

Unilever Q1 2020 Trading Statement

Alan Jope & Graeme Pitkethly

23rd April 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.

Alan Jope

Unilever Q1 2020 Trading Statement

23rd April 2020



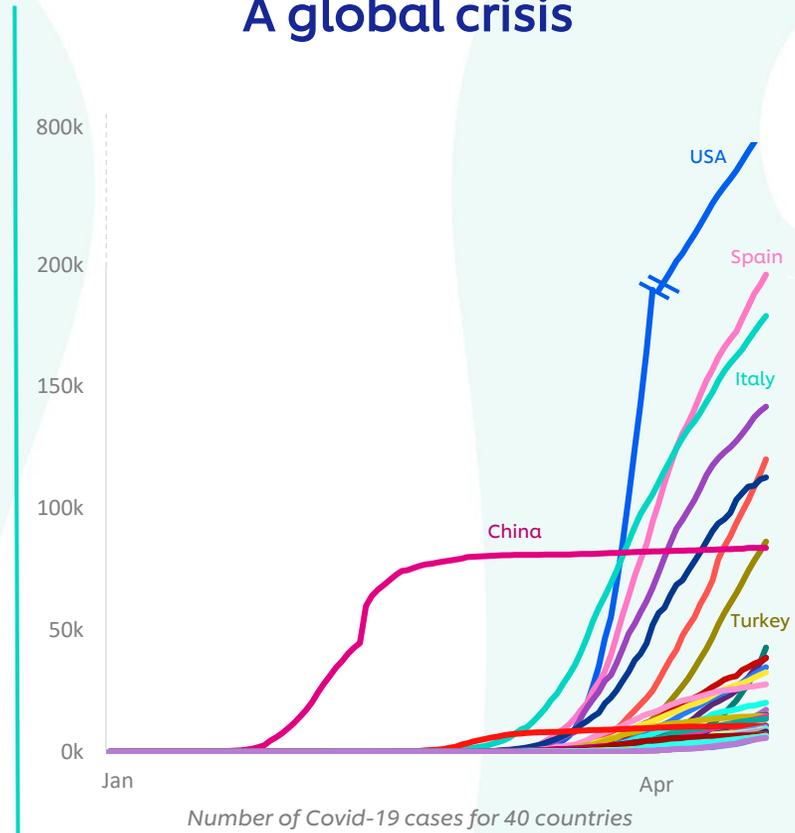
Unilever

Covid-19: Disruption and uncertainty

A human crisis



A global crisis



Unprecedented government responses

Coronavirus: Government to pay up to 80% of workers' wages

© 20 March 2020

f t e Share

US Covid-19: millions of Californians told to 'shelter-in-place' - as it happened

India on coronavirus lockdown as authorities try to stop spread of Covid-19

Italy's government orders all shops, bars and restaurants to close

Authorities in virus-hit country take extreme measures as Covid-19 takes hold in Europe

Coronavirus: China enacts tighter restrictions in Hubei

© 16 February 2020

f t e Share

Managing through Covid-19: Five workstreams

People

Supply

Demand

Community

Cash

Agile markets organisation

People

Supply

Demand

Community

Cash

People #1 priority



Lives & livelihoods

**Protect
extended
workforce
from drops in pay
for up to three
months**

Redeployment of teams



People

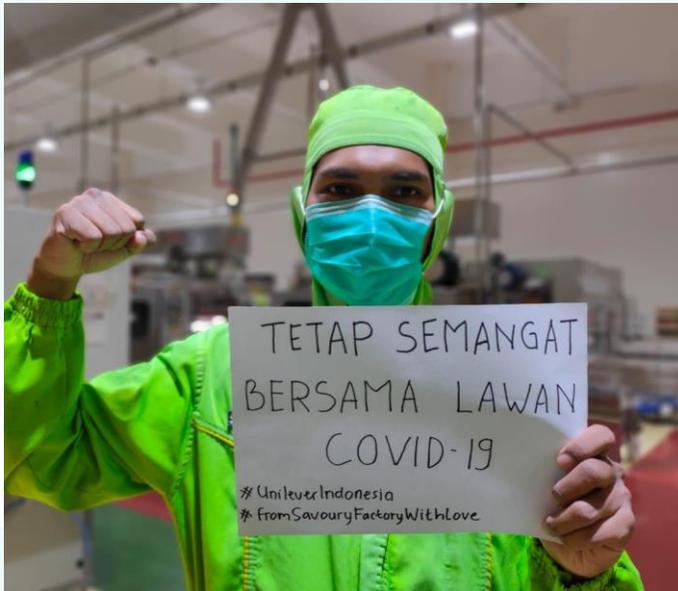
Supply

Demand

Community

Cash

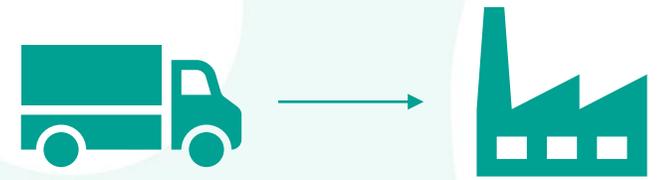
New challenges in factories



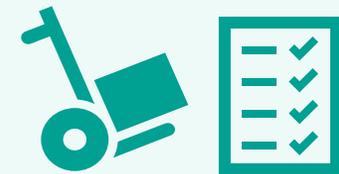
Agility for new demand



Procurement



New sourcing routes for 1000s of key materials



Secured alternative suppliers

People

Supply

Demand

Community

Cash

Hygiene



Household stocking



In home cooking



Online shopping



Value



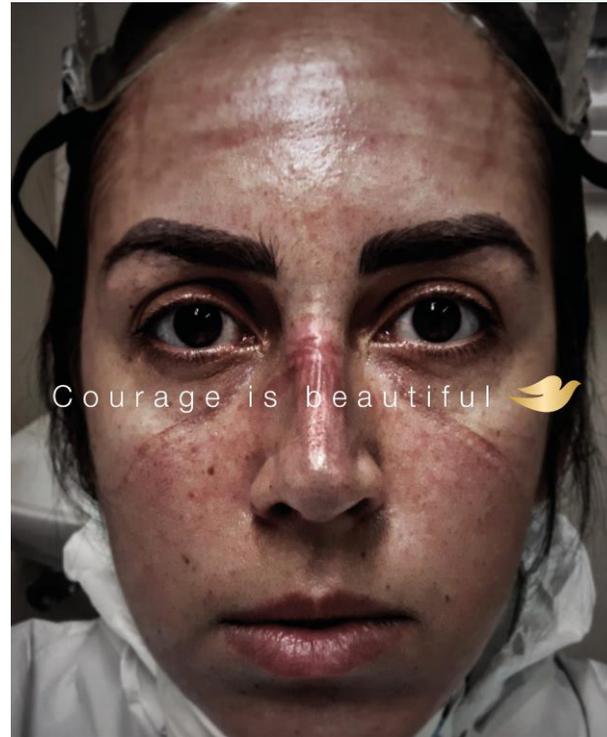
People

Supply

Demand

Community

Cash



A few weeks down,
and a long way still to go.

But one thing isolation has done
is remind us how much we need each other.

Just because your doors are closed,
doesn't mean you can't **STAY CONNECTED**.
Find new ways to make new friends.
Make old friends new again.
Or just find out something new about
those closest to you.

When we've done another week,
let's share how that one went.
And as time goes on,
so too will our connections.

STAY HOME. STAY CONNECTED.

Lipton

People

Supply

Demand

Community

Cash

Public service messages

This is not an ad for Lifebuoy. This is a public service message.

Know the simple guide that 'F.I.G.H.T.S' the coronavirus
Frequent handwashing with soap

Instant germ-kill with alcohol-based sanitizer when out of home

Go to the doctor when you have a cold or cough or fever

Home rest if you are feeling unwell

Tissues and masks to be used when you cough or sneeze

Stay away from raw meat and wild/live farm animals

Please use any soap nearest to you. Not just Lifebuoy, but any soap like Lux, Dettol, Santoor or Godrej No.1.



Top 5 soap brands in India based on Nielsen data.

AN AWARENESS INITIATIVE BY 

TO FIGHT CORONAVIRUS^{*}
CLEAN FREQUENTLY TOUCHED SURFACES WITH BLEACH^{*}
...ANY BLEACH^{*}



Switches, door knobs, household appliances and all other high-touch hard surfaces should be sanitised regularly.

BLEACH KILLS ALL BACTERIA AND VIRUSES, INCLUDING CORONAVIRUS^{*}

*SARS-CoV-2. #SaafKaApnaKarta @ 0.1%

€100m product donations



5 workstreams: Cash

People

Supply

Demand

Community

Cash

Agile markets organisation

Graeme Pitkethly

Unilever Q1 2020 Trading Statement

23rd April 2020



Unilever

Q1 Trading update

Underlying Sales Growth



Underlying Volume Growth

- Improving momentum and competitiveness prior to March
- Food service
Food outlets closed down in many markets
- Out of home ice cream
Limited sell-in ahead of summer season
- China
Negative impact from late January
- India
7 days of national lockdown at end of Q1
- Partially offset by household stocking

Covid-19 impacts

Categories & channels impacted differently



Household stocking
e.g. stockpiling dried foods



Increased consumer usage
e.g. increased at home cooking



Decreased consumer usage
e.g. less hair washing

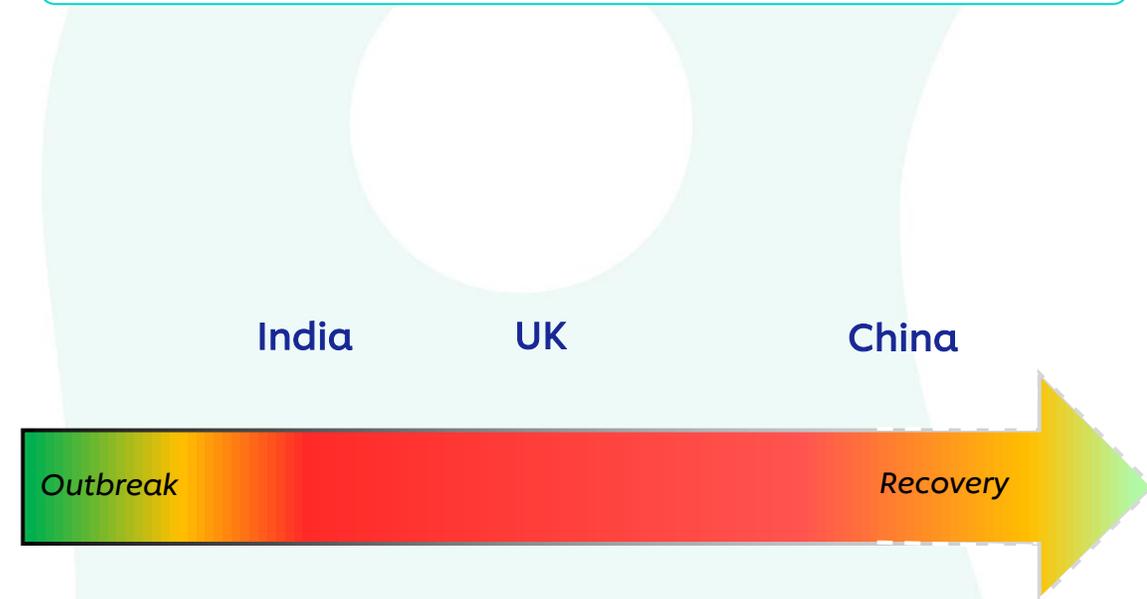


Channel switching
e.g. offline to online



Channels mostly closed
e.g. food service, out of home ice cream

Countries at different stages of the cycle



Duration and severity of cycle differs by country

Greater impact from country lockdowns than category and channel shifts

Beauty & Personal Care

USG

0.3%

UVG

0.7%

	Annual size of business	Household Stocking	Consumer usage	Channel
Hair Deodorants Skin care 	~€14bn			Travel restrictions impacting Carver skin
Skin cleansing 	~€5bn			
Oral Care 	~€1.5bn			
Prestige  (incl. in hair & skin above)	~€0.6bn			Closure/some switching 

Foods & Refreshment

USG

(1.7)%

UVG

(1.8)%

	Annual size of business	Household Stocking	Consumer usage	Channel
Savoury, dressings & tea 	~€11bn	↑	↑	
In home ice cream 	~€4bn		↑	Some switching
Out of home ice cream 	~€3bn		↓	Channels mostly closed ↓ ↓
Food Service  (incl. in savoury, dressings & tea above)	~€2.5bn		↓	Channels mostly closed ↓ ↓

Home Care

USG

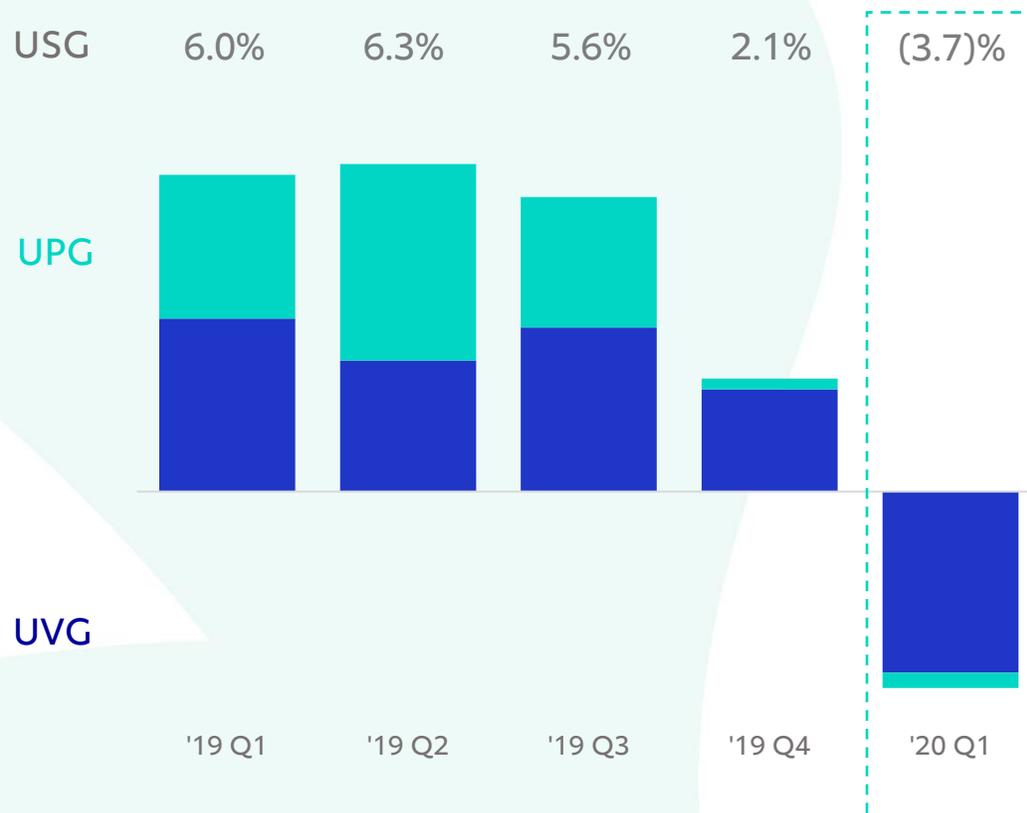
2.4%

UVG

2.6%

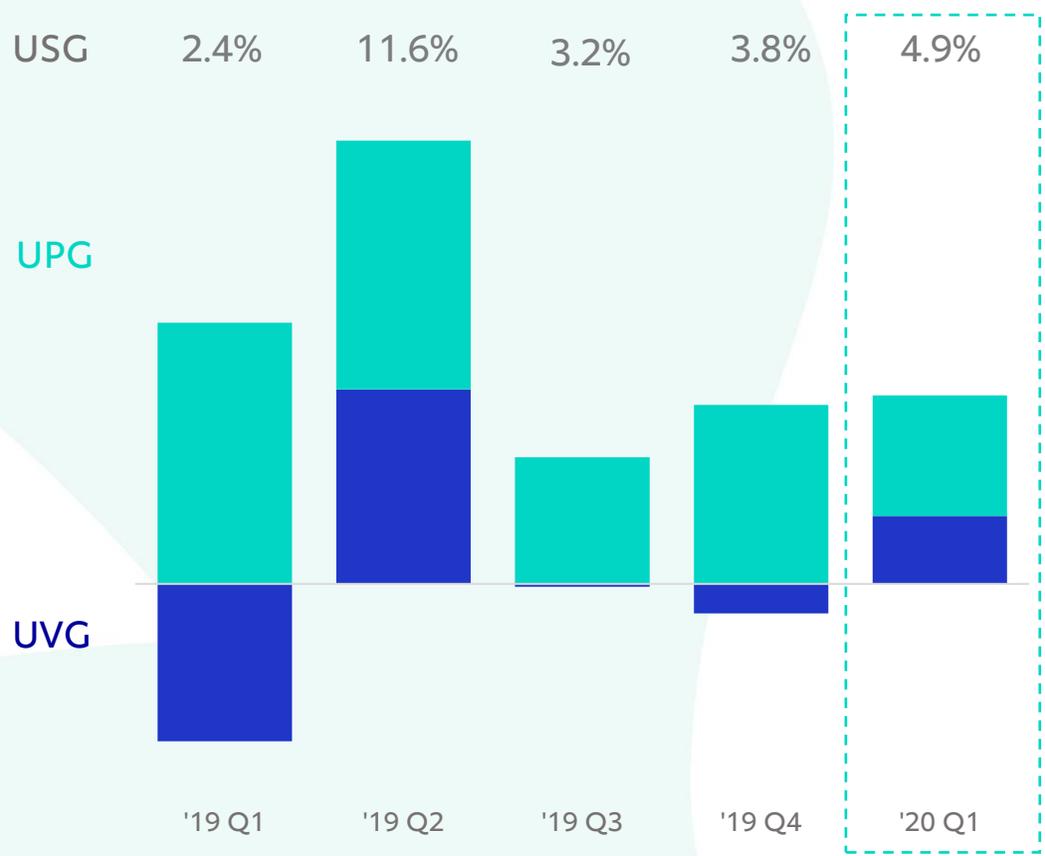
	Annual size of business	Household Stocking	Consumer usage	Channel
Laundry 	~€8bn			
Home & Hygiene 	~€2bn			

Asia / AMET / RUB



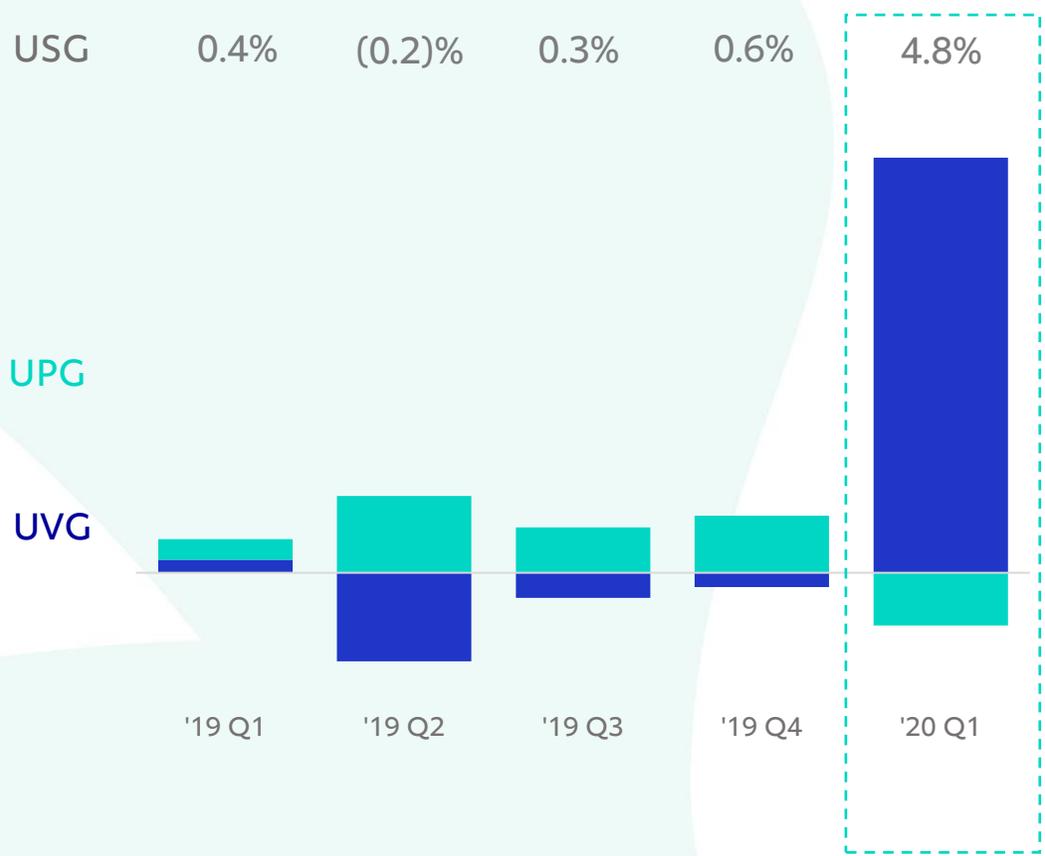
- **China:** Significant decline, with restricted out of home eating and shopping trips
- **India:** Supply chain disruption following severe lockdown
- **SEA:** Philippines & Thailand most impacted so far

Latin America



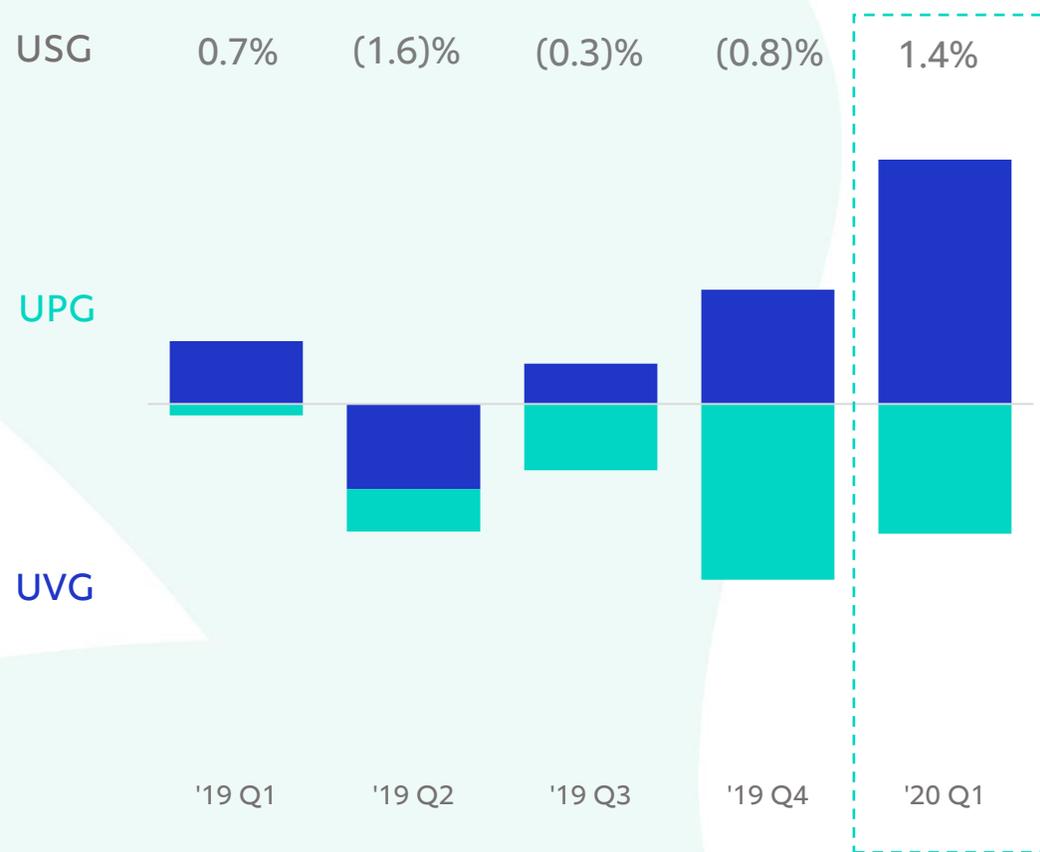
- Relatively limited impact from Covid-19 in Q1
- Small positive impact from household stocking, negative from ice cream
- Challenging conditions and currency devaluation

North America



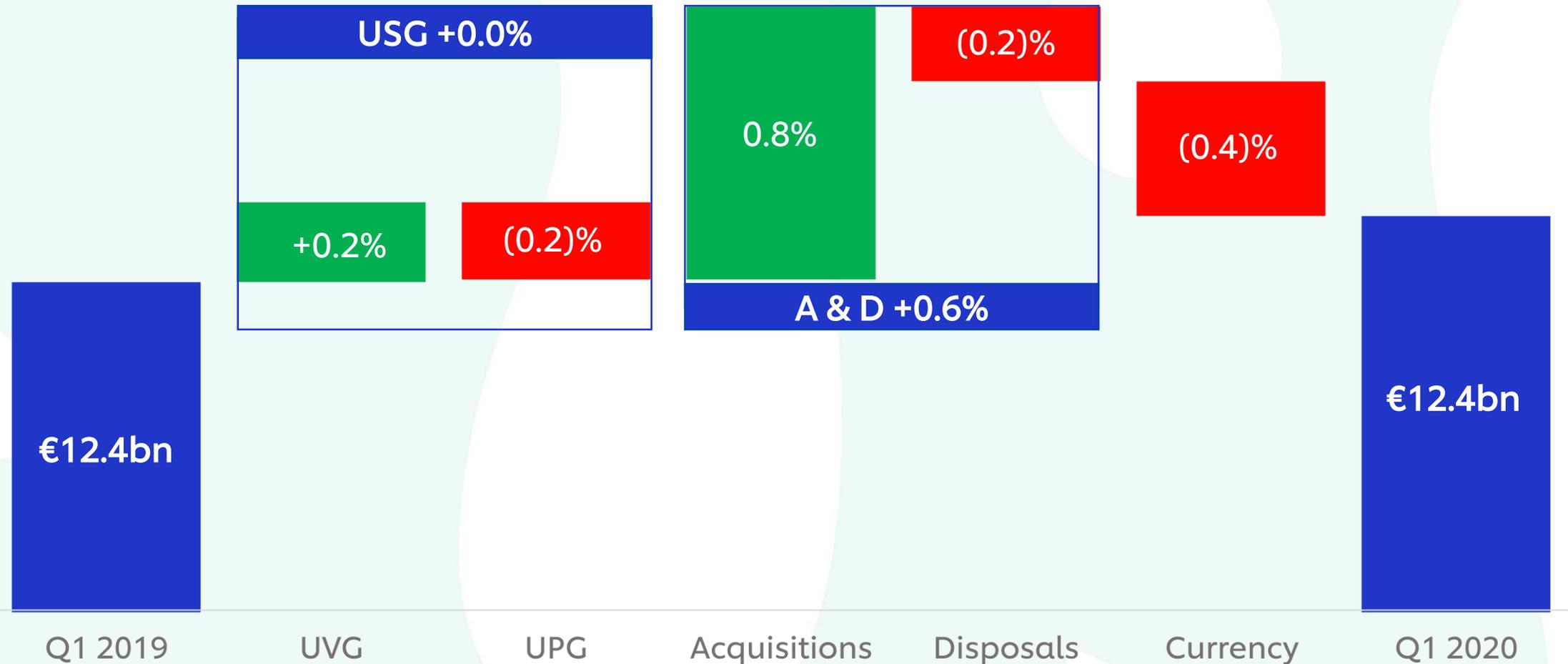
- US Hotspots (dressings, ice cream, hair) continue showing signs of improvement
- Household stocking across most categories in March
- Social restrictions later in quarter affecting food service and ice cream

Europe



- Limited ice cream sell-in to retail ahead of Easter
- Household stocking in the UK
- Increased consumer demand in hygiene and foods

Q1 2020 turnover



Strong balance sheet and liquidity position

Low gearing

Y/E '19 Net debt/EBITDA



Credit rating

Total cash & facilities

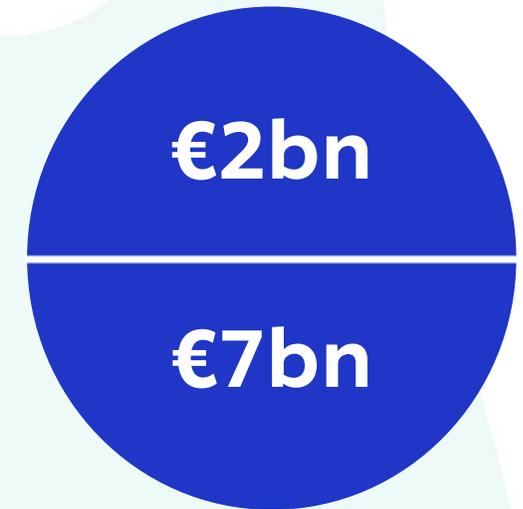
Total cash & undrawn facilities



As of Y/E '19

Access to funding

Commercial paper at 31/03/20



Accessible undrawn standby facilities

Managing cash through uncertainty

Review sources & uses of cash

- Laser focus on receivables
- Reviewing our spend:
 - Capex
 - Restructuring
 - Brand & marketing investment
 - Overheads

Operational cost discipline



Reduce non essential spend



Hiring freeze



Travel expenses

Reallocate spend

Dialling up key categories:



Tailoring communications:



Alan Jope

Unilever Q1 2020 Trading Statement

23rd April 2020



Unilever

2020 outlook withdrawn

2020 unknowns

- Progression of the virus
- Duration of crisis – varies by country
- Scale and impact of government containment measures
- Long term effect on consumer trends

2020 knowns

- Ongoing challenges for out of home ice cream and food service
- Short term impact on consumption habits
- Importance of agility
- Strong cash and liquidity position

What's important for our business now

5 Covid-19 workstreams

- People
- Supply
- Demand
- Community
- Cash

5 growth fundamentals

- 1 Improved penetration
- 2 Impactful innovation
- 3 Design for channel
- 4 Purposeful brands
- 5 Fuel for growth

Looking forwards: Confidence for the long term

- High quality leadership teams on the ground
- A portfolio of trusted brands
- Financial stability
- 5 fundamentals of growth driving execution

**Delivering superior long-term financial performance
through our sustainable business model**

Unilever Q1 2020 Trading Statement

Alan Jope & Graeme Pitkethly

23rd April 2020



Unilever