

29 August 2023

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

Subject: Transmission of Half Yearly Report for the Period Ended 30 June 2023

Dear Sir / Madam,

We have to inform you that the Half Yearly Report of the Company for the period ended 30 June 2023 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

Resilience is **everything**

Haleon Pakistan Limited

Half Yearly Report 2023



THE BLUE DOT

Haleon Pakistan Limited

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

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

Integration Supply and Network Optimization 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

Board Audit Committee

Ms. Ayesha Aziz (Chairperson)
Mr. M. Z. Moin Mohajir
Syed Anwar Mahmood

Secretary
Ms. Marrium Ahmed

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. Moien Ahmed Khan
 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

AspireLaw

Registered Office

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

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

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

Investor Relations Contacts

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 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, 75600, Sindh, Pakistan.
 Email: pakistan.shareinfo@haleon.com

Website

www.pk-consumerhealthcare.gsk.com

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 six months ended June 30, 2023.

Composition And 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

Over the first half of FY23, the uncertain economic environment of Pakistan continued to present multitude of challenges to the industry at large. As the country struggles with soaring inflationary pressures and limited consumer spending, implementation of strict monetary and fiscal policies has resulted in increased taxation, higher production costs and lower margins. Added to this mix is inconsistent policy response, which has made it more difficult for the pharmaceutical industry to plan for the future. This is evident from the Large-Scale Manufacturing Industries (LSMI) data released by the Pakistan Bureau of Statistics (PBS), which shows that the pharmaceutical sector output significantly declined up to 28.9% from July 2022 – June 2023.

Haleon Pakistan Limited is one of the largest Fast Moving Consumer Healthcare (FMCH) company in Pakistan, led by its purpose to deliver better everyday health with humanity. With a clear approach to deliver on its growth targets, and built upon a foundation that comprises of a world-class Over-the-Counter (OTC) portfolio, the Company has the tools to deal with challenges including price-controls imposed by the Government of Pakistan. The Company remains focused on increasing household penetration and capitalizing on new and emerging growth opportunities.

Review of Operating Results

Amidst a demanding business environment, Haleon Pakistan delivered a growth of 19% in the core business (excluding toll and export), during the half year ended June 2023, reiterating the resilience of our brand portfolio. We were able to achieve this growth due to a proactive team working on agile business model enabling us to operate with minimal disruptions in our production and distribution.

Our pain category products drove a revenue growth of 18% in our OTC portfolio in the first six months of 2023. At the same time, our Fast-Moving Consumer Goods (FMCG) segment delivered an upward growth trend of 21% on account of Oral Health category. Total expenses to net sales ratio in the H1 2023 has decreased from 15% to 14% as compared to SPLY (Same Period Last Year). Furthermore, the adverse exchange rate fluctuation in Q1 2023 was normalized in Q2 2023 because of some stability in the PKR to USD parity. Our Company was able to generate income from financial assets Rs. 265 million in comparison to Rs. 121m for SPLY due to higher monetary policy rate.

We are pleased to share that, navigating through difficult circumstances, your Company managed to post a net profit after tax of Rs. 313 million amounting to an Earnings Per Share (EPS) of Rs. 2.67 (H1 2022: Rs. 2.37).

Running a responsible business with a strong commitment to tackling environmental and

social barriers to better everyday health is integral to everything Haleon does. As a socially conscious organization, Haleon Pakistan is actively contributing to charitable organizations that work for the welfare and rehabilitation of the society.

Significant Changes in Tax Laws

Through Finance Act, 2023 (the 'Act'), Federal Government continued to impose more tax on already compliant sectors of the economy including the pharmaceutical sector. The Act enhanced income slabs for Super Tax and introduced progressive rate from 1% (where income exceeds Rs 150 million) to 10% (where income exceeds Rs 500 million) for tax year 2023 (financial year 2022) and onwards as compared to 1% to 4% earlier. This resulted in an increase in tax charges by Rs 54 million & Rs 66 million for financial years 2022 and 2023 respectively.

Future Outlook and Challenges

Looking ahead, the macroeconomic downturn in the country presents an uncertain scenario for 2023. Along with the recent changes in tax laws, we expect to continue facing external challenges due to further pressure on production costs arising from the devaluation of the Pak Rupee, less disposable income at the consumer's end and reduced overall economic compression. However, we remain confident in Haleon's competitive capabilities, innovative portfolio and presence across channels, to deliver for the remaining half of the year, and in the years to come.

As our Company strives to **deliver better everyday health with humanity**, there exists an urgent need for an effective regulatory system that creates an enabling environment for the pharmaceutical industry to unleash its potential. Reforms for sustainable pricing policy and timely registration of new molecules, are imperative to bring innovative healthcare solutions to people of Pakistan. There is also a significant untapped opportunity in the exports of pharmaceuticals, which requires conducive government pricing policies, quality regulations and international compliances.

ڈائریکٹرز رپورٹ

عزیز شیئر ہولڈرز

بورڈ آف ڈائریکٹرز کے ایما پر میں آپ کی کمپنی کی غیر آڈٹ شدہ کنڈنسنڈ مالی معلومات برائے ششماہی مختتمہ 30 جون 2023 پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔

بورڈ کی ساخت

ڈائریکٹرز کی کل تعداد 7 ہے جو کہ درج ذیل ہے:

مرد: 5 خواتین: 2

شعبہ	نام
خود مختار ڈائریکٹرز	جناب ایم زید معین مہاجر سید انور محمود محترمہ عائشہ عزیز
ایگزیکٹو ڈائریکٹرز	جناب فرحان محمد ہارون جناب دلاور میگھانی
نان ایگزیکٹو ڈائریکٹرز	جناب اسامہ عباسی محترمہ سمرو اتالہ بیسبلی

کاروباری / معاشی جائزہ

مالی سال 2023 کی پہلی ششماہی کے دوران، پاکستان کے غیر یقینی معاشی ماحول کی بنا پر صنعت پر بڑے پیمانے پر کئی طرح کے چیلنجز درپیش رہے۔ جیسا کہ ملک کو افراط زر کے بڑھتے ہوئے دباؤ اور صارفین کی محدود قوت خرید کا سامنا رہا، ایسے میں سخت مالیاتی اور مالی پالیسیوں کے نفاذ کے نتیجے میں ٹیکسوں اور پیداواری لاگت میں اضافہ ہوا۔ غیر مستحکم پالیسی ریسپانس کی وجہ سے پاکستان کی فارماسیوٹیکل انڈسٹری سے وابستہ کمپنیوں کو آپریشنز اور منافع کو برقرار رکھنے اور سرمایہ کاری کے حوالے سے منصوبہ بندی میں مشکلات کا سامنا رہا۔ ادارہ برائے شماریات پاکستان (پی بی ایس) کی جانب سے لارج اسکیل مینوفیکچرنگ انڈسٹریز (ایل ایس ایم آئی) کے جاری کیے گئے اعداد و شمار کے مطابق جولائی 2022 سے اپریل 2023 کے درمیان فارماسیوٹیکل سیکٹر کی پیداوار میں 26.2 فیصد تک نمایاں کمی واقع ہوئی ہے۔

بیلیون پاکستان لمیٹڈ پاکستان کی سب سے بڑی فاسٹ موونگ کنزیومر ہیلتھ کیئر (ایف ایم سی ایچ) کمپنی میں سے ایک ہے، جو اپنے مقصد انسانیت کے ساتھ بہتر روزمرہ صحت کی فراہمی کے تحت خدمات انجام دے رہی ہے۔ اپنے مقصد کو سامنے رکھتے ہوئے ایک واضح نکتہ نظر کے ساتھ خدمات کی فراہمی کا عزم لیے

کمپنی کی تشکیل ورلڈ کلاس اور دی کائونٹر (OTC) پورٹ فولیو کی بنیاد پر کی گئی ہے، جس میں سے بیشتر کی قیمتوں کا کنٹرول حکومت پاکستان کے پاس ہے۔ تمام ترچیلنجز کے باوجود، آپ کی توجہ اس جانب مرکوز ہے کہ وہ مقبولیت میں اضافے کے ساتھ بہترین کارکردگی کا مظاہرہ کرے اور ترقی کے نئے اور ابھرتے ہوئے امکانات سے بھرپور استفادہ کرے۔

آپریٹنگ نتائج کا جائزہ

توجہ طلب کاروباری ماحول کے دوران بیلیون پاکستان کے جون 2023ء کو ختم ہونے والی ششماہی کے دوران اپنے برانڈ پورٹ فولیو کی بہترین کارکردگی کے ارادے کے ساتھ بنیادی کاروبار (ٹول اور ایکسپورٹ کے علاوہ) میں 19 فیصد اضافہ دیکھنے میں آیا۔ ہم اپنی ٹیم کی زبردست کارکردگی اور کاروباری ماڈل کی سبک رفتاری کی وجہ سے یہ اضافہ حاصل کرنے میں کامیاب رہے جو ہمیں اس قابل بناتی ہے کہ ہم پروڈکشن اور ڈسٹری بیوشن میں کم سے کم رکاوٹوں کے ساتھ اپنے کاروبار کو جاری و ساری رکھیں۔

ہماری پین کیٹیگری مصنوعات نے 2023 کے پہلے چھ ماہ کے دوران ہمارے او ٹی سی پورٹ فولیو کی آمدنی میں 18 فیصد اضافہ کیا۔ اس کے ساتھ ہی ہمارے فاسٹ موونگ کنزیومر گڈز (ایف ایم سی جی) شعبے میں اورل ہیلتھ کیٹیگری کی بدولت 21 فیصد اضافے کا رجحان دیکھنے میں آیا۔ 2023ء کی پہلی ششماہی میں گُل سیلز کے مقابل کل اخراجات کا تناسب ایس پی ایل وائی (گزشتہ سال کی اسی مدت کے دوران) کے مقابلے میں 15 فیصد سے کم ہو کر 14 فیصد ہو گیا ہے۔ مزید یہ کہ 2023ء کی پہلی سہ ماہی میں زرمبادلہ کی شرح میں منفی اتار چڑھاؤ 2023ء کی دوسری سہ ماہی میں معمول پر آگیا۔ جس کی وجہ پاکستانی روپے اور امریکی ڈالر کی تبدیلی کی شرح کی پائیداری تھی۔ زیادہ مانیٹری پالیسی ریٹ کی وجہ سے ہماری کمپنی مالی اثاثوں سے 121 ملین روپے کے مقابلے میں 265 ملین روپے آمدنی حاصل کرنے میں کامیاب رہی۔

ہم یہ بتاتے ہوئے خوشی محسوس کر رہے ہیں کہ انتہائی مشکل حالات سے گزرتے ہوئے آپ کی کمپنی 313 ملین روپے کا بعد از ٹیکس خالص منافع حاصل کرنے میں کامیاب رہی جو 2.67 روپے (پہلی ششماہی: 2.37 روپے) کی فی شیئر آمدنی کے برابر (ای پی ایس) ہے۔ ایک ذمہ دار کمپنی ہونے کے ناطے بہتر روزمرہ صحت کے لیے ماحولیاتی اور معاشرتی رکاوٹوں کا موثر انداز سے مقابلہ اور ذمہ داری سے اپنی کاروباری سرگرمیاں انجام دینا بیلیون کے کاروباری طرز عمل کا خاصہ ہے۔

سماجی شعور کی حامل تنظیم کی حیثیت سے بیلیون پاکستان ان خیراتی اداروں میں فعال طور پر اپنا کردار ادا کر رہی ہے جو معاشرے کی فلاح و بہبود اور بحالی کے لیے خدمات کی انجام دہی میں مصروف ہیں۔

ٹیکس قوانین میں اہم تبدیلیاں

فنانس ایکٹ 2023 (ایکٹ) کے ذریعے وفاقی حکومت نے دواسازی کے شعبے سمیت معیشت کے ان شعبوں پر مزید ٹیکسوں کے نفاذ کے سلسلے کو جاری رکھا جو پہلے ہی اس پر پوری طرح عمل پیرا ہیں۔ اس ایکٹ نے سپر ٹیکس کے لئے انکم سلیب میں اضافہ کیا اور ٹیکس سال 2023 (مالی سال 2022) اور اس کے بعد کے لئے پروگریسو شرح 1 فیصد (جہاں آمدنی 150 ملین روپے سے زیادہ ہے) سے 10 فیصد (جہاں آمدنی 500 ملین روپے سے زیادہ ہے) متعارف کرائی۔ اس کے نتیجے میں مالی سال 2022 اور 2023 کے لئے ٹیکس چارجز میں بالترتیب 54 ملین روپے اور 66 ملین روپے کا اضافہ ہوا۔

مستقبل کا منظر نامہ اور چیلنجز

مستقبل کی طرف نگاہ ڈالی جائے تو ملک میں میکرو اکنامک خسارہ سال 2023 کے لئے ایک غیر یقینی صورتحال کی منظرکشی کرتا ہے۔ ٹیکس قوانین میں حالیہ تبدیلیوں کے ساتھ ہمیں خدشہ ہے کہ روپے کی قدر میں کمی، صارفین کے پاس کم ڈسپوزیبل آمدنی اور مجموعی معاشی سرگرمیوں کے نتیجے میں پیداواری لاگت پر مزید دباؤ کی بنا پر ہمیں چیلنجز کا سامنا رہے گا۔ تاہم بیلیون کی مسابقتی صلاحیتوں، جدت پر مبنی پورٹ فولیو اور مختلف چینلز میں ہماری چینلز میں موجودگی ہمارے لیے اعتماد کا باعث ہے، جو سال کے بقیہ نصف حصے اور آنے والے سالوں میں کارکردگی کا مظاہرہ کرنے میں اہم کردار ادا کرے گا۔

جیسا کہ ہماری کمپنی روزانہ بہتر صحت، انسانیت کے ساتھ، کے مقصد پر عمل پیرا رہنے کی ہر ممکن کوشش کرتی ہے، ایسے میں ایک موثر ریگولیٹری سسٹم کی فوری ضرورت محسوس کی جاتی ہے جو فارماسیوٹیکل انڈسٹری کے لیے ایسا ماحول تشکیل دے جو اسے اپنی صلاحیتوں کے اظہار کا موقع فراہم کرے۔ مستحکم پرائسنگ پالیسی اور نئے مالیکیولز کی بروقت رجسٹریشن، پاکستان میں لوگوں کو جدید ترین ہیلتھ کیئر سلوشنز فراہم کرنے کے لیے انتہائی ضروری ہے۔ اسی طرح ملک کی فارماسیوٹیکل انڈسٹری میں ایکسپورٹس کے حوالے سے اہم امکانات ہیں جنہیں اب تک پوری طرح بروئے کار نہیں لایا گیا ہے، جس کا دارومدار موثر حکومتی پرائسنگ پالیسیوں، معیاری ریگولیشنز اور بین الاقوامی اصولوں کی پاسداری پر ہے۔

مشاہرے کی پالیسی

بیلیون پاکستان لمیٹڈ کے نان ایگزیکٹو بورڈ آف ڈائریکٹرز، کنزیومر ہیلتھ کیئر انڈسٹری اور اسی نوعیت کے حامل دیگر کاروباری سرگرمیوں کے حوالے سے مارکیٹ میں مروجہ مشاہروں کی بنیاد پر بیومن ریسورس، ریمیونیشن اینڈ نومینیشن کمیٹی کی طرف سے منظور کردہ مشاہرے کے اہل ہیں۔

اعتراف/ستائش

بورڈ آف ڈائریکٹرز بیلیون کو کامیابی کے ساتھ پاکستان کی نمایاں ہیلتھ کیئر کمپنی بنانے میں اہم کردار ادا کرنے پر تمام تر ملازمین کے ٹیم ورک اور ان کی کاوشوں کا دل کی گہرائیوں سے اعتراف کرتا ہے۔ ہم اپنے سپلائرز اور پارٹنرز کے بھی شکرگزار ہیں جن کی مسلسل محنت اور جانفشانی کمپنی کے کامیاب نتائج کے پیچھے کارفرما اہم جز ہے۔

بحکم بورڈ

خیرخواہ

دلاور میگھانی

چیف فائنانشل آفیسر

فرحان محمد ہارون

چیف ایگزیکٹو آفیسر اینڈ جنرل مینیجر

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 would like to acknowledge the efforts and teamwork of all the employees to enable the success of Haleon as the leading consumer health Company in Pakistan. We would like to further extend our gratitude to our suppliers and partners for their continued engagement and dedication in the achievement of the Company's results.

By the order of the Board
Sincerely,

Farhan M. Haroon

Chief Executive Officer
and General Manager

Dilawar Meghani

Chief Financial Officer



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 35685847, Fax +92 (21) 35685095

Independent Auditor's Review Report

To the members of Haleon Pakistan Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Haleon Pakistan Limited as at June 30, 2023 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



KPMG Taseer Hadi & Co.

Other matter

The figures of condensed interim statement of profit or loss and other comprehensive income for the quarters ended 30 June 2023 and 30 June 2022 in the interim financial statements have not been reviewed and we do not express a conclusion on them.

The interim financial statements of the Company for the half year ended 30 June 2022 and the annual financial statements of the Company for the year ended 31 December 2022 were reviewed and audited by another firm of chartered accountants whose reports dated 26 August 2022 and 30 March 2023 respectively, expressed an unqualified conclusion and opinion thereon.

The engagement partner on the review resulting in this independent auditor's review report is **Moneeza Usman Butt**.

Date: 23 August 2023

Karachi

UDIN: RR202310102pxV4aoeEJ

KPMG Taseer Hadi & Co.
Chartered Accountants

Condensed Interim Statement of Financial Position

As at June 30, 2023

ASSETS

Non-current assets

Note	Un-audited June 30, 2023	Audited December 31, 2022
	----- Rupees in '000 -----	
4	4,607,348	3,989,754
	127,674	127,674
	5,589	5,995
	31,859	28,319
	4,772,470	4,151,742

Current assets

	142,835	143,019
5	7,413,713	4,528,669
	575,398	635,519
	606,713	418,682
	139,114	99,756
	4,589	17,227
	7,810	144,373
	501,605	531,826
6	1,215,863	915,200
	334,638	965,302
7	1,647,071	2,508,361
	12,589,349	10,907,934
	17,361,819	15,059,676

Total assets

EQUITY AND LIABILITIES

Share capital and reserves

	1,170,545	1,170,545
	6,184,474	5,871,410
	7,355,019	7,041,955

LIABILITIES

Non-current liabilities

	123,028	106,371
8	226,769	133,798
	192,133	119,164
	541,930	359,333

Current liabilities

9	7,908,200	6,102,666
	1,519,625	1,519,713
	37,045	36,009
	9,464,870	7,658,388

Total liabilities

	10,006,800	8,017,721
	17,361,819	15,059,676

Contingencies and commitments

10

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

Condensed Interim Statement of Profit or Loss And Other Comprehensive Income (Un-audited)

For the half year ended June 30, 2023

Note	Half year ended		Quarter ended		
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	
	----- Rupees in '000 -----				
Revenue from contracts with customers - net	11	15,662,429	14,214,254	7,841,482	7,087,103
Cost of sales		(12,787,468)	(11,082,947)	(6,618,374)	(5,887,244)
Gross profit		2,874,961	3,131,307	1,223,108	1,199,859
Selling, marketing and distribution expenses	12	(1,903,524)	(1,887,004)	(968,204)	(880,263)
Administrative expenses		(262,895)	(190,610)	(124,024)	(110,603)
Other operating expenses		(61,212)	(75,114)	(20,140)	(9,348)
Other income	13	304,440	155,447	138,876	64,700
Operating profit		951,770	1,134,026	249,616	264,345
Financial (charges) / income	14	(225,594)	(214,199)	8,456	(145,495)
Profit before taxation		726,176	919,827	258,072	118,850
Taxation - net	6	(413,112)	(642,541)	(248,147)	(398,163)
Profit / (loss) for the period		313,064	277,286	9,925	(279,313)
Other comprehensive income		-	-	-	-
Total comprehensive income / (loss)		313,064	277,286	9,925	(279,313)
	----- Rupees -----				
Earnings / (loss) per share -basic and diluted	15	2.67	2.37	0.08	(2.39)

The annexed notes from 1 to 21 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 Changes in Equity (Un-audited)

For the half year ended June 30, 2023

	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, 2022	1,170,545	101,914	728,726	4,713,987	6,715,172
Total comprehensive income for the half year ended June 30, 2022					
Profit for the period	-	-	-	277,286	277,286
Other comprehensive income	-	-	-	-	-
	-	-	-	277,286	277,286
Balance as at June 30, 2022	1,170,545	101,914	728,726	4,991,273	6,992,458
Balance as at January 01, 2023	1,170,545	101,914	728,726	5,040,770	7,041,955
Total comprehensive income for the half year ended June 30, 2023					
Profit for the period	-	-	-	313,064	313,064
Other comprehensive income	-	-	-	-	-
	-	-	-	313,064	313,064
Balance as at June 30, 2023	1,170,545	101,914	728,726	5,353,834	7,355,019

Condensed Interim Statement of Cash Flows (Un-audited)

For the half year ended June 30, 2023

	Note	Half year ended	
		June 30, 2023	June 30, 2022
----- Rupees in '000 -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	16	(382,521)	(973,197)
Staff retirement benefits paid		(28,726)	(5,026)
Income taxes paid		(620,804)	(631,986)
Decrease / (increase) in long-term loans to employees		406	(936)
Increase in long term-deposits		(3,540)	-
Net cash used in operating activities		(1,035,185)	(1,611,145)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures		(740,297)	(163,246)
Proceeds from disposal of operating assets		61,500	20,076
Interest received		278,206	121,771
Net cash used in investing activities		(400,591)	(21,399)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(88)	(395,298)
Lease rental paid		(18,300)	-
Net cash used in financing activities		(18,388)	(395,298)
Net decrease in cash and cash equivalents during the period		(1,454,164)	(2,027,842)
Cash and cash equivalents at beginning of the period	17	3,435,873	3,087,785
Cash and cash equivalents at end of the period	17	1,981,709	1,059,943

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Director

Chief Executive Officer

Chief Financial Officer

Director

Chief Executive Officer

Notes to the Condensed Interim Financial Statements (Un-audited)

For the half year ended June 30, 2023

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. During the period, the Company has changed its registered office to 11-A, 11th Floor, Sky Tower (East Wing), Dolmen City, HC-3, Block 4, Scheme-5, Clifton, Karachi, 75600, with effect from February 09, 2023.

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 GlaxoSmithKline plc to Haleon plc. Name of the Company has changed to Haleon Pakistan Limited from GlaxoSmithKline Consumer Healthcare Pakistan Limited effective from January 03, 2023.

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), GSK Pakistan, 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 GSK Pakistan.

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, 2022.

2.2 These condensed interim financial statements are unaudited. However, a limited scope review of these condensed interim financial statements has been performed by the external auditors of the Company in accordance with the requirements of Rule Book of Pakistan Stock Exchange Limited and they have issued their review report thereon. These condensed interim financial statements are submitted to the shareholders as required by section 237 of the Companies Act, 2017.

2.3 The comparative condensed interim statement of financial position presented has been extracted from annual audited financial statements for the year ended December 31, 2022, whereas comparative condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the half year ended June 30, 2022.

2.4 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, 2023. 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, 2023.

- IFRS 17 Insurance Contracts;
- Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors); and
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes).

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

3.1 Significant accounting policies

3.1.1 The significant 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, 2022.

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, 2022.

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, 2022.

4. PROPERTY, PLANT AND EQUIPMENT

		Un-audited June 30, 2023	Audited December 31, 2022
	Note	----- Rupees in `000 -----	
Operating assets	4.1	3,506,582	3,029,675
Capital work-in-progress		885,952	809,487
Right-of-use assets - Office premises		214,814	150,592
		4,607,348	3,989,754

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

	Half year ended June 30, 2023		Half year ended June 30, 2022	
	Un-audited		Un-audited	
	Additions - at cost	Disposals - at net book value	Additions - at cost	Disposals - at net book value
	----- Rupees in '000 -----		----- Rupees in '000 -----	
Operating assets				
Building and improvements on leasehold land	150,499	16,936	17,266	-
Plant and machinery	252,503	-	69,985	-
Furniture and fixtures	103,665	5,920	129	-
Vehicles	126,055	8,582	1,828	4,769
Office equipment	30,255	2,617	37,567	-
	662,977	34,055	126,775	4,769

5. INVENTORIES

		Un-audited June 30, 2023	Audited December 31, 2022
	Note	----- Rupees in '000 -----	
Raw and packing materials		3,982,417	2,115,690
Work-in-process		46,889	50,787
Finished goods		3,487,161	2,484,675
		7,516,467	4,651,152
Less: Provision for slow moving, obsolete and damaged stock	5.1	(102,754)	(122,483)
		7,413,713	4,528,669

5.1 During the period, inventories of Rs. 40.79 million (December 31, 2022: Rs. 124.93 million) have been written-off against provision.

5.2 Inventories include items costing Rs. 3,552.59 million (December 31, 2022: Rs. 2,770.32 million) valued at net realisable value of Rs. 3,394.30 million (December 31, 2022: Rs. 2,400.15 million).

6. TAXATION - PAYMENTS LESS PROVISION

During the period, the Government of Pakistan through Finance Act, 2023 has made certain amendments in section 4C of the Income Tax Ordinance, 2001 through which super tax has been levied on companies at the rate of 10% for tax year 2023 & onwards where income exceeds Rs. 500 million. Accordingly, the current period tax charge includes Rs. 54 million and Rs. 66 million for tax years 2023 (financial year 2022) and 2024 (financial year 2023) respectively on account of super tax. Furthermore, the application of super tax has also increased the deferred tax charge by Rs. 14.2 million.

7. BANK BALANCES

With banks:
- in savings accounts
- in current accounts

	Un-audited June 30, 2023	Audited December 31, 2022
Note	----- Rupees in '000 -----	
7.1	1,612,797	2,498,902
	34,274	9,459
	1,647,071	2,508,361

7.1 These accounts carries mark-up rate of 19.5% (December 31, 2022: 14.5%) per annum.

8. DEFERRED TAXATION

Deferred tax liability on taxable temporary differences

Accelerated tax depreciation and amortisation
Right-of-use assets - Office premises

	Un-audited June 30, 2023	Audited December 31, 2022
Note	----- Rupees in '000 -----	
	434,279	333,632
	82,383	48,701
	516,662	382,333

Deferred tax asset on deductible temporary differences

Allowance for impairment of trade debts
Lease liabilities
Provision against advances
Provision for slow moving, obsolete and damaged inventories
Staff retirement benefits
Minimum tax credit

	Un-audited June 30, 2023	Audited December 31, 2022
	(11,671)	(9,842)
	(73,685)	(50,183)
	(32,253)	(27,198)
	(40,074)	(40,419)
	(23,591)	(17,201)
	(108,619)	(103,692)
	(289,893)	(248,535)
	226,769	133,798

9. TRADE AND OTHER PAYABLES

Creditors and bills payable
Accrued liabilities
Contract liabilities
Book overdraft
Others

	Un-audited June 30, 2023	Audited December 31, 2022
9.1	1,574,531	1,760,934
	5,175,069	3,048,958
	723,520	927,899
	-	37,790
	435,080	327,085
	7,908,200	6,102,666

16. CASH USED IN OPERATIONS

	Un-audited Half year ended June 30, 2023	Un-audited Half year ended June 30, 2022
----- Rupees in '000 -----		
Profit before taxation	726,176	919,827
Add / (less): Adjustments for non-cash charges and other items		
Depreciation	195,017	155,875
Interest on lease liabilities	12,936	-
Gain on disposal of operating assets	(27,445)	(15,307)
Provision for slow moving, obsolete and damaged inventories	21,059	836
Inventory written-off	19,127	-
Provision for staff retirement benefits	45,383	44,136
Interest income	(265,568)	(120,544)
Reversal of provision for impairment on operating assets	(27,000)	-
Unrealised exchange loss	35,357	146,534
Profit before working capital changes	735,042	1,131,357
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Stores and spares	184	(6,163)
Inventories	(2,925,230)	(2,494,571)
Trade debts	60,121	160,917
Loans and advances	(188,031)	(422,955)
Trade deposits and prepayments	(39,358)	12,758
Refunds due from Government - Sales Tax	136,563	(1,095,046)
Other receivables	30,221	295,639
	(2,925,530)	(3,549,421)
Increase in current liabilities		
Trade and other payables	1,807,967	1,444,867
	(1,117,563)	(2,104,554)
	(382,521)	(973,197)

	Un-audited June 30, 2023	Audited December 31, 2022	Un-audited June 30, 2022
----- Rupees in '000 -----			
17. CASH AND CASH EQUIVALENTS			
Bank balances	1,647,071	2,508,361	1,121,828
Investment at amortised cost	334,638	965,302	-
Book overdraft	-	(37,790)	(61,885)
	1,981,709	3,435,873	1,059,943

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

18.1 Details of transactions carried out during the period with the related parties are as follows:

Relationship	Nature of transactions	Un-audited Half year ended June 30, 2023	Un-audited Half year ended June 30, 2022
----- Rupees in '000 -----			
Holding Company:	a. Dividend paid	-	394,595
Associated Companies:	a. Purchase of goods and services	894,797	2,068,189
	b. Recovery of expenses	5,049	-
	c. Sale of goods	26,197	6,242
Staff retirement funds:	a. Expense charged for retirement benefit plans	45,383	44,136
	b. Payments to retirement benefit plans	28,726	5,026
Key management personnel:	a. Salaries and other employee benefits	125,710	102,090
	b. Post employment benefits	10,052	7,929

18.2 Details of outstanding balances as at period / year end with the related parties are as follows:

		Un-audited June 30, 2023	Audited December 31, 2022
----- Rupees in `000 -----			
Holding Company:	Dividend payable	1,506,338	1,506,338
Associated Companies:	a. Other receivables	19,499	53,649
	b. Trade and other payables	818,491	469,719
	Payable to staff retirement funds	123,028	106,371
	Payable to provident fund	10,094	4,901

19. 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 June 30, 2023, 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.

20. CORRESPONDING FIGURES

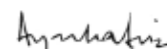
Corresponding figures have been reclassified in these condensed interim financial statements, wherever necessary, to facilitate the comparison and to conform with changes and presentation in the current period. However, no significant reclassifications were made in the condensed interim financial statements.

21. 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 August 22, 2023.



Chief Financial Officer



Director



Chief Executive Officer