24 July 2024

RECKITT ANNOUNCES H1 RESULTS AND STRATEGIC UPDATE

Adjusted[1]			IFRS		
£m	2024 H1	YoY[2]	£m	2024 H1	YoY[2]
First Half					
Like-for-like (LFL) net revenue growth[3]		**+0.8%**	**Net revenue**	**7,167**	**-3.7%**
Hygiene		+4.5%	Hygiene	3,060	+0.1%
Health		+1.3%	Health	2,941	-4.3%
Nutrition		-9.0%	Nutrition	1,166	-11.4%
Gross profit margin	**60.6%**	**+120bps**	**Gross profit margin**	**60.6%**	**+120bps**
Operating profit	**1,683**	**-4.9%**	**Operating profit**	**1,678**	**-4.3%**
Operating profit (constant FX)[3]		**+0.6%**			
Operating profit margin	**23.5%**	**-30bps**	**Operating profit margin**	**23.4%**	**-20bps**
Diluted EPS	**161.3p**	**-6.8%**	**Diluted EPS**	**161.0p**	**-6.8%**
Free cash flow	**821**	**+8.3%**	**Cash generated from operating activities**	**982**	**+5.0%**
Cash returns to shareholders[4]	**1,583**	**+100%**			
Q2					
LFL net revenue growth		**0.0%**	**Net revenue**	**3,430**	**-2.8%**

1. *Adjusted measures are defined on page 24.*
2. *All growth rates are presented on an actual basis, except for LFL net revenue growth and where separately noted.*
3. *LFL net revenue and adjusted operating profit growth is measured on a constant exchange rate basis (see page 24).*
4. *Cash returns to shareholders represents dividends paid during the period plus cash returned to shareholders through share buybacks.*

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

"Today I am pleased to announce a set of actions to significantly sharpen our portfolio and simplify our organisation for accelerated growth and value creation. This follows a thorough review of our portfolio against the three principles I set out in October 2023*.

We delivered H1 broadly in line with our expectations. Hygiene grew mid-single-digit LFL net revenue and delivered volume growth despite a more competitive market environment. Health delivered broad-based revenue and volume growth, reduced by softness in seasonal OTC brands.

The investments we have made in innovation are driving growth across our brands, and our industry-leading gross margins have funded both increased brand investment and an attractive adjusted operating margin. We grew free cashflow by 8% and increased cash returns to shareholders by 100%.

Short-term disruption to our Nutrition business, which performed above expectations in H1, due to the Mount Vernon tornado has caused us to reduce our net revenue growth outlook for the year to +1% to +3%. Notwithstanding this, our business remains resilient. We expect revenue growth to accelerate in H2 and continue to target operating profit growth ahead of net revenue growth.

We also announce that we will further increase returns to shareholders through an increase in our dividend and our next share buyback programme of £1bn over the next 12 months."

***details set out in a separate RNS.**

H1 Highlights:

- **H1 growth and earnings delivery broadly in line with expectations.** Group LFL net revenue growth of +0.8%. Mid-single-digit LFL net revenue growth across Hygiene, led by Finish and Lysol. Health delivered strong growth in Intimate Wellness, VMS and non-seasonal OTC brands, partially offset by declines in Mucinex and Strepsils due to a softer end to the cold & flu season and retailer inventory destocking. Nutrition saw stable US market share throughout the half while continuing to rebase from high comparatives.

- **Volume growth of 0.4% in our Hygiene and Health portfolios**, despite high-single digit declines in seasonal OTC brands caused by retailer destocking following a weaker than expected season. The balance of Health and Hygiene Powerbrands delivered strong volume growth.

- **Group reported net revenue decline of -3.7%.** LFL growth of +0.8% offset by FX headwinds of -4.2% and a net M&A impact of -0.3%.

- **Gross margin of 60.6% (+120bps),** reflecting carry-over pricing, lower freight costs and a more benign commodity price environment.

- **Brand Equity Investment (BEI) (+100bps)** as we continue to increase investment behind our brands.

- **Adjusted operating profit margin of 23.5% (-30bps)**. Gross margin expansion is offset by increased BEI and fixed costs.

- **100% increase in cash returns to shareholders,** delivered through a first half dividend of 80.4p (+5%) and £0.8bn of shares repurchased under the share buyback programme. Cash returns are enabled by strong free cashflow generation of £0.8bn (+8% versus 2023 H1).

- **Next share buyback programme to commence imminently**, with £1.0 billion of shares to be repurchased over the next twelve months.

Q2 Performance:

- **Like-for-like (LFL) net revenue was flat,** with volume decline of -2.2% of and price/mix growth of 2.2%. Health and Hygiene net revenue growth was 1.8% with volume decline of -0.8% (volume growth of 0.3% excluding the unwind of a 2.0% net revenue and volume sell-in benefit ahead of a SAP implementation in Brazil during Q1).

- **Hygiene +1.9% LFL net revenue growth (+3.9% excluding Brazil SAP impact).** Growth was led by Lysol and Finish.

- **Health +1.7% LFL net revenue growth. Broad-based revenue and volume growth offset by seasonal OTC weakness and continued retailer destocking.** Growth in Intimate Wellness brands, VMS, Gaviscon and Dettol was partially offset by Mucinex and Strepsils.

- **Nutrition -8.1% LFL net revenue decline. Stable market shares and value share leadership in the US** while volume is rebasing from temporary market share gains from the competitor supply issue in prior years continues.

2024 OUTLOOK

Our 2024 outlook:

- Due to the temporary supply disruption caused by the July 9 tornado in Mount Vernon, Indiana, and its impact on our Nutrition business, we are updating our Group full year LFL net revenue growth outlook to +1% to +3% (previously +2% to +4%).
    - We now expect a low double-digit decline for Nutrition (previously mid- to high-single-digit decline), reflecting an assumed short-term impact to the business from the Mount Vernon tornado.
    - We reiterate mid-single-digit growth for our Health and Hygiene portfolios, albeit at the low end of this range reflecting a more competitive environment in developed markets.
- Adjusted operating profit to grow ahead of net revenue growth (no change).

Technical guidance:

- Adjusted net finance expense is expected to be £300m to £320m. (No change).
- The adjusted tax rate is expected to be 25-26%. (No change).
- Capital expenditure is expected to be 3-3.5% of net revenue. (No change).
- If foreign exchange rates were to hold end-June 2024 closing rates for the remainder of 2024, the estimated negative impact on 2024 Sterling net revenue would be around -3.5%, and 2024 Sterling adjusted diluted EPS would be around -4.5% (as published on our website).

GROUP OVERVIEW

Net Revenue Unaudited	LFL[1]	Volume	Price / Mix	£m	Net M&A	FX	IFRS
H1	**+0.8%**	**-1.3%**	**+2.1%**	**7,167**	**-0.3%**	**-4.2%**	**-3.7%**
Q2	0.0%	-2.2%	+2.2%	3,430	-0.2%	-2.6%	-2.8%

1. *Adjusted measures are defined on page 24.*

Group net revenue

- Group net revenue grew by 0.8% LFL to £7,167m, with price / mix improvements of +2.1% and a volume decline of 1.3%. Hygiene delivered broad-based growth of +4.5% across our brand portfolio with a return to volume growth in the half. Health's growth of +1.3% was led by our Intimate Wellness portfolio, partially offset by the expected declines in seasonal OTC products from both a weak end to the cold & flu season and retailer inventory destocking. Nutrition declined -9.0% as the US lapped the prior year competitor supply issue.
- Total net revenue on an IFRS basis declined -3.7%, reflecting net M&A impact of -0.3% and foreign exchange headwinds of -4.2%.
- 38% of our Core Category Market Units (CMUs) held or gained share on a YoY basis during the half (5 months to 31 May), impacted by Nutrition (14%) which is seeing stable market share in the US this year but continues to rebase from high prior year comparatives. Health is 43% over the same period, with improving trends, particularly in OTC. Hygiene is 44%, impacted by a return to a more normal promotional environment in Europe and competitive pressures in the US. We expect a continued improving trend in our Health business and for competitive pressures to remain in Hygiene.
- At the regional level, our Developing Markets grew by mid-single digits across Hygiene and Health, led by strong double-digit growth in Dettol, Durex and VMS in China. Europe grew mid-single digit, and North America declined, reflecting the ongoing rebasing in our Nutrition business and weakness in seasonal OTC.
- Q2 LFL net revenue was flat. Price / mix improvements were +2.2% and volume declined by -2.2%. Hygiene delivered +1.9% LFL growth but both net revenue and volumes were impacted by the reversal of a 2.0% sell-in benefit ahead of an SAP implementation in Brazil during Q1, as previously communicated. Health delivered +1.7% LFL net revenue growth, with broad-based revenue and volume growth offset by seasonal OTC weakness and continued retailer destocking. US Nutrition (-8.1% LFL net revenue decline) continues to rebase.

Group operating margins and profit

- Adjusted gross margin was 60.6% (2023 H1: 59.4%), an increase of +120bps, driven primarily by pricing actions, lower freight costs and a more benign commodity price environment.
- Brand equity investment (BEI) increased by +7.9% on a constant FX basis as we continued to invest behind innovation launches and the long-term strength of our brands. BEI percentage of net revenue was up +100bps to 13.3% of net revenue (2023 H1: 12.3%).
- Adjusted operating profit was £1,683m (2023 H1: £1,769m) at an adjusted operating margin of 23.5% (2023 H1: 23.8%), -30bps lower than prior year, with gross margin expansion offset by increased brand equity investments and inflation-led cost base increases.
- IFRS operating profit was £1,678m (2023 H1: £1,754m) with an operating profit margin of 23.4% (2023 H1: 23.6%).

EPS and dividends

- Total adjusted diluted EPS was 161.3p (2023 H1: 173.0p), -6.8% below 2023, as an increase in adjusted operating profit at constant exchange rates was offset by adverse foreign exchange and a higher adjusted effective tax rate Total IFRS diluted EPS was 161.0p (2023 H1: 172.8p).
- Half year dividend increased by 5% to 80.4p (2023 H1: 76.6p) per share**,** in line with our policy to deliver sustainable growth through a progressive dividend, which in turn reflects strong free cashflow generation and the Board's confidence in the future growth and cash generation of the business.

Free cash flow

- Free cash flow was £821m (2023 H1: £758m), an +8% increase year on year.
- Net debt ended the half at 2.2x adjusted EBITDA (2023 H1: 2.0x adjusted EBITDA).

OPERATING SEGMENT REVIEW

Hygiene

43% of net revenue in 2024 H1

Net Revenue	LFL[1]	Volume	Price / Mix	£m	Net M&A	FX	IFRS
H1 2024	**+4.5%**	**0.9%**	**+3.6%**	**3,060**	**-**	**-4.4%**	**+0.1%**
Q2 2024	+1.9%	-1.1%	+3.0%	1,452	-	-2.9%	-1.0%

Operating Profit	£m	Constant FX (CER)[1]	IFRS
Adjusted Operating Profit[1]	**654**	**+18.6%**	**12.2%**
Adjusted Operating Profit Margin[1] %	**21.4%**		**+230bps**

1. *Adjusted measures are defined on page 24.*

Half Year Performance

Hygiene net revenue grew +4.5% on a LFL basis to £3,060m, with broad-based volume growth of +0.9% and price / mix improvements of +3.6%, driven by carry over pricing and some minor in-year pricing actions.

44% of Core Hygiene CMUs (weighted by net revenue) gained or held share during the first half. Successful innovation launches and strengthened marketing have been positive growth drivers, while increased competitive pressures, particularly in developed markets, had some negative impact, especially in Auto Dish.

Lysol delivered strong high-single-digit growth in the half, led by double-digit LFL growth in surface disinfection and bathroom hygiene. Wipes benefitted from distribution gains, and Lysol Laundry Sanitiser continued to drive penetration and share growth. Our recently launched Lysol Air Sanitiser continues to successfully build a new category with strong penetration gains as we expand our product range.

In the Auto Dish category, Finish delivered mid-single-digit LFL net revenue growth. We continue to grow through premiumisation with increased household penetration of our customer-preferred Finish thermoformed tablets, which now account for 74% of our tablet net revenue.

We saw broad-based growth across our other Hygiene brands, including Vanish, Mortein and Harpic, where our 10X Advanced Harpic formulation is delivering category share gains in India.

Adjusted operating profit was £654m was up +18.6% on a constant FX basis and +12.2% on an actual basis. Adjusted operating profit margin was 21.4%, up 230bps. Gross margin expansion was offset by increased investment behind brand building initiatives and inflation-driven fixed costs.

Second Quarter Performance

Hygiene net revenue grew +1.9% in the quarter on a LFL basis, with volume decline of -1.1% and price / mix improvements of +3.0%. As communicated previously, both net revenue and volume in the quarter were impacted by the reversal of a 2.0% sell-in benefit ahead of an SAP implementation in Brazil during Q1.

Net revenue growth in the quarter was driven by growth in Lysol and Finish.

Health

41% of net revenue in 2024 H1

Net Revenue	LFL[1]	Volume	Price / Mix	£m	Net M&A	FX	IFRS
H1 2024	**+1.3%**	**-0.2%**	**+1.5%**	**2,941**	**-0.7%**	**-4.9%**	**-4.3%**
Q2 2024	+1.7%	-0.4%	+2.1%	1,403	-0.7%	-2.9%	-1.9%

Operating Profit	£m	Constant FX (CER)[1]	IFRS
Adjusted Operating Profit[1]	**819**	**-0.8%**	**-7.1%**
Adjusted Operating Profit Margin[1] %	**27.8%**		**-90bps**

1. *Adjusted measures are defined on page 24.*

Half Year Performance

Health net revenue grew +1.3% on a LFL basis to £2,941m, with price / mix improvements of +1.5% and volume decline of -0.2%. Volume performance in the half was impacted by a slow end to the cold & flu season and associated retailer stocking actions. Our Intimate Wellness portfolio, our VMS franchise, Dettol and Gaviscon all delivered volume growth in H1.

43% of Core Health CMUs (weighted by net revenue) gained or held share during the half. We are seeing improving trends in our competitiveness. Our volume competitiveness is strong, with over 70% of CMUs holding or gaining share YTD.

Our OTC portfolio saw a low-single digit decline in LFL net revenue. Seasonal brands (Mucinex, Strepsils, Delsym, Lemsip) declined, impacted by a weak end to the cold & flu season retailer inventory movements – both inventory rebuild comparatives from the prior year, and de-stocking actions in the current year. This was partially offset by growth in non-seasonal brands.

The underlying strength of our OTC portfolio remains strong, with volume share gains on a YTD basis and good performances from our recent innovations like Mucinex InstaSoothe and our new Strepsils Herbal Chesty Cough product, launched in Australia during the half.

Intimate Wellness delivered high single-digit growth H1. Growth was broad-based across Europe and Developing Markets. We are seeing strong market share gains across these geographies as we benefit from improved in-store execution actions, distribution gains and recent innovation launches. These include Durex Fetherlite HA, our new hyaluronic acid condom with water-based lubricant to provide a natural moisturisation experience, which is enjoying strong consumer adoption and growth in China, our largest market for Durex.

Dettol was flat in the half, with volume growth mitigated by the impact of competitive pricing actions taken in certain markets. A number of markets delivered growth, underpinned by product innovations including our Dettol Washing Machine Cleaner and 4-in-1 Tru-Protect Laundry Pods, and we saw market share gains in China.

Adjusted operating profit for Health at £819m was down -0.8% on a constant FX basis and -7.1% on an actual basis. Adjusted operating margin was 27.8%, a decrease of 90bps, as gross margin expansion was offset by increased BEI.

Second Quarter Performance

Net revenue grew by +1.7% on a LFL basis in the quarter, with price / mix improvements of +2.1% and volume decline of -0.4%. Growth in Intimate Wellness, Dettol, VMS and non-seasonal OTC brands was offset by a weak end to the cold & flu season and retailer inventory destocking.

Nutrition

16% of net revenue in 2024 H1

Net Revenue	LFL[1]	Volume	Price / Mix	£m	Net M&A	FX	IFRS
H1 2024	**-9.0%**	**-9.0%**	**0.0%**	**1,166**	**-0.1%**	**-2.3%**	**-11.4%**
Q2 2024	-8.1%	-8.6%	+0.5%	575	+0.4%	-1.5%	-9.2%

Operating Profit	£m	Constant FX (CER)[1]	IFRS
Adjusted Operating Profit[1]	**210**	**-29.4%**	**-30.9%**
Adjusted Operating Profit Margin[1] %	**18%**		**-510bps**

1. Adjusted measures are defined on page 24.

Half Year Performance

Nutrition net revenue declined -9.0% on a LFL basis to £1,166m. Volume declined -9.0% due to the lapping of peak market shares in the US from the competitor supply shortage in the prior year, and category-led volume declines in LATAM and ASEAN. Price / mix was flat, with carry over pricing partially offset by more normalised trade conditions in the US.

14% of Core Nutrition CMUs (weighted by net revenue) gained or held share on a YTD basis, impacted by the market share rebasing in the US.

US net revenue declined mid-teens on a LFL basis in the half, with non-WIC market shares stable during H1 but rebasing versus higher prior year comparators reflecting the competitor supply issue at that time. We have maintained our value market leadership position. Our Enfamil brand remains the number one recommended infant formula by paediatricians in the US.

Our US business has benefitted from temporary supply issues experienced by a private label competitor. This has helped deliver a H1 performance above our initial expectations.

Our Developing Markets business saw a low-single-digit decline in LFL growth, with category-led volume declines partially offset by growth in premium products in ASEAN.

Adjusted operating profit for Nutrition at £210m was down -29.4% on a constant FX basis and -30.9% on an actual basis. Adjusted operating margin was 18.0%, down -510bps, reflecting the year-on-year volume deleverage as we lap the competitor supply issue in the US.

Second Quarter Performance

Nutrition net revenue declined by -8.1% on a LFL basis in the quarter. This performance was driven by a low-double-digit decline in North America due to lapping the impact of the competitor supply issue in the US. We exited Q2 and H1 with a non-WIC value market share in the high 30s. Our US business has benefitted from temporary supply issues experienced by a private label competitor, which contributed to a better performance versus our expectations during the quarter.

Other Matters

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 page 22.

On 9 July 2024, a tornado struck our Mount Vernon, Indiana USA warehouse which sustained significant damage. We are working closely with all our stakeholders, including customers and suppliers, to minimise disruption, taking into account the inventory held by our retail partners, managing inventory at other facilities, and leveraging our global supply chain. Additionally, Reckitt holds comprehensive property damage and business interruption insurance which we currently expect will largely offset the impact on earnings.

Performance by Geography

Net Revenue	LFL[1]	Volume	Price / Mix	£m	Net M&A	FX	IFRS
H1 2024							
North America	-4.6%	-3.4%	-1.2%	2,321	-0.1%	-2.5%	-7.2%
Europe / ANZ	+3.9%	-1.9%	+5.8%	2,435	-0.1%	-5.0%	-1.2%
Developing Markets	+3.3%	+1.5%	+1.8%	2,411	-0.8%	-5.4%	-2.9%
Total	**+0.8%**	**-1.3%**	**+2.1%**	**7,167**	**-0.3%**	**-4.2%**	**-3.7%**
Q2 2024							
North America	-3.6%	-3.1%	-0.5%	1,123	-0.1%	-0.6%	-4.3%
Europe / ANZ	+2.2%	-1.8%	+4.0%	1,137	0.0%	-2.6%	-0.4%
Developing Markets	+1.4%	-1.6%	+3.0%	1,170	-0.6%	-4.3%	-3.5%
Total	**0.0%**	**-2.2%**	**+2.2%**	**3,430**	**-0.2%**	**-2.6%**	**-2.8%**

1. *Adjusted measures are defined on page 24.*

North America H1 net revenue declined -4.6% on a LFL basis, with growth in Lysol more than offset by the expected decline in seasonal OTC brands as we lap both the prior year retailer inventory rebuilding, and current year retailer inventory destocking. Growth was also impacted by the continued market share rebasing of our Nutrition business and competitive challenges to our Air Wick and Finish brands.

Europe / ANZ H1 net revenue grew +3.9% on a LFL basis, driven by broad based, mid-single digit growth across both Hygiene and non-seasonal OTC 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 H1 net revenue grew +3.3% on a LFL basis, led by volume growth from Dettol and Durex in South Asia and Greater China, where ecommerce continues to be an important driver of sales.

H1 2024 RESULTS PRESENTATION TODAY

There will be a results presentation for analysts and investors at 08:30 BST which will be held at the London Stock Exchange, 10 Paternoster Square, London, EC4M 7LS.

To attend in person, please email your details to ir@reckitt.com to register.

For those wishing to follow the webcast (listen-only), please click on the link below:

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

Alternatively, dial in details (listen-only) are as follows:

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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.

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DETAILED FINANCIAL REVIEW - SIX MONTHS ENDED 30 JUNE 2024

The following section should be read in conjunction with the full-year financial review from page 4 and the alternative performance measures section from page 24.

Group operating profit
Adjusted operating profit was £1,683 million (2023 H1: £1,769 million) at an adjusted operating margin of 23.5%, 30bps lower than the prior year (2023 H1: 23.8%). Gross Margin improved +120bps to 60.6% driven primarily by pricing actions, lower freight costs and a more benign commodity price environment. These improvements were more than offset by increased BEI investments (-100bps) to support our innovation and the long-term strength of our brands. Fixed costs increased by 50bps as inflation driven people costs, offset by fuel for growth savings.

IFRS operating profit was £1,678 million (2023 H1: £1,754 million) at an IFRS operating margin of 23.4% (2023 H1: 23.6%).

Net finance expense
Adjusted net finance expense was £147 million (2023 H1: £105 million). Adjusted net finance expense in 2023 benefited from foreign exchange gains of around £30 million on certain financing liabilities, as expected did not recur. The remaining increase was due to higher average interest rates on debt as long-dated fixed rate debt is refinanced, and lower level of short-term debt.

IFRS net finance expense was £160 million (2023 H1: £116 million).

Tax
The adjusted effective tax rate (ETR) was 25.4% (2023 H1: 24.7%). The 2024 ETR was higher due to increased tax rates in some countries. This was offset by 2024 ETR benefiting from a higher level of reassessment of uncertain tax positions following progress on and conclusions of tax authority audits.

The IFRS tax rate was 24.6% (2023 H1: 24.1%).

Earnings per share (EPS)
Adjusted diluted EPS was 161.3 pence (2023 H1: 173.0 pence), a decrease of 6.8% as higher adjusted operating profit at constant exchange rates and reduction in number of shares due to the share buyback was more than offset by adverse foreign exchange and a higher adjusted interest costs.

IFRS diluted EPS was 161.0 pence (2023 H1: 172.8 pence).

Balance sheet
At 30 June 2024, the Group had total equity of £8,091 million (31 December 2023: £8,469 million).

Current assets of £4,885 million (31 December 2023: £5,302 million) decreased by £417 million including cash and cash equivalents that fell by £401 million. This group held additional surplus at December 2023 to help fund the ongoing share buyback programme that completed on 2 July 2024.

Current liabilities of £7,042 million (31 December 2023: £8,338 million) decreased by £1,296 million. The decrease principally relates to repayment of £1,571 million of bonds due in June 2024, lower trade and other payables and lower share buyback liability as the existing programme completed in July 2024. This was offset by new commercial paper borrowing.

Non-current assets of £21,523 million (31 December 2023: £21,834 million) primarily comprise goodwill and other intangible assets of £18,420 million (31 December 2023: £18,588 million) and property, plant and equipment. The decrease in goodwill and other intangible assets of £168 million is predominantly due to the strengthening of sterling reducing the value of foreign currency denominated assets.

Non-current liabilities of £11,275 million (31 December 2023: £10,329 million) increased by £946 million principally due to the issue of new bonds which were used to finance the repayment of existing bonds due in June 2024.

Net working capital
During the year, net working capital decreased by £449 million to negative £1,030 million. Net working capital as a percentage of 12-month net revenue is -7% (31 December 2023: -10%, 30 June 2023: -7%) mainly due to lower payables from the timing of annual variable compensation payments and higher receivables due to the timing of sales in Q2 2024 vs Q4 2023.

Cash flow

	30 Jun 2024 £m	30 Jun 2023 £m
Adjusted operating profit	1,683	1,769
Depreciation, share-based payments and gain on disposal of fixed assets (net of proceeds)	268	264
Capital expenditure	(169)	(189)
Movement in working capital and provisions	(503)	(451)
Cash flow in relation to adjusting items	(16)	(44)
Interest paid, net	(101)	(121)
Tax paid	(341)	(470)
Free cash flow	**821**	**758**
Free cash flow conversion	**72%**	**61%**

Free cash flow (FCF) is the amount of cash generated from continuing operating activities after net capital expenditure on property, plant and equipment and intangible software assets. Free cash flow reflects cash flows that could be used for payment of dividends, repayment of debt or to fund acquisitions or other strategic objectives.

Free cash flow of £821m increased by £63m or 8.3% as lower cash profits were offset by lower tax paid. Free cash flow conversion improved by 11 percentage points to 72% mainly due to lower tax paid.

Net cash generated from operating activities increased by £47 million to £982 million (2023 H1: £935 million).

Net debt

	30 Jun 2024 £m	30 Jun 2023 £m
Opening net debt	(7,290)	(7,984)
Free cash flow	821	758
Share buyback	(763)	-
Purchase of ordinary shares by employee share ownership trust	(2)	-
Treasury shares reissued	2	33
Acquisitions, disposals and purchase of investments	56	(1)
Dividends paid to owners of the parent company	(820)	(790)
Dividends paid to non-controlling interests	-	(4)
Acquisition of non-controlling interest	(17)	-
New lease liabilities in the period	(23)	(21)
Exchange and other movements	(47)	103
Cash flow attributable to discontinued operations	(1)	(8)
Closing net debt	**(8,084)**	**(7,914)**

At 30 June 2024, net debt was £8,084 million, an increase of £794 million from 31 December 2023, as continued strong free cash flow has enabled higher capital returns through dividends (£820 million) and the new share buy-back program (£763 million). Net debt was 2.2x adjusted EBITDA at 30 June 2024 (31 December 2023: 1.9x).

The Group regularly reviews its banking arrangements and currently has adequate facilities available to it. The Group has committed borrowing facilities totalling £4,750 million (31 December 2023: £4,500 million), £4,700 million of which expire after more than two years, which are undrawn at period end. The Group remains compliant with its banking covenants. The committed borrowing facilities, together with cash and cash equivalents, are considered sufficient to meet the Group's projected cash requirements.

Dividends

The Board of Directors recommends an interim 2024 dividend of 80.4 pence (2023 H1: 76.6 pence). The ex-dividend date will be 1 August 2024 and the dividend will be paid on 13 September 2024 to shareholders on the register at the record date of 2 August 2024.

Capital returns policy

Reckitt has consistently communicated its intention to use its strong cash flow for the benefit of shareholders. Our priority remains to reinvest our financial resources back into the business, including through value-adding acquisitions, in order to deliver sustainable growth in net revenue and improving earnings per share over time.

In managing the balance sheet, we intend to maintain key financial ratios in line with those expected of an A-grade credit-rated business. This will broadly define acceptable levels of leverage over time. As we reduce leverage we will return surplus cash to shareholders as appropriate. In October 2023, our strong free cash flow generation and healthy balance sheet enabled us to announce a £1 billion share buy-back programme which completed in June 2024. On 24 July 2024, the Group will announce a follow-on buy-back programme of £1 billion over the next twelve months.

Growing the dividend is a long-term goal of the business. The Board's dividend policy aims to deliver sustainable dividend growth in future years, subject to any significant internal or external factors. Accordingly, the 2024 interim dividend was increased by 5% in line with this objective.

Half Year Condensed Financial Statements

Group Income Statement

For the six months ended 30 June 2024

	Note	Six months ended 30 June 2024 £m	30 June 2023 £m
Net Revenue		**7,167**	7,446
Cost of sales		**(2,826)**	(3,022)
Gross profit		**4,341**	4,424
Net operating expenses		**(2,663)**	(2,670)
Operating profit		**1,678**	1,754
Finance income	5	**34**	42
Finance expense	5	**(194)**	(158)
Profit before income tax		**1,518**	1,638
Income tax charge	6	**(374)**	(395)
Net profit from continuing operations		**1,144**	1,243
Net profit from discontinued operations		**–**	9
Net profit		**1,144**	1,252
Attributable to non-controlling interests		**2**	11
Attributable to owners of the parent company		**1,142**	1,241
Net profit		**1,144**	1,252
Basic earnings per ordinary share			
From continuing operations (pence)	7	**161.3**	172.0
From discontinued operations (pence)	7	**–**	1.2
From total operations (pence)		**161.3**	173.2
Diluted earnings per ordinary share			
From continuing operations (pence)	7	**161.0**	171.6
From discontinued operations (pence)	7	**–**	1.2
From total operations (pence)		**161.0**	172.8

Group Statement of Comprehensive Income

For the six months ended 30 June 2024

	Six months ended	
	30 June 2024 £m	30 June 2023 £m
Net profit	**1,144**	1,252
Other comprehensive (expense)		
Items that are or may be reclassified to income statement in subsequent years		
Net exchange (losses) on foreign currency translation, net of tax	**(270)**	(689)
Gains on net investment hedges, net of tax	**43**	62
Gains on cash flow hedges, net of tax	**9**	22
Reclassification of foreign currency translation reserves on disposal or liquidation of foreign operations, net of tax	**(11)**	-
	(229)	(605)
Items that will not be reclassified to income statement in subsequent years		
Remeasurements of defined benefit pension plans, net of tax	**(13)**	(10)
Revaluation of equity instruments – FVOCI	**4**	(2)
	(9)	(12)
Other comprehensive (expense), net of tax	**(238)**	(617)
Total comprehensive income	**906**	635
Attributable to non-controlling interests	**2**	9
Attributable to owners of the parent company	**904**	626
Total comprehensive income	**906**	635
Total comprehensive income attributable to owners of the parent company arising from:		
Continuing operations	**906**	617
Discontinued operations	**–**	9
	906	626

Group Balance Sheet

As at 30 June 2024

	Note	**30 June 2024 £m**	31 December 2023 £m
ASSETS			
Non-current assets			
Goodwill and other intangible assets		**18,420**	18,588
Property, plant and equipment		**2,328**	2,399
Equity instruments		**128**	118
Deferred tax assets		**259**	287
Retirement benefit surplus		**267**	270
Other non-current receivables		**121**	172
Total non-current assets		**21,523**	21,834
Current assets			
Inventories		**1,581**	1,637
Trade and other receivables		**2,182**	2,062
Derivative financial instruments	12	**61**	64
Current tax recoverable		**71**	80
Cash and cash equivalents		**986**	1,387
Assets held for sale		**4**	72
Total current assets		**4,885**	5,302
Total assets		**26,408**	27,136
LIABILITIES			
Current liabilities			
Short-term borrowings	8	**(1,071)**	(1,679)
Provisions for liabilities and charges		**(112)**	(142)
Trade and other payables		**(5,115)**	(5,506)
Derivative financial instruments	12	**(57)**	(78)
Share repurchase liability		**(36)**	(296)
Current tax liabilities		**(651)**	(620)
Liabilities held for sale		**–**	(17)
Total current liabilities		**(7,042)**	(8,338)
Non-current liabilities			
Long-term borrowings	8	**(7,825)**	(6,858)
Deferred tax liabilities		**(2,882)**	(2,899)
Retirement benefit obligations		**(232)**	(233)
Provisions for liabilities and charges		**(54)**	(57)
Derivative financial instruments	12	**(208)**	(187)
Non-current tax liabilities		**–**	(28)
Other non-current liabilities		**(74)**	(67)
Total non-current liabilities		**(11,275)**	(10,329)
Total liabilities		**(18,317)**	(18,667)
Net assets		**8,091**	8,469
EQUITY			
Capital and reserves			
Share capital	9	**74**	74
Share premium		**254**	254
Merger reserve		**(14,229)**	(14,229)
Other reserves		**(1,289)**	(1,060)
Retained earnings		**23,258**	23,409
Attributable to owners of the parent company		**8,068**	8,448
Attributable to non-controlling interests		**23**	21
Total equity		**8,091**	8,469

Group Statement of Changes in Equity

For the six months ended 30 June 2024

	Share capital £m	Share premium £m	Merger reserves £m	Other reserves £m	Retained earnings £m	Total attributable to owners of the parent company £m	Non-controlling interests £m	Total equity £m
Balance at 1 January 2023	74	254	(14,229)	(294)	23,638	9,443	40	9,483
Net profit	–	–	–	–	1,241	1,241	11	1,252
Other comprehensive income	–	–	–	(603)	(12)	(615)	(2)	(617)
Total comprehensive income	–	–	–	(603)	1,229	626	9	635
Transactions with owners								
Treasury shares re-issued	–	–	–	–	33	33	-	33
Share-based payments	–	–	–	–	41	41	-	41
Cash dividends	–	–	–	–	(790)	(790)	(4)	(794)
Forward purchase of shares held by non-controlling interest	–	–	–	–	(166)	(166)	(24)	(190)
Total transactions with owners	–	–	–	–	(882)	(882)	(28)	(910)
Balance at 30 June 2023	74	254	(14,229)	(897)	23,985	9,187	21	9,208
Balance at 1 January 2024	**74**	**254**	**(14,229)**	**(1,060)**	**23,409**	**8,448**	**21**	**8,469**
Net profit	**–**	**–**	**–**	**–**	**1,142**	**1,142**	**2**	**1,144**
Other comprehensive income	**–**	**–**	**–**	**(229)**	**(9)**	**(238)**	**–**	**(238)**
Total comprehensive income	**–**	**–**	**–**	**(229)**	**1,133**	**904**	**2**	**906**
Transactions with owners								
Treasury shares reissued	**–**	**–**	**–**	**–**	**2**	**2**	**-**	**2**
Purchase of ordinary shares by employee share ownership trust	**–**	**–**	**–**	**–**	**(2)**	**(2)**	**-**	**(2)**
Repurchase of ordinary shares	**–**	**–**	**–**	**–**	**(503)**	**(503)**	**-**	**(503)**
Share-based payments	**–**	**–**	**–**	**–**	**39**	**39**	**-**	**39**
Cash dividends	**–**	**–**	**–**	**–**	**(820)**	**(820)**	**-**	**(820)**
Total transactions with owners	**–**	**–**	**–**	**–**	**(1,284)**	**(1,284)**	**–**	**(1,284)**
Balance at 30 June 2024	**74**	**254**	**(14,229)**	**(1,289)**	**23,258**	**8,068**	**23**	**8,091**

Group Cash Flow Statement

For the six months ended 30 June 2024

	Note	Six months ended **30 June 2024 £m**	30 June 2023 £m
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**1,518**	1,638
Net finance expense		**160**	116
Operating profit from continuing operations		**1,678**	1,754
Profit on sale of property, plant and equipment and intangible assets		**(2)**	(2)
Depreciation, amortisation and impairment		**237**	234
Share-based payments		**39**	41
Decrease in inventories		**27**	94
Increase in trade and other receivables		**(180)**	(163)
Decrease in payables and provisions		**(374)**	(424)
Cash generated from continuing operations		**1,425**	1,534
Interest paid		**(136)**	(138)
Interest received		**35**	17
Tax paid		**(341)**	(470)
Net cash flows attributable to discontinued operations		**(1)**	(8)
Net cash generated from operating activities		**982**	935
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(126)**	(144)
Purchase of intangible assets		**(43)**	(45)
Proceeds from sale of property, plant and equipment		**7**	4
Proceeds from sale of intangible assets and related businesses, net of cash disposed		**58**	–
Other investing activities		**(2)**	(1)
Net cash (used in) investing activities		**(106)**	(186)
CASH FLOWS FROM FINANCING ACTIVITIES			
Treasury shares re-issued	9	**2**	33
Purchase of ordinary shares by employee share ownership trust		**(2)**	–
Repurchase of ordinary shares		**(763)**	–
Proceeds from borrowings		**2,017**	975
Repayment of borrowings		**(1,636)**	(921)
Dividends paid to owners of the parent company	10	**(820)**	(790)
Dividends paid to non-controlling interests		**–**	(4)
Acquisition of non-controlling interest		**(17)**	–
Other financing activities		**(19)**	(58)
Net cash used in financing activities		**(1,238)**	(765)
Net decrease in cash and cash equivalents		**(362)**	(16)
Cash and cash equivalents at beginning of the year		**1,380**	1,156
Exchange (losses)		**(35)**	(114)
Cash and cash equivalents at end of the year		**983**	1,026
Cash and cash equivalents comprise:			
Cash and cash equivalents per the balance sheet[1]		**986**	1,027
Overdrafts		**(3)**	(1)
		983	1,026

1 Included within Cash and cash equivalents is £145 million of cash (31 December 2023: £229 million) which is restricted for use by the group but is available on demand and freely available for use within the relevant subsidiary.

Notes to the condensed financial statements

1. General Information

Reckitt Benckiser Group plc (the 'Company') is a public limited company listed on the London Stock Exchange and incorporated and domiciled in the United Kingdom (UK). The address of its registered office is 103-105 Bath Road, Slough, Berkshire SL1 3UH. These condensed consolidated interim Financial Statements ('Half Year Condensed Financial Statements') as at and for the six months ended 30 June 2024 report the consolidated results and financial position of the Company and its subsidiaries (together referred to as 'the Group').

The Half Year Condensed Financial Statements were approved by the Board of Directors on 24 July 2024 and have been reviewed by our independent auditor KPMG LLP (see page 29).

2. Basis of Preparation

The Half Year Condensed Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK.

The annual Financial Statements of the Group are prepared in accordance with UK-adopted international accounting standards and in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, this condensed set of Financial Statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the Group's published consolidated Financial Statements for the year ended 31 December 2023 except as disclosed below in Note 3 Accounting Policies and Estimates.

The comparative figures for the financial year ended 31 December 2023 are not the Group's statutory accounts for that financial year. Those accounts have been reported on by the Group's auditor and approved by the Board of Directors on 21 March 2024 and delivered to the Registrar of Companies. The report of the auditor on those accounts was unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. The report of the auditor included reference to a matter which the auditor drew attention to by way of emphasis without qualifying their report as follows in relation to the uncertain outcome of NEC litigation:

"We draw attention to notes 9, 20 and 33 which disclose that the Group is subject to product liability actions in the United States in relation to alleged links between one of its infant formula products and Necrotising Enterocolitis (NEC), a gastrointestinal condition in preterm infants. On 13 March 2024 an adverse legal ruling awarded one plaintiff $60 million in the only trial to date. The Directors have disclosed a contingent liability in respect of these matters, no amounts are included within provisions and no related net cash outflows have been included in the value in use of the related IFCN CGU."

(See Note 11 to these Half Year Condensed Financial Statements for further information on this matter.)

After reviewing the Group's forecast financial performance and financing arrangements (including £4,750 million of committed borrowing facilities remaining which were undrawn as at 30 June 2024), the Directors consider that the Group has adequate resources to continue operating for at least 12 months from the date of approval of this condensed consolidated financial information and that it is therefore appropriate to continue to adopt the going concern basis in preparing this Half-Year Report.

3. Accounting Policies and Estimates

The accounting policies adopted in the preparation of the Half Year Condensed Financial Statements are consistent with those described on pages 160-168 of the Annual Report and Accounts for the year ended 31 December 2023.

In preparing these Half Year Condensed Financial Statements, the significant estimates and judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's published consolidated Financial Statements for the year ended 31 December 2023.

The following accounting standard amendments were adopted by the Group on 1 January 2024. They have not had a significant impact on the Half Year Condensed Financial Statements.

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The Group has supplier finance arrangements. Adoption of the amendments to IAS 7 and IFRS 7 will result in the Group providing disclosures about these arrangements in the consolidated financial statements for the year ending 31 December 2024. There is no requirement to provide the new disclosures in these Half Year Condensed Financial Statements.

The following amendments and new accounting standards are effective for annual periods beginning on or after 1 January 2025. The Group has not early adopted the amendments or new standards, where applicable, in preparing these Half Year Condensed Financial Statements. These amendments and new standards are not expected to have a material impact on the Group in the current or future reporting periods:

- Lack of Exchangeability (Amendments to IAS 21)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- IFRS 18 Presentation and Disclosures in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

Notes to the condensed financial statements (continued)

4. Operating Segments

The Group's operating segments comprise of the Hygiene, Health and Nutrition business units reflecting the way in which information is presented to and reviewed by the Group's Chief Operating Decision Maker (CODM) for the purposes of making strategic decisions and assessing group-wide performance.

The CODM is the Group Executive Committee. This Committee is responsible for the implementation of strategy (approved by the Board), the management of risk (delegated by the Board) and the review of Group operational performance and ongoing business integration.

The Group Executive Committee assesses the performance of these operating segments based on Net Revenue from external customers and Adjusted Operating Profit. Intercompany transactions between operating segments are eliminated. Finance income and expense are not allocated to segments, as each is managed on a centralised basis.

The segment information for the operating segments for the periods ended 30 June 2024 and 30 June 2023 is as follows:

Six months ended 30 June 2024	**Hygiene £m**	**Health £m**	**Nutrition £m**	**Adjusting items £m**	**Total £m**
Net Revenue	**3,060**	**2,941**	**1,166**	**-**	**7,167**
Operating profit	**654**	**819**	**210**	**(5)**	**1,678**
Net finance expense					**(160)**
Profit before income tax					**1,518**
Income tax charge					**(374)**
Net profit from continuing operations					**1,144**

Six months ended 30 June 2023	Hygiene £m	Health £m	Nutrition £m	Adjusting items £m	Total £m
Net Revenue	3,057	3,073	1,316	-	7,446
Operating profit	583	882	304	(15)	1,754
Net finance expense					(116)
Profit before income tax					1,638
Income tax charge					(395)
Net profit from continuing operations					1,243

Financial information for the Hygiene, Health and Nutrition operating segments is presented on an adjusted basis which excludes certain cash and non-cash items. These items have a pattern of recognition that is largely uncorrelated with the trading performance of the business. Financial information on an adjusted basis is consistent with how management reviews the business for the purpose of making operating decisions. Further detail on adjusting items is included on page 24.

5. Net finance expense

	30 June 2024 £m	30 June 2023 £m
Finance income	**34**	42
Finance expense	**(194)**	(158)
Net finance expense	**(160)**	(116)

Notes to the condensed financial statements (continued)

6. Income Tax

Income tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate, excluding the impact of adjusting items, for the year is 25.4% (2023: 24.7%). IFRS tax rate is 24.6% (2023: 24.1%).

The higher estimated average annual tax rate in 2024 was higher due to increased tax rates in some countries. This was offset by 2024 estimated average annual tax rate benefiting from a higher level of reassessment of uncertain tax positions following progress on and conclusions of tax authority audits.

7. Earnings per share

	Six months ended	
	30 June 2024 pence	30 June 2023 pence
Basic earnings per share		
From continuing operations	**161.3**	172.0
From discontinued operations	**–**	1.2
Total basic earnings per share	**161.3**	173.2
Diluted earnings per share		
From continuing operations	**161.0**	171.6
From discontinued operations	**–**	1.2
Total diluted earnings per share	**161.0**	172.8

Basic
Basic earnings per share is calculated by dividing the net profit attributable to owners of the parent company from continuing operations (2024: £1,142 million; 2023: £1,232 million) and discontinued operations (2024: £nil; 2023: £9 million) by the weighted average number of ordinary shares in issue during the period (2024: 708.1 million; 2023: 716.5 million).

Diluted
Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all potentially dilutive ordinary shares. The Company has the following categories of potentially dilutive ordinary shares: Executive Share Awards (including Executive Share Options and Executive Restricted Share Scheme Awards) and Employee Sharesave Scheme Options. The options only dilute earnings when they result in the issue of shares at a value below the market price of the share and when all performance criteria (if applicable) have been met. As at 30 June 2024, there were 14.4 million (30 June 2023: 13.7 million) Executive Share Awards and 3.0 million (30 June 2023: 2.2 million) Employee Sharesave Scheme Options excluded from the dilution because the exercise price for the options was greater than the average share price for the period or the performance criteria have not been met.

	Six months ended	
	30 June 2024 Average number of shares million	30 June 2023 Average number of shares million
On a basic basis	**708.1**	716.5
Dilution for Executive Share Awards	**1.0**	1.3
Dilution for Employee Sharesave Scheme Options outstanding	**0.2**	0.3
On a diluted basis	**709.3**	718.1

Notes to the condensed financial statements (continued)

8. Financing Liabilities – Borrowings

	30 June 2024 £m	31 December 2023 £m
Bank loans and overdrafts[1]	**24**	30
Commercial paper	**966**	-
Bonds	**-**	1,571
Lease liabilities	**81**	78
Total short-term borrowings	**1,071**	1,679
Bonds	**6,290**	5,304
Senior notes	**1,297**	1,292
Other non-current borrowings	**12**	13
Lease liabilities	**226**	249
Total long-term borrowings	**7,825**	6,858
Total borrowings	**8,896**	8,537
Derivative financial Instruments	**174**	140
Less overdrafts presented in cash and cash equivalents in the Cash Flow Statement	**(3)**	(7)
Total financing liabilities	**9,067**	8,670

[1] Bank loans are denominated in a number of currencies, are unsecured and bear interest based on market short-term interest rates.

9. Share Capital

Issued and fully paid	Equity ordinary shares number	Nominal value £m
At 31 December 2023	736,535,179	74
At 30 June 2024	**736,535,179**	**74**

At 30 June 2024, issued ordinary shares were 736,535,179 (31 December 2023: 736,535,179), of which 37,694,086 shares were held as Treasury shares (31 December 2023: 22,506,530). All shares were fully paid.

Repurchase of ordinary shares

A share repurchase liability of £36 million (including associated costs) has been recognised in the balance sheet as at 30 June 2024 (31 December 2023: £296 million), reflecting contractual obligations to purchase ordinary shares under the £1 billion share buyback programme announced in 2023.

During the 6 months to 30 June 2024, 16,220,598 shares have been purchased at a total cost of £763 million. Repurchased ordinary shares have been included in the treasury shares.

Allotment of ordinary shares and release of treasury shares

During the year nil ordinary shares (2023: nil ordinary shares) were allotted, 1,033,042 ordinary shares were released from Treasury (2023: 2,047,518) and 16,220,598 ordinary shares (2023: 3,782,835 ordinary shares) were bought back, to satisfy vesting/exercises under the Group's various share schemes.

In 2024, 1,033,042 Treasury shares were released (2023: 2,047,518) and 16,220,598 ordinary shares (2023: 3,782,835 ordinary shares) were bought back, leaving a balance held at 30 June 2024 of 37,694,086 (2023: 22,506,530). Proceeds received from the reissuance of Treasury shares to exercise share options were £2 million (2023: £33 million).

10. Dividends

A final dividend of 115.9 pence per share (2023:110.3 pence per share) for the year ended 31 December 2023 was paid on 24 May 2024 amounting to £820 million (2023: £790 million).

On 24 July 2024, the Directors have declared an interim dividend of 80.4 pence per share in respect of the year ending 31 December 2024 which represents a 5% increase year on year and will absorb an estimated £561 million of shareholders' funds. It will be paid on 13 September 2024 to shareholders who are on the register on 2 August 2024.

Notes to the condensed financial statements (continued)

11. Contingent Liabilities and Assets

Necrotizing Enterocolitis (NEC)
Product liability actions relating to NEC have been filed against certain Group subsidiary companies, or against certain Group subsidiary companies and Abbott Laboratories, in state and federal courts in the United States. The actions allege injuries relating to NEC in preterm infants. Plaintiffs contend that human milk fortifiers (HMF) and preterm formulas containing bovine-derived ingredients cause NEC, and that preterm infants should receive a diet of exclusive breast milk. The Company has denied the material allegations of the claims. It contends that its products provide critical tools to expert neonatologists for the nutritional management of preterm infants for whom human milk, by itself, is not available or nutritionally sufficient. The products are used under the supervision of medical doctors.

Any potential costs relating to the product liability actions are not considered probable and cannot be reliably estimated at the current time. Given the uncertainty on the number of cases, their validity and range of possible outcomes on each valid case, the possible economic outflow cannot be reliably estimated, but may be significant.

Watson case
On 13 March 2024, a state court jury in Belleville, Illinois awarded $60 million to a mother of a child who was born prematurely and died 25 days later from Necrotizing Enterocolitis (NEC). Reckitt believe the allegations from the plaintiff's lawyers in this case were not supported by the science or the experts in the medical community. Reckitt are actively considering all options, and at this time an economic outflow is not considered probable. There is a possible outcome that may be unfavourable, however, the Group may benefit from relevant product liability insurance subject to limits and deductibles that the Group considers to be reasonable.

12. Financial Instruments

The fair value measurement hierarchy levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2). If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs) (level 3).

The following table categorises the Group's financial assets and liabilities held at fair value by the valuation methodology applied in determining their fair value.

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
At 30 June 2024				
Assets as per the Balance Sheet				
Derivative financial instruments – FX forward exchange contracts	**-**	**61**	**-**	**61**
Derivative financial instruments – Interest rate swaps[1]	**-**	**7**	**-**	**7**
Derivative financial instruments – Cross currency interest rate swaps[1]	**-**	**11**	**-**	**11**
Equity instruments – FVOCI[2]	**25**	**52**	**48**	**125**
Liabilities as per the Balance Sheet				
Derivative financial instruments – FX forward exchange contracts	**-**	**(57)**	**-**	**(57)**
Derivative financial instruments – Interest rate swaps	**-**	**(117)**	**-**	**(117)**
Derivative financial instruments – Cross currency interest rate swaps	**-**	**(91)**	**-**	**(91)**

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
At 31 December 2023				
Assets as per the Balance Sheet				
Derivative financial instruments – FX forward exchange contracts	-	64	-	64
Derivative financial instruments – Cross currency interest rate swaps[1]	-	50	-	50
Equity instruments – FVOCI[2]	22	45	47	114
Liabilities as per the Balance Sheet				
Derivative financial instruments – FX forward exchange contracts	-	(78)	-	(78)
Derivative financial instruments – Interest rate swaps	-	(115)	-	(115)
Derivative financial instruments – Cross currency interest rate swaps	-	(72)	-	(72)

1 Included within other non current receivables on the balance sheet.

2 Equity instruments on balance sheet also includes investments in associates (2024: £3m, 2023: £4m)

The fair value of forward foreign exchange contracts was determined using forward exchange rates derived from market sourced data at the Balance Sheet date, with the resulting value discounted back to present value (level 2 classification). The fair value of the interest rate swap contracts and the cross currency interest rate swaps was calculated using discounted future cash flows at floating market rates (level 2 classification).

The fair value of equity instruments at 30 June 2024 and 31 December 2023 was determined using both quoted share price information (level 1 classification) and other non-market information (level 3 classification).

Except for the bonds and senior notes, the carrying values of other financial assets and liabilities held at amortised cost approximate their fair values. The fair value of the bonds as at 30 June 2024 is a liability of £6,117 million (31 December 2023: £6,788 million) and the fair value of the senior notes as at 30 June 2024 is a liability of £1,169 million (31 December 2023: £1,203 million). The fair value of the bonds and senior notes was derived using quoted market rates in an active market (level 1 classification).

13. Related Party Transactions

There were no changes in the related party transactions described in the 2023 Annual Report and Accounts that have had a material effect on the financial position or performance of Reckitt either at 30 June 2024 or in the six months to 30 June 2024.

14. Seasonality

Demand for some of the Group's products is subject to significant seasonal fluctuations, in particular some cold, influenza and pest control products. The intensity of seasons can vary from year to year with a corresponding impact on the Group's performance.

15. Post Balance Sheet Events

On 9 July 2024, a tornado struck our Mount Vernon, Indiana USA warehouse which sustained significant damage. We are working closely with all our stakeholders, including customers and suppliers, to minimise disruption, taking into account the inventory held by our retail partners, managing inventory at other facilities, and leveraging our global supply chain. Additionally, Reckitt holds comprehensive property damage and business interruption insurance which we currently expect will largely offset the impact on earnings.

APPENDIX - ALTERNATIVE PERFORMANCE MEASURES

The financial information included in this half year report is prepared in accordance with International Financial Reporting Standards (IFRS) as well as information presented on an adjusted (non-IFRS) basis.

Financial information presented on an adjusted basis excludes certain cash and non-cash items. These items have a pattern of recognition that is largely uncorrelated with the trading performance of the business. Management reviews the business on this basis for the purpose of making operating decisions and showing these adjusted measures in addition to the IFRS measures provides useful additional information on trading performance to the users of the financial statements. These adjusted measures should not be considered in isolation from, substitutes for, or superior to the financial measures prepared in accordance with IFRS.

The following items (adjusting items) are excluded from IFRS earnings in calculating adjusted earnings:

- **Impact of business combinations,** and similar purchases of equity, where IFRS accounting results in the recognition of certain costs that are not comparable with those for internally generated assets, (although the net revenues and other costs of these business combinations are not adjusted for):
  - Amortisation of (a) acquired brands, trademarks and similar assets and (b) certain other intangible assets recorded as the result of a business combination;
  - Inventory fair value adjustments;
  - Professional and advisor costs recorded as the result of a business combination;
  - Changes in the amount of consideration paid or expected to be paid (including changes in fair value) and associated tax impacts; and
  - Changes to deferred tax liabilities relating to (a) acquired brands, trademarks and similar assets and (b) certain other intangible assets recorded as the result of a business combination as the amortisation or profit on disposal of these brands would be treated as an adjusting item.
- **Profits or losses relating to the sale of brands and related intangible assets** as the continued active management of our portfolio results in the recognition of profits or losses relating to disposals of brands and related intangible assets which are largely uncorrelated with the trading performance of the business.
- **Re-cycled foreign exchange translation reserves** upon the sale, liquidation, repayment of share capital or abandonment of a subsidiary previously controlled by the Group, as the gain or loss relates to mainly exchange movements in previous periods rather than the current period.
- **The reclassification of finance income/(expenses) on tax balances into income tax expense**, to align with the Group's tax guidance. As a result, the income/(expenses) are presented as part of income tax expense on an adjusted basis.
- **Other individually material items of expense or income**. Some of these items are resolved over a period of time such that the impact may affect more than one reporting period.

Adjusted measures

- **Adjusted Operating Profit and Adjusted Operating Profit margin:** Adjusted operating profit reflects the IFRS operating profit excluding items in line with the Group's adjusted items policy. See page 25 for details on the adjusting items and a reconciliation between IFRS operating profit and adjusted operating profit. The adjusted operating profit margin is the adjusted operating profit expressed as a percentage of net revenue.
- **Adjusted tax rate:** The adjusted tax rate is defined as the adjusted continuing income tax expense as a percentage of adjusted profit before tax.
- **Adjusted diluted EPS:** Adjusted diluted EPS is the IFRS diluted EPS excluding items in line with the Group's adjusting policy. See page 25 for details on the adjusting items and a reconciliation between IFRS net profit and adjusted net profit. The weighted average number of shares for the period is the same for both IFRS EPS and adjusted EPS.

Other non-GAAP 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 period and excludes the effect of applying hyperinflation accounting in the relevant subsidiaries.
- **Brand Equity Investment (BEI):** BEI is the marketing support designed to capture the voice, mind and heart of our consumers.
- **Net working capital (NWC):** NWC is the total of inventory, trade and other receivables and trade and other payables. NWC is calculated as a % of last twelve months net revenue to compare changes in NWC to the growth of the business.
- **Net Debt:** The Group's principal measure of net borrowings being a total of cash and cash equivalents, short-term and long-term borrowings, lease liabilities and derivative financial instruments on debt.
- **Free Cash Flow and Free Cash Flow Conversion:** The Group's principal measure of cash flow defined as net cash generated from continuing operating activities less net capital expenditure. A reconciliation of cash generated from operations to Free Cash Flow is shown on page 27. The Group tracks Free Cash Flow as a % of adjusted net profit to understand the conversion of adjusted profit into cash.

Other definitions and terms

- **Category Market Unit (CMU):** Reckitt analyses its market share by CMUs, which represent country and either brand or category, e.g., US Lysol. This allows us to analyse the components of market share growth taking into account both geography and brand / category. Management has identified those Core CMUs that are the most strategically important. The list of Core CMUs is kept under continual review and will change over time based on strategic decisions. Currently, Core CMUs cover c. 70% of Group net revenue and between c. 64% to c. 80% of each GBU's net revenue. As a measure of competitiveness, management tracks the percentage of Core CMUs holding or gaining market share, weighted by net revenue.
- **Discontinued operations:** Includes credits or charges related to the previously demerged RB Pharmaceuticals business that became Indivior plc. Net profit from discontinued operations is presented as a single line item in the Group Income Statement.

The table below reconciles the Group's IFRS measures to its adjusted measures for the six months ended 30 June 2024.

		Adjusting items					
	IFRS	Impact of business combinations	Net gain on disposal of brands	Reclassified foreign exchange translation on liquidation of subsidiaries	Finance expense reclass	Other individually material items of income and expense	Adjusted
	£m	£m	£m	£m	£m	£m	£m
Net revenue	7,167	-	-	-	-	-	7,167
Cost of sales	(2,826)	-	-	-	-	-	(2,826)
Gross profit	**4,341**	**-**	**-**	**-**	**-**	**-**	**4,341**
Net operating expenses	(2,663)	13	(9)	-	-	1	(2,658)
Operating profit	**1,678**	**13**	**(9)**	**-**	**-**	**1**	**1,683**
Net finance expense	(160)	-	-	-	13	-	(147)
Profit before income tax	**1,518**	**13**	**(9)**	**-**	**13**	**1**	**1,536**
Income tax charge	(374)	(3)	-	-	(13)	-	(390)
Net profit from continuing operations	**1,144**	**10**	(9)	-	**-**	**1**	**1,146**
Less: Attributable to non-controlling interests	(2)	-	-	-	-	-	(2)
Net profit from continuing operations attributable to owners of the parent company	**1,142**	**10**	(9)	-	**-**	**1**	**1,144**
Net profit for the period from discontinued operations	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total net profit for the year attributable to owners of the parent	**1,142**	**10**	**(9)**	**-**	**-**	**1**	**1,144**
Earnings per share (EPS)							
Continuing operations[1]							
Basic	161.3	1.5	(1.3)	-	-	0.1	161.6
Diluted	161.0	1.5	(1.3)	-	-	0.1	161.3
Discontinued operations[1]							
Basic	-	-	-	-	-	-	-
Diluted	-	-	-	-	-	-	-
Total operations[1]							
Basic	161.3	1.5	(1.3)	-	-	0.1	161.6
Diluted	161.0	1.5	(1.3)	-	-	0.1	161.3

[1] Earnings per share (EPS) is calculated using 708.1m shares (basic) and 709.3m shares (diluted)

Impact of business combinations comprised £13m of amortisation of certain intangible assets recognised as a result of historical business combinations and a £3m related deferred tax credit.

Net gain on disposal of brands comprise £9m profit on sale of certain small developing market brands completed in 2024.

Reclassification of finance expense of £13m relates to the reclassification of interest expense on income tax balances from net finance expense to income tax.

Other individually material items of income and expense relates to costs incurred in relation to the Korea HS issue.

The table below reconciles the Group's IFRS measures to its adjusted measures for the six months ended 30 June 2023.

		Adjusting items					
	IFRS	Impact of business combinations	Net gain on disposal of brands	Reclassified foreign exchange translation on liquidation of subsidiaries	Finance income reclass	Other individually material items of income and expense	Adjusted
	£m	£m	£m	£m	£m	£m	£m
Net revenue	7,446	-	-	-	-	-	7,446
Cost of sales	(3,022)	-	-	-	-	-	(3,022)
Gross profit	**4,424**	**-**	**-**	**-**	**-**	**-**	**4,424**
Net operating expenses	(2,670)	**15**	-	-	-	-	(2,655)
Operating profit	**1,754**	**15**	**-**	**-**	**-**	**-**	**1,769**
Net finance expense	(116)	-	-		11	**-**	(105)
Profit before income tax	**1,638**	**15**	-	-	11	**-**	**1,664**
Income tax charge	(395)	(3)	(2)	**-**	(11)	**-**	(411)
Net profit from continuing operations	**1,243**	**12**	**(2)**	-	-	**-**	**1,253**
Less: Attributable to non-controlling interests	(11)	**-**	**-**	**-**	**-**	**-**	**(11)**
Net profit from continuing operations attributable to owners of the parent company	**1,232**	**12**	**(2)**	**-**	**-**	**-**	**1,242**
Net profit for the period from discontinued operations	**9**	**-**	**-**	**-**	**-**	**(9)**	**-**
Total net profit for the year attributable to owners of the parent	**1,241**	**12**	**(2)**	**-**	**-**	**(9)**	**1,242**
Earnings per share (EPS)							
Continuing operations[1]							
Basic	172.0	1.7	(0.3)	-	-	-	173.4
Diluted	171.6	1.7	(0.3)	-	-	-	173.0
Discontinued operations[1]							
Basic	1.2	-	-	-	-	(1.2)	-
Diluted	1.2	-	-	-	-	(1.2)	-
Total operations[1]							
Basic	173.2	1.7	(0.3)	-	-	(1.2)	173.4
Diluted	172.8	1.7	(0.3)	-	-	(1.2)	173.0

[1] Earnings per share (EPS) is calculated using 716.5m shares (basic) and 718.1m shares (diluted)

Impact of business combinations of £15m comprises £14m amortisation relating to certain intangible assets recognised as a result of historical business combinations and £1m professional costs relating to the forward contract for the purchase of shares in RB Manon. Included within income tax expense is a £3m tax credit in relation to the intangible asset amortisation.

Net gain on disposal of brands of £2m relates to tax on brands disposed in prior years.

Reclassification of finance expense of £11m relates to the reclassification of interest expense on income tax balances from net finance expense to income tax.

Other individually material items of income and expense includes income from discontinued operations of £9 million which relates to the DoJ settlement in 2019.

CALCULATION OF ALTERNATIVE PERFORMANCE MEASURES

Reconciliation of IFRS to Like-for-Like Net Revenue (by GBU)

	For the quarter to 30 June				For the half-year to 30 June			
Net Revenue	**Hygiene £m**	**Health £m**	**Nutrition £m**	**Group £m**	**Hygiene £m**	**Health £m**	**Nutrition £m**	**Group £m**
2023 IFRS	1,466	1,430	633	3,529	3,057	3,073	1,316	7,446
M&A	-	(12)	(5)	(17)	-	(38)	(11)	(49)
Exchange	(10)	1	3	(6)	(66)	(59)	(9)	(134)
2023 Like-for-like	**1,456**	**1,419**	**631**	**3,506**	**2,991**	**2,976**	**1,296**	**7,263**
2024 IFRS	1,452	1,403	575	3,430	3,060	2,941	1,166	7,167
M&A	-	(3)	(5)	(8)	-	(16)	(6)	(22)
Exchange	31	43	10	84	67	90	19	176
2024 Like-for-like	**1,483**	**1,443**	**580**	**3,506**	**3,127**	**3,015**	**1,179**	**7,321**
Like-for-like growth	**1.9%**	**1.7%**	**-8.1%**	**0.0%**	**4.5%**	**1.3%**	**-9.0%**	**0.8%**

Reconciliation of IFRS to Like-for-Like Net Revenue (by Geography)

	For the quarter to 30 June				For the half-year to 30 June			
Net Revenue	**North America £m**	**Europe/ ANZ £m**	**Developing Markets £m**	**Group £m**	**North America £m**	**Europe/ ANZ £m**	**Developing Markets £m**	**Group £m**
2023 IFRS	1,174	1,142	1,213	3,529	2,500	2,464	2,482	7,446
M&A	(5)	(3)	(9)	(17)	(9)	(6)	(34)	(49)
Exchange	11	(1)	(16)	(6)	(20)	(50)	(64)	(134)
2023 Like-for-like	**1,180**	**1,138**	**1,188**	**3,506**	**2,471**	**2,408**	**2,384**	**7,263**
2024 IFRS	1,123	1,137	1,170	3,430	2,321	2,435	2,411	7,167
M&A	(4)	(3)	(1)	(8)	(5)	(4)	(13)	(22)
Exchange	19	29	36	84	42	70	64	176
2024 Like-for-like	**1,138**	**1,163**	**1,205**	**3,506**	**2,358**	**2,501**	**2,462**	**7,321**
Like-for-like growth	**-3.6%**	**2.2%**	**1.4%**	**0.0%**	**-4.6%**	**3.9%**	**3.3%**	**0.8%**

Reconciliation of operating cash flow to free cash flow

	30 June 2024 £m	**30 June 2023 £m**
Cash generated from continuing operations	1,425	1,534
Less: interest paid	(101)	(121)
Less: tax paid	(341)	(470)
Less: purchase of PP&E	(126)	(144)
Less: purchase of intangible assets	(43)	(45)
Plus: proceeds from the sale of PP&E	7	4
Free cash flow	**821**	**758**
Free cash flow conversion	**72%**	**61%**

12 months Adjusted EBITDA to Net Debt

	12 m/e 30 Jun 2024 £m	**12 m/e 30 June 2023 £m**
Operating profit	2,455	3,258
Less: adjusting items	832	185
Adjusted operating profit	**3,287**	**3,443**
Less: adjusted depreciation & amortisation	449	430
Adjusted EBITDA	**3,736**	**3,873**

Net Debt

	30 June 2024 £m	**30 June 2023 £m**
Cash and cash equivalents (inc. overdrafts)	983	1,026
Financing liabilities	(9,067)	(8,940)
Net debt	**(8,084)**	**(7,914)**
Adjusted EBITDA / Net debt (times)	**2.2x**	**2.0x**

Net Working Capital

	30 June 2024 £m	31 Dec 2023 £m
Inventories	**1,581**	1,637
Trade and other receivables	**2,182**	2,062
Trade and other payables	**(5,115)**	(5,506)
Less: Forward purchase liability	**141**	158
Less: Interest accrued on tax balances	**133**	122
Less: Indemnity provisions for disposed businesses	**48**	48
Net working capital	**(1,030)**	(1,479)
Net working capital as percentage of 12-month net revenue	**(7%)**	(10%)

Statement of Directors' Responsibilities

We confirm that to the best of our knowledge:

- the condensed set of Financial Statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK.
- the interim management report includes a fair review of the information required by:

DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of Financial Statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

The Directors of Reckitt Benckiser Group plc are listed in the Reckitt Benckiser Group plc Annual Report and Accounts for the year ended 31 December 2023. A list of current Directors is maintained on the Reckitt Benckiser Group plc website: www.reckitt.com.

By order of the Board

Kris Licht
Chief Executive Officer

Shannon Eisenhardt
Chief Financial Officer

24 July 2024

INDEPENDENT REVIEW REPORT TO RECKITT BENCKISER GROUP PLC

Conclusion

We have been engaged by Reckitt Benckiser Group plc ("the Company") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 which comprises the condensed Group Balance Sheet, Group Income Statement, Group Statement of Comprehensive Income, Group Statement of Changes in Equity and Group Cash Flow Statement and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted for use in the UK and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ("ISRE (UK) 2410") issued for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis of Conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern, and the above conclusions are not a guarantee that the Group will continue in operation.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with UK-adopted International Accounting Standards and in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted for use in the UK.

In preparing the condensed set of financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Andrew Bradshaw

for and on behalf of KPMG LLP

Chartered Accountants

15 Canada Square,

Canary Wharf,

London E14 5GL

24 July 2024