

24 April 2024



**GOOD Q1 PERFORMANCE  
ON TRACK FOR FULL YEAR DELIVERY**

Q1 2024					
	LFL <sup>1</sup> growth	Volume	Price / Mix	Net Revenue (£m)	IFRS growth
Hygiene	7.1%	2.9%	4.2%	1,608	1.1%
Health	1.0%	-0.1%	1.1%	1,538	-6.4%
Nutrition	-9.9%	-9.4%	-0.5%	591	-13.5%
<b>Group</b>	<b>1.5%</b>	<b>-0.5%</b>	<b>2.0%</b>	<b>3,737</b>	<b>-4.6%</b>

1. Adjusted measures are defined on page 5

Commenting on these results, Kris Licht, Chief Executive Officer, said:

“We have delivered a good first quarter. Following a period of price-led growth, we are now returning to a more balanced contribution from price, mix and volume. We grew volumes in many of our powerbrands in the quarter, including Lysol, Dettol, Durex and Finish, as well as our non-seasonal OTC portfolio. In addition, we continue to benefit from carryover pricing and consumers trading up to our premium innovations.

The net revenue performance in the quarter is in line with our expectations. Hygiene delivered broad-based growth. Health saw good growth across many brands, reduced by a tough comparator in our cold & flu OTC brands. Nutrition continues to normalise in the US as expected, and we have maintained our value market share leadership.

We are well placed to deliver value creation by leveraging our strong portfolio of brands through investment and innovation. This drives our continued strong free cashflow generation, our accelerated share buyback programme and increased cash returns to shareholders.

We are on track to deliver our full year revenue and profit targets, led by mid-single-digit growth across our Health and Hygiene portfolios.”

**Q1 Highlights:**

- **Like-for-like (LFL) net revenue growth of 1.5%** with volume decline of 0.5% and price/mix growth of 2.0%.
- **Improving volume momentum** with volume growth of 1.4% in our Hygiene and Health portfolios. Both delivered broad-based volume growth across key brands.
- **Group reported net revenue decline of -4.6%**, with LFL growth more than offset by FX headwinds of -5.7%.
- **Hygiene LFL net revenue growth of 7.1%**. Broad-based volume growth across powerbrands – Finish, Lysol, Harpic and Vanish. Growth also benefited from additional sell-in ahead of a SAP implementation in Brazil.
- **Health LFL net revenue growth of 1.0%**. Strong volume growth across Intimate Wellness, non-seasonal OTC brands, VMS and Dettol, offset by the expected lapping of prior year retailer inventory rebuild in seasonal OTC products.
- **Nutrition LFL net revenue decline of -9.9%**. Continued value share leadership in the US, while the rebasing from temporary market share gains from the competitor supply issue in prior years continues.
- **Broad-based geographic growth** with mid-single-digit growth across Europe and Developing Markets.
- **Acceleration of ongoing share buyback programme**. As previously announced, the third tranche of our £1bn share buyback programme commenced in April 2024. We expect to announce the next programme in July.

## OUTLOOK

### We reiterate our 2024 outlook:

- LFL net revenue growth of between +2% to +4% for the Group
  - Mid-single-digit growth for our Health and Hygiene portfolios
  - Mid- to high-single-digit decline for our Nutrition business as it continues to rebase in the first half of the year with a return to growth late in the year
- Adjusted operating profit to grow ahead of net revenue growth
- Revenue and profit growth to be second half weighted as we lap high OTC comparatives from Q1 last year and will see the majority of the rebasing of our US Nutrition business in H1

### Other technical considerations

- Adjusted net finance expense is expected to be in the range of £300m to £320m (2023: £247m) (No change)
- The adjusted tax rate is expected to be 25-26% (2023: 25.2%) (No change)
- Capital expenditure is expected to be 3-3.5% of net revenue (2023: 3.1%) (No change)
- If foreign exchange rates were to hold at March 2024 closing rates for the remainder of 2024, the estimated negative impact on 2024 GBP net revenue would be around 2.5% and 2024 GBP adjusted diluted EPS would be around 3.5% (as published on our website)

## GROUP OVERVIEW

Net Revenue	LFL <sup>1</sup>	Volume	Price / Mix	£m	Net M&A	FX	IFRS
Q1 2024	+1.5%	-0.5%	+2.0%	3,737	-0.4%	-5.7%	-4.6%

1. Adjusted measures are defined on page 5

### Group net revenue

- Like-for-like (LFL) net revenue growth of 1.5% with volume decline of 0.5% and price/mix growth of 2.0%.
- Improving volume momentum continues with growth of 1.4% for Hygiene and Health portfolios. Both businesses delivered broad-based volume growth across key brands. Nutrition volume decline reflects the continued rebasing from temporary market share gains from the competitor supply issue in prior years.
- On a geographic basis, growth was driven by mid-single-digit growth across Europe and Developing Markets, partially offset by expected declines in North America from US Nutrition rebasing and the expected lapping of prior year retailer inventory rebuild in seasonal OTC products.
- Total net revenue on an IFRS basis declined -4.6% YTD, reflecting net M&A impact of -0.4% and foreign exchange headwinds of -5.7%.

## OPERATING SEGMENT REVIEW

### Hygiene

43% of net revenue in Q1 2024

Net Revenue	LFL <sup>1</sup>	Volume	Price / Mix	£m	Net M&A	FX	IFRS
Q1 2024	+7.1%	+2.9%	+4.2%	1,608	-	-6.0%	+1.1%

1. Adjusted measures are defined on page 5

- Net revenue grew +7.1% on a LFL basis to £1,608m with broad-based volume growth of +2.9% and Price / mix improvements of +4.2%, driven by carry over pricing and some minor in-year pricing actions.
- Growth benefitted by around 2% in the quarter from the phasing of sales in Brazil ahead of a SAP implementation, to ensure continuity of supply. This will unwind in Q2.
- Finish delivered high-single digit LFL net revenue growth, with positive contributions from volume, price and mix. Growth was led by our latest thermoforming innovations as consumers continue to trade up to more superior solutions.
- Lysol delivered low-double digit LFL net revenue growth, led by strong volume growth. Our innovation platforms, including Lysol Laundry Sanitiser and Lysol Air Sanitiser drove growth in their respective segments. Lysol wipes benefitted from year-on-year distribution gains.
- Other key brands delivered growth in the quarter, mitigated by low-single digit decline in Air Wick.

### Health

41% of net revenue in Q1 2024

Net Revenue	LFL <sup>1</sup>	Volume	Price / Mix	£m	Net M&A	FX	IFRS
Q1 2024	+1.0%	-0.1%	+1.1%	1,538	-0.7%	-6.7%	-6.4%

1. Adjusted measures are defined on page 5

- Health net revenue grew +1.0% on a LFL basis in Q1 to £1,538m, with stable volumes and price / mix improvements of +1.1%.
- Volumes grew in Durex, non-seasonal OTC brands, Dettol and VMS, offset by the expected lapping of prior year retailer inventory rebuild in seasonal cold and flu OTC brands (Mucinex, Strepsils and similar local brands). In addition, with a relatively soft end to the flu season, the slow down late in the quarter impacted Q1 as retailers managed their inventory.
- Innovation launches drove growth in our Durex portfolio, and an improved supply chain environment helped us meet the strong consumer demand for Gaviscon. In VMS, Move Free saw strong growth across both North America and China.
- Price / mix was positive across many brands offset by some pricing actions in Dettol.
- Net M&A includes a small traditional Chinese medicine business disposed at the end of the quarter.

## Nutrition

16% of net revenue in Q1 2024

Net Revenue	LFL <sup>1</sup>	Volume	Price / Mix	£m	Net M&A	FX	IFRS
Q1 2024	-9.9%	-9.4%	-0.5%	591	-0.5%	-3.1%	-13.5%

1. Adjusted measures are defined on page 5

- Nutrition net revenue declined -9.9% on a LFL basis in Q1 to £591m.
- Price / mix declined -0.5% driven by a normalised trade spend environment versus the prior year in the US and the lapping of the temporary benefit in states where our competitor held the WIC contract.
- Volume declined -9.4%, led by the lapping of both peak market shares during the US competitor supply shortage in 2022 and retailer inventory shelf refilling in Q1 last year.
- We have seen stability in our US non-WIC value market shares, maintaining our market leadership position with an average of around 40% share.
- Our Developing Markets business saw low-single-digit decline with a broadly stable performance in ASEAN offset by softness in LATAM due to a combination of customer shipment phasing and destocking in certain markets.
- The Group faces contingent liabilities in respect of product liability actions filed against Mead Johnson entities relating to Necrotizing Enterocolitis. A trial in one of these actions is currently scheduled to begin on 30 September 2024 in St. Louis, Missouri. Further details on this matter can be found on pages 190 and 200 of our 2023 Annual Report and Accounts.

## Performance by Geography

Net revenue	LFL <sup>1</sup>	Volume	Price / Mix	£m	Net M&A	FX	IFRS
Q1 2024							
North America	-5.5%	-3.6%	-1.9%	1,198	-0.1%	-4.0%	-9.6%
Europe / ANZ	+5.4%	-2.1%	+7.5%	1,298	-0.2%	-7.0%	-1.8%
Developing Markets	+5.1%	+4.6%	+0.5%	1,241	-1.0%	-6.4%	-2.3%
<b>Total</b>	<b>+1.5%</b>	<b>-0.5%</b>	<b>+2.0%</b>	<b>3,737</b>	<b>-0.4%</b>	<b>-5.7%</b>	<b>-4.6%</b>

1. Adjusted measures are defined on page 5

- **North America** net revenue declined -5.5% on a LFL basis, with growth in Lysol and Finish more than offset by the expected decline in OTC brands as we lap the prior year retailer inventory rebuilding, and the continued market share rebasing of our Nutrition business.
- **Europe / ANZ** net revenue grew +5.4% on a LFL basis, driven by broad based, mid-single digit growth across both Hygiene and Health. Volume growth was broad-based across Health and Hygiene brands, including Finish, Air Wick, Vanish, Durex, Dettol and Gaviscon, offset by declines in seasonal OTC brands.
- **Developing Markets** net revenue grew +5.1% on a LFL basis, led by strong LFL net revenue and volume growth in South Asia and Greater China.

## ALTERNATIVE PERFORMANCE MEASURES

**Like-for-like (LFL):** Net revenue growth or decline at constant exchange rates (see below) excluding the impact of acquisitions, disposals and discontinued operations. Disposals include low margin manufacturing revenues which are agreed at the time of sale of a brand or business. Completed disposals are excluded from LFL revenue growth for the entirety of the current and prior years. Acquisitions are included in LFL revenue growth twelve months after the completion of the relevant acquisition. LFL growth also excludes countries with annual inflation greater than 100% (Venezuela and Argentina).

**Constant exchange rate (CER):** Net revenue and profit growth or decline adjusting the actual consolidated results such that the foreign currency conversion uses the same exchange rates as were applied in the prior year and excludes the effect of applying hyperinflation accounting in the relevant subsidiaries.

### IFRS to LFL reconciliation Q1 2024

	Hygiene £m	Health £m	Nutrition £m	Group £m
<b>2023 Reported</b>	<b>1,591</b>	<b>1,643</b>	<b>683</b>	<b>3,917</b>
M&A	-	(26)	(6)	(32)
Exchange	(56)	(60)	(12)	(128)
2023 LFL	1,535	1,557	665	3,757
<b>2024 Reported</b>	<b>1,608</b>	<b>1,538</b>	<b>591</b>	<b>3,737</b>
M&A	-	(13)	(1)	(14)
Exchange	36	47	9	92
2024 LFL	1,644	1,572	599	3,815
<b>LFL growth</b>	<b>+7.1%</b>	<b>+1.0%</b>	<b>-9.9%</b>	<b>+1.5%</b>

	North America £m	Europe / ANZ £m	Developing Markets £m	Group £m
<b>2023 Reported</b>	<b>1,326</b>	<b>1,322</b>	<b>1,269</b>	<b>3,917</b>
M&A	(4)	(3)	(25)	(32)
Exchange	(31)	(49)	(48)	(128)
2023 LFL	1,291	1,270	1,196	3,757
<b>2024 Reported</b>	<b>1,198</b>	<b>1,298</b>	<b>1,241</b>	<b>3,737</b>
M&A	(1)	(1)	(12)	(14)
Exchange	23	41	28	92
2024 LFL	1,220	1,338	1,257	3,815
<b>LFL growth</b>	<b>-5.5%</b>	<b>+5.4%</b>	<b>+5.1%</b>	<b>1.5%</b>

## CONFERENCE CALL DETAILS

We will be hosting a live audiocast followed by a Q&A session for analysts and investors at 08:30 (BST) on Wednesday 24 April 2024.

Please click on the link below to join the audiocast on the day.

<https://www.reckitt.com/investors/results-and-presentations/>

Alternatively, dial in details are as follows:

UK: +44 20 3936 2999

All other locations: +44 800 358 1035

**Participant access code** 249494

## FURTHER INFORMATION AND CONTACTS

**Richard Joyce & Hazel Chung**  
Investor Relations

+44 (0)7807 418516 / +44 (0)7408 850537

**Patty O'Hayer**  
External Relations and Government Affairs

+44 (0)7825 755688

**FGS**  
**Faeth Birch**

+44 (0)7768 943171

### Cautionary note concerning forward-looking statements

This announcement contains statements with respect to the financial condition, results of operations and business of Reckitt Benckiser Group plc and the Reckitt group of companies (the "Group") and certain of the plans and objectives of the Group that are forward-looking statements. Words such as "intends", "targets", or the negative of these terms and other similar expressions of future performance or results, and their negatives, are intended to identify such forward-looking statements. In particular, all statements that express forecasts, expectations and projections with respect to future matters, including targets for net revenue, operating margin and cost efficiency, are forward-looking statements. Such statements are not historical facts, nor are they guarantees of future performance.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including many factors outside the Group's control. Among other risks and uncertainties, the material or principal factors which could cause actual results to differ materially are: the general economic, business, political, geopolitical and social conditions in the key markets in which the Group operates; the Group's ability to innovate and remain competitive; the Group's investment choices in its portfolio management; the ability of the Group to address existing and emerging environmental and social risks and opportunities; the ability of the Group to manage regulatory, tax and legal matters, including changes thereto; the reliability of the Group's technological infrastructure or that of third parties on which the Group relies including the risk of cyber-attack; interruptions in the Group's supply chain and disruptions to its production facilities; economic volatility including increases in the cost of labour, raw materials and commodities; the execution of acquisitions, divestitures and business transformation projects; product safety and quality, and the reputation of the Group's global brands; and the recruitment and retention of key management.

These forward-looking statements speak only as of the date of this announcement. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

LEI: 5493003JFSMOJG48V108