Rentokil Initial

Preliminary Results 2020

Protecting People. Enhancing Lives.

Delivering our purpose during the crisis.

4 March 2021

2020 RoSPA Gold Award

glassdoor 2020 BEST PLACES TO WORK EMPLOYEES' CHOICE

The Queen's Awards for Enterprise Innovation 2020

The Planet Mark eden project

Protecting People. Enhancing Lives.

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Protecting People. Enhancing Lives.

Delivering our purpose during the crisis.

Andy Ransom
Chief Executive

COVID-19
Global Pandemic

We have a robust growth model – increasing revenue, profit and cash during the global pandemic.

Our strategic response has been to navigate the pandemic through three phases: Crisis, Recovery and Strategic Opportunities.

+6.3%

Ongoing Revenue Growth in 2020.
North America: $1.585bn Ongoing Revenues, 17.3% Net Operating Margin.

+5.4%

Ongoing Operating Profit Growth in 2020.
Reflecting actions taken to mitigate COVID-related revenue reductions, and despite £34m increase in bad debt provision and a £25m full-year cost of PPE.

£336.8m

Free Cash Flow in 2020.
123% cash conversion.
Delivered through tight controls over costs, capex and working capital.

COVID-19
Crisis Phase

Decisive action to protect liquidity in Q2: Drawing down our RCF, applying for CCFF, reducing Capex, and suspending dividend and M&A.

‘Essential’

Essential service status confirmed around the world including all 50 US States.

+40%

Of our colleagues made some form of sacrifice including pay waivers and temporary lay off. Normalised from Q3.

£600m

CCFF repaid in July.

COVID-19

Recovery Phase

In the second half we entered the Recovery Phase, supporting customers with services such as Disinfection and Hand Hygiene.

£225.1m

Rapid deployment of disinfection added £225.1m revenues in 2020.

+36.8%

Pest Control and Hygiene performed well. Ongoing Revenues in Pest Control +1.0% and Hygiene +36.8%. P&E declined by 12.0%.

x17

Increase in sales of soap and sanitiser consumables to refill dispensers vs 2019.

COVID-19
Strategic Opportunities Phase

Opportunities in M&A and digital, and expanding our Hygiene services organically and through acquisition.

c.£158m

23 businesses acquired delivering c. £158m of annualised revenues (2019: £137m).
15 deals in NA, including EPS in Florida.
Strong pipeline.

+150,000

PestConnect Digital Pest Control units now in customers' premises with remote monitoring (c.2x 2019).

20

New Hygiene markets launched in 2020.
Hygiene now inside and **outside** of the Washroom.

2020: From Crisis to Recovery

1. Increased revenue and profit, and an outstanding cash performance.
2. Strong operations in Pest & Hygiene. P&E more impacted.
3. Very strong delivery of disinfection services with new revenues of £225m.
4. Strong M&A performance.
5. While uncertainty remains, we remain optimistic about performance in 2021 and onwards.
6. Recommending a dividend payment of 5.41p for 2020 reflecting performance in 2020 and confidence for 2021.

Rentokil Initial

Preliminary Results 2020

Financial & Regional Review

Stuart Ingall-Tombs
Chief Financial Officer

Financial Highlights

THE RIGHT WAY

Revenue
£2,845.6m
+6.3% despite disruption from COVID-19 crisis

Profit
£388.1m
+5.4%, reflecting actions to mitigate COVID-related revenue reductions, and despite a £34m bad debt provision and £25m of additional PPE costs

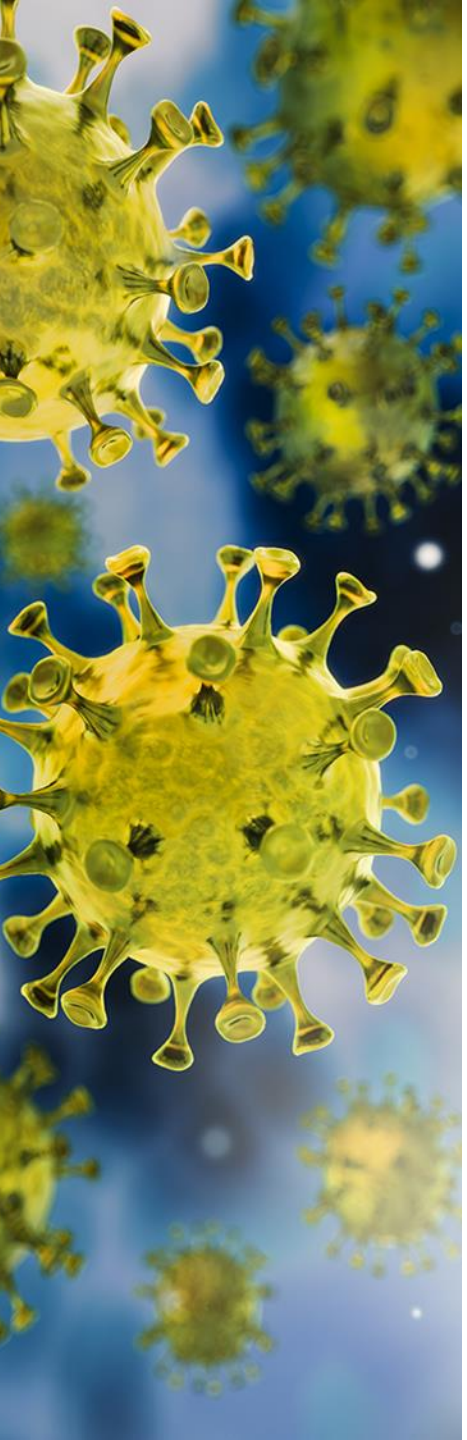
Cash
£336.8m
Excellent delivery, through tight controls over costs, capex and working capital

Net Debt /EBITDA
1.6X
Driven by strong cash management actions in 2020

Dividend
5.41p
Reflecting strength of performance in 2020 and confidence for 2021

	FY 2020			
£ million	AER	CER	Δ AER	Δ CER
Ongoing Revenue*	2,809.6	2,845.6	5.0%	6.3%
Ongoing Operating Profit*	383.8	388.1	4.3%	5.4%
Adjusted PBTA	355.2	359.2	4.2%	5.3%
Adjusted EPS	15.37p	15.56p	6.5%	7.8%
DPS	5.41p			
Free Cash Flow	336.8			

*Ongoing Revenue and Ongoing Operating Profit exclude the results of disposed businesses.
Ongoing Operating Profit and Adjusted PBTA exclude certain items that could distort the underlying trading performance.
Due to the impact of the COVID-19 crisis, we have suspended reporting Organic Revenue and revenue from M&A growth metrics, focusing instead on Ongoing Revenue and associated impacts from the crisis. We will give organic growth metrics from Q1 2021.



Impact of COVID-19 crisis

THE RIGHT WAY

All numbers at CER

- **Revenue growth in 2020 has been supported by very strong performance from North America,** which benefited from high levels of disinfection sales launched in Q2 and a resilient performance from Pest Control.

- **Impacts from the crisis reduced as the year progressed**, with revenues falling by 4.4% in Q2, and returning to good growth in Q3 (+9.8%) and Q4 (+12.7%).

- **We have delivered Ongoing Operating Profit growth,** reflecting significant actions to mitigate COVID-related revenue reductions, and despite an increased bad debt provision, additional costs of essential PPE and increased restructuring costs (£13.3m vs. £7.7m in 2019).

- **Our key financial priority at the peak of the crisis was the preservation of ongoing cash flow** - measures taken in 2020 have enabled us be highly cash generative in 2020.

- **Cost savings of £121.8m in 2020** - from management salary reductions, cancellation of bonus and postponement of 2020 LTIP grant and tight control over discretionary spend. Cash savings from suspension of dividend and M&A, reduced cash tax payments in line with local statutory schemes and reduced capex.

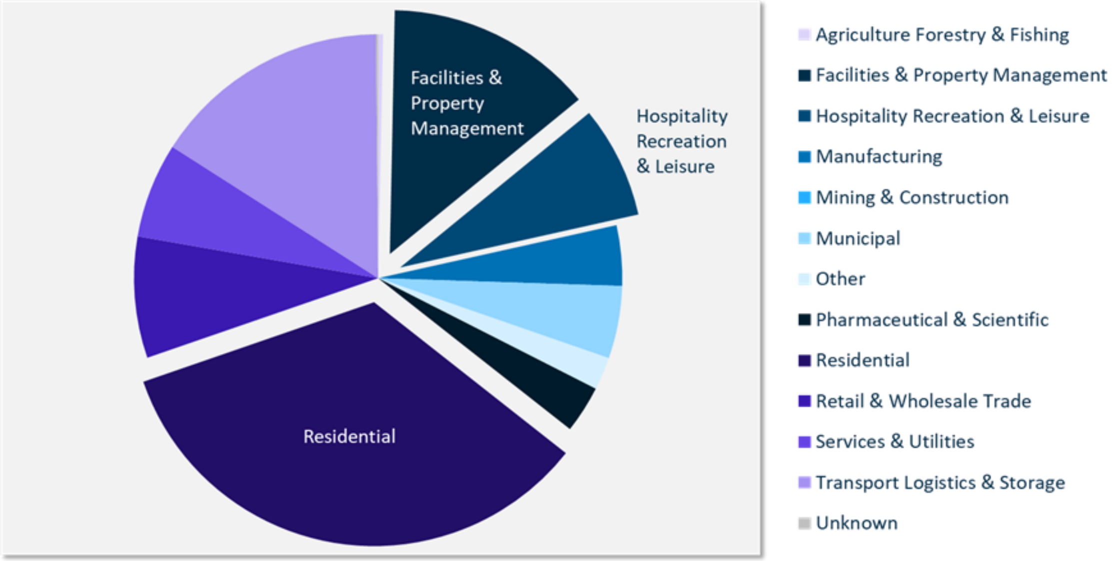
- **No major customer insolvencies to date,** however we continue to adopt a prudent approach to ongoing risk. Bad debt provision of £34m (£4m lower than guidance at interims) reflects increased risk of bad debts as a result of the COVID-19 crisis.

Our proactive and agile response to the crisis has enabled us to deliver growth in 2020.

North America

Group Revenue: 44% **Group Profit: 44%**

Revenue breakdown by customer segment



Overview of regional impact from COVID-19

Our best performing region in 2020

Revenues supported by strong disinfection sales launched in Q2 and a good performance from Pest Control

High demand for Residential pest (c.40% of Pest Services revenue) - Commercial pest impacted by temporary business closures

Q2 most challenging quarter for Commercial pest, but improvements in Q3 and Q4

Significant disruption to Ambius and Brand Standards, reflecting discretionary nature of Ambius products and Brand Standards’ exposure to fast food sector (impacted by temporary business closures)

0.9% customer suspensions as at year end

An excellent revenue and profit performance in 2020.

North America cont'd

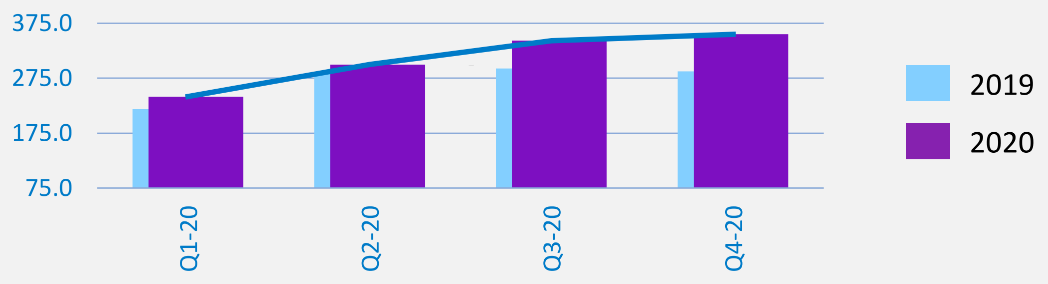
THE RIGHT WAY

All numbers at CER

	FY 2020	Growth
Ongoing Revenue	£1,239.8m	+14.5%
Ongoing Operating Profit	£214.6m	+39.9%
Net Operating Margin	17.3%	+310 bps

Quarterly revenue progression

Q1	Q2	Q3	Q4
£241.6m	£299.8m	£343.4m	£355.0m



Overview of performance in 2020

14.5% growth has resulted in us exceeding our target of $1.5bn of revenue by the end of 2020 ($1,585.7m)

Total Pest Control revenues (including Distribution and Lake Management) up 3.1% to £1,018.4m

Revenue from Pest Services up 6.5%, reflecting good demand from Residential customers

39.9% growth in Ongoing Operating Profit reflecting revenue growth in Pest Control, disinfection services and effective cost control to offset crisis impact

Despite suspended M&A in Q2, very strong end to 2020 with a total of 15 acquisitions for the year (14 Pest, one Ambius) with annualised revenues of c.£142m

This includes the acquisition of EPS in Florida, which builds on our growing presence in the south east, the US's largest pest control market

Revenues boosted by Residential Pest Control and disinfection services.

North America cont'd

THE RIGHT WAY

Update on plan to deliver $1.5bn revenue, 18% Net Operating Margins

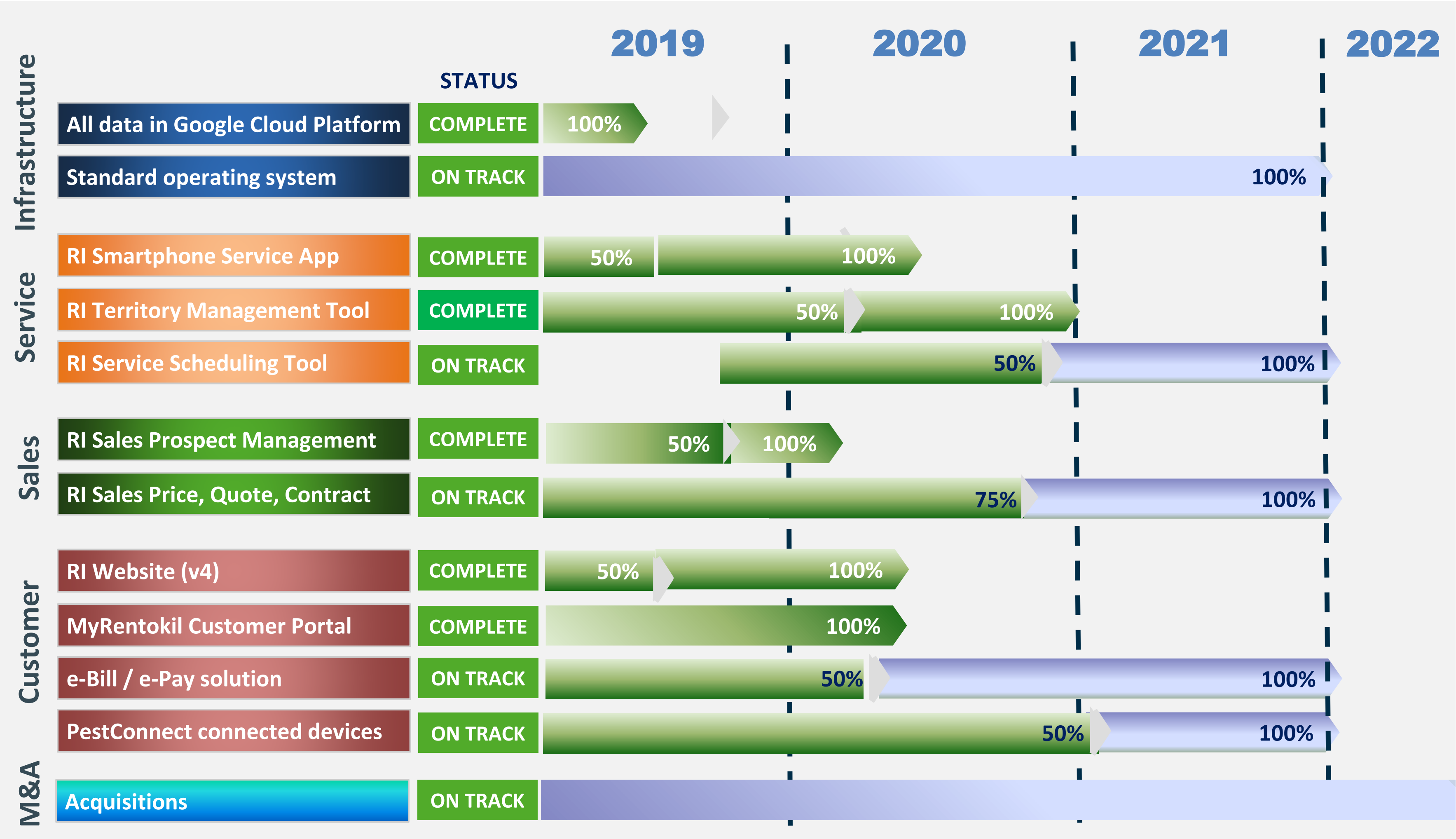
	Progress in 2020	Adverse Impacts
Revenue & Margin Performance	• Despite the pandemic, revenue growth of 14.5% - $1.5bn revenue target exceeded by $85.7m • Pest services revenue increased by 6.5%, driven by good Residential performance • £144m contribution from disinfection services, launched in Q2 • Many customers forced to close during lockdown earlier in the year reopened in H2 • 310 bps improvement in margins to 17.3% from short-term cost actions, disinfection sales, business mix and benefits of Best of Breed programme • Very good performance on M&A despite suspension in Q2 - 15 acquisitions, with revenues of c.£142m (including EPS) • Significant prior experience in remote working has enabled a seamless, effective migration to c.100% remote working model	• Ongoing rates of COVID-19 infection have impacted our colleagues, customers and the North America economy • Commercial Pest Control service shortfalls have reflected temporary customer closures • Decline in Ambius revenues as a result of lower Holiday sales and the discretionary nature of products and services. Brand Standards impacted by exposure to Fast Food sector and business suspensions • Margins of acquired businesses typically lower than our existing operations – acquisitions in 2020 will have short-term dilutive impact on margins for 2021 • Structural cost activities paused in Q2 recommenced in H2 2020, causing a delay in H2 2020 and H1 2021 margin improvement

$1.5bn revenue target achieved in 2020, margins up 310 bps to 17.3%.

North America

Significant progress on IT re-platforming and applications deployment in 2020

THE RIGHT WAY



IT re-platforming programme focused on delivering a standard modern technology platform to support efficient and unified operating model across the business.

Having data and operations in one place delivers cost benefits through reduced back - office costs and more effective management.

Modern cloud platform also critically allows deployment of Group applications across North America, in key areas of service, sales and customer communications.

Acquisitions migrated at pace to the platform to achieve planned benefits of business consolidation.

Cost savings benefits associated with standard operating procedures will flow through on project completion.

Core programme scheduled to complete by the end of 2021.
Initiatives completing in 2021 will have greatest impact on margins.

North America

Outlook and margin progression in 2021

THE RIGHT WAY

- Anticipated gradual return to more normal levels of growth from core North American Pest Control operations and recovery of Brand Standards and lower-margin Ambius businesses
- Revenues from disinfection set to continue in 2021, although volumes and prices to progressively unwind throughout the year
- Margin improvements from cost savings and implementation of Best of Breed Programme
- Some short-term margin dilution from lower-margin businesses acquired in late 2020

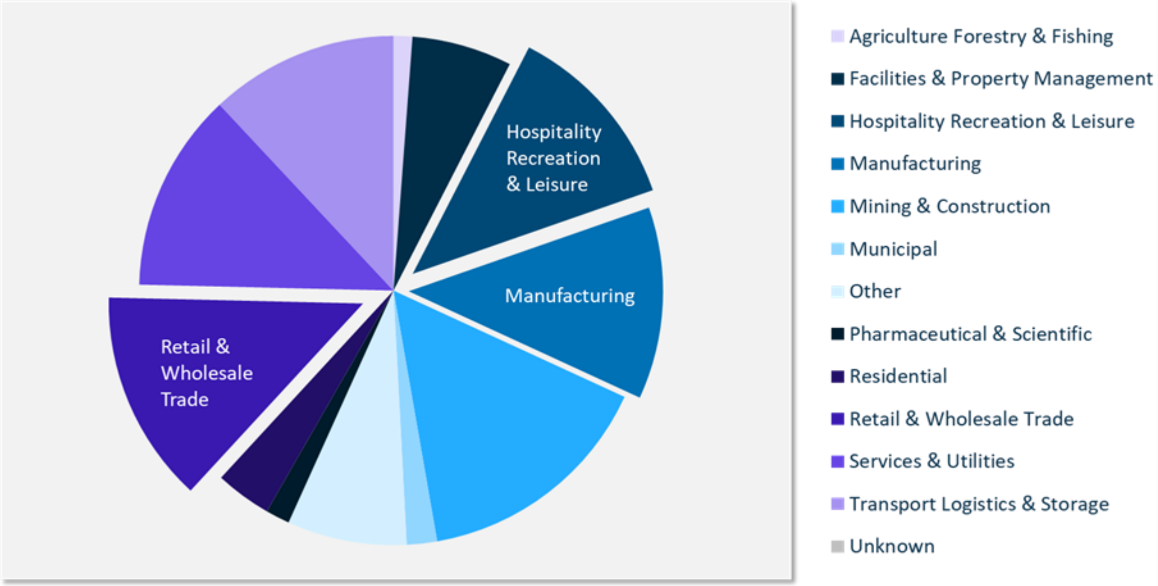
We expect North America margins for 2021 to be within the range of 16.5% to 17%, leaving us on track to achieve our 18% margin target by the end of 2022.

Europe

THE RIGHT WAY

Group Revenue: 25% **Group Profit: 26%**

Revenue breakdown by customer segment



Overview of regional impact from COVID-19

A mixed impact overall

Some countries less affected by COVID-19 due to early and effective lockdowns, notably Germany, while others, particularly France and parts of Southern Europe, more severely affected

Latin America in positive growth for 2020, with disinfection more than offsetting declines in Pest Control

Hygiene our best performing category, aided by disinfection and product sales

A robust performance from Pest Control despite the crisis

France Workwear most impacted by the pandemic and particularly affected by temporary business closures HORECA sector

2.8% customer premises suspensions by year end

A mixed performance in 2020, both by category and geography.

Europe cont'd

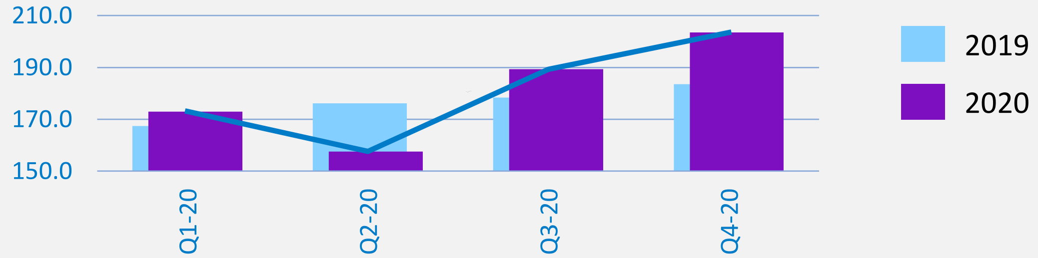
THE RIGHT WAY

All numbers at CER

	FY 2020	Growth
Ongoing Revenue	£723.4m	+2.5%
Ongoing Operating Profit	£130.4m	-4.1%
Net Operating Margin	18.0%	-130 bps

Quarterly revenue progression

Q1	Q2	Q3	Q4
£173.0m	£157.6m	£189.3m	£203.5m



Overview of performance in 2020

2.5% growth in Ongoing Revenue reflecting growth in Germany (+10.7%), Latin America (+15.2%), Southern Europe (+5.3%) and Benelux (+0.5%), held back by 3.2% revenue decline in France (principally Workwear, which declined by 10.4%)

22.3% revenue growth in Hygiene, benefiting from sales of disinfection services; 0.4% decline in Pest Control due to temporary customer closures

4.1% decline in Ongoing Operating Profit – 24.5% growth in Germany offset by declines elsewhere, notably France

Four acquisitions in 2020 – two in Europe (one Pest Control and one Hygiene) and two in Latin America (both Pest Control), with annualised revenues of c.£6m and £3.5m respectively

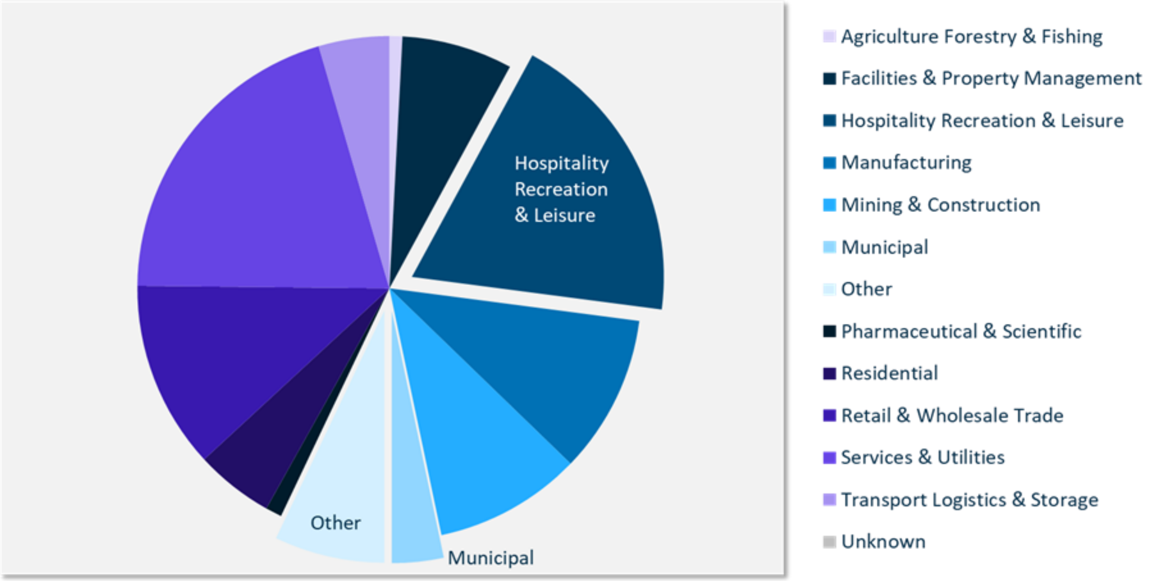
Overall strong performance from regional Hygiene operations offset by France Workwear.

UK & Rest of World

THE RIGHT WAY

Group Revenue: 16% Group Profit: 17%

Revenue breakdown by customer segment



Overview of regional impact from COVID-19

Decline in UK & Ireland Pest and Hygiene operations, significantly impacted by temporary business suspensions and closures, primarily in HORECA sector

Specialist Hygiene, Medical Hygiene and Products businesses benefiting from disinfection sales

Ambius and Property Care most severely impacted categories as a result of customers cutting spend on discretionary services (such as interior landscaping and plants); Property Care impacted by weakness in UK commercial housing market

2.0% customer premises suspensions by year end

**UK, Ireland and Caribbean significantly impacted by restrictions and lockdowns.
ROW operations in positive growth in 2020.**

UK & Rest of World cont'd

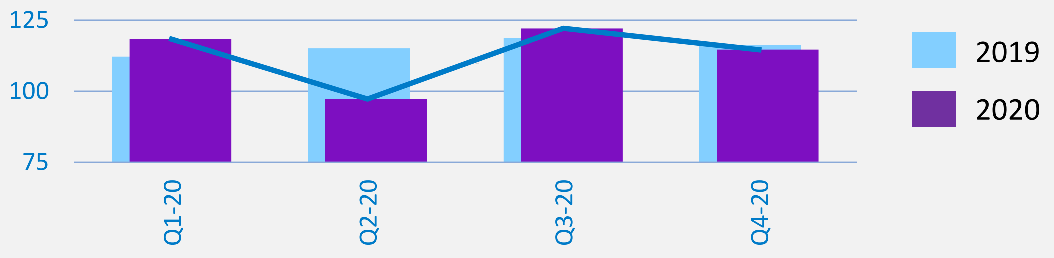
THE RIGHT WAY

All numbers at CER

	FY 2020	Growth
Ongoing Revenue	£452.2m	-2.2%
Ongoing Operating Profit	£84.9m	-16.2%
Net Operating Margin	18.8%	-310 bps

Quarterly revenue progression

Q1	Q2	Q3	Q4
£118.3m	£97.2m	£122.1m	£114.6m



Overview of performance in 2020

Revenue decline reflecting falls in UK and Ireland Washrooms and Pest Control (-20.2% and -8.5%), partially offset by 5.3% growth in ROW operations (Nordics +8.7%, MENAT+12.8%, Sub-Saharan South Africa +4.4%) aided by disinfection sales

UK revenues supported by new products, services and contract wins of connected pest control systems: largest PestConnect contract secured to date, with tens of thousands of units across majority of TESCO's UK footprint

Ongoing Operating Profit decline of 16.2%, reflecting bad debt provisions, costs of PPE and increased credit notes

Two pest control acquisitions in ROW in 2020 in Tanzania and Ghana with annualised revenues of c.£2m

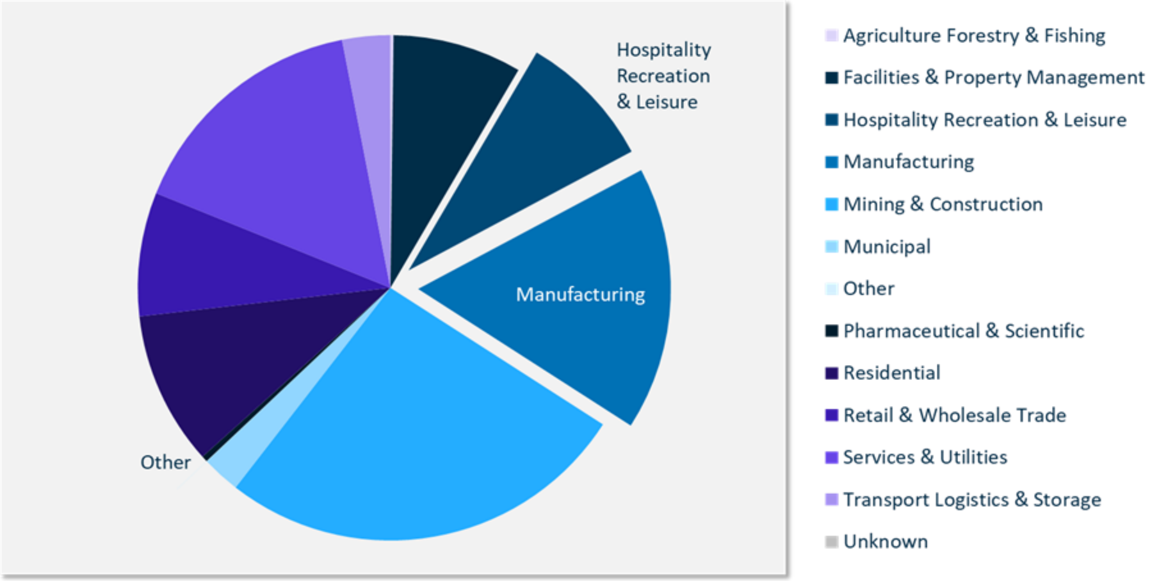
Temporary customer closures, particularly in HORECA sector, impacting Pest and Hygiene service delivery.

Asia

THE RIGHT WAY

Group Revenue: 9% **Group Profit: 6%**

Revenue breakdown by customer segment



Overview of regional impact from COVID-19

China, Hong Kong and South Korea among first countries to be impacted by COVID-19, and also first to recover, with strong demand for disinfection and hygiene product sales offsetting falls in contract revenue in other countries

Country performances across Asia mixed in 2020, with Singapore, Indonesia, Thailand, South Korea and Sri Lanka performing well but with India and Malaysia experiencing the worst impacts from the crisis

2.6% customer premises suspensions by year end

Significant country differences across Asia region, but overall a robust performance in 2020.

Asia cont'd

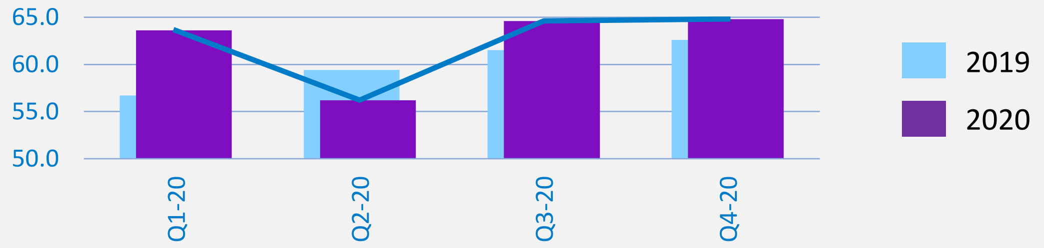
THE RIGHT WAY

All numbers at CER

	FY 2020	Growth
Ongoing Revenue	£249.2m	+3.7%
Ongoing Operating Profit	£27.4m	+10.1%
Net Operating Margin	11.0%	+60 bps

Quarterly revenue progression

Q1	Q2	Q3	Q4
£63.6m	£56.2m	£64.6m	£64.8m



Overview of performance in 2020

Regional Ongoing Revenue increase of 3.7% in 2020, aided by very strong performances from Indonesia (+28.1%), Hong Kong (+18.4%) and South Korea (+21.9%), offset by weaker performances from India and Malaysia, down 15.8% and 5.2%

Ongoing Operating Profit up 10.1% in 2020, with good performances in Indonesia, Hong Kong, Korea and Thailand, again offset by weaker performances in India and Malaysia

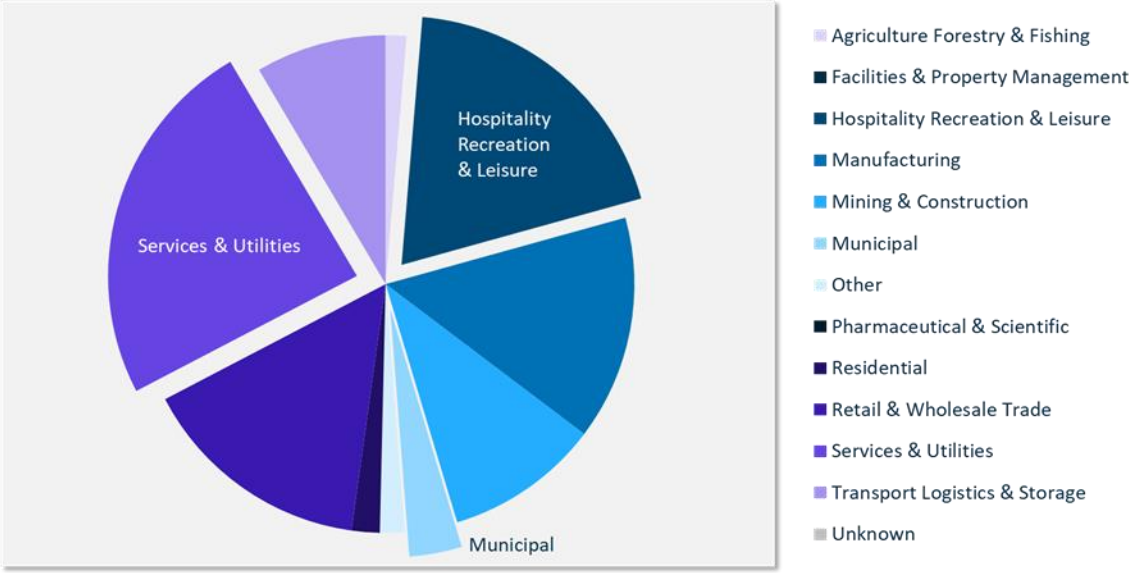
One pest control acquisition in Singapore with revenues of c.£3.5m

3.7% revenue increase reflecting strong performances from Indonesia, Hong Kong and South Korea, offsetting weaker results in India and Malaysia.

Pacific

Group Revenue: 6% **Group Profit: 7%**

Revenue breakdown by customer segment



Overview of regional impact from COVID-19

All regional operations impacted by the pandemic as a result of lockdowns, particularly New Zealand

Declines in core Pest Control and Hygiene services offset by strong demand by both category customers for hygiene products, including hand sanitisers and paper products, and other hygiene sales

0.8% customer premises suspensions by year end

A challenging year for the Pacific region. Australia and New Zealand significantly impacted by lockdowns.

Pacific cont'd

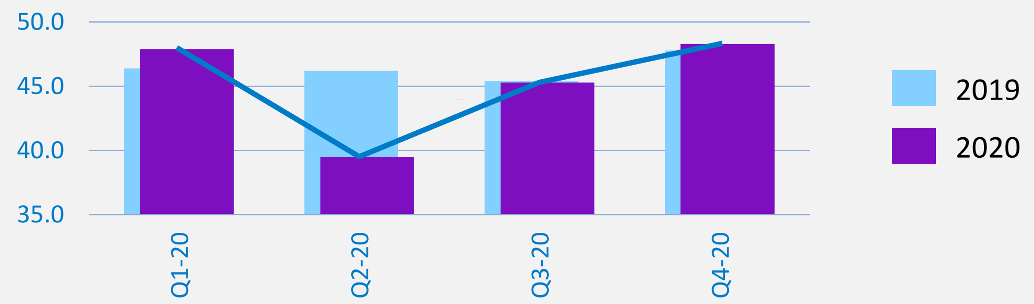
THE RIGHT WAY

All numbers at CER

	FY 2020	Growth
Ongoing Revenue	£181.0m	-2.6%
Ongoing Operating Profit	£35.2m	-8.7%
Net Operating Margin	19.5%	-130 bps

Quarterly revenue progression

Q1	Q2	Q3	Q4
£47.9m	£39.5m	£45.3m	£48.3m



Overview of performance in 2020

Ongoing Revenue decline of 2.6%, with all regional operations impacted by the crisis

Revenue in Pest Control down 1.3% in 2020, Hygiene down 2.6%

Ongoing Operating Profit fell by 8.7% in 2020, reflecting bad debt and costs of additional PPE

One small pest control acquisition in Australia in 2020 with annualised revenues of c.£0.5m

Despite overall revenue decline, a steadily improving performance from Q2.

Operating Cash Flow

THE RIGHT WAY

£ million @AER	FY 2020	FY 2019
Adjusted Operating Profit	**384.0**	**365.4**
One-off items – Operating	(7.7)	(14.6)
Depreciation	228.8	219.8
Other[1]	11.1	26.1
EBITDA	**616.2**	**596.7**
Working capital	41.0	(7.0)
Movement on provisions	4.6	(4.0)
Capex - additions	(225.4)	(245.8)
Capex - disposals	6.3	3.2
Operating Cash Flow – continuing operations	**442.7**	**343.1**

Operating cash inflow £99.6m higher than in 2019, driven by a £18.6m increase in Adjusted Operating Profit, favourable working capital of £48.0m and reduced capex of £20.4m

1 Profit on sale of fixed assets, IFRS 2, dividend from associate, etc.

Free Cash Flow & Movement in Net Debt

THE RIGHT WAY

£ million @AER	**FY 2020**	**FY 2019**
Operating Cash Flow – continuing	**442.7**	**343.1**
Cash interest	(41.0)	(48.1)
Cash tax	(64.4)	(43.2)
Special pension contributions	(0.5)	(1.1)
Free Cash Flow – continuing	**336.8**	**250.7**
Acquisitions	(201.9)	(316.5)
Disposals	2.2	391.9
Dividends	-	(85.8)
Underlying decrease in Net Debt	**137.1**	**240.3**
FX and other	(58.4)	24.2
IFRS 16 lease obligations	-	(184.0)
Decrease in Net Debt	**78.7**	**80.5**
Opening Net Debt	(1,073.0)	(1,153.5)
Closing Net Debt	(994.3)	(1,073.0)

Interest of £41.0m, £7.1m lower than 2019, due to 2019 bond refinancing. Cash tax increase of £21.2m, reflecting higher US tax payments, a payment relating to a UK legacy issue and the non-repeat of certain tax repayments received in 2019.

Free Cash Flow from continuing operations up £86.1m to £336.8m.

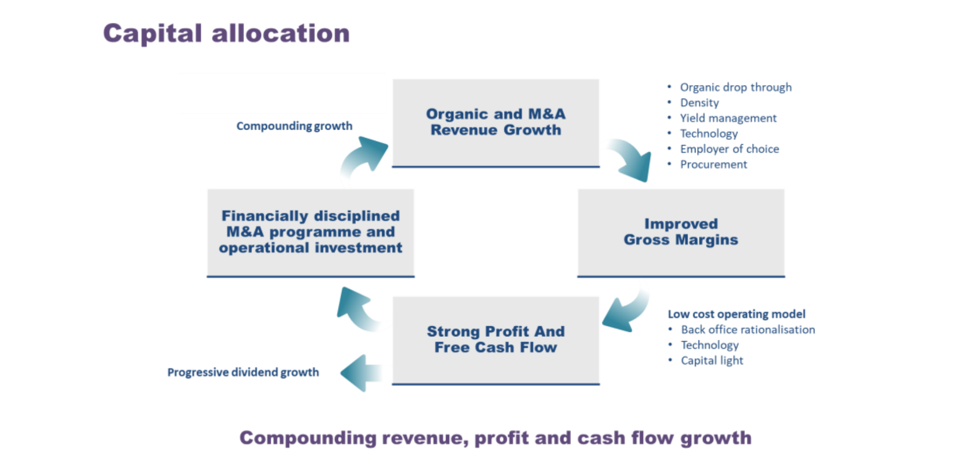
Underlying decrease in net debt of £137.1m. FX and other items of £58.4m reflects weakness in sterling as well as the impact of the closure of an instrument designed to reduce US interest rates on our US dollar debt. Leading to overall net debt decrease of £78.7m and closing net debt of £994.3m.

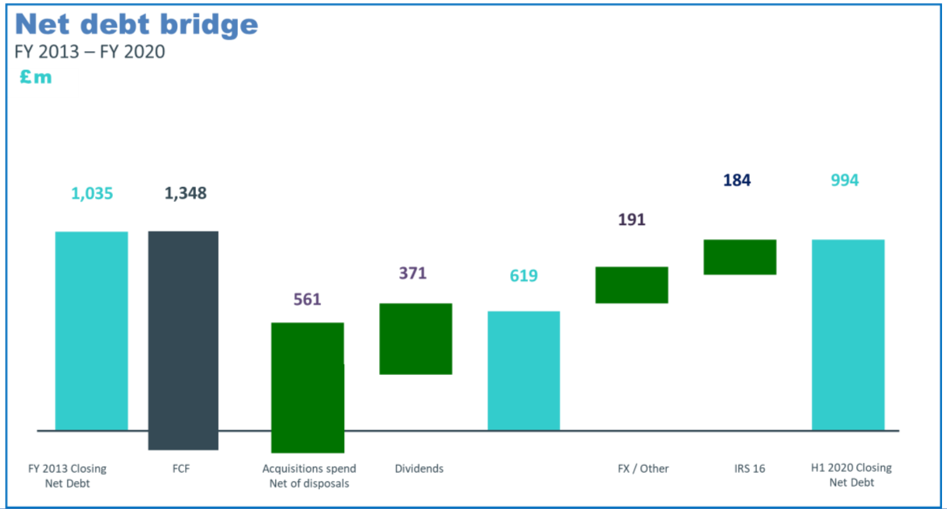
Balance Sheet

THE RIGHT WAY

Balance Sheet

- Net debt at 31 December 2020 of £994.3m
- €600m bond (0.50% coupon) in October 2020 to be used for liquidity headroom and repayment of €350m bond maturing 2021
- Tender offer for the early repurchase of the €350m 2021 bond announced November 2020. 49.8% of the outstanding bond repurchased to leave c.€175m for settlement at par in July 2021
- Liquidity headroom in excess of £1.2bn at 31 December 2020, including £550m of undrawn RCF maturing August 2025
- Net debt to EBITDA ratio 1.6x at year end (below 1.8x ratio at 31 December 2019 and 1.9x ratio at 30 June 2020)
- Group commitment to maintaining BBB investment grade





Outlook for 2021

THE RIGHT WAY

- We expect our Pest Control, Hygiene and Protect & Enhance categories to demonstrate **further operational and financial progress in 2021.**
- **We will continue to provide disinfection services as part of the crisis response** but expect volumes and prices to significantly unwind as the year progresses and the crisis hopefully abates.
- Foreign exchange continues to have an impact on the presentation of our financial performance and remains volatile, with sterling strengthening versus the euro and US dollar.
- At current rates, this would have an **estimated £15m to £20m negative impact on 2021 profits**.
- However, this **translation effect is offset by our stronger than expected exit rate from 2020** and therefore already reflected in current market expectations for 2021.

Notwithstanding obvious economic uncertainty, we are confident of delivering further operational and financial progress in 2021.

Technical guidance for 2021

THE RIGHT WAY

P&L

- Medium-term growth targets maintained: Ongoing Revenue growth target 5% to 8% (3% to 4% Organic), Ongoing Operating Profit growth c.10%, Free Cash Flow conversion c.90%
- Restructuring costs c.£10m
- Central and regional overheads £10m to £15m lower than 2020, principally reflecting lower bad debt charges which, given our prudent provisions at the end of 2020, we expect to normalise
- P&L interest costs c.£2.5m higher than 2020, cash interest costs c.£2.0m lower than 2020
- Estimated Adjusted Effective Tax Rate expected to return to more normal levels at ~22%
- Share of Profits from Associates in line with 2020, dividend from our Japanese associate of c.£8m

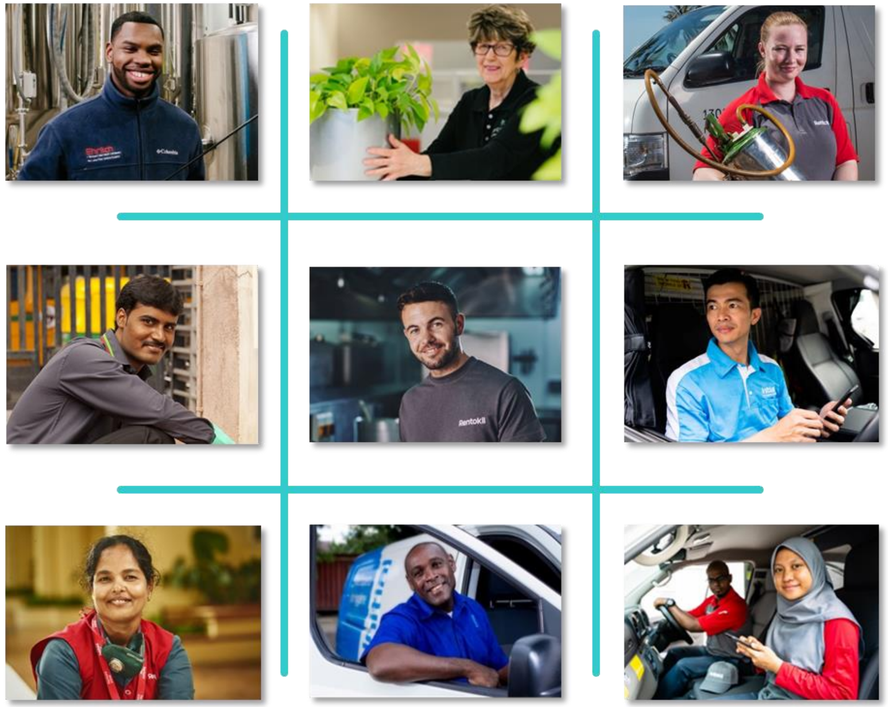
Cash Flow

- Cash conversion likely to be slightly lower than our targeted c.90% as some of the effects we have seen in 2020 unwind
- Working capital outflows up to £30m, reflecting some reversal of our strong working capital management in 2020
- £270m to £290m net capex, reflecting some catch up on capex deferred from 2020
- Cash interest c.£38m to £40m, cash tax payments of between £65m and £75m
- We expect to receive the remainder of the £30m pre-tax surplus from the buy-out of the UK pension scheme (£13m received in 2020). Due to the recent pensions judgement in the High Court however, this may be delayed until 2022
- Spend on 2021 M&A of c.£400m (includes the consideration paid for EPS in January 2021)

2020 Summary

THE RIGHT WAY

- Ongoing Revenue growth of 6.3% in 2020, despite significant impact from COVID-19 crisis
- 5.4% growth in Ongoing Operating Profit, reflecting significant actions to mitigate COVID-related revenue reductions, and despite an increased bad debt provision of £34m and £25m costs of essential PPE
- Strong Free Cash Delivery of £336.8m, representing 123% cash conversion
- $1.5bn North America revenue target met and exceeded, good progress towards 18% margin target at 17.3%
- Liquidity headroom in excess of £1.2bn at 31 December 2020, including £550m of undrawn RCF
- 23 acquisitions in 2020 despite suspension of M&A in Q2, c.£158m of acquired revenues (including EPS). Cash spend on 2020 acquisitions of £201.9m
- Recommended dividend payment of 5.41p for 2020, reflecting performance in 2020 and confidence for 2021



Despite considerable challenges in 2020, we have grown revenue, profit and cash and are recommending a 5.41p dividend for 2020.

Rentokil Initial

Preliminary Results 2020

Transitioning from Recovery to Strategic Opportunities.

Andy Ransom
Chief Executive

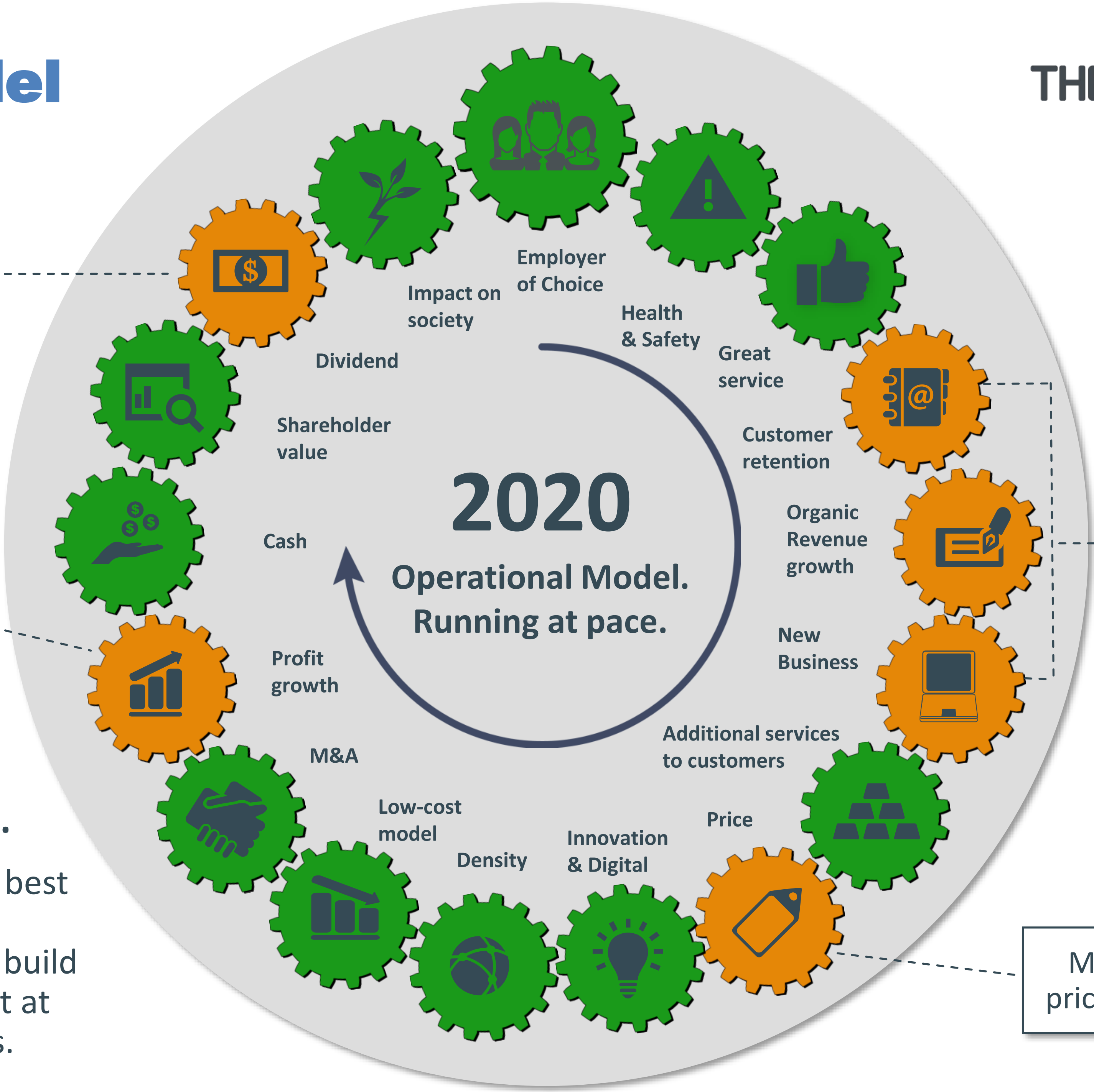
Operating model

Interconnected model

THE RIGHT WAY

No dividends paid during 2020.

Actions taken to mitigate COVID-related revenue decline.



Impacted by lockdowns.

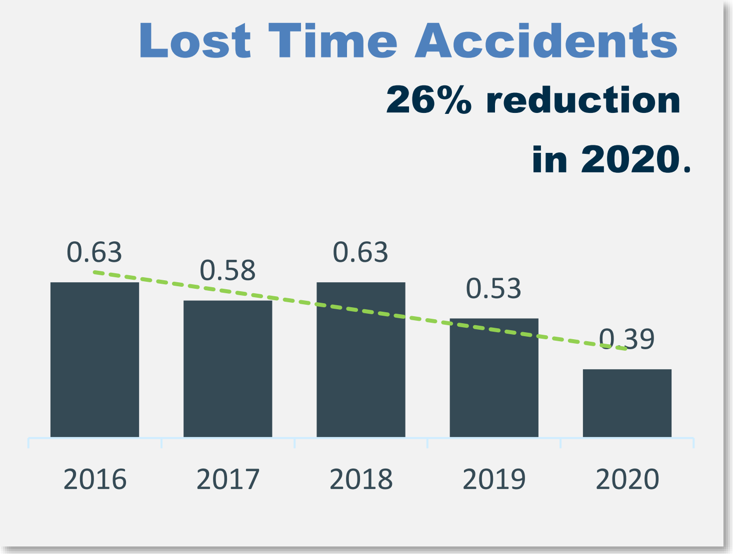
More challenging pricing environment.

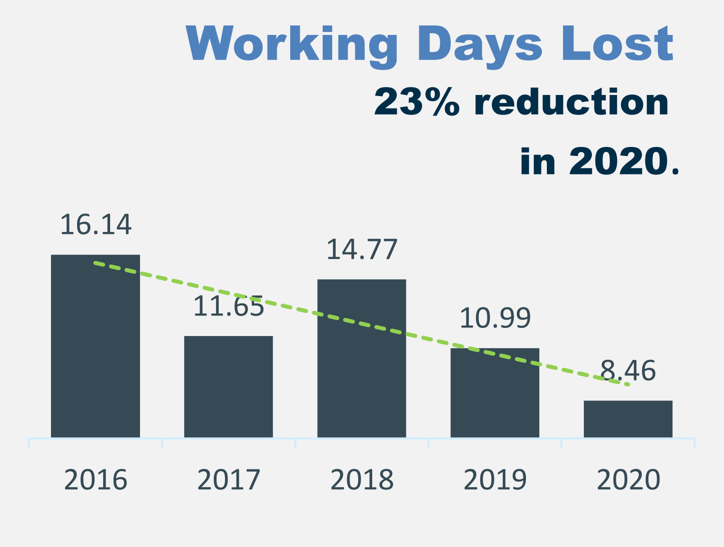
Example: Deployment of disinfection services in 2020.

Ability to pivot at speed – share best practice; develop training and standard operating procedures; build sales capability; and deployment at scale. £225m Ongoing Revenues.

Safety

Record safety performance





Focus on safety

Further improvement in safety – in spite of the introduction of respirators and full PPE from head-to-toe for 7,000 colleagues, and new safety protocols for all other colleagues.

World-class safety levels.

Employer of Choice

Excellent progress while responding to the pandemic

Colleague Training

77% increase to 3.2 million U+ views in 2020.

Colleague Retention

1.7% improvement to 88.6% in 2020.

Focus on colleague attraction, training and retention

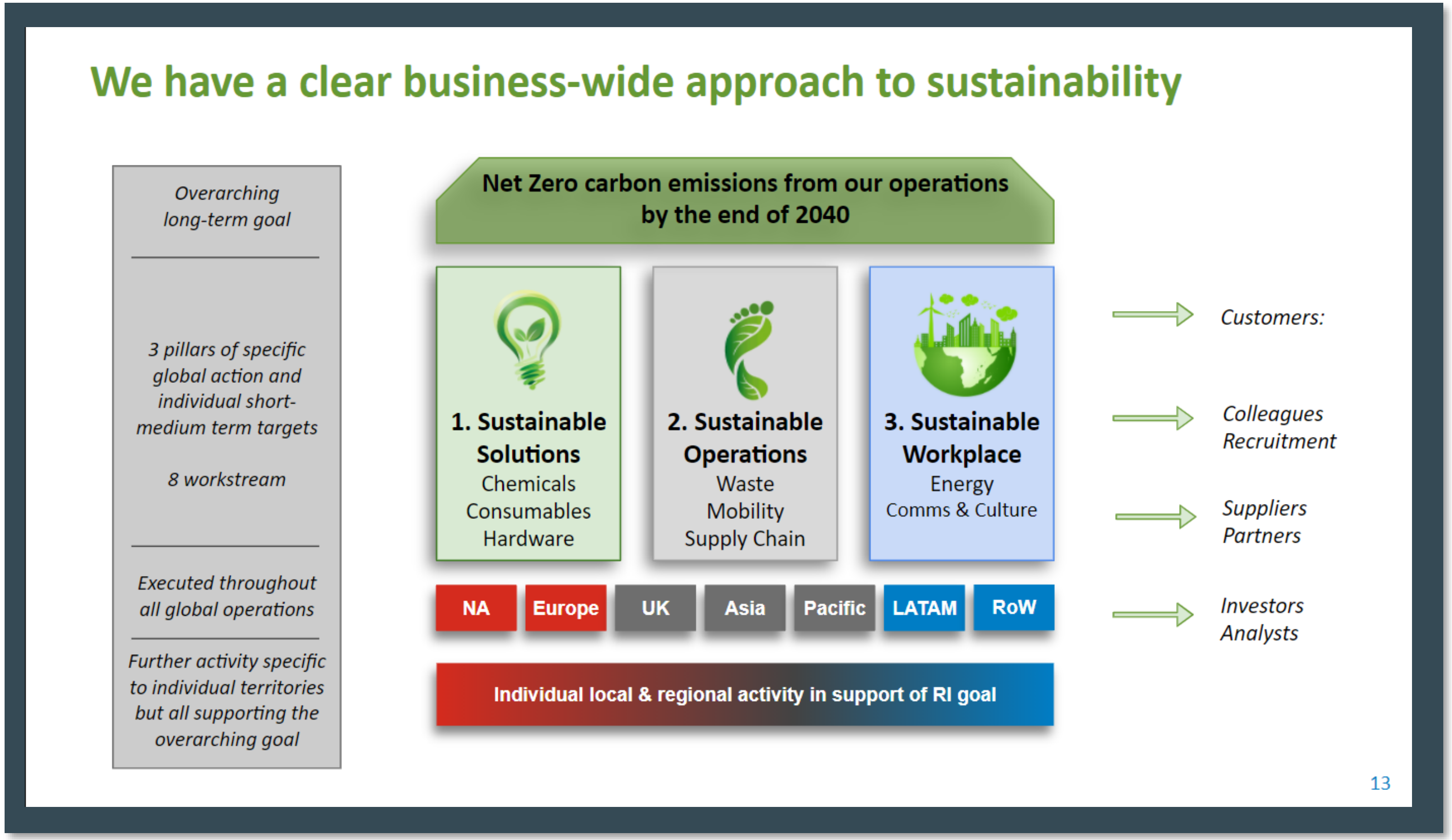
Delivered record levels of training with 3.2m content views on U+ (our in-house ‘university’); visits to our careers portal were up by 77%; and significant progress on annualised colleague retention – now approaching 90%. Utilised international employee support schemes. New diversity, equality and inclusion programme launched in Q1 2021.

8,500 colleagues moved to home working successfully.

Environment

Our ambition is to be at Net Zero carbon emission by the end of 2040

- ✓ Net Zero ambition established, UN COP26 commitment.
- ✓ Clear plan to deliver our environment ambitions through 8 workstreams and regional operations.
- ✓ Fleet will transition to electric / low emission vehicles over time – some cities already planning for vehicle charging.
- ✓ New products – c.80% of our innovation pipeline is currently sustainable / non-tox



New Environment plan in place.

Rentokil Pest Control

Rentokil Pest Control

Impact of COVID-19 pandemic

THE RIGHT WAY

Essential service status reflecting importance to public health protection.

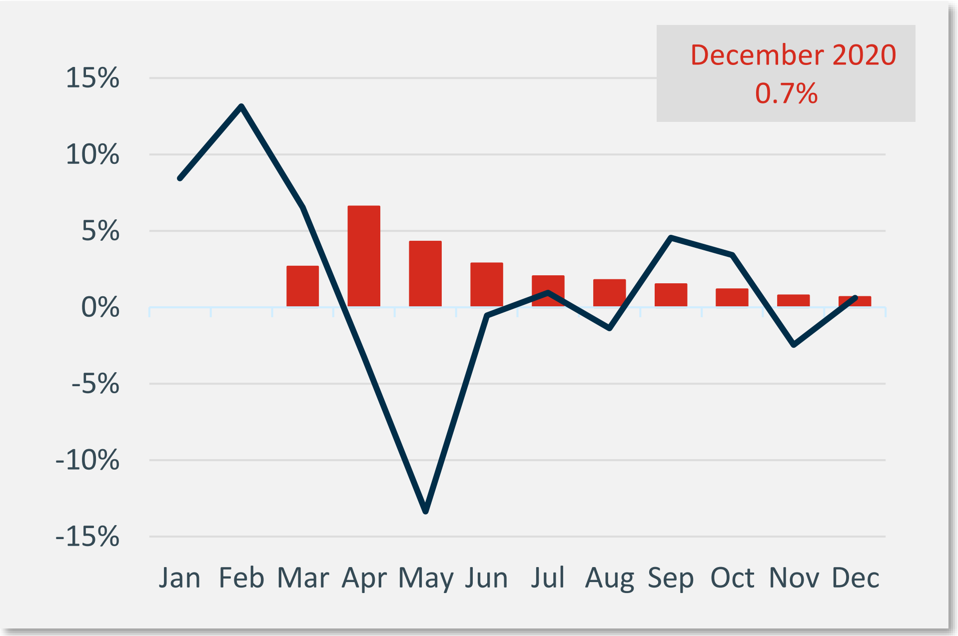
1. Over 90% of our global **customer premises** remained open and able to receive regular pest control services; just 0.7% of customer premises remained closed at the end of December.

2. Social distancing rules underlined the importance of **digital/remote monitoring**.

3. **Jobbing work**, particularly in Residential (US), performed strongly.

4. Trust – **brand and expertise** are becoming even greater differentiators.

5. Different **customer segments** were impacted differently. While offices and HORECA have been the most affected, demand from other customers including food retail, pharmaceutical and residential increased.



- % customer premises closures in Pest Control

- Ongoing Revenue Growth by month

A high-quality business with unrivalled global position.

Rentokil Pest Control

The world's leading pest control company

THE RIGHT WAY

Performance in 2020

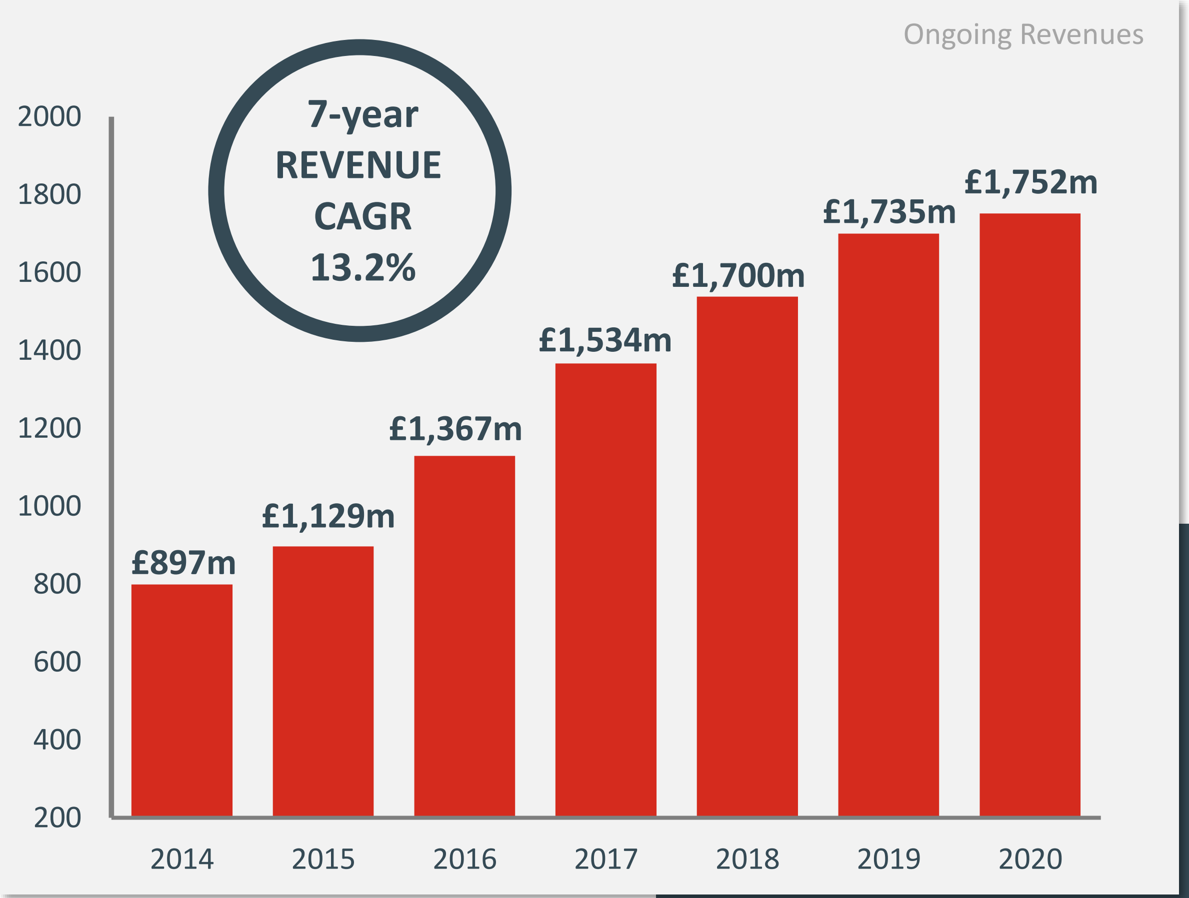
Revenue:	**£1,751.7m**	**+1.0%**
Profit:	**£283.7m**	**-8.5%**

Growth markets increased revenues by 1.6%; **Emerging** markets declined by 2.4% reflecting impact in Asia & LatAm.

21 acquisitions adding £152m revenues (including EPS).

Profit: Bad debt provisions and additional cost of PPE.

Pest Control: 62% group revenue, 57% group operating profit. 5-year average 17.7% Net Operating Margin.



North America Pest Control category now worth over £1bn.

Rentokil Pest Control

2021: A year of transition from the pandemic to the world after.

Strongly placed as we transition from pandemic in 2021, but of course dependent upon distribution of vaccines, level of lockdowns, return and rebound of HORECA, etc.

Medium-term opportunities undiminished:

1. Organic growth – strong market
2. Innovation driving differentiation
3. Digital leadership
4. M&A

Rentokil Pest Control

Positioned for sustained future success

THE RIGHT WAY

Organic Growth: Essential Services

- Global Pest Control market growth of **c.5% CAGR** to 2025 (market: $28.3bn*).
- **Medium-term:** No let up in growth drivers – growing middle classes, urbanisation, climate change & increasing standards.
- **Key focus:** Maintain growth in North America and target strong positions in mega cities of the future. Brand building.

Innovation: Driving Differentiation

- **Strong pipeline** of innovations targeting key pests sectors eg rodents and flying insects.
- **Medium-term:** Pipeline will deliver ever better pest control and position Rentokil as the industry leader in sustainability.
- **Key focus:** Remote monitoring and detection, non-tox, sustainable product design and digital/data.

THE QUEEN'S AWARDS FOR ENTERPRISE: INNOVATION 2020

Operating model and market conditions:
Strongly placed to drive continued medium-term growth post COVID-19.

* Sources: Allied Research, MarketsandMarkets, Coherent Market Insights, and company sources

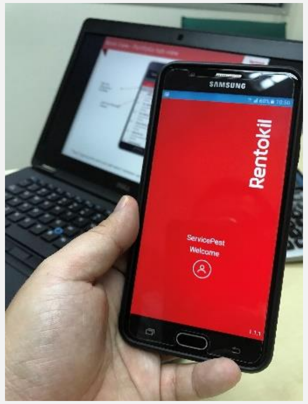
Rentokil Pest Control

Positioned for sustained future success

THE RIGHT WAY

Digital: Greater importance post-Covid

- Our digital platforms are a **strategic advantage** - now utilised through the customer journey to engage and convert opportunities.
- **Medium-term:** Expanding Digital Pest offer and increasing customer penetration.
- **Key focus:** Remote monitoring - PestConnect – now over 150k devices; continued good progress.



M&A: Proven expertise

- Continued **M&A strategy** with majority of ‘bolt-on’ low risk sized deals and occasional larger deal.
- **Medium-term:** Continued consolidation in highly fragmented market.
- **Key focus:** Expand footprint and build city-based density – NA and mega cities of the future. Pipeline building.

Operating model and market conditions:
Strongly placed to drive continued medium-term growth post COVID-19.

Rentokil Pest Control

Global Leaders in Pest Control

Pest Control: a cash-compounding, subscription growth business.

- ✓ c.75% portfolio / subscription business with high levels of customer retention at **84.4%***
- ✓ Annual pricing recovery – **1.7%*** on Portfolio
- ✓ Post code density and customer penetration density drives strong operating margins at **17.7%***
- ✓ **Highly cash generative**
- ✓ **High return on investment**
- ✓ Low capex intensive – capex to revenue c.4.6% (4-year average)
- ✓ Highly fragmented market – significant **M&A** rollup opportunity
- ✓ Significant **emerging market and 'cities of the future'** opportunity
- ✓ Necessary service which is **required by laws / regulations** – which is increasing
- ✓ Customer and geographic coverage and sector focus drives **national and international account** opportunities
- ✓ Strong **differentiators** exist in customer service quality, technology and digital innovation
- ✓ Opportunity to **lead sustainability** agenda in the industry
- ✓ **Market growth** driven by growing middle classes, urbanisation, legislation, etc - global growth of c. 5%*

Strongly placed to drive medium-term growth post COVID-19.

* 5-year average. Market growth: Allied Research, MarketsandMarkets, Coherent Market Insights, and company

Initial Hygiene Services

Initial Hygiene

Impact of COVID-19 pandemic

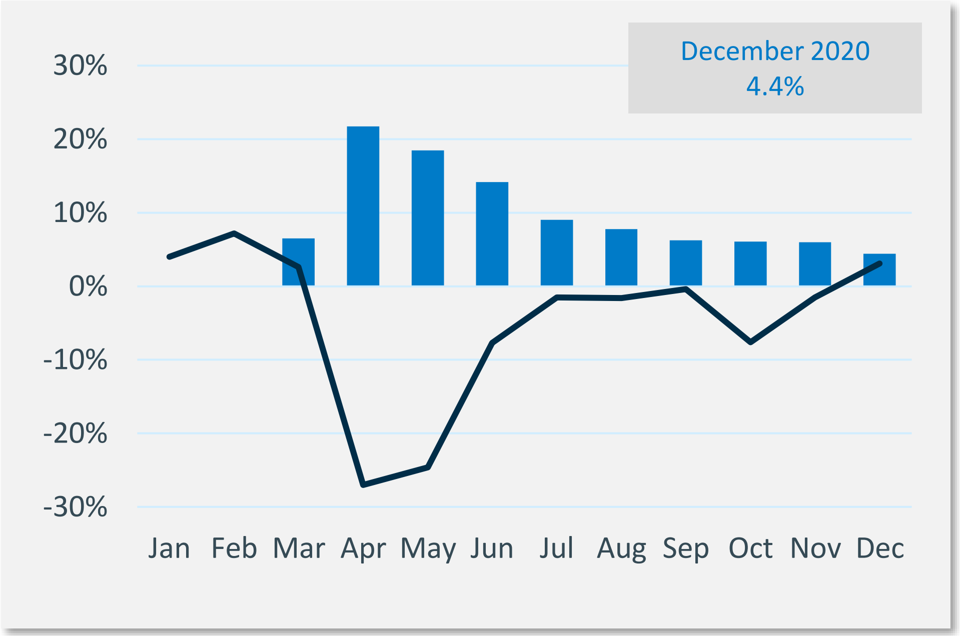
Category is more impacted than Pest but disinfection sales more than off-set.

1. Core Hygiene (excluding disinfection) operations more impacted than Pest during the peak of the pandemic - 22% of **customer premises** closed (particularly in HORECA plus schools, offices, shopping centres). By the end of December, 4.4% of customer premises remained closed.

2. **Terminations** £20m higher year on year – particularly in Education, Services & Utilities and HORECA.

3. Closures more than offset by demand for **Hygiene products and services and disinfection**. Record sales of hand soaps and sanitisers & Dispensers.

4. **Change in perception** from the 'basics' to 'essentials' – from low interest category to one of the most important. Importance of hand hygiene has been the number one message globally over the last 12 months.



- % customer premises closures in Hygiene
- Ongoing Revenue Growth by month – core Hygiene

Now one of the most important categories around the world.

Initial Hygiene

THE RIGHT WAY

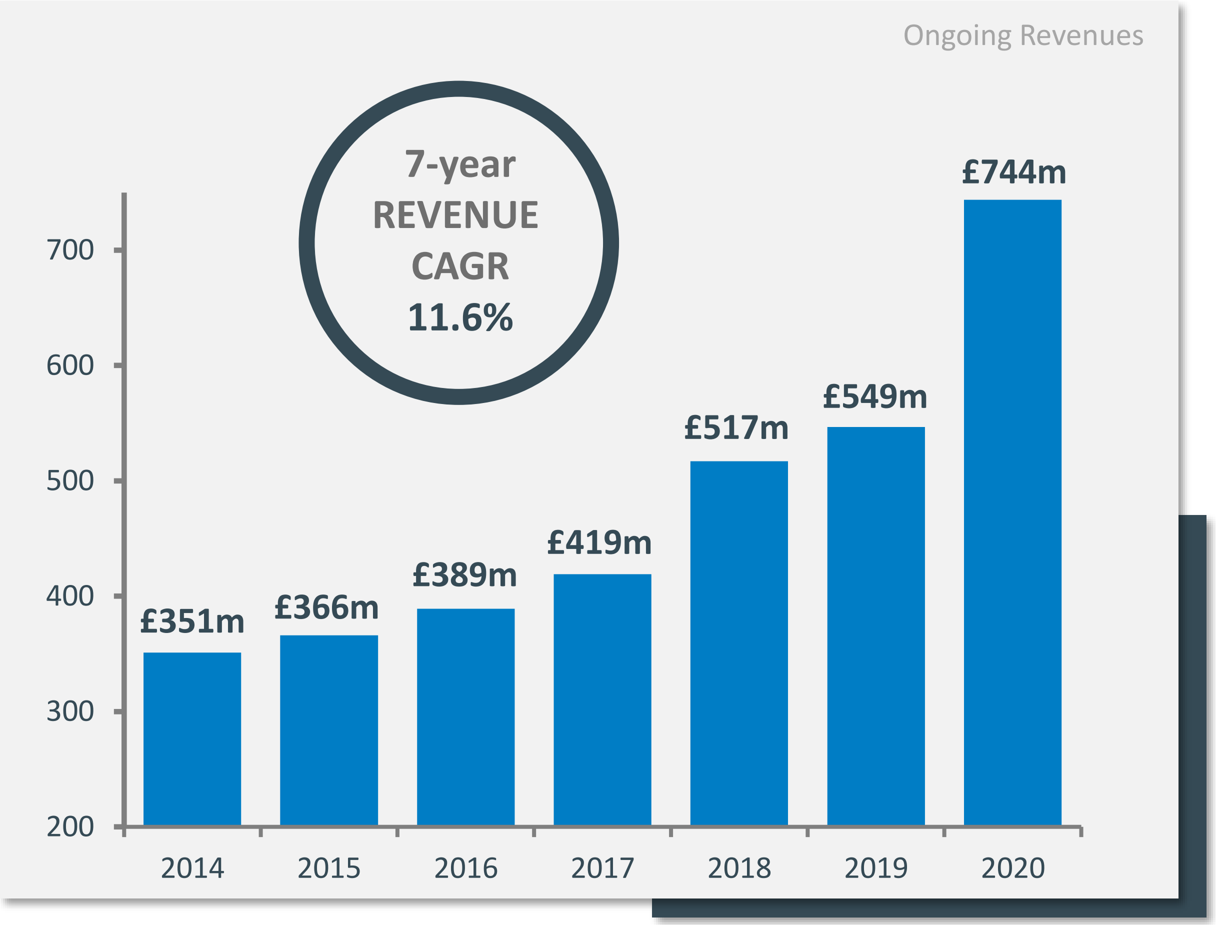
The world's leading Hygiene services business

Strong performance in 2020

Revenue:	**£743.8m**	**+36.8%**
Profit:	**£175.5m**	**+81.4%**

Ongoing revenues in **Core Hygiene** services declined by 4.6% reflecting customer lockdowns. Anticipating rebuild of core Hygiene revenues, particularly in H2 as more customers reopen.

More than offset by **Disinfection** revenues of £225.1m (Q2: £48.8m, Q3 £74.6m, Q4 £101.7m). In 2021, we will continue to offer disinfection services as part of the crisis response but expect volumes and prices to significantly unwind as the year progresses and the crisis hopefully abates.



Strong business, aligned with Pest Control.

Hygiene: 26% group revenue, 36% group operating profit in 2020. 5-year average 16.2% net operating margin (core Hygiene).

Initial Hygiene

2021: a year of transition from the pandemic to the world after.

The pandemic has led to an acceleration of many aspects of the existing Hygiene plan; including new market entry (20 in 2020), offer expansion (e.g. air purification) and examining closer links between Initial and Ambius.

Medium-term growth opportunities:

1. **Inside the Washroom**
2. **Digital**
3. **International Expansion**
4. **Outside the Washroom**

Initial Hygiene: Growth Opportunities

Executing our strategy: medium-term opportunities

THE RIGHT WAY

1. Inside the Washroom.

- **The pandemic has led to an increasing 'duty of care' on employers and likelihood of more hygiene regulations.** Inside the washroom is a high-risk area for Covid and other viruses.
- **Medium term:** Using our leadership through innovation and science to create differentiation. Range extensions (e.g. hand, air & in-cubicle), supports retention and increasing solution density.
- **Key Focus:** Complete 'No Touch' washroom experience to prevent cross-contamination risk. Lead in sustainable hygiene services. Digital Hygiene 'no touch' solutions.

Creating further differentiation through innovation.

Initial Hygiene: Growth Opportunities

Executing our strategy: medium-term opportunities

THE RIGHT WAY

2. Digital leadership in Hygiene.

- **Same successful strategy as Pest:** Combination of remote monitoring products, customer portal for 24/7 online account management and command centre for data and insight
- **Medium term:** Rolling out Rapid Digital Hygiene range from 2021; increase myInitial portal growth by expanding capability. Digital Hygiene market expected to grow 10.7% CAGR to 2023*.
- **Key Focus:** Main customer areas are 'high dependency' (eg food supply chain), 'employee' bases (office, industrial etc) and 'guest' channels (hotels, schools etc).

Building on our core digital expertise in Pest.

* Source: Market Research Future

Initial Hygiene: Growth Opportunities

Executing our strategy: medium-term opportunities

THE RIGHT WAY

3. International expansion.

- **20 new markets launched in 2020** including USA, Latin America and Europe. Plans accelerated due to the pandemic and increasing importance of Hygiene.
- **Medium term:** The Group operates in 83 countries, Hygiene now in 65 (top 3 position in 38 markets*). Opportunity to build density with key organic strategies and infill acquisitions in our 20 new markets.
- **Key focus:** Build further scale in existing strategic markets. Differentiate the business using the power of the Initial Hygiene brand, category expertise, digital and innovation.

Targeted acquisitions and organic growth.

* Sources: Company estimates.

Initial Hygiene: Growth Opportunities

THE RIGHT WAY

Executing our strategy: medium-term opportunities

4. Outside the washroom.

- **Hygiene services everywhere – hand, surface and air:** Now expected in multiple environments eg offices, receptions, shops, etc.

- **Medium term:** Broaden the portfolio (air and surface hygiene) and exploring opportunities with Ambius. Strong link with wellbeing agenda. Global market for clean air - growth CAGR of around 42% through to 2025*.

- **Premises and surface disinfection: Air Hygiene** (e.g. Initial VIRUSKILLER Air Purifiers kill 99.9999% of viruses in a single air pass – free standing, desk-top, wall-mounted units) – all part of an organisation's duty of care. **Medical waste collection** – small existing businesses - gives us the experience to collect and dispose of vaccination needles and sharps, as well as potentially contaminated testing kits and used PPE.

The time for Hygiene has come.

* Source: Arizton Advisory and Intelligence, July 2020

Initial Hygiene

The world's leading Hygiene services business

Hygiene: a cash-compounding, subscription growth business.

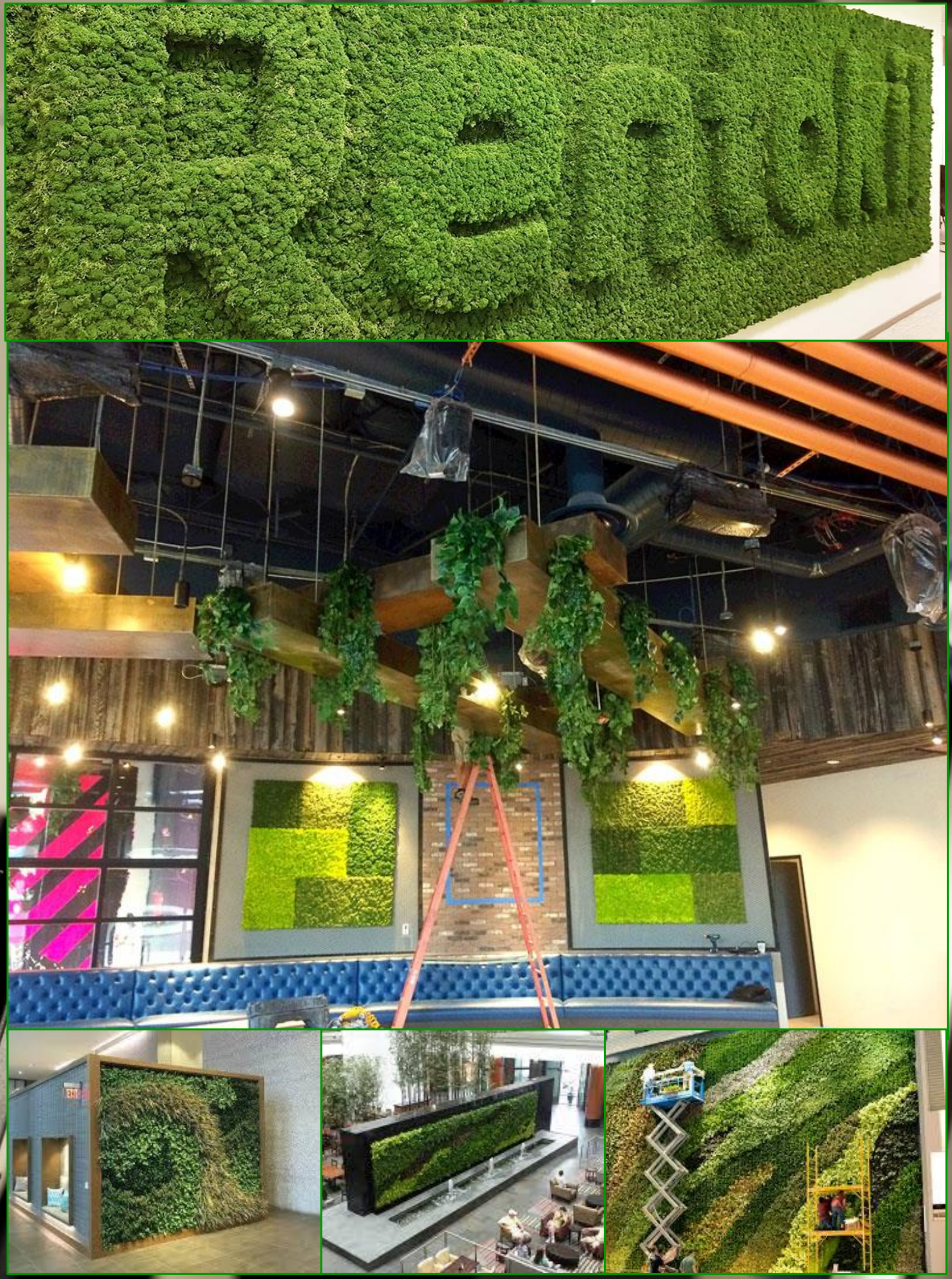
- ✓ c.95% portfolio / subscription business with high levels of **customer retention at 86.1%***
- ✓ Annual pricing recovery – **1.5% on Portfolio***
- ✓ Post code density and customer penetration density drives strong **operating margins at 16.2%***
- ✓ **Highly cash generative**
- ✓ **High return on investment**
- ✓ Low capex intensive – **capex to revenue c.12.9%** (4-year average)
- ✓ Highly fragmented market – **significant M&A** rollup opportunity

- ✓ Significant **emerging market and 'cities of the future'** opportunity
- ✓ Necessary **service which is required by laws / regulations** – which is increasing
- ✓ Customer and geographic coverage and sector focus drives **national and international account opportunities**
- ✓ Strong **differentiators** exist in customer service quality, technology and digital innovation
- ✓ Opportunity to **lead sustainability** agenda in the industry
- ✓ **Developing growth drivers**
  1. Inside the Washroom
  2. Digital
  3. International expansion – M&A and Organic
  4. Outside the Washroom

Medium-term growth rate from 2022 - underlying organic growth in core Hygiene services to be comparable to Pest Control i.e. 4-6%.

* 5-year average

Protect & Enhance



Protect and Enhance

7% of Group Ongoing Operating Profit in 2020

THE RIGHT WAY

Focus on Quality and Service

Revenue:	**£350.1m**	**-12.0%**
Profit:	**£33.3m**	**-29.7%**

@CER

France Workwear

Ongoing Revenue: £173.1m -10.4%.

Ambius

Ongoing Revenue: £133.1m -15.5%.

Other (property care, dental waste)

Ongoing Revenue: £43.9m –6.7%.

Covid-19 impact in 2020

Our **Protect & Enhance** businesses categories of workwear, plants and property care were significantly **more impacted** during the Crisis Phase.

Decline in Ongoing Revenue in our Protect & Enhance category, principally driven by **France Workwear** (flat linen/HORECA in particular) which accounts for 49% of the P&E category.

Ambius impacted by the lockdown of hotels, offices etc.

Property Care, mainly remediation work inside properties, was affected by social distancing requirements and also UK property market conditions.

More challenging environment for P&E businesses.

Protect and Enhance

France Workwear

THE RIGHT WAY

Workwear impacted by Horeca lockdown in France.

Recovery in garment volumes from Q2

France Workwear declined by 10.4% in 2020 – with facilities closed there was reduced demand for flat linen and garments for laundry.

By the end of December, service provision to c.6% of France Workwear customers remained closed (vs average in March and April of c.30% at the height of COVID).

Capex (EFR), down 16% (£9m) in 2020 vs 2019.

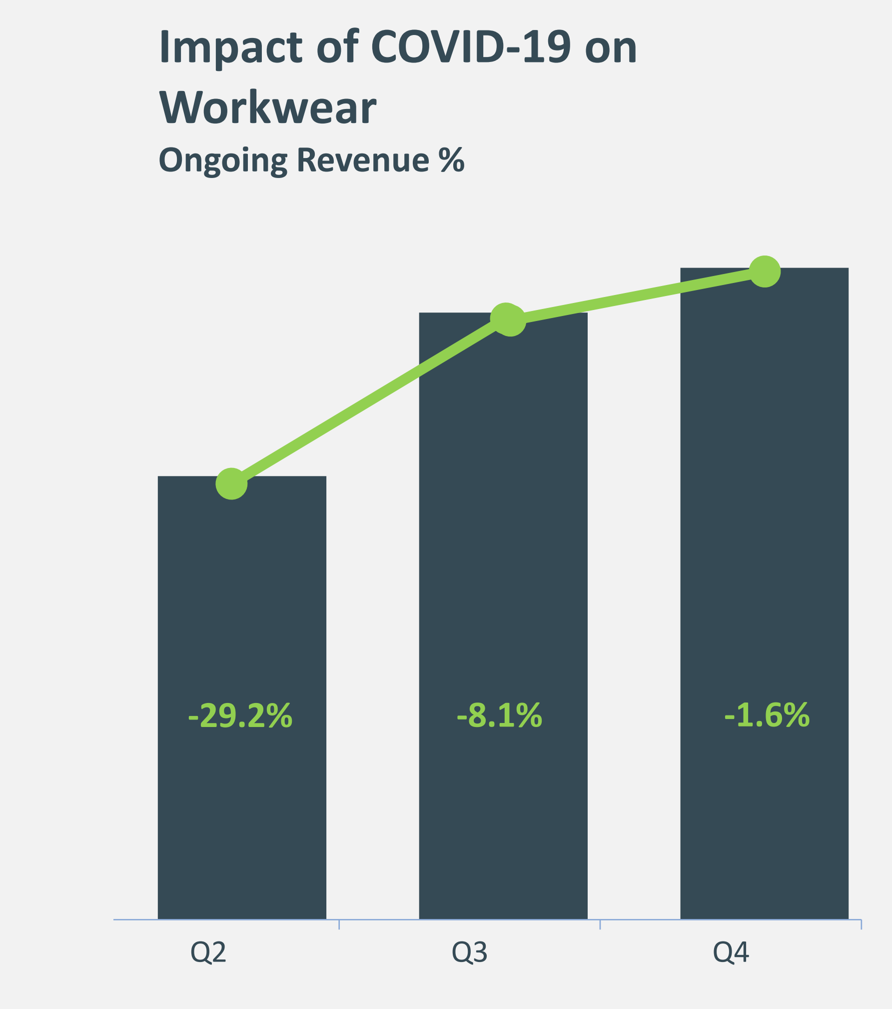
Flat linen business – more impacted by lockdowns, particularly HORECA sector.

Recovery of garments volumes as industry opened:
-33% in Q2, -21% in Q3, -9.5% in Q4.

Hygiene specialisation project completed in 2020

Remaining Hygiene services portfolio was transferred from Workwear in H2 2020.

5 new dedicated Hygiene branches were launched to complete national coverage.



Workwear in France starting to recover from crisis.

M&A

Value creating M&A programme performed very strongly in Q4

THE RIGHT WAY

Highly targeted acquisitions remain an important part of our growth strategy.

Paused in Q2 given pandemic

Prudent approach given uncertainty as part of a series of measures to conserve cash and also given the uncertainties that would need to be factored into any deal.

Strong finish to the year

23 businesses acquired in 2020.
15 deals in North America including Environment Pest Service (EPS) in Florida – PCT #15th.
c. £158m annualised revenues (including EPS).
Cash spend in 2020 on current and prior year M&A of £202m.
M&A spend in 2021: c. £400m (including EPS).

Based on our most recent annual M&A review – the programme continues to meet expectations and to deliver in line with or above our targeted return criteria.

M&A pipeline remains strong.

Rentokil Initial

THE RIGHT WAY

Robust and resilient performance in 2020

Ongoing Revenue growth: +6.3% to £2,846m

1% growth in Pest Control reflecting ability to continue to serve customers through the pandemic.
Revenue target of $1.5bn achieved in North America; margins at 17.3% for 2020.
36.8% growth in Hygiene – strong demand for Hygiene products and disinfection services.

Excellent performance in digital and innovation

PestConnect: +150,000 units in the field. 1m customer premises on myRentokil. 9m pieces of data per day.

Lumnia: 168,850 sold to date with 53,800 sold in 2020. Strong innovation launch plan for 2021.

Strong M&A performance

c. £158m revenues acquired through 23 acquisitions incl. EPS in Florida.
M&A pipeline is strong and we expect to spend c.£400m in 2021 (incl. EPS).

Ongoing Operating Profit growth: +5.4% to £388.1m

Reflecting actions taken to mitigate COVID-related revenue reductions, and despite £34m increase in bad debt provision and a £25m full-year cost of PPE.

Outstanding delivery of Free Cash Flow: £336.8m

Representing 123% cash conversion. Tight controls over costs, capex and working capital.

Recommended dividend of 5.41p for 2020 reflecting performance in 2020 and confidence for 2021.

Rentokil Initial

Strongly positioned post pandemic as we transition back to core business

- While uncertainty remains about the distribution of vaccines, level of lockdowns and eventual rebound of HORECA, overall, we remain optimistic about performance in 2021 and onwards.
- Pest Control is in a strong position: Operating model and market conditions leave us strongly placed to drive continued medium-term progress post COVID-19.
- Leadership in digital and innovation set to be even more important with greater focus on health and wellbeing.
- M&A opportunity post-COVID remains very positive.
- 4 clear growth opportunities in Hygiene: Medium-term growth rate from 2022 - we expect to see underlying organic growth in core Hygiene operations to be comparable with Pest Control i.e. 4-6%.

Hygiene: The Next Pest Control?

Capital Markets Day 2021

Please save the date....

September 2021						
M	T	W	T	F	S	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

N.B. Face to face meeting in London, subject to the status of the pandemic.

Plus updates on Pest Control innovation and ESG.

Q&A with management team

THE RIGHT WAY

A Q&A will start at **10.00am.**

Please dial in to ask a question:

020 3936 2999

Access code: 023212

If you just want to listen, stay on this webcast.

RoSPA 2020 Gold Award

glassdoor 2020 BEST PLACES TO WORK EMPLOYEES' CHOICE

THE QUEEN'S AWARDS FOR ENTERPRISE: INNOVATION 2020

The Planet Mark eden project

Rentokil Initial

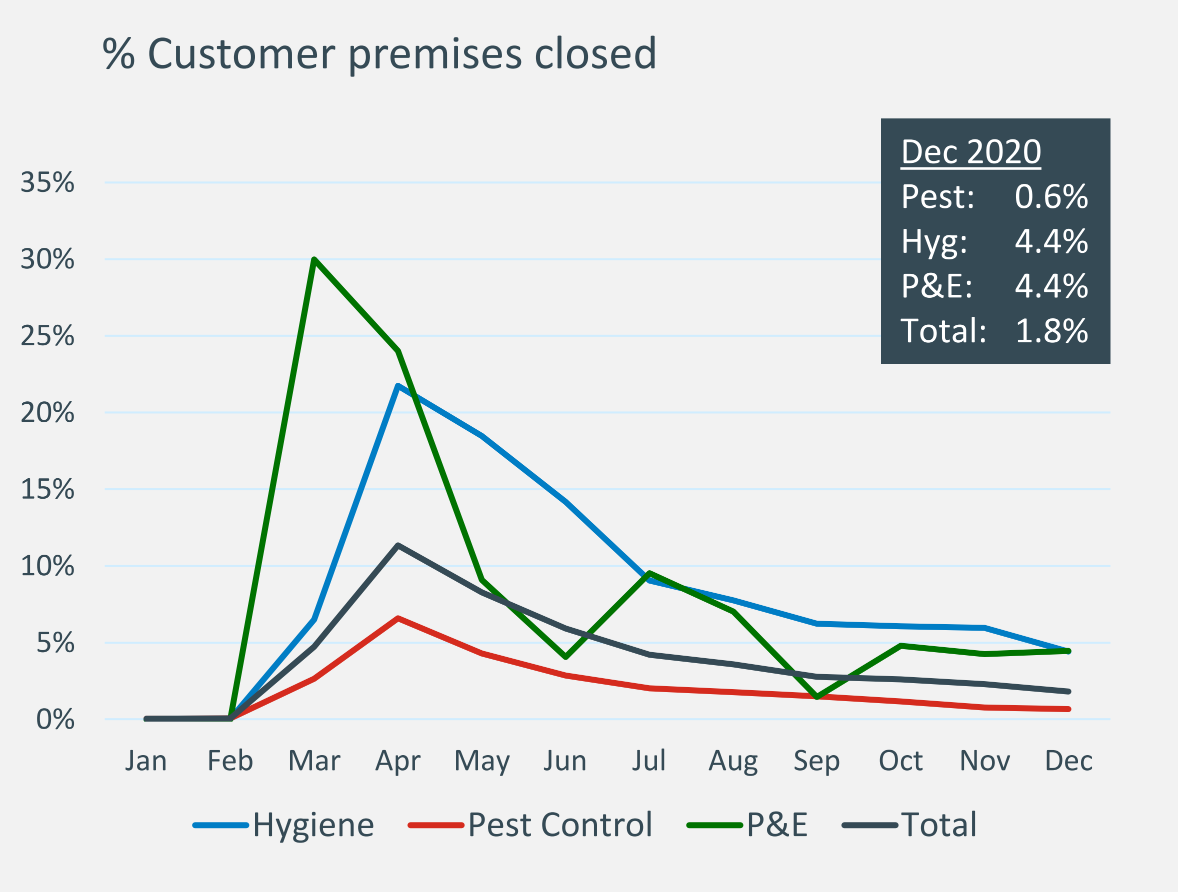
Protecting People. Enhancing Lives.

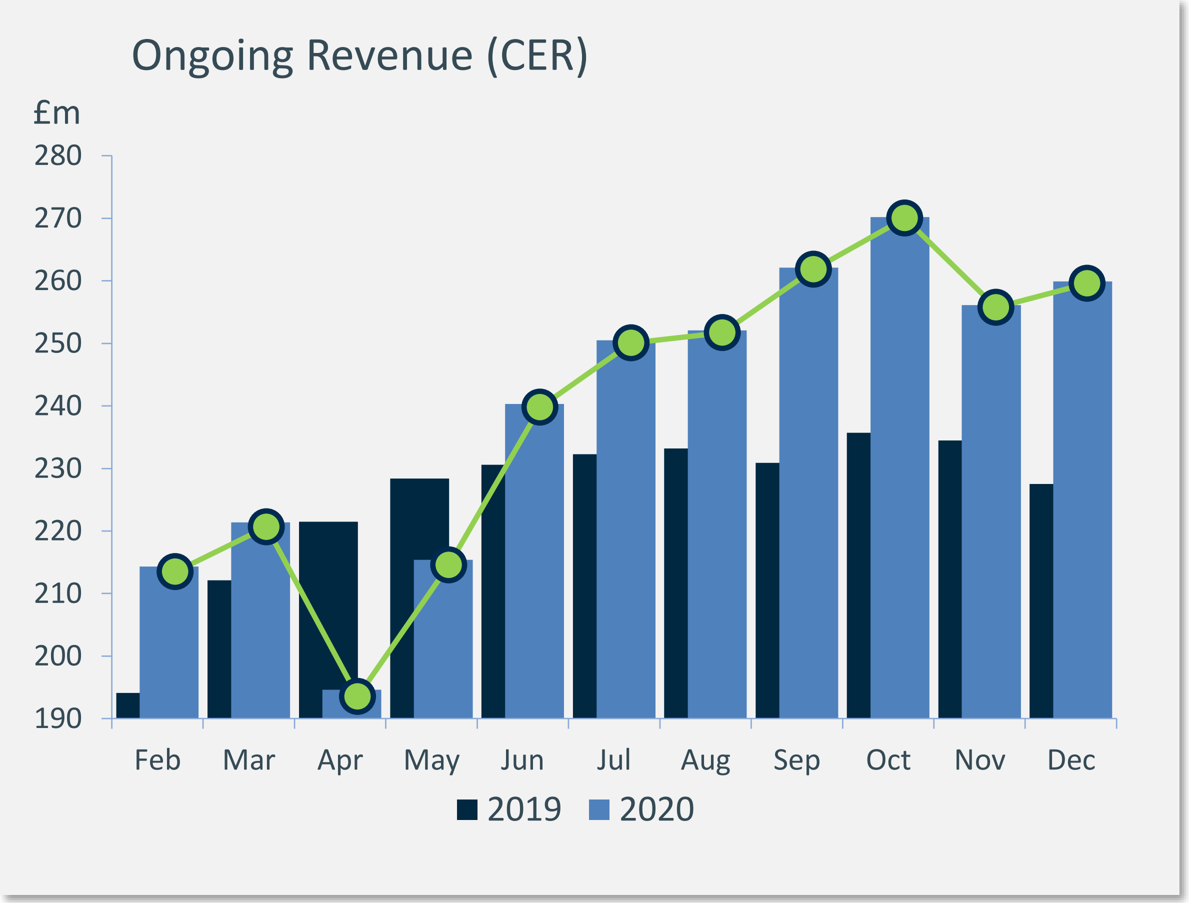
Appendix

Resilient performance in 2020

From the peak in March-April the level of premises closures has declined to 1.8%

THE RIGHT WAY





Ongoing Revenue ahead of prior year in all but 2 months.
Optimistic about 2021 but significant uncertainty remains.

Rentokil Initial

Protecting People. Enhancing Lives.

2020 RoSPA Gold Award

glassdoor 2020 BEST PLACES TO WORK EMPLOYEES' CHOICE

THE QUEEN'S AWARDS FOR ENTERPRISE: INNOVATION 2020

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