RNS Number : 5458Z
Reckitt Benckiser Group PLC
06 March 2025

6 March 2025

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

EXECUTING OUR STRATEGIC PLAN
TOP AND BOTTOM-LINE GROWTH WITH STRONG CASH RETURNS TO SHAREHOLDERS

"We are reshaping Reckitt into a more efficient, world-class consumer health and hygiene company, focused on a portfolio of high-growth, high-margin Powerbrands. Strengthened execution in key markets led to market share improvements in Health and Hygiene with our performance further supported by impactful innovation platforms, increased investment in our brands and R&D and initial savings from our Fuel for Growth programme. This solid progress enabled us to deliver our ambition for full year like-for-like net revenue, adjusted operating profit, and EPS growth, as well as strong cash returns to shareholders."

Kris Licht, Chief Executive Officer

			IFRS		
£m	**FY 2024**	**vs 2023[2]**	**£m**	**FY 2024**	**vs 2023[2]**
Like-for-like (LFL) net revenue[3]		**+1.4%**	**Net revenue**	**14,169**	**-3.0%**
Hygiene		+4.2%	Hygiene	6,140	+0.1%
Health		+2.1%	Health	5,882	-3.0%
Nutrition		-7.3%	Nutrition	2,147	-10.9%
Gross profit margin	**60.7%**	**+70bps**	**Gross profit margin**	**60.7%**	**+70bps**
Operating profit	**3,475**	**+3.0%**	**Operating profit**	**2,425**	**-4.2%**
Operating profit (constant FX)[3]		**+8.6%**			
Operating profit margin	**24.5%**	**+140bps**	**Operating profit margin**	**17.1%**	**-20bps**
Diluted EPS	**349.0p**	**+7.9%**	**Diluted EPS**	**203.2p**	**-11.1%**
Free cash flow	**2,232**	**-1.2%**	**Cash generated from operating activities**	**2,682**	**+1.7%**
Cash returns to shareholders[4]	**2,709**	**+75.2%**			
Q4 LFL net revenue growth		**+4.6%**	**Q4 net revenue**	**3,547**	**-0.4%**

1. *Adjusted and Non-GAAP measures are defined on page 32.*
2. *All growth rates are presented on an actual basis, except for where separately noted.*
3. *LFL net revenue and adjusted operating profit growth is measured on a constant exchange rate basis (see page 32).*
4. *Cash returns to shareholders represents dividend paid during the year plus cash returned to shareholders through share buybacks.*

TOP AND BOTTOM-LINE GROWTH WITH STRONG CASH RETURNS TO SHAREHOLDERS

- **FY Group LFL net revenue growth +1.4%, in line with guidance, with improved market share performance**
  - Hygiene and Health +3.1%; +4.6% excluding seasonal OTC brands; IFRS net revenue -3.0% reflecting

adverse foreign exchange
  - Improved market competitiveness in Hygiene and Health: 55% of Top CMUs holding or gaining share, 15% for Nutrition, 48% for the Group
  - Broad-based volume growth, Hygiene and Health +2.1% excluding seasonal OTC
  - Developing Markets +5.5% and Europe / ANZ +3.9%; North America -5.0% reflecting weak seasonal OTC and rebasing of Nutrition business
- **Sequential improvement in Q4 with LFL net revenue growth +4.6%**
  - Hygiene +5.5%; Health +2.4% (+8.0% excluding seasonal OTC); Nutrition +8.4% with restocking post Q3 tornado
  - Hygiene volumes +4.4%; Health volumes -2.1% (+2.5% excluding seasonal OTC)
- **FY adjusted operating profit growth of +8.6% (at constant FX); AOP margin 24.5% (+140bps)**
  - Pricing and productivity efficiencies supported increased investment in brands (BEI +3.1% at constant FX)
  - -90bps reduction in fixed costs to 20.9% of net revenue, with early benefits of the Fuel for Growth programme
  - Adjusted EPS +7.9%, supported by lower share count from ongoing share buyback, and lower effective tax rate of 22.2% (2023:25.2%), offset by higher net interest cost and adverse foreign exchange
  - IFRS operating profit -4.2% impacted by higher impairment charges, relating to IFCN (£696m) and Biofreeze (£142m), and restructuring costs
- **Free cashflow generation of £2.2bn (-1.2%); £2.7bn cash returns to shareholders, +75% (2023: +24%)**
  - Strong balance sheet with net debt at 2.0x adjusted EBITDA (2023: 1.9x)
  - Full year dividend of 202.1p (+5%) in line with aim to deliver sustainable dividend growth
  - £1.3bn returned via our share buyback programme

DELIVERING STRATEGY TO CREATE A WORLD CLASS CONSUMER HEALTH AND HYGIENE COMPANY

- **A simpler, more effective Reckitt**
  - New operating model with three reporting segments from January 1st, 2025:
    - Core Reckitt (71% of group net revenue): 11 Powerbrands, 4 categories, 3 Areas (39% Emerging Markets)
    - On track to exit Essential Home (14% of Group net revenue) by end-2025
    - Evaluating opportunities for Mead Johnson Nutrition (MJN) (15% of Group net revenue)
- **Powerbrands driving Core Reckitt 3 year 2021-24 LFL CAGR of +5%**
  - Emerging Market and Europe LFL CAGR above 5%; North America LFL CAGR broadly flat, following a period of rapid growth through Covid
  - Core Reckitt gross margin and operating margin above Group
- **Increased investment to enhance local supply and strengthen R&D capabilities**
  - New state-of-the-art manufacturing facility in North Carolina to produce Mucinex tablets and liquids from 2027
  - New Global Science and Innovation facility in Shanghai to support innovation-led growth in China
- **Stronger focus on innovation and market execution delivering enhanced sustainable growth**
  - Lysol high-single digit growth; innovation with Laundry and Air Sanitizers driving category growth
  - Mucinex InstaSoothe volume growth in 1bn US sore throat category; launched Mighty Chews for children
  - Durex condoms and Intima female intimate wellness brand supporting double-digit growth in China, with a first-to-world innovation of Nitrile male condoms to be launched in Europe in Q1
  - Finish Ultimate Plus All in 1 dishwasher tablets driving premiumisation; thermoform tablets now account for 75% of total tablet net revenue

2025 OUTLOOK AND MEDIUM-TERM GUIDANCE

2025 outlook

- We are targeting +3% to +4% LFL net revenue growth in Core Reckitt, with a balanced delivery across H1 and H2.
  - In Q1, we expect mid-to-high single digit growth in Emerging Markets, with Europe flat
  - In North America, for Q1, we expect low-single digit growth, partially driven by retailer destocking and slower than anticipated ramp up in new capacity to meet stronger Lysol demand.
- We expect low-single digit LFL net revenue growth in Essential Home and Mead Johnson Nutrition in 2025, with both being second half weighted. Both businesses will show LFL net revenue declines in H1.
- Overall for 2025, we expect Group LFL net revenue growth of +2% to +4%, with Essential Home and Mead Johnson Nutrition making this a little more second half weighted.
- Our Fuel for Growth programme is expected to help drive adjusted operating profit ahead of net revenue growth.
- We expect to deliver another year of adjusted diluted EPS growth.
- Other technical guidance:
  - Adjusted net finance expense is expected to be in the range of £350m to £370m (2024: £323m)
  - The adjusted effective tax rate is expected to be 25% to 26% (2024: 22.2%)

- Capital expenditure as a percentage of net revenue is expected to be 3% to 4% (2024: 3.3%)

Medium-term guidance

- From 2026, we have the portfolio, the geographic footprint, and the execution capabilities, for Core Reckitt to consistently deliver +4% to +5% LFL net revenue growth. We will look to achieve this while consistently delivering annual EPS growth, and creating value for shareholders.

FURTHER INFORMATION

A investor presentation will be held at The London Stock Exchange at 0830 GMT. To attend in person, please email ir@reckitt.com. A webcast will be available at https://www.reckitt.com/investors/results-and-presentations/

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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 tariffs and 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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GROUP OVERVIEW

Net Revenue	£m	Volume	Price / Mix	LFL[1]	Net M&A	FX	Actual
FY 2024	**14,169**	**-0.6%**	**+2.0%**	**+1.4%**	**-0.3%**	**-4.1%**	**-3.0%**
Q4 2024	3,547	+1.8%	+2.8%	+4.6%	-0.4%	-4.6%	-0.4%

1. *Non-GAAP measures are defined on page 32*

Group net revenue

- FY LFL Group net revenue +1.4% to £14,169m, reflecting price / mix improvements of +2.0% and a volume decline of -0.6%.
- Hygiene delivered broad-based growth of +4.2% despite a competitive market environment, with improving volume trends supported by the strong performance of our innovation platforms, including Lysol Air Sanitizer and Finish Ultimate Plus All in 1.
- Health grew by +2.1%, with broad-based growth in Dettol, Durex, Nurofen, Gaviscon and VMS portfolios partially offset by weakness in seasonal OTC brands (c.10% of Group net revenue) due to weak cold and flu trends at the start and end of 2024.
- Nutrition declined by -7.3% as the US lapped the prior year competitor supply issue and experienced short-term disruptions to supply following the Mount Vernon tornado in July.
- Total FY net revenue on an IFRS basis was down -3.0%, reflecting foreign exchange headwinds of -4.1% and net M&A impact of -0.3%.
- Improving market share trends, 48% of our Top Category Market Units (CMUs) held or gained share; 55% in Health (2023: 46%), 55% in Hygiene (2023: 47%) and 15% (2023: 37%) in Nutrition (weighted by net revenue).
- Q4 Group LFL net revenue growth was +4.6% reflecting price / mix improvements of +2.8% and volume growth of +1.8%.
- Hygiene Q4 LFL net revenue grew by +5.5%, with broad-based growth across all of our Powerbrands, and delivered a sequential improvement in volumes (+4.4%).
- Health Q4 LFL net revenue grew by 2.4% as continued strength in Dettol, Intimate Wellness and non-seasonal OTC was partially offset by weaker contributions from Mucinex due to the delayed onset of cold and flu in the US. Health volumes declined by -2.1%, but excluding the seasonal OTC impact, were +2.5%.
- Nutrition Q4 LFL net revenue returned to growth (+8.4%), reflecting inventory restocking following the Mount Vernon tornado and the base effect of the 200bps adjustment made in Q4 2023 in relation to the voluntary recall of Nutramigen. Nutrition volumes returned to growth (+5.3%).

Group operating margins and profit

- FY gross margin 60.7% (2023: 60.0%), an increase of +70bps, driven by pricing and productivity efficiencies against a more benign environment for cost input inflation.
- Brand equity investment (BEI) increased by +3.1% (+£59m) on a constant FX basis as we strengthened investment behind innovation launches to support the long-term growth of our brands. BEI percentage of net revenue up +30bps to 13.4% (2023: 13.1%).
- FY adjusted operating profit £3,475m (2023: £3,373m) at an adjusted operating margin of 24.5% (2023: 23.1%), 140bps higher than the prior year reflecting early delivery of cost efficiencies from our Fuel for Growth programme, as well as +30bps of one-off items primarily driven by the benefit of the insurance proceeds from the Mount Vernon tornado. Fixed costs declined by -90bps to 20.9% of net revenue, versus 21.8% in 2023.
- FY IFRS operating profit was £2,425m (2023: £2,531m) at an operating profit margin of 17.1% (2023: 17.3%). This was impacted by an intangible assets impairment charge of £838 million (2023: £810m) relating to IFCN and Biofreeze, reflecting a significant capital investment programme that has commenced to meet regulatory requirements and to build greater resilience in the wider supply network for IFCN, and a more challenging marketplace for topical pain relief. Refer to Note 6 below for further details.
- Following the announcement we made in our July 2024 Strategy Update, the Group incurred £167m of one-off costs (of which £161m are one-off cash costs) in relation to transformation and restructuring, which are excluded from adjusted earnings.

EPS and dividends

- Total adjusted diluted EPS was 349.0p in 2024 (2023: 323.4p), a rise of +7.9%, due to higher adjusted operating profit, a lower share count from our ongoing share buyback, and a lower effective tax rate of 22.2% (2023: 25.2%), offset by higher net interest cost and adverse foreign exchange. Total IFRS diluted EPS was 203.2p (2022: 228.7p).
- Full year dividend increased by 5% to 202.1p (2023: 192.5p) per share, in line with our policy to deliver sustainable growth through a progressive dividend. The final proposed dividend is 121.7p (2023: 115.9p) per share.

Free cash flow

- Free cash flow was £2,232m in 2024 (2023: £2,258m) a -1.2% decrease year on year.
- We continue to maintain a strong balance sheet with net debt at 2.0x adjusted EBITDA (2023: 1.9x adjusted EBITDA).

OPERATING SEGMENT REVIEW

Hygiene — **43% of net revenue in 2024**

Net Revenue	£m	Volume	Price / Mix	LFL[1]	Net M&A	FX	Actual
FY 2024	**6,140**	**+1.8%**	**+2.4%**	**+4.2%**	**-**	**-4.1%**	**+0.1%**
Q4 2024	1,555	+4.4%	+1.1%	+5.5%	-	-3.9%	+1.6%

Operating Profit	£m	Constant FX (CER)[1]	Actual
Adjusted Operating Profit[1]	**1,375**	**+16.5%**	**+11.2%**
Adjusted Operating Profit Margin[1] %	**22.4%**		**+230bps**

1. *Non-GAAP measures are defined on page 32*

Full Year Performance

Hygiene net revenue grew +4.2% on a LFL basis to £6,140m. Growth was balanced with +2.4% price / mix improvements and +1.8% volume growth. Net revenue growth was broad-based across all Powerbrands and regions.

55% of Hygiene Top CMUs (weighted by net revenue) gained or held share during the year. Successful innovation launches and strengthened marketing were positive growth drivers, offset by a more competitive environment in the US, particularly in Auto Dish and Air Care.

Finish LFL net revenue grew mid-single digits, with strong growth across our thermoforming formats driving further premiumisation in the auto dish category as consumers continue to trade up to more superior solutions. Finish thermoformed tablets now account for 75% of our tablet net revenue.

Lysol delivered high-single digit LFL net revenue growth in the year, led by strong high-single digit growth in all surface and bathroom hygiene cleaners in our established segments of disinfection. Our innovation platforms, Lysol Laundry Sanitizer and Lysol Air Sanitizer, continue to drive category growth with penetration gains and market share growth. Lysol Air Sanitizer demonstrates how our platform discoveries lead to breakthrough propositions. Since its launch in July 2023, it has created an entirely new category with the first and only air sanitising spray approved by the EPA, which kills 99.9% of airborne viruses and bacteria.

Harpic delivered mid-single digit LFL net revenue growth in the year, led by India where our 10X Advanced Harpic formulation is delivering category share gains.

Vanish LFL net revenue grew low-single digits in the year, led by mid-single digit growth and market share gains in key markets across Europe, building on our premiumisation strategy enabled through superior performance especially in short and quick wash cycles.

We saw broad-based growth across our other Hygiene brands, including Air Wick and Mortein.

Adjusted operating profit was £1,375m, up +16.5% on a constant FX basis and +11.2% on an actual basis. Adjusted operating profit margin was 22.4%, up +230bps driven by strong gross margin expansion, effective targeted brand building and marketing investment, supported by further improvements in our fixed cost base enabled by a strong productivity programme.

Fourth Quarter Performance

Hygiene net revenue grew +5.5% in the quarter on a LFL basis, with price / mix improvements of +1.1% and volume growth of +4.4%. Growth was broad-based across brands, with Finish (high-single digits), Air Wick (mid-single digits), Vanish (high-single digits), Harpic (high-single digits) and Mortein (double digits) all delivering strong growth in the quarter. Lysol grew low-single digits despite lapping tough comparatives as a result of competitive disruption in the prior year. Growth was broad-based across all regions. Whilst we continue to see a more competitive environment in the US, Finish market share improved in Europe as we exited the year.

Health — **42% of net revenue in 2024**

Net Revenue	£m	Volume	Price / Mix	LFL[1]	Net M&A	FX	Actual
FY 2024	**5,882**	**-0.3%**	**+2.4%**	**+2.1%**	**-0.7%**	**-4.4%**	**-3.0%**
Q4 2024	1,465	-2.1%	+4.5%	+2.4%	-0.8%	-4.4%	-2.8%

Operating Profit	£m	Constant FX (CER)[1]	Actual

Adjusted Operating Profit[1]	**1,699**	**+6.5%**	**+0.5%**
Adjusted Operating Profit Margin[1] %	**28.9%**		**+100bps**

1. *Non-GAAP measures are defined on page 32*

Full Year Performance

Health net revenue grew +2.1% on a LFL basis to £5,882m, reflecting price / mix improvements of +2.4% and volume decline of -0.3%. Excluding the seasonal OTC brands, Health net revenue grew 5.3% in the full year, with volumes positive at +2.5%.

55% of Health Top CMUs (weighted by net revenue) gained or held share during the year, driven by market share gains across our Intimate Wellness and non-seasonal OTC portfolios.

Our Intimate Wellness portfolio, led by Durex, delivered high-single digit growth in the year, with double-digit growth across Developing Markets, and high-single digit growth across Europe. We are seeing strong market share gains across these geographies with higher rates of adoption being driven by improved in-store execution, distribution gains and recent innovation launches. China, our largest market for Durex, grew mid-teens LFL net revenue, helped by continued success in innovation platforms such as polyurethane condoms and hyaluronic acid condoms, which have seen a strong response from consumers, as well as our Intima feminine hygiene brand, which has seen strong growth particularly across our online channel.

Our non-seasonal OTC brands grew mid-single digits LFL net revenue in the year. Investment in expanding supply capacity enabled us to meet strong consumer demand, with Gaviscon achieving double-digit growth and improved pack fill rates, and strong growth in Nurofen across multiple European markets supported by the roll-out of Nurofen Liquid Capsules in Italy, as well as a promising early response to the launch of Nurofen sustained release with 12-hour pain relief in Romania.

Our seasonal OTC brands Mucinex and Strepsils declined high-single digits, impacted by tough prior year comparatives in Q1, a weak end to the cold and flu season in the first half of the year and a delayed onset of the US season in the second half. Even against that backdrop, the equity of these brands remains strong, and supported by ongoing innovation with the successful September 2024 launch of Mucinex Mighty Chews, the first over-the-counter medicated children's soft chew for cough relief. As the cold and flu season has come in Q1 2025, we are seeing good growth and market share gains in the US upper respiratory category early in the year.

Dettol grew low-single digits in the year, with strong volume growth partially offset by the competitive pricing actions taken in certain ASEAN markets. China delivered strong double-digit growth led by innovation across a number of platforms.

Adjusted operating profit for Health of £1,699m was up +6.5% on a constant FX basis and +0.5% on an actual basis. Adjusted operating margin was 28.9%, an increase of +100bps, with gross margin expansion and fixed cost optimisation more than offsetting increased investment behind our brands.

Fourth Quarter Performance

Net revenue grew +2.4% on a LFL basis with price / mix improvements of +4.5% and volume decline of -2.1%. Growth was led by our Intimate Wellness portfolio, with particularly strong growth in China. Non-seasonal OTC brands, Dettol and VMS also grew in the quarter. This growth was partially offset by double-digit decline in our seasonal OTC portfolio due to the delayed onset of the cold and flu season. Excluding the seasonal OTC brands, our Health portfolio grew volumes by +2.5% in the quarter.

Nutrition					**15% of net revenue in 2024**		
Net Revenue	**£m**	**Volume**	**Price / Mix**	**LFL[1]**	**Net M&A**	**FX**	**Actual**
FY 2024	**2,147**	**-7.1%**	**-0.2%**	**-7.3%**	**-**	**-3.6%**	**-10.9%**
Q4 2024	527	+5.3%	+3.1%	+8.4%	-0.3%	-7.3%	+0.8%

Operating Profit	**£m**	**Constant FX (CER)[1]**	**Actual**
Adjusted Operating Profit[1]	**401**	**-5.4%**	**-10.3%**
Adjusted Operating Profit Margin[1] %	**18.7%**		**+20bps**

1. *Non-GAAP measures are defined on page 32*

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Full Year Performance

Nutrition net revenue declined by -7.3% on a LFL basis to £2,147m, with price / mix of -0.2% and volume decline of -7.1%. This was driven by a combination of the Mount Vernon tornado, which impacted short-term supply to customers in the second half of the year, and our market shares rebasing from historical highs reached in the prior year during the competitor supply issue.

Developing Markets remained broadly flat for the full year reflecting category-led volume growth declines partially offset by growth in premium products in ASEAN.

15% of Nutrition Top CMUs (weighted by net revenue) gained or held share during the year, impacted by market shares rebasing in the US post the competitor supply shortage issue, and the impact of the Mount Vernon tornado, which resulted in us being out of stock in certain SKUs in some of our more specialised formulations.

Adjusted operating profit for Nutrition at £401m was down -5.4% on a constant FX basis and -10.3% on an actual basis. Adjusted operating margin was 18.7%, up +20bps, as reduced gross margin was offset by the effect of the insurance proceeds following the Mount Vernon tornado.

We continue to expand our market access and penetration with new format releases and international rollouts. In the higher-growth digestion segment, we successfully launched Enfamil NeuroPro Gentlease Powder in Q2 2024 to soothe stomach problems with patented prebiotics.

Fourth Quarter Performance

Nutrition net revenue grew +8.4% on a LFL basis in the quarter, as we partially refilled SKUs impacted by the tornado-related supply disruption experienced in Q3 and lapped the 200bps adjustment we made in Q4 2023 in respect of the voluntary recall of Nutramigen. Developing Markets grew mid-single digits with strong growth across ASEAN and Latin America.

Necrotizing Enterocolitis (NEC)

Certain Group subsidiaries continue to face product liability lawsuits in North America relating to allegations that preterm infant formulas and / or human milk fortifiers cause Necrotizing Enterocolitis (NEC). The Company continues to vigorously defend these claims. The first trial occurred in Q1 2024 in state court in Belleville, Illinois and resulted in a 60 million jury verdict. We disagree with the verdict and are pursuing an appeal. A second trial occurred in Q4 2024 in St. Louis, Missouri and resulted in a verdict in Mead Johnson's favour. The Plaintiff is seeking post-trial relief, including a new trial.

In October 2024, three US federal public health agencies (Food and Drug Administration, Centers for Disease Control and Prevention, National Institutes of Health) issued a consensus statement on premature infants and NEC, which stated that "[t]here is no conclusive evidence that preterm infant formula causes NEC," and while mother's milk is the preferred source of nutrition - with pasteurised donor human milk as a next best alternative - preterm infant formulas "can be critical for premature infants for whom parental or donor milk is not an option, or where a supplement to parental or donor milk is necessary for the health of the infant" and are "part of the standard of care." They end their statement by stating that "while there is a preference for human milk, all infants should be fed as soon as is medically feasible through whatever appropriate nutritious food source is available."

Performance by Geography

Net Revenue	**£m**	**Volume**	**Price / Mix**	**LFL[1]**	**Net M&A**	**FX**	**Actual**
FY 2024							
North America	4,542	-3.3%	-1.7%	-5.0%	-	-2.7%	-7.7%
Europe / ANZ	4,859	-0.4%	+4.3%	+3.9%	-	-3.7%	+0.2%
Developing Markets	4,768	+2.1%	+3.4%	+5.5%	-0.9%	-6.1%	-1.5%
Total	**14,169**	**-0.6%**	**+2.0%**	**+1.4%**	**-0.3%**	**-4.1%**	**-3.0%**
Q4 2024							
North America	1,145	-1.0%	-1.2%	-2.2%	-0.1%	-3.6%	-5.9%
Europe / ANZ	1,227	+3.1%	+2.8%	+5.9%	+0.2%	-3.3%	+2.8%

Developing Markets	1,175	+3.4%	+7.1%	+10.5%	-1.3%	-7.1%	+2.1%
Total	**3,547**	**+1.8%**	**+2.8%**	**+4.6%**	**-0.4%**	**-4.6%**	**-0.4%**

1. *Non-GAAP measures are defined on page 32*

North America LFL net revenue declined -5.0% for the full year, with strong growth in Lysol more than offset by the decline in seasonal OTC brands. Growth was also impacted by the continued market share rebasing of our Nutrition business and competitive challenges to our Finish and Air Wick brands.

In Europe / ANZ LFL net revenue grew +3.9% for the full year, with broad-based growth across Hygiene and non-seasonal OTC portfolios, offset by declines in seasonal OTC brands.

Developing Markets LFL net revenue grew +5.5% for the full year, with broad-based growth across Hygiene and Health portfolios.

ADDITIONAL FINANCIAL COMMENTARY

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

Group net revenue

On a Group basis, net revenue was £14,169m, representing +1.4% growth on a LFL basis of which -0.6% was volume and +2.0% was price / mix. Total net revenue on an IFRS basis was down by -3.0%, reflecting net M&A impact of -0.3% and foreign exchange headwinds of -4.1%.

Group operating profit

Adjusted operating profit was £3,475 million (2023: £3,373 million) at an adjusted operating margin of 24.5%, 140bps higher than the prior year (2023: 23.1%). This increase was driven by gross margins 70bps higher than 2023, and fixed costs 90bps lower than 2023. This was partially offset by BEI and other marketing spend increases of 20bps.

IFRS operating profit was £2,425 million (2023: £2,531 million) at an IFRS operating margin of 17.1% (2023: 17.3%). IFRS operating profit in 2024 was impacted by an intangible assets impairment charge of £838 million relating to IFCN and Biofreeze (2023: £810 million). The IFCN impairment of £696 million (2023: £810 million) reflects changes in the regulatory environment resulting in increased capital requirements as well as to build greater resilience in the wider supply network (see note 6). During 2024, Biofreeze performed below expectations following competitive pressure from both private label and branded competitors, new entrants to the market and a reduction in the level of displays present in the category which has resulted in an impairment of £142 million (2023: £0 million), (see note 6). IFRS operating profit was also affected by restructuring and other project costs of £167 million linked to the Group strategic announcements in 2024. This principally includes professional advisor fees and severance costs relating to business transformation and portfolio changes.

Net finance expense

Adjusted net finance expense was £323 million (2023: £247 million). The increase in adjusted net finance expense in 2024 was primarily driven by increased interest payable on borrowings due to the cost of debt issued in the period.

IFRS net finance expense was £321 million (2023: £130 million). The net finance expense under IFRS is higher in 2024 due to a £130 million credit in 2023 relating to translational foreign exchange gains arising upon liquidation of a number of subsidiaries.

Tax

The adjusted effective tax rate (ETR) was 22.2% (2023: 25.2%). The 2024 ETR benefitted from a change in estimate of uncertain tax positions.

The IFRS tax rate was 31.9% (2023: 31.4%). The IFRS ETR in 2024 is higher than the adjusted ETR due to the non-deductible impairment of intangible assets, and the non-deductible costs linked to the Group strategic announcements in 2024. The IFRS ETR in 2023 is higher than the adjusted ETR due to the non-deductible impairment of IFCN goodwill offset by the benefit from largely non-taxable gains on liquidation of subsidiaries.

Earnings per share (EPS)

Adjusted diluted EPS was 349.0 pence (2023: 323.4 pence), an increase of 7.9%. The increase was due to higher adjusted operating profit at constant exchange rates and the beneficial effect of the ongoing share repurchase programme, partly offset by the impact of foreign exchange.

IFRS diluted EPS was 203.2 pence (2023: 228.7 pence), a decrease of 11.1%. The decrease was driven by a lower operating profit and higher net finance expense, which more than offset the benefit of a lower diluted number of shares.

Balance sheet

At 31 December 2024, the Group had total equity of £6,720 million (31 December 2023: £8,469 million).

Current assets of £4,598 million (31 December 2023: £5,302 million) decreased by £704 million. Cash and cash equivalents reduced by £507m, which includes an increase in share repurchases in the year. Inventories and corporation tax receivables also reduced in the year.

Current liabilities of £7,943 million (31 December 2023: £8,338 million) decreased by £395 million. The decrease principally relates to lower borrowings and lower trade and other payables, together with lower current tax liabilities. These decreases were offset by the share repurchase liability in relation to committed purchases under the share buyback programme.

Non-current assets of £20,700 million (31 December 2023: £21,834 million) primarily comprise goodwill and other intangible assets of £17,565 million (31 December 2023: £18,588 million) and property, plant and equipment. The decrease in goodwill and other intangible assets of £1,023 million is predominantly due to impairment of IFCN and Biofreeze intangible assets.

Non-current liabilities of £10,635 million (31 December 2023: £10,329 million) increased by £306 million principally due to financing activity, offset by a reduction in non-current tax liabilities.

Net working capital

During the year, net working capital decreased by £77 million to negative £1,402 million (2023: negative £1,479m). Net working capital as a percentage of 12-month net revenue is -10% (31 December 2023: -10%).

Cash flow

	31 Dec 2024 £m	**31 Dec 2023 £m**
Adjusted operating profit	3,475	3,373
Depreciation, share-based payments and gain on disposal of fixed assets (net of proceeds)	546	585
Capital expenditure	(465)	(449)
Movement in working capital and provisions	(271)	(21)
Cash flow in relation to adjusting items[1]	(61)	(45)
Interest paid	(292)	(263)
Tax paid	(700)	(922)
Free cash flow	**2,232**	2,258
Free cash flow conversion	**91%**	97%

[1] Further details on adjusting items can be found on page 33.

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 £2,232 million decreased by £26 million or 1%. Free cash flow conversion reduced by six percentage points to 91% as the benefit of reduction in tax paid was more than offset by cash outflow relating to Group strategic announcements, higher interest paid and cash outflow from increased working capital commitments.
Net cash generated from operating activities has increased by £46 million to £2,682 million (2023: £2,636 million).

Net debt

	31 Dec 2024 £m	31 Dec 2023 £m
Opening net debt	(7,290)	(7,984)
Free cash flow	2,232	2,258
Share buyback	(1,328)	(207)
Purchase of ordinary shares by employee share ownership trust	(3)	(2)
Shares reissued	3	48
Acquisitions, disposals and purchase of investments	17	(80)
Dividends paid to owners of the parent company	(1,381)	(1,339)
Dividends paid to non-controlling interests	(2)	(8)
New lease liabilities in the period	(70)	(44)
Exchange and other movements	(91)	76
Cash flow attributable to discontinued operations	(1)	(8)
Closing net debt	(7,914)	(7,290)

At 31 December 2024, net debt was £7,914 million, an increase of £624 million from 31 December 2023, as higher capital returns through dividends (£1,381 million) and the ongoing share buy-back programme (£1,328 million) more than offset continued strong free cash flow (£2,232m). Net debt was 2.0x adjusted EBITDA at 31 December 2024 (31 December 2023: 1.9x).

The Group regularly reviews its banking arrangements and currently has adequate facilities available to it. The Group has committed borrowing facilities totalling £4,450 million (31 December 2023: £4,500 million), of which £124 million (2023: nil) was drawn at year-end and of which £3,500 million (31 December 2023: £4,450 million) expire after more than two years. 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 a final 2024 dividend of 121.7 pence (2023: 115.9 pence). The ex-dividend date will be 10 April 2025 and the dividend will be paid on 29 May 2025 to shareholders on the register at the record date of 11 April 2025. The final 2024 dividend will be accrued once approved by shareholders.

Return on Capital Employed (ROCE)

ROCE in 2024 was 13.5% (2023: 12.5%), an increase of 100bps from 2023, due to a higher Net Operating Profit after Tax (NOPAT).

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. In 2024, our strong free cash flow generation and healthy balance sheet enabled us to return £1.3bn of cash to shareholders through share repurchases.

Growing the dividend is a long-term goal of the business. The Board's dividend policy aims to deliver sustainable dividend growth in future years, subject to any significant internal or external factors. Accordingly, the 2024 dividend was increased by 5% in line with this objective.

APPENDIX A: RE-PRESENTATION OF SEGMENTAL FINANCIAL INFORMATION

APPENDIX A: RE-PRESENTATION OF SEGMENTAL FINANCIAL INFORMATION

Quarterly net revenue by segment

	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'2
Emerging Markets	970	1,044	1,037	1,065	1,036	978	967	943	987
Europe	792	794	830	819	966	849	876	856	957
North America	646	542	693	797	711	596	669	755	682
Core Reckitt	2,408	2,380	2,560	2,681	2,713	2,423	2,512	2,554	2,62
Essential Home	468	463	510	521	532	483	525	493	530
MJN	547	622	665	628	673	622	563	514	582
Reckitt	**3,423**	**3,465**	**3,735**	**3,830**	**3,918**	**3,528**	**3,600**	**3,561**	**3,73**

Quarterly net revenue by category

	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'2
Self Care	728	692	816	959	964	746	830	899	908
Germ Protection	796	760	819	791	759	733	762	744	743
Household Care	545	566	566	607	637	571	585	591	631
Intimate Wellness	339	362	359	324	353	373	335	320	344
Core Reckitt	**2,408**	**2,380**	**2,560**	**2,681**	**2,713**	**2,423**	**2,512**	**2,554**	**2,62**

Quarterly LFL net revenue growth by segment

	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'2
Emerging Markets	+6.5%	+13.2%	+3.8%	+7.0%	+2.7%	-0.2%	+6.5%	-1.4%	+5.7
Volume									+6.3
Price / mix									-0.7%
Europe	+11.9%	+23.6%	+14.8%	+3.7%	+19.9%	+8.9%	+10.9%	+7.5%	+5.4
Volume									-3.0%
Price / mix									+8.4
North America	-8.1%	-10.9%	-2.1%	+6.0%	+0.0%	+11.4%	+2.8%	-0.6%	+0.2
Volume									+0.7
Price / mix									-0.5%
Core Reckitt	**+4.0%**	**+10.4%**	**+5.8%**	**+5.6%**	**+7.4%**	**+5.5%**	**+6.9%**	**+1.6%**	**+4.1**
Volume									**+1.5**
Price / mix									**+2.7**
Essential Home	-0.3%	+2.8%	-2.6%	-3.5%	+3.7%	+1.2%	+3.1%	+7.3%	+3.2
Volume									+0.2
Price / mix									+3.0
MJN	+21.0%	+27.6%	+26.2%	+18.1%	+12.1%	-0.7%	-11.9%	-15.0%	-10.2
Volume									-12.3
Price / mix									+2.1
Reckitt	**+5.7%**	**+11.9%**	**+7.5%**	**+5.9%**	**+7.7%**	**+3.8%**	**+3.1%**	**-0.4%**	**+1.5**
Volume									**-1.1%**
Price / mix									**+2.6**

Quarterly LFL net revenue growth by category

	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'2
Self Care	54.5%	53.2%	18.9%	13.3%	23.6%	9.9%	8.3%	-1.6%	0.3%
Germ Protection	-21.2%	-11.0%	-6.2%	-3.2%	-8.8%	0.8%	2.2%	1.0%	5.2%
Household Care	6.9%	12.5%	7.0%	11.6%	11.6%	4.4%	13.4%	4.7%	7.8%
Intimate Wellness	5.0%	6.0%	7.7%	-2.6%	3.4%	8.7%	4.3%	6.3%	5.3%
Core Reckitt	**4.0%**	**10.4%**	**5.8%**	**5.6%**	**7.4%**	**5.5%**	**6.9%**	**1.6%**	**4.1%**

Annual net revenue by segment

					L
	FY'21	FY'22	FY'23	FY'24	FY'22
Emerging Markets	3,603	4,116	3,924	3,877	+7.5%
Europe	3,031	3,235	3,547	3,547	+13.0%
North America	2,464	2,678	2,731	2,606	-3.5%
Core Reckitt	**9,098**	**10,029**	**10,202**	**10,030**	**+6.3%**
Essential Home	1,904	1,962	2,033	2,027	-1.1%
MJN	1,850	2,462	2,372	2,112	+23.2%
Reckitt	**12,852**	**14,453**	**14,607**	**14,169**	**+7.6%**

Annual net revenue by category

					LI
	FY'21	FY'22	FY'23	FY'24	FY'22
Self Care	2,283	3,195	3,439	3,293	+30.4%
Germ Protection	3,364	3,166	2,998	3,008	-11.1%
Household Care	2,063	2,284	2,384	2,345	+9.5%
Intimate Wellness	1,388	1,384	1,381	1,384	+4.0%
Core Reckitt	**9,098**	**10,029**	**10,202**	**10,030**	**+6.3%**

Adjusted gross profit by segment

	H1'22	H2'22	FY'22	H1'23	H2'23	FY'23	H
Core Reckitt	**2,803**	**3,105**	**5,909**	**3,121**	**3,165**	**6,286**	**3**
Essential Home	473	506	978	515	541	1,056	[illegible]
MJN	728	746	1,474	788	630	1,418	[illegible]
Reckitt	**4,004**	**4,357**	**8,361**	**4,424**	**4,336**	**8,760**	**4**

Gross profit margin by segment

	H1'22	H2'22	FY'22	H1'23	H2'23	FY'23	H
Core Reckitt	**58.5%**	**59.3%**	**58.9%**	**60.8%**	**62.5%**	**61.6%**	**6**
Essential Home	50.8%	49.1%	49.8%	50.7%	53.2%	51.9%	5
MJN	62.3%	57.7%	59.9%	60.8%	58.5%	59.8%	6

Reckitt	**58.1%**	**57.6%**	**57.8%**	**59.4%**	**60.5%**	**60.0%**	**6**

Adjusted operating profit[1]

				Adjusted
	H1'24	H2'24	FY'24	H1'24
Emerging Markets	362	367	729	18.6%
Europe	551	512	1,063	30.7%
North America	385	409	794	30.2%
Core Reckitt	**1,298**	**1,288**	**2,586**	**25.9%**
Essential Home	230	260	490	22.8%
MJN	215	184	399	18.7%
Reckitt	**1,743**	**1,732**	**3,475**	**24.3%**

1 . Adjusted Operating Profit has been prepared by allocating fixed costs between Core Reckitt and Essential Home on the basis of Net Revenue and are not fully reflective of the cost base on a stand-alone basis.

Condensed Financial Statements

Group Income Statement
For the year ended 31 December 2024

		2024 £m	2023 £m
CONTINUING OPERATIONS			
Net Revenue		**14,169**	**14,607**
Cost of sales		**(5,574)**	**(5,847)**
Gross profit		**8,595**	**8,760**
Impairment of intangible assets		**(839)**	**(810)**
Other operating expenses		**(5,331)**	**(5,419)**
Net operating expenses		**(6,170)**	**(6,229)**
Operating profit		**2,425**	**2,531**
Finance income	3	**81**	**210**
Finance expense	3	**(402)**	**(340)**
Profit before income tax		**2,104**	**2,401**
Income tax charge	4	**(672)**	**(753)**
Net profit from continuing operations		**1,432**	**1,648**
Net (loss)/profit from discontinued operations		**(4)**	**9**
Net profit		**1,428**	**1,657**
Attributable to non-controlling interests		**2**	**14**
Attributable to owners of the parent company		**1,426**	**1,643**
Net profit		**1,428**	**1,657**
Basic earnings/(loss) per ordinary share			
From continuing operations (pence)	5	**204.2**	**227.9**
From discontinued operations (pence)	5	**(0.6)**	**1.3**
From total operations (pence)		**203.6**	**229.2**
Diluted earnings/(loss) per ordinary share			
From continuing operations (pence)	5	**203.8**	**227.4**
From discontinued operations (pence)	5	**(0.6)**	**1.3**
From total operations (pence)		**203.2**	**228.7**

Group Statement of Comprehensive Income
For the year ended 31 December 2024

	2024 £m	2023 £m
Net profit	**1,428**	1,657
Other comprehensive income/(expense)		
Items that have or may be reclassified to the Income Statement in subsequent years		
Net exchange loss on foreign currency translation, net of tax	**(442)**	(639)
Reclassification of foreign currency translation reserves on disposal or liquidation of foreign operations, net of tax	**(11)**	(131)
Gains on net investment hedges, net of tax	**85**	42
Fair value gains/(losses) on cash flow hedges, net of tax	**9**	(16)
Reclassification of cash flow hedges to the income statement	**29**	(23)
	(330)	(767)
Items that will not be reclassified to the Income Statement in subsequent years		
Remeasurements of defined benefit pension plans, net of tax	**(13)**	(26)
Revaluation of equity instruments - FVOCI, net of tax	**(28)**	(10)
	(41)	(36)
Other comprehensive expense, net of tax	**(371)**	(803)
Total comprehensive income	**1,057**	854
Attributable to non-controlling interests	**2**	13
Attributable to owners of the parent company	**1,055**	841
Total comprehensive income	**1,057**	854
Total comprehensive income attributable to owners of the parent company arising from:		
Continuing operations	**1,059**	832
Discontinued operations	**(4)**	9
	1,055	841

Group Balance Sheet
As at 31 December 2024

		2024 **£m**	2023 £m
ASSETS			
Non-current assets			
Goodwill and other intangible assets	6	**17,565**	18,588
Property, plant and equipment		**2,385**	2,399
Equity instruments		**108**	118
Deferred tax assets		**243**	287
Retirement benefit surplus		**269**	270
Other non-current receivables		**130**	172
Total non-current assets		**20,700**	21,834
Current assets			
Inventories		**1,517**	1,637
Trade and other receivables		**2,091**	2,062
Derivative financial instruments		**61**	64
Current tax recoverable		**45**	80
Cash and cash equivalents		**880**	1,387
Assets held for sale		**4**	72
Total current assets		**4,598**	5,302
Total assets		**25,298**	27,136
LIABILITIES			
Current liabilities			
Short-term borrowings	7	**(1,423)**	(1,679)
Provisions for liabilities and charges		**(112)**	(142)
Trade and other payables		**(5,291)**	(5,506)
Derivative financial instruments		**(38)**	(78)
Share repurchase liability		**(477)**	(296)
Current tax liabilities		**(602)**	(620)
Liabilities held for sale		**-**	(17)
Total current liabilities		**(7,943)**	(8,338)
Non-current liabilities			
Long-term borrowings	7	**(7,235)**	(6,858)
Deferred tax liabilities		**(2,849)**	(2,899)
Retirement benefit obligations		**(235)**	(233)
Provisions for liabilities and charges		**(62)**	(57)
Derivative financial instruments		**(173)**	(187)
Non-current tax liabilities		**-**	(28)
Other non-current liabilities		**(81)**	(67)
Total non-current liabilities		**(10,635)**	(10,329)
Total liabilities		**(18,578)**	(18,667)
Net assets		**6,720**	8,469
EQUITY			
Capital and reserves			
Share capital		**74**	74
Share premium		**254**	254
Merger reserve		**(14,229)**	(14,229)
Other reserves		**(1,390)**	(1,060)
Retained earnings		**21,990**	23,409
Attributable to owners of the parent company		**6,699**	8,448
Attributable to non-controlling interests		**21**	21
Total equity		**6,720**	8,469

Group Statement of Changes in Equity
For the year ended 31 December 2024

	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 £m
Balance at 1 January 2023	74	254	(14,229)	(294)	23,638	9,443	40	9,483

Balance at 1 January 2023	74	254	(14,229)	(294)	23,638	9,443	40	9,483
Comprehensive income								
Net profit	-	-	-	-	1,643	1,643	14	1,657
Other comprehensive income/(expense)	-	-	-	(766)	(36)	(802)	(1)	(803)
Total comprehensive income/(expense)	-	-	-	(766)	1,607	841	13	854
Transactions with owners								
Treasury shares reissued	-	-	-	-	48	48	-	48
Purchase of ordinary shares by employee share ownership trust	-	-	-	-	(2)	(2)	-	(2)
Repurchase of ordinary shares	-	-	-	-	(503)	(503)	-	(503)
Share based payments	-	-	-	-	102	102	-	102
Tax on share awards	-	-	-	-	1	1	-	1
Cash dividends	-	-	-	-	(1,339)	(1,339)	(8)	(1,347)
Forward purchase of shares held by non-controlling interest	-	-	-	-	(143)	(143)	(24)	(167)
Total transactions with owners	-	-	-	-	(1,836)	(1,836)	(32)	(1,868)
Balance at 31 December 2023	74	254	(14,229)	(1,060)	23,409	8,448	21	8,469
Comprehensive income								
Net profit	-	-	-	-	1,426	1,426	2	1,428
Other comprehensive income/(expense)	-	-	-	(330)	(41)	(371)	-	(371)
Total comprehensive income/(expense)	-	-	-	**(330)**	**1,385**	**1,055**	**2**	**1,057**
Transactions with owners								
Treasury shares reissued	-	-	-	-	3	3	-	3
Purchase of ordinary shares by employee share ownership trust	-	-	-	-	(2)	(2)	-	(2)
Repurchase of ordinary shares	-	-	-	-	(1,509)	(1,509)	-	(1,509)
Share-based payments	-	-	-	-	85	85	-	85
Cash dividends	-	-	-	-	(1,381)	(1,381)	(2)	(1,383)
Total transactions with owners	**-**	**-**	**-**	**-**	**(2,804)**	**(2,804)**	**(2)**	**(2,806)**
Balance at 31 December 2024	**74**	**254**	**(14,229)**	**(1,390)**	**21,990**	**6,699**	**21**	**6,720**

Group Cash Flow Statement
For the year ended 31 December 2024

	2024 £m	2023 £m
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**2,104**	2,401
Net finance expense	**321**	130
Operating profit from continuing operations	**2,425**	2,531
Loss/(profit) on sale of property, plant and equipment and intangible assets	**3**	(34)
Depreciation, amortisation and impairment	**1,308**	1,290
Share-based payments	**85**	102
Decrease in inventories	**61**	118
Increase in trade and other receivables	**(133)**	(87)
Decrease in payables and provisions	**(74)**	(91)
Cash generated from continuing operations	**3,675**	3,829
Interest paid	**(350)**	(293)
Interest received	**58**	30
Tax paid	**(700)**	(922)
Net cash flows attributable to discontinued operations	**(1)**	(8)
Net cash generated from operating activities	**2,682**	2,636
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(370)**	(348)
Purchase of intangible assets	**(95)**	(101)
Proceeds from the sale of property, plant and equipment	**14**	63
Proceeds from sale of intangible assets and related businesses, net of cash disposed	**57**	1
Acquisition of businesses, net of cash acquired	**-**	(81)
Other investing activities	**(2)**	-
Net cash used in investing activities	**(396)**	(466)
CASH FLOWS FROM FINANCING ACTIVITIES		
Treasury shares reissued	**3**	48
Purchase of ordinary shares by employee share ownership trust	**(3)**	(2)
Repurchase of ordinary shares	**(1,328)**	(207)
Proceeds from borrowings	**1,768**	1,638
Repayment of borrowings	**(1,687)**	(1,855)
Dividends paid to owners of the parent company	**(1,381)**	(1,339)
Dividends paid to non-controlling interests	**(2)**	(8)
Acquisition of non-controlling interest	**(38)**	-

Other financing activities[1]	**(47)**	(84)
Net cash used in financing activities	**(2,715)**	(1,809)
Net (decrease) / increase in cash and cash equivalents	**(429)**	361
Cash and cash equivalents at beginning of the year	**1,380**	1,156
Exchange losses	**(72)**	(137)
Cash and cash equivalents at end of the year	**879**	1,380
Cash and cash equivalents comprise:		
Cash and cash equivalents per the balance sheet[2]	**880**	1,387
Overdrafts	**(1)**	(7)
	879	1,380

1. Cash flow from other financing activities are principally composed of cash receipts and payments on derivative contracts used to hedge foreign exchange gains or losses on non-Sterling financing assets and financing liabilities between the Group's treasury company and fellow Group subsidiaries.
2. Included within cash and cash equivalents is £120 million of cash (2023: £229 million) which is restricted for use by the Group but is available on demand and freely available for use within the relevant subsidiary.

Notes to Condensed Financial Statements

1 ACCOUNTING POLICIES

General

Reckitt Benckiser Group plc is a public limited company listed on the London Stock Exchange and incorporated and domiciled in England. The address of its registered office is 103-105 Bath Road, Slough, Berkshire, SL1 3UH.

Basis of Preparation

The financial information for the year ended 31 December 2024 is derived from the full Annual Report which was approved by the Board of Directors on 5 March 2025. The consolidated financial statements in the full Annual Report are prepared in accordance with UK-adopted International Financial Reporting Standards ('IFRS'), with IFRS as issued by the International Accounting Standards Board ('IASB') and with the requirements of the Companies Act 2006.

The auditor's report on those consolidated financial statements was unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under section 498(2) or 498(3) of the Companies Act 2006. This financial information does not comprise statutory accounts within the meaning of section 434(3) of the Companies Act 2006. The Annual Report for the year ended 31 December 2024 will be delivered to the Registrar of Companies following the Group's Annual General Meeting on 8 May 2025. The Annual Report for the year ended 31 December 2023 has been delivered to the Registrar of Companies.

This financial information does not itself contain sufficient information to comply with IFRS. A separate announcement will be made in accordance with Disclosure and Transparency Rules (DTR) 6.3 when the annual report and audited financial statements for the year ended 31 December 2024 are made available on the Group's website on 26 March 2025.

The preparation of this financial information requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenue and expenses during the reporting period. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Going Concern

The Directors considered it appropriate to adopt the going concern basis of accounting in preparing the consolidated Financial Statements. When reaching this conclusion, the Directors took into account the Group's overall financial position, exposure to principal risks and future business forecasts for at least 12 months from the date of approval of these Financial Statements. At 31 December 2024, the Group had cash and cash equivalents excluding restricted cash of £0.8 billion. The Group also had access to committed borrowing facilities of £4.45 billion, of which £124 million (2023:£nil) was drawn at year end and of which £3.5 billion (31 December 2023: £4.5 billion) expire after more than two years.

New Standards, Amendments and Interpretations

On 1 January 2024, the Group adopted certain new accounting policies where necessary to comply with amendments to IFRS, none of which had a material impact on the consolidated results, financial position or cash flows of the Group. Further details are provided in the Group's Annual Report for the year ended 31 December 2024.

Critical accounting judgments

The judgements in the application of the Group's accounting policies in the year ended 31 December 2024 are the same as in the year ended 31 December 2023 except for the following:

- In 2023 management has made judgments relating to the allocation of consideration between the different elements in the forward contract to purchase the non-controlling interest in RB Manon which is no longer a critical accounting judgement for 2024.

- Management has determined that the Essential Home business should not be classified as held for sale as at 31 December 2024, given the significant level of pre-sale activity remaining to be completed before the Essential Home business could be considered to be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such disposal groups.

Key sources of estimation uncertainty

Each year, management is required to make a number of assumptions regarding the future. The related year end accounting estimates will, by definition, seldom equal the final actual results. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are the same as in the year ended 31 December 2023.

2 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 segment profit being 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 year ended 31 December 2024 and 31 December 2023 is as follows:

	Hygiene	**Health**	**Nutrition**	**Adjusting Items**	**Total**
Year ended 31 December 2024	**£m**	**£m**	**£m**	**£m**	**£m**
Net revenue	**6,140**	**5,882**	**2,147**	**-**	**14,169**
Depreciation and amortisation	**(159)**	**(189)**	**(88)**	**(25)**	**(461)**
Operating profit	**1,375**	**1,699**	**401**	**(1,050)**	**2,425**
Net finance expense					**(321)**
Profit before income tax					**2,104**
Income tax charge					**(672)**
Net profit from continuing operations					**1,432**

	Hygiene	Health	Nutrition	Adjusting Items	Total
Year ended 31 December 2023	£m	£m	£m	£m	£m
Net revenue	6,135	6,062	2,410	-	14,607
Depreciation and amortisation	(155)	(193)	(96)	(26)	(470)
Operating profit	1,236	1,690	447	(842)	2,531
Net finance expense					(130)
Profit before income tax					2,401
Income tax charge					(753)
Net profit from continuing operations					1,648

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, which includes in the year to 31

December 2024 a £696 million impairment of IFCN intangible assets (Note 6), £142 million impairment of Biofreeze intangible assets (Note 6), and other project costs of £167 million linked to the group strategic announcements in 2024.

3 NET FINANCE EXPENSE

	2024	2023
	£m	£m
Finance income		
Foreign exchange net gain on liquidation of subsidiaries	-	130
Interest income on cash and cash equivalents	**53**	41
Pension net finance income	**5**	8
Foreign exchange gains on intercompany financing, net of hedging	**-**	21
Finance income on tax balances	**15**	-
Other finance income	**8**	10
Total finance income	**81**	210
Finance expense		
Interest payable on borrowings	**(363)**	(295)
Finance expense on tax balances	**-**	(22)
Forward purchase agreement interest expense	**(17)**	-
Interest payable on leases	**(13)**	(14)
Other finance expense	**(9)**	(9)
Total finance expense	**(402)**	(340)
Net finance expense	**(321)**	(130)

4 INCOME TAX EXPENSE

	2024 **£m**	2023 £m
Current tax	**747**	783
Adjustment in respect of prior periods	**(47)**	22
Total current tax	**700**	805
Origination and reversal of temporary differences	**(30)**	(51)
Impact of changes in tax rates	**2**	(1)
Total deferred tax	**(28)**	(52)
Income tax charge	**672**	753

5 EARNINGS PER SHARE

	2024 **pence**	2023 pence
Basic earnings per share		
From continuing operations	**204.2**	227.9
From discontinued operations	**(0.6)**	1.3
Total basic earnings per share	**203.6**	229.2
Diluted earnings per share		
From continuing operations	**203.8**	227.4
From discontinued operations	**(0.6)**	1.3
Total diluted earnings per share	**203.2**	228.7

Basic

Basic earnings per share is calculated by dividing the net income attributable to owners of the Parent Company from continuing operations (2024: £1,430 million income, 2023: £1,634 million income) and discontinued operations (2024: £4 million expense; 2023: £9 million income) by the weighted average number of ordinary shares in issue during the year (2024: 700,386,007; 2023: 716,700,954).

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 the balance sheet date. As at 31

December 2024, there were 16,237,641 (2023: 15,150,221) Executive Share Awards excluded from the dilution because the exercise price for the options was greater than the average share price for the year or the performance criteria have not been met.

	2024 average number of shares	2023 average number of shares
On a basic basis	**700,386,007**	716,700,954
Dilution for Executive Share Awards	**1,261,552**	1,368,088
Dilution for Employee Sharesave Scheme Options	**94,701**	214,492
On a diluted basis	**701,742,260**	718,283,534

6 GOODWILL AND OTHER INTANGIBLE ASSETS

	Brands £m	Goodwill £m	Software £m	Other £m	Total £m
Cost					
At 1 January 2023	14,525	11,036	653	278	26,492
Additions	-	-	101	-	101
Arising on business combinations	-	17	-	39	56
Disposals	(1)	-	-	-	(1)
Reclassifications	-	-	4	-	4
Reclassifications to held for sale	(124)	-	-	-	(124)
Exchange adjustments	(583)	(660)	(5)	(4)	(1,252)
At 31 December 2023	**13,817**	**10,393**	**753**	**313**	**25,276**
Additions	-	-	95	-	95
Arising on business combinations	-	2	1	-	3
Disposals	-	(8)	(5)	-	(13)
Reclassifications	5	(4)	-	(1)	-
Exchange adjustments	(118)	(40)	(10)	7	(161)
At 31 December 2024	**13,704**	**10,343**	**834**	**319**	**25,200**
Accumulated amortisation and impairment					
At 1 January 2023	379	5,427	335	148	6,289
Amortisation	20	-	79	8	107
Impairment	-	810	2	-	812
Disposals	(1)	-	-	-	(1)
Reclassifications to held for sale	(77)	-	-	-	(77)
Exchange adjustments	(10)	(422)	(4)	(6)	(442)
At 31 December 2023	**311**	**5,815**	**412**	**150**	**6,688**
Amortisation	21	-	79	8	108
Impairment[1]	143	696	-	-	839
Disposals	(1)	-	(1)	-	(2)
Exchange adjustments	(7)	11	(5)	3	2
At 31 December 2024	**467**	**6,522**	**485**	**161**	**7,635**
Net book value					
At 31 December 2023	**13,506**	**4,578**	**341**	**163**	**18,588**
At 31 December 2024	**13,237**	**3,821**	**349**	**158**	**17,565**

1. Includes impairment of IFCN and Biofreeze.

Annual Impairment Review

Goodwill and other indefinite life intangible assets must be tested for impairment on at least an annual basis. An impairment loss is recognised when the recoverable amount of a GCGU or CGU falls materially below its net book value at the date of testing.

The determination of recoverable amount, being the higher of value-in-use and fair value less costs to dispose, is inherently judgemental and requires management to make multiple estimates, for example around individual market pressures and forces, future price and volume growth, future margins, terminal growth rates and discount rates.

When forecasting the annual cash flows that support the recoverable amount, the Group generally uses its short-term budgets and medium-term strategic plans, with additional senior management and Board-level review. Cash flows beyond the five-year period are projected using terminal growth rates. These rates do not exceed the long-term average growth rate for the products and markets in which the GCGU or CGU operates.

The cash flows are discounted back to their present value using a pre-tax discount rate considered appropriate for each GCGU and CGU. These rates have been derived from management's views on the relevant weighted average cost of capital, subsequently converted to the pre-tax equivalent discount rate.

For the Health and Hygiene GCGUs, and the Intimate Wellness CGU, as at 31 December 2024 any reasonably possible change in the key valuation assumptions would not imply possible impairment. The recoverable amount for each of these GCGUs and CGU was determined utilising the value-in-use basis (2023: value-in-use basis) with key assumptions including a pre-tax discount rate of 9% for Health, Hygiene and Intimate Wellness (2023: 11% for Health, Hygiene and Intimate Wellness), and a terminal growth rate of either 2.5% for Health, Intimate Wellness and Biofreeze (2023: 2.5%), or 2% for Hygiene and IFCN (2023: 2%).

IFCN

Since the disposal of the IFCN China business in September 2021, the IFCN CGU has represented the Group's remaining IFCN business principally in North America, Latin America and ASEAN. In impairment assessments conducted in both 2021 and 2022, management determined that the recoverable amount of IFCN was higher than its' carrying value such that no impairment was required.

During 2023 the market environment for IFCN continued to be influenced by the infant formula supply shortages in the US which resulted from the temporary closure of a major factory belonging to a competitor. The infant formula supply shortages have resulted in an evolving regulatory environment, which developed over the course of 2023 and 2024. Compliance with enhanced regulatory requirements is expected to increase the capital requirement for the IFCN business and to impact the cost of manufacture in future periods.

In 2023, as a result of these regulatory factors and to incorporate the effect of higher interest rates, management increased the pre-tax discount rate used to determine the value-in-use of the IFCN CGU. This resulted in the IFCN net book value exceeding its recoverable amount, and so management recorded an impairment loss against IFCN goodwill of £810 million.

During 2024, management further developed their response to the changing regulatory environment and to provide greater resilience to the supply network which now includes significantly more capital expenditure and the accelerated replacement of capital equipment. This capital investment programme over the next five years includes the delivery of replacement spray dryer capacity.

This resulted in the IFCN net book value exceeding its recoverable amount, therefore management has recorded an impairment loss against IFCN goodwill of £696 million to record the IFCN CGU at its recoverable amount of £3,890 million.

The recoverable amount for IFCN has been calculated on a value-in-use basis (2023: value-in-use basis). The value-in-use of IFCN was determined utilising a discounted cash flow approach with future cash flows derived from a detailed five-year financial plan. Cash flows beyond the five-year plan are projected using a terminal growth rate. The valuation used a pre-tax discount rate of 11% (2023: 11%) and an IFCN specific terminal growth rate of 2.0% (2023: 2.0%).

The determination of the recoverable amount for IFCN at 31 December 2024 incorporates certain key assumptions, some of which are subject to considerable uncertainty. These assumptions include but are not limited the costs of complying with the evolving regulatory landscape, execution of the capital programme, ongoing resilience risk within the supply network, net revenue growth rates, the commercial success of new product launches and the expansion of speciality nutrition. The value in use does not include any possible net cash outflows in respect of current and future NEC litigation (note 9). As no headroom exists between the IFCN recoverable amount and net book value, any changes to these assumptions, or any deterioration in other macro or business-level assumptions supporting the IFCN recoverable amount could necessitate the recognition of impairment losses in future periods

The key assumptions used in the estimation of value-in-use of IFCN are outlined below:

	2024
Pre-tax discount rate	11%
Terminal growth rate	2.0%
Net revenue compound annual growth rate (CAGR) for the period 2024-2029[1]	3.2%
Gross margin CAGR for the period 2024-2029[1]	2.7%

	2023
Pre-tax discount rate	11.0%
Terminal growth rate	2.0%
Net revenue compound annual growth rate (CAGR) for the period 2023-2028[1, 2]	1.5%
Gross margin CAGR for the period 2023-2028[3]	2.2%

1 These have been determined on a constant FX basis

2 The net revenue CAGR for the period 2024-2028 is circa 4%, following rebasing of Nutrition net revenue in 2024

3 The gross margin CAGR for the period 2024-2028 is circa 5%

The key estimates incorporated within the determination of the IFCN recoverable amount are summarised below:

Key estimates	**Commentary**
Capital expenditure	A significant capital investment programme has commenced to meet regulatory requirements and to build greater resilience in the wider supply network.
Market	In the US, management expects birth rates to be relatively stable. Tendering for WIC contracts continues to be highly competitive but management expects this to remain stable. Within LATAM and ASEAN, management expects conditions to stabilize after recent inflationary price increases.
Net Revenue	In the short to medium term, the valuation model assumes a five-year CAGR of 3.2%. This is expected to be achieved through ongoing premiumisation, inflationary price increases and revenues from new products/category launches including the expansion of speciality nutrition.
Margins	In the short to medium term, the valuation model assumes IFCN margins (both gross and operating)

	decline marginally as the capital expenditure programme is delivered. In the long term these are expected to return more normalised levels.
Discount rate	Management determined an IFCN-specific weighted average cost of capital (WACC) and the implied pre-tax discount rate with the support of a third-party expert. In addition, management performed benchmarking against other comparable companies. The specific risk premium reflects the risk associated with the delivery of the capital investment programme over the next five years and the continued impact of the evolving regulatory environment.
Terminal growth rate	Management engaged a third-party expert to help calculate an IFCN-specific terminal growth rate. Management is satisfied with the reasonableness of the terminal growth rate when compared against independent market growth projections and long-term country inflation rates.

The table below shows the sensitivity of the recoverable amount to reasonably possible changes in key assumptions. The table assumes no related response by management (for example, to drive further cost savings) and is hence theoretical in nature.

	2024
	£m
Expected Net Revenue growth rates (2025 to 2029) adjusted by 100bps	+475/-460
Expected EBIT growth rates (2025 to 2029) adjusted by 100bps	+220/-215
Terminal growth rate (applied from 2030) adjusted by 50bps	+330/-280
Pre-tax discount rate adjusted by 50bps	+280/-250

The inclusion of a further £200 million of capital expenditure in the value-in-use model, without any associated improvements in gross margin, would result in an additional impairment of £154 million.

	2023
	£m
Expected Net Revenue growth rates (2024 to 2028) adjusted by 100bps	+410/-400
Expected EBIT growth rates (2024 to 2028) adjusted by 100bps	+220/-210
Terminal growth rate (applied from 2029) adjusted by 50bps	+290/-250
Pre-tax discount rate adjusted by 50bps	+270/-240

Biofreeze

On 12 July 2021, the Group acquired 100% of the equity interests in Lanai Holdings, owner of the Biofreeze and TheraPearl brands, for cash consideration of 1,060 million (£766 million). Biofreeze is a leader in over-the-counter topical pain relief, with a strong footprint in the North America retail and clinical channels and a growing international presence.

During 2022, Biofreeze performed below expectations following a short-term category slowdown, in part due to macroeconomic conditions. This underperformance, together with the macroeconomic environment, introduced additional uncertainty into future Biofreeze cash flows. To reflect this uncertainty, management increased the pre-tax discount rate used to determine value-in-use to 12.0%. This resulted in the book value of the Biofreeze CGU exceeding its recoverable amount at 31 December 2022, therefore in 2022 management recorded a goodwill impairment of £152 million to record Biofreeze at its recoverable amount of £698 million (843 million). Following this impairment, at 31 December 2022 no headroom remained between the Biofreeze recoverable amount and net book value.

During the second half of 2023, the integration of Biofreeze into the Health business was completed. Following this integration, Biofreeze goodwill is monitored at the Health GCGU level and Biofreeze goodwill has accordingly been transferred to the Health GCGU. An impairment review of the Biofreeze CGU inclusive of goodwill was performed immediately prior to the transfer of the goodwill, with this review performed as at 30 September 2023. Biofreeze goodwill was deemed recoverable immediately prior to transfer to the Health GCGU.

During 2024, Biofreeze performed below expectations following a reduction in the level of displays present in the category, competitive pressure from both private label and branded competitors, new entrants to the market and a reduction in the level of displays present in the category. This resulted in Biofreeze net book value exceeding its recoverable amount at 31 December 2024, therefore management has recorded an impairment against the brand intangibles of £142 million (178 million) to record Biofreeze at its recoverable amount of £531 million (664 million). The recoverable amount for the Biofreeze CGU has been determined on a value-in-use basis using a discounted cash flow approach, with future cash flows derived from a detailed five-year plan. Cash flows beyond the five-year plan have been projected using a terminal growth rate of 2.5% (2023: 2.5%).

The determination of the recoverable amount for Biofreeze in the 2024 impairment assessment incorporates certain key assumptions, some of which are subject to considerable uncertainty. These assumptions include but are not limited to anticipated market share improvement, the commercial success of new product launches and international market expansion. The key assumptions used in the estimation of value-in-use of Biofreeze at 31 December 2024 are outlined below.

	31 December 2024
Pre-tax discount rate	11%
Terminal growth rate	2.5%
Net revenue compound annual growth rate (CAGR) for the period 2024-2029	8%

Gross margin CAGR for the period 2024-2029	8%

The key estimates incorporated within the determination of the Biofreeze recoverable amount in 2024 are summarised below:

Key estimates	Commentary
Net Revenue	In the short to medium term, the valuation model assumes a five-year CAGR of 8%, to be delivered through category growth and market share growth driven by a mix of innovation arising from format expansion of existing products and international expansion.
Margins	In the short to medium term, the valuation model assumes Biofreeze margins (both gross and operating) to increase from current levels as Biofreeze benefits from productivity initiatives on integrating into Reckitt.
Discount rate	Management determined the Biofreeze-specific weighted average cost of capital (WACC) and the implied pre-tax discount rate with the support of a third-party expert. For valuation purposes management used the mid-point of the calculated range to reflect uncertainty in certain key assumptions.
Terminal growth rate	Management is satisfied with the reasonableness of the terminal growth rate when compared against independent market growth projections and long-term country inflation rates.

The table below shows the sensitivity of the recoverable amount to reasonably possible changes in key assumptions. The table assumes no related response by management (for example, to drive further cost savings) and hence is theoretical in nature.

	31 December 2024
Expected Net Revenue growth rates (2025 to 2029) adjusted by 100bps	+45/-40
Expected EBIT growth rates (2025-2029) adjusted by 100bps	+30/-25
Terminal growth rate (applied from 2030) adjusted by 50bps	+45/-40
Pre-tax discount rate adjusted by 50bps	+45/-40

7 FINANCIAL LIABILITIES - BORROWINGS

Current	2024 £m	2023 £m
Bank loans and overdrafts[1]	**148**	30
Commercial paper	**592**	-
Bonds	**-**	1,571
Senior notes	**604**	-
Lease liabilities	**79**	78
Total short-term borrowings	**1,423**	1,679
Non-Current		
Bonds	**6,302**	5,304
Senior notes	**703**	1,292
Other non-current borrowings	**9**	13
Lease liabilities	**221**	249
Total long-term borrowings	**7,235**	6,858
Total borrowings	**8,658**	8,537
Derivative financial instruments	**136**	140
Less overdrafts presented in cash and cash equivalents in the Cash Flow Statement	**(1)**	(7)
Total financing liabilities	**8,793**	8,670

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

The Group uses derivative financial instruments to hedge certain elements of interest rate and exchange risk on its financing liabilities. The split between these items and other derivatives on the Balance Sheet is shown below:

	Assets		Liabilities	
2024 (£m)	**Current**	**Non-current[1]**	**Current**	**Non-current**
Derivative financial instruments (financing liabilities)	**32**	**14**	**(25)**	**(157)**
Derivative financial instruments (non-financing liabilities)	**29**	**3**	**(13)**	**(16)**
At 31 December 2024	**61**	**17**	**(38)**	**(173)**

1 Included within other non-current receivables on the Balance Sheet

Included within other non-current receivables on the Balance Sheet

2023 (£m)	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current
Derivative financial instruments (financing liabilities)	45	50	(58)	(177)
Derivative financial instruments (non-financing liabilities)	19	-	(20)	(10)
At 31 December 2023	64	50	(78)	(187)

Reconciliation of movement in financing liabilities to Cash Flow Statement	**2024 £m**	2023 £m
At 1 January	**8,670**	9,140
Proceeds from borrowings	**1,768**	1,638
Repayment of borrowings	**(1,687)**	(1,855)
Other financing cash flows	**(47)**	(84)
Total financing cash flows	**34**	(301)
New lease liabilities	**70**	44
Exchange, fair value and other movements	**19**	(213)
Total non-cash financing items	**89**	(169)
At 31 December	**8,793**	8,670

8 DIVIDENDS

	2024 £m	2023 £m
Cash dividends on equity ordinary shares:		
2023 Final paid: 115.9p (2022: Final paid: 110.3p) per share	**820**	790
2024 Interim paid: 80.4p (2023: Interim paid: 76.6p) per share	**561**	549
Total dividends for the year	**1,381**	1,339

The Directors are proposing a final dividend in respect of the financial year ended 31 December 2024 of 121.7 pence per share which will absorb an estimated £830 million of shareholders' funds. If approved by shareholders it will be paid on 29 May 2025 to shareholders who are on the register on 11 April 2025, with an ex-dividend date of 10 April 2025.

9 CONTINGENT LIABILITIES AND ASSETS

Humidifier Sanitiser issue

The Humidifier Sanitiser (HS) issue in South Korea was a tragic event. The Group continues to make both public and personal apologies to the victims who have suffered lung injury as a result of the Oxy HS product and the role that the Oxy HS product played in the issue.

As previously reported, the South Korean government had designated a number of diseases as HS injuries, in addition to the HS lung injury for which Reckitt Korea's compensation plan was established. These include asthma, toxic hepatitis, child interstitial lung disease (ILD), bronchitis, upper airway disease, pneumonia, skin disease (accompanied by respiratory injuries) and depression (accompanied by respiratory injuries).

The Korean National Assembly passed a bill on 6 March 2020 to amend the HS law with the main changes in the amendment relating to: (i) the definition of HS injury (essentially allowing the MOE to recognize a variety of disease as IRF injury based on individual review of each IRF application); (ii) the legal presumption of causation (shifting the burden of proof for causation to the defendant if the plaintiff demonstrates 'epidemiological correlation' between HS exposure and their injury), and (iii) amendments to the fund set up by the government and funded by the government and HS companies (the Special Relief Fund (SRF), now called the Injury Relief Fund (IRF)) to provide expanded support payments to HS victims which would cover all elements of court awarded damages except mental distress, aside from KRW 100 million consolation payments for death cases, and partial lost income.

The Group currently has a provision of £30 million (2023: £27 million) in relation to the HS issue in South Korea. In addition, there are further potential costs that are not considered probable and cannot be reliably estimated at the current time. The impact of the HS law amendments will require further monitoring and analysis, in particular those which will be subject to court interpretation, such as the new epidemiological correlation standard, any limitation applied by courts to damage awards, the interest rate applied by individual courts to damage awards and external factors such as the rate of future IRF applications/recognitions. Accordingly, it is not possible to make any reliable estimate of liability for individuals recognised by the government as having HS injuries.

Necrotising Enterocolitis (NEC)

Product liability actions relating to NEC have been filed against certain Group subsidiary companies, or against certain Group subsidiary companies and Abbott Laboratories, in state and federal courts in the United States. The actions allege injuries relating to NEC in preterm infants. Plaintiffs contend that human milk fortifiers (HMF) and preterm formulas containing bovine-derived ingredients cause NEC, and that preterm infants should receive a diet of exclusive breast milk. The Company has denied the material allegations of the claims. It contends that its products provide critical tools to expert neonatologists for the nutritional management of preterm infants for whom human milk, by itself, is not available or nutritionally sufficient. The products are used under the supervision of medical doctors. Any potential costs relating to the product liability actions are not considered probable and cannot be reliably estimated at the current time. Given the uncertainty on the number of cases and range of possible results and/or outcomes on each case, the possible economic outflow cannot be reliably estimated, but may be significant. In 2025 there are currently two trials scheduled, these are currently expected to take place in H2 2025.

Whitfield Case

On 31 October 2024, a state court jury in the city of St. Louis, Missouri ruled in favour of Mead Johnson. The case involved a child who was born prematurely, developed NEC and has allegedly experienced subsequent long term health issues. Given the verdict, an economic outflow is not considered probable. The Plaintiff has filed a post-trial motion seeking a new trial.

Watson Case

On 13 March 2024, a state court jury in Belleville, Illinois awarded 60 million to a mother of a child who was born prematurely and died 25 days later from Necrotizing Enterocolitis (NEC). Reckitt believe the allegations from the plaintiff's lawyers in this case were not supported by the science or the experts in the medical community. Reckitt are appealing the verdict, and at this time, an economic outflow is not considered probable. There is a possible outcome that may be unfavourable, however, the Group expects to benefit from relevant product liability insurance subject to limits and deductibles that the Group considers to be reasonable.

Phenylephrine

Starting in September 2023, putative class action lawsuits have been filed against the Group and competitor companies in various United States jurisdictions that generally allege that the defendants made misrepresentations about the effectiveness of products containing phenylephrine. In December 2023, the Judicial Panel on Multidistrict Litigation (JPML) transferred all currently pending federal court cases and any similar, subsequently filed cases to a coordinated multi-district litigation (MDL) in the Eastern District of New York for pre-trial purposes. In October 2024, a motion to dismiss the lawsuits was granted, dismissing all claims. The plaintiffs are appealing that ruling. Potential costs relating to these actions are not considered probable and cannot be reliably estimated at the current time.

Other

From time to time, the Group is involved in discussions in relation to ongoing tax matters in a number of jurisdictions around the world. Where appropriate, the Directors make provisions based on their assessment of each case.

10 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 these preliminary results is prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) 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, as 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;
  - 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 pages 33-34 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 adjusted items policy. See pages 33-34 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 diluted EPS and adjusted diluted EPS
- **Adjusted EBITDA**

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. Disposals include low margin manufacturing revenues which are agreed at the time of sale of a brand or business. 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 and excludes the effect of applying hyperinflation accounting in the relevant subsidiaries
- **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 less interest accrued on tax balances, indemnity provisions for disposed businesses and forward purchase liabilities. 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 the 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 36. 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 CMUs that are the most strategically important (top CMUs). The list of CMUs is kept under continual review and will change over time based on strategic decisions. Currently, CMUs cover c.67% of Group net revenue and between c.63% to c.81% of each Global Business Unit's (GBU) net revenue. As a measure of competitiveness, management tracks the percentage of CMUs holding or gaining market share, weighted by net revenue
- **Discontinued operations:** Includes credits or charges related to the previously demerged RB Pharmaceuticals business that became Indivior plc. Net profit/(loss) from discontinued operations is presented as a single line item in the Group Income Statement
- **Return on Capital Employed (ROCE):** Defined as adjusted operating profit after tax divided by monthly average capital employed. Capital employed comprises total assets less current liabilities other than borrowings-related liabilities. Total assets exclude cash, retirement benefit surplus, current tax and a technical gross-up to goodwill that arises because of deferred tax liabilities recorded against identified assets acquired in business combinations. Total assets have been adjusted to add back impairments of Goodwill except where the impaired asset has been disposed or partially disposed. Current liabilities exclude the share repurchase liability, legal provisions recorded as a result of adjusting items and current tax
- **Net revenue attributable to 'more sustainable' products:** A product is defined as 'more sustainable' when it scores a total of 10 or more points across five parameters (carbon, water, plastics, packaging and ingredients) at time of launch using our Sustainable Innovation Calculator (a streamlined Lifecycle Assessment tool that models the environmental impacts of products). The net revenue from 'more sustainable' products is expressed as a percentage of total net revenue. The calculation is done on the basis of a 12 month period ending September (to allow for the assembling of the related data)
- **Reconciliation of IFRS like-for-like net revenue excluding seasonal OTC brands:** LFL is shown excluding net revenue from seasonal OTC products that

- **Adjusted EBITDA (earnings before interest, tax depreciation and amortisation):** Adjusted operating profit less depreciation and amortisation (excluding adjusting items)

are affected by the Cold and Flu season. As this season can vary both in intensity and timing in the year, presenting net revenue growth excluding this can provide a view of growth excluding this factor

The table below reconciles the Group's IFRS measures to its adjusted measures for the year ended 31 December 2024.

		Adjusting Items				
	IFRS £m	**Impact of business combinations £m**	**Net gain on disposal of brands £m**	**Finance income reclass £m**	**Other individually material items of income and expense £m**	**Adjusted £m**
Net revenue	14,169	-	-	-	-	14,169
Cost of sales	(5,574)	-	-	-	-	(5,574)
Gross profit	**8,595**	**-**	**-**	**-**	**-**	**8,595**
Net operating expenses	(6,170)	40	(9)	-	1,019	(5,120)
Operating profit	**2,425**	**40**	**(9)**	**-**	**1,019**	**3,475**
Net finance expense	(321)	17	-	(15)	(4)	(323)
Profit before income tax	**2,104**	**57**	**(9)**	**(15)**	**1,015**	**3,152**
Income tax charge	(672)	(6)	-	15	(38)	(701)
Net income from continuing operations	**1,432**	**51**	**(9)**	-	**977**	**2,451**
Less: Attributable to non-controlling interests	(2)	-	-	-	-	(2)
Net income from continuing operations attributable to owners of the parent company	**1,430**	**51**	**(9)**	-	**977**	**2,449**
Net profit from discontinued operations	**(4)**	-	-	-	**4**	-
Total net income attributable to owners of the parent company	**1,426**	**51**	**(9)**	-	**981**	**2,449**
Earnings per share (EPS)						
Continuing operations[1]						
Basic	**204.2**	**7.3**	**(1.3)**	-	**139.5**	**349.7**
Diluted	**203.8**	**7.3**	**(1.3)**	-	**139.2**	**349.0**
Discontinued operations[1]						
Basic	**(0.6)**	**-**	**-**	**-**	**0.6**	**-**
Diluted	**(0.6)**	**-**	**-**	**-**	**0.6**	**-**
Total operations[1]						
Basic	**203.6**	**7.3**	**(1.3)**	-	**140.1**	**349.7**
Diluted	**203.2**	**7.3**	**(1.3)**	-	**139.8**	**349.0**

[1] EPS is calculated using 700.4 million shares (basic) and 701.7 million shares (diluted)

Impact of business combinations comprised:

- £25 million of amortisation of certain intangible assets recognised as a result of historical business combinations and a related £6 million tax credit
- £15 million related transitional service charge associated with the acquisition of the minority interest.
- £17 million relating to remeasurement of payments as part of an agreement to acquire remaining interests from minority shareholders.

Net gain on disposal of brands comprises £9 million profit on sale of certain small developing market brands completed in 2024.

Reclassification of finance expense of £15 million 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 comprise:

- Restructuring, and other project costs of £167 million linked to the group strategic announcements in 2024. This principally includes professional advisor fees and severance costs relating to business transformation and portfolio changes;
- £838 million expense relating to the impairment of IFCN goodwill and Biofreeze intangible assets (see note 6);
- £13 million expense relating to costs incurred in relation to the Korean Humidifier Sanitiser issue;
- £38 million tax credit on the intangible asset impairment, restructuring and other project costs; and
- £4m from discontinued operations relating to interest accruing on an uncertain tax position relating to the former RB Pharmaceuticals business (now Indivior plc).

The table below reconciles the Group's IFRS measures to its adjusted measures for the year ended 31 December 2023.

	Adjusting items				
	Impact of	**Net gain on**	**Reclassified foreign exchange translation on liquidation**	**Finance**	**Other individually material items of**

	IFRS £m	business combinations £m	disposal of brands £m	of subsidiaries £m	income reclass £m	income and expense £m	Adjusted £m
Net revenue	14,607	-	-	-	-	-	14,607
Cost of sales	(5,847)	-	-	-	-	-	(5,847)
Gross profit	**8,760**	-	-	-	-	-	**8,760**
Net operating expenses	(6,229)	28	1	-	-	813	(5,387)
Operating profit	**2,531**	**28**	**1**	-	-	**813**	**3,373**
Net finance expense	(130)	(9)	-	(130)	22	-	(247)
Profit before income tax	**2,401**	**19**	**1**	**(130)**	**22**	**813**	**3,126**
Income tax charge	(753)	(4)	(9)	-	(22)	(1)	(789)
Net income from continuing operations	**1,648**	**15**	**(8)**	**(130)**	-	**812**	**2,337**
Less: Attributable to non-controlling interests	(14)	-	-	-	-	-	(14)
Net income from continuing operations attributable to owners of the parent company	**1,634**	**15**	**(8)**	**(130)**	-	**812**	**2,323**
Net profit from discontinued operations	**9**	-	-	-	-	**(9)**	-
Total net income attributable to owners of the parent company	**1,643**	**15**	**(8)**	**(130)**	-	**803**	**2,323**
Earnings per share (EPS)							
Continuing operations[1]							
Basic	**227.9**	**2.1**	**(1.1)**	**(18.1)**	-	**113.3**	**324.1**
Diluted	**227.4**	**2.1**	**(1.1)**	**(18.1)**	-	**113.1**	**323.4**
Discontinued operations[1]							
Basic	**1.3**	-	-	**-**	-	**(1.3)**	-
Diluted	**1.3**	-	-	**-**	-	**(1.3)**	-
Total operations[1]							
Basic	**229.2**	**2.1**	**(1.1)**	**(18.1)**	-	**112.0**	**324.1**
Diluted	**228.7**	**2.1**	**(1.1)**	**(18.1)**	-	**111.8**	**323.4**

[1] EPS is calculated using 716.7 million shares (basic) and 718.3 million shares (diluted)

Impact of business combinations comprise:

- £27 million relates principally to amortisation of certain intangible assets recognised as a result of historical business combinations and a related £4 million tax credit.
- £9 million finance credit relating to reduction in the liability under the agreement to purchase the non-controlling interest in RB Manon, and £1 million of related professional fees.

Net gain on disposal of brands includes charge of £2 million relating to remeasurement on held for sale of certain small developing market brands, a related £9 million tax credit and £1 million of residual income relating to previous brand sales.

Reclassified foreign exchange translation on liquidation of subsidiaries of £130 million relates to a gain following the liquidation of legal entities as part of simplification of the Group's legal entity structure.

Reclassification of finance income of £22 million relates to the reclassification of net interest expense on income tax balances from net finance expense to income tax.

Other individually material items of income and expense comprises:

- £810 million impairment of goodwill in IFCN;
- £3 million expense relating to costs incurred in relation to the Korean HS issue;
- £9 million income from discontinued operations which relates to the DoJ settlement in 2019.

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

Net revenue	For the quarter ended 31 December Hygiene £m	Health £m	Nutrition £m	Group £m	For the year ended 31 December Hygiene £m	Health £m	Nutrition £m	Group £m
2023 IFRS	1,531	1,507	523	3,561	6,135	6,062	2,410	14,607
M&A	-	(15)	(13)	(28)	-	(61)	(25)	(86)
Exchange and hyperinflation	18	16	3	37	(26)	(7)	-	(33)
2023 Like-for-like	**1,549**	**1,508**	**513**	**3,570**	**6,109**	**5,994**	**2,385**	**14,488**
2024 IFRS	1,555	1,465	527	3,547	6,140	5,882	2,147	14,169
M&A	-	(3)	(5)	(8)	-	(21)	(16)	(37)
Exchange and hyperinflation	79	82	34	195	223	256	80	559
2024 Like-for-like	**1,634**	**1,544**	**556**	**3,734**	**6,363**	**6,117**	**2,211**	**14,691**
Like-for-like growth	**5.5%**	**2.4%**	**8.4%**	**4.6%**	**4.2%**	**2.1%**	**(7.3%)**	**1.4%**

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

	For the quarter ended 31 December North	Europe/	Developing	Group	For the year ended 31 December North	Europe/	Developing	Group

Net revenue	America	ANZ	Markets	Group	America	ANZ	Markets	Group
	£m	£m	£m	£m	£m	£m	£m	£m
2023 IFRS	1,217	1,193	1,151	3,561	4,919	4,849	4,839	14,607
M&A	(5)	(1)	(22)	(28)	(17)	(7)	(62)	(86)
Exchange and hyperinflation	(2)	21	18	37	1	-	(34)	(33)
2023 Like-for-like	**1,210**	**1,213**	**1,147**	**3,570**	**4,903**	**4,842**	**4,743**	**14,488**
2024 IFRS	1,145	1,227	1,175	3,547	4,542	4,859	4,768	14,169
M&A	(2)	(3)	(3)	(8)	(13)	(9)	(15)	(37)
Exchange and hyperinflation	40	60	95	195	131	179	249	559
2024 Like-for-like	**1,183**	**1,284**	**1,267**	**3,734**	**4,660**	**5,029**	**5,002**	**14,691**
Like-for-Like Growth	**(2.2%)**	**5.9%**	**10.5%**	**4.6%**	**(5.0%)**	**3.9%**	**5.5%**	**1.4%**

Reconciliation of IFRS like-for-like net revenue excluding seasonal OTC brands

	For the quarter ended 31 December			For the year ended 31 December		
Net revenue	**Health**	**Health & Hygiene**	**Group**	**Health**	**Health & Hygiene**	**Group**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
2023 Like-for-like	**1,508**	**3,057**	**3,570**	**5,994**	**12,103**	**14,488**
2023 seasonal OTC	413	413	413	1,480	1,480	1,480
2023 LFL ex. seasonal OTC	1,095	2,644	3,157	4,514	10,623	13,008
2024 Like-for-like	**1,544**	**3,178**	**3,734**	**6,117**	**12,480**	**14,691**
2024 seasonal OTC	361	361	361	1,365	1,365	1,365
2024 LFL ex. seasonal OTC	1,183	2,817	3,373	4,752	11,115	13,326
2024 Like-for-like growth	**2.4%**	**4.0%**	**4.6%**	**2.1%**	**3.1%**	**1.4%**
2024 LFL growth ex seasonal OTC	8.0%	6.5%	6.8%	5.3%	4.6%	2.4%

Reconciliation of operating cash flow to free cash flow

	31 Dec 2024	31 Dec 2023
	£m	£m
Cash generated from continuing operations	**3,675**	3,829
Less: net interest paid	**(292)**	(263)
Less: tax paid	**(700)**	(922)
Less: purchase of property, plant & equipment	**(370)**	(348)
Less: purchase of intangible assets	**(95)**	(101)
Plus: proceeds from the sale of property, plant & equipment	**14**	63
Free cash flow	**2,232**	2,258
Free cash flow conversion	**91%**	97%

Net Working Capital

	31 Dec 2024	31 Dec 2023
	£m	£m
Inventories	**1,517**	1,637
Trade and other receivables	**2,091**	2,062
Trade and other payables	**(5,291)**	(5,506)
Less: Forward purchase liability	**133**	158
Less: Interest accrued on tax balances	**101**	122
Less: Indemnity provisions for disposed businesses	**47**	48
Net working capital	**(1,402)**	(1,479)
Net working capital as percentage of 12-month net revenue	**(10%)**	(10%)

12 months Adjusted EBITDA to Net Debt

Adjusted EBITDA	**31 Dec 2024 £m**	31 Dec 2023 £m
Operating profit	**2,425**	2,531
Excluding: adjusting items	**1,050**	842
Adjusted operating profit	**3,475**	3,373
Excluding: adjusted depreciation and amortisation	**436**	444
Adjusted EBITDA	**3,911**	3,817

Net debt	**31 Dec 2024 £m**	31 Dec 2023 £m
Cash and cash equivalents (inc. overdrafts)	**879**	1,380
Financing liabilities	**(8,793)**	(8,670)
Net debt	**(7,914)**	(7,290)
Net debt/Adjusted EBITDA (times)	**2.0**	1.9

Dividend Cover

	31 Dec 2024	31 Dec 2023
	£m	£m
Interim dividend paid in year	**561**	549
Final dividend proposed	**830**	828
Total dividends	**1,391**	1,377
Adjusted net income	**2,449**	2,323
Dividend cover (times)	**1.8**	1.7

ROCE Calculation

	31 Dec 2024	31 Dec 2023
	£m	£m
Adjusted operating profit	**3,475**	3,373
Less: taxation on adjusted operating profit	**(771)**	(850)
Adjusted net operating profit after tax	**2,704**	2,523
IFRS total assets	**25,298**	27,136
IFRS total current liabilities	**(7,943)**	(8,338)
IFRS total assets less current liabilities	**17,355**	18,798
Excluding IFRS items not included in capital employed:		
Short-term borrowings	**1,423**	1,679
Current tax liabilities	**602**	620
Legal provisions	**30**	30
Interest accrued on tax balances	**101**	122
Share repurchase liability	**477**	296
Cash and cash equivalents	**(880)**	(1,387)
Current tax recoverable	**(45)**	(80)
Retirement benefit surplus	**(269)**	(270)
IFRS balances included in capital employed	**18,794**	19,808
Add back impact of unrealised impairments	**4,921**	4,078
Less: goodwill due to deferred tax on intangibles	**(4,303)**	(4,265)
Impact of average in year vs closing balance	**687**	531

Average capital employed	**20,099**	20,152
Return on capital employed	**13.5%**	12.5%

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