

RKT Reckitt Benckiser Group PLC

Reckitt cuts growth guidance as North America offsets emerging-market gains

Following the Q3 RESULTS 2026 · 27 October 2026

CORE Q3 GROWTH	FULL-YEAR GUIDANCE	EMERGING MARKETS GROWTH	NORTH AMERICA GROWTH
+3.3%	+3.5% to +4.5%	+8.0%	-1.3%
▲ +0.1% volume and +3.2% price / mix	▼ cut from +4% to +5%	▲ +2.3% volume in Q3	▼ +0.1% year to date

Share price, past 12 months

Daily close; latest price as at 16:29 on 26 October 2026 · Ticker Data API



Reckitt's Q3 results today cut full-year Core Reckitt like-for-like revenue guidance to +3.5% to +4.5%, from +4% to +5%. Core revenue grew +3.3% in the quarter, but almost all of that growth came from price and product mix: volume rose just +0.1%. Emerging Markets grew +8.0% with genuine volume gains. Europe returned to slight growth, while North America declined as manufacturing constraints restricted Lysol supply. Reckitt maintained its adjusted operating-margin guidance and expects North America to rebound in Q4.

The investment case now turns on delivery rather than the breadth of Reckitt's brands. Nine-month Core growth stands at +2.9%, so Q4 must improve to meet even the reduced full-year range. The trading release gives no Q3 profit or cash-flow figures to show whether the expected second-half margin recovery has begun. Emerging-market demand supports the longer-term growth case; Lysol supply, seasonal cold-and-flu sales and post-disposal cash generation remain the immediate tests.

“While consumer demand for Lysol remains strong, temporary manufacturing constraints limited our ability to fully meet demand.”

Kris Licht, Chief Executive Officer · Q3 RESULTS 2026, 27 October 2026

Emerging Markets grow while Lysol supply falls short

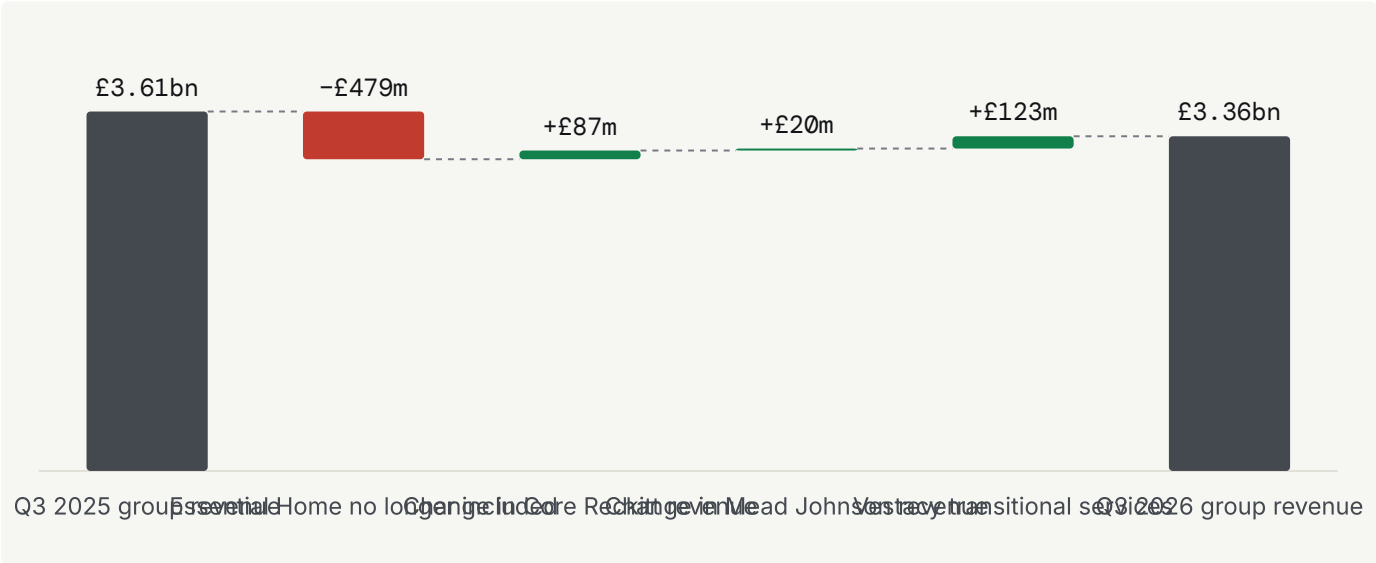
Reckitt sells health, hygiene and household brands including Dettol, Lysol, Gaviscon and Durex. Its Core business supplied 80% of group Q3 revenue. Emerging Markets accounted for 44% of Core revenue and grew across every region; volume rose alongside price and product mix. Dettol grew strongly there, while Gaviscon and Durex benefited from newer products and improving demand.

North America supplied 24% of Core revenue but contracted in Q3. Reckitt reported low-single-digit Lysol consumer sales growth and year-to-date share gains, yet manufacturing constraints prevented it from meeting demand fully. Retailer order timing also held back the quarter, and the company expects those orders to return in Q4. That is a plausible explanation for part of the shortfall, not yet evidence that the missed sales can all be recovered.

Q3 2026	VALUE	CHANGE
Emerging Markets revenue	£1.17bn	+8% +like-for-like
Emerging Markets volume	+2.3%	
North America revenue	£649m	-1.3% like-for-like

Sources: Q3 Results 2026, 27 October 2026

How reported Q3 group revenue changed



The steps use reported segment revenue in the Q3 Results 2026 reconciliation; Core and Mead Johnson changes are the differences between their Q3 2025 and Q3 2026 IFRS figures.

Price and mix supplied nearly all Core growth

Like-for-like growth strips out currency movements and completed disposals, making it the clearer measure of current trading. Core Q3 revenue grew +3.3% on that basis, comprising +0.1% volume and +3.2% price and mix. Europe's return to growth depended on price and mix offsetting a volume decline. North American volume rose, but its price and mix fell.

Reported group revenue fell -6.9% in Q3. The principal difference is structural: last year's quarter included Essential Home, which Reckitt sold at the end of 2025, while this quarter includes revenue from temporary services provided during the separation. Within Core, Germ Protection and Intimate Wellness grew strongly, but Household Care declined. Mead Johnson Nutrition grew in revenue despite a fall in volume, supported by a shift towards higher-priced products.

	VALUE	CHANGE
Core revenue	£2.69bn	+3.3% +like-for-like
Core volume	+0.1%	
Europe volume	-3.2%	
Mead Johnson volume	-5.0%	
Group reported growth	-6.9%	-6.9%

Sources: Q3 Results 2026, 27 October 2026

Cash returns need a post-disposal test

Year-end borrowings, 2025-12-31	Year-end cash, 2025-12-31	Operating cash flow, 2025
£7.62bn	£1.95bn	£2.30bn

At the end of 2025, cash exceeded borrowings due within a year. That historical position does not establish current liquidity: Reckitt has since paid a special dividend, begun a share buyback and tendered a Mead Johnson bond. The Q3 trading release contains no updated net debt, cash-flow statement or working-capital figures.

In 2025, operating cash flow covered capital expenditure and ordinary dividends, but left a limited surplus beside the new buyback programme. Reckitt also plans up to \$600m of North American investment over multiple years, so treating the whole amount as an immediate cash cost would be misleading. The useful next evidence is post-disposal cash generation alongside net debt and the spending needed to restore Lysol supply.

FIGURE	VALUE	CHANGE
Dividends paid 2025	£1.41bn	
Buyback programme Commenced 5 August 2026	£500m	£90m completed as of 23 October

Sources: Cash flow (tagged accounts), 2025-12-31; Q3 Results 2026, 27 October 2026; Debt, maturities and covenants, 2025-12-31; Balance sheet (tagged accounts), 2025-12-31

“We have adjusted our Core Reckitt full year like-for-like net revenue guidance to +3.5% to +4.5% growth.”

Kris Licht, Chief Executive Officer · Q3 RESULTS 2026, 27 October 2026

The reduced target still needs a stronger Q4

BEFORE	→	NOW · FULL-YEAR CORE GUIDANCE
~~+4% to +5%~~		+3.5% to +4.5%

Core like-for-like growth was +2.9% for the nine months, below the lower end of Reckitt’s revised full-year range. The company expects Lysol supply and retailer orders to recover, with stronger early demand for

seasonal cold-and-flu products. India’s favourable prior-year comparison is expected to unwind in Q4, while slower growth in China vitamins, minerals and supplements remains a headwind.

The unchanged adjusted operating-margin range is a separate test. The first-half margin was 23.6%, so Reckitt needs a materially stronger second half; it cites product mix, cost savings and measures to offset commodity inflation. The release provides no Q3 operating-profit figure. Beyond this year, projected net finance expense rises as one-off benefits to 2026 cease and gross borrowing increases, which could absorb some operating progress before it reaches earnings per share. The North America event on 19 November offers the next opportunity for detail on the US investment.

FIGURE	VALUE	CHANGE
Core year-to-date growth YTD 2026	+2.9%	 +2.9%
Adjusted operating margin FY 2026 guidance, Core Reckitt + MJN	24.9% to 25.6%	unchanged
Net finance expense 2027 expectation	£390m to £410m	 +56% against £250m to £270m expected for FY 2026

Sources: Q3 Results 2026, 27 October 2026

Last year’s earnings describe a different business

The disposal of Essential Home makes Reckitt’s 2025 revenue and profit an awkward basis for valuing the remaining business. The Q3 release reports sales but no profit or current cash flow from which to assess a post-disposal earnings or cash-flow multiple. It would be particularly easy to mistake the fall in reported group sales for deterioration across the brands Reckitt still owns.

The annual dividend provides some historical income context, and the buyback reduces shares outstanding as purchases proceed. Neither establishes the future return from the smaller group. The value attributed to a North American recovery depends on whether the US spending produces lasting sales and profit without weakening cash generation.

FIGURE	VALUE	CHANGE
Annual revenue 2025	£14.2bn	
Operating profit 2025	£4.22bn	
Dividend per share FY 2025	212.2 pence_per_share	prior 202.1 pence_per_share

Sources: Income statement (tagged accounts), 2025-12-31; Reported results, 5 March 2026

The pre-results rally had no post-results confirmation

Reckitt closed at 5,484p on 26 October, before these results, after rising 11.8% over the preceding month. The share price stood above its shorter moving averages, but the 50-day average remained below the 200-day average. Trading volume had eased into the announcement, so the preceding rise cannot show how investors have received the guidance cut.

The relevant chart test comes after publication. Sustained trading above the pre-results area on stronger volume would support the view that investors expect a Q4 recovery. A retreat towards the previously

tested 5,201p area would instead suggest the results have weakened that expectation. Neither chart outcome would replace the evidence from North American sales and margins.

The case for and against

FOR

The case for Reckitt rests on demand that extends beyond one product or market. Emerging Markets delivered both volume growth and higher price and mix, Europe returned to like-for-like growth, and Lysol gained share year to date despite the supply constraint. If Reckitt restores supply, converts early cold-and-flu demand into sales and holds its margin range, the reduced guidance could prove a temporary interruption to its medium-term Core growth ambition.

AGAINST

Against that, Core Q3 growth relied heavily on price and mix. European volumes fell, North American revenue declined and the company reduced its full-year sales range while retaining a margin target that requires a much stronger second half. Higher expected finance costs in 2027 and the absence of current cash-flow figures make it harder to judge how much of any operating improvement will benefit shareholders. Lysol's reported share gains do not prove that constrained sales can all be recaptured.

WHAT TO WATCH

The 19 November North America event can clarify the timetable and expected return on the US investment. Q4 North American like-for-like sales, Lysol supply and seasonal medicine sales will test the promised rebound; full-year results must then show whether the adjusted margin range held and how much cash the post-disposal business generated. Those figures will distinguish a delayed sales recovery from a more persistent problem with volumes or execution.

Risks

- ❗ Lysol manufacturing constraints may take longer to resolve than expected, while missed sales or retailer orders may not return in full.
- ❗ European volume declines and heavier promotions could make it harder to offset input-cost inflation without weakening the adjusted operating margin.
- ❗ A weaker cold-and-flu season or slower China vitamins, minerals and supplements growth could prevent the Q4 acceleration needed for full-year guidance.
- ❗ Higher expected net finance expense in 2027 could limit earnings-per-share growth, particularly if post-disposal cash generation fails to support investment and shareholder returns.

THE OTHER VIEW

The strongest more favourable reading is that North America's shortfall reflects constrained supply and order timing, not lost consumer demand: Lysol gained share year to date, while Emerging Markets grew volumes across its regions. If supply recovers promptly, seasonal medicines sell well and the maintained margin range holds, the guidance cut could understate the underlying strength of the remaining brands.

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