

Unilever Trading Statement Q3 2017

Graeme Pitkethly / Andrew Stephen

October 19th 2017



Unilever®



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SAFE HARBOUR STATEMENT

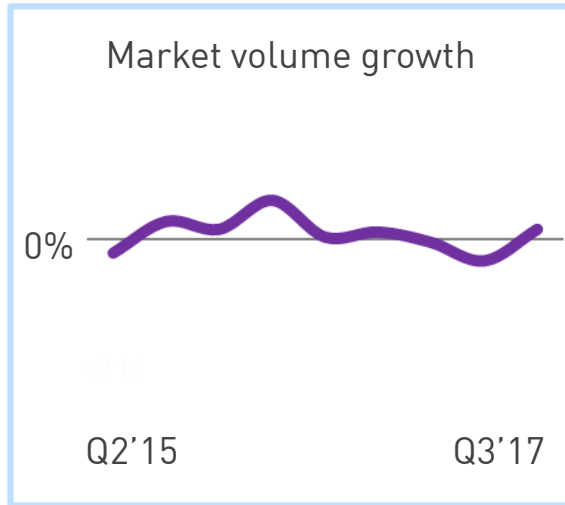
This announcement contains forward-looking statements, including 'forward-looking statements' within the meaning of the United States Private Securities Litigation Reform Act of 1995, including statements related to underlying sales growth, underlying operating margin. Words such as 'will', 'aim', 'expects', '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; the effect of climate change on Unilever's business; financial risks; failure to meet high and ethical standards; and managing regulatory, tax and legal matters.











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. 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 Annual Report on Form 20-F 2016 and the Unilever Annual Report and Accounts 2016.

Markets remain tough in the short-term

Market demand weak overall



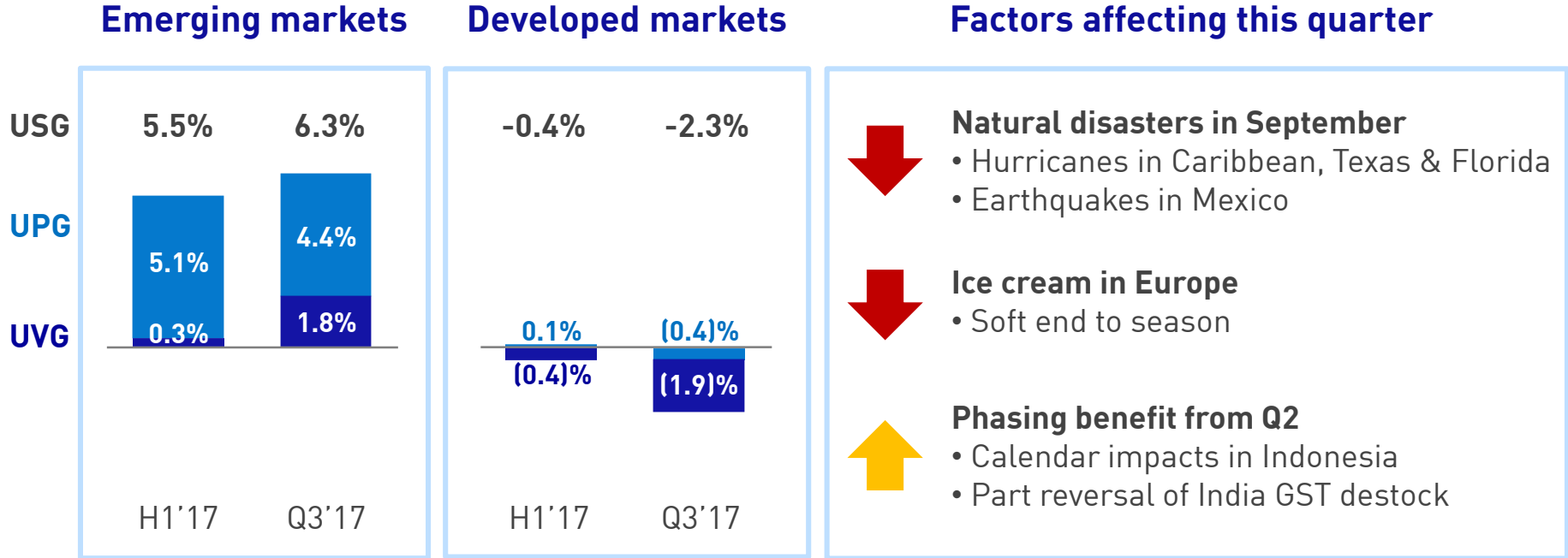
Some signs of improvement in EM

	India improving	
	China improving	
	Brazil flattening out	
	South Africa weaker	
	Indonesia weaker	

Plenty of growth opportunities

- Brands with strong purpose
- Innovation with new benefits
- Faster-growing segments
- New channels
- More data

Q3: USG +2.6% driven by Emerging Markets



Connected 4 Growth landing at just the right time

- ❑ Differentiated global innovation, scaled faster
- ❑ Landing more local innovations, with speed
- ❑ More channel innovation
- ❑ Shaping the portfolio towards higher growth segments

Focus: getting back to growing ahead of our markets

Benefits to be realised progressively in the coming quarters

C4G: Differentiated global innovation, scaled faster

Purpose-led



Differentiated technology



Rolling out faster to more markets



Now in 26 markets



Now in 20 markets



Now in 19 markets



Rolling out

C4G: Landing more local innovations, with speed

Omo naturals, China



Launched in 12 months

Lakmé, Indonesia



Whitespace launch

Lipton tea pot bags



Launched in 6 months

Brauner Bär



Brought back an icon

Cif outdoor range



Launched in 3 months

Knorr fresh meal kits



3rd party collaboration

C4G: More channel innovation

Health & Beauty

Neutral



Dove Face Care



E-commerce

KJU by Lux



Amazon bundles



Retail

St Ives skin bar



Grom



Direct to Consumer

Verve



Skinsei



M&A shaping the portfolio towards higher growth segments

18 acquisitions announced since 2015



Primarily in Personal Care



Consideration

€8.2bn



Prestige



Living proof.

Acquired turnover



Premium price brands in mass

G R O M
IL GELATO COME UNA VOLTA

€2.1bn



New channels



Like for like growth



Naturals

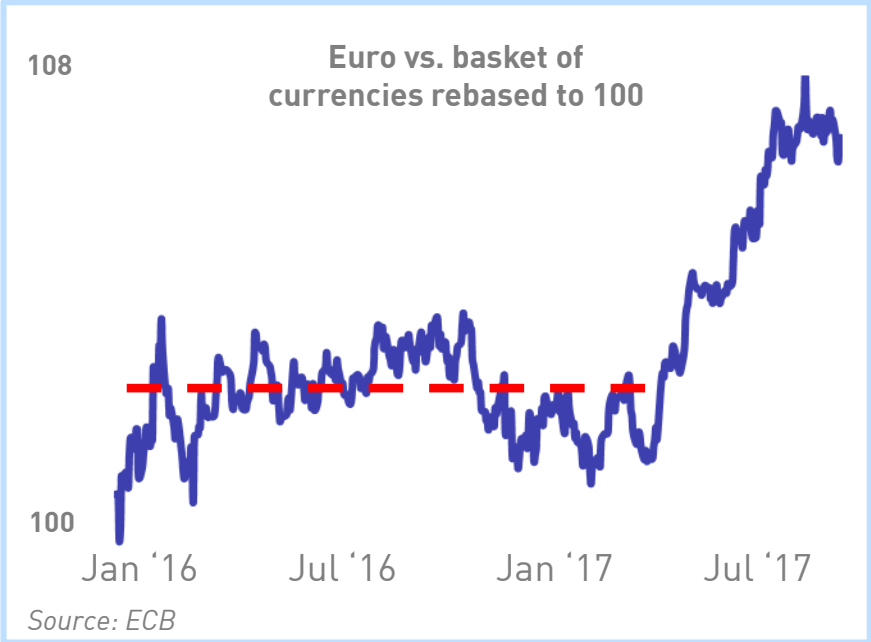
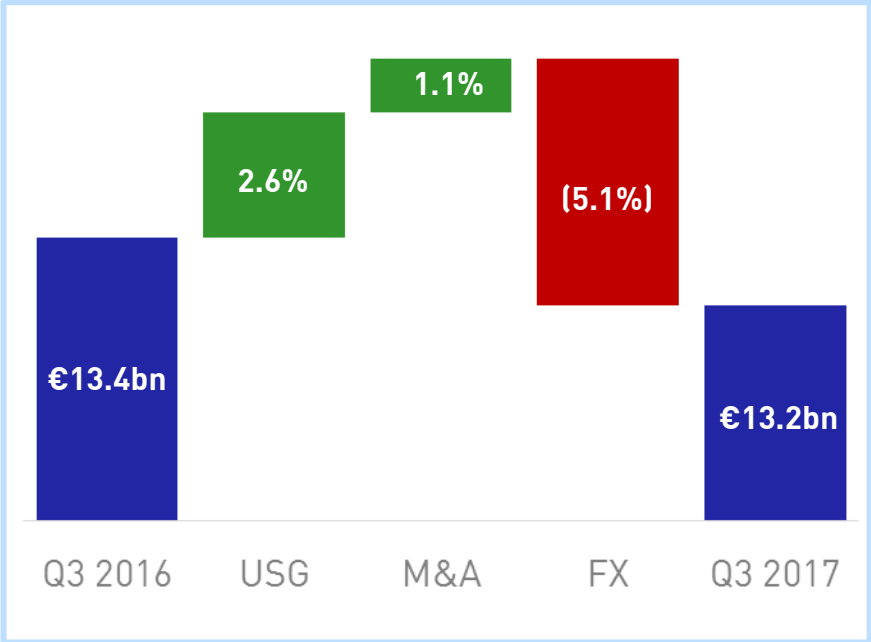


16%

2015-2017 Acquisitions & Disposals + Spreads will be around 1% accretive to USG

Note: most of the 1% accretion is not yet in USG but will increasingly contribute over the coming quarters

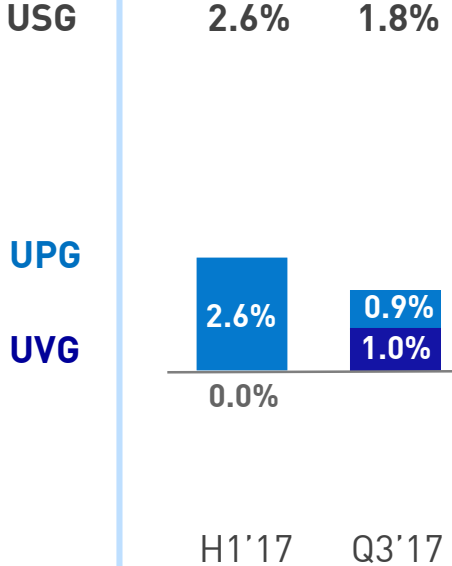
Q3: Turnover headwind from stronger euro



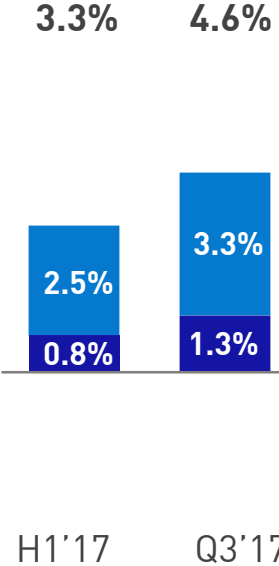
Most emerging market currencies stable or stronger vs. the USD

Q3 category performance

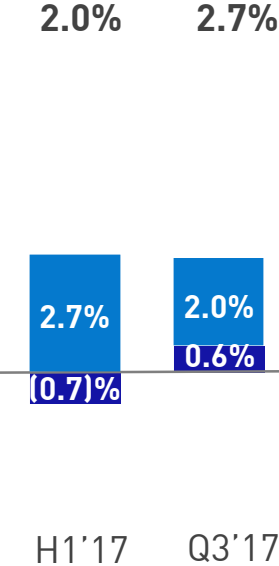
Personal Care



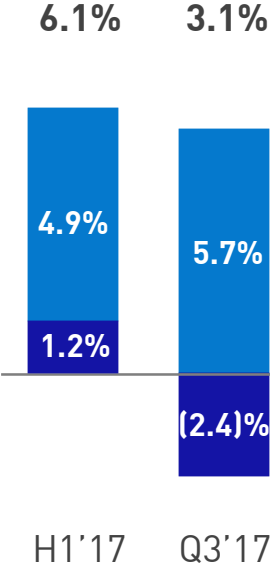
Home Care



Food (excl. Spreads)



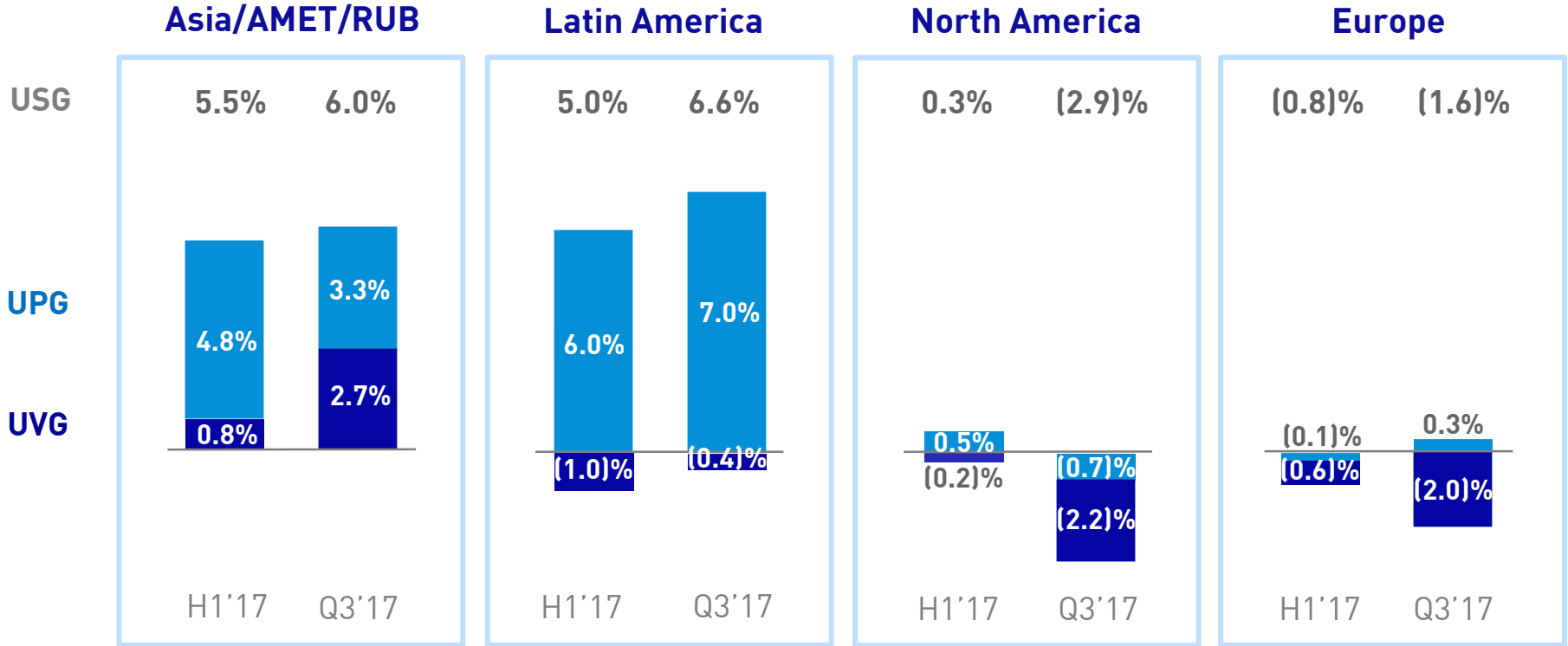
Refreshment



Spreads USG:

(3.7)% (2.0)%

Q3 regional performance



2017 full year outlook

- ❑ Underlying sales growth within the 3-5% range
- ❑ Underlying operating margin up at least 100bps
- ❑ Strong cash flow

Accelerating Connected 4 Growth: good progress

Simpler, faster organisation

- Country category business teams fully in place
- Foods & Refreshment integration on track

20% underlying operating margin

- Savings programmes ZBB and 5-S – faster than planned

Accelerated portfolio evolution

- Accelerated M&A – 9 acquisitions in the last 12 months
- Spreads sale or de-merger – on track
- Legal structure review – progressing well

Increased leverage & returns

- Share buy-back €4bn completed of €5bn programme
- Dividend raised by 12%

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