

# Chief Executive Officer's review

## A milestone year



**Brian McNamara**  
Chief Executive Officer

It has been an extraordinary 12 months for Haleon. We created our own identity, demerged from GSK plc, listed on the London and New York stock exchanges and began trading as one of the world's largest standalone consumer health companies.

It was a time to reflect with pride on the business that we have carefully and purposefully built over many years. For me, it was also a personal highlight of my 18-year career in this industry, the last five leading this business.

It is a testament to the transformational work we undertook that Haleon now has strong foundations and an exceptional portfolio of brands, built around deep human understanding, trusted science and innovation, all of which we are confident will help create value for our stakeholders.

With a strong purpose of delivering better everyday health with humanity at our core, Haleon is primed and ready for the next stage of its remarkable journey.

### Our Executive Team

I'm proud to lead an Executive Team that brings a wealth of relevant experience in consumer health and FMCG from some of the world's leading companies.

Our collective strength, relentless focus on growth and insight into the trends shaping the consumer landscape will be key drivers of our performance and ability to deliver on our purpose.

### Strong performance against a challenging backdrop

In what continues to be a challenging macroeconomic environment, Haleon has shown its strength. For 2022, we reported strong revenue growth of 13.8% and organic revenue growth of 9.0%, driven by a combination of volume and price growth. This reflected the quality of our portfolio, successful innovation and excellent execution in market.

High inflation and increased living costs mean our consumers continue to face difficult decisions. Against this backdrop,

Haleon has demonstrated agility; taking decisive action to adapt across our markets and categories, to ensure consumers can rely on the products they know and trust.

In 2023 and beyond, our unrelenting focus will remain on delivering great products and innovations that have real impact for consumers.

### Delivering our growth ambitions

We remain focused on delivering our medium-term guidance of 4-6% annual organic revenue growth and are committed to our capital allocation priorities. 2023 will be no exception, driven by the quality of our brand portfolio, continued investment in our brands, and disciplined execution of our strategy to:

- Increase household penetration of our products.
- Capitalise on new and emerging opportunities across channels and geographies, and expanding our portfolio.
- Maintain a strong focus on both execution and financial discipline.
- Run a responsible business.

Haleon has leading positions in each of its five categories (see page 3). Our strong relationships with stakeholders, including consumers, customers, and Health Professionals, means we can capitalise on the opportunity ahead, which includes a growing global focus on health and wellness, an ageing population, an emerging middle class and sizeable unmet consumer needs as public health authorities face increasing pressure (see page 9).

### Our impact

As a leading global player in consumer health, we are well positioned to recognise and understand the social and environmental barriers that hold people back from achieving better everyday health, and to empower and support them to take charge of their health and wellbeing. This lies behind our commitment to make everyday health more inclusive.

Working together with other organisations, we are also focused on reducing our environmental impact and doing business responsibly. Our commitments and goals in this area (see pages 22 to 25), drive us to not only meet the everyday health needs of people in new and better ways, but to develop innovations that are meaningful, relevant and impactful.

### Evolution into an agile consumer health organisation

Looking ahead to the next phase of Haleon's journey, the Executive Team is more excited than ever about our future. As we worked towards our demerger from GSK, our focus was rightly on ensuring continuity for the business. Now fully running as an independent company, we will be taking advantages of opportunities to evolve and drive a more agile, productive and effective organisation. This includes:

- Increasing agility and productivity: We have identified opportunities to optimise existing processes and structures to become more agile. This will result in annualised gross cost savings of £300m over the next three years.
- Driving growth across our portfolio of brands and structural growth categories: We will invest behind identified opportunities and will be proactive in managing our portfolio. At the same time, we will be rigorous and disciplined where there are opportunities for bolt-on acquisitions and divestments.

### Thank you

Our achievements in 2022 would not have been possible without the dedication and commitment of all our employees globally. Throughout the demerger and beyond, their focus on delivering for customers and consumers was unwavering, and for that I offer my sincere thanks. I also want to personally thank our Chair, Sir Dave Lewis, and the Board for their invaluable support during Haleon's first year as a standalone company and for recognising its potential.