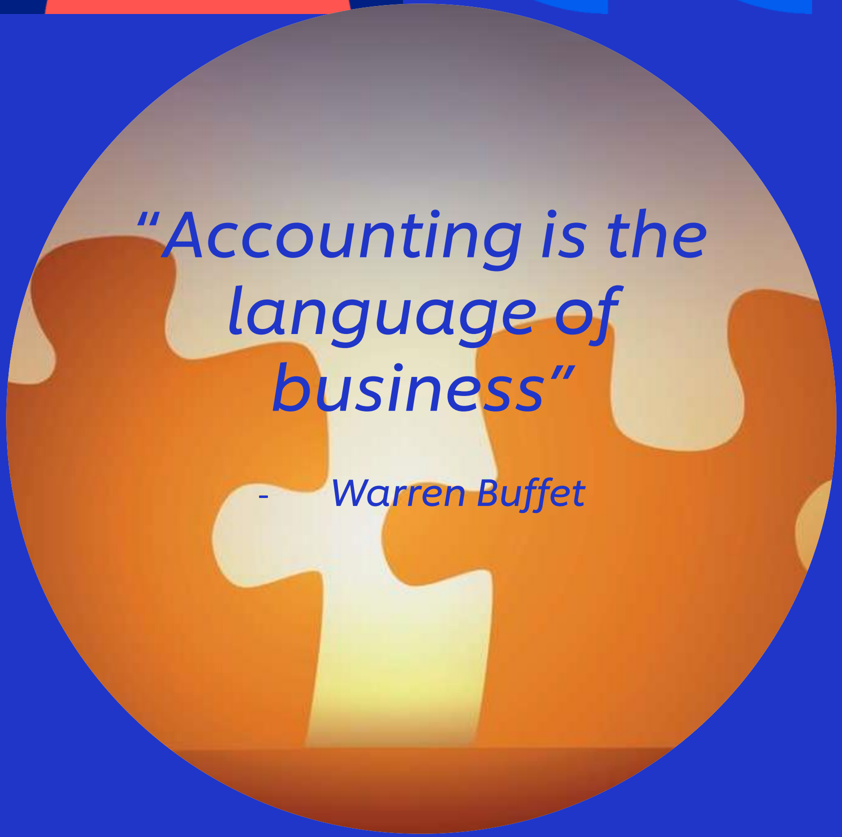
Value Partnering by Finance in Fast Moving Consumer Goods (FMCG) Sector:

The Case on Unilever Bangladesh



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CFO & Finance Director
Unilever Bangladesh Limited

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“

Accounting is the art of turning chaos into clarity and confusion into financial wisdom. ”

- Michael Carter CFP ®

EVOLUTION OF FINANCE

Aspire on Growth Journey
Focus on what counts to make sharper choices and stay three steps ahead

Transcendence in Talent
Capability-Care-Connect

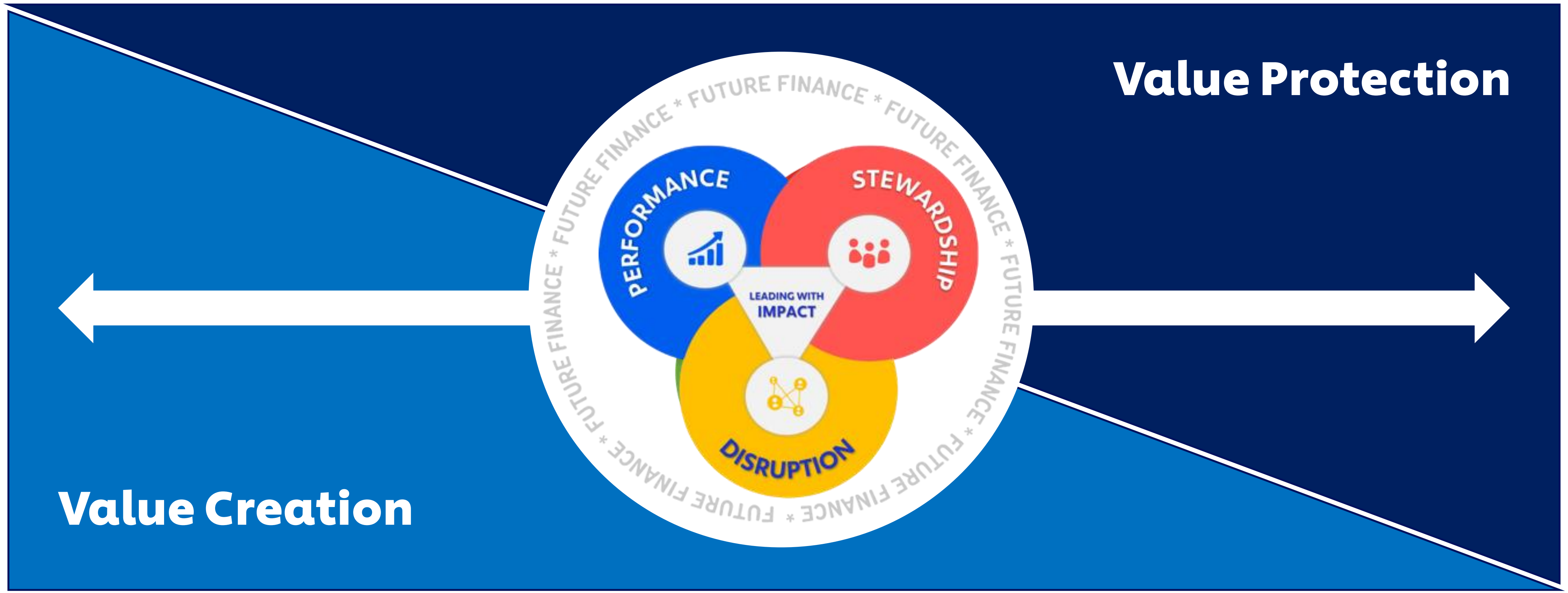
AI & Machine Learning
Perform Faster, Accurate & Precise Data Analysis

Volatile Macro-Economic Outlook
Help business steer through volatile macro-economic environments

Traditional Finance
Compliance and reporting
Treasury management
Collection and payments

Strategic Finance
Partner to enable profitable, competitive and sustainable growth

ROLE OF FINANCE



VALUE PROTECTION THROUGH STEWARDSHIP

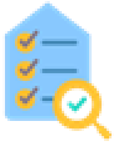
CONTROLLERS

- Financial reporting and statutory compliances
- Treasury management for cash utilization and maximum yields
- On-time payment and creditor balance management

TAX

- Direct and indirect tax compliance and reporting
- Partner business to remain tax compliant
- Advocacy engagement with stakeholders

INTERNAL AUDIT



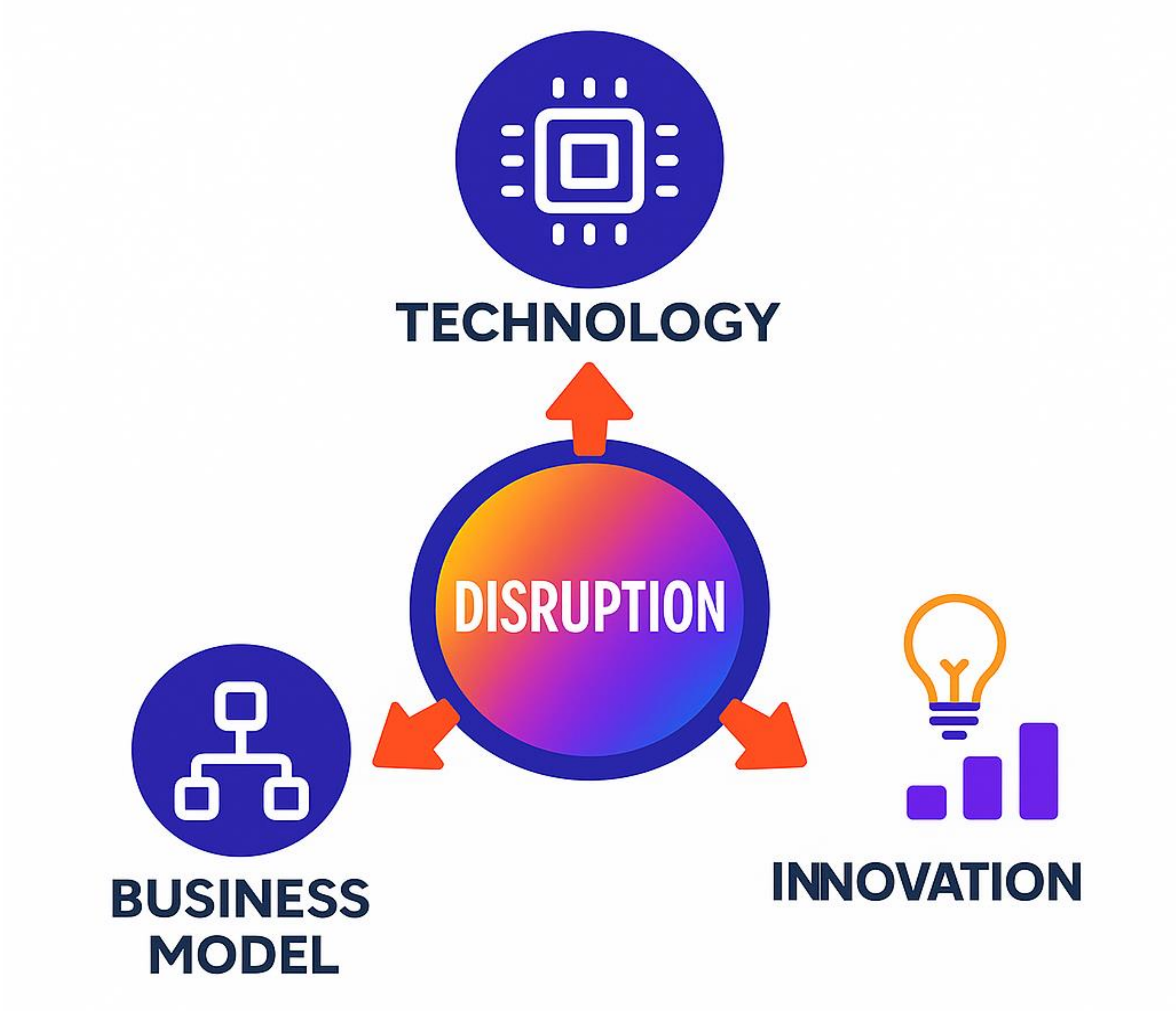
- Risk and control assessment
- Conduct independent process audits and monitor audit observations closure
- Partnering with business in process improvement

VALUE CREATION THROUGH PERFORMANCE

Financial Growth Model

Gross Sales Value
− Trade Program
= Turnover
− Supply Chain Costs
= Gross Profit
− Brand & Marketing Investment
= Profit Before Overheads
− Overheads
= Operating Profit

VALUE CREATION THROUGH DISRUPTION



VALUE CHAIN AT UNILEVER

Raw Materials Import & Local

Local Packaging Materials

Imported Finished Goods

7 Manufacturing Sites

4 Distribution Centre

150+ distributors reaching 500k+ retailers with brands that 9/10 Bangladeshi homes use everyday

4 Business Groups

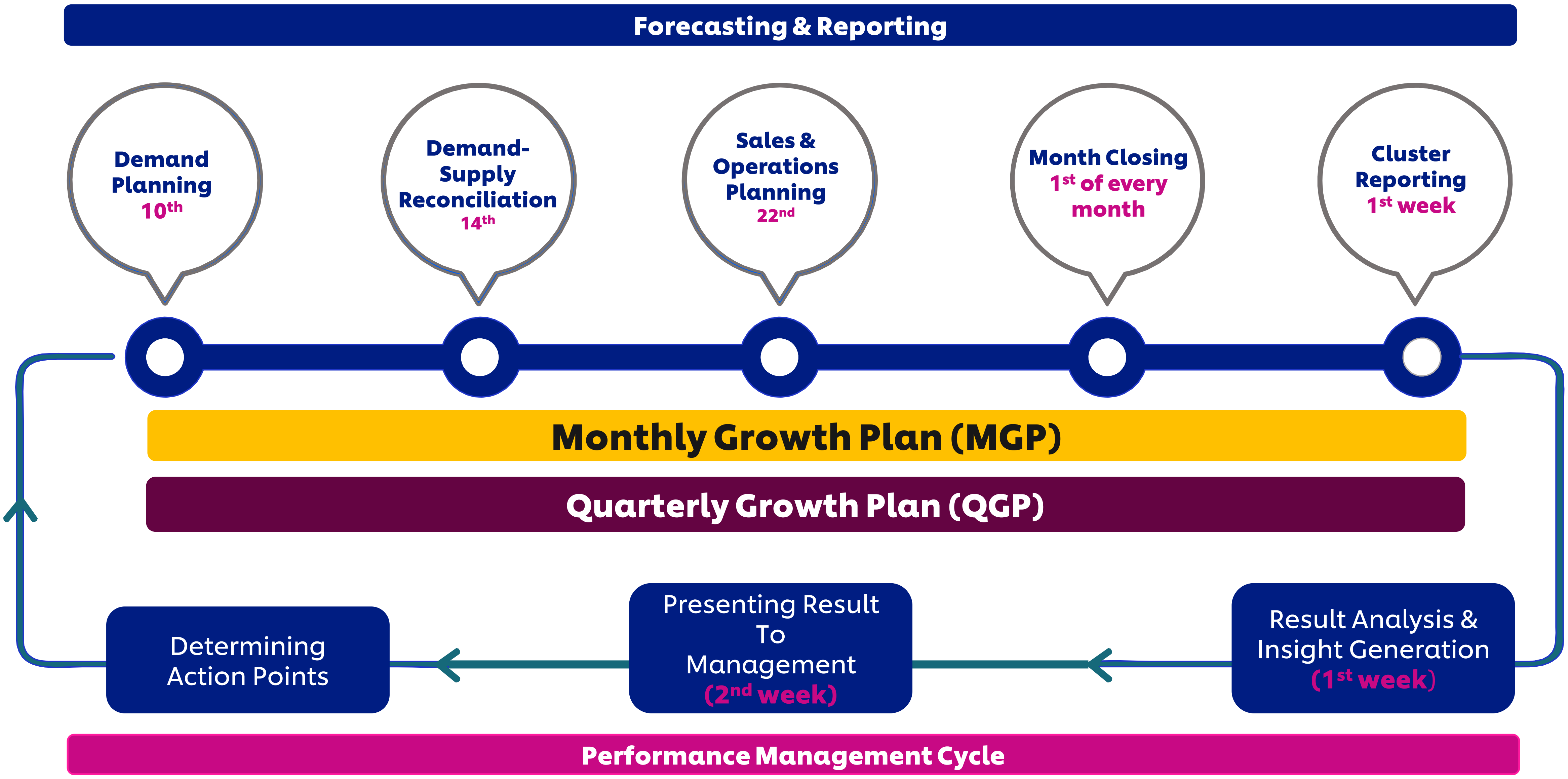
PERSONAL CARE

BEAUTY & WELLBEING

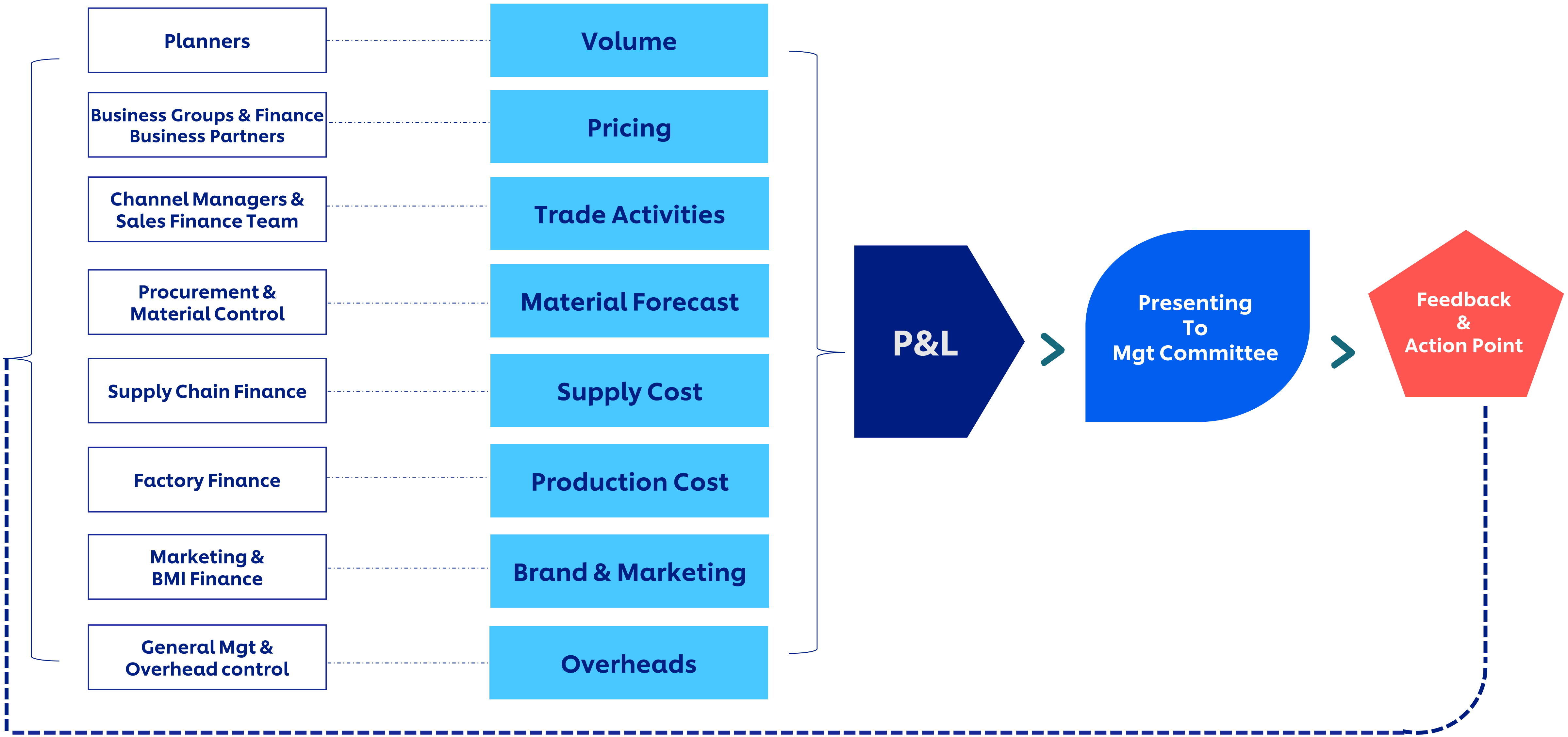
HOME CARE

FOODS

PERFORMANCE CYCLE FROM FORECASTING TO EXECUTION



PLANNING FOR TOMORROW



FROM REPORTING TO DRIVING PERFORMANCE

SIMPLE INCOME STATEMENT
Revenue
Less: Cost of Goods Sold
Gross Profit
Less: Selling & Admin Expenses
Operating Profit

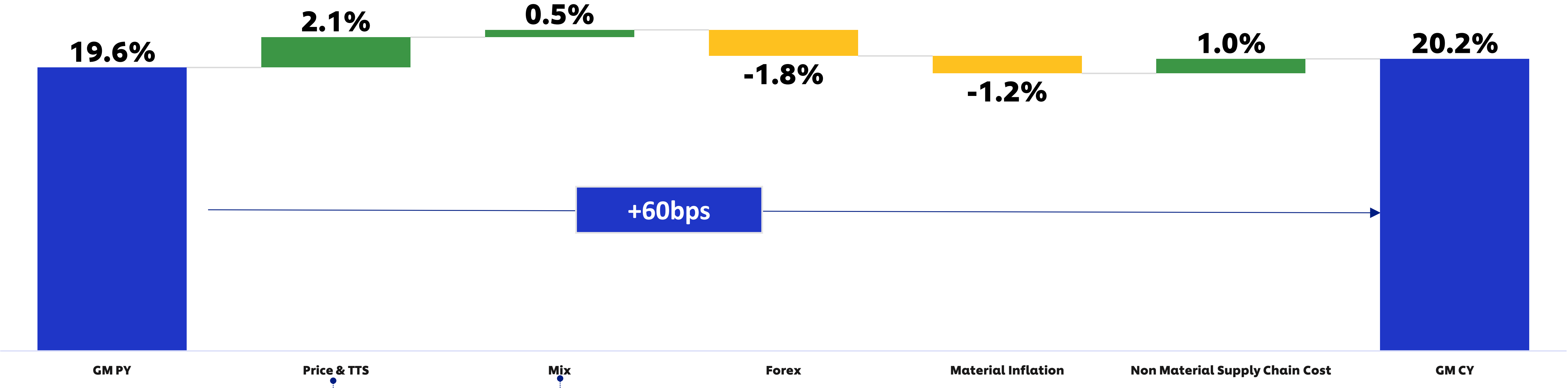
- Gross Sales Value
- Trade Program
- Turnover
- Supply Chain Cost
- Gross Profit
- Brand & Marketing Investment
- Profit Before Overheads
- Overheads
- Operating Profit

Leveraging our 3 main sources of funds

Supply Chain Efficiencies	Return on Investment	Overheads Management

UNDERSTANDING PERFORMANCE TO CREATE FUTURE VALUE

Gross Margin Variance Analysis



All numbers are demo numbers

Growth Drivers	Trade Terms
Sales Growth is a function of **Price Growth** and **Volume** Growth	**Discounts** Unilever gives to drive **customer** and sales growth.

Mix

Driving the portfolio mix is an important enabler of **Profitability**

Supply Chain Costs

Material Cost

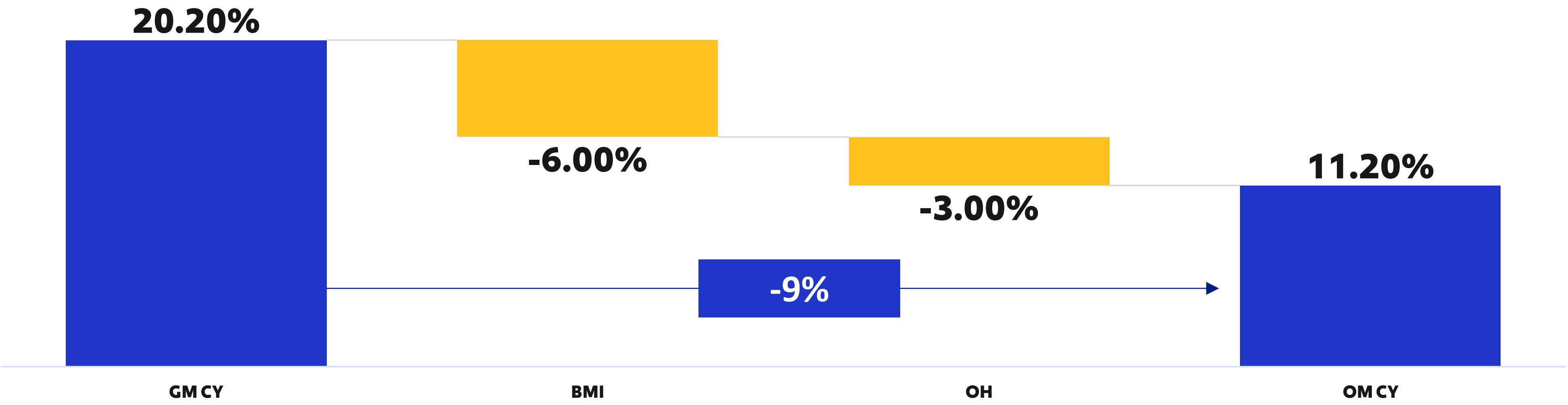
- Raw Material
- Packaging Material
- Bought-in cost

Non-Material Supply Chain Cost

- Make
- Distribution
- Business Waste
- Supply Chain Overheads

UNDERSTANDING PERFORMANCE TO CREATE FUTURE VALUE

Gross Margin to Operating Margin



Brand and Marketing Investment

Activities to build and maintain **brand image** comprising of

1. Asset **Creation**
2. Asset **Deployment**
3. **Promo** and Point of Sale
4. Shelf **visibility**

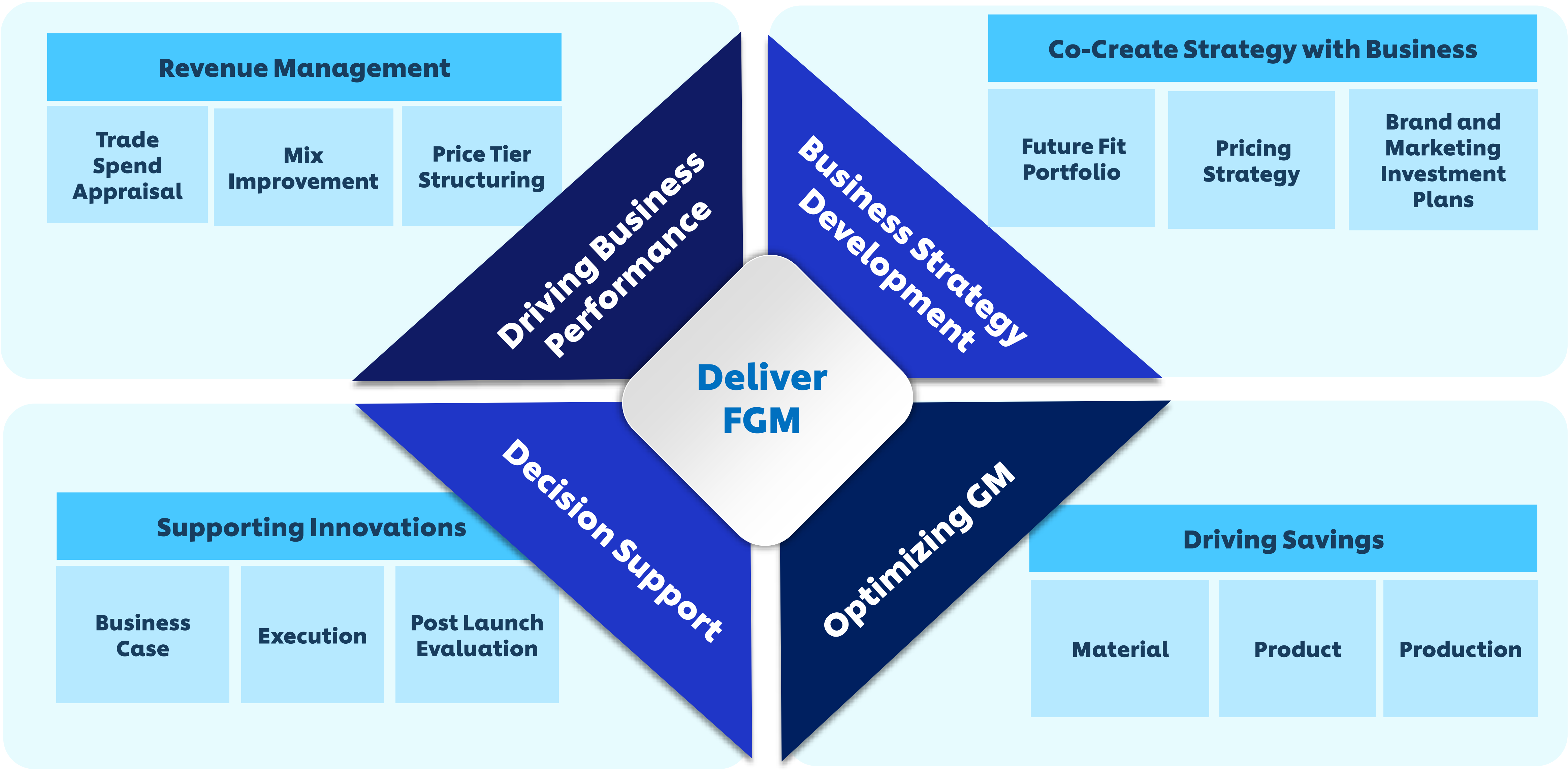
Overheads

Cost that cannot be **directly attributable** to a **product** or process comprising of :

1. **Salaries** and Bonus
2. **Research** and Development
3. Travel and Expenses
4. Office Rental
5. Professional Services

All numbers are demo numbers

DRIVING FGM BY BUSINESS FINANCE



SALES FINANCE PARTNERING FRONT LINERS

Trade Management

Partnering on promotion planning, mgt and evaluation

Monthly review to ensure correct cost reflection, assessment of effectiveness, and adjust rest of the year plans accordingly

Partnering on Projects

Partnering key projects, along with driving Finance projects

Business case prep and end-to-end model development, along with quarterly evaluations

Distributor Hygiene and Profitability

Business modelling, Cost review, and Business Compliance

Half-yearly review of profitability and monthly compliance check to drive actions with Field team

Cash, Credit & Claim Mgt

Drive financial discipline at front-end

Ensure timely collections and claim payments, no overdue, and dynamic credit support

SUPPLY CHAIN FINANCE PARTNERING BUSINESS OPERATIONS

RMPM forecasting & Costing

Ensure unbiased forecasting and accurate costing of materials

Review of price and cost variance, trends, wastage, in-transit stock

Savings

Drive savings across cost drivers per global savings governance

Drive and review product, procurement, make and distribution savings per ambition

Non-Material Supply Chain Cost

Forecasting & reporting of production, distribution, obsolete stock and overheads

Monthly cost review for business impact and stretched targets

Working Capital Management

Strategic management of working capital

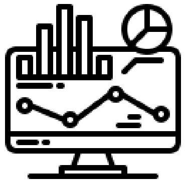
Ensure optimized level of inventory, debtors and creditors

Capital Expenditures

Evaluate CAPEX projects and ensure fixed asset governance

Business case prep and end-to-end project partnering

Data Capability



SCF Cloud, Labor dashboard and BW HANA empower insights

Dashboard and use of automations enable team to partner with agility

UNILEVER FINANCE – THE TEAM AT PLAY

Controllers

Financial Controls
Financial Reporting
Treasury
Payments

Tax

Regulatory Compliance
Tax Reporting
Policy Advocacy

Internal Audit

Process Audit
Risk Management
Issue Remediation

Business Group Finance

P&L ownership of 4 BGs:
Personal Care
Beauty & Wellbeing
Home Care
Foods

Financial Excellence

Management Reporting
Central Performance Mgt
Forecasting & MIS

Sales Finance

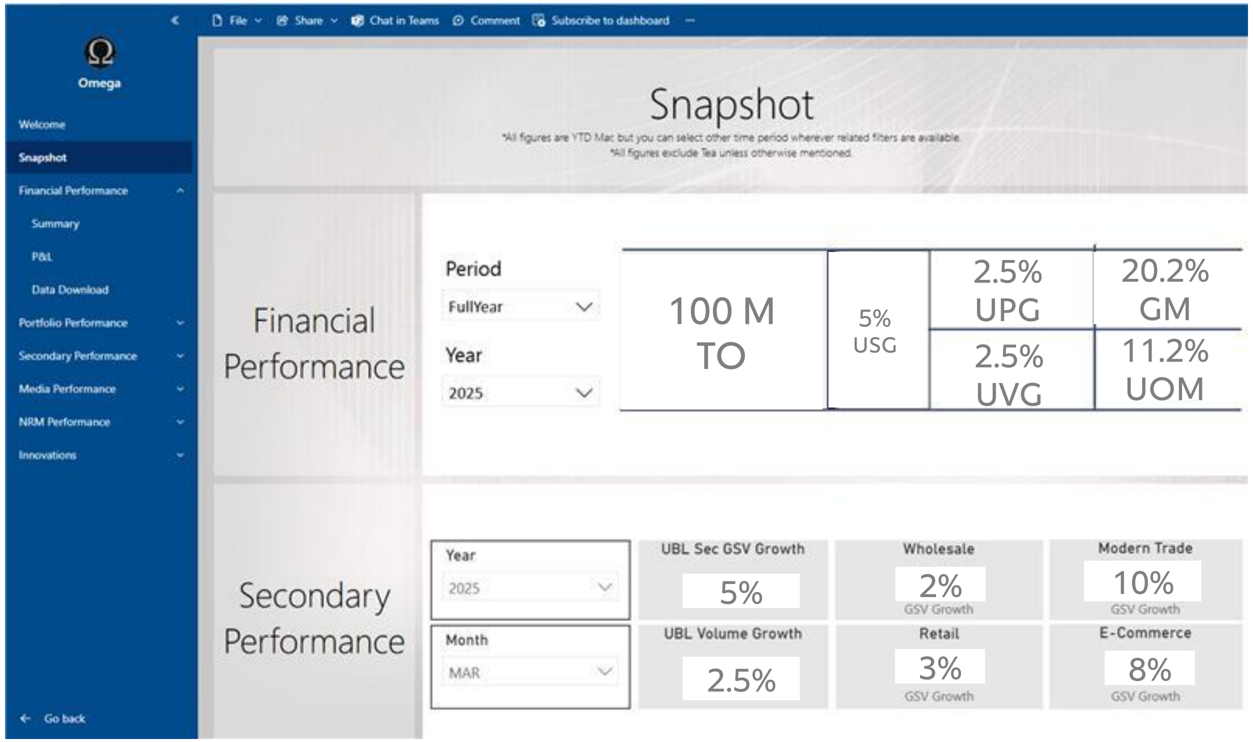
Trade Scheme Evaluation
Collection & Claim
Customer Profitability
Distributor Financing

Supply Chain Finance

Drive Savings
Investment Evaluation
Business Waste
Working Capital Mgt

DISRUPTIVE TECHNOLOGY : AN INTEGRAL ENABLER

Data Powerhouse



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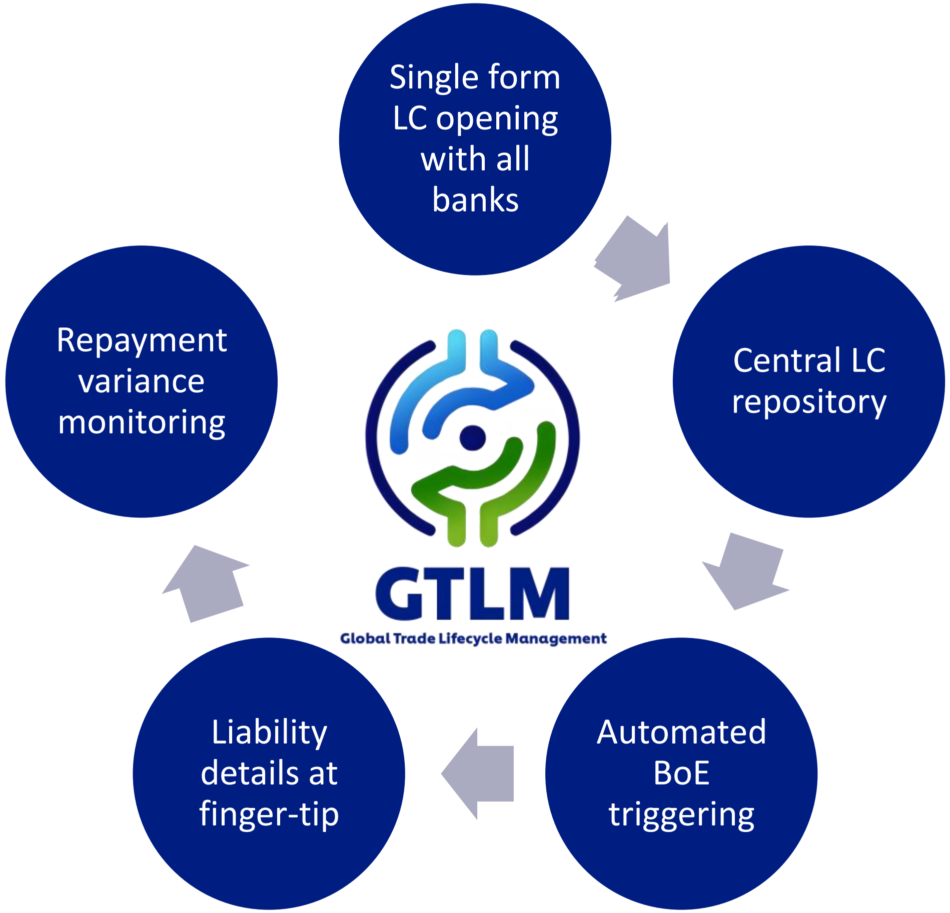
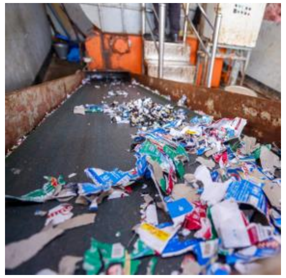
Innovation in Trade Finance



SUSTAINABILITY AT CORE OF VALUE CHAIN

Country's largest public-private backed plastic waste management initiative enhanced 3k waste workers' livelihood

21% CO2 emissions reduction with renewable energy since 2010



Zero landfill of waste generated from process since 2014

2,446 million liter water saved with 32% reduction in water consumption

Role of Finance

- Analyze and support investment decisions
- Ensure governance around sustainability initiatives for value effectiveness
- Prioritize business cases that achieve both our financial and sustainability objectives

Climate

Nature

Plastics

Livelihoods

FOSTERING TALENT WITH FUTURE FIT CAPABILITY

CLOSING REMARKS

- As the function of finance evolves from **traditional methods** to becoming a **growth partner**, it is crucial for finance to play a **dual role** in both **value protection and value creation**.
- The increasing importance of finance lies in being **forward-looking** and partnering to **unlock opportunities**, with **sustainability** at the core of our actions.
- Embracing **innovation**, leveraging **technology,** and co-creating **strategies** are essential.
- Continuously investing in **future-fit talent** is vital for the evolved role in finance.

THANK YOU!

Credits to

Tahani Tarannum FCA

Head of Finance Unilever Consumer care Ltd, Sr Finance Business Partner, Foods

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Asst Manager, Supply Chain Finance