

Chief Executive Officer's Statement

A BIG STEP FORWARD ON RECKITT'S TRANSFORMATION

Kris Licht
Chief Executive Officer

Throughout 2025, our leaders have focused on delivering the strategy we laid out in 2024; to streamline our portfolio, simplify our organisation and improve our operating model. We took major steps forward on the transformation of our Business, including the divestment of Essential Home.

Against this backdrop of focused change, I am very pleased that we delivered full year results ahead of our expectations, demonstrating that our actions are already delivering benefits. Despite a challenging consumer backdrop in developed markets and a year of significant internal change for our people, Core Reckitt like-for-like net revenue rose 5.2%, a step-up from 2024, and we have delivered another year of adjusted diluted EPS growth.

Our top-line growth was driven by the strength of the 11 Powerbrands at the heart of Core Reckitt. Meanwhile, our increased operational efficiency, disciplined capital allocation and our Fuel for Growth programme contributed to adjusted operating profit growth of 5.3%.

Beyond our financial performance, improved execution has enabled us to better contribute to a cleaner, healthier world through our products, partnerships and the decisions we take to ensure that we grow responsibly. Sustainability is embedded in how we operate and how we create long-term value, shaping our choices on carbon, packaging, water and responsible practices across our value chain and in our local communities.

Our people and our distinctive culture at Reckitt are huge drivers of our success, with an equal emphasis on 'how' we operate as well as 'what' we do. It is the dedication of our people that has driven our simultaneous transformation and business performance in 2025 and I am both proud of their achievement and hugely grateful.



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Strategic execution in practice

Delivering our strategy has seen the implementation of big changes. We are focusing resources on our Powerbrands and stepping back from lower-return assets such as the Essential Home business.

We completed the divestment of this business in December and look forward, as a shareholder, to the value we believe Advent International can unlock from its strong brands and team.

We are managing Mead Johnson Nutrition to drive growth and value creation while we continue to assess our long-term strategic options for this business.

Our sharper focus on Core Reckitt has strengthened our growth profile in four priority categories: Self Care, Germ Protection, Household Care and Intimate Wellness. These categories have strong, long-term growth drivers. In 2025 we showed how our brand strength and winning Playbook can unlock this potential.

Chief Executive Officer's Statement continued

Core Reckitt LFL net revenue growth¹

+5.2%

Adjusted diluted earnings per share growth¹

+1.1%

Cash returns to shareholders

£2.3bn

▶ For more information visit [reckitt.com](https://www.reckitt.com)

To support this focus, we evolved our reporting structure from three business units to three Areas with accountability now consolidated behind three Area Presidents. We have reduced layers of management and accelerated decision making closer to consumers and customers.

This simplification is aligned with our Fuel for Growth programme and our investment into global shared services and digital capabilities that are optimising our cost base and driving efficiency and consistency. We are also investing in our manufacturing footprint and supply chain, including the expansion of our factory in Taicang, China, and our new R&D Centre of Excellence in Shanghai. These initiatives are setting the stage for improved resilience and reduced environmental impact in the long term.



Groundbreaking ceremony at our new R&D Centre in Shanghai, China



Winners of the Sir James Reckitt Award with the GEC at Turner House, Slough, UK

Embedding digital and data is central to Reckitt's transformation. In 2025, we utilised generative AI tools to drive more efficient concept generation and content creation. This drove sharper targeting and improved campaign effectiveness across several markets, helping teams make faster, better-informed decisions and execute more consistently at scale.

2025 performance

Our performance in 2025 was delivered through a sharper organisational focus on our Powerbrands. Our ongoing investments in brand equity and science-led innovation are driving meaningful consumer benefits, enhancing premiumisation and supporting a favourable revenue mix.

Launches such as Durex Intensity, Nurofen Mini Liquid Capsules and Dettol's Activ-Botany range alongside continued growth in platforms including Lysol Laundry Sanitizer, drove premiumisation and category creation across the portfolio.

We delivered strong growth in Emerging Markets, our largest area by net revenue, with double-digit growth across all categories. Our area-led execution reinforced category leadership in priority markets, with double-digit growth in China and high single-digit growth in India delivered during the year led us to review the prioritisation of our sustainability initiatives.

¹ Adjusted and other non-GAAP measures, definitions and terms are defined on page 203

Chief Executive Officer's Statement continued



There is more to do, but we have made real progress and we have built a stronger foundation for growth.

As a result of this growth, our Group financial performance improved. Adjusted operating margins increased 40 basis points and we drove another year of EPS growth (adjusted diluted EPS grew 1.1%). Our ongoing share buyback programme and progressive dividend delivered £2.3 billion in cash returns to shareholders. In addition to these 2025 cash returns, we paid a c.£1.6 billion special dividend to shareholders from the excess capital resulting from the Essential Home divestment in early 2026.

Our cost savings programme continued to deliver, supported by organisational simplification, global shared services, and early benefits from automation and AI. Fixed costs¹ reduced to 19.4% of net revenue, creating headroom to reinvest in our brands, innovation capabilities and supply chain resilience, driving performance today and compounding value over time.

Sustainability and responsibility

Our Sustainability Ambitions and community partnerships help ensure that our Business is set to endure for long-term success, while fuelling growth and mitigating risk. Our commitment to addressing global challenges remains unwavering, and we will continue to evolve our Sustainability Ambitions to reflect our Business priorities and stakeholder expectations.

We are focused on the areas where we can have the greatest impact: reducing carbon emissions, designing better packaging, stewarding water and upholding responsible social and environmental practices across our value chain. These priorities strengthen brand trust, product performance and supply resilience while supporting long-term growth opportunities and value creation.

Alongside this, we continue to invest in social impact programmes that advance health, hygiene and inclusive growth in communities facing the greatest need. In 2025, we consolidated our entrepreneurship initiatives under a single global platform with the launch of Reckitt Catalyst, expanding into the United States and setting a clear ambition to deliver health and hygiene solutions to five million people by 2030. Catalyst combines funding, mentorship and technical expertise to help locally rooted solutions scale, particularly those led by founders from underrepresented backgrounds.

Looking ahead

Our medium-term guidance for Core Reckitt is to consistently deliver +4% to +5% LFL net revenue growth. We aim to achieve this through superior in-market execution, a disciplined winning Playbook applied consistently across markets, and a portfolio of innovative, science-led products that drive premiumisation, with meaningful brand support behind the launches that matter most.

Alongside this, our ambition remains to deliver long-term sustainable EPS growth and value creation for our shareholders, and for our broader stakeholders.

2025 was a year of significant change for our Business. I want to thank everyone at Reckitt for delivering through that change while continuing to execute our strategy. The resilience, expertise and commitment of our people have been central to our momentum this year. To our customers, partners and the communities we serve; thank you for your trust and collaboration.

There is more to do, but we have made real progress and our foundations are stronger. With Core Reckitt at the centre of our strategy, a Playbook that scales our Powerbrands, a reinvestment cycle that compounds value and a transformation powered by our people, I look forward with confidence.

Kris Licht

Chief Executive Officer



Lysol brand display on a North America retail site visit

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