

29 August 2024

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 2024

Dear Sir / Madam,

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

Half Yearly 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 Un-audited Condensed financial information for six months ended June 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

The first half of the year 2024 was characterized by General Elections and the announcement of Federal Budget for fiscal year 2024. Increase in taxes at individual and industry level have resulted in vocal and strong disagreement; with the tax net largely unchanged, the effects of higher taxes is being felt beyond the pharmaceutical industry and across various economic sectors. With additional increase in energy cost, the consequential escalation in prices of essential commodities has compounded financial burden for an ordinary citizen making healthcare services including essential medicines increasingly unaffordable.

In this background, the recent promulgation relating to pricing of non-essential medicines is a step in the right direction and would also pave the way for pharmaceutical exports to other price regulated markets (is this relevant here). Haleon Pakistan Limited, being the largest

Fast Moving Consumer Healthcare (FMCH) company in Pakistan, remained committed to delivering better everyday health with humanity. During the first six months of 2024, the Company focused on introducing innovative products in Pakistan by accelerating efficiency projects and leveraging innovation in order to cater to specific needs of the consumers. In the backdrop of high inflation and reduced consumer spending, the objective is to provide access to products to consumers through competitive pricing made possible by efficiency gains (?).

Review of Operating Results

During the first six months of 2024, Haleon Pakistan delivered a growth of 13% in overall sales whereas the core business delivered a growth of 14%. The FMCG and OTC portfolio grew by 1% and 16% respectively vs SPLY (Same Period Last Year) with a growth of 3% 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. Despite the challenges posed by political and economic issues, the Company was able to exercise due control on cost levers. We witnessed an increase of 13% in the gross profit, reaching 31% as compared to the SPLY. Due to higher cashflows, financial assets generated Rs. Rs 398 million included in Other Income of Rs 436 million in comparison to Rs. 266 million and Rs 304 million in the SPLY.

Your Company has posted a net profit after tax of Rs. 1,873 million amounting to an Earnings Per Share (EPS) of Rs. 16 (SPLY: Rs. 2.67).

Running a business responsibly is a strategic imperative that is hardwired into how we do business. We have continued our contribution towards social welfare at the corporate level, whereas our employees actively participate in the Company's volunteering program, called "Haleon Helps".

Haleon Pakistan Limited is committed to creating a diverse, inclusive and respectful workplace for everyone and views this as key to achieving our purpose: to deliver better everyday health with humanity. Our Employee Resource Group, Women@Haleon strives for gender equity at every level till reaching full equality and true representation

for women in the workplace and in the society. Regular awareness sessions are conducted by Women@Haleon in Pakistan for female members in the company on different relevant topics.

Future Outlook and Challenges

At a global level, the escalating geopolitical tensions are likely to result in volatile commodity prices. However, locally Pakistan's growth prospects are expected to remain encouraging due to monetary corrective measures which will help in keeping inflation under control.

On the other hand, despite being a promising market, the industry players are challenged by the opacity and intricacy of the regulatory landscape of the pharma sector in Pakistan. As stated in our previous reports also, there is a strong need for a consistent policy framework and a streamlined approach to our regulatory procedures that ensures the sector's optimal contribution to the national economy.

For Haleon Pakistan, the key priority in the second half 2024 is to improve awareness about the concept of self-care and encourage preventative healthcare practices, empowering people to take charge of their everyday health. In order to do so, we aim to embark on collaborations with partners, who share the similar objective of improving self-care in Pakistan. As we continue to build on our innovation strategy, we will continue to introduce initiatives that enable consumers to access our quality healthcare products.

Remuneration Policy

The Non-Executive Board of 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: 22nd August 2024



ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز

عزیز شیئر ہولڈرز

بورڈ آف ڈائریکٹرز کے ایما پر ہم آپ کی کمپنی کی غیر آڈٹ شدہ کنڈنسنڈ فائنانشل معلومات برائے ششماہی مہتممہ 30 جون، 2024، 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	شعبہ
جناب ایم زیڈ معین مہاجر	انڈینڈنٹ ڈائریکٹرز
سید انور محمود	
محترمہ عائشہ عزیز	
جناب فرحان محمد ہارون	ایگزیکٹو ڈائریکٹرز
جناب دلاور میگھانی	
جناب اسامہ عباس	نان ایگزیکٹو ڈائریکٹرز
محترمہ سمرو اطالے بیسسلی	

کاروباری و معاشی جائزہ

سال 2024 کی پہلی ششماہی میں عام انتخابات اور مالی سال 2024 کے وفاقی بجٹ کا اعلان کیا گیا۔ انفرادی اور صنعتی سطح پر ٹیکسوں میں اضافے کے نتیجے میں شدید احتجاج اور اختلاف رائے دیکھنے میں آیا۔ ٹیکس نیٹ میں بڑے پیمانے پر کوئی تبدیلی نہ ہونے کی بنا پر زیادہ ٹیکسز کے اثرات کو فارماسیوٹیکل انڈسٹری کے علاوہ، کئی معاشی سیکٹرز میں محسوس کیا جا رہا ہے۔ توانائی کی لاگت میں مزید اضافے کے نتیجے میں اشیائے ضروریہ کی قیمتوں میں ہونے والے اضافے نے ایک عام شہری کے لئے مالی بوجھ میں اضافہ کر دیا ہے جس کی وجہ سے ضروری ادویات سمیت ہیلتھ کیئر سروسز لوگوں کی استطاعت سے باہر ہوتی جا رہی ہیں۔

اس پس منظر میں عمومی ادویات کی قیمتوں سے متعلق حالیہ اعلان درست سمت میں ایک قدم ہے جو دیگر پرائس ریگولیٹڈ مارکیٹوں میں فارماسیوٹیکل برآمدات کی راہ بھی ہموار کرے گا۔

پاکستان کی سب سے بڑی فاسٹ موونگ کنزیومر ہیلتھ کیئر (ایف ایم سی ایچ) کمپنی ہونے کے ناطے بیلین پاکستان لمیٹڈ، انسانیت کے ساتھ بہتر روزمرہ صحت کی فراہمی کے لیے پرعزم ہے۔ 2024 کے پہلے چھ ماہ کے دوران کمپنی نے صارفین کی مخصوص ضروریات کو پورا کرنے کے لیے کارکردگی بہتر بناتے ہوئے اور

جدت کے سلسلے کو آگے بڑھاتے ہوئے اپنی توجہ پاکستان میں جدید مصنوعات متعارف کرانے پر مرکوز رکھی۔ زیادہ افراط زر اور صارفین کی طرف سے اخراجات میں کمی کو مدنظر رکھتے ہوئے ہمارا مقصد صارفین کو مسابقتی قیمتوں کے ذریعے مصنوعات تک رسائی فراہم کرنا ہے جسے کارکردگی میں اضافے کے ذریعے ممکن بنایا جا رہا ہے۔

آپریٹنگ نتائج کا جائزہ

سال 2024 کے پہلے چھ ماہ کے دوران بیلین پاکستان نے مجموعی سیلز میں 11 فیصد اضافہ کیا جبکہ کور بزنس میں 14 فیصد اضافہ دیکھنے میں آیا۔ ایف ایم سی جی اور او ٹی سی پورٹ فولیو میں ایس پی ایل وائی (پچھلے سال کی اسی مدت) کے مقابلے میں بالترتیب 1 فیصد اور 16 فیصد اضافہ ہوا جبکہ اس کے ساتھ ٹول مینوفیکچرنگ کے شعبے میں 3 فیصد اضافہ ہوا۔

بیلین پاکستان لمیٹڈ پاکستان میں اوٹی سی اور اورل ہیلتھ کیئر کی بہترین مصنوعات تک رسائی کو یقینی بناتے ہوئے، اپنی توجہ صارفین کے لیے مزید جدید مصنوعات متعارف کرانے پر مرکوز کیے ہوئے ہے۔ سیاسی اور معاشی مسائل سے پیدا ہونے والے چیلنجز کے باوجود، کمپنی کاسٹ لیورز پر مناسب کنٹرول حاصل کرنے میں کامیاب رہی۔ ہم نے مجموعی منافع میں 11 فیصد کا اضافہ دیکھا، جو ایس پی ایل وائی (گذشتہ سال اسی مدت) کے مقابلے میں 31 فیصد تک جا پہنچا۔ ایس پی ایل وائی (گذشتہ سال اسی مدت) کے دوران 266 ملین اور 304 ملین روپے کی آمدنی کے مقابلے میں، زیادہ کیش فلوز کی وجہ سے مالی اثاثوں سے 398 ملین روپے کی آمدنی ہوئی جس میں 436 ملین روپے کی دیگر آمدنی میں شامل ہے۔

آپ کی کمپنی نے 1,873 ملین روپے کا بعد از ٹیکس خالص منافع حاصل کیا ہے جو 16 روپے (ایس پی ایل وائی: 2.67 روپے) کی فی شیئر آمدنی (ای پی ایس) ہے۔

کسی کاروبار کو ذمہ دارانہ طور پر چلانا ایک ضروری حکمت عملی ہے جس کا دارومدار اس بات پر ہے کہ ہم کاروبار کس انداز سے کرتے ہیں۔ ہم نے کارپوریٹ سطح پر سماجی فلاح و بہبود کے لئے اپنے تعاون کے سلسلے کو جاری رکھا ہے، جبکہ ہمارے ملازمین کمپنی کے رضاکارانہ پروگرام میں فعال طور پر حصہ لیتے ہیں، جسے "بیلین بیلپس" کہا جاتا ہے۔

بیلین پاکستان لمیٹڈ کام کی جگہ کو ہر ایک کے لئے ایک متنوع، جامع اور قابل احترام کام کی جگہ بنانے کے لئے پرعزم ہے اور اسے اپنے مقصد یعنی انسانیت کے ساتھ بہتر روزمرہ صحت کی فراہمی کے لیے انتہائی اہم سمجھتا ہے۔ ہمارا ایمپلائز ریسورس گروپ، Women@Haleon کام کی جگہ پر اور معاشرے میں مکمل مساوات اور خواتین کی حقیقی نمائندگی کے حصول تک، ہر سطح پر صنفی مساوات کے لیے کوشاں رہتا ہے۔ Women@Haleon کی جانب سے کمپنی میں خواتین ممبران کے لیے پاکستان بھر میں مختلف متعلقہ موضوعات پر باقاعدگی سے آگاہی سیشنز منعقد کیے جاتے ہیں۔

مستقبل کا منظرنامہ اور چیلنجز

عالمی سطح پر بڑھتے ہوئے جیو پولیٹیکل تناؤ کے نتیجے میں ایشیا کی قیمتوں میں

اتار چڑھاؤ کا امکان ہے۔ تاہم، اصلاحی مالیاتی اقدامات کی بنا پر مقامی طور پر پاکستان کی ترقی کے امکانات حوصلہ افزا رہنے کی توقع ہے، جس کی بدولت افراط زر کو کنٹرول کرنے میں مدد ملے گی۔

دوسری طرف، ایک امید افزا مارکیٹ ہونے کے باوجود، صنعت سے وابستہ افراد کو پاکستان میں فارما سیکٹر کے ریگولیٹری منظر نامے کی شفافیت اور پیچیدگی کے باعث چیلنجز کا سامنا رہتا ہے۔ جیسا کہ ہماری پچھلی رپورٹس میں بھی کہا گیا ہے کہ ایک مستقل پالیسی فریم ورک اور ہمارے ریگولیٹری طریقہ کار کے حوالے سے طے کردہ بہتر طرز فکر کی اشد ضرورت ہے جو قومی معیشت میں اس شعبے کی زیادہ سے زیادہ شمولیت کو یقینی بنائے۔

بیلین پاکستان کے لیے 2024 کی دوسری ششماہی میں اہم ترجیح لوگوں کو اپنی روزمرہ صحت کا خیال رکھنے میں با اختیار بنانے کے لیے سیلف کیئر کے حوالے سے آگاہی کو بہتر بنانا اور حفاظتی ہیلتھ کیئر کے طریقوں کی حوصلہ افزائی کرنا ہے۔ ایسا کرنے کے لئے، ہم ایسے شراکت داروں کے ساتھ تعاون بڑھانے کے لیے پرعزم ہیں جن کا مقصد پاکستان میں سیلف کیئر کو بہتر بنانا ہے۔ ہم اپنی جدت پر مبنی حکمت عملی کو آگے بڑھاتے ہوئے ایسے اقدامات متعارف کرانے کے سلسلے کو جاری رکھیں گے جو معیاری ہیلتھ کیئر پراڈکٹس تک صارفین کی رسائی کو ممکن بناتے ہوں۔

مشاہرے کی پالیسی

بیلین پاکستان لمیٹڈ کے نان ایگزیکٹو بورڈ ڈائریکٹرز، کنزیومر ہیلتھ کیئر انڈسٹری اور اسی نوعیت کے دیگر کاروباروں کے مارکیٹ بینچ مارک کے لحاظ سے بیومن ریسورس ریمیونریشن اینڈ نومیینیشن کمیٹی کی جانب سے منظور شدہ معاوضے کے حقدار ہیں۔

ستائش

بورڈ کی ایما پر، ہم اپنے تمام ملازمین کا شکریہ ادا کرتے ہیں جو کمپنی کے انسانیت کے ساتھ بہتر روزمرہ صحت کی فراہمی کے مشن کو جاری رکھنے کے عمل کو اپنی ثابت قدمی، غیر معمولی لگن اور زبردست محنت سے یقینی بناتے ہیں۔ ہم کمپنی کے نتائج کے حصول کے لیے اپنے سپلائرز اور شراکت داروں کے بھرپور تعاون کو بھی قدر کی نگاہ سے دیکھتے ہیں اور ان کا تہ دل سے شکریہ ادا کرتے ہیں۔

بحکم بورڈ
خیر خواہ



فرحان محمد ہارون
چیف ایگزیکٹو آفیسر
مورخہ: 22 اگست 2024



دلاور میگھانی
چیف فائنانشل آفیسر



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 37131900, 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 30 June 2024 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.

Other matter

The figures of condensed interim statement of profit or loss and other comprehensive income for the quarter ended 30 June 2024 and 30 June 2023 in the interim financial statements have not been reviewed and we do not express a conclusion on them.

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.

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

Date: 26th August 2024

Karachi

UDIN: RR202410102IgJcY0RjV

KPMG Taseer Hadi & Co.
Chartered Accountants

Condensed Interim Statement Of Financial Position

As at June 30, 2024

		Un-audited June 30, 2024	Audited December 31, 2023
----- Rupees in '000 -----			
ASSETS	Note		
Non-current assets			
Property, plant and equipment	4	6,217,624	5,397,852
Intangible assets		153,554	153,554
Long-term loans to employees		9,730	9,117
Long-term deposits		36,550	34,360
		6,417,458	5,594,883
Current assets			
Stores and spares		147,883	171,325
Stock-in-trade	5	6,352,572	5,414,709
Trade debts		1,209,026	610,335
Loans and advances		235,422	346,055
Trade deposits and prepayments		140,291	129,606
Interest accrued		17,149	31,325
Refunds due from Government - Sales Tax		84,871	156,733
Other receivables		223,153	239,814
Taxation - payments less provision		392,154	1,268,100
Investment at amortised cost		1,892,104	1,001,651
Bank balances	6	4,964,997	3,280,194
		15,659,622	12,649,847
Total assets		22,077,080	18,244,730
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		1,170,545	1,170,545
Reserves		8,724,961	6,852,221
		9,895,506	8,022,766
Liabilities			
Non-current liabilities			
Employee benefit obligations		153,689	137,512
Deferred taxation	7	359,654	335,297
Lease liabilities		194,558	193,432
		707,901	666,241
Current liabilities			
Trade and other payables	8	9,914,538	7,997,717
Unclaimed dividend		12,049	12,849
Unpaid dividend		1,506,338	1,506,338
Current portion of lease liabilities		40,748	38,819
		11,473,673	9,555,723
Total liabilities		12,181,574	10,221,964
Total equity and liabilities		22,077,080	18,244,730
Contingencies and commitments	9		

The annexed notes from 1 to 22 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 half year ended June 30, 2024

	Note	Half year ended		Quarter ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
----- Rupees in '000 -----					
Revenue from contracts with customers - net	10	17,758,815	15,662,429	9,805,213	7,841,482
Cost of sales		(12,268,675)	(12,787,468)	(6,501,972)	(6,618,374)
Gross profit		5,490,140	2,874,961	3,303,241	1,223,108
Selling, marketing and distribution expenses	11	(2,090,177)	(1,903,524)	(1,103,672)	(968,204)
Administrative expenses		(317,809)	(262,895)	(155,614)	(124,024)
Allowance for impairment of trade debts		(26,521)	-	(22,674)	-
Other expenses		(273,294)	(61,212)	(177,260)	(20,140)
Other income	12	435,563	304,440	247,675	138,876
Operating profit		3,217,902	951,770	2,091,696	249,616
Financial (charges) / income	13	(8,884)	(225,594)	(190)	8,456
Profit before levies and income taxes		3,209,018	726,176	2,091,506	258,072
Levies	14	-	(1,976)	-	(996)
Profit before income taxes		3,209,018	724,200	2,091,506	257,076
Taxation - net	15	(1,336,278)	(411,136)	(868,047)	(247,151)
Profit for the period		1,872,740	313,064	1,223,459	9,925
Other comprehensive income		-	-	-	-
Total comprehensive income		1,872,740	313,064	1,223,459	9,925
----- Rupees -----					
Earnings per share	16	16.00	2.67	10.45	0.08

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

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

For the half year ended June 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 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
Balance as at January 01, 2024					
	1,170,545	101,914	728,726	6,021,581	8,022,766
Total comprehensive income for the half year ended June 30, 2024					
Profit for the period	-	-	-	1,872,740	1,872,740
Other comprehensive income	-	-	-	-	-
	-	-	-	1,872,740	1,872,740
Balance as at June 30, 2024	1,170,545	101,914	728,726	7,894,321	9,895,506

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

Condensed Interim Statement of Cash Flows (Un-audited)

for the half year ended June 30, 2024

	Note	Half year ended	
		June 30, 2024	June 30, 2023
----- Rupees in '000 -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	17	3,653,413	(366,997)
Employee benefit obligations paid		(59,357)	(44,250)
Income taxes paid		(435,975)	(620,804)
(Increase) / decrease in long-term loans to employees		(613)	406
Increase in long-term deposits		(2,190)	(3,540)
Net cash generated from / (used in) operating activities		3,155,278	(1,035,185)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures		(1,090,505)	(740,297)
Proceeds from disposal of operating assets		19,067	61,500
Interest received		412,827	278,206
Net cash used in investing activities		(658,611)	(400,591)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(800)	(88)
Lease rental paid		(20,130)	(18,300)
Net cash used in financing activities		(20,930)	(18,388)
Net increase / (decrease) in cash and cash equivalents during the period		2,475,737	(1,454,164)
Cash and cash equivalents at beginning of the period	18	4,281,845	3,435,873
Cash and cash equivalents at end of the period	18	6,757,582	1,981,709

The annexed notes from 1 to 22 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 Financial Statements

For the half year ended June 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 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, 2023, 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, 2023.

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, 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.

	Un-audited June 30, 2024	Audited December 31, 2023
----- Rupees in '000 -----		
4. PROPERTY, PLANT AND EQUIPMENT		
Operating assets	3,868,001	3,831,912
Capital work-in-progress	2,158,032	1,362,737
Right-of-use asset - Office premises	191,591	203,203
	6,217,624	5,397,852

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

	Half year ended June 30, 2024		Half year ended June 30, 2023	
	Un-audited		Un-audited	
	Additions - at cost	Disposals - at net book value	Additions - at cost	Disposals - at net book value
----- Rupees in '000 -----				
Operating assets				
Building and improvements on leasehold land	1,798	-	150,499	16,936
Plant and machinery	33,094	-	252,503	-
Furniture and fixtures	747	-	103,665	5,920
Vehicles	174,210	11,850	126,055	8,582
Office equipment	85,360	-	30,255	2,617
	295,209	11,850	662,977	34,055

	Un-audited June 30, 2024	Audited December 31, 2023
----- Rupees in '000 -----		
5. STOCK-IN-TRADE		
Raw and packing materials [including in transit Rs. 1,846.37 million (December 31, 2023: Rs. 817.77 million)].	4,040,184	2,876,812
Work-in-process	73,568	35,464
Finished goods	2,524,384	2,707,617
	6,638,136	5,619,893
Less: Provision for slow moving, obsolete and damaged stock-in-trade	5.1 (285,564)	(205,184)
	6,352,572	5,414,709

5.1 During the period, stock-in-trade of Rs. 17.37 million (December 31, 2023: Rs. 57.95 million) have been written-off against provision.

5.2 Stock-in-trade include items costing Rs. 821.12 million (December 31, 2023: Rs. 467.61 million) valued at net realisable value of Rs. 753.89 million (December 31, 2023: Rs. 361.34 million).

	Un-audited June 30, 2024	Audited December 31, 2023
----- Rupees in '000 -----		
6. BANK BALANCES		
With banks:		
- in saving accounts	6.1 4,961,494	2,900,439
- in current accounts	3,503	379,755
	4,964,997	3,280,194

6.1 These accounts carries mark-up rate of 19% to 20.5% (December 31, 2023: 20.50%) per annum.

	Un-audited June 30, 2024	Audited December 31, 2023
Note	----- Rupees in '000 -----	
7. DEFERRED TAXATION		
Deferred tax liability on taxable temporary differences		
Accelerated tax depreciation	536,054	492,814
Right-of-use asset - Office premises	74,721	78,122
	610,775	570,936
Deferred tax asset on deductible temporary differences		
Allowance for impairment of trade debts	(18,013)	(7,560)
Lease liabilities	(91,769)	(89,291)
Provision against advances	-	(32,333)
Provision for slow moving, obsolete and damaged stock-in-trade	(111,370)	(80,021)
Employee benefit obligations	(29,969)	(26,434)
	(251,121)	(235,639)
	359,654	335,297
8. TRADE AND OTHER PAYABLES		
Creditors and bills payable	2,242,611	1,746,944
Accrued liabilities	5,872,970	5,100,886
Contract liabilities	1,152,335	806,270
Book overdraft	99,519	-
Others	547,103	343,617
	9,914,538	7,997,717
8.1	This balance represents book overdraft against the cheques issued but not yet presented. As per arrangement with the bank, the payments for these cheques will be made by transferring balance from the saving accounts as and when presented.	
9. CONTINGENCIES AND COMMITMENTS		
9.1 Contingencies		
9.1.1	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.	

9.2 Commitments

9.2.1 The facilities for opening letters of credit and guarantees as at June 30, 2024, amounted to Rs. 4,836 million (December 31, 2023: Rs. 4,837.2 million) and Rs. 345 million (December 31, 2023: Rs. 345 million) respectively of which the amount remaining unutilised at period end was Rs. 2,484.25 million (December 31, 2023: Rs. 2,563.64 million) and Rs. 217.55 million (December 31, 2023: Rs. 189.85 million) respectively.

9.2.2 Commitments for capital expenditure outstanding as at June 30, 2024, amount to Rs. 1,773.60 million (December 31, 2023: Rs. 1,479.12 million).

10. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

10.1 This includes sales amounting to Rs. 420.44 million (June 30, 2023: Rs. 545.71 million) made by GlaxoSmithKline Pakistan Limited on behalf of the Company (refer note 1.2).

11. SELLING, MARKETING AND DISTRIBUTION EXPENSES

This includes advertising and sales promotion expenses of Rs. 1.26 billion (June 30, 2023: Rs. 1.19 billion).

		Half year ended - Un-audited		Quarter ended - Un-audited	
	Note	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
		----- Rupees in '000 -----		----- Rupees in '000 -----	
12. OTHER INCOME					
Income from financial assets					
Return on treasury bills		88,417	71,260	42,803	22,921
Income on saving accounts		310,234	194,308	184,733	93,060
Income from non-financial assets					
Gain on disposal of operating assets - net		7,217	27,445	4,130	17,490
Scrap sales		29,695	10,302	16,009	5,099
Others		-	1,125	-	306
		435,563	304,440	247,675	138,876
13. FINANCIAL CHARGES / (INCOME)					
Interest on long-term lease liabilities		23,185	12,936	11,627	7,407
Exchange (gain) / loss - net		(14,867)	211,718	(11,891)	(16,803)
Bank charges		566	940	454	940
		8,884	225,594	190	(8,456)
14. LEVIES					
Minimum tax differential u/s 148	14.1	-	(1,714)	-	(858)
Final taxes u/s 154	14.1	-	(262)	-	(138)
		-	(1,976)	-	(996)

14.1 For the period ended June 30, 2024, the Company was fully taxed under the normal tax regime, which is reflected under Note 15. In accordance with ICAP guidance as disclosed in note 3.1.1, income tax related to minimum tax and final tax for the period ended June 30, 2023 was reclassified as levies from taxation - net.

	Half year ended - Un-audited		Quarter ended - Un-audited	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	----- Rupees in '000 -----		----- Rupees in '000 -----	
15. TAXATION - NET				
Current				
- for the period	(1,311,924)	(259,679)	(841,379)	(199,926)
- for prior year	-	(54,426)	-	(54,426)
	(1,311,924)	(314,105)	(841,379)	(254,352)
Deferred	(24,354)	(97,031)	(26,668)	7,201
	(1,336,278)	(411,136)	(868,047)	(247,151)

	Half year ended - Un-audited		Quarter ended - Un-audited	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	----- Rupees in '000 -----		----- Rupees in '000 -----	
16. EARNINGS PER SHARE				
Profit for the period	1,872,740	313,064	1,223,459	9,925
	----- Numbers in '000 -----		----- Numbers in '000 -----	
Weighted average number of shares outstanding	117,055	117,055	117,055	117,055
	----- Rupees -----		----- Rupees -----	
Earnings per share	16.00	2.67	10.45	0.08

	Un-audited	Un-audited
	Half year ended	
	June 30, 2024	June 30, 2023
	----- Rupees in '000 -----	
17. CASH GENERATED FROM / (USED IN) OPERATIONS		
Profit before levies and income taxes	3,209,018	726,176
Add / (less): Adjustments for non-cash charges and other items		
Depreciation	258,883	195,017
Interest on lease liabilities	23,185	12,936
Gain on disposal of operating assets	(7,217)	(27,445)
Provision for slow moving, obsolete and damaged stock	97,746	21,059
Allowance for impairment of trade debts	26,521	-
Stock written-off	316	19,127
Provision for employee benefit obligations	75,534	60,907
Interest income	(398,651)	(265,568)
Reversal of provision for impairment on operating assets	-	(27,000)
Unrealised exchange (gain) / loss	(26,270)	35,357
Profit before working capital changes	3,259,065	750,566
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Stores and spares	23,442	184
Stock-in-trade	(1,035,925)	(2,925,230)
Trade debts	(625,212)	60,121
Loans and advances	110,633	(188,031)
Trade deposits and prepayments	(10,685)	(39,358)
Refunds due from Government - Sales Tax	71,862	136,563
Other receivables	16,661	30,221
	(1,449,224)	(2,925,530)
Increase in current liabilities		
Trade and other payables	1,843,572	1,807,967
	394,348	(1,117,563)
	3,653,413	(366,997)

		Un-audited June 30, 2024	Audited December 31, 2023	Un-audited June 30, 2023
	Note	----- Rupees in '000 -----		
18. CASH AND CASH EQUIVALENTS				
Bank balances	6	4,964,997	3,280,194	1,647,071
Investment at amortised cost		1,892,104	1,001,651	334,638
Book overdraft	8.1	(99,519)	-	-
		6,757,582	4,281,845	1,981,709

19. 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:

		Un-audited	Un-audited
		Half year ended	
		June 30, 2024	June 30, 2023
		----- Rupees in '000 -----	
19.1 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	575,761	894,797
	b. Recovery of expenses	85,026	55,989
	c. Sale of goods	15,830	26,197
Employee benefit obligations	a. Expense charged for retirement benefit plans	75,534	60,907
	b. Payments to retirement benefit plans	59,357	44,250
Key management personnel	a. Salaries and other employee benefits	154,226	125,710
	b. Post employment benefits	13,296	10,052

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

		Un-audited June 30, 2024	Audited December 31, 2023
		----- Rupees in '000 -----	
Holding Company	Dividend payable	1,506,338	1,506,338
Associated companies	a. Other receivables	188,190	140,815
	b. Trade and other payables	206,498	249,082
Payable to employee benefit obligations		153,689	137,512
Payable to provident fund		15,314	-

20. 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 (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 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.

21. 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.

22. 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 22 August 2024.



Chief Financial Officer



Director



Chief Executive Officer