

30 April 2024

The General Manager
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject: Transmission of Quarterly Report for the Period Ended 31 March 2024

Dear Sir / Madam,

We have to inform you that the Quarterly Report of the Company for the period ended 31 March 2024 has been transmitted through PUCARS and is also available on the Company's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Thank you.
For and on behalf of Haleon Pakistan Limited



Ms. Mashal Mohammad
Company Secretary



Enclosed: As above

Adapt to Succeed.



THE BLUE DOT

Haleon Pakistan Limited

11-A, 11th Floor Sky Tower (East Wing), Dolmen City, HC-3, Block 4,
Scheme-5, Clifton, Karachi, Pakistan 75600.

First Quarterly Report 2024

HALEON

Corporate Information

Board of Directors	Mr. M. Z. Moin Mohajir* (Chairperson) Mr. Farhan Muhammad Haroon** Mr. Dilawar Meghani Syed Anwar Mahmood Ms. Ayesha Aziz Ms. Sumru Atalay Besceli † Mr. Oussama Abbas
Board Audit Committee	Ms. Ayesha Aziz*** (Chairperson) Mr. M. Z. Moin Mohajir Syed Anwar Mahmood
Secretary	Ms. Marrium Ahmed †††
Supply Chain Executive Committee ††††	Mr. Oussama Abbas*** (Chairperson) Mr. Farhan Muhammad Haroon Mr. Dilawar Meghani
Secretary	Syed Mohsin Mazhar
Human Resource, Remuneration and Nomination Committee	Syed Anwar Mahmood*** (Chairperson) Mr. M. Z. Moin Mohajir Ms. Ayesha Aziz
Secretary	Ms. Ensherah Khan ††
Management Committee	Mr. Farhan Muhammad Haroon** Chief Executive Officer Mr. Dilawar Meghani Chief Financial Officer Ms. Mashal Mohammad Legal Director and Company Secretary Ms. Marrium Ahmed Head of Internal Audit and Compliance Mr. Ameer Taimur Zaid Pakistan E2E SC and Jamshoro Site Lead Mr. Khurram H. Khan Head of Commercial Excellence Mr. Mazhar Shams Head of Regulatory Affairs Mr. Faisal Rafiq Head of Expert Mr. Salman Altaf Marketing Director Syed Abrar Ali Sales Director Ms. Ensherah Khan Head of Human Resources Ms. Sadaf Malik Head of Corporate Affairs

Company Secretary	Ms. Mashal Mohammad
Chief Financial Officer	Mr. Dilawar Meghani
Head of Internal Audit	Ms. Marrium Ahmed †††
Bankers	Citibank N.A Standard Chartered Bank (Pakistan) Limited MCB Bank Limited Habib Metropolitan Bank Limited
Auditors	KPMG Taseer Hadi & Co. Chartered Accountants
Legal Advisors	Haroon Dugal Law Chambers

*Mr. M. Z. Moin Mohajir was appointed as the Chairperson of the Board of Directors w.e.f 22 March 2022 with the reconstitution of the Board committees post election at the AGM held on 21 March 2022.

** Mr. Farhan Muhammad Haroon was appointed as the Chief Executive Officer of the Company w.e.f 22 March 2022 post elections at the AGM held on 21 March 2022.

***The Chairpersons to the respective Board committees were appointed w.e.f 22 March 2022 with the reconstitution of the Board committees post election at the AGM held on 21 March 2022.

† Ms. Sumru Atalay Besceli was appointed as Non-Executive Director on the Board of Directors of the Company, on 15 November 2022, after the resignation of Ms. Ozlem Oz Miyanyedi on 28 September 2022.

†† Ms. Ensherah Khan was appointed as the Secretary of the Human Resource, Remuneration and Nomination Committee on 21 July 2022 to replace Mr. Farqaleet Iqbal.

††† Ms. Mariam Maqsood resigned as the Secretary of the Board Audit Committee on 1 November 2022 and was replaced by Ms. Marrium Ahmed on 20 February 2023.

†††† The name of Integration Supply and Network Optimisation Committee was changed to Supply Chain Executive Committee in its meeting held on 23 May 2023.

Registered Office

11-A, 11th Floor Sky Tower (East Wing), Dolmen City, HC-3, Block 4, Scheme-5, Clifton, Karachi, Pakistan 75600*.

*The registered office address was changed w.e.f 9 February 2023.

Tel: 92-21-111-475-725
(111-GSK-Pak)

Investor Relations Contacts

Share Registrar
CDC Share Registrar Services Limited
CDC House, Main Shahrah-e-Faisal, Karachi.

Tel: 021 111-111-500
Email: info@cdcsrsl.com

And
Haleon Pakistan Limited
Corporate Secretarial Department
11-A, 11th Floor, Sky Tower (East Wing), Dolmen City, HC-3, Block 4, Scheme-5, Clifton, Karachi, Pakistan 75600.
Email: pakistan.shareinfo@haleon.com

Business Units - Geographical Location and Addresses

The business units and addresses are mentioned in note no. 43 of the financial statements available on page 186 of this report.

Website

www.haleon.pk

Directors' Report to the Shareholders

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present your Company's Un-audited Condensed financial information for the three months ended March 31, 2024.

Composition of the Board:

The total number of Directors are seven (7) as per the following:

Male: 5
Female: 2

Category	Name
Independent Directors	Mr. M. Z. Moin Mohajir Syed Anwar Mahmood Ms. Ayesha Aziz
Executive Directors	Mr. Farhan Muhammad Haroon Mr. Dilawar Meghani
Non – Executive Directors	Mr. Oussama Abbas Ms. Sumru Atalay Besceli

Business / Economic Overview

Following a contraction in 2023, Pakistan witnessed some improvement in economic activity during the first quarter of 2024, supported by improved agricultural output and a stable exchange rate. It is also projected that Pakistan's real GDP will grow by 1.9 percent in the current fiscal year (The Asian Development Bank). However, being a low-to-middle-income country (LMIC), growth will remain restricted with inflation leading to lower incomes and reduced consumer spending.

Haleon Pakistan Limited, being the largest Fast Moving Consumer Healthcare (FMCH) company in Pakistan, continued its mission to deliver better everyday health with humanity. Despite the economic and political instability, your Company remained focused towards bringing more innovative products to our consumers while

ensuring access to the existing best in class OTC and Oral Healthcare (OH) products in Pakistan. In Quarter 1, 2024, Haleon Pakistan launched Panadol Night in the OTC category and Sensodyne Kids in the Oral Health category, catering to the respective need states.

Review of Operating Results

Haleon Pakistan's core business delivered a growth of 2% in Q1 despite the fact that general elections were held in Q1 2024 - historically associated with uncertain demand and supply situation for the business.

FMCG portfolio delivering growth of 10% and OTC portfolio remained stagnant vs SPLY (Same Period Last Year), whereas toll manufacturing segment grew by 11%.

Haleon Pakistan Limited has been focused towards bringing more innovative products to consumers while ensuring access to existing best in class OTC and Oral Healthcare products in Pakistan. Despite the political and economic challenges, the Company was able to exercise due control on our cost levers. Total expenses to net sales ratio in the first three months have increased from 14% to 16% as compared to SPLY. With interest rates remaining high, our Company was able to generate income from financial assets of Rs. 188 million in comparison to Rs.166 million in SPLY.

We are pleased to share that, navigating through difficult circumstances, your Company managed to post a net profit after tax of Rs. 649 million amounting to an Earnings Per Share (EPS) of Rs. 5.55 (SPLY: Rs. 2.59).

The Company remains committed to Corporate Social Responsibility (CSR) in Pakistan and as a socially conscious organization, we continue to contribute towards social welfare. Recently, the employees volunteered at a senior home during the month of Ramadan as a part of the Company's corporate volunteering program, called as "Haleon Helps".

Future Outlook and Challenges

Notwithstanding, the mounting pressures at global and regional level, the current fiscal year shows economic

growth prospects for the country. Nevertheless, we expect continued inflationary pressure driven by high energy prices, depreciation of the local currency and reduced government spending. Your Company is actively adapting to and prepared for evolving circumstances and outcomes.

The first quarter of the year also brought a positive development for the pharmaceutical industry of Pakistan, when the Government of Pakistan adapted to global pharmaceutical practices, allowing for adjustments in the prices of medicines falling under the non-essential medicine list. This shall be governed by the principles of free market competition which will promote availability, quality and viability. At the same time, there is a need to develop conducive policies to help pharmaceutical companies locally produce essential raw material of drugs or their components, as well as export, to ensure that the sector maximizes its contribution to the national economy.

In 2024, the key focus remains on establishing the concept of self-care in Pakistan and empowering people to better take care of their health. While growth and expansion are pivotal for business, Haleon will remain committed to Deliver Better Everyday Health with Humanity in Pakistan through innovative and quality Healthcare products.

Remuneration Policy

The Non-Executive Board Directors of Haleon Pakistan Limited are entitled to a remuneration approved by the Human Resource, Remuneration and Nomination Committee, based on market benchmark of the Consumer Healthcare Industry and other similar type of businesses.

Acknowledgment

The Board of Directors take this opportunity to thank all employees for their outstanding, untiring work and dedication to ensure that the Company Delivers Better Everyday Health with Humanity. We would like to further extend our appreciation to our suppliers and partners for their continued support and dedication in

the achievement of the Company's results.

By the order of the Board
Sincerely,



Farhan Muhammad Haroon
Chief Executive Officer



Dilawar Meghani
Chief Financial Officer

Date: 25th April 2024



عزیز شیئر ہولڈرز

بورڈ آف ڈائریکٹرز کے ایما پر، ہم 31 مارچ 2024 کو ختم ہونے والی سہ ماہی کے لیے آپ کی کمپنی کی غیر آڈٹ شدہ کنڈنسڈ مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

بورڈ کی ساخت

ڈائریکٹرز کی کل تعداد سات (7) ہے جو کہ درج ذیل ہے

مرد: 5	خواتین: 2
شعبہ	نام
خود مختار ڈائریکٹرز	جناب ایم زیڈ معین مہاجر سید انور محمود محترمہ عائشہ عزیز جناب فرحان محمد ہارون
ایگزیکٹو ڈائریکٹرز	جناب دلاور میگھانی جناب اسامہ عباس محترمہ سمرو اطالے بیسلی

کاروباری/معاشی تجزیہ

2023 میں کنٹریکشن کے بعد، پاکستان میں 2024 کی پہلی سہ ماہی کے دوران معاشی سرگرمیوں میں کچھ بہتری دیکھنے میں آئی، جس میں زرعی پیداوار میں بہتری اور مستحکم شرح تبادلہ معاون ثابت ہوئے۔ یہ بھی اندازہ لگایا گیا ہے کہ رواں مالی سال میں پاکستان کی حقیقی GDP میں 1.9 فیصد اضافہ ہوگا۔ تاہم، کم سے درمیانی آمدنی والا ملک (ایل ایم آئی سی) ہونے کے طے، افراط زر کی وجہ سے کم آمدنی اور صارفین کے اخراجات میں کمی کی بنا پر ترقی محدود رہے گی (ایشیائی ترقیاتی بینک)۔

بیلیون پاکستان لمیٹڈ نے پاکستان کی سب سے بڑی فاسٹ موونگ کنزیومر ہیلٹھ کیئر (ایف ایم سی ایچ) کمپنی ہونے کے ناطے، انسانیت کے ساتھ بہتر روزمرہ صحت کی فراہمی کے لیے اپنا مشن جاری رکھا۔ معاشی اور سیاسی عدم استحکام کے باوجود، آپ کی کمپنی نے پاکستان میں موجودہ، شعبے کی بہترین او ٹی سی اور اول ہیلٹھ کیئر (او ایچ) مصنوعات تک رسائی کو یقینی بناتے ہوئے اپنی توجہ صارفین کے لیے مزید جدید مصنوعات متعارف کروانے پر مرکوز رکھی۔ پہلی سہ ماہی 2024 میں بیلیون پاکستان نے بالترتیب دونوں کی ضرورت کو مد نظر رکھتے ہوئے، او ٹی سی کیٹیگری میں

پیناڈول نائٹ اور اول ہیلٹھ کیٹیگری میں سینسوڈائن کڈز متعارف کروائے۔

آپریٹنگ نتائج کا جائزہ

بیلیون پاکستان کے بنیادی کاروبار میں پہلی سہ ماہی کے دوران 2 فیصد کی شرح سے ترقی دیکھنے میں آئی، اس حقیقت کے باوجود کہ پہلی سہ ماہی کے دوران عام انتخابات 2024 بھی ہوئے۔ جس سے روایتی طور پر طلب اور رسد کی غیر یقینی صورتحال وابستہ رہی ہے۔

ایف۔ ایم۔ سی۔ جی پورٹ فولیو میں 10 فیصد اضافہ ہوا اور او۔ ٹی۔ سی پورٹ فولیو ایس پی ایل وائی (گذشتہ سال اسی عرصے کے دوران) کے مقابلے میں مستحکم رہا جبکہ ٹول مینوفیکچرنگ کے شعبے میں 11 فیصد گروتھ دیکھنے میں آئی۔

بیلیون پاکستان لمیٹڈ، صارفین کے لیے پاکستان میں موجودہ بہترین او ٹی سی اور اول ہیلٹھ کیئر مصنوعات تک رسائی کو یقینی بناتے ہوئے مزید جدید مصنوعات متعارف کرانے کی طرف اپنی توجہ مرکوز کیے ہوئے ہے۔ سیاسی اور معاشی چیلنجز کے باوجود، اپنے کاسٹ لیورز پر مطلوبہ کنٹرول حاصل کرنے میں کامیاب رہی۔ ایس پی ایل وائی (گزشتہ سال اسی عرصے کے دوران) کے مقابلے میں پہلے تین ماہ میں نیٹ سیلز کے مقابلے میں کل اخراجات کا تناسب 14 فیصد سے بڑھ کر 16 فیصد ہو گیا۔ شرح سود زیادہ رہنے کی وجہ سے ہماری کمپنی مالیاتی اثاثوں کی مد میں ایس پی ایل وائی (گذشتہ سال اسی عرصے کے دوران) میں 166 ملین روپے کے مقابلے میں 188 ملین روپے آمدنی حاصل کرنے میں کامیاب رہی۔

ہم اس بات سے آگاہ کرتے ہوئے خوشی محسوس کر رہے ہیں کہ مشکل حالات سے گزرتے ہوئے، آپ کی کمپنی 649 ملین روپے کا بعد از ٹیکس خالص منافع حاصل کرنے میں کامیاب رہی جو 5.55 روپے فی شیئر آمدنی (EPS) بنتا ہے (ایس پی ایل وائی: 2.59 روپے)

کمپنی پاکستان میں اپنی کارپوریٹ سماجی ذمہ داری (سی ایس آر) کی انجام دہی کے لئے پرعزم ہے اور سماجی طور پر باشعور ادارے کی حیثیت سے، ہم سماجی فلاح و بہبود میں اپنا کردار ادا کرنے میں سرگرم رہتے ہیں۔ حال ہی میں رمضان المبارک کے دوران ملازمین نے کمپنی کے کارپوریٹ رضاکارانہ پروگرام Haleon Helps میں شرکت کرتے ہوئے ایک سینئر ہوم میں رضاکارانہ طور پر خدمات انجام دیں۔

مستقبل کا منظر نامہ اور چیلنجز

عالمی اور علاقائی سطح پر بڑھتے ہوئے دباؤ کے باوجود رواں مالی سال ملک کے لیے معاشی ترقی کے امکانات کو ظاہر کرتا ہے۔ اس کے باوجود، ہمیں خدشہ ہے کہ توانائی کی زیادہ قیمتوں، مقامی کرنسی کی قدر میں کمی، اور حکومت کی طرف سے اخراجات میں کمی کی بنا پر افراط زر کا دباؤ جاری رہے گا۔ آپ کی کمپنی فعال طور پر بدلتی ہوئی صورتحال سے خود کو ہم آہنگ کرتے ہوئے نتائج کے لیے تیار ہے۔

سال کی پہلی سہ ماہی کے دوران پاکستان کی فارماسیوٹیکل انڈسٹری کے لیے ایک مثبت پیش رفت بھی دیکھنے میں آئی، جب حکومت پاکستان نے عالمی فارماسیوٹیکل طریقوں کو اپنایا، جس کے تحت، ان ادویات جو انتہائی ضروری ادویات کی فہرست میں شامل نہیں، کی قیمتوں میں ایڈجسٹمنٹ کی اجازت دی گئی۔ اس طریقہ کار پر آزاد مارکیٹ کے مسابقتی اصولوں کے مطابق عمل درآمد کیا جائے گا جس کے نتیجے میں دستیابی، معیار اور عملیت کو فروغ حاصل ہوگا۔ اس کے ساتھ ساتھ ضرورت اس بات کی ہے کہ دوا ساز کمپنیوں کو مقامی سطح پر ادویات یا ان کے اجزاء کے ضروری خام مال کی پیداوار کے ساتھ ساتھ برآمد میں معاونت کے لئے سازگار پالیسیز تیار کی جائیں تاکہ اس بات کو یقینی بنایا جاسکے کہ یہ شعبہ قومی معیشت میں اپنا زیادہ سے زیادہ کردار ادا کر سکے۔

2024ء میں پاکستان میں سیلف کیئر کے تصور کو اجاگر کرنے اور لوگوں کو اپنی صحت کی بہتر دیکھ بھال کرنے کے لئے بااختیار بنانے کی طرف توجہ مرکوز رکھی جائے گی۔ اگرچہ ترقی اور توسیع کسی بھی کاروبار کے لیے بے حد اہم ہیں، بیلیون جدید اور معیاری ہیلٹھ کیئر مصنوعات کے ذریعے پاکستان میں انسانیت کے ساتھ بہتر روزمرہ صحت کی فراہمی کے لئے ہمیشہ کی طرح پرعزم رہے گی۔

مشاہرے کی پالیسی

بیلیون پاکستان لمیٹڈ کے نان ایگزیکٹو بورڈ ڈائریکٹرز کنزیومر ہیلٹھ کیئر انڈسٹری اور اسی انداز کے دیگر کاروباروں کے مارکیٹ بینج مارک کے مطابق، بیومن ریسورس، ریمیونریشن اینڈ نومیٹیشن کمیٹی کی طرف سے منظور کردہ معاوضے کے اہل ہیں۔

اعتراف/ستائش

بورڈ آف ڈائریکٹرز اس موقع پر کمپنی کی طرف سے انسانیت کے ساتھ بہتر روزمرہ صحت کی فراہمی کو یقینی بنانے کے لیے شاندار طریقے سے، انتہائی لگن کے ساتھ انتھک کام کرنے پر اپنے تمام تر ملازمین کا شکریہ ادا کرتے ہیں۔ مزید اس موقع پر ہم اپنے سپلائرز اور شراکت داروں کو بھی سراہتے ہیں جو مستقل سپورٹ اور بھرپور لگن کے ساتھ کمپنی کے بہتر نتائج کے حصول کے لیے اپنا کردار ادا کرتے ہیں۔

بحکم بورڈ
خیر خواہ



دلاور میگھانی
چیف فائنانشل آفیسر



فرحان محمد ہارون
چیف ایگزیکٹو آفیسر

مورخہ: 25 اپریل 2024

Condensed Interim Statement Of Financial Position

as at March 31, 2024

	Note	Un-audited March 31, 2024	Audited December 31, 2023
----- Rupees in '000 -----			
ASSETS			
Non-current assets			
Property, plant and equipment	5	6,042,696	5,397,852
Intangible assets		153,554	153,554
Long-term loans to employees		6,615	9,117
Long-term deposits		34,360	34,360
		6,237,225	5,594,883
Current assets			
Stores and spares		159,072	171,325
Stock-in-trade		7,563,869	5,414,709
Trade debts		1,080,364	610,335
Loans and advances		343,953	346,055
Trade deposits and prepayments		119,629	129,606
Interest accrued		28,590	31,325
Refunds due from Government - Sales Tax		162,887	156,733
Other receivables		199,979	239,814
Taxation - payments less provision		1,077,781	1,268,100
Investment at amortised cost		1,120,921	1,001,651
Bank balances		2,468,801	3,280,194
		14,325,846	12,649,847
Total assets		20,563,071	18,244,730
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		1,170,545	1,170,545
Reserves		7,501,502	6,852,221
		8,672,047	8,022,766
Liabilities			
Non-current liabilities			
Employee benefit obligations		147,007	137,512
Deferred taxation		332,985	335,297
Lease liabilities		194,133	193,432
		674,125	666,241
Current liabilities			
Trade and other payables	6	9,657,947	7,997,717
Unclaimed dividend		12,838	12,849
Unpaid dividend		1,506,338	1,506,338
Current portion of lease liabilities		39,776	38,819
		11,216,899	9,555,723
Total liabilities		11,891,024	10,221,964
Total equity and liabilities		20,563,071	18,244,730
Contingencies and commitments			
	7		

The annexed notes from 1 to 14 form an integral part of these financial statements.

Chief Financial Officer

Director

Chief Executive Officer

Chief Financial Officer

Director

Chief Executive Officer

Condensed Interim Statement Of Profit Or Loss And Other Comprehensive Income

For The Quarter Ended March 31, 2024 (Un-Audited)

	Note	March 31, 2024	March 31, 2023
----- Rupees in '000 -----			
Revenue from contracts with customers - net		7,953,602	7,820,947
Cost of sales		(5,766,703)	(6,169,094)
Gross profit		2,186,899	1,651,853
Selling, marketing and distribution expenses	8	(986,505)	(935,320)
Administrative expenses		(162,195)	(138,871)
Allowance for impairment of trade debts		(3,847)	-
Other expenses		(96,034)	(41,072)
Other income		187,888	165,564
Operating profit		1,126,206	702,154
Financial charges		(8,694)	(234,050)
Profit before taxation		1,117,512	468,104
Taxation - net		(468,231)	(164,965)
Profit after taxation		649,281	303,139
Other comprehensive income			
Items that will not be reclassified subsequently to statement of profit or loss:			
Remeasurement of employee benefit obligations		-	-
Impact of taxation		-	-
		-	-
Total comprehensive income		649,281	303,139
----- Rupees -----			
Earnings per share - basic and diluted	9	5.55	2.59

The annexed notes from 1 to 14 form an integral part of these financial statements.

Condensed Interim Statement Of Cash Flows

Quarter Ended March 31, 2024 (Un-Audited)

	March 31, 2024	March 31, 2023
Note	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from / (used in) operations	202,754	(182,203)
Staff retirement benefits paid	(13,441)	(17,238)
Income taxes paid	(280,224)	(300,042)
Decrease in long-term loans to employees	2,502	748
Net cash generated from operating activities	(88,409)	(498,735)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditures	(774,926)	(326,666)
Proceeds from disposal of operating assets	7,273	37,306
Interest received	173,850	135,945
Net cash used in investing activities	(593,803)	(153,415)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(11)	(88)
Lease rental paid	(9,900)	(9,000)
Net cash used in financing activities	(9,911)	(9,088)
Net decrease in cash and cash equivalents	(692,123)	(661,238)
Cash and cash equivalents at beginning of the year	4,281,845	3,435,873
Cash and cash equivalents at end of the year	3,589,722	2,774,635
11		

The annexed notes from 1 to 14 form an integral part of these financial statements.

Chief Financial Officer

Director

Chief Executive Officer

Chief Financial Officer

Director

Chief Executive Officer

Condensed Interim Statement Of Changes In Equity

For The Quarter Ended March 31, 2024 (Un-Audited)

	Share capital	Capital reserves		Revenue reserve	Total
		Reserve arising under the Scheme of Arrangement	Reserve arising on amalgamation under the Scheme of Merger	Unappropriated profit	
----- Rupees in '000 -----					
Balance as at January 01, 2023	1,170,545	101,914	728,726	5,040,770	7,041,955
Total comprehensive income for the quarter ended March 31, 2023	-	-	-	303,139	303,139
Balance as at March 31, 2023	1,170,545	101,914	728,726	5,343,909	7,345,094
Balance as at January 01, 2024	1,170,545	101,914	728,726	6,021,581	8,022,766
Total comprehensive income for the quarter ended March 31, 2024	-	-	-	649,281	649,281
Balance as at March 31, 2024	1,170,545	101,914	728,726	6,670,862	8,672,047

The annexed notes from 1 to 14 form an integral part of these financial statements.

Notes to the Financial Statements

For The Quarter Ended March 31, 2024 (Un-Audited)

1. THE COMPANY AND ITS OPERATIONS

1.1 Haleon Pakistan Limited (the Company) was incorporated in Pakistan as a public unlisted company under the provisions of the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) on March 31, 2015 principally to effect the demerger of consumer healthcare business of GlaxoSmithKline Pakistan Limited (GSK Pakistan) under a Scheme of Arrangement (the Scheme), which was approved by the Honourable High Court of Sindh (SHC) and its order was submitted to the Registrar of Companies on April 01, 2016. The Company is engaged in manufacturing, marketing and sale of consumer healthcare products. The Company has been listed at the Pakistan Stock Exchange Limited since March 22, 2017. The registered office of the Company is situated at 11-A, 11th Floor, Sky Tower (East Wing), Dolmen City, HC-3, Block 4, Scheme-5, Clifton, Karachi, 75600.

The Company is a subsidiary of Haleon Netherlands B.V. In pursuant of the demerger of the consumer healthcare business from GlaxoSmithKline plc, UK on July 18, 2022, to Haleon plc, an independent listed Company (listed on London Stock Exchange and New York Stock Exchange).

1.2 Due to the pending transfer of marketing authorisations and certain permissions for Over the Counter (OTC) products of the Company with Drug Regulatory Authority of Pakistan (DRAP), GlaxoSmithKline Pakistan Limited, for and on behalf of the Company is engaged in the procurement, manufacturing and managing the related inventory and receivable balances pertaining to such products against a service fee charged by GlaxoSmithKline Pakistan Limited.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34, Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

The condensed interim financial information should be read in conjunction with the financial statements for the year ended December 31, 2023.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended December 31, 2023.

3.1 Taxes on income are accrued using tax rate that would be applicable to the full financial year.

3.2 Actuarial valuations are carried out on annual basis. The last actuarial valuation was carried out on December 31, 2023, therefore, no impact has been calculated for the current period and comparative condensed financial information has also not been adjusted for the same reason.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to financial statements for the year ended December 31, 2023.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended December 31, 2023.

	Un-audited March 31, 2024	Audited December 31, 2023
----- Rupees in '000 -----		
5. PROPERTY, PLANT AND EQUIPMENT		
Operating assets	3,920,748	3,831,912
Capital work-in-progress	1,924,551	1,362,737
Right-of-use assets - Office premises	197,397	203,203
	6,042,696	5,397,852

5.1 Details of additions to and disposals of fixed assets are as follows:

	Additions (at cost)		Disposals (at net book value)	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
----- Rupees in '000 -----				
Building and improvements on				
Leasehold land	-	-	-	16,936
Plant and machinery	-	-	-	-
Furniture and fixtures	-	-	-	5,920
Vehicles	128,864	-	4,186	1,875
Office equipments	84,248	-	-	2,620
	213,112	-	4,186	27,351

	Un-audited March 31, 2024	Audited December 31, 2023
----- Rupees in '000 -----		
6. TRADE AND OTHER PAYABLES		
Creditors and bills payable	2,977,150	1,746,944
Accrued liabilities	5,349,249	5,100,886
Contract liabilities	822,060	806,270
Others	509,488	343,617
	9,657,947	7,997,717

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

There is no change in status of pending tax and legal contingencies disclosed in note 21 to the annual audited financial statements of the Company for the year ended December 31, 2023.

7.2 Commitments

Commitments for capital expenditure outstanding as at March 31, 2024, amounted to Rs. 1,587.69 million (December 31, 2023: Rs. 941.32 million).

8. SELLING, MARKETING AND DISTRIBUTION EXPENSES

This includes advertising and sales promotion expenses amounting to Rs. 580.41 million (March 31, 2023:Rs. 570.63 million)

	Un-audited March 31, 2024	Un-audited March 31, 2023
9. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit after taxation (Rupees in thousand)	649,281	303,139
Weighted average number of outstanding shares (in thousand)	117,055	117,055
Earnings per share (Rupees)	5.55	2.59

A diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue which would have any effect on the earnings per share if the option to convert is exercised.

	Un-audited March 31, 2024	Un-audited March 31, 2023
10. CASH GENERATED FROM / (USED IN) OPERATIONS		
Profit before taxation	1,117,512	468,104
Add / (less): Adjustments for non-cash charges and other items		
Depreciation	125,896	89,247
Interest on lease liabilities	11,558	5,529
Gain on disposal of operating assets	(3,087)	(9,955)
Unrealized exchange (gain) / loss	(11,876)	138,751
Interest income	(171,115)	(149,587)
Provision for slow moving, obsolete and damaged stock net of stock written-off	96,252	43,943
Allowance for impairment of trade debts	3,847	-
Provision for staff retirement benefits	34,943	26,872
Profit before working capital changes	1,203,930	612,904

Effect on cash flow due to working capital changes

	Un-audited March 31, 2024	Un-audited March 31, 2023
(Increase) / decrease in current assets		
Stores and spares	12,253	(12,558)
Stock-in-trade	(2,245,412)	(1,366,935)
Trade debts	(473,876)	170,703
Loans and advances	2,102	(175,534)
Trade deposits and prepayments	9,977	(5,925)
Refunds due from Government - Sales Tax	(6,154)	106,934
Other receivables	39,835	101,652
	(2,661,275)	(1,181,663)
Increase in current liabilities		
Trade and other payables	1,660,099	386,556
	202,754	(182,203)

	Un-audited March 31, 2024	Un-audited March 31, 2023
11. CASH AND CASH EQUIVALENTS		
Bank balances	2,468,801	1,754,075
Investment at amortised cost	1,120,921	1,200,800
Book overdraft	-	(180,240)
	3,589,722	2,774,635

12. TRANSACTIONS WITH RELATED PARTIES

The related parties include holding company, associated companies, directors of the Company, companies where directors also hold directorship and key management personnel of the Company. The transactions with related parties are carried out in the normal course of business at contracted rates. Details of transactions with related parties and balances with them are as follows:

Relationship	Nature of transactions	Un-audited March 31, 2024	Un-audited March 31, 2023
Associated companies:	a. Purchase of goods	390,720	454,851
	b. Recovery of expenses	-	5,049
	c. Sale of goods	-	12,417
Staff retirement funds:	a. Expense charged for retirement benefit plans	34,943	26,872
	b. Payments to retirement benefit plans	13,441	17,238
Key management personnel:	a. Salaries and other employee benefits	73,286	56,772
	b. Post employment benefits	5,947	4,478

13. CORRESPONDING FIGURES

Corresponding figures have been reclassified in these condensed interim financial statements, wherever necessary, to facilitate the comparison and to conform with changes and presentation in the current period. However, no significant reclassifications were made in the condensed interim financial information.

14. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was approved and authorised for issue by the Board of Directors of the Company on April 25, 2024.



Chief Financial Officer

Director

Chief Executive Officer