Delivering attractive growth in Asia Pacific, and winning with digital in China

Keith Choy

28 February 2022
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Unless otherwise stated, statements of market position are on the basis of sales to consumers in the relevant geographic market or product category in 2020, as reported by: (i) in the case of statements relating to OTC/VMS, Nicholas Hall’s DB6 Consumer Healthcare Database at manufacturer’s selling prices; and (ii) in the case of statements relating to Oral Health, Euromonitor Passport at manufacturer’s selling prices. The value of a geographic market or product category and market size are provided on the basis of sales to consumers in 2020 in the relevant market or product category, as reported by: (i) in the case of statements relating to OTC/VMS, Nicholas Hall’s DB6 Consumer Healthcare Database at manufacturer’s selling prices; and (ii) in the case of statements relating to Oral Health, Euromonitor Passport at manufacturer’s selling prices.

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A number of Adjusted measures are used to report the performance of our business, which are non-IFRS measures. Adjusted results, CER and other non-IFRS measures may be considered in addition to, but not as a substitute for or superior to, information presented in accordance with IFRS. These measures are defined and set out in the “Glossary” slide at the end of this presentation. Reconciliation to the nearest IFRS measure are included in the Appendix and will be provided as part of the Haleon prospectus.
Asia Pacific, highly attractive growth opportunity

Market leader with a focused brand portfolio

Positioned to outperform:

- **Accelerating** Oral Health and VMS growth, leadership in Pain Relief and leveraging local strategic brands and category-driving innovation to drive *household penetration*

- **New and emerging opportunities** for growth through channel expansion with ecommerce and data, particularly China

- **Strong execution** and commercial excellence in the market
Asia Pacific: a diverse region with significant growth

Home to:

51% of the world’s population; largest region by population

36% of the world’s GDP; fastest growing region

Source: World Bank, 2020
Asia Pacific business overview

- **£2.1bn** revenue
- 5,500 employees
- 1 R&D centre
- 6 manufacturing sites

**Revenue by category**
- **60%** Emerging Markets
- **40%** Developed Markets

**22%** of global Haleon revenue

- 5 Business Units serving 22 markets

**Key Brands**

All data points sourced from GSK Internal data 2021 Haleon revenue
A leader in a c.£56bn high growth market: APAC

<table>
<thead>
<tr>
<th>Market size % of total</th>
<th>HALEON share %</th>
<th>Key Brands</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Oral Health</strong></td>
<td></td>
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<tr>
<td>£10bn 18%</td>
<td>#5 6% share</td>
<td>Sensodyne</td>
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<td></td>
<td>Polident</td>
</tr>
<tr>
<td><strong>VMS</strong></td>
<td>#1 3% share</td>
<td>Centrum</td>
</tr>
<tr>
<td>£19bn 34%</td>
<td></td>
<td>Caltrate</td>
</tr>
<tr>
<td><strong>Pain Relief</strong></td>
<td>#1 11% share</td>
<td>Voltaren</td>
</tr>
<tr>
<td>£5bn 9%</td>
<td></td>
<td>Panadol</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fenbid</td>
</tr>
<tr>
<td><strong>Respiratory Health</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>£8bn 14%</td>
<td>#3 3% share</td>
<td>Theraflu</td>
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<td></td>
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<td>Otrivin</td>
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<tr>
<td></td>
<td></td>
<td>Flunixin</td>
</tr>
<tr>
<td><strong>Digestive Health and other</strong></td>
<td>#5 3% share</td>
<td>ENO</td>
</tr>
</tbody>
</table>

1 Data source for Oral Health is Euromonitor 'Oral Care' 2020, market sizes based on MSP, market share based on RSP. Market size and HALEON share rounded to nearest %. APAC = Euromonitor APAC + Australasia
2 Data sources for OTC/VMS and subcategories in N. Hall D6 Consumer Healthcare database (MSP), store and internet sales, 2020; Note difference in total to categories above is Other which comprises smaller dermalogical brands, with a market value of c.£9bn
3 Sensitive toothpaste/Immune supplement is Company analysis based on IRI (2020) data.
Well placed for growth; particularly in key markets of China and India

**China**

- **20+** regional offices
- **2** manufacturing sites
- **1** customer centre
- **1** R&D centre

**Varied route-to-market** with pharmacy, modern trade, independent trade, ecommerce and hospital

**TSKF Joint Venture** for OTC portfolio (c.38% China business in 2021)

**c.1/3 overall consumer healthcare market growth** 2016-20

**#1 brand** in key categories

- Centrum
- Calcium supplement
- Systemic pain
- Wound healing

**India**

- **4 million** retail stores

Route-to-market largely through **general trade and pharmacy**

**Hindustan Unilever Commercial Service Agreement** (CSA) for distribution only

**Significant growth opportunity** per capita consumption

- **India £2 vs China £18 and US £98**

**#1 brand** in key categories

- Antacid
- Sensitivity toothpaste
- Nasal decongestant spray

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1. Internal analysis (2021)
2. N. Hall DB6 Consumer Healthcare Database at manufacturer’s selling prices (2020)
3. IQVIA (2021)
4. Eno and Otrivin IQVIA (2021); Sensodyne Nielsen (2021)
APAC 8.2% CAGR with margin expansion

**Pricing / volume mix 2021** +2pts / +7pts

**Consistent strong volume growth** driven by VMS (Centrum/Caltrate), Oral Care (Sensodyne) and Pain (Panadol)

**Targeted A&P** spend on fewer brands driving share growth and offsetting divestments impact

**Agile switch of resources** to capitalise VMS offset impact of Cold & Flu

**Adjusted operating margin improvements** driven by:
- Rightsizing structure
- Overhead controls
- Supply chain network rationalisation

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<table>
<thead>
<tr>
<th>HALEON portfolio revenue (€bn)</th>
<th>Regional adjusted operating margin %</th>
</tr>
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<tbody>
<tr>
<td>1.9 (2019)</td>
<td>18.3% (2019)</td>
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<tr>
<td>2.0 (2020)</td>
<td>18.4% (2020)</td>
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<tr>
<td>2.1 (2021)</td>
<td>21.5% (2021)</td>
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<table>
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<tr>
<th>Reported (£bn)</th>
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<tbody>
<tr>
<td>1.7 (2019)</td>
</tr>
<tr>
<td>2.1 (2020)</td>
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<tr>
<td>2.1 (2021)</td>
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</table>

**HALEON revenue growth** (2019-2021 CAGR) **8.2%**

**Net COVID impact on revenue** (2019-2021 CAGR) **c.+1pt**

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2. HALEON reported IFRS revenue.
4. HALEON reportable segment adjusted operating margin.
Strategy to outperform in Asia Pacific

Household penetration

- **Accelerate** growth in Oral Health and VMS
- **Solidify leadership** in Pain Relief
- **Extend** leadership of local strategic brands
- **Category-driving** innovation

New and emerging opportunities

- **Channel expansion** through ecommerce and data driven consumer connectivity

Strong execution and financial discipline

Responsible business
Accelerate growth in Oral Health: Sensodyne India

Delivering strong results

<table>
<thead>
<tr>
<th>Penetration over 8 years¹</th>
<th>2014</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.9%</td>
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<tr>
<td>10.7%</td>
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<table>
<thead>
<tr>
<th>Market share over 8 years²</th>
<th>2014</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.6%</td>
<td></td>
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<tr>
<td>8.0%</td>
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</tbody>
</table>

Driving penetration through innovation and consumer focused campaigns

- **Meaningful and distinctive brands**
- **Category-driving innovation**
- **Commercial excellence**
- **Expert advocacy**

- Driving sensitivity condition awareness
- Needs based innovation driving expertise
- In-store demonstration
- Omnichannel expert engagement

Household penetration

+22% CAGR 2018-231 vs toothpaste market +6%

In 8 years:
- Market share over 8 years²: 3.6% to 8.0%
- Penetration over 8 years¹: 4.9% to 10.7%

¹ Penetration data from Kantar 2014-2021
² Market share data from Nielsen 2014 to Dec 2021
³ Market CAGR from Nielsen Dec 2021
Solidify leadership in Pain Relief: Panadol Australia

**Trusted leader in Pain Relief, in market for >60 years**

Five year CAGR (2017-2021) outpacing category

+1.8%\(^1\)

**Australia’s most trusted Pain Relief brand**

Winner for 12 consecutive years

**Recommended by Healthcare Professionals**

*Post-Vaccination Care*

Extensive sampling program

Deliberately increased GP and Pharmacist reach

Total Reach c.80% of GPs and >90% of Pharmacists\(^2\)

**Culturally-relevant communication**

Panadol Care >400 nominations received

Improved brand association and purchase intent (up 20% and 16% respectively)\(^3\)

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1. Nielsen MAT 2021
2. Trade Publication Circulation, 2021
3. Unruly EQ Lift May 21
Extend leadership of local brands: Caltrate China, Total Mobility Solution

**Opportunity in bone & joint health**

- **Calcium deficiency risk rate c.97%**
  
  - **Caltrate #1 player in bone health** (c. 14% market share)

**Omni-channel brand building**

- **Award-winning** Guqi Women campaign
  
  - **c.35% growth,** across bone health & joint health
  
  - **Ecommerce growth c.3x market**

**Innovation backed by science**

- **Caltrate for gender:** best selling gender calcium supplement
  
  - **Caltrate Bone and Joint Health:** 3 in 1 solution for bone strength and joint flexibility

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1. China CDC 2021
2. IQVIA, YTD Nov 21
3. E com sales only, IQVIA, YTD Nov 21
4. In the gender calcium supplement sub-category male positioning for performance, female for skin health
5. Contains calcium and UCII collagen as key ingredients
Extend leadership of local brands: Eno India, Rural Markets

**Continued growth to solidify leadership position**

2 Year CAGR
2019-21 +10%\(^1\)

**Targeted culturally relevant communication**

Digital platforms and local language *engagement*

Volume share in rural markets *c.37%*\(^2\) (+280bps vs 2019)

**Differentiated claims backed by science**

Top of Mind Brand Recall
6X OTC competition\(^2\)

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\(^1\) Nielsen Dec 2021
\(^2\) IQVIA (Dec 2021 YTD)
\(^3\) Kantar brand tracker (2021)
Category-driving innovation: Centrum
Leveraging human understanding and trusted science

Achieving multivitamin growth

Premiumisation & Personalisation

Life-stage:
Young Adults, 50+ & Children

Gender:
Specially formulated for Men & Women

Enhanced benefits expansion

Addressing specific consumer benefit needs

Australia Benefits Blend
+83% incremental to Centrum¹

Taiwan Probiotic Powder & Capsules
+34% incremental to Centrum²

¹ Nielsen Jan 2022
² Kantar September 2019 - 2021
Channel expansion through e-commerce and data-driven consumer connectivity in China

Accelerating e-commerce

20%  
E-commerce % sales\(^1\)

+41%  
YOY growth e-commerce sales\(^1\)

Joint Business Plan / Digital Captaincy partnerships  
with key retailers e.g. T-mall, Ali & JD

Incubating new emerging channels of Online to Offline and Social Commerce

Increasing Healthcare Professionals and Consumer connectivity

Proprietary engagement platforms

Omni-channel Consumer Relations Management Platform

WeChat with Healthcare Professional and webinars

Advanced media targeting through strategic data partnerships

Dedicated production team to plan and optimise content in house at scale

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\(^1\) Internal analysis for ecommerce sales related data (Dec YTD 2021 vs 2020) includes ecommerce/O2O and social commerce
Delivering integrated digital campaigns in China

1st Sensodyne challenge on TikTok\(^1\)

Centrum precision marketing\(^2\)

Voltaren collab with leading social sports platform KEEP\(^3\)

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**SENSODYNE** x **TikTok**

- KOL endorsement
- User-generated content
- 88M+ Exposure* #1 Social Buzz*

**Centrum** x **T-mall**

- Tailoring content and messaging for different audiences
- 44% new user growth vs. 2020 D11

**Voltaren** x **KEEP**

- Posture APP – engagement & education
- Online & offline content & experience with KEEP
- 13% consumption growth\(^4\)

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1 TikTok + databank data. Time period Y21 Oct-Nov D11 campaign
2 A li databank. Campaign Y21 Nov D11
3 Campaign Apr – Jun `21
4 IQIVA Apr – Jun 21 vs Apr-Jun 20
Commercial execution in the market to drive outperformance

**Net Revenue Management**
Optimise revenue for CH and retailers

- Improved portfolio mix
- Improved pricing
- Pack price architecture
- Better promotional management and trade terms
- Incremental sales growth over last few years

**Customer Management**
Partnerships with shopper and retailer

**Southeast Asia & Taiwan**
Increasing share in key regional accounts (c.90%\(^1\))

**Retail execution**
Strong brand and category visibility in market

**Japan**
Planogram compliance through image recognition technology (72% to 94%\(^2\))

**Strong go to market**
Maximising shopper reach at the right time

**China**
Increasing O2O market share to 22%\(^3\)

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1 GSK internal data (Aug 2020 vs Aug 2021)
2 GSK internal with Trax (July to Nov 2020)
3 EDGE, Nov 21 YTD

Planogram: schematic drawing displaying where merchandise should be placed to maximise purchases
Running a responsible business, integral to all we do

**Suzhou manufacturing site - China**

- **50% lower water use** in 2020 vs 2009\(^1\)
- **40% lower carbon emission** in 2020 vs 2009\(^1\)

**No Waste to landfill**

- **At all manufacturing sites**\(^2\)

**Recycled packaging**

- Sensodyne cartons using **100% recycled** board in Japan\(^3\)

**Air purifiers**

- Installed air purifiers at **65 traffic junctions in India** in partnership with the Haryana government

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\(^1\) Per million tablets
\(^2\) See KPI definitions in our ESG Performance Summary 2020 for exceptions
\(^3\) Saving >22,000 trees, 1620MT paper
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- **Strong execution** and commercial excellence in the market
Thank you
Assumptions and cautionary statement and regarding forward-looking statements

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In outlining the medium term outlooks, growth ambitions and 2022 considerations for Haleon, GSK has made certain assumptions about the consumer healthcare sector, the different geographic markets and product categories in which Haleon operates and the delivery of revenues and financial benefits from its current product range, pipeline and integration and restructuring programmes. These assumptions, as well as the outlooks, ambitions or considerations (as applicable) for organic annual sales growth, adjusted operating margin expansion, dividend payout ratio, cash generation/conversion and deleveraging, assume, among other things, no material interruptions to the supply of Haleon’s products, no material mergers, acquisitions or disposals, no material litigation or investigation costs (save for those that are already recognised or for which provisions have been made), no material changes in the regulatory framework for developing new products and retaining marketing approvals, no material changes in the healthcare environment, no unexpected significant changes in Haleon’s end markets, no unexpected significant changes in pricing as a result of government, customer or competitor action, and no material changes in the impacts of the COVID-19 pandemic. These outlooks, ambitions and considerations also assume the successful delivery of the separation programme to deliver the demerger of Haleon and the realisation of its anticipated benefits. The outlook, growth ambitions and 2022 considerations are given at constant exchange rates.
### Haleon financial reporting considerations

#### IFRS Income Statement

<table>
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<th>Reportable segments</th>
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<td></td>
<td>£m</td>
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<td>£m</td>
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<tr>
<td><strong>Revenue</strong></td>
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<tr>
<td>North America</td>
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<td>3,877</td>
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<tr>
<td>Adj. Op. Margin</td>
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<td>Corporate &amp; Unallocated</td>
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<td>Adj. Op. Profit</td>
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<td>Adjusting items</td>
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#### Revenue on a Category basis

1. See glossary for definition of Adjusted measures
2. Revenue, revenue growth, revenue growth at CER and organic revenue growth (see glossary for definition) will be published for the reportable segments and categories.
Comparison of Haleon to GSK segment financials

Whilst a part of GSK, Haleon has historically been reported as an operating segment under IFRS 8 in GSK’s annual report and interim financial reporting (the “CH Segment”). The financial information presented above has been prepared in a manner consistent with the Historical Financial Information prepared in connection with the anticipated demerger and separation of Haleon from GSK and therefore differs both in purpose and basis of preparation to the CH Segment as presented historically in GSK’s financial reporting. As a result, whilst the two sets of financial information are similar, they are not the same because of certain differences in accounting and disclosure under IFRS.

These differences primarily include:

1. the inclusion in GSK’s segment reporting of certain distribution and local commercial activities performed by a limited number of other GSK Group entities in relation to Consumer Healthcare products
2. the basis of allocation of certain cost-sharing and royalty agreements as attributed by a limited number of other GSK Group entities for the purposes of GSK segment reporting
3. the inclusion of Horlicks and other Consumer Healthcare nutrition products in India and certain other markets in GSK segment reporting
4. the sale of Thermacare products until their disposal in 2020 which have been excluded from GSK segment reporting

---

Key figures (£m)

<table>
<thead>
<tr>
<th></th>
<th>Haleon¹</th>
<th>GSK CH segment²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>8,480</td>
<td>9,892</td>
</tr>
<tr>
<td>Adjusted Operating Profit³</td>
<td>1,654</td>
<td>2,074</td>
</tr>
<tr>
<td>Adjusted Operating margin³</td>
<td>19.5%</td>
<td>21.0%</td>
</tr>
</tbody>
</table>

¹ Haleon financial results
² GSK Consumer Healthcare segment financial results
³ See glossary for definition of Adjusted measures
# Revenue Reconciliation

Haleon portfolio growth reflects the growth of Haleon’s brands during the track record period

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue £bn</td>
<td>8.5</td>
<td>9.9</td>
<td>9.5</td>
</tr>
<tr>
<td>Growth %</td>
<td>n/a</td>
<td>16.7%</td>
<td>(3.5%)</td>
</tr>
<tr>
<td>Growth CER %</td>
<td>n/a</td>
<td>19.3%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Organic revenue growth %</td>
<td>n/a</td>
<td>2.8%</td>
<td>3.8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue £bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth %</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth CER %</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organic revenue growth %</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue growth %</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organic growth adjustments of which:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effect of acquisitions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effect of divestments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effect of manufacturing service agreements (MSAs)²</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effect of exchange rates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organic revenue growth %</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue £bn</td>
<td>9.3</td>
<td>9.6</td>
<td>9.5</td>
</tr>
<tr>
<td>Growth %</td>
<td>n/a</td>
<td>2.6%</td>
<td>(0.7%)</td>
</tr>
<tr>
<td>Growth CER %</td>
<td>n/a</td>
<td>4.9%</td>
<td>3.9%</td>
</tr>
</tbody>
</table>

Haleon portfolio revenue and growth illustrate the performance of the brands that make up the portfolio at spin to provide the best understanding of the size and growth of Haleon’s brands during the track record period.

Haleon portfolio revenue and growth are presented here to aid understanding but become unnecessary going forward. Instead revenue, revenue growth, revenue growth at CER and organic growth will be used.

Source: Company analysis

¹ See glossary for definitions
² Manufacturing service agreements ("MSAs") relating to divestments and the closure of sites or brands


Haleon portfolio growth differs from organic growth in two key respects:
1. By including 12 months of Pfizer brand sales in all years (including 2019)
2. By completely excluding all sales of brands divested from all years
## IFRS and Adjusted Income Statement

### 2020 (£m)

<table>
<thead>
<tr>
<th></th>
<th>IFRS Result</th>
<th>Net Intangible Amortisation and Impairment</th>
<th>Restructuring Costs</th>
<th>Transaction Related Costs</th>
<th>Separation and Admission Costs</th>
<th>Disposal and others</th>
<th>Adjusted Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>9,892</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9,892</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>(3,982)</td>
<td>81</td>
<td>89</td>
<td>91</td>
<td>2</td>
<td>(3,719)</td>
<td></td>
</tr>
<tr>
<td>Gross Profit</td>
<td>5,910</td>
<td>81</td>
<td>89</td>
<td>91</td>
<td>2</td>
<td>6,173</td>
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<tr>
<td>% Gross Margin</td>
<td>59.7%</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>62.4%</td>
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<tr>
<td>Selling, general and admin</td>
<td>(4,220)</td>
<td>314</td>
<td>66</td>
<td>21</td>
<td></td>
<td>(3,819)</td>
<td></td>
</tr>
<tr>
<td>Research and development</td>
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<td>16</td>
<td></td>
<td></td>
<td></td>
<td>(280)</td>
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<tr>
<td>Other operating income</td>
<td>212</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>0</td>
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<tr>
<td>Operating Profit</td>
<td>1,598</td>
<td>97</td>
<td>411</td>
<td>91</td>
<td>66</td>
<td>(189)</td>
<td>2,074</td>
</tr>
<tr>
<td>% Margin</td>
<td>16.2%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>21.0%</td>
</tr>
<tr>
<td>Finance income</td>
<td>20</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Finance expense</td>
<td>(27)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(27)</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>1,591</td>
<td>97</td>
<td>411</td>
<td>91</td>
<td>66</td>
<td>(189)</td>
<td>2,067</td>
</tr>
<tr>
<td>Taxation</td>
<td>(410)</td>
<td>(19)</td>
<td>(90)</td>
<td>(20)</td>
<td>(13)</td>
<td>69</td>
<td>(483)</td>
</tr>
<tr>
<td>Tax rate %</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>23.4%</td>
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<tr>
<td>Profit after tax for the year</td>
<td>1,181</td>
<td>78</td>
<td>321</td>
<td>71</td>
<td>53</td>
<td>(120)</td>
<td>1,584</td>
</tr>
</tbody>
</table>

### 2021 (£m)

<table>
<thead>
<tr>
<th></th>
<th>IFRS Result</th>
<th>Net Intangible Amortisation and Impairment</th>
<th>Restructuring Costs</th>
<th>Transaction Related Costs</th>
<th>Separation and Admission Costs</th>
<th>Disposal and others</th>
<th>Adjusted Result</th>
</tr>
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<tbody>
<tr>
<td>Revenue</td>
<td>9,545</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9,545</td>
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<tr>
<td>Cost of Sales</td>
<td>(3,595)</td>
<td>8</td>
<td>44</td>
<td></td>
<td></td>
<td></td>
<td>(3,543)</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>5,950</td>
<td>8</td>
<td>44</td>
<td></td>
<td></td>
<td></td>
<td>6,002</td>
</tr>
<tr>
<td>% Gross Margin</td>
<td>62.3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>62.9%</td>
</tr>
<tr>
<td>Selling, general and admin</td>
<td>(4,086)</td>
<td>314</td>
<td>66</td>
<td>21</td>
<td></td>
<td>(3,582)</td>
<td></td>
</tr>
<tr>
<td>Research and development</td>
<td>(257)</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td>(248)</td>
<td></td>
</tr>
<tr>
<td>Other operating income</td>
<td>31</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(31)</td>
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<tr>
<td>Operating Profit</td>
<td>1,638</td>
<td>16</td>
<td>195</td>
<td>278</td>
<td>45</td>
<td>2,172</td>
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<tr>
<td>% Margin</td>
<td>17.2%</td>
<td></td>
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<td></td>
<td>22.8%</td>
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<tr>
<td>Finance income</td>
<td>17</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>17</td>
</tr>
<tr>
<td>Finance expense</td>
<td>(19)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(19)</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>1,636</td>
<td>16</td>
<td>195</td>
<td>278</td>
<td>45</td>
<td>2,170</td>
<td></td>
</tr>
<tr>
<td>Taxation</td>
<td>(197)</td>
<td>8</td>
<td>(36)</td>
<td>(47)</td>
<td>(197)</td>
<td>(469)</td>
<td></td>
</tr>
<tr>
<td>Tax rate %</td>
<td>12.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>21.6%</td>
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<tr>
<td>Profit after tax for the year</td>
<td>1,439</td>
<td>24</td>
<td>159</td>
<td>231</td>
<td>(152)</td>
<td>1,701</td>
<td></td>
</tr>
</tbody>
</table>

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1. See glossary for definitions of Adjusting Items and comments regarding the use of Adjusted measures.
Haleon divestments

Revenue of divested brands (£bn; 2019-2021)\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>0.5</td>
</tr>
<tr>
<td>2020</td>
<td>0.3</td>
</tr>
<tr>
<td>2021</td>
<td>&lt;0.05</td>
</tr>
</tbody>
</table>

Brands divested 2019-2021\(^3\)

**2019**
- Bialcol, Ceridal, Cibalgin, Eurax, Keri, Magnesia Bisurada\(^4\), Oilatum, Polytar/Tarmed, Prevacid, Savlon, Tixylik

**2020**
- Alavert, Anbesol, Argus, Boost\(^5\), Breathe Right, Capent, Cetebe, Cholinex, Clindo, Coldrex, Dimetapp, Dristan, Duofilm, Eclipsol, Fibercon, Hinds\(^3\), Horlicks\(^5\), KCI-retard\(^6\), Lemocin, Mebucaine, Omega/Fri-Flyt\(^6\), Orofar, Physiogel, Primatene, Pulmex, Resyl, Sunmax, Sweatosan, Synthol, Tavegyl, Thermacare, Tossamin, Trofolastin, Venoruton, Viva/Maltova

**2021**
- Acne-Aid, Baldriparan, Formigian, Kamol, KCI-retard\(^6\), Spalt, Spectran, Transderm scop

---

1. Excludes revenue of Horlicks / Boost, which were excluded from the Haleon perimeter.
2. On a reported basis including 5 months' August–December revenue of Pfizer brands.
3. Brands are listed by year of closing of divestment.
4. Partial divestment.
5. Horlicks / Boost was excluded from the Haleon perimeter and financials but was included in GSK plc’s CH segment reporting. Horlicks revenue was £0.5bn in 2019.
Glossary

A number of Adjusted measures are used to report the performance of our business which are non-IFRS measures. Adjusted results, CER and other non-IFRS measures may be considered in addition to, but not as a substitute for or superior to, information presented in accordance with IFRS. These measures are defined and set out below. Reconciliations to the nearest IFRS measure will be provided as part of the Historical Financial Information as part of the Prospectus.

Adjusted EBITDA is defined as profit after tax for the year excluding income tax, finance income, finance expense, Adjusting Items (as defined below), depreciation of property plant and equipment, impairment of property plant and equipment net of reversals, depreciation of right-of-use assets, and amortisation of software intangibles.

Adjusting Items include the following:

- **Net amortisation and impairment of intangible assets**: Intangible amortisation and impairment of goodwill, brands, licenses and patents net of impairment reversals.
- **Restructuring costs**: include personnel costs associated with restructuring programs, impairments of tangible assets and computer software relating to specific programmes approved by the Board from time to time that are structural and of a significant scale, where the costs of individual or related projects exceed £15 million. These costs also include integration costs following an acquisition.
- **Separation and admission costs**: costs incurred in relation to and in connection with the demerger, separation, admission and registration of Haleon Shares.
- **Transaction related costs**: Accounting or other adjustments related to significant acquisitions.
- **Disposal and other adjusting items**: Gains and losses on disposals of assets and businesses, tax indemnities related to business combinations, and other items.

**Adjusted Operating Profit** is defined as operating profit less Adjusting Items as defined above.

**Compound Annual Growth Rate (CAGR)** represents the annualised average rate of growth between two given years assuming growth takes place at a compounded rate.

**Free cash flow** is defined as net cash inflow from operating activities plus cash inflows from the sale of intangible assets, the sale of property, plant and equipment and interest received, less cash outflows for the purchase of intangible assets, the purchase of property, plant and equipment, distributions to non-controlling interests and interest paid.

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

**Haleon portfolio revenue** represents the revenue of the brands that make up the Company’s portfolio at separation from GSK. The measure includes 12 months revenue of Pfizer brands in all years including 2019 and excludes all revenue of divested / closed brands from all years. It also excludes revenue attributable to manufacturing service agreements (“MSAs”) relating to divestments and the closure of sites or brands. Haleon portfolio revenue is presented here to aid understanding but will not be used going forward.

**Haleon portfolio revenue growth** represents the growth in Haleon portfolio revenue excluding the impact of exchange movements.

**Organic revenue growth** represents revenue growth, as determined under IFRS and excluding the impact of acquisitions, divestments and closures of brands or businesses, revenue attributable to manufacturing service agreements (“MSAs”) relating to divestments and the closure of sites or brands, and the impact of currency exchange movements.

**Organic sales growth** is the same as organic revenue growth (as defined above) and the terms are used interchangeably in these materials

**Sales** is the same as revenue and the terms are used interchangeably in these materials