

# Unilever Q3 2022 Trading Statement

ALAN JOPE &  
GRAEME PITKETHLY

27 OCT 2022



Unilever

# Safe harbour statement

This presentation 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. Forward-looking statements also include, but are not limited to, statements and information regarding the Unilever Group's (the 'Group') emissions reduction targets and other climate change related matters (including actions, potential impacts and risks associated therewith). These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Group. They are not historical facts, nor are they guarantees of future performance or outcomes.

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.

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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 Unilever Annual Report and Accounts 2021.

# Unilever Q3 2022 Trading Statement

ALAN JOPE



**Double-digit growth in Q3, full-year guidance raised**

**Price-led with limited volume impact**

**Big brands outperformed, driven by investment and innovation**

**New organisation bringing speed and agility**

# Another strong quarter of growth

## Q3 growth

**10.6%**

Underlying sales growth

**12.5% (1.6)%**

UPG

UVG

## YTD growth

**8.9%**

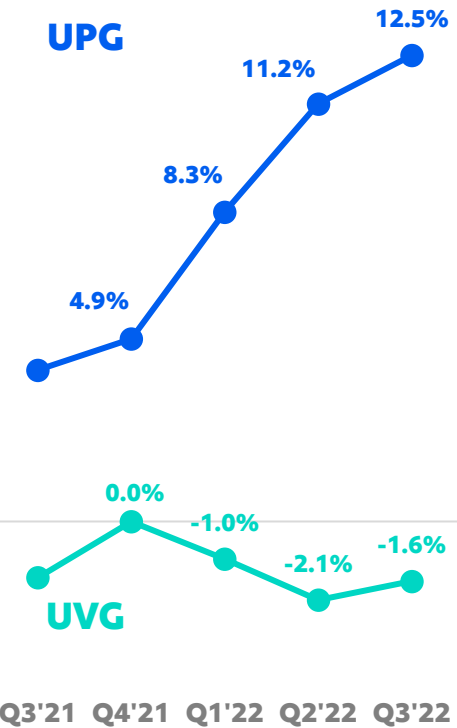
Underlying sales growth

**10.7% (1.6)%**

UPG

UVG

## Price growth



## Competitive growth

**50%**

% Business Winning MAT<sup>1</sup>

<sup>1</sup>Moving Annual Total / Last 52 weeks

# Continued progress in line with strategic priorities

Win with **brands** and innovation

**12**

€1bn+ brands

**51%**

of turnover

**14%**

Q3'22 USG

Move **portfolio** into high growth spaces

**Prestige and Health & Wellbeing grew double-digit**

**Acquired Nutrafol**

**Tea sale completed**

Accelerate **USA, India, China** and EMs

**Q3'22 USG**



**8.6%**



**16.1%**



**1.1%**

**Emerging Markets**

**13.3%**

Lead in **channels** of the future

**14%**

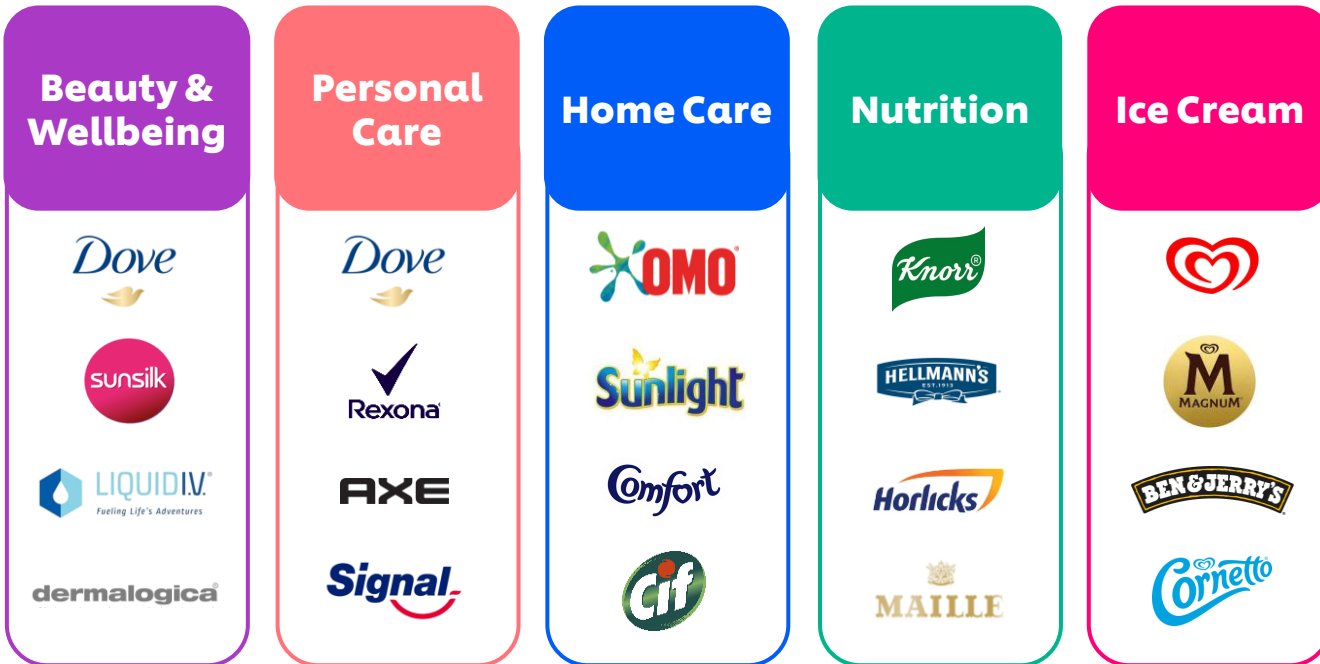
eCom % TO

**20%**

eCom Q3'22 USG

# Future-fit organisation already enabling better execution

## Unilever Corporate Centre



## Unilever Business Operations



### Speed

Product rationalisation rapidly executed in Personal Care



### Simplification

Cross-border supply chain consolidation in North America Nutrition



### Business Operations

Accelerated move to Cloud infrastructure

# Beauty & Wellbeing



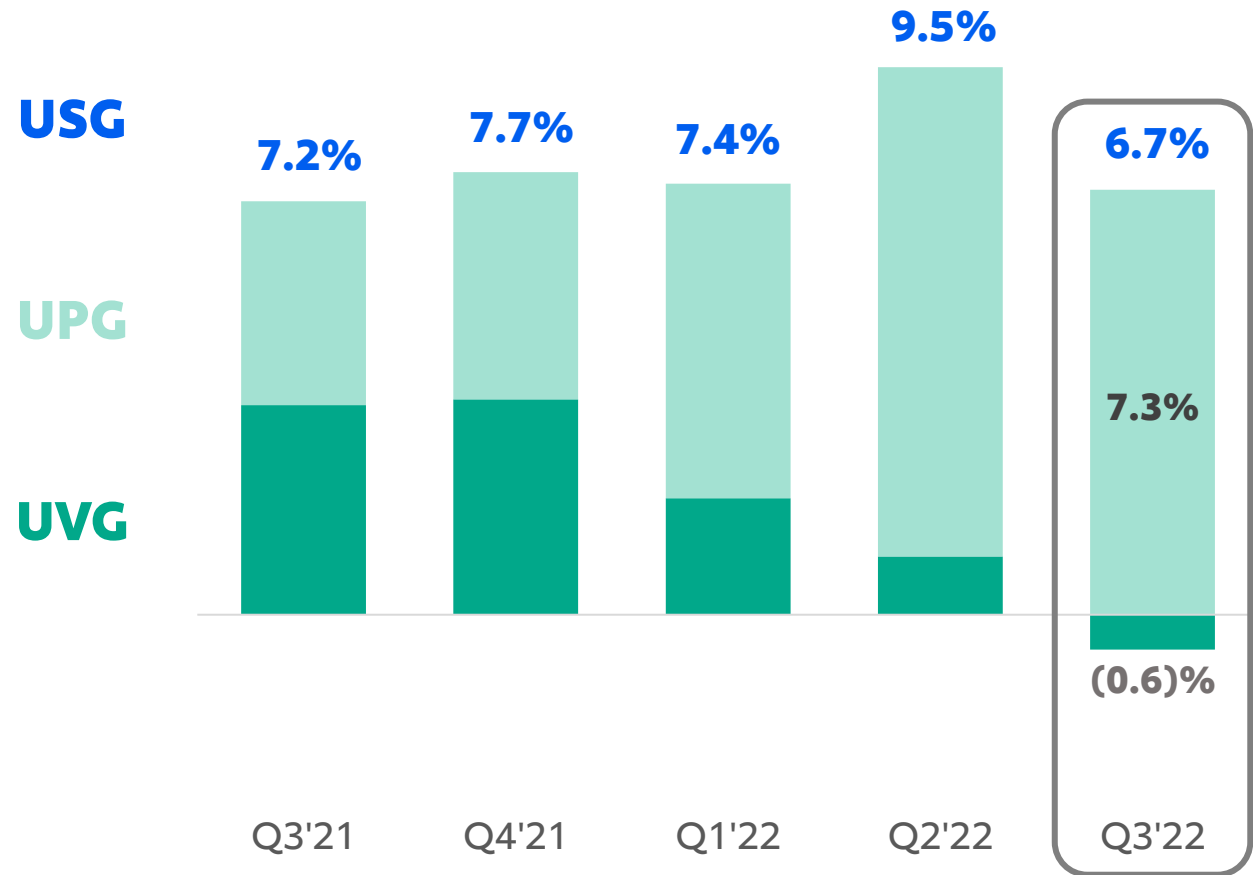


**6.7%**  
USG

**(0.6)%**  
UVG

**7.3%**  
UPG

- Double-digit growth in Prestige and Health & Wellbeing
- Sunsilk and Clear driving strong performance in Hair
- Small decline in China, impacted by continued lockdowns



# Brand and innovation highlights



**Gorgeous hair through new nanoplex technology**



**4x larger than at acquisition**

# Living proof.<sup>®</sup>



**Enters bond-building premium hair care category**

# Personal Care

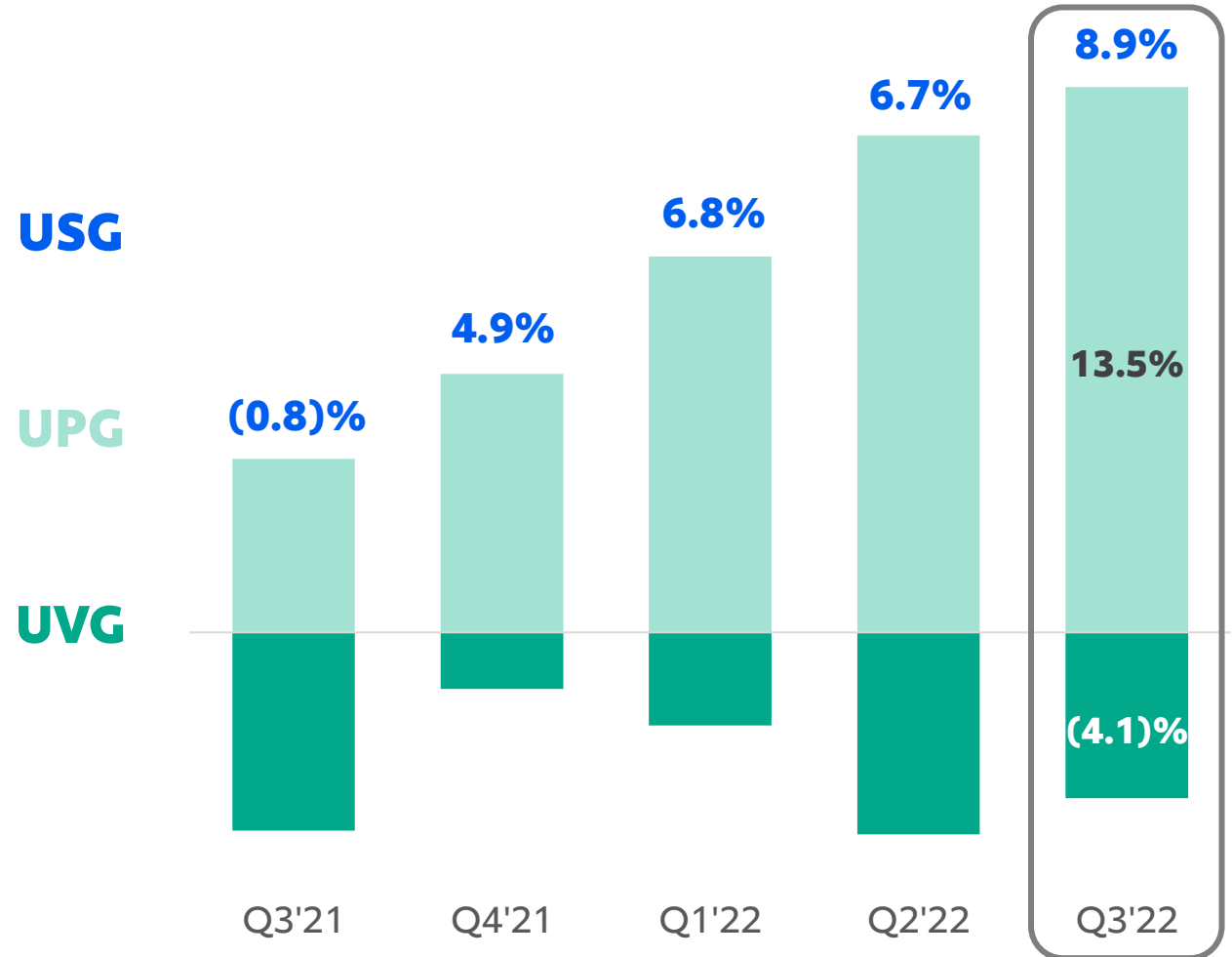


**8.9%**  
USG

**(4.1)%**  
UVG

**13.5%**  
UPG

- Deodorants performed strongly driven by double-digit growth from Dove, Rexona and Axe
- Skin Cleansing volumes declined as a result of pricing and supply constraints
- Pepsodent drove growth in Oral Care



# Brand and innovation highlights



**Microbiome nutrient serum moisturises dry skin in just one shower**



**Superior technology driving accelerated growth across many markets**



**Clinically proven skin care benefits offering a spot-less glow**

# Home Care



**13.6%**  
USG

**(3.6)%**  
UVG

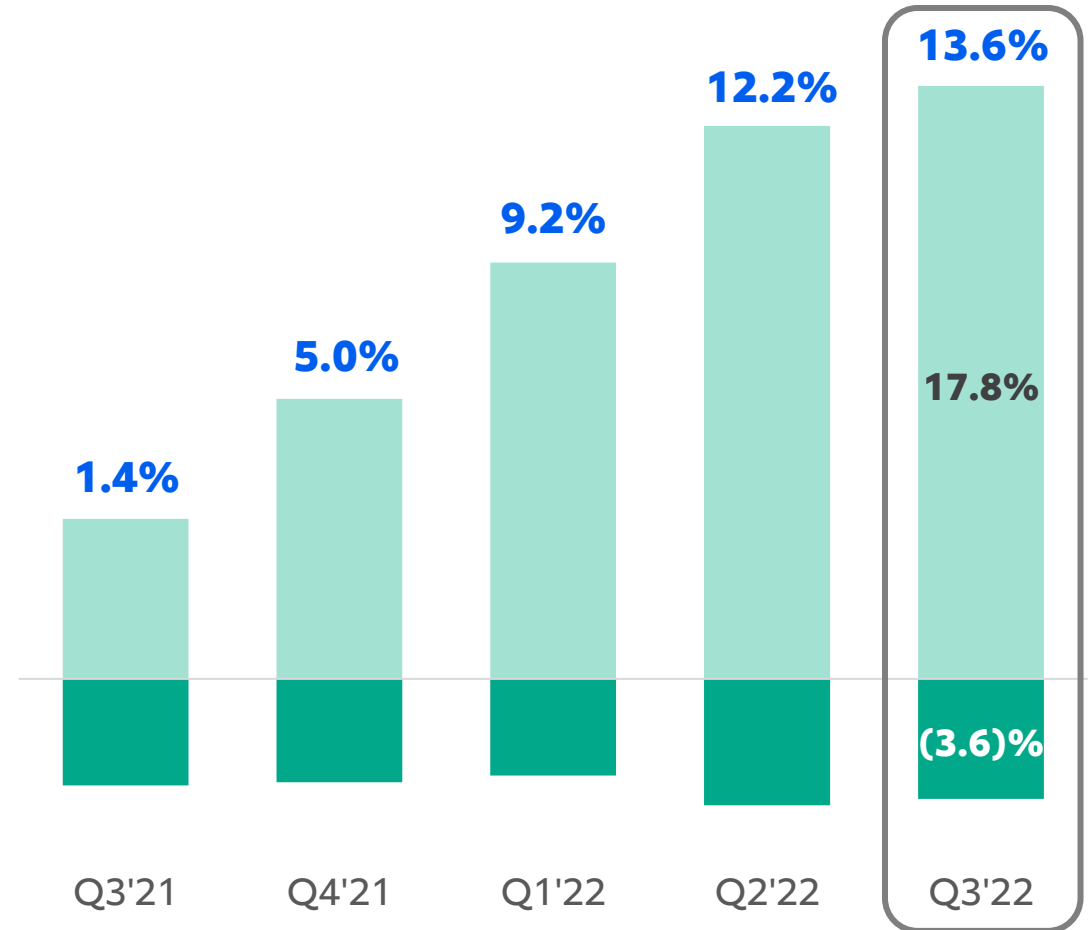
**17.8%**  
UPG

- Fabric Cleaning grew double-digit, driven by Dirt is Good, Surf and Radiant
- Continued growth momentum in Fabric Enhancers, supported by Comfort
- Home & Hygiene growth slowed as Covid effects fade

**USG**

**UPG**

**UVG**



## Sunlight



**Bio-enzymes tougher on grease and encrusted food**

## Surf excel



**Surf Excel driving high growth in India Fabric Cleaning**

## Comfort



**Patented Pro-Fibre technology prevents clothes damage**



# Nutrition



**11.8%**  
USG

**0.1%**  
UVG

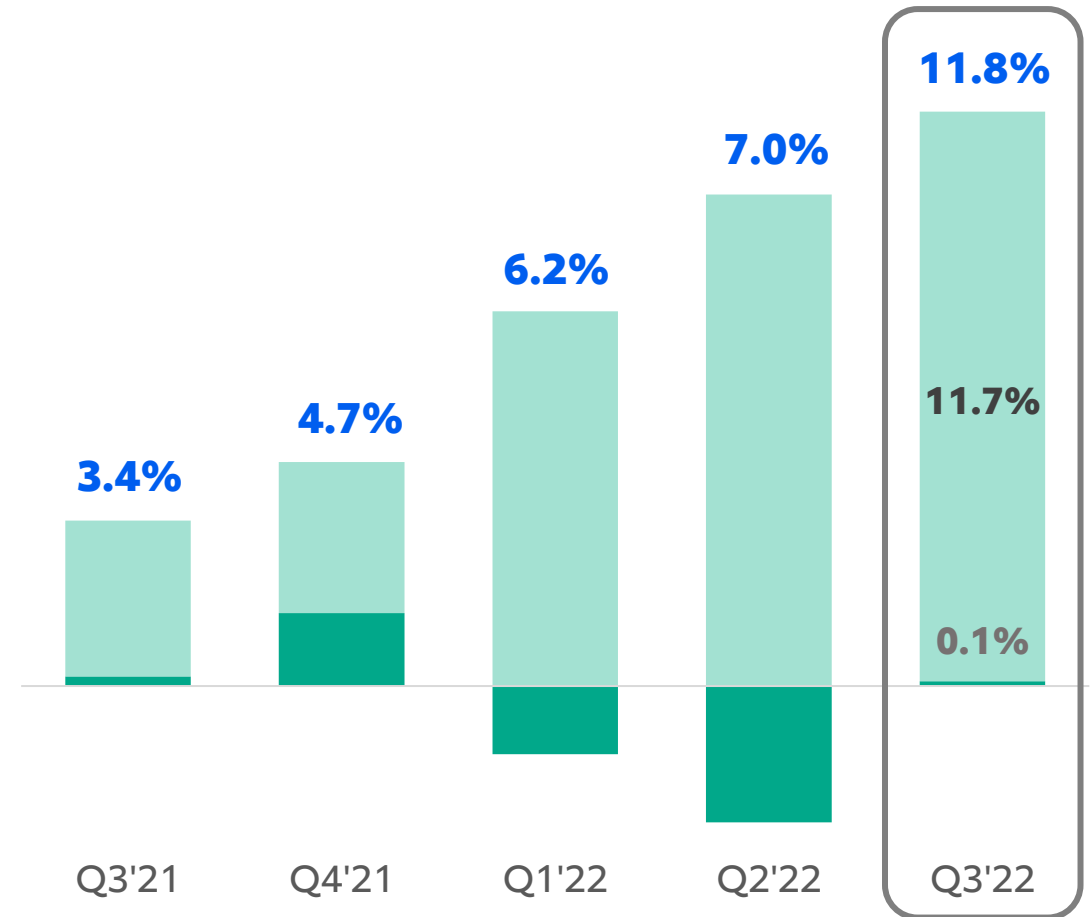
**11.7%**  
UPG

- 20%+ growth in Dressings, with strong pricing and positive volume from Hellmann's
- Growth broad-based with most geographies delivering high-single digits or better
- Unilever Food Solutions continues to be above pre-Covid levels

**USG**

**UPG**

**UVG**



# Brand and innovation highlights



**Hellmann's campaign driving double-digit growth**



**Zero salt bouillon drives category growth**



**Strong quarter with return to pre-Covid volumes**

# Ice Cream



**13.2%**  
USG

**1.0%**  
UVG

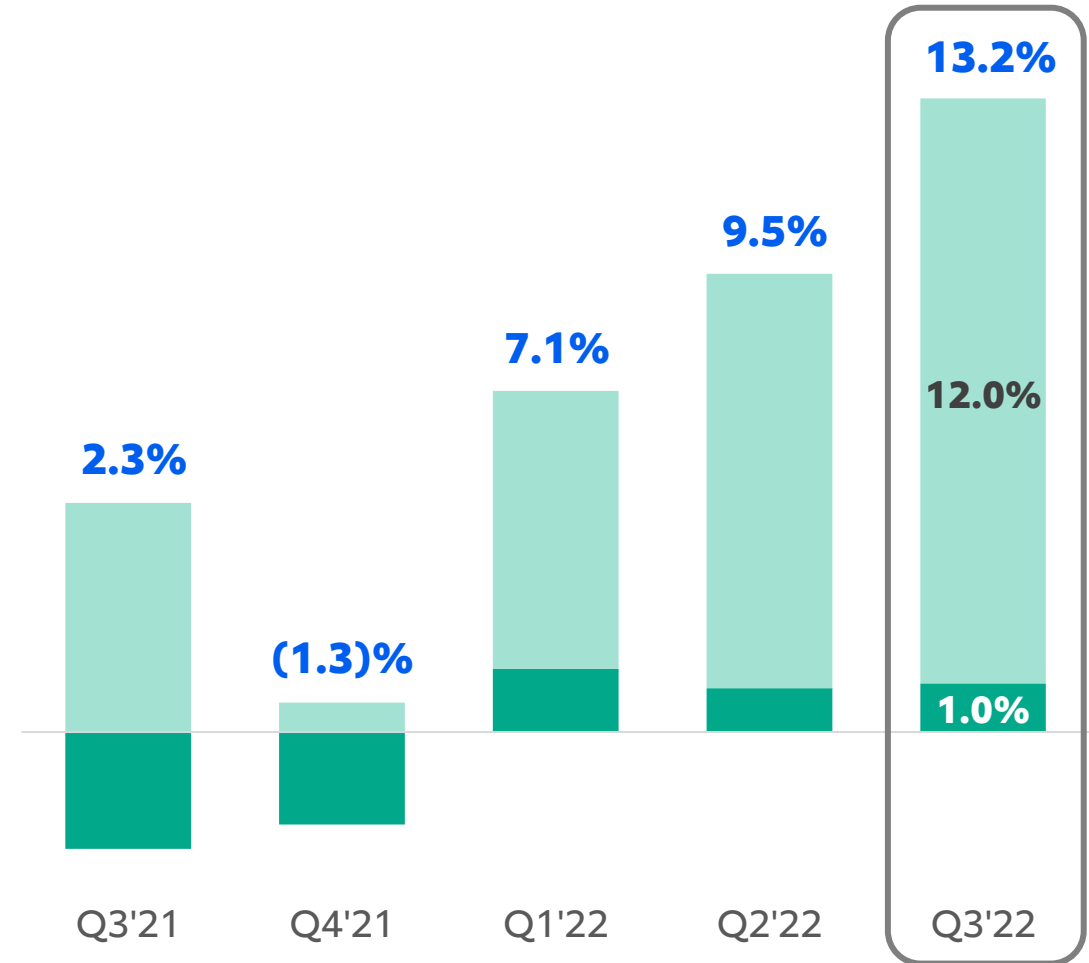
**12.0%**  
UPG

- Double-digit growth in key markets driven by Magnum, Wall's and Cornetto
- Out-of-Home channel recovering, but volume remains below pre-pandemic levels
- Strong supply chain responded well to weather-driven volume surge in Europe

**USG**

**UPG**

**UVG**



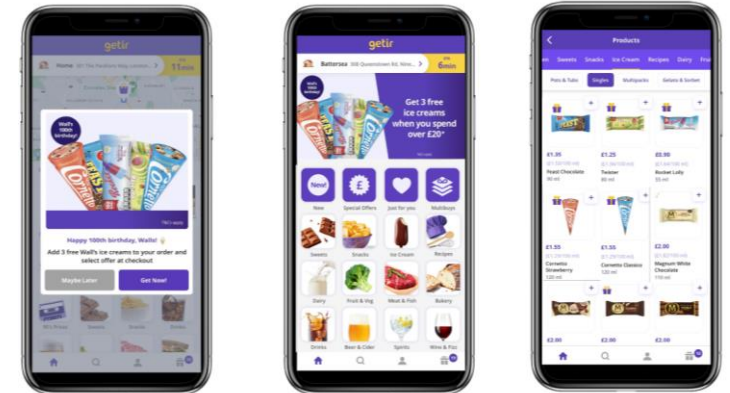
# Brand and innovation highlights



**Gen Z-targeted innovation in China**



**Classic remix supporting double-digit growth**



**Strong growth from Ice Cream Now**

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# Underlying Sales Growth

**10.6%**  
USG

**(1.6)%**  
UVG

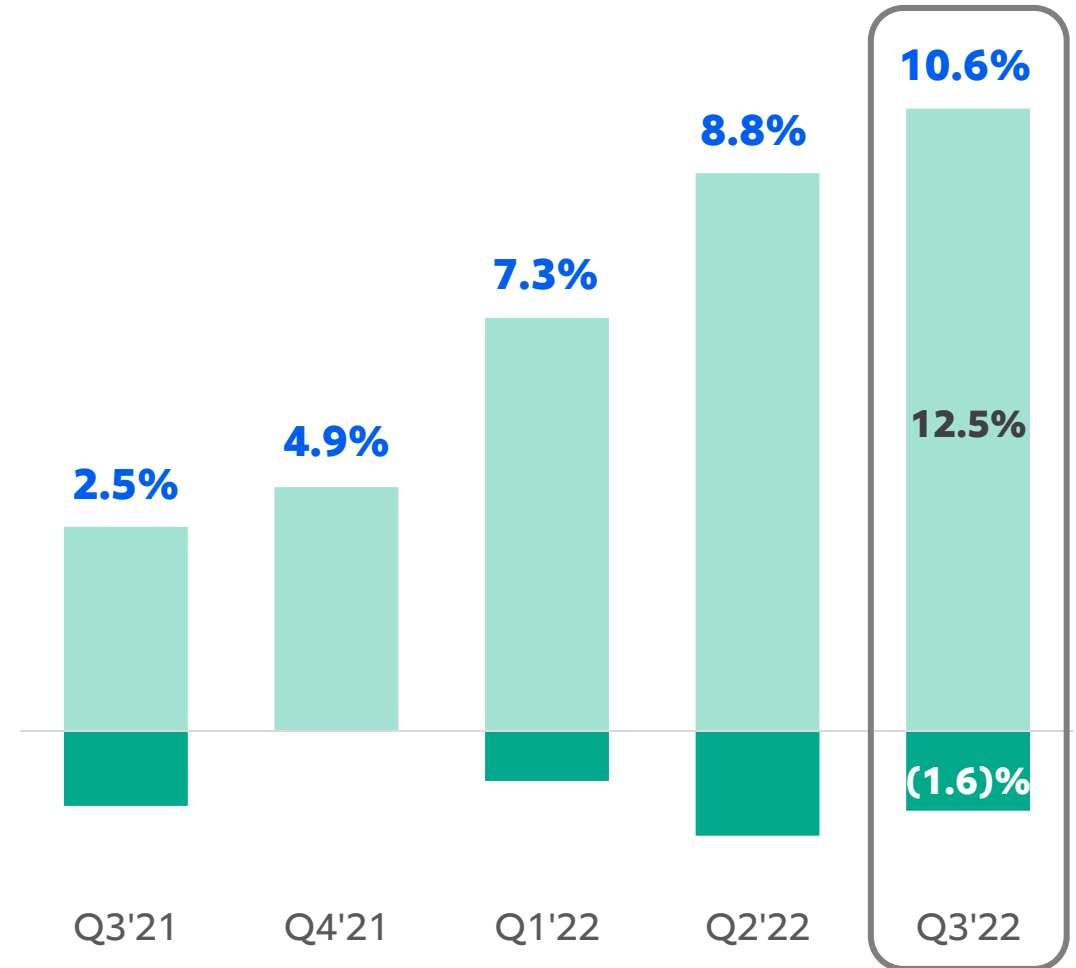
**12.5%**  
UPG

- Another quarter of price-led growth in challenging conditions
- Pricing sequentially stepped up
- Volumes resilient

**USG**

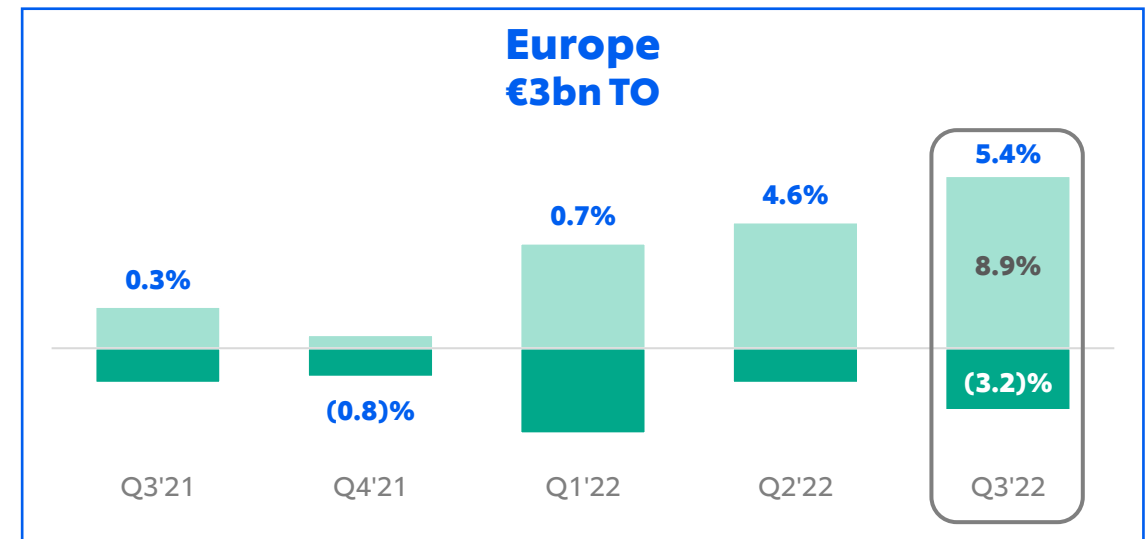
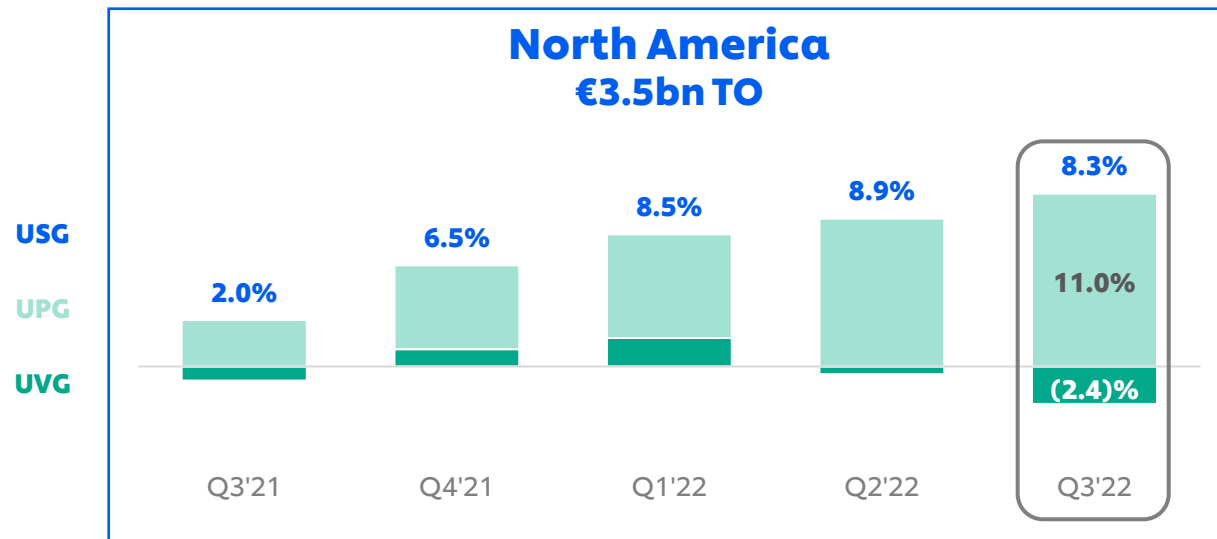
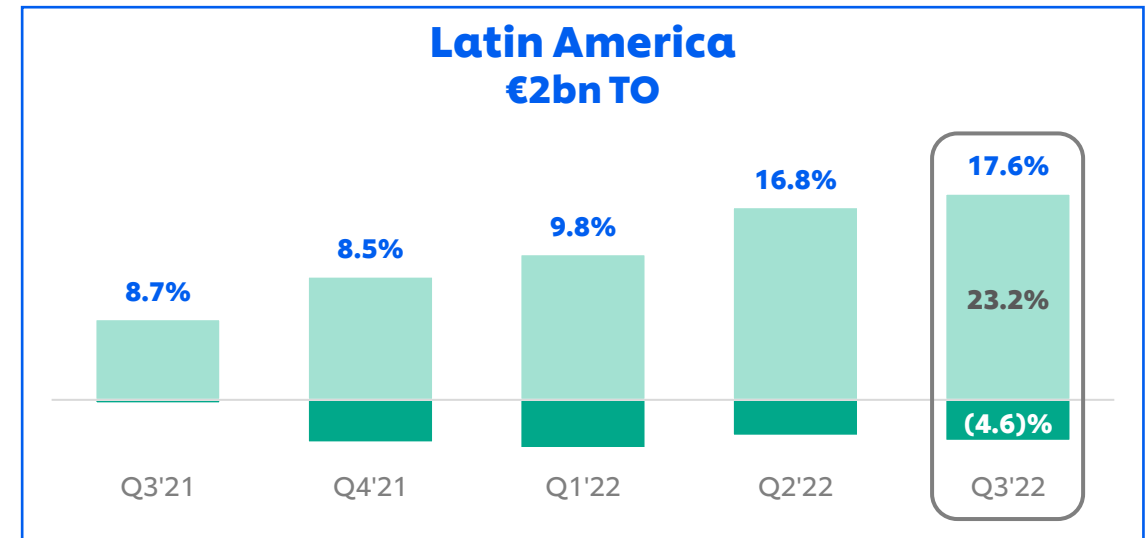
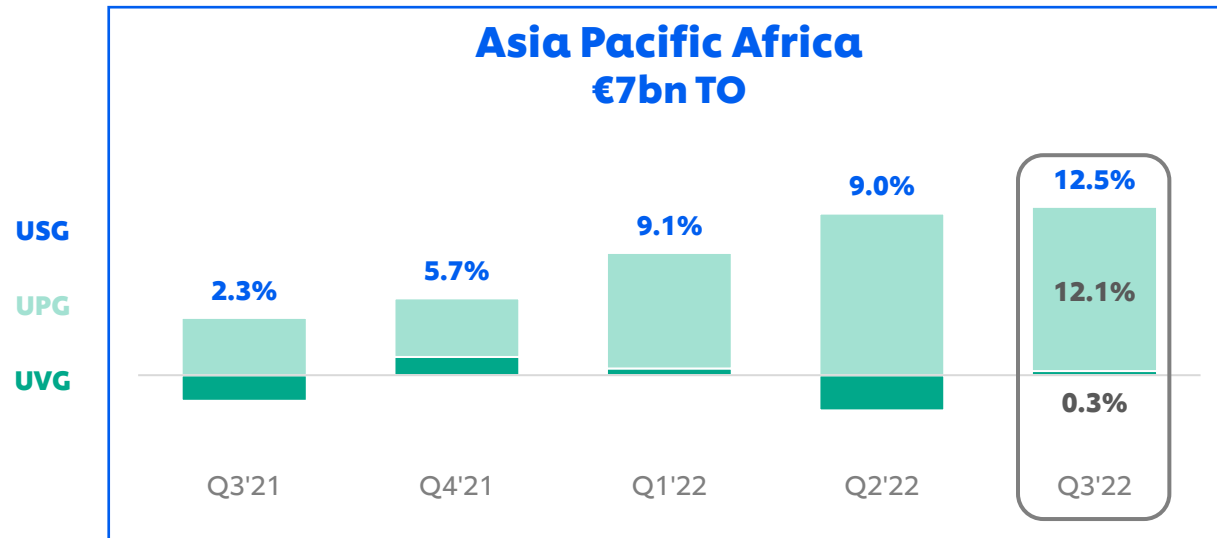
**UPG**

**UVG**

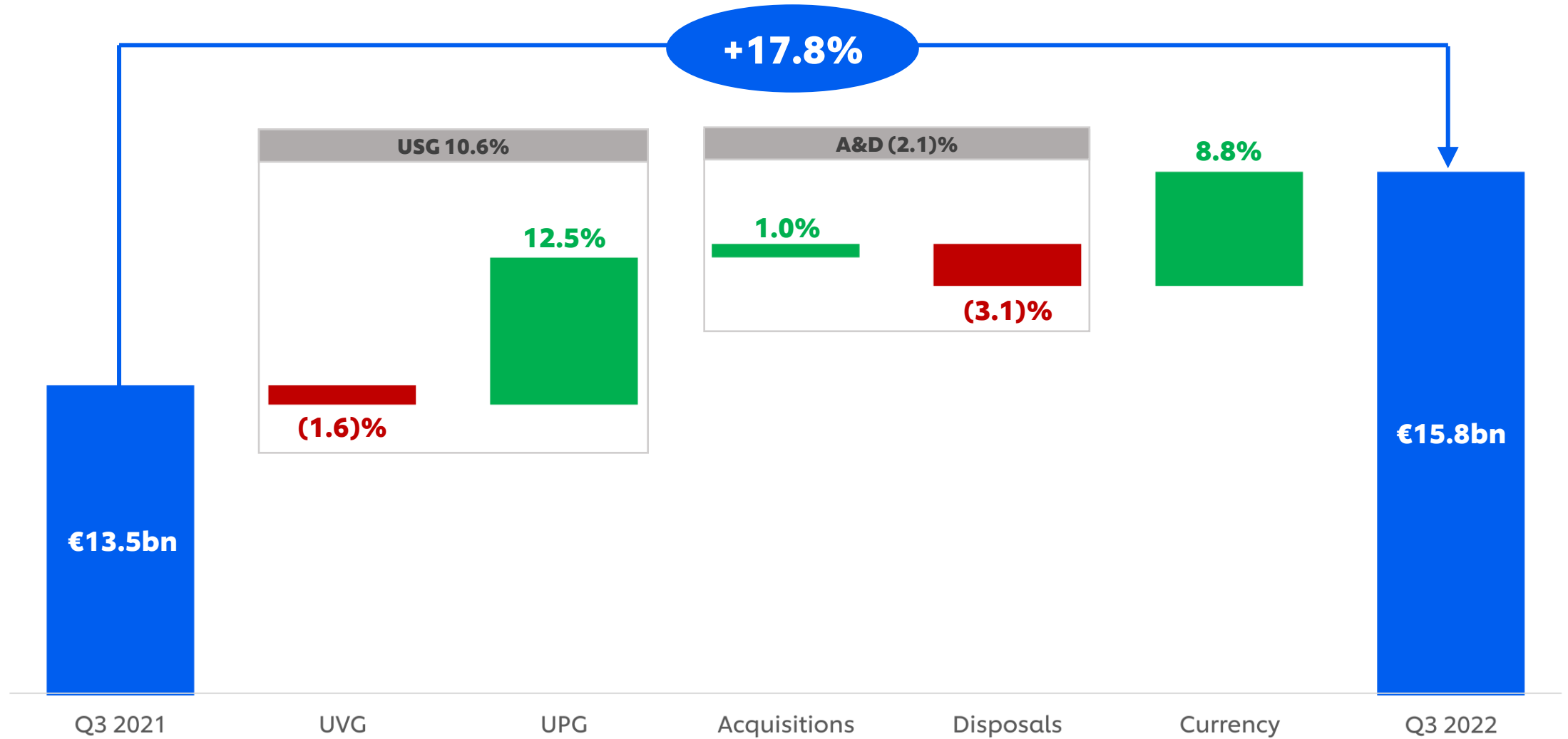




# Regional growth by quarter



# Q3 2022: Turnover growth



# Net material inflation (NMI) expected to continue into H1 2023

## Commodity costs

Higher year-on-year raw material costs, partly a result of favourable covers in H1 2022

## Supplier conversion costs

Labour and energy inflation affecting raw material processing costs for suppliers

## Currency

USD strength raises the local cost of raw materials

Our current estimate for NMI in H1 2023 is in the region of €2bn, with a range of possible outcomes

## 2022 Priorities

Continuing growth momentum

Invest for growth while managing inflationary pressure

Embed new operating model

Maintaining cost and savings discipline

## 2022 Guidance

Expect growth above 8%, with more negative volume growth than in the first nine months

Increased levels of spend in BMI, R&D and Capex

FY UOM of 16%, within 16-17% range

Expect to improve margin in 2023 and 2024

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