

Unilever Half Year 2020 Results

Alan Jope & Graeme Pitkethly

23rd July 2020



Unilever

Safe harbour statement

This announcement 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 Annual Report on Form 20-F 2019 and the Unilever Annual Report and Accounts 2019.

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2020: Half year results

Growth

Underlying Sales Growth

(0.1)%

(0.3)%

Underlying Volume Growth

Profit

UOP

€5.1bn
+3.8%

+50bps

UOM

Cash

Free Cash Flow

€2.9bn

+€1.3bn

vs H1 2019

Earnings & Dividend

Underlying EPS

+6.4%

Dividend
maintained

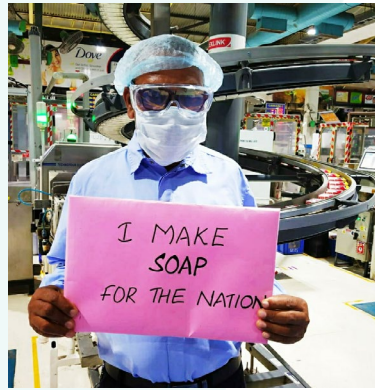
Quarterly Dividend

Managing our Covid-19 response

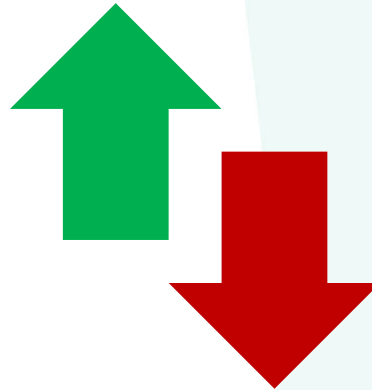
People



Supply



Demand



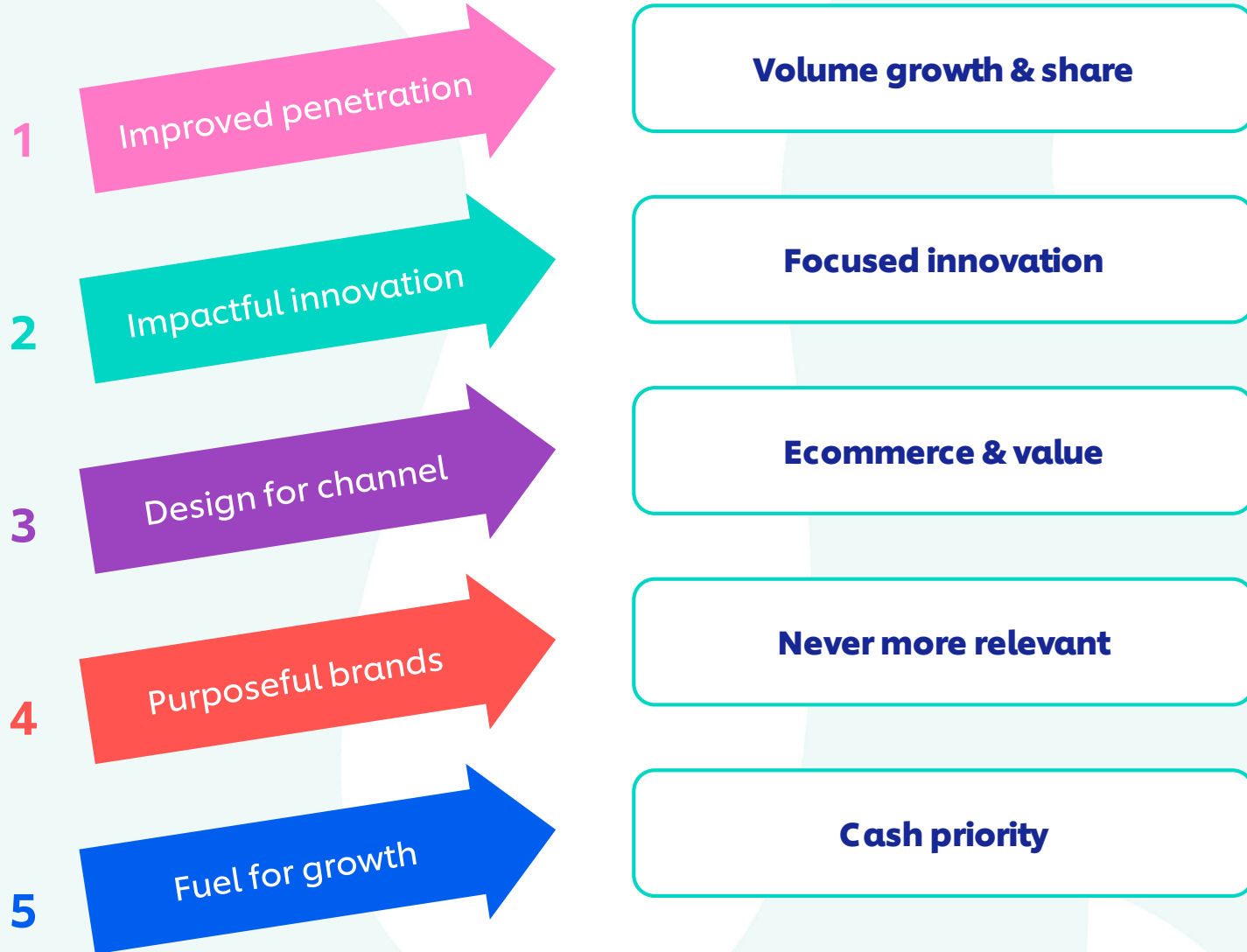
Community



Cash



Operational excellence through 5 fundamentals



Strategic change agenda

Legal simplification



Shaping the portfolio



Climate & nature commitments



€26bn
Turnover
H1 2020

Category portfolio



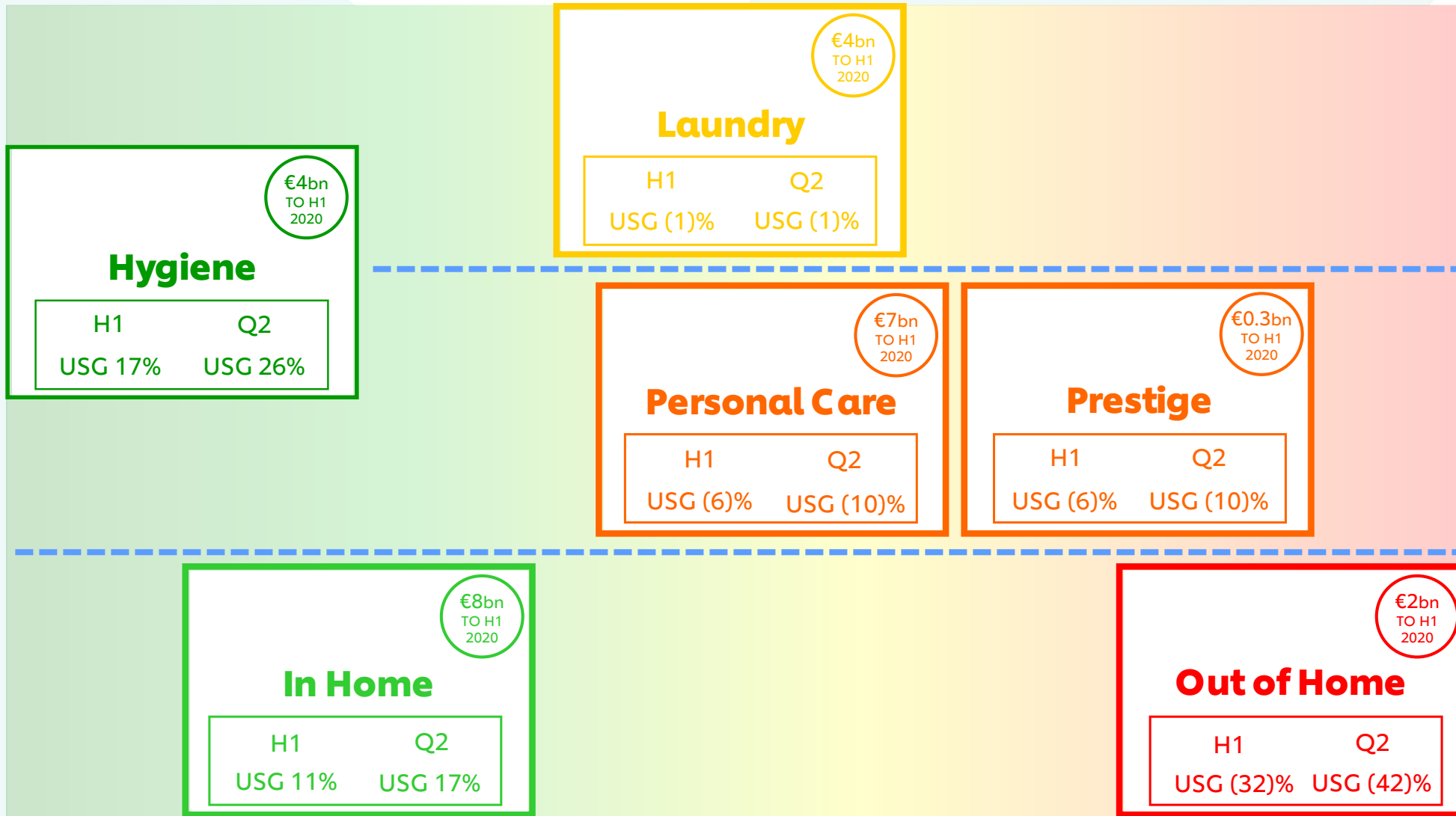
80%EM



60%EM



50%EM



Beauty & Personal Care



Skin Cleansing
+27% Q2 USG



Rest of BPC
(10)% Q2 USG



Prestige
(10)% Q2 USG

H1
USG

(0.3)%

H1
UVG

0.1%

Skin Cleansing

	Q2 USG%
Bars	+2%
Bodywash	+12%
Liquid Handwash	+155%
Sanitiser	>+20,000%
Total Skin Cleansing	+27%

Hair Care

	Q2 USG%
Wash & Care	(1)%
Styling	(32)%
Total Hair	(6)%

Foods & Refreshment



In Home
+17% Q2 USG



Out of Home
(42)% Q2 USG

H1
USG

(1.7)%

H1
UVG

(2.5)%

In Home

	Q2 USG%
Savoury, Dressings and Tea	+14%
Ice Cream	+26%

Out of Home

	Q2 USG%
Ice Cream	(35)%
UFS	(56)%

Home Care



Home & Hygiene
+24% Q2 USG



Laundry
(1)% Q2 USG







H1
USG

3.2%

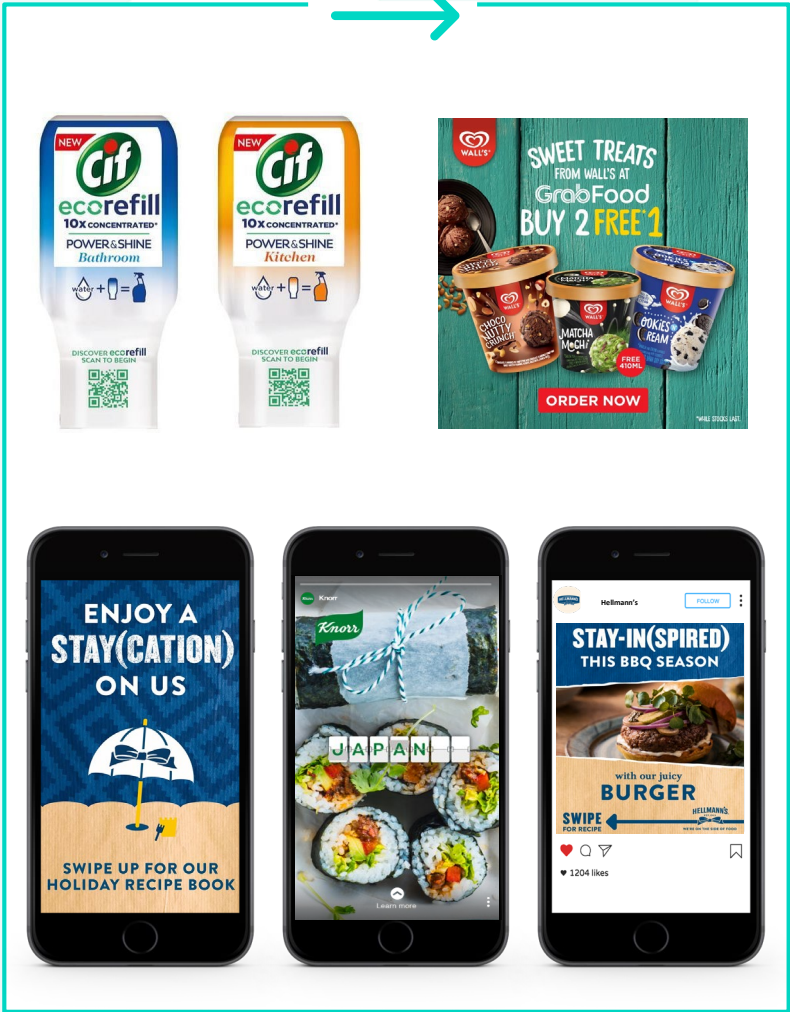
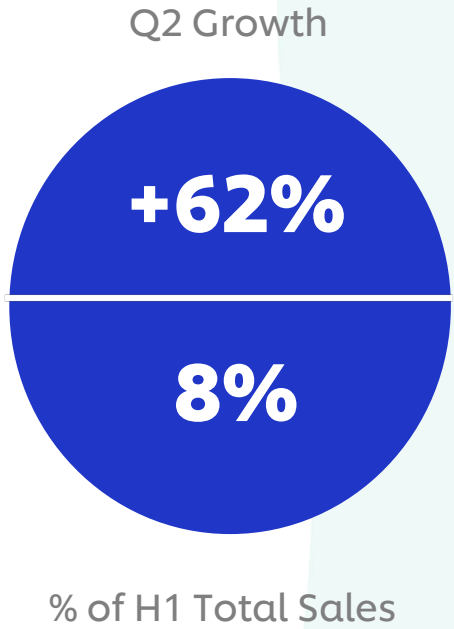
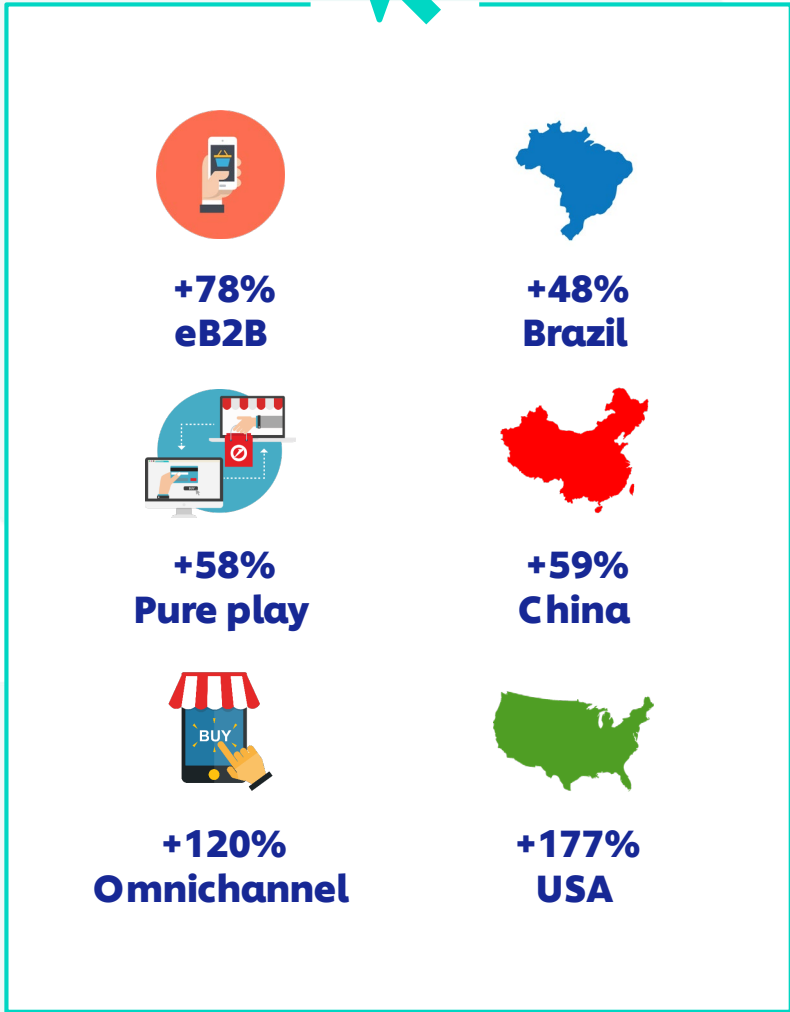
H1
UVG

2.9%

Home & Hygiene

		Q2 USG%
Sunlight		+5%
Cif		+20%
Domestos		+37%
Sun		+32%
Living Hygiene		+87%
Seventh Generation		+54%

eCommerce



Graeme Pitkethly

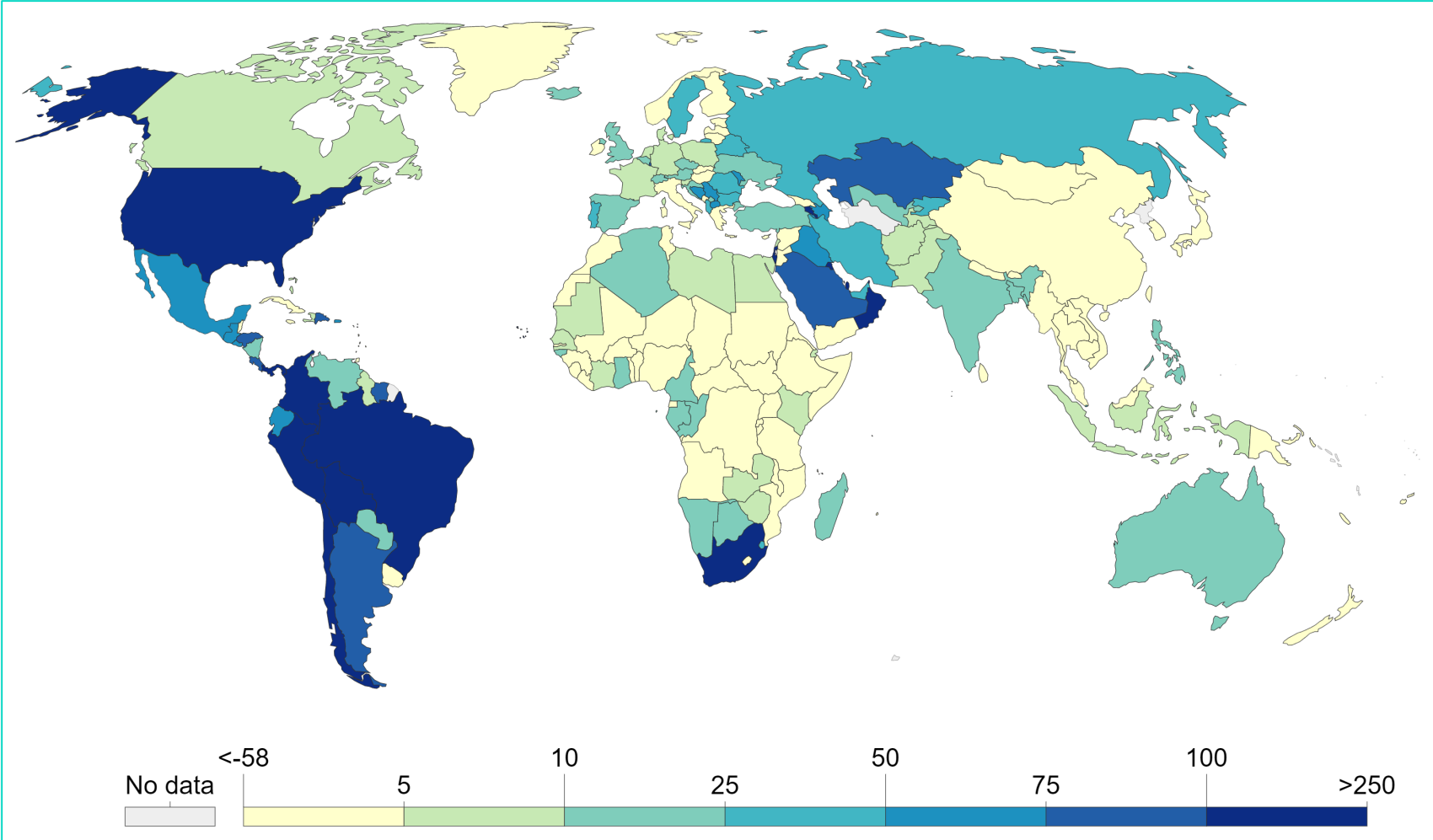
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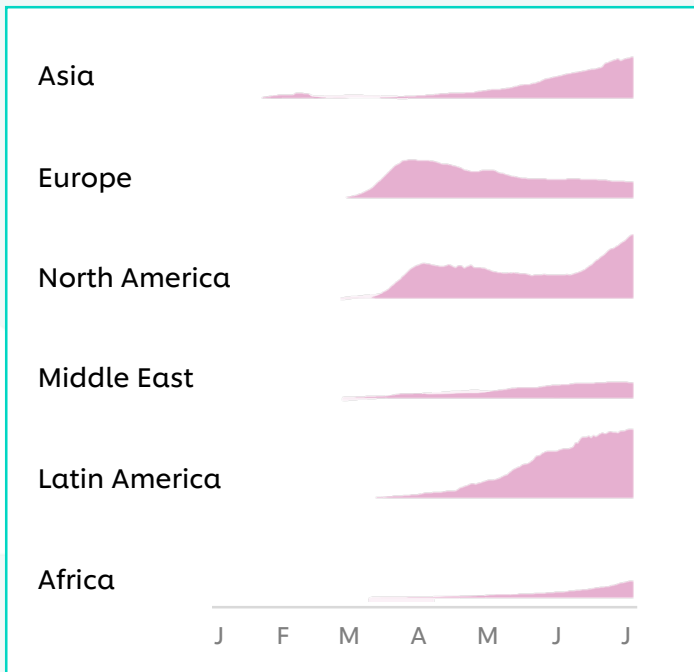
A global pandemic



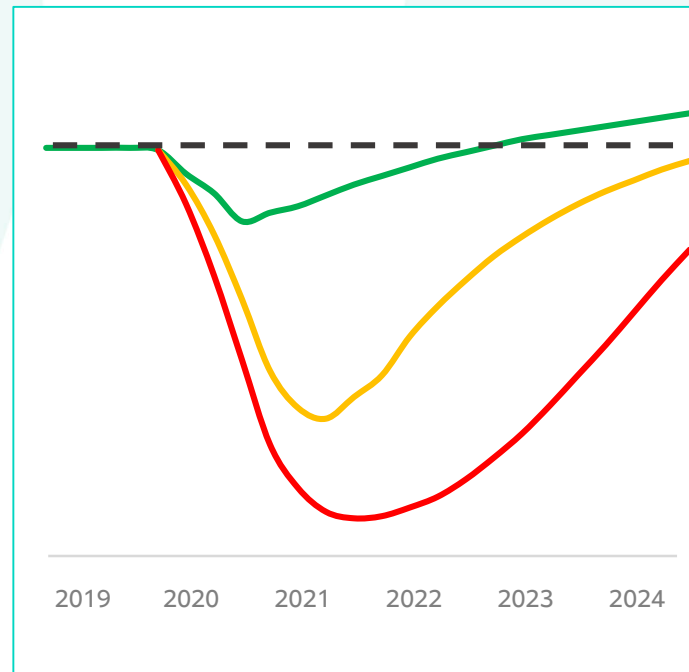
Map depicts the daily confirmed COVID-19 cases per million, 3-day rolling average, 17th July 2020

Macro uncertainty

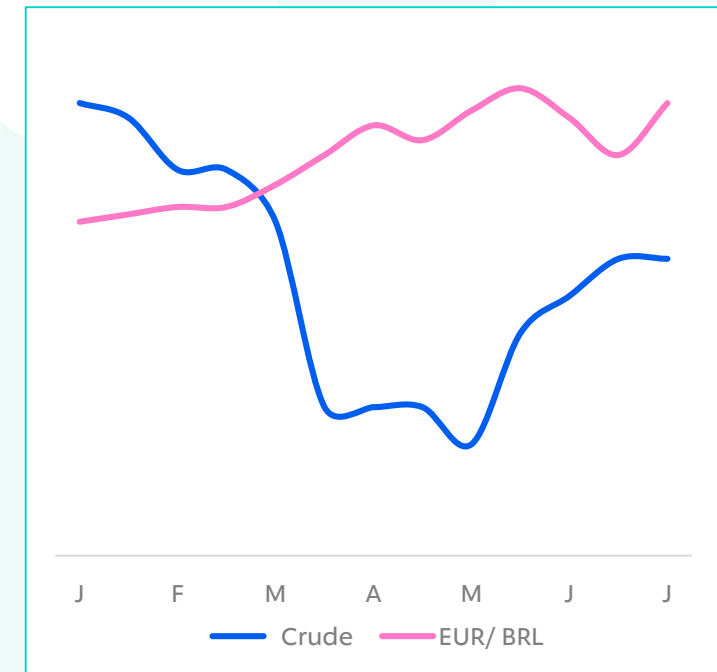
Rising COVID-19 cases



Wide range of economic outlooks



Volatile currencies and commodities



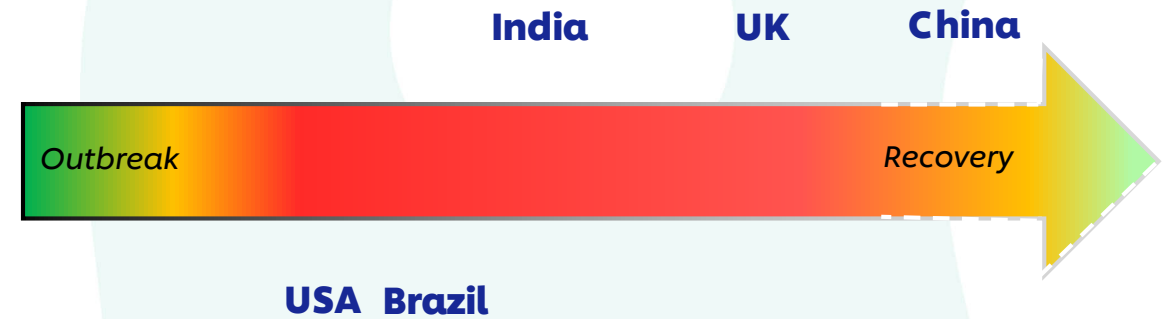
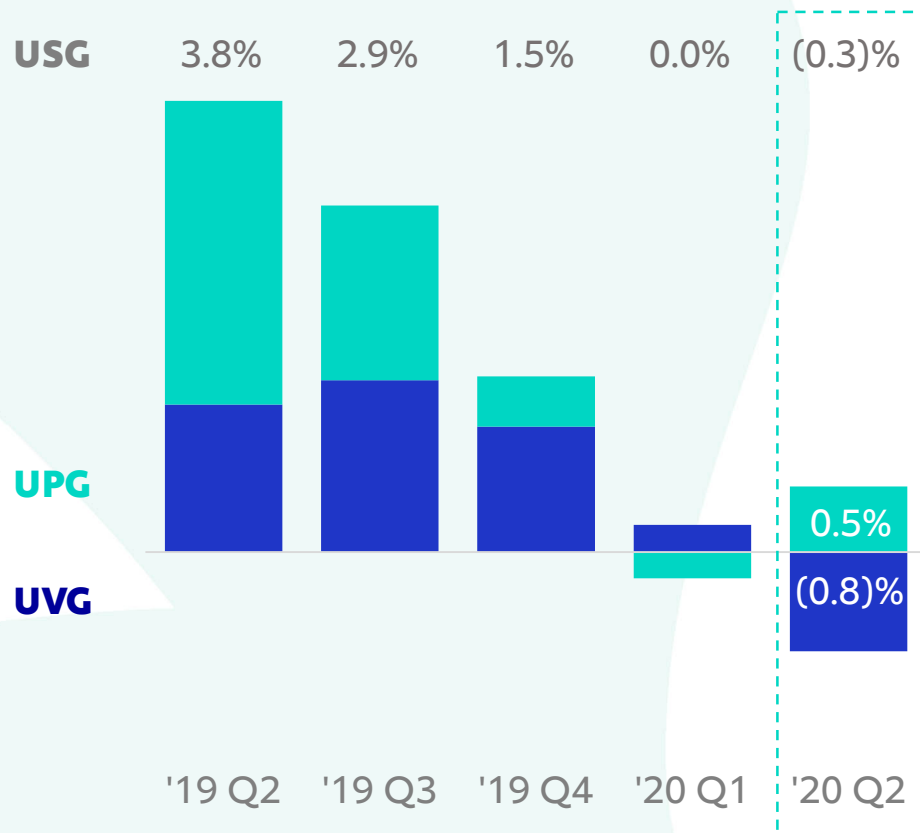
H1 2020: Group USG performance

H1
USG

(0.1)%

H1
UVG

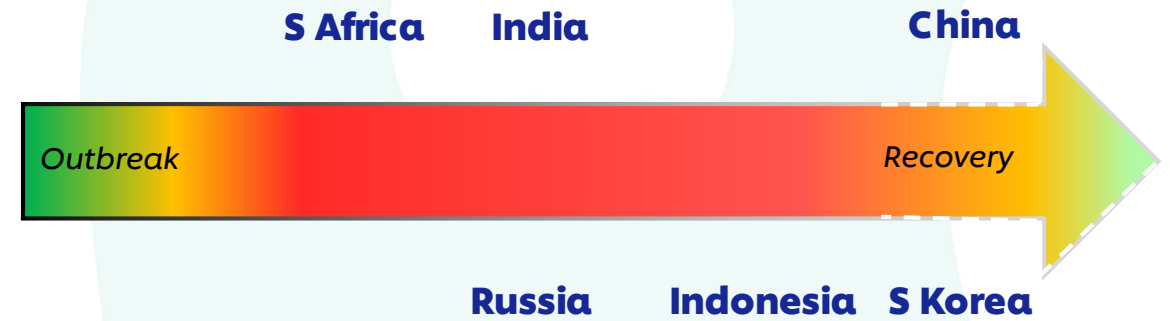
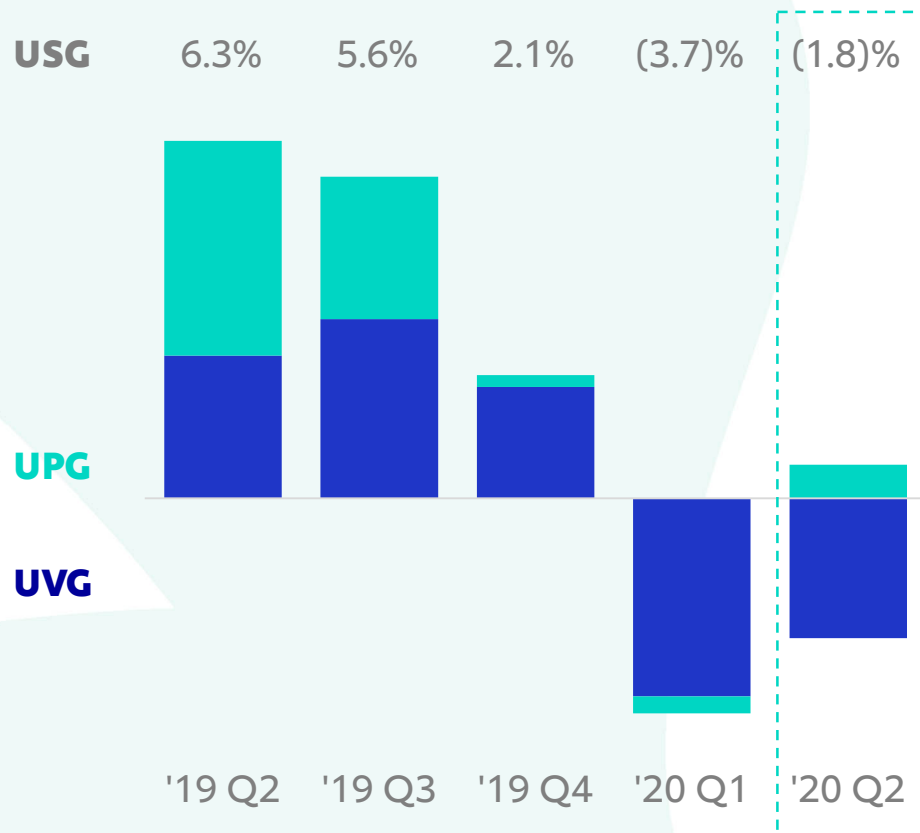
(0.3)%



- Resilient performance in a volatile and challenging operating environment
- Spread of Covid-19 and implementation of lockdowns and restrictions
- Some lockdowns have had a more severe impact on the supply and accessibility of goods
- Changing consumer demand patterns

Asia / AMET / RUB

H1 USG (2.7%) H1 UVG (2.9%)

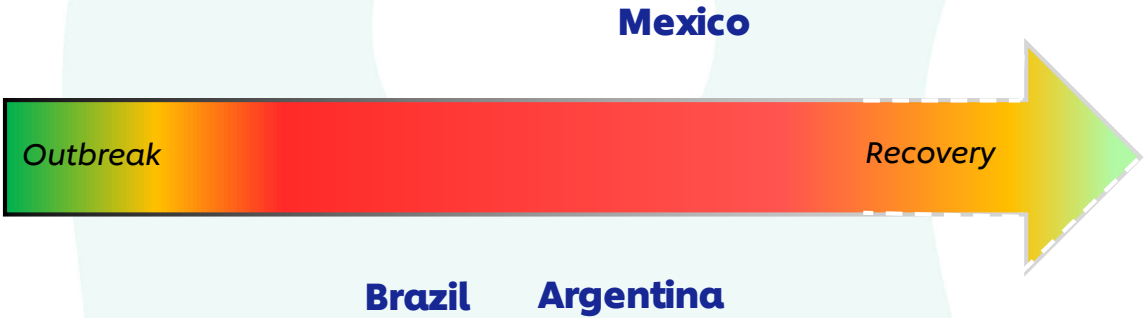
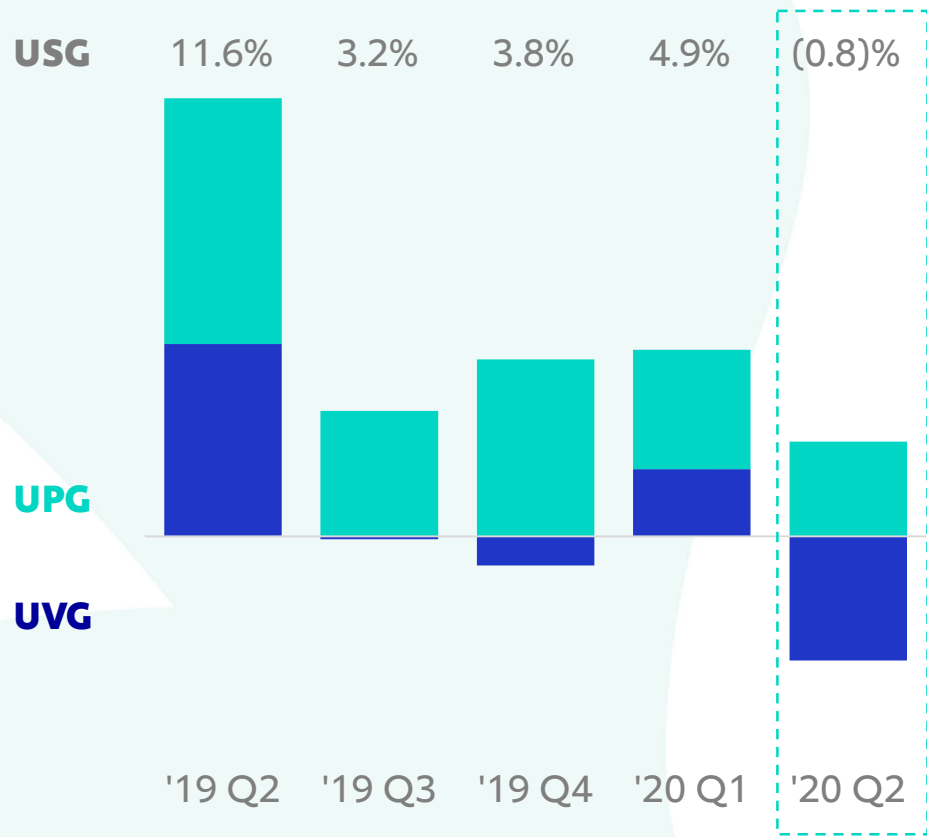


- **China:** sales down mid single digits following a return to growth in Q2 as the market reopened
- **India:** declined high single digits impacted by a slowing market, followed by the national lockdown from March
- **SEA:** Indonesia & Vietnam in growth, Philippines & Thailand declined



Latin America

H1 USG **1.9%** H1 UVG **(0.8)%**

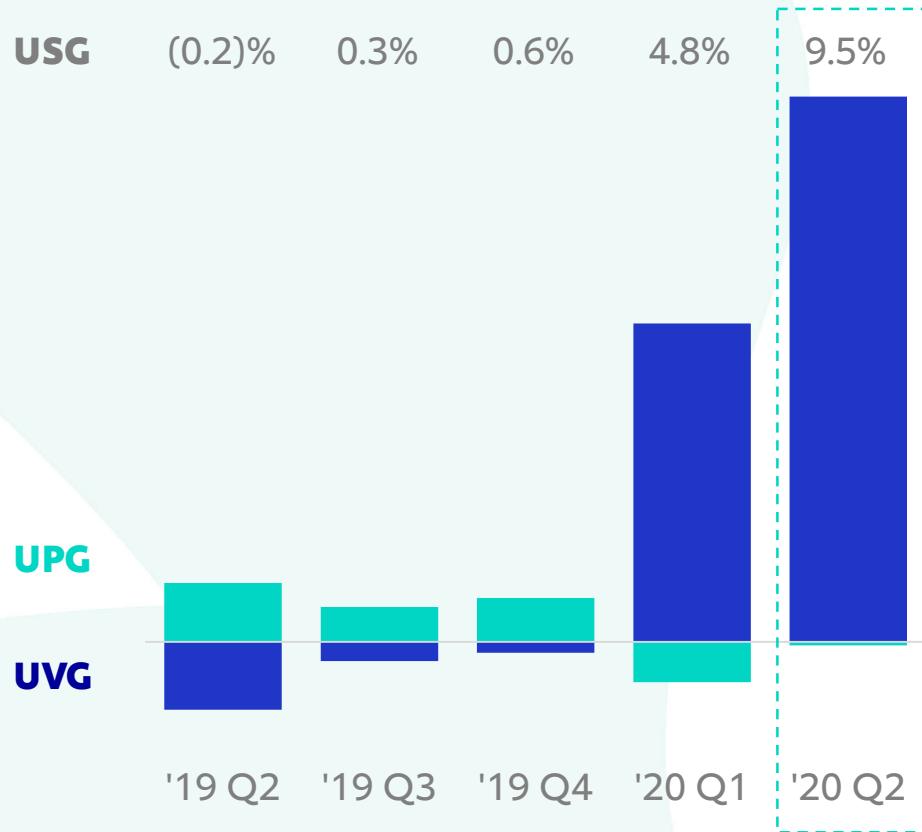


- Q2 impacted by the spread of Covid-19 and lockdown measures
- **Brazil:** sales up low single digits for the half, following a decline in Q2 with regional lockdowns implemented
- **Argentina:** continued volume growth, driven by in-home food consumption



North America

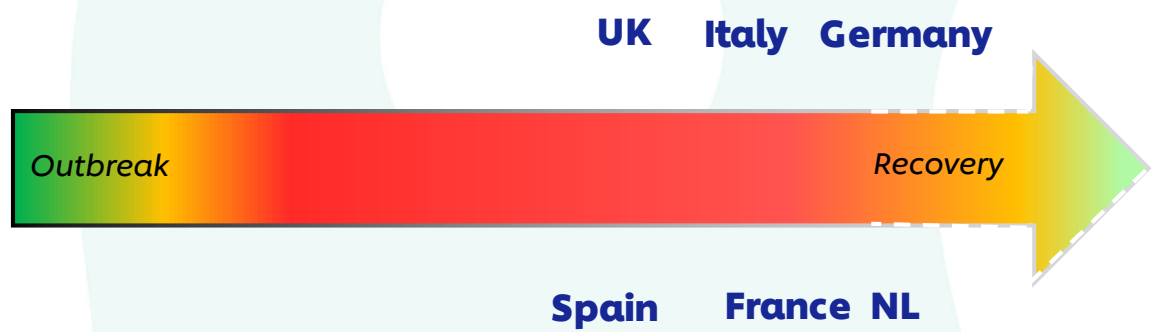
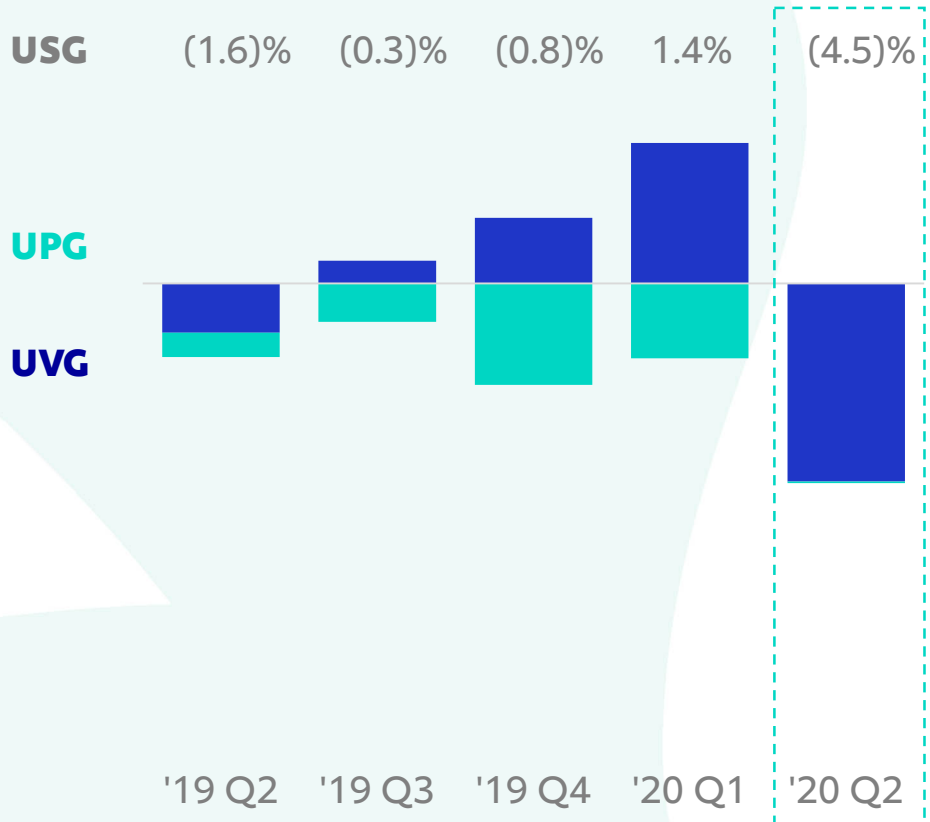
H1 USG **7.3%** H1 UVG **7.7%**



- Growth driven by in-home foods & ice cream, and hygiene products
- Q2 Foods & Refreshment USG +23% (excl. Food Service)
- H1 regional growth includes c.3% negative impact from Food Service and Prestige due to channel closures

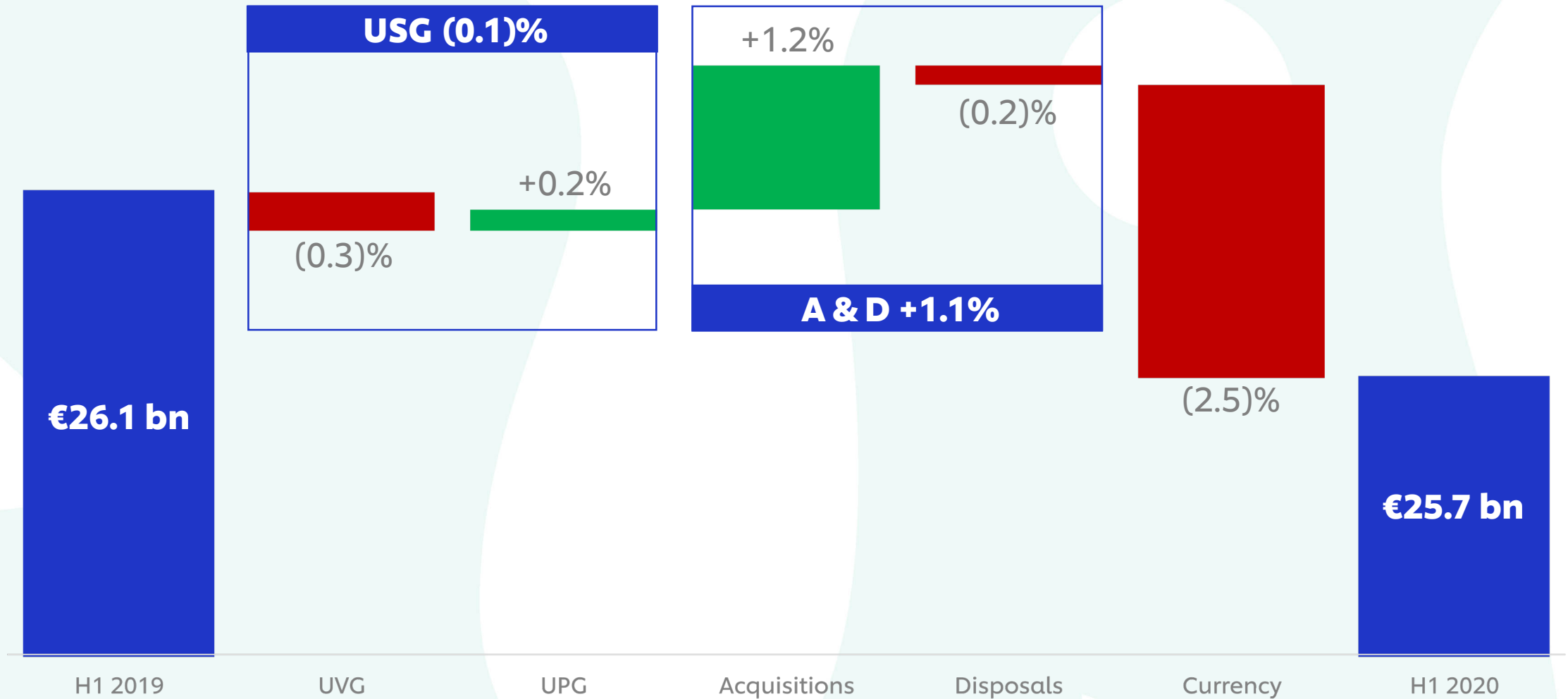
Europe

H1 USG (1.8%) H1 UVG (1.0%)



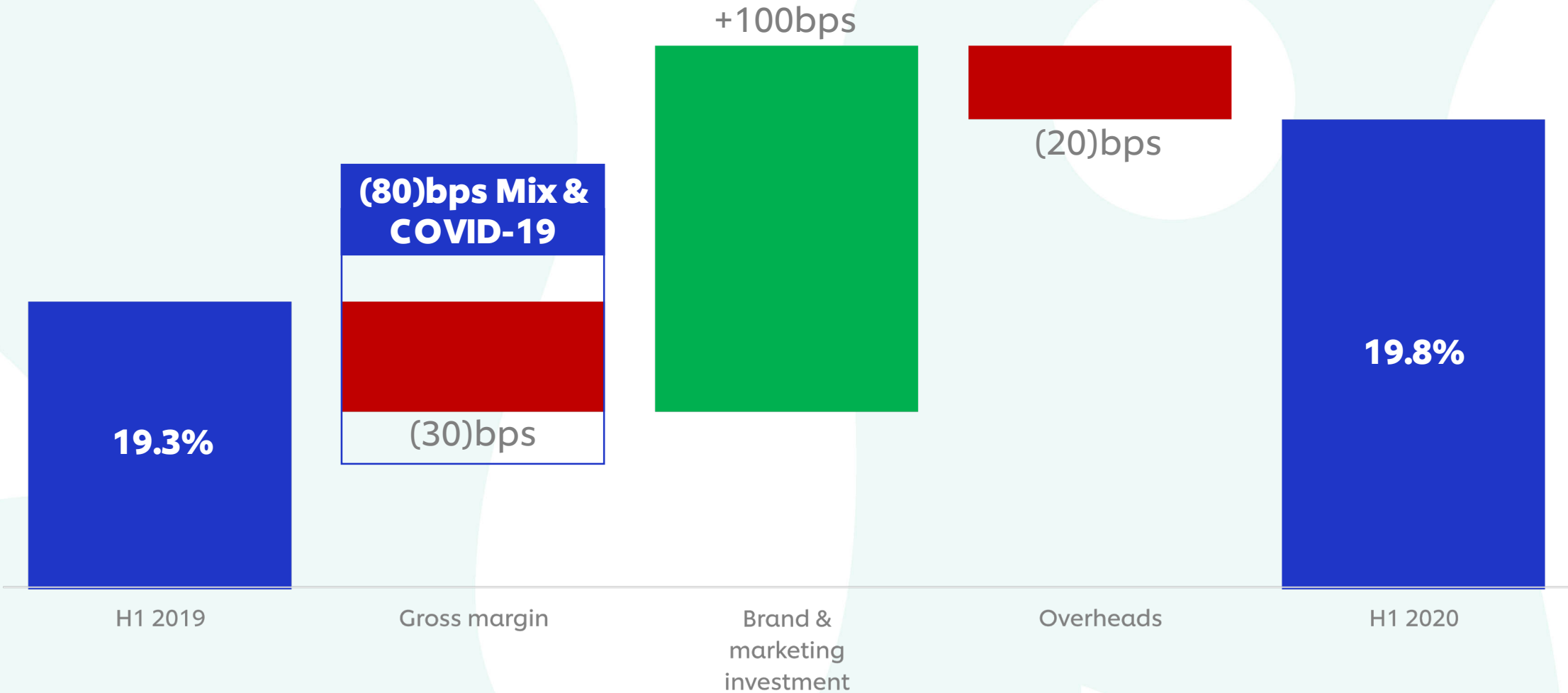
- Out of Home Ice Cream and Food Service impacted by lockdowns across the region, primarily in Q2
- Sustained increases in in-home food consumption and hygiene products
- **Italy & Spain:** sales declined, led by OOH channels
- **UK & Germany:** growth maintained, despite headwind from OOH channels

H1 2020: Turnover (1.6)%



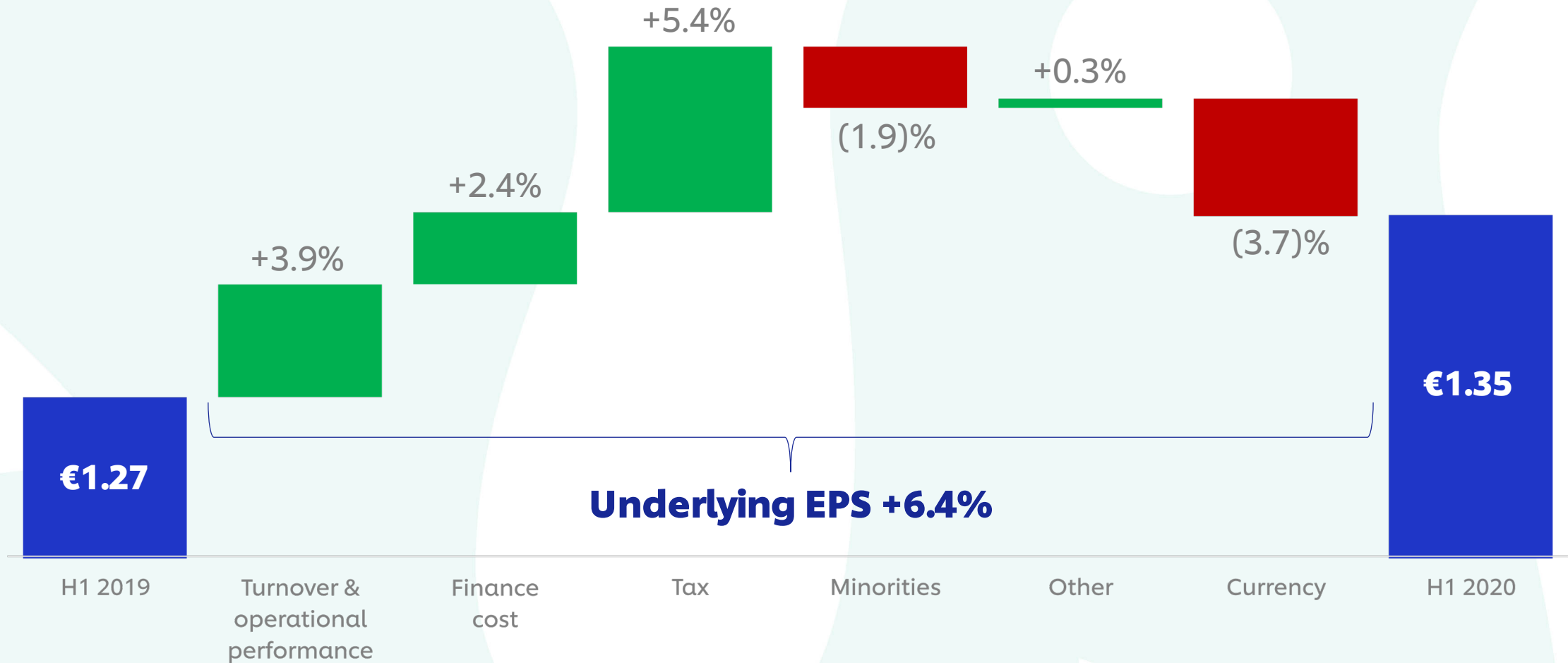
Reflecting treatment of hyperinflation in USG as announced in September 2019

H1 2020: Underlying operating margin

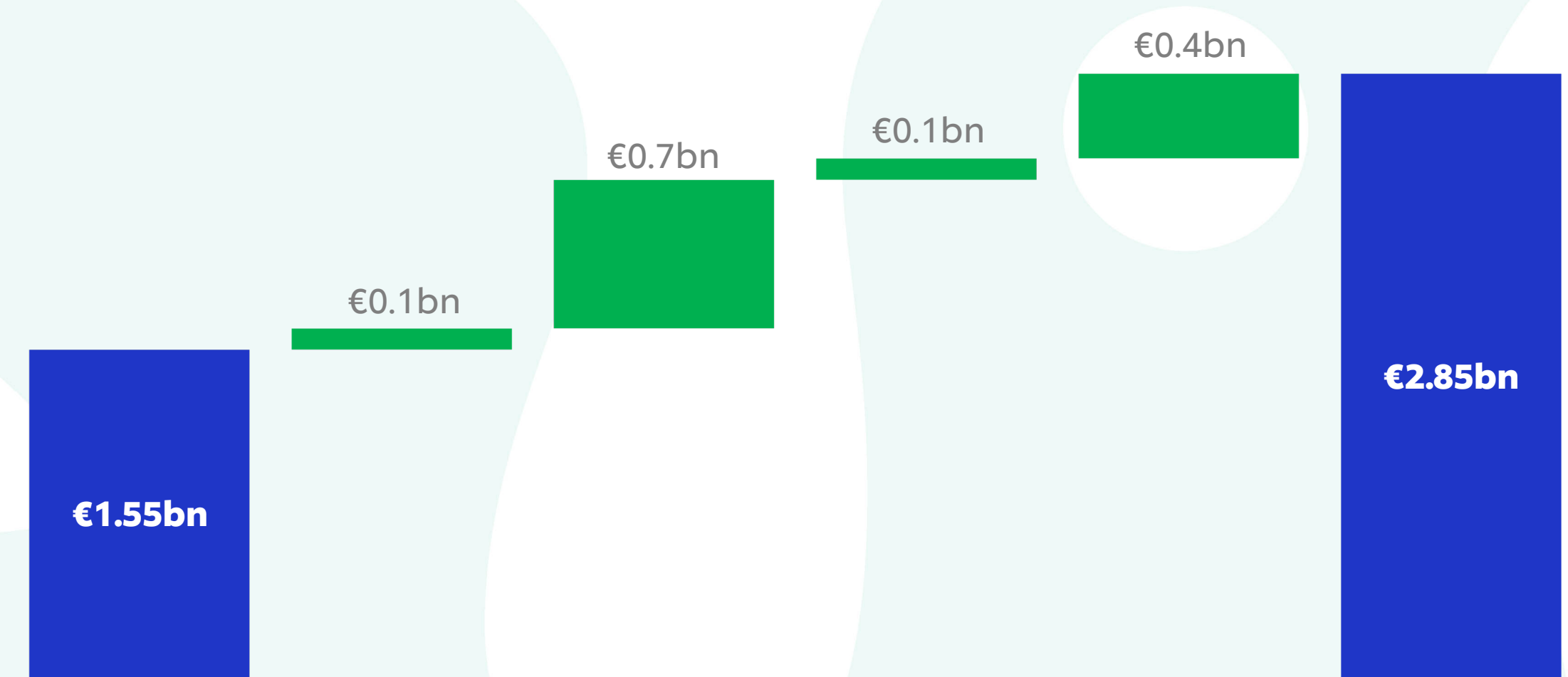


All numbers on an IFRS 16 basis

H1 2020: Underlying earnings per share



H1 2020: Free cash flow



H1 2020: Balance sheet and liquidity position

Net debt

H1 '20 Net debt/EBITDA

1.9x

A1/A+

Credit rating

Access to funding

Commercial paper at
30/06/2020

€1.3bn

€7bn

Accessible undrawn
standby facilities

Cash & facilities

Total cash & undrawn
facilities at 30/06/2020

€11.9bn

**2.7x coverage of
debt maturing
in 1 year**

As of H1 '20

Pensions

Deficit at
30/06/2020

€(0.4)bn

€(0.2)bn

Increase in deficit vs.
FY 2019

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Unilever #ComeOutStronger

Resilience

- Portfolio
- Operational excellence
- Financial strength

Agility

- Category
- Geography
- Supply

Strategic future

- Unification
- Portfolio evolution
- Sustainability

We are focused on volume led, competitive growth; absolute underlying operating profit; and cash

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