



2017 FIRST HALF YEAR RESULTS

PROFITABLE GROWTH AHEAD OF OUR MARKETS, DRIVEN BY 'CONNECTED 4 GROWTH' ('C4G')

Performance highlights

Underlying performance			GAAP measures		
		vs 2016			vs 2016
First Half					
Underlying sales growth (USG)		3.0%	Turnover	€27.7bn	5.5%
USG excluding spreads		3.4%	Turnover excluding spreads	€26.2bn	6.0%
Underlying operating margin	17.8%	180bps	Operating margin	17.5%	310bps
Underlying earnings per share	€1.13	14.4%	Earnings per share	€1.09	24.1%
			Net profit	€3.3bn	22.4%
Second quarter					
Underlying sales growth		3.0%	Turnover	€14.4bn	4.9%
Quarterly dividend payable in September 2017				€0.3585 per share	

- Strong progress against the strategic objectives set out for 2020
- Turnover increased 5.5%, including a positive currency impact of 1.7%
- Underlying sales growth 3.0%, ahead of our markets, with price up 3.0% and flat volumes
- Excluding spreads, underlying sales growth of 3.4% with volume up 0.3%
- Underlying operating margin up 180bps, reflecting faster savings delivery and phasing of investment
- Underlying earnings per share up 14%, constant underlying EPS up 12%
- Net profit increased 22%

Paul Polman: Chief Executive Officer statement

“Our first half results show continued growth well ahead of our markets and a substantial step-up in profitability despite the persisting volatile global trading environment. It once more shows the validity of Unilever’s long-term compounding growth model. Our change programme ‘Connected 4 Growth’ (‘C4G’), which started in the autumn of 2016, is delivering ahead of plan.

The transformation of Unilever into a more resilient, more competitive and more profitable business is accelerating. C4G is making our business even more agile, less complex and increasingly responsive to fast-changing consumer trends. The resulting increase in innovation speed and effectiveness will allow us to grow ahead of market. We see this as a proven way of delivering long-term shareholder value. C4G also enables a further step-change in margin expansion and cash flow delivery as we secure efficiencies from the roll-out of our savings programmes and benefit from the investments we have made over the last few years.

The actions we are taking keep us on track for another year of underlying sales growth ahead of our markets, in the 3 – 5% range. We anticipate accelerating growth in the second half of the year driven by the phasing of our innovation plans and a step-up in brand and marketing investment. We now expect an improvement in underlying operating margin this year of at least 100 basis points and strong cash flow.”

20 July 2017