

Unilever Full Year 2020 Results & Strategic Refresh

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4th February 2021



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; 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; 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. These forward-looking statements speak only as of the date of this document. 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 2019 and the Unilever Annual Report and Accounts 2019.

Today's agenda

Full Year 2020 Results

Strategic Refresh

Full Year 2020 Results



Unilever

Competitiveness

% Business Winning FY

>50%

>60%

% Business Winning Q4

Absolute Profit

UOP

€9.4bn
+0.7%

(60)bps

UOM

Cash

Free Cash Flow

€7.7bn

+€1.5bn

vs FY 2019



Competitive growth through operational excellence

Improved penetration

Impactful innovation

Design for channel

Purposeful brands

Fuel for growth

Sustainable business



Legal simplification



Shaping the portfolio



SMARTYPANTS vitamins 

LIQUIDIV.
Fueling Life's Adventures

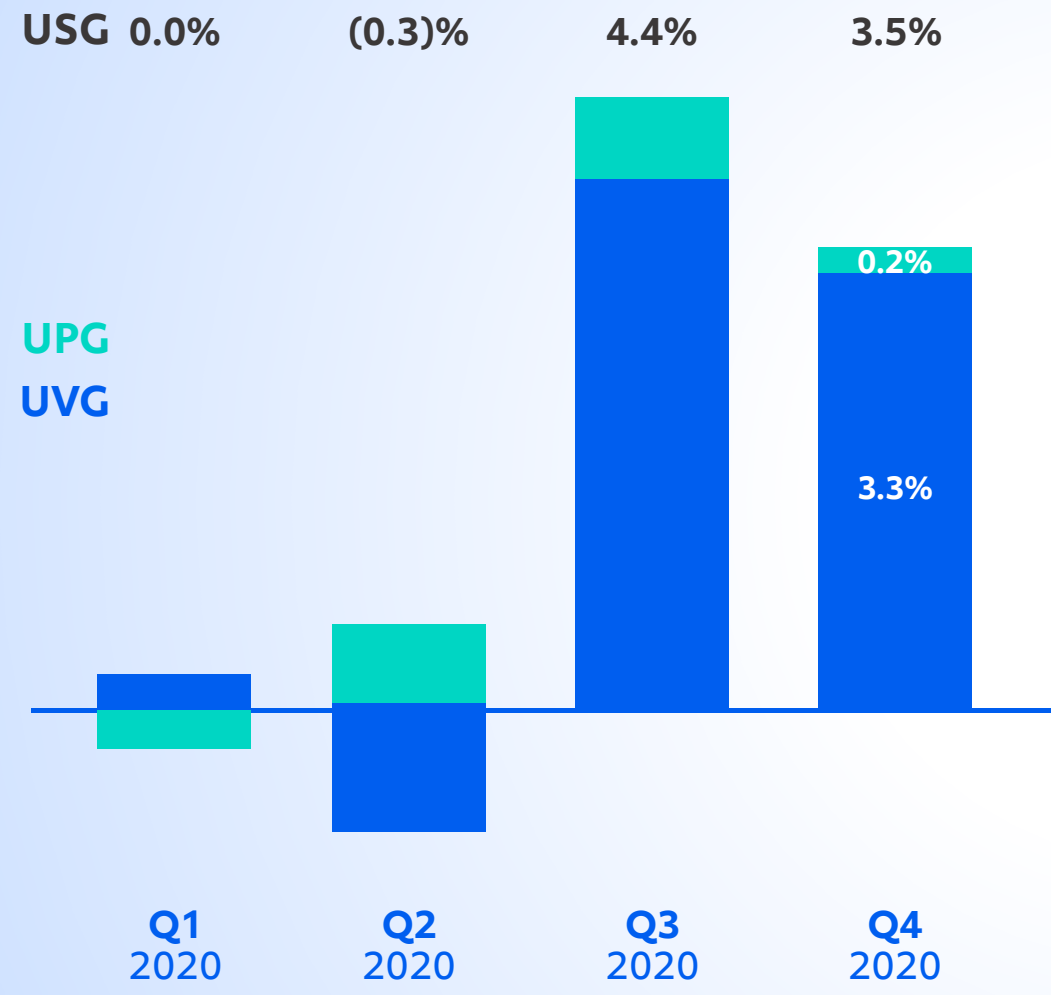
Horlicks



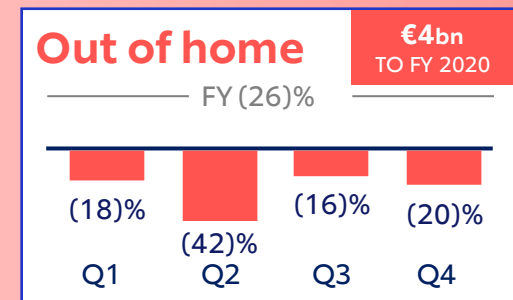
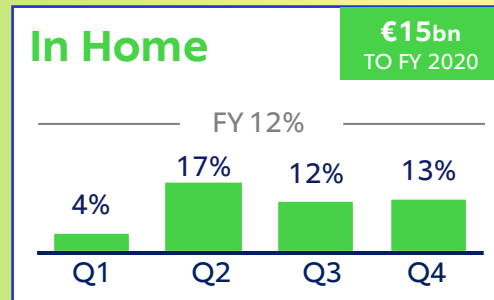
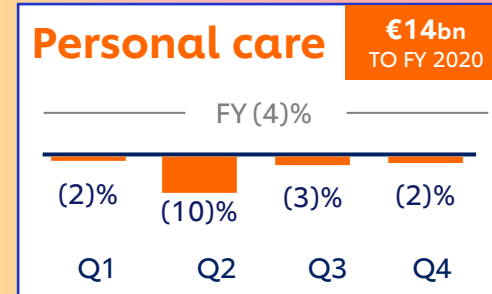
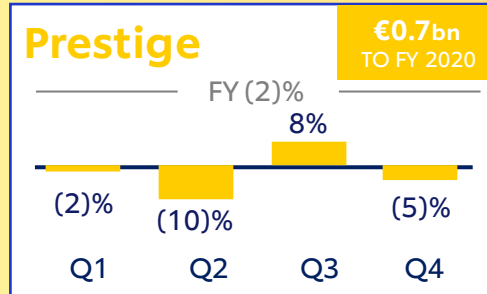
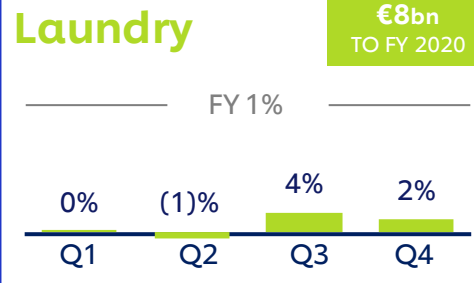
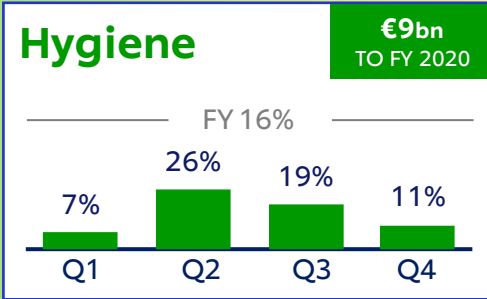
FY 2020 Growth

1.9%
FY USG

1.6%
FY UVG



- Volume-led competitive growth with >60% business winning value share (Q4)
- Virus continues to cause volatility across markets with channel closures and restricted living returning
- Some markets opening up economies to protect livelihoods whilst balancing restrictions to protect health
- Volatility to continue into 2021




Skin Cleansing






+15% FY USG
+9% Q4 USG

Prestige





(2)% FY USG
(5)% Q4 USG

Rest of BPC





(4)% FY USG
(2)% Q4 USG

H for HAT HANDWASHING




 Global Handwashing Day 2020



>50%
business through
ecommerce channel

**READJUSTING WON'T
BE EASY.
SMELL
READY.**



In Home

+12% FY USG
+13% Q4 USG

MAGNUM NOW

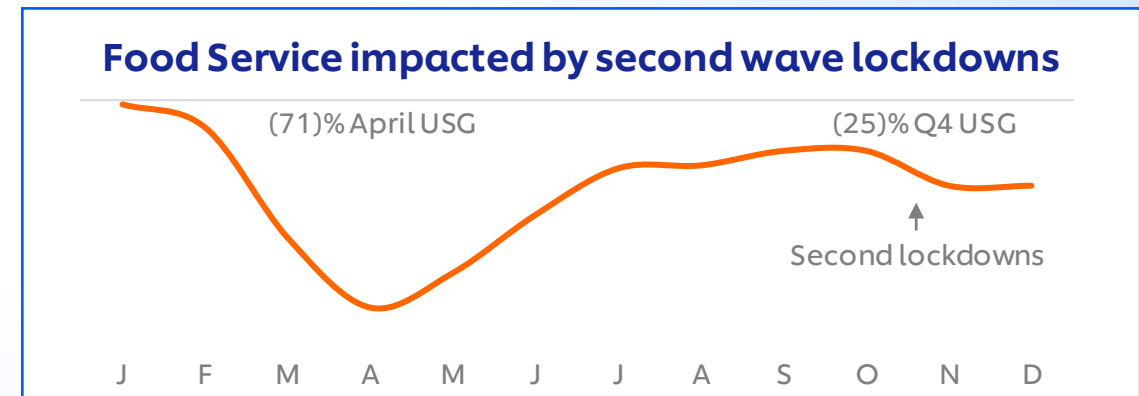
NEW
MAGNUM DOUBLE TUBS

30 MINUTE DELIVERY

ORDER NOW

Out of Home

(26)% FY USG
(20)% Q4 USG



Home & Hygiene




+17% FY USG
+14% Q4 USG



Laundry




+1% FY USG
+2% Q4 USG



eCommerce Growth

+61%

9%

eCommerce % of Sales



Brazil
+44%



China
+54%



USA
+123%



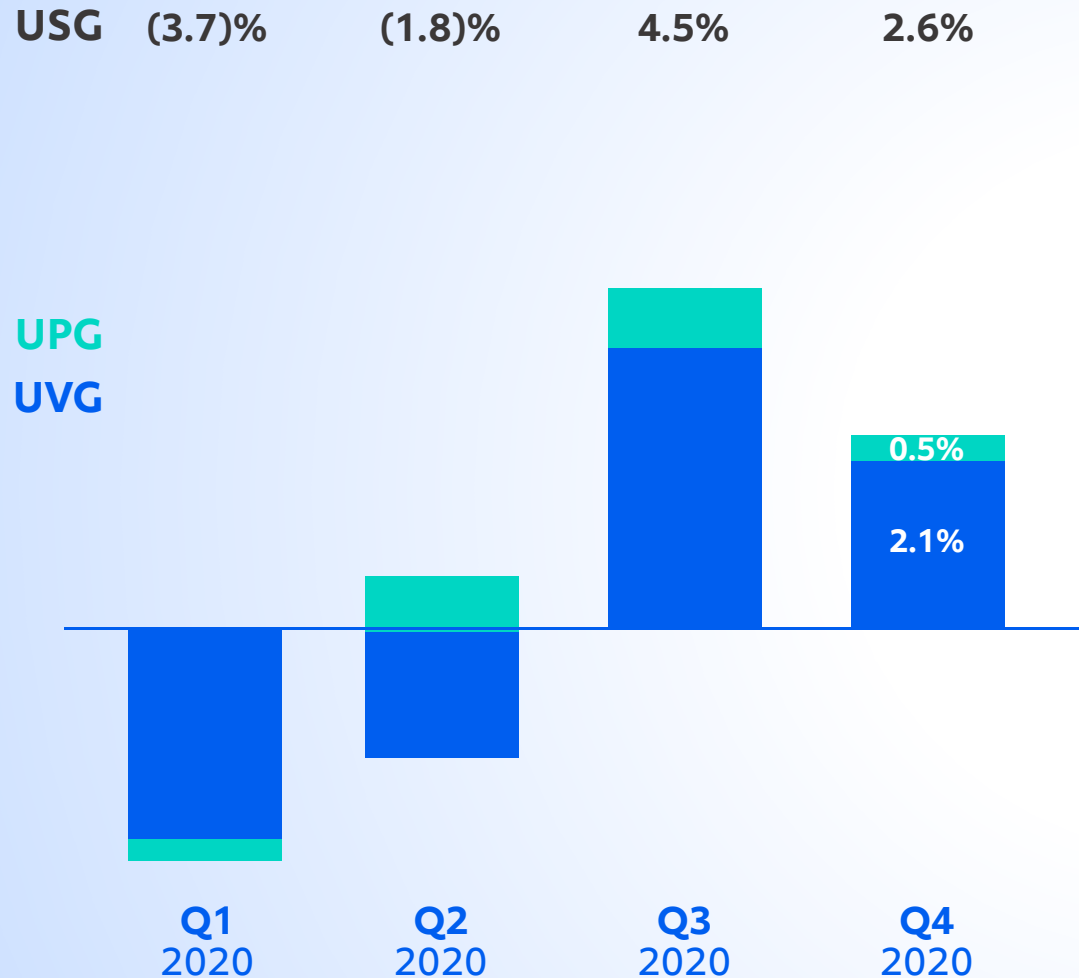
Omnichannel
+99%



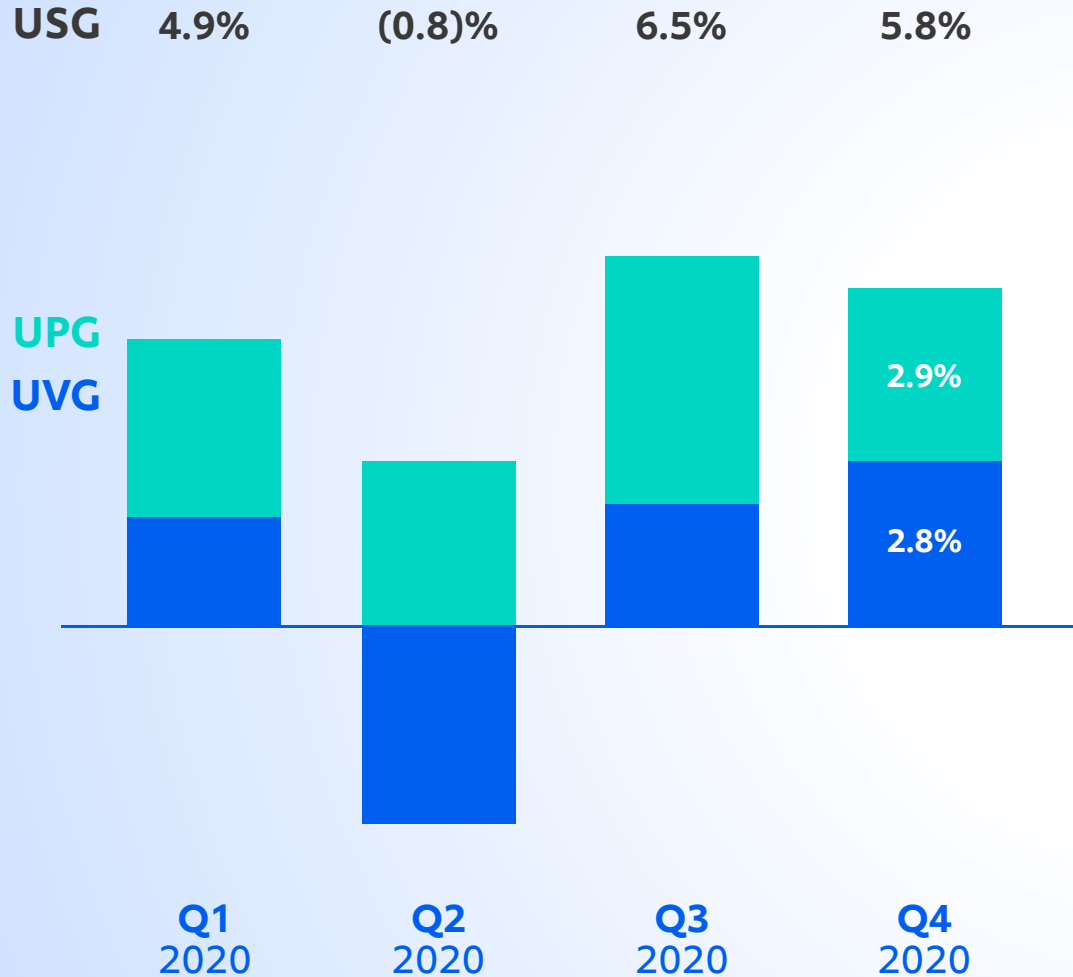
Pure play
+48%



eB2B
+65%



- **China:** back to normal after strict lockdown
- **India:** economic pick-up
- **SEA:** markets in decline
- **Turkey:** strong volume-led performance
- **Winning competitively across all regions**



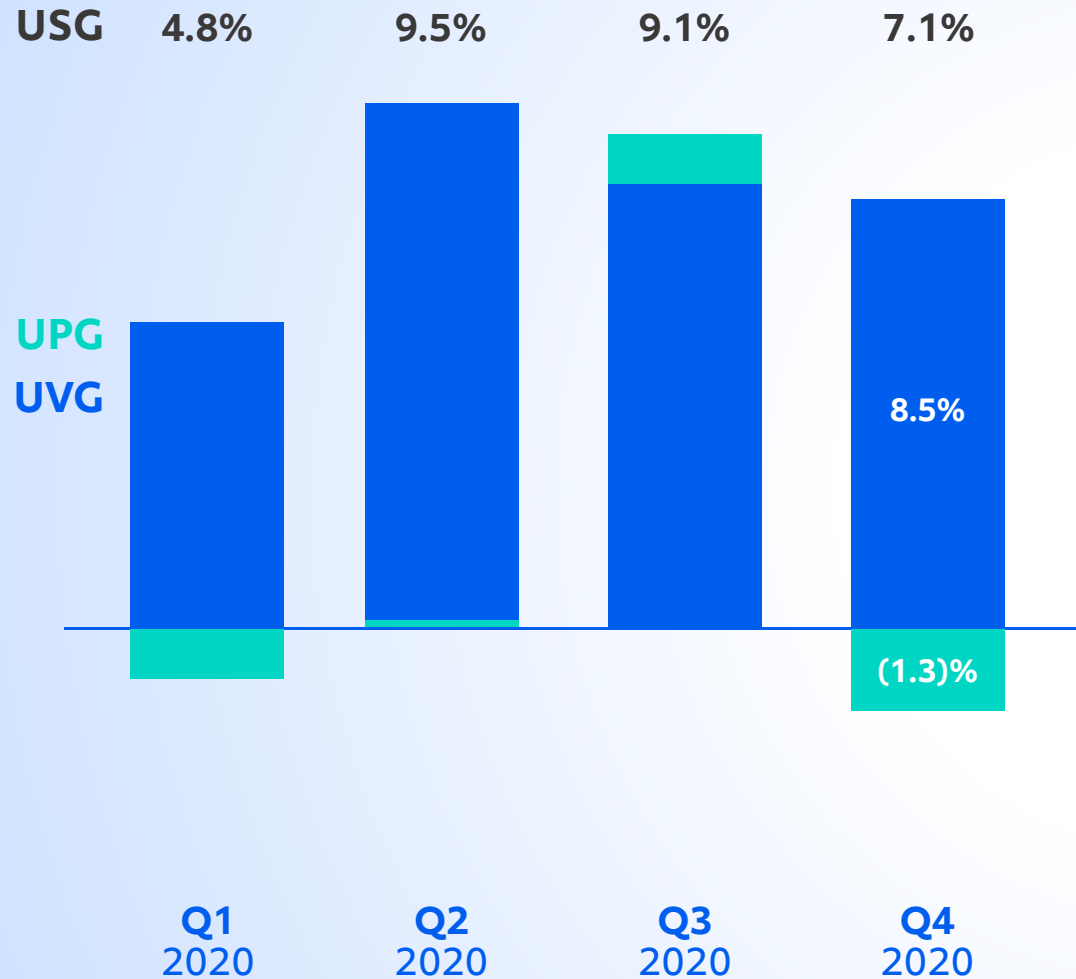
- **Brazil:** growth resilient but limited mobility
- **Argentina:** growth despite restrictions
- **Mexico:** decline in difficult environment
- **Competitive in volatile region**



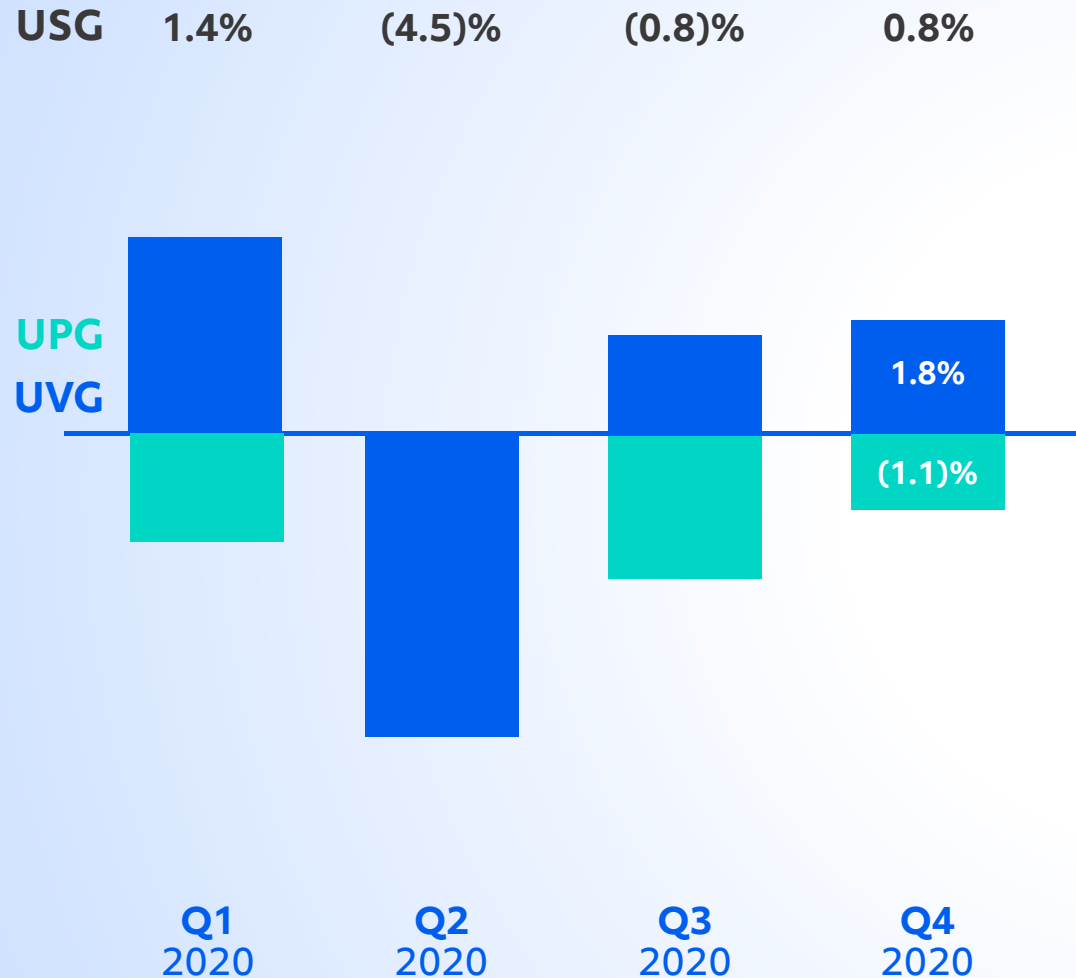
North America

7.7%
FY USG

8.1%
FY UVG



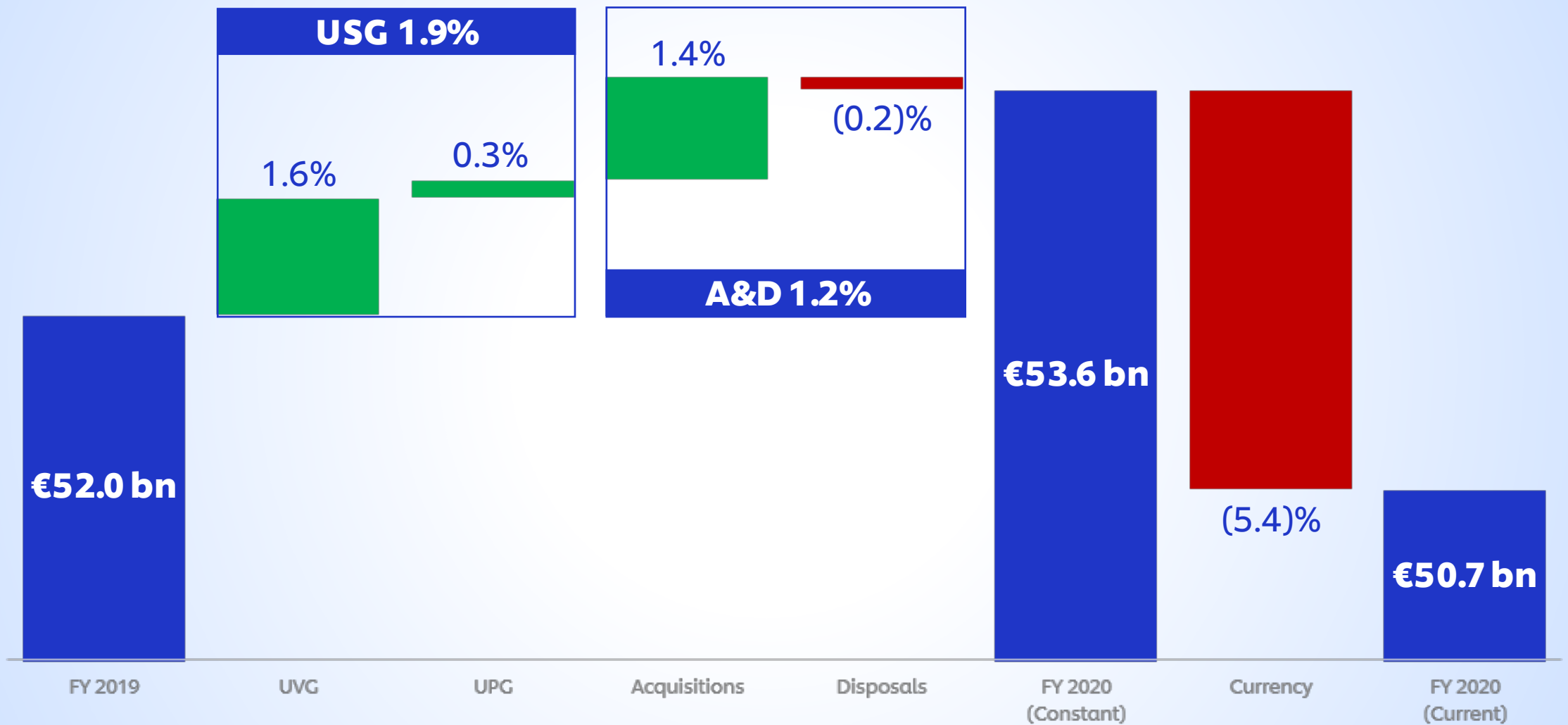
- In Home F&R growth continues
- Hygiene demand high but down from peak
- Food Service & Prestige impact of c.(2.4)%
- **Competitiveness improving sequentially**



- Channel closures impacting Out of Home
- In home F&R demand high
- **UK & Germany:** growth maintained
- **Italy & Spain:** declines driven by Out of Home ice cream
- **Strong and improved competitiveness**

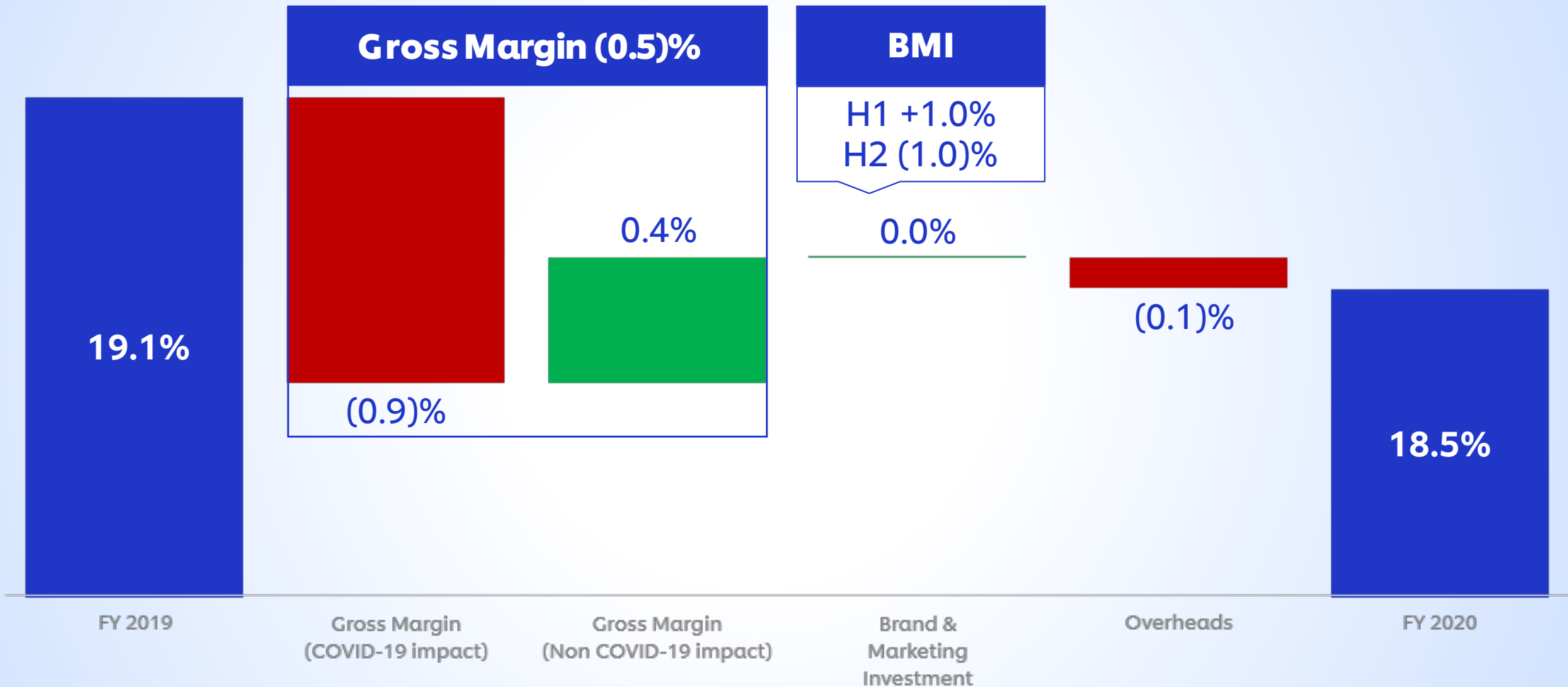


FY 2020: Turnover -2.4%



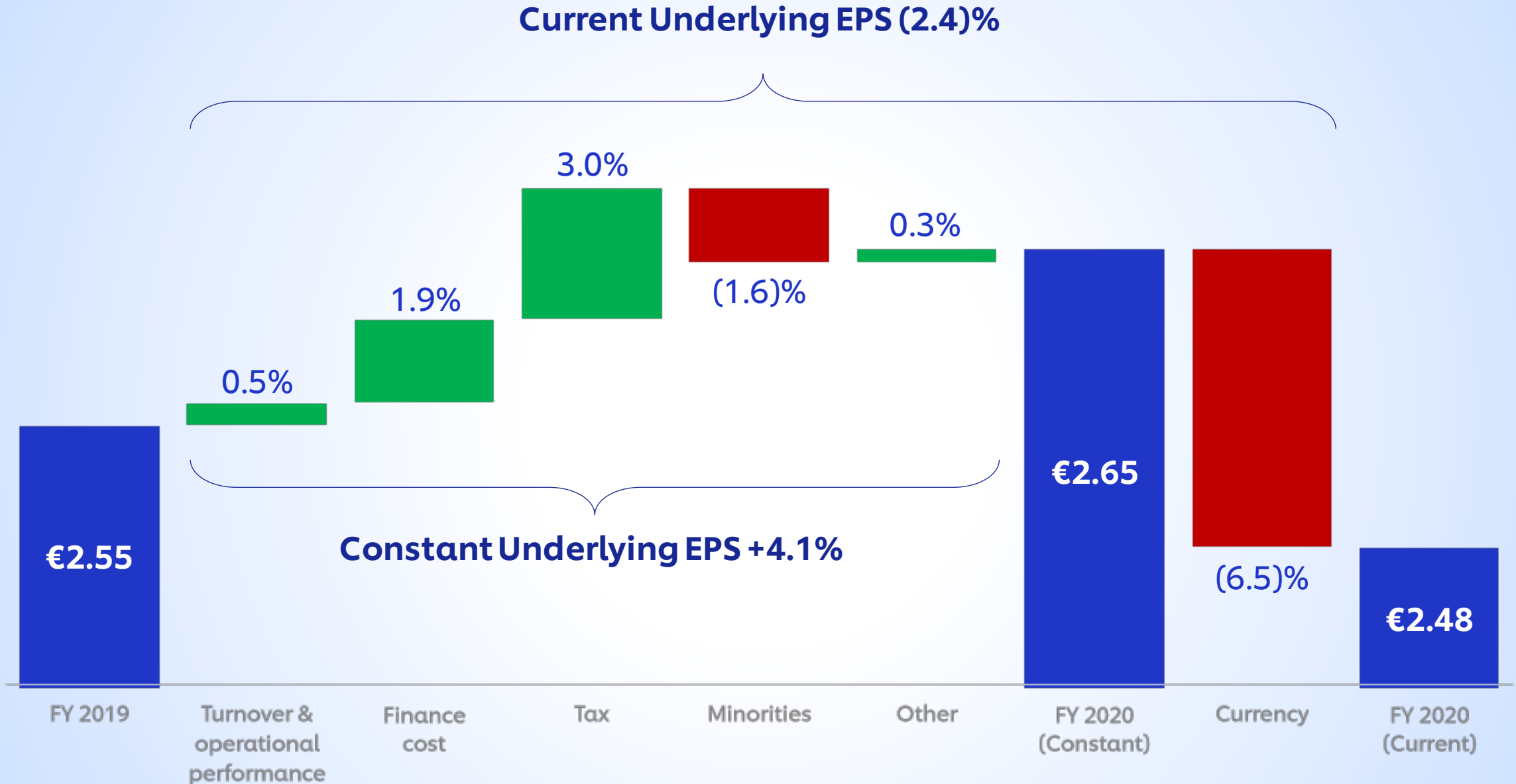


FY 2020: Underlying operating margin





FY 2020: Underlying earnings per share



Cash

Free Cash Flow

€7.7bn

+€1.5bn

Vs 2019

Cash Conversion

Cash Conversion

129%

Above 100%
since 2018

Net Debt

Net debt/EBITDA

1.8x

€20.9bn

Net debt

ROIC

ROIC

18%

Maintained in
high teens

Resilience, agility, and responsiveness

Stepped-up competitiveness, profit & cash delivery

Continued strategic progress

Strategic Refresh

Sustainable business driving superior performance



What we are going to cover

1. Vision and purpose

2. Our differentiating strengths

3. Delivery against strategy

4. Strategic choices

5. Multi-year financial framework

6. Conclusion

Our vision

is to be the global leader in sustainable business. We will demonstrate how our purpose-led, future-fit business model drives superior performance, consistently delivering financial results in the top third of our industry.



Differentiating strengths

Our differentiating strengths

1. Powerful portfolio of leading category and brand positions



2. Strong presence in growth markets of the future



3. The global leader in sustainable business



Our differentiating strengths

1. Powerful portfolio of leading category and brand positions



Global category leadership positions

50%
of turnover from 13 billion Euro brands

81%
brands #1 or #2 in their market

Most effective marketer
for 4 consecutive years

Our differentiating strengths: Powerful brand portfolio



2. Strong presence in growth markets of the future



Leading position
in growth markets

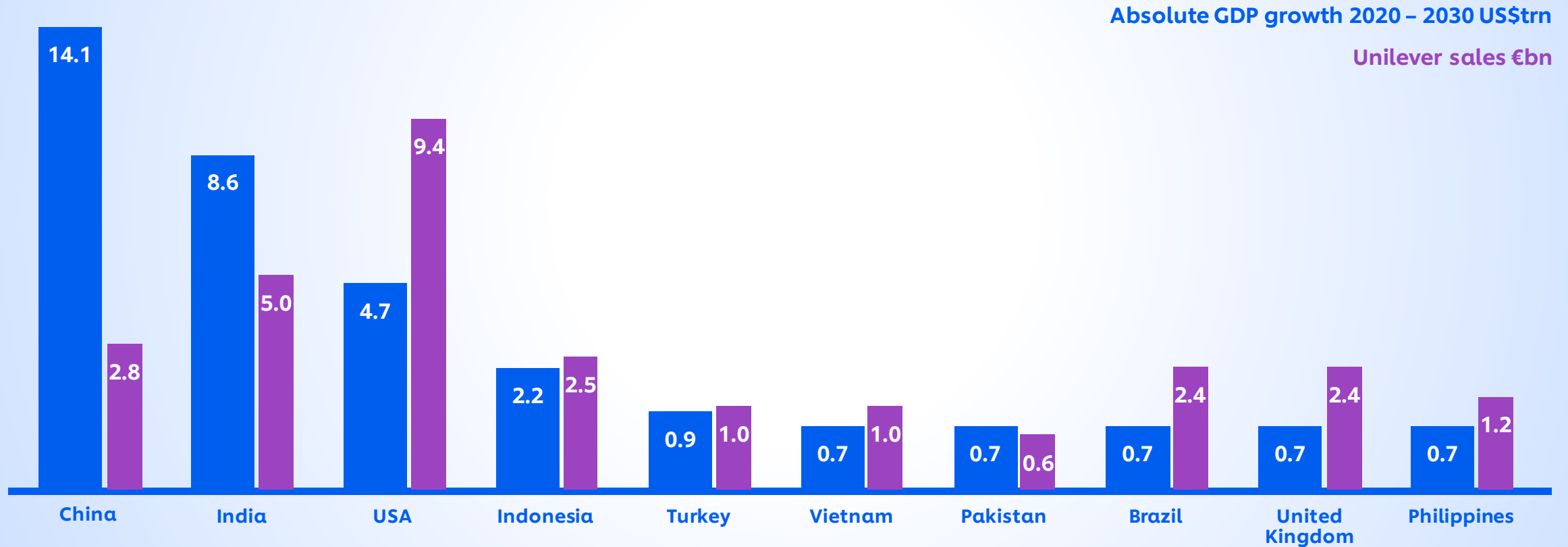
40bn
consumer reach points;
more than any other
competitor

Market development
a core capability

93%
local leaders

Our differentiating strengths: Strong presence in growth markets of the future

Unilever market position



3. The global leader in sustainable business



Top

of GlobeScan
Sustainability Leaders
survey for last 10 years

Leader

in Dow Jones
Sustainability Index
since 2014

'A/A-'

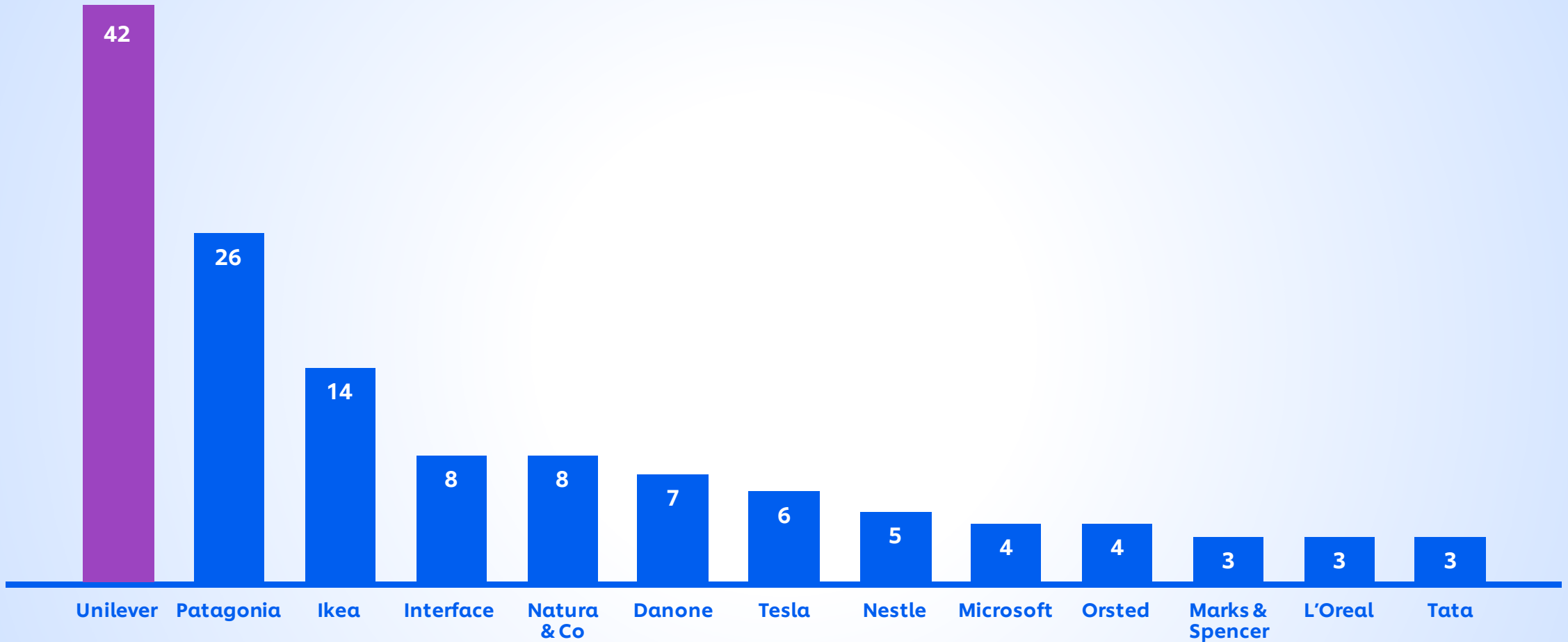
Ratings in CDP: Climate,
Water and Forest


Strategy

fully embedded in
our business and brands
with purpose



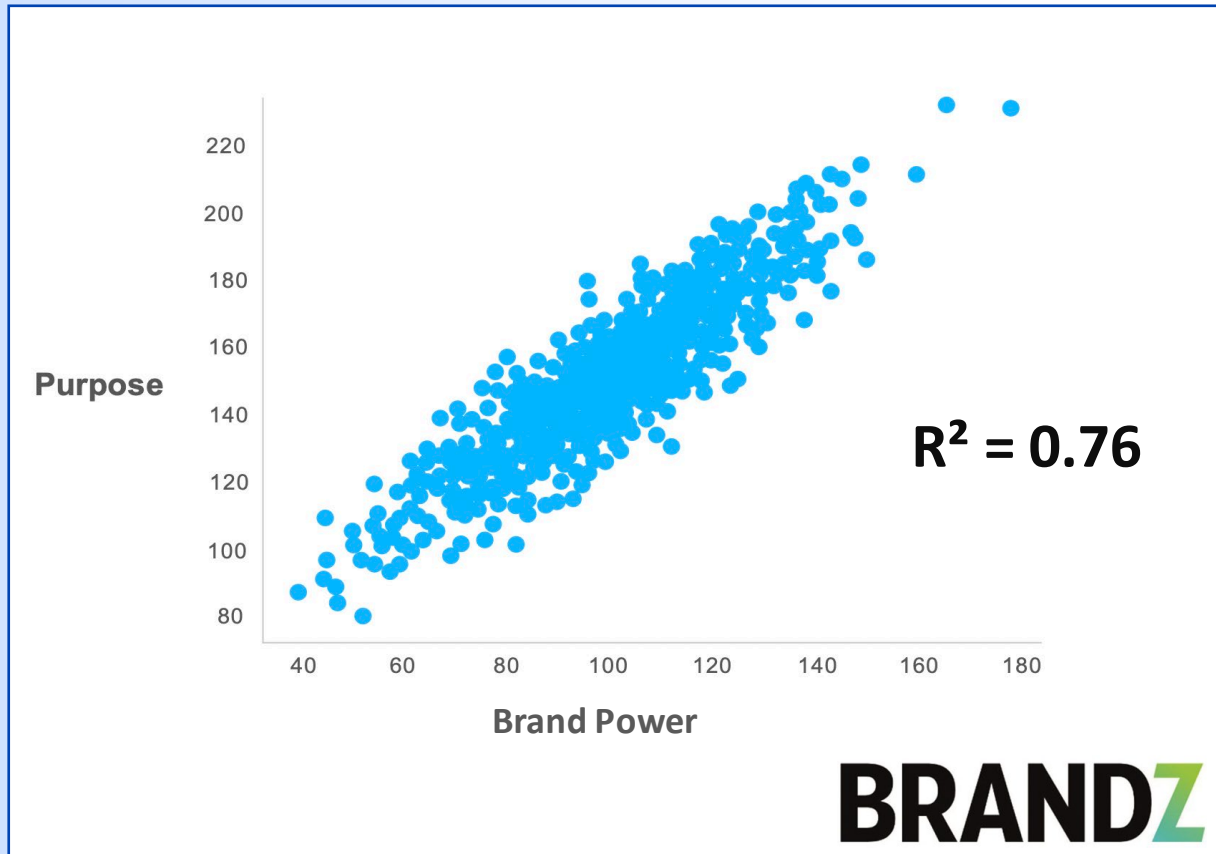
Our differentiating strengths: Top of GlobeScan SustainAbility Leaders Survey



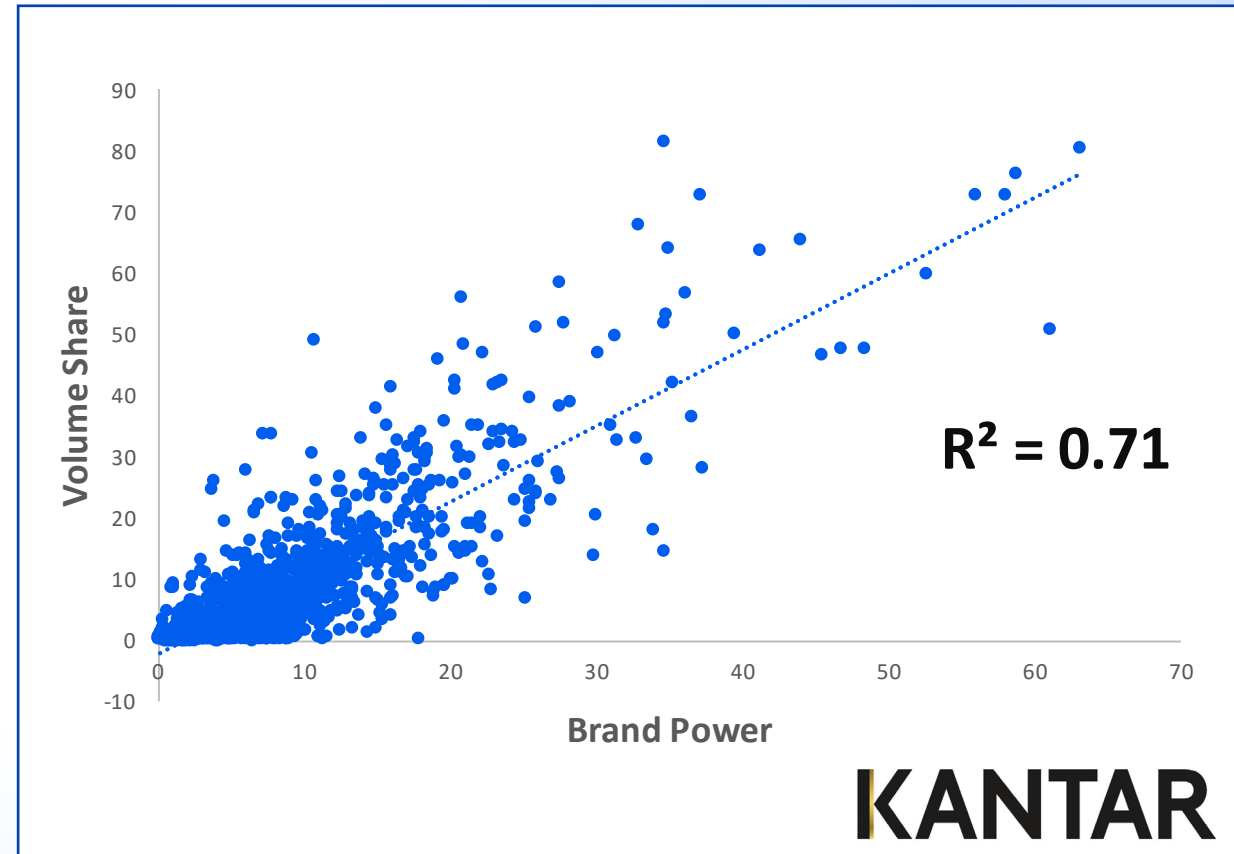
 The GlobeScan-SustainAbility Survey


Experts, unprompted, total mentions, 2020

Purpose drives brand power



Brand power drives volume share



 More growth	 Lower cost	 Less risk	 Stronger talent
<p>Purposeful brands growing 2x</p>	<p>€1.2bn since 2008</p>	<p>100% renewable electricity across our operations</p>	<p>54 of 75 Employer of choice in markets measured</p>

Our differentiating strengths

1. Powerful portfolio of leading category and brand positions



2. Strong presence in growth markets of the future








3. The global leader in sustainable business



**Delivery against
our strategy**

Our 2017 strategy scorecard

USG in 3-5% range		3% average, 2017-19
Simpler, faster organisation		Foods & Refreshment integrated, COO role, delayed organisation
Accelerated margin progression		UOM 16.4% → 19.1% >€6bn savings 2017-19
100% cash conversion by 2020		>100% since 2018
Faster portfolio evolution		Built Prestige business, Spreads exit, Tea separation
Simpler capital/legal structure		Unification of legal structure
Increased leverage & returns		Sustained high teens ROIC, net debt at 1.9x EBITDA

2018 organisation

CEO

Global Functions

Supply Chain
Finance
Human Resources
Legal
Global Marketing
Communications
Sustainability

Divisions

Beauty & Personal Care
Home Care
Foods
Refreshment

Clusters

N America
Latin America
Europe
NAMETRUB
Africa
N Asia
S Asia
SEAA

A flatter, leaner organisation...

COO

15 performance management units

North America



UK and Ireland



Middle Europe



NAMET and RUB*



North Asia



South East Asia and Thailand



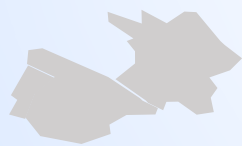
Indonesia



Latin America



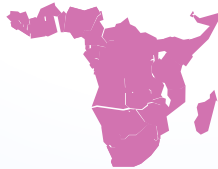
Western Europe



East Europe



Africa



South Asia



Vietnam



Australia and New Zealand



Philippines



*North Africa, Middle East, Turkey, Russia, Ukraine & Belarus.



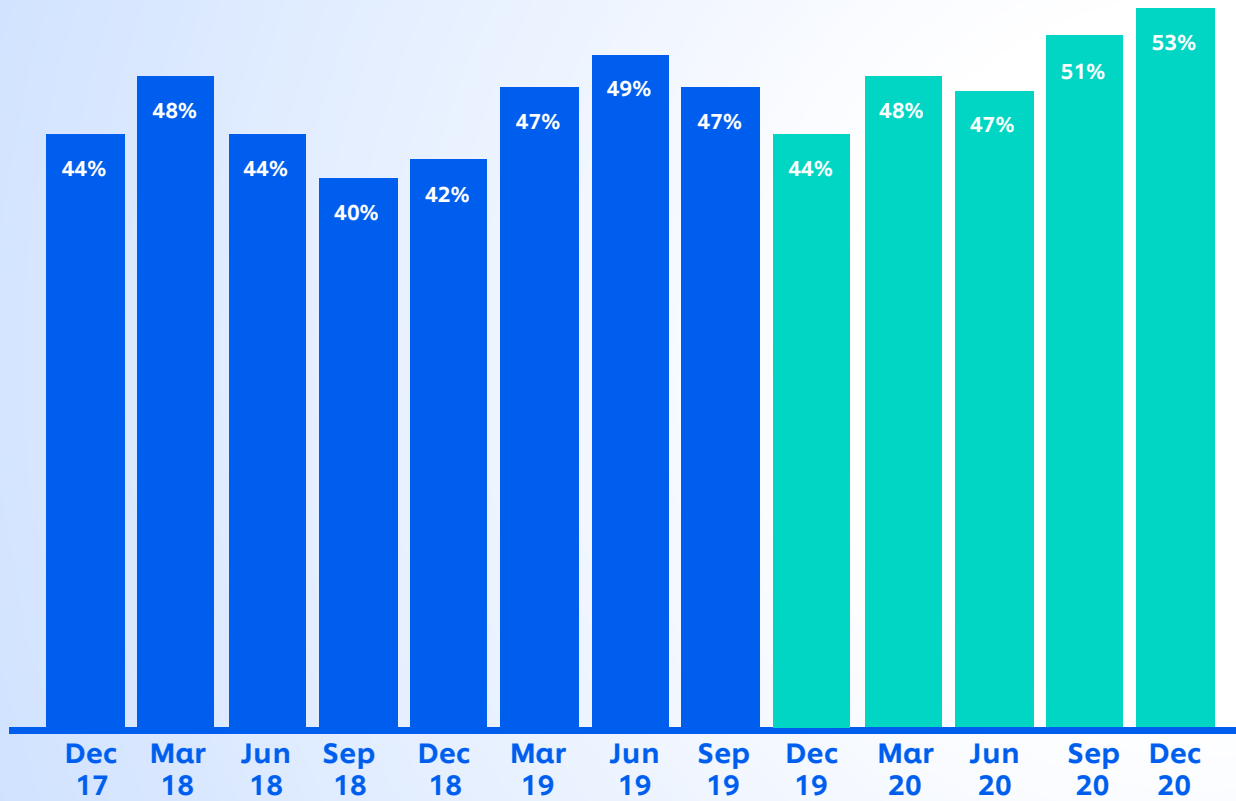
...and a new model for operational excellence

Improved penetration	60% cells improving
Impactful innovation	Covid-19 response: Lifebuoy, Dove, Domestos
Design for channel	eComm: +61% USG FY '20
Purposeful brands	Nearly 60% of brands seen as more purposeful
Fuel for growth	Free cash flow: €7.7 bn



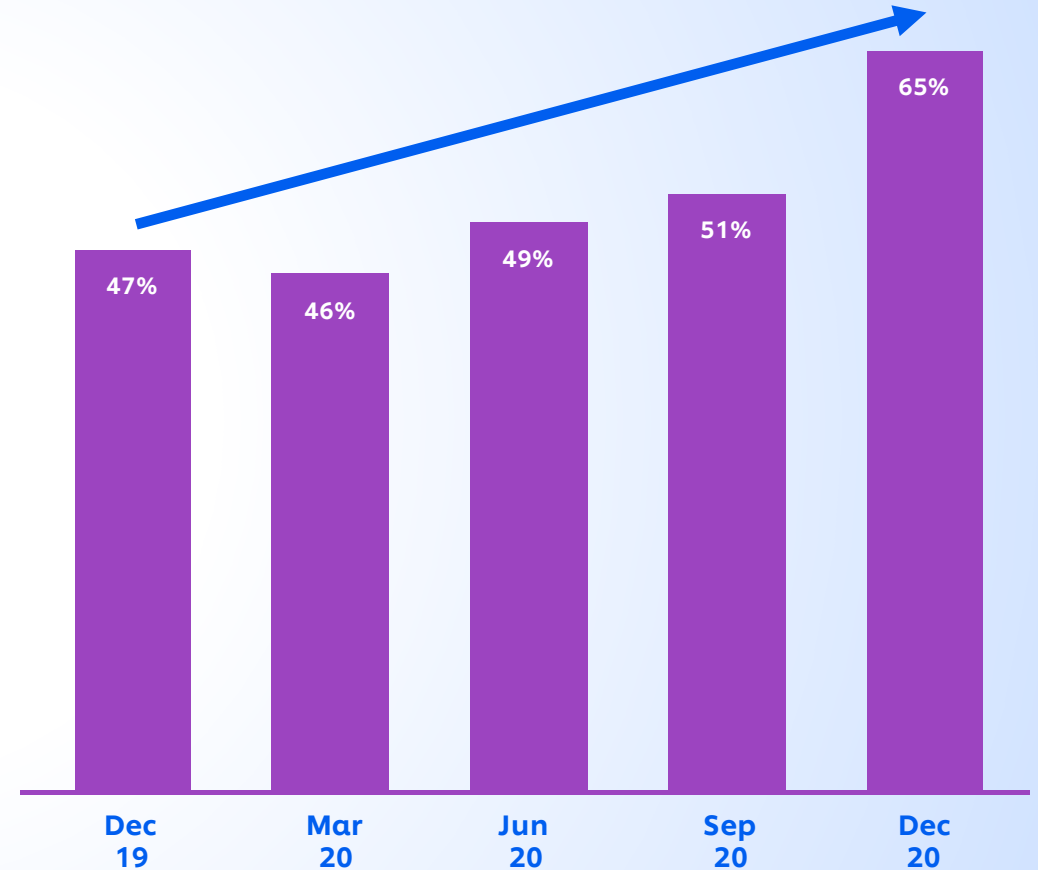
Driving a rebound in competitiveness

% Business winning value share since 2017



% business winning, MAT

% Business winning value share during 2020



% business winning, last 12 weeks

Strategic Choices

1. Develop our portfolio into high growth spaces



We will continue to evolve our portfolio towards higher growth segments in home care, beauty, personal care, and foods.

Clear criteria for investment choices



Scale



High growth



Potential in
growth countries



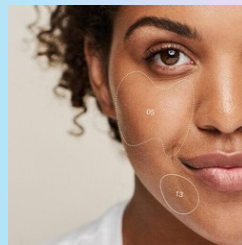
Route to
leadership



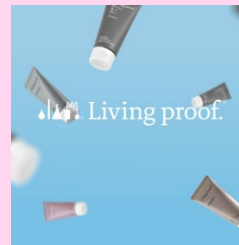
Branding &
technology sensitive



Hygiene



Skin care



Prestige
beauty

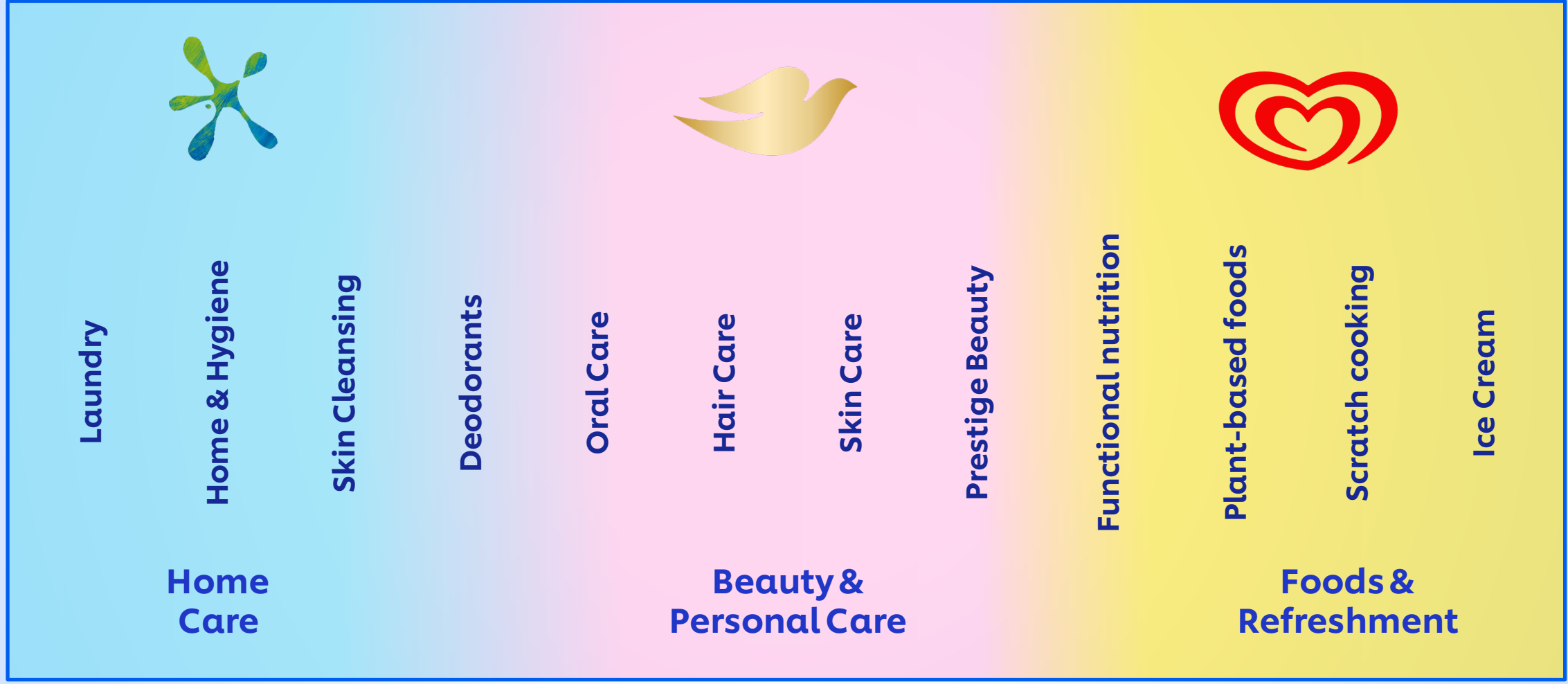


Functional
nutrition



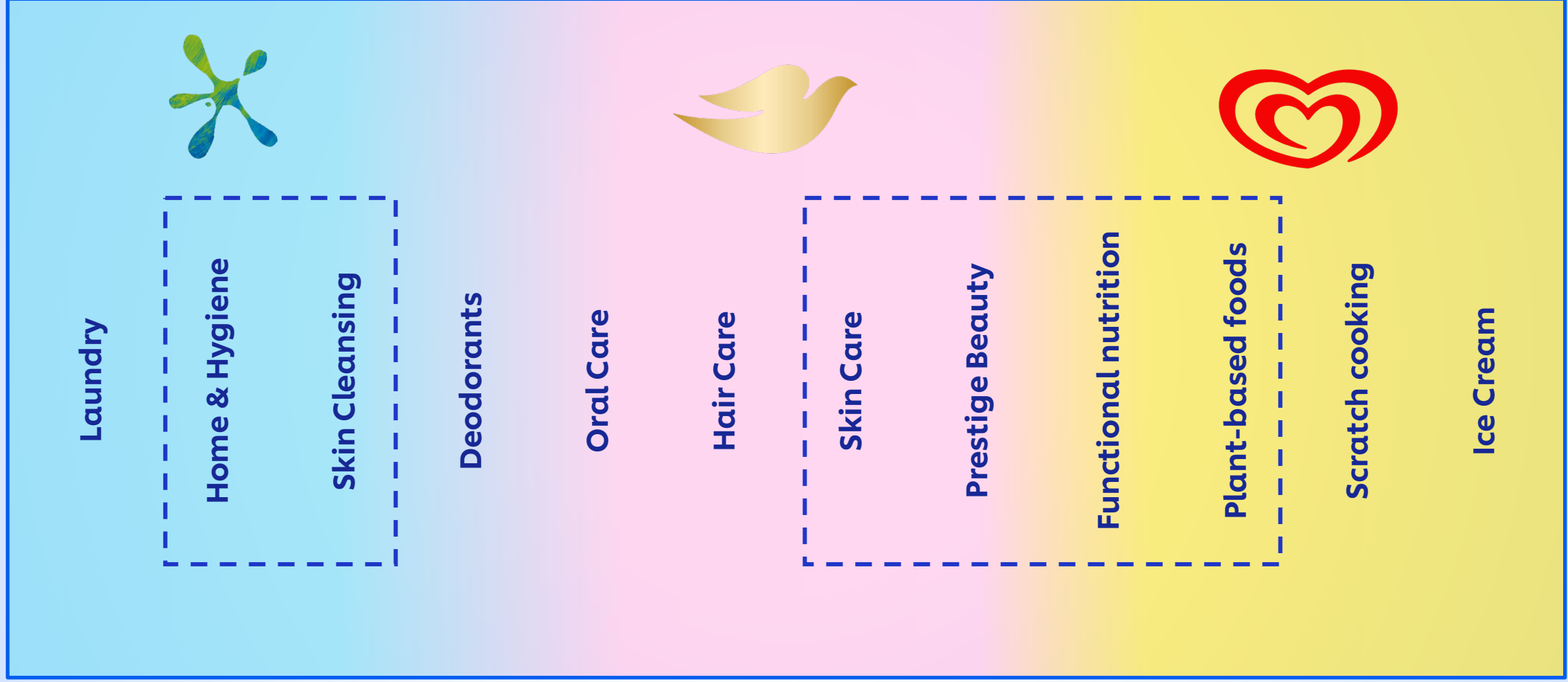
Plant-based
foods

Portfolio evolution into higher growth spaces



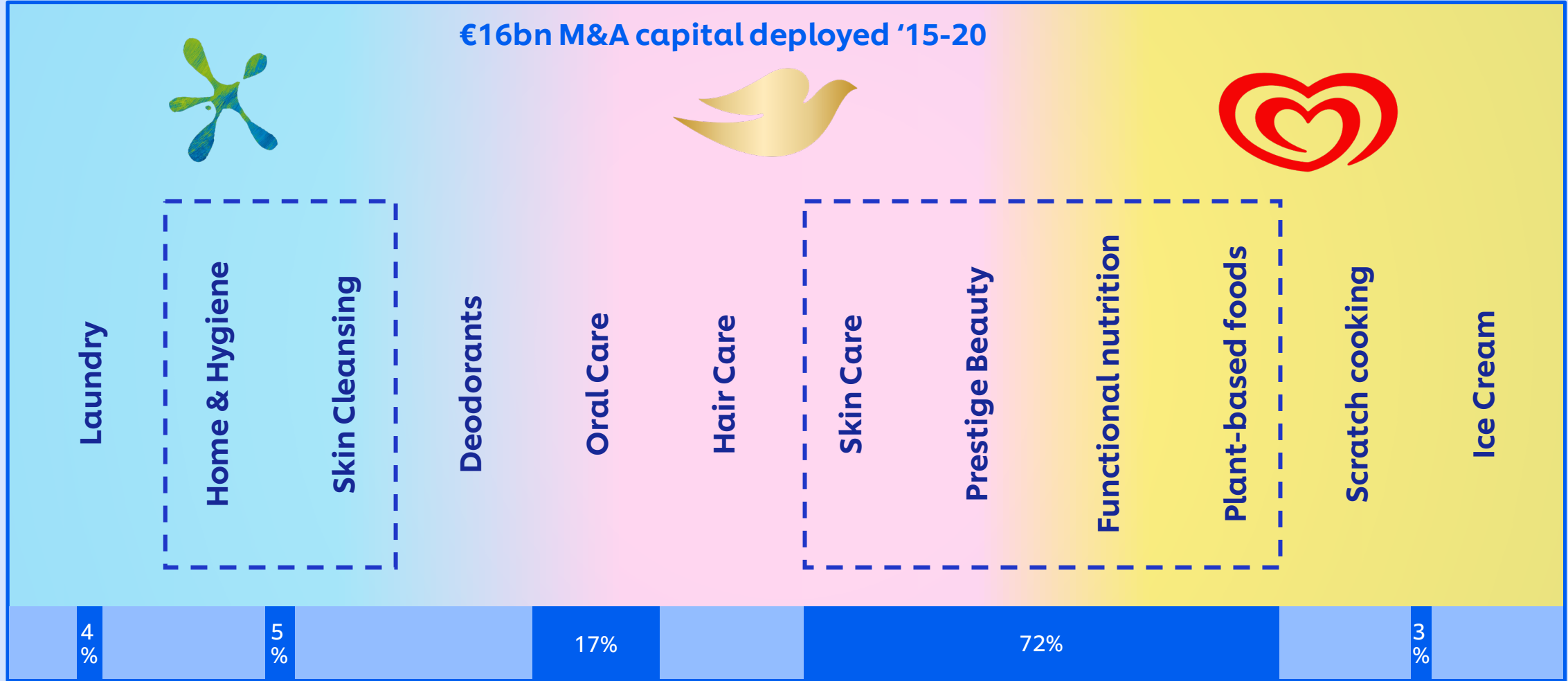
Portfolio evolution into higher growth spaces

 Priority focus area



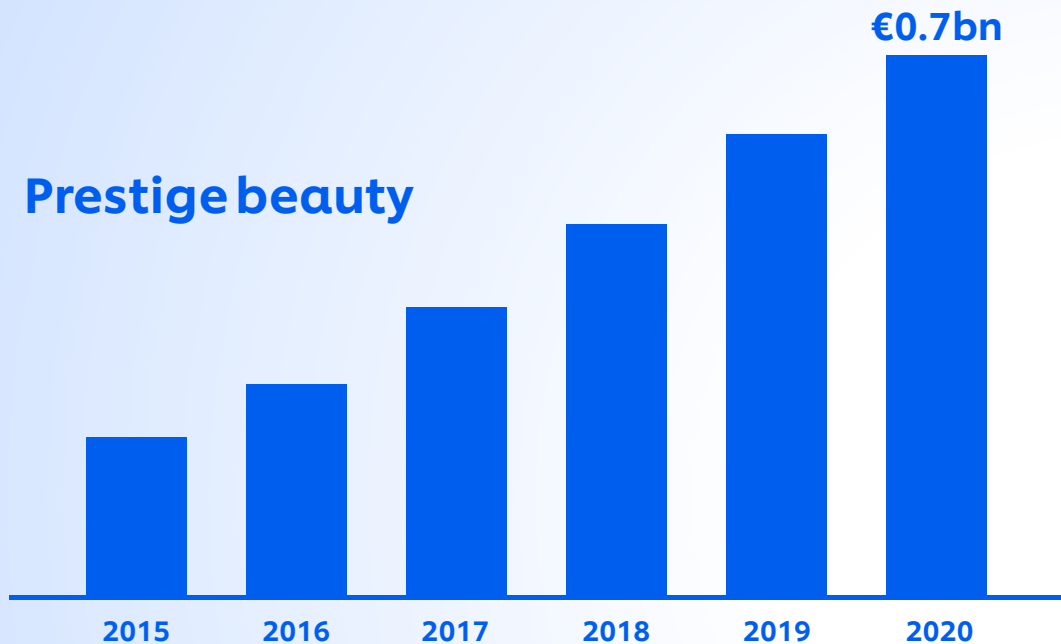
Portfolio evolution into higher growth spaces

 Priority focus area

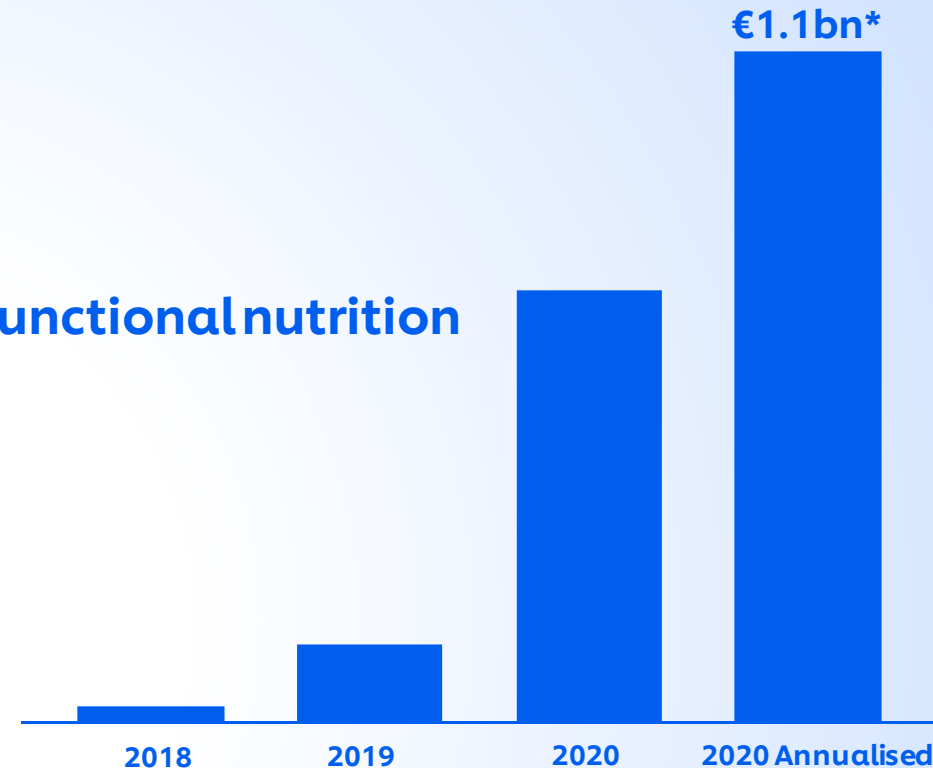


Building Prestige beauty and Functional nutrition to scale

Prestige beauty



Functional nutrition



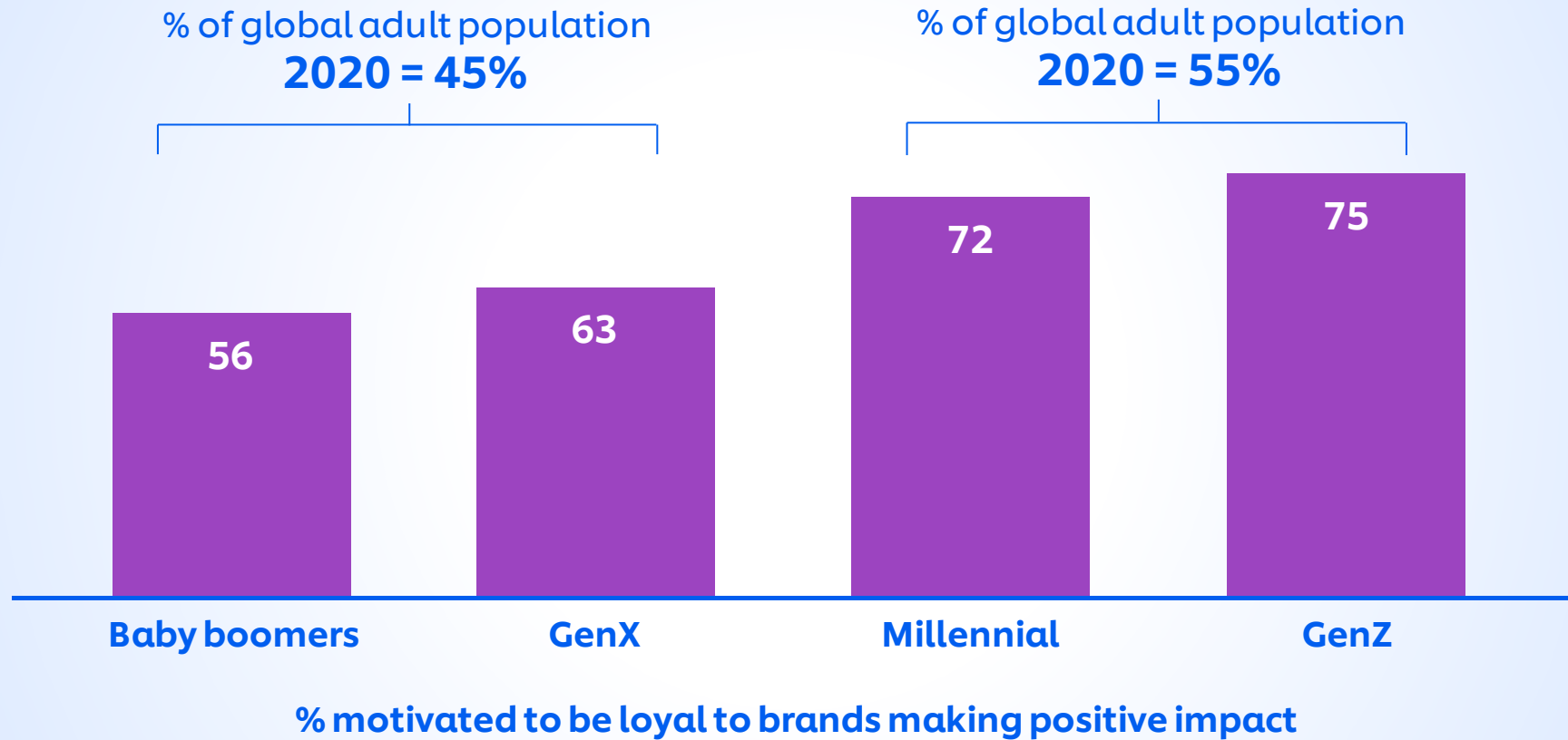
*Annualised for all acquisitions

Five strategic choices

1. Develop our portfolio into high growth spaces

2. Win with our brands as a force for good, powered by purpose & innovation

Connecting with consumers of the future



Source: GlobeScan, Healthy & Sustainable Living Report 2019 / UN population data

Putting brand purpose into action

Improve the health of the planet



- Clean Future: fossil-free formulations in Home Care
- 100% recyclable plastic packaging by 2025

Improve people's health, confidence and wellbeing



- Dove Self-Esteem Project: >65m young people. Aim to reach 250m by 2030
- Sunsilk 'Explore More' – inspiring girls in the classroom

Contribute to a fairer, more socially inclusive world



- Ben & Jerry's: campaigns for racial justice and refugees' rights
- #Unstereotype campaign

Win with differentiated science and technology



- Proven effectiveness against SARS-2-CoV
- Three-year step-up in investment
- €85m investment in Wageningen R&D centre

Five strategic choices

1. Develop our portfolio into high growth spaces

2. Win with our brands as a force for good, powered by purpose & innovation

3. Accelerate in USA, India, China and leverage EM strength

Sharpening our focus in future growth markets



USA

- €9bn business, 18% of turnover
- 10% of global growth to 2030
- Build on strong market positions in our categories



India

- No. 1 FMCG; 10% of turnover
- 20% of global growth to 2030
- Significant market development opportunity



China

- €3bn business, 6% of turnover
- 30% of global growth to 2030
- Continue to build on success momentum



Leverage EM strength

- €1bn+ businesses in Brazil, Indonesia, Philippines, Turkey, Thailand, Mexico
- Building on our route to market strength

Five strategic choices

1. Develop our portfolio into high growth spaces

2. Win with our brands as a force for good, powered by purpose & innovation

3. Accelerate in USA, India, China and leverage EM strength

4. Lead in the channels of the future

A future-fit channel strategy

Accelerate pure-play and omnichannel eCommerce

联合利华官方旗舰店

天猫 综合体验 ★★★★★ 粉丝数754万

已订阅



- Growing 65%, with top four markets growing 77%
- Data-driven brand engagement and commerce integration

Develop eB2B business platforms



- 14m distributive trade stores in Asia / Latam
- 1.5m enrolled into online platforms

Drive category leadership through shopper insight



- Advanced shopper insight
- Agile, trend-driven portfolio by channel

Five strategic choices

1. Develop our portfolio into high growth spaces

2. Win with our brands as a force for good, powered by purpose & innovation

3 Accelerate in USA, India, China and leverage EM strength

4. Lead in the channels of the future

5. Build a purpose-led, future-fit organisation and growth culture

Driving growth through capacity, capability and culture

Unlock capacity through agility and digital transformation



- Leveraging technology to dynamically allocate resources
- Agile at scale

Be a beacon for diversity, inclusion and values-based leadership



- Championing equity and inclusion: gender, race, disability and LGBTQI+

Build capability through lifelong learning



- Prepare for Future of Work
- Continued upskilling of employees

Continue to generate fuel for growth



- 5S, ZBB & restructuring programmes
- Savings reinvested in future growth spaces

Five strategic choices

1. Develop our portfolio into high growth spaces

2. Win with our brands as a force for good, powered by purpose & innovation

3. Accelerate in USA, India, China and leverage EM strength

4. Lead in the channels of the future

5. Build a purpose-led, future-fit organisation and growth culture



Operational Excellence

Multi-year financial framework

Steps to higher growth

**Market
development**
(Growing markets)



**Operational
excellence**
(Competitive growth)



**Continued
portfolio
evolution**

Multi-year financial framework



Growth

Underlying sales growth ahead of our markets
3 – 5%USG



Profit

Profit growth ahead of sales growth



Cash

Sustained strong cash flow

Delivering long term value creation through earnings growth

Growing dividend

Other long term financial metrics

Savings

€2bn
per annum

**Restructuring
investment**

€1bn
for 2021 and 2022,
lower thereafter

ROIC

**Mid to
high teens**

Leverage

2x
approx

Restructuring investments

2017 - 2020

Investment **€3.6bn**

Incremental savings **€1.5bn**

Average cash payback **3 years**

2021 - 2022

Investment **€2bn**

Incremental savings **€1.3bn**

Average cash payback **3 years**

- **Investments:**
 - Supply chain optimisation (24 site closures)
 - Overhead transformation
 - Organisation redesign
- **Focused on Europe, Latin America and R&D**

- **Investments:**
 - Supply chain network reset
 - Future Fit Operations
- **Focused on European supply chain and UniOps**

Operational investment

- Brand growth and innovation
- Sustainability
- Channel and digital capability

Portfolio reshape

- Acquisitions
- Disposals
- Partnerships

Returns to shareholders

- Dividends
- Share buybacks
- Minority buybacks

Conclusion

- Leveraging our three differentiating strengths
- Five clear strategic choices to drive our growth
- Delivering long term value creation

Our vision

is to be the global leader in sustainable business. We will demonstrate how our purpose-led, future-fit business model drives superior performance, consistently delivering financial results in the top third of our industry.

Q&A