

# Unilever Pakistan Foods Ltd

Corporate Briefing 2023



21/11/2023



## Company Profile

### Footprint across Pakistan



1 Owned & 2 Toll  
Manufacturing Sites



9 Distribution  
Centers



200K+ outlets

### Multi Category Play

Savoury

Dressings

Desserts

Cooking Oil

B2B

Drinks

### Brands Across the Pyramid





## Board Members

### **Mr. Sarfaraz Ahmed Rehman**

Independent Director & Chairman of the Board

### **Mr. Amir R. Paracha**

Executive Director & Chief Executive Officer

### **Mr. Aly Yusuf**

Executive Director & Chief Financial Officer

### **Ms. Asima Haq**

Executive Director

### **Mr. Zulfiqar Monnoo**

Non-Executive Director

### **Mr. Muhammad Adil Monnoo**

Non-Executive Director

### **Mr. Kamal Monnoo**

Non-Executive Director

### **Mr. Asad Said Jafar**

Independent Director

### **Mr. Khalid Mansoor**

Independent Director

### **Mr. Ali Tariq**

Non-Executive Director

3 Independent Directors | 4 Non-Executive Directors | 1 Female Director



## Our Vision and Purpose

"OUR VISION IS TO GROW OUR BUSINESS, WHILE DECOUPLING OUR ENVIRONMENTAL FOOTPRINT FROM OUR GROWTH AND INCREASING OUR POSITIVE SOCIAL IMPACT"



# A Decade of Sustainable and Profitable Growth

TO  
**5X**

Rs. 28.3Bn (2022) vs Rs. 5.9Bn (2012)

EPS  
**10X**

Rs. 1,248 (2022) vs Rs. 118 (2012)

\* Period from 2012 to 2022

# Economic Context

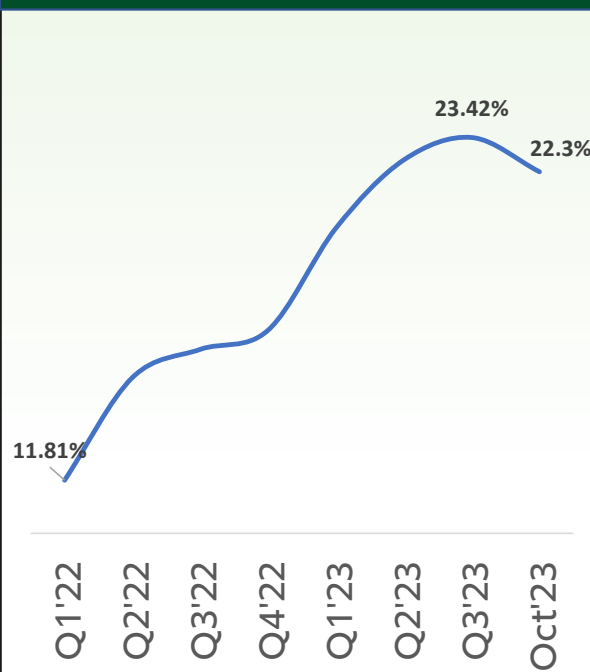


# Challenging macro-economic environment

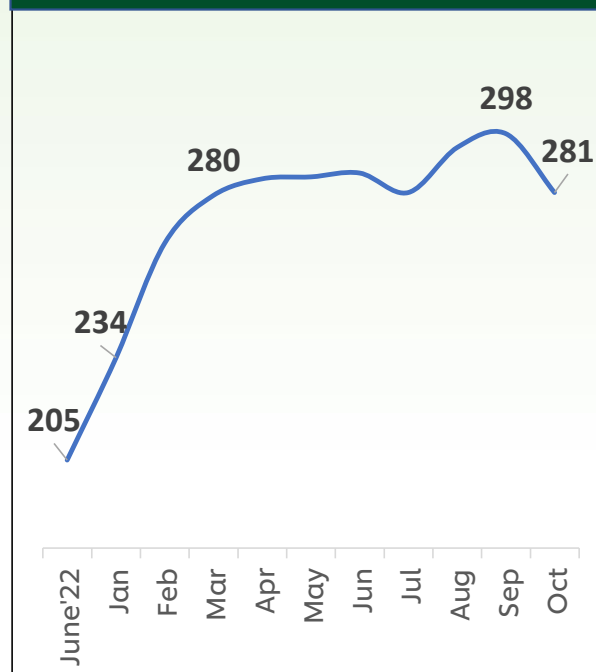
CPI hitting all time high



2x cost of capital vs 2022



45% PKR devaluation vs USD in 15 months

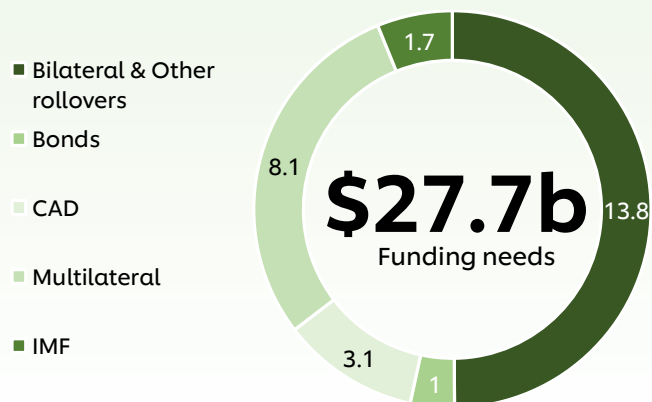


CPI data as per PBS publications  
Cost of Capital (1 Year KIBOR) and Forex data as pr SBP

# Volatility expected to continue due to structural issues

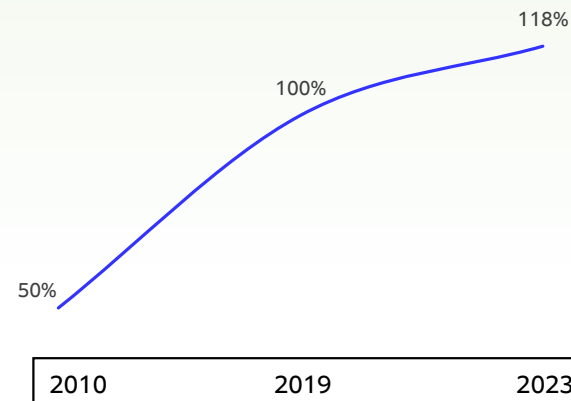
## High FX Liquidity risks

*Elevated External funding needs*



## Escalating reliance on Domestic debt

### Markup % of Revenue





# STRATEGY IN ACTION





# Our Strategy

## Strengthen the Core



**Value proposition and Premiumization through extension into young adults**

## Build Broad Based Growth



**Extending portfolio beyond Mini-Meals (Headroom of Euro 300Mn)**

## Enabled by our 5 Fundamentals of Growth

Purposeful Brands

Improved Penetration

Impactful Innovations

Design 4 Channel

Fuel for Growth

# Strengthen the Core: Via Net Revenue Management

## Extending value-pack offering

Capturing Rs.30 Price Point



Deep discounts on value-packs



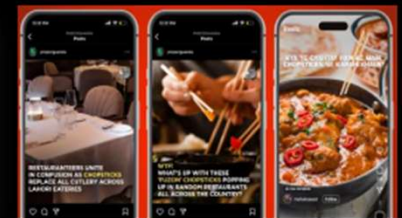
# Strengthen the Core: Via Innovation

## Extending noodles portfolio into young adults through Blazin'

1. Continue to explode hot & spicy trend  
Via Blazin' Range Extensions



2. Capture Authentic Cuisines  
Via Fuzon Range





## Build Broad Based Growth

### Via innovations and interventions

#### Impactful Innovation



Classic Mayonnaise with  
better Product, Price &  
Proposition

#### Product Superiority



Bringing Superior & Iron  
Fortified Mix

#### Entered Seasonings market



Introduced Chicken Powder  
sachet





# B2B model continuing its growth momentum

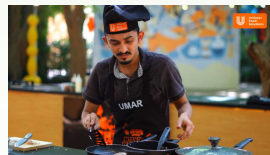
## CAGR of 50% in last 3 years

### Accelerating Profitable Savory (Knorr Professional) Category



Engaging Digital Content & Customer Interactions to achieve an overall Savory Reach @ **+30%\***

### Delivering Best-in-Class Content to Own the Chefs Platform



Pakistan's first Digital Reality Web Series with **+1Mn** Views and Average **400k** Episode Wise Youtube Views (+7 Mins)

### Being a Force for Good for the restaurant community



Partnering with Robinhood for food wastage collection during Ramadan Season resulting in **+25** Restaurant sign-ups

\*YTD Oct '23 vs YTD Oct '22

# Improving penetration

## Amping up media spends and consumer trials

### Increased Media Spend



2X Media investment in last 3 years\*

### Out Of Home Campaigns



Massive OOH covering 100+ Rural and Urban sites

### Driving Consumer Trial



10,000 + consumer trials conducted at food events

\*FY 2022 vs FY 2020

# Expanding business across the Channels

## E-Commerce



4X Growth  
Over Three Years\*

## Exports



2.5X Surge  
Over Three Years\*

## Retail Landscape



50k Outlets added  
in Two Years\*\*

\*FY 2021 vs FY 2023 (last two months estimated)

\*\*Jan 2022 vs Oct 2023



# FINANCIAL PERFORMANCE



## Delivering 4G growth model



Market share\*\*  
**+735 bps**

**Competitive  
Growth**



3 Year Sales CAGR:  
**33%\***

**Consistent  
Growth**



3 Year EPS CAGR  
**44%\***

**Profitable  
Growth**



Renewable  
energy consumption  
**98%**

**Responsible  
Growth**

*\* YTD Sept'23 vs YTD Sept'20*

*\*\* MAT Mar'23 vs Jul'19 Noodles market*



## 2023: Resilient performance amid challenging operating environment

### Growth

Underlying Sales Growth

**+33.8%**

### Profitability

Operating Margin

**30.3%**

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**+429 bps**  
Vs SPLY

### EPS

**PKR**  
**1,173.27**

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**+55.2%**  
Vs SPLY

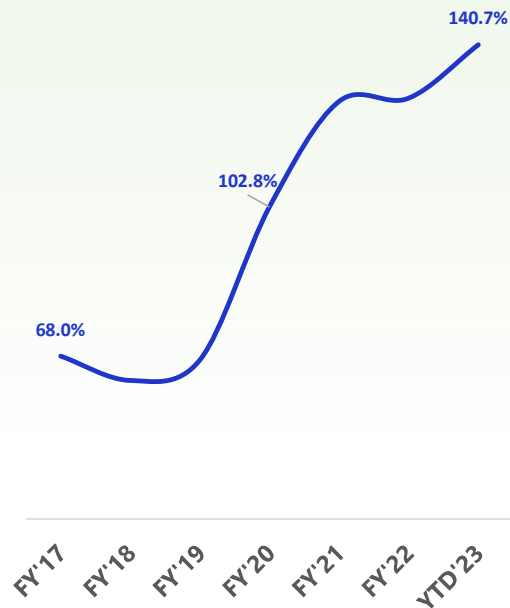
*All figures are YTD Sept 2023*

# Financial Performance: Key Indicators

## Net Margin% +1500bps vs 2017



## Return on Fixed Assets c. 2x vs 2017



## Current Ratio c. 3x vs 2017





## Financial Performance: Investors KPIs

### Delivering Market Beating Returns

Share price  
growth versus  
market\*

**47% vs 6% of  
market growth**

Total shareholder  
return in 3  
Years\*\*

**56%**

*\*Growth YTD Sept'23 vs 2020 exit*

*\*\*Return for the period Jan'20 to Sept'23*

# FUTURE OUTLOOK



# Relative stability, however, challenges expected to persist

## Economic Hardships expected To Continue (Forecast for FY'24)

**GDP**

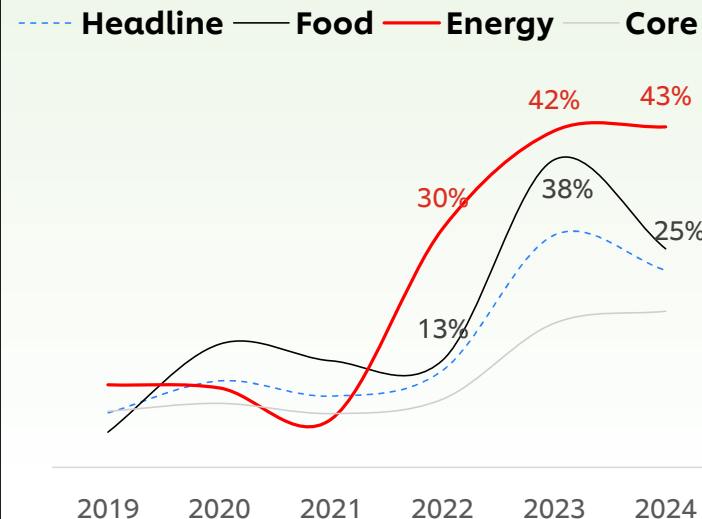
Vs 5%

**1.7%**

**CPI**

**26%**

## Double-digit Inflation



Leading to continued pressure on purchasing power

*Figures obtained from World bank & PBS*



## Our plan to navigate

### Predict

#### External Challenges

Macro-economic Environment  
Political Situation  
Supply Disruption

#### Consumer Trends

Purchasing Power

### Prepare

#### Build Resilience

Upstock  
Localize

#### Unlock Capacity

Collaborative  
Manufacturing

#### Hedge FX Exposure

Build Exports

#### Portfolio Interventions

Create value for  
money  
propositions

### Deliver

Market competitive growth



# Environmental, Social & Governance (ESG)



## Renewable Energy & Plastic Reduction



**Solar**



**Bio-Mass**



**Plastic Reduction**

**More than 90% Consumption via Renewable Sources  
including carbon credits**

**Aim to collect and process more plastic  
than we sell by 2025**

Part of ICAP steering committee on adoption & implementation of sustainability reporting standards

## External Engagements

### Pakistan Climate Conference



OICCI organized the '**2<sup>nd</sup> Pakistan Climate Conference 2023**' and brings together experts to drive climate urgency in Pakistan

### Drive Living Wages in Pakistan



Unilever Pakistan hosted an interactive dialogue on the importance of living wages in Pakistan with industry leaders and organizations



## Rewards & Recognitions

### Our Brands continue to Shine

#### Daraz Ecommerce Summit 2023



Bagged two wins at the Daraz Ecommerce Summit; **"Ecommerce Company of the Year"** and **"FMCG Brand of the Year – Knorr"**

#### Effie Awards 2023



**Marketer of the year 2023**





## Rewards & Recognitions

### Awarded Employer of Choice across all Sectors

Unilever Pakistan bags two prestigious awards at the Best Place to Work Ceremony, the **Most Preferred Employer of Choice** across the **FMCG industry** and the **Most Preferred Employer of Choice** across **all sectors**.



By Pakistan Society of Human Resource Management

# Thank You



21/11/2023