



Unilever

Q3 2023 Trading Statement & CEO Update

Hein Schumacher & Graeme Pitkethly

26 Oct 2023



Safe harbour statement

This document may contain forward-looking statements within the meaning of the securities laws of certain jurisdictions, including 'forward-looking statements' within the meaning of the United States Private Securities Litigation Reform Act of 1995. Words and terminology such as 'will', 'aim', 'expects', 'anticipates', 'intends', 'looks', 'believes', 'vision', 'will continue', 'should', 'would be', 'seeks', 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 appear in a number of places throughout this document and are based upon the intentions, beliefs, current expectations and assumptions regarding anticipated developments and other factors affecting the Group. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. 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. In addition, even if the results are consistent with the forward-looking statements contained in this announcement, those results may not be indicative of results in subsequent periods. 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 intention or 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. All subsequent written and oral forward-looking statements attributable to either the Group or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above.

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.



Unilever

1. Q3 Trading Statement

2. Action Plan

3. Q&A



Solid third quarter

Price growth moderated as expected, now with positive volume growth in three Business Groups

Growth driven by biggest brands and strong innovations

Competitiveness remained challenging – major focus area for Action Plan

Full year outlook remains unchanged

Targeted Action Plan for faster growth and simplicity



Unilever Q3 2023 Trading Statement

Graeme Pitkethly



Solid Q3 performance

Q3 growth

YTD growth

Price and volume

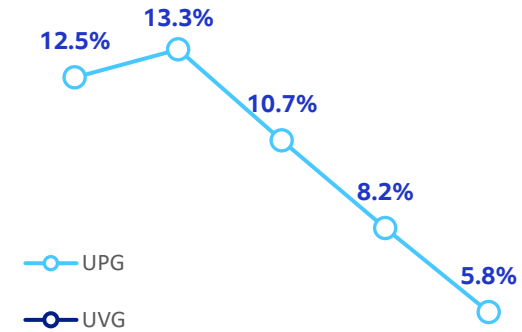
Competitiveness

5.2%

Underlying sales growth

7.7%

Underlying sales growth



38%

% Business Winning MAT

5.8%

UPG

8.1%

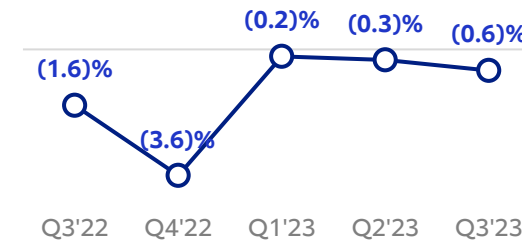
UPG

(0.6)%

UVG

(0.4)%

UVG





Underlying sales growth

Third quarter

5.2%

USG

(0.6)%

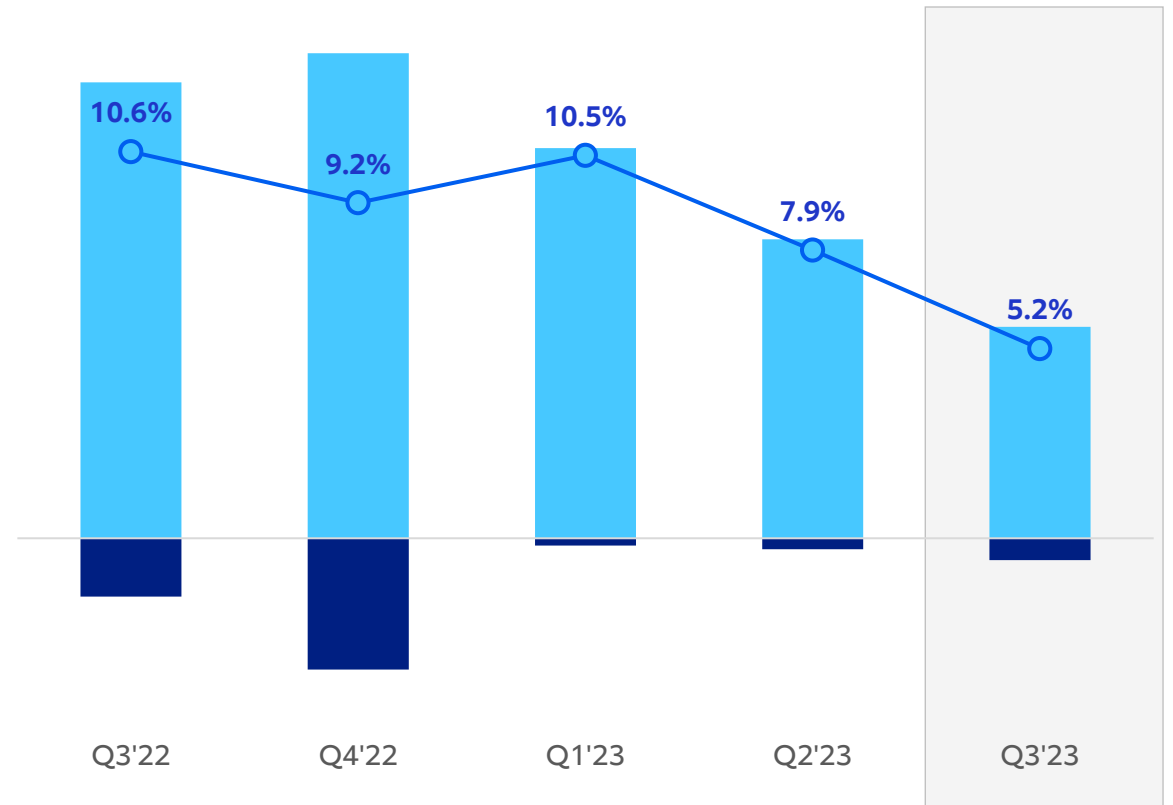
UVG

5.8%

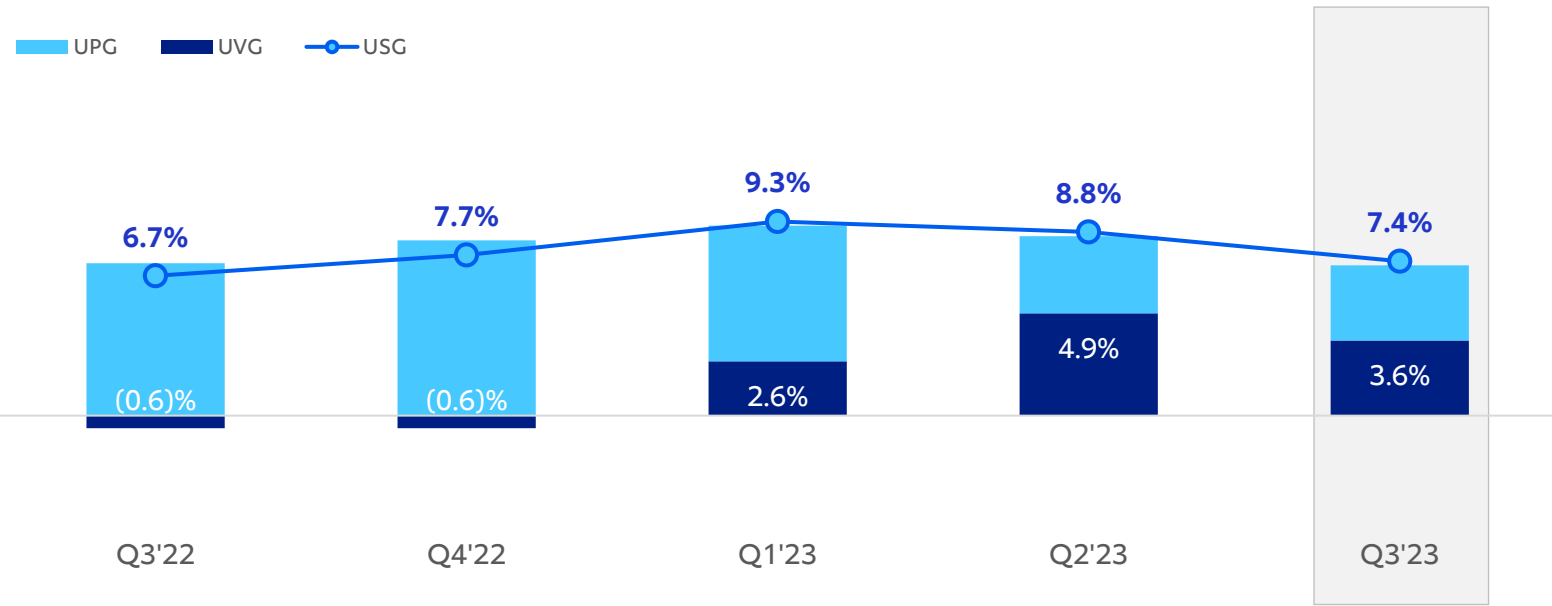
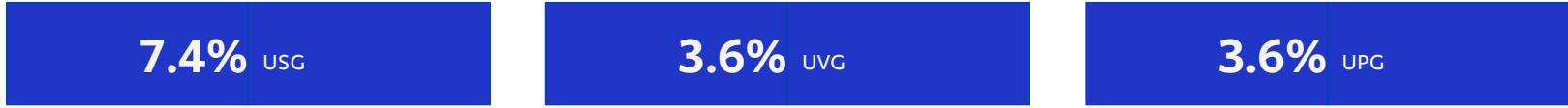
UPG

- Price growth moderated as inflation eased
- Volume positive in Beauty & Wellbeing, Personal Care and Home Care
- Nutrition and Ice Cream not yet back to positive volume growth
- Billion Euro brands accounted for 56% of Group turnover and delivered 7.2% growth
- D-commerce grew 17% and represented 16% turnover year to date

UPG UVG USG



Beauty & Wellbeing



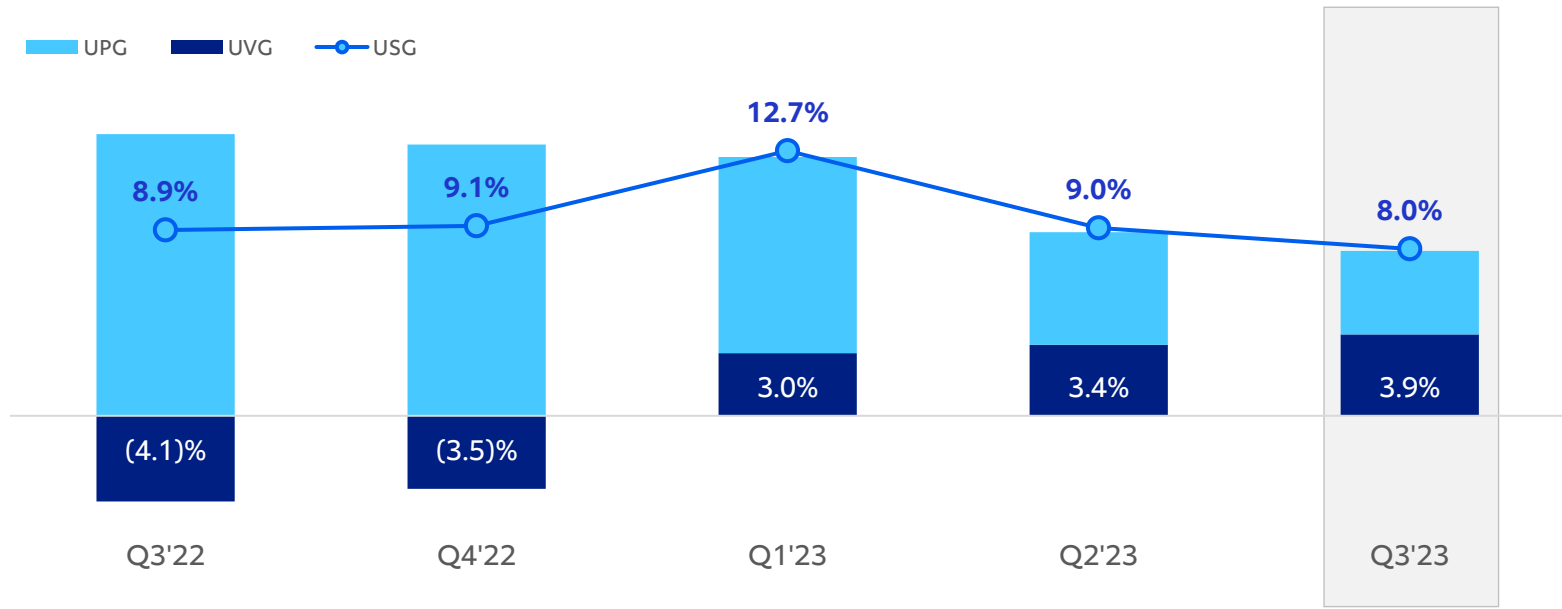
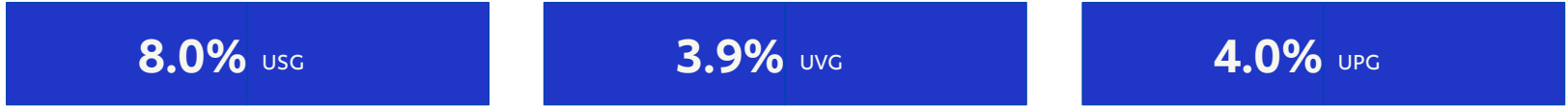
→ Continued strong growth driven by Prestige Beauty and Health & Wellbeing

→ Hair Care grew mid single-digit with strong growth from Sunsilk

→ Core Skin Care grew mid single-digit with volume-led growth from Vaseline



Personal Care



→ Volume up for third consecutive quarter

→ Axe and Rexona led strong Deodorants growth

→ Dove delivered double-digit growth

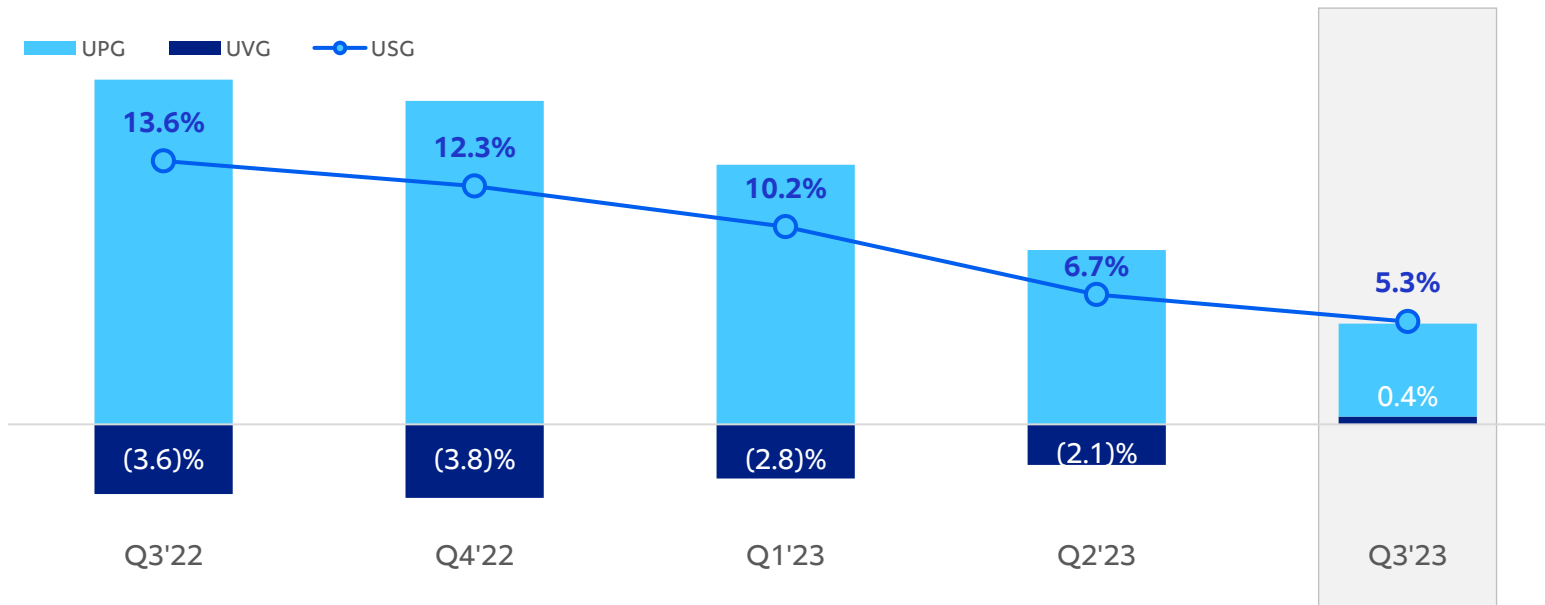


Home Care

5.3% USG

0.4% UVG

4.8% UPG



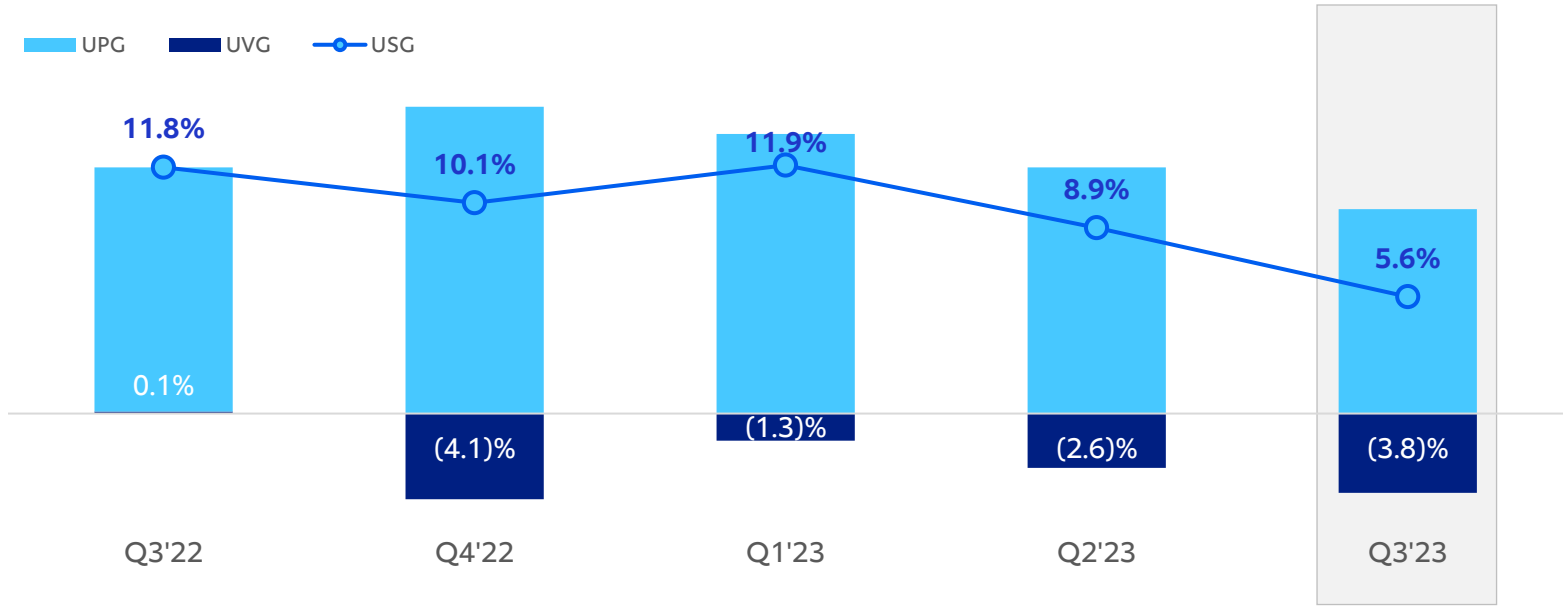
→ Return to positive volume as price growth moderated

→ OMO and Surf delivered balanced growth

→ Cif and Domestos grew double-digit



Nutrition



→ Nutrition growth still driven by pricing

→ Volume decline driven by Europe

→ Unilever Food Solutions maintained strong performance

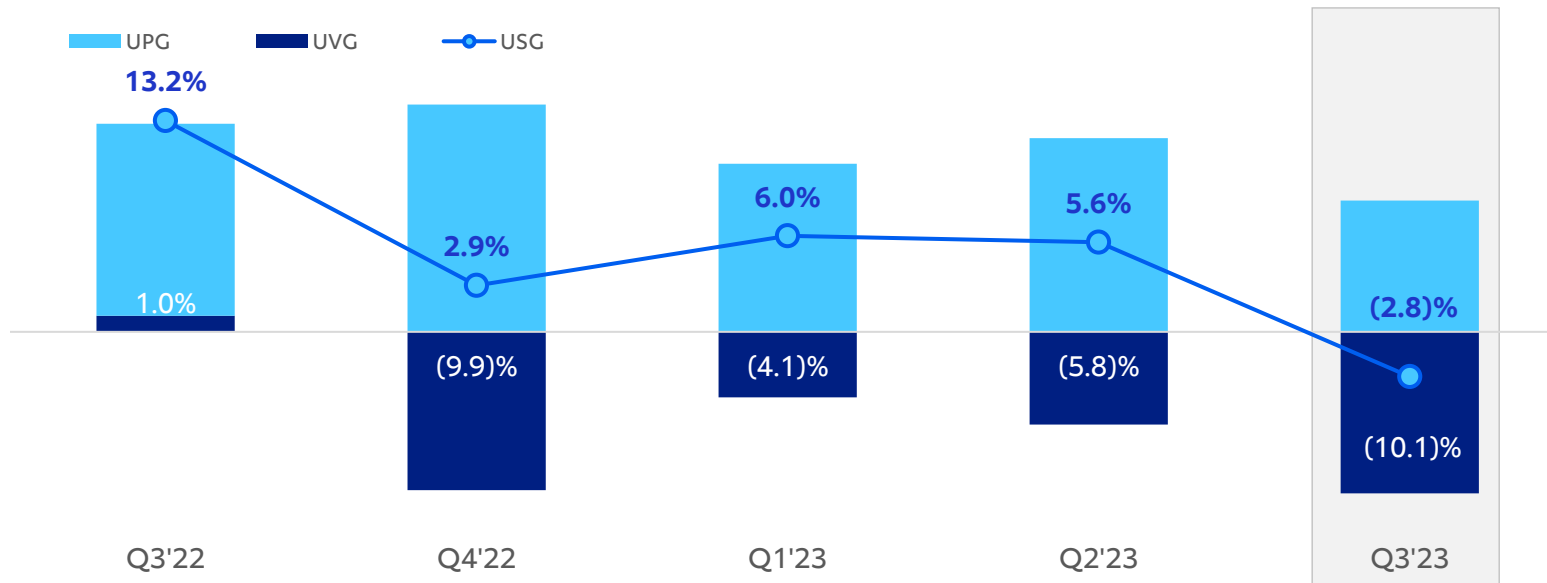


Ice Cream

(2.8)% USG

(10.1)% UVG

8.2% UPG



→ Volumes impacted as consumers down-trade to value brands

→ Disappointing ice cream season in Europe

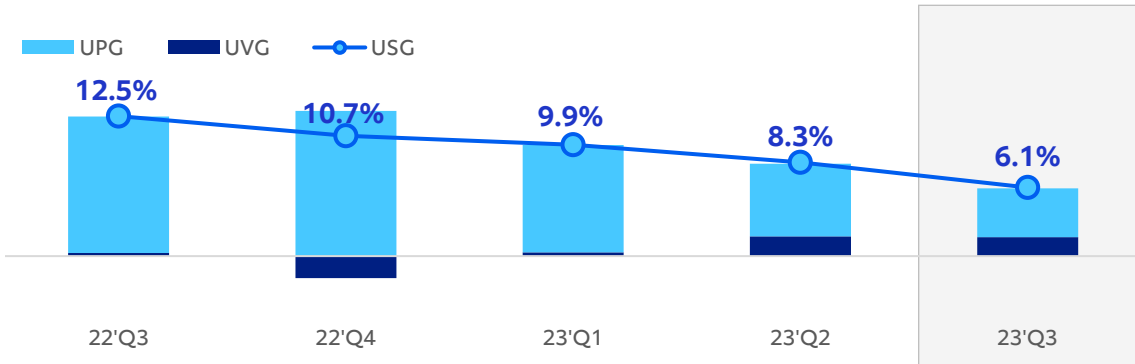
→ Out-of-home grew low single-digit with a strong performance in Turkey



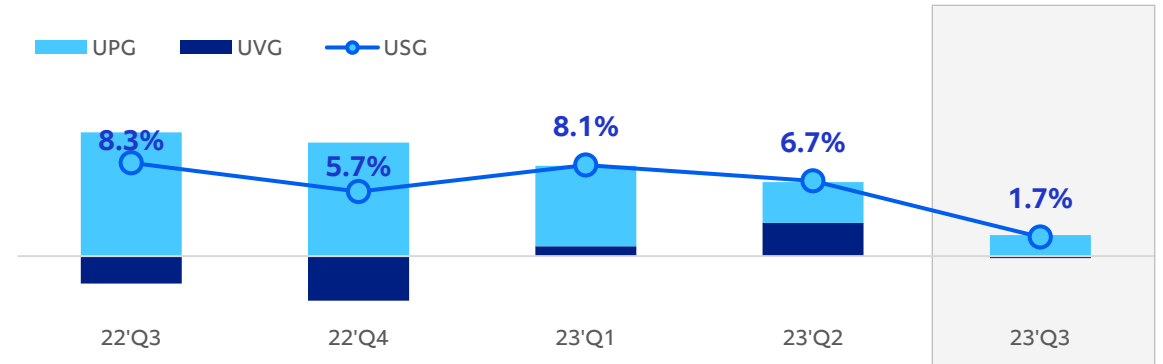


Regional growth by quarter

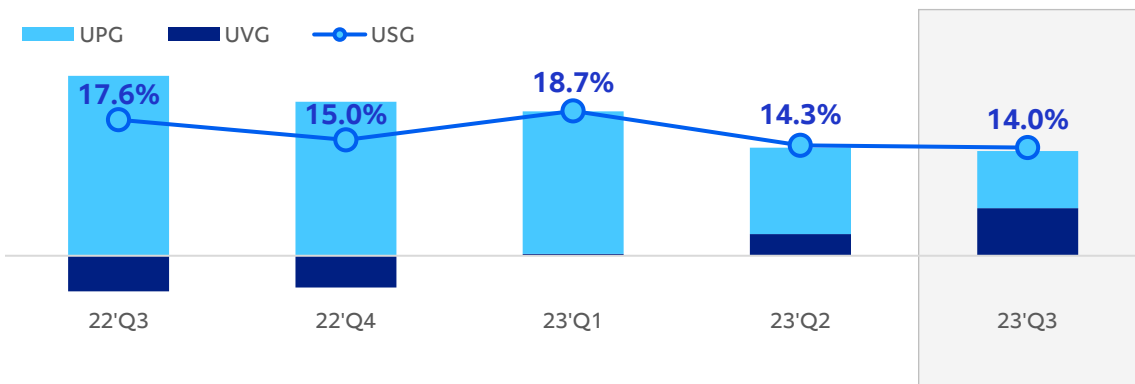
Asia Pacific Africa – €7bn TO



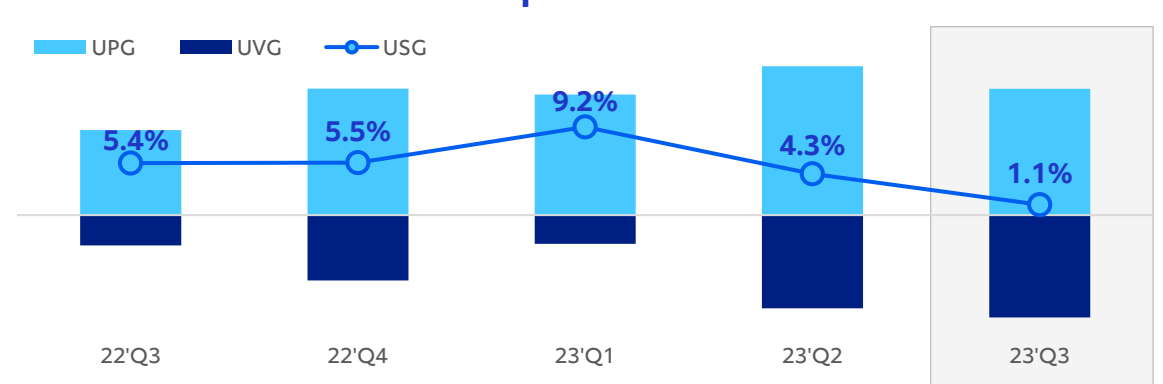
North America – €3bn TO



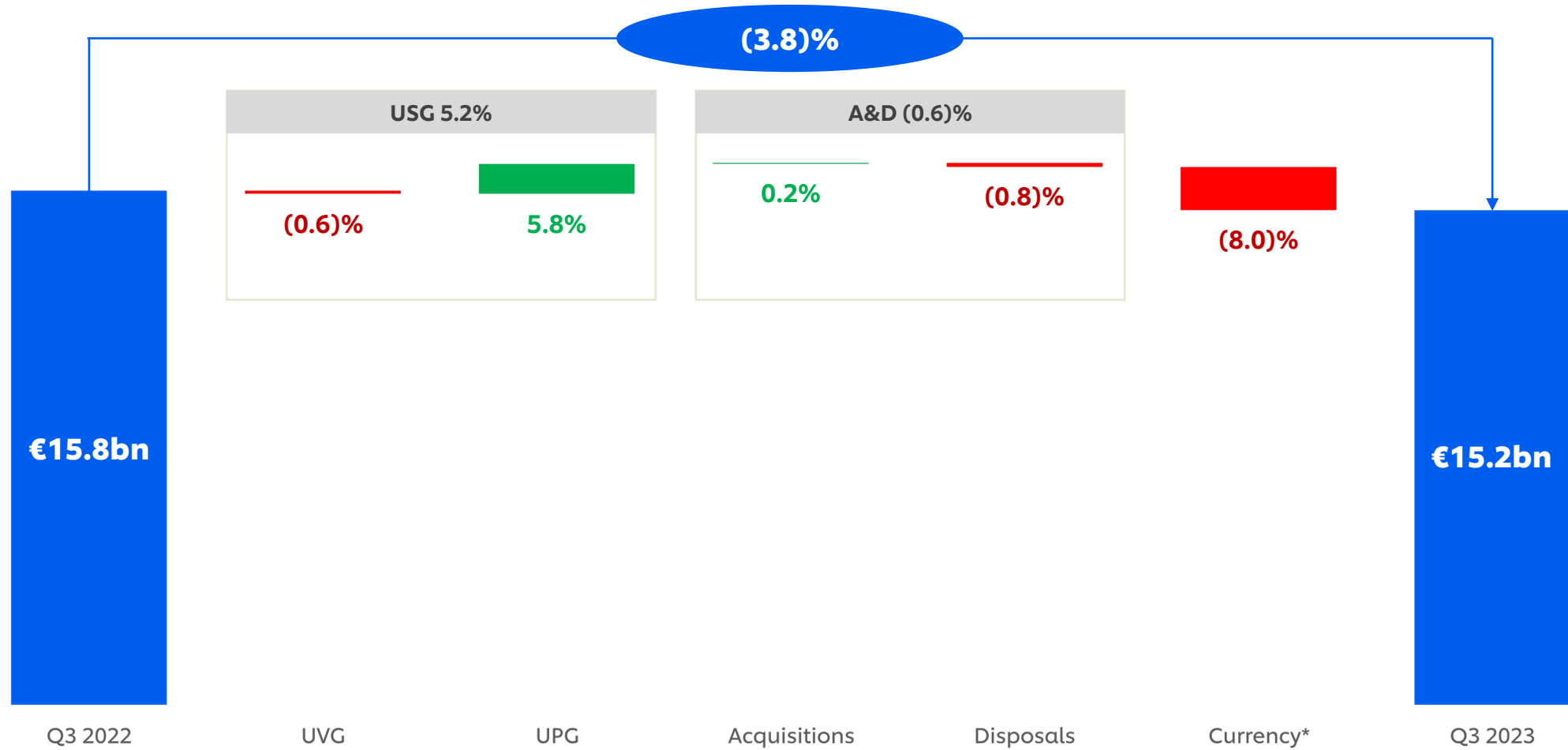
Latin America – €2bn TO



Europe – €3bn TO



Q3 2023: Turnover growth



* Currency includes both exchange rates changes impact of (10.3)% and extreme price growth in hyperinflationary markets impact of 2.6%.

2023 outlook

Priorities

Continue growth momentum in new organisation

Invest for growth

Maintain cost and savings discipline

Guidance

- Underlying sales growth above 5%
- Price growth to continue to moderate throughout the year

- Increased levels of investment in BMI, R&D and Capex

- Net material inflation (NMI) around €2bn for the full year
- Modest improvement in UOM for the full year



CEO update

Hein Schumacher





Strength & opportunities

Action plan

Value creation

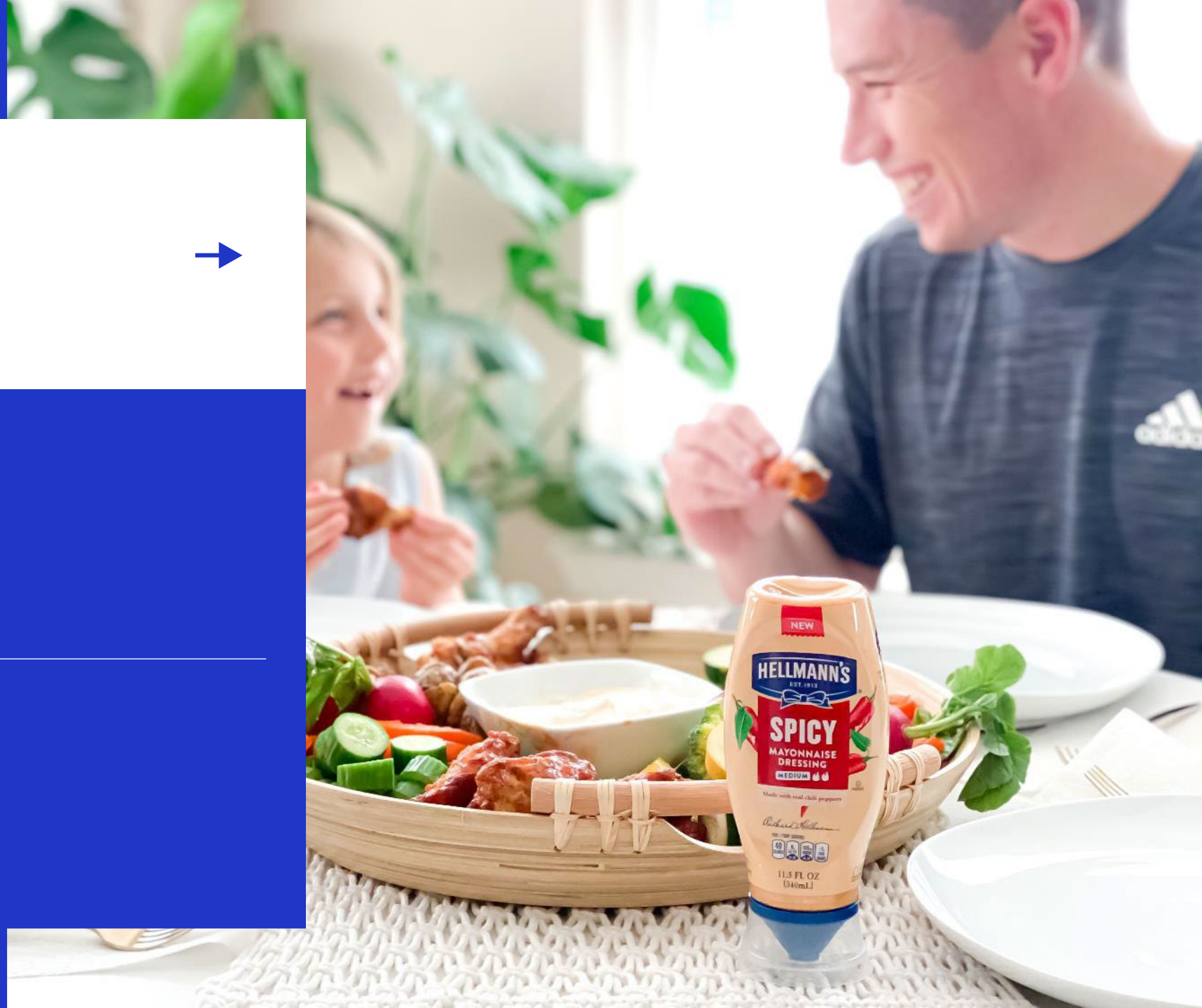


Strength & opportunities



Action plan

Value creation



Unilever's strong fundamentals

Categories

#1 or #2 positions for 80% of our turnover¹
Well-positioned to drive category growth

Brands & footprint

30 power brands driving 70%+ of our business
3.4bn daily users of our products

Channels

Strong distributive trade model
Accelerating eCommerce and specialty channels

People & organisation

Experienced, engaged, expert people
New organisation unlocking speed and value



Geographies

Most global FMCG company
60% turnover in emerging markets

R&D

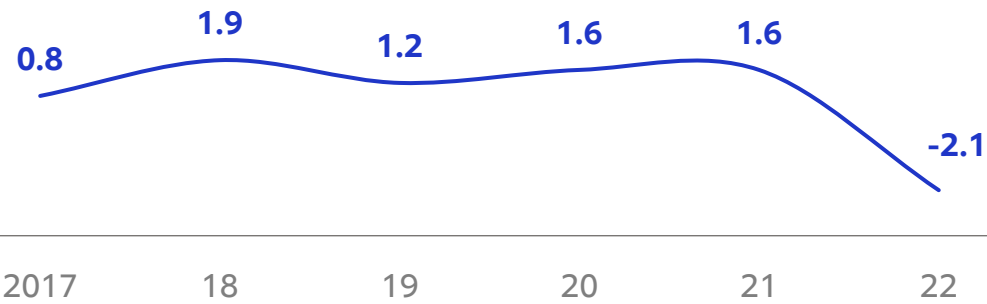
Competitive science and technologies
20,000 patents

Sustainability

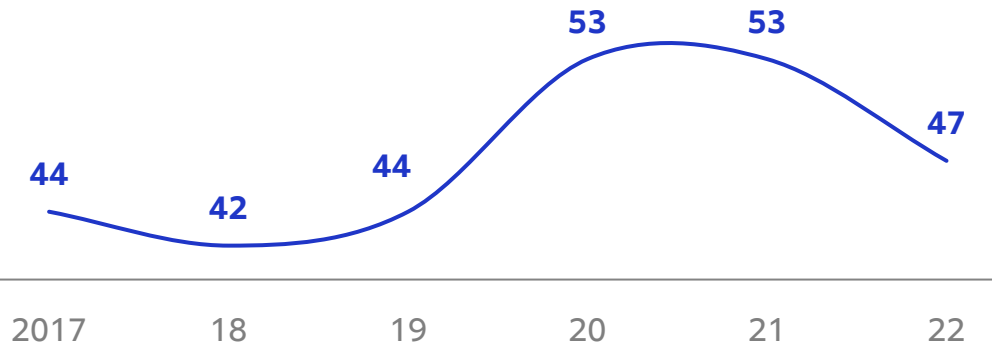
At the heart of our business model
No. 1 corporate sustainability leader for 12 consecutive years²

Past performance has not been good enough

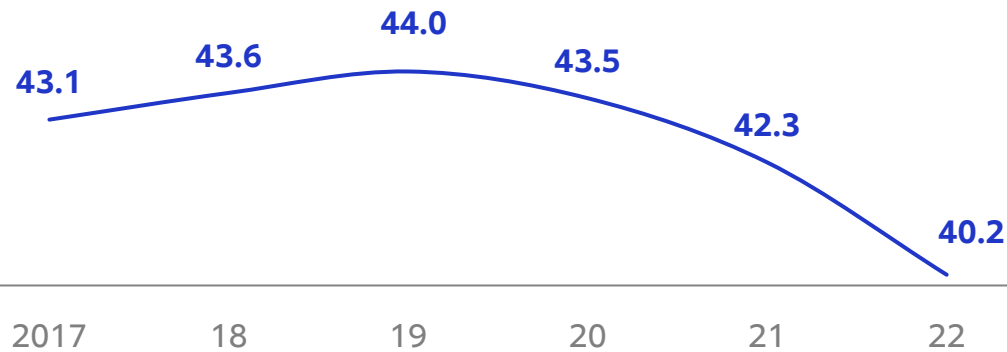
Quality of growth: UVG%



Competitiveness: Business Winning%



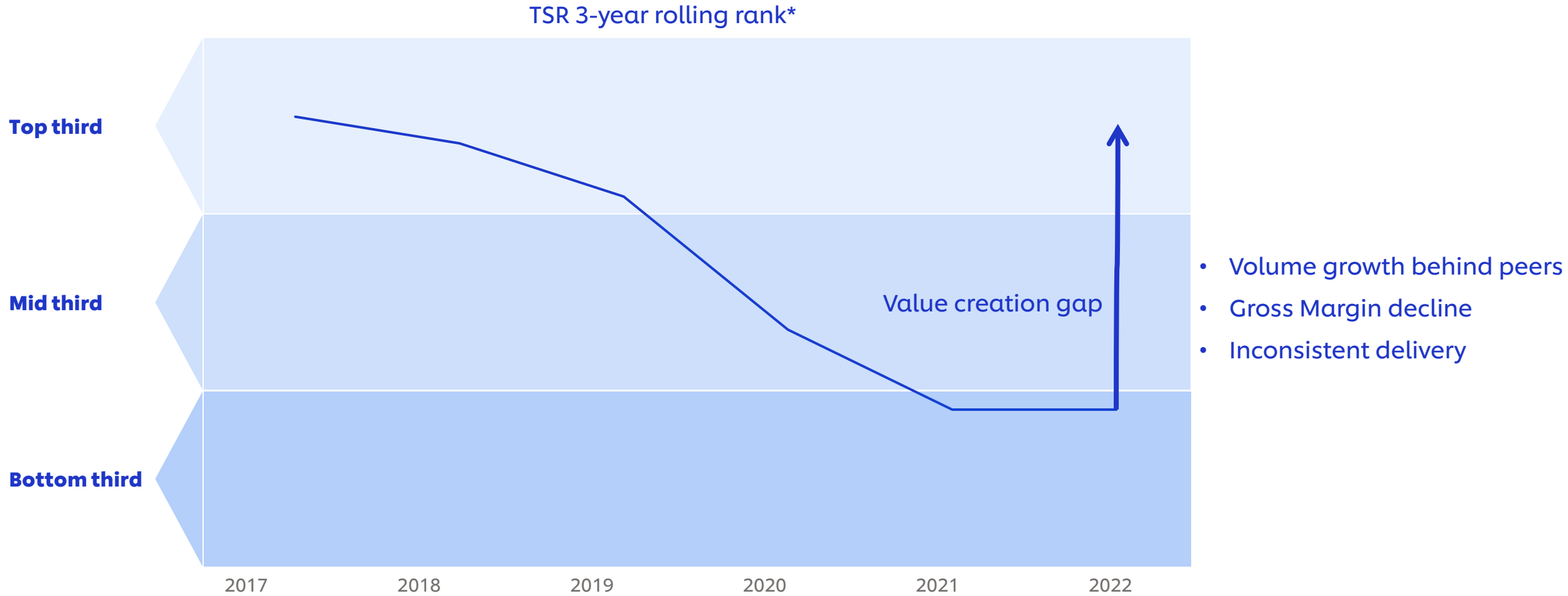
Productivity: Gross Margin %



Underlying EPS in €



Total Shareholder Return below our top third ambition



*ranking based on Unilever and 18 HPC and Food/Beverages peers

The Unilever opportunity

What's working

- Strong science and technology capabilities
- Product superiority
- Deep sustainability belief and know-how
- Modern and connected global supply chain
- Outstanding talent base
- Global reach and brand portfolio
- Inspiring purpose for many

What needs resolving

- • Innovations lack scale
Science and technology not leveraged across categories
- • Not focused on all consumer benefits
- • Sustainability strength not maximised for commercial benefit
Too many long-term commitments versus short-term targets
- • Disciplined focus on net productivity
- • Dial up performance edge in leadership and expectations
- • Too many small priorities
Equal treatment of small and big brands
- • Force-fitting purpose in every brand



Unilever

Strength & opportunities

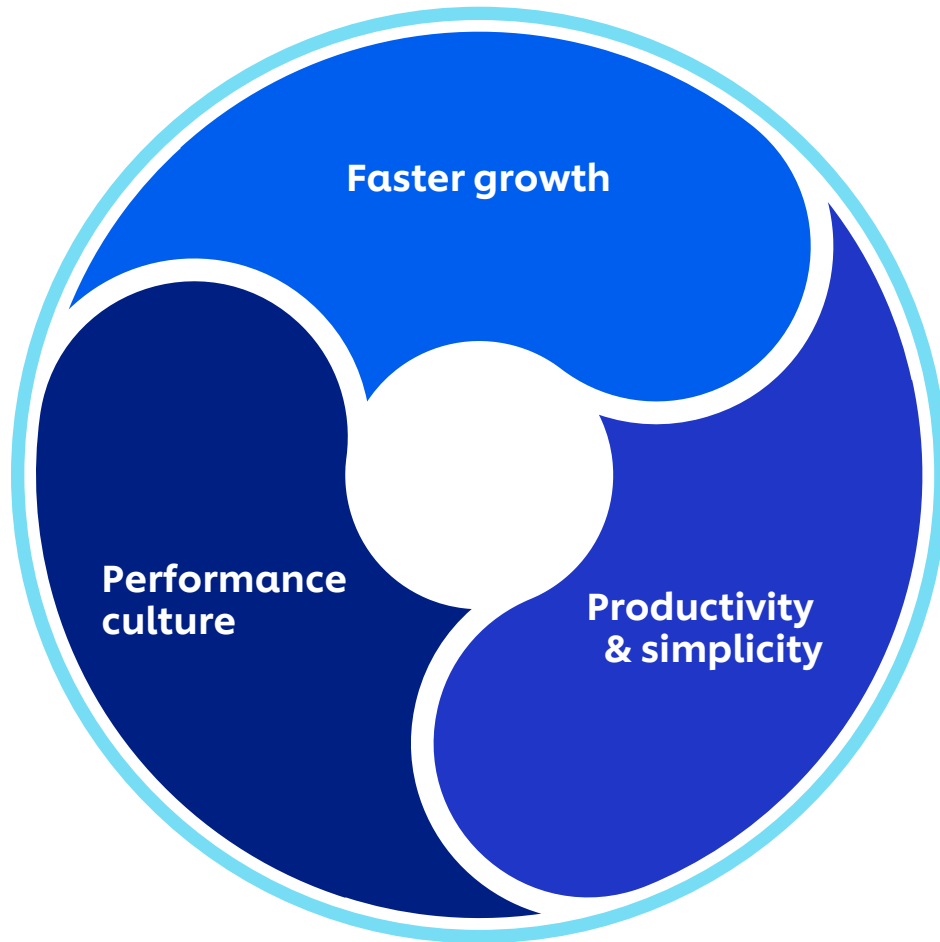
Action plan



Value creation



Action plan



Faster growth

1. Focus first on 30 Power Brands
2. Drive unmissable brand superiority
3. Scale multi-year innovation
4. Increase brand investment and returns
5. Selectively optimise portfolio

Productivity & simplicity

6. Build back Gross Margin
7. Focus sustainability commitments
8. Drive benefits of new organisation

Performance culture

9. Renewed team
10. Drive and reward outperformance

Faster growth



1. Focus first on 30 Power Brands
2. Drive unmissable brand superiority
3. Scale multi-year innovation
4. Increase brand investment and returns
5. Selectively optimise portfolio

Focus first on 30 Power Brands

Driving 70%+ of our business



NUTRAFOL

AXE



CLEAR

dermalogica

LUX



Horlicks



TRESemmé



closeup



POND'S



Pepsodent



Ensuring consistent investment and brilliant execution

Drive unmissable brand superiority across 30 Power Brands ...

Today



Acceleration plan



70% of tested turnover superior in 2023

... as we did with Domestos Power Foam

Today

- Focused on **Product** and **Price**

Turkey launch '22



Acceleration plan: Unmissable brand superiority

- Including **Proposition, Packaging, Place, Promotion**
- Underpinned by clear & measurable KPIs

UK launch '23



- #1 SKU**
In 3 of 5 top UK retailers
- 3x higher market share**
in UK vs Turkey
- 10x higher turnover**
in UK vs Turkey (year 1)
- 4x higher penetration**
vs plan



... as we did with Dove Body Wash

Today

Acceleration plan: Unmissable brand superiority

- Upgrading all elements of the mix, with a **new, lighter pack**
- Using **proprietary nano emulsion technology**

US launch '22



US launch '23



#1 in % repeats
within the cleansing category

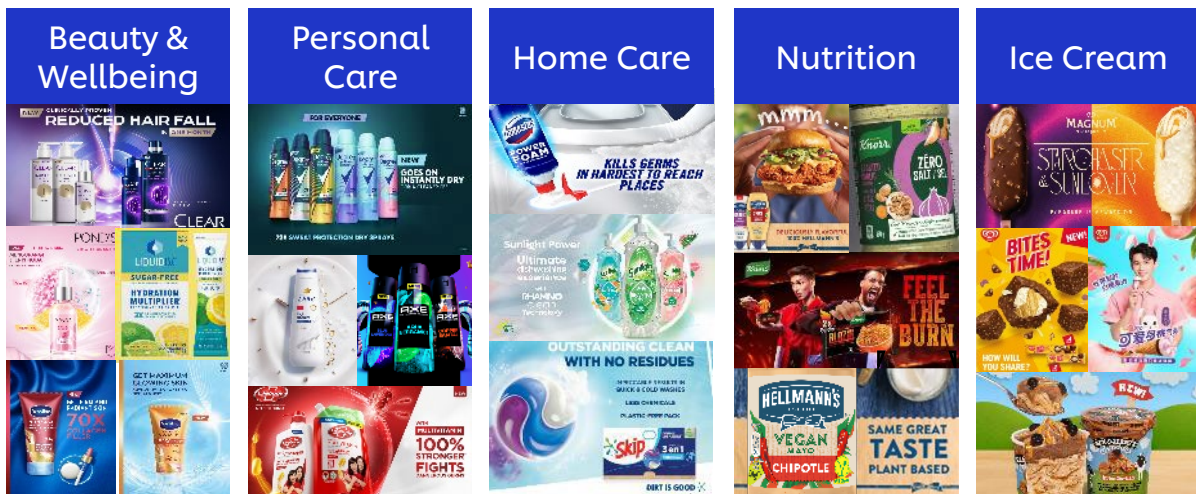
2x growth rate
YTD units vs. category

+190bps penetration
52-week period vs PY



Scale multi-year innovation to be market makers

Today



- Strong R&D and science capabilities
- 2-3x average project size vs 2020
- Too many projects for consistent in-market execution

Acceleration plan

- Prioritise our differentiated technologies and most promising platforms with fewer, bigger projects
- Deliver new consumer benefits and formats, rolled out at scale
- Backed by consistently growing R&D investment
- Drive market development and premiumisation
- Shift innovation horizon to more multi-year projects, at least doubling average project size vs 2022
- Commit to brilliant launch execution, fully resourced and supported in market

...by leveraging winning technology harder across brands

Beauty & Wellbeing	Personal Care	Home Care	Nutrition	Ice Cream
<p>Skin Care 'Gluta-Hya' Glutaglow technology</p>	<p>Deo advanced protection Microtechnology</p>	<p>Home Care Eco-design technology</p>	<p>Nutrition & Ice Cream Plant-based proteins</p>	
<p>10x antioxidant power of vitamin C Vaseline, Ponds</p>	<p>72hr non-stop protection – works harder than regular antiperspirants Rexona, Axe, Dove</p>	<p>Outstanding cleaning, more sustainable product & packaging Omo, Sunlight</p>	<p>Same great taste, 100% plant-based Hellmann's, Knorr, Magnum, B&J's</p>	

...by investing in cross-category science & technology platforms

Beauty & Wellbeing

Personal Care

Home Care

Nutrition

Ice Cream

e.g. Biotechnology



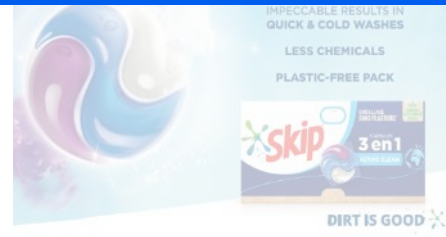
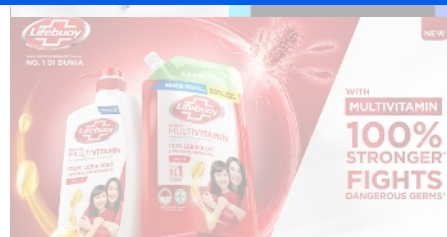
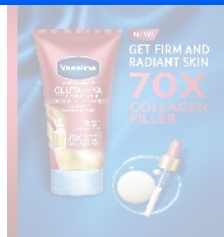
Biotech-derived surfactants for ultimate dishwashing experience
Sunlight



Bioactives for moisturisation & antioxidant benefits
Tatcha



New plant based biotechnology alternatives to palm oil
Multiple brands



...by investing in cross-category science & technology platforms

Beauty & Wellbeing

Personal Care

Home Care

Nutrition

Ice Cream

e.g. Microbiome



24 hours of silky-soft skin now from your shower
Our best ever Dove Body Wash, with millions of moisturizing microdroplets.

24hr Renewing MicroMoisture

Let's Change Beauty

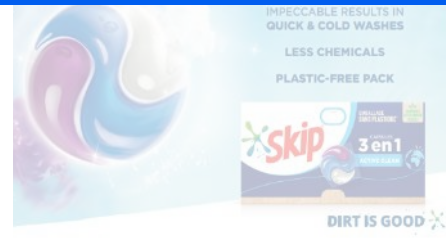
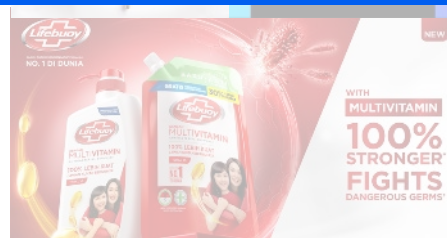
24 hours of silky soft skin from your shower – gentle cleansing
Dove



Boosting skin's defences for 10-hr germ protection
Lifebuoy



Skincare-boosted anti-dandruff formula repairs & strengthens scalp
Clear

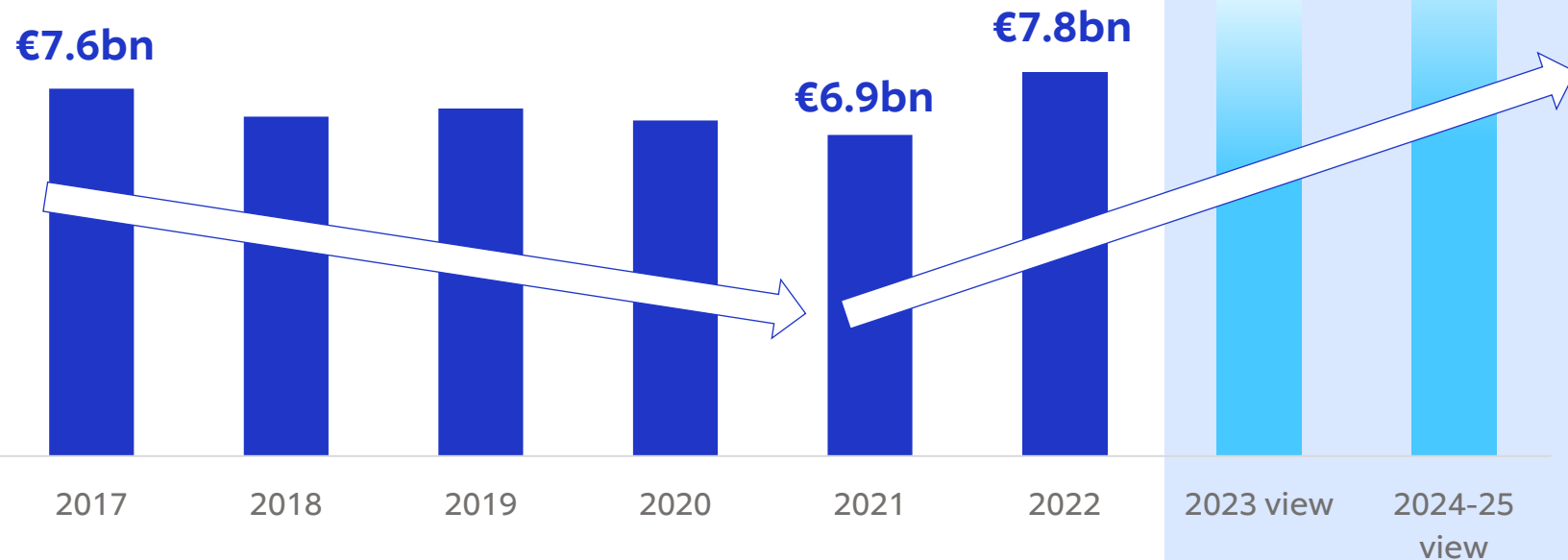


Increase brand investment and returns

Today

Acceleration plan

BMI

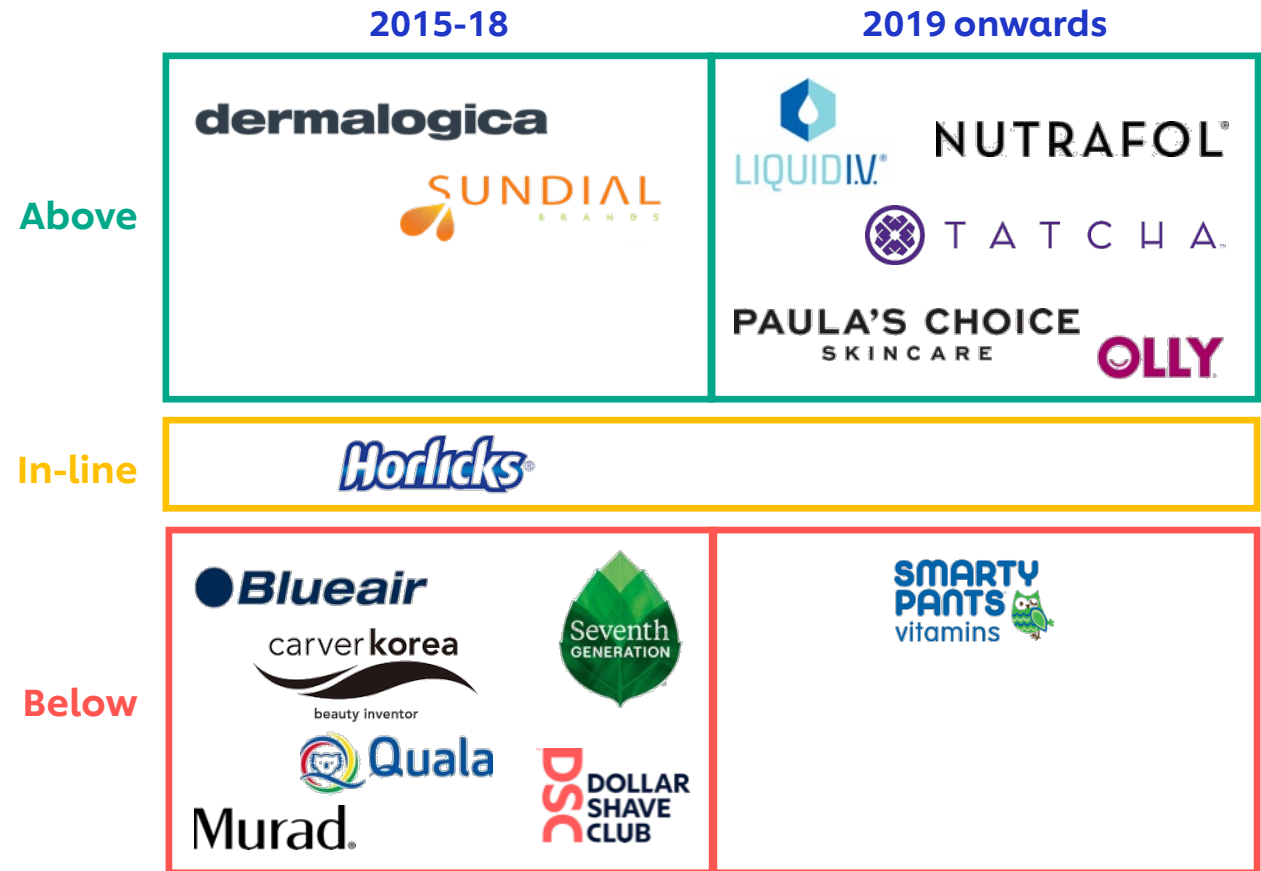


- Focus investment in areas that drive impact
- Ensure consistent execution
- Invest more in digital media

Reshaped portfolio since 2015

- Rotated 20% of portfolio and improved growth profile
- Divested sizeable lower-growth businesses
- Acquired 22 businesses but not all acquisitions met expectations
- Better M&A since 2019 with fewer, more focused acquisitions
- 5 acquired brands amongst 30 Power Brands

M&A performance versus expectations*



*Performance of top 15 acquisitions accounting for >90% of consideration since 2015. Yasso, acquired in August 2023, is not included

Selectively optimise portfolio via sharpened M&A approach

M&A criteria

Distinctive brands, growing segments:

- Strong brand equity
- Premium positioning

Clear Unilever value-add:

- Science
- Innovation

Scalable in key markets:

- Home country scale
- Potential in key markets

Future-fit business model:

- Omni-channel potential
- Digital footprint

M&A approach

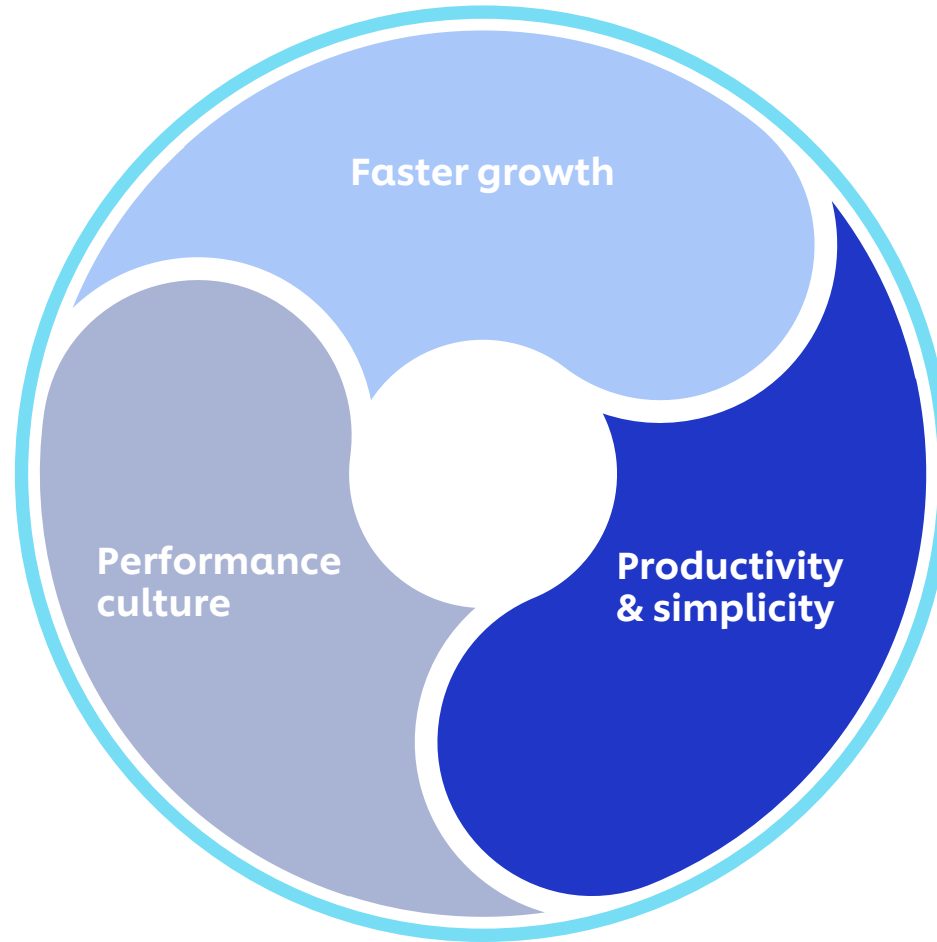
Further pruning

Focus on value-accretive bolt-on acquisitions

Higher bar for acquiring: Right to win, premium, growing

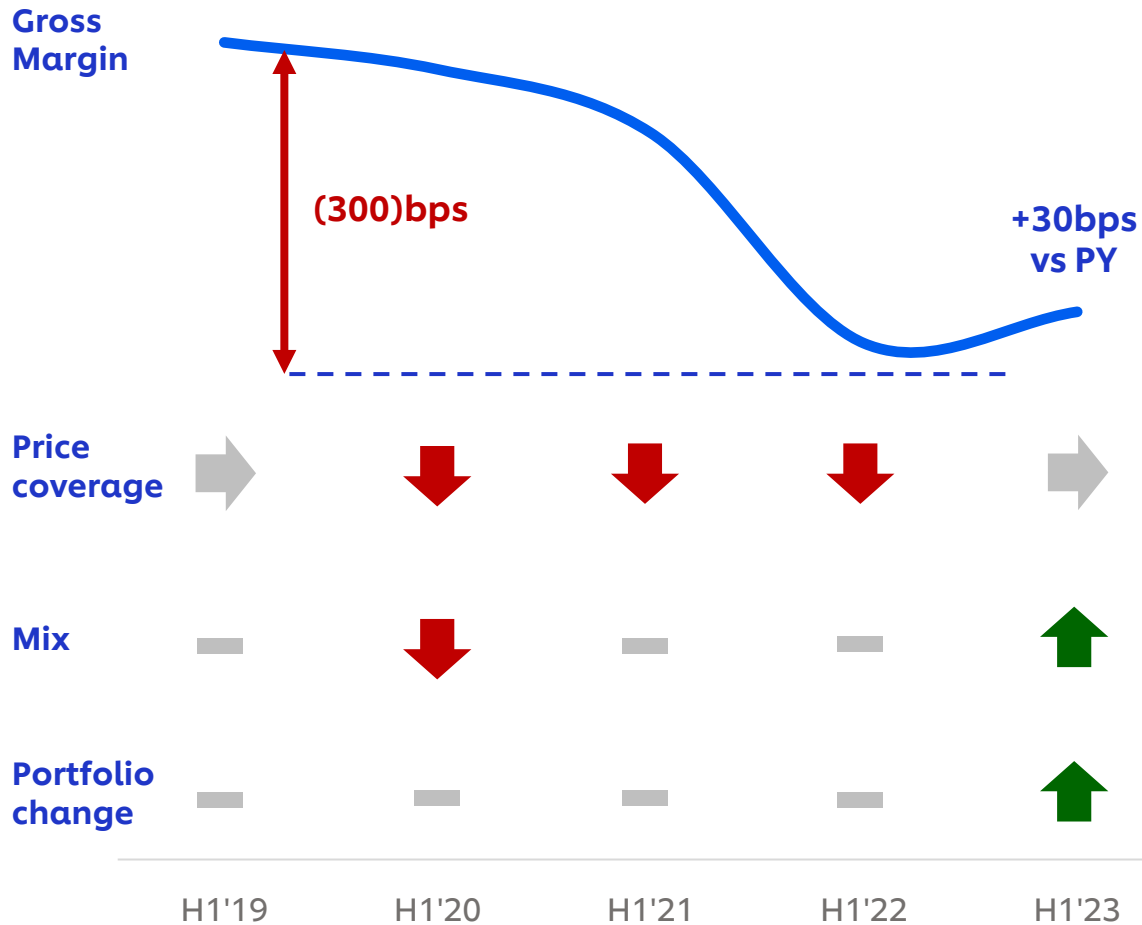
No major or transformational acquisitions

Productivity & simplicity



6. Build back Gross Margin
7. Focus sustainability commitments
8. Drive benefits of new organisation

Build back Gross Margin



Acceleration plan

- Improve mix through premiumisation
- Drive volume leverage
- **Move from gross savings focus to net productivity**
 - Competitive buying
 - Operational efficiencies and distribution
 - SKU simplification
 - Network optimisation
- Business Group specific implementation plans
- **Capex** from avg. 2.4%* to **above 3%** of turnover
- **Disciplined approach to restructuring:** from avg. 1.6%* to **c.1%** of turnover

*average for 2019-2022

Focus sustainability commitments

Today

34 ESG commitments

Improve the health of the planet			Improve people's health, confidence and wellbeing		Contribute to a fairer, more socially inclusive world		
Climate action	Protect and regenerate nature	Waste-free world	Positive nutrition	Health and wellbeing	Equity, diversity and inclusion	Raise living standards	Future of work
Net zero emissions from all our products from sourcing to point of sale by 2039	Deforestation-free supply chain in palm oil, paper and board, tea, soy and cocoa by 2023	50% virgin plastic reduction by 2025, including an absolute reduction of 100,000 tonnes	€1 billion annual sales from plant-based meat and dairy alternatives by 2025-2027	Take action through our brands to improve health and wellbeing and advance equity and inclusion, reaching 1 billion people per year by 2030.	Achieve an equitable and inclusive culture by eliminating any bias and discrimination in our practices and policies	Ensure that everyone who directly provides goods and services to Unilever will earn at least a living wage or income by 2030	Help equip 10 million young people with essential skills by 2030
Halve greenhouse gas impact of our products across the lifecycle by 2030	Help protect and regenerate 1.5 million hectares of land, forests and oceans by 2030	25% recycled plastic by 2025	Double the number of products sold that deliver positive nutrition by 2025	We will focus on: <ul style="list-style-type: none"> Gender equity Race and ethnicity equity Body confidence and self-esteem Mental wellbeing Hand hygiene Sanitation Oral health Skin health and healing 	Accelerate diverse representation at all levels of leadership	Help 5 million small and medium-sized enterprises grow their business by 2025	Pioneer new models to provide our employees with flexible employment options by 2030
Zero emissions in our operations by 2030	100% sustainable sourcing of our key agricultural crops	100% reusable, recyclable or compostable plastic packaging by 2025	70% of our portfolio to meet WHO-aligned nutritional standards by 2022		5% of our workforce to be made up of people with disabilities by 2025		Reskill or upskill our employees with future-fit skills by 2025
Replace fossil-fuel derived carbon with renewable or recycled carbon in all our cleaning and laundry product formulations by 2030	Empower farmers and smallholders to protect and regenerate farm environments	Halve food waste in our operations by 2025	95% of packaged ice cream to contain no more than 22g total sugar per serving by 2025		Spend €2 billion annually with diverse businesses worldwide by 2025		
Shore the carbon footprint of every product we sell	Implement water stewardship programmes in 100 locations in water-stressed areas by 2030	Maintain zero waste to landfill in our factories	95% of packaged ice cream to contain no more than 250 kcal per serving by 2025		Increase representation of diverse groups in our advertising		
	100% of our ingredients will be biodegradable by 2030		85% of our Foods portfolio to help consumers reduce their salt intake to no more than 5g per day by 2022				

Supported by: €1 billion Climate & Nature Fund

Aspirational end goals

Acceleration plan

Driving impact in 4 priority areas

Climate

Plastic

Nature

Livelihoods

Shorter-term targets starting in 2024

Our commitment to sustainability leadership remains unchanged

Not all brands need a social or environmental Purpose



Drive benefits of new organisation

Focus of Five – Power of One

Unilever Corporate Centre

Beauty & Wellbeing

Personal Care

Home Care

Nutrition

Ice Cream



CLEAR



AXE



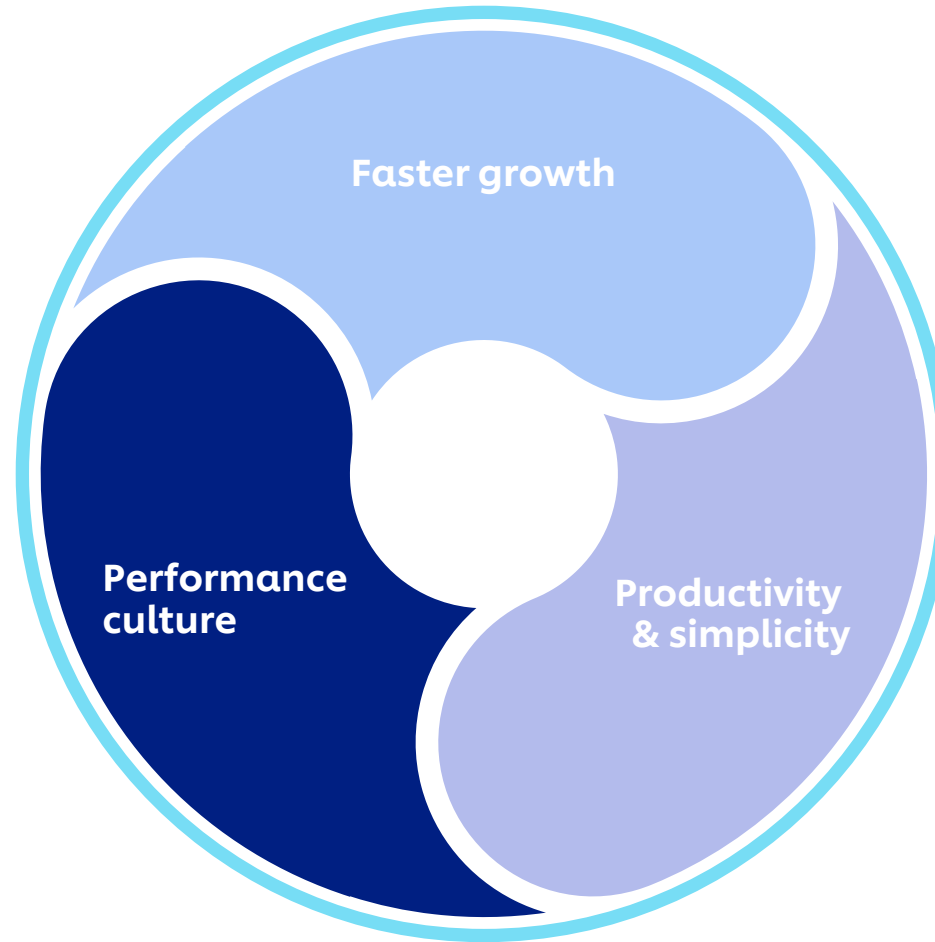
Unilever Business Operations

Acceleration plan

By end of 2023, we will:

- Eliminate any outstanding ambiguity
- Ensure single point accountability
- Enable Business Groups to control 90% of costs
- Strengthen frontline roles

Performance culture



- 9. Renewed team
- 10. Drive and reward outperformance

A renewed team to lead the change



Hein Schumacher
Chief Executive Officer



Fernando Fernandez
Chief Financial Officer



Esi Eggleston Bracey
Chief Growth and Marketing Officer



Eduardo Campanella
Business Group President
Home Care



Reginaldo Ecclissato
Chief Business Operations and
Supply Chain Officer



Fabian Garcia
Business Group President
Personal Care



Rohit Jawa
President Unilever South Asia and
CEO Hindustan Unilever



Priya Nair
Business Group President
Beauty & Wellbeing



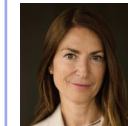
Nitin Paranjpe
Chief People and Transformation Officer



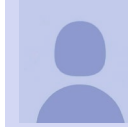
Richard Slater
Chief Research & Development Officer



Peter ter Kulve
Business Group President
Ice Cream



Maria Varsellona
Chief Legal Officer and Group Secretary



To be appointed
Business Group President
Nutrition

Drive and reward outperformance

6 elements of performance culture

1

Set stretching goals

2

Ultra transparency on performance

3

Embrace agile mindset

4

Aim for the best talent always

5

Reward appropriately

6

Simplify standards of leadership

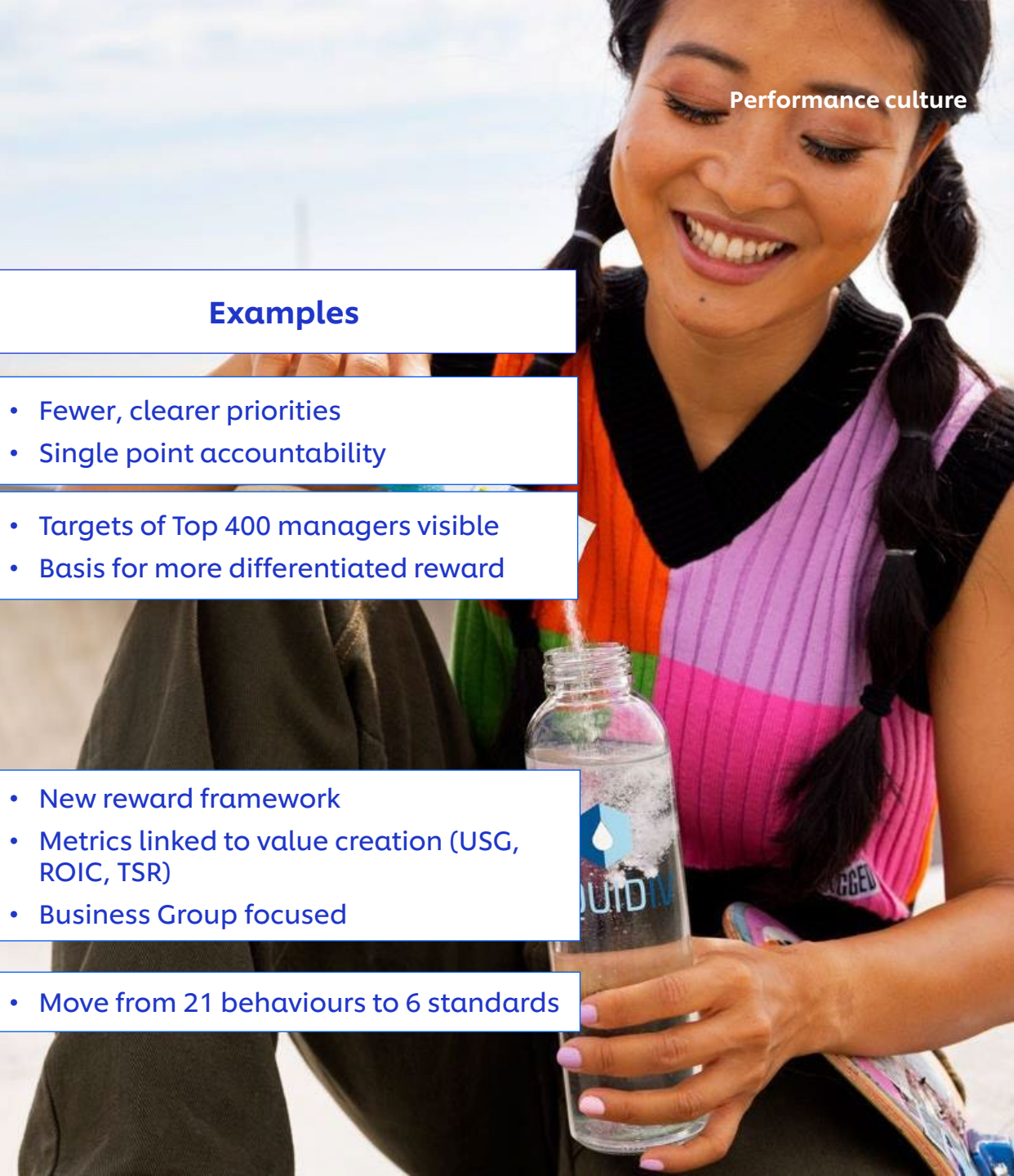
Examples

- Fewer, clearer priorities
- Single point accountability

- Targets of Top 400 managers visible
- Basis for more differentiated reward

- New reward framework
- Metrics linked to value creation (USG, ROIC, TSR)
- Business Group focused

- Move from 21 behaviours to 6 standards



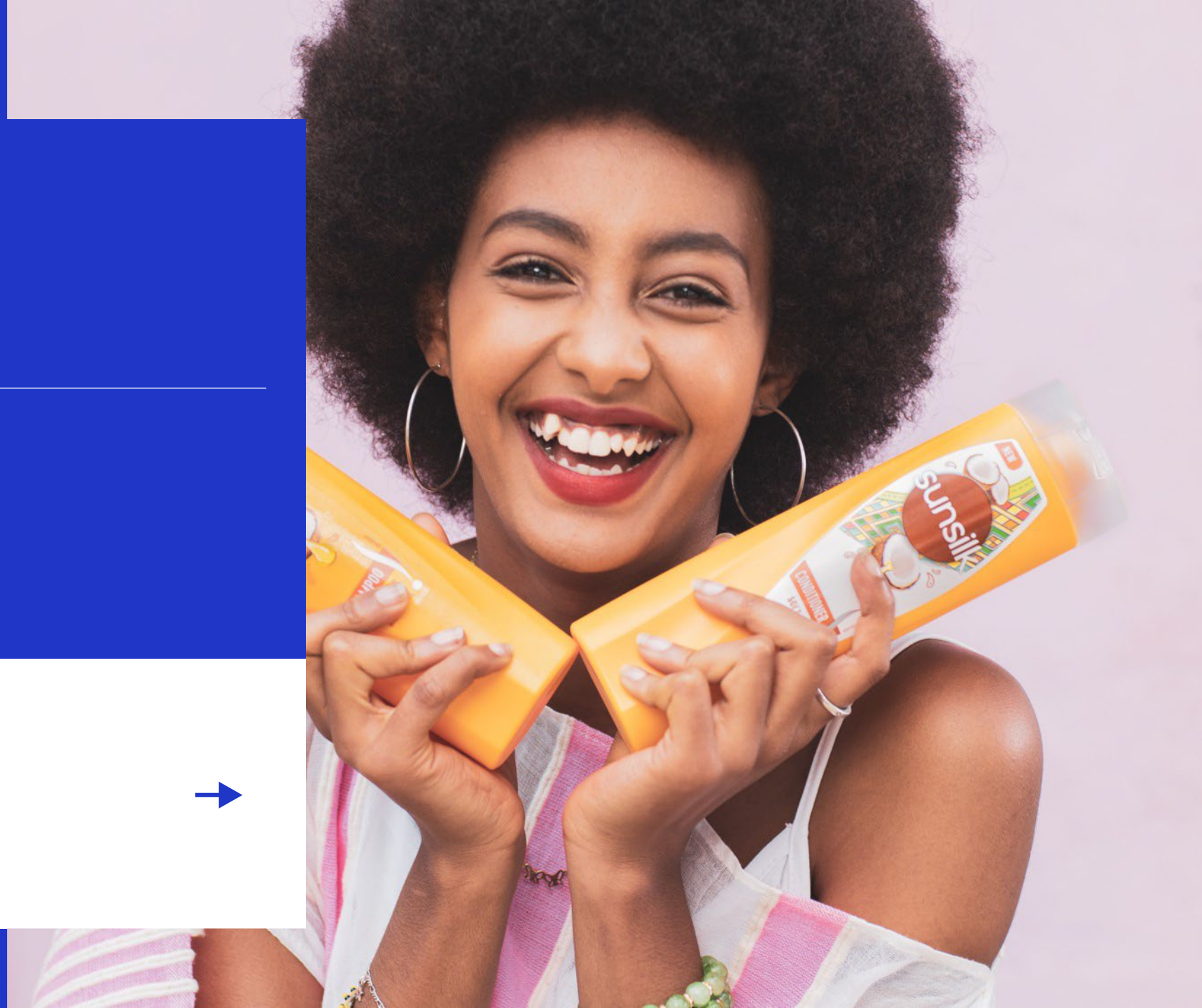


Unilever

Strength & opportunities

Action plan

Value creation



Capital allocation: Prioritising organic growth

1

Organic investment

- ✓ Increased investment, focused on Power Brands
- ✓ Higher R&D to support large scale, multi-year innovations
- ✓ Capex > 3% of turnover
- ✓ Funded by Gross Margin improvement

2

M&A

- ✓ Portfolio pruning
- ✓ Selective bolt-on acquisitions
- ✓ Strict criteria and value creation parameters

3

Capital returns

- ✓ Attractive, sustainable dividend
- ✓ Surplus capital returned via share buybacks

Maintaining a solid balance sheet: c.2x net debt / EBITDA*

Action plan for value creation

Strong fundamentals



Focused action plan

Faster growth

1. Focus first on 30 Power Brands
2. Drive unmissable brand superiority
3. Scale multi-year innovation
4. Step up brand investment
5. Selectively optimise portfolio

Productivity & simplicity

6. Build back Gross Margin
7. Focus sustainability commitments
8. Drive benefits of new organisation

Performance culture

9. Renewed team
10. Drive and reward outperformance

Consistent delivery of financial ambition

Underlying sales growth: 3 – 5%

Modest margin expansion

100% cash conversion

Mid-teens ROIC

EPS growth and attractive dividend

Top third TSR



Q&A

