Nicholas Hall's
OTC REPORTS

OTC Dermatologicals

A Nicholas Hall report on the Global OTC Derma market

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Nicholas Hall's OTC REPORTS

Definitions & methodology

Common abbreviations

A+P	advertising & promotion
BTC	behind-the-counter
j-v	joint-venture
L&A	licensing & acquisition
MSP	manufacturer's selling price
M&A	merger & acquisition
OTC	over-the-counter
POS	point-of-sale
Rx	prescription
SPD	separation of prescribing and dispensing
UTC	under-the-counter (illegal OTC sales of Rx-only products)

Definitions

An oblique mark (/) is used to show the ultimate owner of a company, e.g. "Sandoz / Novartis"; the term "for" is used to indicate that the former company markets a brand under license from the latter, e.g. "Taisho for GSK".

The term "mass market" is used to mean sales through non-pharmacy retail outlets.

"Principal markets" or "key markets" for a given company are examples of some of the most important countries or regions where the company generates sales, rather than an exhaustive list of countries where it markets products.

OTC market definition

Market sizes, growth rates and brand sales are, unless stated otherwise, based on Nicholas Hall & Company's global OTC database, ***DB6***. All data is being updated continually, and is believed to be accurate at the time of going to press.

All OTC market data contained in this report is expressed at manufacturer's selling prices (MSP), although it relates to consumer purchases. Sales data includes all non-prescription sales. Data includes retail sales in all outlets. Mail order, multi-level, e-commerce and other non-retail sales are not included.

Full year sales data is for the calendar year January-December for each year shown, while mid-year sales data is for the 12 months to end June for each year shown, unless otherwise stated. In some cases, full year sales and mid-year sales may not be directly comparable owing to data restatements with the latest information.

All data is calculated in local currency and converted to US dollars at the exchange rate that applied on 31 December 2015. The symbol $ refers to United States dollars unless otherwise stated.

Definitions & methodology

OTC market definition (continued)

Under-the-counter (UTC) sales are not included except in countries where there are few or no legal OTCs (such as Turkey) where UTC sales are included for products that fall within the DB6 category definition and would be considered consumer items in most established OTC markets.

Non-prescribed sales of semi-ethical brands (which can be sold both with and without a prescription) are included in all sales estimates. Prescription sales of OTC-registered brands are included where these sales are significant.

Sales of traditional medicines (e.g. TCM, jamu and ayurvedic), homeopathic medicines, food supplements and medical devices are included where they are packaged and positioned alongside registered OTCs.

Manufacturers' sales data is based on branded products alone. Manufacturers' sales do not include any private label sales to retailers or bulk sales of unbranded products to other manufacturers or distributors. Sales of individual private labels are included in "others" in each subcategory.

Sales data for each manufacturer includes sales made by any national or international subsidiaries.

All acquisitions are added to manufacturers' historical data so growth excludes the effect of M&A activity.

Volume sales, where available, represent the absolute number of packs sold (unadjusted for size / dosage).

All forecasts take into account published socio-economic and demographic forecasts plus OTC-specific factors such as switch, regulatory change and historical trends.

Australia – Head lice treatments

Australia leading OTC head lice treatments mid-2016 (*MSP, $mn*)				
	Brand	**mid-2016 $mn**	**mid-16 / mid-15**	**CAGR 15/11**
1	**Moov Head Lice** (Ego)	**3.9**	+1%	+0%
2	**KP24** (PharmaCare)	**3.0**	-2%	-2%
3	**Neutralice** (Key Pharmaceuticals)	**1.9**	+3%	+6%
4	**Banlice Mousse** (J&J)	**1.1**	-2%	-1%
5	**Full Marks** (RB)	**1.1**	+5%	+11%
6	**Nitwits** (Sue Ismiel & Daughters)	**0.5**	+3%	+7%
7	**Quit Nits** (Wild Child)	**0.4**	+2%	+2%
8	**Pyrifoam Lice Breaker** (DermaTech)	**0.4**	-1%	-1%
	Others	**2.6**	-7%	-1%

- Brand site also includes a parent and teacher resources section featuring school information leaflets and letters for teachers to distribute to parents when there is a head lice outbreak
- Neutralice grew in 2015 despite a relative lack of brand activity; A+P at neutralice.com.au focuses on its fragrance-free formula that is safe for use from the age of 6 months
- Range also includes naturally-formulated spray and shampoo presentations and an egg-removing conditioner
- Full Marks has grown rapidly from a small base to take the No.5 position; A+P emphasises its strong reputation among mothers, with a link to consumer review website mouthsofmums.com.au

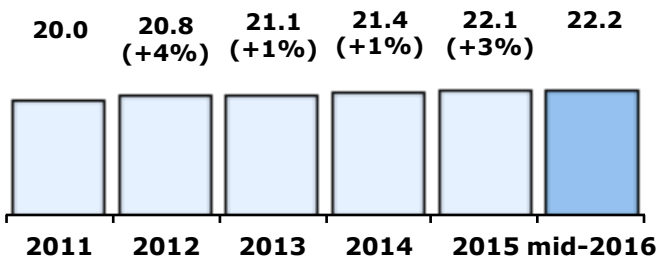
- Brand site also features the Full Marks Kid's Zone, which includes online games and information for children about head lice
- Full Marks' pesticide-free formula is promoted as odourless and suitable for sensitive skin and asthma sufferers

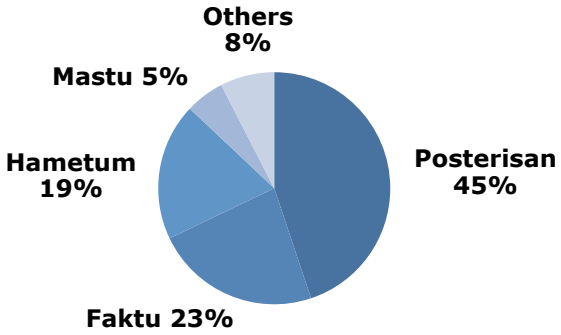
Germany – Haemorrhoid preparations

Key haemorrhoid preparations trends

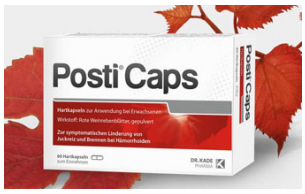
- Brands marketed by Dr Kade dominate the modest category, but smaller rivals are growing; latest launch offers a systemic option, a first for the category
- TV and print A+P are important drivers of growth

Germany OTC haemorrhoid preparations sales 2011-16, with top brands' share of sales mid-2016 *(MSP, $mn)*





- Posterisan Akut's growth, backed by print ads highlighting its lidocaine formulation and speed of action, offset declines for Posterisan Protect (jojoba oil, bees wax) and Posterine (witch hazel), which had more limited A+P support
- Stablemate Faktu Lind (witch hazel) was seen on TV in 2016 with the tagline "If it itches and burns", while earlier ads featured animated characters who struggle to stay sitting down owing to haemorrhoids; balm option is more popular (90% of brand sales) than suppositories
- In January 2016, Dr Kade launched PostiCaps (red vine leaf extract), claiming to be the first systemic format for haemorrhoids on the German market



- Rival witch hazel offering Hametum was boosted by print & online ads with the message "Haemorrhoids? Hametum. The herbal alternative"

Germany leading OTC haemorrhoid preparations mid-2016 *(MSP, $mn)*

	Brand	mid-2016 $mn	mid-16 / mid-15	CAGR 15/11
1	**Posterisan** (Dr Kade)	**10.0**	-2%	-1%
2	**Faktu** (Dr Kade)	**5.1**	+2%	+12%
3	**Hametum** (Schwabe)	**4.2**	+10%	+20%
4	**Mastu** (Stada)	**1.2**	-4%	-2%
	Others	**1.7**	+4%	-13%

Japan – Acne remedies




TV ad for Acnes featuring brand ambassador Suzuka Chinzei as a student concerned about acne

- Acnes Foam is classified as a quasi-drug and contains glycyrrhizin and vitamin C
- International brand Clearasil is well-diversified in Japan, with teen- and adult-focused presentations available
- "Clearasil Revival" retro-themed ad campaign targets young people, while brand site clearasil.jp clearly explains the positionings of each presentation



"Clearasil Revival" ad campaign, a remake of the brand's 1989 ad campaign, featured retro fashions to emphasise the brand's lengthy heritage

- Core range is formulated with salicylic acid, while Adult Medicated Gel contains isopropylmethylphenol, allantoin and resorcinol alongside skin whitening agent vitamin C
- Aposty range includes a variety of skincare products as well as Aposty EC+B a skincare vitamin supplement (*sales not tracked here)* positioned to heal UV damage and prevent acne
- Bifu Night is an overnight cream claimed to treat acne within 8 hours, with high A+P investment including animated TV ads (*see right*) reviving sales in 2016
- Range was relaunched in 2013 with new packaging, although this had little immediate effect on sales

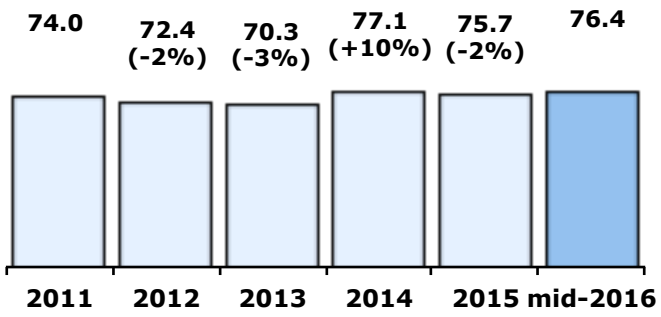
- Men's acne treatments segment was further extended in 2016 with male-oriented line extensions of Eaude Muge (Kobayashi), after the marketer found that 40% of buyers of the wider skincare line were male
- Male-focused range comprises a cosmetic foam face wash and quasi-drug lotion and skin milk presentations
- Men's Eaude Muge Medicated Skin Milk contains a range of ingredients including collagen, hyaluronic acid and star fruit extract to soften the skin
- Hair loss range Success (Kao) was extended into male adult acne treatments with the May 2016 launch of the Success Pore Oil Clear line

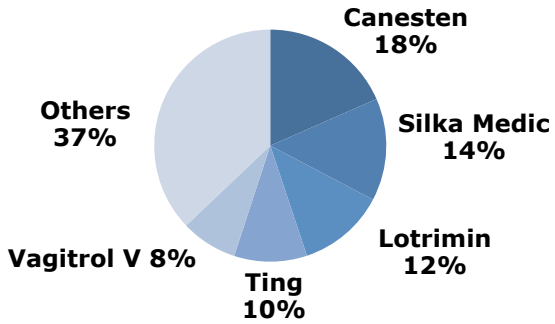
Mexico – Antifungals

Key antifungals trends

- Antifungals sales were largely static, despite high levels of A+P support (mainly TV ads) across all segments
- Athlete's foot is a key focus for marketers in the general antifungals segment as, according to the Government, 10% of the population of Mexico City suffers from the condition
- With between 50-60% of these receiving inadequate treatment, it estimates that improved rates of prevention could shave around $30mn from the national healthcare bill
- The VYI treatments segment is dominated by Bayer; segment sales may be boosted by the marketer's drive (in co-operation with healthcare organisations) to encourage more women to visit a gynaecologist
- The underdeveloped nail antifungals segment posted a poor performance in sales terms; Genomma Lab dominates segment sales

Mexico OTC antifungals sales 2011-16, with top brands' share of sales mid-2016 *(MSP, $mn)*





Mexico OTC antifungals sales by segment mid-2016 (*MSP, $mn*)				
Category	**mid-2016 $mn**	**mid-16 / mid-15**	**CAGR 15/11**	**% share**
General antifungals	**43.3**	+1%	+1%	57
VYI treatments	**25.1**	+5%	+2%	33
Nail antifungals	**8.0**	-20%	-3%	10
Total	**76.4**	-1%	+1%	100