Unilever (UL)

Updated August 20th, 2026 by Aristofanis Papadatos

Key Metrics

Current Price:	$63	**5 Year CAGR Estimate:**	8.2%	**Market Cap:**	$133 B
Fair Value Price:	$68	**5 Year Growth Estimate:**	4.0%	**Ex-Dividend Date:**	8/7/2026
% Fair Value:	93%	**5 Year Valuation Multiple Estimate:**	1.4%	**Dividend Payment Date:**	9/18/2026
Dividend Yield:	3.4%	**5 Year Price Target**	$82	**Years Of Dividend Growth[1]:**	43
Dividend Risk Score:	C	**Sector:** Consumer Staples		**Rating:**	Hold

Overview & Current Events

Unilever is one of the largest consumer goods companies in the world, producing and marketing ~400 brands in nearly 200 countries. Well-known brands include Ben & Jerry's, Q-tips, Vaseline, Axe, Dove, Hellmann's, Knorr and many more. Its products are used by more than 3 billion people every day. It has a market capitalization of $133 billion.

On January 15th, 2022, GlaxoSmithKline (GSK) announced that it rejected an offer from Unilever to acquire its consumer healthcare business for $68 billion. Due to the size of the acquisition and the rich valuation of the takeover target, the stock of Unilever plunged -17% on that day. However, Unilever later stated that it will not pursue any major acquisitions.

On January 23rd, 2022, activist hedge fund Trian announced that it bought a material stake in Unilever. Trian bought a stake in Procter & Gamble (PG) a few years ago, when the company had stalled. The fund pursued a major restructuring and the stock of Procter & Gamble has nearly doubled since then. We view this news as positive for the future growth of Unilever. The stock jumped 8% on the day of the announcement of the stake of Trian.

In late July, Unilever reported (7/28/26) results for the first half of fiscal 2026. It grew its underlying sales 4.8% over the prior year's period thanks to 4.2% volume growth and 0.6% price hikes. The 30 most powerful brands grew their sales 6.0%, with 5.4% volume growth. The strong brands of the company have enabled it to raise prices aggressively without a significant effect on volume in the last four years. However, as consumers have become more price-sensitive, price hikes have moderated in recent quarters. Unilever expects sales growth within its guidance of 4%-6% in 2026, with about 3.0% underlying volume growth and a modest improvement in operating margin (vs. 20.0% in 2025), in line with its long-term guidance. It is also advancing its previously announced restructuring program that aims to reinvigorate growth of its most powerful brands and reduce costs.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.92	$2.59	$2.79	$2.86	$2.88	$3.00	$2.76	$2.80	$3.12	$3.66	***$3.75***	***$4.56***
DPS	$1.40	$1.55	$1.78	$1.81	$1.85	$2.03	$1.80	$1.85	$1.86	$2.04	***$2.17***	***$2.34***
Shares[2]	2854	2814	2652	2628	2627	2592	2553	2528	2503	2195	***2150***	***2100***

Unilever has stated that it will pursue growth aggressively in some emerging markets in Asia, such as India, China, Vietnam, Bangladesh, Pakistan and Myanmar. These markets are characterized by rapidly growing populations and an emerging middle class and thus they are very promising.

Unilever has grown its earnings-per-share at a 7.4% average annual rate over the last decade and at a 4.2% average annual rate over the last six years. Due to the currency challenges in Latin America and high cost inflation, growth has decelerated in the last six years. However, we view these headwinds as temporary and expect the company to achieve its long-term growth rate. Management has provided guidance for 4%-6% adjusted annual revenue growth in the long

[1] In EUR.

[2] In millions.

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run. As the company will also boost earnings-per-share via a modest expansion of the operating margin and share repurchases, we are forecasting 4.0% growth over the next five years.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	23.1	20.3	19.6	20.6	19.8	18.8	17.1	18.1	17.9	17.8	***16.8***	***18.0***
Avg. Yld.	3.1%	2.9%	3.3%	3.1%	3.2%	3.6%	3.8%	3.7%	3.3%	3.1%	***3.4%***	***2.8%***

Unilever is now trading at a price-to-earnings ratio of 16.8, which is lower than its 10-year average of 19.3. If the stock trades at our assumed fair price-to-earnings ratio of 18.0 in 2031, it will enjoy a 1.4% annualized gain in returns. As we have noted in previous reports, investors should not expect to find Unilever at a much cheaper valuation, as it almost always trades at a premium thanks to its strong brands and its resilience to recessions.

Safety, Quality, Competitive Advantage, & Recession Resiliency

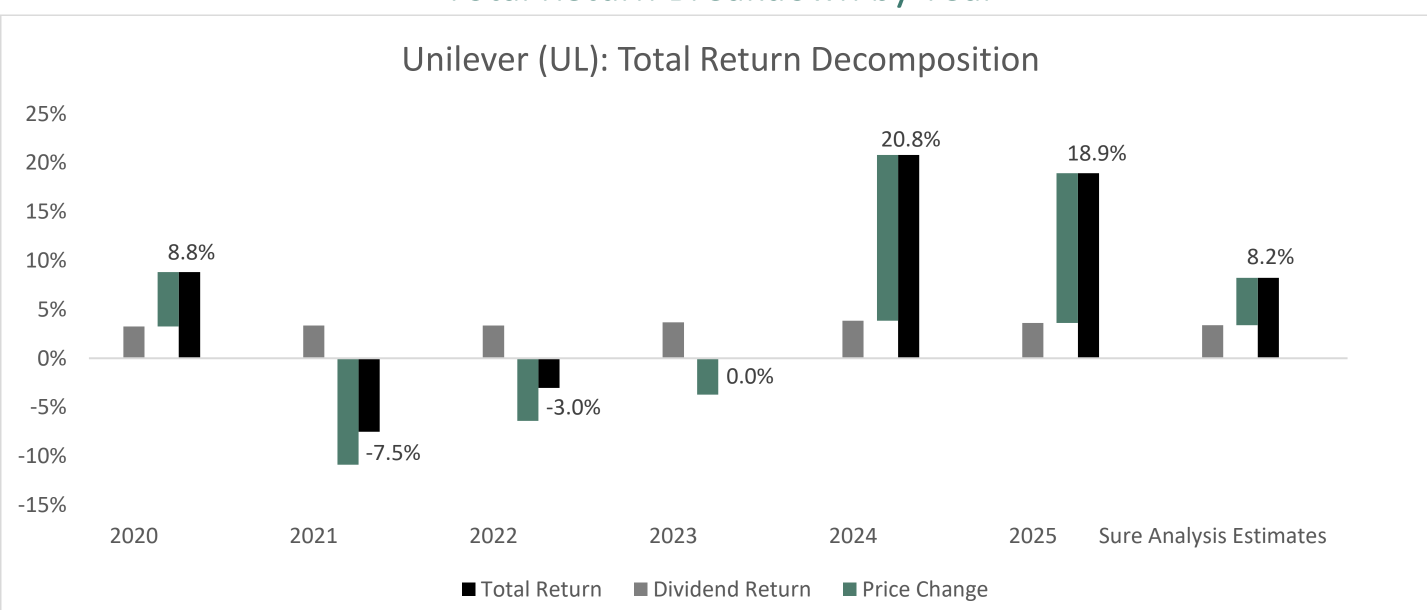
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	72.9%	59.8%	63.8%	63.3%	64.2%	67.7%	65.2%	66.1%	59.6%	55.7%	***57.9%***	***51.2%***

Unilever has a significant competitive advantage, namely the strength of its brands. The company generates ~80% of its sales from the #1 or #2 position in its markets. Thanks to the strength of its brands and its great execution in its growth initiatives, Unilever has always enjoyed strong and reliable free cash flows and has proven much more resilient to recessions than the vast majority of stocks. As a result, Unilever has been able to raise its dividend for 43 consecutive years. Note that this dividend history reflects the company's dividend payments *in Euros*. U.S. investors may experience year-to-year fluctuations in passive income due to foreign exchange fluctuations.

Final Thoughts & Recommendation

Unilever has markedly underperformed the S&P 500 in the last 12 months (-5% vs. +20%), mostly due to fears that cost inflation will squeeze profit margins. Unilever could offer an 8.2% average annual return over the next five years thanks to 4.0% earnings-per-share growth, its 3.4% dividend and a 1.4% valuation tailwind. The stock has become fairly attractive and receives a hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	58,341	60,833	60,200	58,192	57,928	62,051	63,353	64,528	65,765	56,997
Gross Profit	24,884	26,309	26,307	25,612	25,170	26,249	25,486	27,255	29,624	26,757
Gross Margin	42.7%	43.2%	43.7%	44.0%	43.5%	42.3%	40.2%	42.2%	45.0%	46.9%
SG&A Exp.	15,168	15,146	10,320	14,923	8,098	8,132	14,317	15,476	16,456	9,189
D&A Exp.	1,620	2,293	2,617	2,219	2,305	2,086	2,052	1,709	1,902	1,478
Operating Profit	8,530	10,035	14,895	9,715	10,697	10,296	11,342	10,564	10,174	11,382
Op. Margin	14.6%	16.5%	24.7%	16.7%	18.5%	16.6%	17.9%	16.4%	15.5%	20.0%
Net Profit	5,737	6,821	11,063	6,297	6,374	7,157	8,059	7,023	6,217	7,012
Net Margin	9.8%	11.2%	18.4%	10.8%	11.0%	11.5%	12.7%	10.9%	9.5%	12.3%
Free Cash Flow	5,546	7,035	6,832	7,370	9,178	7,966	5,877	8,316	8,170	7,151
Income Tax	2,127	1,891	3,037	2,533	2,196	2,289	2,181	2,381	2,706	2,800

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	59,654	74,451	69,905	72,594	83,218	85,024	83,455	83,199	82,985	82,765
Cash & Equivalents	1,976	3,979	3,695	4,688	6,824	3,867	4,639	4,597	6,385	5,945
Acc. Receivable	3,519	6,261	4,976	5,507	4,222	6,139	7,567	6,384	6,255	5,698
Inventories	4,523	4,753	4,920	4,664	5,488	5,302	6,360	5,659	5,387	4,748
Goodwill & Int.	29,001	34,073	33,737	34,758	42,976	43,694	43,420	43,626	42,560	40,829
Total Liabilities	41,704	57,418	56,044	57,039	61,503	62,667	60,183	60,247	59,515	62,110
Accounts Payable	9,082	16,107	10,434	10,294	10,301	16,826	19,328	18,634	17,367	12,912
Long-Term Debt	17,125	31,692	27,688	28,996	30,744	31,728	28,988	30,065	30,352	29,851
Total Equity	17,289	16,124	13,037	14,777	18,777	19,369	20,398	20,010	20,801	18,239
LTD/E Ratio	0.99	1.97	2.12	1.96	1.64	1.64	1.42	1.50	1.46	1.78

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	9.8%	10.2%	15.3%	8.8%	8.2%	8.5%	9.6%	8.4%	7.5%	8.5%
Return on Equity	33.6%	40.8%	75.9%	45.3%	38.0%	37.5%	40.5%	30.4%	26.8%	31.9%
ROIC	16.9%	16.3%	24.5%	14.6%	13.1%	19.1%	20.8%	18.7%	16.3%	13.0%
Shares Out.	2854	2814	2652	2628	2627	2592	2560	2532	2507	2195
Revenue/Share	20.44	21.62	22.34	22.15	22.03	23.78	24.75	25.48	26.23	25.96
FCF/Share	1.94	2.50	2.54	2.81	3.49	3.05	2.30	3.28	3.26	3.26

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.