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**23 JUNE  
2021**



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# **New GSK: new ambitions for patients and shareholders**

# Cautionary statement regarding forward-looking statements



All outlooks, targets, ambitions and expectations regarding future performance and the dividend should be read together with the section “Basis of preparation, assumptions and cautionary statement” on pages 5-7 of our stock exchange announcement relating to an update to investors dated 23 June 2021 and the “Basis of preparation, assumptions and cautionary statement” and “Reporting definitions” slides at the end of this presentation.

This document contains statements that are, or may be deemed to be, “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 ‘aim’, ‘ambition’, ‘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 Regulation, the UK Listing Rules and the Disclosure 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. The reader should, however, consult any additional disclosures that the Group may make in any documents which it publishes and/or files with the SEC. All readers, 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.

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## **New GSK: new ambitions for patients and shareholders**

**More than 5% sales and 10% adjusted operating profit CAGR 2021-26**  
**Progressive dividend policy**

**Pipeline drives growth through DTG LoE, more than £33bn sales by 2031**

**Prioritise Vaccines and Specialty Medicines,  
maximise scientific opportunities in prevention and treatment**

**Optimise General Medicines portfolio for profitability and cash**

**Balance sheet strengthened supporting investment in growth**

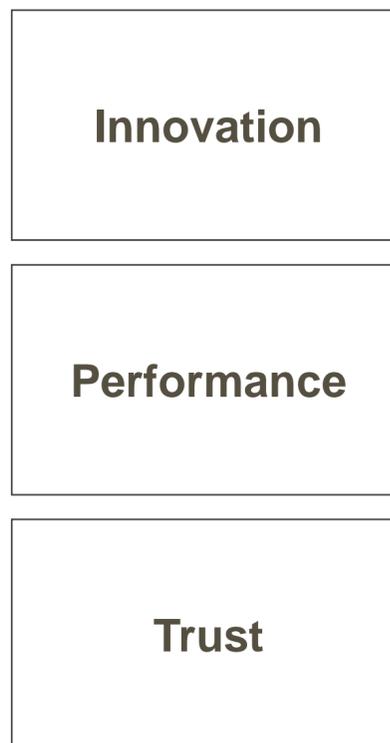
**Operate sustainably with leading ESG performance**  
**Positively impact health of more than 2.5 bn people in next 10 years**

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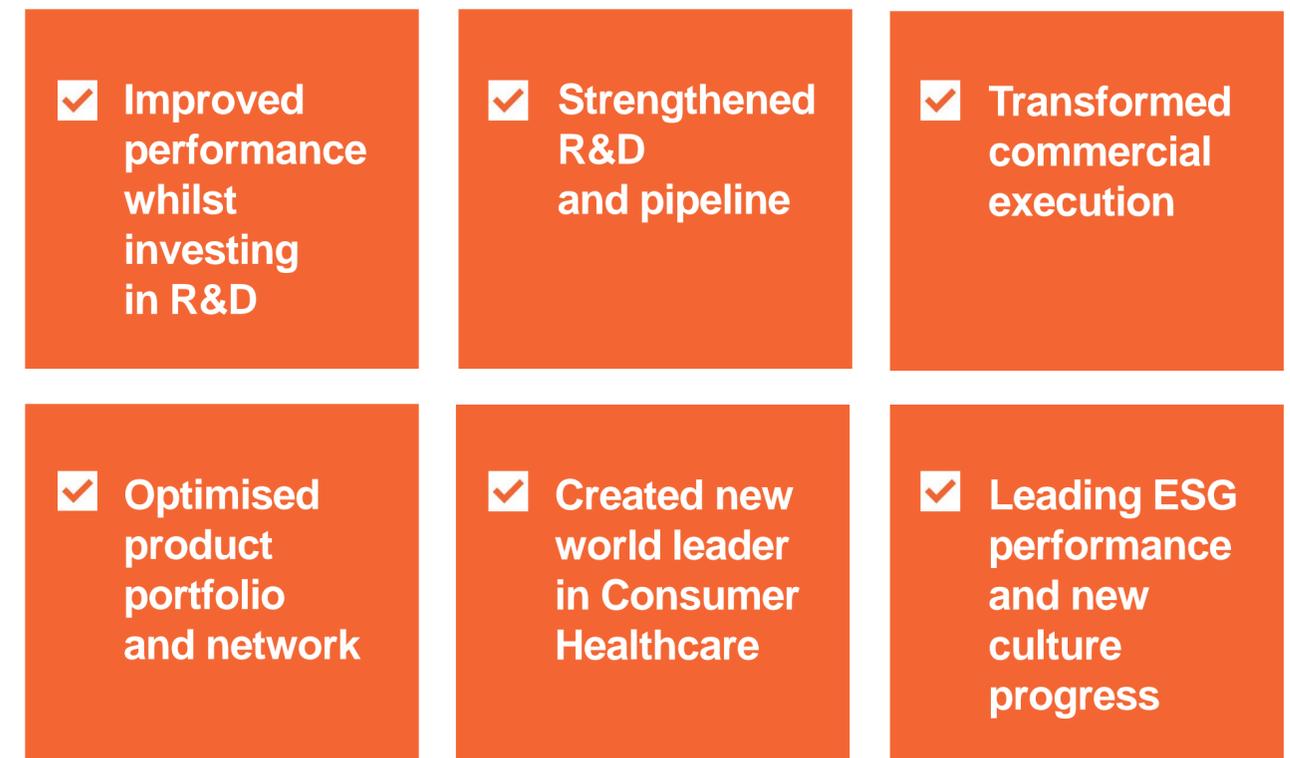
# Delivering major strategic transformation and cultural change



## 2017 – key to address



## Today



# Significant scale of change and delivery 2017-20



## Improved performance whilst investing in R&D

	2017	2020
Sales	£30.2bn	£34.1bn
Adj OP	£8.6bn	£8.9bn
Op cash flow*	£8.3bn	£10.1bn
R&D**	£3.9bn	£4.6bn

## Strengthened R&D and pipeline

- 11 approvals since 2017 - top quartile
- R&D spend per launch
- Median PYS per launch
- 95% success rate (P3/pivotal)
- Strong pipeline: 20 vaccines and 42 medicines. 22 in pivotal studies

## Transformed commercial execution

- £10bn annual new and specialty sales
- Industry leading launch from Shingrix
- Trelegy and 2DR > £1bn
- Growing revenue through Advair LoE
- Driving inflection points in mid-cycle assets

## Optimised product portfolio and network (new GSK)

- 44% to 60% sales in Vx/Spec
- 28% reduction in manufacturing sites
- On track for £1.5bn annual cost savings
- £1.4bn divestments^

## Created new world leader in Consumer Healthcare

- 2020 £10bn sales, 4% sales growth^^
- 2 integrations completed to deliver >£1bn in annual cost savings
- Transformed portfolio. £4bn divestments
- 25% increase in adjusted OP

## Leading ESG performance and new culture progress

- Global health, I&D, environment
- Top 125: 85% new in role since 2017, 31% external, 39% women; Science Top Employer
- Record levels of employee engagement
- New incentive scheme

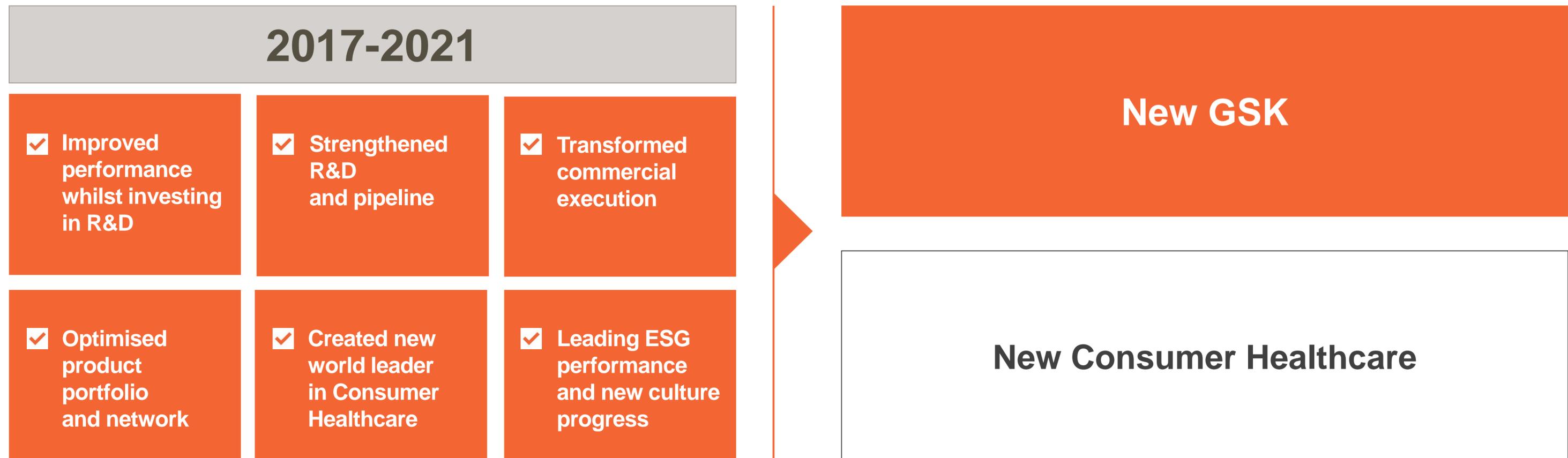
\*Op cash flow: Cash generated from operations; \*\* Adjusted R&D

^Divestment proceeds are stated on pre-tax basis

^^CH sales growth is on pro forma basis and excludes brands divested / under review

PYS Peak Year Sales

# Ready to separate and unlock shareholder value



# New world leader in Consumer Healthcare



<p><b>#1</b></p> <p>Overall CH player globally</p>	<p><b>£10bn<sup>*</sup></b></p> <p>Annual 2020 Net Sales</p>	<p><b>+4%<sup>**</sup></b></p> <p>Net sales growth 2020</p>	<p><b>22.1%<sup>^</sup></b></p> <p>2020 Operating Margin</p>
<p><b>5</b></p> <p>Global categories with #1 position<sup>^^</sup></p>	<p><b>20</b></p> <p>GSK CH brands &gt;£100M sales</p>	<p><b>~100</b></p> <p>Markets served</p>	<p><b>23k<sup>†</sup></b></p> <p>Employees globally</p>

**9** Power Brands



parodontax



Advil



Otrivin



\*Sales including Brands divested / under review, £9.5bn Continuing sales

\*\*CER Proforma excluding brands divested/under review

<sup>^</sup>Consumer Healthcare operating margin

<sup>^^</sup>Therapeutic Oral Health, Pain Relief, Respiratory, Vitamins, Minerals, and Supplements and Digestive Health

<sup>†</sup> Excludes certain shared general and administration functions currently shared with GSK

# Separation on track for mid 2022



## Objectives

**Unlock potential in New GSK and New Consumer Healthcare**

**Strengthen New GSK balance sheet**

**Maximise shareholder value**

## Mechanism for separation

**GSK 68% ownership:**

- **At least 80% demerged mid 2022**
- **Monetise up to 20% retained to strengthen GSK new balance sheet**

**Intended to be tax efficient compared to alternative separation options**



<b>Purpose</b>	<b>We unite science, talent and technology to get ahead of disease together</b>
<b>Strategy</b>	<b>Health impact + Shareholder returns + Thriving people</b>  We prevent and treat disease with vaccines, specialty and general medicines R&D focused on the science of the immune system, human genetics and advanced technologies to impact health at scale We operate responsibly for all our stakeholders
<b>Culture</b>	<b>With ambition, accountability and responsibility</b>

## New commitments to growth



**2021-26**

**More than 5% sales CAGR  
More than 10% adjusted OP CAGR**

**2031**

**More than £33 billion sales ambition**

**With metrics and incentives strongly aligned to shareholder value creation**

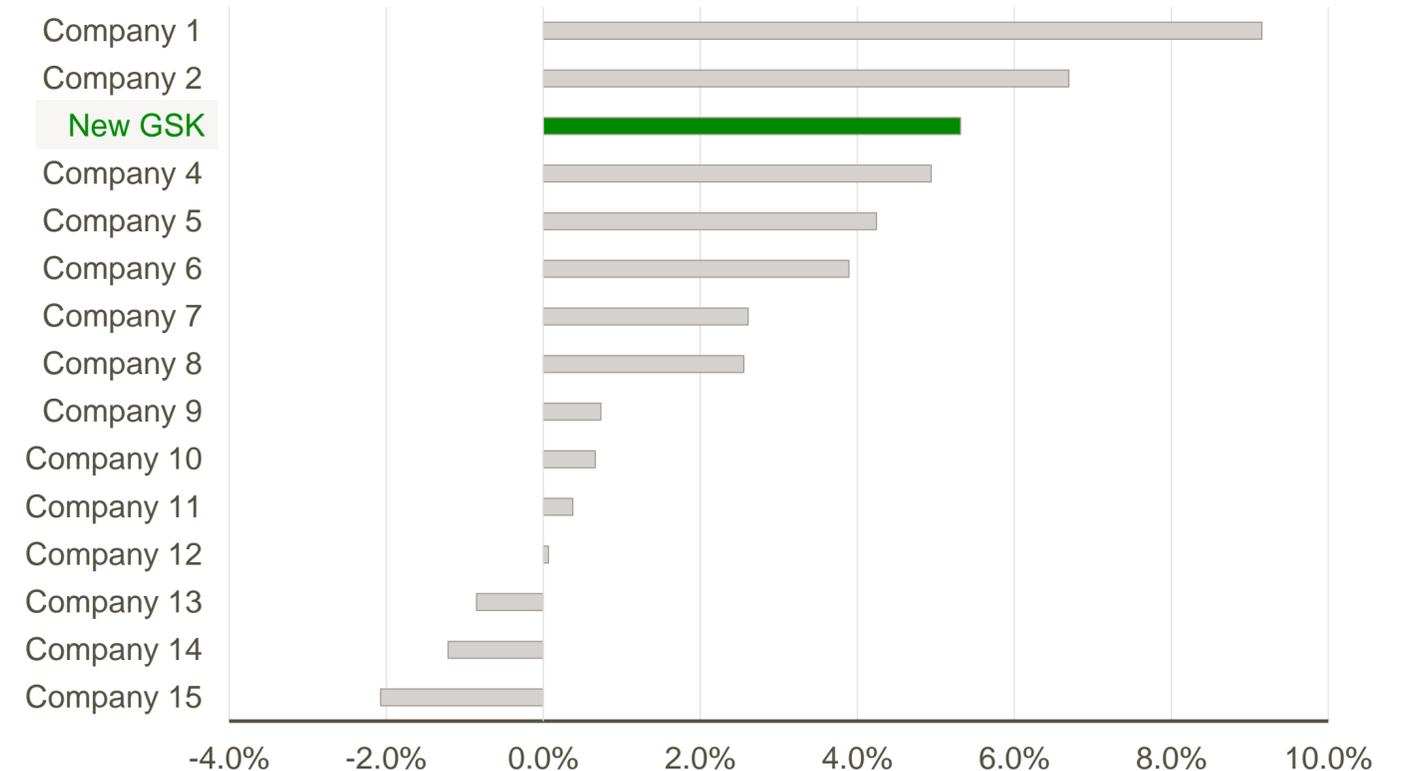
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# From historical underperformance to ambitious top quartile growth



	2010 – 2015	2016 - 2020	2021 - 2026
Revenues	↓	↑	↑
Adj OP	↓	→	↑
R&D spend	↓	↑	↑

Company sales CAGR to 2026\*



More than 5% sales and 10% adjusted operating profit CAGR expected in next 5 years

\* Visible Alpha company consensus to 2026

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# Investing to drive step-change in growth and business mix



**Vaccines and Specialty Medicines prioritised**

**General Medicines optimised**

## 2021-26 sales growth CAGR

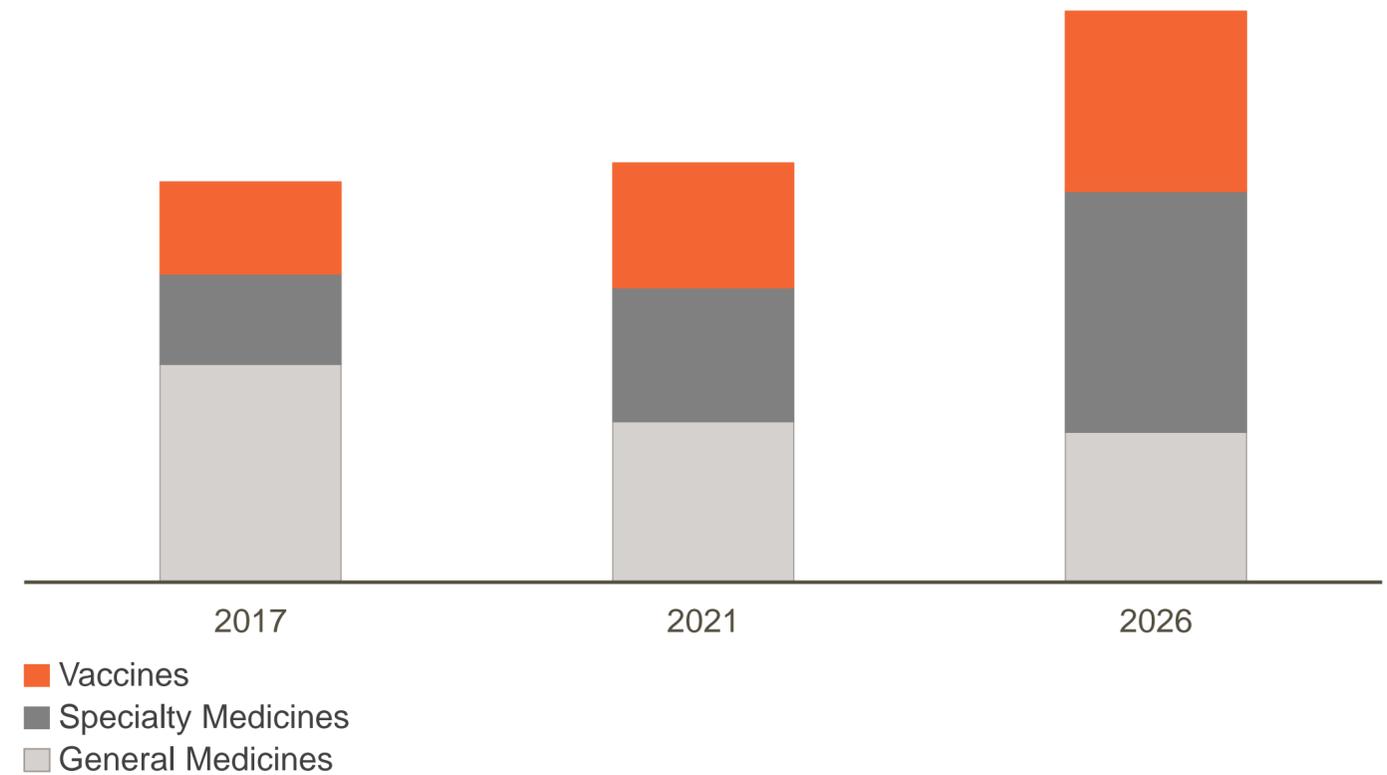
**Vaccines: high single-digit %**

**Specialty Medicines: double-digit %**

**General Medicines: broadly stable**

## Changing business sales mix

Illustrative



All outlook and ambition statements are given on a constant currency basis and use 2021 forecast exchange rates as a base, assuming a continuation of Q1 2021 closing rates. See basis of preparation and assumptions in Appendix. 2021-26 CAGR is for the 5 years to 2026, using 2021 as the base year. Pipeline sales are risk-adjusted and include anticipated sales of new products and Life Cycle Innovation (LCI) launched from 2021 onwards. Note: COVID therapeutic and vaccine solutions are excluded from the above.

# Maximising opportunities in prevention and treatment



**Vaccines  
and  
Specialty  
Medicines**

## Increasing number of synergies across prevention and treatment...

- Immune dysfunction contributes to pathophysiology of many diseases with scientific understanding rapidly evolving
- Convergence of modalities to prevent and treat disease

## ...provides significant opportunity and advantage for New GSK

- R&D focus on science of immune system, human genetics and advanced technologies ✓
- Immuno-modulators >70% of clinical pipeline ✓
- World leader in infectious diseases ✓
- One capital allocation process ✓
- Integrated Development and Commercial ✓
- Unrivalled suite of platform technologies ✓
- Attractive portfolio offering to payors ✓

# Focusing in key therapeutic areas



**Vaccines**

**Specialty Medicines**

Resource allocation

Innovation focus

Capital investment

**Infectious Diseases**

**HIV**

**Oncology**

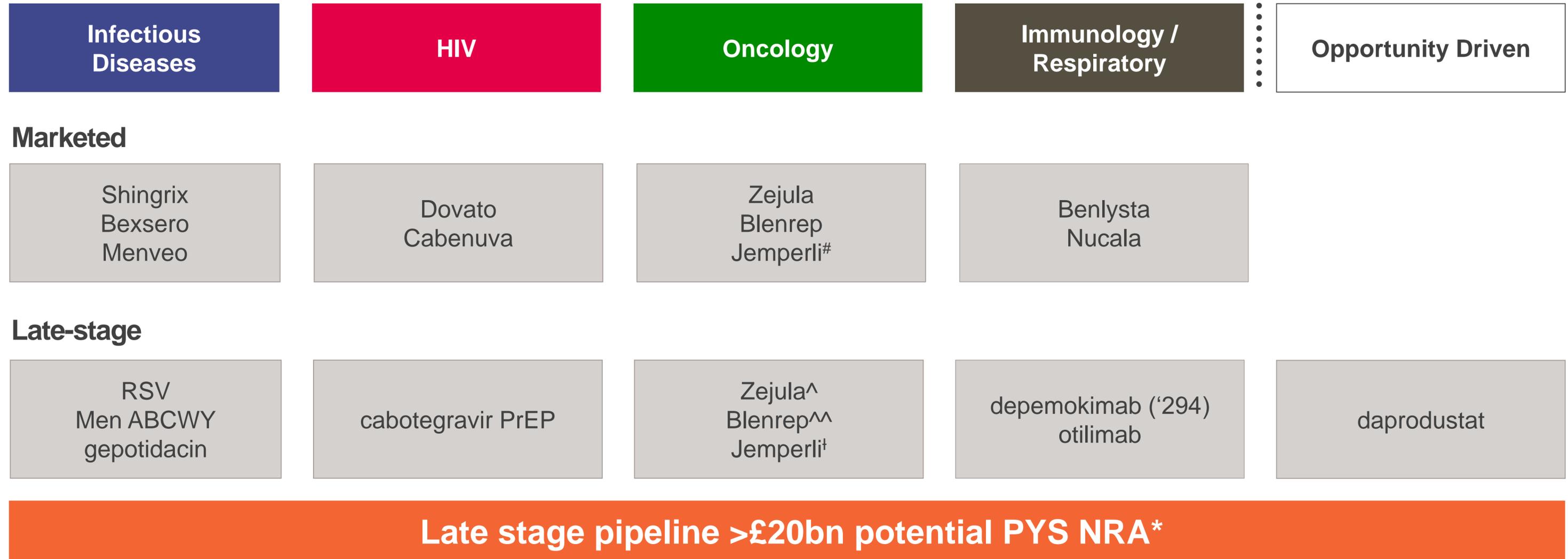
**Immunology / Respiratory**

**Opportunity Driven\***

**Major unmet patient needs and significant growth opportunities  
High innovation potential and first-in-class/best-in-class focus**

\*Includes high-potential late-stage pipeline assets and internally/externally sourced assets consistent with R&D focus on the science of the immune system and human genetics

# Vaccines and Specialty high potential late-stage assets add to current growth drivers



# Tesaro asset

\*Peak year sales non-risk adjusted, excludes COVID solutions. See basis of preparation and assumptions in Appendix.

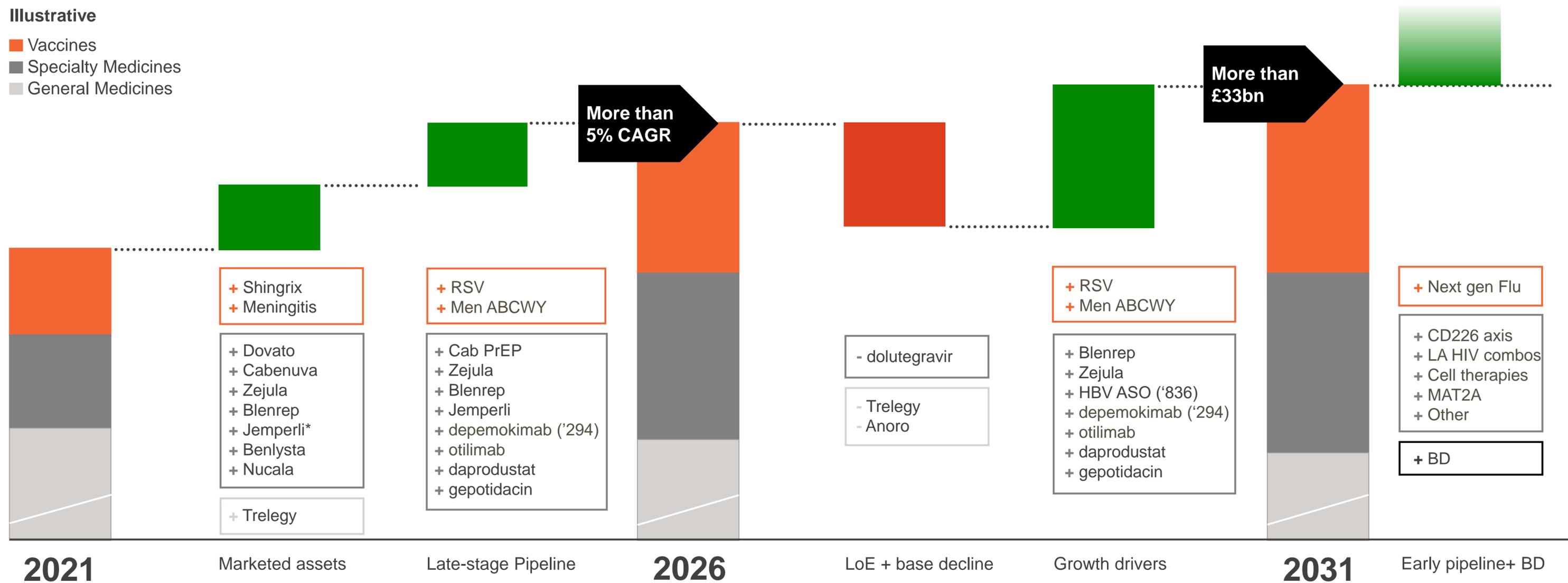
<sup>^</sup>1st line OC combination + NSCLC and breast; <sup>^^</sup>MM earlier lines; <sup>†</sup> 1st line EC

# Portfolio and pipeline to secure growth over next 10 years



## Illustrative

- Vaccines
- Specialty Medicines
- General Medicines



Note: Bars are not at scale. All outlook and ambition statements are given on a constant currency basis and use 2021 forecast exchange rates as a base, assuming a continuation of Q1 2021 closing rates. See basis of preparation and assumptions in Appendix. 2021-26 CAGR is for the 5 years to 2026, using 2021 as the base year. Pipeline sales are risk-adjusted and include anticipated sales of new products and Life Cycle Innovation (LCI) launched from 2021 onwards. Note: COVID therapeutic and vaccine solutions are excluded from the above. Assets highlighted reflect major contributions to growth in period shown.

\*Tesaro asset

# Meaningful margin expansion from 2022



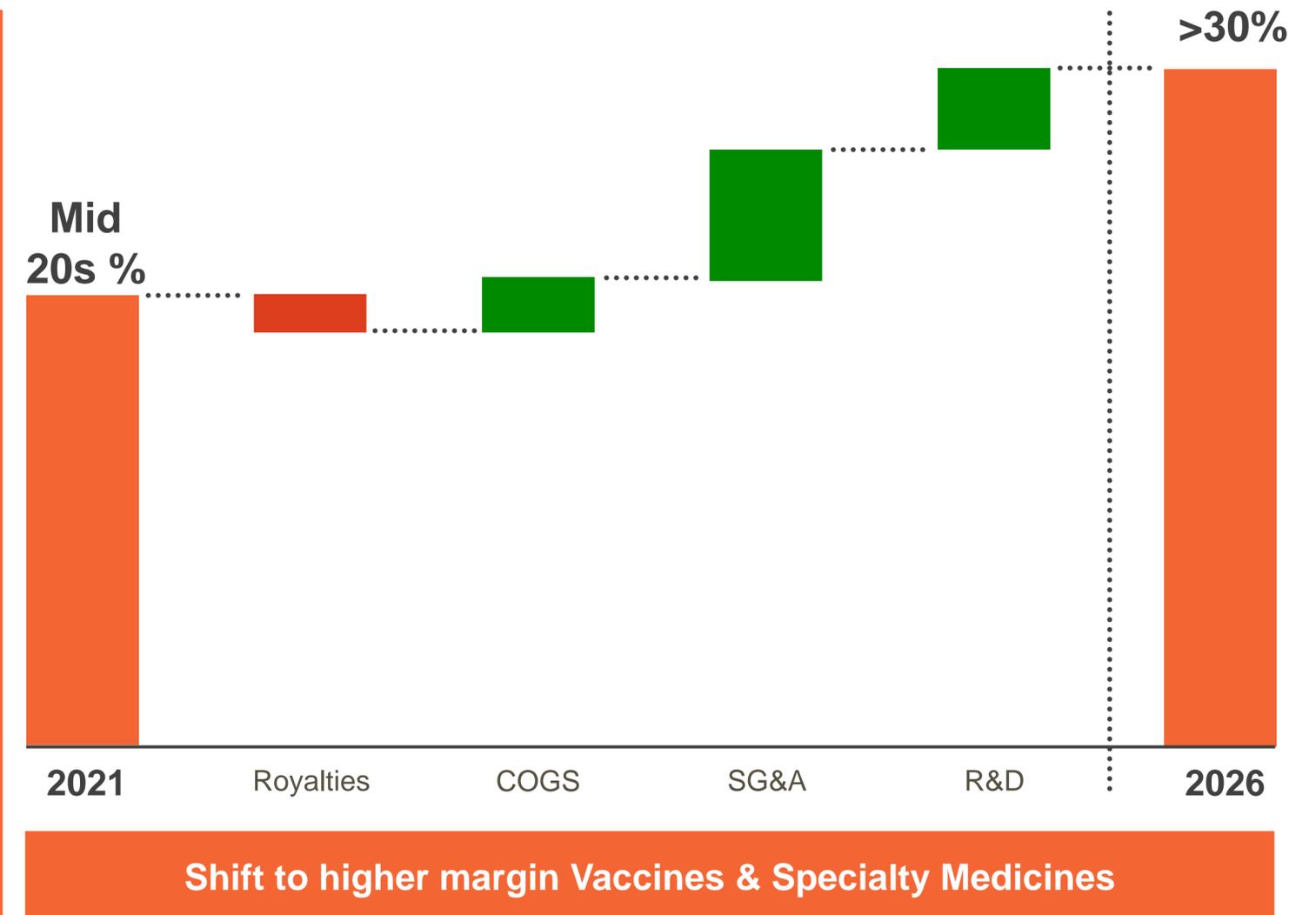
## Adjusted Operating Margin >30% by 2026 More than 10% Adjusted OP CAGR 2021-26

### Cost initiatives:

- £0.5bn restructuring savings 2018-21
- £1.0bn Future Ready savings expected by 2023
- Approx. 1/3 of total savings reinvested in growth
- Major restructuring complete by 2022

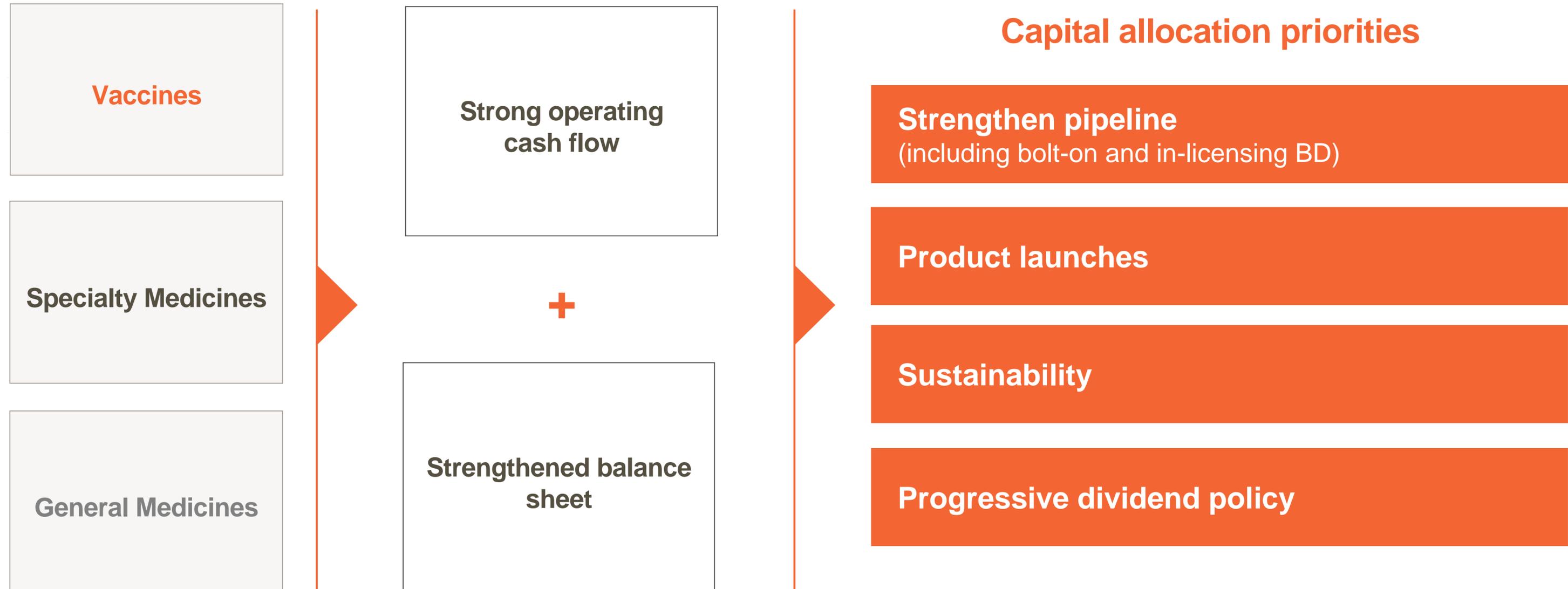
### Culture of cost discipline:

- New ways of working, R&D productivity, prioritisation and simplification



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# Improved capital position supports growth investment



# ESG performance to deliver health impact and shareholder returns



Pricing / Access	Global Health
Inclusion & Diversity	Environment
Product Governance	Operating Standards

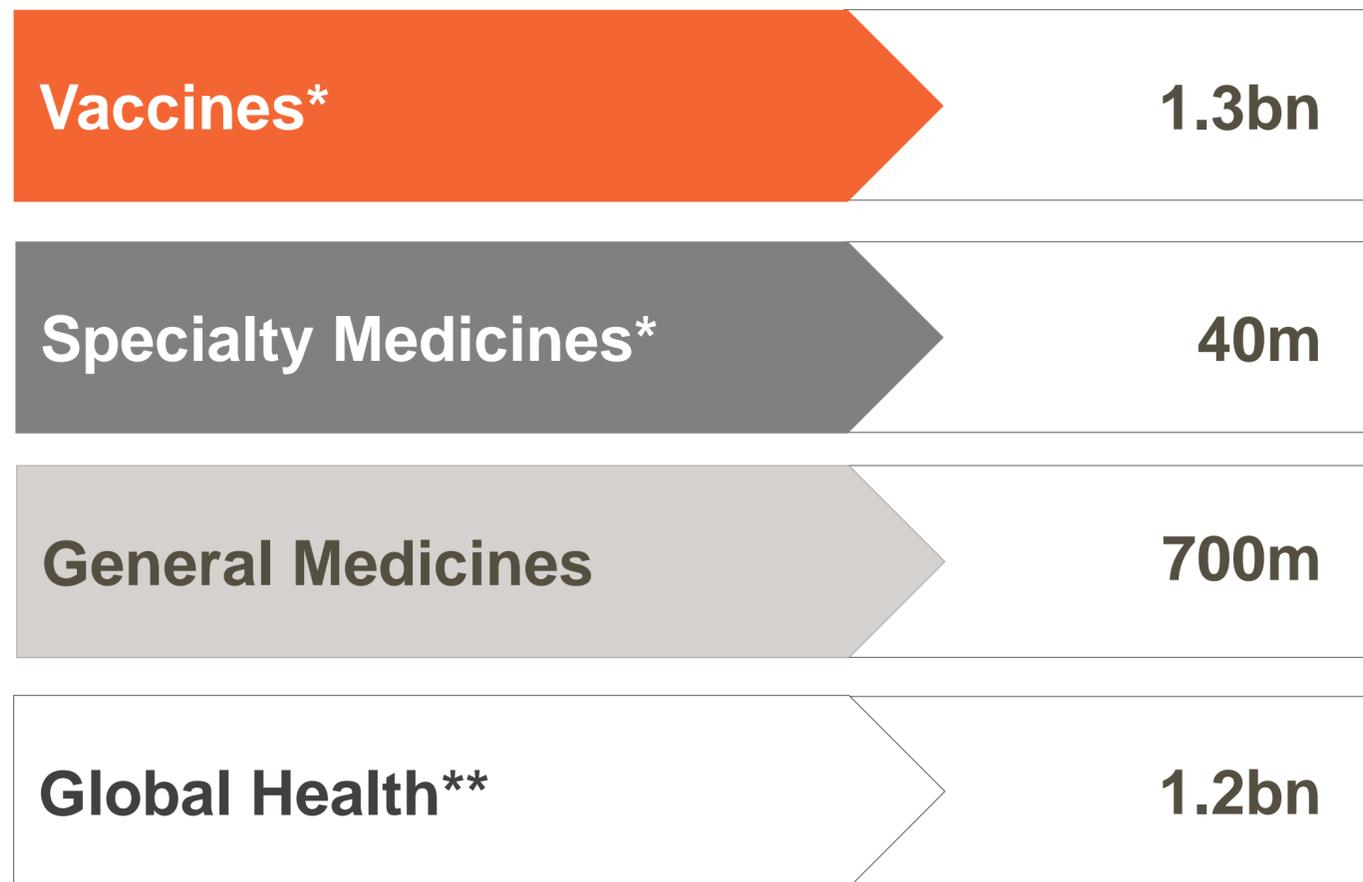


- ✓ Sustainable performance and long-term growth
- ✓ Trust for all stakeholders
- ✓ Reduced risk to operations
- ✓ Positive social impact

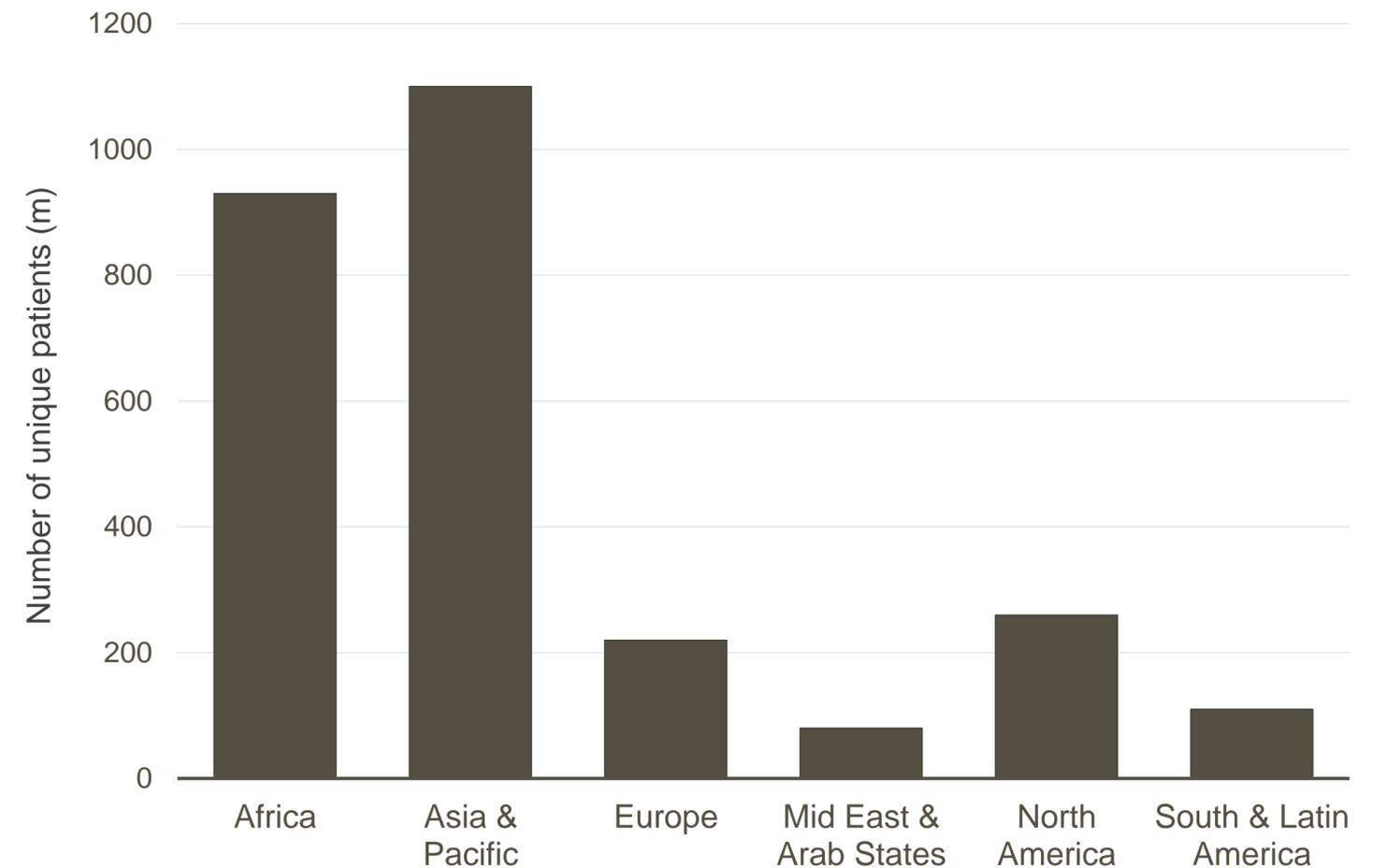
# New GSK to positively impact the health of >2.5 bn people over 10 years



## Estimated patient impact



## Estimated global impact



Estimated total impact >2.5bn people over next 10 years, adjusting for category overlap;

\*Excludes COVID-19 vaccines or treatments; \*\*Global Health includes donations

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**Operate sustainably with leading ESG performance**  
**Positively impact health of more than 2.5 bn people in next 10 years**

**Delivered by a team with momentum together**

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DTG dolutegravir; LoE loss of exclusivity



# Appendix

## Basis of preparation, assumptions and cautionary statement



### **Assumptions relating to the 2021-2026 sales and adjusted operating profit growth outlooks, 2026 cash generated from operations outlook, 2031 sales ambition and 2021-2023 dividend expectations**

In outlining the growth outlooks for the period 2021-2026, the 2026 cash generated from operations outlook, the 2031 sales ambition and the 2021-2023 dividend expectations (the “Relevant Statements”), GSK has made certain assumptions about the healthcare sector (including regarding possible governmental, legislative and regulatory reform), the different markets and competitive landscape in which it operates and the delivery of revenues and financial benefits from its current portfolio, its development pipeline of drugs and vaccines, its restructuring programmes and its plans for the separation of Consumer Healthcare, details of which are set out in this document.

GSK expects and assumes the next several years to be challenging for the healthcare industry with continued uncertainty related to the impact of the COVID-19 pandemic on adult vaccinations and continued pressure on pricing of pharmaceuticals. GSK assumes no premature loss of exclusivity for key products over the period. GSK also expects volume demand for its products to increase, particularly for Shingrix in the US, as healthcare systems are expected to return to normal following disruption from governments’ prioritisation of COVID-19 vaccination programmes and ongoing measures to contain the pandemic, and for Shingrix in China.

The assumptions underlying the Relevant Statements include: successful delivery of the ongoing and planned integration and restructuring plans and the planned demerger of Consumer Healthcare; the delivery of revenues and financial benefits from its current and development pipeline portfolio of drugs and vaccines (which have been assessed for this purpose on a risk-adjusted basis, as described further below); regulatory approvals of the pipeline portfolio of drugs and vaccines that underlie these expectations (which have also been assessed for this purpose on a risk-adjusted basis, as described further below); no material interruptions to supply of the Group’s products; no material mergers, acquisitions or disposals or other material business development transactions; no material litigation or investigation costs for the Company (save for those that are already recognised or for which provisions have been made); no share repurchases by the Company; and no change in the shareholdings in ViiV Healthcare.

The Relevant Statements also factor in all divestments and product exits announced to date as well as material costs for investment in new product launches and R&D. Pipeline risk-adjusted sales are based on the latest internal estimate of the probability of technical and regulatory success for each asset in development.

Notwithstanding the Relevant Statements, there is still uncertainty as to whether our assumptions, targets, outlooks expectations and ambitions will be achieved, including based on the other assumptions outlined above.

The statement that GSK estimates that certain assets in late-stage development have the potential to deliver peak year sales of more than £20 billion on a non-risk adjusted basis is an aggregation, across the relevant portfolio of assets, of the maximum sales that GSK considers might be achieved from each such asset (including from lifecycle innovation) in the year that that asset attains its highest sales level, in all cases before taking into account any risks that could impair GSK’s ability to reach that level of sales for that asset, including risks relating to technical and regulatory success, trial outcomes, launch dates and execution, exclusivity periods and the impact of changes in the market and healthcare landscape for that asset. The aggregation is of the peak year sales of each individual asset within the portfolio and not for one particular year. Accordingly, the statement of estimated non-risk adjusted potential peak year sales of the relevant assets in late-stage development does not comprise, is wholly different in nature to, and is subject to very significantly higher levels of uncertainty than the Relevant Statements. As such, while GSK does not expect to achieve the aggregate amount of those estimated non-risk adjusted peak year sales, a risk-adjusted assessment of sales of relevant assets during the relevant periods is (as stated above) taken into account, where relevant, within the Relevant Statements.

All outlook and ambition statements are given on a constant currency basis and use 2021 forecast exchange rates as a base, assuming a continuation of Q1 2021 closing rates (£1/\$1.38, £1/€1.17, £1/Yen 152). 2021-2026 outlook refers to the 5 years to 2026 with 2021 as the base year.

# Basis of preparation, assumptions and cautionary statement



## Assumptions and cautionary statement regarding forward looking statements

The Group's management believes that the assumptions outlined above are reasonable, and that the targets, outlooks, ambitions and expectations described in this document are achievable based on those assumptions. However, given the forward-looking nature of these assumptions, targets and expectations, they are subject to greater uncertainty, including potential material impacts if the above assumptions are not realised, and other material impacts related to foreign exchange fluctuations, macro-economic activity, the impact of outbreaks, epidemics or pandemics, such as the continued COVID-19 pandemic and ongoing challenges and uncertainties posed by the COVID-19 pandemic for businesses and governments around the world, changes in legislation, regulation, government actions or intellectual property protection, product development and approvals, actions by our competitors, and other risks inherent to the industries in which we operate.

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## Reporting definitions

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GSK provides earnings guidance to the investor community on the basis of Adjusted results. This is in line with peer companies and expectations of the investor community, supporting easier comparison of the Group's performance with its peers. GSK is not able to give guidance and outlooks for Total results, including Total Operating Profit and Total Operating Margin as it cannot reliably forecast certain material elements of the Total results, particularly the future fair value movements on contingent consideration and put options that can and have given rise to significant adjustments driven by external factors such as currency and other movements in capital markets. Therefore a reconciliation of the guidance for Adjusted results to equivalent guidance for Total results is not available without unreasonable effort.

Compound Annual Growth Rate (CAGR) is defined as the compound annual growth rate and shows the annualised average rate of revenue or profit growth between two given years, at constant currency, assuming growth takes place at an exponentially compounded rate.

Adjusted EBITDA is defined as Adjusted Earnings before interest and tax, depreciation and amortisation.

# New GSK financial reporting considerations



## IFRS income statement

### Operating segments

**Commercial**  
*Revenue and Adjusted OP*

**R&D**  
*Adjusted OP*

**Corporate / other /  
adjusting items**  
*OP*

### Product Area Revenues

**Vaccines**

**Specialty Medicines**

**General Medicines**

*Revenue and Revenue by key product*