



2026 First Quarter Trading Update 16 April 2026

Paul Edgecliffe-Johnson Good morning, everyone, and welcome to our first quarter conference call. Before we begin, I'd like to draw your attention to the usual cautionary statement contained in our trading update, which also applies to this call. I will start by making some brief remarks on trading, and then I will be happy to take your questions. As we only reported on performance and strategy last month, today's announcement is a short update on revenue performance in the first quarter. As a reminder, all commentary is on a constant currency basis unless otherwise stated.

So we have made a good start to the year, with group revenue of \$1.7 billion representing organic growth of 3.4%. This is driven by continued momentum in North America, which delivered 3.9% organic growth and a solid performance for international. We saw 2.8% organic growth. Looking in more detail now at North America, where revenue grew 4.5% to \$995 million. Pest control services delivered revenue growth of 3.5%, including 6.1% from one off job revenue and 3.0% from contract revenue, an improvement from the previous quarter's 2.4% contract revenue growth.

Pest Control Services organic revenue growth of 2.8% continued the steady quarter by quarter improvements we have seen over the past year as we execute our strategy to optimise the ROI from our marketing spend, invest behind our strong national and regional brands, and improve our sales execution. The pricing environment remains robust with continued above inflationary increases. Overall, as we flagged back in March, our teams across the US worked hard in February, delivering excellent customer service to recover workdays lost due to January's extreme weather. Business services delivered strong organic growth, up 12.7%, helped by pre-spring demand in product distribution, new customer wins in brand standards, and some large contract wins in late management. Colleague retention of 82.6% increased 40 basis points compared to the position at the end of December. Customer retention was broadly flat on last year at 80.4%.

Moving to our international business, revenue was \$682 million for the first quarter, up 4.1%. Contract revenue grew 5.5% and one-off job revenue was broadly flat. Organic growth of 2.8% was supported by good growth in Europe, Latin America, the UK and sub-Saharan Africa, benefiting from strong pricing and volume growth. This was offset by a 60-basis point headwind from organic revenue declines in both the Pacific due to tough comparatives in our job based Rural and Trackspray business and Middle East North Africa impacted by the Middle East conflict.

So in summary, we have delivered a good start to the year during our seasonally quieter first quarter, driven by continued momentum in North America and solid progress across our

international business. We remain on track to deliver a full year performance in line with market expectations. I will also take this opportunity to welcome Thérèse Esperdy as the new chair, effective from the 1st of September this year. For more details on Thérèse and her appointment, please see the announcement released yesterday.

Finally, as you all know, last month we welcomed Mike Duffy as our new CEO. Mike will be leading the half year results presentation in July, when we will be giving you a more detailed update on the progress we are making executing against the plans we set out in March. And with that, I will now hand back, Drew, to you for Q&A.

Q&A

Suhasini Varanasi (Goldman Sachs): Hi Morning. Thank you for taking my questions. Just a couple for me, please. On the pest services growth in North America, we have obviously seen a very steady improvement in recent quarters. Just wanted to help us understand how you expect the improvement for the next few quarters please. Are there anything depending on comps, et cetera, that we should be worried about over to Q3? And the second question is on business services. It is been pretty strong in the last three quarters. Can you help us understand the drivers behind this and whether this can continue into the rest of the year? Thank you.

Paul Edgecliffe-Johnson: Thanks, Suhasini. So look, I mean, in terms of the growth that we are seeing, on the pest control side first, this is the culmination of all the efforts that we have been putting into the business really over the last 12 months or so to the strategic pivots that I talked about my first call 15 months back and driving up the number of leads that we have got, improving our conversion, improving our marketing, ROI, et cetera, is all helping us grow. But it is a grind up story. We are improving our pricing capabilities and that is the driver of all the growth that we are seeing at the moment. Volumes are still negative in line with what we saw in the second half of last year. So the strategy for 2026 is to try and improve our volume performance, keep more customers, increase retention and still hold on to that pricing.

There is no big things that I would call out in the quarters to come in terms of lapping tougher comparatives. There is always a few puts and takes, but there is nothing that is that material. In terms of the business services segment, yes, 12.7% is stronger growth than I expected to see in the first quarter. And we had a very strong second half as well. But I do think that this is an aberration rather than the norm. I do not expect to see this level of growth from that business segment. I think we have just seen some particularly strong demand in chemicals and distribution, and in the first quarter, as I mentioned, we have had some brand standards win in our Steritech business and a large job in late management. So those have all driven it, but I think it will revert more back to a normal level of growth as we go through the year. Thanks, Suhasini.

Suhasini Varanasi (Goldman Sachs): Thank you very much. Thank you.

Annelies Vermeulen (Morgan Stanley): Hi. Good morning. Thank you. I have two questions, please. So firstly, you have commented a lot about the focus on volumes and so on. In previous quarters, you've given some colour on lead generation. So could you perhaps comment on how that is trended in Q1 relative to Q4 and the second half of last year? And

then secondly, just to follow up on pricing, I appreciate it is early days, but given what oil prices are doing, concerns about inflation going up and so on, are you already beginning to push higher price increases with customers? And would you expect pricing to accelerate through the rest of this year relative to the levels that you have seen in Q1 2026? And perhaps if you could talk about how that ties into this focus on retention, how you balance that with continuing to wanting to improve volumes. Thank you.

Paul Edgecliffe-Johnson: Thanks, Annelies. So in terms of lead generation, I am not going to every quarter put out the numbers. We will continue to pull it out at the interims and the full year, but I think it is just a bit superfluous to do it every single quarter. No change, though, we are still pleased with what we are seeing. All the work that we have done to improve our marketing capabilities. And to improve both the number of leads and the quality of leads is, is continuing to drive business for us, so we are pleased with that. But nothing has changed in the last sort of 42 days since I talked about the full year.

In terms of pricing, as I have spoken about before, our pricing capabilities are much better now. The fact that inflation is going to be driven up by oil price increases doesn't really change our pricing strategy. For the residential business on the commercial business, we will have to see what happens there. Whether there is any scope in markets around the world for price surcharges, that would be something we would consider, but there is no decisions on and it is subject to the contracts that we have with customers around the world.

So that we will continue to do as we always do, making sure that we offer excellent service and excellent value. And we will look at the competitive environment, what everybody else is doing and what sort of fare in the circumstances. But nothing that I expect to have a big impact on the numbers this year. And so, yes, I think that is the main message. Nothing is going to have a big impact on the numbers this year. Thanks, Annelies.

Annelies Vermeulen (Morgan Stanley): Great. Thank you.

Andy Grobler (BNP Paribas): Hi. Good morning. Two from me as well, if I may. Firstly, just kind of following up on fuel price increases and the potential for some inventory shortages. How much inventory do you have in the system, and are you seeing any signs of stress resulting from the conflict in the Middle East? And then secondly, a bit more I am afraid, but just in terms of exit rates in March and to what extent all of that was impacted by the weather. Thank you very much.

Paul Edgecliffe-Johnson: Thanks, Andy. So yes, clearly, we do spend a reasonable amount on fuel in the business, but it is only 2% of our cost base. And as I have spoken about before, there is a lot that we are doing to the cost base around the world in terms of offshoring and restructuring and driving improvements in efficiency. So we have got quite a few levers to pull there. So we will have to see how long the fuel price increase remains with us. I do not expect it to be a material number for us in the context it is only 2% of our cost base. And in terms of inventory, we do actually have quite a lot of inventory in the supply chain. And the majority of our supplies were not coming through the Straits of Hormuz. They were coming other routes. So we are not as impacted as perhaps some businesses might be. So that is not something that currently is a concern to me.

In terms of the exit rate, so January obviously was impacted and we had a lot of work to do by our technicians to get around to our customers in February and March to recover that work. And they worked fantastically hard, as they always do, and were able to get back and

get to all the jobs covered. And that is how we delivered the numbers that we have delivered today. So it is a little difficult to look through that and look at the March exit rate. So there is nothing that I can see in the numbers that tells me anything different in March from the earlier months. But if there was, it would be quite hard to see through the noise. But we are pleased with the quarter. Thanks very much, Andy.

Andy Grobler (BNP Paribas): Thank you.

Nicole Manion (UBS): Hi. Morning. Thanks, Paul. Just two questions from me, please. Firstly, just on the customer retention side progress there perhaps a bit more muted than you have seen for the colleague retention. Can you talk through some of the drivers of that? Maybe on the commercial side compared to in resi in the US. And then secondly, just on any branch openings year to date, I think it is 70 or so smaller branches you are aiming to open through the year. Have there been any more open through sort of Q1 kind of where are you tracking towards that target? Thank you.

Paul Edgecliffe-Johnson: Thank you, Nicole. So yes, we were pleased with both customer retention and colleague retention. Actually, colleague retention is clearly a fair bit up from where it was quarter one of last year. And that is progressed through. So it is all the efforts that we are making to look after our colleagues is paying off. And that is a super important part of our business model, and so pleased with that. In terms of customer retention, it is basically flat on where it was last year. And remember, these are we report on a 12-month rolling basis, so no real differences there.

We spoke previously about the rationalisation that we are doing on some of our commercial customers to take out customers that are not as profitable, commercial customers that are not as profitable. And that is a little bit of a headwind. And you are seeing that coming through in the slight decrease from the quarter four number that we reported there. So it is not on the residential side. It is driven by that commercial side, which was deliberate.

In terms of branch openings, yes, as you know, we have got another 70 branches that we are opening during the course of this year and making good progress with that. So I am not going to give a quarter by quarter run down to the branch count. I do not think that is particularly helpful, but it is all on track pleased with the progress. And so, yes, overall, we are continuing to do exactly what we said we would. Thank you, Nicole.

Nicole Manion (UBS): Got it. Thanks, Paul.

Allen Wells (Jefferies): Hey. Good morning, Paul. Two quick ones from me, if I may. Firstly, you talked a little bit about the jobbing versus recurring activity within North America pest control. The full year numbers, I think the job inactivity was a bit stronger. I just wondered if you could provide a bit of an update in terms of how Q1 played out on the progress you made on recurring revenue improvement there? That is my first question. And then secondly, I appreciate, as you say, it is only been 40 odd days since the last update, but just in terms of the branch integration that was paused last year and restarting, maybe you could just provide a kind of update and reminder on how to think about the kind of timing and shape of progress here as we move through 2026. Thank you.

Paul Edgecliffe-Johnson: Thanks, Allen. So yes, as I said, in terms of the pest control services growth that we saw of that 3.5%, that was included 6.1% from one-off job revenue and 3% from contract revenue, which is an improvement from the previous quarter's 2.4% contract revenue growth. So that is important. If you look at how we are growing, that it is still all

price. So we are seeing the same sort of volume declines that we saw in the second half of last year. That is a continued focus for us and an area of opportunity. But we are pleased with the pricing that we are getting. And job revenue does move around a bit quarter by quarter, but we are pleased with the 6.1% increase that we saw there.

In terms of what we are doing around integration, I think I spoke about that quite extensively 42 days ago. And no change from that. We are rolling out our Branch 360 data layer, which allows all our branch managers to see data more simply, and that has been very well received. That is out in a lot of branches now, and so pleased with the progress on that. And really nothing further to say. I would not anticipate that we will be seeing a lot more about integration per se. Our focus is on driving the performance of the business. And that is sort of a new chapter for us, if you like, and hopefully put the integration chapter behind us. But thanks very much, Allen.

Allen Wells (Jefferies): Thank you.

Paul Edgecliffe-Johnson: Thank you very much, Drew. And thank you, everyone, for dialling in and listening. And like I said, when I started at Rentokil, that my ambition was to make Rentokil a nice, safe, boring stock where we do what we said we were going to do. And hopefully this morning's results show that we are on track for that. And we look forward to talking with you again for the half year in July. So we will speak to you then. Thanks very much, everybody. Bye for now.