

## Chief Executive Officer's Statement



**Kris Licht**  
Chief Executive Officer

# A YEAR OF STRATEGIC CLARITY AND DELIVERY



It was a year of delivery against our strategic plan, of top and bottom-line growth and substantial cash returns to shareholders.

2024 was a foundational year for Reckitt. It was a year of strategic clarity as we announced a sharpened focus on Powerbrands and a simpler, more effective operating model.

It was also a year in which we delivered against our strategic plan despite a volatile environment and challenges to our business. Against that backdrop, we have driven top and bottom-line growth and substantially increased cash returns to shareholders.

### Powerbrands with impact

Reckitt owns great brands, which rank amongst the world's best loved in their categories. They offer superior, efficacious solutions that serve the health and hygiene needs of consumers globally. We have invested diligently over the past four years to ensure these brands receive the world class support from our R&D and Supply organisations they deserve.

LFL net revenue growth<sup>1</sup>

**+1.4%**

Adjusted earnings per share growth<sup>1</sup>

**+7.9%**

Cash returns to shareholders<sup>1</sup>

**+75%**

<sup>1</sup> Adjusted and other non-GAAP measures, definitions and terms are defined on page 223

## Chief Executive Officer's Statement continued



We bring our brands to life through premium products that extend and deepen their equities through science-based innovation. This supported the welcome return of volume growth across our brand portfolio as the year progressed and a growth algorithm better balanced between volume, price and mix.

Strong contributions from our innovation platforms in Hygiene enabled Lysol to drive volume-led growth through our Air and Laundry Sanitiser products, and Finish through our premium thermoformed dishwasher tablets, despite the return to a more competitive environment in developed markets.

In Health, the success of our new hyaluronic acid condoms helped secure another strong year for Durex in China. Alongside strong performances from Gaviskon and our Vitamins, Minerals and Supplements business, this helped offset softer demand for our seasonal OTC products following a cold and flu season that both ended weak in 2023 and started late in 2024.

### Commitment to deliver shareholder returns

Despite this seasonality and the supply impact of the tornado that hit our Nutrition storage facility in July, we were successful in delivering LFL net revenue growth and adjusted operating profit growth in 2024, as well as a 75% increase in cash returns to shareholders.

Changes in the regulatory environment for infant formula and a more challenging marketplace for topical pain relief resulted in a £838 million goodwill impairment to these assets (see page 173). Nonetheless, at the Group level we achieved our ambition of growing adjusted operating profit ahead of net revenue. This enabled us to increase investment in our brands and grow earnings by 7.9%, resuming an important cadence in adjusted EPS growth that has been lacking in recent years. It also supported a record £2.7 billion in cash returned to shareholders through our dividend and continued share buyback programme.

### Investing for growth

Returning cash has not been at the expense of investing for our long-term growth. In December, I was delighted to raise the Reckitt flag at our newest manufacturing facility in Wilson, North Carolina, which as the cornerstone manufacturing site for our US OTC business will enhance our agility in meeting seasonal demand in our largest market.

In January 2025, I was proud to be at the commissioning of our new R&D centre in Shanghai. This will provide us with a dedicated innovation platform for China to complement our state-of-the-art manufacturing facility in Taicang, which has already helped to deliver the double-digit growth we enjoyed in China in 2024.

These investments in our growth exemplify our commitment to enhancing the resilience of our supply footprint while deepening our R&D capabilities. They will help ensure we continue to innovate the very best products and strengthen execution in market with local capabilities that promote their future growth.

### Harnessing our people and culture

In July, I was pleased to bring strategic clarity to our future by introducing a new Reckitt focused on 11 core Powerbrands. The change I set out draws on our value creation principles, which ensure that every brand we possess works hard for its place in our portfolio.

These Powerbrands are at the heart of our growth model. Supporting them now is a new organisational structure that will enable us to execute in our markets at a level of excellence we expect from the world class consumer health and hygiene company we are becoming.

We have moved at pace to reshape Reckitt and bring about this change. We entered 2025 as an area-led business positioned to maximise the value of our new Self Care, Germ



## Uniting us now is a clear direction: a shared compass through which to navigate opportunity and harness the entrepreneurial energy of our people.

Protection, Household Care and Intimate Wellness categories across three global Areas. Of these, Emerging Markets is now our largest and fastest growing, delivering 5.5% growth in 2024 led by China's double-digit performance.

This change has enabled us to eliminate duplication and accelerate decision making through the organisational delayering we have achieved. It also supports an ambitious target to reduce our fixed costs over the next three years under our Fuel for Growth programme while releasing these to increase brand investment and drive earnings growth in the meantime.

In announcing these changes, I was pleased to appoint some of our longest-serving and most accomplished global leaders to our new businesses, who now join our leadership team on our Group Executive Committee. With these appointments, I am confident we are bringing the skills and experiences of our very best to each.

### A year of opportunity

Across emerging markets and developed economies, 2025 offers an abundance of opportunity for Reckitt. We possess a cohesive, world-class portfolio of Powerbrands and a proven playbook for how to grow and expand them. We enjoy scale across our value chain and our balanced global footprint. And we are undertaking a step-change in organisational effectiveness that will materially improve our ability to execute with excellence in market.

Uniting us now is a clear direction: a shared compass through which to navigate opportunity and harness the entrepreneurial energy of our people to deliver a brighter future and a cleaner, healthier world.

### Kris Licht

Chief Executive Officer