Haleon Capital Markets Day 2025

Thursday, 1st May 2025

Introduction

Jo Russell

Head of Investor Relations, Haleon

Welcome

Good afternoon. I am Jo Russell, Head of Investor Relations at Haleon. Thank you for joining us today for our Capital Markets Day. Members of the Haleon executive team and across the wider business are excited to share more details on the next phase of our journey.

Agenda

Before we commence, I would like to cover a few housekeeping items. Our presenters will take around three hours, two break scheduled at appropriate intervals. We will also have breakout sessions in the middle of the afternoon. There will be videos available for those online to watch. We will have a Q&A session at the end of all the presentations, and you will be able to ask questions via the online platform.

After today's event, all presentations and webcasts will be available on the Investors section of haleon.com.

Disclaimer

Before we commence, I would just like to remind people in the room and listeners on the call that in the discussions today, the company may make certain forward-looking statements, including those that refer to our estimates, plans, sales and expectations. Please refer to this morning's announcement and the UK and SEC filings for more details, including factors that could lead to actual results to differ materially from those expressed in, or implied by any such forward-looking statements.

With that, I will hand over to Brian McNamara, the CEO of Haleon.

Unlocking our Full Potential

Brian McNamara

CEO, Haleon

Transforming into a world-class consumer company

Great. Hello, everybody, and thank you for joining us today. It is great to see so many people in the room live in London and I want to welcome everybody who is joining us online.

You have seen that yesterday we published our Q1 results and it gave you a sense of the dynamics we are facing in 2025. We confirmed our 2025 guidance as we manage in a challenging and uncertain economic environment. But today is very much about the future and unlocking the full potential of Haleon.

We successfully transitioned out of a pharma company, and we are now transitioning the business to become a world-class consumer company. We have made great progress, but it is very clear there is a lot more for us to go after.

But first, let's ground ourselves in where we are today, starting with what we achieved over the last three years.

Portfolio of leading brands in resilient and growing categories

It starts with our fantastic portfolio of leading brands in resilient and growing categories, like:

- Oral Health;
- Vitamins Minerals and Supplements;
- Pain Relief;
- Respiratory Health; and
- Digestive Health.

That portfolio, combined with our capabilities in expert engagement, innovation and route to market, has helped us deliver on the commitments we set out in 2022 and more.

Delivered on our 2022 commitments

We've consistently delivered at the at or above our 4% to 6% organic revenue growth guidance. And importantly, generated positive volume/mix every year, which was underpinned by strong market share gains.

We've expanded our operating margin at constant currency and delivered strong cash flow, which has allowed us to reduce our leverage to 2.8x by the end of 2024.

We have also optimised our portfolio. We have done that by divesting non-core brands and investing in high-growth markets like China, where we have entered into an agreement to take 100% control of our OTC business.

Finally, we started life with a 45% overhang in our shares. Today, that is down to zero, enabling us to create a strong institutional investor base. In short, we have delivered on the commitments we made three years ago. We have established strong foundations for Haleon as a standalone company. I am incredibly pleased with where we are at today.

Unlocking our full potential

As we continue to transform Haleon into a world-class consumer company, it is clear there is so much more for us to unlock.

Three separate areas where I see the greatest opportunity:

- First is growth, and our continued confidence in delivering 4% to 6% annual organic revenue growth;
- Second is productivity, and unlocking a significant gross margin opportunity through optimising our supply chain, allowing us to deliver operating leverage more consistently to the bottom line; and
- Third is culture, and continuing to evolve Haleon into a more agile, performance-focused consumer company.

Consumer Health: An attractive sector

First, let us look at growth. I will start with some context. We are a company 100% focused on Consumer Health, an attractive and extremely relevant sector, that is worth about £200 billion today. We are in growing in resilient categories, which are benefiting from favourable long-term macro trends:

- Talking about things like continued focus on health and wellness;
- The long-term shift towards aging populations; and
- A growing middle class.

With these trends, we are expecting the categories we operate in to grow at about 3% to 4% a year. Today, we reach about 1.5 billion people out of a global population of 8 billion, representing a significant opportunity for us.

Over the past three years, we have strengthened our individual category strategies, and now we are much clearer on the headroom for growth across those categories, making us even more confident in delivering sustainable 4% to 6% annual organic revenue growth.

We can see the potential to better leverage our global footprint, scale our innovations, and capitalize on the strength and breadth of our portfolio, going beyond our historic emphasis we have had on power brands.

Growth: Three opportunities

Here, we see three opportunities to go after.

The first, closing the incident versus treatment gap across our categories. Take Oral Health, for example, where only a third of people who suffer from tooth sensitivity actually treat their symptoms. In Pain Relief, where today around four out of ten pain occasions are not addressed.

Second is innovation-led premiumisation. Through providing meaningful benefits and better health outcomes for consumers. *Otrivin Nasal Mist* is a good example here, and we will touch on that later today, as is our new *Sensodyne* Clinical range.

Third, driving penetration among lower income consumers. By that I mean all consumer groups outside the highest income bracket. We believe that we are uniquely positioned to deliver on the needs of these lower income consumers. Today, we are significantly underpenetrated with this population, with our market share less than half that of higher income consumers.

Productivity: Capturing the significant gross margin opportunity

Now the second opportunity is increased gross margin. We will do that through developing a more efficient and agile supply chain. The reality is, today, our supply chain is the combination of three separate pharma supply chains.

Now that comes with a very strong heritage in quality, compliance and scientific excellence, all things that are very important to us and will continue. But with that heritage comes a lot of unnecessary complexity and inefficiency built into our supply chain. So, we see a real unlock in radically simplifying our current portfolio.

We will do this by reducing the number of packaging variations, the number of formulations, and ultimately significantly reducing our number of SKUs. That will allow us to drive more efficient and effective operations in our plants, which in turn gives us the ability to better leverage scale in procurement and drive significant savings. There is also a real opportunity to evolve our manufacturing footprint.

First, we will consolidate, consolidate and simplify our third party network. Second, we will evolve our internal network to support the future shape of the business, including strengthening our presence in key markets like India and China.

These initiatives will realise £800 million in gross supply chain savings over five years, and in turn, these savings will significantly contribute to 50 to 80 basis points of adjusted gross margin improvement per annum. That gross margin improvement, alongside with operating leverage, provides us with the capacity to invest in the business and also gives us confidence to upgrade our guidance to high single-digit adjusted operating profit growth at constant currency.

Culture: More agile and performance focused

The final opportunity is to continue to transform Haleon into a more agile, performance-focused consumer company.

When we separated, we cloned and copied the processes and systems across to Haleon. That was the right thing to do from a business continuity perspective. Those systems and processes were right for a pharma company, but not for a consumer company. We have made good progress over the last couple of years. We have done a number of things, including evolving our processes and simplifying the way we do things, reshaping the company and upgrading the talent across the organisation, including at the leadership team level.

But we still have a lot more to go after in terms of the shift here, and we have a clear plan in place to deliver it. That includes driving a culture shift within the organisation, becoming more agile, performance-focused company.

We are doing this in a number of ways, not least through directly linking employee remuneration to key financial metrics as well as individual performance.

We are also streamlining and simplifying our operating model and continuing to expand our business services footprint to support our growth and productivity agenda. And we are making good progress here.

Win as One Strategy

I have talked about through the opportunities ahead look like. Now let us look at how we are going to go after that opportunity, which we will do through our Win as One strategy.

Our Win as One strategy is all about raising the ambition and realising the full potential of the company. It is how we are mobilising and driving the organisation relentlessly and consistently forward to capture the opportunities we see ahead. There is four elements to the strategy, all designed to work together and reinforce each other.

Purpose

Starting with our purpose, to deliver better everyday health with humanity. It is the impact we want to create for our consumers around the world.

Ambitions

To deliver our purpose, we define two ambitions: to provide everyone at Haleon with a North Star and guide us in everything we do. They capture both the growth opportunity I have just talked about, as well as our consistent commitment to maximising shareholder value. The two ambitions are:

- To reach one billion more consumers by 2030; and
- To generate industry-leading shareholder returns.

Strategic drivers

Then we have aligned the entire organisation around a set of strategic drivers to support these ambitions. I will take each of these in turn.

First, health in more hands. This is all about unlocking the significant headroom within our categories. It is about driving penetration and closing the incident versus treatment gap I talked about earlier. It is about driving innovation-led premiumisation as well as penetration among lower income consumers.

Second, superior brands. This is about leveraging our category footprint, scaling our innovations, and capitalising on the strength and breadth of our brand portfolio. Our new clinical platform for *Sensodyne* is a great example of what we are doing to attract new consumers and drive premium offerings.

Third, wired for excellence. Driving efficiency and productivity across the entire value chain. A key part of that is the unlock within our supply chain, which I talked about earlier.

Finally, full potential people. Unlocking the potential of our people to deliver on our ambitions and cultivate a culture that gives us a genuine competitive advantage.

Our behaviours

Then we have defined a set of four behaviours that we have embedded in the organisation. I will let some of our people explain what they are.

<u>Behaviours video</u>

Kim Chua: Consumer first, always. To me, it is about putting the consumer at the heart of every decision. When we see the world through their eyes, we unlock real value. And when we answer to their needs, we unlock growth for everyone.

Vikas Kumar: Collaborate for impact is about building strong relationships that drive us towards our purpose and objective. It is about working together to create meaningful change.

Nekshaan Irani: Unlocking value at pace is making well-informed, fast decisions and then executing, learning and keeping on improving.

Tisha Dennis: To me, grow myself and others means that we are consistently challenging each other to learn, to develop, and really to encourage each other to do the same so that we can be at our full potential.

Back to live presentation:

Brian McNamara: Of course, in line with our purpose, our responsible business agenda is woven into every element of our strategy.

Key drivers of value creation

Now, I would like to spend a minute talking about how this translates into our value creation algorithm, which Dawn will talk through in more detail later.

First, our algorithm starts with the confidence in our medium term target of 4% to 6% annual organic revenue growth. Second, the substantial gross margin opportunity creates significant financial flexibility, which means that we are upgrading our guidance to high single-digit adjusted operating profit growth at constant currency. That strong operating profit growth, along with improvements in working capital, will drive strong cash flow generation. Combined with disciplined capital allocation, this will drive strong EPS growth, enabling us to achieve our ambition of generating industry-leading shareholder returns.

Putting our strategy into action

Over the course of the next couple of hours, Tamara and Franck will take you through the headroom we see for growth across our categories. They will also talk you through a couple of examples to show you how we are driving health in more hands through our superior brands.

Filippo will focus on our route to market capabilities and our strength in the pharmacy channel, as we take our superior brands to consumers. You will then go through a series of breakouts. What we will bring to life the execution of our category strategies in market.

After that, Namrata will take you through our supply chain opportunity, a key part of our wired for excellence strategic driver. She will also update on our responsible business agenda. Then before I will come back and bring it all together, you will hear from Dawn, who will take you through in more detail through our value creation algorithm.

Summary

But before I hand over to Tamara and Franck, I will leave you with the key messages I want you to take away from today:

- We have a clear strategy to drive growth across our attractive and resilient categories;
- We are unlocking the opportunity in our supply chain to reinvest in the business and deliver strong gross margin; and
- We are continuing to transform Haleon into a more agile, performance-focused consumer company;

- All that underpins my confidence in delivering our value creation algorithm.

Thank you. Now I will turn it over to Tamara and Franck.

Superior Brands

Tamara Rogers

Chief Marketing Officer, Haleon

Franck Riot

Chief R&D Officer, Haleon

Introduction

Tamara Rogers: Good afternoon. What a beautiful afternoon it is as well. I mean London in the sunshine, you cannot beat it. I am Tamara Rogers, Chief Marketing Officer.

Franck Riot: I am Franck Riot, Chief R&D officer.

Tamara Rogers: Between the two of us, we bring a wealth of experience in the development and the building of strong brands in consumer goods.

Agenda

Brian introduced our Win as One strategy and our four strategic drivers, one of which was Superior Brands and Health in More Hands. We are going to take you through how we build superior brands and what we mean by superiority, which for us is about focusing on what really matters to the consumer. Then show you a series of examples of how our superior brands unlock those three growth opportunities you heard Brian outline earlier.

We will give some insight into how we are evolving our capabilities to really maintain that competitiveness. But first, we are going to spend a few minutes just grounding you in our categories and our brands.

Portfolio of Superior Brands in growth categories

Starting then with the categories, we operate in resilient and growing categories, reaching 1.5 billion consumers already with our portfolio of fantastic brands. We have the ambition, as Brian shared, to reach a billion more.

Now we have made a decision to change how we report our categories, to strategically line them up better with the opportunity that we see ahead, and to give you improved visibility on our performance. As you can see here, we have broken up Digestive Health & Other into Digestive Health, Therapeutic Skin Health & Other. And we are moving our US smoking cessation business into Respiratory Health, given the link between better breathing and respiratory health outcomes for consumers.

Now we believe that you know the great brands we have in Digestive Health of *ENO*, *Tums* and *Benefiber*. But we have talked less about the Therapeutic Skin Health brands. Now these tend to be pharmacy based, strong, local brands such as Bactroban in China, which is all about supporting wound healing; *Fenistil* across Europe, helping to stop that annoying itch from insect bites; and *Abreva* and *Zovirax*, which are fantastic antiviral treatments, are really efficacious way to clear up cold sores fast.

These great brands have a role to play, enabling us to achieve our ambitions as they have attractive margins and they sit in the faster growing subcategories of Skin Health.

Now all the categories we play in are substantial, ranging from the largest Vitamins, Minerals and Supplements at £65 billion to Digestive Health at £18 billion. We are well positioned, typically occupying the number one or number two positions.

Overall, combined, these categories are set to grow at 3% to 4% in the medium term. And we have got confidence in our ability to outperform that in line with the guidance that Brian gave earlier.

What do we mean by superior?

Now let us turn to how we build superior brands to drive that sustainable growth, brands which are relevant to the audiences we engage with, brands that deliver superior and premium solutions.

Let us start with what superiority does mean to us at Haleon. How do we define it, and how do we go about it?

Well, of course, in line with our behaviours, we start consumer first, which simply means we focus on understanding really what matters most to consumers and experts.

Once we have identified that, we put all our time into building superiority, excelling, and delivering where it matters most. Doing this consistently is key. Consistency builds trust. Trust means that we become the consumers first choice when their need arises. This ultimately results in creating brands that are leaders in the categories we compete in.

We live this across Haleon. We are consistently looking to measure our superiority against both our ambition but also against our competitors.

We can tell you how we build superior brands, but as we said, the measure is what matters to consumers. Do not just hear it from us, let us listen to what our consumers have literally said or written to our team at the Consumer Relations Centre.

<u>Consumer video</u>:

Speaker: Thank you for the excellent product you have created. I am 63 and disabled and have difficulty walking, and if it was not for the brilliant products, I would not be able to move around as I used to. It has been a blessing. Even when sitting down, I used to be in a lot of pain, but after applying your brilliant product, I feel relief.

Speaker: I am only quite young and I lost my teeth through no fault of my own for medical reasons only. *Polident* have helped me along the way to keep my teeth in, keep them nice and white and give me the added confidence that they would not fall out.

Speaker: I want to tell you how much Abreva really and truly means to me. I have suffered from cold sores since I was a young teen and I am now 65 years old. My life has been plagued with cold sores that spread and covered my entire upper and lower lips. It was a horrid time. I cannot write a book here, so just let me say Abreva is a tiny little tube that has been huge in my life.

Speaker: Now my headache starts small and then explode into full on migraines. I had no idea how to treat a migraine. And then my friend recommended Advil. I never turned to Advil before, but after taking my first one, I have never turned back. Quick relief that actually happens. Absolutely nothing else works. Thank you for honestly getting me back to living, but also making me a better mom so I can just be there with my kiddo without being in pain.

Back to live presentation:

We build superior brands via 5 levers

Franck Riot: As we leave lot of the thinking behind superiority, we identify five key levers:

- Science;
- Experience;
- Experts;
- Communication; and
- Execution.

These levers form our superiority framework. All are important, but for each brand growth initiative, we pick the levers that will make the most difference and then we double down. That way we build brand superiority. This is underpinned by our strong consumer and condition understanding and capabilities.

Building Superior Brands

Let us go deeper into each one.

Our world-leading science programme is multidimensional, designed to deliver health benefit to consumers through innovation, renovation, claims, as well as cutting edge ingredient and material research and science visualisation, to name a few.

Experience. Winning on key experience attributes is critical. This includes:

- Excelling in packaging design;
- Product sensorial; and
- Inclusivity.

Experts. Healthcare professionals such as dentists and pharmacists confidently recommend product when they have a good depth of knowledge about how our products deliver, ultimately leading to trusted recommendation for their patient.

Communications. It is all about lending our meaningful brand superiority through relevant, high-impact and memorable campaigns to drive awareness.

Lastly, execution, which is so critical. Supporting our brand with media, ensuring they are accessible, widely distributed and easy to find on shelf and online to convert awareness to purchase. You will hear more from Filippo on how we are doing that in pharmacy, a key channel for Haleon, which also demonstrates our capability with expert engagement.

Enough theory, Tamara. Let us bring this to life now.

Growth drivers: Three opportunities

Tamara Rogers: I agree, Franck. Let us get into how we are applying the levers of the framework to build the superiority that drives both brand and category growth for each of the three opportunities that Brian headlined earlier:

- First, by closing the incidence versus treatment gap across all of our categories;

- Second, innovation-led premiumisation to provide meaningful benefits and better health outcomes for consumers; and
- Finally, driving penetration amongst lower income consumers. By this, we mean all consumer groups outside of the higher income bracket.

The opportunity to close the incidence vs treatment gap

The incidence versus treatment gap is one that we see across all of our categories. We see a huge opportunity here. Let us take for example Oral Health. You have already heard Brian mention the opportunity in tooth sensitivity, where a third of people who suffer with tooth sensitivity treat, the rest of them do not. And in gum health globally, we know that 53% of adults suffer and experience bleeding gums, yet only 60% of them do not use a therapeutic product to treat those symptoms.

If we extrapolate this for Oral Health, it means that billions of people are not treating those issues. Closing just 10% of that treatment gap would see us double our Oral Health business.

Building the Therapeutic Gum segment with *parodontax*

Turning to p*arodontax*, our oral health brand, specifically designed to address gum problems. We looked to China. It is the largest gum health market in the world at 860 million in value, where around 70% of adults suffer from gum problems or poor gum health. This is almost double the incidence we see in European countries. Yet only 40% of sufferers are purchasing a specialist toothpaste for gum.

With the majority of the Chinese offerings only relieving symptoms not addressing the actual root cause, we saw a fantastic opportunity to bring our clinically-proven treatment for gum problems to this market. We launched *parodontax* there very recently.

We will now walk through how we are unlocking this opportunity around the world using the three superiority levers most meaningful to build *parodontax* competitive advantage. These three are science, experts and communications with consumers.

Franck Riot: First is science. Recognising the high prevalence of gum issues, we knew that we had to continue our focus on efficacy and demonstrating our meaningful superiority. We have run a number of studies, and the latest study demonstrates clear superiority of our unique sodium bicarbonate formula versus the regular toothpaste with a 2.5 times greater reduction in gum bleeding.

Clinical results like this do not just live in our labs. They support superior claims that persuade the consumer to purchase. Recent data shows *parodontax* not only treats but reverse gum problems. We rapidly leverage this powerful claim adding it to our packed as you can see here, strengthening the overall proposition. As a result, we have created a powerful product range supported by differentiated set of claims. This is already used by 44 million consumers to solve their gum issues.

Now let us look at experts. Consumers tell us that the product recommendation from a healthcare professional is the biggest influence on their likelihood to try *parodontax*. Knowing that new scientific data is extremely meaningful to dentists, we focus on demonstrating our superiority with this expert audience.

We have recently conducted a new study, in fact, a first of its kind in the world on *parodontax* efficacy against plaque, a major cause of gum problems. I am going to share with you a visualisation for experts that demonstrates this superior plaque removal. You will see plaque which is described as a biofilm. Let us see what they see, the science in action.

It is an extract of a film our dental reps used when discussing *parodontax* on their daily call.

parodontax video:

Speaker: Treatment with 67% sodium bicarbonate, was shown to remove the soft upper layer of biofilm, resulting in a 40% reduction in bio volume. Repeated treatments softened the remnant biofilm matrix, resulting in an 80% total biofilm volume reduction, contributes to the clinical results seen for *parodontax* 67% sodium bicarbonate toothpaste.

Back to live presentation:

Franck Riot: What this shows is we significantly improve gum health markers for patients with gingivitis from just three weeks of use. As a result, we are the number one recommended brand for gum problems in the key markets of France and Italy.

Tamara Rogers: Now to communications. Knowing that so many consumers do not know how to treat their gum problems. We designed our communications to really clearly demonstrate the superiority of *parodontax*, using a very distinctive character to build stand out, difference and memorability. *parodontax* challenges consumers to find a better way.

parodontax advert playing

The idea also works brilliantly in social formats.

parodontax video from social media playing

This communication programme is running in all of our top markets, and within the first year has seen us make big gains in awareness and increasing our brand strength And we recorded record shares across the last three years.

To summarise this one, the focus on meaningful superiority from the three levers of science, expert and communications has delivered excellent results, unlocking that incidence versus treatment gap opportunity for consumers with gum problems.

We have achieved over a decade of above category growth. We have increased penetration with growth in 80% of our measured markets. In our EMEA heartland, 73% of the gum category growth over the last year was driven by *parodontax*, growing both our brand and the category.

And we are fostering premiumisation with 35% of new users to *parodontax* in the UK and in the US, having traded up from regular toothpaste.

Driving growth through innovation led premiumisation

Now on to innovation-led premiumization, the second of our growth opportunities.

Now we are confident that our innovation-led premiumisation across all of our categories will continue to be a valuable source of growth for us based on the macro trends that we see. Modern living, strained healthcare systems, the consumers desires to more proactively manage their own health. All these things mean that many consumers are seeking more than just the basic solutions.

The fact that we already do premium is another one for believing. In our six categories, we are weighted to the 120 price index market segments. Our capabilities in insight and trusted science ensure that we deliver the very best to consumers, resulting in our premium ranges being worth paying more for.

Improving the consumer experience with *Otrivin*

Let us focus on Respiratory and *Otrivin*, and specifically nasal decongestants, where we know that there is an opportunity for innovation-led premiumisation.

In our key markets, an incredible 65% of the population actually suffer from nasal congestion, yet only half of them treat at the source of the issue with nasal sprays. Our nasal decongestant, *Otrivin*, is already the clear leader in the category, but insight revealed that some people were put off from trying this format due to discomfort, with 66% of consumers noting that traditional sprays felt like a jet to the back of their nose. We heard this, and we chose to unlock growth through premium innovation by doubling down on the meaningful superiority framework levers of science, experience and communications.

Franck Riot: Let us start with science. *Otrivin* superior speed of treatment compared to existing over-the-counter pills is a great example of focusing on what matters most to consumers. Building from the core products efficacy, the team delivered a breakthrough fine mist applicator via a patented design to address key consumer pain point, achieving a gentle and comfortable mist experience, whilst retaining superior efficacy. Let me bring it to life for you.

<u>*Otrivin educational video plays*</u>:

Speaker: *Otrivin* New Nasal Mist. Nasal congestion is described by patients as a reduced ability to breathe, and it negatively affects quality of life. Nasal congestion is characterised by dilation of the blood vessels and swelling of the mucous membrane. *Otrivin* New Nasal Mist provides a comfortable, fast, and long-lasting relief from nasal congestion by reducing vasodilation. *Otrivin* New Nasal Mist is applied topically to the nose and comes out as a gentle, fine mist, reaching wide to the inflamed or swollen areas in the nasal cavity, which are typically affected by common cold, allergic rhinitis, and rhinosinusitis.

<u>Back to live presentation</u>:

Franck Riot: We also run a real-world evidence study capturing feedback from consumers, which demonstrated important quality of life improvement and particularly in sleep and vitality from the first day of use. By doing this, we double our weekly average recommendations from pharmacists in our core market, and we are able to support meaningful claims to bring to life benefits for consumers.

Now moving to experience. We built an innovative and consumer preferred experience by leveraging a combination of internal experts across sensory, product and packaging development to develop a world first mist applicator.

The new packaging releases a comfortable fine mist without any drip at the back of the throat. This brings a world first one squeeze of button actuator, easier for everybody, and support inclusivity for people with dexterity issues, and a shorter nozzle which is less invasive of the nose, much more acceptable to convert non-users of sprays. As a result, we have improved the consumer experience and are driving penetration. For example, achieving between 7% and 10% increases in Poland and the United Kingdom.

Tamara Rogers: Those penetration increases are really significant.

Now to communications. With such a great product and great scientific evidence, we were able to create superior quality of life claims and highly memorable communications that celebrate just how much better the usage experience really is. Let us take a look.

Otrivin advert plays:

Nasal sprays can feel like this. Say goodbye to spray struggles with brand new *Otrivin Nasal Mist*. It's more comfortable for your nose because it's not a blast, it's a mist. And it unblocks in 2 minutes. So you can feel like this. Breathe your best with new *Otrivin Nasal Mist*.

Back to live presentation:

This has been really effective advertising that is built our difference. At the same time, we gave the brand a powerful new visual identity, unpacking across all consumer touchpoints. We drove clear communication of strong claims supported by that real-world evidence, and launched a new brand architecture, which really stands out and enables consumers to navigate. They can see the benefits of the different variants.

In our research markets, we have seen these increases in findability by 42% and purchase intent is up by 8%, helping to support trial and the lifts and penetration that Franck just shared.

In summary, we have lifted the superiority of *Otrivin* with the premium innovation, which has delivered outstanding results. Seven markets have launched our nasal mist in 2024, and we are rolling out to more markets. We are growing our market share where we have launched this superior experience, and we are holding share in those markets where we are yet to launch.

Our initial results show it is working. In the early launch markets of the UK and Sweden, we are bringing new users into *Otrivin*, with more than half of them being first-time spray users.

Growth through unlocking lower income consumers

Franck Riot: Finally, to the third growth opportunity, driving penetration amongst lower income consumers.

Today, our penetration is rated to the highest income band at around 30%. If we look at lower income bands, and particularly in emerging markets, we see a significant penetration opportunity as our reach is about half of that. We also know lower income consumers are looking for products they can trust to deliver real health benefits that are readily available and come at an affordable price point.

We have delivered again these needs historically, with brands including *GrandPa* and *ENO*, and see Haleon as well positioned to deliver even more widely across our brand portfolio.

In VMS, half of the world's population are micronutrient deficiency, and two billion of those suffer from deficiency related conditions and primarily in emerging markets. For our specific example, we are going to focus on Brazil. The category is already huge in Brazil and growing at 6%, but with a category currently only reaching a quarter of households. Low-income consumers account for over 70% of the population. Incredibly, two out of three Brazilians have insufficient daily nutritional intake, yet an incredible 81% are trying to improve their health.

Reaching new consumers with *Centrum*

Centrum is a well-known and desired brand in Brazil. But 31% of consumers felt it lacked relevance for them, and 40% said pricing was an issue. As a result, category penetration is low. So an amazing opportunity to grow with the right proposition.

We knew we needed a tailored, consumer-led answer and focused on the key levers of science and execution. Starting with science, we use our understanding of nutrition deficiency from a study of more than 30,000 Brazilians to create *Centrum Essencial*, a product specifically formulated for the needs of the lower income Brazilian consumer, with the eight vitamins and minerals most relevant for this audience.

First launch in 2023, swiftly followed in 2024 with single dose effervescent powder that brings a different experience and deliver against Brazilian top two most wanted benefit of immunity and energy in a very convenient and portable format.

Tamara Rogers: Moving to the all-important execution. This launch is a great example of delivering superiority to a specific audience. To ensure that we made the brand relevant, real care was taken with superior execution in two ways. First, an absolute focus on affordability, hitting a key accessible price point, significantly lower than the regular *Centrum* adult price from the number one multivitamin brand in Brazil.

Secondly, we really focus distribution on the retailers that specifically target lower income consumers so that we were offering what these consumers need, where they want to shop. And having a trusted brand such as *Centrum* creating tailored offerings at compelling price points has enabled relationships with new distributors, and we have created new brand, brand new listings in 5,000 incremental stores. That is a meaningful increase to brand distribution.

What are the results that we are seeing here? Well, these products are already driving penetration, with 50% of volume growth coming from new users to the multivitamins and minerals category. The launch of those new effervescent powders continued this positive moment with 70% of users in the first six months also being new to the brand.

This range is helping *Centrum* to build its market leadership position and achieve its highest global share in the last three years. This is just one great example of how we are unlocking penetration growth in a new audience. We will extend this as well as other successful launches designed for lower income consumers across the categories to more markets.

Our approach is underpinned by our unique capabilities

We have shown you three examples of how our capabilities of consumer understanding and trusted science ensure that we build superiority. They also demonstrate how we are unlocking that growth headroom through:

- Closing the incidence versus treatment gap;
- Innovation-led premiumisation; and
- Lifting our penetration amongst lower income consumers.

We will continue to apply this approach successfully, building superior brands and driving our growth momentum going forward.

Developing our unique capabilities for future growth

Franck Riot: Talking about the future, Tamara, it is essential that we continue to leverage our strengths and raise the bar on our capabilities to sustain our position and deliver growth. We are going to cover five key capabilities, which we are continuously strengthening to ensure we are sharp for tomorrow as well as today.

We will start with technical mastery. We are investing around £200 million in new cutting edge R&D facility, and many of which are unique to Haleon, fast increasing state-of-the-art prototyping suites and labs for mastering ingredients, formulation or bioactive, as well as exponential spaces for direct interaction with consumers, which will ensure we continue to deliver pioneering innovation with even greater technical agility and speed to market.

Moving to regulatory excellence. Our regulatory excellence is world class. We continue to advance this so we can shape the future of healthcare policy and regulation and innovate with new digital solutions, as well as continuing to actively support product licenses already in place for our portfolio in this complex and ever-changing regulatory environment.

For example, in China, we secured a direct approval of our *Voltaren 2% gel* as an OTC classification rather than needing to be prescription status first. In my opinion, our regulatory excellence and data-first approach enables this saving years of time versus a typical regulatory process.

Superior evidence generation. Science is at the heart of our brands and we are going to continue to invest here, but in new and digital ways. In addition to our high-quality clinical study, we will be expanding those we do with consumers in a real life setting. Known as real-world evidence studies, they provide robust insight into both usage and quality of life benefits of our products. This allows us to unlock meaningful, superior claims that ultimately drive recommendation and purchase.

Tamara Rogers: Now, looking at partnerships. Partnerships are a key way of how we are building superior brands now and into the future, extending our knowledge and our authority across multiple stakeholders in the industry.

Our launch of the Haleon Pain Management Institute is a good example here. It is a body of multidisciplinary experts working to deliver education and skills development for frontline healthcare professionals and really building scientific credentials through research and partnerships. These kinds of partnerships builds trust in Haleon and positively influences recommendations.

Finally, future-fit marketing. Because it is not only about continuing to do good work, it is also continuous improvement in how we do it too. Smarter work with tech and data adds value. We are doing this in lots of ways already, and I am particularly excited about our growing use of data signals that informs our media activation for our seasonal businesses.

For example, adjusting spend real time as the incidence of cold and flu rises or falls. Our data capabilities are also growing in AI, of course, where we have trained our enterprise AI platform to speed up innovation. We are already seeing that accelerating ideation on new products and claims for brands like *Voltaren*, *Centrum* and *Panadol*.

As you will hear from Dawn later, our marketing capabilities are underpinned by sustained, strong levels of A&P, with ever more focus on making it work harder for us.

So never a dull moment, is there, Franck? Do you want to wrap up this section?

Our Superior Brands drive superior growth

Franck Riot: Indeed, Tamara. That is just a whistle stop tour of the evolution we are leading, taking our existing strengths and stretching them further. We are set for the future growth generation.

In summary, we have shared that we have a fantastic portfolio of brands and operate in six attractive categories, and we see promising headroom for growth in each. We have a clear track record in driving sustained performance in consumer healthcare and in these categories. We have our own approach to building superior brands that deliver growth. We serve 1.5 billion consumers today with the ambition to add one billion more. Lastly, we are committed and energised to continue advancing our capabilities.

With that, let me on hand over to Filippo.

Winning in Pharmacy

Filippo Lanzi

President, EMEA, LATAM, Haleon

Driving our Superior Brand strategy

Thank you, Franck, and hello, everyone. I am Filippo Lanzi. I am President of EMEA & LATAM region since 2021. You have heard from Tamara and Franck about how we are putting health in more hands through our superior brands. They talk about five levers.

A compelling leadership position in pharmacy

What I am going to do now is to focus on two of these levers, specifically expert and execution, and how they will combine help us winning in pharmacy. I am going to leave you with three key messages.

Message number one, pharmacy is a critical growth channel for consumer health and also for Haleon. Second, pharmacy is a lot more than just a sales channel, as it is expert driven channel, where recommendation of trusted health products matters.

And third, Haleon has what it takes to keep outperforming in this critical channel. When I say that, I mean that we have a strong footprint and route to market. We have distinctive assets which are focused on shopper experience, category growth and pharmacist education.

Finally, we have a clear plan to further enhance these capabilities, leveraging AI and technology and also to scale them globally.

A critical, complex growth channel

Let me start by explaining why the pharmacy channel is so relevant for consumer health and for Haleon and I will start by giving you a sense of scale.

Today, there are around 3.6 million pharmacists globally working across more than two million point of sales. Combined, they account for around 75% of global OTC and VMS spend outside of the US. It is a growing channel, but it is also very fragmented. In fact, around 70% of the pharmacies are independent stores. This clearly requires a very different approach to how we work with mass market, which we have successfully developed over time.

A strategically important channel

And as I said before, pharmacy is much more than just a sales channel. Pharmacies are considered a first point of care. Very often they are compensating the gaps in the public healthcare systems, which is largely down to convenience. As an example, about 80% of the European population lives within minutes from a pharmacy.

Pharmacists very often act as healthcare provider, providing advice to consumers, which then translates into purchase through recommendation. In a study we have conducted in key markets, when a pharmacy recommends a product brand to a consumer, between eight to nine consumers out of ten go on with the purchase of the recommended brand. This gives us a really great platform to capitalise on our superior brands that Tamara and Franck talked about before.

Haleon is uniquely positioned to win in pharmacy

Within this context, Haleon has a winning and also unique competitive advantage in the pharmacy channel, which is based on three components.

Size. Haleon is the number one consumer health company in pharmacy globally, and we are very much ahead of our competitors. If we take EMEA, LATAM, for instance, we are almost twice the size of the next competitor and we are outperforming the market by 1.5 points in percentage.

Our geographic footprint and extensive sales force, with more than 4,500 reps, and more than 90% of distribution of our products means that we have a strong reach, and we are able to establish a direct interaction with pharmacists, which I believe is the foundation for our success.

Our distinctive approach to accelerate growth

In addition to this, we have developed a distinctive approach which is built on leveraging technology and science to accelerate our performance and stay ahead. Let me explain a bit more about this.

Our distinctive approach is anchored on three pillars for which we have industry-leading technology and programmes in place.

- First, we offer best-in-class shopper experience through a variety of tools and solutions;
- Second, we lead category growth via our execution programmes; and
- Third, we educate pharmacists with the right knowledge to leverage their recommendation impact.

I will talk you through each of these briefly now.

Best-in-class shopper experience: Shopper Science Lab

Let us begin with how we offer best-in-class shopper experience. Our approach here relies on how we generate shopper insight globally and translate them into our execution, capitalising on advanced data and analytics and industry leading tools.

Here, let me introduce you to our Shopper Science Lab, our world-leading insight facility across 15 major locations globally. Let me show in a second a video to bring our capabilities to life here. Many of these capabilities are bespoke to Haleon and unique in consumer health. You will also see that, in some cases, we have tailored features from mass market applied to the pharmacy channel with additional tools and customisation, which are specific to this environment. Let us see the video, please.

<u>Haleon Shopper Science Lab video</u>

Haleon's Shopper Science Lab is a global network of facilities, capabilities and cutting edge technologies that drive category growth in all channels with a particular focus on pharmacies. Our centres focus on three areas: category strategy, shopper insights, and customer collaboration to ensure we are at the forefront of transforming retail and pharmacy. They offer a suite of innovative, advanced tools. These are recognised by our customers, empowering them with robust data to inspire confident, data-driven decisions that enhance the shopper experience in both physical and online stores. Let us see some of our best-in-class tools used in pharmacies.

The Advanced Range Review Tool, ARRT, is a proprietary technology of Haleon. It optimises placement on shelves and predicts the commercial impact of changing the fixture, making it a strong favourite of our customers. Dragonfly AI is an AI powered eye tracking analytics tool that provides real-time analytics of immediate attention metrics. It is used in multiple platforms, from packaging to advertisements. SSL E-commerce Evaluation Tool, SEET, improves the presence of our brands in e-commerce platforms by enhancing online content and improving engagement quality. Augmented reality allows us to test point of sale materials in virtual stores. This experience helps optimise and offer a better shopping experience considering the real store environment.

Haleon's Shopper Science Lab Network stands at the intersection of leadership and innovation, enabling us to set new standards in retail and pharmacy.

Back to live presentation:

Best-in-class shopper experience: Consumer first messaging

Filippo Lanzi: Good. I think you got a good sense of these tools and programmes. Let us now move to the in-store engagement, where we have not only best-in-class visibility, but what I believe really differentiates us is the combined approach of driving the right communication, along with the key activations.

Let me give you a couple of examples here. We customise our in-store messages to help consumers navigating across the need states to coincide with the key moments in the year. For example, the winter period or Ramadan, or for a specific group of target shoppers, as we did for younger consumers during last year and this year, London Marathon.

Best-in-class shopper experience: Diagnostic tools

Now, to complement this, we also activate our brands through condition awareness initiatives in pharmacies with a variety of diagnostic tools that are unique to us. These include in-store tests for vitamin deficiency and dental plaque, our real, innovative tools that help us engaging with our consumers to help them understand their condition in a convenient way.

This is particularly relevant for how we engage with lower income consumers, where an in-store test is the most common engagement they can have with a healthcare professional. Take the UAE for instance. There we have helped 85,000 consumers define their vitamin deficiency last year through a simple three-minute test using our diagnostic tool and leading them to significant conversion to purchase. We are scaling this kind of approach across the entire Middle East and This year we are expecting to do more than three million tests in-store, triple the number we did last year.

Our Parodontax plaque test activation has also confirmed the positive conversion, because 62% of the people converted their plaque issue understanding into purchase.

Driving Category Growth: In-store execution programmes

Turning now to how we are driving category growth through our Haleon Perfect Store initiative. Perfect Store is our global in-store execution programme that focuses on category growth through driving:

- Assortment decision;
- Product placement; and

- Visibility.

It is a programme that is best-in-class and unique to Haleon in the pharmacy context. Currently, it is in place in around 30 markets in Europe, Middle East, Africa, Latin America and APAC. The number is growing. It involves us strategically investing our sales reps time for value-added activities, which drive category growth.

We are seeing actually great results in those markets where this has been implemented. For example, we had in Hungary 3% category growth ahead of what happens in other stores and 2% in Poland, and with the direct correlation with our market share expansion in both markets.

Now we are evolving Haleon Perfect Store through leveraging Next Best Action, which is an industry-leading technology which we are the first to use in the pharmacy channel. It is built on AI and it definitely takes execution to the next level through personalisation. This means that our rep can generate personalised plan and recommendation for each store using critical store level insights such as consumer demographics, display area in the store, and pharmacy purchase trends, which we expect to help driving further the category growth.

Today, we have already implemented Next Best Action in four markets in Europe. Very soon it will happen in India, and we are aiming at scaling this industry-leading solution globally by 2030.

Education and Partnership: With Healthcare Professionals

Finally, we are taking a distinctive approach to educating pharmacists to best engage with their customers. We have more recently enriched this with digital capabilities.

Haleon Health Partner, which is what Franck has shown before, is our best-in-class platform for our healthcare professionals. It is providing training, webinars, product information and patient engagement materials with great convenience. Haleon Health Partner leads the industry when it comes to scale and reach. It is live in 56 markets. We have nearly one million healthcare professionals registered, and we have now developed a customised version for pharmacists where we have almost 160,000 pharmacists registered to the portal, and we have doubled the registration compared to the year before.

To give you a sense of what it does mean in countries like Saudi Arabia or Pakistan, we reach 80% of total pharmacies through this portal.

A compelling leadership position in pharmacy

To conclude, I will go back to my early messages. Pharmacy is a critical growth channel for consumer health, and for Haleon. Pharmacy is a lot more than a sales channel, as it is driven by expert recommendation of trusted health products. Haleon has what it takes to keep outperforming in this critical channel.

Thank you. Now I am going to hand back to Brian.

Brian McNamara

CEO, Haleon

Thanks, Filippo. Thanks, everyone. Listen, we are going to take a break in a couple minutes. After the break, then we are going to rotate you through some small group breakouts, where we will go a little bit deeper into our categories in markets. But before then, I want to show you a short video on India and how it all comes together in India. India is clearly a key growth market for us as we look into the future. Let us play the video.

India Overview

Navneet Saluja

General Manager, India, Haleon

Welcome to India, a key growth market for Haleon. I am Navneet Saluja, and I have been the General Manager of our business in India since 2018. With a population of 1.4 billion people, India is set to become the world's third largest economy by 2030. India's consumer healthcare industry has grown rapidly in high single digits over the last five years. We have built a strong track record of growth, delivering a 14% CAGR over the last eight years, well above the market and with consistent share gains.

Looking ahead, we see a significant opportunity in this important market and Haleon is very well-positioned to outperform the market. To give you a bit of context, the landscape is extremely fragmented, with the top one million stores in the country making up almost 55% of the FMCG market. Haleon has established a strong footprint across multiple channels in pharmacies, traditional trade, modern trade and now e-commerce.

In the £3.8 billion consumer healthcare market in India, we are currently serving around 370 million consumers. Importantly, in 2023, we took distribution back in house from Hindustan Unilever, and in less than 12 months, we saw strong accelerated sales growth. In 2024, our volume growth was approximately twice that of FMCG industry. We are continuing to expand our reach across India, as well as doubling the number of healthcare professionals we engage with through our expert sales team.

Turning to categories. To bring to life the opportunity that you have heard about today, I will now share a few examples of what we are doing here in India. Let us first look at our Oral Healthcare category and *Sensodyne* specifically. We first launched *Sensodyne* in India in 2011. It has delivered strong and consistent growth over the last decade. India is now *Sensodyne's* second largest market. Importantly, we see lots of opportunity to drive growth through condition awareness among consumers, shopper engagement, science-led innovation and expert advocacy.

We are the number one dentist recommended brand for sensitivity in India. India is also the number one toothbrush market for *Sensodyne* globally, and we are leveraging *Sensodyne* equally to build a complete care regimen and toothbrush and toothpaste. There is also a significant lower income consumer opportunity for Haleon, where we are underrepresented today. For example, 40% of toothpaste volume sales in India are at INR20 or lower. This price point also makes it affordable to a large, lower income consumer base of India. We wanted to help more consumers with access to sensitivity relief.

We turn this concept into reality within 58 days, launching a *Sensodyne* INR20 pack to address this opportunity. And so far, it has been really well received. We are already in well over 300,000 outlets. We expect to reach 800,000 outlets by the end of 2025, and over three million outlets in the next few years.

Let us now look at *Centrum*. This we launched in India in 2022. We are following the well-established model, which we have used with *Sensodyne*, with driving brand penetration by building consumer conditioned awareness, and importantly, driving expert advocacy through science-backed superior claims. While it is early days, *Centrum* is already ranked the number one multivitamin on Amazon.

We are also meeting the needs of the lower income consumers through the launch of *Centrum Recharge*. It comes at a price point of INR10 per sachet, providing affordable solution and encouraging new consumers to enter the category.

Finally, let us turn to our antacid brand, *ENO*. It is fast-acting, getting to work in six seconds, making it a very differentiated consumer proposition. Priced at INR10 per sachet, more than one billion sachets are made and sold every year in India, making it the most distributed antacid brand here. *ENO* is a brand built on culturally relevant advertising and efficacy. We will continue to expand this category by promoting a scientifically backed, innovative formats and ingredients versus home remedies.

To conclude, we have a very exciting opportunity ahead for India. We will build on a superior brand positioning and grow categories we operate in. Thank you.

Driving growth in Vitamins, Minerals and Supplements

Keith Choy

President, APAC, Haleon

Susan Gu

General Manager, Greater China, Haleon

Vitamins, Minerals and Supplements China and Philippines video

Haleon and VMS

Keith Choy: Hello. I am Keith Choy, APAC President, leading the Asia Pacific region since 2019. Joining me is Susan Gu, General Manager of our Greater China Business unit.

Susan Gu: Hi everyone. We are in Suzhou at our Haleon China R&D centre, one of six hubs within the Haleon Group, which supports China's unique consumer needs with deep market knowledge and superior science. Our manufacturing facilities are also here for Vitamins, Minerals and Supplements brands, that is our VMS brands like *Centrum Caltrate* for China and other markets.

Clear strategy for driving growth

Keith Choy: Today, we are here to talk about VMS strategy in action across various Asia Pacific markets. As Tamara and Franck mentioned, Haleon is the global leader in VMS with a strong position across multivitamins and calcium. We have a world-class portfolio of VMS, brands and a clear view of headroom for growth, which we are pursuing by closing the nutritional gap, serving lower income consumers and expanding into premium benefit spaces. Let us bring this to life for you with three examples. Over to you, Susan.

China: Closing the incidence vs treatment gap

Susan Gu: Thank you, Keith. In China, the population is aging and over 90% of people have inadequate calcium intake from their daily diet. This is a major risk factor for osteoporosis and a real opportunity to close the nutrition gap. Over 50% of women aged 65 or older suffer from osteoporosis, but despite the high prevalence, awareness and understanding of the condition remain low, with calcium supplements only having 20% penetration in China. So we have taken proactive measures to drive condition awareness.

We provide free bone density tests, including for underserved populations in remote areas of China, and we are helping to increase condition awareness through our Bone Up China programme, working closely with government authorities and medical experts to establish a partnership ecosystem that focuses on driving the importance of bone health. Bone Up China has standardised osteoporosis prevention by introducing the first diagnosis and treatment guidelines, including the use of calcium supplements, and is in full support of the government programme, Healthy China 2030.

We are further expanding and scaling mobility in China by leveraging technology to drive condition awareness. With an AI-based mobility assessment tool, consumers can access this tool through WeChat, one of China's most popular social media platforms. We have built a category leading business with *Caltrate* in China, where number one in calcium supplement segment and our market share is over 1.5 times that of our closest competitor.

Caltrate building condition awareness

Keith Choy: We also see future growth opportunity by replicating this established model in other markets. For instance, *Caltrate* is the number one calcium supplement in the Philippines. However, there is still significant headroom to grow as over 75% of consumers are deficient in calcium. We are building the category, and we are at the initial stages of applying elements of the Bone Up China model.

Scaling the mobility category by leveraging technology

We are driving condition awareness of calcium deficiency during pregnancy, reaching up to 80% of gynaecologists in the country, highlighting the need for calcium supplements and providing bone density tests in clinics and in store.

Scaling the model to the Philippines

Now let us move on to our second example, which highlights how we are addressing the nutrition gap for lower income consumers by meeting their most relevant nutritional needs. In the Philippines, around 90% of consumers lack iron and folate, and over 75% are deficient in Vitamin B, Vitamin C, and calcium. This widespread nutritional deficiency is particularly concerning, given that 70% of Filipino families earn less than £500 per month and primarily rely on daily or weekly wages.

For these individuals, maintaining good, everyday health is crucial, as they rely on their ability to work every day to provide for their families. Addressing the needs of this audience is directly linked to our strategy to drive penetration. *Centrum* does this by consistently offering care that is never incomplete via its messaging in the Philippines.

It has multiple benefits across energy, heart, eye, and cognitive health, empowering daily wage earners to fulfil their many demanding roles and ensuring that they can continue to provide for their families. To provide this lower income consumer group with affordable offerings, our packaging enables selling single unit at a price point of approximately 10p, also allowing smaller neighbourhood stores, which are more accessible to lower income consumers with lower working capital to carry Centrum.

Advocacy and awareness are key parts of our approach. We reach out to over 7,000 general practitioners in the Philippines each month, representing over 60% of the universe of GPs, and have reached over 20,000 healthcare practitioners, including pharmacists, through convention, webinar and presentations. So far, this approach has been a success in the Philippines. Sales have grown fourfold over the past decade, and we have grown 8 share points between 2022 to 2024. We see this as just the beginning, given the low awareness of nutritional needs and the significant opportunity to serve a population of over 110 million.

We are also applying this model to India, where VMS penetration is low at just 12%. We have just launched *Centrum Recharge* with a price point of approximately 10p per sachet to provide affordable solution for lower income consumers to enter the category.

Now, Susan will share how we have premiumised *Centrum* in China through increased personalisation.

Innovation-led premiumisation in China

Susan Gu: In China, Centrum is the number one brand in the £1 billion multivitamin category, with a leading share more than twice that of our closest competitor. There is significant opportunity to drive growth in China through new premium benefit spaces. We identified an unmet need for more personalised nutrition solutions, specifically developed for certain life stages and benefits, unique to the Asian consumers.

Centrum growth with premium personalised solutions

In response, we launched the first designed for Asians daily nutrition pack tailored by age, gender and lifestyle. These products, known as *Centrum* Daily Kits or *Centrum* Daily Wellness Packs are priced at approximately six times the base Centrum range, allowing us to drive premiumisation of both the category and Centrum. The launch was driven by strong activation of digital commerce, including rapidly growing Douyin platform, China's version of TikTok, precisely targeting a premium audience. This enabled us to shape and drive the super-premium segment, which is growing over two times faster than the overall multivitamin category.

As a result, Daily Kits has been a highly successful launch, a key driver in *Centrum* growing nearly 2 share points in digital commerce in its first year of launch.

Scaling premium innovation to Korea

Keith Choy: We are rolling this out to new geographies. Recently, launching in Korea at nearly five times premium vs our base range. These kits now account for approximately 40% of our Korea DComm sales since launch.

To conclude, we have a clear strategy to drive VMS growth, which we are applying consistently to pursue the growth headroom in the category. We are enhancing our end to end capabilities, including AI and digital, to drive awareness and availability amongst a wide set of consumers.

So, that is our VMS strategy in action. We are excited about the future and thank you for your time.

Susan Gu: Goodbye.

Unlocking category and penetration growth in Pain Relief

Filippo Lanzi

President, EMEA & LATAM, Haleon

Charles Leslie

VP and Global Business Lead, Haleon

Pain Relief Italy, Pakistan, and Brazil video

Haleon and Pain Relief

Filippo Lanzi: Hello, everyone. I am Filippo Lanzi, President of EMEA & LATAM since 2021. You have heard from Brian how we have strengthened our category strategies and how under Win as One, we are leveraging our portfolio of superior brands.

Let us turn to Haleon's second largest category, Pain Relief and bring to life how we are capitalising on the strength and breadth of our portfolio through some key market examples which are scaling globally.

So Charles, over to you. Thanks, Filippo.

Clear strategy for driving growth

Charles Leslie: Hi. I am Charles Leslie, the Global Category Lead for Pain Relief. As you've heard, Pain Relief is an attractive category that is highly relevant to most consumers, with nine out of ten adults experiencing up to ten types of pain a year. We clearly see the opportunity to grow our share of the category.

We are going to do it in two ways. Firstly, driving real benefits and better health outcomes for consumers through innovating to broaden the range of consumer needs and formats we address; and secondly, driving penetration amongst lower income consumers. We have three great examples to bring this to life, which we are scaling globally.

***Voltaren* in Italy**

Filippo Lanzi: We have selected Italy for our first example, not only because I am Italian, but it is also one of the top ten pain relief markets globally with OTC spend at $85 per capita. It also illustrates how we have leveraged our *Voltaren* platform to address a wider range of consumer needs and preferences.

Voltaren is strongly positioned in Italy with consumers and highly recommended by pharmacists. *Voltaren* is also Italy's number one topical pain relief brand, built on its reputation as the back and joint pain expert. The bedrock of *Voltaren* is the powerful anti-inflammatory pain relief gel format. Having such a strong platform with *Voltaren* has enabled us to unlock the opportunity of going beyond medicated topical gel into new needs and formats to meet a wider range of consumer preferences.

Successfully innovating to deliver outperformance

As always, our starting point is the consumer need, in this case, both neck pain a significantly under-penetrated pain occasion, and speed of relief, which is the number one consumer priority when experiencing pain.

In response, we launch *Voltaren* Liquid Gel Caps, a systemic solution which is fast acting in treating inflammation. As a result, *Voltaren* systemics has grown close to double the rate of the market. We have also expanded our *Voltaren* patch range using a patented technology, which provides comfort and long-lasting relief for lower back pain, a frequent pain occasion. With its combination of superior science, proprietary technology and 24-hour consumer benefit, this new proposition has solidified our market leadership in medicated patches, leading to Haleon growing almost three times the market.

This approach to leveraging our pain relief brands is not unique to Italy or *Voltaren*, and we are successfully applying it to other markets across the world.

Let us now turn to another element of Win as One, increasing penetration with lower income consumers.

***Panadol* in Pakistan**

Charles Leslie: Pakistan is a great example of how we have already demonstrated our ability to grow *Panadol* profitably at a lower price point. Pakistan is home to 250 million people who are, on average younger, with a median age of 20, and have far lower OTC spend per capita compared to markets like Italy. But they are hard to reach, with over 60% of the population living in rural areas and with over 49,000 pharmacies.

Driving growth with lower income consumers

The average retail price per *Panadol* tablet in Pakistan is equivalent to 2p. That is around a 10th of the UK price. To drive penetration, we have increased engagement with both experts and consumers to establish *Panadol* as the most trusted pain relief brand in the market.

To give you an idea of the scale, our reach with healthcare professionals results in over 90 million recommendations of *Panadol* per year and given the limited access to doctors in rural areas, we have partnered with the government to support their outreach programme to access millions of homes across rural Pakistan. We have also rolled out Haleon's Pain Management Institute in Pakistan, where we are working with pain experts and the health authority to enable more education of the next generation of healthcare professionals.

And finally, through innovation, we have expanded our portfolio into a specialist range to further address unmet needs. All of this has accelerated *Panadol's* growth and strengthened our leadership in Pakistan, selling over five billion tablets annually, growing double-digit and ahead of the market.

Portfolio in Brazil

Filippo Lanzi: Looking forward, we are adapting this approach to other key markets, For example, Brazil, the fourth largest pain relief market in the world. 70% of the volume of the Pain Relief category in Brazil is at below the average price point and until recently, we did not address this segment at all, given our premium positioning here with *Advil* and *Voltaren*.

Leveraging the global platform

Lower income consumers in Brazil live fast paced lives, and to go through the hustle of daily life, they have no time for pain. To seize this opportunity, in March, we launched *Panadol* under the local brand *Sonridor*. *Sonridor* leverages *Panadol's* proprietary Optizorb technology, which disintegrates up to five times faster than regular paracetamol. We have positioned *Sonridor* at a range of affordable prices.

This approach will allow Haleon to expand *Sonridor* distribution to access a wider range of pharmacies that serve the lower income groups, leveraging the strength of our route to market. It is early days, but the response from the trade has been positive, which gives us confidence for the future.

Haleon at the forefront of Pain Relief category expansion

In summary, Pain Relief is an attractive category that is highly relevant to most consumers. Haleon is well-positioned as the clear global leader with a strong track record of growth, delivering a CAGR of 5.4% over the last three years, underpinned by an attractive portfolio of both global and locally relevant brands.

We will continue to leverage this portfolio and these learnings across different markets to drive penetration by meeting more need states, expanding into more formats as well as reaching lower income consumers. Thank you.

Consistently growing our US Oral Health business

Jayant Singh

Head, Global Oral Health, Haleon

Jason Milligan

Head of Expert, Haleon

Oral Health United States video

Clear strategy for growth

Jayant Singh: Hi, everyone. I am Jayant, and I have been leading Haleon's largest category, Oral Health, since 2019. As Tamara and Franck mentioned, Haleon is the global leader within Therapeutic Oral Health with strong positions in sensitivity, gum and denture care.

You've already heard about the opportunity we see to continue to drive growth in this category as part of our Win as One ambition. In our breakout session, we are focusing on two elements of this: firstly, closing the incidence versus treatment gap; and secondly, driving innovation-led premiumisation and we are bringing these opportunities to life by focusing on the US, which is our largest oral health market.

I am joined today by Jason, who leads our expert team in the US, and who also spent five years as the US category lead for Oral Health. Jason, over to you.

Haleon Therapeutic Oral Health in the United States

Jason Milligan: Hey thanks, Jayant. So let us begin with an overview of our US Oral Health business. Our portfolio centres on the *Sensodyne* franchise, which has consistently increased household penetration for nearly a decade with attractive market share gains. It includes the world's number one sensitivity toothpaste, as well as *Sensodyne Pronamel*, which is specially formulated to protect teeth against the effects of acid wear, and *Polident Poligrip*, the number one brand for denture care.

We also have a small but fast-growing business in Gum Health through *parodontax*, which Tamara and Franck talked to earlier.

Leveraging experts to close the incidence vs treatment gap

So let me take a moment to tell you about our first opportunity, how we are closing the incidence versus treatment gap through our expert engagement. As a result of our expert engagement, more than 40% of new buyers in the US cited expert recommendation as their number one motivator for trial.

Continuing to build expert advocacy with innovative solutions

So how are we leveraging and driving this? We have a strong reach with the US dental community, and we supplement direct office visits with our Haleon Health Partner Expert portal. The portal provides experts with condition education as well as patient tools and samples.

We have nearly one-fifth of US dentists registered on our expert portal, and importantly, registrants typically provide a higher level of patient recommendations. By demonstrating our trusted science, we are able to gain dentists' endorsement and support for the superiority of our brands. To give just one example, in a recent US survey, nine out of ten called on experts report that *Sensodyne* is highly effective.

Through the efforts of our expert sales and marketing team, *Sensodyne* is the number one dentist recommended brand for sensitivity relief, and *Sensodyne Pronamel* is the number one recommended brand for enamel erosion.

Premium innovation delivers consistent growth

We are now also using AI to enhance our go-to-market capabilities and strengthen our expert engagement. One example is our proprietary AI Salesforce tool, used by our reps for both training and for responding to dentists' inquiries. When our reps are in the field, they have real-time access to the superior science and the clinical data behind our brands.

We are also applying many of these same expert engagement learnings from *Sensodyne* to *parodontax*. A further benefit of our expert model is that we are leveraging our expert scale and our expertise with dentists to drive awareness for our other Haleon brands. Just one example of this is we are now detailing dentists across the country on *Advil Dual Action*, which is first in its category to gain the American Dental Association Seal of Approval for dental pain.

Early results. Since we began, this detailing indicated near 30% increase in recommendations for *Advil* amongst our called on dentists.

Now let me hand it back over to Jayant to talk about our second opportunity.

Superior Brand building with *Sensodyne* Clinical White

Jayant Singh: Clinical White has been particularly successful as it delivers on a significant unmet need for whitening of sensitive teeth. We know that more than 80% of sensitivity sufferers also want whiter teeth. Our formulation, therefore, is designed and proven through clinical trials to deliver two shades whiter teeth without causing sensitivity. Hence, our superior proposition of clinically proven two shades whiter teeth sensitivity protected.

This launch has also introduced new consumers to *Sensodyne*. We employ tailored marketing programmes to improve the relevance with younger audiences, and we extended our dentist testimonial campaign to social channels like TikTok and Instagram.

Lastly, the team utilised a novel claim around *Clinical White* being used prior, during, and after in-office whitening treatments to broader relevance with experts. Through these intense efforts, the launch of *Clinical White* has helped strengthen *Sensodyne's* number one expert recommendation position.

As I speak, *Clinical White* has so far been launched in 13 countries globally, with more due to launch. We will apply many of these learnings to our latest innovation, which we launched in February, *Sensodyne Pronamel Clinical Enamel Strength*, which is clinically proven to provide three times stronger enamel protection for more enamel conscious consumers.

Consistently growing our Oral Health business

In summary, *Sensodyne* has consistently driven growth in the US ahead of the toothpaste category over the last three years. This is underpinned by our extensive reach and strong relationship with dental experts, who are a key source of trial for our therapeutic portfolio, as well as our innovation-led premiumisation to satisfy existing consumers and introduce new consumers to our portfolio.

We are successfully deploying this repeatable, scalable model across our Oral Health portfolio globally, tailoring it to different market needs and reaching new audiences. This has resulted in our global Therapeutic Oral Health category growing at an 8.6% CAGR over the last three years. Thank you.

Optimising our Supply Chain

Namrata Patel

Chief Supply Chain Officer, Haleon

Introduction

Hi, everybody. Welcome back. I am Namrata Patel. I lead our Supply Chain and Procurement for Haleon. I would like to extend a really warm welcome to all of you for the supply chain session.

Just a little bit of background on me. I have worked in supply chain for 30-plus years across four continents. I joined Haleon in November 2023, and before that I worked for 27 years with Gillette and P&G.

Today, I am really excited to share with you the strides that we are making on Haleon supply chain, which is a key part of our wired for excellence strategy under the Win as One umbrella.

Focused on ambitious, measurable outcomes over next 5 years

We have ambitious goals, and we are confident that we will deliver these over the next five years. First of all, to deliver consistent customer service, 98% and plus, which is in line with best-in-class in the industry, delivering £800 million of gross productivity savings. This will increase our adjusted gross margin on average by 50 to 80 basis points per year in constant currency. And Brian already shared this.

Finally, 25% to 30% reduction in our inventory days compared to the 2024 base.

Building on our strong heritage

We are going to do all this by driving simplification and enhancing our processes and stepping up our operational excellence, as well as modernising and investing in our end-to-end supply chain. Dawn will share later how this is reflected in our overall value creation framework.

But before diving in and saying how will we deliver the ambition? I did want to take a moment to recognise our heritage.

Haleon is a young company, which is about three years old, but it has a very steep heritage and a long legacy of coming from world class organisations of GSK, Novartis and Pfizer.

Significant opportunity to address complexity and drive efficiency

We are proud of this heritage, which brings high standards of quality, rigorous compliance, and scientific excellence. These are not just skills, they are a culture. And that has been shaped over generations, which also gives us a bit of a competitive edge.

Today, we operate across 24 manufacturing sites with 16 unique manufacturing technologies like tablet making, which support our six categories. We also maintain an extensive contract manufacturing network, which you can see on the map with the black dots, which helps with our resiliency levels. The merger of three distinct supply chains has created and given us a little bit of complexity. For an example, we have many, many shipping lanes going to the same destination.

Room for improvement on several supply chain metrics

We believe that there are big opportunities to drive efficiencies in our network, in our products, in our processes and in our systems. Just to give you a little bit of flavour of what I mean, we have manufacturing sites that basically make the same products but in different ways. We have the capability and the capacity within our own network. So i.e. in-house, but we have overly relied on suppliers to make our products on our behalf.

Finally, we have skew and material proliferation. For an example, we have many pack formats for the same product which are only a few millimetres different so there is a lot of opportunity.

We have also taken the time to benchmark ourselves to say, well, what is best in class in the industry. On this chart, it is clear that we do very well in safety and quality. We have a little bit of opportunity to improve our service levels, but the big opportunity is in our cost and inventory, as you can see.

Our Ambition: Creating a world-class supply chain

We have got a clear plan addressing the gap and leaping forward at pace. We have four key pillars as part of our supply chain strategy:

- Immediate Accelerators, which will have more of a near-term impact, i.e. in the next coming three years;
- Operational Excellence, which will drive improvement in doing our daily work;
- Build for Tomorrow, this is focused on the more mid to longer term horizon, with impact starting to be felt from 2027;
- Full Potential People, this is focused on building the right capabilities to drive performance, as well as providing meaningful careers for our organisation.

All of this is underpinned by our fundamentals of safety, quality and stewardship, which we will continue to preserve and build upon.

Let me bring this to life by talking about our goals and give you some specific examples of the progress that we are making already, and we will make.

Immediate Accelerators

Turning to our first strategy of immediate accelerators. With the integration of the three companies, as I have said already, there is a need that we have to harmonise and to simplify the way in which we operate and the way in which we work. We are strengthening our foundations across systems, processes and capabilities.

Among the several programmes that you see listed here, I will deep dive into portfolio simplification and then I will briefly touch on planning and scale. This will hopefully give you a sense of opportunities that we are unlocking.

Let us start with portfolio simplification.

Simplify to Amplify (2025-2028)

Our approach is very clear. It is to simplify to amplify. We have a significant opportunity, as Brian already mentioned. We have an overly complex portfolio. We have 13,000 plus SKUs. We have 2000 plus formulations and an extensive variety of packaging specifications.

Last year, we spent some time analysing the sources of this complexity, and we developed a dynamic data queue, which is helping us to pinpoint the opportunities to go after. We are working hand in hand with our commercial teams, and we are putting the consumer at the centre of every decision we make.

Our goal is to reduce the SKUs, the formulas and the packs by 20 to 30% over the next two to three years. We are confident that this is possible. We already reduced last year 13% of the SKUs, and we have identified opportunities in reducing our formulations by 20%.

Our objective is to make this simplification optimisation an ongoing foundation for our companyand I will share with you a few examples.

Significant opportunities identified across our categories

On this slide, on the left-hand side you can see a small sample of our toothpaste portfolio. We are working to harmonise the packaging of this portfolio. These changes will be invisible to the consumer and the opportunities are significant. They range from around 20% to 40% reduction in packaging specifications.

This is unlocking a huge amount of capacity and efficiency in our manufacturing sites, as of course, it is giving us scale in our purchasing power.

Similarly, in the Pain category, our cartons are marginally different, as I mentioned, just by a few millimetres. We are working to harmonise all of our cartons. This will have a significant impact in reducing the changeover times within our production lines.

A story from our Levice site

So let me bring this further to life for you. Our Oral Health factory in Levice, Slovakia, is already benefiting from some of the simplification efforts the European business is driving. You are going to now watch a small video from Levice. That will showcase how simplification is helping productivity. You will hear the phrase OEE, and this stands for Overall Equipment Effectiveness, which is a measure of our asset utilisation, so the production lines and the production throughput. I am going to play the video.

Portfolio simplification video

Speaker 1 Monika: We have been focusing on complexity reduction over the past year with ambition to reduce our formulations by 30%, and we are now seeing the real benefits. Complexity reduction projects are important enablers that allowed us to improve OEE by 10 percentage points in 2024. Specifically, on D5, we reduced microscopes by 64%. After transition from curved to straight cream, the line is running with only 75%. This is a nice example of how complexity reduction gives us the ability to produce more and accommodate growth coming our way.

Speaker 2 Helena: It’s great to work on this line because it runs smoothly, and we are always enthusiastic to see the number of tubes we’ve produced at the end of the shift.

Speaker 3 Denisa: We’ve always wanted to simplify, believing it could make life better, but it never quite landed. Now for the first time we’re seeing a real shift. A difference that is not just visible but meaningful, supporting out wellbeing.

Back to live presentation:

Namrata Patel: I am really proud of what Levice has achieved. Not only are they achieving productivity, but they are also improving the organisation's well-being through this simplification. We are off to a good start. We know that simplification will require focus from the entire organisation, but we are confident that we will deliver. Simplification is not just a goal, it is a powerful opportunity for growth.

Enhanced planning and scale

Next, I want to touch on planning and our scale initiatives. We are rolling out an end-to-end new planning system and together with a unified sales and operation planning process. This will align our financial commitments with our demand and supply volumes as well as promotions and innovations. This is the cornerstone of our efforts to reduce our inventory levels by 20 to 30%.

We are also centralising some of our transactional activities within our shared service centres. This is about leveraging the scale that we have, as well as it will enable driving depth of mastery in that space. For an instance, Artwork was managed across 27 countries across the world. It has now being consolidated into three shared service centres, and it will be completed in the middle of this year.

Operational Excellence

I am going to now move to operational excellence. This is the second pillar of our strategy, and this is all about reinforcing a culture, where both quality and performance matter. With this, we are raising the bar on our daily execution of performance.

Shifting to a culture of quality and performance

We now have a quite an in-depth scorecard which measures literally everything across the supply chain. Here I am just sharing with you some of the key metrics that we have, along with the goals that we have set ourselves over the five years in the green, and also what we have already achieved in the grey.

We measure performance of our production through OEE, as I just explained. Last year we improved the OEE globally by 12 points. This is 26% uplift. The progress will continue to happen and it is a key enabler for freeing up capacity which allows for growth. It allows to in-source expensive volume that we are getting made outside.

Our core output measures of service, cost savings and inventory, which obviously helps deliver cash. All of these are enablers for total shareholder returns. We are making great progress in these areas, and we have ambitious goals that we have set ourselves in order to be best-in-class.

A story from our Dungarvan site

Let me share how this focus on driving performance and compliance is making a difference in one of our biggest operations sites. This is Dungarvan in Ireland, and it makes *Panadol* and our denture care fixtures.

During the last year, 2004, Dungarvan increased their OE by 12 points as well, coincidental. And this, together with loss elimination programmes, has led to a 50% increase in cost savings. Also, a 20% reduction in inventory days whilst delivering 98% plus in service levels.

Finally, delivering our products with the best quality. This is a great start, and we have these kinds of efforts across our entire network.

Unlocking competitive advantage in procurement

Operational excellence is end to end. It is it is not just about the factories and we are also working this with our suppliers to achieve similar successes. We have worked to reduce our proportion of single sourced materials and our raw impact materials.

Today, we source about 87% as multi-sourced and this is obviously a great enabler for resiliency. Our goal is to get to 90-plus in the coming years. Also, we are building stronger and strategic partnerships with our suppliers. This is to co-develop innovations and technical solutions which not only enhance product superiority, but it also helps to deliver savings. Last year, 17% of our savings that were generated were through these collaborations.

And finally, we are changing our operating model and this is, again to leverage scale of our shared service centres and what we are doing is we are moving smaller spend pools out to the shared service centres and we will invest in AI and digital solutions to make this happen. This transition also helps to materially increase the amount of spend each one of our buyers manages.

Running a responsible business is part of our daily operations

As part of operational excellence, running a responsible business is our daily job. Our core values of upholding our environmental promises towards sustainability and the commitments that we declared three years ago are on track. We have achieved 50% reduction in our Scope 1 and 2 carbon emissions compared to the baseline of 2020.

We are also using a 100% renewable electricity across all of our manufacturing sites, and half of our sites have the Alliance for Water Stewardship certification. We are making solid progress in sourcing our ingredients responsibly and making our packaging recycle ready by the end of this year, which is part of the overall goal of making our packaging recycle and reusable by 2030. We are really committed to track our goals and deliver them and as I said, this is part of our daily work. It is not a separate programme.

Build for Tomorrow

Now I am going to move to build for tomorrow. This is the third pillar of our supply chain strategy. Here, we are transforming our global supply chain to address the mid to long-term needs of our business, including investments to serve key markets such as India and China.

Build for Tomorrow - 'Leapfrog' into the future

We are building a future proofed supply chain network, which ensures that we have resiliency and scale, and builds technical mastery as well as innovation. This map illustrates the intended presence in our growth markets such as China, India, as well as it showcases our future network, which is leveraging scale by implementing multi-category manufacturing sites that are represented in the round circles with the nice colours.

With this revamped network, our plan is to increase the amount of production we make in-house to 70% to 80%. And this is a significant cost saving. We are also in parallel working to establish strategic partnerships with our contract manufacturers, which will enable us to have access to technology platforms that require specialised expertise.

Resiliency is clearly key in the supply chain. Having come out of a pandemic and now facing significant tariff challenges, we want to make sure that our network will be set up to take account of these eventualities. Today, over 80% of what we produce is localised within the regions that we serve. This is a great advantage, and it further helps to mitigate from the forex volatility.

Our goal with build for tomorrow is to leapfrog our supply chain to be more competitive and resilient and customer focused. This transformation will redefine the look, the feel, the performance of our supply chain, while enabling future readiness. So I am going to share a few areas we are working on to achieve this reality and the visual will show the different concepts. We are assessing opportunities to simplify and unlock scale in our network by establishing multi-category sites.

Leveraging standard manufacturing platforms. To manage our cost base what we are doing is we are moving at pace, whereby adopting local solutions and global solutions for standardisation and building technology platforms. We are also establishing on site or near site supply of villages. This is where some of our suppliers for materials and packaging will be co-located with us. This obviously helps to save costs. It drives down inventory and it helps build more resiliency.

Innovation is at the heart of everything we do. So, to enable this we are establishing what we call lighthouses in a few of our sites. Lighthouses are aimed at building in depth mastery for material and production across our categories. We will house technology experts there as well as equipment for testing and development. Complementing that, we are also building supply chain innovation centres, and they will be co-located with some of our facilities as well.

This is about building the future supply chain technologies, partnering with external experts, things such as the next generation of robotics or new sustainability requirements. To drive the supply chain customer value creation part, we have partnered with Gartner to develop a blueprint to drive common score carding with our customers, building the joint loss elimination methodologies.

We have already started the work to drive mutual benefits in areas such as transportation. A major part of these changes that I have just mentioned will leverage automation and robotics.

Automation & Robotics

To give you a flavour of the progress that we are already making in automation and robotics, and what we have planned in store, I am going to share with you a short video to bring this to life.

<u>Build for Tomorrow video</u>

<u>Back to live presentation</u>:

Namrata Patel: Today, we have a need to heavily digitise and automate and I have shared some of the work that we have already started to do.

We are reimagining our sites

Overall, the build for tomorrow programme is an investment in our future, and we are shaping our supply chain that is far more competitive, resilient and customer centric. This programme, which is more capital intensive than what I have shared already, will ramp up more heavily in the middle part of our five-year horizon. This is intentional that this is taking a phased approach, and it ensures that we maximise our asset utilisation as well as we finish our simplification efforts to focus on the right portfolio.

Overall, the CAPEX as a percentage of our revenue is expected to increase from 3% to 4% over the next three to five years. And Dawn will share more of this on our capital spending profile.

Full Potential People

The fourth and final pillar of our strategy is, of course, our people. They are at the heart of everything we do, and we are very committed to building capabilities and creating meaningful long-term career paths, which will position Haleon as an employer of choice.

Full Potential People

It is important to me to build a strong organisation, which is energised and has a depth of mastery to deliver and sustain great results. Equally important to me is the well-being of our organisation.

Let me share some of the things, exciting things that we are putting into place as part of developing our people. Firstly, we are strengthening the technical expertise and leadership skills that we have, and we have a large organisation across the supply chain. We have developed training calendars and modules to make sure that we drive the depth of mastery and across our seven disciplines in supply chain, a discipline is an area like purchasing or manufacturing or quality.

We have designed a qualification process, and we are providing hands on training, as well as workshops to make sure that each employee develops. Each employee will undergo a minimum of ten learning sessions annually, dependent upon their level and need.

Secondly, we are broadening our recruitment strategy. This is aimed at attracting talent with deeper digital and analytical skills. It is my goal to have 20% to 30% of our junior to middle managers with this skill set in the coming three years.

Thirdly, we are establishing engaging learning centres on our sites. This is to bring the consumer in and build a knowledge bank for our people on our products and how they help. Our goal is to drive a positive engagement level as well as well-being, which will bring to life our purpose to deliver better everyday health with humanity.

And finally, by streamlining all these things and driving automation and driving digitisation, we are freeing up quite a lot of time that our people spend on manual tasks and so on, repetitive tasks. This is allowing us and will allow us to train our people to do more meaningful and impactful work.

We have got a short video from some of our people from around the world to share how they are feeling with the new strategies.

<u>Reaching our full potential video</u>:

Yanga Mabhanga: I am Yanga Mabhanga from the Cape Town side. Over the past year, we introduced the operator training manual, which focuses on upskilling the operator and reducing our change over time. I am proud of this innovation and its impact in improving the operator skills. Together, we are delivering stronger results.

Laci Webel: Hi. I am Laci Webel from Lincoln, Nebraska. I am an operator on the Theraflu pouch lines. In the past six months, I have been a part of an autonomous maintenance event where we identified key processes on our lines to help decrease stops. Since then, we have increased our overall equipment effectiveness by 10 percentage points. I am proud of the team that I work with and we are excited to deliver stronger results.

Xu Wen: Hello, I am Xu Wen from China. Over the past year, we have focused on reducing machine stops, improving Overall Equipment Effectiveness (OEE) by 11 points, and advancing automation and digitisation. These efforts have not only enhanced our efficiency and reduced costs but also made our work easier and more enjoyable. As a result, we now have a better quality of life and improving wellbeing.

Wilfredo Serrano: Hi. My name is Wilfredo Serrano and I work in the emergency packaging area. As part of our company's new strategy, my colleagues and I received training to improve equipment maintenance and enhance overall efficiency. This effort has transformed the way we work. Our processes are smoother. Downtime has been reduced, and we are seeing real results. I am proud to share that we are running at the highest productivity the line has ever had. Operators feel more confident, empowered and motivated to keep improving and give their best every day.

Back to live presentation:

Focused on ambitious, measurable outcomes over next 5 years

Namrata Patel: So, to close, we have over the next five years, I am going to be really busy and I will be highly fulfilled. We will improve our customer service levels to be 98% plus in line with best-in-class. We will deliver the £800 million worth of gross productivity savings that will help increase our adjusted gross margin by 50 to 80 basis points per year at constant currency. And finally, we will reduce our inventory days by 25% to 30% versus our 2024 baseline.

I am really proud to be a part of Haleon, and I am really proud of my organisation. It is an exciting and meaningful time, and I look forward to engaging with you later to hear your thoughts.

And with that, we are going to go to a short break for 15 minutes, and then Dawn will take the stage. Thank you.

Leading Value Creation Framework

Dawn Allen

CFO, Haleon

Introduction

Hi, everyone. It is left to me to bring the session home. A few of you have said to me, are we leaving the best till last, Dawn? Let us see how this goes. It is great to see you all today. Yesterday, we talked about the near term, where we shared our solid Q1 performance and today, our focus is looking ahead and focused on the medium term.

Unlocking our full potential

We have set ourselves an exciting ambition to unlock our full potential. Over the course of the afternoon, you have heard from my colleagues about the exciting opportunities for Haleon. What I am going to do is to pull everything together to show how this translates into our new value creation framework.

You heard from Brian about the opportunity ahead. Our ambition is to reach one billion more consumers by 2030 and deliver industry leading returns, by driving continued top line growth, by growing our operating profit through leveraging gross margin expansion, and through continued evolution to be a more agile and performance-focused organisation.

Proven track record of performance

We start from a very strong position. We have delivered industry-leading organic sales growth, at least in line with our 4% to 6% target. We have generated strong free cash flow. We delevered faster than expected from 4x to 2.8x. And we returned around £1.5 billion to shareholders through a combination of dividend and share buybacks.

This strong financial performance demonstrates our ability to deliver on our commitments while building a platform for sustainable future growth.

Adjusted operating margin improved 80bps before FX, while adjusted EPS grew 5% CAGR pre-standalone impact

But we believe we can and should do better, especially in the area of operating leverage. Over the last three years, we have delivered an increase in adjusted operating margin of 80 basis points at constant currency. But this performance has been adversely impacted by the drag from foreign exchange.

The net result is that our adjusted operating margin has declined 50 basis points, and our adjusted operating profit has been broadly flat in absolute terms at £2.5 billion. Despite this drag, and excluding the standalone impact from demerger, our EPS CAGR has been 5% due to reductions in annual net interest costs, non-controlling interests and reduced share count through share buybacks.

Moving forward, delivery of consistent operating leverage through the P&L is a key priority for me.

Investment case: Generate industry-leading shareholder returns

Stepping back, why is Haleon an attractive investment case? We are the leader in a global market of about £200 billion. We operate in attractive, resilient categories underpinned by long-term consumer tailwinds growing at around 3% to 4%. We have a diverse geographic footprint.

We have an exceptional portfolio of superior brands and leading capabilities in expert pharmacy channel and science and we have consistently grown volumes and taken market share.

Our leading value creation framework

Our updated value creation framework has three components:

- Operating leverage from top line growth;
- Strong free cash flow generation; and
- Disciplined capital allocation.

We have plans in place to deliver against each of these components and we are disciplined and consistent in our assessment of performance KPIs.

To help drive performance, remuneration is linked to all key levers of value creation:

- Revenue growth;
- Operating profit;
- EPS; and
- Cash metrics.

You will see many elements are unchanged from our current framework. The key shifts are:

- A step up in our profit guidance to high single-digit adjusted operating profit growth at constant currency, underpinned by gross margin expansion. This reflects our ambition to leverage strong revenue growth to drive operating leverage more consistently to the bottom line;
- Stronger free cash flow generation, underpinned by laser focus on working capital improvement; and
- A disciplined approach to capital allocation that balances shareholder returns with value enhancing bolt on acquisitions.

Leveraging global leading positions to outperform

Let me start with organic revenue growth. As Tamara and Franck outlined, there is substantial headroom for future growth across our categories. We will unlock this by driving health in more hands through our superior brands and leveraging our strong geographic footprint.

Currently, around two-thirds of our sales come from developed markets, where we will continue to drive core penetration and premiumisation through innovation, as well as leverage our route to market strength in pharmacy. In emerging markets, we have achieved double-digit growth over the past three years.

We will unlock category growth and drive penetration by closing the incidence versus treatment gap and broadening our reach to lower income consumers. We will continue to focus on key markets such as India and China, as well as accelerate performance in the US. These strategies will lead to a balance of growth between price and volume/mix.

Haleon has consistently attractive gross margins, and an opportunity to expand further

Turning now to gross profit. Haleon already has an attractive adjusted gross margin of 63%. This is driven by several factors:

- The quality and resilience of the Consumer Health segment itself;
- Our leading category positions that enables us to leverage the benefits of scale and pricing power; and
- Our product superiority, which drives premiumization.

To expand margins further, we will deliver £800 million of gross supply chain productivity savings. This £800 million will be equally spread over the next five years.

In the near term, productivity savings will come from complexity reduction and operational excellence, with network optimisation and robotic savings kicking in over the medium term. We have made good progress in laying the groundwork for these initiatives, and are already up and running.

The costs to deliver these savings over the next five years are threefold:

- An increase in our average CAPEX spend from 3% to 4% of revenue;
- £300million one-time restructuring and asset write off costs, of which two thirds are non-cash; and
- An increase in supply chain OPEX spend, as we invest in leading capabilities.

The £800 million of gross benefits will enable a more agile and efficient operating model, which will unlock significant value for our stakeholders.

Targeting on average 50-80bps per annum adjusted gross margin expansion

Let me walk through how these savings will translate into gross margin expansion. We will continue to drive balanced growth through pricing and volume/mix.

Gross productivity savings will be offset by COGS inflation, as well as the incremental costs I just mentioned, incurred to build the future supply chain capabilities. A good example of this is our investment to enhance our supply and demand planning that Namrata talked about.

I would like to emphasise that our gross margin guidance takes into consideration the mix effects, which we will look to manage as we drive our growth across faster growing geographies and new consumer cohorts.

Moving forward, gross margin expansion will provide optionality, flexibility, and agility in the P&L.

Investing behind Superior Brands whilst driving higher effectiveness

To drive top line growth, maintaining the flexibility to invest in advertising and promotion is a key area. At 19.2% of revenue, our A&P is already at a very healthy level today. We have also shown that we will retain the flexibility to dial up or down, depending upon competitive dynamics, and to accelerate our strategic choices.

For example, you have seen us devote spend in high growth markets such as India and to support successful innovation such as *Sensodyne Clinical White*. But it is also important to ensure that we allocate our spend effectively to ensure our brands continue to be top of mind with existing consumers and to reach new consumers.

We are focused on strengthening further the ROI of our spend in the following areas. More efficient media buying to beat inflation by 50%, allowing our investment to go further despite market pressures, and increasing the proportion of our spend on expert digital and social channels to connect with over 80% of dentists and pharmacists across our key markets.

Continue to invest in R&D to deliver medium-to-long-term growth

Moving now to look at R&D. Investment in R&D underpins our strong science capability and innovation platforms. We have a strong track record of delivering growth through innovation, which, combined with superior evidence generation, drives product superiority and underpins expert recommendation of our products. You have seen many examples of this today across *Sensodyne*, *Otrivin* and *Centrum*.

In addition, growing our technical capabilities is a key focus for us. We will continue to invest to grow our R&D infrastructure and capabilities that deliver the science and experience of our solutions. For example, as Franck mentioned, we have our new state-of-the-art R&D facility coming online in Slovakia at the end of 2026. We are also investing in our R&D digital tech infrastructure, including regulatory and clinical systems, which will enable us to be future-ready to dial up innovation.

Optimising other SG&A costs and investing in capabilities

We are on a journey to make Haleon more agile and performance focused. To support this, we are driving process simplification and leveraging technology. We are on track to complete our £300 million productivity programme in 2025, aimed at achieving an efficient organisation.

Haleon Business Services will drive multifunctional end-to-end process simplification and digital enablement, while building capabilities for the future.

In digital and technology, we are embedding AI, enhancing analytics and improving our e-commerce capabilities through a clear digital strategy. We recently piloted self-service customer ordering and e-commerce portals in Europe with great feedback, and are planning global deployment over the next two years.

These technology enabled improvements are helping us to optimise our end-to-end value chain, increasing speed, agility, and improving efficiency.

Medium term guidance:

Achieving high-single digit adjusted operating profit growth

Recapping what we are targeting.

- We will deliver adjusted gross margin expansion on average 50 to 80 basis points a year at constant currency;
- Providing flexibility in the P&L to ensure healthy investment in A&P and R&D to drive growth;
- We will continue to optimise our other SG&A costs to drive operating leverage while investing in future capabilities.

Together, this leads to a step up in our profit guidance starting in 2026 to deliver high single-digit adjusted operating profit growth at constant currency. An important step to ensure we deliver consistent leverage through the entire P&L.

Broad mix of currencies with ambition to minimise FX volatility

I want to turn now to foreign exchange. Our translational foreign exchange P&L impacts have been driven by two main factors: a mismatch in currency between revenue and costs, resulting in a higher currency impact at operating profit versus revenue, and strong growth in emerging markets, where higher inflation typically results in higher currency deflation.

Over the last ten years, despite a tailwind in G10 currencies, we have seen an average annual drag from currency of 0.5% to 1% on organic revenue and 2% to 2.5% on organic operating profit.

What can we do to address this? Clearly, we cannot control currency markets. It would be great if we could, especially at the moment. There is no quick fix so our focus will be on the areas that we can influence:

- Driving harder our constant currency operating leverage, which is more within our control to provide more buffer to currency moves;
- Taking proactive steps to try and minimise the impact of currency over time and reduce volatility, including looking to minimise the mismatch between costs and revenues;
- Reviewing our manufacturing strategy, as outlined by Namrata; and
- Further embedding currency into investment and pricing decisions.

As you saw in February, we have also changed our forecasting approach from using spot rates to Bloomberg consensus forward rates to try and better reflect forward projections in emerging markets. Whilst this in itself is not a mitigation lever, it should provide more visibility on annual foreign exchange impacts.

Strong free cash flow

Let us now turn to the second part of our value creation framework, strong free cash flow generation.

Haleon is a highly cash-generative business. Last year, we generated free cash flow of £1.9 billion. Benchmarking shows significant opportunity in working capital, especially in inventory. Many of the supply chain initiatives Namrata shared earlier will unlock the inventory opportunity. We have set a target to reduce working capital cycle time by 30% over the next five years.

Working capital efficiencies will cover additional CAPEX investment required to drive productivity. Our aim will be to deliver working capital improvements in a sustainable way to generate a more balanced cash flow throughout the year. By combining this with operating leverage, continued optimisation of tax and interest, we will look to drive strong overall cash flow moving forward.

CapEx weighted towards growth and productivity

In terms of CAPEX investments, there are two key messages I want to share. First, we expect to increase average CAPEX spend to around 4% of revenue over the next three to five years.

This reflects an increase to drive our growth and productivity agenda, as well as investments in data, AI and sustainability.

Second, CAPEX spend is currently balanced between 50% of spend on productivity and growth and 50% on maintenance.

Moving forward, this will shift towards a 65-35 split, with 65% being spent on growth and productivity and 35% being spent on maintenance CAPEX. We are also embedding currency into our supply strategy and investment decisions, and we will maintain our discipline in achieving internal rate of return, hurdle rates and attractive payback periods on investments.

This overall strategic shift in CAPEX will strengthen our capabilities while supporting our long-term growth ambitions. As we exit our five-year plan, I would expect to see CAPEX as a percentage of revenue to start trending back towards the 3% level.

Disciplined capital allocation

Let us move to look at our disciplined capital allocation. Based on our strong and improving free cash flow, we are well-positioned to deliver on our capital allocation framework. Our priorities are unchanged and focus on balancing investment for growth and delivering attractive shareholder returns.

As outlined earlier, we are investing for growth and investing in productivity. Our M&A approach will shift from divestment focus to bolt-on acquisitions in strategic growth areas, where we see attractive returns and I will come back to this shortly.

For shareholder returns, we will continue to grow dividends, at least in line with adjusted earnings. We will return surplus cash to shareholders in the form of buybacks or special dividends. All of this is underpinned by our strong investment grade balance sheet and our target leverage of around 2.5 times net debt to EBITDA.

Strategic divestment of non-core brands

Let us briefly look at M&A. We have been proactive in managing our portfolio. To-date, our divestment strategy of non-core brands has delivered over £1 billion in share proceeds. Whilst these divestments were the right thing to do strategically, we recognise that they have had a dilutive impact to margins in the prior years and in 2025. On average over the next five years, we will look to manage the dilution of any potential future divestments through a better balance with growth accretive acquisitions.

Clear acquisition criteria for future bolt-on M&A

We have defined a clear set of criteria and priorities for targeting bolt-on acquisitions. Our aim is to strengthen depth and breadth in our existing categories by addressing either a geographic or portfolio gap. Any acquisition must have:

- First, a strong strategic fit in the areas of our current strengths, brand superiority expert and science;
- Second, a strong market position, brand equity and opportunity for clear differentiation and competitive advantage;
- Third, any acquisition must deliver strong financial returns through EPS and return on invested capital; and

- Fourth, the potential to deliver at least 4% to 6% growth on a consistent basis when on the Haleon platform, and to be either margin accretive from the start or have a clear near-term pathway to get there.

Our leading value creation framework

To sum up, our value creation framework underpins the next chapter for Haleon. By leveraging our superior brands to deliver health in more hands, we are confident that we will continue to deliver against our medium term target of 4% to 6% annual organic revenue growth. This growth, alongside our wired for excellence initiatives in supply chain will support, on average, 50 to 80 basis points per annum of adjusted gross margin expansion, which in turn enables financial flexibility and agility through the P&L, and our strengthened commitment to drive operating leverage more consistently to the bottom line.

As a result, we have updated our medium term profit guidance to high single-digit adjusted operating profit in constant currency. This includes a recognition that M&A should deliver a better balance of accretive bolt-on acquisitions to offset any dilutive divestments going forward.

In turn, we expect to deliver strong EPS growth and free cash flow generation. Overall, this will enable us to deliver on our ambition of reaching one billion more consumers by 2030 and deliver industry-leading returns.

With that, I will hand back to Brian.

Conclusion

Brian McNamara

CEO, Haleon

Summary

You are all going to be hearing that in your sleep tonight, by the way. It is just how you remember Haleon. We are embedding it in there. Thanks, Dawn. Fantastic.

Before we move to Q&A, let us recap what we have heard today. I started by talking about the successful transition we have made as a standalone listed company, the strong foundations we have built and the transformation we are now making to become a world-class consumer company.

I talked about the areas where I see the greatest potential ahead. Then I talked about how we are going to go after these opportunities through our Win as One strategy, starting with our purpose, our ambitions, our four strategic drivers and our four behaviours.

After that, the team took you through the detail of how we are bringing to life our Win as One strategy, before Dawn just brought it together in our updated value creation framework and gave you more context on our financial commitments.

I hope you sense the excitement that we all feel, and the passion and the team of the potential we see in this business ahead. I hope you have also seen that we have a strong alignment behind our clear ambitions and strategies, with the right team in place to deliver.

To close, I will leave you with the key messages I would like you to take away from today.

- We have a clear strategy to drive growth across our attractive categories;
- We are unlocking the opportunity in our supply chain to reinvest in the business and deliver gross margin expansion;
- We are continuing to transform into a more agile, performance-focused consumer company.

All of this underpins my confidence in delivering our value creation algorithm.

Now we are just going to take a few minutes so please do not go anywhere to just set up for Q&A and then we will move right into Q&A. Thank you.

Q&A

Jo Russell: Welcome to the Haleon Q&A session. If you are online, remember you can ask questions via the online platform and if you are in the room, please just raise your hand. With that, shall we start to take questions from the room?

Brian McNamara: Yes. Guillaume, by the way, I am going to select who does Q&A. So many of my favourite people in the room. I will do my best.

Guillaume Delmas (UBS): A couple of questions for me. The first one on your 4% to 6% organic sales growth guidance, which was reiterated today. Because we have heard about driving penetration among low income consumers, that sounds incremental. We heard about reducing the gap between incidence and treatment, doubling down on premiumisation. I mean, all this is pointing to an acceleration in volume/mix. Would that be a fair assessment? Keeping the 4% to 6% organic sales growth guidance unchanged, does it mean you will be relying maybe a bit less on pricing going forward, or you are simply thinking more the top half of the 4% to 6% rather than the bottom half?

Then the second question on the EPS growth. Why no guidance on EPS? You are targeting high single digit operating profit growth unless you are assuming significant changes in tax rate or interest rates. I mean, should that lead to a low double-digit 10% to 12% EPS growth in constant currency over the next five years?

Brian McNamara: Great. Thanks, Guillaume. Listen, I will take the first question and then I will pass to Dawn on the EPS question.

Listen, I think if you look at what we laid out and what underpins my confidence in continuing to look at 4% to 6% growth over the medium term. I think on the incidence versus treatment gap, we do see significant opportunities. It is also the place that has driven growth on the business in the past. And you have seen that in *Sensodyne* and as you heard about *Sensodyne* in the US.

Premium-led innovation is something else I think we have been very good at in the past. We continue to see opportunities and more opportunities we are going to go after. You are right that the new kind of incremental opportunity to what we have done in the past is the low-income consumer. That is not an area we really have strategically focused on in the past. We really see it as a great opportunity.

Also, as you think about that consumer in emerging markets and the fact that they are going to become middle class consumers one day, it is really building the brand equity now and brand loyalty and then taking it into the future.

Listen, all of that in the world that we live in and the uncertain environment gives us the confidence to continue to commit to the 4% to 6% growth because we see those growth opportunities. We have plans behind this on what we are going to do and what we are going to roll out and what we are going to roll it out. I think the 4% to 6% we are confident in, I would not give you high end, low end, middle end, but it just underpins our confidence overall. Dawn?

Dawn Allen: Yes. Look, in terms of the EPS, I mean, the reason why we are focusing on high single-digit operating profit is in terms of the quality of delivery of the EPS. We really want to make sure that that is coming through the P&L. Yes, if you look at the other elements, given that we have strong free cash flow, over time, you might expect that interest cost to come down, everything else being equal. Tax rate maybe, let us see if it stays at the 24% it is today.

Obviously, what you have seen over the last two years and what you will see the impact of this year is also the impact of the reduced share count as well. That would be how I would think about EPS. So yes, driven by really strong high single-digit OP at constant currency. Then you have got those other pieces on top.

Olivier Nicolai (Goldman Sachs): Just a couple of questions. Going back to the top line guidance. First of all, could you give us perhaps a bit of an update on the Rx-to-OTC opportunity over the coming years? Then just going back to the guidance on the gross margin, what is your underlying assumption for input cost inflation?

Brian McNamara: Okay. I will go to Dawn on the inflation question and I will go to Franck on Rx-to-OTC switch. But just a reminder of what we have said in the past. Three years ago at our Capital Markets Day, we had two Rx-to-OTC switches in the pipeline. Potential launches in 2025 and 2026. Not in our guidance from an organic sales growth perspective, but in our guidance on profit, because we would be investing in those things.

There has been a delay in both of those. But maybe I go to Franck and you can talk a little bit about what is happening.

Franck Riot: Yes, exactly. We still are working on the one we have already mentioned a few years ago. As you probably heard, the environment in terms of regulatory is moving, changing, and we need probably to understand a bit more what the new administration will also unlock or bring as a new recommendation. As an example, end of this month we will have a new rule, which is what they call additional condition of use for nonprescription.

We need to understand a bit more how that could unlock further the access to self-care. Clearly, the new administration says they want to promote more self-care access. We will have to observe a bit more how the regulatory environment will move. Obviously, we have still our two assets that we have already shared in our pipeline, and we will check again if there are more to come regarding the evolution of the regulatory environment.

But as the Brian said, it is on top of the guidance in terms of growth.

Brian McNamara: Thank you, Franck. Dawn?

Dawn Allen: Yes. I think if you think about the gross margin and the gross productivity savings, our assumption is around about 2% inflation, that if you think about that chart that I showed, that be covered by price. The other way to think about it in terms of the £800 million, today, our COGS are £4.4 billion. That is roughly split around 30% raw materials and packs and 70% the rest of manufacturing costs and other.

The inflation will hit the material packs piece, and obviously some other elements in terms of labour. But as Namrata talked about, we would look also to cover that through all of the procurement initiatives that she mentioned. Then within the manufacturing piece and the remaining 70%, that is where all the other initiatives would come through in terms of the operational excellence, the complexity reduction, etc.. That is the way I would think about it.

David Hayes (Jefferies): Two from me, if I can. One on organisational structure and then one on manufacturing. On organisational structure, you hear some of your peers talk about changing that. What is the best optimal structure. Just to understand, is it a matrix structure here? Do the markets have a P&L? Or (is this) all these initiatives driven by the divisions, and that is where the initiatives are controlled as you bring in the new products innovation?

On the manufacturing, it feels like you are saying there is too much contract manufacturing going to bring more of that in-house. Is that a function of the business and how it was created with all the three units, and you are now going back to address that. What are the benefits of contract manufacturing that you worry about losing? With all the changes going on to your point, you will be busy. Should we expect we are going to get a few quarters where it is like, we got to turn off this plant and turn this system off and we got to pre ship. Will there be volatility along the way, or do you think that is something you can manage and will never even see the join basically?

Brian McNamara: Great. I will take the org structure question. Then I will go to Namrata. By the way I started my career in supply chain so I could answer that one too.

On org structure, I think about it as an operating model in a way. It starts with what you have seen, which is the Win as One strategy which lines up the entire organisation of what we are doing. Strategically, we think about the business from a category perspective. We have a category structure. As a leadership team, we look across the business and across the categories, and we make the decisions on big resource allocation that happens.

Then that gets deployed down and we have 14 business units which are regionally lined up P&Ls, and we run the P&Ls in the business units.

Now why that is important is our go-to-market is consistent across all our categories. Our categories are not of a similar scale of, let us say, of some of our consumer staple peers who run their business literally P&L top to bottom from a category perspective. We think it gives us actually the right ownership at the local level, with the right strategic direction coming from the categories on down, with resource allocation decisions made as an executive team on how we are going to drive the growth and productivity.

Then Namrata on manufacturing?

Namrata Patel: Thanks for the question. I think in terms of the contract manufacturing network that we have, we have a lot of contract manufacturers around the world that do small amounts. On the one hand, that is good because we have some resiliency built in. But we also have capacity in our factories, which we want to maximise on.

One of our goals is that how do we have the balance between what goes to contract manufacturing and what do we do in-house. We want to use the contract manufacturing network to do specialised products. If there is a new trend, for an example, we just cannot overnight invest in it and we may not want to either. That is our overall goal. But contract manufacturing will be very much part of our network.

Celine Pannuti (JP Morgan): First question on the £800 million savings. I would like to understand the drop through. You said that there were some OPEX supply chain cost. Where are those? Are they included in the gross margin, or are they in the SG&A? And on the 50 to 80 basis point annual gross margin expansion. I mean, quick math, I think you would need at least 40, 50 basis points of EBIT expansion to deliver high-single digit EBIT growth. That would suggest not much reinvestment in A&P as a percentage of sales. Did I get this right?

My second question is on gross margin. Over the period, you expect 250 to 400 basis point, higher gross margin. Is there a drag from the 1 billion new consumer at low income? What is that drag? And if I look at different category where is the gross margin coming from. You said I think the best gross margin in the industry. What will get you even higher there?

Brian McNamara: Fantastic. I am going to actually pass those over to Dawn. But the first thing I just want to say about your question on the billion consumers. The billion consumers are not all low income consumers. It is the part of the strategy which is new, and we are going to go after that aggressively. But the penetration in our core categories on brands like *Sensodyne*, even in premiumisation will also add to that number. But Dawn?

Dawn Allen: Yes, I think what I would say on the gross margin, I mean, you are right. We have a really strong gross margin today. So 63.2% last year and actually delivering 50 to 80 basis points on average over the next five years, that is going to put us right at the top end of the pack. I think that is really exciting.

In terms of that gross productivity savings, I mean, that equals about 550 basis points over the next five years. If you then take off that higher cost to deliver and investment in new capabilities, if inflation is offset by price, then actually then you are left with the 250 to 400 basis points over five years, which is the 50 to 80 basis points.

Actually, when I think about that, I go that gives us huge flexibility, actually flexibility in terms of investment in A&P, investment in R&D when we need it. If I think about SG&A, if we are growing at 4% to 6%, we should get some operating leverage from that, which, again, gives more choice and flexibility about what we would invest in terms of whether it is digital or new capabilities.

As I say, I think that is our goal. We obviously want to deliver the high-single digit, but actually the gross margin opportunity, which is significant, that gives us that optionality to dial up investment when we need it or invest in new capabilities as well. That is really important to ensure that we can sustain that growth for the long term.

Jeremy Fialko (HSBC): A couple from me. First one, when you are guiding from next year, will you be giving some annual guidance, or would you expect to be delivering this high single-digit operating profit growth every single year? Or is this simply an average over the period?

Then the second one is on the SKU reduction. Do you think that that is going to have any impact on your revenues at all, or do you think you can get rid of this 30% of SKUs with basically zero impact on your revenues?

Brian McNamara: Great. Thank you. First of all, on the guidance. We would think about this high single-digit operating profit at constant currency as an annual thing. Every year, of course, we will give any updated guidance we would give, like we would at the beginning of every year.

On SKU reduction, in our guidance going forward, any SKU reduction is incorporated into that. But maybe Namrata can talk to a few places that we are doing that, because in many cases that reduction is invisible to consumers. And actually we do not think we will have a drag. We also did reduce 13% last year in our growth that we already delivered. But Namrata, maybe a few examples.

Namrata Patel: Sure. Our goal is to focus on SKUs that are dilutive and that are declining in revenue quite significantly. So tiny, tiny amounts. One of the key things that we have, if I give you an example. On our toothpaste packaging, we have single languages, but if we go to multilingual, that does not necessarily mean that we will reduce in terms of our revenues, right? We will keep those revenues going, but have an immense amount of simplification. We are confident that this isn't going to lead to any kinds of major revenue declines.

Brian McNamara: Listen, the reality is that, of course, some of that will be some risk in the top line, well incorporated into our 4% to 6% guidance and eyes wide open.

James Edwardes-Jones (RBC Capital Markets): Supply chain again. Can you expand a bit on how the supply chain retooling is going to reduce the currency mismatch, given that about, you said 80% of production is already local.

A more fundamental question, I guess. You spend about seven times as much on A&P as on R&D. As a science-based organisation, have you given any thought to whether that ratio needs to fundamentally change?

Brian McNamara: Great. You know what? I will take the first one and I will pass the currency question on supply chain over to Dawn.

Listen, I think if you look at our R&D as a percentage of sales, which again, 2.8%, 2.6% now, we do see the opportunity to invest more. Very competitive from a consumer company perspective and a consumer health company perspective. Within that, all the science that Franck has shared and all those capabilities and clinicals are all incorporated that number. We feel like we have a good level of investment in R&D. Absolutely.

We believe and we will invest more in R&D when we see and we have the opportunities to even do more in that space. But Dawn, on the question on FX?

Dawn Allen: Yes. Look, from a supply chain perspective, if you are thinking about a future network strategy and Namrata talked about some of the changes in the supply chain of the future, what you obviously need to incorporate when you are thinking about that is what could be the impact of currency. There are still countries today that are sourced outside the country or from very different currency pairs.

I think the considerations to think about is, one, your future supply chain network optimisation that you are thinking about currency in that and the other piece is currency pairs or currencies that move together, and the invoice, the currency that you are invoicing in as well are all the different factors to think about in terms of how we balance that mix.

Callum Elliott (Bernstein): My first question is actually for Tamara. We heard a lot about how you are using marketing to drive category growth in your presentation. But Dawn, I think in her presentation touched upon how marketing is also an area where you are going to need to focus on efficiency. Maybe I am just hoping that you can flesh out from inside the marketing organisation some details, or give us some examples of how you are going to get a better return on ad spend at a time when I think Google announced ad pricing up 10% in Q1 this week, I think Meta ad pricing was up 10% in Q1 last night does not really feel like an environment that is particularly conducive to driving efficiency in marketing spend.

Then I have a second question, maybe for Keith. We saw the video about India earlier, the great success that you have had since taking back control from Unilever. My question is, I guess there must have been a decent chunk of upfront investment building out infrastructure ahead of that change. I assume that infrastructure probably skewed to fixed cost investment.

Would it be right to expect that we can now expect accelerated profit growth from India, as well as the strong revenue growth that we have seen over the past year or two.

Brian McNamara: Listen, we will go to Tamara first and then we will go to Keith. Just one comment on India. One of the reasons that we took distribution back from Unilever was two reasons actually. One was a strategic reason. We compete with them and we felt like we have a business that we needed to drive on our own. But it was quite a fixed cost percentage, payment we paid them, and it was quite high by any benchmark. So actually quite efficient for us to bring that in and also strategically made a lot of sense.

But there is a lot we are doing in India to drive growth and Keith can mention on that. Tamara, do you want to go?

Tamara Rogers: Yes, sure. We feel very confident in the amount of A&P we have and the way that we spend it. We have a great partner in one of our media buying agency, where we have worked to make sure that we have a contract that helps us somewhat offset some of that inflation. But we are focused on both efficiency, the buying, the cost, the spend, but also on effectiveness.

One of the things we have been doing is we are continuously using data and analytics during market mix modelling. We do that across 70% of our media spend with an ambition to keep on increasing that.

And as we are doing those MMMs, we are seeing big jumps in our ROI. We have gone from 1.2% up to 1.4%. We are really clear around the role of the different channels getting really good ROIs on those channels. We have reduced the number of campaigns that we run, so we used to run quite a lot of small campaigns. We have reduced by 23%. What that means is we are able to really focus on doubling down that investment, expanding the number of channels. That gives us both fantastic reach, but also the depth, so that we are building both short-term sales and long-term healthy, strong brands.

We are looking at all of that. We look at programmatic. We look at making sure that we are not getting a value drop between demand side and sales side in programmatic, so that we are really getting transparency into those media supply chains, and we are really confident that we are investing money that is getting into the consumer and driving that conversion to purchase.

Brian McNamara: Keith?

Keith Choy: On the India question, as Brian just now mentioned, in fact, we are more cost efficient in our own hands. Apart from cost efficient, I would say also the effectiveness. Post this model when we take back our distribution ourselves for basically in fact our coverage doubled because of this. This will give us also more attention in terms of effectively even going to the lowest tier cities.

Now basically with this change of the model, we are able to even unlock the growth opportunities. For example, you heard about regarding the *Sensodyne*, right? We still have a lot of headroom for growth in the lower tier cities. Now we have really this INR20 Sensodyne pack. Now through our distribution, really can penetrate to those lower tier cities.

Similarly for the Centrum Recharge, I share in the regional breakout section. That is really again how we can really now leveraging our distribution sales force to really penetrate into the lower income group to unlock also the growth potential. This is really, I say, a great distribution, strong route to market. We build the muscle. But in particularly the existing brands as well as the new innovation we bring in.

Second piece is also the expert marketing. The expert detailing is very important drivers for also building a superior brand. Now with this basically we also really have a lot of the growth potential. That is why in Q1 we continue to grow above market and also we continue to have double-digit growth for India business.

Brian McNamara: Thank you, Keith. I understand we have a couple of questions online. Maybe we go to one of those.

Jo Russell: Yes. Let us take them individually. First of all is, could we talk about tariffs for Haleon?

Brian McNamara: Okay. We can talk about tariffs. Listen, I will pass it to Dawn on the tariffs.

Dawn Allen: Yes. Look, for US, tariffs based on what we know today are in the tens of millions. That is obviously fully built in to our guidance. 80% of what we sell in the US we make in the US. Yes, the tariffs have shifted from finished goods impact for Canada and Mexico more to a global impact. We would also incorporates raw materials impact but actually the impacts are the same.

I think I said on the call yesterday, when we think about tariffs, we think about it through two lenses. Yes, there is the mitigation lens in terms of how do you mitigate any on cost. The other lens is actually an opportunity. How do you leverage it to get an even stronger relationship with your retail partners. Does it unlock competitive differences or shifts which actually you can then unlock?

I think for us, yes, we obviously monitor the situation, we mitigate it. But we also think about, is there an opportunity here as well.

Tom Sykes (Deutsche Bank): Well, they are all on gross margins. Sorry. Do you have what the history has been on the current sales perimeter for constant currency gross margin improvement to compare against the 50 to 80 basis points. Then does the 50 to 80 basis points include volume leverage? Because presumably your incremental gross margin, if raw materials pass through is up 70%, 80% or so.

Then I do not think you answered the question on mix. Just whether you thought mix was a positive or negative to gross margin, into that 50 to 80 basis points, please.

Dawn Allen: Okay. All right. There is several questions in there. What I would say in terms of moving forward versus the history. I think Namrata talked about it. What is important for us moving forward is actually our starting point is different versus many others. We are not necessarily coming from a low base in gross margin. Actually, we have been pretty good in terms of gross margin. But on top of that we see significant opportunity moving forward as we have outlined.

I think in terms of the volume leverage piece, if you think about what I talked about in terms of total COGS cost, so £4.4 billion, 30% coming from raw materials and packs, 70% from manufacturing costs. If I then think about the savings against that, if I think about the £800 million against that, think about that in proportion. As I said, procurement savings on raw material costs.

If I then think about the 70% for manufacturing costs, think about that maybe broadly equal across three buckets. One bucket, complexity reduction. Namrata talked about more languages on pack, harmonizing packaging, reducing the number of SKUs. Complexity reduction is not linked to volume leverage. It is just removing bad complexity and simplifying our supply chain, our manufacturing processes and actually our end to end value chain. That will be the first bucket.

The second bucket is around operating efficiency. So getting more out of our plants. This might be a tweak to a piece of equipment. It is debottlenecking it. It might be separating heating and cooling in a process. It is improving the performance. It is getting more out of the assets that we have and really driving them. What does that do? That unlocks more volume. In theory, not only are those assets being more efficient, you should be able to get more volume through it. That is where you get operating leverage benefit.

If you were not getting operating leverage benefit from volume, then you would need to look at the cost. You know think about that.

Then the third area is around the network optimisation. This is around the contract manufacturers. This is in how do we optimise that in-house versus out of house. I think the volume benefit is built into some of those elements in terms of the cost saving piece.

I think the last question in terms of mix. Obviously, we are managing a complex portfolio across different geographies, across different categories, across different packs and optimising that mix, whether it is coming from premiumization, whether it is coming from price pack architecture, whether it is coming from net revenue management, that is something that is something that we do. We are managing that all the time.

If we have some things that are margin dilutive in the short term, we will look to balance that with something else, either in country or in a different country. The mix piece, that is built into the 50 to 80 basis points of gross margin improvement.

Edward Lewis (Redburn Atlantic): I just wanted to ask about the opportunities you talked about Tamara, particularly in the emerging markets. I think I was struck by how you are taking the price premium that you have got. I think it is 120 index. You are taking those brands into those markets, which I think we can often overlook how, I guess, aspirational consumer can be. What does that mean to the competition you face? How much competition is there? How much opportunity do you have to grow the category. So probably faster, and take share with that regard?

Then Brian, I think three years in, I guess since the spin. In terms of the culture, I think many of you on the stage have come from different companies. You talked about being three companies put together over three supply chains. Just talk about, I guess, how you feel the culture of the company is developing over the last three years and the opportunity you see there?

Brian McNamara: Great. I will answer that question first. Then I will go to Tamara a bit, but then maybe to Filippo to talk about what is happening on the ground in some of the emerging markets that he manages.

Listen, I think we have made great progress as a company around culture. Let me just tell you how I think about culture and define culture, because I think about it pretty broadly. I think it does start with having an organisation that is completely aligned and lined up to the strategic intent of the company. You saw our Win as One framework, that is embedded throughout the organisation. I can tell you that most of the organisation online today for this Capital Markets Day, and they see that that is consistently something we are sending out into the world.

Second, you have operating model and how you run the business. The truth is, it has evolved for us. When I talked earlier on the question on how does it work? We have evolved to be a much more strategically driven by categories versus being a P&L run by market. Probably started this journey more bottom-up, and now we are getting much clearer on those headroom for growth and making much bigger strategic choices across the business.

Then I think there is talent and capability. On talent and capability, we have changed the talent quite a bit in the top three levels of the organisation. I feel really good about how we have increased that talent level. We see it in our engagement results. We just had an engagement survey just a few weeks back 82% or 83% engagement. We are in top quartile engagements. Within that, we still see opportunities.

One of the opportunities is, let us say, "It is easy to get work done around here. It is not as high as it needs to be". That is my last piece, which is processes and systems. I think it is the place where, again, we have made progress. We have Haleon Business Services. We are going to go further. We are not where we need to be. There is more to go after there.

I would say on the entire culture journey, think about how you transition into a world-class consumer company that is agile, that is consumer-centric and performance-focused. We are six or seven out of ten. We are on the journey. We feel good about it. We are very clear on what we need to do, but there is definitely more to go after.

Tamara Rogers: Great. Yes. Starting with our penetration. Our penetration with high income consumers is around 30%. It is around 17% with low income. When you go to some of the emerging markets, that gap actually widens even further. It is really clear that there is an opportunity here.

We did loads of big studies. Half of the world feel like they are able to control their health. Other half of the world do not feel like they are able to control their health. Does not always mean that that is the emerging markets actually. We see quite a lot of that in other parts of the world, too.

But what is clear is that 45% of low income consumers would describe their health and wellness as good or quite good. That is 65% in the higher income. There is a real opportunity.

In terms of competition that we face, often it will be traditional home remedies. Sometimes you see some of the usual players in these markets as well, but the majority of the time it is things like home remedies. If you think about pain, nine out of ten people on the planet will suffer pain up to ten times ten different types of pain. That is also true for the lower income consumer.

One of the things that people are incredibly focused on is the ability to continue to get to work, to be able to do their jobs. They do not want to be held back by their health, and they want to provide for their family.

Making sure that we are driving that health literacy, that understanding of what is the condition I have and what is the best way of treating it. That behaviour change is something that we are very expert at, at Haleon. The *Sensodyne* model is a very good example of condition awareness. This is your issue, this is your solution.

So making sure we then do health literacy in the right way. Icons on pack rather than written language all the time, so you can understand what this pack is and what I buy it for. We see a lot of opportunity to take all of our categories into this lower income consumer and have a lot of confidence in the plans that we have got there.

Namrata Patel: Thanks, Tamara. Filippo, anything to add?

Filippo Lanzi: Yes. Maybe I can add a couple of comments to what Tamara said. On the brand piece, clearly we discussed a lot about superior brand. What I see in all of the emerging markets is that the concept of brands first is really important because the appeal and the aspirational element you alluded to is absolutely key.

I think we have two interesting examples in that space, because we saw this morning the example of *Centrum Essencial* in Brazil. Because the vast majority of the buyer of the product are new to the category itself, which is a powerful signal that the brand equity is stronger. There is a significant attractiveness. And these people are new to the category. So it is an opportunity to really expand the category penetration.

I think another example about lower income consumer not in emerging markets is a fantastic brand that we have in Italy, which is called *BeTotal*, which is a quite expensive VMS brand and is over penetrated among lower income consumers. It is not that the correlation is always as linear as we could imagine.

I think from a competition standpoint, we have a very diverse competition. In the breakout session, I explained very well that the launch of *Sonridor* and the entry point SKU, which is a position at an affordable price. I mean, we are targeting a local competitor, which is local player, which is the number one at that price point. We believe there is an opportunity to really bring the benefit of the brand, plus the scientific element of differentiation at the price point, which will make it competitive.

On the other side, and without naming any other competitor in the oral care space, we have a lot of examples of price tiering which are covered quite in depth from our competitors. We see that also what we have been doing, especially with *Sensodyne*, has been given us quite a meaningful payback.

Rashad Kawan (Morgan Stanley): A couple from me, please. You talked a lot about consumer insights today, driving investment decisions, particularly in categories like VMS, Oral Care, etc.. I guess comparing where you are today versus three years ago, pre-spin, how involved are your consumer insight capabilities and how much more room is there to go?

Then second question, as part of your EBIT guide, you talked about managing dilution from divestments better going forward. You have obviously done a few divestments over the last couple of years. How do you think about the portfolio as constructed today? In terms of M&A, you have spoken in the past about VMS in particular being an attractive category. From an M&A perspective, is that still the case, or have your thoughts evolved around categories in which to expand in?

Brian McNamara: We will start with the second question. First let me provide some perspective. I will pass it to Dawn, and then we will go to Tamara on the other.

Listen, in the early life of Haleon, as we started life four times levered, we made the decision to divest, by the way, strategically the right businesses to divest. It helps strengthen our portfolio. It also helped us pay down the debt. We were not in a position at that point to do a bolt-on M&A. Those divestments and you saw it in the bridge that Dawn showed on, operating leverage actually, we lost operating leverage, obviously, because those were dilutive and that showed through 2024 and we have some more dilution this year.

I think it is an acknowledgment that going forward we are going to manage that dilution going forward. If we see opportunities to divest, marry it up with bolt-on M&A. We feel good about the portfolio and where we are at. Any portfolio can be strengthened on both sides, bolt-on M&A and potentially divest. But there is nothing where we are sitting down feeling like we have an urgent portfolio change needs to happen, but we are going to be in a different position to be able to manage it going forward as we think about strengthening the portfolio.

Did I do it all?

Dawn Allen: Yes.

Brian McNamara: Sometimes I do that. I say I am going to pass it to you and then I answer the question.

Dawn Allen: That is great. I love that.

Brian McNamara: By the way, I also have an MBA in finance.

Tamara Rogers: That is brilliant. One day you were a brand manager as well, Brian.

Brian McNamara: Well, I was brand manager at one point. Never been as good as it was back then. But Tamara, how about you?

Tamara Rogers: It certainly was fun back then. Big shift, I would say, from where we were three years ago. Consumer first always is one of key behaviours.

I would say three years ago we were really proficiently deep in things like condition awareness. So really understanding the medical, the health issue, how that left somebody feeling. We had great market share data and coverage. I think where we have evolved is to really understand the consumer really around that condition and what is happening in their world and in their lives, and even things like crossover of studies. Real-world evidence that Franck and I talked about earlier. That is not in a lab. That is not a clinical trial, that is actually collecting data often digitally in terms of how are you using these products, what are the benefits you are getting? That is where we learned all about *Otrivin*.

Actually, people were so thankful to be able to sleep through the night without being woken up because they just could not breathe. You get a whole load of richness there that enabled us to go back and mine our claims database around what is the most powerful and compelling claim for that new premium innovation that we launched.

I think we are deeper around the consumer. Then I believe we are the first to do this, which is we have done some demand space work where we are looking across, not just what is happening in Oral Health, what is happening in Pain and Respiratory. We are actually looking at what are the real wellness issues that the consumer is facing and what are they really worried about? How does that differ from developed markets, emerging markets. Again, a first in the US. We have had feedback here from the retailers in the US because they have taken the demand space, work down to the next level to really understand cross purchasing and are now working in partnership with retailers to really think about how do we bring the portfolio to life in the most relevant and meaningful ways.

I think it has quite considerably changed. It gives us even greater confidence that we are understanding what the consumer needs are and then how best to meet them with our products and innovation.

Warren Ackerman (Barclays): A couple as well. The first one, I guess, for Brian, is more on the global brands versus local brands. I was quite struck. It was the beginning of the day. But your new divisional disclosure to give us Skin Health. You talked about brands like *Zovirax*. At the same time, in the breakouts, we heard a lot about local brands like *GrandPa* in South Africa. I was just wondering, are these linked? As you are getting bigger in emerging markets, do you need to have a portfolio of more local brands?

I heard you also saying at the beginning of the day that your power brand strategy has been evolving over the years. Can you maybe join the dots and all of that for us in terms of the Skin Health and then what it means between local and global brands?

Then just secondly, I was quite struck by the pharmacy presentation. It seems like you do have a big moat. Can you talk a little bit more about how you can really maximise that channel? It would be great if you are able to give us an idea of which geographies is pharmacy more attractive than others? I guess it is not the same everywhere. Whether actually it will be accretive to your gross margin ambitions as you dilute the drug channel, which is obviously under pressure?

Brian McNamara: Great. Listen, I will go to Filippo on the pharmacy. But let me take your first question first. The way I think about that is, if you look across our six categories and I will talk about skin health in a minute, and I think about power brands and nine power brands, we traditionally have been very focused on the power brands. We are still going to be focused and drive those power brands.

What I do not think we have done as good a job enough is leveraging the full portfolio, honestly, and you heard a little bit about it today. If you think about leveraging the scale of innovation technologies, assets we have, *Sonridor* in Brazil is a great example. That is a brand that was less than £1 million probably in sales, was not a priority for anybody. We have brands around the world like that that already exist. It is not like we need to bring in more brands, but I think with the opportunities and the headroom for growth we have in categories, we now can leverage the breadth of our portfolio.

A lot of times, honestly, you can look at those assets and think about it as a tail or a drag or something. I think our aperture has been opened up to say, wait a minute. We have incredible assets in a number of places, and obviously we have not been leveraging them as much.

Now, the evolution of our category, strategies getting sharpened, our operating model shifting a bit more to the top. All that has come together to drive that. Specifically on Digestive Health and Skin Health shift, one, we wanted to provide more visibility and transparency across the categories we compete in. We think Digestive Health is a really good category.

Skin Health, this is Therapeutic Skin Health and that is what we are calling it. They are OTC brands that line up with our go-to-market model and our strategy. They are really good profit brands for us, honestly, very good gross margins. We want to generate value through that too. It has not been a focus for us as much in the past, but we see the opportunity to drive value through Therapeutic Skin Health.

Then Filippo?

Filippo Lanzi: Yes, I mean, what I did is, if you remember, I started the presentation by saying that pharmacy channel is relevant for consumer health and for Haleon. Now, this is true today, but for sure it has all the potential and the elements to be true in the future.

There are a few reasons for that. First of all, if you think about this whole gap between incidence and treatment, the pharmacy institution in itself could play a massive role in order to really keep engaging with consumers in understanding which solutions could be available for them to fix this problem.

Second, if you think about the concept of self-care, it is relatively underdeveloped yet, even in Europe, for instance, and there is a massive opportunity to really find the right equation to reduce the burden on the healthcare system at a national level and increase the role and the relevance of self-care.

Third, I think there is a clear opportunity for improving effectiveness of the pharmacy channel. I think you saw the statistics on Perfect Store. I mean, at the end of the day, thinking of being able to allow the category to grow 2 to 3 points ahead of the average is massive. This is a lot about improving the effectiveness of the operations in the store. Thanks to the support that we could provide to the pharmacists.

There is another element which is also about the harmonisation. Again, think about Europe. There is no one Europe because if you look at the pharmacy setup in the Nordics or in the UK, compared to what we have in Spain, in Italy or even in Germany, it is totally different. We believe there are massive opportunities to potentially harmonise some of these elements to make the product become more accessible and more interactive for the consumers.

In all of that, I think the key effort that Haleon has been making is really to play on this dimension, because we really invest a lot in expert education, we invest a lot in commercial capabilities, effectiveness to the customers, and this is recognised by them. This is why I do believe the opportunities for the future are still relevant, even in a channel which has been transforming for a while now.

Mark Howden (Jefferies): Obviously, I am not clever enough to ask my own question, so I am going to steal Delboys. When he talked about top line growth and when you answered about top line growth, you did not go so much into the volume/mix part of his question, and it occurs to me that we have heard so much today about the opportunity with low income consumers, penetration in various parts of the world in various categories. It feels like there is a tremendous volume/mix opportunity ahead of you.

I think on the call yesterday we talked about balance and no more. Is there any more you can say about the volume/mix opportunity and whether it can accelerate from here and be a bigger part of that 4% to 6%.

Brian McNamara: Yes. Listen, we probably would not guide on volume/mix. We have always said 60-40, 40-60. But clearly if you look at that low income opportunity and listen, that will build over time, right. As you can see, *Sonridor* launched in Brazil this year, a low cost Centrum in India this year, INR20 pack in India was in June of 2024. These things will take a bit of time to build, but I do see the volume/mix opportunity as you look out the next number of years as a really good opportunity for us. Because again, these are incremental consumers into the franchise.

We talk a lot about gross margin from a percentage basis, dilutive or not dilutive. But let me tell you incremental gross margin pounds. These are incredibly incremental to our business in the 70% to 80% versus, let us say, you do a great innovation and maybe it is 30%. We do see an opportunity as we look forward. But I would say over the next few years, we are really striving for the balance that Dawn talked about 40-60, 60-40. Then we see more opportunity as we look further out.

Dawn Allen: Maybe I will just give a data point on that. Because actually, if you look at our Asia Pac region over the last three years, the CAGR in Asia Pac has been 8.5%, 6% is volume. Actually, there are parts of our portfolio in particular, if you think about the Asia Pac region, maybe there is about 65% that is faster growing markets, the remaining 35% lower growth markets. But the fact that more than 70% of that growth is coming from volume actually exactly speaks to the opportunity that we are talking about.

Speaker: I was curious to hear a bit more about the capital allocation strategy on maybe a year three, year four, year five from now. I think in the near term it is pretty straightforward. If I am not, just shooting with you directly. Can you just talk a bit more about the dividend policy, share buybacks, capital investment, M&A. I imagine bolt-on may not be there forever. Yes, maybe can you take me in the lens of year three, four, five?

Dawn Allen: Yes. Look, as I said in the presentation, our capital allocation policy is unchanged. Invest for growth, bolt-on acquisition, return surplus cash to shareholders. We have returned £1.5 billion of surplus cash to shareholders over the last few years or since demerger.

I think what we have demonstrated and what we do is look at each year what is the most optimal use of those funds, what is going to generate the highest shareholder value. We did that at the beginning of this year. We are obviously in a privileged position, given our strong free cash flow generation.

Obviously, what we decided at the beginning of this year is that we would return £500 million in share buyback, but we will look at that each year in terms of what is the most optimal use of that cash based on those three priorities.

Brian McNamara: Okay. I actually think we are at the point for the last question. It is going to be the last thing I remember from this day. So no pressure. Literally run out of questions exactly on time. Do we have a question from online that we might want to take?

Jo Russell: We have got one. Can you discuss the ability to reach more lower income consumers in the US, given the higher share of private labels in this market?

Namrata Patel: Okay, great. Well, first of all, people may be aware we have a new head of North America, Nathalie Gerschtein, who joined us from L'Oreal. Today is her first day. When you are not really aware of is, this was all about Nathalie onboarding to be honest with you, we planned this whole thing for her.

Listen, there is an opportunity there because the dollar channel is a very important channel for us. What you see happening in the US a bit, certainly as people are under economic pressures, is growth in that dollar channel and growth in the club channel because they attack it from two sides. One is a cost per use kind of thing if you are more affluent, and the other is absolute price outlay.

We see the low-income consumer in the US too. We obviously are doing that today. But there is probably more opportunity for us to go after there too.

Listen, that is the end. First, I just want to say a big thank you for everyone who is here in the room in London for joining us in person. A big thank you for everyone who joined us online. I really look forward to keeping you all updated on the progress of everything we talked about today as we unlock the potential of this business.

For those who are here in London, we will have a reception now behind that wall. I look forward to interacting some more over the next hour or so. Thank you very much.