

# Rentokil Initial

Protecting People.  
Enhancing Lives.

2017 Preliminary Results.





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John McAdam  
Chairman





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Andy Ransom  
Chief Executive





## Executing our Strategy in 2017



# 14.5%

14.5% Ongoing Revenue growth at CER.

3.8% Organic Revenue growth.

Second year of growth of over 20% in Pest Control with organic growth 5.8% (2016: 5.6%).

Emerging markets Pest business now c. £200m – grew by over 50% in 2017.



## Executing our Strategy in 2017



# 14.8%

14.8% Ongoing Operating Profit growth at CER.  
Growth in all Regions incl. Europe.

Free Cash Flow from continuing operations £175.8m.

Balance sheet remains robust. Debt below £1bn at year end (£927.3m).



Executing our Strategy in 2017



## 41 Acquisitions

£224.7m annualised revenues.

33 in Pest Control with annualised revenues of £175m.

Haniel agreement in Europe and PCI JV in India.

Vector control in North America. Disposal of 8 French laundries. Strong pipeline.



# Rentokil Initial

Protecting People.  
Enhancing Lives.

2017 Preliminary Results:  
Financial Review

Jeremy Townsend  
Chief Financial Officer



# Financial Highlights (Continuing Operations)

£ million	FY 2017			
	AER	CER	Δ AER	Δ CER
Ongoing Revenue *	2,203.8	2,093.0	20.6%	14.5%
Ongoing Operating Profit *	294.6	275.4	22.8%	14.8%
Adjusted PBTA	286.9	267.8	13.8%	6.2%
PBT	713.6	712.1	242.3%	241.5%
Free Cash Flow	175.8			
Adjusted EPS	12.19p	11.29p	13.6%	5.2%
Dividend	3.88p		15.1%	

\*Ongoing Revenue and Ongoing Operating Profit exclude the results of disposed businesses, including the businesses contributed into the Haniel JV and the French laundries sold to RLD



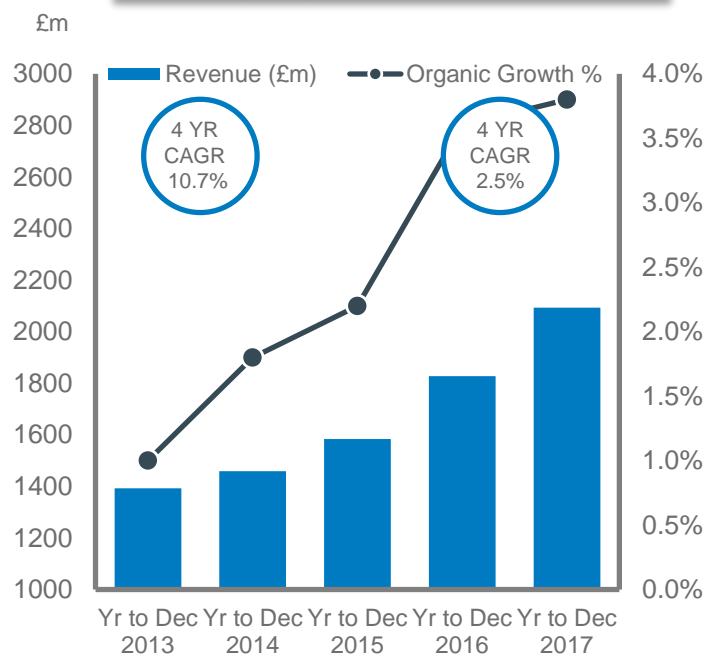
# Strong Financial Progress

Building a track record of delivery

# THE RIGHT WAY

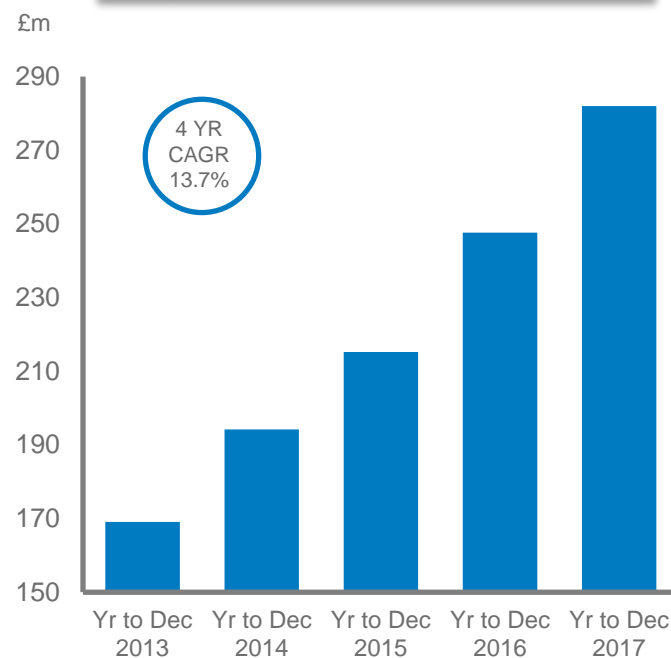
Mid-single digit  
Revenue Growth  
(CER)

Ongoing Revenue\* Growth



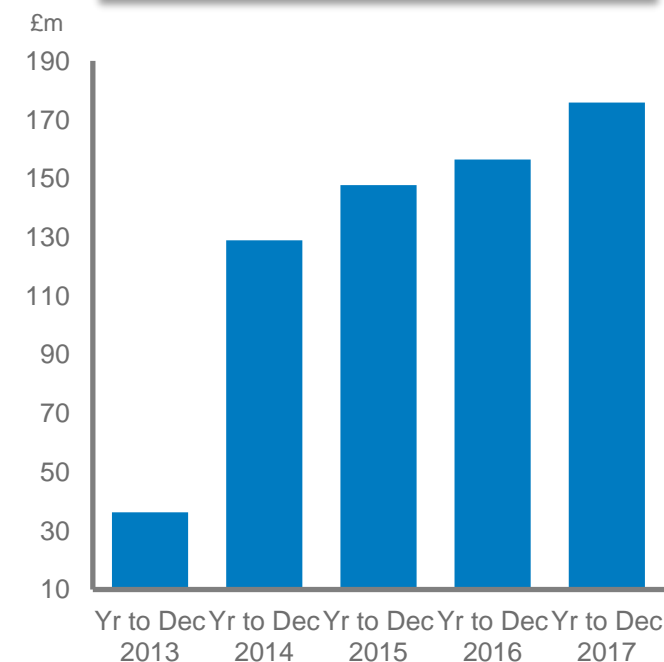
High-single digit  
Profit Growth  
(CER)

Ongoing Operating Profit\* Growth



Strong and sustainable  
delivery of Free Cash  
Flow (AER)

Free Cash Flow



\*Ongoing Revenue and Ongoing Operating Profit exclude the results of Disposed Businesses, including the businesses contributed into the Haniel JV and the French laundries sold to RLD

# North America

At constant exchange rates

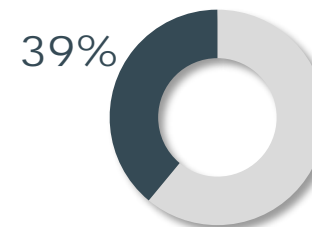
Strong Ongoing Revenue +21.1%  
Ongoing Operating Profit +21.7%,  
reflecting combined impact of  
higher revenues and acquisitions

- Organic Revenue Growth of +4.8% supported by strong growth in Product sales. Pest Control Organic growth +5.2%
- Puerto Rico continues to be significantly impacted by the after effects of the hurricane in September
- Operating Margin up 0.1% points to 13.6%:
  - +0.7% points improvement in Pest Control service margins at 16.7% reflect greater density
- Nine Pest Control acquisitions in 2017 with combined annualised revenues of just over £100m

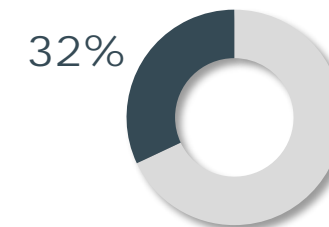
## Strategic focus for 2018:

- Continued focus on driving organic growth initiatives
- Ongoing integration of acquisitions
- Further margin improvement opportunities from M&A, scale efficiencies and density

Ongoing Group  
Revenue



Ongoing Group  
Operating Profit



	FY 2017	Growth
Ongoing Revenue	£824.0m	+21.1%
Ongoing Operating Profit	£111.7m	+21.7%
Operating Margin	13.6%	+0.1% points



# Europe

At constant exchange rates

Ongoing Revenue +7.3%  
(+2.9% Organic Revenue growth)

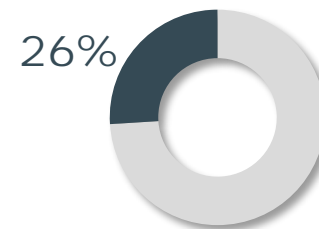
Ongoing Operating Profit +0.2%

- Strong performances from Germany (+8.6%), Latin America (+30.1%) and Southern Europe (+29.1%), together with improved performance from France (+1.2%)
- +15.3% Ongoing Revenue growth in Hygiene, driven by growth in France and Southern Europe, including the contribution from the acquisition of CWS-boco's Italian Hygiene business. +8.8% growth in Pest Control
- -1.3% points margin decline reflects ongoing market challenges in France Workwear and dilutive effect of CWS-boco Italy acquisition
- Nine acquisitions in 2017 - four in Pest Control and five in Hygiene with combined annualised revenues of £44m
- Successful completion of JV with Haniel in June 2017 and sale of French laundries to RLD in Q4

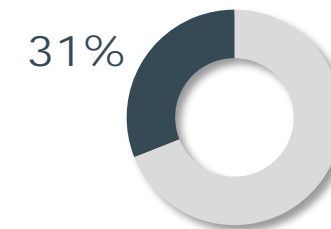
## Strategic focus for 2018:

- Further organic growth in Pest Control and Hygiene businesses
- Integration of CWS-boco Italy
- Continued focus on Quality initiative in France Workwear to mitigate competitive environment and pricing pressure and restore business to profitable growth by the end of the year

Ongoing Group  
Revenue



Ongoing Group  
Operating Profit



	FY 2017	Growth
Ongoing Revenue*	£556.6m	+7.3%
Ongoing Operating Profit*	£106.1m	+0.2%
Operating Margin	19.1%	-1.3% points

\* Ongoing Revenue and Ongoing Operating Profit excludes the results of disposed businesses including the businesses transferred to the Haniel JV and the French laundries sold to RLD.

# UK and Rest of World

At constant exchange rates

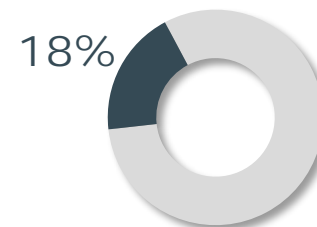
Ongoing Revenue +6.8%  
(+1.4% Organic Revenue growth)  
Ongoing Operating Profit +6.1%

- Continuation of growth trend in Pest Control and Hygiene, with Pest Control benefitting from increased jobbing work
- Challenging UK market for Property Care impacting revenue and margins
- +12.5% Ongoing Revenue growth in RoW, across all regional clusters in the Nordics, Caribbean, Africa and MENAT
- Margin decline of 0.2% points reflecting weakness in Property Care
- 10 businesses acquired in 2017, including eight in Pest Control and one in Hygiene with combined annualised revenues of £23m

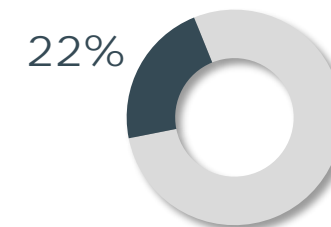
## Strategic focus for 2018:

- Successful integration of recent acquisitions and continued M&A
- Further improvements in revenue and profit through application of successful UK operating model across the region

Ongoing Group Revenue



Ongoing Group Operating Profit



	FY 2017	Growth
Ongoing Revenue	£370.4m	+6.8%
Ongoing Operating Profit	£76.8m	+6.1%
Operating Margin	20.7%	-0.2% points



Ongoing Revenue +37.3%  
(+7.6% Organic Revenue growth)

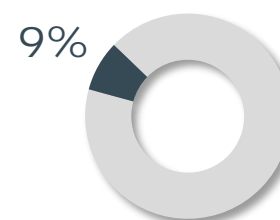
Ongoing Operating Profit +39.5%,  
reflecting higher revenue,  
density and service productivity

- Good performances from both Pest Control and Hygiene
- Excluding impact from PCI JV, combined Ongoing Revenue growth of 16.2% from India, China and Vietnam (+210% including PCI)
- +0.2% improvement in Net Operating Margin – growth in Hygiene margins offset by dilutive effect of lower-margin PCI business
- Five Pest Control acquisitions in India, Singapore and Malaysia in 2017 with annualised revenues of £50m

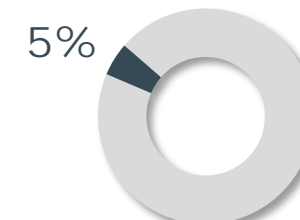
## Strategic focus for 2018:

- Successful execution of PCI joint venture and integration of recent acquisitions
- Further M&A opportunities to build scale in this key strategic market

### Ongoing Group Revenue



### Ongoing Group Operating Profit



	H1 2017	Growth
Ongoing Revenue	£179.1m	+37.3%
Ongoing Operating Profit	£18.7m	+39.5%
Operating Margin	10.5%	+0.2% points

Japanese JV (Rentokil has 49% Share*)	H1 2017	Growth
Ongoing Revenue	£45.4m	+4.5%
Ongoing Operating Profit	£10.6m	+8.7%
Operating Margin	23.3%	+1.3% points

\*Reported within Share of Profit from Associates (net of tax)

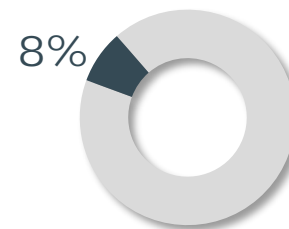
Ongoing Revenue +7.7%  
(+4.2% Organic Revenue growth)  
Ongoing Operating Profit +9.6%,  
reflecting higher revenues

- Good performances across our core Pest Control and Hygiene categories in the region
- Particularly strong results from Australia and New Zealand Pest Control, growing organically by just under 5% and 10% respectively
- 0.4% increase in Net Operating Margins to 21.6%
- Six small Pest Control acquisitions in 2017 and one acquisition in Hygiene with combined annualised revenues of £7m

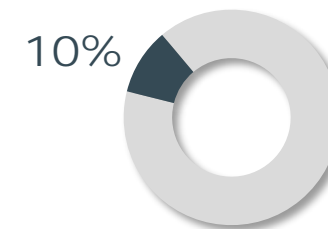
Strategic focus for 2018:

- Further improvements in performance through additional acquisitions in Pest Control and Hygiene and service productivity

Ongoing Group  
Revenue



Ongoing Group  
Operating Profit



	FY 2017	Growth
Ongoing Revenue	£162.9m	+7.7%
Ongoing Operating Profit	£35.2m	+9.6%
Operating Margin	21.6%	+0.4% points



# Operating Cash Flow

At actual exchange rates

£ million	FY 2017	FY 2016
Adjusted Operating Profit	314.5	284.4
One-off items - Operating	(6.8)	(8.6)
Depreciation	185.6	200.7
Other <sup>1</sup>	(1.5)	12.6
<b>EBITDA</b>	<b>491.8</b>	<b>489.1</b>
Working capital	(16.3)	(11.3)
Provisions	(9.9)	(14.5)
Capex	(212.1)	(221.8)
Fixed asset disposal proceeds <sup>2</sup>	4.9	6.3
<b>Operating Cash Flow – continuing operations</b>	<b>258.4</b>	<b>247.8</b>

Underlying growth in line with revenue growth, offset by reduced capex post JV with Haniel and disposal of laundries to RLD

<sup>1</sup> Profit on sale of fixed assets, IFRS 2, dividend from associate, etc.

<sup>2</sup> Property, plant, vehicles

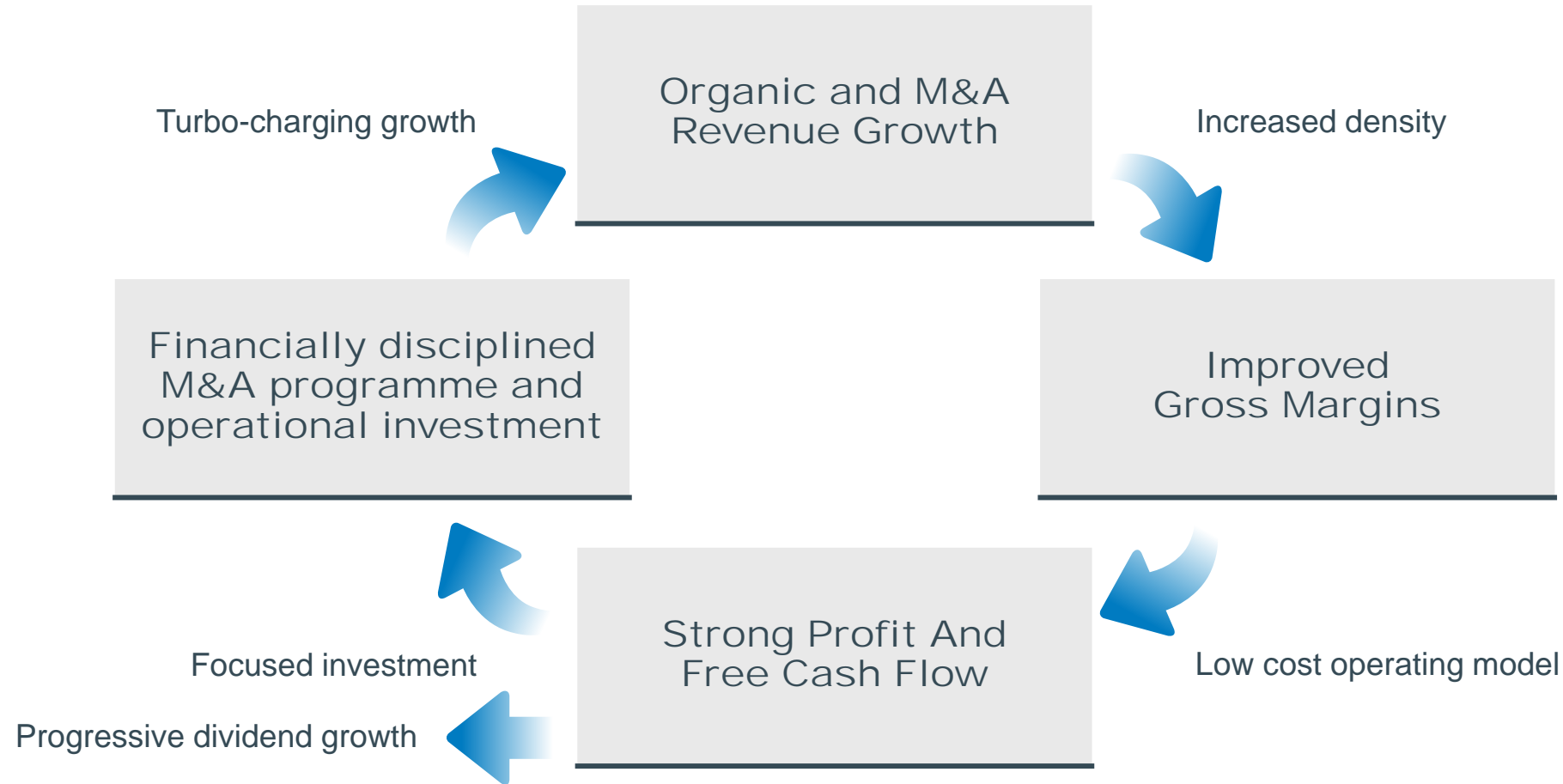
# Free Cash Flow & Movement in Net Debt

At actual exchange rates

£ million	FY 2017	FY 2016	
Operating Cash Flow – continuing	258.4	247.8	
Cash interest	(41.4)	(54.6)	Cash interest lower following refinancing of GBP bond in March 2016
Cash tax	(40.1)	(35.8)	
Special pension contributions	(1.1)	(1.0)	
Free Cash Flow – continuing	175.8	156.4	
Free Cash Flow – discontinued	-	(0.4)	
Free Cash Flow	175.8	156.0	
Acquisitions	(281.1)	(109.2)	Net proceeds from contribution of businesses into Haniel JV and eight French laundries sold to RLD
Disposals	451.9	0.3	
Dividends	(64.3)	(55.5)	
FX and other	29.1	(203.7)	Minimal FX impact on debt in 2017
Movement in Net Debt	311.4	(212.1)	
Opening Net Debt	(1,238.7)	(1,026.6)	
Closing Net Debt	(927.3)	(1,238.7)	

# Compounding Revenue, Profit and Cash Flow Growth

THE **RIGHT** WAY



Estimated spend on acquisitions in 2018: £200m to £250m



# Strong Financial Performance

Enhanced by our joint venture with Haniel and sale of French laundries to RLD



Change in overall revenue mix post creation of three group categories of Pest Control, Hygiene and Protect & Enhance

Increased organic growth



Improved Net Operating Margins

Reduction in Central and Regional overheads

449.9m proceeds and €19m annual dividend; 40x return on Free Cash Flow



Reduction in net capex

Significant reduction in net debt / increased balance sheet capacity

Year to Dec 2016	Year to Dec 2017*
Pest Control & Hygiene 73% Group Revenue	Pest Control & Hygiene 83% Group Revenue
+3.0%	+3.8%
12.9%	13.2%
£68.2m	£66.2m
£156.4m	£160.5m
£215.5m	£156.9m
£1,239m	£927m

\* Excludes businesses transferred to Haniel JV and sale of eight French laundries to RLD

# Strong Balance Sheet

- Net debt to EBITDA reduced to 1.9x at 31 December 2017 post completion of Haniel JV (FY 2016: 2.5x)
- Credit rating remains at BBB
- €400m raised in November 2017 at coupon of 0.95%
- £613m of centrally-held funds and undrawn committed facilities
- Average cost of net debt in 2017 of 4% - increase reflects cash held on balance sheet at year end following Haniel transaction
- Pension scheme in surplus on a technical provisions basis - no future cash payments expected

Cash proceeds from Haniel transaction have reduced ratio of Net Debt: EBITDA to 1.9x

# 2017 Summary and 2018 Guidance



## Summary of 2017

- ✓ Ongoing Revenue increase of +14.5%
- ✓ Improvement in Ongoing Organic Revenue growth +3.8% (2016: +3.6%, 3.0% Reported)
- ✓ Ongoing Operating Profit increase of +14.8%
- ✓ £175.8m free cash flow well in excess of target £150m for 2017
- ✓ Balance sheet remains robust – net debt below £1bn at £927m
- ✓ Year-on-year total dividend increase of 15.1%
- ✓ Confident in further progress against medium-term financial targets in 2018

## Guidance for 2018

- Central and regional overheads c. £4m higher than the prior year, reflecting increased investment in digital capability and deployment costs
- Above the line restructuring costs c. £7m, in line with 2017
- Profit from associates, including our share of the adjusted profit from the Haniel JV c. £20m to £25m
- Interest costs c. £46m reflecting interest on receipt of proceeds post JV completion, FX movements and higher coupon US Dollar debt. Cash interest in line with P&L impact
- Should exchange rates continue for the remainder of 2018, estimated negative impact from FX of £10m to £15m
- Adjusted effective tax rate of 22.5%, cash tax payable of c. £45m to £50m, including estimated £4m impact from US tax reforms
- Other cash flow guidance:
  - Working capital outflow around £15m
  - Net capex c. £165m to £175m (subject to FX movements)



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Protecting People.  
Enhancing Lives.

Delivering Sustainable,  
Profitable Growth.

Andy Ransom  
Chief Executive Officer



# Delivering Sustainable, Profitable Growth

Model focused on compounding revenue, profit and cash growth

# THE RIGHT WAY

## Market-Leading Businesses

<b>Pest Control</b> Focus: Growth and Emerging Markets	<b>Hygiene</b> Focus: Operational excellence	<b>Protect and Enhance</b> Focus: Retention and enhancing profitability
Differentiated IRR Growth <b>13%+</b> Emerging <b>15%+</b>	Differentiated IRR <b>15%-20%+</b>	Differentiated IRR <b>20%+</b>

## Multi-local Operations across the Globe

Over 1800 local service teams covering:  
90% global GDP  
90/100 largest cities  
c.90% of revenues outside the UK

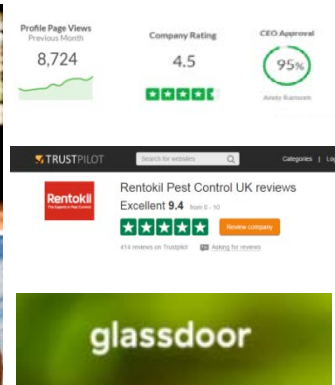



- North America
- Europe
- UK & Rest of World
- Asia
- Pacific

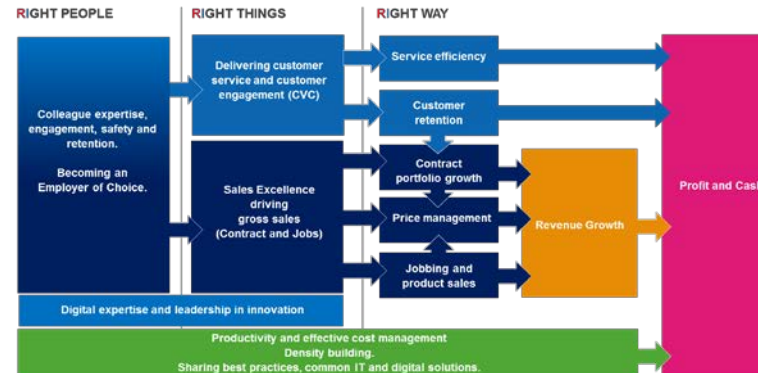
## Leadership in Digital and Innovation



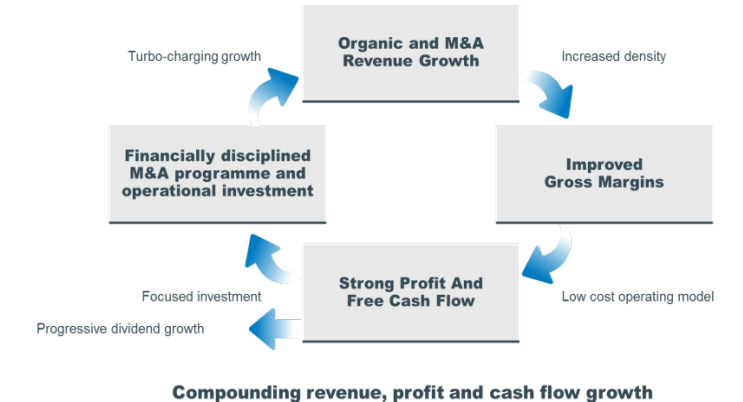
## Expertise of our People



## Consistent and Efficient Operational Model



## Financial Model to Compound Growth



Medium-Term  
Financial Guidance:

Ongoing Revenue  
growth: 5-8%

Ongoing Profit  
growth: c. 10%

Free Cash Flow  
conversion: c. 90%

# Market-leading Businesses

Maintaining the growth momentum

**THE RIGHT WAY**

Pest Control	Hygiene	Protect and Enhance
64% Group Revenue 69% Group Operating Profit 18.1% Net Operating Margin	19% Group Revenue 20% Group Operating Profit 17.7% Net Operating Margin	17% Group Revenue 11% Group Operating Profit 10.3% Net Operating Margin
2017	2017	2017
Revenue: £1,328.4m +21.4%	Revenue: £402.5m +7.6%	Revenue: £362.1m +0.9%
Profit: £239.8m +18.1%	Profit: £71.4m +9.7%	Profit: £37.3m -21.2%
<ul style="list-style-type: none"> <li>World-class business.</li> <li>Growth: (Rev £1,137.0m +16.9% YoY; Profit £210.3m +13.7% YoY).</li> <li>Emerging: (Rev £191.4m +57.1% YoY; Profit £29.5m +62.8% YoY).</li> <li>Asia +9.6% organic revenue growth</li> <li>LatAm +18.5% organic revenue growth</li> <li>Organic growth: 5.8% in 2017.</li> </ul>	<ul style="list-style-type: none"> <li>High-quality business, with multiple growth drivers.</li> <li>Strong product range: Enhanced in 2017 with targeted extensions and lower cost units.</li> <li>Organic growth: 2.1% in 2017.</li> <li>Operational execution and density: Technology, sales focus and margin-based commissions.</li> </ul>	<ul style="list-style-type: none"> <li>Profitable and cash-generative businesses in: Plants (Ambius), Property Care (UK) and Workwear (France).</li> <li>Focus: Protect and enhance strategies – service, retention, productivity and cash.</li> <li>France: Aim to return to profitable growth by the end of 2018. Disposal of 8 (mainly flat linen) laundries in 2017.</li> </ul>

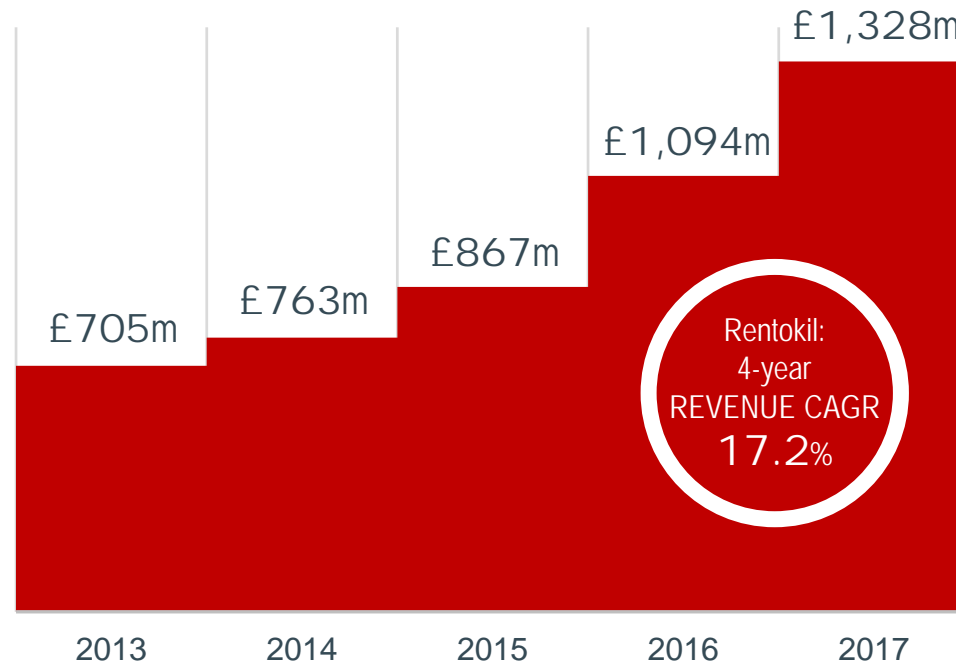
\* All figures calculated on an ongoing basis.



# Strong Core Markets: Pest Control

Market-leading positions in growing global market

THE **RIGHT** WAY



Market Position	Number of Rentokil Markets		
	Established	Emerging	Total
Number 1	26	18	44
Number 2	7	6	13
Number 3	4	4	8
Other	3	4	7

- **Global pest market** – set to continue to grow at around 5% p.a. through to 2021 (various industry reports). Increasing pest pressures, urbanisation, growing middle classes, rising consumer expectations and increasing workplace / food regulations.
- **Insects and vector control** – particular growth markets linked to changes in weather patterns.
- **Excellent market positions** – Growth and Emerging markets.
- **Strong M&A pipeline** – acquired 33 pest companies – now also No.1 in India (Rentokil PCI) and the Middle East (SAMÉS) in 2017.
- **Digital expertise and innovation pipeline** – industry-leading capabilities to drive organic growth.

# Pest Control: North America

World's largest Pest Control market

THE RIGHT WAY

Number 3 in this important market for pest control. Building scale and density to drive margins.

North America market:

Worth c. \$8bn. Expected growth – CAGR of c. 5% to 2023.

Demand for mosquito control expected to grow in particular.

Rentokil Pest Control in North America:

300 local branches, coast to coast.

+23.5% revenues (+5.2% organic) in 2017

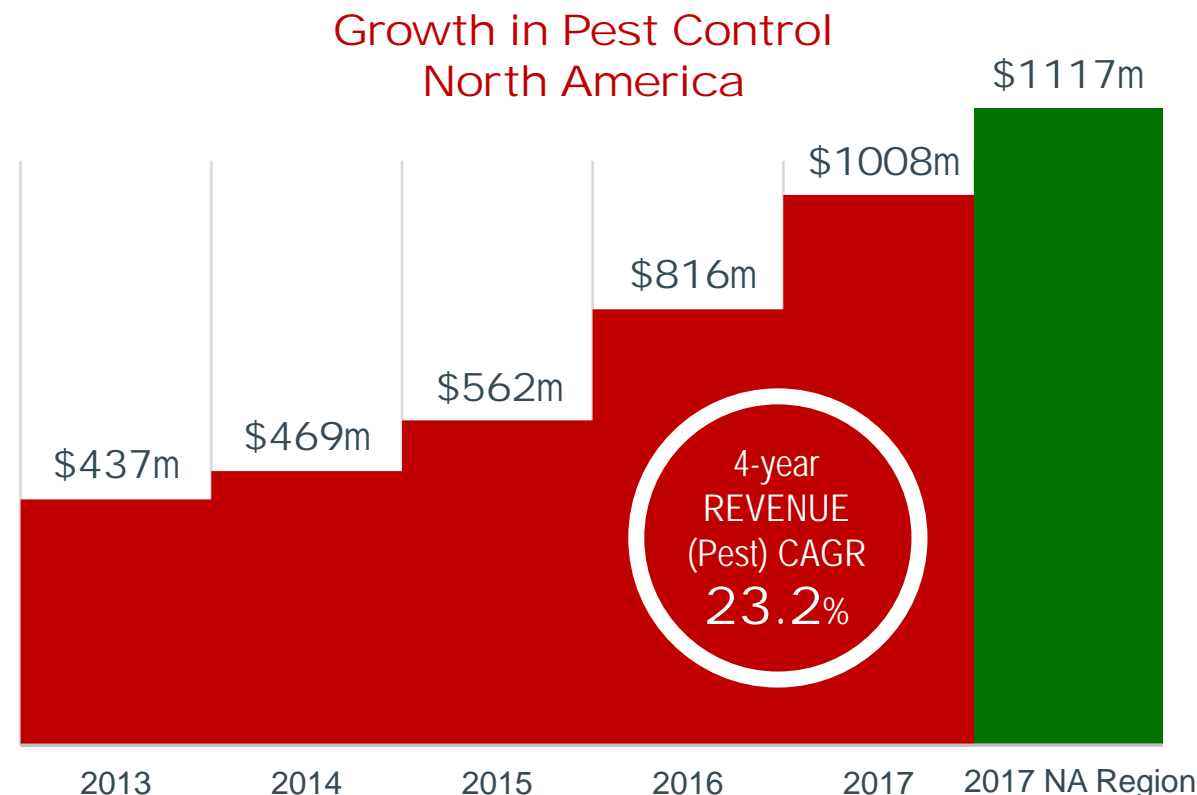
Pest Control Services – margin up 0.7% points reflecting greater density.

National accounts +40% growth.

Acquisitions – continue to build scale and density:

9 acquisitions in 2017, annualised revenues of c. £100m.

'Buyer of choice' with a strong pipeline.



North America Region:  
On track to create a \$1.5bn revenue / c. 18% Net Operating Margin business by 2020.

# Pest Control: Emerging Markets

Significant opportunity for future growth

THE **RIGHT** WAY

Rentokil is strongly positioned in key Emerging markets such as India. Emerging markets Pest business c. £200m revenues.

Strong growth in Pest Control market in India:

Growing at c. 15% p.a.

Significant potential for future growth:

High GDP growth

India will become the most populous country in the world by 2028.

Rapid urbanisation and growth in the number of middle class households.

One of the largest producers of foods & medicines – global standards.

Rentokil PCI – Number One in India, 250 local teams:

Scale and expertise to capitalise on growth potential.

Strong national business: c. 6,900 people.

+100,000 customers incl. food production and pharmaceuticals.

Excellent integration plan and execution in 2017.

Introducing Rentokil systems and processes.



**Rentokil** | **PCI**  
The Experts in Pest Control



# Digital Leadership

Good progress in deployments in 2017

THE **RIGHT** WAY

Creating new digital services to drive organic growth and building deeper customer relationships. Differentiation.

Web enquiries and contacts:

+15m web sessions (+30% vs 2016).

Strong in-house capability and development plans.

Dedicated customer portals:

c.100,000 customers in 30 markets.

myRentokil, myInitial, myAmbius, etc.

2<sup>nd</sup> Generation Connected solutions launched:

+50,000 PestConnect devices in 10 countries.

Launched new remote sensing devices with better quality communications network – longer range so that we can go deeper into buildings, use fewer units and quicker to setup.

Monitoring and analysis:

Command Centre operational in 2017.

Pest activity tracking: From country-level to individual device.



Outstanding customer feedback on our Digital services.

# Leading in Innovation

Industry-leading innovation and technical expertise

THE **RIGHT** WAY

Developing innovative new solutions.  
Enhancing our core lines, meeting  
emerging threats and the requirements  
of new regulation.

2017 launches targeted insects and rodents:

RapidPro and AutoGate for rodents.

Lumnia – LED fly control. Performing very well. UK sales > £1m in 2017.

The Power Centre opened:

Additional scientific and product testing areas.

16 patent applications pending linked to pest products. 4 held in 2017.

20% increase in innovation pipeline:

New innovations for 2018 include: Multi-catch units for rodents, tracking gel and new Lumnia units to build a full range.

Sales impact:

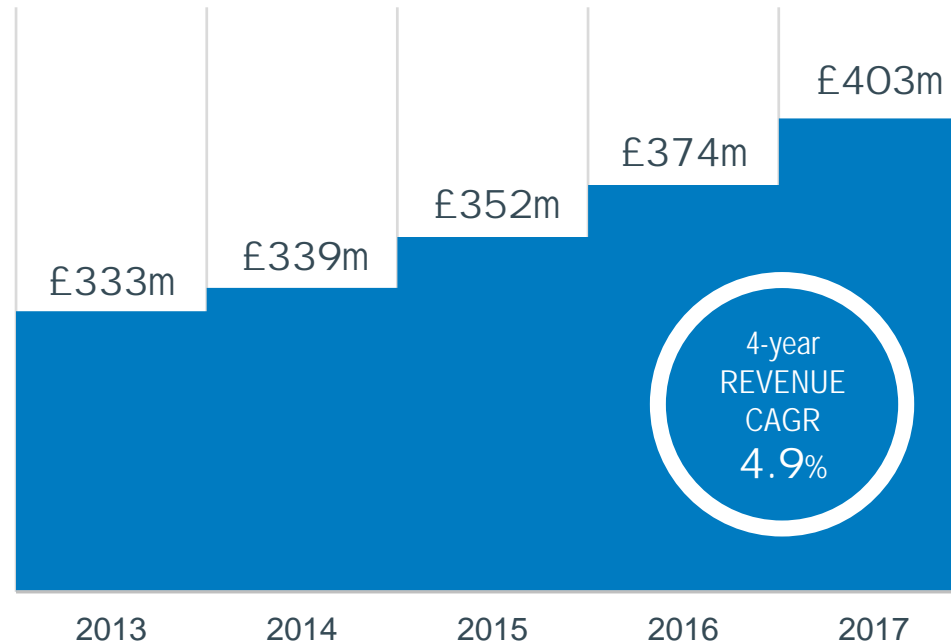
Innovations represent 21.5% of new pest job sales in UK (2016: 16%).



# Strong Core Markets: Hygiene

High-quality business with many market-leading positions

THE **RIGHT** WAY



Market Position	Number of Initial Hygiene Markets		
	Established	Emerging	Total
Number 1	15	8	23
Number 2	7	5	12
Number 3	3	0	3
Other	1	5	6

- **Growing global market**
  - Continues to grow in line with GDP, driven by:
  - Changing demographics;
  - Rising consumer expectations; and
  - Increasing hygiene regulations.
- **Global leaders** – top 2 in 30+ of our 40+ markets (No1. in 23).
- **Continue to focus on margin expansion**
  - route and product density, new lower cost product units.
- **Product leadership** – best ranges, reinforced in 2017 with new launches in hand, air care and feminine hygiene sectors.
- **Acquisitions to build density** – 7 deals in 2017, in particular CWS-boco in Italy which has started very well.



# Operational Execution

Technologies being implemented across the operating model

THE **RIGHT** WAY

Deploying new technologies – across business lines  
– route efficiency, self-service, improving customer care and driving productivity.

Mobile: +10,000 smartphones with technicians, replacing PDAs.

ServiceTrak App:

Field service App used by the technicians to record the service visit e.g. start time, services performed, customer recommendations, customer signature and end time.

Global deployment underway – expect to complete Hygiene and c. 50% Pest in 2018.

Asia: 1,200 technicians with ServiceTrak. Indonesia: Hygiene gross margin increased by 1.2%.

ServicePlus App:

Web-based service optimisation and planning tool – right number of customers per technician and customer information for the daily route.

Other digital activities:

Include training & finance (e-billing, finance process automation).

Big data:

All customer data now in Google Cloud.

BI by country, branch, customer type, customer, site, pest type etc.





# Acquisition of Cannon Hygiene

High-quality businesses acquired in early 2018

THE RIGHT WAY

One of the few Hygiene businesses operating in multiple countries. Excellent business and good fit with existing operations.

Operates in 9 countries:

Including UK, Ireland, Australia and Thailand.

Marks our entry into the Hygiene market in India – market leader.

Retain the Cannon Hygiene brand.

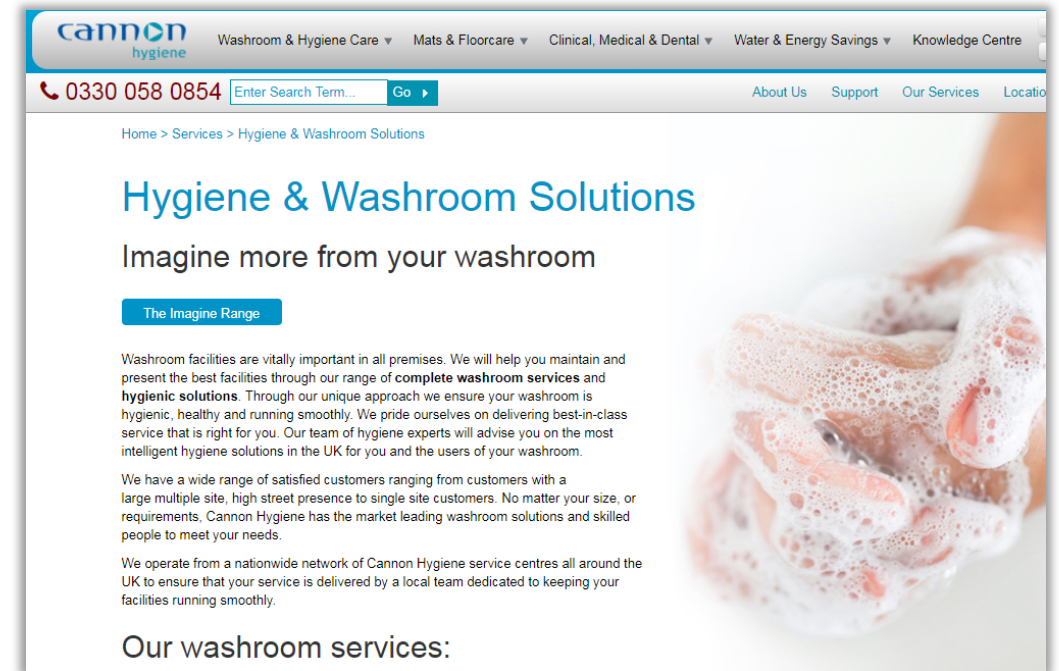
Cannon Hygiene – UK:

Undergoing review by the Competition & Markets Authority.

Scale:

c. £77m of global Hygiene revenues – replaces a high proportion of the European Hygiene revenues contributed to the joint venture with Haniel.

£5m of adjusted operating profits in the year to March 2017.



Increase our scale in key markets and we expect to gain a good level of synergies from enhanced density and combining infrastructures.

# Protect & Enhance

Focus on return to profitable growth

THE **RIGHT** WAY

Profitable, cash-generative, route-based businesses with shared overheads.  
Accounts for 11% of ongoing operating profit.

## Ambius:

17 countries – market leaders in the US, Canada, Australia and New Zealand.

Strong product offering – interior landscaping, Christmas / holiday decorations and premium scenting.

Focus: Higher-margin services e.g. green (living) walls and premium scenting, expanding and exploiting international agreements.

## Property Care in UK:

Dry rot and woodworm treatment and damp proofing services.

Good business but weak market in the UK. Focused on cost and efficiencies.

## French Workwear:

Excellent team and plan in place.

Focus: Returning this business to profitable growth by the end of 2018.



# Growth Enabled by Great People

Aim to differentiate company through the quality of our workplace

THE **RIGHT** WAY

Building a world class workplace.  
Increased colleague retention – reduced cost and improved service efficiency.

Colleague motivation and enablement:

World-class levels of motivation and equipping our colleagues to do a great job (survey of all colleagues by Korn Ferry).

100+ Apprenticeships and 200+ Graduates.

>250 learning assets developed in 2017:

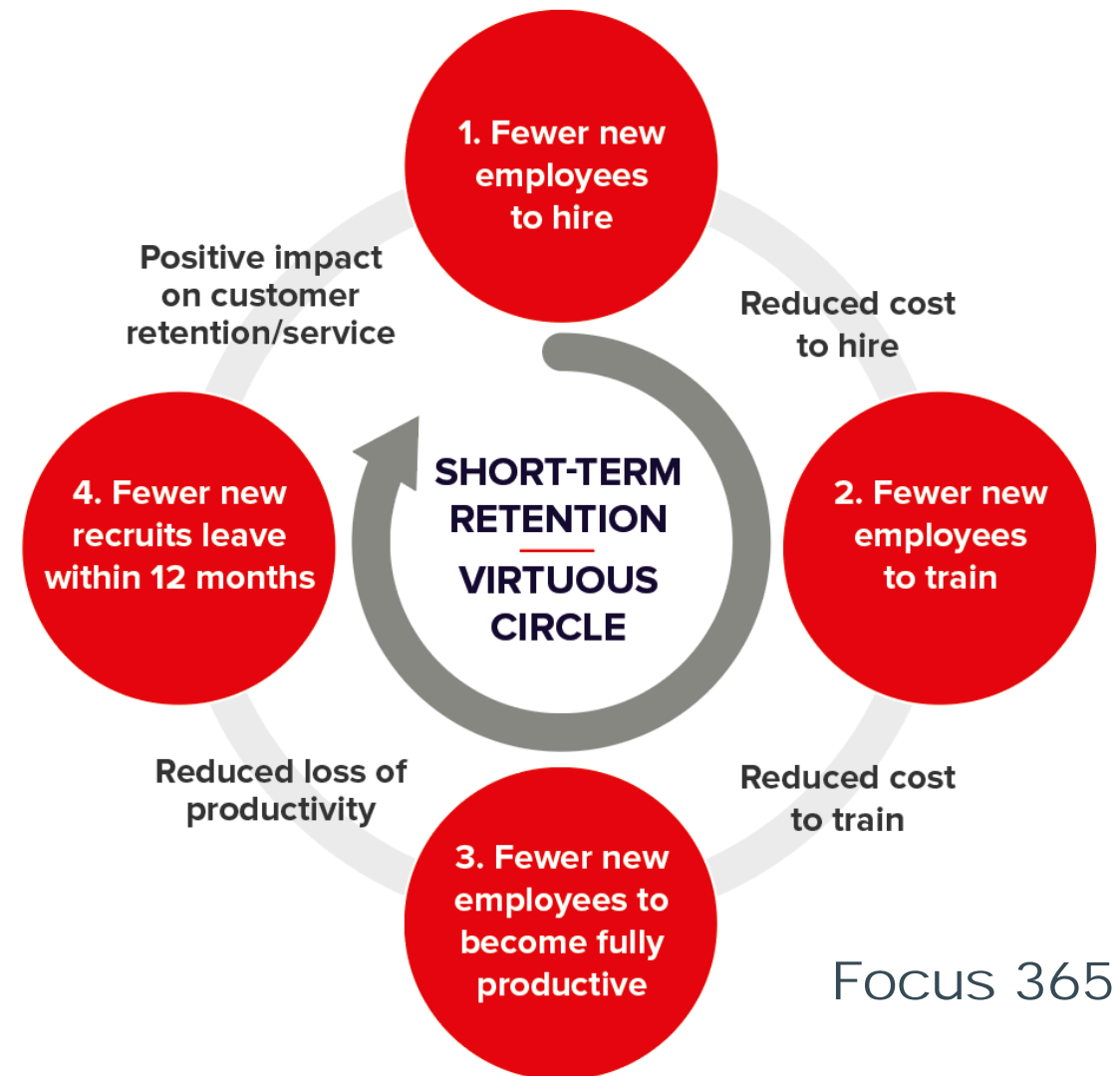
New modules on U+ included Mosquitoes, Rodents, Cockroaches, Insects, Ants & Flies in line with key markets.

Internal promotion model:

c. 130 internal promotions in the UK.

Glassdoor survey – 7th Best Place to Work:

Independent review – 4.3 out of 5 (average = 3.3).



Focus 365

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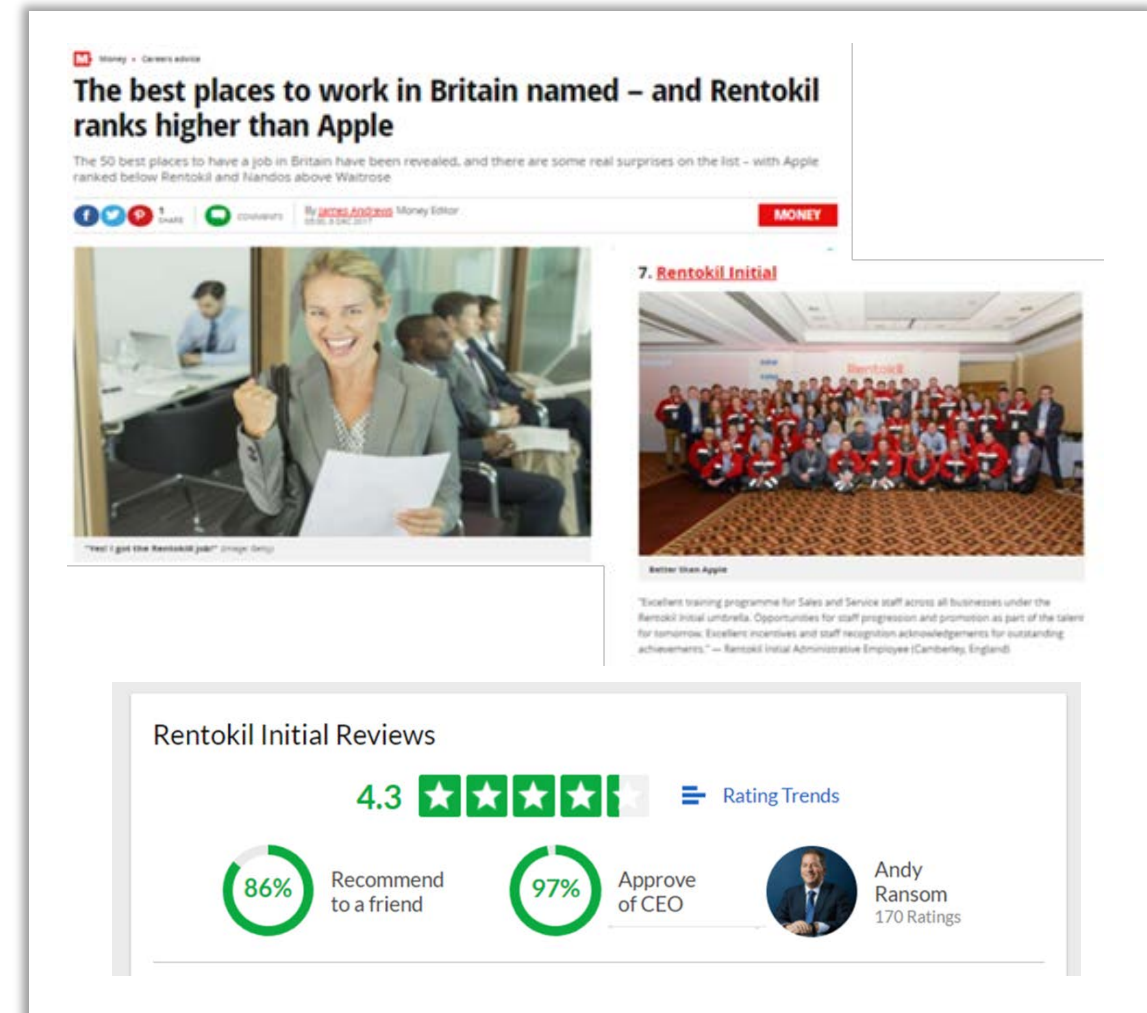
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c. 130 internal promotions in the UK.

Glassdoor survey – 7th Best Place to Work:

Independent review – 4.3 out of 5 (average = 3.3).





# Growth Enabled by Great Service

Trusted to deliver high-quality customer service

**THE RIGHT WAY**

Consistent delivery of high levels of customer service. Through 1,800 local service teams.

High-trained service teams:

+2.5m courses, videos & assessments taken on U+.

+9,000 technical training days delivered.

State of Service at 98%.

Customer Satisfaction:

+110,00 CVC (NPS) calls to customers undertaken in 2017.

All regions. All businesses.

Overall Group score remains strong at over 40.

+20% improvement in CVC since 2014.

Customer Retention:

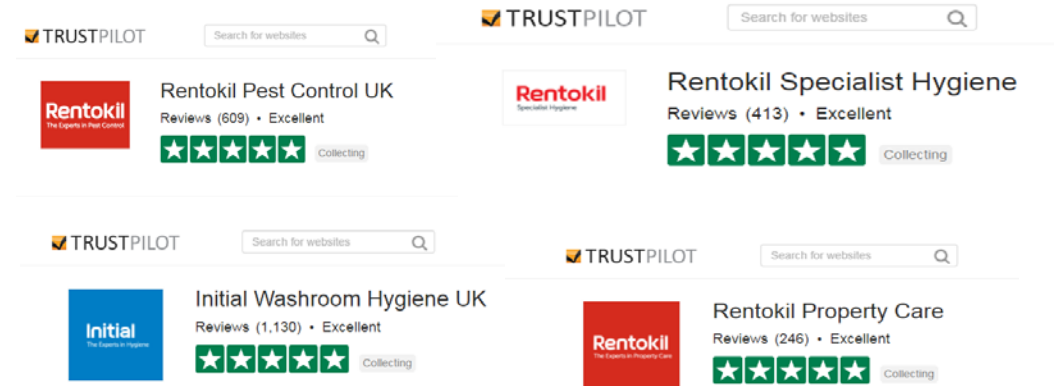
80 basis point improvement. 85.7% (2016: 84.9%).

Much more to go for e.g. Caribbean at 90%.

Aspirational target of 90% ("Project 90").



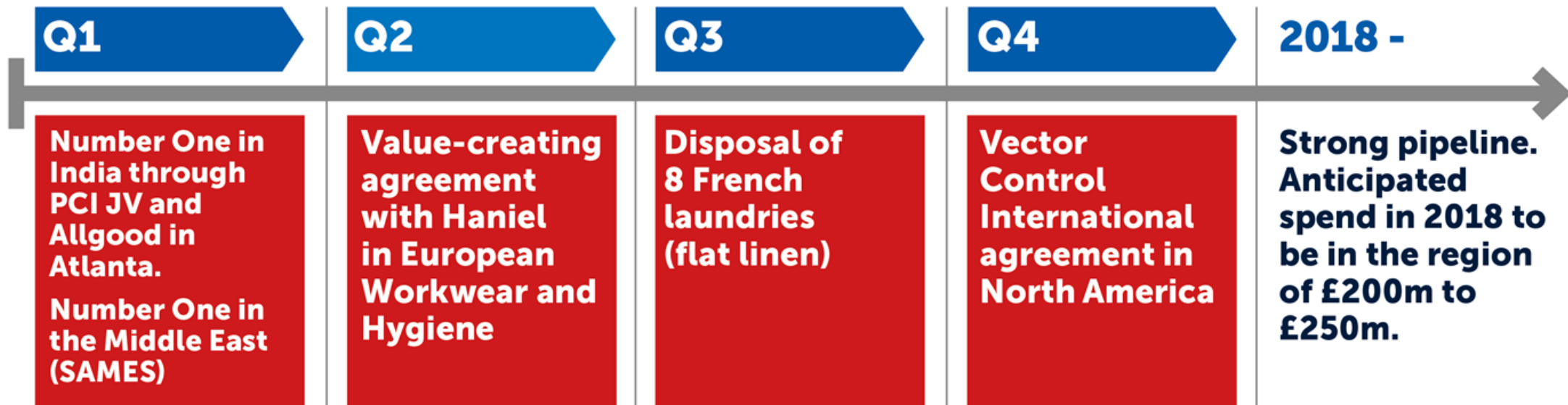
3,000 Independent Reviews  
Each business rated excellent  
(score of over 9.0 out of 10).



# Strong Execution of M&A

Strong pipeline remains in place

# THE **R**IGHT WAY



## 41 acquisitions

**£225m** Combined annualised revenues  
(2016: 41 deals with £124m revenues)

**33** Pest Control acquisitions  
with £175m revenues

### M&A Analysis:

Acquisitions over 18 month period (49 acquisitions made between 1st April 2015 and 30th September 2016). All acquisitions are delivering expected returns at or above their respective target levels.

# Delivering Sustainable, Profitable Growth

Exceeded our medium-term guidance in 2017

# THE RIGHT WAY

Overall, we have had a very good 2017 and I am delighted that we have again exceeded our medium-term financial targets for revenue, profit and cash.

Continue to deliver sustainable, profitable growth:

- ✓ Strong core markets in Pest Control and Hygiene.
- ✓ Leadership in digital and innovation driving organic growth.
- ✓ Common technologies to drive productivity across the operating model.
- ✓ Strong pipeline of acquisitions, particularly in Pest Control.
- ✓ Enabled by highly motivated colleagues and outstanding customer service delivery.
- ✓ Strong balance sheet.

We are confident of delivering further progress against medium-term financial targets in 2018.



**Strong performance in 2017 in excess of medium-term financial targets.  
Continued growth momentum driven by organic growth and M&A.**

## 2017 Financial Highlights





Ongoing Revenue Growth	Organic Revenue Growth	Ongoing Operating Profit Growth	Free cash flow (AER)
<b>14.5%</b>	<b>3.8%</b>	<b>14.8%</b>	<b>£175.8m</b>
Proposed final dividend increase	Pest Control Ongoing Revenue Growth	Hygiene Ongoing Revenue Growth	Net Debt
<b>15.1%</b>	<b>21.4%</b> <small>(organic: 5.8%)</small>	<b>7.6%</b> <small>(organic: 2.1%)</small>	<b>£927.3m</b>

All figures at Constant Exchange Rates unless otherwise stated.

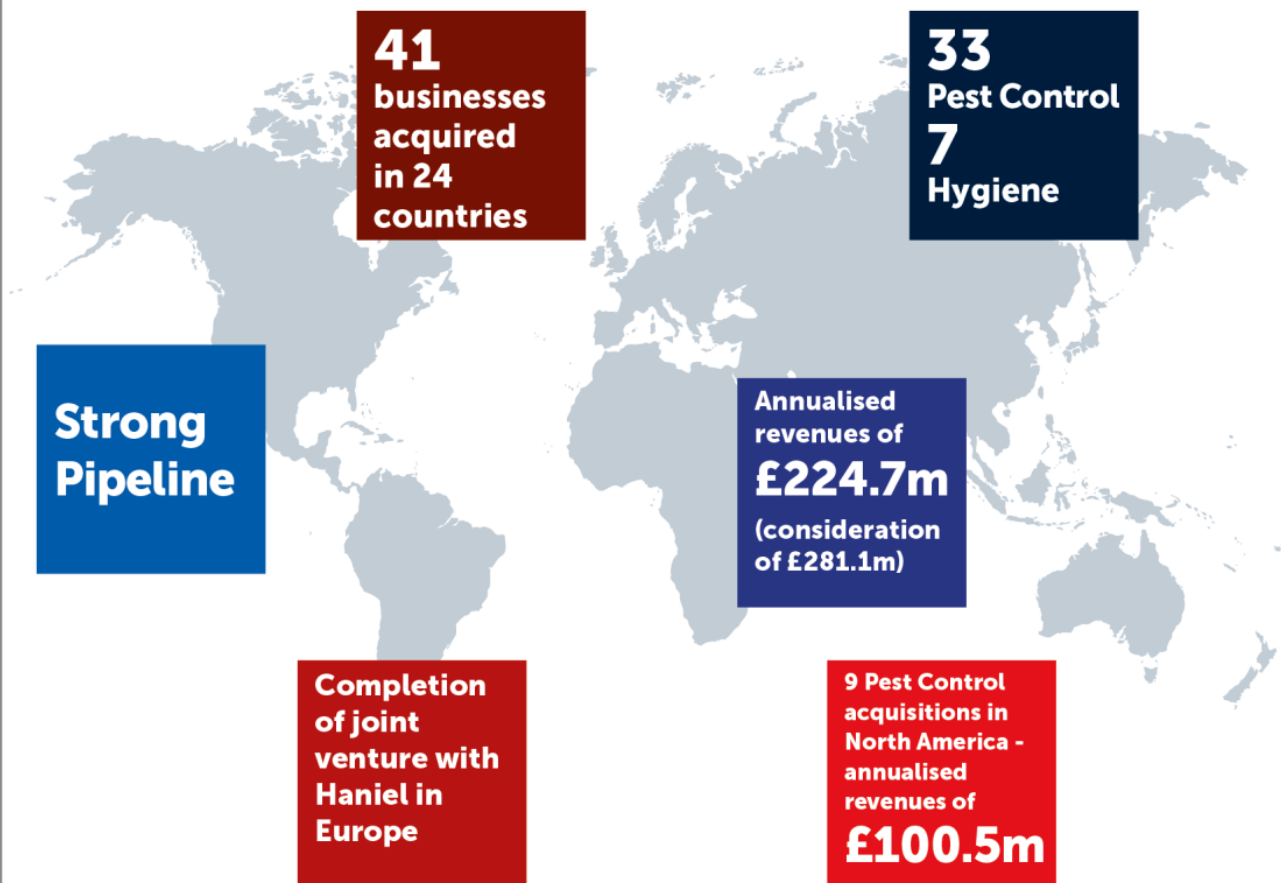
## Pest Control business performing strongly

2017 revenue growth at over 20% for the second year	Revenue +21.4% to £1.33bn	Profits +18.1% to £239.8m	Organic growth in Pest +5.8%
			

## Innovations

<b>Lumnia</b> First insect light traps using LEDs 	<b>RapidPro</b> Fast-acting mouse control bait 	<b>PestConnect</b> 50,000 'internet-of-things' devices in 10 countries 	<b>myRentokil customer portal</b> 100,000 users 
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## Particularly strong execution of M&A



**We are confident of delivering further progress against our medium-term financial targets in 2018.**



# 2018 Investor Seminars

**THE RIGHT WAY**

## Seminars taking place in May

16 May in London

17 May in New York

Predominately focused on Rentokil Pest Control  
as well as covering Initial Hygiene.

Details to be announced.

Contact Katharine Rycroft with any questions.



# Rentokil Initial

Protecting People. Enhancing Lives.





# Rentokil Initial

Protecting People. Enhancing Lives.

Appendix



# Disposals – Impact on FY Financials

At constant exchange rates

£ million	FY 2016			FY 2017			Accounting treatment
	As reported	Disposals	Ongoing (Restated)	Pre-disposals	Disposals	Ongoing	
<b>Ongoing Revenue*</b>	<b>2,157.7</b>	<b>(330.2)</b>	<b>1,827.5</b>	<b>2,284.6</b>	<b>(191.6)</b>	<b>2,093.0</b>	<ul style="list-style-type: none"> <li>The results of the Rentokil Initial businesses contributed into the Haniel JV are classified as Disposed Businesses and are therefore excluded from Ongoing Revenue and Ongoing Profit</li> <li>The financial results of the French Flat Linen businesses that have been sold to RLD have also been excluded from Ongoing Revenue and Ongoing Profit.</li> </ul>
Disposed businesses	10.4	330.2	340.6	3.4	191.6	195.0	
Total revenue	2,168.1	-	2,168.1	2,288.0	-	2,288.0	
<b>Ongoing Operating Profit*</b>	<b>284.9</b>	<b>(44.7)</b>	<b>240.2</b>	<b>293.9</b>	<b>(18.5)</b>	<b>275.4</b>	
Disposed businesses	(0.5)	44.7	44.2	0.1	18.5	18.6	
Total operating profit	284.4	-	284.4	294.0	-	294.0	

\*Ongoing Revenue and Ongoing Operating Profit exclude the results of disposed businesses, including the businesses contributed into the Haniel JV and the French laundries sold to RLD  
Charts calculated on a 12-month trailing basis