HALEON

2024 First quarter trading statement

May 2024

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This presentation 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 presentation.

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 193 to 201 of Haleon’s Annual Report and Form 20-F 2023. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements.

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Tobias Hestler

CFO

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Solid start to the year demonstrating strength of the portfolio

- Organic revenue growth of +3% with +5% price offsetting volume/mix (2%)
- Volume/mix: EMEA & LatAm returning to growth, Asia Pacific good growth despite a tough comparative, decline in North America due to comparatives and inventory management by some retailers
- Organic profit growth of +12.8% underpinned by strong operating leverage from gross margin expansion and cost efficiencies, with strong growth in A&P

Continued progress in evolution of the Company

- Implementing change to become more agile and competitive
  - Productivity plan on track; delivering cost savings and funding investment
  - Proposed closure of Maidenhead, UK manufacturing facility
- c.£315m share buyback completed in Q1, part of £500m expected FY 2024

Reiterating confidence in FY 2024 guidance

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

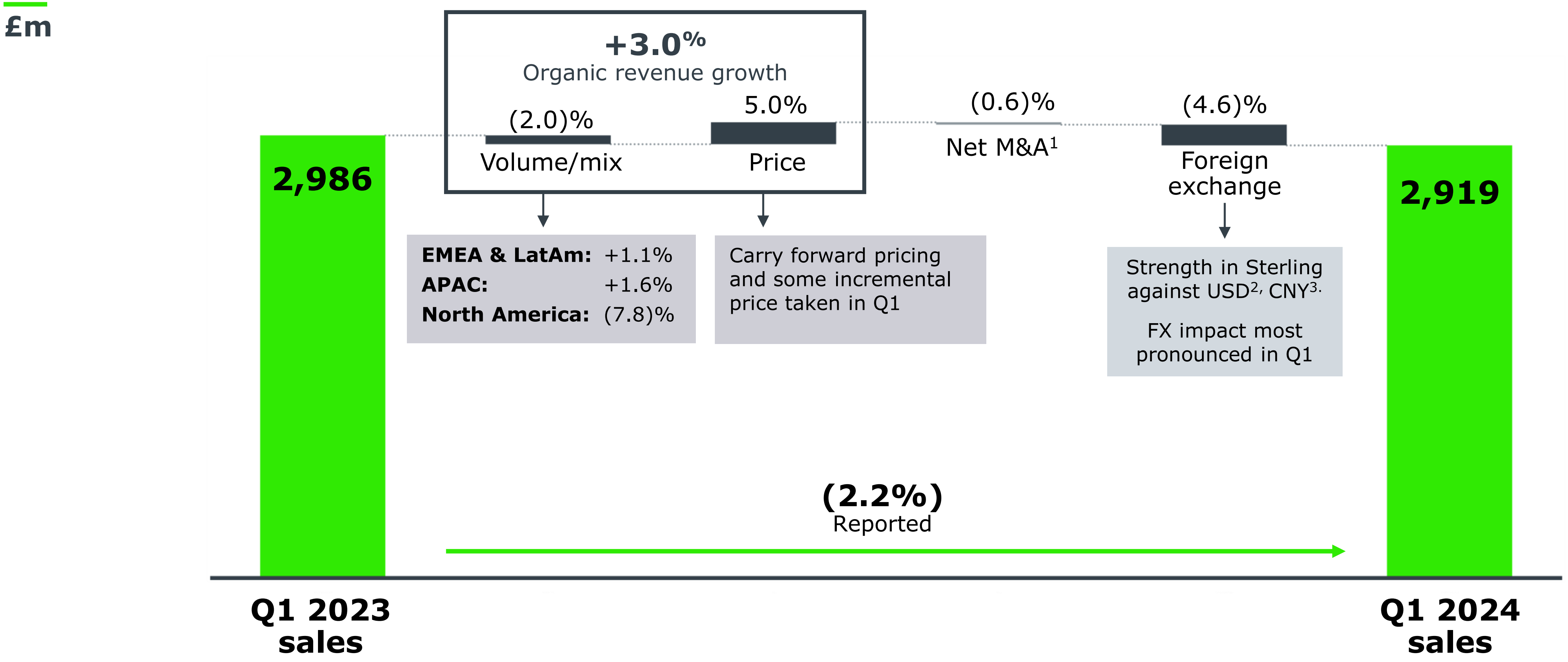
Q1 key financials

Revenue		Adjusted operating profit[1]	
£2.9bn Revenue	3.0% Organic revenue growth[1]	£707m Adjusted operating profit[2]	24.2% Adjusted operating profit margin[2]
5.0% Price	(2.0)% Volume/mix	2.3% AER & 12.8% Organic[1]	110bps AER & 220bps Organic[1]

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

Solid Q1 organic revenue growth

Continued good performance in EMEA & LatAm and APAC;
North America adversely impacted by comparatives and retailer inventory management



1. Net M&A: disposal of Lamisil and includes the impact of Manufacturing Service Agreements (MSAs)
2. USD/£ 1.22 average Q1 2023 versus 1.27 average Q1 2024
3. CNY/£ 8.38 average Q1 2023 versus 9.10 average Q1 2024

Portfolio delivering robust growth

Continued momentum in Oral Health and VMS; Pain Relief and Respiratory Health impacted by tough comparatives and some US retailer inventory management

	Q1 2024 revenue	Q1 2023 revenue	Organic revenue growth[1]
	£m	£m	Q1
Oral Health	854	811	10.6%
VMS	422	405	9.9%
Pain Relief	662	724	(4.8)%
Respiratory Health	470	510	(2.7)%
Digestive Health and Other	511	536	2.4%
TOTAL	**2,919**	**2,986**	**3.0%**

All three Power Brands up double digit; Successful innovation with *Sensodyne Clinical White* launched in a number of key markets

Caltrate, Centrum and *Emergen-C* all delivering good growth

Lapping tough Q1 2023 comparative due to *Fenbid* and *Advil*, and adverse impact from some US retailer inventory management

Decline as expected mainly due to strong prior year comparative (stronger cold and flu season and Q1 2023 inventory rebuild)

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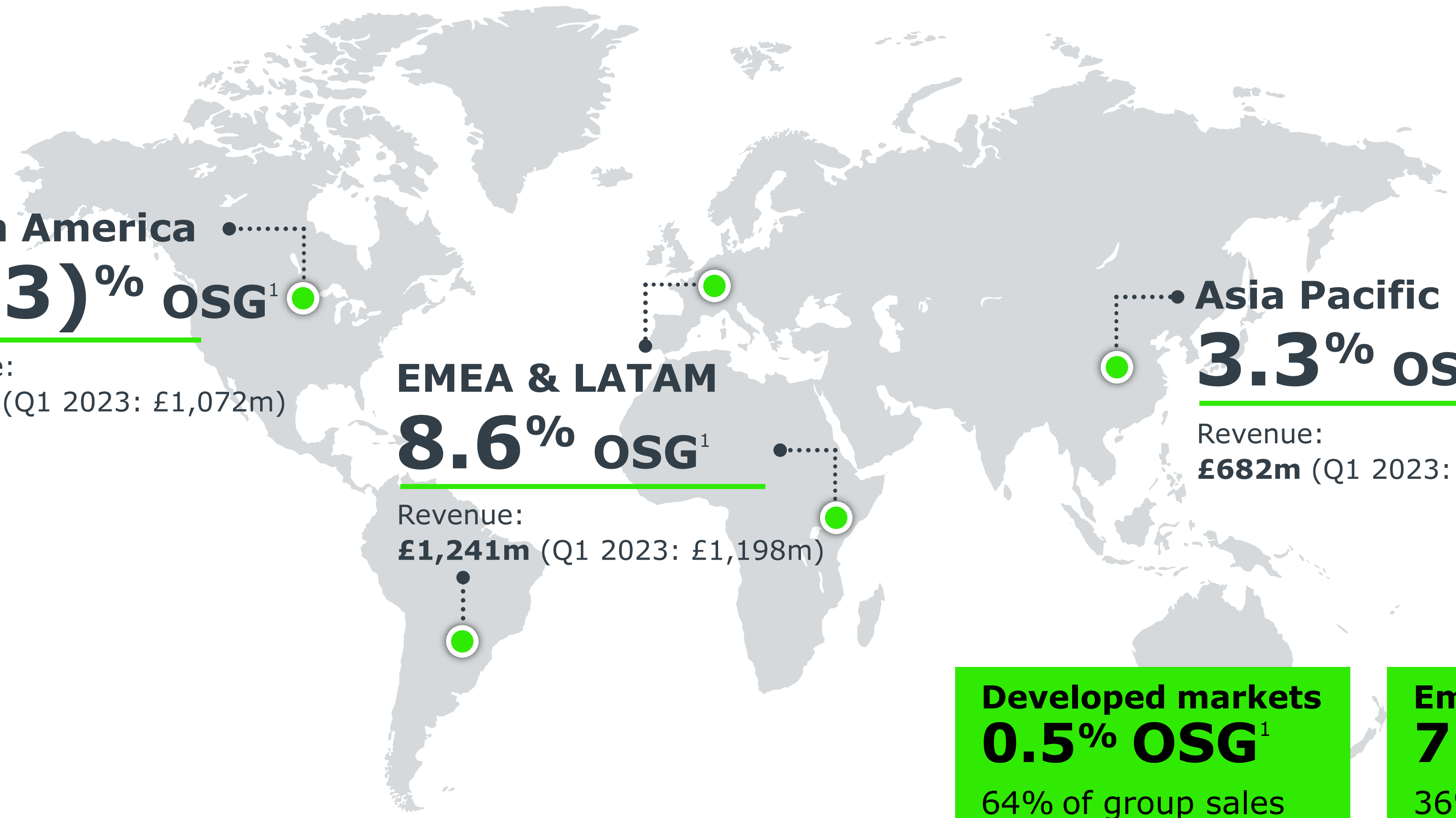
1. Reconciliation of IFRS to Adjusted results can be found in the Appendix

Q1 revenue growth – regional detail



North America
(3.3)% OSG[1]

Revenue:
£996m (Q1 2023: £1,072m)

EMEA & LATAM
8.6% OSG[1]

Revenue:
£1,241m (Q1 2023: £1,198m)

Asia Pacific
3.3% OSG[1]

Revenue:
£682m (Q1 2023: £716m)

Developed markets
0.5% OSG[1]
64% of group sales

Emerging markets
7.7% OSG[1]
36% 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

Volume/mix adversely impacted by prior year comparative and inventory management by some US retailers; consumption up mid-single digit with share gain

£996m

Q1 2024 Sales

(3.3)%

Organic growth[1]

4.5%

Price

(7.8)%

Volume / mix

Oral Health – Mid-single digit growth with strong *Sensodyne* performance driven by successful innovation and activation

VMS – Double digit growth due to *Centrum* with continued activation of clinical claims on *Centrum Silver. Emergen-C* up mid-single digit

Pain Relief – Declined double digit due to *Advil* Canada comparative and inventory management by some US retailers

Respiratory Health – Double digit decline lapping challenging comparative due to prior year strong cold and flu season resulting in inventory rebuild

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

EMEA & LatAm

Strong performance with broad based growth across all categories

£1,241m

Q1 24 Sales

8.6%

Organic growth[1]

7.5%

Price

1.1%

Volume / mix

Oral Health – Double digit growth across all three Power Brands

VMS – Mid-single digit growth; good growth in *Centrum* and local brands

Pain Relief – Mid-single digit growth with high single digit growth in *Voltaren*

Respiratory Health – Up mid-single digit driven by good cold and flu season in Central and Eastern Europe and relatively weak elsewhere in Europe

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

Asia Pacific

Continued good momentum despite China declining low-single digit due to a tough comparative

£682m

Q1 24 Sales

3.3%
Organic growth[1]

1.7%
Price

1.6%
Volume / mix

Oral Health – Double digit growth driven by strength in *Sensodyne* with strong performance in China and India

VMS – Strong *Caltrate* performance underpinning high-single digit growth

Pain Relief – Double digit decline mainly due to challenging *Fenbid* comparative in China in Q1 2023 when revenue more than doubled

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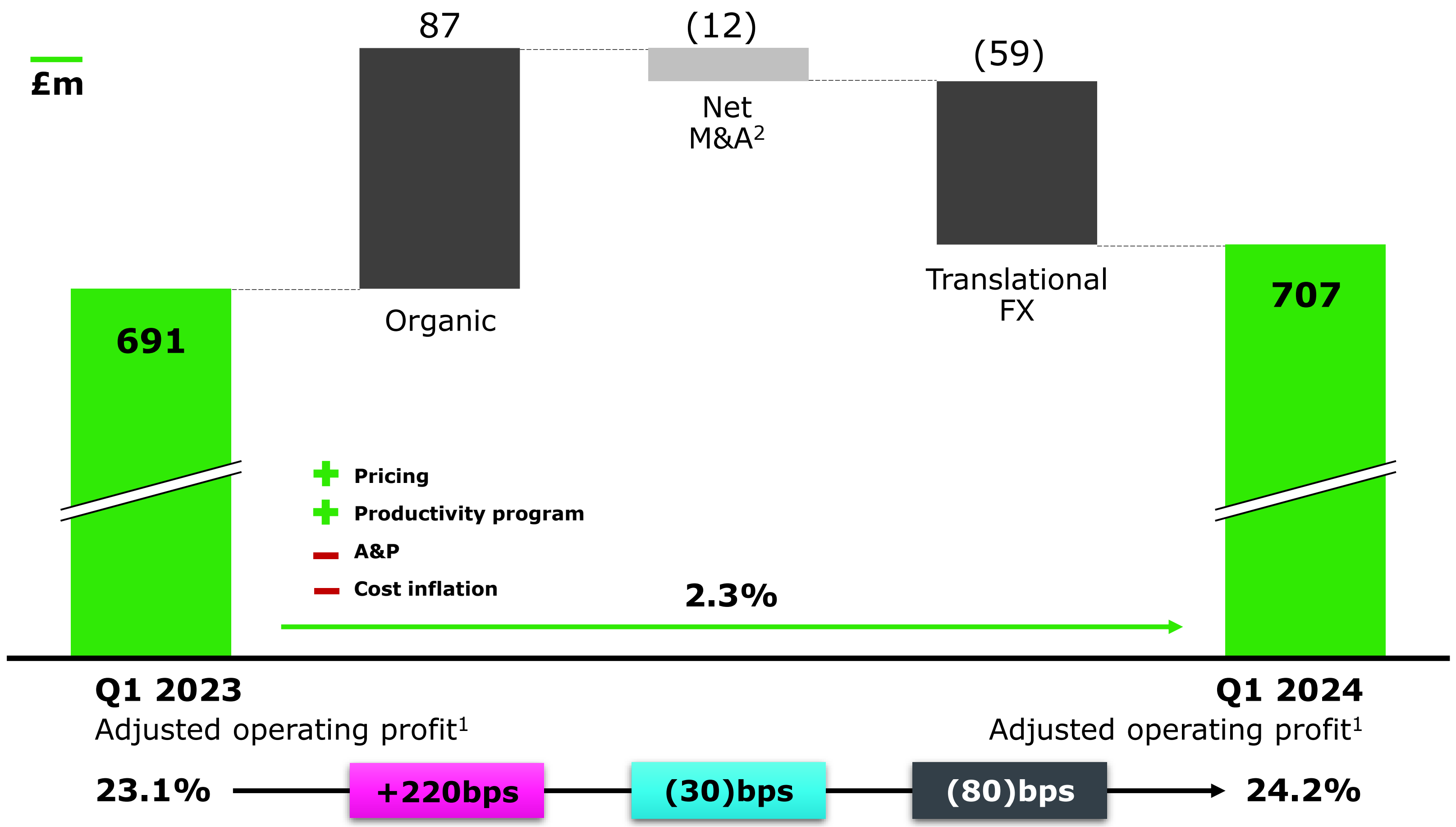
1. Reconciliation of IFRS to Adjusted results can be found in the Appendix

Strong Q1 organic profit growth



- Operating profit[3] +12.8%
  - Gross profit[3] up c.+5%
  - Given productivity savings, Other SG&A[3] down
  - Strong A&P[3] investment

- Translational FX: most pronounced in Q1 given USD and CNY movement year on year against Sterling

- Given quarterly volatility neither Q1 absolute margin nor organic profit growth should be extrapolated for FY 2024

1. Reconciliation of IFRS to Adjusted results can be found in the Appendix
2. Net M&A: disposal of *Lamisil* and includes the impact of Manufacturing Service Agreements (MSAs)
3. Refers to Organic. Definition in Appendix

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Continued progress in Company evolution

Implementing change to become more agile and competitive

- Productivity plan delivering cost savings and funding investment
- Proposed closure of manufacturing facility in Maidenhead, UK during 2026 and shift of production to Levice, Slovakia over the next two years
- Undertook share buyback of c.£315m in Q1 for 102m ordinary shares (subsequently cancelled); Part of £500m share buyback expected in 2024

Expected FY 2024 disposal impact unchanged

- *ChapStick* now expected to close May 2024
- No change to *Lamisil* and *ChapStick* dilution impact[1] expected in FY 2024

Expected FY 2024 FX impact unchanged

- Expected impact of translational FX on FY 2024 results remains c.(2)% on revenue and c.(3)% on adjusted operating profit assuming FX rates as at 31st March 2024 were to hold for the rest of 2024 (Slide 25 in Appendix has full detail)

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1. The disposals of *Lamisil* and *ChapStick* will dilute FY 2024 revenue and adjusted operating profit by c. 1% and c. 3% respectively.

Outlook

for full year 2024 unchanged

Organic revenue growth[1] **of 4-6%**

Organic operating profit growth[1]
to be ahead of organic 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

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Solid start to the year demonstrating strength of the portfolio

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Reiterating confidence in FY 2024 guidance

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2024 First quarter trading statement
Q&A

May 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 growth[1]

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

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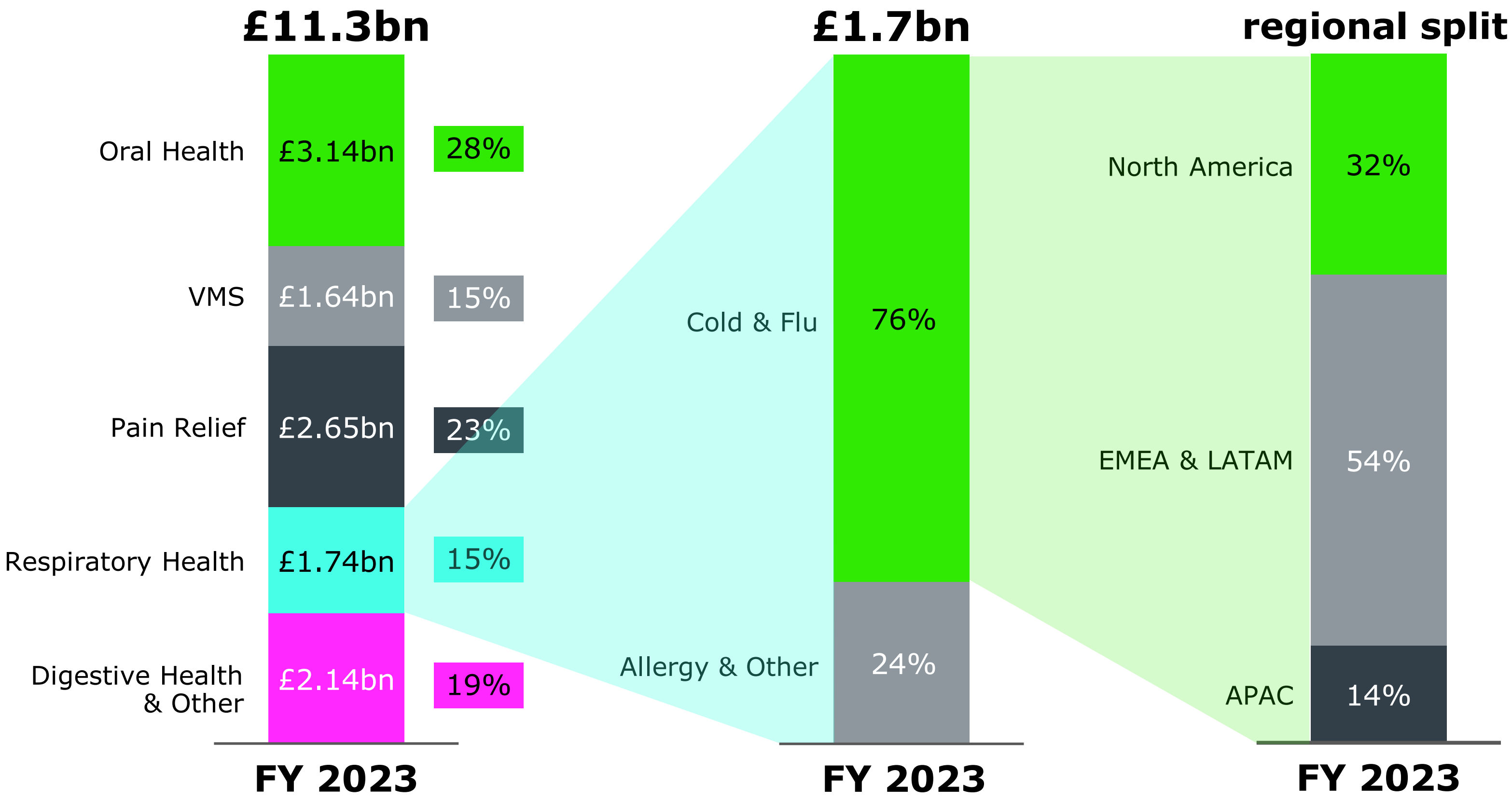
1 Reconciliation of IFRS to Adjusted results can be found in the Appendix

Respiratory Health

Global cold and flu portfolio weighted towards EMEA & LatAm

FY23



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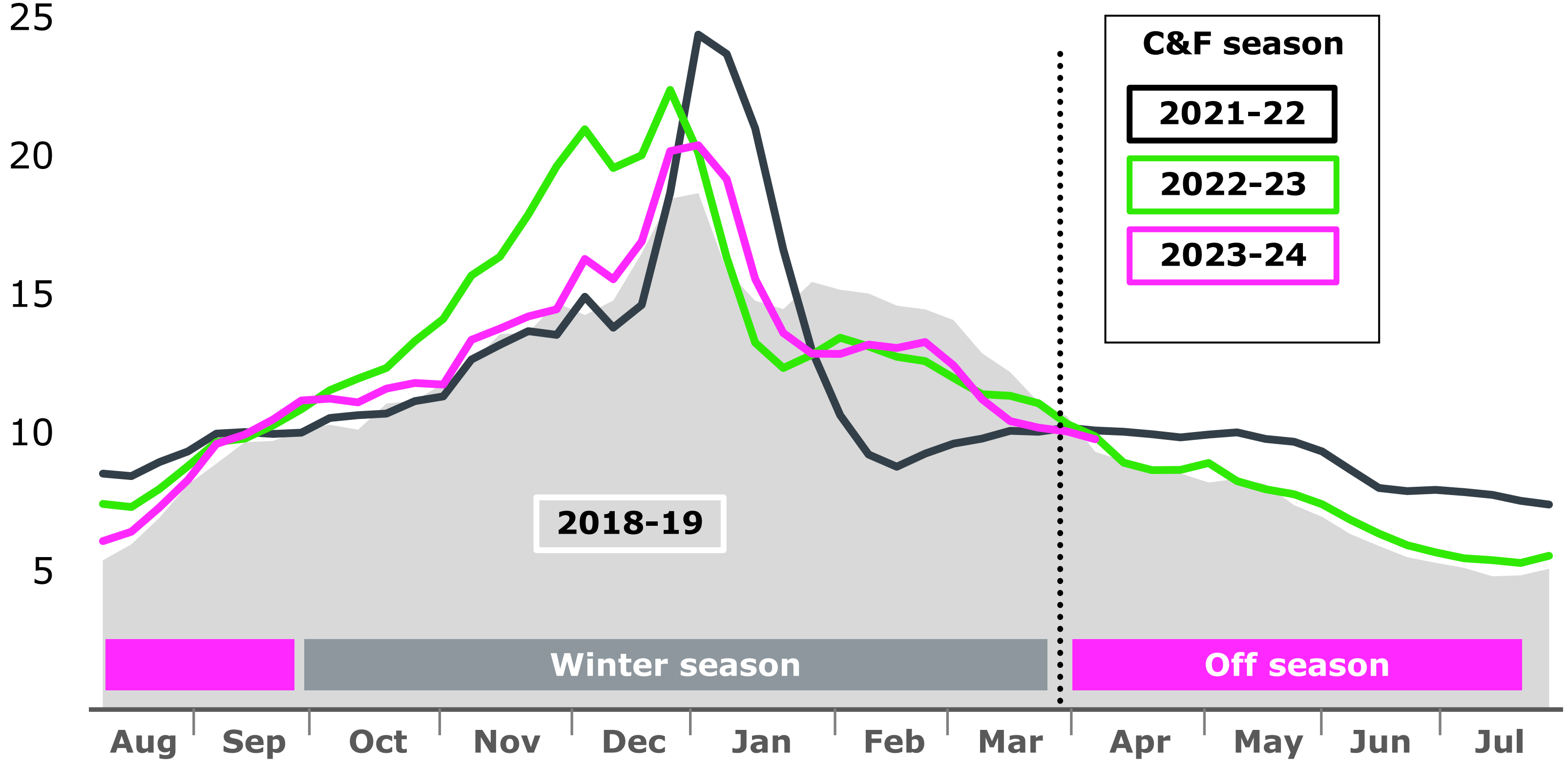
Respiratory Health
Cold and flu has fully normalised

Weekly US market cold and flu (million units)



Source: Circana MULOC+Ecom
Cough Cold Flu Sinus is aggregate of Adult CCF, Kids CCF, Adult Sinus, and Kids Sinus segments
Excludes 2019-20 and 2020-21 due to distortion given the COVID-19 pandemic

Other markets

(c.68% of Haleon cold and flu portfolio)

EMEA and LatAm
- Good cold and flu season Q1 2024 in Central and Eastern Europe
- Relatively weak elsewhere in Europe

APAC
- China normalised
- Average season overall

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**

Dividend to grow at least in line with adjusted earnings

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

Disciplined capital allocation to deliver growth and attractive returns

Investing for growth	M&A	Shareholder returns
• Brand investment • R&D • Sustainability • Digitalisation • Capital expenditure	• M&A • Commercially compelling • Consistent with strategy	• 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

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	As at December 2023	As at 31 March 2024	Average rate Q1 2023	Average rate Q1 2024
USD	33%	1.27	1.26	1.22	1.27
EUR	16%	1.15	1.17	1.14	1.16
CNY	*8%*	9.06	9.12	8.38	9.10
CAD	*<5%*	1.69	1.71	1.65	1.71
AUD	*<5%*	1.87	1.94	1.79	1.92
JPY	*<5%*	180	191	162	187
RUB		115	116	90	115
ZAR		24	24	22	24
INR		97	105	101	105
ARS	*c. 10%*	1030	1082	235	1056
PKR		355	351	318	352
TRY		38	41	23	39
EGP		39	60	36	44

- **2024 estimated unfavourable translational foreign exchange impact**
  - c.(2)% revenue
  - c.(3)% on adjusted operating profit
- Assuming exchange rates as of 31st March 2024 were to hold for the remainder of the year

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IFRS and Adjusted results

Unaudited

Q1 2024

£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	2,919						2,919
Operating profit	655	7	27	5	11	2	707
Operating profit margin %	*22.4%*						*24.2%*

Q1 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	2,986						2,986
Operating profit	627	11	10	3	32	8	691
Operating profit margin %	*21.0%*						*23.1%*

1. Includes impairment of intangible assets £1m (2023:nil), and amortisation of intangible assets excluding computer software £6m (2023: £11m).
2. Includes amounts related to business transformation activities.
3. Includes amounts incurred to support the sale of Haleon ordinary shares by Pfizer via a global offering in 2024 and costs related to acquisition of a manufacturing site in 2023.
4. Includes amounts incurred in relation to and in connection with the separation of the Group as a standalone business £11m (2023: £32m).
5. Includes net loss/(gains) on disposals of assets and businesses and other items totalling £2m (2023: £8m).

Reconciliation of Q1 organic growth

Product Categories

2024 vs 2023 (%)	Oral Health	VMS	Pain Relief	Respiratory Health	Digestive Health and Other	Total
Revenue Growth	**5.3**	**4.2**	**(8.6)**	**(7.8)**	**(4.7)**	**(2.2)**
Organic Adjustments	-	-	-	-	3.2	0.6
Effect of Exchange Rates	5.3	5.7	3.8	5.1	3.9	4.6
Organic Revenue Growth	**10.6**	**9.9**	**(4.8)**	**(2.7)**	**2.4**	**3.0**

Geographical Segments

2024 vs 2023 (%)	North America	EMEA and LatAm	APAC	Total
Revenue Growth	**(7.1)**	**3.6**	**(4.7)**	**(2.2)**
Organic Adjustments	0.2	1.0	0.6	0.6
Effect of Exchange Rates	3.6	4.0	7.4	4.6
Organic Revenue Growth	**(3.3)**	**8.6**	**3.3**	**3.0**
Price	**4.5**	**7.5**	**1.7**	**5.0**
Volume / Mix	**(7.8)**	**1.1**	**1.6**	**(2.0)**

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Reconciliation of Q1 organic profit growth

	Three months ended 31 March	
	2024 vs 2023 (%)	2023 vs 2022(%)
Operating profit growth	**4.5**	**34.5**
Adjusting items	**(18.8)**	**(61.2)**
Adjusted operating profit growth	**2.3**	**9.5**
Effect of exchange rates	8.6	(6.2)
Adjusted operating profit growth (CER)	**10.9**	**3.3**
Organic adjustments	1.9	—
Organic operating profit growth	**12.8**	**3.3**

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