Unilever Q3 2021 Trading Statement

Alan Jope & Graeme Pitkethly

21st October 2021
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 Trading Statement, 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 Trading Statement 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 Trading Statement 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 2020.
Alan Jope

Unilever Q3 2021 Trading Statement

21st October 2021
Q3 headlines

Summary

- Year on track with 4.4% YTD USG
- Cost inflation continues
- Pricing stepping up
- Strong operational discipline
- Strategic choices making an impact

Outlook unchanged

- Full year USG well within our 3-5% multi-year framework
- Full year UOM around flat
<table>
<thead>
<tr>
<th>Q3 Growth</th>
<th>YTD Growth</th>
<th>Competitive Growth</th>
<th>Pricing Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying Sales Growth</td>
<td>2.5%</td>
<td>-1.5%</td>
<td></td>
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<tr>
<td></td>
<td>Underlying Volume Growth</td>
<td>2.1%</td>
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<tr>
<td></td>
<td></td>
<td>Underlying Sales Growth</td>
<td>4.4%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% Business Winning MAT</td>
<td>54%</td>
</tr>
<tr>
<td>FY '20</td>
<td>Q1 '21</td>
<td>Q2 '21</td>
<td>Q3 '21</td>
</tr>
<tr>
<td>0.3%</td>
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</tbody>
</table>

MAT: Moving Annual Total / Last 52 weeks
Challenging operating environment

Sustained Inflationary Pressure

Q4 ’19 price is Index 100

Covid

- Uneven Covid recovery
- Significant restrictions across SEA

Supply Chain

- Volatile operating environment
- Unilever on-shelf availability remains strong
Guided by our 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**
Portfolio evolution into high growth spaces

Functional Nutrition
Q3 USG 20% / YTD USG 20%

- VMS on track for €1.0bn
- Roll out into China

Prestige Beauty
Q3 USG 24% / YTD USG 26%

- 50% eCommerce
- Roll out into China

Functional Nutrition: Health Foods Drinks + Vitamins, Minerals & Supplements
Annualised turnover

Contribution to Unilever USG: 60bps Q3, 50bps YTD
Winning with our brands

Innovation

>60% of turnover tested winning vs. competition
94% of turnover is winning or parity

2X average project size. 2022 vs. 2019

Brand performance

Dove
€5bn / 8% USG YTD

Knorr
€4bn / 9% USG YTD

Dirt is Good
€4bn / 4% USG YTD

Turnover referenced full year 2020
Accelerating in key markets

- **USA**
  - Size of business: ~€9bn
  - Q3 USG: 2%
  - YTD USG: 3%

- **India**
  - Size of business: ~€5bn
  - Q3 USG: 11%
  - YTD USG: 14%

- **China**
  - Size of business: ~€3bn
  - Q3 USG: 9%
  - YTD USG: 17%
Channels - eCommerce

- China: +14%
- USA: +11%
- India: >200%

- Omnichannel: +23%
- Pure play: +24%
- eB2B: +75%

Q3 USG +38%
12% of group turnover
Organisation and culture

Price and Savings

- Q3 UPG: 4.1%
- €2bn: FY savings

Digital Learning

- eCommerce accelerator training
- >15,000 certifications since April

Employee Engagement

- Chart showing an increase from 75% in 2018 to 82% in 2021
Unilever group growth

- Operational grip and strategy driving faster competitive growth

- Pricing stepping up further. €2bn FY savings to counter commodity inflation

- Markets remain varied impacting channel dynamics, sales mix, and consumer behaviour
Turnover +4.0%

€12.9 bn

Q3 2020

USG 2.5%

4.1%

(1.5)%

UPG

Acquisitions

1.6%

(0.1)%

Disposals

A & D 1.6%

(0.1)%

Currency

€13.5 bn

Q3 2021
Category dynamics

Hygiene: Skin Cleansing + Home & Hygiene
Out of Home: Food Service + Out of Home Ice Cream
Personal Care: Personal Care excl. Skin Cleansing and Prestige
Functional Nutrition: Health Foods Drinks + Vitamins, Minerals & Supplements; Horlicks reflected in USG from Q2

All figures USG%
Deodorant, Hair & Skin Care 4%

• Price led growth across Deodorant, Hair, & Oral

• Strong Skin Care growth as social occasions return

• Strong Prestige growth

• Skin Cleansing lapping high prior year comparators. +15% vs. 2019
Foods & Refreshment

Out of home 17%

- Strong out of home Ice Cream growth led by price
- Food Service growth driven by China
- In-home demand remains strong as we lap higher comparators
- Hellmann’s strong growth whilst focussing on reduced food waste
Laundry growth driven by pricing initiatives in key markets

Home & Hygiene lapping surge demand. +9% vs. 2019

Step up in pricing across all categories
China: Continued strong growth across all divisions

India: Recovery with price and volume-led growth

SEA: Conditions remain challenging as lockdowns and restrictions impact region

Indonesia: Covid and competitiveness issues
• Pricing continues to step up in response to growing inflation

• **Brazil:** Strong double digit pricing landed to offset high commodity inflation

• **Mexico:** Strong volume and price growth

<table>
<thead>
<tr>
<th>USG</th>
<th>6.5%</th>
<th>5.8%</th>
<th>7.2%</th>
<th>11.9%</th>
<th>8.7%</th>
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<tr>
<td>UPG</td>
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• Continued price growth with competitiveness improving

• Demand for in-home food remains strong

• Out of home food continues to recover

• Strong Prestige and VMS contribution
Europe

- **UK**: Lapping strong comparator
- **Germany**: Poor weather impacted ice cream sales
- **Italy and Spain**: Good growth but remain below pre-Covid levels
- **France**: Retail environment remains deflationary

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Q3 USG: 0.3%  | Q3 UPG: 2.1%  | Q3 UVG: (1.8)%
Cost inflation pressures

### Landing Pricing

- List price
- Mix
- Promotion
- Pack size
- Trade term

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### Managing Inflation

- Savings
- Hedging
- Buying efficiencies

Q4'19 price is Index 100

### Understanding Elasticity

- Differs by category and market
- Relative price is key
Outlook

Full year USG well within our 3-5% multi-year framework

Full year UOM around flat