

Unilever Full Year 2021 Results & Strategic Update

Alan Jope & Graeme Pitkethly

10th February 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 Trading Statement, and their negatives, are intended to identify such forward-looking statements. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Unilever Group (the 'Group'). They are not historical facts, nor are they guarantees of future performance.

Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual Trading Statement 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 Trading Statement 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 2020.

Alan Jope

Full Year Results 2021

10th February 2022



2021 Overview

Alan Jope

2021 Results

Graeme Pitkethly

Strategic Priorities

Alan Jope

2022 Outlook

Graeme Pitkethly

Q4 Growth

Underlying Sales Growth

4.9%

0%

Underlying Volume Growth

FY Growth

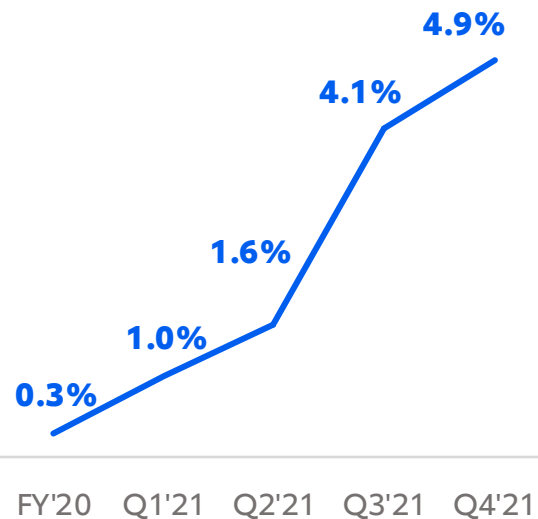
Underlying Sales Growth

4.5%

1.6%

Underlying Volume Growth

Pricing Growth



Competitive Growth

53%

% Business Winning MAT¹

¹Moving Annual Total / Last 52 weeks

Margin

Underlying Operating Margin

18.4%

-10bps

vs 2020

Earnings

Underlying EPS

5.5%

7.8%

Constant Underlying EPS

Cash

Free Cash Flow

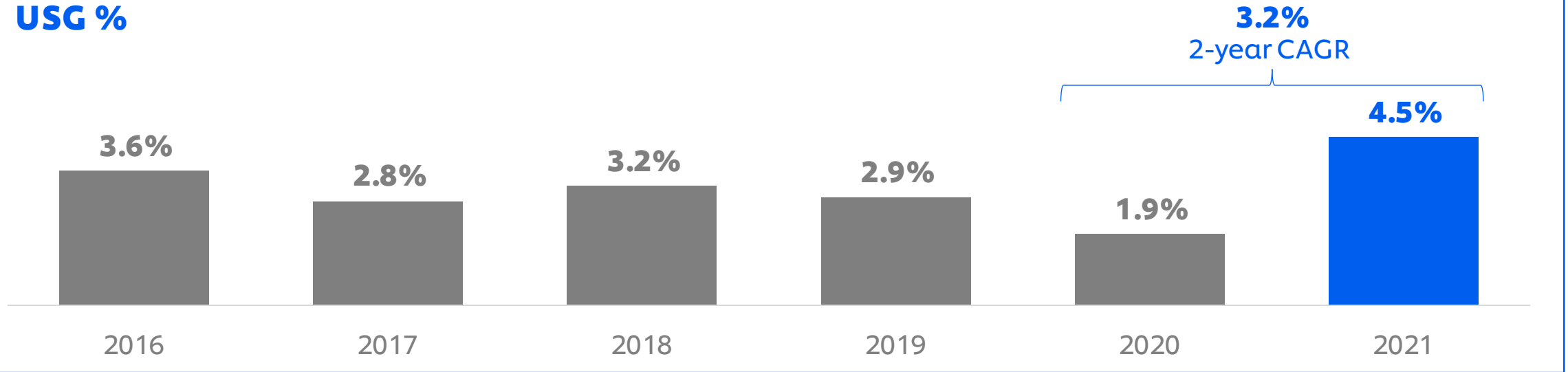
€6.4bn

-€1.3bn

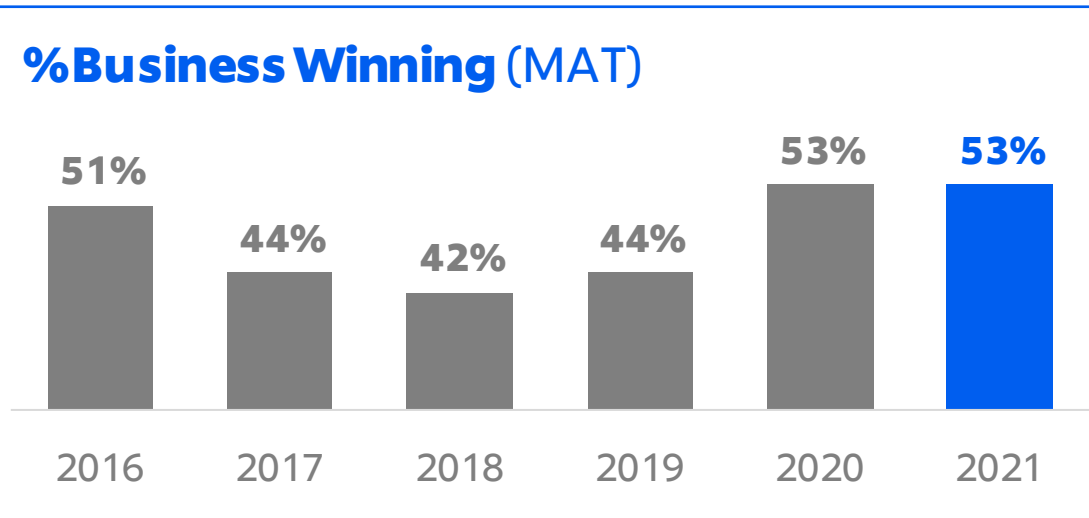
vs 2020

Historical performance

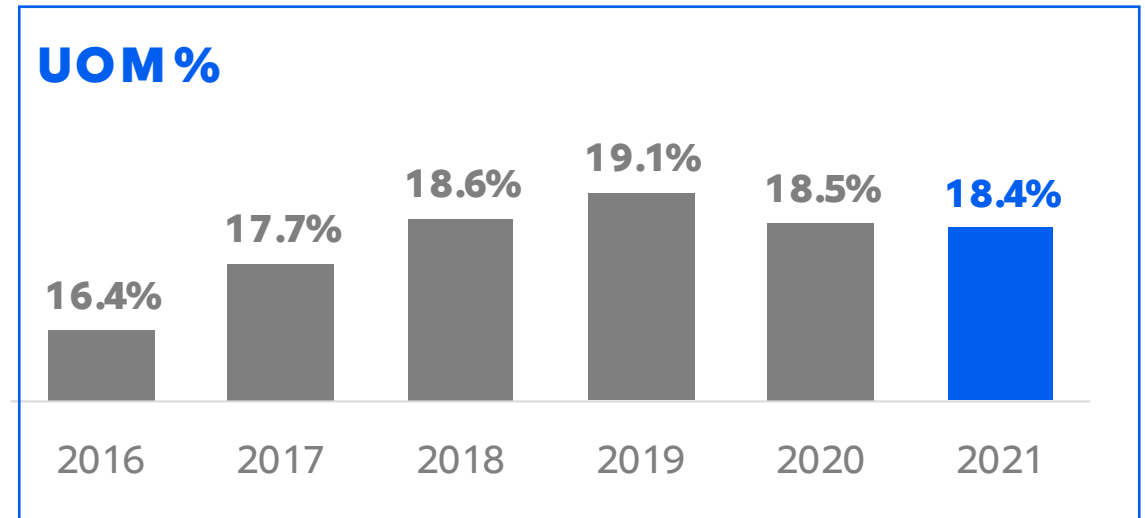
USG %



%Business Winning (MAT)



UOM %



Growth momentum building

Stepped up pricing in inflationary environment

Earnings growth

Competitiveness maintained

Graeme Pitkethly

Full Year Results 2021

10th February 2022



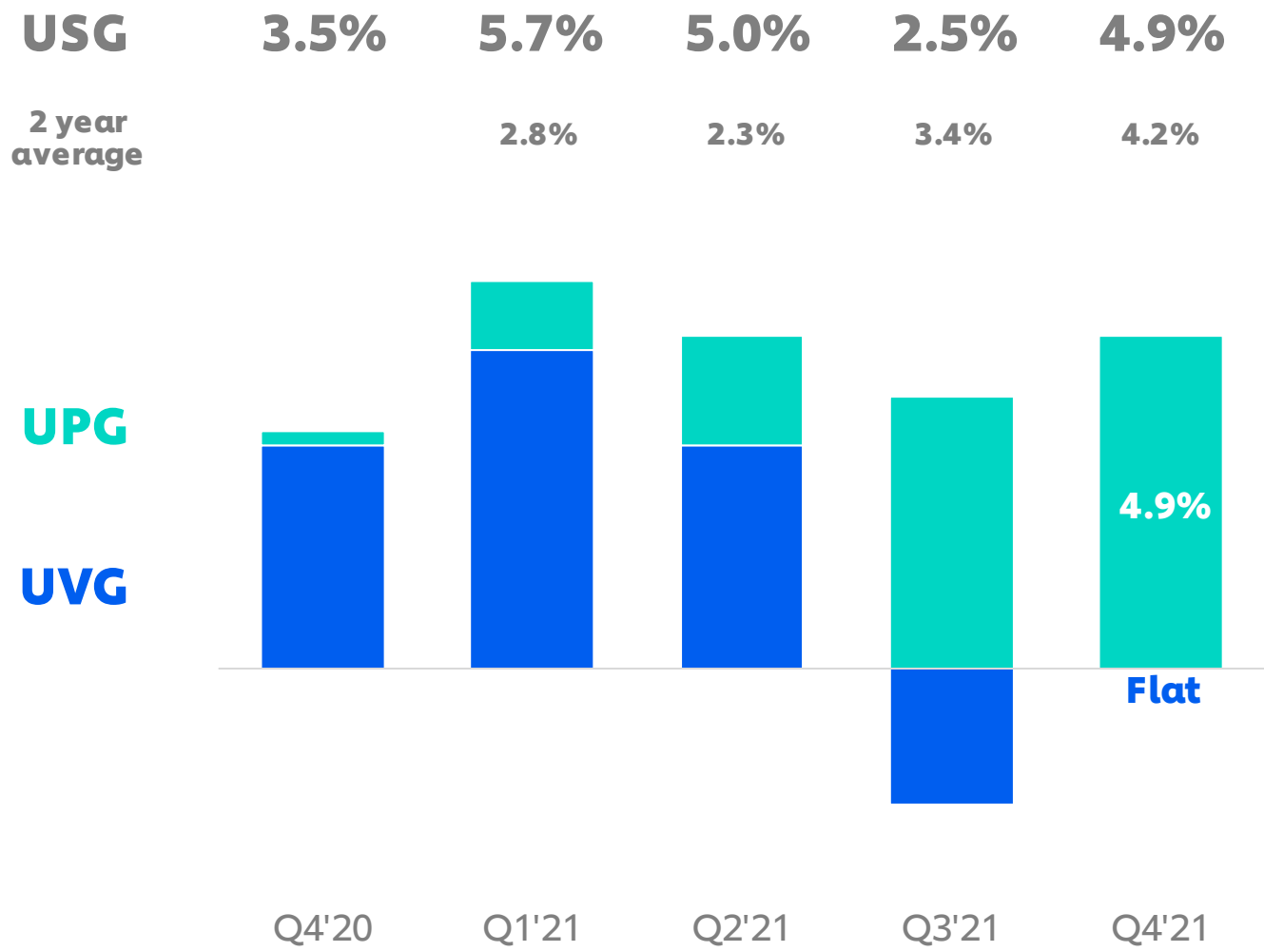


Underlying Sales Growth

4.5%
FY USG

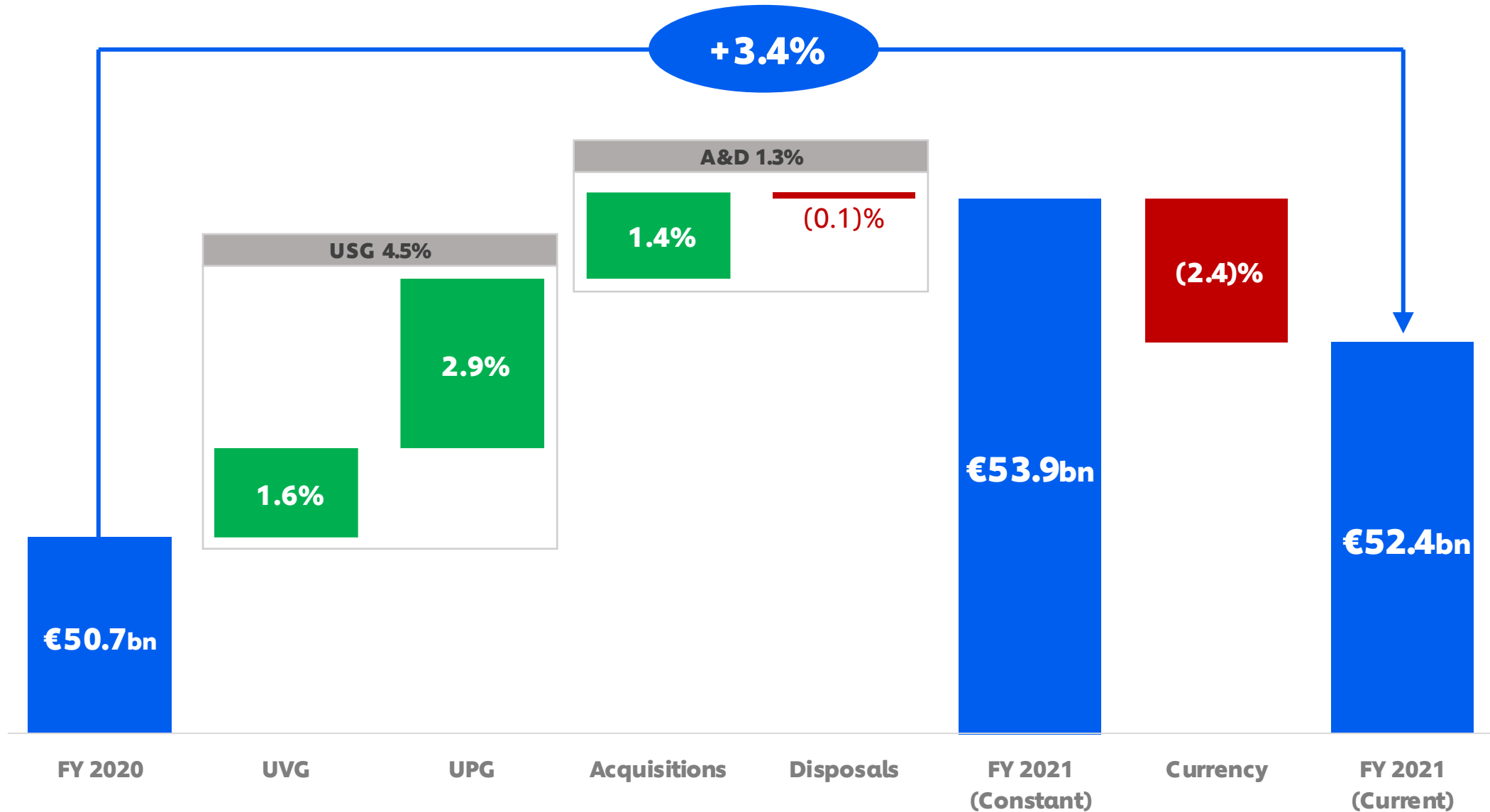
1.6%
FY UVG

2.9%
FY UPG



- Step up in 2-year average growth through the year
- Continue to land pricing as inflation increases
- Some volume elasticity as a result

FY 2021: Turnover growth



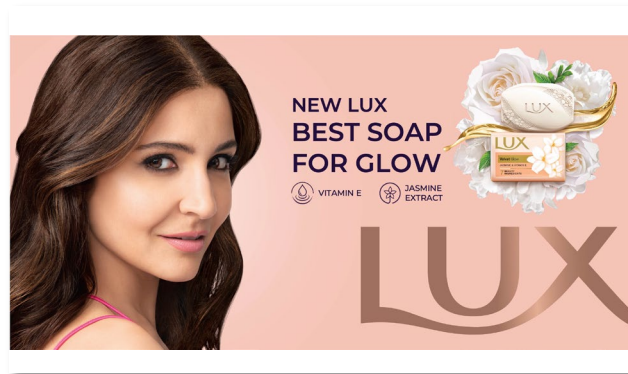
Deodorant, Hair, Oral, Skin Care¹

4% | 4% | 0%
Q4 USG | FY USG | 2-yr CAGR



Skin Cleansing

3% | (3)% | 6%
Q4 USG | FY USG | 2-yr CAGR



- Pricing stepping-up across all categories
- Social occasions return but remain below pre-Covid levels
- Prestige Beauty growth remains strong
- Skin Cleansing +13% vs 2019²

¹Excludes Prestige
²Average 2020 fx rates

In-Home

0% | 2% | 6%
Q4 USG | FY USG | 2-yr CAGR



Out of Home

21% | 23% | (4)%
Q4 USG | FY USG | 2-yr CAGR



- **In-Home growth against high base driven by strong core brands and innovation**
- **Food Service recovery accelerating throughout the year (-9% vs 2019)¹**
- **Out of Home Ice Cream still impacted by travel restrictions (-9% vs 2019)¹**

¹Average 2020 fx rates

Laundry

8% | 6% | 4%
Q4 USG | FY USG | 2-yr CAGR



Home & Hygiene

(5)% | (4)% | 6%
Q4 USG | FY USG | 2-yr CAGR



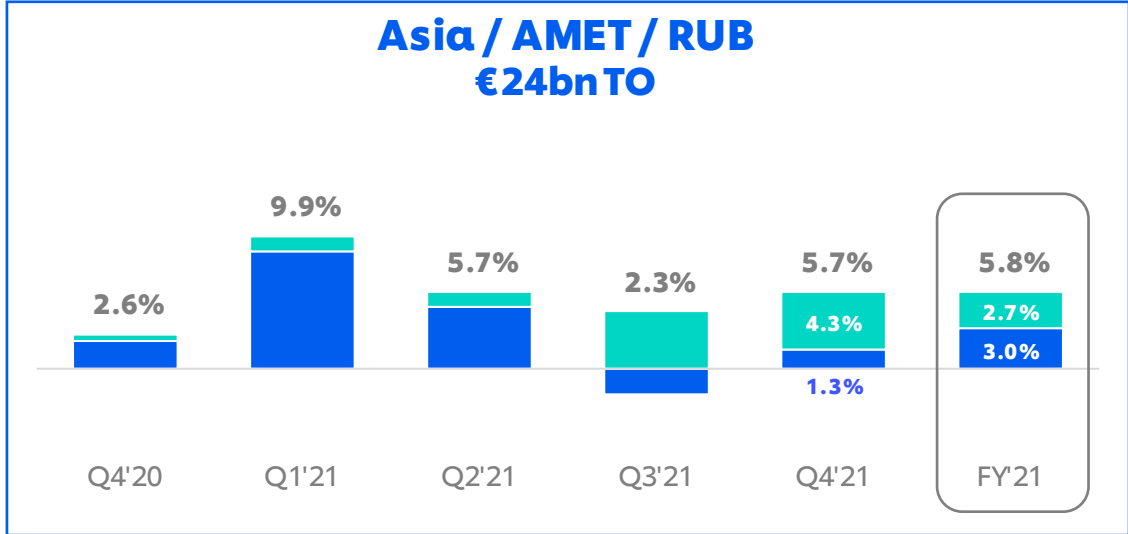
- Significant pricing taken in H2
- Clean Future innovation landing across markets
- Home & Hygiene lapping strong base (+13% vs 2019)¹

¹Average 2020 fx rates

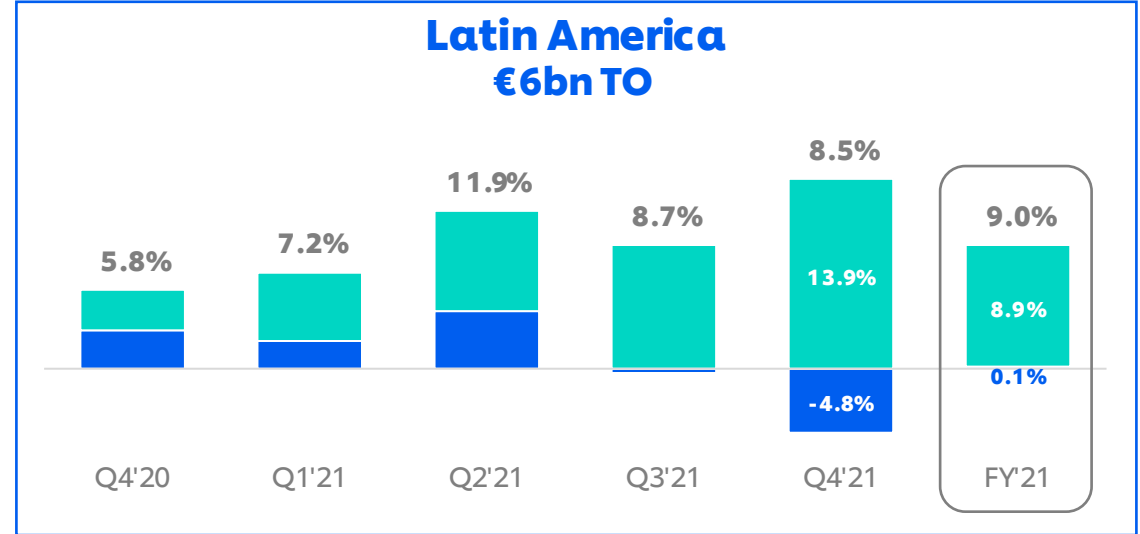
Regional growth by quarter

Asia / AMET / RUB €24bn TO

USG
UPG
UVG

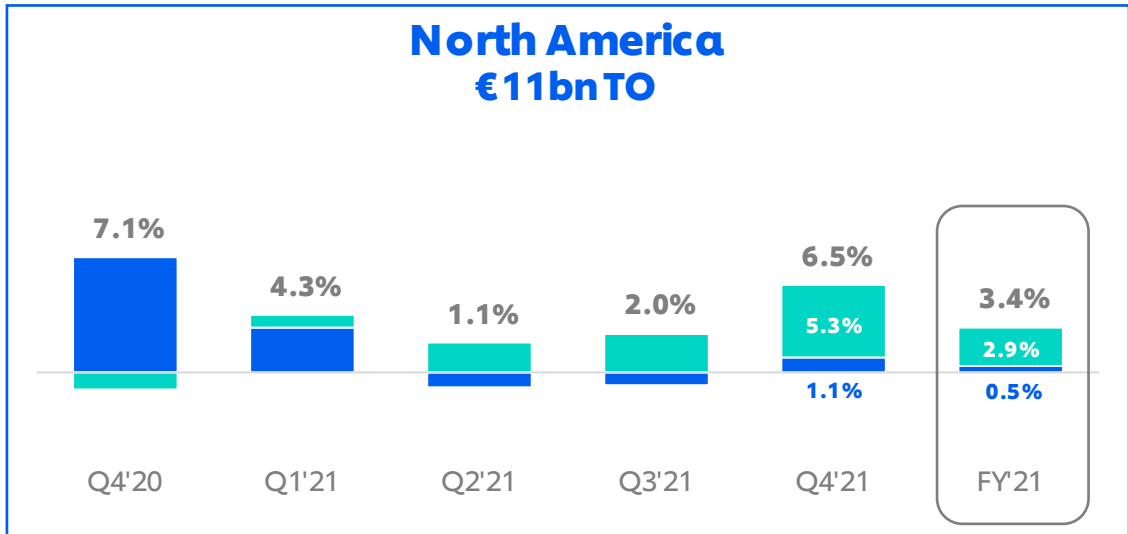


Latin America €6bn TO

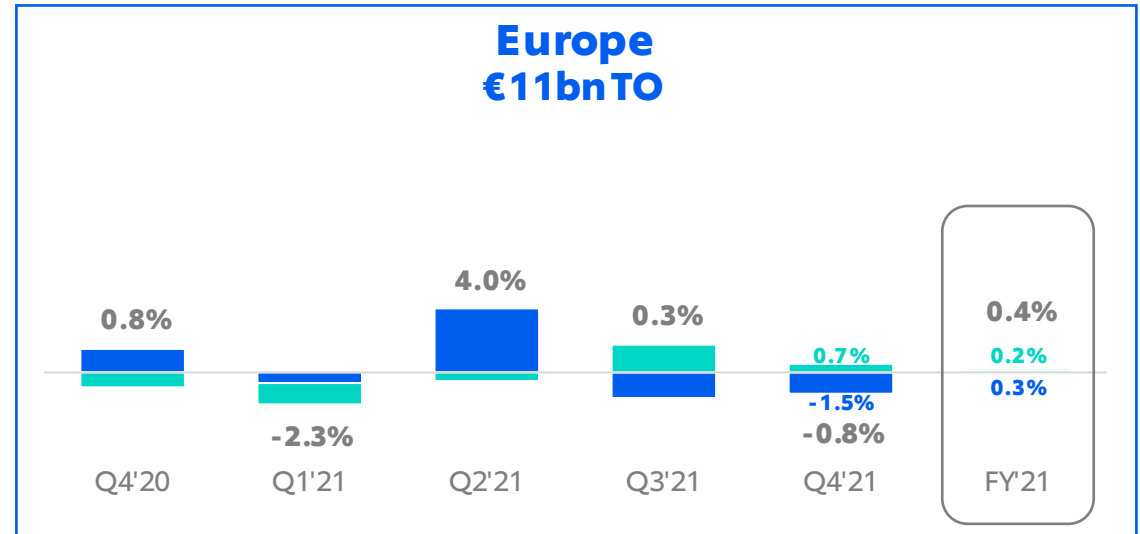


North America €11bn TO

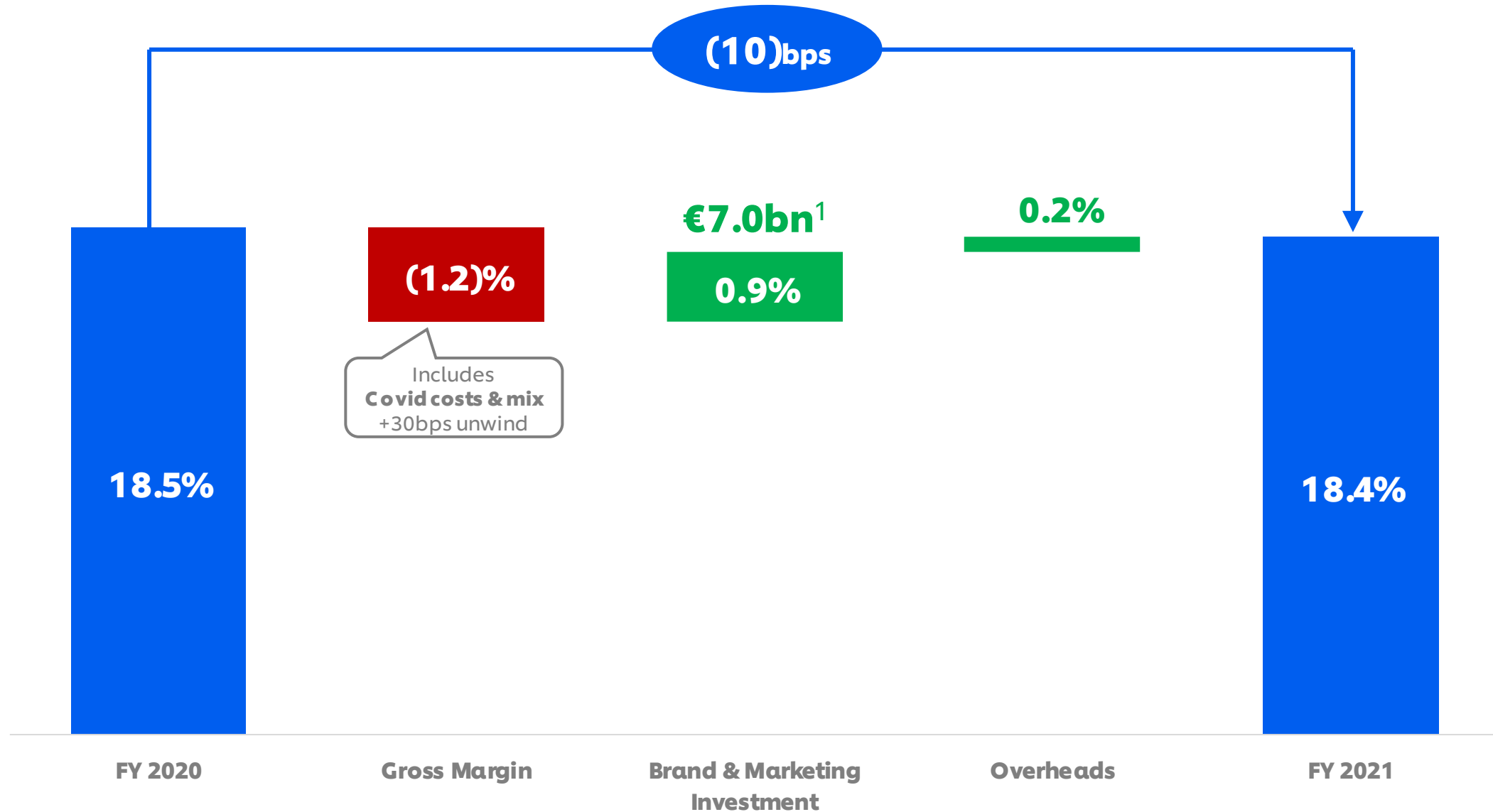
USG
UPG
UVG



Europe €11bn TO

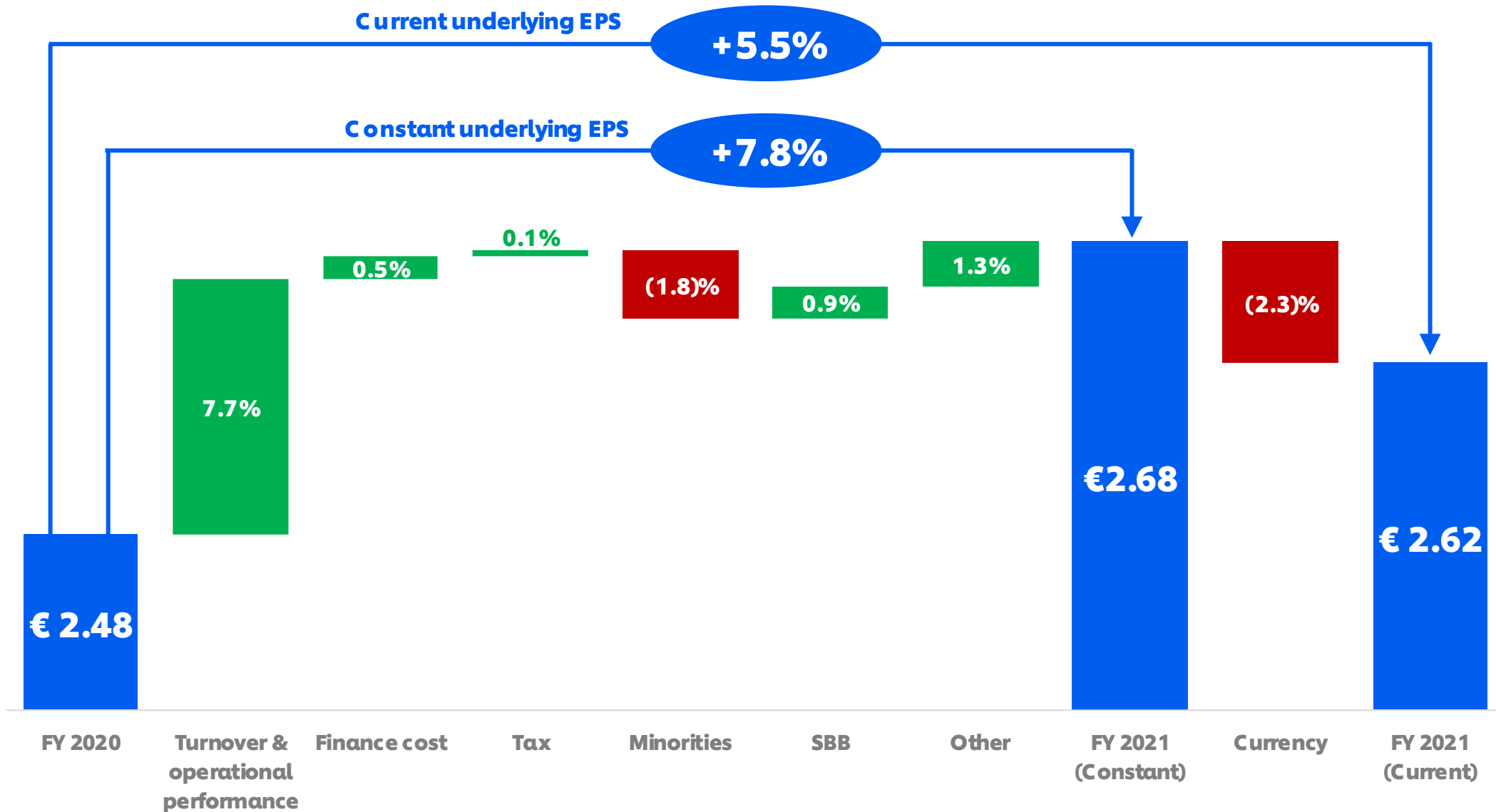


FY 2021: Underlying operating margin



¹BMI FY spend at constant fx rates

FY 2021: Underlying earnings per share



2021 vs multi-year financial framework



Growth

Underlying sales growth ahead of our markets **3-5% USG**

4.5%



Profit

Profit growth ahead of USG

-10bps
UOM



Cash

Sustained strong cash flow

€6.4bn

Long term value creation though earnings growth

5.5%

Growing dividend

+3%

2021 vs other long term financial metrics

	Savings	Restructuring	ROIC	Leverage
Ambition	<p>€2bn Per annum</p>	<p>€2bn Over '21 and '22</p>	<p>Mid to high teens</p>	<p>2.0x approx.</p>
2021	<p>€2bn</p>	<p>€0.6bn</p>	<p>17.2%</p>	<p>2.2x</p>

Growth momentum building

Stepped up pricing in inflationary environment

Earnings growth

Competitiveness maintained

Alan Jope

Strategic Priorities

10th February 2022



Five clear strategic priorities

1.

Win with
brands and
innovation

2.

Accelerate
USA, India,
China and
EMs

3.

Lead in
channels of
the future

4.

Purpose -led,
future-fit
organisation
& culture

5.

Move
portfolio into
high growth
spaces

Five clear strategic priorities

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1. Winning with our brands

13 €1bn brands

6.4%
FY'21 USG
50% of TO



**Product
superiority**

**Bigger, better
innovations**

71%

**of turnover tested
winning vs competition**
VS
47% in 2019

>€1bn

**incremental turnover
through bigger,
better innovations**
(2021)



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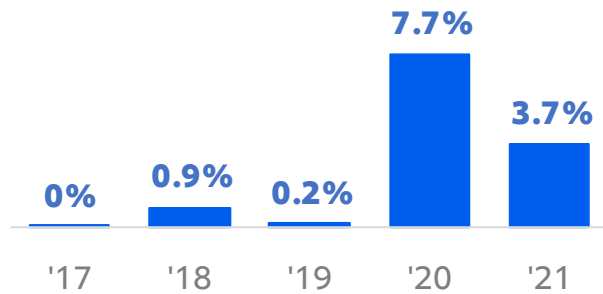
Move
portfolio into
high growth
spaces

2. Accelerating in USA, India and China

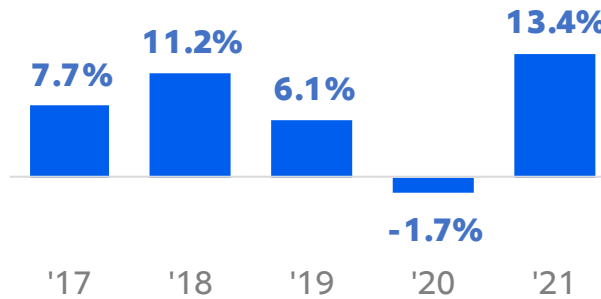


€9.9bn
FY'21 TO

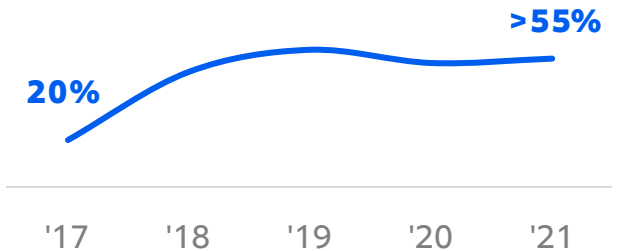
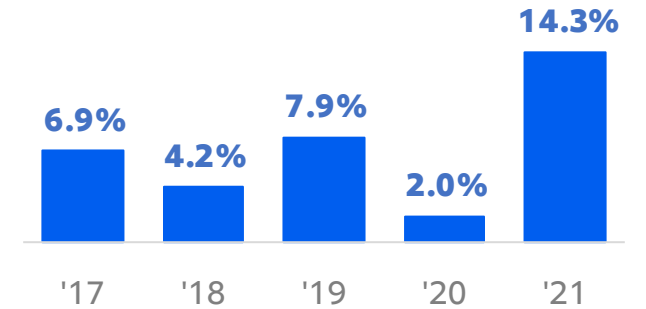
USG%



€5.6bn
FY'21 TO



€3.3bn
FY'21 TO



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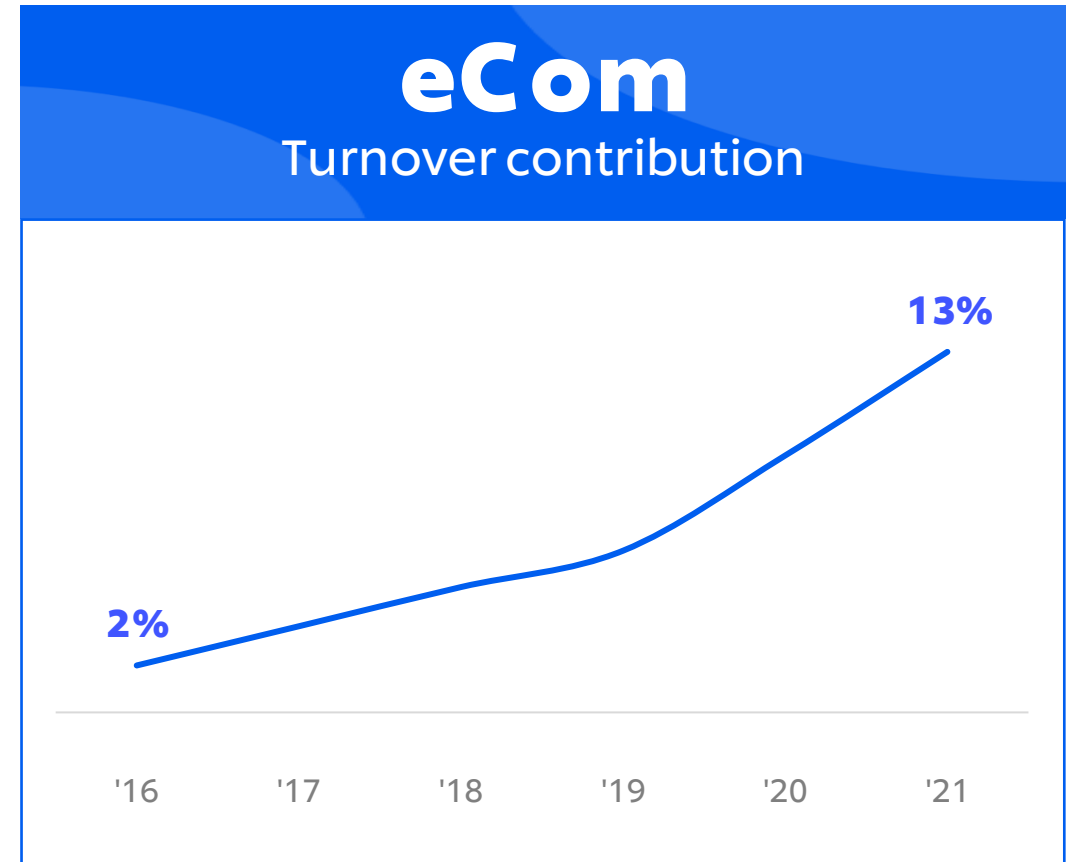
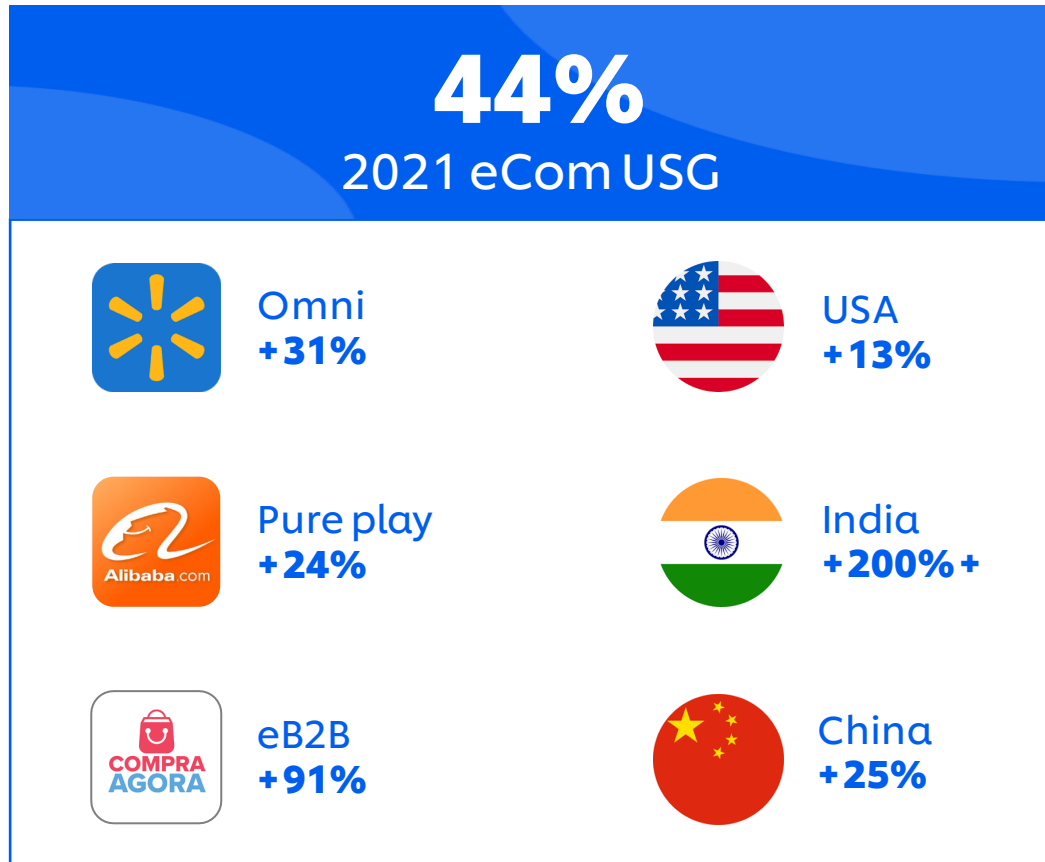
4.

Purpose-led,
future-fit
organisation
& culture

5.

Move
portfolio into
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3. Channels - eCommerce



Five clear strategic priorities

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channels of
the future

4.

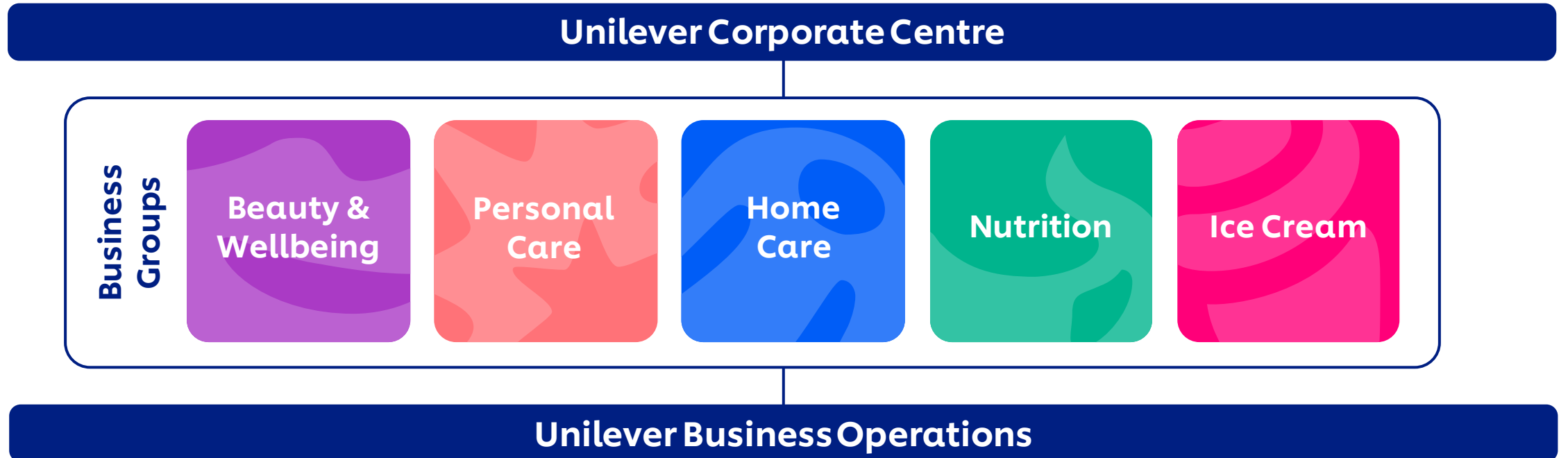
Purpose-led,
future-fit
organisation
& culture

5.

Move
portfolio into
high growth
spaces

4. A new, future-fit organisation

Simpler, faster, more category focused



4. A new, future-fit organisation

Corporate Centre

Beauty & Wellbeing

Hair Care
 Skin Care
 Prestige
 Vitamins Minerals & Supplements

Geographic Business Units

Personal Care

Skin Cleansing
 Deodorant
 Oral Care
 Dollar Shave Club
 Elida Beauty

Geographic Business Units

Home Care

Fabric Cleaning
 Fabric Enhancers
 Home & Hygiene
 Water & Air

Geographic Business Units

Nutrition

Scratch Cooking
 Healthy Snacking
 Functional Nutrition
 Plant-based Meat
 UFS

Geographic Business Units

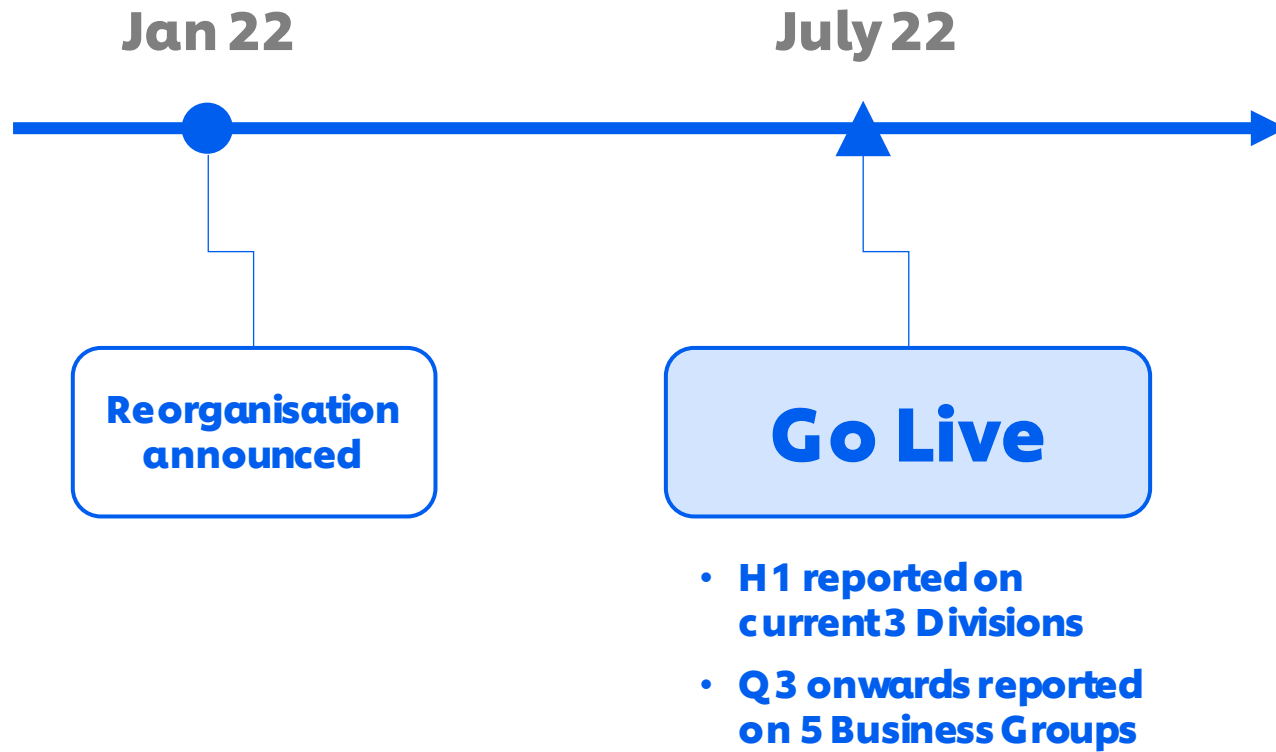
Ice Cream

Ice Cream

Geographic Business Units

Business Operations

4. A new, future-fit organisation



- **Designed to further improve performance**
- **€0.6 bn savings**
- **15% reduction in senior management positions**
- **5% reduction in junior management positions**

Five clear strategic priorities

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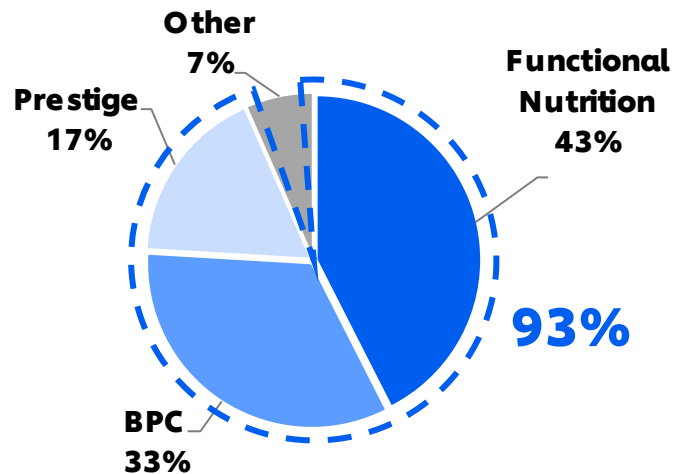
5.

Move
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5. Portfolio change

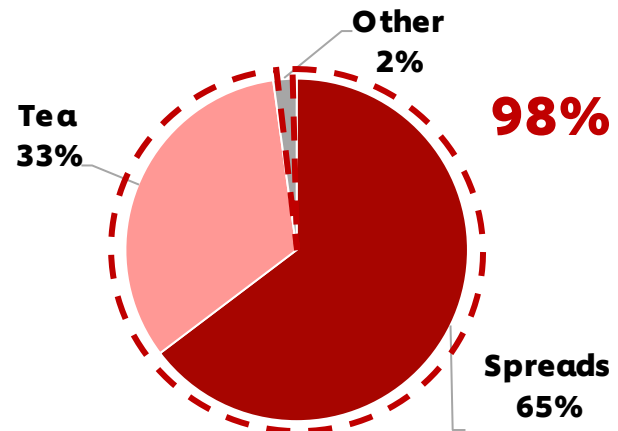
Acquisitions

€16bn capital invested
in 29 acquisitions
since 2017



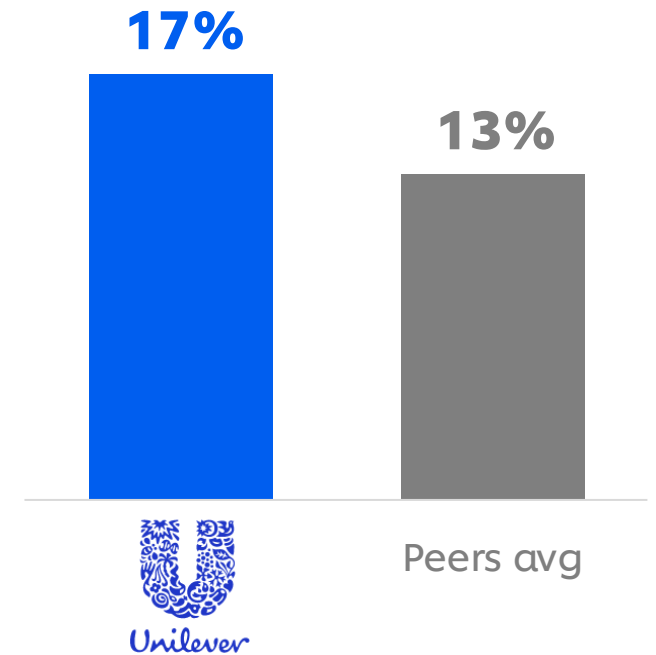
Disposals

€11bn proceeds
from 12 disposals
since 2017



Portfolio rotation

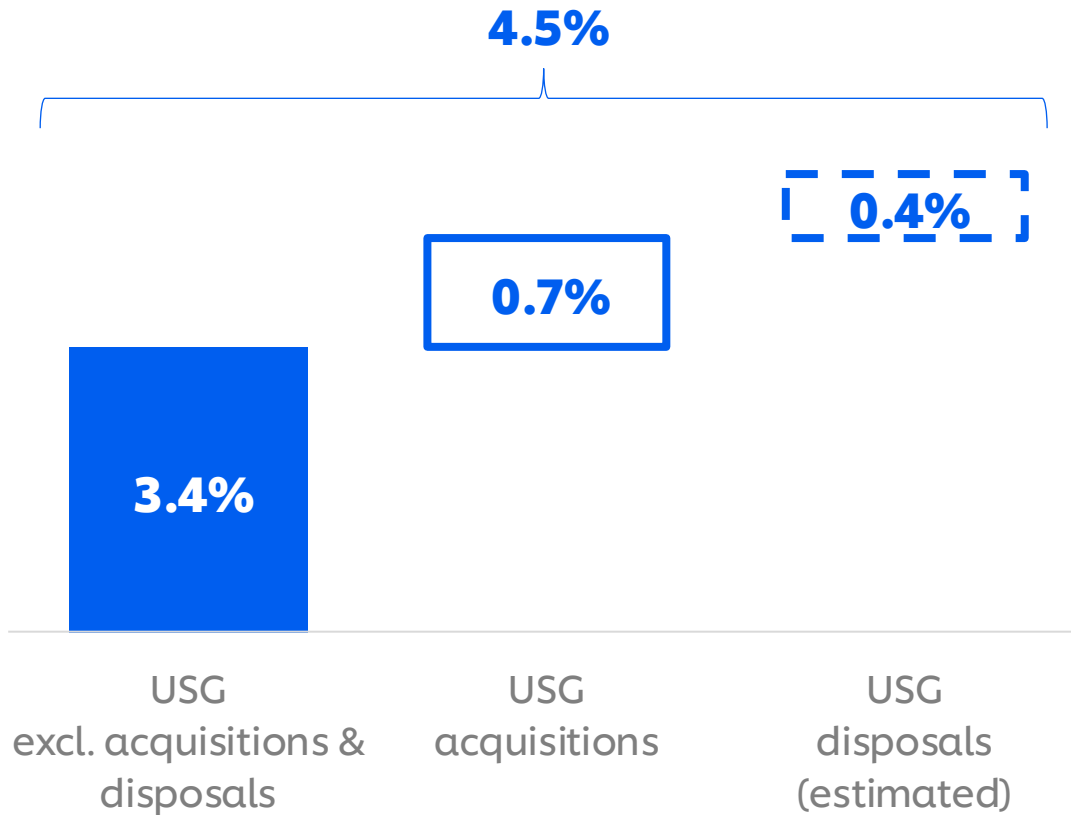
('17-'21 % of TO)



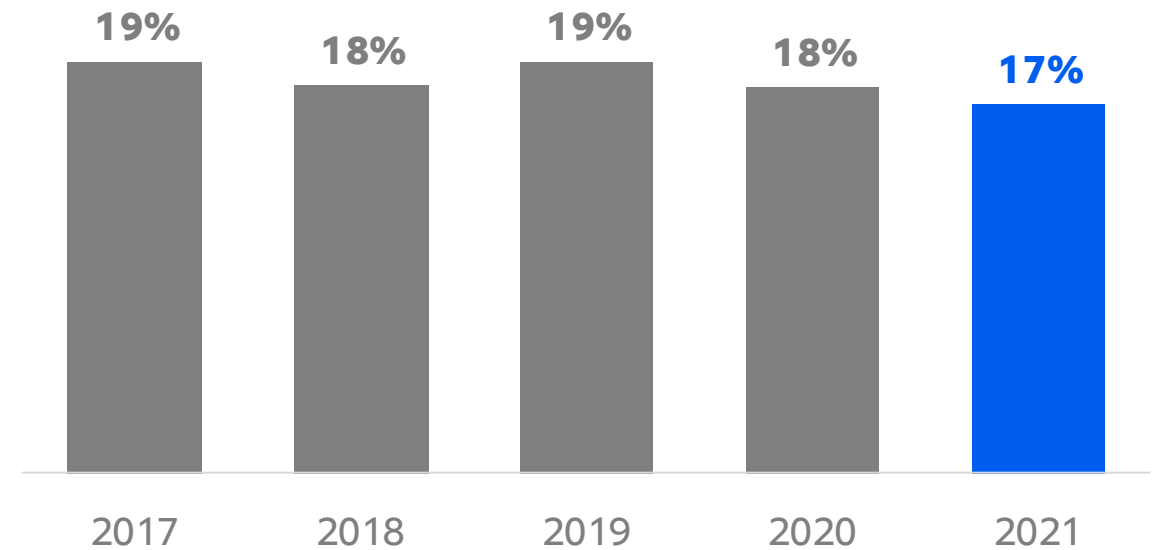
5. Portfolio change

'21 USG contribution

(bps contribution to '21 USG from acquisitions and disposals since '17)

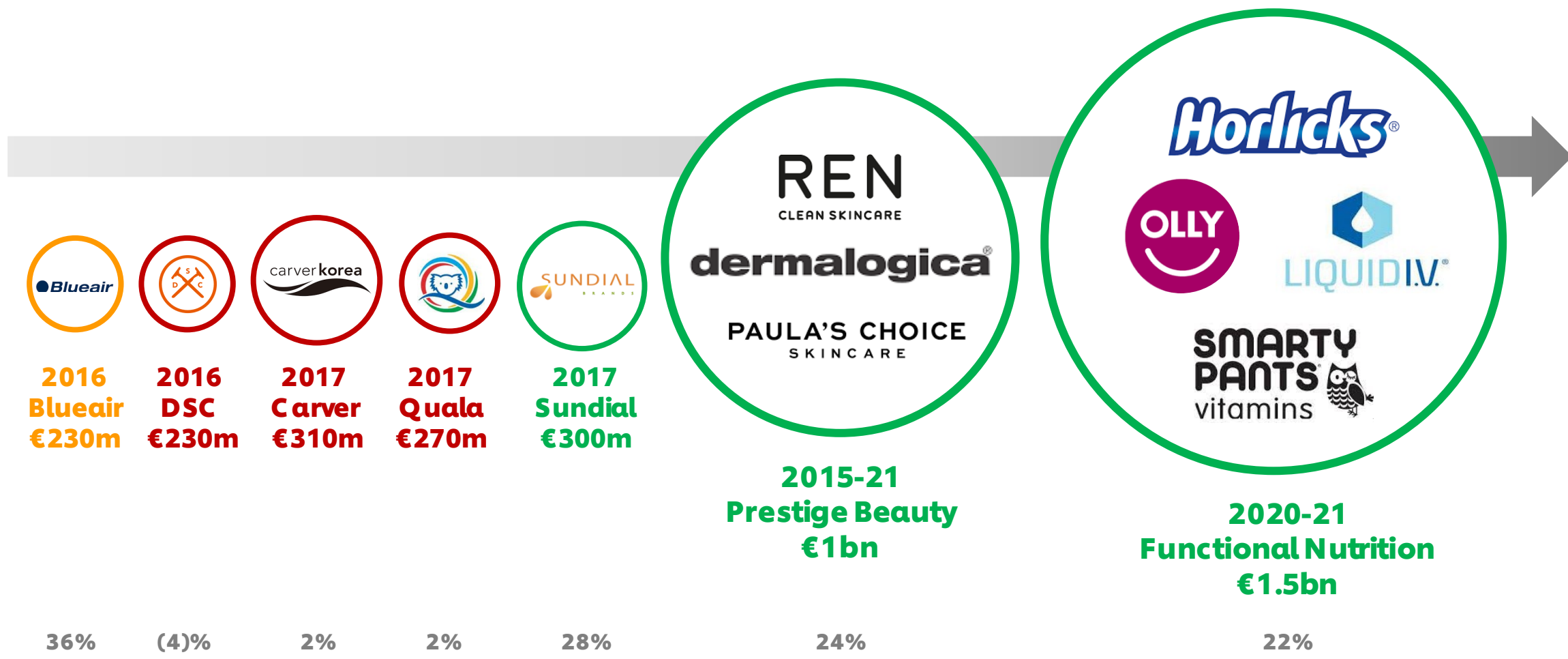


High teens ROIC maintained throughout period of significant portfolio rotation



5. Portfolio change

Strong M&A track record in key growth categories (Performance and FY'21 TO of major recent acquisitions)



2021 USG

5. Portfolio change

Prestige Beauty
USG Q4 18% | FY 24%



#2
Skincare brand in Sephora (Tatcha)

#1
Professional skincare brand globally (Dermalogica)

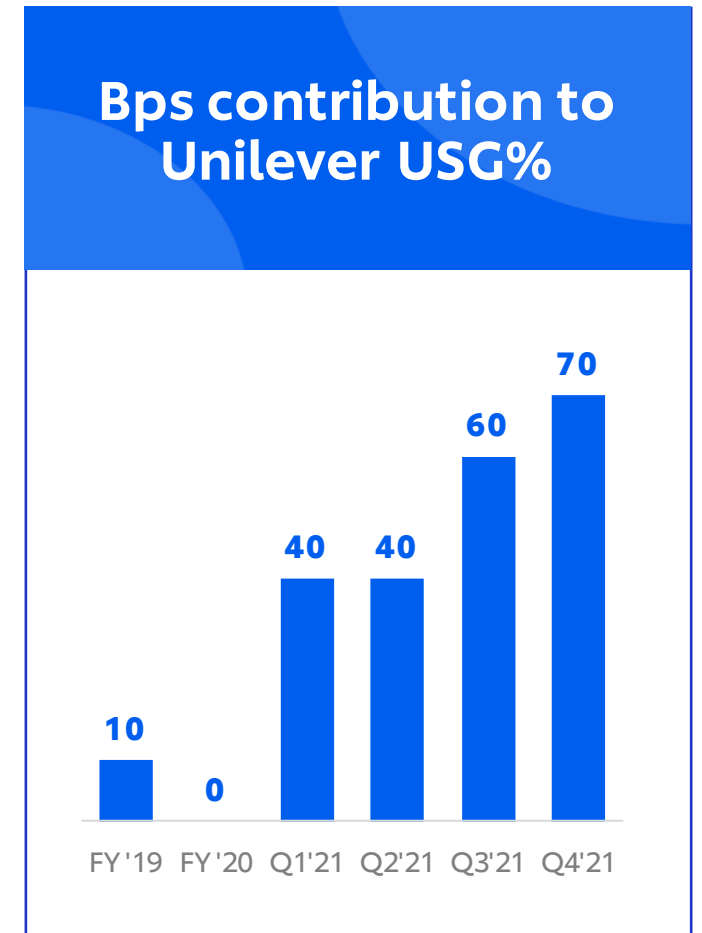


Functional Nutrition¹
USG Q4 27% | FY 22%

#1
Kids multivitamin brand on Amazon (SmartyPants)



#1
Hydration brand globally (Liquid IV)

¹Health Food Drinks + Vitamins, Minerals & Supplements

- **Focused on maximising performance from existing portfolio**
- **Exiting 2021 with momentum**
- **Responding to unprecedented inflation with strong pricing**
- **Organisational change will be an accelerant**
- **Disciplined capital allocation will continue**

Graeme Pitkethly

2022 Outlook

10th February 2022



Operational investment

Portfolio reshape

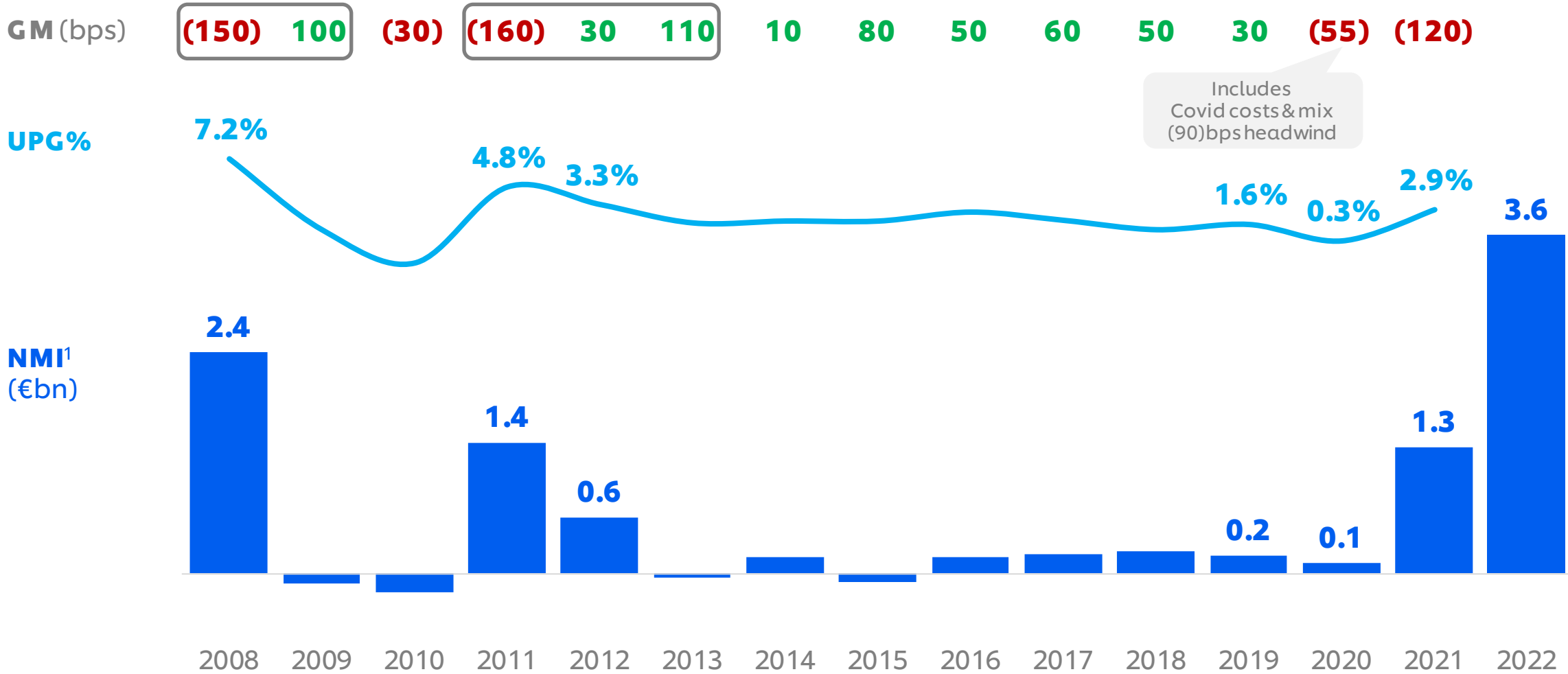
Returns to shareholders



**€3bn
share buyback
over 2022/2023**

Unprecedented inflation, margin recovers

Margin to be restored after 2022, with the majority coming back in 2023



¹Net Material Inflation = market inflation post impacts of hedging, procurement actions, product reformulations and currency movements

2022 Priorities

Continuing growth momentum

Managing inflationary pressure while investing for growth

Implementing new operating model

2022 Guidance

4.5-6.5% price led growth

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

- **FY UOM 16-17%, down by 140-240bps**
- **H1 more heavily impacted than H2**
- **Expect margin to be restored through 2023 and 2024**

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