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EDITED TRANSCRIPT

HALF YEAR 2026 RECKITT BENCKISER GROUP PLC EARNINGS CALL

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An LSEG Business

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PRESENTATION

Nick Ashworth *Reckitt Benckiser Group PLC - Senior Vice President - Investor Relations*

Good morning, and thank you for joining us online for the Reckitt's half year 2026 Results Presentation. I'm Nick Ashworth, Head of Investor Relations here at Reckitt.

Before we start, can I draw your attention to the usual disclaimers in respect to forward-looking information. So presenting today, we have our CEO, Kris Licht, and our CFO, Shannon Eisenhardt. Following their presentation, will be the usual Q&A session.

(Event Instructions) If you have any follow-ups after the event, please feel free to reach out to the IR team, and we'll be happy to help.

So with all that, I will now hand over to our CEO, Kris Licht, to start the presentation. Kris?

Kris Licht *Reckitt Benckiser Group PLC - Chief Executive Officer, Executive Director*

Thank you, Nick, and good morning, everybody. Welcome to the call. I will start with an overview of our first half performance and some of the key highlights particularly the significant acceleration in Q2 with the more balanced growth that we delivered.

Before Shannon takes you through the financial results in more detail. I will then come back and provide an update on the progress we're making across our areas and our strategic priorities for the second half, which underpin our reiterated full year guidance.

After that, we will both be happy to take your questions. As I just said, we've delivered a significant acceleration across our business in the second quarter.

In the first half, we delivered like-for-like net revenue growth of 2.7% in Core Reckitt with growth in the second quarter of 4.2%. Importantly, all areas in all categories improved in the second quarter with a balanced contribution from volume and price mix.

This performance not only demonstrates the strength and equity of our Powerbrands, it reflects the continued impact of innovation across our portfolio. Alongside top line delivery, we continue to make good progress with our Fuel for Growth program.

You can see this in our first half results, where we continue to reduce our fixed cost base to offset the stranded costs from the Essential Home divestment. We're driving greater efficiency across the organization, and we're increasing our ability to invest behind our Powerbrands.

Overall, we're continuing to drive benefits from being a simpler and sharper business. We are executing against the priorities we've outlined consistently over the last two years. Our portfolio is more focused, our capabilities are stronger, and our execution is improving.

Turning to our financial performance.

In the first half, we delivered like-for-like net revenue growth for the Group of 2.6% with a much stronger Q2 of 4.7%.

Our AOP margin for Core Reckitt and Mead Johnson was 23.6% in the half. This was higher than our expectations, as headwinds on gross margin were not as significant as anticipated, and we made good progress in offsetting stranded costs through Fuel for Growth.

Including the impact from the Essential Home divestment at the end of last year, we delivered adjusted EPS of 152.1p in the first half.

We continue to return significant cash to shareholders, returning approximately GBP3 billion during the period, through both the special and full year dividends and our ongoing share buyback.

Today, we've announced another GBP500 million share buyback and a 5% increase in our interim dividend. Since announcing our strategy two years ago, we have now returned GBP6.4 billion of capital to shareholders. This is around 20% of our market capitalization at the time of announcing our plan.

The organizational changes that we've put in place across Reckitt are driving improved execution making us a more resilient business able to successfully tackle challenges.

This is evident in the strong acceleration in Core Reckitt in the second quarter with all of our areas and categories improving performance compared to Q1.

Emerging Markets again delivered strong high single-digit growth led by China and India with Q2 supported by more broad-based growth from our ASEAN and Latin America regions.

Europe improved sequentially as we executed better in an environment of continued category and consumer headwinds with Q2 seeing the absence of a seasonal impact.

In North America, we returned to growth in Q2 with the continued strong momentum of Lysol as well as the launch of Mucinex 12-hour cold and fever in June. Together, Core Reckitt delivered 4.2% like-for-like net revenue growth in the quarter.

I want to come back to innovation as it continues to strengthen our competitive position, enhance our category leadership and support premiumization. There are lots of great examples of recent new launches on this slide, but just to call out a few.

Dettol Activ Botany, our naturally formulated range of disinfection solutions continues to significantly exceed our initial expectations in China as it resonates very well with consumer desires for enhanced sensory experiences.

Following that success, we have launched Activ Botany across additional markets in ASEAN and Europe as part of our global expansion.

Our latest innovation in Vanish, the new turbo formulation designed for quick wash and tough stains has driven strong results in the market, particularly in Europe, taking Vanish back to like-for-like growth in Q2.

Across Intimate Wellness, we continue to expand the Durex Intensity platform, which has now been launched across 19 markets. The range is performing well and is a great example of how superior innovation can grow categories while strengthening our premium position.

In North America, we've continued to broaden the range of Lysol air sanitizer with seasonal extensions. And in Q2, we began to ship Mucinex 12-hour cold and fever, one of our most significant innovations in recent years which I'll come back to a bit later.

Execution is not just about in-market performance and innovation. We have faced challenges across our input costs and supply chain resulting from the war in the Middle East. Our experience in navigating these external headwinds positions us well to mitigate the impact.

I want to give you some examples of actions we're taking across our supply and procurement functions. We're securing critical supply and building strategic inventory in key materials such as solvents and plastics.

We have moved sourcing and manufacturing to markets seeing lesser impacts where alternative raw materials are available, we have amended sourcing and formulations, including increased use of post-consumer recycled plastic.

We will continue taking these actions and others to mitigate the ongoing volatility in the commodity environment.

So in summary, I'm pleased with the progress that we've made in the first half. Our focused portfolio continues to deliver with growth accelerating in the second quarter and improving across all areas and categories.

Our Powerbrands are operating in attractive categories with strong structural drivers of growth. And our innovation pipeline continues to strengthen our position and the quality of the growth. As always, there's more to do and I will come back to our priorities and the opportunities ahead shortly.

Now let me hand over to Shannon to take you through our financial performance.

Shannon Eisenhardt *Reckitt Benckiser Group PLC - Chief Financial Officer, Executive Director*

Thanks, Kris, and good morning, everyone. As you will have seen in this morning's release, in order to ensure our reporting is as clear as possible, we've made some changes in the presentation of our financial results.

We're reporting Core Reckitt and Mead Johnson together to ensure you have a clear view of our ongoing operating businesses. Our Group numbers also include the Vestacy transitional services profit. This is income that's both time limited and low margin, which is why we believe it makes sense to separate it.

For comparison purposes, we're comparing Core Reckitt and Mead Johnson versus our previously reported 2025 Group numbers, which do include Essential Home as these were the reported numbers at that time.

As always if you have any questions, please reach out to the Investor Relations team and they'll be happy to walk you through the numbers.

Turning now to the key financials for the Group.

Core Reckitt and Mead Johnson like-for-like net revenue grew 2.6% in the half, with growth in Core Reckitt of 2.7% and Mead Johnson of 2.0%. This reflects a much stronger Q2 with Core Reckitt up 4.2% and Mead Johnson growing 7.2%.

Core Reckitt and Mead Johnson gross margin was 50 bps lower at 60.5% as the positive impact from the divestment of Essential Home was offset by increased input costs and change to category mix. Core Reckitt gross margin was 60.9%, down 110 bps year-on-year.

Core Reckitt and Mead Johnson adjusted operating profit margin was 100 basis points lower at 23.6%, ahead of expectations due to a lower impact on gross margin from the Middle East war and the pacing and phasing of our Fuel for Growth program.

Adjusted EPS was 9.7% lower at 152.1p in the period, largely driven by the divestment of Essential Home. Looking now at volumes, where Core Reckitt delivered sequential improvement with volumes up 2% in Q2, reflecting momentum across all segments and a more balanced volume and price growth algorithm.

We also delivered an additional point of growth from mix. Emerging Markets delivered volumes up 3.2% in Q2, or 4.4%, excluding Russia Hygiene, driven by continued strong performance of Dettol in China and India as well as our VMS portfolio in China. Europe volumes improved through the half against a challenging consumer backdrop.

In Auto Dish, despite continued elevated promotional intensity, Finish maintained its market leadership position and delivered volume growth in the quarter.

In North America, volumes grew sequentially to 4% in Q2, driven by continued strong performance in Lysol and supported by the launch of Mucinex 12-hour cold and fever. Mix contributed 1.4% in the quarter.

Turning now to our area overview.

Emerging Markets delivered like-for-like net revenue growth of 9.4% in Q2 and 8.5% in the first half. Excluding Russia Hygiene, Emerging Markets grew 10.3% in the half.

Performance was broad-based in Q2, with growth across all regions and categories, excluding Russia hygiene. China delivered its 12th consecutive quarter of double-digit growth. driven by recent innovations, notably Dettol Activ Botany and across our VMS portfolio.

India grew high single digits with broad-based growth across all categories, driven by continued sales force automation, wider distribution reach and strong in-store execution. Africa, ASEAN and Latin America all accelerated with a number of smaller markets up double digits.

Finally, in the Middle East, operational and supply chain conditions improved through the quarter, following the initial ceasefire contributing to growth across the region. We continue to monitor the situation closely, given the ongoing volatility.

Half one adjusted operating profit margin increased 150 bps to 21.4%, driven by gross margin expansion, with benefits from category mix and selective pricing, alongside our Fuel for Growth program, enabling increased marketing investments. In developed markets, performance improved in Q2.

Europe was down 3% for the half, with performance improving sequentially. Like-for-like net revenue was down 1.5% in Q2.

All categories delivered sequential improvement in Q2, as we moved out of the season and continued to focus on delivering strong in store execution in our Household Care business.

In Auto Dish, Finish improved like-for-like net revenue and volumes, maintaining market leadership as we actively managed our promotional activity. Vanish returned to growth in the quarter, supported by the latest innovation, Vanish Turbo.

In Intimate Wellness, Durex delivered volume growth in Q2 with a modest decline in like-for-like net revenue, reflecting targeted pricing investments. Half one adjusted operating margin was 27.7%, down 300 bps year-on-year.

This reflected supply chain cost inflation ahead of our offsetting measures in the second half, partially mitigated by Fuel for Growth productivity savings.

Turning to North America.

Like-for-like net revenue grew 0.8% in the half, up 2.8% in Q2, driven by strong volume growth. Lysol continued to outperform, benefiting from strong consumer demand in adjacent categories, including air sanitizer and laundry sanitizer.

Self-care returned to growth in the quarter, supported by initial shipments of Mucinex 12-hour cold and fever, and Household Care remained softer in the quarter.

Finish performance reflected weaker category demand in the grocery channel. Half one adjusted operating profit margin was 27.0%, down 260 bps year-on-year. Like Europe, higher input costs impacted profitability ahead of mitigating measures in the back half partially offset by ongoing productivity gains.

Moving now to our categories. Growth was broad-based in the half year, with three of our four categories, delivering like-for-like net revenue growth and all four categories improving performance in Q2.

Self-care grew 2.4% in the half, driven by continued strength in the non-seasonal business, with strong growth from Gaviscon across ASEAN, Latin America and Europe, alongside the VMS portfolio in China, which continues to benefit from innovation launches.

Growth was partially offset by a weaker cough and cold season across Europe and North America, which impacted seasonal OTC brands in Q1.

Germ Protection grew strongly at 10.5% in the half, driven by continued impressive performance from both Dettol and Lysol. Growth was supported by innovation-led momentum in Emerging Markets, where Harpic delivered sequential improvement through the half.

Household Care declined 6.6% in the half, reflecting a 250 basis points impact from Russia Hygiene as well as elevated promotional intensity in the European Auto Dish category. This was partially offset by Vanish returning to growth in Q2.

And Intimate Wellness grew 0.5% in half one, reflecting strong Durex performance in India and Latin America offsetting the impact of VAT changes in China.

Veet delivered broad-based growth across all three areas. Through May, 45% of Core Reckitt top CMUs were in gain or hold versus 55% at the full year. It's important to remember that this is a binary metric and large CMUs have a material impact. Mucinex US and Durex China are two examples of large CMUs that currently sit outside of gain hold territory.

We remain focused on driving strong share performance and achieving our target of 60% and flipping these 2 CMUs back into growth would largely close our gap to that target.

Now turning to our Non-Core businesses, starting with Mead Johnson Nutrition. Like-for-like net revenue grew 2% in the half with strong price mix of 5.9% and offsetting volume decline of 3.9% as it lapped elevated inventory build in the prior year.

The international performance was led by Latin America. Innovation remained focused on portfolio expansion with new rice-based product launches in both the Philippines and Mexico during the period.

Finally, Vestacy generated GBP235 million of net revenue, delivering adjusted operating profit of GBP12 million from the service agreements we have in place.

Moving now to adjusted operating profit.

Core Reckitt and Mead Johnson adjusted operating profit was 14.5% lower at constant currency following the divestment of Essential Home in 2025.

The 23.6% margin was 100 basis points lower year-on-year, although ahead of our expectations. This reflects a lower gross margin impact from the Middle East war and continued reductions in fixed costs through our Fuel for Growth program. which roughly offset the impact of stranded costs from the sale of Essential Home in the first half of the year.

Looking at Fuel for Growth in a little bit more detail. We've talked about savings coming from four areas with strong progress coming from organizational simplification and the right sizing of investments.

Now looking at the other two. In shared services, we continue to make progress expanding our global operating model.

We're deploying shared services across our HR, finance, IT and supply organizations, and now have our three global hubs up and running.

Our focus is on extending shared capabilities further within these functions around the world as well as across additional functions. We're also accelerating the application of digital and generative AI across the business and believe there's a long runway in this space to drive both growth and productivity. Kris will come back to this shortly.

We remain focused on delivering these efficiencies while managing stranded costs associated with the separation of our non-Core businesses.

Looking at the numbers.

Fixed costs remained broadly in line with half one 2025 at 20.1% of net revenue, with Fuel for Growth savings broadly offsetting the Essential Home stranded costs.

The program remains on track to deliver our upgraded target of fixed cost below 19% of net revenue by the end of 2027. In terms of the cost to deliver the program, we continue to expect it to be around GBP1 billion and for this to be around GBP350 million in 2026.

Now turning to EPS. We delivered 152.1p in the half. The 9.7% decline versus the first half of 2025 was primarily driven by loss of income from the sale of Essential Home and lower operating profit in Core Reckitt and Mead Johnson due to higher input costs in the period.

This was partially offset by income from the Essential Home vehicle, a lower share count from the share consolidation alongside the GBP1.6 billion special dividend and our ongoing share buyback program. It's been another strong period of cash returns.

We've paid an GBP800 million full year dividend, repurchased GBP600 million of shares through the share buyback program and returned GBP1.6 billion following the sale of Essential Home.

In total, we've returned over GBP3 billion to shareholders in the period, taking total cash returns to shareholders to over GBP6 billion since we announced our strategic plan in 2024.

This is in line with our capital allocation policy, where we prioritize investment in organic growth and a progressive dividend while maintaining a single-A credit rating. Excess cash will be returned to shareholders.

Turning to cash flow.

In the first half, we generated free cash flow of GBP419 million, with the majority of the year-over-year impact, reflecting the loss of the operating profit from Essential Home.

This has led to cash conversion of 42% as we continue to invest behind our Fuel for Growth program. The half year dividend is increasing 5%, in line with prior year.

Our balance sheet remains strong with net debt to EBITDA at 2.5 times, in line with our expectations following the GBP1.6 billion special dividend paid in February of 2026.

As we said in March, we expect leverage to start to trend back down through 2027. In line with our commitment to return excess cash to shareholders, we've announced a new GBP500 million 12-month share buyback program this morning.

Finally, turning to our expectations for the remainder of 2026.

We're encouraged by our half one performance and the momentum across our business. Our guidance of 4% to 5% like-for-like net revenue growth for Core Reckitt in full year 2026 is unchanged. For the second half, we expect Emerging Markets to deliver ongoing broad-based growth similar to half one.

In Europe, we expect to return to like-for-like net revenue growth in half two. with sequential improvement through the half, supported by strong execution and innovation launches as well as planned pricing actions.

And in North America, we expect to deliver a stronger half two weighted towards Q4 given the challenging comparative in Q3.

Across all geographies in our seasonal OTC business, we're planning for incidence levels to be slightly higher than the prior season.

Our adjusted operating profit margin guidance remains unchanged and is expected to be in the range of 24.9% to 25.6% for Core Reckitt and Mead Johnson for the full year with a significantly stronger second half.

Commodity prices continue to be volatile but we're confident the actions we're taking will mitigate any impacts over the course of the full year.

We reiterate our ambition to deliver sustainable long-term EPS growth, acknowledging the headwind from the dilution resulting from the divestment of Essential Home.

I'll now hand back to Kris to talk about our strategic priorities.

Kris Licht *Reckitt Benckiser Group PLC - Chief Executive Officer, Executive Director*

Thank you, Shannon. I want to spend the remaining time discussing our priorities across each of our areas and the work we're doing to position Reckitt for long-term sustainable and consistent growth. Starting with Emerging Markets.

Emerging Markets remain our largest growth opportunity and continues to deliver excellent results. Our priorities across the area are consistent and our new operating model is allowing us to unlock accelerated performance.

We are increasing penetration in mature categories. We're developing new categories, and we're scaling the next generation of growth markets.

At our event last December, we showcased a lot of what we're doing in these areas. When we think about penetration, this is being delivered by our enhanced execution in markets like India and China through very different consumer engagement strategies, offline led in India and online led in China.

The learnings and the best practices from these markets are being taken into other markets today. Self-care is a significant opportunity for us as we expand education and activation around nascent categories in this space. We're seeing results from this today.

Self-care grew double-digit in Emerging Markets in the first half, led by Gaviscon and continued strength of our VMS portfolio. And we've been focused on scaling in a number of smaller high opportunity markets to deliver more broad-based growth across the area.

With the exception of MENARP, all of our regions delivered like-for-like net revenue growth in Q2. In China, we delivered a 12th consecutive quarter of double-digit growth in Q2. This continues to be driven by strong innovation and executional excellence, particularly online.

The consistency of our growth in China really demonstrates the breadth and strength of our portfolio in that market. India continues to perform very strongly with consistent growth across each of our categories, driven by our loved and trusted Powerbrands and activated through increasingly smart distribution.

ASEAN grew high single digit with Indonesia and Vietnam leading growth in the region. Colombia continues to be a very strong growth market with Latin America overall returning to mid-single-digit growth in Brazil showing an improved performance. In Africa, although small today, we see exciting long-term opportunities and the region was in growth in Q2.

Now turning back to China.

In July, we opened our new Shanghai Science and Innovation Centre, which speaks to our priorities and intentions across China and Emerging Markets. We're really proud of this facility, our ninth global innovation hub.

This investment represents an important milestone in our continued commitment to China and the country's growing role in our global innovation. The centre combines consumer insight, innovation and local expertise to help us create the next generation of products for consumers in China and around the world.

Integrating R&D with real-time consumer feedback through live streaming capabilities will help us improve the quality and relevance of innovation, accelerate speed to market and support stronger consumer preference.

This is another example of how we're localizing capabilities in our most important growth markets. and equipping our teams with game-changing digital science.

Turning to Europe.

The operating environment remains challenging and category growth continues to be subdued. However, we're encouraged by the continued improvement we've seen through the half, supported by innovation, premiumization and stronger in-market execution.

This drove an improved performance across each of our four categories in the area in Q2. In a highly competitive Auto Dish market, we have taken selective actions to protect our market leadership positions, and we've continued to trade consumers up to the premium tiers of Finish.

Durex Intensity is a great example of innovation driving premiumization with continued strong results from this first-to-the-world product as we launch into new markets and bring extensions into the range.

Looking into the second half, we have a strong pipeline of new innovation launches, and we're focused on consistent execution to drive growth.

That is our plan, a great example of the way we do this is Gaviscon. The rollout of Gaviscon double action continues across Europe. It is a case study in highlighting what we can deliver when we execute a successful playbook for a Powerbrand with consistency.

With local educational materials market by market, all tied to a consistent message we're growing through format extensions, flavour extensions and bringing relief to more consumers every day.

Gaviscon has been a consistent strong performer, and this continued in Europe in the first half with like-for-like net revenue growth of 9% and hitting new market share leadership positions across eight countries.

In North America, our priorities are centred on innovation, customer partnerships and operational excellence. Our non-seasonal portfolio continues to perform strongly with Lysol delivering high single-digit growth in the first half.

This performance is driven by the equity and trust consumers have for the Lysol brand, one of the strongest brands in North America overall.

A sharper execution across both our supply chain and with key retail partners, where we're growing in the fastest growing channels, particularly omnichannel platforms and the continued expansion of the range with successful recent innovations now delivering multi-year growth.

As we look to the second half, we will continue to focus on executional excellence across the whole of the North America portfolio.

A great example of this will be Mucinex 12-hour cold and fever which we began shipping at the end of Q2. Our teams have done a great job driving engagement around the launch and the response from retailers has been fantastic.

We've secured multiple shelf facings including up to nine in some stores, which is really a strong result for a new launch.

We have the assets in place to grow awareness and education around this launch, and we've started shipping into stores already.

Mucinex 12-hour cold and fever will be incremental to our upper respiratory portfolio, and we're pleased with the additional distribution points that we've obtained. As such, we're well set for a strong activation ahead of the season.

I've spoken a lot about innovation today. I hope many of you were able to join our recent showcase on digital science. At the event, we demonstrated how digital capabilities are being embedded across our R&D function.

This is enabling faster innovation cycles, better consumer understanding and more effective product development. We talked about the huge increase in virtual experiments we've undertaken this year.

and the number of users already reaping the benefits of our Writeitt AI tool. These capabilities are already driving an increase in pipeline and innovations with enhanced consumer preferences.

These are tools embedded in how we operate today, and they're delivering results in the examples we shared across our Powerbrands.

Our next event will be on the 19th of November in our North America headquarters in Nutley, New Jersey, where Jerome and team will provide more insights into the drivers of growth in our North America business over the coming years.

Now let me close with our outlook.

We delivered good growth in the first half with performance accelerating through the second quarter. Our innovation pipeline is strong and is landing well in the markets.

Our Fuel for Growth program continues to be well on track to deliver fixed costs below 19% as we exit 2027 and our supply chain and digital capabilities are becoming increasingly powerful enablers of growth. While the external environment remains uncertain, our strategy continues to deliver.

We, therefore, remain confident in our outlook and we reiterate our expectation for 2026 to deliver 4% to 5% like-for-like net revenue growth in Core Reckitt as we continue to build a stronger Reckitt and create long-term sustainable value for shareholders.

Thank you for listening. Shannon and I will now be happy to take your questions.

QUESTIONS AND ANSWERS

Nick Ashworth *Reckitt Benckiser Group PLC - Senior Vice President - Investor Relations*

(Event Instructions) And looking at the screen, I will start with Guillaume.

Guillaume Delmas *UBS AG - Analyst*

Thank you very much, Nick, and good morning, Kris and Shannon. A couple of questions for me, please. So, the first one is on your like-for-like sales growth guidance for the Core. So can I just check, it does include hygiene in Russia, so that 70 basis points to 80 basis points dilution you're likely to get in 2026.

And assuming it is the case, I mean it does imply 5% to 7% like-for-like in the back half when comps get a bit tougher. So my question is what underpins your confidence in that meaningful sequential acceleration.

Is it because you expect more pricing to land in the back half? Or you do expect some regions, categories to be significantly better?

And also, would it be fair to assume that it's going to be relatively back-end loaded. So it's going to be a much stronger Q4 than Q3. And then my second question on North America, could you maybe talk about what you're seeing on an ex cough and cold basis in the second quarter?

Because if I remember well, in Q1, ex cough and cold North America was up a mid-single-digit territory seems like it slowed quite significantly in Q2. So wondering what's driving this? Is it category, retailers destocking or some market share development? Thank you very much.

Kris Licht *Reckitt Benckiser Group PLC - Chief Executive Officer, Executive Director*

All right, thank you. I think I'm going to start with these two. So the first one, look on the like-for-like guide, we guided for the year four to five. As we have encountered some headwinds.

We are dealing with those headwinds. I would say I'm quite pleased with how we're dealing with those headwinds. And so yes, our guide is four to five and it does not assume that the Russia transaction is closed.

So I think that's probably the first element of your question. Why do we believe that's achievable, I think is your second question.

Yes, there's a pricing element, but actually what you're seeing is very balanced growth in our results and you saw this sharp acceleration in our business and a really good performance in Q2.

We expect that to continue, right? So really the anomaly in the year was Q1, very much a function of the weak season. We do have a very strong innovation plan and I think in my remarks I just expanded quite a bit on that and that's giving us a lot of confidence.

What's great to see is that meaningful innovation lands really well in the market and consumers are willing to pay a premium for it even in this environment, even with the headwinds that consumers face. And so we actually expect to do very well with innovation in the back half as well.

So we have the building blocks. We think our business will continue to perform well through the fall and we're holding the guide for that reason.

Just in terms of the North America business, we did see some destocking and it did continue into April as a function of the season and a little bit of destocking elsewhere. Actually, North America was pretty resilient, it was a good performance in Q2 and the non-seasonal business continued to do well.

It wasn't quite as high as Q1, but it was very strong. So we feel comfortable with North America going forward, albeit, of course, we have a bigger comp in Q3 and then we expect a bigger Q4 to come through.

So yes, in aggregate, I think your last element of the question was, is this going to be somewhat back weighted in terms of Q4?

It is, but at the same time, this acceleration that we've seen in the business, we expect to now be the level that we're going to be performing at. I hope that answered your four or five questions in a question.

Guillaume Delmas *UBS AG - Analyst*

Thank you very much.

Nick Ashworth *Reckitt Benckiser Group PLC - Senior Vice President - Investor Relations*

Thanks, Guillaume. Okay, we're going to go across the screen then. So, Olivier, and then we'll go to Ed, so, over to you, Olivier.

Olivier Nicolai *Goldman Sachs - Analyst*

Thanks, Nick. Good morning, Kris and Shannon, I'll stick to two questions. So first is seasonal OTC, you're planning for incidence level to be slightly higher than the previous season. What gives you the basis for this?

And then secondly, just going back to the GBP500 million share buyback is lower than the one you've done historically. Considering the lower free cash flow generation should investors expect a lower rate of buyback going forward as the cash generation remains a bit more under pressure? Thank you.

Kris Licht *Reckitt Benckiser Group PLC - Chief Executive Officer, Executive Director*

So maybe I'll respond on OTC and Shannon take the buyback. So, on the OTC planning assumption, I actually think this is quite prudent. So you will remember that the last season that we just went through Q4, Q1 taken together was abnormally low and really to a significant extent.

And so when we look at historical averages, including pre-COVID, it was a very low season. We don't expect to recover all the way back at least we're not planning for a recovery back all the way back to a normal pre-COVID average season, but we are expecting to do slightly better to see slightly higher incidences.

That strikes me as prudent. We have no facts to suggest that anything other than that would happen. We still believe that the variations that we've seen are largely a function of seasonal variations, which have always been the case.

And of course, we had COVID in sort of the base for a few years, and that has now come out. So I think it's a good planning assumption, and that's why we're taking it. I don't think it's aggressive. I think it's prudent.

Shannon Eisenhardt *Reckitt Benckiser Group PLC - Chief Financial Officer, Executive Director*

Yeah. And then on the share buyback program, our share buyback program is really an output of our capital allocation principles, and we go back to those and share those pretty frequently.

The magnitude of the program we managed to ensure that we're able to, first and foremost, invest organically behind our business and drive top line growth. And so to your question on should we expect to see the magnitude change over time?

Absolutely, so our expectation is that the program is an important piece of how we return value to shareholders. but that it will change over time in line with our capital allocation principles.

Olivier Nicolai *Goldman Sachs - Analyst*

Thank you.

Nick Ashworth *Reckitt Benckiser Group PLC - Senior Vice President - Investor Relations*

Thanks, Shannon. Ed, you are up next.

Edward Lewis Rothschild & Co Redburn - Analyst

Just on Emerging Markets. Can you talk to any kind of dislocation you saw from I guess, events in the Gulf and local suppliers or local competitors, which would have benefited your results in Q2, whether that's a factor as what I consider for the rest of the year?

And then also, there's a comment around gross margins in Emerging Markets, which I remember this time last year, they were pretty strong. It sounds like they improved again. And so can you just talk to that and the opportunity around the gross margins?

Kris Licht *Reckitt Benckiser Group PLC - Chief Executive Officer, Executive Director*

Maybe I'll take the first. So the impact in the Middle East has actually been somewhat significant for us. We have a plant in Bahrain that we actually had closed for the safety of our employees. And we have since reopened that, but it continues to be impacted certain days when there is a conflict, and there is a danger. We closed the plant back down.

We also have more challenges getting inputs into the region. So that impacts production volumes. So we have actually seen a bit of a headwind to our Middle East business, as you would expect from this disruption, but it's manageable.

And as you can see, we're still able to report very good results in Emerging Markets, but it's something that we have to continue to actively manage. So I wouldn't say that we have benefited from this in any disproportionate way.

I don't think we have taken a step forward competitively in the region for this reason,but we continue to manage it. And hopefully, we can get back to business as usual pretty quickly.

Shannon Eisenhardt *Reckitt Benckiser Group PLC - Chief Financial Officer, Executive Director*

And then on gross margins in Emerging Markets, we've been seeing over the past few years, and we talked about this on the Emerging Markets focus on event that differential between gross margins in Emerging Markets versus our developed markets. narrowing.

Our expectation is that we'll continue to see that narrow over time. It's largely a function of the category mix and where we're driving growth in Emerging Markets.

Additionally, we called out the fact that you're also seeing the fact that executionally, we can price more quickly in Emerging Markets than we can in developed markets and so we had the benefit of being able to take quick action around pricing in Emerging Markets as we saw the headwinds coming in from the crisis in the Middle East.

Edward Lewis Rothschild & Co Redburn – Analyst Thanks.

Nick Ashworth *Reckitt Benckiser Group PLC - Senior Vice President - Investor Relations*

Thanks, Shannon. Jeremy, and then we'll go to David. So over to you, Jeremy.

Jeremy Fialko *Hsbc International - Analyst*

Thanks for letting me ask the questions. So first one, perhaps you could talk about sort of Auto Dish. That's been a difficult category, both in Europe and in North America. So I'd be interested to hear why the category has become so kind of challenging and what you think as a category, you can do to get your business back into growth within that.

And then secondly, perhaps you could talk a little bit more on pricing, maybe where you've implemented price rises already where you think you have to put them in? And if there's anything a bit about the kind of the magnitude of those price increases that you would need to see? Thanks.

Kris Licht *Reckitt Benckiser Group PLC - Chief Executive Officer, Executive Director*

Great. So let me take them in turn. So Auto Dish, look, mentally, it's important to remember, this is a very attractive category. It's quite expandable. You can innovate.

You can premiumize, and we've seen that over the years. There is a tremendous runway for growth in Emerging Markets for Auto Dish, and we are seeing that come through, and we're very excited about the potential of that business over time. In Europe, in particular, it has been tough recently. Why is that?

It's primarily because it's become very promo heavy beyond levels that we normally see beyond levels that we actually believe are rational.

In Auto Dish, the game that we want to play, the strategy that we have is to expand the category, right, to premiumize and to expand the category.

Whenever we as an industry forget that strategy, we get into a promotional cycle and especially during times like this, when consumers are value-seeking in Europe and retailers are looking to provide value, that can get into a bit of a loop. We are trying to manage this very carefully.

We're trying to make rational decisions. We're trying to invest in things that make sense, but not promote at levels that don't make sense from a P&L standpoint, from a category standpoint. And I think that's the cycle you're seeing right now. I am very hopeful that, that will change. But for the time being, I expect it to continue to be fairly tough in Europe.

We are holding a leadership and we will continue to defend market leadership. But again, we won't respond to every very deep promotional price point that we see in the marketplace. It just doesn't make sense. And as market leaders, we really shouldn't. So I would expect it to get better, but I don't expect it to get better soon.

On pricing, we have been able to already execute pricing. Shannon just talked about pricing in Emerging Markets. That has gone well. There may be a little bit more pricing we have to take in certain markets in Emerging Markets. We will do so.

I'm not worried about our ability to do that. In developed markets, we will also be taking some pricing. It's moderate in magnitude.

It varies across markets, but we're talking about sort of single-digit price increases in some places. And largely, we have the pricing power to do that.

And so we're going through that, and we're trying to be smart about it, and I expect that to be a building block in the second half.

Jeremy Fialko ***Hsbc International - Analyst***

Great. Thanks.

Nick Ashworth ***Reckitt Benckiser Group PLC - Senior Vice President - Investor Relations***

Thanks, Jeremy. Thanks, Kris. So working across, I think we're up to David next and then we'll go to Warren. So David?

David Hayes ***Jefferies LLC - Analyst***

Thanks, Nick. Morning all. So out to our -- just a bit of an update on China Intimate Wellness in a bit more detail about the current trends and how you're adapting to the regulation changes.

And I guess you talked about a lot of supply, some smaller competitors and pricing pressure. Is that still the situation? Or is that starting to ease and work its way through now as you go into the second half?

And the second question, just on the margin in the first half. Obviously, back end of April, you were guiding to 200 basis points down much, much better than that, which is great. But I just wonder if you can talk us through what happened in May, June that saw that improvement in performance?

And is there anything to do with timing in that? Is there something we should be aware of that certain things are being pushed back and it all into the second half to just smooth that a little bit more for the full year. Thank you so much.

Kris Licht ***Reckitt Benckiser Group PLC - Chief Executive Officer, Executive Director***

Okay. I'll start on China. Look, I just wanted to say the first thing is that we've now had 12 quarters of double-digit growth in China. I mean this is a remarkable business. It's a genuine success story.

And what's great about it is that it's broad-based, right? So this is not something that hints on 1 brand or 1 category. We have a multitude of leading brands, a multitude of brands that are growing very fast. Dettol is our largest business in China and doing really well. VMS is very large, too and doing really well.

You're right that after years of very strong performance from Durex, this first half was soft for Durex, but we know why there was the VAT increase.

There was the content restrictions that came in, and there was some fairly deep promo from some of our competitors, again, where we chose not to match all the way. I feel good about that. We're very optimistic about the outlook for Durex. We expect that to recover.

We're growing very fast on the platform that matters most in China, and we're doing really well with social commerce. So, the content restrictions turned out to be something that we could navigate. That's what we said earlier in the year, and our team has been able to do that so we can effectively communicate.

We just have to change the messaging change the emphasis a bit, change the content. But we can do that very quickly with our content studios. So, we have been able to do that.

So that's no longer a headwind, and we are growing on the most successful platform with Durex. We also have good innovation coming behind Durex.

So I think this was a bit of a temporary set of events that caused the business to be a bit soft. But if you zoom out, it was very strong for years before. We fully expect it to be strong again.

Shannon Eisenhardt *Reckitt Benckiser Group PLC - Chief Financial Officer, Executive Director*

Great. Then on margins. In Q2, we saw a couple of different dynamics happened that allowed us to deliver a bit stronger operating margin than what we discussed at the end of Q1 and we're really pleased with the performance.

I think the things worth noting are, of course, as always, and we say this a lot, we always strive to provide guidance that's prudent guidance. What we saw play out over Q2 were a few dynamics.

One is the fact that the headwinds we saw come through in the Middle East or from the Middle East in Q2 were a little bit less than what we had expected when we were initially guiding at the end of Q1.

At the same time, we also saw just some pacing and phasing of Fuel for Growth savings that moved into the front half that we weren't fully expecting to land in the front half. And so that drove that 100 bps over delivery versus what we've set out as expectations.

When you think about operating margins for the full year, we remain very squarely in the place of believing that we'll deliver operating margin between that 24.9% and that 25.6% bookend that we've been discussing for the past couple of quarters.

As you think about what that delivery looks like, again, Fuel for Growth, it's pacing and phasing across halves, but we expect to largely offset those stranded costs that are coming in from the Essential Home divestiture.

When you think about Middle East, it's obviously a volatile situation, but we remain committed to mitigating the headwinds that we see from the Middle East over the course of the second half and so that really gets us into that same place between those bookends.

We also really want to maintain our flexibility to fuel our BEI investment to the extent we have that opportunity to do so and see ideas that we think are worth investing behind.

Nick Ashworth *Reckitt Benckiser Group PLC - Senior Vice President - Investor Relations*

Thanks, Shannon. Okay, let's move on to Warren and then Juan after Warren. So Warren, over to you.

Warren Ackerman *Barclays Services Corp - Equity Analyst*

Yeah, morning, Kris, Shannon. Nick, so two from me as well. The first one, just on de-stocking in the US Can you maybe give us a bit more detail? It looks like it's VMS, how much impact was there in the quarter? And then looking into H2, Kris, do you think there's any risk that US retailers look to more destocking to conserve cash and a more cautious US consumer, is there a risk this becomes a more pervasive issue in the US? Because I'm looking into the second half in the US, it looks like a lot of moving pieces on kind of comps and other stuff. So how should we think about the cadence of the US in the back half, Q3 versus Q4?

And then secondly, just on Europe, with Emerging Market growth expected to be similar in H2 versus H1, obviously, Europe then becomes a bigger delta to deliver your uplift. So what's driving the confidence on this European recovery given it doesn't sound like Auto Dish will get much better. So is it category? Is it innovation? How are you fitting on that?

Kris Licht *Reckitt Benckiser Group PLC - Chief Executive Officer, Executive Director*

Sure. So on the first question, look, it's hard for me to speculate exactly what retailers will do through the second half of the year. But what I will say is the de-stocking we saw got us to a level of inventories where I don't see it to be likely that there would be some sort of further sustained trend.

In fact, it was not sustained through the quarter. And so I think that was decisions that were made, and we appear to be done with those decisions if that makes sense. Now could that be something that retailers consider doing again, of course, it could.

But for our business, if we look at our business and our categories for the second half for retailers inventory is hugely important, right? So they want to be fully stocked for the season.

They want to have a great back-to-school activation with brands like Lysol, so I don't think that inventories on our business will be under heavy scrutiny in the back half because this is sort of our time where we really show a big display activation sell-in for the season and then, of course, 12-hour Mucinex cold and fever, which retailers are very excited about.

So I suspect that this will not be a big headwind, but it's hard to say with complete certainty, right? I hope you understand that.

For Europe, what I will say is we are seeing a gradual improvement in execution we are seeing good success with innovation, which will continue to roll, right?

I talked about Durex as an example, that's a meaningful business in Europe. I talked about Gaviscon that's very meaningful growth in a European context. And then we will have some pricing, which is also a building block for Europe. And then we have a very soft comp later in the year.

So those things put together give us confidence that we're going to see recovery in Europe. But I also want to stress that what we're talking about is modest growth, right? This is not a high-growth environment. It's a very challenging environment. And so we're just expecting to see return to growth, but modest growth.

Nick Ashworth *Reckitt Benckiser Group PLC - Senior Vice President - Investor Relations*

Thanks, Warren. Okay, Juan, and then Diana, so Juan, over to you.

Juan Rios Peris Santander - Analyst

Yes, good morning and congratulations on the results. Just one question from my side. So Mead Johnson delivered 8% increase in price mix in Q2. So could you please elaborate a bit on it, like what allowed this, et cetera?

Nick Ashworth *Reckitt Benckiser Group PLC - Senior Vice President - Investor Relations*

Thanks.

Shannon Eisenhardt *Reckitt Benckiser Group PLC - Chief Financial Officer, Executive Director*

I couldn't hear.

Nick Ashworth *Reckitt Benckiser Group PLC - Senior Vice President - Investor Relations*

Sorry, you said 8%. Could you just repeat the question?

Juan Rios Peris Santander – Analyst

Yes, Mead Johnson had a 8% increase in price mix, if I'm not wrong, right, in Q2. So if you could please elaborate a bit on it.

Kris Licht *Reckitt Benckiser Group PLC - Chief Executive Officer, Executive Director*

So in Mead Johnson, we saw both some phasing of shipments and some pricing activity, all of which contributed to an abnormally big Q2. We're not expecting that to continue. So consider that a bit of a one-off in terms of the magnitude of the growth. Mead Johnson is trading well, and we expect it to continue to trade well. but this was a blip of a quarter, not how it's going to perform on an ongoing basis.

Juan Rios Peris Santander – Analyst

Thanks.

Nick Ashworth *Reckitt Benckiser Group PLC - Senior Vice President - Investor Relations*

Okay Diana and then from Diana we'll go to Tom so yeah Diana.

Diana Gomes Bloomberg Intelligence – Equity Research Analyst

Hi, thank you. Going back to the pricing question, if I may. Just for North America, where I think it came weaker -- slightly weaker than expected in terms of the price mix. Just if you could walk us through the main drivers and the phasing in the second half is we see those price increases coming through.

How should we think about the volume elasticity if it's staying around the levels that you expected? Are there some areas where you feel that the elasticity is potentially lower for instance, in premium, more premium rise categories?

And then the second question, if I could go into the IT investments linked to AI. Could you give us some more detail?

For instance, what is the percentage of the budget for IT that you are currently spending in tokens? And are there any areas where the return has surprised you more positively than others? That would be helpful. Thank you so much.

Kris Licht *Reckitt Benckiser Group PLC - Chief Executive Officer, Executive Director*

Maybe I'll start on the first one then. So North America elasticities, I would say we haven't seen a sort of dramatic change in the environment. We did see a bit less performance and a bit softer response in the grocery channel, which again, I think we can attribute to the gas prices and the impact of that. So, we did see a little bit of slowness there. But again, I don't think it's structural.

I think it's a function of the spike in gas prices that we saw and sort of particularly in the grocery channel, when you have consumers both buying their gas and their groceries at the same store we could see some pressure there.

But broadly speaking, I don't see a big change in elasticities, and I don't anticipate it either. I mean we are a fairly premium business.

We operate with the leading brands in the category, but also at the top price point typically in our categories. And so inherently, we are a little bit less exposed to both trade-down activity and sort of the most elastic parts of the category. So, I think we can pass through pricing.

We have that ability. We've shown it time and again, I think we can do it again. You want to deal with AI?

Shannon Eisenhardt *Reckitt Benckiser Group PLC - Chief Financial Officer, Executive Director*

Yes. So the question is just the amount of budget going towards AI. I mean, I think -- in tokens. So obviously, we're very focused on driving AI across the company.

We view it as something that's not only going to enable us to drive productivity, which we've talked a lot about, but we also view it as a tool that's going to help us drive top line growth and so we're very focused on making sure that we're expanding and focusing on both sides of the equation.

The token cost is quite small. We just reviewed it actually as an exec co about a month ago. to understand where are we at, how do we project that growing. It's very small today, what we see. We're obviously paying attention to it.

We're assuming it will grow quite rapidly. But even assuming that rapid growth, we don't see it as something that we're particularly concerned about at this point in time. a much bigger portion of the investment for us is not the tokens, but it's just the continued investment behind building the internal models and capabilities that we're using deliver that productivity as well as delivering the top line growth benefit that we see as an opportunity from AI.

Diana Gomes Bloomberg Intelligence – Equity Research Analyst

Thank you so much.

Nick Ashworth *Reckitt Benckiser Group PLC - Senior Vice President - Investor Relations*

Thanks, Shannon. So it looks like we've got two left on the Zoom. And then again, just as a reminder, if you want to ask a question on the written question, then go into the ask the question tab and I'll read it out. So, we are going to Tom and then Sarah. So over to you, Tom.

Tom Sykes *Deutsche Bank AG - Research Analyst*

Yeah, thanks, Nick, and morning, Nick, Shannon. Just sorry to go back into this North America destocking. I mean if you sort of split the business between, I guess, Amazon, Walmart, Costco of the grocery and I appreciate what you're saying about the gas price impact. But presumably there's only so long that Amazon, Walmart and Costco can take share without there being some pressure on the other parts of US retail.

Is the destocking at all concentrated a little bit in that kind of other last? I mean I know drug is in there, but other grocery other than or other channels other than drug in that large bucket because they're obviously losing share for a number of your categories.

And then just on the margin improvement into H2. I mean was there anything sort of non-cash, I suppose, in H1 that helped unwind of FX hedges that would have helped. And as we go into H2, is there anything non-cash or FX hedges that really contribute and provide a bit more of an extra boost to that H2 above the things that you sort of outlined of revenue and mix improvement?

Kris Licht *Reckitt Benckiser Group PLC - Chief Executive Officer, Executive Director*

Okay. I'll just give you my reflections on the channels. It is definitely the case that the channels that are underperforming are taking much closer looks at their inventory and are taking actions. In terms of winning retailers in the US, you mentioned a few, it's very obvious who's taking share at the moment. We are very well positioned with them, but we're also well positioned with other retailers.

So we're somewhat agnostic of who's winning and losing our brands will find their way to consumers' pantries regardless.

But right now, it is the omnichannel, the leading omnichannel retailers that are winning, and that is where we have a lot of traction at the moment also with our innovation. So, I think what you're sort of suggesting is right, which is the channels that are disproportionately losing share are also the ones that are taking more actions on inventory.

Shannon Eisenhardt *Reckitt Benckiser Group PLC - Chief Financial Officer, Executive Director*

Yeah. And then on the question on margins in the back half and the front half. So, there's no one-offs that I would call out in our front half margin delivery nor are we expecting any unusual or abnormal one-offs that are going to drive that improvement in the back half.

The back half improvement from an operating margin standpoint is really related to mix. And so, if you think of as we continue to get to a more balanced growth dynamic with developing markets contributing more, we'll see a positive benefit from geography mix.

And again, if you think about the category mix and how we expect that to deliver across the year, we have that sort of weak season that was negatively impacting margins when you think of self-care mix in the front half assuming a more normalized season in the back half, we'll have a category mix benefit coming through as well.

Tom Sykes *Deutsche Bank AG - Research Analyst*

Okay, many thanks.

Nick Ashworth *Reckitt Benckiser Group PLC - Senior Vice President - Investor Relations*

Thanks, Shannon. Right, looks like the last one is Sarah. Over to you.

Sarah Simon *Morgan Stanley - Analyst*

Yes, morning. I guess that's quite a good segue from Shannon's last point. If we look at seasonal revenues, they were up just over 10% in the quarter. And I'm assuming that's because of the new Mucinex product. If you think about the kind of quantum of the destocking at the beginning of the quarter in cold and flu.

Would you say it would be fair to think of it in the same kind of magnitude percentage wise as what you saw in Q1? I'm basically trying to extrapolate from those numbers how big Mucinex is I mean, would it be fair to say that Mucinex 12-hour sell-in helped seasonal by 20% or so in the quarter? Would that be way off?

Kris Licht *Reckitt Benckiser Group PLC - Chief Executive Officer, Executive Director*

It was a little difficult to hear you. There was something with the audio, but I think I understand what you're asking. So what's very important to remember is with a business like Mucinex, we shipped the season, the vast majority of the season we ship in Q3 and Q4.

And so if you have a big season, we then ship again in Q1. If we have a low season like we did, we don't ship very much again in Q1.

So you take the pain of a bad season, overwhelmingly in Q1 and to some extent in Q2, which was the destocking in April that we're talking about.

But now we're back into a new cycle where we're shipping again, right? So we're shipping 12-hour cold and fever, and we're shipping the base range, which has also done really well in terms of sell into retail. So, we're sort of starting over, so you can't really extrapolate from Q1, Q2 to dimensionalize Q3 and Q4.

Shannon Eisenhardt *Reckitt Benckiser Group PLC - Chief Financial Officer, Executive Director*

I think the other point to remember that hopefully came through in the RNS was this point around the Q3 lap of the PE shelf resets that we're comping from prior year.

So when you then try to look forward into what's the delivery going to look like in the back half of the year, you should expect to see a more muted performance from North America in and then a stronger performance in Q4, that's really related to that lapping of the PE shelf reset that hit and benefited Q3 in the prior year.

Nick Ashworth *Reckitt Benckiser Group PLC - Senior Vice President - Investor Relations*

Thank you. And actually, we do have one question that's just come in on the webcast. I think we are all done too. Okay, let's move to this and so it's from Callum at Bernstein So it looks like it's to you, Shannon. Can you talk a bit about gross margin drivers, please, down 50 basis points despite the tailwinds from us from the EH divestiture. What would this be without the EH tailwind? And what are the drivers over the next 6 to 12 months?

Shannon Eisenhardt *Reckitt Benckiser Group PLC - Chief Financial Officer, Executive Director*

So the gross margin progression, I'm trying to think, I don't have on top of mind the number. I feel like it was in the presentation, excluding EH.

Nick Ashworth *Reckitt Benckiser Group PLC - Senior Vice President - Investor Relations*

You take the numbers out to be precise, because we show the bridge.

Shannon Eisenhardt *Reckitt Benckiser Group PLC - Chief Financial Officer, Executive Director*

Okay. Great. So, to think about gross margin drivers as you head into the back half of the year, obviously, we continue to have the impact as we have Essential Home coming out of the delivery in the current year.

You should think of the fact that we've talked around the fact that we'll continue to have more and more of the headwinds from the Middle East coming through although our expectation and our ambition is that we'll be able to offset those as we go through the entirety of the back half of the year.

And then we've talked previously around the fact that as we've stepped up our CapEx over the past few years and continue to do that in this year, you'll see a little bit of a headwind coming through from depreciation.

And then I think the last piece on gross margin would just be mix. And so similar to what I said around operating margin, you can take those same drivers, positive mix from geography and category mix coming through in the back half around gross margins as well.

So when you really back up and think about gross margin delivery in the current year versus prior year. We've been very consistent in talking about wanting to maintain our gross margins but not expecting a significant expansion of gross margin.

Nick Ashworth *Reckitt Benckiser Group PLC - Senior Vice President - Investor Relations*

Brilliant. And it looks like we're all about done and given the time, I think that's a good place to end it. So look, thank you, everyone, for joining us today.

As a reminder, our next Reckitt focus on event will be on the nineteenth of November, which is going to be focused on our North America business. and will be led by Jerome and team at our offices in New Jersey.

And hopefully, the details will come up on the screen shortly. Registration is now open and so we hope to see lots of you there in person.

The event will also be webcast as usual. So, as I said at the start of the presentation, the IR team is around for the rest of the day if you have any further questions. Otherwise, we look forward to engaging with you over the summer.

Thank you very much for joining us.

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