

06-Dec-2023

Kenvue, Inc. (KVUE)

Morgan Stanley Global Consumer & Retail Conference



CORPORATE PARTICIPANTS

Paul Ruh

Chief Financial Officer, Kenvue, Inc.

Thibaut Mongon

Chief Executive Officer & Director, Kenvue, Inc.

OTHER PARTICIPANTS

Dara Mohsenian

Analyst, Morgan Stanley & Co. LLC

MANAGEMENT DISCUSSION SECTION

Dara Mohsenian

Analyst, Morgan Stanley & Co. LLC

All right. Great. Thanks, everyone, for joining us. I'm Dara Mohsenian, Morgan Stanley's household products and beverage analyst. Before we begin, for disclosures, please see Morgan Stanley's website at www.morganstanley.com.

So with that, I'm very pleased to welcome Kenvue here today. Thank you very much for joining us, guys, including Thibaut Mongon; Kenvue's CEO; and Paul Ruh, CFO. Appreciate you guys coming to the fireside chat today.

Paul Ruh

Chief Financial Officer, Kenvue, Inc.

Great to be here.

Thibaut Mongon

Chief Executive Officer & Director, Kenvue, Inc.

Thank you, Dara. Great to be here for the first time as a standalone company.

Dara Mohsenian

Analyst, Morgan Stanley & Co. LLC

We appreciate it.



QUESTION AND ANSWER SECTION

Dara Mohsenian

Analyst, Morgan Stanley & Co. LLC

Q

So I think, first, obviously, you're young here in your infancy as a public company. Has anything changed since the IPO? And particularly given we're in a volatile environment here, any sort of tweaks to the way you run the business and then maybe we can get into the long-term strategy?

Thibaut Mongon

Chief Executive Officer & Director, Kenvue, Inc.



Sure. So what a year, right? A lot has happened this year. We started the year as part of Johnson & Johnson. We end the year as a standalone company. We went public in May, did the exchange offer successfully in the fall. And we are now publicly set as a publicly traded company.

We – I'm very pleased with where we are in terms of setting up our new company. In 2023, really, we focused on the separation from J&J, standing up our new company, setting the transition service and manufacturing agreements we will have with J&J for a couple of years, so we can function as a publicly traded company. And happy to report that a few months in, the separation is going well. The transition went well and the setup of the new company happened with no material impact on the performance of the business and the ability to run the company. So that's good to see.

We have spent some time this year really declaring who we want to be as Kenvue, and to some degree, how different it's going to be from being part of Johnson & Johnson. And so we stand here with a clear declaration of who we are, who we want to be, our strategy, our business model, the values, we want to be a – we are a purpose-led, values-driven company, focused on science.

We believe that the multiplication of little moments of care is what makes a difference in people's lives. We are now the largest pure-play consumer health company by revenue with a clear strategy, a set organization. And we are ready to go to our next chapter and executing this strategy. So that's what we are focused on.

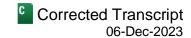
We are really focused on in 2023 on two things: one, making sure that we fulfill our mission and reach the consumers we serve with quality. Here, it's a bit of a tale of two cities. We are pleased with the momentum we are seeing in our Self Care business. We are not where we want to be in Skin Health and Beauty, so I'm sure we'll have the opportunity to talk more about that.

The other piece where we're – the other focus area for us is separating from J&J. And in this area, we are pleased with where we stand. It's early in the journey. We'll be – continue to be very focused on that in 2024, but we are on track and pleased with the outcome.

And the last thing is really making sure that we create the right culture for our team, the 22,000 Kenvuers around the world, making sure that everybody is clear on what is expected. And that's where your question on what's going to be different, clearly, is the focus of a spin-off. And you hear that in every spin-off. We do is spin-off because we want to be more focused.

I can tell you when you go through it, you really see it and you really feel – and it's great to see how the organization, a large organization like ours, right, we have 22,000 employees in 50-plus countries around the

Morgan Stanley Global Consumer & Retail Conference



world, really get the message that what they do matter for the performance of the company. And maybe something that was not obvious in the previous world where you could not relate to how you – what you are doing every day impacts the performance of the large corporation.

At Kenvue, we encourage our colleagues to join the earnings call, for example. And they can see that when we talk about internally is what we talk about with all of you in the external world. They can see how what they do has a positive or negative impact on the performance of the total company. So that's a big change. And that's something that we'll continue to work on moving forward, but it's great to see the energy in that area. So you could clearly see the energy around the world with 22,000 people rallied behind one mission, one Kenvue way and ready to execute at a high level.

Dara Mohsenian

Analyst, Morgan Stanley & Co. LLC

Great. That's very helpful in understanding how you got here today and the focus point since the IPO. Let's sort of take a window looking out longer term. What are your biggest strategic priorities? And specifically, as you look at 2024, right, a unique environment, certainly the CPG environment the last couple of years here. So maybe what are some of the specific priorities looking out to 2024? And you had a management change that was announced yesterday. So maybe how that sort of ties in and how you think about that?

Thibaut Mongon

Chief Executive Officer & Director, Kenvue, Inc.

Absolutely. So if you think about our long term, what we call our algorithm for success, we want with Kenvue deliver sustainable, strong TSR. By strong TSR, I mean, high single-digit, low double-digit. How do we intend to get there? It's in a balanced way.

So on one hand, on the revenue side, we expect all categories to grow 3% to 4% a year on an ongoing basis. And we would expect Kenvue to perform at the top end of this range. You add to that a level of profitability that is good today, but we intend to continue to improve incrementally moving forward. And you add to that a very strong cash flow generation that is north of \$2 billion today, every year, and we continue to grow. And that allows us to have a capital allocation strategy that we'll probably have the opportunity to talk about, but that has a very strong component of a healthy dividend into it. So when you add the three components, that's where you get to our TSR algorithm.

So when you think about 2024, while 2024 will – we will be still in this transition period where we stand up our capabilities and exit the agreements with the support agreements with J&J, we have a two-year window to do that. So think about the back half of 2023, 2024 and the first half of 2025. We will continue to be focused on the priorities I talked about. Reaching more consumers, making sure that we separate from J&J and exit the TSAs with a more fit for purpose organization, ways of working, cost structure, to really fully live into our new consumer health space.

And then the last priority will be – will continue to be talent and culture. And you talked about leadership changes that we announced yesterday. We announced that our Chief Growth Officer, Jan Meurer is going to become the President of North America; and Charmaine England, who is currently the Managing Director in Northern Europe, will become our Chief Growth Officer.

The idea is for us to do two things, making sure that we have the right leaders in the right place. Jan is a great global leader who has worked and lived around the world, has strong experience in consumer health space with us and with other companies who has played an instrumental role as a Chief Growth Officer in setting up the

Morgan Stanley Global Consumer & Retail Conference



strategy for the company, is – has a strong track record of performance and is the right leader to execute this strategy with excellence in North America, which is a mandate, right? We have set the strategy. We are very comfortable with our strategy. Now we need to bring this strategy to life, and Jan will do that with the North American team.

And Charmaine moving to the Chief Growth Officer role. I think it's another example of our commitment to succession to talent development. So you saw that yesterday, but you continue to see that Kenvue is extremely committed to succession and talent development.

Dara Mohsenian

Analyst, Morgan Stanley & Co. LLC

Okay. And oftentimes, a leadership change gives you an opportunity to really double down on efforts with the organization and sort of have the attention of the organization. With these changes, are there some specific areas of emphasis in these new roles? And you may have just answered the question already, but how do you sort of think about that with it being an opportunity to really focus the organization with those changes?

Thibaut Mongon

Chief Executive Officer & Director, Kenvue, Inc.

Yeah. We are changing many things at Kenvue, right? It's a big transition, and we are really having a hard look at everything we do and understand how can we do it better, how can we do it faster, how can we get organized in a way that we free up resources, energy, dollars, attention, focus to really make a difference in the 1.2 billion consumers we serve. So that's really – you talk to our Kenvuers, you visit our space, you will see a lot of change. You will feel a vibe for change. You will see an organization that is not only willing but demanding to change to bring our purpose and vision to life. So a lot of change across the organization.

What is very clear for the organization is our objective, our strategy and how we want to get there, what we call the Kenvue way. That's what we spent a lot of time declaring this year. So the focus of the organization is execution, right? And as in any company, there – we are not perfect. Certain – in certain areas, the execution is in the right place. In other areas, we need to improve, and that's the role of each leader to tackle both.

Dara Mohsenian

Analyst, Morgan Stanley & Co. LLC

Okay. Great. That's helpful. And you mentioned earlier that the 3% to 4% category growth and the aspiration to be at the high end of that. Can you delve down a bit in the market share performance? You've had different performance also by division. Self Care, obviously, nice momentum there. So maybe just talk about overall market share drivers, but specifically maybe compare and contrast some of the divisions and where you stand as you look at forward market share potential.

Thibaut Mongon

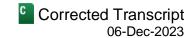
Chief Executive Officer & Director, Kenvue, Inc.

Yeah, sure. So here it's a bit of a tale of two cities, right? On the Self Care side of the business, we have consistently outperformed the market. So we have a very broad portfolio covering analgesics, respiratory symptoms, cough and cold, flu – cough and cold and allergy, smoking cessation, digestive health and a few others. So a very broad portfolio.

And across the board, we have consistently outperformed the market with very strong brands, strong execution, strong relationship with healthcare professionals, and we work every day to make sure that we strengthen these



Morgan Stanley Global Consumer & Retail Conference



positions, whether it's in the US, Europe or Asia. We innovate, we launch new formats in the market. We generate new data to get new indications for our products. We expand our brands globally, and we are never satisfied, but pleased with the momentum we see in this part of the business.

I talked about product innovation. We launched, for example, chewable ZYRTEC that allowed us to really solidify our number one leadership position in the US, worked very well on pediatric allergy. We extended it to adults. We generate new clinical data that allows us to expand usage occasions for our Self Care products.

Last year, we secured an indication for Nicorette in the UK for vaping cessation, so not only smoking cessation, but vaping cessation, opening a whole new market for us. And we are reviewing the business some time ago. It's good to see that in a market where we are market leader with Nicorette, we continue to gain share, and we increase household penetration as a result of this new indication.

I talked about geographic expansion. As we speak, we are expanding our Zarbee's pediatric supplement brand into Canada and Europe. And so far, up to a good start. We were in China a few weeks ago.

Paul Ruh

Chief Financial Officer, Kenvue, Inc.

А

Yeah.

Thibaut Mongon

Chief Executive Officer & Director, Kenvue, Inc.

A

We just launched Tylenol PM in China. We are the only analgesic in China with [indiscernible] (00:15:26) indication, and the product is up to a good start. So I could go on and on and on, but you get the picture. Strong momentum, but we don't take anything for granted and our teams are really strongly focused on strengthening our leadership positions.

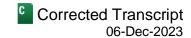
In Skin Health, it's the other side of the story. We are not pleased with the performance we see in the business. We don't believe that it reflects the underlying strength of the brands and our ambition in this segment. So here, we are focused on improving our performance in this segment. You'll tell me how did you – what did happen? What – why are we in this position?

A lot comes back to the COVID period when we were more – much more impacted than some of our competitors from a supply chain point of view. We were not well prepared enough to be – and not resilient enough. As a result of that, we had significant disruption of our supply chain. We had to reduce our assortment. We lost shelf space, we didn't launch innovation, which is – this space is important. Fast forward a year or two, we are still, as we speak, living with a lingering impact of the discontinuations.

And so we are on a – in a recovery plan in Skin Health. I always say that it's – in this space, it's not an overnight switch because the shelves were not empty just waiting for us to come back, right? We need to earn our space back one quote at a time, one retailer at a time. But we are focused on recovering our leadership positions in the part of skin care where we compete, which is not the fashionable part of beauty or skin care. We are really in the problem, solution part of skin care. So you have acne, you have – you need a sun product, you need a set – heavy moisturizers. That's the space of skin health we focus on.

And so it's not going to be a linear recovery. It's going to be noisy. It's 2023 and 2024 plan. It's going to be one quote at a time, one retailer at a time as I said. We will have clear building blocks. The fact that we see the consumer a bit more cautious worldwide. In the US, we have seen a deceleration in the back half. Europe is a bit

Morgan Stanley Global Consumer & Retail Conference



under pressure as well. We were in China. We always thought maybe we can - we'll talk about China, but we always thought that China would be slow. I would say, after our visit that China is very slow. And I would not count on China for growth in the immediate short term.

So it's – to your point, we work in a dynamic environment. So it's going to be a journey, but we are absolutely committed to this space. So that gives you a sense of the strength and weaknesses and what we do about it.

Dara Mohsenian

Analyst, Morgan Stanley & Co. LLC

Great. Maybe we can also break down top line into pricing and volume. Obviously, some pretty abnormal dynamics in terms of the pricing in the CPG industry in the last couple of years. Just as you guys think going forward about how you manage pricing, Paul, maybe you can tie it in with the cost side of things and how you think about pricing from here?

And then second, just expectations as pricing moderates in terms of volume recovery and what you're expecting and maybe early evidence of that in any categories or brands or geographies where it's playing out, how you think through that balance in terms of pricing and volume, and again, how that ties into the cost situation?

Thibaut Mongon Chief Executive Officer & Director, Kenvue, Inc. That's 20 questions in one.

Dara Mohsenian Analyst, Morgan Stanley & Co. LLC

So it's a six-part. So...

Thibaut Mongon

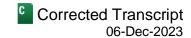
Chief Executive Officer & Director, Kenvue, Inc.

So let me start and Paul can chime in. The - you're right. I would look at 2022, 2023 as abnormal years in terms of price volume dynamics given the unique inflationary environment we are in. Here, you should not - you should remember that we are talking about the consumer health space here, so - which has its unique dynamics that slightly differ from the traditional CPG world.

So the beauty of the consumer health space is that you can expand usage occasions almost indefinitely. There is no limit for you to take better care of your health and there is no limit for you to invent new ways and imagine new ways for you to take better care of your health. So we are not competing for a set of calories or, yeah, food intake that you can take every day. It's an expandable world. It doesn't mean it's easy to do. It's very difficult to do that, but that's our mindset. And so from a long-term point of view, we expect to grow more from volume than from price. So that's our long-term model, if you will.

There are nuances by segments. In the OTC part of the business, the volume is, to some degree, not entirely in our control because some of the volume dynamics depend on the level of incidence of the diseases we treat. So if you have a low allergy season, your volume is going to go down. We see it as we speak. The incidence of coal and flu season is lower than what last year when we had this tripledemic that was a once-in-a-generation event, the volume is down.

Morgan Stanley Global Consumer & Retail Conference



Does that mean that our brands are weaker? Does that mean that we are not top of mind for consumers? Absolutely not, right? So we continue to gain share in a lower category. And you will see these fluctuations in allergy, in cold and flu every year, right? And that's the favorite question of everybody every year, how is the season going and trying to predict, which is not easy to do. So that's one element.

On the other part of the business, it's a more traditional price volume indication. So if you think about moving forward, how we think about it, more volume than price. But price will continue, what we call value realization, which is a mix of price and mix, will continue to play a role because we will continue to premiumize our offering. We'll continue to look for revenue growth management opportunities. And that's why you will see price continuing to play a role in our algorithm, but expanding our reach and reaching more consumers with differentiated offerings will be the name of the game.

Paul Ruh

Chief Financial Officer, Kenvue, Inc.

So you're right, Thibaut. In the past, traditionally, we've seen about two-thirds of our growth coming from volume, one-third price, and that's what we expect to see in the long run. Now we've gone through the COVID and hyperinflationary times where the equation was flipped. It was one-third volume, two-thirds price. And now we're going through a period of adaptation, maybe 50/50 this year, next year as well. We still have some carryover price that we will benefit from. And again, we use price as a lever, but it's holistic value realization.

What does that mean in terms of our margins? In terms of margins and the gross profit level, we have been going to the gym, as you'd like to say. It's becoming a muscle that we have developed in terms of making sure that we drive our gross margin enhancement year-over-year. How do we do that? By supply chain efficiency, network optimization and also holistic revenue management.

We have taken smart pricing, and we will continue to drive mix management and innovation as well. That allows us – actually, if you look back at the period between 2019 and 2021 and even 2023 now to drive a consistent, accelerated, higher than the industry margin – gross margin enhancement. So we will continue to do that going forward in a balanced way between efficiencies, and we have very clear building blocks, exercising those best practices that we normally do going forward as well.

If you look at the other part of the P&L. So going down to the SG&A level and R&D, we are going through a period of stabilization and taking the services that we get from Johnson & Johnson in-house and making them in a fit-for-purpose manner. There's a period where we will have a little bit of total cost. And the standalone costs certainly have an impact in the short term. But over the medium term, we feel very confident on a steady-state basis, 2025 and beyond, and we will continue trajectory of that EBITDA margin enhancement on a steady-state basis. Gross margin, 20 to 30 basis points, another 20 to 30 basis points at the SG&A, R&D level, while we continue to invest in our brands and optimize our infrastructure.

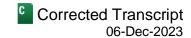
So that's our algorithm. We've done it in the past, and we are very confident that we'll continue to do it as we emerge from the transition from Johnson & Johnson.

Dara Mohsenian

Analyst, Morgan Stanley & Co. LLC

All right. Okay. And you talked earlier about some of the internal change. Obviously, as you separate the organization over the last few quarters, there's been some abnormal external dynamics in terms of demand during COVID, right, maybe inventory levels in consumers' pantries being different than they've been historically. You

Morgan Stanley Global Consumer & Retail Conference



talked a little bit about the cold and flu season last year. By the way, my kids are all sick. So the Mohsenian family is doing their part right now, but...

Thibaut Mongon

Chief Executive Officer & Director, Kenvue, Inc.

We are here to help.

Dara Mohsenian

Analyst, Morgan Stanley & Co. LLC

... – so just as you sort of think through those things, are we through any of those COVID impacts, and they're behind us? Is some of that still in the base period, cold and flu season? Is it sort of more – we're getting back to a normalized level last – this year? Is it more a depressed level? How do you sort of think through some of those things just as we think about the external dynamics?

Thibaut Mongon

Chief Executive Officer & Director, Kenvue, Inc.

Yeah. I think the external environment will continue to be volatile, right? We have a global business. You will always have in one part of the business, in one geography, some volatility, something working against us. The incidence level will be what it will be in a post-COVID world. Everybody is trying to understand what the new normal means. If anybody gives you the solution, call me because I would like to hear it.

What does the world look like with a cough, a flu and a COVID virus and how does these viruses interact? And what does that mean for incidence and patient demand? The jury is still out. If you ask me, I think it will take a few seasons to figure out the new algorithm. In the meantime, let's focus on what we can control, being ready for whatever level of demand is out there and making sure that our brands are top of mind for consumers and for healthcare professionals. So when the need arises, we are there when our consumers need us the most.

I think that's the beauty of Kenvue when you see our strategy starting to play out and getting our stride. You see the benefit of being on one hand, a pure-play consumer health player, so not distracted by unrelated category and with an ability to move resources across the portfolio very fluidly. But at the same time, having the scale and the breadth, both from a geographic point of view and from a segment point of view, to absorb a lot of this viability to end up delivering sustainable performance.

So that's the beauty of both worlds with Kenvue, not only – you are on one hand, a pure play. But on the other hand, we are the only ones with the breadth in offering a portfolio that allows us to navigate this environment.

Dara Mohsenian

Analyst, Morgan Stanley & Co. LLC

Okay. And given you guys have just come back from China, maybe give us a little update on your perspective there? I think it's pretty clear we've heard at this conference sort of a downbeat assessment of the macro situation there and its impact on consumer categories. But more importantly, sort of your vision for that business longer term, the strategies there? Has anything changed? And how important is it to your corporate growth strategy?

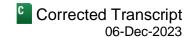
Thibaut Mongon

Chief Executive Officer & Director, Kenvue, Inc.

Yeah. I think when Paul and I and a few others were in China a few weeks ago, I think, first of all, we remain committed about the long-term prospects of the Chinese market. When you look at a number of factors, it's a

FACTSET: callstreet
1-877-FACTSET www.callstreet.com

Morgan Stanley Global Consumer & Retail Conference



market we are committed to. It's not a huge part of our business. It's about 7%, 8% of our business today. So we are not overly exposed in China, and that's why we see opportunities for further growth in the long term.

Now in the short term, it's a bit of tale of two cities. On one hand, you have, on the Self Care side, continued strong or continued demand for efficacious, high-quality Western medicine. And here, we are very well positioned. And that's the – slightly more than the majority of our business in China is Self Care. We have leadership positions in analgesics, pediatrics, analgesics, in particular, in allergy, in a few other places. So we feel good about demand on that side.

On the other side, it's no different from what you have heard from others in this conference and elsewhere. It's not a secret that the Chinese consumer is careful, thoughtful about where they spend their money. You see depressed categories. It's clear that the Double 11 as one data point was not a resounding success for our categories.

There is an additional element that we see as just temporary is the China-Japan PR crisis that is affecting Japanese brands in China. In our case, it's Dr. Ci: Labo. That's clearly not helping in the short term. So if you ask me about long-term prospects in China, absolutely, short term in 2024, continued interest in Self Care, much more cautious on the other categories.

Dara Mohsenian

Analyst, Morgan Stanley & Co. LLC

Okay. We touched on external dynamics the last couple of questions. Just the litigation side, can you give us a little bit of an update on the issues you're facing there, how you think about that strategically in terms of the way you manage the company and think about that in terms of potential impact on your business over time?

Thibaut Mongon

Chief Executive Officer & Director, Kenvue, Inc.

Yeah. So let me be clear. We have 99.9% of the organization focused on everything I just talked about. We have a very small group focused on dealing with litigation coming our way. I think you are referring to the acetaminophen litigation. It's a timely question because we have a Daubert hearing tomorrow. Daubert hearing is just a procedural step for a judge to determine if a case moves forward or not. So that's what we are talking about this week.

I will not comment on litigation specifically. So I offered some perspective on it in our Q3 earnings. I would refer you to that. What I would say is that our position has not changed. So I will leave it there. More broadly, we are a science-based company. We believe in science, we follow science, and we will always follow science. And that's what guides our decisions in terms of product development, marketing, distribution, innovation. We are really a science-based company. And so we will always follow the science.

Dara Mohsenian

Analyst, Morgan Stanley & Co. LLC

Okay.

Thibaut Mongon

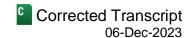
Chief Executive Officer & Director, Kenvue, Inc.

And defend the science.

Α



Morgan Stanley Global Consumer & Retail Conference



Dara Mohsenian

Analyst, Morgan Stanley & Co. LLC

Great. And we have a few minutes left. I didn't want to leave without giving you a chance to sort of give your perspective. You've been through an IPO, you've obviously had an intense amount of meetings with investors and interactions. Anything you think sort of investors misperceived or maybe don't see as much about the company or story as you've been through this process, anything in that regard?

Thibaut Mongon

Chief Executive Officer & Director, Kenvue, Inc.

You're right, Dara. This year has been heavy on the investor side. Paul and I will win the price for the highest number of investor meetings, right, in certainly given year. But what I think is interesting in this process is to have an opportunity to talk about the consumer health space, which is a space that was not on many people's radars for good reasons because it was not accessible, investable.

Dara Mohsenian

Analyst, Morgan Stanley & Co. LLC

Right.

Thibaut Mongon

Chief Executive Officer & Director, Kenvue, Inc.

You now have a consumer health space that is visible, out there for everybody to pay attention to. We are very proud to be the largest player by revenue in a pure-play basis here. And so we take it as our responsibility to share the unique characteristics of consumer health. How similar, for some part, it's to the broader CPG environment, but how different it is in many aspects with the unique dynamics that make this space so attractive.

I talked about the expandable categories, right? That unique characteristics. And there are implications of strategy. We talked about – I'll give you one example very quickly, but our geographic footprint. If you are operating in saturated categories, fully penetrated categories where it's only a matter of gaining share between players, you only have two ways to grow. One is to premiumize in your existing markets or to go into what we call emerging markets to expand the category.

In consumer health space, as I said, you can expand your categories. And you only have half of Americans in this country who use sunscreen on a regular basis. So you don't need to grow to expand your geographic footprint as the only way to grow. You can grow in your top markets if you do a good job in innovating, having the right conversation with the healthcare professionals, being science-based and engaging consumers the right way. Don't take away that we are only interested in a couple of markets. We are present in 150 markets. We have a global setup.

But I'll give you just this example to – as one example of what makes the consumer health space so unique and attractive. I'm not saying it's easy to win in the consumer health space. It doesn't make it easier. I think on the other way, it makes it more demanding to win in this space, but that's what makes it fun.

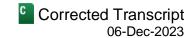
Dara Mohsenian

Analyst, Morgan Stanley & Co. LLC

Right.



Morgan Stanley Global Consumer & Retail Conference



Paul Ruh

Chief Financial Officer, Kenvue, Inc.

I couldn't agree more with you, Thibaut. What I also feel very proud about is our strong financials, our strong P&L to start with, and also our very strong balance sheet with very clear capital allocation priorities that will allow us to deliver that high single-digit to double-digit TSR to our investors.

Our capital allocation priorities are very, very clear and it's, first and foremost, making sure that we invest in our business while allowing us to delever and also provide a very strong dividend to our shareholders. So very good about the holistic strength of our financial business.

Dara Mohsenian

Analyst, Morgan Stanley & Co. LLC

Great. Well, with that, we're out of time. So very much appreciate you guys being here. Thanks so much.

Paul Ruh

Chief Financial Officer, Kenvue, Inc.

Thank you.

Thibaut Mongon

Chief Executive Officer & Director, Kenvue, Inc.

Thank you for having us. Thank you, Dara.

Disclaimer

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, Factset Calistreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2023 CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.

