

# DELIVERING SUSTAINABLE GROWTH

23 SEPTEMBER 2021



Hand  
Sanitiser

please sanitise  
your hands here



The  
little  
things  
we do

Kills 99.9%  
of bacteria  
& viruses

Help  
protect  
the little

  
reckitt

# Cautionary note concerning forward-looking statements

This presentation contains statements with respect to the financial condition, **results of operations and business of Reckitt (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 Reckitt's ability** to innovate and remain competitive; 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.

Further details of potential risks and uncertainties affecting the Group are **described in the Group's filings with the London Stock Exchange, including in** the Reckitt Annual Report and Accounts 2020.

# INTRODUCTION



## Today's session

- Introduce the team
- Highlight the change in our company and enhanced capabilities
- Confirm medium-term outlook on growth and margins

## Future sessions

Deep-dives on topics such as

- ESG
- Digital, Marketing & eCommerce
- Supply Chain

# Introduction to the presenters



## LAXMAN NARASIMHAN

Chief Executive Officer

Introduction  
Nutrition overview



## KRIS LICHT

President Health and  
Chief Customer Officer

Health overview



## VOLKER KUHN

President Hygiene

Hygiene overview



## JEFF CARR

Chief Financial Officer

Financial update



## ANGELA NAEF

Chief R&D Officer

R&D overview



## ARJUN PURKAYASTHA

SVP eCommerce, Digital & Ventures

eCommerce overview

See slide 90 for biographies.

# Introduction to other leaders present



## MIGUEL VEIGA-PESTANA

Head of Corporate Affairs  
and Chief Sustainability Officer



## RANJAY RADHAKRISHNAN

Chief Human Resources Officer



## FILIPPO CATALANO

Chief Information and  
Digitisation Officer



## SAMI NAFFAKH

Chief Supply Officer



## RUPERT BONDY

General Counsel and  
Company Secretary

See slide 90 for biographies.

# We are confident in our future success



Company of owners with a strong and experienced team



Significantly stronger **business...**






**... at an** inflection point in transformation



Confident in our medium-term targets

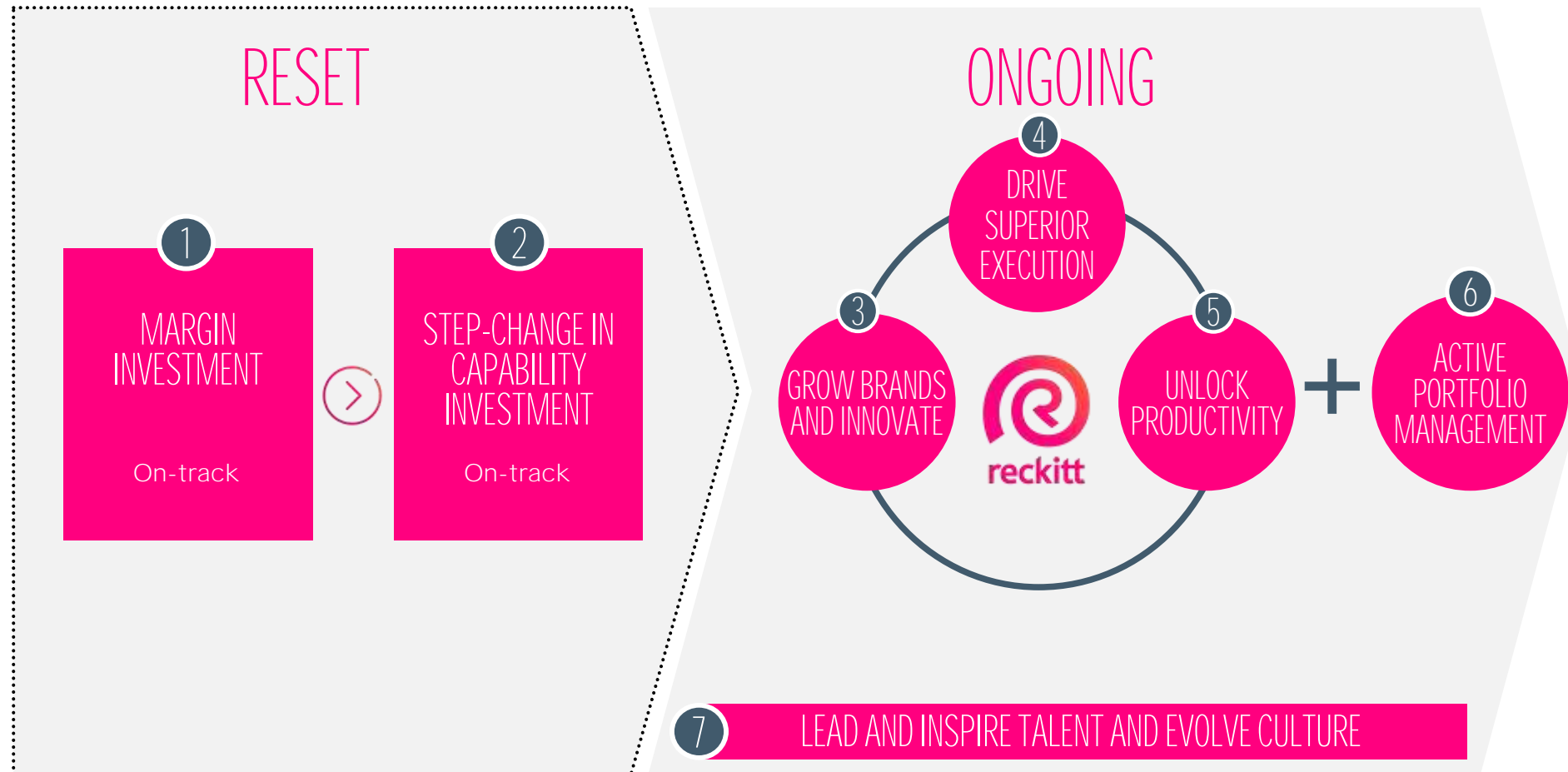
# Our strategy from February 2020

HYGIENE	HEALTH	NUTRITION
		
<p>Focused Market Growth <b>c +4-5%<sup>1</sup></b></p>	<p>Focused Market Growth <b>c +4-6% pa</b></p>	<p>Focused Market Growth <b>c +3-5% pa</b></p>
<p>Move from 75 CMUs to 100 CMUs</p>	<p>Penetration, market share, new places &amp; new adjacent spaces</p>	
<p>Digital, eCommerce, channels and innovation</p>		
<p>Mid-single-digit revenue growth in the medium-term</p>	<p>Mid-<b>20's AOP margin<sup>2</sup></b> by the mid-<b>20's</b></p>	

1. Focused market growth was initially 3-5% pa, but since revised. 2. Refer to adjusted and other non-GAAP measures, definitions and terms presented within the H1 2021 results announcement.



# Multi-year transformation journey to rejuvenate sustainable growth



Mid-single-digit revenue growth in the medium-term

Mid-**20's AOP**<sup>1</sup> margin by the mid-**20's**

1. Refer to adjusted and other non-GAAP measures, definitions and terms presented within the H1 2021 results announcement.

Initial productivity target of £1.3bn raised to £1.6bn  
Now £2bn over 4 years

ORIGINAL 3-YEAR  
PROGRAMME

UPDATED 3-YEAR  
TARGET

DELIVERED IN 18  
MONTHS

NEW 4-YEAR  
TARGET

£1.3bn

£1.6bn

£0.7bn

£2.0bn

# We are also actively managing our portfolio

## PORTFOLIO CHOICES

SALE OF IFCN CHINA<sup>1</sup>



SALE OF SCHOLL



ACQUISITION OF BIOFREEZE



## STRATEGIC RATIONALE

Structural challenges  
Competitive environment  
Consumer habits changing

Limited growth expectations  
Supply chain complexity  
Limited fit with core portfolio

Entry into #1 pain market in the world  
Opportunity for international expansion  
Synergies with Nurofen

## FINANCIAL RATIONALE

Declining revenue  
Low margin  
ROCE dilutive

Long-term revenue decline

Double-digit growth; strong current trading  
High margin

1. Mainland China, Taiwan, Hong Kong.

# We are on-track to achieving our sustainability commitments

## PURPOSE LED BRANDS

50% of net revenue from more Sustainable Products by 2030

50% reduction in our carbon footprint by 2030 and water footprint by 2040

65% reduction in chemical footprint by 2030

50% reduction of virgin plastic in packaging by 2030



## HEALTHIER PLANET

Carbon neutral by 2040

Water positive in water stressed sites by 2030

100% renewable electricity by 2030



## FAIRER SOCIETY

An inclusive culture, where everybody is treated fairly and equally

Our teams represent the diverse geographies we operate in and the people we serve

Gender balanced management at all levels by 2030

Sustainable livelihoods and working conditions



### LEADING SUSTAINABILITY METRICS

MSCI



AA

(Upgraded in April 2021)



SUSTAINALYTICS

20.7

(Improvement from 22.3 in July 2020)

# We aim to lead and inspire talent and evolve our culture



## OWN

Live our purpose,  
fight and compass  
Know our business cold  
Make decisions



## CREATE

Spot opportunities  
Innovate, iterate  
and scale  
Relentlessly  
build better



## DELIVER

Focus on what matters  
Move boldly and at pace  
Join forces to win bigger



## CARE

Actively listen,  
learn and include  
Speak direct with  
respect  
Act to unleash potential

We are on track to achieve mid-single-digit revenue growth in the medium-term and mid-20s AOP margin by the mid-20s

## MID-TERM REVENUE BUILDING BLOCKS

HYGIENE C. 4-5%

HEALTH C. 4-6%

NUTRITION C. 3-5%

## MARGIN BUILDING BLOCKS

	2019	2020
Gross Margin %	60.5%	60.3%
Op. Costs %	35.3%	36.7%
AOP <sup>1</sup> %	25.2% <sup>2</sup>	23.6%



2025

c.60%

c.35%

c.25%

1. Refer to adjusted and other non-GAAP measures, definitions and terms presented within the H1 2021 results announcement. 2. 2019 AOP% is 26.2%. This has been adjusted for 100 bps of operating margin tailwind related to variable pay.

# Agenda

14:00 – 15:00

Introduction Laxman Narasimhan

Health Kris Licht

Hygiene Volker Kuhn

Nutrition Laxman Narasimhan

15:00 – 15:10

Break

15:10 – 16:10

R&D Angela Naef

eCommerce Arjun Purkayastha

Financials Jeff Carr

Wrap Up Laxman Narasimhan

16:10 – 16:15

Break

16:15 – 17:15

Q&A



# HEALTH





# Health at a glance

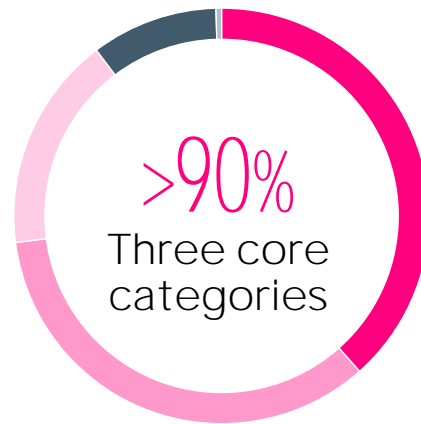
Well diversified global business playing in four core categories

## Geographic profile



- North America
- India
- Middle East
- UK
- China
- Other

## Category profile



- OTC
- Intimate Wellness
- Other
- Germ Protection
- Personal Care

## FY 2020

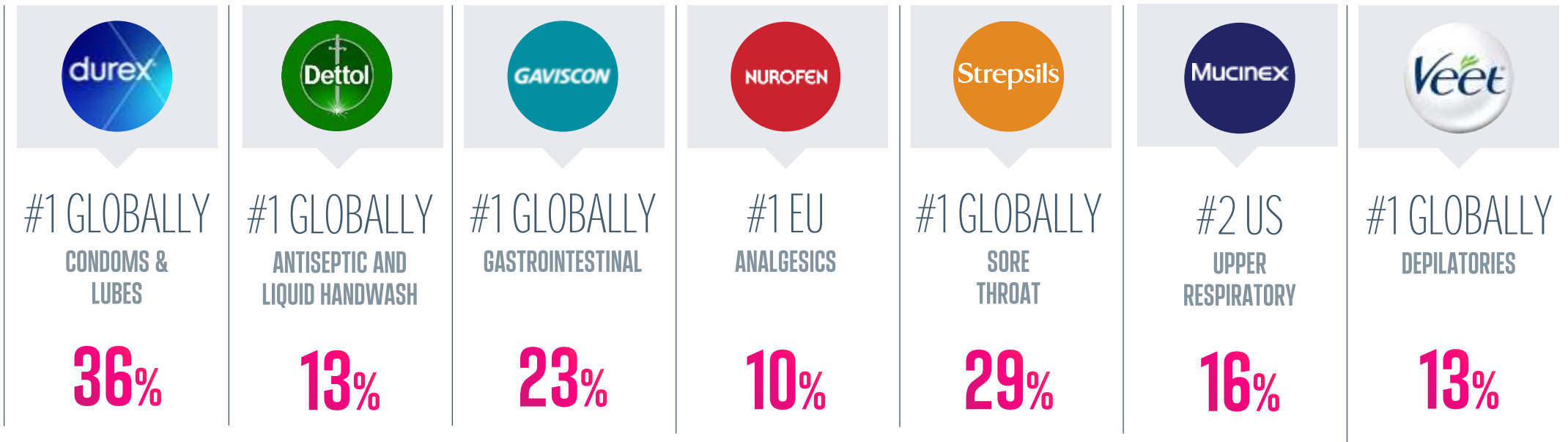
Net Revenue	£4.9bn
% of Group Net Revenue <sup>1</sup>	37%
% of Group AOP <sup>1</sup>	41%
eCommerce as % of Health Net Revenue	12%
Developed markets as % of Health Net Revenue	54%

1. Excluding IFCN China.

# Health at a glance

Strong portfolio of category-leading brands with potential to stretch into new spaces and places

RECKITT  
GLOBAL  
MARKET  
SHARE<sup>1</sup>



1. Claim based on information aggregated and reported in part from data supplied by Nielsen through its Retail Measurement Services and in part from data inputs from other suppliers, in each case, for the relevant category, geographic focus and latest available MAT.

# Our medium-term ambition

A global leader in Consumer Health delivering sustainable 4-6% revenue growth



4-6% SUSTAINABLE  
REVENUE GROWTH



SUSTAINED  
MARKET SHARE GAINS



VIA CONSUMER-CENTRIC  
HEALTH SOLUTIONS



... AND WITH PURPOSE  
AT HEART

Lead germ  
protection  
with Dettol  
c. 4-6%

Be the category  
leader in Intimate  
Wellness  
c. 7-9%

Reignite growth  
in OTC  
c. 2-4%

Selectively grow in  
Personal Care  
c. 2-3%





4-6% MEDIUM-TERM NET REVENUE GROWTH

# From brand centric to category centric view

## FROM

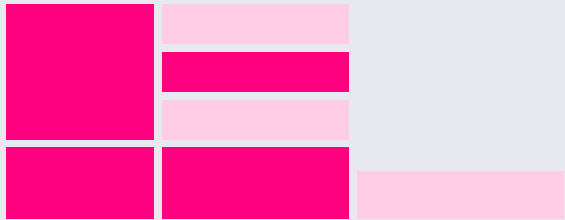
Power brand led innovation strategy

Power Brands

## TO

Consumer-anchored category growth strategy

<p><b>1</b> Consumer Lead on consumer grounded innovation programme</p>	<p><b>2</b> Science &amp; technology Lead in applying/adapting leading edge technologies</p>	<p><b>3</b> Outcomes improving consumers' health outcomes</p>
 <p>100% focus on consumer demand to define portfolio</p>	 <p>Technology platforms as a competitive advantage</p>	 <p>Portfolio of solutions across API<sup>1</sup> and regulatory spectrum</p>

1. Active Pharmaceutical Ingredients.

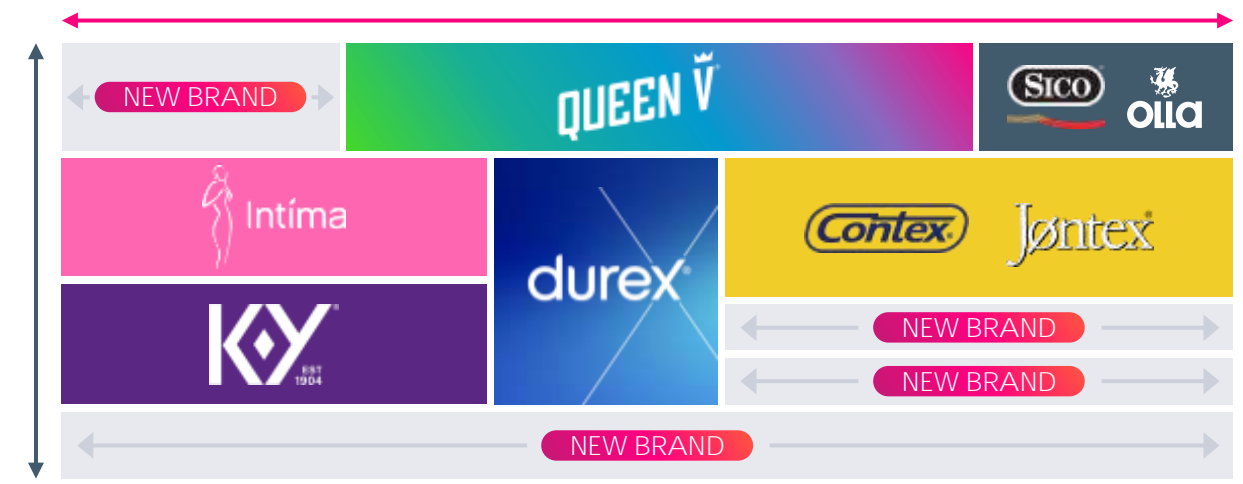
# Intimate Wellness case: accelerating growth

## 1 FROM BRAND CENTRIC TO CATEGORY CENTRIC VIEW

We are in a business larger than "act of sex"



## 2 FROM SINGLE BRAND PLAY TO THE PORTFOLIO OF GLOBAL LIFESTYLE BRANDS

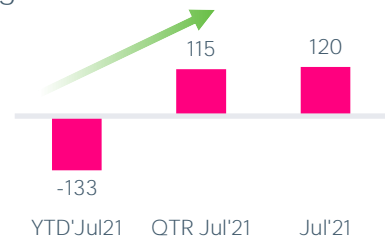


Data source: BCG Market Scoping.

# Reignite growth in OTC

## PENETRATION

Market share getting back to pre-COVID levels for key OTC categories



Long lasting 12h Systemics



## GROWING MARKET SHARE

Mucinex: #1 OTC Innovation 

NEW LAUNCH

US share  
**+290 bps**

Jul 21 vs Jul 20

Gaviscon

Global share  
**+80 bps**

MAT CY vs PY

## NEW PLACES

Gaviscon expansion 



Nurofen 

Nuromol Brazil

Nuromol UK

## NEW SPACES

Cold and Flu - Europe 

Strepsils Herbals

Lemsip First action

BioFreeze



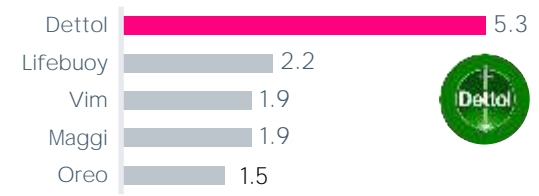
OTC innovation pipeline value increase<sup>1</sup>: 2x

Data source: Global market share GTC data from NielsenIQ and IQVIA ending Jul '21.  
1. Pipeline value represents the increased revenue opportunity from innovation in 2022 compared to 2021.

# Lead Germ Protection with Dettol

## PENETRATION

Increase in Dettol penetration the highest on record for any brand in a single year<sup>1</sup>



Leading with best-in-class purpose program

**25M CHILDREN** educated in schools in 16+ countries  
**5M NEW MOTHERS** reached in hospitals

## GROWING MARKET SHARE



Global share vs 2YA  
**+95bps**

Next generation laundry sanitiser



Restage of original Personal Care range

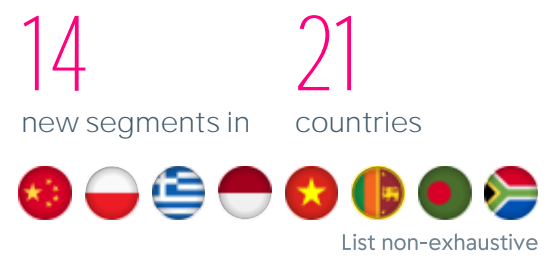


## NEW PLACES

Complete new out of home range



Target segment expansion



## NEW SPACES

Plant derived active – Personal Care

Tru Clean range



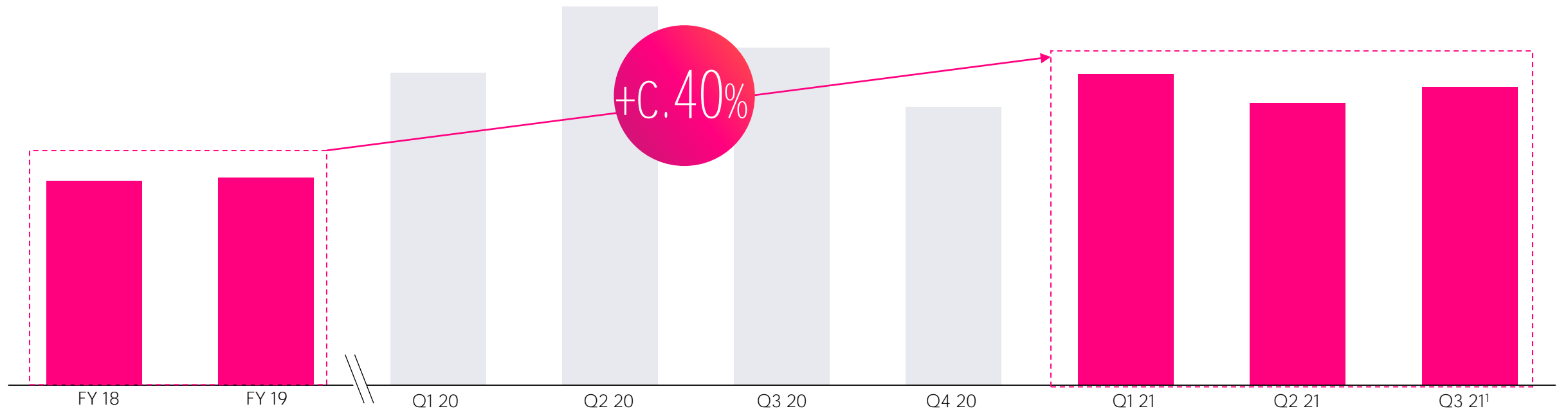
Future Botanicals range



Germ Protection innovation pipeline value increase<sup>2</sup>: 2x

Data source: Global market share GTC data from NielsenIQ and IQVIA ending Jul '21.  
 1. Kantar Global Penetration Report 2020 penetration points increase 2. Pipeline value represents the increased revenue opportunity from innovation in 2022 compared to 2021.

# Dettol net revenue stabilising at c.40% above pre-COVID levels



Most Dettol markets trending to +20% category offtake vs pre-COVID  
 Additional Reckitt growth from market share gains, new spaces and new places

All amounts shown represent average for period.  
 1. Q3 21 is forecast.



# Be the category leader in Intimate Wellness

## PENETRATION

Durex restage – H1 2022



## GROWING MARKET SHARE

Global intimate Wellness share

**+60 bps**  
YTD Jul 21

Breakthrough PU condom launch in China in 2020

China share 2020 MAT



**+130 bps**  
MAT 20 vs MAT 19

Re-positioning KY – Q4'2021



## NEW PLACES

"Ultra fast" partnerships



Overdrive eCommerce

**+50%**  
Durex eCommerce  
H1 2021 vs H1 2019

## NEW SPACES

Queen V launch driven by Micro-Viome platform – Q4 2021



Intimate Wellness innovation pipeline value increase<sup>1</sup>: 2x

Data source: NielsenIQ and IQVIA.

1. Pipeline value represents the increased revenue opportunity from innovation in 2022 compared to 2021.

# Drive superior in-market execution

## WIN WITH TOP CUSTOMERS



### Recognition awards from our retail partners



## WIN AT THE SHELF

Distribution obsession in Health

QUANTITY  
**+30 bps**  
Share of distribution<sup>2</sup>

QUALITY  
**2/3**   
2/3 of top health CMUs growing Weighted Distribution

DETTOL GLOBAL TOTAL DIST. POINTS SHARE RECOVERY  
**+180 bps**  
from post-COVID low

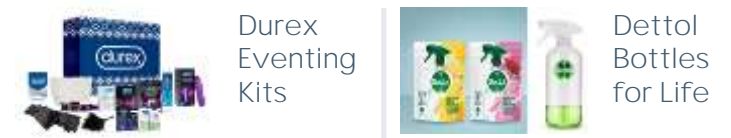
DUREX IS NOW NO.2 CONDOM BRAND IN INDIA  
**+39%**  
Weighted distribution increase

## WIN ONLINE

Becoming increasingly online business

ONLINE CONTRIBUTION TO HEALTH GBU NR<sup>3</sup>  
**8%** **12%**   
2019 2020  
Significant contributor to group 5-year ambition

Real time data generating Omni-innovations



Boots & Reckitt go live on Deliveroo with OTC medicine

**+250%**  
YoY sales growth

1. UK The Advantage Group Report 2021 - #1 tied rank. 2. Global Market share Reckitt GTC data coming from mixed sources - NielsenIQ (Mass market data), IQVIA (Pharmacy data). Data ending Jul '21. 3. Internal Reckitt Database - FY'2020 (incl. Scholl).

# Health key messages



Significantly strengthened Health GBU



Focused Health leadership team



Reinvigorated innovation pipeline, growth plans and execution to deliver ambition



Confident in enabling medium-term growth ambitions

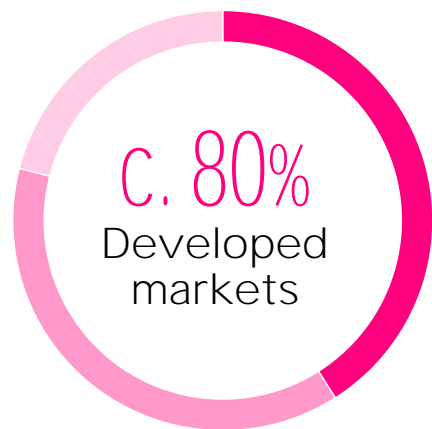


# HYGIENE

# Hygiene at a glance

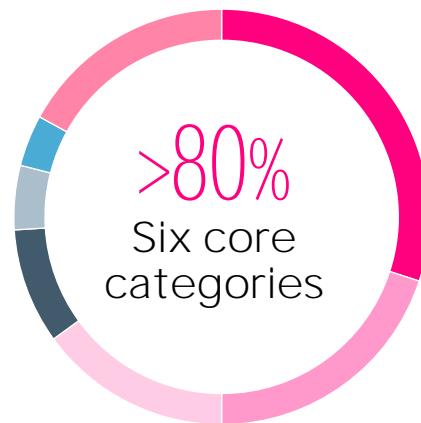
£5.8bn net revenue at industry leading margins from six core categories

## Geographic profile



■ EU/ANZ ■ North America ■ Other

## Category profile



■ Surface/Disinfection ■ Auto Dishwash  
■ Air Care ■ Fabric Treatment  
■ Lavatory ■ Pest Control

## FY 2020

Net Revenue	£5.8bn
% of Group Net Revenue <sup>1</sup>	45%
% of Group AOP <sup>1</sup>	47%
eCommerce as % of Hygiene Net Revenue	7%

1. Excluding IFCN China.

# Hygiene at a glance

Strong portfolio of brands in attractive categories

	SURFACE AND DISINFECTION	AUTO DISHWASH	AIR CARE	FABRIC CARE	LAVATORY CARE	PEST CONTROL
MARKET SHARE <sup>1</sup>	20% #1 GLOBALLY	34% #1 GLOBALLY	19% #3 GLOBALLY	24% #1 GLOBALLY	18% #2 GLOBALLY	14% #2 GLOBALLY
PENETRATION	5.5%	4.5%	3.6%	3.2%	6.1%	1.9%

Lysol is active across multiple categories, including Surface and Disinfection, Air Care, Fabric Care, Lavatory Care.

1. Claim based on information aggregated and reported in part from data supplied by Nielsen through its Retail Measurement Services and in part from data inputs from other suppliers, in each case, for the relevant category, geographic focus and latest available MAT.

# Our ambition

2030 ambitions:



1/3 Global household penetration



1/3 Revenues from developing markets



1/3 Revenues from eCommerce

Expend leadership in surface and disinfection

c. 4-6%

Superior delight in laundry additives

c. 2-4%

Drive category growth in auto-dish

c. 3-5%

Healthy sanitisation and bathroom safety

c. 3-6%

Purpose-driven portfolio in Air

c. 3-5%

Turnaround pest category

c. 2-4%

4-5% MEDIUM-TERM NET REVENUE GROWTH

# Driving consumer delight and category growth




FROM

Power Brand Strategy

Power Brands

TO

Consumer-anchored Category Growth Strategy

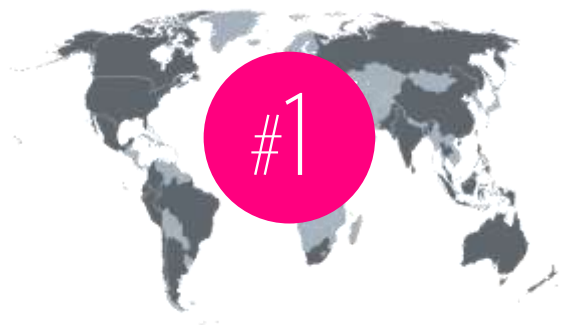
<p><b>CATEGORY GROWTH</b> Broadening demand spaces</p>	<p><b>CONSUMER PREFERENCE</b> Delight, purpose, performance</p>	<p><b>EARNINGS MODEL</b> Industry leading margins</p>
 <p>Drive premiumisation and penetration and new spaces</p>	 <p>Leveraging science platforms and digital marketing capabilities</p>	 <p>Pricing, productivity, and cash discipline</p>





# Extending leadership in Surface and Disinfection

## #1 DISINFECTANT




**+920 bps**  
Market Share  
YTD vs 2019



**+200 bps**  
Brand Equity growth<sup>1</sup>

## HABIT CREATION Towards everyday protection




School programmes




Navigating life 'no matter what'

## NEW SPACES



Business Solutions



On-the-Go



Laundry Sanitiser

## NEW PLACES




Expanded Lysol footprint to  
**58**  
markets<sup>2</sup>

Category trending towards +10-30% offtake vs pre-COVID + Market share + Growth in new spaces and new places

1. 3 months to April 2021 vs 3 months to April 2020. 2. Number of markets present in as at September 2021.

# Drive category growth in Auto-Dish



## PENETRATION DEVELOPED MARKETS

**+1.7m** Household Penetration  
June '21 vs YA

## GROWING MARKET SHARE

★★★★★ 4.8 out of 5  
9,790 global ratings  
**amazon**

## NEW SPACES AND PREMIUMISATION

Medium-tier      Premium-tier

Additives

## NEW PLACES DEVELOPING MARKETS

**x1.8**

+90m Addressable Households 2015-2020

+160m Addressable Households 2020-2025

**+70M DISHWASHERS**

# Accelerating in Air



## PENETRATION



+4.5M Households<sup>1</sup>



## GROWING MARKET SHARE



#1 eCommerce



## NEW SPACES



## NEW PLACES



1. June 2021 vs June 2019 household increase in the liquid electrical and essential mist segments.

# Enabled by further strengthening capabilities

## MARKETING



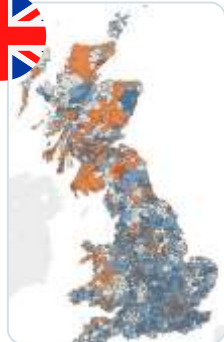
Healthcare workers



Parents



Teachers



+160 bps  
Market share  
June MAT

## SALES



2X

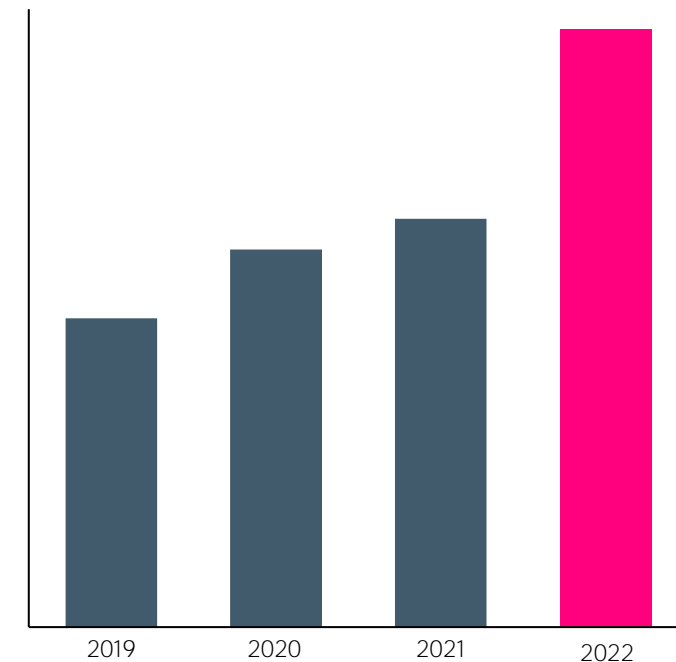


Total dist. points  
H1 2021 vs H2 2020



## INNOVATION

Hygiene Innovation pipeline value<sup>1</sup>



1. Pipeline value represents the increased revenue opportunity from innovation in 2022 compared to 2021.

# Hygiene key messages



COVID upside used to strengthen underlying business: capabilities and capacity



Broadened brand growth across consumer demand spaces, with stronger innovation pipeline



Stronger execution with consumers, digital and customers



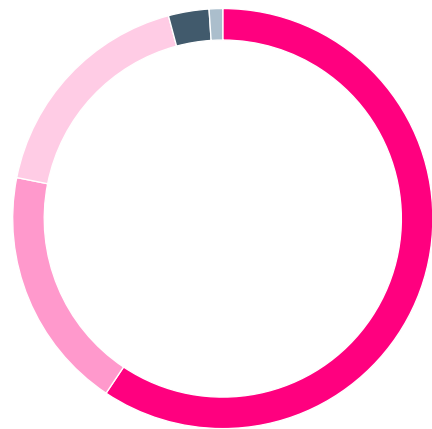
Confident in achieving medium-term growth ambitions

# NUTRITION



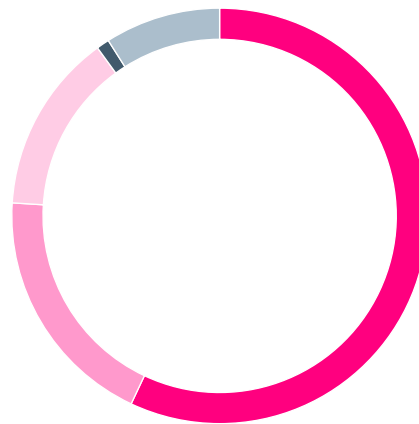
# Nutrition<sup>1</sup> at a glance

## Geographic profile



- North America
- ASEAN
- LATAM
- South Asia
- China

## Category profile



- Core ENFA
- VMS
- Specialty
- Other
- Adult Nutrition

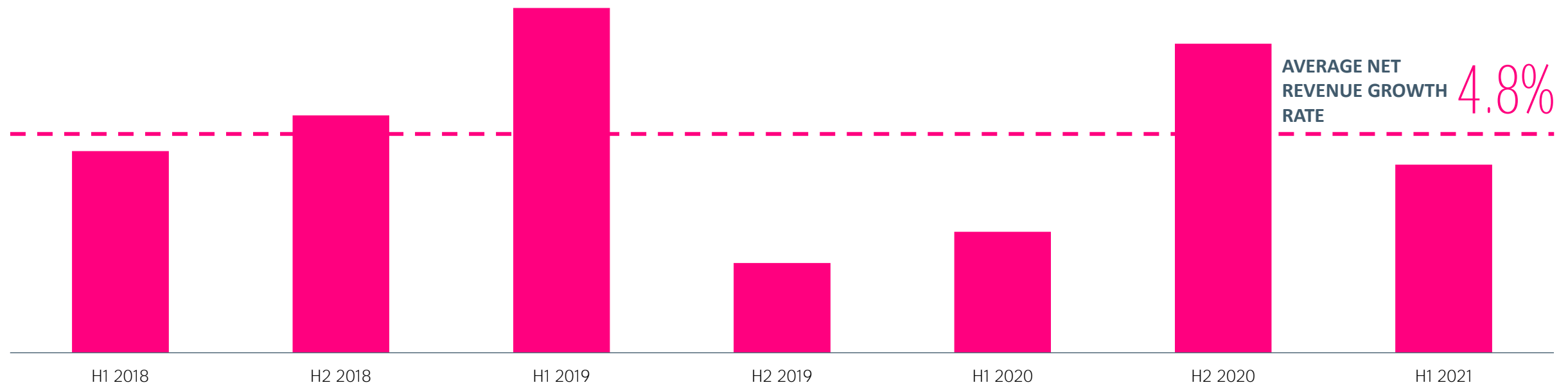
## FY 2020

Net Revenue	£2.4bn
% of Group Net Revenue <sup>1</sup>	18%
% of Group AOP <sup>1</sup>	12%
eCommerce as % of Nutrition Net Revenue	17%
Developed markets as % of Nutrition Net Revenue	61%

1. Excluding IFCN China.

# Nutrition is a stronger business following the disposal of IFCN China

IFCN North America historic LFL net revenue growth





We play in four categories, together driving 3-5% growth in the medium-term

Core Enfa

Infant formula and child nutrition



c. 0-2%

Specialty Infant

Allergy (paediatric) and premature



c. 7-10%

c. 1-4%

Adult



+100 bps CONTRIBUTION<sup>1</sup>

VMS



c. 4-6%

1. To Nutrition medium-term net revenue growth.

# Our growth is underpinned by excellence in execution

**1** Invest  
In superior science, partnerships and products

**4** Use CRM (CARE) model  
To maximise consumer lifetime value and ability to invest



**2** Create  
Premium, trusted innovative products and services

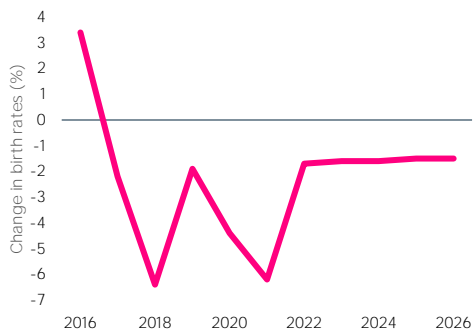
**3** Drive expert recommendation and maximise adoption  
Of customers and consumers with executional excellence

# Core Enfa: growth driven by premiumisation, superior science and go-to-market excellence

## DECLINE IN BIRTH RATE

The birth rate is shrinking, impacted further by COVID

Historic global birth rate trends and projections



Post-COVID: Birth rate is expected to continue to decline

## PREMIUMISATION WITH CLINICAL OUTCOMES AND R&D



**PDX/GOS, DHA and MFGM** with clinically proven outcomes on cognition, digestion and immunity



Reckitt patented PDX/GOS blend proven to help with softer stools and easy-to-digest proteins that are partially broken down



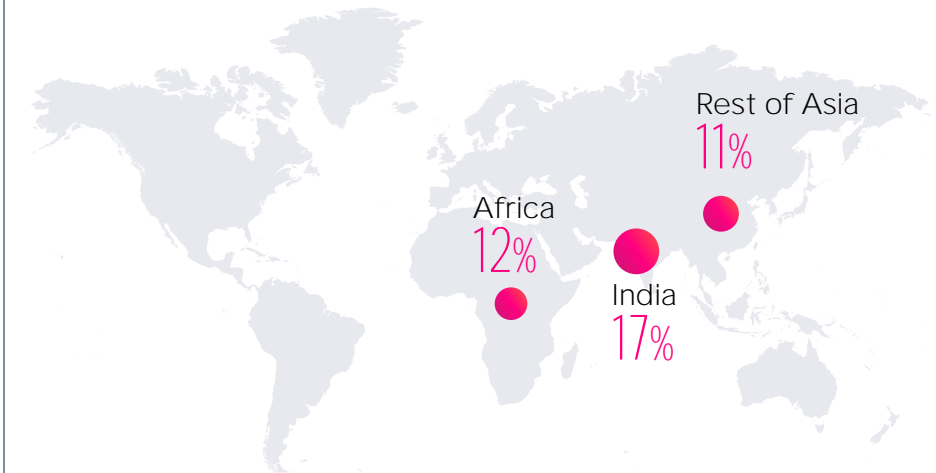
Purpose led brand recommended by HCPs



Strong portfolio with premium offering across chosen need states  
*Brain, Digestion*

## SIGNIFICANT WHITE SPACE POTENTIAL

40% of total global births today occur outside our current footprint



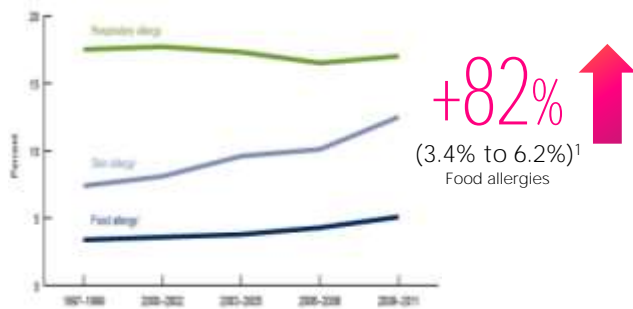
Decline in birth rate, offset by price mix through premiumisation and expansion of white spaces

C. 0-2% medium-term net revenue growth

# Specialty Infant: small but high growth part of our business

## OPPORTUNITY TO LEVERAGE OUR STRENGTH IN GROWING SPECIALTY INFANT SEGMENT

Allergies continue to rise globally



Reckitt positioned strongly

40%

market share in speciality segment

c.110 bps

YTD share gain of Nutramigen in the US

## OUR SUPERIOR SCIENCE GIVES US THE RIGHT TO WIN



80

studies showing allergy benefits

+400

efficacy studies on LGG

Proven to help babies get back to milk faster than any other brand

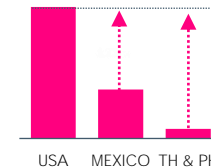
## OUR GROWTH DRIVERS ARE CLEAR



Win with hospitals and HCPs



Superior innovations relevant to a broader audience



Expand in new places and new spaces

c. 7-10% medium-term net revenue growth

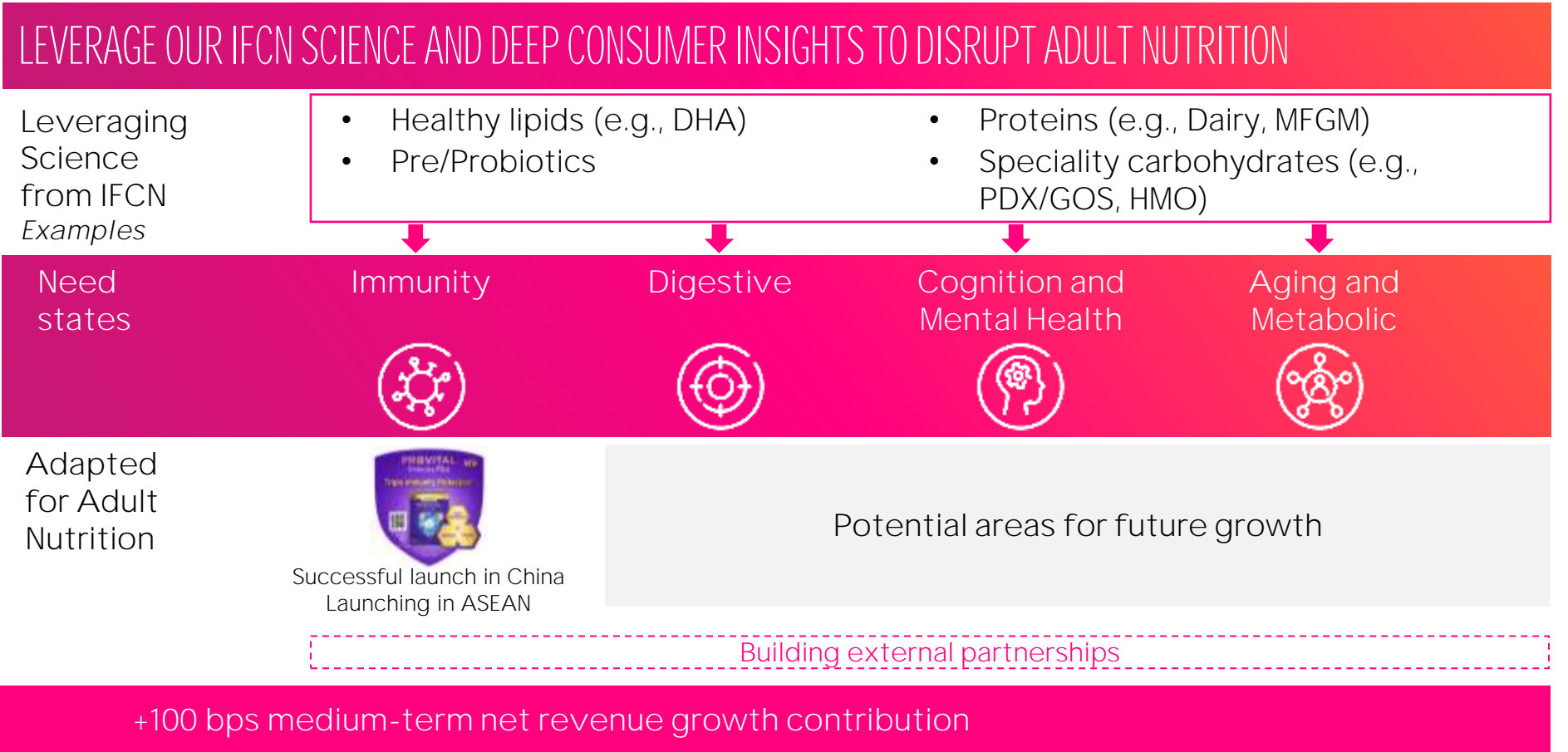
1. DC / NCHS, Health Data Interactive, National Health Interview Survey.

# Adult: significant opportunity with clear right to win

SIGNIFICANT OPPORTUNITY WITH THE RIGHT TO WIN

27% of the global population >50yrs old by 2030

£77bn market opportunity



# VMS: significant potential for growth in our supplements business, complementing our growing adult nutrition portfolio

## A SIGNIFICANT OPPORTUNITY

**+5%** Category CAGR over the last 5 years

**40%** Proportion of VMS segments we play in

**2** Proven growth engines: SCIENCE & SPEED

### PENETRATION



Increasing penetration (e.g. cognition and digestion)

**x2 household penetration**

(1.4% HHP for Neuriva in cognition vs 0.7% PY)

### NEW PLACES

Expanding internationally (cross-border)



**+57%** NR CAGR 16-21 (to c.\$100m)

Growing digital



**37%** of global VMS business sold online (+27% vs PY)

### NEW SPACES

Increasing innovation

**x2** pipeline value (INR<sup>1</sup>/year)

since VMS creation (2019)

Broadening immunity



**+8.6%** Sales CAGR 17-21

4-6% medium-term net revenue growth

1. Incremental net revenue.

# Nutrition key messages



Strong, stable business after divestment of IFCN China



Attractive growth opportunities in new places, specialty infant, adult nutrition and VMS



Strengthened capabilities to realise potential



Confident in achieving medium-term growth ambitions

# BREAK



R&D



# Research and Development

We are connectors who build from our breadth of capabilities and external inspiration to drive innovative, superior consumer solutions

## Who we are...

> 3,000 Scientists, engineers, technologists and experts

9 Centres of excellence

40 Laboratories across the globe

## Our focus...



Delivering step change in growth



Making the highest return strategic choices



Launch successfully in market with speed



Strengthen and build critical capabilities

# R&D five value creation capabilities

How we unlock our strategic choices

R&D value creation engine: incremental top-line growth, gross margin expansion, protect the base



## CONSUMER AT CORE

Sensory and consumer science

Consumer insights and analytics



## SCIENCE AND KNOWLEDGE

Science and technology platforms

Regulatory and medical as competitive advantage

Intellectual property

Sustainability

Design for eCommerce



## EXTERNAL PARTNERING

Trusted partnerships

Connect and engage with external ecosystem



## SCALE AT PACE

Strong digital foundations

Speed to market



## WIN THROUGH TALENT AND CULTURE

Strong employee engagement

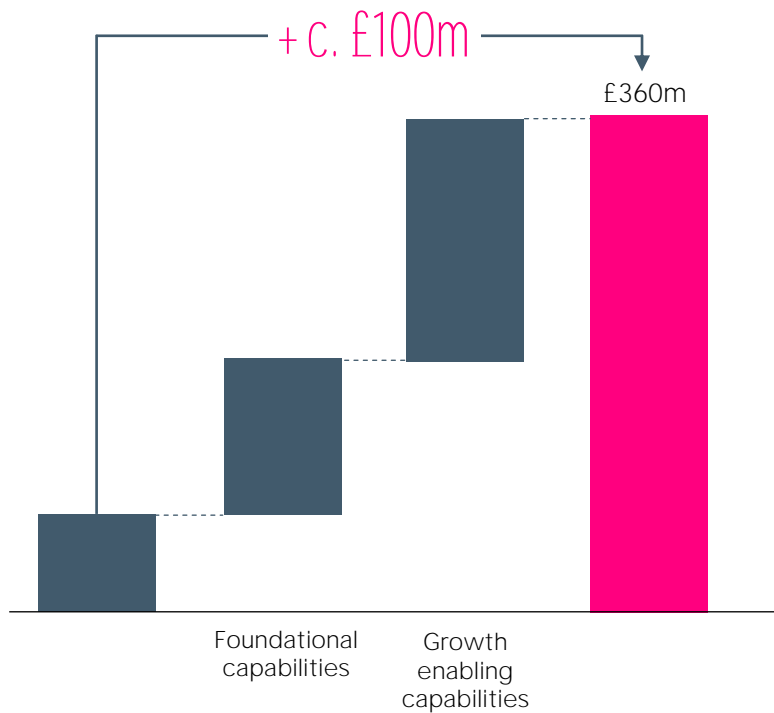
Drive STEM, diversity and inclusion

Right capabilities to resource

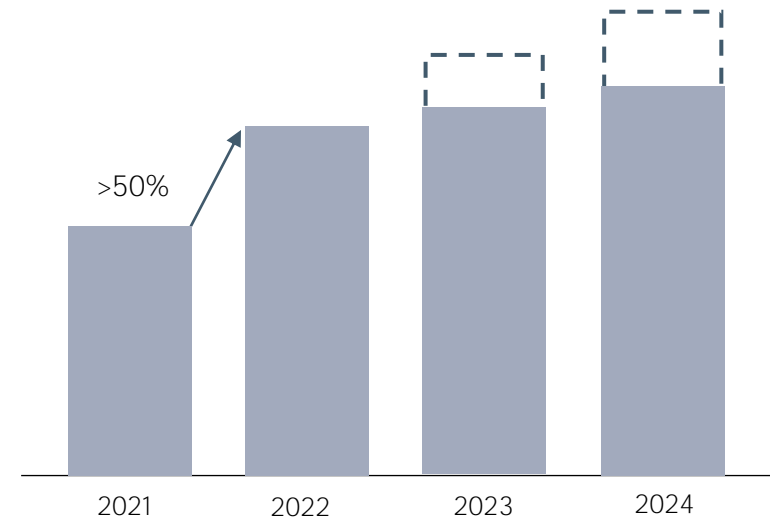
# How we will deliver sustainable outperformance

Strategically aligned investment choices to create significant value opportunities

R&D investment 2019-2021



Total innovation pipeline value growth<sup>1,2,3</sup>



Balanced, differentiated pipeline

Contribution from disruptive innovation c. 3x larger<sup>3,4</sup>

> 3,400

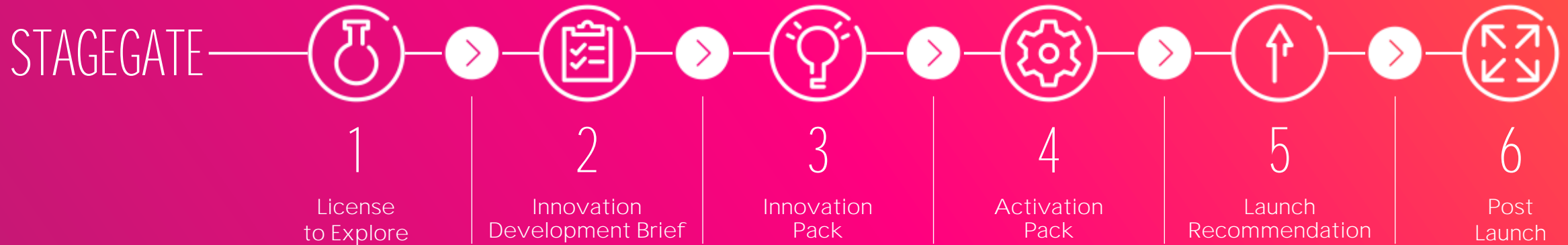
Total patents granted and filed

+40%

Patent filings across the Group<sup>5</sup>

1. Pipeline value represents the increased revenue opportunity from innovation in 2022 compared to 2021. 2. 2021/2022 Projects fully resourced for execution and 2023/2024 includes more early stage and redeployment opportunity (average project life cycle 12-24 months). 3. Data latest view 2021. 4. 2022 / 2024 innovation pipeline vs 2018 / 2019 launches. 5. H1 2021 vs H1 2020.

# Pipeline choices and execution



## CRITICAL INPUTS

- Top-line growth, margin accretive and other financial metrics
- Innovation headroom
- Level of investment
- Technical and commercial likelihood of success
- Non-financial (e.g. IP potential, regulatory, sustainability)



## CRITICAL OUTPUTS

- Consumer superiority
- Sustainability impact
- Market traction
- New product sales
- Channel ready

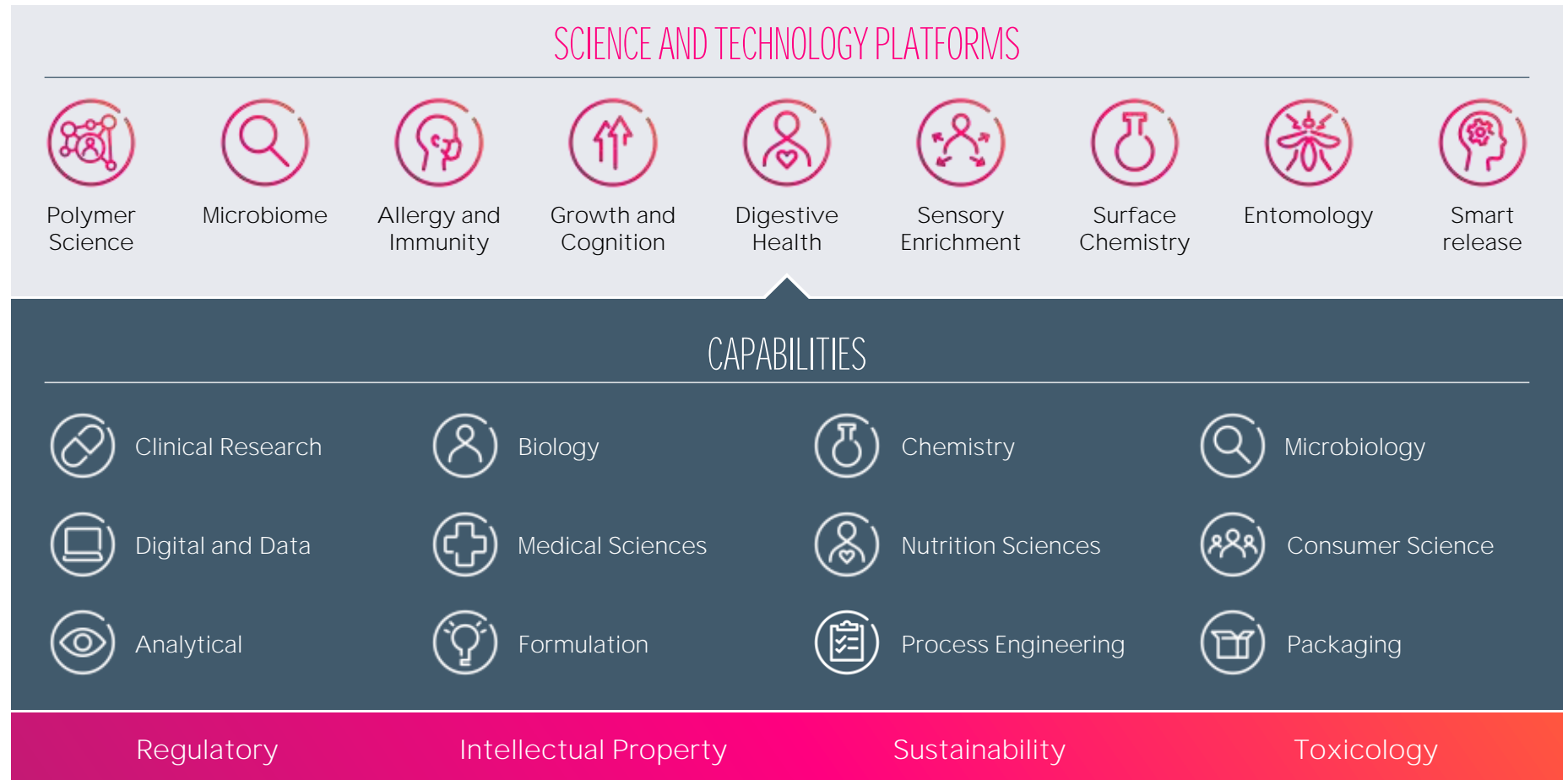
# R&D five value creation capabilities

How we unlock our strategic choices

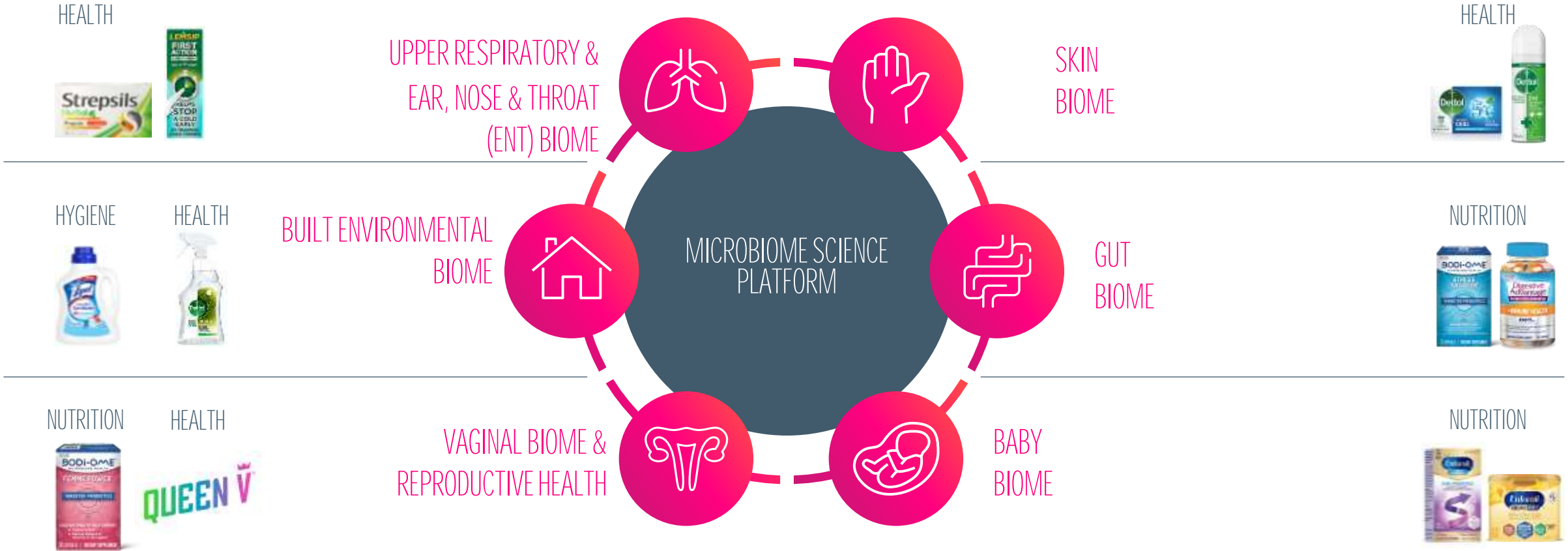


## SCIENCE AND KNOWLEDGE

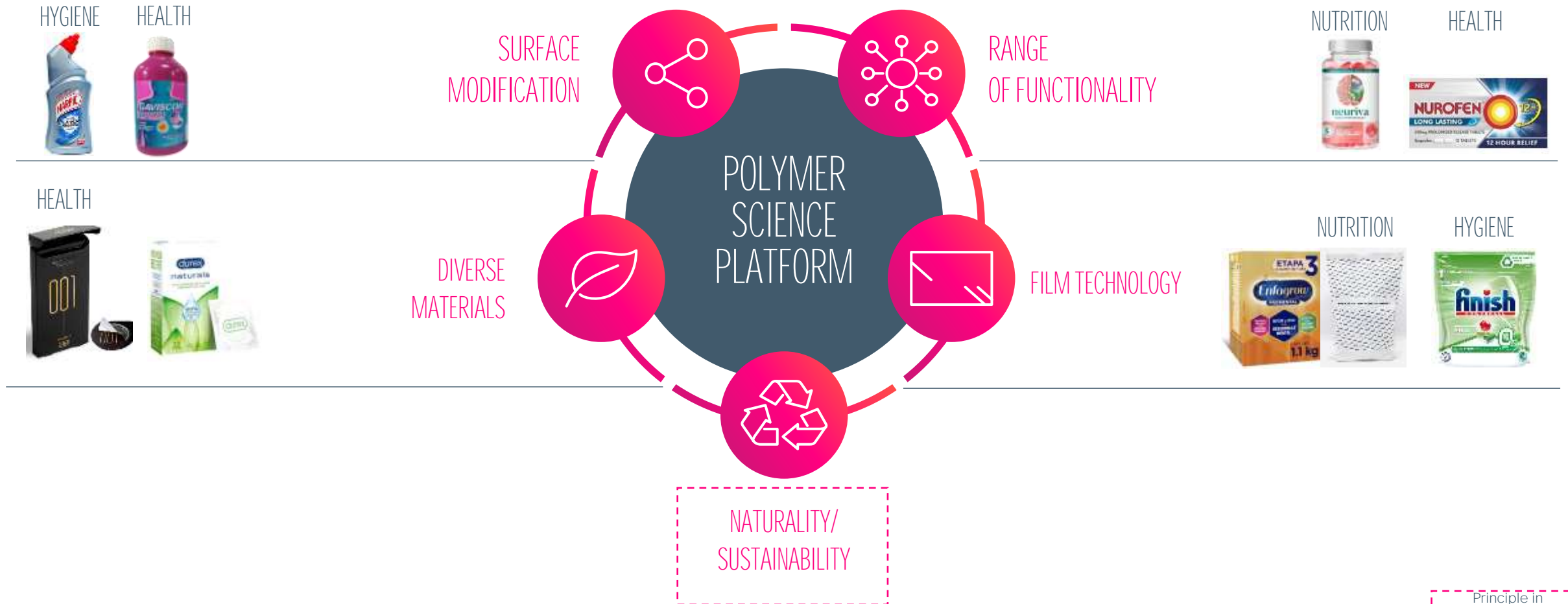
Deliver ownable product differentiation, unlocking more by spanning the breadth of the portfolio



# Microbiome highly integrated foundational science with opportunities to apply across the breadth of our portfolio



# Polymer science platform enables holistic and optimised material solutions



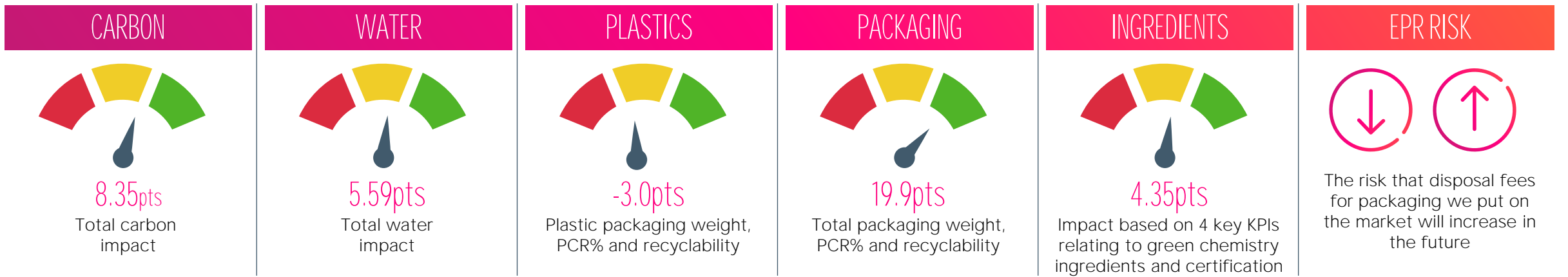
Principle in application across 56



# Sustainable innovation calculator applied across development pipeline



## ILLUSTRATION OF HOW WE ASSESS SUSTAINABILITY AT THE PROJECT LEVEL: OUR SUSTAINABLE INNOVATION CALCULATOR



ALL ASSESSMENTS ARE COMPARED VS A BENCHMARK

LEADING SUSTAINABILITY METRICS	<p>(Upgraded in April 2021)</p>	<p>20.7</p> <p>(Improvement from 22.3 in July 2020)</p>
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# Examples: more sustainable and eCommerce ready



## DUREX SURPRISE MIX

PACKAGING



Fit for eCommerce channel and sustainable



## VANISH MULTI-ACTION TABS

FORMULA AND PACKAGING



Fit for eCommerce channel and sustainable



## AIRWICK BOTANICA

PACKAGING



More sustainable



## KY JELLY AND LIQUID

FORMULA




More sustainable

We're working with our customers to activate sustainability partnerships and drive purpose campaigns across the globe



# R&D five value creation capabilities

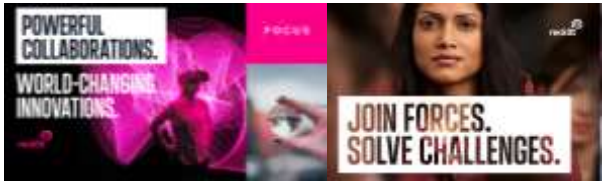
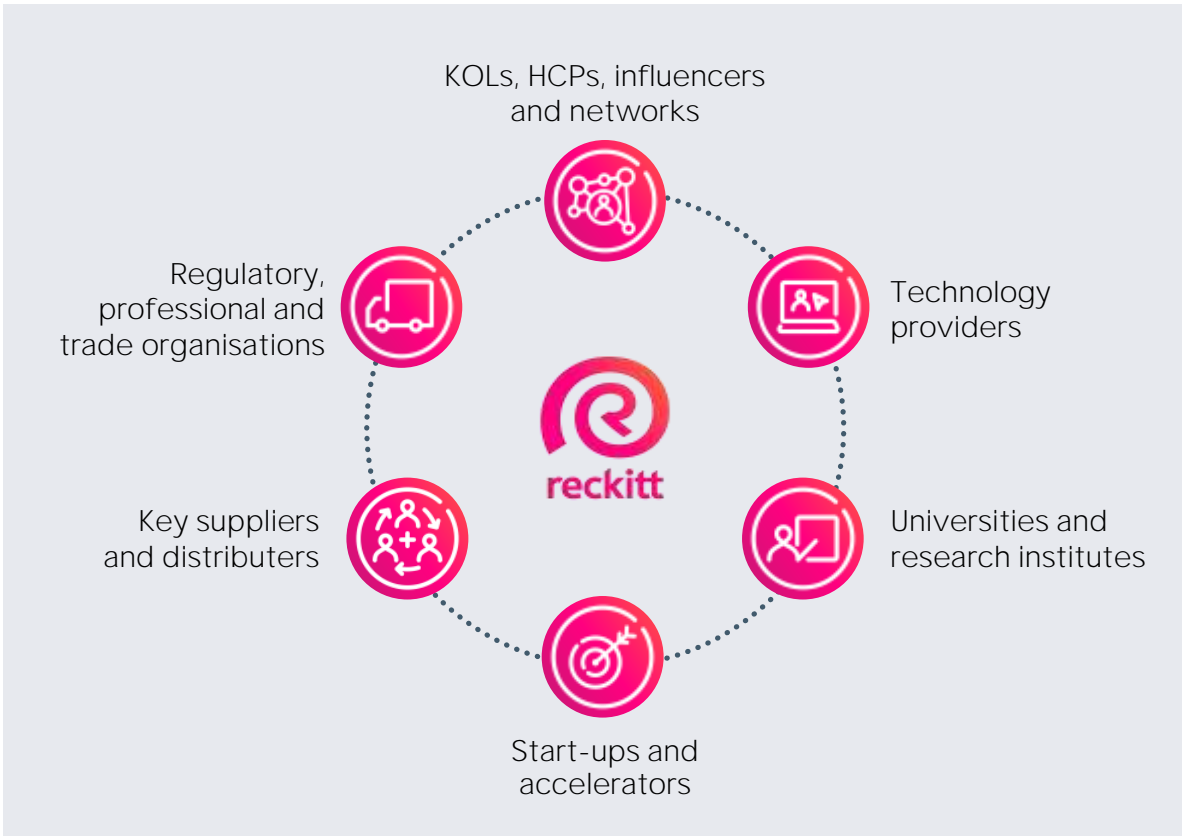
## How we unlock our strategic choices



**EXTERNAL PARTNERING**

More access to leading edge science and technology, delivered at pace through a strong partner ecosystem

### DIVERSE ECOSYSTEM OF PARTNERSHIPS



-  Research Partnership University of Naples – Food/Milk Allergy
-  Strategic partnership with London School of Hygiene & Tropical Medicine
-  Exclusive Hygiene Partner for COP26 Climate Conference
-  **GRIP**  
GLOBAL RESPIRATORY INFECTION PARTNERSHIP  
Partnering for antibiotic stewardship and conservancy
-  **A.I.S.E.**  
AISE International Association for Soaps, Detergents and Maintenance Products
-  **ARM**  
Partnering for Appropriate Reflux Management optimal patient care.

# R&D key messages



Stronger function with stepped up investments in science, technology, sustainability, eCommerce and partnering



Strengthened pipeline: over 50% larger, better balanced across near-in and further-out innovation



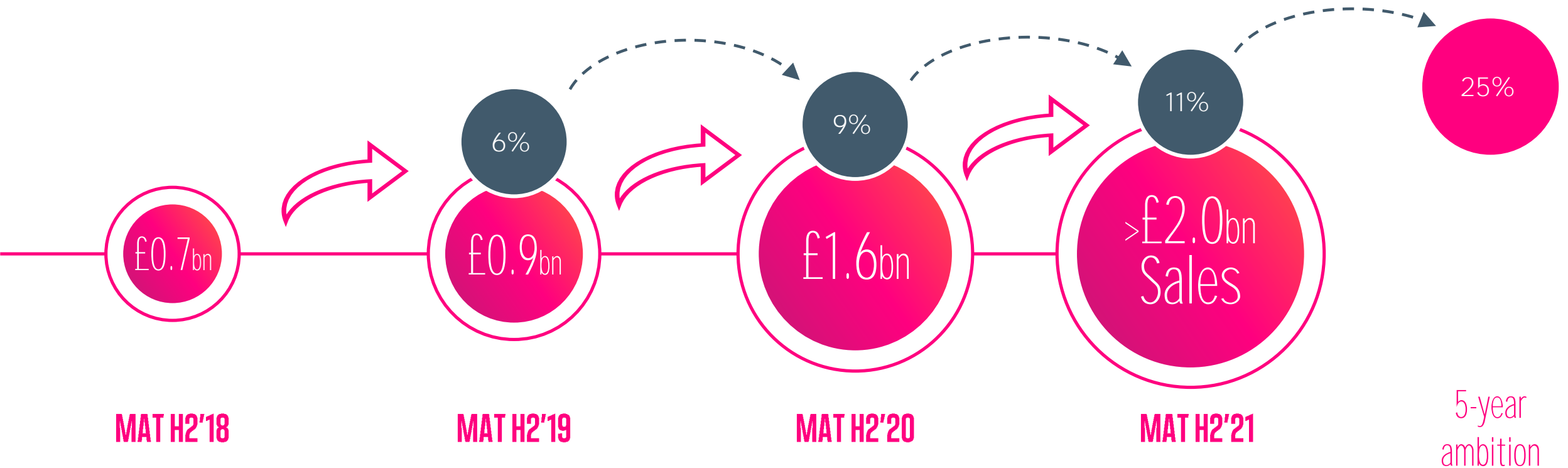
Stronger commercial integration across business units, with sharp focus on investment and returns



Confident in enabling medium-term growth ambitions, while delivering advantage, quality and productivity

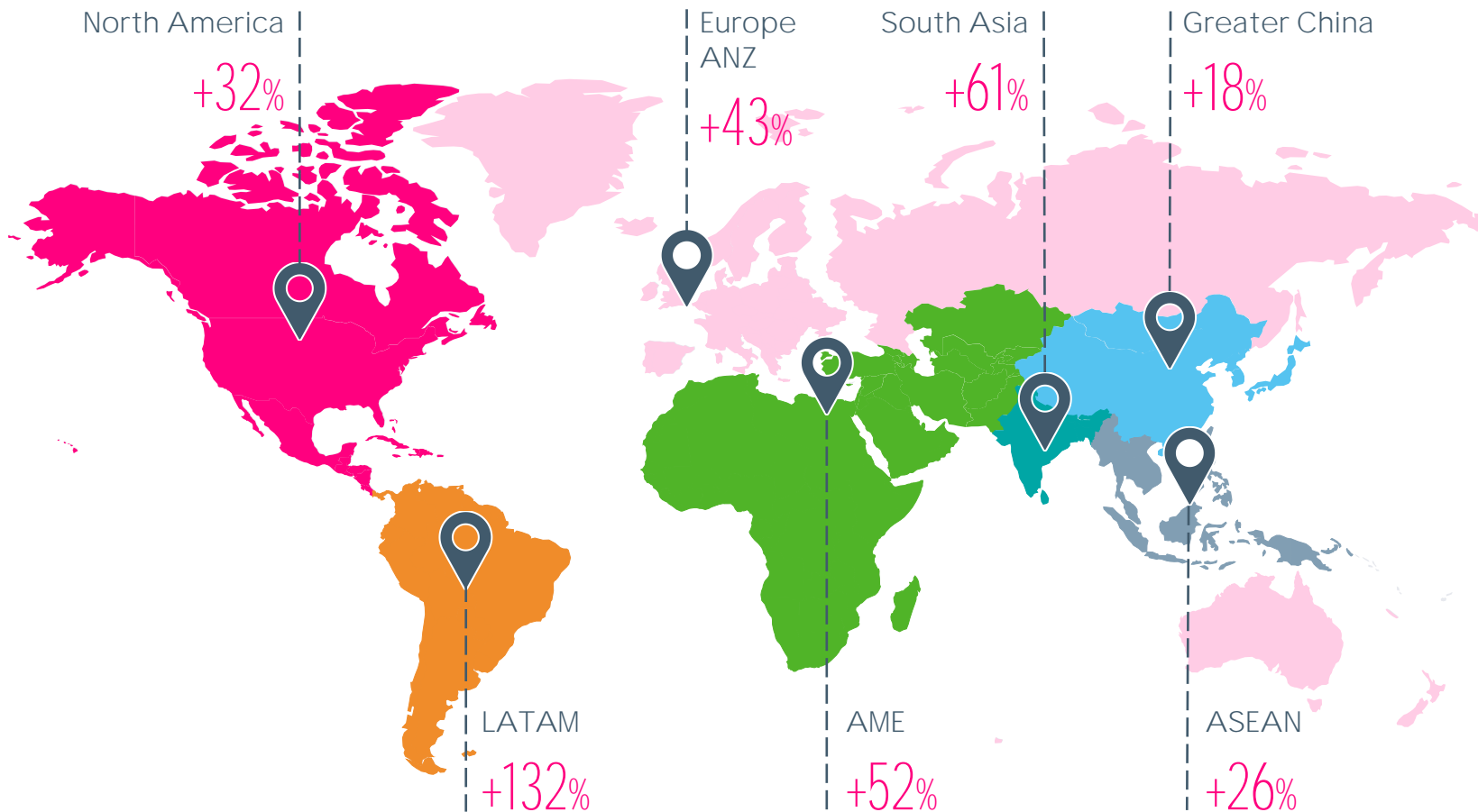
# eCOMMERCE

Reckitt eCommerce is >£2bn in consumer sales, with an ambition to become 25% of the business over time



● Total consumer sales (sell-out, estimated retail sales value) ● eCommerce as % of group net revenue

# Our growth is broad-based across geographies and the business units



Numbers represent growth over the last 12 months excluding IFCN China.

HEALTH eCommerce  
**+25%**

HYGIENE eCommerce  
**+52%**

NUTRITION eCommerce  
**+25%**

# Our focused portfolio, loved by consumers, represents >80% of growth and >70% of scale



Note: Data accurate as at 20 September 2021. Amazon ratings based on minimum of 5000 reviews per brand. All brands above over 4.5 stars rating globally.  
 1. Cumulative across all brands within OTC and VMS.



# With 'execution obsession' our number one priority

## Example: UK Amazon



- 
100% brands on >4.2 star ratings
 

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- 
100% brands available on day / next day
 

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- 
100% brands available on Subscribe and Save
 

---

- 
>50% of brands rated CPF
 

---

- 
>90% of brands on Amazon Fresh
 

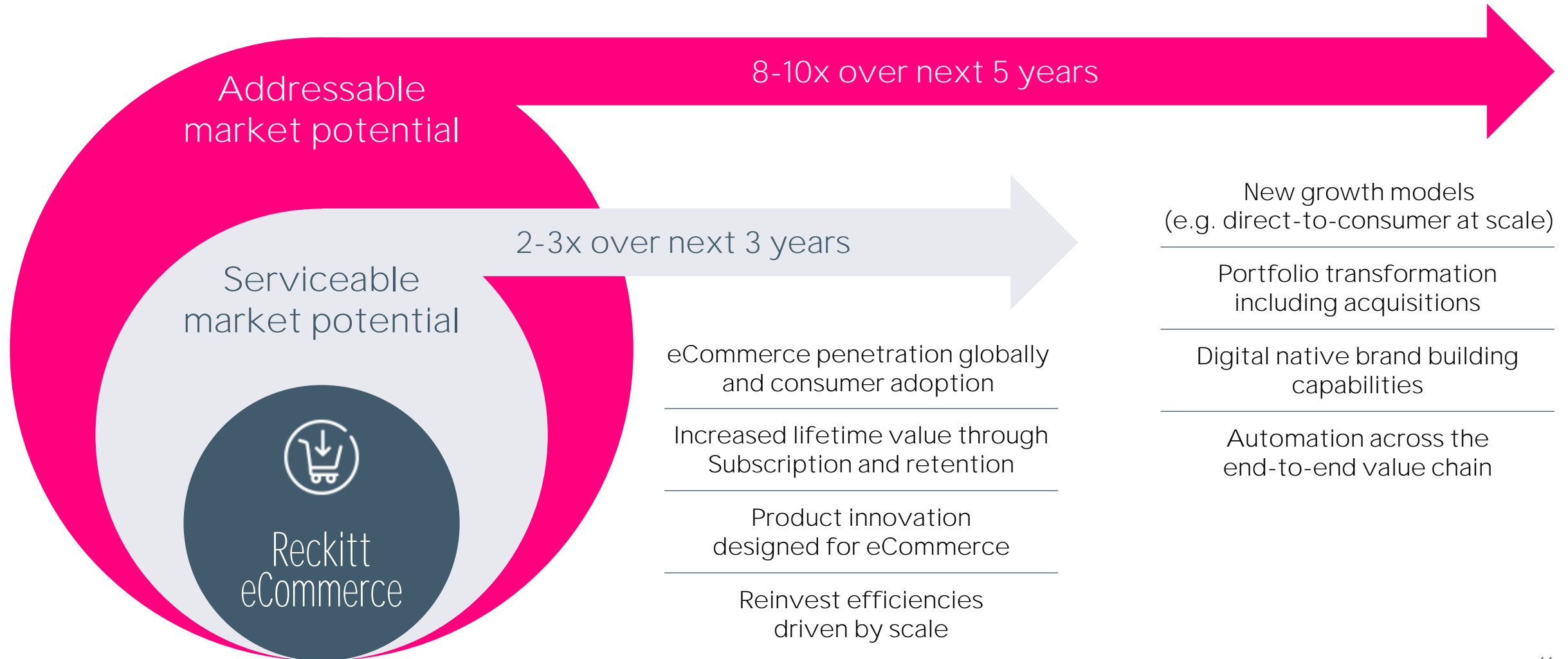
Average >80 out of 100


 Omni-channel customer satisfaction score on eCommerce strategy




Note: Data accurate as of 20 September 2021 Based on a minimum of three SKUs per brand fulfilling respective criteria. Data based on Amazon 1P channel only.

But we are still beginning, and believe there is a massive market to unlock globally



# Reckitt eCommerce is organized with three unique operating models



Build scale to Win Everywhere

## BE BIG

E.g. Amazon, Alibaba, Marketplace across all business units



Drive Speed to Accelerate learnings

## BE FAST

Global DTC, Data-hub, eB2B, Social commerce and Gaming



Create new Platforms

## BE BOLD & OPEN

Venture Investments & Brand Incubator



BASED ON OUR LEARNINGS FROM CHINA



# Focused on building capabilities across three areas



MAXIMISE  
AVAILABILITY  
AND PREFERENCE

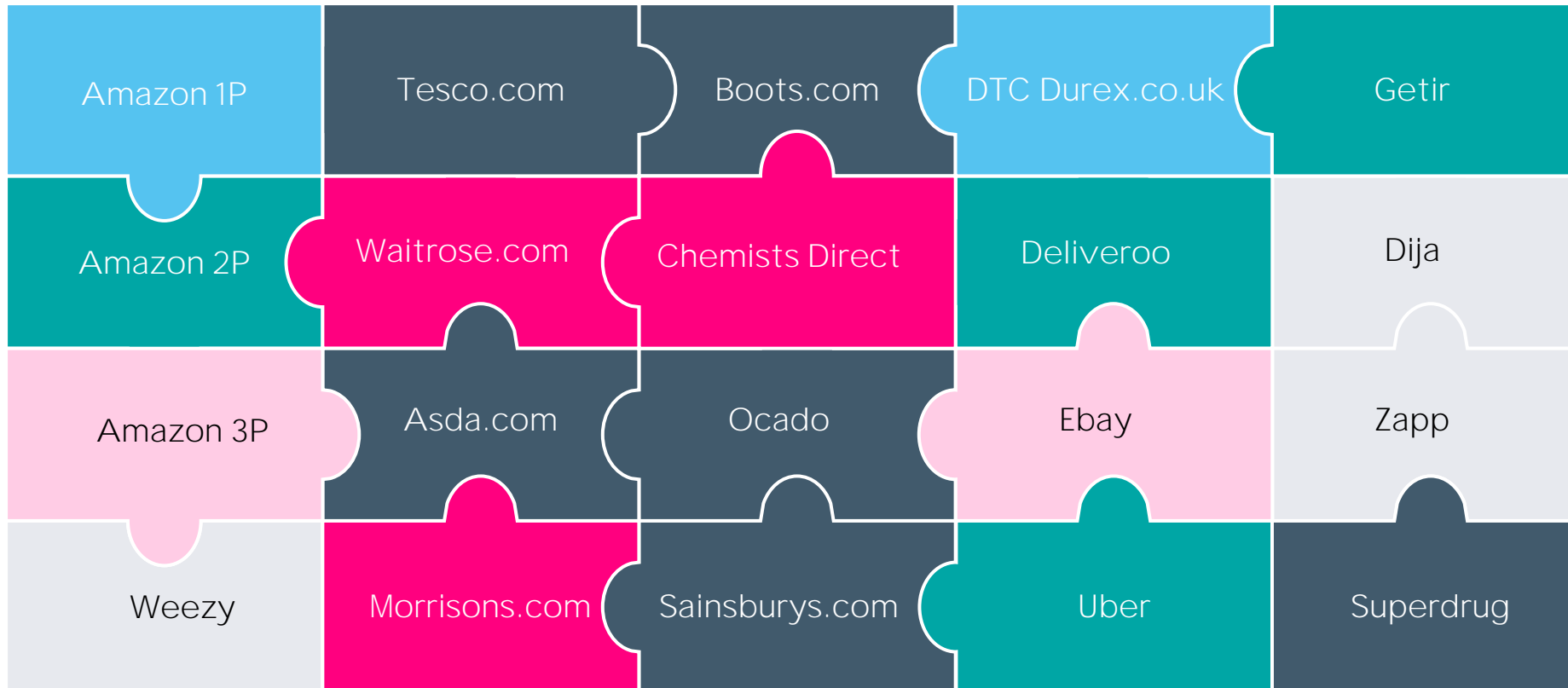


EFFICIENCY  
THROUGH DATA  
AND AUTOMATION

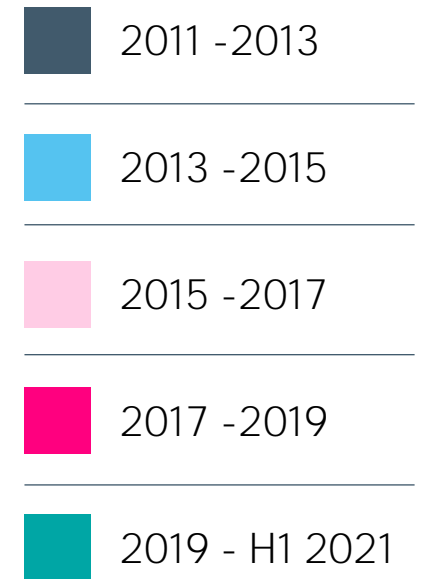


INVESTMENTS  
IN VALUE CHAIN  
AND DIGITAL BRANDS

# Example: Building best-in-class eCommerce footprint with Durex UK



## CHANNEL LAUNCH YEAR



We have invested significantly in our digital capability enabled by a strong technology foundation

Digital Factory for creative production

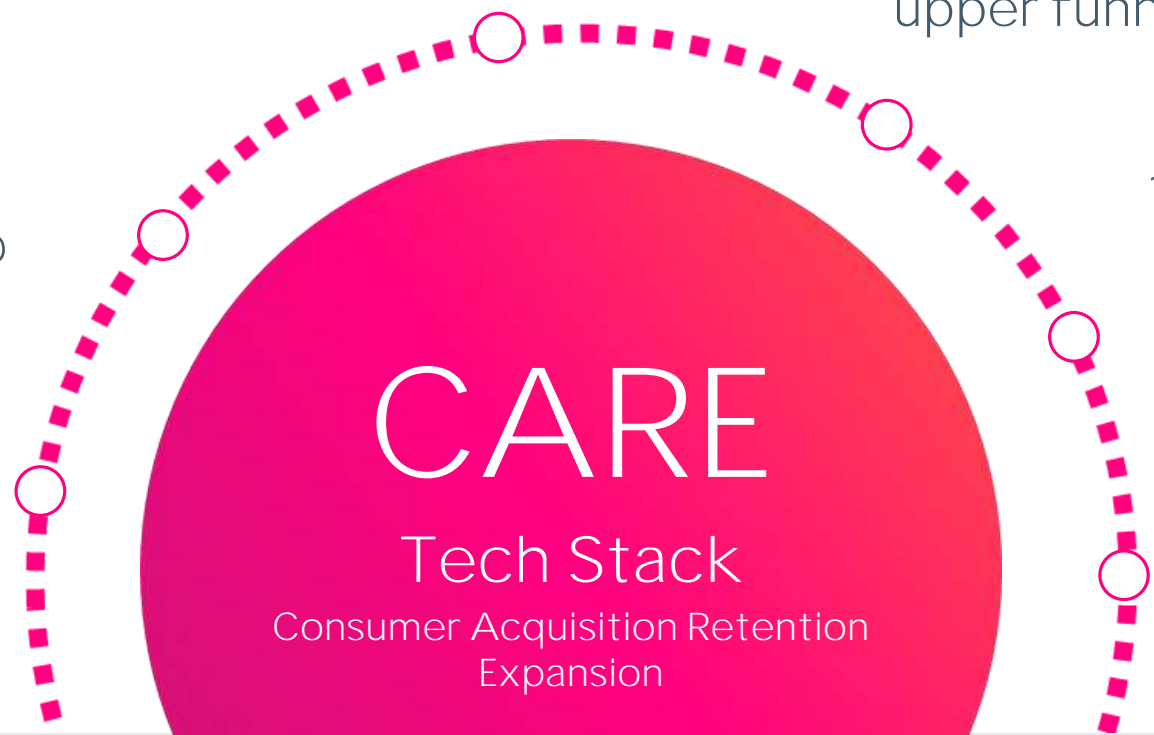
Data-driven marketing to optimise upper funnel

Global Consumer Insights Hub

1P / 2P data acquisition to maximise owned channels

Global Media buying platform across GBUs

>40 Direct-to-consumer brand platforms



CARE

Tech Stack

Consumer Acquisition Retention Expansion

Reckitt eCommerce also operates our venturing division focused on strategic equity investments

# ACCESS

reckitt®



- Invested >\$80M in 15+ purpose led start-ups
- Valuation >50%
- Focused on New Spaces, New Places and New Capabilities

**PACKABLE**

No.1 third party seller on Amazon globally

**BOMBAY SHAVING COMPANY**

Direct to consumer capability in India

**MPowder**

Specialist supplements menopause

# eCommerce key messages



Large opportunity with a record of strong growth across markets globally



Stronger capability: with investments in technology, digital, eB2B and new spaces and venture investments



Stronger execution with a focus on consumer satisfaction and omnichannel customer partnerships



Confident in enabling medium-term growth ambitions



# FINANCIALS



# Disciplined capital allocation

Investment in operations to drive growth and maximise return

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Remain focused on delivering strong free cash conversion

---

Sustain dividend at 2019 levels until 2x cover is achieved

---

Target single A credit rating

---






Rigorously manage the portfolio

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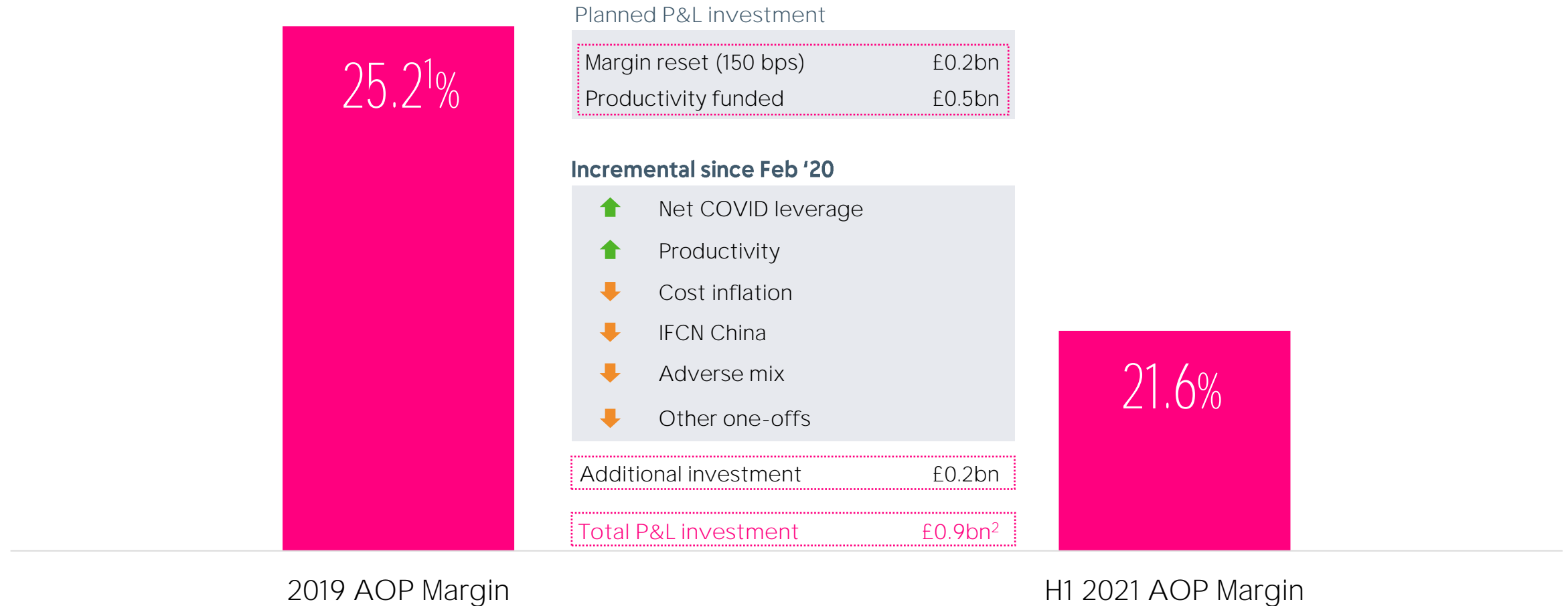
Return surplus cash to shareholders



# Look back to Feb 2020: Investment in long-term growth

INVESTMENTS	TYPE	ORIGINAL PLAN
 Investment in competitiveness	P&L Investment	Margin reset 150 bps £1.3bn productivity programme over three years
 Growth enablers		
 Growth drivers		
 Finite-life transformation costs	One-time	£250m phased out in 2022
 Capital expenditure	Capex	£300m over two years

# P&L investments: step change now complete



1. Adjusted for operational margin headwinds. 2. Excludes finite life transformation costs.

# Breakdown of P&L investment<sup>1</sup>

## 01 Investment in COMPETITIVENESS Consumer value

£0.2bn

Examples:

- Health Germ Protection
- Hygiene competitive battles

## 02 Investment in GROWTH DRIVERS Go-to-market and marketing

£0.3bn

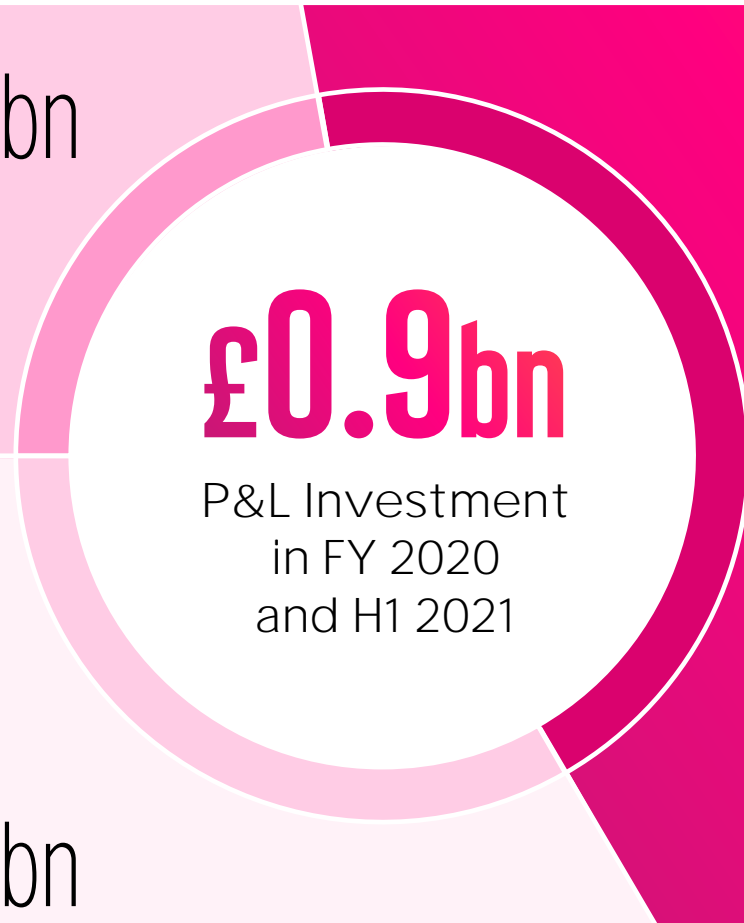
Examples:

- Dettol and Lysol expansion
- Global Business Services
- CMU expansion
- eCommerce

## 03 Investment in GROWTH ENABLERS Core capabilities





Examples:

- R&D
- Supply chain and capacity
- Quality, Regulatory and Sustainability
- Digital and IT
- Centres of excellence
- Productivity teams



1. Excluding IFCN China.

# Examples of P&L Investment – KPIs and tracking returns

INVESTMENT AREAS	PAYBACK PERIOD	KPI TRACKING
 R&D	Multi-year	<ul style="list-style-type: none"> <li>✔ Number of prototypes and IP in development</li> <li>✔ Number of initiatives reaching production</li> <li>✔ Incremental revenue from NPD pipeline</li> </ul>
 eCommerce and Digital	Fast	<ul style="list-style-type: none"> <li>✔ Online market share</li> <li>✔ Volume of traffic and customer retention</li> <li>✔ Investment tracking in new ventures</li> <li>✔ Value optimisation through in-house platforms</li> </ul>
 Dettol and Lysol Expansion, GBS	Multi-year	<ul style="list-style-type: none"> <li>✔ Number of new markets and segments launched</li> <li>✔ GBS growth and profitability</li> <li>✔ Revenue growth and investment per market</li> </ul>
 Sales Centre of Excellence	Fast	<ul style="list-style-type: none"> <li>✔ Advantage Survey performance</li> <li>✔ Customer top-to-top feedback</li> <li>✔ Customer service and on-shelf availability</li> <li>✔ Revenue Growth Management (RGM) productivity achieved</li> </ul>

# Examples of P&L Investment – KPIs and return proof points

## INVESTMENT AREAS

## RETURN PROOF POINTS



R&D

Group innovation pipeline value<sup>2</sup> **50%+**

OTC innovation pipeline value<sup>2</sup> **2x**



eCommerce and Digital

Market share<sup>3</sup> **+310bps**

2-year LFL stack growth<sup>3</sup> **+95%**



Dettol and Lysol Expansion, GBS

New markets entered<sup>1</sup> **68**

Dettol net revenue uplift vs 2019 **+40%**



Sales Centre of Excellence

Advantage score places<sup>4</sup> **+9**

Gaviscon service levels<sup>5</sup> **20% points**

**c.70%**  
of portfolio already growing mid single digits<sup>6</sup>

**60%**  
CMUs holding/gaining share<sup>6</sup>

1. As at H1 2021 2. Pipeline value represents the increased revenue opportunity from innovation in 2022 compared to 2021 3. H1 2021 vs H1 2019 4. Advantage customer survey score based on international customers 5. Pack fill rate ('PFR-2') vs June 2020 6. See H1 2021 results.

# Productivity

ORIGINAL 3-YEAR PROGRAMME

£1.3bn

DELIVERED IN 18 MONTHS

£0.7bn

NEW 4-YEAR TARGET

£2.0bn

**Gross Margin** £0.45bn

- Reckitt Production System  
Delivering savings, best practices and continuous improvement
- Design to Value Laboratory  
>1,000 cost analyses completed  
>200 ideation packs created  
>3,000 ideas generated

**BEI** £0.2bn

- Marketing data analytics
- Streamline creative agency ecosystem

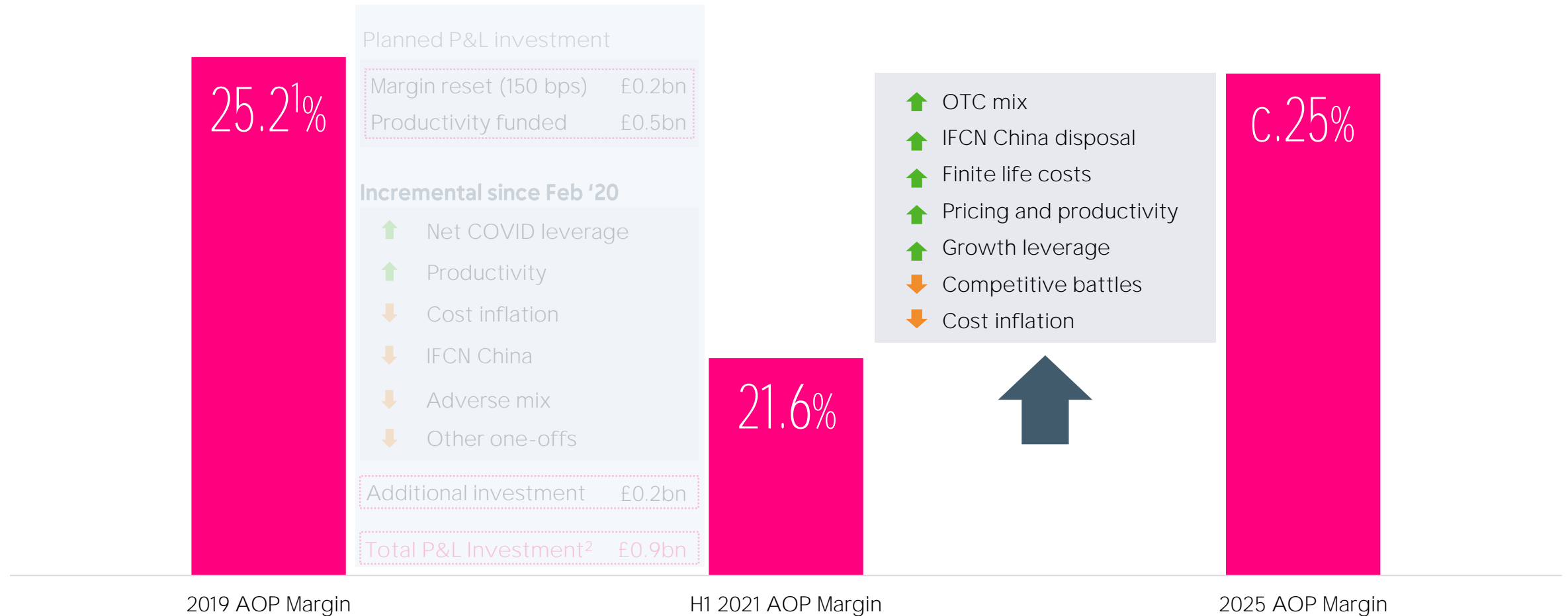
**Other Costs** £0.05bn

- Organisation simplification
- Cross category demand management
- Supplier relationship on non-production spend



# Step change investments now complete

## Margins at inflection point

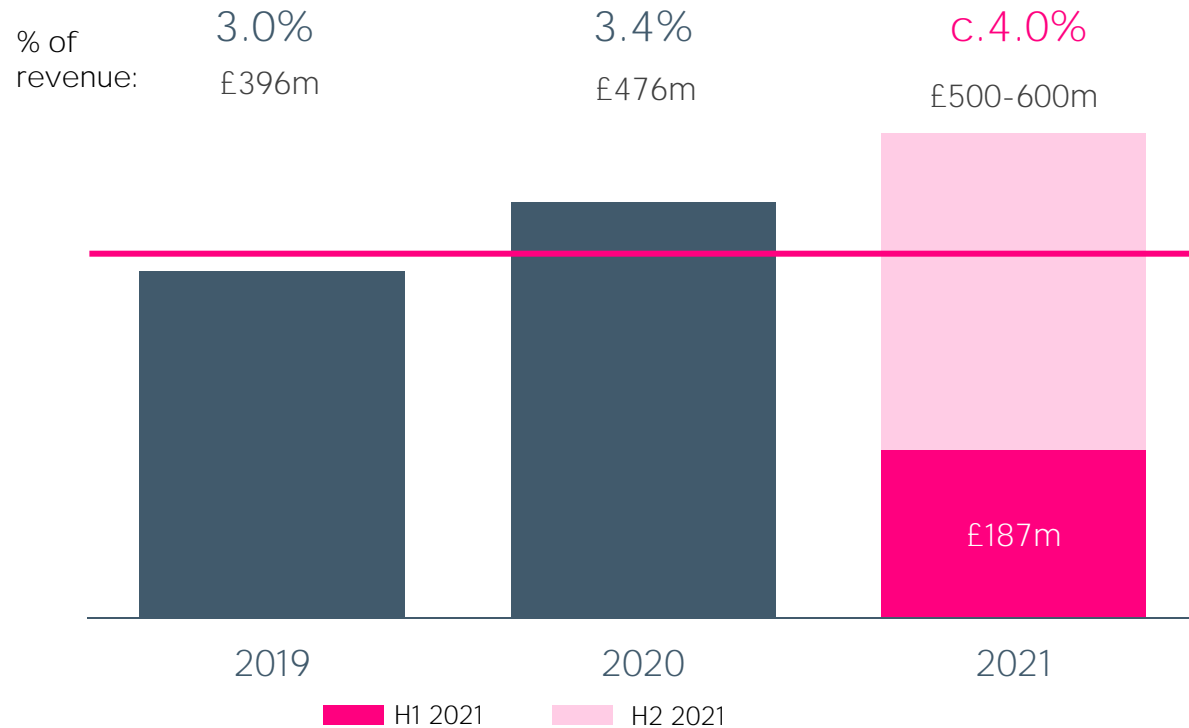


1. Adjusted for operational margin headwinds. 2. Excludes finite life transformation costs.

# Capital expenditure

## EXPECTED CAPITAL INVESTMENTS

£250m additional capex spend by the end of 2021



## INVESTING IN SUPPLY CHAIN

Re-shaping network and increasing capacity



Increased capacity for Finish thermoforming



Investment in PU condoms factory infrastructure



Investment in Taicang factory to support China Dettol and Durex PU growth



# Financials key messages



On track to exit 2022 with mid-single-digit revenue growth and to deliver adjusted operating profit margin of mid-**20's** by 2025



H1 2021 was an inflection point for profit margins, the margin reset investments have been completed and we expect margins to improve in 2022 vs 2021



Strong focus on cash conversion- 2021 reflects the working capital unwind from 2020, we expect strong cash conversion in 2022 and beyond



We will manage an efficient balance sheet and return surplus cash to investors

# WRAP UP

# Our Purpose and Our Fight guide everything we do

## OUR PURPOSE

To protect, heal and nurture  
in the relentless pursuit  
of a cleaner, healthier world

## OUR FIGHT

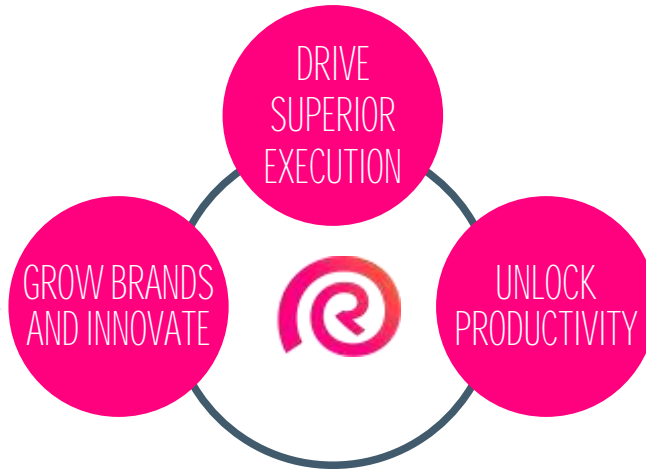
Making access to the highest  
quality hygiene, wellness  
and nourishment a right,  
not a privilege



# We are building a company with durable advantage

- ✓ Outperformance in omnichannel and digital presence
- ✓ Significantly stronger operating platform across supply, IT and day-to-day execution
- ✓ Well on track to achieving our sustainability ambitions for 2030 (Carbon neutral by 2040)

- ✓ Purpose-led brands with stronger brand equities
- ✓ Higher penetration and share across existing and new spaces and places
- ✓ Strong innovation pipeline developed internally and with external partnerships, launched in-market with speed



- ✓ **Productivity 'muscle' embedded:** continual improvements in effectiveness and efficiency as a source of growth
- ✓ Strong cash flow conversion



- ✓ Stronger and balanced portfolio to maximise shareholder value

## LEAD AND INSPIRE TALENT AND EVOLVE CULTURE

- ✓ Inspired, diverse and talented work force
- ✓ Purpose, compassion and leadership behaviours embedded

# Key messages



Company of owners with a strong and experienced team



Significantly stronger **business...**



**... at an** inflection point in transformation



Confident in our medium-term targets

# BREAK



# Q&A

# APPENDIX

# Presenters and leaders present

## LAXMAN NARASIMHAN

Chief Executive Officer  
(Presenter)

Laxman was appointed CEO on 1 September **2019. Under Laxman's leadership, Reckitt's** purpose is to protect, heal and nurture in a relentless pursuit of a cleaner, healthier world. Reckitt fights to make access to the highest-quality hygiene, wellness and nourishment a right, not a privilege, for everyone.

Prior to joining Reckitt, Laxman held various roles at PepsiCo from 2012 to 2019. He was previously Global Chief Commercial Officer, with responsibility for R&D, categories, eCommerce, design, go-to-market, global customers and strategy.

**Before this, Laxman served as the Chief Executive Officer of PepsiCo's Latin America, Europe and Sub-Saharan Africa operations, where he ran the company's food and beverage businesses across over 100 countries. He also spent time as CEO of PepsiCo Latin America and as the CFO of PepsiCo Americas Foods, which was responsible for half of the company's profits.**

Prior to PepsiCo, Laxman served as a Director for McKinsey & Company and held various key global roles from 1993 to 2012. He is a Trustee of the Brookings Institution, a member of the Council on Foreign Relations and a Non-Executive Director of Verizon Communications.



## JEFF CARR

Chief Financial officer  
(Presenter)

Jeff joined Reckitt as Chief Financial Officer and an Executive Committee member on 9th April 2020.

Jeff was previously Chief Financial Officer and Management Board member at Ahold Delhaize, the Dutch retailer operating across Europe and the USA.

Before joining Ahold Delhaize, Jeff held the role of Chief Financial Officer at First Group plc and easyJet plc and held senior finance roles at Associated British Foods plc and Reckitt. Jeff started his career as a graduate trainee at Unilever.



# Presenters and leaders present

## KRIS LICHT

President Health and Chief Customer Officer  
(Presenter)

Kris Licht is the President of our Health Global Business Unit, as well as the Global Chief Customer Officer of Reckitt.

In these capacities he is responsible for the global operations of our Health businesses as well as our top customer partnerships and sales capabilities. Prior to this role, Kris was the Chief Transformation Officer at Reckitt working with our CEO and Board to craft our new corporate strategy Rejuvenating Sustainable Growth. He also launched our transformation roadmap to build new capabilities to accelerate our marketplace growth and operational resiliency and our productivity program.

Kris joined RB from PepsiCo where he held a variety of senior operational and strategic leadership positions over a 5 year span. His last role in PepsiCo was Division President for Pepsi Beverages North America.

Prior to PepsiCo, Kris was a Partner at McKinsey & Co with a focus on the consumer, health and retail practices. Based in New York and Texas he served consumer and health clients around the world on commercial and strategic topics. Kris serves on the boards of the Global Self-Care Federation and the Consumer Brands Association. He is based in the US in our New Jersey office.



## VOLKER KUHN

President Hygiene  
(Presenter)

Volker joined Reckitt as Chief Transformation Officer on 1 August 2020 and on 1 May 2021, was appointed President Hygiene.

Volker joined from Procter & Gamble (P&G) where he was VP Fabric Care, Europe and Global Platform lead for single dose detergents. He spent 26 years at P&G in a range of International Finance, Brand Marketing, Business Development and General Management roles. Volker has a strong track record of leading successful turn-arounds, growth initiatives and transformations including the carve-out and divestiture of the Duracell company from P&G to Berkshire Hathaway. He started his career at Deutsche Bank and subsequently worked for a small consulting firm before joining P&G. Volker currently serves as Chairman and a Non-Executive Board member of FROSTA AG, a leading European frozen food company.



# Presenters and leaders present

## ANGELA NAEF

Chief R&D Officer  
(Presenter)

Angela joined Reckitt as Chief Research & Development Officer on 14 September 2020.

**Angela is responsible for elevating Reckitt's** science capability and platforms as well as for driving external partnerships, including amplifying the Reckitt Global Hygiene Institute.

Angela brings to Reckitt over 20 years of diverse senior leadership experience in product and business development roles. Most recently, Angela spent 10 years at DuPont, in various technical and commercial leadership roles, where she led the Nutrition & Biosciences Global Technology and Innovation organisation. Angela has a strong track record of accelerating innovation in the areas of food, nutrition science and biotechnology. Angela is a graduate of the University of California, Davis with a Ph.D. in Physical Chemistry and is a Six Sigma Black Belt.



## ARJUN PURKAYASTHA

Senior Vice President – eCommerce, Digital & Ventures  
(Presenter)

Arjun joined Reckitt in February 2012 as eCommerce & Marketing Director after extensive experience in Asia-Pacific/India at P&G marketing and sales. Over the past 10 years he has worked across most of our geographies, brands and GBUs. In Q4 2017 he was appointed General Manager – eCommerce and has worked to design & build our eCommerce business and capabilities since. In 2020, he became SVP eRB leading eCommerce, digital & ventures across the group. Arjun brings to Reckitt strong purpose driven leadership with extensive global experience managing diverse businesses and multi-cultural teams. He has a strong track record of exponential scaling, building outperforming teams, iconic brands & innovative business models across 60+ countries having lived & worked in the UK, Singapore, South Korea and India. Arjun serves on the Board of Directors of Packable, Bombay Shaving Company and Healthily. Most recently, he was recognised **on the CX50 2020 list of UK's top 50 customer experience professionals** and has been awarded several marketing awards & metals including 7 Cannes Lions, 9 Effies and 2 Emvies.



# Presenters and leaders present

## MIGUEL VEIGA-PESTANA

Head of Corporate Affairs and Chief Sustainability Officer

Miguel Veiga-Pestana joined Reckitt as the SVP Corporate Affairs & Sustainability in 2017 and is responsible for all aspects of strategic communications, brand and reputation management.

He was appointed as Chief Sustainability Officer in 2018 responsible for overseeing the **development and integration of Reckitt's** sustainability and purpose led agenda.

Prior to joining Reckitt, Miguel was Chief Communications Officer at the Bill & Melinda Gates Foundation based in Seattle.

Over a thirteen-year period (2001-2014) he held several regional and global communications roles at Unilever notably as the Vice-President for Global Sustainability Strategy and Advocacy. Miguel has more than 25 years of communications, external affairs and sustainability experience having held positions in the UK, US and Brussels (EU).



## RANJAY RADHAKRISHNAN

Chief Human Resources Officer

Ranjay joined Reckitt in February 2020 as CHRO.

He is responsible for global talent management, learning and capability building, diversity, organisation development, reward and benefit programmes, employee relations, and all aspects of the people and organisation strategy.

Ranjay joined from hotel group InterContinental Hotels Group (IHG plc) where he was the Chief Human Resources Officer, a role he held since December 2016. Prior to IHG, Ranjay spent 23 years at Unilever, in a range of senior leadership roles at global, regional and country levels. His last role at Unilever, was Executive Vice President **Global HR, where he led HR for Unilever's eight regions and four global Product Categories** under a unified global HR leadership role.



# Presenters and leaders present

## FILIPPO CATALANO

Chief Information and Digitisation Officer

Filippo joined Reckitt as Chief Information & Digitisation Officer on 1 April 2021. Filippo is responsible for building and maintaining **Reckitt's competitive leading**-edge IT, Data and Digital capabilities.

Filippo brings to Reckitt extensive leadership experience in defining and shaping IT, digital portfolios and technology-enabled new business models across leading consumer goods organisations. In his previous role, Filippo was SVP, Global Chief Information Officer at Nestlé, where he led the transformation of technology platforms,

data, analytics, eBusiness, processes and tech skills. Prior to Nestlé Filippo worked at Procter and Gamble (P&G) across geographies, categories and IT disciplines, leading the digital transformation in key brands and corporate initiatives. Filippo currently serves as a Non-Executive Director at Farmer Connect, a leading tech company providing blockchain based traceability for farm to fork supply chains.



## SAMI NAFFAKH

Chief Supply Officer

Sami joined Reckitt as Chief Supply Officer on 1 July 2020 and is responsible for **Reckitt's global supply chain operations.**

Sami brings to Reckitt over 25 years of international leadership experience in fast moving consumer goods companies such as Unilever, Danone and Estee Lauder – as well as Reckitt where he held several leadership positions from 2003 to 2009. Most recently, Sami was Executive Vice President at Arla Foods, the Danish farmer-owned dairy cooperative, where he headed up supply chain operations globally.



# Presenters and leaders present

## RUPERT BONDY

General Counsel and Company Secretary

Rupert joined Reckitt as SVP General Counsel and Company Secretary in 2017, and is responsible for legal, company secretarial and legal compliance matters across Reckitt.

Rupert began his career as a lawyer in private practice. In 1989 he joined US law firm Morrison & Foerster, working in San Francisco and London, and from 1994 he worked for Lovells in London. In 1995 he joined SmithKline Beecham as Senior Counsel for mergers and acquisitions and other corporate matters. When SmithKline Beecham and GlaxoWellcome merged to form GlaxoSmithKline, Rupert was appointed Senior Vice President and General Counsel. In 2008, Rupert became Group General Counsel of BP, holding that position until he joined Reckitt in January 2017.

