Q3 2019 Results

30 October 2019

Cautionary statement regarding forward-looking statements

This presentation may contain forward-looking statements. Forward-looking statements give the Group's current expectations or forecasts of future events. An investor can identify these statements by the fact that they do not relate strictly to historical or current facts. They use words such as 'anticipate', 'estimate', 'expect', 'intend', 'will', 'project', 'plan', 'believe', 'target' and other words and terms of similar meaning in connection with any discussion of future operating or financial performance. In particular, these include statements relating to future actions, prospective products or product approvals, future performance or results of current and anticipated products, sales efforts, expenses, the outcome of contingencies such as legal proceedings, dividend payments and financial results.

Other than in accordance with its legal or regulatory obligations (including under the Market Abuse Regulations, UK Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority), the Group undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Investors should, however, consult any additional disclosures that the Group may make in any documents which it publishes and/or files with the US Securities and Exchange Commission (SEC). All investors, wherever located, should take note of these disclosures. Accordingly, no assurance can be given that any particular expectation will be met and investors are cautioned not to place undue reliance on the forward-looking statements.

Forward-looking statements are subject to assumptions, inherent risks and uncertainties, many of which relate to factors that are beyond the Group's control or precise estimate. The Group cautions investors that a number of important factors, including those in this presentation, could cause actual results to differ materially from those expressed or implied in any forward-looking statement. Such factors include, but are not limited to, those discussed under Item 3.D 'Risk factors' in the Group's Annual Report on Form 20-F for FY 2018. Any forward-looking statements made by or on behalf of the Group speak only as of the date they are made and are based upon the knowledge and information available to the Directors on the date of this presentation.

A number of adjusted measures are used to report the performance of our business, which are non-IFRS measures. These measures are defined and reconciliations to the nearest IFRS measure are available in our third quarter 2019 earnings release and Annual Report on Form 20-F for FY 2018.

All expectations and targets regarding future performance and the dividend should be read together with "Assumptions related to 2019 guidance and 2016-2020 outlook" on page 59 of our third quarter 2019 earnings release.

Agenda

Q3 2019 progress

Emma Walmsley,
Chief Executive Officer

Q3 2019 financial results

Iain Mackay,
Chief Financial Officer

Pharma & Vaccines update

Luke Miels,
President, Global Pharmaceuticals

David Redfern,
Chief Strategy Officer, Chairman of ViiV Healthcare

Summary

Emma Walmsley,
Chief Executive Officer

Q&A:
Dr Hal Barron, Chief Scientific Officer and President, R&D
Brian McNamara, Chief Executive Officer, GSK Consumer Healthcare
Roger Connor, President, Global Vaccines

Q3 2019 progress

Emma Walmsley, CEO

Sales growth across all three businesses

Pharmaceuticals
+3% CER

Respiratory +19%*

HIV +0%, dolutegravir +2%, 2DRs £119m

Benlysta +35%

Zejula £64m

Vaccines
+15% CER

Shingrix £535m, +76%

Meningitis +9%

Consumer Healthcare
+25% CER

Pro forma +3%

Oral health +10%

Wellness +22% (pro forma low single digit)

Group sales growth of +11% (pro forma +6%)

2pp decrease in Group Adjusted operating margin as we invest in innovation

Total EPS of 31.4p, -1%; Adjusted EPS of 38.6p, +1%

FCF £2.5 billion 9mth YTD

All growth rates and margin changes at CER
The definitions for non-IFRS measures are set out on pages 9, 58 and 59 of our Third Quarter 2019 earnings release, and reconciliations are set out on pages 20 and 34
*Respiratory refers to the Ellipta portfolio and Nucala

Q3 progress made on our 3 priorities

2019 focus

Innovation
- Strengthen pipeline
- Execution of launches

Performance
- Driving growth and operating performance
- Plan for the integration of Pfizer consumer health business

Trust
- Regular updates on innovation
- Global health focused for impact
- Modern employer

Culture change

- ✓ **Continued strong performance with new product launches**
- ✓ **Positive result in DREAMM-2 study for belantamab mafadotin in 4L MM; regulatory submissions on track**
- ✓ **Positive data from PRIMA study for Zejula, and ICOS agonist GSK'609 presented at ESMO**
- ✓ **Positive data on dostarlimab in 2L endometrial cancer; on track to file by year end**
- ✓ **US submission for Trelegy in asthma**
- ✓ **Nucala approved in Europe for self-administration**
- ✓ **Positive data from ATLAS-2M study for CAB+RPV**
- ✓ **Phase 3 study started for gepotidacin in uUTIs and GC**
- ✓ **Delivering growth and operating performance; strengthening cash flow**
- ✓ **Completed JV with Pfizer; integration underway**
- ✓ **Building speciality capabilities**
- ✓ **Top ranked in the Dow Jones Sustainability Index for the pharmaceutical industry**
- ✓ **Longer term data on our TB vaccine published in NEJM**

MM: multiple myeloma; uUTI: uncomplicated urinary tract infection; GC: urogenital gonorrhoea

Q3 2019 financial results

Iain Mackay, CFO

Headline results

	Q3 2019 £m	Reported growth % AER	Reported growth % CER	9M 2019 £m	Reported growth % AER	Reported growth % CER
Turnover*	**9,385**	16	11	**24,855**	10	7
Total operating profit	**2,147**	12	3	**5,059**	29	20
Total EPS	**31.4p**	9	(1)	**67.7p**	38	28
Adjusted operating profit*	**2,786**	10	3	**7,120**	9	3
Adjusted EPS	**38.6p**	9	1	**99.2p**	12	7
Free cash flow	**1,939**	25	n/a	**2,474**	4	n/a

* For Q3 2019 on a pro-forma basis, Turnover growth was 6% CER and Adjusted operating profit growth was -1% CER

Results reconciliation

Q3 2019

	Total results	Intangible amortisation	Intangible impairment	Major restructuring	Transaction related	Disposals, significant legal and other	**Adjusted results**
Turnover (£bn)	**9.4**						**9.4**
Operating profit (£bn)	**2.1**	0.2	<0.1	0.2	0.5	(0.3)	**2.8**
EPS (pence)	**31.4**	3.4	0.4	3.4	5.7	(5.7)	**38.6**

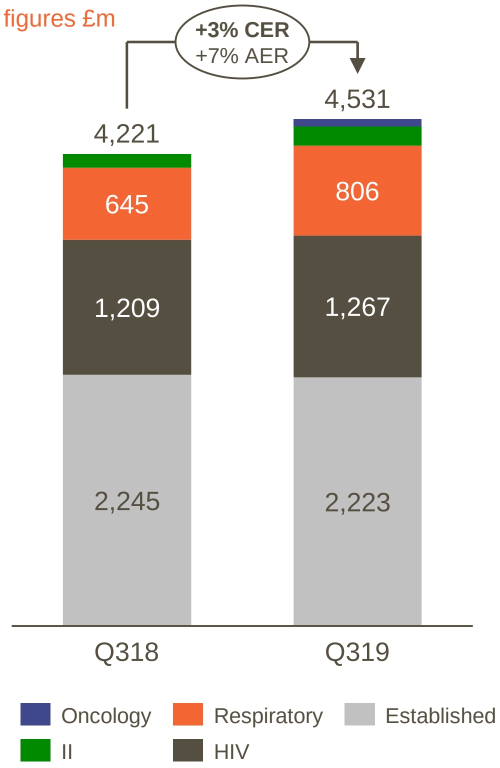
Q3 18 EPS (pence)	**28.8**	2.3	0.9	4.4	3.6	(4.5)	**35.5**

Pharmaceuticals

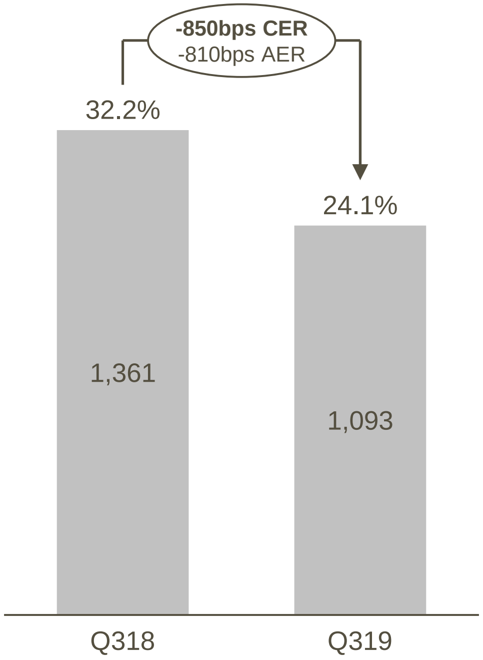
Q3 2019

Sales

All figures £m



Operating margin



Sales

- (+) New launches: Trelegy, Nucala, Juluca, Dovato
- (+) Ventolin AG
- (+) Continued strong Benylsta performance
- (−) Impact of generic Advair

Operating profit

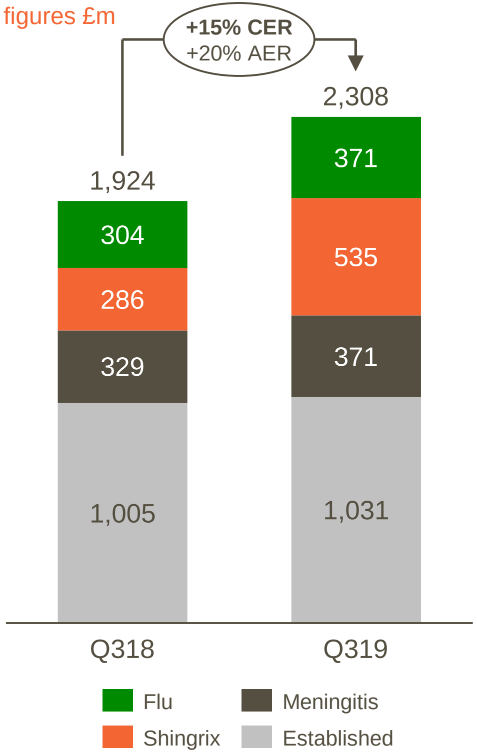
- (+) Tight control of costs
- (−) Impact of generic Advair
- (−) Investment in R&D
- (−) Addition of Tesaro cost base
- (−) Legal provisions & settlements

Vaccines

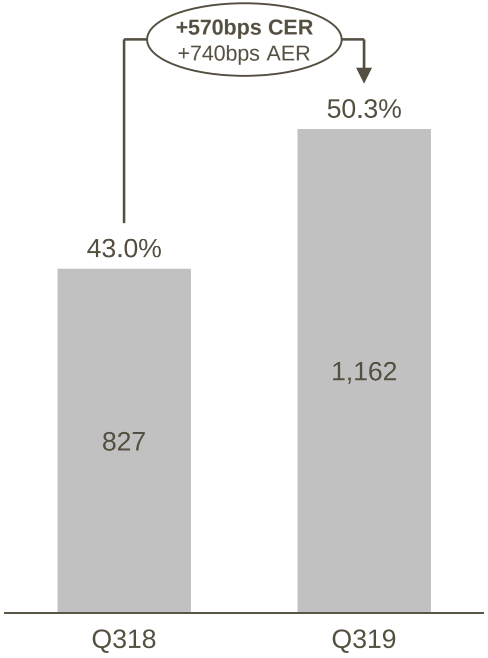
Q3 2019

Sales

All figures £m



Operating margin



Sales

- (+) Shingrix demand
- (+) Phasing of Flu
- (+) Meningitis growth
- (−) MMRV supply constraints

Operating profit

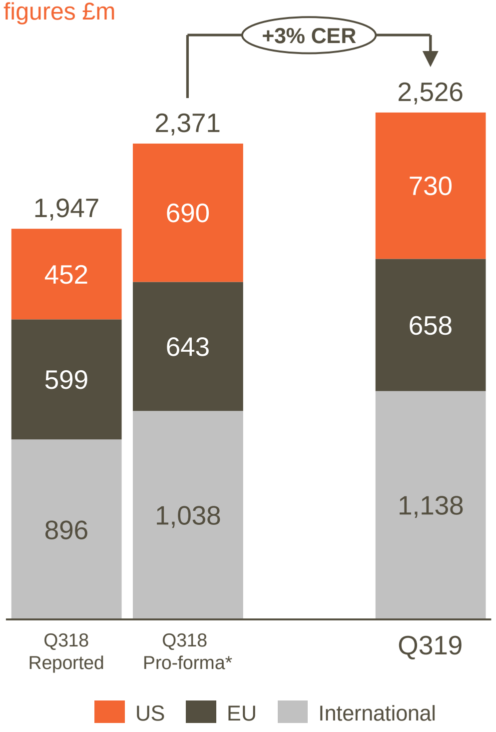
- (+) Operating leverage including seasonality
- (+) Higher royalty income

Consumer Healthcare

Q3 2019

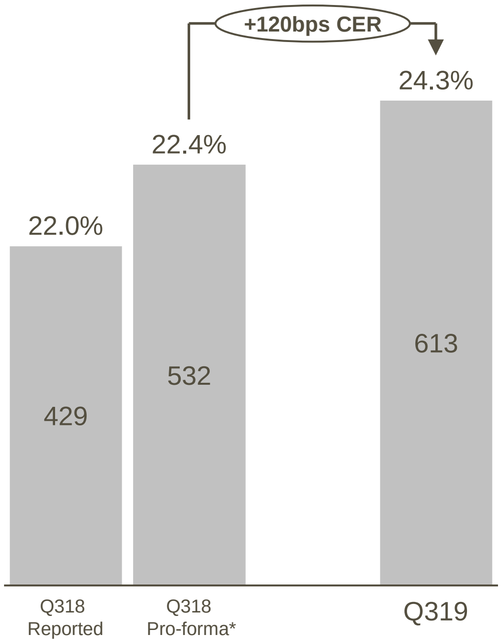
Sales

All figures £m



* Including 9 weeks of sales from the Pfizer portfolio

Operating margin



Sales

- (+) Close of JV on 31 July
- (+) Power brands performance
- (+) Strong growth in International
- (−) Divestments & phasing out of contract manufacturing c.1%

Operating profit

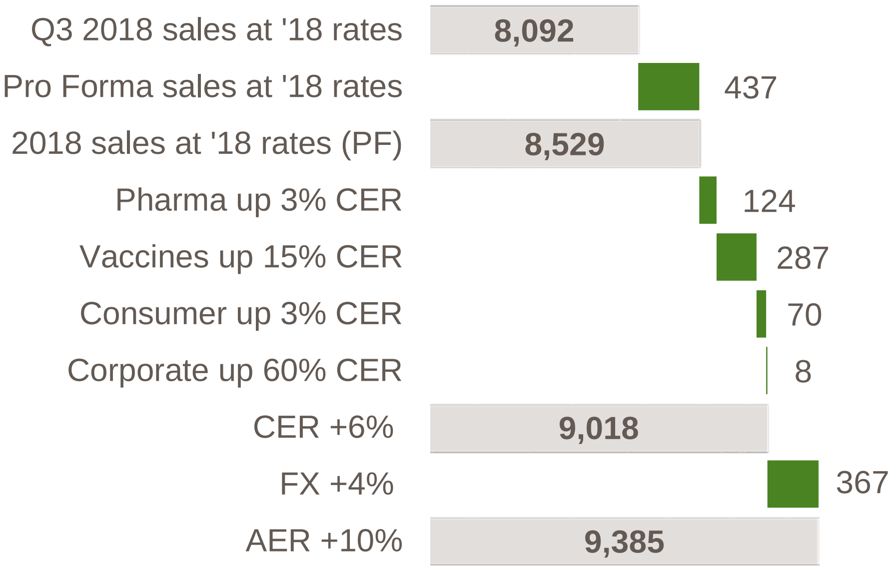
- (+) Manufacturing restructuring benefits
- (+) Seasonality impact
- (+) Continued strong cost control
- (−) Targeted investment

Sales and Adjusted operating margins

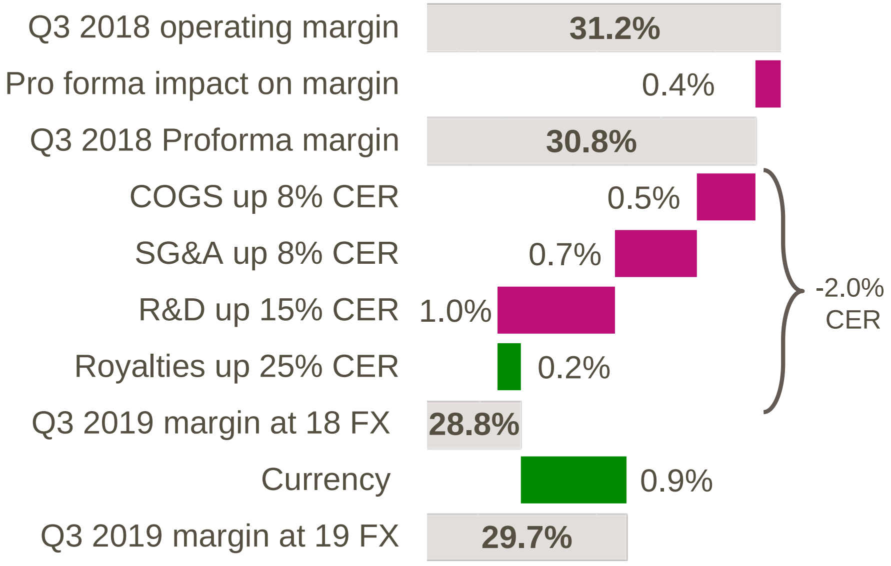
Q3 2019

Sales

All figures £m



Adjusted operating margin

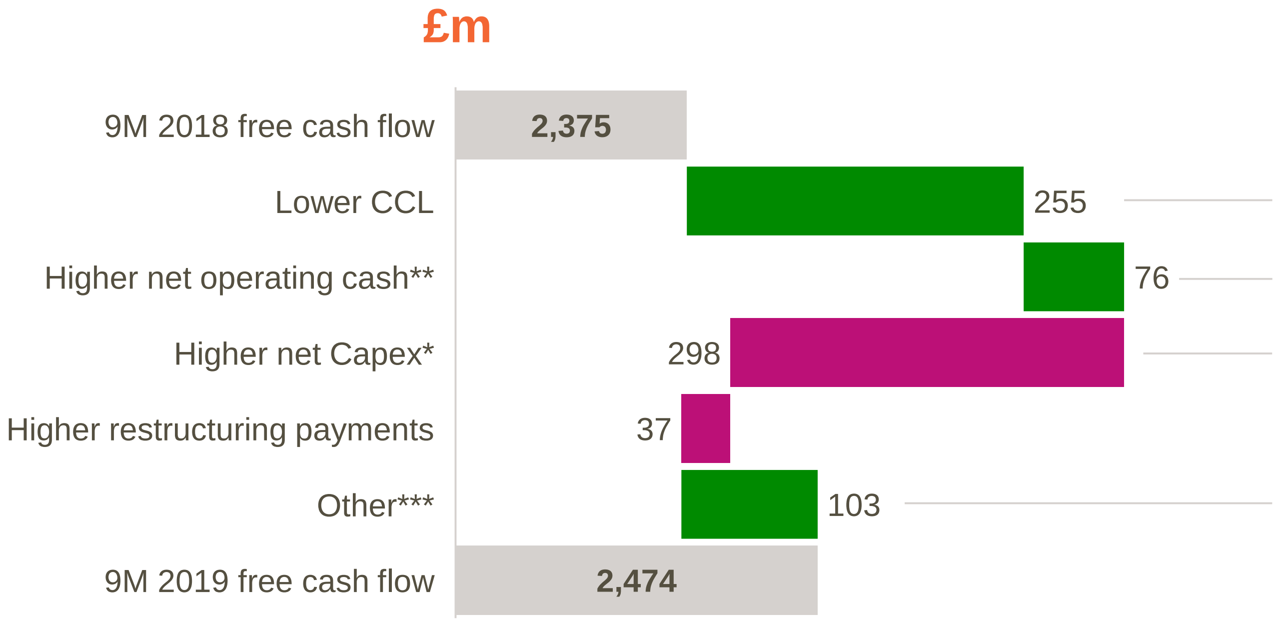


Adjusted operating profit to net income

Continued delivery of financial efficiency

	Q3 18 £m	Q3 19 £m
Operating profit	2,524	2,786
Net finance expense	221	206
Share of associates	15	17
Tax	430	411
Tax rate	18.6%	15.8%
Non-controlling interests	141	275
Net income	1,747	1,911

9M 2019 free cash flow of £2.5bn



Key Drivers

- Comparison to Novartis milestone in 2018
- Improved operating cashflow / working capital and benefit from FX offset by RAR
- Including upfront to Merck KGaA of €300m
- Lower distributions to non-controlling interests, offset by higher interest

CCL: contingent consideration liability
* Net Capex includes purchases less disposals of PP&E and intangibles
** Net operating cash is net cash inflow from operating activities including changes in working capital, excluding restructuring, operating CCL, and significant legal payments.
*** Other includes significant legal payments, net interest paid, income from associates and JVs and distributions to minorities

2019 guidance

Previous guidance

Adjusted EPS

Down 3 to 5% CER

Operational performance

Interest expense

Effective tax rate

Upgraded guidance

Adjusted EPS

Around flat CER

All expectations and targets regarding future performance should be read together with the "Outlook assumptions and cautionary statement" sections of the Third Quarter 2019 Results Announcement and the cautionary statement slide included with this presentation

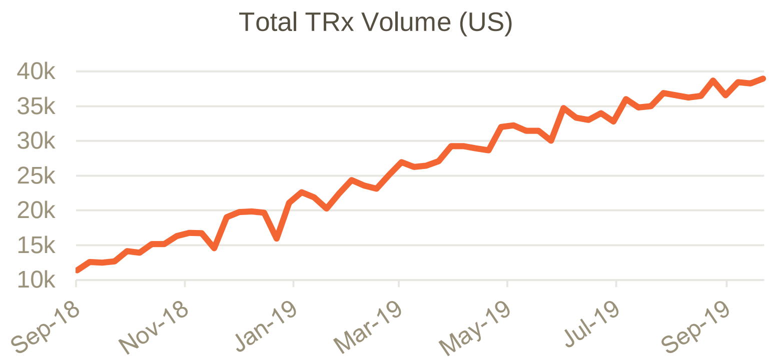
Pharma and Vaccines update

Luke Miels,
President, Global Pharmaceuticals

David Redfern,
Chief Strategy Officer, Chairman of ViiV Healthcare

Respiratory: new products continue to deliver strong sales

Trelegy: steady volume growth



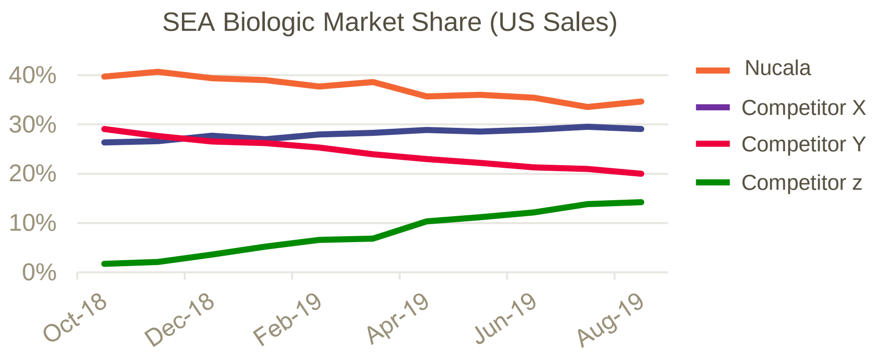
Trelegy prescriptions accelerated, reaching 31% share in the class and growing the entire triple therapy market; £139m globally in Q3

Submitted filing to FDA for use in patients with asthma in Oct 2019

Launched in 38 markets to date including Japan; China launch planned Q4 2019

Source: TRx weekly data from IQVIA

Nucala: market leader despite competition



Strong uptake of at-home self-administration supports increased competitivity in US, with Q3 growth of +29% CER

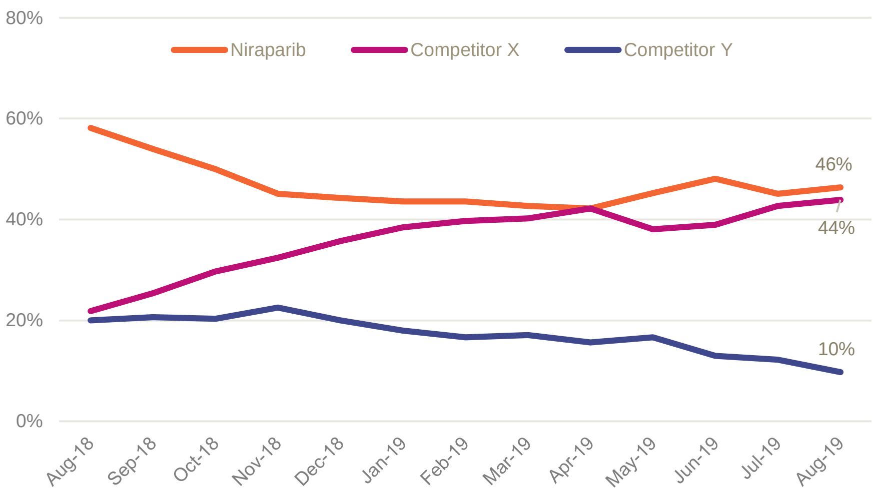
US paediatric approval; first targeted biologic to be approved for children aged 6-11yrs reinforcing safety and efficacy

Interim analysis of REALITI-A study presented at ERS showed significant reduction in exacerbations & oral corticosteroid use in a real world setting

Source: IQVIA NSP data factored for indication

Zejula leads PARP class in share of 2nd line maintenance ovarian cancer; data supports opportunity to expand

PARPi patient share; 2L+ maintenance setting



Source: Flatiron Health data through Aug 31, 2019 (https://flatiron.com/real-world-evidence/); monthly new + continuing patients

Data supports expanding market opportunity

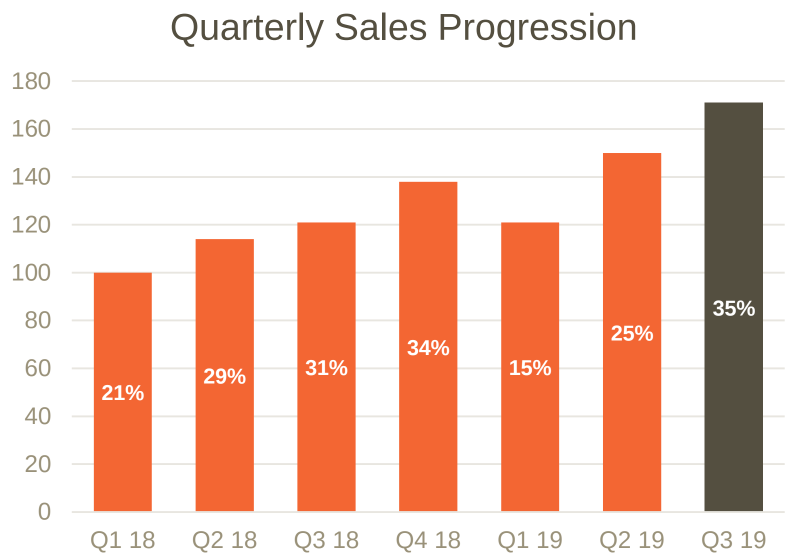
PRIMA data at ESMO 2019 showed clear benefit of Zejula for patients with ovarian cancer in 1L maintenance setting regardless of biomarker status

- Demonstrated benefit in all comers population including HRp (HRD negative) patients
- Once daily oral monotherapy dosing with low drug interactions
- Opportunity to expand target patient population – PARP inhibtiors under utilised in both 1L and 2L maintenance setting
- On track for filing in 2H 2019

QUADRA sNDA approval in late line ovarian cancer treatment addresses important unmet clinical need for patients with a BRCA mutation or who are HR deficient (HRD positive)

Benlysta: delivering growth with expansion potential

Steady double digit growth



Source: GSK Quarterly Reports, all sales growth rates at CER (Global Net Sales – Quarterly growth vs prior year)

Expansion opportunities

35% CER growth driven by demand in Q3

- Steady adoption of subcutaneous formulation
- Improved patient adherence through new programme execution
- Paediatric IV approval in US, Japan and Europe

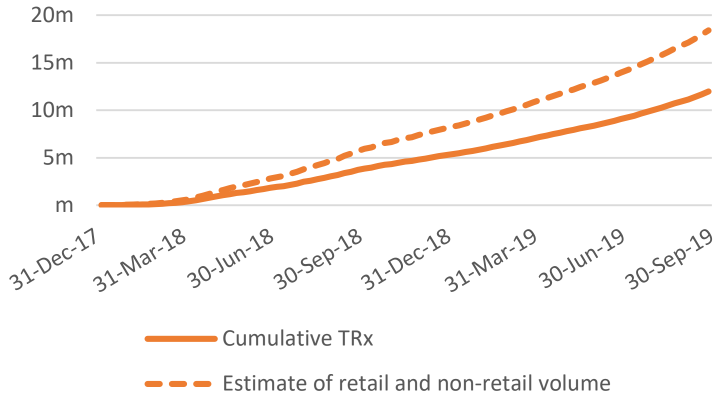
2020 expected updates & data read outs

- BASE: long-term safety & mortality
- BLISS-LN: lupus nephritis
- BLISS-BELIEVE (Benlysta + a single cycle of rituximab): aims to demonstrate sustained disease control and clinical remission through more effective B cell targeting

[1] SLE: Systemic Lupus Erythematosus

Vaccines: strong performance for Shingrix and Bexsero

Strong Shingrix execution; capacity expansion continues



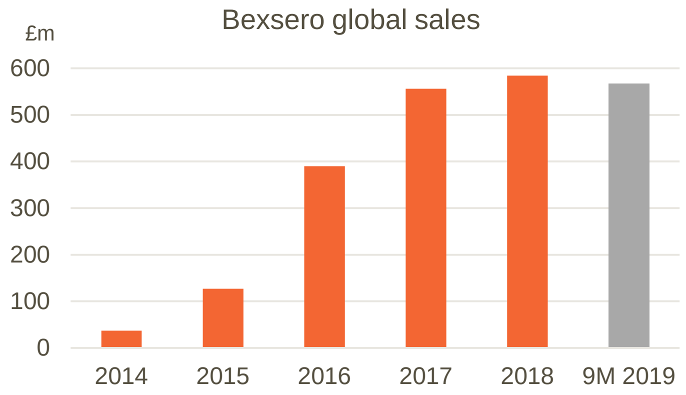
Sales of £535 million +76% CER in Q3 2019

Launches in Germany and Canada also contributing to growth

Phased launches in China and Japan in 2020

* IQVIA TRx data estimated to represent ~65% of doses supplied to market

Bexsero continued growth driven by global demand and share gains in the US



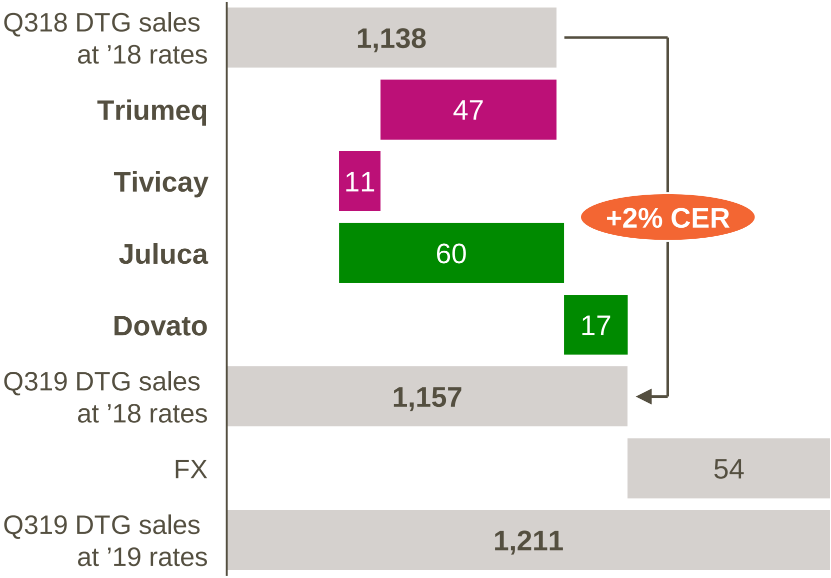
Sales of £255 million +19% CER in Q3 2019

Leading global market share; ~70% share in US

HIV: momentum building in transition to 2 drug regimens

DTG growing driven by 2DRs

All figures £m



Data flow to support new portfolio

Dovato

✓	**July 2019**	EU FDC approval
✓	**July 2019**	GEMINI I & II 96-week study readout
✓	**July 2019**	TANGO switch study readout
	Q4 2019	SALSA switch study begins
	Ongoing	Phase IIIB/IV programme

cabotegravir + rilpivirine

✓	**April 2019**	US filing
✓	**Q3 2019**	EU filing
✓	**Q3 2019**	ATLAS-2M (8 week dosing) study readout
	Dec 2019	Anticipated US approval
	Ongoing	Prevention study data

fostemsavir

✓	**July 2019**	96-week study data
	Q4 2019	US filing

Focus on delivering business priorities

2019 focus

Innovation
- Strengthen pipeline
- Execution of launches

Performance
- Driving growth and operating performance
- Plan for the integration of Pfizer consumer health business

Trust
- Regular updates on innovation
- Global health focused for impact
- Modern employer

– Progress pipeline
– Drive operating performance
– Successful integration

New global Pharmaceuticals and Vaccines company with R&D focused on science of the immune system, human genetics and advanced technologies

New world-leading Consumer Healthcare company with category leading power brands and science based innovation

Appendix

2019 outlook

Adjusted EPS/Dividend

Adjusted EPS guidance:
Around flat at CER
Dividend
Expect 80p for 2019

Operating costs

SG&A and R&D
Addition of Tesaro cost base
R&D spend to pick up significantly
Increased targeted promotion in priority assets

Other

Royalties
Around £350m
Net finance expense
Between £850-900m
Effective Tax rate
Around 17%

Pharmaceuticals

Turnover
Broadly flat

Vaccines

Turnover
With strengthened supply position for Shingrix, expect to achieve high teens millions of doses in 2019

Consumer Healthcare

Turnover
Low single digit increase[1]
Transaction
Nutrition sale to Unilever expected in Q1 2020[2]

If exchange rates were to hold at the closing rates on 25 October 2019 ($1.28/£1, €1.15/£1 and Yen 139/£1) for the rest of 2019, the estimated positive impact on 2019 Sterling turnover growth would be around 2% and if exchange gains or losses were recognised at the same level as in 2018, the estimated positive impact on 2019 Sterling Adjusted EPS growth would be around 4%.

Note: all outlooks at CER. Full 2019 EPS guidance can be found on page 2 of our Third Quarter 2019 press release.

[1] On a pro forma basis [2] Subject to legal and regulatory approvals

All expectations and targets regarding future performance should be read together with the "Outlook assumptions and cautionary statement" sections of the Third Quarter 2019 Results Announcement and the cautionary statement slide included with this presentation

Innovation

Our R&D pipeline

41 medicines and 17 vaccines

Phase 1

- **3358699* (targeted BET inhibitor)** RA^
- **3858279* (CCL17 antagonist)** OA pain
- **2636771 (PI3kb inhibitor)** cancer
- **3745417 (STING agonist)** cancer
- **3186899* (CRK-12 inhibitor)** visceral leishmaniasis
- **3511294* (IL5 LA antagonist)** asthma
- **1795091 (TLR4 agonist)** cancer
- **3810109* (broadly neutralizing antibody)** HIV
- **3537142* (NYESO1 ImmTAC)** cancer
- **3439171* (H-PGDS inhibitor)** DMD
- **3368715* (Type 1 PRMT inhibitor)** cancer
- **TSR-033* (LAG-3 antagonist)** cancer
- **2269557 (nemiralisib PI3Kd inhibitor)** APDS
- **3174998* (OX40 agonist)** cancer
- **3732394 (combinectin entry inhibitor)** HIV

Phase 1 Expansion/Phase 2

- **3640254 (maturation inhibitor)** HIV
- **3228836* (HBV ASO)** HBV
- **3359609* (ICOS receptor agonist)** cancer
- **3772847* (IL33r antagonist)** asthma
- **3377794* (NY-ESO-1 TCR)** cancer
- **2330811 (OSM antagonist)** systemic sclerosis
- **2881078 (SARM)** COPD muscle weakness
- **525762 (molibresib, BET inhibitor)** cancer
- **2330672 (linerixibat, IBATi)** cholestatic pruritus in PBC
- **3326595* (PRMT5 inhibitor)** cancer
- **GR121619* (oxytocin)** postpartum haemorrhage
- **TSR-022* (TIM-3 antagonist)** cancer
- **3036656* (leucyl t-RNA inhibitor)** TB
- **2831781* (LAG3)** ulcerative colitis

Pivotal/Registration

- **Benlysta + Rituxan** SLE**
- **cabotegravir** LA + rilpivirine* LA** HIV
- **daprodustat (HIF-PHI)** anemia
- **fostemsavir (attachment inhibitor)** HIV
- **Nucala** COPD/HES/nasal polyps
- **Trelegy*** asthma
- **belantamab mafodotin* (BCMA ADC)** multiple myeloma
- **Zejula*** ovarian cancer**
- **dostarlimab* (PD-1 antagonist)** cancer
- **bintrafusp alfa* (TGFβ trap/anti-PDL1)** BTC**
- **otilimab* (3196165, aGM-CSF)** RA
- **gepotidacin* (2140944)** antibacterial

Vaccines

- **Shingrix immuno-compromised* – Phase 3†**
- **Bexsero pediatric – Phase 3†**
- **MMR (US) – Phase 3**
- **Rotarix liquid – Phase 3**
- **COPD* – Phase 2**
- **RSV paediatric – Phase 2**
- **MenABCWY – Phase 2**
- **Menveo liquid – Phase 2†**
- **Malaria* (fractional dose) – Phase 2**
- **Shigella* – Phase 2**
- **Tuberculosis* – Phase 2**
- **HIV* – Phase 2**
- **RSV older adults* – Phase 1/2**
- **RSV maternal* – Phase 1/2**
- **Therapeutic HBV* – Phase 1/2**
- **C. Difficile – Phase 1**
- **SAM (rabies model) – Phase 1**

Note: Only the most advanced indications are shown for each asset

RA = rheumatoid arthritis; OA = osteoarthritis; DMD = Duchenne muscular dystrophy; APDS= activated phosphoinositide 3-kinase delta syndrome; PBC = primary biliary cholangitis; TB = tuberculosis; SLE = systemic lupus erythematosus; HES = hyper eosinophilic syndrome; BTC = biliary tract cancer

*In-license or other alliance relationship with third party;
**Additional indications also under investigation;
† Not new to the clinic, but recognized as important lifecycle management programmes;
^On clinical hold.

Upcoming milestones that will inform our progress

	1H 2019		2H 2019		1H 2020	2H 2020	1H 2021
Anticipated submission	cabotegravir LA + rilpivirine LA HIV treatment	✔	fostemsavir (attachment inhibitor) HIV		mepolizumab HES	mepolizumab NP	Benlysta + Rituxan SLE
	Zejula 4L ovarian cancer sNDA (QUADRA)	✔	Trelegy asthma	✔			Zejula + dostarlimab 2L+ PROC sNDA ovarian cancer (MOONSTONE)
			belantamab mafodotin (BCMA) 4L MM monotherapy				
			dostarlimab BLA recurrent MSI-H endometrial cancer (GARNET)				
			Zejula 1L ovarian cancer sNDA (PRIMA)				
			daprodustat (HIF-PHI) anemia - JAPAN ONLY	✔			
Pivotal data	Trelegy asthma	✔	belantamab mafodotin (BCMA) 4L MM monotherapy	✔	mepolizumab NP	Benlysta + Rituxan SLE	
			Mepolizumab HES		daprodustat (HIF-PHI) anemia*	Zejula + dostarlimab 2L+ PROC ovarian cancer (MOONSTONE)	
			Zejula 1L ovarian cancer (PRIMA)	✔			
			dostarlimab recurrent MSI-H and MSS endometrial cancer (GARNET)	✔			
PoC data	3511294 (IL5 LA antagonist) asthma[4]	✓	2982772 (RIP1 kinase) UC^	⇔	2881078 (SARM) COPD muscle weakness	2831781 (LAG3) UC*	3858279** (CCL17 inhibitor) OA pain
	2982772 (RIP1 kinase) RA^	⇔	3640254 (maturation inhibitor) HIV	✓	belantamab mafodotin (BCMA) 1L MM combo therapy***	3377794 (NY-ESO) MM & NSCLC* therapy	
	3772847 (IL33R) asthma	✓	3326595 (PRMT5) cancer monotherapy[3]		3174998 (OX40) + 1795091 (TLR4) cancer combo therapy*	1795091 (TLR4) + ICOS/ pembro cancer combo therapy*	
	3389404/3228836 (HBV ASO) hepatitis B	✔	Zejula + bev. 1L ovarian cancer (OVARIO - single arm, safety study)	⇔		3036656 (leucyl t-RNA) tuberculosis	
	Zejula vs Zejula + bev. recurrent ovarian cancer (AVANOVA)[1]	✔	Zejula + dostarlimab + bev. 2L+ platinum resistant ovarian cancer (OPAL)			2330672 (linerixibat, IBATi) cholestatic pruritus in PBC[2]	
	dostarlimab recurrent MSS/MSI-H endometrial cancer (GARNET)	✔	belantamab mafodotin (BCMA) 2L MM combo therapy			525762 (BET inh) mCRPC combo therapy	
	2586881 (ACE2) PAH	✘	belimumab + rituximab Sjogren's syndrome			3359609 (ICOS) +CTLA4 cancer combo therapy	
			525762 (BET inh) ER+ breast combo therapy			TSR-022 NSCLC (AMBER)	
						2330811 (OSM antagonist) SSc**	
						COPD vaccine	
						RSV older adults vaccine*	
						RSV maternal vaccine	

Key:

- ✔ +ve data in-house, decided to progress
- ✓ +ve data in-house, decision pending
- ⇔ data in-house, additional data needed
- ✘ -ve data in-house, decided to terminate

HES: hypereosinophilic syndrome; MM: multiple myeloma; NP: Nasal polyposis; PAH: pulmonary arterial hypertension; RA: rheumatoid arthritis; SLE: systemic lupus erythematosus; SSc: systemic sclerosis; UC: ulcerative colitis; NSCLC: non-small cell lung cancer ER+; estrogen receptor + ; mCRPC: metastatic castration resistant prostate cancer; MSI-H: Microsatellite Instable- high; MSS: Microsatellite Stable; bev; bevacizumab

^Further research to be conducted *Interim Analysis (internal) **PoM ***Safety run data 1. Investigator Sponsored Study, 2. Ph2b study 3. From initial cohorts data 4. Interim/PK/PD confirmed

Innovation

Changes in portfolio since Q2 2019

Changes to pipeline

New to Phase I	New to Phase II	New to Pivotal	New to Registration
C. Difficile, vaccine SAM (rabies model), vaccine	GSK2831781 (LAG3) ulcerative colitis	Gepotidacin (GSK2140944) antibacterial	

Removed from Phase I	Removed from Phase II	Removed from Pivotal	Removed from Registration
GSK2292767 (PI3kd inhibitor) respiratory diseases GSK3145095 (RIP1k inhibitor) pancreatic cancer	GSK2982772 (RIP1k inhibitor) pso/RA/UC moved back to research Ebola (transferred to Sabin Vaccine Institute)		

Changes to milestones

GSK2330811 (OSM antagonist) SS: **PoM date moved from 1H2020 to 2H2020**

GSK3377794 (NY-ESO) MM & NSCLC: **PoC (IA) date moved from 1H2020 to 2H2020**

GSK2330672 (linerixibat, IBATi) cholestatic pruritus in PBC: **added PoC date from PhIIb study in 2H2020**

GSK3810109 (broadly neutralizing antibody) HIV: **PoC date moved from 1H2021 to 2H2021 (currently not shown)**

daprodustat (HIF-PHI) anemia: **interim analysis date moved from 2H2020 to 1H2020**