



HEALTH ▸ HYGIENE ▸ HOME

RB Q1 2018

Trading Update

20th April 2018

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.

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; the reputation of the Group’s global brands; and the recruitment and retention of key management.

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

Rakesh Kapoor

Chief Executive Officer

Key messages



**Solid start
under RB2.0**

Base Health - mixed

MJN –
turnaround on track

Hygiene Home
– strong start



**Full Year
Targets reiterated**

A solid start under RB 2.0



Total Business

+3% proforma
+2% LFL



Health

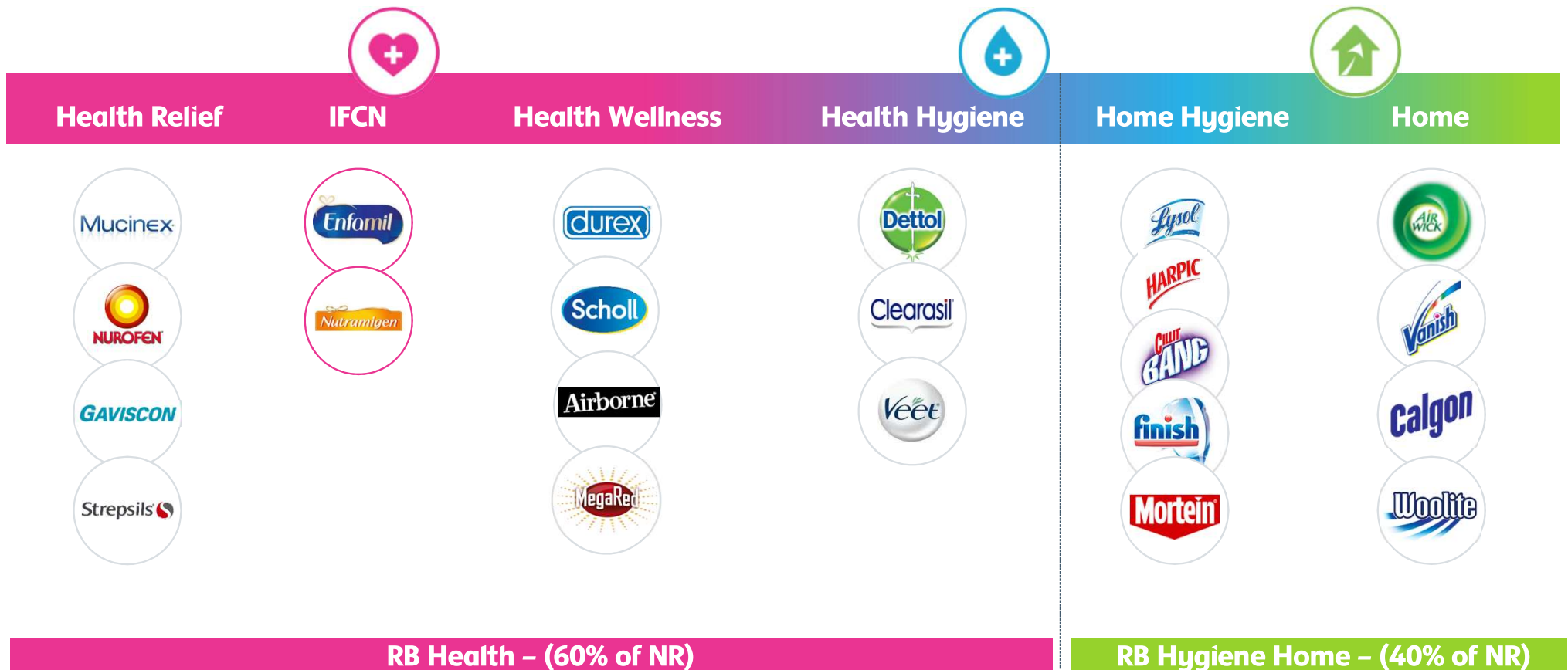
+3% proforma
+1% LFL



Hygiene Home

+4% proforma & LFL

A portfolio of Global Powerbrands across a category continuum



RB Base - Health Performance trends

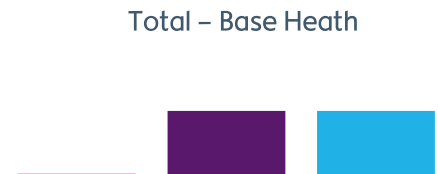
Rest of Health – LFL Growth



c.15% of NR



c.25% of NR



c.40% of NR

■ H1'17 ■ H2'17 ■ Q1'18

Health moving parts



Health Relief

Good start



Mucinex[®]

PL entry impacting
balance to go

Health moving parts



Health Relief

Good start



Mucinex

PL entry impacting
balance to go

Health Wellness

Weak



Scholl

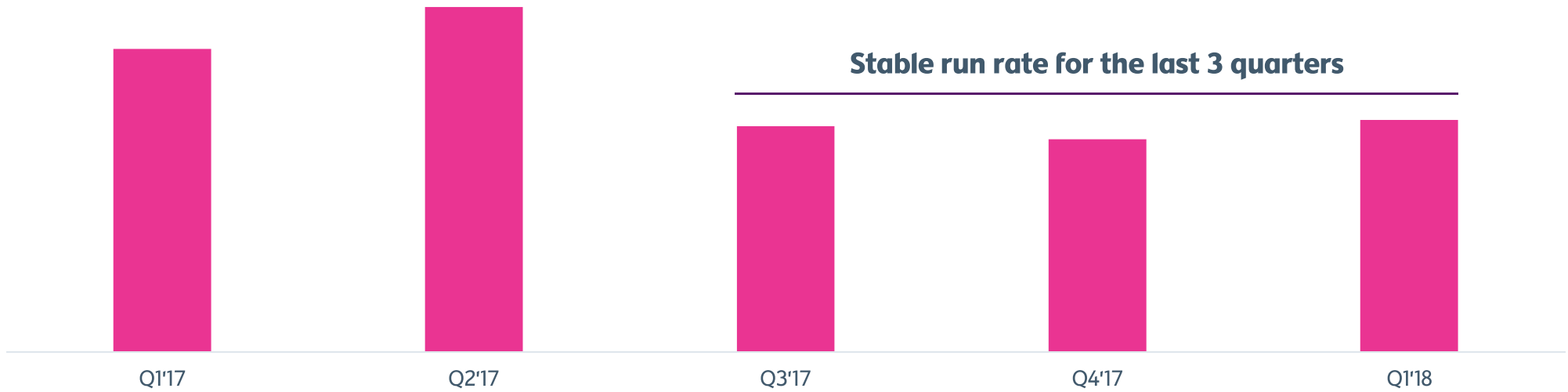
Continued decline.
Run rate stable



Scholl – Absolute NR (£millions)

■ Qtr NR

Stable run rate for the last 3 quarters

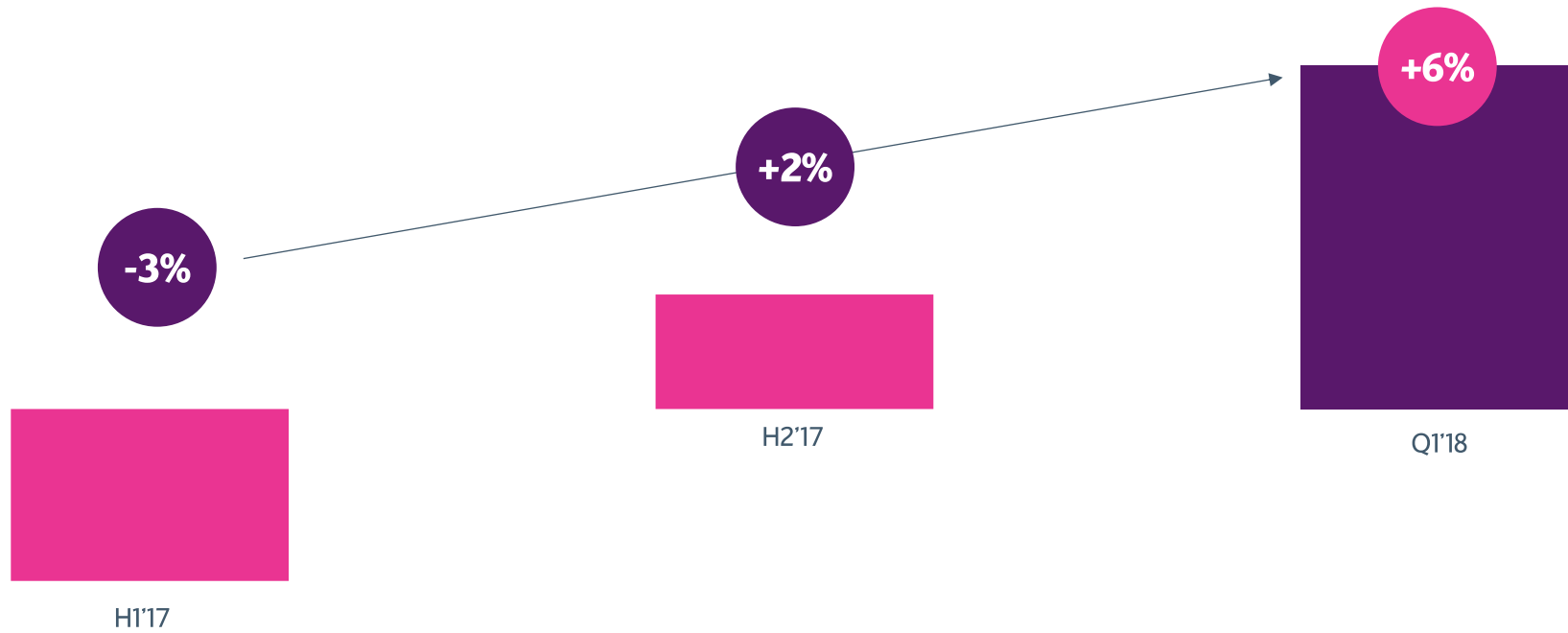


Health moving parts



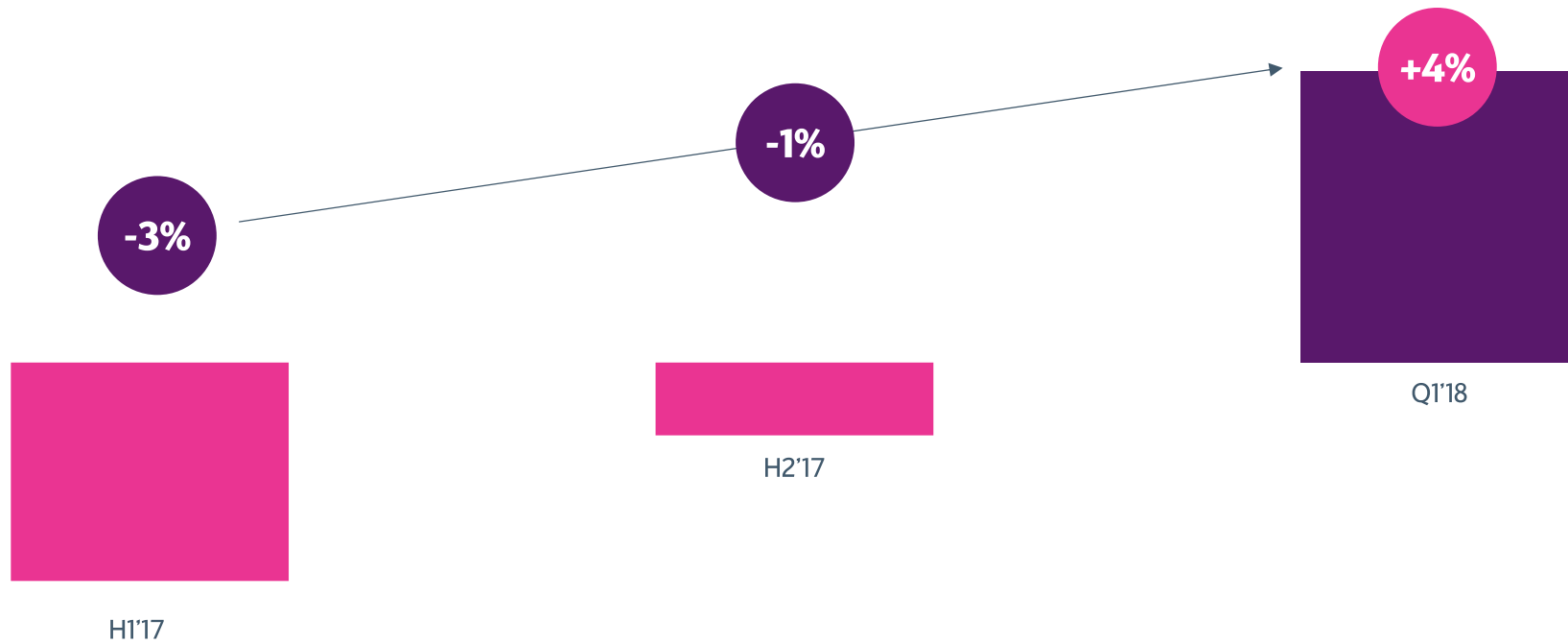
RB Performance trends - IFCN

IFCN – constant Growth



RB Performance trends - HyHo

RB HyHo - Performance trend



On Track for FY targets



**Priority is
organic growth**



**RB2.0 and MJN
integration
progressing well**



**Full Year Targets
reiterated
+13-14% total
(implies +2-3% LFL)**

Q&A

Appendices

NR and Adjusted Operating Profit Under RB 2.0 for Prior Periods (Reported) **excluding IFRS 15**

Net revenue

£'m	Q1				Q2				H1				Q3				Q4				H2				FY										
	FY17	FY16	Act %	LFL	FY17	FY16	Act %	LFL	FY17	FY16	Act %	LFL	FY17	FY16	Act %	LFL	FY17	FY16	Act %	LFL	FY17	FY16	Act %	LFL	FY17	FY16	Act %	LFL							
Infant Nutrition					126	-			126	-			720	-			709				1,429	-			1,555	-									
Rest of Health	1,294	1,116	16%	2%	1,184	1,082	9%	-1%	2,478	2,198	13%	0%	1,240	1,227	1%	-1%	1,320	1,327	-1%	3%	2,560	2,554	0%	1%	5,038	4,752	6%	1%							
RB Health	1,294	1,116	16%	2%	1,310	1,082	21%	-1%	2,604	2,198	18%	0%	1,960	1,227	60%	-1%	2,029	1,327	53%	3%	3,989	2,554	56%	1%	6,593	4,752	39%	1%							
RB Hygiene Home	1,244	1,099	13%	-2%	1,169	1,089	7%	-3%	2,413	2,188	10%	-3%	1,246	1,240	0%	-2%	1,260	1,300	-3%	0%	2,506	2,540	-1%	-1%	4,919	4,728	4%	-2%							
Total	2,538	2,215	15%	0%	2,479	2,171	14%	-2%	5,017	4,386	14%	-1%	3,206	2,467	30%	-1%	3,289	2,627	25%	2%	6,495	5,094	28%	0%	11,512	9,480	21%	0%							
North America	631	546	16%	0%	601	502	20%	0%	1,232	1,048	18%	0%	872	659	32%	-2%	945	753	25%	2%	1,817	1,412	29%	0%	3,049	2,460	24%	0%							
Europe	1,083	1,000	8%	-3%	997	971	3%	-6%	2,080	1,971	6%	-5%	1,093	1,055	4%	-3%	1,128	1,086	4%	1%	2,221	2,141	4%	-1%	4,301	4,112	5%	-3%							
DvM	824	669	23%	4%	881	698	26%	2%	1,705	1,367	25%	3%	1,241	753	65%	2%	1,216	788	54%	2%	2,457	1,541	59%	2%	4,162	2,908	43%	3%							
Total	2,538	2,215	15%	0%	2,479	2,171	14%	-2%	5,017	4,386	14%	-1%	3,206	2,467	30%	-1%	3,289	2,627	25%	2%	6,495	5,094	28%	0%	11,512	9,480	21%	0%							
Adjusted operating profit																																			
RB Health									692	567	22%									1,257	877	43%			1,949	1,444	35%								
RB Hygiene Home									498	460	8%									675	732	-8%			1,173	1,192	-2%								
Total									1,190	1,027	16%									1,932	1,609	20%			3,122	2,636	18%								
RB Health									26.6%	25.8%	80 bps									31.5%	34.3%	-280 bps			29.6%	30.4%	-80 bps								
RB Hygiene Home									20.6%	21.0%	-40 bps									26.9%	28.8%	-190 bps			23.8%	25.2%	-140 bps								
Total									23.7%	23.4%	30 bps									29.7%	31.6%	-190 bps			27.1%	27.8%	-70 bps								
Adjusted operating profit (restated for the adoption of IFRS15)									23.9%									29.9%									27.3%								

Note: The above information has been presented on an as reported basis and has not been restated for the adoption of IFRS 15. FY17 restated net revenue is presented separately overleaf.

On adoption of IFRS 15 from 1 January 2018, FY17 comparatives are required to be restated, the net effect of which is to reduce reported net revenue by £33m and £63m for the half year and full year respectively.

There is no impact on reported adjusted operating profit, however adjusted operating margins would increase by 20 bps for both the half and full year.

NR and Adjusted Operating Profit Under RB 2.0 for Prior Periods (Proforma) **excluding IFRS 15**

Net revenue

£'m	Q1				Q2				H1				Q3				Q4				H2				FY			
	FY17	FY16	Act %	LFL	FY17	FY16	Act %	LFL	FY17	FY16	Act %	LFL	FY17	FY16	Act %	LFL	FY17	FY16	Act %	LFL	FY17	FY16	Act %	LFL	FY17	FY16	Act %	LFL
Infant Nutrition	714	672	6%	-5%	714	654	9%	-1%	1,428	1,326	8%	-3%	720	711	1%	1%	709	725	-2%	3%	1,429	1,436	0%	2%	2,857	2,762	3%	-1%
Rest of Health	1,294	1,116	16%	2%	1,184	1,082	9%	-1%	2,478	2,198	13%	0%	1,240	1,227	1%	-1%	1,320	1,327	-1%	3%	2,560	2,554	0%	1%	5,038	4,752	6%	1%
RB Health	2,008	1,788	12%	-1%	1,898	1,736	9%	-1%	3,906	3,524	11%	-1%	1,960	1,938	1%	0%	2,029	2,052	-1%	3%	3,989	3,990	0%	2%	7,895	7,514	5%	0%
RB Hygiene Home	1,244	1,099	13%	-2%	1,169	1,089	7%	-3%	2,413	2,188	10%	-3%	1,246	1,240	0%	-2%	1,260	1,300	-3%	0%	2,506	2,540	-1%	-1%	4,919	4,728	4%	-2%
Total	3,252	2,887	13%	-1%	3,067	2,825	9%	-2%	6,319	5,712	11%	-2%	3,206	3,178	1%	-1%	3,289	3,352	-2%	2%	6,495	6,530	-1%	1%	12,814	12,242	5%	0%
North America	844	735	15%	-1%	777	703	11%	-1%	1,621	1,438	13%	-1%	872	874	0%	-2%	945	975	-3%	1%	1,817	1,849	-2%	0%	3,438	3,287	5%	-1%
Europe	1,107	1,021	8%	-3%	1,016	992	2%	-6%	2,123	2,013	5%	-4%	1,093	1,078	1%	-3%	1,128	1,110	2%	1%	2,221	2,188	2%	-1%	4,344	4,201	3%	-3%
DvM	1,301	1,131	15%	-1%	1,274	1,130	13%	2%	2,575	2,261	14%	0%	1,241	1,226	1%	3%	1,216	1,267	-4%	3%	2,457	2,493	-1%	3%	5,032	4,754	6%	2%
Total	3,252	2,887	13%	-1%	3,067	2,825	9%	-2%	6,319	5,712	11%	-2%	3,206	3,178	1%	-1%	3,289	3,352	-2%	2%	6,495	6,530	-1%	1%	12,814	12,242	5%	0%

Adjusted operating profit

RB Health	954	895	7%																	1,257	1,228	2%		2,211	2,123	4%		
RB Hygiene Home	498	460	8%																	675	732	-8%		1,173	1,192	-2%		
Total	1,452	1,355	7%																	1,932	1,960	-1%		3,384	3,315	2%		
RB Health	24.4%	25.4%	-100	bps																31.5%	30.8%	70	bps	28.0%	28.3%	-30	bps	
RB Hygiene Home	20.6%	21.0%	-40	bps																26.9%	28.8%	-190	bps	23.8%	25.2%	-140	bps	
Total	23.0%	23.7%	-70	bps																29.7%	30.0%	-30	bps	26.4%	27.1%	-70	bps	
<i>Adjusted operating profit (restated for the adoption of IFRS15)</i>																												
					</																							

NR and Adjusted Operating Profit Under RB 2.0 for Prior Periods (Reported) including IFRS 15

Net revenue - REPORTED

£'m	Q1 FY17	Q2 FY17	H1 FY17	Q3 FY17	Q4 FY17	H2 FY17	FY FY17
Infant Nutrition		126	126	720	709	1,429	1,555
Rest of Health	1,286	1,175	2,461	1,235	1,311	2,546	5,007
RB Health	1,286	1,301	2,587	1,955	2,020	3,975	6,562
RB Hygiene Home	1,234	1,163	2,397	1,234	1,256	2,490	4,887
Total	2,520	2,464	4,984	3,189	3,276	6,465	11,449
North America	623	594	1,217	864	941	1,805	3,022
Europe	1,073	988	2,061	1,084	1,118	2,202	4,263
DvM	824	882	1,706	1,241	1,217	2,458	4,164
Total	2,520	2,464	4,984	3,189	3,276	6,465	11,449
Adjusted Operating margin			23.9%			29.9%	27.3%

NR and Adjusted Operating Profit Under RB 2.0 for Prior Periods (Proforma) including IFRS 15

Net revenue - Proforma

£'m	Q1 FY17	Q2 FY17	H1 FY17	Q3 FY17	Q4 FY17	H2 FY17	FY FY17
Infant Nutrition	714	714	1,428	720	709	1,429	2,857
Rest of Health	1,286	1,175	2,461	1,235	1,311	2,546	5,007
RB Health	2,000	1,889	3,889	1,955	2,020	3,975	7,864
RB Hygiene Home	1,234	1,163	2,397	1,234	1,256	2,490	4,887
Total	3,234	3,052	6,286	3,189	3,276	6,465	12,751
North America	836	770	1,606	864	941	1,805	3,411
Europe	1,097	1,007	2,104	1,084	1,118	2,202	4,306
DvM	1,301	1,275	2,576	1,241	1,217	2,458	5,034
Total	3,234	3,052	6,286	3,189	3,276	6,465	12,751
Adjusted Operating margin			23.1%			29.9%	26.5%