



Figure 14: Core P&L forecasts

GBPm	FY14A	FY15E	FY16E	FY17E	FY18E	FY19E	FY20E
<b>Sales</b>	<b>23,006</b>	<b>24,402</b>	<b>25,313</b>	<b>26,105</b>	<b>26,797</b>	<b>27,247</b>	<b>28,217</b>
Growth (%)	-10.1%	6.1%	3.7%	3.1%	2.7%	1.7%	3.6%
...Pharmaceuticals	18,670	18,184	18,455	18,979	19,386	19,546	20,218
...Consumer Health	4,336	6,218	6,858	7,126	7,412	7,701	7,999
Cost of sales	-6,535	-7,985	-8,179	-8,477	-8,956	-9,088	-9,315
<b>Gross Profit</b>	<b>16,471</b>	<b>16,417</b>	<b>17,134</b>	<b>17,628</b>	<b>17,841</b>	<b>18,159</b>	<b>18,902</b>
Gross margin	71.6%	67.3%	67.7%	67.5%	66.6%	66.6%	67.0%
SG&A	-7,074	-7,444	-7,447	-7,429	-7,547	-7,593	-7,840
% of sales	30.7%	30.5%	29.4%	28.5%	28.2%	27.9%	27.8%
R&D	-3,113	-3,309	-3,394	-3,385	-3,281	-3,338	-3,461
% of sales	13.5%	13.6%	13.4%	13.0%	12.2%	12.2%	12.3%
Royalty income	310	274	285	296	309	300	292
<b>Operating profit</b>	<b>6,594</b>	<b>5,937</b>	<b>6,578</b>	<b>7,111</b>	<b>7,321</b>	<b>7,529</b>	<b>7,893</b>
% of sales	28.7%	24.3%	26.0%	27.2%	27.3%	27.6%	28.0%
Net interest	-646	-621	-477	-473	-626	-657	-605
JVs & associates	30	7	-3	-3	-3	-3	-3
Profit before tax	5,978	5,324	6,098	6,634	6,693	6,869	7,286
Tax expense	-1,172	-1,065	-1,201	-1,287	-1,278	-1,305	-1,384
<b>Profit after tax</b>	<b>4,806</b>	<b>4,259</b>	<b>4,897</b>	<b>5,347</b>	<b>5,414</b>	<b>5,564</b>	<b>5,901</b>
...minority share	-222	-474	-665	-749	-566	-484	-510
...shareholders' share	4,584	3,785	4,232	4,599	4,849	5,080	5,392
<b>Core EPS, basic (p)</b>	<b>95.4</b>	<b>78.3</b>	<b>87.8</b>	<b>95.3</b>	<b>100.4</b>	<b>105.1</b>	<b>111.4</b>
<b>Core EPS, diluted (p)</b>	<b>94.2</b>	<b>77.4</b>	<b>86.8</b>	<b>94.2</b>	<b>99.2</b>	<b>103.9</b>	<b>110.1</b>
<b>DB adjusted Core EPS (p)</b>	<b>93.9</b>	<b>75.8</b>	<b>84.3</b>	<b>91.1</b>	<b>95.5</b>	<b>99.6</b>	<b>105.4</b>
<b>Ord dividend per share (p)</b>	<b>80.0</b>	<b>100.0</b>	<b>80.0</b>	<b>80.0</b>	<b>80.0</b>	<b>80.0</b>	<b>80.0</b>

Source: Deutsche Bank estimates, Company data