

Unilever Nigeria Plc

Investors' Call Presentation

May 2022

Table of Content



Caption	Slide	Presenter
About Unilever Nigeria	3 - 5	Carl Cruz - Managing Director
FY 2021 and Q1 2022 Business environment	6 - 8	Folake Ogundipe - Finance Director
Full Year 2021 Financial Performance	9 - 15	Folake Ogundipe - Finance Director
Quarter 1 2022 Financial Performance	16 - 19	Folake Ogundipe - Finance Director
2022 Business Focus	20 - 21	Carl Cruz - Managing Director
Question & Answer	23	Abimbola Fola

About Unilever Nigeria

Unilever Nigeria at glance



2 Factories;

- Oregun, Lagos
- Agbara, Ogun State



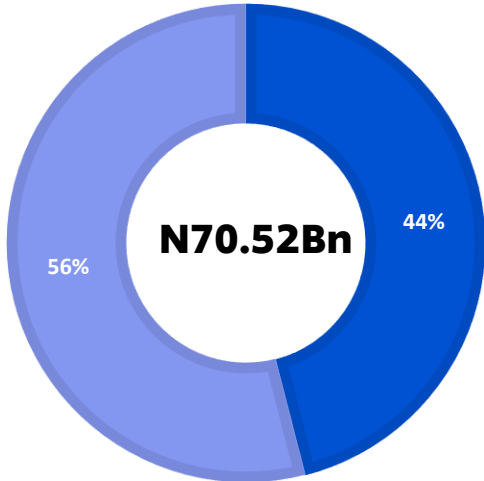
3 Warehouses;

- Ogun state
- Onitsha
- Abuja



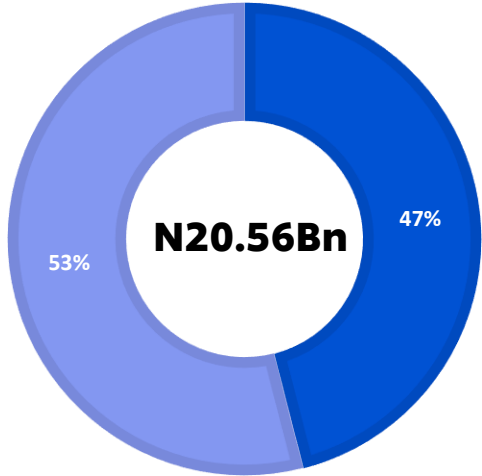
- 90 Core KDs

TURNOVER SEGMENTATION FY 2021



■ Home & Personal Care ■ Foods

TURNOVER SEGMENTATION Q1 2022



■ Home & Personal Care ■ Foods

About Unilever Nigeria - Purpose-Led, Future-fit- Awaiting update

Our Brands- 13 brands



The Compass



Our Vision is to be the global leader in sustainable business. We will demonstrate how our purpose-led, future-fit business model drives superior performance, consistently delivering financial results in the top third of our industry.

FY 2021 and Q1 2022 Business environment

Business Operating Environment

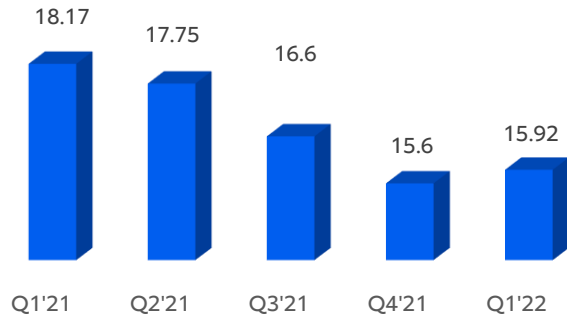
- Security Challenges
- Dip in Forex Supply and hike in rate
- Rising operating costs
- Taxation

“Manufacturers & Corporates are trying to absorb costs rather than pass all the burden to customers”

We continue to navigate the business environment to operate safely and in a sustainable manner.

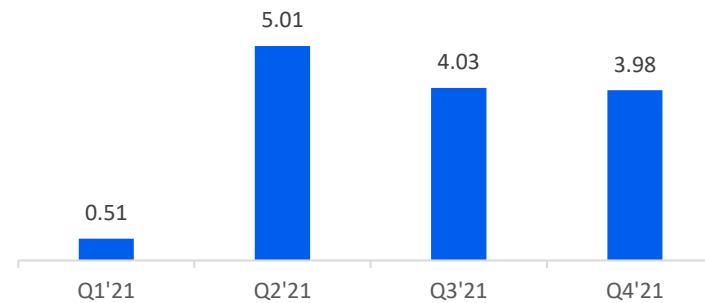
Macroeconomic update

Inflation Rate %



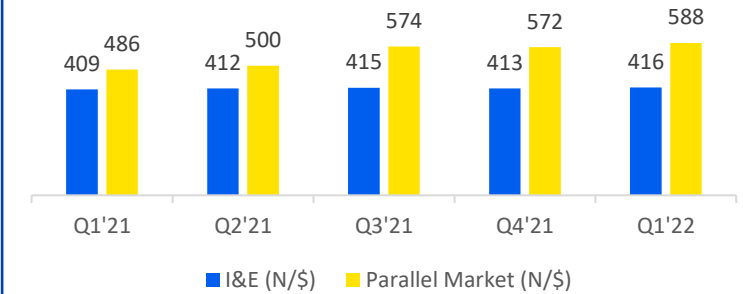
- Inflation remain at double digit
- Purchasing power of Nigerians continues to weaken as a result of increase in the prices of goods and services.
- Food inflation climbed higher (17.2% from 17.1%) attributed to fuel shortages and forex(dollar) shortage,

GDP Growth



- Nigeria's GDP advanced by 3.98% yoy in Q4'21, the fifth consecutive quarter of economic expansion.
- The growth was fueled by the non-oil sectors (4.73%) (agriculture, trade, financial services, Information and Communication).

FX Rate



- Increased pressure on the NGN, driven by rate adjustments, unmet demand & lean supply
- Unilever faced with rising cost of production as forex scarcity persists

Sustain cost recovery strategy to protect bottom-line

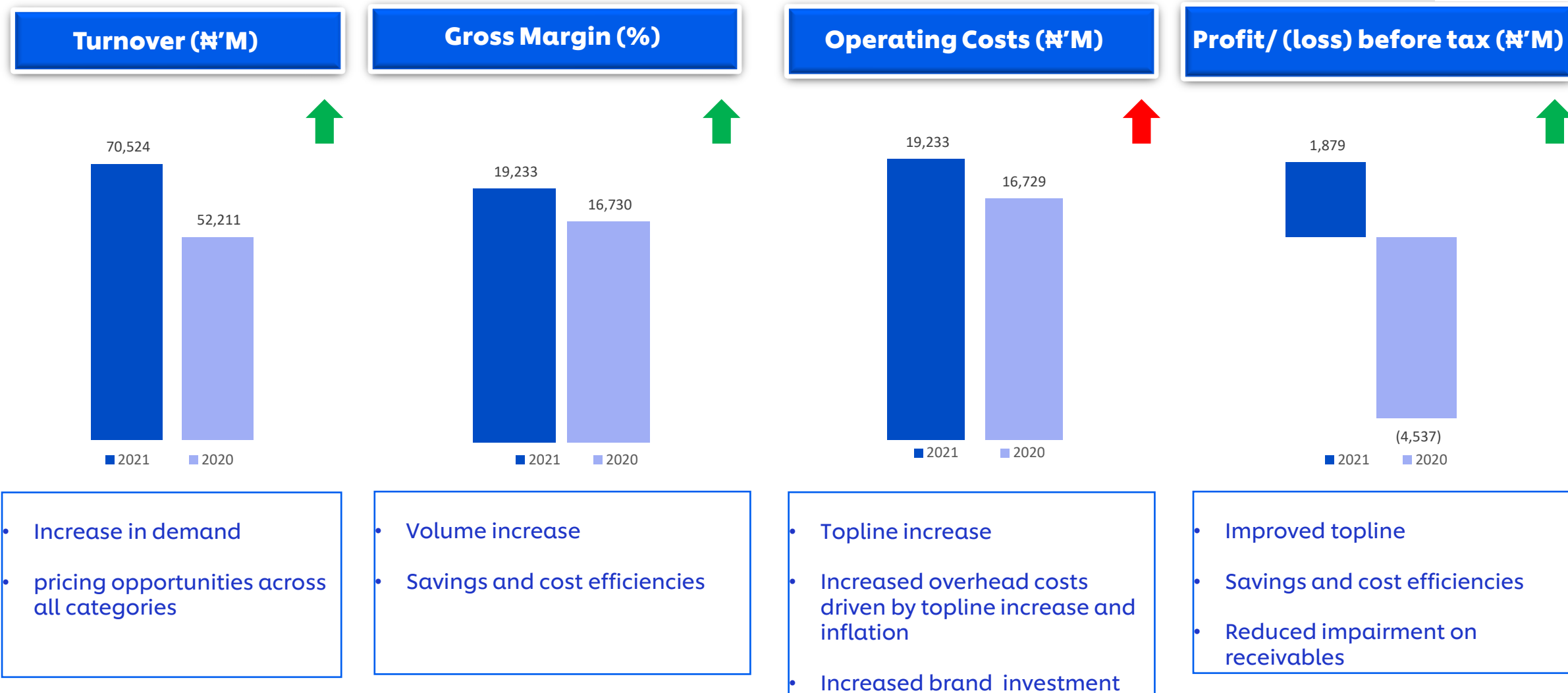
Financial Highlights

**Year ended
31st December 2021**

Financial performance at a glance – (FY 2021 Vs FY 2020) *
















Pricing opportunities across all categories resulted in 35% growth on topline



* Financial performance for continuing operations only.

FY 2021 Key Financial Data

Strong and resilient performance in a challenging environment

N'm	2021	2020	Variance %
Revenue	70,524	52,211	 35%
Gross profit	20,362	11,074	 84%
Operating profit/ (loss)	1,129	(5,656)	 120%
Profit/ (loss) before minimum taxation	2,061	(4,405)	 147%
Profit/ (loss) before taxation	1,879	(4,537)	 141%
Profit/ (loss) from continuing operations	688	(3,758)	 118%
Profit/ (loss) from discontinued operations	2,721	(208)	 1408%
Profit/ (loss) for the year	3,409	(3,966)	 186%
Gross Margin	28.9%	21.2%	 770bps
Operating Margin	1.6%	-10.8%	 1240bps
Earnings per share (N)	0.59	(0.69)	 186%
PBT Margin	2.7%	-8.7%	 1130bps
PAT Margin *	4.8%	-7.6%	 1240bps

Improved key performance indicators show our commitment to our 4G growth model

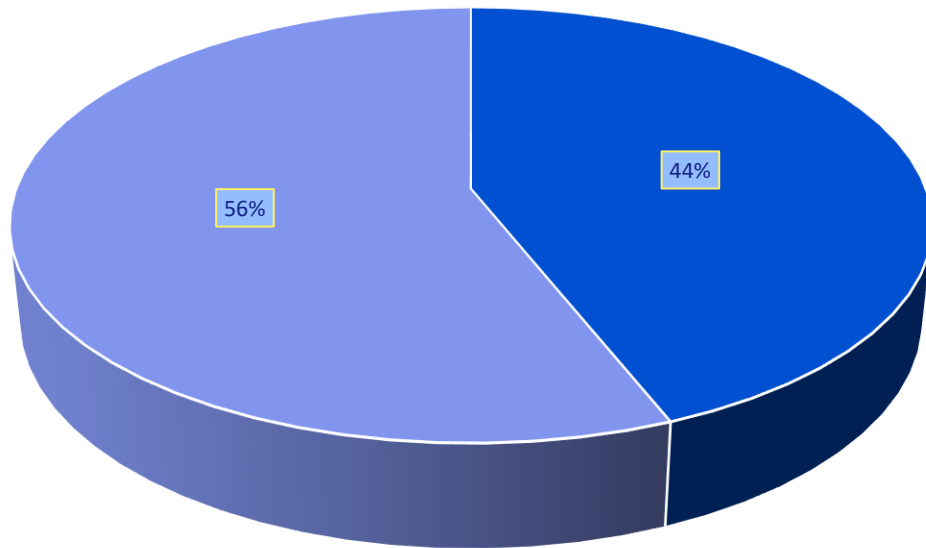
* Includes profit from discontinued operation

Segment Revenue (FY 2021 Vs FY 2020)



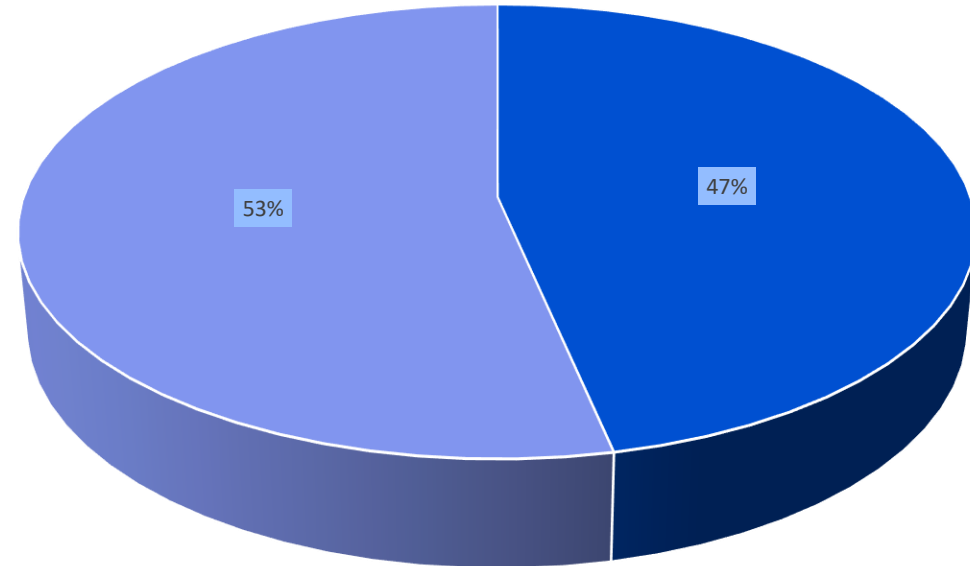
Despite dwindling disposable income, consumer preference continues to be on necessities

31 December 2021



■ Home and Personal Care ■ Food Products

31 December 2020



■ Home and Personal Care ■ Food Products

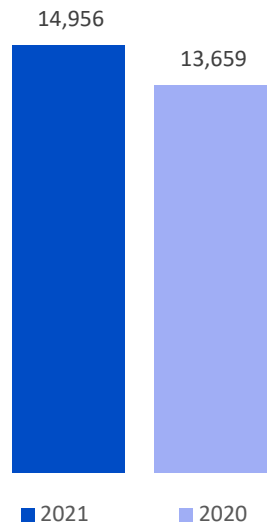
- Increase in HPC segment due to demand in oral care category

We are committed to making our best brands available to consumers at affordable prices

Working capital (FY 2021 Vs FY 2020)

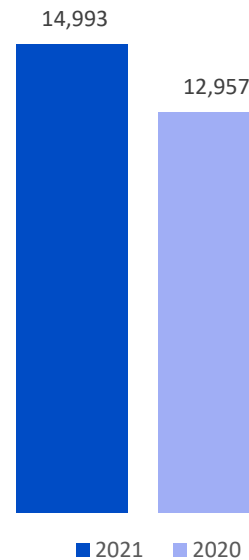
Intentional focus on cash collection, positively impacting working capital

Inventories (₹'M)



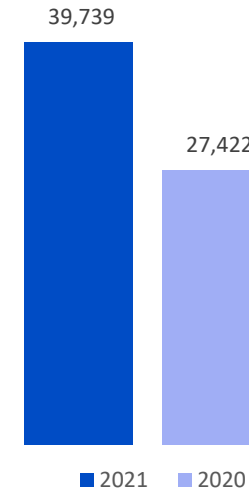
- Increase in stock to mitigate longer lead times for imported items due to global logistic crisis caused by Covid

Trade and other receivables (₹'M)



- Turnover increase by 35%
- Trade receivables days at 16days in 2021 vs 17days in 2020.
- Due from related parties

Trade and other Payables (₹'M)



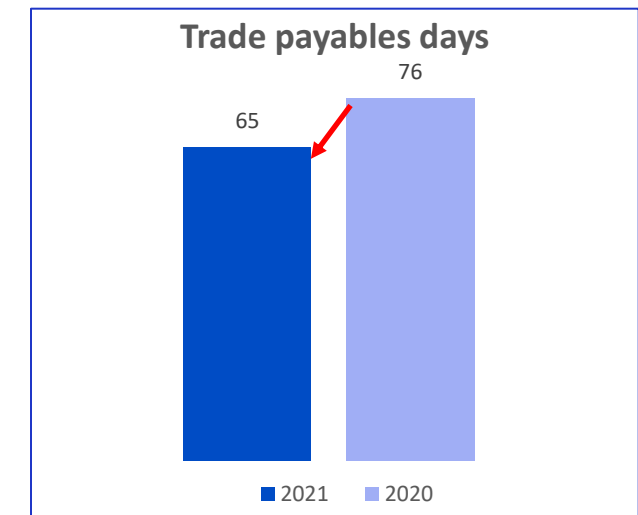
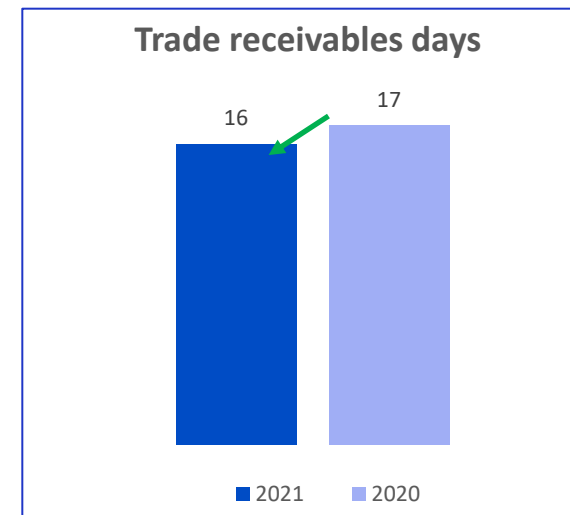
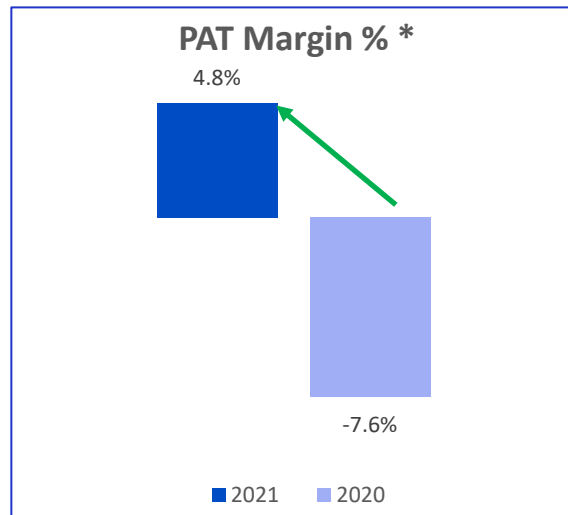
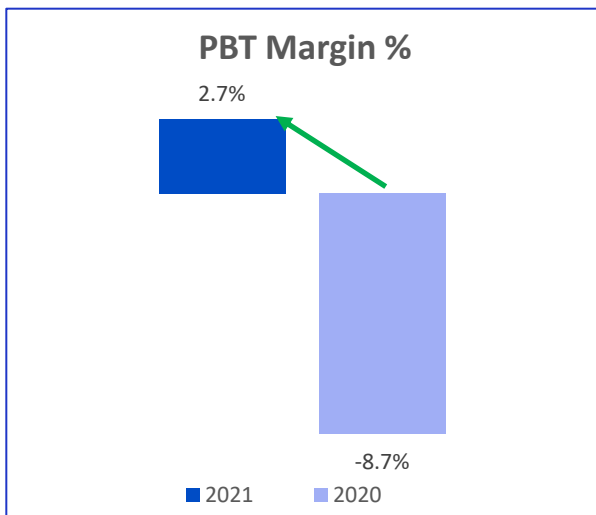
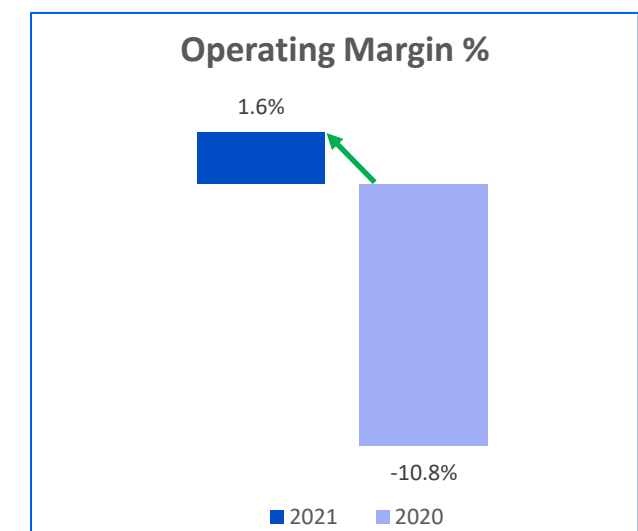
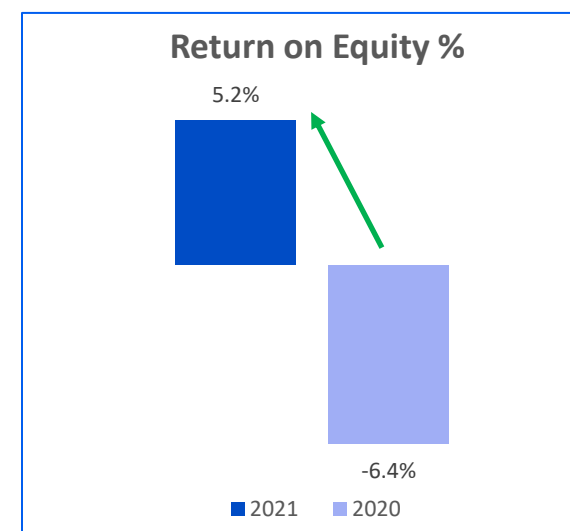
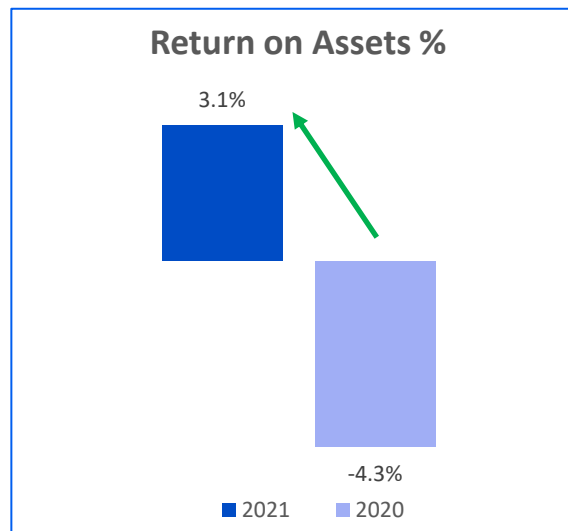
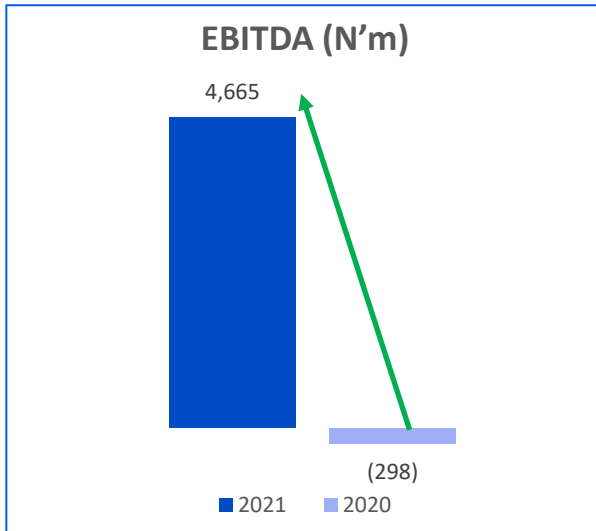
- Increased level of activities
- Impacted by FX obligations to foreign suppliers

Continued focus on cash collection to reduce impairment exposure on receivables

Key Financial Performance Indicators (FY 2021 Vs FY 2020)



Increased demand and Better cost efficiencies resulted in positive KPIs

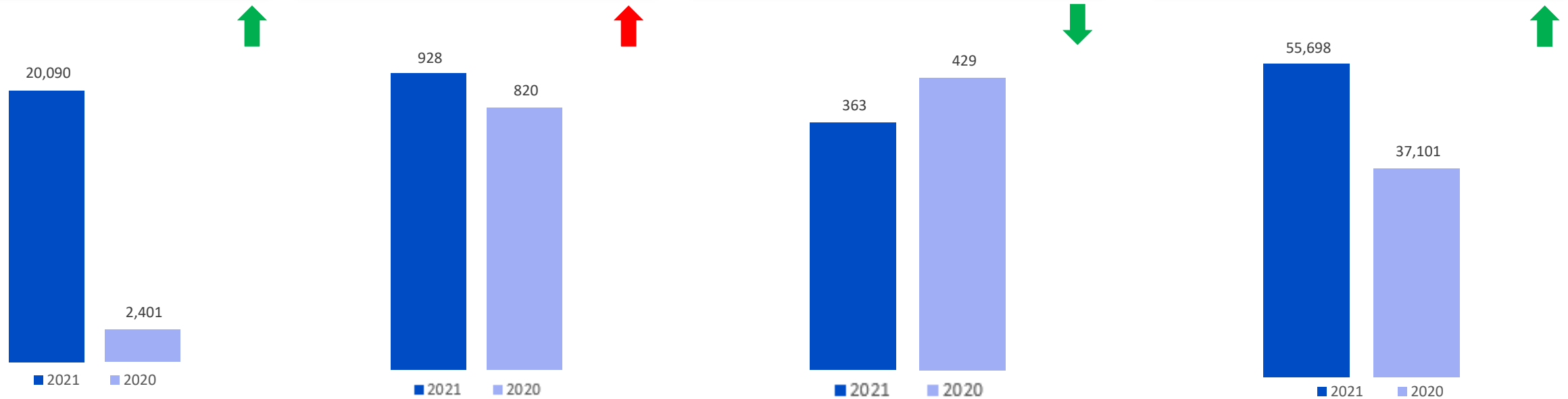
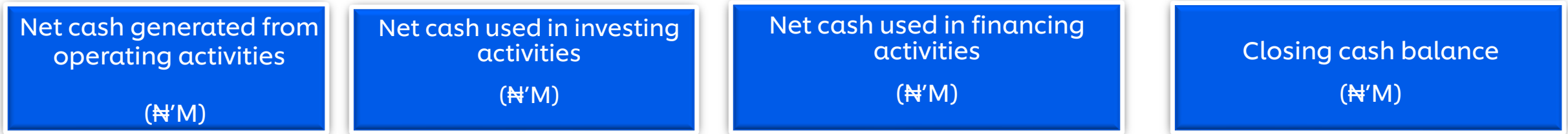


Continued optimization of our operations to deliver efficiencies across key performance measures

* Includes profit from discontinued operations

Cash Flows (FY 2021 Vs FY 2020)

Improved cash collection and trade debt management resulted in higher cash balance



- Higher cash flow from changes in working capital driven by trade and other payables

- Increased Capital expenditure

- Reduced interest expense in the year

- Strong liquidity, indicative of focus in protecting cash

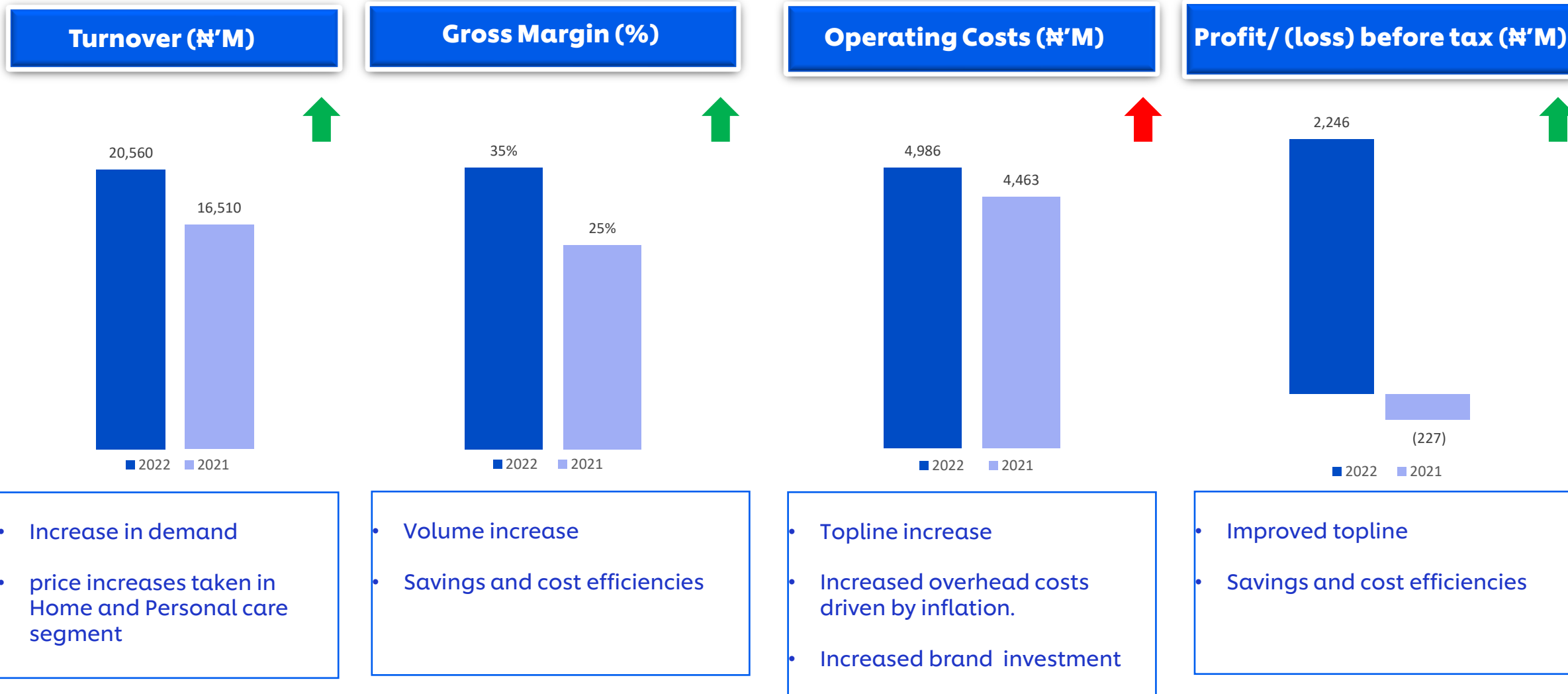
Maintaining healthy balance sheet to maximise cash

Q1 2022 Financial Highlights

Financial performance at a glance – (Q1 2022 Vs Q1 2021) *



Volume increase and cost efficiencies led to 100bps increase in gross margin



Drive more savings while investing behind our brands to finish strong at full year

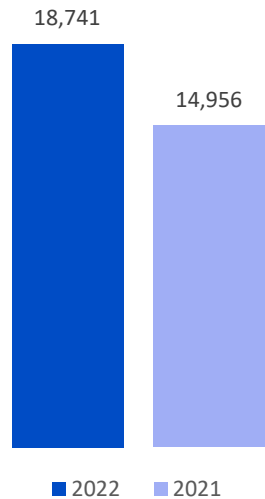
* Financial performance for continuing operations only.

Working capital (Q1 2022 Vs FY 2021)



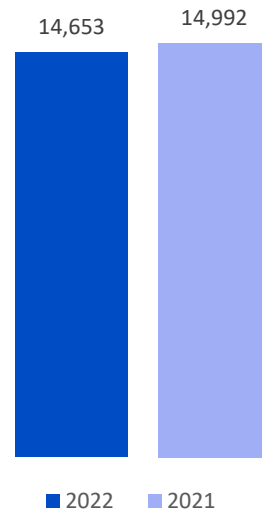
Intentional focus on order to cash management, positively impacting working capital

Inventories (₹'M)



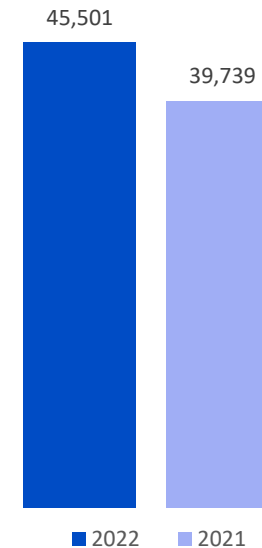
- Prebuilt stocks level to ensure no service gaps during Easter and Ramadan.
- Increased stock levels for local commodity stocks to hedge on pricing opportunities.

Trade and other receivables (₹'M)



- Trade receivables days maintained at 16days in Q1'22 same as 2021

Trade and other Payables (₹'M)



- Increased level of activities
- Impacted by FX obligations to foreign suppliers

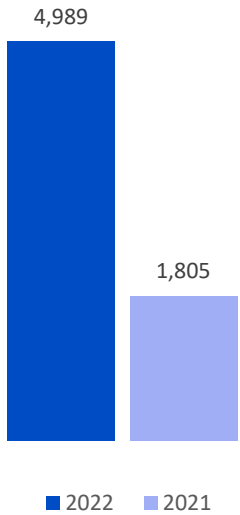
Continued focus on cash collection to reduce impairment exposure on receivables

Cash Flows (Q1 2022 Vs Q1 2021)

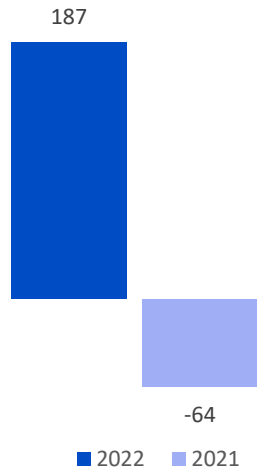
sustained control over order to cash management



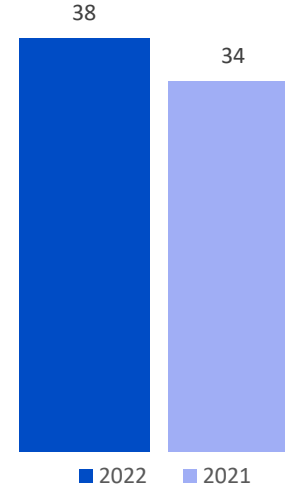
Net cash generated from operating activities
(₹'M)



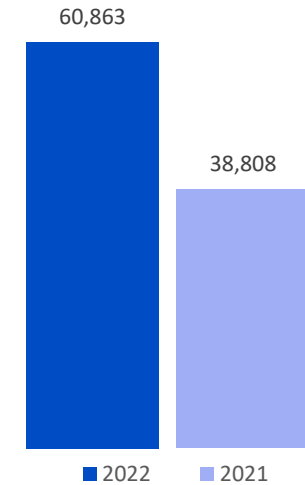
Net cash generated/ (used) in investing activities
(₹'M)



Net cash used in financing activities
(₹'M)



Closing cash balance
(₹'M)



- Higher cash flow from changes in working capital driven by both Inventory and trade and other payables

- Increased interest income driven by fixed deposit and improved interest rate

- Increased interest expense during the period

- Continued focus on cash collection and protection

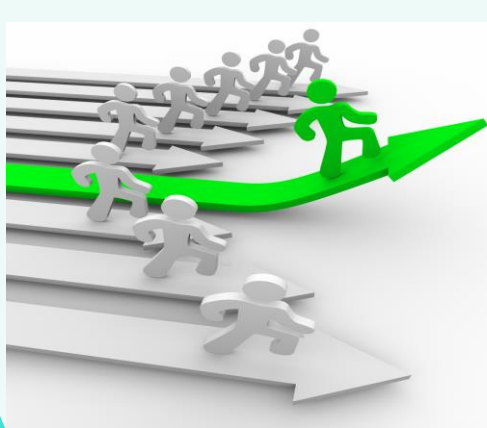
Maintaining healthy balance sheet to maximise cash

2022 Priorities

4G Growth Model

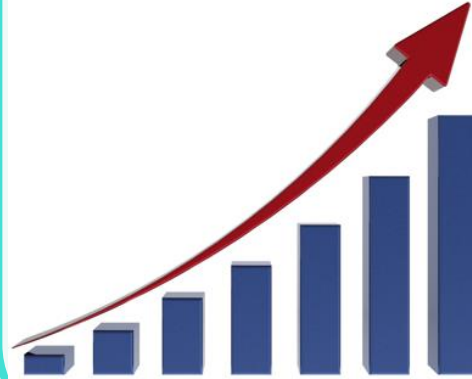
Clear value creation plans focused on four levers

COMPETITIVE GROWTH



- **Growing ahead of the market**
- **Gaining Market share & winning penetration**
- **Building brand Equity**

CONSISTENT GROWTH



- **Strong sequential Growth**
- **Focusing on Key brands & Key Cities**
- **Consumer led Innovation**

PROFITABLE GROWTH



- **Quarterly Gross margin and operating profit Progression**
- **Net Revenue Improvement**
- **Cost saving drive**
- **Re-Purpose the Portfolio**

RESPONSIBLE GROWTH



- **Operational Discipline**
- **Purpose Led Growth Initiatives**

Growth, Growth, Growth

THANK YOU



Unilever

Question and Answer