

# Global Overview | Innovation & NPD

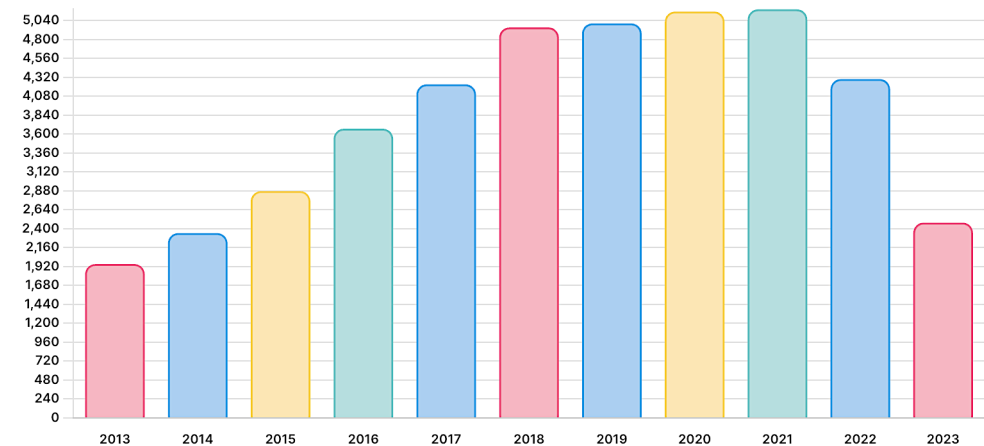
## Whole CHC market sees slowdown in launch activity, while genuine innovation is still relatively scarce



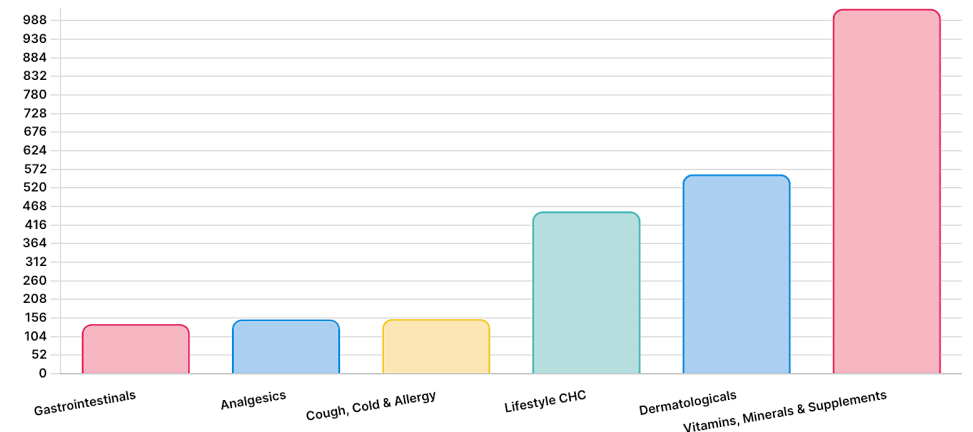
- Launch activity in general slowed 2022-23, marked by a shortage of groundbreaking Rx-to-OTC switches, notably in USA; Covid-19's impact on NPD lessened sharply in 2022, with immunity supplement launches falling by over 40% vs 2021, while antiseptics & disinfectants were down over 60% vs 2021; other categories seeing a marked decline in NPD include CBD, probiotics and multivitamins
- *Nicholas Hall's CHC New Products Tracker* shows overall launch activity across the CHC market fell from 5,183 products in 2021 to 4,290 in 2022, a drop of 17% (following four years of launch activity seemingly on a plateau)
- 2023 so far (to end-October) has seen just 2,478 products launched; we will see more NPD activity in 2023's final two months, but it will ultimately most likely fall behind previous years for number of launches
- It is not just the volume of NPD that has fallen but also the quality, although there are some encouraging signs of improvement
- Launches ranked 3 or 4 stars<sup>†</sup> fell to 2.1% as a proportion of new launches in 2021, from 3.5% in both 2020 and 2019; after rallying in 2022 to 2.8%, the figure for 2023 so far stands at 3.0%
- So, while overall launch activity appears to be on a downward trend, the proportion of good quality NPD seems to be on an upward trajectory (albeit still below the levels seen in 2019-20)
- 75 products have earned a 3-star ranking or higher so far in 2023, with just 4 of these being 4-star launches (including 3 Rx-to-OTC switches)
- VMS has (as usual) accounted for the vast majority of NPD activity in 2023 so far (with 1,021 new products), followed by Derma (558) and Lifestyle CHC (454); Analgesics, CCA and GIs saw considerably less activity (just 444 launches between them)

<sup>†</sup> *Nicholas Hall's CHC New Product Tracker* grants products a star rating from 1\* ("me too" products not appreciably different from those already available) to 4\* (Rx-to-OTC switches, creation of new OTC class or other major leap forward in terms of innovation)

Global launch activity 2013-23



Global launch activity by major category 2023 (as of end-Oct)



# Category Trends | Lifestyle CHC

Global leading lifestyle CHC brands mid-2023 (MSP, \$mn)						
	Brand	Category	\$mn	mid-23/ mid-22	CAGR 22/18	% share
1	<b>Nicorette</b> (Kenvue, Haleon, Alinamin Pharma)	smoking control	<b>774.9</b>	+1%	+3%	5
2	<b>Systane</b> (Alcon)	eye care	<b>431.5</b>	+9%	+7%	3
3	<b>Plan B</b> (Foundation, Endo)	emergency hormonal contraception	<b>342.6</b>	-1%	+16%	2
4	<b>Rohto Eyedrops</b> (Rohto)	eye care	<b>308.7</b>	+9%	+4%	2
5	<b>ZzzQuil</b> (P&G)	sedatives & sleep aids	<b>221.5</b>	-3%	+22%	1
6	<b>Refresh</b> (Abbvie)	eye care	<b>209.6</b>	+8%	+9%	1
7	<b>Natrol</b> (Natrol)	sedatives & sleep aids	<b>205.6</b>	+2%	+40%	1
8	<b>Nicotinell</b> (Haleon, Perrigo)	smoking control	<b>197.7</b>	+4%	+2%	1
9	<b>Bayer Aspirin</b> (Bayer)	systemic cardiovasculars	<b>195.7</b>	-10%	-1%	1
10	<b>Jolly Wu Ling Capsule</b> (Zhejiang Jolly)	sedatives & sleep aids	<b>178.2</b>	+28%	+31%	1
11	<b>Zhenshiming</b> (Conba Pharm)	eye care	<b>177.8</b>	+13%	+30%	1
12	<b>Hylo</b> (Ursapharm)	eye care	<b>149.8</b>	+7%	+11%	1

- July 2021 saw groundbreaking switches of two desogestrel 75mcg-based daily OC brands in the UK, Hana (Perrigo) and Lovima (Maxwellia), while July 2023 saw the FDA approve Perrigo's Opill, potentially opening up the category in USA with an OTC launch planned for 2024
- Obesity treatments** sales are in decline, although the category still sees NPD, primarily via supplements; 2023 launches included apple cider vinegar supplements from HealthOxide in India, Princess Luna Fat Burner Probiotics (TNSG Health) in China and diet drinks from Kanpo-Yamamoto in Japan
- Erectile dysfunction** category has expanded via switches including Silvasta (Douglas Pharmaceuticals), Viagra Connect (Viatrix) and several sildenafil brands in Poland, as well as tadalafil-based Cialis Together (Sanofi) in the UK in 2023
- Futura Medical's Eroxon topical gel, launched in numerous markets throughout 2023, has also shaken up the category



# Core Markets | France

## Gastrointestinals (+4%)

- **Antacids** (+4%) continued to benefit from increased demand as consumers ate out at restaurants again following the end of Covid-19 restrictions; Bayer, marketer of No.4 brand Rennie (calcium carbonate, magnesium carbonate), launched Rennaxt gum in September 2023, said to be the first antacid formulated exclusively with calcium carbonate
- **Laxatives** (+1%) leader Movicol (Norgine; macrogol 3,350) struggled, as did nearest generic macrogol (4,000) rivals from Biogaran / Servier and Viatrix, while competition increased with the early 2022 launch of Macrogol Zentiva 4,000, the 4g presentation of which is reimbursed at 65% (rather than 30%) when prescribed
- **Antispasmodics & IBS remedies** (+1%) saw minimal growth, with varied performances from phloroglucinol brands and generics (largely reimbursed at 15% on prescription); a French IBS association stated between 5-10% of the population suffers from IBS
- **Antiflatulents** (+1%) saw mixed performances from brands positioned for adult bloating and gas (and good growth from Ineldea's Pediakid option for paediatric colic and wind), while **liver & bile remedies** (+8%) growth was driven by No.1 brand Citrate de Bétaïne (Upsa / Taisho)
- As elsewhere in Europe, **antidiarrhoeals** (+12%) and **antinauseants** (+11%) rebounded strongly following removal of Covid-19 travel restrictions



## Vitamins, Minerals & Supplements (+9%)

- VMS is now the largest major category following a strong result, partly thanks to increased consumer demand for preventive options vs treatments (with the Covid-19 pandemic making wellness a priority for consumers); attractive formats (e.g. gummies) are a key focus of NPD in saturated categories, while marketers are keen to stress vegan and sugar-free credentials, as well as domestic production
- **Multivitamins** (+8%) grew well as consumers sought products to boost energy and vitality, and perhaps moved towards catch-all products in the difficult economic climate, while categories that performed very strongly during the Covid-19 pandemic, such as **vitamin D** (-10%) and **zinc** (-23%), could not maintain their momentum
- **Magnesium** (+14%) has the strongest consumer focus among minerals, with semi-ethicals leading the **iron** (+6%) segment
- **Single vitamins** (-1%) topline struggled, although vitamin C (+3%) and vitamin B (+4%) posted modest growth, with Cooper CH's Vitascorbol the star performer in the former thanks to gummy & prolonged-release tablet line extensions
- **Probiotics** (+14%) surged as travel, socialising and dining out resumed, leading to increased GI infections and traveller's diarrhoea; domestic players dominate and there is typically significant NPD (e.g. Dynveo's Probio4, claimed to be France's first "clean label" probiotic)

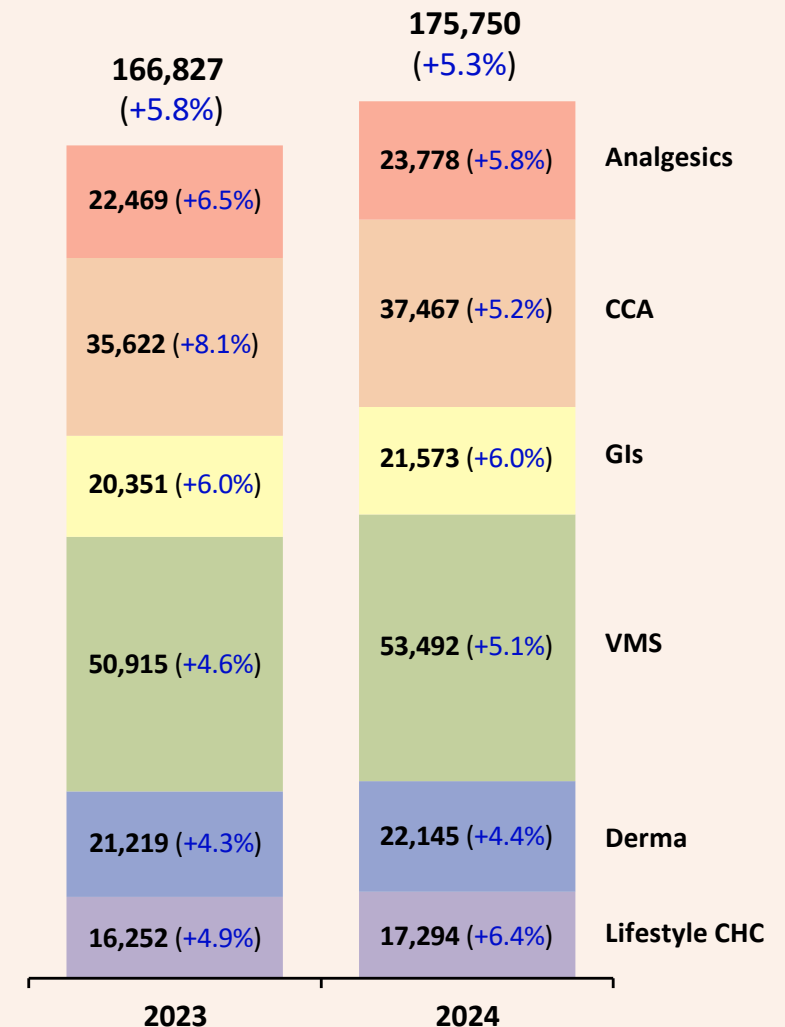


# Outlook | Short-term forecast

## Growth forecast to decelerate over 2023-24

- After a surge in sales as the market adapted to the post-pandemic era, topline growth is forecast to slow
- Although likely to maintain good growth, a slowdown is expected in the comparatively high rates observed in categories such as CCA and Analgesics, while others maintain consistent performances or advance
- The CCA category is now well above pre-pandemic levels, reflecting how the market is not merely putting back lost sales but seeing consumers changing their lifestyle and self-care habits, although current high growth rates are not sustainable
- Inflation remains a factor across the CHC market in many countries globally, helping to keep the short-term outlook buoyant; as consumers across world markets tighten purse strings, it becomes even more critical that CHC players offer a compelling reason to purchase
- Trend towards treatment ahead of prevention, reversing the previous orthodoxy, will likely continue as consumers prioritise products with tangible benefits
- IMF updated its forecast projections to reflect a “slightly brighter” outlook for the global economy in July 2023, noting that supply chains have returned to pre-Covid levels, economic activity in early 2023 proved resilient, and energy and food prices decreased faster than expected from peaks caused by Russia’s invasion of Ukraine
- In Analgesics, systemics growth is expected to slow by 2024 (+5.7%), while topicals accelerate (+6.2%); topicals had been hindered by a poor performance in many leading markets, but growth is expected to improve particularly in USA (with potential expansion with more children’s products)
- CCA growth expected to slow after a sales spike fuelled by resurgence in Covid-19 cases and high incidence of other respiratory infections

## Global short-term forecast sales by category 2023-24 (MSP, \$mn)



Growth rates are % change on previous 12 months  
 NB: **DB6** updates short-term forecasts every quarter;  
 forecasts shown here updated in October 2023