

# Unilever First Half 2015 Results

Paul Polman / Jean-Marc Huët

23<sup>rd</sup> July 2015



Unilever®



# SAFE HARBOUR STATEMENT



This announcement 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. 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 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; inability to find sustainable solutions to support long-term growth; customer relationships; the recruitment and retention of talented employees; disruptions in our supply chain; the cost of raw materials and commodities; the production of safe and high quality products; secure and reliable IT infrastructure; successful execution of acquisitions, divestitures and business transformation projects; economic and political risks and natural disasters; financial risks; failure to meet high ethical standards; and managing regulatory, tax and legal matters. 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 Group’s Annual Report on Form 20-F for the year ended 31 December 2014 and the Annual Report and Accounts 2014. These forward-looking statements speak only as of the date of this announcement. 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.



Paul Polman



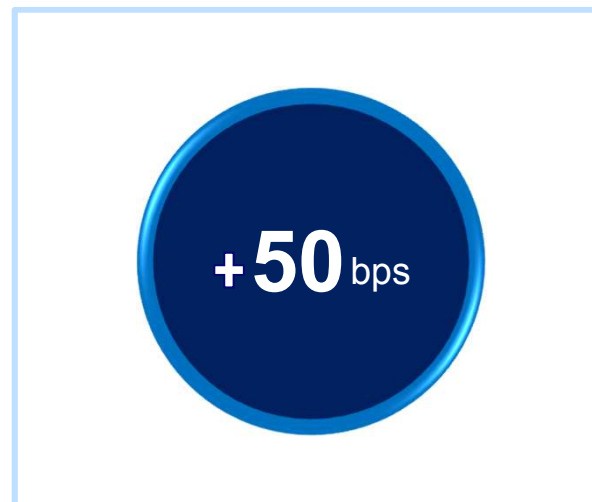
# H1 2015: Good performance in challenging conditions



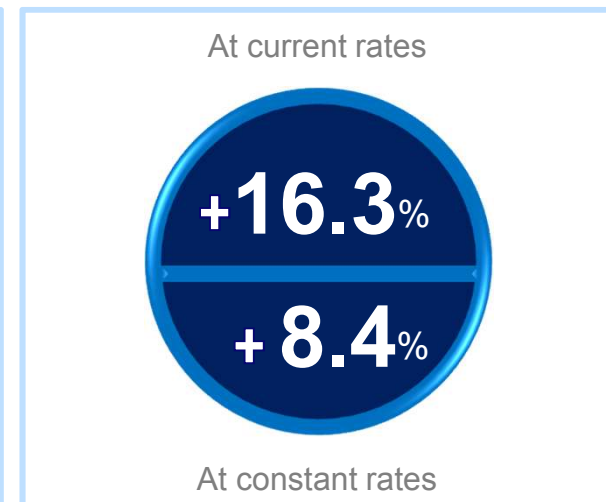
## Turnover



## Core Operating Margin

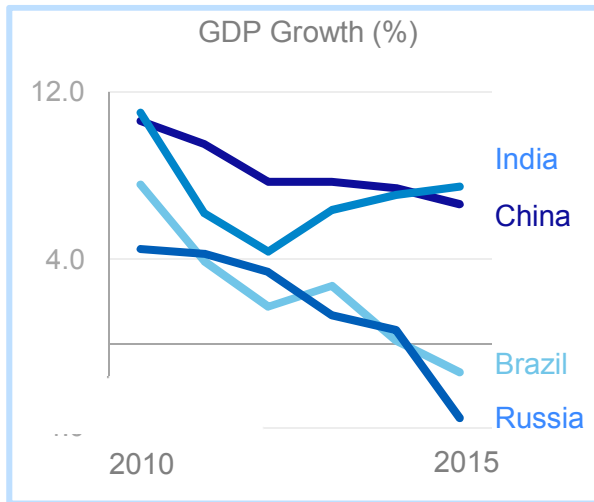


## Core earnings per share

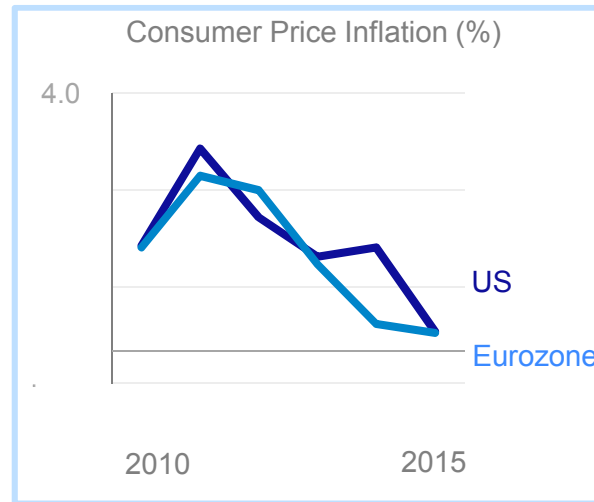


# Market conditions remain challenging

## Mixed emerging markets



## Weak developed markets



## Volatility and uncertainty



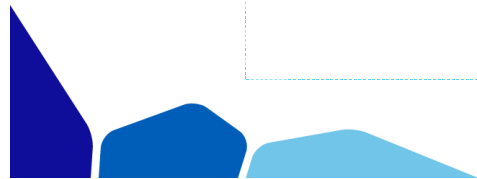
# Implementing a sharpened strategy



# H1 2015: All categories contributing



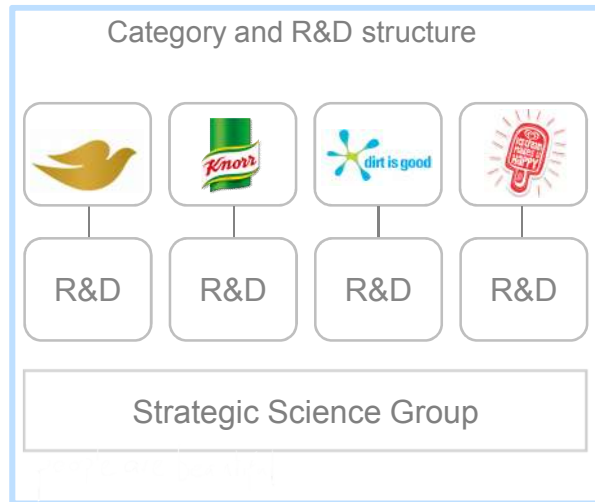
	Personal Care	Foods	Refreshment	Home Care
Growth	+3.0%	+1.4%	+2.7%	+4.5%
Margin	(20) bps	+30 bps	+60 bps	+220 bps



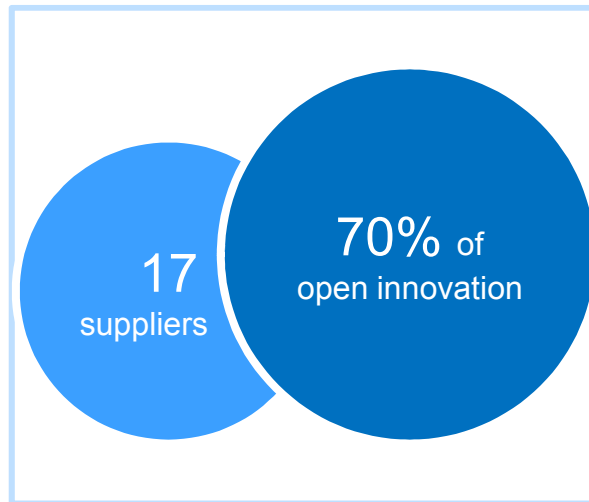


# Investing in innovation to drive long term growth

## Embedded R&D



## Partnering to win



## Enabled by IT

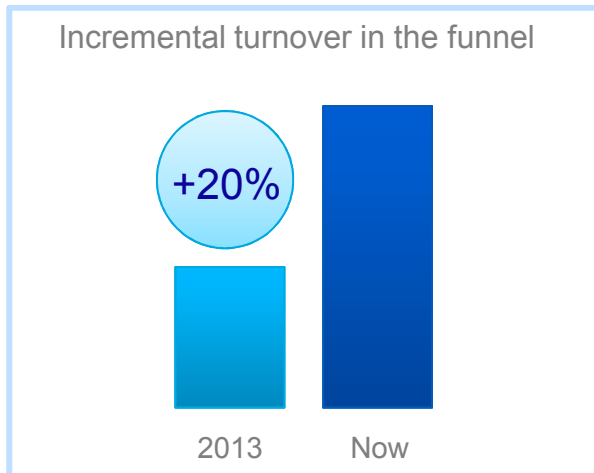




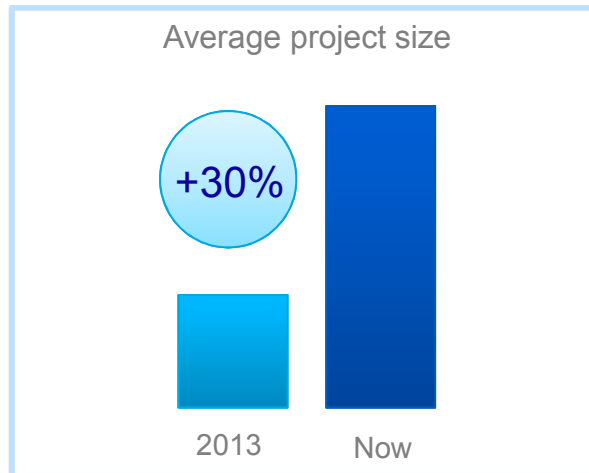


# New approach to innovation delivering results

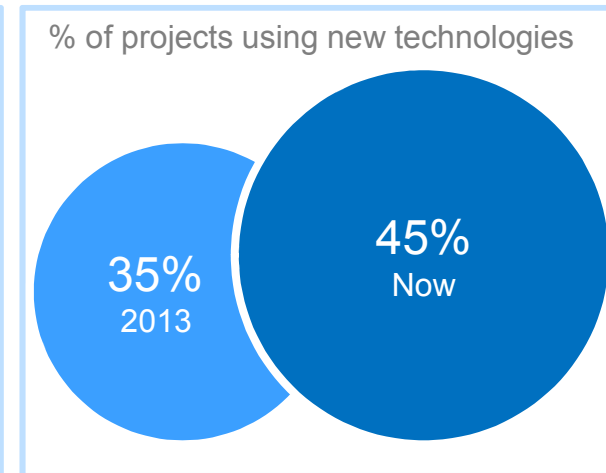
## Stronger pipeline



## Bigger innovations



## More benefits

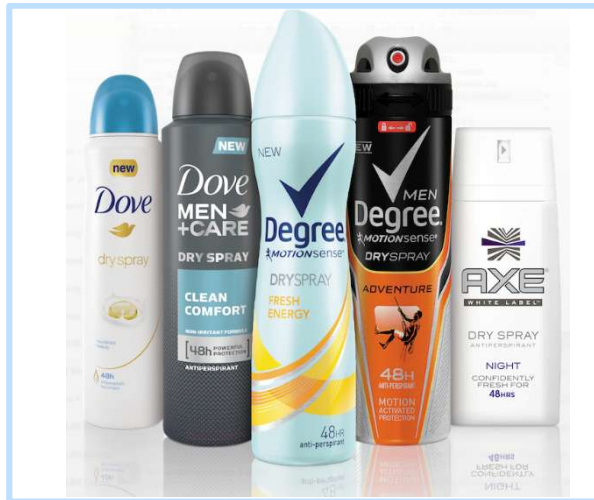


**75% of innovations are margin accretive**

# Innovation: Growing the core



## US dry spray aerosols



75% share of the segment in 12 weeks

## Lifebuoy with Activ Naturool Shield



A billion euro brand in the making

## Iron-fortified Knorr cubes



Cooking products up >50% in 5 yrs in emerging markets

# Innovation: Building premium segments



## Dove Advanced Hair Series



94% incremental to US Dove sales

## Magnum Pink & Black



Rolled out to 20 countries in Europe

## Comfort Intense



Gross margin 10 percentage points higher



# Innovation: Entering adjacencies and new countries



## Dove



Dove Men+Care a €400m brand

## Omo pre-treaters & wash boosters



Brazil market share >10% in 9 months

## Household care

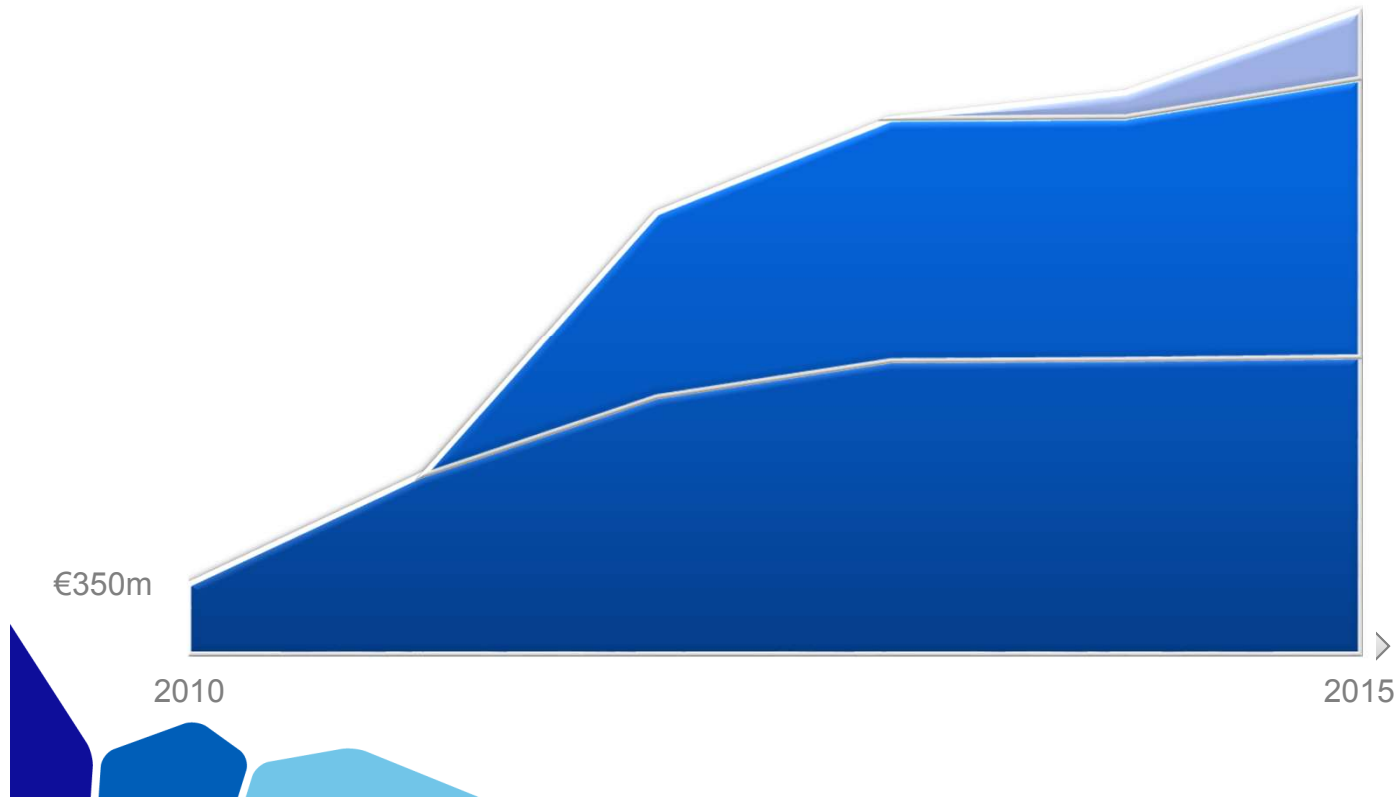


26 new countries in 5 years

# Doubling TRESemmé



€700m ↑



Stage 3: Premiumisation

Stage 2: New territories

Stage 1: The core

# Building a Prestige business

## Strong, differentiated brands



REN Skincare



Kate Somerville Skincare



Dermalogica



Murad

## An attractive market:

- Large and growing
- Fragmented

## A stand-alone business unit:

- Globally run; prestige expertise
- Dedicated go-to-market & communication

## Leverage capabilities in skin, hair & oral:

- R&D and consumer insight
- Inspiring our innovation in mass

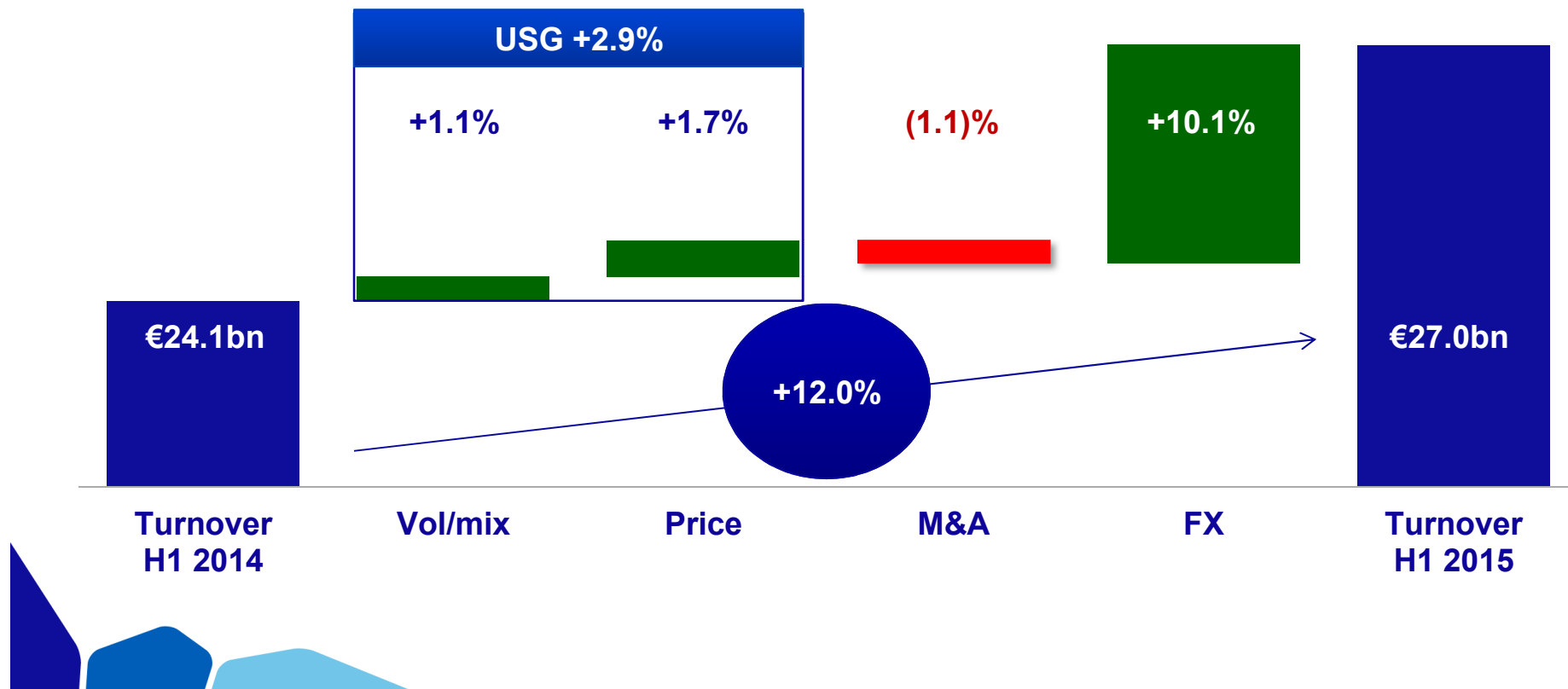
**Turnover ca €400m; accretive to growth, margin and EPS**

Jean-Marc Huët





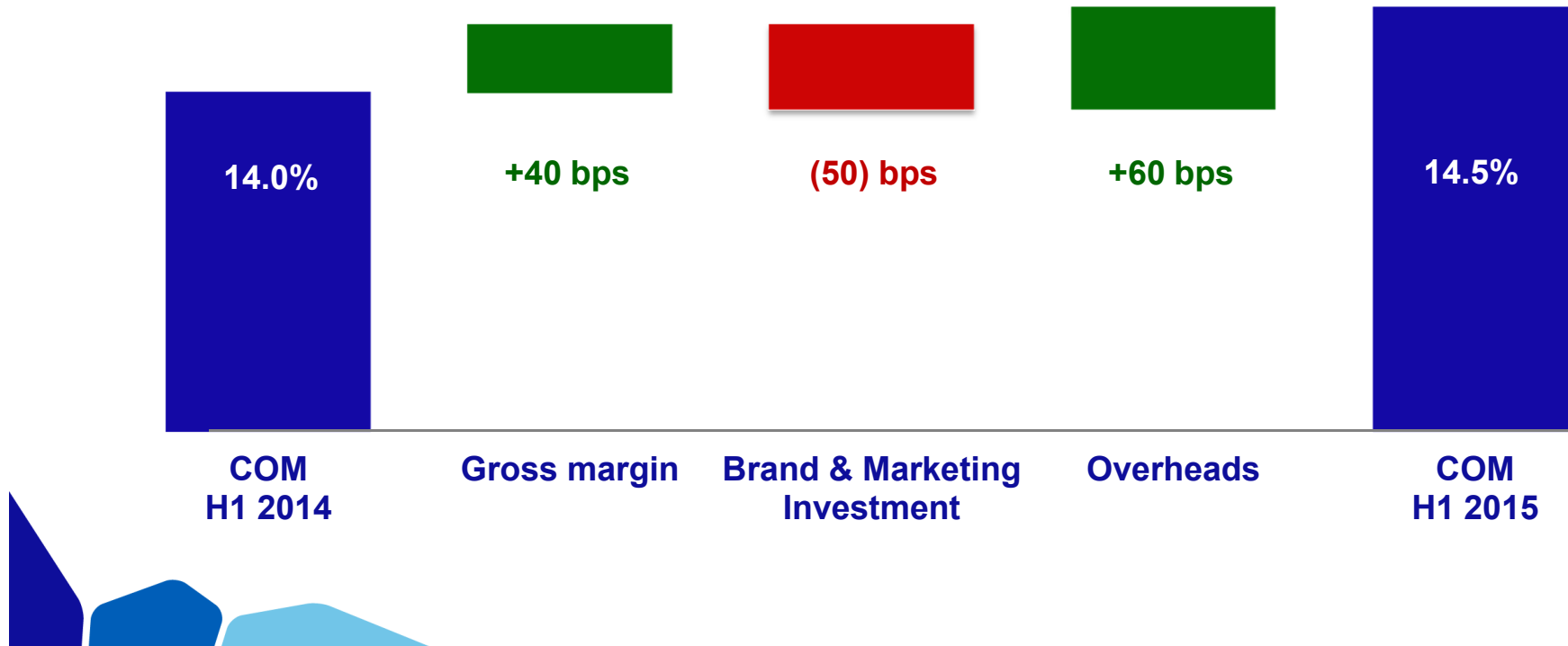
# H1 2015: Double-digit turnover growth



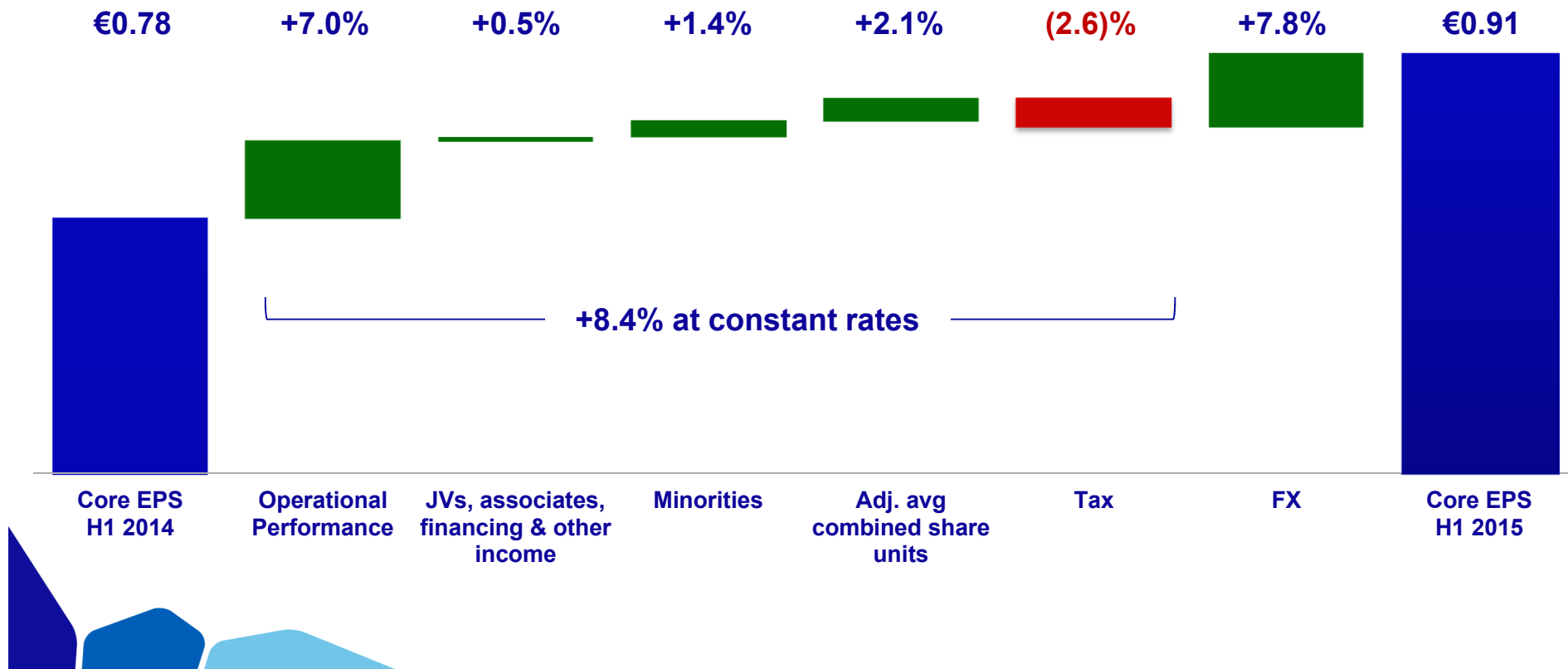




## H1 2015: Core Operating Margin up 50bps



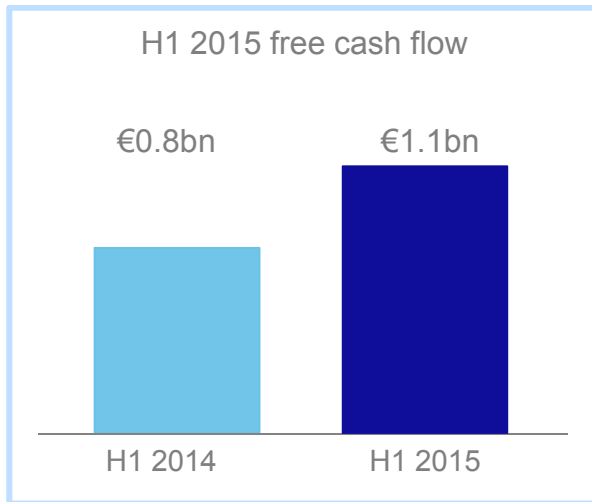
# H1 2015: Core EPS up 16%



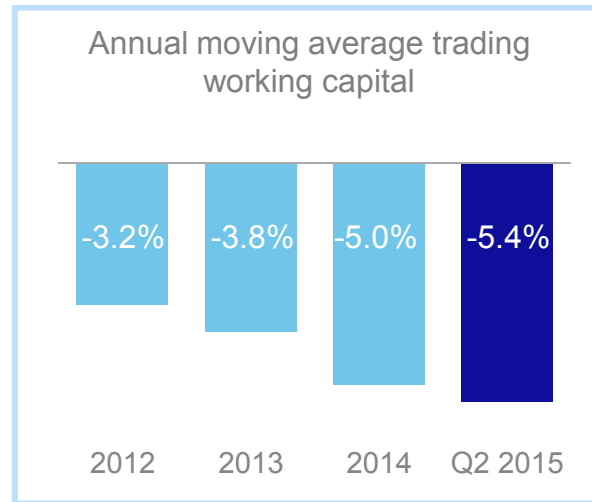


# On track to deliver strong free cash flow

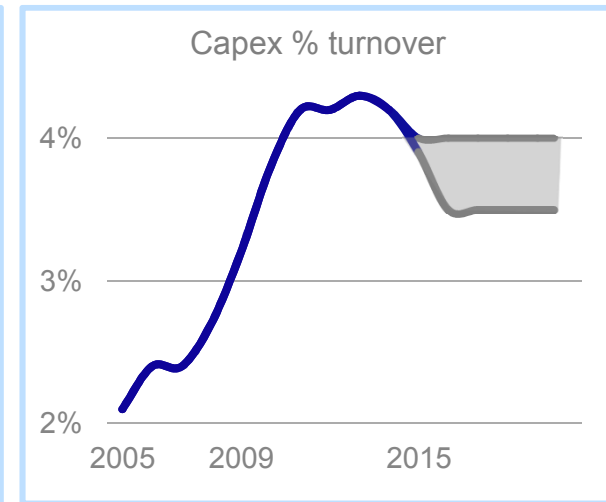
## Strong cash delivery



## Improving working capital



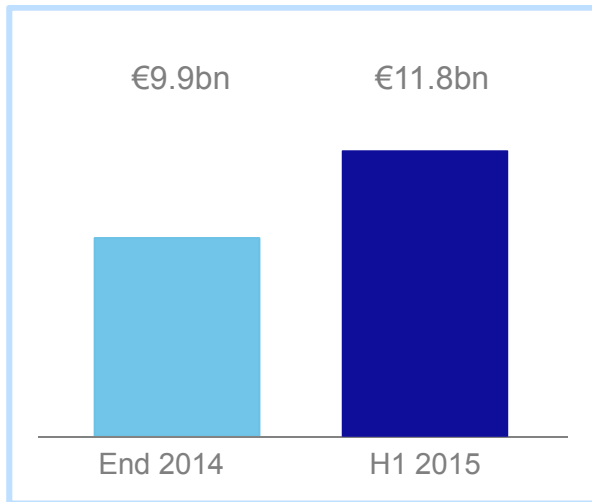
## Optimising capex



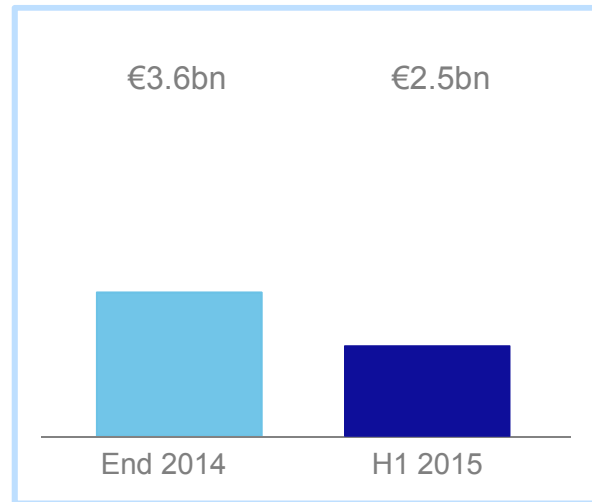


# H1 2015: Balance Sheet

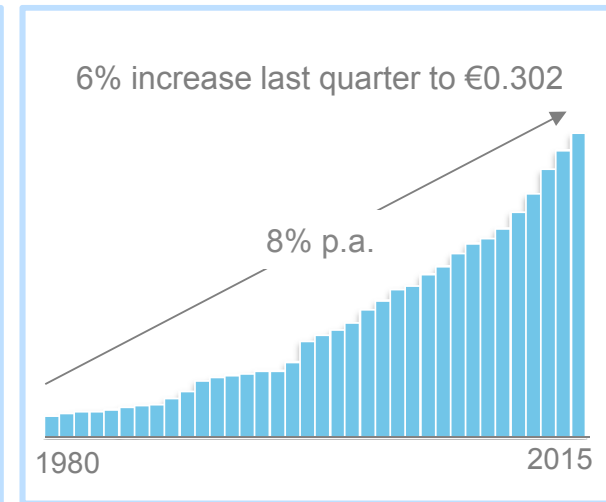
### Net Debt



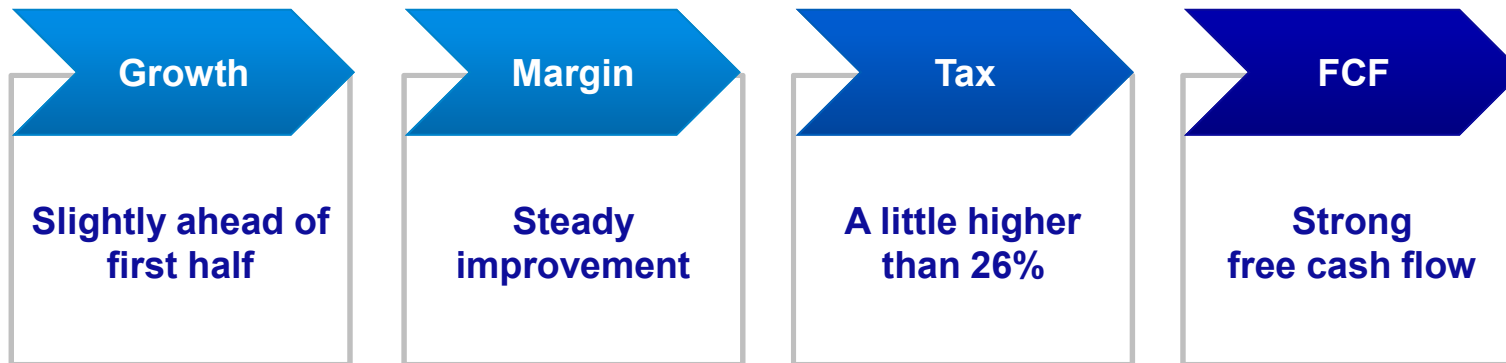
### Pension deficit



### Dividends



# 2015 full year outlook



Paul Polman



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# Creating long term value



- Growth momentum improving**
- All categories contributing**
- Driving cost savings**
- Strengthening go-to-market capabilities**
- A fitter organisation**



- Our priorities remain unchanged**
- Volume growth ahead of our markets
  - Steady & sustainable margin improvement
  - Strong cash flow



## CFO transition: Effective from 1<sup>st</sup> October 2015



**Jean-Marc Huët**



**Graeme Pitkethly**





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