

Corporate Briefing Session

GSK Consumer Healthcare
Pakistan Limited





Company Brief and Key Facts

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- Post merger, operations of both companies being carried on by one legal entity only: GSK Consumer Healthcare Pakistan Limited.
- Market Capitalization as at September 30th is PKR 27.7 billion
- Sept YTD Earning Per share of 8.32 rupees, depicting growth of 9.6% over same period last year.
- GSK CHC have a Total Market Share of *17.7%. Key brands include Panadol, CaC 1000 plus and Sensodyne contributing 81% in total turnover.

Board Committees & Key Roles



Audit Committee <ul style="list-style-type: none">• Syed Anwar Mahmood (Chairman)• M.Z. Moin Mohajir• Talal Javed Ahmed• Mariam Maqsood (Secretary)	Human Resource and Remuneration Committee <ul style="list-style-type: none">• Syed Anwar Mahmood (Chairman)• M.Z. Moin Mohajir• Talal Javed Ahmed• Farqaleet Iqbal (Secretary)	Integration Supply & Network Optimization Committee <ul style="list-style-type: none">• Oussama Abbas (Chairman)• Dilawar Meghani• Sohail Ahmed Matin• Talal Javed Ahmed• Irfan Qureshi (Secretary)	Management Committee <ul style="list-style-type: none">• Sohail Ahmed Matin (CEO)• Ahmed Jamil Baloch• Dilawar Meghani• Mashal Mohammad• Faisal Rafiq• Khurram Khan• Shoaib Raza• Saleem Khilji• Mazhar Shams• Muzna Hussain• Sadia Tabassum• Hina Sadiq		
Company Secretary <ul style="list-style-type: none">• Mashal Mohammad	Chief Financial Officer <ul style="list-style-type: none">• Dilawar Meghani	Chief Internal Auditor <ul style="list-style-type: none">• Mariam Maqsood	Bankers <ul style="list-style-type: none">• Citibank N.A.• Standard Chartered Bank	Auditors <ul style="list-style-type: none">• Yousuf Adil, Chartered Accountants	Legal Advisors <ul style="list-style-type: none">• Hashmi & Hashmi Advocates and Solicitors



West Wharf Office

Registered Office:

35-Dockyard Road, West Wharf, Karachi

Sales Offices:

Karachi – B 63, 65, Estate Avenue, SITE

Lahore – 880 B, Faisal Town

Islamabad – Aleem House, Plot 409, Sector I9,
Industrial Area



Jamshoro Factory

Factory:

- GSK CHC acquired the manufacturing facility of GSK OTC in Jamshoro, after the Court Order was received in December 2018.
- State of the art facility for manufacturing and packaging.
- Serving to Pakistan, Vietnam and Philippines markets.

Brands Portfolio

FMCG (Represents 16% business)

Oral Care



Skin Health



OVER THE COUNTER (Regulated by DRAP) (Represents 84% business)

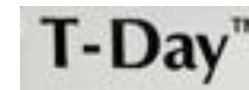
Nutrition & Digestive



Skin Health



Respiratory



Pain Relief

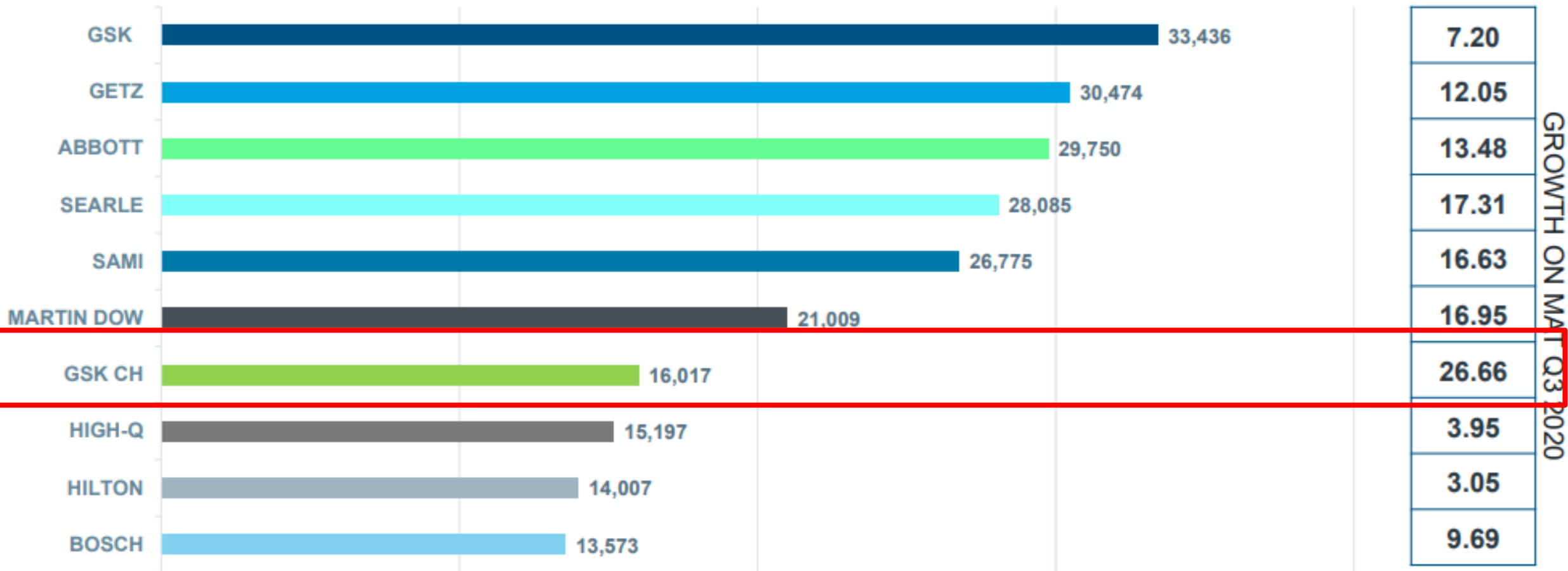


Industry Landscape



TOP 10 Corporates – MAT Q3 2020.

Industry Growth: 10.31%





Our Vision, Values and Strategy

Our Values & Expectations are at the Heart of Everything We Do



Our Purpose, Vision and Strategy



Purpose

To help people do more, feel better, live longer

Vision

To be one of the world's most innovative, best performing and trusted consumer healthcare companies

Strategy



Innovation

- Brilliant execution of launches
- Strong patient and payer focused pipeline
- The most competitive claims and labels

Performance

Sustained industry-leading growth with competitive costs, margin and cash flow

Trust

- Reliable supply
- Improved reputation
- Highly engaged employees



Panadol CF Day
Expanding the Respiratory
Business

Sensodyne Herbal

Entering the growing Herbal Segment in Oral Health Category

Parodontax Herbal

Key Brands Performance



Top 3 Brands contribute 81% to Total turnover

#1 in Pain Relief Category



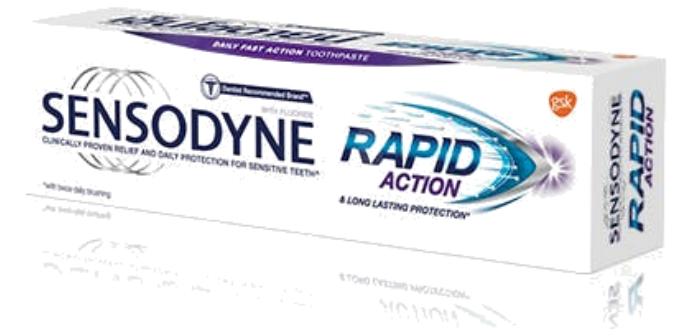
42% Contribution
GSK Share 21.5%
17% Volume Growth

#1 Prescribed Calcium supplement



27% Contribution
GSK Share 45.3%
21% Volume Growth

#1 in Sensitivity Category



13% Contribution
GSK Share 16.5%
12% Volume Growth

Key Campaigns

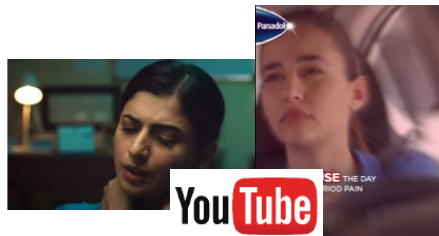


Panadol



Panadol Lady Doctor Campaign keeping brand top of mind for consumers

Always-On Digital to build reach, relevance and engagement

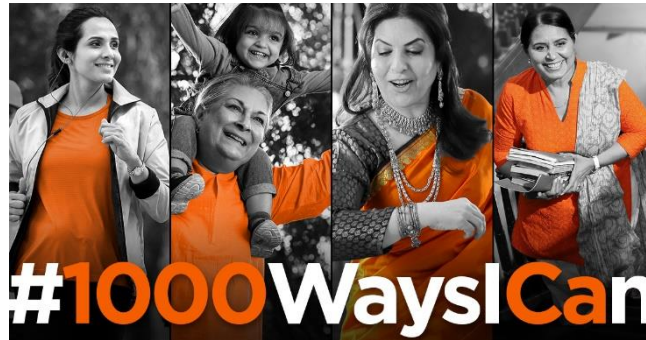


Building relevance for Panadol Children's range

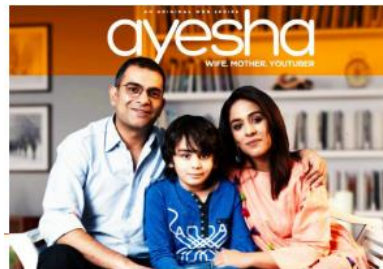


Calcium Awareness

Launched #1000WaysICan campaign to drive top of mind awareness



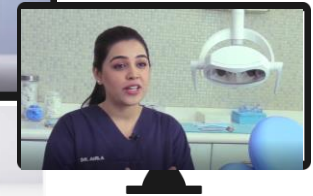
Clutter Breaking assets for TV, Radio & Digital



Amplification of awareness campaign through web series and PR

Sensodyne

Drove Sensodyne Herbal on multiple platforms for max reach and conversions



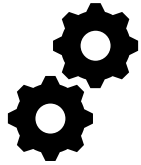
Focused on Rapid Action with new copies & Love Food Again Campaign amplification



Key Performance Highlights and Trust Factors



- Delivered 23% sales growth during first nine months ending September 2020.
- Captured overall Market share of *17.7% in total operating market. +2.4% vs LY
- Increased Oral Care numeric distribution by driving smaller size SKUs in General Trade.



- Evolved a new RTM structure; One face to Pharmacy and separate FMCG hybrid model.
- Successful deployment of SAP despite remote working with no business disruption.
- Rolled out new Commex Structure to bring a step change in Commercial capability.



- Established outsourced E2E national distribution models for tail brands including PSE portfolio.
- Reorganized, consolidated & strengthened Expert function to drive efficiency & increase coverage.
- Strong delivery through eCommerce channel by integrating into Modern Trade structure.



- Sales forecast Accuracy continues to be a challenge due to Covid-19. Focusing on OTIF to ensure availability.
- Marketing Authorisations successfully transferred for Panadol Tablets and Panadol Liquids from GSK Pharma Pakistan Limited to GSK Consumer Healthcare Pakistan Limited.

GSK CH's response to COVID



Response in COVID

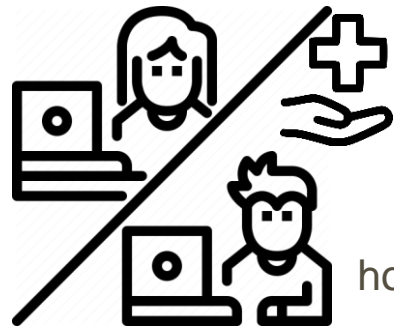
Quickly responded to changing market dynamics



Covid Awareness campaign by Panadol #staysafe



Dentist Awareness message on Oral Health habits by Sensodyne during COVID



Expert team started Remote Detailing to reach doctors; hosted online conferences

People Safety

Ensured team and front line workers were safe



Work from Home + Electronic Approval process implemented for Employees (Ergonomics allowance provided)

Protective Kits given to Doctors, Sales & Expert team for their safety



Protective shields installed in medical stores for safety of pharmacists

Supply Chain Operations

Put customers & consumers first



Strong BCPs put in place to cater to upsurge in demand of Panadol & CaC

Additional inventory of RM/PM purchased to support continuous operations



BCPs agreed with LSPs to ensure Finished Goods are delivered to customers on time and in full



Key Financial

Key Financial Highlights



YTD September 2020

Net Sales
14,489
Million

Growth in Sales
23%

Gross margin
28%

(2% vs LY)

*OPEX
2,603
Million

(12% vs LY)

Profit before tax
1,381
million

Earning per
share
Rs. 8.32

YTD September 2019

Net Sales
11,812
Million

Gross margin
32%

OPEX
2,547
million

Profit before tax
1,239
million

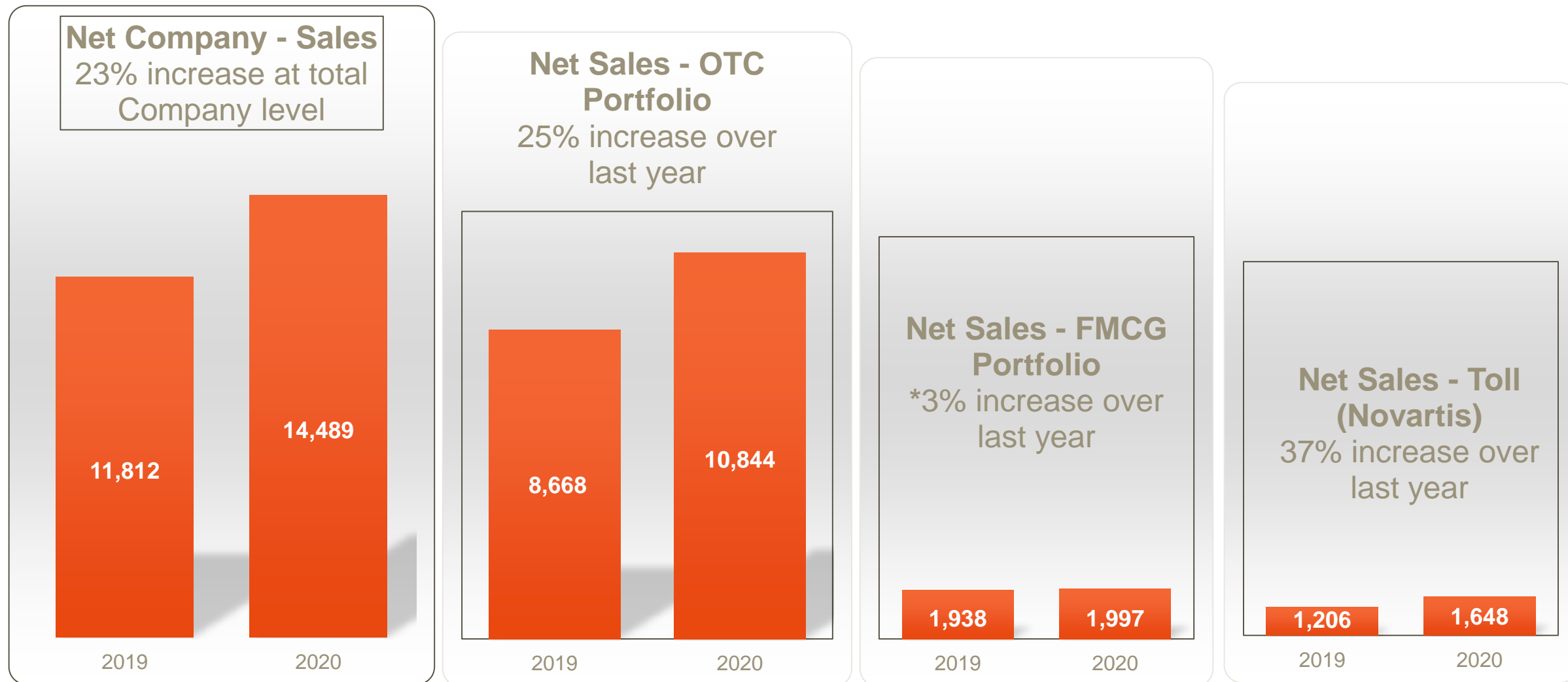
Earning per
share
Rs. 7.59

**OPEX excluding financial charges grew by 7% vs Last year despite the average inflation of 9.2%*

Portfolio wise Sales – Sept YTD



Amounts in PKR million



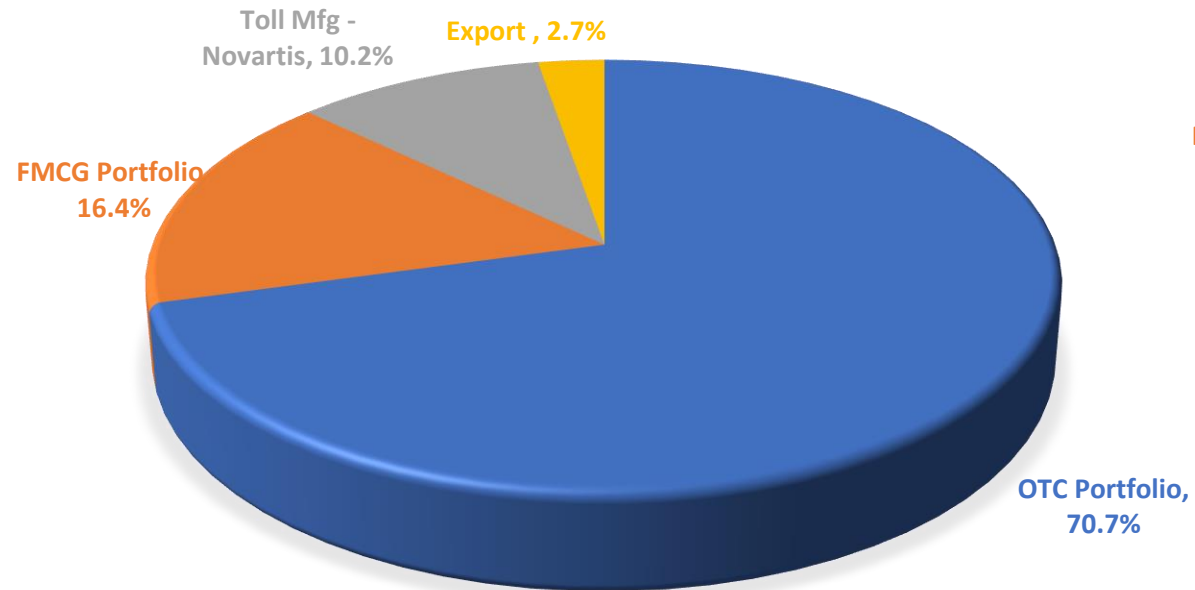
*Underlying growth is 16% excluding divestment of Oilatum, Horlicks & Physiogel.

Sales Contribution – Sept YTD

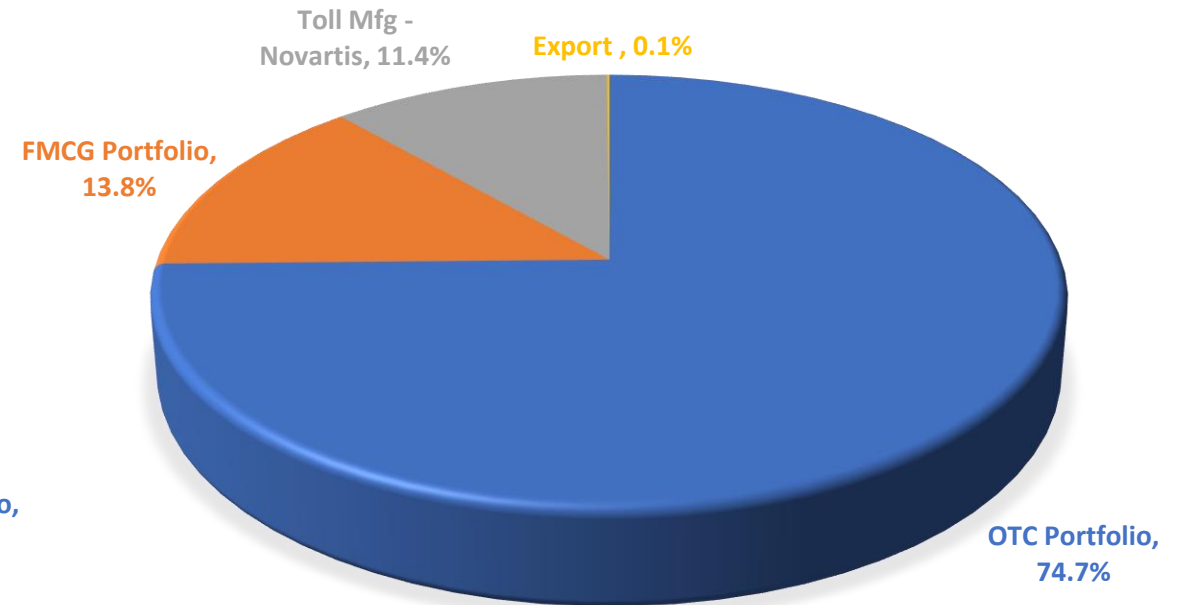
Portfolio wise - Share



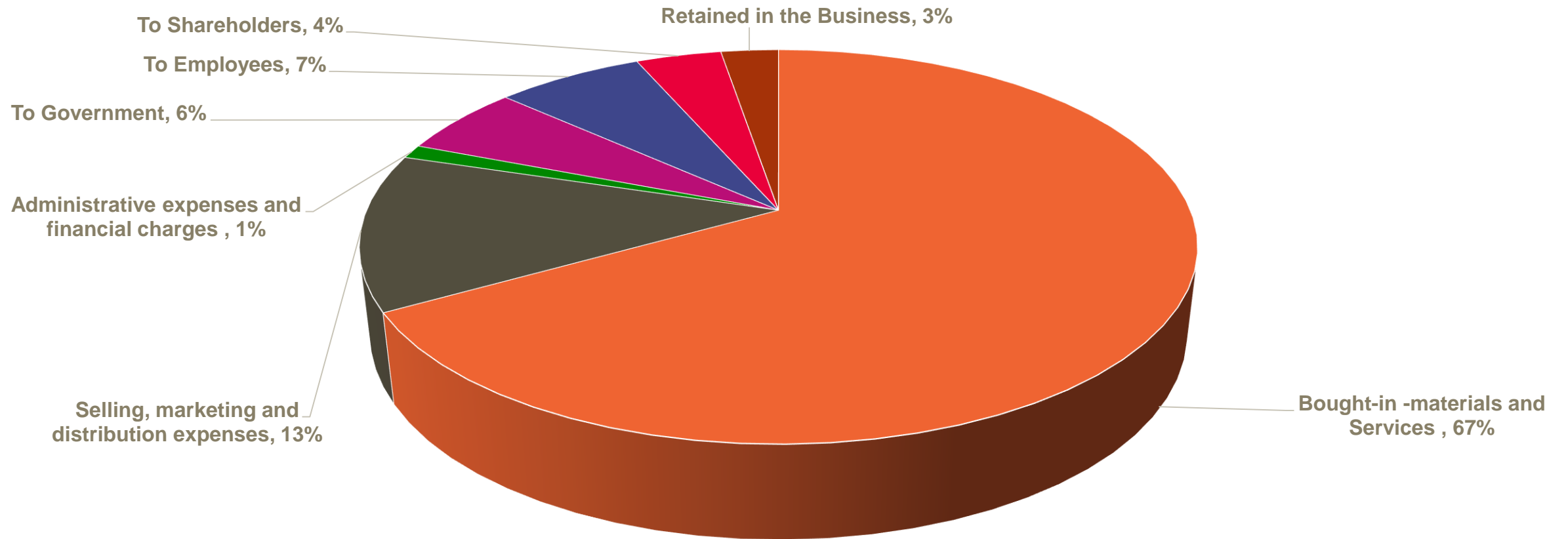
2019: PORTFOLIO SHARE



2020: PORTFOLIO SHARE



Revenue Distribution



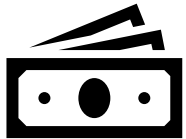
Key Performance Ratios

Balance Sheet Ratios	September 30, 2020	September 30, 2019
Return on equity	20%	21%
Current Ratio	1.36	1.37
Quick Ratio	0.61	0.67
Inventory days	87	82
Receivables days	17	17
Payable days	21	24

Outlook and Challenges



Unceasing spike in COVID cases, new regulations by government. Ultimate severity, duration and impact of the pandemic remain unknown.



Continuous currency devaluation negatively impacting the ability of business to distribute and invest more.



Face to face meetings with doctors to ensure better awareness of products is still a big challenge. Mix of F2F and remote detailing using digital forums in place.



Manufacturing continues to meet Panadol & CaC demand despite issues in sourcing APIs amid COVID. Material sourcing is a big challenge considering increased demand and prices.



Business Continuity Plan is in execution. Weekly Crisis Management Meeting (CMT) happening to address day to day challenges, ensure access to our patients to help; do more, feel better and live longer.

THANK YOU!
Q&A

