

# About Haleon



Investor Relations, March 2024

We are a global leader in the growing consumer healthcare market:

**#1**

Overall CH player globally

**£190bn**

Market<sup>1</sup>

**5**

Global categories

**9**

Power Brands

**£11.3bn**

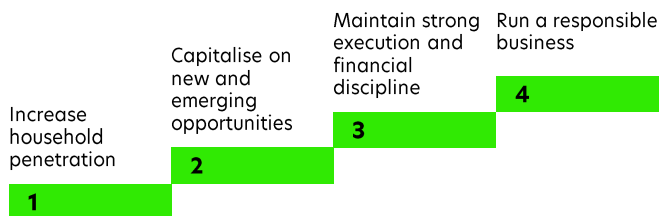
Revenue

## Our purpose

To deliver better everyday health with humanity.

## Our strategy

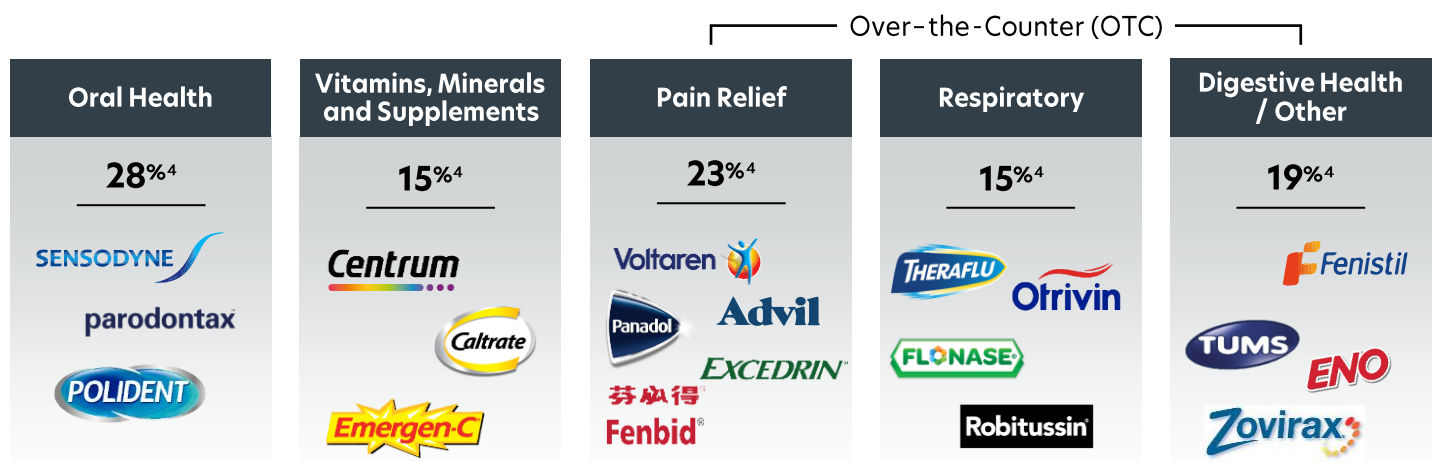
Our strategy is designed to leverage our portfolio and capabilities and has four key pillars.



## Medium term financial guidance

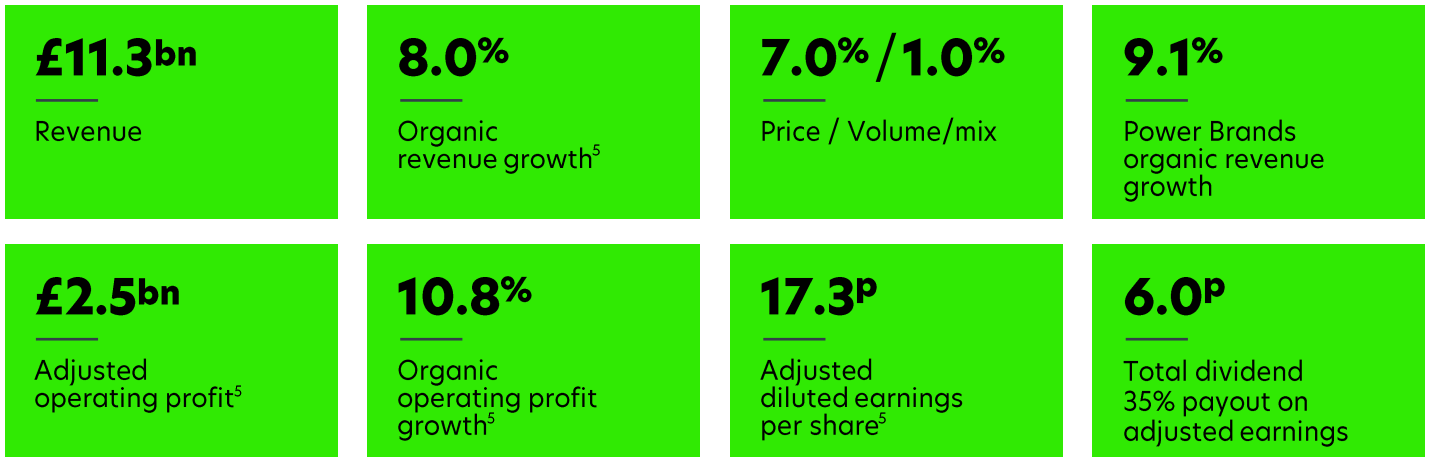
- 4-6% annual organic revenue growth<sup>3</sup>
- Organic operating profit growth<sup>3</sup> ahead of organic revenue growth
- Net debt/Adjusted EBITDA<sup>3</sup> of around of 2.5x
- Dividend to grow at least in line with adjusted earnings

## Leadership positions across five major categories<sup>2</sup>






1 Source: Oral Health market size: Euromonitor 'Oral Care' (2022) & OTC and VMS market size: Nicholas Hall (2022)  
 2 Therapeutic Oral Health, Pain Relief, Respiratory, Vitamins, Minerals, and Supplements and Digestive Health  
 3 See FY 2023 Annual Report for definitions  
 4 Percentage of FY 2023 revenue

## Strong financial performance in FY 2023



## Consumer Healthcare sector more relevant than ever Supported by attractive fundamentals

<p><b>Global economic shifts towards emerging markets</b></p> <p>~2bn people increase in global population by 2050</p> <p>Source: WHO</p> 	<p><b>Ageing populations</b></p> <p>1.4bn share of population aged 60+ by 2030</p> <p>Source: WHO</p> 	<p><b>Consumer focus on health and wellness</b></p> <p>79% of consumers believe wellness is important</p> <p>Source: McKinsey</p> 	<p><b>Increasing pressure on public health systems</b></p> <p>\$7.33 saved by US health system for every \$1 spent on OTC medicine</p> <p>Source: CHPA</p> 	<p><b>Sizeable unmet consumer needs</b></p> <p>53% adults suffer gum problems and &gt;60% don't use health toothpaste</p> <p>Source: U&amp;A Refresh 2022 Clear</p> 
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## Competitive Advantage



Human understanding



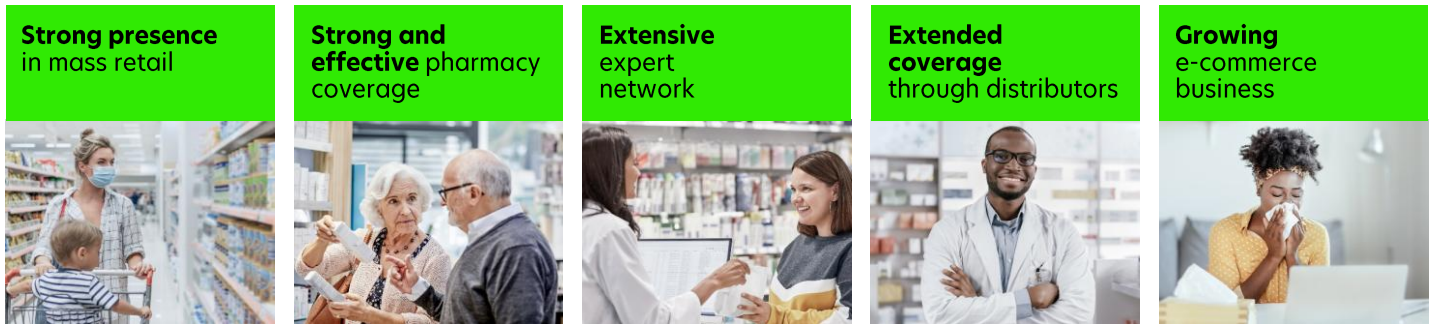
Trusted science

+



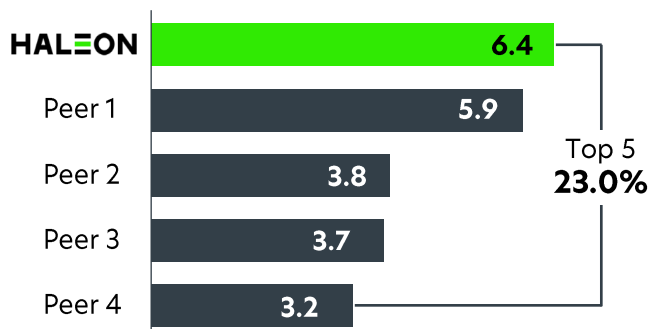
<sup>5</sup> Definitions can be found in the 2023 Annual Report

## Global scale with strong distribution network and execution capabilities

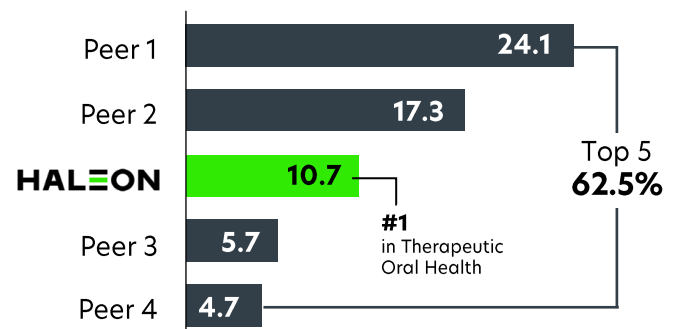


## Strong global market share positions

£100<sup>bn</sup> OTC Market<sup>6</sup>



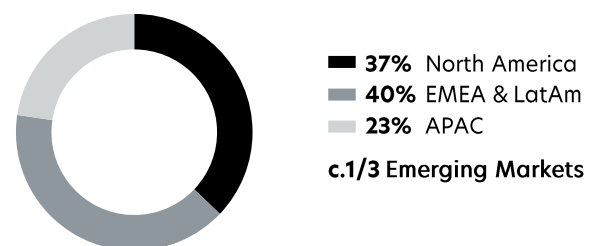
£28<sup>bn</sup> Oral Care Market<sup>6</sup>



## Adjusted Results

£m (except per share data)	FY 2023	FY 2022	change CER%
<b>Revenue</b>	11,302	10,858	7.9
<b>Adjusted gross profit<sup>7</sup></b>	7,001	6,772	7.3
<i>Adjusted gross margin<sup>7</sup></i>	61.9%	62.4%	(0.4)pts
<b>Adjusted operating profit<sup>7</sup></b>	2,549	2,472	10.4
<i>Adjusted operating margin<sup>7</sup></i>	22.6%	22.8%	0.5pts
<b>Net finance costs</b>	(368)	(207)	77.3
<b>Adjusted tax<sup>7</sup></b>	(512)	(506)	9.7
<b>Adjusted profit after tax<sup>7</sup></b>	1,669	1,759	2.8
<b>Adjusted diluted EPS<sup>7</sup></b>	17.3p	18.4p	2.2
<b>Reported diluted EPS</b>	11.3p	11.5p	

## FY 23 revenue by geography



## FY 2024 outlook

- Organic revenue growth<sup>7</sup> of 4-6%
- Organic operating profit growth<sup>7</sup> to be ahead of organic revenue growth
- Net interest expense of c.£320m
- Adjusted effective tax rate<sup>7</sup> of 24-25%

<sup>6</sup> Nicholas Hall Database 2022 (OTC), Euromonitor 2022 (Oral Care)  
<sup>7</sup> Definitions can be found in the FY 2023 annual report

## Proven competitive capabilities

### Brand building

A&P investment  
**17.9% of revenue**



### Innovation

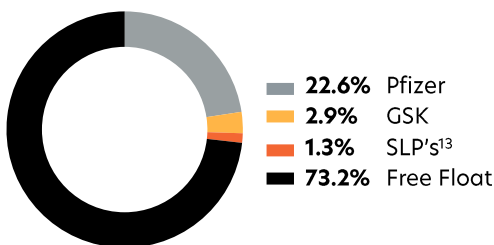
R&D investment  
**2.6%<sup>8</sup> of revenue**



## Responsible business - integral to our strategy

	Our aim	2023 performance
<b>Carbon</b>	100% reduction in scope 1 & 2 carbon emissions <sup>9</sup> and Scope 3 carbon from source to sale by 42% by 2030 <sup>10</sup> . Net Zero carbon emissions from source to sale by 2040	48% reduction in scope 1 & 2 carbon emissions 100% renewable electricity in our directly owned and controlled sites 4% increase in estimated Scope 3 emissions footprint
<b>Packaging</b>	Reduce virgin petroleum-based plastic by 10% by 2025 and 1/3 by 2030 <sup>10</sup> . Develop solutions for all packaging to be recyclable or reusable by 2030 <sup>11</sup>	3% increase in estimated virgin petroleum-based plastic footprint 70% recycle-ready packaging 1bn recycle ready toothpaste tubes (2 years ahead of plan)
<b>Trusted ingredients, sustainably sourced</b>	Ensure all agricultural, forest and marine derived materials used in our ingredients and packaging are sustainably sourced and deforestation free by 2030 <sup>12</sup>	91% of palm oil derivatives 48% of paper-based packaging
<b>Health inclusivity</b>	Aim to empower 50 million people per year to be included in opportunities for better everyday health by 2025	41m+ people empowered in 2023
<b>Strong corporate governance</b>		

## Share ownership



## 2024 reporting dates

Q1 2024 Trading Statement	1 May 2024
2024 Annual General Meeting	8 May 2024
HY 2024 Results	1 August 2024
Q3 2024 Trading Statement	31 October 2024

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8 Adjusted expense - Reconciliation of IFRS to Adjusted results can be found in the 2023 Annual Report  
9 Versus 2020 Baseline  
10 Versus 2022 Baseline  
11 Where safety, quality and regulations permit  
12 Includes Haleon's globally managed spend on key materials which are agricultural, forestry or marine derived.  
13 Scottish Limited Partnerships