Fabric Cleaning, marginal volume impact
- Accelerated Fabric enhancer performance
- Home & Hygiene +11% vs 2019

## Growth Segments



Comfort fragrance beads China

## Growth Channels



UL Professional Perfect White

## Growth Geographies



Omo dilutable Brazil

## Purposeful Brands



Sunlight ultimate degreasing

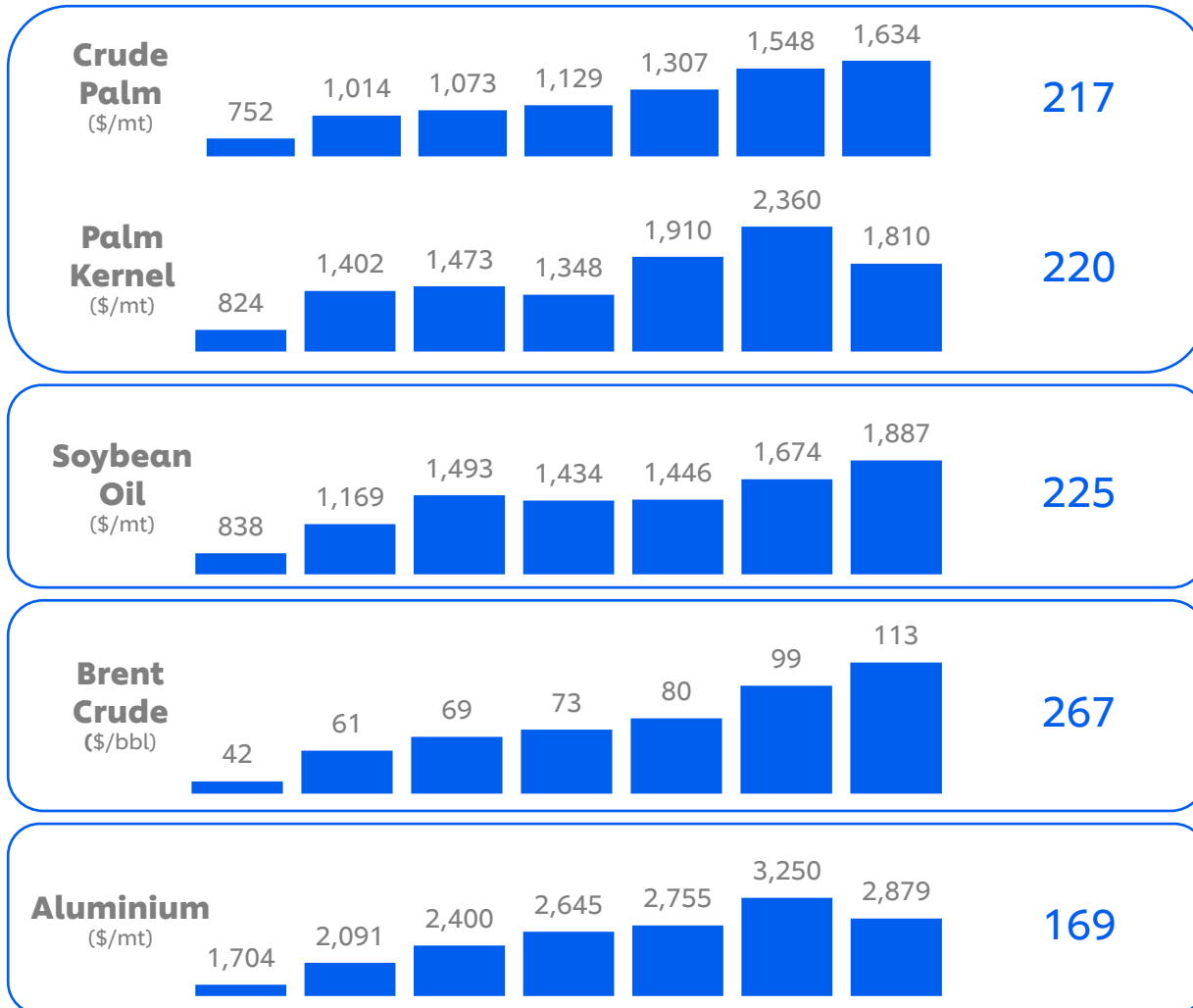
# Commodity prices remain high, with a greater impact anticipated

## Commodities remain elevated

(avg. spot price for each period)

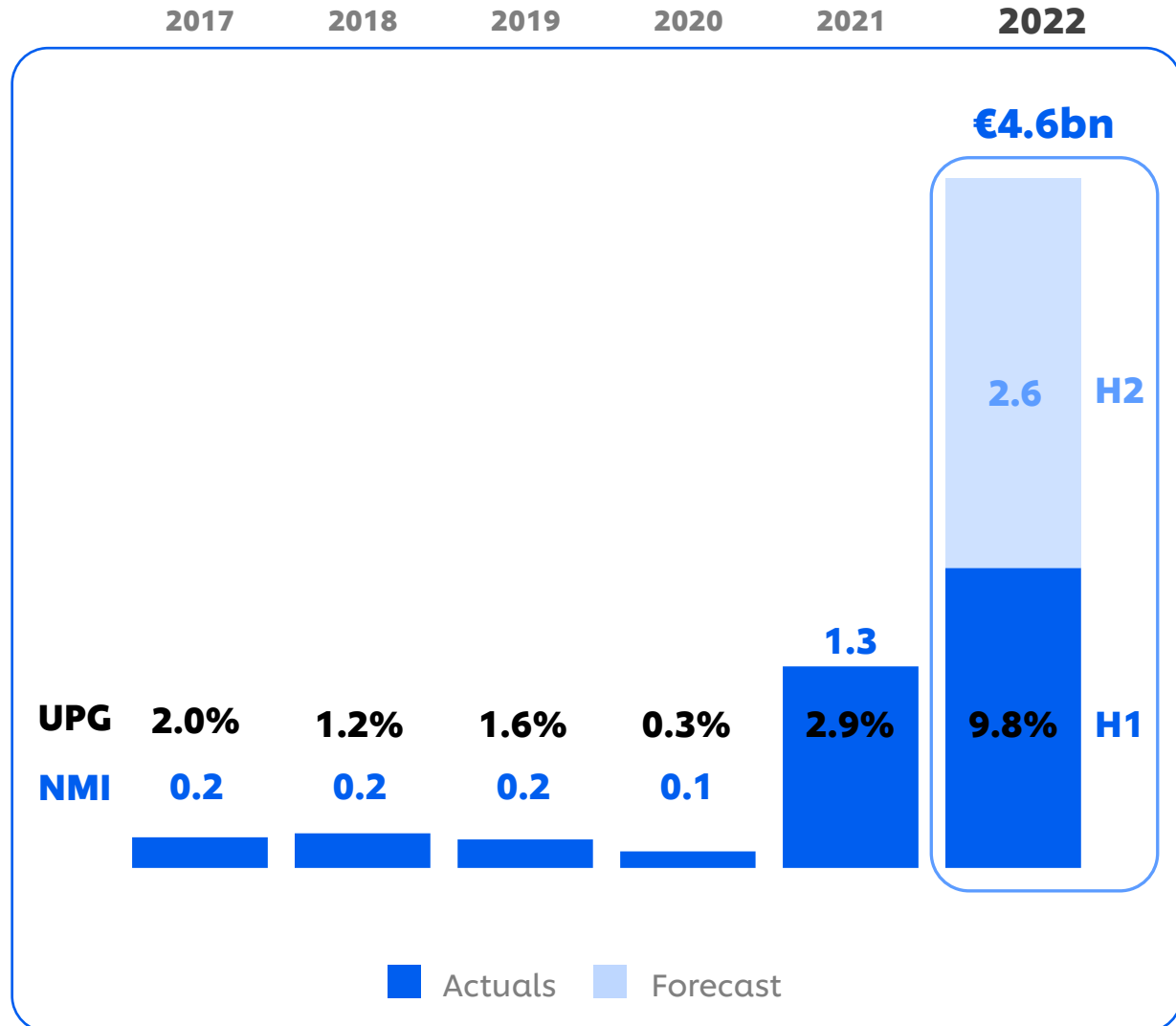
## Q2 '22 index

(vs '20 at 100)

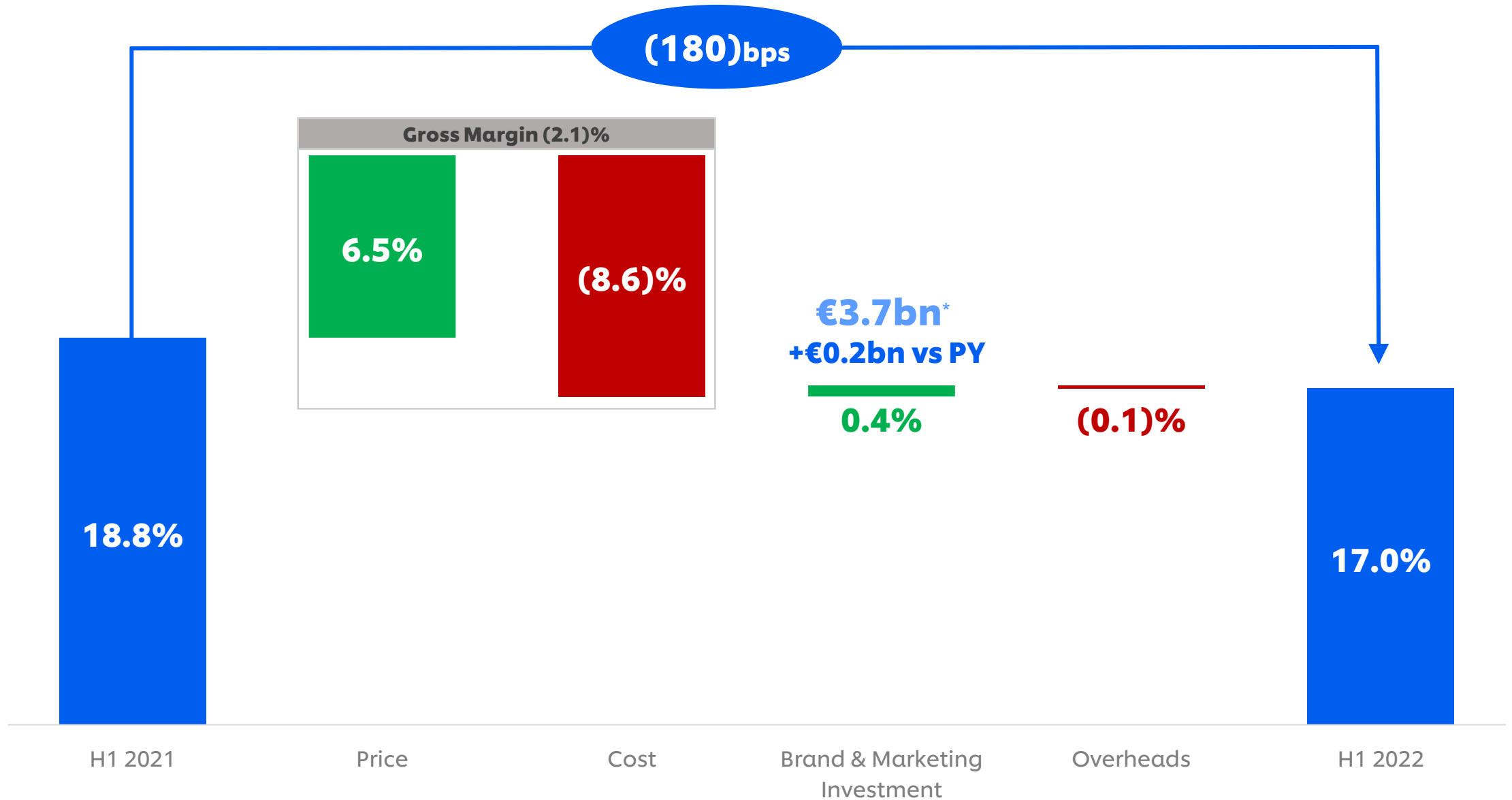


## Sequentially more cost inflation ahead

(YoY NMI €bn)

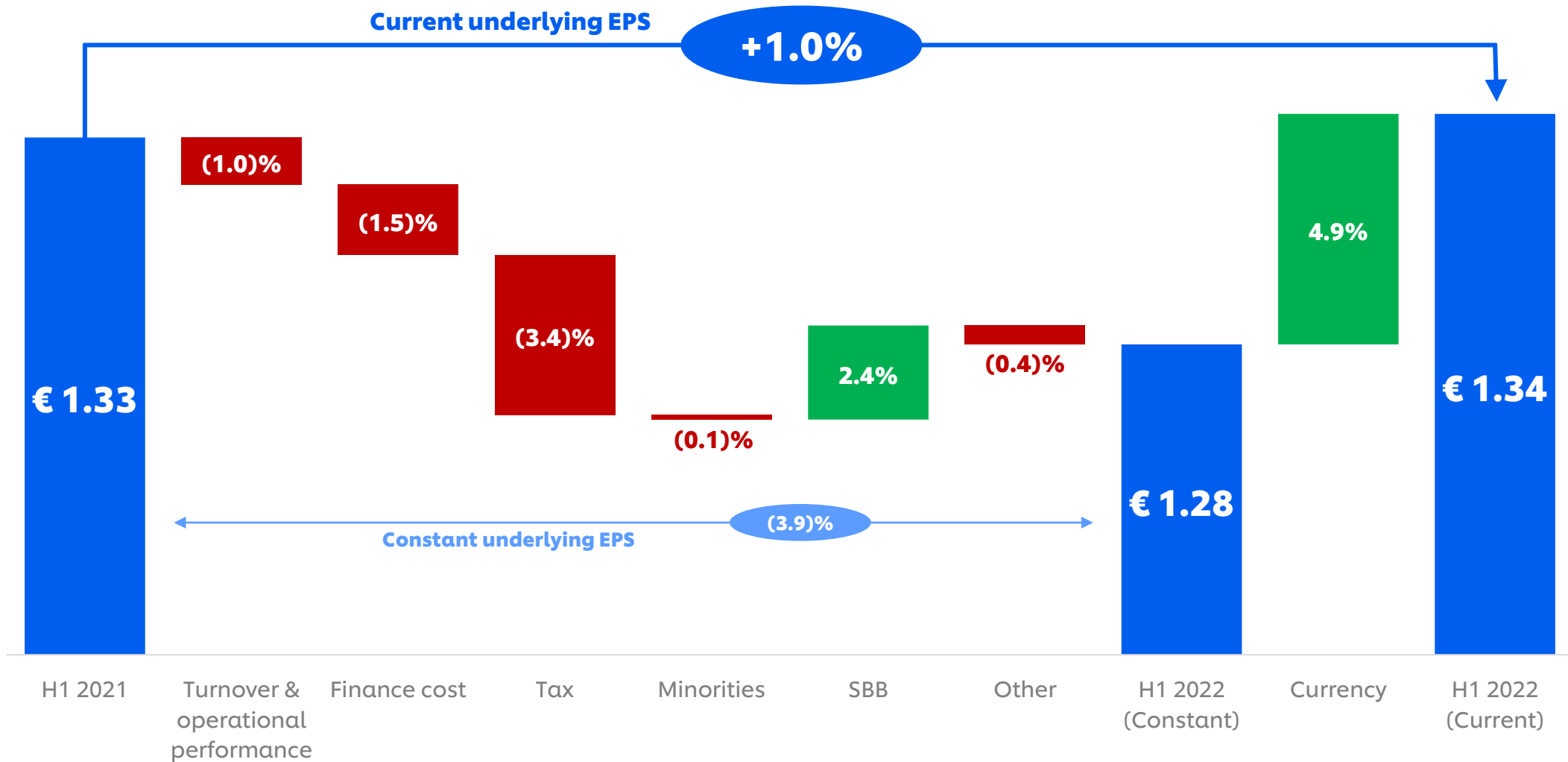


# H1 2022: Underlying operating margin



\*BMI H1 spend at constant fx rates

# H1 2022: Underlying earnings per share



## Operational investment

- Step up Capex investment
- Competitive investment in BMI & R&D

## Portfolio reshape

- Bolt-on acquisitions. Nutrafol completed 7<sup>th</sup> July
- Tea disposal completed 1<sup>st</sup> July

## Returns to shareholders

- Up to €3bn share buyback over 2022/23 – first €750m tranche completed
- Attractive, sustainable dividend



## Cash

Free Cash Flow

**€2.2bn**

**€(0.2)bn**

vs H1 2021

## Net Debt

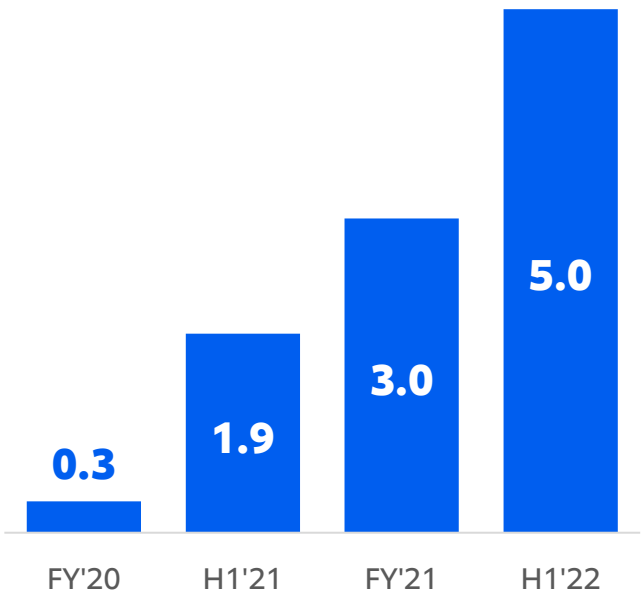
Net debt / EBITDA

**2.3**

**€27.1bn**

Net debt

## Pension Surplus (€bn)



## 2022 Priorities

Continuing growth momentum

Invest for growth while managing inflationary pressure

Implemented new operating model  
Maintaining cost and savings discipline

## 2022 Guidance

Expect to be above 4.5-6.5% growth range, driven by price with some negative impact on volume

Maintain competitive levels of spend in BMI, R&D and Capex through turbulent period

- FY UOM of 16%, within 16-17% range
- Expect to improve margin in 2023 and 2024

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