

Internship Report On  
**A Case Study on the Financial Outlook of Unilever In Terms of  
Stock Valuation**

By

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Student ID-15304013

An internship report submitted to the Brac Business School in partial fulfillment of the  
requirements for the degree of  
Bachelor of Business Administration

Brac Business School  
Brac University  
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## **Declaration**

It is hereby declared that

1. The internship report submitted is my own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I have acknowledged all main sources of help.

### **Student's Full Name & Signature:**

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MD Shahriar Talukder Shaikat  
Student ID -15304013

### **Supervisor's Full Name & Signature:**

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**Supervisor Full Name- Dr. Sang H Lee**  
Professor and Dean, Brac Business School  
Brac University

## **Letter of Transmittal**

Dr. Sang H Lee

Professor and Dean,

Brac Business School

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report.

Dear Sir,

With due respect I would like to inform you that I have successfully completed my Internship Report entitled “Financial Analysis of Unilever from the Perspective of Ratio Analysis”. Now, I am placing my Internship Report for your kind evaluation. The report includes an overview of financial analysis of Unilever. I am grateful to you and to the Internship Management Committee for the guidance and the opportunity to have internship experience. I have tried my best to cover the topic effectively, and wish that this report meets your expected standard. I will be available at any time convenient to you for clarification of any point of this report.

I trust that the report will meet the desires.

Sincerely yours,

---

MD Shahriar Talukder Shaikat

Student ID 15304013

BRAC Business School

BRAC University

Date: September 27, 2020

## **Non-Disclosure Agreement**

[This page is for Non-Disclosure Agreement between the Company and The Student]

This agreement is made and entered into by and between Unilever Bangladesh and the undersigned student at BRAC University, MD Shahriar Talukder Shaikat, ID:15304013

## **Acknowledgement**

Most importantly, I would like to express my heartiest gratitude to almighty Allah for keeping me in good health and giving me the strength, ability and opportunity to accomplish the report within the scheduled time successfully. I convey my deepest appreciations to my Academic Supervisor Dr. Sang H Lee, Professor and Dean, Brac University for his valuable suggestions, advice, support and important guidance while preparing this report. For sure, I am appreciative of all the Faculty Members of Brac University from whom I have been inspired and learned from in different courses. Additionally, my graceful admiration goes to Ms. Nusrat Khandoker, Brand Manager- Vim Bangladesh who has provided me her generous guidance. The experience I have gained here will be a privilege for my future career. A special word of appreciation goes to all the staffs of Unilever for their generous cooperation and assistance during my entire period of internship. I would like to thank my family members for their constant support and love in my life that always pushes me forward. Lastly, I am really thankful to them who have shared their views about my work, provided me with necessary information, criticized my work and motivated me. This page is not enough to tell them how important their opinions are on this report, how indebted I am to them.

## **Executive Summary**

The four years of journey with this university has been ending with the submission of this final report. The only thing I had understood that the knowledge that we learned during the university days need to be implemented in the actual job world for the better understanding of the knowledge. The internship has been one of the important parts of the university life as it gives us the opportunity of the actual business world. I have completed my internship with the Unilever Bangladesh and it has been one of the amazing journeys. The four-year knowledge of my university I have tried to implement and learn from them. I have done my final report on the financial standings of the company in the market but due to lack of financial information of the company in Bangladesh as it is not listed in Bangladesh, I had to took the information related to finance from the global database. During my report I had the opportunity to learn a completely new model “Multiple Valuation Method” which I had use for calculating the actual stock price of the company and compare with their market price. During the interpretation of the results I had learned the reasons behind the results and ho the market works outside Bangladesh. I had also learned the reasons behind the changes of the stock price and the possible reasons that happened in the stock market. This concept was completely new for me as I had to push myself a lot during this period to learn something completely new and implement it to the report. I had suggested some recommendations based on my findings. The company is one of the best multinational companies in the food industry in Bangladesh also outside the country. Finding out the financial standings of the company in the market had enlighten me with a lot of information related to finance of the company. I had tried to provide the necessary information of the company in my report and do justice to the calculation of the stock price in the market. The final output of my report shows that the price of the stock of the company in the global has been placed at high rate than the actual price of the stock. This is very much risky for the market as well as for the investors in the market. I have discussed the possible reasons and recommendations on my final output in details in my report

**Key Words:** Food Industry, Global, Financial Standings, Stock Price, Multiple Valuation Method, Final report.

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## **List of Acronyms**

CSR	Corporate Social Responsibility
ULIP	Unilever Leadership Internship Program
B2B	Business To Business

# **Chapter 1: Overview of Internship**

## **1.1 Student Information**

**Name:** MD Shahriar Talukder Shaikat

**ID:** 153040

**Program:** Bachelor of Business Administration

**Major:** Finance & Human Resource Management

## **1.2 Internship Information**

**1.2.1 Company Name:** Unilever Bangladesh

**Department:** Finance

**Address:** ZN Tower, Plot # 2, Road # 8, Gulshan-1, Dhaka-1212, Bangladesh

**1.2.2 Internship Company Supervisor's Information**

**Name:** Ms. Nusrat Khandoker

**Position:** Brand Manager- Vim Bangladesh

**1.2.3 Job Scope**

Unilever Bangladesh has been considered one of the largest multinational company in Bangladesh. I consider myself privilege and lucky to get the opportunity to work for Unilever Bangladesh as an Intern in the Finance department. The job responsibility of the Intern in Unilever Bangladesh has been unique in its way. The main job responsibility of my Internship tenure has been assisting Ms Nusrat Khandoker, Brand Manager- Vim in the Finance function, HR function & Marketing function. In the Finance function, I have been assigned to monitor the financial feasibility of the possible partnership between Vim Bangladesh and other companies. I have overviewed financial profitability through a different partnership between Unilever Bangladesh and other companies. This has been a most challenging phase of my internship tenure as I had to evaluate and recommend Unilever Bangladesh regarding partnership like whether these partnerships are feasible for Unilever Bangladesh and what are

the benefits that Unilever Bangladesh is going to get from these partnerships. I had to also recommend whether Unilever Bangladesh should look for a partnership with the other companies by backing financial data and also need to submit a recommendation to the Brand Manager regarding these B2B partnerships with the companies. For the HR function, I needed to assist the HR department of Unilever Bangladesh for the recruitment of the ULIP Internship program. I needed to assist the HR department in every possible way during the recruitment of the ULIP program, which is considered the most prestigious opportunity for any graduate in Bangladesh. This year more than 10,000 candidates applied for the ULIP program. So, the process of recruiting only 20 people from this large number of candidates has been challenging for the HR department as this time; the whole recruitment process was conducted online through 4 phases of recruitment. Lastly, for the marketing department, I needed to innovate and implement different marketing or promotional campaigns for Vim Bangladesh. For this, I need to oversee different innovative marketing campaigns of different companies like BRAC, Nestle, RB during the COVID19 period and recommend different marketing campaigns for the Vim Bangladesh. I had to also oversee the performance of the implemented marketing campaigns and report back to my supervisor and provide recommendations on how to facilitate the marketing campaigns for the better reach to the consumers during the COVID19 period.

### **1.3 Internship Outcome**

#### **1.3.1 My Contribution to the Unilever Bangladesh**

Unilever Bangladesh provided me with many opportunities to contribute to the company in every possible way. Although I had to work for the Finance department, Unilever Bangladesh provided me with the opportunity to work for their HR and Marketing function. For the Finance department, I had been successfully able to oversee the financial feasibility of the different partnership between Unilever Bangladesh and other companies. I had recommended and successfully implemented different partnerships between Unilever Bangladesh and other companies by backing financial profitability for the Unilever Bangladesh through these partnerships. I had also recommended whether Unilever Bangladesh should go for partnership with the other companies by backing financial data and also need to submit a recommendation to the Brand Manager regarding these B2B partnerships with the companies. During the ULIP recruitment, I had successfully assisted HR department and had been able to contribute to the recruitment function of the ULIP function. I had contributed to the process of recruiting only 20 people from more than 10,000 candidates which have been challenging for the HR

department as the whole recruitment process was conducted online because of COVID19. I had also contributed to the marketing department of the Unilever Bangladesh by bringing innovative ideas and campaigns for the Vim Bangladesh and implemented and oversaw the performance of the marketing campaigns during the COVID19. More specifically I had to oversee different innovative marketing campaigns of different companies like BRAC, Nestle, RB during the COVID19 period and recommend different marketing campaigns for the Vim Bangladesh and also provided the report to my supervisor about the effectiveness of the marketing campaigns to the Unilever Bangladesh as a brand.

### **1.3.2 Benefits to Students:**

There are different benefits that students can get from the internship program of Unilever Bangladesh. The benefits are given below:

- **Understanding Corporate Culture:** Through this internship program, a student can understand the corporate culture of the workplace and implement these learnings to their future job opportunities. For example, a student can learn the work ethics and behavioral aspects of the corporate job world through this internship program and have an overall idea of the corporate work culture which will help shape the future job performance of the student.
- **Upgrading Communication Skills:** As during COVID19, the workplace environment is different from the traditional workplace environment. The communication has been changed vastly during COVID19 as most of the employees need to work from home. The communication medium has changed vastly during these periods through different online platforms like Zoom, Microsoft Teams. So, through this internship program, a student can learn how to use different online communication platforms effectively to communicate effectively. For example, Unilever Bangladesh employee has been using the “Microsoft Teams” platform as the mode of communication as most of the employees in Unilever Bangladesh has been working from home from the commencement of the COVID19. So, any student can learn to use this platform for the medium of communication as these learnings cannot be acquired from the university learnings. Students by learning to use these platforms can quickly implement it to their future job life and can get them an edge in the competitive job market of Bangladesh.

- **Understanding the “New Normal” of workplace environment post-COVID19:** Starting from my very first interview day of Unilever Bangladesh, like every other fresh graduate I also had the desire of starting my internship at the Unilever office. The year of 2020 has been in the news for all the wrong reasons due to COVID 19. So, due to COVID 19, my internship turns into a virtual internship. Globally the situation gradually deteriorates with each passing time. So “The Work from Home” becomes the new normal of the workplace environment. In this new normal one doesn’t have the early morning busyness for their office; instead, one needs to wake up and open their laptop and have the morning tea to kickstart their office. In this new workplace environment at home among all the news of COVID 19, one cannot remain positive in their life. Sometimes taking breaks from work is very much essential for the betterment of mental health. The mental health is equally important as the physical well-being in this crucial time.

### **1.3.3 Difficulties During the Internship Period:**

As my internship with Unilever Bangladesh has been accepted from the commencement of the COVID19. So, from the very first day, it has been working from home during my internship period with Unilever Bangladesh. The work environment during COVID19 times has been vastly different from the traditional work environment. The communication has been the biggest challenge during the Internship period. During my virtual internship, I have understood that in the new normal of the workplace, the importance of communication and coordination among the employees is more than ever. In the traditional workplace, communication was much more comfortable than this new workplace environment. In this new workplace environment, the communication has become like an interrelated cluster where one miscommunication can hamper the execution of the whole project and having the miscommunication is very much comfortable in this new workplace environment. Unilever Bangladesh has been using the platform of Microsoft teams to communicate themselves for any organizational work. So, learning to use this platform to schedule and implement meetings to work effectively has been challenging. Moreover, the communication needs to be specific and well organized for the smooth operation of Unilever Bangladesh. So, adapting to this process of communication has been the most challenging aspects for me during my internship period. The other challenge or difficulties was to adapt to this new workplace environment of COVID19 where you have no interaction with the other colleagues of Unilever Bangladesh,

and all I need to was to deliver the best output for the Unilever Bangladesh in the best possible way by facing the challenges from the new workplace environment during the COVID19.

## **Chapter 2 Organization Part: Overview, Operations and a Strategic**

### **Unit**

#### **2.1. Introduction**

##### **2.1.1 Objective:**

My purpose is to identify financial, investment and the operating decision of the Unilever. The study will help us to identify and evaluate the financial position of the Unilever. Apart from this primary objective, there are also many short-term objectives of this study on the ratio analysis of Unilever Global. The objectives are given below:

- The study will simplify the financial data of the Unilever. This will help us to get a clear picture of Unilever as an organization in the competitive market.
- The study will help us to identify the problems related to the financial performance of Unilever and bring attention to those problems by analyzing their financial statements into simple ratios to evaluate their performance.

This study will also have the insight of the main competitors of the Unilever like how they are operating in the market and where the Unilever as an organization stands in the market compared to its competitors.

##### **2.1.2 Methodology:**

Methodology term refers to the source or the process of collecting information for any study. The methodology can be divided into two types: Primary data which is collecting information directly from the source and Secondary data which is collecting information indirectly from the sources. The methodology of the study is given below:

- **Primary Source:** For the study, I have collected information from the primary sources. I have collected information for the study from my Supervisor and other employees of Unilever Bangladesh. I have also collected information for the report from the direct observation of other employees working in various function like HR, Finance, Marketing in the Unilever Bangladesh.



- **Secondary Sources:** I have also collected information for my study from the secondary sources. The secondary sources which I used are a website of the company and other journal and articles related to the Unilever financial valuation and other class materials which I learned from finance courses from the university. I have collected most of my information from the secondary sources compared to the primary sources as there was not sufficient information about the primary data.

### **2.1.3 Scope of the Study:**

From this study, we can get a clear picture of the financial performance of the Unilever in the market. From the study, we can also get the idea of how the different functions of the Unilever Bangladesh work and we can also get the idea of the management practices and marketing practices of the Unilever Bangladesh. We can know about their promotion and strategy, which makes them unique from others. Moreover, we can also get the idea of the financial performance by analyzing their annual reports and get to know their accounting practices of Unilever Bangladesh. We will also have the idea of their operational practices in Bangladesh like how they function their different activities in Bangladesh. However, we will also have the idea of the various products of Unilever Bangladesh and the strengths, weakness, opportunities and threats of the Unilever Bangladesh. In short, we will have an overall picture of Unilever Bangladesh as an organization.

### **2.1.4 Limitations of the Study:**

During completing this study, I have faced many difficulties which limits my study at an extent. The limitations of the study are given below:

- Unilever Bangladesh has a strict privacy policy which limits me to provide various information about Unilever Bangladesh. They are also very much reluctant to provide answers to some questions related to their various functions of different departments.
- Unilever Bangladesh financial data is not readily available in the secondary sources as well as they have a strict policy on sharing financial reports of different years which are necessary for preparing ratio analysis. For this, I needed to take help of the financial data of the Unilever Global from the instructions of my Internship Supervisor.
- The period for preparing the report was one month. So, it is very much difficult for me to incorporate various information about Unilever Bangladesh and which has limited my study on Unilever Bangladesh.

- As I needed to attend the official work of Unilever Bangladesh at the same time of preparing this report, so it was very challenging in my part to complete this internship report while attending to the official work of the Unilever Bangladesh as my internship was extended for one month with the Unilever Bangladesh.
- The incorporation of the Unilever Bangladesh while providing information was the most significant limitations of preparing the report on their financial performance.

### **2.1.5 Significance of the Study:**

The prior learning from this work is getting experience of working in three different departments of Unilever Bangladesh- Finance, HR & Marketing. Because of this vast experience with Unilever Bangladesh, I have been able to prepare an insightful report on the Unilever Bangladesh with the help of my supervisors from the Unilever Bangladesh and BRAC University. From this study, one can quickly get a clear idea of the Unilever Bangladesh like how the different functions like HR & Marketing work in the Unilever Bangladesh and the financial position of the Unilever Bangladesh. Moreover, we can get an overall idea of the products of Unilever Bangladesh, which is considered as one the versatile organization in Bangladesh in terms of having various products. This report will help others to know Unilever Bangladesh and the industry itself as we are also going to have in-depth knowledge about the competitors of the Unilever. The students will also have an idea of the food industry of Bangladesh like how the different functions work in this industry. On the individual part, the vast experience of working in one of the largest multinational companies in Bangladesh will give me an edge in my future corporate career. For getting the opportunity of three different departments and this experience is going to help me a lot in building up my future career. Moreover, the Unilever Bangladesh is not an enlisted company in Bangladesh Stock exchange, so having the data of Unilever global and finding ratios from these financial data will undoubtedly give an overall understanding of the Unilever Bangladesh.

## **2.2 Overview of the Company**

### **2.2.1 About Unilever:**

It is one of the biggest multinational companies around the world working in more than 100 nations. Unilever is initially a British-Dutch based company advertising more than 400 buyer item brands in nourishment, refreshments, cleaning specialists and individual care items. Unilever works in more than 100 nations and offers flexible items within the distinctive locale of the world. Unilever all-inclusive have distinctive competitors like Settle, Johnson & Johnson, Henkel and many others. However, Unilever through actualizing distinctive methodologies competing viably with the competitor companies.

### **2.2.2 History of the Unilever Global:**

Unilever worldwide has a long history. Through a very long time, it achieved its goal to operate as one of the best multinational company. It all began with the William Hesketh Lever who had established Lever Brothers in 1885. It was the Lever who had built up cleanser industrial facilities around the world. Be that as it may, in 1917, William had chosen to broaden the business into nourishments, procuring angle, ice cream and canned nourishments businesses. Besides, in arrange to encourage their commerce, Unilever had presented made strides innovation within the late thirties. Inevitably he had extended his trade in Latin America, and after 1930s Unilever has been shaped. In the 1930s, the companies were competing for the same crude materials. Be that as it may, all the companies were involved in utilizing the same distributional prepare. Within the meantime, they had begun their operations in over 40 nations—Unilever worldwide victory stories.

### **2.2.3 The History & Design of Unilever Logo:**

In 2005, Unilever had chosen to alter their symbol in arrange to speak to their topic in a better approach. In arrange to celebrate it with all the representatives and the clients, the Unilever had chosen to show it in their 75th commemoration of the company. The modern symbol speaks to the imperativeness of the Unilever. It shows how it is meaningful or related to the company. It is unusual in it possess way.

#### 2.2.4 History of The Company:



**Figure 1-Unilever Logo**

It is considered as one of the biggest multinational companies in Bangladesh which offers more than 40 items in Bangladesh. Unilever Bangladesh CEO, Kedar Lele cited that each family of the Bangladesh at slightest expend or employments at slightest 2/3 items of the Unilever Bangladesh. The history of the Unilever Bangladesh is as special as the organization which characterizes their victory story through hardships and battles of numerous a long time.

At first Unilever Bangladesh was known as the Lever Brothers Bangladesh Constrained, an auxiliary of Unilever which was considered as the driving the domestic care, individual care and nourishment item showcase of Bangladesh.

#### 2.2.5 Unilever Bangladesh In Short:

A summary of the Unilever Bangladesh is given below for the better understandings of the Unilever Bangladesh. It will give the reader a better understanding of Unilever Bangladesh.

**Type of business:** Unilever Bangladesh is one of the biggest fast-moving buyer products company having an assortment of buyer items in different divisions like wellbeing, skincare.

- **Operations:** Consumer Food Industry
- **Constitution:** the company holds 60.75% shares and the government holds the shares of 39.25%
- **Products:** Unilever Bangladesh works in numerous categories which incorporate Family Care, Texture Cleaning, Skin cleanser, Skin Care, Verbal Care, Hair Care, Individual Prepping, beverages.
- **Brands:** There are ten plus brands in different categories.

- **Producing Facilities:** The Unilever Bangladesh incorporates a cleanser fabricating production plant found in Chittagong.
- **Employees:** The company's recruited till now more than 5000 workers in this country, wholesalers and benefit suppliers. Among the 10000 workers of the Unilever Bangladesh, 99% of the workers are enlisted from Bangladesh since Bangladesh is socially diverse from other nations and to know the shoppers more Unilever Bangladesh has generally been enlisting from Bangladesh whereas having as it were 1% from the exterior nation within the Unilever Bangladesh. Unilever Bangladesh recognized the development of the company nearby with the development of their workers as they center on building representative dependability.

### **2.2.6 The CSR of the Company:**

The company considered as the largest multinational company in this country. They have a various product line and they always want to serve their best quality products to their customer. They always concerned on their customers well-being. As they care so much of their customers so they planned to undertake some CSR activity for the society. That kind of activity can enhance the brand image of the company. Their aim is to run their business without harming the environment as well as the society. So, to ensure it they are engaging with some social activities, like- arranging competition within different university, women education program, under them sanitize soap brand they arranged many hand washing programs in different corner of the country, also they arranged some tree plantation program and they are also working on to arrange some motivational session to make the women self-reliant. Here first of all, the company are able to understand the relevance of young mind in recent business field. So, young talented mind they initiate the university students-based competition program. Through a robust competitive stage, they prepare their future generations employees. Second, they also working on women education. Women can play a vital role to develop a society. By keeping it in mind they introduced different scholarship program for the rural women so that they can't be dropped out because of money shortage. Third, they are aware about the importance of tree in the environment. To maintain the ecological balance and make the people aware on the importance of trees, they are running some tree plantation program in different corner of the country. Fourth, under them sanitize soap brand they are arranging hand washing program in different school of the country. Their goal in to habituate the people and children with a good healthy practice. Lastly, they are working on to organize some motivational program through

webinar or seminars. They noticed, for several reason people are suffering from frustration, anxiety and they lose their interest to live or work. This characteristic is often seen in the women. So, to boost their confidence level the company is organizing some motivational program. However overall, this company is doing very good activity in this country and try to address on some major problem of the society. Besides, with the intent to solve it. That's why the reputation of the company is increasing day by day.

### **2.2.7 Mission Statement:**

Unilever Bangladesh has been a devotee of upgrading Essentialness to life. In other words, Unilever Bangladesh has been accepting in ordinary assembly needs for sustenance, cleanliness and individual care through its distinctive brands from different categories so that the individuals of Bangladesh experience their life through the diverse brands of the Unilever Bangladesh. Unilever Bangladesh continuously recognizes developing customer needs with a reliable way of life, more assortment, quality, taste and satisfaction, time, as a progressively valuable product, making different individuals.

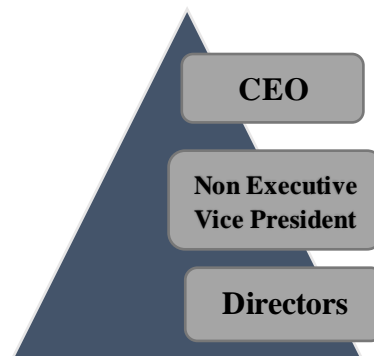
### **2.2.8 Vision:**

Unilever Bangladesh accepts in making cleanliness a common ground for all, and it too accepts in reducing work stack for ladies within the work environment. In arrange to cultivate wellbeing and contribute to individual allure Unilever Bangladesh has been exceptionally much-improving esteem to their organization. Besides, Unilever Bangladesh has been accepting in development so that the life of the individuals of Bangladesh may be more pleasant and fulfilling for the individuals who utilize the items. Unilever Bangladesh has the firm devotee of the Sustainable Living. More particularly the most vision of Unilever Bangladesh is to create a maintainable living for all the individuals of Bangladesh. They are creating new trade hones that develop both the company and the community's impact. Unilever Bangladesh mergers with different companies largely depend on having a similar vision like Unilever Bangladesh has.

## 2.3 Management Practices

### 2.3.1 Organizational Structure:

Unilever global has two chairmen who are authorized persons for Unilever worldwide. Apart from these two personnel of Unilever global, seven directors directly support the two chairmen of Unilever global. Unilever had divided their operations worldwide into a different region, and there are some certain personnel who are responsible for managing the business of different region. Unilever Bangladesh which had been falling under Southeast Asia, so there is a dedicated CEO who directly manages this region which is directly controlled by Indian Zone. Various departments of Unilever Bangladesh directly operate for the smooth operation of the Unilever. Some departments are the source of the operation of Unilever Bangladesh. Under each department, some directors directly monitor the performance of each department.



**Figure 2-Organizational Structure**

The organizational structure of Unilever Bangladesh is kept simple very much so that the decision-making effectiveness of the Unilever Bangladesh is very much significant and can be taken in quick time. There is the opportunity for each director in the decision-making style of the Unilever Bangladesh.

### 2.3.2 Core Management Practices:

Unilever Bangladesh management practices have helped the Unilever Bangladesh achieved this milestone in this industry and having a competitive edge in this sector. Unilever undertakes different management strategies for the best interest of the organization. Unilever's key

supervisors receive diverse commerce level methodologies from utilizing the assets so that they can use these for the betterment of the organization. The company can deliver taken compelling toll items and however be profitable. They too take after separation technique for a few items to meet wants of the customers excitingly. They moreover target diverse showcase sections with unusual items to have a complete item line by going after a few generalized techniques and principals of the company. Be that as it may, they moreover adjust distinctive techniques depended on different means. The approaches and methodologies which are undertaken by them and implemented then they pass it locally or to Unilever Bangladesh. Moreover, those companies are very responsive to the changes. If any changes are needed, then they took action according to that portion. Unilever Bangladesh takes after a multi-household methodology where the companies broadly customize both their item advertising and damage. The company follows corporate strategies and work for Long term timeline and ensure the proper supply. The company works with similar and dissimilar products at a time with a vast product line.

## **2.4 Unilever Bangladesh Marketing Practices**

Unilever Bangladesh is known for its marketing practices in Bangladesh. They promote their products in the best possible way so that their customer reach is very high and they try to reach every household of Bangladesh. For this reason, their marketing practices is very much unique from their competitors. The marketing practices of the Unilever Bangladesh are given below:

### **2.4.1 Unilever Bangladesh Product & Brand Offering:**

Unilever Bangladesh offers different products in different categories so that they can reach a wide range of people in Bangladesh and can meet the demand of the people of Bangladesh. Globally Unilever offer more than 400 products in different categories. However, Unilever keep their product categories same in the different region around the world. The categories are given below:

- Drink & Food Products
- Home Care Products
- Personal Care Products
- Water Purifier

However, Unilever Bangladesh offers 22 brands under these categories of products so that they can reach their customers of Bangladesh in a large way. For the better understandings of the Unilever Bangladesh brand a list provided below:



- ❖ **Personal Care:** Under Personal care Unilever Bangladesh has products like Lifebuoy, Dove
- ❖ **Water Purifier:** Under Water Purifier Unilever Bangladesh has products like Pureit
- ❖ **Skin Care:** Under Skin care Unilever Bangladesh has products like Fair & Lovely, Ponds, Dove
- ❖ **Hair Care:** Under Hair care Unilever Bangladesh has products like Sun silk, All clear, Dove
- ❖ **Oral Care:** Under Oral care Unilever Bangladesh has products like Close up & Pepsodent.
- ❖ **Deodorant:** Under Deodorant Unilever Bangladesh has products like Rexona, Axe
- ❖ **Foods:** Under Foods category Unilever Bangladesh has products like Lipton, Knoor, Taaza

#### **2.4.2 Unilever Bangladesh Marketing Mix:**

The marketing mix is the perfect tool to understand the competitive position of any organization in the industry. It tells about 4ps in the market by which one can quickly identify the marketing practices of the organization. Marketing mix talks about the product mix, price mix, place mix and promotion mix. The product mix of Unilever Bangladesh is given below:

- **Unilever's Product Mix:** This section talks about the variety of products which is offered by a brand. Unilever is no exception. They have almost four hundred brands in all over the country, and these brands are offered different categories of products. Each category provides unique benefits to its consumers. For better understandings of products, please go through 2.4.1 Unilever Bangladesh Product & Brand Offering of this report.
- **Unilever's Price Mix:** they provide a different price range to its different categories. The price always needs to cover the basic cost. For the pricing strategy, they follow various strategy. Sometimes for one category, they try to compare their pricing with their competitors and charge price like that. For some category, they try to charge premium charge in which they offer different service or products from their competitors. In some categories, they provide a bundle or offer to price.

- **Unilever's Place or Distribution in Marketing Mix:** For the Place or distribution mix, they follow a different strategy. Sometimes they directly distribute their products to consumers; sometimes, there is wholesalers or retailers in between. Sometimes they make an alliance with some organization and provide them with their products to sell. Their journey is like manufacturing process to the warehouse to the distribution process.
- **Unilever's Promotion Mix:** For the promotion part, they provide different type of advertisement, a campaign in social in both online and offline media promoting their different types of brand. Their promotion helps them to create brand awareness to consumers. They give lots of effort in their promotion part.

## **2.5 Operation Management & Information System Practices:**

The operation department try to ensure keeping tall productivity around the world of the customer exchanged items. Unilever worldwide victory can be connected to the tall national adaptability and moo financial integration methodology they stay near to clients within the neighborhood showcase by permitting territorial managers to have specialist to create working choice within the geographic zones. Aggressive globalization policy: there are numerous ways a company seem enter a nearby advertise, it can be through joint wanders, securing, speculation, diversifying. Unilever forceful globalization approach empower them to buy neighborhood companies and raise the standard of the item, showcasing them locally completely different countries. All supervisors must comply with the nearby rules and regulation.

### **2.5.1 Operations' Process & Procedure:**

The process and procedure of Unilever Bangladesh are given below which makes their regular operations smooth and gives them edge on the complete market.

- **Plan of Merchandise and Administrations:** The role of this zone is to launch or design a product according to that zone. Different product is launched after different test and advancement. Weather is an essential issue for some products. So, the formula is designed differently for the zone to zone according to the regions demand.

Continuous advancement needs to be done by doing the market research, competitor analysis and modern technologies. This operational department does these works. They try to provide efficiency as much as possible. Success is the ultimate goal of these departments' directors.

- **Quality Administration:** Quality assurance is the prime goal of this department. This measure all the quality needed before packaging a product. If any improvements are necessary, then they do it by further research and development. They have a benchmark which they need to achieve for each segment. Quality is an essential feature of every product. If the quality is not ensured, then it will ultimately fail in the market. Being one of the most popular multinational company they focus on the quality entirely.
- **Handle and Capacity Plan:** Another work by operations is to handle and capacity plan. Here they focus on planning and producing the capacity which is needed by one season. Here they analyze the demand and plan the capacity and produce the products. The goal is to achieve productivity and efficiency. They focus on these by doing profit, not a loss.
- **Format Plan and Strategy:** For development, they work with data. They process these data with modern technology and the internet. They plan and formulate strategy according to those data in their head office. These planning and strategy help them to generate their daily day to day operate smoothly

### **2.5.2 Unilever Bangladesh Supply Chain and Stock Administration:**

Unilever Bangladesh supply chain and stock administration process are given below:

- **Supply Chain Administration:** This critical zone works for the whole supply chain process. Here they do work starting with the manufacturing process and end with the distribution process. In the middle, they do the warehouse work and retailer work process. The designated person in this area ensures the efficient supply chain process. The process of the supply chain is partly done by computer, and some part is done by human touch. To ensure efficiency, the last checking part is done by a human, and employees also handle the complicated issues.

- **Stock Administration:** Stock administration ensures a smooth supply according to demand. Unilever focuses on a sufficient stock because they do not want a supply shortage when there is massive demand in the market. The critical person estimates demand in the market and stock the product according to that. Colossal stock can lead to a loss, so the exact estimation plays a vital role in this regard. Even if it fails to stock the products and suddenly there is a massive demand in the market, then they do the operation process fast, or their employees work overtime.

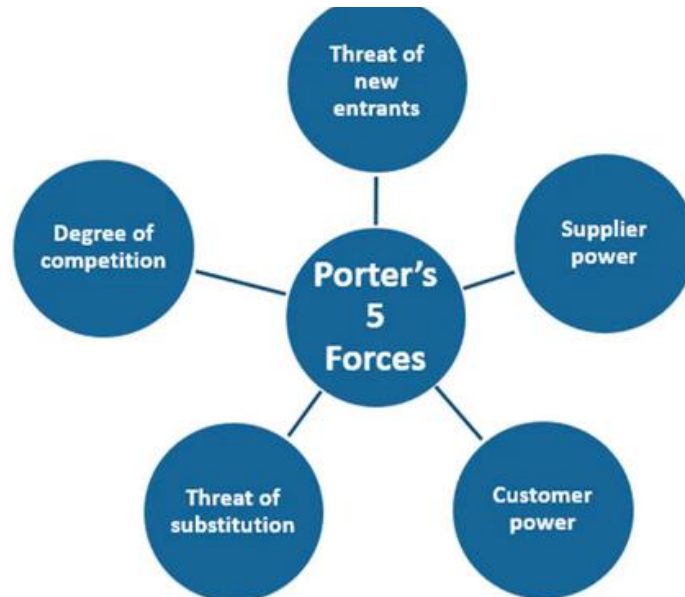
### **2.5.3 Unilever Bangladesh Information Management Practices:**

Today's Unilever is the result of a long time of mergers and acquisitions. These have fueled development, but brought with them challenges, not slightest for the Group's IT work, because it assimilates different approaching innovation stages and applications. Unilever has reacted by rearranging its IT framework. Move to a single worldwide SAP budgetary and administration detailing stage, named Triumph, was an imperative portion of this procedure. Berkeley Association (an autonomous administration consultancy) had a central part in its effective conveyance, having been inquired to lead the program when it got to be clear that it was much more troublesome than had to begin with been imagined. In October 2012, Berkeley Partnership was inquired to assist Unilever with their HR IT procedure and guide. Unilever didn't have the in-house capacity and abilities to handle all the work themselves so they were searching for exterior mastery. They needed autonomous specialists who seem put together an absolutely Unilever-focused.

## 2.6 Unilever Bangladesh Industry & Competitive Analysis:

Unilever Bangladesh industry and competitive analysis are given below to determine the competitive strengths and opportunities in the market.

### 2.6.1 The Five forces of Porter's Five:



**Figure 3-Porter's Five Forces**

The five forces of Porter's five of the company is given below:

- **The threat of substitutes:** This is the first forces of this. There are many substitutes products of Unilever, and they have many competitors who provide a similar type of products. Similar types of products exist in the markets. So, there is a higher availability of substitutes. So, the threat of substitute is High.
- **Rivalry among existing firms:** The rivalry among various company and Unilever High. As their number and balance of competitors which means the company have many competitors for their business. The different company provides similar types of products, which create a competition between all the company. Also, every company needs vast investment to operate their journey and it the market all the reputed company have enough resources to overcome their fixed costs. Which also makes the competition more competitive. That is why the rivalry is intense in the market. To conclude, I can say that the rivalry among existing firm is High.

- **Bargaining power of suppliers:** Basically, they have giant suppliers who provide them with the raw materials. Let us focus on some factors explained below-Supplier concentration means many suppliers can provide similar types of raw materials which is needed for production purposes. The number of quality suppliers is also very high. So, the supplier has less bargaining power. Switching cost is also low or hassles free, that means their switching cost for suppliers is low. The threat of forwarding integration is also very low as the suppliers will not come forward to start these types of businesses. So, suppliers have lower powers.
- **Bargaining power of buyers:** there are higher the number of buyers, so there are lower the bargaining power of buyers. There are lots of buyers who are interested in availing their services. So, the bargaining power of the buyer is low. Also, the company provide a fixed price for all the products, so customers have less chance to bargain. The customers or buyers cannot make their products or manufacture. So, there is less chance for backward integration. So, the bargaining power of the buyer is low.
- **The threat of new entrants:** The new entrants will not find a favorable scope to the industry. The business also requires a good number of skilled human capital and also high research and development effort to run our business nicely. It will not be easy for the new entrants to manage all these things.  
Considering the Porters Five Forces Model, it can conclude by saying that their business is quite attractive and They have high potential to get success.

### 2.6.2 SWOT Analysis:



**Figure 4- SWOT Analysis**

The SWOT analysis represents the Strength, weaknesses, opportunity and threats. The strengths and weakness part in from the internal environment and the other two are from the internal environment. this four-part of Unilever is given below:

- **Strengths:** like any other company they have Strengths also. First of all, they have more than four hundred brands which are huge in number than any other company. Many few companies have a broad range of brands. They have a wide range of products. Each category has productivity. Almost in every category, they have some products by which they become one of the leading companies in the world. Also, they reached economies of scale through their operation. By which they can generate a considerable profit in their service. Lastly, they have an excellent brand presence. Their offline and online promotion is mind-blowing than any other company.
- **Weakness:** Weakness is the area in which the company is lacking, but there is room for improvement, and they can turn their weakness into a strength. First of all, they have Imitable products. Any organization can imitate their products and bring a similar type of products in the market. Sometimes they only distribute the products on a retainer basis. Sometimes they need to connect with the shoppers also and take their advice for

their improvement. They should connect to their consumers and try to build brand awareness more.

- **Opportunities:** This part focus on the external environment that means the opportunity which any company gets from its external environment. There are many opportunities for Unilever as a brand. First of all, they bring or develop more products on the health segment as this is COVID situation. So, people are more focused on health-related products. Secondly, they can develop or improve their products by taking some suggestions from the customers, which will help them to build a relationship between them and customers. Thirdly, they can focus on more trade. This trade will bring more opportunity for them. In COVID situation they can launch new products which will be new in the market.
- **Threats:** They have many threats as well. A company like Unilever has both opportunity and threat. Their biggest threat is their competitors who have a similar range of products. Also, their rivalry among competitors is very intense. Secondly, their products can be easily limited, which is a threat to them as well. They need to always aware of their competitor's strategy and offerings and bring changes to their strategy as well. Also, they need to look for a gap and need to be the first one to fill that gap.



## **Chapter 3 Financial Study & Stock Valuation of Unilever Using**

### **Multiple Valuation Method**

#### **3.1 Introduction**

##### **3.1.1 Background:**

Unilever Bangladesh has been considered as one of the largest multinational company of Bangladesh. Unilever Bangladesh offers several brands in the different products in different categories. The company's success stories in Bangladesh has been very unique. Being a multinational company, it has successfully overthrown the local competitors as well as other multinational company in this industry with a short time. This has been achieved by blend of effective strategies and planning. As the market leader in this industry the company has a strong financial base by which they are operating in the market and having a competitive edge in the industry over the other competitors. Unilever Bangladesh is not an enlisted company so it is very difficult for us to know their current financial condition of the company because the annual reports of the company is not available in the market for doing analysis on their financial position. For this reason, I was not able to do any kind of analysis on the financial position of the company which is a key tool to understand the financial standings in the industry. As per the instructions of my Supervisor, I have decided to take the data from the company global information. The company's global data is available for the other people to do the analysis and I have picked some competitors globally for the comparing the financial standings of the company globally. By using the financial information, I will conduct ratio analysis as well as stock valuation. From the ratio analysis I will determine the company's financial position on some criteria well accepted globally. I will also do the stock valuation so that I can know whether their stock price in the international stock market is under or overvalued. These types of analysis help the people to know the actual financial position of the company and these information's are an important source of investment in the stock market globally.

##### **3.1.2 Objectives of the Study:**

The main purpose of the report is knowing and determining the financial position of the company in global platform and do valuation of stock so that the readers can easily identify and make decisions regarding the stock estimation of the company in global platform. Knowing

the actual financial position in the market is very much necessary in the stock market investment. As the market information is the main source of the investment in the stock market globally and for us knowing the financial position of the company in the global platform will help us to identify the actual financial position of the company in the global platform. By analyzing the financial information of the company in the global platform we can compare the findings from our analysis with the financial information available in the market. I can also know the price of the stock of the company by using multiple valuation method and compare the findings with the market price that are available in the stock market. This will help us not only understanding the financial standings of the company in the market but also having a clear idea of the price of the stock of the company. Though this report is based on the financial information of the company in the global platform but it will help us to understand the financial analysis of the company operating in this country. Being a multinational company, it is not listed in the stock market of Bangladesh so these analysis on the financial information on a global platform in the market will have the people's mind diverted to the financial standings of the company in the market. These types of valuation are very much common in the financial market to understand the actual information rather than the information that are available in the market of the company because sometimes market data do not give accurate information so these valuations and ratio analysis will help us to identify the actual picture of the financial position of the company in the market and where does this company stands among the other competitors who are giving a tough competition to the Unilever itself. The main purpose of this study is to know the actual financial information of the company and compare those results with the available information in the market and it will lead us to know more about the company on the financial aspects. The company is a well-known to the people of Bangladesh so knowing the actual information will definitely help the understandings regarding the company on the financial aspects.

### **3.1.3 Significance of the Study:**

Unilever has been considered as one of the largest multinational company in Bangladesh as well as worldwide. Unilever operates in different parts of the world and changing the lives of the people worldwide. The success story of the company has been as unique as its variety of products in different categories. The company's financial position in the market is thought to be well established as they are operating smoothly in Bangladesh without having any kind of losses in past few years. This information tells how much they have been successful in Bangladesh in this industry. In a short period of time the company has successfully overthrown

the other competitors in the market. Generally, if a company is that much successful as Unilever, the people have a strong desire for knowing how they have used financial resources to get to the position today. This report will exactly provide the actual information of the company related to the financial aspects. But the company in Bangladesh is not listed in the stock market so it is nearly not possible to get the financial information of the company in Bangladesh. But I have decided to take the information regarding the company financial aspects from the global market where the information's are available to use for analysis. The information will be used to analyze the company's financial position in the market by doing ratio analysis and stock valuation to understand the real picture of financial standings of the company in the market. The market information is sometimes misleading so the by doing analysis of financial position the readers can actually understands by comparing both actual and market data. The report will also have the recommendations on the study of the analysis which will help the readers to better understand the financial standings of the company in the market. Though this report is based on the financial standings of the company in the global platform but it will help us to understand the financial analysis of the company operating in this country. The findings of the report will help the reader to know more multiple valuation method that I have used to analyze the actual stock price. The report findings will also help the readers to know the actual information of the company on the global platform and can also know practices related to financial aspects of the company in a broader way.

#### **3.1.4 Methodology:**

For the findings of this report I had to collect information from the various sources. They are given below:

- ❖ **Primary Sources:** For preparing the findings of the report I needed to learn the multiple valuation method for knowing the actual stock price in the market. As the method was completely unknown to me as I have not done multiple valuation before. So, I took class learnings from my supervisor as well as the class notes that I have got directly from the supervisor. Without the help of my supervisor directly in this report, it would have been impossible task to do. The class materials that I got directly from my supervisor was the backbone of this report. The primary sources of this report are the class materials that I have got directly from my supervisor.

- ❖ **Secondary Sources:** In my report I had to depend largely on the secondary sources for collecting the financial information of both Unilever Global and other competitors. As the market information is available in their company websites so I took them and sorted the information for the better use of the information in my study or valuation. The secondary sources of the information are the company websites and online platforms where I have collected the financial information of the company. I have also taken help of the journals, articles and research works of other individuals that are available online for adding more value to my report. The secondary sources have provided me with the greatest number of information that were necessary for preparing my report. I was largely dependable to the information from this source for the findings of my report.

### **3.1.5 Limitations:**

There were many limitations of my report which has the potential to hamper the findings of my report. They are given below:

- The annual reports of the company on the global platform had financial information in different currencies. So, I needed to convert those different currencies into a common one for the better result
- The financial information of the company was not available in this country as they are not listed in the stock market. So, preparing findings based on this country was not possible.
- The values of the financial reports of the company can vary slightly as I have converted them into a common currency
- The time allotted for preparing this value-based report was very short so within this limited time it was very difficult and near impossible to add more value to this report.
- As I was doing multiple valuation method for the first time there can be some limitations on the findings of the report.
- I have chosen the competitors of the Unilever by doing research on the competitors of the company. So, I have chosen only 3 competitors of the company so understanding the real picture can be very much difficult by only analyzing the company with the three competitors.

### **3.2 Literature Review:**

The importance of valuation come at the very beginning when people or organization in the market or in the industry started to feel whether the stocks in which they are investing have the right value or not. One of the famous scholars called Bertoncel (2005) said that valuation is the analytical process of calculating the value of the organization or the financial interest related to the company. Initially there were eight methods of valuation later it was categorized into three approaches like assets, income and market value based. However, each method had their advantages and disadvantages of calculating the value of the company. Paradi and Anadol (2001) stated that there were certainly some errors in each method. However, people started to find the right way of calculating the value of the company as they started to feel for their investment. Then comes Multiple Valuation Method which main idea was to same assets should sell at same prices. This method included the selection of a main company that is targeted for valuation and the similar companies that matches every aspects of the main company. In this method it is thought that the value of some variable is same to some specific variables in the firm. Here the ratios are called “multiples” and the variables are called “Value driver”

The importance of this method comes to light when people started to feel dissatisfaction over the other valuation methods of stocks related to single factor. Ambachtsheer & Farrell (1990) made a combination of DDM alpha and value line ranking which resulted in the method of valuation based on multiples. They stated that these models worked jointly far better than using the models separately than any other methods. However, some people were against this because some factors in this model had the potential to decrease effective forecasting rather, they had used other valuation called composite.

Milicevic (2009) in his article called “The Standard Multiples Valuation Method and its Criticism” stated that the multiple valuation method has four steps- identifying relevant measures, identifying the peer companies, determining multiples of peer companies and implementing those to the driver of value of the main company. Lastly this method is a very important tool related to the selection of stock and investment. But choosing of the peer companies need to be perfect otherwise the final output of this method cannot be achieved. This task is both challenging at the same time stressful.

### 3.3 Findings & Analysis:

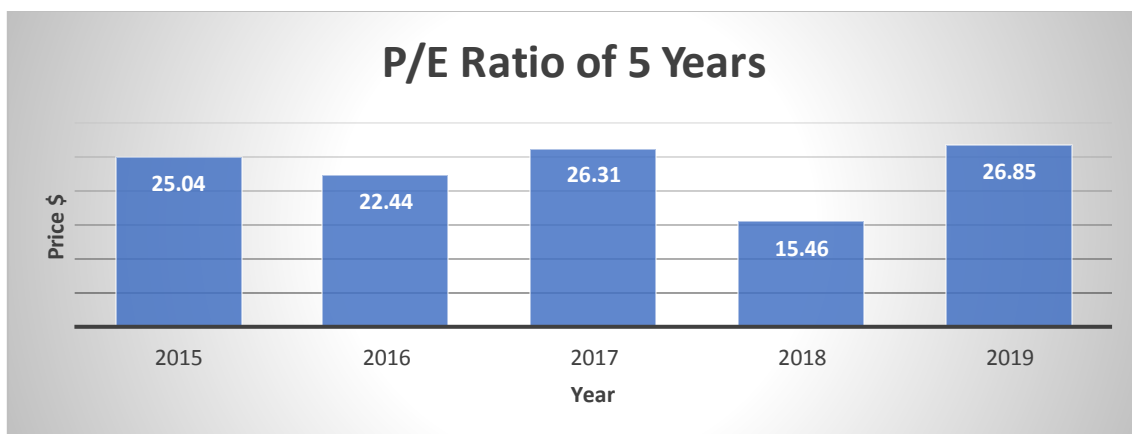
For a clear view of the financial standings of the Unilever, the analysis part is divided into two parts- ratio analysis and stock valuation of the company. It will give us a clear view of the financial performance of the company and help us to get a clear picture.

#### 3.3.1 Financial Ratios Analysis:

Through this analysis we will evaluate Unilever in some criteria and oversee the financial performance of the company on those criteria. It will give us a clear picture of the financial standings of the company in the industry. Primarily I have done analysis related to ratio on 3 criteria. They are explained below for the better understandings of the financial performance of the company.

- ❖ **P/E Ratio:** It is a very well-known tool to understand the value of any company related to their financial performance. It is also an important tool for the investors to understand that are their invested money are in the right company. Generally, an increase in this ratio means the company's financial standings is very solid on the other hand a decrease in this ratio states that the company is not functioning well in terms of financial aspects. I had taken financial information of the Unilever Global for understanding of the financial performance of the company as the company is not listed in the Bangladesh Stock exchange. I have determined 5 years estimation of this ratio of the company. The analysis of the findings is given below:

Ratio	2015	2016	2017	2018	2019
P/EPS	25.04	22.44	26.31	15.46	26.85



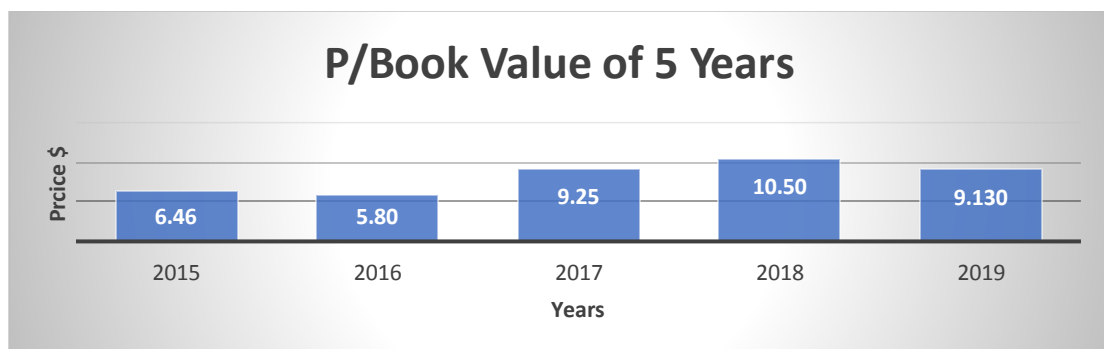
**Figure 5-P/E Ratio**

**Interpretations:** For the better understandings of the reader the table and chart of this ratio of the company for 5 years are given above so that at a glance reader can easily understand the financial performance of the company related to this ratio. From the above chart you can see that the company's P/E was \$ 25.04 in 2015, \$ 22.44 in 2016, \$ 26.31 in 2017, \$ 15.46 in 2018 & \$ 26.85 in 2019. From the above chart we can see some fluctuations between 2017-2019. So, tried to find out the reasons behind these changes between these years. This ratio falls for many reasons but in the case of this company it has taken a huge debt of \$44,694 million of debt from the other financial institutions which impacted this ratio in 2018 however in 2019 their debt falls to \$ 40,911 million which resulted in increase in this ratio compared to 2019. In other words, it also means that the stock price of the company is placed at a higher rate and the company is making a lot of profit through this process. Although in 2019 the debt was not decreased at a large amount but certainly their market price of their share was all time higher during the 5 years which was \$57.46. It can be noted that the market price of the stock of this company has been taken from NY stock exchange. The higher increase of this ratio in 2019 of the company has been resulted because of the record increase of their stock price in 2019 and decrease in overall debt of the company. But noteworthy information from the financial information was the total debt was very much stable between 2015-2017 but all of a sudden, their total debt was increased in large amount between 2018-2019. From the analysis I have found out that their cash in hand has been decreased in large amount in 2018 as a result they had to take a lot of debt from the market for the smooth operation of their company. From the financial report it can be seen that the company has invested largely in long term assets as their depreciation amount was higher among the 5 years. The company wanted to expand more in

the market in 2018 so they needed a lot one to cover those expenses. So, in order to cover those expenses, they had taken a large amount of debt from the other financial institutions as they had shortage of the cash in 2018 which has been paid off largely in 2019 as they had higher EPS in 2019 among the 5 years. As a result, it had a profound impact on this ratio to all time low among the 5 years. Lastly because of the fluctuations in the market and financial conditions this ratio has been fluctuating greatly for the company.

❖ **P/Book Ratio:** It has been considered as one of the most important tools for the valuation of any company. It has been used by the investors to understand whether their buying of stocks will cover their investments or not. This ratio has been widely used for the stock valuation of any company like whether their stocks are placed overvalued or undervalued. I had taken financial information of the Unilever Global for understanding of the financial performance of the company as the company is not listed in the Bangladesh Stock exchange. I have determined 5 years estimation of this ratio of the company. The analysis of the findings is given below:

Ratio	2015	2016	2017	2018	2019
P/Book	6.46	5.80	9.25	10.50	9.13



**Figure 6-P/Book Ratio**

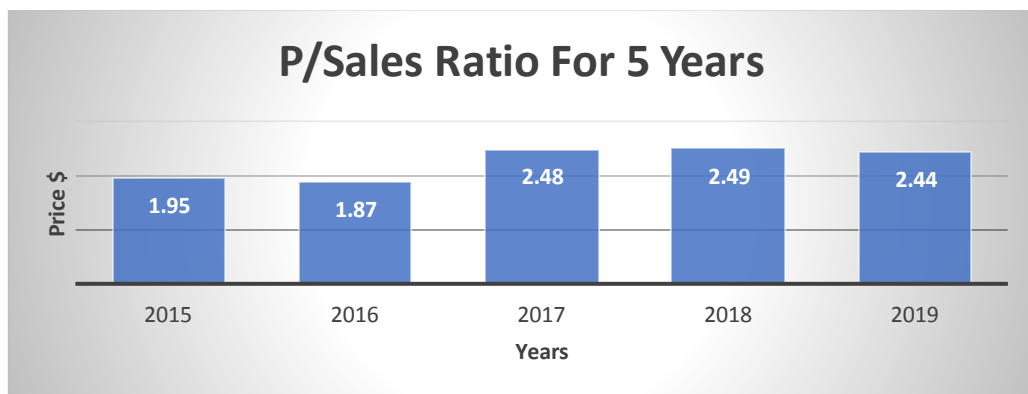


**Interpretations:** For the better understandings of the readers the table and chart of this ratio of the company for 5 years are given above so that at a glance reader can easily understand the financial performance of the company related to this ratio. From the above chart you can see that the company's P/Book was \$ 6.46 in 2015, \$ 5.80 in 2016, \$ 9.25 in 2017, \$ 10.50 in 2018 & \$ 9.13 in 2019. From the above chart we can see that there was stability of this ratio of the company between 2015-2016. However, there is a sudden increase of this ratio between 2017-2019. The fluctuations are in a large number between these years. There are various reasons behind the fluctuations of this ratio. Generally, an increase in this ratio means the more price or more specifically the higher the price people in the market is willing to pay for the stock of the company. As there was increase of this ratio between 2017-2019 where \$ 9.25 in 2017, \$ 10.50 in 2018 & \$ 9.13 in 2019. We can also see that the stock price of the company was also higher between these years like \$ 56.32 in 2017, \$ 53.8 in 2018 & \$ 57.46 in 2019. So, we can clearly see that the people are willing to pay high price for the stock of the company per share. This means the stock of the company has a higher demand in the market as the book value per share is low compared to the market price of share. The data also shows the same result that because of their recognition of the company and positive influence in the market people possess higher demand for the share of this stock where the book value was \$ 9.25 in 2017, \$ 10.50 in 2018 & \$ 9.13 in 2019 and on the other hand market price of the stock was like \$ 56.32 in 2017, \$ 53.8 in 2018 & \$ 57.46 in 2019. It clearly shows that people are buying the stock of the company in much high price than their book value price. Because of its success as a company in the market, the company has created a positive influence in the market that if they buy the stock of this company, their every money will be worth of the effort. As a result, their stock price has increased in a large way because of the increase of demand in the market. For this reason, the stock price is way ahead their book value per share. It means people have a high trust in the company and they want to invest in the company. As a result, the company has been earning profits through the stocks of the company. The demand in the market resulting a high stock price compared to the book value. People are ready to pay high price for the stock of the company in years between 2017-2019.

- ❖ **P/Sales Ratio:** It has been considered most important tool for any investors who want to invest or had invested in the company. It tells us about how much they are interested give in terms of money for the sales per share. It does not take future events into account like whether the company will make profits in the future or

not for this reason sometimes this ratio misleads the investors. I had taken financial information of the Unilever Global for understanding of the financial performance of the company as the company is not listed in the Bangladesh Stock exchange. I have determined 5 years estimation of this ratio of the company. The analysis of the findings is given below:

Ratio	2015	2016	2017	2018	2019
P/Sales	1.95	1.87	2.48	2.49	2.44



**Figure 7-P/Sales Ratio**

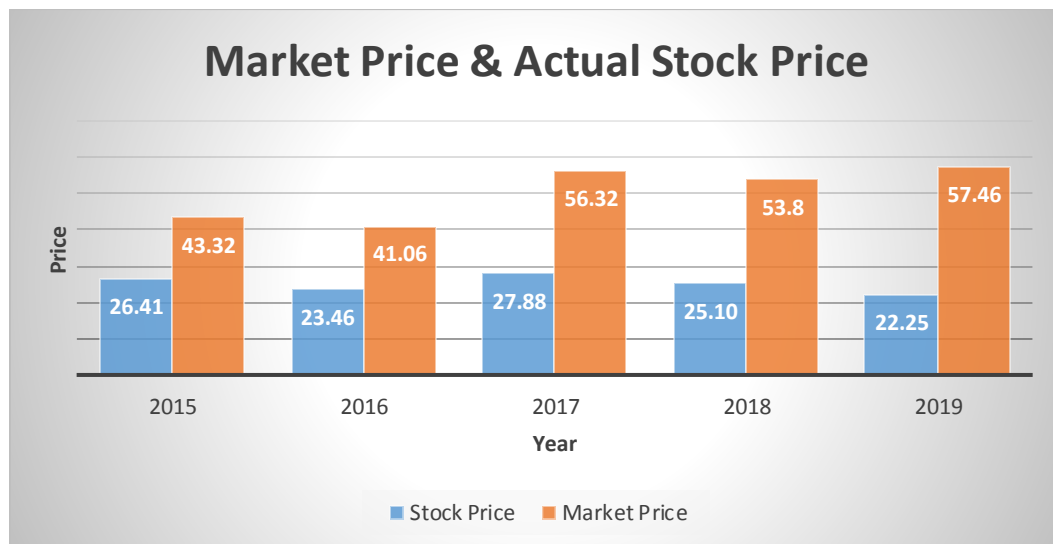
**Interpretations** For the better understandings of the readers the table and chart of this ratio of the company for 5 years are given above so that at a glance reader can easily understand the financial performance of the company related to this ratio. From the above chart you can see that the company's P/Sales was \$ 1.95 in 2015, \$ 1.87 in 2016, \$ 2.48 in 2017, \$ 2.49 in 2018 & \$ 2.44 in 2019. From the above chart we can see that the ratio was stable between the years of 2014-2015. However, there was a great fluctuation of the company related to the ratio between 2017-2019. From the above scenario we can see that between 2017-2019 the market is ready pay more per dollar of sales. But more specifically it was all time high in the year of 2018. Generally, an increase in this ratio means the stock of the company is overvalued in the market. The last 3 years results of this ratio of the company have been increasing than the years

of 2015 & 2016 which means that the share price of the company is overvalued and it is a very risky investment in that matter. The market growth of this company is at high phase as a result this ratio has been increasing between the years of 2017-2019. An increase in this ratio also means that the market is ready to pay more for the stock price as the market growth of the company is high in the industry. For the high demand of the stock of the company the stock price is highly overvalued in the market. Although the company's P/Sales ratio is below the market average but the pace at which this ratio is increasing in the market it can be assumed that the price of the stock is overvalued in the market. The market price of the stock has been increasing in the year between 2017-2019 like \$ 56.32 in 2017, \$ 53.8 in 2018 & \$ 57.46 in 2019. This price very much overvalued as this ratio has been increasing between the years of 2017-2019. It states that the people are buying the stock of this company in much higher price than the actual price. It is a very risky situation as the stock price can anytime fluctuates and investors can face the loss. In the overvalued stock people expect a lot return against their investment but actually the stock price is way less than the market price. It can be because of the high demand of the stock in the market for its reputation and image or the market growth of the company in the industry. The same situation is happening for this company as the market demand has forced the company to overvalue their share in the market and as a result this ratio has been increasing and people are buying the stock of this company at a much higher price than the actual price. The details of this is given in appendix of this report.

### **3.3.2 Stock Valuation Analysis:**

Stock valuation analysis is conducted to compare the actual price of the stock of the company with the market price of the stock of the company. This will help us to determine if the stock price is undervalued or overvalued. For this company we have use multiple valuation method for calculating the actual stock price in the market for this company. The details of the calculation are given in the appendix. We are going to discuss about the last results of using multiple valuation method to calculate the actual stock price and then we are going to compare it with the market price of the share of the company to determine if the share price is undervalued or overvalued. We are also going to discuss the reasons for the overvaluation or undervaluation and the possible recommendations based on the results.

Year	2015	2016	2017	2018	2019
Implied Stock Price	\$ 26.41	\$ 23.46	\$ 27.88	\$ 25.10	\$ 22.25
Market Price	\$ 43.32	\$ 41.06	\$ 56.32	\$ 53.8	\$ 57.46



**Figure 8-Stock Valuation Analysis**

### 3.3.2.1 The Calculation of the Actual Stock Price:

At the very first step I had to collect financial information of the company's last 5 years from 2015-2019. From the financial information I needed to convert the different currencies into a common currency so that the calculation becomes easy. From the collected information I needed to sort them and take the financial information which are necessary for the calculation of the actual stock price. The financial information that I have sorted are related to the ratio of P/E, P/B, P/S, EV/EBITDA, EV/EBIT & EV/Sales. Because these are the ratios which are highly necessary for the calculation of the actual stock price. I have calculated these ratios for the last 5 years of the company so that we had a better understanding about the actual stock price of the company. For the calculation of the actual stock price of the Unilever, I had to take other competitors existed in the industry by matching the financial standings of my main company. For the limited time I had taken 3 companies which are very similar to the company that I had chosen in terms of financial standings. In terms of the competitors I had taken only the recent year of financial information as I had to calculate industry average of the mentioned ratios which is considered as the most crucial part of the calculation of the actual stock price. As I have taken data of my main company from the global financial reports so in the similar manner, I had to take financial information of the competitor company from their global financial reports. After the collection of the financial information I had calculated each ratio of the competitor companies, I had to calculate the industry average of each ratio. In order to do that I had divided the results of each ratio of 3 competitor companies by the total number of the companies and calculated the average industry ratio of each ratio. As I had taken only 3 companies for the limited time, the actual average can vary as there are other companies competing in the industry. Now in this phase a new method called Multiple Valuation Method has been used to calculate the actual stock price of the company per year basis. In this method we need to input "Industry average" of each ratio in the first column and in the next column named "Unilever Calculated Metric" we need to take EPS, BPS, SPS, EBITDA, EBIT, Sales of the main company. Then as the part of the calculation process we need to multiply the "Industry Average" and "Unilever Calculated Metric" in the "Implied price" column. Then we need to identify the "Net Debt" and after that we need to subtract the net debt of Unilever of the particular year from the "Unilever Calculated Metric" Column and then we will have our Implied Equity Value for Unilever. Then in the next column named "Number of Outstanding Shares" we only need to take the number of outstanding shares of the company per year basis. Then in the next column named "Implied Stock Price of Unilever" we need to divide implied

equity value of Unilever by the number of the outstanding shares of particular year to get the input in the “Implied Stock Price” column. For the price related ratio average like P/E, P/B, P/S ratio average I had multiplied Industry average on per year basis from 2015-2019 with the Unilever company metric of that particular of the mentioned ratios of the particular year on the other hand for EV related ratios average calculation like EV/EBITDA, EV/EBIT & EV/Sales average calculation at first I had multiplied Industry average of particular year with the Unilever company metric of that particular of the mentioned ratios on per year basis from 2015-2019. After this process I get implied price for EV related ratios. Then I subtracted net debt from the implied price to get the values for implied equity value and finally I had divided implied equity values for EV related ratios by the number of outstanding shares of that particular year to the implied stock price value for the EV related ratios. In the “Implied Stock Price of Unilever” column I had averaged the variables of Price related and EV related ratios that I had got previously to get the implied stock price of the Unilever. This process needs to be strictly followed in each year and by this we can get the actual stock price of the company every year. The process is very much complex and one need to have full concentration to get the best results. The key to this method is to collect the financial Information of the different years of the company as correctly as possible. Because if the collection of the financial information is incorrect then the whole process will be wrong. Then we need to carefully understand the different process of the calculation. For the better calculation of the average of the industry we need to carefully pick the competitors company and we need to take that in large numbers for the right information. The different ratios of the company I need to evaluate carefully because one mistake in this calculation it can affect the process of the calculation. In short, I have collected information properly and plugged them into the ratios carefully and in the last stage I have used the mentioned method to calculate the actual stock price of the company.

### **3.3.2.2 Calculation of Average Peer Group Multiples:**

The calculation of the average peer group multiples is a very important factor for determining the implied stock price using multiple valuation method. For my report I had chosen only 3 competitors or peer group companies for the shortage of time. I had used simple average method for calculating the industry average on per year basis. However, to calculate the average peer group multiples in the very first stage I had collected necessary financial information for calculating the ratios like P/E, P/B, P/S, EV/EBITDA, EV/EBIT & EV/Sales. After collecting the financial information, I had inputted the financial information of the peer

groups in the formula of P/E, P/B, P/S, EV/EBITDA, EV/EBIT & EV/Sales on per year basis. After calculating the mentioned ratios on per year basis I had divided the final results of each ratio by 3 as I had taken only 3 peer group companies. For example, I had calculated P/E ratio for the 3 companies of the five year from 2015-2019. Then I had the results of the P/E ratio of the 3 peer group companies of 5 years then I had summed up the 3 peer group companies and divided the results by 3 as I had taken only 3 peer group companies. This process has to be followed for every year and at the end we will get Average peer group for P/E ratio for each year. By the same way I had calculated average peer group multiples for the ratio of P/E, P/B, P/S, EV/EBITDA, EV/EBIT & EV/Sales on per year basis. Industry average is very much necessary for the calculation of Implied stock price using multiple valuation method.

### **3.3.2.3 The Criteria for Choosing the Peer Group Companies (Nestle, Johnson &**

#### **Johnson, Henkel):**

One of the important elements of determining the stock valuation of any company is to choose the peer group companies or the competitor companies similar to the target company. One need to have careful consideration while choosing the peer group companies. For my report I had completed the stock valuation of the Unilever from 2015-2019. For completing the stock valuation, I had chosen 3 peer companies similar to the Unilever for calculating industry average from 2015-2016. For the shortage of time I had only chosen 3 peer group companies for calculating industry average. They are considered as the main competitors of the Unilever in the industry and they had similar product offering and target market which makes them competitor and per group in the industry.

**Nestle** is not just a name rather it is very well-known name to the large number of households throughout the world. Nestle is considered as one of the largest multinational companies worldwide. Nestle has more than 200 brands under their company which makes them versatile in the market. Nestle offers these huge number of brands in food, healthcare nutrition, dairy, drinks, ice cream, frozen foods and many other segments. Unilever also offers more than 400 brands in the similar segments like the Nestle global. As they offering is similar and they had similar target consumer they are considered as the biggest competitor in respective to their company. Nestle had \$60 billion revenue and net income of \$10.46 billion in the year of 2019 and on the other hand Unilever generated \$58 billion revenue and net income of \$8.026 billion in the year of 2019. From here we can see that they are very much close competitors to themselves. Moreover, Nestle had a market growth of 4.1% in the year of 2019 and on the

other hand Unilever had a market growth of 5.3% in the year of 2019. So, we can see that they are very much similar in their product offerings and financial performance in the recent year.

**Johnson & Johnson** is very much popular brand worldwide. Although there were various controversies related to their company but it has not impacted much to their financial performance in the company. Johnson & Johnson offers more than 200 brands in the skin Health products, Skin Care products and most popular offering of this company is in the baby food and skin care products. Unilever is very much known for their products in the skin care, skin health and baby food products. The two companies CSR activities and marketing campaigns also very much similar to each other. It had \$76 billion revenue and net income of \$15.52 billion in the year of 2019 and on the other hand Unilever generated \$58 billion revenue and net income of \$8.026 billion in the year of 2019. From here we can see that they are very much close competitors to themselves. Moreover, it had a market growth of 4. in the year of 2019 and on the other hand Unilever had a market growth of 5.3% in the year of 2019. The Johnson & Johnson has been rapidly losing their market growth rate because of the health issues like causing of Cancer by using their skin care products and as a result their Market growth has decreased to 4% from 11% in the year of 2019. However, it is considered as of the biggest competitor of the Unilever as their product offering and target consumer is very much similar with each other. So, we can see that they are very much similar in their product offerings and financial performance in the recent year.

**Henkel** is considered as one of the largest multinational companies worldwide. It is a very well-known name in the large number of households in USA. Henkel offers superior quality products in the beauty care segments like hair body, skin and oral as well as in laundry and home care segments with the world-famous brand like Persil, Prill. Henkel operates in more than 150 countries worldwide which makes them one of the largest companies in the world. Unilever also offers many famous brands in the similar segments like Henkel's. They are very much the largest competitors in the Beauty and laundry segments and both companies had large consumer base in the industry. It had \$51.98 billion revenue and net income of \$6.026 billion in the year of 2019 and on the other hand Unilever generated \$58 billion revenue and net income of \$8.026 billion in the year of 2019. From here we can see that they are very much close competitors to themselves. Moreover, it had a market growth of 3.7% in the year of 2019 and on the other hand Unilever had a market growth of 5.3% in the year of 2019. The product offering and the consumer base are very much similar to each other which makes them largest competitor of each other in the industry.



### **3.4 Summary & Conclusions:**

Multiple Valuation Method is considered as one of the important tools for calculating the actual stock price of the company. By evaluating the actual stock price of the company with the market price of the company I have reached to the conclusion that the stock price of the company of the last 5 years are overvalued stock price. It means that the market price of the stock of last five years is way above the actual price of the stock. The company is earning a lot of revenues by selling stocks much higher than the actual price of the stock. There can be many reasons behind keeping the stock price above the actual price. The people in the market who are involved in trading of the stocks are also the reason behind the over stock price of the company. The people in the stock market do not always trade based on the various logic. Because of the trading without any concrete knowledge the stock demand in the market increases as a result the value of the stock increases. The company's growth rate in the industry has been amazing as well as their reputation is also high in the market. For this reason, people while buying the stock of this company do not think that much as they trust this company. However, because of the this there is a high demand of the stock in the market but the company is not issuing shares in that amount. In 2019 the company's number of issuing shares has gone down to the record low from 2,855,400,000 to 2,626,700,000. As the company is issuing less share in the market and on the other hand people have the desire of buying the stocks of the company for earning profits from the stock the price of the stock has been increasing over the last 3 years (2017-2019). In 2019 the stock price of the share has touched a record of \$ 57.46 which is way above the actual price \$ 22.25. From the analysis we have found that actual price of the stock in 2019 has touched record low among the last 5 years. On the other hand, because of huge demand in the market the market price has increased to record high of \$ 57.46 according to NY Stock Exchange. The results from P/S ratio also disclosed that the stock price is overvalued and it is a very risky situation for the investors. As when the stock price will fall at a low as the price is overvalued the company will repurchase those stocks from the market and it will result in loss of revenue of the investors. Although because of market growth and high reputation of the company, the stocks are valued at a high price than the actual price it is very risky for the investors to have the stocks of the company as the price can fall anytime depending on the market situation. Many news portals in UK and USA have confirmed that the share price of the company in the market is overvalued and it is a very risky situation for the investors as it is a bubble which will anytime blow in the market.

### **3.5 Recommendations:**

After the analysis of the financial information of the Unilever in terms of ratio and valuation of stock I have some recommendations on the overall financial standings of the company's stock. They are given below:

- After the calculation of the actual stock price of the company I have found out that the stock price of the shares is overvalued so in my opinion it is a very risky stock. So, I would recommend it to sell the shares rather holding the stocks.
- The investors in the market have to check the actual value of the stock rather than just depending on the market data for the investment.
- The company should justify the stock price as it is seen that the price is very much overvalued which is creating bubble in the market. It is risky for the market as well as for the investors.
- The company must have enough backing of financial resources when they try to expand as between 2017-2018, they try to expand to new market by taking a large amount of debt from the market and it has affected their earnings ratio.
- The people need to compare the stock price of the other competitors who hold similar financial standings for the understanding under or over value shares rather buying stocks just observing market growth.

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## Appendix

### 1. Unilever Global Financial Information Used for Valuation:

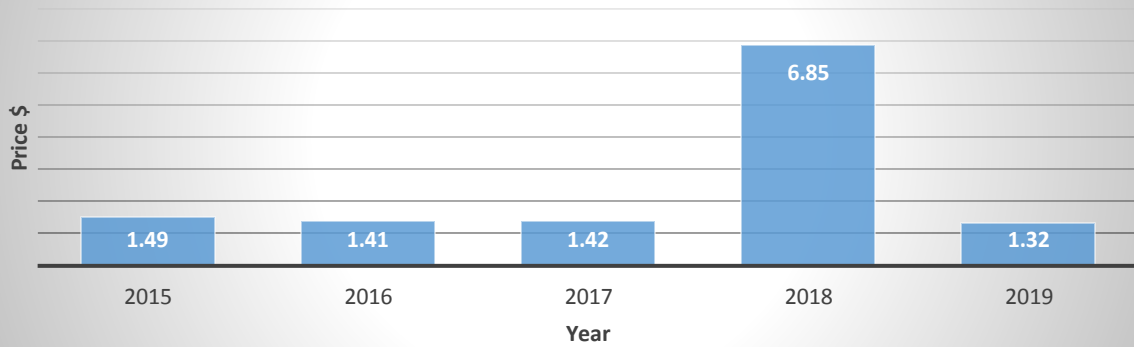
	2015(\$)	2016(\$)	2017(\$)	2018(\$)	2019(\$)
<b>Interset Income</b>	171,428,571	136,904,762	186,904,762	160,714,286	266,666,667
<b>Total sales</b>	63,419,047,619	62,753,571,429	63,946,428,571	60,692,857,143	61,880,952,381
<b>EBIT</b>	9,771,428,571	9,578,571,429	11,190,476,190	1,577,023,810	11,113,095,238
<b>Depreciation</b>	1305952381	1363095238	1,396,428,571	1,417,857,143	1,376,190,476
<b>EBITDA</b>	11,077,380,952	10,941,666,667	12,586,904,762	2,994,880,952	12,489,285,714
<b>Net Income</b>	6,260,714,286	6,596,428,571	7,205,952,381	11,652,380,952	7,173,809,524
<b>EPS</b>	1.73	1.83	2.14	3.48	2.15
<b>MKT Piece per share</b>	43.32	41.06	56.32	53.8	57.46
<b>Number of Share Outstanding</b>	2,855,400,000.00	2,853,900,000.00	2,814,000,000	2,814,000,000	2,626,700,000.00
<b>Long Term Liabilities</b>	11730952381	13267857143	19597619048	27,529,761,905	28,054,761,905
<b>Total Shareholders' Equity</b>	19,145,238,095	20,214,285,714	17,127,380,952	14,425,000,000	16,530,952,381
<b>Cash and Equealent</b>	2,740,476,190	4,026,190,476	3,948,809,524	3,845,238,095	4,982,142,857
<b>Net Debt</b>	8,990,476,190	9,241,666,667	15,648,809,524	23,684,523,810	23,072,619,048

<b>Enterprise Value</b>	<b>14,597,619,048</b>	<b>13,511,904,762</b>	<b>15,844,047,619</b>	<b>10,802,023,810</b>	<b>14,680,952,381</b>
<b>Book value</b>	<b>6.70</b>	<b>7.08</b>	<b>6.09</b>	<b>5.13</b>	<b>6.29</b>
<b>Saler per share</b>	<b>22.21</b>	<b>21.99</b>	<b>22.72</b>	<b>21.57</b>	<b>23.56</b>

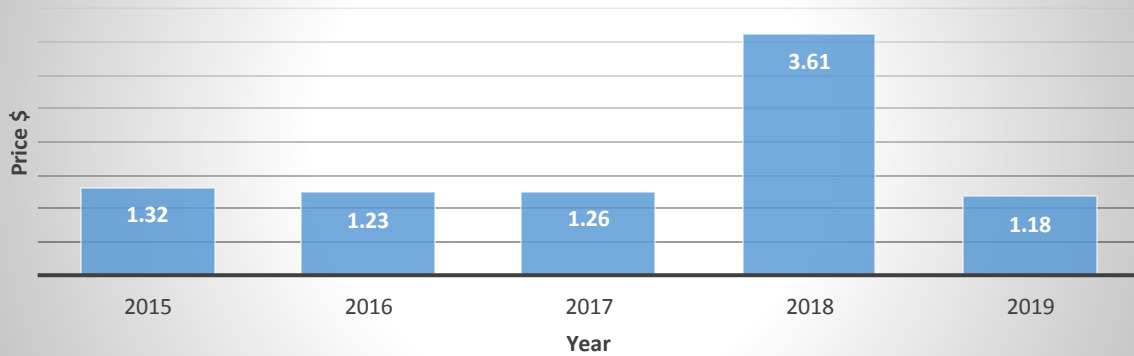
### 2. The Required Financial Ratios for The Stock Valuation of Unilever Global

<b>Ratio</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>P/EPS</b>	25.04	22.44	26.31	15.46	26.85
<b>Ratio</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>P/Book Value</b>	6.46	5.80	9.25	10.50	9.130
<b>Ratio</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>P/Sales per Share</b>	1.95	1.87	2.48	2.49	2.44
<b>Ratio</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Enterprice value/EBIT</b>	1.49	1.41	1.42	6.85	1.32
<b>Ratio</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Enterprice value/EBITDA</b>	1.32	1.23	1.26	3.61	1.18
<b>Ratio</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Enterprise value/Sales</b>	0.23	0.22	0.25	0.18	0.24

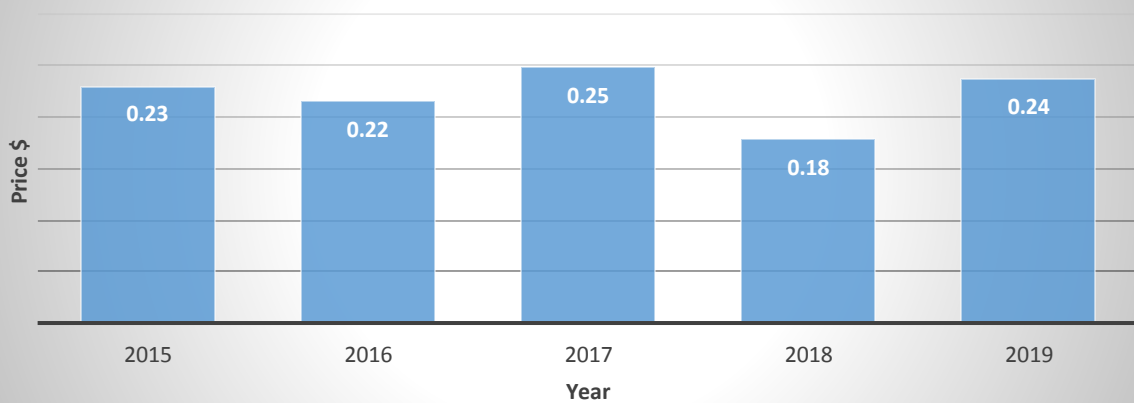
### Enterprise value/EBIT of 5 Years of Unilever



### Enterprise value/EBITDA of 5 Years Of Unilever



### Enterprise value/Sales



3.Competitor Company Financial Information's for Calculating Industry Average for The  
Year of 2019

	<b>Nestle 2019(\$)</b>	<b>Jhson &amp; Jhonson 2019(\$)</b>	<b>Henkel 2019(\$)</b>
<b>Interest Income</b>	200,000,000	357,000,000	15,476,190
<b>Total sales</b>	92,568,000,000	60,692,857,143	23,945,238,095
<b>EBIT</b>	17,094,000,000	17,367,000,000	3,451,190,476
<b>Depreciation</b>	2,732,000,000	25,674,000,000	663,095,238
<b>EBITDA</b>	19,826,000,000	43,041,000,000	4,114,285,714
<b>Net Income</b>	12,904,000,000	15,119,000,000	2,503,571,429
<b>EPS</b>	4.3	5.72	4.79
<b>MKT Piece per share</b>	108.07	84	124.43
<b>Number of Share Outstanding</b>	2,929,000,000	2,645,100,000	259,795,875.00
<b>Long Term Liabilities</b>	23132000000	26,494,000,000	5,084,523,810
<b>Total Shareholders' Equity</b>	52,862,000,000	59,471,000,000	22,155,952,381
<b>Cash and Equevalent</b>	2,794,000,000	17,305,000,000	1,740,476,190

<b>Enterprise Value</b>	<b>29,936,000,000</b>	<b>40,855,000,000</b>	<b>4,877,380,952</b>
<b>Book value</b>	<b>18.05</b>	<b>22.48</b>	<b>85.28</b>
<b>Saler per share</b>	<b>31.60</b>	<b>22.95</b>	<b>92.17</b>

Competitor Company Financial Information's for Calculating Industry Average for The Year  
of 2018

	<b>Nestle 2018(\$)</b>	<b>Jhnsn &amp; Jhonson 2018(\$)</b>	<b>Henkel 2018(\$)</b>
<b>Interest Income</b>	247,000,000	611,000,000	11,904,762
<b>Total sales</b>	91,319,000,000	81,851,000,000	23,689,285,714
<b>EBIT</b>	12,991,000,000	17,999,000,000	3,709,523,810
<b>Depreciation</b>	2,858,000,000	25,674,000,000	2,009,523,810
<b>EBITDA</b>	15,849,000,000	43,673,000,000	5,719,047,619
<b>Net Income</b>	10,468,000,000	15,297,000,000	2,773,809,524
<b>EPS</b>	3.36	5.7	5.31
<b>MKT Piece per share</b>	80.96	129.05	89.72
<b>Number of Share Outstandin</b>	2,974,500,000	3,119,843,000	259,795,875.00
<b>Long Term Liabilities</b>	35582000000	27,684,000,000	4,344,047,619
<b>Total Shareholders' Equity</b>	58,403,000,000	59,752,000,000	20,272,619,048
<b>Cash and Egevalent</b>	5,801,000,000	18,107,000,000	1,265,476,190
<b>Market cap</b>	2.40816E+11	4.02616E+11	23308885905

<b>Enterprise Value</b>	<b>20,516,000,000</b>	<b>40,863,000,000</b>	<b>7,227,380,952</b>
<b>Book value</b>	<b>19.63</b>	<b>19.15</b>	<b>78.03</b>
<b>Saler per share</b>	<b>30.70</b>	<b>26.24</b>	<b>91.18</b>

Competitor Company Financial Information's for Calculating Industry Average for The Year  
of 2017

	<b>Nestle 2017(\$)</b>	<b>Jhnsn &amp; Jhonson 2017(\$)</b>	<b>Henkel 2017(\$)</b>
<b>Interest Income</b>	152,000,000	385,000,000	21,428,571
<b>Total sales</b>	89,590,000,000	76,450,000,000	23,844,047,619
<b>EBIT</b>	9,460,000,000	1,767,300,000	3,636,904,762
<b>Depreciation</b>	2,836,000,000	25,674,000,000	1,822,619,048
<b>EBITDA</b>	12,296,000,000	27,441,300,000	5,459,523,810
<b>Net Income</b>	7,511,000,000	1,300,000,000	3,025,000,000
<b>EPS</b>	2.31	5	5.79
<b>MKT Piece per share</b>	85.97	140.57	100.82
<b>Number of Share Outstanding</b>	3,057,000,000	3,119,843,000	259,795,875.00
<b>Long Term Liabilities</b>	37792000000	30,675,000,000	5,882,142,857
<b>Total Shareholders' Equity</b>	62,229,000,000	60,160,000,000	18,627,380,952
<b>Cash and Equevalent</b>	655,000,000	17,825,000,000	1,094,047,619
<b>Market cap</b>	2.6281E+11	4.38556E+11	26192620118

<b>Enterprise Value</b>	<b>19,152,000,000</b>	<b>10,916,300,000</b>	<b>7,390,476,190</b>
<b>Book value</b>	<b>20.36</b>	<b>19.28</b>	<b>71.70</b>
<b>Saler per s</b>	<b>29.31</b>	<b>24.50</b>	<b>91.78</b>

Competitor Company Financial Information's for Calculating Industry Average for The Year  
of 2016

	<b>Nestle 2016(\$)</b>	<b>Jhnsn &amp; Jhonson 2016(\$)</b>	<b>Henkel 2016(\$)</b>
<b>Interest Income</b>	121,000,000	386,000,000	23,809,524
<b>Total sales</b>	89,469,000,000	71,890,000,000	22,278,571,429
<b>EBIT</b>	12,526,000,000	19,803,000,000	3,303,571,429
<b>Depreciation</b>	2,795,000,000	25,674,000,000	1,613,095,238
<b>EBITDA</b>	15,321,000,000	45,477,000,000	4,916,666,667
<b>Net Income</b>	8,883,000,000	16,540,000,000	2,491,666,667
<b>EPS</b>	2.76	6.04	4.72
<b>MKT Piece per share</b>	71.39	115.21	100.22
<b>Number of Share Outstanding</b>	3,098,000,000	2,645,100,000	259,795,875.00
<b>Long Term Liabilities</b>	28403000000	22,442,000,000	6,823,809,524
<b>Total Shareholders' Equity</b>	65,981,000,000	31,198,430,000	18,075,000,000
<b>Cash and Equevalent</b>	7,900,000,000	18,972,000,000	1,653,571,429
<b>Market cap</b>	2.21166E+11	3.04742E+11	26036742593

<b>Enterprise Value</b>	<b>16,304,000,000</b>	<b>43,045,000,000</b>	<b>5,754,761,905</b>
<b>Book value</b>	<b>21.30</b>	<b>11.79</b>	<b>69.57</b>
<b>Saler per s</b>	<b>28.88</b>	<b>27.18</b>	<b>85.75</b>



Competitor Company Financial Information's for Calculating Industry Average for The Year  
of 2015

	Nestle 2015(\$)	Jhson & Jhson 2015(\$)	Henkel 2015(\$)
<b>Interest Income</b>	101,000,000	128,000,000	33,333,333
<b>Total sales</b>	88,785,000,000	70,074,000,000	21,534,523,810
<b>EBIT</b>	11,784,000,000	19,196,000,000	3,148,809,524
<b>Depreciation</b>	2,861,000,000	25,674,000,000	1,479,761,905
<b>EBITDA</b>	14,645,000,000	44,870,000,000	4,628,571,429
<b>Net Income</b>	9,467,000,000	15,409,000,000	26,152,380,952
<b>EPS</b>	2.9	5.56	4.42
<b>MKT Piece per share</b>	74.42	102.72	90.88
<b>Number of Share Outstan</b>	3,084,000,000	2,645,100,000	259,795,875.00
<b>Long Term Liabilities</b>	26685000000	12,857,000,000	2,576,190,476
<b>Total Shareholders' Equ</b>	63,986,000,000	31,198,430,000	16,441,666,667
<b>Cash and Egevalent</b>	4,884,000,000	13,732,000,000	1,400,000,000
<b>Market cap</b>	2.29511E+11	2.71705E+11	23610249120

<b>Enterprise value</b>	<b>19,228,000,000</b>	<b>46,547,000,000</b>	<b>29,380,952,381</b>
<b>Book value</b>	<b>20.75</b>	<b>11.79</b>	<b>63.29</b>
<b>Saler per s</b>	<b>28.79</b>	<b>26.49</b>	<b>82.89</b>

4. Industry Average for Stock Valuation for 2019

Ratio	Nestle	Jhson & Jhson	Henkel	Industry Average
<b>P/EPS</b>	25.13	14.69	25.98	21.93
<b>Ratio</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	
<b>P/Book Value</b>	5.99	3.74	1.46	3.73
<b>Ratio</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	
<b>P/Sales per Share</b>	3.42	3.66	1.35	2.81
<b>Ratio</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	
<b>Enterprise value/EBIT</b>	1.75	2.35	1.41	1.84
<b>Ratio</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	
<b>Enterprise value/EBITDA</b>	1.51	0.95	1.19	1.21
<b>Ratio</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	
<b>Enterprise value/Sales</b>	0.32	0.67	0.20	0.40

Industry Average for Stock Valuation for 2018

Ratio	Nestle	Jhonson & Jhonson	Henkel	Industry Average
<b>P/EPS</b>	24.10	22.64	16.90	21.21
<b>Ratio</b>	<b>Nestle</b>	<b>Jhonson &amp; Jhonson</b>	<b>Henkel</b>	
<b>P/Book Value</b>	4.12	6.74	1.15	4.00
<b>Ratio</b>	<b>Nestle</b>	<b>Jhonson &amp; Jhonson</b>	<b>Henkel</b>	
<b>P/Sales per Share</b>	2.64	4.92	0.98	2.85
<b>Ratio</b>	<b>Nestle</b>	<b>Jhonson &amp; Jhonson</b>	<b>Henkel</b>	
<b>Enterprice value/EBIT</b>	1.58	2.27	1.95	1.93
<b>Ratio</b>	<b>Nestle</b>	<b>Jhonson &amp; Jhonson</b>	<b>Henkel</b>	
<b>Enterprice value/EBITDA</b>	1.29	0.94	1.26	1.16
<b>Ratio</b>	<b>Nestle</b>	<b>Jhonson &amp; Jhonson</b>	<b>Henkel</b>	
<b>Enterprise value/Sales</b>	0.22	0.50	0.31	0.34

Industry Average for Stock Valuation for 2017

Ratio	Nestle	Jhonson & Jhonson	Henkel	Industry Average
<b>P/EPS</b>	37.22	28.11	17.41	27.58
<b>Ratio</b>	<b>Nestle</b>	<b>Jhonson &amp; Jhonson</b>	<b>Henkel</b>	
<b>P/Book Value</b>	4.22	7.29	1.41	4.31
<b>Ratio</b>	<b>Nestle</b>	<b>Jhonson &amp; Jhonson</b>	<b>Henkel</b>	
<b>P/Sales per Share</b>	2.93	5.74	1.10	3.26
<b>Ratio</b>	<b>Nestle</b>	<b>Jhonson &amp; Jhonson</b>	<b>Henkel</b>	
<b>Enterprice value/EBIT</b>	2.02	6.18	2.03	3.41
<b>Ratio</b>	<b>Nestle</b>	<b>Jhonson &amp; Jhonson</b>	<b>Henkel</b>	
<b>Enterprice value/EBITDA</b>	1.56	0.40	1.35	1.10
<b>Ratio</b>	<b>Nestle</b>	<b>Jhonson &amp; Jhonson</b>	<b>Henkel</b>	
<b>Enterprise value/Sales</b>	0.21	0.14	0.31	0.22

Industry Average for Stock Valuation for 2016

Ratio	Nestle	Jhonson & Jhonson	Henkel	Industry Average
<b>P/EPS</b>	25.87	19.07	21.23	22.06
<b>Ratio</b>	<b>Nestle</b>	<b>Jhonson &amp; Jhonson</b>	<b>Henkel</b>	
<b>P/Book Value</b>	3.35	9.77	1.44	4.85
<b>Ratio</b>	<b>Nestle</b>	<b>Jhonson &amp; Jhonson</b>	<b>Henkel</b>	
<b>P/Sales per Share</b>	2.47	4.24	1.17	2.63
<b>Ratio</b>	<b>Nestle</b>	<b>Jhonson &amp; Jhonson</b>	<b>Henkel</b>	
<b>Enterprice value/EBIT</b>	1.30	2.17	1.74	1.74
<b>Ratio</b>	<b>Nestle</b>	<b>Jhonson &amp; Jhonson</b>	<b>Henkel</b>	
<b>Enterprice value/EBITDA</b>	1.06	0.95	1.17	1.06
<b>Ratio</b>	<b>Nestle</b>	<b>Jhonson &amp; Jhonson</b>	<b>Henkel</b>	
<b>Enterprise value/Sales</b>	0.18	0.60	0.26	0.35

## Industry Average for Stock Valuation for 2015

Ratio	Nestle	Jhonson & Jhonson	Henkel	Industry Average
P/EPS	25.66	18.47	20.56	21.57
Ratio	Nestle	Jhonson & Jhonson	Henkel	
P/Book Value	3.59	8.71	1.44	4.58
Ratio	Nestle	Jhonson & Jhonson	Henkel	
P/Sales per Share	2.59	3.88	1.10	2.52
Ratio	Nestle	Jhonson & Jhonson	Henkel	
Enterprise value/EBIT	1.63	2.42	9.33	4.46
Ratio	Nestle	Jhonson & Jhonson	Henkel	
Enterprise value/EBITDA	1.31	1.04	6.35	2.90
Ratio	Nestle	Jhonson & Jhonson	Henkel	
Enterprise value/Sales	0.22	0.66	1.36	0.75

## 5. Implied Price Valuation Using Multiple Valuation Method (Year Based)

		2019						
Industry Average	Unilever Calculated Metric		Implied Price	Substact: Net Debt	Implied Equity Value for Unilever	Outstandings Shares	Implied Stock Price of Unilever	
P/E	21.93	EPS	2.15	47.15	N/A	N/A	N/A	47.15
P/B	3.73	BPS	6.29	23.46	N/A	N/A	N/A	23.46
P/S	2.81	SPS	23.56	66.20	N/A	N/A	N/A	66.20
EV/EBITDA	1.21	EBITDA	12,489,285,714	15112035714.29	23,072,619,048	-7960583333.33	2,626,700,000	-3.03
EV/EBIT	1.84	EBIT	11,113,095,238	20448095238.10	23,072,619,048	-2624523809.52	2,626,700,000	-1.00
EV/Sales	0.40	Sales	61,880,952,381	24752380952.38	23,072,619,048	1679761904.76	2,626,700,000	0.64
							Average	\$22.24

		2018						
Industry Average		Unilever Calculated Metric		Implied Price	Substact: Net Debt	Implied Equity Value for Unilever	Outstandings Shares	Implied Stock Price of Unilever
P/E	24.10	EPS	3.48	83.87	N/A	N/A	N/A	83.87
P/B	4.00	BPS	5.13	20.50	N/A	N/A	N/A	20.50
P/S	2.85	SPS	21.57	61.47	N/A	N/A	N/A	61.47
EV/EBITDA	1.93	EBITDA	2,994,880,952	5780120238.10	23,684,523,810	-17904403571.43	2,814,000,000	-6.36
EV/EBIT	1.16	EBIT	1,577,023,810	1829347619.05	23,684,523,810	-21855176190.48	2,814,000,000	-7.77
EV/Sales	0.34	Sales	60,692,857,143	20635571428.57	23,684,523,810	-3048952380.95	2,814,000,000	-1.08
							<b>Average</b>	<b>\$25.10</b>

		2017						
Industry Average		Unilever Calculated Metric		Implied Price	Substact: Net Debt	Implied Equity Value for Unilever	Outstandings Shares	Implied Stock Price of Unilever
P/E	27.58	EPS	2.14	59.02	N/A	N/A	N/A	59.02
P/B	4.31	BPS	6.09	26.23	N/A	N/A	N/A	26.23
P/S	3.26	SPS	22.72	74.08	N/A	N/A	N/A	74.08
EV/EBITDA	3.41	EBITDA	12,586,904,762	42921345238.10	15,648,809,524	27272535714.29	2,814,000,000	9.69
EV/EBIT	1.10	EBIT	11,190,476,190	12309523809.52	15,648,809,524	-3339285714.29	2,814,000,000	-1.19
EV/Sales	0.22	Sales	63,946,428,571	14068214285.71	15,648,809,524	-1580595238.10	2,814,000,000	-0.56
							<b>Average</b>	<b>\$27.88</b>

		2016						
Industry Average		Unilever Calculated Metric		Implied Price	Substact: Net Debt	Implied Equity Value for Unilever	Outstandings Shares	Implied Stock Price of Unilever
P/E	22.06	EPS	1.83	40.37	N/A	N/A	N/A	40.37
P/B	4.85	BPS	7.08	34.35	N/A	N/A	N/A	34.35
P/S	2.63	SPS	21.99	57.83	N/A	N/A	N/A	57.83
EV/EBITDA	1.74	EBITDA	10,941,666,667	19038500000.00	9,241,666,667	9796833333.33	2,853,900,000	3.43
EV/EBIT	1.06	EBIT	9,578,571,429	10153285714.29	9,241,666,667	911619047.62	2,853,900,000	0.32
EV/Sales	0.35	Sales	62,753,571,429	21963750000.00	9,241,666,667	12722083333.33	2,853,900,000	4.46
							<b>Average</b>	<b>\$23.46</b>

		2015						
Industry Average		Unilever Calculated Metric		Implied Price	Substact: Net Debt	Implied Equity Value for Unilever	Outstandings Shares	Implied Stock Price of Unilever
P/E	21.57	EPS	1.73	37.32	N/A	N/A	N/A	37.32
P/B	4.58	BPS	6.70	30.71	N/A	N/A	N/A	30.71
P/S	2.52	SPS	22.21	55.97	N/A	N/A	N/A	55.97
EV/EBITDA	4.46	EBITDA	11,077,380,952	49405119047.62	8,990,476,190	40414642857.14	2,855,400,000	14.15
EV/EBIT	2.90	EBIT	9,771,428,571	28337142857.14	8,990,476,190	19346666666.67	2,855,400,000	6.78
EV/Sales	0.75	Sales	63,419,047,619	47564285714.29	8,990,476,190	38573809523.81	2,855,400,000	13.51
							<b>Average</b>	<b>\$26.41</b>