HALEON

committed to delivering **attractive and sustainable growth,** maximising shareholder value

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28 February 2022

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Strongly positioned for growth:

- ✓ portfolio reshaped
- ✓ optimised operating model, lean cost base, capabilities improved
- ✓ delivering momentum while investing for growth

Strong financial performance and sustainable model:

- strong medium term outlook: organic annual sales growth of 4-6%[1] per annum
- sustainable moderate operating margin[2] expansion
- strong cash generation[3] and conversion

Disciplined capital allocation prioritising:

- continued reinvestment for growth
- initial dividend expected to be at the lower end of the 30-50% payout range[4]
- deleveraging to <3x net debt/EBITDA[5] by end of 2024

1 Organic annual sales growth (see appendix for definition), in the medium term
2 Adjusted operating margin, in the medium term at CER
3 Free cash flow conversion (see appendix)
4 30-50% of profit attributable to shareholders, subject to Haleon Board approval
5 Adjusted EBITDA

Portfolio reshaped, well positioned for growth

		2015		2021
Increase Contribution From Higher Growth Power Brands	% revenue from Power Brands	44%	→	58%
Exit Lower Growth Brands	Divested revenues[1]	£1bn since 2019[1]		90% divested brands had negative growth[2]
Higher Growth Categories	% of revenue in VMS	1%	→	16%
Greater Presence in Key Geographies	% of revenue in China	4%	→	8%
	Position in the US	#4[3]		#1[4]
Increased Presence in High Growth Channels	% of digital revenue	<1%	→	8%

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Note: 2021 revenue figures reflect Haleon portfolio revenue; 2015 revenue figures reflect reported revenue.
[1] See appendix page for sales of brands divested. £1bn =~£0.5bn Horlicks (not in the Pfizer GSK JV), plus ~£0.5bn from approx. 50 other brands divested
[2] >90% of other divested brand sales excluding Horlicks had negative growth based on compound CER growth over 2 years prior to divestment for brands divested in 2019 and 3 years for brands divested in 2020 or 2021.
[3] N. Hall (2015) VMS and OTC only
[4] N. Hall (2020) VMS and OTC only

Optimised operating model, lean cost base and capabilities improved

Footprint Optimisation

41 → 24
2015[1] → 2021
Manufacturing sites

>200 → c.90
2015[1] → 2021
Warehouse and distribution centres

9 → 4
2015[1] → 2021
R&D sites

A&P Optimisation

2x
Digital media spend[2]

c.50%
% of total[3]

185%
ROI on data-driven media spend[4]

>200 → 56
2019 → 2021[6]
Agencies[5]

Operating model and capabilities

Localisation of R&D

c.800
Realigned roles[7]

68%
% of local project US[8]

"Fewer, Bigger, Better" initiative

+25%
Avg. innovation project value[9]

Specialised tools for enhanced execution

Shopper Science labs
'Perfect' store
TRAX image recognition

Delivering +325 bps in operating margin[10] improvement while increasing A&P[11]

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[1] Includes GSK, Pfizer and Novartis
[2] Increase in total digital media spend 2019-2021
[3] Digital media spend in % of total media spend 2021
[4] ROI at sales value from media spend on 1st and 2nd party data in 2021
[5] Number of Creative, Production & Media Agencies,
[6] Consolidation ongoing, expected to be completed by end 2022
[7] Number of R&D and category roles shifted or re-aligned to local markets for 2022
[8] Percentage of US innovation projects managed locally in the US for 2022
[9] Increase in average innovation project value in Oral Health in 2021
[10] Adjusted operating margin 2019-2021
[11] Increase in A&P investment excluding synergies, divestments and FX movements

Delivering momentum while investing for growth

Revenue[2] CAGR 4.4% (CER) despite net COVID headwind
Healthy balance of price and volume

Strong focus on COGS offsetting inflation
Leading gross margin vs. peers

Strong synergy delivery of c.£500m
Adjusted operating margin **increased by 3.3%**

Strong cash generation

£ million	2019[1] Actual	2020 Actual	2021 Unaudited
Revenue	**8,480**	**9,892**	**9,545**
Haleon portfolio growth[2]		4.9%	3.9%
Adjusted gross profit	**5,273**	**6,173**	**6,002**
Adjusted gross margin	62.2%	62.4%	62.9%
Adjusted EBITDA	**1,884**	**2,351**	**2,413**
Adjusted operating profit	**1,654**	**2,074**	**2,172**
Adjusted op. margin	19.5%	21.0%	22.8%
Free cash flow	**681**	**1,988**	**1,173**
Underlying free cash flow[3]	**784**	**1,558**	**1,412**

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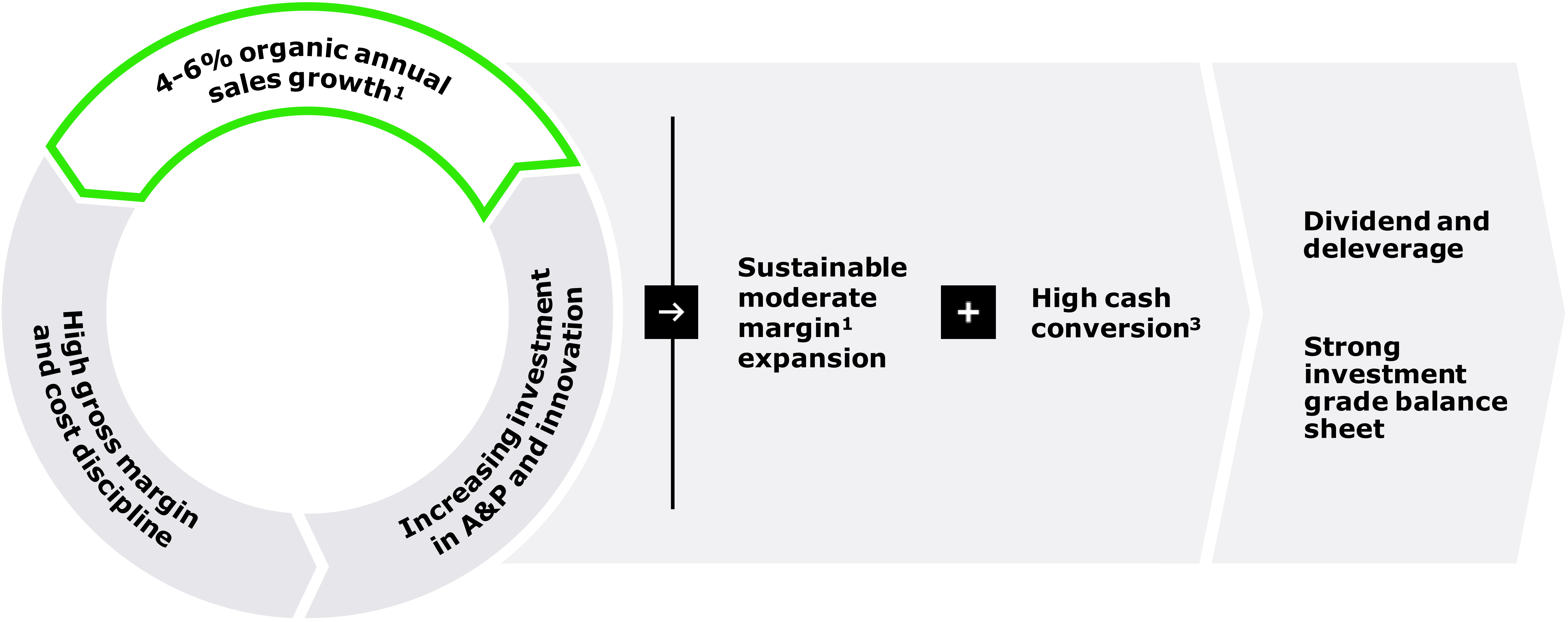
Note: Reflects Haleon basis of preparation of financial statements, as opposed to GSK plc basis of preparation of CH as a segment. See appendix
[1] Note 2019 results as reported include 5 months of the Pfizer consumer business within the perimeter
[2] Haleon portfolio revenue growth. See glossary. 12 months of Pfizer brand revenues included in 2019, 2020 and 2021. Divested brand revenues excluded from 2019, 2020 and 2021.
[3] Free cash flow excluding separation, admissions and restructuring costs and net income from disposals

Sustainable model driving investment for growth and attractive returns



[1] Organic annual sales growth (see appendix for definition), in the medium term
[2] Adjusted operating margin, in the medium term at CER
[3] Free cash flow conversion (see appendix)

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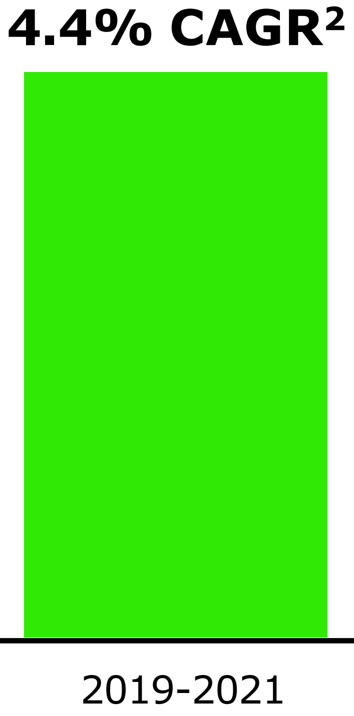
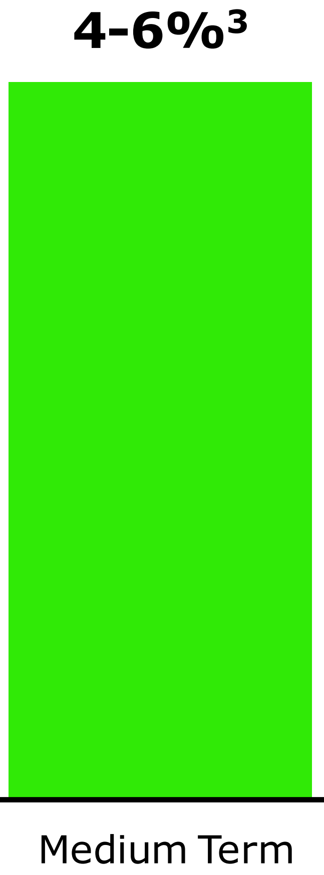
Focused plan to deliver 4-6% organic annual sales growth

- **Market growth at c.2%** with the pandemic impact[1]
- **Portfolio and geographic footprint** reshaped and well positioned for growth
- **Competitive capabilities**
- **Optimised and agile operating model**
- **Integration** and **separation** preparation



- **Growth categories** and **geographies** driving increasing contribution
- **Strategic building blocks:** Increased penetration and channel/geography/portfolio expansion
- **A&P and R&D investment** ahead of sales growth
- **Focused and strong execution**



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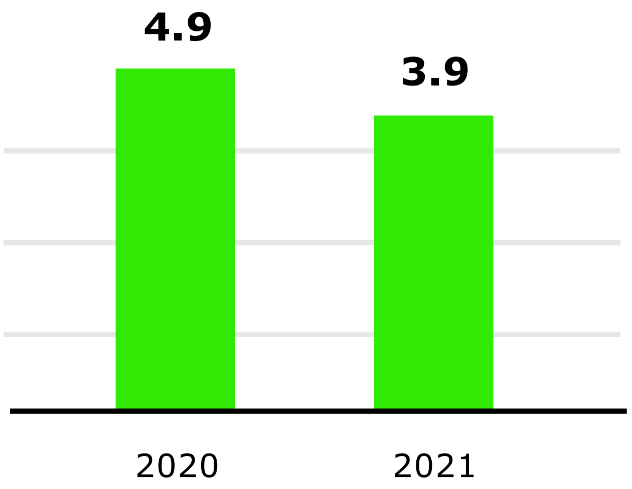
[1] Company analysis based on external data (Nielsen, IRI, IQVIA and N. Hall), 2019 - Nov YTD 2021
[2] Haleon portfolio revenue growth. See glossary. 12 months of Pfizer brand revenues included in 2019, 2020 and 2021. Divested brand revenues excluded from 2019, 2020 and 2021.
[3] Organic annual sales growth (see appendix for definition), in the medium term

Top line – outperforming the market growing by 4.4% CAGR

Growth in digital revenue	+0.4bn
Disciplined and increasing A&P investment	↑ +0.2bn[1]
Healthy balance of price and volume	+2.2% price[2] +1.8% volume[2]

Haleon portfolio revenue growth (%)[3]

4.4% CAGR[3,4]



Market growth c.2% CAGR[4]

[1] Increase in A&P investment excluding synergies, divestments and FX movements
[2] 2021 vs 2020, based on Haleon revenue
[3] Haleon 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.
[4] Company analysis based on external data (Nielsen, IRI, IQVIA and N. Hall), 2019 - Nov YTD 2021

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Outperformance in high growth categories drives momentum

	2021 revenue	2019-2021 Haleon portfolio revenue growth[1]	2019-2021 COVID impact on total revenue growth[1]	Performance vs. market[4]
Oral Health	£2.7bn	5.2%	~	↑
VMS	£1.5bn	11.5%	+ c.60bps *Tailwind*	↑
Pain Relief	£2.2bn	6.3%	~	↑
Respiratory Health	£1.1bn	(3.7)%	– c.110bps *Headwind*	→
Digestive Health & Other[3]	£2.0bn	1.8%	~	↓
Total	**£9.5bn**	**4.4%**	**- c.50bps** ***Headwind***	**c.2x[2,4]**

[1] Haleon 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.
[2] Market grew c.1% in 2020 and c.3% Nov YTD 2021
[3] 'Other' includes other locally important brands skin health and smokers' health.
[4] Company analysis based on external data (Nielsen, IRI, IQVIA and N. Hall)

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Regional performance in high growth geographies drives momentum

	2021 revenue	2019-2021 Haleon portfolio revenue growth[1]	2019-2021 COVID impact on region revenue growth[1]
North America	£3.5bn	3.0%	(1%)
APAC	£2.1bn	8.2%	+1%
EMEA & LATAM	£3.9bn	3.9%	(1%)
Total	£9.5bn	4.4%	-

Emerging markets	
2021 revenue	**£3.0bn**
2019 – 2021 CAGR[1]	**9.8%**

Developed markets	
2021 revenue	**£6.5bn**
2019 – 2021 CAGR[1]	**2.1%**

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[1] Haleon 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

Growth opportunities across all categories

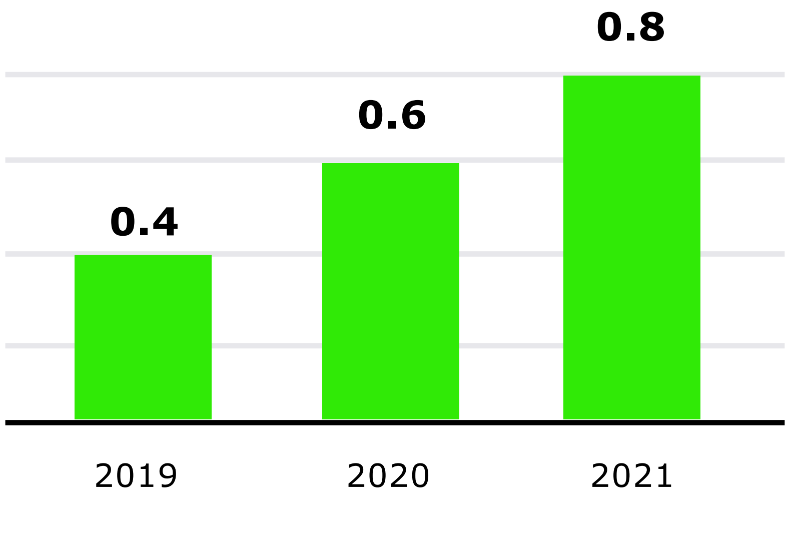
Category		Priorities	Highlights
Oral health		– Penetration, premiumisation and HCP engagement – Continued innovation – Parodontax geographic expansion	**2011-21 CAGR[1]: >10%**
VMS		– Penetration and momentum (US and China) – Centrum Brand innovation – Refocus on Centrum & local strategic brands (EMEA & LatAm)	**#1 Global VMS Brand[2]** **Local growth engines**
OTC	Pain Relief	– Increased penetration – Portfolio expansion (naturals) and Rx-to-OTC switches	**Extending leadership position**
	Respiratory	– Market recovery in Cold & Flu – Otrivin penetration (maintenance and prevention) – Theraflu innovation	**Strong Q4 recovery**
	Digestive Health & Other	– Increase innovation and penetration – Market and brand recovery – Rx-to-OTC switches	**Leading local brands**

[1] GSK Consumer Healthcare segment revenue growth, Sensodyne. 2011-2021
[2] Source: N. Hall (2020)

Growing exposure to high growth digital channel

E-commerce – a growing channel

Global e-commerce sales (£bn)



Well invested in key capabilities

E-commerce % of sales doubled from 4% to 8% over 2019-21

Strong position in key markets with meaningful opportunity for growth

E-commerce % of sales in key markets in 2021[1] (%)

Market and category development varies by country

Delivered strong **double digit growth** over last two years

High level drivers of delivering medium term sales outlook

		Expected organic sales growth[1]	Share of group sales by 2025
Category	**Oral Health and VMS**	mid to high single digit	c.50%
Geography	**Emerging markets**	high single digit	high 30s %
Channel	**E-commerce**	double digit	mid-teens %
Portfolio	**Rx-to-OTC switches**	+1% revenue growth in year each, from 2025 if successful	

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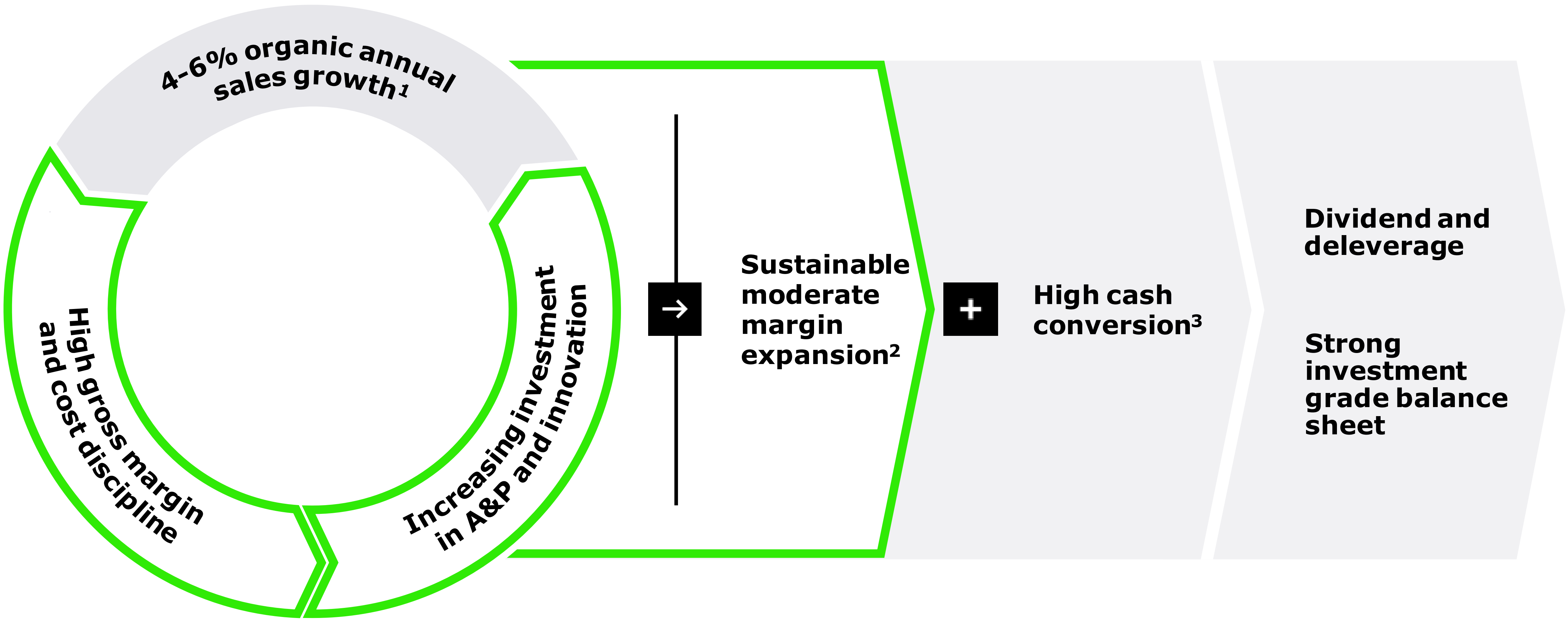
[1] Organic annual sales growth (see appendix for definition), in the medium term

Sustainable model driving investment for growth and attractive returns



[1] Organic annual sales growth (see appendix for definition), in the medium term
[2] Adjusted operating margin, in the medium term at CER
[3] Free cash flow conversion (see appendix)

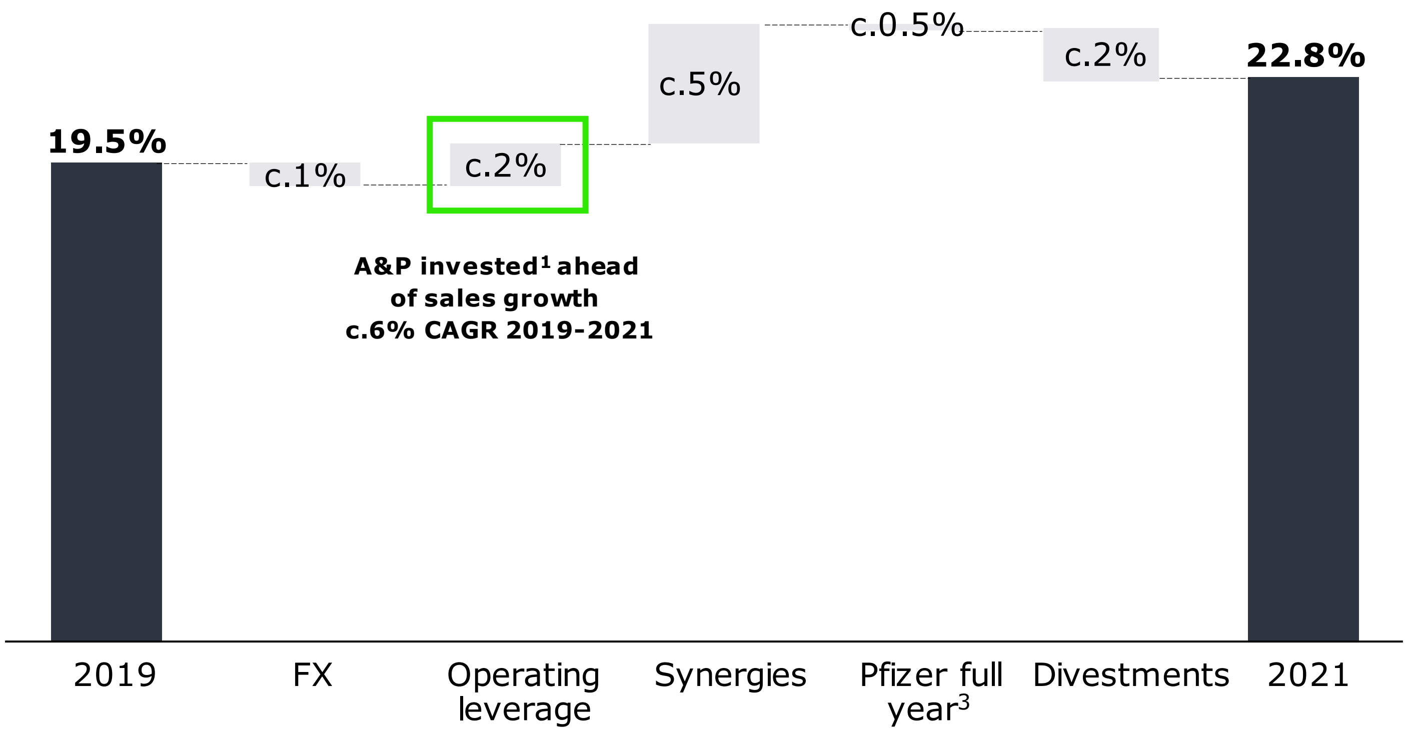
Track record of delivering adjusted operating margin expansion while investing for growth

Healthy balance of price & volume growth

Disciplined and increasing A&P investment £0.2bn[1]

Synergies & restructuring: £0.5bn cost reduction[2]

325bps increase in adjusted operating margin



[1] Increase in A&P investment excluding synergies, divestments and FX movements
[2] Synergy benefits delivered from the joint venture with Pfizer by end 2021.
3 Impact of 7 months of Pfizer margin excluded from 2019

Focused investment for top-line growth through margin efficiency

Key ongoing drivers of adjusted operating margin

Net price and product mix optimisation

Favourable mix – higher margin Power Brands outperformance
Price increases
Net revenue management

Manufacturing, supply chain and procurement efficiencies

Reduce contract manufacturing
Automation & digitization
Continued optimization of internal supply
Procurement savings

Cost discipline

Optimise processes, systems, and standalone costs
Indirect procurement initiatives

Leading gross margin[1]

Lean and aligned cost base

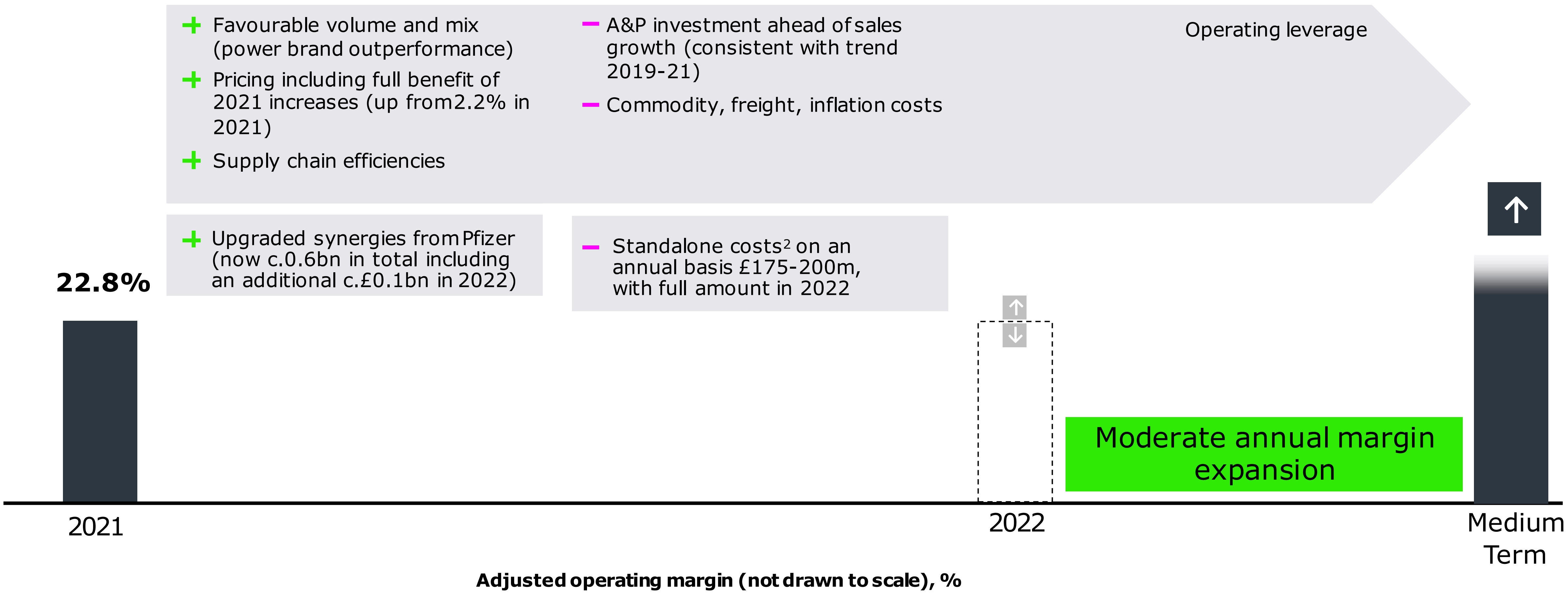
Continued investment in revenue growth

Re-investment in brands

- A&P growth ahead of organic sales growth
- Disciplined reinvestment in A&P and innovation
- Strong governance including ROI analytics and scorecards

[1] vs peers

Operating model driving modest annual margin expansion in the medium term, in 2022 increased synergies largely offsetting standalone costs[1]



[1] At constant currency
[2] Standalone costs: cost of new functions needed for Haleon to operate as an independent plc and dis-synergies

Sustainable moderate margin expansion[1] in medium term

	2021	Medium-term trajectory[1]	Future drivers
Gross Margin[2]	62.9%	↑	Positive mix, high margin Power Brands COGS efficiencies to partially offset cost inflation Pricing benefits & Net Revenue Management programs
A&P	20.3%	↑	Reinvestment in A&P ahead of sales growth Optimisation of A&P spend delivering efficiencies
R&D[2]	2.6%	↑	Reinvestment in R&D Increased returns on R&D spend
Other SG&A[2]	17.2%	↓	Optimisation of standalone costs, processes and systems, after increase in 2022 Leveraging benefits from scale
Adjusted Operating Margin	**22.8%**	↑	**Gross margin expansion and other SG&A decline** **Largely offset by reinvestment in A&P and R&D for growth**

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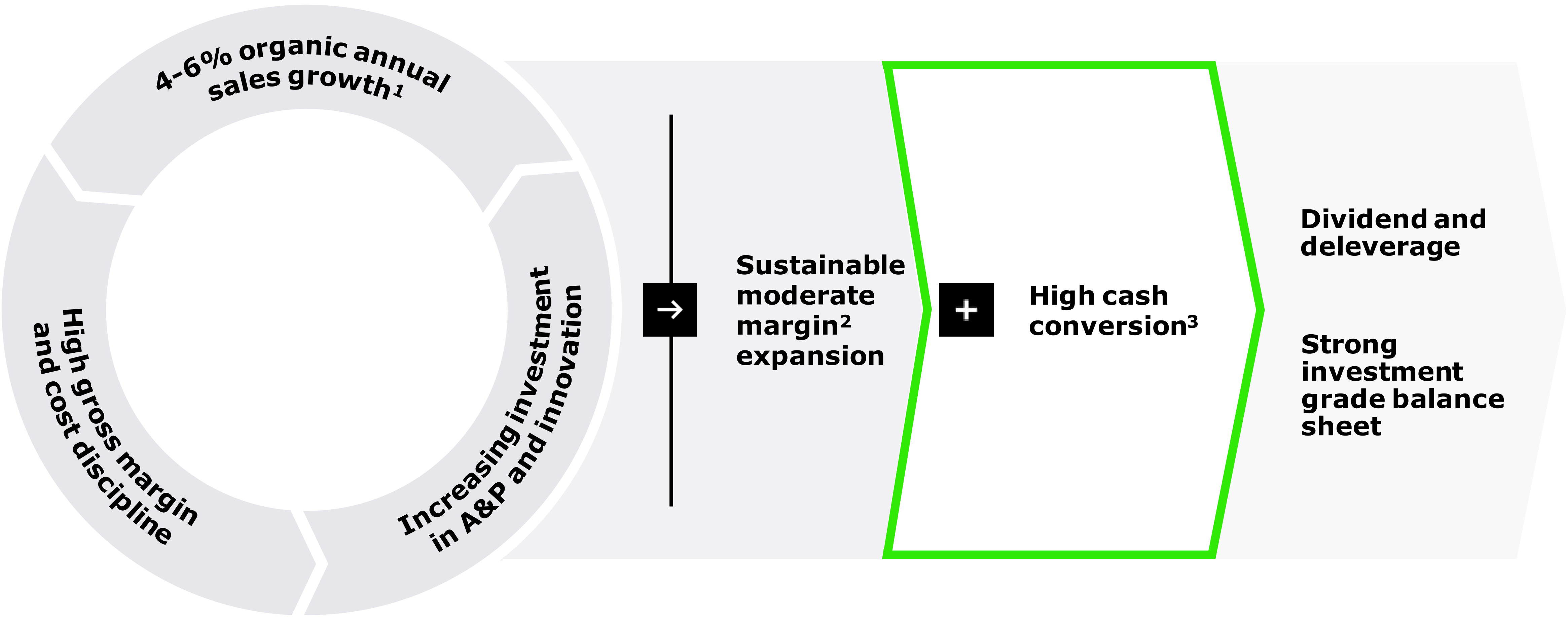
[1] Adjusted Operating Margin at constant exchange rates
[2] Adjusted

Sustainable model driving investment for growth and attractive returns



[1] Organic annual sales growth (see appendix for definition), in the medium term
[2] Adjusted operating margin, in the medium term at CER
[3] Free cash flow conversion (see appendix)

Strong cash flow supportive of capital allocation priorities

£bn, AER	2020	2021
Free cash flow	2.0	1.2
Less separation, restructuring & disposals	(0.4)	0.2
Underlying Free Cash Flow[1]	**1.6**	**1.4**

Working capital discipline:
Inventory and debtor day reduction since 2019

Restructuring and separation costs **£1.3bn** largely offset by proceeds from divestments of **£1.1bn**

Strong capital base with stable capex of **c.3%** per annum

No historic net debt whilst segment of GSK

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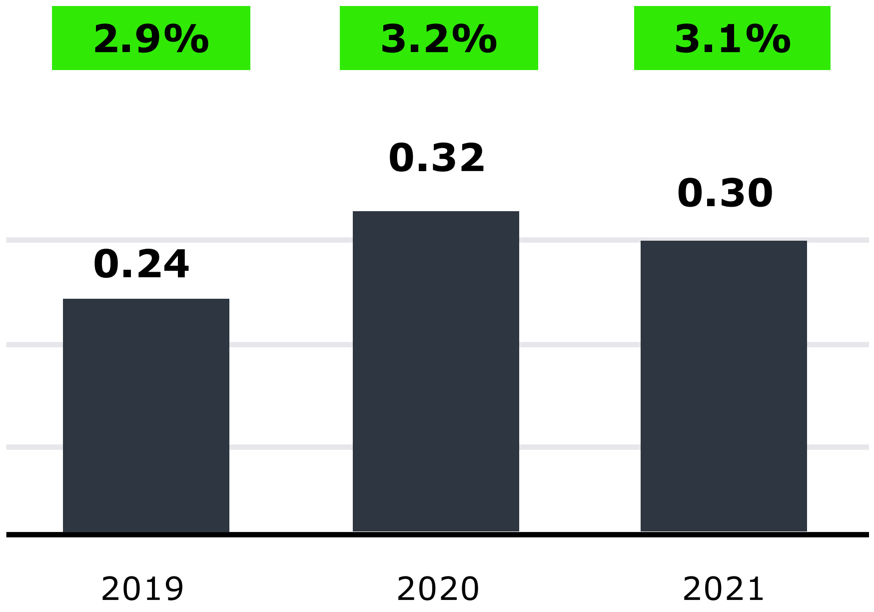
[1] Free cash flow excluding separation, admissions and restructuring costs and net income from disposals

Strong capital base with stable capex

Capex spend per annum (£bn; 2019-2021)

Capex as % of sales



c.55% of capex maintenance[1]

Ongoing investment in reduced manufacturing and R&D footprint with capacity to support future growth

Investment in automation and digitalisation of the supply chain

Investment in digital & ecommerce capabilities

High regulatory and quality control standards across manufacturing

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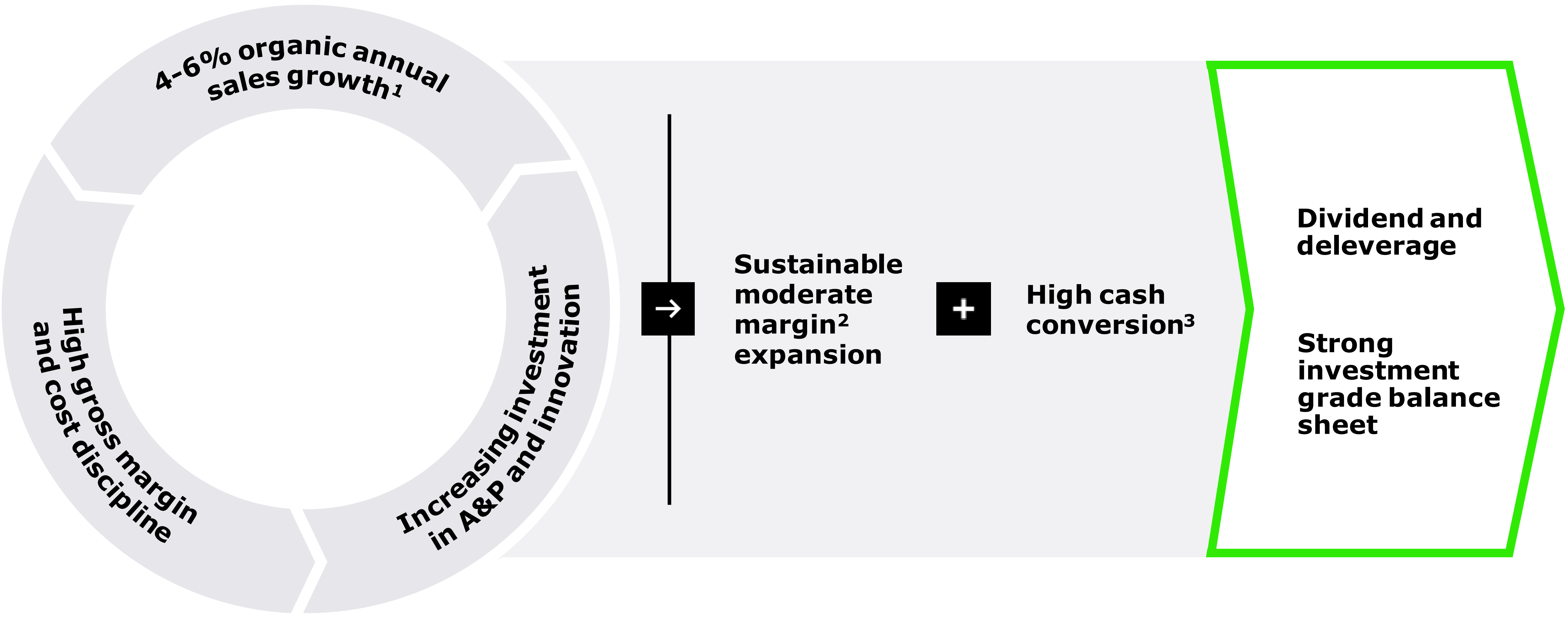
Note: capex includes Plant Property & Equipment and purchase of intangibles.
[1] Capex at actual rate excluding divestments

Strong cash flow supporting capital allocation priorities

(£bn)	2020	2021	Future cash flow drivers
Profit before Interest & Tax	1.6	1.6	
Cash Tax	(0.6)	(0.3)	2021 more indicative for short term based on expected adjusted ETR of 22-23%
Interest & NCIs[1]	(0.0)	(0.0)	Interest costs initially c.£0.2bn Payments to NCIs c.£50m
Add back Depreciation & Other Non-cash	0.5	0.2	Expected to be broadly in line with 2021 levels
Working Capital[2]	(0.0)	(0.1)	Sharp focus on working capital management Expected to be broadly neutral
Net Capex	(0.3)	(0.3)	Expected to be c.3% of sales
Disposals[3]	0.8	0.1	
Free Cash Flow	**£2.0bn**	**£1.2bn**	
Less separation, restructuring & disposals[4]	(0.4)	0.2	Divestment programme complete. No major restructuring foreseen
Underlying free Cash Flow [5]	**£1.6bn**	**£1.4bn**	→ **Significant free cash flow to support growth, dividend and deleveraging**

[1]Non-controlling interest; [2]Working Capital & Other Receivables/Payables; [3]Cash from Sale of Brands less Profit on Disposal; [4]Post tax cash impact of separation, restructuring & disposals
[5]Free cash flow excluding separation, admissions and restructuring costs and net proceeds from disposals

Sustainable model driving investment for growth and attractive returns



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[1] Organic annual sales growth (see appendix for definition), in the medium term
[2] Adjusted operating margin, in the medium term at CER
[3] Free cash flow conversion (see appendix)

Growth focused disciplined capital allocation

1 Reinvest in business	2 Dividend	3 M&A
Focused reinvestment to drive sustainable growth and attractive returns	**Initial dividend** expected to be at the lower end of the 30-50% payout range[1], subject to HALEON Board approval	**Where commercially compelling** and consistent with company strategy

Target net debt / EBITDA[2] of <3x by the end of 2024

Maintain strong investment grade balance sheet

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[1] 30-50% of profit attributable to shareholders
[2] Adjusted EBITDA

Medium term outlook

Organic annual sales growth of 4-6%[1], ahead of market

Sustainable moderate adjusted operating margin expansion[2] per annum

High and stable cash conversion
Delivering net debt / EBITDA[3] <3x by the end of 2024

Initial dividend expected to be at the lower end of the 30-50% payout range[4] (subject to Haleon board approval)

Full year 2022

Organic sales growth: 4-6%
Adjusted effective tax rate of 22-23%
Interest expense c.£0.2bn in 2022

Other key elements of performance guidance to be given at HY 2022 results, once a standalone public company

[1] Organic annual sales growth (see appendix for definition), in the medium term
[2] Adjusted Operating Margin at constant exchange rates
[3] Adjusted EBITDA
[4] 30-50% of profit attributable to shareholders

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Strongly positioned for growth:

- ✓ portfolio reshaped
- ✓ optimised operating model, lean cost base, capabilities improved
- ✓ delivering momentum while investing for growth

Strong financial performance and sustainable model:

- strong medium term outlook: organic annual sales growth of 4-6%[1] per annum
- sustainable moderate operating margin[2] expansion
- strong cash generation[3] and conversion

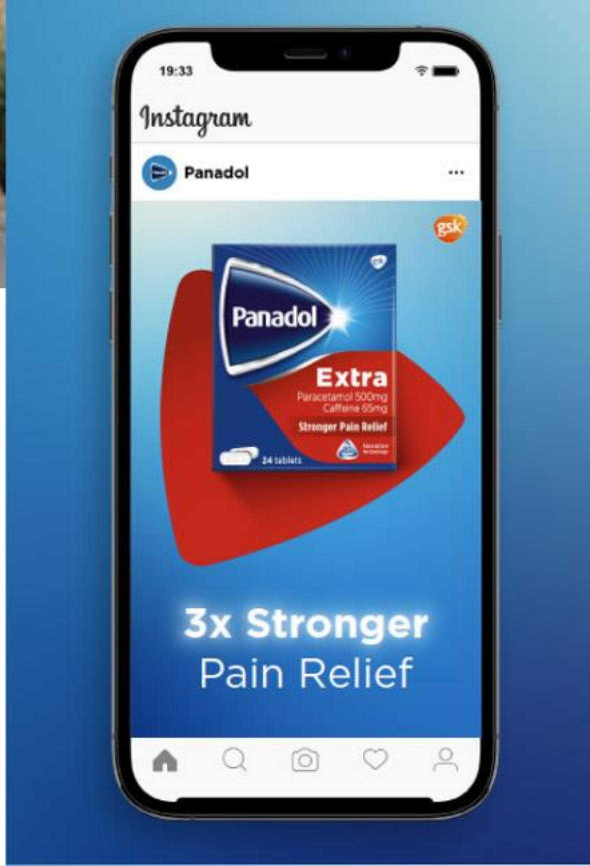
Disciplined capital allocation prioritising:

- continued reinvestment for growth
- Initial dividend expected to be at the lower end of the 30-50% payout range[4]
- deleveraging to <3x net debt/EBITDA[5] by end of 2024

1 Organic annual sales growth (see appendix for definition), in the medium term
2 Adjusted operating margin, in the medium term at CER
3 Free cash flow conversion (see appendix)
4 30-50% of profit attributable to shareholders, subject to Haleon Board approval
5 Adjusted EBITDA


VoltaNatura
Plant-based muscle rescue gel
Soothes and cools tense, contracted muscle areas


IT'S NOT JUST MOVEMENT


Instagram
Panadol
Panadol
Extra
3x Stronger
Pain Relief


RELIEVING
IS BELIEVING
CONTAINS 2 MEDICINES
Acetaminophen + Ibuprofen
NEW!
Advil
DUAL ACTION
WITH Acetaminophen
Pain Reliever


TUMS
Smoothies

Thank you


钙尔奇
Caltrate


SENSODYNE
PRONAMEL


THERAFLU
THERAFLU
THERAFLU
THERAFLU

Appendix

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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 considerations[1]

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)

Revenue[2] on a Category basis

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[1] See glossary for definition of Adjusted measures
[2] Revenue, revenue growth, revenue growth at CER and organic revenue growth (see glossary for definition) will be published for the reportable segments and categories

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 Profit[3]	1,654	2,074	2,172	1,874	2,213	2,239
Adjusted Operating margin[3]	*19.5%*	*21.0%*	*22.8%*	*20.8%*	*22.1%*	*23.3%*

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[1] Haleon financial results
[2] GSK Consumer Healthcare segment financial results
3 See glossary for definition of Adjusted measures

Revenue Reconciliation[1]

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

	2019	2020	2021
Revenue £bn	8.5	9.9	9.5
Growth %	*n/a*	***16.7%***	***(3.5%)***
Growth CER %	*n/a*	*19.3%*	*1.0%*
Organic revenue growth %	*n/a*	***2.8%***	***3.8%***
Haleon portfolio revenue £bn	9.3	9.6	9.5
Growth %	*n/a*	*2.6%*	*(0.7%)*
Growth CER %	*n/a*	***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

	2020	2021
Revenue growth %	***16.7%***	***(3.5%)***
Organic growth adjustments of which:	*(16.6%)*	*2.7%*
Effect of acquisitions	*(19.7%)*	*-*
Effect of divestments	*3.2%*	*2.7%*
Effect of manufacturing service agreements (MSAs)[2]	*(0.1%)*	*0.0%*
Effect of exchange rates	*2.7%*	*4.6%*
Organic revenue growth %	***2.8%***	***3.8%***
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 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 Statement[1]

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**
% Gross Margin	*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**
% Margin	*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)**
Tax rate %	*25.8%*						*23.4%*
Profit after tax for the year	**1,181**	**78**	**321**	**71**	**53**	**(120)**	**1,584**

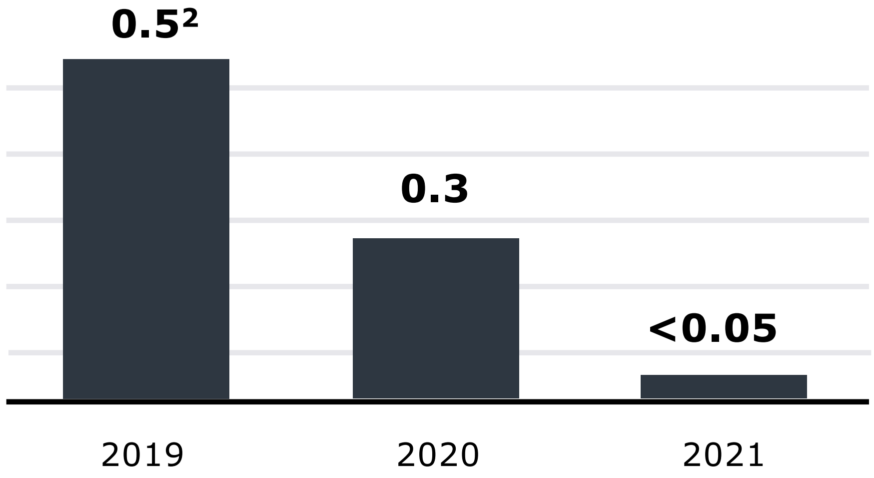
2021 (£m)

	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**
% Gross Margin	*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**
% Margin	*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)**
Tax rate %	*12.0%*						*21.6%*
Profit after tax for the year	**1,439**	24	159		231	(152)	**1,701**

[1] See glossary for definitions of Adjusting Items and comments regarding the use of Adjusted measures

Haleon divestments

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



Brands divested 2019-2021[3]

2019

Bialcol, Ceridal, Cibalgina, Eurax, Keri, Magnesia Bisurada[4], Oilatum, Polytar/Tarmed, Prevacid, Savlon, Tixylix

2020

Alavert, Anbesol, Argus, Boost[5], Breathe Right, Capent, Cetebe, Cholinex, Clindo, Coldrex, Dimetapp, Dristan, Duofilm, Eclipsol, Fibercon, Hinds[3], Horlicks[5], KCI-retard[6], 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-retard[6], 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