

# Unilever Investor Event

## Rohit Jawa, Head of Unilever Philippines

### Manila, 30<sup>th</sup> November 2015



# Philippines: The Country



100M

Population



23

Median Age  
(Youngest in SEA)



93%

Simple Literacy Rate



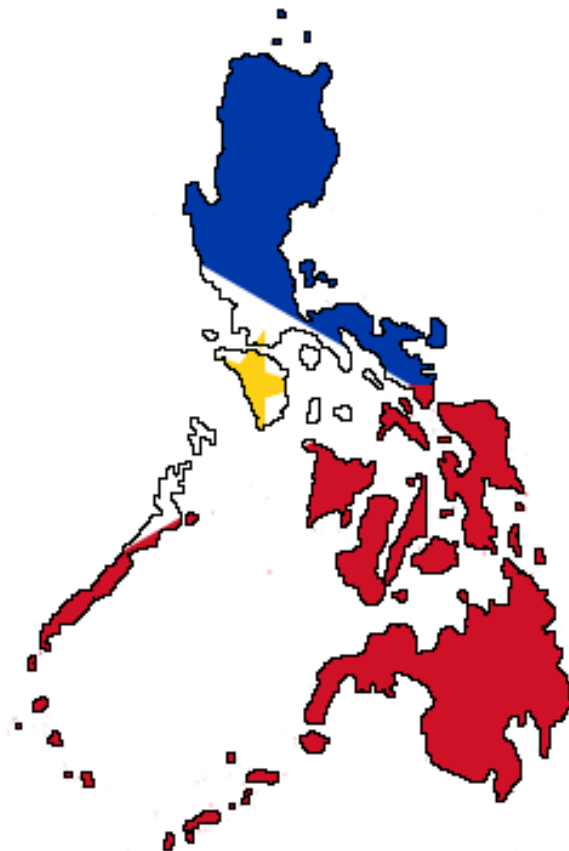
6.5%

Unemployment Rate



25%

Poverty Incidence



22%

Daily Wage Earners



2.4M

Overseas Filipino  
Workers (OFW)



1M

Outsourcing Employees



45%

Urban-dwellers



44 M

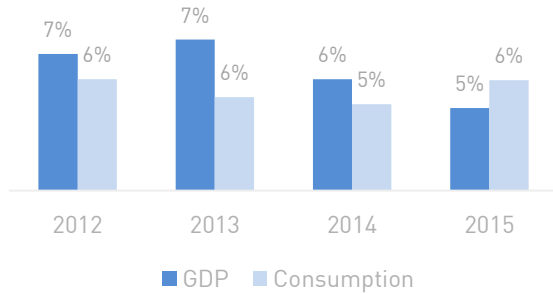
Active internet  
users inc. mobile



# Philippines: Strong Consumption Story



## Sustained GDP and Consumption Growth



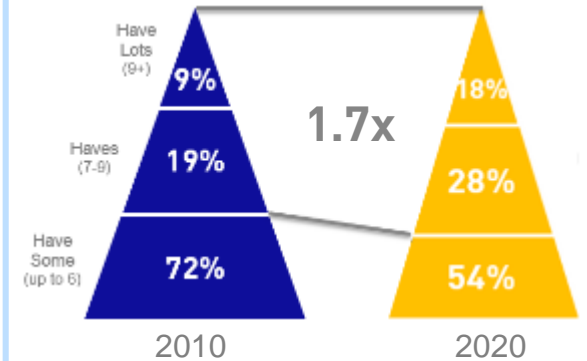
Source: Philippine Statistics Authority

## Strong Macroeconomic Fundamentals

- Low **Inflation**
- **Current Accounts** Surplus
- Relatively Stable **Forex**
- Decreasing **Debt** to GDP

Source: Central Bank of the Philippines

## Significant Market Development Opportunities



Source: Unilever Philippines Living Standard Measure

# Unilever in the Philippines: Positioned to Win

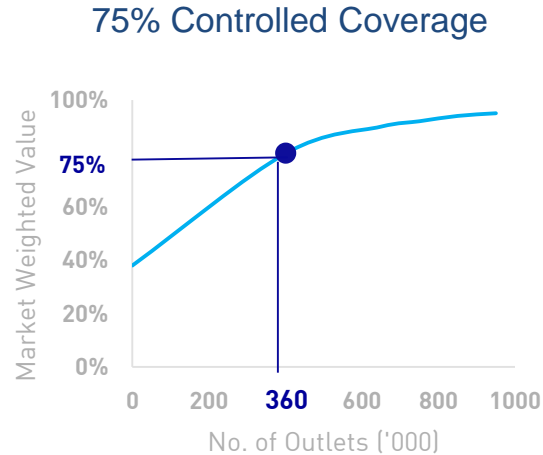


## Deep Local Roots



88 year heritage  
Established 1927

## Wide Distributive Reach



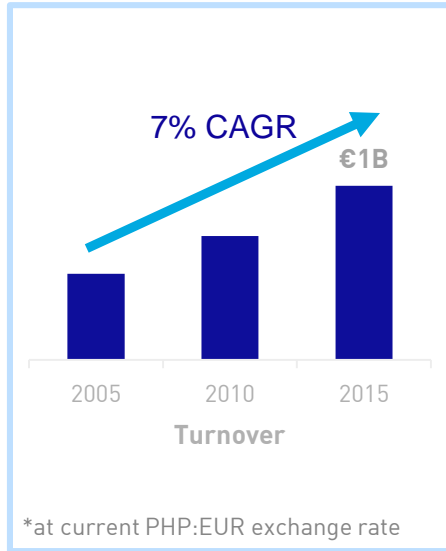
## #1 or #2 in 80% of Portfolio



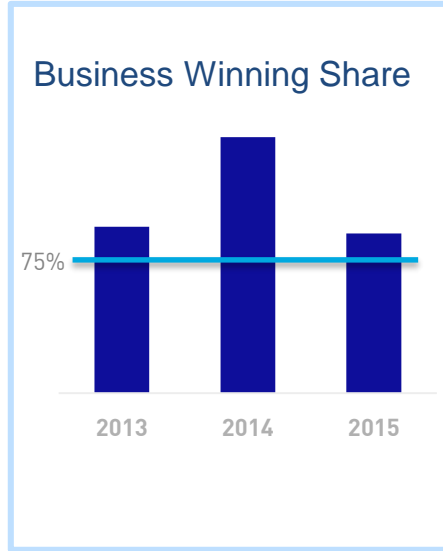
# Unilever Philippines: 4G Growth Model



## Consistent



## Competitive



## Profitable



## Sustainable

USLP embedded in our brands and operations

- IMPROVING HEALTH & WELL-BEING
- REDUCING ENVIRONMENTAL IMPACT
- ENHANCING LIVELIHOODS

# Unilever Philippines: Landing Global Category Choices



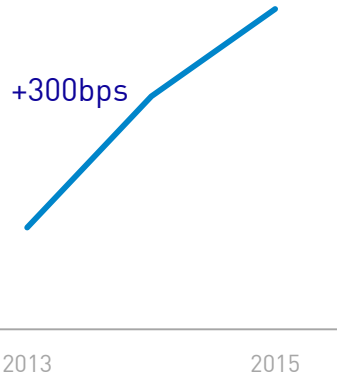
## Personal Care

## Home Care

## Foods

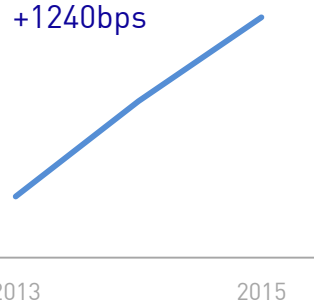
## Ice Cream

**Gross Margin  
helped by Premium PC**



Build Premium Mixes

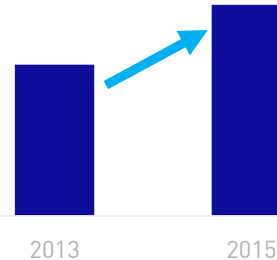
**FabClean  
Profit before Overheads**



Step-up Profitability

**Volume Growth**

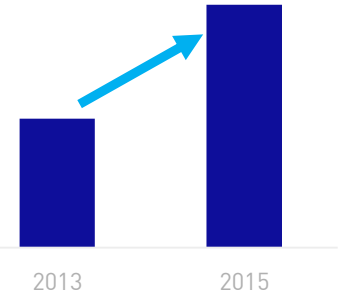
CAGR = 8.0%



Grow Volumes through  
Market Development

**Return on Invested Capital**

1.9x



Improve Capital  
Productivity

# Accelerating 4G growth in the Philippines



## UNILEVER COMPASS

### Winning with Brands & Innovation

Global Brands with Local Relevance



Play Good, Better, Best



Fill White Spaces



Step Up Digital



### Winning in the Marketplace

Drive Penetration Growth



More Stores, Better Stores, Better Served



Expand in New Geographies and Channels



### Winning through Continuous Improvement

Simplify with Project Half



More with Less



### Winning with People

Strong Talent Bench



Employer of Choice



Empowered Culture



## USLP FOR GROWTH

# Accelerating 4G growth in the Philippines



## UNILEVER COMPASS

**Winning with Brands & Innovation**

Global Brands with Local Relevance

The Herbalocal logo, which includes the words 'HERBAL' and 'LOCAL' in a stylized font with a leaf-like graphic.

Play Good, Better, Best

Three circular icons representing 'Good', 'Better', and 'Best'. 'Good' has a gold medal, 'Better' has a green plus sign, and 'Best' has a blue exclamation mark.

Fill White Spaces

A photograph of several glowing lightbulbs of different colors (blue, yellow, red) against a dark background, symbolizing innovation and filling gaps.

Step Up Digital

A grid of social media icons including YouTube, Twitter, LinkedIn, and Facebook, representing digital marketing and social media presence.



# Winning with Brands and Innovation

## Global Brands with Local Relevance



Sunsilk



#1 Shampoo Variant

Surf



#1 Fabric Cleaning SKU

Knorr



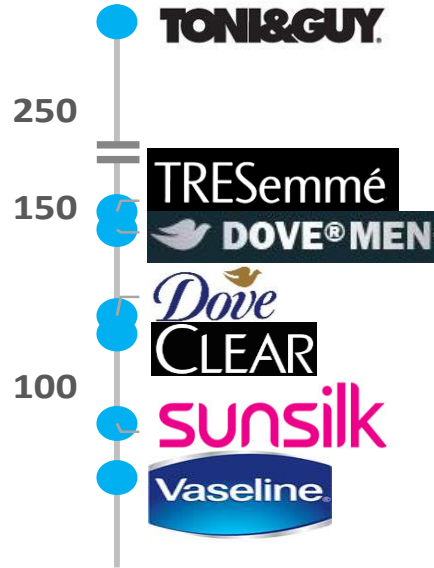
90% of Tamarind Dishes

# Winning with Brands and Innovation

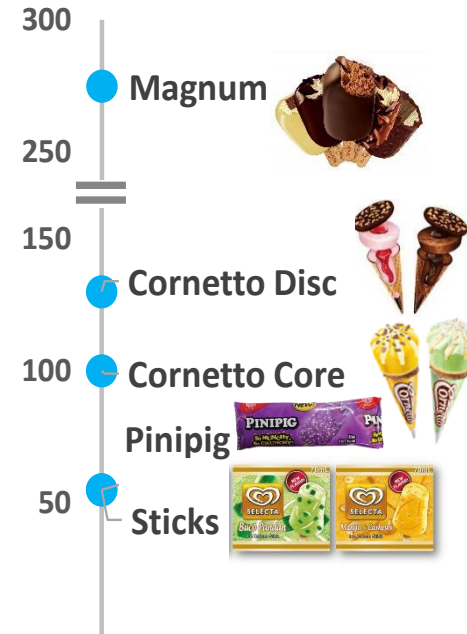
## Play Good, Better, Best



### Hair



### Ice Cream – Impulse



# Winning with Brands and Innovation

## Fill White Spaces



### Enter New Categories

#### Skin Cleansing



#### Dishwash



### Future Proof with Adjacencies

#### Post Wash



#### Male Grooming



#### Toilet Care

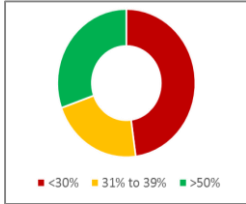


# Winning with Brands and Innovation

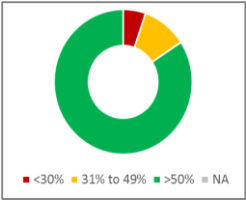
## Step up Digital



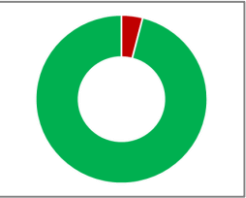
### Reach



More than half of brands with Reach >30%



70% Share of Impressions



96% of Assets Mobile-enabled

### Content



SKIN

MATTERS



THE PHILIPPINE GENTLEMAN'S GUIDE TO SUCCESS

MANIFESTO

STYLE WOMEN SPORTS TECH LIFESTYLE MONEY

### Data



PEOPLE DATA CENTRE

BRANDTONE

\* Based on Q3 2015 metrics

# Accelerating 4G growth in the Philippines



## UNILEVER COMPASS

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Global Brands with Local Relevance



Play Good, Better, Best



Fill White Spaces



Step Up Digital



Winning in the Marketplace

Drive Penetration Growth



More Stores, Better Stores, Better Served



Expand in New Geographies and Channels



# Winning in the Marketplace

## Drive Penetration Growth



### Core of the Core

Top 10% SKU = 50% Turnover



### More Users

93% of Core Brands growing in Penetration vs PY



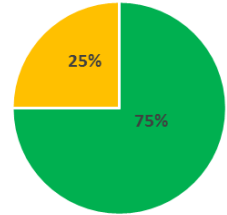
Double digit Core of Core growth

### Mental and Physical Availability



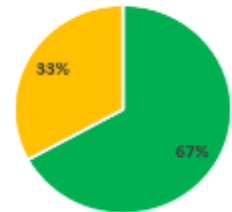
75% Brand Equity scores gaining

BE scores Q3 MAT



67% SKUs increased distribution

NIS in SSS >PY



*\*from Unilever Core brand tracking*

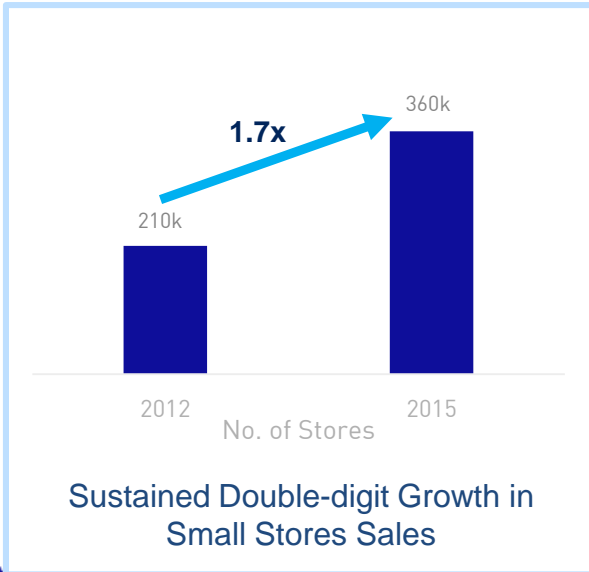
*NIS - Numeric In Stock  
SSS - Sari-Sari Stores (Mom & Pop Stores)*

# Winning in the Marketplace

## More Stores, Better Stores, Better Served



### Reach Expansion



### Market to Shopper

Knorr Meal Station

Dove Masterbrand

40% increase in Promoters investment

### Supported by Technology

OUTLET MAPPING

# Winning in the Marketplace

## Expand in New Geographies and Channels



### Outer Islands



Growth = 1.3x

### Drug & Dept Channel



Growth = 1.2x

### Proximity Channel



FamilyMart

Alfamart

LAWSON

Growth = 2.0x



# Accelerating 4G growth in the Philippines



## UNILEVER COMPASS

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Step Up Digital



**Winning in the Marketplace**

Drive Penetration Growth



More Stores, Better Stores, Better Served



Expand in New Geographies and Channels



**Winning through Continuous Improvement**

Simplify with Project Half



More with Less



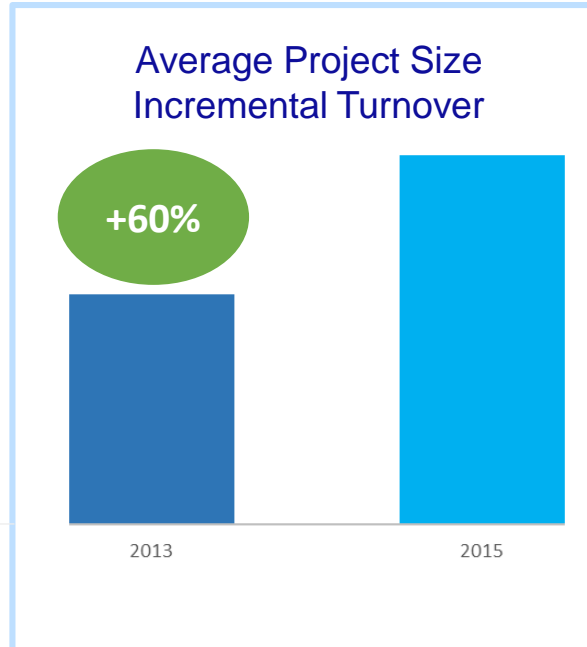
# Winning through Continuous Improvement Simplify with Project Half



## Fewer SKUs



## Fewer, Bigger Activations



## Leaner Organisation



# Winning through Continuous Improvement More with Less



## Supply Chain Cost

2012 to 2015

**5%**  
Materials cost  
savings p.a.

**+260bps**  
Non-materials  
cost  
improvement

## Return on Marketing Investment

**2x**

Marketing spend  
savings from 2013

## Driving Cash

2012

2015

**- 4  
days**

**- 31  
days**

Working Capital

# Accelerating 4G growth in the Philippines



## UNILEVER COMPASS

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Global Brands with Local Relevance



Play Good, Better, Best



Fill White Spaces



Step Up Digital



### Winning in the Marketplace

Drive Penetration Growth



More Stores, Better Stores, Better Served



Expand in New Geographies and Channels



### Winning through Continuous Improvement

Simplify with Project Half



More with Less



### Winning with People

Strong Talent Bench



Employer of Choice



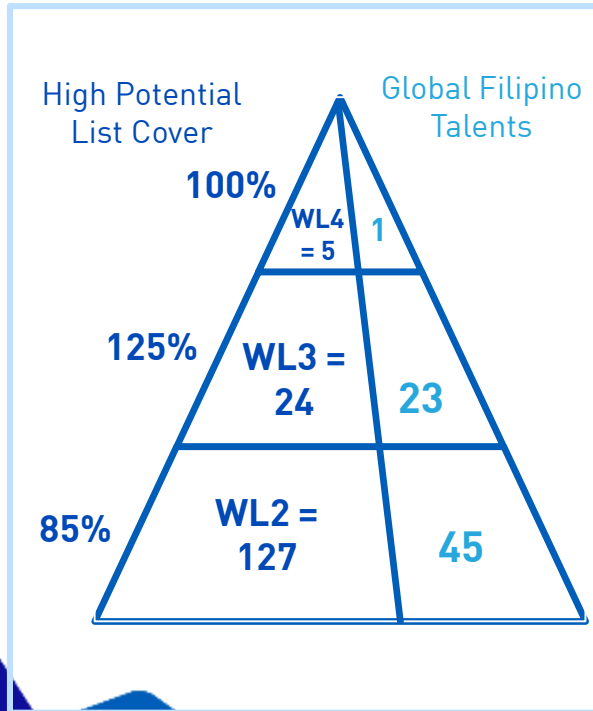
Empowered Culture



# Winning with People Build Talent



## Strong Talent Bench



## Employer of Choice

Unilever

**#FUTUREREADYLEADERS**  
BRIGHT FUTURE  
MADE BY YOU

Ranked in the Top 3  
in the past 3 years

## Empowered Culture

- Bias for Action 76% Score (Top Unilever Quartile)
- Strong Collaboration

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Empowered Culture



## USLP FOR GROWTH

# Sustainable Growth

## Doing Well and Doing Good



### Health and Well-being



12<sup>th</sup> Year  
600,000 kids nourished

### Environment

2010 to 2014 Reduction\*



\* from Manufacturing Operations

### Livelihood



1,500 door-to-door resellers  
500 Perfect Communities

# Unilever Philippines : Conclusion



## Sharper Category choices



## Compass

Winning with  
Brands &  
Innovation

Winning in the  
Marketplace

Winning through  
Continuous  
Improvement

Winning with  
People

- ▶ **Philippines: A Strong Consumption Story**
- ▶ **Unilever Philippines: Positioned to Win**
- ▶ **Clear Portfolio Choices**
- ▶ **4G Delivery – Consistent, Competitive, Profitable and Sustainable Growth**
- ▶ **Compass Growth Model to Win**

**Sustainable Living: More growth, Lower costs, Less risk, More trust**



## BUILDING GLOBAL BRANDS



## USLP IN ACTION WITH KNORR



## AGILITY & COST

