

Unilever Half Year 2021 Results

Alan Jope & Graeme Pitkethly

22nd July 2021



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. 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; 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 2020.

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Growth

H1 Underlying Sales Growth

5.4%

4.0%

H1 Underlying Volume Growth

Profit

Underlying Operating Margin

18.8%

(100)bps

Underlying Operating Margin vs H1 2020

Earnings & Cash

Current Underlying EPS

(2.0)%

+4.3% constant

€2.4bn

Free Cash Flow

Competitiveness

% Business Winning MAT

52%

Guided by our strategic choices

1. Develop our portfolio into high growth spaces

2. Win with our brands as a force for good, powered by purpose & innovation

3. Accelerate in USA, India, China and leverage EM strength

4. Lead in the channels of the future

5. Build a purpose-led, future-fit organisation and growth culture



Operational Excellence

Portfolio change



- Announced the acquisition of digital-led, cruelty free skin care brand Paula's Choice
- Operational separation of Tea business substantially complete

High growth segments



- Prestige 27% H1 USG
- Functional Nutrition 18% H1 USG

Share Buy Back



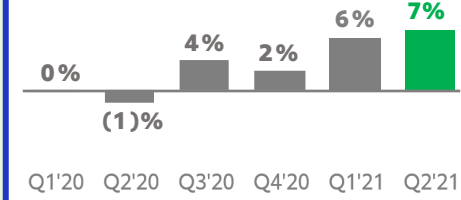
- Share buy back of up to €3bn underway
- Reflects strong free cash flow delivery and balance sheet position

Category dynamics

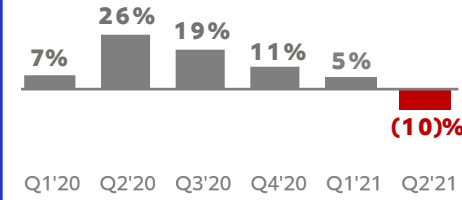
All figures USG%



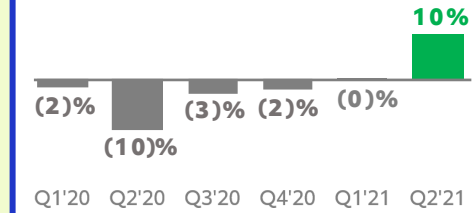
Laundry



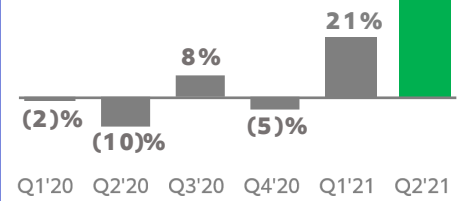
Hygiene



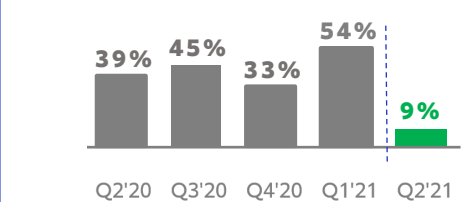
Personal Care



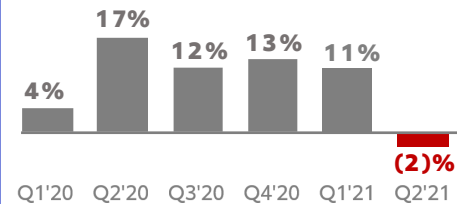
Prestige



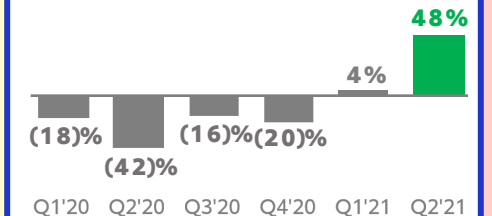
Functional Nutrition



In Home



Out of Home



Hygiene: Skin Cleansing + Home & Hygiene

Out of Home: Food Service + Out of Home Ice Cream

Personal Care: Personal Care excl. Skin Cleansing and Prestige

Functional Nutrition: Health Foods Drinks + Vitamins, Minerals & Supplements; Horlicks reflected in USG from Q2

Skin Cleansing H1 (4)%



Rest of BPC H1 +5%

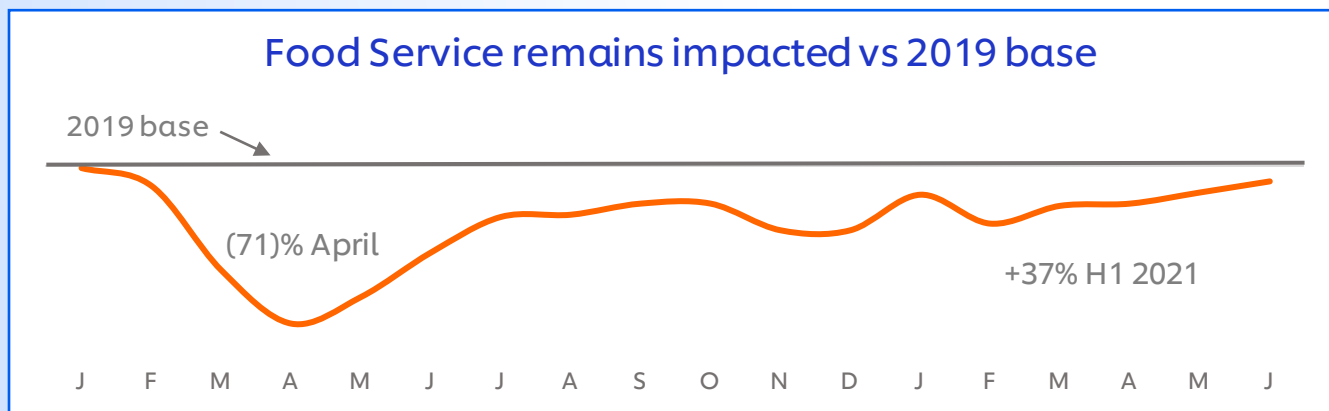


- Skin cleansing lapping household stocking in 2020, remains above 2019 levels
- Skin Care, Hair, Oral and Deodorants all grew as social occasions partially returned
- Step up in pricing in Q2

In-home H1 +4%



Out of home H1 +26%



- In-home growth driven by power brands Knorr, Hellmann's, Magnum
- Food Service growth driven by China. Global demand remains below pre-COVID levels
- Ice Cream grew across in-home and out of home

Home & Hygiene H1 (1)%



Laundry H1 +6%



- Home & Hygiene lapping surge demand
- Laundry growth driven by China and strong innovation programme rooted in Clean Future agenda
- Price accelerated through the half

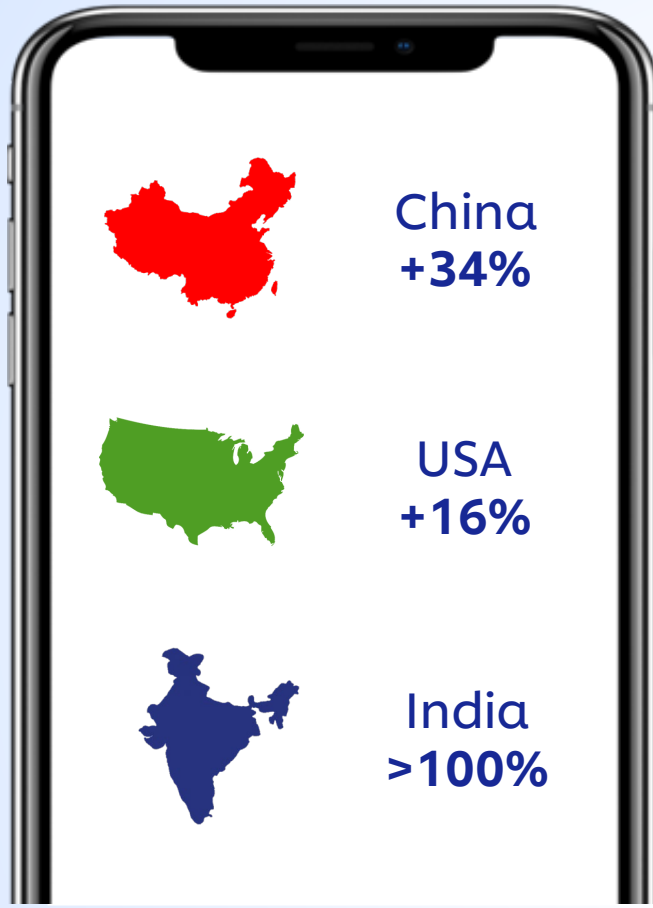
Prestige H1 +27%



Functional Nutrition H1 +18%



- Strong Prestige performance across on and off line channels
- Functional Nutrition growing strongly (Horlicks and Boost brands in USG from Q2)
- Functional Nutrition LFL growth +31% during the first half



H1 USG +50%

11% of group turnover

Graeme Pitkethly

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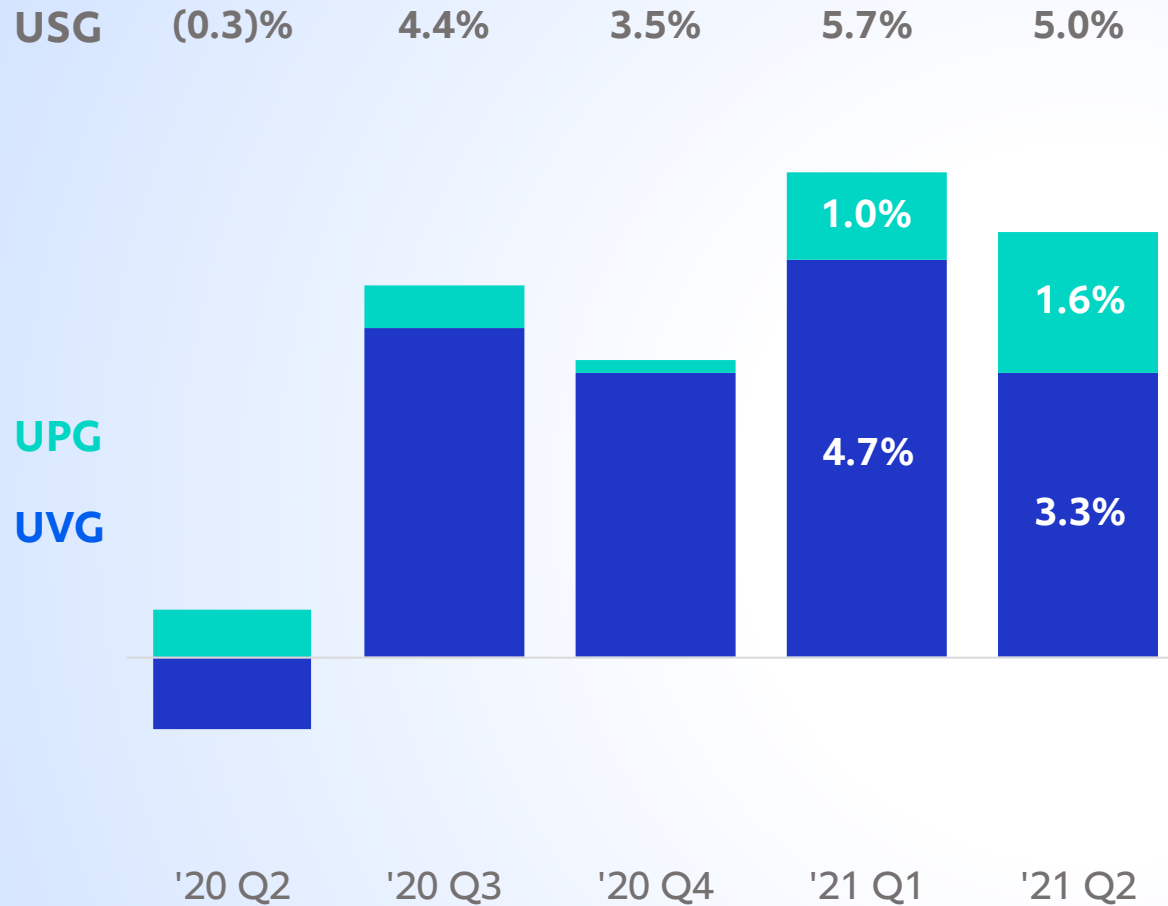




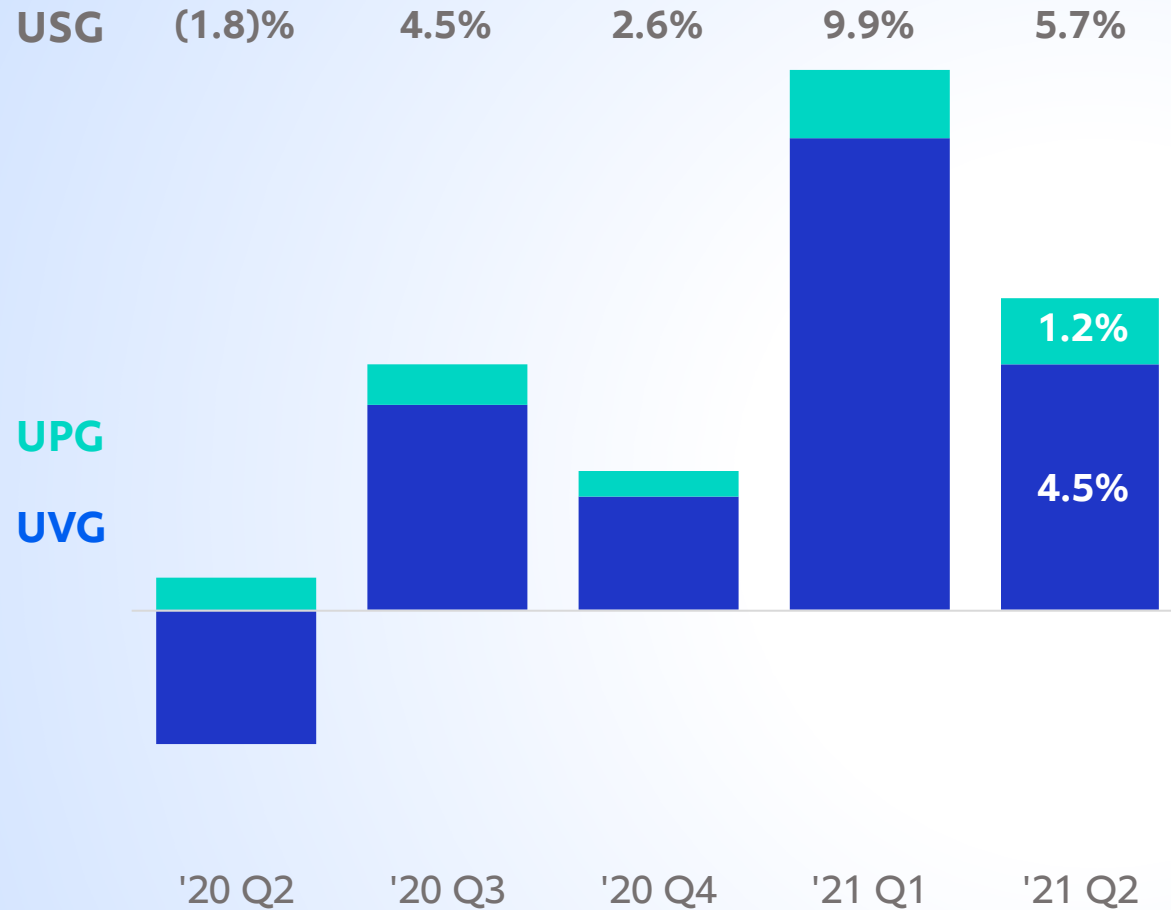
Volume and price growth

5.4%
H1 USG

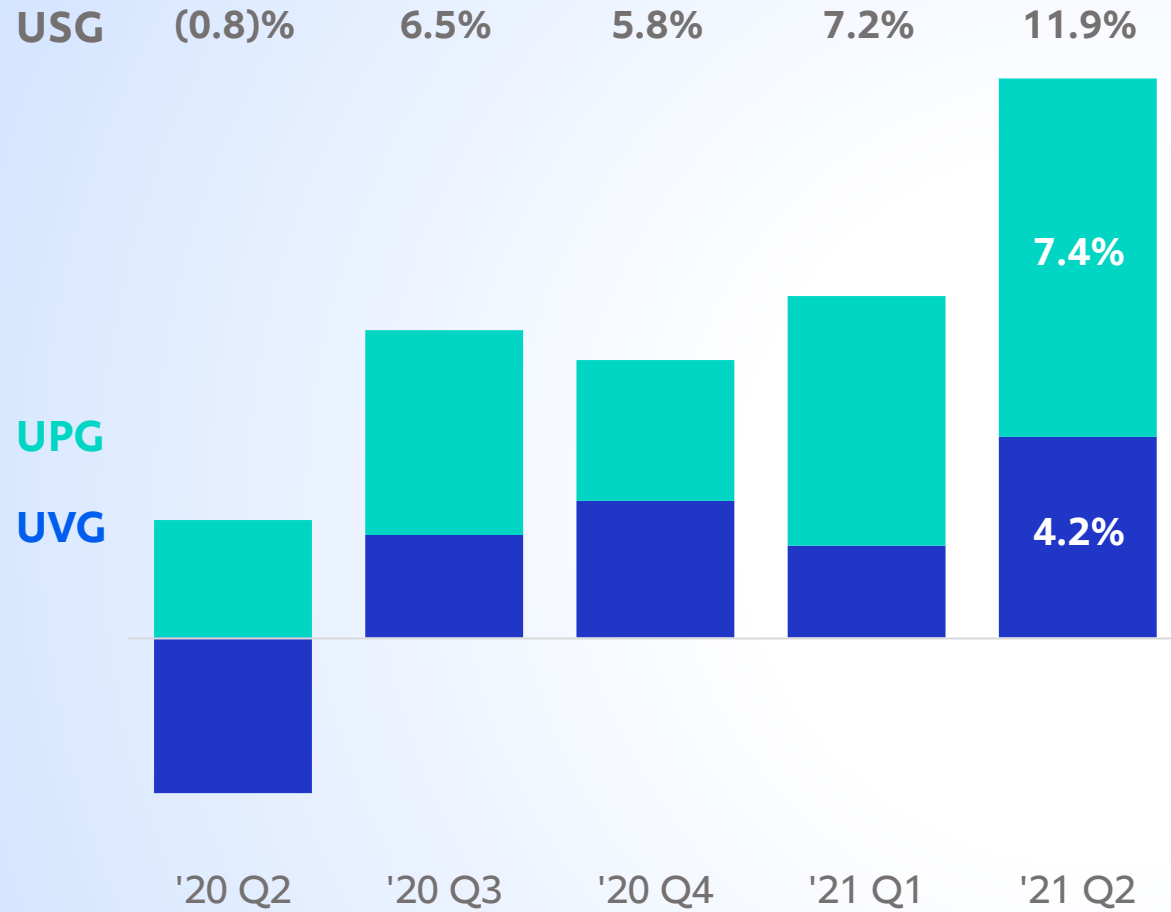
4.0%
H1 UVG



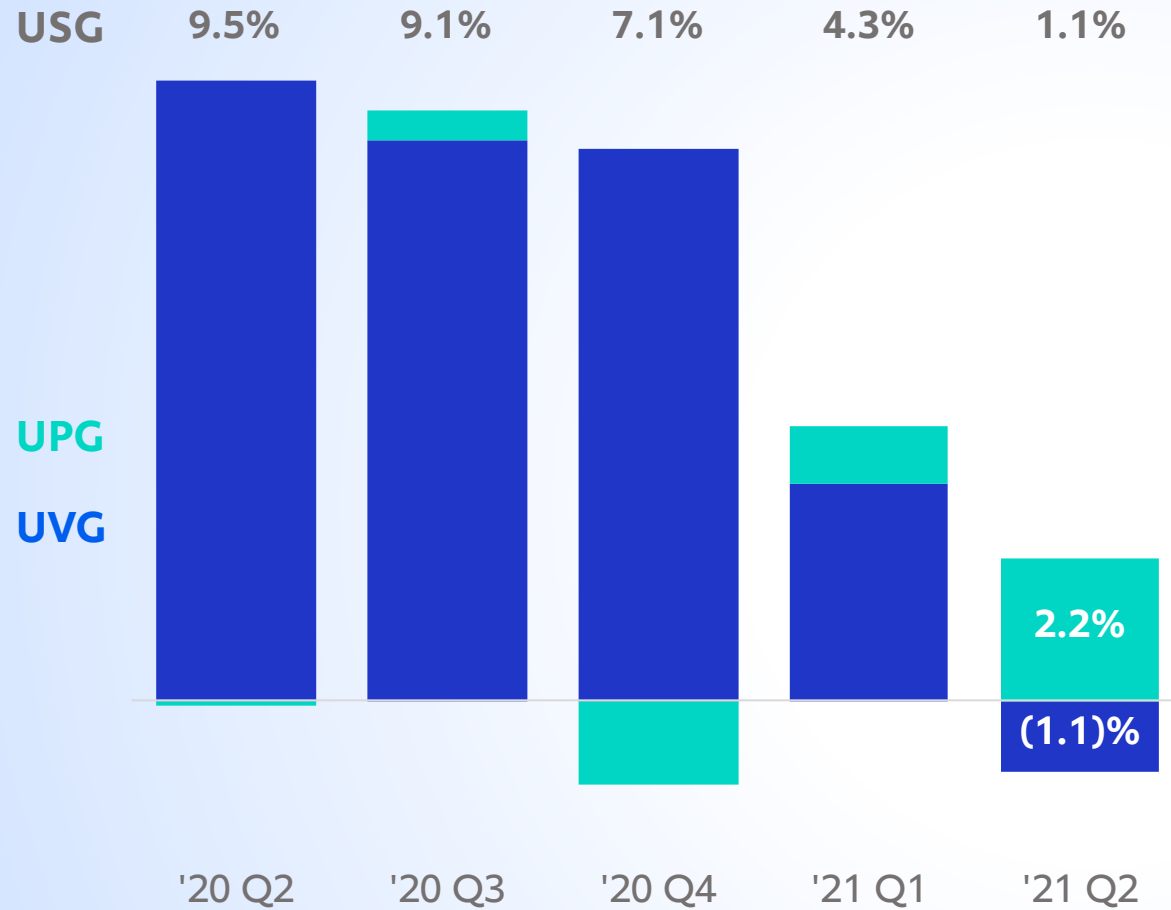
- Focus on operational excellence and our five strategic choices continues to drive competitive growth
- Pricing stepping up to offset commodity inflation headwinds. UPG of 2.2% in June
- Operating environment remains volatile



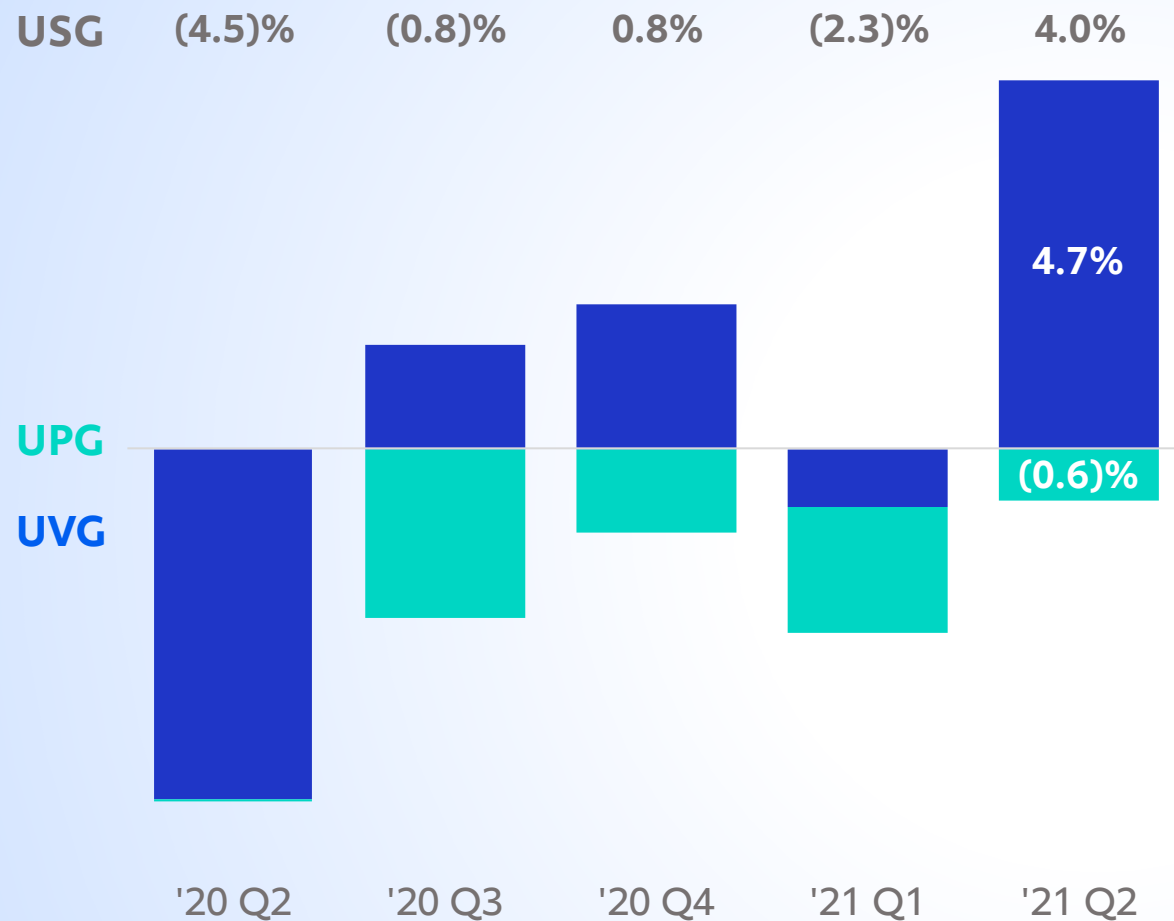
- **China:** continued strong consumer demand driven by online
- **India:** strong growth with lockdown impact less severe than last year
- **Turkey:** volume-led double digit growth across all divisions
- **SEA:** markets severely impacted



- Strong pricing action in response to high commodity inflation and currency devaluation
- **Brazil:** resilient growth during crisis
- **Mexico:** strong growth across all divisions
- **Colombia:** operations disrupted by civil unrest



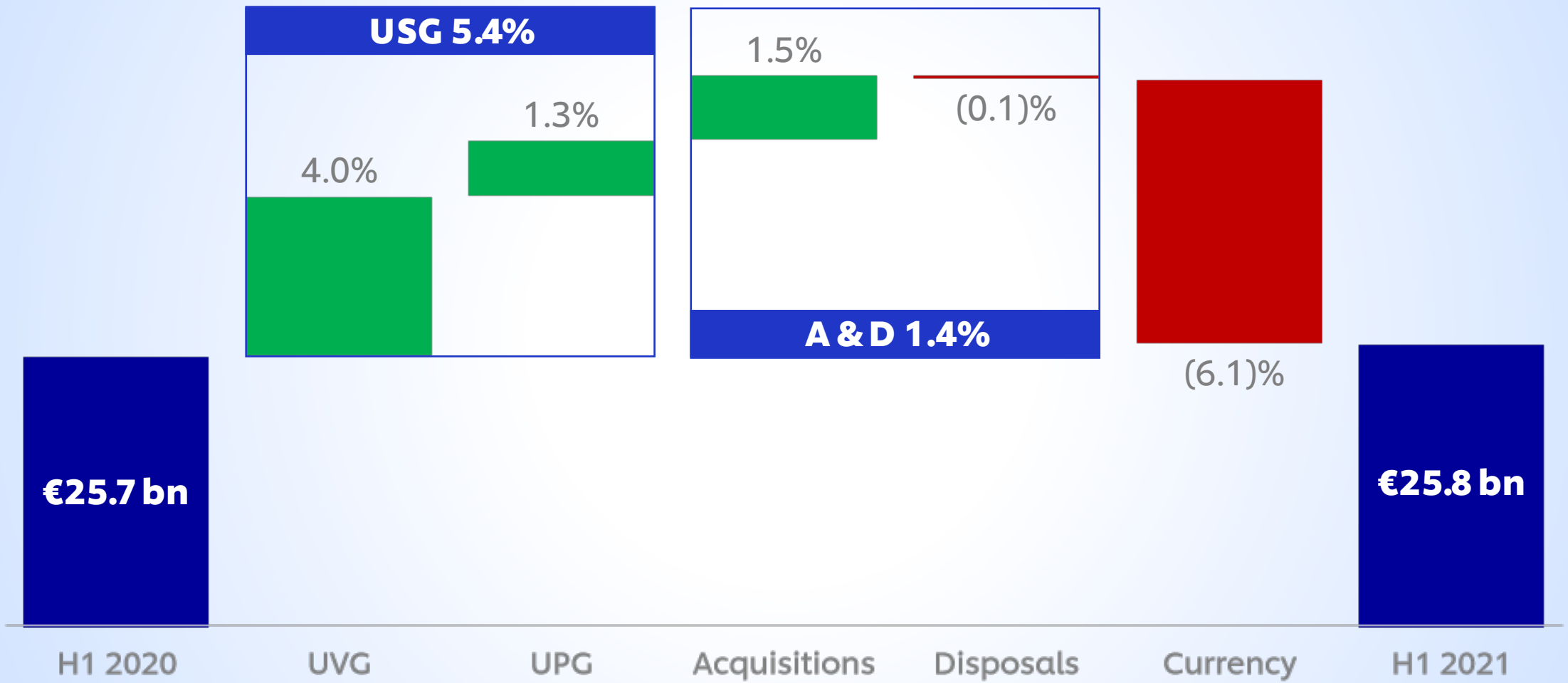
- Growth across all divisions despite lapping peak of surge demand
- Accelerating price growth with competitiveness improving
- In-home foods demand remains high. Growth impacted by prior year household stocking
- Strong contribution from Prestige and Food Solutions as channels recover



- Volume growth led by out of home ice cream in Q2
- Price declined whilst lapping lower promotional intensity
- **UK & Germany:** lapping spike in household stocking in Q2 2020
- **France:** deflationary retail environment
- **Italy & Netherlands:** strong growth

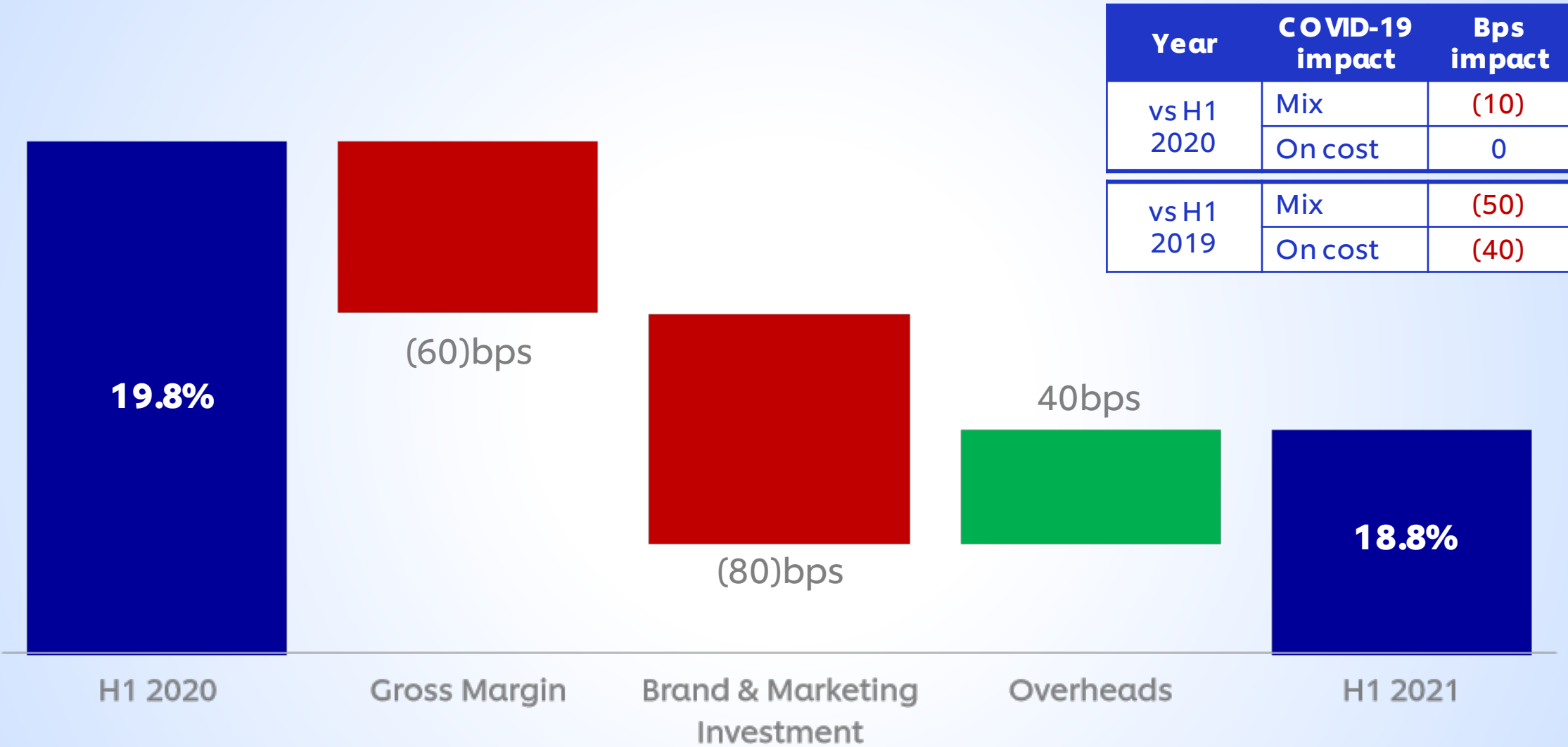


Turnover +0.3%

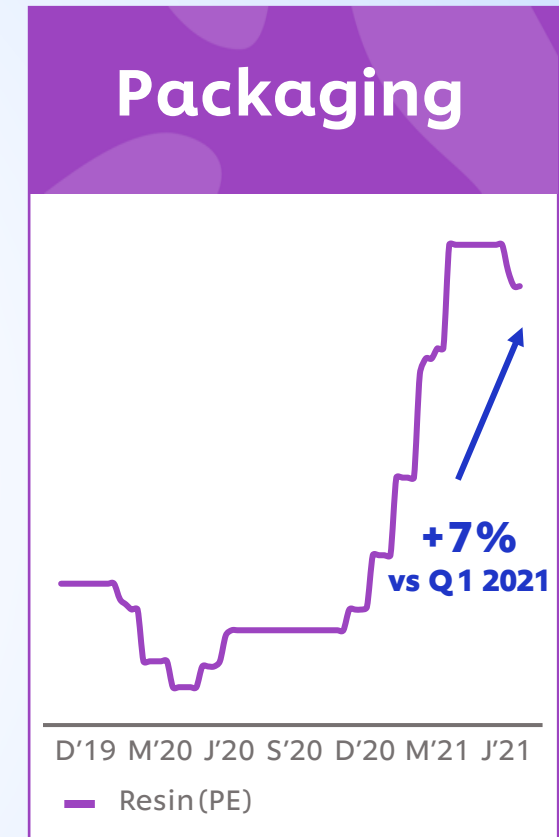
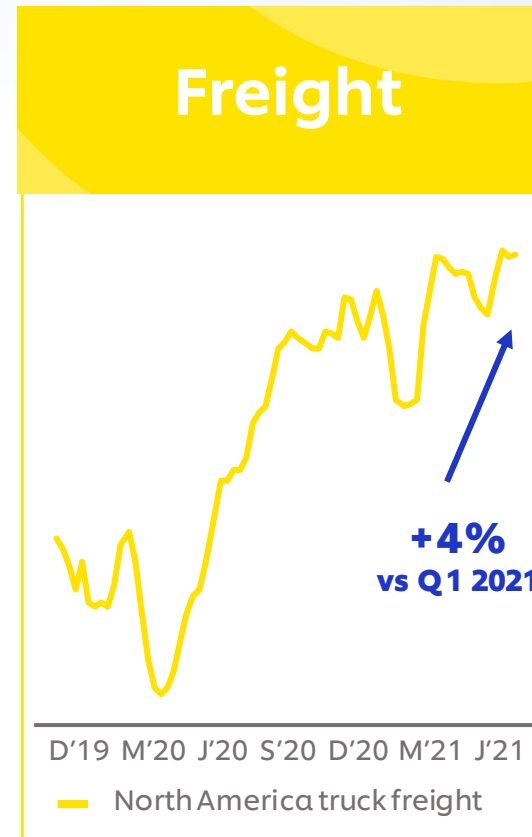
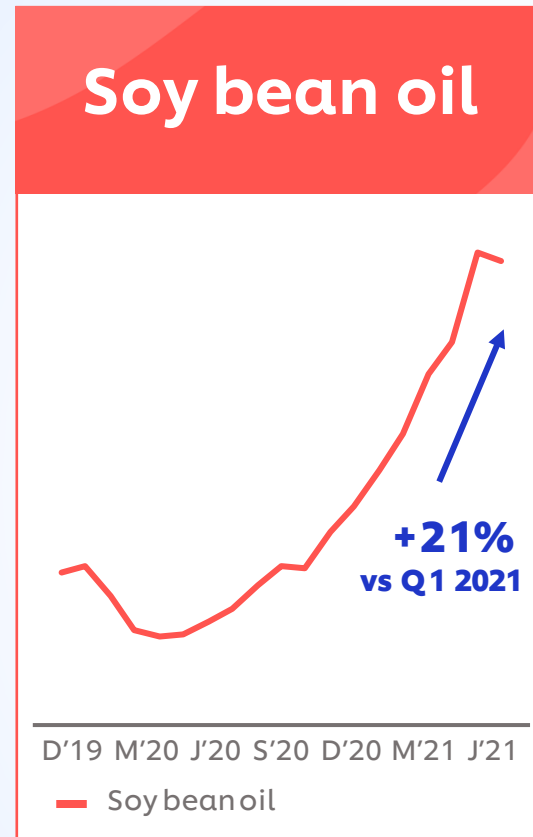
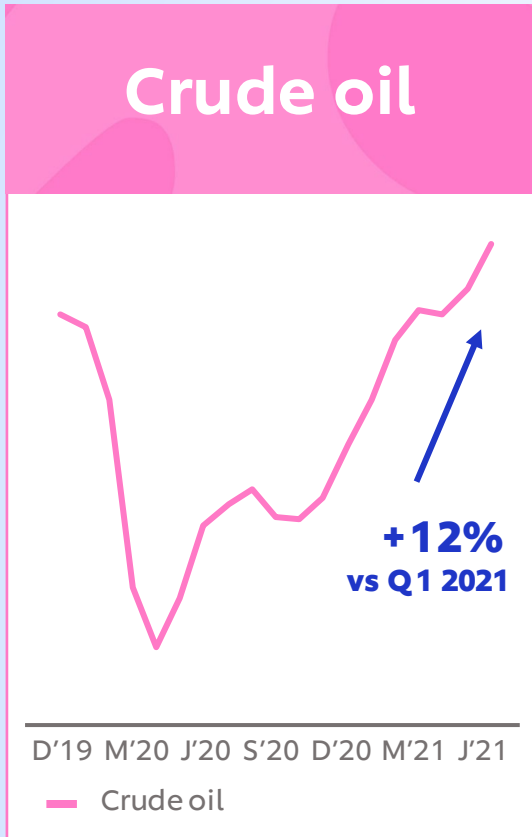




Underlying operating margin (100)bps

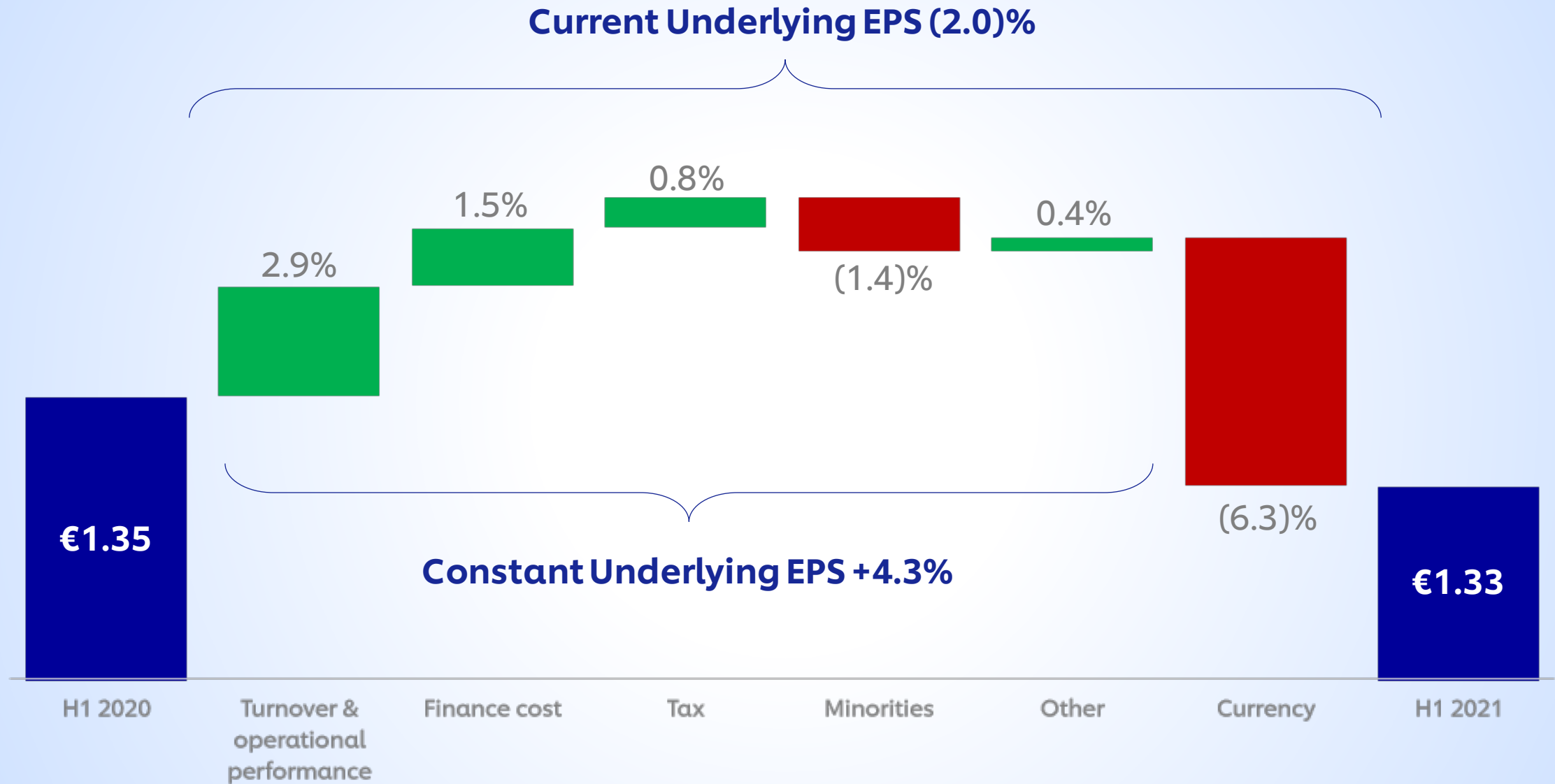


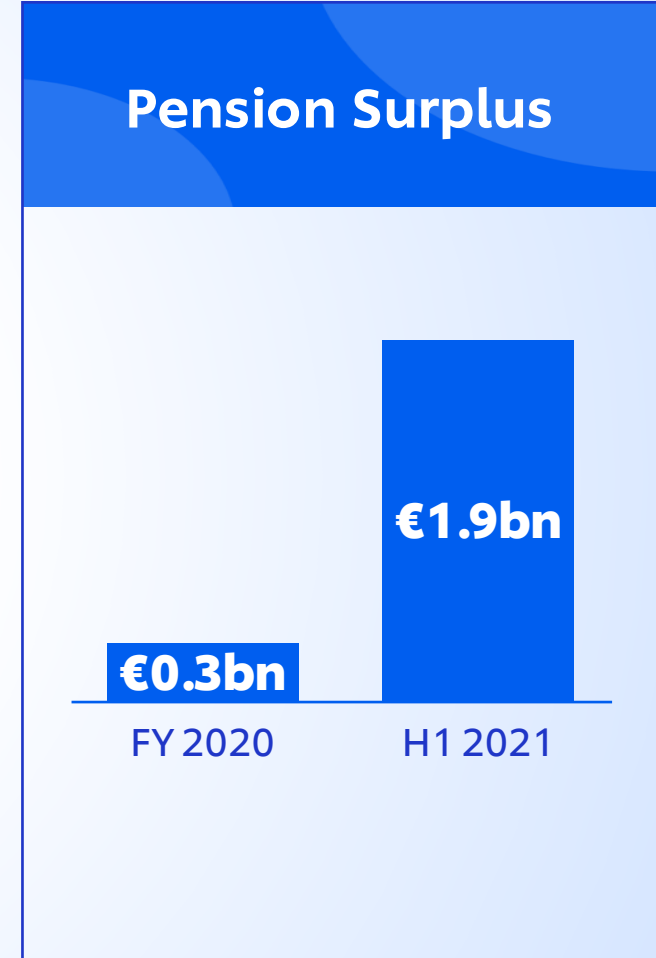
Even higher commodity inflation



H2 inflation high-teens expected

Underlying earnings per share





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Summary

Strong first half underpinned by **operational excellence**

Continued progress on **portfolio** evolution

Pricing stepping up

Cost inflation accelerating in second half

Outlook

Full year USG well within our 3-5% multi-year framework

Full year UOM around flat



Our vision

is to be the global leader in sustainable business. We will demonstrate how our purpose-led, future-fit business model drives superior performance, consistently delivering financial results in the top third of our industry.

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