

Ex-Tesco boss Dave Lewis to return to the FTSE as chair of GSK's new consumer spin-out

G
laxoSmithKline ([GSK](#)) has named former Tesco CEO Sir [Dave Lewis](#) as the chair of its new consumer business, [which is set to be spun out next year](#).

GSK said Lewis would be named chair designate from 1 January. Earlier this year the pharmaceutical giant announced plans to spin off its consumer division, which makes things like Aquafresh toothpaste, Panadol painkiller and Chapstick lip balm. GSK will sell at least 80% of its stake in the division, which had sales of £10 billion last year. The de-merger will take place in the middle of 2022.

Lewis said in a statement: "GSK Consumer Healthcare is a world-class business with significant prospects and a high-quality leadership team. I am looking forward to being part of its exciting future as an independent company and the very positive impact it can have on people's health all over the world."

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The appointment means Lewis is set for a return to the London stock market after just over a year away. Lewis ran Tesco from 2014 to 2020 and is credited with turning around the supermarket. He was [parachuted in after an accounting scandal](#) that saw a £250 million hole discovered in Tesco's balance sheet.

Prior to Tesco Lewis spent 27 years at Unilever, where he [earned the nickname "Drastic" Dave](#) for his cuts to jobs and product lines, moves aimed at controlling costs.

Sir Jonathan Symonds, chair of GSK, said: "I am delighted to welcome Dave as chair designate of the new Consumer Healthcare company. He brings outstanding global consumer and retail sector experience that will be of valuable support to Brian [McNamara, CEO of the consumer division] and the management team as they deliver the full potential of this new world-leading Consumer Healthcare company."

Lewis, who was knighted in the 2021 New Year's Honours, will be paid £700,000 a year in the new role.

GSK's plan to spin-out its consumer division follows [an activist campaign from New York hedge fund Elliott Advisors](#). The fund, which has a "significant" stake in GSK, has called for the outright sale of the consumer healthcare arm and [a shake-up at the top of the dedicated vaccines and drug unit "New GSK"](#).

Victoria Scholar, head of investment at Interactive Investor, said Lewis's appointment was "a win for GSK and could help to alleviate some of the pressure from activist shareholder Elliott Advisors.

She said: "Sir Dave's six years at the helm of Tesco and almost three decades at consumer goods group Unilever demonstrate his impressive retail and consumer goods experience, a CV that will go hand-in-hand with the spin-off's own aspirations to grow in terms of direct-to-consumer online

sales. The GSK, Pfizer joint venture is expected to attract a lot of interest among investors as it looks to list in London next year, in part thanks to the considerable M&A opportunities with consolidation potential in areas such as vitamins.”

Shares in GSK fell 32.8p, or 2%, to 1580,6p, [in line with a broader market sell-off.](#)