

# Unilever at Deutsche Bank

Graeme Pitkethly & Hanneke Faber

Paris, 15<sup>th</sup> June 2022



Unilever

NUTRITION 

**Unilever Overview**

Graeme Pitkethly

**Unilever Nutrition**

Hanneke Faber

# Safe harbour statement

This presentation 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 current Covid-19 pandemic.

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 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.

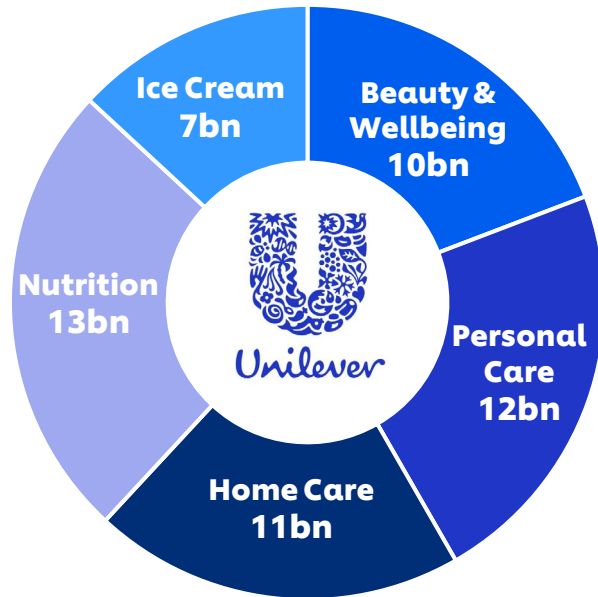
Further details of potential risks and uncertainties affecting the Group are described in the Group’s filings with the London Stock Exchange, Euronext Amsterdam and the US Securities and Exchange Commission, including in the Unilever Annual Report and Accounts 2021.



# Unilever

## €52bn

2021 turnover

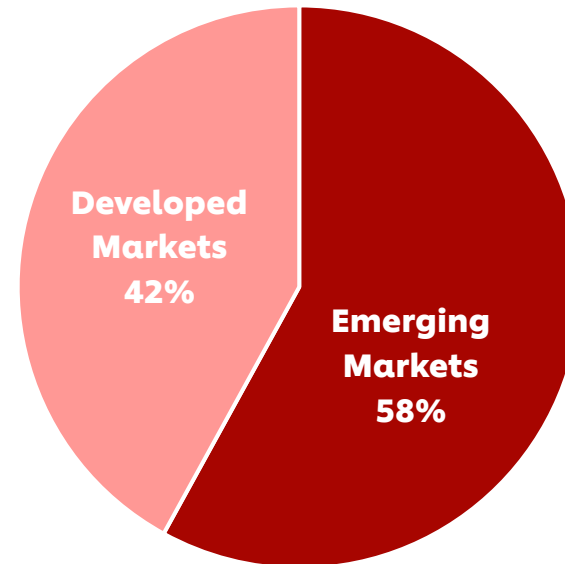


## 3

consecutive years in top 'masters' category by Gartner

## 3.4bn

people use our products everyday



## 190

countries sell our products

## #1

CPG employer of choice in over 50 markets



## 92%

of our leaders in markets are local

## €27bn

from our €1bn+ brands



## 4

consecutive years as most effective marketer

## >80%

of turnover increasing or stable brand power



## 45

Digital hubs live in 38 markets

## Top

of GlobeScan Sustainability Leaders survey for 10 years



## Leader

in Dow Jones Sustainability Index since 2014

# 5 clear strategic priorities that are delivering

Win with **brands** and innovation

Move **portfolio** into high growth spaces

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

Lead in **channels** of the future

Future-fit **organisation** and culture



**8.8%** from 13 **€1bn+** brands



Prestige: **14%**,  
Functional  
Nutrition: **18%**



USA: **8.9%**  
India: **10.4%**  
China: **6.4%**



eCom: **27%**,  
**14%** of turnover



**New** organisation  
from 1 July 2022



# Acquiring majority stake in Nutrafol



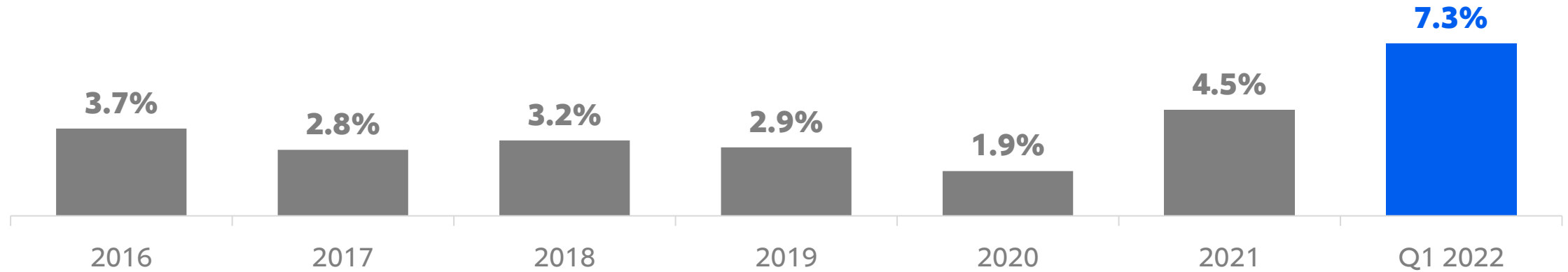
- **Announced acquisition in May '22**
- **#1 dermatologist recommended hair growth brand in the U.S.**
- **Will become part of our Beauty & Wellbeing Business Group**

- 1. Sustaining the step-up in growth and competitiveness**
- 2. Navigating through unprecedented cost inflation**
- 3. Delivering the new organisation on 1 July 2022**

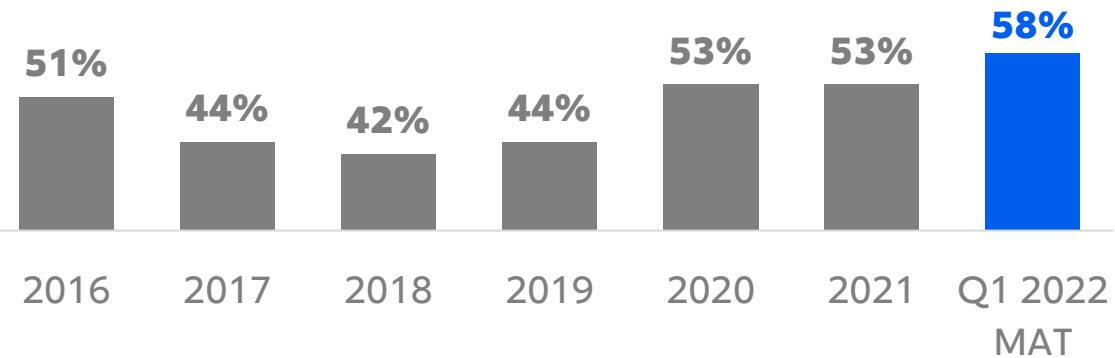


# Priority 1: Sustaining the step-up in growth and competitiveness

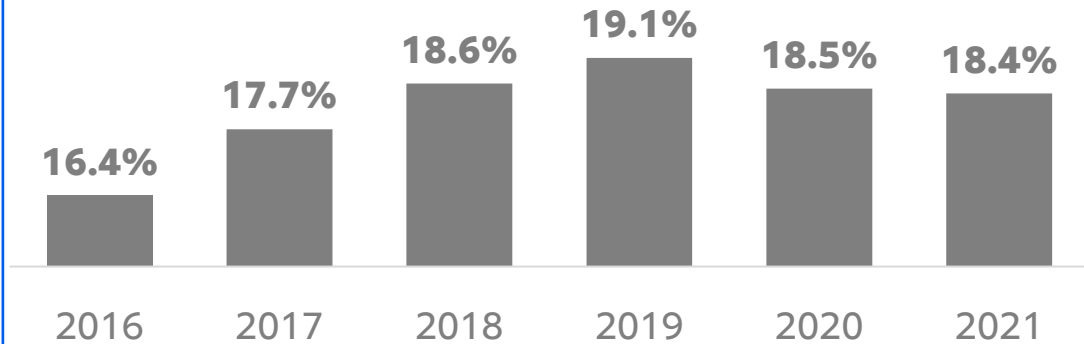
## Underlying Sales Growth



## Business Winning (MAT)



## Underlying Operating Margin

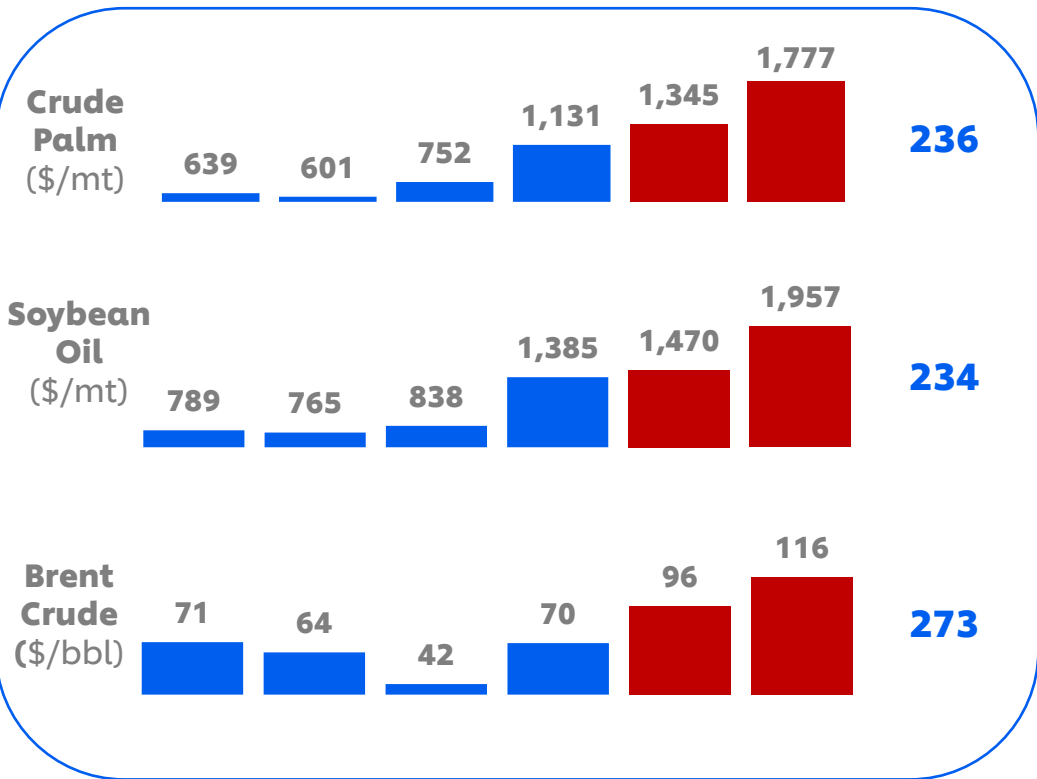


# Priority 2: Navigating through unprecedented cost inflation

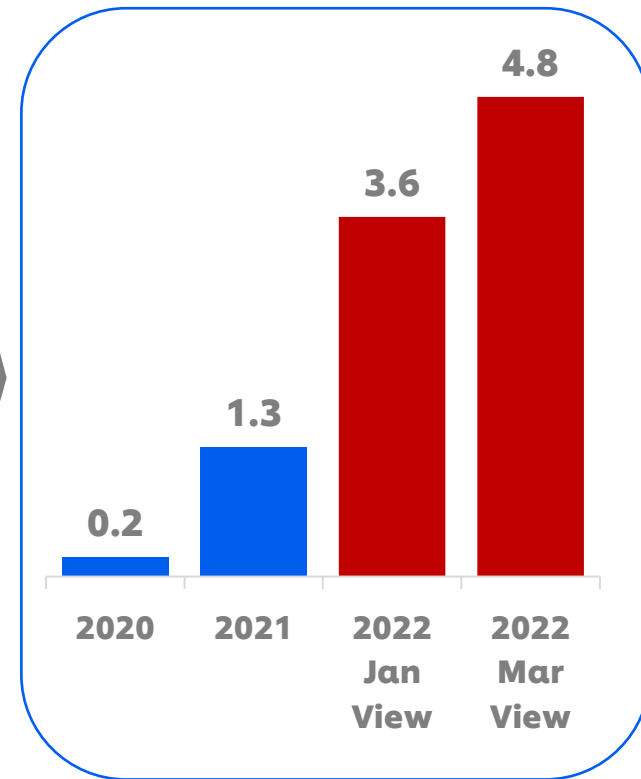
## 5-year ranges

(avg. spot price for each period)

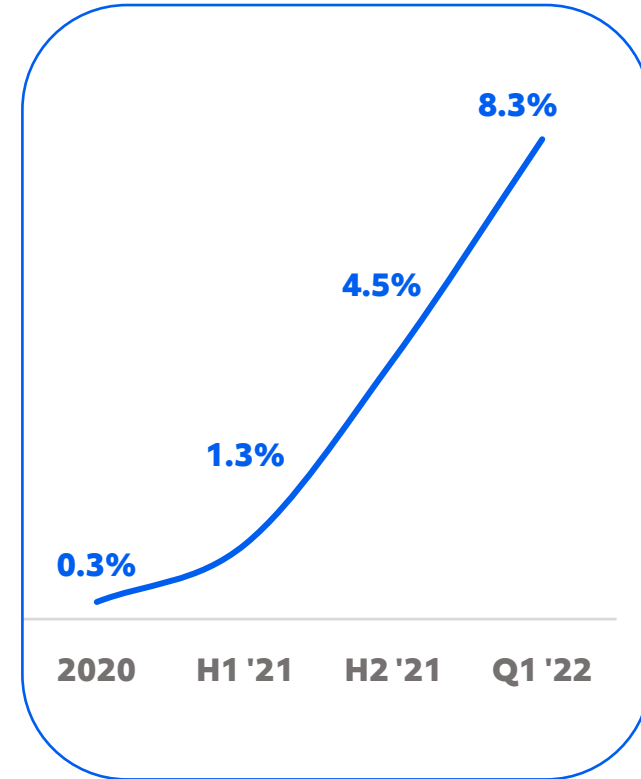
2018 2019 2020 2021 **Jan '22** **Mar '22** **Mar '22 index**  
(vs '20 at 100)



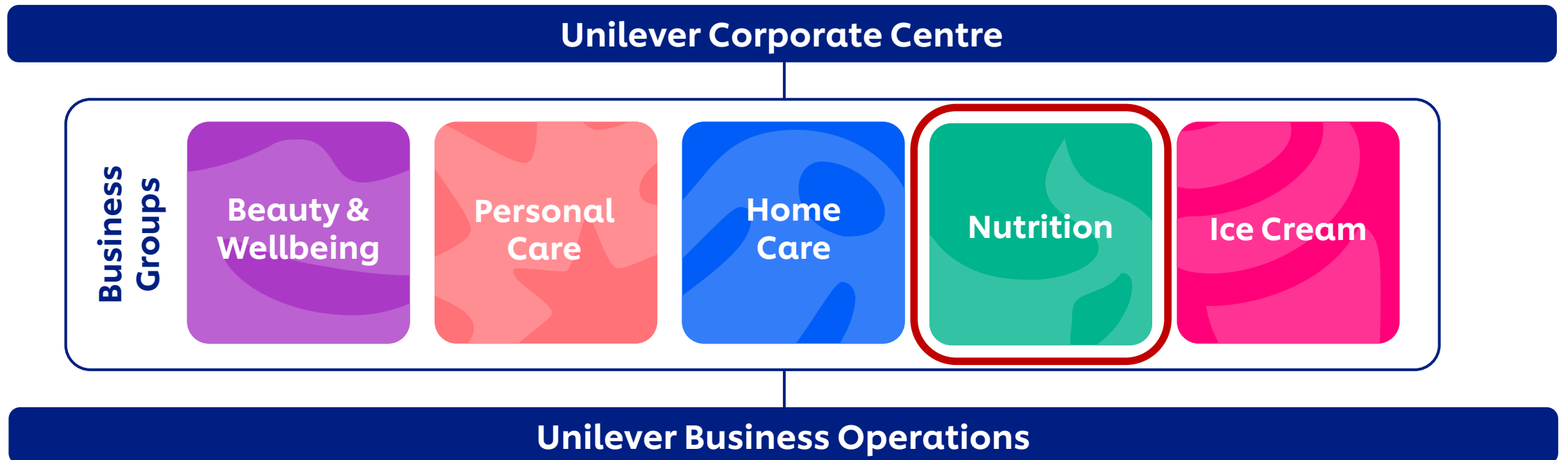
## Net Material Inflation<sup>1</sup> €bn



## UPG %



## Simpler, faster, more category focused



# Hanneke Faber

Nutrition Business Group President

Unilever Nutrition

Paris, 15<sup>th</sup> June 2022

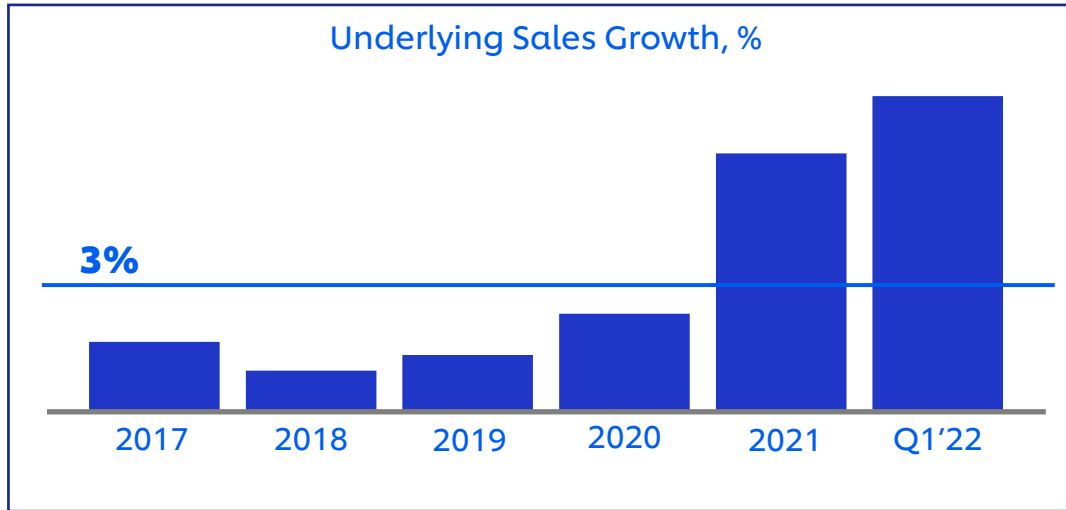


Unilever

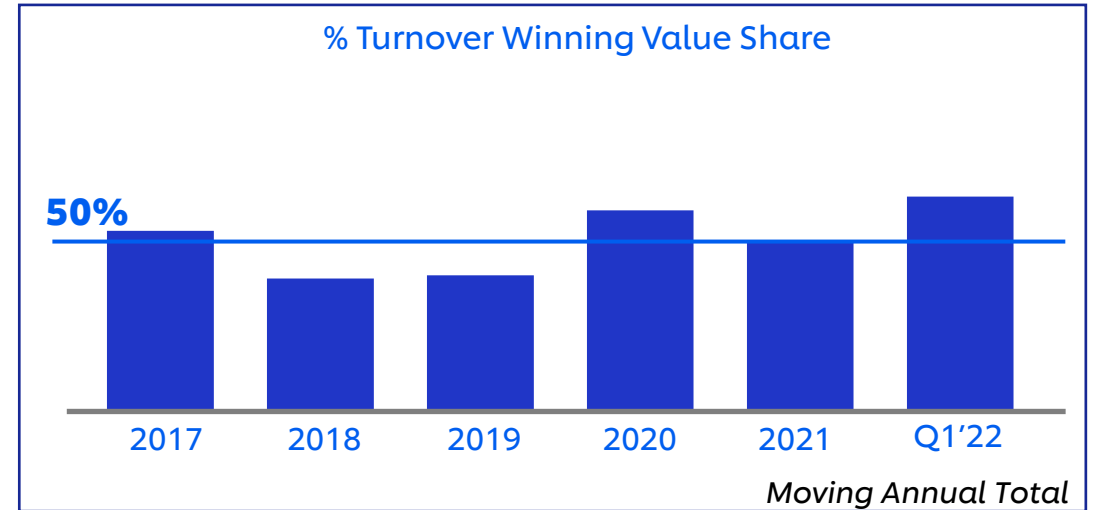
NUTRITION 

# Unilever Nutrition: A €13bn leader with momentum...

## Accelerating Growth



## Competitive



## Profitable

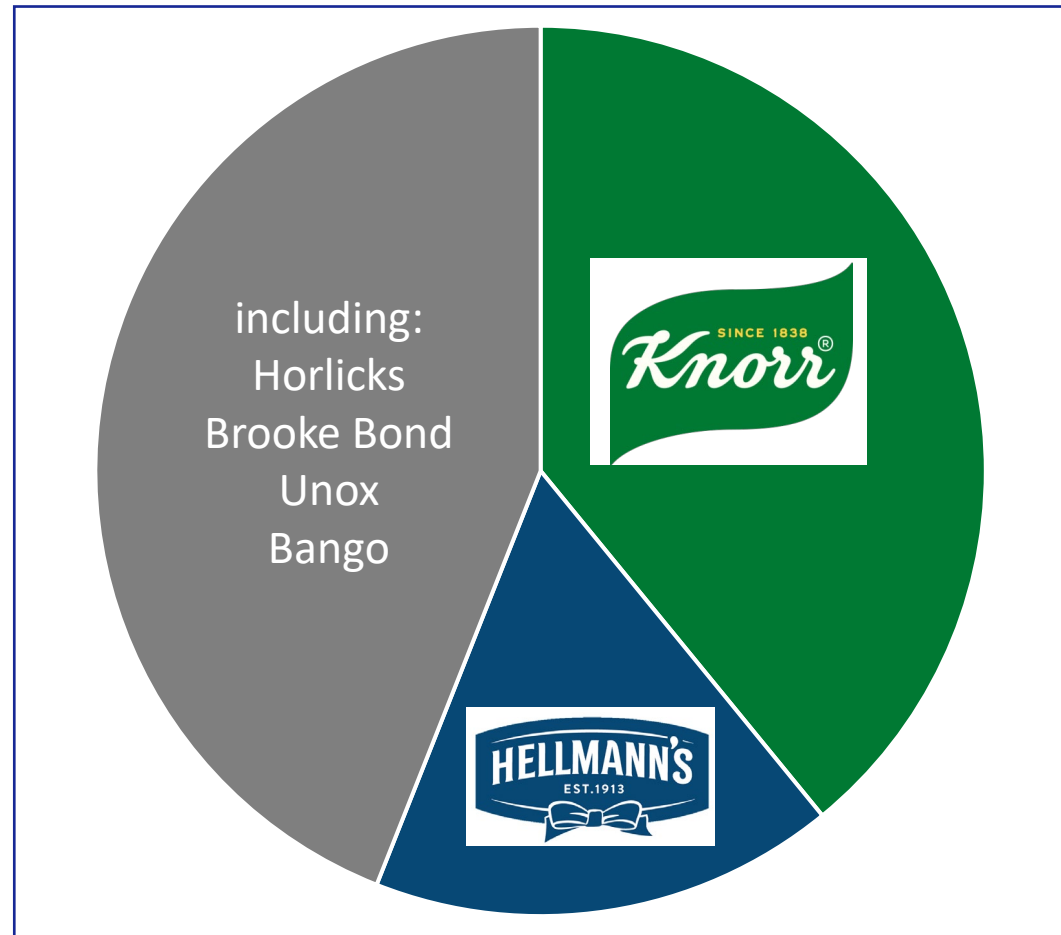


## Responsible



# A concentrated brand line-up, led by two strong global brands

Top 2 Brands: almost 60% of turnover



FY 2021 turnover



# Knorr: A €4.4bn mega-brand in practically all countries where Unilever operates

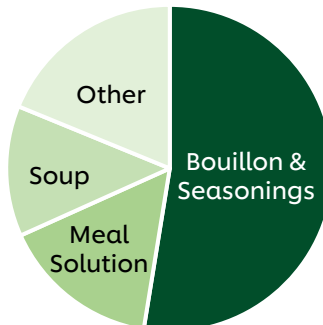
Large, steadily growing



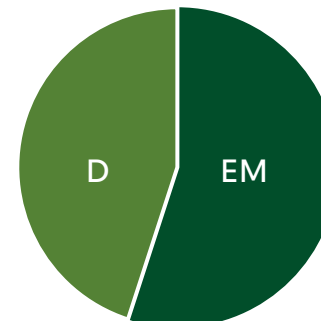
Very profitable\*



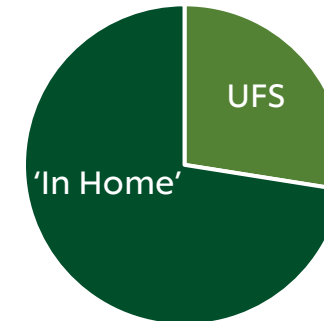
Large range of scratch cooking aids



>50% Emerging Markets



Almost 1/3 in Food Service



Bouillon



Seasonings



Meal Solutions



'Eat for Good': Focus on more variety, more vegetables and sustainable sourcing

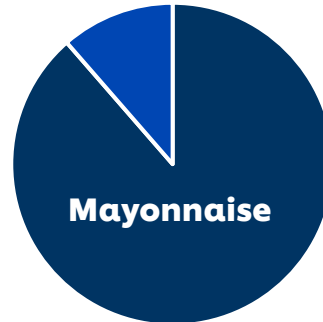
Large & Profitable



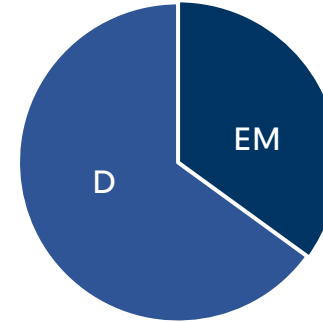
Fast growing



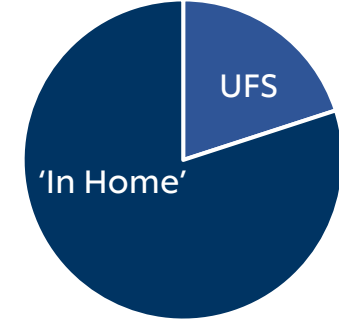
Stronghold in Mayonnaise



Weighted towards Developed markets



c. 20% in Food Service



Real



Light



Vegan



Flavoured Mayo



Global campaign

# Horlicks & Boost: A €0.6bn Functional Nutrition powerhouse, acquired in 2020



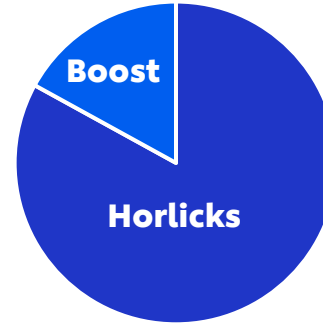
Large



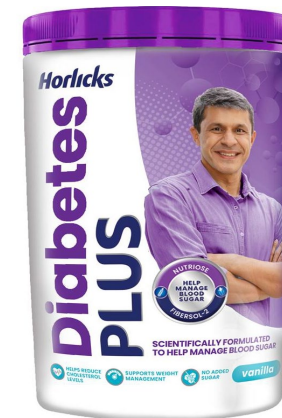
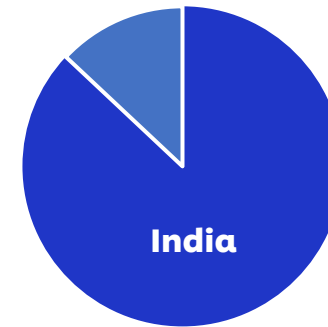
Very profitable\*



Two strong brands



India the primary market



Kid's Nutrition

High Science Adult Functional Nutrition



# The Vegetarian Butcher: Acquired in 2019 as part of our plant-based strategy



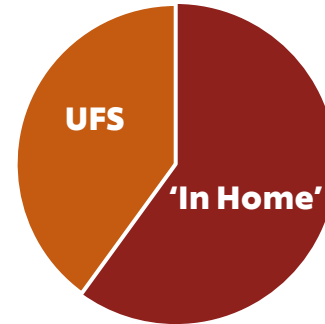
Fast growing



Geography and product expansion



Strong exposure to Food service



*1 in 3 burgers at Burger King in Belgium is The Veg Butcher*

**BURGER KING: "1 OP 3 VERKOCHTE WHOPPERS IN BELGIE IS VEGGIE"**

EXPERT OPINIE / MAY 25 2022 / BYDORIENDECKERS

IN GESPREK MET VIC DRESEN  
MARKETING MANAGER BELUX BURGER KING

[www.foodservicealliance.be](http://www.foodservicealliance.be)



Wide, locally relevant Butcher's Range



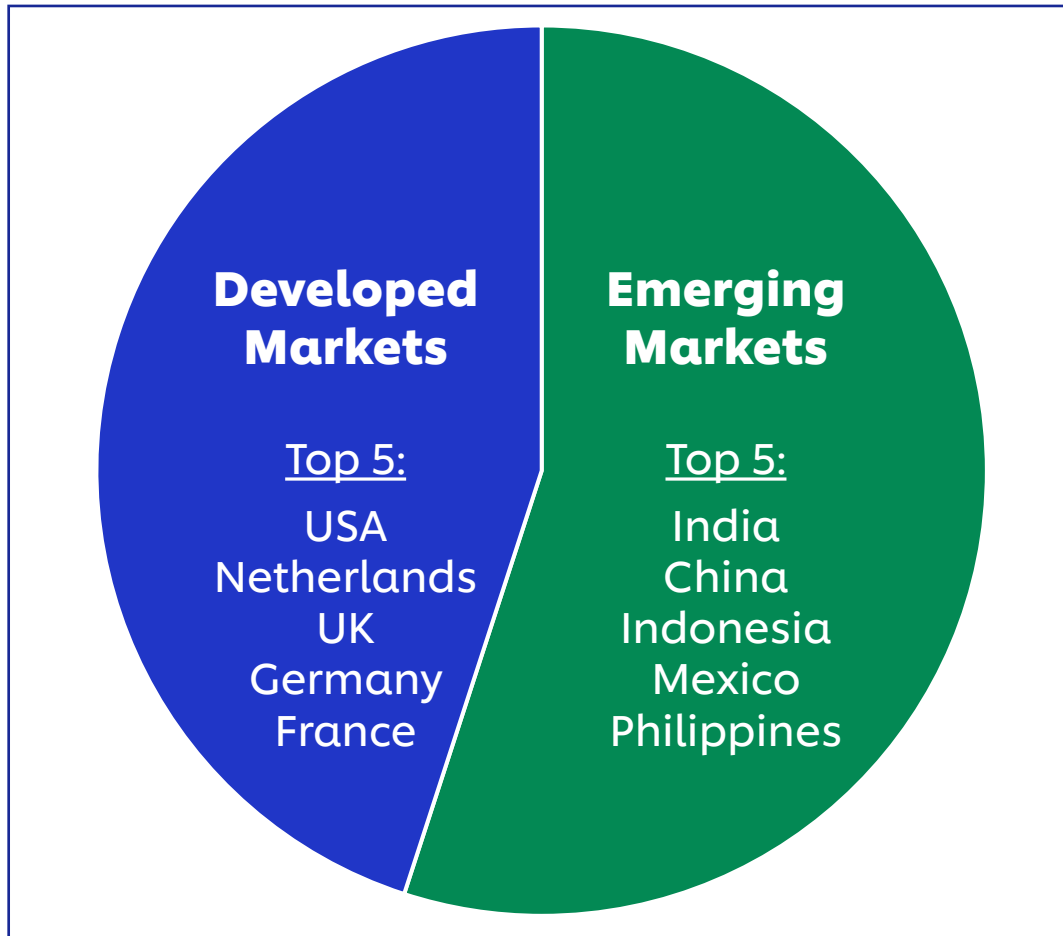
Premium Raw Burger Innovation



Food service Partnerships

# A global business with good exposure to faster-growing countries and channels

55% in Emerging Markets



1/3 outside of Traditional Retail



# ..in a growing market with a dynamically changing landscape

## Strong trends underpinning market growth



**COOKING  
RENAISSANCE**

Hybrid Work: 2/3 of Companies  
Recipe Inspiration Wanted



**FOOD NOW**

UL Nutrition: >50% e-commerce  
growth in 2021



**VALUE  
REDEFINED**

Cash Strapped and Flush



**HEALTHIER  
LIVING**

Top consumer need



**CONSCIOUS  
CHOICES**

Plant-based, Food Waste, Plastic,  
Sustainably Sourced



**DIASPORA'S**

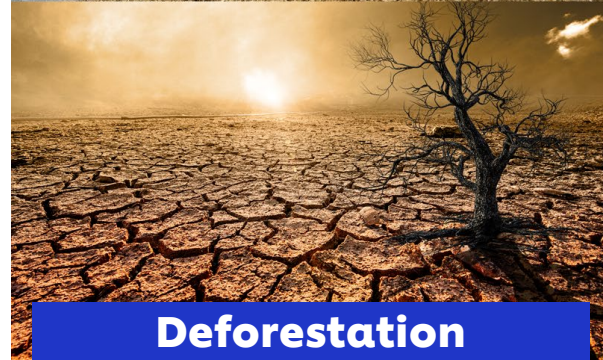
1 in 25 is a Migrant  
The Taste of Home to the World

## ...in a global Food System that needs change

**30% of GHG Emissions**



**Hunger increasing (1 Bn)  
Obesity, too**



**Deforestation  
Biodiversity loss**



**1/3 of Food wasted**



# Our Ambition: 'To be a World-Class Force for Good in Food'



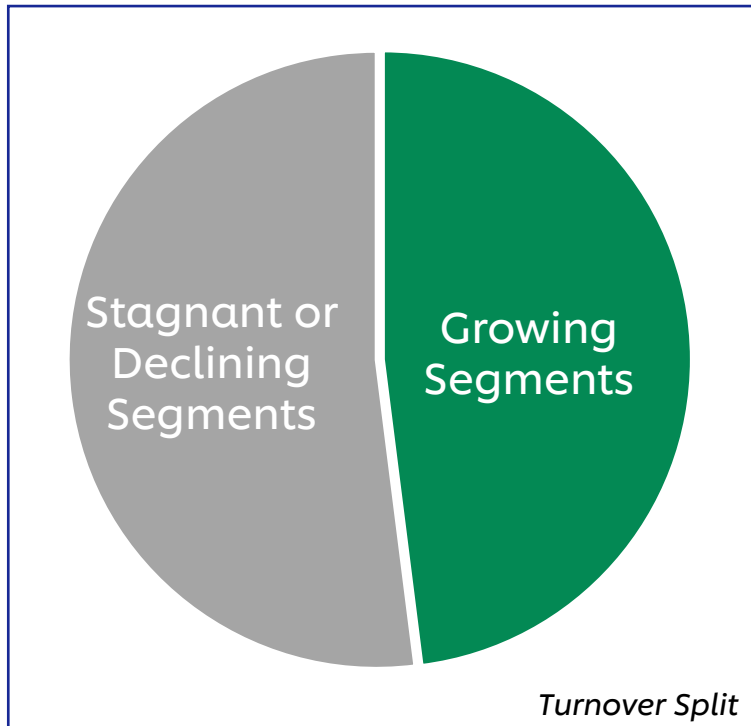
**World class** = Top third growth & financial performance in the Foods industry

**Force for Good** = Doing well *by* doing good (for people & planet)

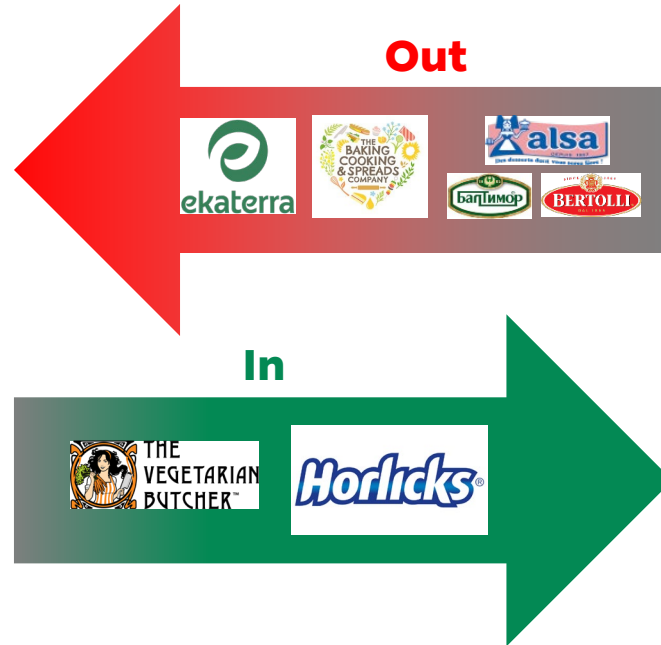
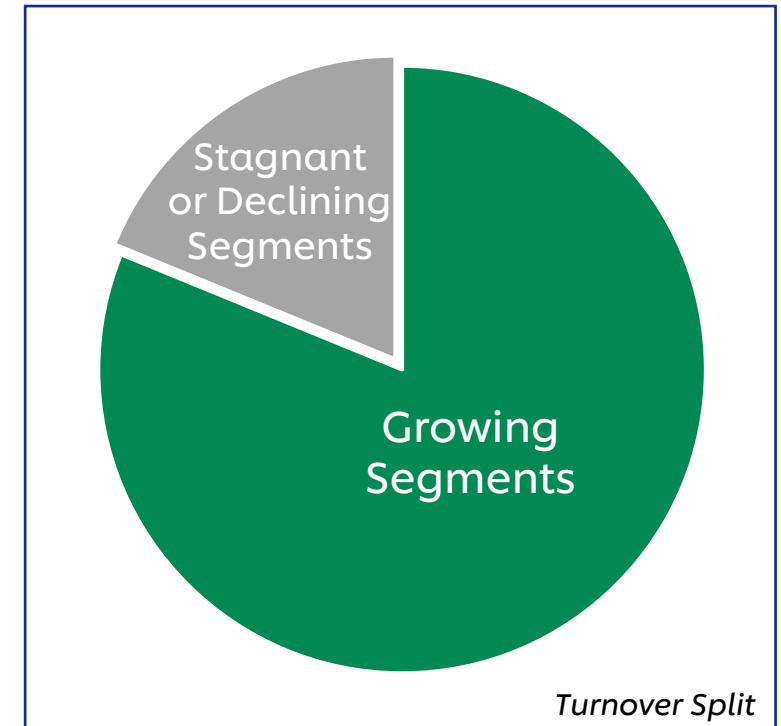
- 1. Ever Healthier Portfolio** – increasing our exposure to fast-growing spaces
- 2. Boldly Healthier Core** – holistically superior products, superior every day & seasonal execution, leading the industry
- 3. Powered by the new Organisation** – more category focus and domain expertise

# Ever Healthier Portfolio: 80%+ of sales in growing segments\* now, up from < 50% in 2018

2018



2021



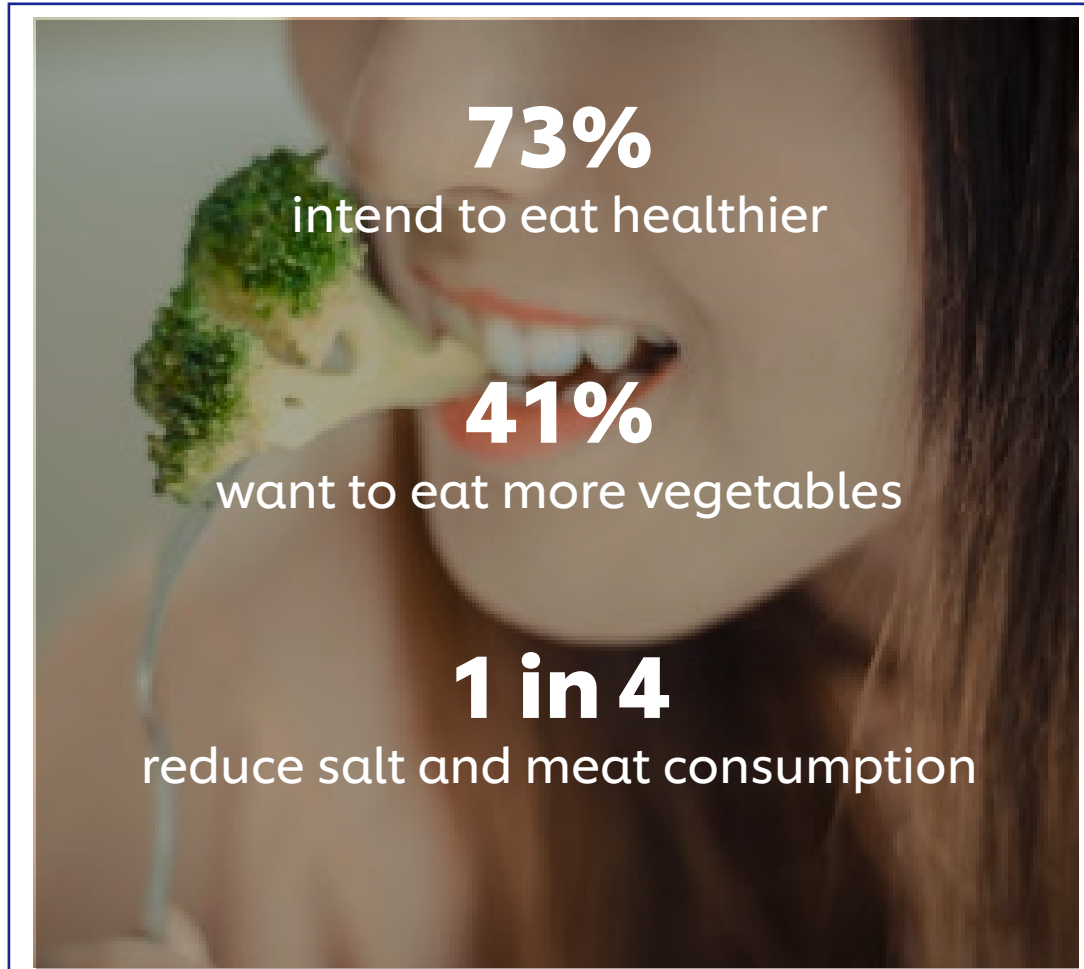
## Future Focus

**Functional Nutrition**  
**Scratch Cooking Aids**

\*Product segments with market growth in line or ahead the total market (Euromonitor)

# Boldly Healthier Core: Key for people and planet

## Consumers want to eat healthier



## Companies are expected to act



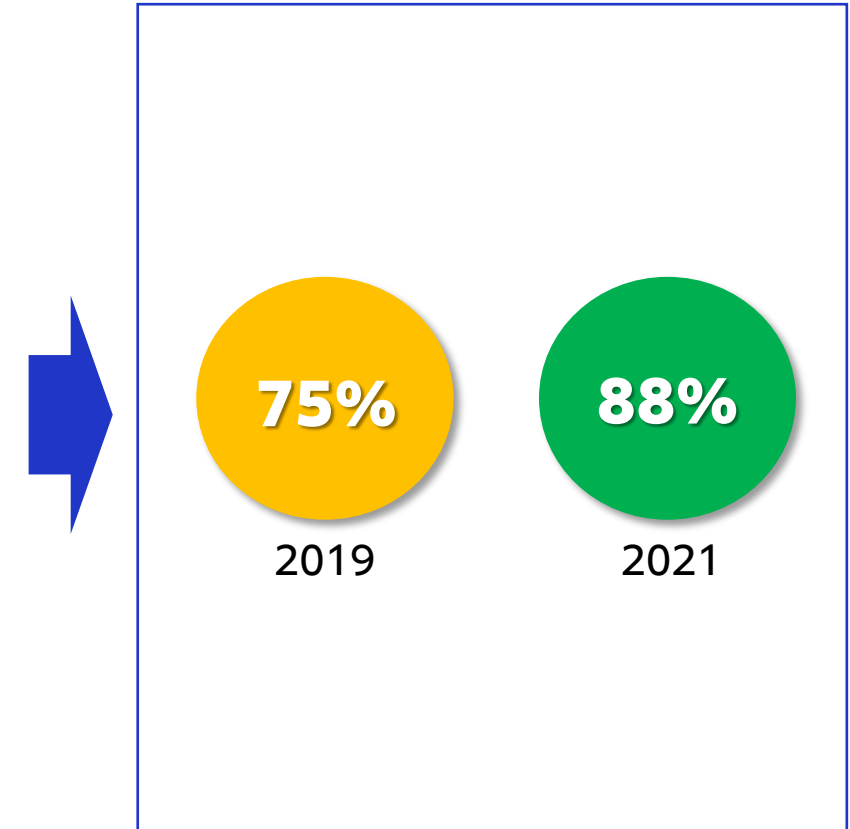
Sources: i) FMCG GURUS: Evaluating the Uncertainty & Future Outlook of COVID-19; ii) 2020 Global Sweetener report: Health Focus; iii) Kantar Epanel Understanding Healthy Eating; iv) Euromonitor International's Voice of the Consumer: Health and Nutrition Survey; v) NielsenIQ: An inside look into the 2021 global consumer health and wellness revolution and Global Health & Wellness study

# Boldly Healthier Core: A new product design framework for *Holistic Product Superiority*

## New Framework (from 2019)



## Holistically Superior\*



\*within evaluated products, c.50% of Nutrition turnover



# Boldly Healthier Core: Recent holistic superiority examples

Growth & Margin accretion



**Less and NO salt**

Strong growth  
Reduce Sugar  
Tax exposure



**NO Sugar**



**More plant based**



**Fortification**



# Boldly Healthier Core: Enabled by the world-class R&D expertise

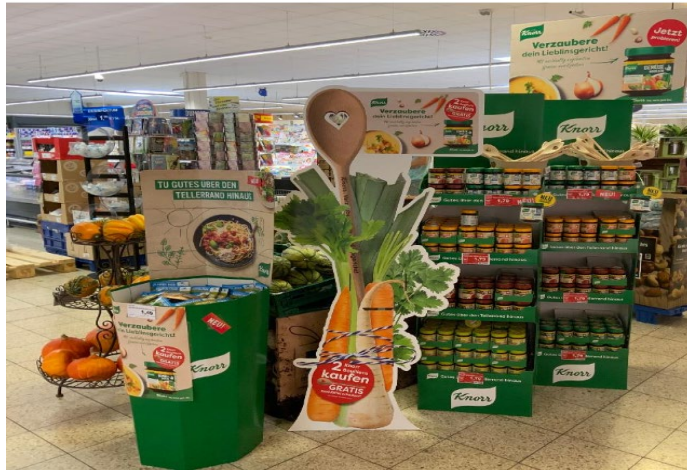


**Headquarter @ The Hive,  
the €85m Innovation Centre in  
the 'Silicon Valley of Food' in  
the Netherlands**



# Boldly Healthier Core: Comes to life with outstanding execution - every day

## In-store



## Online

Recepedia



China Knorr – Local celebrity endorsement as a part of our shoppable content ecosystem



## Ramadan

**Royco**  
KALDU TERBAIK  
Rasakan Kelezatan Jember  
Sajikan berkah kebaikan dalam kelezatan dengan Royco  
\*Dibandingkan dengan produk Royco sebelumnya

**Knorr**  
IF TAR VAKTI  
KNORR VAKTI  
#LezatHijab

**Knorr**  
Eat for Good  
Share t Good  
Ramadan Kareem

## Superbowl

**MAGIC**  
**HELLMANN'S**

**HELLMANN'S**  
REAL MAYONNAISE  
100% PURE EGGS

**SCORE BIG WITH GAME DAY DIPS**

## BBQ Season

**HELLMANN'S**  
VEGAN MAYO  
MIX IT UP THIS BBQ SEASON

**Knorr**  
SCORE & FAMILY FAVORITE TONIGHT!



## 'Future Food' Commitments

- €1 billion plant-based meat and dairy sales (by 2025-27)
- Halve food waste in our direct operations by 2025
- 2x the number of products that deliver positive nutrition by 2025
- Continue to lower calories, salt and sugar

**November 2020**

## Regenerative Agriculture

### Knorr launches regenerative agriculture projects to reduce food's climate impact

Published: 01/11/2021 • Average read time: 2 minutes

Knorr's plan for 50 regenerative agriculture projects is predicted to reduce greenhouse gas emissions and water use by an estimated 30% while improving biodiversity, soil health and livelihoods.



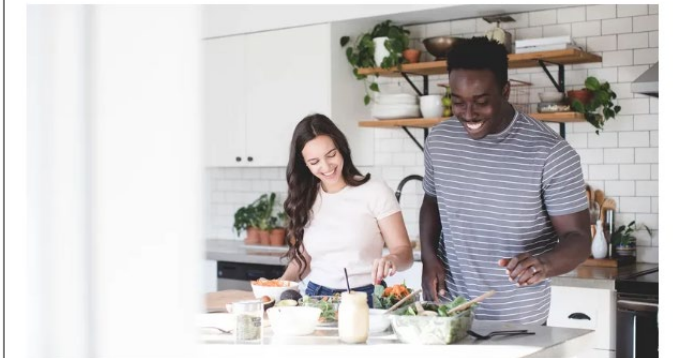
**November 2021**

## Positive Nutrition

### Unilever to set new benchmark for Healthy Nutrition

Published: 07/03/2022 • Average read time: 3 minutes

Unilever today announced that it will be the first global Foods company to publicly report the performance of its product portfolio against at least six different government-endorsed Nutrient Profile Models (NPM) as well as its own Highest Nutritional Standards (HNS).



**March 2022**

# The new Unilever organisation is an opportunity for Nutrition

## Simpler, Faster, More Agile

Direct P&L ownership  
and resource allocation

Direct Supply Chain ownership



## Category focus and domain expertise



**hive**  
Unilever Foods  
Innovation Centre



## More empowered and accountable



'We are all chefs'

## In summary

- **We have a very attractive Nutrition business ...**
- **... with a transformed portfolio**
- **Our focus on boldly healthier products positions us well for the future**
- **The business will be enhanced by the new organisation**

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