

Unilever First Half 2018 Results

Paul Polman / Graeme Pitkethly

19th July 2018



Unilever®



SAFE HARBOUR STATEMENT

Where relevant, these actions are subject to the appropriate consultations and approvals.

This document 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’, ‘aims’, ‘expects’, ‘anticipates’, ‘intends’, ‘seeks’, ‘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” or “Unilever”). 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; customer relationships; the recruitment and retention of talented employees; disruptions in our supply chain; the cost of raw materials and commodities; the production of safe and high quality products; secure and reliable IT infrastructure; successful execution of acquisitions, divestitures and business transformation projects; economic and political risks and natural disasters; the effect of climate change on Unilever’s business; 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 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, the Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten) and the US Securities and Exchange Commission, including in the Annual Report on Form 20-F 2017 and the Unilever Annual Report and Accounts 2017.

This document is for informational purposes only and does not constitute or form part of an offer to sell or the solicitation of an offer to buy or subscribe to any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This document is not an offer of securities for sale into the United States. No offering of securities shall be made in the United States except pursuant to registration under the US Securities Act of 1933 (the “Securities Act”), or an exemption therefrom.

In connection with the reorganisation of Unilever PLC and Unilever N.V. and their respective group companies (the “Simplification”) under a new holding company (“New NV”), New NV intends to file a registration statement on Form F-4, which will include a prospectus with respect to its merger with Unilever N.V. (the “Proposed Merger”) and the Simplification. The final prospectus will be delivered to the security holders of Unilever N.V..

New NV also expects to issue ordinary shares to security holders of Unilever PLC pursuant to a UK scheme of arrangement (the “Proposed Scheme”) in reliance upon the exemption from the registration requirements of the US Securities Act provided by section 3(a)(10) for which it will not file a registration statement. Unilever PLC intends to send or otherwise disseminate a scheme circular and other relevant documents relating to the Proposed Scheme and Simplification to security holders of Unilever PLC.

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SHAREHOLDERS AND SECURITY HOLDERS OF UNILEVER N.V. ARE URGED TO READ THE PROSPECTUS REGARDING THE PROPOSED MERGER AND THE SIMPLIFICATION CAREFULLY AND IN ITS ENTIRETY, INCLUDING THE EXHIBITS THERETO AND ANY DOCUMENTS PREVIOUSLY FILED WITH THE SEC AND INCORPORATED BY REFERENCE INTO THE PROSPECTUS AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, WHEN IT BECOMES AVAILABLE BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION ABOUT UNILEVER, THE PROPOSED MERGER AND THE SIMPLIFICATION.

SHAREHOLDERS AND SECURITY HOLDERS OF UNILEVER PLC ARE ADVISED TO READ THE SCHEME CIRCULAR AND OTHER RELEVANT DOCUMENTS REGARDING THE PROPOSED SCHEME AND THE SIMPLIFICATION CAREFULLY AND IN ITS ENTIRETY, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT UNILEVER, THE PROPOSED SCHEME AND THE SIMPLIFICATION.

Shareholders and security holders will be able to obtain free copies of the prospectus, as well as other filings containing information about New NV, Unilever PLC and Unilever N.V., without charge, at the SEC’s website at <http://www.sec.gov>. Shareholders will also be able to obtain these documents, without charge, from Unilever’s website at <http://www.unilever.com>.

This document does not constitute an offer or a solicitation in any jurisdiction in which such offer or solicitation is unlawful. An offer will not be made in, nor will deposits be accepted in, any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of such jurisdiction. However, if an offer is made, New NV may, in its sole discretion, take such action as it may deem necessary to extend an offer in any such jurisdiction.

This document does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase. It is not an advertisement and not a prospectus for the purposes of Directive 2003/71/EC, as amended. Any purchase of securities of NV should only be made on the basis of information that will be contained in the prospectus to be issued in due course in connection with the proposed admission of NV’s ordinary shares to (i) listing and trading on Euronext in Amsterdam (ii) the Official List of the United Kingdom Listing Authority and (iii) trading on the Main Market of the London Stock Exchange (the “EU Prospectus”), and to be approved by the Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten) and passported to the United Kingdom, and any supplement or amendment thereto. The EU Prospectus will contain detailed information about the Company and its management, as well as financial statements and other financial data. The EU Prospectus, when published, will be available at <http://www.unilever.com> at no cost. It may be unlawful to distribute these materials in certain jurisdictions.

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Paul Polman



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SPF30 PPA+++ PPF

Vaseline

NEW HAZELNUT LUXE
— TAKE PLEASURE SERIOUSLY —

MADE WITH BELGIAN CHOCOLATE

MAGNUM
for pleasure seekers

NEW

Sunlight

DESTROY GERMS
Protect children

Domestos

EVERY BOTTLE SUPPORTS UNICEF

Buy a bottle, help change a life.

quilibra

ALOE CREAMA

EXTRA ALOE DERMO-GEL

ALOE CREAMA

ALOE CREAMA

ALOE CREAMA

ALOE CREAMA

Pehle hi Sip mein Wah Taj!

Taj Mahal

First half 2018: Strong volumes, high-quality margin

Growth

Underlying Sales Growth
exc. spreads

+2.7%

+2.5%

Underlying Volume Growth
exc. spreads

Margin

Underlying Operating Margin

+80 bps

+60 bps

Gross Margin

Earnings

Underlying current EPS

+7.8%

+18.6%

Underlying constant EPS

Cash

Free Cash Flow

€1.8 bn

+€0.4 bn

vs. H1 2017

Progressively getting the benefits from Connected 4 Growth

Good progress on our 2020 programme

Simpler, faster organisation

- Country Category Business Teams fully in place
- Food & Refreshment integrated, 3 Divisions

Accelerated margin progression

- Savings programmes ZBB and 5S – on track for €6 billion by 2019
- On track for 20% Underlying Operating Margin by 2020

Faster portfolio evolution

- Accelerated M&A – 24 acquisitions since January 2015
- Completed the disposal of spreads

Simpler capital structure

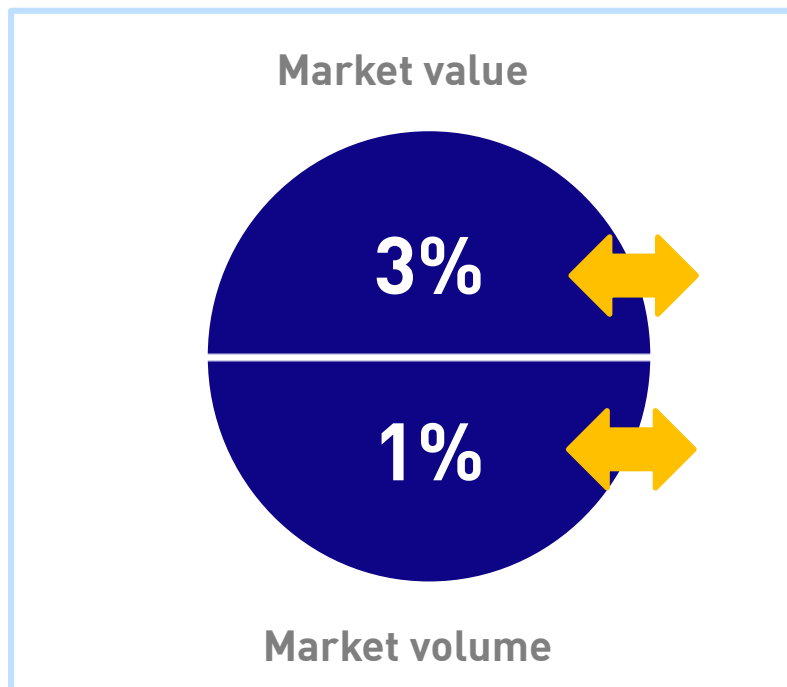
- Bought-out the preference shares
- Simplification of our Legal structure by year end

Increased leverage & returns

- Completed 2017 SBB & launched 2018 SBB to return spreads proceeds
- Net debt / EBITDA raised and expected to stay at 2x

Some challenging markets

Market growth



Short-term disruptions



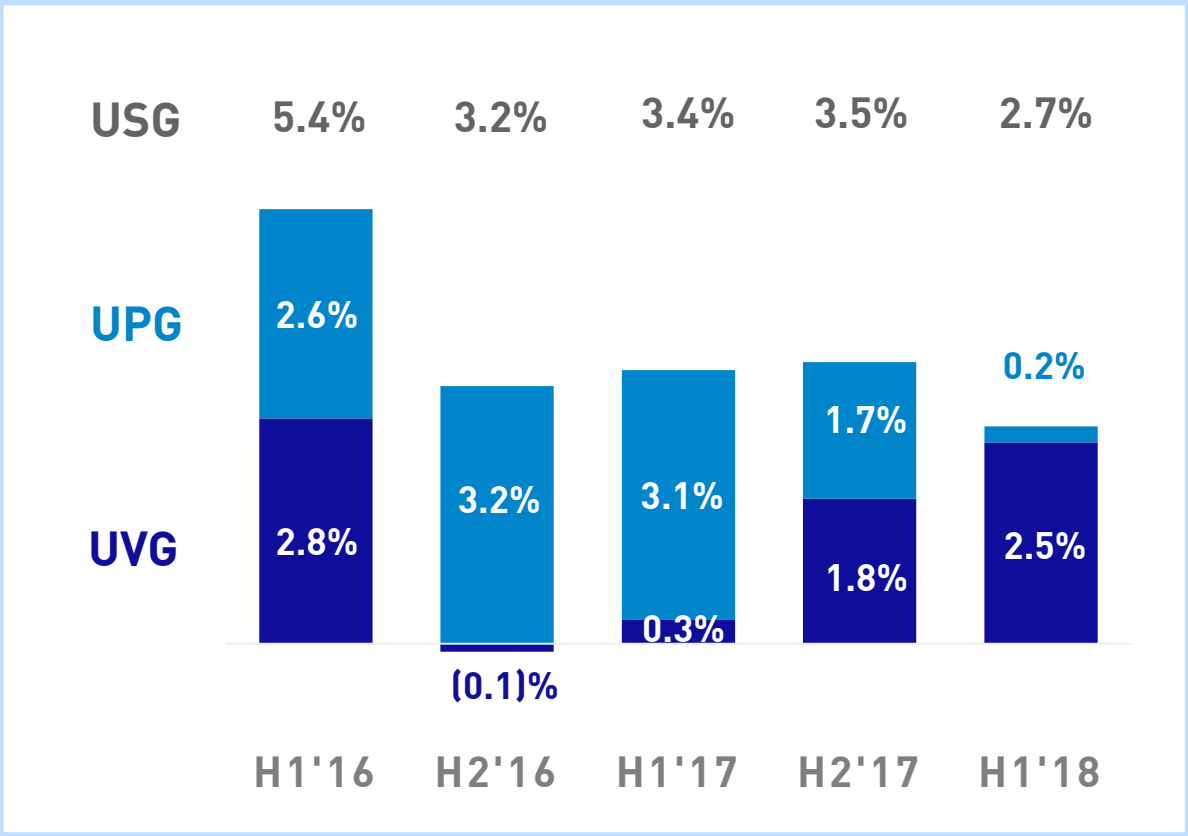
Emerging Market GDP

	2018	18 vs. 17
India	7.5%	↑
Brazil	1.6%	↑
Indonesia	5.1%	↔

Source: Nielsen, adjusted for e-commerce

Source: Oxford Economics

Encouraging step-up in volume growth



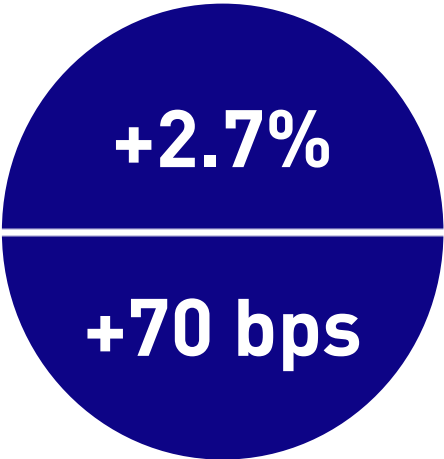
- Pricing muted, as expected:**
- Low commodity inflation
 - Goods and Services Tax in India
 - Deflation in Brazil
- Volume step-up despite:**
- Brazil truckers strike
 - Challenging market conditions in Indonesia & France

Underlying Sales Growth exc. spreads

Broad-based growth and margins

Beauty & Personal Care

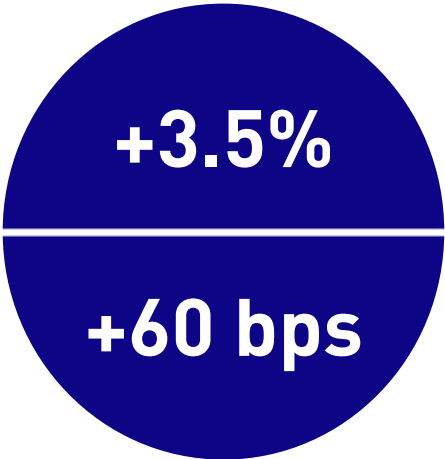
Underlying Sales Growth



Underlying Operating Margin

Home Care

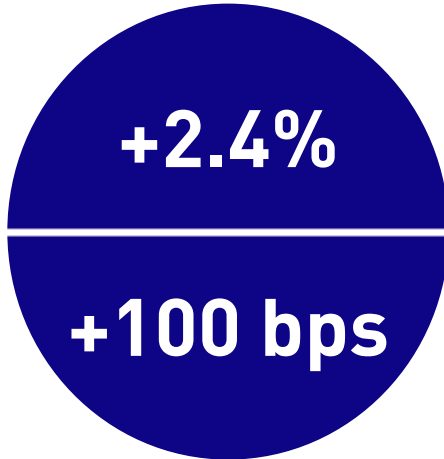
Underlying Sales Growth



Underlying Operating Margin

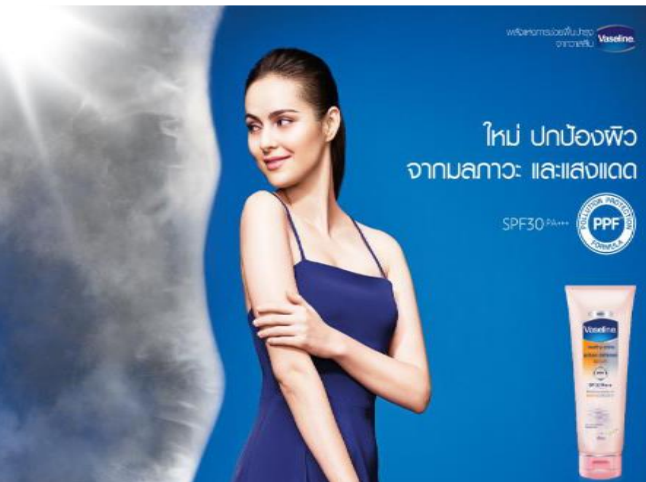
Food & Refreshment

Underlying Sales Growth
exc. spreads



Underlying Operating Margin

Graeme Pitkethly



Asia / AMET / RUB

First half

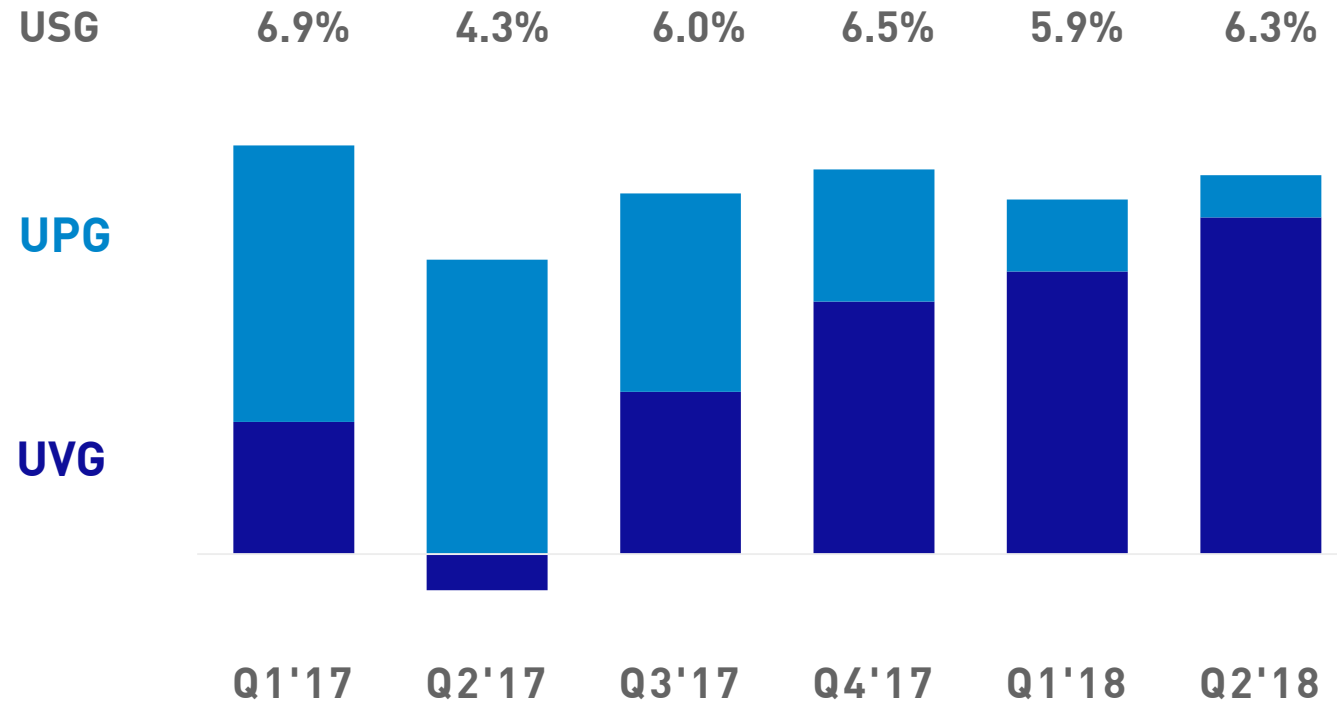
TO €11.7bn



USG 6.1%

UVG 5.1%

Quarterly trend



Latin America

First half

TO €3.5bn



USG -2.6%

UVG -2.1%

Quarterly trend

USG

3.5%

6.3%

6.6%

4.6%

2.2%

(6.9)%

UPG

UVG

Q1'17

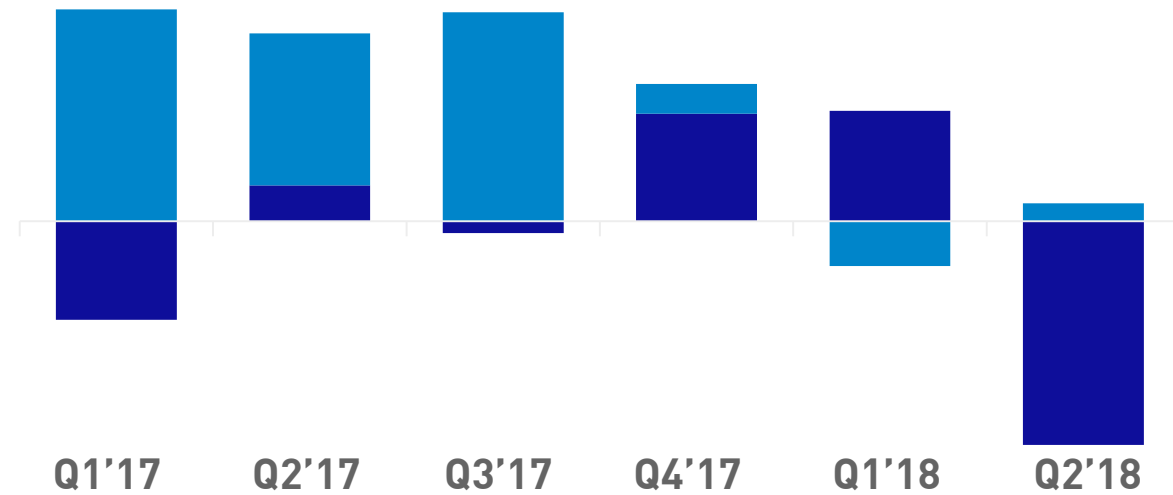
Q2'17

Q3'17

Q4'17

Q1'18

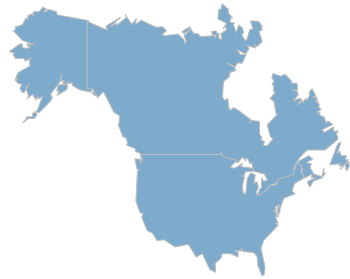
Q2'18



North America

First half

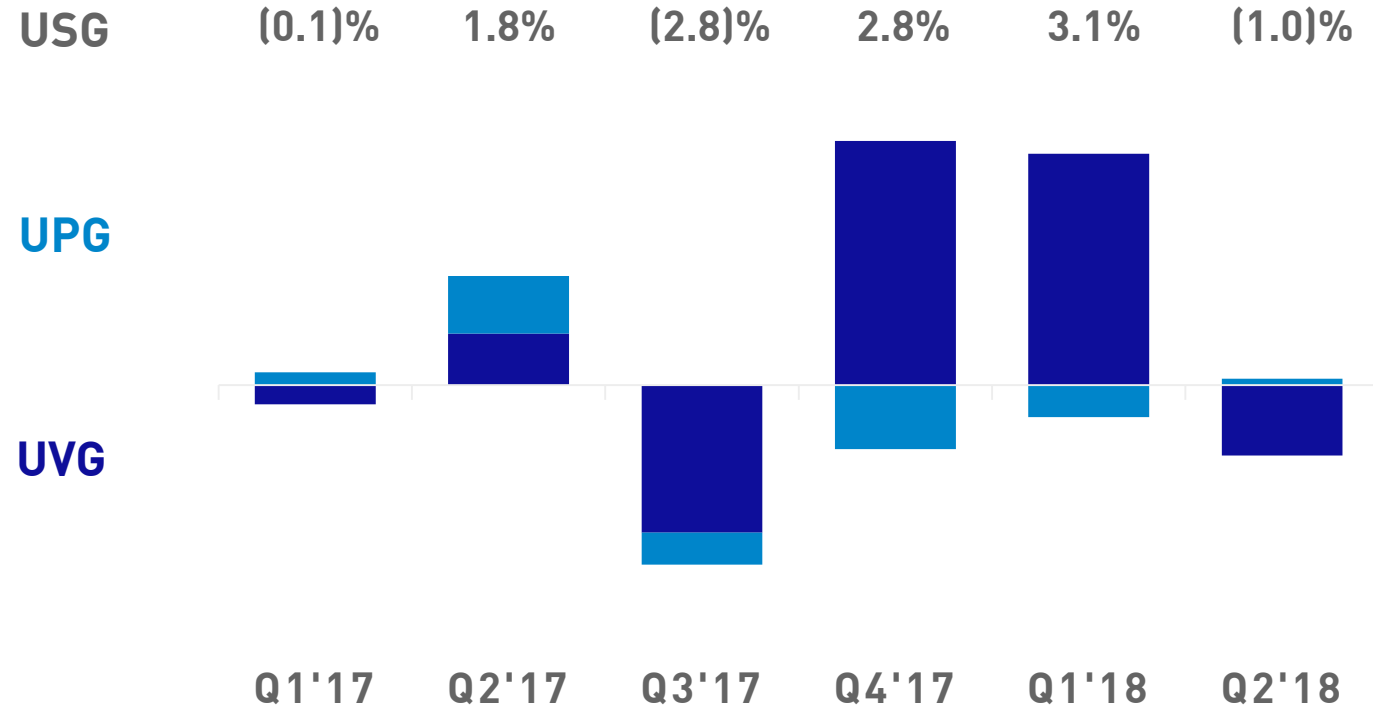
TO €4.3bn



USG 0.9%

UVG 1.1%

Quarterly trend



Underlying Sales Growth exc. spreads

Europe

First half

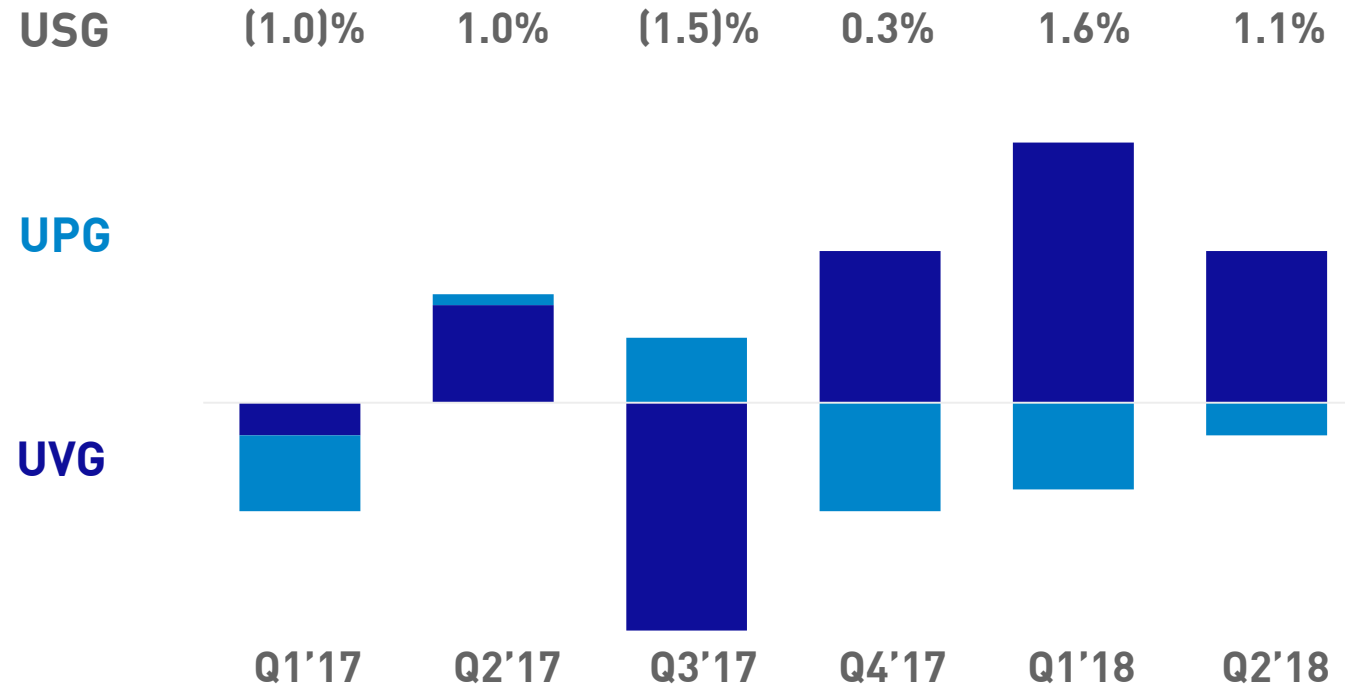
TO €5.8bn



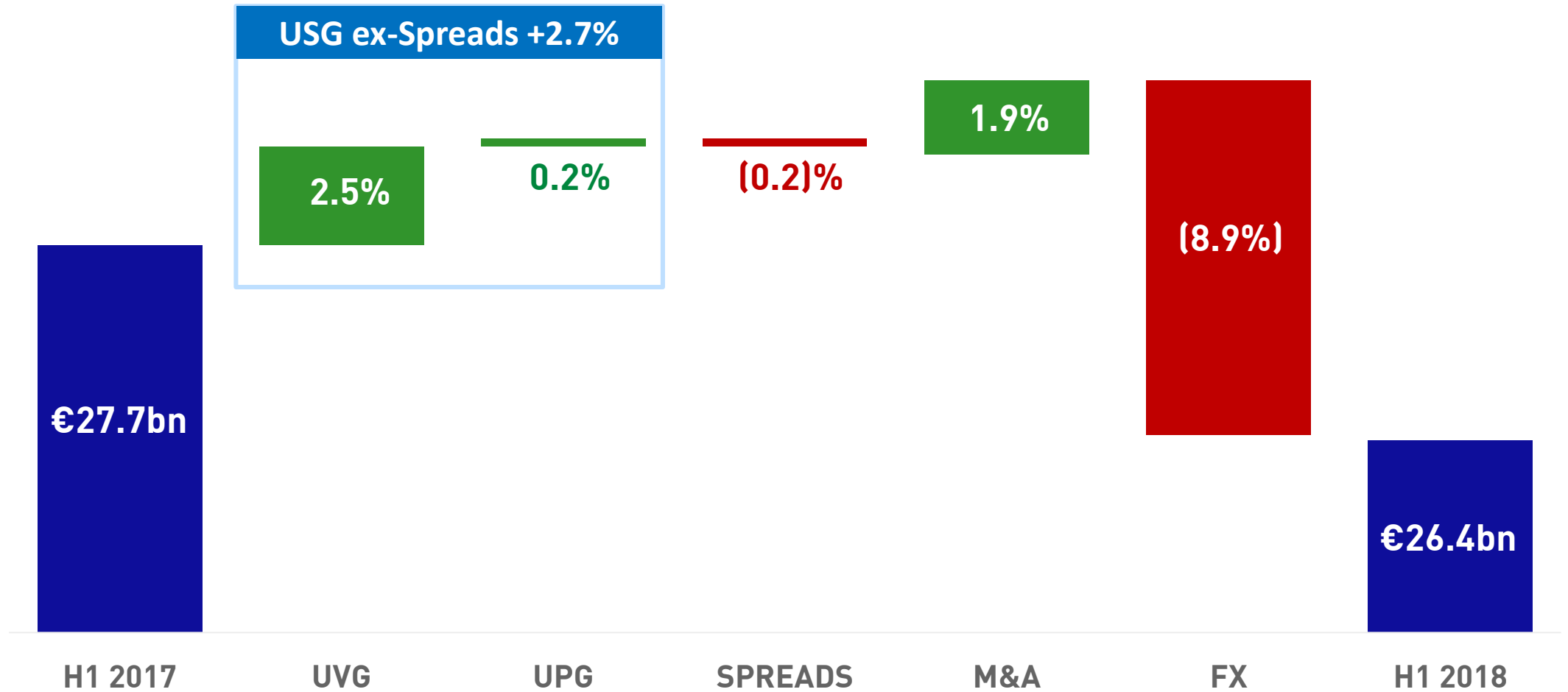
USG 0.6%

UVG 1.1%

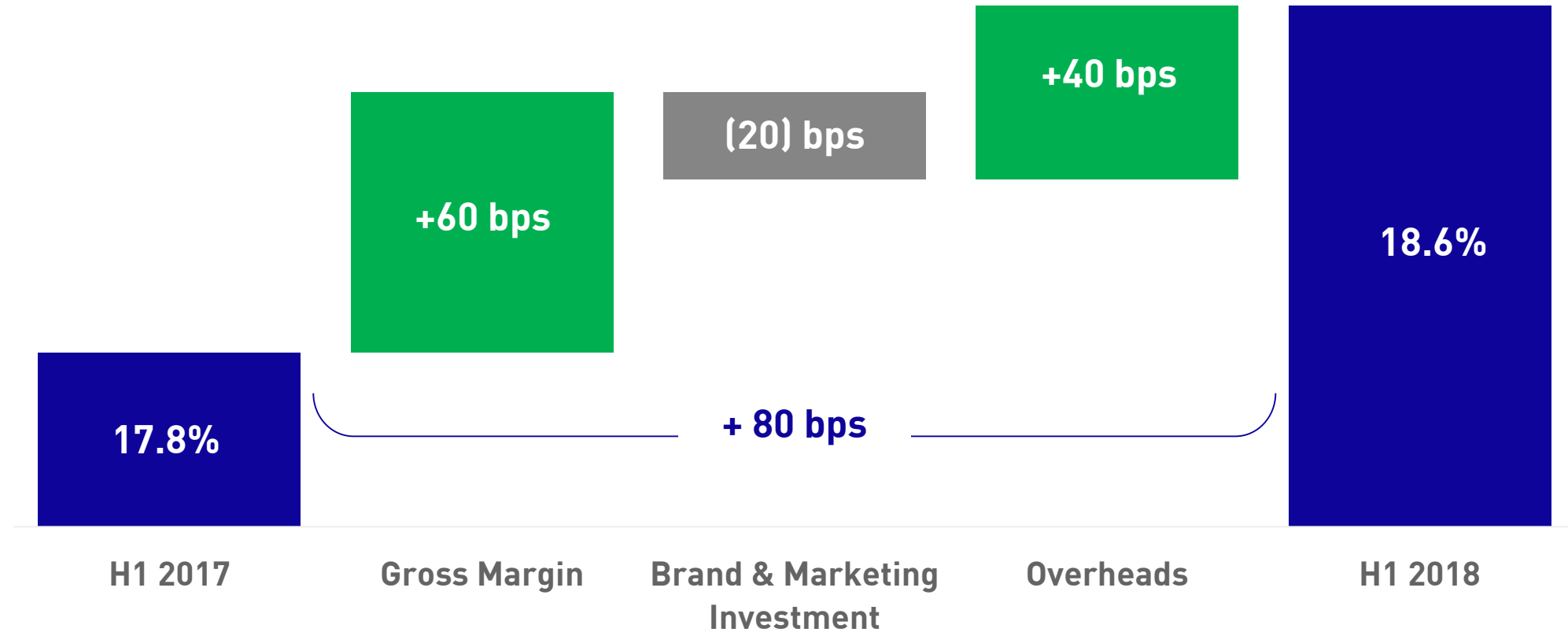
Quarterly trend



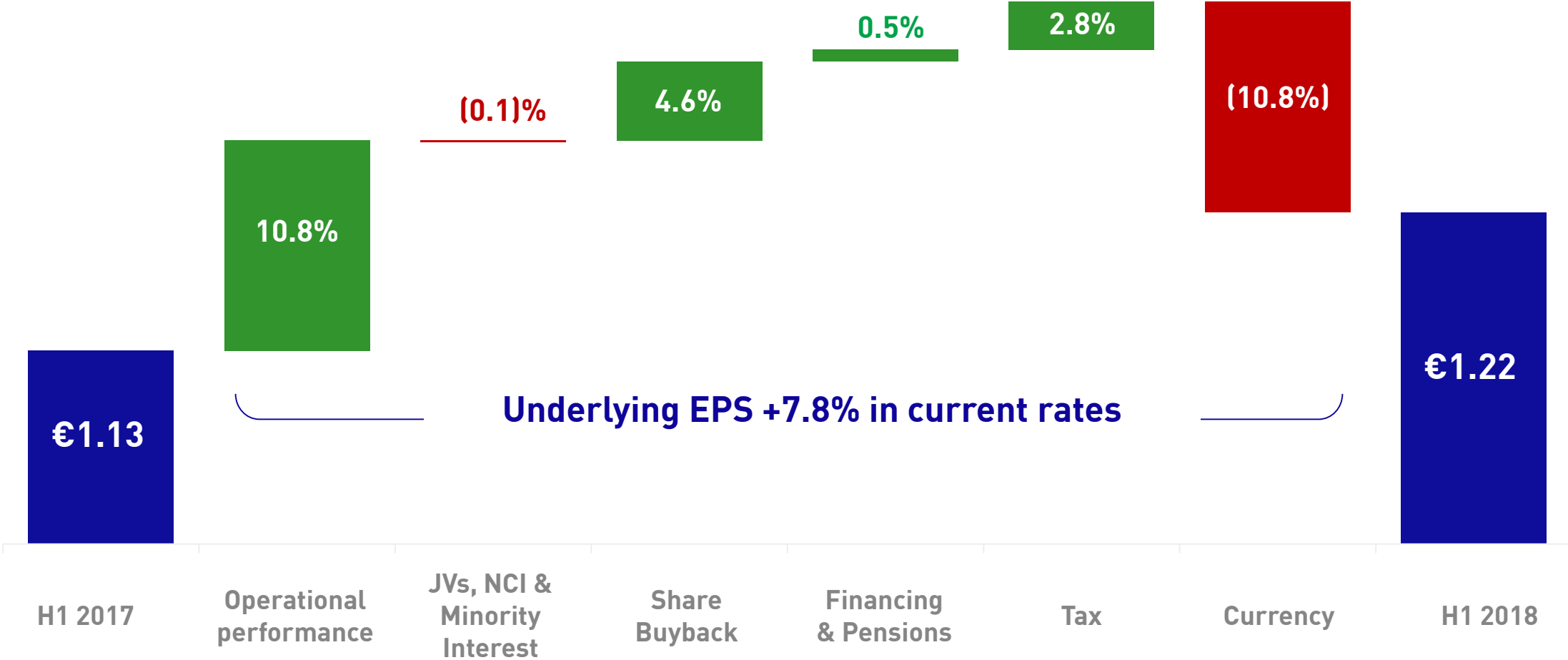
First Half 2018: Turnover



First Half 2018: High-quality margin delivery



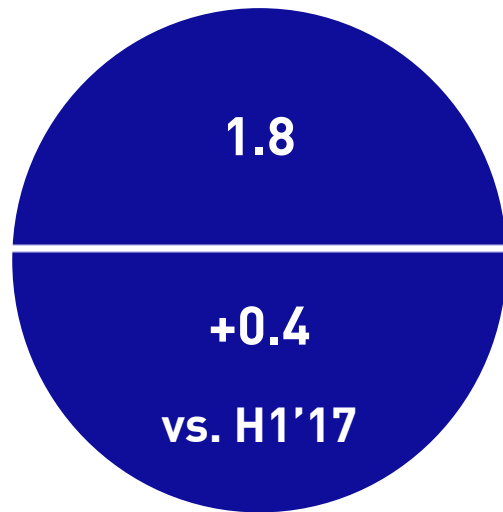
First Half 2018: Underlying Earnings Per Share



Cash flow & balance sheet

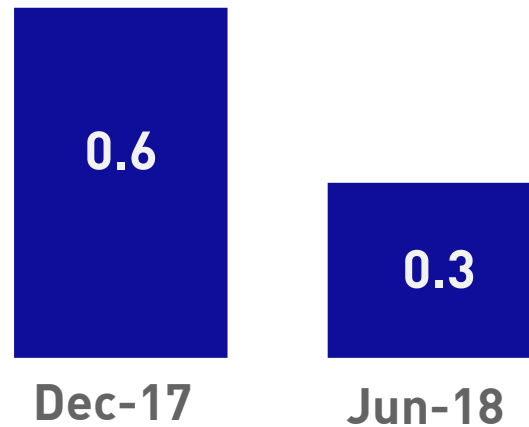
Free cash flow

€ billion



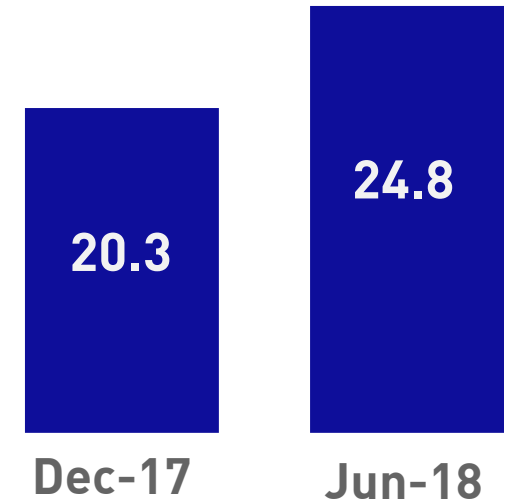
Pension deficit

€ billion



Net debt

€ billion



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จากมลภาวะ และแสงแดด

SPF30 PPA+++ PPF

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quilibra

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EXTRA ALOE DERMO-GEL

98% Aloe Vera

quilibra

ALOE CREAMA

quilibra

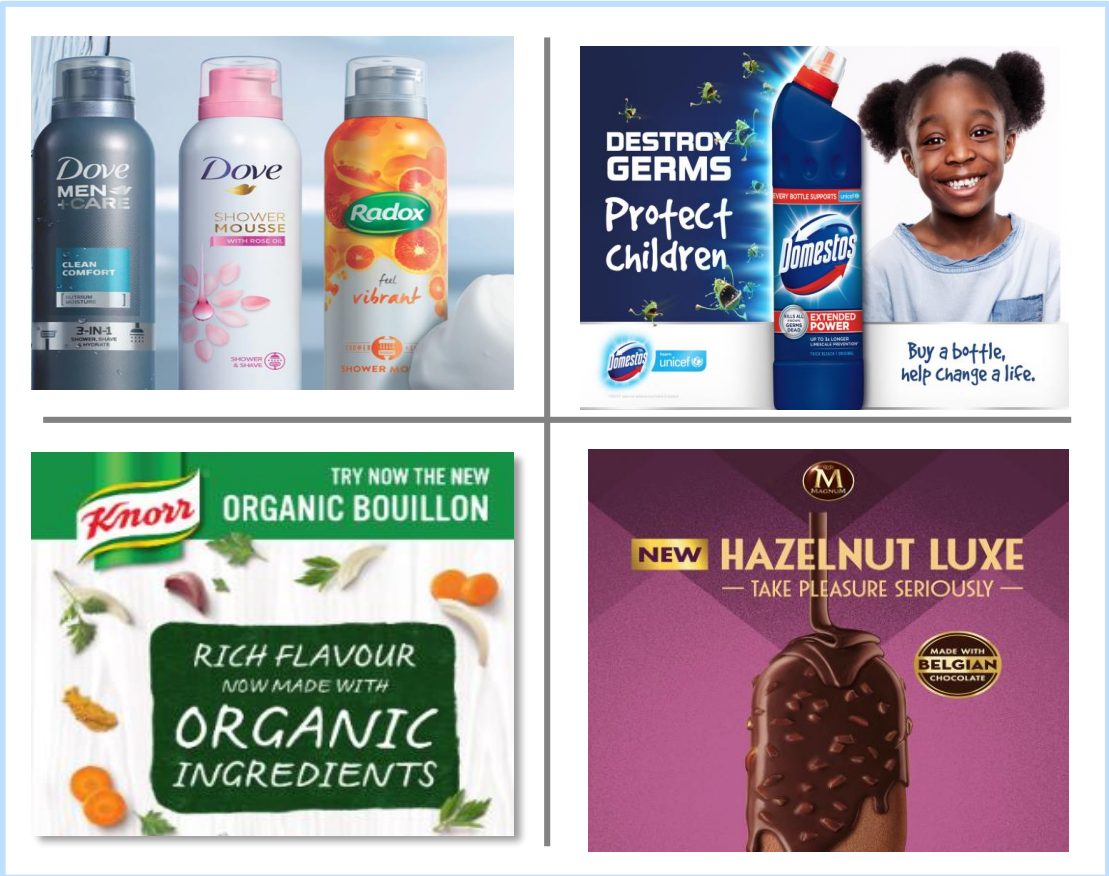
ALOE CREAMA

quilibra

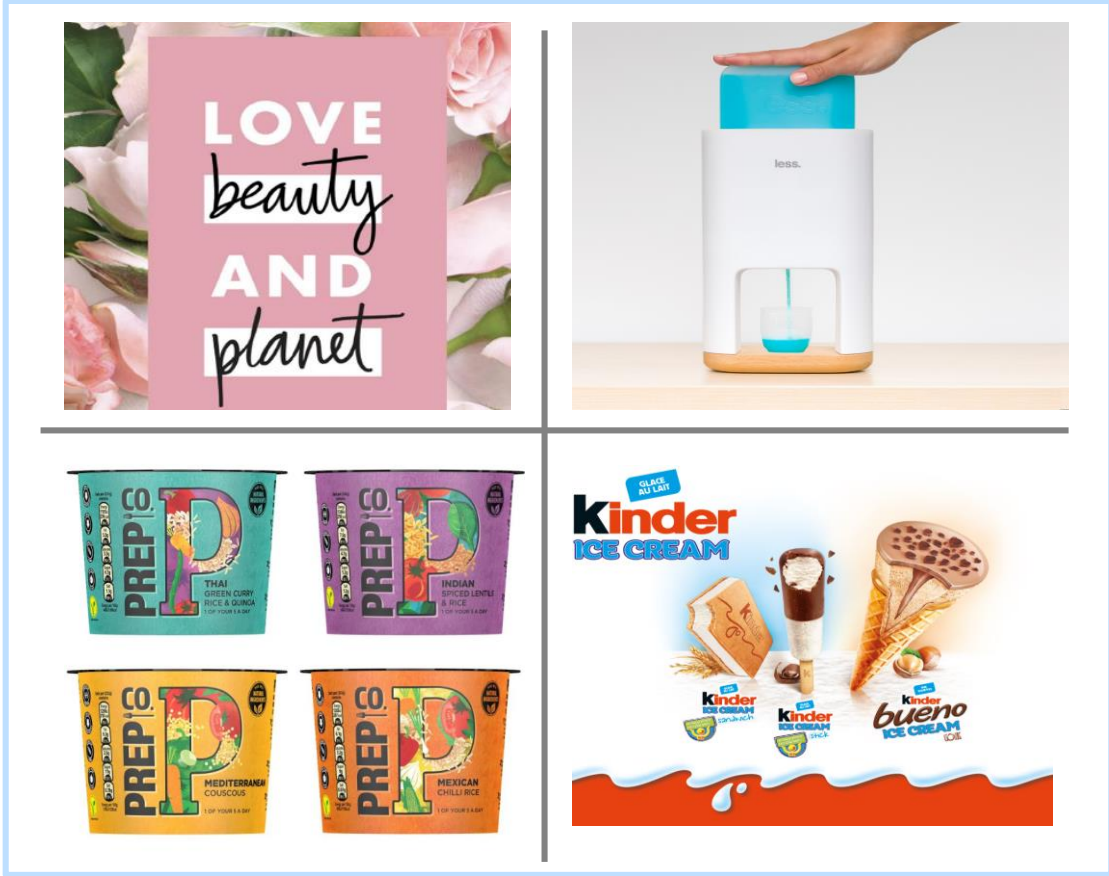
ALOE CREAMA

Innovation driving our growth

Grow our core




Meet key trends



An M&A model that allows us to pivot our portfolio faster

24 deals since January 2015

 <i>A Better Way to Beautiful since 1912</i>	Primarily in Personal Care	
 <small>a skin care system researched and developed by the International Dermal Institute</small>	Prestige	
	Premium price brands in mass	
	New channels	
	Naturals	
	Disposal of Ades and spreads	

By 2019 these add:

€3.5bn more turnover

- €3bn HPC
- €2bn in premium positions
- €1.5bn emerging markets
- €1bn e-commerce

Embracing digital in everything we do

Data-driven marketing



Data
Content
Technology
Conversations

Artificial Intelligence

Chatbots



Virtual assistants

Cleanipedia

Recipedia

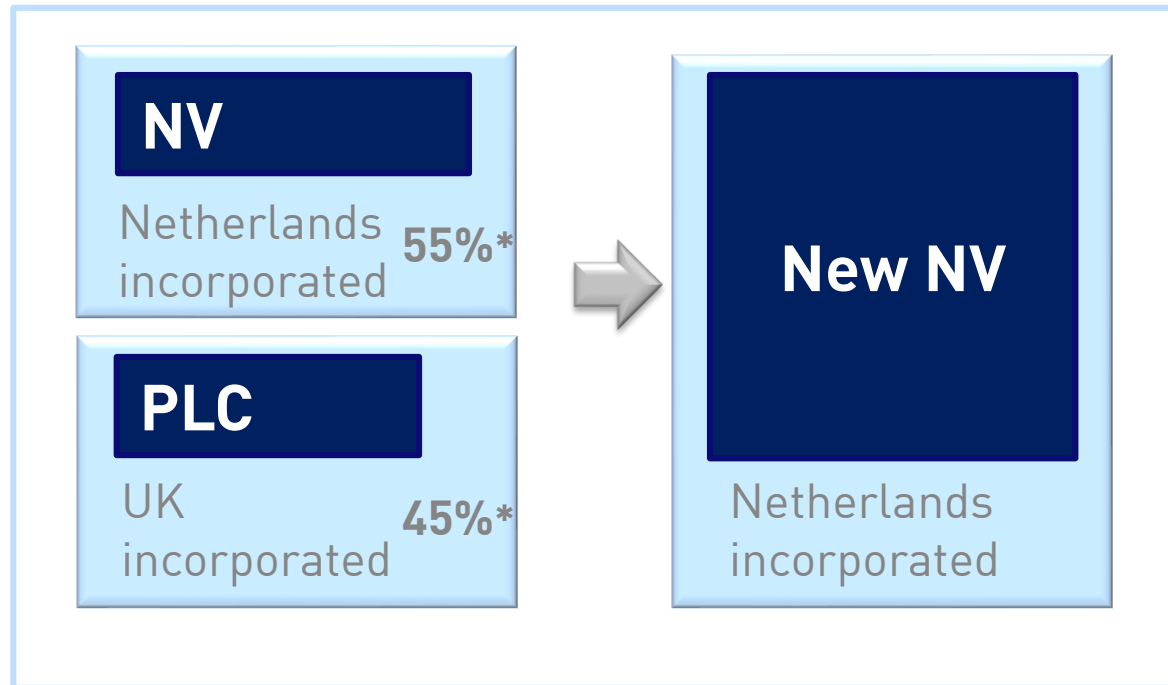
Robotic process automation

250
Processes
automated

120k
Hours
released

Simplify our historic dual-headed structure

Legal structure change



Rationale

- Simplification
- Greater flexibility for strategic portfolio change
- Stronger corporate governance

Moving to an orthodox single-parent structure

*Percentage of the Group's combined ordinary share capital, calculated by reference to the total number of issued ordinary shares of NV and PLC (excluding treasury shares) as at 31 December 2017

Graeme Pitkethly



Continuing with core corporate governance features

Current practice for NV and PLC	Continue in New NV
Applying both UK and Dutch Corporate Governance Codes	✓
Applying UK, Dutch and US listing rules*	✓
Annual re-election of directors incl. CEO	✓
Separate Chairman and CEO	✓
One-tier Board with diverse experiences	✓
5%+5% non-pre-emption rights**	✓
Binding vote on Directors' Remuneration Policy at least every three years Advisory vote on Directors' Remuneration Report every year	✓

* including related party and material transaction safeguards

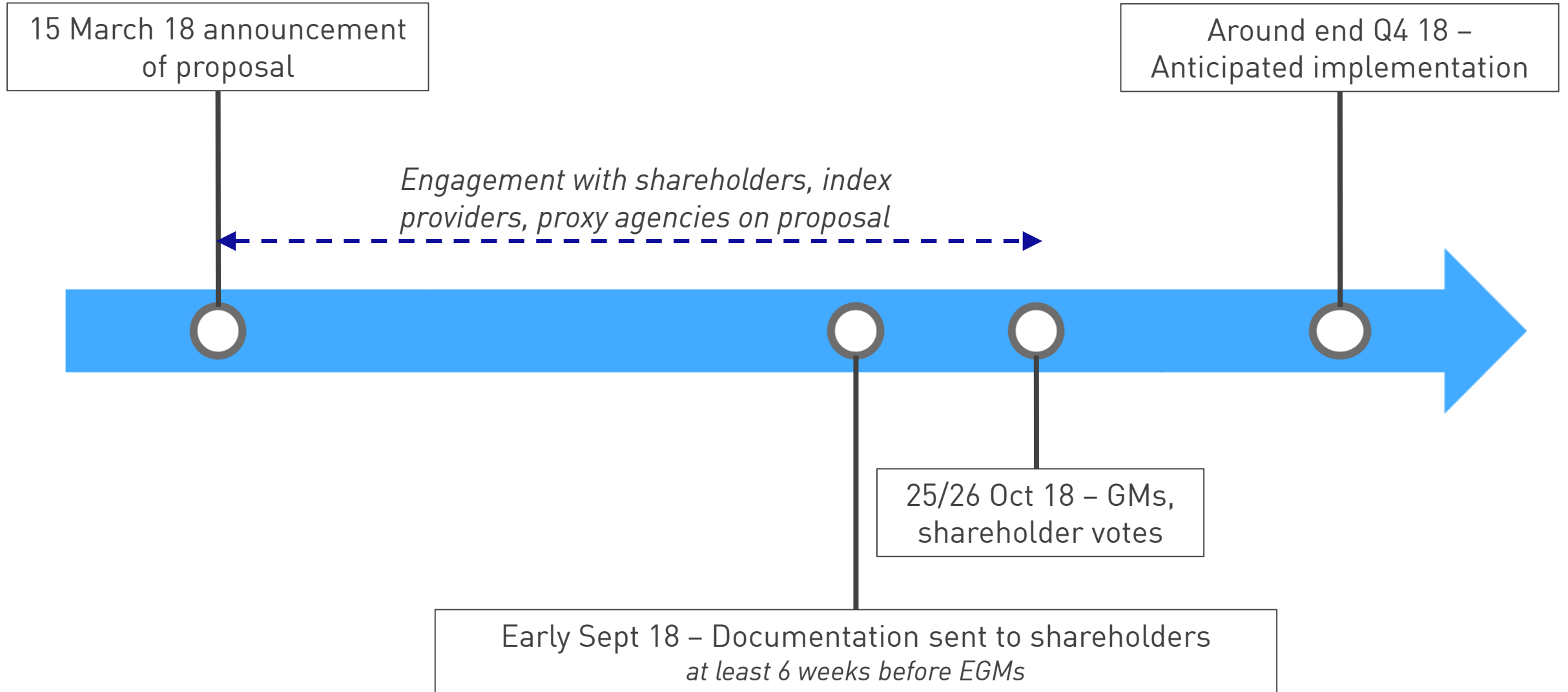
**implemented at 2018 AGMs for both NV and PLC

And further strengthening our corporate governance

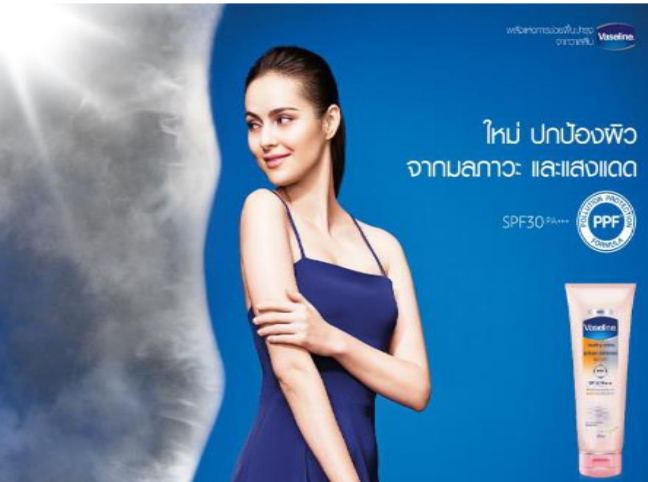
	Current practice for NV and PLC	New NV corporate governance
Voting rights	Shareholders of PLC vote independently from NV	One constituency: One share, one vote principle
Classes of shares	<ul style="list-style-type: none"> NV shares; NV preference shares with high-voting rights PLC shares 	A single class of shares* , one global pool of liquidity No preference shares*
<ul style="list-style-type: none"> Trust Office Depository receipt structure 	Trust Office issues depository receipts in exchange for NV shares; Trust Office held 77% of NV shares at 31/12/17 and represented 33% of votes at 2017 NV AGM	None (as Trust Office and depository receipt structure will be terminated)**
Convene a general meeting	<ul style="list-style-type: none"> NV: District court at request of shareholders holding ≥ 10% of issued capital PLC: Shareholders holding ≥ 5% of issued capital 	Shareholders with ≥ 3% of issued capital can require a general meeting to be convened within 8 weeks
<ul style="list-style-type: none"> Nominate/propose removal of director Table resolution 	<ul style="list-style-type: none"> NV: Shareholders holding ≥ 1% of issued capital PLC: Shareholders holding ≥ 5% of issued capital; or 100 shareholders each holding ca. 3,200 shares*** 	Shareholders holding ≥ 3% of issued capital
Amending Articles of Association	<ul style="list-style-type: none"> NV: >50% of votes cast at general meeting****, at proposal of the Board PLC: >75% of votes cast at general meeting, at proposal of the Board or Shareholders 	>75% of votes cast at general meeting, at proposal of the Board or Shareholders
<ul style="list-style-type: none"> Disapplication of pre-emption rights Share buy-back authority Capital reduction 	<ul style="list-style-type: none"> NV: >50% of votes cast at general meeting PLC: >75% of votes cast at general meeting 	>75% of votes cast at general meeting

* Cancellation of NV preference shares upon Simplification; **Closure of NV Trust Office subject to approval from trustees; *** In the case of an AGM; ****Some amendments require class meetings

Timeline



Paul Polman



2018: Full year outlook unchanged

- ❑ Underlying Sales Growth in the 3-5% range
- ❑ Underlying Operating Margin: continued progress to 20%
- ❑ Strong cash flow

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