

HALEON

2024 Half year results

August 2024

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This presentation contains certain statements that are, or may be deemed to be, “forward-looking statements” (including for purposes of the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934). Forward-looking statements give Haleon’s current expectations and projections about future events, including strategic initiatives and future financial condition and performance, and so Haleon’s actual results may differ materially from what is expressed or implied by such forward-looking statements. Forward-looking statements sometimes use words such as “expects”, “anticipates”, “believes”, “targets”, “plans”, “intends”, “aims”, “projects”, “indicates”, “may”, “might”, “will”, “should”, “potential”, “could” and words of similar meaning (or the negative thereof). All statements, other than statements of historical facts, included in this presentation are forward-looking statements. Such forward-looking statements include, but are not limited to, statements relating to future actions, prospective products or product approvals, delivery on strategic initiatives (including but not limited to acquisitions and disposals, realisations of efficiencies and responsible business goals), future performance or results of current and anticipated products, sales efforts, expenses, the outcome of contingencies such as legal proceedings, dividend payments and financial results.

Any forward-looking statements made by or on behalf of Haleon speak only as of the date they are made and are based upon the knowledge and information available to Haleon on the date of this presentation.

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This presentation accompanies and should be read together with our half year results release, published August 1 2024. No statement in this presentation is or is intended to be a profit forecast or profit estimate.



Brian McNamara

CEO

2024
Half year results

Good first half 3.5% H1 organic revenue growth¹, with 4.1% in Q2, and very strong organic operating profit growth¹ of 11.0%

Strategy driving strong competitive market share with 69% of business having gained or maintained market share²

Continued evolution, implementing change to become more agile

Further progress on sustainability and health inclusivity ambitions

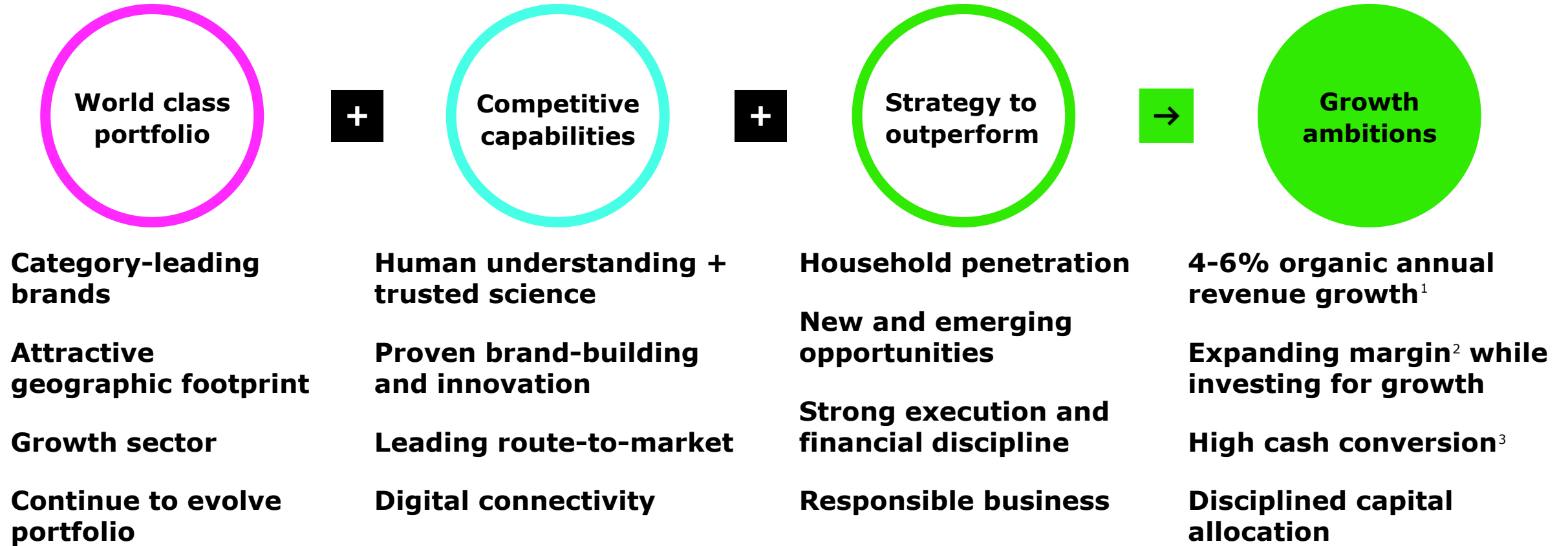
Updating FY 2024 guidance: Organic revenue growth¹ remains 4-6% with organic operating profit growth¹ now expected to be up high-single digit

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

1. See Appendix for definition

2. Market share statements throughout this report are estimates based on the Group's analysis of third party market data of revenue for YTD May 2024, including IQVIA, IRI and Nielsen data. Represents % of brand-market combinations gaining or maintaining share (this analysis covers c. 90% of Haleon's total revenue)

Clear approach to deliver on growth ambitions



Half year 2024 results

3.5%

Organic sales growth¹

4.3% / (0.8)%

Price / Volume Mix

5.6%

Power Brand growth

Organic operating profit¹:

Increased 11.0%

Adjusted operating margin¹:

22.7% up 160bps organically and up 50bps on a reported basis

Competitive performance:

69% of business gained or held share²

Q2 results

4.1%

Organic sales growth¹

3.4% / 0.7%

Price / Volume Mix

Strong cash generation

Strong FCF generation of £0.8bn

Net debt / Adjusted EBITDA¹ of 2.9x

c. £315m of £500m allocation to share buybacks completed

Proactive portfolio management

Completed disposal of ChapStick for \$430m and a passive minority interest in Suave Brands

Announced agreement to divest Hialeon's Nicotine Replacement Therapy business outside US to Dr. Reddy's for £500m³

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3. Consideration of £500m structured as an upfront cash payment of £458m with a further up to £42m deferred performance-based consideration payable during 2025 and H1 2026; Announced 26 June 2024

Portfolio delivering good H1 performance

	H1 2024 revenue	H1 2023 revenue	Organic revenue growth ¹	
	£m	£m	H1	
Oral Health	1,683	1,589	9.9%	Strong Power Brand performance supported by innovations including Sensodyne Clinical White and parodontax Active Gum Repair + Breath
VMS	857	816	9.2%	Double-digit Centrum and Caltrate growth supported by activation of scientific claims
Pain Relief	1,303	1,405	(4.4)%	Growth impacted by comparatives in H1 23 for Fenbid in China and Advil in Canada. Decline in Panadol due to a weaker market.
Respiratory Health	788	839	(2.3)%	Growth adversely impacted by cold and flu comparative in H1 23. Proactive inventory management in US of Phenylephrine (PE) products broadly offsetting growth in Otrivin and allergy.
Digestive Health and Other	1,063	1,089	4.9%	Broad based growth with low-single digit growth in Digestive Health and Smoking Cessation with high-single digit growth in Skin Health
TOTAL	5,694	5,738	3.5%	

Oral Health

Outperformance: Continued strength in Power Brands

9.9%

H1 organic sales growth¹

All three Power Brands performing strongly

Sensodyne

Clinical White number one innovation in US Oral Health market² underpinned by five clinical studies



Winning innovations

parodontax

Launch of parodontax Gum Strengthen and Protect in Italy and UK; Recent launch of Active Gum Repair + Breath continues to perform well



Polident

Power Max Hold + launched in 2022 and now in over 40 markets with launch in US driving share growth



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 Oral Health category

— Vitamins, minerals and supplements

Sustained positive momentum driving good performance and share gain

9.2%

H1 organic sales growth¹

Centrum

Leveraging science

- Further Clinical trials showing significant improvement in cognitive function from Centrum Silver
- Superior claim for Centrum with Lutein supported by multiple clinicals showing a noticeable impact on eye health after three weeks



Geo-expansion and access

- Centrum launched in Vietnam; Continued strong performance in India and Egypt following 2022 and 2023 launches
- Centrum Essencial launched in Q4 23 in Brazil at an opening pricing point for low-income consumers driving incremental growth



Caltrate

Leveraging science

- Driving performance of Caltrate Capsules with a scientific claim from Vitamin D₃ improving Calcium absorption
- Supported by strong activation in China and Taiwan



Over-the-counter: Pain Relief

Performance adversely impacted by comparatives

(4.4)%

H1 organic sales growth¹

Results impacted by comparative from Fenbid in China and Advil in Canada in H1 2023

Voltaren New formats driving growth

- 2% formulation in convenient pack size launched in Italy seeing strong performance
- Roll-out of Voltadol patches in Spain driving double digit growth



Advil Recovery underway

- Elevating brand equity through innovation and health professional advocacy
- First Advil topical launched in US with strong initial consumer feedback



Panadol Driving brand advocacy

- Roll out of "Listen to Pain" programme in MEA to Healthcare professionals focused on Panadol
- Media in South-East Asia and MEA showcasing claims and unique Optizorb (fast absorbing) technology



Over-the-counter: Respiratory Health

H1 performance as expected

Capturing demand

(2.3)%

H1 organic sales growth¹

Tough comparative from H1 2023 (cold and flu)

Proactive management of US inventory of cold and flu products containing PE

Otrivin Nasal Mist

- Rolled out in 4 markets; Strong consumer feedback
- Real World Evidence study proving impact of Otrivin to improve breathing and quality of life²



Theraflu

- Continued uplift from naturals including Theraflu ProNatural



Phenylephrine

- Reduced shipments to US retailers during Q2; Impact of c. 2% in H1 on global Respiratory category growth
- Prepared to ship formulated product in Q3 in time for upcoming season



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2. Hagen M, Clark K, Kalita P, Serra G, Sanchez E, Varbiro G, Albasser MM. A real-world study of quality of life following treatment with xylometazoline hydrochloride in individuals with common cold. Ther Adv Respir Dis. 2024 Jan-Dec;

Over-the-counter: Digestive Health & Other

Growth across all three sub-categories

4.9%

H1 organic sales growth¹

- **Digestive Health** low-single digit growth underpinned by strength in Tums and ENO
- **Skin Health** high-single digit growth driven by Bactroban in China and Fenistil in EMEA & LatAm
- **Smokers Health** revenue up low-single digit



— Strong execution and financial discipline

Initiatives to improve efficiency

- Ongoing initiatives such as dual sourcing and complexity reduction
- Working with key freight and distribution partners to optimise network
- Productivity programme
- Proposed closure of Maidenhead facility (incremental to productivity programme)

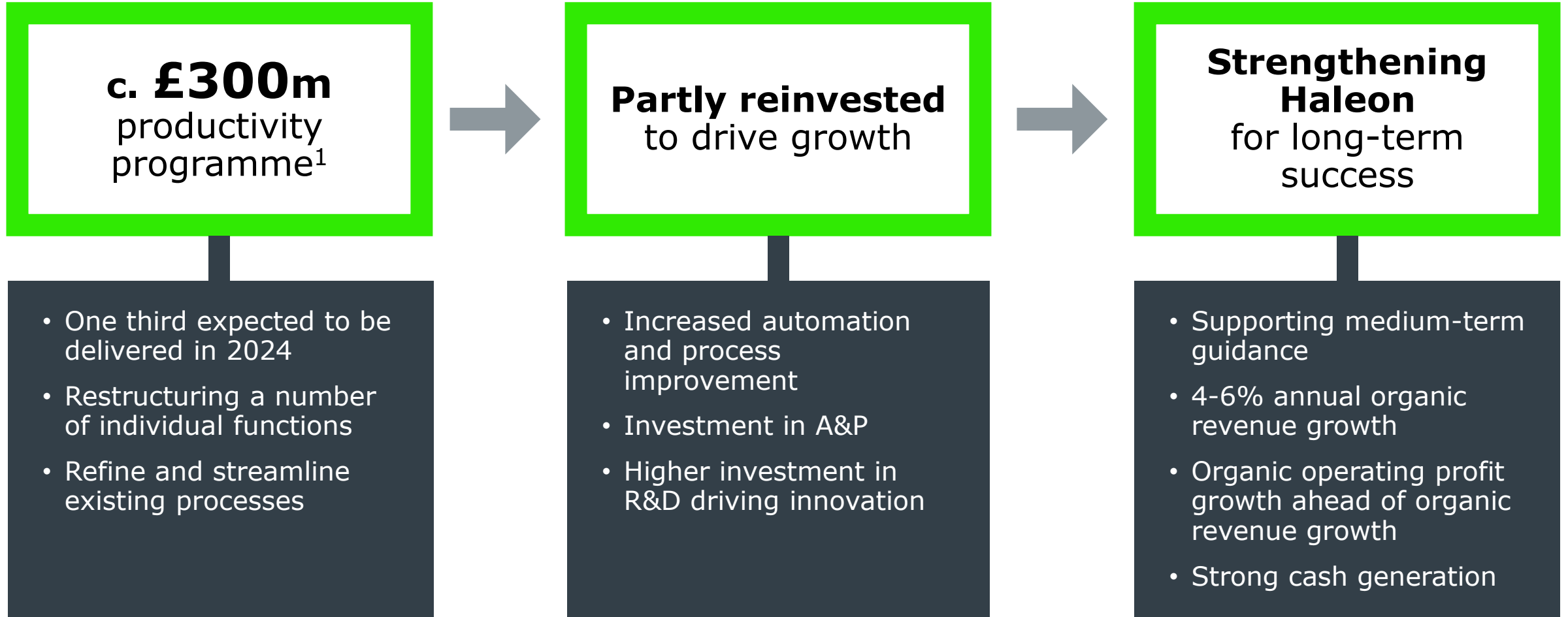
Strong go-to-market execution

- Driving expert engagement through Haleon Health Partner programme
- Strong increase in A&P up 9%¹
- Scientific evidence generation (clinical studies, real world evidence studies) to support differentiating claims

Continued financial discipline

- Active portfolio management; with agreement to dispose of Nicotine Replacement Therapy business outside of US²
- Continued cash generation and leverage reduction

Increasing agility and productivity across Haleon



Making progress on our environmental goals

Tackling environmental issues affecting everyday health

Carbon

- Reduce our net Scope 1 & 2 carbon emissions by 100% by 2030¹
- Reduce our Scope 3 carbon from source to sale by 42% by 2030²
- Achieve Net Zero carbon emissions by 2040 aligned to guidance from The Climate Pledge and Race to Zero

Packaging

- Reduce our use of virgin petroleum based plastic by 1/3 by 2030²
- Develop solutions for all product packaging to be recyclable or reusable by 2030³
- Drive global and local initiatives to collect, sort and recycle our packaging at scale by 2030

Carbon

Launched Haleon Sustainability Supply Chain Programme pledge



- Haleon suppliers requested to disclose Scope 1, 2 and 3 emissions, their move to renewable electricity and energy, and develop a science based target in line with SBTi

Packaging

Less virgin petroleum-based plastic



- Further roll out of Centrum and mouthwash bottles made with recycled plastic
- Launch of bioplastic toothpaste tube caps in several markets across Europe with aim for caps in most markets to be manufactured using bioplastic or recycled plastic by 2025

Health inclusivity – a key differentiated focus for Haleon

Groupwide aim to empower 50 million people a year by 2025
to be more included in opportunities for better everyday health

InKind partnership

Driving awareness of Oral Health hygiene in the UK



- Partnering with Tesco and InKind Direct to support low-income UK families with essential hygiene and household products
- Promotion of buy two and we donate one to InKind Direct
- >1 mn products donated to families in need

Sevamob in India

Partnered with Sevamob (NGO) in India to increase community access to primary healthcare services



- Sevamob conducts over 20 free monthly primary healthcare camps across Begaluru's rural district
- Expect to serve c. 80+ patients daily providing health check ups for patients
- Focused on identifying respiratory diseases, diagnosis and treatment

Amity in China

Empowering self care in rural communities in China with Amity Foundation



- Includes in-school health education for students and teachers
- Initiatives to boost health literacy and accessibility tailored to rural villages
- Working with Alibaba TaoBao, Love Heart Goods - e-commerce initiative provides donations per product sold



Tobias Hestler

CFO

2024
Half year results

Half year 2024 results

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Well positioned for stability and high growth

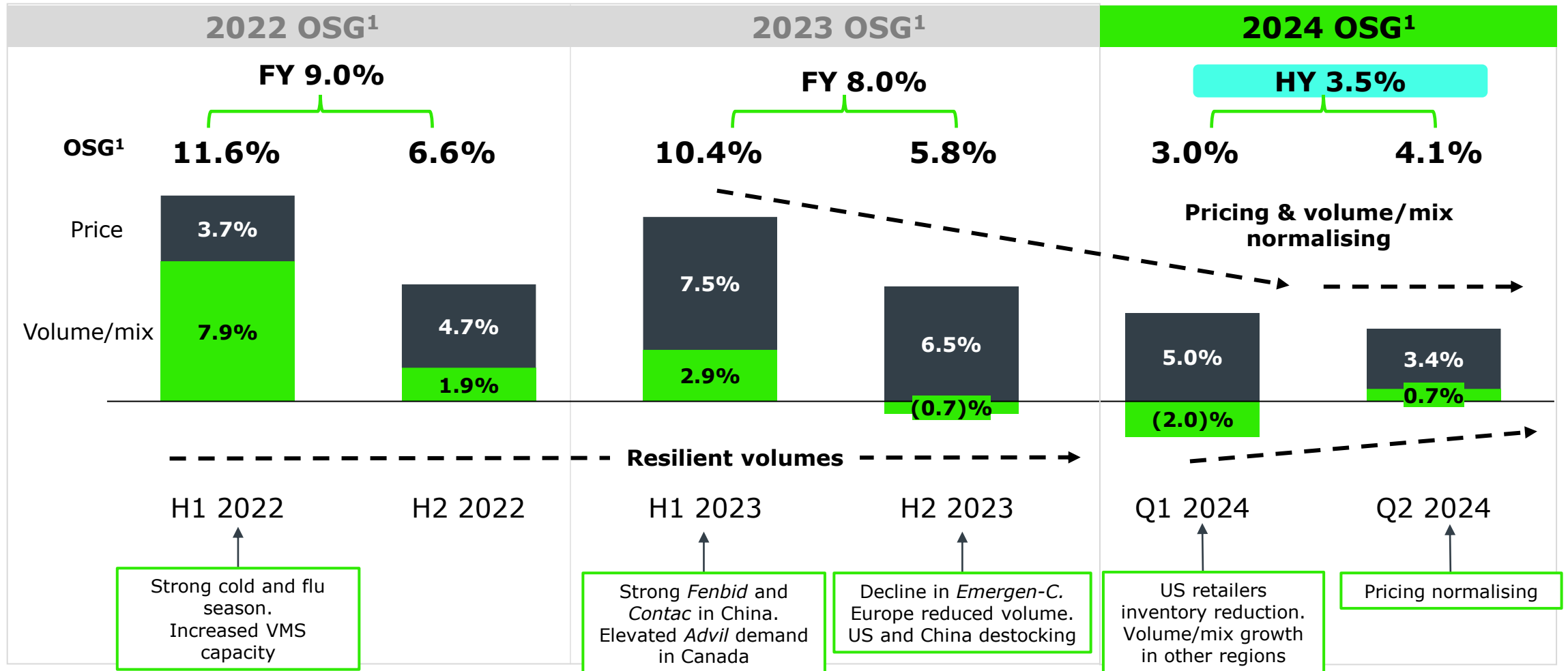
Haleon driving resilient volume growth supporting everyday healthcare needs

3-year CAGR

H1 2021 – H1 2024

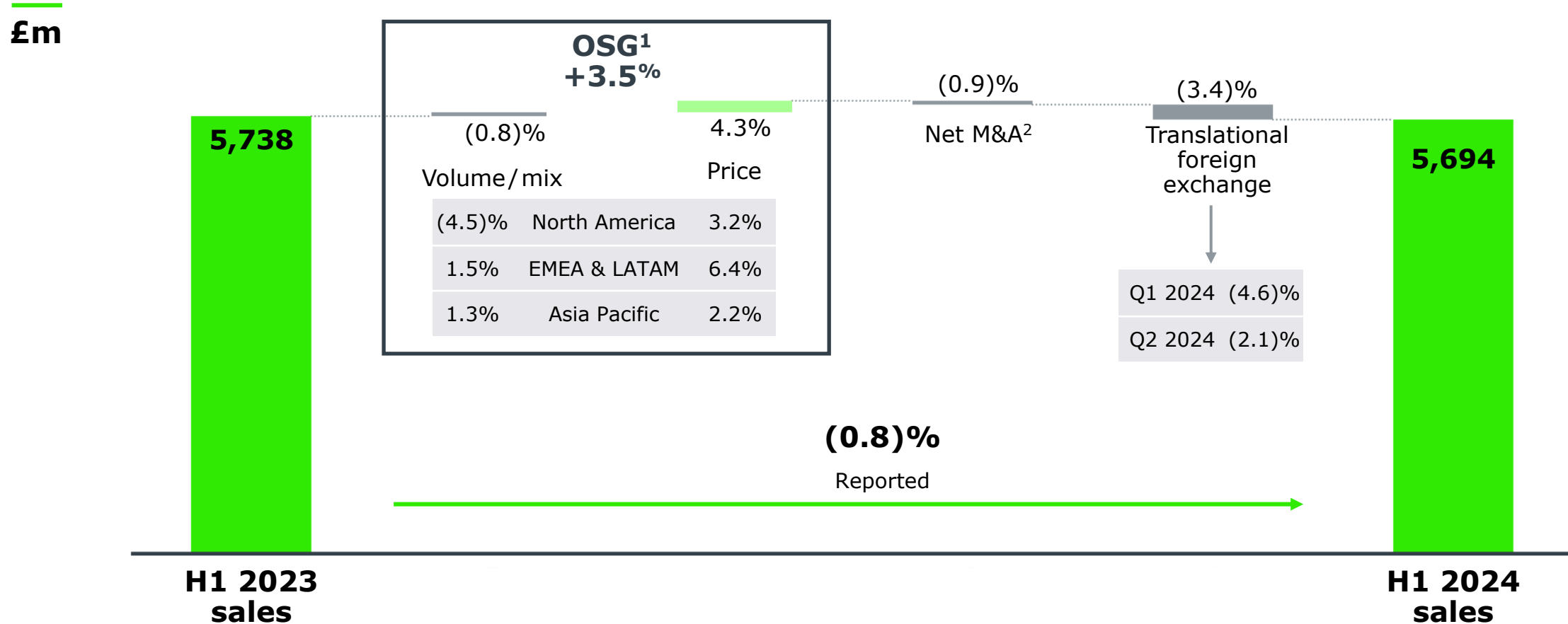
	DEVELOPED MARKETS	EMERGING MARKETS	GROUP	Medium term guidance
Price	3.4%	8.7%	5.2%	Balanced with volume/mix 40-60% and the rest price
Volume / mix	2.0%	6.0%	3.2%	
OSG ¹	5.4%	14.7%	8.4%	
Revenue split ²	65%	35%	100%	4-6%

Resilient volume/mix with pricing normalising



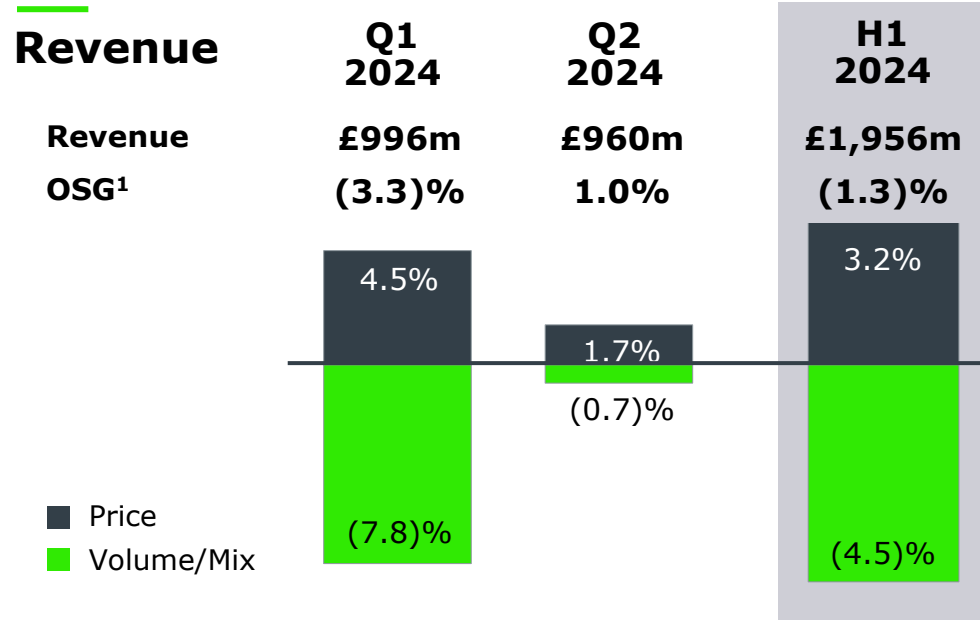
Solid H1 revenue growth

Underpinned by good pricing across regions; solid volume growth in EMEA & LatAm and Asia-Pacific



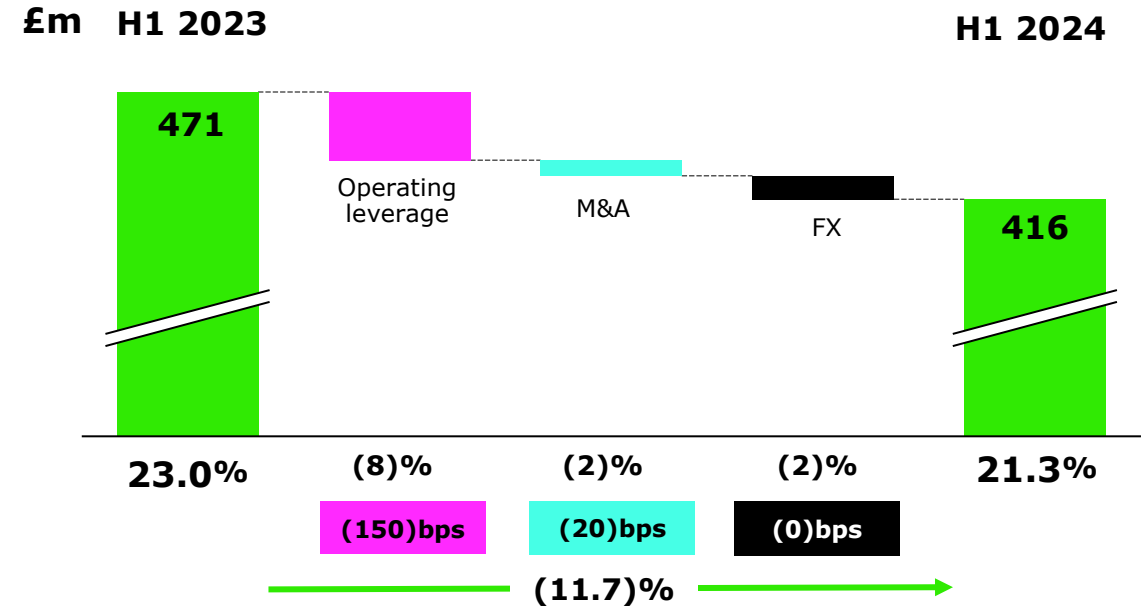
North America

Strong VMS and Oral Health performance; Volume/mix impacted by destocking and improving in Q2



- ⊕ Oral Health and VMS growth underpinned by innovation
- ⊖ Volumes/mix negatively impacted by reduced sell-in (avg. stock levels still c.1 week below historic levels)
- ⊖ Deliberate reduction in shipments of products containing Phenylephrine adversely impacted volume/mix by c.1%
- ⊖ Q1 prior year elevated base cold and flu and Pain Relief

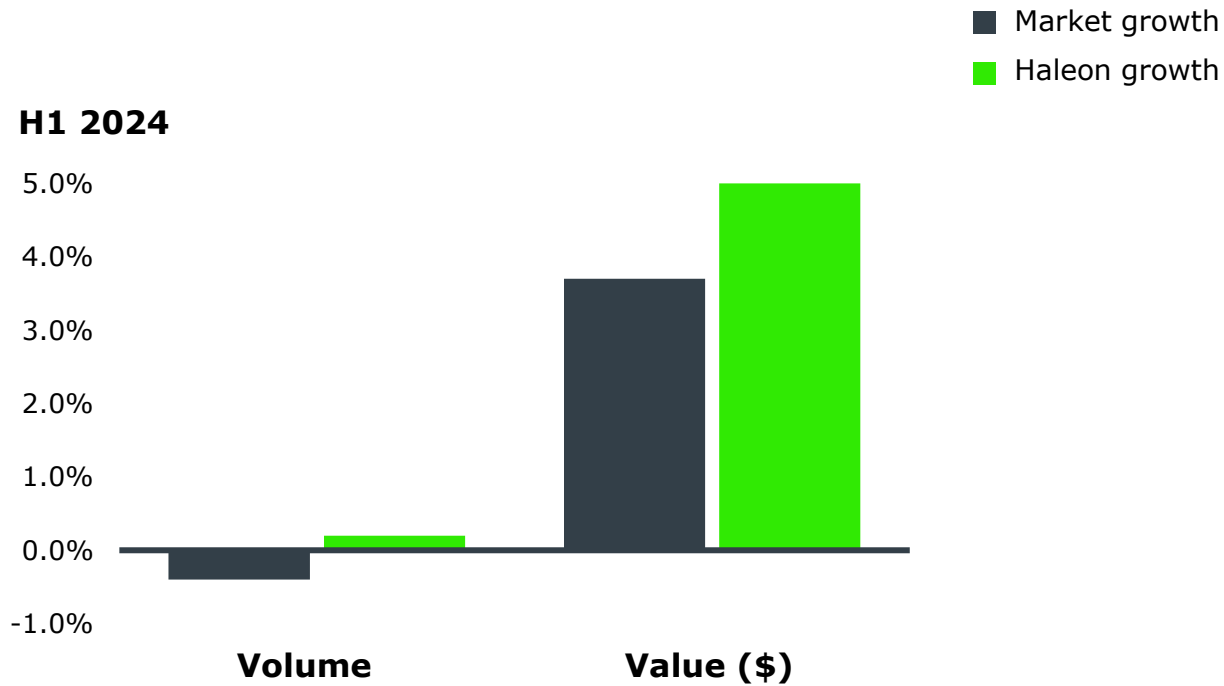
Adjusted operating profit²



- ⊕ Pricing
- ⊖ Volume/mix decline
- ⊖ Increased A&P

Haleon US growing ahead of market in volume and value

US consumption (sell-out)

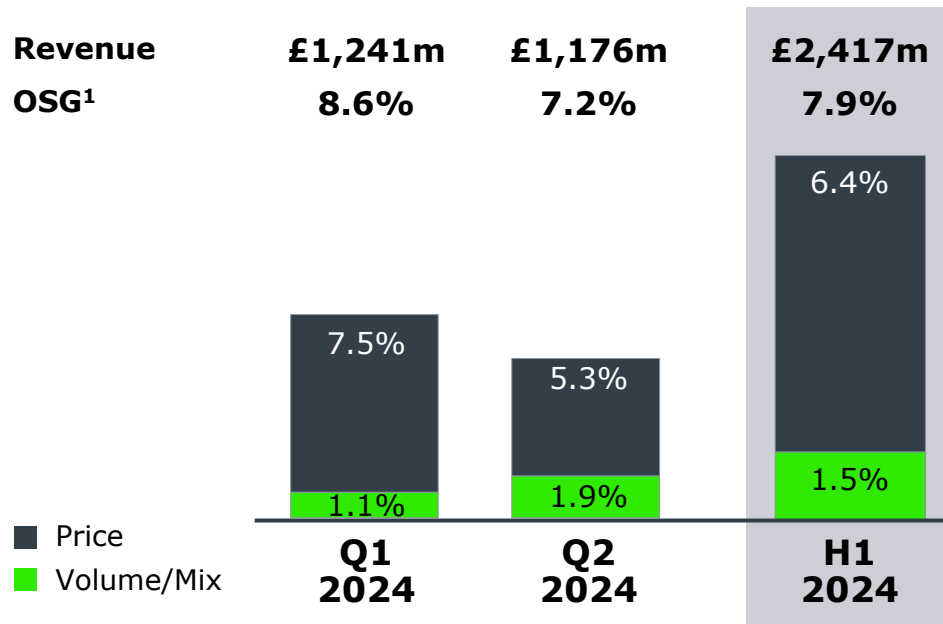


- Overall US market improving, however still in slight volume decline
- Haleon positive volume growth in H1 2024
- Haleon gaining share in both across value and volume

EMEA & LATAM

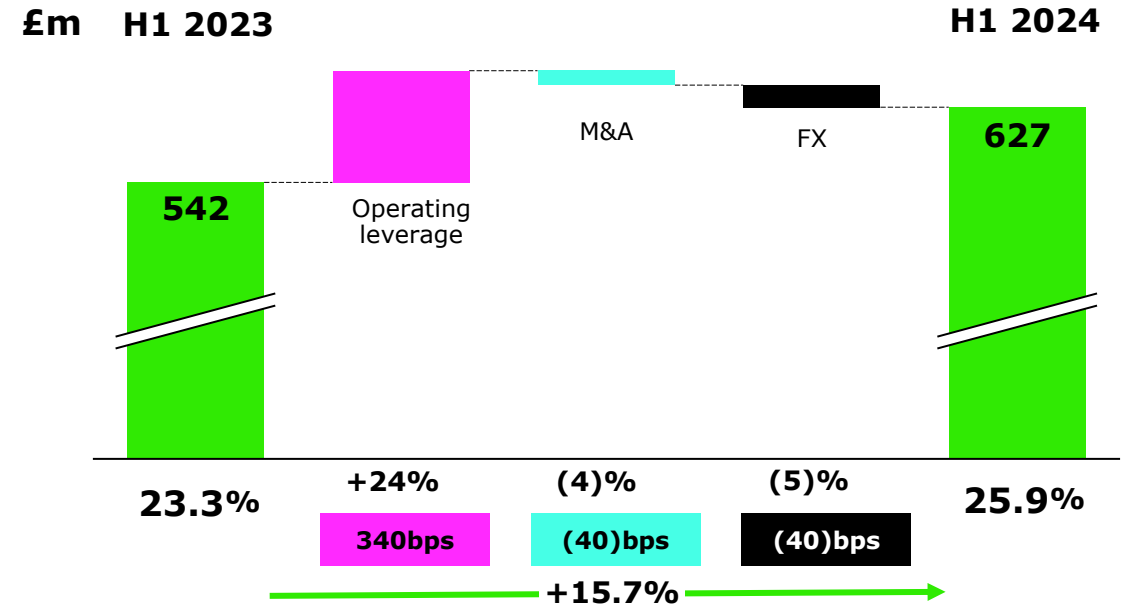
Pricing normalising in Q2 and resilient volume/mix; strong operating leverage

Revenue



- (+) Broad based growth across all categories
- (+) Broad based growth across the region
- (+) Pricing (carry forward reduced in Q2 and incremental pricing in first half)

Adjusted operating profit²

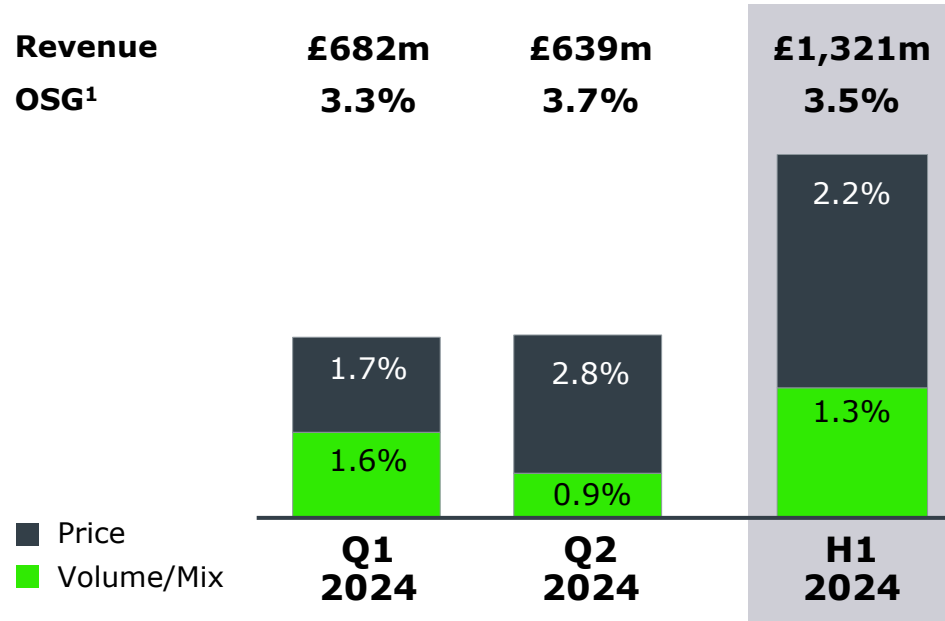


- (+) Pricing
- (+) Operational efficiency improvements
- (-) Increased A&P ahead of sales growth
- (-) Foreign exchange (Euro and some emerging markets)

Asia-Pacific

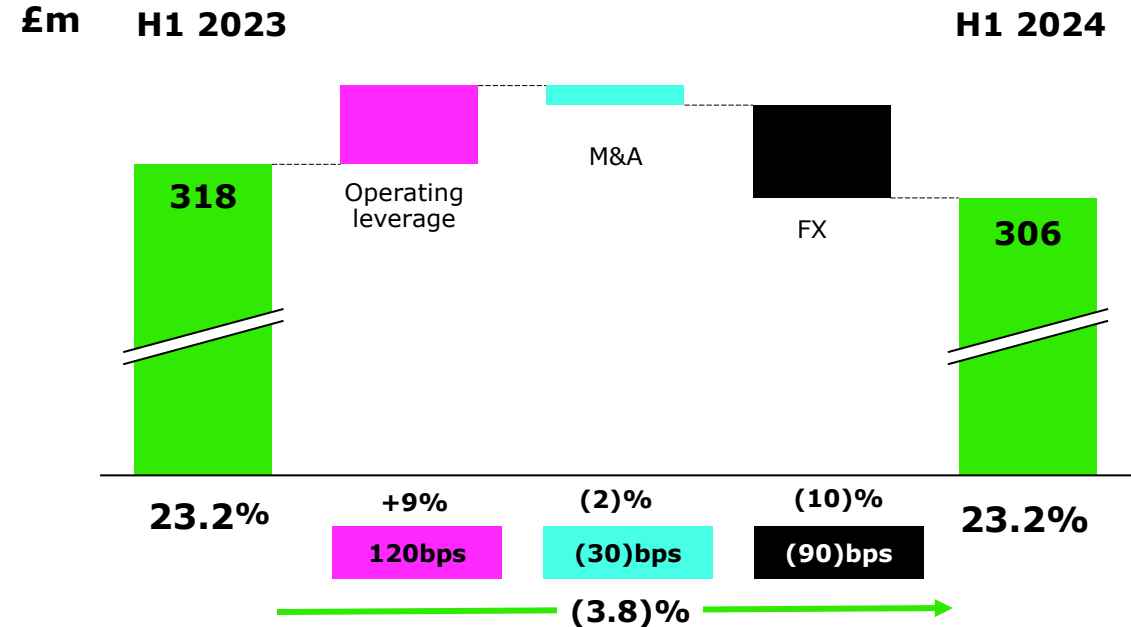
Solid growth; volume adversely impacted by challenging China comparative

Revenue



- ⊕ Broad based growth across all categories except Pain Relief
- ⊕ India, North Asia, South East Asia and Taiwan
- ⊖ Pain Relief, lapping challenging China comparative

Adjusted operating profit²



- ⊕ Strong operating leverage
- ⊖ Increased A&P ahead of sales growth
- ⊖ Foreign exchange (Chinese Renminbi and Japanese Yen)

Growth algorithm delivering

Adjusted operating profit +11.0% organically

£m	H1 2024	H1 2023	% change	% change (Organic)
Revenue	5,694	5,738	(0.8)	3.5
Adjusted gross profit ¹	3,630	3,577	1.5	6.3
% Adjusted gross margin ¹	63.8%	62.3%	+150bps	+170bps
Sales, general and admin ¹	(2,194)	(2,170)	1.1	3.5
Research and development ¹	(143)	(141)	1.4	3.5
Other operating inc./(exp.) ¹	-	5	-	-
Adjusted operating profit ¹	1,293	1,271	1.7	11.0
% Adjusted operating margin	22.7%	22.2%	+50bps	+160bps
Depreciation and amortisation ²	149	135	10.4	14.0
Adjusted EBITDA ¹	1,442	1,406	2.6	11.3

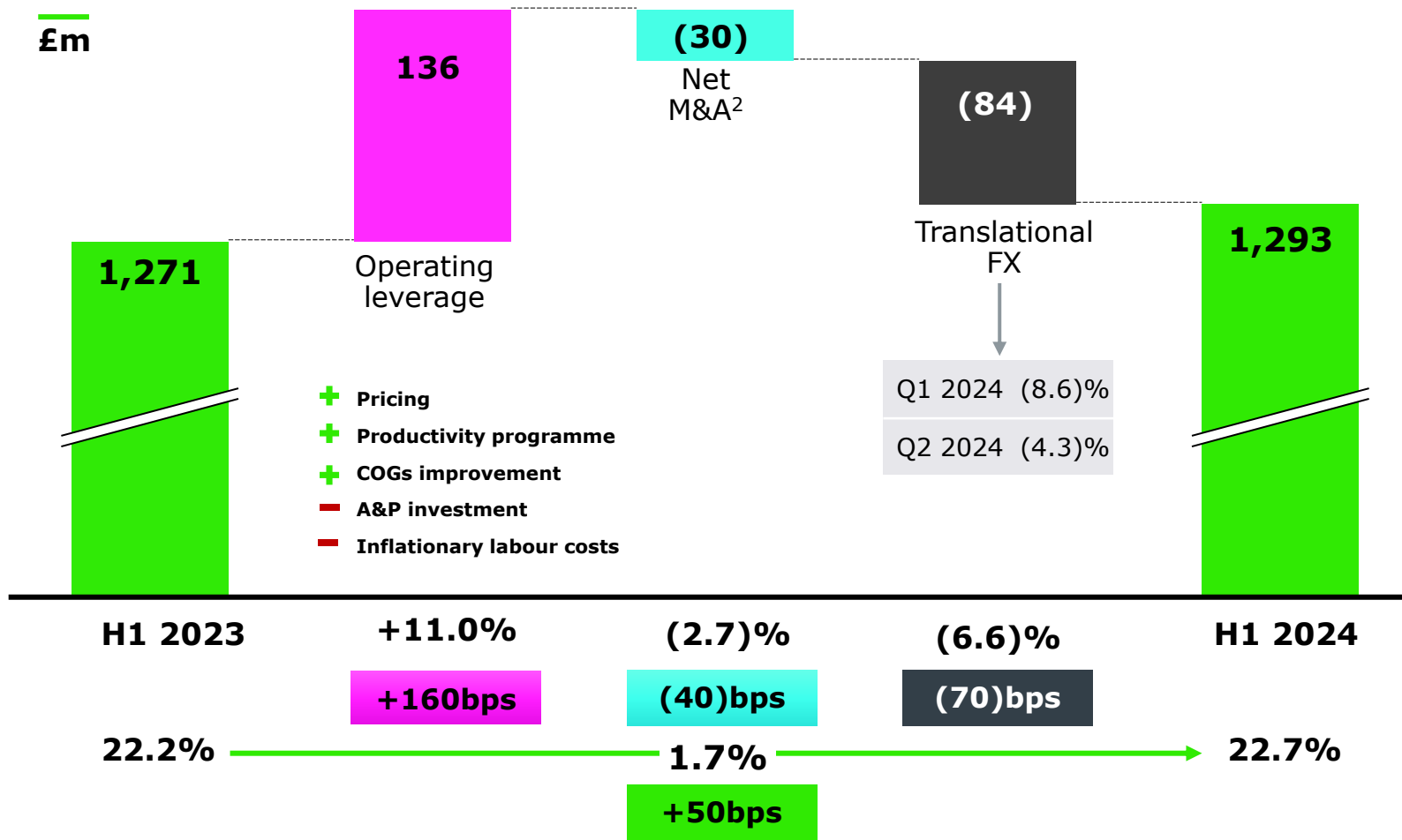
Margin expansion driven by pricing, lower cost inflation and a number of other initiatives

+ Savings from productivity programme
- Strong A&P investment

+ Savings from productivity programme
- Continued investment

Strong H1 profit growth and margin increase

Adjusted operating profit¹ (£m) and margin



- 11.0% organic operating profit³ growth driven by solid revenue growth, savings and efficiencies
- A&P spend up 9%⁴ in H1; increased investment to drive growth across the business
- Impact of net M&A down 2.7% mainly reflecting *Lamisil* disposal and *ChapStick* to a lesser extent
- Translational FX: (6.6)% driven by yoy movement in USD, Euro, Chinese Renminbi and emerging market currencies with impact reducing in Q2

1. Reconciliation of IFRS to Adjusted results can be found in the Appendix
 2. Net M&A: disposal of *Lamisil* and *ChapStick* and includes the impact of Manufacturing Service Agreements (MSAs)
 3. Definition in Appendix
 4. Constant Currency

Adjusted EPS growth up 5.9%

Driven by strong operating profit growth, lower finance costs, lower non-controlling interests as well as reduced share count

£m	H1 2024	H1 2023	% change	
Adjusted operating profit¹	1,293	1,271	1.7	
Net finance costs	(162)	(181)	(10.5)	Reduced net financing costs due to lower debt partly offset by higher interest rates
Adjusted tax ¹	(277)	(256)	8.2	
% tax rate	24.5%	23.5%	100bps	Tax rate within the FY guidance range of 24-25%
Adjusted profit after tax¹	854	834	2.4	
Non-controlling interests	(28)	(43)	(34.9)	
Profit after tax attributable to shareholders of the Group	826	791	4.4	
Adjusted Diluted EPS¹	9.0p	8.5p	5.9	EPS further supported by reduction in the weighted average share count following the purchase and subsequent cancellation of 102.3m ordinary shares
Diluted weighted average number of shares (millions)	9,204	9,264	(0.6)	

Adjusting items driven by productivity and efficiency programmes

£m	H1 2024	H1 2023	% change
Adjusted operating profit¹	1,293	1,271	1.7
Net amortisation and impairment of intangible assets ¹	4	(23)	
Restructuring costs ¹	(132)	(30)	
Transaction related costs ¹	(4)	(7)	
Separation and admission costs ¹	(19)	(60)	
Disposals and others ¹	9	(10)	
Operating profit²	1,151	1,141	0.9
<i>% Operating margin²</i>	<i>20.2%</i>	<i>19.9%</i>	<i>0.3pts</i>

Includes £17m reversal of *ChapStick* impairment

Increase largely due to productivity programme and costs associated with Maidenhead factory closure; both of which are in line with guidance

Strong free cash flow generation

£m	H1 2024	H1 2023
Adjusted operating profit¹	1,293	1,271
P&L adjusting items ¹	(142)	(130)
Non-cash movements ²	233	196
Working capital and other movements ³	(229)	(354)
Taxation (paid)	(313)	(234)
Net interest (paid)	(188)	(204)
Distribution to non-controlling interests	(42)	(43)
Capital expenditure ⁴	(112)	(144)
Proceeds from sale of intangible assets	331	11
Free cash flow	831	369

Improved payment terms with some key vendors

Spend impacted by phasing, with FY 2024 expected at c.3% revenue

Proceeds from sale of *ChapStick*

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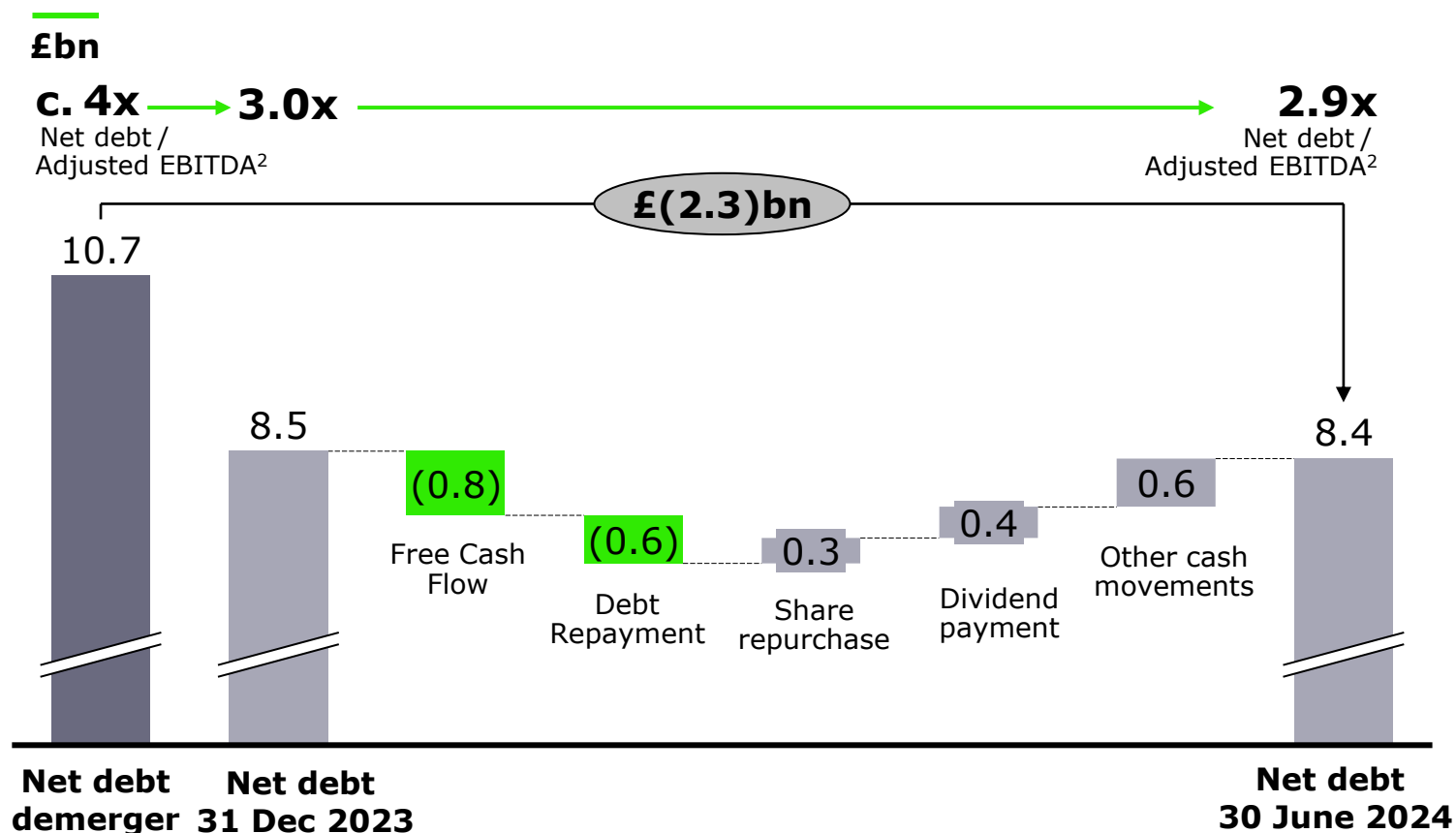
2. Includes Depreciation of property, plant and equipment and rights of use assets: £106m (H1 2023: £98m), Amortisation of intangible assets: £47m (H1 2023: £54m), Impairment and assets written off, net of reversals: £44m (H1 2023: £6m), Profit on sale of intangible assets: £(9)m (H1 2023: £7m), and Other non-cash movements: £45m (H1 2023: £31m)

3. Includes movement in working capital: £(161)m (H1 2023: £(250)m) and changes in other net liabilities: £(68)m (H1 2023: £(104)m)

4. Includes purchase of property, plant and equipment: £(86)m (H1 2023: £(122)m), Purchase of intangible assets: £(26)m (H1 2023: £(22)m)

Leverage reduced to 2.9x¹

c.£700m returned to shareholders in H1



c.3.6%

Cost of bond debt³

77% / 23%

Fixed/floating⁴

£0.5bn cash

no commercial paper

March 2024

\$700m bond repaid

1 Net debt / Adjusted EBITDA

2 Definitions of adjusted measures can be found in the Appendix

3 Weighted average cost for bond debt including impact of hedging activities, and excludes cost of Commercial Paper, Preference Shares and leases

4 As at 30 June 2024

Updated guidance FY 2024

Organic revenue growth expected to be 4-6%

Organic operating profit growth expected to be high single digit

Net M&A impact expected to dilute FY 2024 revenue and adjusted operating profit by c.1.5% and c.4% respectively¹

Foreign exchange²:

- Translational FX in 2024 expected at c.(2.5)% on revenue and c.(3.0)% on adjusted operating profit³
-

Capital allocation:

- Further c. £185m remaining of the £500m share buyback allocation for 2024



Brian McNamara

CEO

2024
Half year results

— Medium term guidance

Annual organic revenue growth of 4-6%¹

Organic operating profit growth ahead of organic revenue growth

Net debt/EBITDA² of around 2.5x

Dividend to grow at least in line with adjusted earnings

Good first half 3.5% H1 organic revenue growth¹, with 4.1% in Q2, and very strong organic operating profit growth¹ of 11.0%

Strategy driving strong competitive market share with 69% of business having gained or maintained market share²

Continued evolution, implementing change to become more agile

Further progress on sustainability and health inclusivity ambitions

Updating FY 2024 guidance: Organic revenue growth¹ remains 4-6% with organic operating profit growth¹ now expected to be up high-single digit

**Increasingly confident in medium term guidance
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Appendix

Glossary

A number of adjusted measures are used to report the performance of our business which are non-IFRS measures. Adjusted results, organic revenue growth, organic profit growth, 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.

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

Beginning in 2024, our organic measures cap the pricing benefit in excess of 26 percent per annum for countries experiencing hyperinflation. This applies to Argentina and Turkey. Corresponding adjustments have been made to all income statement related lines when calculating organic growth changes.

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

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

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 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.

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.

Historic quarterly growth across the categories

Organic revenue growth¹

	2024			2023				
	Q1	Q2	HY	Q1	Q2	Q3	Q4	FY
Oral Health	10.6%	9.1%	9.9%	6.6%	15.4%	9.4%	11.5%	10.6%
VMS	9.9%	8.5%	9.2%	(3.7)%	2.7%	1.4%	3.1%	0.9%
Pain Relief	(4.8)%	(4.0)%	(4.4)%	11.0%	14.9%	6.2%	(1.8)%	7.4%
Respiratory Health	(2.7)%	(1.5)%	(2.3)%	33.0%	9.2%	4.2%	10.9%	13.7%
Digestive Health and Other	2.4%	7.5%	4.9%	7.3%	8.1%	0.9%	10.1%	6.5%
TOTAL	3.0%	4.1%	3.5%	9.9%	11.0%	5.0%	6.7%	8.0%
<i>Price</i>	<i>5.0%</i>	<i>3.4%</i>	<i>4.3%</i>	<i>7.1%</i>	<i>7.9%</i>	<i>6.6%</i>	<i>6.4%</i>	<i>7.0%</i>
<i>Volume/mix</i>	<i>(2.0)%</i>	<i>0.7%</i>	<i>(0.8)%</i>	<i>2.8%</i>	<i>3.1%</i>	<i>(1.6)%</i>	<i>0.3%</i>	<i>1.0%</i>

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 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 EBITDA¹

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 - Reduced shipments of products containing PE in the US	+ Weak allergy season + Shipments of reformulated respiratory products in US (ex. PE)	
Digestive Health and Other	19%		- ChapStick sale completed	+ US inventory reduction	- Divestment of NRT portfolio outside of US expected to complete early Q4
Price (2023)		+7.1%	+7.9%	+6.6%	+6.4%
Price (2024)		+5.0%	3.4%		

Debt profile

Group Net debt

£m	30 June 2024	31 Dec 2023	31 Dec 2022	18 July 2022 ⁴
Short-term borrowings	1,451	656	437	332
Long-term borrowings	7,407	8,800	10,003	11,433
Derivative financial liabilities	193	190	206	66
Cash and cash equivalents and liquid investments	(531)	(1,044)	(684)	(978)
Derivative financial assets	(105)	(88)	(94)	(146)
Net debt	8,415	8,514	9,868	10,707

c.6.9 years

Duration¹

c.3.6%

Cost of bond debt²

77% / 23%

Fixed/floating³

1. Weighted average time to maturity for bond debt as at 30 June 2024

2. Weighted average cost for bond debt including impact of hedging activities, and excludes cost of Commercial Paper, Preference Shares and leases

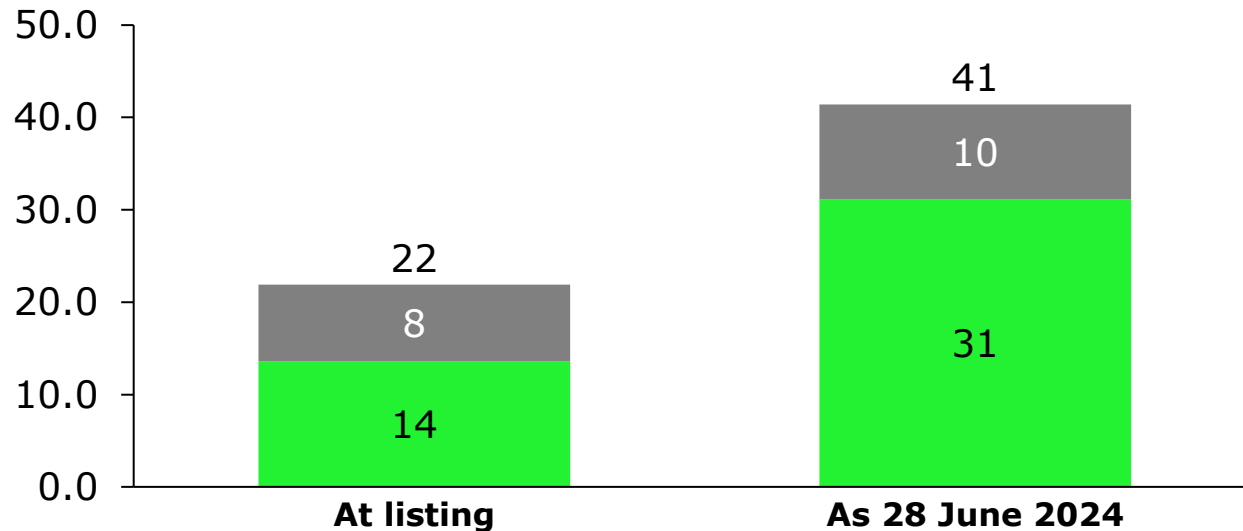
3. Refers to net debt as at 30 June 2024

4. Refers to 18 July 2022, the completion date of the Haleon Group's demerger from the GSK Group

Significant changed in share register since listing

Largest 20 shareholders % Market Capitalisation¹

Passive
Active



Free Float

c.55%

c.77%

GSK

c.13%

0%

Pfizer

c.32%

c.23%

HALOON

¹ Excluding GSK and Pfizer

² Mainly entirely new or have existing holding at least >4x position at separation

➤ Increased free float now c.77% from c.55%

➤ Active ownership now c.75% of largest 20 shareholders¹ vs c.60% at listing

➤ US shareholders now c.55% of the largest 20 shareholders¹ compared with c.45% at separation

➤ 13 new investors² amongst largest 20 since listing reflecting strength of consumer investor interest

Translational currency impact

Currency	FY 2023 currency as % of total revenue	As at 31 December 2023	As at 30 June 2024	Average rate H1 2023	Average rate H1 2024
USD	33%	1.27	1.27	1.23	1.27
EUR	16%	1.15	1.18	1.14	1.17
CNY	8%	9.06	9.19	8.59	9.12
CAD	<5%	1.69	1.73	1.67	1.72
AUD	<5%	1.87	1.90	1.84	1.92
JPY	<5%	180	203	168	193
RUB	c. 10%	115	108	96	114
ZAR		24	23	23	24
INR		97	106	101	105
ARS		1030	1153	262	1088
PKR		355	352	334	352
TRY		38	42	25	40
EGP		39	61	37	51

› 2024 estimated unfavourable translational foreign exchange impact

- c.(2.5)% revenue

- › • c.(3.0)% on adjusted operating profit

Assuming exchange rates as of 30th June 2024 were to hold for the remainder of the year

IFRS and Adjusted Income Statement

Unaudited

Six months ended 30 June

£m	Gross Profit		Operating Profit		Income tax	
	2024	2023	2024	2023	2024	2023
IFRS Results	3,548	3,550	1,151	1,141	(242)	(230)
Net amortisation and impairment of intangible assets ¹	(4)	23	(4)	23	2	(4)
Restructuring costs ²	86	3	132	30	(32)	(6)
Transaction related costs	—	—	4	7	—	(2)
Separation and admission costs	—	1	19	60	(4)	(12)
Disposals and others	—	—	(9)	10	(1)	(2)
Adjusted results	3,630	3,577	1,293	1,271	(277)	(256)

£m	Selling, general and administration		Research and development		Other operating income/ (expenses)	
	2024	2023	2024	2023	2024	2023
IFRS Results	(2,255)	(2,262)	(144)	(142)	2	(5)
Net amortisation and impairment of intangible assets	—	—	—	—	—	—
Restructuring costs	45	26	1	1	—	—
Transaction related costs	—	7	—	—	4	—
Separation and admission costs	19	59	—	—	—	—
Disposals and others	(3)	—	—	—	(6)	10
Adjusted results	(2,194)	(2,170)	(143)	(141)	—	5

IFRS and Adjusted Income Statement

Unaudited

Six months ended 30 June

£m	Profit attributable to shareholders		Diluted earnings per share (pence)	
	2024	2023	2024	2023
IFRS Results	726	687	7.9	7.4
Net amortisation and impairment of intangible assets	(2)	19	—	0.2
Restructuring costs	100	24	1.1	0.3
Transaction related costs	4	5	—	—
Separation and admission costs	15	48	0.2	0.5
Disposals and others ¹	(17)	8	(0.2)	0.1
Adjusted results	826	791	9.0	8.5

Reconciliation of H1 organic revenue growth

Product Categories

6 months to 30 June

2024 vs 2023 (%)	Oral Health	VMS	Pain Relief	Respiratory Health	Digestive Health and Other	Total
Revenue Growth	5.9	5.0	(7.3)	(6.1)	(2.4)	(0.8)
Organic Adjustments	-	-	-	-	4.8	0.9
Effect of Exchange Rates	4.0	4.2	2.9	3.8	2.5	3.4
Organic Revenue Growth	9.9	9.2	(4.4)	(2.3)	4.9	3.5

Reconciliation of quarterly organic revenue growth

North America

	Q1 2024	Q2 2024	HY 2024
2024 vs 2023 (%)			
Revenue Growth	(7.1)	(1.4)	(4.4)
Organic Adjustments	0.2	1.0	0.6
Effect of Exchange Rates	3.6	1.4	2.5
Organic Revenue Growth	(3.3)	1.0	(1.3)
Price	4.5	1.7	3.2
Volume/Mix	(7.8)	(0.7)	(4.5)

EMEA & LATAM

	Q1 2024	Q2 2024	HY 2024
2024 vs 2023 (%)			
Revenue Growth	3.6	4.5	4.0
Organic Adjustments	1.0	1.7	1.3
Effect of Exchange Rates	4.0	1.0	2.6
Organic Revenue Growth	8.6	7.2	7.9
Price	7.5	5.3	6.4
Volume/Mix	1.1	1.9	1.5

APAC

	Q1 2024	Q2 2024	HY 2024
2024 vs 2023 (%)			
Revenue Growth	(4.7)	(2.1)	(3.5)
Organic Adjustments	0.6	0.9	0.8
Effect of Exchange Rates	7.4	4.9	6.2
Organic Revenue Growth	3.3	3.7	3.5
Price	1.7	2.8	2.2
Volume/Mix	1.6	0.9	1.3

Group

	Q1 2024	Q2 2024	HY 2024
2024 vs 2023 (%)			
Revenue Growth	(2.2)	0.8	(0.8)
Organic Adjustments	0.6	1.2	0.9
Effect of Exchange Rates	4.6	2.1	3.4
Organic Revenue Growth	3.0	4.1	3.5
Price	5.0	3.4	4.3
Volume/Mix	(2.0)	0.7	(0.8)

Free cash flow

Free cash flow

Six months to 30 June

£m	2024	2023
Net cash inflow from operating activities	842	749
Less: Capital expenditure ¹	(112)	(144)
Add: Sale of intangibles	331	11
Less: Distributions to non-controlling interests	(42)	(43)
Less: Interest paid	(214)	(220)
Add: Interest received	26	16
Free cash flow	831	369

Adjusted EBITDA²

Six months to 30 June

£m	2024	2023
Adjusted operating profit²	1,293	1,271
Add: Depreciation – Property Plant and Equipment	82	75
Add: Depreciation – Right of Use Assets	24	23
Add: Amortisation – Computer Software	35	31
Add: Impairment – Property Plant and Equipment, Right of Use assets and Computer Software	8	6
Adjusted EBITDA²	1,442	1,406

HALEON

2024 Half year results

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