

GlaxoSmithKline chief Emma Walmsley unveils crunch plan for decade of growth

GlaxoSmithKline chief Emma Walmsley today declared the under-fire drugs giant was set to deliver “a step change in [growth](#)” over the next decade as she set out her key strategic [goals](#) in the most important day of her [career](#).

Walmsley is in the process of splitting off the [company](#)’s vast consumer brands arm but has come under fire from activist investor [Elliott](#) in the face of a flagging share price.

Today, she declared “New” GSK – the core drugs division – would grow profits more than 10% every year up to 2026, putting it the top 25% of pharma companies. Sales growth would be more than 5% a year as the company shifted towards [vaccines](#) and high-tech medicines for [cancer](#), HIV and other hard-to-treat diseases.

She said she and her top team were “confident we can deliver” on the new goals.

The new consumer healthcare business, whose brands include Sensodyne and Panadol, will be dermerged “at least 80%” to shareholders, with GSK retaining up to 20% as a short-term financial investment that would be sold at a later stage. The demerger would be tax efficient for shareholders, it said.

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The dividend will be cut to 45p in 2023 from New GSK, with 55p a share coming from the consumer arm.

Walmsley said: “The benefits of the huge transformation we have driven since 2017 are now clear. We have strengthened our R&D and commercial execution, and transformed our group structure and capital allocation, while driving a profound cultural change with new leadership.

“Together, we are now ready to deliver a step-change in growth for New GSK and unlock the value of Consumer Healthcare. With world class capabilities across prevention and treatment of disease, New GSK is exceptionally well positioned to positively impact people’s health and to deliver strong performance and value to shareholders through the decade.”

Investors have been keenly awaiting today’s update amid growing dissatisfaction with GSK’s progress.

Elliott, which has bought a stake in the company to press its case, has so far said nothing in public, but is believed to be pushing for Walmsley not to remain in charge of “New GSK” – the pharmaceuticals and vaccines arm of the business.

It is believed to feel that Walmsley’s lack of scientific background make her unsuitable. Despite setting itself up as the world’s biggest vaccines company, GSK has failed so far to come up with a Covid jab.

Rather than work on creating a new vaccine itself, it opted to team up with other firms in partnerships. The plan was for GSK simply to provide the adjuvant accelerator to the active

ingredient developed by someone else.

It chose to partner with pharmaceuticals peer Sanofi, but the French group got the doses wrong and it is still held up in trials.

Walmsley became CEO of Glaxo in 2017, inheriting from predecessor Sir Andrew Witty a declining pipeline of new medicines.

Since her arrival, she has totally overhauled the top level management in its pharmaceuticals and vaccines business and bulked up its consumer division by merging Glaxo's brands including Sensodyne and Panadol with Pfizer's, led by Advil, Centrum and Caltrate.

She also bought biotech group Tesaro for \$5 billion in a bid to repair its pipeline of new potential blockbuster cancer treatments.