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RB investor presentation

Half year 2015

27th July 2015



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Rakesh Kapoor

Chief executive officer

Key messages



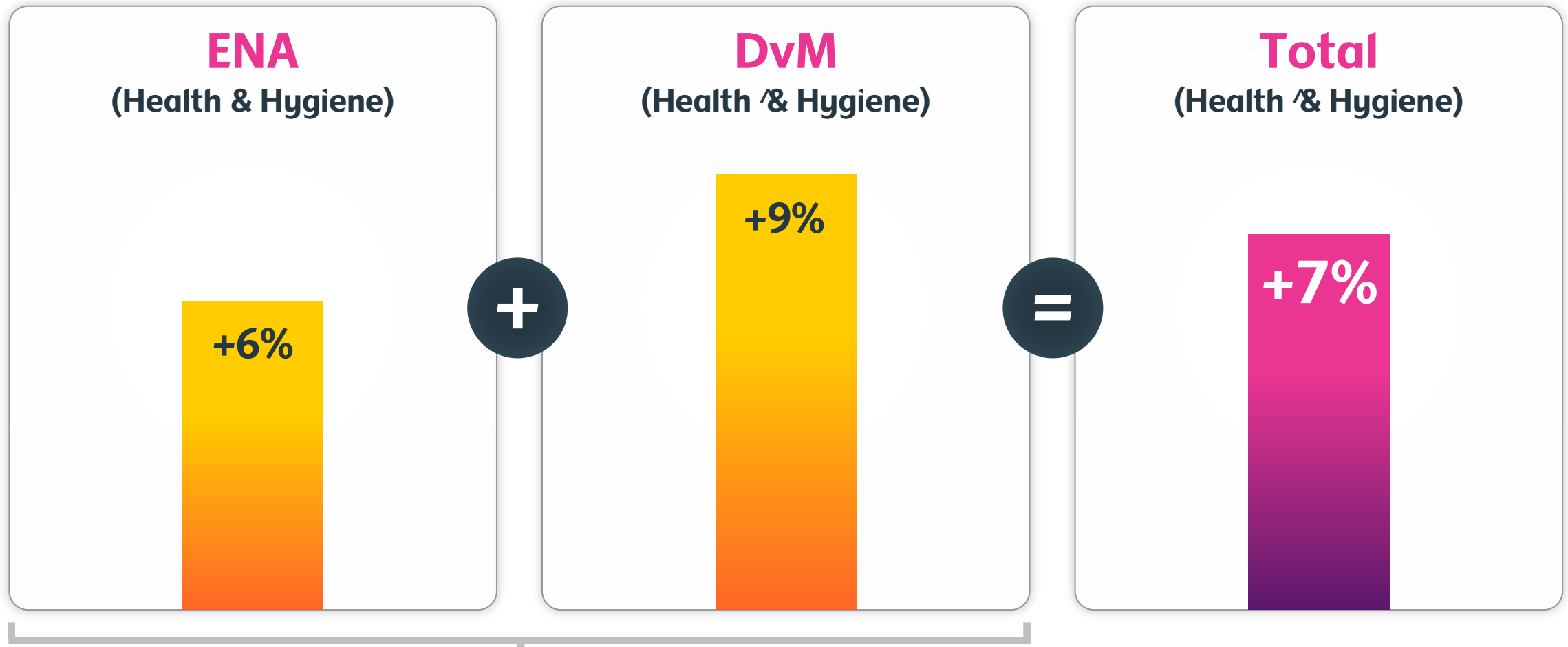
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**Health and
Hygiene
focus driving
growth**

**Virtuous
earnings
model
delivering**

**Full year
targets
increased**

Health & Hygiene focus driving growth and outperformance

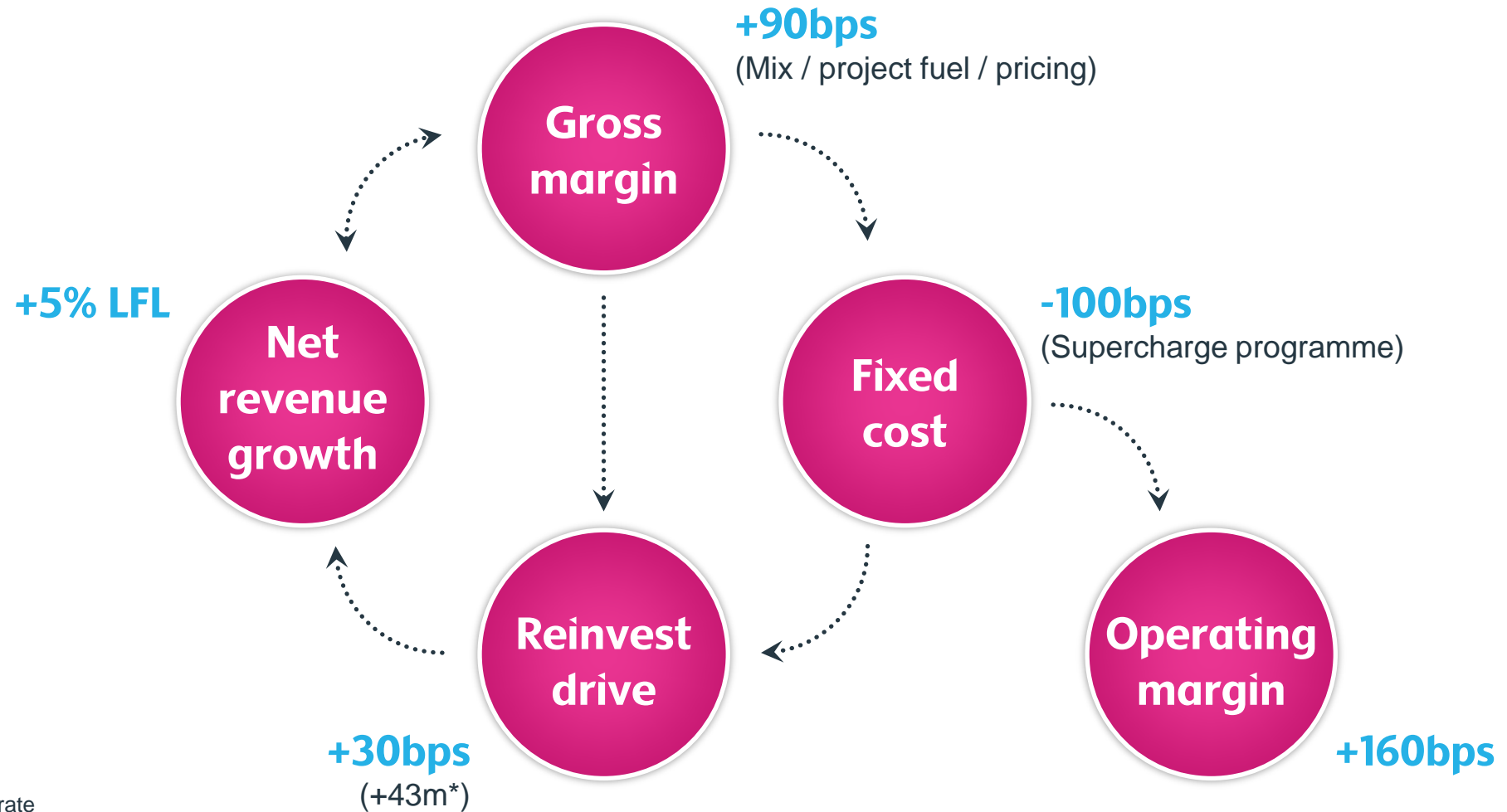


Broad-based growth across our markets

Virtuous earnings model fully intact and delivering...



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*at constant exchange rate

In summary

A strong start

**Net revenue
growth (LFL)**

+5%

**Net income
growth**

+9%*

**Cash
conversion
>100%**

**Interim
dividend
50.3p**

*adjusted net income, at constant exchange rate



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Adrian Hennah

Chief financial officer

Q2 & HY 2015 results

Income statement

	Q2		HY	
	2015	2014	2015	2014
	£m	£m	£m	£m
Revenue	2,140	2,125	4,356	4,323
LFL %	5%	4%	5%	4%
Gross margin			2,511	2,452
Gross margin %			57.6%	56.7%
Adjusted operating profit*			953	878
Adjusted operating profit %*			21.9%	20.3%
Exceptionals			(14)	(22)
Operating profit			939	856

*adjusted to exclude the impact of exceptional items

HY 2015 results

Income statement

	HY	
	2015	2014
	£m	£m
Operating profit	939	856
Net finance expense	(18)	(18)
Profit before taxation	921	838
Taxation	(212)	(181)
<i>Tax rate</i>	23%	22%
Net income		
- Continuing	709	657
- Discontinued	-	155
Total	709	812
Adjusted net income*		
- Continuing	720	674
- Discontinued	-	155
Total adjusted net income	720	829
Diluted EPS	97.5p	89.9p (111.1p)**
Adjusted diluted EPS	99.0p	92.2p (113.4p)**

*adjusted to exclude the impact of exceptional items and their associated tax effect

** EPS from total operations including the results of discontinued operations

Revenue growth by quarter

Business segment



	2014					2015		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	HY
	LFL	LFL	LFL	LFL	LFL	LFL	LFL	LFL
North America	0%	1%	-4%	3%	0%	3%	3%	3%
Rest of ENA	3%	4%	5%	7%	5%	5%	4%	4%
Total ENA	2%	3%	2%	5%	3%	4%	4%	4%
DvM	8%	7%	5%	5%	6%	6%	8%	7%
Food	3%	2%	3%	4%	3%	4%	1%	3%
Group	4%	4%	3%	3%	4%	5%	5%	5%

Revenue growth by quarter

Category

	2014					2015		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	HY
	LFL	LFL	LFL	LFL	LFL	LFL	LFL	LFL
Health	11%	10%	6%	8%	8%	13%	13%	13%
Hygiene	2%	4%	2%	6%	3%	3%	3%	3%
Home	0%	-1%	3%	3%	1%	-1%	2%	1%
Portfolio	1%	5%	-6%	-4%	-1%	-3%	-6%	-5%
Group	4%	4%	3%	5%	4%	5%	5%	5%

Margin analysis

H1		
At actual	%	bps v PY
2015 gross margin	57.6%	+90bps
2014 gross margin	56.7%	
H1		
At actual	%	bps v PY
2015 BEI	14.4%	+30bps
2014 BEI	14.1%	
H1		
At actual	%	bps v PY
2015 operating margin	21.9%	+160bps
2014 operating margin	20.3%	

Profitability by business segment

	H1		H2	FY
	2015 %	2014 %	2014 %	2014 %
ENA	24.2%	22.6%	32.8%	27.8%
DvM	16.8%	15.2%	19.8%	17.5%
FOOD	25.6%	22.4%	31.1%	26.9%
Group	21.9%	20.3%	29.0%	24.7%

Adjusted to exclude the impact of exceptional items

Net working capital

	NWC		
	HY15	HY14	FY14
	£m	£m	£m
Inventory	707	748	745
<i>% to last 12 month revenue</i>	8%	8%	8%
Receivables	1,208	1,371	1,307
<i>% to last 12 month revenue</i>	14%	14%	15%
Payables	(2,948)	(2,992)	(2,883)
<i>% to last 12 month revenue</i>	-33%	-31%	-33%
Net working capital	(1,033)	(873)	(831)
<i>% to last 12 month revenue</i>	-12%	-9%	-9%

Free cash flow HY 2015

	H1		FY
	2015	2014	2014
	£m	£m	£m
Adjusted Operating Profit*	953	878	2,185
Share based payment	25	26	53
Depreciation and amortisation	85	79	161
Net Capital expenditure	(76)	(66)	(174)
Movement in net working capital	125	12	81
Movement in provisions and other creditors	(73)	(89)	(48)
Other non-cash movements in operating profit	(2)	(8)	(1)
Trading cashflow	1,037	832	2,257
Exceptional cashflow	(62)	(47)	(97)
Operating Cashflow	975	785	2,160
Net interest paid	(17)	(14)	(32)
Taxation paid	(202)	(192)	(416)
Free Cashflow	756	579	1,712
Free Cashflow as % of Net Income	107%	88%	103%
Closing net debt	(1,793)	(2,237)	(1,543)

*Adjusted to exclude the impact of exceptional items



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Rakesh Kapoor

Chief executive officer



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New initiatives for H2 2015



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HEALTH

Mucinex[®] Liquid Gels



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Mucinex[®] Liquid Gels

The only branded, fast-dissolving liquid gels with the mucus-busting power of Mucinex & all cold & flu ingredients at max strength

Scholl® - Velvet Smooth Nail Care System



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Scholl® - Velvet Smooth Electronic Nail Care System

An effortless way to shinier, healthy looking nails

Strefen[®] Direct Spray



Strefen[®] Direct Spray

New and unique clinically proven formulation with 8.75 mg flurbiprofen to target the pain of your sore throat fast, and to provide relief for up to 6 hours

Airborne® Rollout



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Airborne®

A powerful immunity blend with a blast of vitamin-C and herbs



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Dettol® Squeezy Hand Wash



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Dettol® Squeezy Hand Wash

Superior protection against germs, at the price of bar soap

Lysol® / Harpic® Click gel



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Lysol® / Harpic® Click gel

The most hygienic way for a continuously clean and fresh toilet



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Air Wick® Life Scents Room Mist



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Air Wick® Life Scents Room Mist

Premium Aerosol providing a multi-layered true to life fragrances for an authentic fragrance experience as in nature

Air Wick® Wax Melts



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Air Wick® Wax Melts

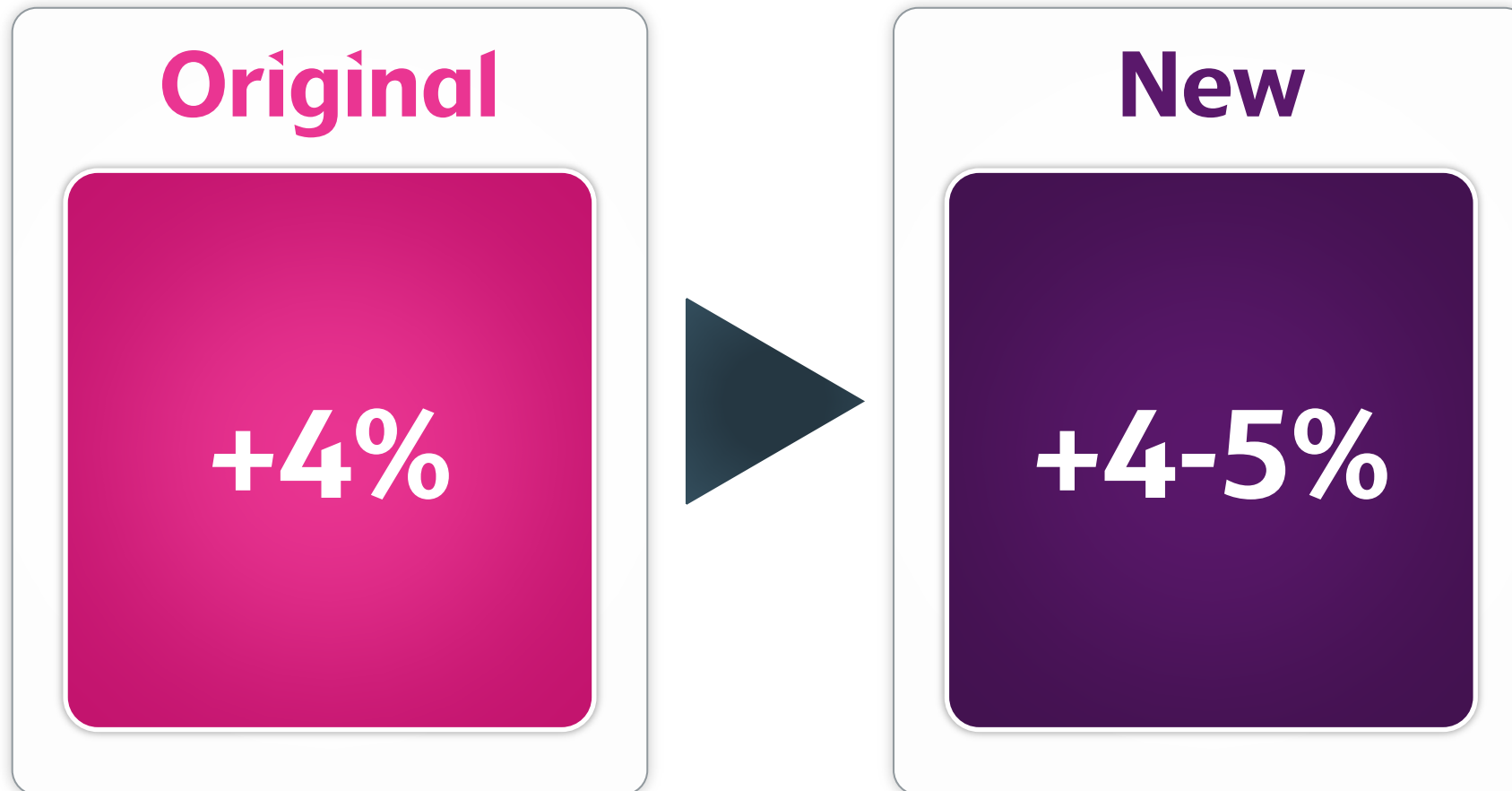
Great fragrance experience without a flame



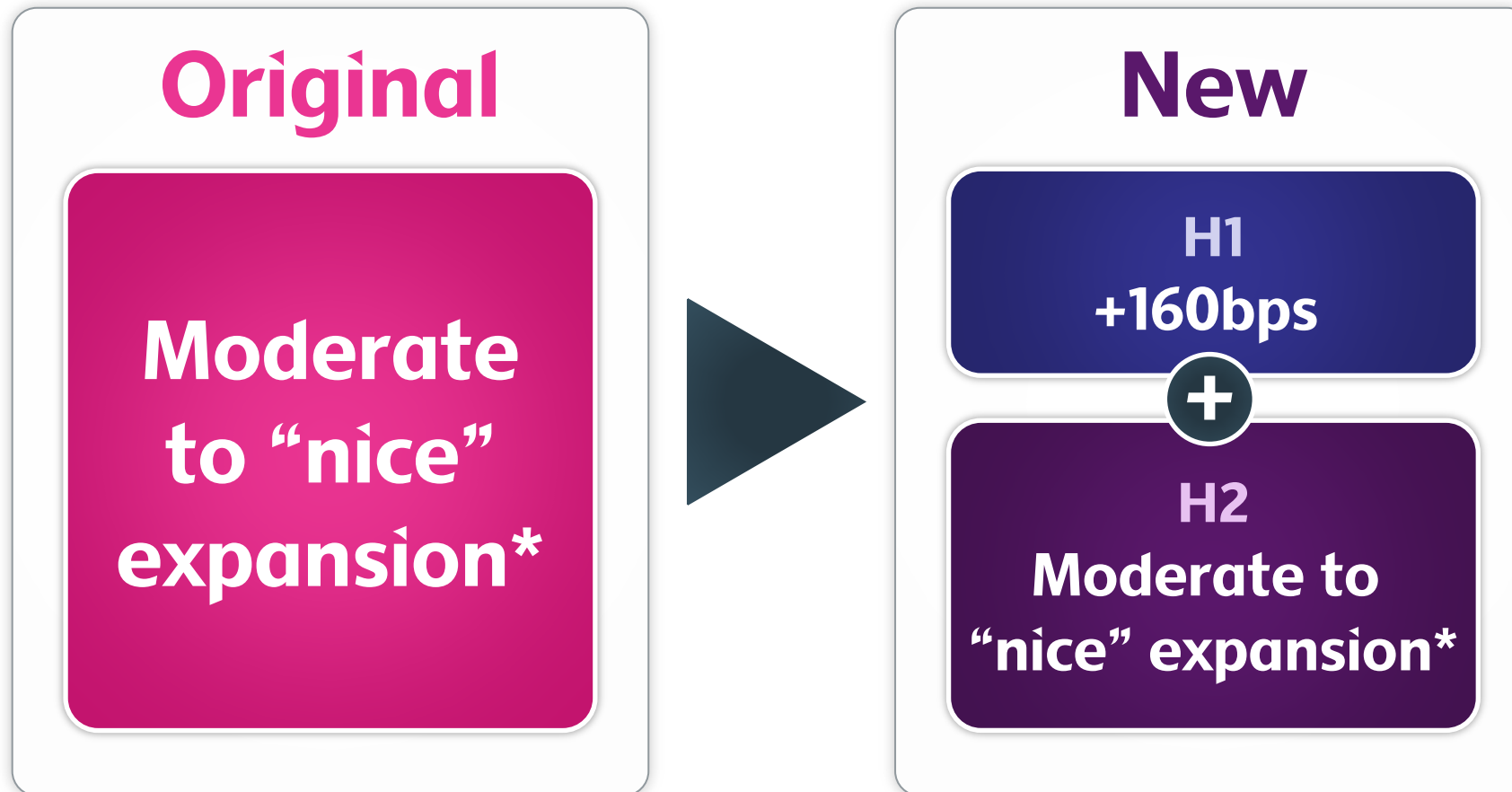
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2015 Targets

2015: Targets – LFL Net Revenue Target



2015: Targets - operating margin



*adjusted to exclude the impact of exceptional items



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Q&A



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Appendices

Analysis of exceptional costs

	Total Guidance	P&L HY 2015	Total P&L to date	Total cash to date
	£m	£m	£m	£m
Acquisition, integration and restructuring*	390	14	163	138
Litigation provisions	210	-	210	142

*Acquisition, integration and restructuring includes the £200m of expected Supercharge costs communicated in H1

Reconciliation of operating profit to adjusted operating profit

	HY 2015 £m	HY 2014 £m
Operating profit	939	856
<i>Adjusting items:</i>		
Acquisition, integration and restructuring	14	22
Litigation provisions	-	-
Adjusted operating profit	953	878

2014 numbers have been restated to reflect corporate costs previously borne by RBP

Revenue growth by business segment Q2 2015

	LFL	Acq/Disp	FX	Reported
	%	%	%	%
North America	3%	0%	9%	12%
Rest of ENA	4%	-1%	-11%	-8%
Total ENA	4%	-1%	-5%	-2%
DvM	8%	-1%	-2%	6%
FOOD	1%	0%	6%	8%
Group	5%	-1%	-4%	1%

Due to rounding this table will not always cast

Revenue growth by business segment H1 2015

	LFL	Acq/Disp	FX	Reported
	%	%	%	%
North America	3%	1%	9%	13%
Rest of ENA	4%	-2%	-11%	-8%
Total ENA	4%	-1%	-5%	-2%
DvM	7%	0%	-1%	5%
FOOD	3%	0%	8%	11%
Group	5%	-1%	-3%	1%

Due to rounding this table will not always cast

Reconciliation in net debt

	HY 2015 £m
Opening net debt	(1,543)
Free cashflow	756
Shares purchased	(452)
Shares reissued	54
Purchase of businesses	(7)
Dividends paid	(566)
Exchange and other movements	(35)
Closing net debt	(1,793)