2018 FULL YEAR RESULTS

CONTINUED PROFITABLE GROWTH IN VOLATILE MARKETS

Performance highlights (unaudited)

Underlying performance			GAAP measures		
		vs 2017			*vs 2017*
Full Year					
Underlying sales growth (USG)[a]		2.9%	Turnover[b]	€51.0bn	(5.1)%
USG excluding spreads[a]		3.1%	Turnover excluding spreads[b]	€49.6bn	(2.3)%
Underlying operating margin	18.4%	90bps	Operating margin	24.6%	810bps
Underlying earnings per share	€2.36	5.2%	Diluted earnings per share	€3.48	62.0%
Free cash flow	€5.0bn	€(0.4)bn	Net profit	€9.8bn	51.2%
Fourth Quarter					
USG[a]		2.9%	Turnover[b]	€12.2bn	(5.3)%
Quarterly dividend payable in March 2019				€0.3872 per share	

[a] These amounts do not include price growth in Venezuela for the whole of 2018 and in Argentina from 1 July 2018. See pages 6 - 7 for further details.

[b] IAS29 'Financial Reporting in Hyperinflationary Economies' has been adopted in Argentina and accordingly 2018 turnover previously reported has been restated (see note 1).

Full year highlights

- Underlying sales growth excluding spreads was 3.1% with 2.1% volume and 1.0% price
- Price growth in Argentina is excluded from underlying sales growth from July due to hyperinflationary status. Reported growth would otherwise have been 3.4% (3.6% excluding spreads)
- Underlying operating margin increased 90bps with 50bps from gross margin
- Underlying EPS increased 5.2%; constant underlying EPS was up 12.8%
- Turnover was impacted by an adverse currency impact of 6.7% and the disposal of spreads
- Operating margin up 810bps and diluted EPS up by 62%, driven by a €4.3 billion profit on the disposal of spreads

Alan Jope: Chief Executive Officer statement

"2018 was a solid year for Unilever, with good volume growth and high-quality margin progression.

Looking forward, accelerating growth will be our number one priority. With so many of our brands enjoying leadership positions, we have significant opportunities to develop our markets, as well as to benefit from our deep global reach and purpose-led brands.

We will capitalise on our strengthened organisation and portfolio, and our digital transformation programme, to bring higher levels of speed and agility. Strong delivery from our savings programmes will improve productivity and fund our growth ambitions.

In 2019 we expect market conditions to remain challenging. We anticipate underlying sales growth will be in the lower half of our multi-year 3–5% range, with continued improvement in underlying operating margin and another year of strong free cash flow. We remain on track for our 2020 goals."

31 January 2019

Underlying sales growth (USG), underlying volume growth (UVG), underlying price growth (UPG), underlying operating profit (UOP), underlying operating margin (UOM), underlying earnings per share (underlying EPS), constant underlying EPS, underlying effective tax rate, free cash flow (FCF), net debt, return on invested capital (ROIC) and underlying earnings before interest, taxation, depreciation and amortisation (UEBITDA) are non-GAAP measures (see pages 6 to 10)