

3.4 Final accounts

The big picture

Unilever, a multinational consumer products company, reported a net profit of approximately six billion euros in 2021. This was an increase of 8.4% compared with the company's net profit in 2020. However, in its 2021 financial report, Unilever warned of the significant impact on its business from inflation in 2022. The company's costs will also likely increase due to needed investment and research and development.

In this context, Unilever decided to sell its tea business unit Ekaterra, a portfolio of 34 tea brands including Lipton, PG Tips, TAZO and Pukka Herbs. These brands generated around two billion euros in revenue for Unilever in 2020.

Why would Unilever sell a part of its business that generates so much revenue? The answer is likely related to tools and theories that you have already encountered, such as the internal and external factors affecting businesses. But quantitative data can also provide clues. These can be found in Unilever's final accounts. The focus of this subtopic is final accounts.



Figure 1. Tea: A business unit of Unilever.

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