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Reckitt Benckiser Group PLC
18 July 2025

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

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**RECKITT ANNOUNCES AGREEMENT TO DIVEST ESSENTIAL HOME
A SIGNIFICANT STEP IN THE EXECUTION OF OUR STRATEGIC PLAN**

(London UK, 18 July 2025): Reckitt Benckiser Group plc ("Reckitt") announces it has entered into an agreement with Advent International, L.P. ("Advent"), a leading global private equity investor, to divest its Essential Home business ("Essential Home") for an enterprise value of up to US\$4.8 billion and retain a 30% equity stake in Essential Home (the "Transaction").

In July 2024 Reckitt set out its strategy to reshape into a more efficient, world-class consumer health and hygiene company, focused on a portfolio of 11 high-growth, high-margin Powerbrands. The Transaction is a key part of this strategy and represents a significant step forward in reshaping Reckitt.

Transaction Highlights:

- The Transaction values Essential Home at an enterprise value of up to US\$4.8 billion
- Equivalent to a multiple of 7.7x Essential Home's unaudited adjusted operating profit for the 12 months ending 31 March 2025⁽¹⁾
- Reckitt will retain an interest in Essential Home through a 30% equity stake in Advent's acquisition vehicle providing a potential long-term value enhancement opportunity for Reckitt
- Enterprise value includes up to c. US\$1.3 billion of contingent and deferred consideration
- Reckitt expects to incur cash tax, transaction and other one-off costs predominantly relating to the separation of Essential Home of c. \$0.8 billion, with the majority payable in 2026
- Cash proceeds will be subject to balance sheet adjustments and the value of Reckitt's equity stake rolled over at completion
- Excess capital to be returned to shareholders; anticipated c. US\$2.2 billion special dividend with share consolidation following completion
- Special dividend will be in addition to Reckitt's ongoing share buyback programme, with Reckitt intending to announce its next buyback tranche with H1 2025 results on 24 July 2025
- The Transaction is expected to complete by 31 December 2025 (subject to customary regulatory approvals)
- In line with Reckitt's communication to date, Reckitt intends to mitigate the stranded costs from the separation of Essential Home and remains on track to unlock previously communicated cost efficiencies, delivering at least a 300bps reduction in fixed costs and exiting 2027 with a fixed-cost base of c. 19% of net revenue

Commenting on the agreement, Kris Licht, Reckitt Chief Executive Officer said:

"We are executing our strategic plan at pace. The divestment of Essential Home represents a significant step forward in unlocking the substantial value in our business. This moves Reckitt towards becoming a simpler, more effective world-class consumer health and hygiene company and it will enable us to focus on a core portfolio of high-growth, high-margin Powerbrands. Essential Home will benefit from Advent's new majority ownership with our retained minority stake in Essential Home providing a potential long-term value enhancement opportunity for Reckitt."

Ranjan Sen, Managing Partner, Advent commented:

"We are delighted to partner with Reckitt and the Essential Home management team. The carve-out

represents a unique opportunity to create a focused, scaled platform of globally recognised home care brands that operate in attractive categories with structural growth tailwinds. We are confident we can build on the portfolio's strong foundations to drive operational excellence and unlock the brands' full potential. We look forward to working closely with Reckitt and the Essential Home leadership team on this exciting journey."

Essential Home operates across the air care, surface, pest and laundry segments and generated c. £2.0 billion of net revenue in 2024, c. 14% of Reckitt's total net revenue. Essential Home generated adjusted operating profit of £490⁽¹⁾ million in the 12-month period ended 31st December 2024. In the 3-month period ended 31st March 2025, Essential Home generated £482 million of unaudited net revenue, with like-for-like net revenue decline of 7.0%⁽²⁾. In the 12-month period ended 31st March 2025 Essential Home generated unaudited adjusted operating profit of £486⁽¹⁾ million (US\$620⁽¹⁾ million at actual FX rates).

The Essential Home portfolio includes the global brands Air Wick, Calgon, Woolite, Cillit Bang, Resolve, Sole and Easy-Off, as well as around 75 other brands across over 70 markets. Essential Home will also own the Mortein brand in North America, Europe and LATAM. Reckitt's interest in six manufacturing plants will transfer with Essential Home, including plants in Tijuana (Mexico), Tatabanya (Hungary), Derby (UK), Granollers (Spain), Porto Alto (Portugal) and Florencio (Argentina), with a plan to separate part of the Raposo plant (Brazil) in due course.

The Transaction is expected to complete by 31 December 2025 following completion of key elements of separation of Essential Home from Reckitt's Core business, and subject to consultation with Reckitt's works councils, as applicable, including in France and the Netherlands, and the receipt of certain regulatory approvals. Reckitt will also engage with its other relevant employee bodies in relation to the Transaction as appropriate in accordance with applicable law.

Additional transaction details:

- Of the up to c. US\$1.3 billion contingent and deferred consideration, up to c. US\$0.4 billion is contingent on the operating performance of Essential Home in 2025, US\$0.3 billion relates to vendor financing arrangements provided by Reckitt to Advent and up to c. US\$0.6 billion of the consideration is contingent on certain return thresholds being achieved.
- Reckitt has entered into a shareholders' agreement with Advent with customary shareholder rights, including board representation while it holds a significant minority stake, minority consent rights and rights relating to an exit. Advent will receive a preference over returns at certain thresholds.
- On completion, Reckitt and Essential Home will enter into a series of ancillary agreements, including a Transitional Services Agreement ("TSA") and a Manufacturing and Supply Agreement ("MSA"), pursuant to which Reckitt will provide certain administrative, operational and support services, as well as manufacturing and supply arrangements, to Essential Home for a period post completion. In addition, Essential Home will provide a reverse TSA and MSA to Reckitt for a period post completion. These arrangements are intended to ensure continuity of operations and facilitate an orderly separation of Essential Home from Reckitt.

(1) Adjusted Operating Profit has been prepared by allocating fixed costs between Core Reckitt and Essential Home on the basis of Net Revenue and are not fully reflective of the cost base on a stand-alone basis.

(2) Net revenue growth or decline at constant exchange rates excluding the impact of acquisitions, disposals and discontinued operations. Disposals include low margin manufacturing revenues which are agreed at the time of sale of a brand or business. 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 and Argentina)

Enquiries

Investors and Analysts:

| | |
|---------------|--------------------|
| Nick Ashworth | +44 (0)7408 812350 |
| Jon Bone | +44 (0)7408 811493 |

Media:

| | |
|------------------------------------|--------------------|
| Martinne Geller, Media Relations | +44 (0)7408 801216 |
| Charlie Armitstead, FTI Consulting | +44 (0)7703 330269 |

The person responsible for arranging for the release of this announcement on behalf of Reckitt is Catheryn O'Rourke, Company Secretary.

About Reckitt:

We make the products people trust to care for the ones they love. We are home to some of the world's best-loved consumer health and hygiene brands, including Dettol, Durex, Finish, Gaviscon, Harpic, Lysol, Mucinex, Nurofen, Strepsils, Vanish and Veet. Consumers are at the heart of everything we do. By creating innovative, science-backed solutions, we support people every day to live healthier lives.

Reckitt exists to protect, heal and nurture in the pursuit of a cleaner, healthier world. This commitment goes beyond the products we make. Through our actions, we expand access to healthcare, education and economic opportunities. We support the planet by reducing waste, conserving resources and driving sustainable innovation.

We believe good health starts at home. With every action we take, we strive to make our consumers' lives easier, cleaner and healthier, to strengthen communities and to create a more sustainable future.

*Reckitt is the trading name of the Reckitt group of companies

About Advent:

Advent is a leading global private equity investor committed to working in partnership with management teams, entrepreneurs, and founders to help transform businesses. With 16 offices across five continents, Advent oversees more than USD \$94 billion in assets under management* and has made 430 investments across 44 countries.

Since its founding in 1984, Advent has developed specialist market expertise across its five core sectors: business & financial services, consumer, healthcare, industrial, and technology. This approach is bolstered by its deep sub-sector knowledge, which informs every aspect of its investment strategy, from sourcing opportunities to working in partnership with management to execute value creation plans. Advent brings hands-on operational expertise to enhance and accelerate businesses.

As one of the largest privately-owned partnerships, its 660+ colleagues leverage the full ecosystem of Advent's global resources, including its Portfolio Support Group, insights provided by industry expert Operating Partners and Operations Advisors, as well as bespoke tools to support and guide its portfolio companies as they seek to achieve their strategic goals.

*Assets under management (AUM) as of 31 March 2025. AUM includes assets attributable to Advent advisory clients as well as employee and third-party co-investment vehicles

Further information:

Goldman Sachs International and Morgan Stanley & Co. International plc are acting as lead financial advisers to Reckitt. Robey Warshaw LLP is also providing financial advice to Reckitt. Slaughter and May is acting as legal adviser to Reckitt.

IMPORTANT NOTICES

No statement in this announcement is intended as a profit forecast and no statement in this announcement should be interpreted to mean that the future earnings per share, profits, margins or cash flows of Reckitt following the Transaction will necessarily match or be greater than the historical published earnings per share, profits, margins or cash flows of Reckitt.

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect Reckitt's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to Reckitt's business, results of operations, financial position, liquidity, prospects, growth and strategies. Forward looking statements speak only as of the date they are made.

You are advised to read this announcement in its entirety for a further discussion of the factors that could affect Reckitt's future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this announcement may not occur.

Certain figures in this announcement have been subject to rounding.

This announcement does not constitute and should not be construed as, an offer to purchase or sell or issue securities, or otherwise constitute an inducement, invitation, commitment, solicitation or recommendation to any person to purchase, subscribe for, or otherwise acquire securities in Reckitt, or constitute an inducement to enter into any investment activity in any jurisdiction. Nothing contained in this announcement is intended to, nor shall it, form the basis of, or be relied on in connection with, any contract or commitment whatsoever and, in particular, must not be used in making any investment decision.

The distribution of this announcement in or from certain jurisdictions may be restricted or prohibited by the laws of any jurisdiction other than the UK. Recipients of this announcement are required to inform themselves of, and comply with, all restrictions or prohibitions in such other jurisdictions. Any failure to comply with applicable requirements may constitute a violation of the laws and/or regulations of such other jurisdictions.

Save as required by the Market Abuse Regulation, the Disclosure Guidance and Transparency Rules, the UK Listing Rules or by applicable law, each of Reckitt, Goldman Sachs International, Morgan Stanley & Co. International plc, Robey Warshaw LLP and their respective affiliates and representatives expressly disclaim any intention, obligation or undertaking to update, review or revise any of the information or the conclusions contained herein, including forward-looking or other statements contained in this announcement, or to correct any inaccuracies which may become apparent whether as a result of new information, future developments or otherwise.

Morgan Stanley & Co. International plc ("Morgan Stanley") is acting as financial adviser to Reckitt Benckiser Group plc and to no one else. Morgan Stanley is authorised by the Prudential Regulation Authority ("PRA") and regulated by the Financial Conduct Authority and the PRA. In connection with such matters, Morgan Stanley's and its affiliates' respective directors, officers, employees and agents will not regard any other person as its client, nor will Morgan Stanley be responsible to anyone other than Reckitt Benckiser Group plc for providing the protections afforded to their clients or for providing advice in connection with the matters described in this announcement or any matter referred to herein.

Goldman Sachs International ("Goldman Sachs"), which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for Reckitt and no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than Reckitt for providing the protections afforded to clients of Goldman Sachs International, or for providing advice in relation to the matters referred to in this announcement.

Robey Warshaw LLP, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Reckitt Benckiser Group plc and no one else in connection with the matters referred to in this announcement, will not regard any other person as its client in relation to the matters referred to in this announcement and will not be responsible to anyone other than Reckitt Benckiser Group plc for providing the protections afforded to clients of Robey Warshaw LLP, nor for providing advice in relation to the matters referred to in this announcement.

Reckitt Benckiser Group plc's LEI code is 5493003JFSMOJG48V108

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