


Our Business Model

Our business model sets out how we execute our strategy to deliver on our purpose: **making a difference to people's lives, through making a range of clinically valuable healthcare products available to consumers and patients around the world.**


Resources & dependencies:


External market conditions


The global demand for healthcare products and prescription medicines


 See pages 20–21


Our assets and resources

 Our people & culture see pages 44–45

 Our brands see pages 14–17


 Our relationships see pages 38–41

 Our infrastructure see page 49

 Our financial resources see pages 52–55

Support from our stakeholders

Maintaining effective engagement to ensure we continue to understand their needs and respond to their concerns

 See pages 39–41

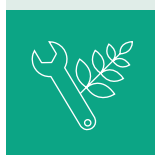
How we create value:



Invest

Selectively investing in our brands

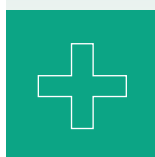
Using our deep sector expertise, marketing skills, and technical capabilities to invest in selected brands, primarily Consumer Healthcare brands, to accelerate their growth



Maintain

Maintaining our heritage pharma brands

These remain a good source of cash generation for us and so continue to benefit from our established expertise in the management of many types of regulated medical products







Acquire

Selectively acquiring new brands

To supplement our existing portfolio and provide new opportunities for growth

How we utilise the cash we generate:

The cash generated from our trading activities is applied in:

-  Reinvesting in our existing brands
-  Acquiring new brands
-  Paying down debt
-  Rewarding our shareholders

The amount we reinvested in our existing portfolio of brands in 2020

£17m+

The amount we spent on acquiring new brand, Amberen, in 2020

£82.7m

The amount by which our net debt would have decreased in 2020, excluding the acquisition of Amberen

£32.5m

The dividend payments we made to shareholders in 2020

£2.8m

Some of the ways in which our activities benefit consumers and patients:



In 2020, we sold over

4 million

packs of Kelo-cote – enough to treat around 8 scars a minute

How we maximise the value we create:

We do this through focusing on the 8 Critical Success Factors which underpin our strategy:

See pages 26–27

- Ensuring availability of funding
- Maintaining a blended model – acquisitions and organic growth
- Maximising deal flow
- Developing our marketing excellence
- Maintaining operational excellence
- Ensuring we have an engaged, skilled and motivated workforce
- Developing a scalable resource capability
- Marketing Alliance as a success story

Responsible business

Operating our business in an ethical and sustainable way, which benefits all our stakeholders, whilst seeking to minimise the negative environmental and social impacts of our business operations.

See pages 36–51

Governance & risk management

Maintaining an effective governance framework

See page 72

Ensuring effective management of risk

See pages 56–57

Our culture and values

Acting in accordance with our values

See page 51

Maintaining our strong and collaborative culture of working together to achieve more

See pages 5–9

Product development (range extensions)

To ensure our products continue to stay aligned with changing consumer preferences

In July 2020, we successfully launched a new formulation of Nizoral (Triatop) in China

See page 15



Continuing to develop our marketing and promotional materials

To increase consumer awareness and understanding of our products

In 2020, we redesigned our packaging and promotional materials for Vamousse in the US – in 2020, this product was used to treat 750k headlice infestations

Acquiring new products

To increase the number of clinically valuable healthcare products we are able to offer to consumers and patients

In December 2020, we completed the US acquisition of Amberen – for the relief of the symptoms of menopause

See page 29



Continuing to support HCPs

To increase their knowledge and awareness of our products, so they can make informed recommendations to patients

In 2020, we were forced to take our UK sales team activities online – however that didn't stop the team from maintaining high levels of engagement – and donating products to help HCPs counter the effects of constant handwashing

See page 31

Brand protection

To increase trust and consumer confidence in our products, through ensuring consumers only have access to genuine products

In 2020, we created a new Head of Global Brand Protection role to assure the security of our supply chain and minimise the risk of counterfeit product being sold to consumers

See page 47