

# Deutsche Bank Global Consumer Conference 2021

Alan Jope & Sanjiv Mehta

7<sup>th</sup> June 2021



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.

**1**

**Unilever Overview**

**2**

**Portfolio: Prestige Beauty and Functional Nutrition**

**3**

**Markets: Digitalisation in India**

**4**

**Summary**



# Key facts

**€51bn**

turnover

**18.5%**

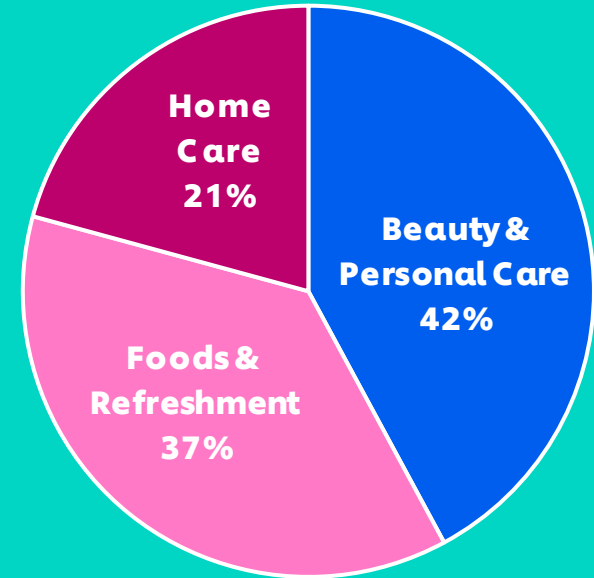
underlying operating margin

## Top 5 markets:

USA  
India  
Brazil  
China  
Indonesia



Unilever



**190**

countries

**€7.7bn**

free cash flow

## 14 of the top 50 global consumer brands



**60%**

sales in emerging markets

**Most effective marketer**

for 4 consecutive years

## Powerful portfolio of leading category and brand positions



**81%**  
brands #1 or #2 in their market

**50%**  
of turnover from 13 billion Euro brands

## Strong presence in growth markets of the future



**Leading positions**  
in top 10 future growth markets

**12**  
markets with >€1bn annual sales

## The global leader in sustainable business



**Top**  
of GlobeScan Sustainability Leaders survey for 10 years

**Leader**  
in Dow Jones Sustainability Index since 2014

## Operational excellence

Penetration

Innovation

Design for channel

Brand purpose

Fuel for growth

## Competitiveness

**57%**

% Business Winning MAT

## Q1 Growth

Underlying Sales Growth

**5.7%**

---

**4.7%**  
Underlying Volume Growth

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

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

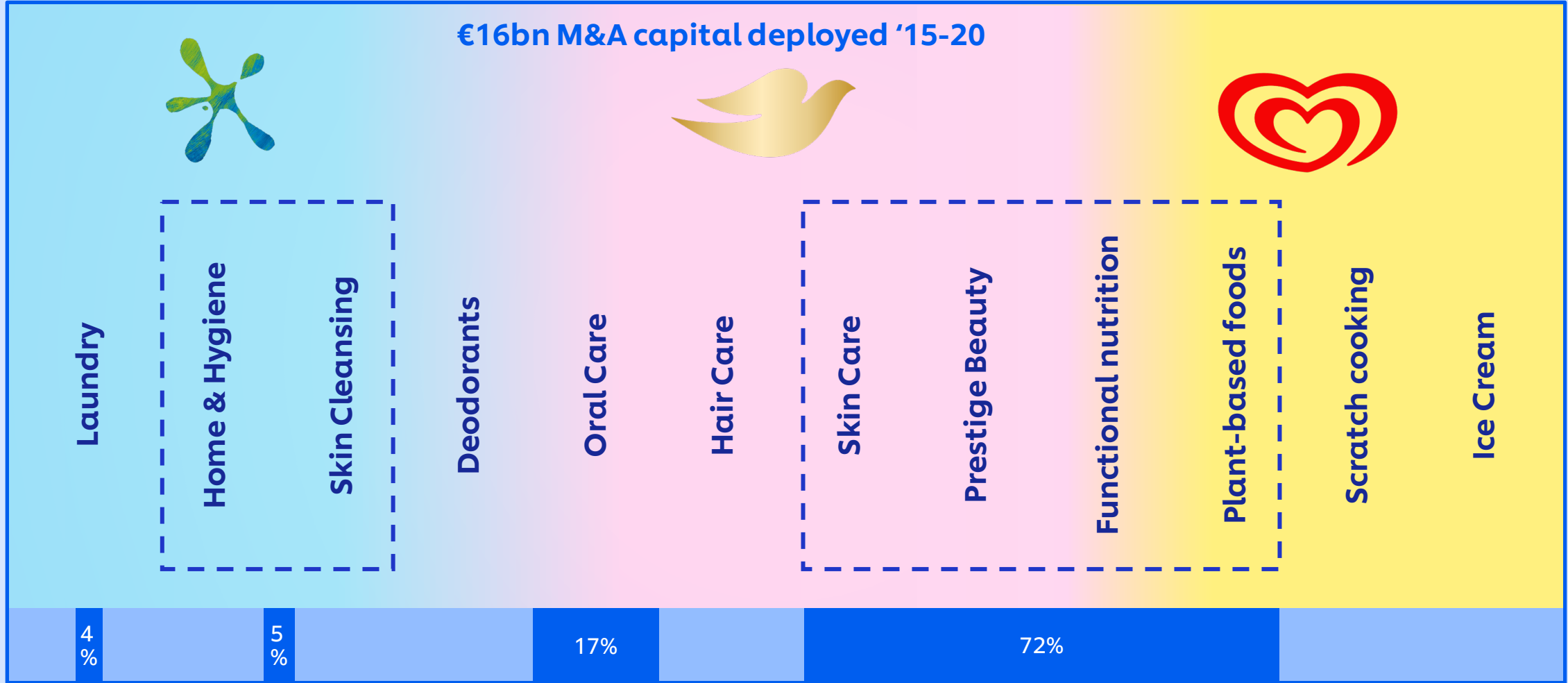
5. Build a purpose-led, future-fit organisation and growth culture



Operational Excellence



 Priority focus area





## Prestige Beauty

**\$156bn market, growing ~7%**



## Functional Nutrition

**VMS: \$140bn market, growing >7%**



Scale



High growth



Potential in growth countries



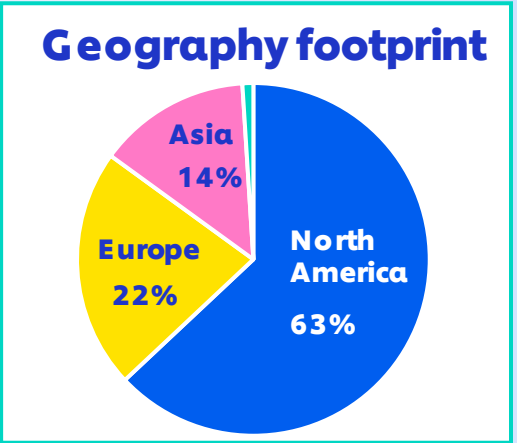
Route to leadership



Branding & technology sensitive



**+21%**  
Q1 USG



**>50%**  
%eCommerce



# 8 purpose led prestige beauty brands

## Dermalogica



2015

## Kate Somerville



2015

## Murad



2015

## REN



2015

## Living Proof



2017

## Hourglass



2017

## Garancia



2019

## Tatcha



2019

## String of pearls model



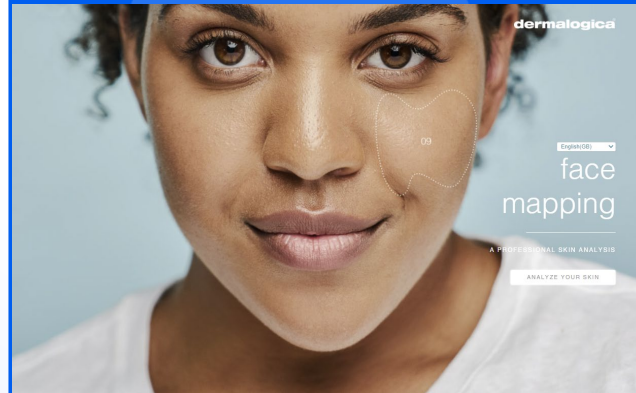
## Growth channels



## Purpose led



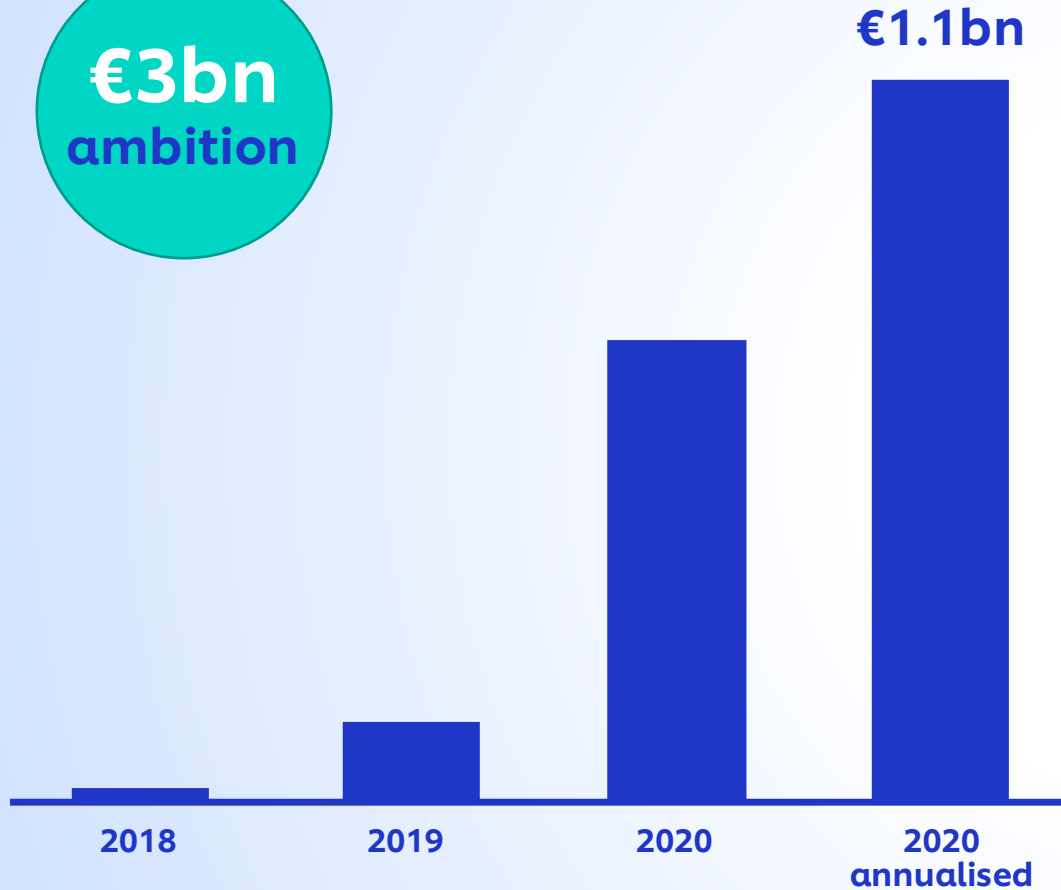
## Digital first



## Impactful innovation



**€3bn**  
ambition



**+54%**

Q1 USG

**SMARTYPANTS** 

**#1**

selling multivitamin  
on Amazon

**ONNIT**

**>80%**

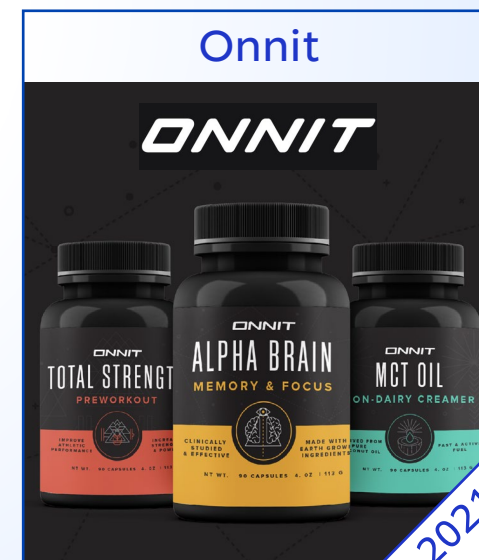
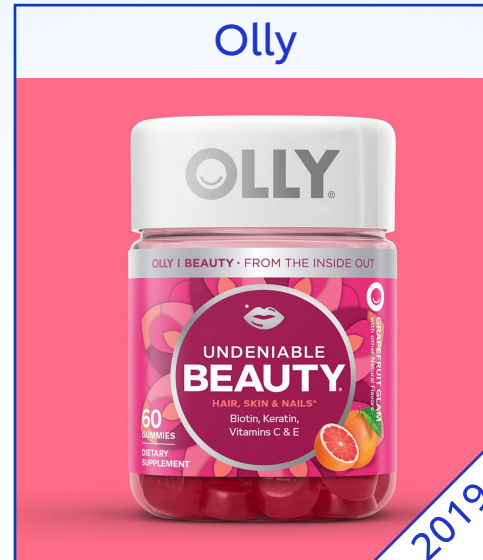
sales via eCommerce

**OLLY**

**#1**

VMS brands in Target

# 6 acquired Functional Nutrition brands since 2018



## Differentiated model



## Priority markets



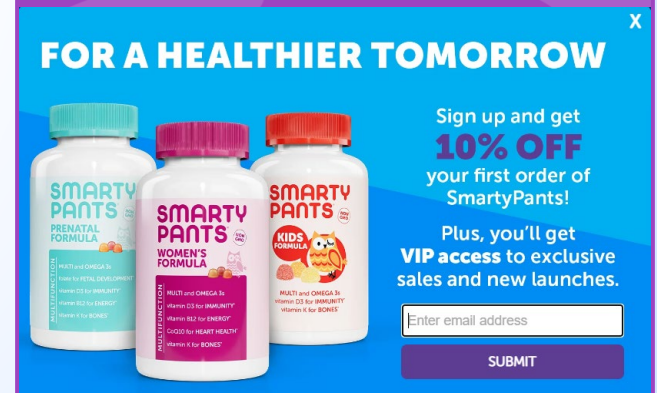
## Health & Wellbeing



## Channel shift



## Digital and DTC





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



# HUL: India's largest FMCG Company

India

**€5 bn**

Turnover

**+ €3 bn**

In last decade

**25%**

Operating margin

**+1000bps**

In last decade

**9 out of 10**

Households use one or more of our brands

**5<sup>th</sup> Largest**

Indian company by market capitalisation of

**€ 66 bn**

**c. 90%**

Of our business has category leadership



Hindustan Unilever Limited

Brands in

**8m+**

Stores



**Largest M&A**

in FMCG in India



**1 Employer of choice**

Across industries

**+2200bps**

Gender balance in last decade

**136k**

Shakti women micro entrepreneurs

**Plastic neutral**

By 2021

**>1.3 tn litres**

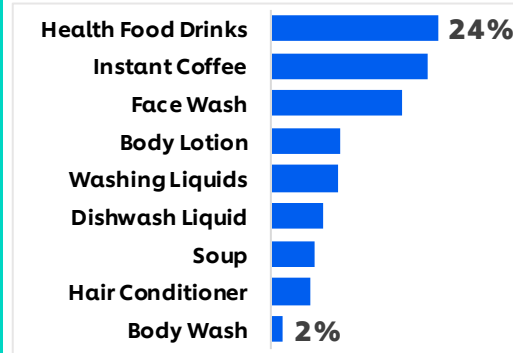
Water conservation potential created

## India is reforming

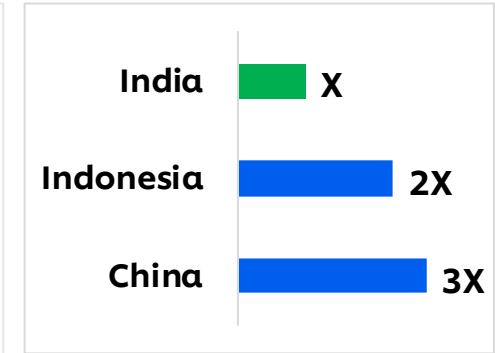


Ease of doing business rank improved  
**+79**

## FMCG has huge headroom to grow



Low category penetration



FMCG per capita consumption

## Demographics dividend

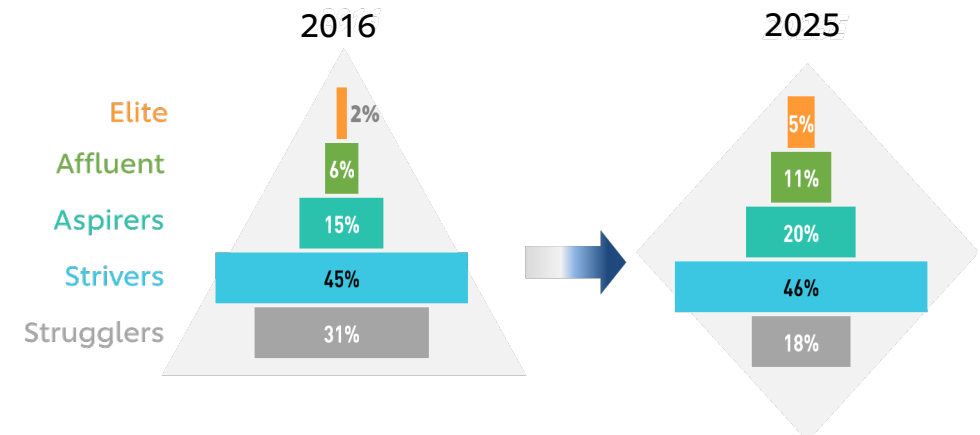
**1.05 bn** working class population

**1/3rd** are millennials

**80%** nuclear households by 2030



## Income pyramid moving towards a diamond



## Hair care

**CAGR 11%**

FY'10-11      FY20-21

**Relative Market Share 3X**

Only a **mother** makes her daughter stronger from the roots



## Portfolio transformation

**KERATIN SMOOTH HAIR SERUM**  
WITH CAMELLIA OIL

Hair Mask for damage repair

**Dove Intense Damage Repair HAIR MASK**

**Botanique**



## Fabric Wash

CAGR 11%



FY'10-11

FY20-21

Profitability  
8X

Relative  
Market Share  
2X



## Upgrading with new benefits

More benefits



Rising income

## Impactful Innovations



Get dazzling brightness  
in half the water.\*



Keep Shining



FIGHT GERMS  
WITH NATURE'S  
SUPERPOWER.

n+p  
nature  
protect  
SUPERCHARGED  
FORMULA WITH  
NEEM EXTRACT.



REMOVES STAINS  
IN FRONT OF YOUR EYES



## Tea



Secured market leadership in Tea



## Winning in many Indias'



Recognising Heterogeneity

Punjab & Karnataka

Same brand designed for different preferences



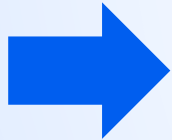
## Market Development



## Internet penetration



**2015**  
302 m

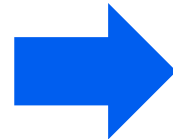


**2021**  
761m

## Cost of 1 GB data



**2015**  
US\$ 4

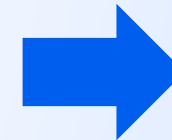


**2021**  
US\$ 10c

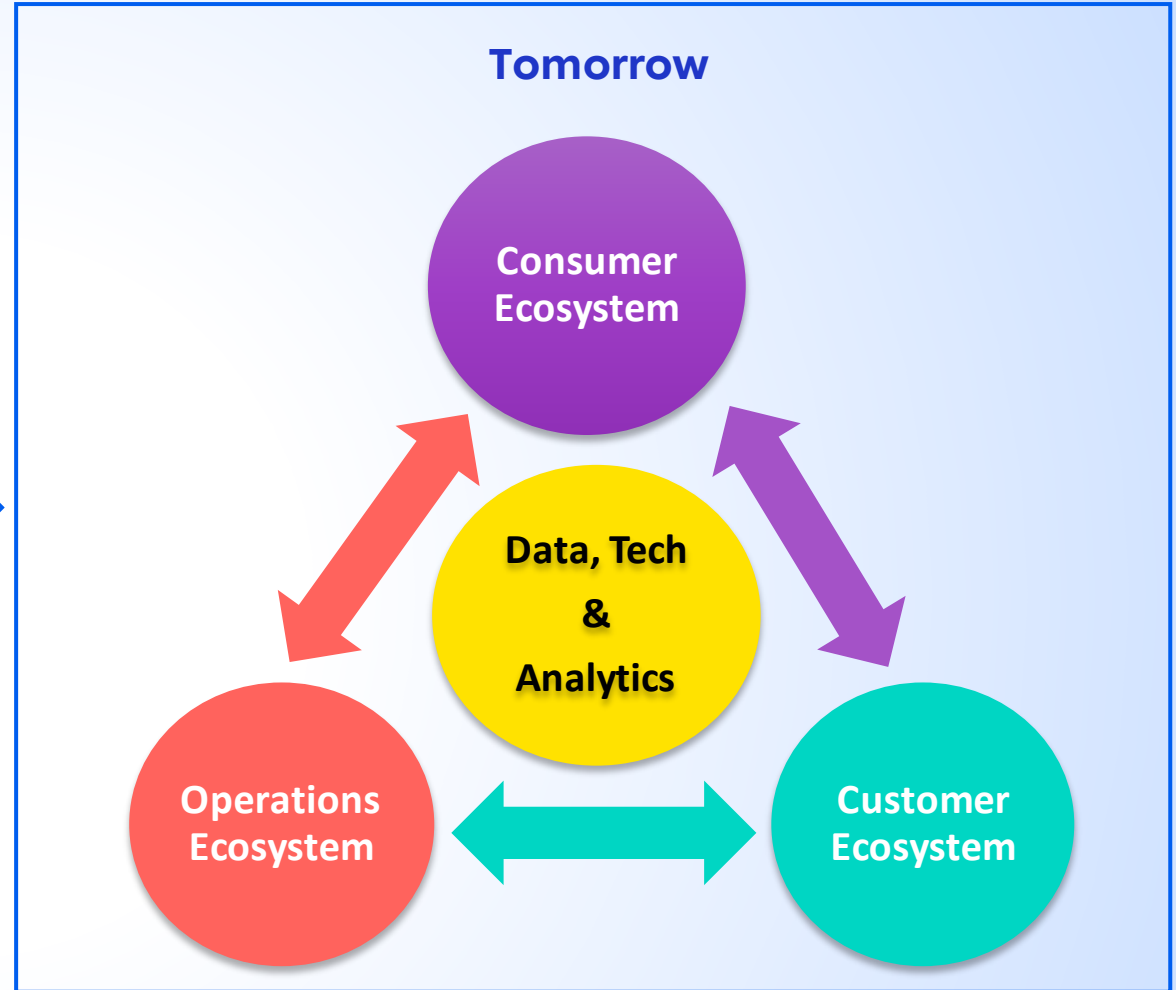
## Average monthly data consumption per user



**2015**  
0.8 GB

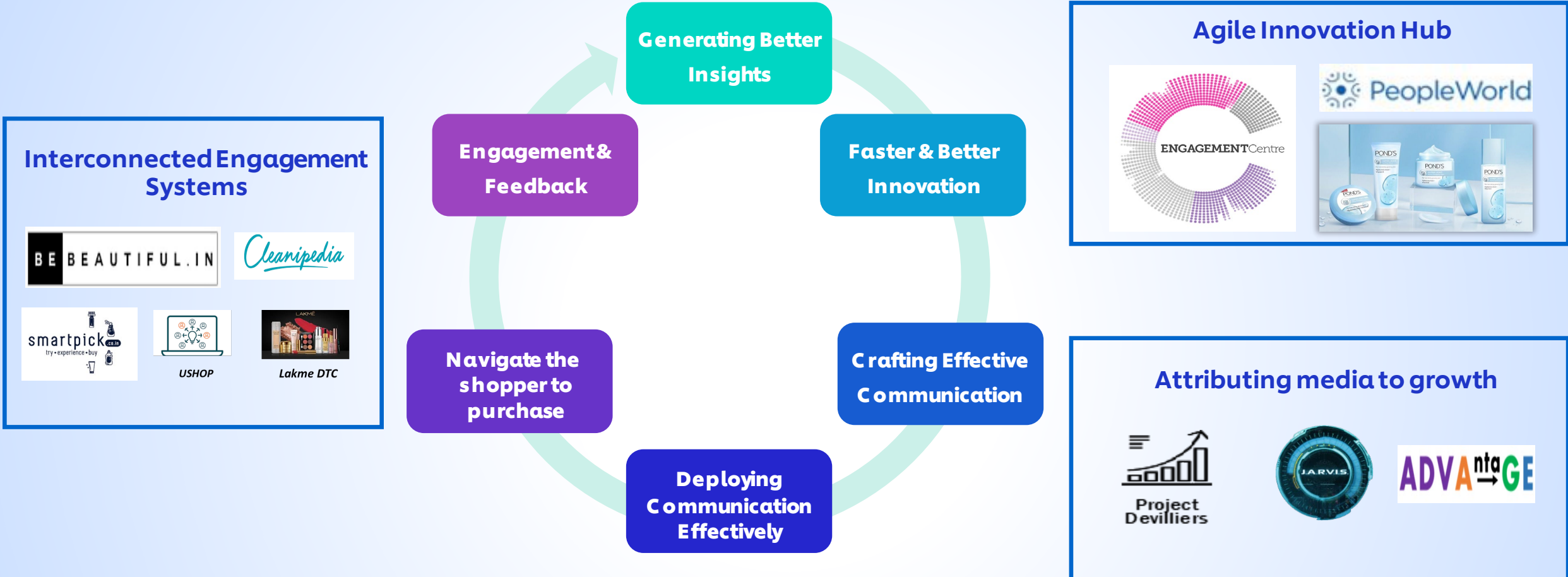


**2021**  
13 GB



**Transforming from linear value chain to non linear and interconnected ecosystems**





Consumer signal to launch in half the time



<b>Capability</b>	eComm, USHOP (DTC) & MyKirana (B2C)	Shikhar (eB2B ordering)	Digi Payment	Data & Analytics	Last mile Delivery
<b>Impact</b>	Ambition to double contribution	App based call & personalised recommendation	Retailer credit	Route optimisation, assortment recommendation	Next day delivery

> 500k Kiranas (traditional grocers) connected; 2 Year plan folded in 6 months

## Plan & Source

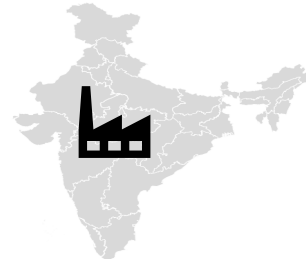


Artificial Intelligence led commodity and demand forecasting



Machine Learning powered intelligent planning for distributors

## Make



Manufacturing & distribution network transformation



Digitally enabled agile manufacturing

## Deliver & Service

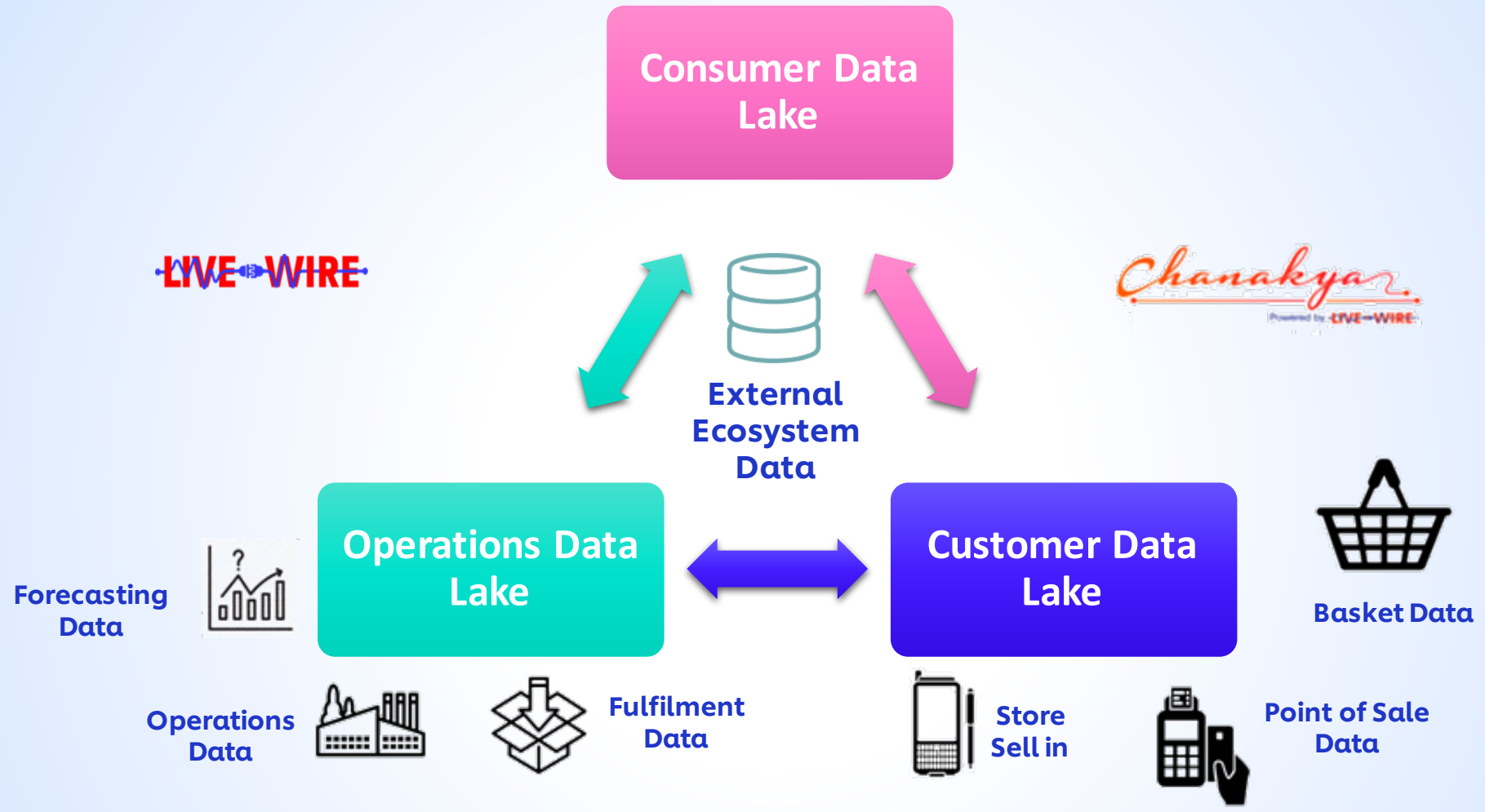


Automated storage & picking



Integrated routing & delivery

**Moving towards a Hi-Tech and Intelligent Supply Chain**



Augmenting decision making



Good start to the year through continued focus on operational excellence



Clear strategic choices



Portfolio evolution underway and new businesses building well



Driving competitive advantage through digitalisation

## 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.

# Deutsche Bank Global Consumer Conference 2021

Alan Jope & Sanjiv Mehta

7th June 2021

