2022 Full Year Results

Strong sales growth and continued progress against strategy

Underlying performance			GAAP measures		
(unaudited)	2022	*vs 2021*		2022	*vs 2021*
Full Year					
Underlying sales growth (USG)		**9.0%**	**Turnover**	**€60.1bn**	**14.5%**
Beauty & Wellbeing		7.8%	Beauty & Wellbeing	€12.3bn	20.8%
Personal Care		7.9%	Personal Care	€13.6bn	15.9%
Home Care		11.8%	Home Care	€12.4bn	17.3%
Nutrition		8.6%	Nutrition	€13.9bn	6.1%
Ice Cream		9.0%	Ice Cream	€7.9bn	14.8%
Underlying operating profit	**€9.7bn**	0.5%	**Operating profit**	**€10.8bn**	23.6%
Underlying operating margin	**16.1%**	(230)bps	**Operating margin**	**17.9%**	130bps
Underlying earnings per share	**€2.57**	(2.1)%	**Diluted earnings per share**	**€2.99**	28.8%
Free cash flow	**€5.2bn**	€(1.2)bn	**Net profit**	**€8.3bn**	24.9%
Fourth Quarter					
USG		**9.2%**	**Turnover**	**€14.6bn**	**11.4%**
Quarterly dividend payable in March 2023			€0.4268 per share [a]		

(a) See note 10 for more information on dividends

Full year highlights

- **Underlying sales growth accelerated to 9.0%**, driven by all Business Groups, with price growth of 11.3% and volumes declining 2.1%
- **Turnover increased 14.5% to €60.1 billion**, including 6.2% from currency and (1.0)% from disposals net of acquisitions
- **Underlying operating profit improved slightly to €9.7 billion** despite margin decline of 230bps driven by input cost inflation
- **Underlying earnings per share decreased 2.1%**, diluted EPS up 28.8% helped by profit on disposals
- **Free cash flow €5.2 billion**, including €0.3 billion of tax paid on separation of ekaterra, the global Tea business, reflects 97% cash conversion
- **€1.5 billion share buyback and €4.3 billion dividends** during 2022
- **Brand and marketing investment increased €0.5 billion** in constant exchange rates
- **Our billion+ Euro brands**, accounting for 53% of Group turnover, delivered underlying sales growth of 10.9%, led by strong performances from **OMO**, **Hellmann's**, **Rexona**, **Sunsilk** and **Magnum**
- **Simpler, more category-focused organisation**, in place since 1 July, is driving greater operational focus and faster decisions

Chief Executive Officer statement

"Unilever delivered a year of strong topline growth in challenging macroeconomic conditions. Underlying sales growth was 9.0%, driven by disciplined pricing action in response to high input cost inflation. Growth was broad-based across each of our five Business Groups, led by strong performances from our billion+ Euro brands. Despite sharp rises in material costs, we have prioritised stepping up our brand and marketing investment. Underlying operating margin was delivered in line with our guidance, with underlying operating profit up for the year.

We have made further progress in the transformation of Unilever and continued to deliver against our strategic priorities. Our new operating model is already unlocking a culture of bolder and more rapid decision-making with improved accountability. We continue to improve our growth profile, with the sale of the global Tea business and the acquisition of Nutrafol. We are increasingly realising the benefits from the reshaped portfolio, accelerated savings delivery and improved execution. There is more to do, but the changes we have made mean that we start 2023 with momentum, setting us up well for delivering another year of higher growth, which remains our first priority."

Alan Jope
9 February 2023

Outlook for 2023

In 2022, we carefully balanced price growth, volume and competitiveness to navigate through the high cost inflation environment. We will again deliver strong underlying sales growth in 2023, with improving volume performance and competitiveness as the year progresses. We will continue to price and drive our cost savings programmes, in order to allow us to invest behind our brands and deliver improved margin.

We expect cost inflation to continue in 2023. Our expectation for net material inflation (NMI) in the first half of 2023 is around €1.5 billion. We anticipate significantly lower NMI in the second half, with a wide range of possible outcomes, though we do not expect cost deflation.

In the first half, underlying price growth will remain high, and volume growth will be negative. Volume will improve as price growth softens, but it is too early to say whether volume will turn positive in the second half. We expect 2023 underlying sales growth to be at least in the upper half of our multi-year range of 3 – 5%.

We will deliver only a modest improvement in underlying operating margin in the full year, as we plan for another year of increased investment, and with cost inflation remaining high, underlying operating margin will be around 16% in the first half.