HEALTH ▸ HYGIENE ▸ HOME

RB Full Year 2018 Results Presentation

18th February 2019

Disclaimer

Cautionary note concerning forward-looking statements

This presentation contains statements with respect to the financial condition, results of operations and business of RB (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.

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Agenda

01 Key messages + RB 2.0
Rakesh Kapoor (CEO)

02 Financials + RB 2.0
Adrian Hennah (CFO)

03 Health BU
Adi Sehgal (COO – Health)

04 Hygiene Home BU
Rob DeGroot (President – Hygiene Home)

05 Chairman messages / Q&A
Chris Sinclair (Chairman)

06 Q&As
All

Rakesh Kapoor

Chief Executive Officer

RB 2.0

1. TRANSFORM RB
2. STEP CHANGE CONSUMER HEALTH WITH MJN
3. UNLEASH HYGIENE HOME

RB 2.0

1 TRANSFORM RB

2 STEP CHANGE CONSUMER HEALTH WITH MJN

3 UNLEASH HYGIENE HOME

RB2.0 - Transform RB

2 Agile and Accountable BUs

Delivering improved momentum

Strong Finish

Q4: +4% LFL

+4% Health

+4% HyHo

Upper End of Full Year NR Target Achieved

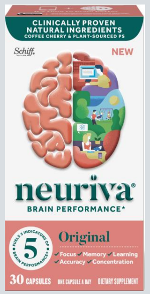
+15% Total growth

+3% LFL

RB2.0 - Transform RB

Supercharge Innovation

New categories	New Consumers/ Benefits	New markets/ channels



eRB - Ready to Disrupt

+ c. 40%
e-Com growth

3x resources
2019 vs 2017

Structural Independence

On track
for mid-2020

RB 2.0

1 TRANSFORM RB

2 STEP CHANGE CONSUMER HEALTH WITH MJN

3 UNLEASH HYGIENE HOME

Consumer Health – Structurally attractive, £400bn 3-5%

Self Cure
£100bn
2-4%

Self Care
£300bn
4-6%

OTC

Wellness and nutrition

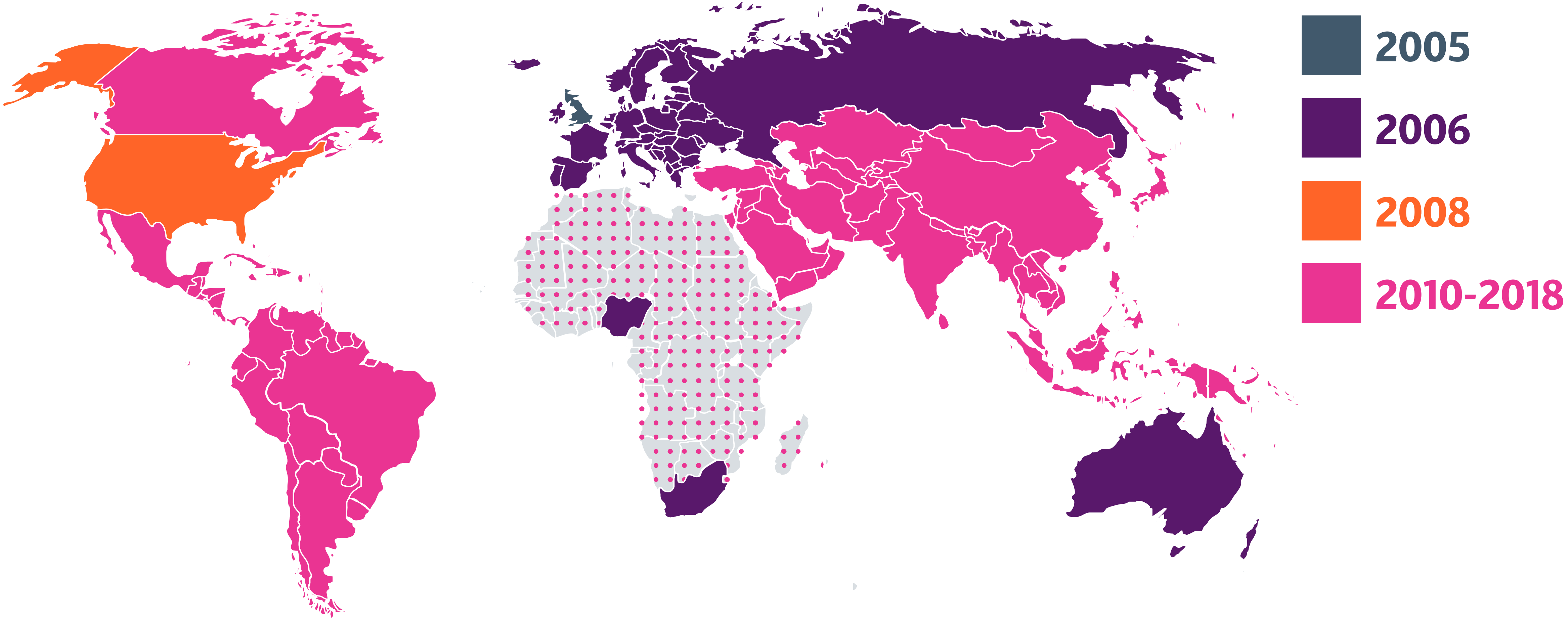
Source: Euromonitor, Nicholas Hall, RB Internal Data

RB Portfolio strategy evolution

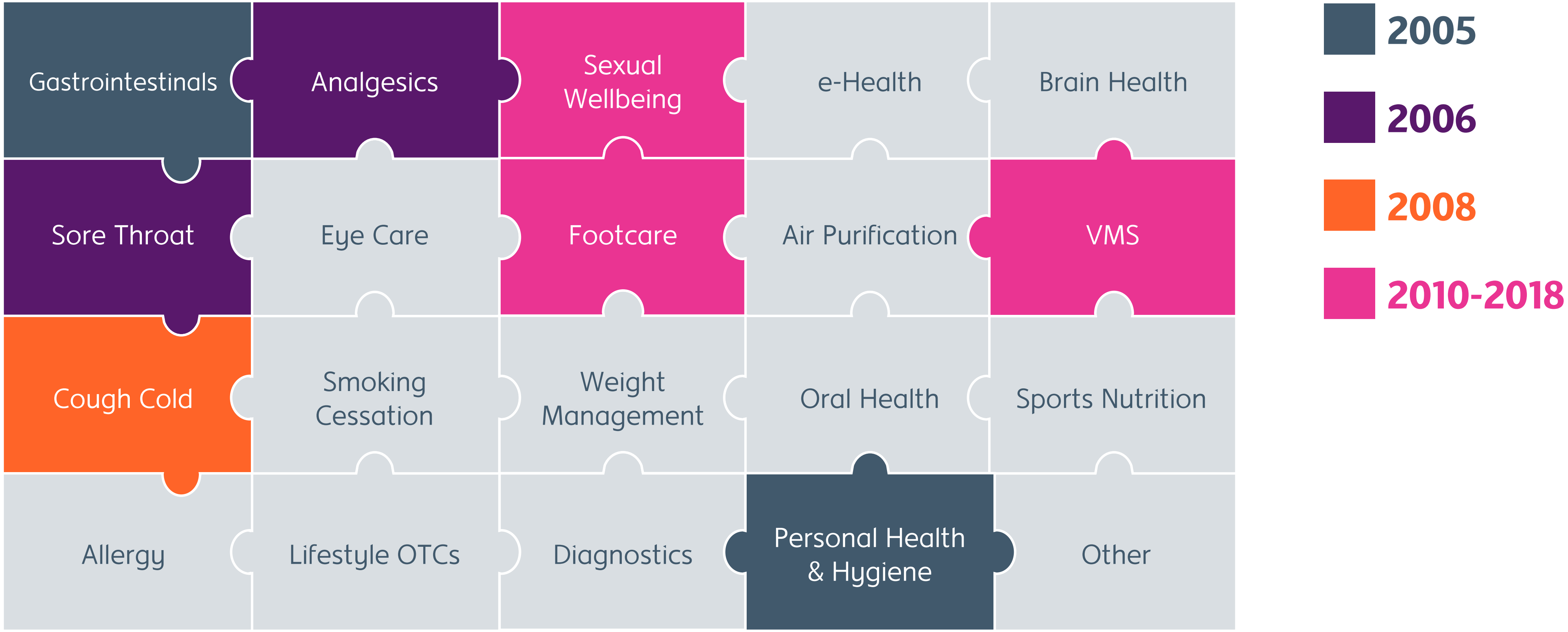
A thoughtful & deliberate series of portfolio moves

	2010 - 2011	2012-2013	2014- 2015	2016-2017
IN	moov, D'cold Total, durex, Scholl	Tempra, Picot, Airborne, MegaRed, Move Free, Digestive Advantage, Luftal Guilong Medicine China BMS LATAM Partnership	K-Y	Enfamil, Nutramigen, olla, LOVETEX, Jontex, hypermarcas, Mead Johnson Nutrition
OUT		**Private Label Laundry**	INDIVIOR **Footwear Business**	Frank's RedHot, French's

We have built a global consumer health footprint

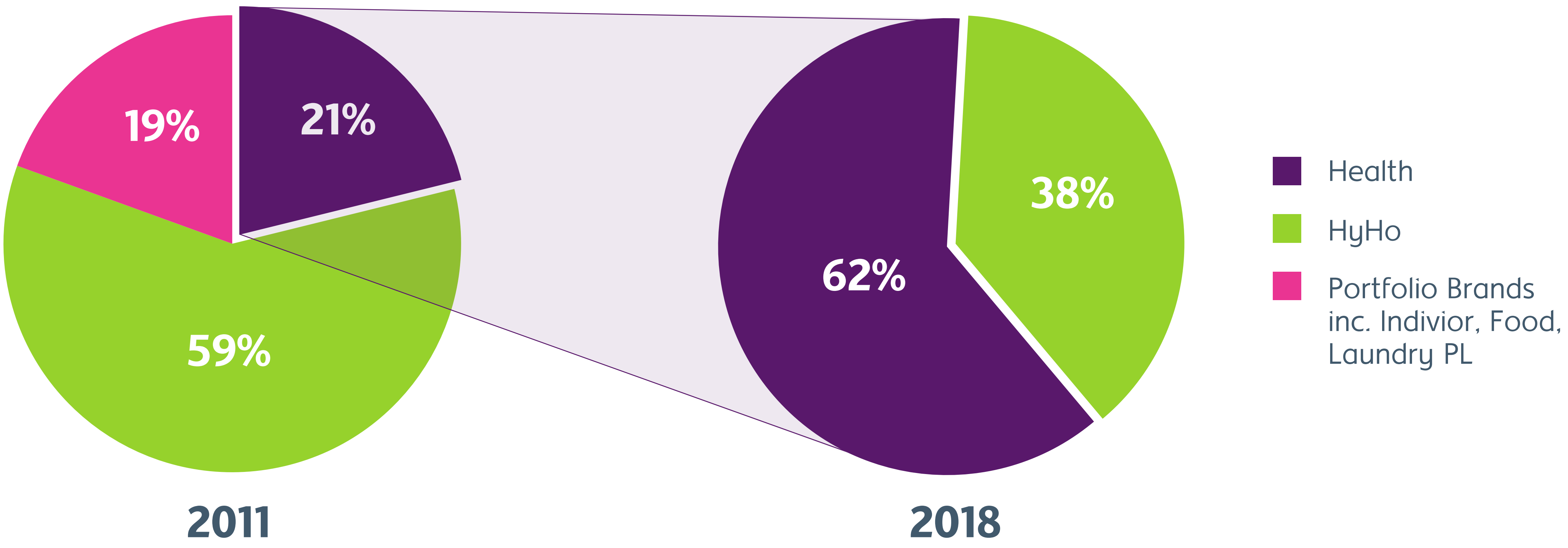


And have built a unique portfolio across the consumer health spectrum



RB Portfolio transformation

From household cleaning company to a leader in Consumer Health

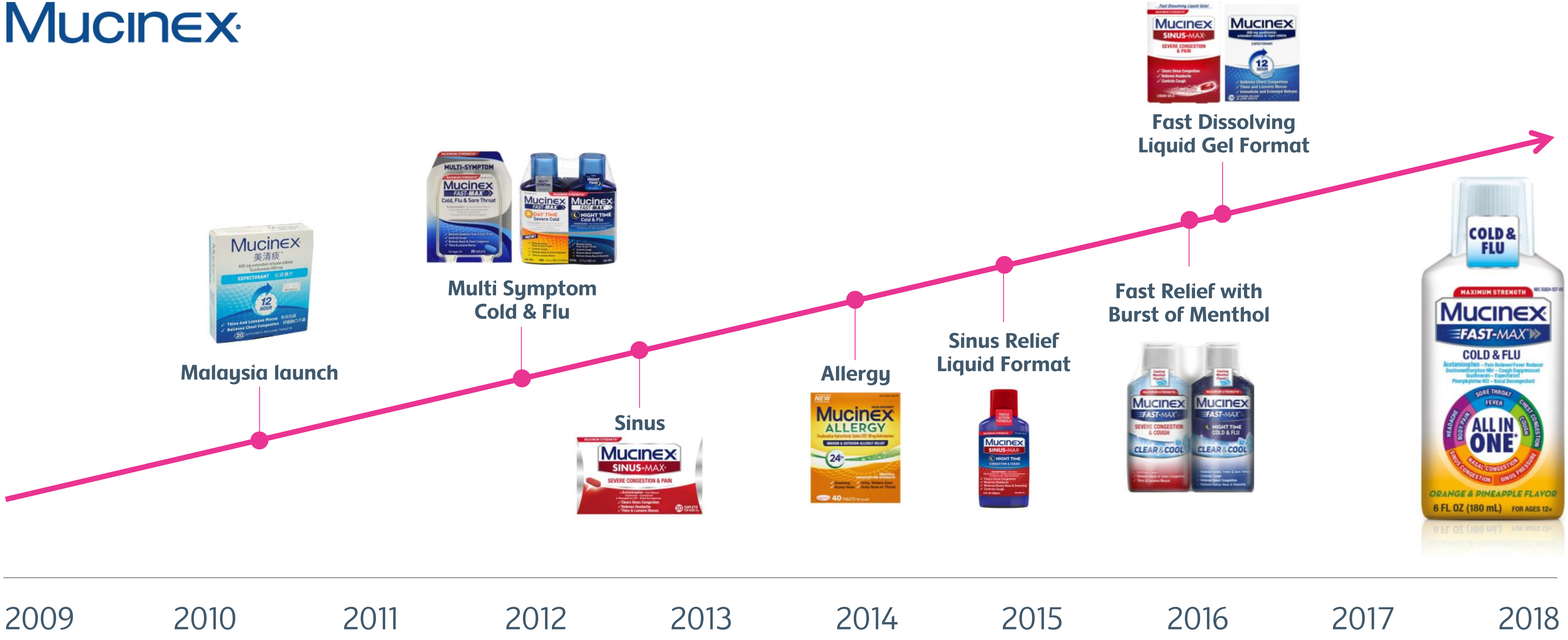


Competitive Landscape is changing

	Global players in consumer health **2009-2010**	Global players in consumer health **2018-2019**
Pharma Co's	Bristol-Myers Squibb, Pfizer, SANOFI, BAYER, MERCK, Boehringer Ingelheim, gsk, J&J, MERCK, NOVARTIS, Wyeth, Abbott	SANOFI, BAYER, Pfizer, gsk, J&J, Abbott
FMCG	P&G, rb	P&G, rb
Nutrition & Wellness	Nestlé, MeadJohnson Nutrition, DANONE	Nestlé, DANONE

Consumer Health is about Moms not Molecules

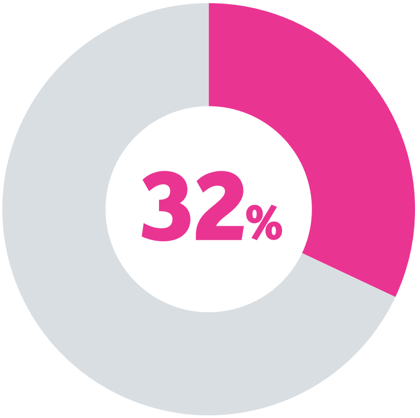
Mucinex



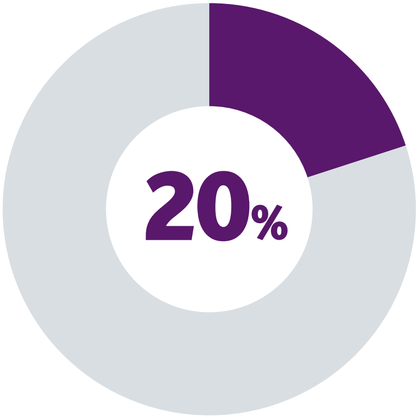
Consumer Health market remains fragmented

Top 10 Competitors by Macro Consumer Health Category

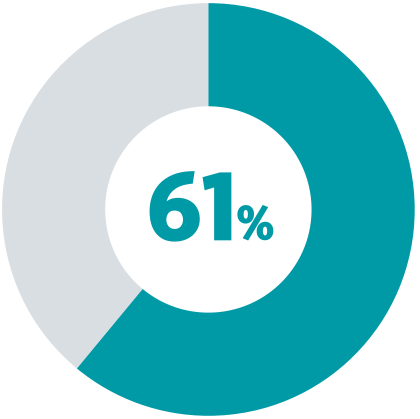
OTC
(Ex VMS)



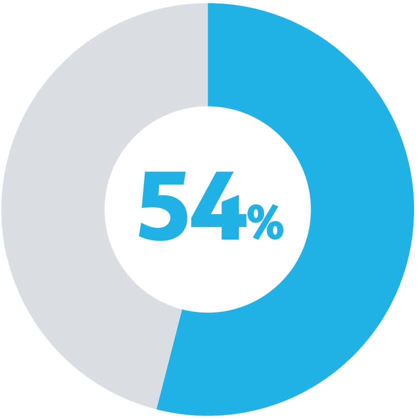
VMS
/Other



IFCN



Health &
Wellness



Sources/Definitions: OTC ex VMS (Nich Hall DB6 18); VMS + Others (captures Sports Nutrition, Weight management, Nutrition Drinks – Euromonitor 2017); IFCN (Baby Food – Euromonitor 2017); Health & Wellness (Condoms, Lubes, SWB Devices, Footcare – AC Nielsen). Adjusted for recent M&A activity (e.g. GSK/Pfizer)

RB 2.0

1 TRANSFORM RB

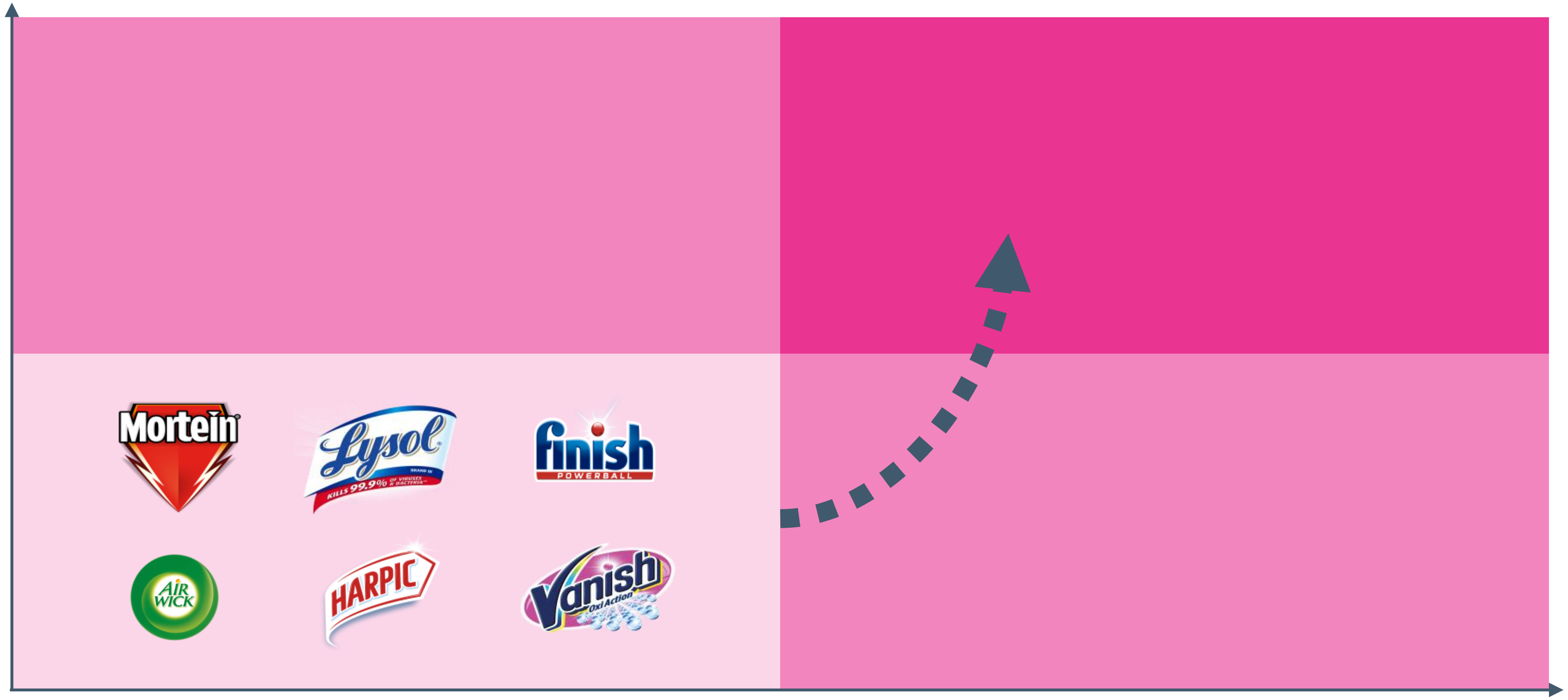
2 STEP CHANGE CONSUMER HEALTH WITH MJN

3 UNLEASH HYGIENE HOME

A unique portfolio of brands with significant growth potential

Mature Categories
(>25% Penetration)

Emerging Categories
(<25% Penetration)

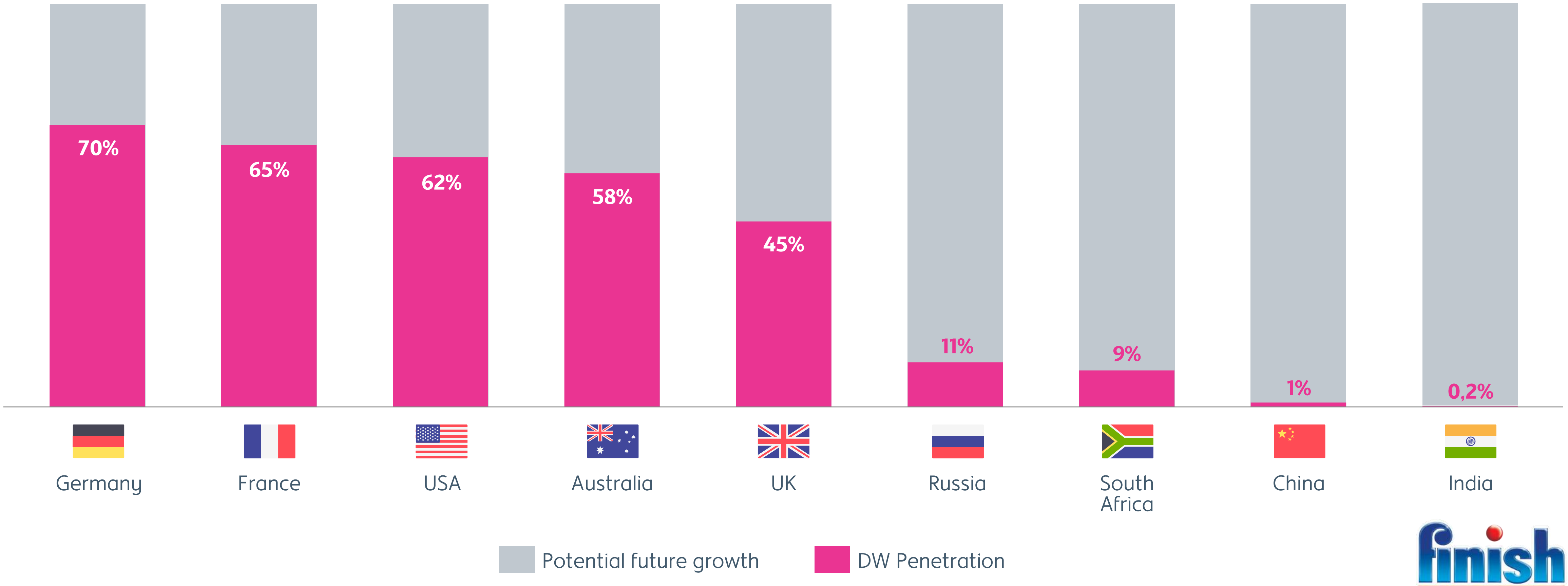


<50% Share **>50% Share**

Source: AC Nielsen & other external sources

Auto dish penetration potential in both Developed & Emerging Markets

Significant penetration potential



Source: RB / AC Nielsen

RB 2.0 – unlocks the potential of Hygiene Home

Improvement in financial performance

RB 2.0

1. TRANSFORM RB
2. STEP CHANGE CONSUMER HEALTH WITH MJN
3. UNLEASH HYGIENE HOME

Adrian Hennah

Chief Financial Officer

Income statement (reported)

	H2		FY	
£m	**2018**	**2017**	**2018**	**2017**
Net Revenue	**6,459**	**6,465**	**12,597**	**11,449**
Adjusted operating profit	**1,910**	**1,932**	**3,358**	**3,122**
Adjusting items	(149)	(258)	**(311)**	**(385)**
Operating profit	**1,761**	**1,674**	**3,047**	**2,737**
Net finance expense	(152)	(191)	**(325)**	**(238)**
Profit before taxation	**1,609**	**1,483**	**2,722**	**2,499**
Taxation	(304)	1,126	**(536)**	**894**
Tax Rate - Adjusted	*19%*	*23%*	**21%**	**23%**
Non-controlling Interest	(8)	(10)	**(20)**	**(17)**
Continuing net income	**1,297**	**2,599**	**2,166**	**3,376**
Discontinued net income	2	3,068	**(5)**	**2,796**
Total net income	**1,299**	**5,667**	**2,161**	**6,172**
Adjusted net income*	**1,417**	**1,374**	**2,410**	**2,308**
Diluted EPS			304.8p	867.9p
Adjusted diluted EPS			339.9p	324.6p

* Adjusted to exclude the impact of adjusting items

Sources of earnings growth

£m	H2	FY
Net revenue proforma	**3%**	**3%**
Proforma adjusted operating margin impact	-1%	-
Interest	-	1%
Taxation	4%	3%
Proforma adjusted net income at constant FX	**6%**	**7%**
FX	-2%	-5%
Proforma adjusted net income at actual FX	**4%**	**3%**
Less: pre-acquisition MJN earnings	-	4%
Add: discontinued operations (Food)	-1%	-3%
Total adjusted net income at Actual FX	**3%**	**4%**

Group Revenue and profit – like-for-like and proforma

	Q4		H2		FY		
£m	2018	2017	2018	2017	2018	PF 17	2017
Revenue	**3,339**	**3,276**	**6,459**	**6,465**	**12,597**	**12,751**	**11,449**
LFL%	4%	2%	3%	1%	3%	-	
Gross Margin			**3,925**	**3,979**	**7,635**	**7,810**	**6,982**
Gross Margin %			60.8%	61.5%	60.6%	**61.3%**	61.0%
Adjusted Operating Profit*			**1,910**	**1,932**	**3,358**	**3,384**	**3,122**
Adjusted Operating Profit %*			29.6%	29.9%	26.7%	26.5%	27.3%

* Adjusted to exclude the impact of adjusting items

Price / Mix and Volumes

%	Volume	Price / Mix	Total
Pro forma			
FY 18	2%	1%	3%
Q4 18	1%	3%	4%
Q3 18	-	2%	2%
Q2 18	3%	2%	5%
Q1 18	3%	-	3%
RB Base			
FY 17	-	-	-
FY 16	-	3%	3%
FY 15	3%	3%	6%
FY 14	2%	2%	4%

Group margin analysis – reported and proforma

	H2				FY			
	Reported		Proforma		Reported		Proforma	
	%	bps v PY	%	bps v PY	%	bps v PY	%	bps v PY
Gross Margin								
2018	60.8%	-70bps			60.6%	-40bps	60.6%	-70bps
2017	61.5%	-40bps	61.5%	-90bps	61.0%	-10bps	61.3%	-60bps
BEI								
2018	12.2%	-100bps			13.8%	-10bps	13.8%	-80bps
2017	13.2%	+120bps	13.2%	-30bps	13.9%	+40bps	14.6%	-
Operating Margin*								
2018	29.6%	-30bps			26.7%	-60bps	26.7%	+20bps
2017	29.9%	-190bps	29.9%	-30bps	27.3%	-70bps	26.5%	-70bps

Notes: 2018 bps vs 2017 comparatives restated for the adoption of IFRS 15. 2017 bps vs 2016 comparatives exclude the discontinued Food business.
* Adjusted to exclude adjusting items

RB Health – Net Revenue by Category – proforma

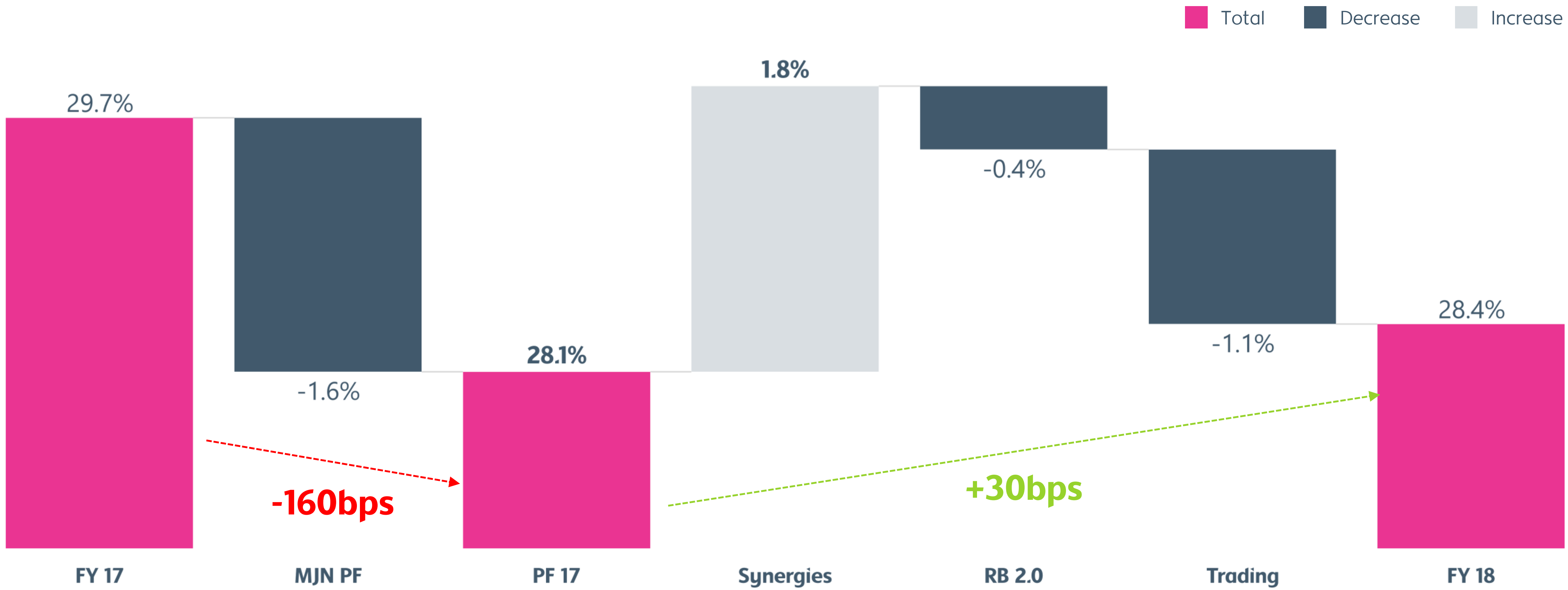
	2017					2018					Total NR FY 18	
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	£bn	% Total
Infant Nutrition	-5%	-1%	1%	3%	-1%	6%	9%	-6%	5%	3%	2.9	37%
OTC	11%	-2%	-2%	7%	4%	5%	8%	6%	2%	5%	2.0	26%
Other	-4%	-1%	-	-	-1%	-2%	-	2%	4%	1%	2.9	37%
RB Health	-1%	-1%	-	3%	-	3%	5%	-	4%	3%	7.8	100%

RB Health – Net revenue by Geography - proforma

	2017					2018					Total NR FY18	
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	£'bn	%
North America	1%	-	-4%	-	1%	4%	3%	6%	5%	4%	2.0	25%
Europe	-6%	-7%	-5%	-	-4%	-4%	1%	-4%	-3%	-3%	2.0	26%
DVM	1%	2%	5%	6%	4%	6%	8%	-1%	7%	5%	3.8	49%
Total	**-1%**	**-1%**	**-**	**3%**	**-**	**3%**	**5%**	**-**	**4%**	**3%**	7.8	100%
RB LFL	2%	-1%	-1%	3%	1%	1%	3%	-	4%	2%		

RB Health FY margin analysis

Adjusted Operating profit bridge



* Adjusted to exclude the impact of adjusting items

MJN cost synergy delivery

£m	FY 17	H1 18	H2 18	FY 18	BTG	Total	
						GBP	USD
Total	20	55	103	158	45	223	300

RB Hygiene Home

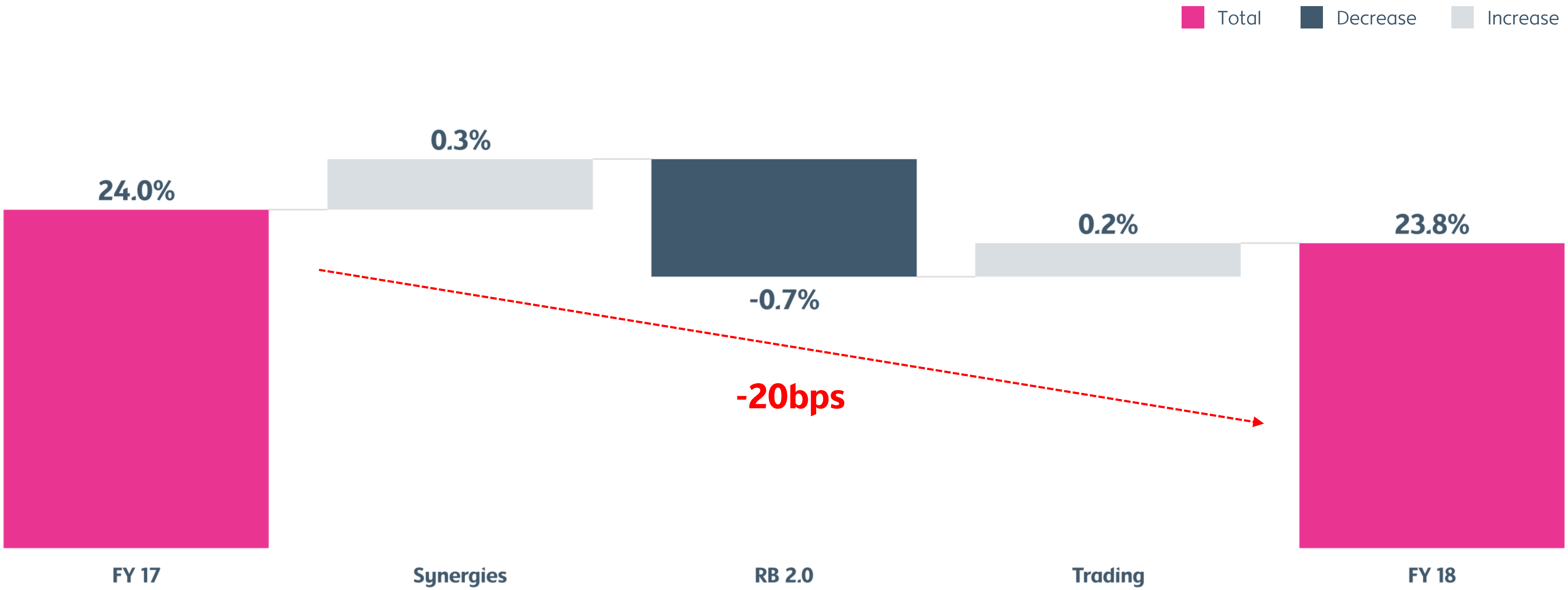
	2017					2018					Total NR
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	£'bn
RB Hygiene Home	-2%	-3%	-2%	-	-2%	4%	4%	4%	4%	4%	4.8

RB Hygiene Home – Net revenue by Geography

	2017					2018					Total NR FY 18	
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	£'bn	% total
North America	-3%	-3%	1%	4%	-	8%	6%	5%	6%	6%	1.5	31%
Europe	-	-5%	-1%	2%	-1%	2%	-	-	-2%	-	2.1	45%
DVM	-5%	-1%	-5%	-6%	-4%	3%	10%	12%	11%	9%	1.2	24%
Total	**-2%**	**-3%**	**-2%**	**-**	**-2%**	**4%**	**4%**	**4%**	**4%**	**4%**	**4.8**	100%

RB Hygiene Home FY margin analysis

Adjusted Operating profit bridge



* Adjusted to exclude the impact of adjusting items

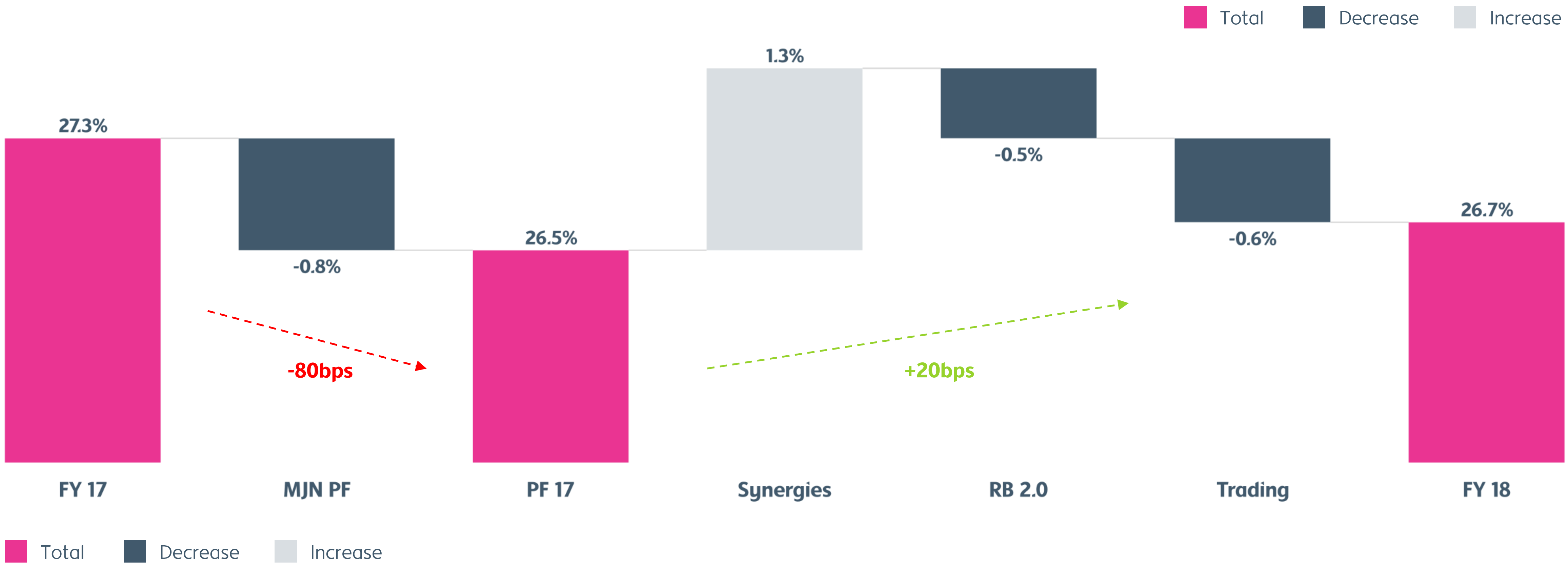
Hygiene Home operating margin

	H1	H2	FY	bps
FY18	20.0%	27.4%	**23.8%**	-20bps
FY17	20.8%	27.1%	**24.0%**	-140bps**
FY16	21.0%	28.8%	**25.2%**	

* Adjusted to exclude the impact of adjusting items
** 2018 bps vs 2017 comparatives restated for the adoption of IFRS 15..

Group FY margin analysis

Adjusted Operating profit bridge



* Adjusted to exclude the impact of adjusting items

Net Working Capital

£m	FY 18	FY 17 PF
Inventory	1,276	**1,201**
% to last 12 month revenue	10%	9%
Receivables	2,097	**2,004**
% to last 12 month revenue	17%	16%
Payables	(4,811)	**(4,629)**
% to last 12 month revenue	-38%	-36%
Net working capital	(1,438)	**(1,424)**
% to last 12 month revenue	-11%	-11%

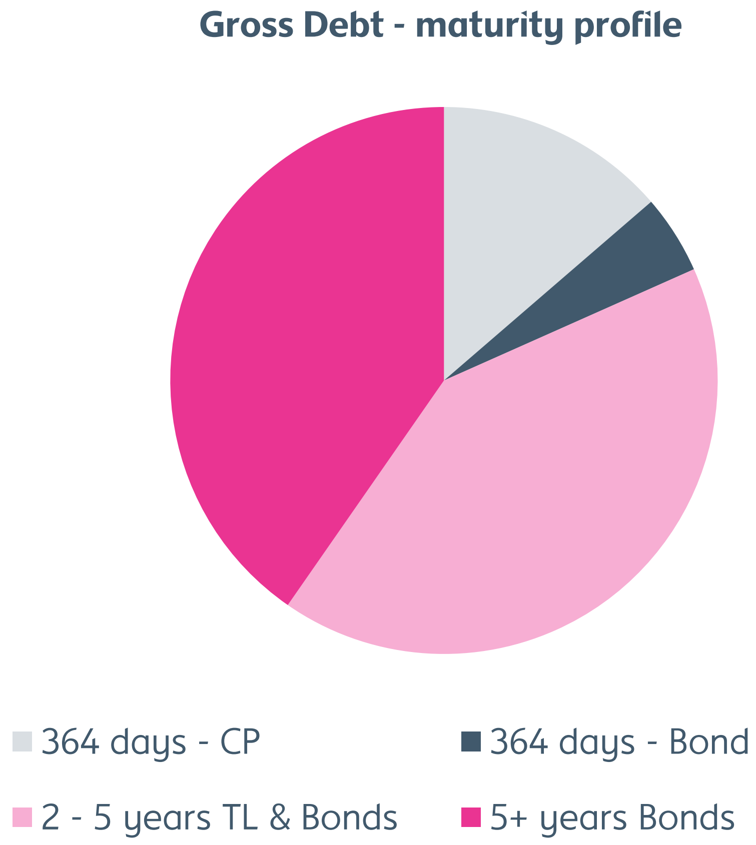
Free cash flow

£m	H2 2018	H2 2017	FY 2018	FY 2017
Adjusted Operating Profit*	**1,910**	**1,932**	**3,358**	**3,122**
Share based payment	(24)	36	14	72
Depreciation and amortisation	144	134	272	223
Net capital expenditure	(254)	(225)	(420)	(323)
Movement in net working capital	(104)	(323)	(26)	(71)
Movement in provisions and other creditors	(41)	(47)	(50)	(46)
Trading cashflow	**1,631**	**1,507**	**3,148**	**3,119**
Exceptional cashflow	(139)	(181)	(231)	(280)
Operating Cashflow	**1,492**	**1,326**	**2,917**	**2,839**
Net interest paid	(146)	(132)	(321)	(167)
Taxation paid	(236)	(316)	(567)	(543)
Free Cashflow	**1,110**	**878**	**2,029**	**2,129**
Free Cashflow as % of Adjusted Continuing Net Income	**78%**	**64%**	**84%**	**94%**
Closing net debt	**(10,406)**	**(10,746)**	**(10,406)**	**(10,746)**

* Adjusted to exclude the impact of adjusting items

Analysis of Net Debt

Net Debt	Dec 2018
Gross debt ($15.0bn)	£11.9bn
Cash	£1.5bn
Net debt	£10.4bn
Gross debt components	
Commercial paper - $0.8bn & €1.2bn	$2.1bn
USD B & C Term Loans	$1.7bn
USD Bonds	$11.2bn



RB 2.0 – Steps to structural independence

2018 - 2020

Completion of infrastructure

Multiple work streams

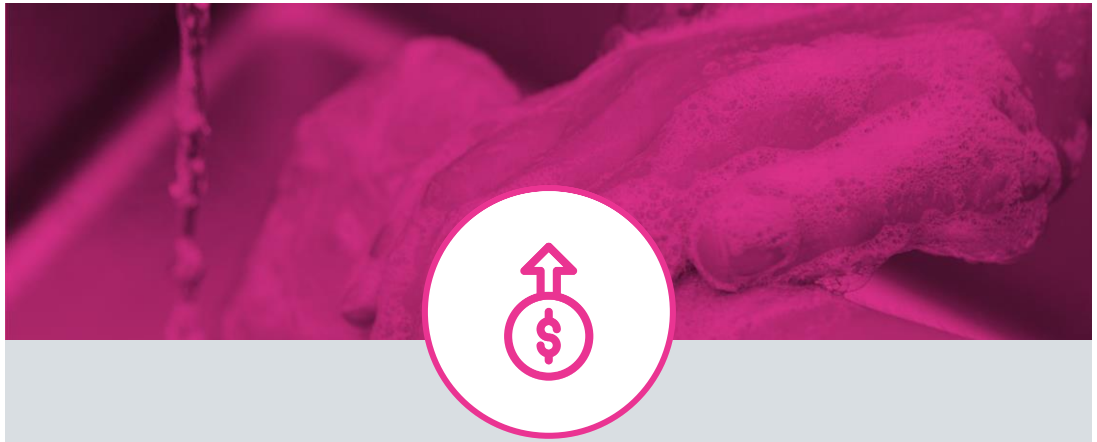
- Legal entity restructuring
- ERP systems
- Shared service
- Operating model
- Financial reporting
- Application separation and readiness
- Product lifecycle management

1,000+ FTEs working across 7 workstreams at peak times

Rakesh Kapoor

Chief Executive Officer

2019 Targets



Net revenue

at constant rates

+3-4% LFL

Operating margin

Adjusted to exclude the impact of adjusting items

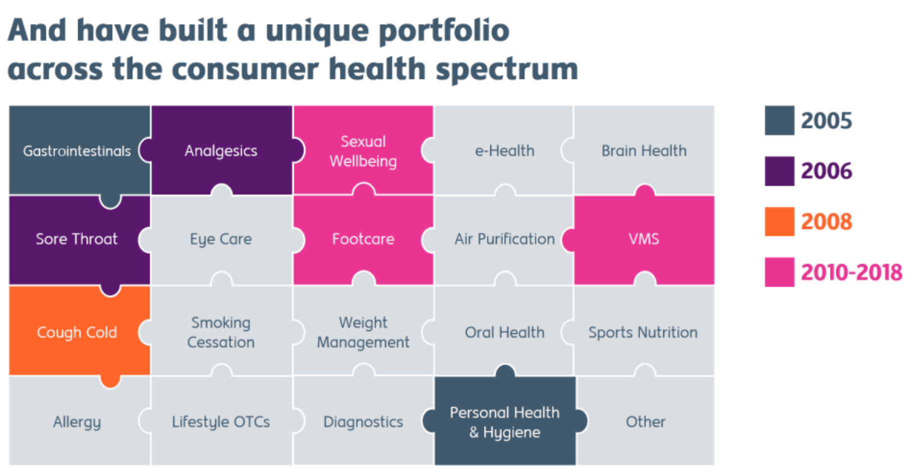
Maintain

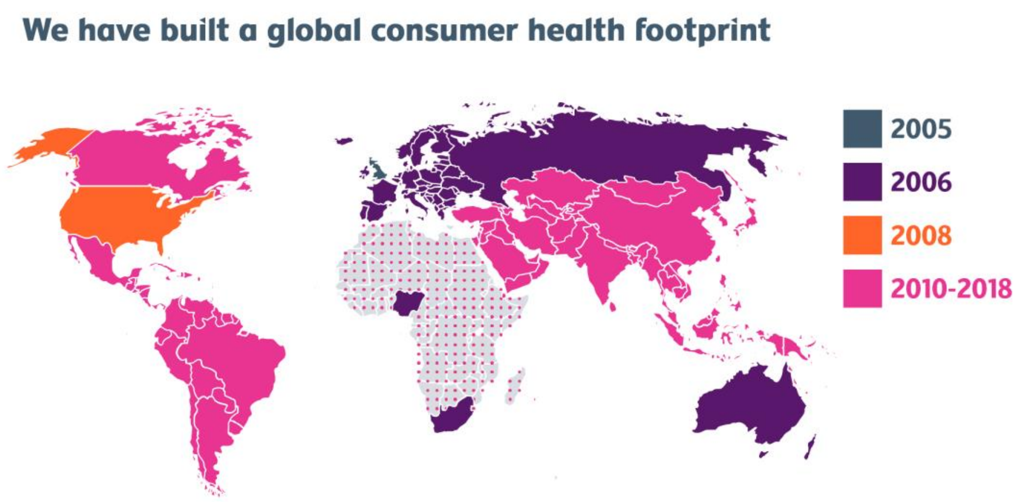
Adi Sehgal

Chief Operating Officer – Health

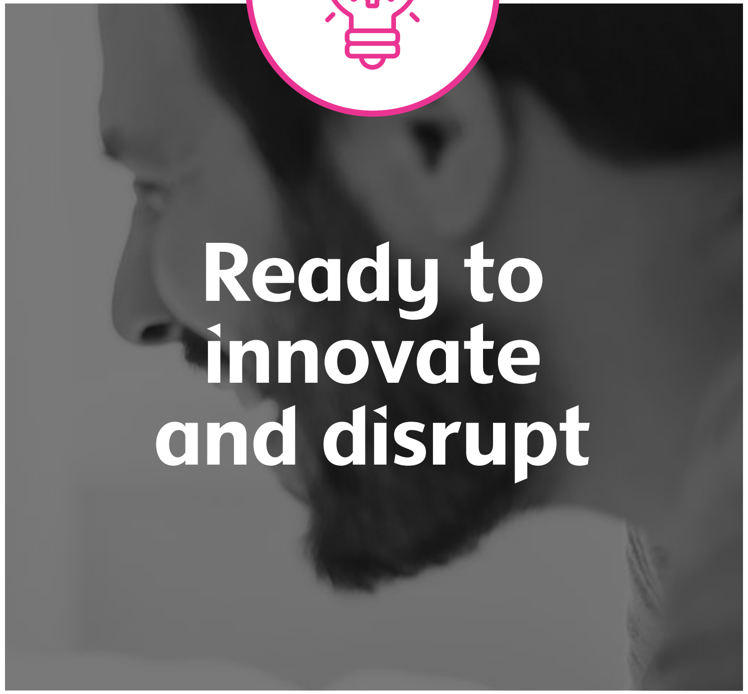
Innovative solutions to put health in your hands

RB 2.0: We built a unique portfolio across the consumer health spectrum



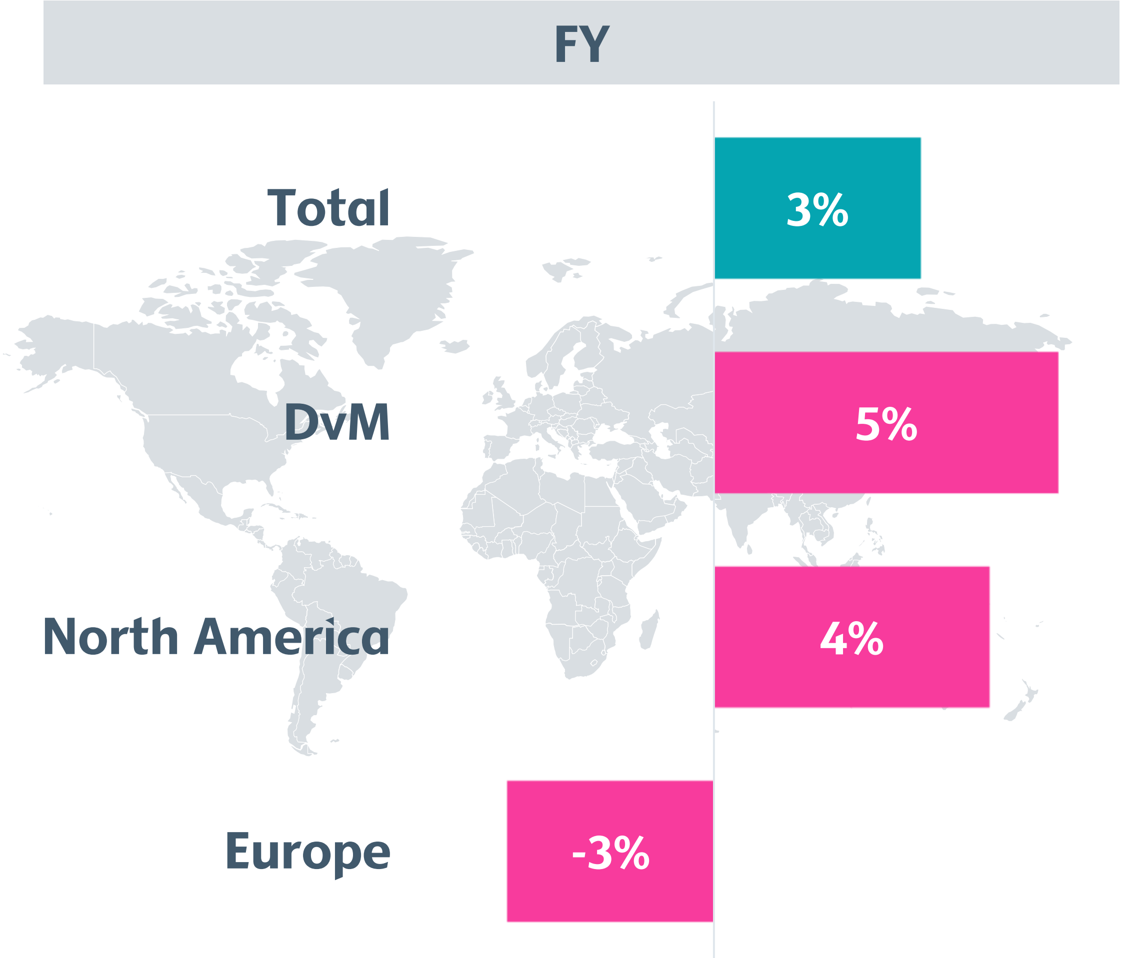


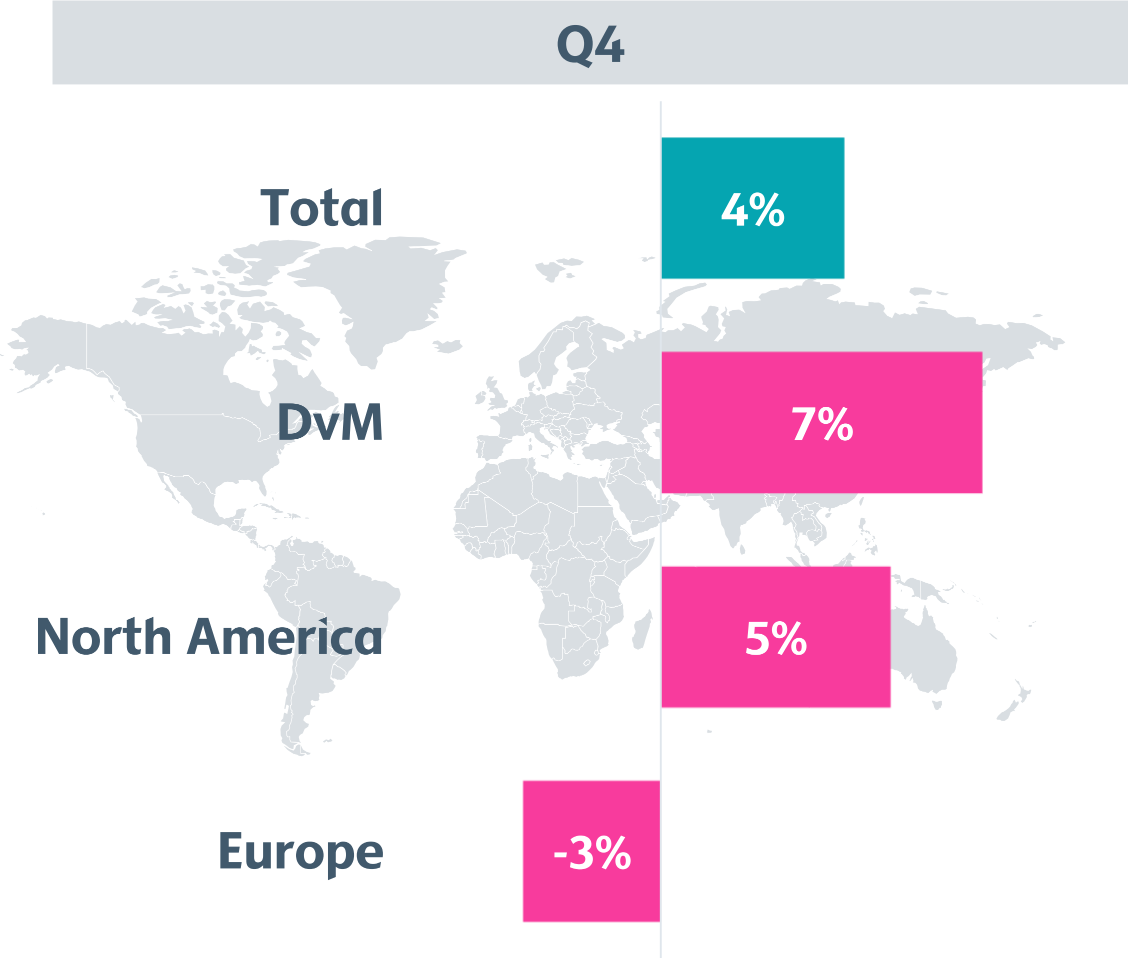
RB 2.0: 2018 was a foundational year



RB 2.0: 2018 was a foundational year

Strong results with improving momentum





Profoma growth for RB Health

RB 2.0: 2018 was a foundational year

MJN – On track

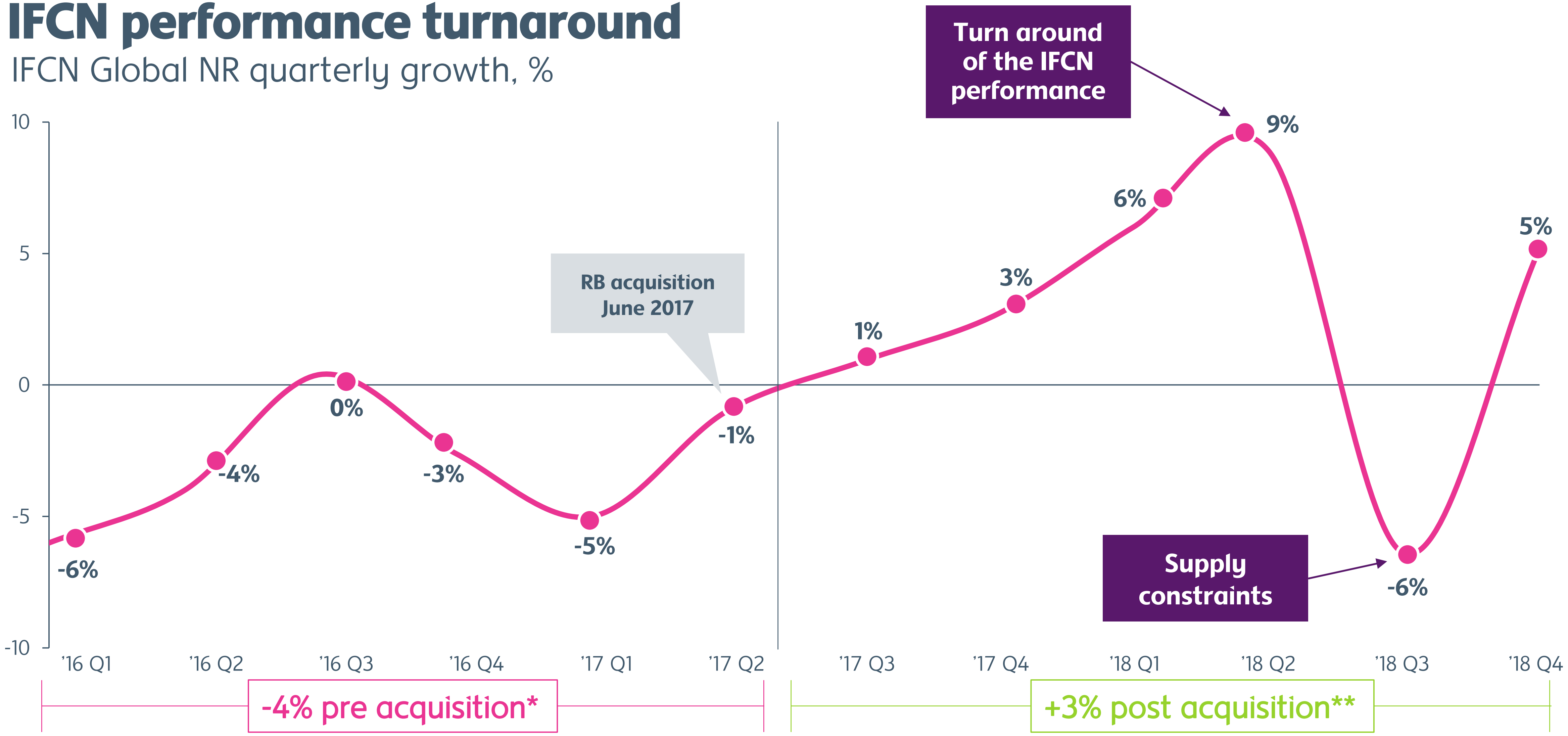
Growth on track

Synergies delivered

Innovation pipeline 2X

IFCN performance turnaround

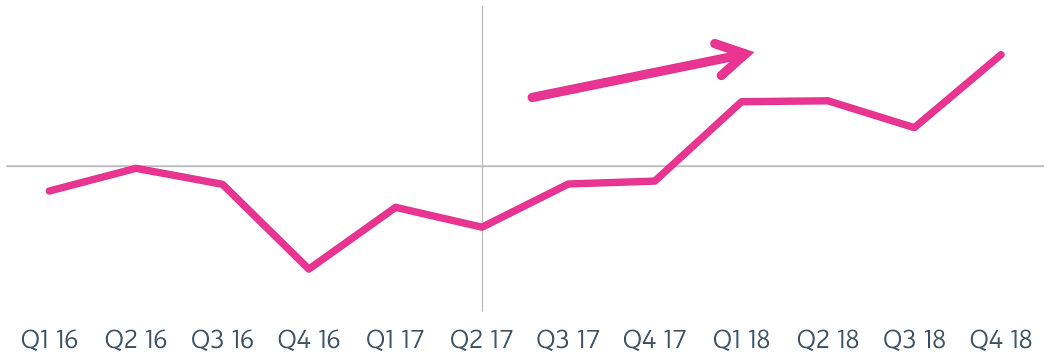
IFCN Global NR quarterly growth, %



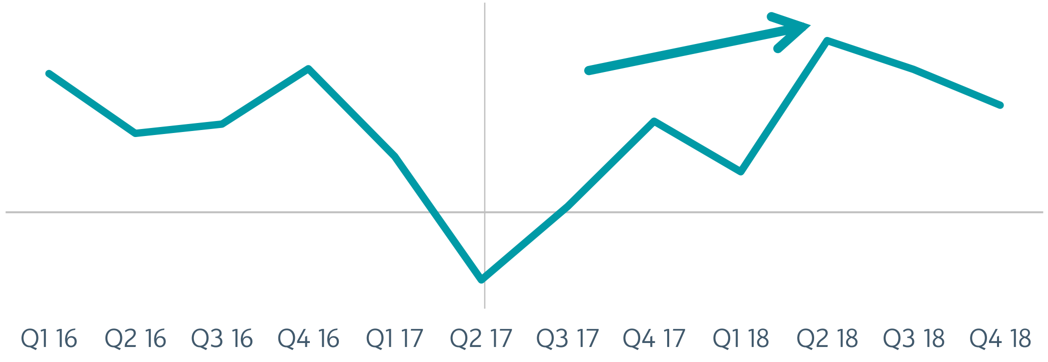
*Ex-FX basis as reported by the MJN
**Proforma growth under RB ownership

NR growth accelerating in all IFCN regions

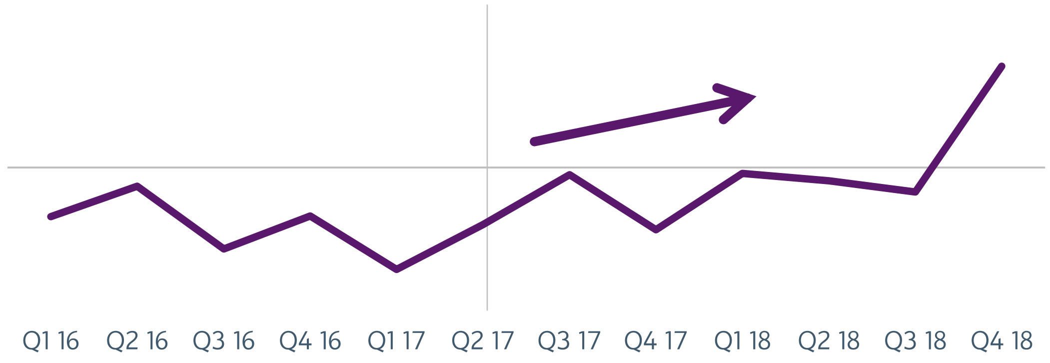
North America



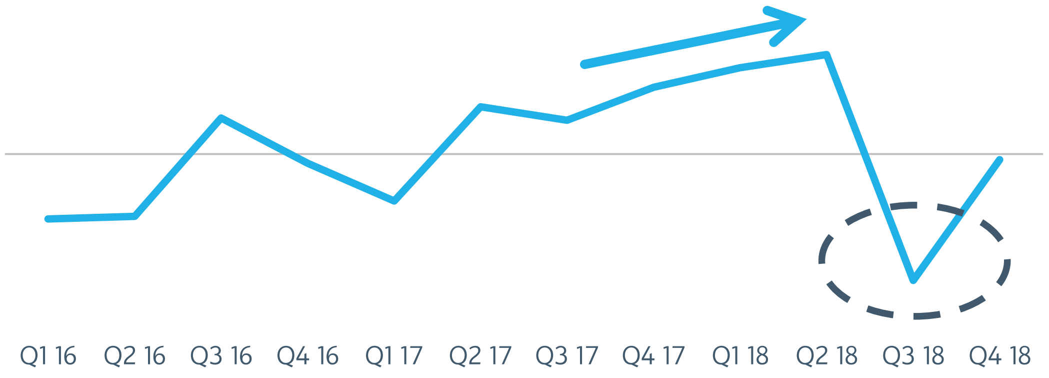
LATAM



ASEAN



Greater China



China remains an attractive market, where RB is poised to outperform

Attractive market

Births

Premiumisation

Channels

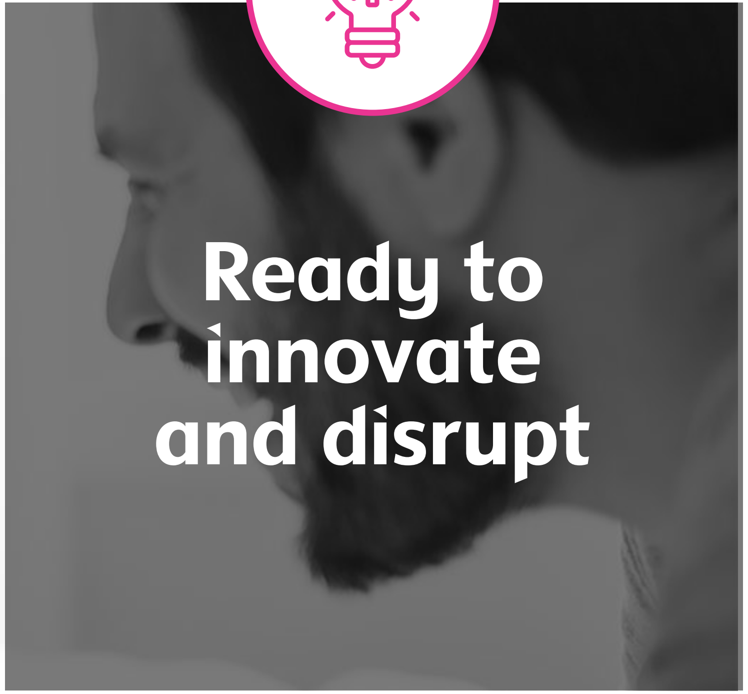
Ready to innovate and disrupt

2X Innovation pipeline

RB: e-Commerce 25%

Partnerships

RB 2.0: 2018 was a foundational year



Innovative solutions to put health in your hands

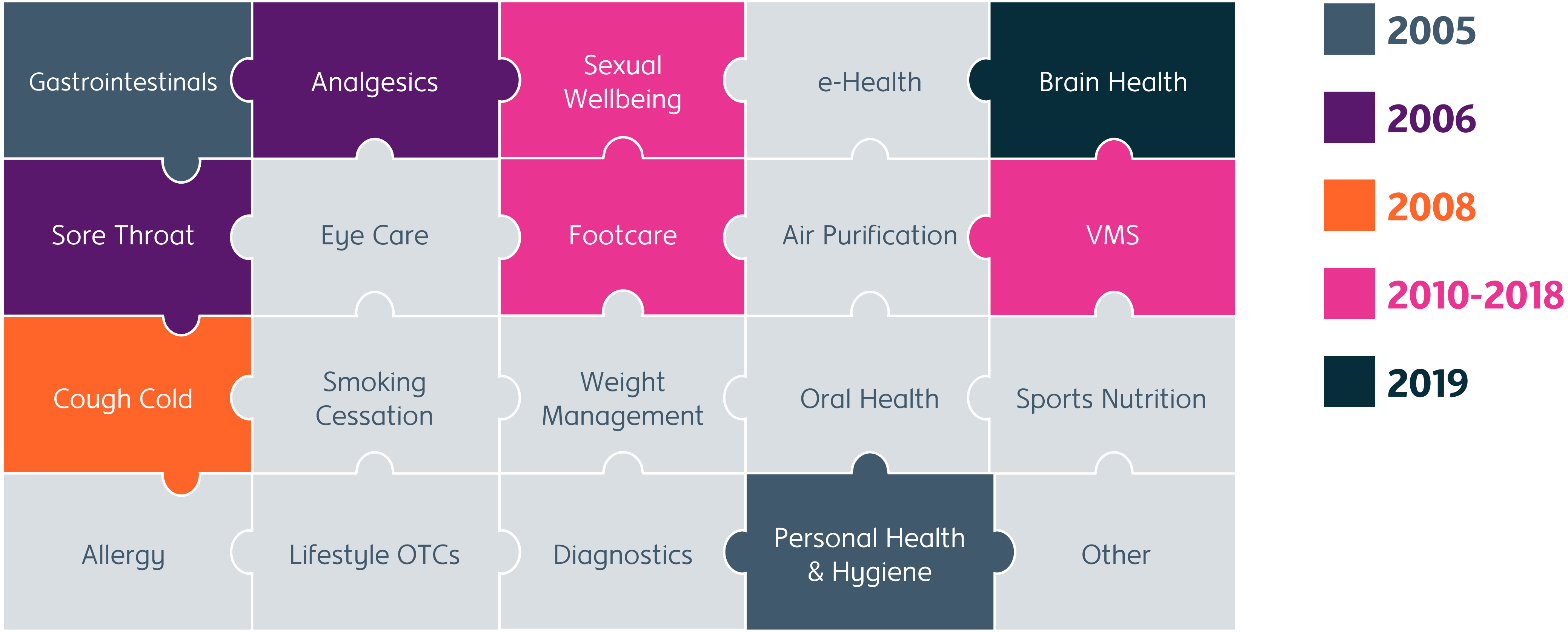
RB 2.0: Key enabler of RB Health innovation engine

New categories

New consumers / benefits

New markets / channels

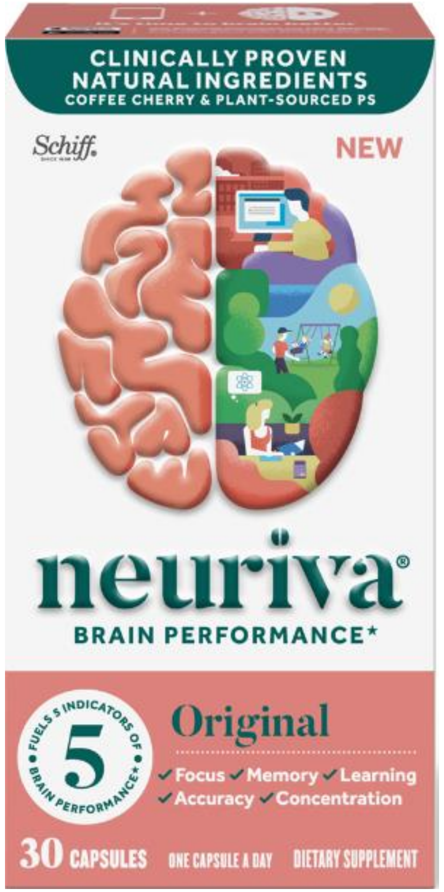
And have built a unique portfolio across the consumer health spectrum

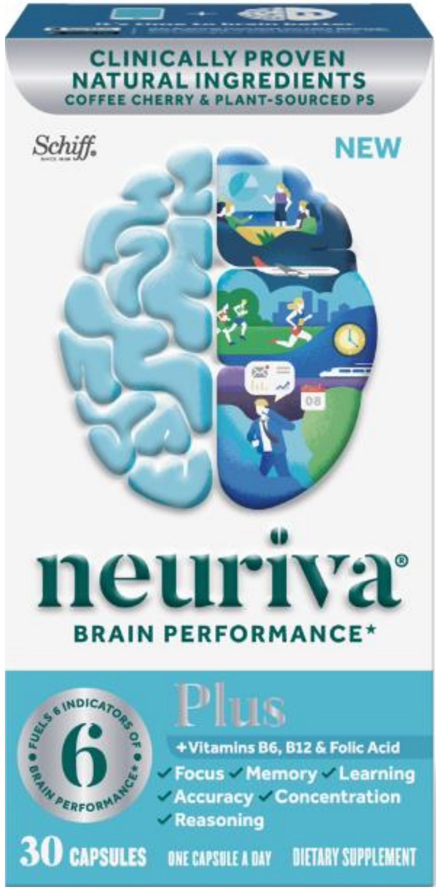


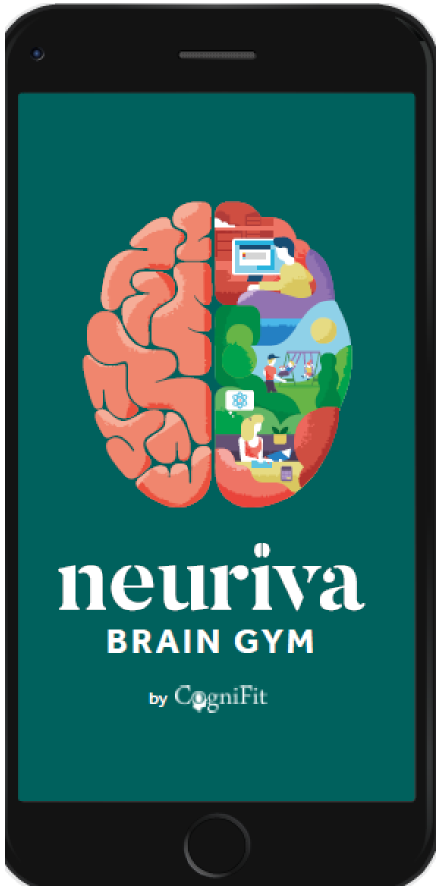
brain

life

Neuriva







Disruptive
in-store execution

IFCN

NeuroPro Expansion

MFGM and DHA benefits now available for solutions & toddler

Our new Dettol identity

Dettol Personal Wash

Improved formula and design for a superior experience

Dettol

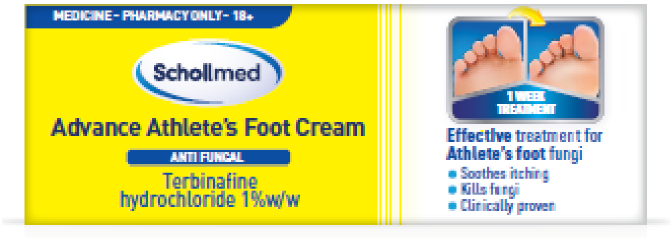
Multi-Surface Wipes

Made from 100% biodegradable plant fibres

Durex


VALUE PACK
RED
TM
durex
EXTRA
SENSITIVE™
EXTRA LUBRICATED
42 Condoms
ultra fine lubricated
latex condoms
CAUTION: THIS PRODUCT CONTAINS
NATURAL RUBBER LATEX WHICH MAY CAUSE
ALLERGIC REACTIONS
HAVE SEX SAVE LIVES

Scholl



Orthotic Insoles Range	Fungal Nail Treatment	Athletes Foot Cream

Scholl Aid Range

A range of insoles and a problem-solution footcare products

Nurofen rollout

Nurofen Medicated Plaster

24hour relief in a single patch – fits and sticks to the body all day long

New channels

3X Better absorption COQ10

COQ10

Inflammation Support

Stronger Muscles

Joint & Bone

Joint Plus Calcium

Plus Melatonin

MegaRed & Move Free

Innovating for US & China e-commerce

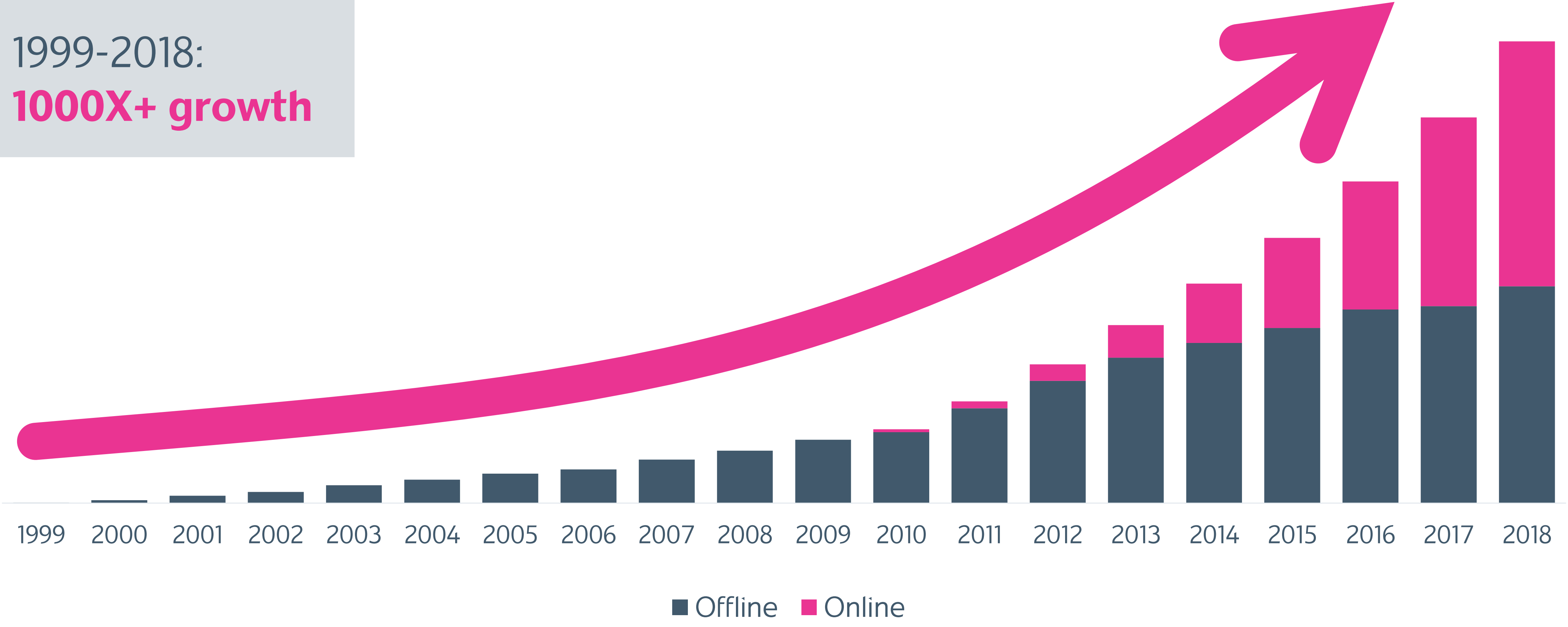
Local hero innovations

Innovative solutions beyond just products

Innovative solutions to put health in your hands

RB learnt e-Commerce in China

1999-2018:
1000X+ growth



RB 2.0: Best-in-class digital and e-Commerce capability - eRB

Global multichannel organisation

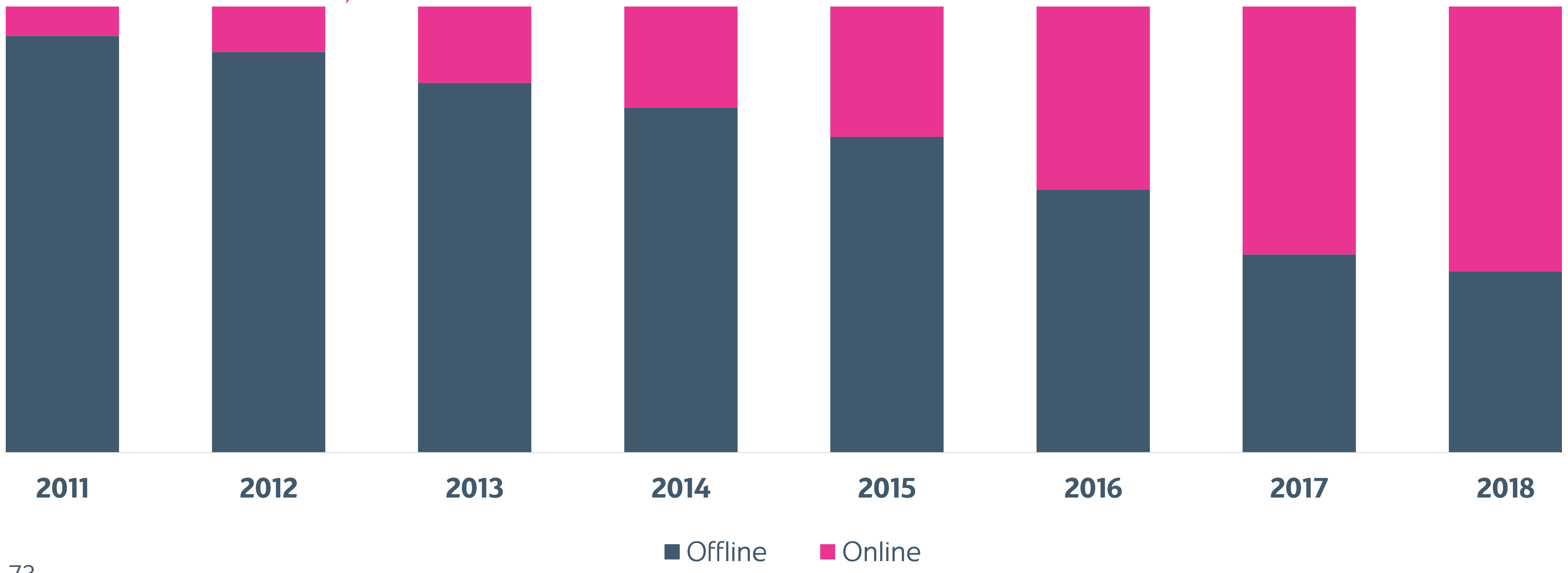
Deep expertise

3 X Resourcing

RB DNA

Ecosystem of partnerships

RB China: Offline vs. Online



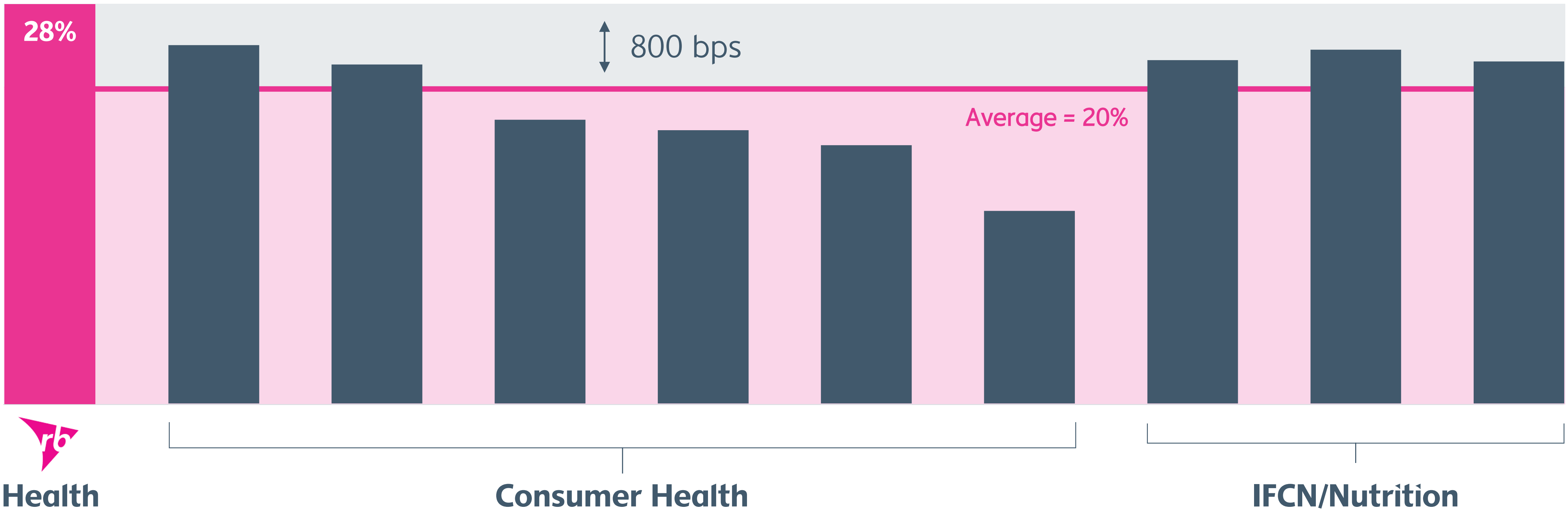
e-Commerce: Among best-in-class and poised to scale

Source: 2018 (Where available) – e-Com sales as % of Group NR

Sustainable growth

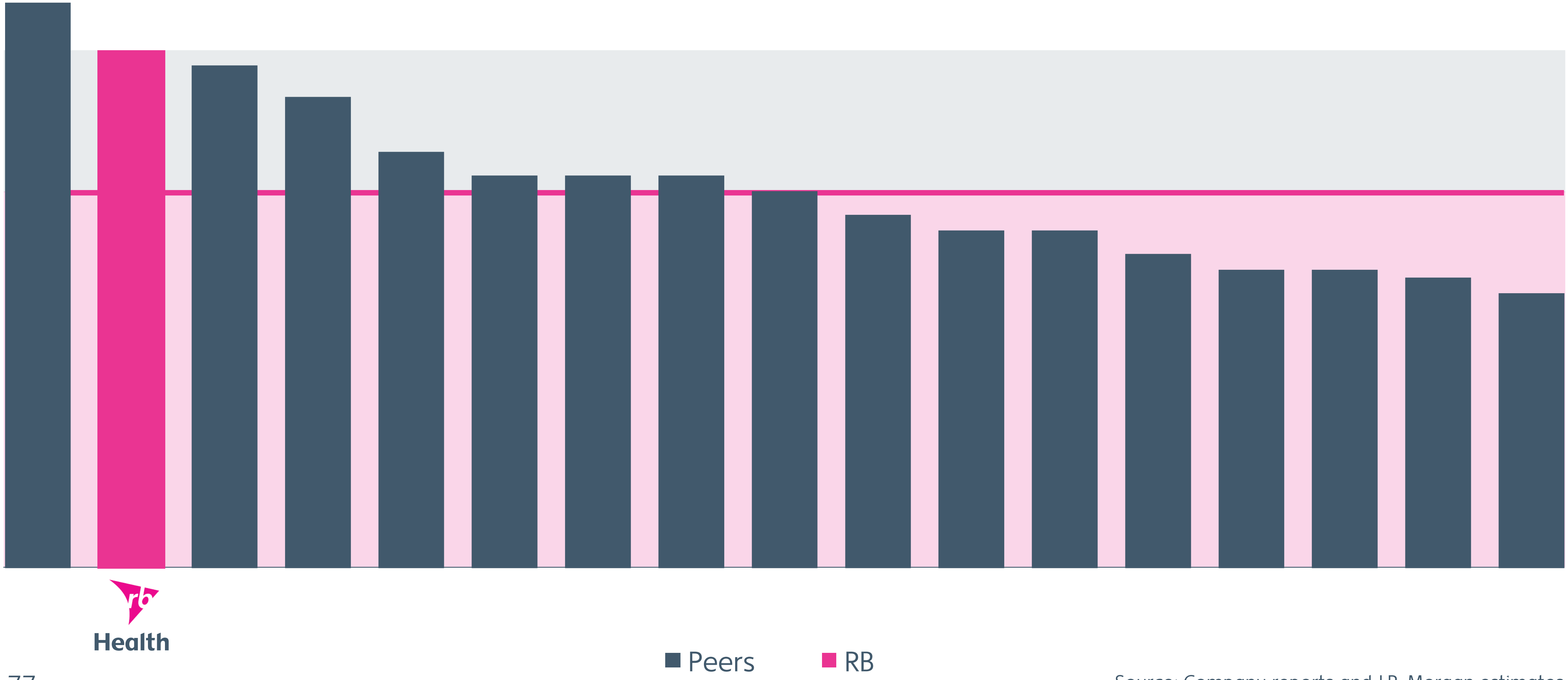
Sustainable margins

Best-in-Class Operating margin vs peers



Published operating Profit Margin (estimates including Group Allocated Costs where stated) % of NR 2018/latest available

Gross Margin: RB vs staples peers, FY17



Source: Company reports and J.P. Morgan estimates

Structural drivers of Gross Margin

Right category mix

Right segment mix

Superior value

Margin accretive innovation

Structural drivers of Gross Margin

Right category mix

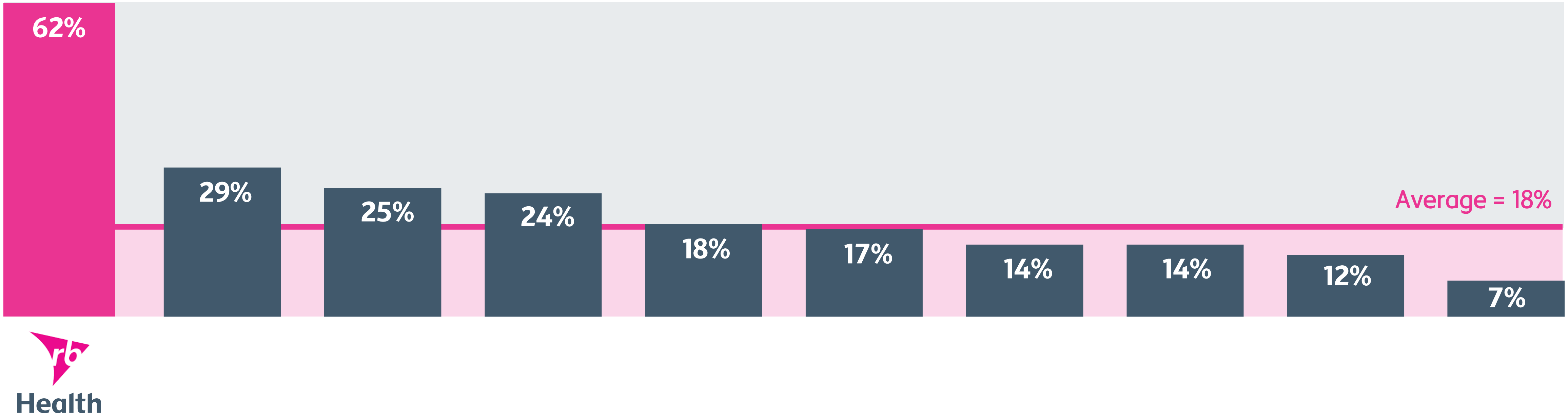
Right segment mix

Superior value

Margin accretive innovation

RB has highest exposure to Consumer Health vs key competitors

Consumer Health as % of 2018 Group Sales



Source: Company Disclosures

*FY 2018 unless stated. Consumer Health definition: Danone Specialised Nutrition (9M 18); GSK Consumer Healthcare: Abbott Nutrition, J&J Consumer, Nestle Nutrition & Health Science, Bayer Consumer health (9M 2018). Sanofi Consumer Health. P&G Health Care (FY 18 YE June), Pfizer Consumer Health

Structural drivers of Gross Margin

Right category mix

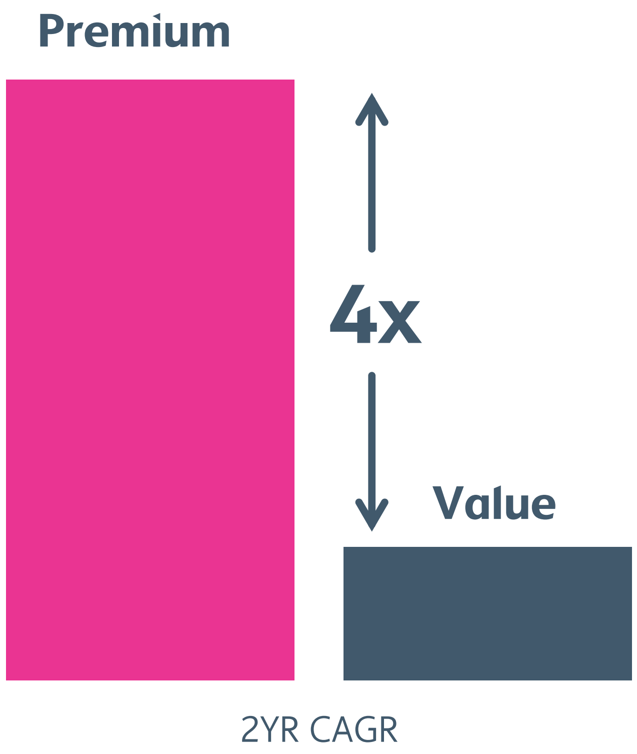
Right segment mix

Superior value

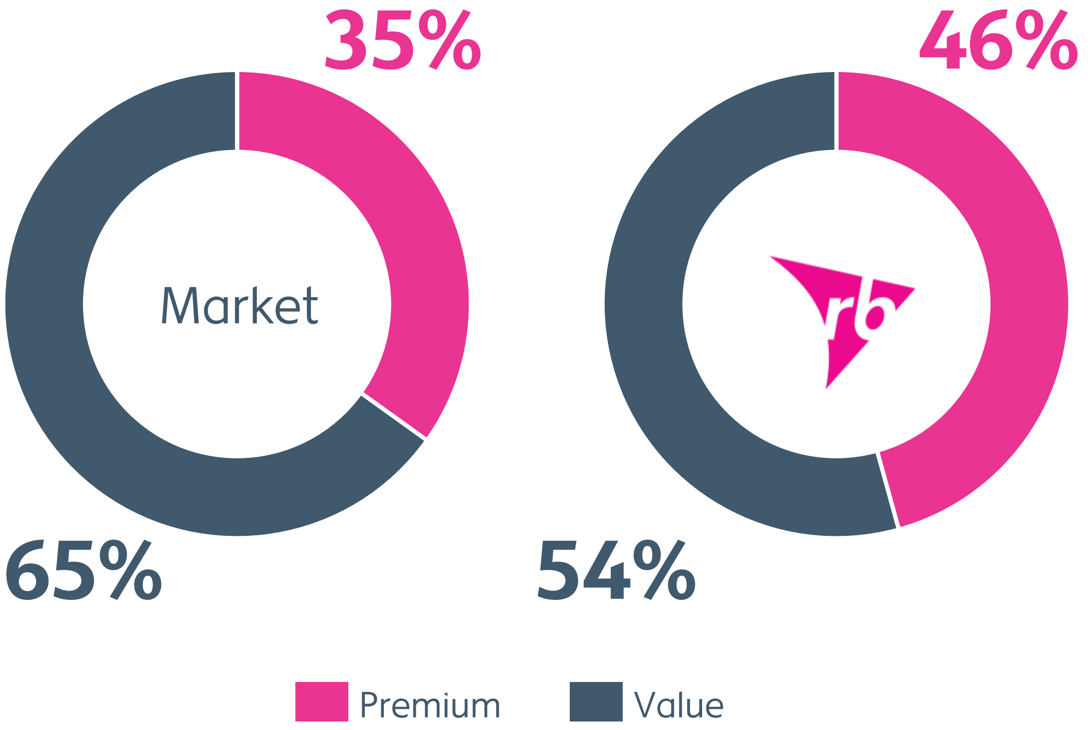
Margin accretive innovation

RB Health has higher exposure to fast growing premium segment

Premium segment grows 4x faster than value



RB portfolio weighted towards premium



Source: Nielsen GTC MAT NOV18 (Weighted view of IFCN Routine, Condoms, Analgesics); Premium = '>25% segment average price

Structural drivers of Gross Margin

Right category mix

Right segment mix

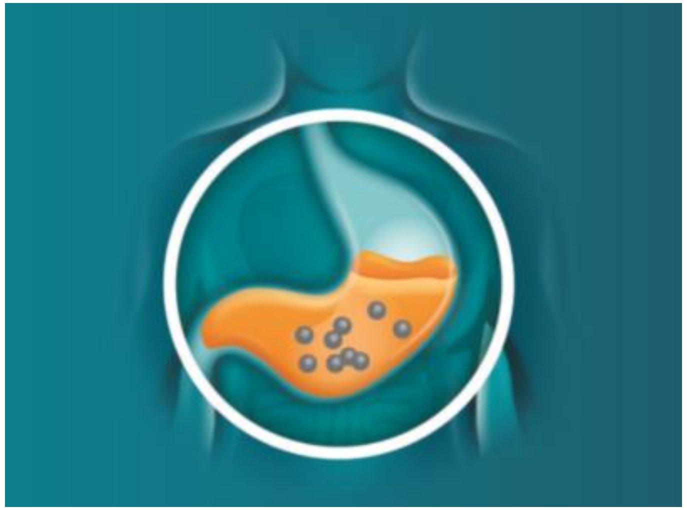
Superior value

Margin accretive innovation

Gaviscon: premium price but extraordinary value

Gaviscon

VS



Ordinary Antacid

2x	2x	1.5x
mode of action	duration	price

Source: UK products

Mucinex: premium price but extraordinary value

3x
duration

1.6x
price

Source: *6 to 12 teaspoons in 12 hours. 200 mg guaifenesin + 10 mg dextromethorphan HBr in each 5 mL teaspoon; dosed 2 to 4 teaspoons every 4 hours in a 12-hour period. Based on adult dosing. *Cough and throat rememedies – US – May 2008. Chicago IL: Mintel International Group Ltd: 2008.

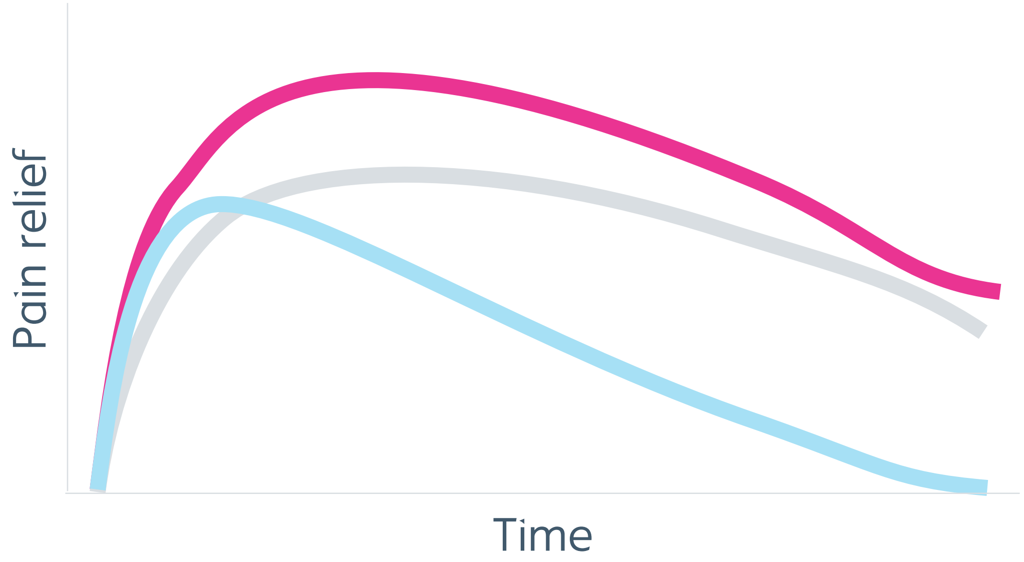
Nurofen: Premium price but extraordinary value

2x

active ingredients

1.7x

price of standard Ibuprofen + Paracetamol



1x Nuromol tablet

2x Standard Ibuprofen tablets

2x Standard Paracetamol tablets

Source: Boots on line store – 14th Feb 2019

Structural drivers of Gross Margin

Right category mix

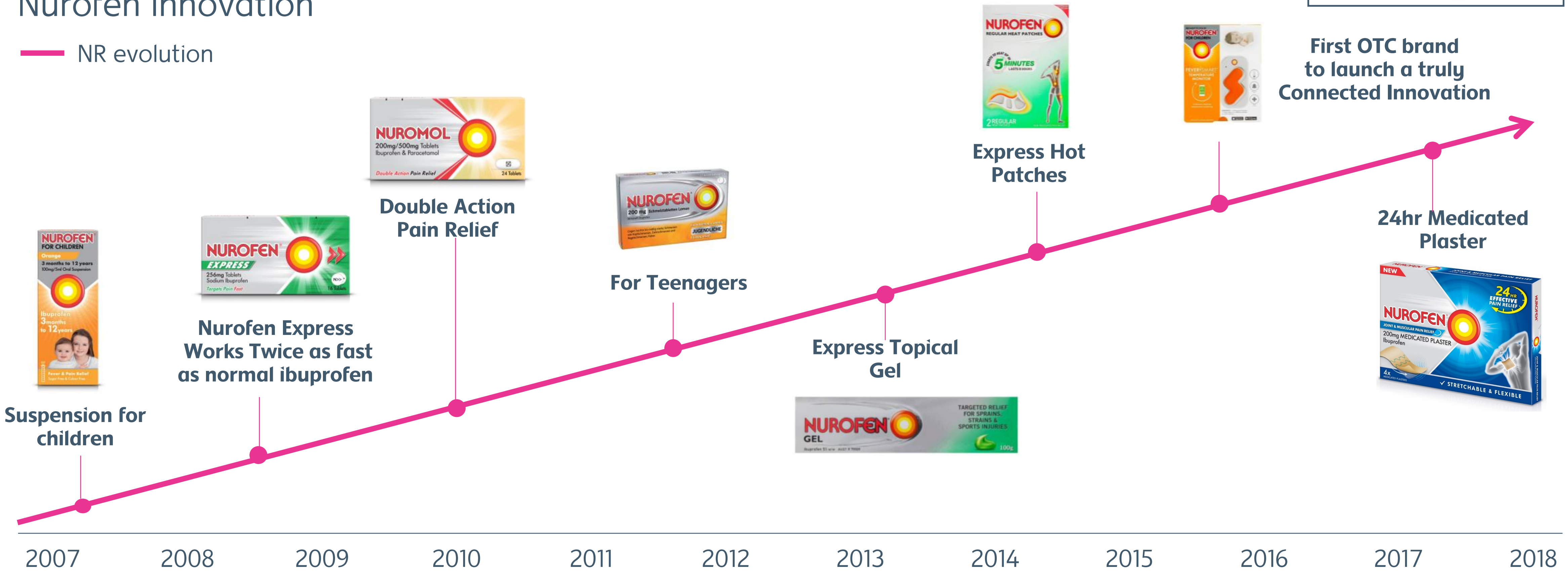
Right segment mix

Superior value

Margin accretive innovation

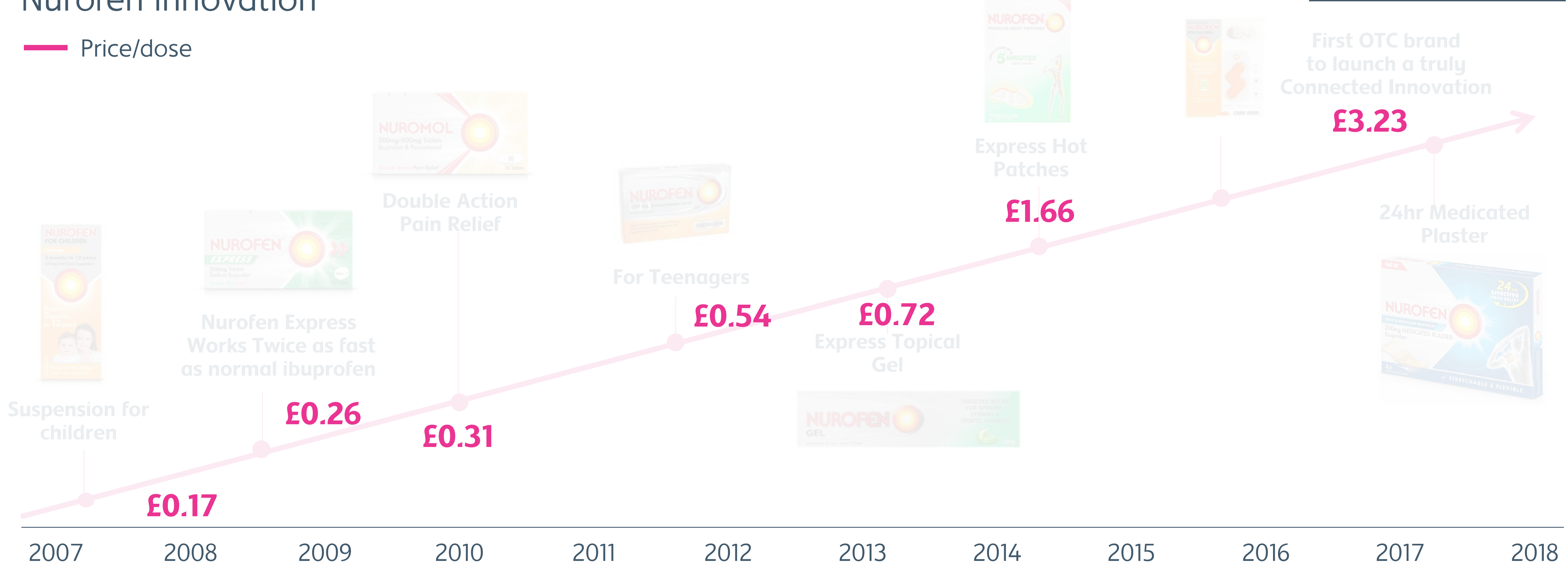
Nurofen – Innovation drives trade up and VFM

Nurofen Innovation



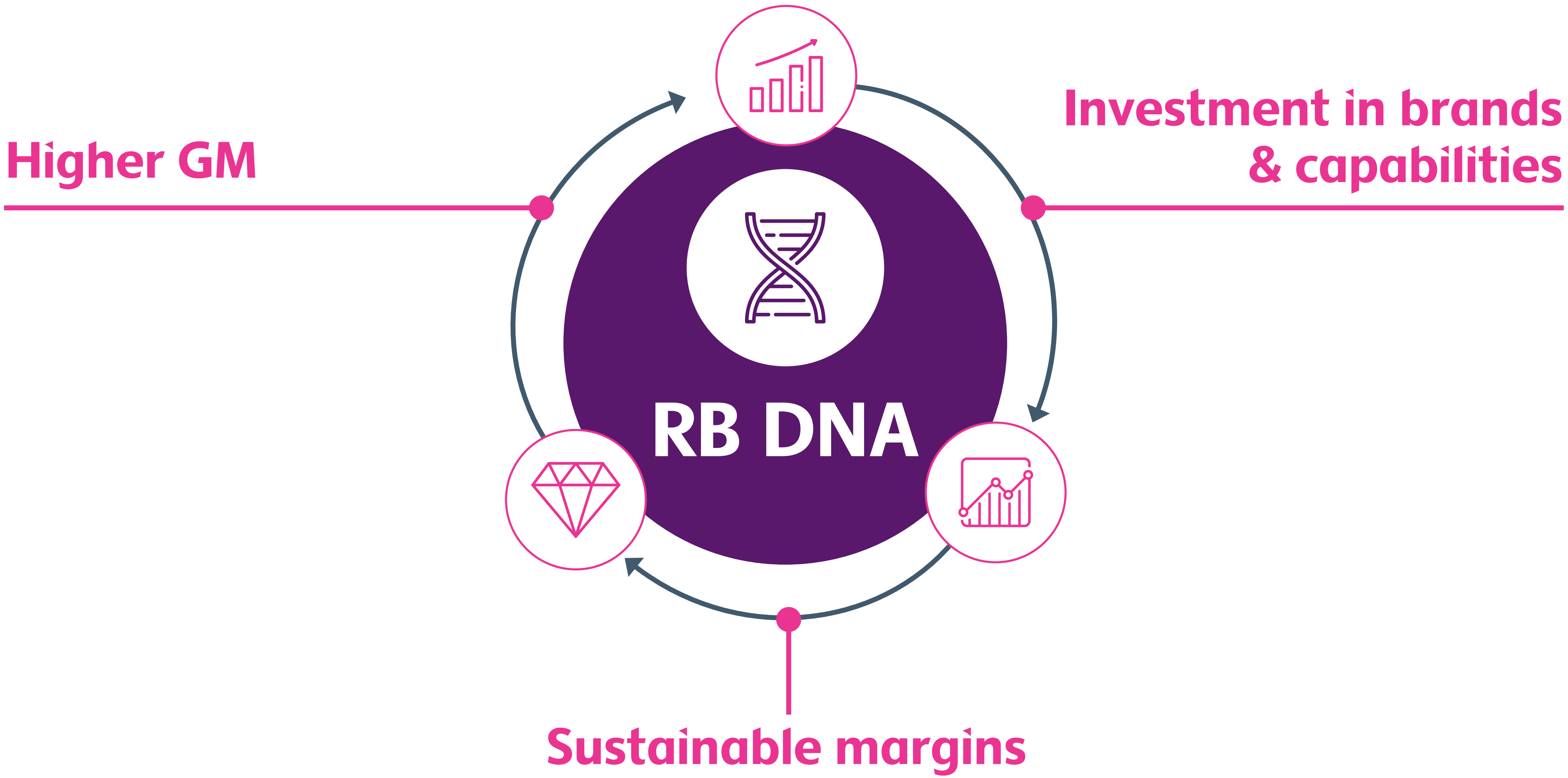
Nurofen – Innovation drives trade up and VFM

Nurofen Innovation



*price/dose = ave price per dose (usage occasion) latest 3 MAT; Launches in GB, Belgium, Germany

RB Virtuous investment model



Structural drivers of Gross Margin

Right category mix

Right segment mix

Superior value

Margin accretive innovation

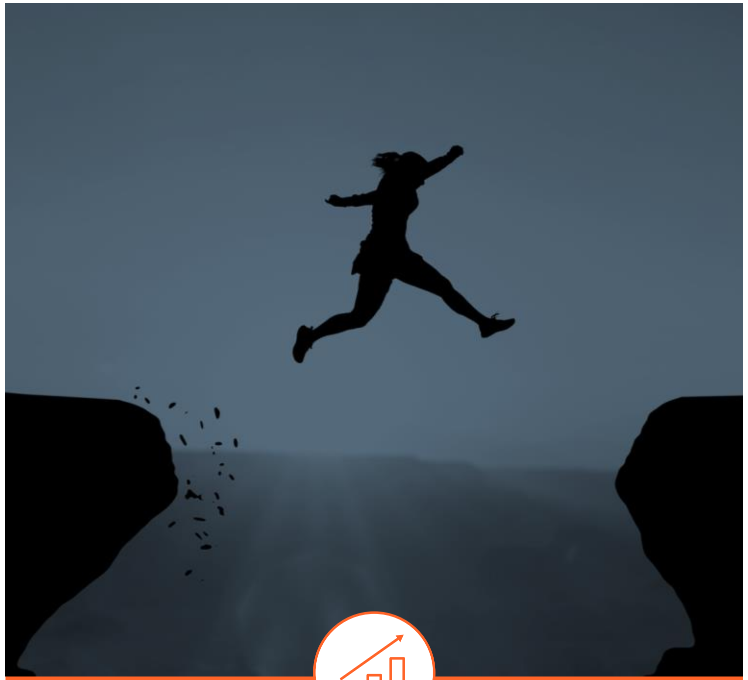
Sustainable growth

Sustainable margins

Rob de Groot

President – Hygiene Home

RB Hygiene Home



Potential

Purpose

Performance

RB Hygiene Home

Potential

Purpose

Performance

Hygiene Home: a focused portfolio of strong brands

7 brands generate 80% of Hygiene Home Revenue

No.1
Fabric treatment worldwide

No.1
Automatic dish worldwide

No.2
Air care worldwide

No.2
Toilet care worldwide

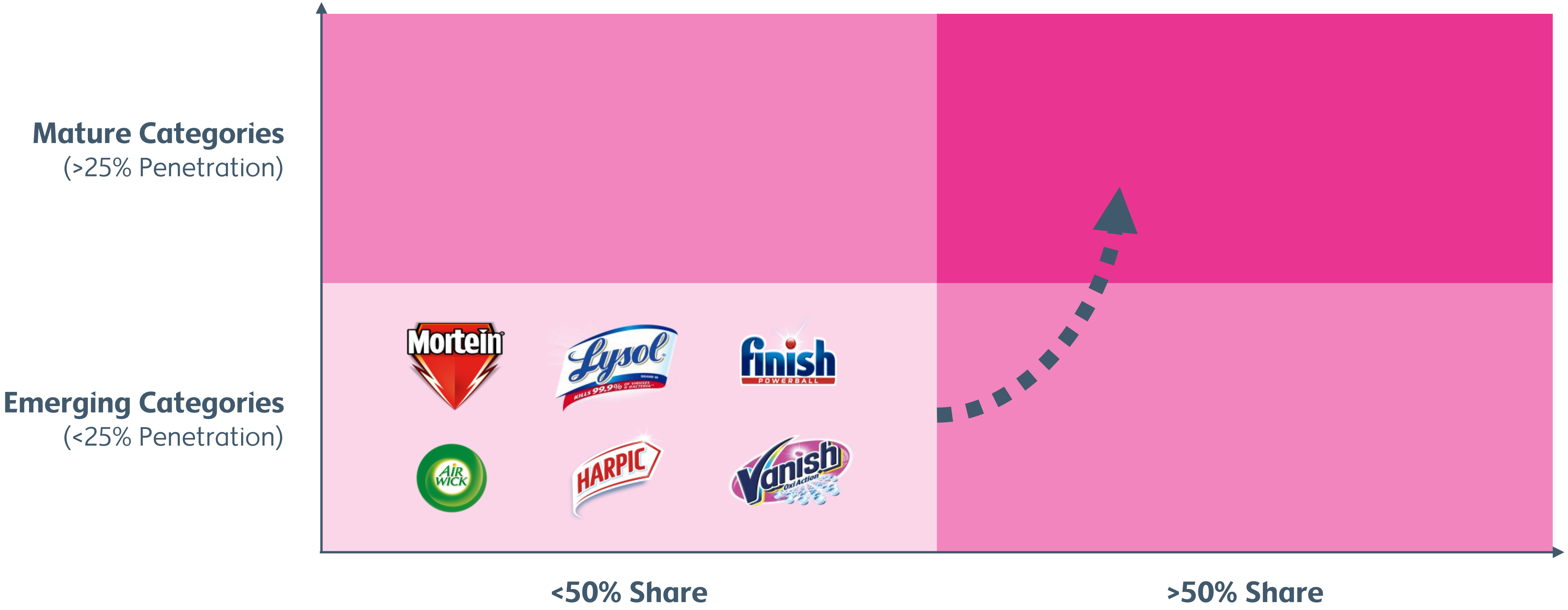
No.1
Germ kill worldwide

No.2
Pest control worldwide

Leading
Brand in brazil

Source: Euromonitor, excluding Private Labels

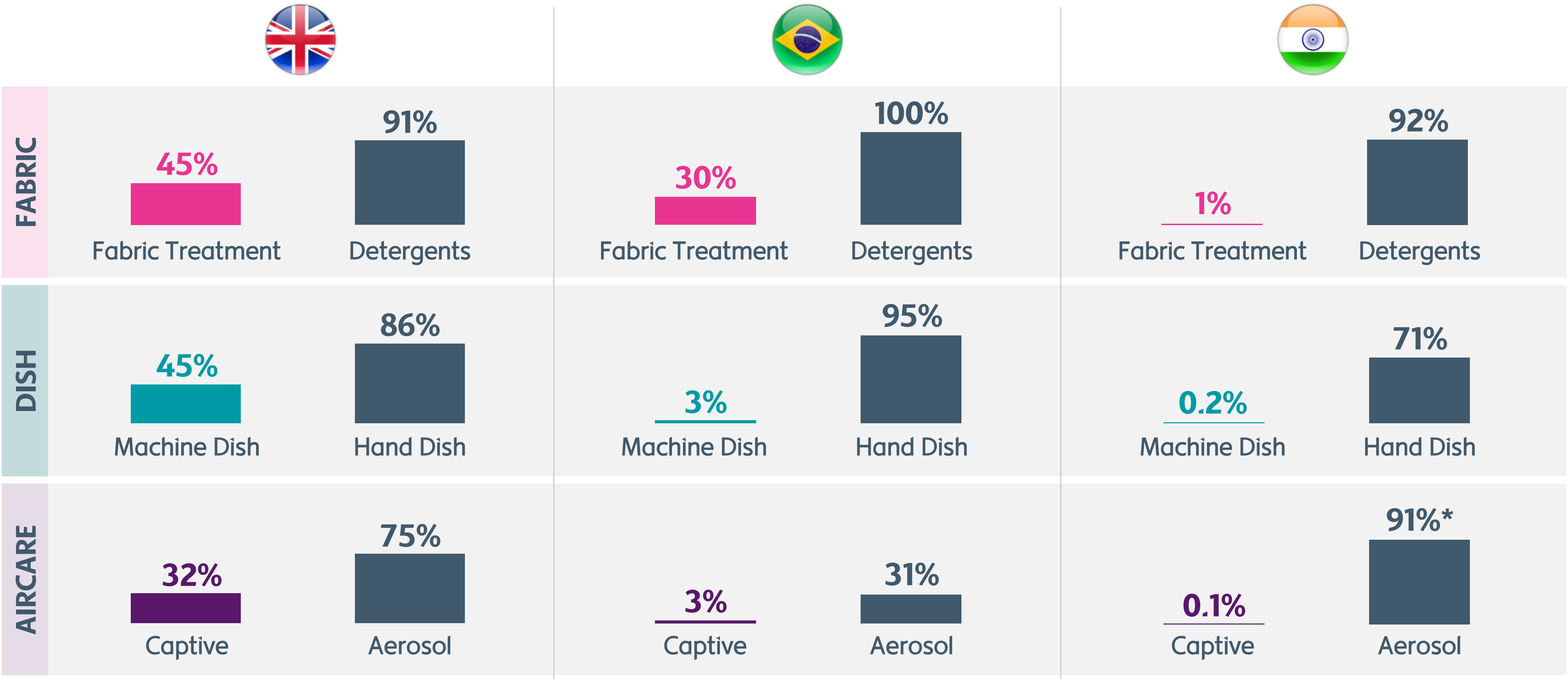
A unique portfolio of brands with significant growth potential



Source: AC Nielsen

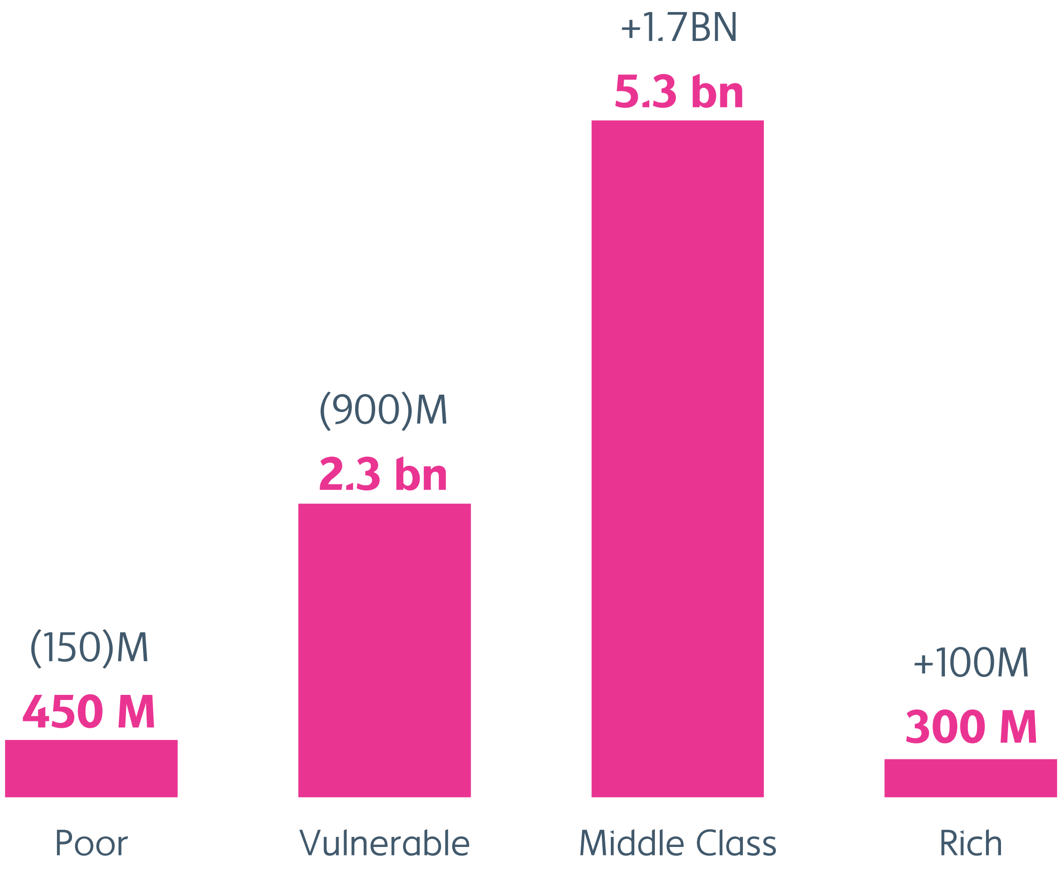
With potential in mature and emerging markets

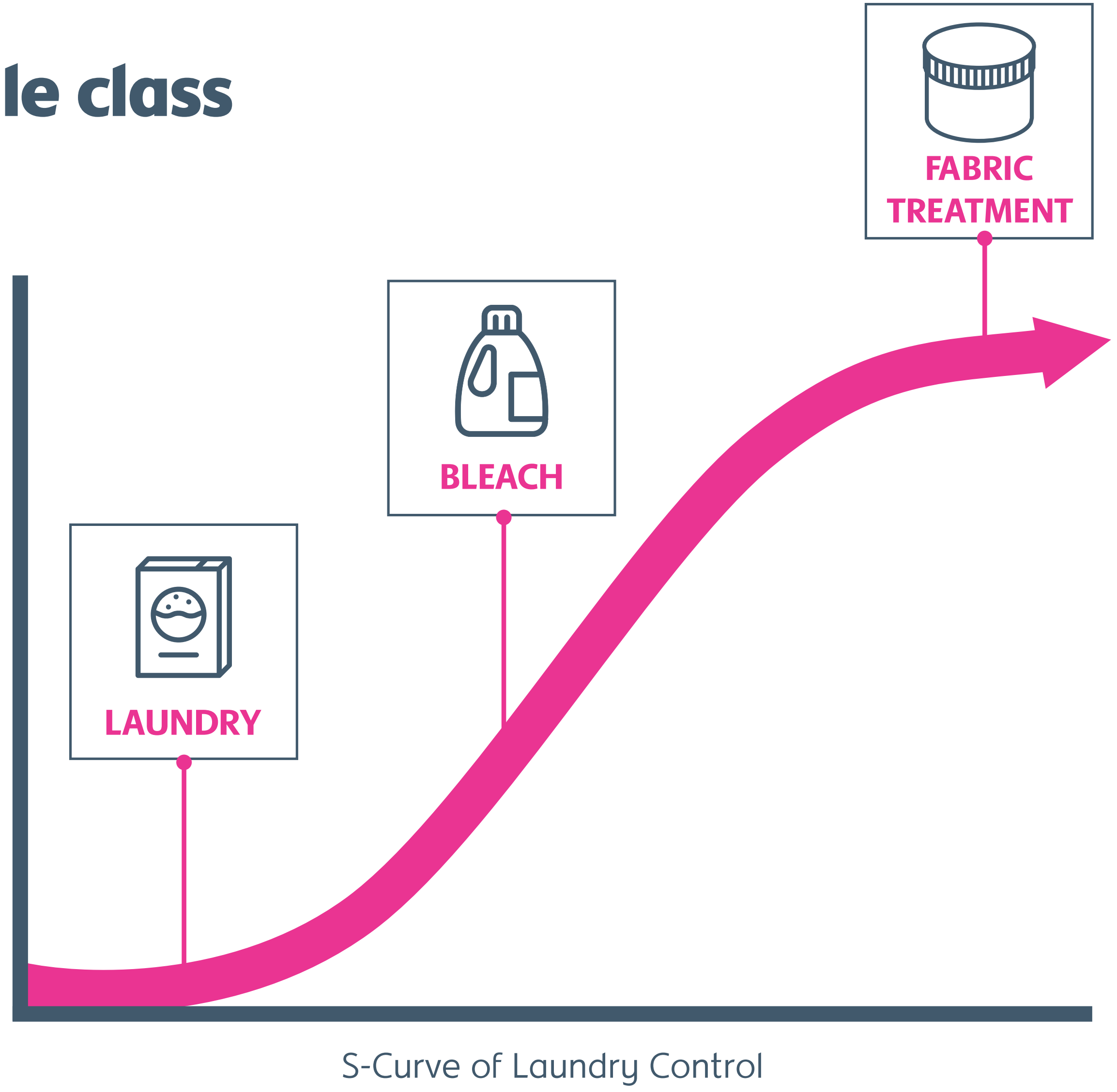
Household penetration



*including traditional Aircare
Source: Nielsen and Kantar Worldpanel

In a world where the growing middle class seeks better solutions



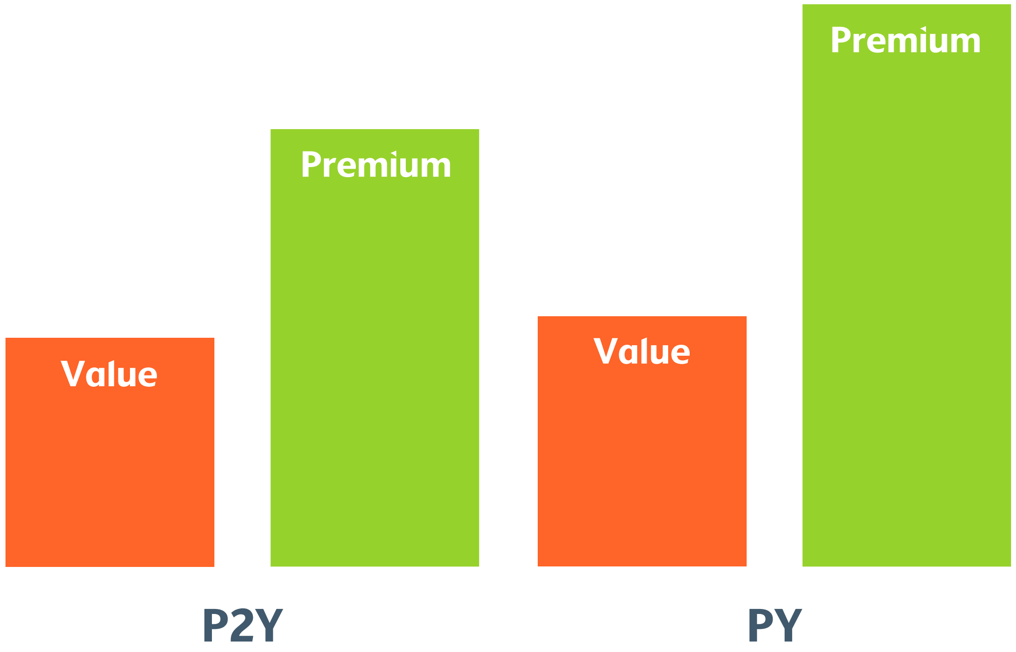


Source: World Data Lab: Projection 2030

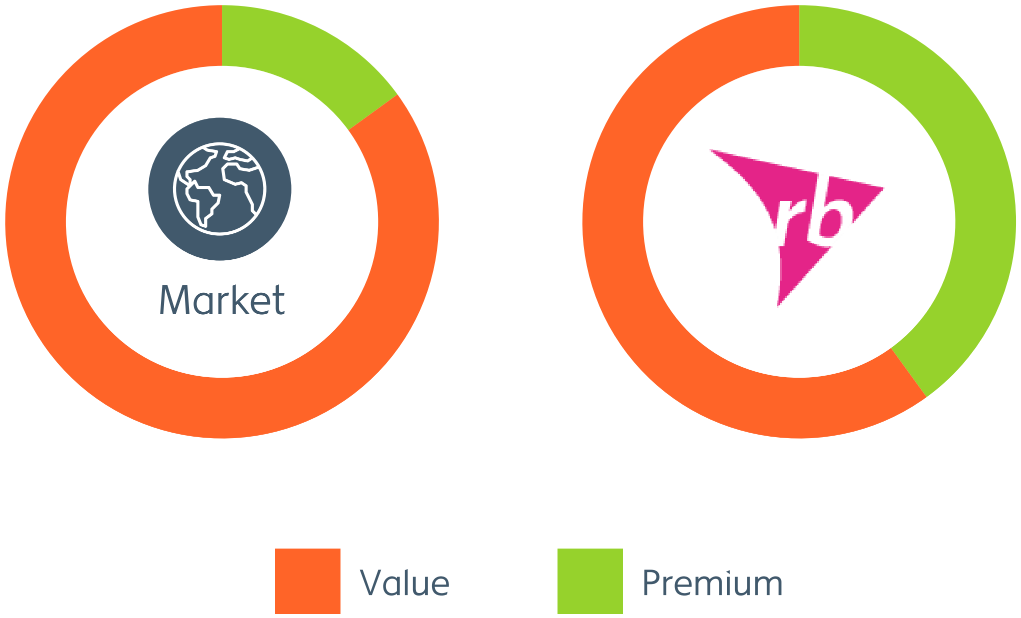
Premium, better solutions are driving market growth

Premium Segment growing faster than Value Segment

YoY Growth



RB portfolio weighted towards premium



Source: *Approximation based on Euromonitor & Nielsen reports

Better consumer solutions drive category premiumization

CONSUMER BENEFITS

CATEGORY VALUE CREATION

	2004	2014	2018
CONSUMER BENEFITS	"I want to remove bad smells from my home"	"I want my home to smell fresh all the time"	"Essential oils make me feel healthy & relaxed"
CATEGORY VALUE CREATION	1x	10x	15x

Right categories, right segments, right innovations, generating more attractive margins

>2000bps GM

LAUNDRY

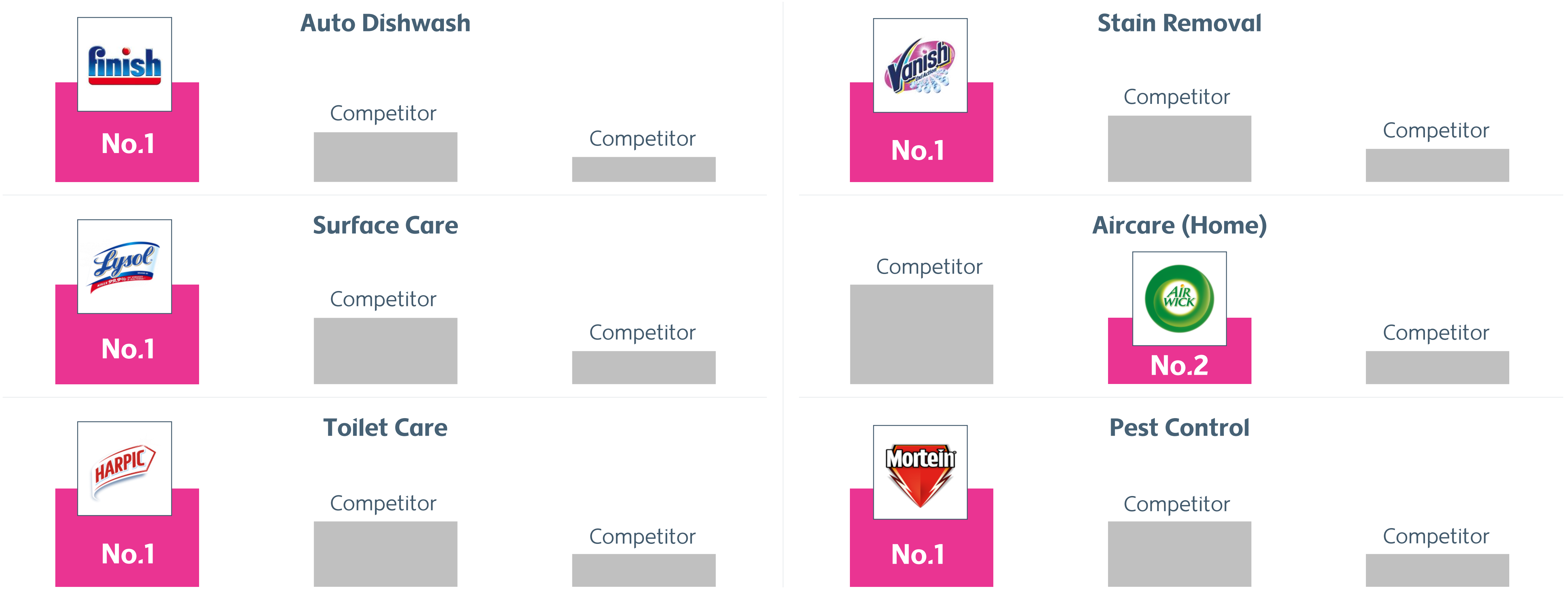
>2000bps GM

HANDWASH

>2000bps GM

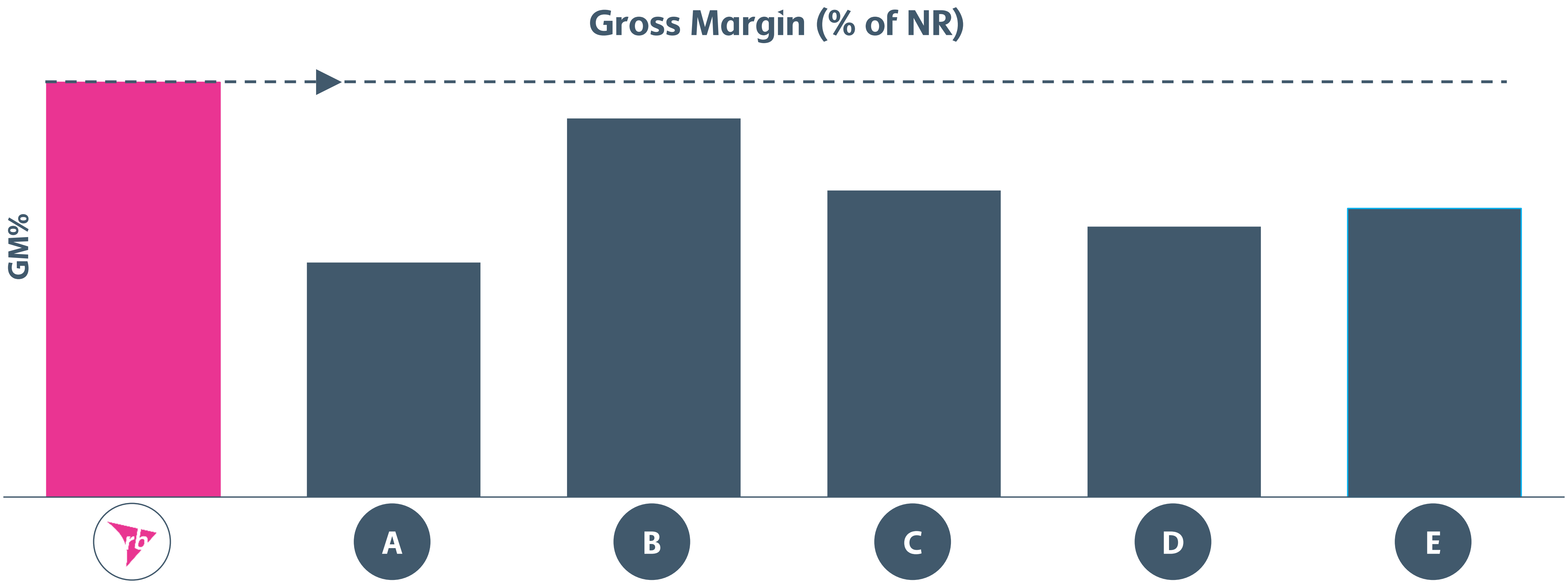
BASE AEROSOL

So we carefully select where to compete... To win



Source: Euromonitor; Includes sales from six PowerBrands from geographies with HyHo presence, excl. Private Label

Delivering above industry Gross Margin

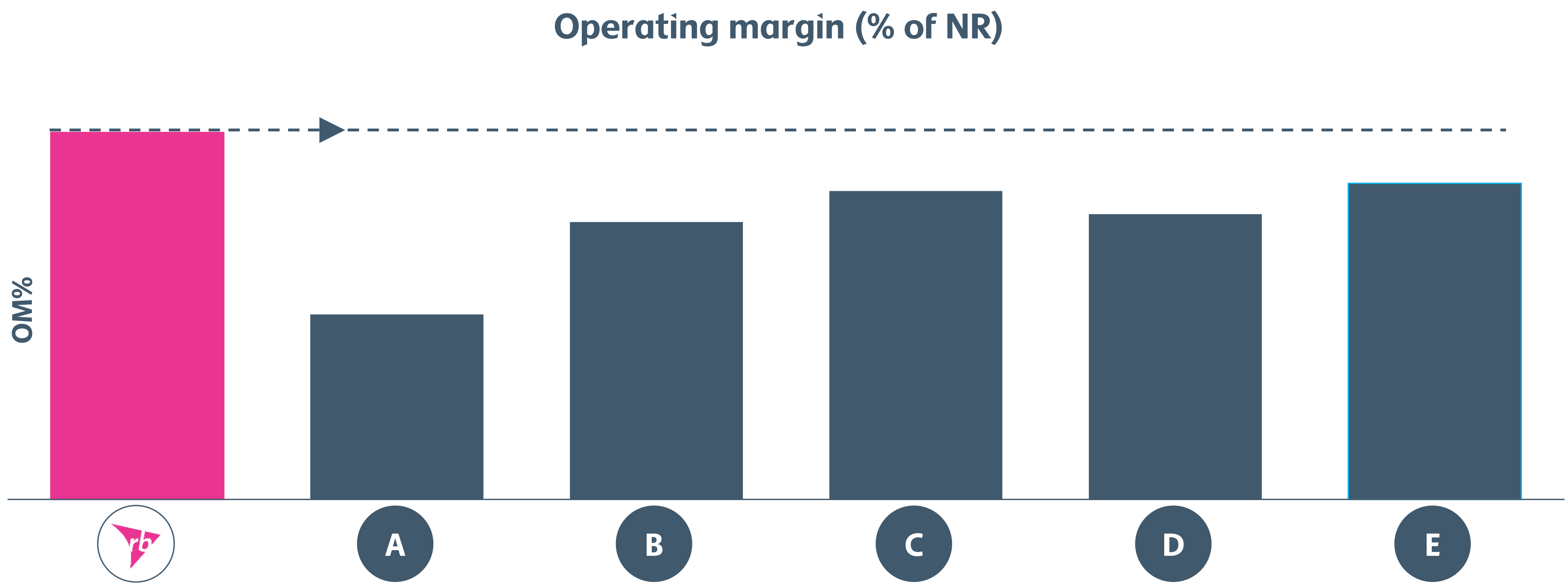


Source: Company Disclosures 2017 figures, RB 2018

Innovation and Performance driving Earnings Model

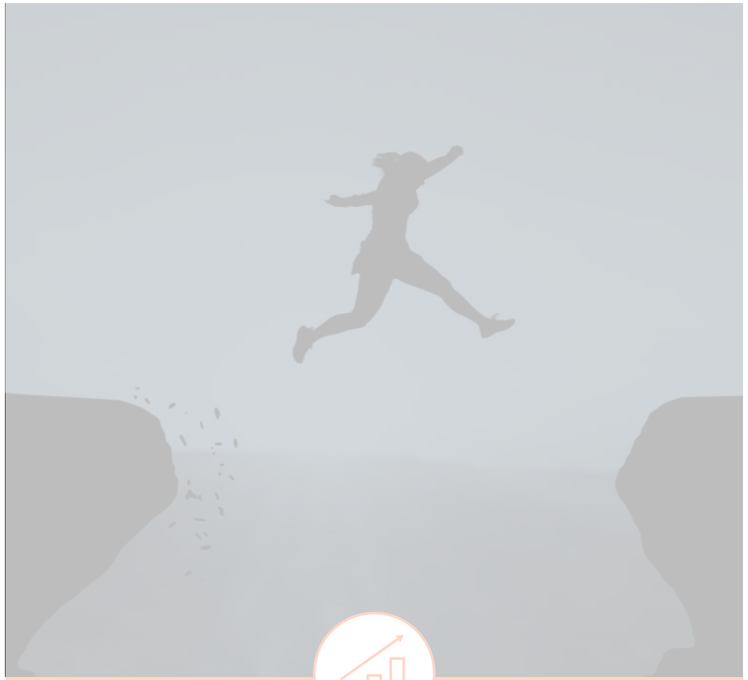
Innovation culture	Performance culture
	**Net revenue** Cost of goods **Gross Margin** Marketing Fixed costs Operating Margin
Margin accretive innovation	**Profitable growth in all Areas and 6 / 7 PowerBrands**

Hygiene Home: Industry leading Operating Margin



Source: Company Disclosures 2017 figures, RB 2018

RB Hygiene Home



Potential

Purpose

Performance

Create a cleaner world

Accelerate hygiene foundations across the world

Eliminate dirt, germs, pests & odour that impact health & happiness

Deliver sustainable outperformance


Create a cleaner world
By bringing our
Innovative Solutions
Into a
1/3 of all homes
Accelerate hygiene foundations across the world
Eliminate dirt, germs, pests & odour that impact health & happiness
Deliver sustainable outperformance

Our purpose-led growth model

Powerful
SOCIAL CAUSE

The New York Times

GLOBAL HEALTH

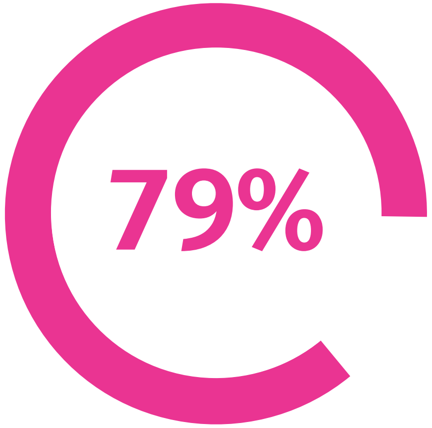
Over 80,000 Americans Died of Flu Last Winter, Highest Toll in Years

Among the dead were 180 babies, children and teenagers, more than in any year since the C.D.C. began tracking pediatric deaths.

Brand led
PURPOSE

Superior
PRODUCT solutions

Creating a committed and engaged organisation



Excited about 2.0 and to be part of Hygiene Home

Confident in our Purpose to **Create a Cleaner World**

Believe our strategy is focused on **Speed & Entrepreneurship**

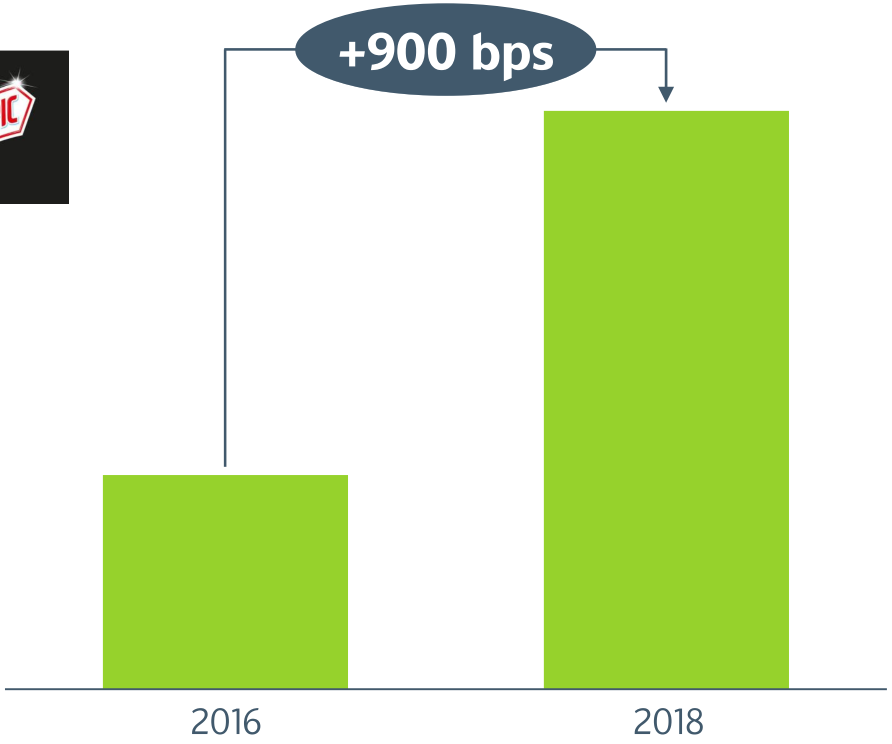
Believe we are **agile** & focused on the **Frontline**

Source: RB Hygiene Home Culture Pulse Survey 2018

And Purpose drives business performance

HARPIC - INDIA

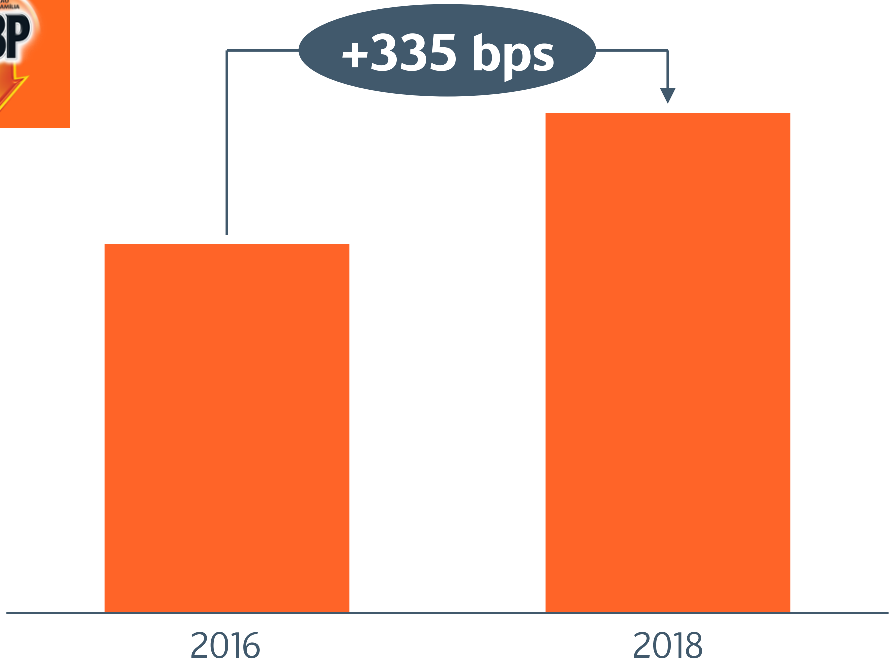
Reaching more consumers in India each year



Household Penetration %

SBP - BRAZIL

Bringing more consumers under SBP protection



Market Share %

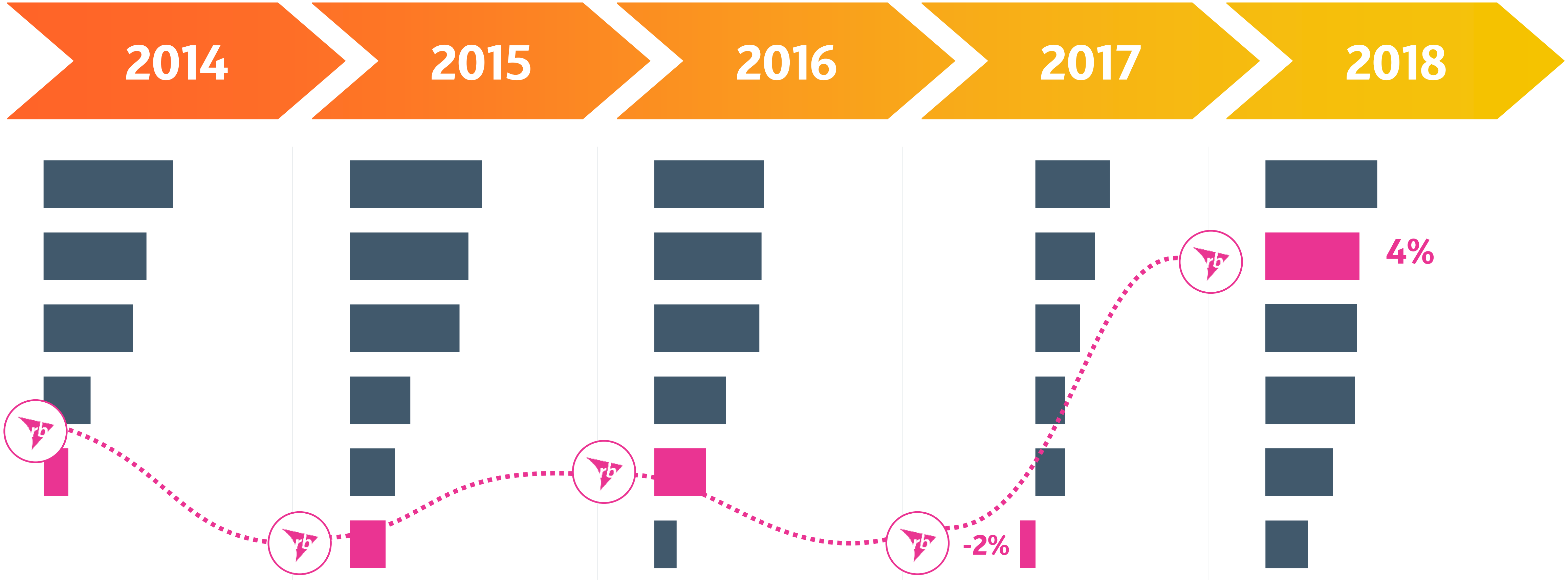
RB Hygiene Home

Potential

Purpose

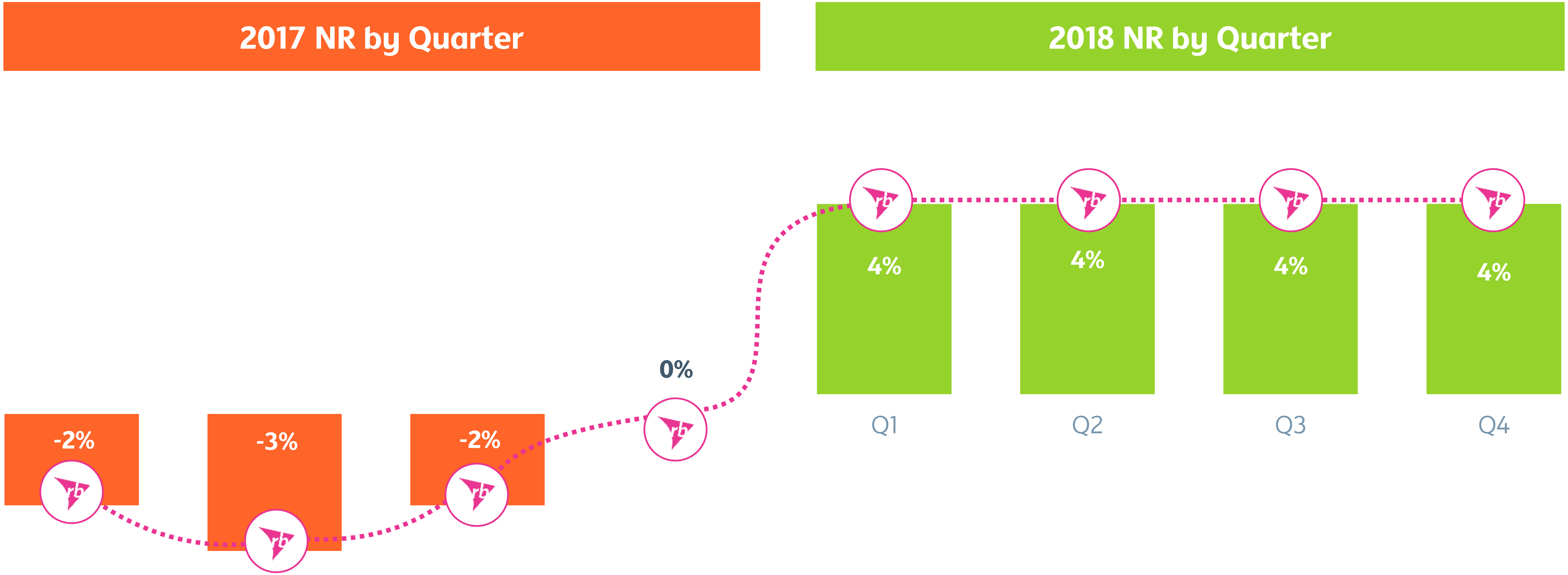
Performance

Return to competitive growth



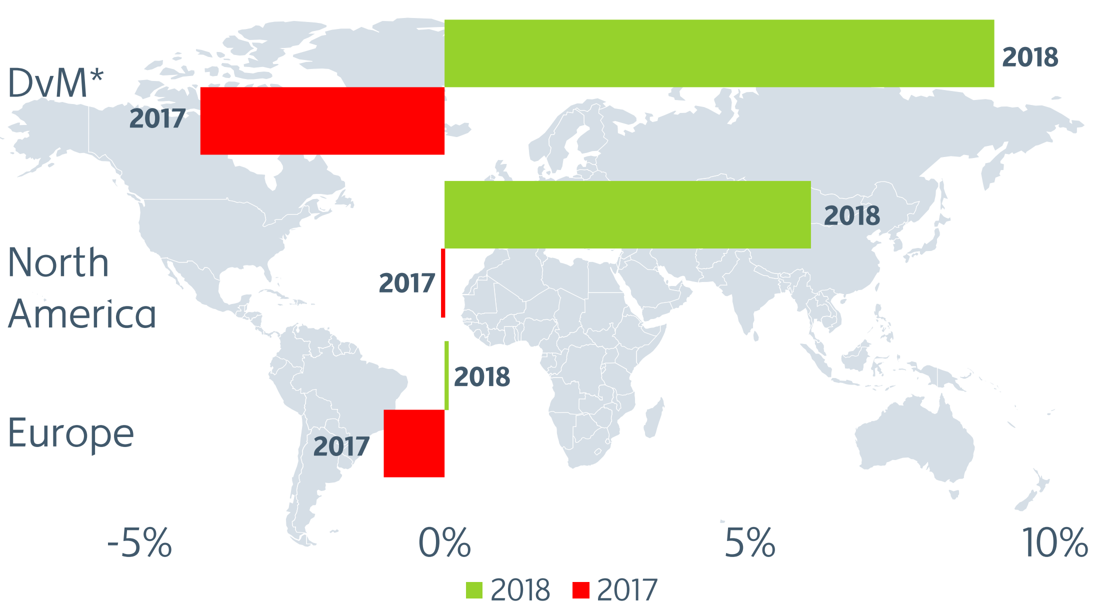
Source: Company Disclosures

Return to consistent growth… against a soft comparator



Broad based growth

6 / 6 Areas
Growing in-market sales



6 / 7 PowerBrands
Growing in-market sales

Top 40 CMU's
Drive >95% of NR growth

* Consists of 4 independent areas

Return to balanced growth

	H1	H2	FY
Volume	5%	1%	3%
Price Mix	-1%	3%	1%
Growth	4%	4%	4%

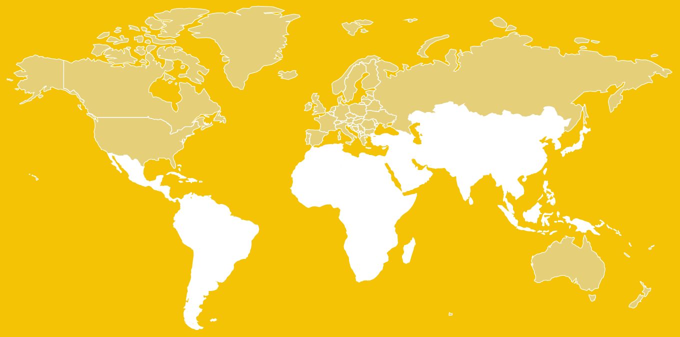
* Adjusted to exclude the impact of exceptional items

Growth drivers

Explode e-Business

+60% Growth in P2Y*

Unlock Emerging Markets



>3x Growth vs P5Y

* excl B&C

Our e-Business growth model

Hyper Targeting Consumers

E.g. India:
Reaching top SEC consumers with our best solutions

Unlocking New Markets

E.g. China:
Launching our expertise-led PowerBrands online in new markets

Dedicated Organisation and new Partnerships

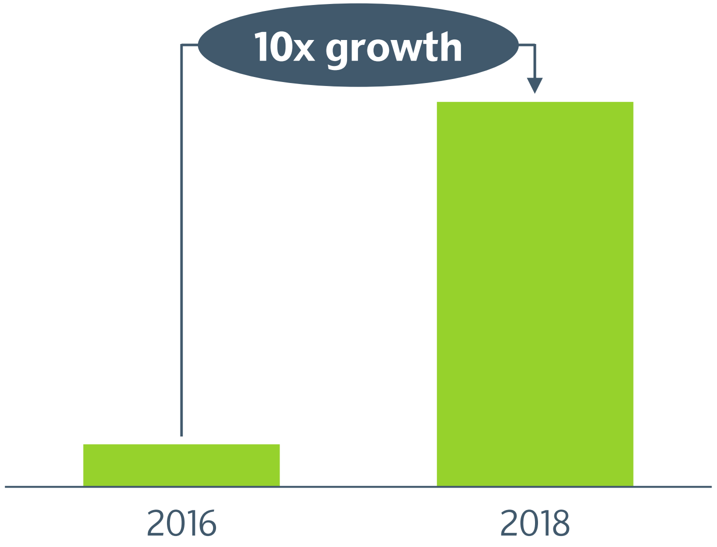
Delivering superior results

USA: Online share overtakes offline

Lysol	+100 bps
Finish	+180 bps
Air Wick	+570 bps

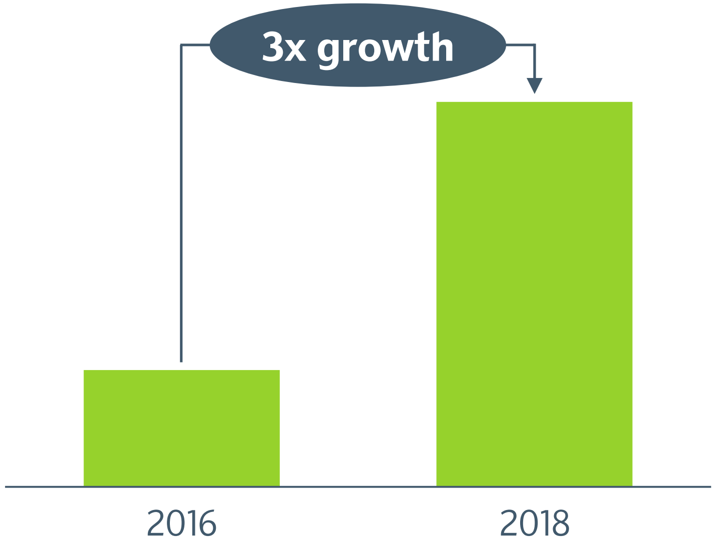
Δ Share% Amazon vs. B&M (2018)

India: 10x ecom growth over 3 years



Value Sales Index (Q1 16 - Q1 18)

China: 4x growth and launching new brands



Value Sales Index (Q1 16 - Q1 18)

Growth drivers

Explode e-Business

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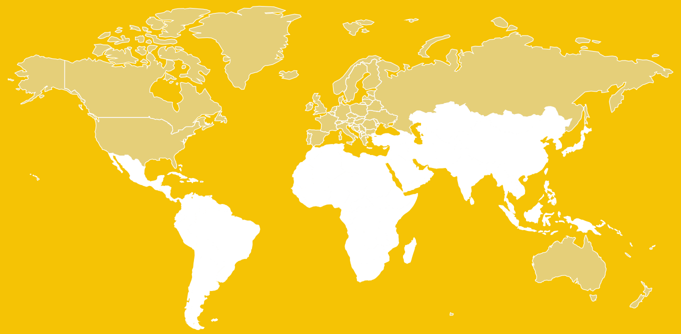
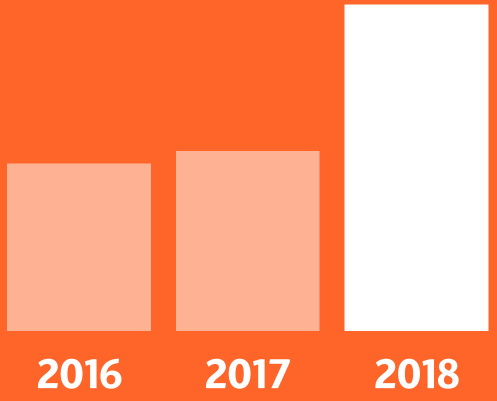


>3x Growth vs P5Y

Accelerate innovation



+50% Growth vs P2Y

* excl B&C

FY 2018 Results RB Hygiene Home

Innovation 2019

Innovations specific for Developing Markets

CHINA Finish® All-in-One for Compact Dishwashers	BRAZIL Veja® Power Fusion	INDIA Mortein® 2-in-1 Insect Killer
China-specific tab	Multipurpose Surface Cleaner	100% Kill - Mosquitos AND Cockroaches

Big Brands Better Solutions

Air Wick® Essential Mist AROMA

Enjoy all the benefits of essential oils

Vanish®: Improved Performance GELS.

Next generation Oxiaction

Harpic® / Lysol Platinum Pro-Shield

Cleans and keeps toilet fresh for 100 flushes

Finish® Quantum Ultimate

Our best ever detergent for ultimate clean & shine

New needs: 100% performance, 0% unnecessary ingredients

Vanish® 0%	Finish® 0% range
1st time amazing stain-removal with 0% Chlorine, dyes, or fragrance	100% Finish performance with 0% Phosphates, Perfumes, Preservatives

Purpose Driven Brands and Innovation

Sanitation Access

Helping eliminate mosquito-borne diseases

What you should expect from RB Hygiene Home

Potential

Purpose

Performance

Delivered by a front-line focused and engaged organisation

Chris Sinclair

Chairman

Chairman messages

Board commitment to RB 2.0

01

Operating margins sustainable

02

CEO transition on track

Cultural fit a priority

03

Q&A

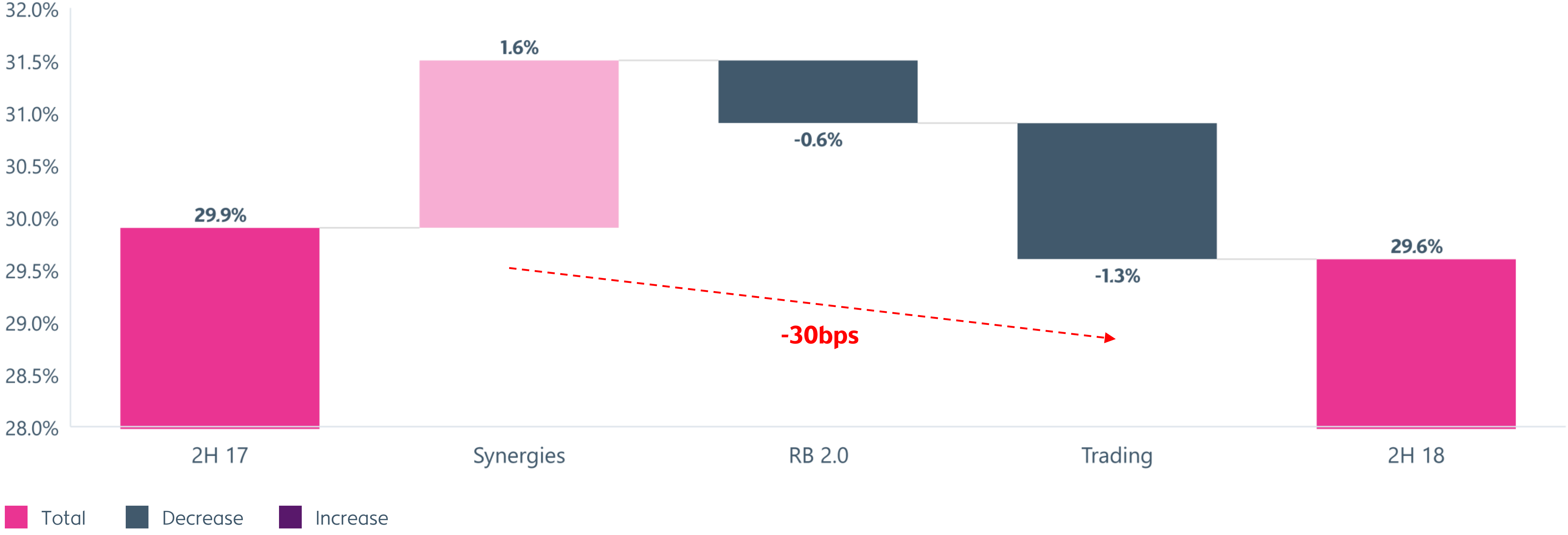
Appendices

Net Revenue by Geography - proforma

	2017					2018					Total NR FY 18	
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	£'bn	% total
North America	-1%	-1%	-2%	1%	-1%	5%	4%	6%	5%	5%	3.4	27%
Europe	-3%	-6%	-3%	1%	-3%	-1%	-	-2%	-2%	-1%	4.2	33%
DVM	-1%	2%	3%	3%	2%	5%	9%	2%	8%	6%	5.0	40%
Total	**-1%**	**-2%**	**-1%**	**2%**	**-**	**3%**	**5%**	**2%**	**4%**	**3%**	**12.6**	**100%**
RB LFL	-	-2%	-1%	2%	-	2%	4%	2%	4%	3%		

Group H2 margin analysis

Adjusted Operating profit bridge



* Adjusted to exclude the impact of adjusting items

FY 2018 results

Analysis of adjusting items

£'m	Total Guidance	P&L FY 18	Total P&L to date	Total cash to date
Continuing operations				
Acquisition, integration and related restructuring	(390)	(8)	(333)	(284)
- BU optimisation		(40)	(40)	(8)
MJN synergies/RB2.0	(450)	(185)	(275)	(250)
Litigation provisions	(210)	-	(210)	(146)
Korea "HS"	(300)	-	(300)	(226)
MJN amortisation		(78)	(237)	n/a
		(311)		
Discontinued operations				
Gain on demerger of Indivior	1,282	-	1,282	n/a
Gain on disposal of Food	3,037	12	3,049	n/a
Litigation (DoJ / FTC) – USD400m	(296)	(17)	(313)	-
		(5)		

FY 2018 results

Reconciliation of Reported to Adjusted

	Reported		Adjusting items		Adjusted
£'m	2018	Exceptional	Other	Finance expense	2018
Operating profit	3,047	233	78	-	3,358
Net finance expense	(325)	-	-	29	(296)
Profit before taxation	2,722	233	78	29	3,062
Taxation	(536)	(50)	(17)	(29)	(632)
Non-controlling Interest	(20)	-	-	-	(20)
Continuing Net income	2,166	183	61	-	2,410
Discontinued Net income	(5)	5	-	-	-
Total Net Income	2,161	188	61	-	2,410

FY 2018 results

Reconciliation in Net Debt

£'m	2018
Opening net debt	**(10,746)**
Free cashflow from continuing operations	2,029
Shares reissued	105
Purchase of investments	(9)
Dividends paid	(1,200)
Exchange and other movements	(597)
Free cashflow from discontinued operations	12
Closing net debt	**(10,406)**

FY 2018 results

KCDC assessments

Round	Total Applicants	Applicants Assessed	Category I & II	Cat I & II percentage	Oxy RB Cat I & II	Application cut-off	Assessment completion (expected)
1	361	361	174	48%	140	Nov-12	Completed
2	169	169	53	31%	46	Oct-14	Completed
3	752	669	84	13%	76	Dec-15	Completed
3.1		**165**	**42**	**25%**	**39**		
3.2		**188**	**21**	**11%**	**20**		
3.3		**99**	**3**	**3%**	**2**		
3.4		**205**	**18**	**9%**	**15**		
3.5		**12**	**-**	**-**	**-**		
4*	4,990	4,092	157	4%	143	Ongoing	On going
4.1		**1,009**	**79**	**8%**	**73**		
4.2		**339**	**7**	**2%**	**7**		
4.3		**536**	**9**	**2%**	**8**		
4.4		**912**	**20**	**2%**	**17**		
4.5		**753**	**15**	**2%**	**14**		
4.6		**505**	**27**	**5%**	**24**		
4.7**		**-**	**-**	**-**	**-**		
4.8		**38**	**-**	**-**	**-**		

* Round 4 remains open to applicants. The number of applicants shown in the table are the applicants set out on the KEITI website as at 11th January 2019.
** Round 4.7 Asthma related injuries only.

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