HALEON

2023 Full year results

February 2024

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

Brian McNamara
CEO

2023
Full year results

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Strong performance, with 8.0% organic revenue growth and 10.4% adjusted operating profit growth[1]

Our strategy is delivering, with growth across all categories and regions demonstrating portfolio resilience

Implementing change to become more agile

Proactively managing portfolio with disposals of Lamisil and ChapStick reducing complexity in the business and increasing focus on higher growth brands

Continued progress on sustainability on environmental targets and ambitions on health inclusivity

Increasingly confident in medium term guidance and continue to build track record of delivery

1 At constant exchange rates (CER)

Clear approach to deliver on growth ambitions

World class portfolio + **Competitive capabilities** + **Strategy to outperform** → **Growth ambitions**

World class portfolio	Competitive capabilities	Strategy to outperform	Growth ambitions
Category-leading brands	Human understanding + trusted science	Household penetration	4-6% organic annual revenue growth[1]
Attractive geographic footprint	Proven brand-building and innovation	New and emerging opportunities	Expanding margin[2] while investing for growth
Growth sector	Leading route-to-market	Strong execution and financial discipline	High cash conversion[3]
Continue to evolve portfolio	Digital connectivity	Responsible business	Disciplined capital allocation

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1. Organic annual revenue growth (see appendix for definition)
2. Refers to organic profit margin in the medium term
3. Free cash flow conversion (see appendix)

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Full year 2023 results

8.0%
Organic sales growth[1]

7.0%/1.0%
Price / Volume Mix

9.1%
Power Brand growth

Q4 results

6.7%
Organic sales growth[1]

6.4%/0.3%
Price / Volume Mix

Adjusted operating profit[1]:
Increased 10.4% constant currency and 10.8% organic growth

Adjusted operating margin[1]:
22.6% up 50bps constant currency and down 20bps on a reported basis

Competitive performance:
58% of business gained or held share[2]

Strong cash generation
Strong FCF generation of £1.6bn
Net debt / Adjusted EBITDA[1] of 3.0x
Targeting around 2.5x Net debt / Adjusted EBITDA[1] over medium term
Announced capital allocation of £500m for share buybacks in 2024

Proactive portfolio management
Completed disposal of Lamisil for £235m[3]
Recent agreement for sale of ChapStick for $430m with a passive minority interest in Suave Brands[4]

1. Reconciliation/definition 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 FY 2023, including IQVIA, IRI and Nielsen data. Represents % of brand-market combinations gaining or maintaining share (this analysis covers c. 90% of Haleon's total revenue)
3. Total cash realised for Lamisil includes cash consideration of £235m and working capital release of c. £15m
4. Haleon will receive pre-tax cash proceeds of approximately $430m, as well as a passive minority interest in the Suave Brands Company. At the time of entering into the binding agreement, this interest was valued at approximately $80m.

Oral Health

Outperformance: Exceptional Power Brand performance

Winning innovations

10.6%

FY organic sales growth[1]

All three Power Brands up double digit

Sensodyne

Top two 2023 innovations in US toothpaste market[2]: Sensodyne Sensitivity + Gum and Enamel and Pronamel Active Shield

parodontax Gum + Sensitivity & Breath

Strong performance driving market share gains following launch in 2022

Polident/Poligrip Power Max Hold+

Launched in 2022 and now in over 25 markets

1. Reconciliation/definition of IFRS to Adjusted results can be found in the Appendix
2. Based on retail sales data; Haleon's calculation based in part on data reported by Circana, Inc. through its OmniMarket Service for the Toothpaste category for the 52-week period ending 29/10/23 using Haleon's custom definitions

Vitamins, minerals and supplements

Return to growth in second half

0.9%

FY organic sales growth[1]

3.1% organic growth in Q4 driven by strength in Centrum and Caltrate

Centrum

Leveraging science

- Clinical trials showing participants taking Centrum Silver saw significant improvement in cognitive function
- Activated claim across number of markets with share gains in US and Greater China

Geo-expansion

- Further expanded Centrum distribution in India through bricks and mortar
- Centrum launched in Sweden and further expanded portfolio in Middle East & Africa

Emergen-C

New delivery formats

- Launched Emergen-C crystals, a 'no-water-needed solution' in US with good performance to date
- Number one innovation in US immune support segment

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

Over-the-counter: Pain Relief

Performance supported by improved capacity and strong execution

7.4%

FY organic sales growth[1]

Results underpinned by strength from Fenbid in China particularly during H1 2023

Advil
New pain indication

- Advil Dual Action Back: Tapping into an underserved consumer need
- Increasing investment to drive future growth

Voltaren
Driving new formats

- Launch of Voltaren liquid capsules
- Continued geo-expansion of 24 hour patches

Panadol
Strong activation

- Success of 'Release starts here' campaign
- Address specialist need states including migraine, body pain, night and headache

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

Over-the-counter: Respiratory Health

Performance underpinned by strong first half and excellent execution

Capturing demand

13.7%

FY organic sales growth[1]

Normal cold and flu season in second half of 2023

Otrivin Nasal Mist

- Launched in first three European markets; Good initial consumer feedback
- Further planned expansion during 2024

Robitussin

- Launch of dual-action lozenge
- Provides quick relief and treats cough and sore throat pain for up to four hours

Theraflu

- Theraflu Max Strength Launched in Q3 2022 in US; Now 25% of US Theraflu sales
- Continued uplift from naturals products including Theraflu ProNatural

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

Over-the-counter: Digestive Health & Other

Broad based growth across all three sub-categories

6.5%

FY organic sales growth[1]

- **Digestive Health** Tums and ENO leveraged innovation to capture strength in the immediate relief sub-category
- **Skin Health** underpinned by Bactroban growth
- **Smoking Health** revenue up mid single digit

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

Strong execution and financial discipline

Initiatives to improve efficiency

- Ongoing initiatives such as dual sourcing and complexity reduction
- Agility and productivity program
- Ability to meet volatile Respiratory Health demand

Strong go-to-market execution

- New distribution model in place in India
- Revamped HealthPartner Portal; US registrations up 26% with engagement up 31% driving expert advocacy

Continued financial discipline

- Active portfolio management; with disposal of Lamisil[1] and Chapstick[2]
- Continued cash generation and leverage reduction

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1. Disposal of Haleon's OTC rights to Lamisil Topical to Karo Healthcare AB
2. A binding agreement for the sale of the ChapStick brand to Suave Brands Company. Haleon will receive pre-tax cash proceeds of approximately $430 million, as well as a passive minority interest in the Suave Brands Company.

Increasing agility and productivity across Haleon

c. £300m pa
gross cost initiatives

- One third expected to be delivered in 2024
- Restructuring a number of individual functions
- Refining and streamlining existing processes

Partly reinvested
to drive growth

- Increased automation and process improvement
- Investment in A&P
- Higher investment in clinical R&D driving innovation

Strengthening Haleon
for long-term success

- 4-6% annual organic revenue growth
- Organic operating profit growth ahead of organic revenue growth
- Strong cash generation

Health inclusivity – a key differentiated focus for Haleon

Groupwide aim to empower 50 million people a year by 2025
to be more included in opportunities for better everyday health with over 41m people empowered in 2023

Polident Smiles can't wait

Supports access to dentures, improving lives in economically weaker areas of Thailand and Philippines

- Partnering with hospitals, influencers, and experts to make dentures more accessible
- Supporting 1,000 Thai & Filipinos with dentures free of charge
- Community outreach on oral health & denture care literacy programmes

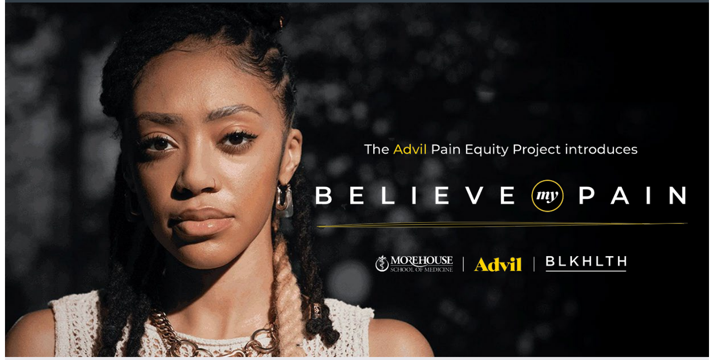
Caltrate Bone Health

Educating both HPs[1] and consumers in osteoporosis prevention and management

- Caltrate has partnered with the Chinese Government on Bone Health Programme with in-store testing and online training for Healthcare professionals
- In 2023, the programme expanded to 90 cities, 593 hospitals and 736 pharmacies

Advil Pain Equity Project

Championing equitable and accessible pain relief



- Aim to help overcome bias and prejudice that Black people in America experience when seeking pain management
- Inaugural campaign, 'Believe my Pain', highlights pain inequity in Black communities

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1. Healthcare Professionals

Tobias Hestler

CFO

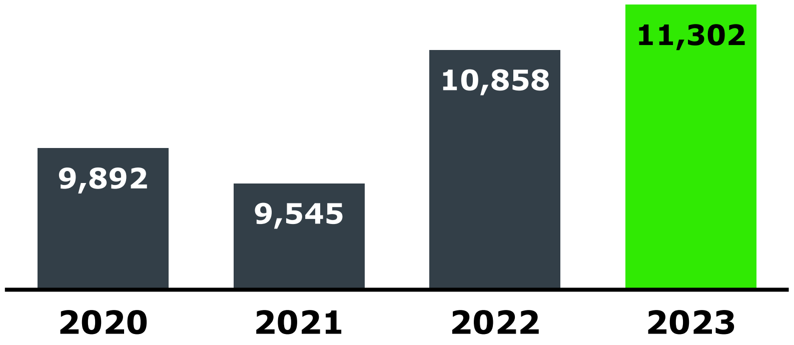
2023

Full year results

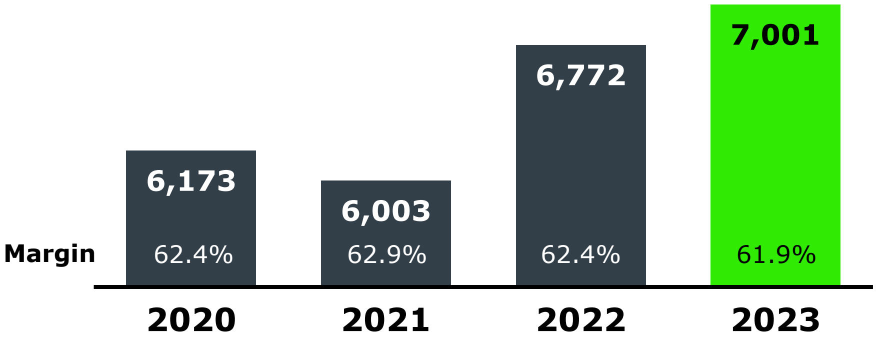
Building our track record

Continuing positive trajectory since demerger despite challenging environment

Revenue £m



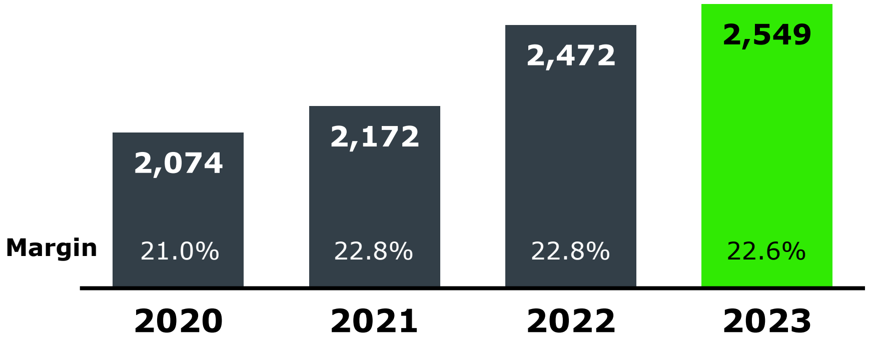
Adjusted gross profit £m



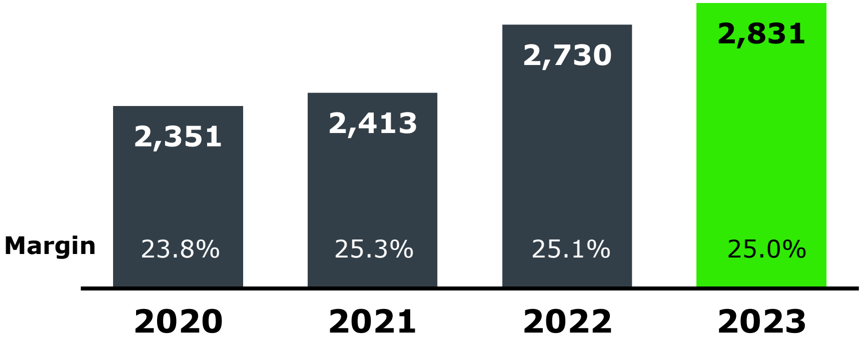
£0.8bn

dividend payments
to shareholders[1]

Adjusted operating profit £m



Adjusted EBITDA £m



£2.2bn

net debt reduction
since demerger

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1 Since Demerger: Includes FY 2022 dividend £222m, Interim 2023 dividend £166m and Final 2023 dividend £388m

2023

Delivering strong results

	£11.3bn	£2.5bn	22.6%
	Revenue	Adjusted operating profit[1]	Adjusted operating profit margin[1]
CER[2]	7.9%	10.4%	+50bps
Organic[3]	8.0%	10.8%	+60bps

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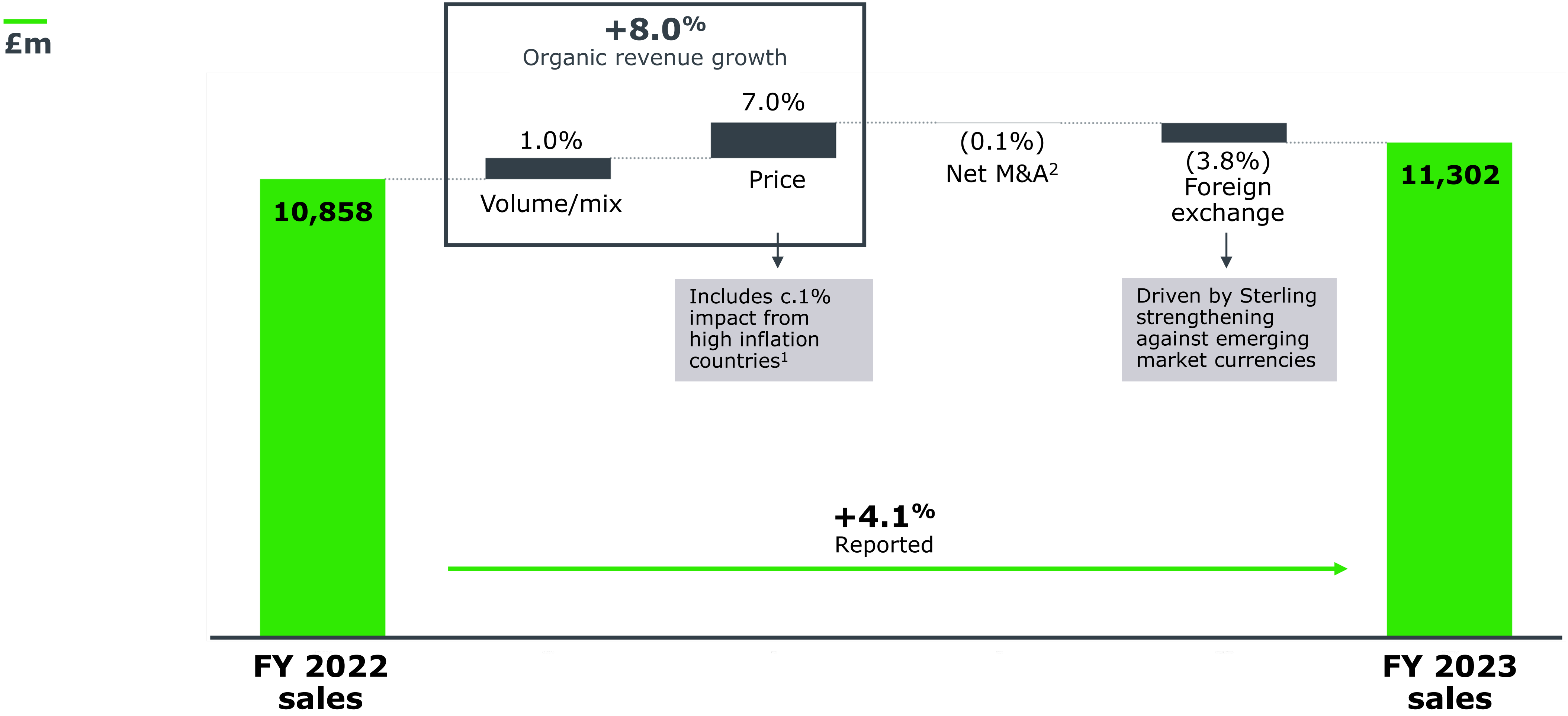
1 Reconciliation of IFRS to Adjusted results can be found in the Appendix
2 Constant currency rates
3 Refers to Organic revenue growth and Organic profit growth, definition can be found in the Appendix

Strong FY revenue growth

Driven by price with positive volume/mix



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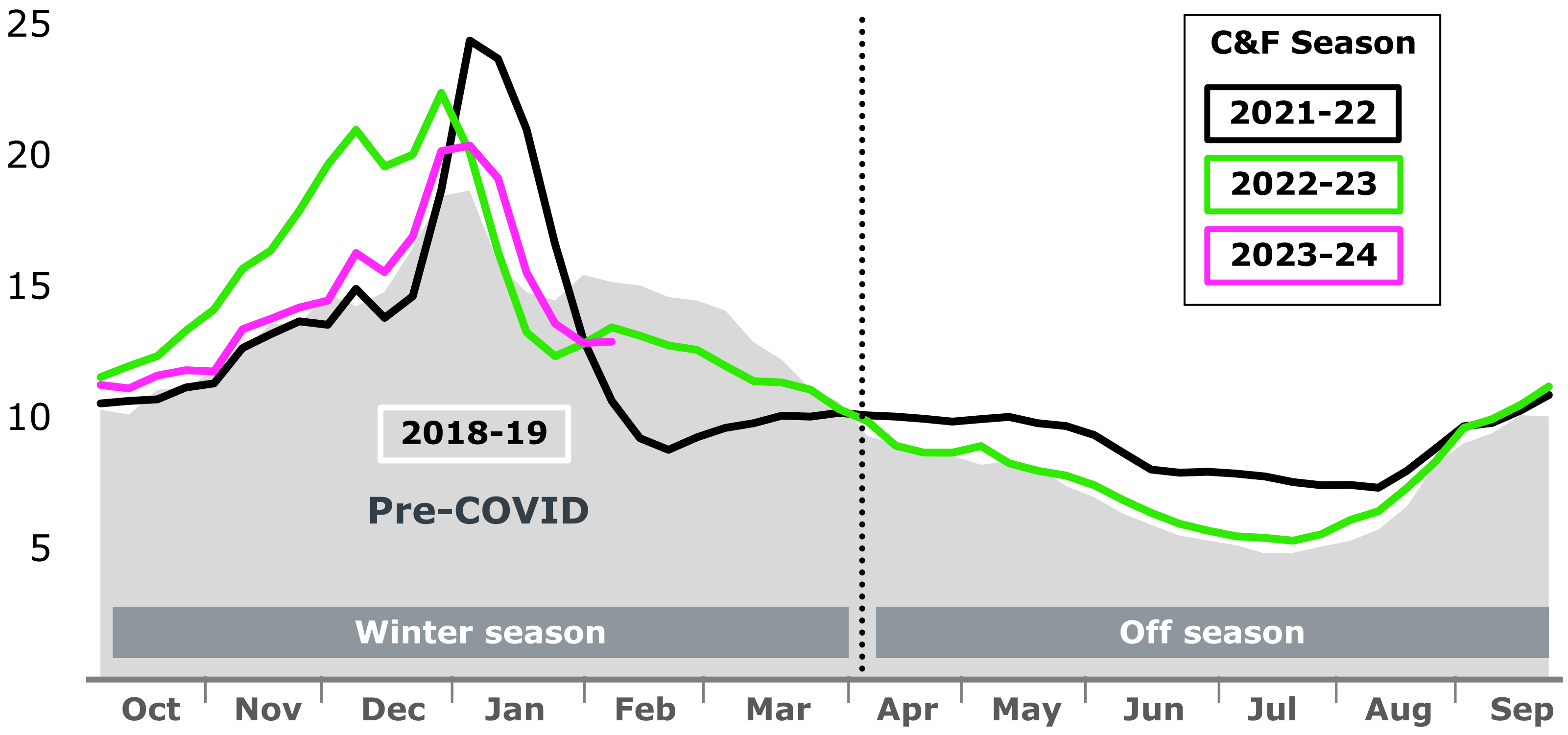
1. Turkey and Argentina
2. Net M&A (predominately the disposal of *Lamisil*) including the impact of Manufacturing Service Agreements (MSAs)

Respiratory

2023 – 2024 cold and flu season to-date returning to pre-COVID levels

Weekly US market cold and flu (million units)

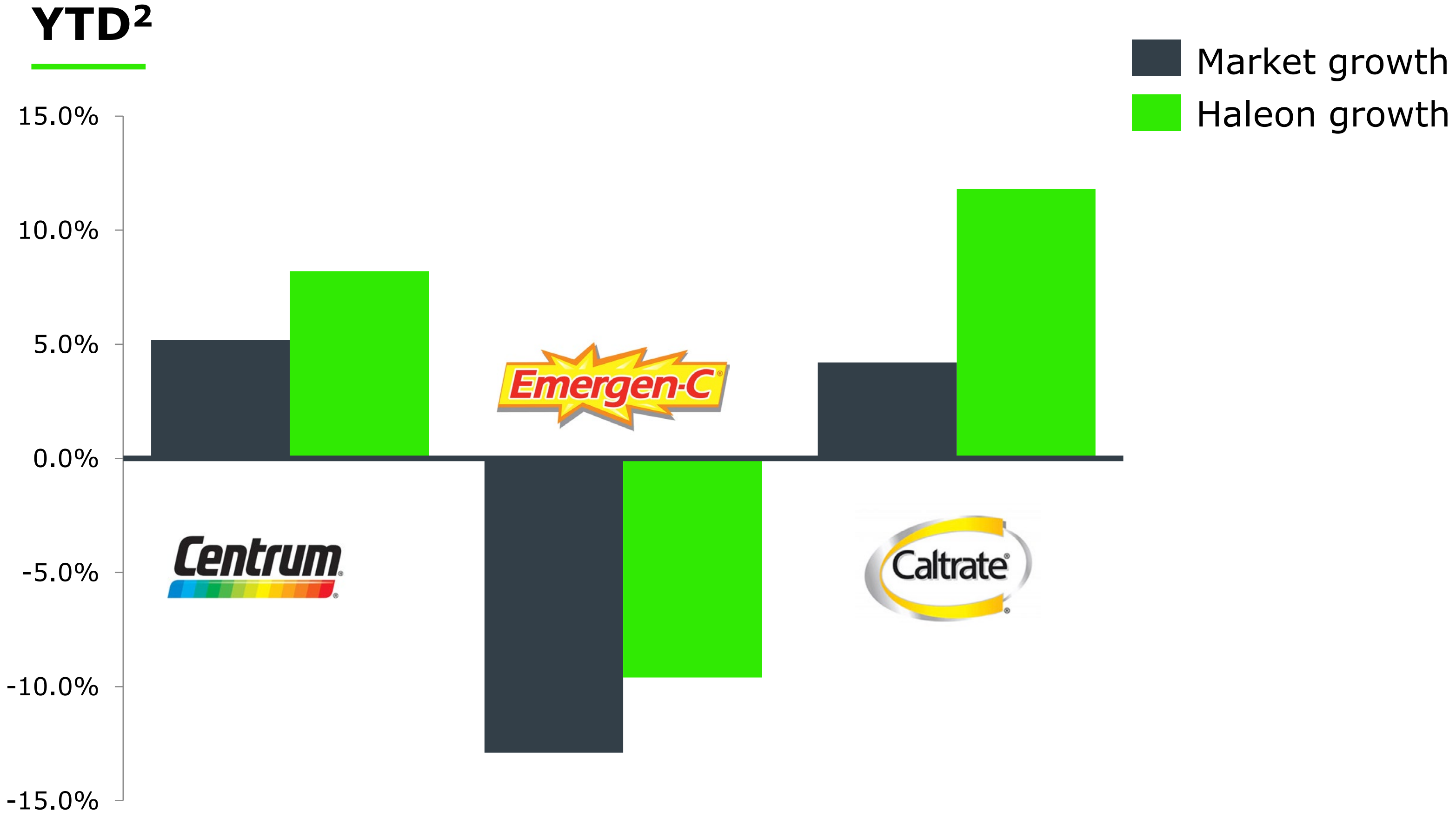


- Trends in Europe similar to US. Geographies which lifted COVID-19 restrictions later, such as China, saw elevated demand in Q4 2022 and Q1 2023 which we are now lapping
- 2023-2024 peak slightly later (early Jan 2024); more consistent with pre-COVID
- Having returned to a more normal season, 2023 a much cleaner base

Source: Circana MULOC+Ecom includes Amazon 1P ePOS, Walgreens.com, RiteAid.com, CVS ePOS, and Ahold Total Home Delivery.
Cough Cold Flu Sinus is aggregate of Adult CCF, Kids CCF, Adult Sinus, and Kids Sinus segments
Excludes 2019-20 due to uniqueness and for scaling

Vitamins, Minerals and Supplements

Market share[1] gains across the three largest VMS brands



- Three key brands (c.85% of VMS revenue) outperforming the market[2]
- Emergen-C return to growth last three months[3]
- Well positioned for future growth in category

[1] Market share based on the Group's analysis of third-party market data of revenue for 12 months to 31 December 2023 including IQVIA, IRI and Nielsen data. Share based on brand's primary geography: Centrum (Global); Emergen-C (US); Caltrate (China)
[2] 12 months to 31 December 2023
3 Last 3 months ending 13 February 2024

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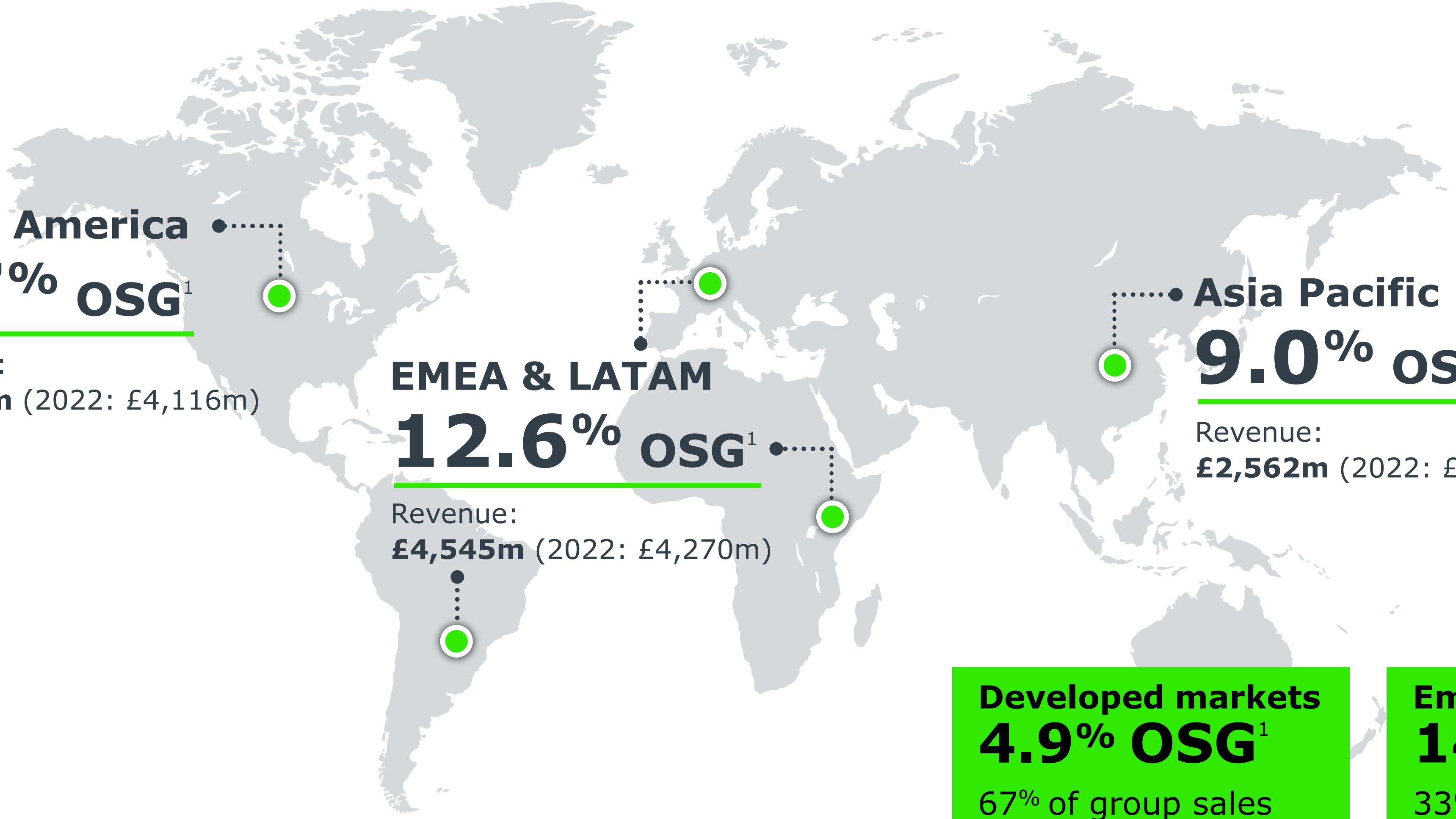
Broad based growth across all regions



North America
2.7% OSG[1]

Revenue:
£4,195m (2022: £4,116m)

EMEA & LATAM
12.6% OSG[1]

Revenue:
£4,545m (2022: £4,270m)

Asia Pacific
9.0% OSG[1]

Revenue:
£2,562m (2022: £2,472m)

Developed markets
4.9% OSG[1]
67% of group sales

Emerging markets
14.5% OSG[1]
33% of group sales

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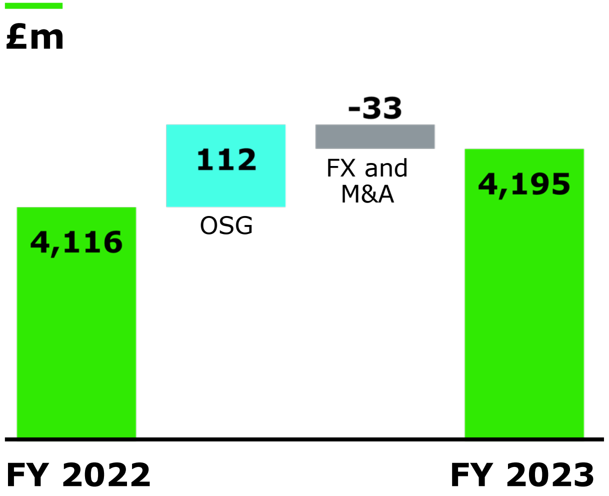
1 Refers to Organic sales growth; Reconciliation of IFRS to Adjusted results can be found in the Appendix

North America

FY growth driven by price; more favourable volume/mix in Q4

Sales

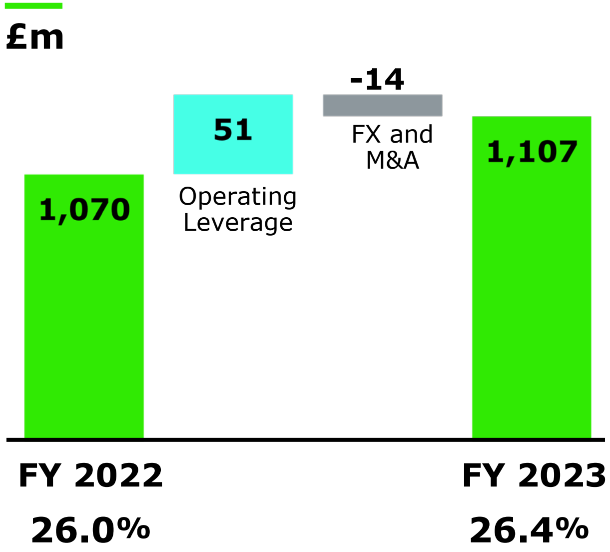
	Organic growth[1]	Price	Volume / mix
FY	2.7%	3.6%	(0.9)%
Q4	3.5%	2.8%	0.7%



- (+) Oral Health, Respiratory Health, Pain Relief
- (+) Q4 volume/mix improvement
- (−) VMS; weakness in immunity impacting Emergen-C

Adjusted operating profit and margin

	CER[2]	Organic growth[1]
FY	4.7%	4.8%



- (+) Pricing
- (+) Strong cost management including targeted A&P spend
- (+) One time tax credit
- (−) Significant cost inflation

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1. Refers to organic revenue growth and organic profit growth; Definition and reconciliation of IFRS to Adjusted results can be found in the Appendix
2. Constant currency rates (CER)

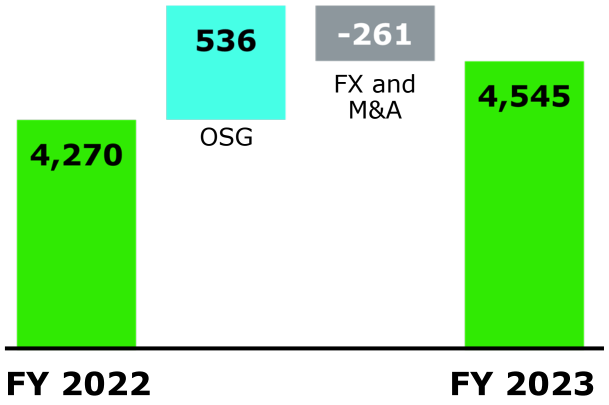
EMEA & LATAM

Strong price underpinning double digit organic growth

Sales

	Organic growth[1]	Price	Volume / mix
FY	12.6%	12.8%	(0.2)%
Q4	10.1%	11.9%	(1.8)%

£m

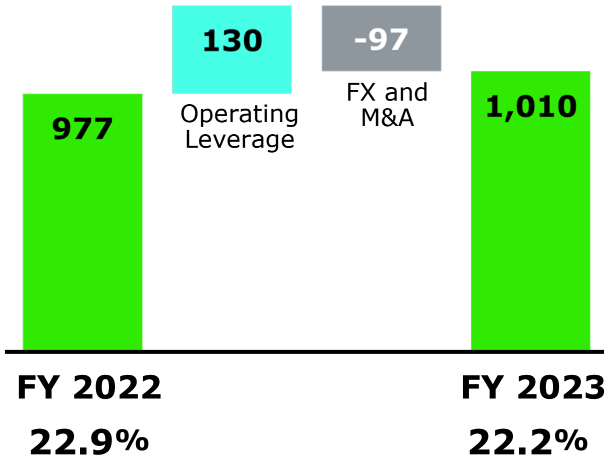


- ⊕ All categories growing with Oral Health, Respiratory Health, Digestive Health & Other growing double digit
- ⊕ High inflation economies[3] (c.3% contribution to OSG)
- ⊖ Local VMS brands

Adjusted operating profit and margin

	CER[2]	Organic growth[1]
FY	12.6%	13.4%

£m



- ⊕ Pricing
- ⊕ Operational efficiencies
- ⊖ Impact of divestments
- ⊖ Increased cost pressure

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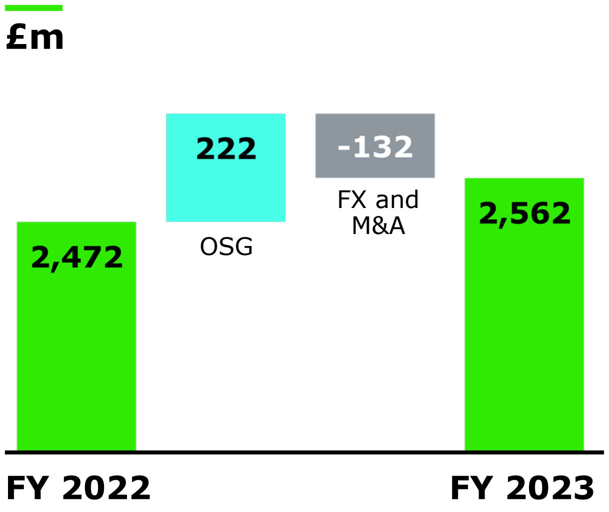
1. Refers to organic revenue growth and organic profit growth; Definition and reconciliation of IFRS to Adjusted results can be found in the Appendix
2. Constant currency rates (CER)
3. Turkey and Argentina

Asia Pacific

Good organic growth more volume/mix driven

Sales

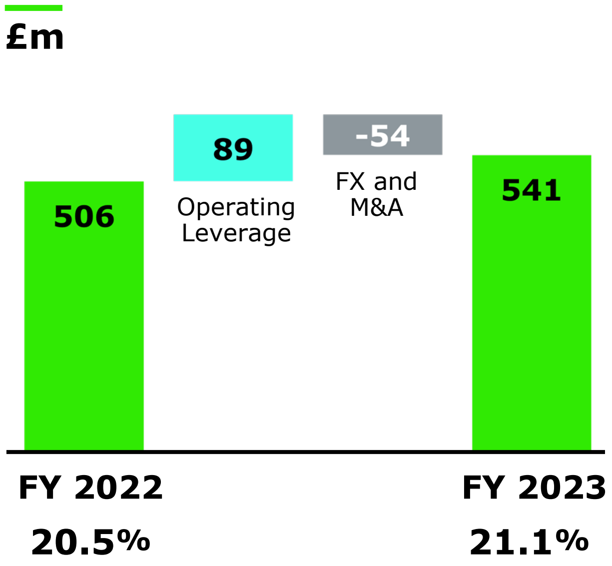
	Organic growth[1]	Price	Volume / mix
FY	9.0%	2.7%	6.3%
Q4	6.8%	3.5%	3.3%



- ⊕ Oral Health, Respiratory Health and Pain Relief (particularly H1)
- ⊕ China, particularly H1

Adjusted operating profit and margin

	CER[2]	Organic growth[1]
FY	17.8%	17.6%



- ⊕ Strong operating leverage
- ⊖ Investment in key emerging markets
- ⊖ Some inflationary cost pressure (albeit less than in other regions)

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1. Refers to organic revenue growth and organic profit growth; Definition and reconciliation of IFRS to Adjusted results can be found in the Appendix
2. Constant currency rates (CER)

Adjusted operating profit +10.4% CER

£m	FY 2023	FY 2022	% change	% change (CER)
Revenue	**11,302**	**10,858**	**4.1**	**7.9**
Adjusted gross profit[1]	**7,001**	**6,772**	**3.4**	**7.3**
% Adjusted gross margin[1]	*61.9%*	*62.4%*	*(0.5)pts*	*(0.4)pts*
Sales, general and admin[1]	(4,155)	(3,997)	4.0	6.0
Research and development[1]	(297)	(303)	(2.0)	(0.7)
Adjusted operating profit[1]	**2,549**	**2,472**	**3.1**	**10.4**
% Adjusted operating margin	*22.6%*	*22.8%*	*(0.2)pts*	*0.5pts*
Depreciation and amortisation[2]	282	258	9.3	10.7
Adjusted EBITDA[1]	**2,831**	**2,730**	**3.7**	**10.5**

H1: Cost inflation not fully offset by pricing and efficiencies
H2: Headwinds eased with gross margin expansion in Q4

Investment in the business including into additional sales force and processes

Operating profit up 10.8% on an organic basis

1 Reconciliation of IFRS to Adjusted results can be found in the Appendix
2 Includes Depreciation – Property Plant and Equipment £152m (FY 2022: £142m), Depreciation – Right of Use Assets: £49m (FY 2022: £38m), Amortisation – Computer Software: £69m (FY 2022: £64m), Impairment – Property Plant and Equipment, Right of Use assets and Computer Software: £12m (FY 2022: £14m)

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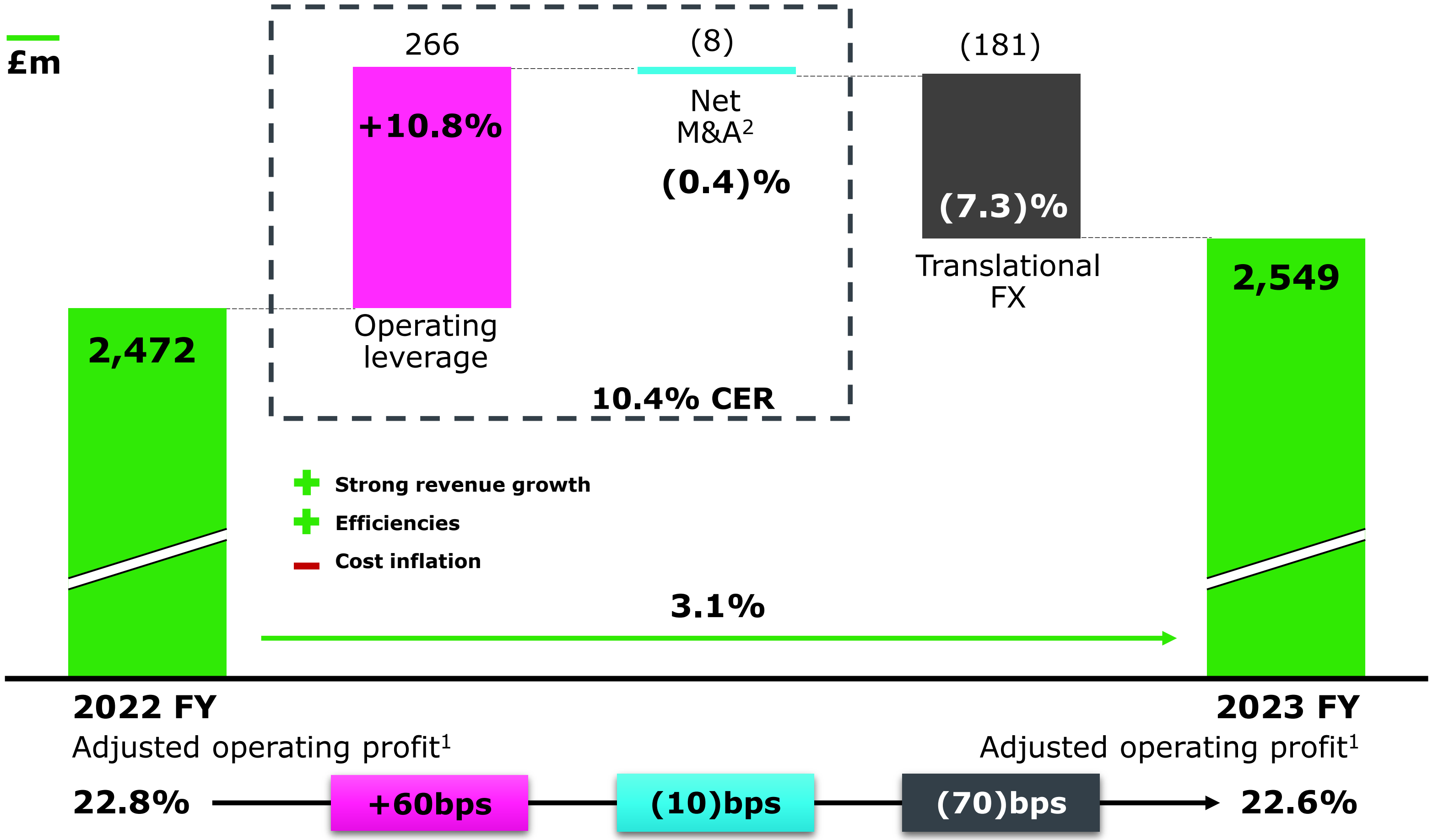
FY Adjusted operating profit growth

+10.4% at constant exchange rates;+60bps operating leverage



- Organic operating profit +10.8% with negative impact from M&A of (0.4)%
- A&P up c.3%; targeted on key growth areas (Oral Health & VMS) and markets (India and China)
- Translational FX: (7.3)% driven by yoy movement of Sterling against Argentine Peso, Chinese Renminbi and emerging market currencies

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1. Reconciliation of IFRS to Adjusted results can be found in the Appendix
2 Net M&A (predominately the disposal of *Lamisil*) including the impact of Manufacturing Service Agreements (MSAs)

Adjusted EPS growth driven by strong operating profit
partly offset by annualisation of interest costs

£m	FY 2023	FY 2022	% change	% change (CER)
Adjusted operating profit[1]	**2,549**	**2,472**	**3.1**	**10.4**
Net finance costs	(368)	(207)	77.8	77.3
Adjusted tax[1]	(512)	(506)	1.2	9.7
% tax rate	*23.5%*	*22.3%*	*1.2pts*	*1.2pts*
Adjusted profit after tax[1]	**1,669**	**1,759**	**(5.1)**	**2.8**
Non controlling interests	(62)	(59)	5.1	11.9
Profit after tax attributed to shareholders of the Group[1]	1,607	1,700	(5.5)	2.5
Adjusted Diluted EPS	**17.3p**	**18.4p**	**(6.0)**	**2.2**

Annualisation of interest

Tax rate in line with prior guidance

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

Operating profit margin +90bps due to reduction in adjusting items

£m	FY 2023	FY 2022	% change
Adjusted operating profit[1]	**2,549**	**2,472**	
Net amortisation and impairment of intangible assets[2]	(224)	(172)	
Restructuring costs[2]	(169)	(41)	
Separation and admission costs[2]	(120)	(411)	
Disposals and other items[2]	(40)	(23)	
Operating profit[3]	**1,996**	**1,825**	
% Operating margin[3]	*17.7%*	*16.8%*	*0.9pts*

Includes ChapStick impairment[4]

Increase largely due to productivity programme; with specific programme costs in line with guidance

Separation costs largely complete; c. £40m remaining in 2024

1 See definitions in Appendix
2 For further detail, please see Appendix
3 Refers to IFRS operating profit and operating margin
4 FY2022 included an impairment of £129m largely related to Preparation H brand

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Strong free cash flow generation

£m	FY 2023	FY 2022
Adjusted operating profit[1]	**2,549**	**2,472**
P&L adjusting items[2]	(553)	(647)
Non-cash movements[3]	586	424
Working capital and other movements[4]	(37)	138
Taxation paid	(445)	(324)
Net interest (paid)/received	(377)	(144)
Distribution to non-controlling interests	(58)	(48)
Capital expenditure[5]	(336)	(328)
Sale of intangibles	246	36
Free cash flow	**1,575**	**1,579**

Working capital reduction largely due to lower receivables given reduced debtor days partially offset by higher inventory

Cash tax now aligning with P&L charge (as guided)

Annualisation of bond interest payments

c. 3% of sales reflecting continued in investment in the business

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

2 Adjusting items include Net amortisation and impairment of intangible assets: £224m (2022: £172m), Restructuring costs: £169m (2022: £41m), Transaction Related Costs: £2m (2022: £8m), Separation and admission costs: £120m (2022: £411m), Disposals and Others: £38m (2022: £15m)

3 Includes Depreciation of property, plant and equipment and rights of use assets: £201m (2022: £180m), Amortisation and impairment of intangible assets: £108m (2022: £107m), Impairment and assets written off, net of reversals: £200m (2022: £143m), Profit on sale of intangible assets: £12m (2022: £(30)m), Share based incentive plans £76m (2022: £15m) and Other non-cash movements: £(11)m (2022: £9m)

4 Working capital incl. returns and rebates: £37m (2022: £50m), decrease in other net liabilities: £(74)m (2022: £88m)

5 Includes purchase of property, plant and equipment: £(234)m (FY 2022: £(304)m) and Purchase of intangible assets: £(102)m (FY 2022: £(24)m)

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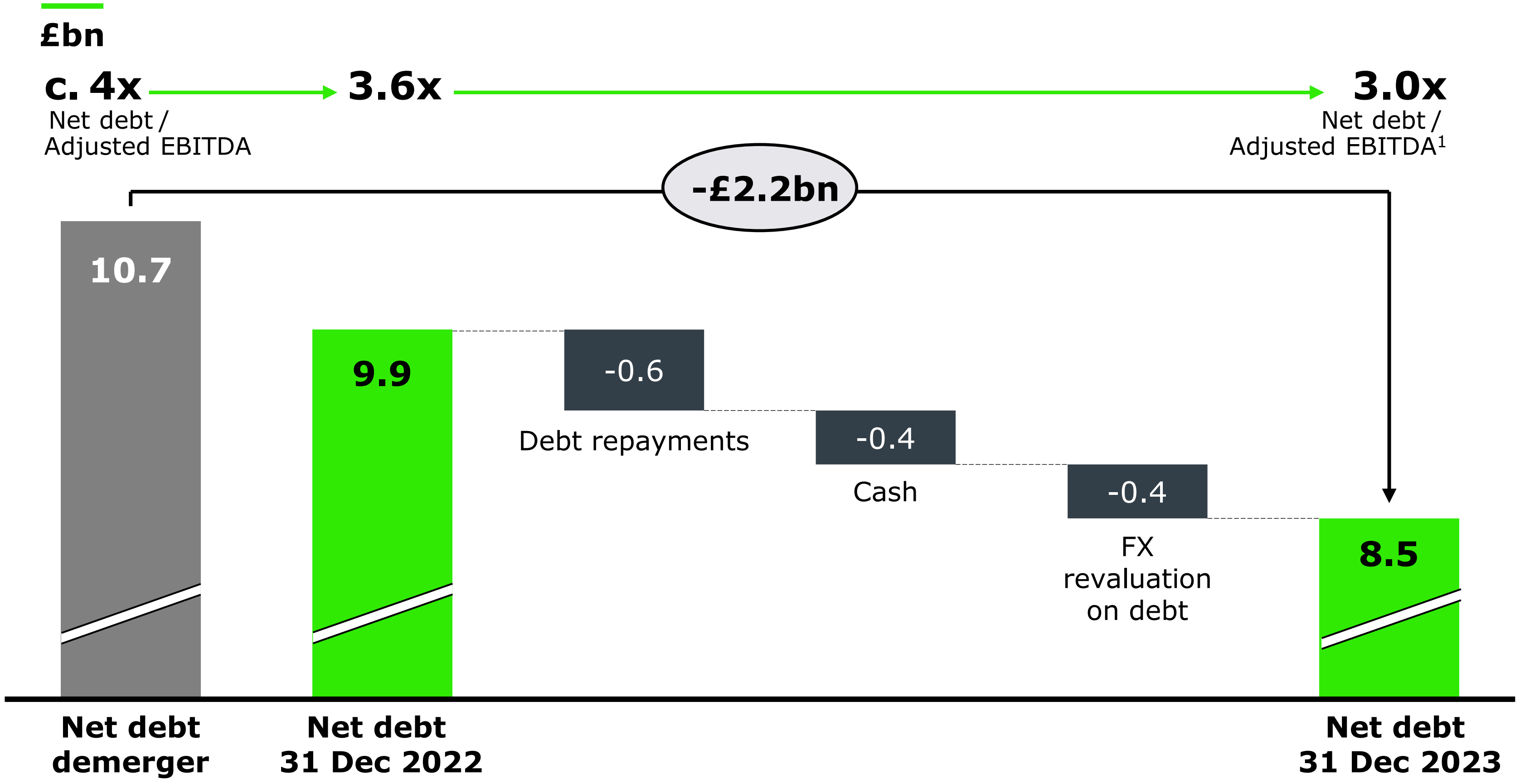
Leverage reduced to 3.0x
– £2.2bn net debt reduction since de-merger



c.3.6%

Cost of bond debt[2]

77%/23%

Fixed/floating[1]

£1bn cash

£0.4bn increase in FY23 and no commercial paper

March 2024

$700m bond repayment to be funded from operational cash flow

1 As at 31 December 2023

2 Weighted average cost for bond debt including impact of hedging activities, and excluding cost of commercial paper, preference shares and leases

3 Definitions of adjusted measures can be found in the Appendix

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Optimising the portfolio to accelerate future growth

Significant rationalisation done pre-listing

Proactive portfolio management to drive further growth

- Simplification of business
- Increased focus on more attractive and consistent growth categories and brands
- Acceleration of overall portfolio top line growth
- Share in future upside of brand potential with a more suited owner (ChapStick)

Disciplined and rigorous strategic approach

Disposal proceeds provide increased optionality around capital allocation

Longer term strategic benefit greater than short term operating profit dilution

Disciplined capital allocation to deliver growth and attractive returns

Investing for growth

- Brand investment
- R&D
- Sustainability
- Digitalisation
- Capital expenditure

M&A

- M&A
- Commercially compelling
- Consistent with strategy

Shareholder returns

- Grow ordinary dividends at least in line with adjusted earnings
- Potential participation in Pfizer and GSK placings
- Return surplus capital to shareholders

Sustained by a strong investment grade balance sheet

Target medium term leverage of around 2.5x net debt / adjusted EBITDA[1]

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1. Definitions of adjusted measures can be found in the Appendix

Shareholder returns

Increased dividend payout ratio from 30% in 2022 to 35% in 2023

£0.8bn dividend payment to shareholders since demerger[1]

- Final proposed 2023 dividend of 4.2p per ordinary share
- Total proposed 2023 dividend of 6p per ordinary share

£500m share buyback announced

1 Includes FY 2022 dividend £222m, Interim 2023 dividend £166m and Final 2023 dividend £388m

Considerations for FY 2024

Organic revenue growth of 4-6%

- Q1 just below the lower end of this range given tough comparatives relating to the strong cold and flu season in Q1 last year as well as the China rebound and performance of Advil in Canada

Organic profit growth to be ahead of organic revenue growth

Net M&A

- Lamisil and ChapStick dilutive on revenue and adjusted operating profit by c.(1)% and c.(3)% respectively[1]

Foreign Exchange[2]:

- Translational FX in 2024 expected at c.(2)% on revenue and c.(3)% on operating profit
- Benefit to organic revenue growth for countries experiencing hyperinflation from pricing now capped

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1 Assuming ChapStick completes Q2 2024
2.Assuming foreign exchange rates as at 16 February 2024 were to hold for the rest of the year. Please see slide 26 for currency detail

Outlook
for full year 2024

Organic revenue growth[1] of 4-6%

Organic profit growth[1]
to be ahead of revenue growth

Net interest expense c. £320m

Adjusted effective tax rate[1] 24-25%

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1 Definitions of adjusted measures can be found in the Appendix

Brian McNamara
CEO

2023
Full year results

Medium term guidance

Annual organic revenue growth of 4-6%[1]

Organic operating profit growth ahead of organic revenue growth

Net debt/EBITDA[2] **of around 2.5x**

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

Strong performance, with 8.0% organic revenue growth and 10.4% adjusted operating profit growth[1]

Our strategy is delivering, with growth across all categories and regions demonstrating portfolio resilience

Implementing change to become more agile

Proactively managing portfolio with disposals of Lamisil and ChapStick reducing complexity in the business and increasing focus on higher growth brands

Continued progress on sustainability on environmental targets and ambitions on health inclusivity

Increasingly confident in medium term guidance and continue to build track record of delivery

1 At constant exchange rates (CER)

Appendix

2023

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, organic 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.

Organic measures represent **adjusted revenue and adjusted operating profit**, excluding the impact of acquisitions, divestments and closures of brands or businesses, manufacture and supply agreements (MSAs) relating to divestments and closure of brands or production sites, and the impact of currency exchange movements.

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.

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

Broad based growth across categories

	FY23 Revenue	Organic revenue growth[1]				
	£m	**FY**	**Q1**	**Q2**	**Q3**	**Q4**
Oral Health	3,136	10.6%	6.6%	15.4%	9.4%	11.5%
VMS	1,640	0.9%	(3.7)%	2.7%	1.4%	3.1%
Pain Relief	2,652	7.4%	11.0%	14.9%	6.2%	(1.8)%
Respiratory Health	1,736	13.7%	33.0%	9.2%	4.2%	10.9%
Digestive Health and Other	2,138	6.5%	7.3%	8.1%	0.9%	10.1%
TOTAL	**11,302**	**8.0%**	9.9%	11.0%	5.0%	6.7%
Price		*7.0%*	*7.1%*	*7.9%*	*6.6%*	*6.4%*
Volume/Mix		*1.0%*	*2.8%*	*3.1%*	*(1.6)%*	*0.3%*

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

Considerations for phasing of growth

Key

+ Weak comparative
– Challenging comparative

Considerations for 2024 performance (unless otherwise stated)

	2023 % of revenue	Q1	Q2	Q3	Q4
Oral Health	**28%**				
VMS	**15%**				
Pain Relief	**23%**	– Strong Fenbid demand (China) – Strong Advil demand (Canada)	– Strong Fenbid demand (China)	+ Fenbid destocking	
Respiratory Health	**15%**	– Strong cold & flu season – Strong Contac demand (China)	+ Weak allergy season	+ Weak allergy season	
Digestive Health and Other	**19%**		– ChapStick sale completion expected	+ US inventory reduction	
Price (FY23)		***+7.1%***	***+7.9%***	***+6.6%***	***+6.4%***

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Translational currency impact

Currency	FY 2023 currency as % of total revenue	Average 2022	Average 2023	Spot 31.12.23	Spot 16.2.24
USD	33%	1.24	1.24	1.27	1.26
EUR	16%	1.17	1.15	1.15	1.17
CNY	*8%*	8.31	8.81	9.06	9.08
CAD	*<5%*	1.61	1.68	1.69	1.70
AUD	*<5%*	1.78	1.87	1.87	1.93
JPY	*<5%*	161	175	180	189
RUB		86	105	115	116
ZAR		20	23	24	24
INR		97	103	97	104
ARS	*c. 10%*	161	382	1030	1052
PKR		252	347	355	352
TRY		20	30	38	39
EGP		24	38	39	39
Others	*c. 25%*	100		100	101

- **2023 unfavourable translational foreign exchange impact**
  - c. (3.8)% on revenue
  - c. (7.3)% on adjusted operating profit
- **2024 estimated unfavourable translational foreign exchange impact**
  - c.(2)% revenue
  - c.(3)% on adjusted operating profit

Assuming exchange rates as of 16th February 2024 were to hold for the remainder of the year

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IFRS and Adjusted Income Statement

Unaudited

2023

£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	**11,302**						**11,302**
Gross profit	6,747	224	26	—	4	—	7,001
Gross profit margin %	*59.7%*						*61.9%*
Operating profit	**1,996**	**224**	**169**	**2**	**120**	**38**	**2,549**
Operating profit margin %	*17.7%*						*22.6%*
Net finance costs	(368)	—	—	—	—	—	(368)
Profit before tax	**1,628**	**224**	**169**	**2**	**120**	**38**	**2,181**
Income tax	(517)	(53)	(35)	—	(29)	122	(512)
Effective tax rate %	*31.8%*						*23.5%*
Profit after tax for the year	**1,111**	**171**	**134**	**2**	**91**	**160**	**1,669**
Profit attributable to shareholders	1,049	171	134	2	91	160	1,607
Diluted earnings per share (pence)	11.3	1.8	1.4	-	1.1	1.7	17.3
Weighted average number of shares (diluted) (millions)	9,263						9,263

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 %	*30.8%*						*22.3%*
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

1. **Net amortisation and impairment of intangible assets**: includes impairment of intangible assets of £185m (2022: £129m) and amortisation of intangible assets excluding computer software of £39m (2022: £43m) .
2. **Restructuring costs:** includes amounts related to business transformation activities.
3. **Transaction-related costs:** includes amounts related to the 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 losses/(gains) on disposals of assets and businesses totalling £38m (2022: £(20)m) . The tax effect includes a £155m tax charge related to intragroup transfers.

Reconciliation of FY organic growth

Product Categories

2023 vs 2022 (%)	Oral Health	VMS	Pain Relief	Respiratory Health	Digestive Health and Other	Total
Revenue Growth	**6.1**	**(2.1)**	**4.0**	**9.9**	**2.0**	**4.1**
Organic Adjustments	-	-	0.2	-	0.5	0.1
Effect of Exchange Rates	4.5	3.0	3.2	3.8	4.0	3.8
Organic Revenue Growth	**10.6**	**0.9**	**7.4**	**13.7**	**6.5**	**8.0**

Geographical Segments

2023 vs 2022 (%)	North America	EMEA and LatAm	APAC	Total
Revenue Growth	**1.9**	**6.4**	**3.6**	**4.1**
Organic Adjustments	-	0.2	-	0.1
Effect of Exchange Rates	0.8	6.0	5.4	3.8
Organic Revenue Growth	**2.7**	**12.6**	**9.0**	**8.0**
Price	**3.6**	**12.8**	**2.7**	**7.0**
Volume / Mix	**(0.9)**	**(0.2)**	**6.3**	**1.0**

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Reconciliation of quarterly organic growth

North America

2023 vs 2022 (%)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023
Revenue Growth	**14.0**	**4.4**	**(7.5)**	**(1.0)**	**1.9**
Organic Adjustments		-	-	0.1	-
Effect of Exchange Rates	(8.9)	(0.1)	6.0	4.4	0.8
Organic Revenue Growth	**5.1**	**4.3**	**(1.5)**	**3.5**	**2.7**
Price	**3.6**	**5.8**	**2.6**	**2.8**	**3.6**
Volume/Mix	**1.5**	**(1.5)**	**(4.1)**	**0.7**	**(0.9)**

EMEA & LatAm

2023 vs 2022 (%)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023
Revenue Growth	**13.3**	**11.2**	**1.7**	**0.2**	**6.4**
Organic Adjustments	0.4	0.1		0.5	0.2
Effect of Exchange Rates	(0.6)	5.5	9.1	9.4	6.0
Organic Revenue Growth	**13.1**	**16.8**	**10.8**	**10.1**	**12.6**
Price	**12.6**	**13.9**	**12.7**	**11.9**	**12.8**
Volume/Mix	**0.5**	**2.9**	**(1.9)**	**(1.8)**	**(0.2)**

APAC

2023 vs 2022 (%)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023
Revenue Growth	**13.7**	**6.0**	**(4.6)**	**(0.5)**	**3.6**
Organic Adjustments	(0.6)	0.2	0.1	0.5	-
Effect of Exchange Rates	(1.4)	5.3	10.4	6.8	5.4
Organic Revenue Growth	**11.7**	**11.5**	**5.9**	**6.8**	**9.0**
Price	**3.4**	**1.1**	**2.9**	**3.5**	**2.7**
Volume/Mix	**8.3**	**10.4**	**3.0**	**3.3**	**6.3**

Group

2023 vs 2022 (%)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023
Revenue Growth	**13.7**	**7.5**	**(3.3)**	**(0.4)**	**4.1**
Organic Adjustments	-	0.1	-	0.4	0.1
Effect of Exchange Rates	(3.8)	3.4	8.3	6.7	3.8
Organic Revenue Growth	**9.9**	**11.0**	**5.0**	**6.7**	**8.0**
Price	**7.1**	**7.9**	**6.6**	**6.4**	**7.0**
Volume/Mix	**2.8**	**3.1**	**(1.6)**	**0.3**	**1.0**

Free cash flow and Adjusted EBITDA

Free cash flow

£m	Twelve months to 31 Dec 2023	2022
Net cash inflow from operating activities	**2,100**	**2,063**
Less: Capital expenditure[1]	(336)	(328)
Add: Sale of intangibles	246	36
Less: Distributions to non-controlling interests	(58)	(48)
Add: Interest received	27	19
Less: Interest paid	(404)	(163)
Free cash flow	**1,575**	**1,579**

Adjusted EBITDA[2]

£m	Twelve months to 31 Dec 2023	2022
Adjusted operating profit[2]	**2,549**	**2,472**
Add: Depreciation – Property Plant and Equipment	152	142
Add: Depreciation – Right of Use Assets	49	38
Add: Amortisation – Computer Software	69	64
Add: Impairment – Property Plant and Equipment, Right of Use assets and Computer Software	12	14
Adjusted EBITDA[2]	**2,831**	**2,730**

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1 Includes purchase of property, plant and equipment: £(234)m (FY 2022: £(304)m) and Purchase of intangible assets: £(102)m (FY 2022: £(24)m)
2 Definitions can be found in the Appendix

Debt profile

Net debt

£m	Group net debt at 31 Dec 2023	Group net debt at 31 Dec 2022
Short-term borrowings[1]	656	437
Long-term borrowings	8,800	10,003
Derivative financial liabilities	190	206
Cash and cash equivalents and liquid investments	(1,044)	(684)
Derivative financial assets	(88)	(94)
Net debt	8,514	9,868

c.7.0 years

Duration[2]

c.3.6%

Cost of debt[3]

£8.5bn

Net debt as of Dec 2023

1 2023 includes the reclassification of $700m (£656m) bond due in March 2024 and no commercial paper (2022: £302m commercial papers)

2 Weighted average time to maturity for bond debt as at 31 December 2023

3 Weighted average cost for bond debt including impact of hedging activities, and excluding cost of commercial paper, preference shares and leases

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2023 full year results

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