27 July 2022

STRONG MOMENTUM CONTINUES
FULL-YEAR REVENUE AND MARGIN TARGETS UPGRADED

	Q2 2022			H1 2022		
		Change[2]			Change[2]	
	£m	Actual	Constant	£m	Actual	Constant
Net Revenue	3,464	+12.0%	+5.9%	**6,888**	**+4.4%**	**+2.2%**
Like-for-like (LFL)			*+11.9%*			***+8.6%***
<u>Adjusted[1] ex IFCN China</u>						
Operating Profit				**1,765**	**+23.9%**	**+20.0%**
Operating Profit Margin				**25.6%**	**+290bps**	
<u>Adjusted[1] inc IFCN China</u>						
Operating Profit				**1,765**	**+23.9%**	**+20.0%**
Total EPS (diluted)				**178.6p**	**+25.2%**	
<u>IFRS</u>						
Operating Profit				**1,745**	***Nm***	
Operating Profit Margin				**25.3%**	***Nm***	
Total EPS (diluted)				**187.8p**	***Nm***	

1. Adjusted measures are defined on page 25

2. Change vs prior year presented. Constant measured on a constant exchange rate basis (see page 25)

All amounts £m, unless otherwise stated

Highlights (H1 unless indicated):

- **Group like-for-like (LFL) revenue growth of 8.6%**. Price/mix was 7.4% and volume 1.2%. Continued broad-based growth and momentum across all Business Units and geographies. Growth includes an estimated 2.4% benefit from US Nutrition temporary competitor supply issues.
- **Q2 Group LFL growth of 11.9%.** Price/mix was 9.7% and volume 2.2%. Strong growth across our Health (+24.2%), Nutrition (+26.8%) and Hygiene (-2.5%, +8.9% excluding Lysol) portfolios, with Lysol in line with expectations. Growth includes an estimated 3.3% benefit from US Nutrition temporary competitor supply issues.
- **70% of the portfolio less sensitive to Covid dynamics grew low double digits (Q2: mid-teens).** Excluding the positive impact from US IFCN, growth was high-single digits (Q2: low-double digits), driven by continued innovation and in-market execution across the portfolio.
- **Our Health GBU delivered 22.4% LFL growth** driven by a combination of strong demand and share gains in our OTC portfolio, and continued momentum in our Intimate Wellness, VMS and germ protection brands.
- **Disinfection performance fully in line with expectations.** Dettol in growth for Q2 with stable revenue trends at c.40% above pre-pandemic levels. Lysol was down by around 30% from Covid peaks in H1 2021 plus some retailer de-stocking in H1. Lysol consumption trends were strong at 50-65% above pre-pandemic levels.
- **Nutrition growth in Q2 of 26.8%** driven by low-teens growth in Latin America / ASEAN and around 40% growth in the US with strong execution amidst temporary competitor supply issues.

- **H1 adjusted operating margin of 25.6%:** Growth of +290bps was driven by the combination of favourable product mix, productivity initiatives, pricing and phasing of investments, aided by leverage benefits in US Nutrition and the gain on sale of surplus land in Asia (+85bps).
- **H1 adjusted EPS (diluted) of 178.6p (+25.2%).** Strong growth driven by a combination of revenue growth, margin expansion, and foreign exchange benefits.
- H1 2022 dividend recommended to be 73.0p: in line with H1 2021.

Outlook:

- Following a strong H1 we are increasing our expectations for 2022. We now expect LFL net revenue growth of +5 - 8% for 2022, and growth in adjusted operating margins.
- We are already delivering sustainable mid-single digit net revenue growth and remain firmly on track to deliver our medium-term goal of mid-20s adjusted operating margins by the mid-2020s.

Commenting on the results, Laxman Narasimhan, Chief Executive Officer, said:

"We have delivered an excellent first half performance in 2022. Innovation and improved in-market execution are driving sustained, broad-based revenue growth and market share momentum across our portfolio. Our brands less sensitive to the impact of Covid are growing ahead of our mid-single digit target, whilst our disinfection brands are performing as expected, well above pre-pandemic levels. The actions we have taken to broaden the shoulders of our Lysol and Dettol franchises, combined with our innovation and penetration building initiatives have built a significantly larger, sustainable base from which we will grow.

Driving our earnings model to mitigate the very challenging inflationary environment is a key focus throughout our entire organisation. Our productivity programme has delivered over £370m of savings in the first half, well ahead of our ingoing expectations. This, combined with favourable product mix and pricing, accompanied by one-off and short-term benefits, have enabled us to deliver adjusted operating profit growth in H1 well above net revenue growth.

Imperative to our strong performance this period is the exceptional execution across our global operations. I want to thank each and every one of our colleagues for their tireless commitment during our transformation journey, and for their outstanding delivery amidst extremely challenging circumstances. It is this embedded ownership culture that continues to be a unique factor in our success for the future.

We have built a stronger, more resilient business around our portfolio of trusted brands in growth categories. Despite challenging conditions, we are confident about the rest of the year, we are already delivering sustainable mid-single digit net revenue growth, and remain firmly on track to deliver our medium-term adjusted operating margin goal".

H1 2022 RESULTS PRESENTATION TODAY

There will be a results presentation for analysts and investors at **08:30 BST** which will be held at the Auditorium, UBS, 5 Broadgate, London, EC2M 2QS.

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

For those wishing to follow the webcast please click on the link below:
https://www.reckitt.com/investors/results-and-presentations/. Alternatively, dial in details 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 the Reckitt Benckiser Group plc 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 and social conditions in the key markets in which the Group operates; 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; interruptions in the Group's supply chain and disruptions to its production facilities; increases or volatility in the cost of raw materials and commodities; 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, Reckitt 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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OUTLOOK

Following a strong H1 performance we now expect LFL net revenue growth of +5-8% (previously towards the upper end of +1-4%). This reflects OTC and IFCN normalising in H2, disinfection products performing in line with expectations, and the remainder of the business growing mid-single digits.

The input environment remains unpredictable. We continue to expect inflation on our cost of goods sold to remain in the high teens for the full year, based on current commodity pricing.

In H1 our adjusted operating margin benefitted from favourable product mix, productivity initiatives, pricing and phasing of investments. In addition, margins benefited in the half from a gain on sale of surplus land in Asia (+85bps) plus volume leverage and mix benefits from the temporary supply shortages of infant nutrition products in the US.

In H2, we expect Nutrition margins to normalise, a less favourable phasing of investments and to face a tougher inflationary environment as more favourable hedge positions prevailing in the first half are renewed at higher rates impacted by inflation.

For the full year we now expect growth in operating margins (previously "in-line with the prior year" (excluding IFCN China)).

Guidance for interest and capital expenditure and our effective tax rate remains unchanged from that indicated on 29 April 2022.

We are already delivering sustainable mid-single digit net revenue growth and remain firmly on track to deliver our medium-term goal of mid-20s adjusted operating margins by the mid-2020s.

GROUP OVERVIEW

H1 2022

Group net revenue

- Group net revenue grew by 8.6% on a LFL basis in H1 with volume growth of 1.2% and price / mix improvements of 7.4%. Volume was impacted by lower Lysol, down from Covid peaks, and the temporary benefit in US IFCN. Excluding Lysol and US IFCN, volumes remained strong, growing by around 7%. On an IFRS basis, net revenue grew 4.4%.
- Growth has been broad-based across the business, with brands less sensitive to Covid dynamics, representing around 70% of the portfolio, growing low double digits. Excluding US IFCN, growth was high-single digits, with strong growth in Finish, Harpic, Vanish, Nurofen, our VMS portfolio and our emerging markets Nutrition business.
- Net revenue growth benefitted from the temporary uplift in demand for Reckitt US Nutrition products due to the supply shortages of infant nutrition products in the US. We estimate this benefit to have added approximately 2.4% to our LFL growth rate in H1.
- The supply chain environment in H1 continues to be challenging, both in terms of logistical availability and certain raw material constraints. While our supply team works to find mitigations, we continue to monitor the situation and look to continue to improve our customer service.
- The net effect of M&A was a 6.4% reduction in net revenue in the half, representing the disposal of IFCN China, EnfaBebé in Argentina, Scholl, E45 and Dermicool, offset by the acquisition of Biofreeze.
- FX tailwinds increased net revenue by 2.2% primarily as the result of a strengthening of the US Dollar against Sterling.
- eCommerce LFL net revenue grew 19% in the half and represents 13% of Group net revenue.

Group operating margins and profit

- Adjusted operating profit (excluding IFCN China) in H1 2022 was £1,765m (H1 2021: £1,425m) at an adjusted operating margin of 25.6% (H1 2021: 22.7%).
- The margin accretion of 290bps versus H1 2021 reflects favourable product mix, productivity initiatives, pricing and phasing of investments mitigating significant inflation in our cost base. Margin growth in H1 was aided by an 85bps (£59m) benefit from the gain on sale of surplus land in Asia, and volume leverage and mix benefit arising from the temporary supply issue of infant nutrition products in the US.
- IFRS operating profit was £1,745m, versus a loss of £1,828m in 2021 which included a £2,997m loss on re-measurement of IFCN China to its fair value and a £165m loss on the sale of Scholl.

EPS and dividends

- Adjusted diluted EPS was 178.6p in H1 2022 (H1 2021: 142.6p), 25.2% higher than H1 2021 driven by higher adjusted operating profit and the positive impact of foreign exchange. IFRS diluted total EPS was 187.8p (2021: 241.7p loss).
- The dividend in H1 2022 is recommended to be 73.0p, in line with H1 2021.

Free cash flow

- Free cash flow was £727m in H1 2022 (H1 2021: £520m), with net working capital levels at -10% as a percentage of 12-month net revenue (including IFCN China) and cash conversion of 57% on adjusted net income. Capital investment to support our growth and margin ambitions was £175m, 2.5% of group net revenue (H1 2021: £187m, 2.8% of group net revenue).

Portfolio

- In the first half of 2022 we completed the sale of our E45 and Dermicool brands for a net cash consideration of around £240m.

OPERATING SEGMENT REVIEW

Hygiene

42% of net revenue in H1 2022

Net Revenue	£m	Volume	Price / Mix	LFL[1]	FX	Actual
H1 2022	**2,879**	**-12.0%**	**+6.0%**	**-6.0%**	**+1.1%**	**-4.9%**
Q2 2022	1,414	-11.1%	+8.6%	-2.5%	+4.5%	+2.0%

Operating Profit	£m	Constant FX (CER)[1]	Actual
Adjusted Operating Profit[1]	**621**	**-21.9%**	**-19.8%**
Adjusted Operating Profit Margin[1] %	**21.6%**		**-400bps**

[1] *Adjusted measures are defined on page 25*

Hygiene net revenue was -6.0% on a like-for-like basis (grew by +6.3% excluding Lysol) in H1 with strong, broad-based growth across our core brands, offset by Lysol, down as expected due to tough comparatives, consumption normalisation and some reduction in retailer inventory levels. Volume was -12.0% (due to Lysol) and price / mix improvements of +6.0% reflects the impact of pricing, partially offset by the normalisation of Lysol trade initiatives.

41% of Core Hygiene CMUs (weighted by net revenue) held or gained market share (H1 2022 versus H1 2021) with share gains in Air Wick, Finish, Mortein and Harpic. Lysol saw share gain in the core disinfection spray category, as well as the laundry sanitiser segment, offset by a reduction in wipes which is lapping a branded competitor's distribution challenges last year.

By brand, Lysol net revenue is over 50% higher than pre-pandemic levels driven by expansion in both core and new markets and adjacent categories over the past two years, and as consumers continue to exhibit elevated hygiene behaviours. We continue to focus on new demand spaces, with innovation across the "On the Go" range and accelerating penetration of Laundry Sanitisers. In addition, we launched new fragrances in our Lysol "Neutra Air" and "Brand New Day" portfolios. Versus the prior year Lysol was down in line with expectations by around 30% (in both Q2 and H1), following strong growth in H1 2021.

Finish net revenue grew high-single digits with particularly strong growth across Europe and Developing markets underpinned by our latest Finish Quantum "All in 1" innovation, delivering better performance to mid-tier consumers, leveraging thermoforming technology to deliver higher quality and more sustainable auto-dish solutions.

Air Wick net revenue was broadly flat, with strong market shares gains and innovation offsetting weak market conditions which lap a high base. Net revenue remains well above 2019 levels as consumers continue to spend more time at home than pre-pandemic. Our Liquid Electrical range has benefitted from strong innovation with both new fragrances to address the growing trend of authentic, natural fragrances as well as larger pack sizes to offer consumers better value for money.

Vanish net revenue grew low-teens as consumers return to a more normalised environment versus the prior year, and strong market and distribution gains in a number of key markets.

Harpic net revenue grew mid-teens with strong growth in emerging markets, driven by market share gains, innovation, such as our new thicker Harpic Power Plus, a 20% more viscous liquid with better cleaning performance.

Our pest business delivered high-single digit growth driven by penetration growth and the launch of innovations.

Adjusted operating profit for Hygiene at £621m was down 21.9% on a constant FX basis. Adjusted operating margin was 21.6%, 400bps lower than last year due to significant inflationary increases impacting the COGS base and lapping strong Lysol comparatives, partially offset by pricing and productivity.

Second Quarter Performance

Net revenue was -2.5% (grew by +8.9% excluding Lysol) on a like-for-like basis in the second quarter, with strong trading across most brands and major markets. Volume declined by -11.1%, mostly on Lysol, while price / mix grew by +8.6%.

Lysol US consumption remained strong between 50% to 65% above pre-pandemic levels. Whilst consumption was down year-on-year for the quarter due to strong comparatives, this returned to growth in June driven by growth in Lysol bathroom and kitchen products, multi-purpose cleaners and laundry sanitisers.

Lysol net revenue was down by around 30% compared to the prior year, due to tough comparatives and adjustments in retailer inventory levels. We expect some further retailer inventory normalisation during H2.

Finish, Harpic and Vanish continued to show strong momentum in the quarter, led by innovation (Finish Quantum, Harpic Power Plus and Aeroguard Insect Repellent) combined with penetration improvements and market share gains.

Health

41% of net revenue in H1 2022

Net Revenue	£m	Volume	Price / Mix	LFL[1]	Net M&A	FX	Actual
H1 2022	**2,820**	**+15.3%**	**+7.1%**	**+22.4%**	**-3.0%**	**+2.2%**	**+21.6%**
Q2 2022	1,418	+15.1%	+9.1%	+24.2%	-2.6%	+6.4%	+28.0%

Operating Profit	£m	Constant FX (CER)[1]	Actual
Adjusted Operating Profit[1]	**799**	**+61.1%**	**+66.5%**
Adjusted Operating Profit Margin[1] %	**28.3%**		**+760 bps**

[1] Adjusted measures are defined on page 25

Health net revenue grew 22.4% on a LFL basis in H1 to £2,820m. This reflected volume growth of 15.3% and price / mix improvements of 7.1%, with mix benefitting from a strong OTC performance.

54% of Core Health CMUs held or gained market share with gains across cold and flu, intimate wellness and most disinfection markets.

OTC net revenue grew over 60% in H1 due to the combination of Omicron, a cold and flu season against a weak comparator for Mucinex and Strepsils, plus significant market share gains across the portfolio. Recent launches including Mucinex Instasoothe, the brand's first entry into the sore throat relief segment, has gained significant market share since its launch at the end of 2021. Our recent innovation, Nurofen Meltlets, have also made a strong start.

Our Intimate Wellness portfolio grew mid-single digits in H1 resulting from a continued renewed focus on execution, innovation and investment behind omnichannel growth. Growth was impacted in the latter part of H1 due to Covid related lockdowns in parts of mainland China. Durex has recently launched its softest polyurethane condom driving superior comfort, fit, and sensation to maximise the consumer's sensorial experience.

Dettol net revenue declined low-single digits in H1, as it laps tough comparators, but continues to stabilise at around 40% above pre-pandemic levels. Growth returned in Q2, underpinned by innovation such as Dettol Tru Protect 4in1 laundry pods, with germ protection, cleaning power, softness and colour protection.

Our Vitamins, Minerals and Supplements grew double digits, driven by strong growth in Move Free in China, continued penetration growth in our cognitive health brand, Neuriva, in the US and our immunity support brand, Airborne.

Our personal care portfolio grew by mid-single digits. We have recently launched our new Veet Intimate kit for men, enabling improved hair removal solutions.

The net effect of M&A was a 3.0% reduction in net revenue in H1, representing the disposal of Scholl, Dermicool and E45, offset by the acquisition of Biofreeze.

Adjusted operating profit for Health at £799m was up 61.1% on a constant FX basis. Adjusted operating margin was 28.3%, up 760 basis points year on year. Growth was driven by favourable mix from a strong OTC performance, volume leverage and pricing.

Second Quarter Performance

Net revenue increased by 24.2% on a like-for-like basis in Q2 driven by a 15.1% increase in volume and a 9.1% improvement in price / mix. Growth was broad-based and led by OTC which saw continued trends consistent with Q1 and strong growth in Mucinex, Strepsils and Nurofen. Our Intimate Wellness portfolio grew by mid-single digits, with China down, due to Covid related lockdowns. Dettol grew by mid-single digits with strong growth in China, and our VMS portfolio also delivered strong growth across both the US and China.

Nutrition

17% of net revenue in H1 2022

Net Revenue	£m	Volume	Price / Mix	LFL[1]	Net M&A	FX	Actual
H1 2022	**1,189**	**+10.7%**	**+12.9%**	**+23.6%**	**-33.3%**	**+4.7%**	**-5.0%**
Q2 2022	632	+12.3%	+14.5%	+26.8%	-29.6%	+8.5%	+5.7%

Operating Profit	£m	Constant FX (CER)[1]	Actual
Adjusted Operating Profit[1]	**345**	**+97.6%**	**+102.9%**
Adjusted Operating Profit Margin[1] %	**29.0%**		**+1,540 bps**
Adjusted Operating Profit Margin (ex IFCN China) %	**29.0%**		**+1,060bps**

[1] *Adjusted measures are defined on page 25*

Nutrition net revenue grew 23.6% on a LFL basis to £1,189m. This reflected volume growth of 10.7% and price / mix improvements of 12.9% (which includes c.7.5% of gross price).

The benefit from competitor supply issues is estimated to be 16.1% in the first half, reflected across both volume and price/mix. This growth was driven by a combination of substitution purchases in the absence of competitor product availability in store, consumers building up 'safety stocks' out of concerns on availability and additional WIC sales, which do not incur rebate claims from the US government.

95% of Core Nutrition CMUs held or gained market share with particularly strong share gains across the US and Canada.

IFCN US net revenue grew around 40% on a LFL basis, with strong growth in both our core Enfa and specialty brands. Significant market share growth was driven by strong execution in response to increased demand.

Our focus remains doing everything possible to put more infant formula on shelves, addressing concerns of parents across the US, while safeguarding the highest levels of quality. We have recently been granted a temporary import approval by the Food and Drug Administration (FDA) which enables us to import additional infant formula supplies into the US from our manufacturing facilities in Singapore.

We understand that the temporary supply disruptions in the US will likely reduce in the coming weeks. As a result we expect both the competitive environment to intensify and the temporary benefits from additional WIC sales for which Reckitt will not incur rebates claims from the Government, to dissipate. We therefore expect to exit 2022 in the US with a larger, stronger business, but with more normalised sales volumes and operating profit margins.

Latin America and ASEAN both grew high-single-digits in H1, driven by improved in-market execution and increased expert recommendations for our products. Growth was broad-based across markets and our product base of core infant formula, specialty and adult products.

The net effect of M&A was a 33.3% reduction in net revenue in H1, representing the disposal of IFCN China and EnfaBebé in Argentina.

Adjusted operating profit for Nutrition at £345m was 97.6% higher on a constant FX basis. Adjusted operating margin was 29.0%, up 1,540 basis points year on year reflecting a 480bps benefit from the exclusion of IFCN China, a 500bps benefit from a gain on sale of surplus land in Asia, plus the combination of strong volume leverage, positive mix benefits in the US and responsible pricing, more than offsetting a high inflationary impact on the cost base. We expect operating margins to normalise as we exit 2022 due to the expected resolution of competitor supply issues, and their increased investment to regain market share.

Second Quarter Performance

Nutrition net revenue grew by 26.8% on a LFL basis in the quarter as trends seen in Q1 continue in Q2. The US business grew by around 40% as competitor supply issues continue, and the recovery in our Latin America and ASEAN business maintains momentum.

Performance by Geography

	£m	Volume	Price / Mix	LFL[1]	Net M&A	FX	Actual
H1 2022							
North America	2,256	-4.4%	+7.7%	+3.3%	+1.8%	+7.2%	+12.3%
Europe / ANZ	2,215	+7.5%	+5.4%	+12.9%	-3.9%	-4.3%	+4.7%
Developing Markets	2,417	-0.1%	+9.6%	+9.5%	-15.5%	+3.7%	-2.3%
Total	**6,888**	**+1.2%**	**+7.4%**	**+8.6%**	**-6.4%**	**+2.2%**	**+4.4%**
Q2 2022							
North America	1,102	-3.9%	+7.8%	+3.9%	+2.3%	+12.0%	+18.2%
Europe / ANZ	1,108	+9.4%	+8.6%	+18.0%	-3.8%	-1.3%	+12.9%
Developing Markets	1,254	+1.1%	+12.3%	+13.4%	-14.2%	+7.2%	+6.4%
Total	**3,464**	**+2.2%**	**+9.7%**	**+11.9%**	**-5.8%**	**+5.9%**	**+12.0%**

[1] *Adjusted measures are defined on page 25*

North America H1 net revenue grew 3.3% on a LFL basis, with strong growth in our IFCN, OTC and VMS portfolios, offset by the expected performance in Lysol given the tough comparative base.

Europe / ANZ H1 net revenue grew 12.9% on a LFL basis. Growth was broad-based with every main market in growth. Growth was broad-based across the product portfolio, with Finish, Lysol, Vanish, Nurofen and Strepsils growing double-digit.

Developing markets H1 net revenue grew 9.5% on a LFL basis, with each of our regions in growth. Each of our GBUs (Hygiene, Health and Nutrition) grew around double-digits in the half. Growth was particularly strong in Greater China, led by Dettol and our VMS portfolio.

OTHER MATTERS

Russia

On 13 April 2022, Reckitt announced it had begun a process aimed at transferring ownership of its Russian business, which may include a transfer to a third party or to local employees. The net assets of the Russian business at 30 June 2022 were c.£260m and on disposal foreign exchange losses of c.£40m would be recycled to the income statement. At 30 June 2022 the assets and liabilities had not met the criteria to be reclassified as held for sale.

DETAILED FINANCIAL REVIEW – SIX MONTHS ENDED 30 JUNE 2022

The following section should be read in conjunction with the condensed financial statements and the adjusted and other non-IFRS measures, definitions and terms section.

Group operating profit
Adjusted operating profit was £1,765m (2021: £1,424m) at an adjusted operating margin of 25.6%, 400bps higher than the prior year (2021: 21.6%) or 290bps higher excluding IFCN China. The margin improvement reflects favourable product mix, productivity initiatives, pricing and phasing of investments mitigating significant inflation in our cost base. Margin growth in the first half was aided by a £59m benefit (+85bps) from a gain on sale of surplus land in Asia, and a volume and mix benefit arising from the temporary supply issue of infant nutrition products in the US.

IFRS operating profit was £1,745m (2021: £1,828m IFRS operating loss) at an IFRS operating margin of 25.3% (2021: -27.7%). IFRS operating loss in 2021 included a pre-tax loss of £2,997m on re-measurement of IFCN China to its fair value on classification as held for sale and a loss of £165m on disposal of Scholl.

Net finance expense
Adjusted net finance expense was £110m (2021: £116m). The decrease is due to lower average net debt and the impact of higher interest rates on the Group's deposits.

IFRS net finance expense of £33m (2021: £115m) includes £69m of reclassified translational foreign exchange gains resulting from the liquidation of a number of subsidiaries to simplify the Group's legal entity structure (2021: £nil).

Tax
The adjusted effective tax rate ('ETR') was 21.1% (2021: 22.0%) reflecting the reassessment of uncertain tax positions following progress on and conclusions of tax authority audits.

The IFRS tax rate for the six months to 30 June 2022 is 19.8% (2021: 9.8%). The IFRS ETR in 2022 reflects the reassessment of uncertain tax positions following progress on and conclusions of tax authority audits. The IFRS tax charge in 2022 benefits from largely non-taxable gains on sale of E45 and foreign exchange gains on liquidation of subsidiaries. The IFRS ETR in 2021 benefited from a £591m net deferred tax credit in relation to the disposal of IFCN China as deferred tax liabilities were adjusted to reflect estimated tax payable in relation to the disposal.

Discontinued operations
Income from discontinued operations was £nil (2021: £29m). Income from discontinued operations in 2021 represented income, net of tax, recognised in relation to an agreement with Indivior plc to settle indemnity claims related to the Group's previous settlement with the DoJ, and related matters.

Earnings per share (EPS)
Total adjusted diluted EPS was 178.6p (2021: 142.6p), the increase of 36.0p or 25.2% was driven by higher adjusted operating profit and the positive impact of foreign exchange.

Total IFRS diluted EPS was 187.8p (2021: loss per share of 241.7p). The loss per share in 2021 resulted from the post-tax loss of £2.4bn on re-measurement of IFCN China to its fair value.

Balance sheet
At 30 June 2022, the Group had total equity of £8,972m (31 December 2021: £7,453m).

Current assets of £5,550m (31 December 2021: £4,862m) increased by £688m, due to higher trade receivables and inventories, reflecting strong business growth in the first half of 2022.

Current liabilities of £7,939m (31 December 2021: £8,088m) decreased by £149m. The repayment of £2.4bn ($3.2bn) of bonds which matured in the first half of 2022 has been offset by the issuance of new commercial paper of £2.1bn.

Non-current assets of £23,455m (31 December 2021: £21,941m) primarily comprise of goodwill and other intangible assets of £20,282m (31 December 2021: £18,868m) and property, plant and equipment. The increase of £1,514m is predominantly due to the foreign exchange retranslation of USD-denominated assets.

Non-current liabilities of £12,095m (31 December 2021: £11,405m) have increased by £690m. This is principally due to the adverse foreign exchange movements on USD-denominated debt.

Net working capital
During the period, net working capital increased by £547m from negative £1,882m to negative £1,335m. Net working capital as a percentage of 12-month net revenue (incl. IFCN China) is -10% (31 December 2021: -14%) due to higher trade receivables and inventories, and lower payables following the settlement of variable pay liabilities.

Cash Flow

	30 Jun 2022 £m	30 Jun 2021 £m
Adjusted Operating Profit	1,765	1,424
Depreciation, share based payments and gain on disposal of fixed assets (net of proceeds)	238	197
Capital expenditure	(175)	(187)
Movement in working capital and provisions	(592)	(416)
Cash flow in relation to adjusting items	(24)	(26)
Interest paid	(113)	(105)
Tax paid	(372)	(367)
Free Cash Flow	**727**	**520**
Free Cash Flow Conversion	**57%**	**51%**

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 as a percentage of continuing adjusted net income was 57% (2021: 51%) as a result of the effect of adverse movements in working capital in the first half of 2022.

Net cash generated from operating activities has increased by £125m to £837m (2021: £712m), as higher profitability has been offset by the movement in net working capital.

Net debt

	30 Jun 2022 £m	30 Jun 2021 £m
Opening net debt	(8,378)	(8,954)
Free cashflow	727	520
Shares reissued	37	57
Acquisitions, disposals and purchase of investments	217	87
Dividends paid	(745)	(739)
New lease liabilities in the period	(30)	(85)
Exchange and other movements	(416)	25
Cash flow attributable to discontinued operations	6	5
Closing net debt	**(8,582)**	**(9,084)**

At 30 June 2022 net debt was £8,582m, an increase of £204m from 31 December 2021, as higher free cash flow and proceeds from the disposal of brands were offset by unfavourable foreign exchange movements on USD-denominated debt.

The Group regularly reviews its banking arrangements and currently has adequate facilities available to it. The Group has committed facilities totalling £4,500m (31 December 2021: £4,500m), £3,500m of which expire after more than two years, which are undrawn and available to draw. 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 2022 dividend of 73.0 pence (2021: 73.0 pence), consistent with its policy and guidance from February 2020. The ex-dividend date will be 4 August 2022 and the dividend will be paid on 14 September 2022 to shareholders on the register at the record date of 5 August 2022. The last date for election for the share alternative to the dividend is 23 August 2022.

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 overtime.

Repatriating cash to shareholders through a growing dividend remains a long-term goal of the business. As set out in February 2020, we will maintain the dividend pay-out per share at 2019 levels until we rebuild dividend cover to target levels, at which time we will be able to resume growth in dividends in line with the growth in adjusted net income.

We will return surplus cash to shareholders as appropriate.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's principal risks and uncertainties are detailed on pages 88-102 of the Annual Report for the year ended 31 December 2021. The headings for these risks are listed below:

- Operational: Covid-19, product safety, supply disruption, cyber-security, employee health and safety, sustainability, adherence to product quality standards
- Strategic: Innovation, disruption, China
- People
- Financial and Compliance: Tax disputes, product regulations, legal & compliance, and South Korea Humidifier Sanitiser (HS)
- Other: 'Black Swan' event.

The Group's emerging risks included geopolitical, sector consolidation, emergence of environmental tax instruments and science and technology "disruptors".

In 2021 the Group reported a further emerging risk titled 'Economic Volatility in a post-Covid-19 World'. In light of changing market conditions over the last 6-12 months, this risk has now been elevated to become a new principal risk. The risk addresses the economic challenges that we are currently facing or may face in the future and includes: increasing commodity prices, most acutely energy costs; rising inflation; volatility in global trade and financial markets; and the impact of changing local economic conditions. The risk also acknowledges the current crisis in Ukraine/Russia, specifically the likelihood of further price rises attributed to the conflict and the impact of sanctions on financial markets. We have taken, and continue to take, appropriate measures to mitigate any adverse impacts arising during periods of volatility. These include leveraging the strength of our brands to balance price and volume-led growth and using the benefits from productivity and investment programmes to offset inflation and make the business more resilient.

The nature and potential impact of the other principal and emerging risks remain essentially unchanged for the second half of 2022.

Half Year Condensed Financial Statements

Group Income Statement

For the six months ended 30 June 2022

	Note	Six months ended **30 June 2022 £m**	30 June 2021 £m
Net Revenue		**6,888**	6,598
Cost of sales		**(2,886)**	(2,784)
Gross profit		**4,002**	3,814
Gains/(losses) on assets held for sale and disposal of goodwill and brands	14	**14**	(3,199)
Other net operating expenses		**(2,271)**	(2,443)
Net operating expenses		**(2,257)**	(5,642)
Operating profit/(loss)		**1,745**	(1,828)
Foreign exchange gains on liquidation of subsidiaries		**69**	-
Other net finance expense		**(102)**	(115)
Net finance expense	5	**(33)**	**(115)**
Impairment of equity-accounted investments		**(19)**	**-**
Share of loss of equity-accounted investees, net of tax		**(2)**	**(1)**
Profit/(loss) before income tax		**1,691**	(1,944)
Income tax (charge)/credit	6	**(335)**	191
Net income/(loss) from continuing operations		**1,356**	(1,753)
Net income from discontinued operations		**-**	29
Net income/(loss)		**1,356**	(1,724)
Attributable to non-controlling interests		**10**	1
Attributable to owners of the parent company		**1,346**	(1,725)
Net income/(loss)		**1,356**	(1,724)
Basic earnings/(loss) per ordinary share			
From continuing operations (pence)	7	**188.3**	(245.8)
From discontinued operations (pence)	7	**-**	4.1
From total operations (pence)		**188.3**	(241.7)
Diluted earnings/(loss) per ordinary share			
From continuing operations (pence)	7	**187.8**	(245.8)
From discontinued operations (pence)	7	**-**	4.1
From total operations (pence)		**187.8**	(241.7)

Group Statement of Comprehensive Income

For the six months ended 30 June 2022

	Six months ended	
	30 June 2022 £m	30 June 2021 £m
Net income/(loss)	**1,356**	(1,724)
Other comprehensive income/(expense)		
Items that are or may be reclassified to income statement in subsequent years		
Net exchange gains/(losses) on foreign currency translation, net of tax	**1,049**	(319)
(Losses)/gains on net investment hedges, net of tax	**(72)**	63
(Losses)/gains on cash flow hedges, net of tax	**(22)**	3
Reclassification of foreign currency translation reserves on disposal or liquidation of foreign operations, net of tax	**(59)**	21
	896	(232)
Items that will not be reclassified to income statement in subsequent years		
Remeasurements of defined benefit pension plans, net of tax	**3**	37
Revaluation of equity instruments – FVOCI	**(56)**	3
	(53)	40
Other comprehensive income/(expense), net of tax	**843**	(192)
Total comprehensive income/(expense)	**2,199**	(1,916)
Attributable to non-controlling interests	**12**	1
Attributable to owners of the parent company	**2,187**	(1,917)
Total comprehensive income/(expense)	**2,199**	(1,916)
Total comprehensive income/(expense) attributable to owners of the parent company arising from:		
Continuing operations	**2,187**	(1,946)
Discontinued operations	**-**	29
	2,187	(1,917)

Group Balance Sheet

As at 30 June 2022

	Note	30 June 2022 £m	31 December 2021 £m
ASSETS			
Non-current assets			
Goodwill and other intangible assets		**20,282**	18,868
Property, plant and equipment		**2,332**	2,178
Equity instruments		**117**	194
Deferred tax assets		**222**	197
Retirement benefit surplus		**324**	355
Other non-current receivables		**178**	149
Total non-current assets		**23,455**	21,941
Current assets			
Inventories		**1,799**	1,459
Trade and other receivables		**2,201**	1,926
Derivative financial instruments		**85**	61
Current tax recoverable		**179**	155
Cash and cash equivalents		**1,286**	1,261
Total current assets		**5,550**	4,862
Assets held for sale		**1**	143
Total assets		**29,006**	26,946
LIABILITIES			
Current liabilities			
Short-term borrowings	8	**(2,199)**	(2,485)
Provisions for liabilities and charges		**(199)**	(191)
Trade and other payables		**(5,335)**	(5,267)
Derivative financial instruments		**(50)**	(52)
Current tax liabilities		**(156)**	(93)
Total current liabilities		**(7,939)**	(8,088)
Non-current liabilities			
Long-term borrowings	8	**(7,530)**	(7,078)
Deferred tax liabilities		**(2,996)**	(2,806)
Retirement benefit obligations		**(304)**	(318)
Provisions for liabilities and charges		**(54)**	(44)
Non-current tax liabilities		**(784)**	(826)
Other non-current liabilities		**(427)**	(333)
Total non-current liabilities		**(12,095)**	(11,405)
Total liabilities		**(20,034)**	(19,493)
Net assets		**8,972**	7,453
EQUITY			
Capital and reserves			
Share capital	9	**74**	74
Share premium		**253**	253
Merger reserve		**(14,229)**	(14,229)
Other reserves		**(295)**	(1,189)
Retained earnings		**23,122**	22,490
Attributable to owners of the parent company		**8,925**	7,399
Attributable to non-controlling interests		**47**	54
Total equity		**8,972**	7,453

Group Statement of Changes in Equity

For the six months ended 30 June 2022

	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 2021	**74**	**252**	**(14,229)**	**(379)**	**23,397**	**9,115**	**44**	**9,159**
Comprehensive income								
Net loss	–	–	–	–	(1,725)	(1,725)	1	(1,724)
Other comprehensive (expense)/income	–	–	–	(232)	40	(192)	–	(192)
Total comprehensive (expense)/income	**–**	**–**	**–**	**(232)**	**(1,685)**	**(1,917)**	**1**	**(1,916)**
Transactions with owners								
Treasury shares re-issued	–	–	–	–	57	57	–	57
Share-based payments	–	–	–	–	19	19	–	19
Tax on share awards	–	–	–	–	1	1	–	1
Cash dividends	–	–	–	–	(725)	(725)	(14)	(739)
Total transactions with owners	**–**	**–**	**–**	**–**	**(648)**	**(648)**	**(14)**	**(662)**
Balance at 30 June 2021	**74**	**252**	**(14,229)**	**(611)**	**21,064**	**6,550**	**31**	**6,581**
Balance at 1 January 2022	**74**	**253**	**(14,229)**	**(1,189)**	**22,490**	**7,399**	**54**	**7,453**
Net income	–	–	–	–	1,346	1,346	10	1,356
Other comprehensive income	–	–	–	894	(53)	841	2	843
Total comprehensive income	–	–	–	**894**	**1,293**	**2,187**	**12**	**2,199**
Transactions with owners								
Treasury shares re-issued	–	–	–	–	37	37	–	37
Share-based payments	–	–	–	–	27	27	–	27
Tax on share awards	–	–	–	–	1	1	–	1
Cash dividends	–	–	–	–	(726)	(726)	(19)	(745)
Total transactions with owners	–	–	–	–	**(661)**	**(661)**	**(19)**	**(680)**
Balance at 30 June 2022	**74**	**253**	**(14,229)**	**(295)**	**23,122**	**8,925**	**47**	**8,972**

Group Cash Flow Statement

For the six months ended 30 June 2022

	Note	Six months ended 30 June 2022 £m	30 June 2021 £m
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit/(loss) from continuing operations		**1,745**	(1,828)
(Profit)/loss on sale of property, plant and equipment and intangible assets		**(86)**	152
Depreciation, amortisation, and impairment		**223**	216
Remeasurement of disposal group held for sale		**–**	2,984
Share-based payments		**27**	19
Increase in inventories		**(213)**	(98)
(Increase)/decrease in trade and other receivables		**(158)**	43
Decrease in payables and provisions		**(222)**	(309)
Cash generated from continuing operations		**1,316**	1,179
Interest paid		**(131)**	(119)
Interest received		**18**	14
Tax paid		**(372)**	(367)
Net cash flows attributable to discontinued operations		**6**	5
Net cash generated from operating activities		**837**	712
CASH FLOWS FROM INVESTING ACTIVITIES			
Disposal proceeds from sale of brands		**243**	252
Purchase of property, plant and equipment		**(143)**	(158)
Purchase of intangible assets		**(32)**	(29)
Proceeds from sale of property, plant and equipment		**71**	–
Acquisition of businesses, net of cash acquired		**(12)**	(144)
Other investing activities		**(14)**	(21)
Net cash generated from/(used in) investing activities		**113**	(100)
CASH FLOWS FROM FINANCING ACTIVITIES			
Treasury shares re-issued		**37**	57
Proceeds from borrowings		**2,345**	522
Repayment of borrowings		**(2,934)**	(348)
Dividends paid to owners of the parent company	10	**(726)**	(725)
Dividends paid to non-controlling interests		**(19)**	(14)
Other financing activities		**325**	(160)
Net cash used in financing activities		**(972)**	(668)
Net decrease in cash and cash equivalents		**(22)**	(56)
Cash and cash equivalents at beginning of the year		**1,259**	1,644
Exchange gains/(losses)		**48**	(30)
Cash and cash equivalents at end of the year		**1,285**	1,558
Cash and cash equivalents comprise:			
Cash and cash equivalents per the balance sheet		**1,286**	1,478
Cash and cash equivalents within assets held for sale		**–**	81
Overdrafts		**(1)**	(1)
		1,285	1,558

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 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 2022 comprise 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 26 July 2022. The Half Year Condensed Financial Statements have been reviewed by our independent auditor KPMG LLP (see page 31).

2. Basis of Preparation

The Half Year Condensed Financial Statements for the six months ended 30 June 2022 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 for the year ending 31 December 2022 will be prepared in accordance with UK-adopted International Accounting Standards and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the Half Year Condensed Financial Statements have 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 2021 which were prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. The financial statements for the year ended 31 December 2021 were also in compliance with UK-adopted International Accounting Standards and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

These Half Year Condensed Financial Statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2021 were approved by the Board of Directors on 13 April 2022 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

Having assessed the principal risks, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the interim financial statements.

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 210-216 of the Annual Report and Financial Statements for the year ended 31 December 2021.

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 Financial Statements for the year ended 31 December 2021.

The following amended standards and interpretations were adopted by the Group on 1 January 2022. They have not had a significant impact on the Group Financial Statements.

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37).
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
- Annual Improvements to IFRS Standards 2018–2020
- Reference to the Conceptual Framework (Amendments to IFRS 3)

4. Operating Segments

The Group's operating segments comprise of the Hygiene, Health and Nutrition global 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. On 1 January 2022, the Vitamins, Minerals and Supplements (VMS) business was moved from Nutrition to Health, and operating segment information relating to prior periods has been accordingly restated.

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 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 2022 and 30 June 2021 is as follows:

Notes to the condensed financial statements (continued)

Six months ended 30 June 2022	Hygiene £m	Health £m	Nutrition[1] £m	Adjusting items £m	Total £m
Net Revenue	**2,879**	**2,820**	**1,189**	**-**	**6,888**
Operating profit	**621**	**799**	**345**	**(20)**	**1,745**
Net finance expense					**(33)**
Impairment of equity-accounted investments					**(19)**
Share of loss of equity-accounted investees, net of tax					**(2)**
Profit before income tax					**1,691**
Income tax charge					**(335)**
Net income from continuing operations					**1,356**

Six months ended 30 June 2021 (restated) [1]	Hygiene £m	Health £m	Nutrition[2] £m	Adjusting items £m	Total £m
Net Revenue	3,027	2,320	1,251	-	6,598
Operating profit/(loss)	774	480	170	(3,252)	(1,828)
Net finance expense					(115)
Share of loss of equity-accounted investees, net of tax					(1)
Loss before income tax					(1,944)
Income tax credit					191
Net loss from continuing operations					(1,753)

[1] Segmental information for the six months ended 30 June 2021 has been restated to reflect the Group's current operating segments, the composition of which changed with effect from 1 January 2022 when the Vitamins, Minerals and Supplements (VMS) business was moved from Nutrition to Health.

[2] Following the start of the strategic review of IFCN China, the CODM also reviewed financial information for net revenue and adjusted operating profit excluding IFCN China. In the six months ended 30 June 2021, Nutrition net revenue excluding IFCN China was £927 million and Nutrition adjusted operating profit excluding IFCN China was £171 million.

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 25.

5. Net finance expense

	30 June 2022 £m	30 June 2021 £m
Foreign exchange gain on liquidation of subsidiaries		
Gains on liquidation	**69**	-
Total foreign exchange gain on liquidation of subsidiaries	**69**	-
Other net finance expense		
Finance income	**17**	10
Finance expense	**(119)**	(125)
Other net finance expense	**(102)**	(115)
Net finance expense	**(33)**	(115)

As a result of the simplification of the Group's legal entity structure, a number of entities were liquidated and the cumulative foreign exchange reserves were recycled to the Income Statement, resulting in foreign exchange gains of £69 million (2021: £nil).

Notes to the condensed financial statements (continued)

6. Income Tax

The IFRS tax rate for the six months to 30 June 2022 is 19.8% (2021: 9.8%). Income tax expense is recognised based on management's best estimate of the effective tax rate ("ETR") expected for the full year. The IFRS ETR in 2022 reflects the reassessment of uncertain tax positions following progress on and conclusions of tax authority audits. The IFRS tax charge in 2022 benefits from largely non-taxable gains on sale of E45 and foreign exchange gains on liquidation of subsidiaries.

The IFRS ETR in 2021 benefited from a £591m net deferred tax credit in relation to the disposal of IFCN China as deferred tax liabilities were adjusted to reflect estimated tax payable in relation to the disposal.

7. Earnings per share

	Six months ended	
	30 June 2022 pence	30 June 2021 pence
Basic earnings/(loss) per share		
From continuing operations	**188.3**	(245.8)
From discontinued operations	**-**	4.1
Total basic earnings/(loss) per share	**188.3**	(241.7)
Diluted earnings/(loss) per share		
From continuing operations	**187.8**	(245.8)
From discontinued operations	**-**	4.1
Total diluted earnings/(loss) per share	**187.8**	(241.7)

Basic
Basic earnings/(loss) per share is calculated by dividing the net income/(loss) attributable to owners of the parent company from continuing operations (2022: £1,346 million income; 2021: £1,754 million loss) and discontinued operations (2022: £nil; 2021: £29 million income) by the weighted average number of ordinary shares in issue during the period (2022: 714.9 million; 2021: 713.7 million).

Diluted
Diluted earnings/(loss) 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 2022, there were 12.8 million (30 June 2021: not applicable) Executive Share Awards and 2.4 million (30 June 2021: not applicable) Employee Sharesave Scheme Options excluded from the dilution because the exercise price for the options was greater than the average share price for the year or the performance criteria have not been met.

	Six months ended	
	30 June 2022 Average number of shares million	30 June 2021 Average number of shares million
On a basic basis	714.9	713.7
Dilution for Executive Share Awards[1]	1.4	-
Dilution for Employee Sharesave Scheme Options outstanding[1]	0.3	-
On a diluted basis	716.6	713.7

[1] As there was a loss in the six months ended 30 June 2021, the effect of potentially dilutive shares was anti-dilutive.

Notes to the condensed financial statements (continued)

8. Financial Liabilities – Borrowings

	30 June 2022 £m	31 December 2021 £m
Bank loans and overdrafts	**26**	22
Commercial paper	**2,103**	-
Bonds	-	2,401
Lease liabilities	**70**	62
Total short-term borrowings	**2,199**	2,485
Bonds	**5,876**	5,568
Senior notes	**1,363**	1,229
Other non-current borrowings	**22**	15
Lease liabilities	**269**	266
Total long-term borrowings	**7,530**	7,078
Total borrowings	**9,729**	9,563
Derivative financial Instruments	**139**	76
Less overdrafts presented in cash and cash equivalents in the cash flow statement	**(1)**	(2)
Total financing liabilities	**9,867**	9,637

At 30 June 2022, the Group has £4.5 billion (31 December 2021: £4.5 billion) of committed borrowing facilities remaining which were undrawn as at 30 June 2022. The committed borrowing facilities, together with cash and cash equivalents, are considered sufficient to meet the Group's projected cash requirements. The Group remains compliant with its banking covenants.

Undrawn committed borrowing facilities	**30 June 2022 £m**	31 December 2021 £m
Expiring within two years	**1,000**	1,000
Expiring after more than two years	**3,500**	3,500
	4,500	4,500

All committed facilities are at floating rates of interest.

9. Share Capital

Issued and fully paid	Equity ordinary shares number	Nominal value £m
At 31 December 2021	736,535,179	74
At 30 June 2022	**736,535,179**	**74**

At 30 June 2022, issued ordinary shares were 736,535,179 (31 December 2021: 736,535,179), of which 21,102,000 shares were held as Treasury shares (31 December 2021: 22,122,980). All shares were fully paid.

10. Dividends

A final dividend of 101.6 pence per share for the year ended 31 December 2021 was paid on 9 June 2022 to Shareholders who were on the register on 29 April 2022, amounting to £726 million.

The Directors have declared an interim dividend of 73.0 pence per share in respect of the year ending 31 December 2022 which will absorb an estimated £522 million of shareholders' funds. It will be paid on 14 September 2022 to shareholders who are on the register on 5 August 2022.

11. Contingent Liabilities and Assets

Korea
The Humidifier Sanitiser ("HS") issue in South Korea was a tragic event. The Group continues to make both public and personal apologies to the victims who have suffered lung injury as a result of the Oxy HS product and the role that the Oxy HS product played in the issue.

The Group currently has a provision of £77 million (31 December 2021: £75 million) in relation to the HS issue in South Korea.

Other
From time to time, the Group is involved in discussions in relation to ongoing tax matters in a number of jurisdictions aroun d the world. Where appropriate, the Directors make provisions based on their assessment of each case.

Notes to the condensed financial statements (continued)

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 2022				
Assets as per the Balance Sheet				
Derivative financial instruments – FX forward exchange contracts	-	85	-	85
Equity instruments – FVOCI	24	40	49	113
Liabilities as per the Balance Sheet				
Derivative financial instruments – FX forward exchange contracts	-	(51)	-	(51)
Derivative financial instruments – Interest rate swaps[1]	-	(117)	-	(117)
Derivative financial instruments – Cross currency interest rate swaps[1]	-	(75)	-	(75)

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
At 31 December 2021				
Assets as per the Balance Sheet				
Derivative financial instruments – FX forward exchange contracts	-	62	-	62
Equity instruments – FVOCI	14	114	43	171
Liabilities as per the Balance Sheet				
Derivative financial instruments – FX forward exchange contracts	-	(52)	-	(52)
Derivative financial instruments – Interest rate swaps[1]	-	(22)	-	(22)
Derivative financial instruments – Cross currency interest rate swaps[1]	-	(49)	-	(49)

[1] Included in Other non-current liabilities in Group Balance Sheet.

13. Related Party Transactions

There were no changes in the related party transactions described in the 2021 Annual Report that have had a material effect on the financial position or performance of Reckitt either at 30 June 2022 or in the six months to 30 June 2022.

14. Disposals

The disposal of Dermicool and E45 completed on 25 March 2022 and 1 April 2022, respectively, with combined net cash proceeds of £243 million. The net assets disposed primarily comprised goodwill and intangible assets at a book value of £204 million. In addition, cumulative foreign exchange losses of £10 million have been reclassified to the income statement.

The Group recognised a net pre-tax gain of £14 million upon disposal of these brands, recorded within net operating expenses in the income statement. Both Dermicool and E45 formed part of the Health operating segment.

15. 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.

APPENDIX - ALTERNATIVE PERFORMANCE MEASURES

The financial information included in this half year announcement 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** 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; 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 expenses on tax balances into income tax expense**, to align with the Group's tax guidance. As a result, these 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/(loss) excluding items in line with the Group's adjusted items policy. See page 26 for details on the adjusting items and a reconciliation between IFRS operating profit/(loss) 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 26 for details on the adjusting items and a reconciliation between IFRS net income/(loss) and adjusted net income. 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. 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).
- **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.
- **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 29. The Group tracks Free Cash Flow as a % of adjusted net income 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.65% of Group net revenue and between c.60% 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.
- **eCommerce:** eCommerce channel net revenue is direct sales from Reckitt to online platforms or directly to consumers. Estimates of total eCommerce sales as a percentage of Group net revenues are calculated by adding eCommerce channel net revenue to an estimate of eCommerce sales achieved by our brands through omnichannel distributors and retailer websites.
- **Discontinued operations:** Includes credits or charges related to the previously demerged RB Pharmaceuticals business that became Indivior plc. Net income 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 2022.

	IFRS	Adjusting items: 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	6,888	-	-	-	-	-	6,888
Cost of sales	(2,886)	2	-	-	-	-	(2,884)
Gross profit	**4,002**	**2**	-	-	-	-	**4,004**
Net operating expenses	(2,257)	22	(14)	-	-	10	(2,239)
Operating profit	**1,745**	**24**	**(14)**	-	-	**10**	**1,765**
Net finance expense	(33)	-	-	(69)	(8)	-	(110)
Impairment of equity-accounted investments	(19)	-	-	-	-	-	(19)
Share of loss of equity-accounted investees, net of tax	(2)	-	-	-	-	-	(2)
Profit before income tax	**1,691**	**24**	**(14)**	**(69)**	**(8)**	**10**	**1,634**
Income tax charge	(335)	(6)	(11)	-	8	-	(344)
Net income from continuing operations	1,356	18	(25)	(69)	-	10	1,290
Less: Attributable to non-controlling interests	(10)	-	-	-	-	-	(10)
Net income from continuing operations attributable to owners of the parent company	**1,346**	**18**	**(25)**	**(69)**	**-**	**10**	**1,280**
Net profit for the period from discontinued operations	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total net income for the year attributable to owners of the parent	**1,346**	**18**	**(25)**	**(69)**	**-**	**10**	**1,280**
Earnings per share (EPS)							
Continuing operations[1]							
Basic	188.3	2.5	(3.5)	(9.7)	-	1.4	179.0
Diluted	187.8	2.5	(3.5)	(9.6)	-	1.4	178.6
Discontinued operations[1]							
Basic	-	-	-	-	-	-	-
Diluted	-	-	-	-	-	-	-
Total operations[1]							
Basic	188.3	2.5	(3.5)	(9.7)	-	1.4	179.0
Diluted	187.8	2.5	(3.5)	(9.6)	-	1.4	178.6

[1] Earnings per share (EPS) is calculated using 714.9m shares (basic) and 716.6m shares (diluted)

Impact of business combinations of £24m comprises
- Amortisation of £22m relating to certain intangible assets recognised as a result of historical business combinations.
- An inventory fair value adjustment of £2m relating to the amount charged to cost of sales for the fair value step-up of acquired inventories as these inventories are sold.
- Included within income tax expense is a £6m tax credit in relation to the intangible asset amortisation.

Net gain relating to the disposal of brands and related intangible assets of £14m within operating profit relates to the disposal of Dermicool (£49m loss) and E45 and related brands (£63m gain). Included within income tax expense is a deferred tax credit of £27m arising on derecognition of deferred tax liabilities offset by a £16m tax charge incurred in relation to the disposals.

Reclassified foreign exchange translation on liquidation of subsidiaries of £69m is the gain following the liquidation of legal entities as part of simplification of the Group's legal entity structure

Reclassification of finance expense of £8m relates to the reclassification of interest income on income tax balances from net finance expense to income tax.

Other individually material items of income and expense includes £6m relating to the reorganisation of the Nutrition business unit following the strategic review and subsequent disposal of IFCN China. A further £4m expense relates to costs incurred regarding the Korean HS matter.

The table below reconciles the Group's IFRS measures to its adjusted measures for the six months ended 30 June 2021.

		Adjusting items					
	IFRS	Impact of business combinations	Loss 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	6,598	-	-	-	-	-	6,598
Cost of sales	(2,784)	2	-	-	-	-	(2,782)
Gross profit	**3,814**	**2**	**-**	**-**	**-**	**-**	**3,816**
Net operating expenses	(5,642)	51	165	-	-	3,034	(2,392)
Operating (loss)/profit	**(1,828)**	**53**	**165**	**-**	**-**	**3,034**	**1,424**
Net finance expense	(115)	-	-	-	(1)	-	(116)
Share of loss of equity-accounted investees, net of tax	(1)	-	-	-	-	-	(1)
(Loss)/profit before income tax	**(1,944)**	**53**	**165**	**-**	**(1)**	**3,034**	**1,307**
Income tax credit/(charge)	191	184	(73)	-	1	(591)	(288)
Net (loss)/income from continuing operations	**(1,753)**	**237**	**92**	**-**	**-**	**2,443**	**1,019**
Less: Attributable to non-controlling interests	(1)	-	-	-	-	-	(1)
Net (loss)/income from continuing operations attributable to owners of the parent company	**(1,754)**	**237**	**92**	**-**	**-**	**2,443**	**1,018**
Net profit for the period from discontinued operations	**29**	**-**	**-**	**-**	**-**	**(29)**	**-**
Total net (loss)/income for the year attributable to owners of the parent	**(1,725)**	**237**	**92**	**-**	**-**	**2,414**	**1,018**
Earnings per share (EPS)							
Continuing operations[1]							
Basic	(245.8)	33.2	12.9	-	-	342.3	142.6
Diluted	(245.8)	33.2	12.9	-	-	342.3	142.6
Discontinued operations[1]							
Basic	4.1	-	-	-	-	(4.1)	-
Diluted	4.1	-	-	-	-	(4.1)	-
Total operations[1]							
Basic	(241.7)	33.2	12.9	-	-	338.2	142.6
Diluted	(241.7)	33.2	12.9	-	-	338.2	142.6

[1] Earnings per share (EPS) is calculated using 713.7m shares. In the six months ended 30 June 2021, there was no difference in the weighted average number of shares used for the calculation of basic and diluted loss per share as the effect of all potentially dilutive shares outstanding was anti-dilutive.

Impact of business combinations is composed of:

- Amortisation of £38m relating to certain intangible assets recognised as a result of historical business combinations.
- Costs of £15m relating to acquisitions, of which £2m is recorded within Cost of Sales.
- Included within income tax expense is a net £184m tax charge, principally a £9m tax credit in respect of intangible asset amortisation and a £196m tax charge to adjust deferred tax liabilities for intangible assets for the UK tax rate change.

Loss on disposal of brands is comprised of the loss on disposal of Scholl (£165m). Included within income tax expense is a £73m tax credit relating to the disposal.

Reclassification of finance expense of £1m relates to the reclassification of interest income on income tax balances from net finance expense to income tax.

Other individually material items of income and expense include:

- A loss of £2,997m relating to the re-measurement of the IFCN China disposal group to its fair value less costs of disposal upon classification as held for sale. A £591m deferred tax credit is included within income tax expense with respect to remeasurement of deferred tax liabilities.
- A charge of £37m relating to the impairment of Australian factory assets dedicated to IFCN China but excluded from the sale of the IFCN China disposal group.

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**
2021 IFRS	1,386	1,108	598	3,092	3,027	2,320	1,251	6,598
M&A	-	(51)	(139)	(190)	-	(120)	(335)	(455)
Exchange	11	8	4	23	(1)	(1)	2	-
2021 Like for Like	**1,397**	**1,065**	**463**	**2,925**	**3,026**	**2,199**	**918**	**6,143**
2022 IFRS	1,414	1,418	632	3,464	2,879	2,820	1,189	6,888
M&A	-	(39)	-	(39)	**-**	(77)	-	(77)
Exchange	(52)	(56)	(45)	(153)	(35)	(52)	(54)	(141)
2022 Like for Like	**1,362**	**1,323**	**587**	**3,272**	**2,844**	**2,691**	**1,135**	**6,670**
Like for Like Growth	**-2.5%**	**24.2%**	**26.8%**	**11.9%**	**-6.0%**	**22.4%**	**23.6%**	**8.6%**

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**
2021 IFRS	932	981	1,179	3,092	2,009	2,115	2,474	6,598
M&A	(4)	(40)	(146)	(190)	(8)	(92)	(355)	(455)
Exchange	14	1	8	23	18	(18)	-	-
2021 Like for Like	**942**	**942**	**1,041**	**2,925**	**2,019**	**2,005**	**2,119**	**6,143**
2022 IFRS	1,102	1,108	1,254	3,464	2,256	2,215	2,417	6,888
M&A	(27)	(10)	(2)	(39)	(48)	(19)	(10)	(77)
Exchange	(96)	14	(71)	(153)	(122)	67	(86)	(141)
2022 Like for Like	**979**	**1,112**	**1,181**	**3,272**	**2,086**	**2,263**	**2,321**	**6,670**
Like for Like Growth	**3.9%**	**18.0%**	**13.4%**	**11.9%**	**3.3%**	**12.9%**	**9.5%**	**8.6%**

Adjusted measures excluding IFCN China (Group)

	Group			Nutrition GBU		
	2022 Adjusted £m	**2021 Adjusted £m**	**2021 Adjusted ex. IFCN China £m**	**2022 Adjusted £m**	**2021 Adjusted £m**	**2021 Adjusted ex. IFCN China £m**
Net Revenue	6,888	6,598	6,274	1,189	1,251	927
Adjusted operating profit	1,765	1,424	1,425	345	170	171
Adjusted operating margin	**25.6%**	21.6%	22.7%	**29.0%**	13.6%	18.4%
Adjusted operating margin vs prior year excluding IFCN China	**+290 bps**			**+1,060 bps**		

Reconciliation of operating cash flow to free cash flow

	30 June 2022 £m	30 June 2021 £m
Cash generated from continuing operations	1,316	1,179
Less: Interest paid	(113)	(105)
Less: Tax paid	(372)	(367)
Less: purchase of property, plant & equipment	(143)	(158)
Less: purchase of intangible assets	(32)	(29)
Plus: proceeds from the sale of property, plant & equipment	71	-
Free Cash Flow	**727**	**520**
Free Cash Flow Conversion	**57%**	**51%**

12 months Adjusted EBITDA to Net Debt

	12 months to 30 June 2022 £m	12 months to 30 June 2021 £m
Operating Profit/(Loss)	2,769	(1,263)
Less: Adjusting items	449	4,292
Adjusted Operating Profit	**3,218**	**3,029**
Less: Adjusted Depreciation and Amortisation	370	379
12 months Adjusted EBITDA	**3,588**	**3,408**

	30 June 2022 £m	30 June 2021 £m
Cash and cash equivalents (inc. overdrafts)	1,285	1,558
Financing liabilities	(9,867)	(10,642)
Net Debt	**(8,582)**	**(9,084)**
Adjusted EBITDA / Net Debt	**2.4x**	**2.7x**

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 Financial Statements for the year ended 31 December 2021. A list of current Directors is maintained on the Reckitt Benckiser Group plc website: www.reckitt.com.

By order of the Board

Laxman Narasimhan
Chief Executive Officer

Jeff Carr
Chief Financial Officer

26 July 2022

INDEPENDENT REVIEW REPORT TO RECKITT BENCKISER GROUP PLC

Conclusion
We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2022 which comprises of 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 to the interim financial information.

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 2022 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 Reckitt Benckiser Group Plc 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 latest annual financial statements of the Reckitt Benckiser Group Plc are prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. The latest annual financial statements of the group were also prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and as adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. The next annual financial statements will be prepared in accordance with UK-adopted international accounting standards and in compliance with International Financial Reporting Standards 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 Reckitt Benckiser Group Plc 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.

INDEPENDENT REVIEW REPORT TO RECKITT BENCKISER GROUP PLC

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
26 July 2022