



Q1 2023 Pre-Announcement Aide Memoire

Issued: Tuesday 11 April 2023

GSK has prepared this Q1 2023 pre-announcement aide-memoire per our standard prior practice. It includes statements made in previous public communications by GSK as extracted from their original source and, therefore, by definition, they should only be taken as speaking as at the date they were initially made, and they do not reflect subsequent or recent events, circumstances, or developments. Any updates to these and other previously made statements would only be included in further communications by GSK to the market and the inclusion of the extracted statements herein should not be taken to indicate that they will not be updated in the future.

As our Q4 2022 stock-exchange announcement indicated, the potential impact of the COVID-19 pandemic on GSK's trading performance and all its principal risks is continually assessed, with appropriate mitigation plans put in place. In 2022, GSK was encouraged by the uptake of its vaccines and medicines. The Company remains confident in the underlying demand for its vaccines and medicines, especially given the significant number of COVID-19 vaccinations and boosters administered worldwide. However, the pandemic remains a significant ongoing risk, with the World Health Organization continuing to monitor the emergence of new variants. The current rate of infection is predominantly driven by the circulation of the BA.5 subvariant and its descendent lineages, which are still the dominant subvariants of Omicron globally. While COVID-19 vaccines are being updated with Omicron variants to provide broader immunity against circulating and emerging variants, these subvariants and potential future variants of concern could potentially impact GSK's trading results, clinical trials, supply continuity and its employees materially.

Please read the assumptions and cautionary statements regarding forward-looking statements set out on page 317 of the Annual Report 2022 and the "Basis of preparation, assumptions and cautionary statement" section of the announcement issued by the Company on 23 June 2021 in relation to its Investor Update. Please read the definitions and reconciliations for non-IFRS measures on pages 39, 40 and 67 of the Q4 2022 results release and the annual report on Form 20-F for FY 2022.

Full-year 2023 Guidance

Commentary from Q4 2022 stock-exchange announcement (page 2)

The Company provides its full-year 2023 guidance at constant exchange rates (CER). All expectations and full-year growth rates exclude any contributions from COVID-19 solutions.

- **Turnover** is expected to increase between 6% to 8%
- **Adjusted operating profit** is expected to increase between 10% to 12%
- **Adjusted earnings per share** is expected to increase between 12% to 15%

Due to the phasing of quarterly results in 2022 and the resulting comparators, GSK expects turnover and Adjusted operating profit growth to be slightly lower in the first half of 2023 including a challenging comparator in Q1 2022 and somewhat higher in the second half, relative to full-year expectations.

Key information for Q1 2023

Foreign exchange

We expect that the positive impact of foreign exchange on Q1 2023 sales will be around +5%

Weighted average number of shares (WANS)

The basic WANS in Q1 2023 was 4,044m (an increase of 0.7% relative to Q1 2022).

The information below includes commentary from recent circulars, stock-exchange announcements, investor/analyst calls, and previously published outlook statements.

2023 COVID-19 solutions expectations

Commentary from Q4 2022 stock-exchange announcement (page 2):

Based on known binding agreements with governments, GSK does not anticipate any significant COVID-19 pandemic-related sales or operating profit in 2023. Sales of COVID-19 solutions were £2.4 billion in 2022 and therefore we expect a reduction in Turnover growth by approximately 9% and a reduction in Adjusted operating profit growth by 6% to 7%. However, the Company continues to discuss future opportunities to support governments, healthcare systems, and patients whereby its COVID-19 solutions can address the emergence of any new COVID-19 variant of concern.

Note that FY 2022 COVID-19 solutions sales totalled £2,373m comprising Xevudy (£2,309m) and pandemic vaccines (£64m)

Impact of COVID-19 solutions on Q1 2022 Adjusted results

Q1 2022	Reported	Contribution from COVID-19 solutions	Reported excluding COVID-19 solutions
Turnover (£m)	7,190	1,307	5,883
Adjusted operating profit (£m)	1,943	194	1,749
Adjusted EPS (p)	32.3	4.1	28.2



Sales

2023 full-year guidance: Turnover is expected to increase between 6% to 8% at CER

Q4 2022 comment on phasing for 2023: Due to the phasing of quarterly results in 2022 and the resulting comparators, GSK expects turnover and Adjusted operating profit growth to be slightly lower in the first half of 2023 including a challenging comparator in Q1 2022 and somewhat higher in the second half, relative to full-year expectations.

Specialty Medicines

2023 Full-year outlook:

- Sales expected to increase mid to high-single-digit %, excluding *Xevudy*.
- **HIV** expected to grow at a mid-single-digit % rate.
- **Oncology** expected to decrease mid-teens % before returning to growth in 2024.

HIV

Commentary on 2023 at Q4 2022: Looking ahead to 2023, we expect to see continued strong patient demand for our new HIV medicines. **We expect the year-end inventory build to burn through the first half of 2023;** we are confident of delivering mid-single-digit growth this year.

Oncology

Blenrep - On 22 November 2022, GSK announced it has initiated the process for withdrawal of the US marketing authorisation for *Blenrep* following the request of the US FDA.

[GSK provides an update on Blenrep \(belantamab mafodotin-blmf\) US marketing authorisation | GSK](#)

Zejula - On 11 November 2022, GSK announced that at the request of the US FDA it will restrict the second-line maintenance indication for *Zejula* to only the patient population with deleterious or suspected deleterious germline BRCA mutations (gBRCAmut). The US first-line indication of *Zejula* remains unchanged. [GSK provides an update on Zejula \(niraparib\) US prescribing information | GSK](#)
Sales in the second-line maintenance setting represented around 25% of US sales of *Zejula*.

Vaccines

2023 Full-year outlook: Sales are expected to grow mid-teens %, excluding pandemic adjuvant sales and expect to see *Shingrix* momentum continue double-digit growth with another record year of sales.

Meningitis - 2023 Full-year outlook: Sales are expected to increase mid-teens %.

Commentary at Q1 2022: Meningitis vaccines sales grew 12% CER to £212 million mainly driven by *Bexsero* (+23% CER to £163 million) reflecting higher CDC purchasing in the US.

Flu - 2023 Full-year outlook: Sales are expected to decrease low single-digit %.

Seasonal Influenza activity in the US is tracked by the CDC. For the US Weekly Influenza Surveillance Report you can visit: [Weekly U.S. Influenza Surveillance Report | CDC](#)

Shingrix

2023 Full-year outlook: Expected to deliver another record year for sales with double-digit % growth.

Commentary at Q1 2022: *Shingrix* sales more than doubled, delivering a record quarter of nearly £700m of turnover. The strong performance reflected the benefit of a favourable comparator, good demand, and channel inventory build, including a large retail purchase that we do not expect to repeat in Q2.

Established Vaccines

2023 Full-year outlook: Sales are expected to increase low single-digit %.



Commentary at Q1 2022: Established Vaccines grew 8% CER to £741 million mainly as a result of higher CDC purchases of *Infanrix/Pediarix* and Hepatitis vaccines, US demand and share growth for *Boostrix*.

COVID immunisation progress in the US is tracked by the CDC. For US COVID vaccine demographics, including adoption by age, you can visit: <https://covid.cdc.gov/covid-data-tracker/#vaccination-demographic>

General Medicines

2023 Full-year outlook: Sales expected to decrease slightly and remain on track with our broadly stable sales outlook between 2021 and 2026.

Financials (adjusted)

Operating profit

2023 Full-year guidance: Adjusted operating profit is expected to increase between 10% and 12% (excluding COVID-19 solutions).

This is influenced by expected cost dynamics, where we expect cost of goods sold to have a respectable increase slightly below sales; SG&A to grow broadly aligned to sales, and for royalties to grow versus 2022.

Commentary on impact of COVID-19 solutions Adjusted operating profit:

Q1 2022 included an operating profit contribution of £194m from COVID-19 solutions. This represented 10% of Q1 2022 operating profits.

Cost of goods sold

2023 Full-year outlook: COGS (excluding impact of pandemic solutions) expected to increase at a rate slightly below turnover.

Comment on the impact of pandemic solutions on COGS in Q1: In Q1 2022, COGS was heavily impacted by a high proportion of Xevudy sales (£1,307m out of Group sales of £7,190m – 18% of Group sales). Xevudy has higher COGS mainly reflecting the profit share pay away to Vir Biotechnology (72.5% profit share).

SG&A

2023 Full-year outlook: Expected to increase at a rate broadly aligned to turnover.

Commentary on H1 2023 SG&A expenditures: We would also expect SG&A to grow at a higher rate than sales, reflecting investment to support recent and anticipated launches.

R&D

2023 Full-year outlook: Expected to increase at a rate slightly below turnover.

Royalty income

2023 Full-year outlook: Expected to be around £800m.

In £ millions	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Gardasil	285	90	90	167	99	446
Other	132	48	69	88	107	312
Total	417	138	159	255	206	758

Royalties in 2022 benefitted from Biktarvy contribution and higher sales of Gardasil.



- Between 1 February 2022 and 5 October 2027, Gilead will pay a 3% royalty on all future US sales of *Biktarvy* (2022 US *Biktarvy* sales were \$8.5bn / £6.9bn).

GSK announces settlement between ViiV Healthcare and Gilead Sciences, Inc., resolving litigation relating to Biktarvy and ViiV's dolutegravir patents and entry into a patent licence agreement | GSK

- Our Gardasil royalty stream will cease at the end of 2023.

Associates

2023 Full-year outlook: Expected to be negligible.

Net Interest payable

2023 Full-year outlook: between £750m and £800m.

Tax

2023 Full-year outlook: around 15%

Non-Controlling interests

2023 Full-year outlook: ViiV is main ongoing NCI, with Q1 2022 'Other' NCI not repeating

In £ millions	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
ViiV	438	113	151	139	148	551
Other	3	48	(1)	(4)	1	44
Total	441	161	150	135	149	595

Adjusted EPS

2023 Full-year outlook: Expected to increase between 12% and 15%, excluding COVID-19 solutions.



Historic London Stock Exchange (LSE) announcements and press releases

Since the beginning of Q1 2023, we have issued several LSE announcements and press releases, each of which can be accessed using the following links:

<https://www.gsk.com/en-gb/media/press-releases/>

<https://us.gsk.com/en-us/media/press-releases/>

<https://us.gsk.com/en-us/products/>

<https://www.gsk.com/en-gb/investors/stock-exchange-announcements/london-rns/>

<https://www.gsk.com/en-gb/investors/stock-exchange-announcements/new-york-sec/>

Key updates during Q1

30 March: [GSK and SCYNEXIS announce an exclusive agreement to commercialise and further develop Brexafemme \(ibrexafungerp\), a novel, first-in-class medicine to treat fungal infection | GSK](#)

30 March: [Medicines Patent Pool signs sublicences with Aurobindo, Cipla and Viatris to produce generic versions of ViiV Healthcare's innovative long-acting HIV prevention medicine | GSK](#)

27 March: [Publication of 2023 AGM Notice \(investis.com\)](#)

27 March: [Phase III RUBY clinical trial demonstrates potential of *Jemperli* \(dostarlimab\) plus chemotherapy to redefine the treatment of primary advanced or recurrent endometrial cancer versus chemotherapy alone | GSK](#)

24 March: [Statement: *Zantac* \(ranitidine\) litigation | GSK](#)

14 March: [China National Medical Products Administration accepts regulatory submission for *Nucala* \(mepolizumab\) in severe eosinophilic asthma | GSK](#)

14 March: [GSK announces positive pivotal phase III data for 5-in-1 Meningococcal ABCWY vaccine candidate | GSK](#)

10 March: [GSK Annual Report 2022 on Form 20-F \(investis.com\)](#)
[GSK publishes Annual Report 2022 \(investis.com\)](#)

01 March: [US FDA Advisory Committee votes to support effectiveness and safety of GSK's respiratory syncytial virus older adult vaccine candidate | GSK](#)

23 February: [ViiV Healthcare announces positive data demonstrating long-acting injectable *Cabenuva* \(cabotegravir, rilpivirine\) is as effective as daily oral *Biktarvy* \(BIC/FTC/TAF\) for the treatment of HIV-1 | GSK](#)

15 February: [Landmark New England Journal of Medicine publication reinforces potential of GSK's respiratory syncytial virus older adult vaccine candidate | GSK](#)

14 February: [ViiV Healthcare to present first head-to-head data for long-acting HIV treatment *Cabenuva* against daily oral *Biktarvy* at CROI 2023 | GSK](#)

13 February: [EMTN Notes repurchase results \(investis.com\)](#)

10 February: [US FDA grants regular approval for *Jemperli* for the treatment of patients with recurrent or advanced mismatch repair-deficient endometrial cancer | GSK](#)



09 February: [US FDA Advisory Committee votes in support of trials designed to evaluate Jemperli \(dostarlimab-gxly\) as a potential treatment for mismatch repair-deficient/microsatellite instability-high locally advanced rectal cancer | GSK](#)

06 February: [GSK announces results from 17-year retrospective study on US clinical trial diversity | GSK](#)

01 February: [Jesduvroq \(daprodustat\) approved by US FDA for anaemia of chronic kidney disease in adults on dialysis | GSK](#)

01 February: [Benlysta granted Orphan Drug Designation by US FDA for the potential treatment of systemic sclerosis | GSK](#)

Selected 2022 releases

07 December: [Statement: Zantac \(ranitidine\) litigation | GSK](#)

22 November: [GSK provides an update on Blenrep \(belantamab mafodotin-blmf\) US marketing authorisation | GSK](#)

11 November: [GSK provides an update on Zejula \(niraparib\) US prescribing information | GSK](#)

16 August: [Statement: Zantac \(ranitidine\) U.S. litigation | GSK](#)

For your reference, the following pages include tables with historical financial information. We have included additional details to help with modelling Q1 2023 estimates.

Essential information for Q1 2023

Foreign exchange

Based on the rates in the table below, it is expected that the positive impact of foreign exchange on Q1 2023 sales will be around +5%.

Average rates Quarterly	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Key currencies					
US\$	1.34	1.26	1.18	1.19	1.22
€	1.19	1.18	1.16	1.15	1.14
Yen	156	162	161	165	162
Other currencies					
Australian dollar	1.84	1.77	1.73	1.79	1.79
Brazilian real	6.97	6.27	6.13	6.28	6.32
Canadian dollar	1.69	1.60	1.55	1.61	1.65
Chinese yuan	8.46	8.29	8.07	8.40	8.38
Indian rupee	100.2	97.0	93.6	97.5	100.5
FX impact on turnover	<i>flat</i>	+6%	+9%	+7%	+5%
FX impact on Adjusted operating profit	<i>flat</i>	+15%	+14%	+16%	<i>n/a</i>
FX impact on Adjusted EPS	+3%	+17%	+14%	+16%	<i>n/a</i>

Average rates Cumulative - YTD	3M 2022	6M 2022	9M 2022	12M 2022	3M 2023
Key currencies					
US\$	1.34	1.30	1.26	1.24	1.22
€	1.19	1.19	1.18	1.17	1.14
Yen	156	159	160	161	162
Other currencies					
Australian dollar	1.84	1.81	1.78	1.78	1.79
Brazilian real	6.97	6.62	6.46	6.42	6.32
Canadian dollar	1.69	1.65	1.61	1.61	1.65
Chinese yuan	8.46	8.38	8.27	8.31	8.38
Indian rupee	100.2	98.6	96.9	97.1	100.5
FX impact on Group turnover	<i>flat</i>	+3%	+6%	+6%	+5%
FX impact on Adjusted operating profit	<i>flat</i>	+7%	+11%	+12%	<i>n/a</i>
FX impact on Adjusted EPS	+3%	+9%	+11%	+12%	<i>n/a</i>

Period end rates	Dec 2021	Mar 2022	Jun 2022	Sep 2022	Dec 2022	Mar 2023
Key currencies						
US\$	1.35	1.31	1.21	1.11	1.20	1.24
€	1.19	1.18	1.16	1.13	1.13	1.14
Yen	155	160	165	160	159	165

Foreign exchange: Ready reckoner

Following the 2022 Full Year results, we provided the following ready reckoner to help estimate the expected impact of foreign exchange movements on adjusted operating profit:

Currency	Impact on 2023 full year adjusted operating profit
US dollar	10 cents movement in average exchange rate for full year impacts Adjusted operating profit by approximately +/- 8.0%
Euro	10 cents movement in average exchange rate for full year impacts Adjusted operating profit by approximately +/- 0.5%
Japanese yen	10 yen movement in average exchange rate for full year impacts Adjusted operating profit by approximately +/- 1.0%

Please note that the ready reckoner does not include the impact of inter-company exchange gains or losses

The slide also included 2022 currency sales exposure for new GSK:

Currency	2022 currency sales exposure (new GSK)
US dollar	48%
Euro	17%
Japanese yen	7%
Other‡	28%

‡The other currencies that each represent more than 1% of Group sales include: Australian dollar, Brazilian real, Canadian dollar, Chinese yuan and Indian rupee. In total, they accounted for 9% of Group revenues in 2022.

Basic weighted average number of shares (WANS)

In millions*	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
WANS: Quarter	4,007	4,016	4,025	4,030	4,034	4,044
YoY change	+0.6%	+0.5%	+0.5%	+0.6%	+0.7%	+0.7%
WANS: Cumulative - Year to date	4,003	4,016	4,021	4,024	4,026	4,044
YoY change	+0.6%	+0.5%	+0.5%	+0.6%	+0.6%	+0.7%
Period end shares	4,007	4,025	4,026	4,034	4,035	4,052

*excludes treasury shares and shares held by ESOP trusts

Please note that historic figures above have been restated to reflect the GSK share consolidation

Dividend

In the Q4 2022 stock-exchange announcement (page 37), we made the following comments regarding the dividend:

“On 23 June 2021, at the new GSK Investor Update, GSK set out that from 2022 a progressive dividend policy will be implemented guided by a 40 to 60 percent pay-out ratio through the investment cycle. The dividend policy, the total expected cash distribution, and the respective dividend pay-out ratios for GSK remain unchanged.

GSK has previously stated that it expected to declare a 27p per share dividend for the first half of 2022, a 22p per share dividend for the second half of 2022 and a 45p per share dividend for 2023, (before the share consolidation) but that these targeted dividends per share would increase in step with the Share Consolidation to maintain the same aggregate dividend pay-out in absolute Pound Sterling terms. Accordingly, using the consolidation ratio, GSK’s expected dividend for the fourth quarter of 2022 converts to 13.75p per new ordinary share, this results in an expected total dividend for the second half of 2022 of 27.5p per new ordinary share. The expected dividend for 2023 is 56.5p per new ordinary share, in line with the original expectation converted for the Share Consolidation and rounded up.”

Dividend per share (p)	Q1	Q2	Q3	Q4	Full Year
2021	23.75	23.75	23.75	28.75	100
2022	17.5	16.25	13.75	13.75	61.25
2023 - expected					56.5 ¹

¹The actual dividend amount is determined by the Board of Directors.

Appendix: Impact of the application of the requirements of IFRS 5

The stock-exchange announcement issued on 5 July 2022 outlined the impact of the application of the requirements of IFRS 5 ('Non-current Assets Held for Sale and Discontinued Operations'):

[GSK to disclose discontinued operations from Q2 2022 \(investis.com\)](https://investis.com)

Adjusted P&L for continuing operations

In £ millions	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Turnover	24,696	7,190	6,929	7,829	7,376	29,324
Cost of sales	(7,346)	(2,527)	(1,970)	(2,214)	(2,030)	(8,741)
Selling, general and administration	(6,749)	(1,769)	(1,955)	(1,968)	(2,435)	(8,128)
Research and development	(4,525)	(1,088)	(1,155)	(1,297)	(1,522)	(5,062)
Royalty income	416	138	159	255	206	758
Adjusted operating profit	6,492	1,944	2,008	2,605	1,595	8,151
Net finance cost	(751)	(197)	(181)	(177)	(235)	(791)
Associates	33	(1)	(2)	(1)	2	(2)
Adj. profit before tax	5,774	1,746	1,825	2,427	1,362	7,358
Taxation	(918)	(291)	(277)	(402)	(172)	(1,138)
Tax rate %	15.9%	16.7%	15.2%	16.6%	12.6%	15.5%
Adj. profit after taxation	4,856	1,455	1,548	2,025	1,190	6,220
Adj. profit attributable to non-controlling interests	(441)	(161)	(150)	(135)	(149)	(595)
Profit attributable to shareholders	4,415	1,294	1,398	1,890	1,041	5,625
Average shares (m)*	4,003	4,016	4,025	4,030	4,034	4,026
Adjusted EPS (p) *	110.3	32.3	34.7	46.9	25.8	139.7

Impact of COVID-19 solutions

In £ millions	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Turnover (£m)	1,405	1,307	466	417	183	2,373
Adjusted operating profit	532	194	58	141	69	462
Adjusted EPS (p) *	11.2	4.1	1.2	2.9	1.5	9.7

Adjusted P&L excluding COVID-19 solutions

In £ millions	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Turnover (£m)	23,291	5,883	6,463	7,412	7,193	26,951
Adjusted operating profit	5,691	1,749	1,950	2,464	1,526	7,689
Adjusted EPS (p) *	99.1	28.2	33.5	44.0	24.3	130.0

Turnover for continuing operations

In £ millions	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Meningitis	961	212	235	441	228	1,116
Influenza	679	18	32	388	276	714
Shingles	1,721	698	731	760	769	2,958
Established vaccines	2,970	741	717	884	743	3,085
Vaccines ex pandemic	6,331	1,669	1,715	2,473	2,016	7,873
Pandemic vaccines	447	-	-	6	58	64
Vaccines	6,778	1,669	1,715	2,479	2,074	7,937
HIV	4,777	1,181	1,404	1,486	1,678	5,749
Oncology	489	127	154	164	157	602
Immuno-inflammation, respiratory and other	2,027	520	680	688	721	2,609
Specialty Medicines ex pandemic	7,293	1,828	2,238	2,338	2,556	8,960
Pandemic	958	1,307	466	411	125	2,309
Specialty Medicines	8,251	3,135	2,704	2,749	2,681	11,269
Respiratory	6,048	1,535	1,649	1,682	1,682	6,548
Other General Medicines	3,619	851	861	919	939	3,570
General Medicines	9,667	2,386	2,510	2,601	2,621	10,118
Commercial Operations	24,696	7,190	6,929	7,829	7,376	29,324
Pandemic solutions	1,405	1,307	466	417	183	2,373
Commercial Operations excluding pandemic	23,291	5,883	6,463	7,412	7,193	26,951

To illustrate underlying performance, it is the Group's practice to discuss its results in terms of CER growth. This represents growth calculated as if the exchange rates used to determine the results of overseas companies in Sterling had remained unchanged from those used in the comparative period. All commentaries are presented in terms of CER growth unless otherwise stated.

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