Our business model

We deliver on our purpose through our differentiated business model and globally integrated value chain. We transform our stocks of capital through our business activities, seeking to preserve and create value for our stakeholders, and minimise value erosion, in a responsible and sustainable way.

We rely on our unique value drivers within our **six capitals** to effectively implement our strategy and business activities

Inputs

Intellectual
- Trusted Aspen brand
- Targeted and efficient product portfolio renewal
- Strong presence in emerging markets
- Digital platform enabling strategy execution

Product portfolio of more than **700 brands**

Intangible assets of **R53,7 billion**

Manufactured
- Complex manufacturing expertise
- Vertical integration advantages
- Globally competitive, scalable and widely accredited manufacturing facilities
- Reliable external supply contract manufacturing network

7 API and **16 FDF** manufacturing facilities worldwide

Property, plant and equipment ("PPE") of **R15,9 billion**

Human
- Diverse Board
- Strong leadership team
- High-performance and innovative culture
- Empowered local management
- Industry-specific specialist skills

Workforce of more than **9 000** people

R50,3 million in training and development spend

Social and relationship
- Strong stakeholder relationships and corporate reputation
- Robust corporate governance framework
- Support of local communities

Engagement with key stakeholders

Social licence to operate

Natural
- Focus on environmental protection
- Initiatives to reduce consumption of scarce natural resources

1 039 megalitres of water withdrawn

1 071 532 GJ energy used

Financial
- Planned prioritisation of capital allocation
- Diverse and enduring support from funders
- Strong operating cash flow generation

R 70,9 billion equity

R16,1 billion net borrowings

R62,2 billion market capitalisation

Value chain activities

Product portfolio management

Patient/consumer needs

▼

Product development, acquisition and registration

Investment in a product portfolio of niche, specialty medicines that present opportunities for sustainable revenue growth through our Product portfolio management model (page 29)

Portfolio Management Review

Manufacturing and supply chain operations

Procurement

▼

Manufacturing:
- API
- FDF

▼

Distribution

Efficiencies achieved through end-to-end global supply chain management performed by a highly experienced team

Capitalise on our own significant manufacturing capability of both APIs and FDFs as well as our external supply network

Leverage strategic manufacturing opportunities with third parties to fill our sterile manufacturing capacity

Supply Management Review

Commercialisation

Marketing and sales

▼

HCP engagement and support

▼

Patient/consumer use

Generation of organic revenue and profit growth through focused promotion of our products by our teams of dedicated sales representatives

Demand Management Review

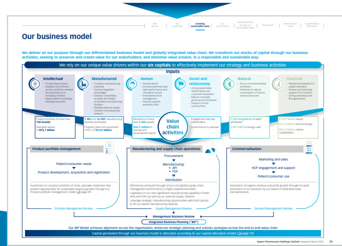
Management Business Review

Integrated Business Planning ("IBP")

Our IBP Model achieves alignment across the organisation, enhances strategic planning and unlocks synergies across the end-to-end value chain

Capital generated through our business model is allocated according to our capital allocation model (page 29)

Our business model continued



Outputs

We provide high quality, affordable medicines focusing on niche therapeutic areas

Commercial Pharmaceuticals

Regional Brands
A widely diverse range of trusted medicines with strong domestic or regional presence.

Sterile Focus Brands
Comprising our branded products in Anaesthetics and Thrombosis therapy areas.

Manufacturing

Internal and third-party supply of chemical and biochemical APIs and FDF pharmaceuticals.

Emissions and waste

An inevitable consequence of production and distribution are carbon emissions and the generation of waste.

Total GHG emissions: **151 263 tCO_2e**
Total waste: **74 277 tonnes**

Outcomes

Increasing, preserving or eroding value in capital stocks

Intellectual

Medicines provided to patients in more than **115** countries

56 new products launched

R734 million invested in Intellectual Property ("IP")

Vaccine technical know-how developed

No significant product recalls

Manufactured

R2,0 billion invested in property, plant and equipment capex (including R0,5 billion for sterile vial capacity expansion)

Additional **R1,5 billion** to be spent on sterile vial capacity expansion

No adverse outcomes from regulatory inspections at sites

Human

15% staff turnover

R8 billion paid in salaries and benefits

48% of workforce are women

1,13 TRIFR

Zero occupational fatalities

Social and relationship

R27,9 million SED investment through 355 projects

Constructive engagements with key stakeholders

Maintained Level 4 B-BBEE contribution

R1,6 billion in taxes paid to governments

Natural

80% of waste recycled

19% decrease in total GHG emissions

Zero significant environmental incidents

Financial

R18,6 billion wealth created

9,6% ROIC

Leverage ratio **1,91 times**

Free cashflow of **R3,2 billion**

Dividend of **326 cents** declared

Share buy-back for an amount of **R1,8 billion**

Information on availability, quality and affordability of capitals, and key actions taken to enhance positive outcomes and minimise negative outcomes are incorporated into our commentary on our strategic objectives, business segment overviews, and our sustainability pillars

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Business segment overviews page 67
Patients page 76

Manufactured: page 62
Manufacturing operational overview page 72

Human: page 63
Our People page 81

Social and relationship: page 64
Society page 89

Natural: page 64
Environment page 98

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Group Chief Financial Officer's review page 54

Value created > Achieving outcomes that create long-term value for our stakeholders page 25