

Unilever Q3 2020 Trading Statement

Alan Jope & Graeme Pitkethly

22nd October 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; 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. 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.

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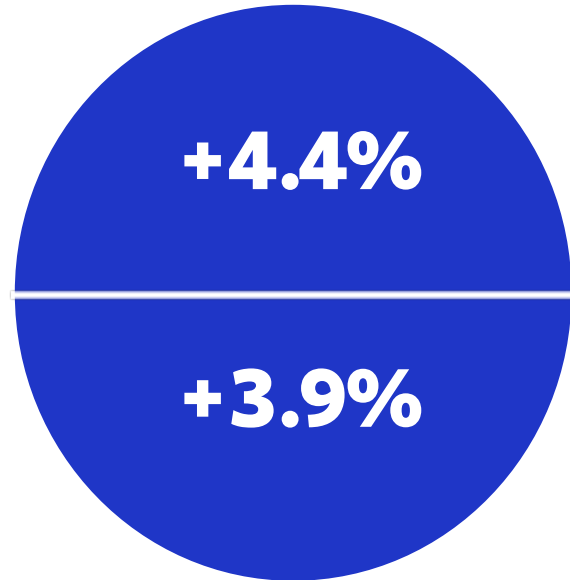


Unilever

Q3 2020 Trading update

Total

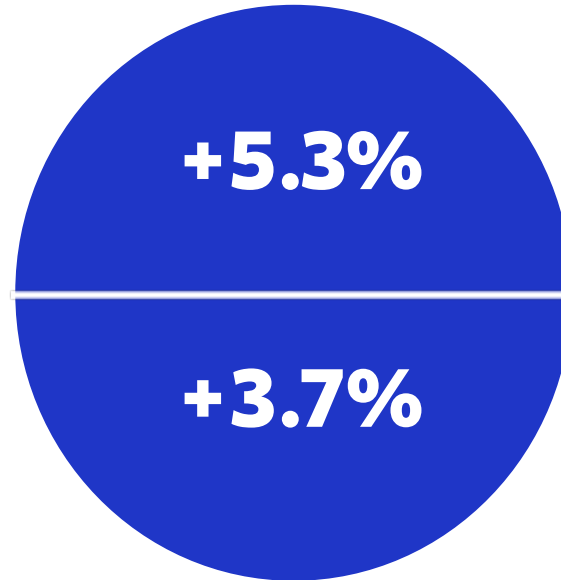
Underlying Sales Growth



Underlying Volume Growth

Emerging Markets

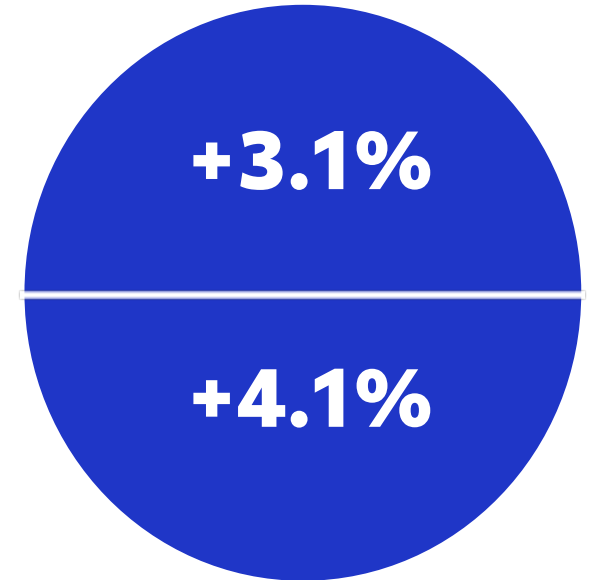
Underlying Sales Growth



Underlying Volume Growth

Developed Markets

Underlying Sales Growth



Underlying Volume Growth

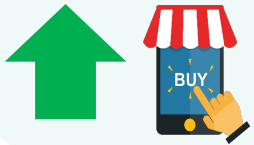
+ 1.4% Underlying Sales Growth YTD

Agility and operational excellence

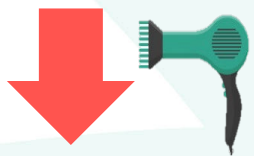
Changing dynamics



Increased consumer consumption
hygiene, in-home eating



Channel switching
offline to online

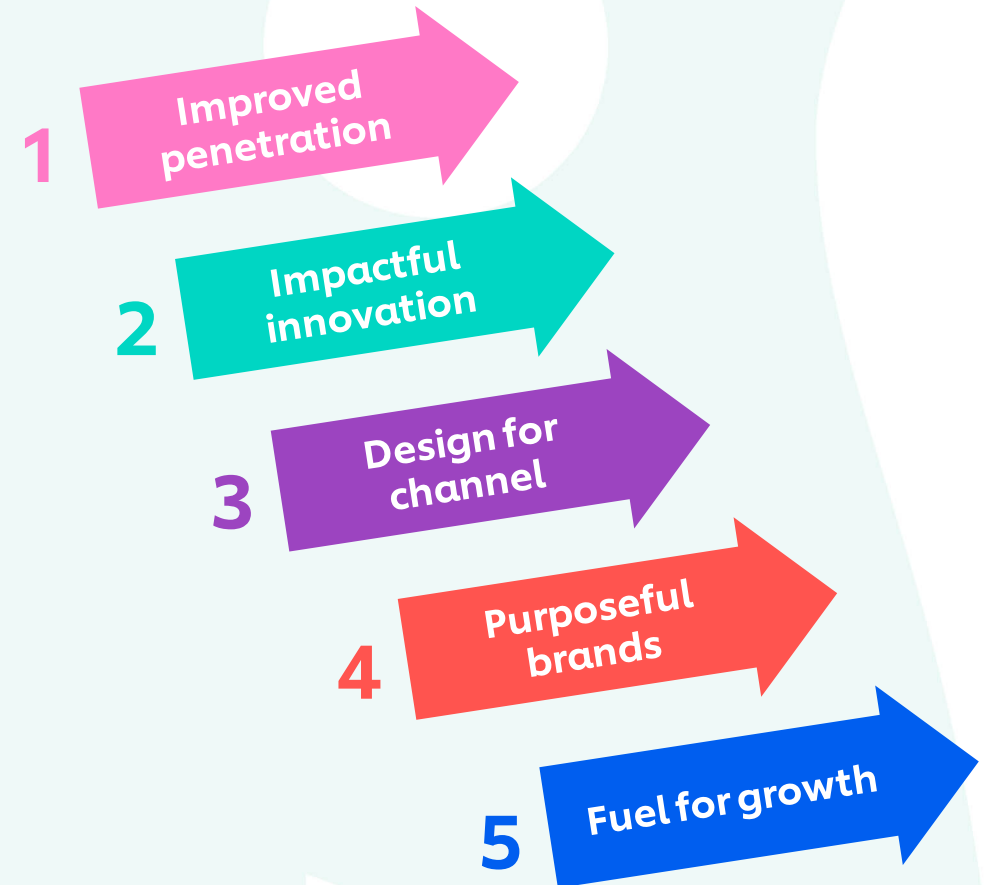


Decreased consumer occasions
personal care & beauty



Channel closures
food service, out of home ice cream

5 growth fundamentals



Strategic change agenda

Legal simplification



Clean Future strategy



Shaping the portfolio



Graeme Pitkethly

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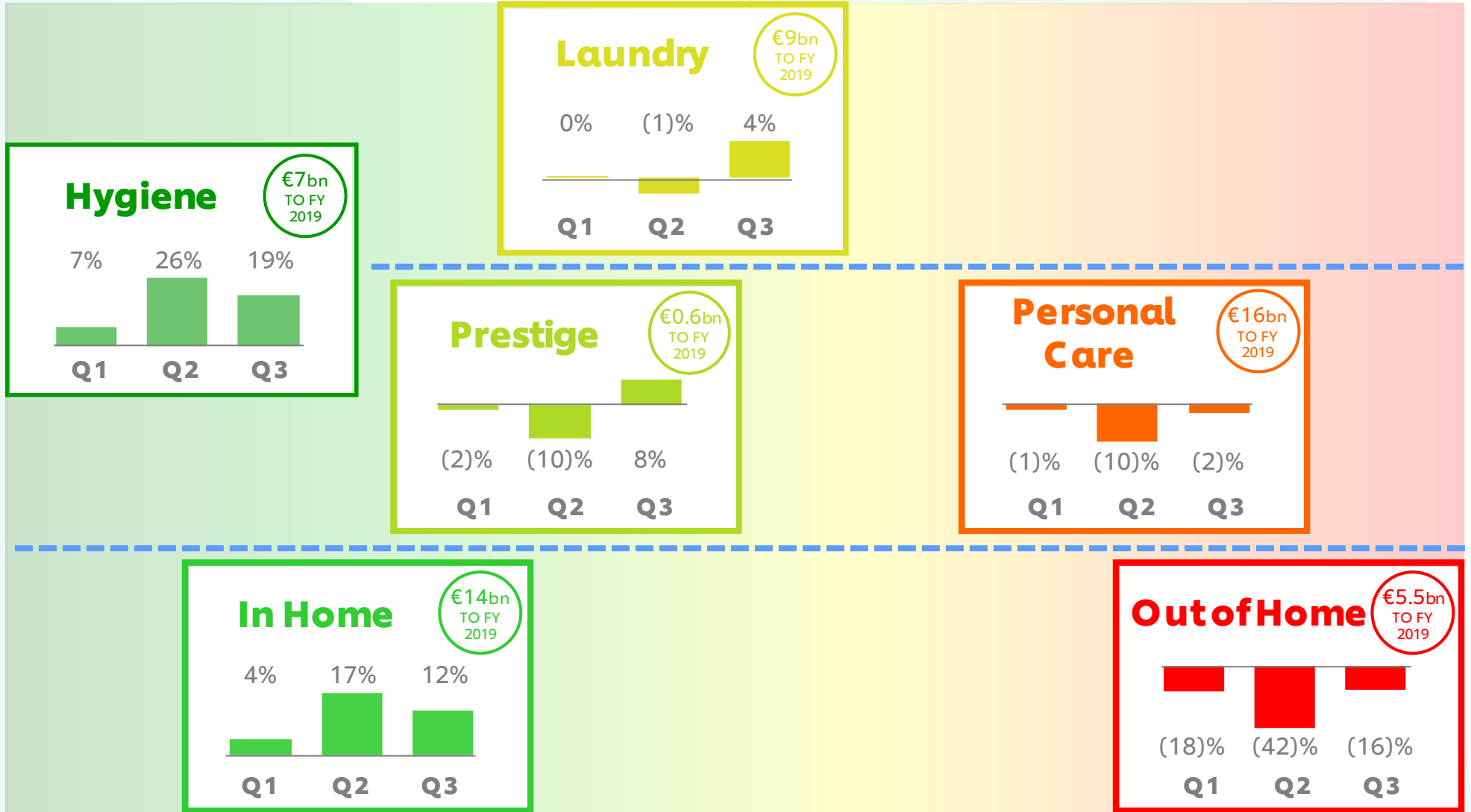
22nd October 2020



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€52bn
Turnover
FY 2019

Category portfolio



Beauty & Personal Care

Q3
USG

+3.8%

Q3
UVG

+3.5%

Skin Cleansing



+20%Q3 USG

Prestige



+8%Q3 USG

Rest of BPC



(2)%Q3 USG

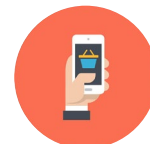
Dove hand sanitiser



Channel impact



Health & Beauty channel partially open



Shift to eCommerce

Hair Care

	Q3 USG%
Wash & Care	+4%
Styling	(18)%
Total Hair	+2%

Food & Refreshment

Q3
USG

+3.7%

Q3
UVG

+1.8%

In Home



+12%Q3 USG

	Q2 USG%	Q3 USG%
Savoury, Dressings, Tea	+14%	+12%
In Home Ice Cream	+26%	+16%

Out of Home



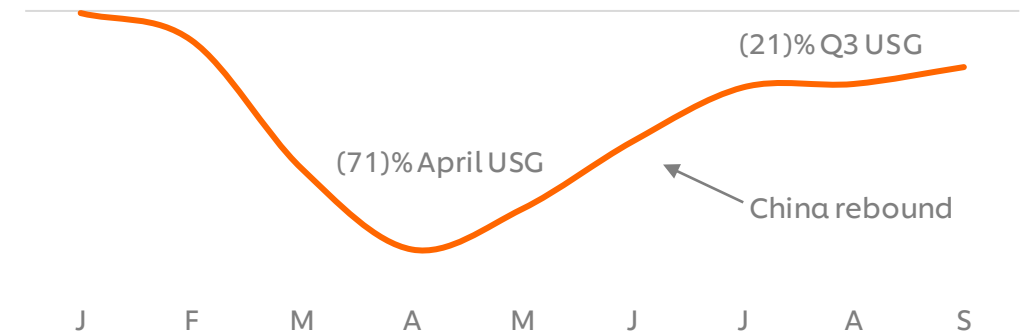
(16)%Q3 USG

	Q2 USG%	Q3 USG%
Food Service	(56)%	(21)%
Out of Home Ice Cream	(35)%	(13)%

Shaping the portfolio



Food Service still negative



Home Care

Home & Hygiene



+18%Q3 USG

Domestos multi-surface cleaner



Q3
USG

+6.7%

Q3
UVG

+8.5%

Laundry



+4%Q3 USG

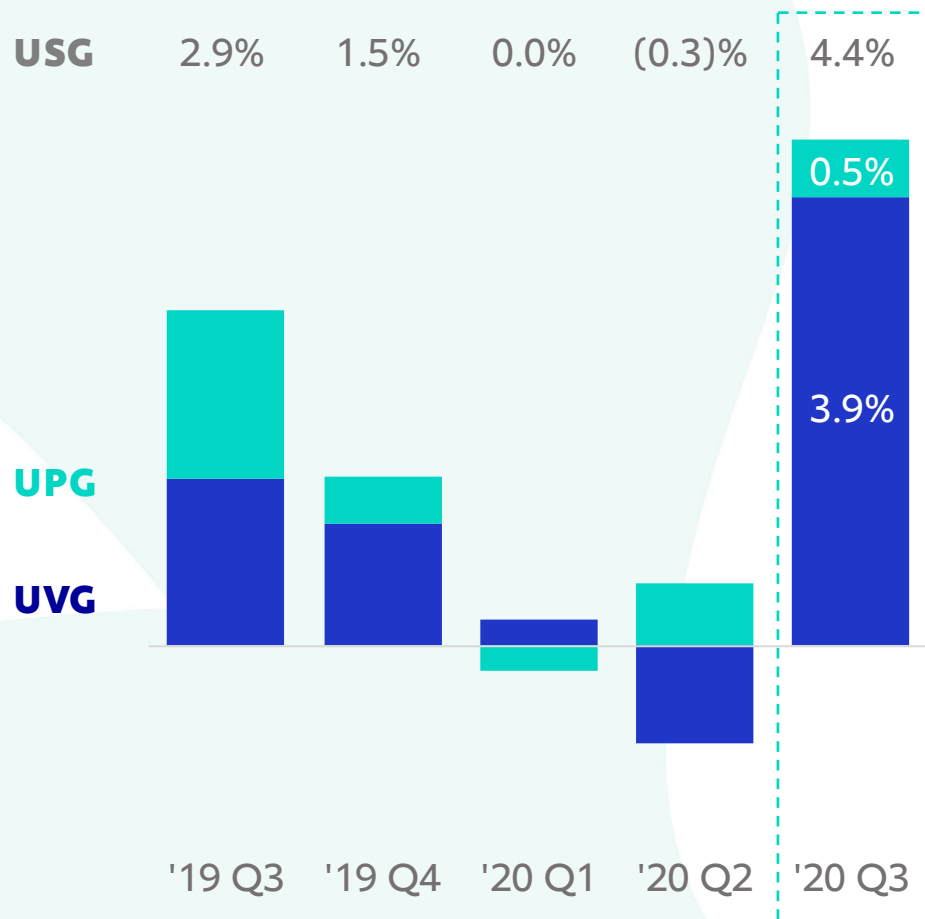
Superior performance, sustainability & value



75% plastic reduction

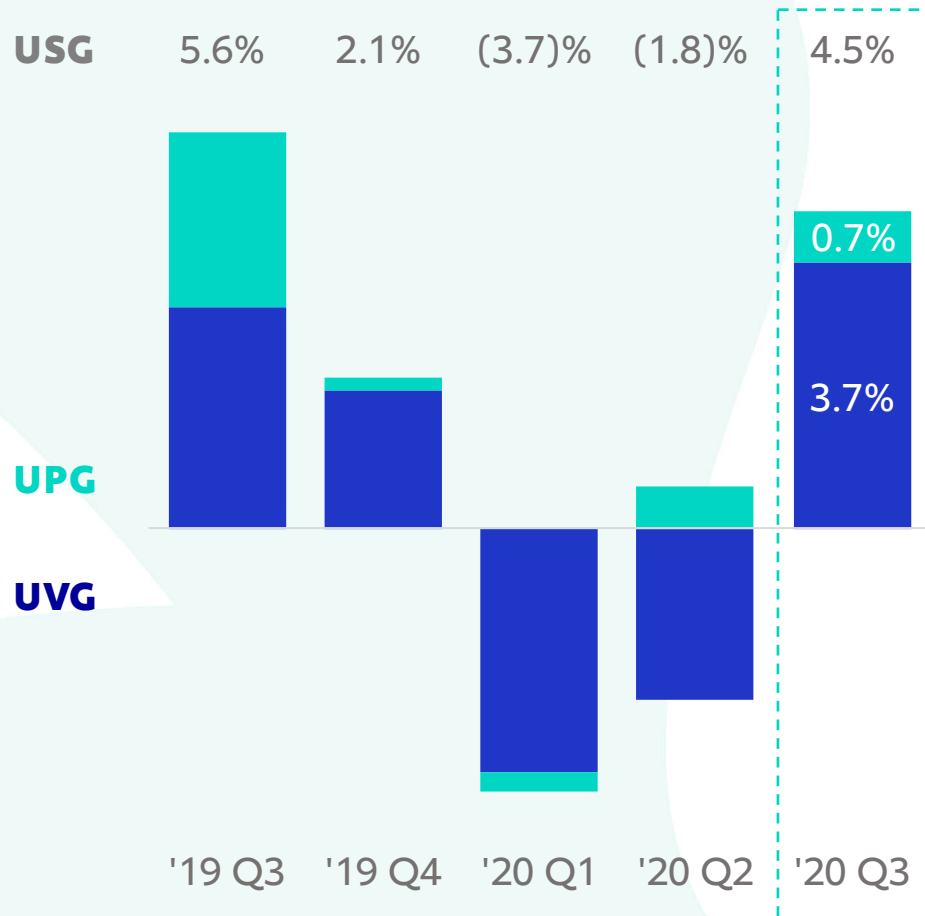
20-30% lower price than standard 3L

Q3 2020: Group USG performance



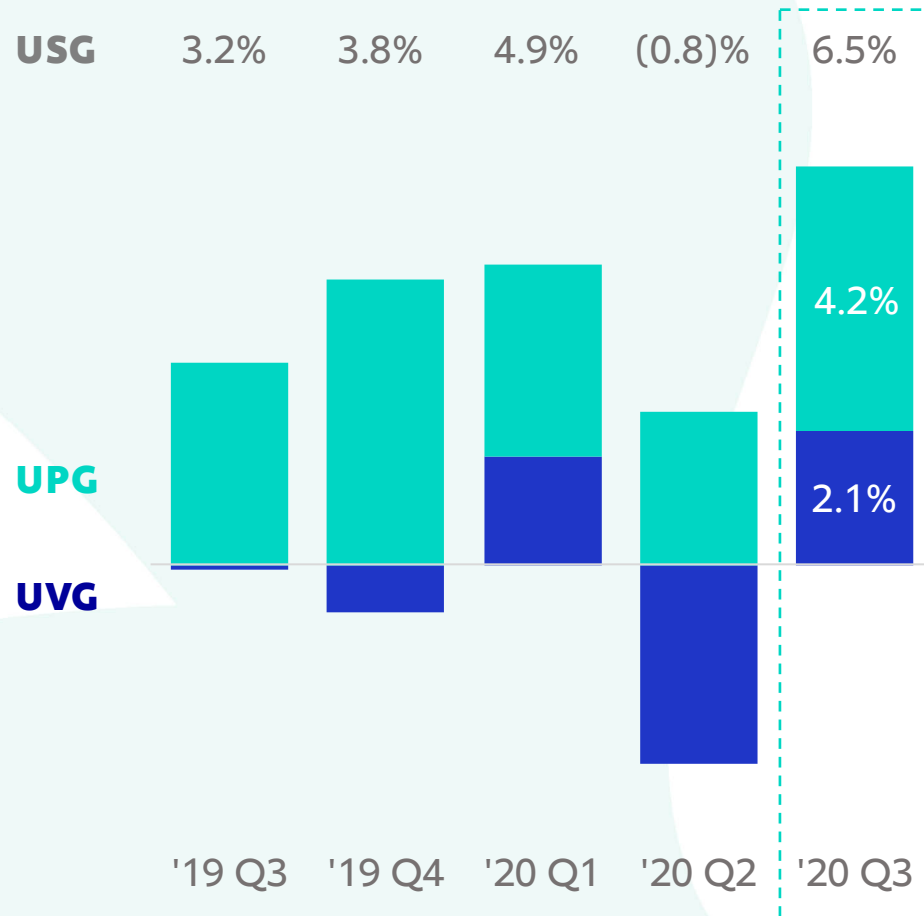
- Disconnect between the progress of the pandemic and economic activity
- Opening up economies to protect livelihoods vs. lockdowns to protect health
- Policy response, incl. emergency stimulus and consumer handouts impacting the quarter – e.g. Brazil, USA

Asia / AMET / RUB



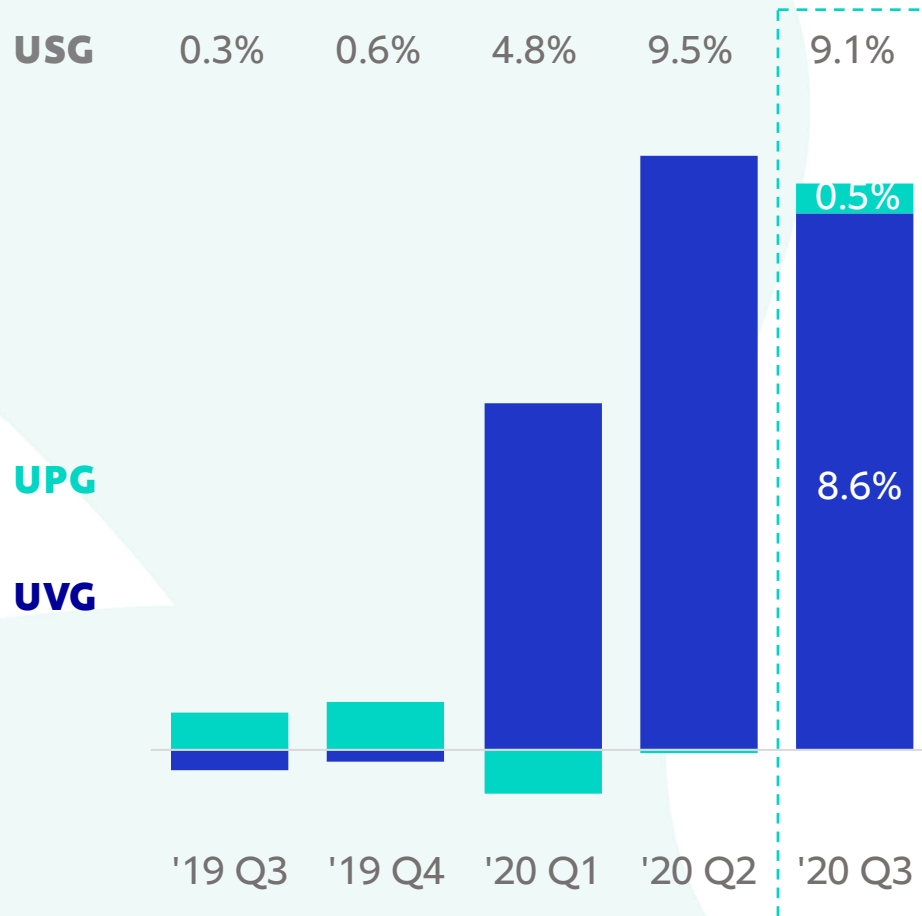
- **China:** sales up double digit led by BPC and a return to growth in Food Service
- **India:** low single digit growth driven by Foods & Refreshment and hygiene products
- **SEA:** low single digit growth

Latin America



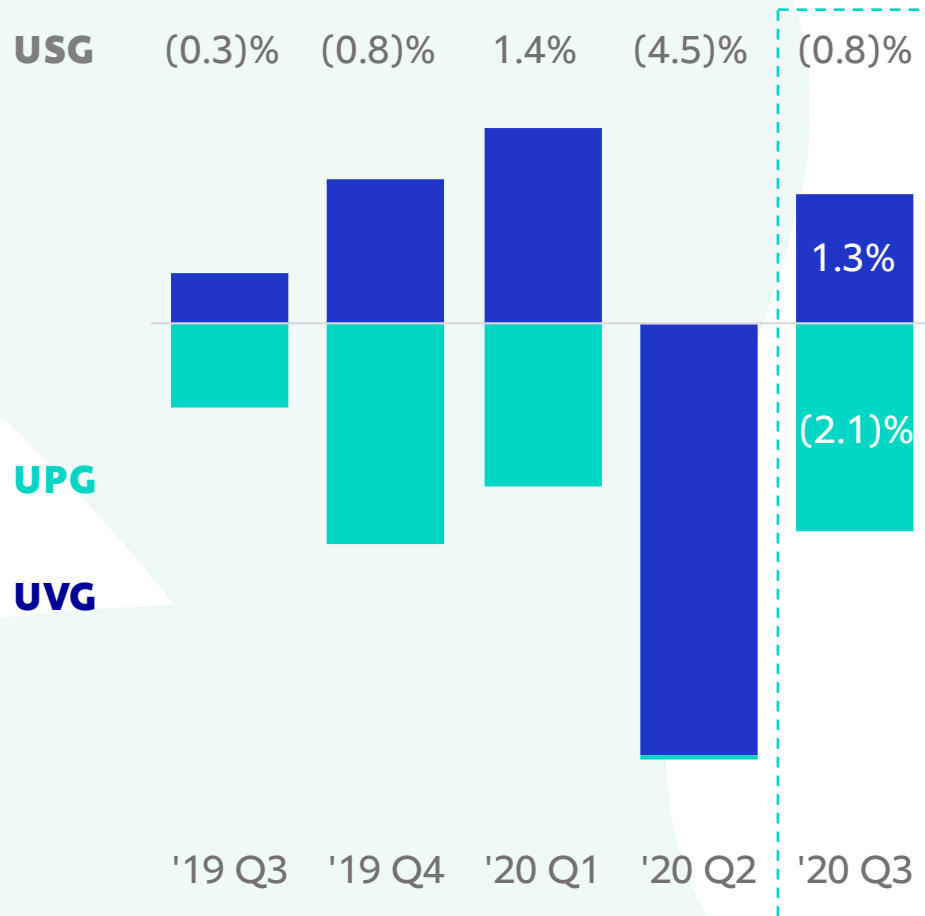
- Covid-19 cases rising and many markets still in lockdown
- **Brazil:** high single digit sales growth, with demand stimulated by emergency cash pay-outs
- **Argentina:** continued volume growth, but soft comparator due to price increases in prior year

North America



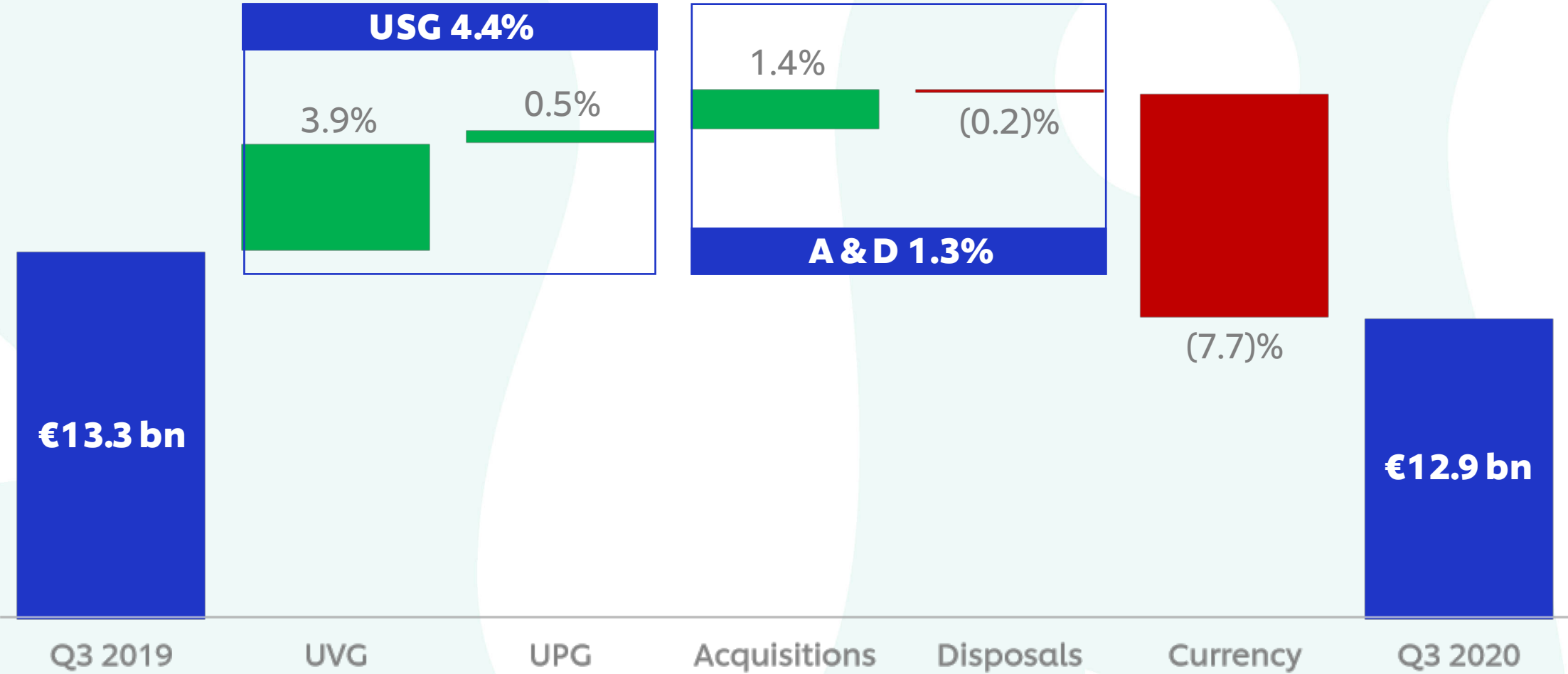
- Growth driven by in-home foods & ice cream, and hygiene products
- Regional growth includes c.(1.5)% negative impact from Food Service due to channel closures
- **USA:** Foods & Refreshment (excl. Food Service) USG +18%

Europe



- OOH ice cream and Food Service impacted by channel closures
- Price declines driven by a step up in promotional intensity across the region
- **UK:** up mid single digit, as demand for in-home foods and hygiene products remains high

Q3 2020: Turnover (2.4)%



Reflecting treatment of hyperinflation in USG as announced in September 2019

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Unilever #ComeOutStronger

Resilience

- Portfolio
- Operational excellence
- Financial strength

Agility

- Category
- Geography
- Supply

Strategic future

- Unification
- Sustainability
- Portfolio evolution

We are focused on volume led, competitive growth, delivering absolute underlying operating profit and free cash flow

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