

Q1 2025 Trading Statement Haleon Aide Memoire

Haleon has prepared this pre-announcement aide-memoire, which includes statements made in previous public communications by Haleon. All statements in this aide-memoire have been extracted from their original source and, therefore, by definition, they should only be taken as speaking as at the date they were initially made, and they do not reflect subsequent or recent events, circumstances, or developments. Any updates to these and other previously made statements would only be included in further communications by Haleon to the market and the inclusion of the extracted statements herein should not be taken to indicate that they will not be updated in the future. This includes the items listed under “Overall revenue performance comments”, “Category performance comments”, “Geographic regions” and “Other comments for consideration” below, which you may wish to consider in modelling Haleon plc’s financial performance ahead of the Q1 2025 Trading Statement on 30 April 2025. Please note that the items listed below are not exhaustive and that other factors may affect the comparisons for Q1 2025 versus the same period last year.

This Aide-Memoire contains certain statements that are, or may be deemed to be, “forward-looking statements” (including for purposes of the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934). Forward-looking statements give Haleon’s expectations and projections, as of the date such statements are made, about future events, including strategic initiatives and future financial condition and performance, and so Haleon’s actual results may differ materially from what is expressed or implied by such forward-looking statements. Please see the “Cautionary statement note regarding forward-looking statements” sections of the FY 2024 results regarding the forward-looking statements from such documents that are extracted in this aide-memoire. Forward-looking statements should, therefore, be construed in light of such cautionary statement note and undue reliance should not be placed on forward-looking statements.

Please also read the definitions and reconciliations for non-IFRS measures on pages 19-27 of the 2024 Full year results, and pages 43-50 in Haleon’s 2024 Annual Report and Form 20-F.

No statement in this document is or is intended to be a profit forecast or profit estimate.

Note that following the termination of the Registration Rights Agreement with (i) Pfizer and (ii) GSK and the Scottish limited partnerships, quarterly trading statements will focus on revenue only.

Outlook

With the FY 2024 Results on 27 February 2025, we provided the following guidance in the release and on the call:

Revenue

- FY 2025 organic revenue growth expected to be 4-6%
- Organic revenue growth expected to be weighted towards second half of the year
- In the pre-recorded video, the CFO said “organic growth in the first quarter is likely to be slightly below the low end of this range”

Organic profit growth and adjusted operating margin

- Organic operating profit growth ahead of organic revenue growth
- Organic profit growth to be weighted towards the second half of the year

A reminder of other FY 2025 guidance, as shared with FY 2024 Results

- Net interest expense of c.£270m
- Adjusted effective tax rate of c.24%
- Non-controlling interest charge of c.£15m

Impact of divestments

The net impact of M&A is estimated to dilute FY 2025 revenue and adjusted operating profit by c.(2.0)% and c.(5.5)% respectively, reflecting the disposals of *ChapStick* and the Nicotine Replacement (NRT) business outside the US.

For Q1 2025, the net impact of M&A based on the guidance we provided above is estimated to dilute revenue growth by c.(2.8)%

Foreign exchange

The Company expects a full year foreign exchange translation headwind of approximately 1.0% and 2.5% to negatively impact net revenue and adjusted operating profit respectively. This is based on Bloomberg consensus rates averaged over 2025 (as of 24 February 2025). The CFO noted on the FY 2024 Q&A conference call that “if I look at the weighting of the ForEx impact this year, we expect a bigger drag in the first half versus the second half.”

For Q1 2025, as anticipated, the Company anticipates a foreign exchange translation headwind of approximately 2.9% to Group revenue reflecting the weighting commented above.

Overall revenue performance

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024
ORG	3.0%	4.1%	6.1%	6.8%	5.0%
Price	5.0%	3.4%	3.3%	2.7%	3.7%
Volume/mix	(2.0)%	0.7%	2.8%	4.1%	1.3%

Category performance comments

<i>Organic revenue growth</i>	Q1 2024	Q4 2024
Oral Health	10.6%	10.6%
VMS	9.9%	8.2%
Pain Relief	(4.8)%	7.4%
Respiratory Health	(2.7)%	(1.3)%
Digestive Health & Other	2.4%	6.6%

- **Oral Health** – Q4 organic growth was 10.6% driven by continued share gains for all three Power Brands.
- **VMS** – Growth in Q4 2024 was driven by double digit growth in *Centrum* and *Caltrate*. *Emergen-C* declined mid-single digit in the quarter, impacted by the soft cold and flu (C&F) season.
- **Pain Relief** – Growth in Q4 2024 was driven by broad-based growth across the Power Brands and local growth brands including *Fenbid* in China and *GrandPa* in South Africa. Growth in Q1 2024 was impacted by tough comparatives in Q1 2023 from elevated demand for *Fenbid* in China and *Advil* in Canada.
- **Respiratory Health** – Organic revenue declined low single digit in Q4 2024, impacted by a weak C&F season, notably in the US. In the pre-recorded video, the CFO said sell-out of C&F products in Q4 in the US “was running around 10% below prior year levels” and “while consumption at the start of 2025 has improved on the Q4 run rate, I would still expect our Respiratory Health performance to be softer in the first quarter 2025 due to higher trade inventories at the end of the year for these seasonal products.”
- **Digestive Health and Other** – The Digestive Health sub-segment was up mid-single digit in Q4 2024, driven by strong growth in *Tums* and *ENO*, while the Skin Health sub-segment grew high-single digit, driven by *Bactroban* in China. *Smokers Health* declined double-digit, driven by softer market conditions in the US.

Geographic regions

	North America		EMEA & LatAm		Asia Pacific	
	Q1 2024	Q4 2024	Q1 2024	Q4 2024	Q1 2024	Q4 2024
ORG	(3.3)%	2.4%	8.6%	9.8%	3.3%	9.9%
Price	4.5%	0.5%	7.5%	5.5%	1.7%	1.9%
Volume/mix	(7.8)%	1.9%	1.1%	4.3%	1.6%	8.0%

- **North America** – Growth in Q4 2024 was driven by continued strength in Oral Health, partially offset by a soft C&F season, which impacted the Respiratory Health category and *Emergen-C*. Organic revenue decline in Q1 2024 was driven by lapping of tough comparatives in Pain Relief and Respiratory Health categories from Q1 2023, along with inventory reduction by some US retailers.
- **EMEA and LatAm** – Broad-based growth across the categories in Q4 2024 with strength across the Oral Health Power Brands, *Centrum*, *Panadol*, and Local Growth Brands, such as *GrandPa* in South Africa. In Q1 2024, pricing growth benefitted from carry-forward pricing taken in 2023, which reduced as the year went on. In addition, at the Q3 2024 Trading Statement, the CFO noted “Looking to 2025, I would expect price growth in Europe to moderate as inflation comes down.”
- **Asia Pacific** – Growth in Q4 was broad-based across the categories, with double digit growth in Oral Health and VMS, only partially offset by a decline in Respiratory Health driven by a soft cold & flu season. Geographically, growth was broad-based, with double-digit growth in India and China partially offset by a mid-single digit decline in Australia and New Zealand due to the soft market conditions within Pain Relief. Growth in Q1 2024 was held back by tough comparatives in Q1 2023 for *Fenbid* and *Contac* given the lifting of COVID-19 restrictions.

Prior year comparatives and recent performance

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024
North America	5.1%	4.3%	(1.5)%	3.5%	2.7%	(3.3)%	1.0%	4.8%	2.4%	1.1%
EMEA and LatAm	13.1%	16.8%	10.8%	10.1%	12.6%	8.6%	7.2%	6.1%	9.8%	7.9%
APAC	11.7%	11.5%	5.9%	6.8%	9.0%	3.3%	3.7%	8.2%	9.9%	6.0%
Total	9.9%	11.0%	5.0%	6.7%	8.0%	3.0%	4.1%	6.1%	6.8%	5.0%

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024
Oral Health	6.6%	15.4%	9.4%	11.5%	10.6%	10.6%	9.1%	8.2%	10.6%	9.6%
VMS	(3.7)%	2.7%	1.4%	3.1%	0.9%	9.9%	8.5%	3.7%	8.2%	7.6%
Pain Relief	11.0%	14.9%	6.2%	(1.8)%	7.4%	(4.8)%	(4.0)%	3.1%	7.4%	0.1%
Respiratory Health	33.0%	9.2%	4.2%	10.9%	13.7%	(2.7)%	(1.5)%	9.1%	(1.3)%	0.9%
Digestive Health & Other	7.3%	8.1%	0.9%	10.1%	6.5%	2.4%	7.5%	5.9%	6.6%	5.5%
Total	9.9%	11.0%	5.0%	6.7%	8.0%	3.0%	4.1%	6.1%	6.8%	5.0%

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