

Unilever Full Year 2019 Results

Alan Jope & Graeme Pitkethly

30th January 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; 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.

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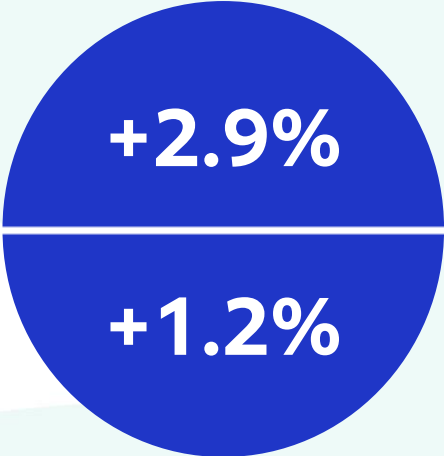


Unilever

2019: Full year results

Growth

Underlying Sales Growth



Underlying Volume Growth

Margin

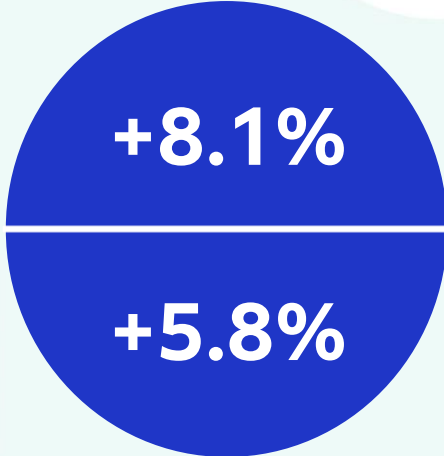
Underlying Operating Margin



Gross Margin

Earnings

Underlying EPS



Constant Underlying EPS









Cash

Free Cash Flow



vs 2018

2019: Progress on hotspots

	MAT	L12W		MAT	L12W
USA Dressings					
	(20)	+45		(95)	(15)
			 		
USA Ice cream			DMs tea		
	(55)	+40		(85)	(75)
 					



2019: People and organisation



New
Unilever Executive



Flatter markets
organisation

2019: Strategy and portfolio

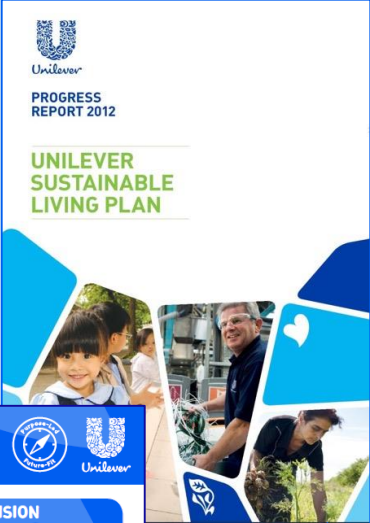
THE COMPASS 2016
Winning through a time of exponential change

WE ARE UNILEVER

VISION	To grow our business whilst decoupling our environmental footprint from our growth and increasing our positive social impact.	We will lead for profitable, consistent, competitive and sustainable growth, inspiring people to take small everyday actions that will add up to a big difference. We will grow by winning shares and building markets everywhere. Through our USLP we will deliver More Growth, Less Cost, Less Risk and More Trust.
PURPOSE	To make sustainable living commonplace.	We work to create a brighter future every day, with brands and services that help people feel good, look good, and get more out of life. We put the consumer first - then customers, employees, suppliers, and communities. In this way we reward our shareholders.

HOW WE WILL WIN

NON-NEGOTIABLES	Winning with brands and innovation	1	Build stronger, more sustainable brands for a connected world
		2	Drive penetration and distribution of our Core
		3	Deliver bigger innovation, faster, in full, to more markets
	Winning in the marketplace	4	Lead market development, reaching up, down and wide
		5	Win when and where shoppers choose, e-commerce competitive advantage
		6	Grow through excellence in Net Revenue Management
	Winning through continuous improvement	7	Step change organisation cost and agility
		8	Step change returns on capital, IT and improvement
		9	Step change cost and service levels in local agility
	Winning with people	10	Build diversity of leadership and put it to work
		11	Be faster, simpler, more market-facing
		12	Build resilient, empowered and aligned



Integrated strategy

Portfolio review



Graeme Pitkethly

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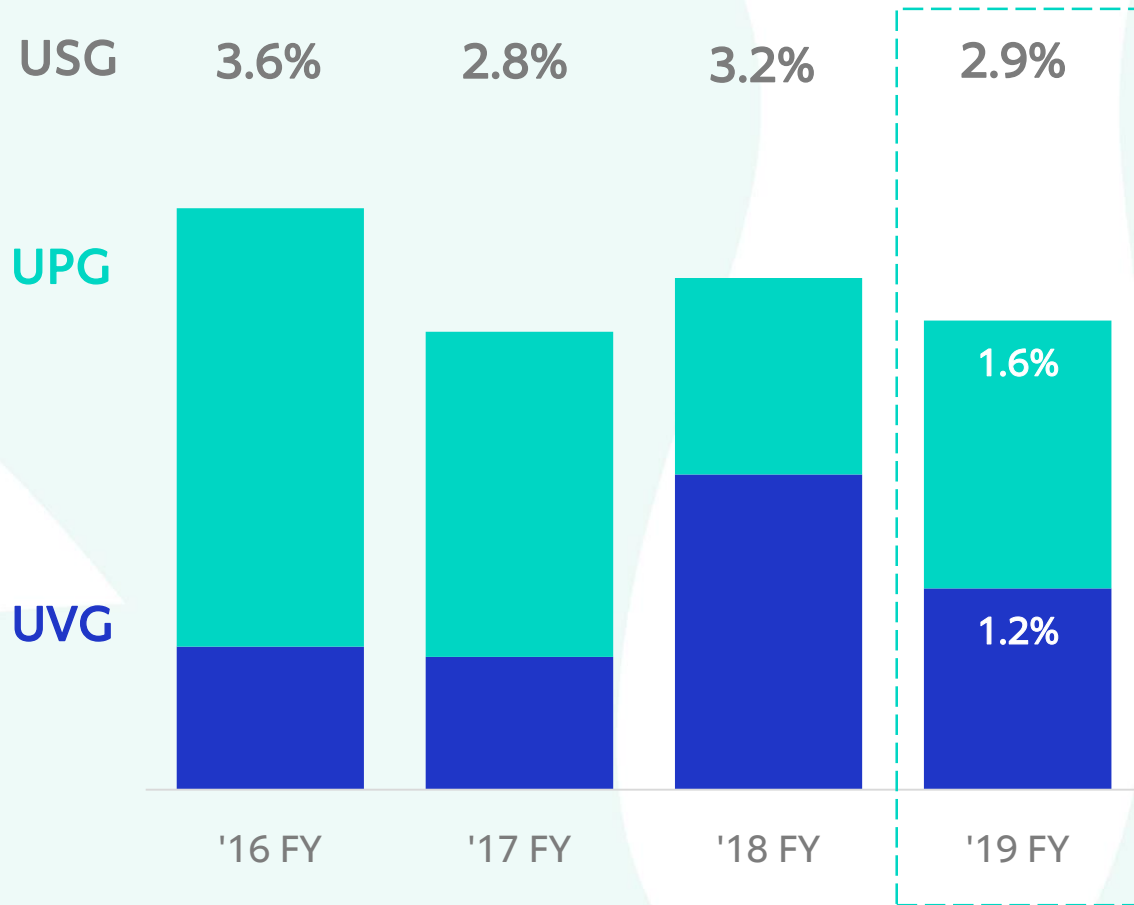
30th January 2020



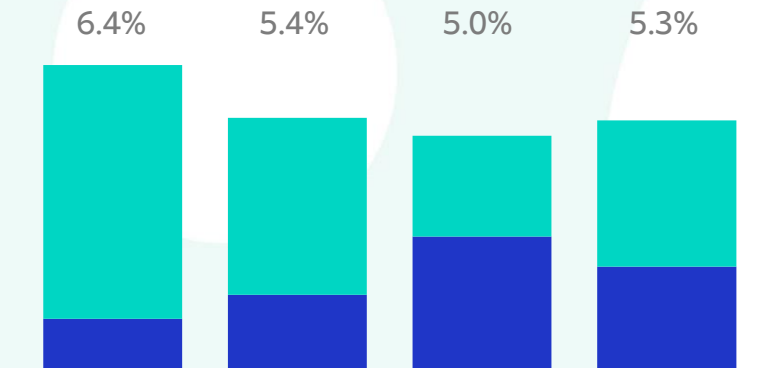
Unilever

Consistent growth

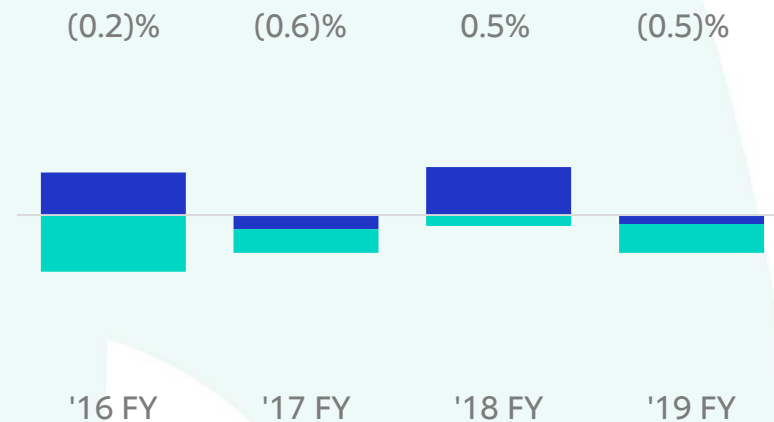
Total Unilever



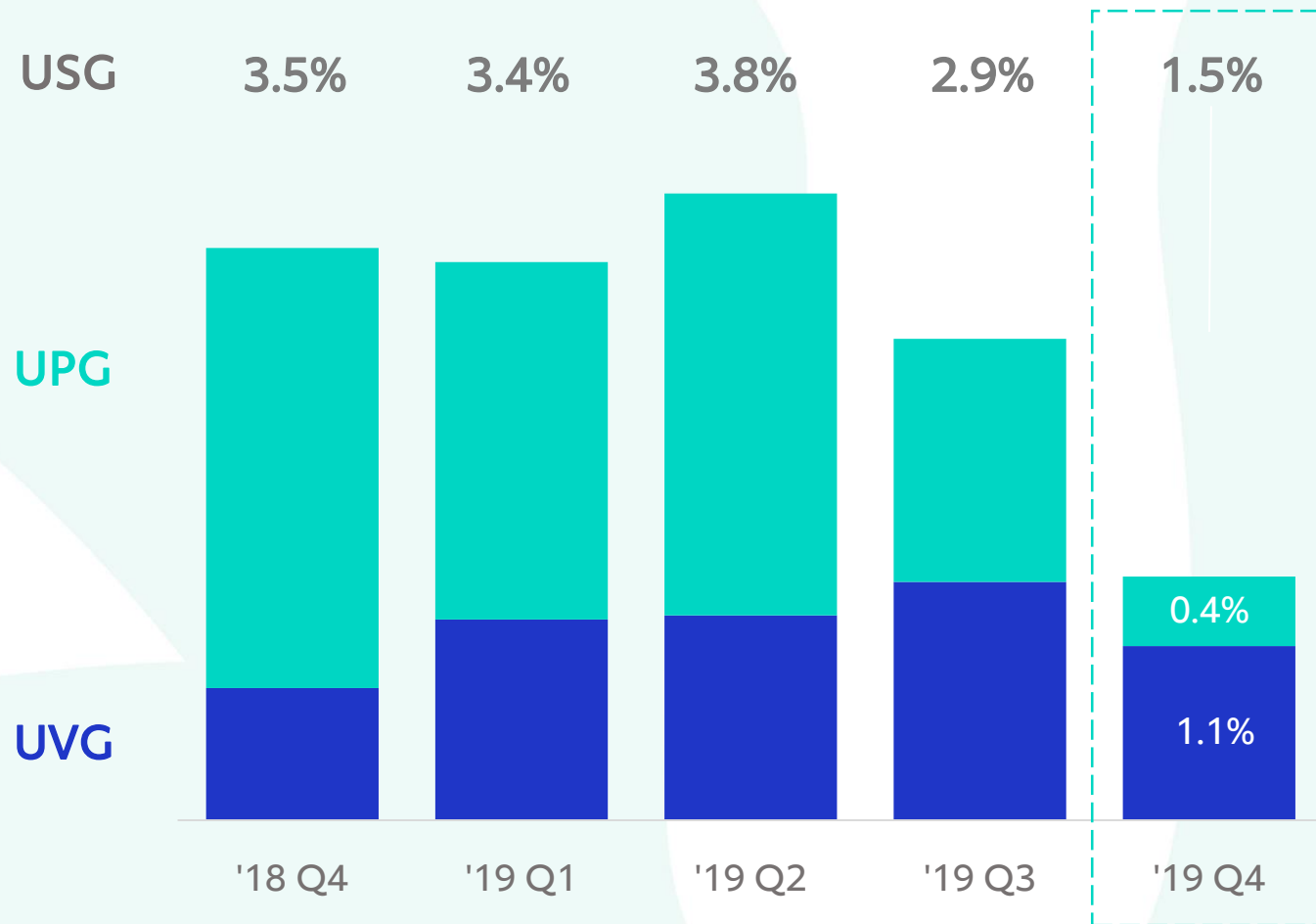
Emerging markets



Developed markets



Q4 slowdown in USG



- **Africa**
 - Ghana & Nigeria
- **India**
 - Market slowdown & pricing actions
- **North America**
 - Below our expectations
- **N Africa, Middle East & Turkey**
 - Softening inflation



Beauty & Personal Care

FY USG

2.6%

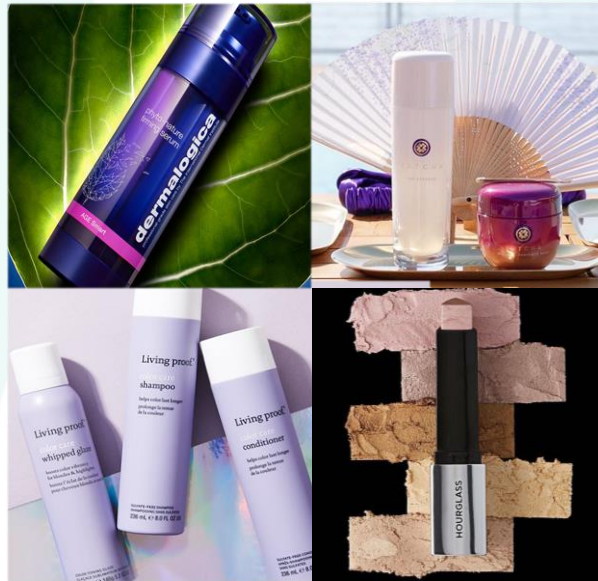
UPG

0.9%

UVG

1.7%

Prestige



Deodorants



FY UOM +70bps

Foods & Refreshment

FY USG

1.5%

UPG

1.7%

UVG

(0.2)%

Dressings



Premium ice cream



FY UOM (20)bps

Home Care

FY USG 6.1%

UPG

3.1%

UVG

2.9%

Fabric solutions



Fabric sensations



Home & hygiene



FY UOM +150bps

Innovation highlights

Leading technology



On-trend categories



Market development



Asia / AMET / RUB

FY '19 Turnover
€24.1bn

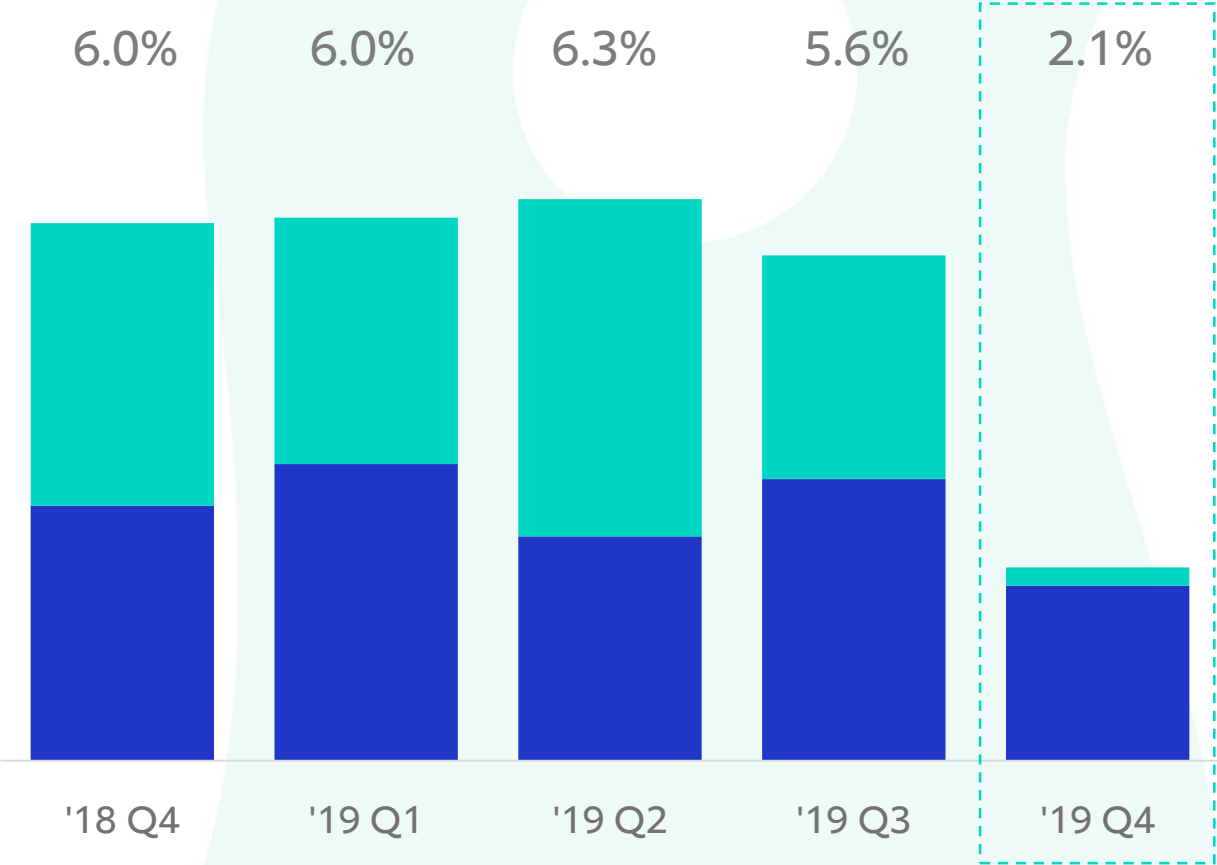


FY USG 5.0%
FY UVG 2.7%

USG

UPG

UVG



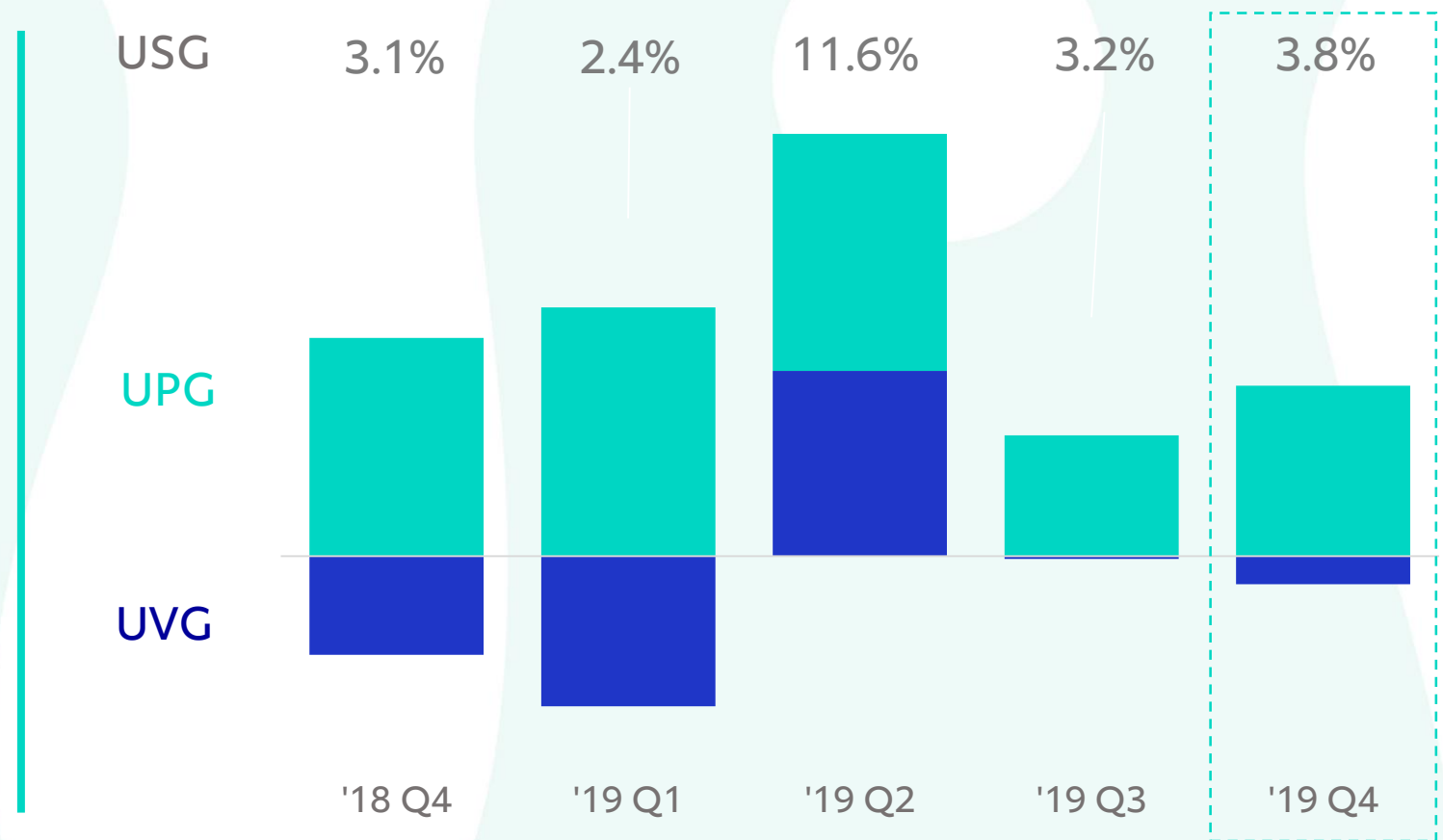
Latin America

**FY '19 Turnover
€7.1bn**



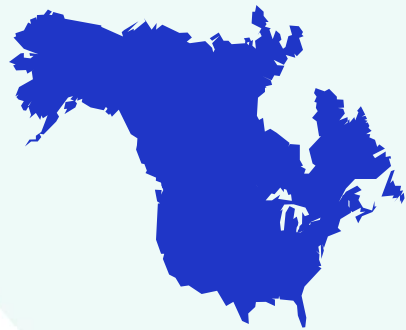
FY USG 5.1%

FY UVG 0.0%

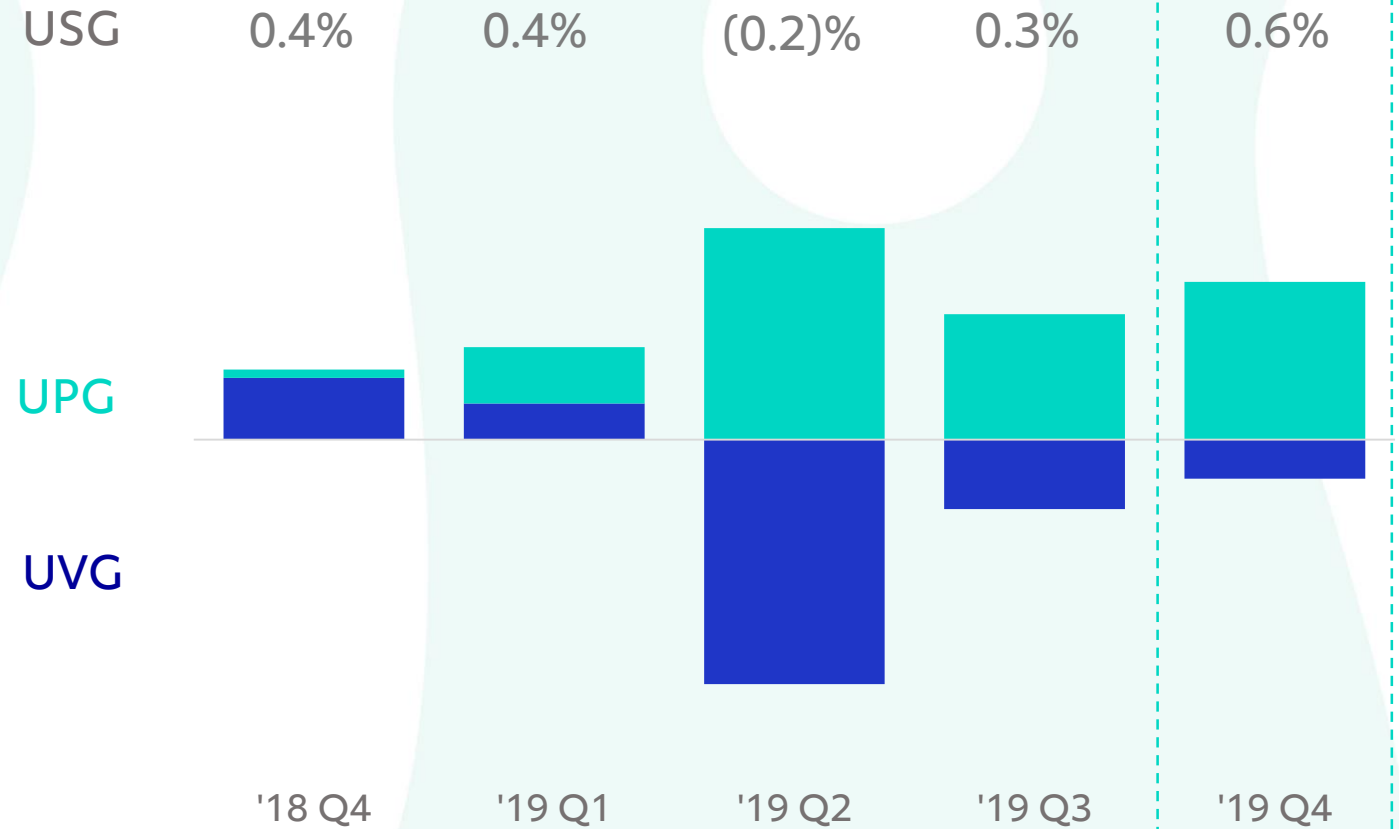


North America

FY '19 Turnover
€9.4bn



FY USG 0.3%
FY UVG (0.4)%



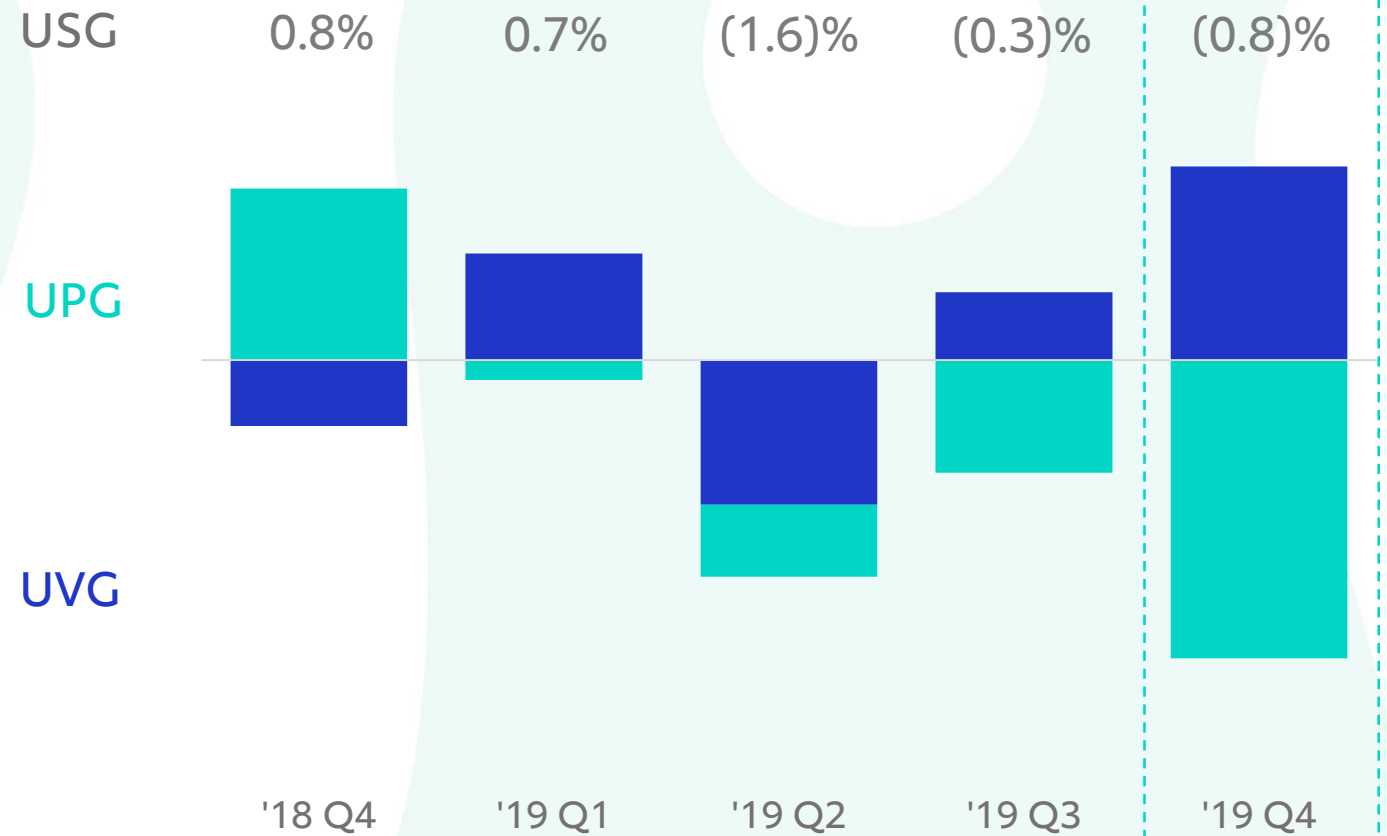
Europe

FY '19 Turnover
€11.4bn

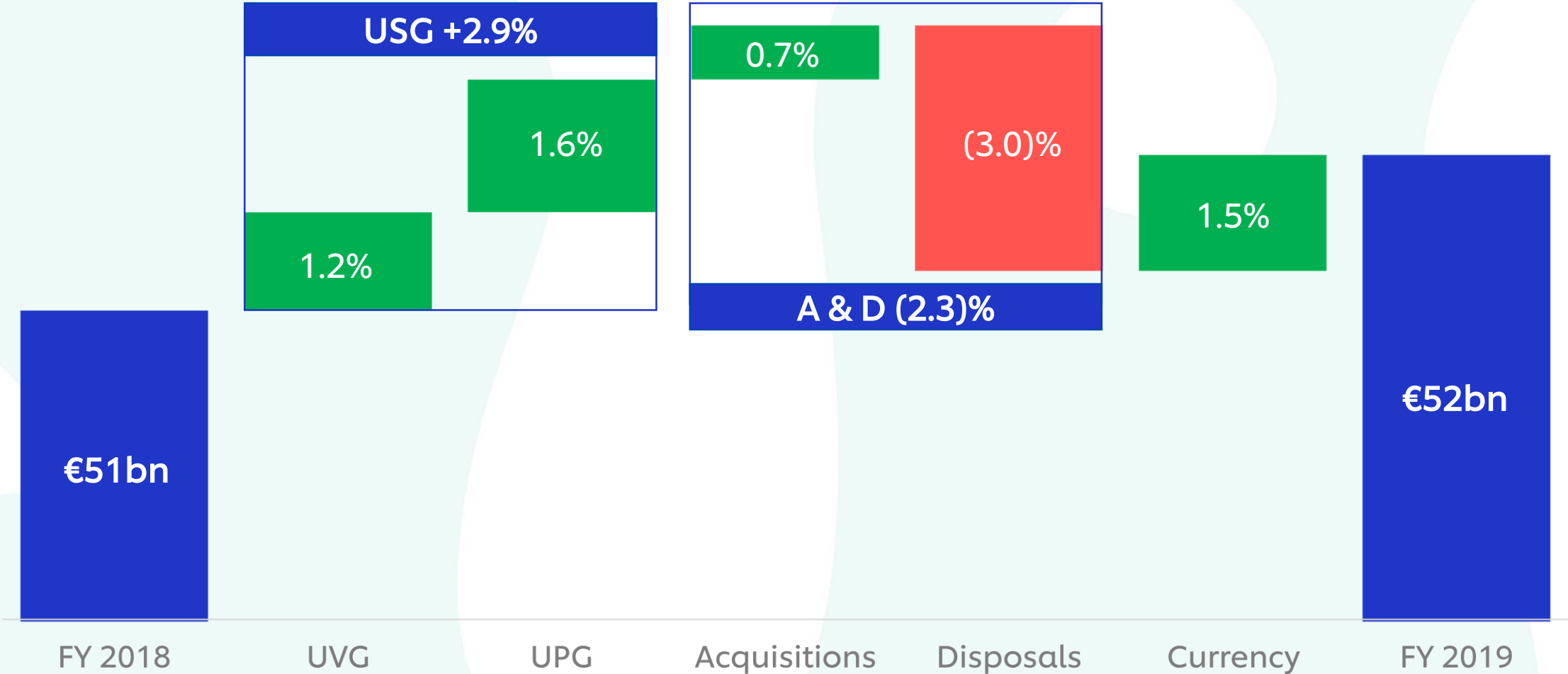


FY USG (0.6)%

FY UVG 0.3%

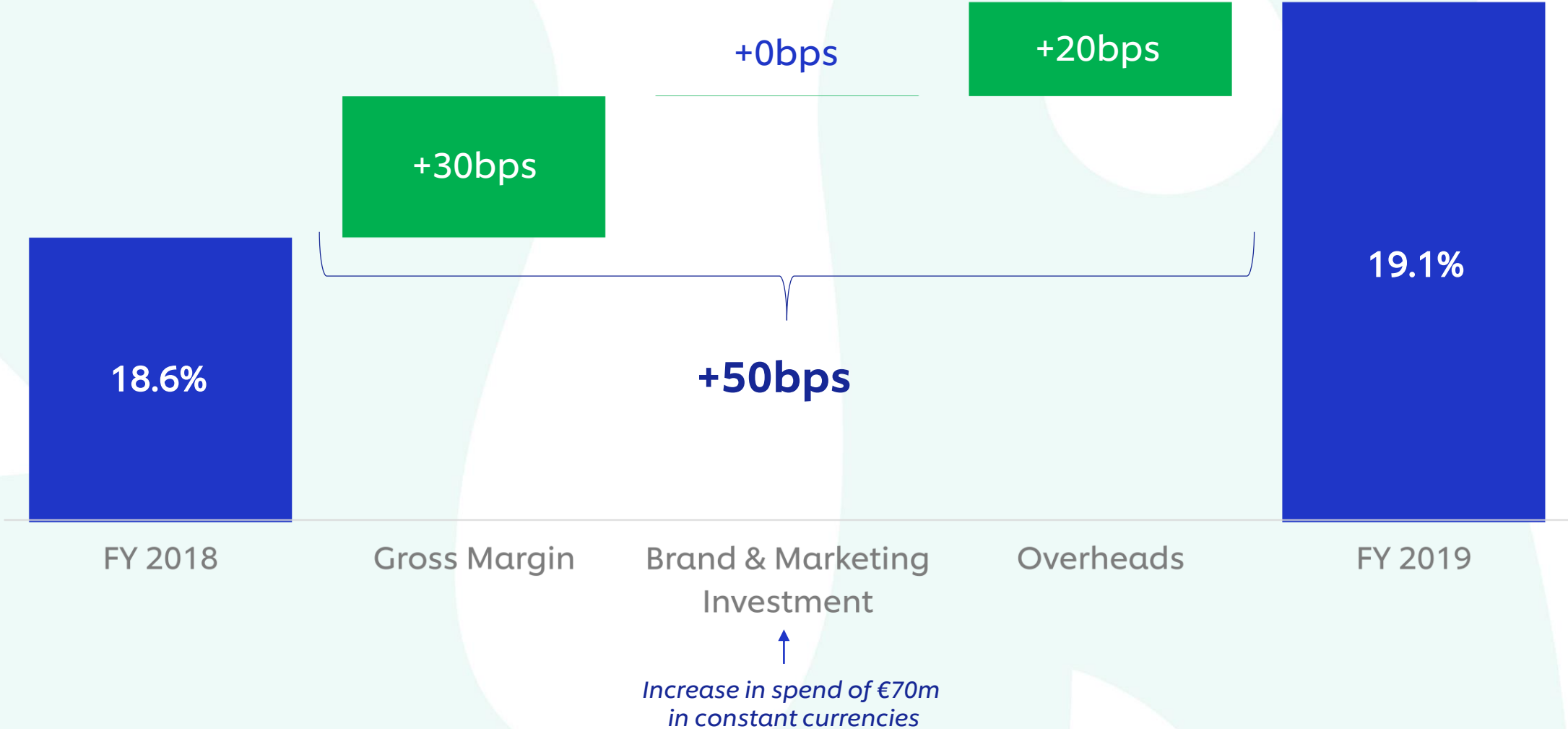


2019: Full year turnover



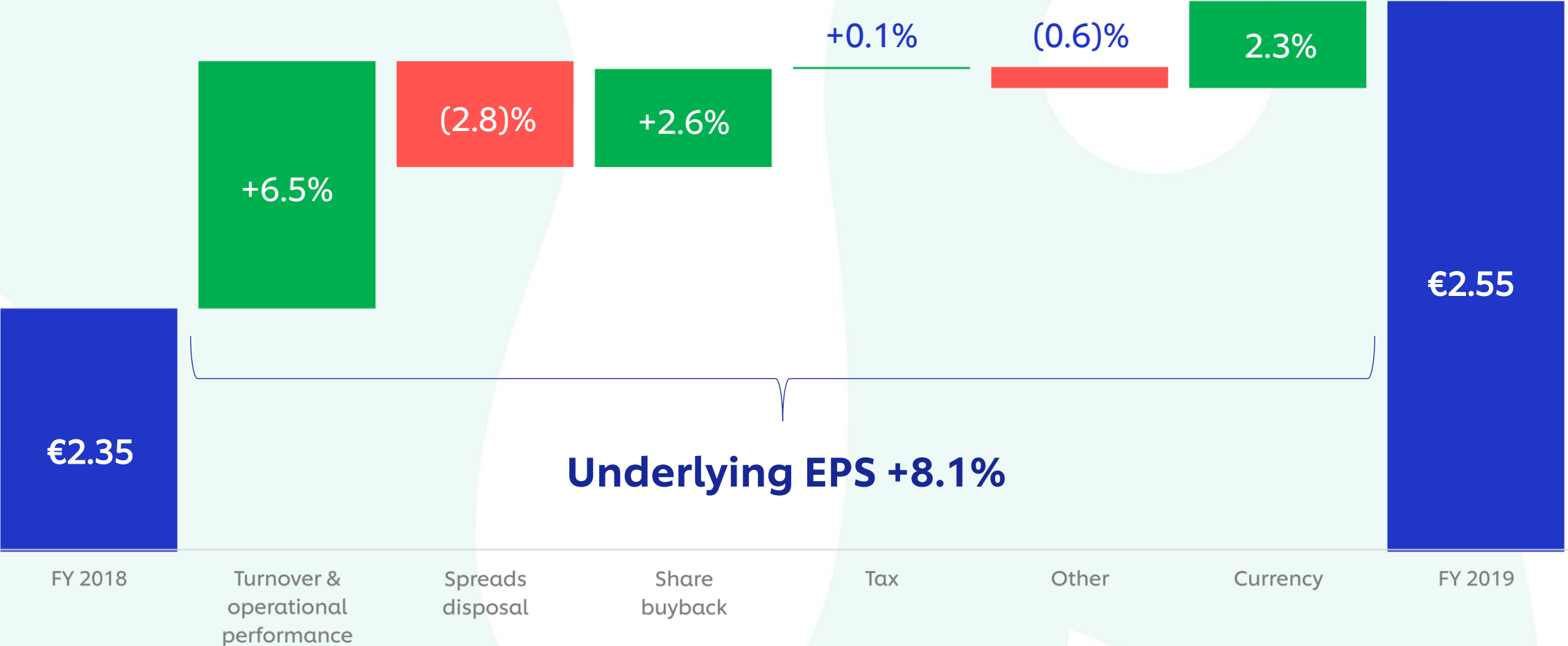
Reflecting treatment of hyperinflation in USG as announced in September 2019

2019: Underlying operating margin



All numbers on an IFRS 16 basis

2019: Underlying earnings per share



All numbers on an IFRS 16 basis

2019: Cash flow and balance sheet

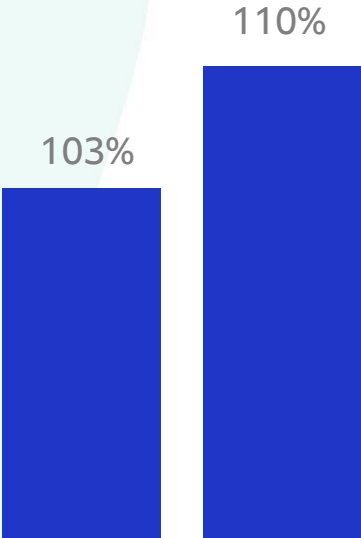
Free cash flow

Free Cash Flow



vs 2018

Cash conversion



2018

2019

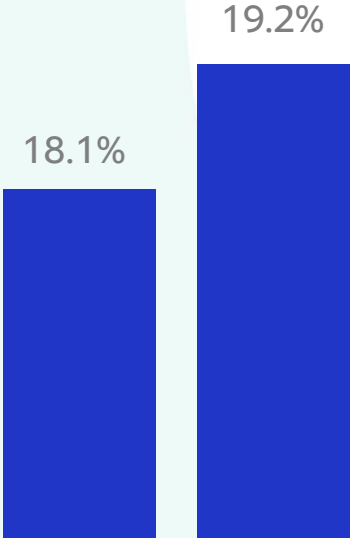
Net debt

Net debt/EBITDA



Net debt

ROIC



2018

2019



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Progress against strategic plan

USG in 3-5% range

3% CAGR 2017-19

Simpler, faster organisation

Closer to the markets, delayed

Accelerated margin progression

UOM 16.4% → 19.1%, >€6bn savings 2017-19

Faster portfolio evolution

34 acquisitions and 14 disposals since 2015

Simpler capital/legal structure

**Preference shares cancelled, trust office closure,
unification withdrawn**

Increased leverage & returns

**€11bn bought back, high teens ROIC,
net debt at 2X**

2020 fundamentals of growth

1 Improved penetration

Mental and physical availability in key cells

2 Impactful innovation

Product superiority
Decisive choices

3 Design for channel

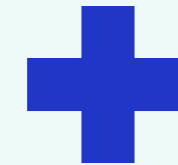
Focused channel teams

4 Purposeful brands

100% product & purpose integration

5 Fuel for growth

€2bn+ savings p/a



Portfolio review

Future growth categories



Luxury beauty
Focus skin care



Health, wellness,
personal nutrition
Focus VMS

Global tea



2020 outlook

- First half USG improvement versus Q4
- Full year USG in lower half of 3-5% multi-year range
- Continued progress towards 20% UOM
- Strong cash flow

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