

Pfizer, GSK to create premier healthcare company

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Pfizer Inc. and GlaxoSmithKline plc have entered into an agreement to create a premier global consumer healthcare company with robust iconic brands. The Boards of Directors of both companies have unanimously approved the transaction under which Pfizer will contribute its consumer healthcare business to GlaxoSmithKline's existing consumer healthcare business. The 2017 global sales for the combined business were approximately \$12.7 billion.

Under the terms of the transaction, Pfizer will receive a 32% equity stake in the joint venture, entitling Pfizer to its pro rata share of the joint venture's earnings and dividends, which will be paid on a quarterly basis. Pfizer will have the right to appoint three out of the nine members of the joint venture's board. The transaction is expected to deliver \$650 million in peak cost synergies and to be slightly accretive for Pfizer in each of the first three years after the close of the transaction, which is anticipated during the second half of 2019, subject to receipt of GSK shareholder approval and regulatory approvals, and satisfaction of other customary closing conditions.

The joint venture will be a category leader in pain relief, respiratory, vitamin and mineral supplements, digestive health, skin health and therapeutic oral health and will be the largest global consumer healthcare business. In addition, the joint venture is expected to be the first or second largest consumer healthcare player in key geographies, including the United States, Europe, China, India and Australasia. The joint venture will operate globally under the GSK Consumer Healthcare name.