

**HALEON**

**Investor presentation**

April 2024

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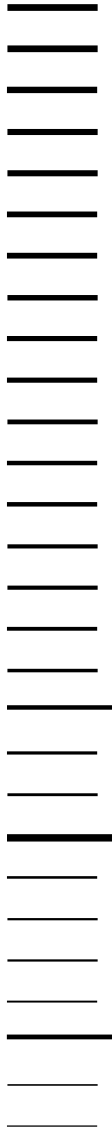
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# HALEON

A **global consumer healthcare leader** delivering sustainable **above market growth** and attractive returns



**Global leader 100% focused on consumer healthcare with clear purpose**

**Exceptional portfolio of category leading brands** with attractive footprint and competitive capabilities

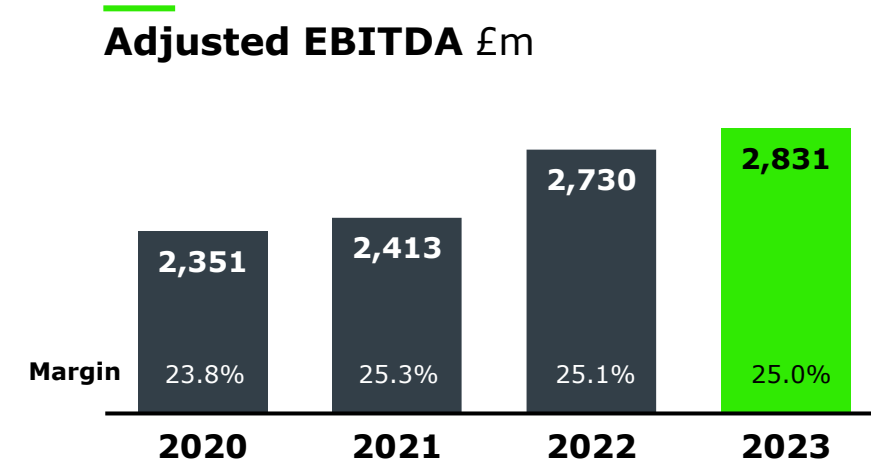
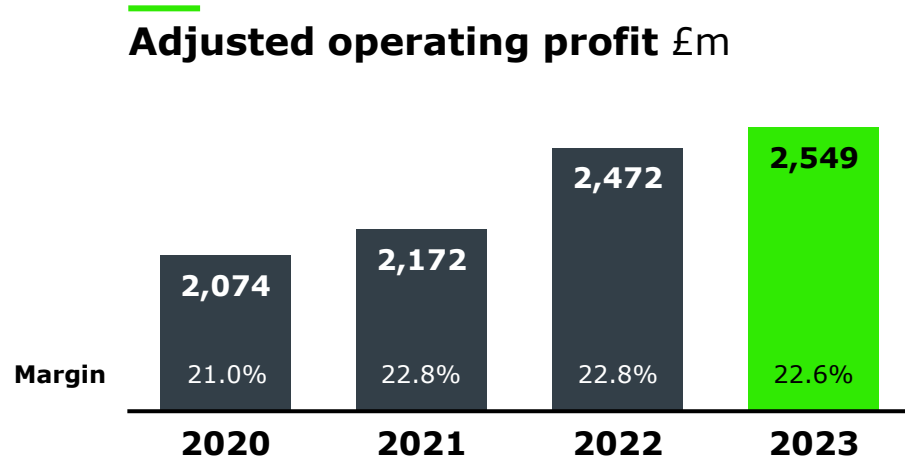
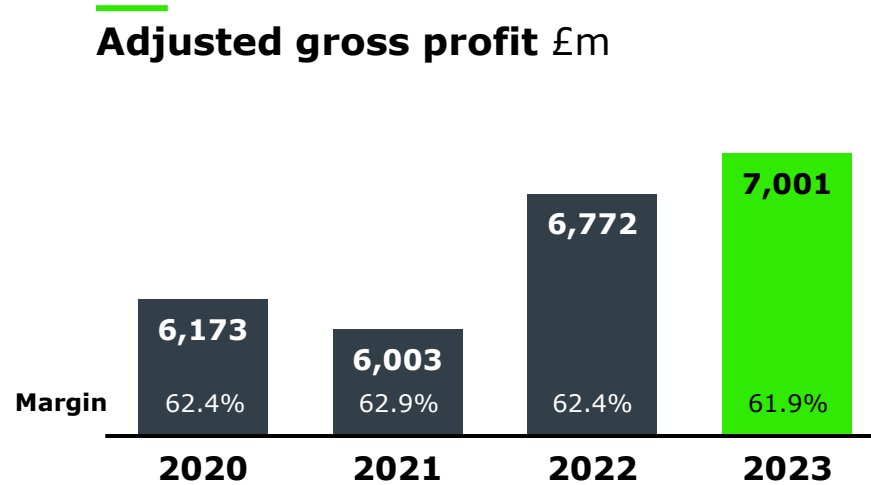
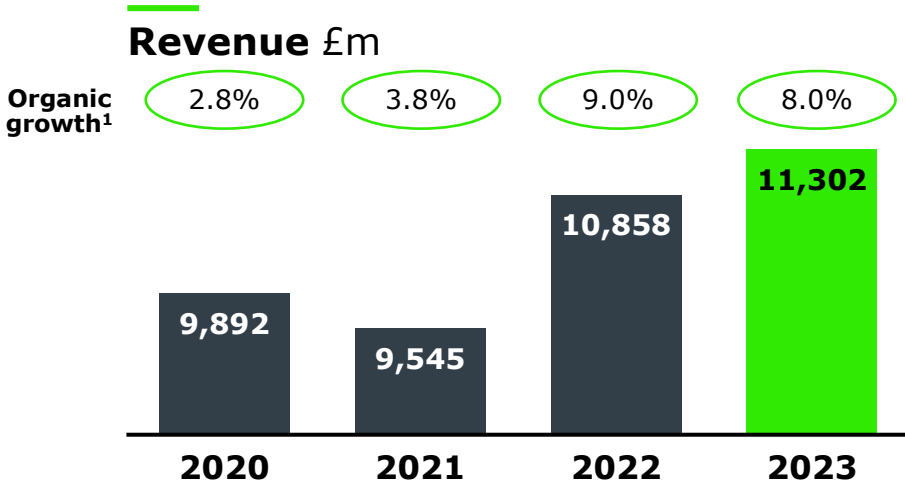
**Strategy to outperform** and run a responsible business, integral to all we do

**4-6% annual organic revenue growth<sup>1</sup>**, organic profit growth<sup>1</sup> ahead of organic revenue growth and high cash conversion<sup>2</sup>

**Attractive growth profile** with capacity to invest and deliver shareholder returns

# Building our track record

Continuing trajectory despite challenging environment



**£0.8<sup>bn</sup>**  
dividend payments  
to shareholders<sup>2</sup> post  
demerger

**£2.2<sup>bn</sup>**  
reduction in net  
debt  
since demerger

# World class portfolio of category leading brands

## Oral Health

£3.1bn revenue<sup>1</sup>

#3

#1 Therapeutic OH<sup>2</sup>

## VMS

£1.6bn revenue<sup>1</sup>

#1

## Pain Relief

£2.7bn revenue<sup>1</sup>

#1

## Respiratory Health

£1.7bn revenue<sup>1</sup>

#1

## Digestive Health and other

£2.1bn revenue<sup>1</sup>

#1

Digestive Health

### Power brands



### Local strategic brands

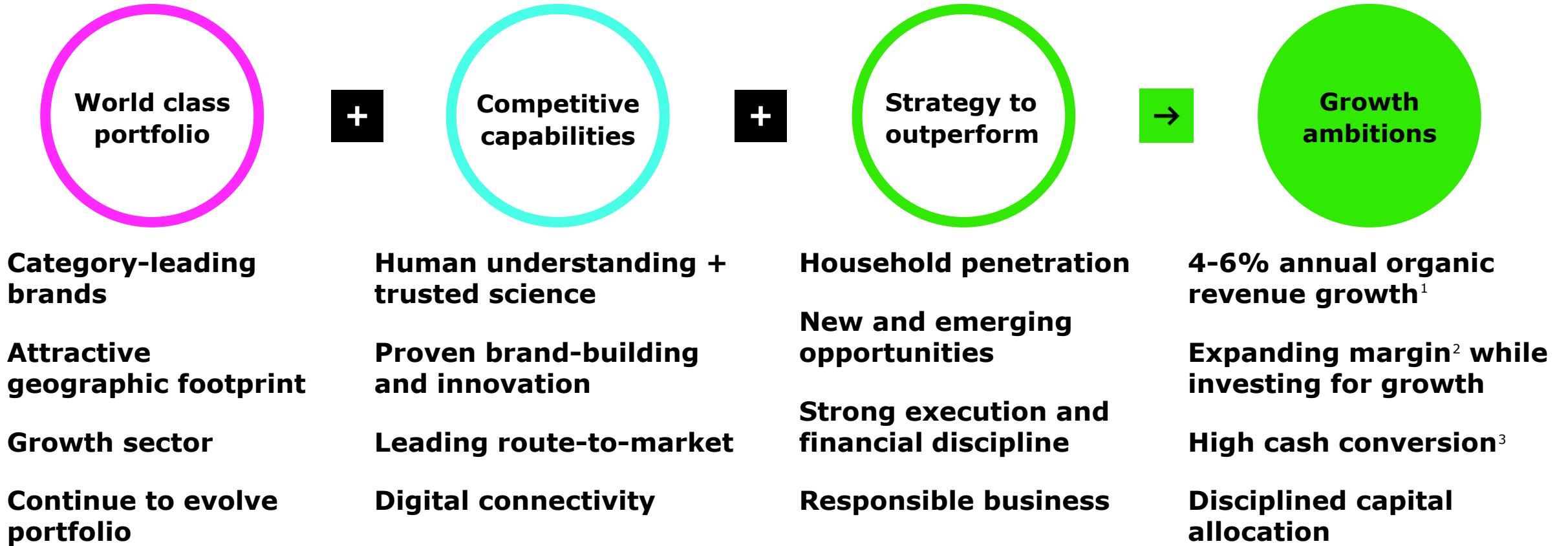


**HALEON**

<sup>1</sup> 2023 Haleon revenue

<sup>2</sup> Group analysis of third party data from (Nielsen, IRI, Intage, IQVIA Consumption Sales Data (2022)). Therapeutic Oral Health is defined as Therapeutic Toothpaste and Total Dental Appliance Care.

# Clear approach to deliver on growth ambitions



# Competitive advantage

Combining human understanding and trusted science

## Human Understanding

Addressing **real consumer everyday health needs**

Educating on **better health solutions**

**Deep understanding** of consumer health needs and behaviour

**HP<sup>1</sup> engagement** enabling early understanding of consumer needs

**Inspiring innovations** to excite and make healthcare more enjoyable

**100%  
focused on  
consumer  
health**

## Trusted Science

**Deep** technical and scientific talent

**World class** regulatory and medical expertise

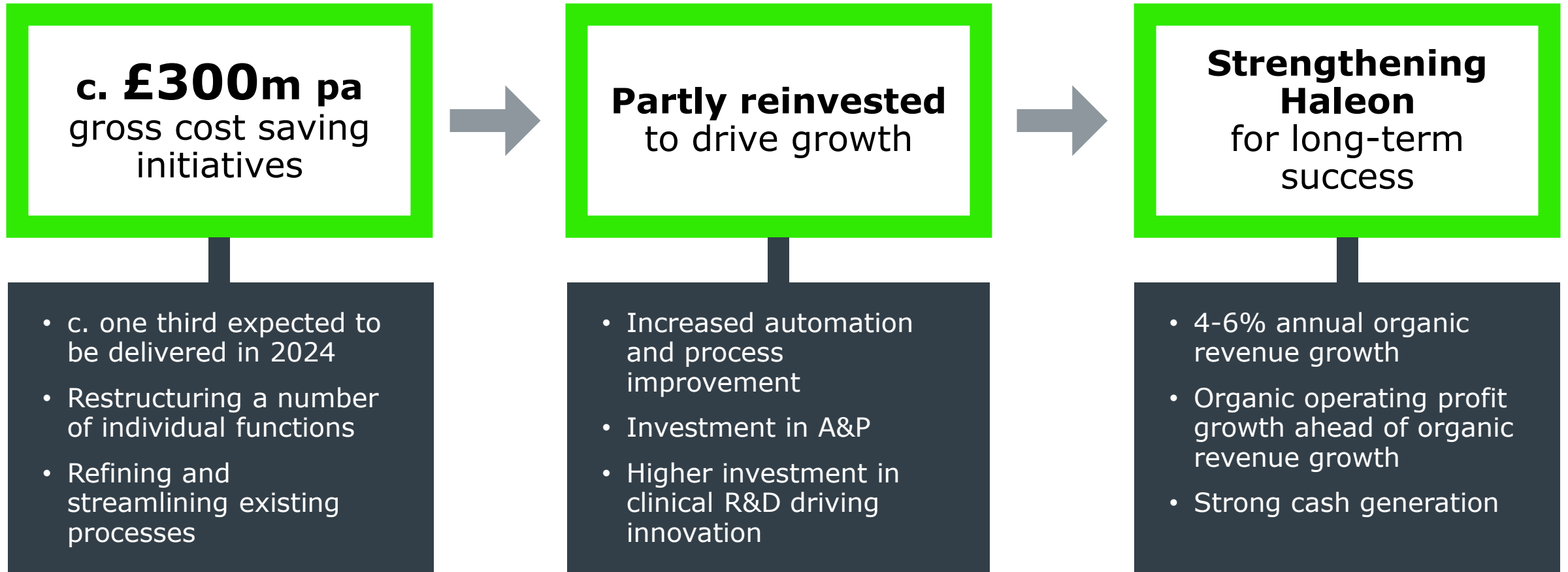
**Clinical** trials and extensive studies experience

**Trusted relationships** with HPs

**Leading** R&D capabilities and investment



# Increasing agility and productivity across Haleon



# Disciplined capital allocation to deliver growth and attractive returns

## Investing for growth

- Brand investment
- R&D
- Sustainability
- Digitalisation
- Capital expenditure

## M&A

- M&A
- Commercially compelling
- Consistent with strategy

## Shareholder returns

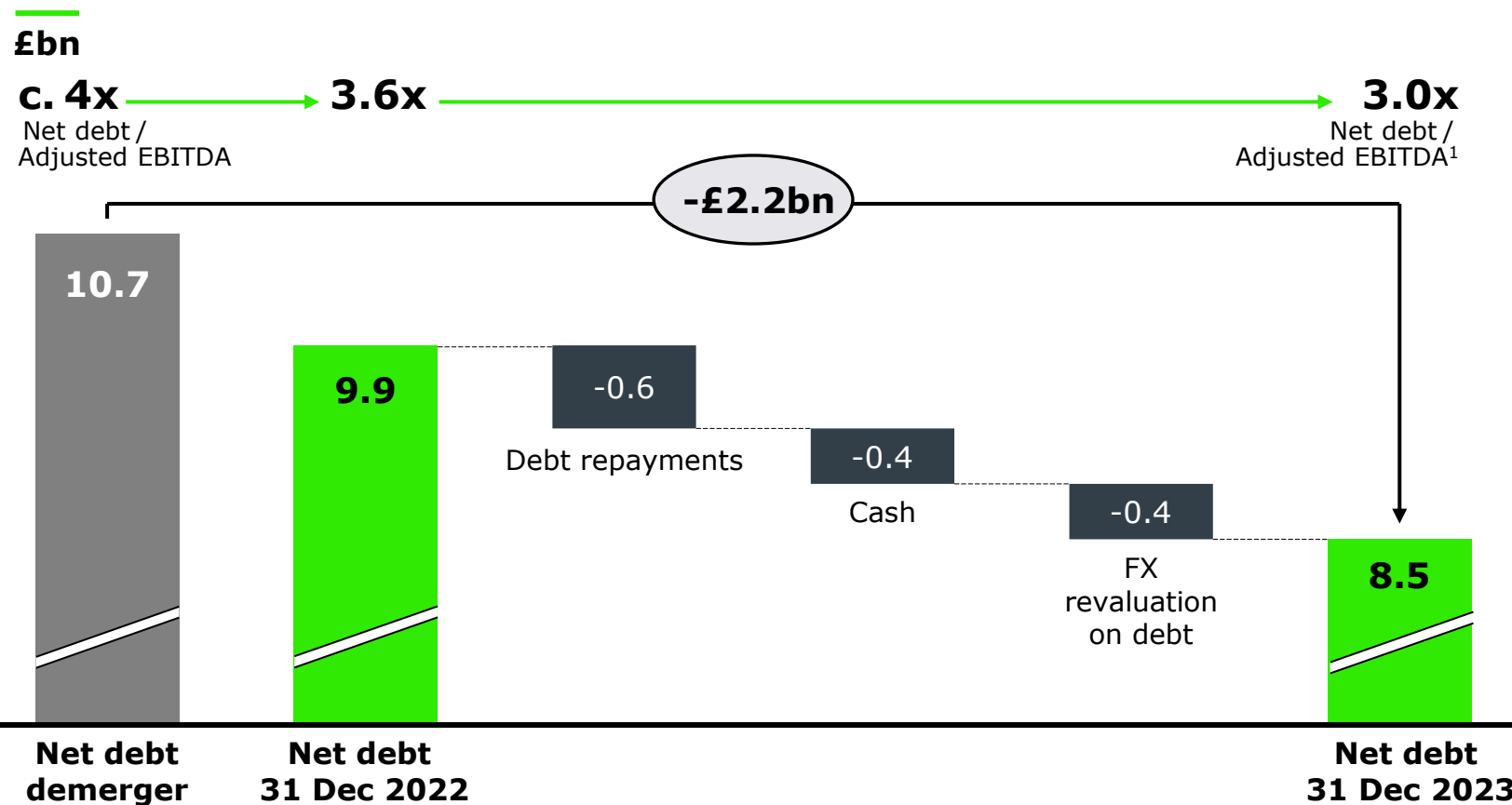
- Grow ordinary dividends at least in line with adjusted earnings
- Potential participation in Pfizer and GSK placings
- Return surplus capital to shareholders

**Sustained by a strong investment grade balance sheet**

Target medium term leverage of around 2.5x net debt / adjusted EBITDA<sup>1</sup>

# Leverage reduced to 3.0x

– £2.2bn net debt reduction since de-merger



**c.3.6%**

Cost of bond debt<sup>2</sup>

**77% / 23%**

Fixed/floating<sup>1</sup>

**£1bn cash**

£0.4bn increase in FY23 and no commercial paper

**March 2024**

\$700m bond was repaid from operational cash flow

1 As at 31 December 2023

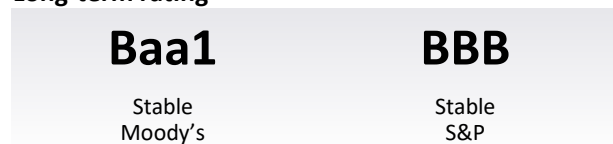
2 Weighted average cost for bond debt including impact of hedging activities, and excluding cost of commercial paper, preference shares and leases

3 Definitions of adjusted measures can be found in the Appendix

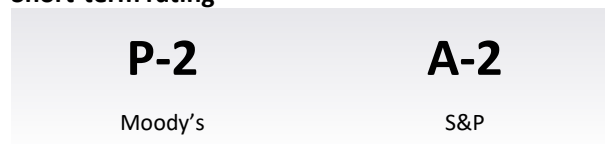
# Staggered debt maturity profile supports a strong investment grade balance sheet

## Credit Ratings

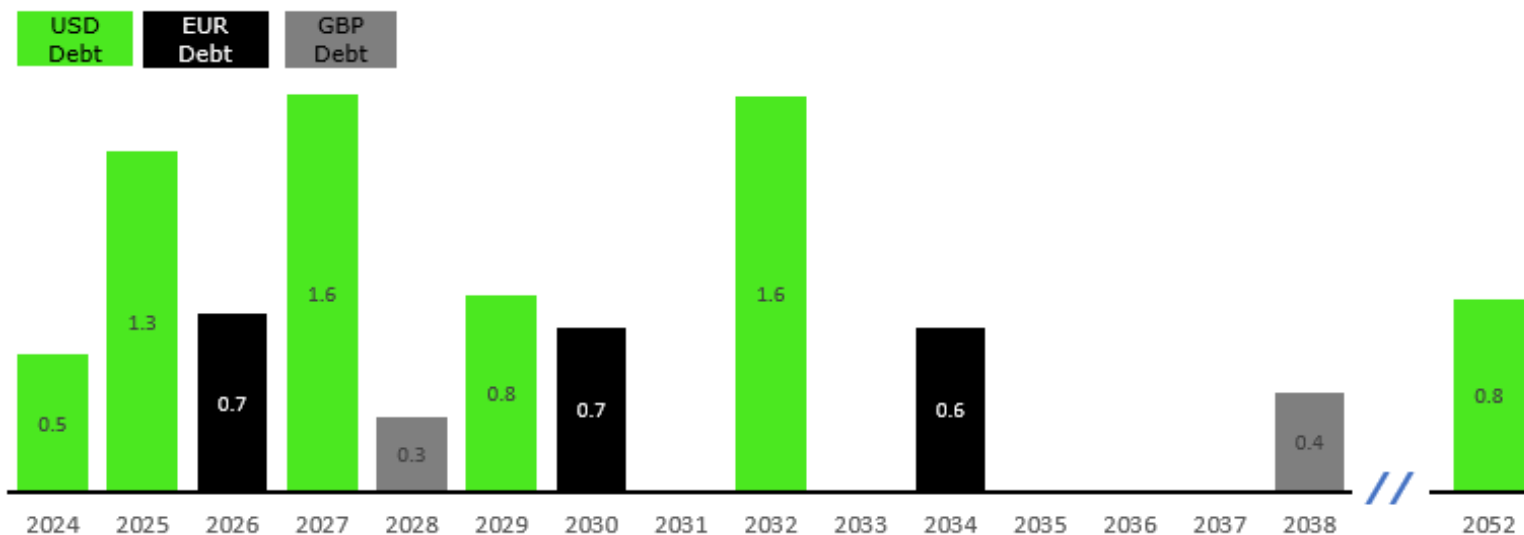
### Long-term rating



### Short-term rating

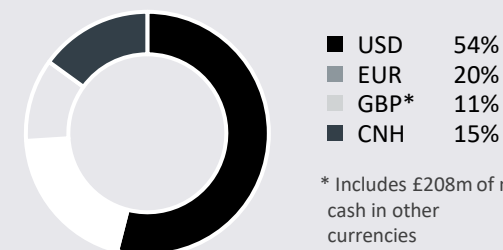


## Debt maturity profile<sup>1</sup> (£bn)



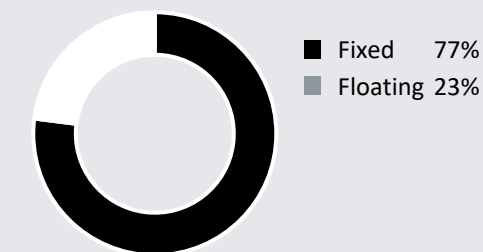
<sup>1</sup> Carrying value of bond debt using spot rates on 31 December 2023  
<sup>5</sup> Floating rate debt includes any fixed rate debt maturing within the next three months

## Currency mix of net debt (incl. swaps)



Haleon's policy is to manage Group net debt such that the currency mix of debt broadly aligns with the currency mix of earnings, considering relative interest costs and practical implications.

## Fixed/Floating mix of net debt<sup>2</sup>



Haleon's strategic priorities are to minimize interest costs and minimize income statement volatility arising from interest rates.

# — Medium term guidance

**Annual organic revenue growth<sup>1</sup> of 4-6%**

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**Organic operating profit growth ahead of organic revenue growth**

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**Net debt/Adjusted EBITDA<sup>1</sup> of around 2.5x**

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# — Outlook

## for full year 2024

**Organic revenue growth<sup>1</sup> of 4-6%**

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**Organic profit growth<sup>1</sup>**  
to be ahead of organic revenue growth

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**Net interest expense c. £320m**

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**Adjusted effective tax rate<sup>1</sup> 24-25%**



**HALEON**

**Full year 2023 results**

**Strong performance**, with 8.0% organic revenue growth and 10.4% adjusted operating profit growth<sup>1</sup>

**Our strategy is delivering**, with growth across all categories and regions demonstrating portfolio resilience

**Implementing change to become more agile**

**Proactively managing portfolio** with disposals of Lamisil and ChapStick reducing complexity in the business and increasing focus on higher growth brands

**Continued progress on sustainability** on environmental targets and ambitions on health inclusivity

**Increasingly confident in medium term guidance  
and continue to build track record of delivery**

<sup>1</sup> At constant exchange rates (CER); Reconciliation/definition of IFRS to Adjusted results can be found in the Appendix



## Full year 2023 results

**8.0%**

Organic revenue growth<sup>1</sup>

**7.0%/1.0%**

Price / Volume Mix

**9.1%**

Power Brand growth

### Adjusted operating profit<sup>1</sup>:

Increased 10.4% constant currency and 10.8% organic growth

### Adjusted operating margin<sup>1</sup>:

22.6% up 50bps constant currency and down 20bps on a reported basis

### Competitive performance:

58% of business gained or held share<sup>2</sup>

### Strong cash generation

Strong FCF generation of £1.6bn

Net debt / Adjusted EBITDA<sup>1</sup> of 3.0x

Targeting around 2.5x Net debt / Adjusted EBITDA<sup>1</sup> over medium term

Announced capital allocation of £500m for share buybacks in 2024

### Proactive portfolio management

Completed disposal of Lamisil for £235m<sup>3</sup>

Recent agreement for sale of ChapStick for \$430m with a passive minority interest in Suave Brands<sup>4</sup>

## Q4 results

**6.7%**

Organic revenue growth<sup>1</sup>

**6.4%/0.3%**

Price / Volume Mix

# Oral Health

## Outperformance: Exceptional Power Brand performance

**10.6%**

FY organic sales growth<sup>1</sup>

### Sensodyne

Top two 2023 innovations in US toothpaste market<sup>2</sup>: Sensodyne Sensitivity + Gum and Enamel and Pronamel Active Shield



### Winning innovations

### parodontax Gum + Sensitivity & Breath

Strong performance driving market share gains following launch in 2022



### Polident/Poligrip Power Max Hold+

Launched in 2022 and now in over 25 markets



1. Reconciliation/definition of IFRS to Adjusted results can be found in the Appendix

2. Based on retail sales data; Haleon's calculation based in part on data reported by Circana, Inc. through its OmniMarket Service for the Toothpaste category for the 52-week period ending 29/10/23 using Haleon's custom definitions

# — Vitamins, minerals and supplements

## Return to growth in second half

**0.9%**

FY organic revenue growth<sup>1</sup>

### Centrum

#### Leveraging science

- Clinical trials showing participants taking Centrum Silver saw significant improvement in cognitive function
- Activated claim across number of markets with share gains in US and Greater China



#### Geo-expansion

- Further expanded Centrum distribution in India through bricks and mortar
- Centrum launched in Sweden and further expanded portfolio in Middle East & Africa



### Emergen-C

#### New delivery formats

- Launched Emergen-C crystals, a 'no-water-needed solution' in US with good performance to date
- Number one innovation in US immune support segment



# Over-the-counter: Pain Relief

## Performance supported by improved capacity and strong execution

**7.4%**

FY organic sales growth<sup>1</sup>

Results underpinned by strength from Fenbid in China particularly during H1 2023

### Advil

#### New pain indication

- Advil Dual Action Back: Tapping into an underserved consumer need
- Increasing investment to drive future growth



### Voltaren

#### Driving new formats

- Launch of Voltaren liquid capsules
- Continued geo-expansion of 24 hour patches



### Panadol

#### Strong activation

- Success of 'Release starts here' campaign
- Address specialist need states including migraine, body pain, night and headache



# Over-the-counter: Respiratory Health

## Performance underpinned by strong first half and excellent execution

**13.7%**

FY organic sales growth<sup>1</sup>

Normal cold and flu season  
in second half of 2023

### Otrivin Nasal Mist

- Launched in first three European markets; Good initial consumer feedback
- Further planned expansion during 2024



### Capturing demand

### Robitussin

- Launch of dual-action lozenge
- Provides quick relief and treats cough and sore throat pain for up to four hours



### Theraflu

- Theraflu Max Strength Launched in Q3 2022 in US; Now 25% of US Theraflu sales
- Continued uplift from naturals products including Theraflu ProNatural





# Over-the-counter: Digestive Health & Other

## Broad based growth across all three sub-categories

**6.5%**

FY organic sales growth<sup>1</sup>

- **Digestive Health** Tums and ENO leveraged innovation to capture strength in the immediate relief sub-category
- **Skin Health** underpinned by Bactroban growth
- **Smoking Health** revenue up mid single digit



# Strong execution and financial discipline

## Initiatives to improve efficiency

- Ongoing initiatives such as dual sourcing and complexity reduction
- Agility and productivity program
- Ability to meet volatile Respiratory Health demand

## Strong go-to-market execution

- New distribution model in place in India
- Revamped HealthPartner Portal; US registrations up 26% with engagement up 31% driving expert advocacy

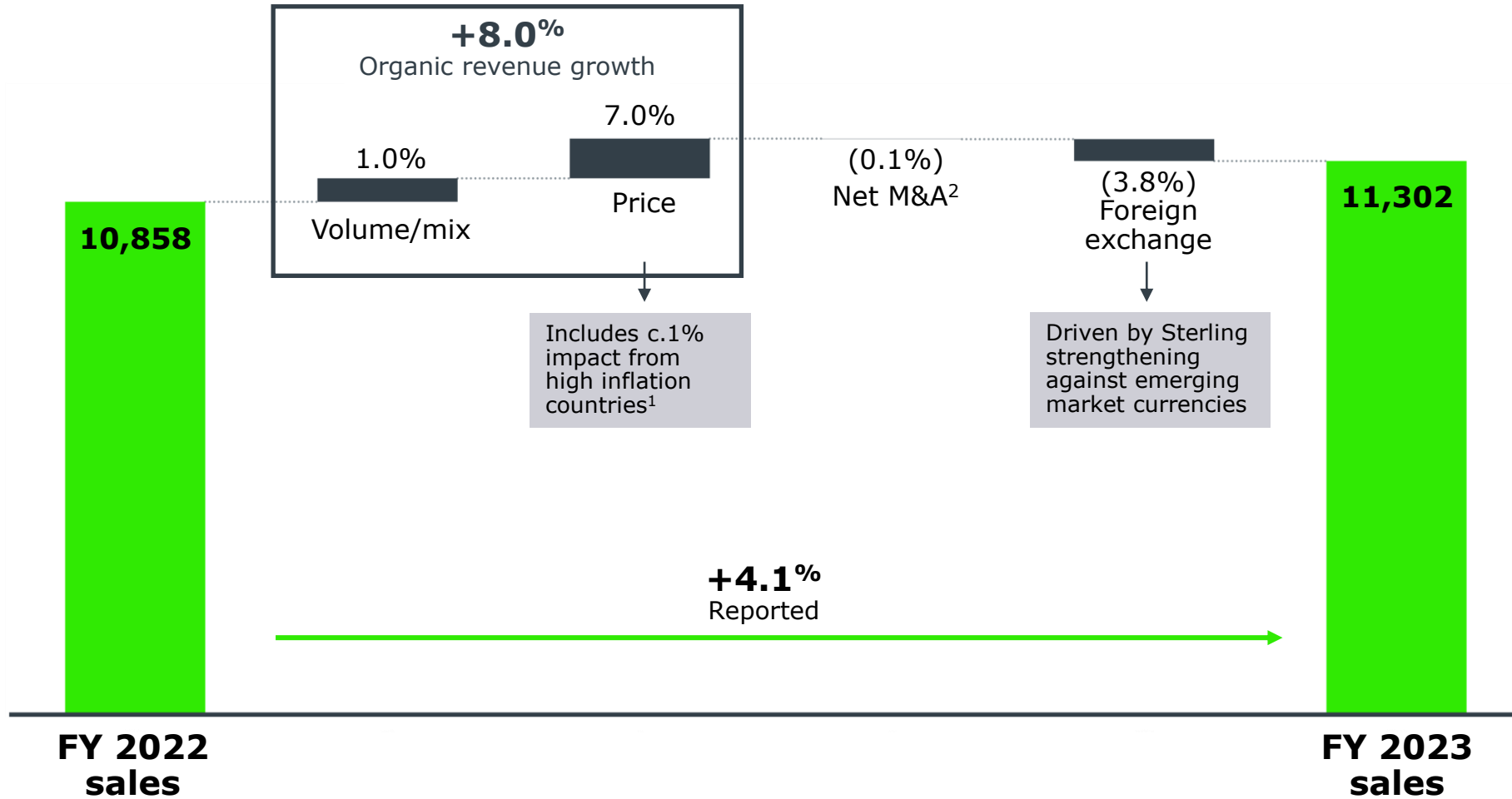
## Continued financial discipline

- Active portfolio management; with disposal of Lamisil<sup>1</sup> and Chapstick<sup>2</sup>
- Continued cash generation and leverage reduction

# Strong FY revenue growth

Driven by price with positive volume/mix

£m

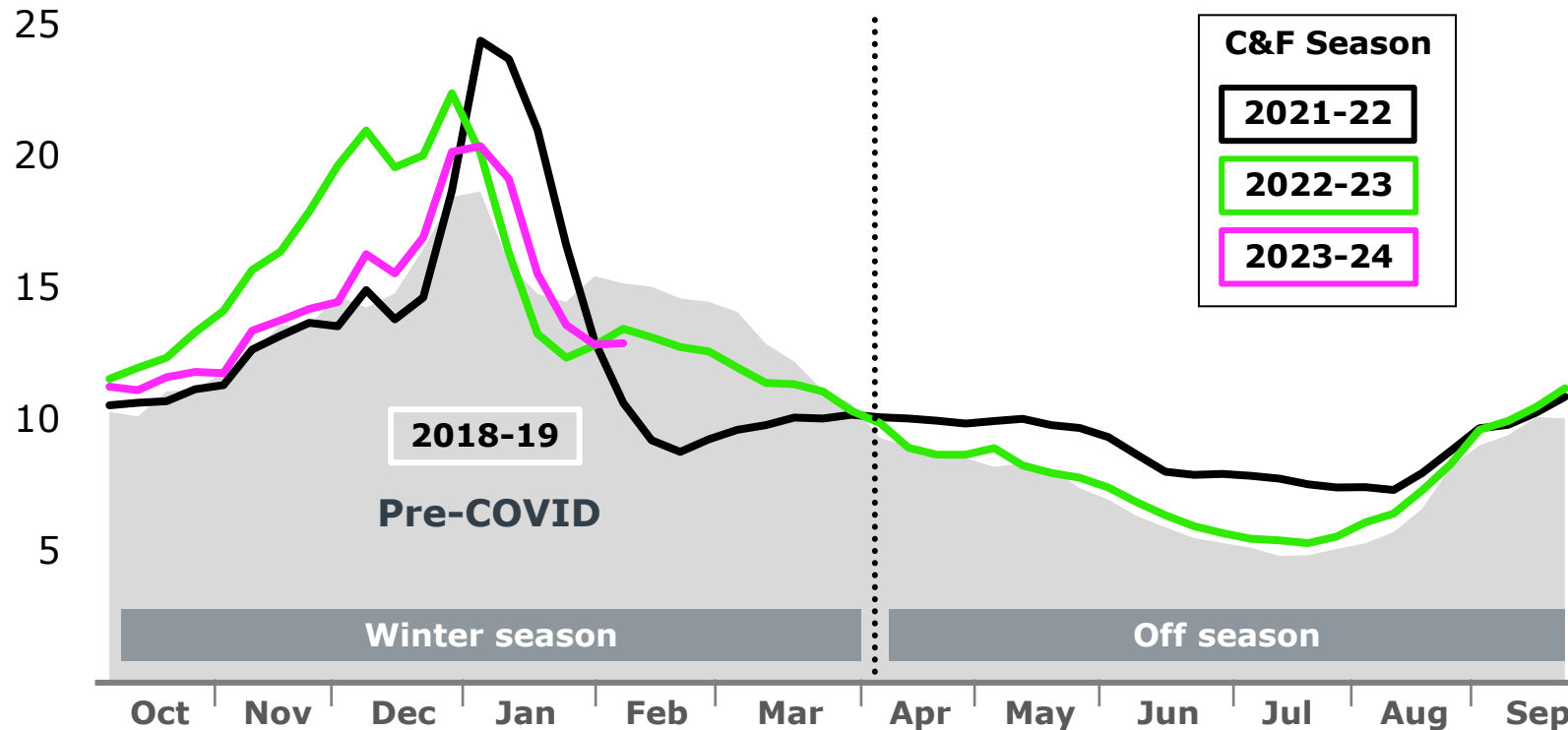




# Respiratory

2023 – 2024 cold and flu season to-date returning to pre-COVID levels

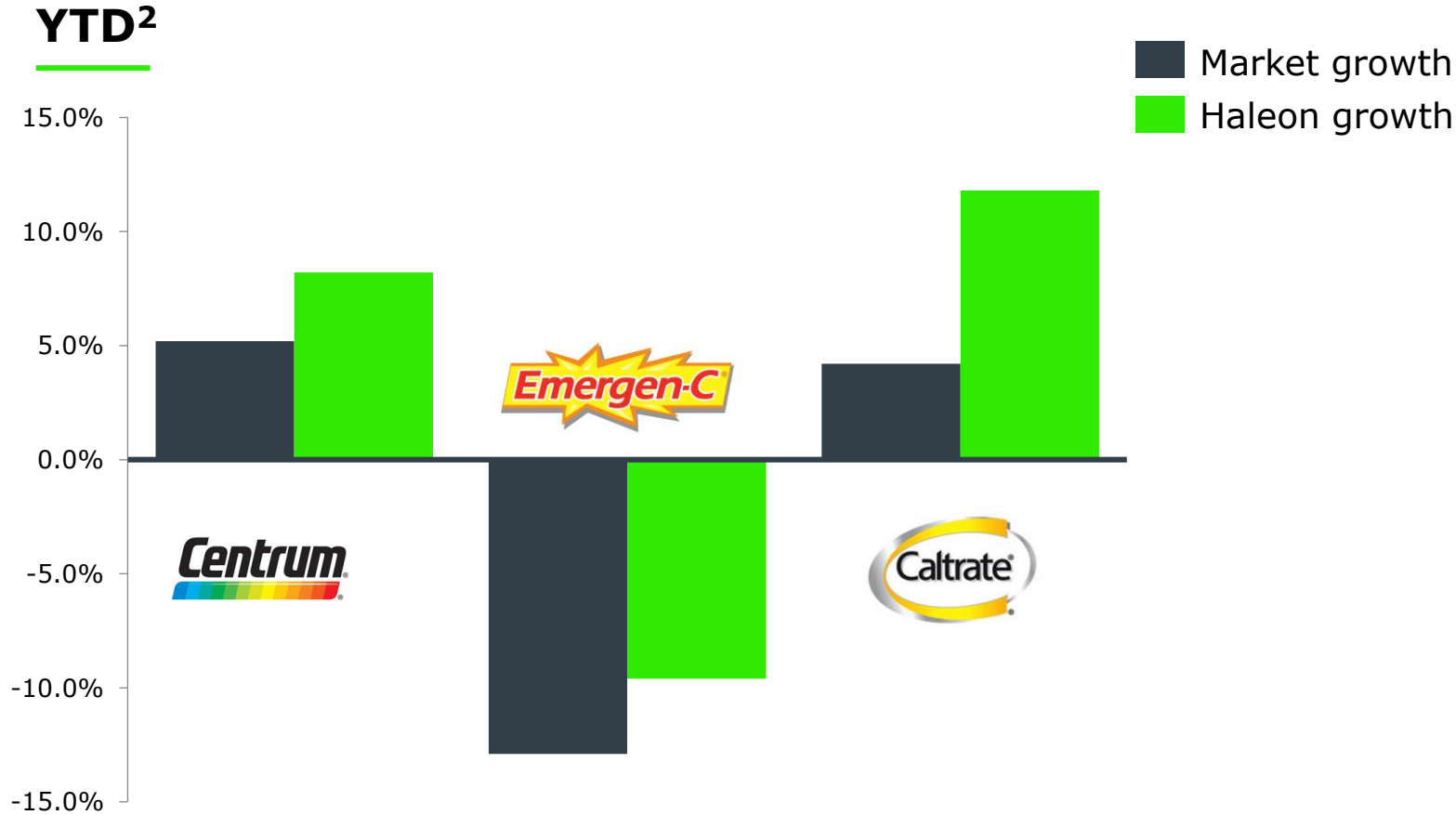
Weekly US market cold and flu (million units)



- Trends in Europe similar to US. Geographies which lifted COVID-19 restrictions later, such as China, saw elevated demand in Q4 2022 and Q1 2023 which we are now lapping
- 2023-2024 peak slightly later (early Jan 2024); more consistent with pre-COVID
- Having returned to a more normal season, 2023 a much cleaner base

# Vitamins, Minerals and Supplements

Market share<sup>1</sup> gains across the three largest VMS brands



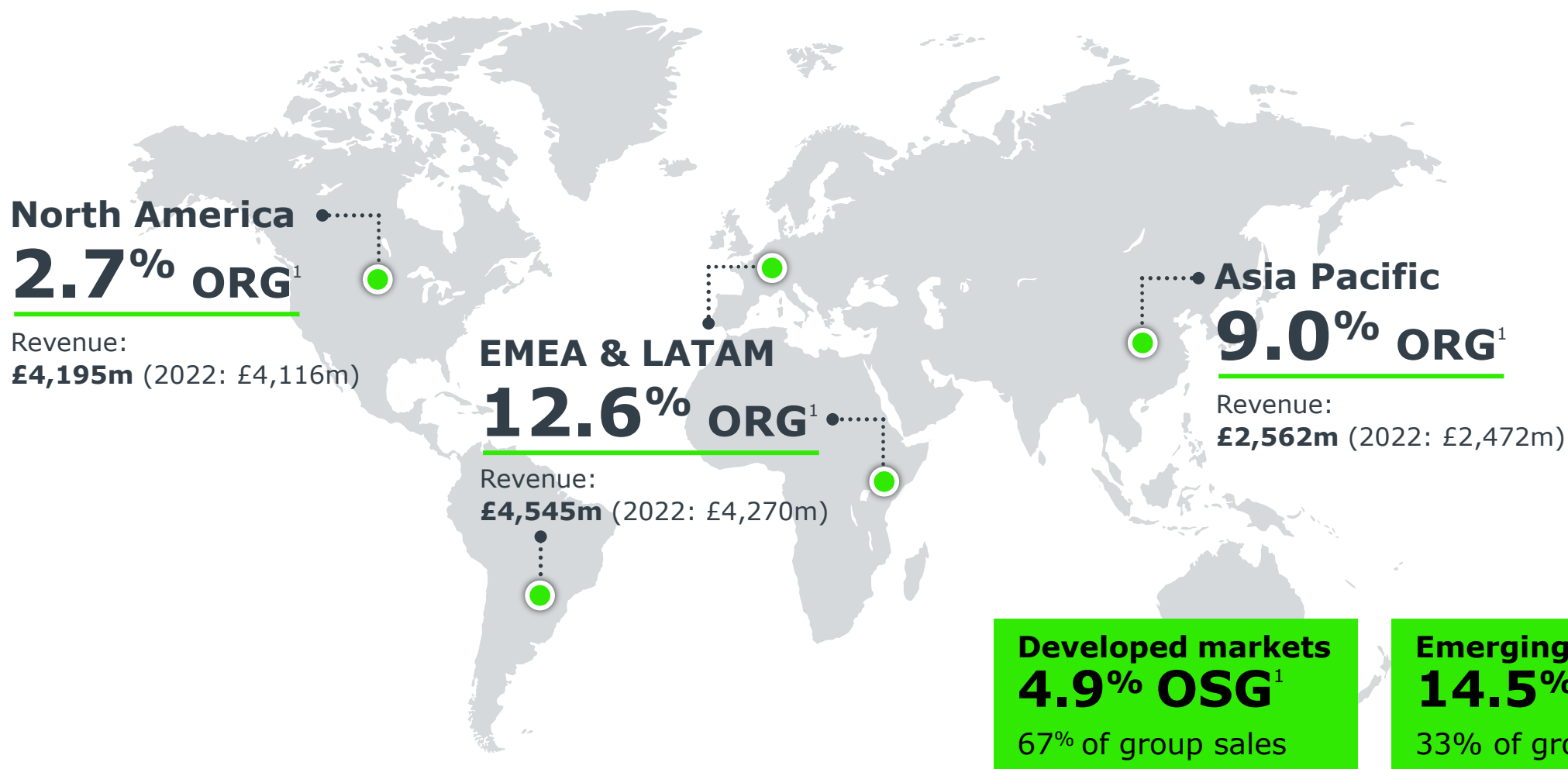
- Three key brands (c.85% of VMS revenue) outperforming the market<sup>2</sup>
- Emergen-C return to growth last three months<sup>3</sup>
- Well positioned for future growth in category

<sup>1</sup> Market share based on the Group's analysis of third-party market data of revenue for 12 months to 31 December 2023 including IQVIA, IRI and Nielsen data. Share based on brand's primary geography: Centrum (Global); Emergen-C (US); Caltrate (China)

<sup>2</sup> 12 months to 31 December 2023

<sup>3</sup> Last 3 months ending 13 February 2024

# Broad based growth across all regions



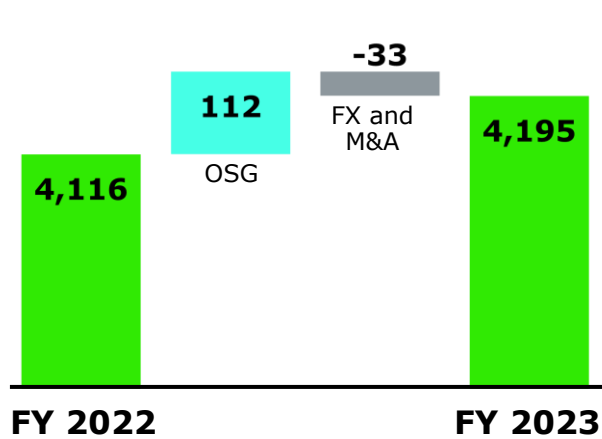
# North America

FY growth driven by price; more favourable volume/mix in Q4

## Revenue

	Organic growth <sup>1</sup>	Price	Volume / mix
<b>FY</b>	<b>2.7%</b>	<b>3.6%</b>	<b>(0.9)%</b>
<b>Q4</b>	<b>3.5%</b>	<b>2.8%</b>	<b>0.7%</b>

£m

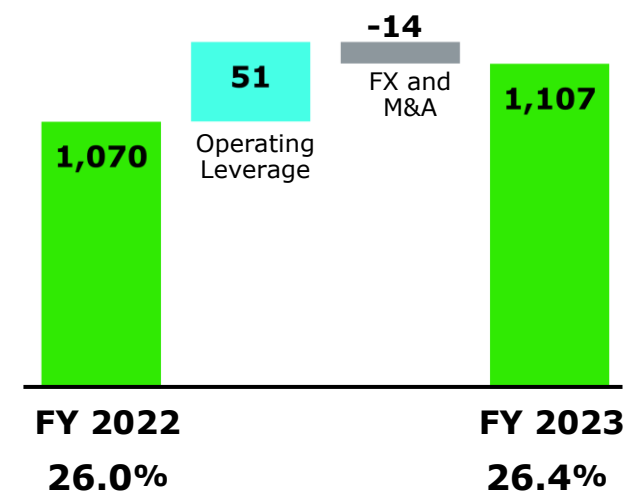


- ⊕ Oral Health, Respiratory Health, Pain Relief
- ⊕ Q4 volume/mix improvement
- ⊖ VMS; weakness in immunity impacting Emergen-C

## Adjusted operating profit and margin

	CER <sup>2</sup>	Organic growth <sup>1</sup>
<b>FY</b>	<b>4.7%</b>	<b>4.8%</b>

£m



- ⊕ Pricing
- ⊕ Strong cost management including targeted A&P spend
- ⊕ One time tax credit
- ⊖ Significant cost inflation

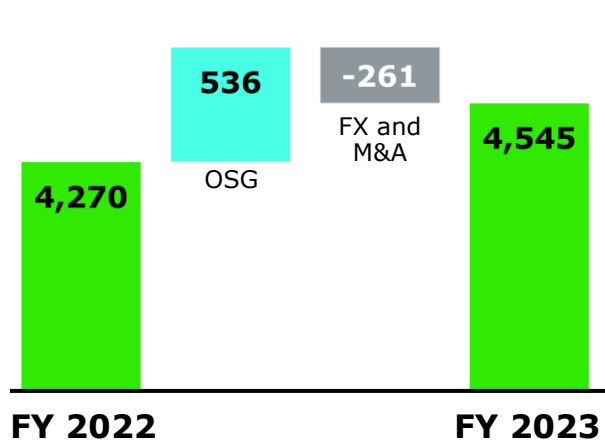
# EMEA & LATAM

Strong price underpinning double digit organic growth

## Revenue

	Organic growth <sup>1</sup>	Price	Volume / mix
<b>FY</b>	<b>12.6%</b>	<b>12.8%</b>	<b>(0.2)%</b>
<b>Q4</b>	<b>10.1%</b>	<b>11.9%</b>	<b>(1.8)%</b>

£m

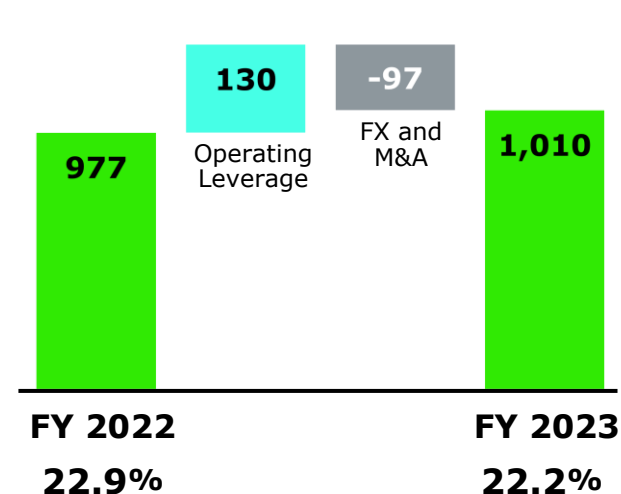


- ⊕ All categories growing with Oral Health, Respiratory Health, Digestive Health & Other growing double digit
- ⊕ High inflation economies<sup>3</sup> (c.3% contribution to OSG)
- ⊖ Local VMS brands

## Adjusted operating profit and margin

	CER <sup>2</sup>	Organic growth <sup>1</sup>
<b>FY</b>	<b>12.6%</b>	<b>13.4%</b>

£m



- ⊕ Pricing
- ⊕ Operational efficiencies
- ⊖ Impact of divestments
- ⊖ Increased cost pressure

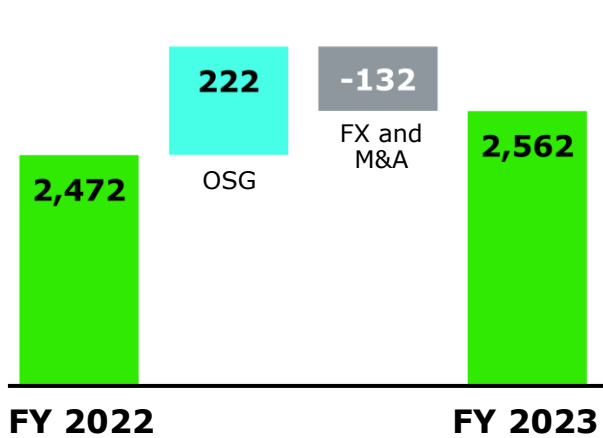
# Asia Pacific

Good organic growth more volume/mix driven

## Revenue

	Organic growth <sup>1</sup>	Price	Volume / mix
<b>FY</b>	<b>9.0%</b>	<b>2.7%</b>	<b>6.3%</b>
<b>Q4</b>	<b>6.8%</b>	<b>3.5%</b>	<b>3.3%</b>

£m

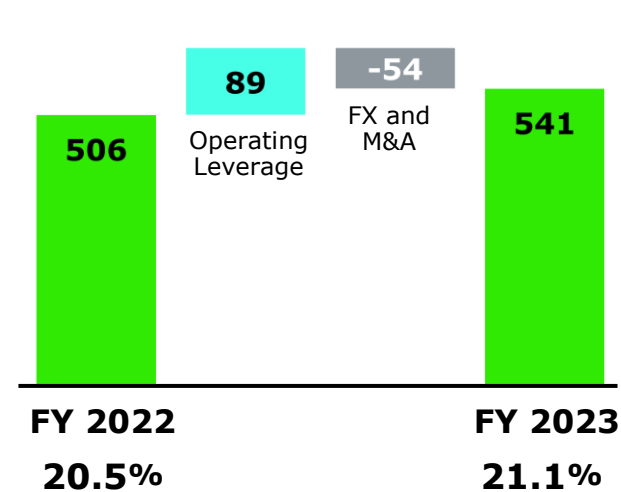


- ⊕ Oral Health, Respiratory Health and Pain Relief (particularly H1)
- ⊕ China, particularly H1

## Adjusted operating profit and margin

	CER <sup>2</sup>	Organic growth <sup>1</sup>
<b>FY</b>	<b>17.8%</b>	<b>17.6%</b>

£m



- ⊕ Strong operating leverage
- ⊖ Investment in key emerging markets
- ⊖ Some inflationary cost pressure (albeit less than in other regions)

# Adjusted operating profit +10.4% CER

£m	FY 2023	FY 2022	% change	% change (CER)
<b>Revenue</b>	<b>11,302</b>	<b>10,858</b>	<b>4.1</b>	<b>7.9</b>
<b>Adjusted gross profit<sup>1</sup></b>	<b>7,001</b>	<b>6,772</b>	<b>3.4</b>	<b>7.3</b>
<i>% Adjusted gross margin<sup>1</sup></i>	<i>61.9%</i>	<i>62.4%</i>	<i>(0.5)pts</i>	<i>(0.4)pts</i>
Sales, general and admin <sup>1</sup>	(4,155)	(3,997)	4.0	6.0
Research and development <sup>1</sup>	(297)	(303)	(2.0)	(0.7)
<b>Adjusted operating profit<sup>1</sup></b>	<b>2,549</b>	<b>2,472</b>	<b>3.1</b>	<b>10.4</b>
<i>% Adjusted operating margin</i>	<i>22.6%</i>	<i>22.8%</i>	<i>(0.2)pts</i>	<i>0.5pts</i>
Depreciation and amortisation <sup>2</sup>	282	258	9.3	10.7
<b>Adjusted EBITDA<sup>1</sup></b>	<b>2,831</b>	<b>2,730</b>	<b>3.7</b>	<b>10.5</b>

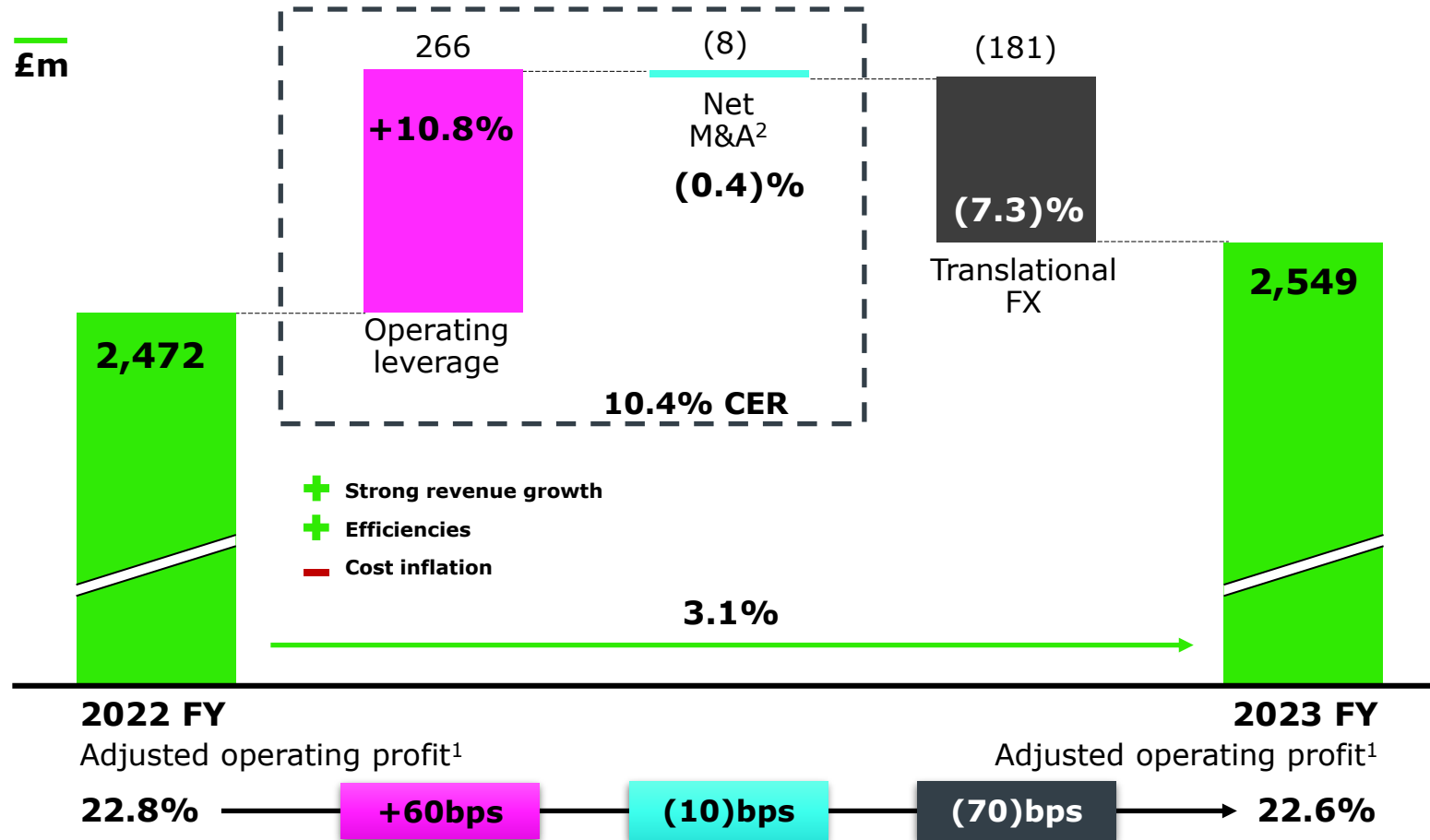
H1: Cost inflation not fully offset by pricing and efficiencies  
H2: Headwinds eased with gross margin expansion in Q4

Investment in the business including into additional sales force and processes

Operating profit up 10.8% on an organic basis

# FY Adjusted operating profit growth

+10.4% at constant exchange rates; +60bps operating leverage



- Organic operating profit +10.8% with negative impact from M&A of (0.4)%
- A&P up c.3%; targeted on key growth areas (Oral Health & VMS) and markets (India and China)
- Translational FX: (7.3)% driven by yoy movement of Sterling against Argentine Peso, Chinese Renminbi and emerging market currencies



# Adjusted EPS growth driven by strong operating profit partly offset by annualisation of interest costs

£m	FY 2023	FY 2022	% change	% change (CER)	
<b>Adjusted operating profit<sup>1</sup></b>	<b>2,549</b>	<b>2,472</b>	<b>3.1</b>	<b>10.4</b>	
Net finance costs	(368)	(207)	77.8	77.3	← Annualisation of interest
Adjusted tax <sup>1</sup>	(512)	(506)	1.2	9.7	
% tax rate	23.5%	22.3%	1.2pts	1.2pts	← Tax rate in line with prior guidance
<b>Adjusted profit after tax<sup>1</sup></b>	<b>1,669</b>	<b>1,759</b>	<b>(5.1)</b>	<b>2.8</b>	
Non controlling interests	(62)	(59)	5.1	11.9	
Profit after tax attributed to shareholders of the Group <sup>1</sup>	1,607	1,700	(5.5)	2.5	
<b>Adjusted Diluted EPS</b>	<b>17.3p</b>	<b>18.4p</b>	<b>(6.0)</b>	<b>2.2</b>	

# Operating profit margin +90bps due to reduction in adjusting items

£m	FY 2023	FY 2022	% change
<b>Adjusted operating profit<sup>1</sup></b>	<b>2,549</b>	<b>2,472</b>	
Net amortisation and impairment of intangible assets <sup>2</sup>	(224)	(172)	← Includes ChapStick impairment <sup>4</sup>
Restructuring costs <sup>2</sup>	(169)	(41)	← Increase largely due to productivity programme; with specific programme costs in line with guidance
Separation and admission costs <sup>2</sup>	(120)	(411)	← Separation costs largely complete; c. £40m remaining in 2024
Disposals and other items <sup>2</sup>	(40)	(23)	
<b>Operating profit<sup>3</sup></b>	<b>1,996</b>	<b>1,825</b>	
<i>% Operating margin<sup>3</sup></i>	<i>17.7%</i>	<i>16.8%</i>	<i>0.9pts</i>

1 See definitions in Appendix

2 For further detail, please see Appendix

3 Refers to IFRS operating profit and operating margin

4 FY2022 included an impairment of £129m largely related to Preparation H brand

# Strong free cash flow generation

£m	FY 2023	FY 2022	
<b>Adjusted operating profit<sup>1</sup></b>	<b>2,549</b>	<b>2,472</b>	
P&L adjusting items <sup>2</sup>	(553)	(647)	
Non-cash movements <sup>3</sup>	586	424	
Working capital and other movements <sup>4</sup>	(37)	138	Working capital reduction largely due to lower receivables given reduced debtor days partially offset by higher inventory
Taxation paid	(445)	(324)	Cash tax now aligning with P&L charge (as guided)
Net interest (paid)/received	(377)	(144)	Annualisation of bond interest payments
Distribution to non-controlling interests	(58)	(48)	
Capital expenditure <sup>5</sup>	(336)	(328)	c. 3% of sales reflecting continued investment in the business
Sale of intangibles	246	36	
<b>Free cash flow</b>	<b>1,575</b>	<b>1,579</b>	

1 Reconciliation of IFRS to Adjusted results can be found in the Appendix

2 Adjusting items include Net amortisation and impairment of intangible assets: £224m (2022: £172m), Restructuring costs: £169m (2022: £41m), Transaction Related Costs: £2m (2022: £8m), Separation and admission costs: £120m (2022: £411m), Disposals and Others: £38m (2022: £15m)

3 Includes Depreciation of property, plant and equipment and rights of use assets: £201m (2022: £180m), Amortisation and impairment of intangible assets: £108m (2022: £107m), Impairment and assets written off, net of reversals: £200m (2022: £143m), Profit on sale of intangible assets: £12m (2022: £(30)m), Share based incentive plans £76m (2022: £15m) and Other non-cash movements: £(11)m (2022: £9m)

4 Working capital incl. returns and rebates: £37m (2022: £50m), decrease in other net liabilities: £(74)m (2022: £88m)

5 Includes purchase of property, plant and equipment: £(234)m (FY 2022: £(304)m) and Purchase of intangible assets: £(102)m (FY 2022: £(24)m)



# Appendix

**2023**  
Full year results

# Glossary

A number of adjusted measures are used to report the performance of our business which are non-IFRS measures. Adjusted results, CER, organic and other non-IFRS measures may be considered in addition to, but not as a substitute for or superior to, information presented in accordance with IFRS. These measures are defined and set out below. Reconciliations to the nearest IFRS measure will be provided as part of the Historical Financial Information as part of the Prospectus.

**Organic** measures represent **adjusted revenue and adjusted operating profit**, excluding the impact of acquisitions, divestments and closures of brands or businesses, manufacture and supply agreements (MSAs) relating to divestments and closure of brands or production sites, and the impact of currency exchange movements.

**Adjusted EBITDA** is defined as profit after tax for the year excluding income tax, finance income, finance expense, Adjusting Items (as defined below), depreciation of property plant and equipment, impairment of property plant and equipment net of reversals, depreciation of right-of-use assets, and amortisation of software intangibles.

**Adjusting Items** include the following:

- **Net amortisation and impairment of intangible assets:** Net impairment of intangibles, impairment of goodwill and amortisation of intangibles excluding computer software. Intangible amortisation and impairments arising from intangibles acquired in business combinations are adjusted to reflect the performance of the business excluding the effect of acquisition accounting
- **Restructuring costs:** Include personnel costs associated with restructuring programmes, impairments of tangible assets and computer software relating to specific programmes approved by the Board of the Company from time to time that are structural and of a significant scale.
- **Separation and admission costs:** Costs incurred in relation to and in connection with Separation, UK Admission and registration of the Company's Ordinary Shares represented by the Company's American Depositary Shares ("ADSs") under the Exchange Act and listing of ADSs on the NYSE (the "US Listing"). These costs are not directly attributable to the sale of the Group's products and specifically relate to the foregoing activities, affecting comparability of the Group's financial results in historical and future reporting periods.
- **Transaction related costs:** Transaction-related accounting or other adjustments related to significant acquisitions and including deal costs and other pre-acquisition costs when there is certainty that an acquisition will complete. It also includes costs of registering and issuing debt and equity securities and the effect of inventory revaluations on acquisitions.

- **Disposal and other adjusting items:** Gains and losses on disposals of assets, businesses and tax indemnities related to business combinations. Legal settlement and judgements, impact of changes in tax rates and tax laws on related deferred tax assets and liabilities, retained or uninsured losses related to acts of terrorism, product recalls, natural disasters and other items. These gains and losses are not directly attributable to the sale of the Group's products and vary from period to period, which affects comparability of the Group's financial results. From period to period, the Group will also need to apply judgement if items of unique nature arise that are not specifically listed above

**Adjusted Operating Profit** is defined as operating profit less Adjusting Items as defined earlier.

**Free cash flow** Free cash flow is calculated as net cash inflow from operating activities plus cash inflows from the sale of intangible assets, the sale of property, plant and equipment and interest received, less cash outflows for the purchase of intangible assets, the purchase of property, plant and equipment, distributions to non-controlling interests and interest paid.

**Net debt:** Net debt at a period end is calculated as short-term borrowings (including bank overdrafts and short-term lease liabilities), long-term borrowings (including long-term lease liabilities), and derivative financial liabilities less cash and cash equivalents and derivative financial assets, liabilities less cash and cash equivalents and derivative financial assets.

**Organic revenue growth** represents revenue growth, as determined under IFRS and excluding the impact of acquisitions, divestments and closures of brands or businesses, revenue attributable to manufacturing service agreements ("MSAs") relating to divestments and the closure of sites or brands, and the impact of currency exchange movements.

Organic revenue growth by individual region is further discussed by price and volume/mix changes, which are defined as follows:

- **Price:** Defined as the variation in revenue attributable to changes in prices during the period. Price excludes the impact to organic revenue growth due to (i) the volume of products sold during the period and (ii) the composition of products sold during the period. Price is calculated as current year net price minus prior year net price multiplied by current year volume. Net price is the sales price, after deduction of any trade, cash or volume discounts that can be reliably estimated at point of sale. Value added tax and other sales taxes are excluded from the net price.
- **Volume/Mix:** Defined as the variation in revenue attributable to changes in volumes and composition of products in the period

# Haleon history


**2012**  
**Divest**  
 Non-strategic  
 OTC

**2013**  
**Divest**  
 Exit of beverages:  
 Lucozade and  
 Ribena to Suntory



**2015**  
**JV formation**  
  
  


**2018**  
**Buy out**  
 Full buy out  
 of Novartis  
 from JV



  
**JV formation**  
 

**2020**  
**Divest**  
 Exit of non-  
 strategic categories  
 to Unilever<sup>1</sup>



**2019** — **2021**  
**Significant divestment programme**  
 Non-strategic and growth dilutive OTC and skin  
 assets disposal, £1.1bn proceeds<sup>3</sup>






**2022**  
**HALEON**<sup>2</sup>

<sup>1</sup> Horlicks not part of JV  
<sup>2</sup> Demerger from GSK in July 2022  
<sup>3</sup> Net proceeds

# Broad based growth across categories

	FY23 Revenue	Organic revenue growth <sup>1</sup>				
	£m	FY	Q1	Q2	Q3	Q4
Oral Health	3,136	10.6%	6.6%	15.4%	9.4%	11.5%
VMS	1,640	0.9%	(3.7)%	2.7%	1.4%	3.1%
Pain Relief	2,652	7.4%	11.0%	14.9%	6.2%	(1.8)%
Respiratory Health	1,736	13.7%	33.0%	9.2%	4.2%	10.9%
Digestive Health and Other	2,138	6.5%	7.3%	8.1%	0.9%	10.1%
<b>TOTAL</b>	<b>11,302</b>	<b>8.0%</b>	9.9%	11.0%	5.0%	6.7%
<i>Price</i>		<i>7.0%</i>	<i>7.1%</i>	<i>7.9%</i>	<i>6.6%</i>	<i>6.4%</i>
<i>Volume/Mix</i>		<i>1.0%</i>	<i>2.8%</i>	<i>3.1%</i>	<i>(1.6)%</i>	<i>0.3%</i>

# Considerations for phasing of growth

## Key

+ Weak comparative

- Challenging comparative

## Considerations for 2024 performance (unless otherwise stated)

	2023 % of revenue	Q1	Q2	Q3	Q4
Oral Health	28%				
VMS	15%				
Pain Relief	23%	- Strong Fenbid demand (China) - Strong Advil demand (Canada)	- Strong Fenbid demand (China)	+ Fenbid destocking	
Respiratory Health	15%	- Strong cold & flu season - Strong Contac demand (China)	+ Weak allergy season	+ Weak allergy season	
Digestive Health and Other	19%		- ChapStick sale completion expected	+ US inventory reduction	
Price (FY23)		+7.1%	+7.9%	+6.6%	+6.4%



# Translational currency impact

Currency	FY 2023 currency as % of total revenue	Average 2022	Average 2023	Spot 31.12.23	Spot 16.2.24
USD	33%	1.24	1.24	1.27	1.26
EUR	16%	1.17	1.15	1.15	1.17
CNY	8%	8.31	8.81	9.06	9.08
CAD	<5%	1.61	1.68	1.69	1.70
AUD	<5%	1.78	1.87	1.87	1.93
JPY	<5%	161	175	180	189
RUB	c. 10%	86	105	115	116
ZAR		20	23	24	24
INR		97	103	97	104
ARS		161	382	1030	1052
PKR		252	347	355	352
TRY		20	30	38	39
EGP		24	38	39	39
Others	c. 25%	100		100	101

## › 2023 unfavourable translational foreign exchange impact

- c. (3.8)% on revenue
- c. (7.3)% on adjusted operating profit

## › 2024 estimated unfavourable translational foreign exchange impact

- c.(2)% revenue
- c.(3)% on adjusted operating profit

Assuming exchange rates as of 16<sup>th</sup> February 2024 were to hold for the remainder of the year

# IFRS and Adjusted Income Statement

## Unaudited

<b>2023</b>							
<b>£m</b>	<b>IFRS Results</b>	<b>Net amortisation and impairment of intangible assets<sup>1</sup></b>	<b>Restructuring costs<sup>2</sup></b>	<b>Transaction -related costs<sup>3</sup></b>	<b>Separation and Admission costs<sup>4</sup></b>	<b>Disposals and others<sup>5</sup></b>	<b>Adjusted Results</b>
<b>Revenue</b>	<b>11,302</b>						<b>11,302</b>
Gross profit	6,747	224	26	—	4	—	7,001
<i>Gross profit margin %</i>	<i>59.7%</i>						<i>61.9%</i>
<b>Operating profit</b>	<b>1,996</b>	<b>224</b>	<b>169</b>	<b>2</b>	<b>120</b>	<b>38</b>	<b>2,549</b>
<i>Operating profit margin %</i>	<i>17.7%</i>						<i>22.6%</i>
Net finance costs	(368)	—	—	—	—	—	(368)
<b>Profit before tax</b>	<b>1,628</b>	<b>224</b>	<b>169</b>	<b>2</b>	<b>120</b>	<b>38</b>	<b>2,181</b>
Income tax	(517)	(53)	(35)	—	(29)	122	(512)
<i>Effective tax rate %</i>	<i>31.8%</i>						<i>23.5%</i>
<b>Profit after tax for the year</b>	<b>1,111</b>	<b>171</b>	<b>134</b>	<b>2</b>	<b>91</b>	<b>160</b>	<b>1,669</b>
Profit attributable to shareholders	1,049	171	134	2	91	160	1,607
Diluted earnings per share (pence)	11.3	1.8	1.4	-	1.1	1.7	17.3
Weighted average number of shares (diluted) (millions)	9,263						9,263

<b>2022</b>							
<b>£m</b>	<b>IFRS Results</b>	<b>Net amortisation and impairment of intangible assets<sup>1</sup></b>	<b>Restructuring costs<sup>2</sup></b>	<b>Transaction -related costs<sup>3</sup></b>	<b>Separation and Admission costs<sup>4</sup></b>	<b>Disposals and others<sup>5</sup></b>	<b>Adjusted Results</b>
Revenue	10,858	—	—	—	—	—	10,858
Gross profit	6,577	172	19	—	4	—	6,772
<i>Gross profit margin %</i>	<i>60.6%</i>						<i>62.4%</i>
Operating profit	1,825	172	41	8	411	15	2,472
<i>Operating profit margin %</i>	<i>16.8%</i>						<i>22.8%</i>
Net finance costs	(207)	—	—	—	—	—	(207)
Profit before tax	1,618	172	41	8	411	15	2,265
Income tax	(499)	(37)	(7)	(2)	(55)	94	(506)
<i>Effective tax rate %</i>	<i>30.8%</i>						<i>22.3%</i>
Profit after tax for the year	1,119	135	34	6	356	109	1,759
Profit attributable to shareholders	1,060	135	34	6	356	109	1,700
Diluted earnings per share (pence)	11.5	1.4	0.4	0.1	3.8	1.2	18.4
Weighted average number of shares (diluted) (millions)	9,239						9,239

- 1. Net amortisation and impairment of intangible assets:** includes impairment of intangible assets of £185m (2022: £129m) and amortisation of intangible assets excluding computer software of £39m (2022: £43m) .
- 2. Restructuring costs:** includes amounts related to business transformation activities.
- 3. Transaction-related costs:** includes amounts related to the acquisition of a manufacturing site.
- 4. Separation and admission costs:** includes amounts incurred in relation to and in connection with the separation and listing of the Group as a standalone business.
- 5. Disposals and others:** includes net losses/(gains) on disposals of assets and businesses totalling £38m (2022: £(20)m) . The tax effect includes a £155m tax charge related to intragroup transfers.

# Reconciliation of FY organic growth

## Product Categories

2023 vs 2022 (%)	Oral Health	VMS	Pain Relief	Respiratory Health	Digestive Health and Other	Total
<b>Revenue Growth</b>	<b>6.1</b>	<b>(2.1)</b>	<b>4.0</b>	<b>9.9</b>	<b>2.0</b>	<b>4.1</b>
Organic Adjustments	-	-	0.2	-	0.5	0.1
Effect of Exchange Rates	4.5	3.0	3.2	3.8	4.0	3.8
<b>Organic Revenue Growth</b>	<b>10.6</b>	<b>0.9</b>	<b>7.4</b>	<b>13.7</b>	<b>6.5</b>	<b>8.0</b>

## Geographical Segments

2023 vs 2022 (%)	North America	EMEA and LatAm	APAC	Total
<b>Revenue Growth</b>	<b>1.9</b>	<b>6.4</b>	<b>3.6</b>	<b>4.1</b>
Organic Adjustments	-	0.2	-	0.1
Effect of Exchange Rates	0.8	6.0	5.4	3.8
<b>Organic Revenue Growth</b>	<b>2.7</b>	<b>12.6</b>	<b>9.0</b>	<b>8.0</b>
<b>Price</b>	<b>3.6</b>	<b>12.8</b>	<b>2.7</b>	<b>7.0</b>
<b>Volume / Mix</b>	<b>(0.9)</b>	<b>(0.2)</b>	<b>6.3</b>	<b>1.0</b>

# Reconciliation of quarterly organic growth

## North America

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023
<b>2023 vs 2022 (%)</b>					
<b>Revenue Growth</b>	<b>14.0</b>	<b>4.4</b>	<b>(7.5)</b>	<b>(1.0)</b>	<b>1.9</b>
Organic Adjustments		-	-	0.1	-
Effect of Exchange Rates	(8.9)	(0.1)	6.0	4.4	0.8
<b>Organic Revenue Growth</b>	<b>5.1</b>	<b>4.3</b>	<b>(1.5)</b>	<b>3.5</b>	<b>2.7</b>
<b>Price</b>	<b>3.6</b>	<b>5.8</b>	<b>2.6</b>	<b>2.8</b>	<b>3.6</b>
<b>Volume/Mix</b>	<b>1.5</b>	<b>(1.5)</b>	<b>(4.1)</b>	<b>0.7</b>	<b>(0.9)</b>

## APAC

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023
<b>2023 vs 2022 (%)</b>					
<b>Revenue Growth</b>	<b>13.7</b>	<b>6.0</b>	<b>(4.6)</b>	<b>(0.5)</b>	<b>3.6</b>
Organic Adjustments	(0.6)	0.2	0.1	0.5	-
Effect of Exchange Rates	(1.4)	5.3	10.4	6.8	5.4
<b>Organic Revenue Growth</b>	<b>11.7</b>	<b>11.5</b>	<b>5.9</b>	<b>6.8</b>	<b>9.0</b>
<b>Price</b>	<b>3.4</b>	<b>1.1</b>	<b>2.9</b>	<b>3.5</b>	<b>2.7</b>
<b>Volume/Mix</b>	<b>8.3</b>	<b>10.4</b>	<b>3.0</b>	<b>3.3</b>	<b>6.3</b>

## EMEA & LatAm

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023
<b>2023 vs 2022 (%)</b>					
<b>Revenue Growth</b>	<b>13.3</b>	<b>11.2</b>	<b>1.7</b>	<b>0.2</b>	<b>6.4</b>
Organic Adjustments	0.4	0.1		0.5	0.2
Effect of Exchange Rates	(0.6)	5.5	9.1	9.4	6.0
<b>Organic Revenue Growth</b>	<b>13.1</b>	<b>16.8</b>	<b>10.8</b>	<b>10.1</b>	<b>12.6</b>
<b>Price</b>	<b>12.6</b>	<b>13.9</b>	<b>12.7</b>	<b>11.9</b>	<b>12.8</b>
<b>Volume/Mix</b>	<b>0.5</b>	<b>2.9</b>	<b>(1.9)</b>	<b>(1.8)</b>	<b>(0.2)</b>

## Group

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023
<b>2023 vs 2022 (%)</b>					
<b>Revenue Growth</b>	<b>13.7</b>	<b>7.5</b>	<b>(3.3)</b>	<b>(0.4)</b>	<b>4.1</b>
Organic Adjustments	-	0.1	-	0.4	0.1
Effect of Exchange Rates	(3.8)	3.4	8.3	6.7	3.8
<b>Organic Revenue Growth</b>	<b>9.9</b>	<b>11.0</b>	<b>5.0</b>	<b>6.7</b>	<b>8.0</b>
<b>Price</b>	<b>7.1</b>	<b>7.9</b>	<b>6.6</b>	<b>6.4</b>	<b>7.0</b>
<b>Volume/Mix</b>	<b>2.8</b>	<b>3.1</b>	<b>(1.6)</b>	<b>0.3</b>	<b>1.0</b>

# Free cash flow and Adjusted EBITDA

## Free cash flow

£m	Twelve months to 31 Dec	
	2023	2022
<b>Net cash inflow from operating activities</b>	<b>2,100</b>	<b>2,063</b>
Less: Capital expenditure <sup>1</sup>	(336)	(328)
Add: Sale of intangibles	246	36
Less: Distributions to non-controlling interests	(58)	(48)
Add: Interest received	27	19
Less: Interest paid	(404)	(163)
<b>Free cash flow</b>	<b>1,575</b>	<b>1,579</b>

## Adjusted EBITDA<sup>2</sup>

£m	Twelve months to 31 Dec	
	2023	2022
<b>Adjusted operating profit<sup>2</sup></b>	<b>2,549</b>	<b>2,472</b>
Add: Depreciation – Property Plant and Equipment	152	142
Add: Depreciation – Right of Use Assets	49	38
Add: Amortisation – Computer Software	69	64
Add: Impairment – Property Plant and Equipment, Right of Use assets and Computer Software	12	14
<b>Adjusted EBITDA<sup>2</sup></b>	<b>2,831</b>	<b>2,730</b>

# Debt profile

## Net debt

£m	Group net debt at 31 Dec 2023	Group net debt at 31 Dec 2022
Short-term borrowings <sup>1</sup>	656	437
Long-term borrowings	8,800	10,003
Derivative financial liabilities	190	206
Cash and cash equivalents and liquid investments	(1,044)	(684)
Derivative financial assets	(88)	(94)
Net debt	8,514	9,868

**c.7.0 years**

Duration<sup>2</sup>

**c.3.6%**

Cost of debt<sup>3</sup>

**£8.5bn**

Net debt as of  
Dec 2023

<sup>1</sup> 2023 includes the reclassification of \$700m (£656m) bond due in March 2024 and no commercial paper (2022: £302m commercial papers)

<sup>2</sup> Weighted average time to maturity for bond debt as at 31 December 2023

<sup>3</sup> Weighted average cost for bond debt including impact of hedging activities, and excluding cost of commercial paper, preference shares and leases

**HALEON**