26 July 2023

STRONG FIRST HALF – GROWTH ACROSS ALL BUSINESS UNITS

	Q2 2023			H1 2023		
		Change[2]			Change[2]	
	£m	Actual	Constant	£m	Actual	Constant
Net Revenue	3,529	+1.9%	+4.2%	**7,446**	**+8.1%**	**+6.0%**
Like-for-like (LFL)[1]			*+4.1%*			***+6.0%***
Adjusted[1]						
Operating Profit				**1,769**	**+0.2%**	**-2.4%**
Operating Profit Margin				**23.8%**	**-180bps**	
Diluted EPS				**173.0p**	**-3.1%**	
IFRS						
Operating Profit				**1,754**	**+0.5%**	
Operating Profit Margin				**23.6%**	**-170bps**	
Diluted EPS				**171.6p**	**-8.6%**	

1. Adjusted measures are defined on page 24.

2. Change vs prior year presented. Constant measured on a constant exchange rate basis (see page 24).

H1 Highlights:

- **The strong first-half performance across our business units and through our earnings model reflects continued delivery from the investments we have made.** We delivered like-for-like net revenue growth of +6.0%, drove gross margin expansion and increased brand investment (by around £100m) behind our innovation programme.
- **Group like-for-like (LFL) net revenue growth of +6.0%**. Growth was broad-based across our Global Business Units (GBUs), with a strong innovation programme. On an IFRS basis net revenue grew by +8.1%.
- **Hygiene LFL net revenue growth of +3.6%.** Growth was driven by Finish, Harpic, Vanish and Air Wick, and underpinned by early success of innovation launches.
- **Health LFL net revenue growth of +8.8%.** Growth was led by our OTC portfolio and Intimate Wellness brands with an improving performance in China. Dettol declined by mid-single digits with category decline and in-market challenges across certain Asian markets – we expect an improvement in H2.
- **Nutrition LFL net revenue growth of +5.3%.** Continued strong market share in North America and mid-single digit growth in LATAM, against the lapping of tough prior year comparatives due to the US competitor supply issue.
- **Adjusted operating margin of 23.8% (-180bps).** Productivity efficiencies and carry-over pricing drove gross margin expansion, and funded increased investment behind innovation launches.
- **Adjusted diluted EPS of 173.0p (-3.1%).** Net revenue growth and positive impact from foreign exchange is offset by lower operating margins and a higher effective tax rate.
- **H1 2023 dividend recommended to be 76.6p**. The increase of 5% is consistent with our aim to deliver sustainable dividend growth.

Q2 Highlights:

- **LFL net revenue growth of +4.1%**. Mid-single digit growth was delivered across our Hygiene (+5.5%) and Health (+4.9%) portfolios whilst Nutrition declined (-0.9%). On an IFRS basis net revenue grew by +1.9%.
- **Lysol grew high-single digits,** driven by innovation launches, distribution gains and category growth.
- **Nutrition – North America maintained strong market-leading share**, whilst lapping the competitor supply issue in the prior year.

Outlook:

- We maintain our Group LFL net revenue growth target of +3% to +5% in 2023 (including the lapping of the US Nutrition impact in 2022), and now expect adjusted operating margins to be slightly above 2022 levels (previously "in line with or slightly above 2022 levels") when excluding the one-off benefit of circa 80bps in 2022 related to US Nutrition.

Commenting on the results, Nicandro Durante, Chief Executive Officer, said:

"Reckitt's strong first-half performance across our business units and through our earnings model reflects continued delivery from the investments we have made. We delivered like-for-like net revenue growth of +6.0%, drove gross margin expansion and increased brand investment (by around £100m) behind our innovation programme.

Our investments in R&D and innovation are now delivering. Finish "Ultimate Plus All-in-One" has contributed to market share gains across Europe, and our recent launches of Air Wick "Active Fresh" and "Vibrant" have helped return Air Wick to growth in H1. In June, we launched our latest Lysol innovation, "Air Sanitiser", that kills 99.9% of viruses and bacteria in the air. Whilst early days, I am particularly excited about this ground-breaking innovation, the first and only antimicrobial product to effectively kill both viruses and bacteria in the air. Across Health, we launched the Mucinex "InstaSoothe Sore Throat and Pain Relief Spray", further strengthening our position in the US sore throat category, and have seen good early success of our new Durex "Invisible" and Biofreeze "Overnight Relief" innovations.

The strong first-half performance gives us confidence in our full year targets, despite some tough comparatives in our OTC portfolio and an expected tougher competitive environment in US Nutrition in H2.

We look to the future with confidence under Kris Licht's leadership. Amidst a backdrop of challenging market conditions and uncertainty, the business has strong momentum, yet with an opportunity to further strengthen our execution, optimise our cost base, and deliver improved returns to shareholders."

H1 2023 RESULTS PRESENTATION TODAY

There will be a results presentation for analysts and investors at 08:30 BST which will be held at the Auditorium, Deutsche Bank, 1 Great Winchester Street, London, EC2N 2DB.

To attend in person, please email your details to ir@reckitt.com to register.

For those wishing to follow the webcast please click on the link below:
https://www.reckitt.com/investors/results-and-presentations/. Alternatively, dial in details are as follows:

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Cautionary note concerning forward-looking statements

This announcement contains statements with respect to the financial condition, results of operations and business of Reckitt Benckiser Group plc and the Reckitt group of companies (the "Group") and certain of the plans and objectives of the Group that are forward-looking statements. Words such as ''intends', 'targets', or the negative of these terms and other similar expressions of future performance or results, and their negatives, are intended to identify such forward-looking statements. In particular, all statements that express forecasts, expectations and projections with respect to future matters, including targets for net revenue, operating margin and cost efficiency, are forward-looking statements. Such statements are not historical facts, nor are they guarantees of future performance.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including many factors outside the Group's control. Among other risks and uncertainties, the material or principal factors which could cause actual results to differ materially are: the general economic, business, political, geopolitical and social conditions in the key markets in which the Group operates; the Group's ability to innovate and remain competitive; the Group's investment choices in its portfolio management; the ability of the Group to address existing and emerging environmental and social risks and opportunities; the ability of the Group to manage regulatory, tax and legal matters, including changes thereto; the reliability of the Group's technological infrastructure or that of third parties on which the Group relies including the risk of cyber-attack; interruptions in the Group's supply chain and disruptions to its production facilities; economic volatility including increases in the cost of labour, raw materials and commodities; the execution of acquisitions, divestitures and business transformation projects; product safety and quality, and the reputation of the Group's global brands; and the recruitment and retention of key management.

These forward-looking statements speak only as of the date of this announcement. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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OUTLOOK

- We have made a strong start across all our GBUs. We expect more challenging competitive dynamics in our US Nutrition business in future quarters. We therefore continue to target Group LFL net revenue growth of +3% to +5% in 2023 (including the lapping of the US Nutrition impact in 2022).
- We now expect adjusted operating margins to be slightly above 2022 levels (previously "in line with or slightly above 2022 levels") when excluding the one-off benefit of circa 80bps in 2022 related to US Nutrition. Within our guidance we expect to significantly increase BEI to support an exciting innovation programme in 2023.
- In the medium-term, as previously guided, we expect adjusted operating profit to grow ahead of net revenue growth, achieving mid-20s margins by the mid-2020s.

Other technical guidance

- Adjusted net finance expense is expected to be in the range of £250m to £280m (previously £270m to £300m).
- The adjusted tax rate is expected to be 24% to 25% (previously "around 24%").
- Capital expenditure is expected to be around 3% of net revenue (no change).
- We expect to deliver free cashflow of over £2bn for the year and net debt / adjusted EBITDA to be below 2.0x by the end of the year. In line with our capital allocation policy, we are committed to returning excess cash to shareholders.

GROUP OVERVIEW

Net Revenue	£m	Volume	Price / Mix	LFL[1]	Net M&A	FX	Actual
H1 2023	**7,446**	**-4.4%**	**+10.4%**	**+6.0%**	**-0.3%**	**+2.4%**	**+8.1%**
Q2 2023	3,529	-4.3%	+8.4%	+4.1%	-0.3%	-1.9%	+1.9%

1. *Adjusted measures are defined on page 24.*

Group net revenue

- Q2 LFL net revenue growth was +4.1%. Price / mix improvements were +8.4% and volume declined by –4.3%. Our Hygiene GBU grew +5.5% with a broad-based delivery across our major brands, including a return to growth for Lysol. Our Health GBU grew +4.9%, with strong growth across the OTC and Intimate Wellness portfolios, and parts of the Dettol franchise. Nutrition declined -0.9%, however we maintained a leading market share position in the US.

- H1 group net revenue of £7,446m grew by +6.0% on a LFL basis, reflecting price / mix improvements of +10.4% driven by carry-over pricing from the previous year and innovation-led price increases during the first half of this year. Volume declined -4.4% but saw continued improving trends from previous quarters.

- North America and Europe delivered a strong performance in the half. Developing Markets also delivered a strong performance with the exception of ASEAN, which faced some category weakness and in-market challenges. We expect an improved performance in the second half.

- Total net revenue on an IFRS basis grew +8.1% in the half, reflecting net M&A impact of -0.3% and foreign exchange tailwinds of +2.4%.

- 49% of our Core Category Market Units (CMUs) (weighted by net revenue) held or gained market share (H1 2023 versus H1 2022). In Hygiene and Health, it was 43% and 58% respectively. Nutrition was 49%, with the US maintaining high absolute market shares but declining as a result of lapping the competitor supply issue in the prior year.

- E-commerce LFL net revenue grew +7% in the half and represents 14% of Group net revenue.

Group operating margins and profit

- Adjusted operating profit in H1 2023 was £1,769m (H1 2022: £1,765m) at an adjusted operating margin of 23.8% (H1 2022: 25.6%), 180bps lower than H1 2022.
- Gross margin improved +130bps, with high single digit inflation more than offset by carry over pricing, mix benefits and further productivity efficiencies. This improvement was more than offset by increased BEI investments and higher fixed costs, due to cost inflation, higher variable employee compensation and lapping the gain on sale of surplus land in Asia last year.
- IFRS operating profit was £1,754m (H1 2022: £1,745m).

EPS and dividends

- Continuing adjusted diluted EPS was 173.0p in H1 2023 (H1 2022: 178.6p), -3.1% lower than H1 2022 driven by net revenue growth and the positive impact from foreign exchange, offset by lower adjusted operating margin and a higher effective tax rate. Continuing IFRS diluted EPS was 171.6p (H1 2022: 187.8p).
- The dividend in H1 2023 is recommended to be 76.6p (H1 2022: 73.0p).

Free cash flow

- Free cash flow was £758m in H1 2023 (H1 2022: £727m), with net working capital levels at –7% as a percentage of 12-month net revenue and cash conversion of 61% on adjusted net income. Net working capital reflects lower payables principally due to a reduction in production volumes and our focus on reducing finished goods inventory levels.
- Capital investment to support our growth and margin ambitions was £189m, 2.5% of group net revenue (H1 2022: £175m, 2.5% of group net revenue).

OPERATING SEGMENT REVIEW

Hygiene

41% of net revenue in H1 2023

Net Revenue	£m	Volume	Price / Mix	LFL[1]	Net M&A	FX	Actual
H1 2023	**3,057**	**-8.9%**	**+12.5%**	**+3.6%**	**-**	**+2.6%**	**+6.2%**
Q2 2023	1,466	-7.3%	+12.8%	+5.5%	-	-1.8%	+3.7%

Operating Profit	£m	Constant FX (CER)[1]	Actual
Adjusted Operating Profit[1]	**583**	**-8.1%**	**-6.1%**
Adjusted Operating Profit Margin[1]%	**19.1%**		**-250bps**

1 Adjusted measures are defined on page 24.

First Half Performance

In H1, Hygiene net revenue grew +3.6% on a LFL basis to £3,057m. Price / mix improvements were +12.5% driven by carry-over pricing from 2022 and innovation-led pricing this year. Volume declined -8.9%.

43% of Core Hygiene CMUs (weighted by net revenue) gained or held market share (H1 2023 versus H1 2022) with improving trends across all regions.

Finish LFL net revenue grew double digits with broad-based growth across developed and developing markets. Our recent innovation, “Ultimate Plus All-in-One” launched across Europe, has seen good early success.

Following a decline in Q1 due to high Omicron comparisons, Lysol returned to growth in Q2, behind strong brand-building, innovation driving category growth and share expansion across key segments.

Air Wick grew mid-single digits with early success from our recent innovations “Active Fresh” (our first non-aerosol-based auto-spray, combined with new natural and light fragrances) and “Vibrant” (our most luxurious fragrance experience with 2x more essential oils and anti-fade technology).

Vanish grew high-single digits due to successful innovation launches, including Vanish “Oxi Action”, “amazing stain removal, even at 20 degrees Celsius”.

Harpic grew double digits driven by innovation, expanding its strong position in developing markets.

Adjusted operating profit for Hygiene at £583m was down 8.1% on a constant FX basis. Adjusted operating margin was 19.1%, 250bps lower than last year due to inflationary increases impacting our cost of goods sold, and increased BEI behind innovation launches.

Second Quarter Performance

Hygiene momentum strengthened in Q2. Net revenue grew +5.5% on a LFL basis, with strong trading across most brands and major markets. Volume declined by -7.3%, an improving trend. Price / mix grew by +12.8% behind strong carry-over pricing and in-year pricing behind our innovation launches.

Lysol returned to growth in Q2 delivering high-single digit net revenue growth, and is around 50% above 2019 levels. Lysol laundry sanitisers continue to grow double digits. We increased distribution in wipes in the US and commenced the sell-in of our new Lysol “Air Sanitiser” innovation in June, the first and only antimicrobial product approved by the EPA that kills 99.9% of airborne viruses and bacteria while eliminating odours.

Finish, Air Wick, Vanish, and Harpic continued their very strong growth momentum, fueled by their innovation and brand building programs that are designed to grow the category and to deliver penetration gains.

Health

41% of net revenue in H1 2023

Net Revenue	£m	Volume	Price / Mix	LFL[1]	Net M&A	FX	Actual
H1 2023	**3,073**	**+0.5%**	**+8.3%**	**+8.8%**	**-0.9%**	**+1.1%**	**+9.0%**
Q2 2023	1,430	-0.1%	+5.0%	+4.9%	-0.7%	-3.4%	+0.8%

Operating Profit	£m	Constant FX (CER)[1]	Actual
Adjusted Operating Profit[1]	**882**	**+8.0%**	**+10.4%**
Adjusted Operating Profit Margin[1]%	**28.7%**		**+40bps**

1 Adjusted measures are defined on page 24.

First Half Performance

Health net revenue grew +8.8% on a LFL basis in H1 to £3,073m. This reflected volume growth of +0.5% and price / mix improvements of +8.3%, benefitting from carry-over pricing actions from 2022.

58% of Core Health CMUs (weighted by net revenue) gained or held market share (H1 2023 versus H1 2022) with improving trends since Q1.

Growth was led by our OTC portfolio which grew by over 20% in the first half, with category growth moderating in Q2, following a very strong Q1. Mucinex, Nurofen, Strepsils, Gaviscon and Biofreeze all delivered double digit growth in the half. This was driven by strong category growth, some retailer inventory rebuilding in Europe, market shares gains, and geographic expansion with the launch of Biofreeze in France and Nurofen adult products in Germany in the second half of 2022. We also launched a number of innovations such as Mucinex "InstaSoothe Sore Throat and Pain Relief Spray", further strengthening our position in the US sore throat category, and Biofreeze "Overnight Relief" in the US, an overnight pain relief gel scented with lavender essential oil for a restful sleep.

Our Intimate Wellness portfolio grew by high-single digits. Growth across Europe and most Developing Markets was aided by the launch of our latest "Invisible" innovation across multiple markets, and China began to see the benefit of re-opening post Covid-related lockdowns.

Dettol declined by mid-single digits with a mixed performance across markets. A number of markets delivered growth and market share gains, underpinned by distribution improvements and innovation (long lasting germ protection and Dettol "Cool" launches). Growth was more than offset by declines in some Asian markets due to category weakness and specific in-market challenges. We expect performance to improve in the second half.

Adjusted operating profit for Health at £882m was up +8.0% on a constant FX basis. Adjusted operating margin was 28.7%, up 40bps year on year. Growth was driven by favourable mix from a strong OTC performance, volume leverage and carry-over pricing from 2022 pricing actions.

Second Quarter Performance

Net revenue increased by +4.9% on a like-for-like basis in Q2 with a -0.1% decline in volume and a +5.0% improvement in price / mix. Growth was led by our OTC and Intimate Wellness brands.

Our Intimate Wellness portfolio grew double digits, with continued success of our recent innovation launches and a return to growth in China, which began to see the benefit of re-opening post Covid-related lockdowns.

Dettol declined in the quarter. Growth in a number of markets was more than offset by declines in some Asian markets due to category weakness and specific in-market challenges. We expect performance to improve in the second half.

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Nutrition

18% of net revenue in H1 2023

Net Revenue	£m	Volume	Price / Mix	LFL[1]	Net M&A	FX	Actual
H1 2023	**1,316**	**-5.2%**	**+10.5%**	**+5.3%**	**-**	**+5.4%**	**+10.7%**
Q2 2023	633	-6.9%	+6.0%	-0.9%	-	+1.1%	+0.2%

Operating Profit	£m	Constant FX (CER)[1]	Actual
Adjusted Operating Profit[1]	**304**	**-16.1%**	**-11.9%**
Adjusted Operating Profit Margin[1]%	**23.1%**		**-590bps**

1 Adjusted measures are defined on page 24.

First Half Performance

Nutrition net revenue grew +5.3% on a LFL basis in H1 to £1,316m. Price / mix improvements of +10.5% were driven by price increases across all geographies, in particular the US, where pricing actions were delayed in 2022 due to the infant formula supply shortage. In addition, there was a mix benefit from residual WIC sales in states where Reckitt does not hold the government contract. Volume declined by -5.2%.

49% of Core Nutrition CMUs (weighted by net revenue) gained or held market share (H1 2023 versus H1 2022). Our US business maintained its leading market share position but is losing share versus the prior year as it laps the competitor supply issue. Our Developing Markets businesses continue to deliver strong market share performances.

IFCN US net revenue grew high-single digits with our Enfamil brand remaining the Number One Recommended Infant Formula by Paediatricians and the Number One Trusted by Consumers in the US. In addition, we benefitted from restocking of retailer inventories.

Our Developing Markets business was broadly stable. Our LATAM business grew net revenue mid-single digits as we continue to drive momentum through improved in-market execution. We also saw good growth across South Asia which was offset by some category weakness and in-market challenges in certain ASEAN markets, and we have taken actions to improve future performance.

Adjusted operating profit for Nutrition at £304m was 16.1% lower on a constant FX basis. Adjusted operating margin was 23.1%, down -590bps year-on-year reflecting a 500bps lapping impact from a gain on sale of surplus land in Asia last year, year-on-year volume deleverage as we lap the competitor supply issue in the US, and negative mix as we lose the benefit from WIC sales in states where Reckitt does not hold the government contract.

Second Quarter Performance

Nutrition net revenue declined by -0.9% on a LFL basis in the quarter. This performance was driven by low-single digit growth in North America, with strong growth in Canada offset by lapping the impact of the competitor supply issue in the US. Our US business has maintained its leading market share position in the high forties of non-WIC formula. Across Developing Markets, we saw growth in LATAM. This was more than offset by category weakness and in-market challenges across certain ASEAN markets.

Performance by Geography

	£m	Volume	Price / Mix	LFL[1]	Net M&A	FX	Actual
H1 2023							
North America	2,500	-3.0%	+9.5%	+6.5%	-	+5.0%	+11.5%
Europe / ANZ	2,464	-2.9%	+12.6%	+9.7%	-0.7%	+1.6%	+10.6%
Developing Markets	2,482	-7.3%	+9.5%	+2.2%	-0.4%	+0.9%	+2.7%
Total	**7,446**	**-4.4%**	**+10.4%**	**+6.0%**	**-0.3%**	**+2.4%**	**+8.1%**
Q2 2023							
North America	1,174	+0.0%	+7.8%	+7.8%	-	-0.7%	+7.1%
Europe / ANZ	1,142	-5.3%	+10.5%	+5.2%	-0.7%	-1.9%	+2.6%
Developing Markets	1,213	-7.2%	+6.8%	-0.4%	-0.2%	-2.7%	-3.3%
Total	**3,529**	**-4.3%**	**+8.4%**	**+4.1%**	**-0.3%**	**-1.9%**	**+1.9%**

1 Adjusted measures are defined on page 24.

North America H1 net revenue grew +6.5% on a LFL basis. All GBUs were in growth with strong growth in Mucinex, a return to growth in Q2 for Lysol and continuing strong market shares in our Nutrition business.

Europe / ANZ H1 net revenue grew +9.7% on a LFL basis, with broad-based growth across markets. On a category basis, growth was led by Finish and our OTC and Intimate Wellness portfolios.

Developing Markets H1 net revenue grew +2.2% on a LFL basis, with growth across all regions except for ASEAN, which declined due to category weakness and specific in-market challenges. We expect performance to improve in the second half.

OTHER MATTERS

Russia

Reckitt is continuing the process aimed at transferring ownership of its Russian business, which may include a transfer to a third party or to local employees.

DETAILED FINANCIAL REVIEW – SIX MONTHS ENDED 30 JUNE 2023

The following section should be read in conjunction with the condensed financial statements and the adjusted and other non-IFRS measures, definitions and terms section.

Group operating profit
Adjusted operating profit was £1,769m (2022: £1,765m) at an adjusted operating margin of 23.8%, 180bps lower than the prior year (2022: 25.6%). Gross margin improved +130bps to 59.4% with high single digit inflation more than offset by carry over pricing, mix benefits and further productivity efficiencies. These improvements were more than offset by increased BEI investments -60bps (around £100m), to support our innovation and higher fixed costs (-250bps) predominantly due to cost inflation, higher variable employee compensation and lapping the £59m gain on the sale of surplus land in Asia in 2022.

IFRS operating profit was £1,754m (2022: £1,745m) at an IFRS operating margin of 23.6% (2022: 25.3%).

Net finance expense
Adjusted net finance expense was £105m (2022: £110m). Adjusted net finance expenses in 2023 included foreign exchange gains of around £30m on certain financing liabilities which are not expected to recur, offsetting the effect of higher interest rates in 2023 as compared to 2022.

IFRS net finance expense of £116m (2022: £33m). IFRS net finance expense in 2022 included £69m (2023: £nil) of translational foreign exchange gains resulting from the liquidation of a number of subsidiaries to simplify the Group's legal entity structure.

Tax
The adjusted effective tax rate ('ETR') was 24.7% (2022: 21.1%). The 2022 ETR benefitted from the reassessment of uncertain tax positions following progress on and conclusions of tax authority audits.

The IFRS tax rate for the six months to 30 June 2023 is 24.1% (2022: 19.8%). The IFRS ETR in 2022 benefited from the reassessment of uncertain tax positions following progress on and conclusions of tax authority audits, and largely non-taxable gains on sale of E45 and foreign exchange gains on liquidation of subsidiaries.

Earnings per share (EPS)
Continuing adjusted diluted EPS was 173.0p (2022: 178.6p), the decrease of 5.6p or 3.1% was driven by net revenue growth and the positive impact of foreign exchange offset by lower adjusted operating margin and a higher effective tax rate.

Continuing IFRS diluted EPS was 171.6p (2022: 187.8p).

Balance sheet
At 30 June 2023, the Group had total equity of £9,208m (31 December 2022: £9,483m).

Current assets of £4,992m (31 December 2022: £5,278m) decreased by £286m. Excluding the impact of foreign exchange, higher receivables offset the reduction in inventories.

Current liabilities of £9,264m (31 December 2022: £8,341m) increased by £923m. The increase principally relates to a bond of £1,572m ($2bn), which will mature in June 2024, being reclassified from non-current to current liabilities. This increase is partially offset by a decrease in trade and other payables and current tax liabilities.

Non-current assets of £22,516m (31 December 2022: £23,457m) primarily comprise of goodwill and other intangible assets of £19,360m (31 December 2022: £20,203m) and property, plant and equipment. The decrease of £941m is predominantly due to the strengthening of sterling reducing the value of foreign currency denominated intangibles.

Non-current liabilities of £9,043m (31 December 2022: £10,918m) have decreased by £1,875m. This is principally due to a bond of £1,572m ($2bn) reclassified from non-current to current liabilities and a £115m decrease in deferred tax liabilities. This decrease has been partially offset by the recognition of a liability of £190m related to the forward purchase of shares from non-controlling interests in mainland China and Hong Kong.

Net working capital

During the period, net working capital reduced by £500m to negative £1,035m. Net working capital as a percentage of 12-month net revenue is -7% (31 December 2022: -11%) mainly due to lower payables from the timing of annual variable compensation payments and lower trade payables due to production volumes, partially offset by lower inventories.

Cash Flow

	30 Jun 2023 £m	30 Jun 2022 £m
Adjusted Operating Profit	1,769	1,765
Depreciation, share based payments and gain on disposal of fixed assets (net of proceeds)	264	238
Capital expenditure	(189)	(175)
Movement in working capital and provisions	(451)	(592)
Cash flow in relation to adjusting items	(44)	(24)
Interest paid	(121)	(113)
Tax paid	(470)	(372)
Free Cash Flow	**758**	**727**
Free Cash Flow Conversion	**61%**	**57%**

Free cash flow (FCF) is the amount of cash generated from continuing operating activities after net capital expenditure on property, plant and equipment and intangible software assets. Free cash flow reflects cash flows that could be used for payment of dividends, repayment of debt or to fund acquisitions or other strategic objectives.

Free cash flow of £758m increased by £31m or 4.3%, as a lower outflow from working capital more than offset higher cash tax payments. As a percentage of continuing adjusted net income was 61% (2022: 57%).

Net cash generated from operating activities has increased by £98m to £935m (2022: £837m).

Net debt

	30 Jun 2023 £m	30 Jun 2022 £m
Opening net debt	(7,984)	(8,378)
Free cashflow	758	727
Shares reissued	33	37
Acquisitions, disposals and purchase of investments	(1)	217
Dividends paid	(794)	(745)
New lease liabilities in the period	(21)	(30)
Exchange and other movements	103	(416)
Cash flow attributable to discontinued operations	(8)	6
Closing net debt	**(7,914)**	**(8,582)**

At 30 June 2023 net debt was £7,914m, a decrease of £70m during the period as higher free cash flow and favourable foreign exchange was offset by the increased dividend.

The Group regularly reviews its banking arrangements and currently has adequate facilities available to it. The Group has committed facilities totalling £4,500m (31 December 2022: £4,500m), £4,450m of which expire after more than two years, which are undrawn and available to draw. The Group remains compliant with its banking covenants. The committed borrowing facilities, together with cash and cash equivalents, are considered sufficient to meet the Group's projected cash requirements.

Dividends

The Board of Directors recommends an interim 2023 dividend of 76.6 pence, an increase of 5% (2022: 73.0 pence). The ex-dividend date will be 3 August 2023 and the dividend will be paid on 15 September 2023 to shareholders on the register at the record date of 4 August 2023.

Capital returns policy

Reckitt has consistently communicated its intention to use its strong cash flow for the benefit of shareholders. Our priority remains to reinvest our financial resources back into the business, including through value-adding acquisitions, in order to deliver sustainable growth in net revenue and improving earnings per share over time.

In managing the balance sheet, we intend to maintain key financial ratios in line with those expected of an A-grade credit-rated business. This will broadly define acceptable levels of leverage over time. As we reduce leverage we will return surplus cash to shareholders as appropriate.

Growing the dividend remains a long-term goal of the business. In February 2023, the Board updated its dividend policy and now aims to deliver sustainable dividend growth in future years, subject to any significant internal or external factors. Accordingly, the 2022 dividend was increased by 5% in line with this objective.

PRINCIPAL RISKS AND UNCERTAINTIES

The nature and potential impact of The Group's principal and emerging risks for the second half of 2023 are unchanged from 31 December 2022 (as detailed on pages 80-86 of the Annual Report and Accounts for the year ended 31 December 2022) and are listed below:

- Operational: product safety, supply disruption, cyber-security, employee health and safety, sustainability, adherence to product quality standards
- Strategic: innovation, changes in the commercial environment, adverse geopolitical events, economic volatility
- People: attracting, developing and retaining talent
- Financial and Compliance: tax disputes, product regulations, legal & compliance, and South Korea Humidifier Sanitiser (HS).

The Group's emerging risks included sector consolidation, emergence of environmental tax instruments and science and technology "disruptors".

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Half Year Condensed Financial Statements

Group Income Statement

For the six months ended 30 June 2023

	Note	Six months ended 30 June 2023 £m	30 June 2022 £m
Net Revenue		**7,446**	6,888
Cost of sales		**(3,022)**	(2,886)
Gross profit		**4,424**	4,002
Net operating expenses		**(2,670)**	(2,257)
Operating profit		**1,754**	1,745
Net finance expense	5	**(116)**	(33)
Impairment of equity-accounted investments		**-**	(19)
Share of loss of equity-accounted investments, net of tax		**-**	(2)
Profit before income tax		**1,638**	1,691
Income tax charge	6	**(395)**	(335)
Net income from continuing operations		**1,243**	1,356
Net income from discontinued operations		**9**	-
Net income		**1,252**	1,356
Attributable to non-controlling interests		**11**	10
Attributable to owners of the parent company		**1,241**	1,346
Net income		**1,252**	1,356
Basic earnings per ordinary share			
From continuing operations (pence)	7	**172.0**	188.3
From discontinued operations (pence)	7	**1.2**	-
From total operations (pence)		**173.2**	188.3
Diluted earnings per ordinary share			
From continuing operations (pence)	7	**171.6**	187.8
From discontinued operations (pence)	7	**1.2**	-
From total operations (pence)		**172.8**	187.8

Group Statement of Comprehensive Income

For the six months ended 30 June 2023

	Six months ended	
	30 June 2023 £m	30 June 2022 £m
Net income	**1,252**	1,356
Other comprehensive (expense)/income		
Items that are or may be reclassified to income statement in subsequent years		
Net exchange (losses)/gains on foreign currency translation, net of tax	**(689)**	1,049
Gains/(losses) on net investment hedges, net of tax	**62**	(72)
Gains/(losses) on cash flow hedges, net of tax	**22**	(22)
Reclassification of foreign currency translation reserves on disposal or liquidation of foreign operations, net of tax	**-**	(59)
	(605)	896
Items that will not be reclassified to income statement in subsequent years		
Remeasurements of defined benefit pension plans, net of tax	**(10)**	3
Revaluation of equity instruments – FVOCI	**(2)**	(56)
	(12)	(53)
Other comprehensive (expense)/income, net of tax	**(617)**	843
Total comprehensive income	**635**	2,199
Attributable to non-controlling interests	**9**	12
Attributable to owners of the parent company	**626**	2,187
Total comprehensive income	**635**	2,199
Total comprehensive income attributable to owners of the parent company arising from:		
Continuing operations	**617**	2,187
Discontinued operations	**9**	-
	626	2,187

Group Balance Sheet

As at 30 June 2023

	Note	**30 June 2023 £m**	31 December 2022 £m
ASSETS			
Non-current assets			
Goodwill and other intangible assets		**19,360**	20,203
Property, plant and equipment		**2,363**	2,473
Equity instruments		**79**	86
Deferred tax assets		**240**	244
Retirement benefit surplus		**281**	294
Other non-current receivables		**193**	157
Total non-current assets		**22,516**	23,457
Current assets			
Inventories		**1,659**	1,825
Trade and other receivables		**2,170**	2,082
Derivative financial instruments	11	**75**	59
Current tax recoverable		**61**	155
Cash and cash equivalents		**1,027**	1,157
Total current assets		**4,992**	5,278
Assets held for sale		**7**	7
Total assets		**27,515**	28,742
LIABILITIES			
Current liabilities			
Short-term borrowings	8	**(3,370)**	(1,721)
Provisions for liabilities and charges		**(173)**	(227)
Trade and other payables		**(4,979)**	(5,547)
Derivative financial instruments	11	**(119)**	(55)
Current tax liabilities		**(623)**	(791)
Total current liabilities		**(9,264)**	(8,341)
Non-current liabilities			
Long-term borrowings	8	**(5,274)**	(7,163)
Deferred tax liabilities		**(2,922)**	(3,037)
Retirement benefit obligations		**(232)**	(240)
Provisions for liabilities and charges		**(41)**	(59)
Derivative financial instruments	11	**(243)**	(249)
Non-current tax liabilities		**(28)**	(54)
Other non-current liabilities	13	**(303)**	(116)
Total non-current liabilities		**(9,043)**	(10,918)
Total liabilities		**(18,307)**	(19,259)
Net assets		**9,208**	9,483
EQUITY			
Capital and reserves			
Share capital	9	**74**	74
Share premium		**254**	254
Merger reserve		**(14,229)**	(14,229)
Other reserves		**(897)**	(294)
Retained earnings		**23,985**	23,638
Attributable to owners of the parent company		**9,187**	9,443
Attributable to non-controlling interests		**21**	40
Total equity		**9,208**	9,483

Group Statement of Changes in Equity

For the six months ended 30 June 2023

	Note	Share capital £m	Share premium £m	Merger reserves £m	Other reserves £m	Retained earnings £m	Total attributable to owners of the parent company £m	Non-controlling interests £m	Total equity £m
Balance at 1 January 2022		**74**	**253**	**(14,229)**	**(1,189)**	**22,490**	**7,399**	**54**	**7,453**
Comprehensive income									
Net income		–	–	–	–	1,346	1,346	10	1,356
Other comprehensive income		–	–	–	894	(53)	841	2	843
Total comprehensive income		–	–	–	**894**	**1,293**	**2,187**	**12**	**2,199**
Transactions with owners									
Treasury shares re-issued		–	–	–	–	37	37	–	37
Share-based payments		–	–	–	–	27	27	–	27
Tax on share awards		–	–	–	–	1	1	–	1
Cash dividends		–	–	–	–	(726)	(726)	(19)	(745)
Total transactions with owners		–	–	–	–	**(661)**	**(661)**	**(19)**	**(680)**
Balance at 30 June 2022		**74**	**253**	**(14,229)**	**(295)**	**23,122**	**8,925**	**47**	**8,972**
Balance at 1 January 2023		**74**	**254**	**(14,229)**	**(294)**	**23,638**	**9,443**	**40**	**9,483**
Net income		–	–	–	–	1,241	1,241	11	1,252
Other comprehensive expense		–	–	–	(603)	(12)	(615)	(2)	(617)
Total comprehensive income		–	–	–	**(603)**	**1,229**	**626**	**9**	**635**
Transactions with owners									
Treasury shares re-issued		–	–	–	–	33	33	-	33
Share-based payments		–	–	–	–	41	41	-	41
Cash dividends		–	–	–	–	(790)	(790)	(4)	(794)
Forward purchase of shares held by non-controlling interest	13	–	–	–	–	(166)	(166)	(24)	(190)
Total transactions with owners		–	–	–	–	**(882)**	**(882)**	**(28)**	**(910)**
Balance at 30 June 2023		**74**	**254**	**(14,229)**	**(897)**	**23,985**	**9,187**	**21**	**9,208**

Group Cash Flow Statement

For the six months ended 30 June 2023

	Note	Six months ended **30 June 2023 £m**	30 June 2022 £m
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**1,638**	1,691
Net finance expense		**116**	33
Share of loss and impairment of equity-accounted investments		**-**	21
Operating profit from continuing operations		**1,754**	1,745
Profit on sale of property, plant and equipment and intangible assets		**(2)**	(86)
Depreciation, amortisation and impairment		**234**	223
Share-based payments		**41**	27
Decrease/(increase) in inventories		**94**	(213)
Increase in trade and other receivables		**(163)**	(158)
Decrease in payables and provisions		**(424)**	(222)
Cash generated from continuing operations		**1,534**	1,316
Interest paid		**(138)**	(131)
Interest received		**17**	18
Tax paid		**(470)**	(372)
Net cash flows attributable to discontinued operations		**(8)**	6
Net cash generated from operating activities		**935**	837
CASH FLOWS FROM INVESTING ACTIVITIES			
Disposal proceeds from sale of brands		**-**	243
Purchase of property, plant and equipment		**(144)**	(143)
Purchase of intangible assets		**(45)**	(32)
Proceeds from sale of property, plant and equipment		**4**	71
Acquisition of businesses, net of cash acquired		**-**	(12)
Other investing activities		**(1)**	(14)
Net cash (used in)/generated from investing activities		**(186)**	113
CASH FLOWS FROM FINANCING ACTIVITIES			
Treasury shares re-issued		**33**	37
Proceeds from borrowings		**975**	2,345
Repayment of borrowings		**(921)**	(2,934)
Dividends paid to owners of the parent company	10	**(790)**	(726)
Dividends paid to non-controlling interests		**(4)**	(19)
Other financing activities		**(58)**	325
Net cash used in financing activities		**(765)**	(972)
Net decrease in cash and cash equivalents		**(16)**	(22)
Cash and cash equivalents at beginning of the year		**1,156**	1,259
Exchange (losses)/gains		**(114)**	48
Cash and cash equivalents at end of the year		**1,026**	1,285
Cash and cash equivalents comprise:			
Cash and cash equivalents per the balance sheet		**1,027**	1,286
Overdrafts		**(1)**	(1)
		1,026	1,285

The Group operates in a number of territories where there are either foreign currency exchange restrictions, or where it is difficult for the Group to extract cash readily and easily in the short-term. As a result, £217 million (31 December 2022: £276 million) of cash included in cash and cash equivalents is restricted for use by the Group, yet available for use in the relevant subsidiary's day-to-day operations.

Notes to the condensed financial statements

1. General Information

Reckitt Benckiser Group plc (the 'Company') is a public limited company listed on the London Stock Exchange and incorporated and domiciled in the UK. The address of its registered office is 103-105 Bath Road, Slough, Berkshire SL1 3UH. These condensed consolidated interim Financial Statements ('Half Year Condensed Financial Statements') as at and for the six months ended 30 June 2023 report the consolidated results and financial position of the Company and its subsidiaries (together referred to as 'the Group').

The Half Year Condensed Financial Statements were approved by the Board of Directors on 25 July 2023 and have been reviewed by our independent auditor KPMG LLP (see page 30).

2. Basis of Preparation

The Half Year Condensed Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK.

The annual Financial Statements of the Group are prepared in accordance with UK-adopted international accounting standards and in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, this condensed set of Financial Statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the Group's published consolidated Financial Statements for the year ended 31 December 2022 except as disclosed below in Note 3 Accounting Policies and Estimates.

These Half Year Condensed Financial Statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2022 were approved by the Board of Directors on 28 February 2023 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

Having assessed the principal risks, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the interim Financial Statements.

3. Accounting Policies and Estimates

The accounting policies adopted in the preparation of the Half Year Condensed Financial Statements are consistent with those described on pages 181-188 of the Annual Report and Accounts for the year ended 31 December 2022.

In preparing these Half Year Condensed Financial Statements, with the exception of judgments relating to the allocation of consideration between the elements in the forward contract to purchase the non-controlling interest in RB Manon as outlined in note 13, the significant estimates and judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's published consolidated Financial Statements for the year ended 31 December 2022.

The following amended standards and interpretations were adopted by the Group on 1 January 2023. They have not had a significant impact on the Half Year Condensed Financial Statements.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- IFRS 17 Insurance Contracts

On 23 May 2023, the International Accounting Standards Board issued International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12. The Group has applied the mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two rules set out therein.

The following new and amended standard is effective for annual periods beginning on or after 1 January 2024. This amendment is not expected to have a material impact on the Group in the current or future reporting periods:

- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

Notes to the condensed financial statements (continued)

4. Operating Segments

The Group's operating segments comprise of the Hygiene, Health and Nutrition business units reflecting the way in which information is presented to and reviewed by the Group's Chief Operating Decision Maker (CODM) for the purposes of making strategic decisions and assessing group-wide performance.

The CODM is the Group Executive Committee. This Committee is responsible for the implementation of strategy (approved by the Board), the management of risk (delegated by the Board) and the review of Group operational performance and ongoing business integration.

The Group Executive Committee assesses the performance of these operating segments based on Net Revenue from external customers and Adjusted Operating Profit. Intercompany transactions between operating segments are eliminated. Finance income and expense are not allocated to segments, as each is managed on a centralised basis.

The segment information for the operating segments for the periods ended 30 June 2023 and 30 June 2022 is as follows:

Six months ended 30 June 2023	**Hygiene £m**	**Health £m**	**Nutrition £m**	**Adjusting items £m**	**Total £m**
Net Revenue	**3,057**	**3,073**	**1,316**	**-**	**7,446**
Operating profit	**583**	**882**	**304**	**(15)**	**1,754**
Net finance expense					**(116)**
Profit before income tax					**1,638**
Income tax charge					**(395)**
Net income from continuing operations					**1,243**

Six months ended 30 June 2022	Hygiene £m	Health £m	Nutrition £m	Adjusting items £m	Total £m
Net Revenue	2,879	2,820	1,189	-	6,888
Operating profit	621	799	345	(20)	1,745
Net finance expense					(33)
Impairment of equity-accounted investments					(19)
Share of loss of equity-accounted investments, net of tax					(2)
Profit before income tax					1,691
Income tax charge					(335)
Net income from continuing operations					1,356

Financial information for the Hygiene, Health and Nutrition operating segments is presented on an adjusted basis which excludes certain cash and non-cash items. These items have a pattern of recognition that is largely uncorrelated with the trading performance of the business. Financial information on an adjusted basis is consistent with how management reviews the business for the purpose of making operating decisions. Further detail on adjusting items is included on page 24.

5. Net finance expense

	30 June 2023 £m	30 June 2022 £m
Finance income	**42**	17
Finance expense	**(158)**	(119)
Foreign exchange gain on liquidation of subsidiaries	**-**	69
Net finance expense	**(116)**	(33)

As a result of the simplification of the Group's legal entity structure, a number of entities were liquidated in 2022 and the cumulative foreign exchange reserves were recycled to the Income Statement, resulting in foreign exchange gains of £69 million.

6. Income Tax

Income tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate, excluding the impact of adjusting items, for the year is 24.7% (2022: 21.1%). IFRS tax rate is 24.1% (2022: 19.8%).

The higher estimated average annual tax rate in 2023 is as a result of the estimated average annual tax rate in 2022 benefiting from the reassessment of uncertain tax positions following progress on and conclusion of tax authority audits, and the largely non-taxable gains on sale of E45 and foreign exchange gains on liquidation of subsidiaries.

In December 2021 the Organisation for Economic Cooperation and Development (the "OECD") published the Pillar Two GloBE rules, which seek to ensure multinationals pay a minimum tax of 15% in each jurisdiction. The Group is within the scope of these rules and has operations in countries where the tax rate is currently below 15%. The impact of Pillar Two, expected to be effective from 1 January 2024, in not expected to be material to the Group's financial statements.

7. Earnings per share

	Six months ended	
	30 June 2023 pence	30 June 2022 pence
Basic earnings per share		
From continuing operations	**172.0**	188.3
From discontinued operations	**1.2**	-
Total basic earnings per share	**173.2**	188.3
Diluted earnings per share		
From continuing operations	**171.6**	187.8
From discontinued operations	**1.2**	-
Total diluted earnings per share	**172.8**	187.8

Basic
Basic earnings per share is calculated by dividing the net income attributable to owners of the parent company from continuing operations (2023: £1,232 million; 2022: £1,346 million) and discontinued operations (2023: £9 million; 2022: £nil) by the weighted average number of ordinary shares in issue during the period (2023: 716.5 million; 2022: 714.9 million).

Diluted
Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all potentially dilutive ordinary shares. The Company has the following categories of potentially dilutive ordinary shares: Executive Share Awards (including Executive Share Options and Executive Restricted Share Scheme Awards) and Employee Sharesave Scheme Options. The options only dilute earnings when they result in the issue of shares at a value below the market price of the share and when all performance criteria (if applicable) have been met. As at 30 June 2023, there were 13.7 million (30 June 2022: 12.8 million) Executive Share Awards and 2.2 million (30 June 2022: 2.4 million) Employee Sharesave Scheme Options excluded from the dilution because the exercise price for the options was greater than the average share price for the period or the performance criteria have not been met.

	Six months ended	
	30 June 2023 Average number of shares million	30 June 2022 Average number of shares million
On a basic basis	**716.5**	714.9
Dilution for Executive Share Awards	**1.3**	1.4
Dilution for Employee Sharesave Scheme Options outstanding	**0.3**	0.3
On a diluted basis	**718.1**	716.6

Notes to the condensed financial statements (continued)

8. Financial Liabilities – Borrowings

	30 June 2023 £m	31 December 2022 £m
Bank loans and overdrafts[1]	**19**	40
Commercial paper	**1,309**	1,190
Bonds	**1,967**	413
Lease liabilities	**75**	78
Total short-term borrowings	**3,370**	1,721
Bonds	**3,691**	5,461
Senior notes	**1,299**	1,369
Other non-current borrowings	**15**	22
Lease liabilities	**269**	311
Total long-term borrowings	**5,274**	7,163
Total borrowings	**8,644**	8,884
Derivative financial Instruments	**297**	257
Less overdrafts presented in cash and cash equivalents in the Cash Flow Statement	**(1)**	(1)
Total financing liabilities	**8,940**	9,140

[1] Bank loans are denominated in a number of currencies, are unsecured and bear interest based on market short-term interest rates.

At 30 June 2023, the Group has £4.5 billion (31 December 2022: £4.5 billion) of committed borrowing facilities remaining which were undrawn as at 30 June 2023. The committed borrowing facilities, together with cash and cash equivalents, are considered sufficient to meet the Group's projected cash requirements. The Group remains compliant with its banking covenants.

Undrawn committed borrowing facilities	**30 June 2023 £m**	31 December 2022 £m
Expiring within two years	**50**	50
Expiring after more than two years	**4,450**	4,450
	4,500	4,500

All committed facilities are at floating rates of interest.

9. Share Capital

Issued and fully paid	Equity ordinary shares number	Nominal value £m
At 31 December 2022	736,535,179	74
At 30 June 2023	**736,535,179**	**74**

At 30 June 2023, issued ordinary shares were 736,535,179 (31 December 2022: 736,535,179), of which 19,026,105 shares were held as Treasury shares (31 December 2022: 20,771,213). All shares were fully paid.

10. Dividends

A final dividend of 110.3 pence per share for the year ended 31 December 2022 was paid on 24 May 2023 amounting to £790 million.

The Directors have declared an interim dividend of 76.6 pence per share in respect of the year ending 31 December 2023 which represents a 5% increase year on year and will absorb an estimated £550 million of shareholders' funds. It will be paid on 15 September 2023 to shareholders who are on the register on 4 August 2023.

11. Financial Instruments

The fair value measurement hierarchy levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2). If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs) (level 3).

The following table categorises the Group's financial assets and liabilities held at fair value by the valuation methodology applied in determining their fair value.

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
At 30 June 2023				
Assets as per the Balance Sheet				
Derivative financial instruments – FX forward exchange contracts	-	75	-	75
Derivative financial instruments – Interest rate swaps	-	31	-	31
Equity instruments – FVOCI	29	-	46	75
Liabilities as per the Balance Sheet				
Derivative financial instruments – FX forward exchange contracts	-	(119)	-	(119)
Derivative financial instruments – Interest rate swaps	-	(145)	-	(145)
Derivative financial instruments – Cross currency interest rate swaps	-	(98)	-	(98)

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
At 31 December 2022				
Assets as per the Balance Sheet				
Derivative financial instruments – FX forward exchange contracts	-	59	-	59
Equity instruments – FVOCI	29	-	53	82
Liabilities as per the Balance Sheet				
Derivative financial instruments – FX forward exchange contracts	-	(56)	-	(56)
Derivative financial instruments – Interest rate swaps	-	(164)	-	(164)
Derivative financial instruments – Cross currency interest rate swaps	-	(84)	-	(84)

The fair value of forward foreign exchange contracts was determined using forward exchange rates derived from market sourced data at the Balance Sheet date, with the resulting value discounted back to present value (level 2 classification). The fair value of the interest rate swap contracts and the cross currency interest rate swaps was calculated using discounted future cash flows at floating market rates (level 2 classification).

The fair value of equity instruments at 30 June 2023 and 31 December 2022 was determined using both quoted share price information (level 1 classification) and other non-market information (level 3 classification).

Except for the bonds and senior notes, the carrying values of other financial assets and liabilities held at amortised cost approximate their fair values. The fair value of the bonds as at 30 June 2023 is a liability of £5,426 million (31 December 2022: £5,612 million) and the fair value of the senior notes as at 30 June 2023 is a liability of £1,181 million (31 December 2022: £1,250 million). The fair value of the bonds and senior notes was derived using quoted market rates in an active market (level 1 classification).

Interest rate swaps during the period

During 2023, the Group entered into a £748 million nominal value floating-to-fixed interest rate swap due in 2026 to reduce the level of exposure to floating interest rates. This interest rate swap has been designated as a cash flow hedge against the payments made on the floating leg of the Group's existing cross-currency interest rate swap. Sources of ineffectiveness on this hedge relationship may come from a difference in credit ratings between the counterparties and modifications to the terms of either the hedged item or the hedging instrument. At 30 June 2023 no material ineffectiveness has been included in the Income Statement.

12. Related Party Transactions

There were no changes in the related party transactions described in the 2022 Annual Report and Accounts that have had a material effect on the financial position or performance of Reckitt either at 30 June 2023 or in the six months to 30 June 2023.

13. Forward purchase of shares held by non-controlling interest

On 25 May 2023 the Group entered into an agreement pursuant to which it will proceed to acquire the remaining interests associated with the Company's majority owned activities in mainland China and Hong Kong ("RB Manon") from its existing minority shareholders. The aggregate percentage interest of the minority shareholders in each of the three relevant Reckitt subsidiaries is currently between 20% and 24.95%. RB Manon undertakes non-exclusive distribution of certain Reckitt brands in mainland China, Hong Kong and other Asian Pacific countries. The transaction will be implemented through the purchase of the non-controlling shareholdings in three subsidiaries of Reckitt held by the minority shareholders. This will occur in multiple stages, which are expected to take place through to 31 December 2038, although the agreement contains provisions for the purchase of shares to be made sooner.

The amounts payable to the minority shareholders take the form of consideration for the shares and dividends that may be paid on the shares prior to their acquisition. Amounts payable to the minority shareholders are dependent on the business performance of RB Manon. The estimated present value of the total amounts payable under the agreement is £298 million based on current projections of future revenues and profitability of the RB Manon business, using a discount rate of 5.5% based on the Group’s borrowing costs in China.

The agreement has different elements which are accounted for separately. As there are no specific accounting standards prescribing the allocation of value in this arrangement, judgment is required to allocate the total amount payable. The main elements relate (1) to a forward contract for the purchase of a non-controlling interest in RB Manon and (2) services provided by the minority shareholders in relation to the transition of leadership and shares in RB Manon. The amount allocated to the forward purchase of shares has been based on its estimated value, with the residual amount allocated to the services to transition the leadership and shares as the value of these services are not estimable on a standalone basis.

An amount of £190 million has been allocated to the forward purchase of shares, which represents the minimum exit value that minority shareholders could realise for their shares absent any transitional arrangements. This amount has been recorded as a liability in the six months to 30 June 2023, with £166 million charged to retained earnings and the remaining £24 million to extinguish the existing non-controlling interest. Any future changes to the present value of this liability will be recorded to the Income Statement. The Group considers that any reasonable possible change in key assumptions would not lead to a material adjustment to this estimated present value in the next year. The remaining £108 million has been allocated to the transitional services element, which will be recognised as a liability and charged to the Income Statement over the performance period for these services.

14. Seasonality

Demand for some of the Group’s products is subject to significant seasonal fluctuations, in particular some cold, influenza and pest control products. The intensity of seasons can vary from year to year with a corresponding impact on the Group’s performance.

15. Post Balance Sheet Events

There have been no events subsequent to the Balance Sheet date which require disclosure.

APPENDIX - ALTERNATIVE PERFORMANCE MEASURES

The financial information included in this half year report is prepared in accordance with International Financial Reporting Standards (IFRS) as well as information presented on an adjusted (non-IFRS) basis.
Financial information presented on an adjusted basis excludes certain cash and non-cash items. These items have a pattern of recognition that is largely uncorrelated with the trading performance of the business. Management reviews the business on this basis for the purpose of making operating decisions and showing these adjusted measures in addition to the IFRS measures provides useful additional information on trading performance to the users of the financial statements. These adjusted measures should not be considered in isolation from, substitutes for, or superior to the financial measures prepared in accordance with IFRS.

The following items (adjusting items) are excluded from IFRS earnings in calculating adjusted earnings:

- **Impact of business combinations,** and similar purchases of equity, where IFRS accounting results in the recognition of certain costs that are not comparable with those for internally generated assets, (although the net revenues and other costs of these business combinations are not adjusted for):
  - Amortisation of (a) acquired brands, trademarks and similar assets and (b) certain other intangible assets recorded as the result of a business combination;
  - Inventory fair value adjustments;
  - Professional and advisor costs recorded as the result of a business combination;
  - Changes in the amount of consideration paid or expected to be paid (including changes in fair value) and associated tax impacts; and
  - Changes to deferred tax liabilities relating to (a) acquired brands, trademarks and similar assets and (b) certain other intangible assets recorded as the result of a business combination as the amortisation or profit on disposal of these brands would be treated as an adjusting item.
- **Profits or losses relating to the sale of brands and related intangible assets** as the continued active management of our portfolio results in the recognition of profits or losses relating to disposals of brands and related intangible assets which are largely uncorrelated with the trading performance of the business.
- **Re-cycled foreign exchange translation reserves** upon the sale, liquidation, repayment of share capital or abandonment of a subsidiary previously controlled by the Group, as the gain or loss relates to mainly exchange movements in previous periods rather than the current period.
- **The reclassification of finance income/(expenses) on tax balances into income tax expense**, to align with the Group's tax guidance. As a result, the income/(expenses) are presented as part of income tax expense on an adjusted basis.
- **Other individually material items of expense or income**. Some of these items are resolved over a period of time such that the impact may affect more than one reporting period.

Adjusted measures

- **Adjusted Operating Profit and Adjusted Operating Profit margin:** Adjusted operating profit reflects the IFRS operating profit excluding items in line with the Group's adjusted items policy. See page 25 for details on the adjusting items and a reconciliation between IFRS operating profit and adjusted operating profit. The adjusted operating profit margin is the adjusted operating profit expressed as a percentage of net revenue.
- **Adjusted tax rate:** The adjusted tax rate is defined as the adjusted continuing income tax expense as a percentage of adjusted profit before tax.
- **Adjusted diluted EPS:** Adjusted diluted EPS is the IFRS diluted EPS excluding items in line with the Group's adjusting policy. See page 25 for details on the adjusting items and a reconciliation between IFRS net income and adjusted net income. The weighted average number of shares for the period is the same for both IFRS EPS and adjusted EPS.

Other non-GAAP measures

- **Like-for-Like (LFL):** Net revenue growth or decline at constant exchange rates (see below) excluding the impact of acquisitions, disposals and discontinued operations. Completed disposals are excluded from LFL revenue growth for the entirety of the current and prior years. Acquisitions are included in LFL revenue growth twelve months after the completion of the relevant acquisition. LFL growth also excludes countries with annual inflation greater than 100% (Venezuela and Argentina).
- **Constant exchange rate (CER):** Net revenue and profit growth or decline adjusting the actual consolidated results such that the foreign currency conversion uses the same exchange rates as were applied in the prior period.
- **Brand Equity Investment (BEI):** BEI is the marketing support designed to capture the voice, mind and heart of our consumers.
- **Net working capital (NWC):** NWC is the total of inventory, trade and other receivables and trade and other payables. NWC is calculated as a % of last twelve months net revenue to compare changes in NWC to the growth of the business.
- **Net Debt:** The Group's principal measure of net borrowings being a total of cash and cash equivalents, short-term and long-term borrowings, lease liabilities and derivative financial instruments on debt.
- **Free Cash Flow and Free Cash Flow Conversion:** The Group's principal measure of cash flow defined as net cash generated from continuing operating activities less net capital expenditure. A reconciliation of cash generated from operations to Free Cash Flow is shown on page 27. The Group tracks Free Cash Flow as a % of adjusted net income to understand the conversion of adjusted profit into cash.

Other definitions and terms

- **Category Market Unit (CMU):** Reckitt analyses its market share by CMUs, which represent country and either brand or category, e.g., US Lysol. This allows us to analyse the components of market share growth taking into account both geography and brand / category. Management has identified those Core CMUs that are the most strategically important. The list of Core CMUs is kept under continual review and will change over time based on strategic decisions. Currently, Core CMUs cover c.65% of Group net revenue and between c.55% to c.80% of each GBU's net revenue. As a measure of competitiveness, management tracks the percentage of Core CMUs holding or gaining market share, weighted by net revenue. This is presented on YTD basis which is the five months ending May and is the latest available overview.
- **eCommerce:** eCommerce channel net revenue is direct sales from Reckitt to online platforms or directly to consumers. Estimates of total eCommerce sales as a percentage of Group net revenues are calculated by adding eCommerce channel net revenue to an estimate of eCommerce sales achieved by our brands through omnichannel distributors and retailer websites.
- **Discontinued operations:** Includes credits or charges related to the previously demerged RB Pharmaceuticals business that became Indivior plc. Net income from discontinued operations is presented as a single line item in the Group Income Statement.

The table below reconciles the Group's IFRS measures to its adjusted measures for the six months ended 30 June 2023.

		Adjusting items					
	IFRS	Impact of business combinations	Net gain on disposal of brands	Reclassified foreign exchange translation on liquidation of subsidiaries	Finance expense reclass	Other individually material items of income and expense	Adjusted
	£m	£m	£m	£m	£m	£m	£m
Net revenue	7,446	-	-	-	-	-	7,446
Cost of sales	(3,022)	-	-	-	-	-	(3,022)
Gross profit	**4,424**	-	-	-	-	-	**4,424**
Net operating expenses	(2,670)	**15**	-	-	-	-	(2,655)
Operating profit	**1,754**	**15**	-	-	-	-	**1,769**
Net finance expense	(116)	-	-		11	-	(105)
Profit before income tax	**1,638**	**15**	-	-	**11**		**1,664**
Income tax charge	(395)	(3)	(2)	-	(11)	-	(411)
Net income from continuing operations	**1,243**	**12**	**(2)**	-	-	-	**1,253**
Less: Attributable to non-controlling interests	(11)	-	-	-	-	-	(11)
Net income from continuing operations attributable to owners of the parent company	**1,232**	**12**	**(2)**	-	-	-	**1,242**
Net profit for the period from discontinued operations	**9**	-	-	-	-	**(9)**	-
Total net income for the year attributable to owners of the parent	**1,241**	**12**	**(2)**	-	-	**(9)**	**1,242**
Earnings per share (EPS)							
Continuing operations[1]							
Basic	172.0	1.7	(0.3)	-	-	-	173.4
Diluted	171.6	1.7	(0.3)	-	-	-	173.0
Discontinued operations[1]							
Basic	1.2	-	-	-	-	(1.2)	-
Diluted	1.2	-	-	-	-	(1.2)	-
Total operations[1]							
Basic	173.2	1.7	(0.3)	-	-	(1.2)	173.4
Diluted	172.8	1.7	(0.3)	-	-	(1.2)	173.0

[1] Earnings per share (EPS) is calculated using 716.5m shares (basic) and 718.1m shares (diluted)

Impact of business combinations of £15m comprises £14m amortisation relating to certain intangible assets recognised as a result of historical business combinations and £1m professional costs relating to the forward contract for the purchase of shares in RB Manon. Included within income tax expense is a £3m tax credit in relation to the intangible asset amortisation.

Net gain on disposal of brands of £2m relates to tax on brands disposed in prior years.

Reclassification of finance expense of £11m relates to the reclassification of interest expense on income tax balances from net finance expense to income tax.

Other individually material items of income and expense includes income from discontinued operations of £9m which relates to the DoJ settlement in 2019.

The table below reconciles the Group's IFRS measures to its adjusted measures for the six months ended 30 June 2022.

	IFRS	Adjusting items: Impact of business combinations	Adjusting items: Net gain on disposal of brands	Adjusting items: Reclassified foreign exchange translation on liquidation of subsidiaries	Adjusting items: Finance income reclass	Adjusting items: Other individually material items of income and expense	Adjusted
	£m	£m	£m	£m	£m	£m	£m
Net revenue	6,888	-	-	-	-	-	6,888
Cost of sales	(2,886)	2	-	-	-	-	(2,884)
Gross profit	**4,002**	**2**	-	-	-	-	**4,004**
Net operating expenses	(2,257)	22	(14)	-	-	10	(2,239)
Operating profit	**1,745**	**24**	**(14)**	-	-	**10**	**1,765**
Net finance expense	(33)	-	-	(69)	(8)	-	(110)
Impairment of equity-accounted investments	(19)	-	-	-	-	-	(19)
Share of loss of equity-accounted investments, net of tax	(2)	-	-	-	-	-	(2)
Profit before income tax	**1,691**	**24**	**(14)**	**(69)**	**(8)**	**10**	**1,634**
Income tax charge	(335)	(6)	(11)	-	8	-	(344)
Net income from continuing operations	1,356	18	(25)	(69)	-	10	1,290
Less: Attributable to non-controlling interests	(10)	-	-	-	-	-	(10)
Net income from continuing operations attributable to owners of the parent company	**1,346**	**18**	**(25)**	**(69)**	-	**10**	**1,280**
Net profit for the period from discontinued operations	-	-	-	-	-	-	-
Total net income for the year attributable to owners of the parent	**1,346**	**18**	**(25)**	**(69)**	-	**10**	**1,280**
Earnings per share (EPS)							
Continuing operations[1]							
Basic	188.3	2.5	(3.5)	(9.7)	-	1.4	179.0
Diluted	187.8	2.5	(3.5)	(9.6)	-	1.4	178.6
Discontinued operations[1]							
Basic	-	-	-	-	-	-	-
Diluted	-	-	-	-	-	-	-
Total operations[1]							
Basic	188.3	2.5	(3.5)	(9.7)	-	1.4	179.0
Diluted	187.8	2.5	(3.5)	(9.6)	-	1.4	178.6

[1] Earnings per share (EPS) is calculated using 714.9m shares (basic) and 716.6m shares (diluted)

Impact of business combinations of £24m comprises

- Amortisation of £22m relating to certain intangible assets recognised as a result of historical business combinations.
- An inventory fair value adjustment of £2m relating to the amount charged to cost of sales for the fair value step-up of acquired inventories as these inventories are sold.
- Included within income tax expense is a £6m tax credit in relation to the intangible asset amortisation.

Net gain relating to the disposal of brands and related intangible assets of £14m within operating profit relates to the disposal of Dermicool (£49m loss) and E45 and related brands (£63m gain). Included within income tax expense is a deferred tax credit of £27m arising on derecognition of deferred tax liabilities offset by a £16m tax charge incurred in relation to the disposals.

Reclassified foreign exchange translation on liquidation of subsidiaries of £69m is the gain following the liquidation of legal entities as part of simplification of the Group's legal entity structure

Reclassification of finance income of £8m relates to the reclassification of interest income on income tax balances from net finance expense to income tax.

Other individually material items of income and expense includes £6m relating to the reorganisation of the Nutrition business unit following the strategic review and subsequent disposal of IFCN China. A further £4m expense relates to costs incurred regarding the Korean HS matter.

CALCULATION OF ALTERNATIVE PERFORMANCE MEASURES

Reconciliation of IFRS to Like-for-Like Net Revenue (by GBU)

	For the quarter to 30 June				For the half-year to 30 June			
Net Revenue	**Hygiene £m**	**Health £m**	**Nutrition £m**	**Group £m**	**Hygiene £m**	**Health £m**	**Nutrition £m**	**Group £m**
2022 IFRS	1,414	1,418	632	3,464	2,879	2,820	1,189	6,888
M&A	-	(10)	-	(10)	-	(27)	-	(27)
Exchange	(8)	2	8	2	65	67	48	180
2022 Like-for-like	**1,406**	**1,410**	**640**	**3,456**	**2,944**	**2,860**	**1,237**	**7,041**
2023 IFRS	1,466	1,430	633	3,529	3,057	3,073	1,316	7,446
M&A	-	(1)	-	(1)	-	(5)	-	(5)
Exchange	17	50	1	68	(6)	43	(14)	23
2023 Like-for-like	**1,483**	**1,479**	**634**	**3,596**	**3,051**	**3,111**	**1,302**	**7,464**
Like-for-like growth	**5.5%**	**4.9%**	**-0.9%**	**4.1%**	**3.6%**	**8.8%**	**5.3%**	**6.0%**

Reconciliation of IFRS to Like-for-Like Net Revenue (by Geography)

	For the quarter to 30 June				For the half-year to 30 June			
Net Revenue	**North America £m**	**Europe/ ANZ £m**	**Developing Markets £m**	**Group £m**	**North America £m**	**Europe/ ANZ £m**	**Developing Markets £m**	**Group £m**
2022 IFRS[1]	1,096	1,113	1,255	3,464	2,243	2,228	2,417	6,888
M&A	-	(9)	(1)	(10)	-	(17)	(10)	(27)
Exchange	13	1	(12)	2	108	38	34	180
2022 Like-for-like	**1,109**	**1,105**	**1,242**	**3,456**	**2,351**	**2,249**	**2,441**	**7,041**
2023 IFRS	1,174	1,142	1,213	3,529	2,500	2,464	2,482	7,446
M&A	-	(1)	-	(1)	-	(4)	(1)	(5)
Exchange	22	22	24	68	3	7	13	23
2023 Like-for-like	**1,196**	**1,163**	**1,237**	**3,596**	**2,503**	**2,467**	**2,494**	**7,464**
Like-for-like growth	**7.8%**	**5.2%**	**-0.4%**	**4.1%**	**6.5%**	**9.7%**	**2.2%**	**6.0%**

1 2022 comparatives restated by £13m for half year and £5m for quarter (between North America, and Europe) to reflect from 2023 a UK legal entity now operating an export business.

Reconciliation of operating cash flow to free cash flow

	30 June 2023 £m	**30 June 2022 £m**
Cash generated from continuing operations	1,534	1,316
Less: interest paid	(121)	(113)
Less: tax paid	(470)	(372)
Less: purchase of property, plant & equipment	(144)	(143)
Less: purchase of intangible assets	(45)	(32)
Plus: proceeds from the sale of property, plant & equipment	4	71
Free cash flow	**758**	**727**
Free cash flow conversion	**61%**	**57%**

Net Working Capital

	30 June 2023 £m	**31 December 2022 £m**
Inventories	1,659	1,825
Trade and Other Receivables	2,170	2,082
Trade and Other Payables	(4,979)	(5,547)
Less: Interest accrued on tax	115	105
Net Working Capital	**(1,035)**	**(1,535)**
Net Revenue [1]	15,011	14,453
Net Working Capital as % of Net	**-7%**	**-11%**

1 12 months to 30 June 2023

12 months Net Debt to Adjusted EBITDA ratio

	12 months to 30 June 2023 £m	**12 months to 30 June 2022 £m**
Operating profit	3,258	2,769
Less: adjusting items	185	449
Adjusted operating profit	**3,443**	**3,218**
Less: adjusted depreciation and amortisation	430	370
Adjusted EBITDA	**3,873**	**3,588**

	30 June 2023 £m	**30 June 2022 £m**
Cash and cash equivalents (inc. overdrafts)	1,026	1,285
Financing liabilities	(8,940)	(9,867)
Net debt	**(7,914)**	**(8,582)**
Net debt / Adjusted EBITDA (times)	**2.0x**	**2.4x**

Statement of Directors' Responsibilities

We confirm that to the best of our knowledge:

- the condensed set of Financial Statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK.
- the interim management report includes a fair review of the information required by:

DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of Financial Statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

The Directors of Reckitt Benckiser Group plc are listed in the Reckitt Benckiser Group plc Annual Report and Accounts for the year ended 31 December 2022. A list of current Directors is maintained on the Reckitt Benckiser Group plc website: www.reckitt.com.

By order of the Board

Nicandro Durante
Chief Executive Officer

Jeff Carr
Chief Financial Officer

25 July 2023

INDEPENDENT REVIEW REPORT TO RECKITT BENCKISER GROUP PLC

Conclusion

We have been engaged by Reckitt Benckiser Group PLC ("the Company") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2023 which comprises the condensed Group Balance Sheet, Group Income Statement, Group Statement of Comprehensive Income, Group Statement of Changes in Equity, Group Cash Flow Statement and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2023 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted for use in the UK and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ("ISRE (UK) 2410") issued for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis of conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Reckitt Benckiser Group Plc to cease to continue as a going concern, and the above conclusions are not a guarantee that the Group will continue in operation.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with UK-adopted International Accounting Standards and in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted for use in the UK.

In preparing the condensed set of financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Andrew Bradshaw

for and on behalf of KPMG LLP

Chartered Accountants

15 Canada Square,

Canary Wharf,

London,

E14 5GL

25 July 2023