Unilever FY 2022 Results

ALAN JOPE & GRAEME PITKETHLY

9 FEB 2023

Unilever

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 FY 2022 Results

ALAN JOPE

Agenda

1. 2022 Overview
2. 2022 Results
3. Progress against strategy
4. Outlook

Full Year 2022 highlights

Growth driven in line with strategic priorities

Big brands performed strongly with increased investment

Margin in line with guidance

New organisation enabling superior strategic decisions

Strong price-led growth

Q4 growth

9.2%
Underlying sales growth

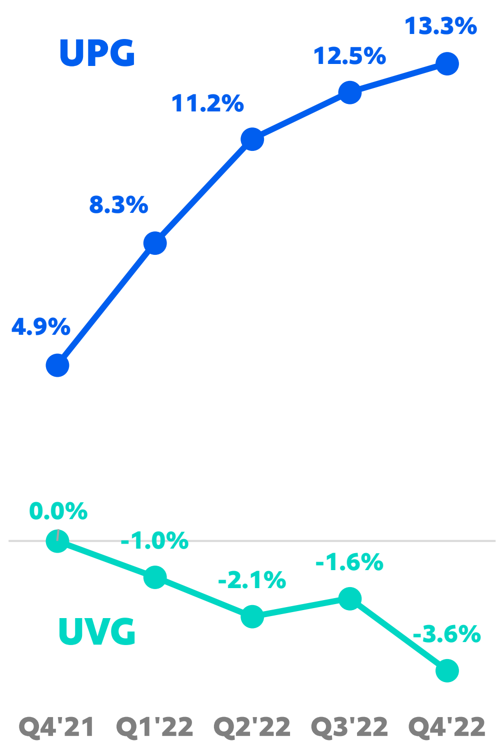
13.3%	(3.6)%
UPG	UVG

FY growth

9.0%
Underlying sales growth

11.3%	(2.1)%
UPG	UVG

Price and volume



Competitiveness

47%
% Business Winning MAT[1]

[1]Moving Annual Total / Last 52 weeks

Margin delivery in line with guidance

Margin

Underlying operating margin

16.1%

(230)bps

vs 2021

Earnings

Underlying EPS

(2.1)%

(8.2)%

Constant underlying EPS

Cash

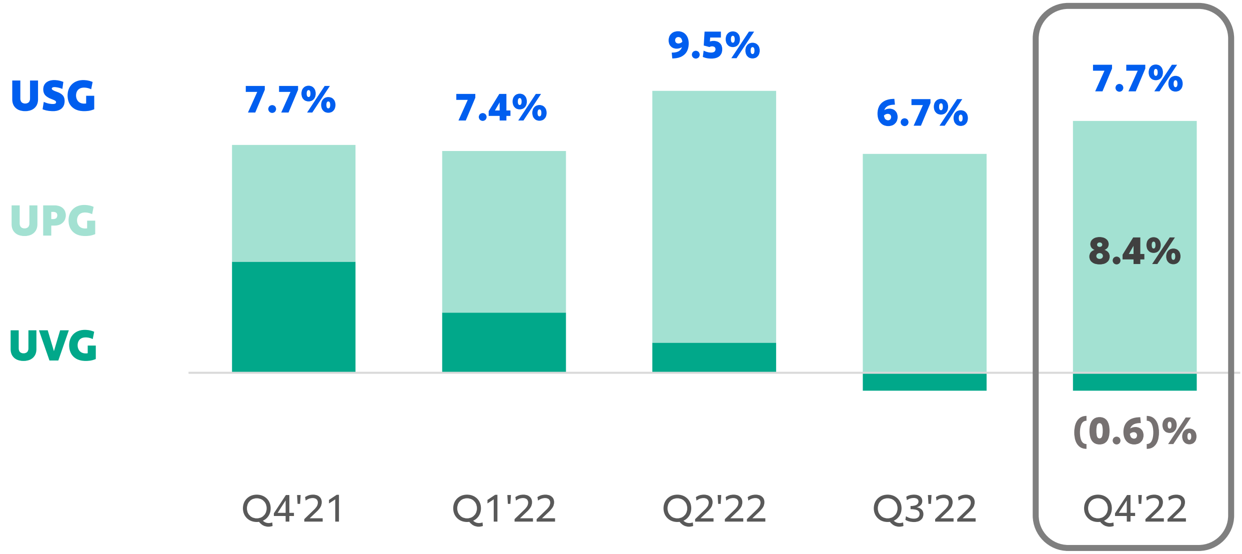
Free cash flow

€5.2bn

Includes **€0.4bn** extra Capex

Beauty & Wellbeing

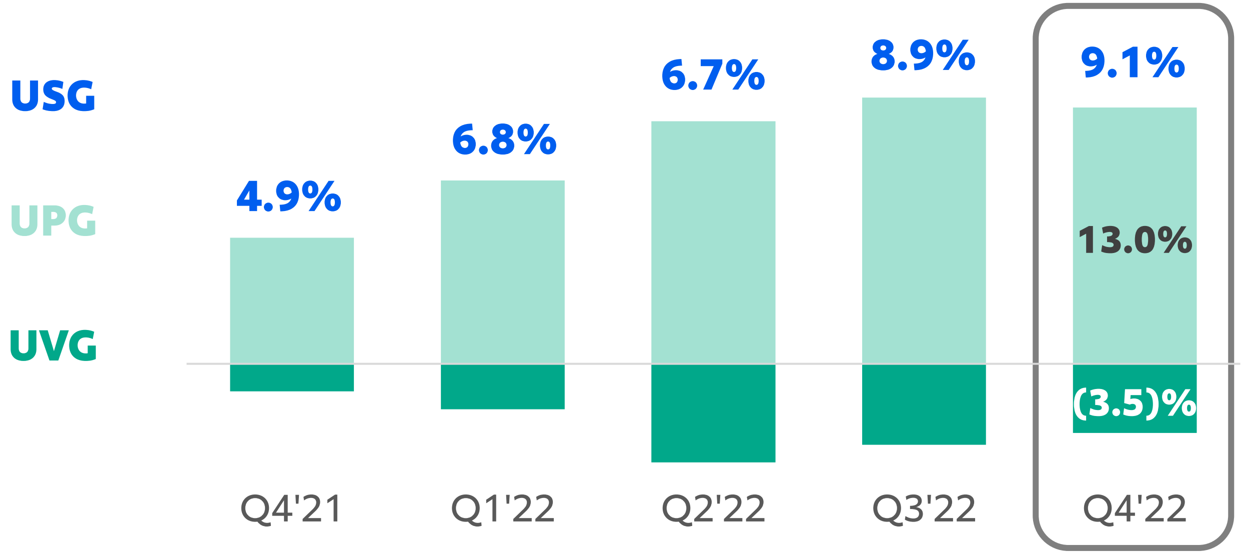
7.8%	0.3%	7.5%
FY USG	FY UVG	FY UPG



- Prestige and Health & Wellbeing grew double-digit
- Skin Care grew mid single-digit driven by Vaseline innovation. Volumes marginally down
- Hair grew mid single-digit driven by Sunsilk and Nexxus

Personal Care

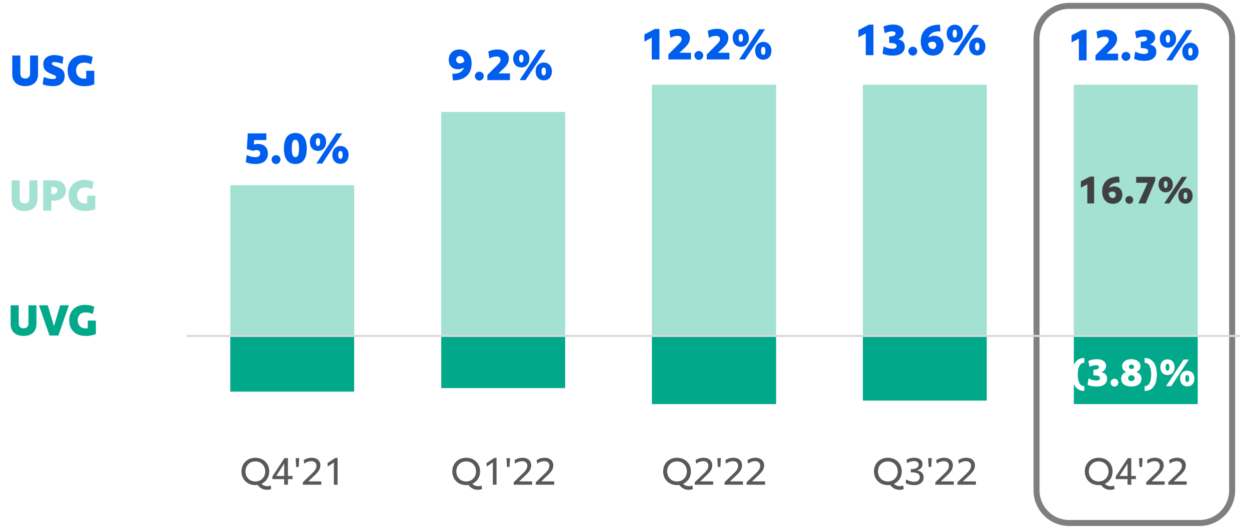
7.9% FY USG | **(3.7)%** FY UVG | **12.1%** FY UPG



- Deodorants grew double-digit with positive volumes. Rexona, Dove, and Axe all delivered strong performances
- Skin Cleansing grew through price with some volume decline
- Pepsodent relaunch drove mid single-digit Oral Care growth

Home Care

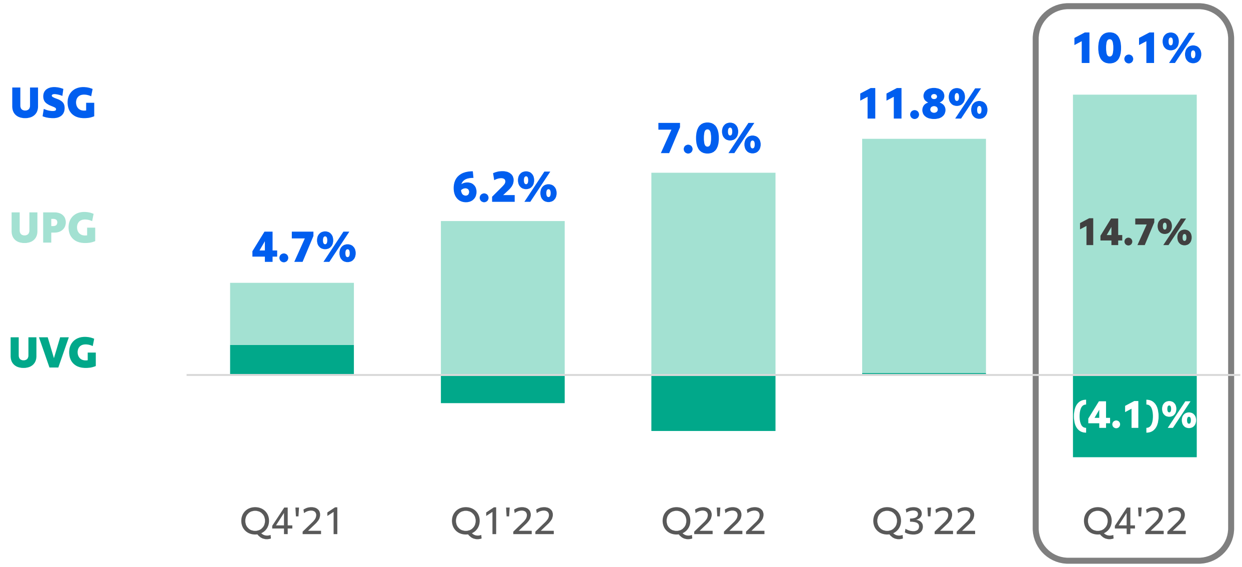
11.8%	(3.5)%	15.9%
FY USG	FY UVG	FY UPG



- Fabric Cleaning grew high double-digit driven by South Asia, Brazil, Turkey and Vietnam
- Fabric Enhancers grew well with good performance by Comfort
- Home & Hygiene grew modestly

Nutrition

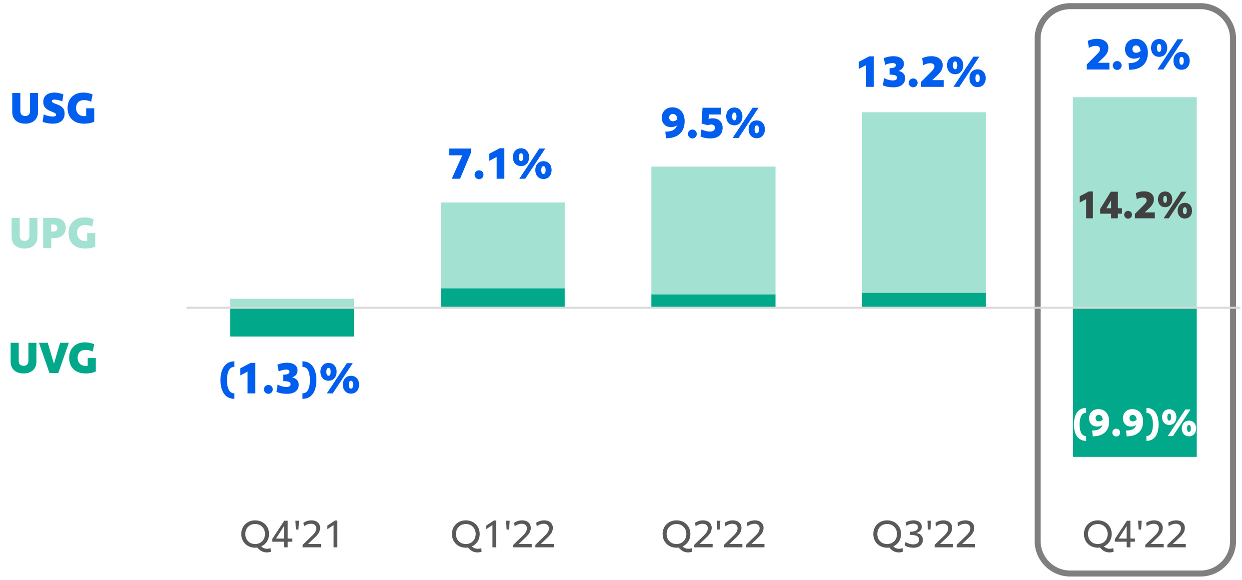
8.6%	(2.1)%	10.9%
FY USG	FY UVG	FY UPG



- Dressings grew double-digit driven by Hellmann's in North America
- Scratch Cooking Aids grew mid single-digit driven by Knorr
- Unilever Food Solutions recovered to pre-pandemic volume despite decline in China

Ice Cream

9.0%	(0.7)%	9.7%
FY USG	FY UVG	FY UPG



- Out-of-home grew well, lapping prior year pandemic restrictions
- In-home grew with supply challenges in the United States
- Weak Q4 volumes: landed high pricing and In-Home stepped down from elevated lockdown sales in prior years

2022 Results

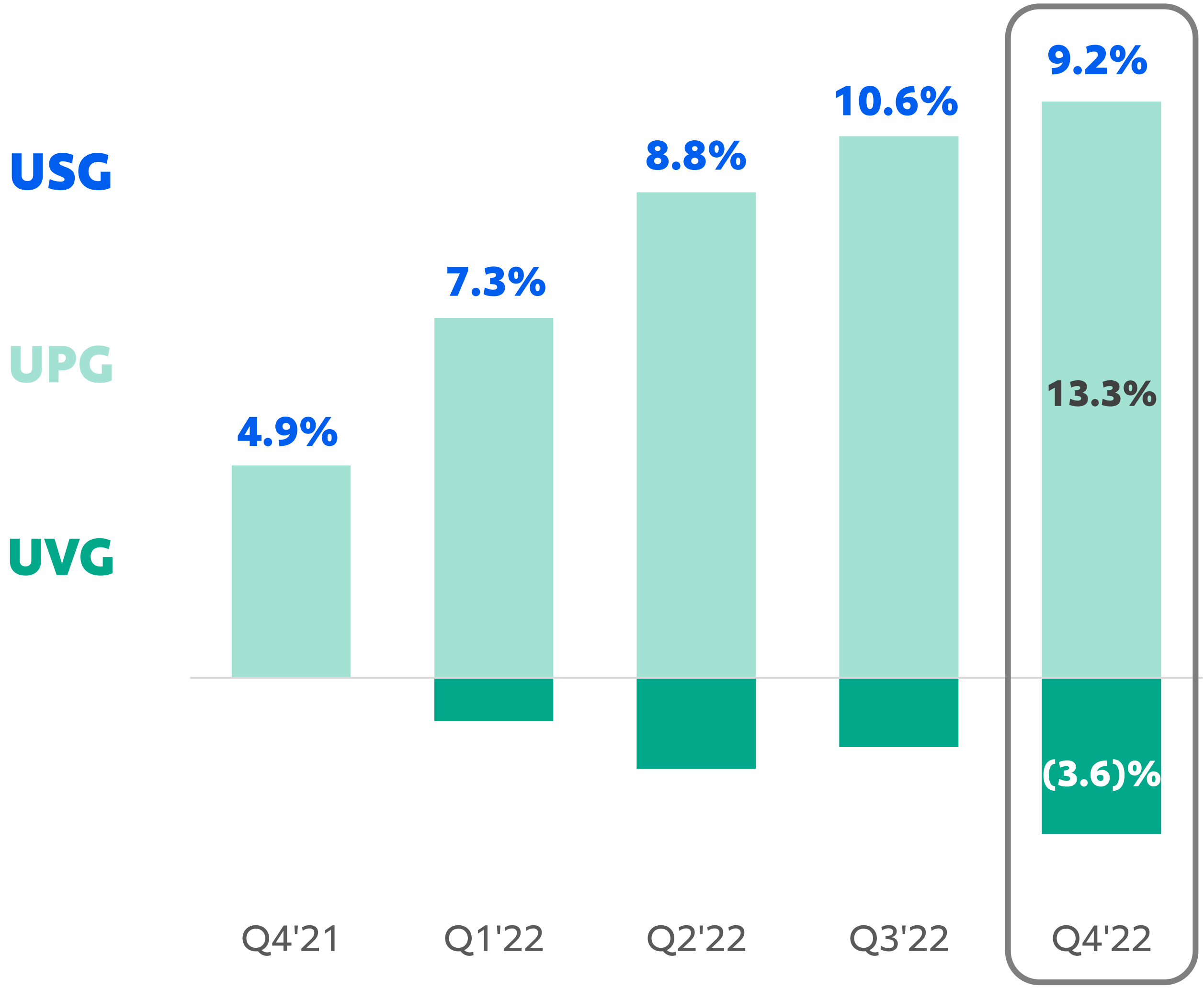
GRAEME PITKETHLY

Underlying sales growth

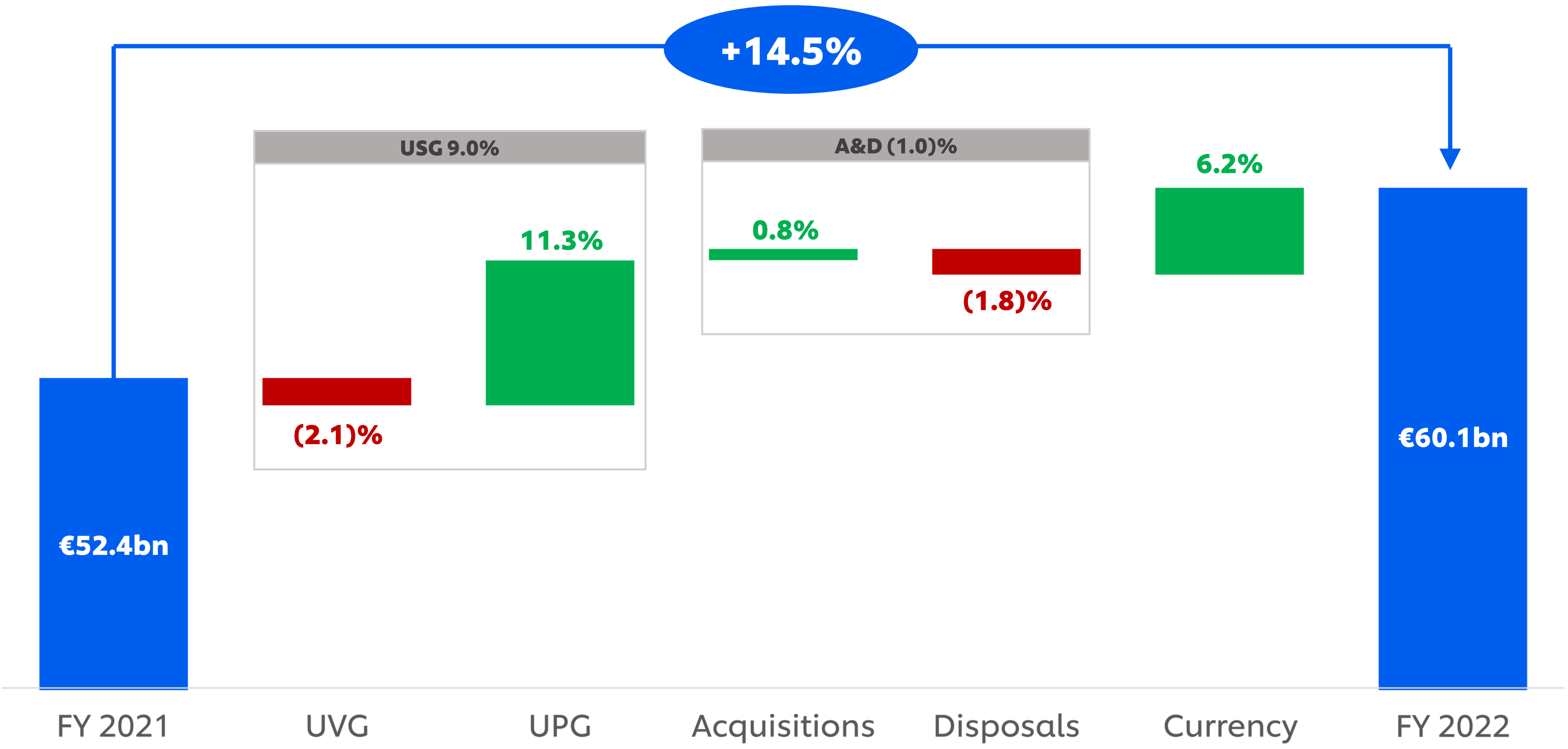
Full Year

9.0%	(2.1)%	11.3%
USG	UVG	UPG

- Price-led growth in response to high input cost inflation
- Broad-based growth across all Business Groups
- Strong growth performance of billion Euro brands



FY 2022: Turnover growth

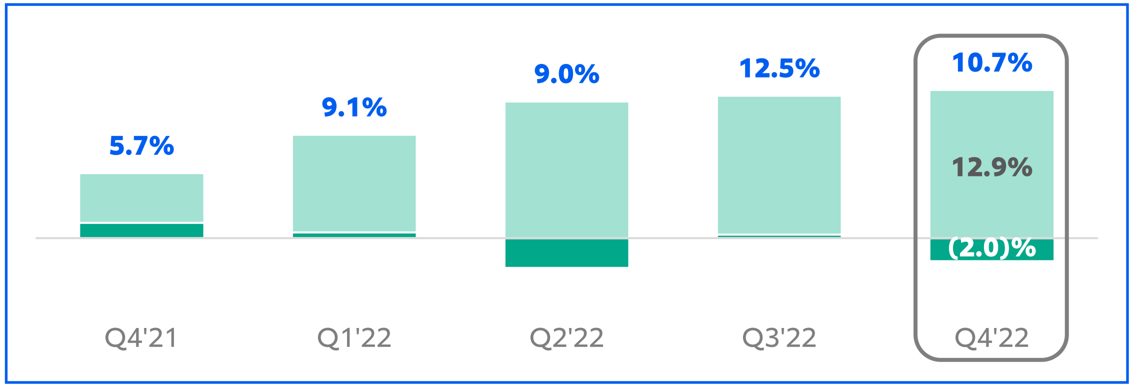


Regional growth by quarter

Asia Pacific Africa

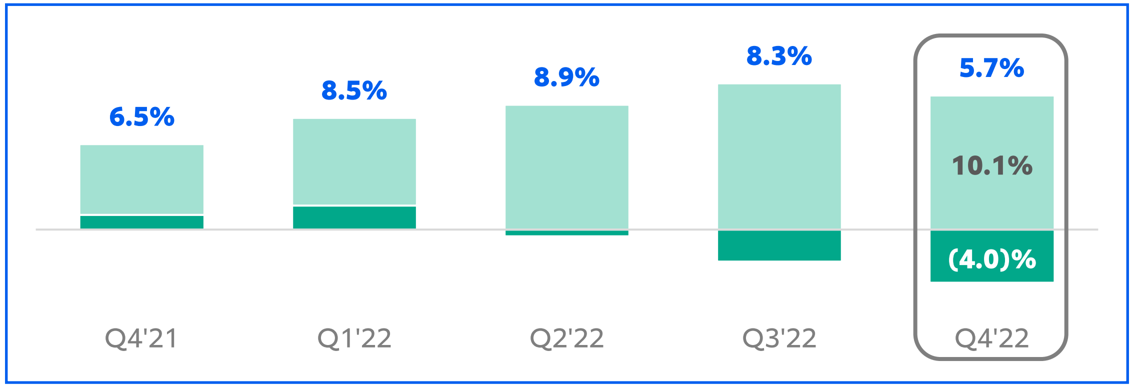
FY'22			
€28bn	10.3%	(0.9)%	11.3%
TO	USG	UVG	UPG

USG
UPG
UVG



North America

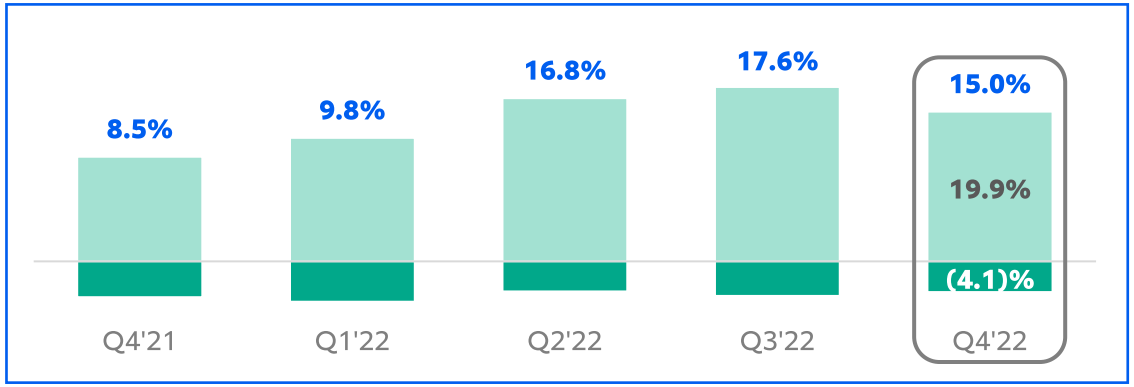
FY'22			
€13bn	7.9%	(1.4)%	9.4%
TO	USG	UVG	UPG



Latin America

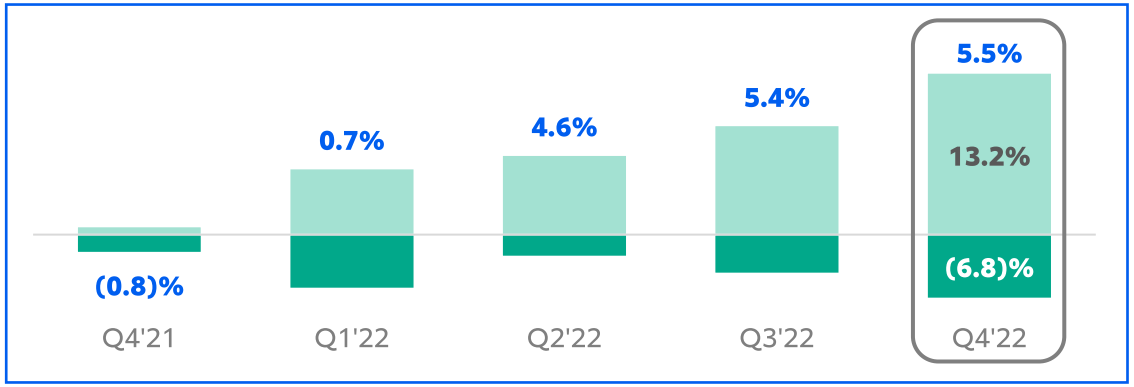
FY'22			
€8bn	14.9%	(4.6)%	20.4%
TO	USG	UVG	UPG

USG
UPG
UVG

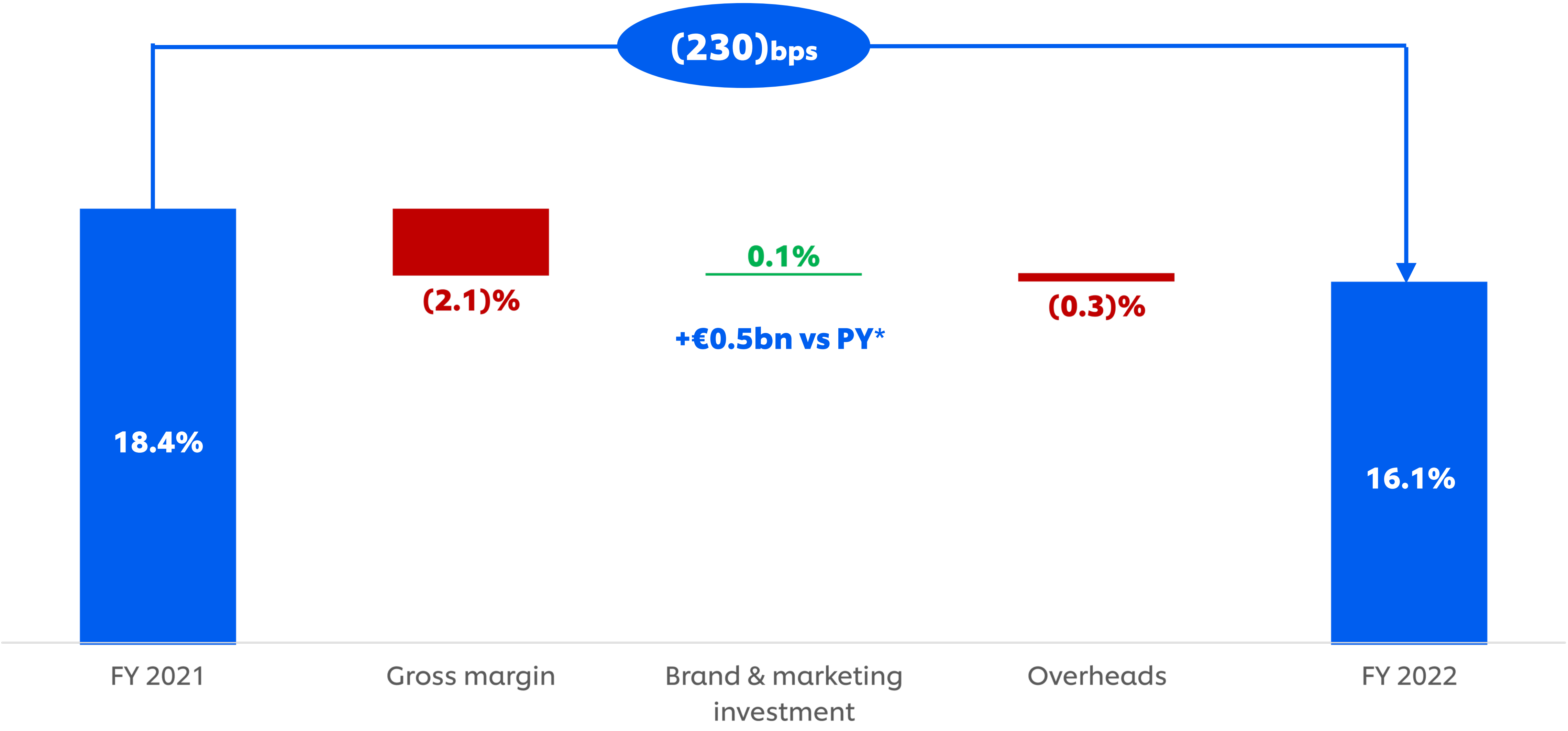


Europe

FY'22			
€12bn	4.1%	(3.9)%	8.3%
TO	USG	UVG	UPG

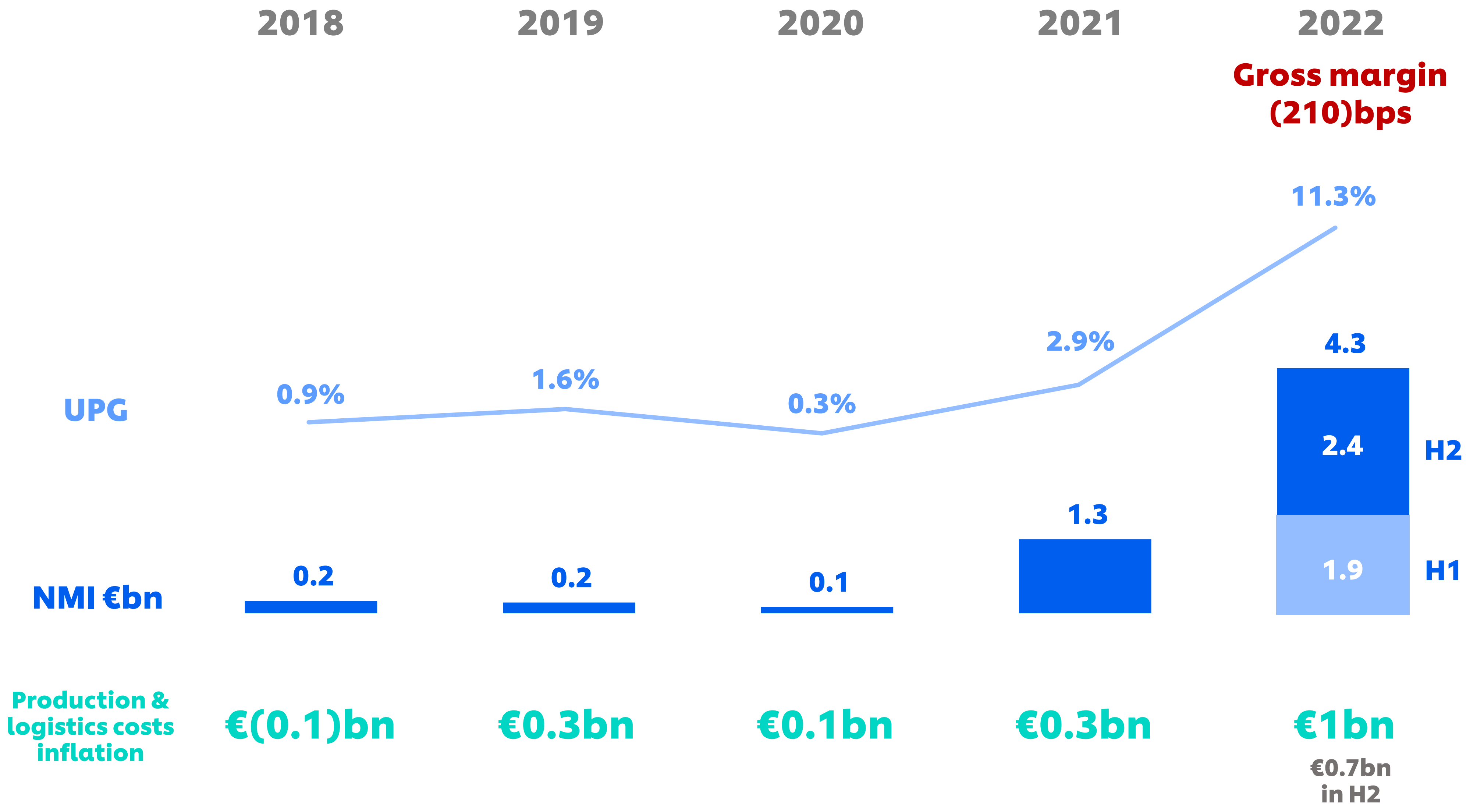


FY 2022: Underlying operating margin



*At constant fx rates

Price increases not yet sufficient to repair gross margin

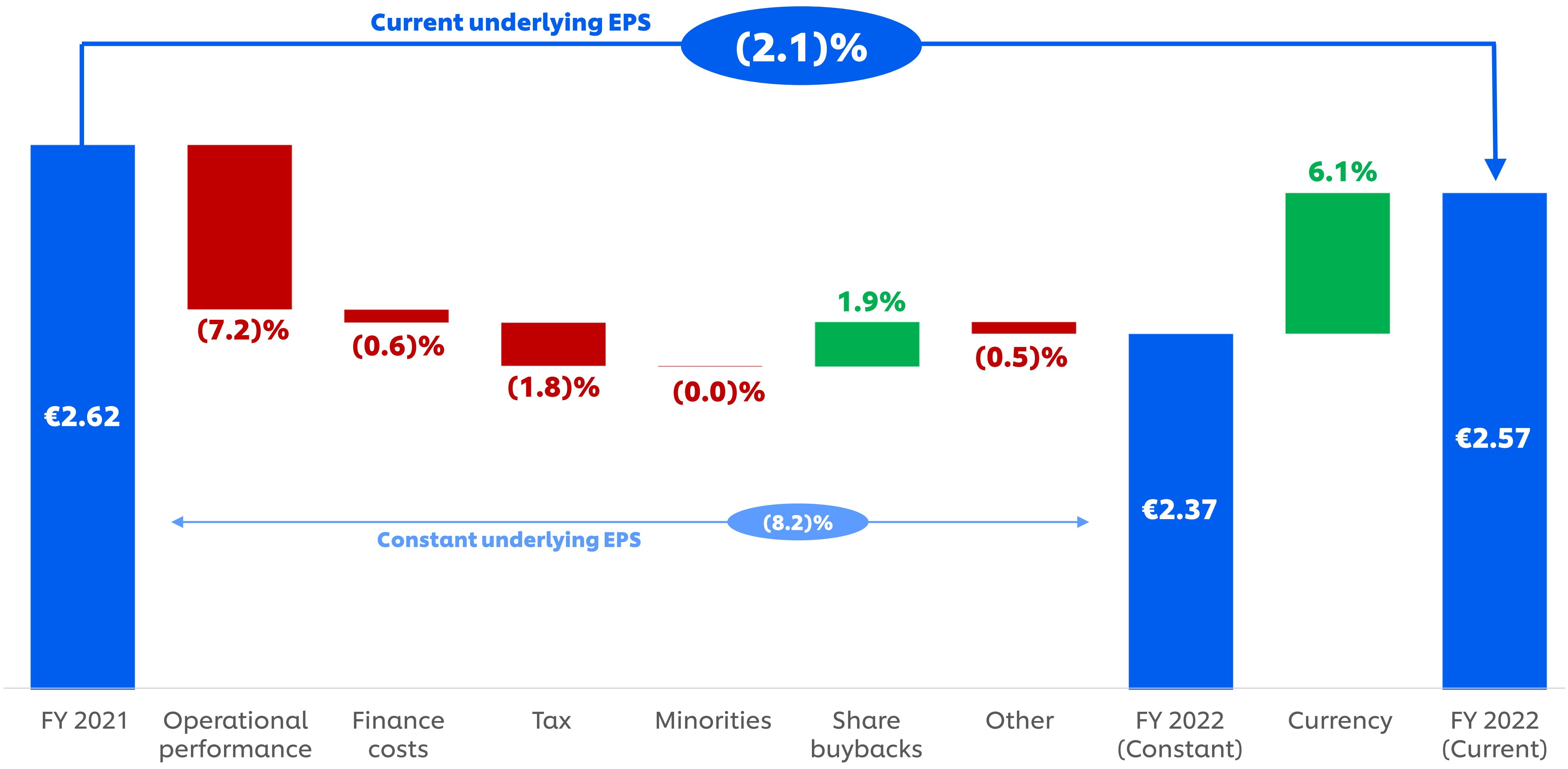


Price coverage 2022

~95%
of NMI

~75%
of total cost

FY 2022: Underlying earnings per share



Cash flow & balance sheet

Cash

Free cash flow

€5.2bn

Includes **€0.4bn** extra Capex

Net debt

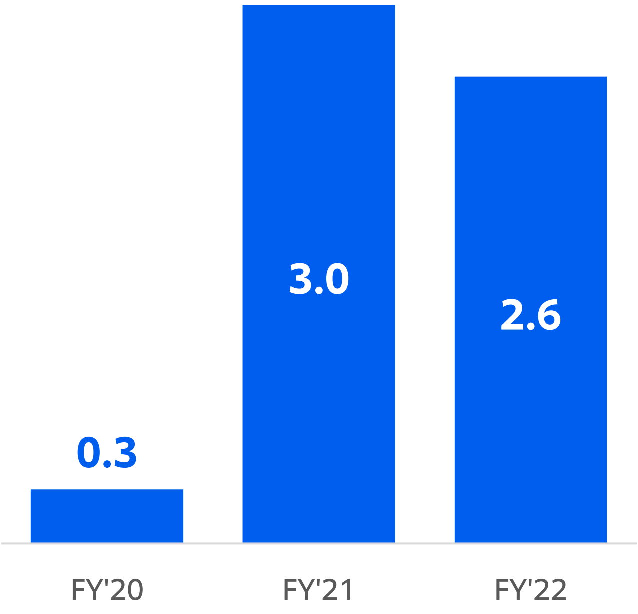
Net debt / EBITDA

2.1x

€23.7bn

Net debt

Pension surplus (€bn)



Other financial metrics

Restructuring

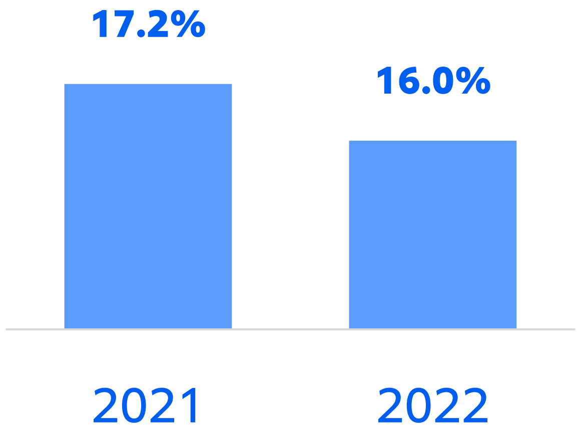
€0.8bn

1.3%
as % Turnover

Savings

€2bn

ROIC



Our growth model is underpinned by disciplined capital allocation

Operational investment

BMI
+€0.5bn*

R&D
+€50m*

Capex
+€0.4bn
(to **2.7%** of TO)

Portfolio shaping

Since 2017

€17bn invested

LIQUID I.V. Fueling Life's Adventures
NUTRAFOL

€11bn proceeds

Flora
PG tips

Capital returns

Cash dividends
€4.3bn

Share buybacks

2017-21
€14bn

2022-23
Up to **€3bn**

***At constant fx rates**

Progress against strategy

ALAN JOPE

Continued progress in line with strategic priorities

Win with **brands** and innovation

14
€1bn+ brands

53%
of turnover

11%
FY'22 USG

Move **portfolio** into high growth spaces

Prestige and Health & Wellbeing grew double-digit

Acquired Nutrafol

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

FY'22 USG

USA	**8.0%**
India	**15.6%**
China	**(1.3)%**
Emerging markets	**11.2%**

Lead in **channels** of the future

15%
eCom % TO

23%
eCom FY'22 USG

Future-fit organisation enabling better execution

Unilever Corporate Centre

Beauty & Wellbeing	Personal Care	Home Care	Nutrition	Ice Cream
Dove	Dove	OMO	Knorr	Heart
Sunsilk	Rexona	Sunlight	Hellmann's	Magnum
Liquid I.V.	AXE	Comfort	Horlicks	Ben & Jerry's
Dermalogica	Signal	Cif	Maille	Cornetto

Unilever Business Operations

Prioritisation and speed of execution

Nutrition and Ice Cream exited unprofitable businesses

Beauty & Wellbeing redirected funding to profitable citadels in Europe

Personal Care and Home Care rapidly executed SKU rationalisation

We have sharper, more distinctive Business Group strategies

	Beauty & Wellbeing €12bn	Personal Care €14bn	Home Care €12bn	Nutrition €14bn	Ice Cream €8bn
Value creation	High Growth	Growth	Growth and margin	Growth and margin	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

Summary

Stronger execution

Sharpened portfolio

Clear strategy

New organisation

Unilever is investing for growth

Outlook

GRAEME PITKETHLY

Multi-year financial framework

Growth	Profit	Cash
Underlying sales growth **3 – 5% USG**	**Modest** margin expansion	Sustained **strong** cash flow
• Towards upper end • Volume step-up • Competitive	• Gross margin-led • With increased BMI	• 100% cash conversion

Long-term value creation through **EPS growth**

Attractive dividend

2023 outlook: growth remains the priority

Priorities	Guidance
Continuing growth momentum	• H1 price growth will remain high, and volume negative • FY underlying sales growth at least in the upper half of our multi-year range of 3 – 5%
Invest for growth while managing inflationary pressure	• Increased levels of investment in BMI, R&D and Capex
Embed new operating model Maintain cost and savings discipline	• Modest improvement in margin for the full year • Underlying operating margin will be around 16% in the first half

2023 gross margin: H1 remains pressured, but improves in H2

	H1 2023	H2 2023
Net material inflation	Around €1.5bn	Materially lower
Production & logistics cost inflation	Around €0.5bn	Materially lower
Price growth	Remaining elevated	Slowing
Price coverage	Below 100%	Improving
Gross margin	**Lower**	**Improving**

2023: key financial metrics

Investment	Tax	Debt	Currency
Capex **>3%** of TO	Underlying tax rate **25%**	Net debt / EBITDA ca. **2x**	Turnover impact of ca. **(4)%**
Restructuring ca. **1%** of TO		Net finance costs **2.5 - 3%**	UEPS impact a little more negative

2023 outlook: growth remains the priority

Priorities	Guidance
Continuing growth momentum	• H1 price growth will remain high, and volume negative • FY underlying sales growth at least in the upper half of our multi-year range of 3 – 5%
Invest for growth while managing inflationary pressure	• Increased levels of investment in BMI, R&D and Capex
Embed new operating model Maintain cost and savings discipline	• Modest improvement in margin for the full year • Underlying operating margin will be around 16% in the first half

Q&A


HELLMANN'S
EST.1913
LIGHT
MAYONNAISE


Rexona
72h
ATIVADO PELO
MOVIMENTO
COTTON
DRY


MAGNU
DOUBL
GOLD CA
BILLIONA


REFILL
NEW
OMO
DILUTE AT HOME
665mL


TATCHA
THE SILK CREAM