

# Delivering long-term superior value

Graeme Pitkethly, CFO

Unilever Investor Event

13<sup>th</sup> November 2019



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; inability to find sustainable solutions to support long-term growth including to plastic packaging; the effect of climate change on Unilever's business; 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.

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 2018 and the Unilever Annual Report and Accounts 2018.

# Integrated sustainability and business strategy



# Strong share price performance



# Competitive shareholder returns



Rolling 3 year TSR ranking vs peers



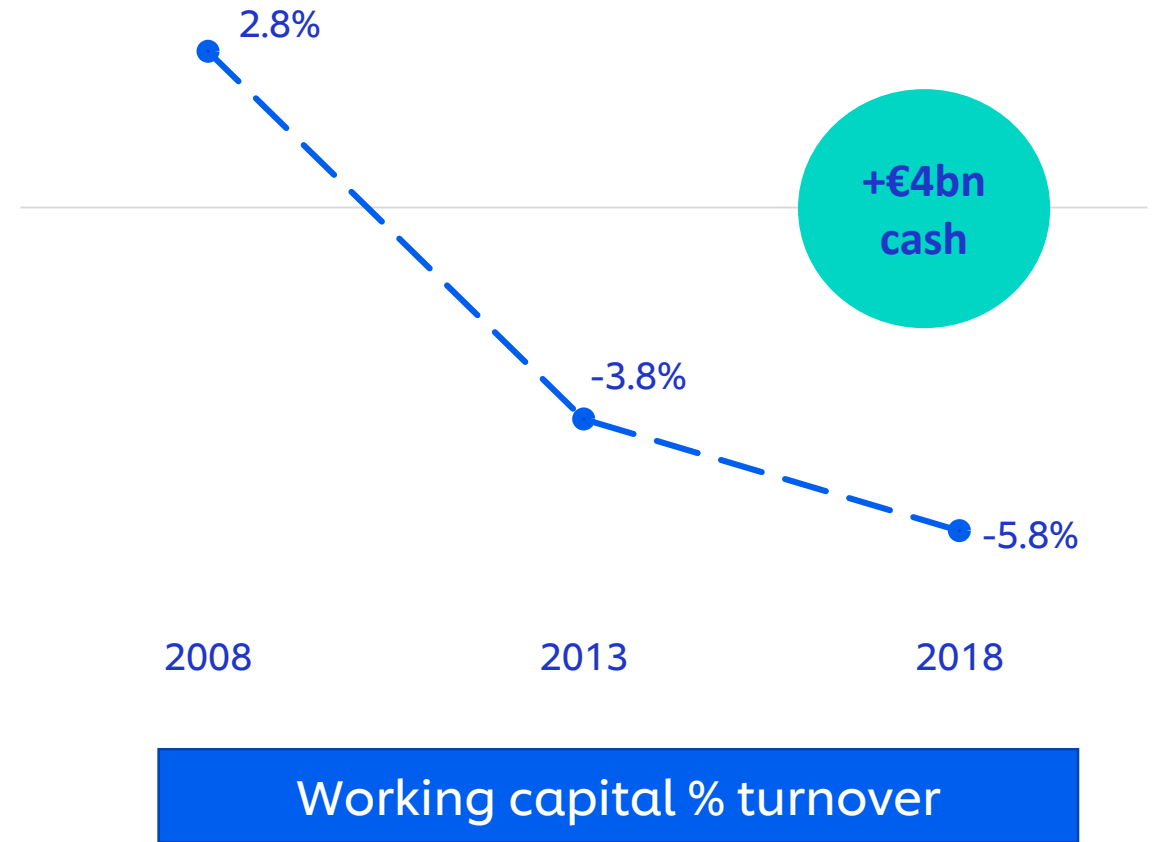
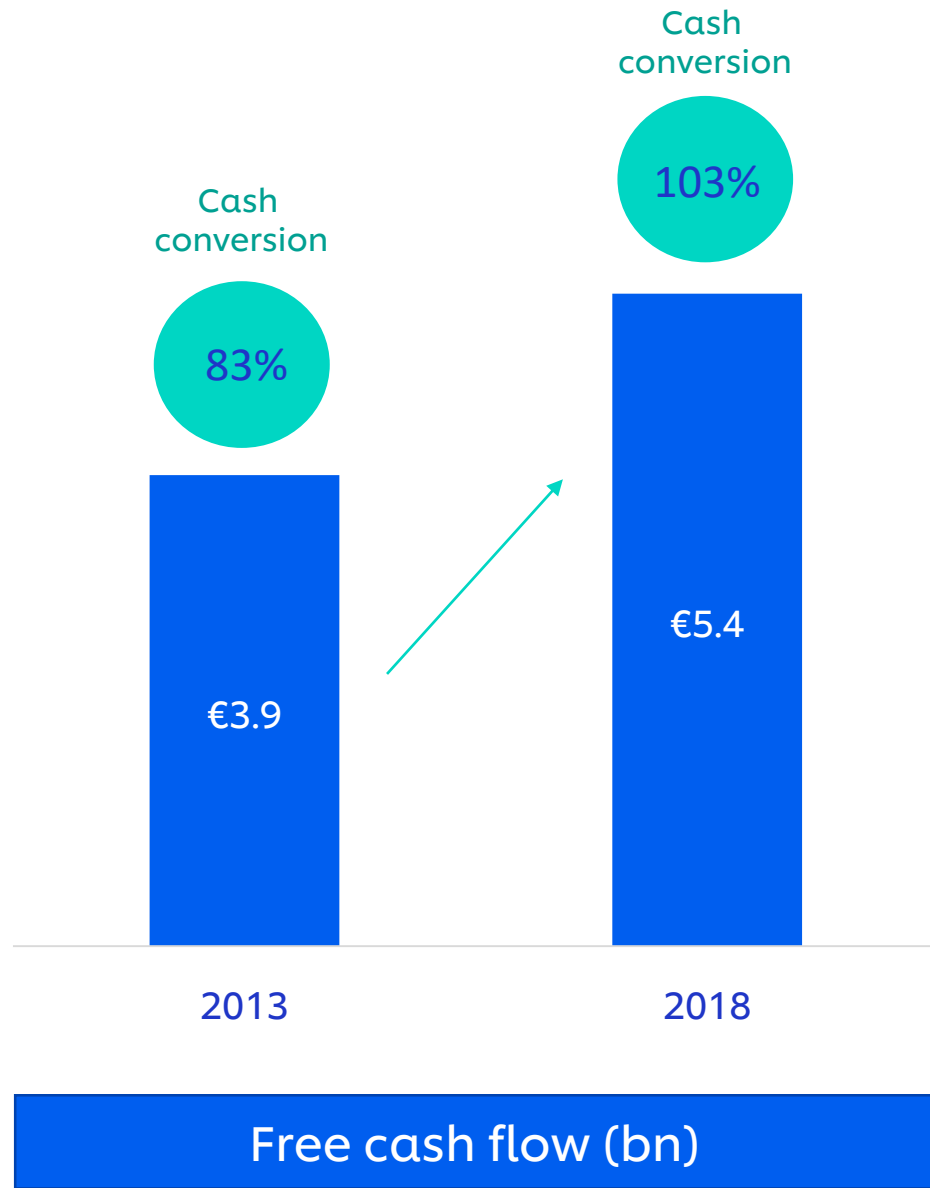
# Consistent multi – year performance



# Financial growth model

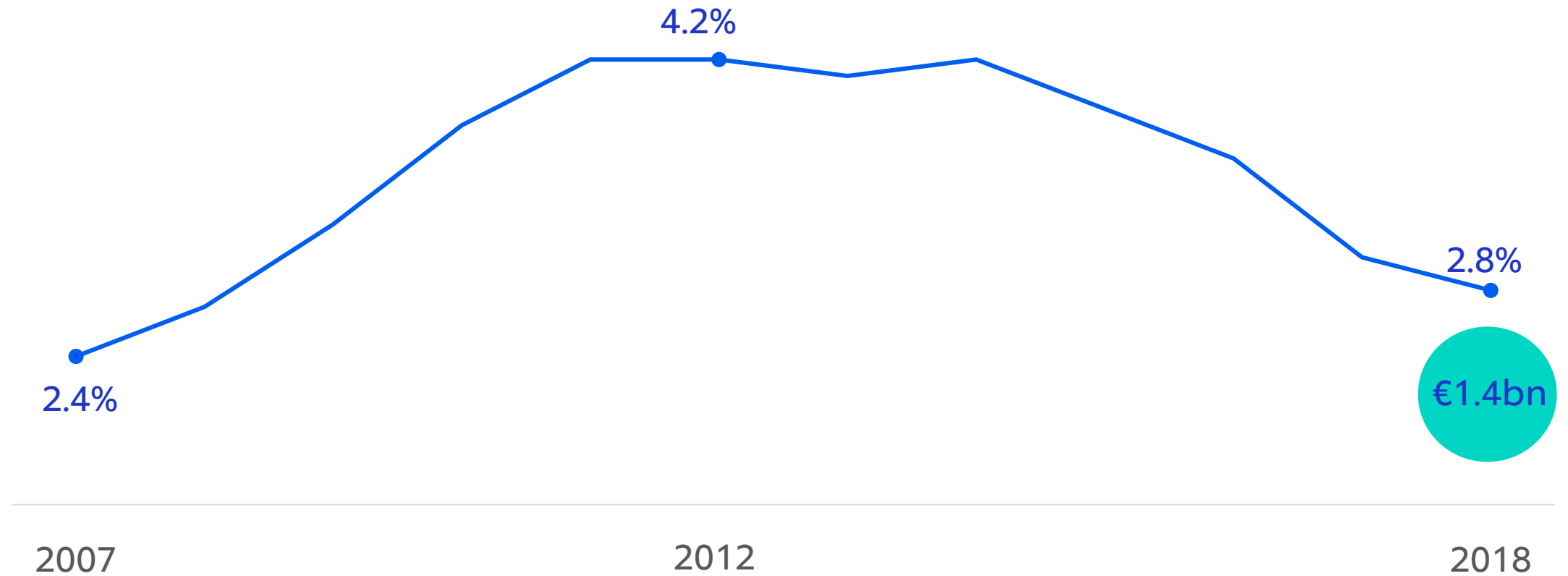
	5 Years 2010-14	5 Years 2015-19
 Growth Leverage	4%-5%	3%-4%
 Operating Leverage	3%-4%	5%-6%
 Financial Leverage	0%-1%	1%-2%
Constant EPS Growth Range	7% - 10%	9% - 11%
Current EPS Growth Range	6% - 8%	7% - 9%

# Cash discipline



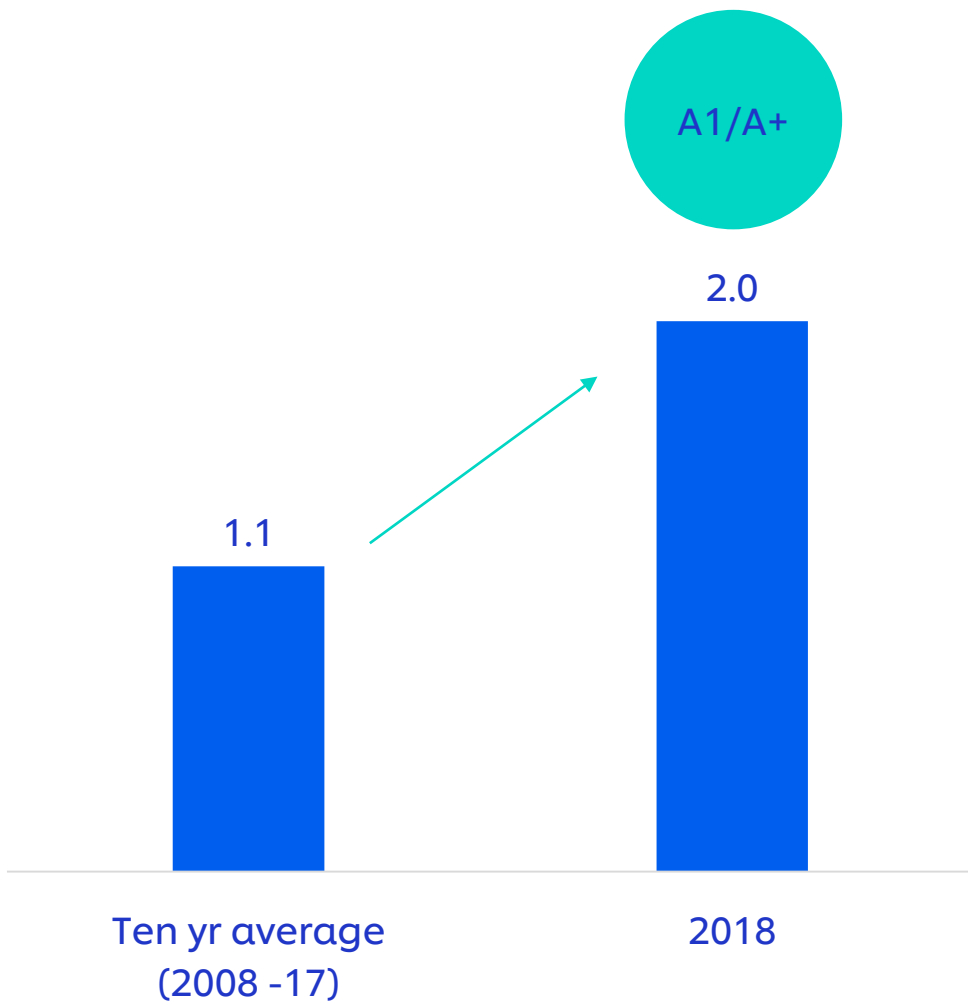


# Capex: Increased efficiency after period of investment

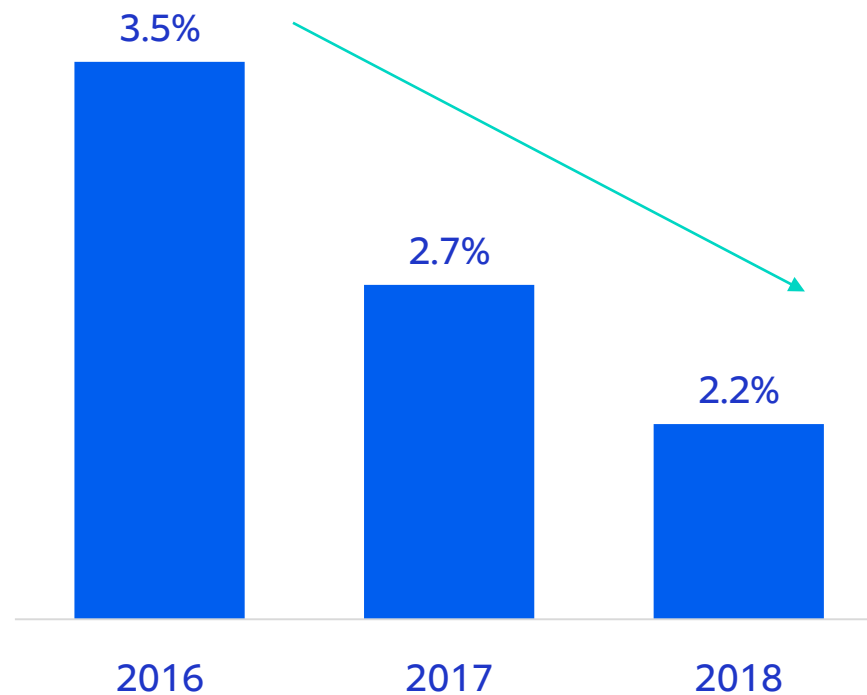


Net capex as % of turnover

# Capital structure



Net debt / EBITDA



Average interest rate on net debt

Average interest rate excluding leases



# Capital allocation

## Operational investment

- Capital expenditure
- Restructuring
- Capabilities
- Sustainability
- Minority buybacks

## Portfolio reshape

- Bolt on acquisitions
- Large acquisitions
- Disposals

## Returns to shareholders

- Dividends
- Event driven share buybacks
- Regular share buybacks

Net debt leverage ratio of approximately 2X

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# Operational investment: Investing to stay Future Fit

>500

Talent in Digital Hubs & People Data Centres

>1500

Digital talent recruited in 2018/2019

Capabilities

Stretching targets on plastic packaging

Commitment to purpose-led brands

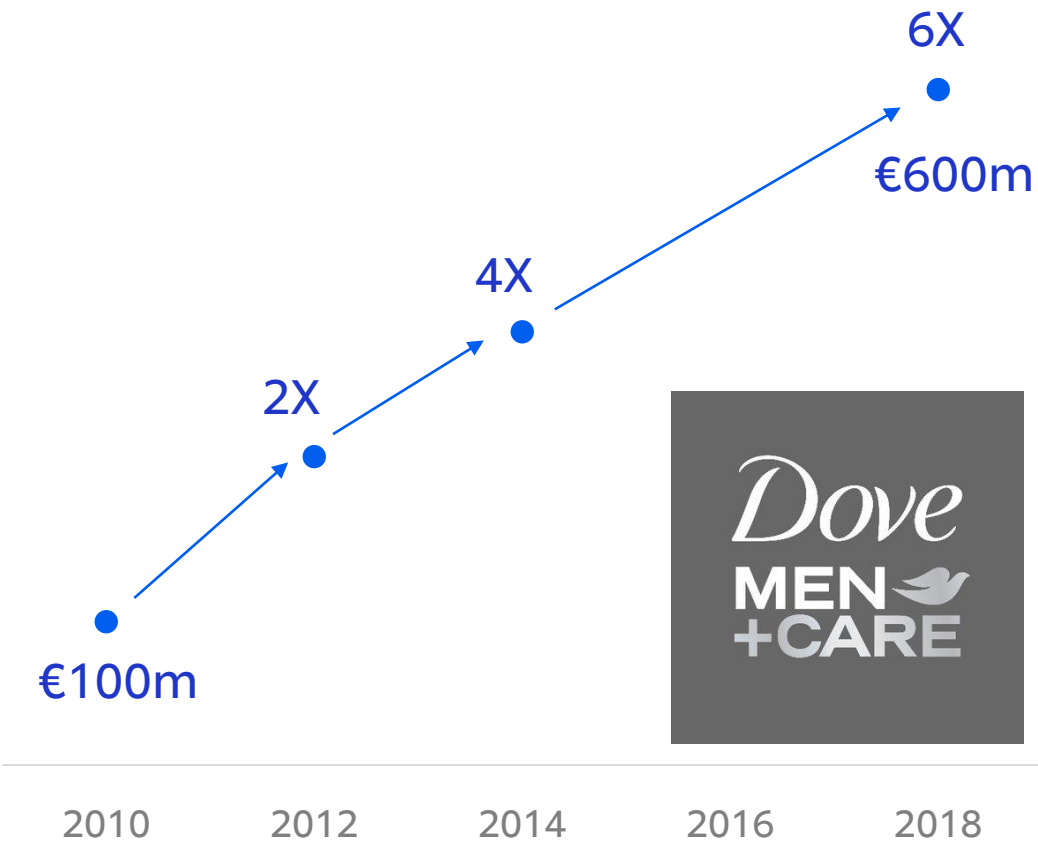
Sustainability

€3.5bn

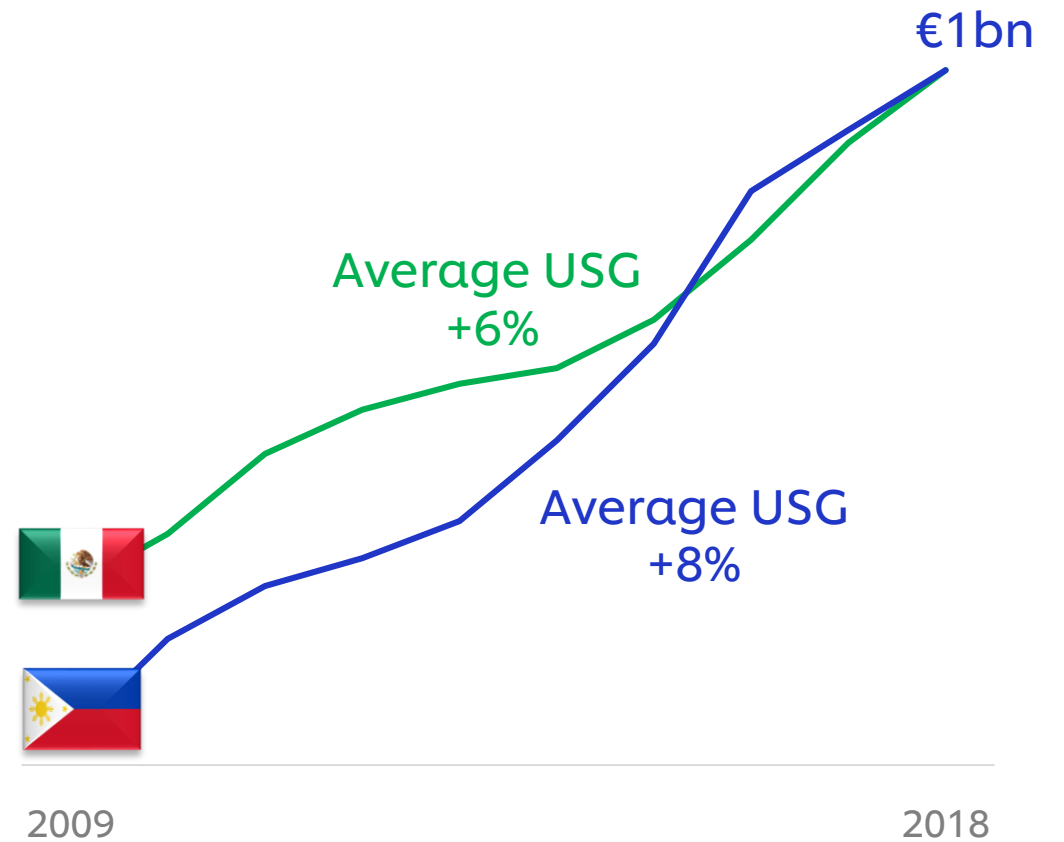
Restructuring spend 2017 - 2020

Restructuring

# Operational investment: Investing for long term growth



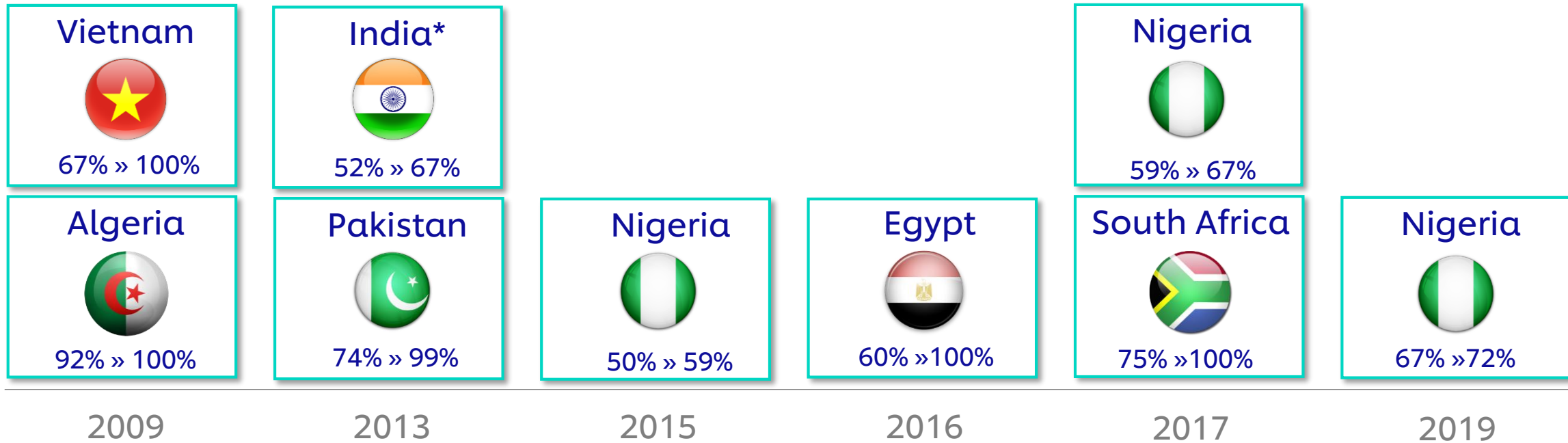
Investing in growth of brands



Investing in growth of markets

2018 base; reverse USG % applied

# Operational investment: Minority buybacks



Minority interests acquired from 2009- 2019

€4bn invested in minority buybacks

# Capital allocation

## Operational investment

- Capital expenditure
- Restructuring
- Capabilities
- Sustainability
- Minority buybacks

## Portfolio reshape

- Bolt on acquisitions
- Large acquisitions
- Disposals

## Returns to shareholders

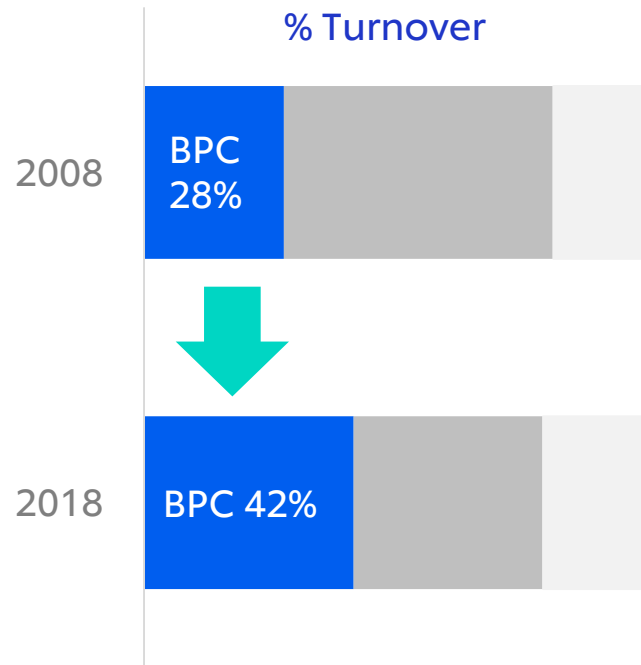
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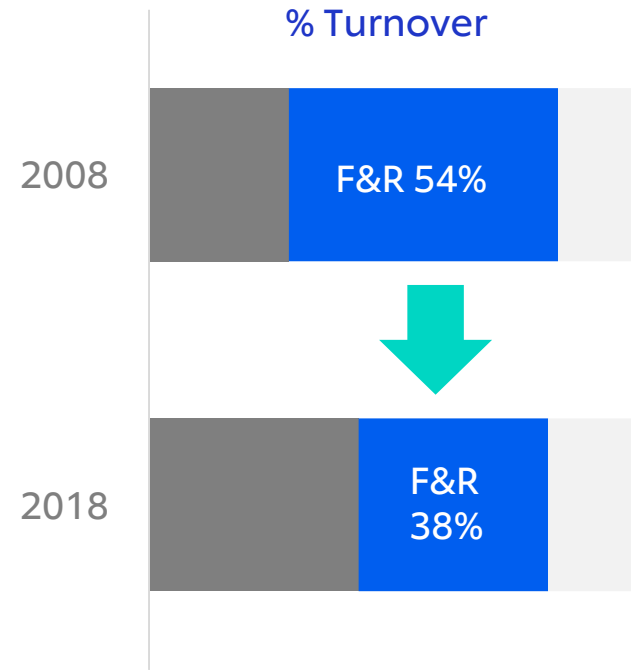


# Portfolio reshape: Acquisitions & disposals

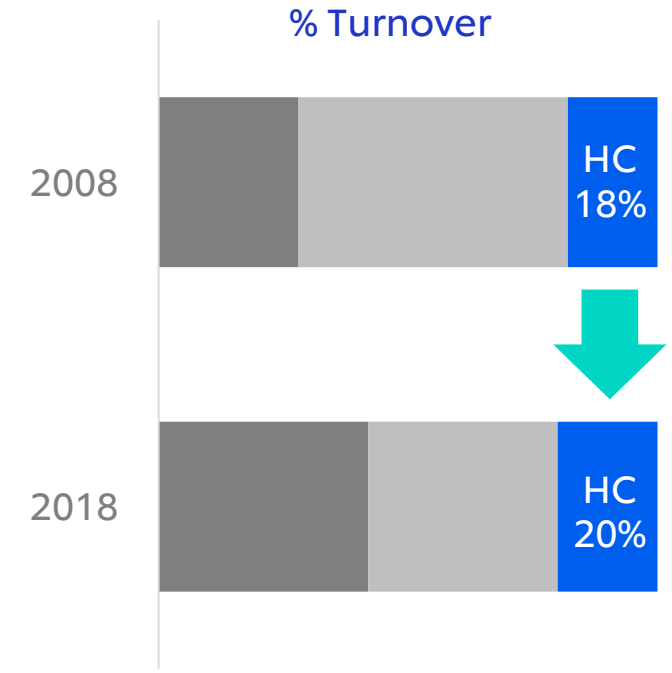
## Beauty & Personal Care



## Foods & Refreshment



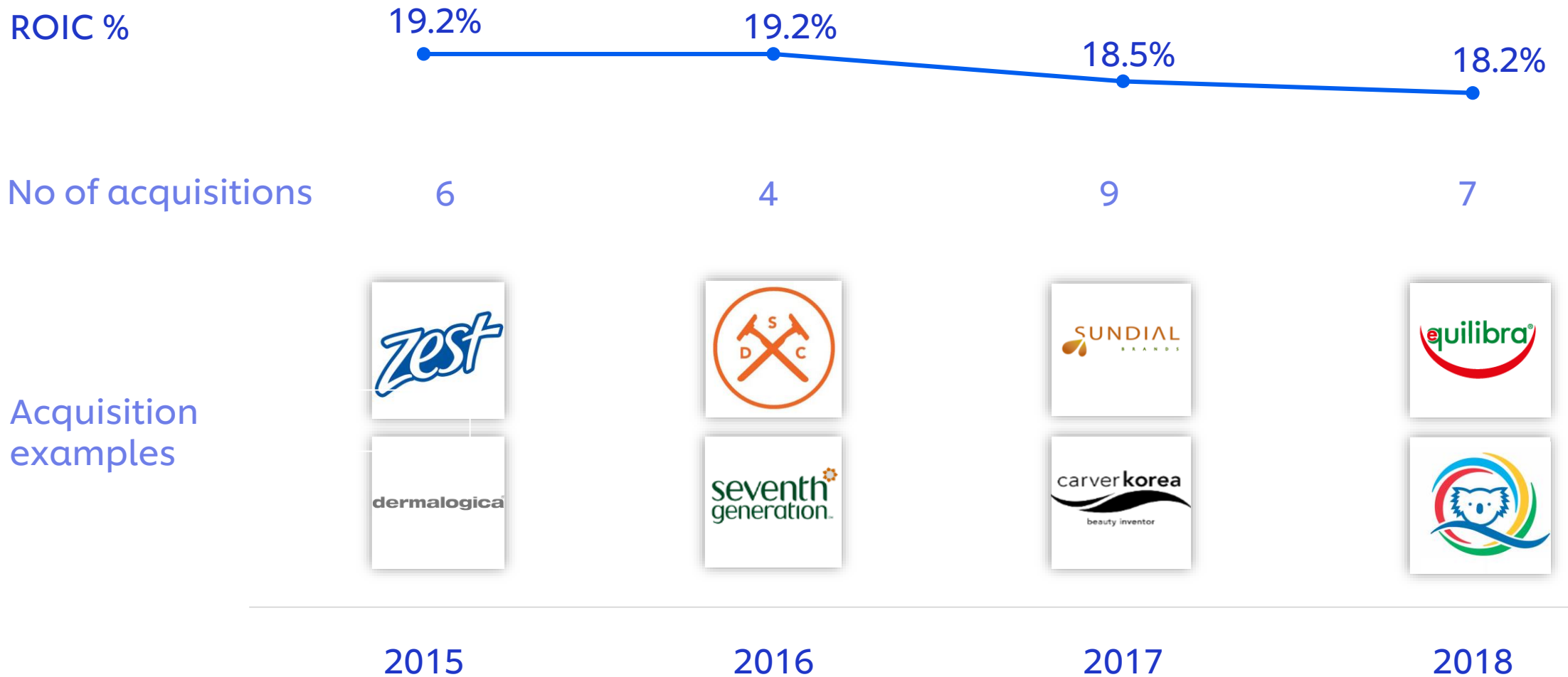
## Home Care



34 acquisitions and 14 disposals since 2015

€11bn outflow, €8bn inflow

# Portfolio reshape : Return on invested capital



# Capital allocation

## Operational investment

- Capital expenditure
- Restructuring
- Capabilities
- Sustainability
- Minority buybacks

## Portfolio reshape

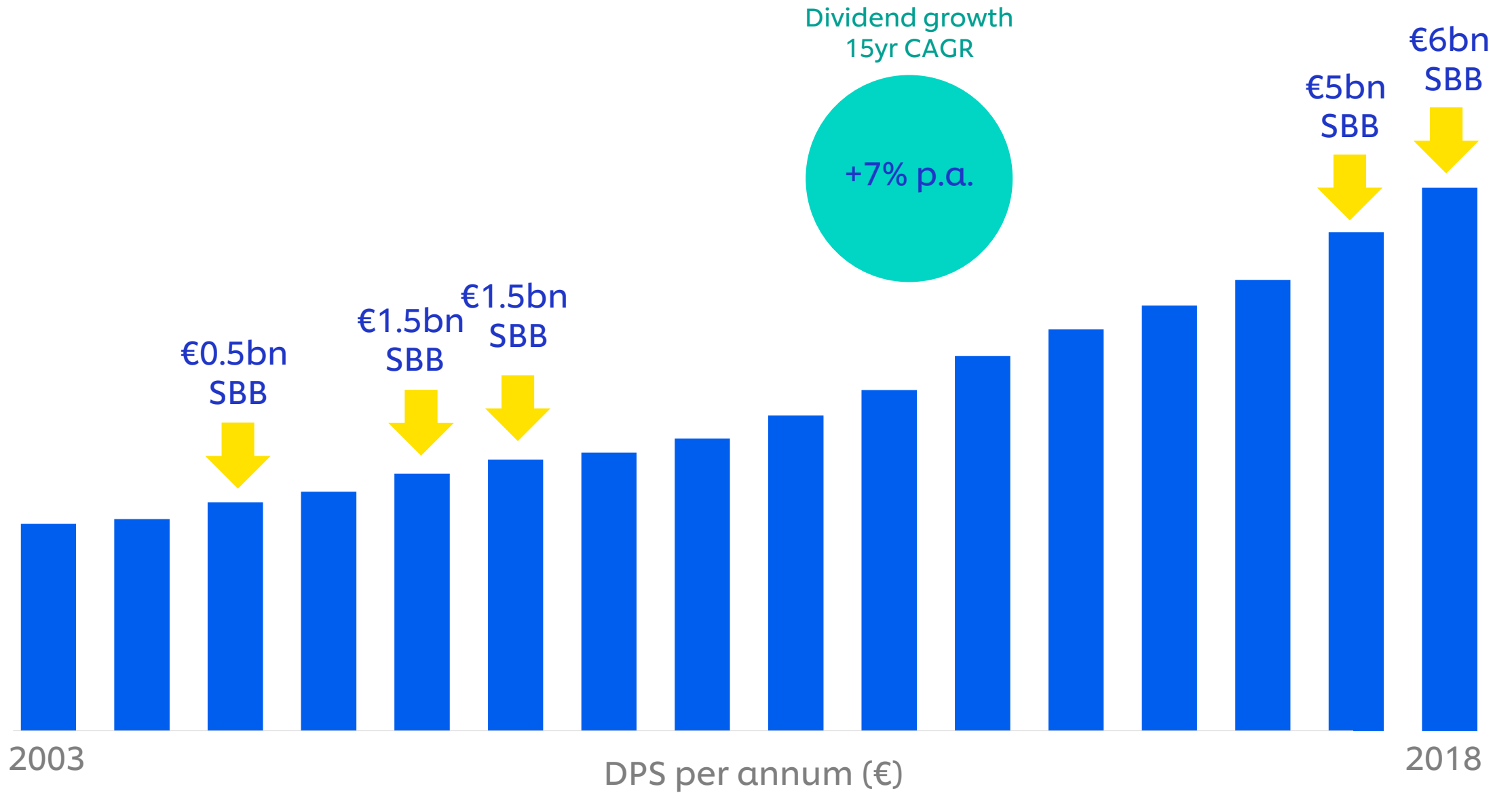
- Bolt on acquisitions
- Large acquisitions
- Disposals

## Returns to shareholders

- Dividends
- Event driven share buybacks
- Regular share buybacks

Net debt leverage ratio of approximately 2X

# Returns to shareholders: Dividends and share buybacks



# Fuel for growth



On track with savings programmes



**5s**  
savings

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Change  
Programmes

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# Fuel for growth: 5S



Harmonised handwash  
bottle shapes

20% plastic  
packaging reduction

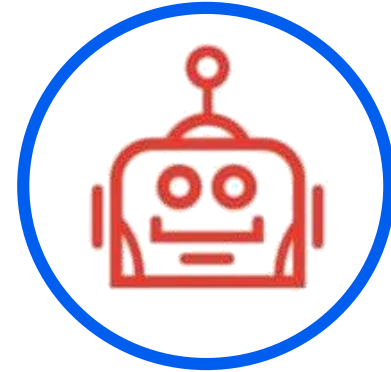
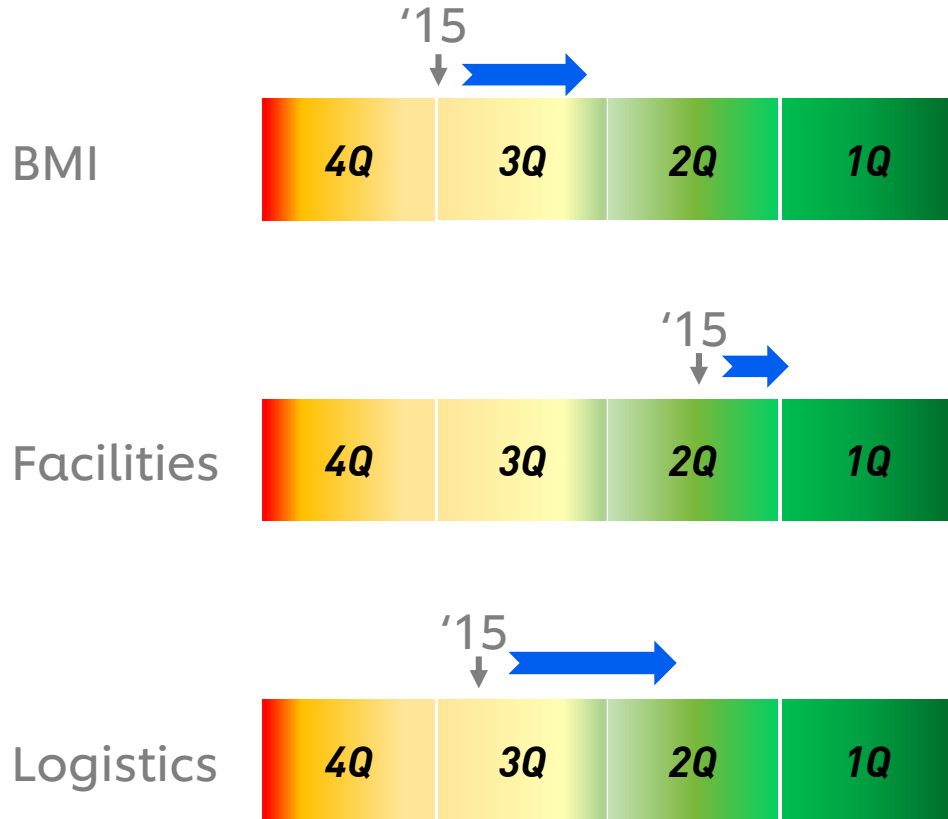


Recyclable carton  
Dove soap

Removed  
polyethylene layer

# Fuel for growth: ZBB

## External benchmark quartiles



Digital mandatories

Picasso Labs - AI tool

Doubled % assets compliant against digital best practice

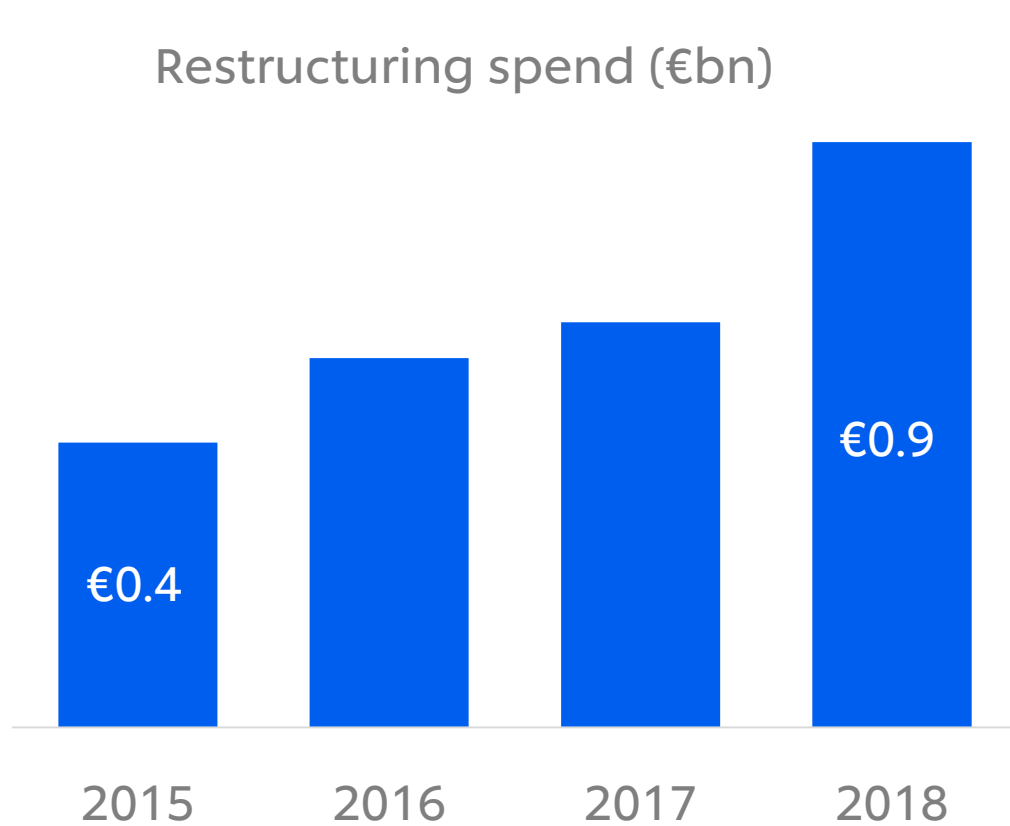


Bought in Services

Leveraging U-Studio and Uni-adapt

# Fuel for growth: Change programmes

Restructuring spend (€bn)



€3.5bn restructuring spend 2017 -2020

2.5yrs

Average project payback

35

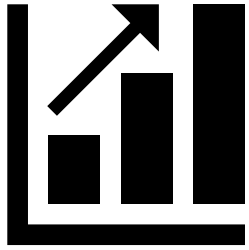
Number of projects delivering >€10m savings

FUTURE FIT

Grow, power, run



# Staying Future Fit: Grow, Power, Run



Grow

- Maximising the impact of technology



Power

- Removing complexity, standardising, freeing up talent to focus on growth

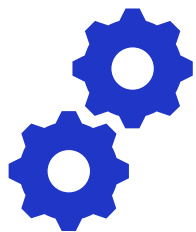


Run

# Staying Future Fit: Automation

## Unilever automation factory

- Bangalore based hub delivering automation at scale
- Through Unilever Enterprise & Technology Solutions
- Collaboration with strong partners



Robotic  
process  
automation



Cognitive  
automation

1100+

Processes  
automated

250+

Bots  
deployed

1mil+

Hours saved  
/ annum

# Summary: Delivering superior long term value

- Strong multi – year performance
- Disciplined capital allocation framework
- Healthy pipeline of savings providing fuel for growth

# Delivering long-term superior value

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