All channels CHC market size & structure 2022

Total all channels sales
$215,196mn (+8%)

Total store sales
$157,730mn (+7%)

Total internet & mail order sales
$36,661mn (+19%)

Total direct sales
$20,805mn (-1%)

*Source: Nicholas Hall Reports based on **DB6** (MSP); Total all channels sales includes retail sales via stores plus internet & mail order sales and direct sales*

- Looking beyond the store-based retail market, the internet & mail order channel (+19.4%) continued to thrive, advancing again by healthy double-digits in 2022 (although slowing from the 2020 peak), as the convenience of online shopping ensured its continued popularity even as stores reopened; the channel now accounts for 17.0% of the all channels CHC market (up from 15.4% in 2021)
- Direct sales remained fairly flat in 2022 (-0.6%), but the more marked declines seen in previous years is gradually slowing
- Meanwhile, the previously fast-expanding CBD sector slowed considerably (+4.6%) after years of double-digit growth, posting sales of just over $2bn in 2022

Competitive Landscape

- M&A and partnerships continue to change the face of the global CHC Top 20, with a particular focus on the spinning off of CHC businesses
- Haleon was formed as GSK completed the demerger of its CHC business in July 2022; previously GSK had bought out Novartis' 36.5% share in their j-v in 2018 and entered a j-v with Pfizer in 2019, cementing its position as global leader in CHC
- J&J will separate its Consumer Health division as Kenvue by mid-to-late 2023
- Bayer has no plans to spin off its CHC business presently, despite pressure from some investors to do so, while Sanofi is streamlining its CHC portfolio with the aim of creating a standalone CHC business, but has not confirmed if it will be spun off

Australasia

- Population 2022: 30.9mn
- OTC sales per capita 2022: $102.19

Chart 19: Australasia CHC market by category 2022

Category	**$mn**	**22/21**	**% share**
Analgesics	433	+5%	14
Cough, Cold & Allergy	605	+6%	5
Gastrointestinals	250	+2%	2
Vitamins, Minerals & Supplements	1,163	+4%	9
Dermatologicals	348	+2%	3
Lifestyle CHC	358	+1%	3
Total	**3,158**	**+4%**	**23**

*Source: Nicholas Hall Reports based on **DB6** (MSP)*

- Australasian CHC markets are well-developed and liberal, with sales continuing to grow in 2022 as strong growth for CCA and analgesics offset slower performances elsewhere
- Chinese e-Commerce regulation reform and reduced sales from daigou channel has held back growth, although VMS marketers have successfully repositioned to target domestic consumers
- Resurgence of Covid-19 cases and severe cold & flu season in 2022 saw a significant upturn for CCA, with launch of Australia's first paracetamol + ibuprofen combination drink for cold & flu bringing an innovative new entry in systemic cold & flu
- Both markets are at forefront of the drive for advisory OTC, via BTC switches such as orlistat across the region, oseltamivir and sildenafil in New Zealand (and restricted access to medical cannabis implemented in 2020)
- Creation of Appendix M in 2018 further solidified advisory OTC in Australia, permitting implementation of additional controls or requirements for S3 (pharmacist-only) medicines
- Harmonisation of scheduling changes has been considered several times but is yet to be implemented; discrepancies in ingredient status between markets remain
- Notably, while Australia approved non-prescription low-dose CBD in 2021 in a landmark reclassification, New Zealand's Government remains more cautious on cannabis question and rejected proposed legalisation in 2020
- Australia has historically been a leader in switch, although recent trend has been towards stricter regulation (e.g. rejection of advertisable status for chloramphenicol in 2021, recall of pholcodine and stricter regulation of choline salicylate in 2023 and further proposals to restrict sale of paracetamol)

Chart 64: Top 250 CHC marketers 2022 (cont.)

	Marketer	$mn	CAGR
183	Orion	98	+3%
184	Ikeda Mohando	96	+1%
185	Combe	96	+6%
186	Medice	95	+4%
187	Shionogi Healthcare	95	+13%
188	PiLeJe	93	+8%
189	Amphastar	93	+442%
190	Emcure	92	+14%
191	NeilMed	92	+5%
192	Orkla Health	92	+4%
193	Materia Medica	91	+3%
194	Chinoin	91	+16%
195	Spimaco	91	+8%
196	CSPC	90	+7%
197	Dong Wha	90	+12%
198	Mega Lifesciences	89	+8%
199	Himalaya	89	+13%
200	Hunan Jiuzhitang	89	-4%
201	Mankind Pharma	88	+14%
202	Quten Research Institute	88	+19%
203	Esteve	88	+5%
204	Torrent	87	+11%
205	Merz	87	-2%
206	Sino Biopharm	86	+18%
207	Nature's Truth	86	+35%
208	UCB	85	-1%
209	Solopharm	85	+52%
210	Hasco Lek	84	+13%
211	Shanghai Gold Partner	83	-5%
212	Goli Nutrition	83	n/a
213	Hermes	83	+2%
214	Daewoong	82	+0%
215	Li Shizhen	82	+6%
216	Zhuzhou Qianjin	82	-2%
217	Pohl-Boskamp	82	+4%
218	Alkem	82	+15%
219	Kunming Chinese Medicine Factory	81	+18%
220	Yuhan	81	+8%
221	Fidia Farmaceutici	81	+1%
222	Whealthfields Lohmann	81	+11%
223	Guangxi Bangqi	80	+12%
224	Sopharma	80	+4%
225	Nippo Pharm	79	+2%
226	Biofarm SA	78	+15%
227	Liomont	78	+9%
228	Edgewell Personal Care	77	+23%
229	Bridges CH	77	-3%
230	Havea	77	+7%
231	Jingzhu Tibetan	77	+5%
232	GOJO Industries	76	+19%
233	Goldstone Group	76	-9%
234	Yunnan Green A Biotech	75	+4%
235	WN Pharmaceuticals	74	+2%
236	Abdi Ibrahim	73	+26%
237	Consun	73	-6%
238	Ascendis	73	+15%
239	Chong Kun Dang	72	+8%
240	Kao	72	-1%
241	Djojonegoro	72	+13%
242	Apex	70	+19%
243	Tecnoquímicas	70	+12%
244	Renewal	69	+11%
245	Ozon	68	+30%
246	Orthomol	68	+1%
247	Wakunaga	68	+2%
248	Similasan	67	+8%
249	Natulab	67	+10%
250	Kenei Pharma	66	+5%
	Top 250 Total	**94,840**	**+6%**

CAGR refers to period 2018-22

*Source: Nicholas Hall Reports based on **DB6** (MSP)*

Hypera Pharma

Website: www.hypera.com.br

Head office: Av. Magalhães de Castro, 4800 - 240 floor Continental Tower, Cidade Jardim, CEP 05676-120, São Paulo, Brazil

Total CHC sales (2022): $751mn (+25%)

Top CHC brands (2022): Buscopan ($78mn), Neosaldina ($56mn), Benegrip ($52mn), Lisador ($35mn), Dipirona Sódica ($30mn)

Principal markets for CHC products

Latin America (100% of total sales)

Principal CHC categories & brands

Analgesics (43%): Buscopan, Neosaldina, Lisador, Dipirona Sódica-Neo Química

CCA (21%): Benegrip, Rinosoro, Histamin, Coricidin, Neolefrin, Apracur, Polaramine

Gastrointestinals (16%): Epocler, Tamarine, Engov, Buscopan, Estomazil

VMS (10%): Addera, Colflex, Biotônico Fontoura, Ofolato, Centrotabs

Dermatologicals (9%): Nistatina + Óxido de Zinco-Neo Química, Nebacetin

Lifestyle CHC (1%): Maracugina, Colírio Neo Brasil

- Brazil's No.1 CHC player, Hypera Pharma (formerly Hypermarcas before name change at end-2017 to reflect new positioning as a "pure pharmaceutical company"), fields a wide portfolio of brands, generics and similars (branded generics), the latter via its Neo Química unit
- In 2020 it acquired Buscopan antispasmodic and Buscofem menstrual pain analgesic from BI in Brazil and brands including Neosaldina from Takeda
- Sanofi brands including AAS systemic analgesic, Naturetti laxative and Cepacol antiseptic mouthwash were added in early 2022 (with the brands divested in Mexico and Colombia to Eurofarma)
- Hypera's broad derma portfolio (Rx & OTC), via Mantecorp Skincare division, relies heavily on HCP detailing; it was augmented 2020-21 via in-licensing of Glenmark's derma portfolio in Brazil and a majority stake in "clean beauty" start-up Simple Organic and acquisition of Bioage dermocosmetic specialist
- Consumer e-Commerce platform ihypera.com.br launched in 2020
- High launch activity – with around 100 launches, including its first medical cannabis products, in 2022 – has been a key factor in Hypera's dynamism
- In a July 2022 presentation to investors, Hypera indicated that the 60+ year-old demographic is key to its long-term growth strategy

Chart 65: CHC merger, acquisition, alliance & joint-venture activity 2018-2023 (cont.)

Year	Company	Activity
2022	Terapia	acquired Uractiv portfolio from Fiterman Pharma (Romania)
2022	Torrent Pharmaceuticals	to acquire Curatio Healthcare (India)
2022	Towa Pharmaceutical	to acquire Sunsho Pharmaceutical (Japan)
2022	TPG Capital	acquired majority stake in iNova Pharmaceuticals (APAC)
2022	Unilever	to acquire Onnit (USA)
		to acquire majority stake in Nutrafol (USA)
2022	Urgo Healthcare	acquired FB Vision (Italy)
2022	Uriach	acquired HuPaVir from NTD Labs (Europe)
2022	Vantage Nutrition	acquired AquaCap from Nestlé Health Science (USA)
2022	Vision Healthcare	to acquire Vitamaze (Germany)
		to acquire Nutriment (Norway)
		to acquire N2 Natural Nutrition (Spain)
2022	Vitafy	merged with EVP (Germany)
2022	Wellbeam Consumer Health	acquired Biotrust Nutrition (USA)
2022	Wesfarmers	acquired 100% of the shares in Australian Pharmaceutical Industries (Australia)
2022	Zentiva	acquired Zerinol and Soluzione Schoum from Sanofi (Italy)
2023	AC Marca	acquired remaining 49% stake in Hans Karrer (Germany)
2023	Almirall	acquired Physiorelax from DFT El Globo (Spain)
2023	Carlyle	acquired a majority stake in VLCC (India)
2023	Clorox	plans to divest VMS business (USA)
2023	DSM	to acquire Adare Biome from Adare Pharma Solutions (France)
2023	Eris Lifesciences	acquired Onabet and a portfolio of derma brands from Glenmark (India)
2023	Eurofarma	to acquire Genfar from Sanofi (Colombia)

continued

8. Hot Topics

Growing demand for devices and e-Health provides new opportunities to consumerise health services

- Growing popularity of personalised healthcare products and diagnostics has created new opportunities in home testing, bolstered by the growing prominence of e-Health and telehealth services, with applications in women's health, skincare and lifestyle-related conditions such as sleep disorders
- Trend has historically been driven by a combination of factors including reduced access to HCPs during pandemic, dissatisfaction among women and some minority demographic groups with existing health services and the normalisation of home testing for Covid-19
- Findings from 2020 in the UK suggest the pandemic saw a surge in demand for health apps and digital health services, particularly for conditions that can be managed via self-medication such as allergies and joint conditions
- Health trackers and devices are a growing segment, with an increasing range of functionality and companion apps to help consumers take greater control of their health and wellness; fitness trackers and smartwatches, as well as other wearables, can provide insights about heart health, sleep quality and fitness
- Women's health focused tracking device Ava bracelet has proved effective in identifying incidence of Covid-19 thanks to accuracy of its temperature monitoring functions
- Growing popularity of personalised skincare has seen CHC marketers launch a variety of new devices to meet demand, with a focus on home diagnostics
- Neutrogena has expanded its medical device portfolio with MaskiD personalised 3D-printed face mask, which entered beta testing in 2021, building on skin scanning technology Skin 360 (launched 2018)
- Updated with AI functionality in early 2020, Skin 360's free downloadable app scans the face and measures the skin's health, providing an 8-week personalised skincare routine including tips and coaching for improved skin; it has also partnered with personalised supplement player Nourished (see Personalisation)
- 2022 launch Bella Aurora Des-Pigment Test (Legit.Health / Bella Aurora, Spain) is a smartphone app that can analyse the skin and detect patches of depigmentation
- In March 2023 Cetaphil (Galderma) launched Cetaphil AI Skin Analysis in the USA, a skin analyser that provides personalised skin assessment scores and regimen recommendations; the online tool compares photographs with a database of skin images to provide "curated insights" powered by Perfect Corp's AI Skin Analysis technology