Reckitt
Q1 2025 Trading Update

Wednesday, 23rd April 2025

Introduction

Nick Ashworth

Head of Investor Relations, Reckitt

Welcome

Good morning, and welcome to Reckitt's Q1 Trading Update. I am here with our CEO, Kris Licht, and our CFO, Shannon Eisenhardt, who will take you through some prepared remarks before we then take your questions.

Disclaimer

Before we start, I would like to draw your attention to the usual disclaimer in respect to forward-looking statements contained on page five of our RNS published this morning.

I will now hand over to Kris.

Trading Update

Kris Licht

CEO, Reckitt

Q1 Highlights

Thank you, Nick. Good morning, everyone, and thank you for joining us.

We have delivered a solid start to 2025 with our overall Q1 performance in line with the guidance provided in March. Core Reckitt delivered 3.1% like-for-like net revenue growth and volume growth of plus 0.3%, closer to 1% when excluding the SAP pull-forward impact in Q1 last year.

Emerging Markets was especially strong, reflecting:

- Improved in-market execution;
- Double-digit growth in Intimate Wellness, Dettol and VMS; and
- Continued momentum in China and India.

We have continued to execute our strategy to transform Reckitt into a more efficient, world-class consumer health and hygiene company. Our sharpened focus on our Powerbrands is delivering both better results and market share gains.

Innovation is continuing to drive category growth across many of our markets with Lysol Air and Laundry Sanitizers, as well as Mucinex recent launches, all delivering strong performances and share gains in North America.

We have not been immune to market-wide trends within certain categories. In particular, with the timing of the peak of the cold and flu season this year, retailers held higher inventory levels in seasonal OTC as we entered the quarter with destocking evident through Q1.

As you would expect, we have been closely monitoring the evolving situation around tariffs. From what we know and given where tariffs sit today, we are confident in our ability to mitigate the impact over the short to medium term through a number of levers, including:

- Our strong gross margins;

- Our excellent brand equities with pricing power;
- Our geographically diversified supply footprint, including limited Chinese imports to the US; and
- Our in-flight manufacturing investments to increase local production, such as our new Wilson, North Carolina facility.

Despite the macroeconomic and consumer backdrop becoming more uncertain in recent weeks, we are maintaining our outlook for the year, while remaining watchful of the evolving landscape.

With respect to our planned exit of Essential Home, we are continuing to progress the separation. The new management team is focused on improving the performance and completing the separation process that is well underway. We are encouraged by the interest that we have seen in the business, and we continue to seek an exit in 2025, although we recognise that market conditions may impact this time frame.

All other elements of our strategic delivery are progressing well. Our Fuel for Growth programme has continued to deliver in line with our expectations. Mead Johnson Nutrition is trading well despite a challenging comparative period, and we continue to defend ourselves against all cases in the ongoing litigation.

Our new organisational structure is working effectively, and we look forward to sharing insights from our leadership team around how our category organisation is driving growth and operational excellence at our investor seminar in May.

Let me now pass you to Shannon to take you through our Group and segmental performance in Q1 and the drivers behind that.

Financial Review

Shannon Eisenhardt

CFO, Reckitt

Key Financials

Thank you, Kris, and good morning. As previously outlined, from 1st January this year, we have moved to our new reporting segments of Core Reckitt, Essential Home and Mead Johnson Nutrition. Within Core Reckitt, we are reporting three geographic areas and are also providing like-for-like net revenue growth across our four global categories.

In Q1, we have reported like-for-like net revenue growth of 1.1% across the Group, driven by 3.1% growth in Core Reckitt. As Kris highlighted, within Core Reckitt, we saw very strong growth in Emerging Markets, up 10.7%, with 6.8% volume growth and a 3.9% price/mix impact.

China continued to deliver strong results with excellent volume and share performance across key Powerbrands in Intimate Wellness and Germ Protection, as well as in the VMS segment of Self Care.

India also performed well, up high single digits, driven by strength in Dettol and Harpic. Our LATAM business saw a modest year-on-year decline as it cycled a tough comparative Q1 due to the sell-in phasing ahead of an SAP implementation in Q2 of last year.

Europe saw a 1.7% like-for-like net revenue decline with volume down 4.7% and price/mix of plus 3%. This performance was against a strong Q1 comp last year, which saw significant inventory restocking and a positive phasing of shipments. In the context of slowing market growth in the quarter, we did see good market share momentum, particularly in Self Care.

Finish also saw market share momentum, although like-for-like net revenue was broadly flat as we lapped a high base due to innovation launches in the prior period.

Our North American business saw volume decline of 1.8% and price/mix of positive 0.9%, leading to a like-for-like net sales decline of 0.9%. Sell out in the quarter remained in growth despite retailer inventory destocking impacting VMS and Mucinex performance, particularly in the drug channel. We saw improved in-market execution with good growth in mass retail and club. Lysol grew low single digits as it continued to benefit from recent innovation launches despite a slower than expected capacity ramp-up to meet strong consumer demand.

Global Categories

Now moving on to our global categories.

Across Self Care, seasonal OTC brands declined mid-single digits, primarily as a result of higher retailer inventory levels at the start of the period, partially offset by strong double-digit growth across our VMS portfolio, led by Move Free in China.

Germ Protection saw high single-digit like-for-like net revenue growth, led by double-digit growth in Dettol as the brand benefited from new innovations with growth also supported by Lysol, where emerging market adoption continues at pace.

Household Care saw a modest decline as a function of continued competitive dynamics across the auto dish category, particularly in North America. In Europe, we have seen improved market share performance in Finish in Q1 as it moves back into gain territory for the quarter.

Emerging Markets' performance was solid as market penetration continues to drive sales growth. We saw very strong performance in Intimate Wellness, driving strong market share gains through innovation and in-market execution. We launched our first-to-the-world innovation, Durex Intensity condoms in Europe, made from nitrile, and had continued success with our Intima brand in China.

Non-Core Segments

Now turning to our non-core segments. As anticipated, Essential Home like-for-like net revenue declined in Q1. Essential Home includes our pest brands in Latin America, which lapped a strong pest season and much of our business in Brazil, which lapped additional sell-in ahead of an SAP implementation in Q1 last year. We estimate that implementation had roughly a 2% impact on Essential Home performance.

In North America and Europe, we saw market share decline, reflecting continued competitiveness, particularly in the US Air Care category, with some improving share trends in Latin America.

Mead Johnson Nutrition saw like-for-like net revenue growth of negative 0.5%. As we move through 2025, we have rebuilt our supply and availability positioning following last year's disruption from the Mount Vernon tornado. We are pleased to be rebuilding market shares, as expected, noting the supply constraints in the second half of 2024 led to a missed cohort of babies when samples and supply were reduced.

The quarter also saw a challenging comp with Q1 2024 benefiting from the private label supply challenges and Nutramigen stock refill following our voluntary recall the prior year.

We are continuing to progress our £1 billion share buyback programme. As of last Thursday, we had bought back £815 million of shares since this current programme commenced in July 2024.

Outlook

Looking ahead to the remainder of the year, we are maintaining our fiscal 2025 guidance, as set out with our full year results, while remaining mindful of the evolving landscape. We expect Group like-for-like net revenue growth of plus 2% to plus 4%, with growth in Mead Johnson and Essential Home second half-weighted.

In Core Reckitt, we continue to target 3% to 4% net revenue like-for-like growth for the year. More specifically, for Q2, we expect Europe to deliver low single-digit growth. We expect North America to show low single-digit decline, given the weaker consumer backdrop, as well as the reset of our seasonal OTC business with PE-free reformulated products. We expect Emerging Markets to continue to deliver mid to high-single-digit growth in Q2 and into the second half of the year. We expect both Europe and North America to deliver growth in the back half as well. As we said previously, our Fuel for Growth programme is expected to help drive adjusted operating profit ahead of net revenue growth, and we expect to deliver another year of adjusted diluted EPS growth.

With that, let me hand back to Kris to wrap us up.

Conclusion

Kris Licht

CEO, Reckitt

Summary

Thank you, Shannon. Let me briefly summarise the key messages from the call this morning.

- We have delivered a solid start to the year with strong performance in Emerging Markets, good market share momentum and strong sellout.
- We continue to execute against our strategy to make Reckitt a more efficient, world-class consumer health and hygiene company.
- While we are mindful of the macroeconomic backdrop, our resilience reflects the performance of our high-growth, high-margin Powerbrands across global markets. We are on track to deliver our full year 2025 in line with our guidance.

Now let me stop there, and we are very happy to take your questions.

Q&A

Rashad Kawan (Morgan Stanley): A couple for me, please. Within Core, Europe and North America came in weaker than what you had guided in early March for the quarter. Clearly, the environment has gotten weaker since then, and you had talked about slowing category growth in Europe, in particular, Shannon, in your remarks. But can you talk about what drove the delta versus expectations? What gives you confidence in your guide for the rest of the year?

Then second question on Essential Home. So minus 7% in Q1. I think you had talked about Q2 being negative as well. What gives you confidence that you can offset that in the second half to deliver on the low single-digit growth for the year? Does the delivery here so far in the quarter change how you are thinking about any eventual exit and timing?

Shannon Eisenhardt: Sure. Thanks, Rashad, for your questions. I mean I think you hit the nail on the head with your first question, which is, certainly, if you look back to where we were at when we shared our full year results with where we currently sit today, I think the overall macro environment has gotten weaker and has been more volatile than certainly what we would have seen when we were guiding for the front half of the year.

We did see strength in Emerging Markets, obviously, with double-digit growth in Q1. If you look at Europe and North America, both coming in slightly short of our original guide, I would pick it apart as follows.

I think for North America, what we saw, frankly, was a bit of a steeper drop-off of the season than what we would have expected. Then that was compounded with the fact that we did see more significant retailer destocking. That had a bit stronger impact on our seasonal OTC business than what we would have expected.

I think as well, what we have seen is that as we look month by month, we are seeing a bit of a slowdown in the category growth rates of the categories where we play in North America. However, what I do want to emphasise is that we do continue to see strong sell out results in North America, and we continue to see market share developing positively in North America across most of our categories.

From a Europe standpoint, I would emphasise those positive points, which is that our categories are continuing to grow across Europe, and we are seeing, again, strong sell out and we are seeing market share momentum and market share gains across Europe. I think that we have, however, seen again a bit of that volatility around the consumer. While it is to a lesser extent, we are seeing these macro volatility and uncertainty impacting consumers in Europe a bit as well.

Kris Licht: On Essential Home, look, I would say, obviously, it is a soft performance in the quarter. As we talked about, there is a number of really good reasons for that. We are lapping a very high pest season. We had the phasing of shipments in Latin America from the SAP transition.

We expected this. We also finished 2024 a bit ahead of what we thought, and that caused January to be a bit softer. What I will tell you, though, is that this business is a very stable business. The earnings model is very resilient, and we are satisfied with what the business is doing from an earnings model standpoint as we have started the year. We expect Q2 to be sequentially significantly improved from Q1, and we expect growth in the back half, as Shannon said. Those expectations are grounded in a series of concrete building blocks, our promo activity and calendar launches, etc.

I actually am not so concerned about the performance in Essential Home as I look ahead. I do not think that is what would cause us to have maybe a different time frame for the transaction than we initially indicated. When we say market conditions, it is not because we are seeing some change in the demand picture that would meaningfully alter performance in the business.

When we say market conditions, it is just more of a question of the fact that I think all stakeholders in the global markets are less certain about the outlook, right? There is simply more concerns about where the economies that we are talking about are going and transactions are either taking longer to get done or currently not getting done.

We are just highlighting the fact that those market conditions could cause the timeline to shift for Essential Home and that exit. However, that is certainly not what we are looking to execute on that, and we are continuing to seek that exit, and we will keep you posted when we can share more about that. But we thought it was reasonable to indicate that, obviously, we have seen a very significant change in the market context.

Guillaume Delmas (UBS): Two questions from me as well, please. The first one is on the very strong volume performance of both Intimate Wellness and Germ Protection in the quarter. Just wondering here if there were any one-offs in the quarter that flattered a little bit this performance? Or should we just see it as a genuine combination of good underlying demand and share gains on your part. Therefore, we should expect some continued strong volume development for both divisions in the coming quarters?

Then, I mean, going back to Essential Home, and you saying this morning that market conditions could impact your plan to exit the business by the end of this year. I am wondering, is there any alternative plan? Is it just down to owning the business maybe a bit longer until market conditions improve? Or would you also consider other options such as a separate listing or even bringing back Essential Home into Core Reckitt?

Kris Licht: Great. Let me take those in turn. I think as you rightly point out, we have seen some really strong volume growth in Emerging Markets led by China and India and really in the Germ Protection and Intimate Wellness spaces. There are no meaningful one-offs in that. That is just simply strong organic performance.

Our businesses have very good momentum. We are launching a lot of successful innovation into the market, and we are scaling other innovation platforms. We absolutely expect that to continue.

Now, of course, these economies may also not be immune to any shocks that could roll through the global economy. But as we sit here today, we fully expect sustained strong volume growth in China and India and in other Emerging Markets as we go through this year.

I am very pleased with that. This is a clean performance, and there are no significant one-offs to highlight.

In terms of Essential Home, look, we have said from the get-go that we will be open to consider any and all options for this exit, but that we think that Essential Home is an attractive business and provides a platform for strong value creation. That belief of ours has been confirmed in the interactions we have had to-date. There has been good interest in this business.

I do not, today, think that there is any reason for us to actively pursue any other avenues of exit. But as you say, it certainly is possible that the current environment for transactions could impact the timeline. Should we learn more about that as we go along, we will keep an open mind. But as I sit here today, I do not have any sense that we need to change direction.

Jeremy Fialko (HSBC): Could you tell us a bit more detail about what the sell-out trends are across your business in North America and Europe, I guess, particularly if you take the latest ones as we go into the quarter? Bearing that in mind, the fact your sell-out is positive, why do you expect that North America goes negative? Is there still going to be some sort of a destocking effect, or can you spell out the size of this PE impact there?

Then the second thing is just on Essential Home. You have talked about the new management team there. Can you talk about some of the changes that they have implemented since coming into the business and where you see any concrete signs of improvement, given the relatively soft number that you have printed today?

Shannon Eisenhardt: Sure. I will take the first question around sell-out in Europe and North America as well as the guide for North America for Q2.

I would start with Europe. I would say we have talked about the fact we continue to see strong momentum of our market shares. We talked about that in Q4, and we are very happy to see that trend continuing in Q1 in Europe. From a sell-out standpoint, we have generally been seeing sell-out in our categories across Europe in the mid-single digit range.

We talk about in our release the fact that we have some comps from prior year that are causing that distortion between what we are seeing from in-market sales versus the reported net revenue for Europe.

From North America, I would say we have seen a bit of a consumer slowdown as we look month by month. Our sell-out started mid-single-digit. We are seeing that as more low single-digit in the most recent reads in North America, which I think is probably intuitive and consistent with what you might be seeing or hearing elsewhere.

The reason that we are guiding North America down for Q2, the primary driver of that is really the fact that we will be resetting our Mucinex shelf towards the end of Q2 in advance of the season to reflect our new formulations of Mucinex that are PE-free. So that is something that we take care of in advance of the season coming in to ensure that the shelf is set and ready for the season in Q3.

Frankly, there is a bad guy associated with that, that you see in Q2. Then as we have reorders, you will see a good guy from that transpire in Q3. That is really the biggest driver of the guide for North America being down in Q2.

Jeremy Fialko: Just the approximate magnitude of that PE impact from North America, how much do you think shifts Q2 to Q3 just because of that issue?

Shannon Eisenhardt: Yes, I do not have a specific number to say. But what I would say is as you think of North America being down low single-digit, that would be the biggest driver for that. Kris?

Kris Licht: Yes. I think the only thing I would add is, I mean, generally, sell-out trends are positive, as Shannon was saying. Even though we are seeing some slowdown, we are still in positive territory, and we do expect that to continue. I think that is an important thing to take away from the call today.

In terms of the management team, look, I am pleased with the work that the new team in Essential Home has done to-date. They are working hard on the separation process, which is going well. They have designed the new organisation for Essential Home, and they are well along the path of staffing that and operating that as a separate commercial business. I think they are moving at pace.

I know that they also would like to post some stronger numbers, and that is their entire focus now. What they are very focused on is executional excellence and rolling out what has been a successful playbook for Air Wick in Europe to other markets and then really capitalising on what is a strong, high-margin, cash-generative business and realising its full potential.

I am pleased with what they are doing. They are a very experienced team. They have spent a lot of time in these businesses, and I have a lot of confidence in them. As we talked about, Q1 performance in Essential Home is not indicative of the underlying strength of these categories and brands. There is a number of one-offs that helped to explain that number for the quarter. As we have said, we fully expect Q2 to look meaningfully better and for the back half to generate growth.

Victoria Petrova (Bank of America): Last time you talked to the market, you disclosed your winning market share metrics. Can you maybe provide an update for the first quarter? And also briefly talk about increasing North America competition on one side and quite significant pricing on the other side of things. How should we think about it? Are you pricing in line with the market? Should we expect further price increases on the back of palm oil price dynamics and overall? Maybe you could also put it in the context of price elasticity of the demand globally and in North America specifically?

My second question is related to your seasonal OTC products. Are you confident that destocking is over towards the end of the first quarter and that you will be entering the new flu season with clean inventories in retail channel? How confident are you about that? And is it embedded in your second-half positive organic growth guidance?

Kris Licht: Okay, sounds good. I will take those in turn. On market shares, look, we disclosed the CMU metric at the full year, and we give an update at the half year in terms of how we are doing. So we are not normally disclosing those numbers in the quarter, but I understand that there is interest in this topic.

The fact is that we have started the year really well with market share. So I am pleased with where we are. As you might recall, we showed a steady progression in our market shares through the course of 2024 and ended up just shy of our long-term goal of 60% in all our gain. I am really pleased that we have continued that trend, and it is looking quite positive on market shares.

Finish is doing meaningfully better, which was a big priority for us. Mucinex is back in gain. I mean, these are really big businesses for us that are showing their strength. So on market shares, while we are not disclosing the metric, I can tell you I am quite confident in where things are shaping up as we have come through the first quarter.

In terms of pricing, look, in North America, it is quite a competitive market in many places. Like I said, we are actually seeing some good share results with Finish, with Lysol, with Mucinex. But I think North America will remain competitive. The consumer is concerned, right. We know consumer confidence is down. We can see consumption patterns are changing. I think it will remain competitive.

We are actually not taking a lot of pricing in that context. The vast majority of our price/mix that we are reporting for Q1 is coming from Europe and Emerging Markets. I think that is an important thing to note. I do not think, in general, we are pricing ahead of our market. Obviously, when we launched premium innovation, we launched that at higher price points, and we always work to drive some mix benefits in our business. I would say those are the main drivers.

As it relates to palm oil, it is an important ingredient for our soaps business, and we are paying a lot of attention to it. But I do not think that that is going to keep us from being successful. Our Dettol franchise is gaining share and is doing well in a place like India, and that is really where that issue is the most profound.

In terms of seasonal OTC, what I would say is you never know what a season looks like before you are in it and you do not really know what retailers do on the margin. But we have seen some pretty significant destocking, and so I do not expect that to continue. The normal rhythm of this business, which I do not think will be any different this year, is that as we sit here in April, we are done with the season.

Then it is a clean slate and people make decisions in terms of orders, and everyone generally in the retail environment wants to be in stock with these high-margin important products that drive traffic to the store, especially with strong brands like Mucinex. I do not really see any change in the outlook for the season. We are expecting a normal season next year or this year and next year, and we will update on that as we get closer to it. But I do not see any changes until we are in the midst of that season.

David Hayes (Jefferies): A couple from me. Just on the guide for the Core. In the second quarter, you obviously guided very helpfully the regions as we have touched on. When we run those numbers, it looks like second quarter is about 3% as well. The first half is low 3s, and you talked at March about being very similar first half and second half in Core. Is there a guide really towards the bottom end of the 3% to 4% now? Or maybe going back to your PE ingredient Mucinex next point, was that not expected in March and that you do expect now a bit more of an acceleration, better performance in Core in the second half, which means you could be well within the 3% to 4% range that you are still got in the outlook?

Then second question, just in terms of the restructuring cost save ongoing process. I mean, is there an element of mindset distraction going on here that maybe means you are not as focused on full performance in the markets? And/or, I guess, in terms of margin levels, you are obviously looking to get margins up, but to be fully competitive consistently, is that something that you do look at and consider whether price points, brand spend needs to be maybe a little bit more competitive to your point about competitive markets at the moment?

I guess maybe related to that as well, I will ask 2.5 questions, sorry. Just on the Lysol capacity uplift that it seems to be behind plan, can you just talk about why that is and whether that is something that is running a few weeks late or whether that is something that will be back to where you want it to be later in the year?

Kris Licht: Okay. Let us take those between Shannon and I. Let me just hit on the point around execution. Look, I am actually pleased with how our teams are executing. I mean we are seeing excellent performance in Emerging Markets. We are seeing, like we said, good positive sell-out in Europe and North America, notwithstanding that shipments have moved the way they have moved, and we have discussed the details of that.

But I think the best indication of how we are executing is how we are doing on market share. Like I said, it is continuing to improve. It is quite strong as we expected. So I actually think that that is a very good indication that we are able to execute through the changes that we are going through and through a very difficult external macro picture. I am pleased with our ability to execute, and I suspect that, that will continue. That is our whole focus.

Over to you, Shannon.

Shannon Eisenhardt: Okay. Great. David, for the guide for Q2. I mean, the guide by geography for Q2 was really intended to provide an increased level of granularity for all of you, particularly given the fact that we are seeing a slightly different composition of growth across the three geographies, while for the Group or for Core Reckitt, we are still coming in very much in line or slightly ahead of expectations for Q1.

I believe the language I used at full year was that we expected our growth to be relatively balanced across the year when I was describing Core Reckitt, and that would continue to be my guide, but there was certainly no intention that I am trying to now guide to the lower end of 3% to 4%. My expectation is that Core Reckitt will grow 3% to 4% for the year. I think we are off to a strong start if your model is showing the front half around 3%, but I was not in any way trying to signal something at the lower end of our 3% to 4% guidance.

Then on Lysol, what I would say to that is that we saw some impacts of that in Q1. As we look at Q2, our Lysol manufacturing is fully up and running. We are confident that we will be meeting consumer demand. We shared the fact that in Q1, Lysol North America grew low single digits. We talked a lot at full year of the strength of Lysol growth in 2024. My expectation is that we continue to see strong consumer demand. Now that, that manufacturing is up and running, we will meet that demand.

Jeff Stent (BNP Paribas Exane): Just reflecting on the call, there has been a lot of discussion of various one-offs and phasing impacts, etc. Could you quantify just for the Group as a whole, what you estimate Reckitt's sell-out would have been in Q1?

Shannon Eisenhardt: Jeff, I can take that one. I am sure not surprisingly, I do not know that I have a specific number that I would give you. What I would say is if I piece it apart by geography, Emerging Markets, as you know, came in, in Q1 at 10.7%, so call that double-digit growth. Europe, we have talked about the fact that what we are seeing our categories grow at in Europe is mid-single-digit, so 4% to 6% growth. We are pleased with the market share performance and the fact that we continue to gain market shares in Europe.

Then those are our two largest geographies. Our smallest geography, North America, I would say, low single-digit is where we are seeing the market or the category growth. Again, pleased with our share performance in North America. I guess I would let you piece that together on what that math looks like versus the 3% we have reported.

Tom Sykes (Deutsche Bank): Just firstly, on the sale or a delayed sale of Essential Home, how would this affect your thinking about cash return this year and next, please? Any buyback and financing that?

Then just on the margin guidance you have given. Could you just confirm, is that all in, including translation and transaction effects or constant currency? Could you just confirm in what context for FX the margin guidance is given, please?

Kris Licht: Yes. Let me start on Essential Home. Listen, I want to be very, very clear about this. Thank you for the question. We are not announcing any delay today to our Essential Home process at all. We are simply highlighting the fact that getting transactions done in this environment, as you know, is more difficult for lots of people and that it takes longer to execute transactions in an environment like the one we are operating in.

That could change or that could stay constant for a while, and we do not know. We are just letting you know that we are aware of that. Obviously, it could potentially impact the timing of Essential Home. But I have no information today and we are not intending to share that there is any delay whatsoever. We do not have any certainty about that information. We are still proceeding with this and seeking the exit, and we will continue to do that. On margins?

Shannon Eisenhardt: Hi, Tom. On margin, the margin guidance is all in.

Tom Sykes: Okay. You have spoken a lot about destocking. Is destocking becoming apparent outside of OTC, VMS at all in higher frequency? I guess, particularly in North America, is that something you think is going to become a little bit more pervasive across other categories at all?

Kris Licht: Yes. I think the most pronounced impact we have seen is certainly in OTC, like you indicate, and in vitamins and supplements. But I think different retailers are making different decisions. As you are aware, different retailers in the US are in very different situations in terms of their performance in the marketplace and other things going on in their business. We know that there is a lot of change in the pharma channel as an example.

So I think different retailers are making different choices, but the significant impact that we have seen is predominantly in OTC and VMS.

Nick Ashworth: Thank you very much for taking the time to listen to the call. Yes, we will be in touch with you guys shortly, and you know where we are if you have any questions today. See you soon.

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