

**RENTOKIL INITIAL PLC (RTO)**  
**FIRST QUARTER TRADING UPDATE**  
19 April 2017

(£m)	Q1 2017	Growth	
	AER	AER	CER
Ongoing Revenue <sup>1</sup>	579.0	23.8%	10.0%
Revenue	580.0	22.9%	9.2%

**Overview (CER)**

Ongoing Revenue increased by 10.0% in Q1, of which 3.1% was Organic Revenue<sup>2</sup> growth (Q1 2016: 2.8%, FY 2016: 3.0%) and 6.9% was from acquisitions. On 16 December 2016 the Company announced the proposed transfer of its workwear and hygiene businesses in Germany and the Benelux to a joint venture (JV) with Haniel. The transaction remains on track to complete by mid-year, subject to competition clearance. Excluding those businesses transferring to the JV the Organic Revenue growth rate was 3.5%. Pest Control grew by 19.1% (5.6% Organic Revenue growth) while Hygiene revenues rose by 3.7% (3.1% Organic Revenue growth). Ongoing Revenue growth in our Emerging and Growth markets has once again been strong, increasing by 24.5% and 12.6% respectively. Our businesses in Manage for Value markets delivered Ongoing Revenue growth of 2.5% while those in the Protect and Enhance markets delivered in line with last year.

There has been continuing strong performance in Asia, Pacific, Latin America, the UK and in our largest market, North America. Europe delivered improved Ongoing Revenue growth in Q1, with revenues in France broadly flat year on year.

**M&A**

We have acquired 12 businesses this year to date, ten in Pest Control, one in Hygiene and one in Property Care, principally in Emerging and Growth markets. Combined annualised revenues of the businesses acquired totalled £101.7m in the 12 months immediately prior to acquisition.

In February we announced the acquisition of Atlanta-based pest control company Allgood Pest Solutions. The business generated annualised revenues for the 12 months prior to acquisition of \$26.6m.

Also, as previously announced, in March we completed the transaction to create a joint venture with PCI Pest Control Pvt. Ltd. (PCI), India's largest pest control company, which offers a comprehensive range of pest control services and products through its countrywide network. Rentokil, which has management control of the JV, is integrating its Indian operations into the JV and the combined business has revenues of 4.5bn rupees (c. £50m), will operate from c. 250 locations and employ c. 6,900 people.

On 11 April our JV in the Kingdom of Saudi Arabia (KSA) acquired Sames, the market leader in the commercial pest control sector in KSA with c. 2,500 customers covering most major cities, making us the number one pest control company in KSA and the Gulf Cooperation Council countries. The business generated revenues of £9m in the last 12 months prior to acquisition.

**Commenting on today's announcement Andy Ransom, Chief Executive, said:**

*"We have made a good start to 2017. Pest Control has performed well across the regions and we remain encouraged by the progress we are continuing to deliver in Hygiene. We have been very active in M&A in the first three months of the year, reinforcing our strategy of acquiring high quality pest control and hygiene businesses in Emerging and Growth markets. We are particularly pleased with our JV with PCI in India, which is an outstanding business in a country with significant growth potential for commercial and residential pest control services.*

*"We are confident that the Company will deliver a performance in line with expectations for 2017."*

**Enquiries:**

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<sup>1</sup>Ongoing Revenue represents the performance of the continuing operations of the Group (including acquisitions) after removing the effect of disposed or closed businesses.

<sup>2</sup>Organic Revenue represents the growth in Ongoing Revenue excluding the effect of businesses acquired during the year. Acquired businesses are included in organic measures in the year following acquisition, and the comparative period is adjusted to include an estimated full year performance for growth calculations.

*This announcement contains statements that are, or may be, forward-looking regarding the group's financial position and results, business strategy, plans and objectives. Such statements involve risk and uncertainty because they relate to future events and circumstances and there are accordingly a number of factors which might cause actual results and performance to differ materially from those expressed or implied by such statements. Forward-looking statements speak only as of the date they are made and no representation or warranty, whether expressed or implied, is given in relation to them, including as to their completeness or accuracy or the basis on which they were prepared. Other than in accordance with the Company's legal or regulatory obligations (including under the Listing Rules and the Disclosure and Transparency Rules), the Company does not undertake any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise. Information contained in this announcement relating to the Company or its share price, or the yield on its shares, should not be relied upon as an indicator of future performance. Nothing in this announcement should be construed as a profit forecast.*