



Haleon 2025 Full Year Results Q&A Call

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Introduction

Jo Russell

Head of Investor Relations, Haleon

Welcome

I am Jo Russell, Head of Investor Relations, and I am joined this morning by Brian McNamara, our Chief Executive Officer, and Dawn Allen, our Chief Financial Officer.

Disclaimer

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

We have posted today's presentation on the website this morning, along with a video running through the results in detail so hopefully, you have all had a chance to see that ahead of this call.

With that, let us open the call for Q&A. I will hand back to the operator.

Q&A

Guillaume Delmas (UBS): One question. My one question is on your organic sales growth guidance of 3% to 5% for 2026. It does seem to signal some sequential acceleration relative to the 3% you posted last year. Wondering what will be the main drivers behind this sequential improvement? Is it predicated on category growth accelerating and/or your level of outperformance gaining further momentum?

Then related to this, Brian, you reiterated your medium-term ambition of 4% to 6%. What underpins your confidence in the 4% to 6% when you may be delivering an organic sales growth below the bottom end of that range for now two consecutive years?

Brian McNamara: Thanks, Guillaume. I appreciate the question. Maybe let me take the 3% to 5% guidance, and I will go to medium-term view.

If you take a step back and let us look at 2025, we grew 3%. That clearly was below what we were expecting when we were at Q3 based on the cold and flu season. The US was down about 0.5%. APAC and EMEA, LatAm grew mid-single digits.

Now we did experience a market slowdown. A vast majority of that was obviously what we have talked about in the US market and then the cold and flu category, which I mentioned.

Now, remember, 70% of our cold and flu business is also outside the US. In that context, we did deliver competitive performance. We outgrew the market overall and 60% of the business gained and maintained share. Looking at 2026, we are not planning a material improvement in the market. Consumers are likely to stay cautious.

We are absolutely focused on driving category growth. I am confident we will continue and improve on our competitiveness. That is through investment in A&P, strong innovation plan, sharper commercial execution behind our new operating model.

Listen, the US will return to growth in 2026. That is based on the progress we have had to-date. We ended the year where we expected to with inventories at the right place, and part of that is we did have softer cold and flu, but we had stronger Oral Health business, which helped offset that.

We also have plans in place that we know is going to help us improve through the year. For instance, in Q2, we have a lot of key customers doing shelving resets. We are gaining distribution. We are gaining shelf placement.

On the profit side, the productivity programme continues to deliver. You saw the 220 basis points of gross margin improvement. We feel great about that. That, combined with the efficiencies coming from the operating model, will allow us to deliver high-single-digit operating growth at constant currency and still invest in growth, still invest in A&P, R&D and some key capabilities that we are continuing to build on.

Now if we step back and think the medium-term guidance. I mean, you said it, the guidance does not necessarily mean we are going to be outside the range. Obviously, part of the guidance is outside our medium-term range. It is an acknowledgment of the uncertain market we are dealing with.

Based on what we know today, we would expect to be in the middle of that range, based on what we know today. You also asked about the phasing. What we do know today is that Q1 cold and flu season is going to be below a year ago. We are now almost two months into the quarter. The results we saw a spike towards the end of the year, and then we saw it come down after that. So we are going to be below a year ago, and that is not only in the US. It is outside the US.

My confidence. Listen, these are still attractive categories. I still believe there is huge potential. Everything we have talked about in the past, closing the instant treatment gap, success of our premiumisation continuing, the low income consumer opportunity, which we are still only at the beginning at.

As we progress through 2026, I expect to see stronger performance in North America, as I said, and continued strength in emerging markets. We feel good about China, and I expect an acceleration in India. Actually, India for us is performing extremely well.

Then as we continue to drive that productivity agenda, again, we will be able to continue to invest in the business, which again, underpins my confidence in getting back to that 4% to 6% growth.

Warren Ackerman (Barclays): Outside of the numbers, Brian, could you talk about the new reorganisation? You have got a new Chief Growth Officer, Chief Transformation Officer, new reporting structure, new hires in the US other than Natalie I have seen. Can you maybe walk us through how that is going to be a growth unlock and how you will drive more volume growth in the US, more innovation? Anything you can say on shelf resets and how the things are shaping up in the US in what is clearly a tougher operating environment?

Brian McNamara: Thanks, Warren. I think you captured it. This is first and foremost about unlocking growth and agility. I think about the journey we have been on, as a company, we are now 3.5 years in as a company. The strategy we laid out is very clear. There was still an opportunity for us to streamline and simplify the way we work and drive strategy to execution.

As you said, we created this Chief Growth Officer role, that combines our category structure, our marketing effectiveness and capabilities, our business insights and analytics strategy and a new commercial excellence function. Then six operating units replacing our three regions. As you are aware, Latin America, India and Middle East, Africa will now have a seat around the leadership team table.

A couple of things. It is one on the commercial execution function that we have created centrally. We are driving AI-driven tools behind net revenue management, next best action. We are going to be able to drive this quicker and faster through the organisation. This structure of CGO, the six operating units, is going to allow us to really much quicker drive our category strategies through to execution, better leverage scale, better be able to move resources around, react to, what I would say, as you said, a very uncertain environment.

Then as a result of it, we are taking a layer out of the organisation. We are talking about a flatter, leaner organisation, and that leads to the \$175 million to \$200 million in gross savings we talked about, which gives us incredible flexibility, frankly, to invest in those growth opportunities and to invest in innovation and drive the capabilities.

Now your question specifically on the US. Yes, first of all, overall in the team, we did, as part of those changes, bring new members of the team. We got a fantastic leader in India, a fantastic leader in Latin America that came from outside the company who knows these markets extremely well. Our Middle East, Africa leader is now sitting on the leadership team, and she is an incredible talent. In the US, as part of all this, Natalie made a number of changes in our category heads or category general managers. We have one of our top talents now on the OTC business. We brought external talent in Oral Health and in the Wellness category, which is a combination of VMS and Digestive Health.

I mentioned it a bit earlier, Warren, but we know that in Q2, we will see across a number of key customers, some wins on distribution and shelving across Oral Health, VMS and Pain Relief, and that is locked. That is going to happen in Q2, and we feel good about that commercial execution. We also feel good about the innovation.

The one thing I will say, it is broadly across the business, specifically in the US, Oral Health is doing incredibly well and it really did better in Q4 than we expected, which again helped us offset land the US where we wanted to, despite the tough cold and flu season.

David Hayes (Jefferies): Just on emerging markets. There was a sequential slowdown in the fourth quarter. Just trying to dig a little bit deeper into whether the emerging is performing as you would expect it to be like it to be at the moment. Then which areas specifically maybe are not doing as well? I guess in that context, Oral Care continues to be amazing and impressive, obviously, still in this difficult consumer environment. Is there something different about Oral Care and the dynamics there versus some of the other categories, ex Respiratory, because of the cold and flu? But it feels like Oral Care could ride the consumer dynamic whereas the other brands cannot. Is there something you point to that says that this is what is going to change as the consumer maybe picks up in the other areas?

Brian McNamara: Yes. Thanks, David. Listen, I will take the Oral Care question linking to other categories, and I will pass it to Dawn to talk about what we are seeing more broadly in emerging markets.

First of all, we do feel really good, as you pointed, around Oral Care. As we have been talking about now for a while, the clinical range in Sensodyne has really resonated well with consumers, and it is beyond Clinical White, it is Clinical Repair, it is Clinical Enamel Strength.

Beyond that, we are seeing great progress in places like India with low income consumer on Oral Health. Parodontax is an amazing brand in gum health. We do not talk about it as much as Sensodyne. It is obviously not as big, but it is growing in the strong double-digit in the mid-teens. We launched in China this past year. It is still quite early in our ramp-up for distribution, but we could not be happier with the progress that we are seeing there.

We feel great about Oral Health. The Oral Health model is very clear. It is linked to the dental recommendation. It is linked to the innovation. Obviously, we compete on the therapeutic side of the business.

Listen, in the other categories, when we talk about the impact of cold and flu, to be clear, we talk about our cold and flu portfolio specifically, which are brands like Theraflu and Robitussin and Otrivin, which sit in that category. There is also impacts across other areas like Pain Relief and some VMS and things like that tend not to be as much but there does tend to be a little bit of that impact that happens, too.

Fundamentally, I believe these are real strong categories that, as we move forward, we can move ahead. We are just radically differentiated versus the competition in Oral Health in a way that is very unique. We are talking about now over 10 years of high-single-digit to double-digit growth in Sensodyne, and we continue to see that continue to hum.

We are seeing good competitiveness in the other categories, but we are continuing to focus on innovation, things like our 12-hour patch launch on Voltaren in a number of European countries. Otrivin Nasal Mist continues to do well. We are growing aggressive share there. Our OptiZorb technology on Panadol, we are rolling out to another of our market. We feel like we have a good innovation plan that should underpin certainly our medium-term guidance. Dawn?

Dawn Allen: Yes. Morning, David. Hi, everyone. Let me talk a bit about emerging markets, because we feel really excited about our emerging markets business. If I look at Asia-Pac, first of all, we continue to deliver strong performance in Asia-Pac. We expected an acceleration in half two versus half one, and that has come through.

When I look at the growth drivers in Asia-Pac, 80% of our growth is coming from volume mix. That is a factor of us driving penetration and expanding reach across lower-income consumer groups.

If I look within Asia-Pac, let me talk about India. An incredible performance in India, double-digit growth in the year, an acceleration in quarter four on the back of the macro changes around GST, but also on the fact of our activations. If I look at our INR20 pack in Sensodyne is performing incredibly well. We continue to expand our reach across rural areas, across villages based on our investment in terms of bringing our sales force in-house.

Actually, I was out in India the first week of this year, and it was great to be on the ground with the team, visiting stores and really seeing our brands come to life. That was India.

If I look at China, we are also really excited about China, mid-single-digit growth in the year. Just some pockets to talk about. If I look at our e-com business, it is around 40% of our

business in China. Douyin, we are growing more than 100%. Our online to offline business is also growing double digits. Actually, we feel really good about China.

If I move on then to EMEA and LatAm. EMEA and LatAm, actually, we have seen a good performance, particularly across LatAm and EMEA, Middle East and Africa, as well as Central Europe. It is fair to say that whilst we have seen a good performance, particularly in LatAm and specifically Brazil, we are seeing a much more challenging macro backdrop, both in terms of the consumer behaviour, but also in terms of retailer behaviour as well. So we did see a slowdown in LatAm, particularly in quarter four.

If I thought about Middle East, Africa continues to perform well. Central Europe also has seen a good performance. But again, based on the soft cough, cold and flu season in quarter four, we saw a slowdown in Central Europe because of that.

Overall, as I said, we are really excited about emerging markets. It is a huge growth opportunity for us. When I look at our A&P investment, half of our increase in A&P investment in the year actually went to emerging markets, and you can see that coming through in the performance.

Celine Pannuti (JP Morgan): My question comes back on the overall guidance and how you manage top line performance versus margin improvement. Clearly, strong delivery in margin and your cost savings initiative augurs well for the years to come. At the same time, your top line has disappointed. If I look at the past three years, volume has been 1%, which is quite low compared to the overall European staples. Best-in-class are trying to achieve at least 2% and above. In order to grow 4% to 6%, what kind of volume level do you think you need to have?

And the discrepancy between margin progression and volume performance, does it mean that you may need to reinvest more or maybe look at your price positioning in order to grow volume faster?

Brian McNamara: Thanks for the question, Celine. Let me kick that off, and then I will pass it to Dawn to give a bit more perspective.

If you take a step back, I do think we are investing in the right places on the business. If you look at our A&P investment in the last year, we were over 7% ahead of a year ago, and R&D was over 7% ahead of a year ago. That is the absolute benefit of the gross margin improvement and the improvements we have seen in our supply chain and structure, giving us 220 basis points of gross margin improvement, which is allowing us to invest in the business.

We continue to focus on where is the best of that investment. By the way, a lot of that incremental investment this year went against Oral Health, and you see the results that have come out. We understand that, in a lower cold and flu season, also while we can gain share, we are going to have a very difficult time driving volume overall.

Maybe, Dawn, you can talk a little bit about how we see the algorithm going forward and where we see the role of volume growth, which we are very focused on volume growth. Dawn?

Dawn Allen: Yes. Thanks for the question, Celine. You are right, and Brian mentioned it. We are very focused on driving volume growth in 2026 and moving forward. We have always said that the right price-volume mix split for this business is around 60-40, 40-60.

I already talked about Asia-Pac in terms of 80% of that growth is coming from volume on Asia-Pac, and we feel really good about that. When I look at EMEA and LatAm, if I take out the two shoulders of the year, so if I take out Q1 and Q4 for 2025, where we had a soft cough, cold and flu season, actually in Q2 and Q3, we did see a more balanced price-volume mix profile. That obviously should give us confidence moving forward that we can deliver that.

Then if I look at North America, look, it has been a really challenging market in North America in 2025. As Brian has talked about, we have put in place the key actions to drive volume growth in 2026, whether it is about us no longer doing destocking, whether it is about reducing the drag from Smokers' Health, the distribution builds that we expect to get from shelf resets as well as the strong activations. These are all important drivers in terms of driving the volume growth.

Whilst for 2026, I am not going to guide to specific volumes, I would expect us to be improving the split of price-volume mix in 2026.

Olivier Nicolai (Goldman Sachs): I got one question first. Could you go back to the change you have implemented in the US over the last 12 months, and specifically also the incentive structure you put in place for the new management there?

Just following up on the press release on page five, regarding the overall equipment effectiveness. It has improved by 7 points in 2025. It is a bit lower than what you expected at H1. Should we assume a stronger improvement in 2026 compared to 2025 on these metrics?

Brian McNamara: Yes. Thanks for the question. Let me talk a bit about the US. As you know, we announced a new leader in the US in May. As we looked at our operating model structure broadly, we worked very closely as an executive team to define that. I talked a little bit earlier when Warren asked the question about that and we worked that very closely with the US.

One of the things we have done is we have created these C category General Manager roles, which obviously report directly up to our President of the US, and also are connected to our global category heads, which is going to help us really drive this strategy to execution even faster. We are making a number of changes around net revenue management and the tools that we are providing. We have made a number of changes in our sales force and our sales leadership and structure.

All of that was really pretty much done on 8th January when we announced the broader stuff in the US, you obviously move much faster on those changes.

I feel really good about those changes and how they are going to drive growth. As I said, we have seen progress to-date. There is no question about it. We ended up again where we expected to. Inventories are where we expected to. Oral Health has been extremely strong. Advil grew share in Q4. That was a really important element. We see these opportunities on the distribution and stuff that I talked about in Q2. I feel like we are in a very good place to really drive those changes in the US.

Dawn Allen: Yes. Look, in terms of the productivity programme, Brian talked about it. We are really pleased with our supply chain productivity programme. It was even better than we expected. I mean, 220 basis points improvement in gross margin is incredible in the year, and it is a collective effort across the whole organisation. That is important because it helps to drive flexibility and agility in the P&L to be able to invest for growth.

If you remember, we talked about three drivers of how are we going to deliver that gross margin improvement and productivity benefit. The first one we talked about was immediate accelerators. This was reducing complexity in our supply chain, whether it is around number of languages on pack, harmonising packaging, formulations.

Let me give you an example. In Europe, in 2025, on our Aquafresh brand, we had 44 single language packs. We have now reduced to 18 multi-language packs in the year. That is a huge optimisation piece in terms of supply chain.

The second area that you referenced in your question was around operational efficiency. This is all about debottlenecking our plants, process improvements, equipment optimisation.

Let me give you an example of that. In our Levice factory in Europe, we reduced formulations by 30%. If you think about the impact of that, that reduces change over time but it also increases the available capacity on that line, which is really important.

As I said, it is an incredible effort that is helping us to continue to invest in the business to drive growth. It would be great if we had that level of improvement each year. But moving forward, 50 to 80 basis points is what we have built into our guidance, that will be a strong performance on supply chain productivity.

Jeremy Fialko (HSBC): The one for me is more on the US market more generally. The first element is just the pharma channel within the US. Do you see that continuing to be under pressure in 2026? Or do you think with some of the ownership changes there, there is the possibility that the channel could become a little bit better in some of the broader drops there, which have, I guess, led to pressure on inventories and overall sell-through could abate?

Then maybe if you look at the US more broadly, is it just a case of waiting for the consumer to get a bit better before the market growth can improve? Or are there some other elements that you think are specific to the market getting a bit better, let us say, putting aside any cold and flu impacts?

Brian McNamara: Thanks, Jeremy. Thanks for the question. Let me take that. As you talk, pharmacy channel really, what we have talked about is the two big retailers in the US, which is Walgreens and CVS.

What I can say is we see the channel shift that we have seen for many years, which is drug channel and obviously e-com. E-com growing quite aggressively, and that is walmart.com or that is amazon.com. That will continue. The dynamic we saw in 2025 was lower inventory levels in those retailers as they were dealing with their own challenges.

We believe we are where we need to be, and now we are just managing normal channel shift as we can. By the way, that channel shift is not a bad thing for us. If we look at our Amazon shares, 18 brands on Amazon account for 90% of our business on Amazon, and 16 of those 18 brands have higher share online than offline. As that channel shift moves, it is something we can take advantage of. We have good capabilities there. So we feel good about that channel shift.

Yet to be seen what happens under new ownership at Walgreens, if that is a positive or not a positive. Again, I do not feel like this is a situation that get worse. We baked it in. We proactively managed our inventory levels to try to be at a place where we felt good about so we can stop talking about it as we move forward.

In the overall market, you said ex seasonality, so I will take that out because there is certainly a seasonality impact that we are seeing.

Listen, what we see in the dynamic is we see club channel doing a bit better, dollar channel doing a bit better as consumers are looking for more value. Some consumers looking for lower price points, some consumers looking for different consumer but want value, higher price point, lower price per use. We are very focused on those two channels and increasing our offering to make sure that we are meeting the affordability issues of consumers in the US.

We believe we can also play a role, and we do play a role certainly in Oral Health in driving that category growth. We are not sitting back and waiting for the categories to change. We are just acknowledging that there are some things we cannot control. We are focused on competitiveness, growing market share. We feel confident in that, and we are focused on driving that category growth where we can.

Sarah Simon (Morgan Stanley): Just one question from me. How important is it in terms of securing shelf space with your retailer negotiations to have that cold and flu business? Because in your bid to become a steady compounder with predictable top line, this is obviously the bid that is causing the biggest issue. I am just wondering how much do you need to own that business?

Brian McNamara: Okay. Sarah, thanks for the question. Let me take that. Listen, cold and flu plays an incredibly enormous role in consumer health and for consumers. If you look over the history, I have been involved in consumer health now for over 20 years. I have seen quite a few cold and flu seasons.

This year, we are seeing two seasons in a row that are down because if you remember last year, we were down. We know that Q1 is also going to be down. It does not happen that often, but it has happened in the past. We have experienced that in the past.

I believe if you look over time, you are going to see growth in this category going forward. It is a bit exasperated this year because we are dealing with multiple headwinds in the US environment, which this has compounded on. But it is a very important category. We feel good about our positions in the category and our portfolio.

It plays a very important role for our customers, too. As you were saying, this is category management around pain and cold and flu. Frankly, cold and flu and pain has some common brands, Panadol Cold and Flu, Advil Cold and Flu. We think it is an important part of the portfolio as we move forward.

Karel Zoete (Kepler): I would like to go a bit deeper into two categories. The first one is the Digestive Health business. Historically, a good business for you, not so seasonal, but we have seen a slowdown in 2025. What should we anticipate for 2026? Why should things get better?

Then coming back to Pain. I know there is a bit of cold and flu impact in there. If you zoom out 2024-2025 have not been great years for Pain despite of some of your strongest franchises such as Panadol in Asia are there. What is needed for the Pain franchise to start performing more in line with the anticipated growth rates?

Brian McNamara: Okay. Thanks very much, Karel. I appreciate the questions. Let me start with Digestive Health. If you think about our Digestive Health business, just to get us grounded, over 80% of that business is focused in three countries: US, India and Brazil.

In India and Brazil, it is ENO, which is a fantastic brand and does very well in both cases and is part of our strategy and our growth strategy, certainly in both those countries and certainly in India.

Now you get to the US, where we have Tums, we have Nexium, brands like Gas-X and Ex-Lax, Benefiber, which is a fantastic brand. We have seen a drag on Nexium in the US. There is no question that is one brand in one category, and we are not alone in this. That has been impacted by private label. If I zoom out and look at the US overall, we have gained share versus private label. Nexium have been a bit of a challenge there.

One of the opportunities we see in Digestive Health, and we feel really good about and we are now working is supporting consumers on GLP-1s because there is multiple side effects on GLP-1s that brands like Tums and brands like Benefiber address. There is also side effects like dry mouth, which we have a mouthwash brand we do not talk about much in the US, Biotène, which is actually quite effective in dry mouth. There is nutritional supplementation, and we have actually created a Centrum variant that is specifically focused the GLP-1 consumers.

We see an opportunity across our categories to drive that. Tums is a tremendously performing brand and so is Benefiber. We have dealt with a little bit of a drag from the Nexium side of the business.

Listen, on Pain Relief, it is a great portfolio. I mean, Voltaren is number one topical analgesic in the world. By the way, we talk a lot about the topical. We also have a very strong patch business. I mentioned earlier, we are launching 24-hour patch in a number of markets around the world, and we are seeing quite a successful pickup of that.

Panadol has done quite well in Asia. We do not have quite the same strength of a systemic pain relief business through Europe, and we are addressing that. We are launching there. The big thing is on Advil. Like I said, we are growing Advil share in Q4. We are really confident that now with the new structure, with the new focus, our ability to invest and everything else that will get Advil back to a more consistent performer. That is going to be important for us. That is one of the things we need to make sure that we drive and deliver on the business.

Overall, listen, we have always said the OTC categories in general would be 2% to 3% growth categories, and we could outgrow that. They have seen a little bit of headwinds here and in the US as all categories have been a bit muted. Again, not super declines, but a bit muted. We are addressing that. But we feel very good about that franchise and the global nature of that franchise.

Edward Lewis (Rothschild & Co Redburn): Brian, just returning to the medium-term guidance, should we think that getting back to that range is all about the US? Or do you think you can deliver against that with a structurally slower US market but greater contribution from the rest of the world, given the confidence you are obviously expressing about India and China?

Brian McNamara: Yes. Listen, as I think about the medium-term guidance, I do expect that the US will perform better. There is two things. We have outperformed the market, to be clear, in 2025. But do I feel like the performance we are hitting it on all cylinders? We have not. We can do better. Just outperforming the market is not enough, and I am confident we can do better.

We do expect an improvement in that US environment. I believe over the next couple of years, we will get that US environment, if not too close to the bottom end of our algorithm growth.

Outside of that, we also expect that, again, over time emerging markets will continue to be a strong contributor and the low income consumer strategy we have, which is taking hold in certain places, and we are learning a lot, to be very clear. That takes a bit of time to build up to be significant, and we see those opportunities.

Overall, I do feel the medium term of 4% to 6% that nothing has fundamentally changed versus what we have said and what we have said in the past about our strategy and our opportunities. What you are hearing from us this year is 3% to 5% because the market is still quite uncertain and we want to make sure we are providing the proper context for everyone on where we see things are at.

Again, where we sit now, knowing Q1 is going to be softer due to cold and flu, middle of the range is where we are at on that, and we will update as the year goes on.

Tom Sykes (Deutsche Bank): One quick follow-up and one on A&P, please. Are you able to quantify the shelf space stocking benefit that you will get in either Q1 or Q2 in North America, please? Then just on the A&P spend. I mean, there cannot be many consumer companies that have increased A&P by almost 8% to 20% of sales and still running at negative volumes. Where is the A&P ineffective and where is it effective? Does it make much of a difference in your non-oral care businesses at the moment? Can you talk about whether you are allocating more of that A&P increase to oral care or to non-oral care, please?

Brian McNamara: Thanks, Tom. Thanks for the question. Let me take the US stocking, and I will pass it to Dawn on the A&P question.

Listen, we are not going to guide to specific improvements on the shelving increases. Let us just say it is part of the thing that gives us the confidence as we progress through the year that we will see stronger results because it is real. Consumers will see more of our brands. We will have a bigger shelf space, and in a number of cases, we will be at a better visibility point in some key resellers.

Dawn, do you want to talk about A&P?

Dawn Allen: Yes. Look, thanks for the question. It also builds on one of the comments that Celine talked about in terms of the margin profile as well. Let me say a few words about that.

Look, it is often easy for companies to cut A&P when the market is more challenging. We have not done that, and we have not done that because we are really focused on ensuring the long-term sustainable growth for this business.

You are right, we have increased A&P 7.5%. We have increased R&D 7.7% in the year. We invest in our brands at a healthy and the right level to drive that sustainable growth.

If I give a bit more colour behind that. Where has that increase in A&P, where has it gone? We have already talked about it. Half of that increase went to Oral Health. You have seen the growth momentum on that this year in terms of high-single-digit and acceleration in Q4 and the ROI on that Oral Health is incredibly strong. The other half, I referenced it earlier, went to emerging markets. So India, DCOM, in China, and that is really important.

The third area actually is around expert. Expert is a critical part of our business model in terms of the work that we are doing around the Haleon Health portal, where registrations have increased 27% in the year, and on our field force engagement, which has also increased 16% in the year. That is where the spend has gone.

The other thing that we are critically focused on as well as ensuring it is the right level is also around the return, the efficiency and the effectiveness. In the year, we have improved our working/non-working split, so 12% growth in working media. We have also increased our overall ROI mid-single-digit, and we have increased the global coverage to around three quarters of our business.

The other thing that we are focused on is also the mix. 60% of our working media is allocated to digital. That is an important balance for us as we think about the shift in the broader economy.

I would say, overall, look, it is an important focus area for us. We invest at a healthy level, 20.5%. I feel really good about that. We also continue to focus on improving the efficiency and effectiveness of our spend as well as ensuring that we are shifting and having the right mix around digital versus legacy.

Brian McNamara: Okay. Super. Thanks, Dawn. Listen, we are going to close the call now. Thanks, everyone. I appreciate you joining us today. Look forward to catching up with all of you in upcoming meetings and roadshows. Please feel free to reach out to the IR team if you have any further questions. Really appreciate your continued interest and support in Haleon. Thanks, everybody.

[END OF TRANSCRIPT]