23 June 2026

RECKITT Q2 / H1 2026 PRE-CLOSE AIDE MEMOIRE

This aide memoire brings together Reckitt's previously provided publicly available financial and operating disclosures, which may be helpful as a reminder for the market's consideration ahead of Reckitt's Q2 / H1 2026 results on 29 July 2026. All statements have had their source attributed and should only be taken as speaking as at the date they were made.

No new information or disclosure is given in this document, which is now available on the Reckitt website.

Focused and delivering on our strategy

A simpler, more effective Reckitt

- Delivering superior innovations to enhance consumer experience and drive premiumisation across our categories, focused on material and medical science. (Source: FY 2025 Results, 6 March 2026)
- Increased investment in supply chain and R&D capabilities with FY 2025 Capex 4.2% of net revenue, above our guided range. (Source: FY 2025 Results, 6 March 2026)
- "We are very excited about our innovation pipeline for the year and beyond. This includes the launch of Mucinex 12-hour cold and fever, which we will start shipping later in Q2. Other innovation platforms, particularly as I think about Dettol, Durex and Gaviscon, all have very strong activation plans through the year." (Source: Q1 2026 Results Call Transcript, 22 April 2026)

Fuel for Growth programme delivering fixed cost savings and enhancing our long-term capabilities

- Delivery of Fuel for Growth benefits to date enhance our confidence in mitigating stranded costs from the Essential Home divestment and driving increased investment to support our brands through marketing. (Source: FY 2025 Results, 6 March 2026)
- Given performance of our Fuel for Growth programme, we now have confidence in achieving a fixed cost base below our initial 19% target by the end of 2027. (Source: FY 2025 Results, 6 March 2026)

Completion of Essential Home divestment

- Divestment of Essential Home to Advent International, L.P. completed on 31st December 2025, with Reckitt retaining an interest in Essential Home through a 30% equity stake in Advent's acquisition vehicle. (Source: FY 2025 Results, 6 March 2026)

Mead Johnson Nutrition

- "For Mead, I would say that we've been very clear. We're looking at all strategic options, and we've been consistent about not setting a timeline for that so as to give ourselves the flexibility to do what's best for shareholders." (Source: FY 2025 Results Call Transcript, 6 March 2026)

FY 2026 outlook (Source: Q1 2026 Trading Update, 22 April 2026)

- We are maintaining our FY 2026 LFL net revenue outlook for Core Reckitt of +4% to +5%.
- Whilst acknowledging the current uncertainty arising from the war in the Middle East, through 2026 we expect to benefit from the reset of the cold and flu season, as well as the launch of superior innovations across our categories. We are driving continued momentum across our North America non-seasonal portfolio and are taking actions to improve our execution in Europe. We expect continued strong performance in Emerging Markets, led by China and India where structural growth underpins our expectations of sustainable high-single-digit growth in Emerging Markets over the medium-term.
- In our non-core Mead Johnson Nutrition business we expect low-single-digit LFL net revenue growth in FY 2026.
- Modelling a scenario of oil at $110 a barrel for the remainder of 2026 indicates a c.£130 million - £150 million gross impact on our input cost base in 2026 which we see as a manageable level to offset through flexibility and productivity in our supply chain, hedging strategy, pricing and our strong gross margin profile.

- While challenging to forecast, if commodity prices remain at significantly elevated levels throughout the year we would anticipate an impact on consumer demand as a result of pressure on household budgets.
- In 2026, our Fuel for Growth programme is expected to largely offset the stranded costs associated with the Essential Home divestment.
- We maintain our expectation for Group adjusted operating profit margin for FY 2026, with the delivery of this weighted to H2.
- In H2, Group adjusted operating profit margin will be much stronger than H2 2025 driven by a greater level of stranded cost mitigation from our Fuel for Growth programme, the reset of the cold and flu season, more favourable mix across our categories and Areas, continued activation of our innovation pipeline, and actions to offset commodity price inflation.
- We reiterate our ambition to deliver long-term, sustainable EPS growth, acknowledging in 2026 the headwind from the dilution resulting from the divestment of Essential Home.
- Looking at EPS. We'll receive income from our participation in Vestacy, the Essential Home vehicle in three different ways, non-cash interest income from our USD300 million vendor loan note, which is part of our net interest guide; associate income from our 30% equity stake; and around GBP25 million of pretax income from service and other agreements we're providing (Source: FY 2025 Results Call Transcript, 6 March 2026)
- Other technical guidance:
    - Adjusted net finance expense is expected to be in the range of £320m to £340m (2025: £346m).
    - The adjusted effective tax rate is expected to be around 27% (2025: 24.7%).
    - Capital expenditure as a percentage of net revenue is expected to be around 4% (2025: 4.2%).

Q2 / H1 2026 outlook (Source: Q1 2026 Trading Update, 22 April 2026)

- In Q2 we expect to benefit in seasonal OTC from the initial shipments of the category-creating innovation “Mucinex 12 hour Cold and Fever” in **North America** in June and lapping the Mucinex Sinus PE reformulation in Q2 2025.
    - Lysol also benefited from incremental sell-in in Q1 ahead of the spring cleaning season.
- In **Europe**, against a continued challenging trading environment we expect a sequential improvement in LFL net revenue performance as the cold and flu season resets.
    - “More than 1/3 of the area like-for-like decline came from our seasonal brands, and we therefore expect to see improvement in that part of the portfolio as we progress into Q2” (Source: Q1 2026 Results Call Transcript, 22 April 2026)
- We expect Q2 LFL net revenue growth in **Emerging Markets** to be broadly in line with Q1 2026 given the ongoing headwind to our Russia business and assuming similar impacts from the war in the Middle East as seen in late Q1.
    - “The impact from changes to international sanctions around our Russia Household Care and Germ Protection business… a 200 basis point headwind to area growth… Importantly, we now believe the impact we're seeing will persist through 2026.” (Source: Q1 2026 Results Call Transcript, 22 April 2026)
- In H1, the impact of stranded costs, lower seasonal incidence on our higher margin seasonal OTC business and higher commodity prices are expected to result in Group adjusted operating profit margin around 200bp below H1 2025 (24.6%).

Core Reckitt performance – Areas

Emerging Markets (42% of Core Reckitt Q1 2026 net revenue)

- Q1 2026 LFL net revenue growth +7.6%, with +0.5% volume growth and +7.1% impact from price / mix. (Source: Q1 2026 Trading Update, 22 April 2026)
- China delivered its eleventh consecutive quarter of double-digit growth, driven by Germ Protection and strong performance from new segments like Dettol Activ Botany and VMS, while Intimate Wellness growth was impacted by a new VAT on condoms and online marketing restrictions. (Source: Q1 2026 Trading Update, 22 April 2026)
- “I remain extremely comfortable with the outlook for Durex and our ability to drive really strong growth. I do think it's fair to say that, yes, the impact of the VAT increase along with some more promotional spending from some of our competitors in China caused the quarter to be a bit softer than we expected. I fully anticipate that correcting itself through the balance of 2026.” (Source: Q1 2026 Results Call Transcript, 22 April 2026)

- India delivered double-digit growth, driven by Dettol, Durex and Finish, supported by expanded coverage from ongoing sales transformation. (Source: Q1 2026 Trading Update, 22 April 2026)
- “In India, our expanded distribution reach will continue to drive growth for our market-leading power brands.” (Source: Q1 2026 Results Call Transcript, 22 April 2026)
- LATAM performance improved to flat LFL growth, with strong Brazil Self Care offset by softer Mexico due to weaker seasonality. (Source: Q1 2026 Trading Update, 22 April 2026)
- Russia delivered a double-digit LFL net revenue decline due to EU sanctions impacting supply and brand use in Household Care and Germ Protection. (Source: Q1 2026 Trading Update, 22 April 2026)
- “As we've said previously, we continue to pursue the process to transfer ownership of our Russian operations, and that remains ongoing, and we will provide a further update on that when we can.” (Source: Q1 2026 Results Call Transcript, 22 April 2026)
- Strong growth in smaller, high-potential markets, notably Colombia and Indonesia. (Source: Q1 2026 Trading Update, 22 April 2026)

Europe (34% of Core Reckitt Q1 2026 net revenue)

- Q1 2026 LFL net revenue declined 4.2%, with +0.3% price/mix offset by -4.5% volume, reflecting lower cold & flu incidence, soft category demand and a heightened promotional environment across the Household Care category. (Source: Q1 2026 Trading Update, 22 April 2026)
- Premiumisation continued to deliver, with double-digit growth in Finish Ultimate Plus supporting positive mix; overall, mix contributed +1.5% to LFL net revenue in the quarter. (Source: Q1 2026 Trading Update, 22 April 2026)
- Actions to improve performance in the highly promotional Household Care category have driven market share momentum, particularly in Finish, as we regained market leadership across all major European markets. (Source: Q1 2026 Trading Update, 22 April 2026)
- Recent innovations drove incremental growth, with Nurofen Mini Liquid Capsules performing strongly in Australia and expanding to new markets, while Durex Intensity continued to deliver robust in-market performance with range extensions across the Area. (Source: Q1 2026 Trading Update, 22 April 2026)
- Self Care LFL net revenue declined mid-single-digit, with low-single-digit growth in non-seasonal categories, led by Gaviscon (up high-single-digit) offset by double-digit decline in seasonal Self Care due to lower incidence. (Source: Q1 2026 Trading Update, 22 April 2026)
- “In Europe, we expect performance to improve in Q2 as the season resets, and we're focused on continuing to improve our execution as we move into the second half of the year.” (Source: Q1 2026 Results Call Transcript, 22 April 2026)

North America (24% of Core Reckitt Q1 2026 net revenue)

- Q1 2026 LFL net revenue declined -0.9%%, with +1.5% volume growth and -2.4% price / mix decline. (Source: Q1 2026 Trading Update, 22 April 2026)
- Our non-seasonal brands continue to perform strongly with volume-led mid-single-digit LFL net revenue growth in the quarter. (Source: Q1 2026 Trading Update, 22 April 2026)
- Lysol delivered double-digit LFL net revenue growth in Q1 as the brand continues to gain market share in key categories and drive market leadership in segments such as disinfectant wipes, disinfectant spray and laundry sanitizer. Lysol Air Sanitizer continues to drive category penetration and is benefiting from an expanded fragrance range. (Source: Q1 2026 Trading Update, 22 April 2026)
- Seasonal OTC LFL net revenue declined double-digit, driven by ~10% lower cold & flu incidence vs. the prior year’s season and retailer destocking through the end of the season. (Source: Q1 2026 Trading Update, 22 April 2026)
- In non-seasonal Self Care, both Neuriva and Biofreeze gained market share following recent innovations with shipment phasing of VMS at the end of 2025 reducing LFL net revenue performance in Q1. (Source: Q1 2026 Trading Update, 22 April 2026)
- Strong performance across key retail channels, with improved execution driving further growth with Walmart, particularly in non-seasonal categories, alongside continued momentum with Costco and Amazon. (Source: Q1 2026 Trading Update, 22 April 2026)
- “Our priorities will be to expand our premium categories. We built a strong track record of category expansion, moving into laundry and air sanitizer with Lysol into lozenges and paediatrics with Mucinex, and there is much more to come in 2026.” (Source: FY 2025 Results Call Transcript, 6 March 2026)

Non-Core Reckitt performance

Mead Johnson Nutrition (16% of Group Q1 2026 net revenue)

- Q1 2026 LFL net revenue decline -2.7% with volume decline of -6.8% and price / mix improvements of +4.1%. (Source: Q1 2026 Trading Update, 22 April 2026)
- As expected, Q1 LFL net revenue declined mid-single-digit in the North America business, with the prior year's base benefiting from approximately two weeks of trade inventory rebuild following recovery from the Mount Vernon tornado in 2024. (Source: Q1 2026 Trading Update, 22 April 2026)
- Mead Johnson Nutrition's International business delivered low-single-digit LFL net revenue growth in the quarter, consistent with our long-term expected trend. (Source: Q1 2026 Trading Update, 22 April 2026)
- Overall market share trends in the business remain stable. (Source: Q1 2026 Trading Update, 22 April 2026)
- Mead Johnson Nutrition continued to deliver strong price / mix performance (+4.1% in Q1) driven by specialty and allergy brands. (Source: Q1 2026 Trading Update, 22 April 2026)

Other financial disclosure

Free cash flow

- In FY 2025, we reported free cash flow of £1,709m and a 71% free cash flow conversion rate. (Source: FY 2025 Results, 6 March 2026)
- Free cash flow fell 23.4% year-on-year to £1,709m in 2025, primarily driven by higher restructuring costs and tax payments related to the Essential Home divestment. (Source: FY 2025 Results, 6 March 2026)

Net debt

- "Adjusting for the GBP1.6 billion that was returned to shareholders last month via a special dividend, our net debt-to-EBITDA ratio would have been roughly 2 times at the end of 2025. As we move through 2026, we expect leverage to rise towards 2.5 times by half year, given continued investment in the group and the lower EBITDA denominator post divestment before starting to trend back down through 2027." (Source: FY 2025 Results Call Transcript, 6 March 2026)

Dividends

- Full year dividend increased 5.0% to 212.2p, including a 127.8p final dividend, reflecting our commitment to sustainable dividend growth. (Source: FY 2025 Results, 6 March 2026)

EPS

- "EPS grew 1.1% over the year to 352.8p. This was driven by net revenue and profit growth and further supported by a lower share count resulting from our share buyback program. These benefits were partially offset by a higher effective tax rate and adverse foreign exchange impacts, both totalling a 7% headwind to EPS." (Source: FY 2025 Results Call Transcript, 6 March 2026)
- "Finally, looking at EPS. We'll receive income from our participation in Vestacy, the Essential Home vehicle in three different ways, non-cash interest income from our USD300 million vendor loan note, which is part of our net interest guide; associate income from our 30% equity stake; and around GBP25 million of pretax income from service and other agreements we're providing. The share consolidation and ongoing share buyback will reduce share count, and we'll provide updates on foreign exchange impacts as we progress through the year. Our ambition remains to deliver long-term sustainable EPS growth, acknowledging in 2026, the dilution headwind resulting from the divestment of Essential Home." (Source: FY 2025 Results Call Transcript, 6 March 2026)

Share buyback programme

Reckitt has completed the third and final tranche of its £1 billion share buyback programme announced on 24 July 2025, repurchasing 11,122,383 ordinary shares between 9 March 2026 and 15 June 2026 at an average price of £48.55, all of which are held in treasury. The Company expects to make a further announcement on its share buyback programme, including any future programme, alongside its HY 2026 results on 29 July 2026. (Source: RNS Completion of Share Buyback Programme – 16 June 2026)

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Cautionary note concerning forward-looking statements

This aide memoire contains certain statements that are, or may be deemed to be, forward-looking statements. Forward-looking statements give Reckitt's expectations and projections, as of the date such statements are made, about future events, including strategic initiatives and future financial condition and performance. Reckitt's actual results and developments may differ materially from those expressed or implied by such forward-looking statements. Please see the "Cautionary note concerning forward-looking statements" section of the relevant results announcement regarding the forward-looking statements from such documents that are extracted in this aide memoire. Forward-looking statements should be construed considering such cautionary statement notes and undue reliance should not be placed on forward-looking statements.

No statement in this document is or is intended to be a profit forecast or profit estimate.