

Haleon HY 2024 Results Q&A

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Introduction

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Welcome

Good morning, everyone, and welcome to Haleon's Half Year 2024 Q&A call. I am Sonya Ghobrial, Head of Investor Relations. And I am joined this morning by Brian McNamara, our Chief Executive Officer, and Tobias Hestler, our Chief Financial Officer.

Disclaimer

Just to remind listeners on the call that in the discussions today, the company may make certain forward-looking statements, including those refer to our estimates, plans and expectations. Please refer to this morning's announcement and the company's UK and SEC filings for more details, including factors that could lead to actual results to differ materially from those expressed in are implied by such forward-looking statements.

We have posted to today's presentation on the website this morning, with prepared remarks in a video running through the results in detail, so hopefully you have all had the chance to see that ahead of this call.

With that, we will go straight to opening the call with Q&A for my last time. Thank you.

Q&A

Guillaume Delmas (UBS): I have got two questions, please. The first one is on North America. Wondering if you could talk a bit about the trading conditions there? Because it seems your pricing is very quickly normalising between the first and the second quarter and we have also heard some of your large competitors clearly not shy away from raising the promotional intensity. And on top of that, it has been several quarters now in the US that we have seen a significant gap between your sell-in and your sell-out. So, wondering if with the PE reversal, the end of retailers destocking, if the discrepancy between sell-in and sell-out should correct from Q3? And therefore, what I am getting to is some meaningful acceleration for North America from an organic sales growth standpoint?

And then my second question is on your organic sales growth outlook for the second half. When I exclude Pain Relief and Respiratory Health from your Q2 or first half organic sales growth, I basically get 60% of your turnover growing in excess of 8% in the first six months of the year. So, my question here is you have got a more favourable basis of comparison for both Pain and Respiratory Health in the second half. So, do you expect both categories to be back into positive organic sales growth territory from Q3? And assuming continued momentum for the remaining 60% of this, would it be fair to assume organic sales goes in the second half towards the top end of your 4% to 6% range? Any help on that would be great.

Brian McNamara: Thanks for the questions, Guillaume. I will take the first question and then I will pass it to Tobias for the second question.

So, in North America, we are down a little over 1% in the first half, but with 1% growth in Q2. We saw the inventory reductions in Q1 that we had shared with everybody. And then, obviously, in Q2 we made the decision to proactively take down inventory of our phenylephrine

products ahead of the FDA decision. And just as a reminder that is about efficacy, not safety for phenylephrine, but we took that proactive approach, so that is impacting obviously the volume and the growth in the US.

You are right, consumption has continued to be strong at mid-single digits, ahead of the market. So, we feel good about the underlying business and the fact that we are growing market share. So, I would fully expect that in the back half, we will see some of that net sales growth now coming through on the business as we have a lot of those changes in the base with the inventory reductions and things like that. So overall, I think I leave it there.

Tobias, on the second question?

Tobias Hestler: Yes. So look, for H2 organic sales growth. First of all, if you look at the 4% to 6% guidance, I mean it really implies 5% to 9% in the second half. So I think, yes, it is clearly at the upper end of the range as a minimum.

We are not going to guide to individual categories for the second half of the year, but we would expect that Oral Health and VMS continue to go strong, and of course, in oral care, we are still in a situation that all brands have been doing extremely well. That is not something you would have in the very long run. Also, Denture care has done very, very well in H1. And also, VMS has come back strongly, but there also we're hitting a bit of a base effect from last year as well.

And yes, absolutely the big drainers, mainly in pain relief, are behind us, plus a bit of the destocking as well that has happened in H1.

Guillaume Delmas: And just to follow up on North America, Brian, on the competitive environment and promotional intensity and how you are reacting to this?

Brian McNamara: Yes. No, thanks, Guillaume. I did not answer your question on promotional intensity, so apologise. Listen, we are in a bit of a less promotionally sensitive business in OTC. And in Oral Health, our strategy has always been lower promotion on our brands, where we invest heavily in A&P and heavily in the dental detailing piece. So, we are not seeing anything in the categories we compete in that is radically different.

Of course, every year there is ups and downs in promotional intensity and stuff, but there is nothing systemic happening in our categories worth noting.

Iain Simpson (Barclays): Couple of questions from me, if I can. Firstly, just to make sure we have got the magnitude of that phenylephrine swing, right - am I right in thinking that was a 40bps volume destock at Group level in your Q2 and that all should reverse into Q3, so that sequentially you were down 40bps Q2, you are up 40bps Q3? So, it is a sequential 80bps volume swing at Group? Just want to make sure I have got the moving parts on that right.

And then secondly, your profit guidance given the strong H1 and given that you will have, I presume assume a ton more volume leverage in the second half, implies, that A&P spending is going up quite a lot in the second half. I guess part of that is probably the Eroxon launch, but anything else that we should have an eye on in terms of where you might be spending money in the H2?

Tobias Hestler: Thanks, Iain. So, I will take both of those. So yes on PE, you got it right, we said it is about 0.5 point impact for the Group. It is about a 2-point impact on Respiratory and that is the swing. So, I think you got that correct.

And then on H1 and H2. First of all, I want to say really pleased with the performance, really positive that the model is delivering and as a result, we are really confident on our full year guidance. And ultimately, the profit guidance we have upgraded is almost 2x the midpoint of the organic revenue guidance that we have given.

So now why is it lower in H2, which is correct. So maybe one step back, when you look at last year, last year H1 was 9% and H2 was 12%. So, we are cycling over a much stronger H2 from the prior year. And then there's really four reasons why organic profit growth is going to be lower than the 11% we have seen in H1 and I think you already mentioned one of them in your question, Iain.

So, I think the biggest one really, and I am going to do them in order of sizing and magnitude. The first reason it is going to be lower is the phasing of the cost inflation. Cost inflation was really at its highest point in H1 of last year, and then we saw cost starting to come down in H2 of last year. And you saw that come through in our Q4 margins last year, when gross margins started to grow ahead of the rate of sales growth.

So, H1 was really a low prior year gross profit comparator, so as we get into H2 this year, we are going to start lapping the benefit of those lower costs and usually you have a normal time lag from when the costs come in, until they run through inventory to come out. So, that would not repeat in H2 of this year.

Then the second reason is the one you mentioned, Iain. So yes, A&P growth will be higher in H2 than it was in H1. And also, as a reminder last year A&P in H2 was only up 1%. And then in addition, we are going to fully support the launch of Eroxon, in addition to continue investing in the brands that deliver growth, or continued high and strong investment into the launches we made, especially Clinical White in Sensodyne, and on the high growth drivers like Centrum, plus all the geographic expansion that is running.

The third is a bit of phasing, mainly in R&D. You have seen R&D spend was only up low-single digits in H1. That is largely driven by project phasing which is different, so that is going to reverse out and significantly accelerate in the second half of the year.

And then look, much smaller but some other factors in the H2 that won't repeat. For example, we had an employee tax credit in the US in Q3 last year, so that will not repeat. So those are the drivers, but look, overall very pleased with the high-single digit guidance for the year and very confident in that one.

Bruno Monteyne (Bernstein): The first question is coming back on the organic growth. If I understood you correctly, Tobias, I think you just said on the first question that organic growth should be at least at the minimum at the upper end of the 4% to 6% range, making sure I understood that correctly. But then my real question is about the launch of the erectile dysfunction cream at the end of this year. If I remember from when you IPO'd, you always said launches, switches are above and beyond organic growth. But this launch should be actually launching in Q4 so you will be filling the channel with that. Am I right that the kind of growth from that launch will therefore be above and beyond the usual guidance and would not that flip you at the top end or actually over the 4% to 6% range?

And the second one is just a question on behalf of Tom Sykes. On the China JV, I did notice that you are delaying it. You are getting one year of extension before you do the new

agreement. Is that because you cannot really agree? Should we see that as bad news? At least that there is a bit of an issue and you were not able to finish the discussions in time?

Brian McNamara: Great. Thanks, Bruno. Listen, I will take the Eroxon question and pass it to Tobias on the China JV.

So, first of all, we are excited about the first erectile dysfunction OTC launched in the US. So, we are excited about the opportunity there. We said we would launch at some point before the end of this year, so I would not expect it to have a big impact potentially on this year's results, and we will give guidance for next year when we get to next year.

But if we think about that category, we think it has very strong potential. But it is a new to OTC category. It is a topical product versus systemic product. And obviously, it is a direct to OTC, not an OTC switch. So Eroxon does not have any brand awareness.

So, I think it has got great potential. It will be a bit of a slower burn potentially, because of some of those factors, but we are really happy to be at a point where we can announce that we will launch before the end of the year and excited about the future potential.

Tobias, you want to touch on China?

Tobias Hestler: Yes. So, on your first question, Bruno, on the second half growth. Yes, the full year guidance of 4% to 6% for FY implies 5% to 9% in H2. So, I think the 5% to 9% puts you into the lower end of the upper half of our full year range. And then, of course, above that, depending on where you put us in this 5% to 9% for the second half year with our full year guidance.

Then on the China JV, we have extended it by nine months, so it was supposed to expire in September of this year, we have extended it to June, so that is a nine-month extension. I would call this more of a technical extension. And maybe give you the background as well.

So, the joint venture is really the over-the-counter medicines part of the business in China, which is about 40% of our Chinese business. And as a result, Oral health and VMS is fully outside that joint venture. It is a complex joint venture with a number of partners, we own 55% in it, 25% are owned by a publicly listed entity, 20% are owned by an entity that is owned by a private shareholder and two of the provincial governments. The listed entity, the other entity is a majority shareholder of. So as a result, we have a number of parties involved in that, and on top of that in a Chinese environment, including of course government partners as well. So, it just takes a bit of time. The relationship is really good and we mentioned in the release, we are in active discussions with the partners on how to continue to run this business going forward and to enable the conclusion of those, we have just agreed now to extend it so we are not up against a very hard deadline.

The discussions are really positive. I think all the parties are aligned on the value of the joint venture and on the collaboration. So, they are all pulling in one direction. And as you would expect, we would update you then as soon as we have news on what the future is.

Chris Pitcher (Redburn Atlantic): In terms of the general consumer environment across your brands, are you seeing any evidence of some soft demand across perhaps some of your more discretionary brands? I mean one brand performance that really stood out for me in this environment was the strong growth in Centrum, double-digit growth. Are you able to give us a bit more detail on where the Centrum growth is coming from? You have launched in a lot of

new markets, how much of that is new market-driven growth? How much is like-for-like growth across your existing sales base?

Brian McNamara: Thanks for the question, Chris. Listen, so specifically on Centrum, we feel really good about the performance there and it is a combination of two things. As you said, we announced, we launched a few new markets like India, Egypt and some other markets. At this point, it is still early in those markets. Those launches are doing well, but probably not having a significant material impact on the overall growth of the business yet. We are quite optimistic it will down the road.

I think the big driver of the Centrum growth is something we have talked about, which is this COSMOS study that we completed now. We have just had the third readout of the study in partnership with Harvard Business School that showed this Centrum Silver, which for instance in the US is about 50% of our business targeted towards older men and women, improves cognitive function by 60% if Centrum Silver is taken daily.

So as a result of that, we have really seen strong take-up behind that claim and we think this is a big opportunity. It is a big opportunity for us to continue to drive those scientific claims behind a category that does tend to have less science. I would say that is the big driver behind our VMS and Centrum growth.

Chris Pitcher: Can I just check, did you say 50%, the US business is Silver, or 15%?

Brian McNamara: I am sorry Chris, I did not hear you, you broke up. Yes. Centrum Silver in the US is 50% of our business.

David Hayes (Jeffries): Two from me. Just on oral care, obviously impressive growth continuing, but we assume some of that is driven by the rollout of the new whitening range. I just wonder if there is any kind of way of quantifying that at all? We are thinking more about the comping effect next year, just to get a sense the benefit in terms of channel pipe fill?

And then secondly on the share buyback shift to going into the market, just to check that we assume is completely independent of any Pfizer plans? You are not indicating that you do not think they are going to sell down again this year. But I guess if they did sell down again this year, is it still within the options that you would then participate in that rather than continuing to buy through the rest of the year?

Tobias Hestler: Thanks, David. Let me take the share buyback question, and Brian will come in on the oral care one.

So look, on the share buyback, it is not a shift. I think it is ultimately what you would expect a company to have, that has a share buyback programme, is a programme that buys it back on an open line. This is a muscle we still need to build, we have never done that. So, I think we now put the machine in place and we need to learn that muscle, how to operate and run that and I think it is something that is totally normal and that opens up just the avenues to do it across all the three avenues that are available for us to do share buybacks: One is on the open market, secondly buying it back directly from Pfizer, at a given discount, and then, thirdly, of course, participating in a placing. And for us it is just all the optionalities. And also, I think you saw in the stock exchange announcement, I think it says up to 185 million. So, we do not have to buy 185 million from the open market, it is just opening up all the three avenues. That is all

that is, optionality for us and ensuring we can complete the 500 million share buyback by the end of this year.

Brian McNamara: David, on Oral Health, just to reaffirm, very, very happy with the performance we have seen there and the share growth across all three of our franchises, our Denture Care, parodontax and Sensodyne.

You are right, Clinical White is doing quite well. Whitening is a really fast-growing category. As I have said in the past, whitening toothpastes tend to be not good for sensitivity. So having a product that is clinically proven, I think we have been able to secure dental recommendations behind this, they typically do not recommend whitening toothpaste.

But listen, every year we come out with a big innovation on the Sensodyne franchise. Last year, it was Pronamel Active Enamel Repair. Years back, it was Sensitivity plus Gum, it was Rapid. So every year we have a big launch in the beginning of the year and other launches throughout the markets. We will continue to see that trend as we go forward.

I also think Clinical White is a product that will drive growth in year two, year three of launch. We think it has long-term potential. So, I would not necessarily quantify the pipeline or what it looks like. Just know that this is our model, we have big launches every year, which have been successful, and we follow them up the following year.

Rashad Kawan (Morgan Stanley): Just two for me, please. First one, can you update us on what you are seeing in China? You said it was flat in the first half. Obviously, tough cold and flu comps, of course, but what was the performance ex cold and flu? And obviously, it has been a tough backdrop across the board there, what are you seeing in terms of consumption across your categories?

Second question on running down your oral phenylephrine stock. Obviously, the FDA has not made a formal decision there, so just curious as to how you think about these decisions and what drives you to take action at this point in time?

Tobias Hestler: Thanks, Rashad, so let me do China. Last year China was up over 20%, this year is flat and it was up 20% last year due to pretty much the Fenbid upside. So doing flat on top of the 20%, I think is a really, really strong performance. So, I think it just means that the rest of the portfolio is doing really, really well for us and I think overall the business has really grown through Fenbid.

You also step back on Fenbid, actually very pleased with what we have done on Fenbid in China. We were able to retain quite a bit of the consumers that came into the category during COVID. The brand is now quite a bit bigger than it was pre-Covid in China. So, from that point of view on Fenbid, even though you had the rollercoaster, if you take a three or four-year look at it also good.

So look, feel good about China, really good growth in the VMS business, in the Oral Care business and also a bit of base effect as oral care was a bit weaker in the first half of last year too, but still overall good performance. And I think it goes back to our brands, these are healthcare brands. We are not that directly exposed to the economic health of the market and the business, which speaks to the defensive nature of the brands that we are selling.

Brian McNamara: Thanks, Rashad. Yes, let me jump on the phenylephrine question. Yes, we did make the decision to take down our inventory on phenylephrine and launch products for the

cough & cold season, not including phenylephrine. The FDA did not make that decision, as you know, there was a 14 to 0 recommendation to the FDA from an advisory committee that phenylephrine was not efficacious, but obviously is still safe.

We stand behind the efficacy of phenylephrine, but we worked with our retail partners to do this in a way that allows us to ensure that we will have the products on the shelf for the cold and flu season.

Our main focus was to make sure that we could deliver for the cold and flu season, that consumers would have the products available to use and we are not sure when the FDA will make that decision, and what the outcome of that decision will be, when the products would need to be phased out and moved off the shelf. So, we decided to get proactively ahead of that to ensure we can continue supply.

Jeremy Fialko (HSBC): A couple from me. First one is on pricing. I think you had implied that obviously the pricing was going to step down from Q1 to Q2, which indeed is what we have seen. But then actually from here on out, it is a relatively stable picture with the new price rises roughly offsetting the carryover effect. So, just wanted to check that that is still the message?

And then secondly, if you could talk about bolt-on M&A? It is something which you said you are keen to do. How you feel the market for these mid-sized transactions is at the moment, and whether you think there could be a little bit more movement over the coming, say, 6 to 12 months?

Brian McNamara: Thanks, Jeremy. I will start with the bolt-on question, and then Tobias will talk on the pricing.

Just to get grounded on what we said in the past, which is, first of all we love the portfolio we have. We do not believe we need to do anything with the portfolio to deliver on our guidance that we have given. But that said, we want to proactively and actively manage the portfolio. And as a result, you saw the three divestments that we did. We did those because we felt like we generated more shareholder value in divesting than in keeping and we will continue to proactively manage that portfolio.

Bolt-on M&A is clearly something we are actively and will actively look at. It is in our capital allocation priorities, invest in growth, one; two, bolt-on M&A; three, return cash to shareholders. So, I would not make any specific comments of what we are doing, but obviously if something strategically makes sense and it creates value for the business, we are very open to doing that.

Tobias Hestler: And on your price question, Jeremy, yes, you got that, I think, exactly right. It is exactly what we expected. The step down was due predominantly in EMEA & LatAm, and that is all driven by the rollover, because most of the pricing negotiations across Europe are done in Q1. So, in Q1, you still see the impact from prior year. In Q2, you see the new pricing that was agreed.

So, I think the step down is really the expected one from how the pricing works. It is not a change in how we are dealing with our customers. And I think in the other regions, it is much more stable. Of course, in the US, you have pricing taken at different times of the year, so that might be a little bit more spikey up and down depending on do you cycle over a year, where

you did not take the increase or where you did. But it is really the EMEA, the Europe pricing, and as you said, step down to Q2 and then much more stable throughout the rest of the year.

Olivier Nicolai (Goldman Sachs): First question on net debt to EBITDA, which is below 2.9 times now. So big achievements today, but post the disposals of NRT and considering the stronger EBIT growth this year, is it fair to assume that you could reach your 2.5 times mid-term guidance as soon as year-end? And is there more disposals to come? That was the first question.

Secondly, just want to highlight, obviously very strong gross margin expansion in H1, 150 bps. How much of it is linked to lower input cost versus the productivity gains? Do you see any benefit yet from the Maidenhead closure to kick in?

And I guess, more broadly, since you have achieved really good top line growth since 2022, should we expect a bit more focus on margin progression since you are still a bit below peers?

Tobias Hestler: Good, thanks, Olivier. So look, I mean on net debt down to 2.9x is really strong. Also, I mean we returned £700 million to shareholders in H1 as part of that. Part of that was supported by the Chapstick proceeds, but also by, I think very, very strong cash flows that have come through.

It is true at the end of the year, we are going to get the proceeds from the Smokers divestment, but also I think, look, for you then roll this forward into 2025, it is also going to take EBITDA out, so while it brings the cash in, which is helpful, the impact on leverage is of course much, much smaller.

Look, we are confident on our medium-term guidance range, which we said around 2.5x and we are working towards that. And then, of course, look, the net debt formula reacts very, very big to short-term FX movement as well, so it is very hard to predict a spot landing. This is a little bit like landing a 747 on the aircraft carrier, so it is hard to give you that.

But I mean if you take a step back, it is a highly cash-generative business. We have been very clear on our capital allocation priorities and the building blocks for that. So, I think the debt is coming down over time.

On your gross margin question. If you look at half one, clearly there is still the help from pricing because pricing was, with the rollover, a bit higher in H1. Some of that, that we used slightly in the second half of the year, given the rollover from Q1 that I just talked about in the prior question.

Then what we are seeing is easing inflation. So, there is still inflation, but on material costs, there is the first few materials which are now actually getting into deflation, but then we have labour costs to cover, because I think a lot of our costs of goods are tied to either our own labour or then the labour of our contract manufacturers because our conversion is very much labour-intensive, it is less exposed to the material cost. But that's clearly easing compared to last year.

We are also seeing efficiencies improvement as we bring up our operating efficiencies in the sites and that helps offset. There is also a bit of freight cost as well, as last year we shipped a lot of air freight because we had the unexpected spike in demand, so that was also a bit of help there.

Your Maidenhead question, not yet, I think it takes time to shift production. So, the positive impacts are further out. We have not shut down the site yet. We announced that we will do that, so these are usually two year process. And as we shift production, you see the benefits come through over time as the production moves across.

Celine Pannuti (JP Morgan): I have one question on margin in the US, which was down 175 basis points reported. Can you flesh out, you said that is higher A&P, maybe a category or why that was quite a drop? And did I understand correctly that you said that last year H2 margin had a tax credit. So, this year we are facing that plus further A&P, so are we expecting US margin to be down several 100 basis points for the year? Thank you.

Tobias Hestler: Yes, thanks, Celine. So yes, US margin was down. I think it is a factor, of several points. One, of course, the volume decline in the market, given the sell-in and also the retailer destocking. So, I think that, of course, if you are in a declining volume environment, that leaves some marks on the gross margin side. And of course, that is very hard to offset with efficiencies that the team of course is still running.

And then secondly, is really, most importantly is the step up in A&P and the investments we are making into the market. Maybe you have seen in my slides, the mid-single-digit sell-out growth.

And look, it is the overall environment. The US market overall is still in a slight volume decline, right and we are gaining volume, so we have to work for that. Plus, I think Brian mentioned earlier also, I think the launches we have done and the support we put behind Sensodyne, the support we put behind the Centrum claims. We have also launched Benefiber extension. So, I think there is strong support to deliver a continued growth in the market overall there.

And look, we are not guiding on segment margin, but you should expect us to continue to invest in the US as well and also on top of that, behind the Eroxon launch later this year.

Iain Simpson: Thank you very much for allowing me a follow up. I just wondered if we could briefly touch on some of the items between EBIT and EPS, because certainly historically there has been pretty good EBIT and above delivery, but EPS has not done an awful lot in the last year or two. So, as we think through 2025, I guess, we saw finance costs come down a little bit this year, presumably, we will get continued benefit there from deleverage. Nothing weird is happening to tax rate unless you are going to tell me otherwise. And share count presumably comes down as well. I am just trying to think about how confident we can be that that 6% EPS growth that you did in H1 2024, that we are now in a place running forwards where EBIT growth translates to EPS growth?

Tobias Hestler: Thanks, Iain. So look, yes, net finance costs should continue to come down as our net debt goes down. I think you have seen that very much come through in H1, where net finance costs were 11% lower than a year ago. So I think that is absolutely happening.

On the adjusted tax rate, we are bang on in the middle of the guidance range we have given early in the year already on 24% to 25%. So I think that I believe we are here absolutely in the right range. Of course, there is still pluses and minuses on that, as Pillar Two laws are enacted around the world. So I think that eases that, but it is within this range. But plus/minus 50 bps, let us see where we get to. But I think, very confident that is the right range.

Then let me mention one of the things you did not mention, which is the non-controlling interest. Those were very much higher last year, given the Fenbid spike. Fenbid sits in the joint venture part, so there was much higher non-minority interest. That has normalised now. So, what we have in H1 is actually a pretty good run rate for the rest of the year. So probably you should take a look at H1 as, I would say, it is pretty balanced in H1 and H2 what we expect on that line.

And then yes, on the share buybacks, we are going to get the benefit of the share count coming down, which has also been happening. So, all of those, I think, moving in the right direction and are supportive to EPS overall.

David Hayes (Jefferies): I am going to join the theme of second questions. So just to follow up on the margin question we had earlier on the US from Celine, I think. Is there also a one-off cost associated with the switch from the FDA reviewed products? Do you have to buy those products back and effectively write them off? Is that part of the equation in the first half as well, which obviously we would not see in the second half? I just want to understand whether that was contributing to the margin performance.

Tobias Hestler: Thanks, David. I mean not material, there might be a packaging material here or there that is left over, but I think we have really proactively started at the beginning of the year to ramp down that inventory and not to re-pipe them. So the big mark in the P&L is from just selling less, of course, of higher margin brands into the market that is going to reverse out in the second half of the year.

I think the write-offs on that, we are not buying it back, so the write-off should not be material. Of course, always some stuff left here or there, but not in the grand scheme of things that should impact the Group margins materially in any way.

With that, back to Brain.

Brian McNamara: Yes, super. So listen, thanks, everyone, for joining us today. As you can see from the results, our model is delivering, we feel really good about our first half. Do let Sonya and the IR team know if you have any further questions.

But before we leave the call, I would like to express a big thank you to Sonya. Today will be her last Haleon investor call and it has been an absolute pleasure working with Sonya these last 4.5 years. I'm forever grateful for all she did to help in the creation of Haleon. She has had a huge impact. I wish her well in her new life at Diageo, and just want to say a big thank you, Sonya, and well done and wish you well.

Okay, everyone. If you have any further questions, again reach out to the IR team, and have a great rest of the summer.