

## Introducing Haleon



Investor Relations, September 2023

### We are different:

A global leader, 100% focused on consumer healthcare

**#1**

Overall CH  
player globally

**£160+bn**

Market<sup>1</sup>

**5**

Global categories  
with #1 position<sup>2</sup>

**9**

Power  
Brands

**c.25k**

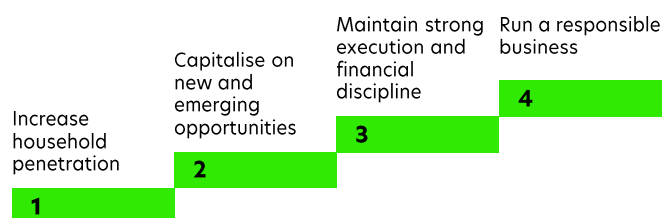
Number of  
employees

### 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>.
- Sustainable moderate adjusted operating margin expansion at constant currency<sup>3</sup> per annum.
- Net debt/Adjusted EBITDA<sup>3</sup> expect to be below 3x during 2024.

### Leadership positions #1 across five major categories<sup>2</sup>

Oral Health	Pain Relief	Vitamins, Minerals and Supplements	Respiratory	Digestive Health / Other
27% <sup>4</sup>	24% <sup>4</sup>	15% <sup>4</sup>	15% <sup>4</sup>	19% <sup>4</sup>

<sup>1</sup> Source: Oral Health market size: Euromonitor 'Oral Care' (2021) & OTC and VMS market size: Nicholas Hall (2021)

<sup>2</sup> Therapeutic Oral Health, Pain Relief, Respiratory, Vitamins, Minerals, and Supplements and Digestive Health

<sup>3</sup> See 2022 Annual Report for definitions

<sup>4</sup> Percentage of FY 2022 revenue

## Strong financial performance in FY 2022

**£10.9bn**

Revenue

**9%**

Organic revenue growth<sup>5</sup>

**4.3% / 4.7%**

Price / Volume mix

**10.1%**

Power Brands organic revenue growth

**£2.5bn**

Adjusted operating profit<sup>5</sup>

**22.8%**

Adjusted operating profit margin<sup>5</sup>

**18.4p**

Adjusted diluted earnings per share<sup>5</sup>

**£9.9bn**

Net debt

## Consumer Healthcare sector more relevant than ever

Supported by attractive fundamentals

**01**

**Increased consumer focus** on health and wellness



**02**

**Ageing populations**



**03**

**Emerging middle class**



**04**

**Increasing pressure** on public health systems



**05**

**Sizeable unmet consumer needs**



## Competitive Advantage



**Human understanding**



**Trusted science**

**+**



<sup>5</sup> Reconciliation of IFRS to Adjusted results can be found in the 2022 Annual Report

## Global scale with strong distribution network and execution capabilities

**Strong presence**  
in mass retail



**Strong and effective** pharmacy coverage



**Extensive expert** network



**Extended coverage** through distributors

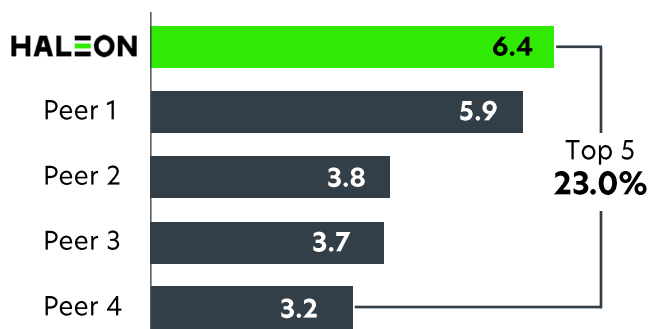


**Growing e-commerce** business

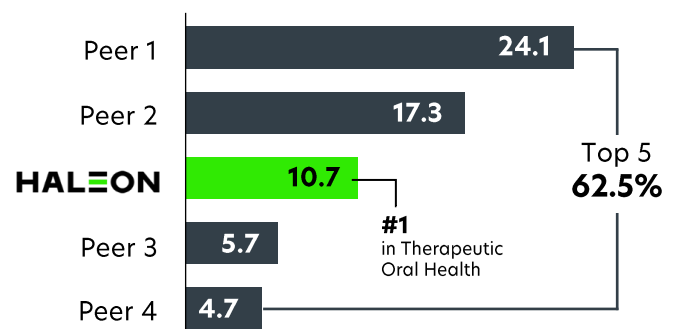


## Strong global market share positions

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



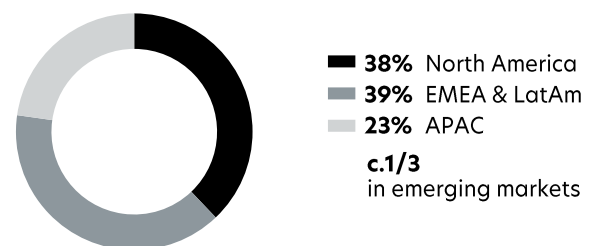
**£28<sup>bn</sup> Oral Care Market<sup>6</sup>**



## Adjusted Results

£m (except per share data)	FY 2022	FY 2021	change %
Revenue	10,858	9,545	13.8
Adjusted gross profit <sup>7</sup>	6,772	6,002	12.8
Adjusted gross margin <sup>7</sup>	62.4%	62.9%	(0.5)pts
Adjusted operating profit <sup>7</sup>	2,472	2,172	13.8
Adjusted operating margin <sup>7</sup>	22.8%	22.8%	-
Net finance costs	(207)	(2)	n/m
Adjusted tax <sup>7</sup>	(506)	(469)	7.9
Adjusted profit after tax <sup>7</sup>	1,759	1,701	3.4
Adjusted diluted EPS <sup>7</sup>	18.4p	17.9p	2.8
Reported diluted EPS	11.5p	15.1p	(23.8)

## FY 22 revenue by geography



## FY 2023 outlook

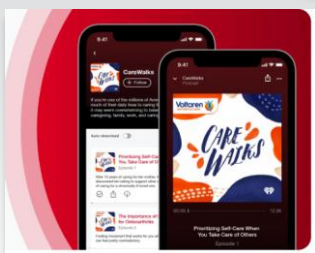
- Organic revenue growth of 7-8%.
- Adjusted operating profit growth 9-11% constant currency<sup>7</sup>
- Adjusted effective tax rate of 23-24%.
- Net Interest expense c. £350m.

<sup>6</sup> Nicholas Hall Database 2022 (OTC), Euromonitor 2022 (Oral Care)  
<sup>7</sup> Reconciliation of IFRS to Adjusted results can be found in the 2022 Annual Report

## Proven competitive capabilities

### Brand building

A&P investment  
**18.7% of revenue**



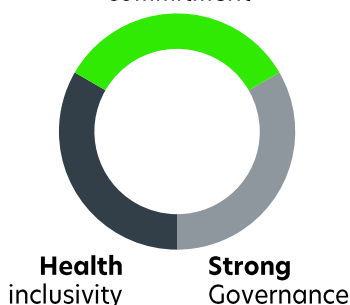
### Innovation

R&D investment  
**2.8%<sup>8</sup> of revenue**



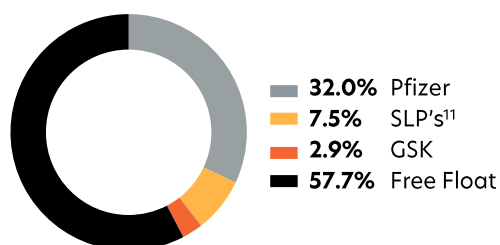
## Responsible business - integral to our strategy

### Environmental commitment



- **Carbon:** 100% reduction in scope 1 & 2 carbon emissions and Scope 3 carbon from source to sale by 42% by 2030<sup>9</sup>. Net Zero carbon emissions from source to sale by 2040.
- **Packaging:** Reduce virgin petroleum-based plastic by 1/3 by 2030 and develop solutions for all packaging to be recyclable or reusable by 2030<sup>9</sup>.
- **Trusted ingredients, sustainably sourced:** Ensure all agricultural, forest and marine derived materials used in our ingredients and packaging are sustainably sourced and deforestation free by 2030<sup>10</sup>.
- **Health inclusivity:** Aim to empower 50 million people per year to be included in opportunities for better everyday health by 2025.
- **Strong corporate governance**

## Share ownership



### Upcoming dates

**Q3 2023 Trading Statement**  
2<sup>nd</sup> November 2023

**FY 2023 Results**  
February 2024

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<sup>8</sup> Adjusted expense - Reconciliation of IFRS to Adjusted results can be found in the 2022 Annual Report

<sup>9</sup> Versus 2020 Baseline

<sup>10</sup> Scope I includes Haleon's globally managed spend on key materials which are agricultural, forestry or marine derived.

<sup>11</sup> Scottish Limited Partnerships