

Investing for growth

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8 December 2022



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.

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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 2021.

Investing for growth: What we will cover

1

Our priority is growth

2

Building blocks for higher growth

3

Disciplined capital allocation

4

Multi-year financial model

We are operating in a complex macro environment

Geopolitics



Inflation



Affordability



**We are no strangers to volatility
with deep experience and capability across 190+ markets**

Our guidance is unchanged

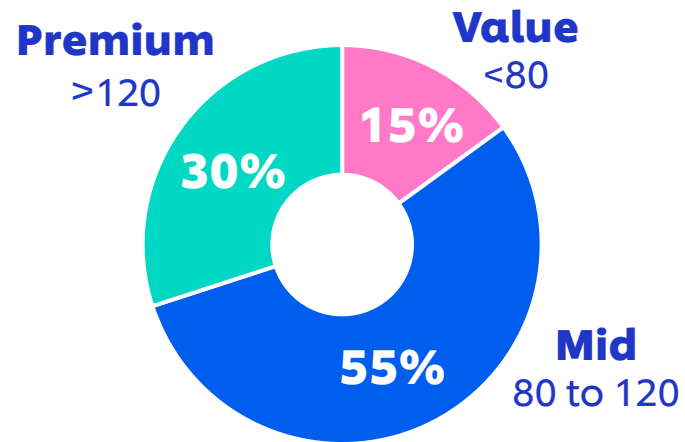
Expect FY 2022 USG above 8%, with more negative UVG than in the first nine months

Increased investment in BMI, R&D and Capex

FY 2022 UOM of 16%
Estimated net material inflation of around €2bn in H1 2023
Expect to improve margin in 2023 and 2024

We see significant headroom for growth

Premiumisation



% turnover by price index

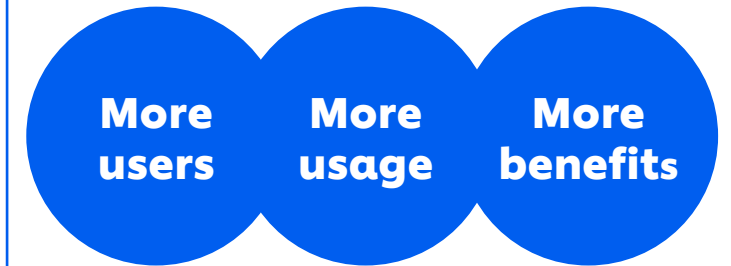
Demographics



60% of business
in Emerging Markets

Market development

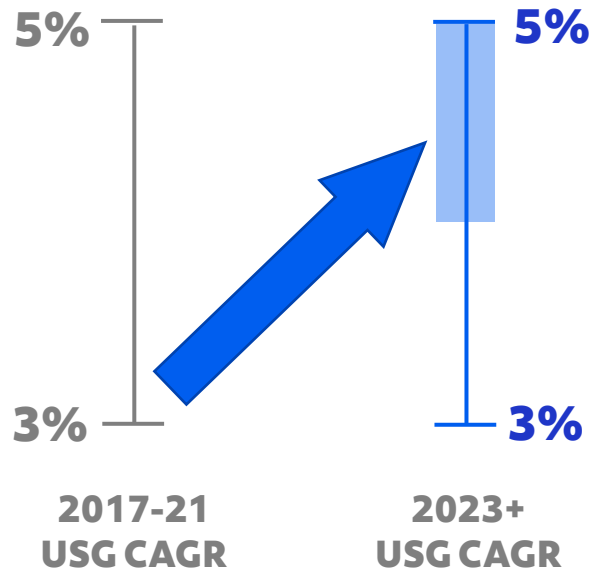
Expert at growing markets



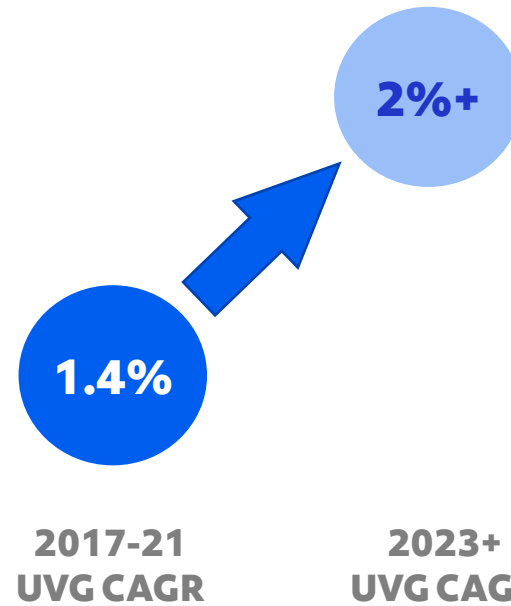
3.4 billion people
use our products daily

Our priority is sustained, high-quality growth

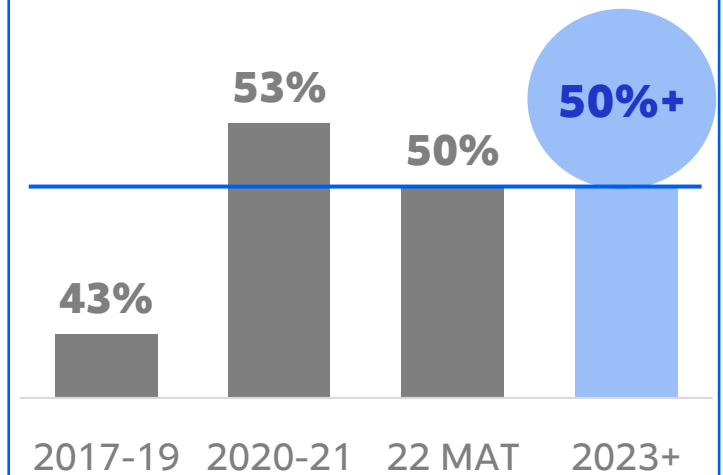
Sustainably higher



Step-up in volume



Competitive



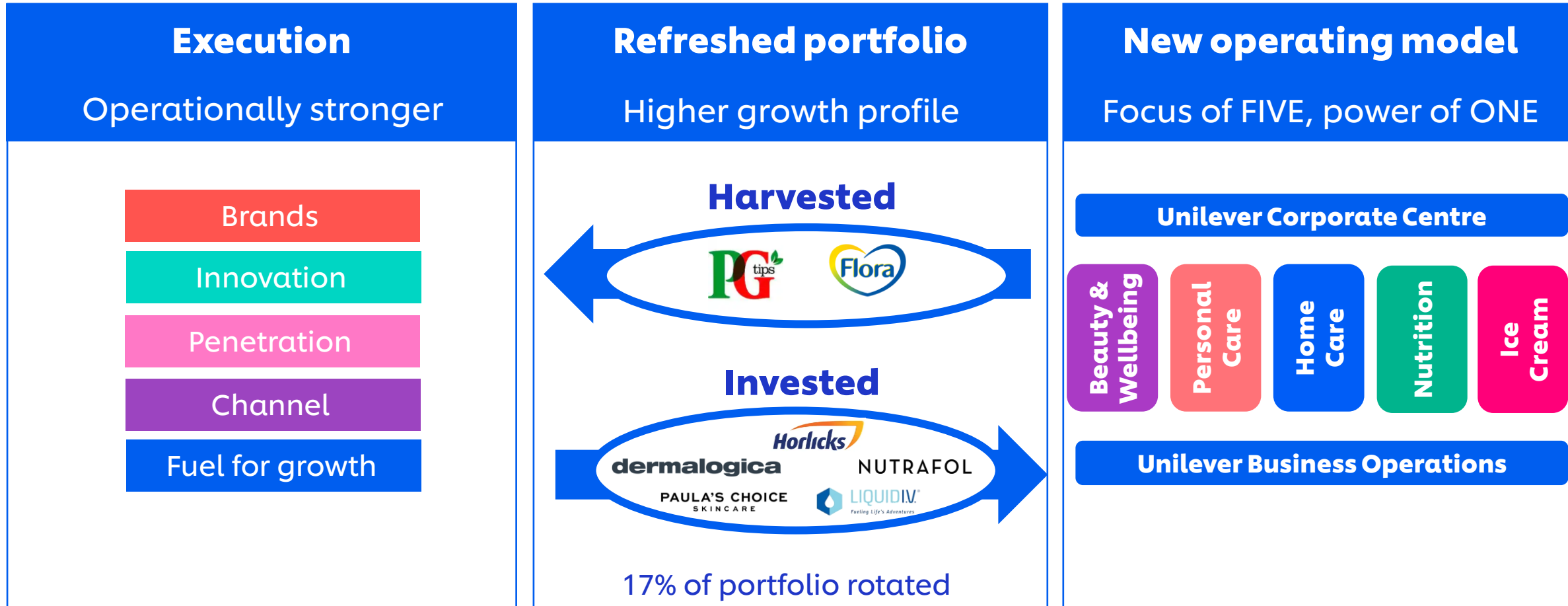
Investing for growth

Building blocks



Unilever

We are now investment-ready, with the building blocks in place



Our new operating model creates many advantages

Strategy and investment

- **Business Groups own end-to-end strategy and performance**
- **Investment aligned to BG strategies**
- **Greater speed and accountability**

Incentives drive performance

- **Business Group focused reward**
 - clear line of sight
- **BG performance drives annual bonus**
 - 75% for BG Presidents
 - 100% for Business Units
- **Growth is prioritised**
 - upweight to 50% in annual incentive

We have sharper, more distinctive Business Group strategies

	Beauty & Wellbeing €12bn	Personal Care €13bn	Home Care €12bn	Nutrition €13bn	Ice Cream €8bn
Value creation	High Growth	Growth	Growth and margin	Growth	Growth and ROA
Margin vs UL	Accretive	Accretive	Dilutive	Slightly accretive	Dilutive
Position	Challenger	Leader	Emerging market leader	Big brand leader	Category builder
Focus	Purpose. Science. Desire	Extend leadership	Category development	Boldly healthier	Premium and OOH
Cap. allocation - Acquisitions - Disposals	Priority	Limited	Limited	Focused	Limited
	Selective pruning where needed				

Indicative size of Business Groups, Nutrition excludes ekaterra

Capital allocation

Led by BG strategies

- Portfolio change
- Capital expenditure
- Restructuring investment

Target setting

Rolling 3 year
strategic plan

1 year
financial plan

CEO/CFO set
BG targets

Performance management

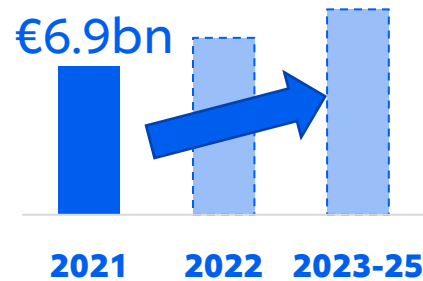
BGs held accountable by CEO/CFO

- Results delivery
- Cross-BG resource optimisation

We will step up investment behind growth

Brand support

Increasing absolute BMI

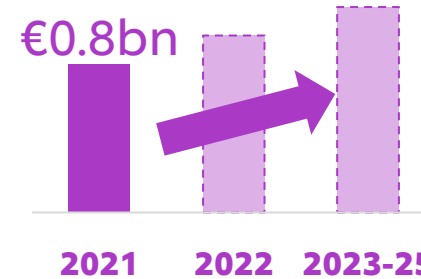


- More working media
- More digital

Stronger brand power

R&D

Increasing absolute R&D



- Science & technology
- Digital tools

Superior innovation

Overheads

Targeted investments



- Channels
- Business models

World-class capabilities

And fuel that through price, mix and increased savings

Underlying price growth

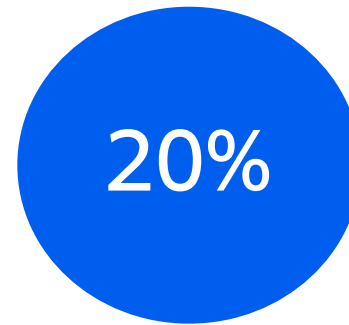
Pricing quickly and responsibly



Price carry-over into 2023

Mix & SKU reduction

Simplifying for growth

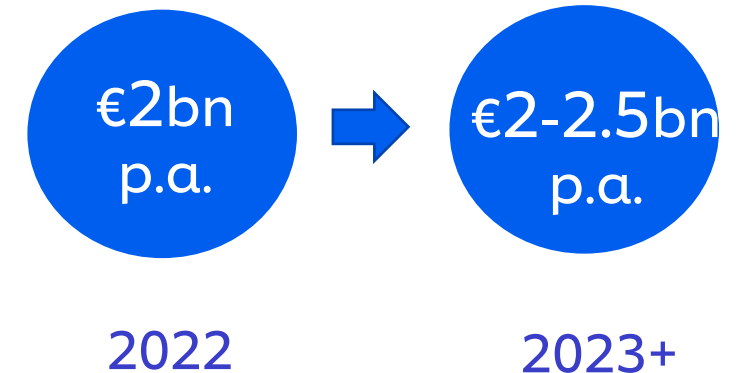


SKU reduction

Better service, lower costs, more cash

Savings

Productivity experts



UL Business Operations and new organisation

Investing for growth

Capital allocation



Unilever



We have a clear and consistent strategy for capital allocation

Operational investment

- **Brand support, R&D, new capabilities**
- **Capital expenditure**
- **Restructuring**

Portfolio reshaping

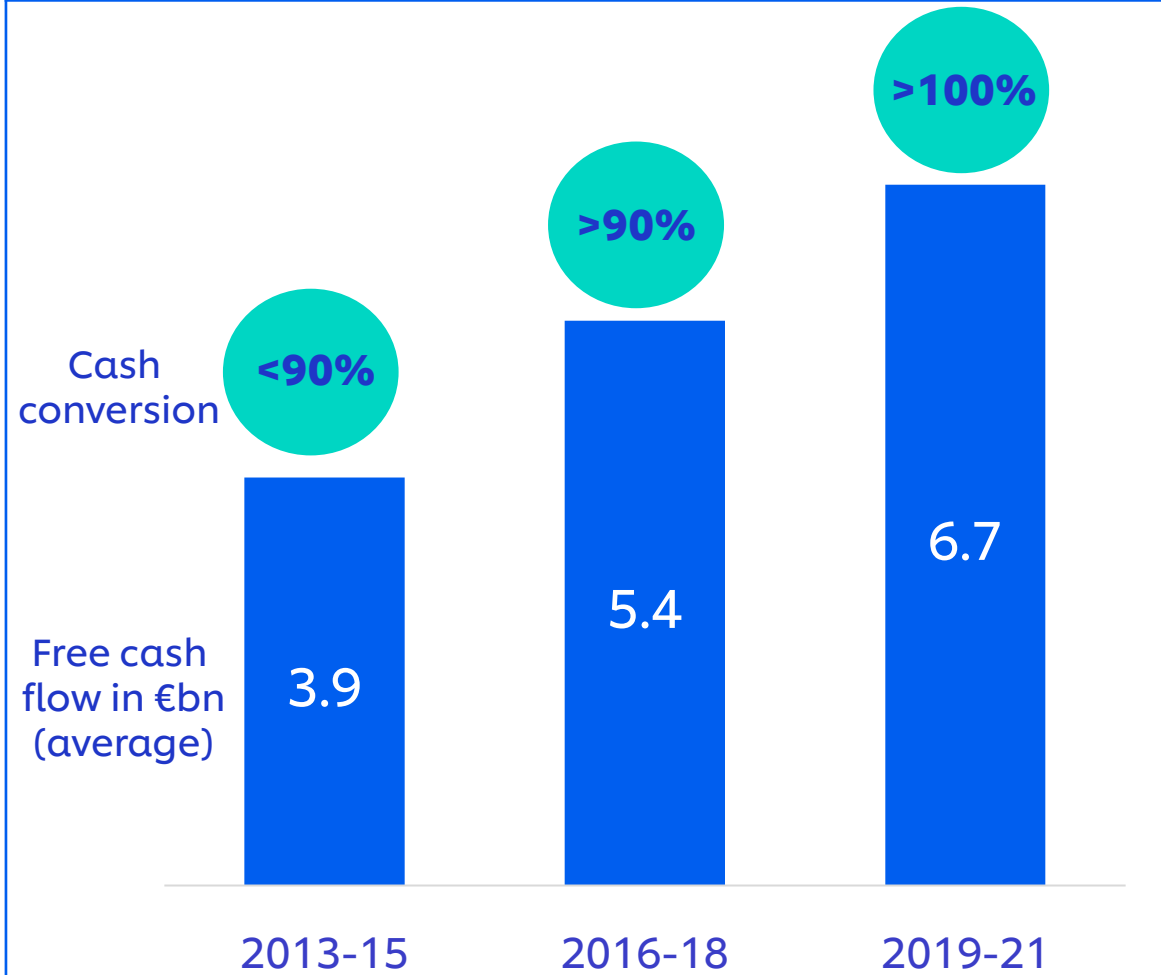
- **Bolt-on acquisitions**
- **Portfolio pruning**

Capital returns

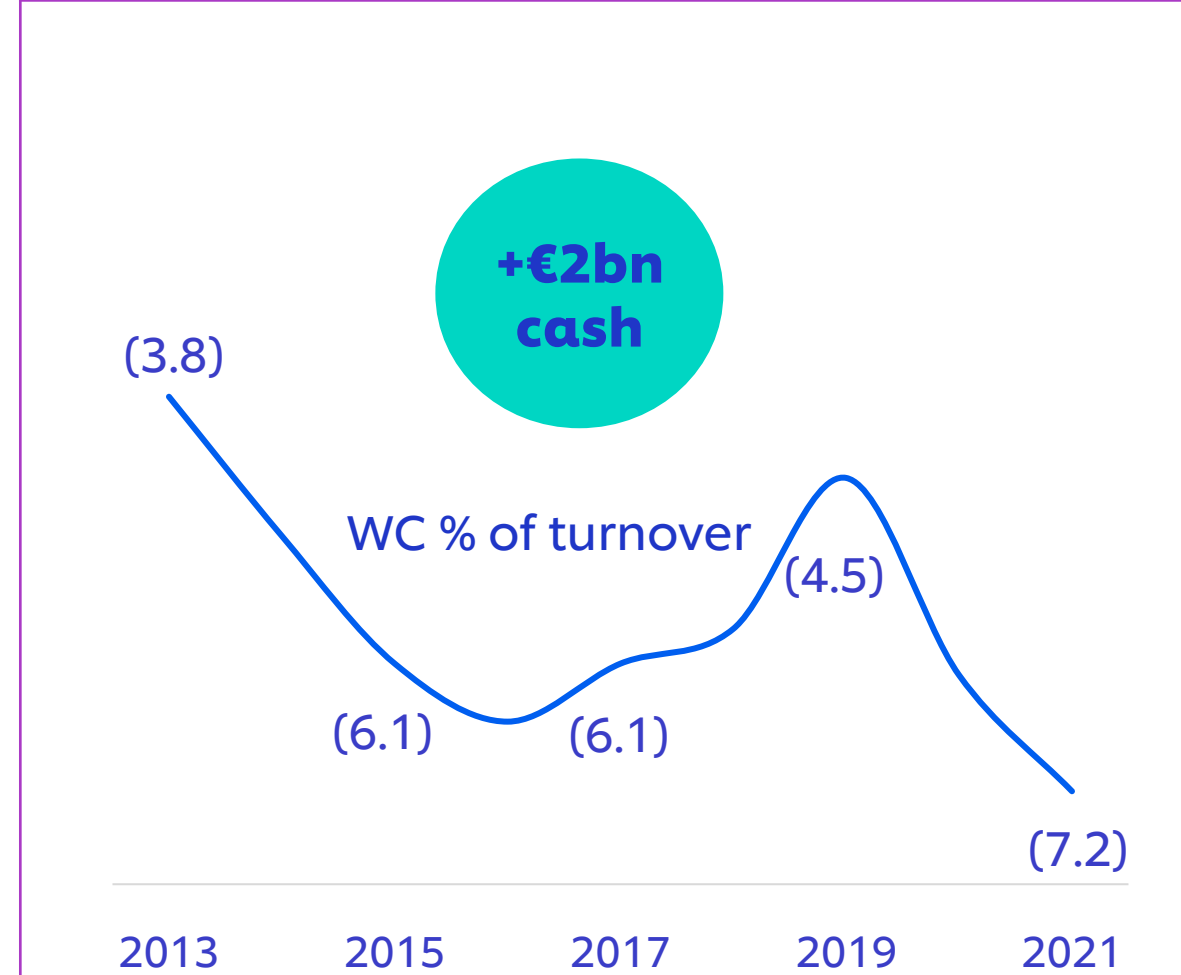
- **Dividends**
- **Share buybacks**

Delivering strong cash performance

Stepping up free cash flow



Negative working capital



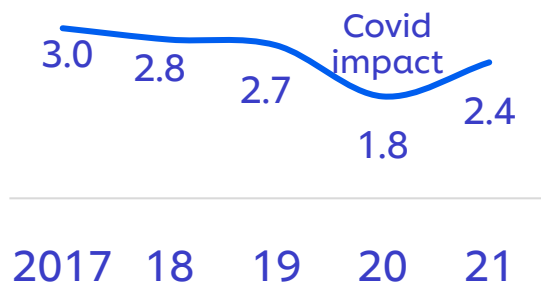
Cash conversion: FCF as % of net profit before profits and losses on disposals

WC ratio reflects the yearly average of inventories, trade and other current receivables less trade payables and other current liabilities

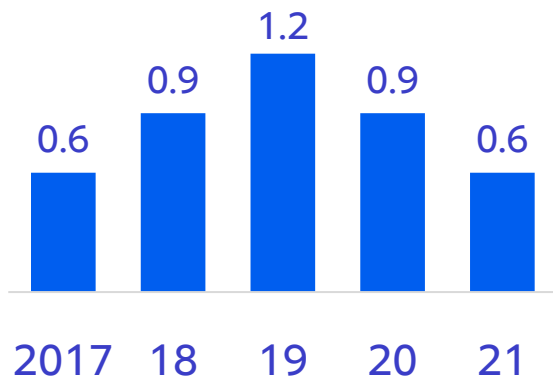
Our growth model underpinned by disciplined capital allocation

Operational investment

Capex % turnover



Restructuring €bn

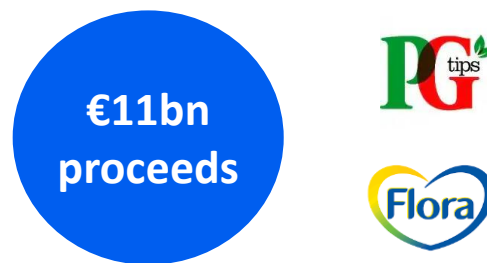


Portfolio reshaping

Acquisitions since 2017



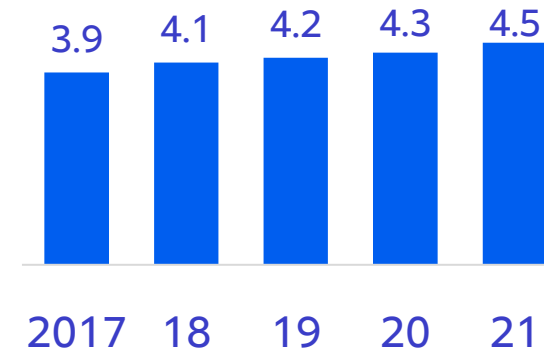
Disposals since 2017



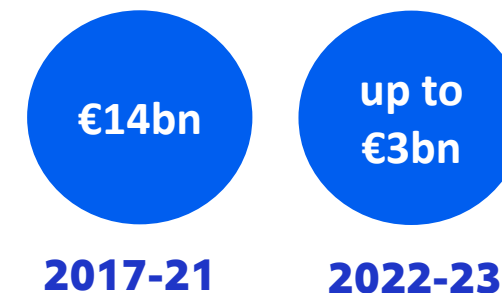
17% of portfolio rotated

Capital returns

Cash dividends €bn



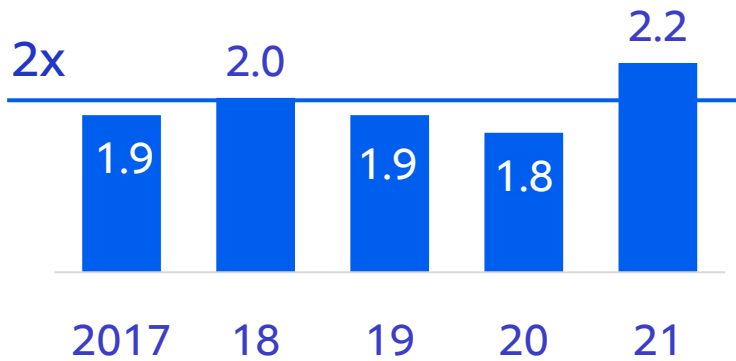
Share buybacks



Maintaining a solid balance sheet

Leverage

Net debt / underlying EBITDA

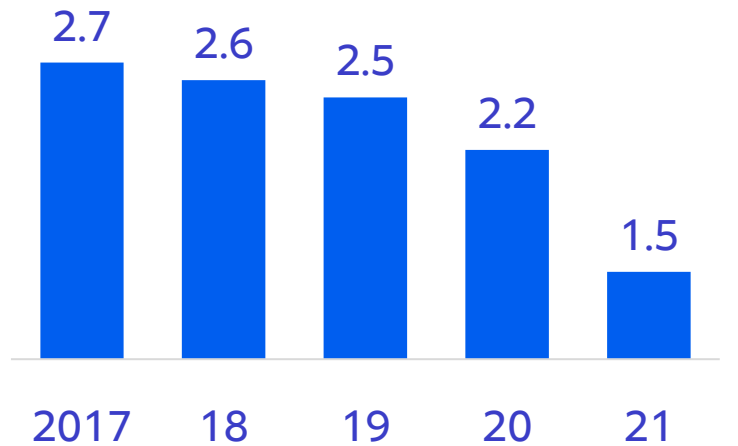


Credit rating

A1 / A+

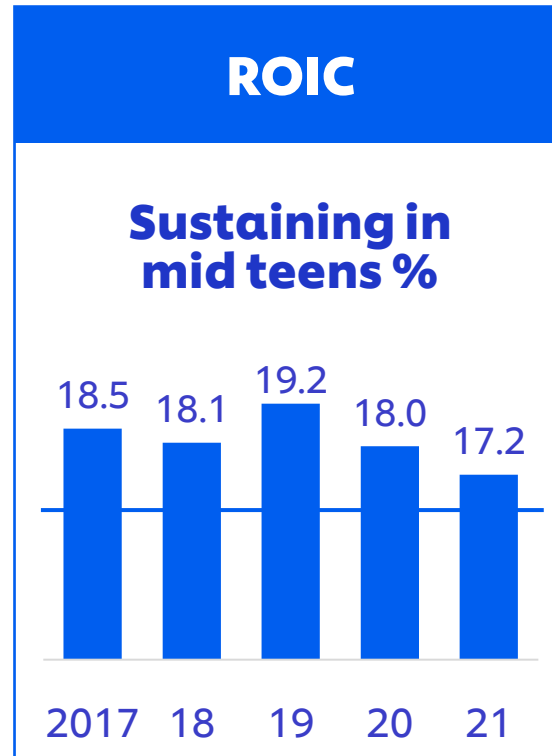
Net finance costs

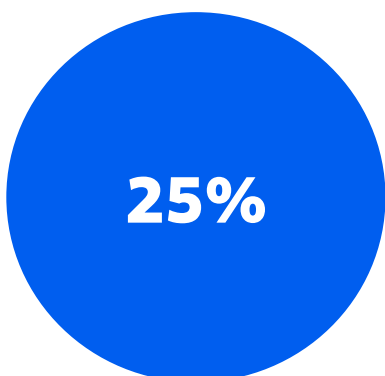
Interest rate % on avg. net debt



Other financial metrics 2023+

Investment
<p>Capex >3% of TO</p>
<p>Restructuring ca. 1% of TO</p>



Tax
 <p>25%</p>
<p>Underlying tax rate</p>

Debt
<p>Net debt/EBITDA around 2X</p>
<p>Net finance costs 2.5 - 3%</p>

Investing for growth

Growth model



Unilever

Multi-year financial framework



Growth

Underlying sales growth
3 – 5% USG

- Towards upper end
- Volume step-up
- Competitive



Profit

Modest margin expansion

- Gross margin-led
- With increased BMI



Cash

Sustained **strong** cash flow

- 100% cash conversion

Long-term value creation through **EPS growth** with **high cash conversion**

Attractive dividend

Key messages

Our priority is sustained, higher growth

An organisation better positioned to deliver that

We are investing more, behind sharper Business Group strategies

Our value creation model is clear, with disciplined capital allocation

Anchored in higher growth, modest margin expansion, high cash conversion

Investing for growth

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