

DEAL PROFILE

GLAXOSMITHKLINE | PFIZER
Consumer Healthcare Joint Venture

VALUES

N/A

68%

32%

TRANSACTION VALUE

GSK EQUITY STAKE

PFIZER EQUITY STAKE



GlaxoSmithKline

GlaxoSmithKline plc (LSE:GSK)*

GlaxoSmithKline Consumer Healthcare, Inc. ("GSK CH") is a subsidiary of GlaxoSmithKline plc (LSE:GSK) and provides oral healthcare, over-the-counter ("OTC") medicines, and nutritional healthcare products. GSK CH's products include toothpastes, prescription creams and ointments, baby care, gas relief, cough and cold remedies, upset stomach remedies, lice treatments, feminine hygiene, and sleep aid products. GSK CH was founded in 2000 and is based in Mississauga, Canada.

TEV: \$122.6bn

LTM EBITDA: \$9.8bn

LTM Revenue: \$38.3bn



Pfizer Inc. (NYSE:PFE)*

Pfizer Consumer Healthcare ("PCH") is a subsidiary of Pfizer Inc. (NYSE:PFE) and manufactures and markets nutritional products, vitamins, and non-prescribed medicines. PCH's areas of interest include Pain Management, Dietary Supplements, GI Health, Respiratory, Personal Care, and OTC switch products. PCH has a global footprint in more than 90 countries and sells two of the top ten global OTC brands in Advil and Centrum. PCH is based in Richmond, VA.

TEV: \$267.3bn

LTM EBITDA: \$21.4bn

LTM Revenue: \$53.4bn

BOURNE PARTNERS MARKET RESEARCH

Bourne Partners provides strategic and financial advisory services to clients throughout the business evolution life cycle. In order to provide the highest level of service, we routinely analyze relevant industry trends and transactions. These materials are available to our clients and partners and provide detailed insight into the pharma, pharma services, OTC, consumer health, and biotechnology sectors.

OVERVIEW

GSK has reached an agreement with Pfizer to combine their consumer health businesses into a new, world-leading JV with combined sales of approximately \$12.7bn. GSK will have a controlling interest of 68% and Pfizer will hold the remaining 32%. The JV will be the global leader in OTC products with a market share of 7.3% and will have number 1 or 2 market share positions in all key geographies.

HIGHLIGHTS

The proposed all-equity transaction represents a compelling opportunity to build on the recent buyout of Novartis' stake in GSK Consumer Healthcare by creating a new world-leading consumer healthcare business. The proposed transaction is expected to generate total annual cost savings of ~\$635.0mm by 2022 and planned divestments of ~\$1.3bn will cover the expected integration costs. The transaction is expected to be accretive to total earnings in the second full year after closing. Pfizer's Corex, Gelusil, and Becosules brands will not be included in the JV portfolio.

Source(s): GSK Press Release, Money Control

* Company financial information is representative of parent company