

HALEON

2023 Half year results

August 2023

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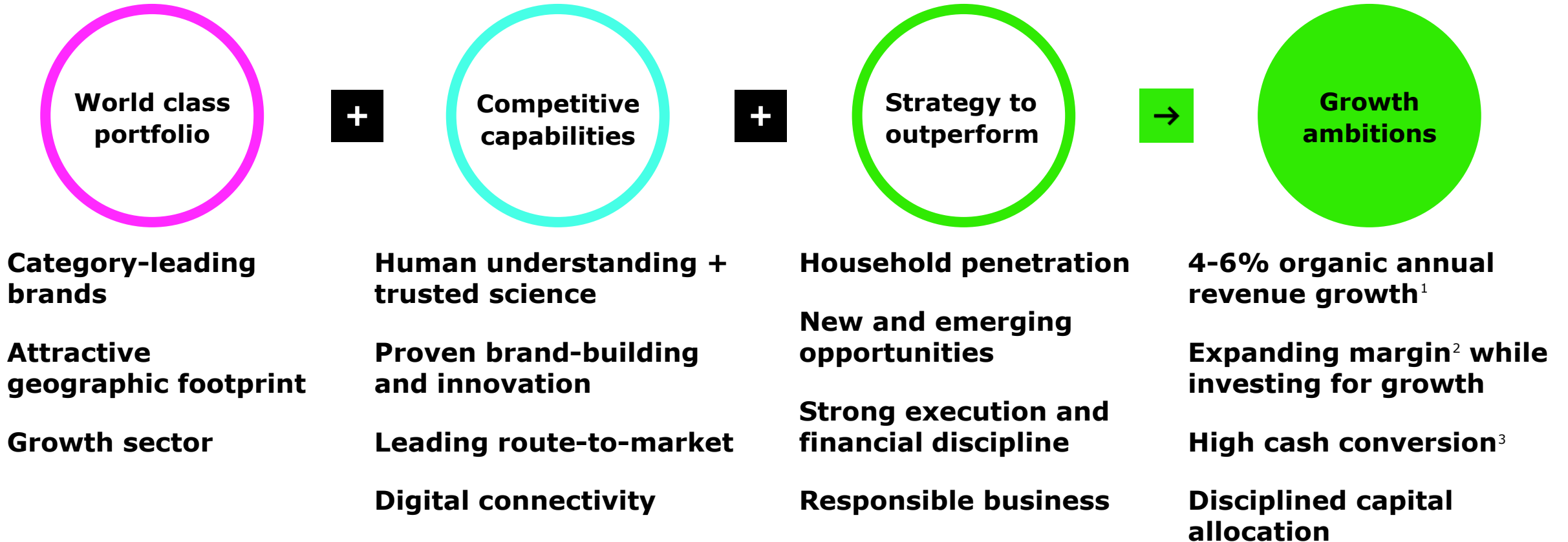


Brian McNamara

CEO

2023
Half year results

Clear approach delivering our growth ambitions



Half year 2023 results

10.4%

Organic sales growth¹

7.5%/2.9%

Price / Volume Mix

10.1%

Power Brand growth

Q2 results

11.0%

Organic sales growth¹

7.9%/3.1%

Price / Volume Mix

Adjusted operating profit¹:

Increased 8.9% constant currency

Adjusted operating margin¹:

22.2% down 40bps constant currency and down 80bps on a reported basis

Competitive performance:

55% of business gained or held share² year to date
Continued investment in the business

E-commerce:

Double digit growth, 9.0% of total sales

Continued de-leveraging focus

Net debt / Adjusted EBITDA¹ of 3.4x

Announced disposal of Lamisil for aggregate consideration of £235m with total cash realised to be c. £250m³

Expect to reach <3x net debt / Adjusted EBITDA during 2024

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

2. Market share statements throughout this report are estimates based on the Group's analysis of third party market data of revenue for year to date, May 2023, 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)

3. Total cash realised for Lamisil includes cash consideration of £235m and working capital release of c. £15m

Oral Health

Outperformance: All three Power Brands up strongly and gaining share

10.8%

H1 organic sales growth¹

Exceptional growth across portfolio with all three Power Brands up double digit

Sensodyne Pronamel Active Shield

2x defence against dietary acids and 24 hour cavity protection



Winning innovations

parodontax Active Gum Repair

Clinically proven to help reverse early gum problems



Polident/Poligrip Power Max Hold+

Launched in 2022 helping the brand outperform the category



— Vitamins, mineral and supplements

Performance impacted by tough comparatives

(0.5)%

H1 organic sales growth¹

Impacted by tough comparator from added capacity and changing consumer behaviour in immunity post COVID-19 in US

Innovation: Emergen-C crystals

- Launched Q2 2023
- 'No-water needed' Emergen-C powder of immune supporting vitamins and minerals in a new crystals popping experience



Geo-expansion: India and Egypt

- Continued momentum with Centrum in India and Egypt
- 70% of new Centrum customers on Amazon are new to multivitamins in India



Leveraging science

- Clinical trials showing participants taking Centrum Silver saw significant improvement in cognitive function



Over-the-counter: Pain Relief

Performance driven by agility in China, excellent execution and innovation

12.9%

H1 organic sales growth¹

Strong growth boosted by Fenbid in China

Panadol

New launches

- Launched PanaNatra in Australia
- Provides platform for future innovation

Advil

Strong innovation

- Advil Dual Action Back: Tapping into an underserved consumer need
- Positive early results

Voltaren

Recovery in performance

- Strong performance in US
- Positive results from launch of Voltaren 24 hour medicated patch in a number of markets



Over-the-counter: Respiratory Health

Performance underpinned by innovation and commercial execution

22.0%

H1 organic sales growth¹

Strong cold and flu season in Q1

Contac

- Significant uplift in Contac sales following end of restrictions in China



Capturing demand

Theraflu Max Strength

- Launched in Q3 2022 in US
- Now 25% of US Theraflu sales



Theraflu ProNatural Syrup

- Launched 2020 and now 12% of Theraflu sales where this innovation is available
- Further geographic expansion planned in 2024



Over-the-counter: Digestive Health and Other

Broad based growth across all three sub-categories

7.7%

H1 organic sales growth¹

- Digestive Health saw strength in immediate relief benefitting Tums and Eno. Challenging conditions in preventative antacid market impacted Nexium.
- Skin Health underpinned by Fenistil growth
- Smoking Health revenue up mid single digit



— Strong execution and financial discipline

Initiatives to improve efficiency

- Agility in supply chain to meet strong Contac and Fenbid demand in China in H1 2023
- Ongoing initiatives such as dual sourcing and complexity reduction
- Agility and productivity program

Driving A&P and effectiveness in market

- A&P up 4% constant currency, and consumer facing A&P increased 8% (ex. Russia) in H1 2023
- Upskilling - Mini MBA on Digital Commerce completed by c.2,000 employees
- Significant momentum with Haleon HealthPartner portal

Continued financial discipline

- Active portfolio management; with disposal of Lamisil¹ and licensing agreement with Futura Medical for the first FDA approved topical ED treatment for OTC use in US²
- Continued cash generation and leverage reduction

Running a responsible business integral to strategy

Continuing to progress against responsible business targets set out at our Capital Markets Day in 2022

Focus on Scope 3

Reduce our Scope 3 carbon emissions from source to sale by 42% by 2030¹



- Working with suppliers to accelerate their transition to renewable energy
- Haleon's first Supplier Sustainability Event to share goals and set clear expectations of suppliers

Packaging recycle ready

All product packaging to be recycle ready by 2025 where safety, quality and regulations permit



- Continued roll out of recycle-ready toothpaste tubes globally, with around 1bn expected by end of 2023 since our roll out in 2021

Health inclusivity

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



- Partnered with Indonesia healthcare app Halodoc
- Panadol Pain Phone aims to make everyday health more accessible to rural communities in Indonesia



Tobias Hestler

CFO

2023
Half year results

H1 2023

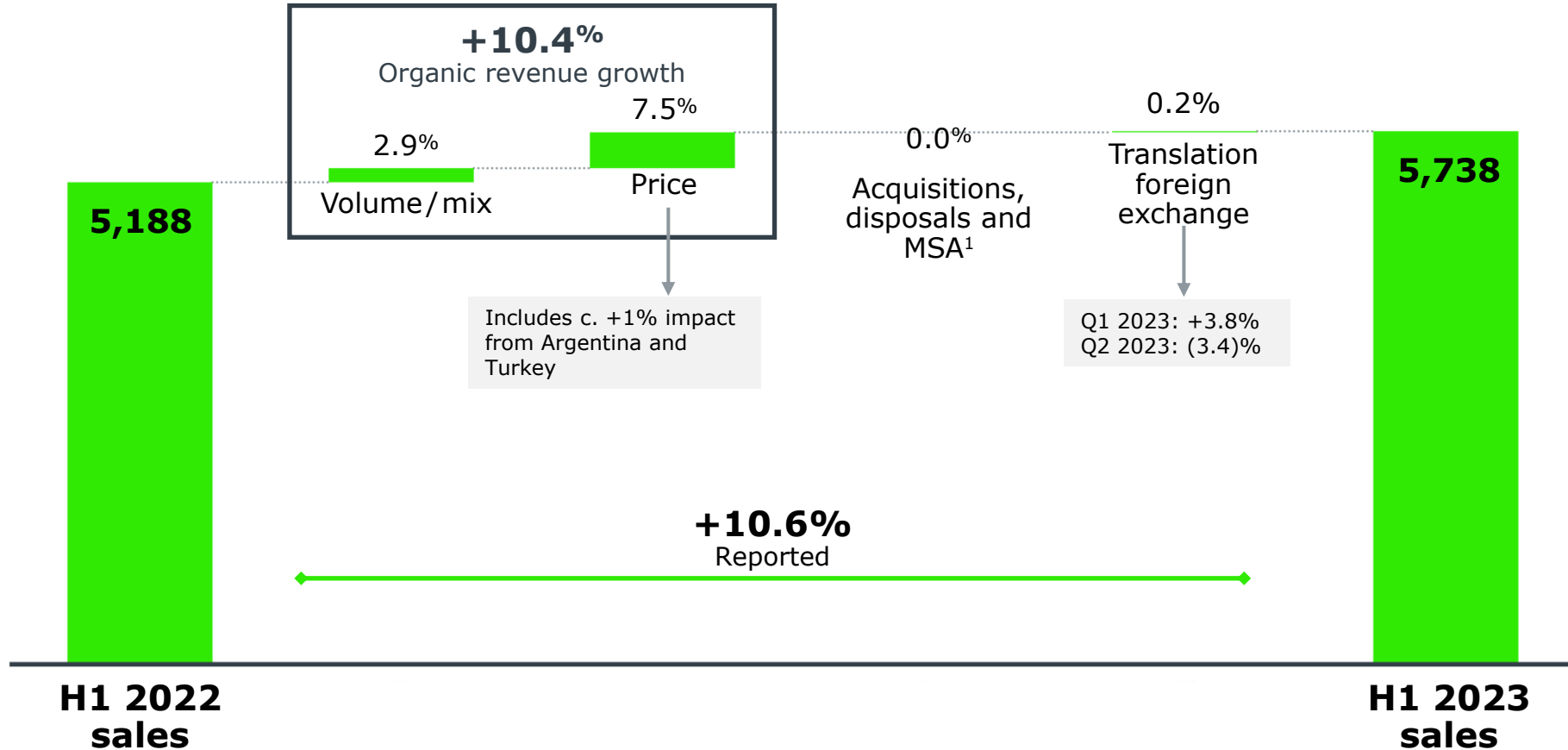
Delivering strong performance

Revenue		Adjusted operating profit ¹		Cash generation
£5.7^{bn} Revenue	10.4% Organic revenue growth ¹	£1.3^{bn} Adjusted operating profit ¹	22.2% Adjusted operating profit margin ¹	£0.4^{bn} Free cash flow ¹
7.5% Price	2.9% Volume/mix	6.7% AER & +8.9% CER	(80) bps AER & (40) bps CER	3.4^x Net debt/ Adjusted EBITDA ¹

Strong H1 revenue growth

Both strong price and positive volume/mix

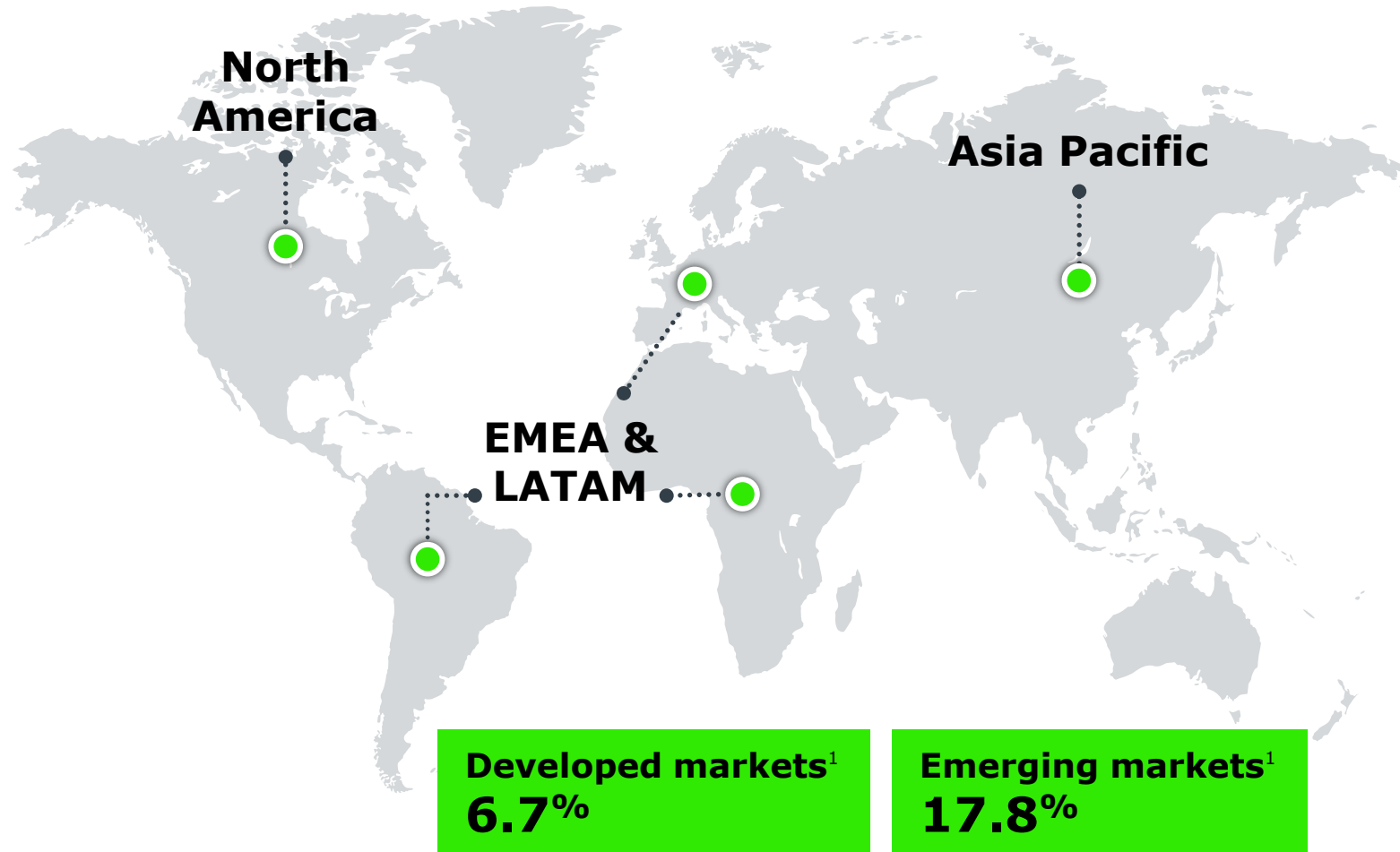
£m



Strong H1 performance across categories

	H1 2023 revenue	H1 2022 revenue	Organic revenue growth ¹	
	£m	£m	H1	
Oral Health	1,589	1,438	10.8%	Strong performance across all three Power Brands
VMS	816	816	(0.5)%	Decline in North America due to strong comparative given increased capacity last year and weaker immunity sub-category performance; Up mid-single digit in EMEA and LatAm and Asia Pacific
Pain Relief	1,405	1,248	12.9%	Strong growth from Fenbid in China
Respiratory Health	839	683	22.0%	Elevated incidence of cold and flu particularly in Q1
Digestive Health and Other	1,089	1,003	7.7%	
TOTAL	5,738	5,188	10.4%	Mid-single digit growth in Digestive Health, Smokers Health and Skin Health. Overall growth impacted by phasing of contract manufacturing sales.

Strong revenue growth across regions



Revenue

North America

4.7% OSG¹

£2,046m (H1 2022: £1,873m)

EMEA & LATAM

14.9% OSG¹

£2,323m (H1 2022: £2,069m)

Asia Pacific

11.6% OSG¹

£1,369m (H1 2022: £1,246m)

North America

Organic growth driven by price

4.7%

Organic growth¹

4.7%

Price

flat

Volume / mix

£2,046^m

Sales

23.0%

Adjusted operating margin¹



- **H1 organic growth¹:**
4.7% with 4.7% price and flat volume/mix
- **Q2 organic growth¹:**
4.3% with 5.8% price and (1.5)% volume/mix
- **Q2 organic growth reflects:**
 - + Strong growth in Oral Health underpinned by double digit growth in all three Power Brands
 - Pull forward of retailer purchasing in Q1 ahead of pricing and retailer stocking patterns
 - VMS impacted by lapping additional capacity added in H1 2022 and immunity weakness
 - Weakness in Skin Health
- **H1 Adjusted operating profit¹ down 2.0%²**
- **H1 Adjusted operating margin¹ declined 150bps²:**
 - + Pricing
 - + Efficiencies and cost management
 - + Phasing of A&P spend
 - Cost inflation such as labour and commodities
 - Increased cost to meet unexpected volatility in demand
 - Standalone costs

EMEA & LATAM

Very strong organic growth driven by pricing and positive volume/mix

14.9%

Organic growth¹

13.3%

Price

1.6%

Volume / mix

£2,323^m

Sales

23.3%

Adjusted operating margin¹

- **H1 organic growth¹:**
14.9% with 13.3% price and 1.6% volume/mix
- **Q2 organic growth¹:**
16.8% with 13.9% price and 2.9% volume/mix
- **Q2 organic growth¹ reflects:**
 - + Price growth with c. 3% from Argentina and Turkey
 - + Oral Health performance driven by double digit growth in Sensodyne, parodontax and Denture Care
 - + Strong growth in VMS driven by Centrum and some Local Growth brands
 - + Prolonged cold and flu season across most of Europe
- **H1 Adjusted operating profit¹ up 17.6%²**
- **H1 Adjusted operating margin¹ increased 50bps²:**
 - + Pricing
 - + Efficiencies
 - Cost inflation such as labour and commodities
 - Adverse transactional FX
 - Standalone costs



Asia Pacific

Organic growth driven by strong volume growth

11.6%

Organic growth¹

2.3%

Price

9.3%

Volume/mix

£1,369^m

Sales

23.2%

Adjusted operating margin¹

- **H1 organic growth¹:**
11.6% with 2.3% price and 9.3% volume/mix
- **Q2 organic growth¹:**
11.5% with 1.1% price and 10.4% volume/mix
- **Q2 organic growth¹ reflects:**
 - + Benefit from COVID-19 related demand in China, particularly in Fenbid
 - + Oral Health up double digit, continued penetration and premiumisation growth in Sensodyne in India and Japan; double digit growth in Denture Care underpinned by innovation
- **H1 Adjusted operating profit¹ up 9.7%²**
- **H1 Adjusted operating margin¹ declined 50bps²:**
 - + Strong operating leverage
 - + Cost management
 - Cost inflation such as labour and commodities
 - Standalone costs



HALEON

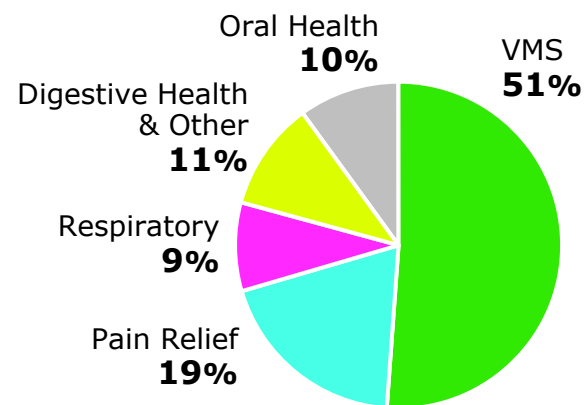
1. Reconciliation of IFRS to Adjusted results can be found in the Appendix
2. Constant currency rates

China

A leading market position, growth underpinned by favourable structural drivers

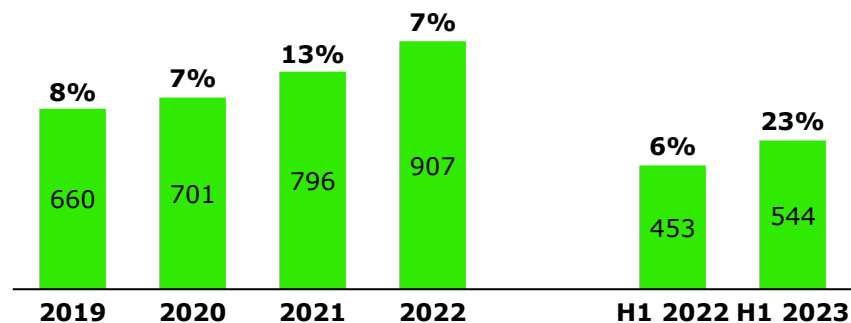
Diversified portfolio weighted towards VMS

Revenue composition (2022)



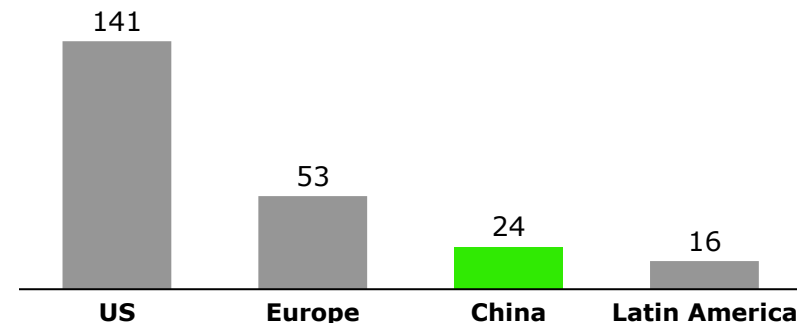
Strong track record to date

Revenue (£m); Organic growth¹ (%)



Significant opportunity for future growth

OTC/VMS per capita consumption (£)²



Denture Care



Calcium supplement



Multi-vitamin

#1 brand in key categories³



Wound healing



Systemic pain



Allergy Relief (Nasal Spray)

1. Prior to 2022, represents CER growth as a segment of GSK
 2. Source: Nicholas Hall's DB6 Consumer Healthcare Database at manufacturer's selling prices
 3. Source: IQVIA (2022); Multinational brands

Adjusted operating profit growth of 8.9% constant currency

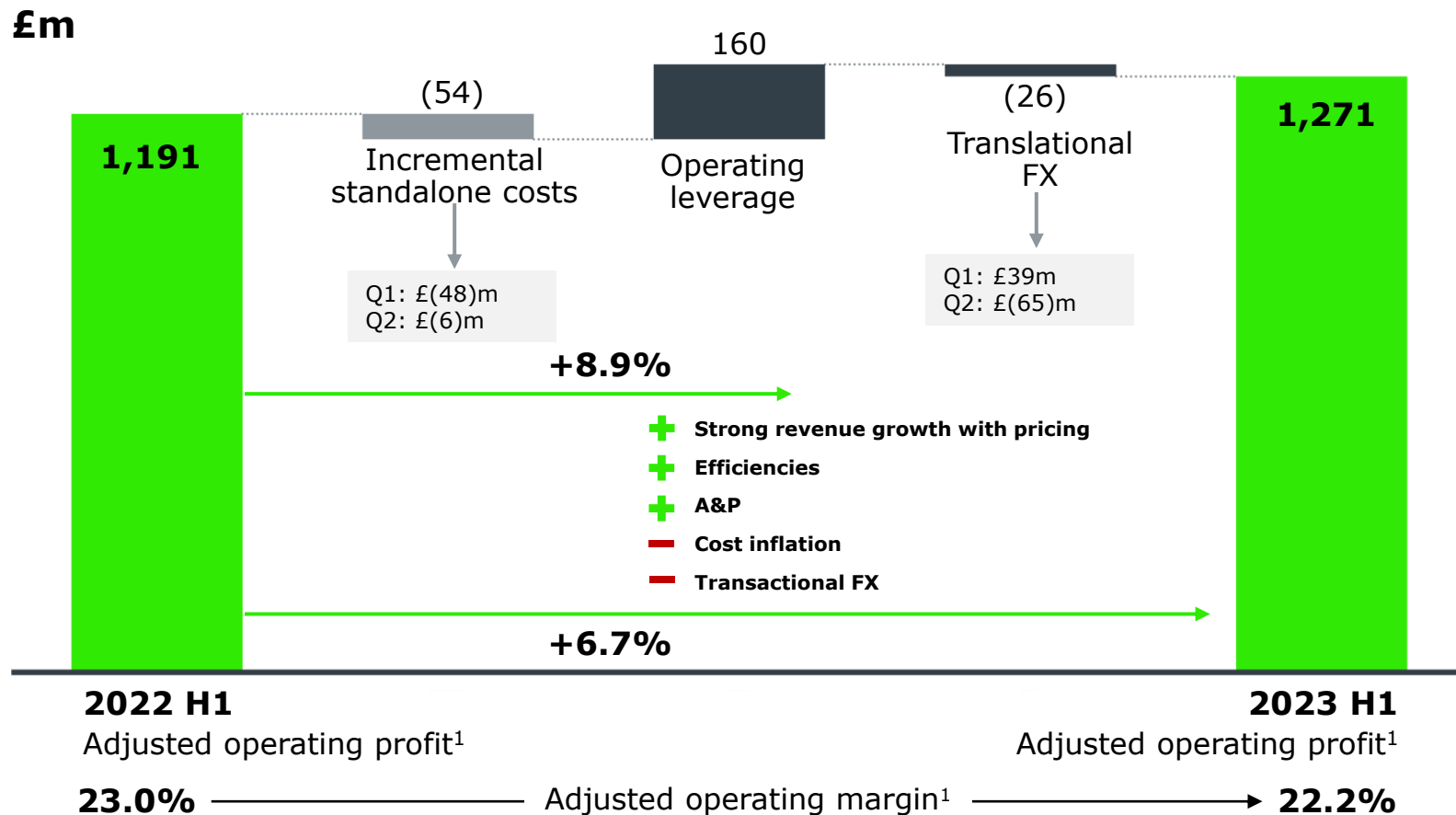
£m	H1 2023	H1 2022	% change	% change (CER)
Revenue	5,738	5,188	10.6	10.4
Adjusted gross profit¹	3,577	3,258	9.8	9.1
<i>% Adjusted gross margin¹</i>	<i>62.3%</i>	<i>62.8%</i>	<i>(0.5)pts</i>	<i>(0.7)pts</i>
Sales, general and admin ¹	(2,170)	(1,930)	12.4	10.0
Research and development ¹	(141)	(137)	2.9	1.5
Other operating inc./ (exp.) ¹	5	-	-	-
Adjusted operating profit¹	1,271	1,191	6.7	8.9
<i>% Adjusted operating margin</i>	<i>22.2%</i>	<i>23.0%</i>	<i>(0.8)pts</i>	<i>(0.4)pts</i>
Depreciation and amortisation ²	135	115	17.4	1.0
Adjusted EBITDA¹	1,406	1,306	7.7	9.6

Cost inflation largely offset by pricing; negative impact from transactional FX

Increased investment to support growth; labour cost increase and inflationary pressures; £54m incremental standalone company costs given prior year was as segment of GSK.

H1 Adjusted operating profit growth

+8.9% at constant exchange rates



- › Higher standalone costs as prior year was as segment of GSK ((100)bps)
- › Strong operating leverage (+60bps) across business more than offset cost inflation and adverse transactional FX
- › A&P up 4% (CER); Consumer facing A&P ex. Russia up 8% (CER)
- › Translational FX: (40)bps

Adjusted EPS driven by strong operating profit, offset by annualisation of interest costs and higher tax rate

£m	H1 2023	H1 2022	% change	% change (CER)
Adjusted operating profit¹	1,271	1,191	6.7	8.9
Net finance costs	(181)	(36)	n/m	n/m
Adjusted tax ¹	(256)	(245)	4.5	7.3
% tax rate	23.5%	21.2%	2.3pts	
Adjusted profit after tax¹	834	910	(8.4)	(5.7)
Non controlling interests	(43)	(27)	59.3	63.0
Profit after tax attributed to shareholders of the Group ¹	791	883	(10.4)	(7.8)
Adjusted Diluted EPS	8.5p	9.6p	(11.5)	(8.3)

Increase due to bonds issued in March 2022

Higher tax rate reflecting increase in the UK, US and Switzerland

Performance of joint venture in China and Taiwan

Significant reduction in adjusting items driven by lower separation costs

£m	H1 2023	H1 2022	% change
Adjusted operating profit¹	1,271	1,191	6.7
Net amortisation and impairment of intangible assets ²	(23)	(40)	
Restructuring costs ²	(30)	(20)	
Transaction related costs ²	(7)	-	
Separation and admission costs ²	(60)	(229)	
Disposals and others ²	(10)	(2)	
Operating profit³	1,141	900	26.8
<i>% Operating margin³</i>	<i>19.9%</i>	<i>17.3%</i>	<i>2.6pts</i>

Charges relate to productivity programme implementation. Continue to expect c. £150m in both FY 2023 and FY 2024.

Bulk of remaining costs to be incurred in 2023 with a small residual amount in 2024

Free cash flow impacted by annualisation of interest payments and tax

£m	H1 2023	H1 2022	
Adjusted operating profit¹	1,271	1,191	
P&L adjusting items ²	(130)	(291)	
Non-cash movements ³	196	158	
Working capital and other movements ⁴	(354)	(240)	← Driven by higher sales and inventory build for H2
Taxation (paid)/received	(234)	(138)	← As guided, with cash tax charge catching up with P/L charge
Net interest (paid)/received	(204)	8	← Increase reflects bond coupon paid in arrears from bond raise in 2022
Distribution to non-controlling interests	(43)	(47)	
Net capital expenditure ⁵	(133)	(88)	← H1 net capex reflects normalisation of spend (2.3%/sales)
Free cash flow	369	553	

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

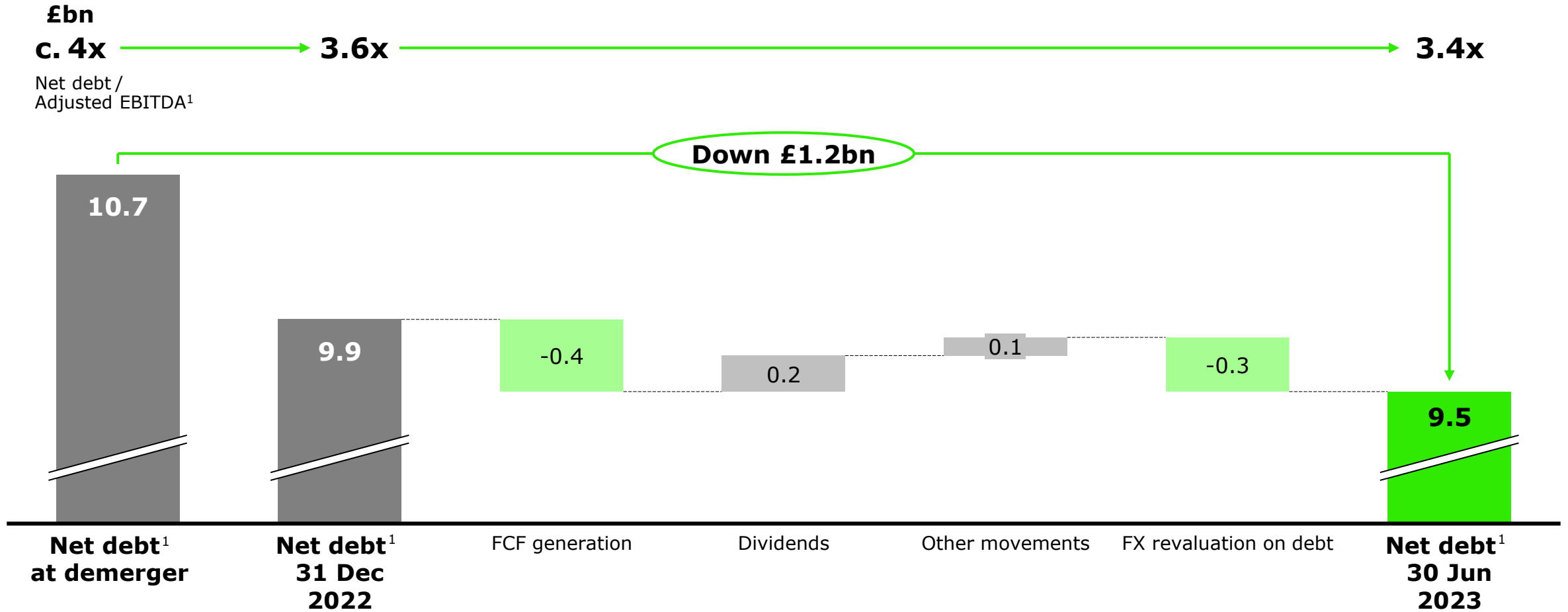
2. Adjusting items include Net amortization and impairment of intangible assets: £23m (H1 2022: £40m), Restructuring costs: £30m (H1 2022: £20m), Transaction Related Costs: £7m (H1 2022: nil), Separation and admission costs: £60m (H1 2022: £229m), Disposals and Others: £10m (H1 2022: £2m)

3. Includes Depreciation of property, plant and equipment and rights of use assets: £98m (H1 2022: £82m), Amortisation of intangible assets: £54m (H1 2022: £50m), Impairment and assets written off, net of reversals: £6m (H1 2022: £23m), Profit on sale of intangible assets: £7m (H1 2022: £(3)m), and Other non-cash movements: £31m (H1 2022: £6m)

4. Includes movement in working capital: £(250)m (H1 2022: £(101)m) and changes in other net liabilities: £(104)m (H1 2022: £(139)m)

5. Includes purchase of property, plant and equipment: £122m (H1 2022: £78m), Proceeds from sale of property, plant and equipment: nil (H1 2022: £1m), Purchase of intangible assets: £(22)m (H1 2022: £(14)m) and Proceeds from sale of intangible assets: £11m (H1 2022: £3m)

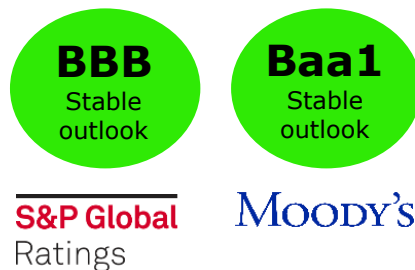
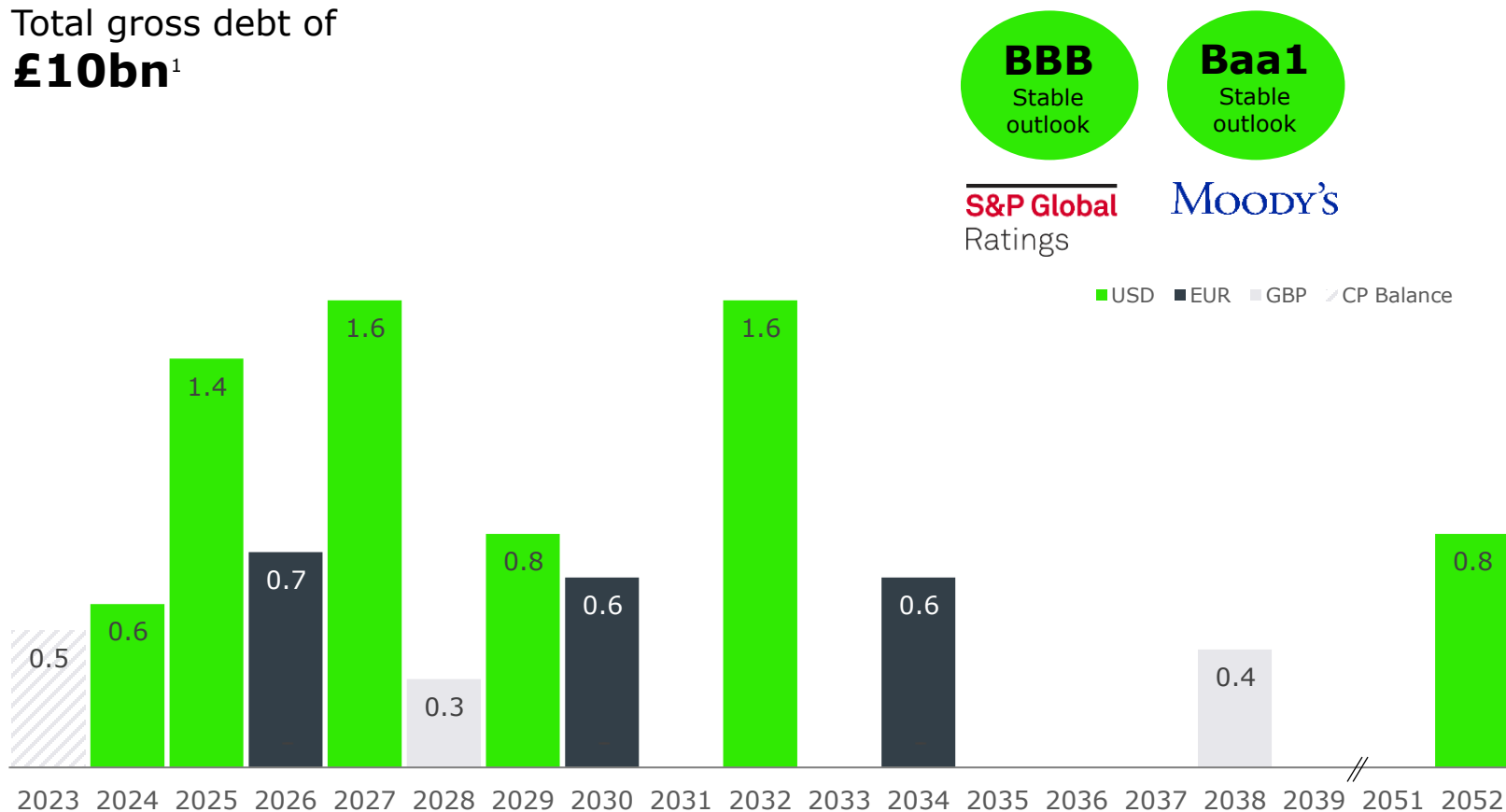
Continued progress on debt reduction



Staggered bond maturity profile no near term refinancing needs

Bond maturity profile (£bn)

Total gross debt of
£10bn¹



- No major refinancing until 2025
- Over £2bn revolving credit facilities in place, split across a \$1.4bn short term facility and £1bn medium term facility
- £10bn EMTN programme
- \$10bn US and £2bn European Commercial Paper programme
- No financial covenants on bond debt or debt facilities

Outlook

for full year 2023

Organic revenue growth¹ 7-8%

Adjusted operating profit growth¹ 9-11% constant currency

Net interest expense c. £350m

Adjusted effective tax rate 23-24%



Brian McNamara

CEO

2023
Half year results

— Medium term guidance

Organic annual sales growth of 4-6%¹

**Sustainable moderate adjusted operating margin expansion
at constant currency¹ per annum**

Net debt/EBITDA² expect to be below 3x during 2024

Strategy is delivering strong growth

Quality growth in H1 with organic growth of 10.4% and positive volume mix. Delivered positive operating leverage as well as good cash generation.

Competitive performance: 55% of business gaining or maintaining share

Increase FY revenue guidance with Adjusted operating profit growth of 9-11%¹ constant currency

Well positioned for medium and longer term

1. Refers to organic revenue growth and adjusted operating profit growth at constant currency; See Appendix for definitions



Appendix

2023
Half 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 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 Cautionary note regarding forward-looking statements in the results announcement.

Adjusted EBITDA is calculated as profit after tax excluding income tax, finance income, finance expense, Adjusting items (as defined), depreciation of property, plant and equipment and right-of-use assets, amortisation of computer software, impairment of property, plant and equipment, right-of-use assets and computer software net of impairment reversals.

Adjusting Items include the following:

- **Net amortisation and impairment of intangible assets:** Net impairment of intangibles, impairment of goodwill and amortisation of acquired intangibles excluding computer software. These adjustments are made to reflect the performance of the business excluding the effect of acquisitions.
- **Restructuring costs:** From time to time, the Group may undertake business restructuring programmes that are structural in nature and significant in scale. The cost associated with such programmes includes severance and other personnel costs, professional fees, impairments of assets, and other related items.
- **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 US Exchange Act of 1934 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 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:** Includes 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 deferred tax assets and liabilities, retained or uninsured losses related to acts of terrorism, significant 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 net interest paid.

Free cash flow conversion is defined as free cash flow, as defined above, divided by profit after tax.

Net capital expenditure includes purchases net of sales of property, plant and equipment and other intangible assets.

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.

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 geographical segments 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.

Growth focused disciplined capital allocation

Investing for growth

- Brand investment
- R&D
- Sustainability
- Digitisation
- Capital Expenditure

Strengthen balance sheet

- De-lever to <3x net debt/Adjusted EBITDA during 2024
- Maintain investment grade credit rating

M&A

- Bolt-on M&A
- Commercially compelling
- Consistent with strategy

Shareholder returns

- Ordinary dividend
- Return surplus capital to shareholders

Debt profile

Net debt

£m	Group net debt at 30 June 2023	Group net debt at 31 Dec 2022	Group net debt at 18 July 2022 ⁴
Short-term borrowings	1,097	437	332
Long-term borrowings	8,768	10,003	11,433
Derivative financial liabilities	214	206	66
Cash and cash equivalents and liquid investments	(490)	(684)	(978)
Derivative financial assets	(64)	(94)	(146)
Net debt	9,525	9,868	10,707

c. 7.5 years

Duration¹

c. 3.0%

Cost of bond debt²

75% / 25%

Fixed/floating³

1. Weighted average time to maturity for bond debt as at 30 June 2023

2. Refers to weighted average cost of bond debt at 30 June 2023, excluding cost of commercial paper, hedging activities, preference shares and leases

3. Refers to net debt as at 30 June 2023

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

Translational currency impact

Currency	FY 2022 currency as % of total revenue	Average 2022	Average H1 2022	Average H1 2023	Spot 30.06.23
USD	33%	1.24	1.30	1.23	1.26
EUR	16%	1.17	1.19	1.14	1.17
CNY	8%	8.31	8.38	8.59	9.19
CAD	<5%	1.61	1.65	1.67	1.68
AUD	<5%	1.78	1.81	1.84	1.91
JPY	<5%	161	159	168	183
RUB	c. 10%	86	96	96	112
ZAR		20	20	23	24
INR		97	99	101	104
ARS		161	145	262	324
PKR		252	241	334	362
TRY		20	19	25	33
EGP	c. 25%	24	22	37	39
Others		100			100

› Estimated unfavourable translational foreign exchange impact

- c. (4)% on revenue
- c. (6.5)% on adjusted operating profit

Assuming exchange rates as of 30 June 2023 were to hold for the remainder of the year and using 2022 as a base.

IFRS and Adjusted Income Statement

Unaudited

H1 2023							
£m	IFRS Results	Net amortisation and impairment of intangible assets¹	Restructuring costs²	Transaction -related costs³	Separation and Admission costs⁴	Disposals and others⁵	Adjusted Results
Revenue	5,738	—	—	—	—	—	5,738
Gross profit	3,550	23	3	—	1	—	3,577
<i>Gross profit margin %</i>	<i>61.9%</i>						<i>62.3%</i>
Operating profit	1,141	23	30	7	60	10	1,271
<i>Operating profit margin %</i>	<i>19.9%</i>						<i>22.2%</i>
Net finance costs	(181)	—	—	—	—	—	(181)
Profit before tax	960	23	30	7	60	10	1,090
Income tax	(230)	(4)	(6)	(2)	(12)	(2)	(256)
<i>Effective tax rate %</i>	<i>24%</i>						<i>23%</i>
Profit after tax for the year	730	19	24	5	48	8	834
Profit attributable to shareholders	687	19	24	5	48	8	791
Diluted earnings per share (pence)	7.4	0.2	0.3	—	0.5	0.1	8.5
Weighted average number of shares (diluted) (millions)	9,264						9,264

H1 2022							
£m	IFRS Results	Net amortisation and impairment of intangible assets¹	Restructuring costs²	Transaction -related costs³	Separation and Admission costs⁴	Disposals and others⁵	Adjusted Results
Revenue	5,188	—	—	—	—	—	5,188
Gross profit	3,211	40	8	—	—	(1)	3,258
<i>Gross profit margin %</i>	<i>61.9%</i>						<i>62.8%</i>
Operating profit	900	40	20	—	229	2	1,191
<i>Operating profit margin %</i>	<i>17.3%</i>						<i>23.0%</i>
Net finance costs	(36)	—	—	—	—	—	(36)
Profit before tax	864	40	20	—	229	2	1,155
Income tax	(320)	(6)	(4)	—	(37)	122	(245)
<i>Effective tax rate %</i>	<i>37%</i>						<i>21%</i>
Profit after tax for the year	544	34	16	—	192	124	910
Profit attributable to shareholders	517	34	16	—	192	124	883
Diluted earnings per share (pence)	5.6	0.4	0.2	—	2.1	1.3	9.6
Weighted average number of shares (diluted) (millions)	9,235						9,235

1. Net amortisation and impairment of intangible assets includes impairment of intangible assets, amortisation of intangible assets excluding computer software
2. Restructuring costs: includes amounts related to business transformation activities
3. Transaction-related costs: includes amounts related to 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 loss/(gains) on disposals of assets and businesses, tax indemnities related to business combinations and other items

Reconciliation of H1 organic growth

Product Categories

H1 2023 vs H1 2022 (%)	Oral Health	VMS	Pain Relief	Respiratory Health	Digestive Health and Others	Total
Revenue Growth	10.5	-	12.6	22.8	8.6	10.6
Organic Adjustments	-	(0.1)	0.2	-	-	-
of which:						
Effect of Acquisitions	-	(0.1)	(0.3)	-	-	(0.1)
Effect of Disposals	-	-	0.5	-	-	0.1
Effect of MSAs	-	-	-	-	-	-
Effect of Exchange Rates	0.3	(0.4)	0.1	(0.8)	(0.9)	(0.2)
Organic Revenue Growth	10.8	(0.5)	12.9	22.0	7.7	10.4

Geographical Segments

H1 2023 vs H1 2022 (%)	North America	EMEA and LatAm	APAC	Total
Revenue Growth	9.2	12.3	9.9	10.6
Organic Adjustments	-	0.3	(0.3)	-
of which:				
Effect of Acquisitions	-	-	(0.4)	(0.1)
Effect of Disposals	-	0.3	-	0.1
Effect of MSAs	-	-	0.1	-
Effect of Exchange Rates	(4.5)	2.3	2.0	(0.2)
Organic Revenue Growth	4.7	14.9	11.6	10.4
Price	4.7	13.3	2.3	7.5
Volume/Mix	-	1.6	9.3	2.9

Reconciliation of quarterly organic growth

North America

2023 vs 2022 (%)	Q1 2023	Q2 2023	H1 2023
Revenue Growth	14.0	4.4	9.2
Organic Adjustments	-	-	-
of which:			
Effect of Acquisitions	-	-	-
Effect of Disposals	-	-	-
Effect of MSAs	-	-	-
Effect of Exchange Rates	(8.9)	(0.1)	(4.5)
Organic Revenue Growth	5.1	4.3	4.7
Price	3.6	5.8	4.7
Volume/Mix	1.5	(1.5)	-

EMEA & LatAm

2023 vs 2022 (%)	Q1 2023	Q2 2023	H1 2023
Revenue Growth	13.3	11.2	12.3
Organic Adjustments	0.4	0.1	0.3
of which:			
Effect of Acquisitions	-	-	-
Effect of Disposals	0.4	0.2	0.3
Effect of MSAs	-	(0.1)	-
Effect of Exchange Rates	(0.6)	5.5	2.3
Organic Revenue Growth	13.1	16.8	14.9
Price	12.6	13.9	13.3
Volume/Mix	0.5	2.9	1.6

Reconciliation of quarterly organic growth

APAC

2023 vs 2022 (%)	Q1 2023	Q2 2023	H1 2023
Revenue Growth	13.7	6.0	9.9
Organic Adjustments	(0.6)	0.2	(0.3)
of which:			
Effect of Acquisitions	(0.7)	-	(0.4)
Effect of Disposals	-	-	-
Effect of MSAs	0.1	0.2	0.1
Effect of Exchange Rates	(1.4)	5.3	2.0
Organic Revenue Growth	11.7	11.5	11.6
Price	3.4	1.1	2.3
Volume/Mix	8.3	10.4	9.3

Group

2023 vs 2022 (%)	Q1 2023	Q2 2023	H1 2023
Revenue Growth	13.7	7.5	10.6
Organic Adjustments	-	0.1	-
of which:			
Effect of Acquisitions	(0.2)	-	(0.1)
Effect of Disposals	0.2	0.1	0.1
Effect of MSAs	-	-	-
Effect of Exchange Rates	(3.8)	3.4	(0.2)
Organic Revenue Growth	9.9	11.0	10.4
Price	7.1	7.9	7.5
Volume/Mix	2.8	3.1	2.9

Free cash flow

Free cash flow

£m	Six months to 30 June	
	2023	2022
Net cash inflow from operating activities	749	680
Less: Net capital expenditure	(133)	(88)
Less: Distributions to non-controlling interests	(43)	(47)
Less: Interest paid	(220)	(4)
Add: Interest received	16	12
Free cash flow	369	553

Free cash flow conversion

£m	Six months to 30 June	
	2023	2022
Free cash flow	369	553
Reported profit after tax	730	544
Free cash flow conversion	51%	102%

HALEON

2023 half year results

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