

# Unilever H1 2023 Results

HEIN  
SCHUMACHER &  
GRAEME PITKETHLY

25 JUL 2023



Unilever



# Safe harbour statement

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.

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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 H1 2023 Results

HEIN  
SCHUMACHER





# Unilever CEO: first impressions





# Unilever H1 2023 Results

GRAEME PITKETHLY



**Continued growth across all Business Groups**

**Growth remains price driven with volumes stable**

**Gross margin improving. Brand & marketing investment increased**

**New organisation driving sharper strategies and choices**

## Q2 growth

**7.9%**

Underlying sales growth

**8.2%**    **(0.3)%**  
UPG            UVG

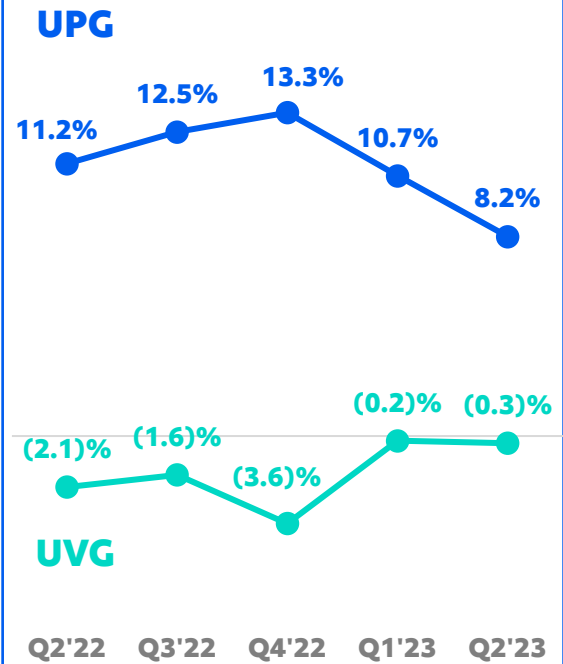
## H1 growth

**9.1%**

Underlying sales growth

**9.4%**    **(0.2)%**  
UPG            UVG

## Price and volume



## Competitiveness

**41%**  
Business Winning MAT<sup>1</sup>

# Business Winning measure at 41%, impacted by three factors

## Conscious choices

- SKU rationalisation
- Where to play

## Pricing dynamics

- Lead on price responsibly
- Manage volume impact

## Consumer shifts

- Tier 3 / 4 brands
- Super-premium

### Strategic choices

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Short term

### Portfolio

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Longer term

**Focused on building back to 50%+ from here and continuing to grow above market for strategic business not in the measure (15% of turnover)**



## Margin

Underlying operating margin

**17.1%**

**+10bps**

vs H1 2022

## Earnings

Underlying EPS

**+3.9%**

**+9.2%**

Constant underlying EPS

## Cash

Free cash flow

**€2.5bn**

**+€0.2bn**

vs H1 2022

# Continued strategic progress

Win with **brands** and innovation

**14**

€1bn+ brands

**55%**

of turnover

**11%**

H1 USG

Move **portfolio** into high growth spaces

**10 quarters** of **double-digit** growth for Prestige and Health & Wellbeing

**Yasso acquisition**

**Suave disposal**

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

**H1 USG**



**7.4%**



**9.1%**



**7.9%**

**Emerging markets**

**10.6%**

Lead in **channels** of the future

**16%**

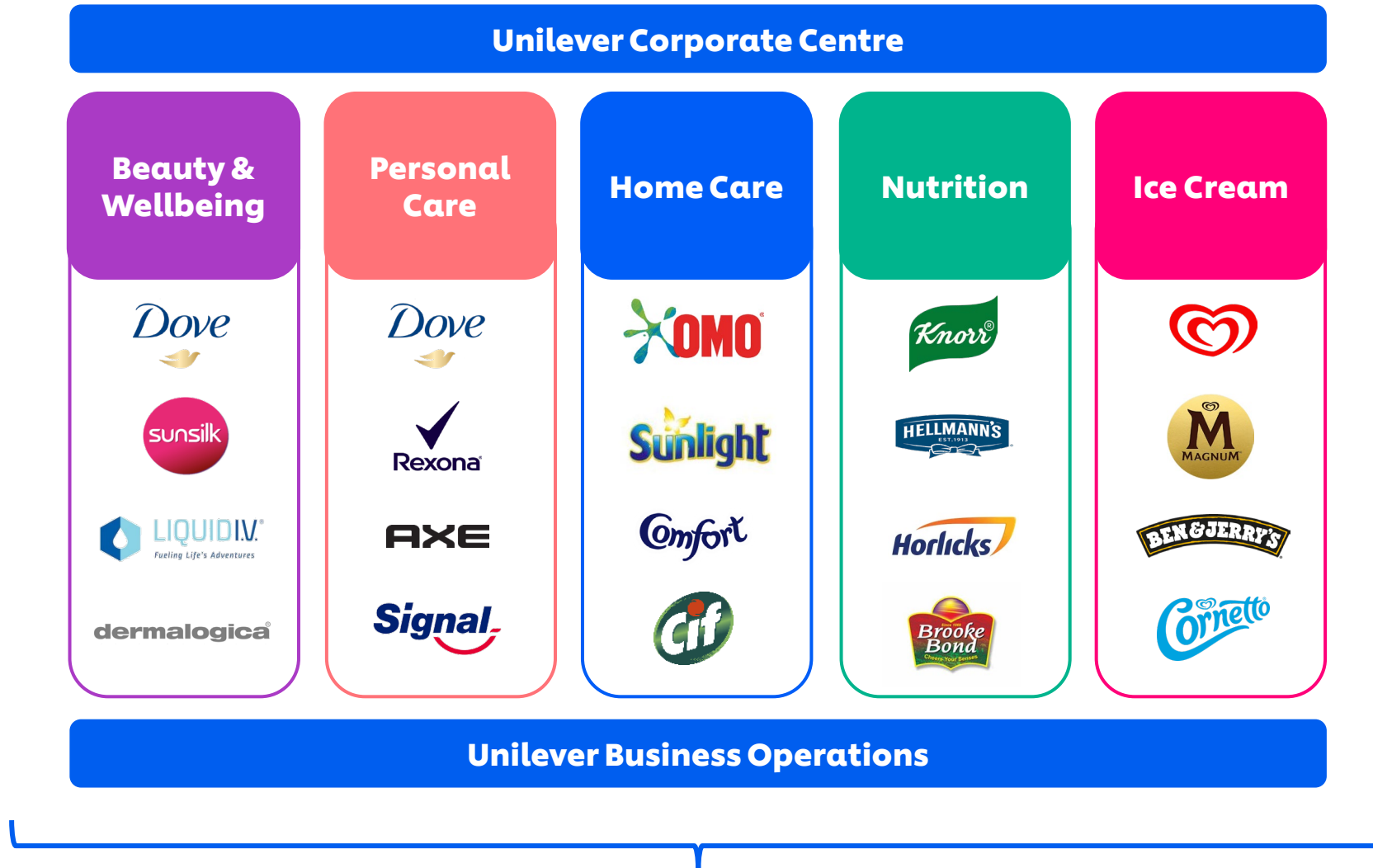
dCom H1 USG

**16%**

dCom % TO



# New organisation driving sharper strategies and choices



**Clearer priorities, executed at speed**

# Innovation driving growth in our big brands

## Liquid I.V.

First of its kind sugar-free hydration powder



## Omo

Winning formula in plastic-free packaging



## Axe

World-class fragrance driving premiumisation



## Hellmann's

Extension into fast-growing intense flavour segment



## Magnum

Continued premiumisation and indulgence



## Vaseline

Extends into anti-aging segment





# Underlying sales growth

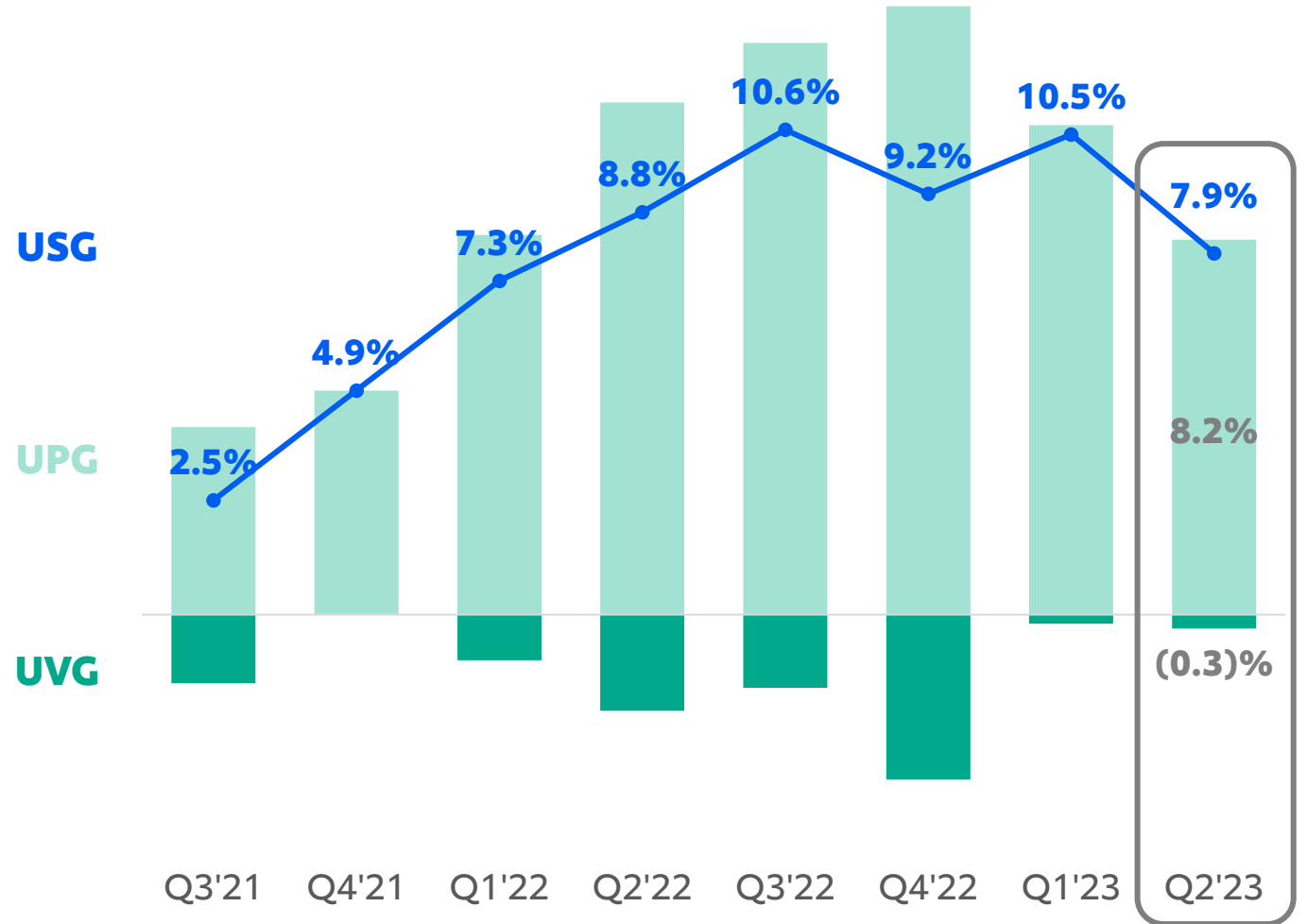
## First Half

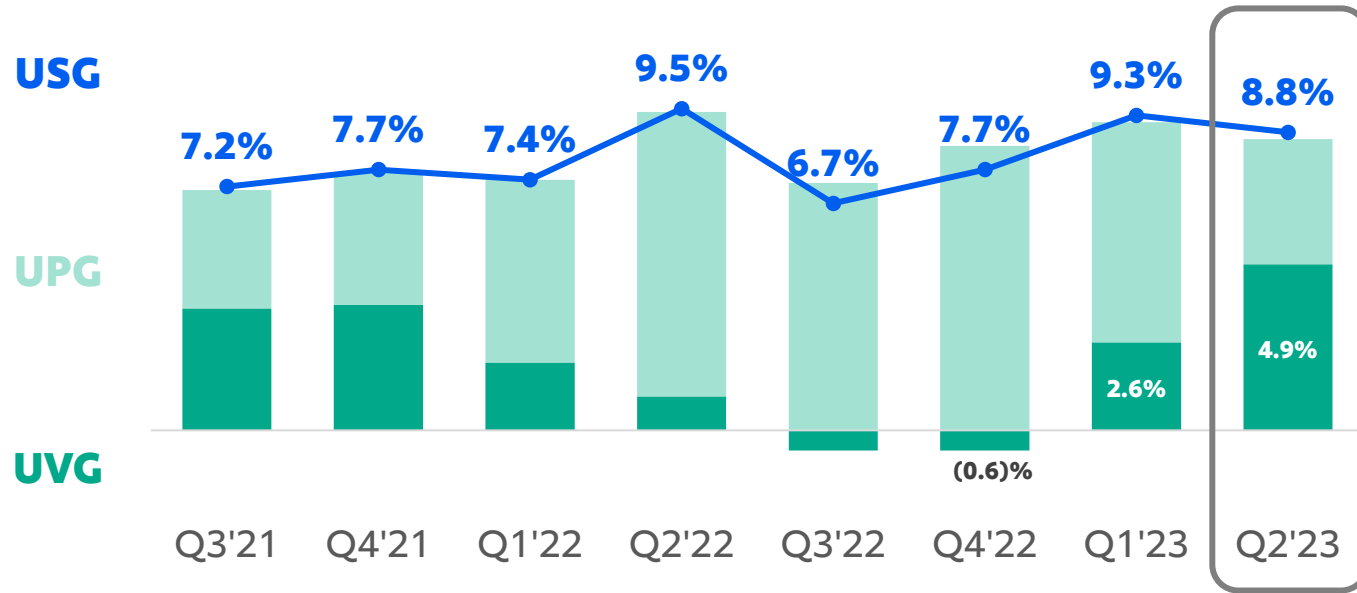
**9.1%**  
USG

**(0.2)%**  
UVG

**9.4%**  
UPG

- Price growth continues to moderate
- Volume growth remains resilient
- Continued growth across all Business Groups, but with different price and volume dynamics

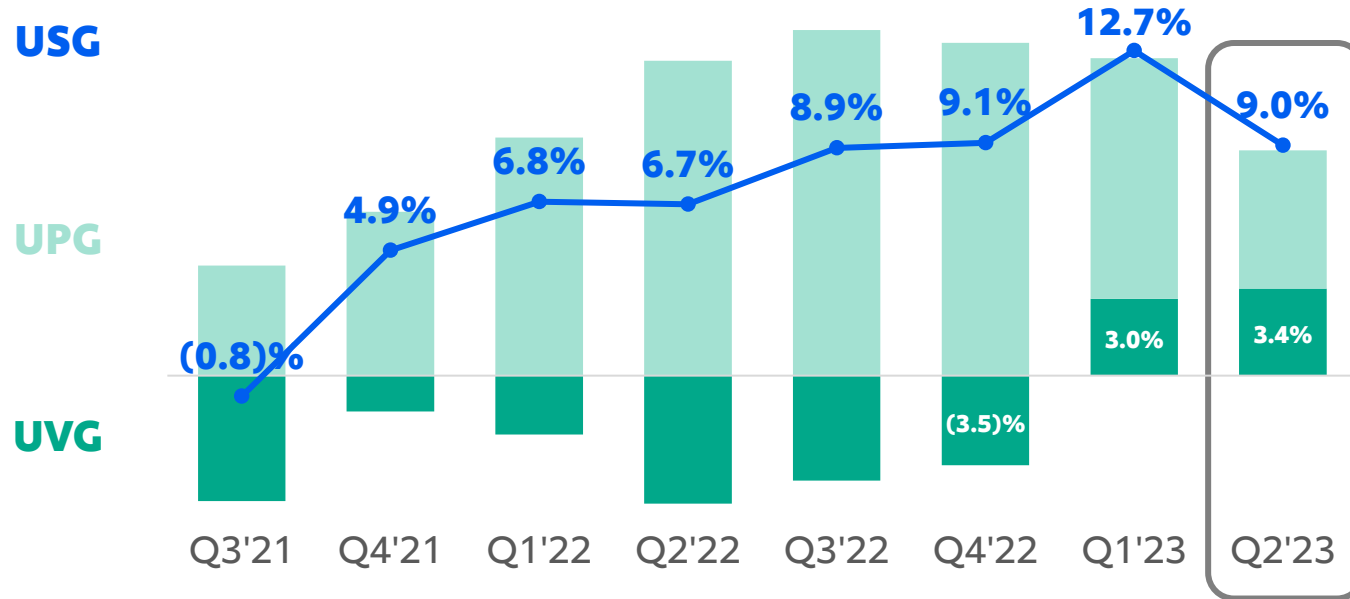




- Balanced price and volume
- Prestige Beauty and Health & Wellbeing grew double-digit
- Hair Care positive volume growth supported by Sunsilk and TRESemmé relaunches
- Core Skin Care grew mid-single digits with Vaseline extending innovation into pro-age and SPF segments

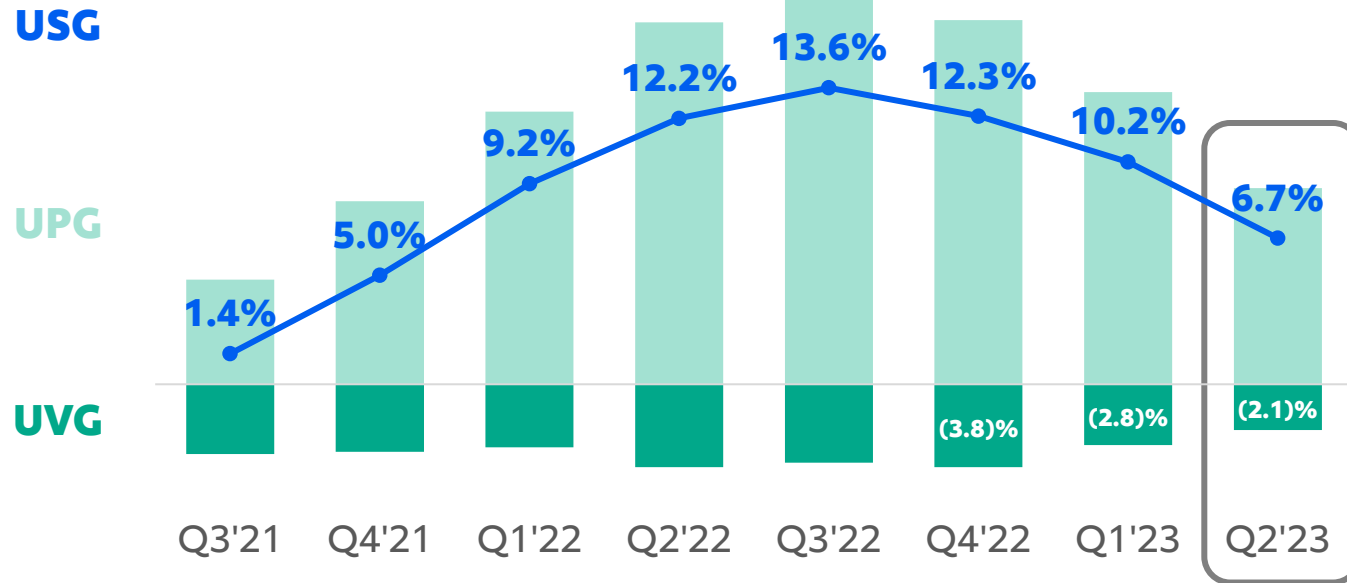




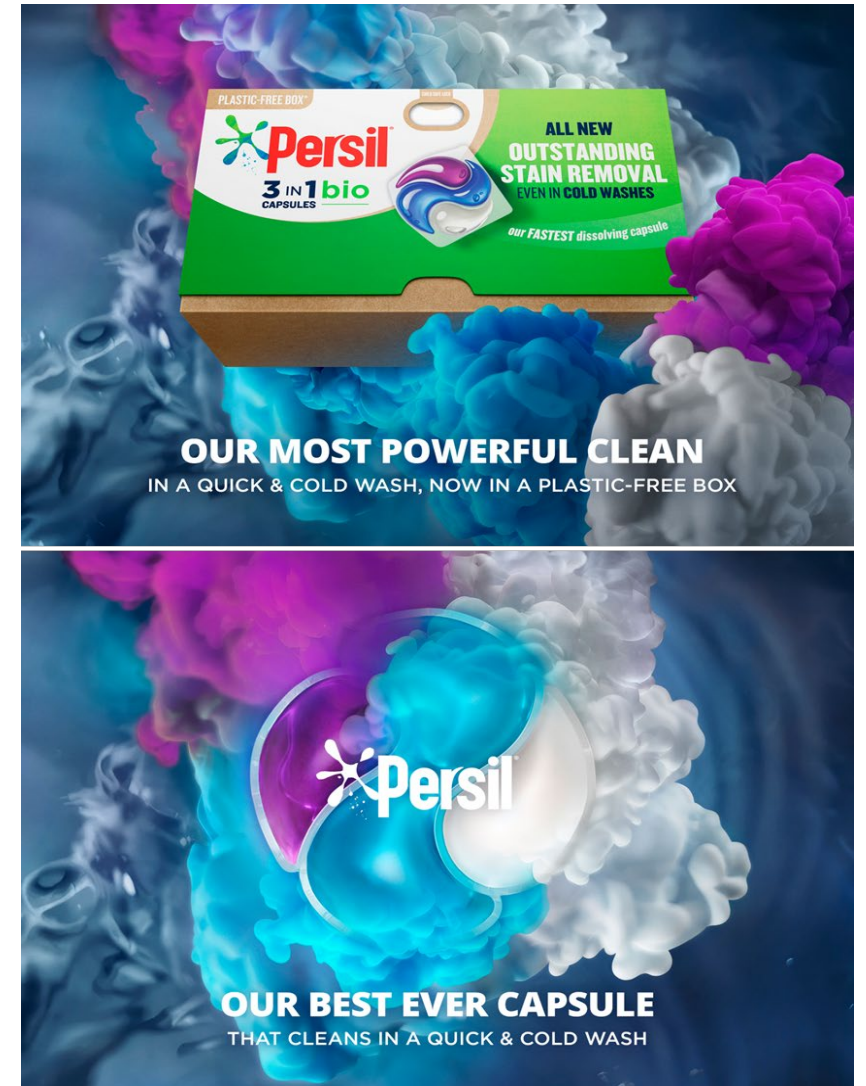


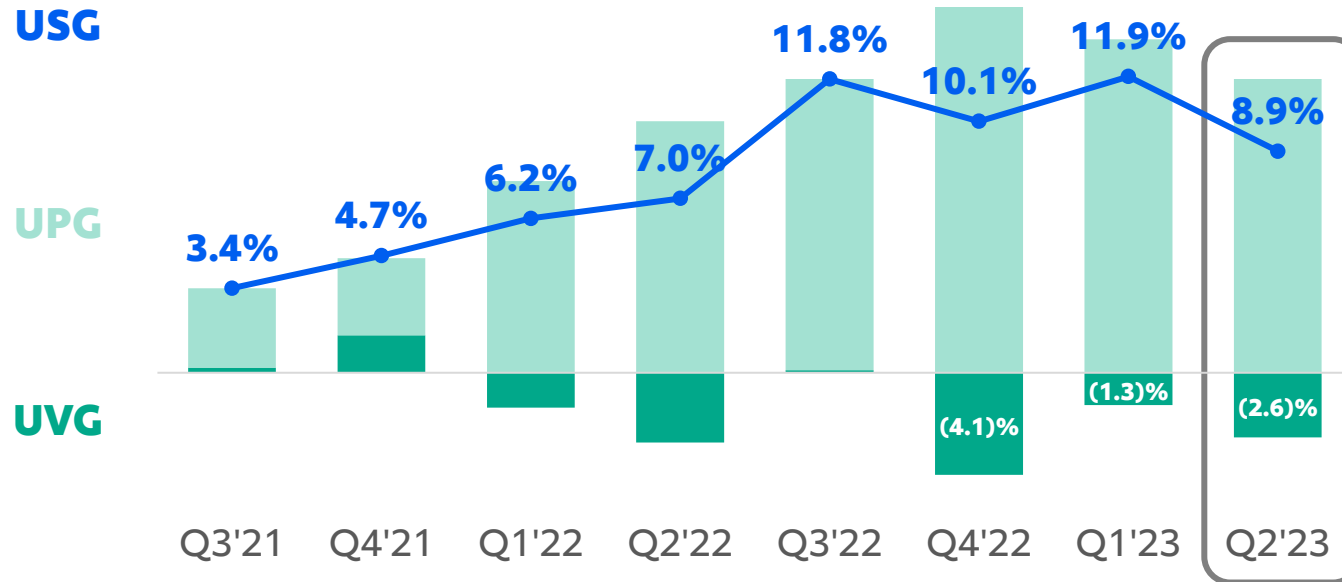
- Volume growth positive for a second quarter
- Deodorants grew double-digit driven by Rexona
- Skin Cleansing grew well led by Latin America and South Asia





- Volume closely managed and recovering
- In Europe, OMO (Persil) rolled out capsules with plastic-free packaging
- Home & Hygiene grew mid-single digit driven by Dishwash

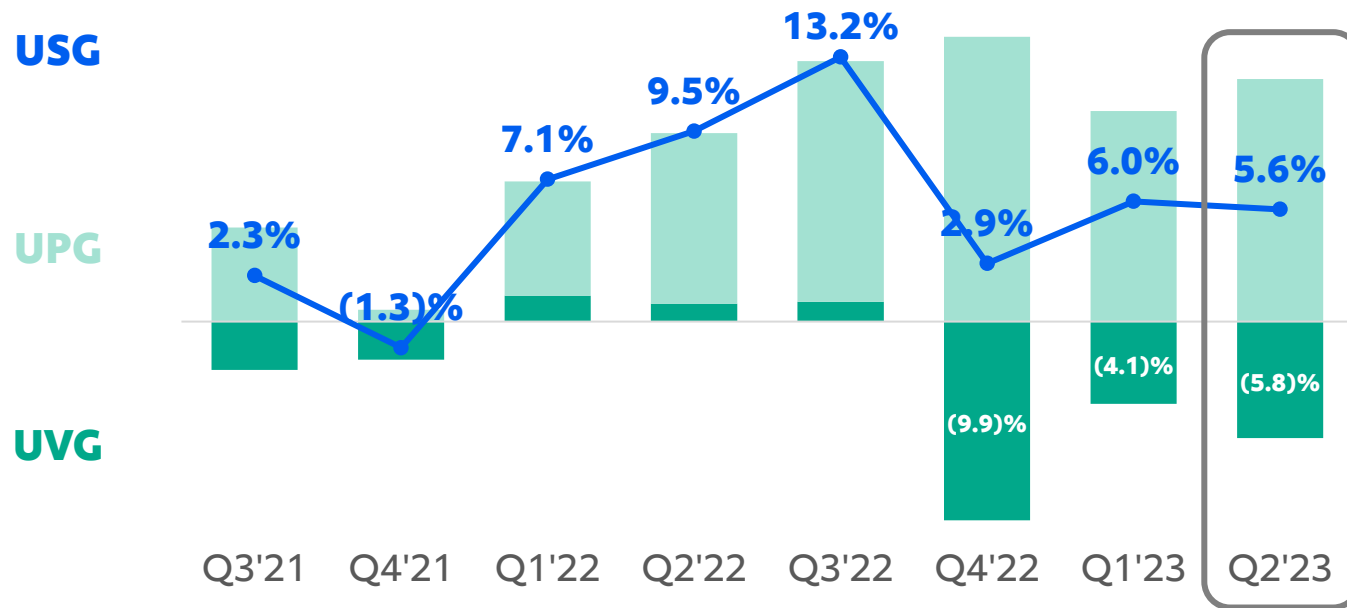




- Scratch Cooking growth was price-led with negative volume, particularly in Europe and North America
- Unilever Food Solutions grew strongly with China back to double-digit growth in Q2
- Dressings grew double-digit supported by spicy mayo innovation and Superbowl campaign







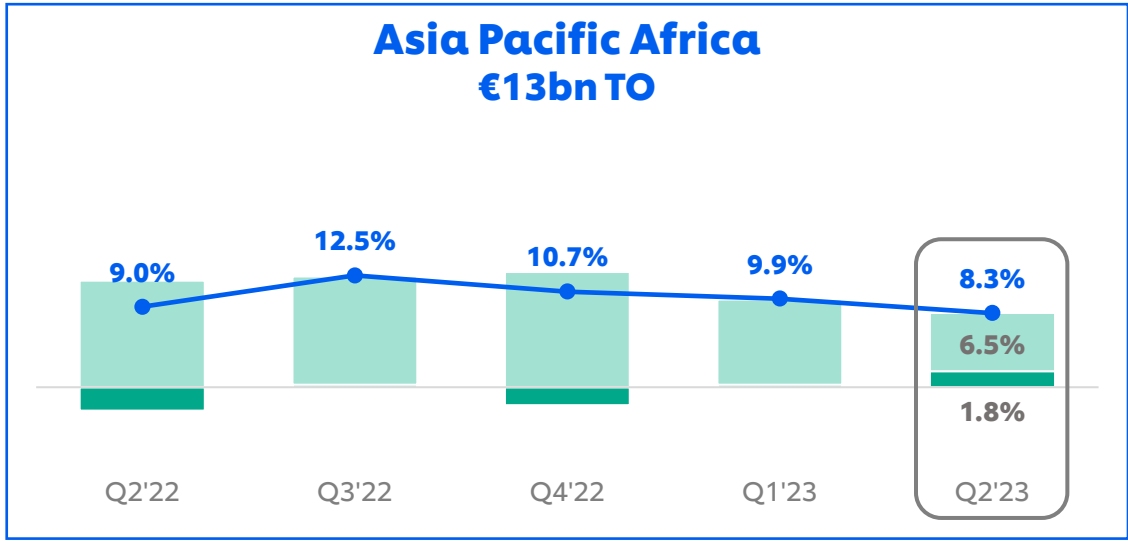
- Out-of-home grew double-digit through price and volume, continuing to recover post-pandemic
- In-home grew low-single digit in weak markets with lower consumption and down-trading to value brands and private label



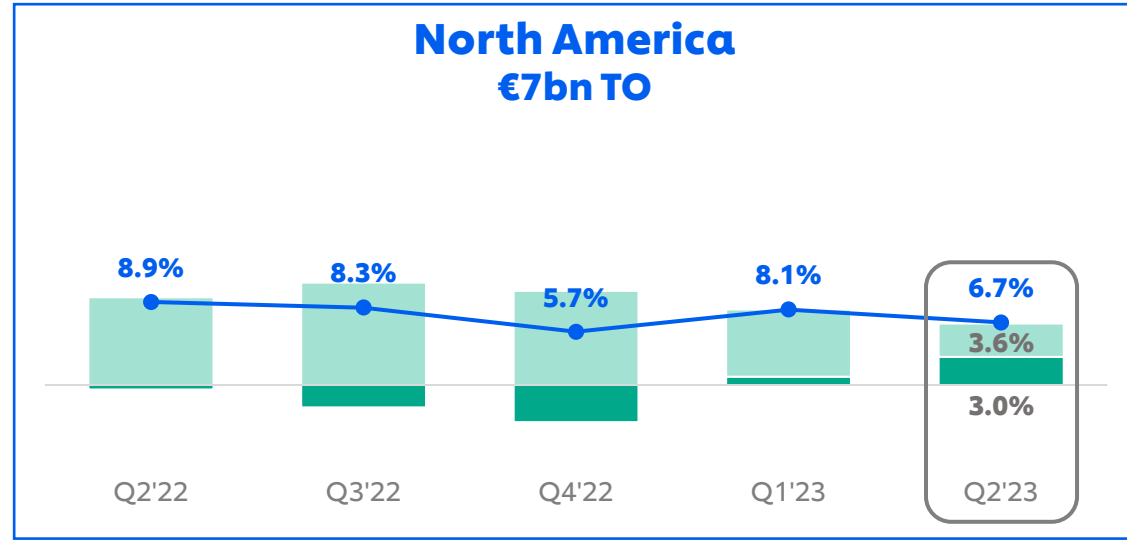
# Regional growth by quarter

**Asia Pacific Africa**  
€13bn TO

USG  
UPG  
UVG

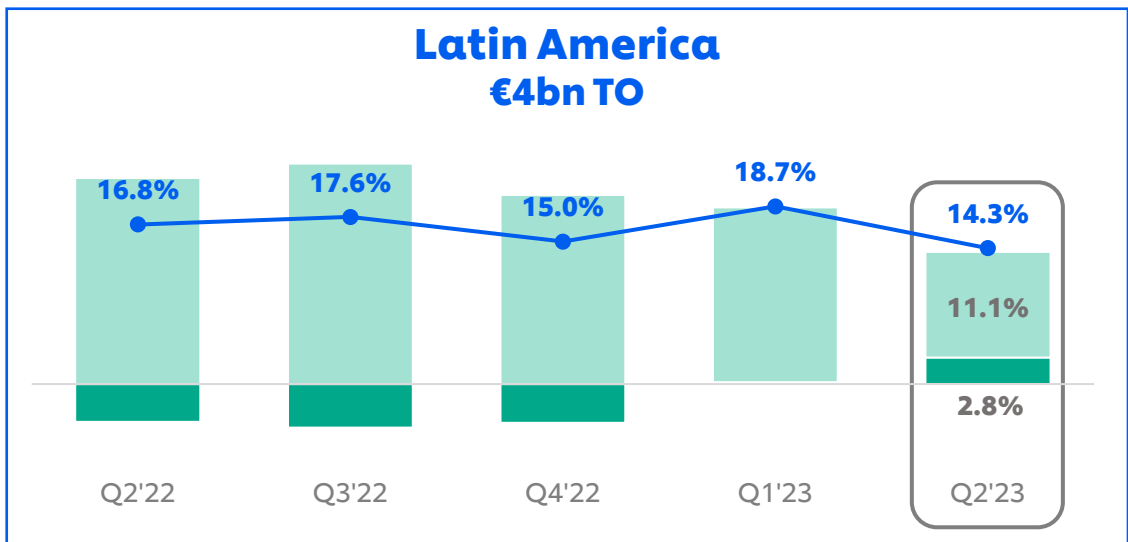


**North America**  
€7bn TO

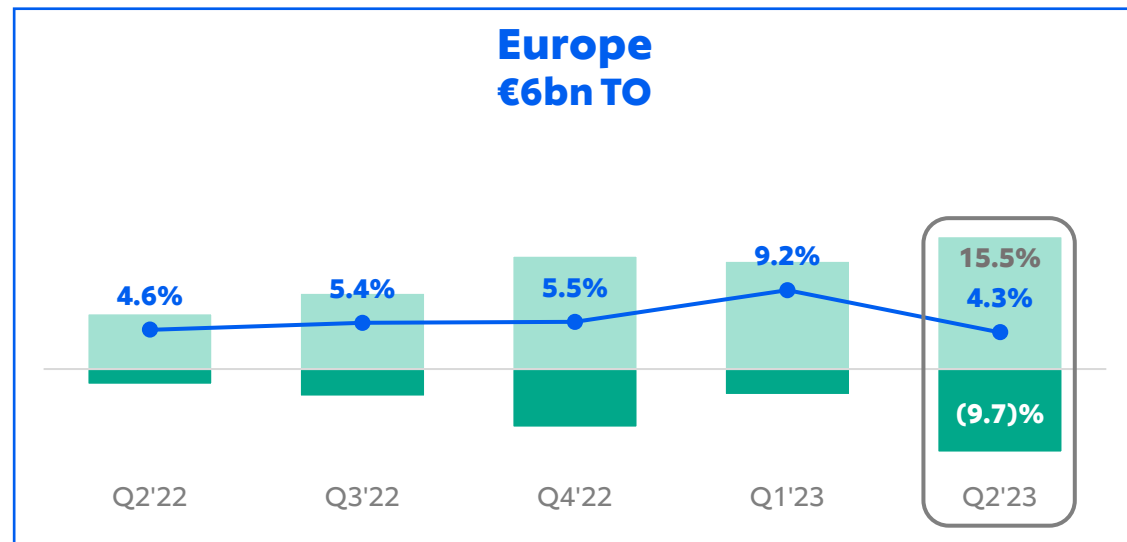


**Latin America**  
€4bn TO

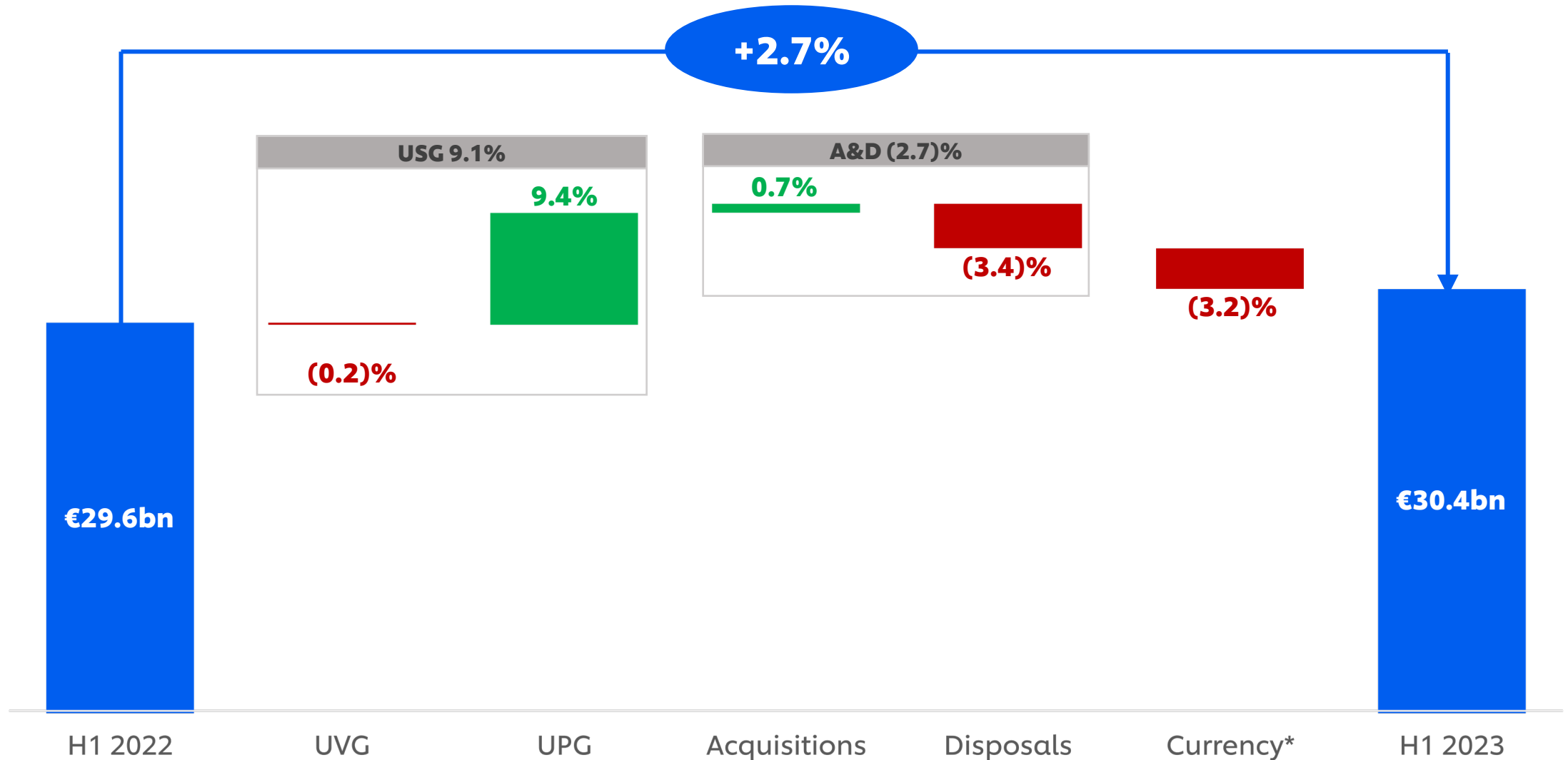
USG  
UPG  
UVG



**Europe**  
€6bn TO



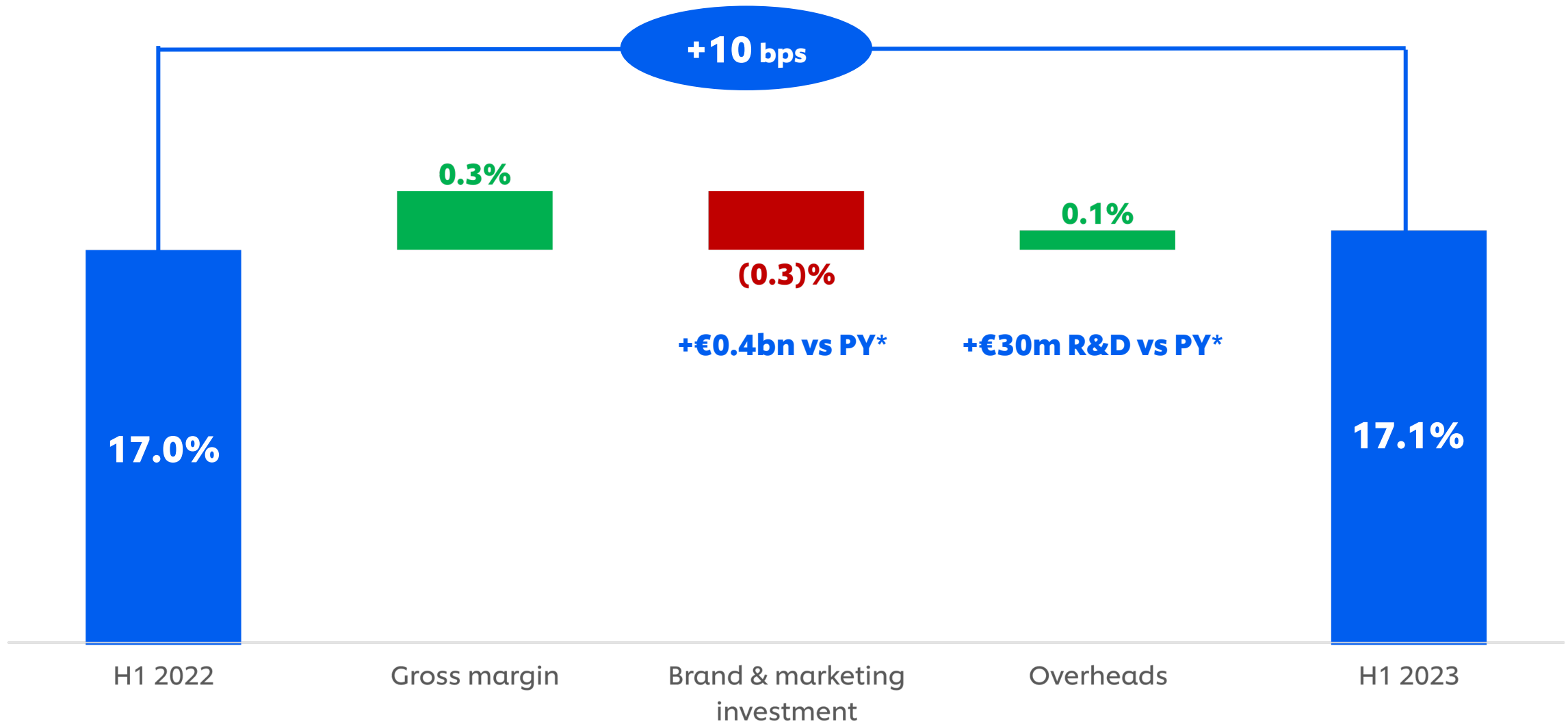
# H1 2023: Turnover growth



\* Currency includes both exchange rates changes impact of (5.0)% and extreme price growth in hyperinflationary markets impact of 1.9%.



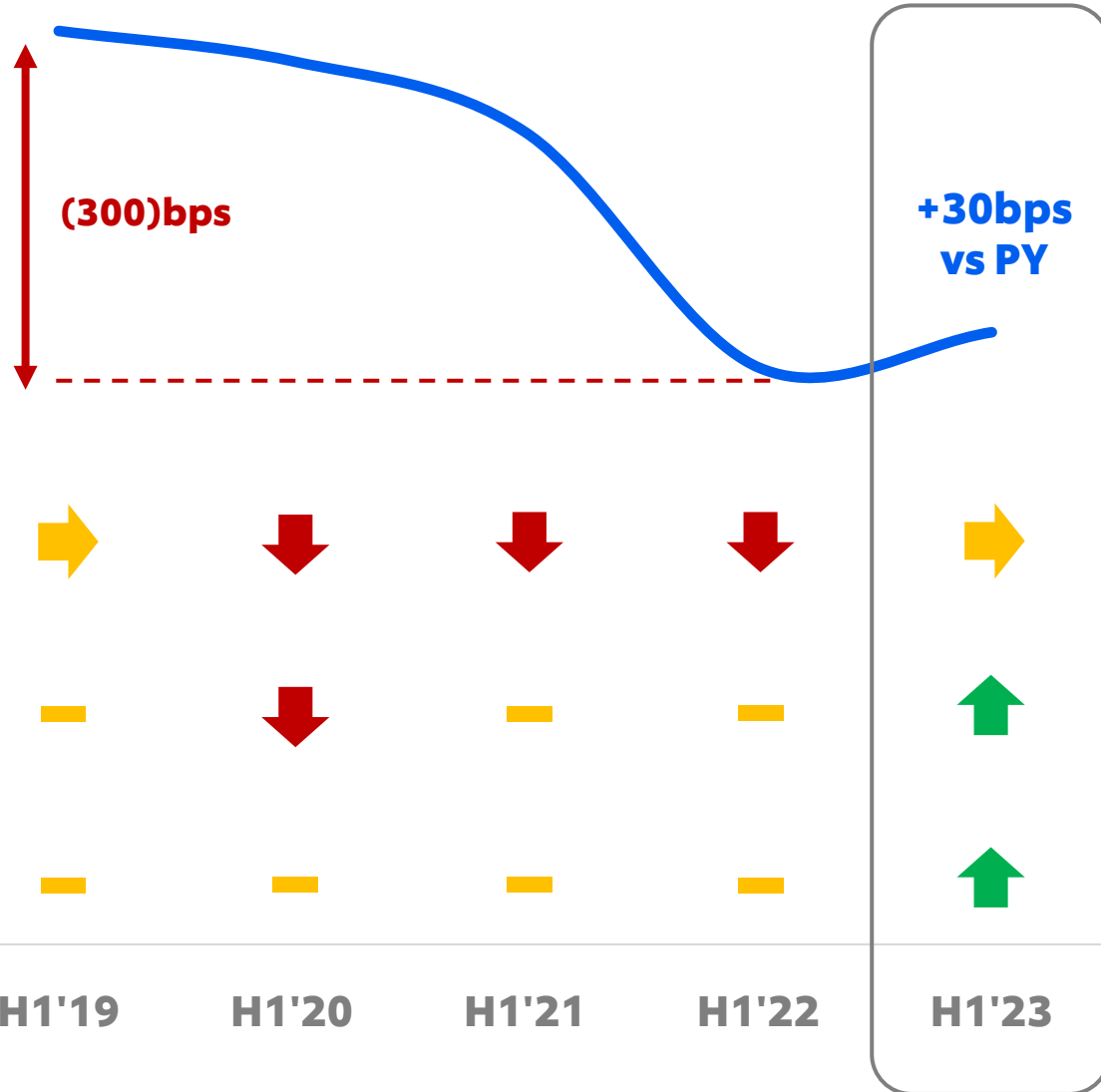
# H1 2023: Underlying operating margin



\* At constant FX rates

# Gross margin begins to build back

## Gross Margin



### Price coverage



### Mix



### Portfolio change



H1'19

H1'20

H1'21

H1'22

H1'23

## H1 gross margin drivers



Price coverage of total cost inflation

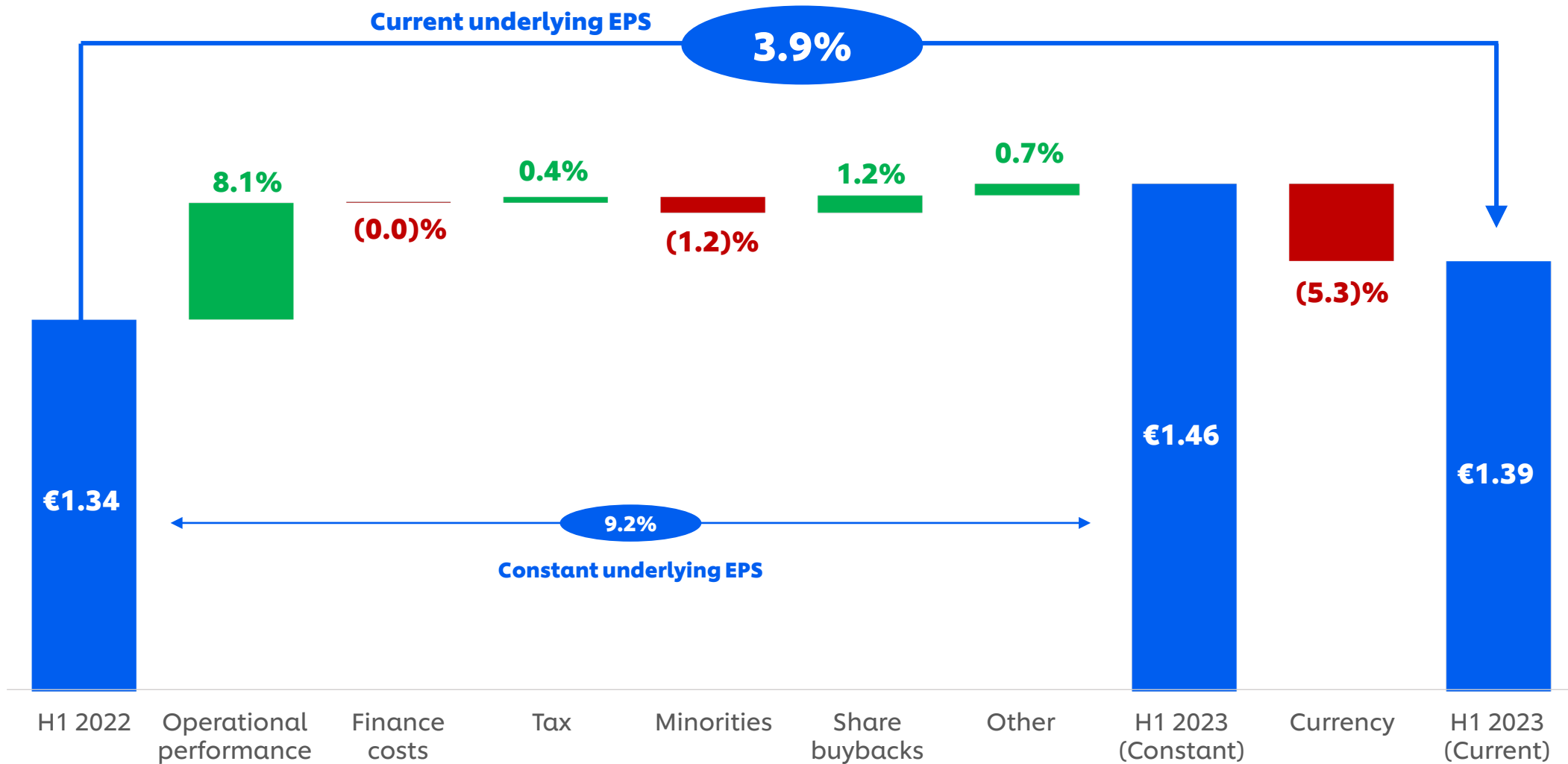


Mix & SKU rationalisation



Portfolio change:  
Tea exit  
Nutrafol acquisition

# H1 2023: Underlying earnings per share





## Operational investment

**BMI**  
**+€0.4bn\* in**  
**H1**

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**R&D**  
**+€30m\* in**  
**H1**

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**Capex**  
**ca. 3%**  
**for FY**

## Portfolio shaping

**Suave disposal**

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**Yasso acquisition**

## Capital returns

**Attractive**  
**dividend**

**Third Tranche**  
**€750m**  
**of share buyback**  
**completed**

## Priorities

Continue growth momentum in new operating model

Invest for growth

Maintain cost and savings discipline

## Guidance

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

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

- Net material inflation (NMI) around €2bn, of which €0.4bn is anticipated in H2
- Modest improvement in UOM for the full year

# Q&A



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