

H1 2025 Results Haleon Aide Memoire

Haleon plc (the "Company" or "Haleon") has prepared this pre-announcement aide-memoire, which includes statements made in previous public communications by Haleon. All statements in this aide-memoire have been extracted from their original source and, therefore, by definition, they should only be taken as speaking as at the date they were initially made, and they do not reflect subsequent or recent events, circumstances, or developments. Any updates to these and other previously made statements would only be included in further communications by Haleon to the market and the inclusion of the extracted statements herein should not be taken to indicate that they will not be updated in the future. This includes the items listed under "Overall revenue performance", "Category performance comments", "Geographic regions" and "Other comments for consideration" below, which you may wish to consider in modelling Haleon plc's financial performance ahead of the H1 2025 results release scheduled for 31 July 2025. Please note that the items listed below are not exhaustive and that other factors may affect the comparisons for H1 2025 versus the same period last year.

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

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

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

Outlook

With the FY 2024 results on 27 February 2025 and the Q1 2025 Trading Statement on 30 April 2025, we provided the following guidance in the release and on the analyst/investor call:

Revenue

- FY 2025 organic revenue growth expected to be 4-6%
- Organic revenue growth expected to be weighted towards second half of the year
- On the Q1 2025 analyst conference call, it was commented that "in Q2, we are expecting (organic revenue growth) to be broadly similar to Q1"

Organic profit growth and adjusted operating margin

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

A reminder of other FY 2025 guidance outlined in the Q1 2025 Trading Statement

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

Impact of divestments

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

Foreign exchange

Based on the Bloomberg consensus rates as of 30 June 2025, (averaged over 2025), the expected full year foreign exchange translation headwind is expected to be c.(4.0)% and c.(6.5)% on net revenue and adjusted operating profit respectively. This reflects the recent strengthening of Sterling against US Dollar which has moved from 1.29 on 31 March 2025 to 1.37 on 30 June 2025.

For H1 2025, the Company anticipates a foreign exchange translation impact of approximately (4.3)% to Group revenue and (6.4)% to adjusted operating profit.

At the Capital Markets Day, Haleon announced that it was taking action to reduce FX volatility including minimising the currency mismatch between costs and revenue and reviewing our manufacturing network strategy.

Overall revenue performance

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024	Q1 2025
ORG ¹	3.0%	4.1%	6.1%	6.8%	5.0%	3.5%
Price	5.0%	3.4%	3.3%	2.7%	3.7%	2.4%
Volume/mix	(2.0)%	0.7%	2.8%	4.1%	1.3%	1.1%

¹:Organic Revenue Growth

Category performance comments

Organic revenue growth	Q1 2024	Q2 2024	HY 2024	Q1 2025
Oral Health	10.6%	9.1%	9.9%	6.6%
VMS	9.9%	8.5%	9.2%	0.9%
Pain Relief	(4.8)%	(4.0)%	(4.4)%	2.6%
Respiratory Health	(2.7)%	(1.5)%	(2.3)%	1.7%
Digestive Health & Other	2.4%	7.5%	4.9%	3.0%

- **Oral Health** – Q1 organic revenue growth was 6.6% driven by continued strong performance across *Sensodyne*, *parodontax*, and *Denture Care*. In North America, growth was impacted by timing of shipments.
- **VMS** – 0.9% organic revenue growth in Q1 2025 was impacted by a double-digit decline from *Centrum* in North America. *Caltrate* and *Emergen-C* both delivered mid-single digit growth, benefitting from innovation launches in the quarter and the increased incidence of cold & flu in North America, respectively.
- **Pain Relief** – Growth in Q1 2025 was driven by mid-single digit growth in both *Advil* and *Voltaren*. The former being helped by retailer stocking patterns. *Panadol* grew low-single digit, impacted by retailer stocking patterns in Middle East & Africa, which on the conference call we stated was “expected to reverse in Q2.”
- **Respiratory Health** – Organic revenue grew low-single digit in Q1 2025, benefitting from a “stronger than expected” cold and flu season in North America, partly offset by “a weaker season elsewhere”. Organic revenue declined in Q2 2024, as Haleon proactively ran down inventory of US oral products containing phenylephrine (PE), following the US FDA’s Advisory Committee recommendation to remove oral PE from its approved list of ingredients for cough and cold medicines. This adversely impacted growth in the category by c.2% and c.0.5% for the Haleon Group in H1 2024.
- **Digestive Health and Other** – The Digestive Health sub-segment was up low-single digit in Q1 2025. Skin Health grew mid-single digit. Smokers Health declined mid-single digit reflecting weak market conditions in North America.

Geographic regions

	North America				EMEA & LatAm				Asia Pacific			
	Q1 2024	Q2 2024	H1 2024	Q1 2025	Q1 2024	Q2 2024	H1 2024	Q1 2025	Q1 2024	Q2 2024	H1 2024	Q1 2025
ORG ¹	(3.3)%	1.0%	(1.3)%	1.0%	8.6%	7.2%	7.9%	5.0%	3.3%	3.7%	3.5%	4.2%
Price	4.5%	1.7%	3.2%	(0.8)%	7.5%	5.3%	6.4%	5.6%	1.7%	2.8%	2.2%	1.5%
Volume/ mix	(7.8)%	(0.7)%	(4.5)%	1.8%	1.1%	1.9%	1.5%	(0.6)%	1.6%	0.9%	1.3%	2.7%

¹::Organic Revenue Growth

- **North America** – Growth in Q1 2025 was impacted by “the consumer and customer environment being cautious and uncertain”. On the Q1 2025 conference call it was commented that, “consumption saw healthy growth and was ahead of organic revenue growth.” Negative pricing largely reflected promotional activity in the quarter
- **EMEA and LatAm** – Growth in Q1 2025 was driven by price which was partly offset by a decline in volume/mix. The volume/mix decline of (0.6)% was driven by a soft cold and flu season. Excluding which, volume/mix would have grown c.1%. Geographically, Central & Eastern Europe was up high-single digit. Latin America, Southern Europe, Germany and Middle East and Africa all grew mid-single digit. Northern Europe was up low-single digit
- **Asia Pacific** – Growth in Q1 2025 was broad-based across the categories, save for Respiratory Health, which was held back by a weak cold & flu season. Geographically, India grew high-single digit. North Asia, South East Asia & Taiwan, China and Australia/New Zealand were all up mid-single digit

Other comments for consideration

Free Cash flow

In H1 2024, we reported free cash flow of £831m. Typically, Haleon’s free cash flow is weighted to H2.

H1 2024 free cash flow included £331m of proceeds from the sale of ChapStick. Excluding this, free cash flow was £500m.

Debt

Other factors which will impact the Company’s net debt performance include:

- During Q1 2025, Haleon purchased c.£170m in connection with Pfizer’s share offering
- A further c.£330m to be returned to shareholders through a market share buyback programme announced in February 2025, which will complete £500m allocated to share buybacks for 2025. On 26 June, Haleon announced that it had completed the First Tranche of this buyback programme, repurchasing c.51m shares all of which were cancelled for an aggregate consideration of c.£200m
- In March 2025, Haleon repaid a \$1,750m bond which was partly funded through c. £900m raised in bonds in September 2024
- On 27 June, Haleon completed the acquisition of the remaining 12% equity interest in Tianjin TSKF Pharmaceutical Co., Ltd. ("TSKF") for RMB 1,623m (c. £0.2bn)

Dividend

At FY 2024 results, Haleon stated that it expects to grow its ordinary dividend at least in line with adjusted earnings. As previously stated at FY 2022 results, subject to Board approval, future ordinary dividends are expected to be paid half-yearly with approximately one third of the dividend paid as an interim dividend, following the Company’s half-year results. For FY 2024, the total dividend was 6.6p per ordinary share.

Number of shares

At 31 December 2024, the total number of ordinary shares issued by Haleon with rights to vote were 9,053.4m

Following the Haleon purchase of c.44.2m ordinary shares from Pfizer Inc. on 21 March 2025 along with shares purchased through the on-market buyback programme which have subsequently been cancelled, the total number of ordinary shares issued by Haleon with rights to vote as of 30 June was 8,984.7m.

Prior year comparatives and recent performance

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024	Q1 2025
North America	5.1%	4.3%	(1.5)%	3.5%	2.7%	(3.3)%	1.0%	4.8%	2.4%	1.1%	1.0%
EMEA and LatAm	13.1%	16.8%	10.8%	10.1%	12.6%	8.6%	7.2%	6.1%	9.8%	7.9%	5.0%
APAC	11.7%	11.5%	5.9%	6.8%	9.0%	3.3%	3.7%	8.2%	9.9%	6.0%	4.2%
Total	9.9%	11.0%	5.0%	6.7%	8.0%	3.0%	4.1%	6.1%	6.8%	5.0%	3.5%

Quarterly historical organic revenue growth for the new six category split can be found in a separate press release: [Haleon Historic Proforma Category Financial Performance](#)

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