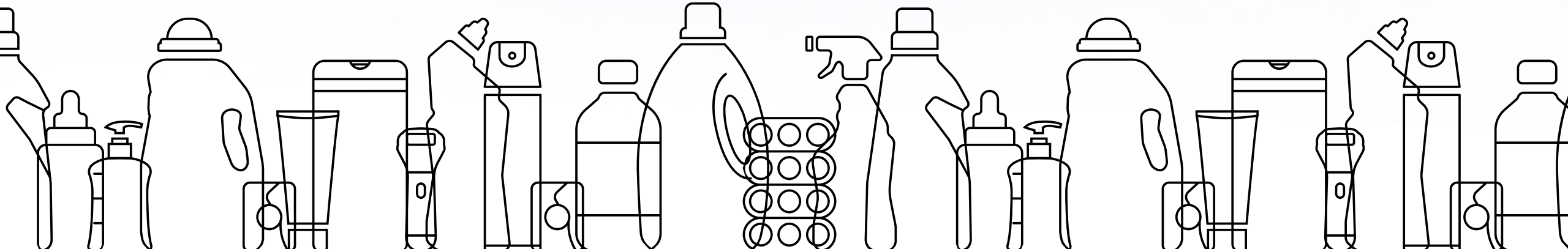




28th July 2020

REJUVENATING SUSTAINABLE GROWTH



Disclaimer

Cautionary note concerning forward-looking statements

This presentation contains statements with respect to the financial condition, results of operations and business of RB (the “Group”) and certain of the plans and objectives of the Group that are forward-looking statements. Words such as “intends”, “targets”, or the negative of these terms and other similar expressions of future performance or results, and their negatives, are intended to identify such forward-looking statements. In particular, all statements that express forecasts, expectations and projections with respect to future matters, including targets for net revenue, operating margin and cost efficiency, are forward-looking statements. Such statements are not historical facts, nor are they guarantees of future performance.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including many factors outside the Group’s control. Among other risks and uncertainties, the material or principal factors which could cause actual results to differ materially are: the general economic, business, political and social conditions in the key markets in which the Group operates; the ability of the Group to manage regulatory, tax and legal matters, including changes thereto; the reliability of the Group’s technological infrastructure or that of third parties on which the Group relies; interruptions in the Group’s supply chain and disruptions to its production facilities; the reputation of the Group’s global brands; and the recruitment and retention of key management.

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





Laxman Narasimhan

Chief Executive Officer

Key messages



Strong start to 2020 – delivering our strategic plans; tailwind from COVID-19



Global shifts reinforce our strategy, portfolio, purpose and fight



Expanded plan to accelerate growth with higher investment



Organisation, capabilities and culture change well underway to realise opportunity

Agenda

Overview of H1 2020



H1 2020 financial details

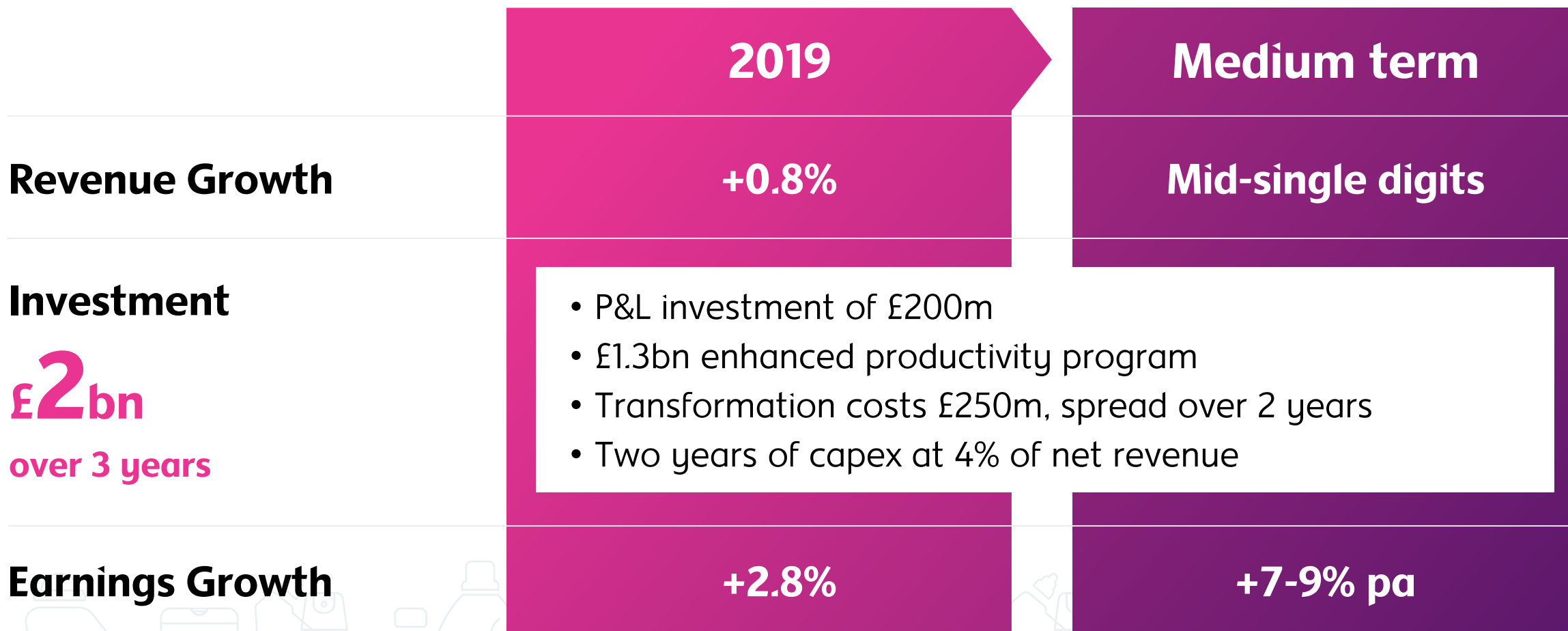


Strategic update and outlook



Overview of H1 2020

In February we presented our growth and investment plans



£2bn
over 3 years

Overview of H1 2020

Strong underlying performance coupled with COVID-19 tailwinds

Net Revenue

£6,911m
+11.9%*

PY: £6,240m

Adjusted Operating Profit*

£1,696m
+15.0%

PY: £1,475m

Adjusted Operating Profit Margin*

24.5%
+90bps

PY: 23.6%

Adjusted Earnings per Share*

166.5p
+14.5%

PY: 145.4p

Free Cash Flow*

£1,902m
+104.7%

PY: £929m

Dividend per share

73.0p
unchanged

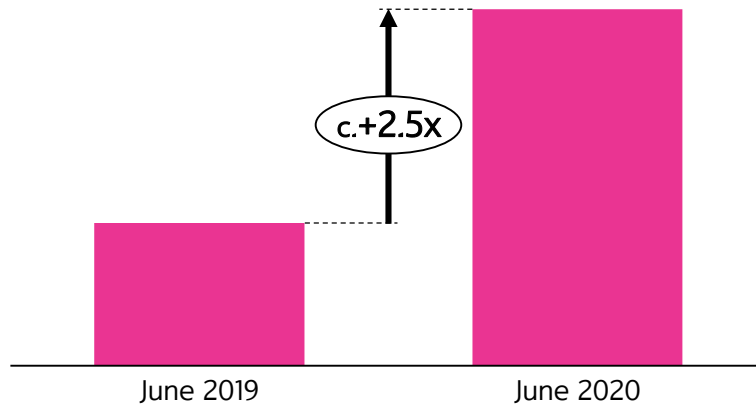
PY: 73.0p

Overview of H1 2020

Underlying business is getting stronger

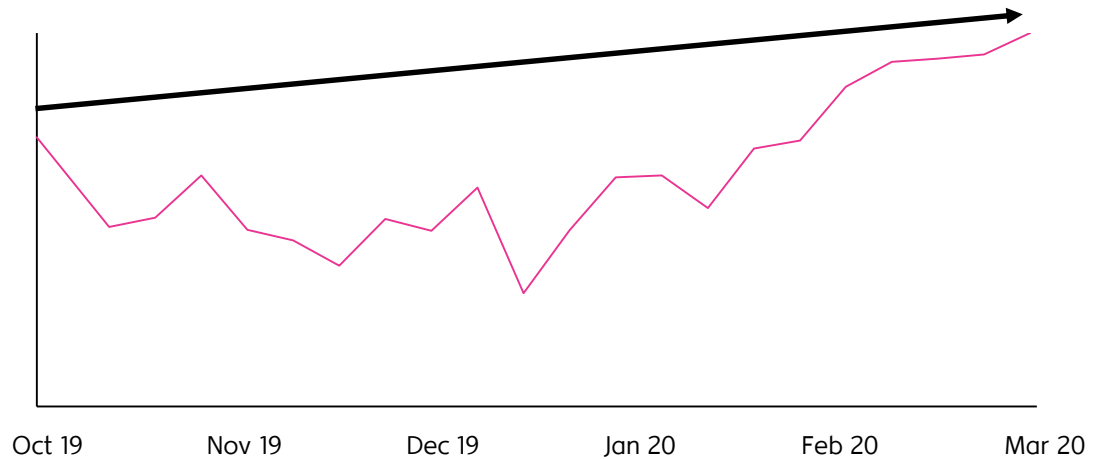
Strengthening supply chain performance

Increased capacity for #1 selling disinfecting spray to meet US COVID-19 demand – now c.30% of Lysol worldwide



Strengthening customer execution pre-COVID

Steady improvement in US product fill rates



Progress on productivity programme: FY 2020 targets

Traditional productivity

£240M

Additional planned productivity

+

£103M

=

Total planned productivity

£343M

On track to deliver against plan

105%

Overview of H1 2020

Consumer behaviour trends through COVID-19

Hygiene and health awareness

85%

of people have improved their hygiene habits since hearing about the coronavirus¹

Pantry loading and unloading

Pantry stocking accounted for

over 40%

of US spending on CPG in March 2020²

Nesting at home

60%

of Americans are cooking at home more due to COVID-19³

Decreased social interaction

100+ countries

imposed full or partial lockdowns

Channel shift

Worldwide online spending

increased 77%

year-over-year in May⁴
















Potential economic recession

51%

of American consumers believe their finances will be impacted for 4+ months by COVID-19⁵

Overview of H1 2020

Our portfolio is well positioned against COVID-19 trends

	Description	Brands most affected	Expected trend
Hygiene and health awareness	Increased consumption for hygiene products and preventative treatments	  	Sustained uplift for our brands
Pantry loading and unloading	As virus is controlled consumers start to destock pantries	  	Loading and unloading to balance out over full year
Nesting at home	Lockdowns increasing time at home and use of products which maintain the home	   	Consumption returning to normal as lockdowns lift
Decreased social interaction	Social distancing and lockdowns reduce interaction between people	    	Consumption returning to normal as lockdowns lift
Channel shift	Shopping has moved online; larger focus than ever on eCommerce and digital fulfilment	All brands	Prolonged positive effect on eCommerce

Portfolio is well positioned to withstand a potential economic recession

Overview of H1 2020

Expanding our plan to accelerate growth

Expanded plan



Reinvesting incremental upside to grow our leading position with **Dettol and Lysol**



Accelerate **eCommerce** growth through eRB to capture faster channel shift – “be big and bold”



Build **professional** category with strategic accounts – e.g. Hilton, Delta Airlines – and enhanced distribution

Implications



Optimise investments across the portfolio to maximise growth potential



Increase in capital expenditure and shift some investment into H2 2020 and 2021 to address increased demand for disinfectants



Increased confidence in achieving our medium-term goals

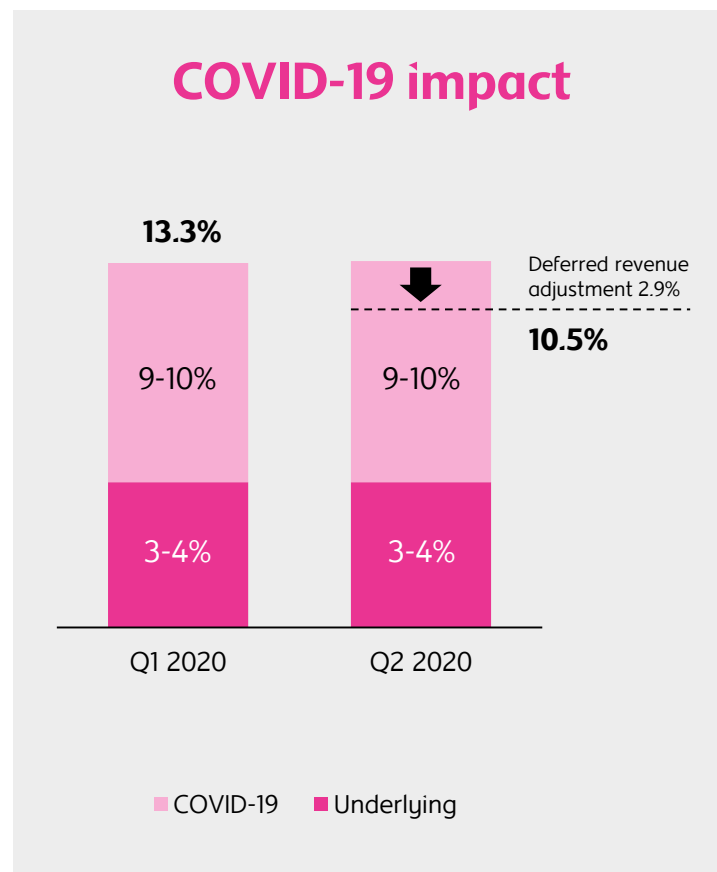
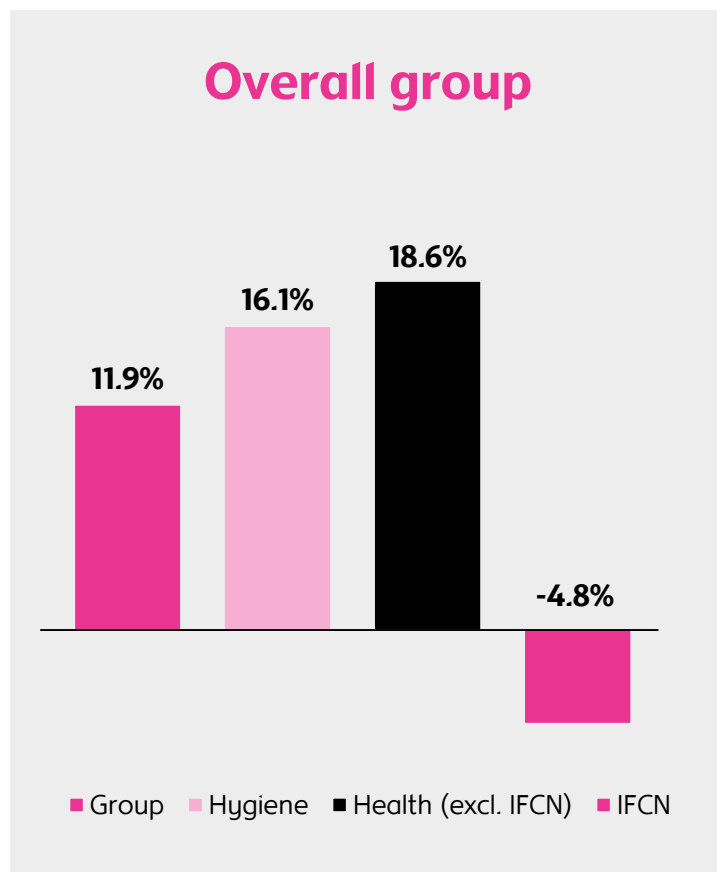


Jeff Carr

Chief Financial Officer

H1 2020 financial details

Net Revenue: Strong LFL Sales Growth



Group up 11.9% LFL (10.8% actual)

Underlying growth estimated to be around 3-4%

Volumes up 11%, Price/Mix up 1%

- Deferral of revenue for goods in transit: reduces H1 Net Revenue by £88.5m
- Total estimated eCommerce sales up over 60%
 - 12% of HY Net Revenue (H1 2019: 8%)

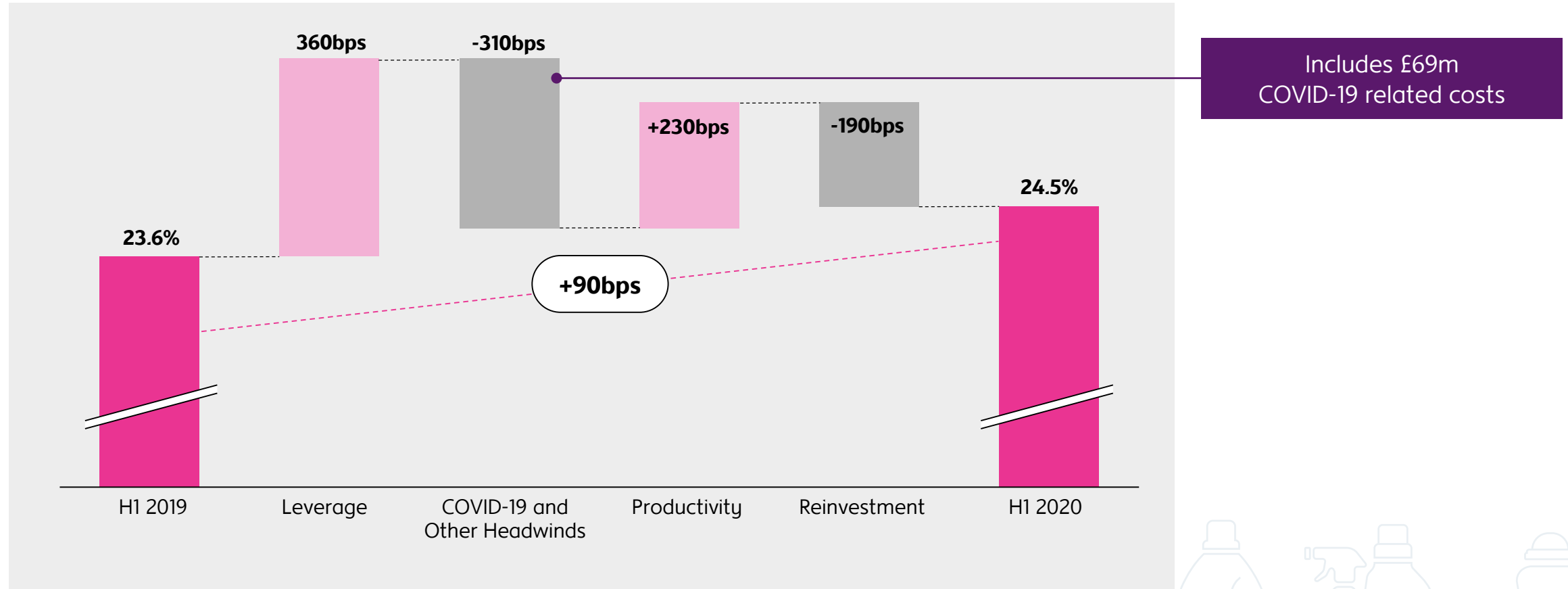
H1 2020 financial details

Group Margins: Significant leverage benefit to H1 margins

£m	H1		Change	
	2020	2019	Actual FX	Constant FX*
Net Revenue	6,911	6,240	+10.8%	+11.9%
Gross Margin %	60.9%	60.2%	+70bps	
BEI %	13.8%	15.4%	-160bps	
Other costs %	22.6%	21.2%	+140bps	
Adjusted Operating Profit (AOP) *	1,696	1,475	+15.0%	+15.7%
Adjusted Operating Profit %	24.5%	23.6%	+90bps	

H1 2020 financial details

Adjusted Operating Profit Margin Bridge



H1 2020 financial details

Productivity Program: On track to deliver productivity target

Direct Procurement	Building strong trusted relationships to improve costs for both RB and our partners (1,355 active projects)	£50m
Supply Chain	Reducing manufacturing and logistics costs through lean manufacturing practices and continuous improvement (1,557 active projects)	£38m
Design to Value	Reducing cost by improving old designs and consumer products and being more sustainable by leveraging latest technology and insight (762 active projects)	£16m
Indirect Procurement	Improved supplier negotiations driven by scale, centralisation and competitive bids (1,216 active projects)	£20m
Network / Cost Optimisation	Organisational optimisation and improved return on investment focused on go to market efficiencies and driven marketing investment decisions (714 active projects)	£41m
YTD savings		£165m

H1 2020 financial details

Hygiene: Strong underlying growth with significant COVID-19 tailwind

Net Revenue

£2,737m

+16.1%*

PY: £2,402m

AOP

£687m

+30.4%

PY: £527m

AOP Margin

+320bps

Europe / ANZ

▲ 11.4%

DvM

▲ 7.8%

NA

▲ 29.1%



Volume

+15%



Price/Mix

+1%

- Double digit growth in North America, Europe / ANZ and most emerging markets
- Strong growth from Lysol, Sagrotan and Finish
- Solid performance from Air Wick, Calgon, Cilit Bang, Harpic, Mortein and Veja
- Market share performance continued recent positive trends
- E-Commerce revenues up over 90%

H1 2020 financial details

Health: Strong underlying growth with significant COVID-19 tailwind

Net Revenue

£4,174m

+9.3%*

PY: £3,838m

AOP

£1,009m

PY: £948m

+6.4%

AOP Margin

-50bps

Europe / ANZ

▲ 7.2%

DvM

▲ 5.4%

NA

▲ 20.8%



Volume

+7%



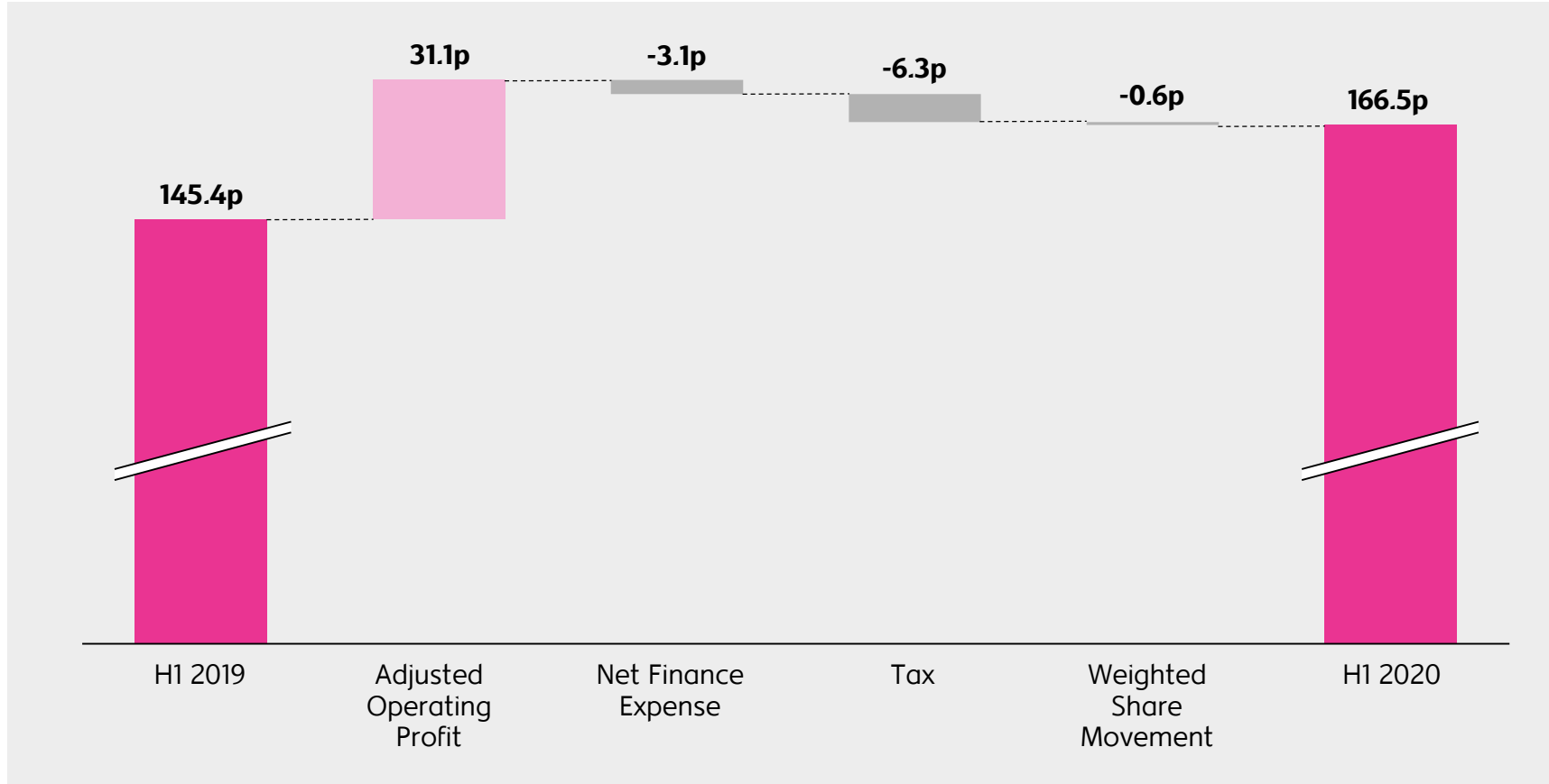
Price/Mix

+2%

- OTC: strong first quarter in North America and Europe / ANZ; with second quarter impacted by the effects of pantry unloading and retail volume reductions
- Other Health: exceptional demand for Dettol (up around 60%) and VMS; more than offset modest declines for Durex and Scholl
- IFCN: Expected slow start in Greater China and impact of dryer overhaul in Latin America; offset by solid performance in North America
- E-Commerce revenues up over 50%

H1 2020 financial details

Adjusted EPS Bridge



Net Finance Expense
c.3% of Net Debt

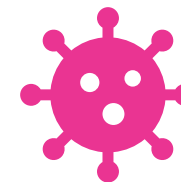


Adjusted Tax
expected to remain c.23%

H1 2020 financial details

Free cash flow generation: Strong Free Cash conversion in H1

£m	H1 2020	H1 2019	Change
Cash generated from continuing operations	2,582	1,525	1,057
Less: net interest paid	(147)	(129)	(18)
Less: tax paid	(391)	(305)	(86)
Less: purchase of property, plant & equipment	(114)	(131)	17
Less: purchase of intangible assets	(32)	(50)	18
Plus: proceeds from the sale of property, plant & equipment	4	19	(15)
Free Cash Flow	1,902	929	973
Free Cash Flow Conversion	160%	90%	70pps



Working capital benefit from negative working capital position



Expect FY capital expenditure c.3.0-3.5% of net revenue



Target strong free cash flow conversion

H1 2020 financial details

Net Debt

Net Debt	June 2020
Gross debt	£12.8bn
Cash	(£2.6bn)
Net debt	£10.2bn



c.£2bn Bond issued in May 2020

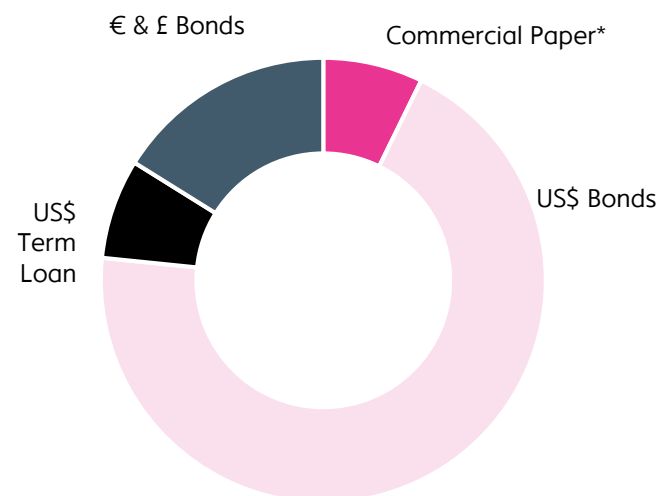
- Euro and Sterling denominated
- Lower usage of commercial paper



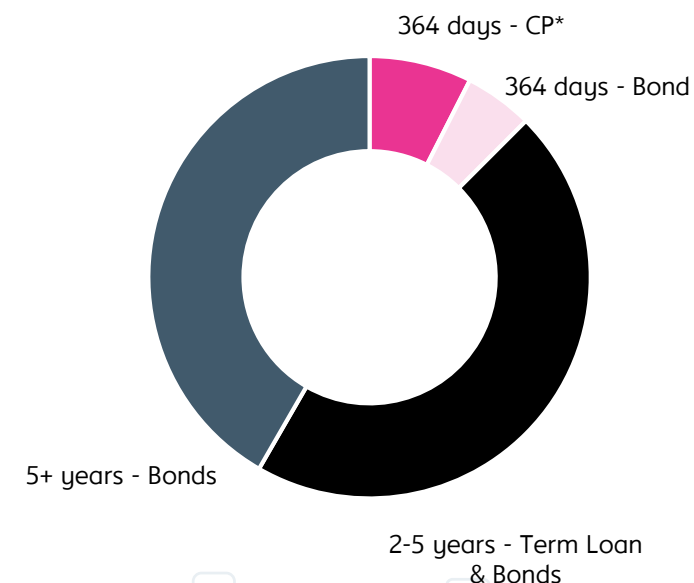
Average Maturity of 5.4 years

(previously 4.2 years at 31 Dec 2019)

Gross Debt by Borrowing



Gross Debt Maturity Profile

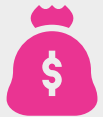


H1 2020 financial details

Disciplined capital allocation continues to be key priority



Invest in operations to **drive growth** and maximise returns on investment



Remain focused on delivering **strong free cash conversion**



Sustain **dividend pay-out** at 2019 levels. Interim dividend declared at 73.0p



Target **single A** rating



Rigorously **manage portfolio**



Laxman Narasimhan

Chief Executive Officer

Strategic update and outlook

In February we set out a clear strategic agenda



Good house, great neighbourhood, potential to be a great house



Clear strategy to rejuvenate growth



Investment plan and productivity to deliver growth



Sustainable, long-term value, while engaging with purpose



Leading and inspiring the people of RB to succeed

Strategic update and outlook

Global mega-trends trends further reinforced by COVID-19

Urbanisation and
global warming



Hygiene

Dense populations drive need for good **hygiene** as the foundation of **health**

Growing demand
for Self Care



Health

Government pressures on healthcare costs creating opportunity in **Self Care**

Sexual
health crisis



Increased need for prevention and fun driving opportunities in **Sexual Well Being**

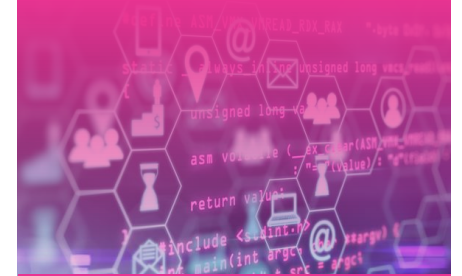
Growing and ageing
population



Nutrition

Demand for adult **nutrition** creating opportunities

Technology
proliferation






Digital and
eCommerce

Digital transforming what people buy and how they buy it

Solutions must be sustainable for the planet and society

Strategic update and outlook

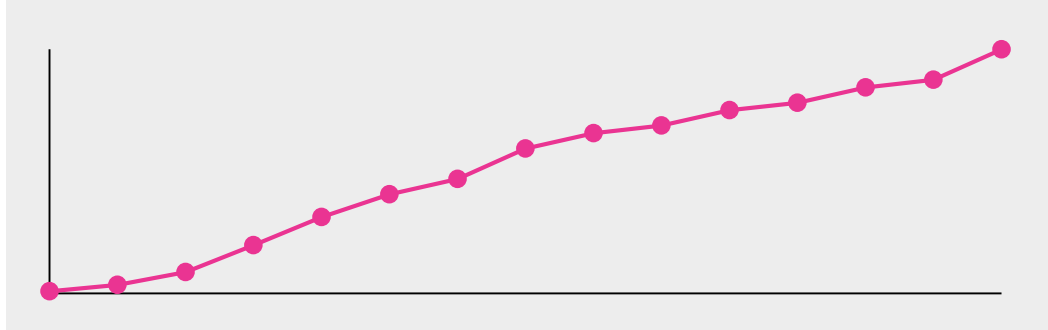
Three spaces – well positioned for growth

Hygiene	Health	Nutrition
		
<p>RB Focused Market Growth</p> <p>c +3-5% pa</p>	<p>RB Focused Market Growth</p> <p>c +4-6% pa</p>	<p>RB Focused Market Growth</p> <p>c +3-5% pa</p>
<p>Move from 75 CMUs to 100 CMUs</p>		<p>Penetration, market share, new places & new adjacent spaces</p>
<p>Digital, eCommerce, channels and innovation</p>		

Strategic update and outlook

Growth drivers enable us to win key battles, especially in disinfectants

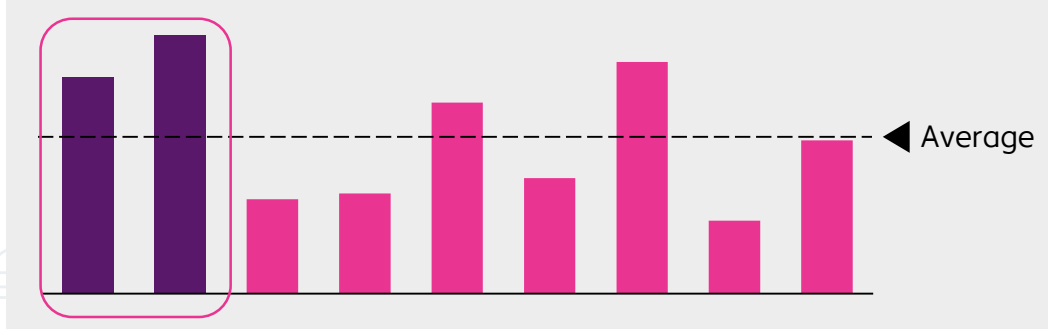
1 Penetration



2 Market share optimisation



3 New places: channels, geographies



4 New spaces & adjacencies

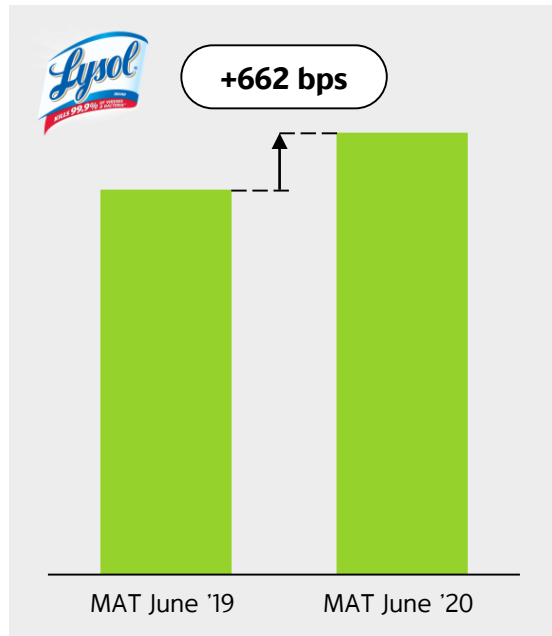


Strategic update and outlook

Hygiene: winning key battles presented by COVID behaviour trends

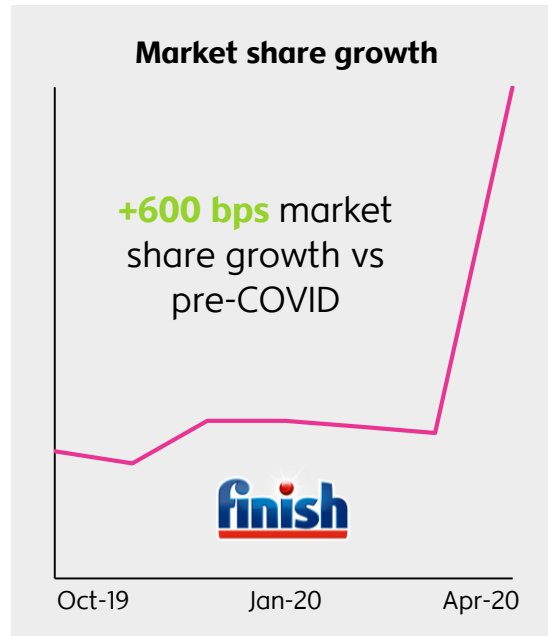
Penetration

Lysol USA mega brand



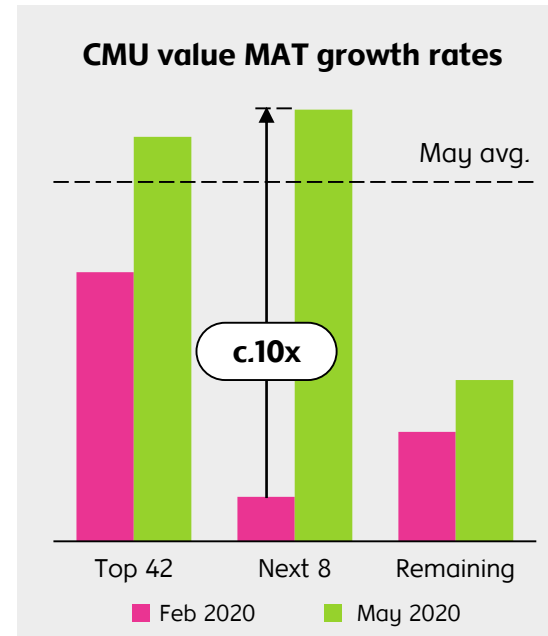
Market share optimisation

Finish ADW USA



New places

From 40 to 50 Power CMUs



New places

Professional



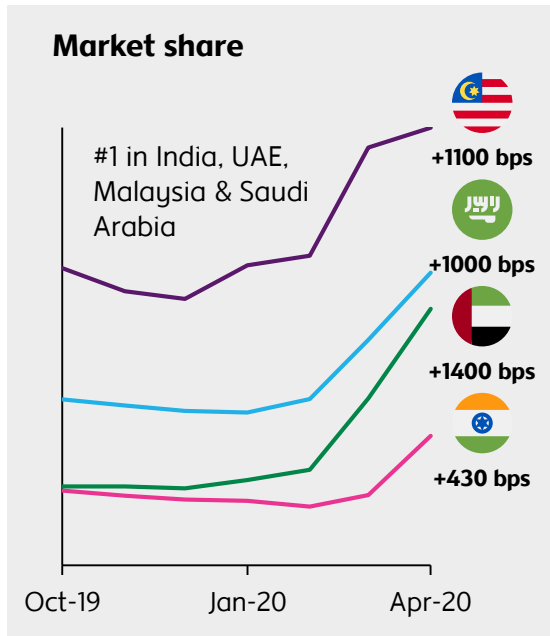
Medium term growth +3-5% pa

Strategic update and outlook

Health: prioritising customer and consumer need delivery across the portfolio

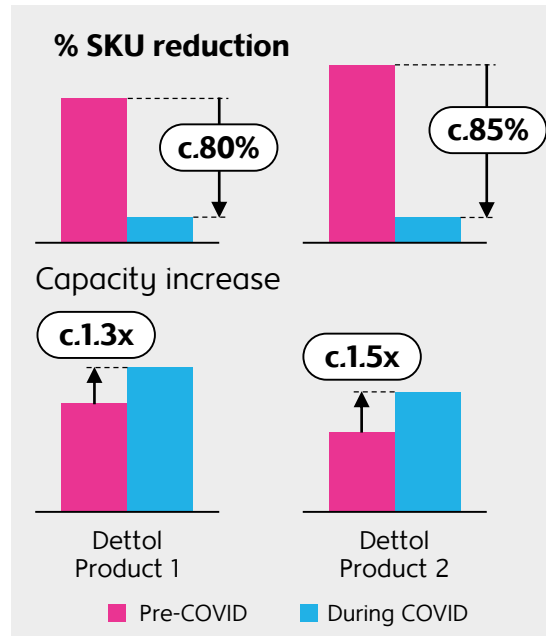
Market share optimisation

Dettol Bar Soaps



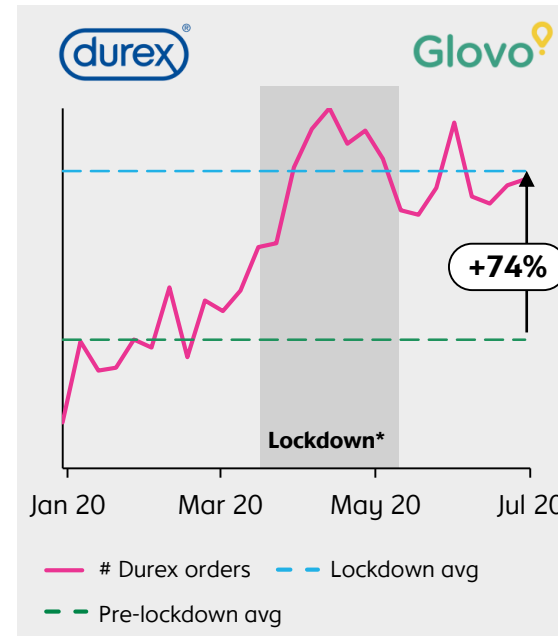
Market share optimisation

Maximising supply by rationalising EUR SKUs



New places

Durex eCommerce Iberia



New places

Professional



Medium term growth +4-6% pa

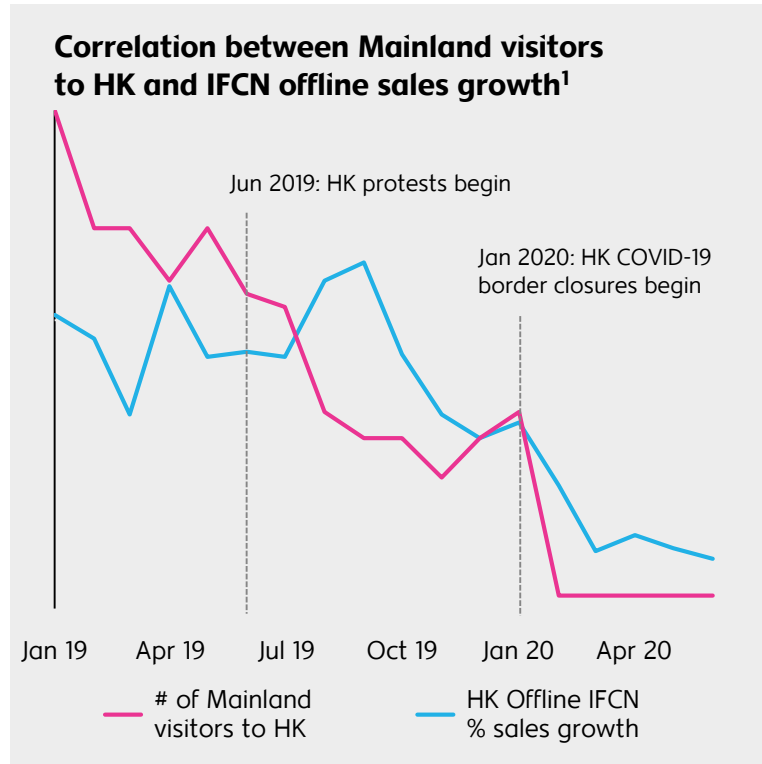
Strategic update and outlook

Nutrition: making progress but some challenges still exist

Hong Kong

Emerging markets

Macroeconomics challenges



LATAM

Mexico

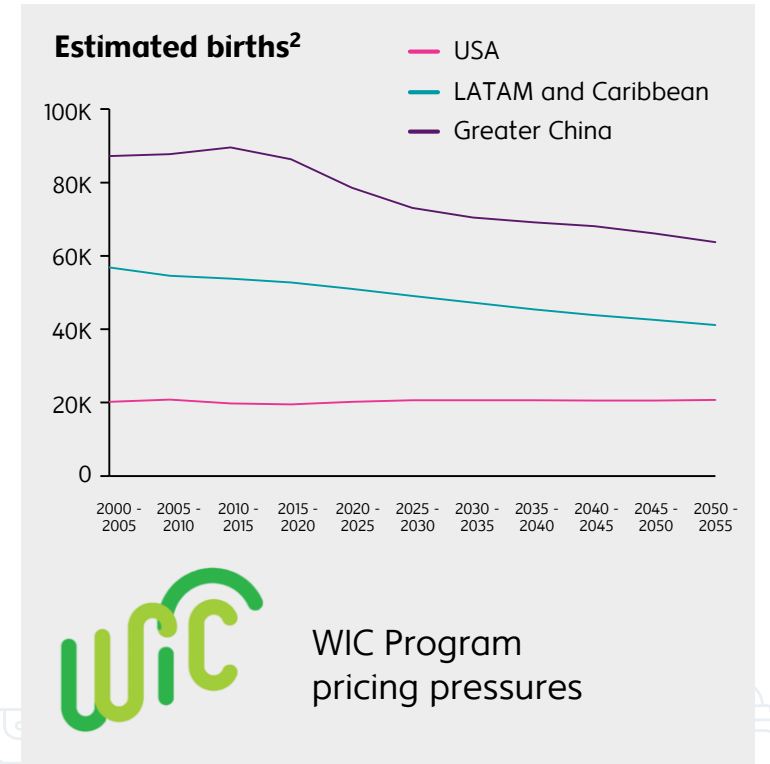
ASEAN

Indonesia

Vietnam

Philippines

Thailand



1. Solo Visitor arrival (using Individual Visitor Scheme) data from HKTb (Hong Kong Tourism Board)
 2. United Nations World Population Prospects 2019. Medium Variant

Strategic update and outlook

Nutrition: new initiatives affirm growth expectations

Market share optimisation

NeuroPro USA

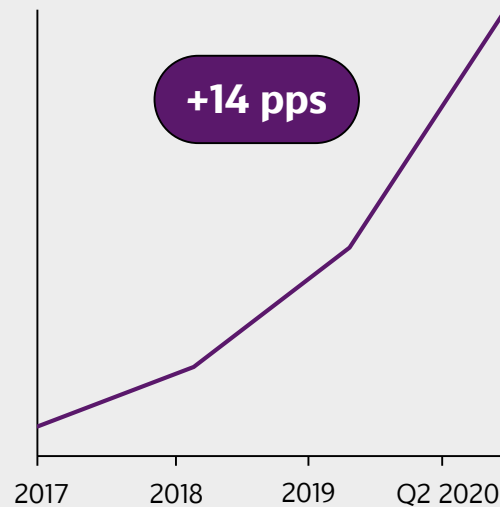


+470 bps 3-month old baby market share growth vs MAT

New places

ASEAN eCommerce

eCommerce % NR contribution



Market share optimisation

Enfinitas Greater China

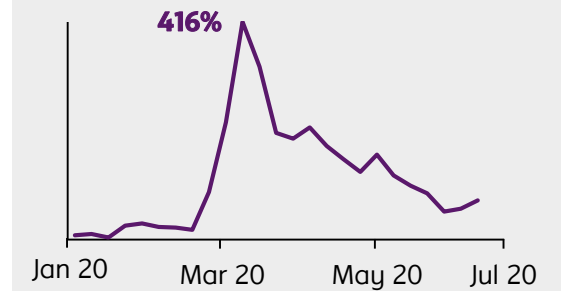
+237 bps market share growth in Super High Premium segment YTD



Penetration

Airborne USA

Weekly YOY % sales growth

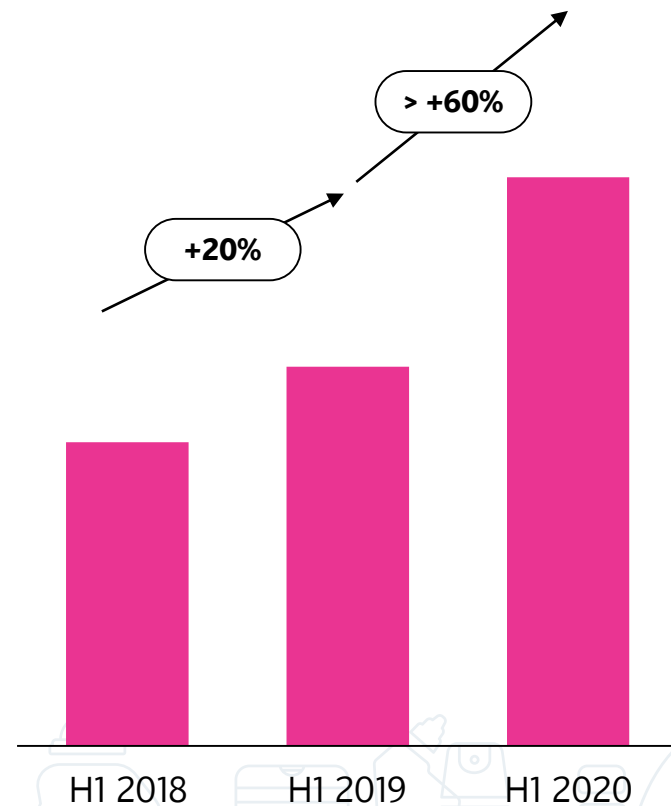


Medium term growth +3-5% pa

Strategic update and outlook

eRB uplift through COVID lockdowns; plans to accelerate in H2

eRB net revenue



Areas of focus for H2 2020

Capture and retain new consumers on event days on key marketplaces



Black Friday
Cyber Monday

Win top omnichannel customers & activate next growth platforms



Grow direct-to-consumer to drive 1on1 consumer connections



15 new DTC sites opening in H2

Build rocket brands via partnerships

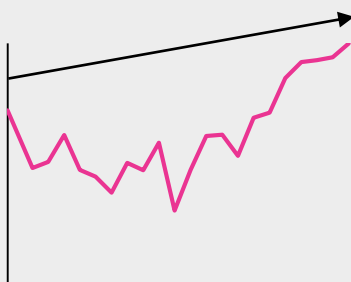


Strategic update and outlook

Supply chain: good progress but new opportunities for improvement

Current Status

Good progress on supply chain fundamentals



Additional work to be done to address growth potential, particularly for Dettol & Lysol

Opportunities

Short-term: expanding capacity and partnering with co-packers



Long-term: developing additional lines and greenfield sites

Implications and Next Steps

Short-term: continue building co-packer relationships to maximise supply and meet consumer demand

Long-term: assess opportunities for additional in-house capacity and invest for optimal returns



COVID-19 has restricted investment to-date in overhauls and refurbishment

Increasing flexibility and resilience in core operations



Rephasing investments into 2021 and 2022

Strategic update and outlook

Managing our investments during COVID-19

	February	July
P&L investment	£200m in 2020	£200m weighted to H2 2020 / H1 2021
Transformation costs	£250m total, phased out in 2022	£250m total, weighted to H2 2020 and 2021
Productivity programme	£1,300m over 3 years	On track, reviewing options to expand plan
Reinvestments	-	£100m in H2 2020 / 2021
Capital expenditure	£300m incremental spread over 2 years	c.£400m incremental spread over 3 years
Total	£2.0 bn – over 3 years	£2.2bn – over 3 years

Strategic update and outlook

Expanded plan increases confidence in growth



Performance Drivers

- Sustain Hygiene growth
- Reignite Health volume and growth
- Reignite Nutrition DvM growth



Foundational Capabilities

- eCommerce and Digital
- Research & Development
- Channel specific sales excellence
- Branding building tools
- Productivity delivery
- Supply chain resilience



Expanded Plan

- Accelerate eCommerce and Digital
- Fully deliver Lysol and Dettol potential
- Build professional capabilities
- Support supply chain expansion
- Expand CMU's, new white space and adjacencies

Strategic update and outlook

Medium term financial algorithm is unchanged

	2020	2021	Medium term
Net Revenue growth	High single digit (3-4% underlying) (previously better growth than 2019)	Expected COVID-19 headwinds of 5-6% (new)	Mid-single digits (unchanged)
Adjusted operating margin	2020 in line with expectations, expect to reflect the full 350bps investment vs 2019 over 2 years (previously over 1 year)		Rebuild to mid-20's (unchanged)
	Expect incremental COVID-19 costs continue in H2 2020 and 2021 (new)		
Capital expenditure	c.3.0 - 3.5% of Net Revenue (previously c.4%)	>4% of Net Revenue for 2021/22 (previously c.4%)	3.0 - 3.5% of Net Revenue (unchanged)
Free cash conversion	Focus on delivering sustainable strong free cash flow conversion in the medium term		

Increased confidence in mid-single digit Net Revenue growth & EPS growth of 7-9% in the medium term

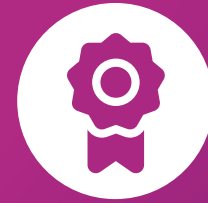
Strategic update and outlook

Our purpose and our fight



Our purpose

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



Our fight

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

Strategic update and outlook

Our compass



Strategic update and outlook

Playing our part in combating COVID-19

Fight for Access Fund

Equivalent to over 1% of our operating profit donated to benefit communities around the world



UNAIDS partnership to reach 220,000 individuals in Africa with hygiene packs



Dettol UK pledges 150,000 care packages to support NHS workers



£1 million to (IRC) to provide lifesaving programmes to support refugees in Middle East

Impact so far

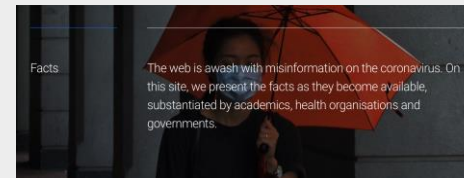
20 initiatives providing support to **41 countries**

2.2 million people benefiting by projects reported

Over 8 million individual products donated

Educational campaigns

Myth Busting with COVID-19Facts.com



- 2.5m users across 20+ countries
- 80+ claims evaluated
- Reached 38m through social media

Lysol HERE For Healthy Schools



Educational program to minimize the spread of germs in the classroom
Expanded to reach 58,000 US Title 1 school by 2020

TikTok Dettol Hand Wash challenge #HandWashChallenge

124.8bn Views



Strategic update and outlook

The Reckitt Global Hygiene Institute

Our expert partners



Funds research & innovation to advance the understanding of the links between hygiene and health



Informs education and behaviour change to effect long-lasting changes in consumer behaviour to improve hygiene and health



Develops protocols to incorporate hygiene into the global public health agenda

Professor Peter Piot

Director of the London School of Hygiene & Tropical Medicine

Dame Sally Davies

Master, Trinity College Cambridge

Professor Feng Cheng

Research Center for Public Health, Tsinghua University School of Medicine, Tsinghua

Dr Randeep Guleria

Director, All India Institute of Medical Sciences (AIIMS)

Professor Dr Albert Ko

Department Chair and Professor of Epidemiology, Yale School of Medicine

Dr Teo Yik-Ying

Dean, Saw Swee Hock School of Public Health, National University of Singapore

Strategic update and outlook

Environmental commitments and ambitions

Our commitments

Pledged to **accelerate the delivery of the Paris Climate Change Agreement** to keep global warming to below 1.5°C

Member of **RE 100**

Our ambitions

65%
reduction in
greenhouse gases
from our sites by 2030

100%
renewable electricity
powering our
operations by 2030

Continuous innovation
to reduce the carbon footprint of our
products and increase energy efficiency

Net carbon neutral
by 2040 – ahead of the world's goal of 2050

Strategic update and outlook

Our Leadership Team

“An international team: the best of RB supplemented by new hires”



Harold van den Broek
President
Hygiene



Kris Licht
President Health
& Global Chief
Customer Officer



Aditya Sehgal
President
Nutrition & eRB /
Greater China

GBU Presidents



Jeff Carr
Chief Financial
Officer



Ranjay Radhakrishnan
Chief HR Officer



Rupert Bondy
Group General
Counsel



Zephania Jordan
Chief SQRC
Officer



Miguel Veiga Pestana
Head of Corporate
Affairs & Sustainability



Sami Naffakh
Chief Supply
Officer

Joined 1 July



Volker Kuhn
Chief Transformation
Officer

Joining 1 August

Key messages



Strong start to 2020 – delivering our strategic plans; tailwind from COVID-19



Global shifts reinforce our strategy, portfolio, purpose and fight



Expanded plan to accelerate growth with higher investment



Organisation, capabilities and culture change well underway to realise opportunity



Q&A





Appendices

H1 2020 financial details

Productivity Program: Case studies

PROCUREMENT

Developing relationships for joint success

Working with our partners to deliver mutual savings

- In health relief, our Procurement team are working to build strong trusted relationships to improve costs for both RB and our partners

Optimal Care Wipes

- Optimal Care is a long term Spanish vendor for RB, providing wipes across a number of brands
- We worked with them to understand the breakdown of their raw / pack material



- We negotiated a rebate matrix based on business growth. With wipes in high demand this will provide further future financial benefit

 **Annual estimated cost saving of c.£250k**

SUPPLY CHAIN

Nijmegen container fill rate



The opportunity

- To re-configure the palletisation of milk powder cans shipped from Nijmegen to China
- Improve sustainability and eliminate unnecessary transport costs

The challenges

- Ensuring transport safety across the entire supply chain

The outcome

- Increased palletization is safe thanks to proven individual pack strength; benefits of which are immediate
- Changed the configuration of the pallet from 9 to 10 per layer, and implemented 11 high stack pallets
- Cost savings and a reduction of CO2 emissions

 **Annual estimated cost saving of c.£200k**

H1 2020 financial details

Productivity Program: Case studies

NETWORK / COST OPTIMISATION

Digital platform cross GBU collaboration



The opportunity

- We have a number of brands at RB which need unique digital experiences to ensure we connect with our consumers
- Both Health and Hygiene purchased the same Product Information Management system with their own set of licences with different contract length terms
- Opportunity to work together and migrate from two contracts to one

Sharing contracts and processes across the global business units

- Collaboration across the business to consolidate processes as well as consolidating contracts

 Annual estimated cost saving of c.£250k

DESIGN TO VALUE

Mexico 18% material saving



The World packaging Organization recognized RB for World Star Packaging Award 2020

- The Mexican Packaging Association awarded RB for our new lamination used in the bag of infant formula products
- Change in packaging resulted in an 18% reduction in the use of plastics reflected in the savings of materials and resources

- In collaboration with our supplier, we worked together in a restructuring of the components of the original packaging, weight and stiffness of the bag
- The re-engineering work was made possible through the development of a tetralaminate, Bioriented Nylon on the outside of the bag making it more flexible and resistant to punctures (from 24.63 lbf to 43.26 lbf), made of polyester, aluminum, and thermo-seal

 Annual estimated cost saving of c.£280k

Our Compass

Our Purpose

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

Our Fight

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

