

20 April 2023

**RENTOKIL INITIAL PLC**  
**FIRST QUARTER TRADING UPDATE**  
**STRONG MOMENTUM CONTINUED WITH ORGANIC GROWTH OF 6.7%**

	AER <sup>1</sup>			CER		
	Q1 2023 £m	Q1 2022 £m	Change %	Q1 2023 £m	Q1 2022 £m	Change %
<b>Revenue</b>	<b>1,259</b>	<b>722</b>	<b>74.4%</b>	<b>1,240</b>	<b>754</b>	<b>64.5%</b>

Trading in the year has started well, with reported Revenue up 64.5%, reflecting the benefit of M&A, including Terminix, and strong Organic Revenue<sup>2</sup> growth of 6.7%. Including revenue from COVID disinfection business, Group organic growth was 5.9%. The performance has been underpinned by resilient demand and effective pricing, which has continued to offset inflationary pressures.

#### Regional Overview

North America delivered a good performance, with Organic Revenue growth of 4.9%. Strong momentum was sustained in Europe inc. LATAM, the Group's second largest region (+12.0% Organic Revenue), Asia & MENAT (+10.8% Organic Revenue) and Pacific (+7.5% Organic Revenue). Even with the anticipated reduction in COVID related medical waste services, the UK & Sub Saharan Africa region recorded 4.4% Organic Revenue growth.

#### Category Overview

Our Pest Control business delivered Organic Revenue growth of 6.4%. North America Pest Control recorded 4.9% Organic Revenue growth, driven by a strong start to the year of c.6.0% in pest control services for our commercial, residential, and termite customers. This growth was partially offset by the products distribution business, which has seen a slower start to the season contributed to by de-stocking across a number of major accounts and adverse weather conditions across some of our regional markets.

Our Hygiene & Wellbeing business, supported by continued good demand for washroom services, also performed well during the first quarter, with Organic Revenue up 5.5% (Revenue +6.2%). France Workwear continued its strong growth rates with Organic Revenue up by 17.3% (Revenue +17.3%) over the period.

#### M&A

Delivery of the Terminix integration plan has progressed well in the first quarter of the year and the cost synergy programme is on track to meet full year guidance.

The Group completed 15 additional bolt-on acquisitions in the first quarter - 12 in Pest Control and 3 in Hygiene & Wellbeing, with combined annualised revenues in the year prior to acquisition of c.£63m. This included the acquisition of RK Environmental/Comprehensive Food Safety, a specialist in pest management services and food safety audit consulting to the commercial food industry operating in 31 US states. RK had annualised revenues of c.\$22m in the year prior to purchase, ranking #44 on the Pest Control Technology 2022 Top 100 list. We have built a substantial pipeline of high-quality opportunities and remain confident in our targeted spend of c.£250m in 2023.

In March 2023, Rentokil Initial was named as one of Britain's Most Admired Companies<sup>3</sup> for the quality of its products and services.

Commenting on today's trading update, Andy Ransom, Chief Executive, said:

"I am delighted with the performance our colleagues delivered in Q1, which demonstrates the resilience of our compounding growth model and continued strategy execution. This performance, combined with further progress in our value-creating M&A programme led by the integration of Terminix, means we are well positioned for the remainder of the year. We reiterate our 2023 full year expectations."

#### Summary of financial performance (at CER)

##### Regional Performance

	Revenue			Organic Revenue growth excluding disinfection	Organic Revenue growth including disinfection
	Q1 2023 £m	Q1 2022 £m	Change %	Q1 2023 %	Q1 2023 %
<b>North America</b>	<b>745</b>	<b>320</b>	<b>132.9%</b>	<b>4.9%</b>	<b>4.8%</b>
Pest Control	723	298	142.6%	4.9%	4.9%
Hygiene & Wellbeing	22	22	1.0%	4.2%	1.0%
<b>Europe (inc LATAM)</b>	<b>254</b>	<b>211</b>	<b>20.4%</b>	<b>12.0%</b>	<b>10.5%</b>
Pest Control	120	90	34.2%	11.2%	11.2%
Hygiene & Wellbeing	82	77	6.2%	9.9%	5.9%
France Workwear	52	44	17.3%	17.3%	17.3%
<b>UK &amp; Sub Saharan Africa</b>	<b>94</b>	<b>90</b>	<b>4.5%</b>	<b>4.4%</b>	<b>4.3%</b>
Pest Control	50	45	11.0%	10.5%	10.5%
Hygiene & Wellbeing	44	45	(1.8%)	(1.7%)	(1.8%)
<b>Asia &amp; MENAT</b>	<b>84</b>	<b>77</b>	<b>9.5%</b>	<b>10.8%</b>	<b>4.2%</b>
Pest Control	62	53	16.8%	11.1%	11.1%
Hygiene & Wellbeing	22	24	(7.0%)	9.5%	(11.6%)
<b>Pacific</b>	<b>61</b>	<b>54</b>	<b>11.9%</b>	<b>7.5%</b>	<b>7.5%</b>
Pest Control	29	24	21.7%	12.5%	12.5%
Hygiene & Wellbeing	32	30	4.1%	3.6%	3.5%
<b>Central</b>	<b>2</b>	<b>2</b>	<b>4.7%</b>	<b>-</b>	<b>-</b>
<b>Total at CER</b>	<b>1,240</b>	<b>754</b>	<b>64.5%</b>	<b>6.7%</b>	<b>5.9%</b>
<b>Total at AER</b>	<b>1,259</b>	<b>722</b>	<b>74.4%</b>		

##### Category Performance

	Revenue			Organic Revenue growth excluding disinfection	Organic Revenue growth including disinfection
	Q1 2023 £m	Q1 2022 £m	Change %	Q1 2023 %	Q1 2023 %
Pest Control	984	510	93.2%	6.4%	6.4%
Hygiene & Wellbeing	202	198	1.9%	5.5%	1.1%
France Workwear	52	44	17.3%	17.3%	17.3%
Central	2	2	4.7%	-	-
<b>Total at CER</b>	<b>1,240</b>	<b>754</b>	<b>64.5%</b>	<b>6.7%</b>	<b>5.9%</b>
<b>Total at AER</b>	<b>1,259</b>	<b>722</b>	<b>74.4%</b>		

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#### Notes

<sup>1</sup>AER - actual exchange rates; CER - constant 2022 exchange rates

<sup>2</sup>Organic Revenue growth represents the growth in Revenue excluding the effect of businesses acquired during the year and, unless stated otherwise, exclude COVID disinfection. Acquired businesses are included in organic measures in the year following acquisition, and the comparative period is adjusted to include an estimated full year performance for growth calculations (pro forma revenue). The Terminix acquisition is treated differently to other acquisitions for Organic Revenue growth purposes. The full pre-acquisition results of the Terminix business are included for the comparative period and Organic Revenue growth is calculated as the growth in Revenue compared to the comparative period.

<sup>3</sup>[Britain's Most Admired Companies](#) measures the reputation of more than 250 of Britain's largest companies across 28 industry sectors and it has been running since 1990. The survey is run by Echo Research with the support from academic partners, Coventry University.

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