

Higher prices push down buys but push up revenue for Reckitt

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Customers are choosing to buy fewer products from Dettol and [Durex](#) maker [Reckitt](#), but are still spending more, the business revealed on Wednesday.

The business said that it had jacked up prices by more than enough to see revenue soar in the last quarter.

But those price rises – around 12% on average – are leading customers to choose different products, or just reduce the amount they consume.

Like-for-like revenue still rose by 7.6% as the 4.6% drop in the amount that Reckitt sold did not offset the increased price for each item it sold.

“Reckitt delivered another quarter of broad-based growth amidst challenging market conditions, as we continue to innovate and improve on our in-market execution,” said chief executive Nicandro Durante.

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“We have an excellent portfolio of trusted, market-leading brands in high margin, high-growth categories and a strong culture of ownership and delivery.

“My priority is firmly focused on continuing to execute on our strategic path, to deliver sustainable mid-single digit growth, and mid-20s adjusted operating margins by the mid-2020s.”

The business upgraded its growth target to a 6% to 8% net revenue increase from 5% to 8% previously.

But shares fell around 4.5% as the business’s slowing sales showed the pressure on the economy.

“Slowing quarterly sales growth at consumer goods outfit Reckitt Benckiser, and an absolute decline in the volume of goods sold, highlighted how the big pressures on household budgets are having an impact,” said [AJ Bell](#) head of investment analysis Laith Khalaf.

“The company also offered little comfort for shoppers facing higher prices on the shelves as it pledged to continue passing on higher costs.

“From Reckitt’s perspective this at least demonstrates that its brands retain some pricing power.”