HALEON

2022 Full year results

March 2023

Disclaimer

This document 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 current expectations and projections 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. Forward-looking statements sometimes use words such as "expects", "anticipates", "believes", "targets", "plans" "intends", "aims", "projects", "indicates", "may", "might", "will", "should", "potential", "could" and words of similar meaning (or the negative thereof). All statements, other than statements of historical facts, included in this presentation are forward-looking statements. Such forward-looking statements include, but are not limited to, statements relating to future actions, prospective products or product approvals, delivery on strategic initiatives (including but not limited to acquisitions and dispositions, realisations of efficiencies and responsible business goals), future performance or results of current and anticipated products, sales efforts, expenses, the outcome of contingencies such as legal proceedings, dividend payments and financial results.

Any forward-looking statements made by or on behalf of Haleon speak only as of the date they are made and are based upon the knowledge and information available to Haleon on the date of this document. These forward-looking statements and views may be based on a number of assumptions and, by their nature, involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future and/or are beyond Haleon's control or precise estimate. Such risks, uncertainties and other factors that could cause Haleon's actual results, performance or achievements to differ materially from those in the forward-looking statements include, but are not limited to, those discussed under "Risk Factors" on pages 17 to 45 of Haleon's prospectus and under "Risk Factors" in Haleon's Registration Statement on Form 20-F. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements.

Subject to our obligations under English and U.S. law in relation to disclosure and ongoing information (including under the Market Abuse Regulations, the UK Listing Rules and the Disclosure and Transparency Rules of the Financial Conduct Authority ("FCA")), we undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should, however, consult any additional disclosures that Haleon may make in any documents which it publishes and/or files with the SEC and take note of these disclosures, wherever you are located.

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

Brian McNamara

CEO

2022

Full year results

HALEON

Extraordinary year, successfully separated and unveiled Haleon, a listed 100% consumer heath company

Our strategy is working, delivering strong growth with opportunities across the business for this to continue

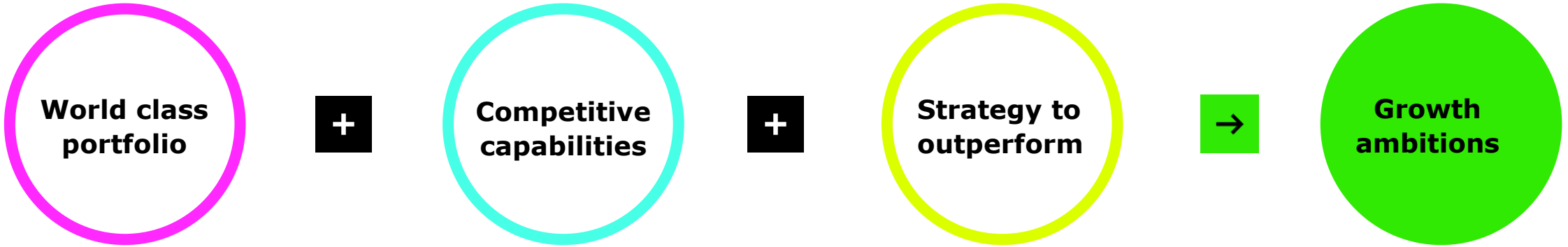
FY22 saw strong top line growth with 6%[1] adjusted operating profit growth despite significant cost inflation, standalone costs and adverse transactional foreign exchange

Continuing to evolve responsible agenda, delivering on environmental targets and a real opportunity to make a difference in health inclusivity

Increasingly confident in medium term guidance and well placed for FY 2023

1 Constant exchange rates (CER)

Clear approach delivering our growth ambitions



Category-leading brands

Attractive geographic footprint

Growth sector

Human understanding + trusted science

Proven brand-building and innovation

Leading route-to-market

Digital connectivity

Household penetration

New and emerging opportunities

Strong execution and financial discipline

Responsible business

4-6% organic annual revenue growth[1]

Expanding margin[2] **while investing for growth**

High cash conversion[3]

Disciplined capital allocation

1 Organic annual revenue growth (see appendix for definition)
2 Adjusted operating margin, in the medium term at CER
3 Free cash flow conversion (see appendix)

Full year results

9.0%
Organic sales growth[1]

4.3%/4.7%
Price / volume mix

10.1%
Power brand growth

Adjusted operating margin[1]:
22.8% flat on reported and down 60bps CER

Competitive performance:
2/3 business gained or held share[2]

Ecommerce:
growth up mid teens percent now 9.0% of total sales

Strong free cash flow
Net debt leverage 3.6x

Q4 results

5.0%
Organic sales growth[1]

5.0%/0%
Price / volume mix

1 Reconciliation of IFRS to Adjusted results can be found in the Appendix
2 Market share statements throughout this report are estimates based on the Group's analysis of third party market data of revenue for 2022 including IQVIA, IRI and Nielsen data. Represents % of brand-market combinations gaining or maintaining share (this analysis covers > 85% of Haleon's total revenue)

Oral Health

Outperformance: all three Power Brands gaining share

Sales growth running at c.2x the rate of overall market

5.6%

FY organic sales growth[1]

Category held back by negative impact of Covid lockdowns in China

Winning innovations:

Sensodyne Complete Protection

new formula with superior cleaning launched in 18 markets

Polident/Poligrip Power Max Hold+

launched in 15+ markets and outperforming the category

Geo-expansion:

parodontax launch

in South Africa & India

1 Reconciliation of IFRS to Adjusted results can be found in the Appendix

Vitamins, mineral and supplements

Good growth
despite tough H2 comparators

5.0%

FY organic sales growth[1]

- H2 lapping new capacity coming on stream in US LY
- Broad growth across both Power and local growth brands

Growth underpinned by:

Continued new innovations
Emergen-C Kidz

Caltrate Calcium Gummy Bites

Geo-expansion
Centrum launched in India (online) and Egypt

Leverage science to differentiate
Centrum Silver and COSMOS-Mind Study

1 Reconciliation of IFRS to Adjusted results can be found in the Appendix

Over-the-counter: Pain relief

Driving growth through agility and execution

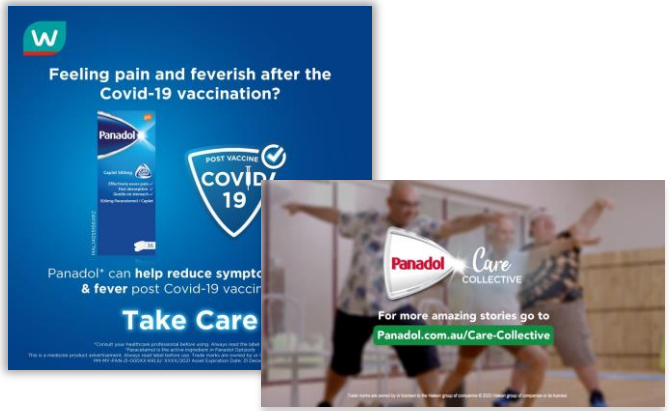
8.9%

FY organic revenue growth[1]

- Driven by increased incidences of flu, Covid and RSV

Panadol
continuing to outperform

- Gained market share
- Agility to meet elevated consumer demand
- Successful campaigns
- New innovations such as Liquid Caps launched in Australia

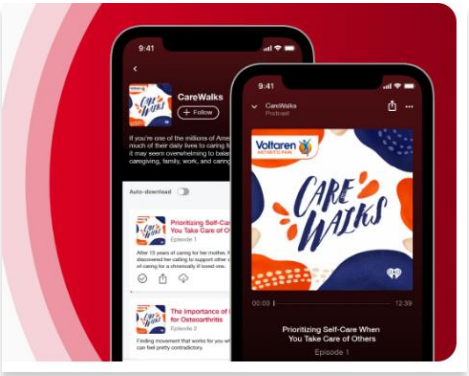


Advil
continued strong US performance

- Proactive work with Canadian Government to ensure Advil Kids supply during RSV surge and shortages across country

Voltaren
trend for topical consumption to be lower when analgesics higher

- Strong growth in US
- Successful campaigns



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1 Reconciliation of IFRS to Adjusted results can be found in the Appendix

Over-the-counter: Respiratory health

Well positioned to capitalise on demand

32.6%

FY organic revenue growth[1]
driven by:

Meeting demand
Flexibility to maximise output and meet unprecedented demand

New innovations
Theraflu Max Strength launched in Q3 in US

Flonase Flare Up Relief, multi-symptom formula

Commercial execution
Gaining share in market

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1 Reconciliation of IFRS to Adjusted results can be found in the Appendix

Over-the-counter: Digestive health & other

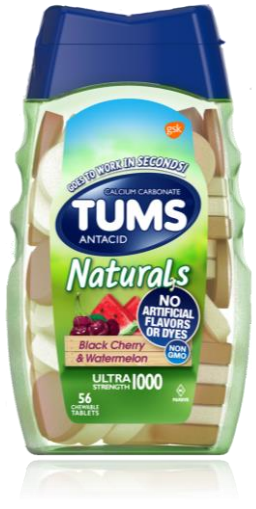
Mixed trends across three sub-segments

2.9%

FY organic revenue growth[1]

Growth typical run rate for category

- Digestive health faced challenging conditions in preventative antacid market which adversely impacted Nexium
- Skin health underpinned by Chapstick
- Smoking cessation declined



1 Reconciliation of IFRS to Adjusted results can be found in the Appendix

Performance underpinned by strong execution and financial discipline

Demerger, listing and separation

Successful separation

Technology systems cutover complete

Synergies

Delivered final Pfizer synergies taking aggregate to over £600m

Offsetting inflationary pressures

Through operating leverage and driving efficiency across the business

Responsible business integral to our strategy

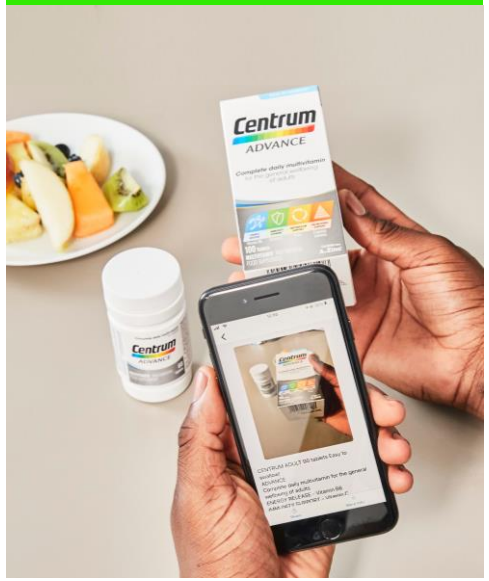
Environmental commitment

Continuing to progress against environmental targets set out at our Capital Markets Day in 2022

Haleon 100% powered by renewable electricity across all of our directly owned and controlled sites in 2022

Health inclusivity

Seeing AI Partnership with Microsoft to help consumers who are blind, have low vision or low literacy access essential information on our labels



Strong **Governance**

Corporate governance, policies and standard in place

New remuneration policy announced aligned to delivering on external commitments

Tobias Hestler

CFO

2022

Full year results

2022

Delivering strong results

£10.9bn
Revenue

£2.5bn
Adjusted operating profit[1]

22.8%
Adjusted operating profit margin[1]

£1.6bn
Free cash flow[1]

9.0%
Organic revenue growth[1]

+5.9%
CER growth[1]

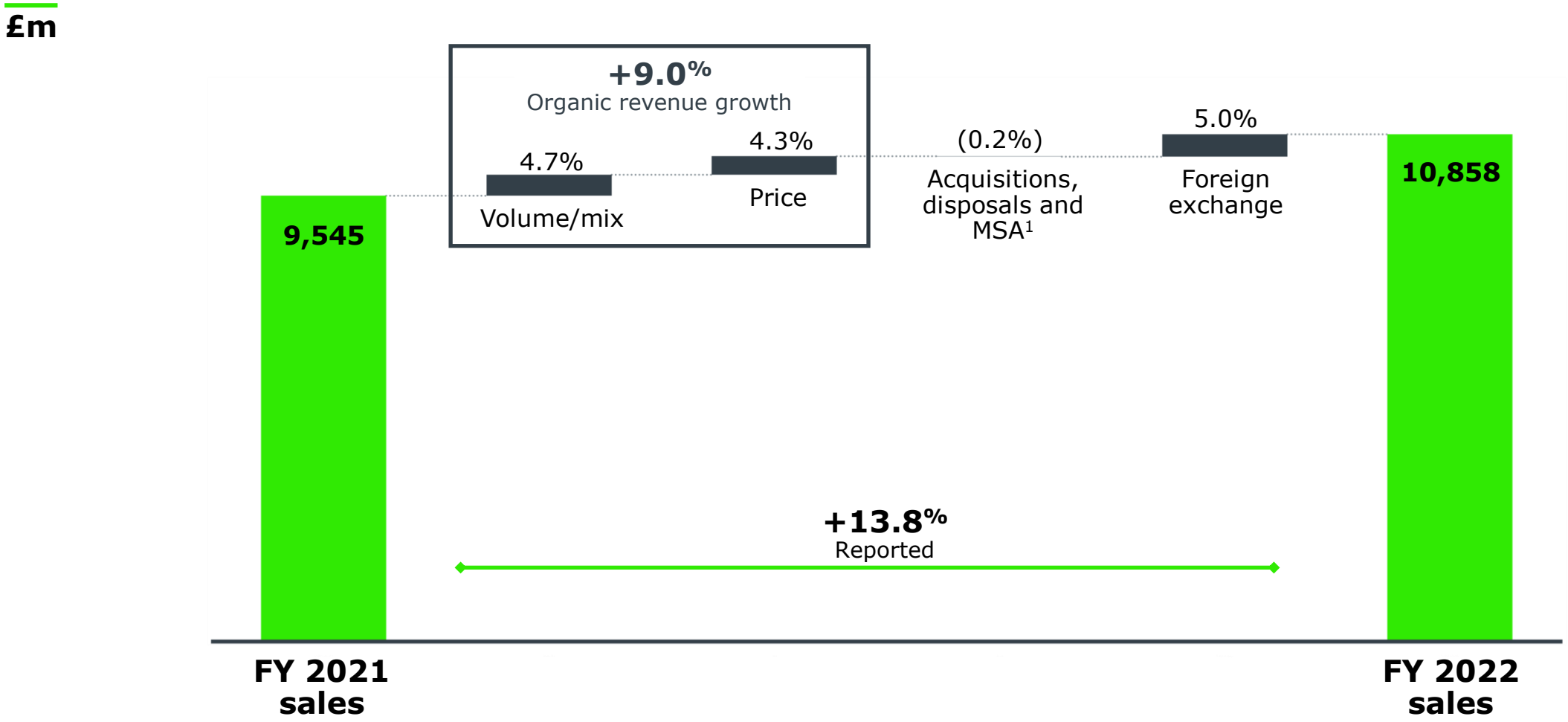
Flat
AER
&
(60)bps
CER

3.6x
Net debt / Adjusted EBITDA[1]

1 Reconciliation of IFRS to Adjusted results can be found in the Appendix

Strong FY revenue growth

Healthy balance of volume / mix and pricing



1 Includes 0.3% from acquisitions, (0.2)% from Disposals and (0.3)% from Manufacturing Services Agreements

Broad based growth across categories

Healthy balance of price and volume/mix

	FY22 Revenue	Organic revenue growth[1]				
	£m	FY	Q1	Q2	Q3	Q4
Oral Health	2,957	5.6%	7.9%	2.0%	6.7%	5.3%
VMS	1,675	5.0%	14.9%	9.0%	(1.4)%	(0.7)%
Pain Relief	2,551	8.9%	18.9%	4.9%	3.6%	8.9%
Respiratory Health	1,579	32.6%	52.9%	39.7%	30.2%	16.2%
Digestive Health and Other	2,096	2.9%	4.3%	2.8%	8.4%	(3.2)%
TOTAL	**10,858**	**9.0%**	15.6%	7.5%	8.1%	5.0%
Price		*4.3%*	*2.6%*	*4.0%*	*5.5%*	*5.0%*
Volume/Mix		*4.7%*	*13.0%*	*3.5%*	*2.6%*	*-%*
Organic growth ex. Cold and Flu		*c. 6%*	*c. 11%*	*c. 4%*	*c. 5%*	*c. 3%*

Q4 Decline driven by comparative

Strong cold and flu incidences in Q4, significantly above 2019 levels in US and Europe

Q4 decline largely driven by sell-in in Q3

Flat volume in Q4:
- Decline in North America (additional supply coming on stream in 2021 and a recall at Tums which has now been resolved)
- Lower volumes in Russia

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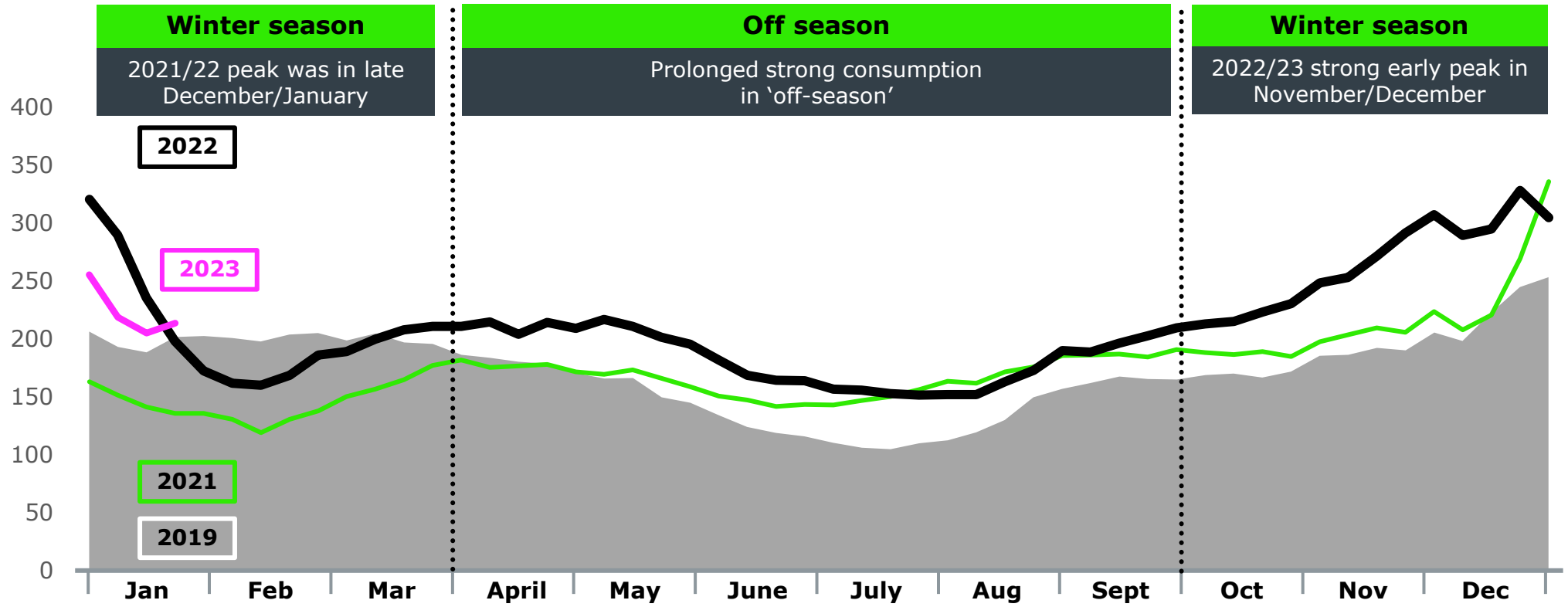
1 Reconciliation of IFRS to Adjusted results can be found in the Appendix

Respiratory

Q4 cold and flu incidences ahead of 2019 and 2021 levels

Weekly US market cold and flu sales ($m)



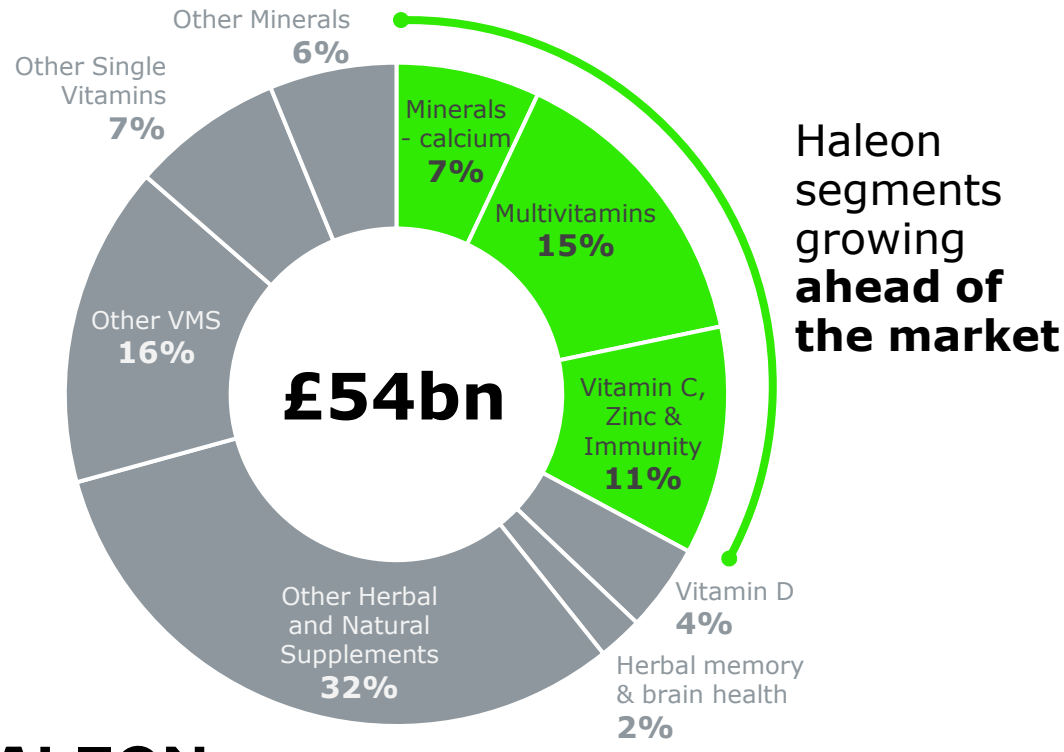
Source: IRI, MULOC+Ecom

VMS – Underlying consumption remains strong

Recent modest growth declines are driven by lapping strong demand in 2021 from both Delta and Omicron variants

Haleon plays in a sub-set of VMS growing ahead of the overall VMS market

Composition of global VMS market

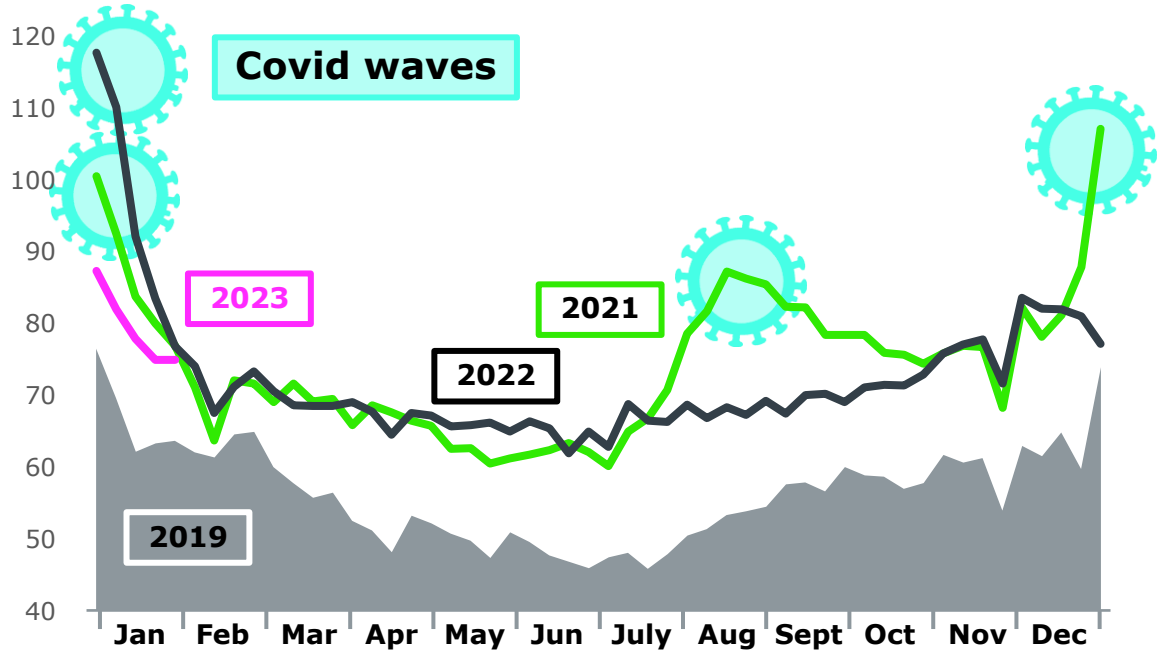


Haleon segments growing **ahead of the market**

Source: N. Hall (2021), Haleon data

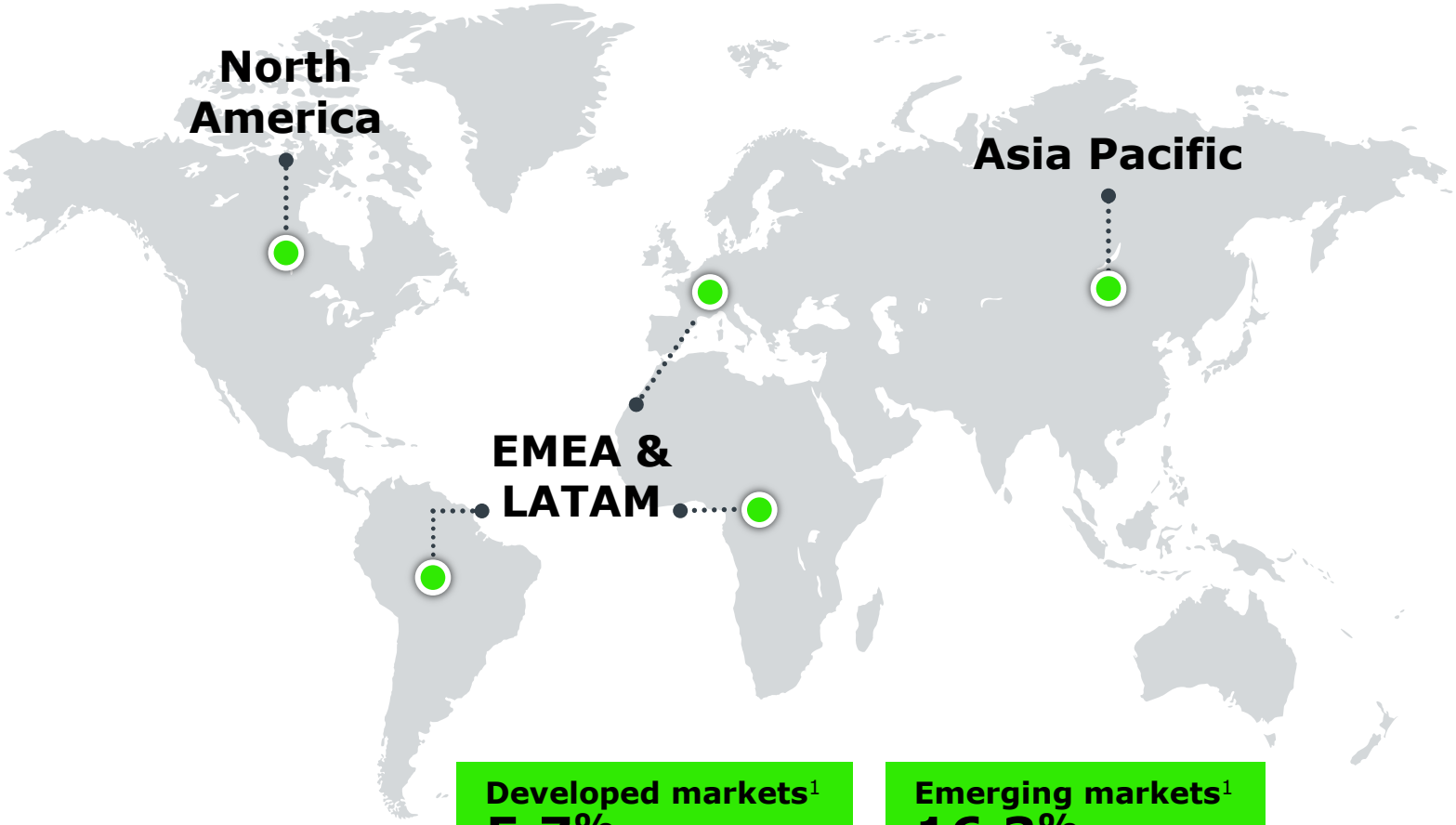
Consumers have remained post Covid

Weekly US VMS market sales for Haleon segments ($m)



Source: Euromonitor, Haleon data

Strong revenue growth across regions



Developed markets[1]
5.7%

Emerging markets[1]
16.3%

Revenue

North America
5.9% OSG[1]
£4,116m (2021: £3,525m)

EMEA & LATAM
10.9% OSG[1]
£4,270m (2021: £3,877m)

Asia Pacific
10.6% OSG[1]
£2,472m (2021: £2,143m)

1 Refers to Organic revenue growth; Reconciliation of IFRS to Adjusted results can be found in the Appendix

North America

Healthy balance of price and volume / mix

5.9%
Organic growth[1]

2.9%
Price

3.0%
Volume / mix

£4,116m
Sales

26.0%
Adjusted operating margin[1]

- **FY organic growth[1]:**
  5.9% with 2.9% price and 3.0% volume/mix
- **Q4 organic growth[1]:**
  1.6% with 3.0% price and (1.4)% volume/mix
- **Decline in Q4 volume/mix reflects:**
  - Tough comparative from supply in VMS and Pain Relief coming on stream
  - Changes in retailer stocking patterns from Sensodyne and across Smokers Health
  - A recall of a Tums SKU (now resolved)
- **FY Adjusted operating margin[1] increased 130bps (CER):**
  + Pricing
  + Cost management
  – Commodity and freight headwinds
  – Standalone costs

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1 Reconciliation of IFRS to Adjusted results can be found in the Appendix

EMEA & LATAM

Strong organic growth helped by pricing

10.9%
Organic growth[1]

6.4%
Price

4.5%
Volume / mix

£4,270m
Sales

22.9%
Adjusted operating margin[1]

- **FY organic growth[1]:**
  10.9% with 6.4% price and 4.5% volume/mix
- **Q4 organic growth[1]:**
  6.8% with 8.8% price and (2.0)% volume/mix
- **Decline in Q4 volume/mix reflects:**
  - – Lower volumes in Russia
  - – High comparative base in Respiratory Health
- **FY Adjusted operating margin[1] decreased 200bps (CER):**
  - + Pricing
  - + Cost management
  - – Higher commodity and freight costs
  - – Adverse transactional FX
  - – Standalone costs

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1 Reconciliation of IFRS to Adjusted results can be found in the Appendix

Asia Pacific

Organic growth driven by strong volume growth

10.6%
Organic growth[1]

2.6%
Price

8.0%
Volume / mix

£2,472m
Sales

20.5%
Adjusted operating margin[1]

- **FY organic growth[1]:**
  10.6% with 2.6% price and 8.0% volume/mix
- **Q4 organic growth[1]:**
  8.3% with 1.5% price and 6.8% volume/mix
- **Q4 organic growth[1] reflects:**
  - – Lower pricing than other regions given lower inflationary environment and price controls on certain brands
  - – Strong volume helped by Covid related demand
- **FY Adjusted operating margin[1] declined 120bps (CER):**
  - \+ Strong operating leverage
  - \+ Cost management
  - – Higher freight costs
  - – A&P investment
  - – Standalone costs

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1 Reconciliation of IFRS to Adjusted results can be found in the Appendix

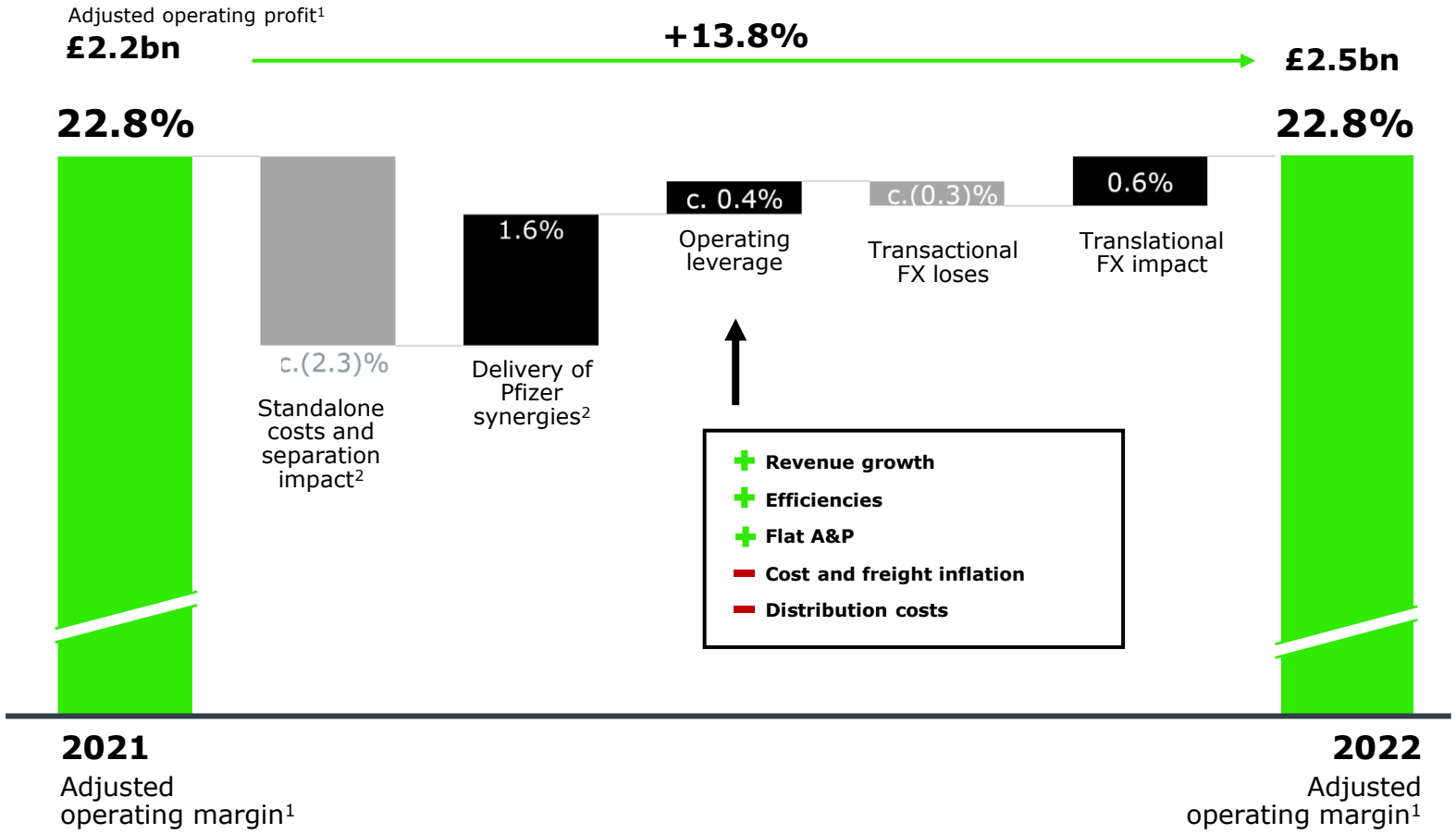
Adjusted operating profit growth of 6% constant currency

£m	FY 2022	FY 2021	% change	
Revenue	**10,858**	**9,545**	**13.8**	Power brand organic revenue growth ahead of Haleon organic growth (10.1%)
Adjusted gross profit[1]	**6,772**	**6,002**	**12.8**	
% Adjusted gross margin[1]	*62.4%*	*62.9%*	*(0.5)pts*	Cost inflation largely offset by pricing
Sales, general and admin[1]	(4,001)	(3,582)	11.7	£0.2bn of standalone costs, R&D impacted by re-allocation of spend from SG&A
Research and development[1]	(303)	(248)	22.2	
Adjusted operating profit[1]	**2,472**	**2,172**	**13.8**	+5.9% at CER
% Adjusted operating margin	*22.8%*	*22.8%*	-	(60) bps at CER with c. 30bps drag from transactional FX movements
Depreciation and amortisation[2]	258	241	7.1	
Adjusted EBITDA[1]	**2,730**	**2,413**	**13.1**	

1 Reconciliation of IFRS to Adjusted results can be found in the Appendix

2 Includes Depreciation – Property Plant and Equipment £142m (FY 2021: £139m), Depreciation – Right of Use Assets: £38m (FY 2021: £35m), Amortisation – Computer Software: £64m (FY 2021: £54m), Impairment – Property Plant and Equipment, Right of Use assets and Computer Software: £14m (FY 2021: £13m)

Navigating cost inflation with positive operating leverage



- Standalone costs at the upper end of £0.2bn guided range
- Over delivery of Pfizer synergies (>£0.6bn annualised delivered)
- A&P flat (CER) reflecting successful efficiency focus and Russia impact; Consumer facing A&P spend ex. Russia up 6% (CER)
- Increase in material costs and freight to ship

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1 Reconciliation of IFRS to Adjusted results can be found in the Appendix
2 Calculated impact based on 2021 adjusted operating margin had these been included in the base

3% Adjusted EPS growth driven by strong operating profit, offset by interest costs

£m	FY 2022	FY 2021	% change
Adjusted operating profit[1]	**2,472**	**2,172**	**13.8**
Net finance costs	(207)	(2)	n/m
Adjusted tax[1]	(506)	(469)	7.9
% tax rate	*22.3%*	*21.6%*	*0.7*
Adjusted profit after tax[1]	**1,759**	**1,701**	**3.4**
Non controlling interests	(59)	(49)	20.4
Profit after tax attributed to shareholders of the Group[1]	1,700	1,652	2.9
Adjusted Diluted EPS	**18.4p**	**17.9p**	**2.8**

Reflects interest of £258m related to bonds issued in March 2022 offset by interest income of £51m mainly related to the on-lend of funds to GSK and Pfizer

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1 Reconciliation of IFRS to Adjusted results can be found in the Appendix

Adjusting items largely non-cash impairment, separation and admission costs

£m	FY 2022	FY 2021	% change
Adjusted operating profit[1]	**2,472**	**2,172**	**13.8**
Net amortisation and impairment of intangible assets[2]	(172)	(16)	
Restructuring costs[2]	(41)	(195)	
Transaction related costs	(8)	-	
Separation and admission costs[2]	(411)	(278)	
Disposals and others[2]	(15)	(45)	
Operating profit[3]	**1,825**	**1,638**	**11.4**
% Operating margin[3]	*16.8%*	*17.2%*	*(0.4)ppts*

Includes £129m impairment related to a Preparation-H and a small brand in the Ukraine

Charges largely related to Pfizer integration

Peak separation and admission costs in 2022

2022 includes provision for settlement of PPI claims and small disposal income

1 See glossary in Appendix
2 For further detail, please see Appendix
3 Refers to IFRS operating profit and operating margin

Strong free cash flow generation

£m	FY 2022	FY 2021	
Adjusted operating profit[1]	**2,472**	**2,172**	
P&L adjusting items[2]	(647)	(534)	Separation and admission costs peaked in 2022 and a non-cash impairment charge
Non-cash movements[3]	424	216	
Working capital and other movements[4]	138	(188)	Working capital management in 2022
Taxation paid	(324)	(310)	2022 cash tax benefitted from refunds in prior year
Net interest (paid)/received	(144)	1	2022 bond coupon paid in arrears
Distribution to non-controlling interests	(48)	(35)	Largely reflects performance of China JV with TSK&F
Net capital expenditure[5]	(292)	(149)	2021 includes £149m of disposal proceeds (2022: £36m)
Free cash flow	**1,579**	**1,173**	

1 Reconciliation of IFRS to Adjusted results can be found in the Appendix

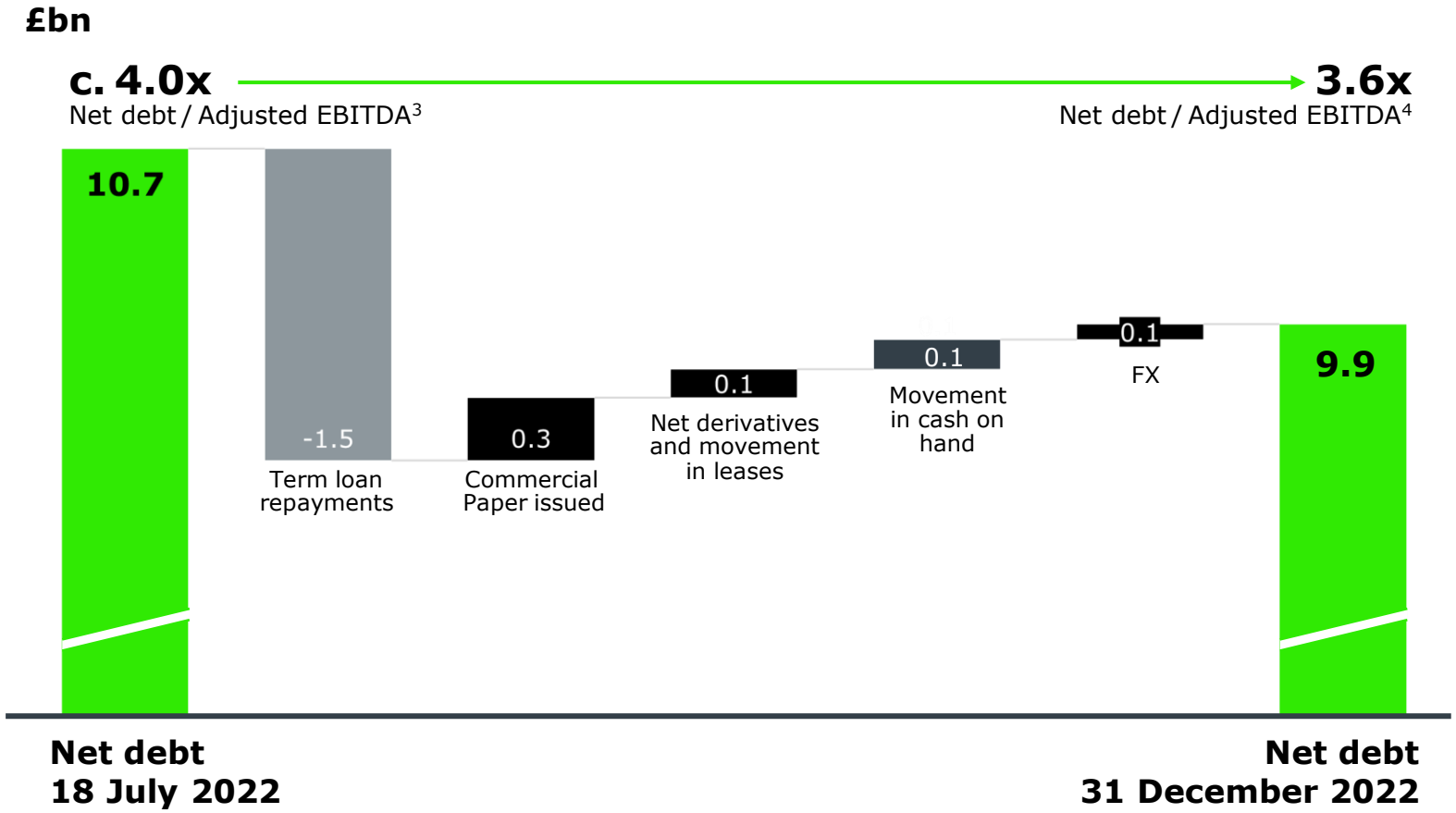
2 Adjusting items include Net amortization and impairment of intangible assets: £172m (2021: £16m), Restructuring costs: £41m (2021: £195m), Transaction Related Costs: £8m (2021: nil), Separation and admission costs: £411m (2021: £278m), Disposals and Others: £15m (2021: £45m)

3 Includes Depreciation of property, plant and equipment and rights of use assets: £180m (2021: £174m), Amortisation of intangible assets: £107m (2021: £94m), Impairment and assets written off, net of reversals: £143m (2021: £1m), Profit on sale of intangible assets: £(30)m (2021: £(27)m, Profit on sale of businesses: Nil (2021: £(4)m), and Other non-cash movements: £24m (2021: £(22)m)

4 Includes decrease in working capital: £50m (2021: £121m), increase in other net liabilities: £88m (2021: £(309m))

5 Includes purchase of property, plant and equipment: £(304)m (FY 2021: £(228)m), Proceeds from sale of property, plant and equipment: £-m (FY 2021: £12m), Purchase of intangible assets: £(24)m (FY 2021: £(70)m) and Proceeds from sale of intangible assets: £36m (FY 2021: £137m)

Debt reduction since demerger



c.3.1%
Cost of debt

87%/13%
Fixed/floating[1]

7.8 years
Duration[2]

£2.5bn
Liquidity[3]

No major refinancing
Until 2025

1 As at 31 December 2022
2 Weighted average time to maturity for bond debt as at 31st December 2022
3 At 31st December 2022, comprising £2.2bn ($1.4bn and £1.0bn) of undrawn bank facilities, £0.3bn of Commercial Paper issuance and £0.6bn of cash and cash equivalents
4 Definitions of adjusted measures can be found in the Appendix

Outlook
for full year 2023

Organic revenue growth[1] of 4-6%

Adjusted operating profit margin[1] broadly flat
(FY 2022: 22.8%) after absorbing c.40 bps adverse transactional foreign exchange impact based on current market rates[2]

Net interest expense c. £350m

Adjusted effective tax rate[1] 23-24%

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1 Definitions of adjusted measures can be found in the Appendix
2 Assuming spot rates as of 10 February 2023

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Extraordinary year, successfully separated and unveiled Haleon, a listed 100% consumer heath company

Our strategy is working, delivering strong growth with opportunities across the business for this to continue

FY22 saw strong top line growth with 6%[1] adjusted operating profit growth despite significant cost inflation, standalone costs and adverse transactional foreign exchange

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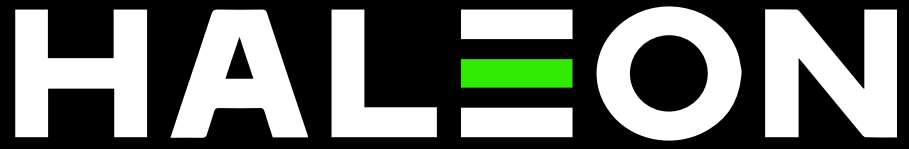
Increasingly confident in medium term guidance and well placed for FY 2023

1 Constant exchange rates (CER)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Appendix

2022
Full year results

Glossary

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

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

Adjusting Items include the following**:**

- **Net amortisation and impairment of intangible assets:** Net impairment of intangibles, impairment of goodwill and amortisation of intangibles excluding computer software. Intangible amortisation and impairments arising from intangibles acquired in business combinations are adjusted to reflect the performance of the business excluding the effect of acquisition accounting
- **Restructuring costs:** Include personnel costs associated with restructuring programmes, impairments of tangible assets and computer software relating to specific programmes approved by the Board of the Company from time to time that are structural and of a significant scale.
- **Separation and admission costs:** Costs incurred in relation to and in connection with Separation, UK Admission and registration of the Company's Ordinary Shares represented by the Company's American Depositary Shares ("ADSs") under the Exchange Act and listing of ADSs on the NYSE (the "US Listing"). These costs are not directly attributable to the sale of the Group's products and specifically relate to the foregoing activities, affecting comparability of the Group's financial results in historical and future reporting periods.
- **Transaction related costs:** Transaction-related accounting or other adjustments related to significant acquisitions and including deal costs and other pre- acquisition costs when there is certainty that an acquisition will complete. It also includes costs of registering and issuing debt and equity securities and the effect of inventory revaluations on acquisitions.
- **Disposal and other adjusting items:** Gains and losses on disposals of assets, businesses and tax indemnities related to business combinations. Legal settlement and judgements, impact of changes in tax rates and tax laws on related deferred tax assets and liabilities, retained or uninsured losses related to acts of terrorism, product recalls, natural disasters and other items. These gains and losses are not directly attributable to the sale of the Group's products and vary from period to period, which affects comparability of the Group's financial results. From period to period, the Group will also need to apply judgement if items of unique nature arise that are not specifically listed above

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

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

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

Net capital expenditure includes purchases net of sales of property, plant and equipment and other intangible assets.

Net debt: Net debt at a period end is calculated as short-term borrowings (including bank overdrafts and short-term lease liabilities), long-term borrowings (including long-term lease liabilities), and derivative financial liabilities less cash and cash equivalents and derivative financial assets, liabilities less cash and cash equivalents and derivative financial assets.

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

Organic revenue growth by individual region is further discussed by price and volume/mix changes, which are defined as follows:

- **Price:** Defined as the variation in revenue attributable to changes in prices during the period. Price excludes the impact to organic revenue growth due to (i) the volume of products sold during the period and (ii) the composition of products sold during the period. Price is calculated as current year net price minus prior year net price multiplied by current year volume. Net price is the sales price, after deduction of any trade, cash or volume discounts that can be reliably estimated at point of sale. Value added tax and other sales taxes are excluded from the net price.
- **Volume/Mix:** Defined as the variation in revenue attributable to changes in volumes and composition of products in the period

Medium term guidance

Organic annual sales growth of 4-6%[1]

Sustainable moderate adjusted operating margin expansion at constant currency[1] per annum

Net debt/EBITDA[2] **expect to be below 3x** during 2024

HALEON

1 See appendix for definition
2 Adjusted EBITDA (see appendix for definition)

Considerations on phasing of growth

	2022 % of revenue	Comments on 2022 performance (unless otherwise stated) Q1	Q2	Q3	Q4
Oral Health	**27%**	− ERP pull forward	+ Reversal of ERP pull forward + Rebound from China lockdown	-	+ Reduction in inventories at major retailers
VMS	**15%**	− Benefit from Omicron wave	-	-	-
Pain Relief	**24%**	− Benefit from Omicron wave + Strong cold and flu start to 2023	-	-	− Comparative from strong cold and flu season
Respiratory Health	**15%**	+ Strong cold and flu start to 2023 − ERP pull forward	+ Reversal of ERP pull forward	Too early to predict if out of season consumption from Covid remains	− Comparative from strong cold and flu season
Digestive Health and Other	**19%**	-	-	− Sell in ahead of Q4	+ Reversal of sell in and reduction in inventories at Smokers Health
Price (FY22)		***+2.6%***	***+4.0%***	***+5.5%***	***+5.0%***

Full Year 2022 translational currency impact

Currency	2022 currency as % of total revenue	Average 2021	Average 2022	Spot 10.2.23
USD	33%	1.38	1.24	1.21
EUR	16%	1.16	1.17	1.13
CNY	*8%*	8.86	8.31	8.22
*Others**	*43%*	*100*	*98*	*100*
Total	**100%**			

** Index basket of currencies represents the movement in 2022 vs 2021 assuming 100 for average 2021 rates*

Estimated positive translational foreign exchange impact

- c. +1.0% on revenue
- c. +1.5% on adjusted operating profit

Assuming exchange rates as of 10 February 2023 were to hold for the remainder of the year and using FY22 results as a base.

IFRS and Adjusted Income Statement

Unaudited

2022 £m	IFRS Results	Net amortisation and impairment of intangible assets[1]	Restructuring costs[2]	Transaction -related costs[3]	Separation and Admission costs[4]	Disposals and others[5]	Adjusted Results
Revenue	10,858	—	—	—	—	—	10,858
Gross profit	6,577	172	19	—	4	—	6,772
Gross profit margin %	*60.6%*						*62.4%*
Operating profit	1,825	172	41	8	411	15	2,472
Operating profit margin %	*16.8%*						*22.8%*
Net finance costs	(207)	—	—	—	—	—	(207)
Profit before tax	1,618	172	41	8	411	15	2,265
Income tax	(499)	(37)	(7)	(2)	(55)	94	(506)
Effective tax rate %	*31%*						*22%*
Profit after tax for the year	1,119	135	34	6	356	109	1,759
Profit attributable to shareholders	1,060	135	34	6	356	109	1,700
Diluted earnings per share (pence)	11.5	1.4	0.4	0.1	3.8	1.2	18.4
Weighted average number of shares (diluted) (millions)	9,239						9,239

2021 £m	IFRS Results	Net amortisation and impairment of intangible assets[1]	Restructuring costs[2]	Transaction -related costs[3]	Separation and Admission costs[4]	Disposals and others[5]	Adjusted Results
Revenue	9,545	—	—	—	—	—	9,545
Gross profit	5,950	8	44	—	—	—	6,002
Gross profit margin %	*62.3%*						*62.9%*
Operating profit	1,638	16	195	—	278	45	2,172
Operating profit margin %	*17.2%*						*22.8%*
Net finance costs	(2)	—	—	—	—	—	(2)
Profit before tax	1,636	16	195	—	278	45	2,170
Income tax	(197)	8	(36)	—	(47)	(197)	(469)
Effective tax rate %	*12%*						*22%*
Profit after tax for the year	1,439	24	159	—	231	(152)	1,701
Profit attributable to shareholders	1,390	24	159	—	231	(152)	1,652
Diluted earnings per share (pence)	15.1	0.2	1.7	—	2.5	(1.6)	17.9
Weighted average number of shares (diluted) (millions)	9,235						9,235

1. Net amortisation and impairment of intangible assets: includes impairment of intangible assets (2022: £129m, 2021: £12m), reversal of impairment (2022: £nil, 2021: £(36)m) and amortisation of intangible assets excluding computer software (2022: £43m, 2021: £40m).
2. Restructuring costs: includes amounts related to business transformation activities.
3. Transaction-related costs: includes amounts related to acquisition of a manufacturing site.
4. Separation and Admission costs: includes amounts incurred in relation to and in connection with the separation and listing of the Group as a standalone business.
5. Disposals and others: includes net gains on disposals of assets and business changes (2022: £(20)m), 2021: £(31)m), offset by other items including a provision for PPI litigation taken in 2022. In addition, it includes tax indemnities related to business combinations (2021: £76m). The 2022 tax effect includes £102m tax charge related to the revaluation of US deferred tax liabilities due to the increase in the blended rate of US state taxes expected to apply as a result of the demerger. The 2021 tax effect includes a £164m tax credit related to the uplift of the tax basis of certain intra-group brand transfers.

Reconciliation of FY organic growth

Product Categories

2022 vs 2021 (%)	Oral Health	VMS	Pain Relief	Respiratory Health	Digestive Health and Others	Total
Revenue Growth	8.6	11.6	14.0	39.5	7.4	13.8
Organic Adjustments	(0.3)	(0.2)	(0.4)	0.0	2.2	0.2
of which:						
Effect of Acquisitions	(0.3)	(0.3)	(0.5)	-	-	(0.3)
Effect of Disposals	-	0.1	0.1	-	0.8	0.2
Effect of MSAs	-	-	-	-	1.4	0.3
Effect of Exchange Rates	(2.7)	(6.4)	(4.7)	(6.9)	(6.7)	(5.0)
Organic Revenue Growth	**5.6**	**5.0**	**8.9**	**32.6**	**2.9**	**9.0**

Geographical Segments

2022 vs 2021 (%)	North America	EMEA and LatAm	APAC	Total
Revenue Growth	16.8	10.1	15.4	13.8
Organic Adjustments	0.3	0.9	(1.0)	0.2
of which:				
Effect of Acquisitions	-	-	(1.1)	(0.3)
Effect of Disposals	0.1	0.4	-	0.2
Effect of MSAs	0.2	0.5	0.1	0.3
Effect of Exchange Rates	(11.2)	(0.1)	(3.8)	(5.0)
Organic Revenue Growth	**5.9**	**10.9**	**10.6**	**9.0**
Price	2.9	6.4	2.6	4.3
Volume/Mix	3.0	4.5	8.0	4.7

Reconciliation of quarterly organic growth

North America

2022 vs 2021 (%)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Revenue Growth	20.1	15.0	18.5	14.1	16.8
Organic Adjustments	0.8	0.1	0.1	0.3	0.3
of which:					
Effect of Acquisitions		-	-	-	-
Effect of Disposals	0.5	-	-	-	0.1
Effect of MSAs	0.3	0.1	0.1	0.3	0.2
Effect of Exchange Rates	(3.6)	(11.2)	(15.7)	(12.8)	(11.2)
Organic Revenue Growth	**17.3**	**3.9**	**2.9**	**1.6**	**5.9**

EMEA & LatAm

2022 vs 2021 (%)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Revenue Growth	8.0	10.1	13.1	9.8	10.1
Organic Adjustments	2.0	1.1	0.6	(0.1)	0.9
of which:					
Effect of Acquisitions	-	-	-	-	-
Effect of Disposals	1.1	0.6	0.2	(0.1)	0.4
Effect of MSAs	0.9	0.5	0.4	-	0.5
Effect of Exchange Rates	4.5	(1.0)	(1.5)	(2.9)	(0.1)
Organic Revenue Growth	**14.5**	**10.2**	**12.2**	**6.8**	**10.9**

Reconciliation of quarterly organic growth

APAC

2022 vs 2021 (%)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Revenue Growth	15.8	15.4	17.6	12.2	15.4
Organic Adjustments	0.2	(1.4)	(1.3)	(1.9)	(1.0)
of which:					
Effect of Acquisitions	-	(1.4)	(1.5)	(1.7)	(1.1)
Effect of Disposals	-	-	-	-	-
Effect of MSAs	0.2	-	0.2	(0.2)	0.1
Effect of Exchange Rates	(0.8)	(4.5)	(7.3)	(2.0)	(3.8)
Organic Revenue Growth	**15.2**	**9.5**	**9.0**	**8.3**	**10.6**

Group

2022 vs 2021 (%)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Revenue Growth	13.9	12.9	16.1	12.0	13.8
Organic Adjustments	1.2	0.1	-	(0.3)	0.2
of which:					
Effect of Acquisitions	-	(0.3)	(0.3)	(0.3)	(0.3)
Effect of Disposals	0.6	0.2	0.1	(0.1)	0.2
Effect of MSAs	0.6	0.2	0.2	0.1	0.3
Effect of Exchange Rates	0.5	(5.5)	(8.0)	(6.7)	(5.0)
Organic Revenue Growth	**15.6**	**7.5**	**8.1**	**5.0**	**9.0**

Free cash flow

Free cash flow

£m	Twelve months to 31 Dec 2022	2021
Net cash inflow from operating activities	2,063	1,356
Less: Net capital expenditure	(292)	(149)
Less: Distributions to non-controlling interests	(48)	(35)
Less: Interest paid	(163)	(15)
Add: Interest received	19	16
Free cash flow	**1,579**	**1,173**

Free cash flow conversion

£m	Twelve months to 31 Dec 2022	2021
Free cash flow	1,579	1,173
Reported profit after tax	1,119	1,439
Free cash flow conversion	**141%**	**82%**

Debt profile

Net debt

£m	Group net debt at 31 Dec 2022	Group net debt at 18 July 2022[3]
Short-term borrowings	437	332
Long-term borrowings	10,003	11,433
Derivative financial liabilities	206	66
Cash and cash equivalents and liquid investments	(684)	(978)
Derivative financial assets	(94)	(146)
Net debt	9,868	10,707

c.7.8 years

Duration[1]

c.3.1%

Cost of debt[2]

£9.9bn

Net debt as of Dec 2022

1 Weighted average time to maturity for bond debt as at 31 December 2022
2 Refers to weighted average cost of debt and includes cost of public debt swapped to GBP and CNY
3 Refers to 18 July 2022, the completion date of the Haleon Group's demerger from the GSK group

HALEON

2022 full year results

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