

Unilever Investor Event

Graeme Pitkethly, CFO

Singapore, 2nd December 2015



Agenda



- 1 First principles of our business model
- 2 Creating value through our portfolio
- 3 Getting to the next level on costs
- 4 Delivering attractive long-term returns

Our 4G growth model



Consistent
growth

Competitive
growth

Profitable
growth

Responsible
growth

Sustained investment over time

Brands and Marketing Investment



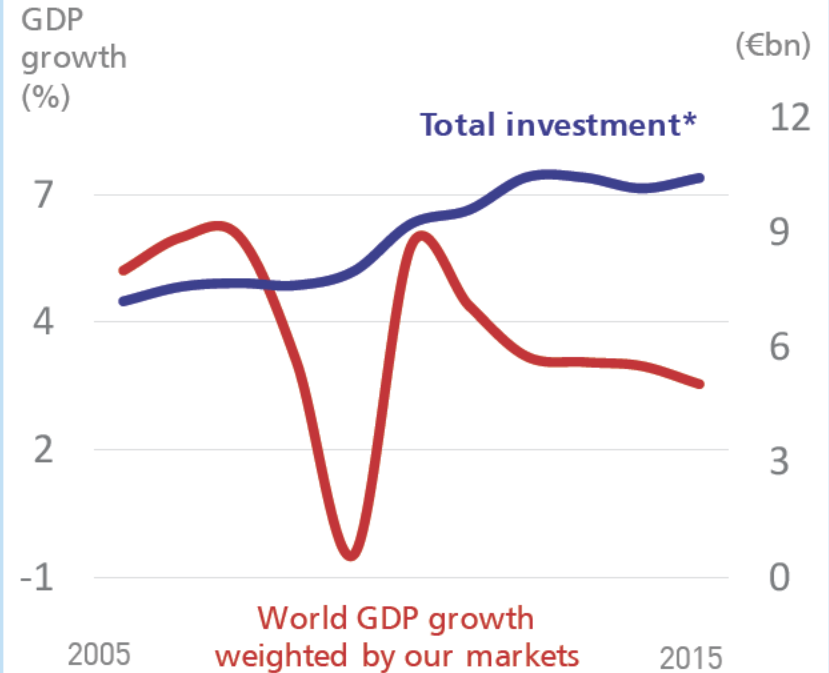
SupplyChain



IT



People

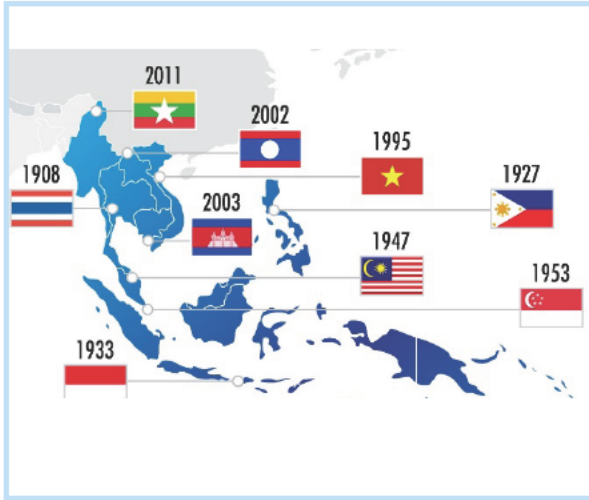


*B&M+Capex+R&D

Global strength, leveraged locally



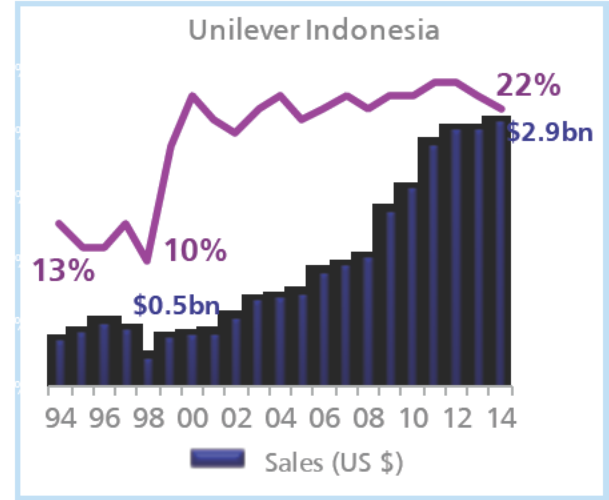
Deep experience



Strongly local



Clear P&L responsibility



*Directors and above in our top 12 emerging markets

With Sustainable Living a foundation



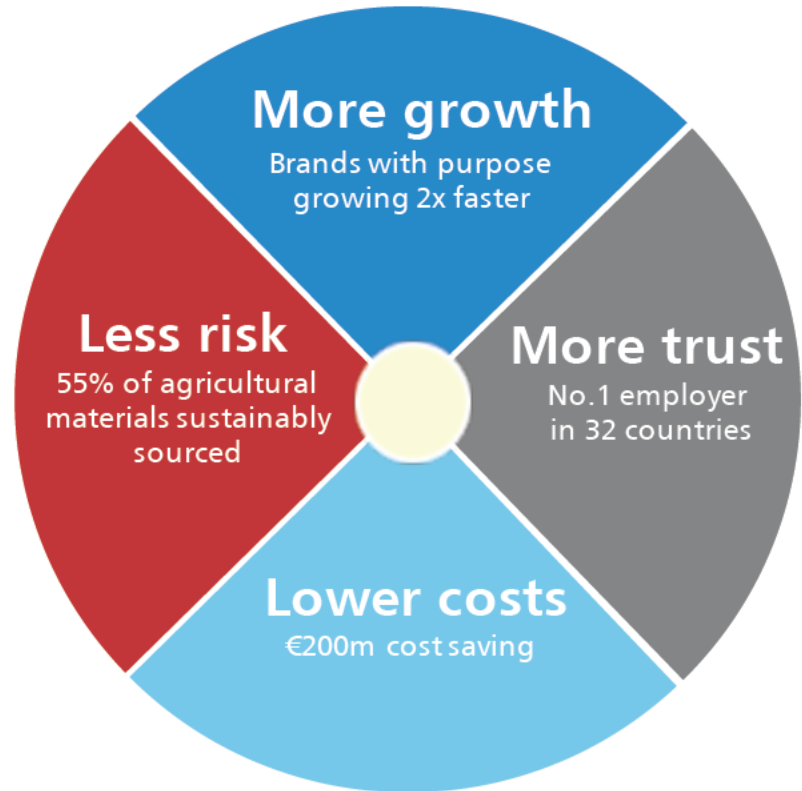
Health and hygiene

Nutrition

Greenhouse gases

Water and waste

Sustainable sourcing



Agenda



- 1 First principles of our business model
- 2 **Creating value through our portfolio**
- 3 Getting to the next level on costs
- 4 Delivering attractive long-term returns

A strong, resilient portfolio



Meeting a broad range of consumer needs



2 billion
consumers use a
product on any day

Distribution strength

**70% coverage via
exclusive distributors in SEA**

**+170bps growth in Thailand
from LeverEdge**

**Increasing throughput
3m stores in India**

Scale benefits across the value chain

**World's No. 2 advertiser
e.g. social media partnerships**

**No. 1 buyer of many materials
e.g. €5bn+ annual packaging**

**Global science & R&D
e.g. university research centres**

With sharper category strategies



Personal Care

Grow the core
Build premium



Home Care

Step up profitability
Scale household cleaning

Foods

Accelerate growth
Strong cash flow



Refreshment

Grow ice cream cash flow
Grow faster in tea

Driving resource allocation

Driving more cash, and better balance



	What..	How..
	Continue to grow FCF	Margin-accretive innovation Premiumisation
	Sustain strong levels FCF	Profitable growth in EMs Strong cash generation in DMs
	Step up FCF	Mix improvement Low Cost Business Models
	Step up FCF	Premiumisation ROIC focus

Allowing reinvestment for growth



Unilever

In our brands

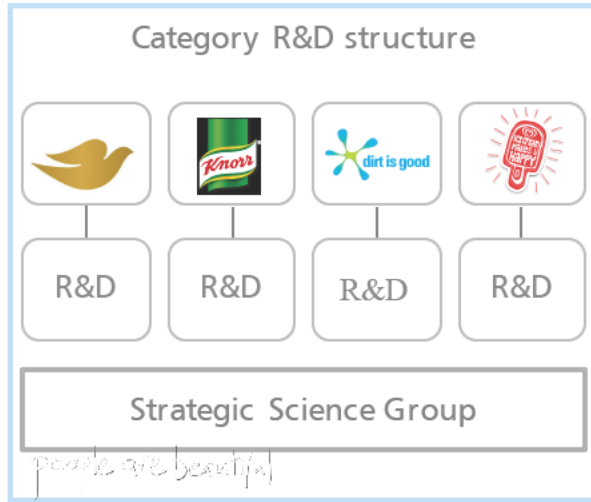
In new markets

 <p>Dove Advanced Hair Series</p> 	<p>US Dry spray</p> 	<p>Zendium</p> 	<p>Baby Dove</p> 	<p>Prestige</p> 
 <p>Squeeze bottle</p> 	<p>Spreads with blends of butter</p> 		<p>Iran</p> 	
 <p>Pre-treaters</p> 	<p>Scale household cleaning</p> 		<p>Myanmar</p> 	
 <p>Magnum Pink & Black</p> 	<p>Speciality teas</p> 			

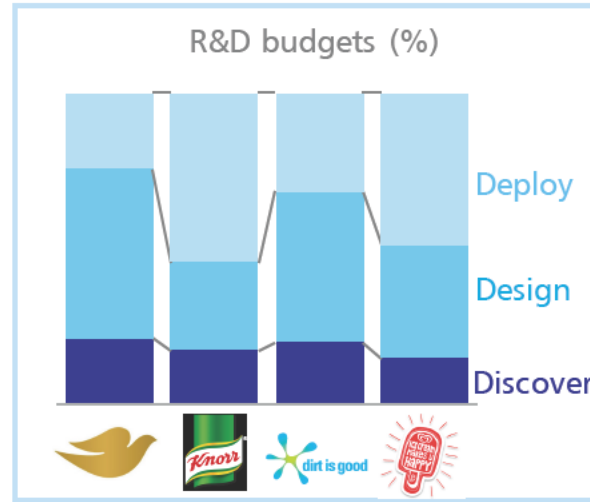
R&D and Capex aligned with strategy



Embedded R&D



Differentiated by Category



Capex prioritisation



Active portfolio management



Building premium through acquisitions



Pruning through disposals

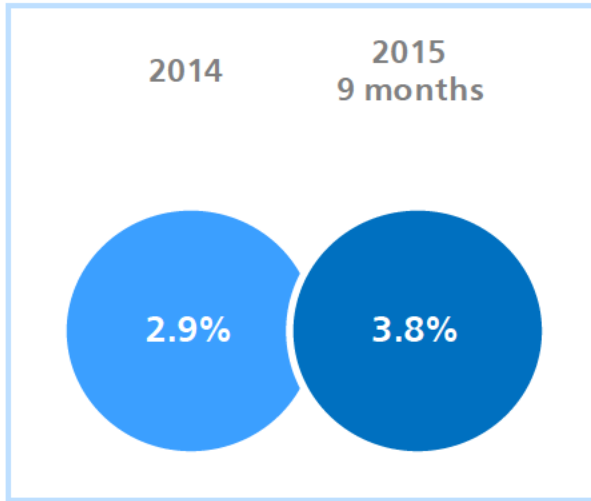


Structurally addressing underperformance in Spreads

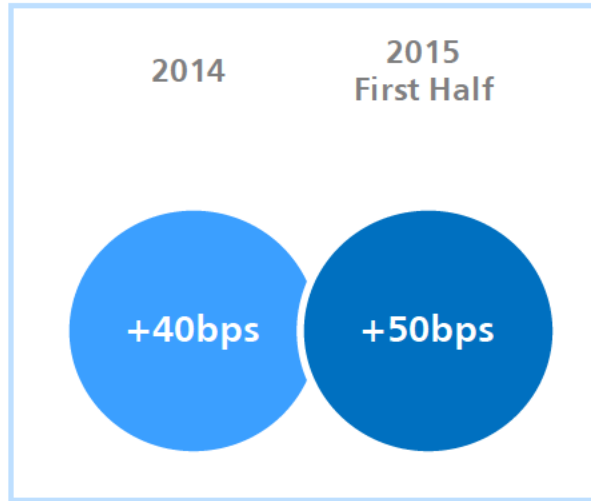
Portfolio delivers consistent results



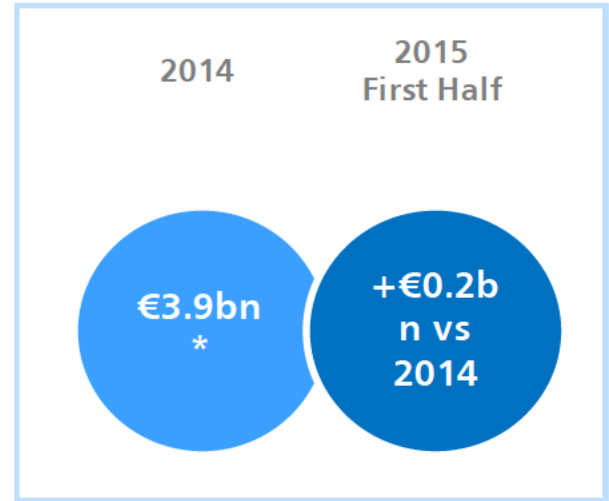
Underlying Sales Growth



Core Operating Margin



Free Cash Flow



*Adjusted for tax on disposals

Agenda



- 1 First principles of our business model
- 2 Creating value through our portfolio
- 3 Getting to the next level on costs
- 4 Delivering attractive long-term returns

Continuous improvement



Best-in-class global business services



Standardised processes
Low-cost locations
Strategic partnerships

Simplification

20% SKU reduction

50% fewer reports

From 400 IT applications to 25 platforms

Transforming costs to underpin value delivery

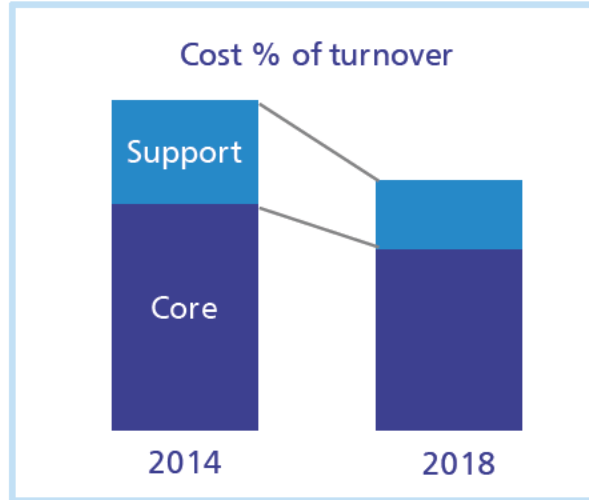


Supply chain savings



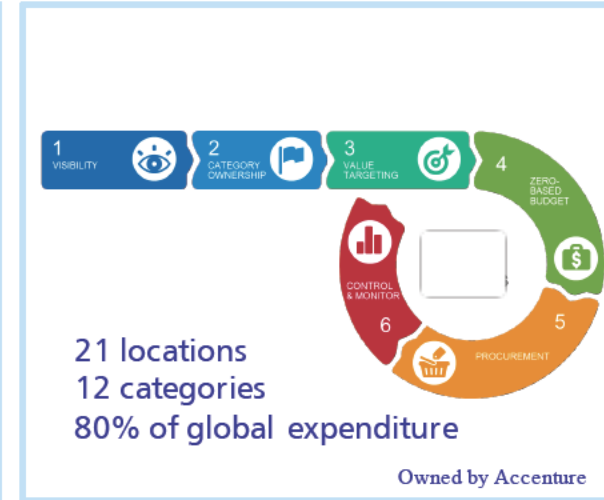
Ongoing, re-invested

New functional models



Programme runs 2016 and 2017
FY savings c. €1bn from 2018, B&MI and Overheads

Global ZBB

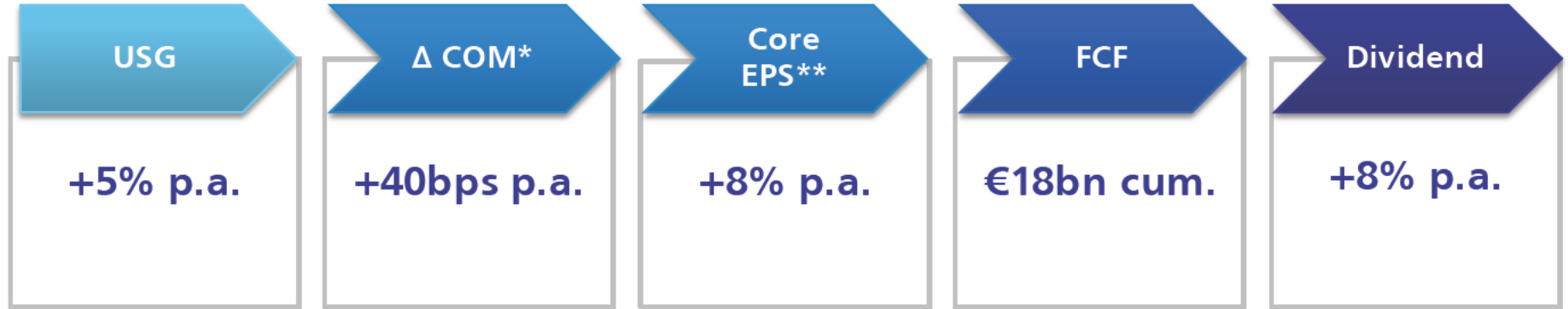


Agenda



- 1 First principles of our business model
- 2 Creating value through our portfolio
- 3 Getting to the next level on costs
- 4 Delivering attractive long-term returns

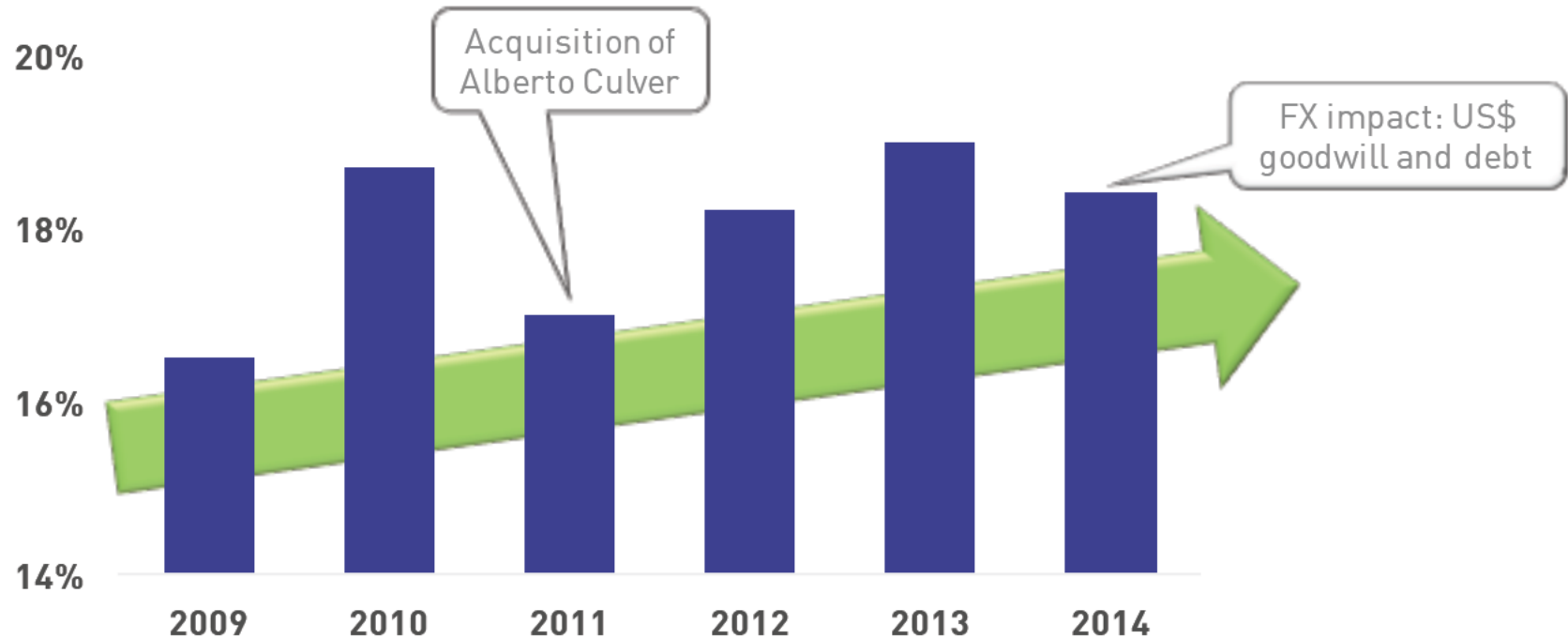
2010 – 2014: A strong track record



* Includes 25bps from lower restructuring

** 10% at constant rate

ROIC – a longer-term ‘guide rail’ for value creation



ROIC definition:
$$\frac{\text{Core Operating Profit after Tax}}{\text{Average (PPE + Inventories + Trade receivables - Trade payables + Assets held for sale + Goodwill + Software)}}$$

Applying ROIC more deeply where required



2
business
targets

+

2
strategic
targets

			ROIC

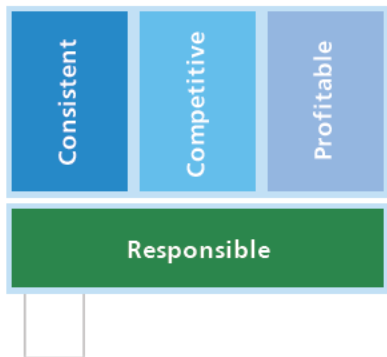


2015 vs. PY
+300bps

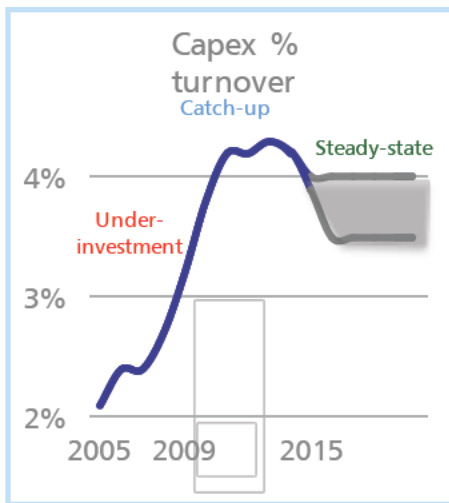
Pulling all levers of ROIC



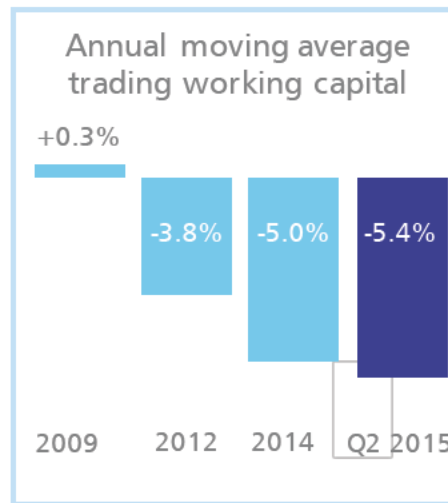
4G growth



Capex



Working Capital



Acquisitions

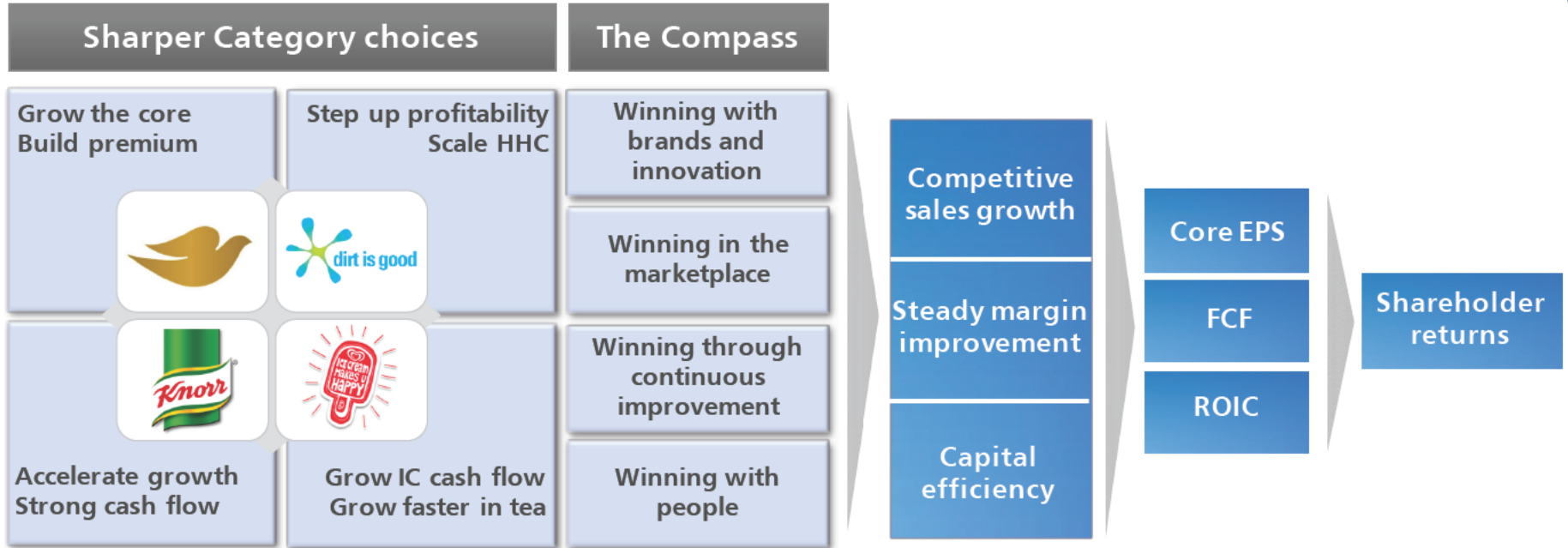
Disciplined criteria

Strategic fit

IRR > Cost of capital

ROIC / WACC crossover

Put together - long-term shareholder returns



Sustainable Living: more growth, lower costs, less risk, more trust



Unilever Investor Event

Graeme Pitkethly

Singapore, 2nd December 2015

