

# Unilever Full Year 2018 Results

Alan Jope / Graeme Pitkethly

31<sup>st</sup> January 2019



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# 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; inability to find sustainable solutions to support long-term growth; the effect of climate change on Unilever's business; 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; 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 announcement. 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 2017 and the Unilever Annual Report and Accounts 2017.

# Alan Jope

## CEO



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# 2018 : Continued profitable growth in volatile markets

## Growth

Underlying Sales Growth  
exc. spreads

**+3.1%**

**+2.1%**

Underlying Volume Growth  
exc. spreads

## Margin

Underlying Operating Margin

**+90 bps**

**+50 bps**

Gross Margin

## Earnings

Underlying EPS

**+5.2%**

**+12.8%**

Constant Underlying EPS

## Cash

Free Cash Flow

**€5.0 bn**

**€(0.4) bn**

vs 2017

# Graeme Pitkethly

## CFO



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# 2018 priorities

- ✔ Integration of Foods & Refreshment
- ✔ Exit spreads and restructure stranded fixed costs
- ✔ Stepped up innovation and execution enabled by C4G
- ✔ Continued focus on non-value added costs
- ✔ Share Buyback of up to €6 billion



Agreement to acquire Horlicks

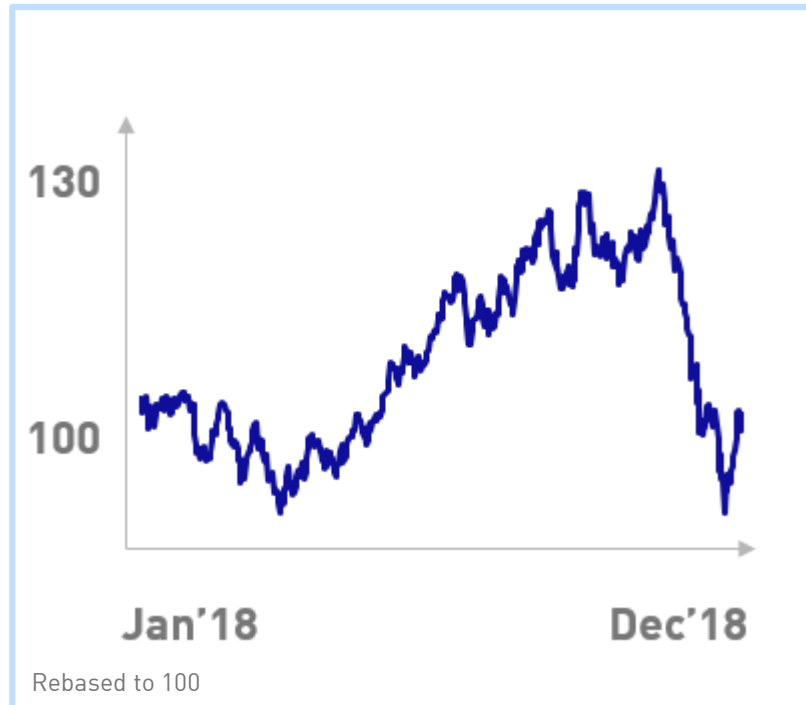
Acceleration of digital transformation

# Volatile and uncertain market conditions

### Currencies vs. USD



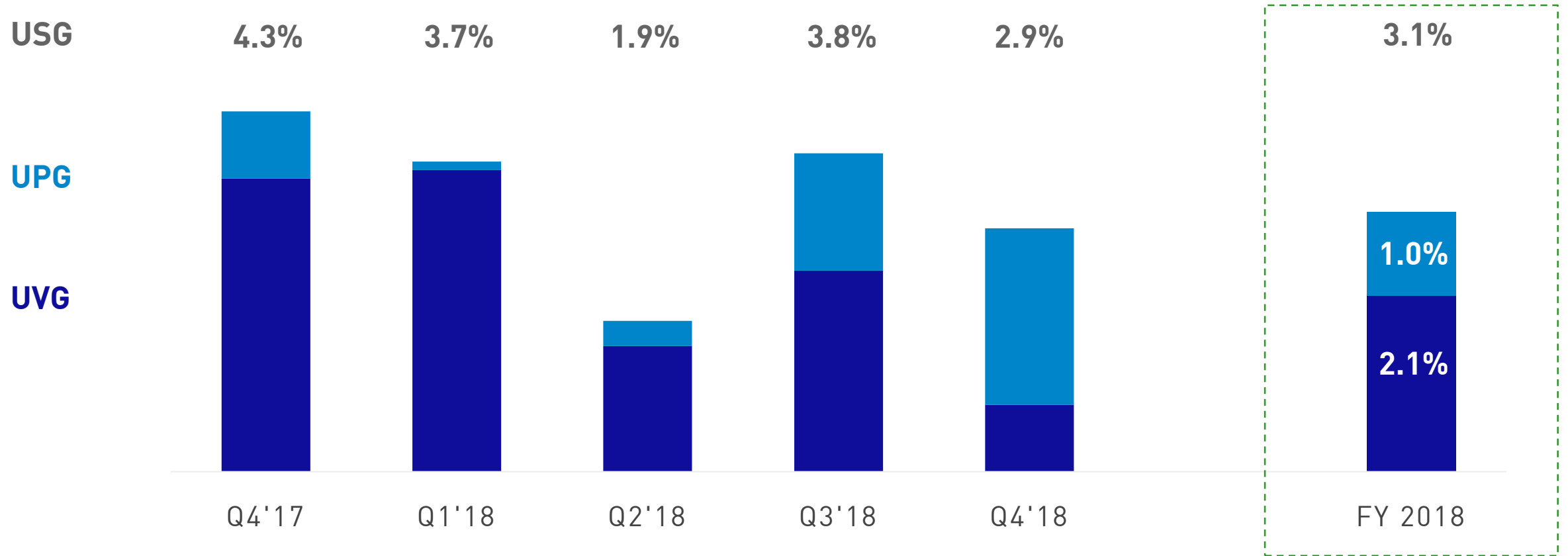
### Crude oil \$/barrel



### Geopolitical uncertainty



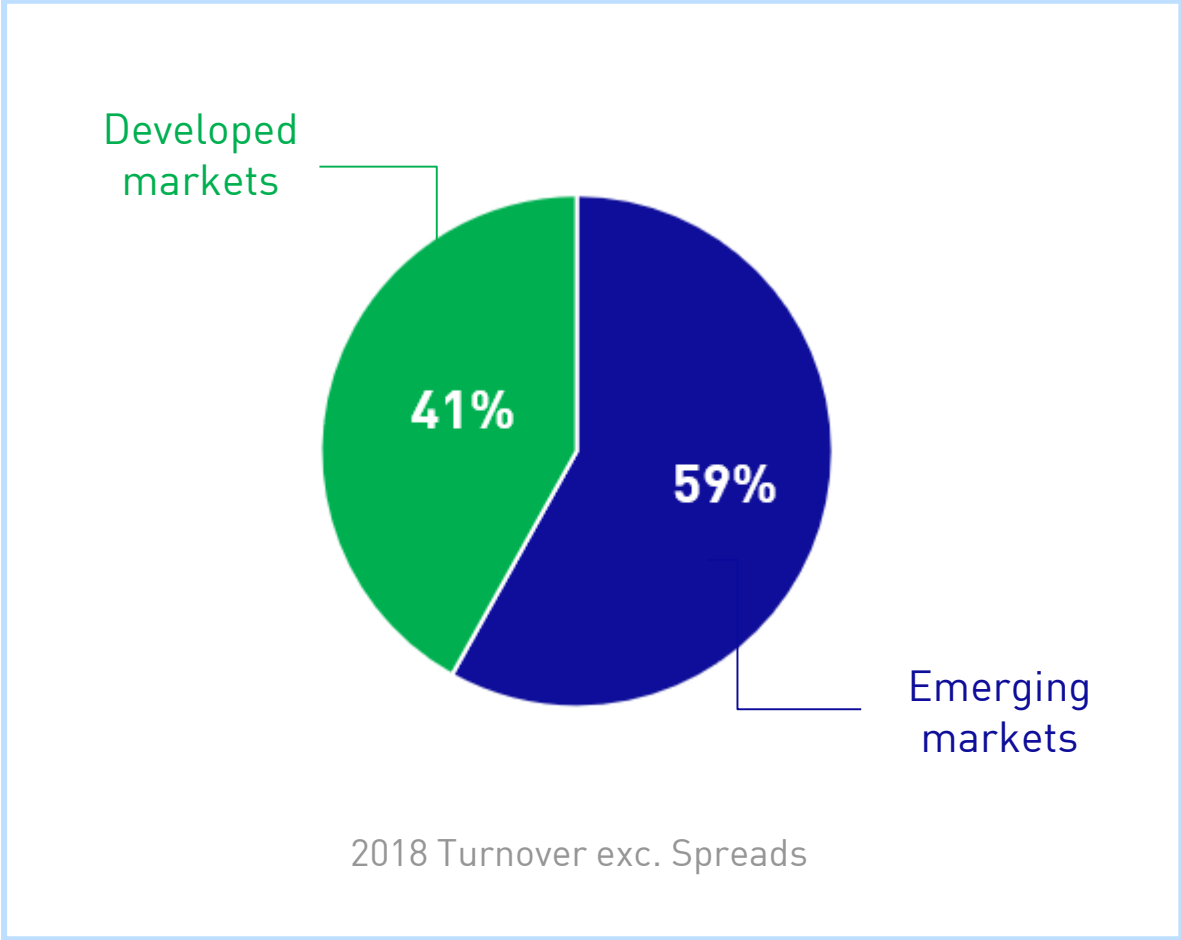
# Strong volume growth, price picked up



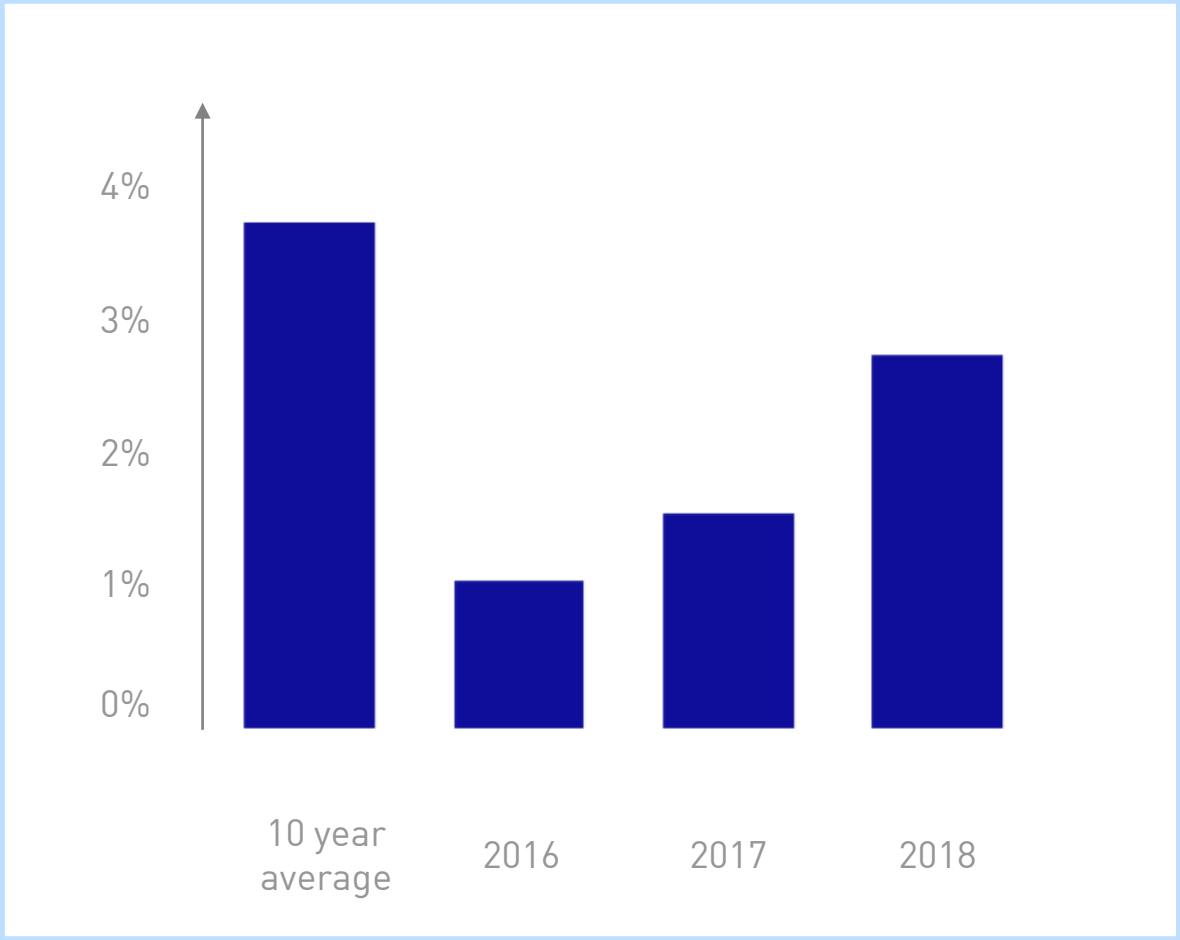


# Emerging markets volume accelerating

Emerging markets footprint



Emerging markets underlying volume growth



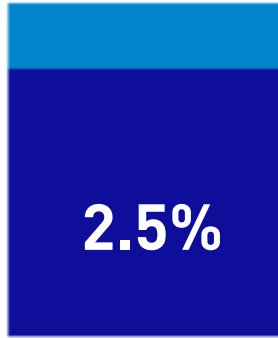
# Beauty & Personal Care

## Full Year 2018

USG

3.1%

UPG

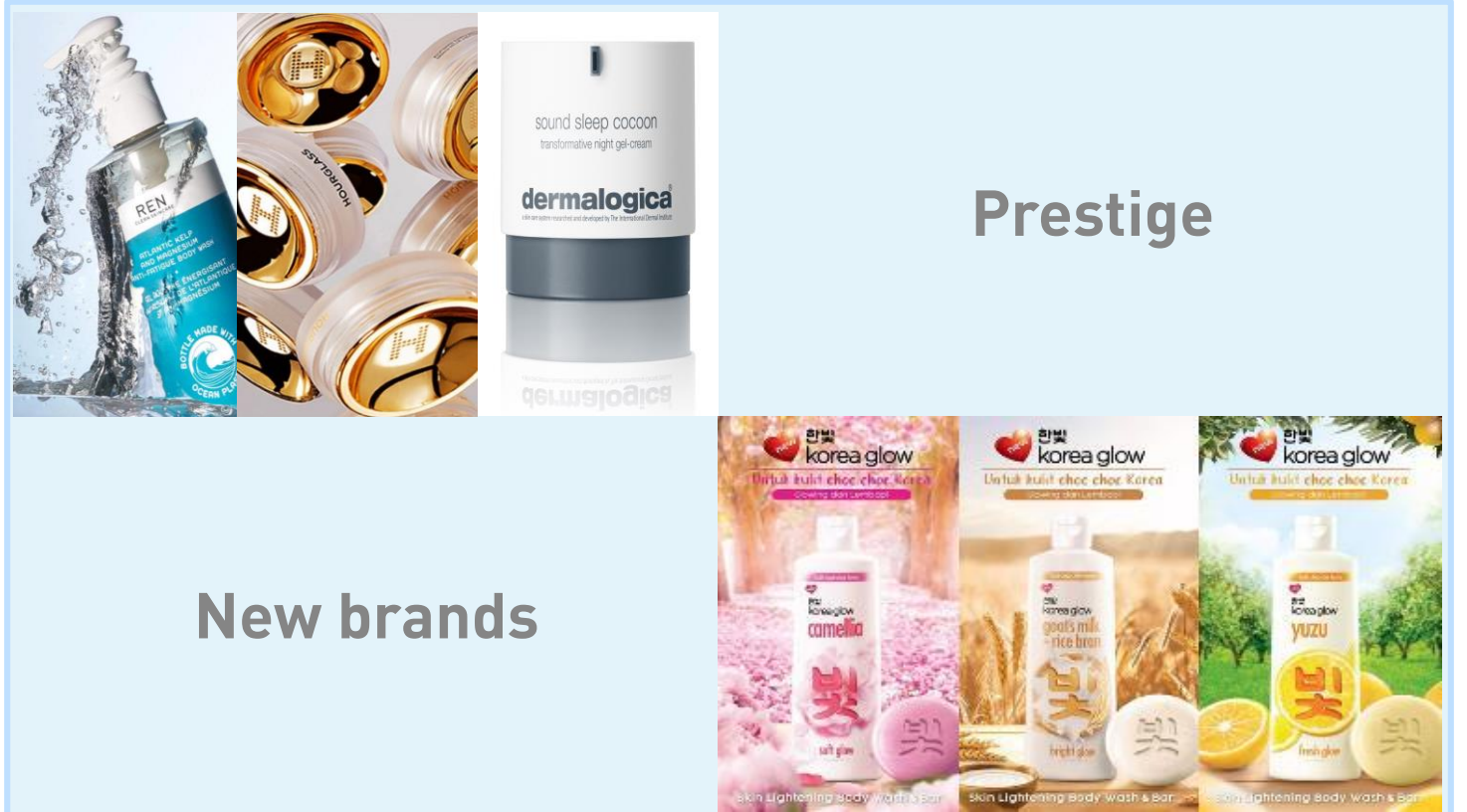


UVG

2.5%

UOM

+80bps



Prestige

New brands

# Home Care

## Full Year 2018

USG

4.2%

UPG

UVG

2.3%

UOM

+80bps



More sustainable

Market development



750ML

# Foods & Refreshment

## Full Year 2018

USG

2.3%

UPG

UVG

1.6%

UOM

+80bps



Natural trends

Acquisitions



# Asia / AMET / RUB

## Full Year

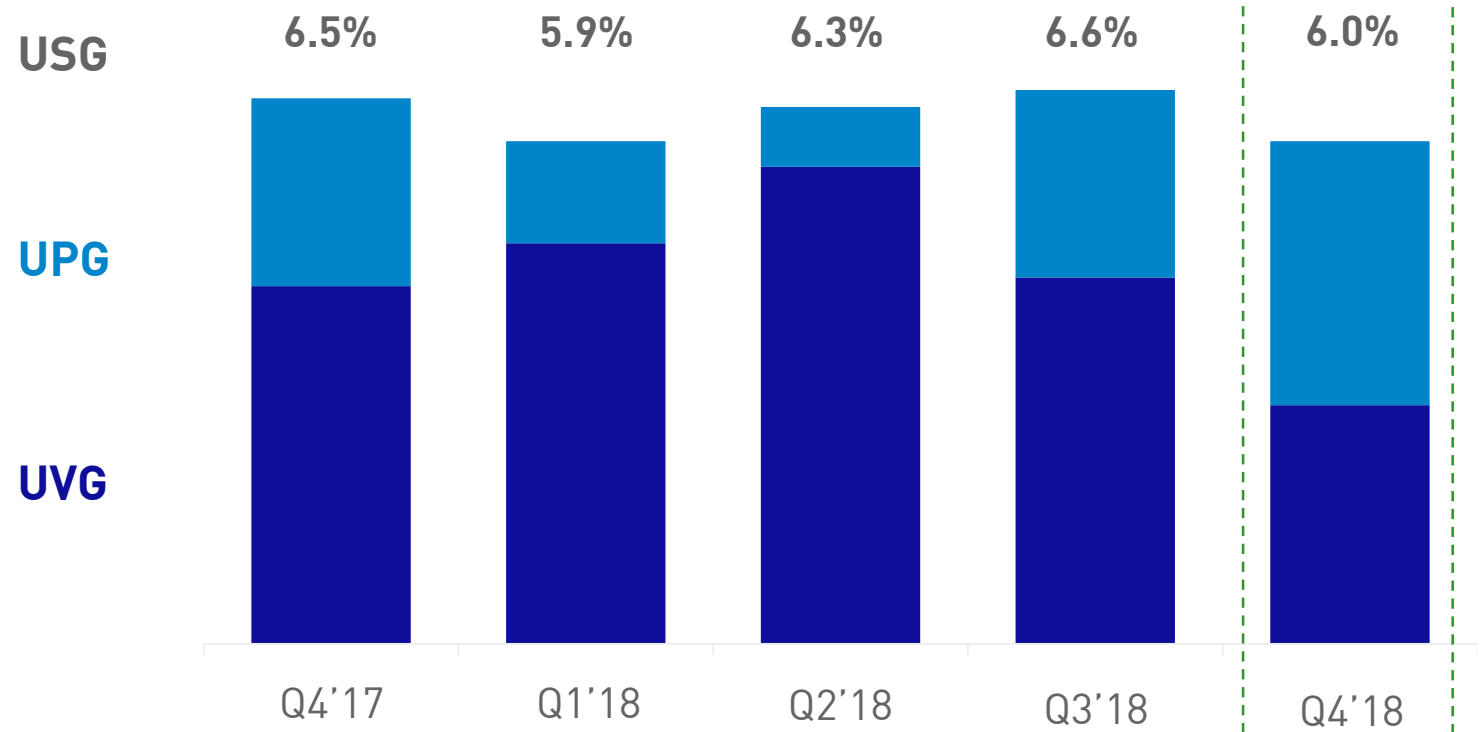
Turnover €22.9bn



**USG** 6.2%

**UVG** 4.3%

## Quarterly trend



# Latin America

## Full Year

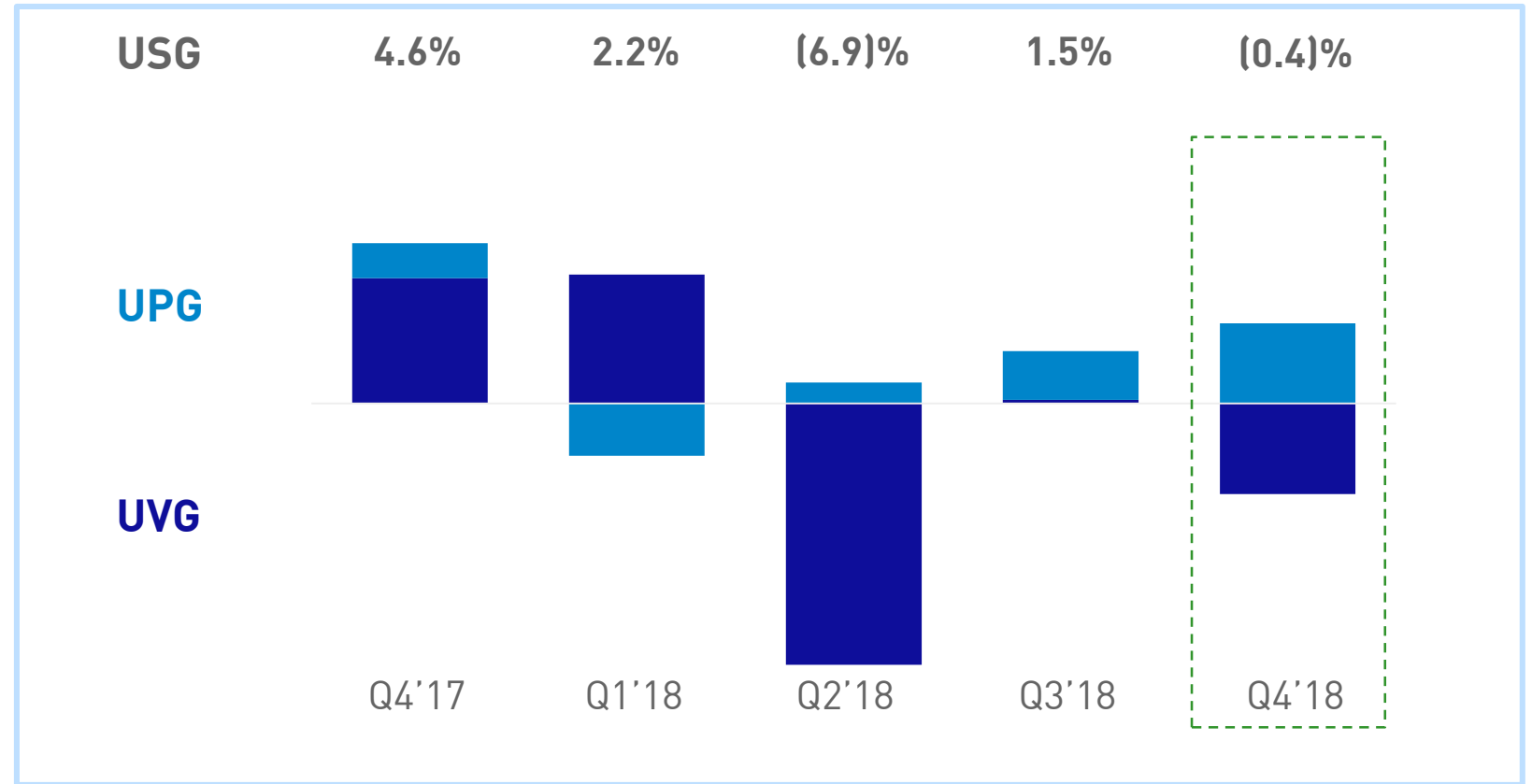
Turnover €7.0bn



**USG** (1.0)%

**UVG** (1.7)%

## Quarterly trend



# Argentina hyperinflation

Price impact  
Total UL

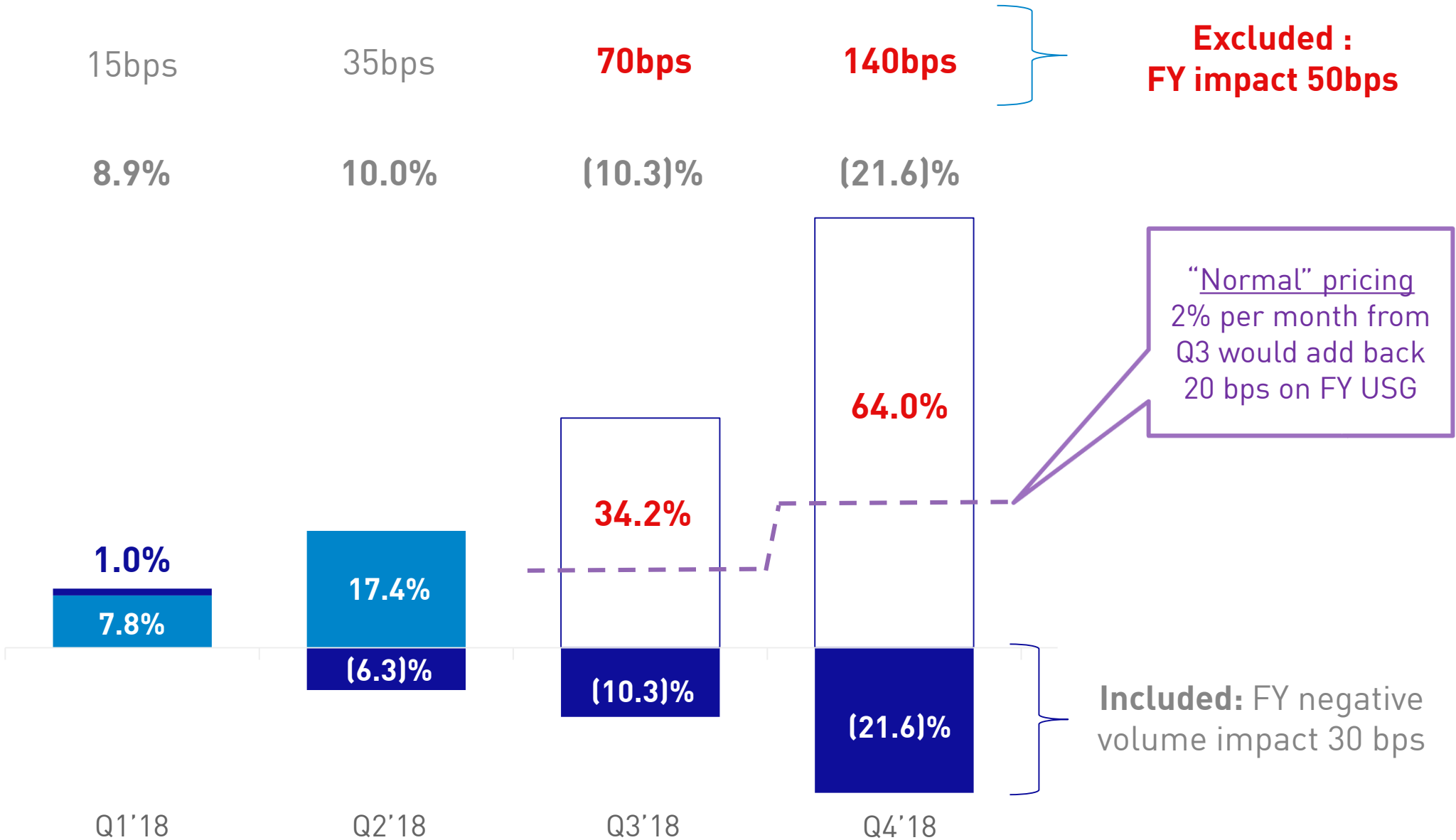
15bps      35bps      **70bps**      **140bps**

**Excluded :**  
**FY impact 50bps**

**USG Argentina**

8.9%      10.0%      (10.3)%      (21.6)%

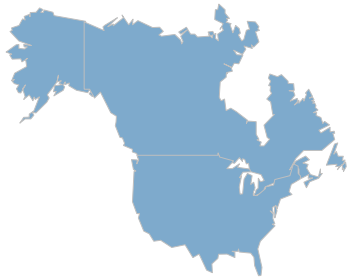
- UPG
- UVG



# North America

## Full Year

Turnover €8.8bn



**USG** 1.0%

**UVG** 0.7%

## Quarterly trend

USG

2.8%

3.2%

(1.0)%

1.9%

0.4%

UPG

UVG

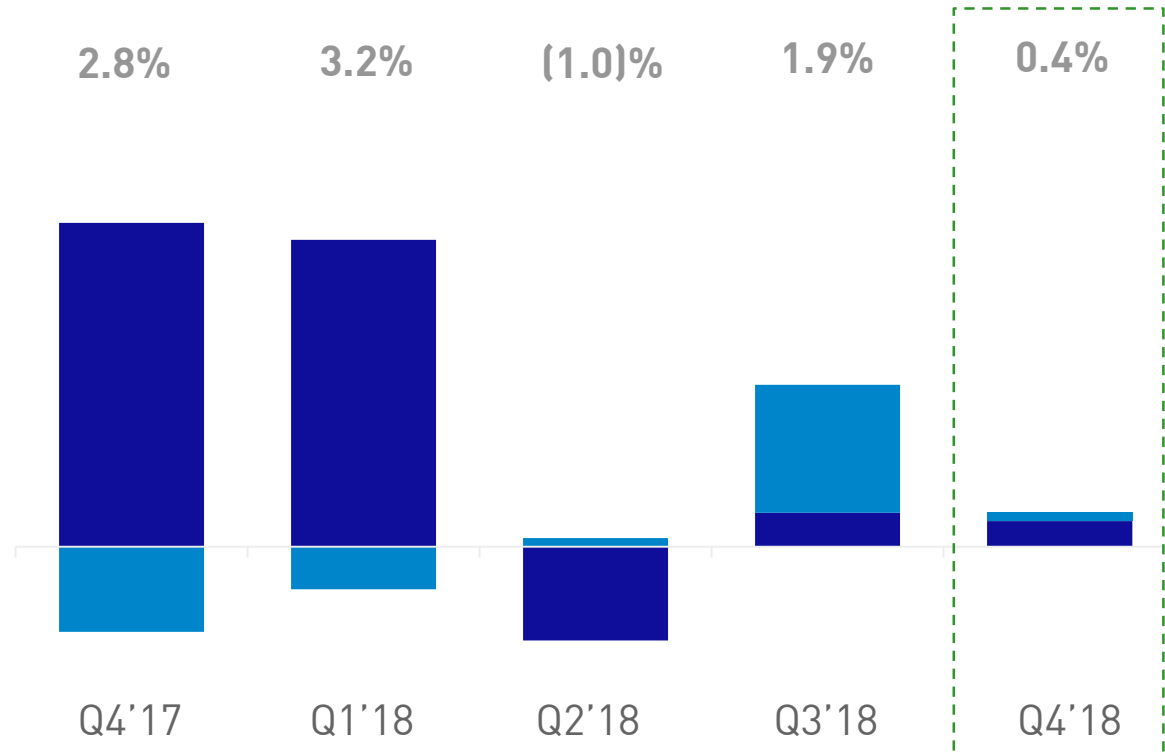
Q4'17

Q1'18

Q2'18

Q3'18

Q4'18





# Europe

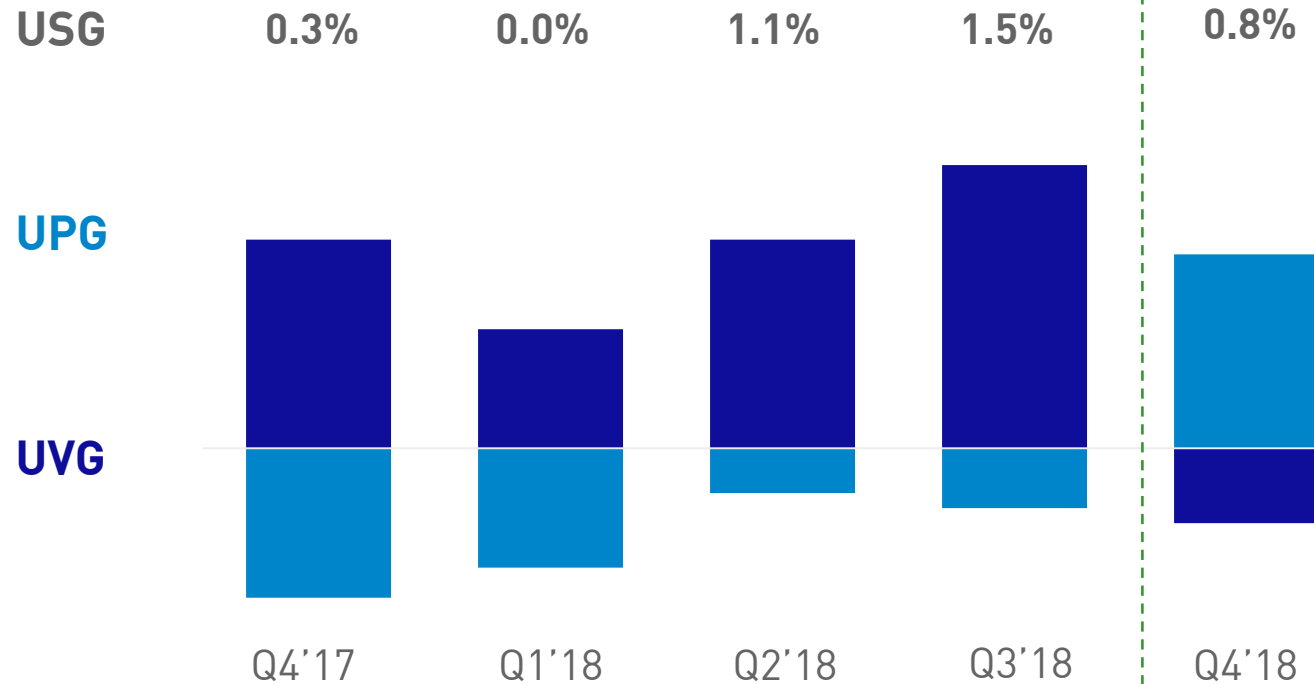
## Full Year

Turnover €11.3bn

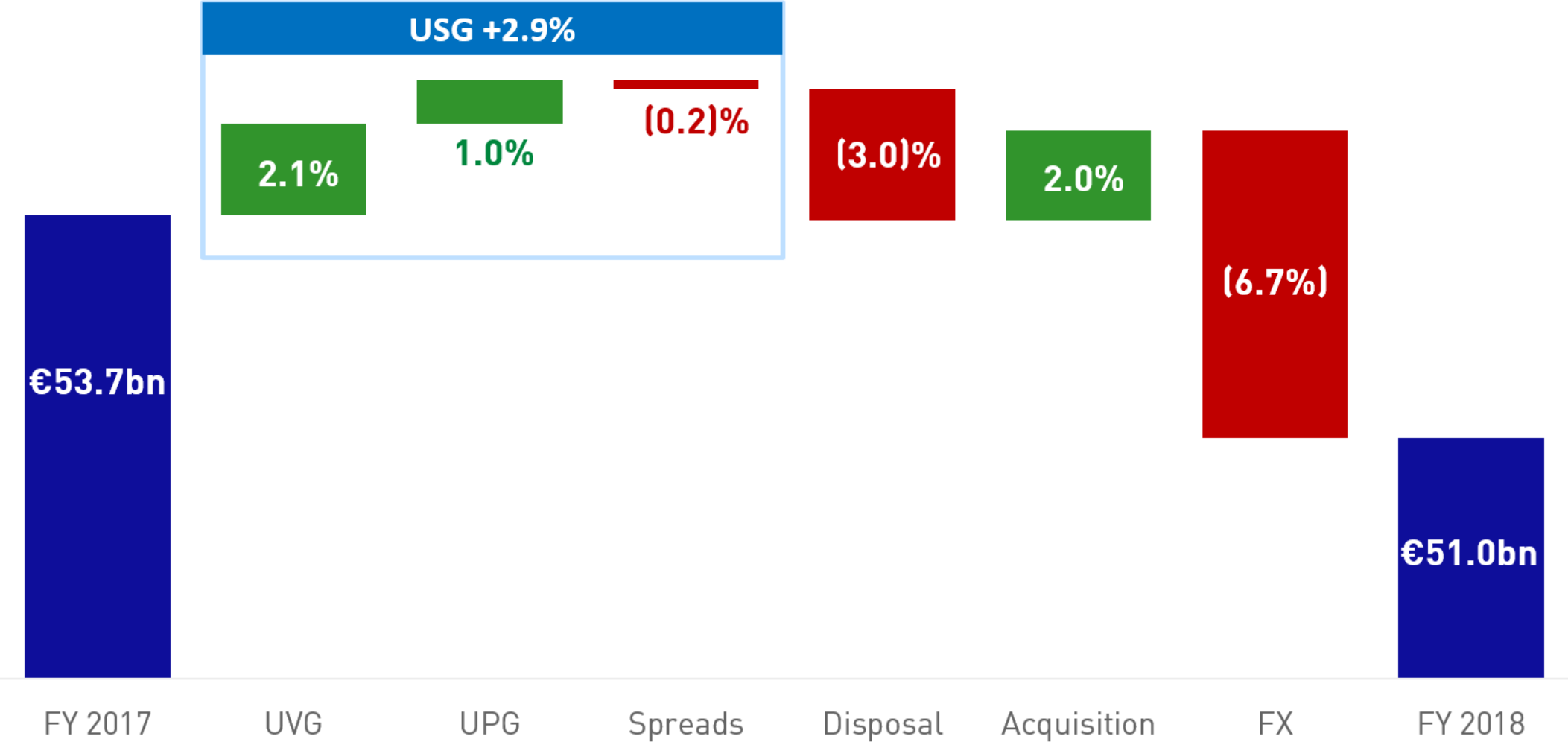


**USG** 0.9%  
**UVG** 1.0%

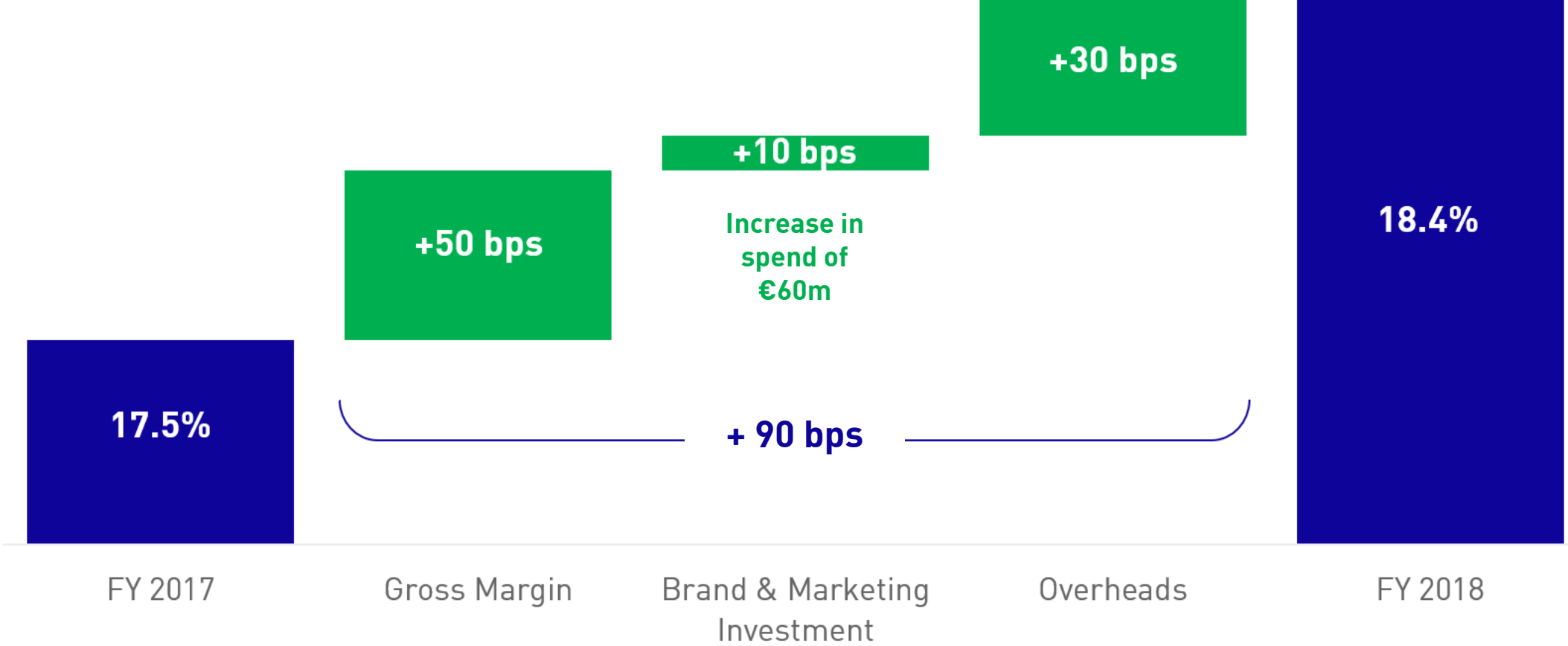
## Quarterly trend



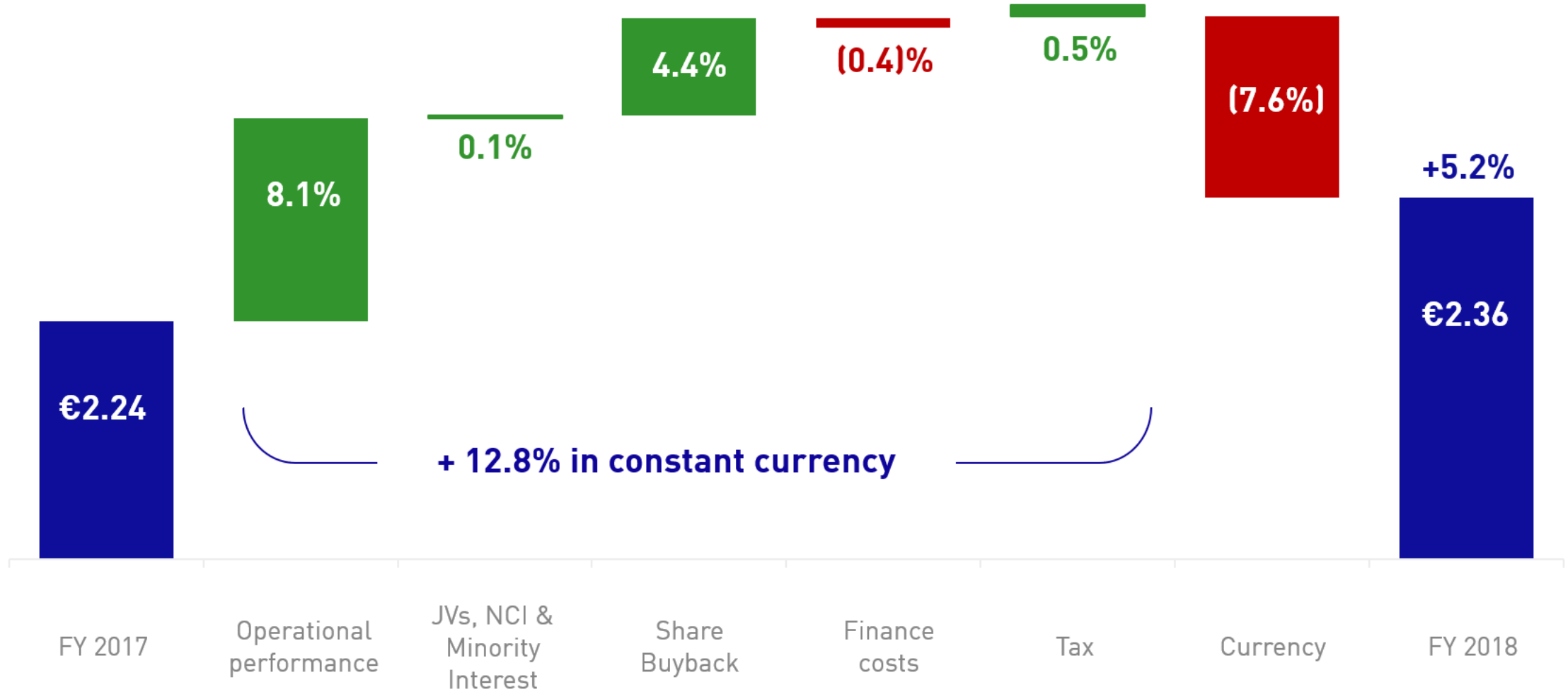
# Full Year 2018: Turnover



# Full Year 2018: High-quality margin delivery

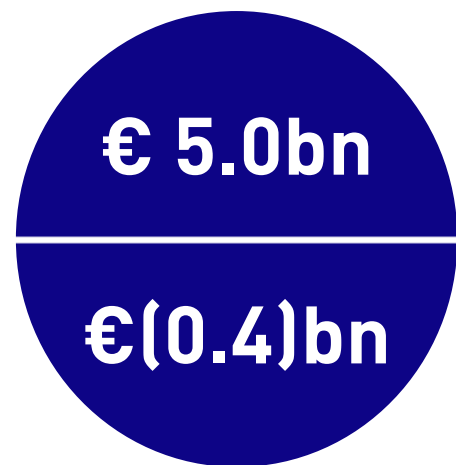


# Full Year 2018 Underlying Earnings per Share



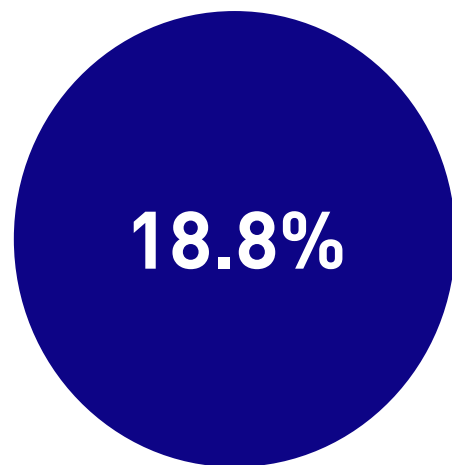
# Cash flow & balance sheet

## Free Cash Flow



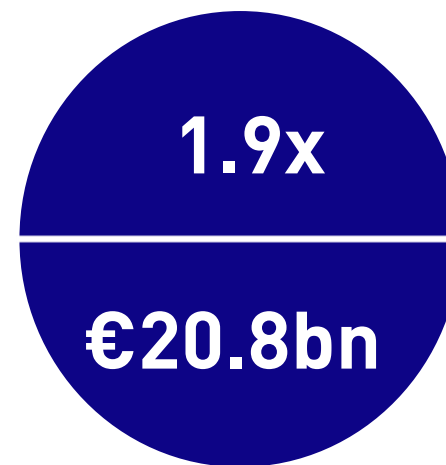
vs 2017

## ROIC



## Net debt

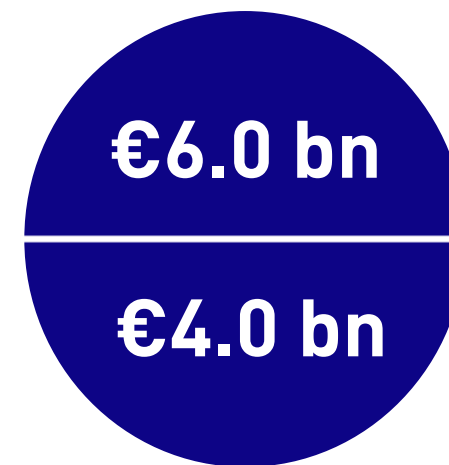
Net debt / EBITDA



Net debt

## Cash return to Shareholders

Share Buyback



Dividends

# Alan Jope

## CEO



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# 2019 priorities

- ❑ Faster 4G growth: Consistent, Competitive, Profitable and Responsible
- ❑ Sustainable business and brands with purpose
- ❑ Future-fit: Speed and digital capability
- ❑ 2020 margin target

# 2019 outlook

## **Underlying sales growth in lower half of multi-year 3-5% range**

- Slower growth in our markets
- Benefit from acquisition and execution

## **Underlying Operating Margin: continued progress to 20%**

- Continued benefit from savings programmes
- Competitive BMI

## **Strong cash flow**



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