



2024 Third quarter trading statement

October 2024

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



Tobias Hestler
CFO

Third quarter 2024 results

6.1%

Organic revenue growth¹

3.3%/2.8%

Price / Volume Mix

5.4%

Power Brand growth

9m results

4.4%

Organic revenue growth¹

4.0%/0.4%

Price / Volume Mix

Q3 organic growth¹ balanced between price and volume/mix underpinned by share gains

Growth algorithm delivering with organic gross margin expansion enabling high-single digit investment in A&P²

Another good quarter of organic profit¹ growth

Q3 organic profit increased +7.4% taking 9m to +9.7% resulting in YTD margin of 22.8% (+120 bps organic)

Delivering on capital allocation priorities

- Agreed to increase stake in China JV for c. £0.5bn
- Completed disposal of Nicotine Replacement Therapy (NRT) business outside US for up to £0.5bn
- Returned >£1bn to shareholders

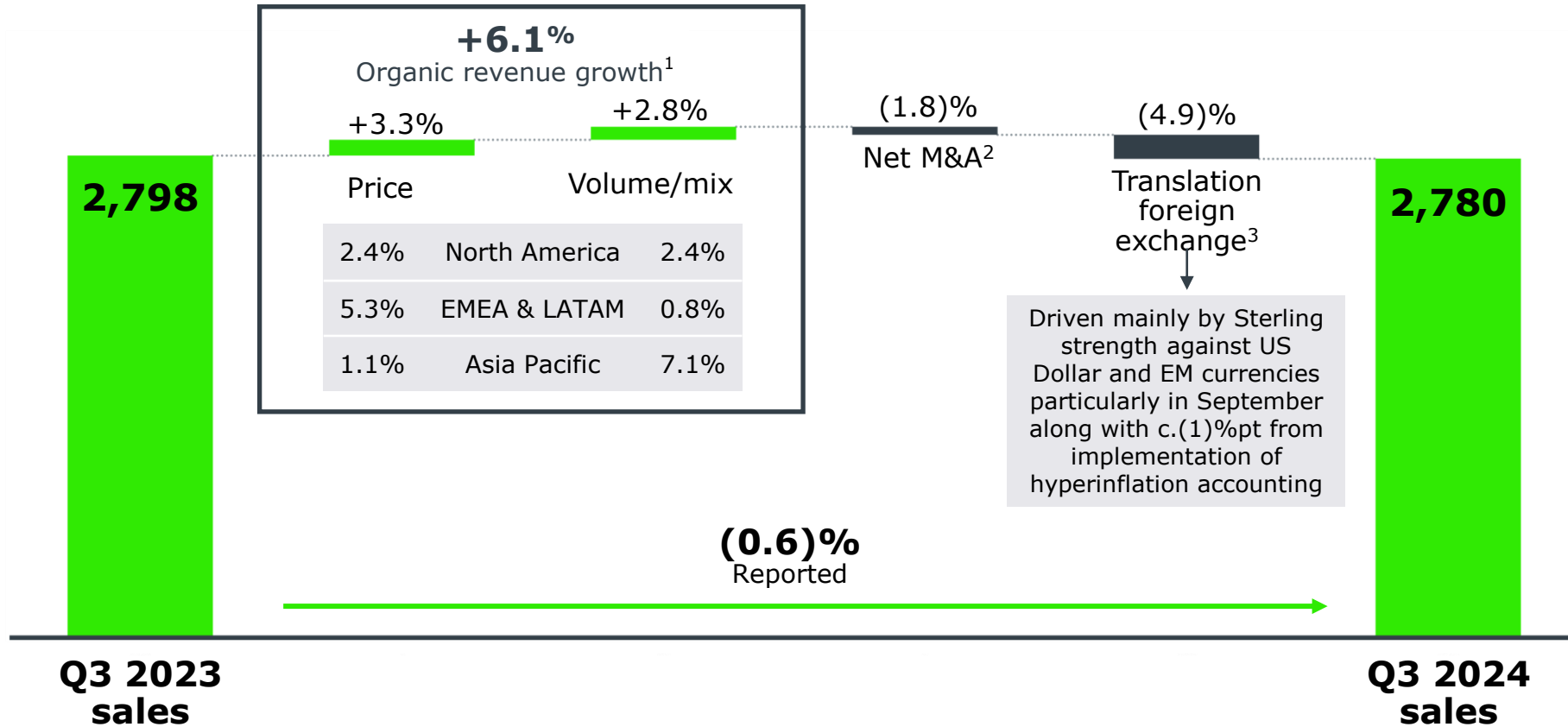
Reiterating confidence in FY 2024 guidance

- On track for 4-6% organic revenue growth¹ and high-single digit organic profit growth¹
- Well placed to deliver medium-term guidance

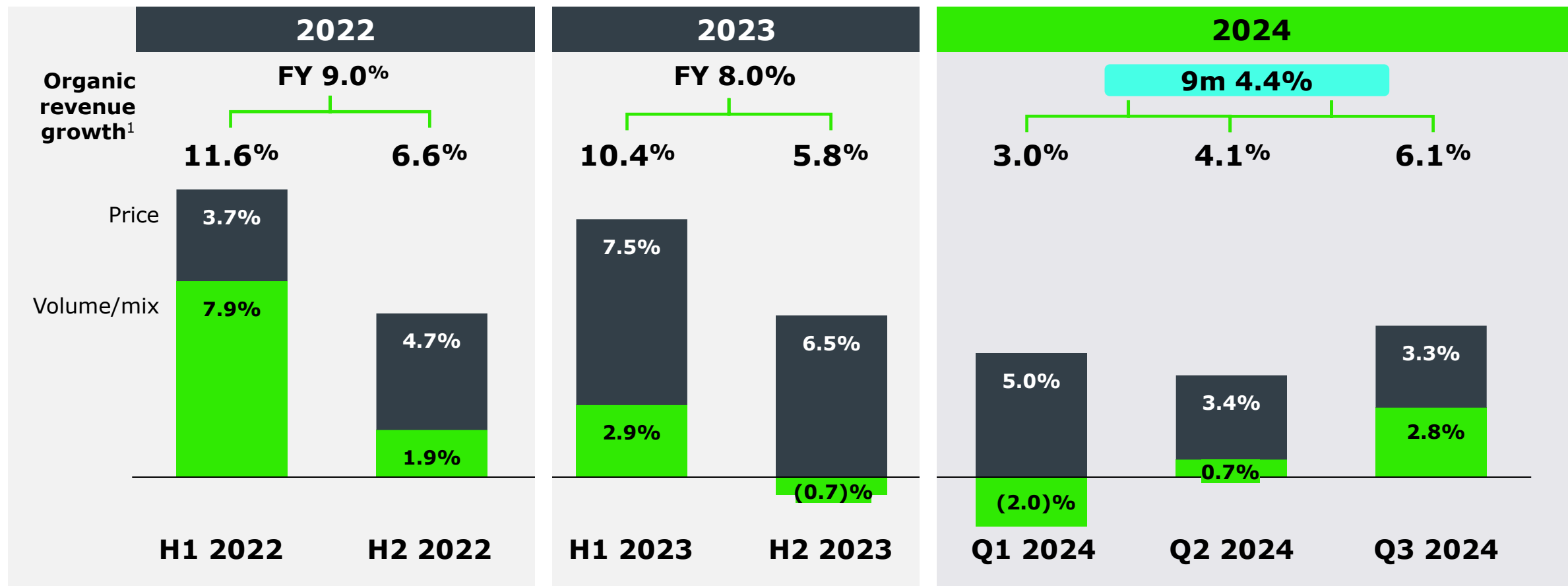
Strong Q3 organic revenue growth

All three regions delivered volume/mix growth

£m



Strong volume/mix with pricing normalising



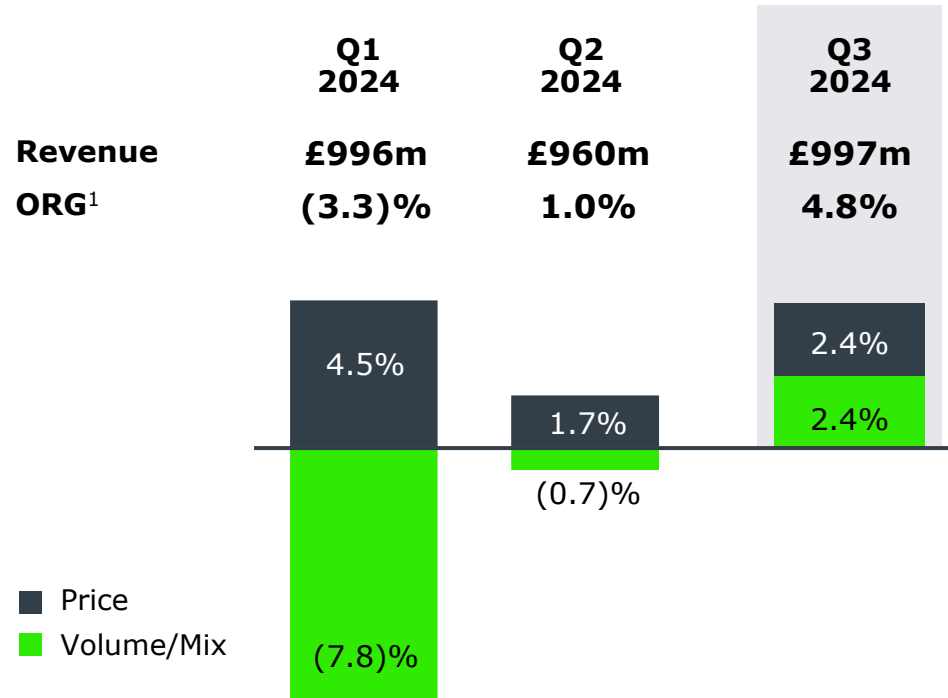
Portfolio delivering robust growth

Strong performance in Q3 with growth across all categories

	9m 2024 revenue	Organic revenue growth ¹	Q3 2024 revenue	Organic revenue growth ¹	
	£m	%	£m	%	
Oral Health	2,493	9.3%	810	8.2%	• High-single digit growth in <i>Sensodyne</i> • Double digit growth in <i>parodontax</i>
VMS	1,264	7.3%	407	3.7%	• Double digit growth of <i>Caltrate</i> • Broadly flat performance in <i>Centrum</i> against tough comparatives in US (+14%) and China (+22%)
Pain Relief	1,931	(2.1)%	628	3.1%	• Strength in <i>Advil</i> and <i>Fenbid</i> with <i>Voltaren</i> flat • Mid-single digit decline in <i>Panadol</i>
Respiratory Health	1,244	1.6%	456	9.1%	• Growth reflects shipment of reformulated products which do not include phenylephrine (PE) in US • Allergy de-stock after weak season
Digestive Health and Other	1,542	5.3%	479	5.9%	
TOTAL	8,474	4.4%	2,780	6.1%	• Lapping de-stock in Q3 2023 in North America • High-single digit growth in Digestive Health driven by <i>Tums</i>

North America

Continued share gains with overall market improving



Oral Health

Mid-single digit growth with share gains in *Sensodyne*

VMS

Low-single digit growth with continued share gains. *Centrum* flat against tough comparative.

Pain Relief

Up mid-single digit driven by *Advil* and *Voltaren*

Respiratory Health

Double digit growth from shipment of reformulated cold and flu products not containing PE combined with new innovation

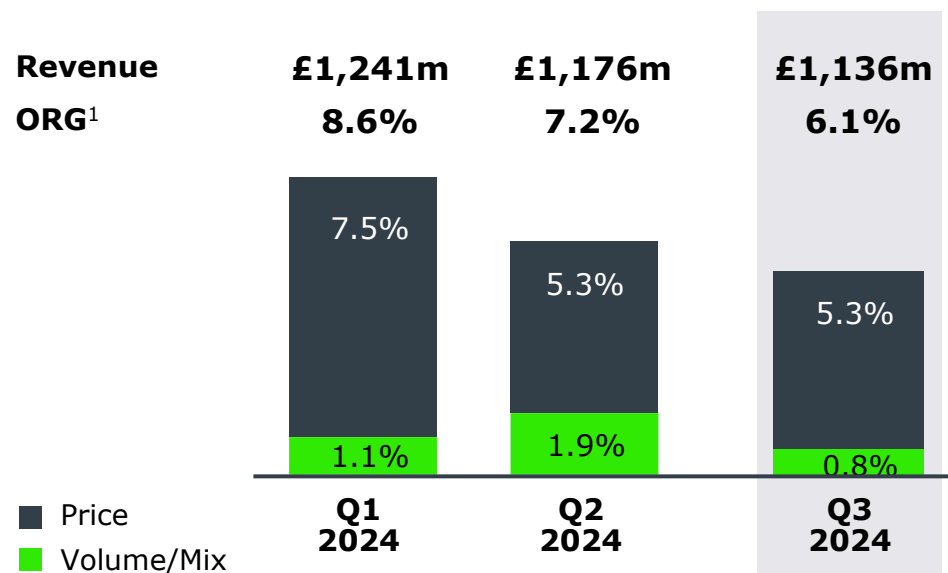
Digestive Health and Other

Mid-single digit growth lapping de-stock seen in Q3 2023. Strong growth in *Tums*.



EMEA & LatAm

Strong performance supported by pricing



Oral Health

Mid-single digit growth with strength in *Sensodyne* and *parodontax*

VMS

Mid-single digit growth. High-single digit growth in *Centrum*.

Pain Relief

Flat with growth in Local Brands including *Grand-Pa* offsetting a decline in *Panadol* and *Voltaren*

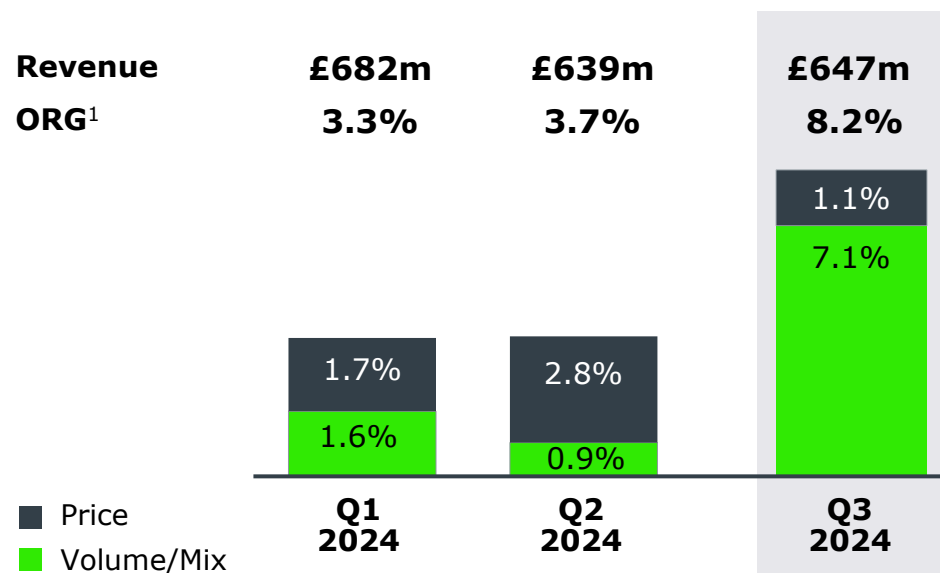
Respiratory Health

Up high-single digit driven by *Otrivin*



Asia Pacific

Strong growth as adverse *Fenbid* comparative falls away



Oral Health

Double digit growth driven by strength in *Sensodyne* with strong performance in India and South East Asia & Taiwan

VMS

Mid-single digit growth with strength in *Caltrate* partly offset by a decline in *Centrum* arising from tough comparative in Q3 2023

Pain Relief

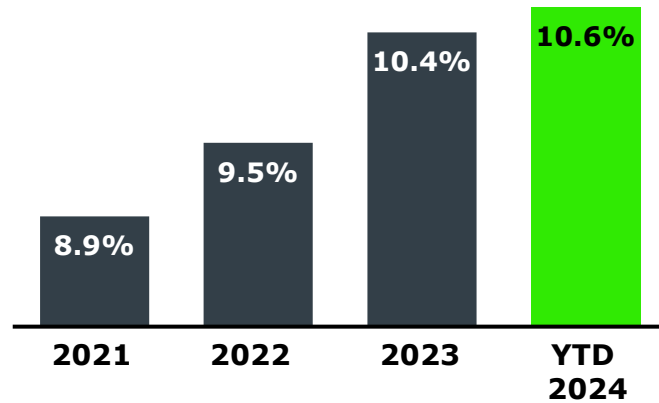
Double digit growth with strength in *Voltaren* partly offset by a decline in *Panadol*



Building on strong performance in China

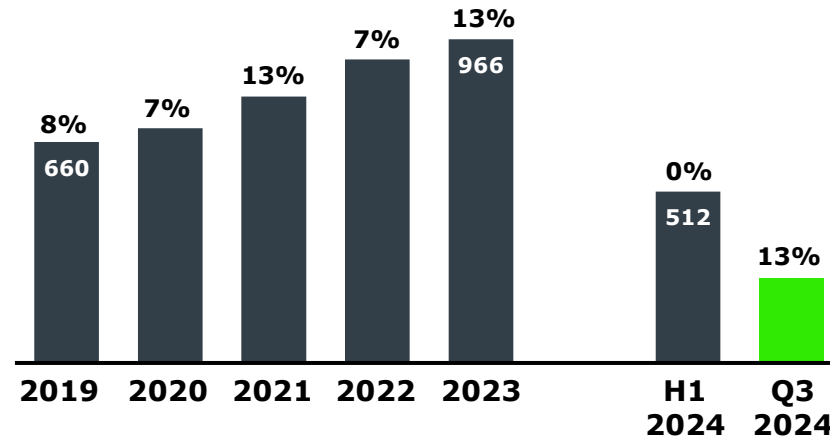
Consistent share gains in China

Haleon China value market share¹



Driving strong performance

Revenue (£m); Organic growth² (%)



E-commerce now 30% of sales
growing double digit

Further investment in China

- Agreement to acquire 33% of TSKF JV for RMB 4,465m (c. £0.5bn)³
- Takes Haleon ownership to 88% with option to acquire remaining 12%
- Greater strategic and financial control across the China business
- Anticipated to close at end of FY 2024 and be accretive to EPS



Wound healing



Systemic pain



Allergy Relief (Nasal Spray)

**#1 brand
in key categories⁴**



Calcium supplement



Multi-vitamin



Denture Care

1. Source: IQVIA, Venn, Flywheel, Nint (Aug 2024)

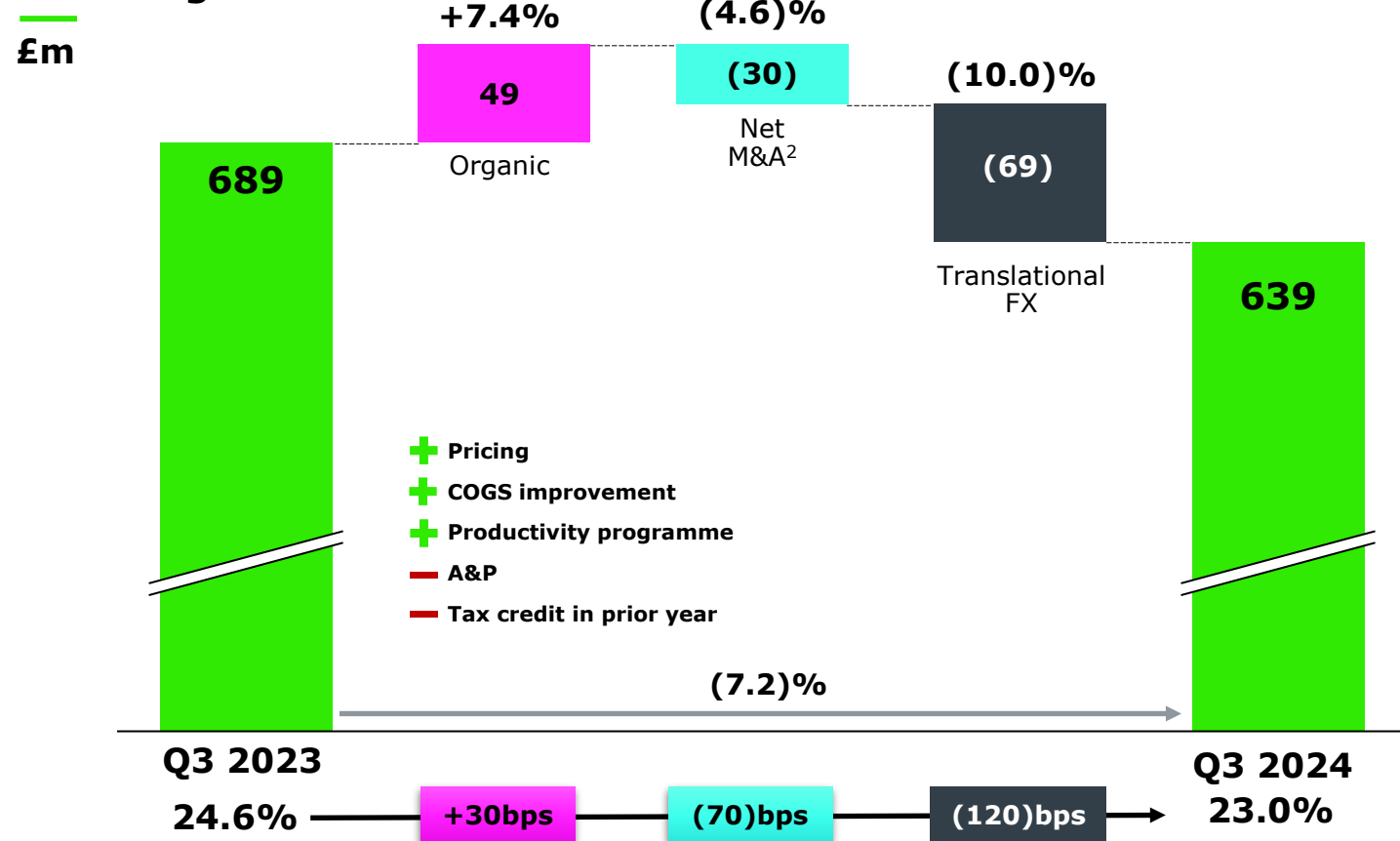
2. Definition can be found in the Appendix

3. This transaction consists of a simultaneous and inter-conditional purchase of the entire 20% equity interest in TSKF held by TPG and a 13% equity interest in TSKF held by DRTG, subject to customary closing conditions, including the approval of DRTG's shareholders and applicable regulatory clearances

4. Source: IQVIA (2023); Multinational brands

Strong Q3 2024 organic profit and margin increase

Adjusted operating profit¹ and margin



Q3 2024

- › Growth algorithm delivering with continued operating leverage enabling investment
- › Impact of net M&A reflects *Lamisil* and *ChapStick* disposals
- › Translational FX impact reflects currency movements and the mix of these relative to the combination of costs

9m 2024

- › 9m organic profit growth¹ of 9.7% with high-single digit growth in A&P
- › On track to deliver high-single digit organic profit growth for FY 2024

— Disciplined capital allocation to deliver growth and attractive returns

2024 Progress	Investing for growth	M&A	Shareholder returns
	<ul style="list-style-type: none">• Brand investment• R&D• Sustainability• Digitalisation• Capital expenditure	<ul style="list-style-type: none">• M&A• Commercially compelling• Consistent with strategy	<ul style="list-style-type: none">• Grow ordinary dividends at least in line with adjusted earnings• Potential participation in Pfizer placings• Return surplus capital to shareholders
	<ul style="list-style-type: none">• Innovation launches including <i>Sensodyne Clinical White</i>• Investment in infrastructure and sites along with systems and processes	<ul style="list-style-type: none">• Divestment of non-core brands including <i>ChapStick</i> and <i>NRT</i> brands outside US• Agreement to increase China JV stake to 88%	<ul style="list-style-type: none">• £570m returned to shareholders through dividends¹• Completed £500m allocation to share buybacks
	Sustained by a strong investment grade balance sheet		
	Improvement in credit ratings ²		
	Target medium term leverage of around 2.5x net debt / adjusted EBITDA ³		

Outlook

for full year 2024

Organic revenue growth¹ of 4-6%

Organic operating profit growth¹ up high single digit

Net interest expense c. £320m

Adjusted effective tax rate 24-25%

YTD progress
+4.4% ✓
+9.7% ✓

Building our track record of performance

› Delivery of growth algorithm

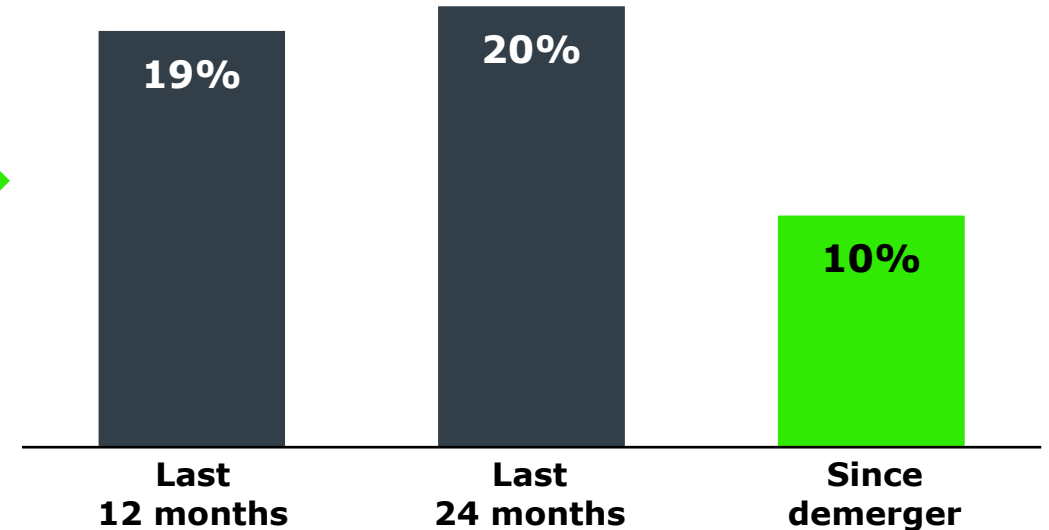
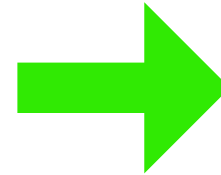
- Consistent above-market growth
- Organic revenue growth of 7.7%¹
- Resilient volume growth particularly over recent consecutive quarters
- Strong gross margin enabling brand investment

› Driving strong cash generation

- Reduced net debt by over £2bn since demerger bringing leverage³ down to below 3x
- c. £1.5bn returned to shareholders⁴

› Strong TSR performance⁵

Annualised total shareholder return²



1. Definitions of adjusted measures can be found in the Appendix. CAGR is calculated for the 9 month periods between 2021-2024

2. As of 29 October 2024

3. Refers to net debt/Adjusted EBITDA

4. Since demerger and includes FY 2022 dividend £222m, Interim FY 2023 dividend £166m, Final FY 2023 £388m, Interim FY 2024 dividend £182m and £500m in share buybacks completed in FY 2024

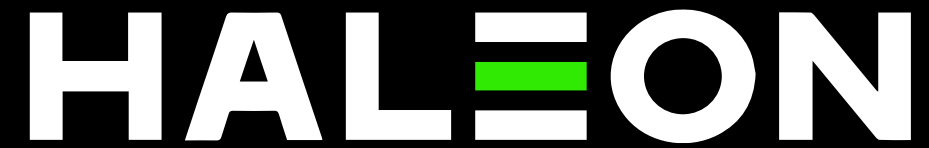
5. Refers to Total Shareholder Return

Strong third quarter performance with positive volume/mix across all regions

Increase in organic operating profit¹ with continued investment in our brands; on track for high-single digit organic profit growth for FY 2024

Delivery of capital allocation priorities including agreement to increase stake in China JV and completion of £500m share buyback

Reiterating confidence in FY 2024 and medium-term guidance



**2024 Third quarter trading statement
Q&A**

October 2024



Appendix

Glossary

A number of adjusted measures are used to report the performance of our business which are non-IFRS measures. Adjusted results, organic revenue growth, organic profit growth, 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.

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

Beginning in 2024, our organic measures cap the pricing benefit in excess of 26 percent per annum for countries experiencing hyperinflation. This applies to Argentina and Turkey. Corresponding adjustments have been made to all income statement related lines when calculating organic growth changes.

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.

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

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 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.

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.

Historic quarterly growth across the categories

Organic revenue growth¹

	2023					2024		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Oral Health	6.6%	15.4%	9.4%	11.5%	10.6%	10.6%	9.1%	8.2%
VMS	(3.7)%	2.7%	1.4%	3.1%	0.9%	9.9%	8.5%	3.7%
Pain Relief	11.0%	14.9%	6.2%	(1.8)%	7.4%	(4.8)%	(4.0)%	3.1%
Respiratory Health	33.0%	9.2%	4.2%	10.9%	13.7%	(2.7)%	(1.5)%	9.1%
Digestive Health and Other	7.3%	8.1%	0.9%	10.1%	6.5%	2.4%	7.5%	5.9%
TOTAL	9.9%	11.0%	5.0%	6.7%	8.0%	3.0%	4.1%	6.1%
<i>Price</i>	7.1%	7.9%	6.6%	6.4%	7.0%	5.0%	3.4%	3.3%
<i>Volume/mix</i>	2.8%	3.1%	(1.6)%	0.3%	1.0%	(2.0)%	0.7%	2.8%

— Translational currency impact

Currency	FY 2023 currency as % of total revenue	Average 9m 2023	Average 9m 2024	Spot 30.09.24
USD	33%	1.24	1.28	1.34
EUR	16%	1.15	1.18	1.20
CNY	8%	8.75	9.19	9.40
CAD	<5%	1.67	1.74	1.81
AUD	<5%	1.87	1.93	1.94
JPY	<5%	173	192	191
RUB	c. 10%	103	116	125
ZAR		23	24	23
INR		102	107	112
ARS		306	996	1296
PKR		345	356	372
TRY		28	40	46
EGP		37	55	65

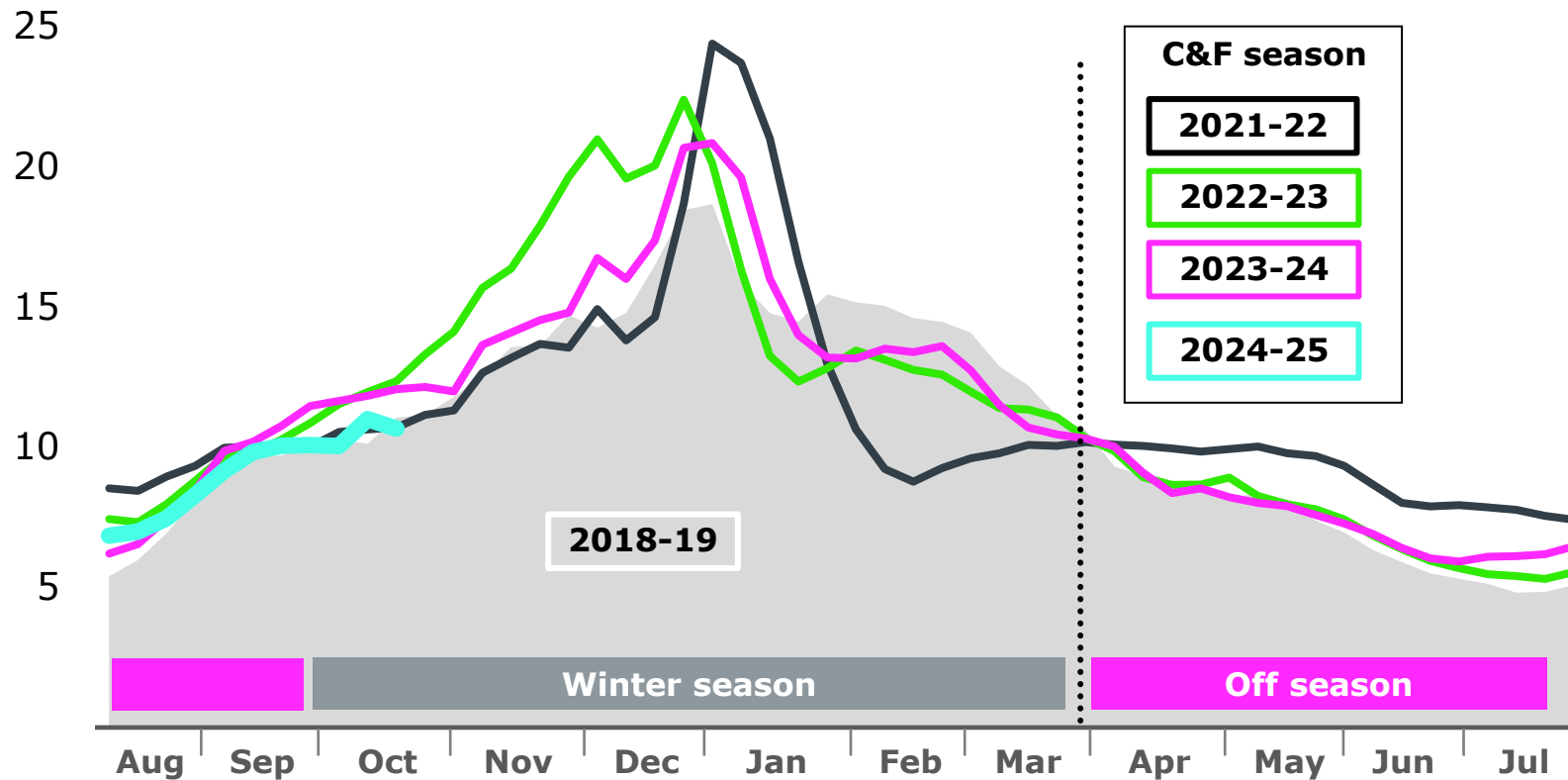
» 2024 estimated unfavourable translational foreign exchange impact

- c.(4)% revenue
 - c.(6-6.5)% on adjusted operating profit
- » Assuming exchange rates as of 3 October 2024 were to hold for the remainder of the year

Respiratory Health

Cold and flu back to a normalised base

Weekly US market cold and flu (million units)



- Cold and flu volume sales back to pre-COVID-19 levels
- In US, Haleon has reformulated products which do not contain PE with shipments commencing in Q3 2024
- Well placed to deliver for cold and flu demand

— Medium term guidance

Annual organic revenue growth of 4-6%¹

Organic operating profit growth ahead of organic revenue growth¹

Net debt/EBITDA² of around 2.5x

Dividend to grow at least in line with adjusted earnings

IFRS and Adjusted results

Unaudited

Q3 2024

£m	IFRS results	Net amortisation and impairment of intangible assets ¹	Restructuring costs ²	Transaction related costs	Separation and admission costs	Disposals and others ³	Adjusted results
Revenue	2,780						2,780
Operating profit	705	7	47	-	3	(123)	639
<i>Operating profit margin %</i>	<i>25.4%</i>						<i>23.0%</i>

Q3 2023

£m	IFRS results	Net amortisation and impairment of intangible assets ¹	Restructuring costs ²	Transaction related costs	Separation and admission costs	Disposals and others	Adjusted results
Revenue	2,798	-	-	-	-	-	2,798
Operating profit	584	7	60	1	34	3	689
<i>Operating profit margin %</i>	<i>20.9%</i>						<i>24.6%</i>

1. Net amortisation and impairment of intangible assets: includes impairment of intangible assets of £(2m) (2023: nil), and amortisation of intangible assets excluding computer software £6m (2023: £7m)

2. Restructuring costs: In 2024 it includes £5m of non-cash costs.

3. Disposal and others: In 2024 it includes £(121)m gain from disposal of Nicotine Replacement Therapy business outside the US.

Reconciliation of Q3 organic growth

Product Categories

2024 vs 2023 (%)	Oral Health	VMS	Pain Relief	Respiratory Health	Digestive Health and Other	Total
Revenue Growth	2.5	(0.7)	(1.3)	3.9	(8.4)	(0.6)
Organic Adjustments	-	-	-	-	9.0	1.8
Effect of Exchange Rates	5.7	4.4	4.4	5.2	5.3	4.9
Organic Revenue Growth	8.2	3.7	3.1	9.1	5.9	6.1

Geographical Segments

2024 vs 2023 (%)	North America	EMEA and LatAm	APAC	Total
Revenue Growth	(2.1)	(1.6)	3.5	(0.6)
Organic Adjustments	2.7	1.3	1.2	1.8
Effect of Exchange Rates	4.2	6.4	3.5	4.9
Organic Revenue Growth	4.8	6.1	8.2	6.1
Price	2.4	5.3	1.1	3.3
Volume / Mix	2.4	0.8	7.1	2.8

Reconciliation of 9m organic growth

Product Categories

2024 vs 2023 (%)	Oral Health	VMS	Pain Relief	Respiratory Health	Digestive Health and Other	Total
Revenue Growth	4.8	3.1	(5.4)	(2.7)	(4.3)	(0.7)
Organic Adjustments	-	-	-	-	6.1	1.2
Effect of Exchange Rates	4.5	4.2	3.3	4.3	3.5	3.9
Organic Revenue Growth	9.3	7.3	(2.1)	1.6	5.3	4.4

Geographical Segments

2024 vs 2023 (%)	North America	EMEA and LatAm	APAC	Total
Revenue Growth	(3.6)	2.2	(1.3)	(0.7)
Organic Adjustments	1.3	1.3	0.9	1.2
Effect of Exchange Rates	3.0	3.8	5.4	3.9
Organic Revenue Growth	0.7	7.3	5.0	4.4
Price	2.9	6.1	1.9	4.0
Volume / Mix	(2.2)	1.2	3.1	0.4

Reconciliation of Q3/9m organic profit growth

Three months ended 30 September (%)

	2024 vs 2023	2023 vs 2022
Operating profit growth	20.7	2.6
Adjusted operating profit growth	(7.2)	(5.0)
Effect of exchange rates	10.0	13.9
Adjusted operating profit growth (CER)	2.8	8.9
Organic adjustments	4.6	(0.1)
Organic operating profit growth	7.4	8.8

Nine months ended 30 September (%)

	2024 vs 2023	2023 vs 2022
Operating profit growth	7.6	17.4
Adjusted operating profit growth	(1.4)	2.3
Effect of exchange rates	7.8	6.6
Adjusted operating profit growth (CER)	6.4	8.9
Organic adjustments	3.3	0.1
Organic operating profit growth	9.7	9.0



2024 Third quarter trading statement

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