

Chair's Statement



Sir Jeremy Darroch
Chair

SECURING OUR FUTURE SUCCESS



We are confident of Reckitt's strengths and potential to deliver growth and value creation.

2024 was an important year, in which we laid out a new direction for our business. We have revamped our strategy to streamline our portfolio, simplify our organisation and refresh our leadership team and Board.

We believe this will improve our performance and ensure Reckitt is a leader, fit for the future. We have much work to do but we are clear on the plan we have in place, confident of Reckitt's strengths and potential to deliver strong growth and value creation.

A world-class company in resilient categories

Reckitt is a company with an important near-200-year history, a global footprint and an enviable portfolio of well-loved and trusted brands that improve people's lives. Our Powerbrands are market leaders and play in resilient categories with long-term runways for growth due to favourable demographic and consumer trends. All of this makes for a strong and attractive foundation.

Alongside this, the Company has an entrepreneurial and inclusive culture, a talented and motivated workforce and a clear set of priorities that will serve Reckitt well as it evolves as a world-class consumer health and hygiene company.

Chair's Statement continued



Our objective, therefore, is to create one of the strongest growth and margin profiles of our peer group, overseen by new leadership with a structure that will bring greater focus, faster decision-making and improved execution. Becoming a simpler, more agile organisation will better enable us to navigate a more complex world, to both seize the opportunities and deal with the challenges arising from the likes of climate change, technology and macroeconomics.

Shareholder focus

Underpinning this is a drive to better deliver for our shareholders. We recognise that in 2024 our share price has underperformed, but I want you to know that we are doing all we can to demonstrate the enduring value of our business to the market and to turn this performance around.

In July 2024, our Chief Executive Officer Kris Licht presented the details of our new strategy and organisational change. Our teams spent the second half of 2024 laying the important foundations for the future, with the new structure taking effect from 1 January 2025. We are working to exit a group of strong homecare brands, now called Essential Home, which we are on track to do by the end of 2025.

Mead Johnson Nutrition is now considered non-core and we will consider all options to maximise its value for shareholders, taking the time required to achieve the right solution.

Shareholder returns are a foremost priority, and the Board is confident that our new strategy and structure will generate value for shareholders going forward. This confidence is reflected in the second £1 billion share buyback programme that we initiated in July 2024, following completion of a previous £1 billion programme launched in 2023. The first two tranches of the current programme, worth £500 million, are complete, with the third tranche, worth another £500 million, expected to complete by 30 June 2025. We expect the programme to continue in the coming years, consistent with our capital allocation principles.

2024 performance showing progress

The financial performance we have delivered shows progress and sets a strong base for future growth. Like-for-like net revenue rose 1.4%, in line with our guidance and adjusted operating profit rose at 3%¹.

Delivery of these results came at a time of uncertainty for many of our teams at Reckitt, but right across our business our colleagues have been working extremely hard and doing an excellent job of staying focused on performance.

Engaging with external stakeholders

One of the key responsibilities of the Board is to both constructively challenge and support the CEO and Executive Committee, overseeing execution of the Company strategy. We do this by providing critical internal and external perspectives, honed by our engagement with individuals and groups from across our stakeholder universe, from investors and consumers to non-governmental organisations and other members of civil society.

In 2024, Board members met with senior government representatives from the United Kingdom and attended valuable gatherings as part of the Global Leadership Foundation as well as New York Climate Week, where we engaged with policy makers and leaders from the worlds of academia, politics, technology and business about advancing solutions for health and hygiene across markets.

¹ IFRS operating profit declined 4% and was impacted mainly by an intangible asset impairment charge and restructuring costs, see page 226 for more details



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As a Board, we value external perspectives, and in 2024 we created an action plan to build on the results of a large survey we conducted across a broad spectrum of respondents in our top markets, from business stakeholders to general consumers. The results showed that while there is more to be done to increase familiarity with Reckitt, people who were familiar with us had a high degree of trust in the Company. I know that our employees, executives and the Board are proud of that trust, and keep it front of mind in our decision-making.

Board changes

During 2024 we made good progress in strengthening the Board. I'm happy to note several recent Board changes. In 2024, we were joined by Marybeth Hays and Fiona Dawson, and of course I took over as Chair from Chris Sinclair. I want to thank Chris for his nine years of service to this great Board. We benefited greatly from his judgement and experience.

Following on from that, the Board was bolstered further with the appointments of Mahesh Madhavan and Stefan Oschmann, who both have many years of experience as CEOs of global businesses. I know their insight and experience, as well as that from other Board members, will serve our Group well, as we oversee this exciting chapter in Reckitt's history.

As we look to the future, I want to thank all our colleagues. I am always struck by the quality, enthusiasm, talents and commitment of the people in this business. They work tirelessly, often unseen, each and every day, in service of our consumers, our customers and all of us as stakeholders.

I also want to thank you, our shareholders, for your long-term perspective. Seeing this commitment from all of our stakeholders, even during such change, gives me much confidence in what we can achieve together in the future.

Sir Jeremy Darroch

Chair