

# Unilever H1 2019 Results

## Alan Jope & Graeme Pitkethly

### 25<sup>th</sup> July 2019



# 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.

# Alan Jope



# H1 2019: Sustained progress in growth and margin

## Growth

Underlying Sales Growth

**+3.3%**

**+1.2%**

Underlying Volume Growth

## Margin

Underlying Operating Margin

**+50 bps**

**+30 bps**

Gross Margin

## Earnings

Underlying EPS

**+5.0%**

**+3.0%**

Constant Underlying EPS

## Cash

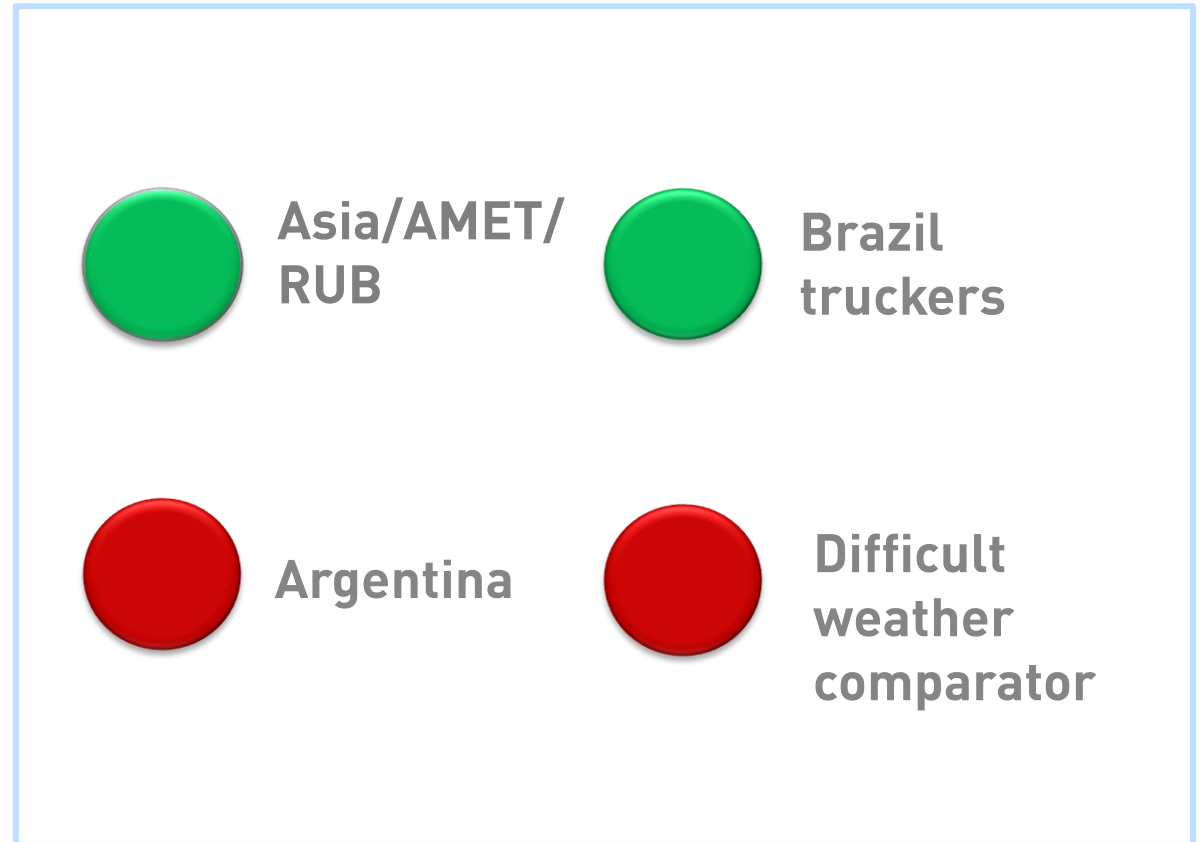
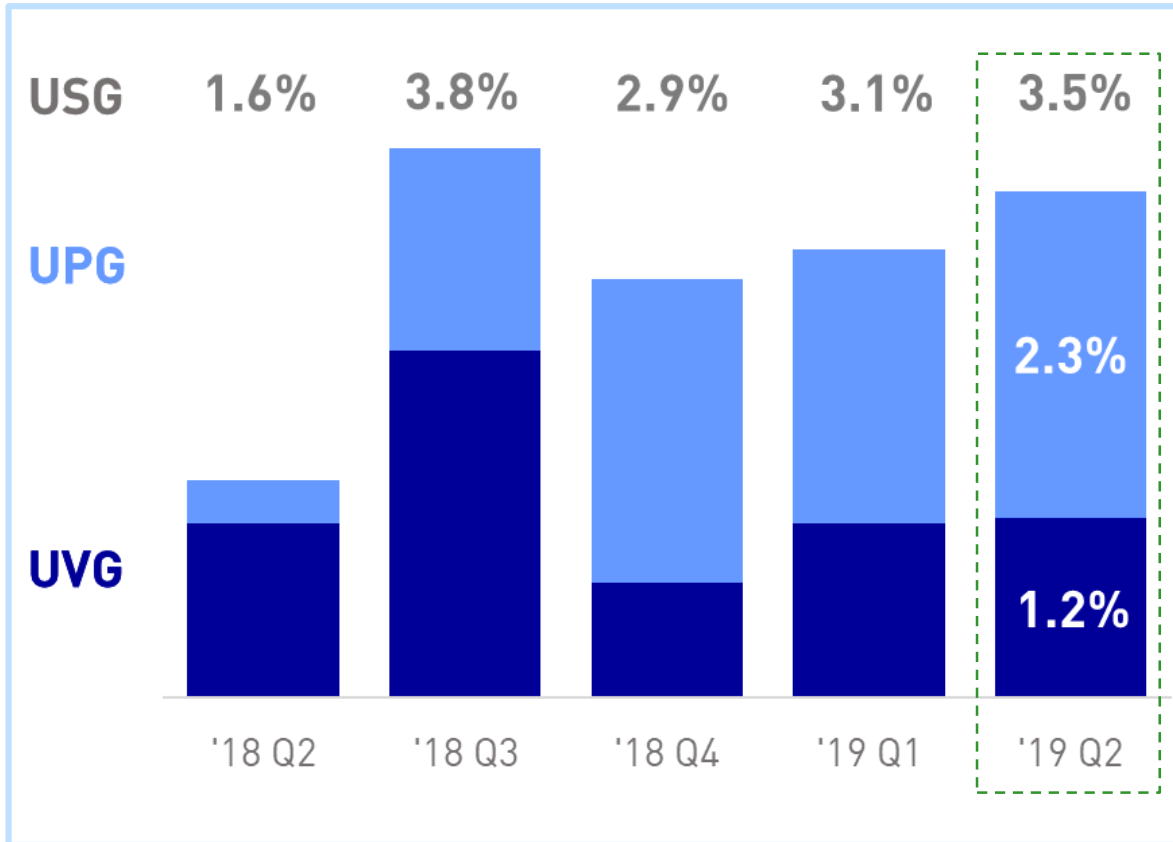
Free Cash Flow

**€1.5bn**

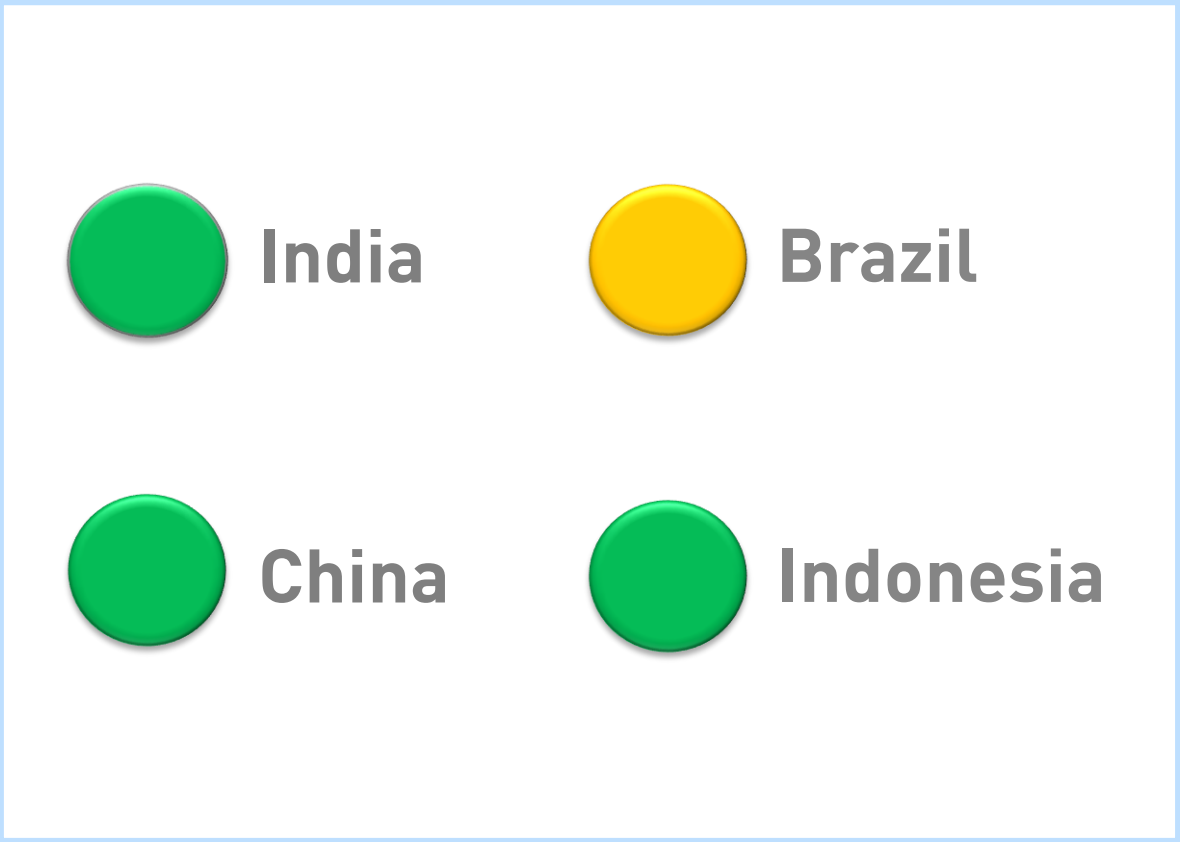
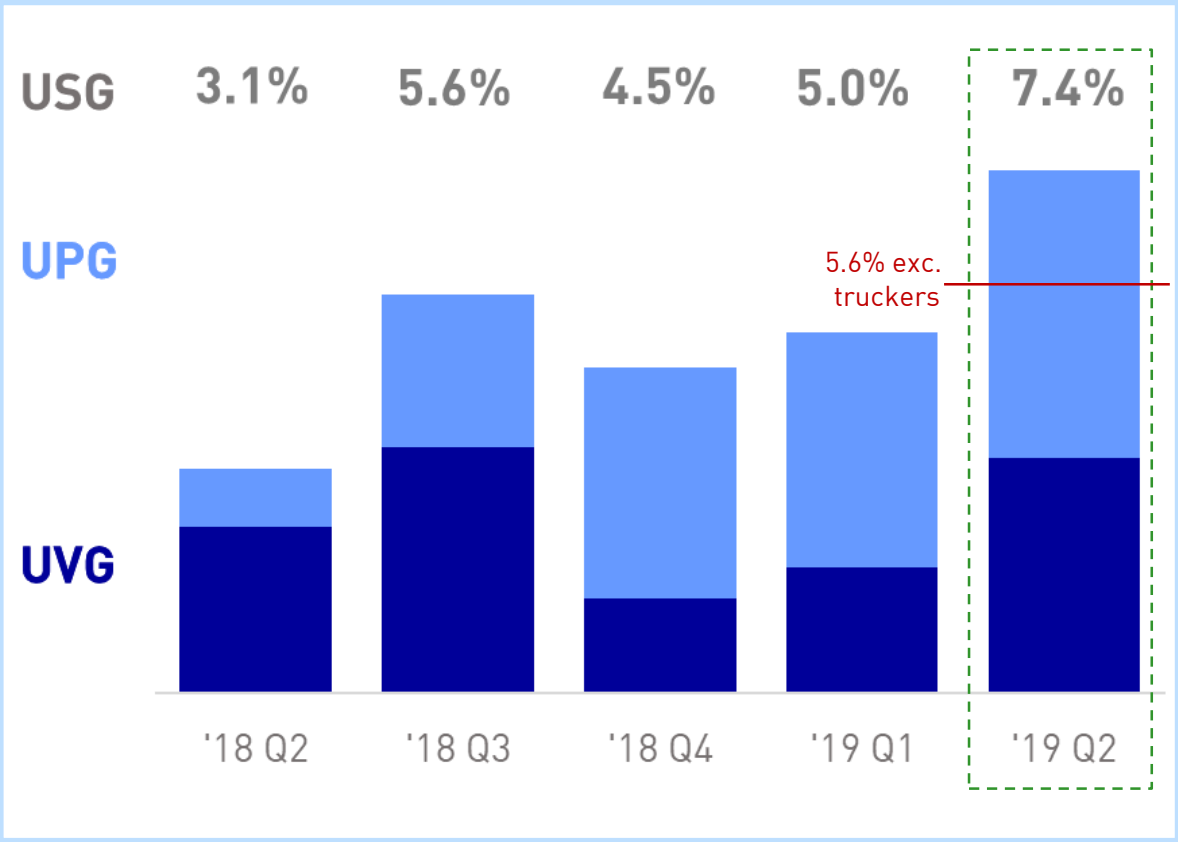
**€(0.5)bn**

vs 2018

# Sustained growth momentum



# Improving momentum in emerging markets

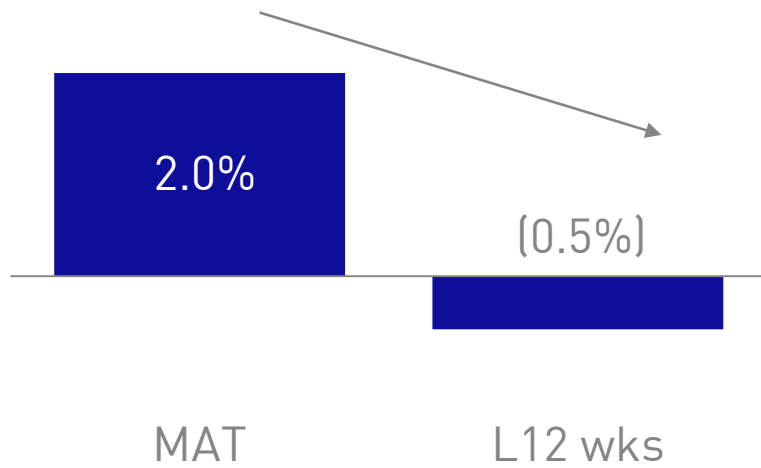


Underlying Sales Growth exc. Venezuelan price from Q417 onwards, and Argentinian price from Q318 onwards

# Uncertain markets

## Market affected by weather

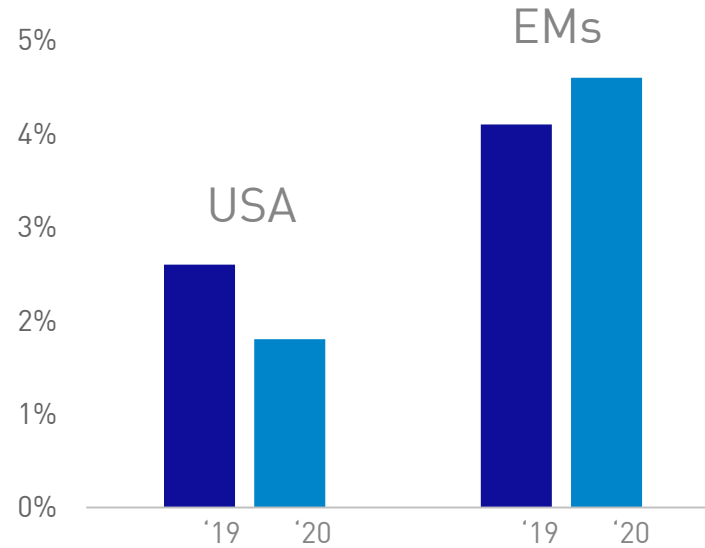
Europe value market growth (%)



Source: Nielsen

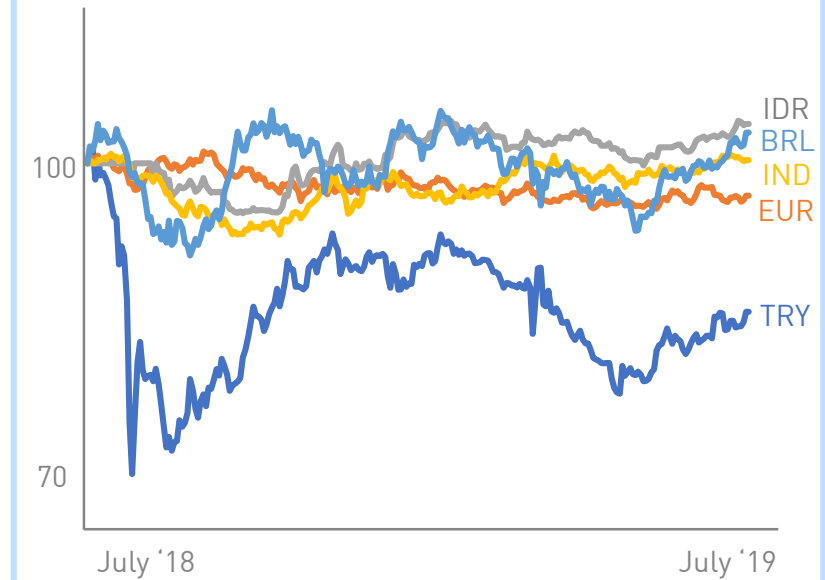
## Diverging economic outlooks

GDP



Source: Oxford Economics

## Benign currency



Source: NASDAQ, rebased to 100, vs USD

# Beauty & Personal Care

H1 2019

USG

3.3%

UPG

1.6%

UVG

1.7%

UOM

+100bps



Emerging markets

Naturals





# Home Care

H1 2019

USG

7.4%

UPG

4.5%

UVG

2.8%

UOM

+120bps



Less plastic

Enhancing the core



# Foods & Refreshment

H1 2019

USG

1.3%

UPG

1.4%

UVG

(0.1)%

UOM

(40)bps



Acquisitions

Sustainable packaging



# Purpose-led campaigns

## Beauty & Personal Care



All Things Hair Refillery

## Home Care



Indonesia Mosque Cleaning

## Foods & Refreshment



Ben & Jerry's Justice ReMix'd

# Data driven marketing delivering



- 24 Digital Hubs
- 600+ DDM campaigns
- 1.5bn consumer connections



Axe Martin Garrix



Indonesia food festival

# Graeme Pitkethly

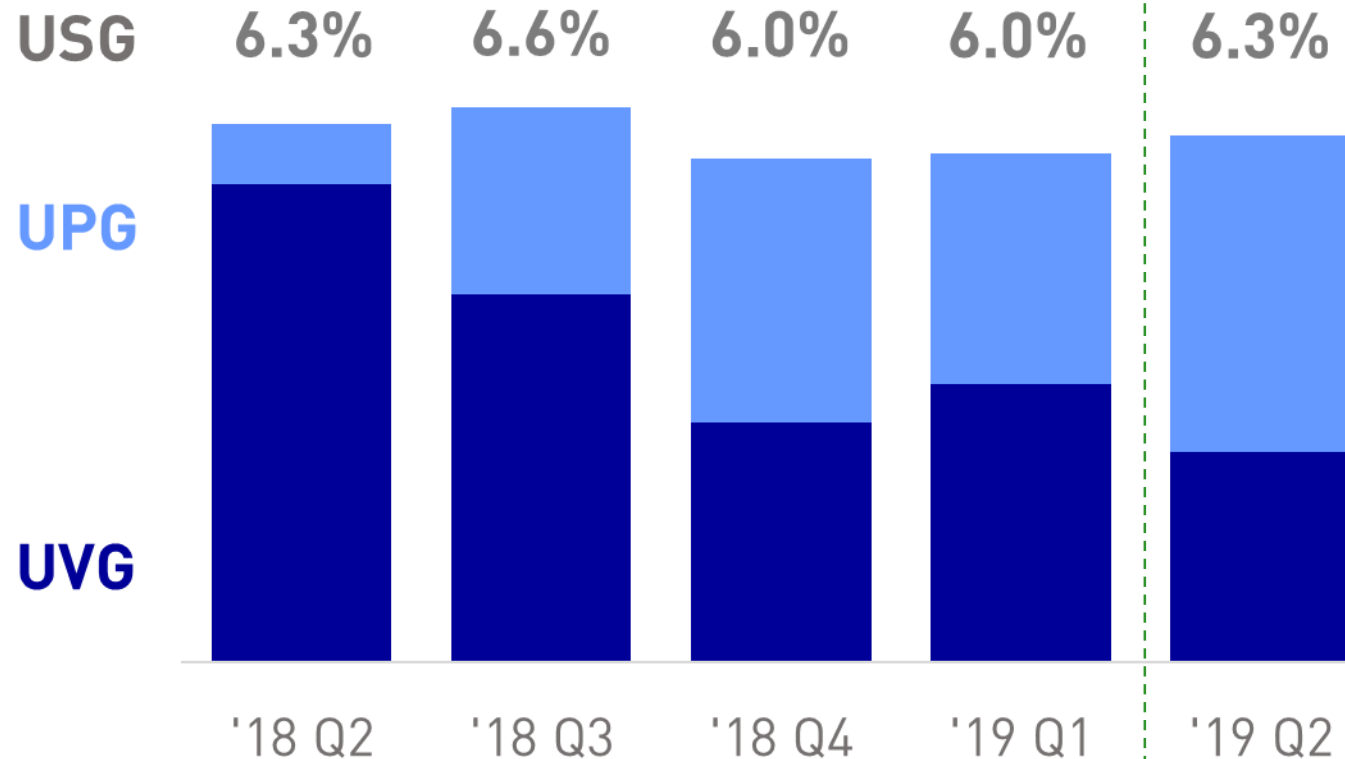


# Asia / AMET / RUB

H1 Turnover  
€12.2m



H1 USG 6.2%  
H1 UVG 2.9%

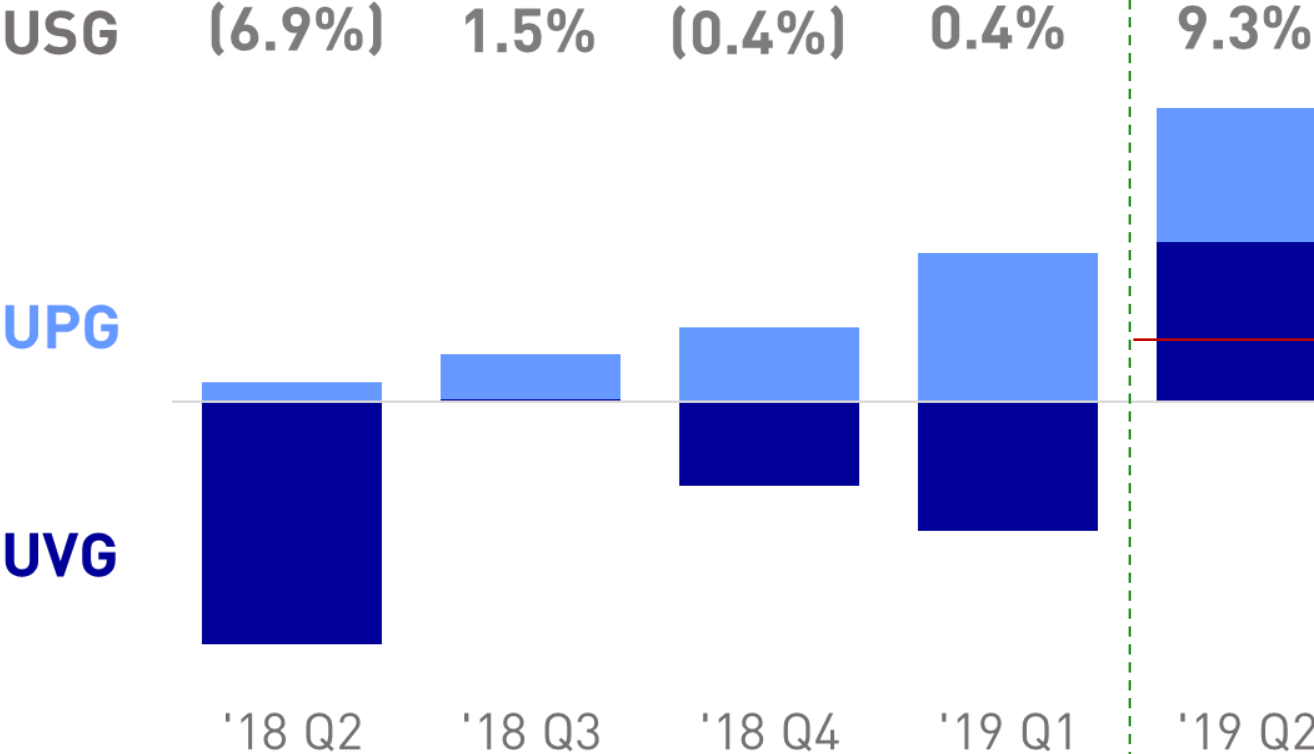


# Latin America

H1 Turnover  
€3.5bn



H1 USG 4.9%  
H1 UVG 0.5%

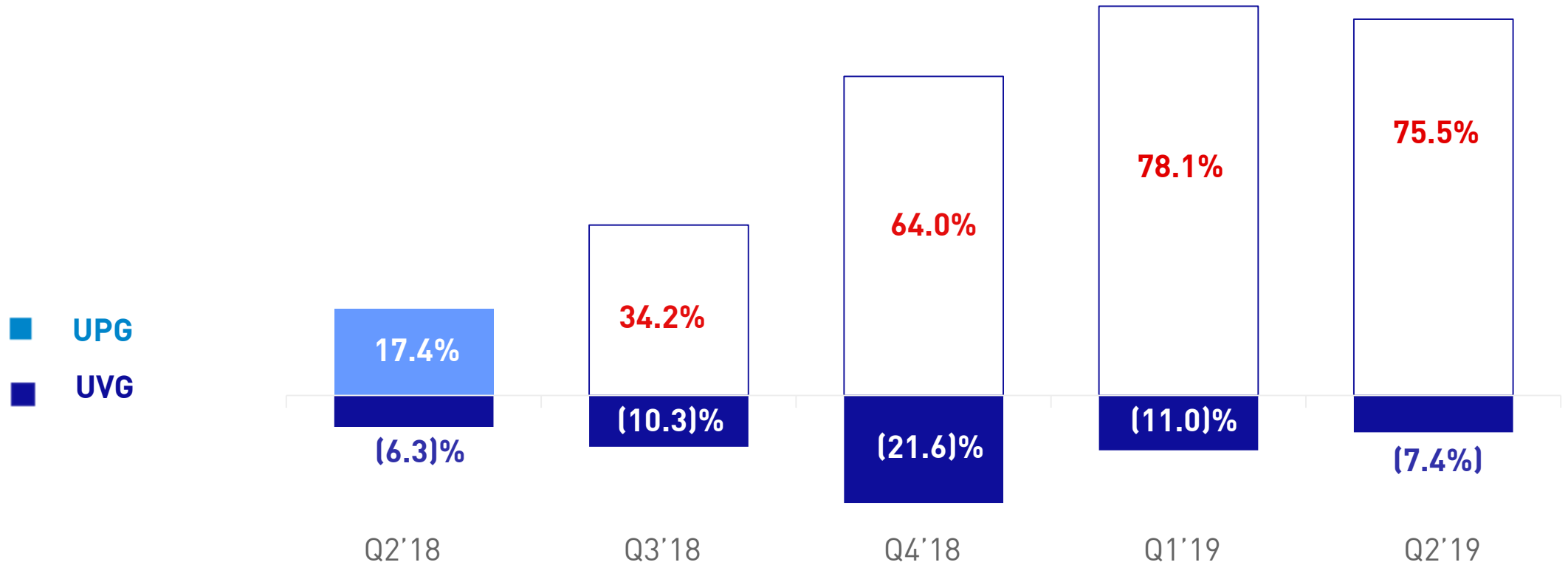


1.6% exc. truckers

Underlying Sales Growth exc. Venezuelan price from Q417 onwards, and Argentinian price from Q318 onwards

# Argentina hyperinflation

Price impact	35bps	<b>70bps</b>	<b>140bps</b>	<b>80bps</b>	<b>80bps</b>
Total UL					
USG Argentina	10.0%	(10.3)%	(21.6)%	(11.0)%	(7.4)%



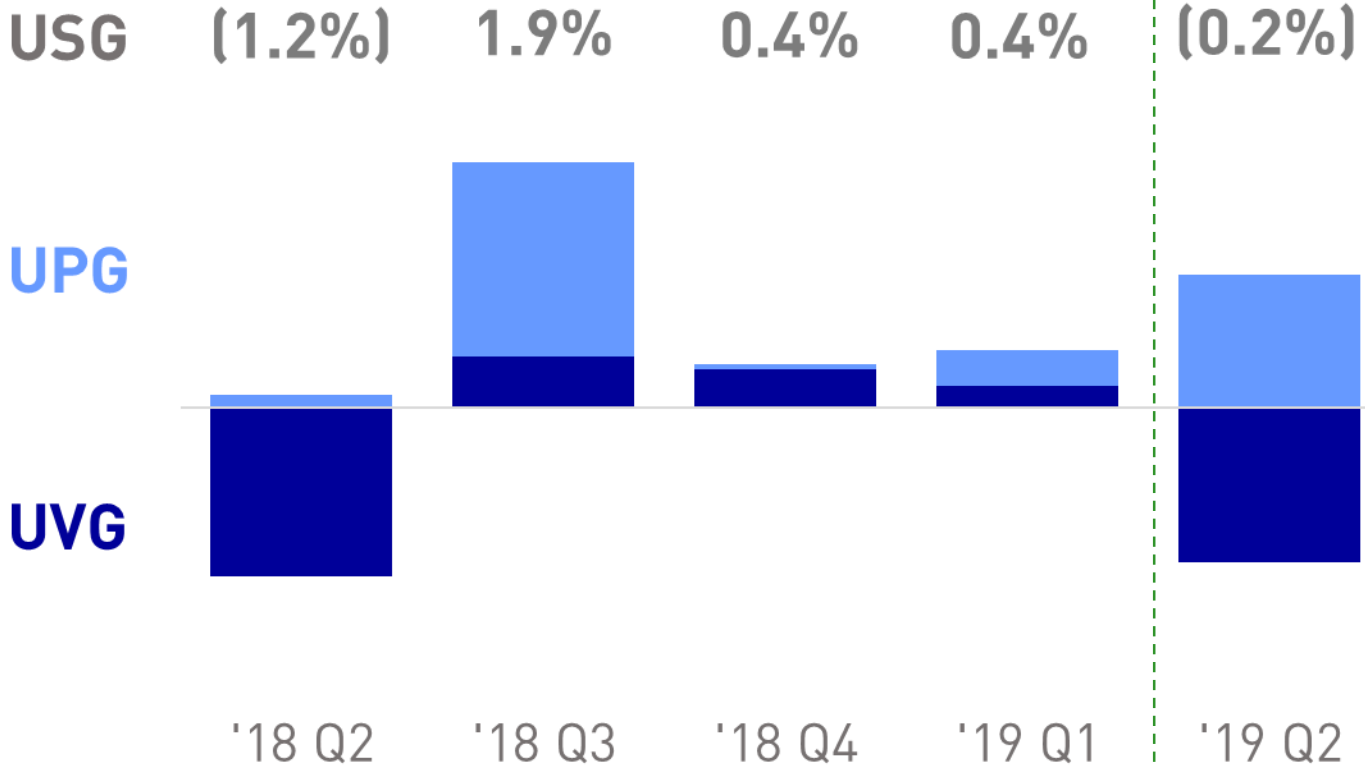


# North America

H1 Turnover  
€4.6bn



H1 USG 0.1%  
H1 UVG (0.5)%

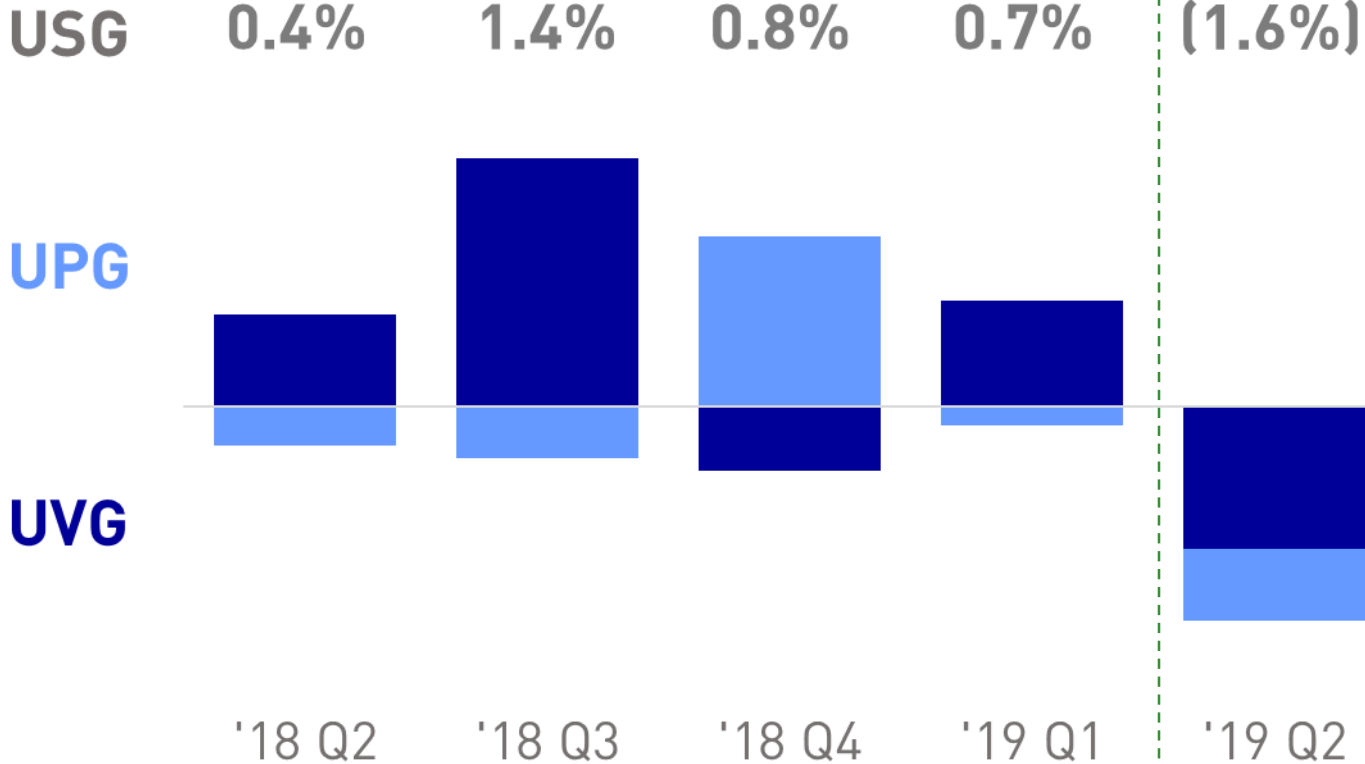


# Europe

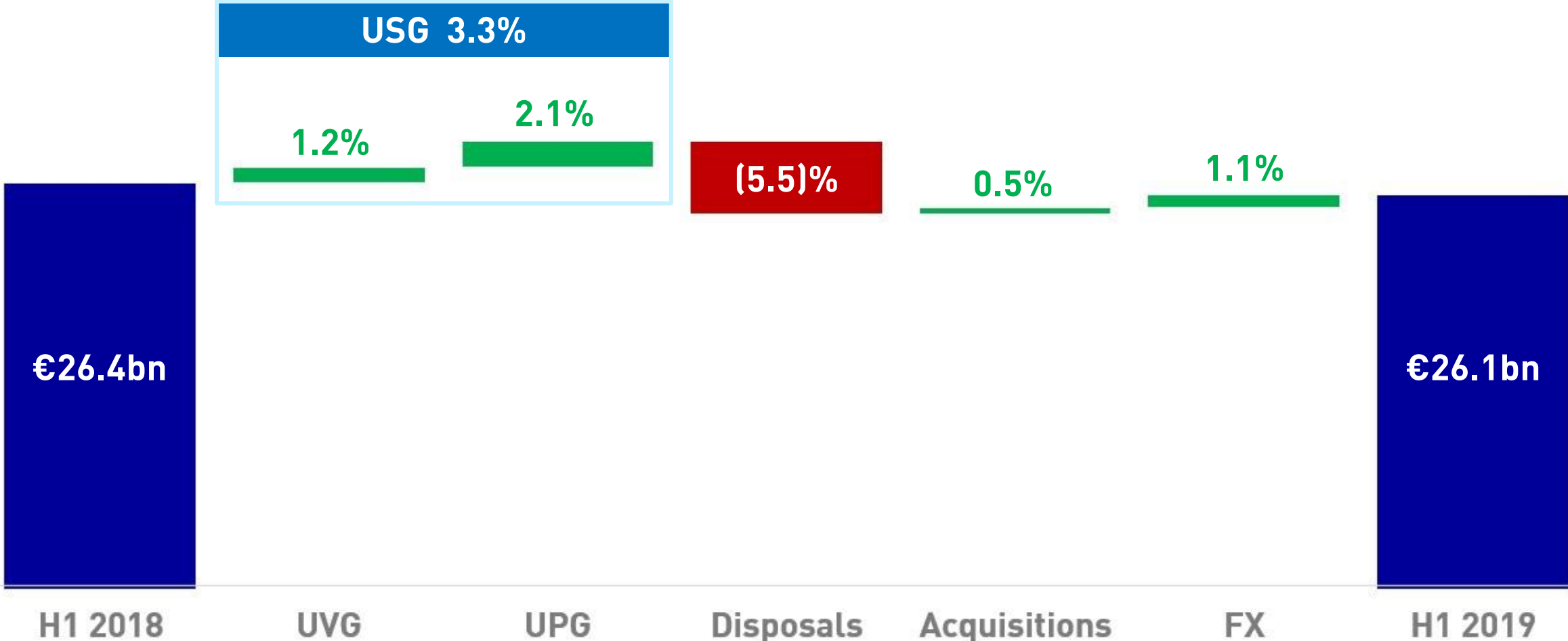
H1 Turnover  
€5.8bn



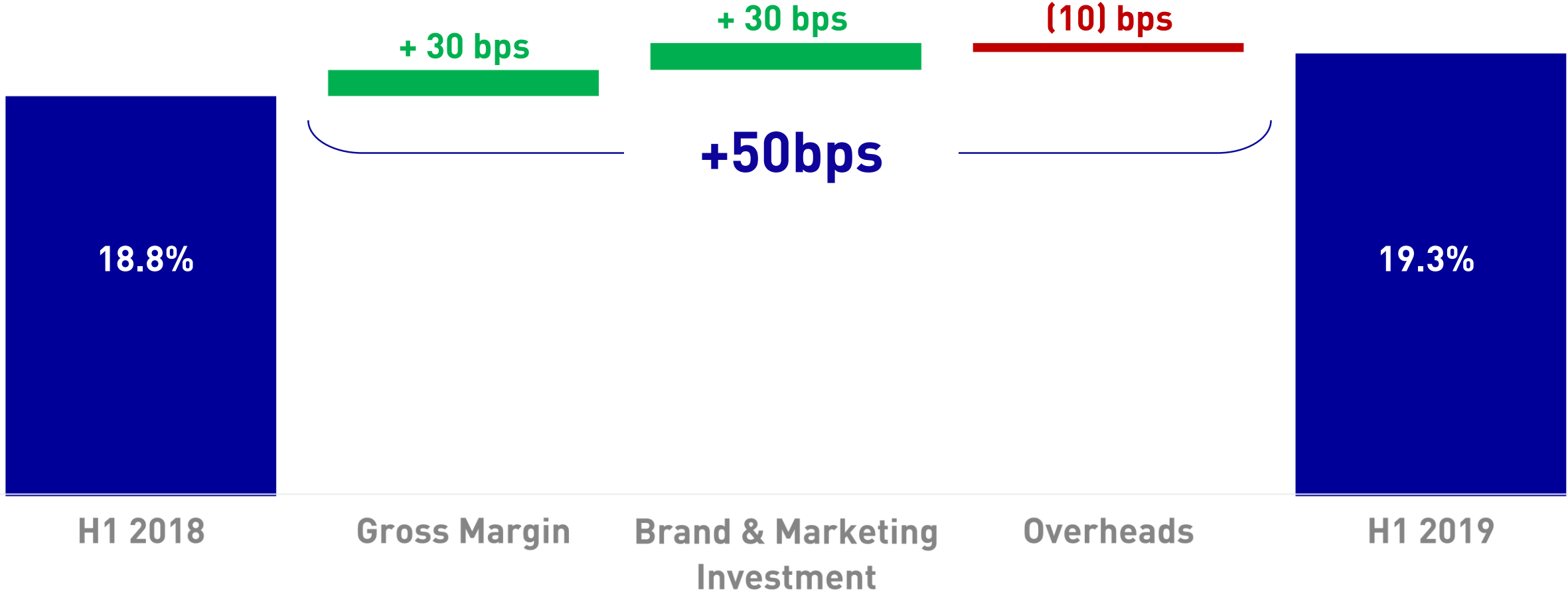
H1 USG (0.6)%  
H1 UVG (0.2)%



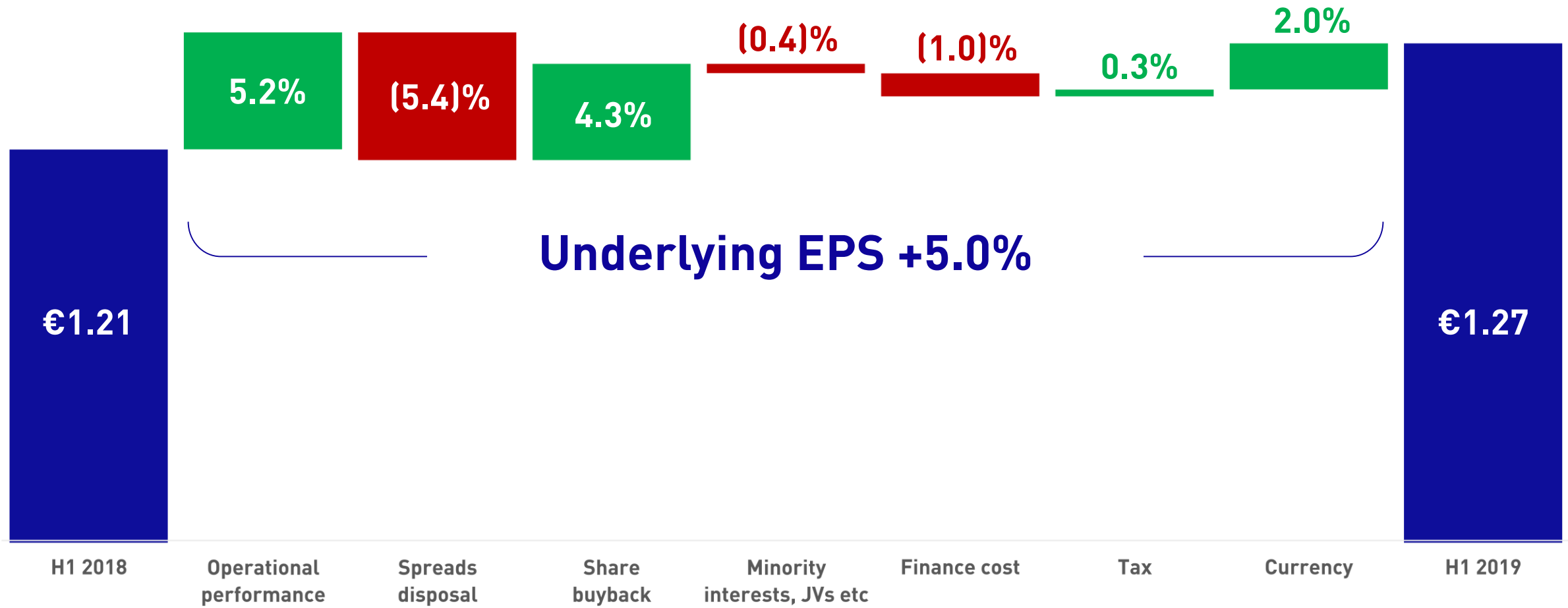
# H1 2019: Turnover



# H1 2019: Underlying operating margin



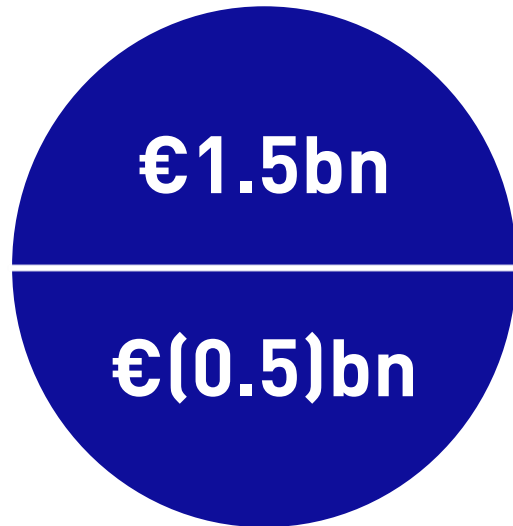
# H1 2019: Underlying earnings per share



# Cash flow & balance sheet

## Free cash flow

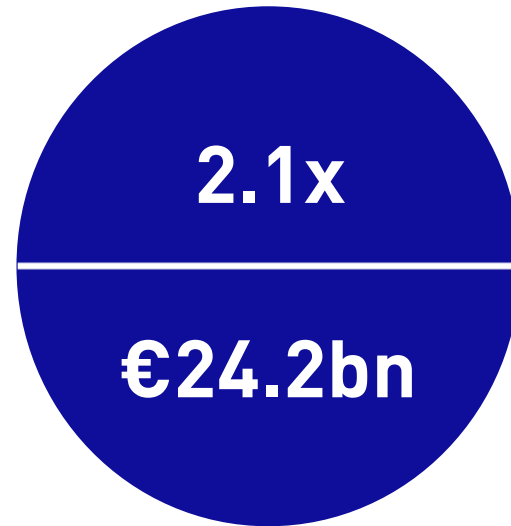
Free cash flow



vs 2018

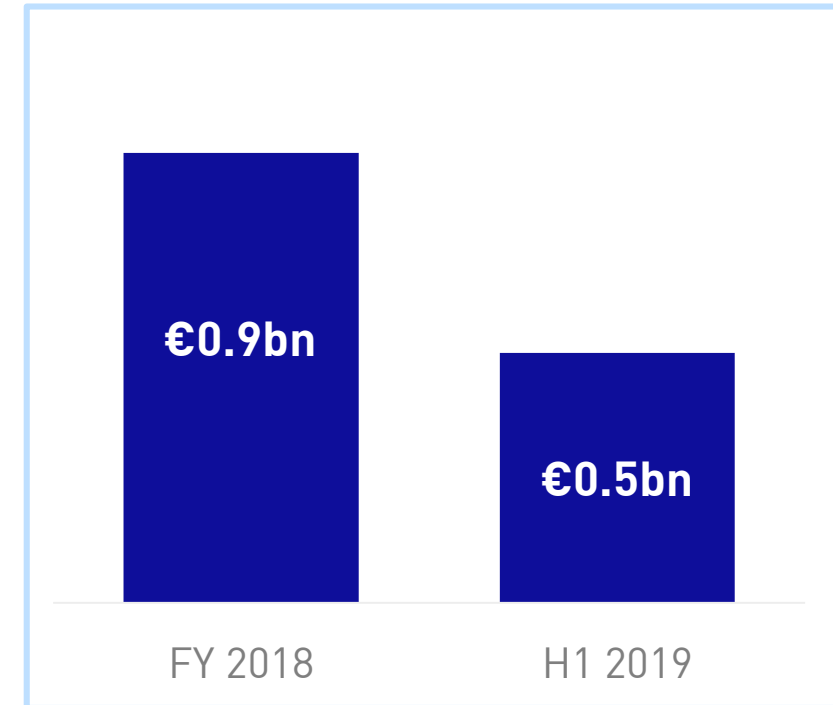
## Net debt

Net debt/EBITDA



Net debt

## Pension deficit



# 2019 outlook

Underlying Sales Growth in lower half of multi-year 3-5% range

Underlying Operating Margin: continued progress to 20%

Strong cash flow

# Unilever H1 2019 Results

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