



# REJUVENATING SUSTAINABLE GROWTH

24th February 2021



Reckitt Benckiser Group plc

# 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



# Thank you for the unprecedented year

## Employees



## Customers



## Partners



# Rejuvenating Sustainable Growth

## Key messages



### **VERY STRONG GROWTH**

led by strong execution in a changing demand environment

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### **RECORD INVESTMENT**

in growth-led initiatives to build a great house in a great neighbourhood

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### **EXPECT CONTINUED GROWTH IN 2021**

across brands, geographies, and channels; locking in 2020 progress

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### **INCREASED CONFIDENCE**

in medium term revenue and margin targets

# AGENDA



**2020 Highlights**

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**Financial Review  
& Outlook**

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**Strategic Update**

# Key Financial Highlights

Net  
Revenue

**£13,993m**

**+11.8%\***

PY: £12,846m

Adjusted  
Operating Profit\*

**£3,301m**

**+0.7%**

PY: £3,367m

Adjusted Operating  
Profit Margin\*

**23.6%**

**(260)bps**

PY: 26.2%

Adjusted Earnings  
per Share\*

**327.0p**

**(6.3)%**

PY: 349.0p

*PY ex-one time items: 337.5p\*\**

Free  
Cash Flow\*

**£3,052m**

**+42.3%**

PY: £2,145m

Dividend  
per share

**174.6p**

**UNCHANGED**

PY: 174.6p

All growth rates on an actual FX basis with the exception of Net Revenue growth and Adjusted Operating Profit growth

\* Refer to adjusted and other non-GAAP measures, definitions and terms presented within the Preliminary results announcement.

\*\* See February 2020 results presentation referencing certain one-off Tax and Finance Expense adjustments in 2019

# Key Operational Highlights

Strong growth across our brands



Combined net revenue of **Dettol** and **Lysol** now  
**> £3bn**

**> 300m**  
households now  
using Dettol and Lysol  
**globally**

Significant **step-up in capacity** to respond to demand



**Strong growth** across  
all major regions



Airborne  
revenue growth  
**>100%**



**Entry into polyurethane ('PU') market** driving  
outperformance



**>100bps**  
share gain  
in a strong market

\* (>99.9% kill) against SARS-CoV-2 virus



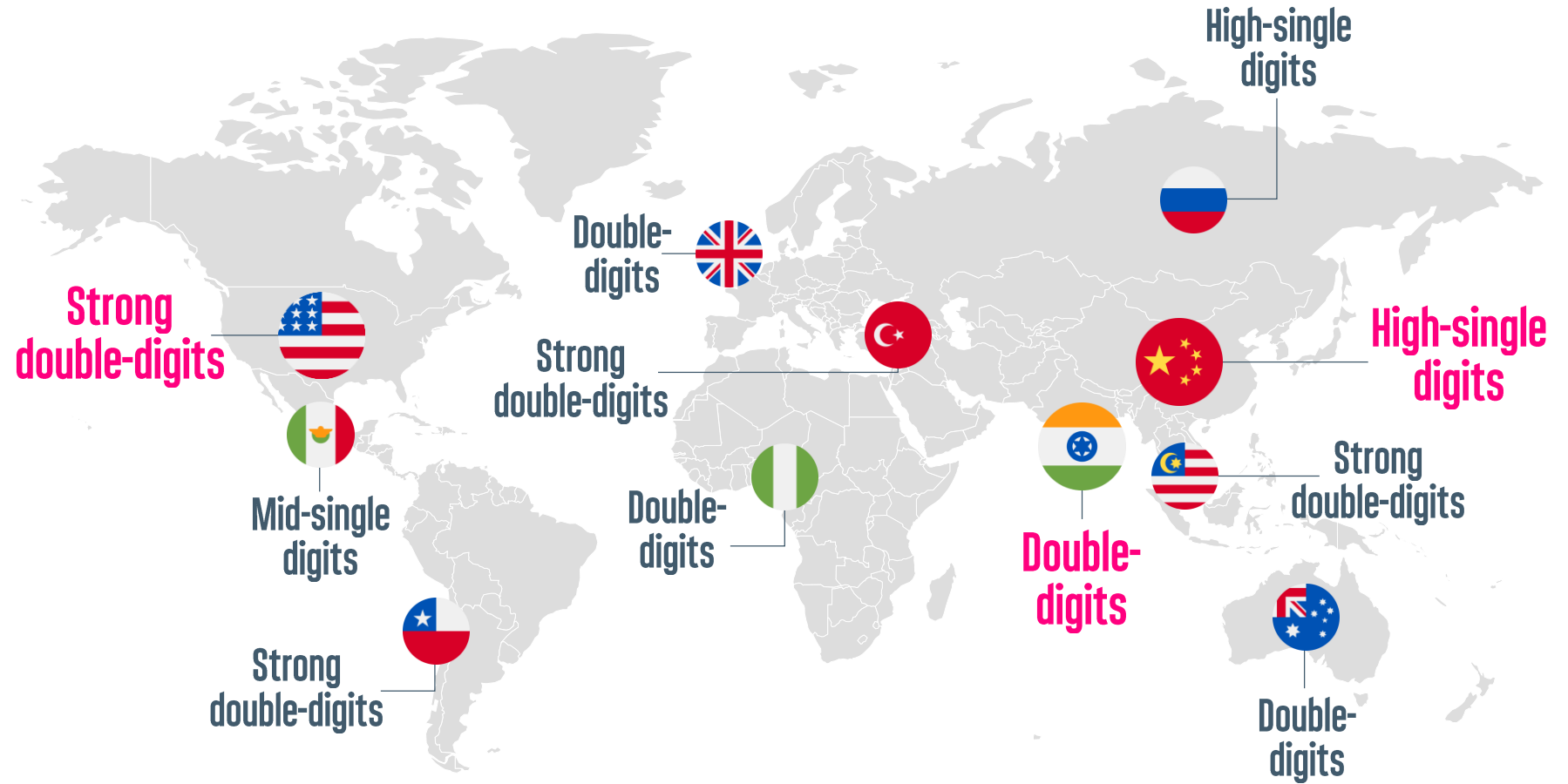
# Key Operational Highlights

## Strong growth across geographies



**15% GROWTH**  
average across  
top 10 markets

**BROAD BASED**  
global growth



China Includes IFCN

Countries shown represent a selection of those within and outside the top 10 and are not intended to be exhaustive of all countries growing strongly

# Key Operational Highlights

Consumers trust our disinfectants significantly more than competitor's products

Brand Equity growth,  
Q4 2020 vs Q4 2019

Protects me  
from illnesses

Trust /  
credibility



+800 bps

+600 bps



+900 bps

+1200 bps



+2200 bps

+500 bps



+800 bps

+500 bps

Brand Equity, Q3 2020

Lead vs. closest  
Competitor



Effective at  
Killing Germs

73%

+26%



Recommended by  
Healthcare Provider

73%

+28%

Brand for Me

68%

+24%

Source: H&P Equity Q4 2020 vs. Q4 2019 - USA and Germany; RB Brand Attribute Tracking Q3 2020 - UK, India and KSA

# Key Operational Highlights

Consumers trust our portfolio of products significantly more than competitor's products

Brand Equity growth,  
Q4 2020 vs Q4 2019

**Brand attribute**

**Trust /  
credibility**



Helps me to  
save water

**+1000 bps**

**+200 bps**



Supports brain  
development

**+720 bps**

**+540 bps**



Offers distinctive  
benefits

**+800 bps**

**+400bps**



Keeps my clothes looking  
like new for longer

**+700 bps\***

**+700bps**

Brand Equity, Q4 2020

**Lead vs. closest  
competitor**



**Trust/ credibility**

**67%**

**+22%**



**Protects me/my  
family from pests  
and diseases**

**70%**

**+12%**



**Gives me the  
confidence to  
enjoy sex more**

**64%**

**+17%**



**Offers me distinctive  
benefits vs others  
(Q3)**

**83%**

**+57%**

\* July 2020 vs Q4 2019

Source: H&P Equity Q4 2020 vs. Q4 2019; Normalized data from RB Brand Health Trackers; BET Dec 2020

# Key Strategic Highlights

A record £745m invested to drive future growth

## SIGNIFICANT GLOBAL EXPANSION

Significant improvement  
in **Go-to-Market**  
capabilities



**Established**  
Global Business  
Solutions (GBS)



## DIGITAL AND ECOMMERCE STEP-CHANGE

Continued investment in  
own and copacker **supply**  
**capacity**, and **supply**  
**chain capability**



Enhanced  
**sustainability**  
**investments**



Strengthening our  
**R&D and innovation**  
capabilities



Further embedding  
**cultural change**



**PARTIALLY FUNDED BY PRODUCTIVITY PROGRAMME**

# We are taking decisive action on our portfolio

## Strategic review of IFCN China



### **Strong underlying execution**

Introduction of **new products and innovations**

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**Strong offline execution**

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**Gained share** in Mainland China  
**eCommerce** channels (B2C and C2C)

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**Held share** in Mainland China



### **Structural challenges**

Hong Kong **border closure**

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Challenging **competitive environment**




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Changing **regulatory environment**

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**Declining birth rates** further impacted  
by COVID





# Sale of Scholl to the owner of Dr. Scholl's

-  Maximised value from the brand over last 10 years
-  The optimal buyer for the business
-  Focuses portfolio on higher growth, scalable niches



Subject to consultation

# Acquisition of Biofreeze

-  Acquisition of a fast-growing US topical pain relief brand
-  Reinforces our purpose to Protect, Heal and Nurture
-  Opportunity to leverage global route-to-market capabilities
-  Opens up access to higher growth topical medications



## BIOFREEZE

# JEFF CARR

Chief Financial Officer

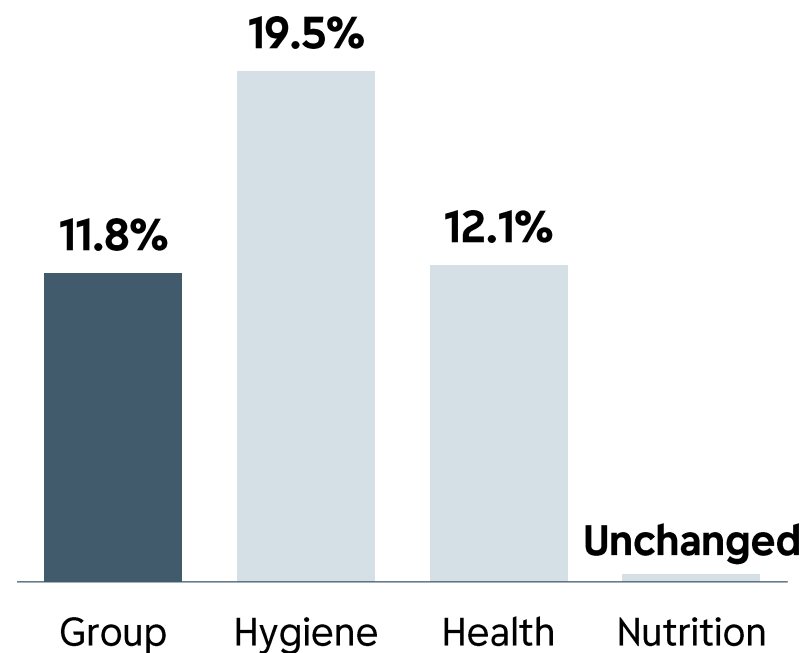




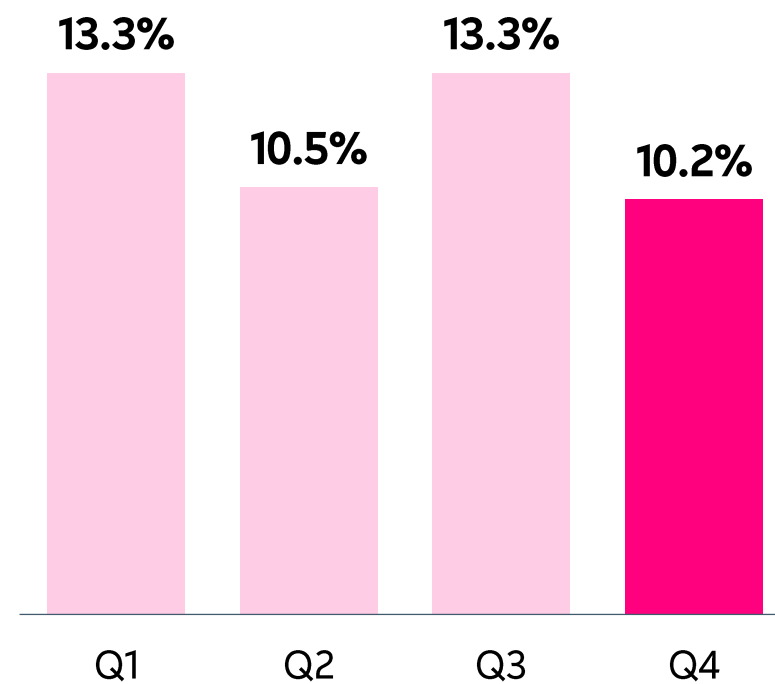
# Net Revenue

Very strong LFL revenue growth throughout 2020

## Group 2020 LFL revenue growth



## Quarterly LFL revenue growth



## Group FY LFL revenue

**+11.8%**

## Volume

**+9.6%**

## Price/Mix

**+2.2%**

## eCommerce sales

**+56%**

12% of FY revenue

Growth rates at constant exchange rates

# Group Margins

Margins reflect significant investment to drive growth

£m	FY		Change	
	2020	2019	Actual FX	Constant FX*
<b>Net Revenue</b>	<b>13,993</b>	<b>12,846</b>	<b>+8.9%</b>	<b>+11.8%</b>
Gross Margin %	60.3%	60.5%	(20)bps	
BEI %	13.9%	14.4%	(50)bps	
Other costs %	22.8%	19.9%	+290bps	
<b>Adjusted Operating Profit (AOP)</b>	<b>3,301</b>	<b>3,367</b>	<b>(2.0)%</b>	<b>+0.7%</b>
<b>Adjusted Operating Profit margin</b>	<b>23.6%</b>	<b>26.2%</b>	<b>(260)bps</b>	
Reported Operating Profit / (Loss)	2,160	(1,954)	n/m	n/m

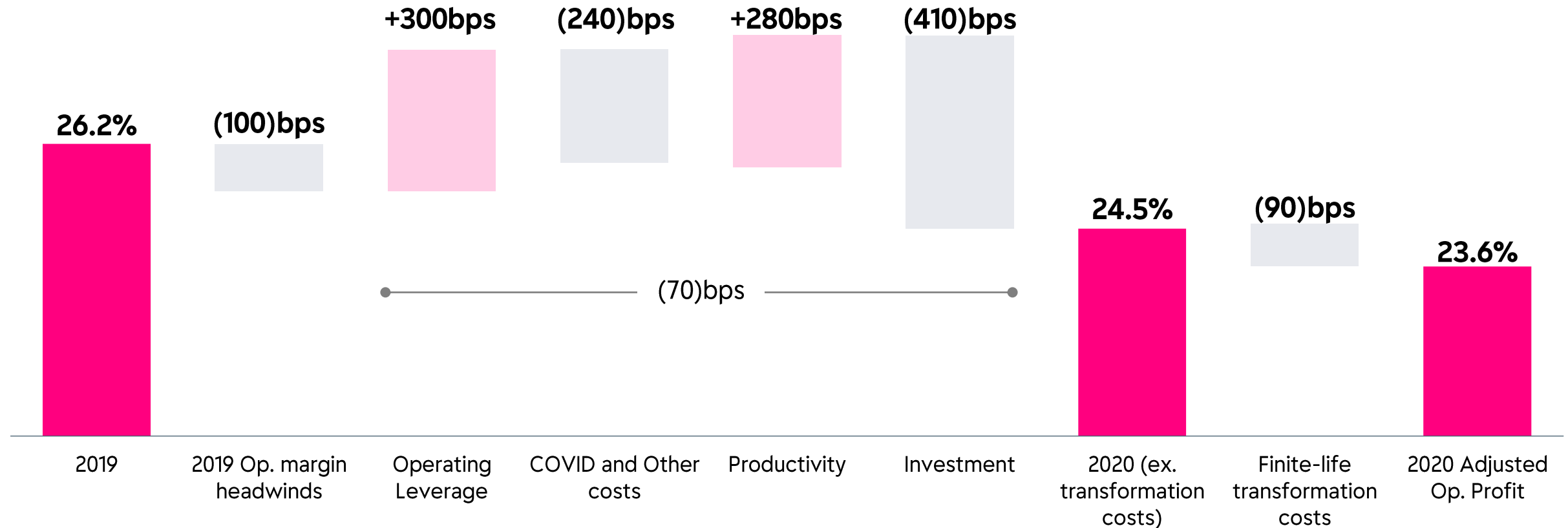
Net revenue measured on a like for like basis. For further details on all non-GAAP measures, definitions and terms please refer to the 2020 Preliminary results announcement

Excluding the impact of transformation costs, 2020 AOP margin would be 24.5%

2020 Reported Operating Profit includes £985m impairment related to the goodwill of IFCN

# Margin bridge

Re-investment of leverage and productivity benefits driving net revenue growth



# Breakdown of Investment

## Record levels of investment into Growth

### 1. Investment in **Growth Enablers**

*Core Capabilities*

**£208m**

Examples:

R&D  
Supply Chain  
Quality and Sustainability  
Digital and IT  
Centres of Excellence

### 2. Investment in **Competitiveness**

*Consumer Value*

**£153m**

Examples:

IFCN, particularly Greater China  
Over-the-counter  
Consumer Health

### 4. Finite-life **Transformation Costs**

Examples:

Restructuring  
Productivity  
Operating model

**£126m**

### 3. Investment in **Growth Drivers**

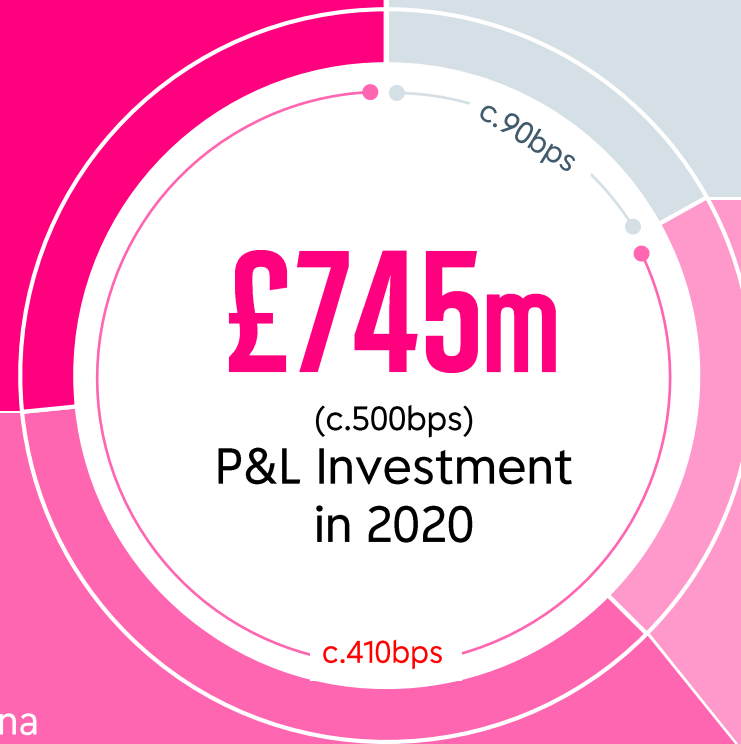
*Go-to-Market and Marketing*

**£258m**

Examples:

Dettol and Lysol expansion  
CMU expansion

GBS  
eRB



# Productivity Programme

Running ahead of plan; target increased from £1.3bn to £1.6bn

## Direct Procurement

**£109m**

5,931 initiatives

## Supply Chain

**£56m**

1,155 initiatives

## Design to Value

**£34m**

669 initiatives

## Marketing and Indirect Procurement

**£116m**

585 initiatives

## Network/ Cost Optimisation

**£92m**

1,496 initiatives



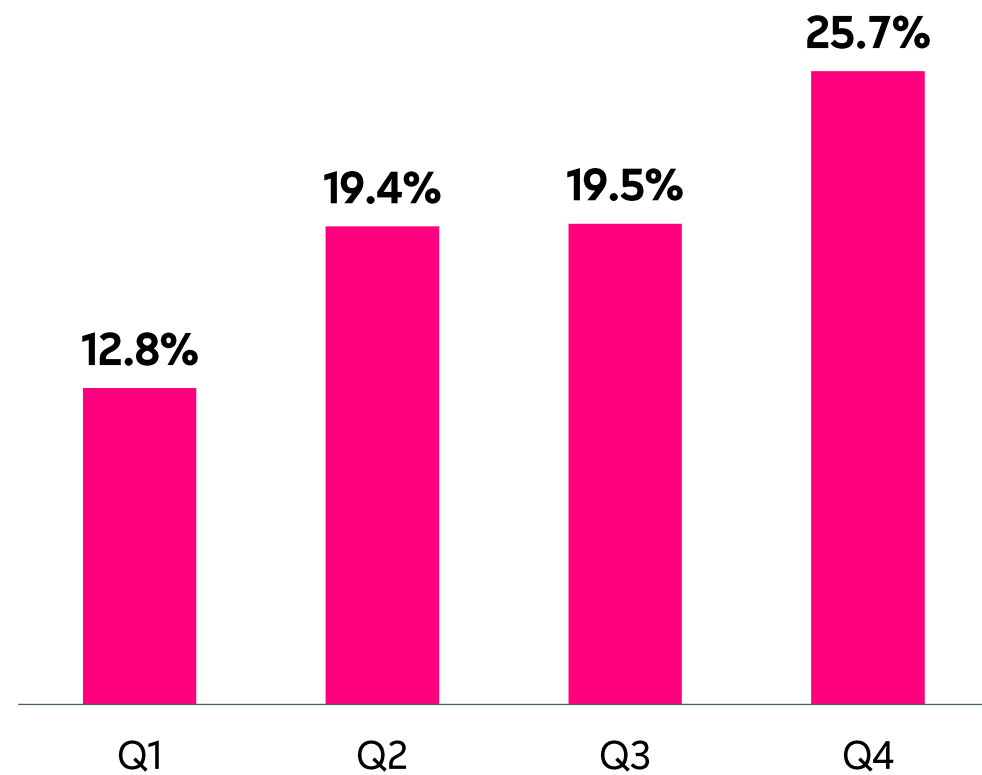
**FY 2020 savings**

**£407m**

# Hygiene

Very strong, broad-based growth, led by Lysol and Finish

## LFL revenue growth by quarter



## LFL revenue growth

**+19.5%**

## Volume

**+17.7%**

## Price / Mix

**+1.8%**

## Net Revenue

**£5,816m**

PY: £5,031m

## AOP

**£1,505m**

+21.3% PY: £1,279m

## AOP Margin

**25.9%**

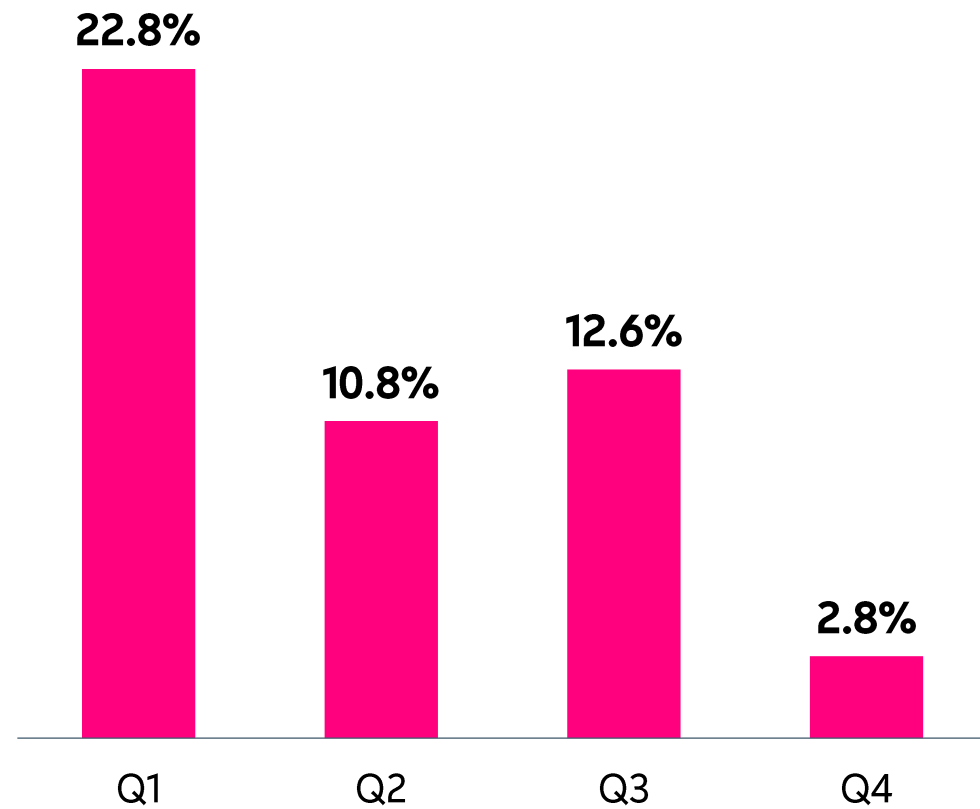
+50bps

All numbers are adjusted to exclude the impact of adjusting items. Net revenue reported on a like-for-like basis. Growth rates on a constant currency basis.

# Health

Very strong Dettol performance, weak Cough, Cold & Flu season, strong share gains in key CMUs

## LFL revenue growth by quarter



## LFL revenue growth

**+12.1%**

## Volume

**+8.4%**

## Price / Mix

**+3.7%**

## Net Revenue

**£4,890m**

PY: £4,462m

## AOP

**£1,334m**

(0.2)% PY: £1,370m

## AOP Margin

**27.3%**

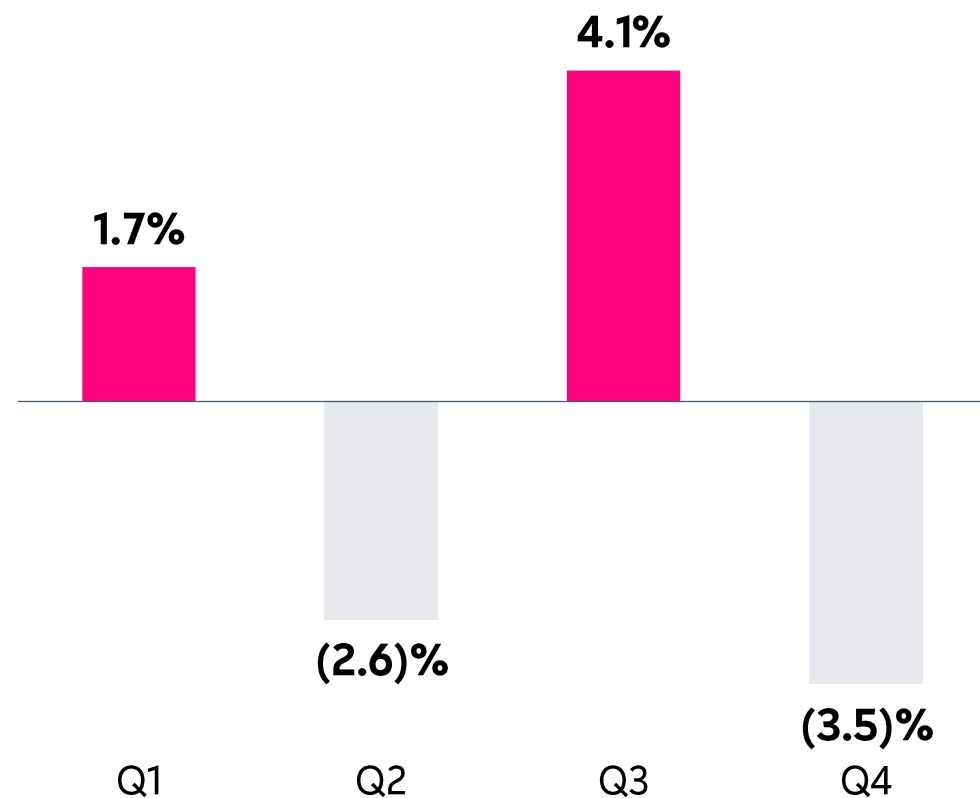
(340)bps

All numbers are adjusted to exclude the impact of adjusting items. Net revenue reported on a like-for-like basis. Growth rates on a constant currency basis.

# Nutrition

Growth in US Infant Formula and VMS, offset by Greater China Infant Formula

## LFL revenue growth by quarter



## LFL revenue growth

**UNCHANGED**

## Volume

**(1.0)%**

## Price / Mix

**+1.0%**

## Net Revenue

**£3,287m**

PY: £3,353m

## AOP

**£462m**

(34.3)% PY: £718m

## AOP Margin

**14.1%**

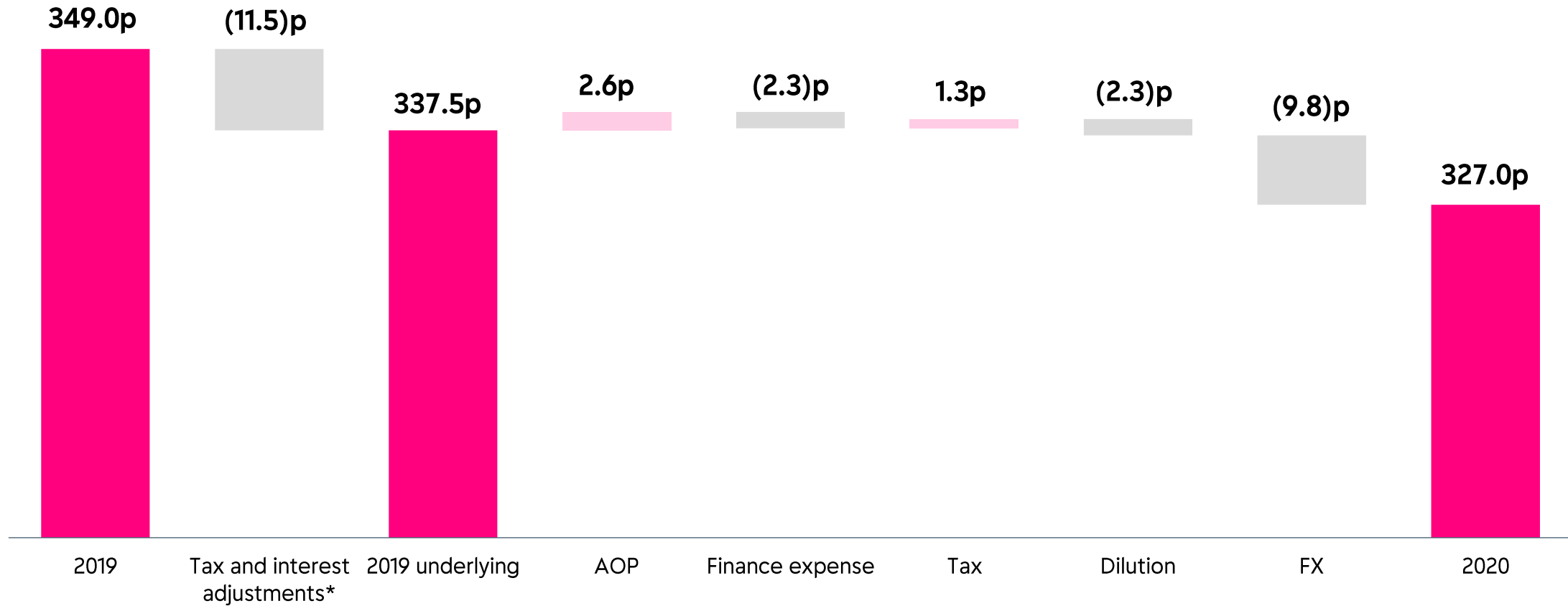
(730)bps

All numbers are adjusted to exclude the impact of adjusting items. Net revenue reported on a like-for-like basis. Growth rates on a constant currency basis.



# Adjusted EPS Bridge

EPS ahead of original February 2020 guidance



Finance expense includes impact of Non-Controlling Interest and Profit/(Loss) Attributable to Associates

\* See February 2020 presentation for reference to one-off items impacting 2019 EPS

# Free cash flow generation

## Strong Free Cash conversion



£m	FY 2020	FY 2019	Change
<b>Adjusted operating profit</b>	<b>3,301</b>	<b>3,367</b>	<b>(66)</b>
Depreciation and share-based payments	407	375	32
Capital expenditure	(476)	(396)	(80)
Movement in working capital and provisions	895	(140)	1,035
Exceptional cash flow	(46)	(204)	158
Interest paid	(267)	(210)	(57)
Tax paid	(762)	(647)	(115)
<b>Free Cash Flow</b>	<b>3,052</b>	<b>2,145</b>	<b>907</b>
Free Cash Flow Conversion	131%	87%	+44pps

**Working capital benefit** from higher trade and other payables; expect unwind in 2021

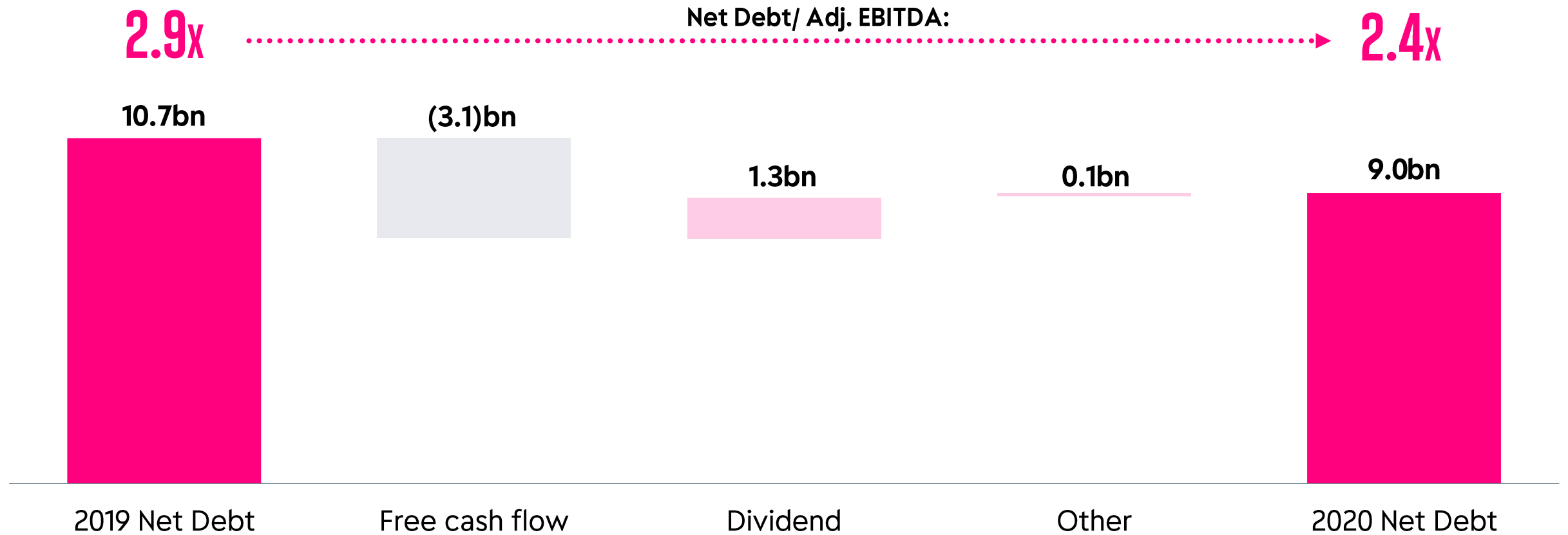
Expect 2021 **capital expenditure** c.4.0% of net revenue (3.4% in 2020)

Continue to expect **strong cash flow conversion** medium-term

Refer to adjusted and other non-GAAP measures, definitions and terms presented within the Preliminary Results announcement

# Net Debt


£1.7bn reduction in net debt; 0.5x reduction in leverage



# Disciplined capital allocation continues to be key priority


## February 2020 capital allocation framework

 Remain focused on delivering strong free cash conversion

 Invest in operations to drive growth and maximise returns on investment


 Target single A rating

 Sustain dividend at 2019 levels


 Rigorously manage portfolio


## Achievement in 2020

 131% cash conversion

 Re-investment of outperformance

 Reduction in Net Debt/Adj. EBITDA to 2.4x from 2.9x

 Dividend payout: 174.6p (in line with 2019)

 Strategic review of IFCN China  
Divestment of Scholl  
Acquisition of Biofreeze

# 2021 Outlook and Guidance

Strong performance in 2020; further growth expected in 2021

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Like for like revenue growth

**FLAT TO +2%**

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AOP margin

**40-90bps**

decline vs. 2020

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Net Finance Expense

**c.3.0%** of Net Debt

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Adjusted Tax

**c.23%**

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FX headwind on EPS

**c.4%**

See Preliminary results announcement for full Outlook statement  
FX headwind per currency estimates published on 14 January, 2020. See RB.com for details.

# LAXMAN NARASIMHAN

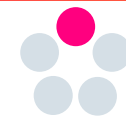
Chief Executive Officer



# STRATEGIC UPDATE AGENDA



# Business anchored on 5 global mega-trends; amplified by COVID



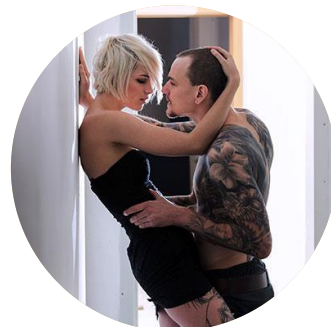
## URBANISATION, BIODIVERSITY LOSS AND GLOBALIZATION

Hygiene is the  
foundation of health



## GROWING DEMAND FOR SELF CARE

Government pressures  
on healthcare costs  
drives importance  
of Self Care



## SEXUAL HEALTH CRISIS

SWB opportunities in  
increasing need for  
prevention and fun



## GROWING AND AGEING POPULATION

Growing demand for  
Adult nutrition

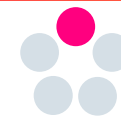


## TECHNOLOGY PROLIFERATION

Transforming what  
people buy and how  
they buy it



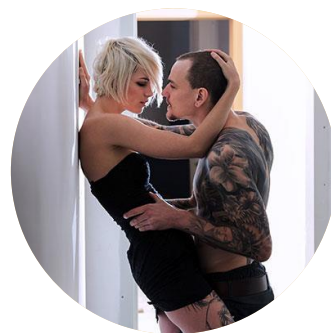
# Business anchored on 5 global mega-trends; amplified by COVID



**URBANISATION,  
BIODIVERSITY LOSS  
AND GLOBALIZATION**



**GROWING DEMAND  
FOR SELF CARE**



**SEXUAL HEALTH  
CRISIS**



**GROWING AND AGEING  
POPULATION**



**TECHNOLOGY  
PROLIFERATION**

## Mega-trend impact on portfolio



## COVID impact

- +** Increased penetration, expansion, and new occasions

- +** Further acceleration
- +** More telemedicine
- Low Cold & Flu season, will normalize with school reopenings

- +** Untreated symptoms
- Temporary social mobility impact

- +** Growth in specialty, immunity
- +** Near-term COVID birth rate implications

- +** Step change in consumer engagement, eCom transactions, digital health



# Increased hygiene habits likely to remain elevated after the pandemic

## Hygiene habits have increased due to the pandemic and are becoming embedded



**85%**

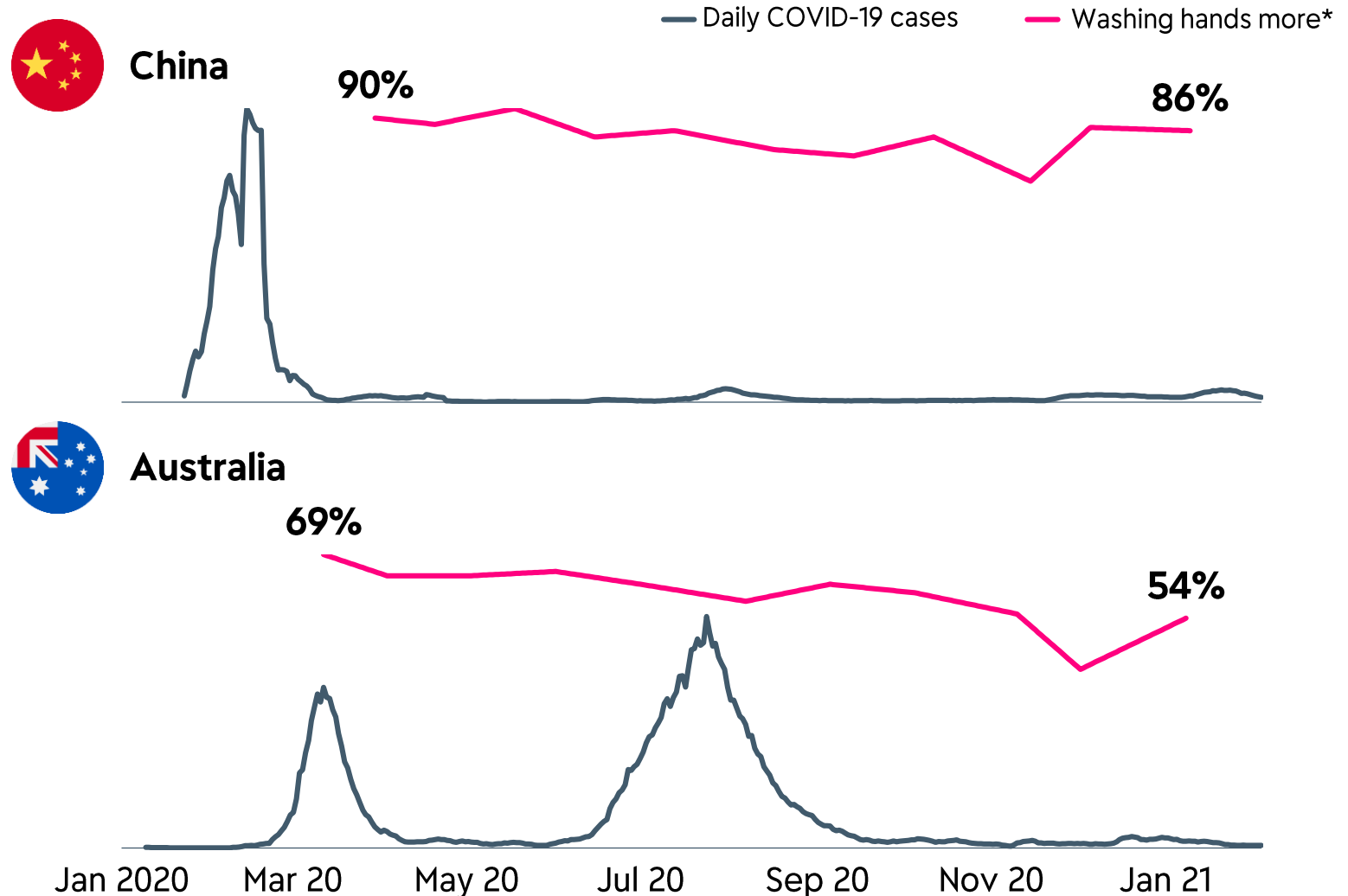
Hygiene habits improved



**79%**

Intend to continue hygiene habits post-pandemic

Source: RB research and <https://ourworldindata.org/covid-cases>  
 \* % of people saying they are washing their hands more than prior to the pandemic



# Three spaces – well positioned for growth



**OUR PURPOSE:** To protect, heal and nurture in the relentless pursuit of a cleaner, healthier world

## HYGIENE



## HEALTH



## NUTRITION



**Build brands, innovate & execute**

Penetration, Market share, New places, New spaces



**Generate productivity**



**Invest in key capabilities**

R&D, Quality, Commercial, eCommerce & Digital, Supply



**Embed Sustainability**



**Actively manage portfolio**



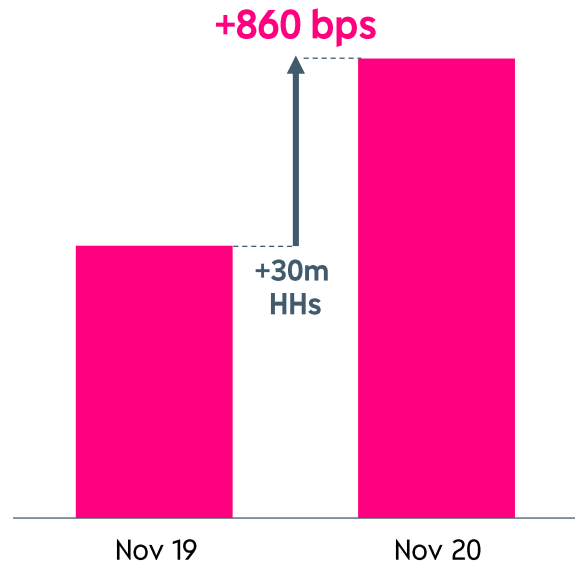
# Executing on our Growth Drivers: Hygiene

## Winning battles to grow our brands



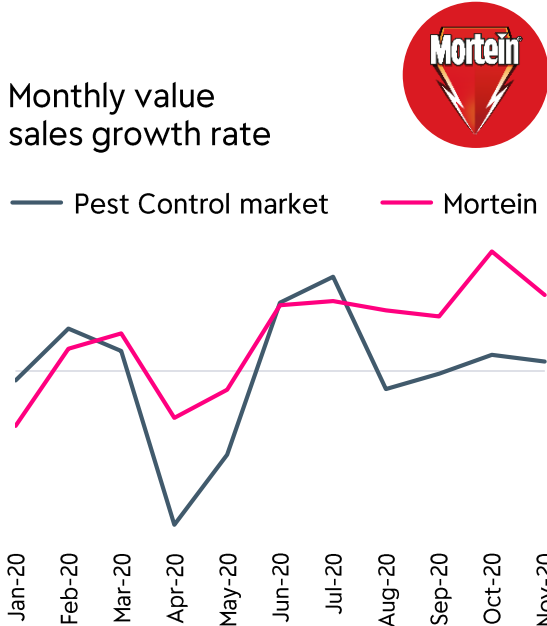
### Penetration

Penetration change, MAT



### Market share optimisation

**70%** of NR in share growth / hold for Top 50 CMUs



### New spaces

Lysol Smart

Lysol Pet



Air Wick Essential Mist



Air Wick Botanica



Pre-COVID growth +4% pa

Medium term growth +4-5% pa

Medium term growth rates are RB Focused Market Growth

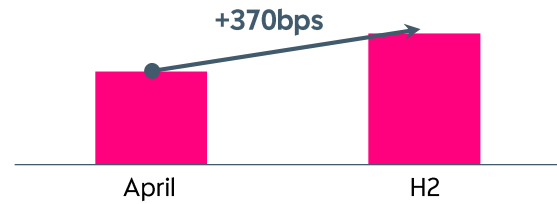
# Executing on our Growth Drivers: Health

OTC impacted by difficult market conditions; well-positioned to continue recovery in 2021



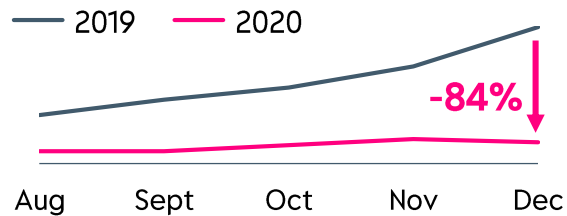
## Recovering from unfounded ibuprofen concern

Adult Systemic Analgesics market share



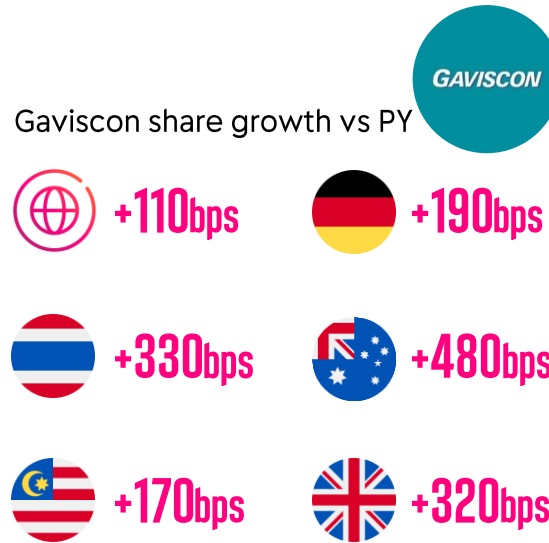
## Historically low CC&F season

Influenza Like Illness Incidents



## Market share optimisation

**85%** of Health NR holding/gaining share for Top CMUs



## New places



## New spaces



**OTC growth pre-COVID**  
 2017: +4%    2018: +5%    2019\*: -4%

**OTC medium term growth +2-4% pa**

\*2019 OTC growth impacted by difficulties in the supply chain

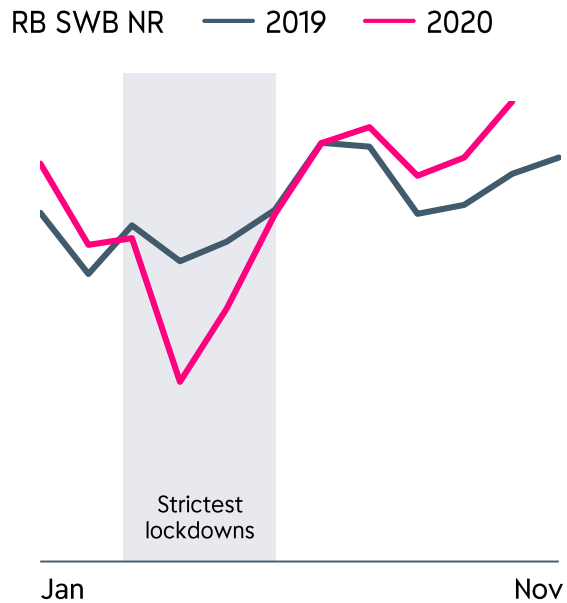
Medium term growth rates are RB Focused Market Growth

# Executing on our Growth Drivers: Health

High single digit Sexual Wellbeing growth reflecting recovery, innovation and brand building



## Sexual Wellbeing impacted by lockdown but recovering post-lockdown



## Penetration



## Market share optimisation

**WIE FEUCHT?**

**When it fits right, it feels right**

**40%** Increase in distribution points, Jan '19 to Dec '20

Condom share growth vs PY

- +140bps** (China)
- +100bps** (Germany)
- +100bps** (Russia)

## New spaces



**Sexual Wellbeing pre-COVID growth\***  
 2017: +10%    2018: +5%    2019: 0%

**Sexual Wellbeing medium term growth +7-9% pa**

\* Ex-Jontex & Ola; Medium term growth rates are RB Focused Market Growth

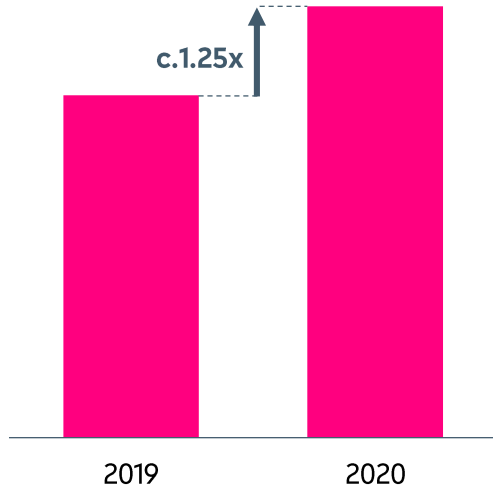


# Executing on our Growth Drivers: Nutrition

## Driving growth through innovation and expansion markets

### Penetration

Household Penetration



### Market share optimisation

Strong innovation and marketing

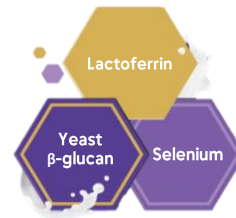


Market: **+5.3%**



### New spaces

Adult China launch



VMS Launches



**Medium term growth +3-5% pa**

Medium term growth rates are RB Focused Market Growth

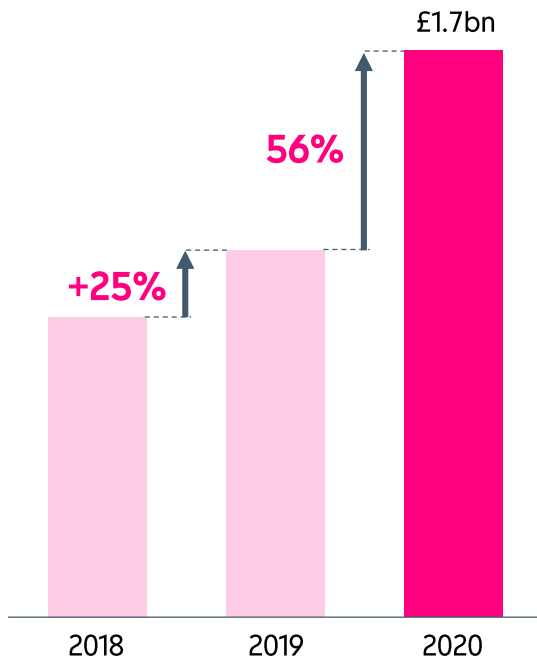
US Infant Nutrition market growth refers to WENR (un-subsidised) market



# Executing on our Growth Drivers: eRB

## Revenue +56% in 2020, representing 12% of RB Group revenue in 2020

### Strong growth in 2020 eRB NR



**BE BIG**  
Growing >50% globally



**BE FAST**  
DTC growing >75% globally

**40+** Owned D2C sites across geographies and 3 GBUs

**8+** vs last year



**rb** Launching B2B in many emerging markets

**BE BOLD & OPEN**  
>\$20M in venture investment



Self-care & health tracking app



BLOOMBOXCLUB

Plant care therapy subscription



Health & wellness for menopause



Purpose-led OTC solutions

**BE ABLE**  
Platform eRB capabilities

In-house RB digital studios

Harmonized ad-tech & mark-tech solution

>10% cost efficiencies in digital media spend

Global eRB talent development programme

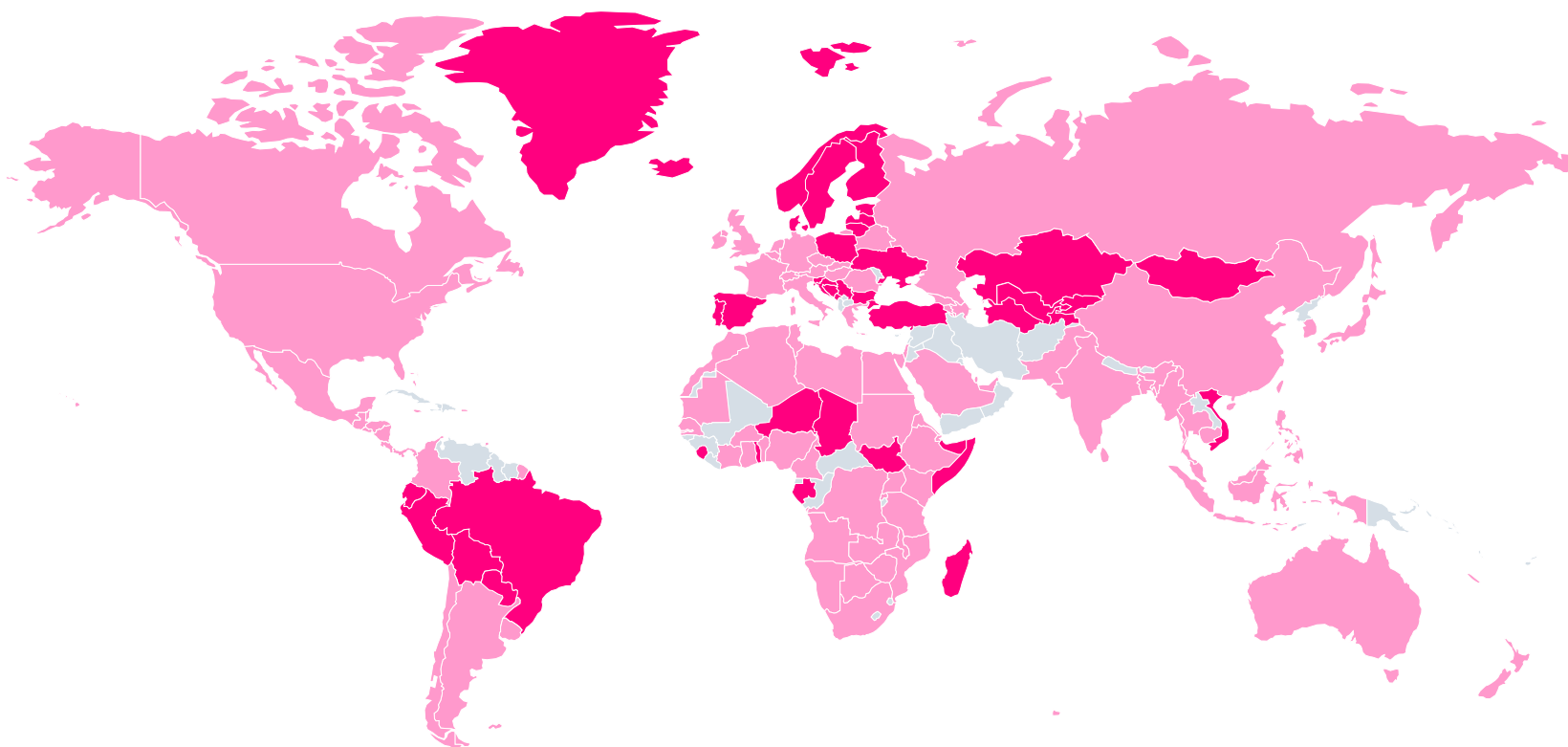


# On track to expand our footprint to 70 new markets by the end of 2021

## RB has the world's largest disinfectant portfolio footprint



■ Presence pre-COVID   
 ■ Presence by end of 2021



**#1**

Trusted brand\*



**#1**

Trusted brand\*\*

Lysol from **20 markets** in 2019 to  
**61 MARKETS**  
 by the end of 2021

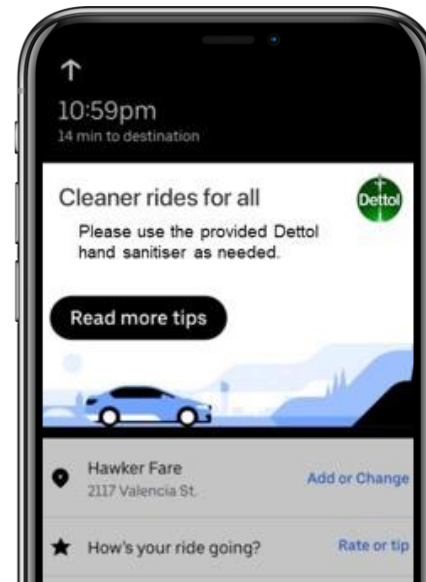
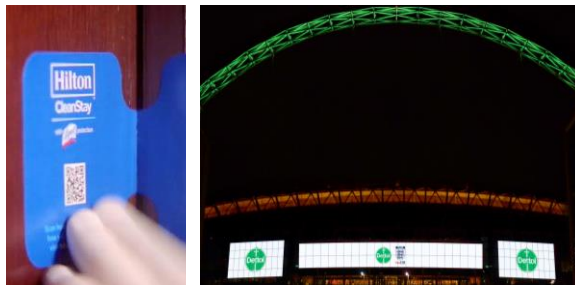
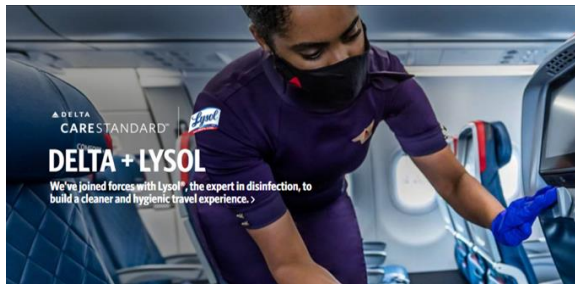
Dettol from **83 markets** in 2019 to  
**112 MARKETS**  
 by the end of 2021

\* In UK MPC category, India Personal Care category, Saudi Arabia Personal Care & MPC categories \*\* In USA MPC category, Germany Sagrotan Personal Care category  
 70 markets includes markets where there is existing Dettol or Lysol presence. Including only 'white space' markets where there was no disinfectant presence prior to COVID, we will enter 42 by the end of 2021



# Executing on our Growth Drivers: Global Business Solutions

Expect c.100bps contribution to Group revenue growth in 2021





# Investing in our Growth Enablers: R&D and Innovation

## Strong Science Platforms deliver across the consumer journey

NOT EXHAUSTIVE

Digital and eCommerce			
Consumer Benefits			
Consumer Need (examples)	PROTECT	HEAL	NURTURE
Respiratory and Immunity			
Digestive Health			
Pain Relief			
Microbiome		Sensory Enrichment	
Digestive Health		Allergy & Immunity	
		Polymer Science	
		Growth & Cognition	
		Surface Chemistry	
		Entomology	

### Personalised Solutions

# Investing in our Growth Enablers: R&D and Innovation

Leveraging Science Platforms across our GBUs to build scale and enter new spaces



## HYGIENE

**Lysol SMART**  
Just Add Water

Leveraging outside In innovation for rapid launch



More sustainable on key attributes:  
70%+ reduction in Carbon,  
Water and Packaging

**A smart refill system to help reduce plastic pollution**

Microbiome

Polymer Science

## HEALTH

**Nurofen Long Lasting**

Patented smart technology to enable controlled fast and lasting relief



**First product of its kind to not compromise efficacy, speed and longevity of pain relief**

Surface Chemistry

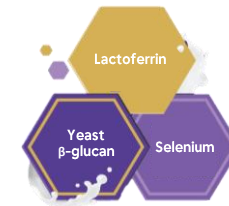
Polymer Science

## NUTRITION

**ProVital Immunity**

Senior Adult fortified milk

Leveraging Infant Science for Adult Nutrition



*"Unique triple action system to protect the immune system"*

**Superior solution for Adult Daily Nutrition Intake needs**

Allergy & Immunity

Digestive Health

# Investing in our Growth Enablers: R&D and Innovation

## Strong breadth and depth of innovation pipeline



NOT EXHAUSTIVE

### HYGIENE



Lysol On the Go



Lysol Neutra Air



Lysol Smart



Lysol Laundry Sanitizer



Lysol Pet



Vanish Laundry Multi-benefits Booster



Natural Smelling Scented Oils re-launch



Airwick Free From propellants Odour Neutralizer Air Spray



Resolve Pet Expert



Botanical Origin Laundry Range

### HEALTH



Dettol Laundry Sanitizer



Dettol Plant-based Germ Kill Range



Dettol Botanicals Range



Dettol Biodegradable Wipes



Dettol Business Solutions Range



Dettol Cool



Mucinex Nightshift



Mucinex InstaSoothe



Strefen Honey & Lemon Spray



Stepsils Herbal



Nurofen Patch



Nurodent



Gaviscon Infant



GaviNatura



Durex polyurethane



Durex Thinfeet Relaunch



KY Relaunch



Veet PURE



Veet BodyCurv for Men

### NUTRITION



ProVital Immuno-Plus



ProVital Heart-Plus



ProVital Neuro-Plus



Puramino Jr



Enfamil Human Milk Fortifier Liquid



Enfamom Prenatal Vitamin & Mineral Supplement



Enfalac/Enfagrow MindPro



Airborne Elderberry



Airborne Zinc+



Airborne Simply-C



MoveFree Collagen Peptides Blend



Neuriva Gummies



Neuriva Brain + Energy Shots



Digestive Advantage Immune Health Gummies



# Investing in our Growth Enablers: Supply Chain

Strong response to demands created by COVID; investments to drive customer service improvements

## Re-shaping network and increasing capacity



**>900%**

Lysol wipes capacity expansion 2019-2021



**>60%**

Gaviscon capacity expansion in Hull 2019-2021

## Adapting to support our new business models and partners

Dedicated investment in unique supply-chain requirements for fast-growing channels of GBS and D2C



## Strengthening our core processes and systems



Automatic end-to-end supply planning and real-time forecasting using:

- In-memory real time calculation
- Machine learning algorithms
- Artificial intelligence
- Various self-updating scenarios



Enhancing the sustainability of our Supply chain



# Investing in our Growth Enablers: Customer Service

Customer investments showing good returns in 2020; to be amplified in 2021

## Customer capability investment areas



Omni-channel organisation



With new customer-facing roles added



Significant incremental insights, digital capability and sales execution talent added



Further enhanced sales and revenue management capabilities

## Progress to date

Gaining share with

**4** of Top 5 customers

**+9** positions in Advantage customer survey score

Centre of Excellence for developing and emerging markets

**>25%** NR growth with Top 10 customers

Advantage recognized **TOP TIER** Personnel & Organisation

Source: Advantage Analytics Global Intelligence 2020 survey; Nielsen GTC key account FY 2020 vs FY2019



# Our Purpose and Our Fight guide everything we do

## 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.

## Our Compass



## Our Leadership Behaviours

### OWN

Live our Purpose, Fight and Compass  
Know our business cold  
Make decisions

### CARE

Actively listen, learn and include  
Speak direct with respect  
Act to unleash potential

### CREATE

Spot opportunities  
Innovate, iterate and scale  
Relentlessly build better

### DELIVER

Focus on what matters  
Move boldly and at pace  
Join forces to win bigger



# Fight For Access Fund



## In 2020 we:



committed to donate the equivalent of **1% of adjusted operating profit** each year



mobilised over **£40m** to benefit communities (incl. around £10m of Covid-19 cost savings)

## Some of our actions to date



Details at RB.com: [www.rb.com/sustainability/the-rb-fight-for-access-fund/](http://www.rb.com/sustainability/the-rb-fight-for-access-fund/)

# Sustainability 2020 Progress



## PURPOSE-LED BRANDS

**30.4%**

of 2020 net revenue from more sustainable products (up 5.8% since 2019)



**£120m**  
Durex's positive impact on Thai public health agenda



**75%**  
less plastic in Lysol SMART refill solution



**700m**  
litres of water saved\* in Australia with Finish

\* 170,000 households stopped the rinse, saving 40l/load, on average twice per week



## HEALTHIER PLANET

**53%**

less carbon per unit of production since 2012

**100%**

renewable electricity in US, Europe, Indian manufacturing achieved in 2020



**A**

Maintained MSCI rating



## FAIRER SOCIETY

**£40m**

Fight for Access Fund



**US\$25m** committed to promote science-based evidence to improve hygiene behaviours globally



**20.9**

Improved Sustainalytics rating



# Sustainability commitments

A cleaner healthier world through the power of our purpose-led brands

## PURPOSE LED BRANDS

**50%** of net revenue from more **Sustainable Products** by 2030

**50%** reduction in our carbon footprint by 2030 and water footprint by 2040

**65%** reduction in chemical footprint by 2030

**50%** reduction of virgin plastic in packaging by 2030



## HEALTHIER PLANET

**Carbon neutral** by 2040

**Water positive** in water stressed sites by 2030

**100%** renewable electricity by 2030



## FAIRER SOCIETY

An **inclusive culture**, where everybody is treated fairly and equally

Our teams represent the **diverse geographies we operate in** and the people we serve

Gender balanced management at all levels by 2030

**Sustainable livelihoods** and working conditions



Reach **half the world** with products that contribute to a cleaner, healthier world by 2030

Engage **2bn people** with purpose led campaigns to promote awareness for a cleaner, healthier world by 2030

A lasting difference in communities through our **'Fight for Access Fund'** and our programmes

Working with our partners to help deliver the **UN Sustainable Development Goals**

More detailed announcement of commitments on 30 March 2021

# Strategic summary



**OUR PURPOSE:** To protect, heal and nurture in the relentless pursuit of a cleaner, healthier world

## HYGIENE



Medium term growth +4-5% pa

## HEALTH



Medium term growth +4-6% pa

## NUTRITION



Medium term growth +3-5% pa

Build brands, innovate & execute

Generate productivity

Invest in key capabilities

Embed Sustainability

Actively manage portfolio

Mid single digit growth in the medium term

Mid 20's AOP margin by the mid 20's

# Rejuvenating Sustainable Growth

## Key messages



### **VERY STRONG GROWTH**

led by strong execution in a changing demand environment

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### **RECORD INVESTMENT**

in growth-led initiatives to build a great house in a great neighbourhood

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### **EXPECT CONTINUED GROWTH IN 2021**

across brands, geographies, and channels; locking in 2020 progress

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### **INCREASED CONFIDENCE**

in medium term revenue and margin targets

# Q&A

# APPENDICES

# Net Revenue by Geography

£m	FY	Change		
	2020	LFL	Volume	Price/Mix
North America	4,304	23.2%	22.5%	0.7%
Europe / ANZ	4,474	7.8%	5.7%	2.1%
DVM	5,215	7.3%	4.0%	3.3%
<b>Total</b>	<b>13,993</b>	<b>11.8%</b>	<b>9.6%</b>	<b>2.2%</b>

All numbers are adjusted to exclude the impact of adjusting items. Net revenue reported on a like-for-like basis



# Productivity Programme Examples



## Manufacturing productivities and RB production system



Total value:  
**£56m**

- Continued RB Manufacturing efficiency drive and continuous improvement programme across all sites
- Developed RB Production System focusing on performance management, leadership, consistent standards, continuous improvement routines on site and leveraging analytics and technology to highlight and solve problems
- Successfully deployed RBPS in pilot sites Nijmegen site (Nutrition) and Nottingham (Health)



## Non-production spend supplier day



Total value:  
**£23.5m**

- Hosting the first "Supplier Day" in December 2020, with over 40 suppliers participating virtually, representing a total spend of £385m across various categories
- In addition to delivering savings, the team strengthened supplier relationships

# Productivity Programme Examples (cont.)



## Design to Value

New capability and increased pipeline of projects



✓ **241** SKU's evaluated

✓ **1700** ideas generated



- Design to Value cost analysis capability successfully rolled out, with a dedicated laboratory established in Nowy Dwor, Poland supporting all business units
- Established the methodology to tear-down costs, identifying cost and sustainable opportunities in materials, packaging, labelling, etc.