

Statement of Directors' responsibilities

Financial Statements and accounting records

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. The Directors have prepared the Consolidated Financial Statements in accordance with United Kingdom (UK) adopted international accounting standards in conformity with the requirements of the Companies Act 2006, and the Parent Company Financial Statements in accordance with UK accounting standards. The Consolidated Financial Statements, also comply with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), including interpretations issued by the IFRS Interpretations Committee (IFRIC), and International Financial Reporting Standards. Under company law directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Parent Company and the Group, and the profit or loss for that period. In preparing these Financial Statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently.
- Make judgements and accounting estimates that are reasonable.

- Provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.
- State whether the Consolidated Financial Statements have been prepared in accordance with UK-adopted international accounting standards.
- State for the Parent Company Financial Statements whether applicable UK accounting standards, comprising FRS 102, have been followed.
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Parent Company and the Group will continue in business.

The Directors are responsible for ensuring that the Parent Company and the Group keep adequate accounting records that are sufficient to show and explain the Parent Company's and the Group's transactions and disclose with reasonable accuracy the financial position of the Parent Company and the Group to enable them to ensure that the Financial Statements comply with the Companies Act 2006. The Directors also have responsibility for the system of internal control, safeguarding the assets of the Parent Company and the Group, and taking reasonable steps to prevent and detect fraud and other irregularities. Under applicable law and regulations, they also have responsibility for preparing a Directors' Report, Strategic Report, Directors' Remuneration Report, and Corporate Governance Statement.

The Directors are responsible for the maintenance and integrity of the Annual Report including on Haleon's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure Guidance and Transparency Rules

The Directors confirm to the best of their knowledge:

- The Consolidated Financial Statements, prepared in accordance with a relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Parent Company and the undertakings included in the consolidation taken as a whole.
- The Annual Report, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Parent Company and the Group taken as a whole, together with a description of the principal risks and uncertainties that it faces.
- In accordance with Disclosure Guidance and Transparency Rule (DTR) 4.1.16R, the financial statements will form part of the annual financial report prepared under DTR 4.1.17R and 4.1.18R. The auditor's report on these financial statements provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

UK Corporate Governance Code 2024

The Directors consider that this Annual Report and Form 20-F taken as a whole, is fair, balanced and understandable and that it provides the information necessary for shareholders to assess the Parent Company's and the Group's position and performance, business model and strategy.

Disclosure of information to auditors

Each of the Directors who held office as at the date of approval of this Report confirm that:

- They have taken steps to make themselves aware of relevant audit information (as defined by Section 418(3) of the Companies Act 2006).
- None of the Directors are aware of any relevant audit information which has not been disclosed to the Company's and Group's auditor.

For and on behalf of the Board

Brian McNamara
Chief Executive
Officer
13 March 2026

Dawn Allen
Chief Financial
Officer
13 March 2026

KPMG LLP's Independent Auditor's Report To the members of Haleon plc

1. Our opinion is unmodified

In our opinion:

- the financial statements of Haleon plc give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2025, and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- the Group and Parent Company financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Additional opinion in relation to IFRS as issued by IASB

As explained in Note 1 to the Group Financial Statements, the Group, in addition to complying with its legal obligation to apply UK-adopted International Financial Reporting Standards, has also applied International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

In our opinion, the Group Financial Statements have been properly prepared in accordance with IFRS as issued by the IASB.

What our opinion covers

We have audited the Group and Parent Company financial statements of Haleon plc ("the Company") for the year ended 31 December 2025 (FY25) included in the Annual Report, which comprise:

Group (Haleon plc and its subsidiaries)	Parent Company (Haleon plc)
Consolidated income statement	Balance sheet
Consolidated statement of comprehensive income	Statement of changes in equity
Consolidated balance sheet	Notes to the Parent Company Financial Statements, including the accounting policies in Notes 1 and 2.
Consolidated statement of changes in equity	
Consolidated cash flow statement	
Notes to the Consolidated Financial Statements, including the accounting policies in Notes 1 to 3.	

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion and matters included in this report are consistent with those discussed and included in our reporting to the Audit & Risk Committee.

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities.

2. Overview of our audit

Factors driving our view of risks

Following our FY24 audit, and considering developments affecting the Group since then, we have updated our risk assessment decisions.

The macro-economic environment has been a driving factor in our risk assessment. Whilst inflation rates have generally trended downwards in 2025, there has been increased economic uncertainty, with factors such as U.S. tariffs on international imports impacting input costs for the Group.

The Group holds brands with indefinite lives where a high degree of estimation uncertainty exists with regards to assumptions and estimates used in the Group's assessment of the recoverable amount. The key assumption is discount rate. There is significant auditor judgement involved in evaluating these assumptions. We identified that the indefinite life brand most sensitive to possible change in key assumptions used in the valuation models is Preparation H. The effect of these matters could result in a potential range of reasonable outcomes greater than our materiality for the Financial Statements as whole.

The investment in subsidiaries in the Parent Company Financial Statements is material. As a result, this is considered to be the area that has the greatest effect on our overall Parent Company audit.

Key Audit Matters	Vs FY24	Item
Recoverability of indefinite life brands	↔	4.1
Recoverability of Parent Company's investment in subsidiaries	↔	4.2

Audit & Risk committee interaction

During the year, the Audit & Risk Committee met 6 times. KPMG are invited to attend all Audit & Risk Committee meetings and are provided with an opportunity to meet with the Audit & Risk Committee in private sessions without the Executive Directors being present. For each Key Audit Matter, we have set out communications with the Audit & Risk Committee in section 4, including matters that required particular judgement for each.

The matters included in the Audit & Risk Committee Report on page 70 are materially consistent with our observations of those meetings.

Our independence

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities.

We have not performed any non-audit services during FY25 or subsequently which are prohibited by the FRC Ethical Standard.

We were first appointed as auditor by the shareholders for the year ended 31st December 2023. The period of total uninterrupted engagement is for three financial years ended 31st December 2025. The Group engagement partner is required to rotate every 5 years. As these are the first set of the Group's financial statements signed by Jeremy Hall, he will be required to rotate off after the FY29 audit.

The average tenure of partners responsible for component audits as set out in section 7 below is 3 years, with the shortest being 1 year and the longest being 4 years.

Total audit fee	£16.5m
Audit related fees (including interim review)	£1.1m
Other services	£nil
Non-audit fee as a % of total audit and audit related fee %	6%
Date first appointed	20th April 2023
Uninterrupted audit tenure	3 years
Next financial period which requires a tender	2033
Tenure of Group engagement partner	1 year
Average tenure of component signing partners	3 years

2. Overview of our audit continued

Materiality (Item 6 below)

The scope of our work is influenced by our view of materiality and our assessed risk of material misstatement.

We have determined overall materiality for the Group Financial Statements as a whole at £110m (FY24: £110m) and for the Parent Company Financial Statements as a whole at £100m (FY24: £100m).

Consistent with FY24, we determined that Group normalised profit before tax from continuing operations ("PBTCO") remains the benchmark for the Group. This is normalised to exclude certain restructuring costs of £89m (FY24: £202m). We adjusted for this item because it does not represent the normal, continuing operations of the Group. Our Group materiality represents 4.9% (FY24: 5.2%) of the benchmark.

Materiality for the Parent Company Financial Statements was determined with reference to a benchmark of Parent Company total assets of which it represents 0.5% (FY24: 0.4%).

Materiality levels used in our audit

Category	FY25 (£m)	FY24 (£m)
Group	110	110
GPM	82.5	82.5
HCM	82.5	88
PLC	100	100
LCM	15	12
AMPT	5.5	5.5

■ FY25 £m ■ FY24 £m

Group Group Materiality
GPM Group Performance Materiality
HCM Highest Component Materiality
PLC Parent Company Materiality
LCM Lowest Component Materiality
AMPT Audit Misstatement Posting Threshold

Group Scope (Item 7 Below)

We have performed risk assessment and planning procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group Financial Statements, the type of procedures to be performed at these components and the extent of involvement required from our component auditors around the world.

We performed audit procedures on 17 (FY24: 18) components, having considered our evaluation of the Group's operational structure and our ability to perform audit procedures centrally.

We also performed audit procedures in respect of the Group's shared service centres in Poland, Malaysia, Costa Rica and India. Together, these shared service centres process a substantial portion of the Group's transactions over purchases, revenue, payroll and journal entries.

We also performed testing of centrally managed controls (manual and automated), testing of general IT controls over centrally managed IT systems and performance of specific risk focused audit procedures over purchases, revenue, payroll and journal entries at the Group level.

In addition, for the remaining components for which we performed no audit procedures, we performed analysis at an aggregated Group level to re-examine our assessment that there is not a reasonable possibility of a material misstatement in these components. In particular, we matched individual sales orders to goods delivery documents and invoices to inform our assessment of whether there was a reasonable possibility of a material misstatement in the remaining revenue.

We consider the scope of our audit, as communicated to the Audit & Risk Committee, to be an appropriate basis for our audit opinion.

Coverage of Group Financial Statements
 Our audit procedures covered the following percentages:

Revenue
63%

Total assets
90%

2. Overview of our audit continued

The impact of climate change on our audit

In planning our audit, we considered the impacts of climate change on the Group's business and its Financial Statements.

The Group set targets to achieve net zero carbon emissions from source to sale by 2040, aligned to guidance from the Climate Pledge and Race to Zero. Further information has been provided in the Group's Strategic Report on page 21. The Group continues to align its climate-related disclosures with the recommendations of the Task Force on Climate Related Financial Disclosure ("TCFD") and the Companies Act. These disclosures are included in the Strategic Report on pages 19 to 26.

Climate change risk could have a significant impact on the Group's business as it adapts its strategy and operations to address the potential financial risks which could arise from both the physical and transition risks associated with climate change. To evaluate and assess the resilience of its business to climate change, the Group assessed the impact of damage and disruption caused by extreme weather events, reduced availability and increased price volatility of raw materials due to climate change, carbon pricing regulations and loss of attractiveness due to consumers' increasing expectations. These are the areas in which the Group foresees the greatest potential for disruption. Further information can be found on pages 19 to 26.

As part of our audit, we have made inquiries of the Group to understand the extent of the potential impact of climate change risk on the Group's Financial Statements. We have performed a risk assessment of how climate risks facing the Group, particularly those relating to the impact of damage and disruption caused by extreme weather events, reduced availability and increased price volatility of raw materials due to climate change, carbon pricing regulations and loss of attractiveness due to consumers' increasing expectations, and the Group's strategy to mitigate these risks, may affect the Financial Statements and our audit. Our risk assessment focused on the risk climate change may pose to the determination of future cash flows within the Group's going concern assessment and assessment over the recoverability of indefinite life brands, as well as the impact on the carrying amount and useful lives of property, plant, and equipment. We also held discussions with our own climate change professionals to challenge our risk assessment.

On the basis of our risk assessment, we determined that while climate change poses a risk to the determination of future cash flows, the risk to the audit from climate change alone is not significant, as such there was no impact on our Key Audit Matters.

We have read the climate-related information in the front half of the Annual Report, and considered consistency with the statements and our audit knowledge.

3. Going concern, viability and principal risks and uncertainties

The Directors have prepared the Financial Statements on the going concern basis as they do not intend to liquidate the Group or the Parent Company or to cease their operations, and as they have concluded that the Group's and the Parent Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least twelve months from the date of approval of the Financial Statements ("the going concern period").

Going concern

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risks that were considered most likely to adversely affect the Group's and Company's available financial resources over this period were:

- Commodity inflation and pricing; and
- Selling price and volume sensitivity.

We also considered realistic second order impacts, such as business transformation and portfolio management failure.

We considered whether these risks could plausibly affect the liquidity in the going concern period by assessing the degree of downside assumptions that, individually and collectively, could result in a liquidity issue, considering the Group's current projected cash and facilities and the outcome of their reverse stress testing.

We considered whether the going concern disclosure in Note 1 to the Financial Statements gives a full and accurate description of the Directors' assessment of going concern.

Accordingly, based on those procedures, we found the Directors' use of the going concern basis of accounting without any material uncertainty for the Group and Parent Company to be acceptable. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Parent Company will continue in operation.

Our conclusions

- We consider that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate;
- We have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent Company's ability to continue as a going concern for the going concern period;
- We have nothing material to add or draw attention to in relation to the Directors' Statement in Note 1 to the Financial Statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Parent Company's use of that basis for the going concern period, and we found the going concern disclosure in Note 1 to be acceptable; and
- The related statement under the Listing Rules set out on page 58 is materially consistent with the Financial Statements and our audit knowledge.

3. Going concern, viability and principal risks and uncertainties continued

Disclosures of emerging and principal risks and longer-term viability

Our responsibility

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the viability statement, and the Financial Statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation within the viability statement on page 58 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- The Emerging and Principal Risks disclosures describing these risks and how emerging risks are identified and explaining how they are being managed and mitigated; and
- The Directors' explanation in the viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the viability statement set out on page 58 under the Listing Rules.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our Financial Statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Parent Company's longer-term viability.

Our reporting

We have nothing material to add or draw attention to in relation to these disclosures.

We have concluded that these disclosures are materially consistent with the Financial Statements and our audit knowledge.

4. Key audit matters

What we mean

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the Financial Statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on:

- The overall audit strategy;
- The allocation of resources in the audit; and
- Directing the efforts of the engagement team.

We include below the Key Audit Matters in decreasing order of audit significance together with our key audit procedures to address those matters and our results from those procedures (unchanged from FY24). These matters were addressed, and our results are based on procedures undertaken, for the purpose of our audit of the Financial Statements as a whole. We do not provide a separate opinion on these matters.

4. Key audit matters continued

4.1 Recoverability of indefinite life brands (Group)

Financial Statement Elements

	FY25	FY24
Intangible assets - Indefinite life brands	£16,594m	£17,623m
Intangible assets - Impairment	£7m	£135m

Our assessment of risk vs FY24

↔ Our assessment is that the risk is similar to FY24. Preparation-H remains as the brand most sensitive to possible change in the key assumptions.

Our results

FY25: Acceptable

FY24: Acceptable

Description of the Key Audit Matter

Forecast-based assessment

Indefinite life brands are impaired when their carrying amount exceeds their recoverable amount. There is inherent uncertainty with regard to assumptions and estimates involved in the Group's forecast-based assessment of the recoverable amount of indefinite life brands. In particular, there is significant auditor judgement involved in evaluating the discount rate used in the analysis of the recoverable amount of the indefinite life brands.

The indefinite life brands most at risk of material misstatement were identified using sensitivity analysis on key assumptions and a critical assessment of potential triggering events that could be indicative of an impairment in the carrying value of the brands.

We identified that the indefinite life brand most sensitive to possible change in key assumptions used in the valuation models is Preparation H, for which the carrying value is £1,042m as at 31 December 2025.

The effect of these matters is that, as part of our risk assessment, we determined that the evaluation of the recoverability of the carrying value of Preparation-H has a high degree of estimation uncertainty with a potential range of reasonable outcomes greater than our materiality for the Financial Statements as a whole. The Financial Statements (Note 14) disclose the sensitivity estimated by the Group for this brand.

An impairment charge of £135m was recognised during the prior year, largely in relation to the impairment of the Nexium brand. During the year Nexium brand has been reclassified to an amortised brand with a definite useful life. Nexium brand was assessed for impairment prior to reclassification, and no further impairment loss recognised.

Our response to the risk

Our procedures to address the risk included:

- **Control design and operation:** Evaluating the design and testing the operating effectiveness of certain internal controls within the indefinite life brands impairment testing process, including controls related to the development of the discount rate;
- **Sensitivity analysis:** Performing sensitivity analysis on the discount rate to assess its impact on the Group's determination that the fair value less cost to sell ("FVLCTS") exceeds the carrying value;
- **Valuation expertise:** Involving our own valuation professional with specialised skills and knowledge, who assisted in independently developing a range of discount rates using publicly available market data for comparable companies and comparing these rates to those utilised by the Group to assess their reasonableness;
- **Historical comparison:** Challenging projected revenue by comparing historical projections to actual results to assess the Group's ability to accurately forecast;
- **Benchmarking and assessing assumptions:** Assessing and challenging revenue growth rate against externally derived publicly available data, including broker and analyst reports, industry reports, media reports, macro-economic assumptions, academic and scientific studies, and regulatory changes; and
- **Assessing transparency:** Assessing whether the Group's disclosures detail the critical estimates and sensitivities including any impact of reasonably possible changes regarding the impairment testing of indefinite life brands.

Communications with Haleon plc's Audit & Risk Committee

Our discussions with and reporting to the Audit & Risk Committee included:

- Our approach to the audit of indefinite life brands, including details of our planned substantive procedures and extent of our controls reliance;
- Our conclusions on the appropriateness of the Group's impairment assessment, including assumptions used by the Group in their FVLCTS based assessment to calculate the recoverable amount of indefinite life brands and whether the discount rate used by the Group were reasonable; and
- The adequacy of disclosures, particularly as it relates to the critical estimates and sensitivities with regard to the impairment testing.

Areas of particular auditor judgement

The evaluation of the assumptions used by the Group in the analysis of the recoverable amount of indefinite life brands is an area requiring significant auditor judgement.

Our results

We found the indefinite life brands balance, and the related impairment charge, to be acceptable.

Further information in the Annual Report and Accounts: See the Audit & Risk Committee Report on page 70 for details on how the Audit & Risk Committee considered recoverable amount of indefinite life brands as an area of significant attention, Note 3 for the accounting policy on indefinite life brands, and Note 14 for the financial disclosures.

4. Key audit matters continued

4.2 Recoverability of the Company's investment in subsidiaries (Parent Company only)

Financial Statement Elements

	FY25	FY24
Investment in Subsidiaries	£22,361m	£22,336m

Our assessment of risk vs FY24

↔ Our assessment is that the risk is similar to FY24. There have been no material changes to the Company's investment in subsidiaries during the year.

Our results

FY25: Acceptable

FY24: Acceptable

Description of the Key Audit Matter

Low risk, high value

The carrying amount of the Company's investment in subsidiaries represents 93.5% (FY24: 93.7%) of the Company's total assets.

We do not consider the carrying amounts of these investments to be at a high risk of significant misstatement, or to be subject to a significant level of judgement. However, due to their materiality in context of the Parent Company accounts, this is considered to be the area with the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit of the Parent Company.

Our response to the risk

We performed a substantive approach rather than seeking to rely on any of the company's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described below.

Our procedures to address the risk included:

- **Tests of detail:** Comparing the carrying amount of 100% of investments with the relevant subsidiary's draft balance sheet to identify whether their net assets, being an approximation of the minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries have historically been profit making;
- **Comparing valuations:** Comparing the carrying amount of the Company's investment in subsidiaries with the expected value of the business based on the net assets of the Group, as well as to the market capitalisation; and
- **Indicators:** Evaluating the considerations of indicators of impairment of the Parent Company's direct investments.

Communications with Haleon plc's Audit & Risk Committee

Our discussions with and reporting to the Audit & Risk Committee included:

- Our approach to the audit of the recoverability of the Parent company's investments in subsidiaries, including the planned substantive procedures; and
- An assessment of indicators of impairment from the conclusion reached in the Group impairment workings.

Our results

We found the conclusion that there is no impairment of the investment in subsidiaries to be acceptable.

Further information in the Annual Report and Accounts: See Note 2 of the Parent Company Financial Statements for the accounting policy on investments in subsidiaries and Note 5 of the Parent Company Financial Statements for the financial disclosures.

5. Our ability to detect irregularities, and our response

Fraud - Identifying and responding to risks of material misstatement due to fraud

Fraud risk assessment	<p>To identify risks of material misstatement due to fraud (fraud risks) we assessed events or conditions that could indicate an incentive or pressure to commit fraud, or provide an opportunity to commit fraud. Our risk assessment procedures included:</p> <ul style="list-style-type: none"> – Inquiring of Directors, the Audit & Risk Committee, internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud; – Reading Board and Audit & Risk Committee minutes; – Considering remuneration and incentive schemes and performance targets for senior management; – Using analytical procedures to identify unusual or unexpected relationships; and – Using our own forensic professionals with specialised skills and knowledge to assist us in identifying the fraud risks based on discussions of the circumstances of the Group.
Risk communications	<p>We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group to component audit teams of relevant fraud risks identified at the Group level and requests to component audit teams to report to the Group auditor any instances of fraud that could give rise to a material misstatement at the Group level.</p>
Fraud risks	<p>As required by auditing standards, and taking into account possible pressures to meet profit targets, we performed procedures to address the risk of management override of controls, in particular the risk that Group and component management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates. On this audit we do not believe there is a fraud risk related to revenue recognition as the revenue model is non-complex with limited estimation or manual intervention. Revenue is disaggregated between a significant number of components and remuneration targets are based on Group performance rather than component performance.</p> <p>We did not identify any additional fraud risks.</p>

Procedures to address fraud risks

In determining the audit procedures, we have taken into account the results of our evaluation and testing of the operating effectiveness of the Group-wide fraud risk management controls.

We also performed the following:

- Identifying journal entries to test for all in-scope components based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries posted to seldom used accounts, journal entries posted by a user who only posted few entries for the fiscal year, journal entries containing a pre-defined list of keywords and those posted with an unusual account combination; and
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

5. Our ability to detect irregularities, and our response continued

Laws and regulations – Identifying and responding to risks of material misstatement relating to compliance with laws and regulations	
Laws and regulations risk assessment	We identified areas of laws and regulations that could reasonably be expected to have a material effect on the Financial Statements from our general commercial and sector experience, through discussion with the Directors and other management (as required by the auditing standards), from inspection of the Group's regulatory and legal correspondence and discussion with the Directors and other management the policies and procedures regarding compliance with laws and regulations.
Risk communications	We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group to in-scope component audit teams of relevant laws and regulations identified at a Group level, and requested for in-scope component auditors to report any instances of non-compliance with laws and regulations that could give rise to a material misstatement at a Group level.
Direct laws context and link to audit	<p>The potential effect of these laws and regulations on the Financial Statements varies considerably.</p> <p>Firstly, the Group is subject to laws and regulations that directly affect the Financial Statements including financial reporting legislation (including related companies' legislation), distributable profits legislation and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related Financial Statement items.</p>

Most significant indirect law/ regulation areas	<p>Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the Financial Statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect:</p> <ul style="list-style-type: none"> – Competition legislation (reflecting the Group's involvement in a number of ongoing investigations by national competition authorities); – Employment legislation (reflecting the Group's significant and geographically diverse work force); – Health and safety regulation (reflecting the nature of the Group's production and distribution processes); – Consumer product law such as product safety and product claims (reflecting the nature of the Group's diverse product base); – Fraud, corruption and bribery legislation, including the Foreign Corrupt Practices Act and UK Bribery act (reflecting the Group's global operations, including higher risk jurisdictions); – Sanctions (reflecting the Group's global operations, including higher risk jurisdictions); – Contract legislation (reflecting the Group's extensive use of trademarks, copyright and patents); – Data privacy (requirements from existing data privacy laws); and – Environmental regulation (reflecting nature of the Group's production and distribution processes). <p>Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other senior management, and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.</p>
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Context	
Context of the ability of the audit to detect fraud or breaches of law or regulation	<p>Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the Financial Statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the Financial Statements, the less likely the inherently limited procedures required by auditing standards would identify it.</p> <p>In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.</p>

6. Our determination of materiality

The scope of our audit was influenced by our application of materiality. We set quantitative thresholds and overlay qualitative considerations to help us determine the scope of our audit and the nature, timing and extent of our procedures, and in evaluating the effect of misstatements, both individually and in the aggregate, on the Financial Statements as a whole.

<p>£110m (FY24: £110m) Materiality for the Group financial statements as a whole</p>	<p>What we mean A quantitative reference for the purpose of planning and performing our audit.</p> <p>Basis for determining materiality and judgements applied Materiality for the Group Financial Statements as a whole was set at £110m (FY24: £110m). Consistent with FY24, materiality was determined with reference to a benchmark of normalised Group profit before taxation from continuing operations ("PBTCO"). We adjusted for these items because they do not represent the normal, continuing operations of the Group. The items we adjusted for were certain restructuring costs of £89m (FY24: £202m).</p> <p>This represents 4.9% (2024: 5.2%) of the final Group normalised PBTCO value. We considered the materiality amount for the Financial Statements as a whole and concluded that it remained appropriate.</p> <p>We have inspected analyst consensus data and other investor commentary to identify what are considered to be key indicators of performance, and concluded normalised PBTCO to be the basis for earnings, and therefore the primary focus of a reasonable investor. We have inspected analyst consensus data and other investor commentary for indicators of alternate significant drivers of economic decisions. No revisions to our calculation methodology resulted therefrom.</p> <p>Materiality for the Parent Company Financial Statements as a whole was set at £100m (FY24: £100m), determined with reference to a benchmark of Parent Company total assets, of which it represents 0.5% (FY24: 0.4%).</p>
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**£82.5m
(FY24: £82.5m)
performance
materiality**

What we mean

Our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the Financial Statements as a whole.

Basis for determining performance materiality and judgements applied

We have considered performance materiality at a level of 75% (FY24: 75%) of materiality for Haleon plc's Group Financial Statements as a whole to be appropriate.

The Parent Company performance materiality was set at £75m (FY24: £75m), which equates to 75% (FY24: 75%) of materiality for the Parent Company Financial Statements as a whole.

We applied this percentage in our determination of performance materiality because although we did identify specific IT findings during the FY24 audit, the majority of factors did not indicate an elevated level of risk.

**£5.5m
(FY24: £5.5m) audit
misstatement
posting threshold**

What we mean

This is the amount below which identified misstatements are considered to be clearly trivial from a quantitative point of view. We may become aware of misstatements below this threshold which could alter the nature, timing and scope of our audit procedures, for example if we identify smaller misstatements which are indicators of fraud.

This is also the amount above which all misstatements identified are communicated to Haleon plc's Audit & Risk Committee.

Basis for determining the audit misstatement posting threshold and judgements applied

We set our audit misstatement posting threshold at 5% (FY24: 5%) of our materiality for the Group Financial Statements. We also report to the Audit & Risk Committee any other identified misstatements that warrant reporting on qualitative grounds.

The overall materiality for the Group Financial Statements of £110m (FY24: £110m) compares as follows to the main Financial Statement caption amounts:

	Total Group revenue		Group profit before tax		Total Group assets	
	FY25	FY24	FY25	FY24	FY25	FY24
Financial Statement caption	£11,030m	£11,233m	£2,152m	£1,910m	£32,630m	£34,315m
Group Materiality as % of caption	1.0%	1.0%	5.1%	5.8%	0.3%	0.3%

7. The scope of our audit

Group scope	What we mean	
	How the Group auditor determined the procedures to be performed across the Group.	
	We performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group Financial Statements and which procedures to perform at these components to address those risks.	
	In total, we identified 209 (FY24: 208) components, having considered the Group's geographical locations and operational structure.	
	Of those, we identified 2 (FY24: 1) quantitatively significant component which contained the largest percentages of both total revenue and total assets of the Group, for which we performed audit procedures.	
	Additionally, having considered qualitative and quantitative factors, we selected 15 (FY24:17) components with accounts contributing to the specific risks of material misstatement of the Group Financial Statements.	
	The below summarises where we performed audit procedures, with the prior year comparatives indicated in brackets:	
	Number of components where audit procedures were performed	Range of materiality applied
Component type		
Quantitatively significant components	2 (1)	£28m-£82.5m (£88m)
Other components	15 (17)	£15m-£40m (£12m-£56m)
Total	17 (18)	

We involved component auditors in performing the audit work on 17 (FY24:18) components. We performed audit procedures on the items excluded from the normalised Group profit before tax used as the benchmark for our materiality. We approved the component materialities having regard to the mix of size and risk profile of the Group across the components. The Group auditor performed the audit of the Parent Company.

The Group also operates shared service centres in Poland, Malaysia, Costa Rica and India, which are relevant to our audit, and perform accounting and reporting activities. Together, these shared service centres process a substantial portion of the Group's transactions over purchases, revenue, payroll and journal entries. The outputs relate to financial information of the reporting components they service, and therefore they are not separate reporting components. Each service centre was subject to specified risk-focused audit procedures, predominantly the testing of transaction processing operated from the Group's shared service centres.

Our audit procedures covered 63% (FY24: 63%) of Group revenue, 90% (FY24:85%) of Group total assets and 62% (FY24:68%) of total profits and losses that make up Group profit before taxation. For the remaining components for which we performed no audit procedures, no component represented more than 3% (FY24:2%) of Group total revenue or more than 4% (FY24:3%) of Group profit before taxation. We performed analysis at an aggregated Group level to re-examine our assessment that there is not a reasonable possibility of a material misstatement in these components. In particular, we matched individual sales orders to goods delivery documents and invoices to inform our assessment of whether there was a reasonable possibility of a material misstatement in the remaining revenue.

Impact of controls on our group audit

We identified 10 (FY24:10) key finance IT systems as being relevant to our Group audit, which included the Enterprise Resource Planning ("ERP") system used across the majority of components of the Group to record underlying transactions, and the Group's consolidation system. These IT systems are primarily managed from the centralised IT function in Haleon's shared service centres. We centrally assessed the design and operating effectiveness of the general IT controls and key automated controls related to financial reporting of IT systems, this contributed to our risk assessment.

Taking into account our assessment of the most effective audit approach, our knowledge of the general IT control environment, and the timing of remediation activities during the year under audit, we planned and performed a substantive audit when determining the extent, timing, and nature of our procedures, except for reliance on controls to support certain key reports, including in relation to journals, revenue and inventory.

7. The scope of our audit continued

Group auditor oversight

What we mean

The extent of the Group auditor's involvement in work performed by component auditors.

As part of establishing the overall Group audit strategy and plan, we conducted the risk assessment and planning discussion meetings with component auditors to discuss Group audit risks relevant to the components.

Instructions

We instructed component auditors as to the areas to be covered, including the relevant risks detailed above and the information to be reported back.

Virtual meetings and calls

We held regular virtual meetings with the component auditors in-scope for Group reporting. These meetings were held to understand the business, any updates to the risk assessment and any issues and findings. The findings reported to us were discussed in more detail with component auditors and any further work required by us was then performed by the component auditors.

Site visits

We visited 5 (FY24: 5) component auditors and 4 (FY24: 4) shared service centre auditors in the below locations to assess the audit risks and strategy:

- Component Auditors: United States, Canada, France, India, Australia (FY24: United States, Puerto Rico, Canada, China and Germany); and
- Shared Service Centres (in line with FY24): Poland, Malaysia, Costa Rica and India.

At these site visits and meetings, the results of the planning procedures and further audit procedures communicated to us were discussed in more detail, and any further work required by us was then performed by the component auditors.

Global conference

We hosted a virtual conference in June 2025. This conference emphasised key areas of the Group audit instructions and allowed for the sharing of risk assessment considerations and Group updates. It helped us to enhance our understanding of the component auditors' perspective on the overall audit approach and improve two-way communication. The conference covered key Group developments, the origins of risk and IT audit planning.

Inspection of work papers

We inspected the work performed by the component auditors for the purpose of the Group audit and evaluated the appropriateness of conclusions drawn from the audit evidence obtained and consistencies between communicated findings and work performed, with a particular focus on journal entries and revenue testing procedures performed.

8. Other information in the annual report

The Directors are responsible for the other information presented in the Annual Report together with the Financial Statements. Our opinion on the Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

All other information

Our responsibility

Our responsibility is to read the other information and, in doing so, consider whether, based on our Financial Statements audit work, the information therein is materially misstated or inconsistent with the Financial Statements or our audit knowledge.

Our reporting

Based solely on that work we have not identified material misstatements or inconsistencies in the other information.

Strategic Report and Directors' Report

Our responsibility and reporting

Based solely on our work on the other information described above we report to you as follows:

- We have not identified material misstatements in the Strategic Report and the Directors' Report;
- In our opinion the information given in those reports for the financial year is consistent with the Financial Statements; and
- In our opinion those Reports have been prepared in accordance with the Companies Act 2006.

Directors' Remuneration Report

Our responsibility

We are required to form an opinion as to whether the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Our reporting

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

8. Other information in the annual report continued

Corporate governance disclosures

Our responsibility

We are required to perform procedures to identify whether there is a material inconsistency between the Financial Statements and our audit knowledge, and:

- The Directors' statement that they consider that the Annual Report and Financial Statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- The section of the Annual Report describing the work of the Audit & Risk Committee, including the significant issues that the Audit & Risk Committee considered in relation to the Financial Statements, and how these issues were addressed; and
- The section of the Annual Report that describes the review of the effectiveness of the Group's risk management and internal control systems.

Our reporting

Based on those procedures, we have concluded that each of these disclosures is materially consistent with the Financial Statements and our audit knowledge.

Our responsibility

We are also required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

Our reporting

We have nothing to report in this respect.

Other matters on which we are required to report by exception

Our responsibility

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- Adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- The Parent Company Financial Statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- Certain disclosures of Directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Our reporting

We have nothing to report in these respects.

9. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 105, the Directors are responsible for: the preparation of the Financial Statements including being satisfied that they give a true and fair view. The Directors are also responsible for; such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an Auditor's Report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Company is required to include these Financial Statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. This auditor's Report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

10. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jeremy Hall (Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London, E14 5GL
13 March 2026

Report of **Independent Registered Public Accounting Firm**

To the Shareholders and Board of Directors of Haleon plc: Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Haleon plc and subsidiaries ("the Company") as of 31 December 2025 and 2024, the related Consolidated Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, and Cash Flow Statement for each of the years in the three-year period ended 31 December 2025 and the related notes (collectively, "the Consolidated Financial Statements"). We also have audited the Company's internal control over financial reporting as of 31 December 2025, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the Consolidated Financial Statements referred to above present fairly, in all material respects, the financial position of the Company as of 31 December 2025 and 2024, and the results of its operations and its cash flows for each of the years in the three-year period ended 31 December 2025,

in conformity with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of 31 December 2025 based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinions

The Company's management is responsible for these Consolidated Financial Statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying management's report on internal control over financial reporting. Our responsibility is to express an opinion on the Company's Consolidated Financial Statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company

in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the Consolidated Financial Statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the Consolidated Financial Statements included performing procedures to assess the risks of material misstatement of the Consolidated Financial Statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the Consolidated Financial Statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Financial Statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the Consolidated Financial Statements that was communicated or required to be communicated to the Audit & Risk Committee and that: (1) relates to accounts or disclosures that are material to the Consolidated Financial Statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the Consolidated Financial Statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Assessment of the recoverable amount for the Preparation-H intangible asset

As discussed in Note 14 to the Consolidated Financial Statements, as of 31 December 2025, the Company has a £1,042m intangible asset related to its Preparation-H indefinite life brand. As discussed in Note 3, the Company performs impairment testing on an annual basis and whenever events or changes in circumstances indicate that a brand's carrying value may exceed its recoverable amount. The recoverable amount utilised in the impairment test is estimated using a fair value less costs to sell model.

We identified the assessment of the recoverable amount for the Preparation-H intangible asset as a critical audit matter. It required a high degree of auditor judgment, including the involvement of valuation specialists with specialised skills and knowledge, to evaluate the significant assumption, specifically the discount rate used to estimate the recoverable amount of the brand. We performed a sensitivity analysis to identify this significant assumption. Minor changes to the assumption used could have had a significant effect on the Company's determination of the recoverable amount.

The following are the primary procedures we performed to address this critical audit matter:

- Evaluated the design and tested operating effectiveness of certain internal controls related to the indefinite life brands impairment process. This included the control over the development of the discount rate;
- Performed sensitivity analysis on the discount rate to assess its impact on the Company's determination of the fair value relative to the carrying value; and
- Involved a valuation professional with specialised skills and knowledge who assisted in independently developing a range of discount rates using publicly available market data for comparable companies and comparing that range with the rate used by the Company.

KPMG LLP

We have served as the Company's auditor since 2023.

London, United Kingdom

13 March 2026

Consolidated income statement

For the year ended

	Notes	31 December 2025 £m	31 December 2024 £m	31 December 2023 £m
Revenue	4	11,030	11,233	11,302
Cost of sales		(3,950)	(4,409)	(4,555)
Gross profit		7,080	6,824	6,747
Selling, general and administration		(4,364)	(4,452)	(4,413)
Research and development		(316)	(298)	(311)
Other operating income/(expense)	5	12	132	(27)
Operating profit	6	2,412	2,206	1,996
Finance income	8	78	82	34
Finance expense	8	(340)	(384)	(402)
Net finance costs		(262)	(302)	(368)
Net monetary gain arising from hyperinflationary economies		2	6	-
Profit before tax		2,152	1,910	1,628
Income tax	9	(472)	(435)	(517)
Profit after tax for the year		1,680	1,475	1,111
Profit attributable to shareholders of the Group		1,667	1,442	1,049
Profit attributable to non-controlling interests		13	33	62
Basic earnings per share (pence)	11	18.6	15.8	11.4
Diluted earnings per share (pence)	11	18.5	15.7	11.3

Consolidated statement of comprehensive income

For the year ended

	Notes	31 December 2025 £m	31 December 2024 £m	31 December 2023 £m
Profit after tax for the year		1,680	1,475	1,111
Other comprehensive (expenses)/income for the year				
Items that may be subsequently reclassified to the income statement:				
Exchange movements on overseas net assets	23	(246)	(132)	(420)
Exchange movements on overseas net assets of non-controlling interests	23	(1)	(2)	(7)
Fair value movements on cash flow hedges	25	21	(1)	8
Reclassification of cash flow hedges to the income statement	25	(38)	(33)	(23)
Related tax on items that may be subsequently reclassified to the income statement ¹	9	5	8	4
Total		(259)	(160)	(438)
Items that will not be reclassified to the income statement:				
Remeasurement gains on defined benefit plan	20	38	19	5
Related tax on items that will not be reclassified to the income statement	9	(7)	(7)	1
Fair value movements on equity investments	25	(15)	-	-
Total		16	12	6
Other comprehensive (expenses)/income, net of tax for the year		(243)	(148)	(432)
Total comprehensive income, net of tax for the year		1,437	1,327	679
Total comprehensive income for the year attributable to:				
Shareholders of the Group		1,425	1,296	624
Non-controlling interests		12	31	55

1. Includes tax on fair value movements on cash flow hedges of £(4)m (2024: £nil), netted off by tax on reclassification of cash flow hedges to the income statement of £9m (2024: £8m).

Consolidated balance sheet

as at

	Notes	31 December 2025 £m	31 December 2024 £m
Non-current assets			
Property, plant and equipment	12	1,871	1,809
Right of use assets	13	126	112
Intangible assets	14	25,613	26,211
Other investments	27,25	67	82
Deferred tax assets	9	289	276
Post-employment benefit assets	20	68	36
Derivative financial instruments	25	9	-
Other non-current assets	16	37	71
Total non-current assets		28,080	28,597
Current assets			
Inventories	15	1,025	1,190
Trade and other receivables	16	2,058	2,055
Cash and cash equivalents	17	1,324	2,250
Derivative financial instruments	25	78	130
Current tax receivables		65	93
Total current assets		4,550	5,718
Total assets		32,630	34,315
Current liabilities			
Short-term borrowings	19	(836)	(1,487)
Trade and other payables	18	(3,730)	(3,705)
Other financial liability	27	-	(177)
Derivative financial instruments	25	(31)	(90)
Current tax payables		(267)	(235)
Short-term provisions	21	(69)	(118)
Total current liabilities		(4,933)	(5,812)

	Notes	31 December 2025 £m	31 December 2024 £m
Non-current liabilities			
Long-term borrowings	19	(7,773)	(8,640)
Deferred tax liabilities	9	(3,222)	(3,353)
Post-employment benefit obligations	20	(114)	(131)
Derivative financial instruments	25	(34)	(70)
Long-term provisions	21	(40)	(57)
Other non-current liabilities		(30)	(28)
Total non-current liabilities		(11,213)	(12,279)
Total liabilities		(16,146)	(18,091)
Net assets		16,484	16,224
Equity			
Share capital	23	90	91
Other reserves	23	(11,512)	(11,197)
Retained earnings		27,847	27,272
Shareholders' equity		16,425	16,166
Non-controlling interests		59	58
Total equity		16,484	16,224

The accompanying notes form part of these financial statements. The financial statements on pages 121 to 168 were approved by the Board of Directors and signed on its behalf by:

Dawn Allen
Chief Financial Officer
13 March 2026

Consolidated statement of changes in equity

For the year ended

	Notes	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Shareholders' equity £m	Non-controlling interests £m	Total equity £m
At 1 January 2025		91	-	(11,197)	27,272	16,166	58	16,224
Profit after tax		-	-	-	1,667	1,667	13	1,680
Other comprehensive (expenses)/income		-	-	(273)	31	(242)	(1)	(243)
Total comprehensive (expenses)/income		-	-	(273)	1,698	1,425	12	1,437
Distributions to non-controlling interests		-	-	-	-	-	(11)	(11)
Dividends to equity shareholders	10	-	-	-	(612)	(612)	-	(612)
Share-based incentive plans	26	-	-	-	86	86	-	86
Tax on share-based incentive plans		-	-	-	5	5	-	5
Shares transferred to employees		-	-	108	(109)	(1)	-	(1)
Purchase of treasury shares		-	-	(151)	-	(151)	-	(151)
Repurchase of ordinary shares and capital reduction		(1)	-	1	(503)	(503)	-	(503)
Purchase of non-controlling interests	27	-	-	-	10	10	-	10
At 31 December 2025		90	-	(11,512)	27,847	16,425	59	16,484

	Notes	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Shareholders' equity £m	Non-controlling interests £m	Total equity £m
At 1 January 2024		92	-	(10,960)	27,474	16,606	123	16,729
Implementation of IAS 29 - Hyperinflation		-	-	-	9	9	-	9
At 1 January 2024 Restated		92	-	(10,960)	27,483	16,615	123	16,738
Profit after tax		-	-	-	1,442	1,442	33	1,475
Other comprehensive (expenses)/income		-	-	(158)	12	(146)	(2)	(148)
Total comprehensive (expenses)/income		-	-	(158)	1,454	1,296	31	1,327
Distributions to non-controlling interests		-	-	-	-	-	(79)	(79)
Dividends to equity shareholders	10	-	-	-	(570)	(570)	-	(570)
Share-based incentive plans	26	-	-	-	102	102	-	102
Tax on share-based incentive plans		-	-	-	2	2	-	2
Shares transferred to employees		-	-	41	(40)	1	-	1
Purchase of shares by employee benefit trusts		-	-	(5)	-	(5)	-	(5)
Purchase of treasury shares		-	-	(116)	-	(116)	-	(116)
Repurchase of ordinary shares and capital reduction		(1)	-	1	(503)	(503)	-	(503)
Purchase of non-controlling interests		-	-	-	(479)	(479)	(17)	(496)
Non-controlling interests purchase option	27	-	-	-	(177)	(177)	-	(177)
At 31 December 2024		91	-	(11,197)	27,272	16,166	58	16,224
		Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Shareholders' equity £m	Non-controlling interests £m	Total equity £m
At 1 January 2023		92	-	(10,491)	26,730	16,331	126	16,457
Profit after tax		-	-	-	1,049	1,049	62	1,111
Other comprehensive (expenses)/income		-	-	(431)	6	(425)	(7)	(432)
Total comprehensive (expenses)/income		-	-	(431)	1,055	624	55	679
Distributions to non-controlling interests		-	-	-	-	-	(58)	(58)
Dividends to equity shareholders		-	-	-	(388)	(388)	-	(388)
Share-based incentive plans		-	-	-	76	76	-	76
Tax on share-based incentive plans		-	-	-	1	1	-	1
Purchase of shares by employee benefit trusts		-	-	(38)	-	(38)	-	(38)
At 31 December 2023		92	-	(10,960)	27,474	16,606	123	16,729

Consolidated cash flow statement

For the year ended

	Notes	31 December 2025 £m	31 December 2024 £m	31 December 2023 £m
Cash flows from operating activities				
Profit after tax		1,680	1,475	1,111
Taxation charge	9	472	435	517
Net finance costs	8	262	302	368
Depreciation of property, plant and equipment and right of use assets	12, 13	240	225	201
Amortisation of intangible assets	14	120	99	108
Impairment and assets written off, net of reversals	4	47	192	200
(Gain)/Loss on sale of intangible assets, property, plant and equipment		-	(7)	12
Gain on sale of business	27	-	(121)	-
Share-based incentive plan expense	26	86	102	76
Other non-cash movements		(17)	(15)	(11)
(Decrease)/increase in pension and other provisions		(73)	1	70
Changes in working capital:				
Decrease/(increase) in inventories		133	216	(131)
(Increase)/decrease in trade receivables		(65)	(312)	38
Increase in trade payables		125	158	112
Net change in other receivables and payables		63	144	(126)
Taxation paid		(439)	(593)	(445)
Net cash inflow from operating activities		2,634	2,301	2,100
Cash flows from investing activities				
Purchase of property, plant and equipment		(322)	(250)	(234)
Purchase of intangible assets		(91)	(68)	(102)
Proceeds from sale of intangible assets	27	-	325	246
Purchase of business, net of cash acquired	27	-	-	(71)
Proceeds from sale of businesses	27	13	446	-
Increase in liquid investments		(6)	-	-
Interest received		60	75	27
Net cash (outflow)/inflow from investing activities		(346)	528	(134)

	Notes	31 December 2025 £m	31 December 2024 £m	31 December 2023 £m
Cash flows from financing activities				
Payment of lease liabilities	19	(60)	(60)	(55)
Interest paid		(357)	(360)	(404)
Dividends paid to shareholders	10	(612)	(570)	(388)
Purchase of non-controlling interests	27	(174)	(488)	-
Distributions to non-controlling interests		(11)	(79)	(58)
Repayment of borrowings	19	(1,352)	(562)	(553)
Proceeds from borrowings	19	46	1,214	-
Purchase of shares by employee benefit trust		-	(5)	(38)
Purchase of treasury shares		(151)	(116)	-
Share purchased for cancellation	23	(503)	(503)	-
Other financing cash flows		31	(8)	(72)
Net cash outflow from financing activities		(3,143)	(1,537)	(1,568)
(Decrease)/Increase in cash and cash equivalents and bank overdrafts				
		(855)	1,292	398
Cash and cash equivalents and bank overdrafts at the beginning of the year				
		2,207	994	611
Exchange adjustments				
		(49)	(79)	(15)
(Decrease)/Increase in cash and cash equivalents and bank overdrafts				
		(855)	1,292	398
Cash and cash equivalents and bank overdrafts at the end of the year				
		1,303	2,207	994
Cash and cash equivalents and bank overdrafts at the end of the year comprise:				
Cash and cash equivalents	17	1,324	2,250	1,044
Overdrafts		(21)	(43)	(50)
Cash and cash equivalents and bank overdrafts at the end of the year		1,303	2,207	994

Notes to the Consolidated Financial Statements

1. General information

Haleon is a public company limited by shares, incorporated under the laws of England and Wales with registered number 13691224. The Company has ordinary shares with a nominal value of £0.01 per share. The Group's shares are listed and traded on the London Stock Exchange (LSE) with American Depositary Shares (ADSs) listed and traded on the New York Stock Exchange (NYSE) (LSE/NYSE: HLN). The registered address of the Company is Building 5, First Floor, The Heights, Weybridge, Surrey, England, KT13 0NY.

Basis of preparation

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB IFRS), including interpretations issued by the IFRS Interpretations Committee (IFRIC) and International Financial Reporting Standards as adopted by the United Kingdom (UK IFRS) (together IFRS) and the Companies Act 2006. IFRS as adopted by the UK differs in certain respects from IFRS as issued by the IASB. The differences have no impact on the Group's Consolidated Financial Statements for the years presented.

Until July 2022, Haleon UK Holdings (No.2) Limited (HHL2) (previously, GlaxoSmithKline Consumer Healthcare Holdings (No.2) Limited (CHHL2)), the former ultimate holding company of the Group and the accounting predecessor, was jointly owned by GSK plc and its subsidiaries which held the majority controlling equity interest of 68%, and Pfizer Inc. and its subsidiaries which held a non-controlling equity interest of 32%. In July 2022, following the execution of a series of legal acts and contractual arrangements, including the spin-off to the shareholders of GSK, the Company was established to succeed HHL2 as the new ultimate holding company of the Group, with 55% of its equity interest held by the shareholders of GSK, 32% of its equity interest held by Pfizer and approximately 13% of its equity interest held by GSK. This corporate restructuring was contemplated and executed as one single economic event yet sequenced via multiple legal proceedings and activities. Management concluded that the predecessor (carryover) basis of accounting is appropriate because the corporate restructuring was instigated by GSK and its shareholders without the involvement of outside third parties or new investors.

This set of Consolidated Financial Statements have been prepared as if the Group had been in existence throughout all the periods presented by applying the principles of predecessor accounting in accordance with SEC Regulation C Rule 405 and IFRS although the actual legal transaction and corporate reorganisation occurred in July 2022. There was no economic change or event impacting the reporting entity because the business activities of the predecessor and successor remained identical and only the legal form and ownership allocation has changed. These consolidated financial statements were authorised for issue by the Board of Directors on 13 March 2026.

Accounting convention

The Consolidated Financial Statements are prepared on a historical cost basis unless otherwise indicated. The Consolidated Financial Statements are presented in Pound Sterling (GBP, £), the functional currency of the Company and presentation currency of the Group, and all values are denominated in millions of GBP (£m or £ million) unless stated otherwise.

Financial period

These Consolidated Financial Statements cover the financial year from 1 January 2025 to 31 December 2025, with comparative figures for the financial years from 1 January 2024 to 31 December 2024 and, where appropriate, from 1 January 2023 to 31 December 2023.

Going concern

The Directors have reviewed the Group's cash flow forecasts, financial position and exposure to principal risks and have formed the view that the Group will generate sufficient cash to meet its ongoing requirements for at least 12 months from the date the Financial Statements have been authorised.

The Directors have performed an additional 'reverse stress test' to ensure the going concern assumption remains appropriate. This incorporates the downside conditions that would cause the Group's financial resources to be insufficient to meet its liabilities as they fall due. The 'reverse stress test' shows that forecast Group revenue and profit would have to reduce significantly in order to cause this worst-case scenario. Given the current financial strength of the Group, the combination of events required to achieve this scenario is considered highly unlikely to occur.

At 31 December 2025, the Group had cash and cash equivalents, net of bank overdrafts of £1,303m and undrawn credit facilities of £1,750m with an initial maturity date of August 2028. As a result, the Group's Consolidated Financial Statements have been prepared on a going concern basis.

Basis of consolidation

Entities over which the Group has the power to direct the relevant activities so as to affect the returns to the Group, generally through control over the financial and operating policies from either voting or contractual rights, are accounted for as subsidiaries. Interests acquired in entities are consolidated from the date the Group acquires control and interests sold are deconsolidated from the date control ceases.

Where, as part of a business combination, the Group is not able to exercise control over a particular operation due to the existence of legal or other restrictions, the associated assets and liabilities are not consolidated, and a financial asset or liability is recognised for the economic benefit or obligation to be received under the contribution agreement. The assets and liabilities are consolidated, and the associated financial asset or liability derecognised, on the date at which the Group is able to exercise control over these operations.

Transactions and balances between subsidiaries are eliminated and no profit before tax is recognised on sales between subsidiaries until the products are sold to customers outside the Group. Transactions with non-controlling interests are recorded directly in equity. Deferred tax relief on unrealised intra-group profit is accounted for only to the extent that it is considered recoverable. Refer to Note 29 'Subsidiaries' for a list of the Group's subsidiary undertakings.

Notes to the Consolidated Financial Statements continued

Foreign currencies

The Consolidated Financial Statements are presented in GBP, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currency transactions in individual Group companies are translated into functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions, and from translation of monetary assets and liabilities at the rates prevailing on the reporting period date, are recognised in the income statement except when deferred in equity as qualifying hedges. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was measured. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

In preparing the Consolidated Financial Statements, the balances in individual Group companies are translated from their functional currency into GBP. The income statement, the cash flow statement and all other movements in assets and liabilities are translated at average rates of exchange as a proxy for the transaction rate, or at the transaction rate itself if more appropriate. Assets and liabilities are translated at the closing rates at the end of the reporting period.

The effect of exchange rate differences during the year on net assets of foreign operations is recorded in equity.

The Group applies hedge accounting to certain exchange differences arising between the functional currencies of a foreign operation and the functional currency of the parent entity, regardless of whether the net investment is held directly or through an intermediate parent. Differences arising on retranslation of a financial liability designated as a foreign currency net investment hedge are recorded in other comprehensive income/(expenses) and accumulated in equity to the extent that the hedge is effective, which may be subsequently reclassified to the consolidated income statement. These differences are reported within profit or loss to the extent that the hedge is ineffective. Gains and losses on the hedging instrument accumulated in equity are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

The principal currencies and relevant exchange rates in the key markets where the Group operates are shown below:

Average rates:	2025	2024	2023
USD/£	1.31	1.28	1.24
Euro/£	1.17	1.18	1.15
CNY/£	9.44	9.19	8.81

Accounting for Argentina and Turkey as hyperinflationary economies

The Argentinian and Turkish economies are designated as hyperinflationary for accounting purposes. The Group has monitored the impact of inflation on its subsidiaries in these countries and does not believe that inflation had a material impact on the Group prior to 2024. As a result, application of IAS 29 'Financial Reporting in Hyperinflationary Economies' has been applied to the entities whose functional currency is the Argentinian Peso or Turkish Lira effective 1 January 2024.

The application of IAS 29 includes:

- Adjusting historical cost non-monetary assets and liabilities for the change in purchasing power caused by inflation from the date of initial recognition to the balance sheet date.
- Adjusting the income statement for inflation during the reporting period.
- Translating the income statement at the period end foreign exchange rate instead of an average rate.
- Adjusting the income statement to reflect the impact of inflation and exchange rate movement on holding monetary assets and liabilities in local currency.

The main effects of applying IAS 29 on the Group Consolidated Financial Statements are:

- Revenue and operating profit for the year ended 31 December 2025 decreased by £2m and £3m (31 December 2024: increased by £37m and £10m) respectively.
- A net monetary gain arising from hyperinflationary economies of £2m (31 December 2024: £6m) was recorded in the income statement reflecting the impact of adjusting the historical cost of non-monetary assets and liabilities for inflation from 1 January 2025 to 31 December 2025.

Impact of climate change

In preparing these Consolidated Financial Statements we have considered the impact of climate change. The Group does not believe that there is a material impact on the financial reporting judgements and estimates arising from climate change in the short term and as a result the valuation of our assets and liabilities has not been significantly impacted by these risks as at 31 December 2025. In concluding, we specifically considered the impact of climate change on the following areas:

Financial statement area	Relevant climate-related risks	Relevant ESG targets	Relevant Note for further information
Property, plant and equipment	<ul style="list-style-type: none"> - Impact of extreme weather events on operations and supply chain. - Policy: carbon pricing. 	<ul style="list-style-type: none"> - Carbon reduction. - Water neutrality at our manufacturing sites. 	Note 12 'Property, plant and equipment'
Goodwill and intangible brands	<ul style="list-style-type: none"> - Impact of extreme weather events on operations and supply chain. - Reduced availability and increased price volatility of raw materials due to chronic climate change. - Policy: carbon pricing. - Changing consumer preferences. 	<ul style="list-style-type: none"> - Carbon reduction. - Recycle-ready packaging. - Sustainably sourced and deforestation-free materials. - Reduced use of virgin petroleum-based plastic. 	Note 14 'Intangible assets'
Inventory	<ul style="list-style-type: none"> - Reduced availability and increased price volatility of raw materials due to chronic climate change. - Policy: carbon pricing. 	<ul style="list-style-type: none"> - Recycle-ready packaging. - Sustainably sourced and deforestation-free materials. - Reduced use of virgin petroleum-based plastic. 	Note 15 'Inventories'
Going concern and viability	<ul style="list-style-type: none"> - Impact of extreme weather events on operations and supply chain. 	-	Viability assessment

Whilst there is currently no short-term impact anticipated from climate change, the judgements and estimates of the Group will be regularly reviewed in light of the increasing risks and dynamic regulatory landscape as this continues to evolve.

2. Accounting policies

The accounting policies adopted are the same as those which were applied for the previous financial year except as explained below and hyperinflation accounting outlined in Note 1.

Where an accounting policy is generally applicable to a specific note to the Consolidated Financial Statements, the policy is described within that note.

The accounting policies below have been applied throughout the Consolidated Financial Statements and apply to the Financial Statements as a whole.

Revenue

The Group receives revenue for supply of goods to external customers against orders received. The majority of contracts that the Group enters into relate to sales orders containing single performance obligations for the delivery of our products.

Product revenue is recognised when control of the goods is passed to the customer. The point at which control passes is determined by each customer arrangement but generally occurs on delivery to the customer.

Revenue represents net invoice value (i.e., list price after the deduction of discounts, pricing allowances, customer incentives, promotional rebates and coupons). Revenue includes fixed and variable consideration.

Variable consideration arises on the sale of goods as a result of discounts and allowances given and accruals for estimated future returns and rebates. Discounts can either be on-invoice or off-invoice whilst allowances and rebates are generally off-invoice. The discounts, allowances and promotional rebates are recognised as a deduction from revenue at the time that the related revenue is recognised or when the Group has committed to pay the consideration, whichever is later. Variable consideration is not included in the transaction price until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

The methodology and assumptions used to estimate returns and rebates are monitored and adjusted regularly in light of contractual and legal obligations, historical trends, past experience and projected market conditions. Once the uncertainty associated with the returns and rebates is resolved, revenue is adjusted accordingly. The differences between actual amounts settled and the estimated accrued amounts are recognised as a change in management estimate in the subsequent reporting period. The assumptions used in estimation are based on known facts with a high level of accuracy. In addition, the Group's promotional programmes are typically short-term in nature resulting in lower inherent estimation uncertainty.

Some contracts for the sale of consumer health products provide customers with a right to return the goods within a specified period. A refund liability is recognised for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from the customer. The Group uses the most likely amount method to estimate the variable consideration in contracts with a right to return.

The Group also provides retrospective volume rebates to certain customers once the products purchased during the period exceed the threshold specified in the contract. A refund liability is recognised for the expected future rebates (i.e., the amount not included in the transaction price). The Group applies the most likely amount method to estimate the variable consideration in the contract related to rebates. Volume rebates and refund liabilities are recognised in trade and other payables.

The Group has elected to apply the practical expedient not to disclose the aggregate amount of transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period.

Research and development (R&D)

Research expenditure is charged to the income statement in the period in which it is incurred. Development expenditure is charged to the income statement in the period in which it is incurred, unless it meets the requirements of IAS 38 to be capitalised as an intangible asset and then amortised over the useful life of the developed product.

R&D expenditure comprises expenditure that is directly attributable to the research and development of new products or variants, including the costs attributable to the generation or improvement of intellectual property and product registrations, depreciation and amortisation of equipment, real estate and IT assets used by the R&D function.

Recent accounting developments

IFRS 18 'Presentation and Disclosure in Financial Statements' will replace IAS 1 'Presentation of Financial Statements' and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations, and income tax categories. Entities are also required to present a newly defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group has established a cross-functional IFRS 18 working group which is currently working to identify all impacts, the amendments will have on the primary financial statements and notes to the financial statements. Where required changes have been identified, we have commenced system and reporting process changes. During 2026, further work will be undertaken to finalise the income statement structure, statement of cash flows, and MPM disclosures.

All new accounting standards, amendments to accounting standards and interpretations that have been published by the IASB, and are not effective for 31 December 2025 reporting periods, have not been early adopted by the Group. Other than IFRS 18, these standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods.

3. Critical accounting judgements and key sources of estimation uncertainty

In preparing the Consolidated Financial Statements, management is required to make judgements about when or how items should be recognised in the Consolidated Financial Statements and estimates and assumptions that affect the amounts of assets, liabilities, income and expenses reported in the Consolidated Financial Statements. Actual amounts and results could differ from those estimates.

There are no critical accounting judgements. The following is the key source of estimation uncertainty.

Indefinite life brands

Estimation of the recoverable amount of indefinite life brands requires significant estimates of the value of each brand. The Group reviews indefinite life brands for impairment at least annually or when there is an indication that the assets may be impaired. The recoverable amounts of indefinite life brands are estimated using the fair value less costs to sell methodology. These calculations use management's estimates consistent with current budgets and plans that have been formally approved, assumptions of market participants and are based on discounted cash flow forecasts using estimated long-term growth rates. Refer to Note 14 'Intangible assets' for further details about the Group's indefinite life brands and sensitivity analysis of Preparation H. Nexium was reclassified from an indefinite life brand to a definite life brand during the year.

4. Segment information

Throughout 2025, the Group was organised into business units based on geographical areas and has three reportable segments:

- North America.
- Europe, Middle East, Africa and Latin America (EMEA & LatAm).
- Asia Pacific (APAC).

No operating segments have been aggregated to form the above reportable operating segments.

Throughout 2025, the Group's Commercial Operations Board, which consists of the CEO, CFO and other members of senior leadership, was the Chief Operating Decision Maker (CODM) who monitors the operating results of the Group's reportable segments separately for the purpose of making decisions about resource allocation and performance assessment. The CODM used a measure of adjusted operating profit to assess the performance of the reportable segments. Adjusted operating profit is defined as operating profit less net amortisation and impairment of intangible assets, restructuring costs, transaction-related costs, separation and admission costs, and disposals and others. The CODM did not review IFRS operating profit or total assets on a segment basis.

The composition of these geographical segments is reviewed on an annual basis. Analysis of revenue and adjusted operating profit by geographical segment is included below:

Revenue by segment

	2025 £m	2024 £m	2023 £m
North America	3,866	4,042	4,195
EMEA & LatAm	4,592	4,631	4,545
APAC	2,572	2,560	2,562
Group revenue	11,030	11,233	11,302

Transactions between Haleon's geographical regions are carried out at arm's length terms in accordance with appropriate transfer pricing rules and Organisation for Economic Cooperation and Development (OECD) principles.

Adjusted operating profit by segment

	2025 £m	2024 £m	2023 £m
Group operating profit	2,412	2,206	1,996
Reconciling items between Group operating profit and Group adjusted operating profit ¹	114	294	553
Total	2,526	2,500	2,549
North America	947	1,000	1,107
EMEA & LatAm	1,090	1,054	1,010
APAC	553	539	541
Corporate and other unallocated	(64)	(93)	(109)
Total	2,526	2,500	2,549

1. The reconciling items above include:

- Net amortisation and impairment of intangible assets of £60m (2024: £147m, 2023: £224m): amortisation and impairment of intangible assets, excluding computer software and impairment of goodwill net of reversals of impairment.
- Restructuring costs of £89m (2024: £214m, 2023: £169m): expenses related to business transformation activities where the plans are sufficiently detailed and well advanced, and where a valid expectation to those affected has been created.
- Disposals and others of £(35)m (2024: £(96)m; 2023: £38m): gains and losses on disposals of assets and businesses, tax indemnities related to business combinations and other items.

The primary products sold by each of the reportable segments consist of Oral Health, Vitamins, Minerals and Supplements (VMS), Pain Relief, Respiratory Health, Digestive Health and Therapeutic Skin Health and Other and the product portfolio is consistent across the reportable segments.

During the year, the Group adopted a new structure for reporting revenue by market category. Compared to previous reporting, the new structure:

- Splits out Digestive Health & Other into Digestive Health, and Therapeutic Skin Health and Other.
- Smokers' Health, which had previously been reported as part of Digestive Health & Other is now included in Respiratory Health.
- There are no changes to other categories.

Revenue by market category

	2025 £m	2024 ¹ £m	2023 ¹ £m
Oral Health	3,461	3,312	3,136
Vitamins, Minerals and Supplements	1,685	1,696	1,640
Pain Relief	2,564	2,564	2,652
Respiratory Health	1,873	2,122	2,244
Digestive Health	987	1,029	1,012
Therapeutic Skin Health and Other	460	510	618
Group revenue	11,030	11,233	11,302

1. Following the change in market category structure announced on 1 May 2025, 2024 and 2023 figures have been restated.

Revenue attributable to the country of domicile and foreign countries with the most significant contribution to the Group's revenue are included below:

Revenue by geography

	2025 £m	2024 £m	2023 £m
UK	374	384	381
US & Puerto Rico	3,468	3,616	3,755
China	999	987	966
Rest of the World	6,189	6,246	6,200
Group revenue	11,030	11,233	11,302

Other segmental information

	North America £m	EMEA & LatAm £m	APAC £m	Other reconciling items £m	Total £m
Year ended 31 December 2025					
Depreciation and amortisation	91	149	51	69	360
Impairment charges	12	4	2	29	47
Impairment reversal	-	-	-	-	-
Year ended 31 December 2024					
Depreciation and amortisation	91	144	53	36	324
Impairment charges	8	5	1	193	207
Impairment reversal	-	-	-	(15)	(15)
Year ended 31 December 2023					
Depreciation and amortisation	97	124	49	39	309
Impairment charges	3	5	2	190	200
Impairment reversal	-	-	-	-	-

Notes to the Consolidated Financial Statements continued

Non-current assets attributable to the country of domicile and all foreign countries with significant non-current assets are included below:

	2025 £m	2024 £m	2023 £m
UK	302	334	405
US & Puerto Rico	7,177	7,523	7,622
Rest of the World	20,168	20,346	20,844
Non-current assets	27,647	28,203	28,871

Non-current assets by location exclude derivatives, other investments, deferred tax assets and post-employment benefit assets.

5. Other operating income/(expense)

Other operating income/expense includes income and expense from all other operating activities which are not related to the ordinary course of business of the Group, such as gains/losses from disposals and transaction-related costs.

In 2024, the Group recognised £121m gain on disposal of the Nicotine Replacement Therapy (NRT) business outside the US. Refer to Note 27 'Acquisitions and disposals' for further details about the business disposal. In 2025, the Group recognised a further £12m gain in relation to the sale of the NRT business which took place in 2024.

In 2023, the Group recognised £10m loss on disposal of the Lamisil brand.

6. Operating profit

Expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms. Provision is made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated. Advertising and promotion (A&P) expenditure is charged to the income statement as incurred. Shipment costs on intercompany transfers are charged to cost of sales; distribution costs on sales to customers are included in selling, general and administration (SG&A).

Key expenses included in operating profit

	2025 £m	2024 £m	2023 £m
Advertising and promotion ¹	2,256	2,157	2,023
Distribution costs ¹	230	239	237
Separation and admission costs	-	30	120
Restructuring costs	89	214	169

1. Reported within selling, general and administration.

Separation and admission costs represent costs incurred in relation to and in connection with the separation and listing of the Group as a standalone business in 2022. Separation and admission costs are reported within cost of sales (2025: £nil, 2024: £1m, 2023: £4m) and the selling, general and administration expense (2025: £nil, 2024: £29m, 2023: £116m).

Restructuring costs

Restructuring costs are recognised and provided for, where appropriate, in respect of the direct expenditure of a business reorganisation where the plans are sufficiently detailed and well advanced, and where a valid expectation to those affected has been created by either starting to implement the restructuring plans or announcing its main features. Restructuring costs are those mainly related to specific Board-approved restructuring programmes, including integration costs following material acquisitions, which are structural in nature and significant in scale.

Restructuring costs include severance and other personnel costs, professional fees, impairments of assets and other related items.

Haleon may undertake restructuring programmes in response to changes in the Group's trading environment and overall strategy or following significant acquisitions. Costs, both cash and non-cash, of these programmes are provided for as individual elements are approved and meet the accounting recognition criteria. As a result, charges may be incurred over a number of years following the initiation of a major restructuring programme.

Restructuring costs in 2025, 2024 and 2023 mainly relate to business transformation activities associated with our programme to increase productivity and agility. Refer to Note 21 'Provisions' for further details about the Group's restructuring provisions.

A breakdown of the restructuring costs is included below:

	2025 £m	2024 £m	2023 £m
Cost of sales	55	123	26
Selling, general and administration, and other operating expenses	33	90	129
Research and development	1	1	14
Total	89	214	169

	2025 £m	2024 £m	2023 £m
Cash	54	146	168
Non-cash	35	68	1
Total	89	214	169

Fees payable to the Group's auditors (and their associates) included in operating profit

In April 2023 KPMG LLP was appointed as external auditor for the Group. A fee breakdown for audit fee is shown in the table below.

		2025	2024	2023
		£m	£m	£m
KPMG LLP	Audit of Group Consolidated Financial Statements	12	12	11
	Audit of the Company's subsidiaries	5	5	5
	Audit services	17	17	16
	Other services ¹	1	2	1
Total		18	19	17

1. Other services provided by KPMG relate to permissible tax compliance and advisory services £0.5m (2024: £0.4m), other audit-related services £0.4m (2024: £1.5m) and other services £0.2m (2024: £0.2m).

7. Employees and remuneration of key management personnel**Employees**

The average number of employees by individual geographical segment and the Group's total employment costs are included below.

Average number of employees

	2025	2024	2023
	'000	'000	'000
North America	4	4	5
EMEA & LatAm	12	13	12
APAC	8	7	7
Total	24	24	24

Aggregate remuneration of all employees including Directors

	2025	2024	2023
	£m	£m	£m
Wages and salaries ¹	1,692	1,772	1,751
Social security costs	175	173	176
Pensions and other post-employment costs (Note 20)	25	29	26
Share-based incentive plans (Note 26)	95	117	88
Severance costs from integration and restructuring activities	48	79	108
Total	2,035	2,170	2,149

1. Included in wages and salaries are costs in relation to defined contribution pension schemes, principally in the US and UK, of £62m (2024: £60m, 2023: £70m).

Remuneration of key management personnel

Key management personnel comprises the Executive Directors and the Executive Team. The compensation of key management personnel in respect of their services to the Group in aggregate was as follows:

	2025	2024	2023
	£m	£m	£m
Wages and salaries	23	22	19
Social security costs	5	3	2
Defined contribution schemes	1	1	1
Share-based incentive plans	20	20	15
Non-executive directors fees	2	2	2
Total	51	48	39

The gain on the share awards exercised by Directors in 2025 amounted to £1.8m (2024: £0.1m, 2023: £nil). This gain reflects the increase in share price between the grant date and the release date.

8. Net finance costs

Net finance costs comprise finance expense and finance income. Finance income includes income on cash and cash equivalents and income on other financial assets. Finance expense includes interest costs in relation to financial liabilities including interest on bonds and lease liabilities, which represents the unwind of the discount rate applied to lease liabilities. Borrowing costs are recognised based on the effective interest method.

Net finance costs

	2025	2024	2023
	£m	£m	£m
Interest income on financial assets at amortised cost:			
Cash and cash equivalents	57	65	25
Net gain on financial assets measured at fair value through profit or loss	21	17	7
Net gains and losses arising from:			
Financial instruments mandatorily measured at fair value through profit or loss	-	-	(109)
Retranslation of loans and bonds	-	-	111
Total finance income	78	82	34
Interest expense arising on:			
Financial liabilities at amortised cost	(340)	(389)	(409)
Reclassification of hedges from other comprehensive income	22	22	23
Net gains and losses arising from:			
Financial instruments mandatorily measured at fair value through profit or loss	(50)	11	-
Retranslation of loans and bonds	50	(13)	-
Finance expense arising on lease liabilities	(7)	(5)	(5)
Other finance expense	(15)	(10)	(11)
Total finance expense	(340)	(384)	(402)
Net finance costs	(262)	(302)	(368)

9. Taxation

Income tax

Income tax expense represents the sum of the current and deferred taxes.

Current tax payable or recoverable is based on taxable profit for the year, and any adjustments in respect of prior periods. Taxable profit differs from profit as reported in the income statement because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The amount of current tax payable or receivable is the best estimate of the amount expected to be paid to, or received from, tax authorities. It is calculated using tax rates and laws that have been substantively enacted at the reporting date. In addition to ordinary income tax expense, total current tax includes any global minimum top-up taxes that might be due under Pillar Two legislation.

Tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they either relate to income taxes levied by the same taxation authority on either the same taxable entity or on different taxable entities which intend to settle the current tax assets and liabilities on a net basis.

Tax is charged or credited to the income statement, except when it relates to items charged or credited to other comprehensive income/(expense) or directly to equity, in which case the tax is recognised in other comprehensive income/(expense) or in equity.

The Group recognises provisions for uncertain tax positions when it is probable that a tax authority would not accept an uncertain tax treatment. This is done by assuming the tax authority will examine all the amounts and would have full knowledge of all related information when making those examinations. Uncertain tax positions are assessed and measured on an issue-by-issue basis within the jurisdictions that we operate either using management's estimate of the most likely outcome where the issues are binary, or the expected value approach where the issues have a range of possible outcomes.

Where open tax matters exist, the ultimate liability for such matters may vary from the amounts provided and is dependent upon the outcome of negotiations with the relevant tax authorities or, if necessary, litigation proceedings. At 31 December 2025, the Group had recognised provisions of £122m in respect of such uncertain tax positions (2024: £124m, 2023: £148m). Due to the number of uncertain tax positions held and the number of jurisdictions to which these relate, it is not practicable to give meaningful sensitivity estimates.

The Group recognises interest on late paid taxes as part of financing costs, and any penalties, if applicable, as part of the income tax expense.

Tax charged to the income statement

The major components of income tax expense are:

Taxation charge/(credit) based on profits for the period

	2025 £m	2024 £m	2023 £m
Current year charge	529	608	570
Charge in respect of prior periods	(20)	(62)	(31)
Pillar Two income tax	2	3	-
Total current taxation	511	549	539
Total deferred taxation	(39)	(114)	(22)
Total	472	435	517

The tax charge on the Group's profit for the year can be reconciled from the standard rate of corporation tax in the UK of 25% (2024: 25%, 2023: 23.5%) as follows:

Reconciliation of the taxation rate on the Group's profit

	2025 £m	2024 £m	2023 £m
Profit before tax	2,152	1,910	1,628
UK statutory rate of taxation of 25% (2024: 25%, 2023: 23.5%)	538	478	383
Differences in overseas taxation rates	(26)	(18)	(2)
Benefit of substance-based tax rulings	(7)	(5)	(21)
R&D tax credits	(8)	(6)	(6)
Tax losses not recognised	(4)	-	-
Permanent differences on disposals, acquisitions and transfers	-	(35)	155
Items non-deductible/taxable for tax purposes	43	64	55
Reassessment of prior year estimates	(2)	(50)	(65)
Changes in tax rates	(62)	7	18
Total tax charge	472	435	517

The Group has a substantial business presence in many countries around the world. The effect of overseas tax rates represents the tax impact on profits arising outside the UK that are then taxed at rates different to the statutory rate in the UK. In 2023, the impact was smaller due to a lower UK statutory rate of tax applicable in that year.

The tax effect of disposals, acquisitions and transfers can vary from the accounting profit or loss that arises. The credit recorded in 2024 relates to a business divestment, whilst the 2023 charge related to the deferred tax impact of intra-group transfers.

Items non-deductible/taxable for tax purposes include irrecoverable withholding taxes, charges on controlled foreign companies, as well as other costs that are not deductible for tax purposes.

The reassessment of prior year estimates includes settlements reached following conclusion of tax authority reviews, differences between final tax return submissions and liabilities accrued in the financial statements and the release of prior year uncertain tax positions. In 2023, this also included a one-off deferred tax credit of £37m.

The impact of changes in tax rates results from the revaluation of temporary differences due to a difference in applicable tax rates. In 2025, this primarily relates to changes in the blended rate of state tax that is applicable in the United States along with new legislation substantively enacted in Germany that progressively decreases the applicable tax rate from 2027. In 2023, this primarily related to new Cantonal legislation substantively enacted in Switzerland that increases the applicable tax rate from 2025.

Future tax charges, and therefore the effective tax rate, may be affected by factors such as acquisitions, disposals, restructurings, the location of research and development activity, tax regime reforms, agreements with tax authorities and resolution of open matters as the Group continues to bring its tax affairs up to date around the world.

In addition to the amounts charged to the income statement, tax of £3m has been credited directly to equity or through comprehensive income/(expense) (2024: £3m credit, 2023: £6m credit) of which a £3m credit (2024: £1m credit, 2023: £5m credit), is included in current tax and £nil (2024: £2m credit, 2023: £1m credit) is included in deferred tax. This principally relates to cash flow hedges, post-employment benefits and share based compensation.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that temporary differences or taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are not recognised to the extent they arise from the initial recognition of non-tax deductible goodwill. In addition, the Group has neither recognised nor disclosed information about deferred tax assets or liabilities relating to Pillar Two income taxes as required by the temporary, mandatory deferred tax exception to IAS 12.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting period date and adjusted to reflect changes in the Group's assessment that sufficient taxable profits will be available to allow all or part of the assets to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the reporting period date.

Deferred tax assets and liabilities comprise of:

	2025 £m	2024 £m
Deferred tax assets	289	276
Deferred tax liabilities	(3,222)	(3,353)
Total	(2,933)	(3,077)

Movement in deferred tax assets and liabilities

	Accelerated capital allowances £m	Intangibles £m	Pensions & other post- employment benefits £m	Tax losses £m	Intra- group profit £m	Other net temporary differences £m	Total £m
As at 1 January 2025	(93)	(3,474)	23	13	110	344	(3,077)
Hyperinflation adjustment	-	1	-	-	-	-	1
Exchange adjustments	4	110	(1)	(1)	1	(9)	104
(Charge)/credit to income statement	(13)	45	(2)	(3)	2	10	39
(Charge)/credit to statement of comprehensive income	-	-	(6)	-	-	5	(1)
Credit directly to equity	-	-	-	-	-	1	1
At 31 December 2025	(102)	(3,318)	14	9	113	351	(2,933)

	Accelerated capital allowances £m	Intangibles £m	Pensions & other post- employment benefits £m	Tax losses £m	Intra- group profit £m	Other net temporary differences £m	Total £m
As at 1 January 2024	(94)	(3,613)	32	11	175	267	(3,222)
Hyperinflation adjustment	(3)	(2)	-	-	-	(1)	(6)
Exchange adjustments	-	19	(1)	-	(11)	(7)	-
Credit/(charge) to income statement	4	87	(1)	2	(54)	76	114
(Charge)/credit to statement of comprehensive income	-	-	(7)	-	-	9	2
Arising on business acquisitions/disposals	-	35	-	-	-	-	35
At 31 December 2024	(93)	(3,474)	23	13	110	344	(3,077)

Provision for deferred tax liabilities of £32m (2024: £34m) has been made in respect of the taxation that would arise on the future distribution of retained profits by certain overseas subsidiaries. Deferred tax is not provided on temporary differences of £187m (2024: £218m) arising on unremitted profits as management can control any future reversal and does not consider such a reversal to be probable.

Notes to the Consolidated Financial Statements continued

The Group has recognised a deferred tax asset for trading losses of £9m (2024: £12m) on the basis of management forecasts which demonstrate these losses should be recovered in the foreseeable future. No deferred tax asset has been recognised in respect of gross trading losses of £178m (2024: £195m) due to the unpredictability of future profits. Included in this unrecognised amount are US state tax losses of £108m (2024: £127m) which can only be carried forward for between 15 and 20 years. These losses expire at various dates over the next 10 years (2024: 12 years). Other unrecognised trading losses may be carried forward indefinitely.

A deferred tax asset of £nil (2024: £1m) has been recognised for capital tax losses available for offset against future capital receipts. The gross value of capital losses for which no deferred tax asset is recognised is £nil (2024: £26m) as all preexisting capital losses have been utilised, or have expired, during the current year.

10. Dividends

Dividends are recognised on the date that the shareholder's right to receive payment is established. Interim dividends are recognised when they become payable to Company's shareholders. Final dividends are recognised when they are approved by shareholders. The Board are proposing a final dividend for the year ended 31 December 2025 of 4.9p per ordinary share. Subject to shareholder approval at the AGM, it will be paid on 14 May 2026 to holders of ordinary shares and ADS on the register as of 10 April 2026.

Dividends declared and paid during the year

	2025		2024			2023			
	Paid/ payable	Dividend per share (pence)	Total dividend (£m)	Paid/ payable	Dividend per share (pence)	Total dividend (£m)	Paid/ payable	Dividend per share (£m)	Total dividend (£m)
2025 interim dividend	18 Sep 2025	2.2	197	-	-	-	-	-	-
2024 final dividend	5 June 2025	4.6	415	-	-	-	-	-	-
2024 interim dividend	-	-	-	19 Sep 2024	2.0	182	-	-	-
2023 final dividend	-	-	-	16 May 2024	4.2	388	-	-	-
2023 interim dividend	-	-	-	-	-	-	5 Oct 2023	1.8	166
2022 final dividend	-	-	-	-	-	-	27 Apr 2023	2.4	222

11. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders by the Company's weighted average number of share units in issue during the year after deducting treasury shares or shares held by employee benefit trusts (EBTs) if any.

Diluted earnings per share has been calculated after adjusting the weighted average number of shares used in the basic calculation to assume the conversion of all potentially dilutive shares.

Earnings per share

	2025	2024	2023
Profit after tax attributable to equity shareholders (£m)	1,667	1,442	1,049
Weighted average number of shares (million)	9,004	9,142	9,235
Less: weighted average number of treasury shares and shares held by EBTs (million) ¹	(22)	(10)	(2)
Basic weighted average number of shares (million)	8,982	9,132	9,233
Effect of dilutive potential shares (million)	44	43	30
Diluted weighted average number of shares (million)	9,026	9,175	9,263
Basic earnings per share (pence)	18.6	15.8	11.4
Diluted earnings per share (pence)	18.5	15.7	11.3

1. The total number of shares held as at 31 December 2025 was 47.0m, of which 45.7m were treasury shares. The impact of these shares on the basic weighted average number of shares was only 22m because these shares were acquired towards the end of the accounting period. These shares were acquired to meet the equity-settled share-based payment obligations vesting in Q1 2026.

12. Property, plant and equipment

Land, buildings, plant, equipment and vehicles are valued at their cost, less any accumulated depreciation and any accumulated impairment losses.

Assets under construction are carried at cost, less any recognised impairment losses. Depreciation of these assets commences when the assets are ready for their intended use.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in acquisition and installation of the assets.

Depreciation is recognised on a straight-line basis, over the estimated useful lives of the asset. Residual values and useful lives are reviewed, and where appropriate adjusted annually. Estimated useful lives of the major categories of assets are shown below:

Freehold buildings	20 to 50 years
Leasehold land and buildings	Lease term or 20 to 50 years
Plant and machinery	10 to 20 years
Equipment and vehicles	3 to 10 years

Property, plant and equipment is subject to review for impairment if triggering events or circumstances indicate an impairment may exist. If an indication of impairment exists, the recoverable amount of the asset or cash generating unit is estimated and any impairment loss is charged to the income statement as it arises.

Where there has been a change in the estimates used to determine recoverable amount and an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years and an impairment loss reversal is recognised immediately in the income statement.

On disposal of property, plant and equipment, the cost and related accumulated depreciation and impairments are derecognised from the Consolidated Financial Statements and the net amount, less any proceeds, is taken to the income statement.

Property, plant and equipment

	Land and buildings £m	Plant, equipment and vehicles £m	Assets under construction £m	Total £m
Cost at 1 January 2024	970	1,708	373	3,051
Hyperinflation adjustment	3	6	4	13
Exchange adjustments	(11)	(25)	(10)	(46)
Additions	-	-	250	250
Additions from business acquisitions	(2)	1	-	(1)
Disposals and write-offs	(2)	(32)	(3)	(37)
Reclassifications	54	231	(276)	9
Cost at 31 December 2024	1,012	1,889	338	3,239
Hyperinflation adjustment	1	1	-	2
Exchange adjustments	(19)	(19)	(8)	(46)
Additions	4	8	310	322
Disposals and write-offs	(5)	(57)	(17)	(79)
Reclassifications	51	181	(235)	(3)
Cost at 31 December 2025	1,044	2,003	388	3,435
Depreciation at 1 January 2024	(330)	(925)	-	(1,255)
Hyperinflation adjustment	-	(3)	-	(3)
Exchange adjustments	1	12	-	13
Charge for the year	(34)	(138)	-	(172)
Disposals and write-offs	1	29	-	30
Reclassifications	-	(4)	-	(4)
Depreciation at 31 December 2024	(362)	(1,029)	-	(1,391)
Hyperinflation adjustment	-	1	-	1
Exchange adjustments	7	7	-	14
Charge for the year	(36)	(153)	-	(189)
Disposals and write-offs	4	50	-	54
Reclassifications	-	-	-	-
Depreciation at 31 December 2025	(387)	(1,124)	-	(1,511)

	Land and buildings £m	Plant, equipment and vehicles £m	Assets under construction £m	Total £m
Impairment at 1 January 2024	(3)	(6)	(7)	(16)
Exchange adjustments	-	1	1	2
Impairment losses	(1)	(17)	(15)	(33)
Disposals and write-offs	1	3	3	7
Reclassifications	-	1	-	1
Impairment at 31 December 2024	(3)	(18)	(18)	(39)
Exchange adjustments	1	(2)	-	(1)
Impairment losses	(2)	(30)	(1)	(33)
Disposals and write-offs	1	5	14	20
Reclassifications	-	-	-	-
Impairment at 31 December 2025	(3)	(45)	(5)	(53)
Depreciation and impairment at 31 December 2024	(365)	(1,047)	(18)	(1,430)
Depreciation and impairment at 31 December 2025	(390)	(1,169)	(5)	(1,564)
Net book value at 31 December 2024	647	842	320	1,809
Net book value at 31 December 2025	654	834	383	1,871

Impairment losses charged to cost of sales for 2025 is £27m (2024: £27m, 2023: £nil) and £6m for 2025 (2024: £6m, 2023: £7m) has been charged to selling, general and administration.

Reversals of impairment arise from subsequent reviews of the impaired assets where the conditions which gave rise to the original impairments are deemed no longer to apply. There were no impairment reversals credited to cost of sales in the years presented.

Reclassifications include £(3)m for 2025 (2024: £6m, 2023: £22m) related to assets under construction that have been reclassified to computer software in intangible assets during the year.

Impact of climate change

The impact of damage and disruption caused by extreme weather events on the useful lives of property, plant and equipment were considered. Management undertook a modelling exercise to estimate the potential impact that extreme weather events could have on the Group's manufacturing sites. Management considered that the hazards with the greatest potential impact over the long-term time horizon are riverine and flash flooding, and heatwaves. Given the geographical spread of the Group's manufacturing sites, the prospect of every site being impacted in any given year, or for every year, is considered remote and as a result, the level of loss potentially arising would not be considered significant for the Group. In addition, the majority of the Group's assets have useful lives that end ahead of the medium- to long-term timescales expected for extreme climate events to occur. Therefore, we consider that there is no material impairment risk on the property, plant, and equipment balances for the year as a result of climate change.

13. Right of use assets

When the Group leases an asset, a 'right of use asset' is recognised for the leased item and a lease liability is recognised for any lease payments to be paid over the lease term at the lease commencement date except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (defined as assets with an initial fair value less than approximately £10,000).

The right of use asset is initially measured at cost, being the present value of the lease payments paid or payable, plus any initial direct costs incurred in entering into the lease and less any lease incentives received. Non-lease components are accounted for separately from the lease components in plant and equipment leases but are not separately accounted for in land and buildings or vehicle leases.

Right of use assets where title is expected to pass to the Group at a point in the future are depreciated in a manner consistent to that for owned property, plant and equipment. In other cases, right of use assets are depreciated over the shorter of the useful life of the asset or the lease term. The lease term is the non-cancellable period of the lease plus any periods for which the Group is reasonably certain to exercise any extension options. If right of use assets are considered to be impaired, the carrying value is reduced accordingly.

Lease liabilities are initially measured at the value of the lease payments over the lease term that are not paid at the commencement date and are usually discounted using the incremental borrowing rates of the applicable Group entity (the rate implicit in the lease is used if it is readily determinable). Lease payments included in the lease liability include both fixed payments and in-substance fixed payments during the term of the lease.

After initial recognition, the lease liability is recorded at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments or if the Group's assessment of the lease term changes; any changes in the lease liability as a result of these changes also results in a corresponding change in the recorded right of use asset.

Right of use assets

	Land and buildings £m	Plant and equipment £m	Vehicles £m	Total £m
Net book value at 1 January 2024	105	1	16	122
Exchange adjustments	(3)	-	(1)	(4)
Additions	29	-	19	48
Depreciation	(39)	(1)	(13)	(53)
Disposals and write-offs	(1)	-	-	(1)
Net book value at 31 December 2024	91	-	21	112
Exchange adjustments	(2)	1	(1)	(2)
Additions	49	1	17	67
Depreciation	(38)	(1)	(12)	(51)
Net book value at 31 December 2025	100	1	25	126

The total cash outflow for leases amounted to £60m in 2025 (2024: £60m, 2023: £55m). The Group has lease commitments relating to leases that have not commenced at year end of £14m (2024: £2m, 2023: £1m). Refer to Note 19 'Borrowings' for further details on the Group's lease liabilities.

14. Intangible assets

Goodwill

Goodwill arising on consolidation represents the excess of the fair value of the consideration transferred over the fair value of the Group's share of the identifiable assets and liabilities of the acquired subsidiaries at the date of acquisition. Goodwill is not subject to amortisation but is tested annually for impairment, or more frequently where indicators of impairment exist, and is carried at cost less any accumulated impairment losses.

For the purpose of impairment testing, assets are grouped in cash generating units (CGUs). A CGU is identified as the lowest aggregation of assets that generate largely independent cash inflows, and which is looked at by management for monitoring and managing the business.

If the recoverable amount of the CGU is less than the carrying amount, an impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU pro rata on the basis of the carrying amount of each asset in the CGU. Any impairment loss is immediately recognised in the consolidated income statement and an impairment loss recognised for goodwill is not subsequently reversed.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Management uses the approved three-year strategic plan and the projected cash flows for a further two-year period as the basis for the Group CGUs' value in use calculations.

On disposal, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

Other intangibles

Intangible assets are recognised when they are identifiable, the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured.

Separately purchased brands are initially measured at cost, being the purchase price as at the date of acquisition. Acquired brands are valued independently and recognised at fair value when the Group completes a business combination from third parties, where brands have a value which is substantial and long term and where the brands either are contractual or legal in nature or can be sold separately from the rest of the businesses acquired. The determination of the fair values of the separately identified intangibles is based, to a considerable extent, on management's judgement. Brands are amortised over their estimated useful lives of up to 20 years, except where it is considered that the useful economic life is indefinite.

Indefinite life brands mainly comprise trademarks and brands for which there is no foreseeable limit to the period over which they are expected to generate net cash inflows. These are considered to have an indefinite life, given the strength and durability of the brands and the level of advertising and promotion support. These brands are in relatively similar, stable and profitable market sectors, with similar risk profiles, and their size, diversification and market shares mean that the risk of market-related factors causing a reduction in the lives of the brands is considered to be relatively low. The Group is not aware of any material legal, regulatory, contractual, competitive, economic or other factors which could limit their useful lives. Accordingly, they are not amortised.

Intangible assets are stated at cost less provisions for amortisation and impairments. Licences, patents, know-how and marketing rights separately acquired or acquired as part of a business combination are amortised over their estimated useful lives, generally not exceeding 20 years, using the straight-line basis from the time they are available for use. The estimated useful lives for determining the amortisation charge consider patent lives, where applicable, as well as the value obtained from periods of non-exclusivity. Asset lives are reviewed and, where appropriate, adjusted annually.

Any development costs incurred by the Group and associated with acquired licences, patents, know-how or marketing rights are written off to the income statement when incurred.

The costs of acquiring and developing computer software for internal use and internet sites for external use are capitalised as intangible fixed assets where the software or site supports a significant business system and the expenditure leads to the creation of an asset. Enterprise Resource Planning (ERP) systems software is amortised over 7-10 years and other computer software over 3-5 years.

The carrying values of all non-current assets are reviewed for impairment, either on a standalone basis or as part of a larger CGU, when there is an indication that the assets might be impaired. Additionally, intangible assets with indefinite useful lives and intangible assets which are not yet available for use are tested for impairment annually. Any provision for impairment is charged to the income statement. If the recoverable amount of an intangible asset is less than the carrying amount, an impairment loss is recognised in the income statement. The recoverable amount is the higher of fair value less costs of disposal and value in use. Impairment losses are only reversed if there has been a change in estimates used to determine recoverable amounts and only to the extent that the revised recoverable amounts do not exceed the carrying values that would have existed, net of amortisation, had no impairments been recognised.

Intangible assets

	Goodwill £m	Indefinite life brands £m	Amortised brands, licences and patents £m	Computer software £m	Assets under construction £m	Total £m
Cost at 1 January 2024	8,317	18,213	391	542	83	27,546
Hyperinflation adjustments	1	7	-	3	-	11
Exchange adjustments	17	(80)	(2)	(3)	1	(67)
Additions	-	8	4	4	58	74
Disposals and write-offs	-	-	(1)	(8)	(32)	(41)
Reclassifications	-	-	(2)	45	(49)	(6)
Transfer to assets held for sale	(133)	(247)	-	-	-	(380)
Cost at 31 December 2024	8,202	17,901	390	583	61	27,137
Hyperinflation adjustments	(1)	(1)	-	-	-	(2)
Exchange adjustments	(72)	(482)	(15)	(6)	1	(574)
Additions	-	-	1	2	88	91
Disposals and write-offs	-	-	-	(19)	(1)	(20)
Reclassifications	-	(682)	682	50	(49)	1
Cost at 31 December 2025	8,129	16,736	1,058	610	100	26,633
Amortisation at 1 January 2024	-	-	(211)	(321)	-	(532)
Hyperinflation adjustments	-	-	-	(2)	-	(2)
Exchange adjustments	-	-	-	2	-	2
Charge for the period	-	-	(24)	(75)	-	(99)
Disposals and write-offs	-	-	-	4	-	4
Amortisation at 31 December 2024	-	-	(235)	(392)	-	(627)
Hyperinflation adjustments	-	-	-	-	-	-
Exchange adjustments	-	-	4	2	-	6
Charge for the period	-	-	(51)	(69)	-	(120)
Disposals and write-offs	-	-	-	17	-	17
Reclassifications	-	-	-	2	-	2
Amortisation at 31 December 2025	-	-	(282)	(440)	-	(722)

Notes to the Consolidated Financial Statements continued

	Goodwill	Indefinite life brands	Amortised brands, licences and patents	Computer software	Assets under construction	Total
	£m	£m	£m	£m	£m	£m
Impairment at 1 January 2024	-	(140)	(9)	(10)	-	(159)
Exchange adjustments	-	(3)	-	-	-	(3)
Impairment losses	-	(135)	(3)	(4)	(32)	(174)
Disposals and write-offs	-	-	1	4	32	37
Impairment at 31 December 2024	-	(278)	(11)	(10)	-	(299)
Exchange adjustments	-	12	(1)	1	-	12
Impairment losses	(2)	(7)	-	(4)	(1)	(14)
Reclassifications	-	131	(131)	-	-	-
Disposals and write-offs	-	-	-	2	1	3
Impairment at 31 December 2025	(2)	(142)	(143)	(11)	-	(298)
Amortisation and impairment at 31 December 2024						
	-	(278)	(246)	(402)	-	(926)
Amortisation and impairment at 31 December 2025						
	(2)	(142)	(425)	(451)	-	(1,020)
Net book value at 31 December 2024	8,202	17,623	144	181	61	26,211
Net book value at 31 December 2025	8,127	16,594	633	159	100	25,613

The net book value of computer software included £71m (2024: £84m, 2023: £122m) of internally generated costs.

Goodwill impairment

Goodwill mainly arose from the Novartis Transaction in 2015 (£2.6bn) and the Pfizer Transaction in 2019 (£5.6bn).

Goodwill is allocated to the Group's CGUs as follows:

	2025	2024
	£m	£m
North America	3,258	3,230
EMEA & LatAm	2,855	2,827
APAC	2,014	2,145
Net book value at 31 December	8,127	8,202

The recoverable amounts of the CGUs are assessed using a value in use model (2024: value in use). Value in use is calculated using a discounted cash flow approach, with a pre-tax discount rate applied to the projected risk-adjusted pre-tax cash flows and terminal value.

The discount rate used is based on the pre-tax weighted average cost of capital (WACC) of the CGUs. The discount rates are specific to each CGU and are determined based on the cost of capital, including a market premium and country-specific political risk premiums.

Details relating to the discounted cash flow model used in the impairment tests of the APAC, EMEA & LatAm, and North America CGUs are as follows:

Valuation basis	Value in use		
Key assumptions	Sales growth rates		
	Profit margins		
	Terminal growth rates		
	Discount rates		
Determination of assumptions	Taxation rates		
	Growth rates are internal forecasts based on both internal and external market information		
	Margins reflect past experience, adjusted for expected changes		
	Terminal growth rates are based on internal projections and external forecasts of the relevant markets		
Period of specific projected cash flows	Discount rates are based on the Group WACC, adjusted where appropriate		
	Taxation rates are based on appropriate rates for each CGU		
Terminal growth rates	Five years		
		2025	2024
Discount rates (pre-tax)	North America	2.2% p.a.	2.1% p.a.
	EMEA & LatAm	2.6% p.a.	2.7% p.a.
	APAC	2.3% p.a.	2.3% p.a.
Discount rates (pre-tax)	North America	8.9%	7.4%
	EMEA & LatAm	11.9%	11.2%
	APAC	10.3%	9.4%

The terminal growth rate does not exceed the long-term projected growth rate for the Group. Goodwill is monitored for impairment at individual CGU level. In each case, the valuation indicated substantial headroom such that it is remote that a reasonably possible change to key assumptions would result in an impairment of goodwill.

Indefinite life brands and amortised brands impairment

Indefinite life brands comprise a portfolio of consumer health products. The net book value of the major brands is as follows:

	2025 £m	2024 £m
Advil	3,348	3,527
Voltaren	2,725	2,725
Centrum	1,762	1,798
Caltrate	1,609	1,662
Otrivin	1,385	1,385
Robitussin	1,107	1,173
Preparation H	1,042	1,108
Fenistil	598	598
Nexium ¹	-	574
Emergen-C	439	470
Theraflu	436	446
Panadol	395	395
Sensodyne	275	276
Excedrin	177	189
Polident	129	126
Biotene	121	127
Vitasprint	118	113
Corega	116	110
Other brands	812	821
Total	16,594	17,623

1. Nexium was reclassified from indefinite life brand to definite life brand during the year ended 31 December 2025.

The Group tests all its indefinite life brands for impairment by applying a fair value less costs to sell model using a three-year strategic plan approved by management and cash flows beyond the three-year period are extrapolated using the terminal growth rates. All brands were tested for impairment using brand-specific assumptions which included a discount rate equal to the Group's post-tax WACC of 7.0% (2024: 7.0%; 2023: 7.5%) adjusted where appropriate for country and currency risks, and applied to the post-tax cash flows. This valuation methodology uses significant inputs which are not based on observable market data, and therefore this valuation technique is classified as level 3 of the fair value hierarchy. In addition to the discount rate, the main assumptions include future sales price and volume growth, product contribution and the future expenditure required to maintain the product's marketability and registration in the relevant jurisdictions. These assumptions are based on past experience and are reviewed as part of management's budgeting and strategic planning cycle. The terminal growth rates applied of between 0% and 2.5% (2024: 0% to 2.5%, except Nexium where terminal growth was (2%), 2023: 0% and 3%) are management's estimates which align with those of market participants' estimate of future long-term average growth rates for the relevant markets.

In 2025, the Group recorded a non-cash impairment of £7m linked to sales and volume decline of smaller brands. During the year, the Group reclassified Nexium, previously considered to have an indefinite useful life, to an amortised brand with a definite useful life. Amortisation has been recognised using the straight-line method. This change in classification was driven by the challenging market conditions both for the brand and the category. Nexium was assessed for impairment prior to reclassification, and no further impairment loss was recognised.

Additionally, in 2025, the carrying value of Preparation H continues to be sensitive to reasonably possible changes in the key assumption of the discount rate. The post-tax discount rate used for the brand is 6.75% (2024: 6.5%) primarily driven by an increase in United States equity risk premium and the brand's terminal growth rate is 2.1% (2024: 2.1%) in line with external forecasts for the category. If the discount rate for Preparation H had been 0.5% higher than management's estimates, the Group would have had to recognise an impairment of £90m (2024: £97m).

Other than as disclosed above, management does not consider that any reasonably possible changes in the key assumptions would cause the fair value less costs to sell of the individually significant brands disclosed above to fall below their carrying values.

In 2024, the Group recorded a non-cash impairment charge of £135m for Nexium since the carrying value of the brand was higher than the recoverable amount. The decrease in recoverable amount was mainly driven by challenging market conditions for the category. The post-tax discount rate used for the brand was 6.5% (2023: 7.5%) primarily driven by a decline in the cost of debt and a negative terminal growth rate of 2% (2023: 0%) driven by the factors affecting brand performance noted above. The revenue growth rate assumed for the next three years was (8)%. If the revenue growth rate for Nexium had been 2.5% lower or the terminal growth rate had been 0.5% lower than management's estimates, the Group would have had to recognise a further impairment of £13m or £6m, respectively.

In 2023, the Group recorded a non-cash impairment charge of £170m upon signing a definitive agreement to dispose of ChapStick. The disposal of this indefinite life brand was completed in May 2024. In addition, the Group also recorded an impairment of £15m relating to a collection of smaller brands as these brands were experiencing sales volume decline year on year.

In 2022, the Group recorded an impairment charge of £111m for Preparation H since the carrying value of the brand was higher than the recoverable amount. The decrease in recoverable amount was mainly driven by an increase in the discount rate applied to the forecasted future cash flows from 6% to 6.75%.

A breakdown of the amortisation, impairment losses and reversals is included below:

	Amortisation			Net impairment losses/(reversals)		
	2025 £m	2024 £m	2023 £m	2025 £m	2024 £m	2023 £m
Cost of sales	61	38	55	9	155	185
Selling, general and administration	59	61	53	5	4	1
Total	120	99	108	14	159	186

Impact of climate change

The Group has stress tested the future cash flows for the potential impact of climate change and concluded that there is sufficient headroom for goodwill. Preparation H's recoverable amount is sensitive to reasonably possible changes in key assumptions that would lead to an immaterial additional impairment charge due to either physical damage in our manufacturing sites or the associated costs of future transition risk. Carbon pricing policy is the highest potential transition risk that could have a medium risk in the medium- to long-term time frame. With continued decarbonisation efforts and Haleon's focus on meeting the targets to minimise carbon pricing impacts, this is not expected to have a material impact on the key assumptions used in the impairment assessment.

15. Inventories

Inventories are included in the Consolidated Financial Statements at the lower of cost (including raw materials, direct labour, other direct costs and related production overheads) and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price less the estimated costs necessary to make a sale.

Composition of inventory balances

	2025 £m	2024 £m
Raw materials and consumables	242	236
Work in progress	7	26
Finished goods	776	928
Total	1,025	1,190

The total cost of inventories recognised as an expense and included in cost of sales amounted to £3,760m in 2025 (2024: £4,074m, 2023: £4,196m). This includes inventory write-down of £111m (2024: £177m, 2023: £178m). The Group reverses and reassesses its inventory provisions in full every reporting period.

The reversals of prior year write-downs of inventories in 2025 is £45m (2024: £90m, 2023: £74m) and these reversals principally arise from the reassessment of usage or demand expectations prior to inventory expiration.

Impact of climate change

The Group's inventory turnover cycle is much shorter than the longer-term time horizons associated with the climate-related risks and therefore the risk of material write-down of Haleon's inventory is deemed to be low.

16. Trade and other receivables

Trade receivables are initially measured at the original invoice amount and subsequently measured at amortised cost less allowances for expected credit losses which are measured at an amount equal to lifetime expected credit losses. In determining credit risk, the Group considers reasonable and supportable information that is relevant and available without undue costs or effort. This includes both quantitative and qualitative information and analysis based on the Group's ageing of the receivables, customers' payment history and forward-looking information including wider macroeconomic factors. Trade receivables sold under a non-recourse factoring agreement are derecognised at the point of sale as risks and rewards are substantially transferred.

When a trade receivable is determined to have no reasonable expectation of recovery, it is written off, firstly against any expected credit loss allowance available and then to the income statement.

Subsequent recoveries of amounts previously provided for or written off are credited to the income statement. Long-term receivables are discounted where the effect is material.

Trade and other receivables

	2025			2024		
	Current £m	Non-current £m	Total £m	Current £m	Non-current £m	Total £m
Trade receivables, net of expected credit loss allowance	1,642	-	1,642	1,588	-	1,588
Other prepayments and accrued income	122	-	122	114	-	114
Employee loans and advances	9	-	9	6	-	6
VAT receivable	129	-	129	151	-	151
Other third-party receivables	156	37	193	196	71	267
Total	2,058	37	2,095	2,055	71	2,126

Expected credit loss allowance

	2025 £m	2024 £m
At 1 January	36	29
Exchange adjustments	-	(1)
Charge for the year	43	38
Subsequent recoveries of amounts provided for	(27)	(25)
Utilised	(10)	(5)
At 31 December	42	36

Set out below is the information about the credit risk exposure of the Group's trade receivables using a provision matrix:

Year ended 31 December 2025

	Trade receivables						Total £m
	Days past due						
	Current £m	0-30 days £m	31-90 days £m	91-180 days £m	181 days- 1 year £m	Greater than 1 year £m	
Estimated total gross carrying amount at default	1,447	101	46	33	23	34	1,684
Expected credit loss	5	1	2	6	5	23	42

Year ended 31 December 2024

	Trade receivables						Total £m
	Days past due						
	Current £m	0-30 days £m	31-90 days £m	91-180 days £m	181 days- 1 year £m	Greater than 1 year £m	
Estimated total gross carrying amount at default	1,406	113	36	26	18	25	1,624
Expected credit loss	4	1	3	2	4	22	36

Concentrations of credit risk with respect to trade receivables are limited due to the Group's customer base being large and diverse. No single customer represents more than 10% of the Group's sales.

Within other third-party receivables, £159m (2024: £189m) was classified as financial assets. The expected credit loss in other receivables is not deemed significant, hence no credit loss allowance is recognised. Refer to Note 25 'Capital and financial risk management' for further information on credit risk.

17. Cash and cash equivalents

Cash and cash equivalents is comprised of cash at bank and short-term highly liquid deposits which are primarily held for operating purposes and normally with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes.

Cash and cash equivalents include £64m in 2025 (2024: £55m) not available for general use due to restrictions applying in the subsidiaries where it is held. Restrictions include exchange controls and taxes on repatriation. In 2025, £424m (2024: £1,226m) of the cash and cash equivalents are held in short term deposits with financial institutions.

Cash and cash equivalents held in the following currencies, that mostly influence the Group, are presented below:

	2025 £m	2024 £m
Pound Sterling (GBP)	914	1,790
Indian Rupee (INR)	49	73
Taiwan Dollar (TWD)	30	40
Euro (EUR)	29	30
United States Dollar (USD)	28	27
Others	274	290
Total	1,324	2,250

18. Trade and other payables

Trade payables are initially recognised at fair value and then held at amortised cost. Long-term payables are discounted where the effect is material. Trade payables are derecognised when the original liability is either discharged, usually through payment, or substantially modified.

Composition of trade and other payables

	2025 £m	2024 £m
Trade payables	2,058	1,973
Customer return and rebate accruals	755	738
Other payables and accruals	417	477
Wages and salaries	280	290
Accrued interest on financial liabilities	91	104
Social security	50	54
VAT payables	45	51
Deferred income	34	18
Total	3,730	3,705

Customer return and rebate accruals are provided for by the Group at the point of sale in respect of the estimated rebates, discounts or allowances payable to customers. Accruals are made at the time of sale but the actual amounts paid are based on claims made some time after the initial recognition of the sale. The level of accrual is reviewed and adjusted quarterly in light of historical experience of actual rebates, discounts or allowances given and returns made and any changes in arrangements. The assumptions used in estimation are based on known facts with a high level of accuracy. In addition, the Group's promotional programmes are typically short term in nature resulting in lower inherent estimation uncertainty. As a result, management considered no likelihood of material change in the next financial year.

Customer return and rebate accruals are not presented net against any trade receivables that may be owing from the same customer as the offsetting criteria in IAS 32 have not been met.

Supply chain financing arrangements

The Group has supply chain financing (SCF) arrangements in place. The principal purpose of these arrangements is to enable the supplier, if it so wishes, to sell its receivables due from the Group to a third-party bank prior to their due date, thus providing earlier access to liquidity. From the Group's perspective, the invoice payment due date remains unaltered and the payment terms of suppliers participating in the SCF programmes are similar to those suppliers that are not participating, and to the wider industry more generally.

If a receivable is purchased by a third-party financial institution, that financial institution does not benefit from additional security when compared to the security originally enjoyed by the supplier.

These amounts are included within trade payables and all cash flows associated with the programmes are included within cash flow from operating activities as they continue to be part of the normal operating cycle of the Group.

Carrying amount of liabilities (£m)	2025	2024
Presented within trade and other payables	11	15
of which suppliers have received payments	6	8
Range of payment due dates		
Liabilities that are part of the arrangements	60-125	60-125
Comparable trade payables that are not part of the arrangement	30-125	30-125

19. Borrowings

All borrowings are initially recorded at fair value, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Lease liabilities

The corresponding liability to the lessor is recognised as a lease obligation within short term and long-term borrowings. The carrying amount is subsequently increased to reflect interest on the lease liability and reduced by lease payments made.

For calculating the discounted lease liability on leases, the implicit rate in the lease is used. If this is not available, the incremental borrowing rate with a lease-specific adjustment is used. Finance costs are charged to the income statement to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Variable rents are not part of the lease liability and the right of use asset. These payments are charged to the income statement as incurred. Short term and low-value leases are not capitalised, and lease rentals are also charged to the income statement as incurred.

Composition of borrowings

	2025			2024		
	Current £m	Non-current £m	Total £m	Current £m	Non-current £m	Total £m
Loan and overdrafts	(43)	(300)	(343)	(43)	(290)	(333)
Advances ¹	(6)	-	(6)	-	-	-
Lease liabilities	(48)	(85)	(133)	(50)	(73)	(123)
Non-voting preference shares	-	(25)	(25)	-	(25)	(25)
Bonds	(739)	(7,363)	(8,102)	(1,394)	(8,252)	(9,646)
Total	(836)	(7,773)	(8,609)	(1,487)	(8,640)	(10,127)

1. Advances include partial amount of sale consideration received from sale of site.

	Carrying value	
	2025 £m	2024 £m
Bonds ¹		
USD 1,750m 3.125% Mar 2025	-	1,394
EUR 850m 1.250% Mar 2026	739	694
USD 2,000m 3.375% Mar 2027	1,484	1,587
EUR 750m 2.875% Sep 2028	648	620
GBP 300m 2.875% Oct 2028	300	299
USD 1,000m 3.375% Mar 2029	739	785
EUR 750m 1.750% Mar 2030	654	620
USD 2,000m 3.625% Mar 2032	1,470	1,558
GBP 300m 4.625% Sep 2033	299	298
EUR 750m 2.125% Mar 2034	650	617
GBP 400m 3.375% Mar 2038	399	398
USD 1,000m 4.000% Mar 2052	720	776
Total	8,102	9,646

1. These instruments contain a variety of different features including early redemption options, call options, put options and mandatory early redemption options, which depend on different triggering events such as change in control, change in laws, regulations and tax law. These features are considered embedded derivatives. These features have not been accounted for separately from the instruments as they are considered closely related to the bonds.

Short-term borrowings

As at 31 December 2025, the Group had within short-term borrowings, EUR Medium Term Note of €850m (£739m) (31 December 2024: \$1,750m (£1,394m)). The average effective pre-swap and post-swap interest rate of all short-term notes in issue as at 31 December 2025 was 1.3% and 3.6% (31 December 2024: 3.1% and 4.6%). The Group repaid the \$1,750m Fixed Rate Senior Note on its maturity on 24 March 2025.

The Group has commercial paper programmes (with maximum aggregate amounts of £2bn and \$10bn) pursuant to which members of the Group may issue commercial paper from time to time. At 31 December 2025 and 2024 the Group did not have any commercial paper in issue.

As at 31 December 2025, the Group had CNY 201m (£22m) short-term bank loans (31 December 2024: £nil). The weighted average interest rate on short-term bank loans as at 31 December 2025 was 2.9% (31 December 2024: 0%).

Long-term borrowings

As at 31 December 2025, the Group had within long-term borrowings, Notes of £7,363m (31 December 2024: £8,252m), of which £3,538m (31 December 2024: £4,267m) fell due in more than five years. The average effective pre-swap and post-swap interest rate of all long-term notes in issue as at 31 December 2025 was 3.2% and 3.0% (31 December 2024: 3.1% and 3.2%).

On 27 June 2025, the Group secured a long-term bank loan of CNY 373m (£39m) maturing on 26 June 2030. The weighted average interest rate on the long-term bank loans of CNY 2,824m (£300m) (31 December 2024: CNY 2,679m (£290m)) as at 31 December 2025 was 2.9% (31 December 2024: 3.0%).

On 17 July 2022, as part of the demerger activities, the Company issued 25,000,000 non-voting preference shares of £1.00 each to Pfizer Inc. with a coupon rate of 9.5% per annum. The non-voting preference shares (NVPS) command a mandatory quarterly coupon and can only be redeemed after a period of five years. The Group has, therefore, classified the non-voting preference shares as a financial liability. Pfizer Inc. has subsequently disposed of the NVPS to an external third party.

Committed credit facilities

The Group has an undrawn credit facilities of £1,750m with initial maturity date of August 2028. As at 31 December 2025, no amounts were drawn under these facilities (31 December 2024: £nil).

Lease liabilities

The maturity analysis of lease liabilities recognised on the Group balance sheet is as follows:

	2025 £m	2024 £m
Due within one year	(48)	(50)
Due between one and two years	(43)	(36)
Due between two and three years	(12)	(19)
Due between three and four years	(7)	(9)
Due between four and five years	(4)	(6)
Due after five years	(19)	(3)
Total	(133)	(123)

Refer to Note 8 'Net finance costs' for further details on finance expense arising on lease liabilities.

Movement in assets and liabilities arising from financing activities

	At 1 January 2025 £m	Cash flows £m	Foreign exchange £m	Fair value adjustments, interest on derivatives and reclassification £m	At 31 December 2025 £m
Reconciliation of movement in liabilities to cash flow statement					
Long-term borrowings	(8,567)	(40)	226	693	(7,688)
Short-term borrowings	(1,394)	1,346	6	(725)	(767)
Lease liabilities	(123)	60	2	(72)	(133)
Derivative financial instruments	(30)	(31)	2	81	22
Total financial liabilities arising from financing activities	(10,114)	1,335	236	(23)	(8,566)
Cash and cash equivalents net of bank overdrafts	2,207	(855)	(49)	-	1,303
Total	(7,907)	480	187	(23)	(7,263)

	At 1 January 2024 £m	Cash flows £m	Foreign exchange £m	Fair value adjustments, interest on derivatives and reclassification £m	At 31 December 2024 £m
Reconciliation of movement in liabilities to cash flow statement					
Long-term borrowings	(8,711)	(1,214)	16	1,342	(8,567)
Short-term borrowings	(558)	562	(27)	(1,371)	(1,394)
Lease liabilities	(137)	60	3	(49)	(123)
Derivative financial instruments	(102)	8	(1)	65	(30)
Total financial liabilities arising from financing activities	(9,508)	(584)	(9)	(13)	(10,114)
Cash and cash equivalents net of bank overdrafts	994	1,292	(79)	-	2,207
Total	(8,514)	708	(88)	(13)	(7,907)

20. Pensions and other post-employment benefits

The Group operates pension arrangements which cover the Group's material obligations to provide pensions to retired employees. These arrangements have been developed in accordance with local practices in the countries concerned. Pension benefits can be provided by state schemes, by defined contribution schemes, whereby retirement benefits are determined by the value of funds arising from contributions paid in respect of each employee, or by defined benefit schemes, whereby retirement benefits are based on employee pensionable remuneration and length of service. In certain countries, pension benefits are provided on an unfunded basis, some are administered by trustee companies. The Group also provides other post-employment benefits, mainly post-employment healthcare plans in the US. These plans are predominantly unfunded. Formal, independent, actuNew Hero Access Light valuations of the Group's main plans are undertaken regularly, normally at least every three years.

For defined benefit retirement plans, the difference between the fair value of the plan assets and the present value of the plan liabilities is recognised as an asset or a liability on the consolidated balance sheet. Defined benefit plan liabilities are assessed using the projected unit funding method and applying the principal actuNew Hero Access Light assumptions at the reporting period date consistent with the advice of qualified actuaries. Pension scheme assets are measured at fair value at the balance sheet date. The amount of any pension fund asset recognised on the balance sheet is limited to any future refunds from the plan or the present value of reductions in future contributions to the plan.

The amount charged to operating costs in the income statement is the cost of accruing pension benefits promised to employees over the year, plus the costs of individual events such as past service benefit changes, settlements, curtailments plus the finance charge for interest on net liability (such events are recognised immediately in the income statement).

Remeasurements of the net defined benefit liability (or asset) comprise actuNew Hero Access Light gains and losses and the return on plan assets excluding amounts included in net interest. ActuNew Hero Access Light gains and losses are taken to the consolidated statement of comprehensive income. ActuNew Hero Access Light gains and losses comprise both the effects of changes in actuNew Hero Access Light assumptions and experience adjustments arising from differences between the previous actuNew Hero Access Light assumptions and what has actually occurred. The return on plan assets, in excess of interest income, and costs incurred for the management of plan assets are also taken to other comprehensive income.

The costs of other post-employment liabilities are calculated in a similar way to defined benefit pension schemes and spread over the period during which benefit is expected to be derived from the employees' services. Future cash flows are discounted at rates reflecting the yields of high-quality corporate bonds.

The Group's contributions to defined contribution plans are charged to the income statement as incurred.

Discount rates are derived from AA-rated corporate bond yields, except in countries where there is no deep market in corporate bonds, government bond yields are used instead. Discount rates are selected to reflect the term of the expected benefit payments. Projected inflation rate and pension increases are long-term predictions based on the yield gap between long-term index-linked and fixed-interest government bonds, where available, or on long-term inflation forecasts.

Assumptions

The Group has applied the following financial assumptions in assessing the defined benefit liabilities:

	2025 %pa	2024 %pa
Germany		
Rate of increase of future earnings	3.0	3.0
Discount rate	4.1	3.4
Expected pension increases	2.0	2.0
Inflation rate	2.0	2.0
Switzerland		
Rate of increase of future earnings	1.8	1.8
Discount rate	1.3	1.0
Expected pension increases	N/A	N/A
Inflation rate	1.0	1.0
Ireland		
Rate of increase of future earnings	2.0	2.0
Discount rate	4.3	3.4
Expected pension increases	3.0	3.0
Inflation rate	2.0	2.0
Rest of World		
Rate of increase of future earnings	N/A	N/A
Discount rate	5.5	5.7
Expected pension increases	N/A	N/A
Inflation rate	2.5	2.5

The average life expectancy assumed now for an individual at the age of 60 and projected to apply in the years stated below for an individual then at the age of 60 is as follows:

As at 31 December 2025

Years	Germany		Switzerland		Ireland		Rest of World	
	Male	Female	Male	Female	Male	Female	Male	Female
Current	25.6	29.3	26.8	28.7	27.5	30.4	27.5	28.8
Projected for 2045	28.4	31.5	28.6	30.4	30.2	32.6	29.0	30.3

As at 31 December 2024

Years	Germany		Switzerland		Ireland		Rest of World	
	Male	Female	Male	Female	Male	Female	Male	Female
Current	25.5	29.2	26.7	28.6	27.3	30.3	27.4	28.8
Projected for 2044	28.5	31.5	28.6	30.3	30.1	32.4	28.9	30.2

The mortality rates are based on standard tables in each country (Heubeck 2018 in Germany, BVG 2020 in Switzerland and ILT15 in Ireland) with allowances for future improvements.

Income statement

	2025 £m	2024 £m	2023 £m
German pension schemes	3	3	5
Swiss pension schemes	9	10	9
Irish pension schemes	3	5	2
Other overseas pension schemes	2	2	-
Unfunded post-employment healthcare schemes	8	9	10
Total	25	29	26

The costs of the defined benefit pension and post-employment healthcare schemes are charged in the income statement as follows:

	Net pensions total £m	Other post retirement obligations total £m	Total post retirement obligations £m
2025			
Cost of sales	10	8	18
Research and development	2	-	2
Selling, general and administration	5	-	5
31 December 2025	17	8	25
2024			
Cost of sales	10	9	19
Research and development	2	-	2
Selling, general and administration	8	-	8
31 December 2024	20	9	29
2023			
Cost of sales	10	8	18
Research and development	1	-	1
Selling, general and administration	7	-	7
31 December 2023	18	8	26

The amounts recorded in the income statement and statement of comprehensive income in relation to the defined benefit pension and post-employment healthcare schemes were as follows:

	2025			2024			2023		
	Other post-employment			Other post-employment			Other post-employment		
	Pensions	benefits	Total	Pensions	benefits	Total	Pensions	benefits	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m
31 December									
Amounts charged to operating profit:									
Current service cost	16	4	20	17	5	22	16	6	22
Past service cost/(credit)	1	-	1	4	-	4	1	-	1
Gain from settlement	-	-	-	(1)	-	(1)	-	-	-
Net interest cost	-	4	4	-	4	4	1	2	3
Total	17	8	25	20	9	29	18	8	26
Remeasurements recorded in the statement of comprehensive income	(40)	2	(38)	(6)	(13)	(19)	(6)	1	(5)

Balance sheet

The assets of funded schemes are generally held in separately administered trusts, either as specific assets or as a proportion of a general fund or are insurance contracts. Assets are invested in different classes in order to maintain a balance between risk and return. Investments are diversified to limit the financial effect of the failure of any individual investment.

The pension plans are exposed to risk that arises because the estimated market value of the plans' assets might decline, the investment returns might reduce, or the estimated value of the plans' liabilities might increase.

Long-term investment strategies for the plans, with investments across a broad range of assets, have been agreed with the trustees to include return-seeking assets to generate future returns and liability-matching assets to better match future pension obligations. The main market risks within the asset portfolio are credit risk, interest rates, long-term inflation, equities and property risk.

The plan liabilities are a series of future cash flows with relatively long duration. On an IAS 19 basis, these cash flows are sensitive to changes in the expected long-term inflation rate and the discount rate (AA corporate bond yield curve) where an increase in long-term inflation corresponds with an increase in the liabilities, and an increase in the discount rate corresponds with a decrease in the liabilities.

In 2025 the Group recognised a gain relating to lowering the asset ceiling restriction in Switzerland. This was the result of a change in methodology for the interest credit rate assumption applied which is now linked to the expected rate of return on the plan assets (in line with market practice), whereas in the past it was equal to the discount rate used.

Notes to the Consolidated Financial Statements continued

A pension surplus is deemed recoverable to the extent that the Group is able to benefit economically from the surplus. Haleon assesses the maximum economic benefit available through either a refund of surplus or a reduction in future contributions in accordance with local legislation and the minimum funding requirements for each of our funded defined benefit plans.

The fair values of the assets and liabilities of the German, Swiss and Irish defined benefit pension schemes, together with aggregated data for other defined benefit pension schemes in the Group are as follows:

31 December 2025

	Germany £m	Switzerland £m	Ireland £m	Rest of World £m	Total £m
Listed equities	62	81	34	3	180
Property	-	70	-	-	70
Listed bonds	63	107	150	5	325
Insurance contracts	24	44	-	-	68
Other assets	-	43	3	12	58
Fair value of assets	149	345	187	20	701
Asset ceiling restriction	-	(2)	-	-	(2)
Fair value of assets after asset ceiling	149	343	187	20	699
Present value of scheme obligations	(165)	(318)	(151)	(31)	(665)
Recognised on the balance sheet	(16)	25	36	(11)	34
Included in post-employment benefit assets	-	25	36	7	68
Included in post-employment benefit obligations	(16)	-	-	(18)	(34)
Total	(16)	25	36	(11)	34
Actual return on plan assets	6	20	(19)	2	9

31 December 2024

	Germany £m	Switzerland £m	Ireland £m	Rest of World £m	Total £m
Listed equities	56	74	32	4	166
Property	-	68	-	-	68
Listed bonds	57	88	162	19	326
Insurance contracts	24	45	-	-	69
Other assets	-	34	2	13	49
Fair value of assets	137	309	196	36	678
Asset ceiling restriction	-	(18)	-	-	(18)
Fair value of assets after asset ceiling	137	291	196	36	660
Present value of scheme obligations	(170)	(291)	(169)	(45)	(675)
Recognised on the balance sheet	(33)	-	27	(9)	(15)
Included in post-employment benefit assets	-	-	27	9	36
Included in post-employment benefit obligations	(33)	-	-	(18)	(51)
Total	(33)	-	27	(9)	(15)
Actual return on plan assets	11	13	1	3	28

The values of pension plan assets are based on conditions in active markets as at 31 December 2025. In the case of the main defined benefit plans, this statement covers investment in equities, property funds and government bonds as well as corporate bonds. The fair value of insurance contracts is deemed to be equal to the present value of the obligations it covers while other assets is primarily cash.

The defined benefit pension obligation is analysed as follows:

	2025 £m	2024 £m
Funded	(651)	(662)
Unfunded	(14)	(13)
Total	(665)	(675)

The movement in the net defined benefit liability is as follows:

	Fair value of assets £m	Present value of obligation £m	Net pensions total £m	Net post- employment obligations £m
At 1 January 2024	661	(697)	(36)	(85)
Exchange adjustments	(28)	34	6	(2)
Service cost	-	(17)	(17)	(5)
Past service cost	-	(4)	(4)	-
Interest income/(cost)	17	(17)	-	(4)
Settlements and curtailments	-	1	1	-
Remeasurements:				
Return on plan assets, excluding amounts included in interest	12	-	12	-
Loss arising from changes in demographic assumptions	-	(3)	(3)	-
(Loss)/Gain from change in financial assumptions	-	(1)	(1)	11
Experience (losses)/gains	-	(2)	(2)	2
Employers' contributions	29	-	29	-
Scheme participants' contributions	7	(7)	-	-
Benefits paid	(38)	38	-	3
At 31 December 2024	660	(675)	(15)	(80)
Exchange adjustments	33	(35)	(2)	5
Service cost	-	(16)	(16)	(4)
Past service cost	-	(1)	(1)	-
Interest income/(cost)	16	(16)	-	(4)
Settlements and curtailments	(14)	14	-	-
Remeasurements:				
Return on plan assets, excluding amounts included in interest	(8)	-	(8)	-
Loss arising from changes in demographic assumptions	-	-	-	-
Gain/(Loss) from change in financial assumptions	-	39	39	(1)
Changes in asset ceiling restriction	16	-	16	-
Experience (losses)/gains	-	(7)	(7)	(1)
Employers' contributions	28	-	28	-
Scheme participants' contributions	7	(7)	-	-
Benefits paid	(39)	39	-	5
At 31 December 2025	699	(665)	34	(80)

A reconciliation of the net post-employment benefit to the balances recognised on the consolidated balance sheet is as follows:

	2025 £m	2024 £m
Net pension obligations	34	(15)
Net post-employment obligations	(80)	(80)
Net post-employment benefit	(46)	(95)
Post-employment benefit assets recognised on the consolidated balance sheet	68	36
Post-employment benefit obligations recognised on the consolidated balance sheet	(114)	(131)
Net post-employment benefit	(46)	(95)

The Group's investment strategy in respect of its funded plans is implemented within the framework of the various statutory requirements of the territories where the plans are based. For the plans based in Switzerland, the Group's annual contribution is at least equal to the total annual contributions of the employees. In Ireland, funding is determined based on the triennial funding valuation performed by actuaries carried out using prudent assumptions and the most recent review in 2024 showed that the plan is overfunded. The US post-employment medical benefit plan remains unfunded.

Employer contributions for 2026 are estimated to be approximately £22m in respect of defined benefit pension schemes and £3m in respect of post-employment medical benefits.

The defined benefit pension and post-employment obligations analysed by membership category is as follows:

	Pension		Post-employment obligations	
	2025 £m	2024 £m	2025 £m	2024 £m
Active	(364)	(347)	(65)	(70)
Retired	(209)	(224)	(15)	(10)
Deferred	(92)	(104)	-	-
Total	(665)	(675)	(80)	(80)

The approximate effect of changes in assumptions used on the benefit obligations and on the annual defined benefit and post-employment costs are detailed below. This information has been determined by taking into account the duration of the liabilities and the overall profile of the plan membership.

Sensitivity analysis

	2025 £m	2024 £m
0.50% decrease in discount rate:		
Increase in annual pension cost	2.6	2.3
Increase in annual post-employment benefits cost	0.2	0.2
Increase in pension obligation	42.8	45.7
Increase in post-employment benefits obligation	3.2	3.1
0.50% increase in discount rate:		
Decrease in annual pension cost	(2.8)	(2.4)
Decrease in annual post-employment benefits cost	(0.1)	(0.1)
Decrease in pension obligation	(39.0)	(41.2)
Decrease in post-employment benefits obligation	(2.9)	(2.8)
1% increase in the rate of future healthcare inflation:		
Increase in annual post-employment cost	0.1	0.2
Increase in post-employment obligation	1.4	1.6
1% decrease in the rate of future healthcare inflation:		
Decrease in annual post-employment cost	(0.2)	(0.2)
Decrease in post-employment obligation	(1.7)	(1.8)
A one year increase in life expectancy:		
Increase in annual pension cost	0.8	0.7
Increase in annual post-employment benefits cost	0.1	0.1
Increase in pension obligation	16.6	17.6
Increase in post-employment benefits obligation	0.8	0.7

The above analysis covers major defined benefit obligations, i.e. in Germany, Switzerland, Ireland and the US, which together represent over 90% of the Group's plan assets and the obligations.

The weighted average duration of the defined benefit obligation is as follows:

Years	2025	2024
Pension benefits	13	14
Post-employment benefits	12	12

21. Provisions

Provisions are recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable.

Provisions are measured at management's best estimate of the most likely outcome of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material. Provisions are classified as non-current where the exact timing of settlement is uncertain but they are expected to be settled in more than 12 months.

Provisions

	Restructuring programmes £m	Other provisions £m	Total £m
As at 1 January 2024			
Exchange adjustments	2	1	3
Charge for the period	(95)	(38)	(133)
Reversed unused	7	8	15
Utilised	76	33	109
As at 31 December 2024			
Exchange adjustments	(1)	(1)	(2)
Charge for the period	(27)	(24)	(51)
Reversed unused	12	4	16
Utilised	71	32	103
As at 31 December 2025			
		2025 £m	2024 £m
To be settled within one year		(69)	(118)
To be settled after one year		(40)	(57)
Total provisions		(109)	(175)

Other provisions include employee-related, legal, environmental, and other provisions. Refer to Note 6, 'Operating profit' for further details about the Group's restructuring costs.

22. Contingent liabilities and commitments

Contingent liabilities

Contingent liabilities are potential future outflows where the likelihood of payment is considered more than remote, but is not considered probable or cannot be measured reliably. No provision is made for contingent liabilities, but there is a chance that they will result in an obligation in the future.

At 31 December 2025, contingent liabilities, comprising guarantees and other items arising in the normal course of business, amounted to £9m (2024: £16m).

The Group is involved in significant legal and administrative proceedings, principally relating to product liabilities. The most significant of these matters, other than tax matters, are described herein. Provision is made for the outcome of tax, legal and other disputes where it is both probable that the Group will suffer an outflow of funds and it is possible to make a reliable estimate of that outflow.

Legal proceedings

The Group may become involved in legal proceedings, in respect of which it is not possible to determine whether a potential outflow is probable, or to make a reliable estimate of the expected financial effect, if any, that could result from the proceedings. In these cases, appropriate disclosure about such cases would be included but no provision would be made. Costs associated with claims made by the Group against third parties are charged to the income statement as they are incurred.

The Group makes provision for these proceedings on a regular basis as summarised in the accounting policy above.

With respect to each of the legal proceedings described below, other than those for which a provision has been made, the Group is unable to make a reliable estimate of the expected financial effect at this stage. The Group does not believe that information about the amount sought by the plaintiffs, if that is known, would be meaningful with respect to those legal proceedings. This is due to a number of factors, including, but not limited to, the stage of proceedings, the entitlement of parties to appeal a decision and clarity as to theories of liability, damages and governing law.

The Group's position could change over time and therefore, there can be no assurance that any losses that result from the outcome of any legal proceedings will not exceed by a material amount the value of the provisions reported in the Group's financial statements. If this were to happen, it could have a material adverse impact on the results of operations of the Group in the reporting period in which the judgements are incurred or the settlements entered into.

Zantac litigation

GSK and/or Pfizer have been named as defendants (alongside other manufacturers of ranitidine, as well as retailers and distributors) in personal injury lawsuits, as well as economic injury and medical monitoring class actions, filed in the US involving Zantac. The Group understands that outside the US, there are class actions and individual actions pending against GSK and Pfizer in Canada, along with a class action against GSK in Israel.

GSK has announced that it has resolved all but 13 state court cases; the remaining federal MDL cases were dismissed in December 2022 and are currently on appeal. As previously disclosed, Pfizer also announced that it has entered into settlement arrangements in respect of a substantial majority of relevant US state court cases.

The Group is not a party to any Zantac claims and the Group has never marketed Zantac in any form in the US or Canada. The Group is not primarily liable for any OTC or prescription Zantac claims.

The Group has received notices of potential claims for indemnification relating to OTC Zantac arising out of the Stock and Asset Purchase Agreement (SAPA), which the Group has rejected on the basis that the scope of the indemnities set out in the SAPA only covers the Consumer Healthcare businesses of GSK and Pfizer as conducted when their Consumer Healthcare joint venture was formed in 2018. At that time, neither GSK nor Pfizer marketed OTC Zantac in the US or Canada.

German competition litigation

In 2013, GlaxoSmithKline Consumer Healthcare GmbH & Co. KG and other members of a working group of a German trademark association were fined by the Federal Cartel Office of Germany as a result of the exchange of certain information related to retailers during meetings from 2004 to 2006.

Following the fine imposed by the Federal Cartel Office in 2013, the Group is party to civil proceedings in Germany brought by or on behalf of retailers against the Group and other manufacturers of branded drugstore products, alleging that the exchange of information within the working group led to higher purchase prices being paid by the retailers, and claiming that the Group and other working group members are jointly and severally liable for potential damages. The proceedings are taking place in different courts across Germany and are at different stages.

Commitments

Commitments are contractual obligations to acquire certain classes of assets in the future. These amounts are not recorded in the Consolidated Financial Statements.

	2025	2024
	£m	£m
Contracted for but not provided in the Consolidated Financial Statements:		
Intangible assets	69	105
Property, plant and equipment	162	51
Total	231	156

23. Share capital, share premium and other reserves

Share capital represents the par value of shares that have been issued.

Share premium includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Other reserves include the following:

- EBT shares reserve comprise shares held by an employee benefit trust in connection with the Group's share-based incentive plans.
- Cash flow hedge reserve comprises gains and losses relating to these types of financial instruments.
- Merger reserve arises as a result of business combinations of entities under common control.
- Other reserves comprises mainly differences between the fair value of the consideration paid for an investment, and the carrying value of assets and liabilities acquired from business combinations under common control.

Translation reserve arises from the foreign currency translation of the Group's foreign operations into the Group's presentation currency.

Retained earnings includes all current and prior years' retained profits, remeasurement gains/(losses), including any tax impacts on defined benefit plans.

As at 31 December 2025, the Group had share capital of £90m pertaining to 8,952,353,648 of ordinary shares at £0.01 each (31 December 2024: £91m pertaining to 9,083,725,919 of ordinary shares at £0.01 each). The decrease in the number of shares outstanding was due to a number of transactions during the year including a cancellation of 44,155,844 ordinary shares repurchased from Pfizer pursuant to an off market share buyback which completed on 21 March 2025 for approximately £170m. On 28 March 2025, the Group announced the commencement of an on-market share buyback programme. The first tranche of the buyback programme commenced on 28 March 2025 for aggregate consideration of approximately £200m and concluded on 26 June 2025 with the Group re-purchasing 51,036,522 which were subsequently cancelled.

Notes to the Consolidated Financial Statements continued

On 31 July 2025, the Group announced the commencement of the second tranche of the buyback programme for an aggregate consideration of approximately £280m. This was made up of approximately £130m to complete the remainder of the £500m allocated to share buybacks in 2025 and a further approximately £150m for the purposes of satisfying Haleon's obligations under its existing employee share plans in 2026 and 2027. The second tranche of the buyback programme concluded on 1 October 2025 with Haleon re-purchasing 80,614,159 shares, 36,179,905 of which were subsequently cancelled and 44,434,254 were held as treasury shares.

As at 31 December 2025 the Company held 45,745,646 ordinary shares as treasury shares (2024: 30,365,037 ordinary shares).

Share capital and share premium

		At 31 December 2025	At 31 December 2024
Ordinary shares at £0.01 each	Number	8,952,353,648	9,083,725,919
Share capital	£'000	89,524	90,837

The table above presents the movement of share capital and share premium of the Company for the year ended 31 December 2025. All ordinary shares are issued and fully paid. All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends declared from time to time and are entitled to one vote per share at general meetings of the Company. All rights attached to the treasury shares held by the Group are suspended until those shares are reissued. The redeemable preference shares carry limited class voting rights and no dividend rights.

Other reserves

The analysis of other reserves is as follows:

	Cumulative translation reserve £m	EBT shares reserve ¹ £m	Treasury shares reserve £m	Fair Value reserve £m	Capital redemption reserve £m	Cash flow hedge reserve £m	Merger reserve £m	Total £m
As at 1 January 2024	626	(38)	-	-	-	139	(11,687)	(10,960)
Other comprehensive income	-	-	-	-	-	(26)	-	(26)
Shares transferred to employees	-	41	-	-	-	-	-	41
Repurchase of ordinary shares and capital reduction	-	-	-	-	1	-	-	1
Purchase of shares by employee benefit trust	-	(5)	-	-	-	-	-	(5)
Purchase of treasury shares	-	-	(116)	-	-	-	-	(116)
Exchange movements on overseas net assets	(132)	-	-	-	-	-	-	(132)
As at 31 December 2024	494	(2)	(116)	-	1	113	(11,687)	(11,197)

	Cumulative translation reserve £m	EBT shares reserve ¹ £m	Treasury shares reserve £m	Fair Value reserve £m	Capital redemption reserve £m	Cash flow hedge reserve £m	Merger reserve £m	Total £m
Other comprehensive income	-	-	-	(15)	-	(12)	-	(27)
Shares transferred to employees	-	107	1	-	-	-	-	108
Repurchase of ordinary shares and capital reduction	-	-	-	-	1	-	-	1
Transfer of treasury shares to employee benefit trust	-	(110)	110	-	-	-	-	-
Purchase of treasury shares	-	-	(151)	-	-	-	-	(151)
Exchange movements on overseas net assets	(246)	-	-	-	-	-	-	(246)
As at 31 December 2025	248	(5)	(156)	(15)	2	101	(11,687)	(11,512)

1. Shares owned through an EBT. The total number of shares held in connection with employee share schemes as at 31 December 2025 was 1.3m (2024:0.6m).

The cumulative translation exchange in equity is attributable to:

	Retained earnings £m	Non- controlling interests £m	Total cumulative translation exchange £m
As at 1 January 2024	626	(1)	625
Exchange movements on overseas net assets	(132)	(2)	(134)
As at 31 December 2024	494	(3)	491
Exchange movements on overseas net assets	(246)	(1)	(247)
As at 31 December 2025	248	(4)	244

24. Related party transactions

A related party under IFRS is a person or entity that is related to the Group. These include both people and entities that have, or are subject to, influence or control over the Group.

Related parties

Upon the completion of the demerger on 18 July 2022, GSK ceased to be a related party of the Group under IAS 24, 'Related Party Disclosures'.

In 2024, Pfizer Inc. undertook a number of transactions during the year which reduced Pfizer's voting rights to 15%. Following this, Pfizer ceased to be a related party of the Group under IAS 24, 'Related Party Disclosures' and therefore only balances that occurred before 3 October 2024 are disclosed below.

In 2025, there were no new related party transactions that have or could have materially affected the financial position or performance of the Group for the period ended 31 December 2025.

The Group undertook significant transactions with entities from within GSK during the period ended 18 July 2022, and with entities from within Pfizer for the year ended 31 December 2022. Any amounts owed from GSK as at 31 December 2024 in relation to arrangements set up with GSK before the demerger activities when GSK was still a related party of the Group, have been settled during the period ended 31 December 2025.

In previous years, the Group had transactions with related parties under manufacture and supply agreements, distribution agreements, support service agreements, provision of research and development, toll-manufacturing services and transitional services agreements. In addition, the Group earned net interest income resulting from funds lent to GSK. All related party transactions are undertaken at arm's length in accordance with the Group transfer pricing policy.

Where the legal completion of local transfer of assets and liabilities has been delayed, but the Group is able to exercise control over the relevant activities, the relevant net assets and profits have been recognised in the results.

Transaction values for the year ended 31 December (unless otherwise indicated):

	Pfizer companies		
	2025	2024	2023
	£m	£m	£m
Dividend paid	-	165	124

Balance outstanding as at 31 December:

	Pfizer companies		GSK companies	
	2025	2024	2025	2024
	£m	£m	£m	£m
Other amounts owing from related parties	-	-	-	34

25. Capital and financial risk management

Financial assets are measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL). The measurement basis is determined by reference to both the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. For financial assets other than trade receivables, a 12-month expected credit loss allowance is recorded on initial recognition. If there is subsequent evidence of a significant increase in the credit risk of an asset, the allowance is increased to reflect the lifetime expected credit loss. If there is no realistic prospect of recovery, the asset is written off.

Derivatives and hedge accounting

Derivative financial instruments are used to manage exposure to market risks. The derivative instruments used by the Group are forward foreign exchange contracts and swaps, interest rate swaps and cross currency interest rate swaps.

Derivative financial instruments are classified as held-for-trading and are measured at fair value. Derivatives designated as hedging instruments are classified on inception as fair value hedges, cash flow hedges or net investment hedges. The treatment of changes in the value of derivatives depends on their use as explained below.

Fair value hedges

Certain derivatives are held to hedge the risk of changes in value of a specific bond or other loan. In these situations, the Group designates the liability and related derivative to be part of a fair value hedge relationship. The carrying value of the bond is adjusted by the fair value of the risk being hedged, with changes going to the income statement. Gains and losses on the corresponding derivative are also recognised in the income statement. The amounts recognised are offset in the income statement to the extent that the hedge is effective. Ineffectiveness may occur if the critical terms do not exactly match, or if there is a value adjustment resulting from a change in credit risk (in either the Group or the counterparty to the derivative) that is not matched by the hedged item. When the relationship no longer meets the criteria for hedge accounting, the fair value hedge adjustment made to the bond is amortised to the income statement using the effective interest method.

Cash flow hedges

Derivatives are also held to hedge the uncertainty in timing or amount of future forecast cash flows. Such derivatives are designated as being part of cash flow hedge relationships. For an effective hedge, gains and losses from changes in the fair value of derivatives are recognised in equity. Any ineffective elements of the hedge are recognised in the income statement. Ineffectiveness may occur if there are changes to the expected timing of the hedged transaction. If the hedged cash flow relates to a non-financial asset, the amount accumulated in equity is subsequently included within the carrying value of that asset. For other cash flow hedges, amounts deferred in equity are taken to the income statement at the same time as the related cash flow. When a derivative no longer qualifies for hedge accounting, any cumulative gain or loss remains in equity until the related cash flow occurs. When the cash flow takes place, the cumulative gain or loss is taken to the income statement. If the hedged cash flow is no longer expected to occur, the cumulative gain or loss is taken to the income statement immediately.

Net investment hedges

Certain derivatives and financial liabilities are designated as hedges of the currency risk on the Group's investment in foreign subsidiaries. Differences arising on retranslation of a financial liability designated as hedging instrument in a net investment hedge and the fair value of derivatives are recorded in equity to the extent that the hedge is effective. These differences on retranslation of financial liability and the fair value of derivatives are reported within the income statement to the extent that the hedge is ineffective. Gains and losses accumulated in equity are included in the income statement when the foreign operation is disposed of.

Derivatives for which hedge accounting is not applied

Derivatives not designated as hedges are held in order to economically hedge certain balance sheet items and commodity exposures. No hedge accounting is applied to these derivatives, which are carried at fair value with changes being recognised in the income statement.

Risk management

The key objectives of the Group's treasury activities are to minimise the net cost of financial operations and reduce volatility arising from financial risks.

Treasury activities are governed by the Board. The Group has a Treasury Risk Committee (TRC), chaired by the CFO, that meets on a regular basis to review treasury activities. The TRC's members receive management information relating to treasury activities.

Notes to the Consolidated Financial Statements continued

The Group may use a variety of financial instruments to finance its operations and derivative financial instruments to manage market risks from these operations. Derivatives comprise of foreign exchange forward contracts and swaps, interest rate swaps and cross currency interest swaps which are used to manage foreign exchange and interest rate risk on borrowings.

Derivatives are used exclusively for hedging purposes in relation to underlying business activities and not as trading or speculative instruments.

Capital management

The Group manages its capital to ensure that entities in the Group are able to operate as going concerns whilst availing themselves of intercompany funding where appropriate.

	2025 £m	2024 £m
Cash and cash equivalents	1,324	2,250
Short-term borrowings	(836)	(1,487)
Long-term borrowings	(7,773)	(8,640)
Derivative financial assets associated with long-term borrowings	3	-
Derivative financial liabilities associated with long-term borrowings	(23)	(68)
Total equity	16,484	16,224
Total capital	9,179	8,279

In April 2025, the Group's long-term credit rating with Moody's Investor Service (Moody's) was upgraded from Baa1 to A3. As at 31 December 2025, the Group's long-term credit rating with S&P is BBB+ (stable outlook) (2024: BBB+) and with Moody's Investors Service (Moody's) it is A3 (stable outlook) (2024: Baa1). The Group's short-term credit ratings are A-2 and P-2 with S&P and Moody's, respectively (2024: A-2 and P-2 respectively).

Liquidity risk management

The Group's policy is to borrow centrally (where permissible and cost effective) in order to meet anticipated funding requirements. The strategy is to diversify liquidity sources and to maintain broad access to financial markets. Each day, the Group sweeps cash to or from a number of global subsidiaries to central treasury accounts for liquidity management purposes.

The Group uses both notional and zero-balancing cash pool arrangements as appropriate by location and currency. For notional cash pools, liquidity is drawn against foreign currency balances to provide both local funding and central liquidity as required and with balances actively managed and maintained to appropriate levels. As balances in notional pooling arrangements are not settled across currencies, gross cash and overdraft balances are reported. At 31 December 2025, the Group had £836m (2024: £1,487m) of borrowings repayable within one year and held £1,324m (2024: £2,250m) of cash and cash equivalents.

The Group has access to a £1,750m revolving credit facility with an initial maturity date of August 2028. This committed facility was undrawn as at 31 December 2025.

Long-term financing consists of \$6,000m in USD bonds, as well as €2,250m Euro bonds and £1,000m GBP bonds outstanding at 31 December 2025. The Group also has a CNY2,824m bank loan. Refer to Note 19 'Borrowings' for further details about the Group's bonds.

Foreign exchange risk management

Foreign currency transaction exposures arising on internal and external trade flows are selectively hedged. The Group's objective is to minimise the exposure of overseas operating subsidiaries to transaction risk by matching local currency income with local currency costs where possible. Foreign currency cash flows may be hedged selectively as approved by the TRC. Cash surpluses or borrowing requirements of subsidiary companies are usually managed centrally using foreign exchange forward contracts and swaps to hedge future repayments back into the originating currency.

Borrowings denominated in, or swapped into, foreign currencies that match investments in overseas Group assets may be treated as a hedge against the relevant assets. Forward contracts in major currencies are also used to reduce exposure to the Group's investment in overseas assets. Refer to 'Net investment hedges' section of this Note for further details.

Credit risk management

Credit risk is the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group, and arises on cash and cash equivalents and favourable derivative financial instruments held with banks and financial institutions as well as credit exposures to wholesale and retail customers, including outstanding receivables.

The Group considers its maximum credit risk to be £1,411m (2024: £2,380m) which is the total of the Group's financial assets, excluding other investments which bear equity risk rather than credit risk.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for financial assets at amortised cost since the adoption of IFRS 9.

Treasury-related credit risk

The aggregate credit risk in respect of financial instruments that the Group may have with a counterparty is limited according to the assessed risk of each counterparty. Exposures are regularly monitored against credit limits in accordance with Treasury policy, as approved by the Board.

Expected credit losses on cash and cash equivalents and on third-party financial derivatives for 2025 are assessed to be immaterial and therefore have not been recognised. No such losses were incurred in 2024 or 2023.

The following table summarises the Group's assessment of its counterparty credit risk.

	AAA £m	AA £m	A £m	BBB £m	BB+ and below or unrated £m	Total £m
2025						
Bank balances and deposits	-	-	658	7	42	707
Money market funds	608	-	-	-	-	608
Government securities	-	-	-	-	9	9
Cash and cash equivalents	608	-	658	7	51	1,324
Derivative financial instruments	-	13	74	-	-	87
Total	608	13	732	7	51	1,411
2024						
Bank balances and deposits	-	1	1,658	10	27	1,696
Money market funds	554	-	-	-	-	554
Government securities	-	-	-	-	-	-
Cash and cash equivalents	554	1	1,658	10	27	2,250
Derivative financial instruments	-	14	116	-	-	130
Total	554	15	1,774	10	27	2,380

Wholesale and retail credit risk

The Group does not have a substantial wholesale and retail credit risk as a result of its diversified geographical presence, product offering, consumer profile and historical credit loss information. Where appropriate, the Group utilises credit insurance and receivables factoring to minimise the credit risk of the trade receivables in the Group (refer to Note 16 'Trade and other receivables' for further details about the Group's expected credit losses). Factoring arrangements are based on a portfolio approach and are used to mitigate risk arising from large credit risk concentrations. All factoring arrangements are non-recourse.

Interest rate risk management

The Group manages the interest rate risk on its net debt portfolio, with the objectives of minimising the effective net interest cost and income statement volatility.

The Group's main interest rate risk arises from borrowings and investments with floating rates and from the refinancing of maturing fixed-rate debt where any changes in interest rates will affect future cash flows. The policy on interest rate risk management limits the net amount of floating-rate debt to a specific cap.

Of the Group's debt, 57% was held at fixed rates as at 31 December 2025 (2024: 59%), including the impact of swaps. Any bond debt with less than three months to maturity is considered floating rate.

Interest rate and forward starting interest rate swaps

The forward starting interest rate contracts, exchanging floating interest for fixed interest, were designated as cash flow hedges to pre-hedge the interest variability of the interest cash flows associated with the fixed-rate debt issued in 2022.

The interest rate swap contracts, exchanging fixed interest rate for floating interest, have been designated as fair value hedges to hedge the variability in fair value associated with the Group's fixed-rate debt. The interest rate swaps and the interest payments on the loan occur simultaneously and the fair value of interest rate swaps and the fair value of related debt affect the income statement at the same time.

Derivative financial instruments and hedging

Derivative financial instruments are used to mitigate exposure to foreign exchange transactional risks of the Group. The fair value of a derivative financial instrument is classified as a non-current asset or liability if the remaining maturity is more than 12 months and as a current asset or liability if the maturity is less than 12 months.

The Group has the following derivative financial instruments:

	2025			2024		
	Notional amount £m	Fair value of assets £m	Fair value of liabilities £m	Notional amount £m	Fair value of assets £m	Fair value of liabilities £m
Non-current						
Fair value hedges - interest rate swap contracts	2,640	3	(23)	2,445	-	(63)
Net investment hedges - foreign exchange contracts	930	6	(11)	175	-	(2)
Current						
Fair value hedges - interest rate swap contracts	742	-	(1)	1,396	-	(18)
Net investment hedges - cross currency interest rate swaps	-	-	-	910	61	-
Net investment hedges - foreign exchange contracts	1,392	41	(17)	1,149	39	(20)
Cash flow hedges - foreign exchange contracts	757	11	(10)	538	13	(17)
Derivatives designated and effective as hedging instruments	6,461	61	(62)	6,613	113	(120)
Non-current						
Cross currency interest rate swap contracts	-	-	-	499	-	(5)
Current						
Cross currency interest rate swap contracts	499	22	-	910	-	(31)
Foreign exchange contracts	1,399	4	(3)	2,032	17	(4)
Derivatives classified as held for trading	1,898	26	(3)	3,441	17	(40)
Total derivative instruments	8,359	87	(65)	10,054	130	(160)

Fair value hedges

At issuance in March 2022, \$1,750m and €850m bonds were converted from fixed rate to floating rate using interest rate swaps. Further, in April and May 2023 additional \$1,400m of bonds issued in March 2022 were converted from fixed to floating rate using interest rate swaps.

At issuance in September 2024, €750m bond was converted from fixed rate to floating rate using interest rate swaps. During second half of 2025, \$800m and £350m bonds issued in 2022 and 2024 were converted from fixed rate to floating rate using interest rate swaps.

Cash flow hedges

In 2023, the Group established a programme of hedging highly probable forecast transactional foreign exchange exposure using foreign exchange contracts (FX forwards and FX swaps). The key exposure designated under cash flow hedge accounting are forecast receipts from customers and payments to suppliers, capital expenditure and other administration expenses payable in foreign currency.

In 2024, the Group entered into forward starting interest rate swaps (derivatives) to pre-hedge interest rate risk on the fixed rate bonds issued in September 2024. These derivatives were designated in a cash flow hedge relationship. The derivatives were settled in September 2024 and as a result cash flow hedges were terminated with a net cash outflow of £3m. The element of gains/losses of these cash flow hedges relating to other comprehensive income is being amortised to the income statement as per the maturity profile of the loan notes.

Net investment hedges

At 31 December 2025 and 31 December 2024, certain foreign exchange contracts and cross currency interest rate swaps were designated as net investment hedges in respect of the foreign currency translation risk arising on consolidation of the Group's net investment in its foreign operations as shown in the table above.

The carrying value of the EUR bonds in Note 19 'Borrowings' included £2,169m (2024: £2,062m) that were also designated as hedging instruments in net investment hedges in respect of the foreign currency translation risk arising on consolidation of the Group's net investment in its European (Euro) foreign operations. For net investment hedges, the balance in the foreign currency translation reserve in relation to continuing hedges is £(125)m (2024: £(155)m).

The following tables provide information regarding hedging instruments and the related hedged items as at 31 December:

Hedging instruments

	Average strike price	Notional principal value £m	Change in fair value for recognising hedge ineffectiveness £m	Carrying value assets/ (liabilities) £m
2025				
Cash flow hedges				
Below 10 years				
FX forward contracts/FX swaps	N/A	757	1	1
Fair value hedges				
Below 10 years				
EUR IRS	2.0%	1,397	(8)	(8)
USD IRS	3.8%	1,635	(16)	(16)
GBP IRS	3.9%	350	3	3
Net investment hedges				
Below 10 years				
EUR FX Swaps/forwards	1.1	171	(1)	(1)
CNH FX Swaps/forwards	8.9	1,243	1	1
AUD FX Swaps/forwards	2.1	86	(3)	(3)
CAD FX Swaps/forwards	1.8	360	3	3
USD FX Swaps/forwards	1.3	416	16	16
TWD FX Swaps/forwards	40.1	46	2	2
EUR Bonds	N/A	2,183	107	(2,169)
2024				
Cash flow hedges				
Below 10 years				
FX forward contracts/FX swaps	N/A	538	(4)	(4)
Fair value hedges				
Below 10 years				
EUR IRS	2.0%	1,328	(20)	(20)
USD IRS	3.4%	2,512	(61)	(61)
Net investment hedges				
Below 10 years				
EUR FX Swaps/forwards	1.2	384	8	8
CNH FX Swaps/forwards	9.0	716	(6)	(6)
AUD FX Swaps/forwards	2.0	81	3	3
CAD FX Swaps/forwards	1.6	96	11	11
TWD FX Swaps/forwards	40.1	47	1	1
CNH CCIRS	8.6	910	61	61
EUR Bonds	N/A	2,076	77	(2,062)

Hedged items

	2025				2024			
	Carrying amount £m	Accumulated fair value adjustments ¹ £m	Change in calculating hedge ineffectiveness £m	Balance in cash flow hedge reserve ² £m	Carrying amount £m	Accumulated fair value adjustments ¹ £m	Change in calculating hedge ineffectiveness £m	Balance in cash flow hedge reserve ² £m
Cash flow hedges								
Pre-hedging of long-term interest rate	-	-	-	(97)	-	-	-	(114)
Transactional FX forecast exposure ³	757	-	-	(4)	538	-	-	1
Fair value hedges								
Bonds ⁴	(2,703)	21	21	-	(3,188)	81	81	-
Net investment hedges								
Net assets in foreign currency ⁵	4,505	(125)	(125)	-	4,310	(155)	(155)	-

1. Accumulated fair value adjustments on the hedged items included in the carrying amount of the hedged item.
2. Balance in cash flow hedge reserve for continued transactional FX forecast hedges and discontinued hedges net of tax.
3. In 2023 the Group established a programme to hedge forecast transactional foreign exchange exposure.
4. The difference in change in value for calculating hedge ineffectiveness between derivatives and bonds is due to upfront cash receipt on derivatives and hedge ineffectiveness.
5. Relates to net investment hedges which is part of the translation reserve in equity.

The following table details the effectiveness of the hedging relationships and the amounts reclassified from the hedging reserve to the income statement for cash flow hedges, recognised under finance income or expense. There was no ineffectiveness on fair value on net investment hedges.

	Hedging gains/(losses) in other comprehensive income £m	Hedge ineffectiveness in profit or loss £m	Hedged future cash flows no longer expected to occur £m	As hedged item affects profit or loss £m
	2025			
Cash flow hedges				
Transactional FX hedge	19	-	-	17
Pre-hedging of long-term interest rates				
Below 10 years	121	-	-	19
10-30 years	18	-	-	2
2024				
Cash flow hedges				
Transactional FX hedge	9	-	-	11
Pre-hedging of long-term interest rates				
Below 10 years	138	-	-	20
10-30 years	23	-	-	2

Fair value of financial assets and liabilities excluding lease liabilities

The table below presents the carrying amounts and the fair values of the Group's financial assets and liabilities. The fair values of the financial assets and liabilities are included at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- Cash and cash equivalents carried at amortised cost, trade and other receivables and certain other non-current assets, loan amounts owing from/(to) related parties, trade and other payables and certain other non-current liabilities: approximates to the carrying amount.
- Cash and cash equivalents (money market funds) carried at fair value: based on net asset value of the funds.
- Short-term loans, overdrafts and commercial paper: approximates to the carrying amount because of the short maturity of these instruments.
- Interest rate swaps and foreign exchange contracts: based on present value of contractual cash flows using market-sourced data (exchange rates and interest rates) at the balance sheet date.
- Long-term loans: based on executable quotes or thinly traded prices (a level 2 fair value measurement) for European and US Medium Term Notes; based on present value of contractual cash flows for non-voting preference shares and based on the approximation of the carrying amount in the case of other floating-rate bank loans.

Notes to the Consolidated Financial Statements continued

	2025		2024	
	Carrying value £m	Fair value £m	Carrying value £m	Fair value £m
Financial assets at fair value through other comprehensive income:				
Unlisted equity investments	67	67	82	82
Financial assets measured at amortised cost:				
Cash and cash equivalents (including government securities)	716	716	1,696	1,696
Trade and other receivables and certain other non-current assets	1,818	1,818	1,796	1,796
Financial assets mandatorily measured at fair value through profit or loss:				
Held for trading derivatives that are not in a designated and effective hedging relationship	26	26	17	17
Cash and cash equivalents (money market funds)	608	608	554	554
Derivatives designated and effective as hedging instruments				
Fair value hedge	3	3	-	-
Cash flow hedge	11	11	13	13
Net investment hedge	47	47	100	100
Total financial assets	3,296	3,296	4,258	4,258
Financial liabilities measured at amortised cost:				
Short-term loans and overdrafts	(49)	(49)	(43)	(43)
Other bonds	(3,448)	(3,292)	(4,397)	(4,006)
Long-term loans	(300)	(300)	(290)	(290)
Non-voting preference shares	(25)	(25)	(25)	(25)
Trade and other payables and certain other non-current liabilities in scope of IFRS 9	(3,333)	(3,333)	(3,470)	(3,470)
Bonds in a designated hedge relationship	(4,654)	(4,438)	(5,249)	(5,108)
Financial liabilities mandatorily measured at fair value through profit or loss:				
Held for trading derivatives that are not in a designated and effective hedging relationship	(3)	(3)	(40)	(40)
Derivatives designated and effective as hedging instruments				
Fair value hedge	(24)	(24)	(81)	(81)
Cash flow hedge	(10)	(10)	(17)	(17)
Net investment hedge	(28)	(28)	(22)	(22)
Total financial liabilities	(11,874)	(11,502)	(13,634)	(13,102)
Net financial assets and financial liabilities	(8,578)	(8,206)	(9,376)	(8,844)

Financial instruments held at fair value shown according to the fair value hierarchy is provided below. Financial assets and liabilities held at fair value are categorised by the valuation methodology applied in determining their fair value. Where possible, quoted prices in active markets are used (level 1). Where such prices are not available, the asset or liability is classified as level 2, provided all significant inputs to the valuation model used are based on observable market data. If one or more of the significant inputs to the valuation model is not based on observable market data, the instrument is classified as level 3. The methods and assumptions used to estimate the fair values of significant financial instruments on the balance sheet are consistent with those applied for the year ended 31 December 2024.

The equity investment that is valued at Level 3 is a passive investment in a private entity acquired as part of the consideration received for the divestment of ChapStick. In the absence of specific and active market data, the investment is held at fair value based on a multiple of the latest available rolling 12-month earnings before interest depreciation and amortisation (EBITDA) and adjusted for net debt, which approximates to fair value.

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
At 31 December 2025				
Financial assets at fair value through other comprehensive income:				
Unlisted equity investments	-	-	67	67
Financial assets at fair value through profit or loss:				
Held for trading derivatives that are not in a designated and effective hedging relationship	-	26	-	26
Cash and cash equivalents (money market funds)	608	-	-	608
Derivatives designated and effective as hedging instruments:				
Fair value hedge	-	3	-	3
Cash flow hedge	-	11	-	11
Net investment hedge	-	47	-	47
Total financial assets	608	87	67	762
Financial liabilities at fair value through profit or loss:				
Held for trading derivatives that are not in a designated and effective hedging relationship	-	(3)	-	(3)
Derivatives designated and effective as hedging instruments				
Fair value hedge	-	(24)	-	(24)
Cash flow hedge	-	(10)	-	(10)
Net investment hedge	-	(28)	-	(28)
Total financial liabilities	-	(65)	-	(65)

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
At 31 December 2024				
Financial assets at fair value through other comprehensive income:				
Unlisted equity investments	-	-	82	82
Financial assets at fair value through profit or loss:				
Held for trading derivatives that are not in a designated and effective hedging relationship	-	17	-	17
Cash and cash equivalents (money market funds)	554	-	-	554
Derivatives designated and effective as hedging instruments:				
Cash flow hedge	-	13	-	13
Net investment hedge	-	100	-	100
Total financial assets	554	130	82	766
Financial liabilities at fair value through profit or loss:				
Held for trading derivatives that are not in a designated and effective hedging relationship	-	(40)	-	(40)
Derivatives designated and effective as hedging instruments:				
Fair value hedge	-	(81)	-	(81)
Cash flow hedge	-	(17)	-	(17)
Net investment hedge	-	(22)	-	(22)
Total financial liabilities	-	(160)	-	(160)

Other assets and liabilities in scope of IFRS 9

Trade and other receivables and other non-current assets

The following table reconciles financial instruments within trade and other receivables and other non-current assets which fall within the scope of IFRS 9 to the relevant balance sheet amounts.

The financial assets are predominantly non-interest earning. Non-financial instruments include tax receivables and prepayments, which are outside the scope of IFRS 9.

	At 31 December 2025			At 31 December 2024		
	Financial instruments £m	Non-financial instruments £m	Total £m	Financial instruments £m	Non-financial instruments £m	Total £m
Trade and other receivables (Note 16)	1,801	257	2,058	1,780	275	2,055
Other non-current assets (Note 16)	17	20	37	16	55	71
Total	1,818	277	2,095	1,796	330	2,126

Trade and other payables, other provisions and other non-current liabilities

The following table reconciles financial liabilities within trade and other payables, other provisions and other non-current liabilities which fall within the scope of IFRS 9 to the relevant balance sheet amounts. Accrued wages and salaries are included within financial liabilities. Non-financial instruments include payments on account, tax and social security payables and provisions which do not arise from contractual obligations to deliver cash or another financial asset, which are outside the scope of IFRS 9.

	At 31 December 2025			At 31 December 2024		
	Financial instruments £m	Non-financial instruments £m	Total £m	Financial instruments £m	Non-financial instruments £m	Total £m
Trade and other payables (Note 18)	(3,305)	(425)	(3,730)	(3,268)	(437)	(3,705)
Other financial liability (Note 27)	-	-	-	(177)	-	(177)
Provisions (Note 21)	(7)	(102)	(109)	(5)	(170)	(175)
Other non-current liabilities	(21)	(9)	(30)	(20)	(8)	(28)
Total	(3,333)	(536)	(3,869)	(3,470)	(615)	(4,085)

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. There are also arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be offset in certain circumstances, such as bankruptcy or the termination of a contract.

The following tables set out the financial assets and liabilities that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at 31 December 2025 and 31 December 2024. The column 'Net amount' shows the impact on the Group's balance sheet if all offset rights were exercised.

Notes to the Consolidated Financial Statements continued

	Gross financial assets/(liabilities) £m	Gross financial assets/(liabilities) set off £m	Net financial assets/(liabilities) per balance sheet £m	Related amounts not offset £m	Net amount £m
At 31 December 2025					
Financial assets					
Derivative financial assets	87	-	87	(47)	40
Financial liabilities					
Derivative financial liabilities	(65)	-	(65)	47	(18)

	Gross financial assets/(liabilities) £m	Gross financial assets/(liabilities) set off £m	Net financial assets/(liabilities) per balance sheet £m	Related amounts not offset £m	Net amount £m
At 31 December 2024					
Financial assets					
Derivative financial assets	130	-	130	(90)	40
Financial liabilities					
Derivative financial liabilities	(160)	-	(160)	90	(70)

Amounts which do not meet the criteria for offsetting on the balance sheet but could be settled net in certain circumstances principally relate to derivative transactions under International Swaps and Derivatives Association (ISDA) agreements where each party has the option to settle amounts on a net basis in the event of default of the other party. As there is presently not a legally enforceable right of offset, these amounts have not been offset in the balance sheet but have been presented separately in the tables above.

Sensitivity analysis

Foreign exchange sensitivity

The two major foreign currencies in which the Group's financial instruments are denominated are US Dollars and Euros. Financial instruments are only considered sensitive to foreign exchange rates where they are not in the functional currency of the entity that holds them. Intercompany loans which are fully hedged to maturity with a currency swap have been excluded from this analysis.

	2025 Increase/(decrease) in income £m	2024 Increase/(decrease) in income £m
10 cent appreciation of the US Dollar	3	2
10 cent depreciation of the US Dollar	(3)	(2)
10 cent appreciation of the Euro	(2)	1
10 cent depreciation of the Euro	2	-

The equity impact, shown below, for foreign exchange sensitivity relates to derivative and non-derivative financial instruments hedging the Group's net investments in its European (Euro) and Chinese (CNY) foreign operations and cash flow hedges of its foreign exchange exposure arising in Euro and US Dollar.

	2025 (Decrease)/increase in equity £m	2024 (Decrease)/increase in equity £m
10 cent appreciation of the CNY	(13)	(17)
10 cent depreciation of the CNY	13	17
10 cent appreciation of the Euro	(216)	(189)
10 cent depreciation of the Euro	182	160
10 cent appreciation of the US Dollar	(33)	(6)
10 cent depreciation of the US Dollar	29	5

Interest rate sensitivity

The Group is exposed to interest rate risk on its outstanding borrowings and investments where any changes in interest rates will affect future cash flows or the fair values of financial instruments. The table below shows the Group's hypothetical sensitivity to changes in interest rates in relation to Pound Sterling, US Dollar and Euro variable rate financial assets and liabilities, including derivatives. If the interest rates applicable to floating-rate financial assets and liabilities were to have increased by 1% (100 basis points), and assuming other variables had remained constant, it is estimated that the Group's finance income for 2025 would have decreased by approximately £10m (2024: decreased by approximately £12m). A 1% (100 basis points) movement in US Dollar interest rates would not have any impact to equity (2024: no impact to equity). A 1% (100 basis points) movement in interest rates in relation to Pound Sterling or Euro is not deemed to have a material effect on equity (2024: not deemed to have a material effect on equity).

	2025 Increase/(decrease) in income £m	2024 Increase/(decrease) in income £m
1% (100 basis points) increase in Pound Sterling interest rates	16	13
1% (100 basis points) increase in US Dollar interest rates	(19)	(17)
1% (100 basis points) increase in Euro interest rates	(7)	(8)

Contractual cash flows for non-derivative financial liabilities and derivative instruments

The following table provides an analysis of the anticipated contractual cash flows including interest payable for the Group's borrowings on an undiscounted basis. Interest is calculated based on debt held at the balance sheet date without taking account of future issuance. Floating-rate interest is estimated using the prevailing interest rate at the balance sheet date. Cash flows in foreign currencies are translated using spot rates at the balance sheet date.

	Borrowings	Interest on borrowings	Lease liabilities	Interest on lease liabilities	Trade payables and other liabilities not in net debt	Total
	£m	£m	£m	£m	£m	£m
At 31 December 2025						
Due in less than one year	788	253	48	4	3,324	4,417
Between one and two years	1,547	210	43	2	8	1,810
Between two and three years	1,012	190	12	1	1	1,216
Between three and four years	897	148	7	1	-	1,053
Between four and five years	668	129	4	-	-	801
After five years	3,539	888	19	-	-	4,446
Gross contractual cash flows	8,451	1,818	133	8	3,333	13,743
At 31 December 2024						
Due in less than one year	1,437	270	50	3	3,485	5,245
Between one and two years	694	253	36	2	8	993
Between two and three years	1,587	209	19	1	1	1,817
Between three and four years	919	190	9	-	-	1,118
Between four and five years	1,075	149	6	-	-	1,230
After five years	4,267	1,072	3	-	-	5,342
Gross contractual cash flows	9,979	2,143	123	6	3,494	15,745

The table below provides an analysis of the anticipated contractual cash flows for the Group's derivative instruments, using undiscounted cash flows. Cash flows in foreign currencies are translated using spot rates at 31 December. The gross cash flows of foreign exchange contracts are presented for the purposes of this table although, in practice, the Group uses standard settlement arrangements to reduce its liquidity requirements on these instruments.

	2025		2024	
	Receivables £m	Payables £m	Receivables £m	Payables £m
Foreign exchange contracts				
Due in less than one year	7,039	(7,013)	8,912	(8,873)
Between one and two years	170	(161)	103	(100)
Between two and three years	-	-	110	(104)
Between four and five years	894	(829)	-	-
Interest rate swap contracts				
Due in less than one year	1,366	(1,350)	3,302	(3,330)
Between one and two years	371	(367)	1,242	(1,242)
Between two and three years	696	(697)	341	(347)
Between three and four years	255	(255)	620	(625)
Between four and five years	49	(52)	223	(227)
After five years	1,244	(1,257)	458	(468)
Gross contractual cash flows	12,084	(11,981)	15,311	(15,316)

26. Employee share schemes

Incentives in the form of share awards are provided to employees under share schemes. The fair value of equity-settled share schemes is calculated at the grant date using a fair value model and is charged to the income statement over the vesting period with a corresponding adjustment to the equity share-based payment reserve. At the end of each reporting period, the Group reviews its charge and revises it accordingly based on the number of shares expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate.

For cash-settled share-based payments, the fair value of service rendered is based on the fair value of the liability related to the share-based instrument granted.

Description of the Group's plans

The Group operates a number of share-based payment schemes for Executive Directors and other employees which are predominantly equity-settled, however may be cash-settled in certain locations.

Performance Share Plan

Under the Performance Share Plan, awards are granted to Executive Directors and other employees over ordinary shares or ADSs in Haleon plc at no cost. The percentage of each award that vests is based upon the performance of the Group over a defined measurement period with dividends reinvested during the same period. The performance conditions attached to each award are based on three measures over a three-year performance period. These are cumulative free cash flow (50%), adjusted diluted EPS growth (30%) and organic operating margin improvement (20%). In addition, an environmental, social and governance (ESG) qualifier applies which can reduce the level of the overall vesting by up to 75%.

Share Value Plan

Under the Share Value Plan, awards are granted to qualifying employees over ordinary shares or ADSs in Haleon plc at no cost. These awards generally vest after three years and there are normally no performance conditions attached. The fair value of these awards is determined based on the closing share price on the day of grant and adjusted for the expected dividend yield of 2.06% (2024: 2.22%, 2023: 1.54%) during the vesting period.

Sharesave and Share Reward Plans

The Sharesave and Share Reward Plans are HMRC-approved savings-related plans. These plans are made available to all UK employees.

The Sharesave Plan enables participants to save up to £500 per month, over a fixed three-year period. At the end of the fixed period the savings can be used to purchase ordinary shares in the Company at a predetermined discount of up to 20%, which is set at the time of each Sharesave launch.

Participants of the Share Reward Plan contribute up to £125 per month to purchase Haleon plc ordinary shares. The Company then matches these purchases on a one-for-one basis. Participants are eligible to receive dividends during the holding period either as cash or reinvested to buy further shares. The shares are placed in a UK resident trust and are available to the individual with tax advantages after a five-year period.

Deferred Annual Bonus Plan (DABP)

Executive Directors are required to defer 50% of any bonus earned into an award over ordinary shares or ADSs under the DABP, which will normally vest on the third anniversary of grant, subject to continued employment. DABP awards are eligible for dividend equivalent payments in respect of dividends that would have been paid on the ordinary shares or ADSs up to the date the awards vest.

Notes to the Consolidated Financial Statements continued

The total cost of each of the relevant schemes is as below:

Charge (£m)	2025	2024
Equity-settled		
Performance Share Plan	25	29
Share Value Plan	60	72
Sharesave Plan	1	1
Cash-settled		
Performance Share Plan	1	1
Share Value Plan	8	14
Total	95	117

The Group has £20m of outstanding liabilities as at 31 December 2025 in relation to cash-settled awards (2024: £25m). There were £13m worth of releases from Group cash-settled provision in 2025 (2024: £3m). There were no cancellations or modifications to awards in 2025 or 2024.

The movements in ordinary shares, ADS awards and share options during the year, split between each of the relevant schemes, are shown below:

	Performance Share Plan		Share Value Plan		Sharesave Plan ¹
	Ordinary shares	ADS	Ordinary shares	ADS	Share options
Number of share awards ('000)					
At 1 January 2024	19,041	3,551	38,941	12,855	5,490
Awards granted	11,830	945	18,442	5,329	757
Dividends reinvested	475	54	14	-	n/a
Awards released/exercised	(537)	(573)	(6,495)	(2,080)	(206)
Awards forfeited	(3,130)	(1,060)	(6,032)	(2,199)	(670)
At 31 December 2024	27,679	2,917	44,870	13,905	5,371
Awards granted	10,241	841	17,507	5,414	1,711
Dividends reinvested	491	44	18	-	n/a
Awards released/exercised	(6,529)	(820)	(14,555)	(4,629)	(472)
Awards forfeited	(4,797)	(492)	(4,515)	(1,273)	(363)
At 31 December 2025	27,085	2,490	43,325	13,417	6,247

1. Number of share options exercisable as at 31 December 2025 was 510,361 (2024: 156,008).

Fair value of awards

The weighted average fair values of share awards and share options granted during the year were as below:

Weighted fair value	2025	2024
Performance Share Plan		
Ordinary shares	£3.91	£3.46
ADSs	\$8.96	\$8.62
Share Value Plan		
Ordinary shares	£3.74	£3.20
ADSs	\$9.72	\$8.14
Sharesave Plan¹		
Share options	£1.00	£1.04

1. Weighted average exercise prices (£) for options exercised during the year was £2.30 (2024: £2.28).

For the purposes of valuing options in relation to the Sharesave Plan to arrive at the share-based payment charge, a Black-Scholes option pricing model has been used. The assumptions used in the model are as follows:

	2025 Grant	2024 Grant
Weighted average fair value at the measurement date (£)	1.00	1.04
Risk-free interest rate (%)	3.79	4.22
Expected dividend yield (%)	2.28	2.02
Volatility (%)	21.19	20.94
Expected life (years)	3.5	3.50
Sharesave Plan-related options grant price (including 20% discount) (£)	2.94	3.00

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the share options is indicative of future trends, which may not necessarily be the actual outcome.

At 31 December 2025, the range of exercise prices on options outstanding were between £2.27 to £3.00 (2024: £2.27 to £3.00) with remaining weighted average contractual life of 1.4 years (2024: 1.5 years). The weighted average market price on exercise during the year was £3.69 (2024: £3.50).

There has been no change in the effective exercise price of any outstanding options during the year.

Employee benefit trusts

The Group sponsors employee benefit trusts (EBTs) to acquire and hold shares in Haleon plc to satisfy awards made under employee share plans. The trustees of the EBTs purchase shares with finance provided by the Group by way of gifts or loans or alternatively the Group transfers treasury shares to the EBTs to satisfy obligations towards employees. The costs of running the EBTs are charged to the income statement. Shares held by the EBTs are deducted from other reserves and amortised down to the value of proceeds, if any, receivable from other subsidiaries on exercise by a transfer to retained earnings. The trustees have waived their rights to dividends on the shares held by the EBTs. At 31 December 2025, the EBTs held 1.3m shares (2024: 0.6m shares, 2023: 10.4m shares) with a market value of £5m (2024: £2m, 2023: £34m).

27. Acquisitions and disposals

Business combinations where common control exists at the time of the transaction are accounted for by adopting the principles of predecessor accounting. All assets and liabilities acquired are recognised at their previous carrying values with effect from the beginning of the earliest period reported in the financial statements. No new goodwill arises from such transactions and the differences between the fair value of the consideration paid and the carrying value of assets and liabilities acquired is recorded within equity in the merger reserve.

Business combinations where common control does not exist before the transaction are accounted for using the acquisition accounting method. Identifiable assets, liabilities and contingent liabilities acquired are measured at fair value at acquisition date. The consideration transferred is measured at fair value and includes the fair value of any contingent consideration. Where the consideration transferred, together with the non-controlling interest, exceeds the fair value of the net assets, liabilities and contingent liabilities acquired, the excess is recorded as goodwill, denominated in the currency of the operation acquired.

The costs related to business combinations are charged to the income statement in the period in which they are incurred. Where not all the equity of a subsidiary is acquired, the non-controlling interest is recognised either at fair value or at the non-controlling interest's share of the net assets of the subsidiary, on a case-by-case basis.

Disposal groups are generally measured at the lower of their carrying value or fair value less costs to sell. Any gain or loss resulting from the disposal is recognised in the consolidated income statement.

Transactions with non-controlling interests are accounted for within equity. Where the Group has issued a put option over shares held by a non-controlling interest, the Group derecognises the non-controlling interests and instead recognises a financial liability for the amount likely to be paid to the non-controlling interest on the exercise of those options. Movements in the estimated liability in respect of put options are recognised in retained earnings.

Acquisitions

In China, the Group's OTC business (which represents c.40% of Haleon's total China business) is conducted through a subsidiary. The subsidiary Tianjin TSKF Pharmaceutical Co., Ltd. (TSKF) was a joint venture between Haleon, the Tianjin Pharmaceutical Group (TPG) and Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited (DRTG).

On 27 December 2024, Haleon completed the purchase of 33% of the equity interest in TSKF from the partners, TPG and DRTG for a total consideration of RMB 4,465 million (£486 million). The transactions were recognised in retained earnings. Haleon also signed an amended Joint Venture Agreement with DRTG which gave the Group an option to buy the remaining 12% of TSKF. The Group recognised a financial liability of £177m as the option value. The option value was determined based on the same equity value used for the 33% equity interest purchase. As a result, because the Haleon option over the shares to be purchased gave Haleon present access to returns over these shares held by DRTG, the non-controlling interest presented in equity for the 12% was derecognised.

On 27 June 2025, Haleon completed the purchase of the remaining 12% equity interest in TSKF from the partner, DRTG for a total consideration of RMB 1,623 million (£0.2 billion). Prior to this transaction, the Group already had control over TSKF and therefore it was consolidated but post this transaction, TSKF is a wholly owned subsidiary of the Group.

Disposals

During the year ended 31 December 2025, there were no new disposals by the Group, however, the Group recognised a further £12m gain in relation to the sale of the Nicotine Replacement Therapy (NRT) business which took place in 2024.

On 30 September 2024, the Group completed the sale of the NRT business outside the US to Dr Reddy's Laboratories SA for a total consideration of £485m (with additional proceeds from the transfer of inventory). This comprises an upfront payment of £458m and a deferred, performance-based consideration with an estimated fair value of £27m as of 30 September 2024. The Group recognised a £121m gain on disposal in 2024, net of deal costs. In addition, the Group previously incurred £10m of deal costs in 2023.

On 31 May 2024, the Group completed the disposal of the rights in the ChapStick brand to Suave Brands Company, a portfolio company of Yellow Wood Partners, for a cash consideration of £324m (\$410m), as well as a passive minority interest valued at £80m in the Suave Brands Company. No pre-tax loss or gain was recognised on the disposal.

28. Post balance sheet events

On 8 January 2026, the Group announced that it is evolving its operating model in support of its Win as One strategy to drive its growth, productivity and culture agenda. These changes are expected to be implemented by mid-2026. As a result of our new operating model, we will update our segmental disclosures. It is impractical to provide a reliable quantitative estimate of the impact to the disclosures at this stage; an update will be provided in our half year reporting.

The implementation of the operating model is expected to result in annualised gross cost savings of c.£175m-200m over the next two years, with a third of the savings delivered in 2026 and the remainder in 2027. We expect to incur one-time costs similar to the annualised gross savings with a higher proportion of costs weighted towards 2026.

On 25 February 2026, the Board proposed a final dividend of 4.9p per ordinary share for a total amount of approximately £439m. Subject to shareholder approval at the Company's AGM, this dividend will be paid on 14 May 2026 to holders of ordinary shares and ADSs on the register as of 10 April 2026. The dividend will be paid out of retained profits.

29. Subsidiaries

Accounting policy

A subsidiary is an entity directly or indirectly controlled by the Company. Control is achieved where the Company has existing rights that give it the current ability to direct the activities that affect the Company's returns and exposure or rights to variable returns from the entity.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original acquisition and the non-controlling shareholder's share of changes in equity since the date of the acquisition. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

No subsidiaries are excluded from the Group consolidation.

Notes to the Consolidated Financial Statements continued

List of subsidiaries

A full list of the Company's subsidiaries (as defined in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008) as at 31 December 2025 is detailed below:

Company name	Effective % ownership	Security	Registered address
Wholly owned subsidiaries			
Altogether Services, Inc.	100%	Common	c/o United Corporate Services Inc., 10 Bank Street, Suite 560, White Plains NY 10606, United States
Consumer Healthcare Holdings Limited ²	100%	Ordinary	Building 5, First Floor, The Heights, Weybridge, Surrey, KT13 ONY, England
Consumer Healthcare Intermediate Holdings Limited ²	100%	Ordinary	Building 5, First Floor, The Heights, Weybridge, Surrey, KT13 ONY, England
Duncan Consumer Healthcare Philippines Inc.	100%	Common	23rd Floor, The Finance Centre, 26th Street Corner 9th Avenue, Bonifacio Global City, Taguig City, 1634, Philippines
Ferrosan ApS	100%	A Shares, B shares	Delta Park 37, 2665, Vallensbæk Strand, Denmark
GlaxoSmithKline Asia Private Limited	100%	Equity	Patiala Road, Nabha 147201, Dist Patiala, Punjab, India
GlaxoSmithKline Consumer Healthcare (UK) (No.1) Limited	100%	Ordinary	Building 5, First Floor, The Heights, Weybridge, Surrey, KT13 ONY, England
GlaxoSmithKline Consumer Healthcare Vietnam Company Limited	100%	Charter Capital	Floor 16, Metropolitan, 235 Dong Khoi, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
GlaxoSmithKline Consumer Private Limited	100%	Equity	Patiala Road, Nabha 147201, Dist Patiala, Punjab, India
GlaxoSmithKline Paraguay S.A.	100%	Ordinary	Oficial Gilberto Aranda 333, Planta Alta casi Salvador del Mundo, Asuncion, Paraguay
GSK Consumer Healthcare Trinidad and Tobago Limited	100%	Ordinary	Trinidad & Tobago Limited Head Office, 18 Chotoo Road Extension, Aranguez, San Juan, Trinidad and Tobago
Haleon Alcala, S.A.	100%	Ordinary	Ctra de Ajalvir Km 2.500, Alcala de Henares, 28806, Madrid, Spain
Haleon Arabia Limited	100%	Ordinary	603 Salamah Tower, 6th Floor, Madinah Road, Al-Salamah District, Jeddah 21425, Saudi Arabia
Haleon Argentina S.A.	100%	Ordinary	Tucuman 1, 4th Floor, City of Buenos Aires, C1049AAA, Argentina
Haleon Australia Pty Ltd.	100%	Ordinary	Level 48, 8 Parramatta Square, 10 Darcy Street, Parramatta, Sydney NSW 2150, Australia

Company name	Effective % ownership	Security	Registered address
Haleon Austria GmbH	100%	Ordinary	Schottenring 25, Wien, 1010
Haleon Bangladesh Limited	100%	Ordinary	K-248/1 Dewalibari, Konabari, Gazipur-1700, Bangladesh
Haleon Belgium N.V.	100%	Ordinary	Da Vincilaan 5, 1930 Zaventem, Belgium
Haleon Brasil Distribuidora Ltda.	100%	Quotas	Av das Americas, 3500, 4th floor, rooms 407-420, Rio de Janeiro, RJ, 22621-000, Brazil
Haleon Canada ULC / Haleon Canada SRI	100%	A Class Preference, Common	1133 Melville Street, Suite 3500, The Stack, Vancouver BC V6E 4E5, Canada
Haleon CH Holding SARL	100%	Ordinary	Route de l'Etraz, 1197 Prangins, Switzerland
Haleon (China) Co., Ltd.	100%	Registered Capital	Room 506, No.1 Shen'gang Boulevard, Lin-gang Special Area of China Pilot Free Trade Zone, Shanghai, 200000, China
Haleon CH Israel Ltd.	100%	Ordinary	25 Basel Street, Petech Tikva 49510, Israel
Haleon CH SARL ²	100%	Ordinary	Route de L'Etraz, 1197 Prangins, Switzerland
Haleon Chile SpA	100%	Interests Share	Av. Andrés Bello N°2687, 25th floor, Las Condes, Chile
Haleon Colombia S.A.S.	100%	Ordinary	Carrera 7 No. 113-43 Piso 4, Colombia
Haleon Consumer Health (Thailand) Limited	100%	Ordinary	13th Floor, Unit 13.06, Wave Place Building, 55 Wireless Road, Lumpini Sub-district, Pathumwan District, Bangkok, 10330, Thailand
Haleon Consumer Healthcare Mexico, Sociedad de Responsabilidad Limitada de Capital Variable	100%	Ordinary, Ordinary Variable	Boulevard Adolfo Ruiz Cortines No. 3720, Torre 3 Piso 11, Colonia Jardines del Pedregal, Alcaldía Alvaro Obregón, Ciudad de México, C.P. 01900, Mexico
Haleon Costa Rica S.A.	100%	Ordinary	Oficentro Terracampus, Edificio, Uno, Quinto Piso, Autopista Florencio del Castillo, kilometro siete, Cartago, La Unión San Diego, Costa Rica, 30302
Haleon Czech Republic s.r.o.	100%	Ordinary	Hvezdova 1734/2c, Prague, 4 140 00, Czech Republic
Haleon Denmark Aps	100%	Ordinary	Delta Park 37, 2665, Vallensbæk Strand, Denmark
Haleon EG General Trading LLC	100%	Quotas	North 90th street, Boomerang Building, 5th District, Cairo, Egypt

Company name	Effective % ownership	Security	Registered address
Haleon EG Limited	100%	Ordinary	North 90th street, Boomerang Building, 5th District, Cairo, Egypt
Haleon Finland Oy	100%	Ordinary	Energiakuja 3, Helsinki, 00180, Finland
Haleon France	100%	Ordinary	23 rue François Jacob, 92500, Rueil-Malmaison, France
Haleon Germany GmbH	100%	Ordinary	Barthstr. 4, 80339, München, Germany
Haleon Hellas Single Member Societe Anonyme	100%	Ordinary	11 Kifisias Avenue, Athens, Attica, 151 23, Greece
Haleon Holdings (No.2) LLC ²	100%	LLC Interests	Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808, United States
Haleon Hong Kong Limited	100%	Ordinary	Unit 2810-2812, 28/F, Airside, 2 Concorde Road, Kai Tak Hong Kong, China
Haleon Hungary Korlátolt Felelősségű Társaság	100%	Membership Interests	H-1124, Csorsz utca 43, Budapest, Hungary
Haleon Insurance Limited	100%	Ordinary	Dorey Court, Admiral Park, St Peter Port, GY1 4AT, Guernsey
Haleon Intermediate Holdings Limited ^{1,2}	100%	Ordinary	Building 5, First Floor, The Heights, Weybridge, Surrey, KT13 ONY, United Kingdom
Haleon Ireland Dungarvan Limited	100%	Ordinary	Knockbrack, Dungarvan, Co Waterford, X35 RY76, Ireland
Haleon Ireland Limited	100%	Ordinary	Clocherane, Youghal Road, Dungarvan, Waterford, Ireland, X35 Y983
Haleon Italy Manufacturing S.r.l.	100%	Quotas	90, Via Nettunese, 04011, Aprilia (Prov. di Latina), Italy
Haleon Italy S.r.l.	100%	Ordinary	Via Monte Rosa 91, Milano, Italy, 20149
Haleon Japan K.K.	100%	Ordinary	1-8-1 Akasaka Minato-ku, Tokyo, Japan
Haleon Kazakhstan Limited Liability Partnership	100%	Charter Capital	32 A Manasa Str., Bostandyk District, Almaty, 050008, Kazakhstan
Haleon Kenya Limited	100%	Ordinary	Likoni Road, PO Box 78392, Nairobi, Kenya
Haleon Korea Co., Ltd.	100%	Ordinary	9F LS Yongsan Tower, 92 Hangang-daero, Yongsan-gu, Seoul, 04386, Republic of Korea
Haleon Lanka (Private) Limited	100%	Ordinary	World Trade Center, Level 34, West Tower, Echelon Square, Colombo 1, Sri Lanka
Haleon Lanka Enterprises Limited	100%	Ordinary, Ordinary B	121 Galle Road, Kaldemulla, Moratuwa, Sri Lanka

Company name	Effective % ownership	Security	Registered address
Haleon Levice, s.r.o.	100%	Ordinary	Priemyselny Park Gena, Ul. E. Sachsa 4-6, 934 01, Levice, Slovakia
Haleon Malaysia Sdn. Bhd.	100%	Ordinary	Lot 89, Jalan Enggang, Ampang/Hulu Kelang Industrial Estate, Selangor Darul Ehsan, 68000 Ampang, Malaysia
Haleon Netherlands B.V.	100%	Ordinary	Van Asch van Wijkstraat 55G, 3811 LP, Amersfoort, Netherlands
Haleon Netherlands Capital B.V.	100%	Ordinary	Building 5, First Floor, The Heights, Weybridge, Surrey, KT13 ONY, United Kingdom
Haleon New Zealand ULC	100%	Ordinary	Level 1, 1.04, 12 Madden Street, Auckland, 1010, New Zealand
Haleon Norway AS	100%	Ordinary	Lysaker Torg 5, 3rd floor, Lysaker, 1366, Norway
Haleon Panama S.A.	100%	Ordinary	Urbanizacion Industrial Juan D, Calles A Y B, Republic of Panama, Panama
Haleon Panama Sociedad de Responsabilidad Limitada	100%	Participation Interests	Urbanizacion Industrial Juan D, Calles A Y B, Republic of Panama, Panama
Haleon Peru S.R.L	100%	Ordinary	Av Jorge Basadre 349, piso 5, San Isidro, Lima, 05W-109, Peru
Haleon Philippines, Inc.	100%	Common	23rd Floor, The Finance Centre, 26th Street Corner 9th Avenue, Bonifacio Global City, Taguig City, 1634, Philippines
Haleon Poland sp. z.o.o.	100%	Ordinary	Rzymowskiego 53, 02-697, Warszawa, Poland
Haleon Portugal, Lda.	100%	Ordinary Quota	Empreendimento Alfrapark, Estrada de Alfragide, ng 67, Edificio C, Pisa 2, Amadora, Portugal, 2610-008
Haleon Romania SRL	100%	Ordinary	1-5 Costache Negri Street, Opera Center One, 6th floor (Zone 2), District 5, Bucharest, Romania
Haleon (Shanghai) Health Management Consulting Co., Ltd.	100%	Registered Capital	Unit 03, 25th floor, No. 90 Qirong Road, Pilot Free Trade Zone, Shanghai, China
Haleon (Suzhou) Pharmaceutical Co., Ltd.	100%	Registered Capital	4 Baodai West Road, Suzhou, Jiangsu Province, 215128, China
Haleon (Suzhou) Technology Co., Ltd.	100%	Registered Capital	Second floor of the Administrative Building, No. 669, Gangpu, Guoxiang Street, Wuzhong Economic Development Zone, Suzhou, China

Notes to the Consolidated Financial Statements continued

Company name	Effective % ownership	Security	Registered address
Haleon Schweiz AG	100%	Ordinary	Suurstoffi 14, 6343, Rotkreuz, Switzerland
Haleon Singapore Pte. Ltd.	100%	Ordinary	23, Rochester Park #03-02, Singapore, 139234, Singapore
Haleon Slovakia s. r. o.	100%	Ownership Interests	Galvaniho 7/A, Bratislava, 821 04, Slovakia
Haleon South Africa (Pty) Ltd.	100%	Ordinary	17 Muswell Road South, Block D - Wedgefield Phase 2, Bryanston, Gauteng, 2191, South Africa
Haleon South Africa No 2 (Pty) Ltd.	100%	Common	Flushing Meadows Building, The Campus, 57 Sloane Street, Bryanston 2021, South Africa
Haleon Spain, S.A.	100%	Ordinary	Paseo de la Castellana, 259D, planta 32, Madrid, Spain, 28046
Haleon Sweden AB	100%	Ordinary	Gävlegatan 16, 113 30, Stockholm, Sweden
Haleon (Taizhou) Technology Co., Ltd.	100%	Registered Capital	Room 718 in Building D, Phase II of New Drug Innovation Base, Taizhou, Jiangsu Province, 225300, China
Haleon Tuketici Sagligi Anonim Sirketi	100%	Nominative	Esentepe Mah. Bahar Sk. Özdilek River Plaza, Vyndham Grand No: 13 İç Kapı No: 80 Şişli, Istanbul, Turkey
Haleon UK Capital plc	100%	Ordinary	Building 5, First Floor, The Heights, Weybridge, Surrey, KT13 ONY, England
Haleon UK Corporate Director Limited	100%	Ordinary	Building 5, First Floor, The Heights, Weybridge, Surrey, KT13 ONY, England
Haleon UK Corporate Secretary Limited	100%	Ordinary	Building 5, First Floor, The Heights, Weybridge, Surrey, KT13 ONY, England
Haleon UK Enterprises Limited ²	100%	Voting shares	Building 5, First Floor, The Heights, Weybridge, Surrey, KT13 ONY, England
Haleon UK Export Limited	100%	Ordinary	Building 5, First Floor, The Heights, Weybridge, Surrey, KT13 ONY, United Kingdom
Haleon UK Finance (USD) Limited	100%	Ordinary	Building 5, First Floor, The Heights, Weybridge, Surrey, KT13 ONY, England
Haleon UK Finance Limited	100%	Ordinary	Building 5, First Floor, The Heights, Weybridge, Surrey, KT13 ONY, England
Haleon UK Holding Canada Limited	100%	Ordinary	Building 5, First Floor, The Heights, Weybridge, Surrey, KT13 ONY, England
Haleon UK Holding New Zealand Limited	100%	Ordinary	Building 5, First Floor, The Heights, Weybridge, Surrey, KT13 ONY, England

Company name	Effective % ownership	Security	Registered address
Haleon UK Holding Sri Lanka Limited	100%	Ordinary	Building 5, First Floor, The Heights, Weybridge, Surrey, KT13 ONY, England
Haleon UK Holdings (No.1) Limited ²	100%	Non-voting Preference Shares, Ordinary	Building 5, First Floor, The Heights, Weybridge, Surrey, KT13 ONY, England
Haleon UK Holdings (No.2) Limited ²	100%	A Shares, B Shares, Preference Shares, Deferred Shares	Building 5, First Floor, The Heights, Weybridge, Surrey, KT13 ONY, England
Haleon UK Holdings (No.3) Limited	100%	Non-voting Preference Shares, Ordinary	Building 5, First Floor, The Heights, Weybridge, Surrey, KT13 ONY, England
Haleon UK Holdings (No.7) Limited ²	100%	Ordinary	Building 5, First Floor, The Heights, Weybridge, Surrey, KT13 ONY, England
Haleon UK Holdings Limited ²	100%	A Shares, B Shares, C Shares	Building 5, First Floor, The Heights, Weybridge, Surrey, KT13 ONY, England
Haleon UK IP (No.2) Limited ²	100%	Ordinary	Building 5, First Floor, The Heights, Weybridge, Surrey, KT13 ONY, United Kingdom
Haleon UK IP Limited ²	100%	Ordinary	Building 5, First Floor, The Heights, Weybridge, Surrey, KT13 ONY, England
Haleon UK Research Limited	100%	Ordinary	Building 5, First Floor, The Heights, Weybridge, Surrey, KT13 ONY, England
Haleon UK Services Limited ²	100%	Ordinary	Building 5, First Floor, The Heights, Weybridge, Surrey, KT13 ONY, England
Haleon UK Trading Limited ²	100%	Ordinary	Building 5, First Floor, The Heights, Weybridge, Surrey, KT13 ONY, England
Haleon UK Trading Services Limited ²	100%	Ordinary	Building 5, First Floor, The Heights, Weybridge, Surrey, KT13 ONY, United Kingdom
Haleon US Capital LLC ²	100%	LLC Interests	Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808, United States
Haleon US Holdings Inc.	100%	Preferred, Common	Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808, United States

Company name	Effective % ownership	Security	Registered address
Haleon US Holdings LLC ²	100%	LLC Interests	Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808, United States
Haleon US Inc.	100%	Common	Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808, United States
Haleon US IP LLC	100%	LLC Interests	Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808, United States
Haleon US LLC	100%	LLC Interests	Corporation Service Company, 2595 Interstate Drive Suite 103, Harrisburg PA 17110, United States
Haleon US Services Inc.	100%	Common	Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808, United States
Iodosan S.p.A.	100%	Ordinary	Via Monte Rosa 91, Milano, Italy, 20149
JSC Haleon Rus	100%	Ordinary	Premises III, Room 9, floor 6, Presnenskaya nab. 10, 123112, Moscow, Russian Federation
Limited Liability Company "Haleon Ukraine"	100%	Ownership Interests	Pavla Tychyny avenue, 1-V, Kiev, 02152, Ukraine
N.C.H. - Nutrition Consumer Health Ltd	100%	Ordinary	14 Hamephalsim St, Petach Tikva, Israel
Panadol GmbH	100%	Ordinary	Barthstr. 4, 80339, München, Germany
PF Consumer Healthcare B.V.	100%	Class A, Class B	Van Asch van Wijckstraat 55G, 3811 LP Amersfoort, Netherlands
PF Consumer Healthcare Brazil Importadora e Distribuidora de Medicamentos Ltda	100%	Quota	Barueri, at Avenida Ceci, No.1900, Block III, Part 67, Tambore District, Sao Paulo, 06460, Brazil
PF Consumer Healthcare Canada ULC / PF Soins De Sante SRI	100%	Common	1133 Melville Street, Suite, 3500, The Stack, Vancouver BC V6E 4E5, Canada
PF Consumer Healthcare Holding B.V.	100%	Ordinary	Van Asch van Wijckstraat 55G, 3811 LP Amersfoort, Netherlands
PF Consumer Taiwan LLC	100%	Interests	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington DE 19801, United States
Pfizer PFE Colombia S.A.S	100%	Common	Carrera 7 No. 113 - 43 Piso 4, Colombia
PT Haleon Indonesia Trading	100%	Ordinary	Pondok Indah Office Tower 5 Level 12, Suite 1201, Jalan Sultan Iskandar Muda Kav. V-TA, Pondok Pinang, Jakarta Selatan 12310, Indonesia

Company name	Effective % ownership	Security	Registered address
PT Sterling Products Indonesia	100%	A Shares, B Shares	Pondok Indah Office Tower 5 Level 12, Suite 1201, Jalan Sultan Iskandar Muda Kav. V-TA, Pondok Pinang, Jakarta Selatan 12310, Indonesia
PT. Bina Dentalindo ³	100%	Ordinary	Gedung Graha Ganesha Lantai 3, Jl Raya Bekasi Km 17, No5, Jakarta Timur 13930, Indonesia
Stafford-Miller (Ireland) Limited ²	100%	Ordinary	Clocherane, Youghal Road, Dungarvan, Waterford, Ireland, X35 Y983
Sterling Drug (Malaya) Sdn Berhad	100%	Ordinary	Lot 89, Jalan Enggang, Ampang / Hulu Kelang Industrial Estate, Selangor Darul Ehsan, 68000 Ampang, Malaysia
Sterling Products International, Incorporated	100%	Common	Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808, United States
Treerly Health Co., Ltd.	100%	Registered Capital	Unit 01A, Room 3901, No 16. East Zhujiang Road, Tianhe District, Guangzhou City, China
Tianjin TSKF Pharmaceutical Co., Ltd ²	100%	Ordinary	Cheng Lin Zhuang Industrial Zone, Dong Li District, Tianjin, 300163, China

Subsidiaries where the effective interest is less than 100%

Company name	Effective % ownership	Security	Registered address
Haleon-Gebro Consumer Healthcare GmbH	50.0%	Ordinary	Bahnhofbichl 13, 6391 Fieberbrunn, Kitzbühel, Austria
Haleon Pakistan Limited	85.8%	Ordinary	11-A, 11th Floor, Sky Tower (East Wing), Dolmen City, HC-3, Block 4, Scheme-5, Clifton, Karachi, Sindh 75600, Pakistan
Haleon US Enterprises Inc.	88.0%	Common	Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808, United States
Haleon US LP	88.0%	Partnership Interests	Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808, United States
Haleon Taiwan Consumer Health Corporation	55.0%	Ordinary	24F, No. 66, Sec 1, Zhong Xiao W. Rd, Taipei 100, Taiwan

1. Directly held by Haleon plc.
2. Principal subsidiary of the Group as at 31 December 2025.
3. The company is in liquidation.

The following UK subsidiaries will take advantage of the audit exemption set out within Section 479A of the Companies Act 2006, supported by guarantees issued by Haleon plc (under section 479C of the Companies Act 2006) over their liabilities for the year ended 31 December 2025. Unless otherwise stated, the undertakings listed below are owned, either directly or indirectly, by the Company.

Name	Company number
Consumer Healthcare Holdings Limited	11986432
Consumer Healthcare Intermediate Holdings Limited	11986416
GlaxoSmithKline Consumer Healthcare (UK) (No.1) Limited	00753340
Haleon UK Holding Canada Limited	12342809
Haleon UK Holding New Zealand Limited	12342879
Haleon UK Holding Sri Lanka Limited	09400298
Haleon UK Holdings (No.1) Limited	13355627
Haleon UK Holdings (No.3) Limited	13401293
Haleon UK Holdings (No.7) Limited	13414769

The following UK subsidiaries, having not traded during the year, will take advantage of the audit exemption set out within Section 480 of the Companies Act 2006 for the year ended 31 December 2025. Unless otherwise stated, the undertakings listed below are owned, either directly or indirectly, by the Company.

Name	Company number
Haleon UK Corporate Director Limited	13401336
Haleon UK Corporate Secretary Limited	13434151

Haleon plc - Parent Company balance sheet

as at 31 December

	Notes	2025 £m	2024 £m
Fixed assets			
Investments	5	22,361	22,336
Current assets			
Debtors: amounts falling due within one year	6	1,559	1,504
Cash and cash equivalents		1	-
Total current assets		1,560	1,504
Creditors: amounts falling due within one year	7	(1)	(2)
Net current assets		1,559	1,502
Total assets less current liabilities		23,920	23,838
Creditors: amounts falling due after one year	8	(25)	(25)
Net assets		23,895	23,813
Capital and reserves			
Share capital	9	90	91
Other reserves	10	29	46
Retained earnings ¹	11	23,776	23,676
Shareholders' equity		23,895	23,813

1. The profit for the year was £1,261m (2024: £2,374m).

The notes on pages 171 to 174 form part of these Parent Company Financial Statements.

The Parent Company Financial Statements on pages 169 to 174 were approved by the Board of Directors and signed on its behalf by:

Dawn Allen
Chief Financial Officer
13 March 2026

Haleon plc - Parent Company statement of changes in equity

for the year ended

	Notes	Share capital £m	Other reserves £m	Retained earnings £m	Total £m
At 1 January 2025		91	46	23,676	23,813
Profit after tax	11	-	-	1,261	1,261
Dividends to equity shareholders		-	-	(612)	(612)
Share-based incentive plans		-	86	-	86
Shares transferred to employees and employees of subsidiaries		-	108	(107)	1
Charge from parent for employee vested shares		-	(61)	61	-
Purchase of treasury shares		-	(151)	-	(151)
Repurchase of ordinary shares and capital reduction		(1)	1	(503)	(503)
At 31 December 2025		90	29	23,776	23,895
	Notes	Share capital £m	Other reserves £m	Retained earnings £m	Total £m
At 1 January 2024		92	72	22,383	22,547
Profit after tax	11	-	-	2,374	2,374
Dividends to equity shareholders		-	-	(570)	(570)
Share-based incentive plans		-	102	-	102
Shares transferred to employees and employees of subsidiaries		-	6	(23)	(17)
Purchase of shares by employee benefit trust		-	(5)	-	(5)
Charge from parent for employee vested shares		-	(15)	15	-
Purchase of treasury shares		-	(116)	-	(116)
Repurchase of ordinary shares and capital reduction		(1)	2	(503)	(502)
At 31 December 2024		91	46	23,676	23,813

The notes on pages 171 to 174 form part of these Parent Company Financial Statements.

Notes to the Parent Company Financial statements

1. Presentation of the Financial Statements

Description of business

Haleon plc and its subsidiary undertakings (collectively, the Group) is a group of companies focused on developing and marketing a range of Oral Health, Vitamins, Minerals and Supplements (VMS), Pain Relief, Respiratory Health, Digestive Health, and Therapeutic Skin Health & Other products in more than 100 countries.

The principal activity of the Company is to act as the parent holding company of the Group.

The Company is a public company limited by shares and is incorporated and domiciled in England with registered number 13691224. The address of the Company's registered office is Building 5, First Floor, The Heights, Weybridge, Surrey, England, KT13 0NY.

Basis of preparation

The Parent Company Financial Statements, which are prepared using the historical cost convention and on a going concern basis, are prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The Parent Company Financial Statements are presented in Pound Sterling (GBP, £), the functional currency of the Company, and all values are denominated in millions of GBP (£m or £ million) unless stated otherwise.

As permitted by Section 408 of the Companies Act 2006, the income statement of the Company is not presented in this Annual Report.

In these Parent Company Financial Statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- The requirements of Section 7 Statement of Cash Flows.
- The requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).
- The requirements of Section 33 Related Party Disclosures.
- The requirements of Section 11 Financial Instruments.
- The requirements of Section 12 Other Financial Instruments.
- The requirements of Section 28 to disclose information about Key Management Personnel compensation.
- The requirements of Section 26 Share Based Payments.
- The requirements to Section 29 to disclose effect of International tax reform - Pillar Two model rules.

Where required, equivalent disclosures are given in the Consolidated Financial Statements of the Group.

Going concern basis

The Company operates as the investment holding company for the Group, holding investments in subsidiaries financed by Group companies and occasionally acting as financial guarantor of certain subsidiaries of the Group. As the Company is an intrinsic part of the Group's structure and considering the likelihood of the guarantees being called upon, the Directors have a reasonable expectation that Group companies will continue to support the Company through trading and cash generated from trading for the foreseeable future.

Accounting principles and policies

The preparation of the balance sheet in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet. Actual amounts could differ from those estimates.

The balance sheet has been prepared in accordance with the Company's accounting policies approved by the Board and described in Note 2.

Key accounting judgements and estimates

There are no key judgements or significant estimates.

2. Accounting policies

The accounting policies below have been applied throughout the Parent Company Financial Statements and apply to the Parent Company Financial Statements as a whole.

Foreign currency transactions

Foreign currency transactions are recorded at the exchange rate ruling on the date of transaction. Foreign currency assets and liabilities are translated at rates of exchange ruling at the balance sheet date.

Operating income and expenditure

Income and expenditure are recognised in respect of services provided or received when supplied in accordance with contractual terms. An accrual is made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated.

Interest receivable and interest payable

Interest receivable and similar income includes interest receivable on intercompany loans. Interest payable and similar charges includes interest payable on intercompany loans. Interest receivable and interest payable are recognised in profit or loss as they accrue, using the effective interest rate method.

Dividends

Dividends received are included in the profit and loss account in the year in which the right to receive the payment is established. Final dividends are recorded in the reserves upon shareholder approval. Interim dividends are deducted from reserves when they are paid. Dividends in the statement of changes in equity are recognised at their fair value at the date of receipt.

Taxation

Current tax is provided at the amounts expected to be paid or refunded applying tax rates that have been enacted or substantively enacted by the balance sheet date. This takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is provided in full, using the liability method, in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Deferred tax assets are only recognised to the extent that they are considered recoverable against future taxable profits and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse. Deferred tax liabilities and assets are not discounted.

The Company has applied the exception under the FRS 102 amendment for recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Investments in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

The carrying values of investments are reviewed for impairment at least once a year or more frequently when there is an indication that the investment might be impaired. The primary method used to assess if the investment is impaired is to evaluate against the Group's valuation on the basis of overall market capitalisation. Another assessment method used is to compare the carrying value of each investment against its share of the net assets value of the investment or against its share of the valuation of the subsidiary based on expected discounted cash flows. Any impairment charge is recognised in the income statement in the year concerned.

Share-based payments

Incentives in the form of equity-settled share-based payments are provided to certain employees which are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the shares that will eventually vest, adjusted for the effect of non-market based vesting conditions.

Incentives in the form of shares provided by the Company to employees of its subsidiaries represents additional capital contributions. An addition to the Company's investment in subsidiary undertakings is reported with a corresponding increase in shareholders' equity. Refer to Note 26 to the Consolidated Financial Statements for details of the charge.

The Company sponsors employee benefit trusts (EBTs) to acquire and hold shares in Haleon plc to satisfy awards made under employee share plans. Shares in the Company acquired by the trusts are deducted from equity until shares are vested, cancelled, reissued or disposed.

Financial assets and liabilities

Financial assets and liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument and derecognised when it ceases to be party to such provisions. Financial liabilities are classified as current if they are legally due to be paid within 12 months of the balance sheet date.

Financial assets and liabilities are initially measured at fair value and are subsequently reported at amortised cost.

Receivables are recognised initially at fair value, and subsequently at amortised cost using the effective interest rate method, less any expected credit losses.

Amounts owed to Group undertakings and other payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method. Non-interest bearing payables are stated at their nominal value as they are due on demand.

Non-current liabilities are classified as financial liabilities in accordance with IFRS 9. They are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions and highly liquid investments with maturities of three months or less. They are readily convertible into known amounts of cash and have an insignificant risk of changes in value.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Repurchase and cancellation of ordinary shares

When the Company repurchases its ordinary shares as part of a share buyback programme, the amount of the consideration paid, including directly attributable costs, is deducted from equity. Repurchased shares are either cancelled immediately or held in Treasury in order to satisfy employee incentives. In order to maintain capital, an equivalent amount to the nominal value of the shares cancelled is transferred to the capital redemption reserve.

3. Auditor's remuneration

Fees payable to the Company's auditor for the audit of the Company and Consolidated Financial Statements are disclosed in Note 6 to the Consolidated Financial Statements.

4. Employees

The Company has employees to provide management services to subsidiary undertakings. Below is the summary of the employee costs:

	2025 £m	2024 £m
Employee costs		
Wages and salaries	1.4	2.3
Social security costs	0.2	0.3
Severance	0.2	-
Pension and other post-employment costs	0.4	0.6
Share-based payments	0.8	0.7
Total	3.0	3.9
The average monthly number of persons employed by the Company during the year		
Finance	3	4
Total	3	4

5. Investments

	Subsidiary undertakings £m
Cost	
At 1 January 2024	22,266
Share-based payments to employees of subsidiaries	101
Recharged to subsidiaries during the year	(15)
Shares transferred to employees of subsidiaries	(16)
At 31 December 2024	22,336
Share-based payments to employees of subsidiaries	86
Recharged to subsidiaries during the year	(61)
At 31 December 2025	22,361
Impairment	
At 1 January 2024	-
At 31 December 2024	-
Impairment	-
At 31 December 2025	-
Net book value	
At 1 January 2024	22,266
At 31 December 2024	22,336
At 31 December 2025	22,361

Details of the subsidiary undertakings of the Company as at 31 December 2025 are given in Note 29 to the Consolidated Financial Statements.

6. Debtors: amounts falling due within one year

	2025 £m	2024 £m
Amounts owed by Group undertakings	1,551	1,483
Other prepayments and accrued income	5	7
Corporation tax	2	14
Other receivables	1	-
Total	1,559	1,504

Amounts owed by Group undertakings are unsecured, interest free and repayable on demand except for a call account balance of £1,549m (2024: £1,481m) which is unsecured and repayable on demand with interest received at SONIA rate less 0.05%.

7. Creditors: amounts falling due within one year

	2025 £m	2024 £m
Amounts owed to Group undertakings	-	(1)
Other payables and accruals	(1)	(1)
Total	(1)	(2)

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand.

8. Creditors: amounts falling due after more than one year

	2025 £m	2024 £m
Other payables	(25)	(25)

Other payables relate to the 25,000,000 issued Non-Voting Preference Shares with a coupon rate of 9.5% per annum. The non-voting preference shares are entitled to receive a quarterly dividend and can only be redeemed after five consecutive calendar years commencing on the date of issue, 17 July 2022, and hence the Company has an unavoidable obligation to deliver cash. The Company has, therefore, classified the non-voting preference shares as a financial liability.

9. Share capital

	2025 Number of shares	2025 £m	2024 Number of shares	2024 £m
Issued and fully paid				
Ordinary shares of £0.01 each	8,952,353,648	90	9,083,725,919	91
Total ordinary shares of £0.01 each	8,952,353,648	90	9,083,725,919	91

Movements in share capital are set out in Note 23 to the Consolidated Financial Statements.

10. Other reserves

The analysis of other reserves is as follows:

	EBT shares reserve ¹ £m	Share-based payment reserve £m	Treasury shares reserve £m	Capital redemption reserve £m	Total £m
As at 1 January 2024	(19)	91	-	-	72
Share-based incentive plans	-	102	-	-	102
Purchase of shares by employee benefit trust	(5)	-	-	-	(5)
Charge from parent for employee vested shares	-	(15)	-	-	(15)
Shares transferred to employees and employees of subsidiaries	22	(16)	-	-	6
Purchase of treasury shares	-	-	(116)	-	(116)
Repurchase of ordinary shares and capital reduction	-	-	-	2	2
As at 31 December 2024	(2)	162	(116)	2	46
Share-based incentive plans	-	86	-	-	86
Transfer of shares to the employee benefit trust	(111)	-	111	-	-
Charge from parent for employee vested shares	-	(61)	-	-	(61)
Shares transferred to employees and employees of subsidiaries	108	-	-	-	108
Purchase of treasury shares	-	-	(151)	-	(151)
Repurchase of ordinary shares and capital reduction	-	-	-	1	1
As at 31 December 2025	(5)	187	(156)	3	29

1. Shares owned through an employee benefit trust (EBT). The total number of shares held in connection with employee share schemes as at 31 December 2025 was 0.7m (2024: 0.5m). Another 0.6m shares were held through a trust by a Group company as at 31 December 2025 (2024: 0.1m).

11. Retained earnings

The profit of the Company for the year was £1,261m (2024: £2,374m).

The Company has £23,620m (2024: £23,560m) of reserves available for distribution.

12. Other guarantees and contingent liabilities

The total amount of guarantees is £8,505m (2024: £9,466m). This consists of guarantees relating to:

- The bond issuances by Group companies Haleon US Capital LLC, Haleon UK Capital plc, and Haleon Netherlands Capital B.V.
- Loan facility agreement for other Group companies.
- Renewable Energy Purchase Agreement for other Group companies.
- International Swaps and Derivatives Association agreements for other Group companies.
- Surety bonds for other Group companies.

Details are included in Note 19 to the Consolidated Financial Statements.

The Company has also provided a guarantee to certain UK subsidiaries to exempt them from audit under Section 479A of the Companies Act 2006. The subsidiaries to which a guarantee has been issued for this purpose are outlined in Note 29 to the Consolidated Financial Statements.

Details regarding certain legal actions which involve the Company are set out in Note 22 to the Consolidated Financial Statements.