



HALEON

Delivering attractive growth
in **North America**,
and building winning partnerships
with mass retail

Lisa Paley

28 February 2022

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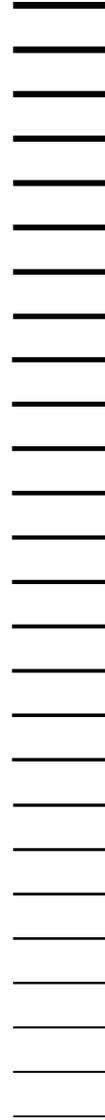
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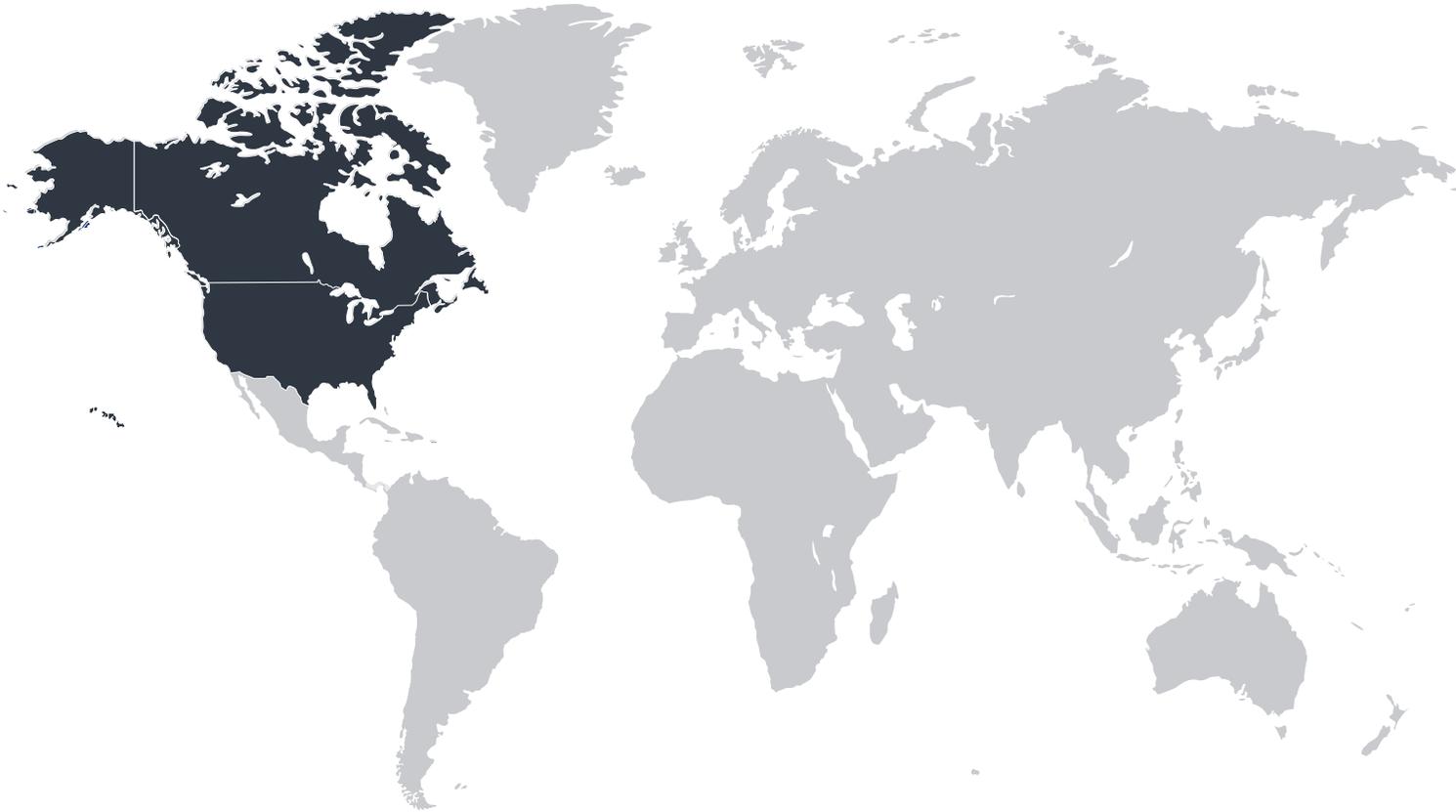
Significant growth region with attractive underlying fundamentals and favourable consumer trends

A market leader with category leading brands, well placed to win

Positioned to outperform:

- Accelerating growth in Oral Health and VMS to drive penetration and leveraging innovation with local strategic brands
- Leveraging superior Rx to OTC switch capabilities to drive portfolio expansion
- Building strategic partnerships with mass retail to win in categories

**North America: attractive fundamentals
with c.90% revenue from the US**



Home to:

5%

of the **world's population**

27%

World's GDP;
US highest GDP globally

North America business review

£3.5bn
revenue

4,700
employees

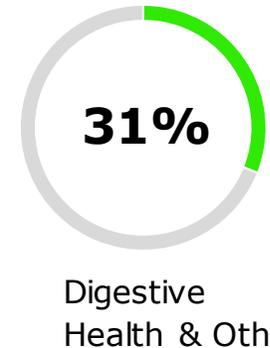
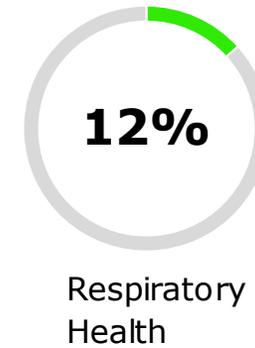
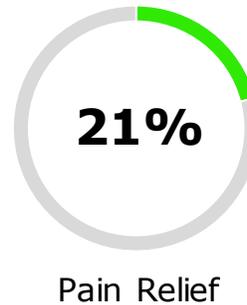
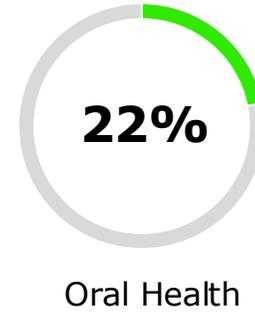
1
R&D centre

37%
of global
Haleon
revenue

2
markets
served

5
manufacturing
sites

Haleon revenue by category



Key brands



A leader in a c.£37bn market: US

	Market size % of total	Haleon share %	Key Brands
Oral Health¹	£5bn 13%	#4 10% share	 
Vitamins Minerals Supplements (VMS)²	£14bn 38%	#3 3% share	 
Pain Relief²	£3bn 8%	#2 18% share	  
Respiratory²	£5bn 14%	#5 9% share	  
Digestive Health²	£3bn 8%	#1 15% share	  

- #1** Sensitive Toothpaste³ brand
Sensodyne
- #1** Denture Care brand
Polident/Poligrip
- #1** Multivitamin Supplement brand
Centrum
- #1** Vitamin C/ Immune Supplement
brand **Emergen-C**
- #2** Total Pain Relief brand
Advil
- #1** Smoking Cessation brand
Nicorette
- #1** Antacid brand
Tums
- #1** PPI brand
Nexium 24Hr

¹ Data source for Oral Health is Euromonitor 'Oral Care' 2020, market sizes based on MSP, market share based on RSP. Market size and Haleon share rounded to nearest %.

² Data sources for OTC/VMS and subcategories in N. Hall DB6 Consumer Healthcare database (MSP), store and internet sales, 2020; Note difference in total to categories above is Other which comprises smaller dermatological brands, with a market value of c.£7bn

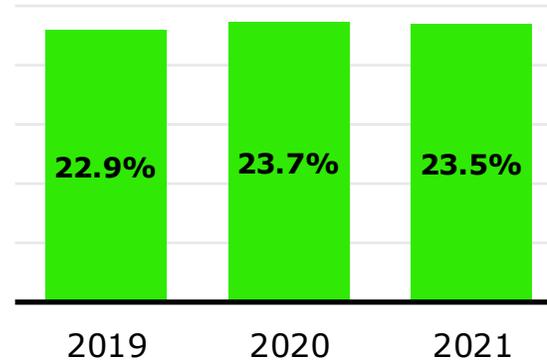
³ Sensitive toothpaste/Immune supplement is Company analysis based on IRI (2020) data.

North America 3% 2-year CAGR with net COVID headwind

Haleon portfolio revenue¹
(£bn)



Regional adjusted
operating margin %⁴



Haleon revenue growth³
(2019-2021 CAGR)

3.0%

**Net COVID
impact on revenue**
(2019-2021 CAGR)

c.(1pt)

- > **Pricing / volume mix 2021** +1pt / +0.2pts
- > **Power brands** revenue +6% 2019-2021 CAGR, consistently gaining share
- > **Strategic local brands** contributing to growth, Emergen-C +16% and Tums +10% 2019-2021 CAGR
- > **Improving supply** following constraints in H1 2021, expect normal levels in FY22
- > **COVID impact** due to weak cold & flu season (in H1 2021) partly off-set by VMS growth; More normal cold & flu season in Q4 2021
- > **Margin expansion** through synergy delivery, disciplined resource allocation partly off-set by supply chain pressure in FY21

¹Haleon portfolio revenue. See glossary. 12 months of Pfizer brand revenues included in 2019, 2020 and 2021. Divested brand revenues excluded from 2019, 2020 and 2021.

²Haleon reported IFRS revenue.

³Haleon portfolio revenue growth. See glossary. 12 months of Pfizer brand revenues included in 2019, 2020 and 2021. Divested brand revenues excluded from 2019, 2020 and 2021.

⁴Haleon reportable segment adjusted operating margin

Strategy to outperform in North America



Household penetration

Accelerating growth in Oral Health and VMS

Driving innovation with local strategic brands

New and emerging opportunities

Portfolio expansion with Rx-to-OTC switch

Elevate consumer experience with data and win with the Omni-Channel consumer

Strong execution and financial discipline

Strategic partnerships with mass retail to win in categories

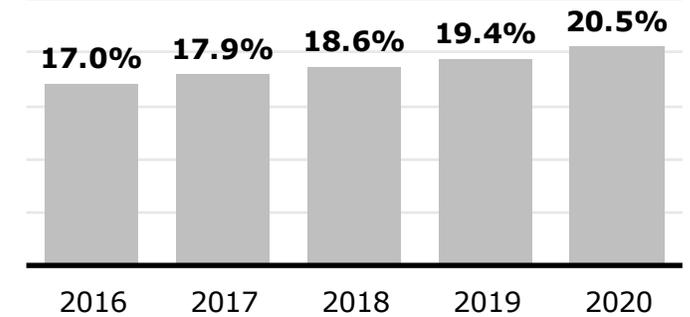
Best in class launch & execution capabilities

Responsible business

Accelerating growth in Oral Health: Sensodyne US



Share in market Sensodyne³



1/3 of US adults suffer from sensitive teeth

Nearly **90%** of US adults at risk of enamel erosion¹

#1 Dentist/Hygienist recommended brand

Premium pricing with minimal price promotion

Successful innovation growing category and penetration

+3.5pts market share driven by innovation²

Expert endorsement

#1 dentist recommended sensitivity toothpaste brand in the USA³

Omnichannel activation

- Full breadth of distribution
- Leading e-commerce position
- Key retail partnerships

Revenue CAGR c.9% over last 5yrs

c.80% growth driven by 3 million new consumers⁴

¹ IPSOS 2014

² IRI Market Advantage, Consumption Data, FY 2016-FY2020

³ Company analysis (2020)

⁴ IRI National Consumer Panel Data, FY2018 – FY 2021

Accelerating growth in VMS: Emergen-C



Emergen-C leveraging immune health and applying new formats

#1 Vitamin C/ Immune brand¹



Introduction of Gummies Platform:

2017: Gummies Immune

2019: Botanical Immune

2021: Kidz Immune

The human understanding

Emergen-C plays an important role in immune support

Younger consumers looking for enjoyable formats

Increasing demand for naturals

COVID pandemic increased immunity protection awareness

The results

2 year CAGR **+16%**²

+3.5m new consumers to category³

Gummies the **#1** format with consumers

Kidz Immune gaining share in children's VMS category⁴



¹ Source: N. Hall (2020)

² Haleon revenue growth - NA 2019-2021

³ IRI Household Panel March April 2020 vs March April 2019

⁴ Source: IRI MULO + C + eComm - Dec 2021

Driving innovation with local strategic brands: TUMS US

 TUMS Chewy recruiting a new consumer group

#1 Antacid brand in US¹



The human understanding

Millennial buyers growing in spend

High incidence amongst heartburn sufferers

Heartburn disruption and impact on millennials higher

Value convenience and more attractive format

The results

Tums Chewy delivered **31%** 3 year CAGR²

+3.8M consumers new to category³

40% consumers who bought Chewy Bites sourced from competitor brands³

Unlocked exclusive innovation partnerships



¹ Source: N. Hall (2020)

² IRI POS data, MULO + convenience + ecommerce Nov 2021

³ IRI National Consumer Panel Data, FY2016-FY2021

Portfolio expansion with Rx-to-OTC switch

Well positioned to win

8 out of 10 Top 10 US OTC products originate from switch

19% US OTC growth since 2010 from switch, with more than half from GSK switches¹

Market leader in Rx to OTC Switch, with **>30 years global experience**

Capability in house for complex submissions and dedicated R&D and Commercial teams

Key partner for future switches given track record, expertise and route to market

Industry-leading Rx-to-OTC switch over the last 8 years

May 2014



Feb 2017



Feb 2015



May 2020



Portfolio expansion with Rx-to-OTC switch: Voltaren

Successful Launch

Launched **May 2020**

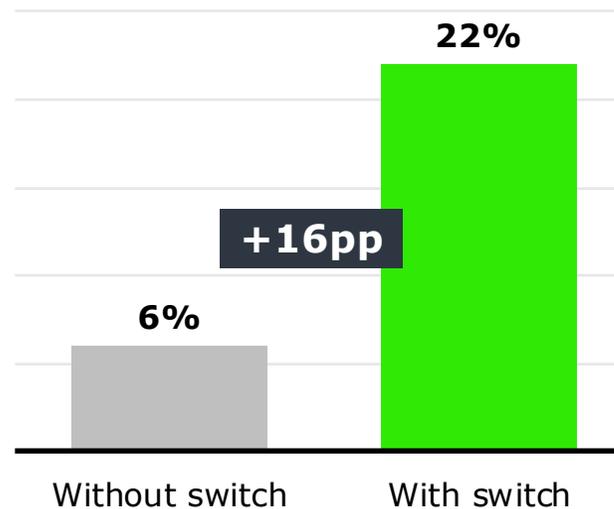
#1 OTC Pain Relief
innovation in 10 years¹

#1 HCP recommended
topical pain²



Expanded Topical Analgesic Category

Significantly increasing
category growth²



Improved consumer access

Rx Product

c.9m prescriptions
for Voltaren Rx³

Rx-to-OTC Switch Product

100m consumers exposed
to Voltaren OTC⁴

¹ Source: IRI Consumption Data from Market Advantage and Xlerate, FY2011-FY2021
² Source: IRI Market Advantage, Consumption Data, Nexium Switch-to-date May 2020 - Nov 2021
³ Voltaren RX Downstreaming, June 2018
⁴ Partner data, Oct 2016

Data to elevate consumer experience and win with the Omni-Channel Consumer

Increased consumer connectivity

Expansion of channels to connect with consumers
 Approx. +60M consumer data collected YTD¹

Right Message, Right Person, Right Time

Optimised content using AI creative and message

Expanded Consumer Experience

Increasing relevance with consumers US Chapstick direct to consumer (D2C) model

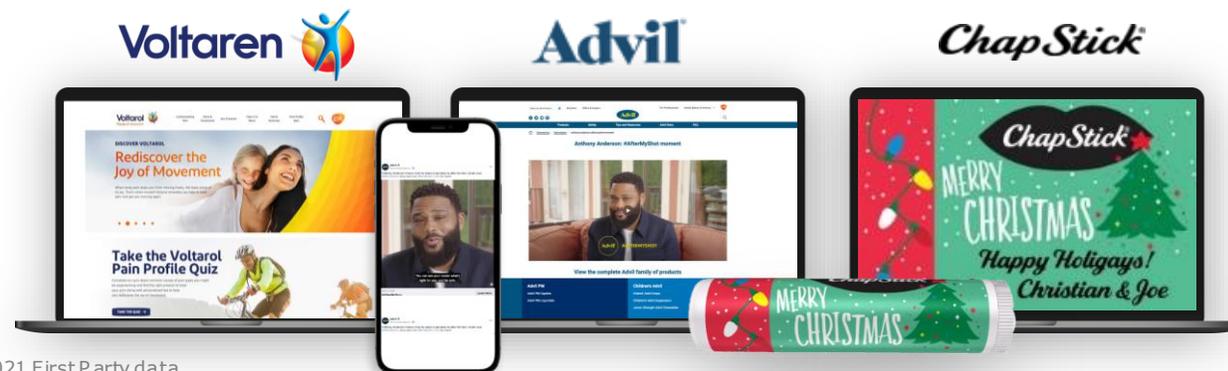
Partnerships with retailers

E-commerce



E-comm sales **12%, doubled over last 2 years²**

Online share > **offline for c.70% brands³**



¹ YTD November 2021 First Party data
² US e-comms sales as a proportion of total US sales
³ across 16 key brands

Strategic partnerships with mass retail to win in categories

Category Captaincy

-  VMS section breaks and navigational signage
-  Brand blocking & Digestive Health landing page
-  Lead designer in DG's Health Expansion stores

Aisle Leadership

Brand blocks & Education



'Vitamins Authority' – Aisle of the Future & Vitamin Finder



Bring Online in-store



Digital product finders

Industry Awards & Accolades

-  2020 **Customer Focus Award**
-  2020 **Vendor & Innovator of the Year**
-  **Partnership** in Treat Yourself Well Campaign
-  'Building a Best-in-Class Shopper Insight Org' **Leading Panelist**
-  2021 **Progressive Grocer Award**

Winning in mass retail driven by shopper insights: Walgreens



Walgreens

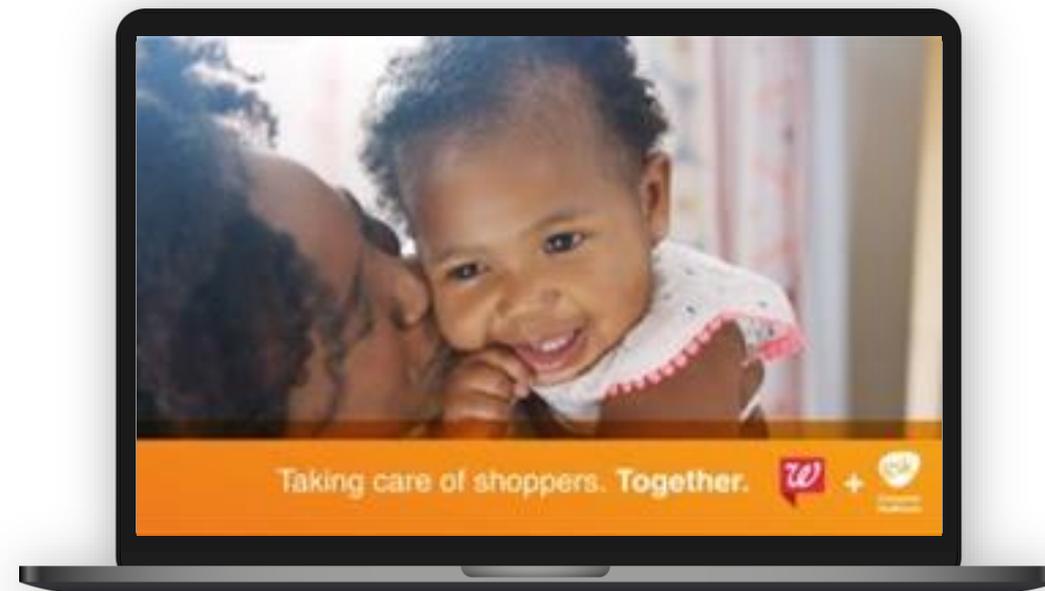
Promoting more agile collaboration and furthering consumer insight

"SPARK Lab" - Sparking ideas that lead to ground-breaking shopper engagement

Digital & Data Lab:

Immersive environment to support digital and data experiences

Visualisation and planning tools to identify opportunities



Demonstrating excellent launch capabilities in market: Advil Dual Action

Advil 1st major innovation in 25 years in the OTC oral pain relief category combining the top 2 internal analgesics ingredients

Distinctive branding



Strong digital activation



1st ever GSK YouTube Masthead¹ to hit **80 million unique viewers**

Effective retail activation



High channel visibility from day 1
Multiple touchpoints at key retailers

Expert engagement



Record Expert recommendations
Significant sample program

Running a responsible business, integral in all we do

Oak Hill plant – US

100% renewable electricity

Toothpaste waste recycled into cement mix



No landfill waste

At all manufacturing sites



Customer ESG partnership

Partnerships to increase health inclusivity



Packaging

Plastic free packaging for specialist toothbrushes, removing > 14 million plastic packs from US landfill annually



Significant growth region with attractive underlying fundamentals and favourable consumer trends

A market leader with category leading brands, well placed to win

Positioned to outperform:

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The new go-to immune support gummies for kids!



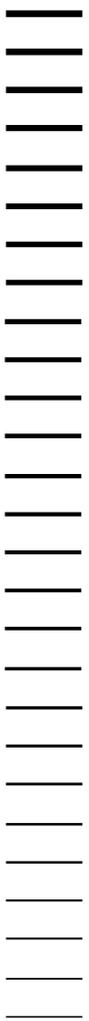
Dietary supplements. Use as directed.

Thank you



THE FIRST AND ONLY COMBO OF ADVIL AND ACETAMINOPHEN





Appendix

Assumptions and cautionary statement and regarding forward-looking statements

GSK cautions investors that any forward-looking statements or projections made by GSK, including those made in this announcement, are subject to risks and uncertainties that may cause actual results to differ materially from those projected. Such factors include, but are not limited to, those described in the Company's Annual Report on Form 20-F for 2020, GSK's 2021 Q4 Results and any impacts of the COVID-19 pandemic.

In outlining the medium term outlooks, growth ambitions and 2022 considerations for Haleon, GSK has made certain assumptions about the consumer healthcare sector, the different geographic markets and product categories in which Haleon operates and the delivery of revenues and financial benefits from its current product range, pipeline and integration and restructuring programmes. These assumptions, as well as the outlooks, ambitions or considerations (as applicable) for organic annual sales growth, adjusted operating margin expansion, dividend payout ratio, cash generation/conversion and deleveraging, assume, among other things, no material interruptions to the supply of Haleon's products, no material mergers, acquisitions or disposals, no material litigation or investigation costs (save for those that are already recognised or for which provisions have been made), no material changes in the regulatory framework for developing new products and retaining marketing approvals, no material changes in the healthcare environment, no unexpected significant changes in Haleon's end markets, no unexpected significant changes in pricing as a result of government, customer or competitor action, and no material changes in the impacts of the COVID-19 pandemic. These outlooks, ambitions and considerations also assume the successful delivery of the separation programme to deliver the demerger of Haleon and the realisation of its anticipated benefits. The outlook, growth ambitions and 2022 considerations are given at constant exchange rates.

Haleon financial reporting considerations¹

IFRS Income Statement

Reportable segments

North America

2021	£m
Revenue ²	3,525
Adj. Op. Margin	23.5%

EMEA & LatAm

2021	£m
Revenue ²	3,877
Adj. Op. Margin	24.8%

APAC

2021	£m
Revenue ²	2,143
Adj. Op. Margin	21.5%

Corporate & Unallocated

2021	£m
Adj. Op. Profit	(77)
Adjusting items	(534)

Revenue² on a Category basis

Comparison of Haleon to GSK segment financials

Whilst a part of GSK, Haleon has historically been reported as an operating segment under IFRS 8 in GSK's annual report and interim financial reporting (the "CH Segment"). The **financial information presented above** has been prepared in a manner consistent with the Historical Financial Information prepared in connection with the anticipated demerger and separation of Haleon from GSK and therefore **differs both in purpose and basis of preparation to the CH Segment as presented historically in GSK's financial reporting**. As a result, **whilst the two sets of financial information are similar, they are not the same because of certain differences in accounting and disclosure under IFRS**.

These differences primarily include:

- (1) the inclusion in GSK's segment reporting of certain **distribution and local commercial activities performed by a limited number of other GSK Group entities** in relation to Consumer Healthcare products
- (2) the basis of **allocation of certain cost-sharing and royalty agreements as attributed by a limited number of other GSK Group entities** for the purposes of GSK segment reporting
- (3) **the inclusion of Horlicks and other Consumer Healthcare nutrition products in India and certain other markets** in GSK segment reporting
- (4) **the sale of Thermacare products** until their disposal in 2020 which have been excluded from GSK segment reporting

Key figures (£m)

	Haleon ¹			GSK CH segment ²		
	2019	2020	2021	2019	2020	2021
Revenue	8,480	9,892	9,545	8,995	10,033	9,607
Adjusted Operating Profit³	1,654	2,074	2,172	1,874	2,213	2,239
Adjusted Operating margin³	19.5%	21.0%	22.8%	20.8%	22.1%	23.3%

Revenue Reconciliation¹

Haleon portfolio growth reflects the growth of Haleon's brands during the track record period

	2019	2020	2021		2020	2021
Revenue £bn	8.5	9.9	9.5	Revenue growth %	16.7%	(3.5%)
Growth %	n/a	16.7%	(3.5%)	Organic growth adjustments of which:	(16.6%)	2.7%
Growth CER %	n/a	19.3%	1.0%	Effect of acquisitions	(19.7%)	-
Organic revenue growth %	n/a	2.8%	3.8%	Effect of divestments	3.2%	2.7%
				Effect of manufacturing service agreements (MSAs) ²	(0.1%)	0.0%
Haleon portfolio revenue £bn	9.3	9.6	9.5	Effect of exchange rates	2.7%	4.6%
Growth %	n/a	2.6%	(0.7%)	Organic revenue growth %	2.8%	3.8%
Growth CER %	n/a	4.9%	3.9%	Haleon portfolio revenue growth adjustments of which:	2.3%	0.1%
				Effect of acquisitions	1.6%	0.0%
				Effect of divestments	0.7%	0.1%
				Effect of manufacturing service agreements (MSAs) ²	-	-
				Effect of exchange rates	(0.2%)	0.0%
				Haleon portfolio revenue growth %	4.9%	3.9%

Haleon portfolio revenue and growth illustrate the performance of the brands that make up the portfolio at spin to provide the best understanding of the size and growth of Haleon's brands during the track record period.

Haleon portfolio revenue and growth are presented here to aid understanding but become unnecessary going forward. Instead revenue, revenue growth, revenue growth at CER and organic growth will be used.

Source: Company analysis

Haleon portfolio growth converges with organic growth in 2021.

Haleon portfolio growth differs from organic growth in two key respects:
 (1) By including 12 months of Pfizer brand sales in all years (including 2019)
 (2) By completely excluding all sales of brands divested from all years

¹ See glossary for definitions

² Manufacturing service agreements ("MSAs") relating to divestments and the closure of sites or brands

IFRS and Adjusted Income Statement¹

2020 (£m)

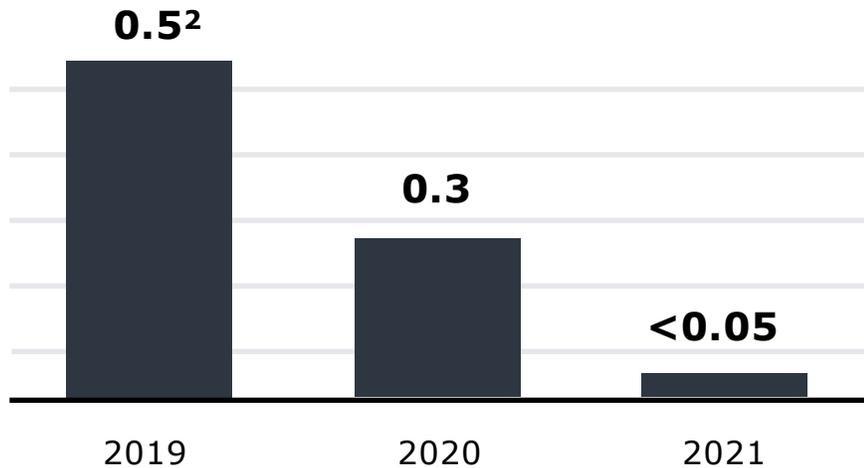
	IFRS Result	Net Intangible Amortisation and Impairment	Restructuring Costs	Transaction Related Costs	Separation and Admission Costs	Disposal and others	Adjusted Result
Revenue	9,892						9,892
Cost of Sales	(3,982)	81	89	91		2	(3,719)
Gross Profit	5,910	81	89	91		2	6,173
<i>% Gross Margin</i>	59.7%						62.4%
Selling, general and admin	(4,220)		314		66	21	(3,819)
Research and development	(304)	16	8				(280)
Other operating income	212					(212)	0
Operating Profit	1,598	97	411	91	66	(189)	2,074
<i>% Margin</i>	16.2%						21.0%
Finance income	20						20
Finance expense	(27)						(27)
Profit before taxation	1,591	97	411	91	66	(189)	2,067
Taxation	(410)	(19)	(90)	(20)	(13)	69	(483)
<i>Tax rate %</i>	25.8%						23.4%
Profit after tax for the year	1,181	78	321	71	53	(120)	1,584

2021 (£m)

	IFRS Result	Net Intangible Amortisation and Impairment	Restructuring Costs	Transaction Related Costs	Separation and Admission Costs	Disposal and others	Adjusted Result
Revenue	9,545						9,545
Cost of Sales	(3,595)	8	44				(3,543)
Gross Profit	5,950	8	44				6,002
<i>% Gross Margin</i>	62.3%						62.9%
Selling, general and admin	(4,086)		150		278	76	(3,582)
Research and development	(257)	8	1		-	-	(248)
Other operating income	31					(31)	-
Operating Profit	1,638	16	195		278	45	2,172
<i>% Margin</i>	17.2%						22.8%
Finance income	17						17
Finance expense	(19)						(19)
Profit before taxation	1,636	16	195		278	45	2,170
Taxation	(197)	8	(36)		(47)	(197)	(469)
<i>Tax rate %</i>	12.0%						21.6%
Profit after tax for the year	1,439	24	159		231	(152)	1,701

Haleon divestments

Revenue of divested brands (£bn; 2019-2021)¹



Brands divested 2019-2021³

2019

Bialcol, Ceridal, Cibalgina, Eurax, Keri, Magnesia Bisurada⁴, Oilatum, Polytar/Tarmed, Prevacid, Savlon, Tixylix

2020

Alavert, Anbesol, Argus, Boost⁵, Breathe Right, Capent, Cetebe, Cholinex, Clindo, Coldrex, Dimetapp, Dristan, Duofilm, Eclipsol, Fibercon, Hinds³, Horlicks⁵, KCI-retard⁶, Lemocin, Mebucaine, Omega/Fri-Flyt, Orofar, Physiogel, Primatene, Pulmex, Resyl, Sunmax, Sweatosan, Synthol, Tavegyl, Thermacare, Tossamin, Trofolastin, Venoruton, Viva/Maltova

2021

Acne-Aid, Baldriparan, Formigran, Kamol, KCI-retard⁶, Spalt, Spectraban, Transderm scop

¹ Excludes revenue of Horlicks / Boost, which were excluded from the Haleon perimeter

² On a reported basis including 5 months' August-December revenue of Pfizer brands

³ Brands are listed by year of closing of divestment

⁴ Partial divestment

⁵ Horlicks / Boost was excluded from the Haleon perimeter and financials but was included in GSK plc's CH segment reporting. Horlicks revenue was £ 0.5bn in 2019

⁶ Partly divested across 2020 - 2021

Glossary

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

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

Adjusting Items include the following:

- **Net amortisation and impairment of intangible assets:** Intangible amortisation and impairment of goodwill, brands, licenses and patents net of impairment reversals.
- **Restructuring costs:** include personnel costs associated with restructuring programs, impairments of tangible assets and computer software relating to specific programmes approved by the Board from time to time that are structural and of a significant scale, where the costs of individual or related projects exceed £15 million. These costs also include integration costs following an acquisition.
- **Separation and admission costs:** costs incurred in relation to and in connection with the demerger, separation, admission and registration of Haleon Shares.
- **Transaction related costs:** Accounting or other adjustments related to significant acquisitions.
- **Disposal and other adjusting items:** Gains and losses on disposals of assets and businesses, tax indemnities related to business combinations, and other items.

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

Compound Annual Growth Rate (CAGR) represents the annualised average rate of growth between two given years assuming growth takes place at a compounded rate.

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

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

Haleon portfolio revenue represents the revenue of the brands that make up the Company's portfolio at separation from GSK. The measure includes 12 months revenue of Pfizer brands in all years including 2019 and excludes all revenue of divested / closed brands from all years. It also excludes revenue attributable to manufacturing service agreements ("MSAs") relating to divestments and the closure of sites or brands. Haleon portfolio revenue is presented here to aid understanding but will not be used going forward.

Haleon portfolio revenue growth represents the growth in Haleon portfolio revenue excluding the impact of exchange movements.

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 sales growth is the same as organic revenue growth (as defined above) and the terms are used interchangeably in these materials

Sales is the same as revenue and the terms are used interchangeably in these materials