

## **Reckitt Focus On: Emerging Markets**

**4 December 2025**

**Nick Ashworth:** Hello everybody and welcome to what is our second live Reckitt Focus On event, and today we're focussing on emerging markets. Shortly, you will be hearing from Nitish Kapoor and the team as we take a tour of our emerging markets. But firstly, I'd just like to say thank you very much for being here. I am Nick Ashworth. I head investor relations here at Reckitt. It was lovely to see so many of you here on a wet, cold afternoon in December here in London. But I know we've also got a lot of people dialling in as well, so thank you very much for joining us. I'll start with the usual disclaimers around cautionary statements. There are a couple of slides in the pack; I'm sure you will all read them in due course.

As with the first event in May, we will spend a bit of time going through the presentation. There will be plenty of time for Q and A after that. We'll start with the room. For those who are dialling in, there is an Ask the Question box, so please do fill in your questions. I'll be moderating the Q and A. There'll be a few people on the stage, so I'll be able to read the questions out. But before that, and to start the event, I will hand over to our CEO, Kris Licht. Kris.

**Kris Licht:** Hello everyone. Thank you for coming. It's great to see a full room - and thank you for joining, to those of you that are online. Today we're going to talk about emerging markets, as you know. This is the largest of our three geographic areas. While it wouldn't be good form for me to pick a favourite business and certainly not in public, I can tell you that this one is exciting. I think you're going to leave today with a deeper understanding of our business but, importantly, of the growth opportunities that we see in this business going forward. You may also develop a sense of why we feel confident that we can capture this growth. You'll see our brands, you'll see our innovation, you'll see our execution. You'll see examples of our

capabilities when we're at our best and you'll get a sense of the plan we have to broaden those capabilities for even stronger results.

You will also get to meet our team - members of our team under the leadership of Nitish, our president of emerging markets. You'll get a sense of the depth of our local know-how, which is very important in these businesses. Finally, you'll get a chance to interact with them and see some of these capabilities more closely. Emerging markets has obviously been around as a concept for a long time. But actually when you travel to these markets - as I'm sure many of you have done - you realise that some of them have already emerged. Some of them are still emerging, but some are among the most advanced markets in the world and so this is a vast set of different markets, all of which hold very significant opportunities for us. I'm going to leave it at that and get us started. Over to you, Nitish. Thank you.

**Nitish Kapoor:** Thank you, Kris. I think you made it pretty clear that you have a favourite. I'm not sure it's going down very well with people who are listening in from everywhere else, but hopefully we'll demonstrate to you that we are capable of that trust. Good afternoon. Welcome to our emerging markets presentation. I'm very excited to present our business to you. Along with me today, we'll be presenting Ryan Dullea, who I think you met at the first Focus On event in May, who's our chief category growth officer, and Shannon Eisenhardt, our CFO, who I'm sure you meet very often.

Let me start by introducing myself. I've been with the company for 32 years. I know I don't look that old, but yes, I have been here for a long time. I started as a management trainee. While I've never changed my employer, my employer has chosen to change their name many times. So it was Reckitt and Colman when I started, Reckitt Benckiser, RB and now Reckitt. I was thinking and somebody was asking me, 'Are you aware of what the name of the company was before this?' I went and I looked it up; it was Reckitt and Sons in 1938; I missed that by just a few years. Over the course of my almost three decades in the company, I worked in sales and in marketing in the countries in frontline sales and marketing.

I worked in marketing in the global category organisation that Ryan now leads and I've had many general management roles. I've had the privilege of leading our India business, our US health business, the global category health organisation in the UK and also some

experience in Europe as general manager Portugal and in Africa as marketing director for South Africa. But it's not just me who has this deep experience, like Kris was referring. Across all of our emerging markets, we have very experienced leadership. The team that reports to me directly, the regional directors, have an average tenure in the company of 21 years, in emerging markets for 14 years. We're very lucky that we have continuity with them in their current roles for the last four years on average. It's not just them; the level below them, which is country leadership - so marketing director, sales director, general managers - they, too, on average have been in the company for 12 years, of which 10 have been in emerging markets and 3 in their current role.

So I'm very proud to lead this team that knows the company, that knows emerging markets and has had the chance to really spend some time in their own markets. Today we're going to talk about three things. There are three sections to our presentation. Firstly, we believe we have very strong foundations in emerging markets. We've not been here for a few years; we've actually been here for more than 100 years. We've built some brands that are trusted and loved everywhere in the world; I'm sure many of you would have heard of them. With those strong foundations, we have accelerated steadily over the last ten years from mid-single-digit growth to high single-digit growth more recently. Like Kris said, we're now the largest area for core Reckitt, so core Reckitt obviously does not include Essential Home and Mead Johnson.

We believe that with our foundations and the acceleration that we've seen, we're set for sustainable growth, which is high single-digit growth that will lead to value creation. I'm very proud of our execution and you will see many examples of this excellence. Let me give you a short history of our time in emerging markets. We have a really nice archive in Hull, if any of you have ever been there; it's a little bit of a museum. So we've got some of these pictures from there. Our first recorded event in emerging markets is actually in 1899. Even that makes me feel a little bit old, but in 1899 is the first distribution that we had for the company outside of Europe and North America. We had our first factory in Brazil - I can see that we have a lot of people from Brazil over here - almost 100 years ago, in 1933. A distribution agreement in Egypt in 1953 and another distribution agreement in Nigeria in 1965.

Obviously, some of this means that we were not directly in those markets at that time, but we already had some trading relations. The thing that got me on this slide is, basically, of

course you would expect a British multinational from those times to be in many Commonwealth countries. But we were one of the first companies I think that even went to Latin America, so almost 100 years ago. Over the 100 years, these brands are all very familiar to you. We have created some brands that are really loved, have tremendous stature. Durex was launched first in emerging markets in the 1960s, as was Harpic. Vanish is a more recent brand that we started with in Latin America in the 1990s. But the brand that really defines us in most of our emerging markets, is Dettol. So Dettol, which you know well - I'm sure everybody in the UK, I hope, has had the occasion to use Dettol; if not please make sure that you get one soon. It's been around almost 100 years.

Every time I look at this statistic, I'm kind of surprised myself as the sheer quantum. It's used over a billion times a year. So there are a billion usage occasions for a brand like Dettol, which means two-thousand times every minute. So as we've been speaking, it's been used I think 12,000 or 13,000 times already. It's no surprise really because this is a brand that's loved and trusted by consumers everywhere. You see some of the bigger countries in which we operate; in India, in Saudi, in China, in Hong Kong, in South Africa and in Malaysia. In all of these markets, it's either the number one trusted healthcare brand or the number one trusted germ protection brand. You know we've created very, very strong brands. We're very proud of that, but in some way we're also the pioneers of these categories in emerging markets.

Antiseptics, the brown liquid, of course we were the inventors and therefore, we were the first to take it to emerging markets. But also in many categories that are now of scale - like toilet cleaners, condoms, more recently auto dish, a lot of our self-care products like gastro - we have been the people that built these categories. We don't just build them and just wait for maturity. Once they have the stature, we stretch them into adjacencies. The best example that we have of that is Dettol, the brown liquid, which was originally launched in the 1930s and, until about 50 years ago, was pretty much 100 per cent of that business is now a third of the franchise that is called Dettol because it has stretched into personal care. It's stretched into laundry and also into washing machine cleaners recently in China.

Harpic, it was actually the first brand that I managed as an assistant brand manager. I was trying to do the math, lots of currency fluctuations and size. I calculated that 27 years ago, it was basically less than £500,000 in revenue in India. This year, I think we're going to cross

£250 million. So that is the kind of scale that we have brought to many of these categories in emerging markets. On Durex of course, in China we have a really, really large business. Lots of it as condoms, but increasingly also lubes and toys. Finish, Gaviscon, these are more recent entrants, but in Ryan's section you're going to see how they've also grown very rapidly. They're converting habits and we have very, very strong plans for them.

We now reach consumers and HCPs. So HCPs; healthcare professionals, doctors, pharmacists, key opinion leaders at really serious scale. So last year, our products were available in over ten million stores. I know that sounds like a lot, but please wait until you come to a little presentation we have from India to tell you just how many stores there are. We shipped 125 million orders online and we engaged directly with a 150,000 healthcare professionals, so this is last year. We now operate in 67 countries. We operate; it means that we either have direct operations or a distributor. These are managed through six regions. Our largest region is Greater China. The largest country within Greater China is of course Mainland China, but we have Hong Kong, Taiwan, South Korea and Japan.

We have South Asia as our second-largest region. The big country here is India; we have Bangladesh, Sri Lanka and Nepal. Our third-largest region is Latin America and here we have two scale countries; we have Brazil, we have Mexico - and increasingly, we have Colombia and the neighbouring countries around it, Ecuador, Peru, Chile that are acquiring scale. We have the Middle East, North Africa, Russia and Pakistan region, which is more or less the same size as Latin America. Then we have two relatively smaller regions, ASEAN; eight per cent of our business and Africa, six per cent - but we have very exciting plans to grow these. You're going to see this as the third pillar of our growth later on. So we're very well-spread out as you can see all over the globe, so emerging markets - like Kris said - some are emerging, some are semi-emerging and some have emerged, but this is how we manage them.

But there are obviously the markets that really make the bulk of our revenue that are very, very important to us. The top ten markets are eighty-five per cent of our revenue. You can see them here; I spoke about some of them. Power brands, which I think you would have definitely seen in Ryan's presentation in May, we have 11 power brands in the company. We have ten of them in emerging markets; they are seventy per cent of our revenue. The only power brand that we don't have in emerging markets, is Mucinex, which is mostly a US brand. But

we're also very, very lucky in emerging markets to have a big portfolio of strong local heroes. So very quickly to give you an example of what a local hero is that you might understand: Lemsip is a very strong brand in the UK for us. It is not a global power brand, but think of the stature that it enjoys here.

We have many brands like this around the world that we would have inherited over decades that actually gave us the first entry into distribution and really built a path for many of our power brands to follow. If you've travelled to these markets, you've heard of some of them, but I would just pick Mexico as my favourite country here as having all of these brands that are number one in their healthcare category. So Sico in intimate wellness, Picot in GI, Graneodín - which is the Strepsils equivalent that we have here - and again you'll see some examples around that - and Tempra, which is a children's pain relief brand. So we're really proud of these foundations. We've got trusted, loved brands. We have developed the categories that are now very sizable in size and we've got some very strong established markets.

All of that has led, over the last ten years or so, to very steady acceleration from mid-single-digit growth to high single-digit growth, and like I said we're the largest area for core Reckitt. Over the last ten years, from 2015 to 2019, emerging markets was growing roughly at an average of about five per cent. For the next five years, from nineteen to twenty-four at eight per cent and for the last nine months of this year compared to the nine months of last year, we have strong double-digit growth at almost fourteen per cent. Like I said, we're now the largest area for core Reckitt. We were 39 per cent of the business 10 years ago. We're 42 per cent estimated at the end of this year. Three of our largest countries for the group are in emerging markets; China, India and Brazil. I think one or two are competing. Hopefully, one of them is going to bring them - get on to this list by the end of this year.

But also our CMUs. Now, what do we mean by our CMUs? CMUs are country marketing units, which means the brands in market. Now, if we manage these well, these are the real big pillars of our business. We obviously get everything else around it, right? Seven of the top twenty are now from emerging markets. It's not just those seven in the top twenty, but we're very proud of the fact that we're actually creating a big pipeline of these heroes coming through. We define £50 million as a sizable scale, £50 million in year sales. In terms of saying this is becoming a really serious business that needs attention, that number of brands was 11 in 2019

and now it's 23. The really good thing about this is that of course, you would expect to see brands from cleaning, from germ protection. I spoke about the heritage of these categories. They were always there, but increasingly we are finding brands from self-care; Finish, Intima. So this is really expanding our presence in emerging markets on the lines of the portfolio that we have everywhere else.

We enjoy leadership positions on most of these brands across the regions. This is of course the great innovation that our category organisation delivers, but also local customisation, local execution. You're going to see some examples of that. We're very proud of the fact that we've sustained these positions over many years. So we've been accelerating growth. We have some really scale countries and CMUs and we have market leadership positions. This brings us to our plans for the future, where we really believe that this growth is sustainable. We really believe that it can be high single digit in the midterm, creating value. You will see much more of that in Shannon's presentation. One of the reasons for that confidence is, apart from the categories, the brands, the consumers that are evolving here, we have excellent execution in many of our markets - which you will see later.

Broadly, why are we excited about the future in emerging markets? So no surprise to anyone; there are rising incomes, new consumption habits everywhere in emerging markets. We believe that we, more than anybody else, have the right portfolio for these evolving consumer needs. As consumers are coming into new FMCG categories, we are very well-positioned with our expertise from Europe and North America. We have strong brands, as you saw, and we have the ready innovation pipeline to lift and shift very quickly from Europe and North America. So we go in and we know already what we're going to do in the next three, four, five years, right? We have that, we know that that's available. Then we have industry-leading, go-to-market strength in offline execution, so that's basically traditional trade, where we reach a lot of stores in countries like India. Online, where we have a fantastic business in China that's industry-leading and actually helping us scale up everywhere else in the world too, and increasingly OTC.

Roughly a third of our business globally is in OTC, but in emerging markets it's only half of that, so it's basically a big, big opportunity. But we have a region that's showing us the way; Latin America. That is again excellence that we want to spread everywhere. I'm going to share

some numbers with you that I don't think are going to be a surprise to anyone. By 2030, emerging markets is going to contribute to 50 per cent of world GDP, right? So from 37 per cent 20 years ago to 50 per cent. The thing that's really most interesting for us in terms of focus is that the top seven emerging markets are going to grow at twice the rate of the top seven developed markets, so E7 versus G7. That's macro; that affects everybody but in our categories, too, we will see an increasing share of consumption from emerging markets.

So this year, emerging markets contributes to roughly 40 per cent of all consumption in our categories. In five years from now, that will be forty-three per cent. The really interesting fact about this increasing consumption is where it's coming from. Traditionally in emerging markets, we would look to the box that you see on the left; the \$10,000 income - disposable income households that are coming into these categories. We would call them middle-class. The ones on the right, \$25,000, that's upper-middle-class. This is not luxury upper-middle-class that we're talking about; we're not talking about people who are buying fantastic cars and things like that. But in the context of the CPG industry, they're the ones that are moving beyond basics to the next level of consumption.

This, I'm pretty sure, is one of the reasons why Kris has decided that we are his favourite; is because this shift is quite rapid, right? Basically, 20 years ago the number of such upper-middle-class households in North America and Europe were about a 150 million more than those in emerging markets. That narrowed down to 70 million 10 years ago. For the first time last year, we actually have more of these households in emerging markets than we have in Europe and North America combined. I would say this is probably the single-largest fact in terms of where incomes are increasing that makes us very excited about the potential of our business. What this does, the fact that we both have these middle-class households and these upper-middle-class households, it gives us an opportunity to of course continue to grow in our mature categories, but also to start introducing and growing what we call nascent categories.

Some examples: the mature categories are categories that have been around for 25 or 30 years; bar soap, toilet cleaners, condoms, stain removal - that's Vanish - handwash and multi-purpose cleaners. Nascent categories; our vitamins business, which was only in the US until about seven or eight years ago, is now gaining scale. In fact, one of the brands is bigger in China than it is in the US. The self-care categories: sore throat, gastro - all very, very small



categories a few years ago, are getting substantial size. Actually, my favourite on this page is intimate hygiene, which for the longest time, brand name Intima in France was a well-respected, solid brand. Maybe about \$15 million-to-\$20 million. We've taken it to China. Over the last three or four years we've made it five times that.

So the potential of taking things that work and then taking them to markets that are actually not just emerging, emerged, have many new ways for us to exploit new channels, is not just limited by the size of what they were in Europe. We actually believe we can make them even bigger. Like I said, we can launch these categories but we also know that we have a ready future pipeline, right? So at some stage five or six years later, of course there will be more innovation required. That's already happening for Europe and North America, but for emerging markets this pipeline is already available. Example here: Strepsils, which we've launched into emerging markets as sore throat remedy lozenges, in Europe we've already extended into cough. Over the next few years, I'm sure we're going to make it successful - which means that three or four years down the line in emerging markets, we already have a ready proposition to extend Strepsils sore throat into Strepsils cough.

Another example here, I would say, we're not just limited by the brands that we have in emerging markets. We borrow technologies, new platforms from other brands. Lysol has a great air sanitiser business; this is something also that can travel very quickly into emerging markets. As you can imagine, with this - the higher-priced innovation - we're able to expand our margins. For example, the original Dettol brown liquid, if that is basically price per millilitre index 100, then our latest innovation there is 2.5 times that. So this is giving us some pricing power in emerging markets and along with the mix of self-care and intimate wellness going up, our GM is expanding. You will see some numbers that are very, very interesting. The first time - in my career at least - in emerging markets that I've seen this kind of expansion on gross margin. You'll see that in Shannon's presentation.

So it's all very exciting, there are lots of opportunities. We have the right brands, we have the right categories but how do we ensure that we are fully focussed on doing what we have to do to get this growth? Our success model is really very, very sharp. We have three growth pillars and we have three execution pillars. Our growth pillars are that, of course, we must continue to grow penetration in the categories that we've been in for many, many years. I gave you the

example of the fact that Harpic: £500,000, £250 million, still growing at double digit. Lots of runway. Developing nascent categories, right? So Finish, that is still very small; it can be much, much bigger. Again, you'll see in Ryan's presentation. But also there are some countries - and I think Kris has referred to this many times as the third pillar of our growth - there are many countries where we have scale. But equally, there are countries that are getting much bigger on population, with lots of GDP growth, where we still have a long runway for growth. We'll speak about that.

But we have all of these opportunities. We know how to grow, but what is the differentiating factor between us and anybody else is, I believe, our execution excellence in three areas. Offline go-to-market excellence: this is really how we reach a big number, a vast number of stores in a vast geography. Online: how do we engage with digital shoppers? I'm sure many of you - I don't know, when was the last time that you bought grocery actually by physically going into a store versus getting delivered at home? I can tell you in some of our countries this is really maybe 50, 60 per cent of all growth. Then of course OTC excellence, right? So the three channels - and we must execute really well - offline, online and pharmacy. That reflects our portfolio. To speak about the first two, how we consistently drive penetration and how we grow our categories, I'll hand over to Ryan.

**Ryan Dullea:** Thank you, Nitish, and hello to everybody in the room. It's great to see everybody again here today. Last time we were all together, we talked about three core buckets of things as we think about growing our category growth and how we manage our portfolio. The first is the strength and quality of the portfolio we have and the power brands that we've discussed today. The second is actually our winning playbook. The third was how we've restructured our organisation in order to ensure we can win today and going into the future. Nitish talked a little bit already about that portfolio, so we're going to focus today a little bit more on how that winning playbook applies to emerging markets and then how our new operational model helps enable that as well.

With that, let me start with a quick reminder of what we talked last time on our winning playbook. It all starts with the consumer and having deep, rich consumer understanding. This has always been at the forefront of how we've built our businesses and grown our brands. We

continue to adopt this and continue to invest in it with human interaction, with generative AI, but it continues to be in the foreground of that deep consumer understanding. You'll see that come to life on a market-by-market basis as we talk about a few examples. The second big thing is around superior innovation; bringing superior products that consumers are willing to pay a premium price for that deliver against their needs and their desires in that marketplace.

Third on this was our iconic brands. We have a fantastic portfolio, but you need to continue to invest in those brands with innovation, with marketing spend, with the right supply chain so in order you can get these to consumers where they need them most. Last but not least is the execution. I'll spend a bit of time talking about the first three of these in context of emerging markets and how we really use those to think about driving penetration as well as create new categories. First, let's talk about continuing penetration in our mature categories, the existing ones today. As you think about this and look at our big markets - like our intimate wellness business in China or our Dettol business in India, Middle East, ASEAN - a lot of those same general metrics of how we focus on the consumer, how we bring innovation and how we build brands is the same.

But sometimes it requires deeper understanding and it requires habit change, and changing consumers' habits in order to open up their minds to categories and penetration in a different way. Let me first share an example from Nigeria. If you look at sub-Saharan Africa, you actually have 150 million STIs - sexually transmitted infections - annually. Sixty per cent of HIV infections in the world are in sub-Saharan Africa. That's about 25 million people infected with HIV. Now, we and our brands can play a meaningful role in helping societal change, but also helping build business as we look into the future. Unfortunately, there are some common myths there around using antibiotics and other activities that might prevent STIs that are just not true.

So a large part of what we started was thinking about: how do we communicate in a people's way to help educate, help inform them about these situations? But most importantly is making sure there are products available when and where the consumer needs them and wants them. So in Nigeria, we created a lower price point pack with a more affordable condom material. That enabled us to drive significant change in our overall reach and penetration. You can see over here on the left the number of stores, so from 2022 to 2025 with the addition of

this SKU, it enabled us to increase our store penetration by over 50 per cent. That puts products more readily disposable and more readily available for consumers around the world. If you look at what that means for our brand and we think about the awareness of Durex in Nigeria, it went from 26 million households being aware of us in 2022, to actually 68 million households being aware of us by 2025. So a significant increase in the awareness of the brand. Penetration for the brand also more than doubled, going from two per cent in 2020 to five per cent in 2025.

Our overall CAGR over the course of the ten-year horizon there in the market was thirty-three per cent. So significant benefit to society, significant growth for our brands. It all started with a deep consumer understanding to understand how to help change habits, creating the right innovation and the right pack sizes in order to drive penetration, and creating that accessibility when and where they needed it. Let's flip to a slightly different category and we'll talk a little bit about Harpic. Now, if you guys remember back to our May presentation, you'll remember Pankaj talked about the Banega Swachh and some of the great progress we've made in hygiene and the partnerships through that on our Dettol business through hygiene and handwashing, in partnerships with governments, local entities - celebrities as well.

If you move over to Harpic, we've also played a significant and meaningful role in this particular business. You may look up there and see the acronym ODF and be wondering what that is. It's open defecation - probably not a phrase you would've thought you would've heard, but it is actually a meaningful society and health impact. When you have a situation like that, you have significant transmission of faecal pathogens, which can lead to diseases such as cholera, typhoid and other significant illnesses that can dramatically affect populations and impact overall health and well-being. If you reflect back to 2014, the simple way to think about this is there were about 60 per cent of homes in India that didn't have a toilet in the home. That's 60 per cent of homes didn't have an active toilet in their home.

In partnership with local government, with societal engineering over there, as well as our brand playing a role in how we communicate and how we talk, we've actually been able to help grow that to 99 per cent of households today. Ninety-nine per cent of households now have a toilet with an access in their home. This comes through meaningful partnerships with local entities, but also meaningful comms around consumer change. Let me just share with you a Harpic spot that we can take a look at. Maybe if we can play that, please.

[Video plays 0:32:42.5-0:33:09.2].

Okay, so great communication of the ad helps talk about the need within the area, but also the superior benefits that our products bring and the superior cleaning our products bring. In combination with that, similar to the example we shared on our intimate wellness business in Nigeria, you need a product at an affordable price point. So having a proposition below 40 rupees in order for us to change and step change how we were thinking about penetration and reach and availability of our product in store. You see great growth if you look at the chart on the far left from the year 2000 to the year 2012. Nice steady growth. Since we've engaged in the partnership, a significant acceleration of that. So availability of our overall products is a key meaningful component.

This has enabled us to step change a few things. First and foremost, let me start in the middle, with penetration. Going back to 2015 to today, we've more than doubled the household penetration of the brand itself. So going from 13 per cent up to 34 per cent of households today. In addition to that, we've actually improved our equity on removes the toughest stain. Through driving the societal change and speaking about our product's benefit to the consumers, the number one equity driver in the category is about removing the toughest stains. We went from 69 per cent of the population believing Harpic was the best brand at removing stains, up to 82 per cent. This has led to a net CAGR growth of 12 per cent year-over-year for the last decade for us on Harpic.

So two great examples of brands how, when we look at meaningful habit change, we can not only provide societal good - but also significantly grow our brands and the categories themselves to even higher levels. Let's now step in and look at something different, which is actually developing these nascent categories that Nitish talked about earlier in the set. I'm going to share with you two examples. I think you'll see some others from the different folks speaking as we go forward as well. I'm going to start first with dishwashing. Now, if you rewind back to 2015, there are two ways to think about emerging markets and automatic dishwashing detergents. If you look at the penetration across markets like Egypt, Malaysia, China, Vietnam,

you'd say, look, these are markets with less than two per cent penetration of households of dishwashers. If you don't have a dishwasher, you can't really have a dishwashing detergent.

Or the other way to look at it is, when you think about that burgeoning middle-class Nitish talked about or upper-middle-class Nitish talked about at that 25,000 growing, the sheer size of the handwashing category, this represents a significant opportunity for growth. So we've been investing in these markets and with the dishwasher manufacturers to help continue to drive the overall installed base of dishwashers. I'll talk in a slide a little bit about how we do that. But if you take a look at the chart on the far left here, you'll see over the course of the last ten years, there've actually been forty million dishwashers added, installed in emerging markets. That's 40 million extra households that become a category increase in size. Now, the most amazing thing is, you're starting to get to a tipping point now and this growth is becoming more exponential.

So the projections from folks like Euromonitor are that over the course of just the next five years, we'll add another forty million dishwashers as an installed base in households. When you think about the impact this can have and the materiality of that growing middle-class or upper middle-class that Nitish talked about earlier, the opportunity is significant. The good thing is, we've been doing this for a while and we have a model of how to do this well. First and foremost, you can't really have an automatic dishwashing detergent business without automatic dishwashers installed in people's homes. One of the core things we do is partner with manufacturers around the world. We're actually the number one brand recommended by automatic dishwashing manufacturers around the globe.

But the interesting thing of how we partner in these regions is slightly different than how we think about it in our developed worlds. The benefit of all of our partnerships is, the first time you use your brand-new automatic dishwasher in the partnerships we have, there's Finish in there for you to operate with, detergent as well as rinse aid. That's fantastic for people who are new to a dishwasher because it establishes the brand as one they trust. But also for people who are new to automatic dishwashing, it establishes the brand as the first thing that comes to people's mind. So there's an inherent benefit that we're in all these new bases that are going to be installed.

But secondarily, there's an opportunity to build our equity even farther as these markets develop. What we've done in addition to partnering in the traditional ways you'd partner with a dishwashing manufacturer of getting our products in and having good relationships and how they're developing machines and how we're developing detergents to match, is how we're actively communicating with them in the different markets to both help drive penetration, but also establish the equities that we know will drive our brand now and into the future. If we can maybe play the two examples of the Finish spots, please.

[Video plays 0:37:57.9-0:39:09.5]

You'll see a lot of similarities with some of our dishwashing advertising and our developed markets, but you'll see some unique components there. Obviously, very relevant household situations and moments, as well as relevant foods for the local markets. But in addition to that, you'll see some more tie-ins around time saving, efficiencies and how that can help benefit you. So it helps both serve the need and desire of growing dishwasher penetration, but also establishing our equity as we move forward. Over the course of the last ten years, that's driven a net revenue CAGR for us of fourteen per cent. When you start to think about this exponential growth of the household penetration of automatic dishwashers in emerging markets, we continue to see significant growth coming on to this business and being an enabler of our total growth for that overall category of household care.

Let me, as one last example, turn and talk a bit about our self-care business. As Nitish said, this is one of the big levers we think we have a significant opportunity to grow in emerging markets. There are both material market trends as well as overall healthcare trends that you see coming through. First and foremost, diet and obesity. Unfortunately, we continue to see rising issues with weight and obesity in developing markets, the same as we've seen in developed markets. Forty-three per cent of the population is projected to be overweight. This will lead to issues with things like mobility, will lead to more gastroenterology issues and other health concerns as well. In addition to that, we see a significant amount of urbanisation; people moving into cities. So as you think about infectious disease, air quality, other things impacting and affecting overall day-to-day health.

Last but not least, is an ageing population. As society healthcare systems continue to improve in these markets, you continue to see an older and older population coming through, and projected that we'll have about 20 per cent of this population over 65 plus. With that does come chronic conditions and healthcare things that you need to make sure you're maintaining and driving against as well as you get older. The good news for us is, over our time in emerging markets and some of what we've learned, we've established a very proven success model of how do we develop our brands and how do we develop these categories in these markets in order to be successful today and into the future?

First and foremost, when you bridge beyond typical consumer packaged goods and into healthcare - or into self-care - the health pyramid becomes incredibly important. That's how you interact with governments, policymakers, regulators, healthcare professionals, key opinion leaders - all in the total pyramid before you get to the consumers. As part of this, of course, we have very robust plans about how we talk to our healthcare professionals, how we talk to the government, policymakers, regulators about our individual products and the benefits those products provide. But we also invest and partner in really great overall partnerships. I'll give you an example of one, which is our global respiratory infections partnership. This is a collection of leading medical experts, key opinion leaders, academics, microbiologists talking about upper respiratory infection - which is obviously a big portion of us between our Mucinex businesses, our Strepsils businesses around the world.

What you see as part of this is there is a large portion of our overall upper respiratory infections that are actually treated with antibiotics. Now, for those of you that know the science behind that, eight out of ten upper respiratory infections aren't bacterial based so they do not need or require an antibiotic. The overuse of antibiotics leads to development of super-resistant bugs, which is actually today the third leading cause of death in the globe. So as we look at this, it enables us to both partner with these organisations to step change behaviour change, as well as drive and establish our categories. The second piece, then, is consumer education. I'm going to share with you two spots around this to talk it through. Can we maybe play the Gaviscon spot first, please?

[Video plays 0:43:12.6-0:43:41.8]



Now, within this you'll see some very similar things if you've watched any of our Gaviscon advertising here in the UK, but you'll also notice some unique differences. A bit more focus on the science of what causes heartburn, where is it coming from, and a bit more on the mechanism of action of how we work. Also, the introduction of that healthcare professional at the end of the spot, which is that warming reassurance that this is something healthcare professionals will recommend. When you marry that up with the consumers going into their local pharmacies when they do have a sore throat and speaking to their pharmacist or speaking to their general practitioner, they then have the same messaging and share the same point of view on Strepsils - sorry, on Gaviscon - which drives great trial and recommendation.

Let's now take a look at a second one on sore throat from our Mexican office. Now, the thing I will share with you beforehand on this one is, I talked about this idea of antibiotic overuse and antibiotic resistance. In some of our developing markets around the world, there is a significant over-prescription of antibiotics - more so than in the developed world. So really tapping into that and helping people understand this is not necessarily going to have an impact or help your current situation and condition, is really critical and important and a key driver for us on our business. If we can maybe play the Strepsils ad, please.

[Video plays 0:44:56.0–0:45:21.1]

So you would've seen in that spot a slightly different approach from the broader context of our Strepsils mentioned, but the same general end result of people looking to want to try and buy our overall brand there, which is Graneodín, which is the local equivalent of Strepsils. The interesting thing you'll see on both of these brands; these are the same underlying technology platforms on Gaviscon. But you see that coming to life as LuftaGastro in Brazil, because we have a strong local hero there in Lufta. Same thing with Strepsils; it's our same underlying platform that's enabling us to win in other markets around the world, but because we have a strong local brand in Mexico that can carry it better, it comes under the Graneodín branding.

Last but not least on this is, once again, really about that idea of making sure we're driving accessibility. One of the key unlocks for us in OTC, considering the complexity of

bringing these out and sometimes the timeframe to establish, is really making sure we have that model right. So if you take a look on the left-hand side of the screen up in front of you, what you'll see is our focus on megacities. You'll hear a bit about this and a little bit around the size - and obviously I just talked about the idea that 80 per cent of the population will live in more urban environments. But what this enables us to do is two things: reach a high amount of population, but also prove out the model before we then expand geographically into other parts.

So in Brazil, we actually started our Gaviscon or our LuftaGastro expansion in just Rio and São Paulo. This allowed us to prove out the model of what's needed for healthcare professionals, what's needed from a consumer investment lens in order to drive the results and the share results we want to have in market. You can now see currently we've expanded it out to other megacities across Brazil and are continuing to grow this business and brand then. The end result of this leads to fantastic results here and now, but also setting us up for future success. I'll start on the left-hand side. If you look at our emerging markets overall net revenue CAGR over the course of the last five years, it has been twelve per cent on our OTC business.

You start to look at things, though, and you step in. LuftaGastro, which was launched within the last decade, is currently the number one most-prescribed brand for heartburn and indigestion remedies in Brazil. That is also now true in Colombia as well, too. In Colombia it comes under Gaviscon. So where we have local heroes, we play those. Where we don't, we use our Gaviscon brand. Move over then to our Graneodín F, which we saw the ad up there for as well. Once again, number one most-prescribed brand by GPs in Mexico. That is now the same thing - and is true also as we think about our Strepsils franchise, which is what the brand's carried under in Brazil, and a strong number two coming and growing in Colombia. So continuing to expand out this piece around the HCP endorsement, strong consumer comms, married up with the right distribution and infrastructure as we move through cities.

Let me finish with a little bit a summary and talk about how we're continuing to leverage that winning playbook in order to make sure we're investing to grow in our emerging markets. First and foremost, R and D centres around the world. Like Nitish mentioned a little bit earlier, we have an opening coming up - or maybe it was Nick - around some of our facilities in China. But we have great R and D facilities in LATAM, Africa, India, China, ASEAN. This is making sure that we have local understanding of needs and able to translate those across and has been

something that's been in bed with us for a while. In addition, with our new operating model we have taken people that are part of our global category teams and also embedded them into markets and regions so that they understand the local team's needs, the local team's desires and what we need to do to make sure we're winning with the local consumer, and can translate that back to the global organisations developing the projects, developing the innovations that come forward.

The second big piece is continuing to drive superior innovation. One of the ways that we can do this is actually looking at bringing products at the right price points and the right sizes for our consumers. Whether that's through Dettol and the powder-to-liquid opportunity that enables us to get broader depth of distribution, still deliver the great same hygienic benefit of Dettol, over to Strepsils, once again, getting it in the right size, the right type of packaging in order to maximise our distribution through channels. Then we talked about the Durex Nigeria story early there. So both high-quality innovations when we think about some of the trade-up examples we talked, but also the right mix of pricing and sizing as we bring things to market to enable that depth of penetration that provides access to these great products for a wider set of consumers going forward.

Last but not least is this culmination of our portfolio. What we really have an amazing blend of in our emerging markets - as Nitish alluded to earlier - is a very strong set of our global power brands. But we also have a host of local heroes that carry some of those power brand innovations, as well as enable us to hold meaningful distribution footprints in the markets where they are. With that, I'm going to wrap up and turn it back over to Nitish to focus a bit more on the execution side of it.

Nitish: Thank you, Ryan. As you saw, we have two very clear pillars; penetration, category expansion. Each of those pillars have very consistent frameworks - exactly the same thing that works over and over again. The thing that really excites me the most is, all of those results are double-digit CAGR over a long, long time. We come to the third growth pillar, which is scaling up the next tier of countries. You know that we have many countries operating at scale; we spoke about some of them. But equally, there are many large countries both in terms of population increase and in terms of GDP growth, where our businesses are not that large.

We've focussed on six: Colombia, Nigeria, Kenya, Malaysia, Vietnam and Indonesia as the next opportunities. Our businesses here are beginning to grow, but we believe that they can grow much faster.

Today, we're going to showcase two examples from Africa and from Vietnam. Starting with Africa, where over the next five years, there are going to be one hundred million more urban consumers. So just the scale of the opportunity in terms of consumers - and you saw from Ryan what urbanisation does to the kind of categories in which we play - 100 million more. They're focussed mostly in 12 megacities. So we'll see a video now from Africa from my colleague, Oz, who is the SVP there.

[Video plays 0:52:03.7-0:52:27.0]

Oz: We started our Africa business over 100 years ago. Our power brands and local heroes enjoy consumer love and trust built over this time. Africa's demographics are compelling. Within five years, its population will surpass India and China. Three-hundred million new consumers concentrated in megacities. Growth will be driven by digital money, mobile commerce and social platforms. We are uniquely positioned to address this opportunity. Our portfolio in self-care, intimate wellness and germ protection is directly addressing the new needs of this consumption class. Our digitally-enabled, go-to-market execution will reach 300,000-plus stores by 2030. It will be enabled by affordable entry packs to unlock distribution and penetration.

We'll reach ten million new consumers in the next five years through proven grass-roots programmes like hand hygiene and new mum initiatives, with habit-changing education. Our ambition is to double our business in the next five years.

Nitish: By the way, this is one of my favourite regions. I was the marketing director here. It's full of opportunity and I think we're doing really well. The thing that really is very, very interesting here is that Africa is vast, as you can imagine; I think it's almost like 90 countries and there's opportunity. There are some countries, but we can't go everywhere so we're focussed in these 12 megacities. The advantage of doing that - like Ryan mentioned for the LuftaGastro example

in Brazil - is that we can perfect it. We can know exactly what works before we go anywhere else. We would've reached most of these prosperous consumers. We'll move on to Vietnam, where we have also 100 million delta population in Africa. In Vietnam there's 100 million population, but this is the fastest-growing GDP in ASEAN; consistently 8 per cent for the last many years. So Kris and a few of us, we travelled there recently. Frankly, what we saw gave us even more confidence in our ability to make some of these markets much bigger. We're going to hear from our SVP in ASEAN, Vijay.

[Video plays 0:55:02.3-0:55:21.5]

Vijay: Welcome to Vietnam, land of opportunity. With over eight per cent GDP growth last year and strong projections ahead, Vietnam is ASEAN's fastest-growing economy. Powered by manufacturing strength, foreign investment and a young, dynamic 100 million population. For us, Vietnam is one of the most exciting opportunities in emerging markets. Our ambition is clear; to triple our top line by 2030. We've had a promising start. We already lead in intimate wellness, with Durex growing double digits. We are gaining traction in two fast-growing categories; self-care with Gaviscon and Strepsils growing at high double digits. Auto dishwash - a rising category driven by urbanisation, dual-income households and demand for convenience - is another strong bet.

By driving sustained growth in these three categories - intimate wellness, self-care and auto dishwash - we aim to acquire four million new consumers. With clear category choices, execution will be the key to win on the ground. So we are investing in our frontline, strengthening our route to market for groceries and medical GTM for reaching pharmacies and healthcare professionals with precision. We believe in Vietnam's potential and in our brands, our people and our partners to deliver on this ambition and triple the business by 2030.

Nitish: So it sounds that that's very ambitious - but we have a small business. So really in terms of three X by 2030, it means we should just grow about twenty per cent a year - which we are very confident of doing. By the way, I hope you saw that there is a little bit of a competition going. Somebody wants to be two X, somebody wants to be three X - which is very good because we

want that ambition to play out. So we've spoken about our three growth pillars, and we'll move on now to our three execution pillars, right? Again, we may have these brands, these categories. We know how to communicate - but unless we can reach our products to consumers in the three channels that really make a difference to us, we're not going to win as much as we have the opportunity to. So offline, online, and OTC.

We're going to start with offline and our centre of excellence - actually, I would say our centre of brilliance - is in India, which has 11 million stores. We spoke about the fact that we're available in ten million stores; actually there are eleven million stores in India alone. I know that sounds quite incredulous given that you have less than a million stores in all of Europe put together, but that's what it is. Offline is still very, very important, right? It's a country that's modernising, it's growing a lot. But a lot of people still shop in these stores and 85 per cent of our sales of any other FMCG company still come from here. What do you do when you've got so much landmass to cover and so many choices to make? We have to be precise. The way that we win in India, as you will see, is that we have very carefully picked the right towns to serve, the right stores to target. Once we're in the store, the right assortment to sell and also to make sure that once we have our product in the store, that it looks great.

This is a massive difference from many, many years ago. My first week in the company, when I was walking around taking orders with a paper and a pencil, walking to the near Post Office that we had, mailing the order and then the order would come maybe a week or two later. I think that data and technology, as you will see in the India example, is a strategic advantage in sales. We're doing really well in exploiting that. So we're going to head to India and hear from Gaurav, who is one of our most experienced leaders.

[Video plays 0:59:15.3-0:59:32.9]

Gaurav: India is one of the most compelling growth frontiers in the world: 1.4 billion people, 65 per cent under 35. India's retail landscape is vast; over 600,000 towns and 11 million outlets form a complex ecosystem that spans every corner of the country. But within this scale lies a very clear divide; the top 2000 urban towns drive over 60 per cent of Reckitt India sales, while the remaining 40 per cent comes from deeper rural penetration. Navigating India's dynamic

retail canvas demands precision, agility and deep local insight, guiding how we choose towns, service the right stores, curate product mixes and lead in-store execution. To explore how each engine powers this transformation, let me call on Anurag.

Anurag: Urban India is where precision drives performance. A geotagged store database and GPS-guided servicing enable 500000-plus weekly sales visits, lifting sales rep productivity to 92 per cent. This is data-led execution at scale. Our AI assortment engine analyses millions of transactions to generate outlet-specific product lists, tackling seasonality, buying patterns and spatial cohorts. With an 86 per cent hit rate, every pitch is sharper and every shelf is optimised. Execution excellence closes the loop. Shelf images trigger instant visibility scores and payouts, doubling line sell-in. These images also expose stock gaps, enabling faster replenishment and sharper execution. Rural India presents scale with complexity. Beyond the top 2000 towns lie fragmented markets, poor infrastructure and high service costs. We analysed consumption, affluence, urbanisation and infrastructure, and then identified 15000 high-potential rural towns. We then map ideal service areas across these towns.

Towns beyond these thresholds proved inefficient, so we identified under-serviced clusters and appointed new partners. Servicing distance dropped from 100 kilometres to 50 kilometres, unlocking faster replenishment and accelerated growth. Across urban metro and rural heartlands, Reckitt India's sharper route to market strategy is powered by cutting-edge technology.

Gaurav: Manoeuvring through this duality, urban concentration and rural growth is key to unlocking growth at scale. This precision-led approach has given Reckitt India a decisive edge.

Nitish: A sense of the sheer number of stores and how complicated it can be to cover them, but how using technology we are very precise. Actually, at the end of the day, we have an experience booth for you here. Anurag who was on the video, our Sales Director in India, will show you exactly how those handhelds work. Every one of our 5000 people on the street selling products are using that technology every day. They have an action that comes from AI that makes their sales pitch better, their assortment better, and their execution better. So, please

do stop by. That's probably one of the most exciting things that we have in store for you today. So, let's move on to online. So, India, the centre of brilliance for offline. China, as you would expect, is the centre of brilliance for online. Here it's no surprise that 50 per cent of the world's e-commerce is actually in China, so we have to be very good at this if we want to win, but even within e-commerce platforms are evolving all the time.

So, what you and I use every day in terms of ordering things they already call 'traditional e-commerce', and now they're moving on to quick commerce and social commerce. Social commerce is really an area of advantage that I think we have done very well. We're world-class at this, and you will see some examples. Just for perspective, TikTok - which in China is called Douyin - has 800 million active monthly users. So you would say, 'These guys, they're probably just looking at entertainment.' That's not true. Fifty per cent of them are actually buying our categories on TikTok, and they're spending two hours a day on that platform. With the expertise that we have, we think we are ahead of our competition when it comes to speed of innovation. We're able to launch many new categories and products much quicker. Our content is powerful. It is customised. We use that content and the fact that we have these digital conversations all the time for a very fast feedback loop, and we back that with great customer service.

How data and technology drives offline, similarly data and technology drives online, and we're going to head to China now to hear from Arjun and Vivian, our team in China.

Arjun: Welcome to China, the world's most dynamic retail market, where consumer behaviour is changing at the speed of scroll. We have built a successful business in China with social commerce. We've stood up three entirely new brands and 11 new consumer segments, and we are gaining share across every category we play in. This year, we have already added more than 40 million new users, and what's even better is that a third of them are already repeating. That means two things. 1) We're winning new consumers at scale, and 2) we're earning their trust so they come back to us again.

Vivian: That's right, and trust is the real game-changer in China. I'm Vivian Huang, and I'll take you through how we have made this happen, how data, creativity and real human insights are powering our growth story in social commerce. Welcome to our digital hub, the in-house engine



behind our content and social commerce. Our online growth flywheel contains three key cogs to ensure our brands stay relevant and responsive, and win and delight consumers every single day. First, superb engaging content creation delivered via short videos and livestream. Second, continuous improvement cycles with real-time feedback loops and optimisation. Third, great customer service to follow through and build loyalty. Social commerce in China is powered by content, delivered to consumers in two forms. Short video, livestreaming. We create short videos daily for platforms like TikTok and KuaiShuo. Each video is designed for a specific occasion or consumer need state.

This year, we have delivered over 1 million short videos, in total reaching to 15 billion views. Short videos drive discovery. Livestream builds conversion. Here is our livestream centre. A typical livestream session lasts four hours, with host and a support team handling questions in real time. This is where consumers engage directly with our brands. They ask about product benefits, compare options and often make the decision to purchase. This year we have livestreamed for more than 100000 hours. Around the corner is our operations centre, and the key here is real-time learning. Every short video we launched is tested with live consumers. Within hours we see which message, tone or call to action resonates, and we refine it immediately. This fast test-and-learn loop means our content continuously improves, driving higher engagement and stronger ROI.

Similarly, during livestream our teams track live sales data minute by minute. If something isn't working we adjust instantly, whether that's the script, the promotion or the focus product. This agility is what maximises every livestream session's impact. What takes weeks and months in many markets happens here in hours and days. We have also invested in a strong and responsive customer service team. We actively listen, and when we spot a request, an unmet need or a concern, we act with urgency. The goal isn't just problem-solving. It's building trust, creating a positive experience and turning first-time buyers into loyal, repeating buyers. This direct connection is why our repeat rates are among the highest in the industry. The results speak for themselves. We have expanded our brand portfolio presence significantly. For example, Dettol has been expanded from five categories to 11, turning it from a household disinfectant into a lifestyle health brand, and we gained share across all major brands in the China portfolio.

Arjun: At Reckitt, we believe a great product will speak for itself when it reaches the right consumer at the right time. China's vibrant social commerce ecosystem has empowered us to do just that. We've built a fast, agile and continuously evolving execution model that enables us to win new consumers, foster loyalty, and pioneer entirely new categories. The runway ahead is rich with opportunity to create more categories and serve more consumers.

Nitish: So, I must say I visited this facility more than once, and every time I go I'm like a kid in a candy shop. It's such incredible learning for us. My favourite quote from this is actually what Vivian said, which is, 'What used to take us months and years now takes us weeks and days.' That's the speed of being able to launch new brands, to customise them, to make sure that your message is correct, and we can do that many times on the same day. This is the other experience booth that we have for you after the event. So the India, offline. China online. If you like you can see some livestreaming, even though it will be 1:00am in China. I think we sell a lot of product even at that time, and Vivian who was in the video, our Marketing Director in China, is here to take you through that. This brings us to our last execution excellence pillar. We've spoken about offline trade, online channels, and now OTC.

So, OTC of course is pharmacy, but as you're going to see it's also a lot of preparation in terms of regulatory and medical excellence. We're going to head to Latin America, which is for us the north star as far as OTC is concerned. I mentioned that for the Company OTC is about a third. For emerging markets it's only 14 per cent, but Latin America is showing us the way. It's already at 29 per cent, and a lot of that is because of the work they've done over the last ten years. We're going to hear from Alison and from Laura, our colleagues in Latin America.

Alison: Latin America is home to over 600 million people across 18 countries. In our top three markets - Brazil, Mexico and Colombia - the middle and upper classes total 272 million people. Self-care is a £6.6 billion market in the region, representing 20 per cent of the global category. It is also Reckitt's largest category operation in Latin America. In 2010 we launched an over-the-counter vision focusing on two foundational elements. 1) Regulatory preparation, ensuring licences, compliance and legal frameworks are in place. 2) Medical capability building,

engaging healthcare professionals, including doctors and pharmacists. To explain our approach to the regulatory preparation phase, we head to Colombia.

Laura: [Spoken in Spanish 1:13:20.9 - 1:14:08.9]

Alison: Our second foundational element is collaborating with healthcare professionals and authorities. We approach this through what we call the health pyramid, which focuses on three levels. At the top sits the strategic advocacy with health authorities. Our efforts focus on aligning with national health priorities, contributing to public health agendas, and influencing policy frameworks. In the middle, doctors are essential for building trust and recommending our products to their patients. We build strong relationships with doctors and key opinion leaders through scientific and medical forums and one-to-one connects. At the base of the pyramid we have pharmacists. Pharmacists play a pivotal role in product recommendation and conversion at the point of sale. We partner and educate pharmacists to showcase product efficacy via product demos and scientific literature. One standout initiative is the Global Respiratory Infection Partnership - GRIP - which began in Mexico with over 2000 doctors and is expanding across the region. It positions Reckitt as a leader in antimicrobial resistance.

Our model delivers results and has proven market impact. Strepsils in Colombia has multiplied its market share by eight in the last five years. LuftaGastro, our Gaviscon equivalent in Brazil, has doubled in three years, and Graneodin, Mexico's equivalent to Strepsils, has quadrupled its revenue in five years. There's significant room to expand both existing and new markets. We're scaling successful models across the region, with Strepsils now in seven countries and Gaviscon rolling out in Mexico, Peru, Ecuador and Central America. With a long-term vision and a differentiated portfolio we are accelerating our impact on health and well-being across Latin America.

Nitish: So, that long-term vision that Alison spoke about, not just Latin America. We're taking it everywhere, and this is a classic example of how we need to work with many other functions to really help grow our business. Regulatory, medical is as important in terms of partnership as sales and marketing or category. So, these centres of brilliance... You call them excellence, but

I really think that we are setting the standards for ourselves every year to improve, the one in India for offline, the one in China for online, and the one in Latin America for OTC. The objective from these is to keep on raising the bar, not just in terms of what we know internally but also externally, and I'm pretty sure that some of the examples that you saw are really market-leading in all of those countries. Once we perfect it, we take it everywhere. I gave you the examples of the China playbooks being rolled out in many other parts, starting with ASEAN.

So, this is really what gives me and my team a lot of confidence in how we're going to keep growing sustainably. We have a lot of penetration opportunity. You saw some examples from Ryan. We have a lot of new categories that we can quickly roll out. We already have an available pipeline that we can follow with, and then we've got some scalable playbooks that you saw, offline, online and OTC. This is what gives us confidence that we can keep delivering the growth that we have, but how is this growth going to lead to value creation? I'm going to hand over to Shannon, who's going to tell you more about that.

**Shannon Eisenhardt:** All right. Hello, everyone. I'm very happy to be here to talk to you about emerging markets and the key role it plays within core Reckitt. Just to set expectations, I think I only have about seven or eight slides. Then we'll get into, I'm sure, the eagerly anticipated Q&A. There are three key things that I want to hit within this section on value creation. The first is, I'm going to talk just a tiny bit about the net revenue, where Nitish gave all the examples of how we're driving this growth, but hopefully build your confidence in the sustainability of growth and the ability for us to achieve high single-digit growth in emerging markets for years to come. Second, I'm going to hit on foreign exchange a bit to help you understand how we think about FX, and how our teams in market think about managing through the implications FX has on our business as we work really hard to make sure that emerging markets growth translates through to the bottom line and earnings.

Lastly, I'm going to hit on the profitability of our emerging markets and the role that that's going to play in helping Reckitt deliver our ambition to grow our profits ahead of our net revenue year in and year out. So, first, thinking about emerging markets net revenue growth, we have a strong track record of delivering like-for-like growth in emerging markets. If you look at the left of the slide you'll see that our five-year CAGR in emerging markets starting in 2019 is high

single-digit growth. We've grown at eight per cent. If you look at the right, what you'll see is that in 2025 clearly that growth has accelerated. We're almost at 14 per cent growth in 2025. It's important to note that our net revenue growth in emerging markets in 2025 and our ambition moving forward has been really healthy growth. Roughly 50 per cent of that growth is coming from volume growth in 2025.

Now, Nitish walked through a number of examples of what our teams are doing to drive growth across emerging markets, and over the past few quarters we've consistently talked around the fact that our emerging markets growth has been broad-based growth. I just want to do a quick recap across those regions to remind you what's driving this broad-based growth that we're delivering across emerging markets. You saw the video in China, where we do expect our current growth rates to moderate, but we expect China to remain a strong driver of growth as we continue to roll out power brands and new categories coupled with that strong online execution that you saw, and that Vivian can demonstrate afterwards in the auditorium.

In India we have world-class execution that's delivering high single-digit growth today, and that's driven by offline digital capabilities. We'll show you some of that in the breakouts as well. In ASEAN we have significant opportunities with household care and self-care, and you saw in the video that we're already the market leader in intimate wellness in Vietnam, and we're really growing our Finish business there strongly. In MENARP, we've seen double-digit growth coming from germ protection and intimate wellness, and we see really good growth opportunities as we look forward in that region. Africa, while we've talked about the fact that it's small today, we have strong brand heritages and favourable demographics that give us confidence that this is a strong opportunity. As you saw in the video, we feel germ protection, intimate wellness and self-care are all big opportunities for our Africa business moving forward.

Finally, in LATAM, you heard us say it's our OTC north star, and as we expand growth beyond Brazil and Mexico - and you saw that rollout with Gaviscon into other countries in the video - we're confident in our growth there. The momentum that we have, the capabilities that we have with our teams on the ground in these markets, and the opportunities that we see with small high-growth markets, is what gives us confidence that emerging markets will grow at a high single-digit rate moving forward. We believe this is a growth that we can achieve sustainably and consistently year in and year out, and this high single-digit growth from

emerging markets will be underpinning our long-term core Reckitt ambition of growing four to five per cent each year. That's the guidance that we shared around 18 months ago when we said that core Reckitt, we felt, had the right portfolio to consistently deliver four to five per cent top-line growth.

So, I want to take a second and talk about foreign exchange. I obviously get a lot of questions regularly around, 'How do we make sure emerging markets growth is profitable? How do we make sure it translates to the bottom line?' So, we wanted to show you how we manage the impacts of FX in emerging markets. So, on the left-hand side of the slide what you'll see is the past ten-year net revenue growth CAGR at constant FX. So, for emerging markets over the past ten years we've grown at a 6.5 per cent CAGR. What we've done on the right-hand side of the page is gone back and calculated, 'What's that growth in actual FX?' You can see it's just shy of 5.5 per cent. So, we've had about 100bp dilution coming from FX volatility over that ten-year period. Now, our teams on the ground are really focused on the structural profitability of their businesses and maintaining the structural integrity of their country P&Ls, and they have a lot of levers that they can use to do that.

They look at the sizing and the category mix of their specific portfolios within their markets to make sure that they're maximising both the revenue and gross margin opportunity. We have an expectation that we aim to price in a very consistent way, and so as we see currency fluctuations our teams are looking at the brand, the strength of brand equities. They're looking at our product performance. They're keeping an eye on maintaining the appropriate consumer value equation and they're taking consistent pricing. We actively manage our raw material sourcing as we think about what's happening with FX, as well as other manufacturing decisions, and we maintain a consistent hedging policy. All of these actions are what are allowing us to deliver the results you saw on the prior slide, where it was a relatively minimal dilution coming from foreign exchange to top-line delivery in emerging markets.

It is important to note that we don't run our business with an expectation that within the business year, or within a fiscal year, that we will offset foreign exchange fluctuations, but we do have that expectation over the mid-term. Lastly, I just want to talk about the profitability of emerging markets. So, what we've done on this slide is try to lay out how we're actively driving our mix towards high-margin categories. So, what you can see is that self-care and intimate

wellness, towards the right-hand side of that pink triangle, those are our two highest gross margin categories. If you look at our results over the past five years and what our category mix in emerging markets looks like, what you'll see is we've shifted about six points of category mix into those higher gross margin categories of self-care and of intimate wellness. This is a shift that we expect to continue as we look out into the future.

Now, over that same time period our emerging markets' gross margins have expanded by 300bps, and one of the big drivers of this gross margin expansion has been that active shift into higher-margin categories. Hopefully you saw through Nitish's presentation the fact that when we look out across the regions of emerging markets and identify where we see opportunity, you saw a lot of that was coming through in self-care and in intimate wellness. So, I've talked about how premiumisation and mix is driving gross margin expansion. Now I just want to briefly move down the P&L a bit. When we look at our emerging markets' profitability and compare that across our peers, it's good. We have strong profitability in our emerging markets. We've talked about the opportunity I've just shared with you on how we think we continue to have gross margin opportunity in emerging markets. Many of you have heard me talk about our fuel for growth programme where we're optimising our fixed cost structure. That also applies to emerging markets, and we'll see benefit flow through the P&L to emerging markets from that.

Our intention is that this gross margin upside, as well as a portion of this fixed cost optimisation, is going to be used for us to continue to drive top-line growth in emerging markets. We see the opportunity there. You're seeing us deliver that growth today, and we expect to be able to reinvest and continue to reinvest to drive that growth sustainably moving forward. At the same time, if you look at the profitability of our emerging markets versus our developed markets, there is a differential today that we see. We believe that over time that differential will start to narrow. Again, that will come from the benefits of margin expansion, as well as the benefits of fixed cost optimisation but to be clear, the priority for us today is driving top-line growth and reinvesting behind top-line growth.

This ability to continue to narrow that gap and to drive profitability and improve profitability in emerging markets is going to be one of the levers that also helps us to deliver against our group ambition of growing core Reckitt profits ahead of net revenue year in and year

out. So, if I just land there. If there's three financial takeaways for you to have from today, the first would be I hope you leave the room with more confidence than you might have had coming in that emerging markets can continue to deliver high single-digit growth in the years ahead. I hope that you understand our focus is on driving reinvestment and continuing to drive reinvestment to capture that top-line growth opportunity that we see across emerging markets, and I hope you understand that we believe we can continue to improve the already strong profitability of our emerging markets business, and that that's going to help core Reckitt deliver against our financial ambitions of a leveraged P&L where we're growing our profits ahead of our net revenue. So, with that I'm going to pass back to Nitish to truly close this out.

**Nitish Kapoor:** So, very quickly, just going to summarise what you've seen over the last 90 minutes, because I think Nick is looking at his watch now. We believe we have very strong foundations. Our emerging markets business is not new. We've been around for many, many decades. We're trusted brands, and with very experienced leadership that has translated into steady acceleration. You've seen that we've been consistently mid-single-digit through category development and execution excellence and we believe this is sustainable. It is sustainable at the high single-digit growth level that's value-creating because we already have all of the scalable playbooks. So, I hope that you would have got from this presentation that we have strong, steady, sustainable value-creating growth in emerging markets. Over to you, Nick.

**Nick:** Thank you very much, Nitish. I don't think I need that. So look, we are now going to move into the Q&A section of the presentation. We've got a bit of time for that before we head out to the breakouts. We'll just set up the stage, and then joining me on the stage will be the three presenters you've seen today. So it'll be Nitish, Ryan and Shannon. We'll start with the questions in the room, and then for those listening online, as I said, hopefully you can see the ask a question box in the corner of the screen. If you type in questions in there it will come to me and I can read it out on the stage and hopefully get some answers from the panel. So, with that, let's start.

Right then let's start in the room. Who wants to? Who wants to kick us off? Guillaume. I saw your hand shoot up first.



Guillaume: Good afternoon everyone.

**Nick:** Just before, everyone... Name and where you're from would be great as well, just so everyone knows.

**Guillaume Delmas:** Thank you. So, it's Guillaume Delmas from UBS. A couple of questions for me please. First, on the OTC opportunity in emerging markets. Clearly, LATAM is the most advanced region. Is LATAM more advanced also because of all these local heroes, and many of these brands came with the Bristol Myers Squibb acquisition back in 2013? So, for Asia, Africa, Middle East, is there a need to do some bolt-ons, or you're confident in your ability to drive this OTC opportunity organically? Then, the second question is what these targets for emerging markets mean for mature markets. So, high single-digit like-for-like, does it mean low single-digit is only what's required and expected for mature markets? Similarly, gross margin-wise, I think at the group level, Shannon, you're not expecting much of an expansion going forward, yet for emerging markets I think the scope is for further gross margin improvement. So, a bit of a tale of two regions with mature markets maybe only expected low single-digit like-for-like, flattish to declining gross margin.

**Nick:** So do you want to start with the first part.

**Nitish:** Yes, I can start with the first one. So, of course the Bristol Myers Squibb acquisition that gave us all of those brands was a real impetus for us to start in Latin America ten years ago. You saw some examples of regulatory preparedness, medical capabilities, but that's also a template that we've taken also increasingly to ASEAN. In ASEAN too we're seeing very good results. So, our contribution there is also in the 20s with our existing brands. We have some local brands also in other geographies. For example, in Africa we have Transact. In India we have Move, and we believe that we have lots of organic opportunity but, of course, if there is an acquisition that creates value that we would basically like we will of course consider it seriously.

**Kris:** If I can maybe just build on Nitish's point, I think in LATAM, yes, we acquired a business. I think what that enabled us to do is acquire some capabilities. I don't think it's as much the local heroes. They do help, but it's more the defining capabilities they've had a longer track record of running that we've implemented into other regions and markets around the world. If you take a look, like Nitish mentioned ASEAN, Thailand is actually one of our top five Gaviscon markets in the entire world now, so we are able to take those general lessons learned there and apply them to other places. They started with a bigger base, and we're looking to accelerate and grow in other places.

**Nick:** Shannon, do you want to hit on guidance?

**Shannon:** Okay. So, guidance. I'll start with net revenue then I'll hit gross margin, then let me know if I don't get there for you. So again, core Reckitt, four to five per cent. We've been consistent in communicating that. I think Kris and I have also tried to be really clear. Our goal is to set guidance that we can achieve, and so we believe that four to five per cent is what this portfolio can deliver consistently year in and year out. Obviously, you all can do the math on if emerging markets is 40 per cent of our business and if we are going to deliver high single-digit growth in emerging markets, you can back into what that might mean for developed markets. We haven't shared a specific range, but I think that what you've seen this year is that outsized growth has been coming from emerging markets, and we got developed markets growing in the back half. We certainly believe there's lots of growth opportunity in developed markets in all four of these categories.

So, I don't know that I would provide specific guidance for developed markets, but we're very optimistic with our ability to continue growing those as well. From a margin standpoint, what I've said is that in the near term, so the next... I think I've used one to three years, not providing guidance around expanding our gross margins, but that's primarily driven by the fact that we've also been really clear that we believe there's a lot of opportunity to spend at the upper end of our CapEx range as we continue to be focused on investing in our supply chain, building the resiliency of our manufacturing footprint, and obviously as that investment

increases, it will come back through and have an impact on margin. I do believe when you get out beyond that range we should be expanding our gross margins, because lots of those investments are going to provide productivity improvements, and we'll see those benefits ultimately flow through the bottom line.

So, I'm not in any way trying to guide on contracting gross margins anywhere else. Again, I would think of it as generally in the next few years holding... We're industry-leading, sector-leading in the low 60s. We're very comfortable with that, but we want to continue to make smart investments.

**Nick:** Warren.

**Warren Ackerman:** Yes. Hi everybody. It's Warren Ackerman at Barclays. I've got a couple as well. The first one, without pre-empting what we're going to see outside, I'd love to hear a little bit more about the livestreaming economics. How many people watch these livestreams? Maybe this is one for the outside, but the click through of that, because it seems like that's a real differentiating reason why you're doing so well in China currently. Just trying to understand how it works in practice and how differentiated is it? Is it something that can be taken to other ASEAN countries, or it's something quite unique for China? That's the first one, and then secondly one for Shannon on the margins. Again, you said that the emerging market margins would narrow the gap over time with developed market margins. I think the gap is about 1000 basis points at the moment. Without being specific, when you invest in places like Africa I'd imagine that that's quite margin dilutive. Does it need to go down a little bit first because you're investing in some of these new countries before it goes up, or does it go up notwithstanding the investment that you're going to be you're going to be making?

Just a housekeeping. You talked about high single-digit in emerging markets. Can you just confirm that's also your ambition for 2026 as well? Thanks.

**Nick:** Some new guidance.

**Nitish:** I can go first. So actually, it was on one of the slides in my presentation. So, a lot of people, to answer your question, watch livestream. So, 800 million just on that one platform, which is TikTok, and of course you would expect that a lot of that is content that's around entertainment, but 400 million of those people are actually buying CPG categories. So, that's a lot of people, 400 million. It's not limited only to China. We're seeing livestreaming, social commerce, also getting some momentum in ASEAN. The difference is of course that in China we have one country. We can address all of these people together. In ASEAN we have many small countries, and therefore what we're doing is we're consolidating our livestreaming expertise in one location and then spreading it from there to the other countries. So, in Malaysia we have a live streaming centre which live streams into all the other countries. The platforms are common and the content can also be quite common, made with some changes in language. So China's big, and ASEAN is getting bigger.

**Shannon:** Okay, so the first question was on the profitability. Second was on emerging markets top-line for '26. So, profitability. You're right, it's about 1000bps differential. I expect that that will narrow over time, although I've talked before around the fact that it's not a situation where we internally have a target that says, 'By 2035 this is what it will be.' I think that for us we continue to see a lot of opportunities to be reinvesting to drive top-line growth, and so that is more the priority right now versus trying to drive a sudden improvement or narrow that gap immediately. I don't expect, because I think the beauty of our emerging markets portfolio is it's so large and there are so many different regions at different stages of development, that I don't think I would make an assumption that as we want to invest in an Africa or in an Indonesia, it means that you would see an impact on the area from a profitability standpoint. I think we have plenty of levers to be able to manage that over time, and I think Nick would tell me I'm not giving 2026 guidance today for top line. I've been very well trained.

**Nick:** You're not giving guidance. Who wants to go next? Sarah.

**Sarah Simon:** Sarah Simon for Morgan Stanley. Can you talk a bit about quick commerce? Obviously, that's another thing that's growing extremely fast. We have a bit of it here, but it's much bigger out in some of those markets. What are the economics on that like?

**Nitish:** So actually, yes, quick commerce is growing very fast, and I would say we have some very good partners across the world. So, in Latin America we work with Rappi, with Mercado Libre. In India we've got Zepto. We've got Instamart. In China too there is a big quick commerce player called Meituan. Also, in some of the smaller countries as far as our business is concerned, in the Middle East there's Talabat. I would say it's more of a game-changer in the countries where e-commerce has hit a block and not gone to more than 14 or 15 per cent of the business. Quick commerce is unlocking a lot more shift into online in those countries. We're growing very well in all of those countries with quick e-commerce partners.

**Nick:** Actually, just whilst we're there, because it's just another plug for people online if they want to ask a question, I've had a question come in from Karel at Kepler. Just on this topic, he asks how Reckitt's leveraging the quick commerce boom in India. So, can you talk a little bit about that specifically?

**Nitish:** Yes, I just said. So, in India for example, our... I mean, when I was there 10, 12 years ago, e-commerce was less than one per cent of our business, total. It went up from one to about seven or eight, and then it went to ten. It got stuck. Quick commerce has actually enabled that to go to about 15 per cent, so the partners that I mentioned - Zepto, Instamart - we work proactively with all of them. They're also great platforms for us to introduce new brands.

**Edward Lewis:** Thank you. Edward Lewis from Rothschild and Co Redburn. Just a couple of questions. Firstly, just the competitive dynamic in emerging markets, how that's faring. If it's local players how they're picking up their act, I guess, or just the global players you see probably more in Europe and the US. Then, I guess we've had changes on the organisational level. You've touched them on a bit, but it seems as though your business benefited probably more than,

say, some of the other businesses from the way in which you reorganised the business. So, perhaps if you could just talk about the benefits you've seen from that.

**Nitish:** Yes. Sorry. What was the first question?

**Edward:** Just the terms of competition.

**Nitish:** Competitive, yes. So yes, I mean, competition exists everywhere, and I would say that of course we have all the global players that you see in Europe and North America also in emerging markets. Local competition in terms of the quality of their brands, the innovation, are definitely getting much better, and clearly we have to make sure that our innovation is addressing what they might be of leading in terms of insights. So, Ryan spoke about how we have R&D centres of excellence not just in Europe and North America, but in many of these countries to be very close to the ground in terms of what these brands are doing. Then I would say the trust of the local brands versus our brands, we've been in these countries for many, many years. We have equally strong consumer engagement and we're able to compete very effectively.

**Nick:** That was...

**Shannon:** Oh there was another...

**Nick:** There was another one actually, sorry.

**Shannon:** Organisation change.

**Nitish:** Organisation. Yes, absolutely. Apart from what Kris said about maybe us being his favourites, we have gained a lot of advantage through the new organisation for the simple reason that everything that we do is now scaled together in all of these countries instead of being divided between hygiene and health GBUs. So, when we go to one of these countries and

we try something new, we get the scale. We're not split. India as an example, our direct reach combined is more than what the sum of the individual reaches were when we had the business units, and clearly we benefit also from the fact that CGO partners with us very well in terms of recognizing what emerging market needs are. So yes.

**Nick:** Tom, I saw your hand go up next.

**Tom Sykes:** Yes. Thank you. Tom Sykes from Deutsche Bank. Just going back to the margin In differentials, could you say something about the gross margin difference between your DM and EM business? It sounds like from what you're saying on CapEx you're quite well depreciated, and obviously if your operating margin has that much difference then potentially your pricing points are a little bit different on similar products, maybe DM versus EM. So, I'd just be quite interested in that, please. Then, when you think about the degree of investment that would be required in your comments about stepping up CapEx, do you think your cash flow would grow at the same rate as your profitability in EMs? When you look at the remuneration of your EM managers, is that in local currency or hard currency, please?

**Shannon:** I'm just thinking back to what was the first question. All right. The first question was around gross margins for across the areas. So, we actually don't disclose our gross margin rates across the three different areas. I think Kris has shared in the past that we've made a lot of progress on narrowing that gap where historically there had been a pretty significant differential, but I think that's about what I would share there. Your next question was on... Was it CapEx next, and cash flow? Okay.

**Tom:** Level of investment.

**Shannon:** So CapEx, we want to spend at the top of the three to four per cent The three to four per cent is core Reckitt or actually a group figure, but again, we don't break out that by area. So, we're not changing the guidance on CapEx. We've been at three to four per cent at least since I've been here, and I think before I came. What we are doing is emphasising more that we want

to reach towards that top end, and I don't believe that on an ongoing basis that would have a significant impact as we think through cash flow and what that has looked like historically. Then the last one was on remuneration of emerging markets leaders.

**Nitish:** Yes, I can answer that. So, for most of the emerging markets teams it's in local currency, but some leaders are in hard currency.

**Nick:** Who wants to go next? As a pause as well, as a reminder for those who are watching, please feel free to put it in the question box. Do we have more? Go on, Nico.

**Nico:** Hi, this is Nico at Columbia Threadneedle. Previously you've spoken to channel shifts and market share trends in condoms in China, and well done on that execution. I was just wondering, is there actually more sex going on in China? What's actually happening to the overall market that's driving this, what looks like growth? I understood actually that some segments aren't having as much sex. Thanks.

**Nick:** Everyone's looking at Ryan.

**Shannon:** This seems like a consumer question.

**Ryan:** I think we can certainly follow up with you on the specifics of the consumer habits. I don't think there's a massive increase in the number of occasions. I think we have significantly increased our share of those occasions, and it's really through delivering superior propositions. So, if you think about some of our new innovations, like a hyaluronic acid as a core lubricant on our condoms in the market there, create a meaningfully better benefit and better experience for consumers on that front. Same thing with some of our performance-based condoms, which are all about enhancing the performance experience. So, I don't believe there's a net underlying habitual increase in number of occasions, but I do believe... I know for sure our share is growing within the mix of occasions that are presented.



**Diana:** Hi Diana Gomes from Bloomberg Intelligence, thank you for the question. Just going back to the quick commerce question, topic, if I may. A lot of those players are actually still quite unprofitable. So, just if you could share some insights in terms of what's the promotional investment effort that is needed in those markets to sustain the growth, but also eventually to translate that into better gross margin improvement over time. Then, in terms of Latin America, I believe the pharmacy channel is still quite important. Just if you could shed a bit more light in terms of how Reckitt is doing in that particular channel and partners. Also, in terms of the pricing power of your brands. Thank you.

**Nitish:** Yes. So, on quick commerce there's no significant difference in our margins with trade. We invest when we see an opportunity to create growth, and wherever we find partners that are really driving these categories we invest more. Pharmacy is - actually, you're right - very, very big in Latin America. In fact, you saw a lot of that in one of the videos in terms of how we really have expertise in that channel. Again, we have very significant partnerships. We have a big medical sales force. So, in most of these countries we will have people calling directly in the pharmacies. In Brazil we have about 65 people. In Mexico we have over 100 people. So yes, it's a big part of our focus in terms of sales excellence.

**Ryan:** I think to build on what Nitish said, as we talk healthcare professionals or HCPs, a pharmacist is a core point of entry for sure across most of our markets, and that holds true in Latin America as well. Nitish talked about our sales force investment, and when you marry that up with this idea of that mega city approach and this idea of then prove and scale, that's what's really enabled us to do this effectively and profitably while still continuing to grow our brands and our businesses in those markets.

**Nick:** Can we come around here.

**Eddy:** Hi, it's Eddy Hargreaves from Investec Investment Management. Just a quick one. With the speed of the world and agility that you need to satisfy customers, and with the quick ordering on e-com and whatever, I imagine this has some implications for your inventory levels.

Do you find that more difficult to manage? Do you need a higher safety stock than you used to have? Does it have any other implications?

**Nitish:** I can take it. No, there is no significant inventory increase that is required. In fact, there are some advantages of this model which is, for example, when we launch a new brand or a new category, we don't have to fill the pipeline as you can imagine with many stores, and then one level below. We order smaller quantities. We see whether the launch is working, and if it is then we scale up. If it's not, then we would not have ordered the kind of inventory that normally we would have. So, for the most part actually it's an advantage.

**Nick:** We have another one online then that's just come through from **Jeff Stent** at BNP, as ever glass half full. If you had some trade spend issues in the Middle East in early 2024, what changes, if any, were made across the broader EM business following that? Then secondly, if you had £10 to invest in emerging markets, where would you put it? So, do you want to start with the...

**Shannon:** I can do the first one, then do you want to do the, 'Where would you put the money?' So, the question is, what changes did we make coming out of the Middle East at the end of 2023? I mean, I'd say first of all we did a significant review of thinking through what other markets might look like, a Middle East market where we had those issues, to understand and go in and check to confirm that we in fact didn't have issues. We then obviously spent a lot of time doing a deep dive with the team in the Middle East to understand exactly what controls might have broken down, or what went wrong that would have allowed that kind of issue to happen, put together a playbook of, 'How do we address those issues specifically in the Middle East, but then how do we roll that out across not only, frankly, emerging markets but all of our markets to make sure that we would not find ourselves in that sort of situation again, and that we would have made systemic fixes to ensure that we couldn't have similar trade spend issues going forward?'

**Nick:** £10

**Nitish:** I was hoping that there would be more than £10, but if there was only £10 I would say that we have three very clear growth pillars. You saw that. So, we're talking about more penetration, new categories, new geographies. I would be most excited about the new categories. So, the new categories is really where the potential is to get many more consumers in. There's premiumisation. So, if it was only £10, first priority would be new categories.

**Nick:** Very good. More from the room.

**Guillaume Delmas:** Thank you very much. A couple of very quick follow-ups. Just to follow up actually on the last question, what's the split between mature categories and nascent categories in emerging markets today and how it compares to North America or Europe? Would it be fair to assume that nascent categories command higher gross margin relative to mature ones? The second question is on the third pillar, the next six countries. How big are they today as a percentage of core Reckitt's sales and, as you're doubling down on them, which line of the P&L should be the most affected? Is it distribution cost? Is it BMI? Any light you can shed on that would be helpful.

**Nitish:** Shannon had a slide about the nascent category. So, most of the nascent categories are in intimate wellness, in self-care, and to that I would add Finish. So yes, they are definitely higher gross margin than the household care and germ protection categories. Your second question is the six countries. So again, we don't disclose numbers by country but let's just say you heard some of the numbers in terms of how they could double and triple. So, they're very small and we expect them to grow at least at 15 to 20 per cent a year.

**Nick:** Warren, and then I'll go Tom. We'll go to Warren first and then we can go to Tom.

**Warren:** Yes. A question for Nitish. Can you talk a little bit about how many people report to you or the structure below you? You're Head of Emerging Markets, but I noticed, for example, Arjun, who was Head of China, I think is now Head of North Asia and China. So, it looks like the

people below are getting expanded roles. How does the reporting structure... How has it changed and what does it mean in terms of the organisation, in terms of the organisational change of having a single head of emerging markets in terms of that being an unlock? I'd love to hear your perspective on that.

**Nitish:** So, we have six regions, like I said. So, Greater China North Asia is one. That's Arjun, who you mentioned. We have South Asia, which is India, Sri Lanka. That's another one of the regions. Gaurav you saw him in one of the videos. Then we have Latin America, we have Africa, we have Middle East, North Africa, Russia and Pakistan, and... What am I missing? ASEAN. So, those are the six regions that report to me. Of course, they have countries reporting into them. The span of control for most of these people will be not more than one big country and maybe two other countries to make sure that they are managed with adequate focus. The only exception to that is ASEAN, which is quite fragmented. I think the change in the organisation, frankly, is that all of these businesses have got consolidated into one business unit instead of two.

So, in many of these countries, we would have had split ownership of the P&L between health and hygiene, and with all of that coming under one leader, obviously things move much faster. Decisions are I think more on the basis of P&L than just allocation in BUs. So, it's really working well, and actually I'm very happy with the new organisation.

**Shannon:** I think another benefit is, I mean, you also have reporting to you functional leaders, right? So, Head of Finance, Head of Supply, Head of HR. So, if you think back to when we were run by GBUs... I mean, I've talked a fair amount in investor meetings around it's probably hard to believe that an emerging market issue or opportunity was ever quite top of the list for a President of Health or a President of Hygiene, but now there's a leadership team that you're only focused on emerging markets. So, it's just that ability to move quickly because of that senior management focus.

**Nick:** Okay. Given time, I think we'll do Tom and then we can get outside to the breakouts.

**Tom:** Thank you. So, I'll keep it quick. I guess share gains aren't necessarily what you're about when the markets are growing so quickly, but could you just say something about the competition and the competitive nature in the markets you're operating in? Do you expect that the BEI spend over time as a proportion of sales would have to go up as those markets mature? Obviously, there's a gross margin opportunity that goes along with that as well, but just something about the competitive intensity within the biggest markets or CMUs particularly that you're operating in, please.

**Shannon:** Who do you want...

**Nitish:** I can do that. So, I would say that in our larger markets - so India, China, Brazil, Mexico - it's always been equally competitive right. There's really not been a time when we would say competition is not serious or is not innovating at the same rate as us. Some of the innovation that... Some of the competitiveness that we see is more at the B brand level, which is basically a lot of brands that get into these categories that we have created with pricing that is lower, but generally the quality is so poor that consumers really don't prefer those brands. That's what we're focused on, to make sure that our quality remains very high. Our availability remains very high. I think Ryan had a really cool example of how pricing really helps drive much more access. So, not any major change in competitive intensity.

**Shannon:** We also have the same... So, the 60 per cent target that we've shared for core Reckitt for CMUs holding and gaining share, we're shooting for that same level of excellence and growth in emerging markets as we would be in developed markets, just to your initial question.

**Nick:** Perfect. Thank you.

**Kris Licht:** Nick. I just wanted to add one thing. We haven't spoken a lot about our supply chain today, but there were some questions about CapEx, and obviously when we're growing at this level we're going to need to invest CapEx in this business too. So, we're going to look to run at that high end of three to four range that Shannon talked about. There's actually a fair amount

of CapEx needed to enable this growth, whether it's R&D centres which we're investing in, whether it's manufacturing sites and just capacity. So, I just wanted to round that out. Our Chief Supply Officer, Harold, is not here today but he would have talked about that. So, that's another important element to the plan.

**Nick: Super. Well look, we are at time. We've just gone over, and we've got the breakouts that we want to get to. So look, firstly, just thank you very much Ryan, Shannon, and of course Nitish for the presentations today. My two takeaways, one is that everyone leaves as excited as we are about the opportunities we see across emerging markets. There's a lot of them, and I hope you've taken that away with you, and that leads the confidence that we have around being able to deliver high single-digit growth across emerging markets consistently and sustainably from here. As I said, please don't dash off. There's something on India, something on China, which I think and I hope you'll find really informative, useful and educational. So, please stop by and chat to the teams on that. If you have any questions I'll be around. The team will be around. We're available and ready to continue engaging. Thank you very much for coming along. I hope you've enjoyed it. I hope you'll continue to enjoy it. Happy holidays, everybody and we'll speak to everybody soon.**

**[END OF TRANSCRIPT]**