

# GSK Consumer Healthcare

Tobias Hestler  
CFO, GSK Consumer Healthcare

June 2019



# Cautionary statement regarding forward-looking statements

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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 first 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 36 of our first quarter 2019 earnings release.

# Creation of GSK and Pfizer Consumer Healthcare Joint Venture



- Creates new world leader in Consumer Healthcare
- Offers significant opportunities for both cost synergies and growth
- Separation creates a new global company and investment proposition

# Positive consumer healthcare industry trends



## Increasing health awareness and self care

**77%**<sup>1</sup> of consumers want to take more control over decisions about their health

## Emerging middle class

Almost **2.4 billion**<sup>3</sup> more emerging middle class consumers by 2030 vs 2015



## Ageing population

**1.4 billion**<sup>2</sup> aged 60+ by 2030, an increase of 0.5 billion vs 2015

## Innovation

**Unmet consumer needs** (switches, products, formats, channels, devices)

# Creation of a global leader in consumer healthcare



With scale and strong capabilities

**Combined sales of approximately £9.8bn<sup>1</sup>**

**#1 in OTC**

- Leadership positions in Pain Relief, Respiratory and VMS<sup>3</sup>

**#1 position in Therapeutic Oral Health<sup>2</sup>**



**Strong geographic footprint**

- #1 in US, #2 in China<sup>3</sup>
- 29% of sales in Emerging Markets<sup>1</sup>

**Proven integration capability**

**Value creation**

- £0.5bn cost synergy potential

1. Based on 2018 reported results. £GBP figure includes: Pfizer 2018 revenues reported under US GAAP translated at 1.33 \$:£ and GSK JV sales reported under IFRS and adjusted for perimeter changes that GSK will make to the business it contributes to the Joint Venture. Figure excludes any impact from potential future divestments.

2. GSK analysis based on Nielsen, IRI and Euromonitor data; 3. Nicholas Hall's DB6 Global OTC Database, 2018

# Category leading positions of combined portfolio



1. Nicholas Hall's DB6 Global OTC Database, 2018. For Skin Health, share and ranking based on OTC derms category. 2. GSK analysis based on Nielsen, IRI and Euromonitor data

# Our Consumer Healthcare strategy and priorities



## Our purpose:

to help people do more, feel better, live longer

## Our strategy:

meet the everyday healthcare needs of consumers by building consumer preferred and expert recommended brands, differentiated by science and insight-driven innovation

## Our priorities:

### Innovation

- Brilliant execution of launches
- Strong, differentiated pipeline of consumer-led, science-based innovation and claims

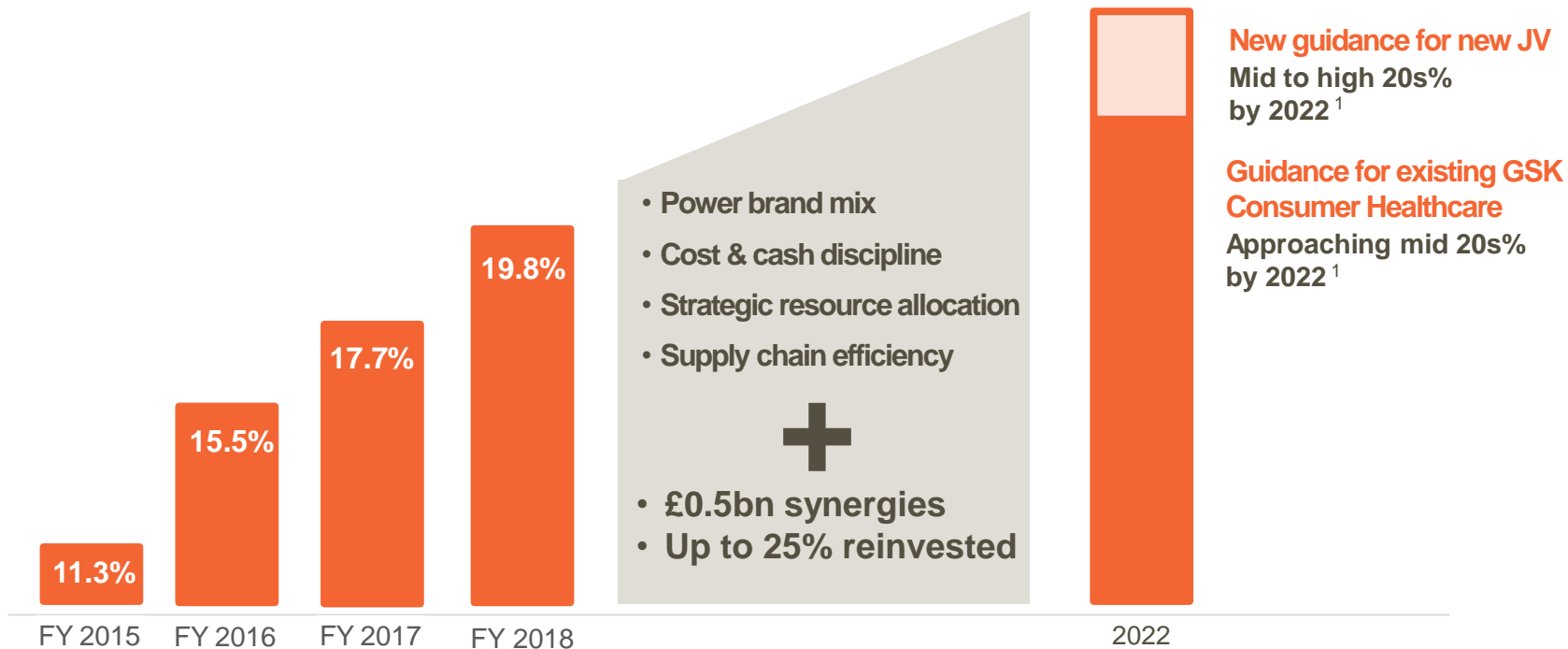
### Performance

- Sustained above market growth
- Competitive cost structure, margin and cash flow

### Trust

- Reliable supply
- Improved reputation
- Highly engaged employees

# Deliver an industry leading margin



<sup>1</sup>At 2017 constant exchange rates. Expected 20%+ operating margin by 2020 at 2015 constant exchange rates. Historical margins shown for the GSK Consumer Healthcare segment are at respective actual rates



## Q&A