

30 October 2024

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

Subject: Transmission of Quarterly Report for the Period Ended 30 September 2024

Dear Sir / Madam,

We have to inform you that the Quarterly Report of the Company for the period ended 30 September 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.

Third Quarter 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 Annual Report 2023.

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 unaudited condensed financial information for the nine months ended September 30, 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

Pakistan's economy faced serious challenges brought about by high inflation, weak currency, and large fiscal and trade deficits. However, there are signs of early recovery and some positive developments starting with the IMF agreement that was finally executed. Increase in remittances and improvement in exports, particularly in new segments such as IT, have resulted in a nearly balanced current account. As inflation numbers have fallen, interest rate cuts have followed and more decreases are anticipated before the end of this calendar year. Reserves are steadily rising and there is some anticipation of increased FDI, particularly in sectors such as mining and agriculture. More importantly, there also appears to be greater willingness to undertake some taxation reforms as a step towards sustainable growth.

These are all encouraging developments although the real test will be in actual implementation of reforms as well as capital flows.

Haleon Pakistan Limited, being the largest Fast Moving Consumer Healthcare (FMCH) company in Pakistan, remained committed to delivering better everyday health with humanity. The year 2024 has been marked by innovation and new investment aimed at improving efficiency. The guiding principle remains enabling health in more hands and providing access to consumers through the development of customized products that fit consumer needs and budget.

Review of Operating Results

During the nine months in 2024, Haleon Pakistan delivered a growth of 16% in overall sales in line with the core business growth. The FMCG and OTC portfolio grew by 7% and 18% respectively vs SPLY (Same Period Last Year) alongside a growth of 10% in the toll manufacturing segment.

Haleon Pakistan Limited has been focused towards bringing more innovative products to consumers while ensuring access to the existing best in the class OTC and Oral Healthcare products in Pakistan. With an increase of 15% in gross profit, Haleon Pakistan's financial assets generated Rs. 745 million included in Other Income of Rs. 783 million in comparison to Rs. 364 million and Rs 412 million in the SPLY. Your Company has posted a net profit after tax of Rs. 3,203 million amounting to an Earnings Per Share (EPS) of Rs. 27.36 (SPLY: Rs. 5.36).

It will also please you to know that the Pakistan Pharmaceutical Manufacturers Association (PPMA) declared Haleon Pakistan Limited amongst the top ten pharmaceutical exporters of Pakistan in the Pakistan Export Summit and Awards (PESA) 2024.

In line with the overall mission to collaborate with impact, Haleon Pakistan Limited also announced a two-year grant donation to UNICEF Pakistan to support UNICEF's work on improving maternal health in marginalized areas and communities across the country. Under Haleon's corporate volunteering program "Haleon Helps", our employees

volunteered at the SOS Village in Lahore spending time with the children in need.

Future Outlook and Challenges

Overall investment sentiment in Pakistan is cautiously optimistic. There are significant opportunities for growth in Pakistan's pharmaceutical industry, but they will depend on strategic investments, regulatory reforms, and the ability to navigate both domestic and international markets effectively.

Despite positive prospects, challenges such as regulatory hurdles, price controls, and quality assurance issues need to be addressed to fully realize the industry's potential. Economic reforms can lead to a more streamlined regulatory framework and registration processes, enhancing the ease of doing business for pharmaceutical companies. A stable regulatory environment encourages both local and foreign investment.

As Haleon Pakistan strives to close another successful year, we will aim further expand our reach through collaborations and partnerships particularly on the digital avenues. This is pivotal to our mission of raising awareness around self-care and empowering people to take charge of their everyday health.

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

On behalf of the Board, we would like to extend our gratitude to all our employees for their steadfast commitment, outstanding dedication and resilience to ensure that the Company continues on its mission to Deliver Better Everyday Health with Humanity. We would

acknowledge and appreciate the support of our suppliers and partners in helping us achieve the Company's results.

By the order of the Board
Sincerely,



Farhan Muhammad Haroon
Chief Executive Officer



Dilawar Meghani
Chief Financial Officer

Date: 24th October 2024



ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز

عزیز شیئر ہولڈرز

بورڈ آف ڈائریکٹرز کے ایما پر ہم ۳۰ ستمبر، ۲۰۲۴ کو ختم ہونے والے نو ماہ کے لئے آپ کی کمپنی کی غیر آڈٹ شدہ کنڈنسنڈ فائنانشل معلومات فراہم 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 | شعبہ |
|---------------------------|------------------------|
| جناب ایم زیڈ معین مہاجر | خود مختار ڈائریکٹرز |
| سید انور محمود | |
| محترمہ عائشہ عزیز | |
| جناب فرحان محمد ہارون | ایگزیکٹو ڈائریکٹرز |
| جناب دلاور میگھانی | |
| جناب اسامہ عباس | |
| محترمہ سمرو اطالے بیسلسلی | نان ایگزیکٹو ڈائریکٹرز |

کاروباری / معاشی جائزہ

پاکستان کی معیشت کو زیادہ افراط زر، کمزور کرنسی اور بڑے مالی اور تجارتی خسارے کی وجہ سے سنگین چیلنجز کا سامنا ہے۔ تاہم، جلد بحالی کے آثار دکھائی دے رہے ہیں اور آئی ایم ایف سے معاہدہ طے پانے کے بعد کچھ مثبت پیش رفت ہوئی ہے۔ ترسیلات زر میں اضافہ اور برآمدات، بالخصوص نئے شعبوں جیسا کہ آئی ٹی، میں بہتری کے نتیجے میں کرنٹ اکاؤنٹ کافی حد تک متوازن ہوا ہے۔ جس طرح افراط زر کے اعداد و شمار میں کمی واقع ہوئی ہے، اسی طرح سود کی شرح میں بھی کمی ہوئی ہے اور اس کیلنڈر سال کے اختتام سے پہلے مزید کمی توقع ہے۔ ذخائر میں مسلسل اضافہ ہو رہا ہے اور خاص طور پر مائننگ اور زراعت سے شعبوں میں ایف ڈی آئی میں اضافے کی کچھ توقع ہے۔ مزید اہم بات یہ ہے کہ پائیدار ترقی کی جانب قدم بڑھانے کے لیے ٹیکس اصلاحات کرنے پر بھی کافی آمادگی دکھائی دے رہی ہے۔ یہ تمام پیش رفت حوصلہ افزا ہے گو کہ اصل امتحان اصلاحات کا حقیقی نفاذ اور اس کے ساتھ ساتھ سرمائے کی فراہمی ہے۔

بیلیون پاکستان لمیٹڈ، پاکستان میں سب سے بڑی فاسٹ موونگ کنزیومر ہیلتھ کیئر کمپنی ہونے کے ناطے، انسانیت کے ساتھ ہر بہتر روز مرہ صحت کی فراہمی کے لیے پرعزم ہے۔ سال ۲۰۲۴ کی خاص بات جدت طرازی اور نئی سرمایہ کاری ہے جس کا مقصد کارکردگی کو بہتر بنانا ہے۔ ہمارے لیے رہنما اصول صحت کی سہولیات کی

مزید افراد تک رسائی اور صارفین کی لیے ایسی پراڈکٹس تیار کرنا ہے جو ان کی ضروریات اور بجٹ پر پوری اترتی ہوں۔

آپریٹنگ نتائج کا جائزہ

۲۰۲۴ کے نو ماہ کے دوران بیلیون پاکستان کی مجموعی سیلز میں ۱۶ فیصد اضافہ ہوا جو کہ بنیادی بزنس گروتھ کے عین مطابق ہے۔ ایف ایم سی جی اور او ٹی سی پورٹ فولیو میں ایس پی ایل وائی (گذشتہ سال اسی مدت کے دوران) کے مقابلے میں بالترتیب ۷ فیصد اور ۱۸ فیصد اضافہ ہوا جبکہ ٹول مینوفیکچرنگ کے شعبے میں ۱۰ فیصد اضافہ ہوا۔

بیلیون پاکستان لمیٹڈ کی توجہ صارفین کے لیے پاکستان میں او ٹی سی اور اورل ہیلتھ کیئر کی بہترین پراڈکٹس تک رسائی کو یقینی بنانے ہوئے، مزید جدید پراڈکٹس متعارف کروانے پر مرکوز ہے۔ مجموعی منافع میں ۱۵ فیصد اضافے کے ساتھ بیلیون پاکستان کے مالیاتی اٹاٹوں سے ۷۴۵ ملین روپے کی آمدنی ہوئی جس میں ۳۷۸ ملین روپے کی دیگر آمدن بھی شامل ہے جبکہ ایس پی ایل وائی (گذشتہ سال اسی مدت کے دوران) میں یہ رقم ۳۶۴ ملین روپے اور ۴۱۲ ملین روپے تھی۔ آپ کی کمپنی نے ۳،۲۰۳ ملین روپے کا بعد از ٹیکس خالص منافع حاصل کیا ہے جو ۲۷،۳۶ روپے (ایس پی ایل وائی: ۵،۳۶ روپے) کی فی شیئر آمدنی (ای پی ایس) بنتا ہے۔

آپ کو یہ جان کر بھی خوشی ہو گی کہ پاکستان فارماسیوٹیکل مینوفیکچررز ایسوسی ایشن (پی پی ایم اے) نے پاکستان ایکسپورٹ سٹمٹ اینڈ ایوارڈز (پی ای ایس اے) ۲۰۲۴ کے موقع پر بیلیون پاکستان کو پاکستان کے دس سرفہرست فارماسیوٹیکل ایکسپورٹرز میں سے ایک قرار دیا ہے

معاشرے میں مؤثر انداز سے اپنے مشن کو جاری رکھتے ہوئے، بیلیون پاکستان لمیٹڈ نے ملک بھر میں پسماندہ علاقوں اور برادریوں میں زچگی کے دوران صحت کو بہتر بنانے کے لئے یونیسف کے کام میں معاونت کے لیے یونیسف پاکستان کو دو سالہ گرانٹ عطیہ دینے کا بھی اعلان کیا۔ بیلیون کے کارپوریٹ رضاکارانہ پروگرام "بیلیون ہیلتھ" کے تحت ہمارے ملازمین نے لاہور کے ایس او ایس ولیج (SOS Village) میں رضاکارانہ طور پر ضرورت مند بچوں کے ساتھ وقت گزارا۔

مستقبل کا منظر نامہ اور چیلنجز

پاکستان میں مجموعی طور پر سرمایہ کاری کے حوالے سے مثبت رویہ دکھائی دے رہا ہے۔ پاکستان کی ادویہ سازی کی انڈسٹری میں ترقی کے نمایاں مواقع موجود ہیں، لیکن ان کا انحصار اسٹریٹجک سرمایہ کاری، ریگولیٹری اصلاحات اور گھریلو اور بین الاقوامی دونوں مارکیٹوں کو مؤثر طریقے سے چلانے کی صلاحیت پر ہو گا۔

مثبت امکانات کے باوجود، انڈسٹری کی صلاحیت کو پوری طرح بروئے کار لانے کے لیے، ریگولیٹری رکاوٹوں، پرائس کنٹرول، اور کوالٹی اشورنس جیسے مسائل کا تدارک ضروری ہے۔ معاشی اصلاحات، فارماسیوٹیکل کمپنیز کے لیے کاروبار کرنے کی آسانیاں میں اضافہ کرتے ہوئے مزید سہل ریگولیٹری فریم ورک اور رجسٹریشن

پروسس کی راہ ہموار کرسکتی ہیں۔ ایک مستحکم ریگولیٹری ماحول مقامی اور غیر ملکی سرمایہ کاری دونوں کی حوصلہ افزائی کرتا ہے۔

جیسا کہ بیلیون پاکستان ایک اور کامیاب سال کے اختتام کی طرف بڑھ رہا ہے، ہم تعاون اور شراکت داری کے ذریعے خاص طور پر ڈیجیٹل ڈرائیو کے حوالے سے اپنی رسائی کو مزید وسعت دینے کی کوشش کریں گے۔ یہ سیلف کیئر اور لوگوں کو اپنی روز مرہ صحت کا چارج سنبھالنے کے لیے خودمختار بنانے کے حوالے سے آگاہی پیدا کرنے کے ہمارے مشن کے لیے کلیدی حیثیت کا حامل ہے۔

مشاہرے کی پالیسی

بیلیون پاکستان لمیٹڈ کے نان ایگزیکٹو بورڈ ڈائریکٹرز، ہیومن ریسورس، ریمیونریشن اینڈ نومینیشن کمیٹی کی طرف سے کنزیومر ہیلتھ کیئر انڈسٹری اور اسی طرح کے دیگر کاروباری اداروں کے مارکیٹ بینچ مارک کے لحاظ سے، منظور کردہ مشاہرے کے اہل ہیں۔

ستائش

بورڈ کے ایما پر، ہم اپنے تمام ملازمین کا ان کے عزم، غیر معمولی لگن اور ثابت قدمی پر شکر یہ ادا کرنا چاہتے ہیں تاکہ اس بات کو یقینی بنایا جاسکے کہ کمپنی انسانیت کے ساتھ بہتر روزمرہ صحت کی فراہمی کے اپنے مشن کو جاری رکھے۔ ہم کمپنی کے نتائج کے حصول کے لیے اپنے سپلائرز اور شراکت داروں کی بھرپور معاونت پر ان کا شکر یہ ادا کرتے ہیں اور انہیں تہہ دل سے سراہتے ہیں۔

بحکم بورڈ

خیر خواہ



دلاور میگھانی
چیف فائنانشل آفیسر



فرحان محمد ہارون
چیف ایگزیکٹو آفیسر

مورخہ: 24 اکتوبر 2024

Condensed Interim Statement Of Financial Position

As at September 30, 2024

| | | Un-audited September 30, 2024 | Audited December 31, 2023 |
|---|------|----------------------------------|------------------------------|
| ASSETS | | | |
| | Note | ----- Rupees in '000 ----- | |
| Non-current assets | | | |
| Property, plant and equipment | 4 | 6,535,538 | 5,397,852 |
| Intangible assets | | 127,674 | 153,554 |
| Long-term loans to employees | | 8,705 | 9,117 |
| Long-term deposits | | 36,550 | 34,360 |
| | | 6,708,467 | 5,594,883 |
| Current assets | | | |
| Stores and spares | | 147,411 | 171,325 |
| Stock-in-trade | 5 | 6,787,902 | 5,414,709 |
| Trade debts | | 1,096,321 | 610,335 |
| Loans and advances | | 242,966 | 346,055 |
| Trade deposits and prepayments | | 108,262 | 129,606 |
| Interest accrued | | 14,648 | 31,325 |
| Refunds due from Government - Sales Tax | | 130,484 | 156,733 |
| Other receivables | | 217,448 | 239,814 |
| Taxation - payments less provisions | | 58,713 | 1,268,100 |
| Investment at amortised cost | | 720,008 | 1,001,651 |
| Bank balances | 6 | 7,715,079 | 3,280,194 |
| | | 17,239,242 | 12,649,847 |
| Total assets | | 23,947,709 | 18,244,730 |
| EQUITY AND LIABILITIES | | | |
| Share capital and reserves | | | |
| Share capital | | 1,170,545 | 1,170,545 |
| Reserves | | 10,054,745 | 6,852,221 |
| Total equity | | 11,225,290 | 8,022,766 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Employee benefit obligations | | 160,706 | 137,512 |
| Deferred taxation | | 362,282 | 335,297 |
| Lease liabilities | | 194,381 | 193,432 |
| | | 717,369 | 666,241 |
| Current liabilities | | | |
| Trade and other payables | 7 | 10,444,963 | 7,997,717 |
| Unclaimed dividend | | 12,049 | 12,849 |
| Unpaid dividend | | 1,506,338 | 1,506,338 |
| Current portion of lease liabilities | | 41,700 | 38,819 |
| | | 12,005,050 | 9,555,723 |
| Total liabilities | | 12,722,419 | 10,221,964 |
| Total equity and liabilities | | 23,947,709 | 18,244,730 |
| Contingencies and commitments | | | |
| | 8 | | |

The annexed notes 1 to 18 form an integral part of these condensed interim 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 (Un-audited)

For The Nine Months Ended September 30, 2024

| | | Nine months ended | | Quarter ended | |
|--|------|--------------------|--------------------|--------------------|--------------------|
| | Note | September 30, 2024 | September 30, 2023 | September 30, 2024 | September 30, 2023 |
| ----- Rupees in '000 ----- | | | | | |
| Revenue from contracts with customers - net | 9 | 27,513,315 | 23,715,794 | 9,754,500 | 8,053,365 |
| Cost of sales | | (18,340,669) | (19,248,680) | (6,071,994) | (6,452,006) |
| Gross profit | | 9,172,646 | 4,467,114 | 3,682,506 | 1,601,359 |
| Selling, marketing and distribution expenses | 10 | (3,391,172) | (2,968,705) | (1,300,995) | (1,067,062) |
| Administrative expenses | | (521,036) | (386,201) | (203,227) | (130,631) |
| Allowance for impairment of trade debts | | (26,521) | - | - | - |
| Other expenses | | (463,281) | (105,853) | (189,987) | (44,641) |
| Other income | | 783,015 | 412,131 | 347,452 | 107,691 |
| Operating profit | | 5,553,651 | 1,418,486 | 2,335,749 | 466,716 |
| Financial (charges) / income | | (105,820) | (174,651) | (96,936) | 50,943 |
| Profit before levies and income taxes | | 5,447,831 | 1,243,835 | 2,238,813 | 517,659 |
| Levies | | - | (5,390) | - | (3,414) |
| Profit before income taxes | | 5,447,831 | 1,238,445 | 2,238,813 | 514,245 |
| Taxation - net | | (2,245,307) | (611,090) | (909,029) | (199,954) |
| Profit for the period | | 3,202,524 | 627,355 | 1,329,784 | 314,291 |
| Other comprehensive income | | - | - | - | - |
| Total comprehensive income | | 3,202,524 | 627,355 | 1,329,784 | 314,291 |
| ----- Rupees ----- | | | | | |
| Earnings per share | 11 | 27.36 | 5.36 | 11.36 | 2.68 |

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

Condensed Interim Statement of Changes in Equity (Un-audited)

For The Nine Months Ended September 30, 2024

| | 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 nine months ended September 30, 2023 | | | | | |
| Profit for the period | - | - | - | 627,355 | 627,355 |
| Other comprehensive income | - | - | - | - | - |
| | - | - | - | 627,355 | 627,355 |
| Balance as at September 30, 2023 | 1,170,545 | 101,914 | 728,726 | 5,668,125 | 7,669,310 |
| Balance as at January 01, 2024 | 1,170,545 | 101,914 | 728,726 | 6,021,581 | 8,022,766 |
| Total comprehensive income for the nine months ended September 30, 2024 | | | | | |
| Profit for the period | - | - | - | 3,202,524 | 3,202,524 |
| Other comprehensive income | - | - | - | - | - |
| | - | - | - | 3,202,524 | 3,202,524 |
| Balance as at September 30, 2024 | 1,170,545 | 101,914 | 728,726 | 9,224,105 | 11,225,290 |

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Director

Chief Executive Officer

Chief Financial Officer

Director

Chief Executive Officer

Condensed Interim Statement of Cash Flows (Un-audited)

For The Nine Months Ended September 30, 2024

| | Note | Nine months ended | |
|---|------|--------------------|--------------------|
| | | September 30, 2024 | September 30, 2023 |
| ----- Rupees in '000 ----- | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from operations | 12 | 5,705,720 | 871,209 |
| Employee benefit obligations paid | | (82,738) | (64,605) |
| Income taxes paid | | (1,008,935) | (876,048) |
| Decrease / (increase) in long-term loans to employees | | 412 | (2,781) |
| Increase in long-term deposits | | (2,190) | (3,540) |
| Net cash generated from / (used in) operating activities | | 4,612,269 | (75,765) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Fixed capital expenditures | | (1,645,267) | (1,057,448) |
| Proceeds from disposal of operating assets | | 106,828 | 75,005 |
| Interest received | | 761,994 | 373,755 |
| Net cash used in investing activities | | (776,445) | (608,688) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Dividend paid | | (800) | (217) |
| Lease rental paid | | (31,020) | (28,200) |
| Net cash used in financing activities | | (31,820) | (28,417) |
| Net increase / (decrease) in cash and cash equivalents during the period | | 3,804,004 | (712,870) |
| Cash and cash equivalents at beginning of the period | 13 | 4,281,845 | 3,435,873 |
| Cash and cash equivalents at end of the period | 13 | 8,085,849 | 2,723,003 |

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

Notes To The Condensed Interim Financial Statements (Un-Audited)

For The Nine Months Ended September 30, 2024

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), the ultimate parent Company has changed from GlaxoSmith Kline plc to Haleon plc.

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

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard 34: 'Interim Financial Reporting' (IAS 34), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34 and IFASs standard, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS 34. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2023.

2.2 Standards, interpretations and amendments to published approved accounting standards that became effective during the period

The following amendments are effective on or after January 1, 2024. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures that would be applied in the preparation of financial statements for the year

ending December 31, 2024.

- Non-current Liabilities with Covenants (Amendments to IAS 1 and Classification of Liabilities as Current or Non-current);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16); and
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7).

3. MATERIAL ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES AND JUDGEMENTS

3.1 Material accounting policies

3.1.1 The material accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended December 31, 2023.

During the period, the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes", vide circular 7 of 2024 dated May 15, 2024. The said guidance requires tax paid under minimum and final tax regime to be classified as a levy instead of current tax expense.

Accordingly, the disclosure has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - "Accounting Policies, Change in Accounting Estimates and Errors".

3.1.2 Taxes on income are accrued using the average tax rate that is expected to be applicable to the full financial year.

3.2 Financial risk management

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

3.3 Estimates and judgments

Estimates and judgments made by management in the preparation of these condensed interim financial statements are same as those applied in the preparation of the annual audited financial statements of the Company for the year ended December 31, 2023.

4. PROPERTY, PLANT AND EQUIPMENT

| | Un-audited September 30, 2024 | Audited December 31, 2023 |
|---------------------------------------|-------------------------------------|---------------------------------|
| Operating assets | 3,719,060 | 3,831,912 |
| Capital work-in-progress | 2,630,692 | 1,362,737 |
| Right-of-use assets - Office premises | 185,786 | 203,203 |
| | 6,535,538 | 5,397,852 |

----- Rupees in '000 -----

4.1 Details of additions to and disposals of operating assets are as follows:

| | Nine months ended September 30, 2024 | | Nine months ended September 30, 2023 | |
|---|---|-------------------------------------|---|-------------------------------------|
| | Un-audited | | Un-audited | |
| | Additions - at cost | Disposals - at net book value | Additions - at cost | Disposals - at net book value |
| Operating assets | ----- Rupees in '000 ----- | | ----- Rupees in '000 ----- | |
| Building and improvements on leasehold land | 1,798 | - | 153,196 | 16,936 |
| Plant & machinery | 47,131 | 11,997 | 455,449 | - |
| Furniture & fixtures | 747 | 23 | 142,681 | 5,920 |
| Vehicles | 242,277 | 97,327 | 220,868 | 16,350 |
| Office equipment | 85,360 | 3,545 | 52,180 | 2,617 |
| | 377,313 | 112,892 | 1,024,374 | 41,823 |

| 5. STOCK-IN-TRADE | Note | Un-audited September 30, 2024 | | Audited December 31, 2023 | |
|--|------|-------------------------------------|--|---------------------------------|--|
| | | ----- Rupees in '000 ----- | | ----- Rupees in '000 ----- | |
| Raw and packing materials | | 4,309,104 | | 2,876,812 | |
| Work-in-process | | 84,501 | | 35,464 | |
| Finished goods | | 2,724,939 | | 2,707,617 | |
| | 5.1 | 7,118,544 | | 5,619,893 | |
| Less: Provision for slow moving, obsolete and damaged stock-in-trade | | (330,642) | | (205,184) | |
| | | 6,787,902 | | 5,414,709 | |

5.1 Stock-in-trade include items costing Rs. 44.53 million (December 31, 2023: Rs. 467.61 million) valued at net realisable value of Rs. 38.93 million (December 31, 2023: Rs. 361.34 million).

| 6. BANK BALANCES | | | |
|-----------------------|--|------------------|------------------|
| With banks: | | | |
| - in savings accounts | | 7,711,624 | 2,900,439 |
| - in current accounts | | 3,455 | 379,755 |
| | | 7,715,079 | 3,280,194 |

| 7. TRADE AND OTHER PAYABLES | | | |
|-----------------------------|-----|-------------------|------------------|
| Creditors and bills payable | | 2,683,557 | 1,746,944 |
| Accrued liabilities | | 5,574,942 | 5,100,886 |
| Contract liabilities | | 1,128,303 | 806,270 |
| Book overdraft | 7.1 | 349,238 | - |
| Others | | 708,923 | 343,617 |
| | | 10,444,963 | 7,997,717 |

7.1 This balance represents book overdraft against the cheques issued but not yet presented. As per arrangement with the bank, the payments to these cheques will be made by transferring balance from the savings account as and when presented.

8. CONTINGENCIES AND COMMITMENTS

8.1 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.

8.2 Commitments

8.2.1 Commitments for capital expenditure outstanding as at September 30, 2024, amount to Rs. 1,672.89 million (December 31, 2023: Rs. 1,479.12 million).

9. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

9.1 This includes sales amounting to Rs. 0.65 billion (September 30, 2023: Rs. 0.79 billion) made by GlaxoSmithKline Pakistan Limited on behalf of the Company (refer note 1.2).

10. SELLING, MARKETING AND DISTRIBUTION EXPENSES

This includes advertising and sales promotion expenses of Rs.2.04 billion (September 30, 2023: Rs. 1.81 billion).

| | Nine months ended - Unaudited | | Quarter ended - Unaudited | |
|---|----------------------------------|-----------------------|------------------------------|-----------------------|
| | September 30, 2024 | September 30, 2023 | September 30, 2024 | September 30, 2023 |
| 11. EARNINGS PER SHARE | | | | |
| Profit for the period (Rupees in '000) | 3,202,524 | 627,355 | 1,329,784 | 314,291 |
| Weighted average number of shares outstanding during the period (Numbers in '000) | 117,055 | 117,055 | 117,055 | 117,055 |
| Earnings per share (Rupees) | 27.36 | 5.36 | 11.36 | 2.68 |

| | Un-audited September 30, 2024 | Un-audited September 30, 2023 |
|---|-------------------------------------|-------------------------------------|
| | ----- Rupees in '000 ----- | |
| 12. CASH GENERATED FROM OPERATIONS | | |
| Profit before levies and income taxes | 5,447,831 | 1,243,835 |
| Add / (less): Adjustments for non-cash charges and other items | | |
| Depreciation | 394,689 | 304,598 |
| Interest on lease liabilities | 34,850 | 24,335 |
| Loss / (gain) on disposal of operating assets | 6,064 | (33,182) |
| Provision for slow moving, obsolete and damaged stock-in-trade | 156,162 | 72,423 |
| Provision for employee benefit obligations | 118,153 | 92,809 |
| Interest income | (745,317) | (364,088) |
| Impairment of intangible assets | 25,880 | - |
| Reversal of provision for impairment on operating assets | - | (27,000) |
| Unrealised exchange loss / (gain) | 39,257 | (109,435) |
| Profit before working capital changes | 5,477,569 | 1,204,295 |
| Effect on cash flow due to working capital changes | | |
| (Increase) / decrease in current assets | | |
| Stores and spares | 23,914 | 868 |
| Stock-in-trade | (1,529,355) | (2,247,128) |
| Trade debts | (485,986) | (13,506) |
| Loans and advances | 103,089 | (6,613) |
| Trade deposits and prepayments | 21,344 | 24,758 |
| Refunds due from Government - Sales Tax | 26,249 | 19,603 |
| Other receivables | 22,366 | (197,741) |
| | (1,818,379) | (2,419,759) |
| Increase in current liabilities | | |
| Trade and other payables | 2,046,530 | 2,086,673 |
| | 228,151 | (333,086) |
| | 5,705,720 | 871,209 |

| | | Un-audited September 30, 2024 | Audited December 31, 2023 | Un-audited September 30, 2023 |
|--------------------------------------|-----|-------------------------------------|---------------------------------|-------------------------------------|
| | | ----- Rupees in '000 ----- | | |
| 13. CASH AND CASH EQUIVALENTS | | | | |
| Bank balances | 6 | 7,715,079 | 3,280,194 | 2,322,156 |
| Investment at amortised cost | | 720,008 | 1,001,651 | 400,847 |
| Book overdraft | 7.1 | (349,238) | - | - |
| | | 8,085,849 | 4,281,845 | 2,723,003 |

14. 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, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

| | | Un-audited September 30, 2024 | Un-audited September 30, 2023 |
|-------------------------------|--|-------------------------------------|-------------------------------------|
| | | ----- Rupees in '000 ----- | |
| 14.1 | Details of transactions carried out during the period with the related parties are as follows: | | |
| Relationship | Nature of transactions | | |
| Associated Companies: | a. Purchase of goods and services | 860,142 | 1,145,409 |
| | b. Recovery of expenses | 95,338 | 78,779 |
| | c. Sale of goods | 28,556 | 41,044 |
| Employee benefit obligations: | a. Expense charged for retirement benefit plans | 118,153 | 92,809 |
| | b. Payments to retirement benefit plans | 82,738 | 64,605 |
| Key management personnel: | a. Salaries and other employee benefits | 259,702 | 194,159 |
| | b. Post employment benefits | 20,804 | 12,919 |
| | c. Sale of assets - sales proceeds | - | 5,033 |

15. FAIR VALUE MEASUREMENTS

The Company discloses the financial instruments carried at fair value in the statement of financial position in accordance with the following fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

As at September 30, 2024, the Company does not have any financial instruments carried at fair values which are measured using methods falling under above categories, and the carrying values of financial assets and financial liabilities approximate their fair values at the reporting date.

16. 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.

17. SUBSEQUENT EVENTS

The Board of Directors in its meeting held on October 24, 2024 have declared and approved an interim cash dividend for the period ended of Rs. 5 per share (September 30, 2023: Rs. Nil per share) amounting to Rs. 585.27 million (September 30, 2023: Rs. Nil).

18. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on **October 24 2024**.



Chief Financial Officer



Director



Chief Executive Officer