

## **RECKITT Q4 / FY 2025 PRE-CLOSE AIDE MEMOIRE**

This aide memoire brings together Reckitt's previously provided publicly available financial and operating disclosures, which may be helpful as a reminder for the market's consideration ahead of Reckitt's Q4 / FY 2025 results on 5 March 2026. All statements have had their source attributed and should only be taken as speaking as at the date they were made.

No new information or disclosure is given in this document, which is now available on the Reckitt website.

### **Portfolio sharpening and organisation simplification**

#### **Fuel for growth fixed cost optimisation programme**

- “[H1 2025] Group gross margin was 61% and expanded 40bps on the prior period, driven by pricing and productivity efficiencies and a more benign environment for cost inflation with Core Reckitt gross margin of 62%. Adjusted operating profit grew 7% at constant exchange rates and margin increased 110 basis points to 24.6%, with Core Reckitt adjusted operating profit margin at 25.9%, helped by a strong performance from our Fuel for Growth program.” (Source: H1 2025 Results Call Transcript, 24 July 2025)
- Fuel for Growth programme delivering ahead of plan. 190bps reduction in fixed costs vs H1 2024 to 20.0% of net revenue supporting increased investment with BEI +11.2% (+£105m) on a constant FX basis; BEI percentage of net revenue up +130bps to 14.6% (H1 2024: 13.3%) (Source: H1 2025 Results, 24 July 2025)
- “Structurally, we tend to see a bit of a higher cost base in the second half. So I would probably say that will be a bit of a headwind. We do have the insurance proceeds that we're comping. And so that would be the second one. And then aside from that, we tried to explain just the fact that as we continue to move forward in time, we get past some of these earlier savings and move into savings related to more structural changes such as standing up GBS and Gen AI. And so we do expect that to have a bit of a phasing impact.” (Source: H1 2025 Results Call Transcript, 24 July 2025)
- “In terms of the cost to deliver our program, we continue to be around £1 billion, and for this to be around £500 million in 2025.” (Source: H1 2025 Results Call Transcript, 24 July 2025)

#### **Essential Home**

- Continued progress towards completion of the announced divestment of Essential Home; transaction expected to complete by 31 December 2025. (Source: Q3 2025 Trading Update, 22 October 2025)

#### **Mead Johnson Nutrition**

- “Our stated intention for Mead Johnson remains unchanged, and we continue to consider all strategic options for the business.” (Source: H1 2025 Results Call Transcript, 24 July 2025)

#### **FY 2025 outlook** (Source: Q3 2025 Trading Update, 22 October 2025)

- FY 2025 outlook maintained; we expect LFL net revenue growth above 4% in Core Reckitt. (Source: Q3 2025 Trading Update, 22 October 2025)
- Maintained expectations for Mead Johnson Nutrition at low-to-mid single digit LFL net revenue growth in FY 2025. (Source: Q3 2025 Trading Update, 22 October 2025)
- In Essential Home, we expect a mid single digit decline in LFL net revenue for FY 2025 (from low single digit decline previously). (Source: Q3 2025 Trading Update, 22 October 2025)
- Overall, for FY 2025, we maintain expectations of Group LFL net revenue growth of +3% to +4%. (Source: Q3 2025 Trading Update, 22 October 2025)
- Our Fuel for Growth programme is expected to help drive adjusted operating profit ahead of net revenue growth. (Source: Q3 2025 Trading Update, 22 October 2025)
- We expect to deliver another year of adjusted diluted EPS growth. (Source: Q3 2025 Trading Update, 22 October 2025)
- Other technical guidance:
  - Adjusted net finance expense is expected to be in the range of £350m to £370m (2024: £323m) (Source: Q3 2025 Trading Update, 22 October 2025)

- The adjusted effective tax rate is expected to be around 25% (2024: 22.2%) (Source: Q3 2025 Trading Update, 22 October 2025)
- Capital expenditure as a percentage of net revenue is expected to be 3% to 4% (2024: 3.3%) (Source: Q3 2025 Trading Update, 22 October 2025)

## **Core Reckitt performance – Areas**

### **Emerging Markets (42% of Core Reckitt Q3 2025 net revenue)**

- Q3 2025 net revenue grew +15.5% on a LFL basis with +7.4% volume growth and +8.1% price / mix improvement. (Source: Q3 2025 Trading Update, 22 October 2025)
- China delivered another strong quarter of broad-based double-digit growth across categories, with continued success of recently launched new segments. (Source: Q3 2025 Trading Update, 22 October 2025)
- “China [is] a market where we have delivered nine consecutive quarters of double-digit growth” (Source: Q3 2025 Trading Statement Call Transcript, 22 October 2025)
- “We’ve talked about the impact in Q3 of GST phasing being low to mid-single digits and that our India like-for-like was low single digit in Q3. I think I would just anchor on that in year-to-date, India has delivered high single-digit growth, and we expect this to simply be phasing. So we expect India to continue contributing in that way going forward” (Source: Q3 2025 Trading Statement Call Transcript, 22 October 2025)
- In LATAM the soft consumer environment in Brazil was offset by growth across all categories in Mexico. (Source: Q3 2025 Trading Update, 22 October 2025)
- Double-digit growth was delivered in a number of currently small, but high potential markets, including Indonesia, Malaysia and Colombia. (Source: Q3 2025 Trading Update, 22 October 2025)
- Emerging Markets adjusted operating profit grew +32.0% at constant FX (+23.6% actual rates) in the half, with adjusted operating profit margin up 270bps to 19.9%, driven by gross margin expansion and delivery of cost savings more than offsetting increased brand investment. (Source: H1 2025 Results, 24 July 2025)

### **Europe (33% of Core Reckitt Q3 2025 net revenue)**

- Q3 2025 net revenue grew +0.8% on a LFL basis with -0.5% volume decline and +1.3% price / mix improvement. We have delivered continued sequential improvement in volumes (Q1 -4.7%, Q2 -1.9%, Q3 -0.5%). (Source: Q3 2025 Trading Update, 22 October 2025)
- Market-wide category growth remained challenged through Q3 with broadly flat value growth across the Area. (Source: Q3 2025 Trading Update, 22 October 2025)
- “On Europe, it is a tough trading environment in Europe. As you know, the consumer is feeling some pressure. Consumer confidence is not high.” (Source: Q3 2025 Trading Statement Call Transcript, 22 October 2025)
- Europe adjusted operating profit grew +1.1% at constant FX (-2.1% actual rates) in the half, with adjusted operating profit margin up 70bps to 30.7%, with cost delivery more than offsetting a decrease in gross margin. (Source: H1 2025 Results, 24 July 2025)

### **North America (25% of Core Reckitt Q3 2025 net revenue)**

- Q3 2025 net revenue grew +1.3% on a LFL basis with +2.3% volume growth and -1.0% price / mix decline. (Source: Q3 2025 Trading Update, 22 October 2025)
- Outside of our seasonal OTC brands we delivered mid-single digit LFL net revenue growth in Q3. (Source: Q3 2025 Trading Update, 22 October 2025)
- “Our seasonal Self Care OTC brands declined mid-single digits in the context of double-digit category declines across the market. This was a function of lapping a COVID spike in Q3 of 2024.” (Source: Q3 2025 Trading Statement Call Transcript, 22 October 2025)
- North America adjusted operating profit declined -0.8% at constant FX (-4.4% actual rates) in the half, with adjusted operating profit margin flat at 29.6%, with cost delivery balancing a decrease in gross margin. (Source: H1 2025 Results, 24 July 2025)

## **Non-Core Reckitt performance**

### **Mead Johnson Nutrition (15% of Group Q3 2025 net revenue)**

- Q3 2025 net revenue grew +22.0% on a LFL basis with volume increase of +12.4% and price / mix of +9.6%. (Source: Q3 2025 Trading Update, 22 October 2025)
- Q3 net revenue last year was significantly impacted by the Mount Vernon tornado which destroyed Mead Johnson's primary U.S. warehouse on 9 July 2024. (Source: Q3 2025 Trading Update, 22 October 2025)
- Adjusted operating margin increased by 200bps in the half driven by improved gross margin due to lapping recall related costs in 2024 and a favourable product mix. (Source: H1 2025 Results, 24 July 2025)

### **Essential Home (13% of Group Q3 2025 net revenue)**

- Q3 2025 net revenue declined -4.9% on a LFL basis, reflecting a volume growth of +0.6% and a price / mix impact of -5.5%. (Source: Q3 2025 Trading Update, 22 October 2025)
- Performance as at Q3 YTD was significantly impacted by a weak Brazil pest category as it lags the prior season and softness in the U.S. Air Care category. (Source: Q3 2025 Trading Update, 22 October 2025)
- Adjusted operating margin declined by 40bps in the half as higher marketing investments more than offset fixed cost savings. (Source: H1 2025 Results, 24 July 2025)

## **Other financial disclosure**

### **Free cash flow**

- In H1 2025, we reported free cash flow of £623m and a 54% free cash flow conversion rate. (Source: H1 2025 Results, 24 July 2025)
- The decline in free cash flow conversion between H1 2025 and H1 2024 was mainly due to higher tax paid. (Source: H1 2025 Results, 24 July 2025)

### **Net debt**

- Our leverage of 2.1x adjusted EBITDA at H1 2025 (31 December 2024: 2.0X) remains consistent with our capital allocation framework and objectives. (Source: H1 2025 Results, 24 July 2025)

### **Dividends**

- Interim dividend increased by 5% to 84.4p (H1 2024: 80.4p) per share, in line with our policy to deliver sustainable growth through a progressive dividend. (Source: H1 2025 Results, 24 July 2025)

### **EPS**

- "Turning now to EPS, which grew ahead of net revenue at 4.4% in the period to 168.4p. This was primarily driven by our 110 basis point improvement in adjusted operating margin and our ongoing share buyback program. Partially offset by higher net interest in the period as well as the strength of Sterling, our reporting currency." (Source: H1 2025 Results Call Transcript, 24 July 2025)

### **Share buyback programme**

- £1 billion share buyback programme commenced on 28 July 2025. As of 21 October 2025, the first £250m tranche has been completed. (Source: Q3 2025 Trading Update, 22 October 2025)
- Following the latest share purchase and intended cancellation the Company will hold 59,467,077 of its ordinary shares in treasury and have 672,622,262 ordinary shares in issue (excluding treasury shares). (Source: RNS Transaction in own shares – 12 December 2025)

## **Enquiries**

**Nick Ashworth**, Head of Investor Relations +44 (0) 7408 812350

**Jon Bone**, Investor Relations Director +44 (0) 7408 811493

Email: [ir@reckitt.com](mailto:ir@reckitt.com)

## **Cautionary note concerning forward-looking statements**

This aide memoire contains certain statements that are, or may be deemed to be, forward-looking statements. Forward-looking statements give Reckitt's expectations and projections, as of the date such statements are made, about future events, including strategic initiatives and future financial condition and performance. Reckitt's actual results and developments may differ materially from those expressed or implied by such forward-looking statements. Please see the "Cautionary note concerning forward-looking statements" section of the relevant results announcement regarding the forward-looking statements from such documents that are extracted in this aide memoire. Forward-looking statements should be construed considering such cautionary statement notes and undue reliance should not be placed on forward-looking statements.

No statement in this document is or is intended to be a profit forecast or profit estimate.

## Appendix 1 – LFL net revenue performance

	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25
Emerging Markets	+2.7%	-0.2%	+6.5%	-1.4%	+5.7%	+4.0%	+5.6%	+12.0%	+10.7%	+14.9%	+15.5%
Volume					+6.3%	+1.0%	+2.7%	+3.3%	+6.8%	+7.3%	+7.4%
Price / mix					-0.7%	+3.0%	+2.8%	+8.7%	+3.9%	+7.6%	+8.1%
Europe	+19.9%	+8.9%	+10.9%	+7.5%	+5.4%	+0.9%	+1.2%	+5.5%	-1.7%	0.0%	+0.8%
Volume					-3.0%	-3.3%	-1.7%	+3.7%	-4.7%	-1.9%	-0.5%
Price / mix					+8.4%	+4.2%	+2.9%	+1.8%	+3.0%	+1.9%	+1.3%
North America	+0.0%	+11.4%	+2.8%	-0.6%	+0.2%	+0.0%	+2.1%	-8.7%	-0.9%	-2.7%	+1.3%
Volume					+0.7%	-0.5%	+3.4%	-6.5%	-1.8%	-1.0%	+2.3%
Price / mix					-0.5%	+0.5%	-1.3%	-2.2%	+0.9%	-1.7%	-1.0%
<b>Core Reckitt</b>	<b>+7.4%</b>	<b>+5.5%</b>	<b>+6.9%</b>	<b>+1.6%</b>	<b>+4.1%</b>	<b>+1.9%</b>	<b>+3.1%</b>	<b>+3.7%</b>	<b>+3.1%</b>	<b>+5.3%</b>	<b>+6.7%</b>
<b>Volume</b>					<b>+1.5%</b>	<b>-0.9%</b>	<b>+1.4%</b>	<b>+0.5%</b>	<b>+0.3%</b>	<b>+2.0%</b>	<b>+3.4%</b>
<b>Price / mix</b>					<b>+2.7%</b>	<b>+2.8%</b>	<b>+1.8%</b>	<b>+3.2%</b>	<b>+2.8%</b>	<b>+3.3%</b>	<b>+3.3%</b>
Essential Home	+3.7%	+1.2%	+3.1%	+7.3%	+3.2%	+0.3%	+0.4%	+5.0%	-7.0%	-5.9%	-4.9%
Volume					+0.2%	-0.6%	-1.5%	+4.6%	-7.6%	-2.2%	+0.6%
Price / mix					+3.0%	+1.0%	+2.0%	+0.4%	+0.6%	-3.7%	-5.5%
Mead Johnson Nutrition	+12.1%	-0.7%	-11.9%	-15.0%	-10.2%	-7.6%	-17.7%	+8.5%	-0.5%	-6.2%	+22.0%
Volume					-12.3%	-7.8%	-9.7%	+5.9%	-6.7%	-8.2%	+12.4%
Price / mix					+2.1%	+0.2%	-8.0%	+2.5%	+6.2%	+2.0%	+9.6%
<b>Reckitt</b>	<b>+7.7%</b>	<b>+3.8%</b>	<b>+3.1%</b>	<b>-0.4%</b>	<b>+1.5%</b>	<b>+0.0%</b>	<b>-0.5%</b>	<b>+4.6%</b>	<b>+1.1%</b>	<b>+1.9%</b>	<b>+7.0%</b>
<b>Volume</b>					<b>-1.1%</b>	<b>-2.1%</b>	<b>-0.8%</b>	<b>+1.9%</b>	<b>-1.9%</b>	<b>-0.2%</b>	<b>+4.2%</b>
<b>Price / mix</b>					<b>+2.6%</b>	<b>+2.1%</b>	<b>+0.3%</b>	<b>+2.7%</b>	<b>+3.0%</b>	<b>+2.1%</b>	<b>+2.8%</b>