

HEART HEALTH

Exploring the OTC options



Heart Health

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Definitions & Methodology

Common abbreviations

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

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.

Definitions & Methodology

OTC market definition (continued)

All data is calculated in local currency and converted to US dollars at the exchange rate that applied on 31 December 2016. The symbol \$ refers to United States dollars unless otherwise stated.

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.

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Executive summary

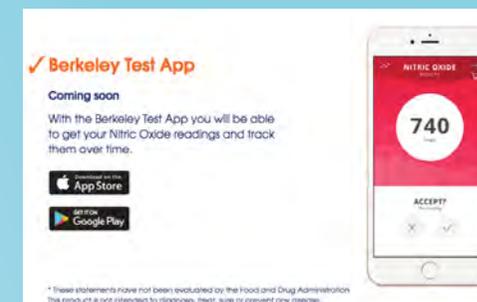
Overview

- Cardiovascular diseases are the **No.1 cause of death globally**, but most CVDs can be prevented by addressing **behavioural risk factors** such as tobacco use, unhealthy diet, physical inactivity and harmful use of alcohol
- In addition, early detection, counselling and **medicines, including OTCs and supplements**, have a vital role to play
- An array of frightening statistics from countries around the world point to **heart health as a major issue globally**, and one that is **growing year on year** despite initiatives to raise awareness
- The OTC industry offers myriad options for heart health, taking in **systemic cardiovasculars** (low-dose aspirin, plus phytosterols and other supplements for cholesterol reduction), **fish oils & omega-3**, **CoQ10** supplements, **garlic** supplements, and numerous **other VMS options** ranging from multivitamins and probiotics to single vitamins and magnesium, lecithin and flaxseed oil supplements
- The prominence and performances of these individual categories vary widely from market to market
- Among Rx options, **statins are commonly prescribed** in developed markets, with rising numbers of people taking them; statins have failed to take off OTC (e.g. launch and later withdrawal of the UK's first OTC statin), and with older people increasingly being routinely prescribed statins it can be argued (certainly outside the US) their **OTC potential is limited**
- Advances in technology have seen **apps** and **medical devices** dedicated to heart health spring up, encouraging individuals to **take control of monitoring and managing** their heart health
- **The gender divide** among heart health OTCs (with the category traditionally seen as a male problem) is arguably narrowing, as **awareness rises among women** of the dangers of heart disease, driven by initiatives and marketer activity
- The **outlook for OTC heart health is bright**, with new **launch activity** and fresh **A+P campaigns** driving some established categories, while the **latest scientific studies** point to potential new niches worth exploring

Systemic cardiovasculars

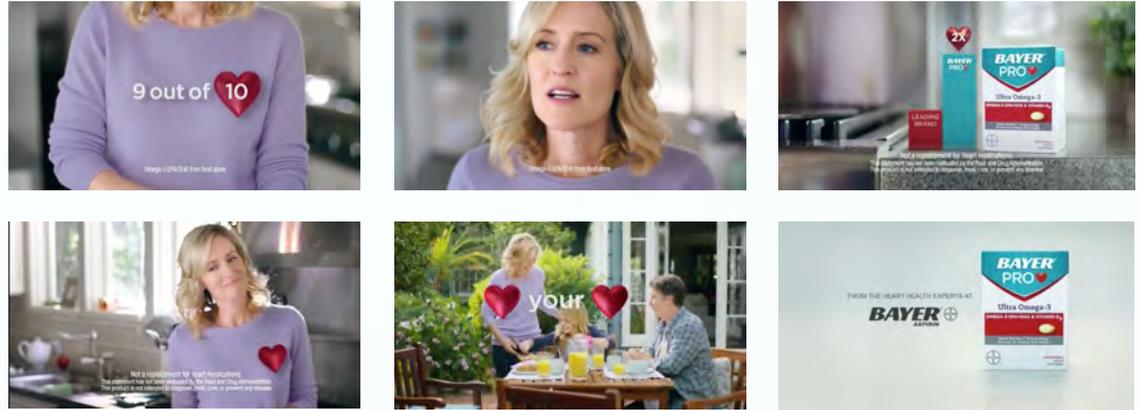
Brand case study: Berkeley Life Heart Health (Berkeley Life / L2G North America)

- A 2017 entrant into the US cardiovascular supplements category claimed to be “100% drug free”, Berkeley Life Heart Health has a range of heart health positionings including management of nitric oxide levels for cardiovascular health, energy and vitality
- Marketing focuses on raising awareness of the role of nitrate balance in heart health, and the brand is sold with free nitric oxide test strips and the claim “the only heart health supplement you can see working”
- Self-test strips are supported by the planned Berkeley Test App, a smartphone app allowing consumers to track their nitric oxide levels and determine if supplementation is necessary; marketing explains that nitric oxide levels in the body decline with age
- Brand site features several scientific studies supporting the role of nitric oxide in heart health; raising awareness of health benefits of supplementation with scientific marketing is key to gaining share in VMS
- Berkeley Life also markets Omron blood pressure monitors at its heart health site, encouraging consumers to take a more active role in monitoring their cardiovascular health



Fish oils & omega-3

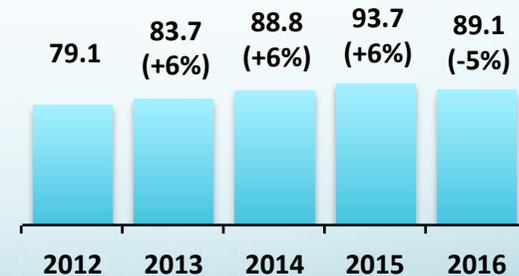
- Bayer Pro Ultra Omega-3 sales held steady at \$4.1mn in the brand's second year on the market
- TV ads in 2016 claimed Pro Ultra has more omega-3 than the leading supplement, and that it is from the heart health expert Bayer
- Pfizer fields Centrum ProNutrients Omega-3, positioned for several health areas including heart, brain and eye health; however, the brand has been locked in decline for several years
- This has not stopped the company investing in the heart health area, though, with Pfizer launching Centrum MultiGummies Multi + Omega-3 in April 2017 (sales tracked in multivitamins); it is positioned to support heart, brain and eye health (with a particularly strong focus on heart health, evidenced by imagery on the packaging)
- In **Canada**, the category posted strong growth 2012-15 but declined by 5% in 2016
- Leading brand Webber Naturals' fish oils & omega-3s tend to have dual positioning for heart and mind support on packaging
- In addition to standard fish oils, WN also fields krill oil brand Royal Red (in similar packaging to RB's MegaRed) and Diabetex CardioAsure (formulated with omega-3, CoQ10 and sterols)
- Jamieson's sales were boosted by 2012 launch of Omega RED Super Krill (since rebranded as Omega Complete), positioned for heart and joint health



TV ads for Bayer Ultra Pro Omega-3 explained "You think you're doing all you can for your heart health, but 9 out of 10 Americans aren't getting enough omega-3s"



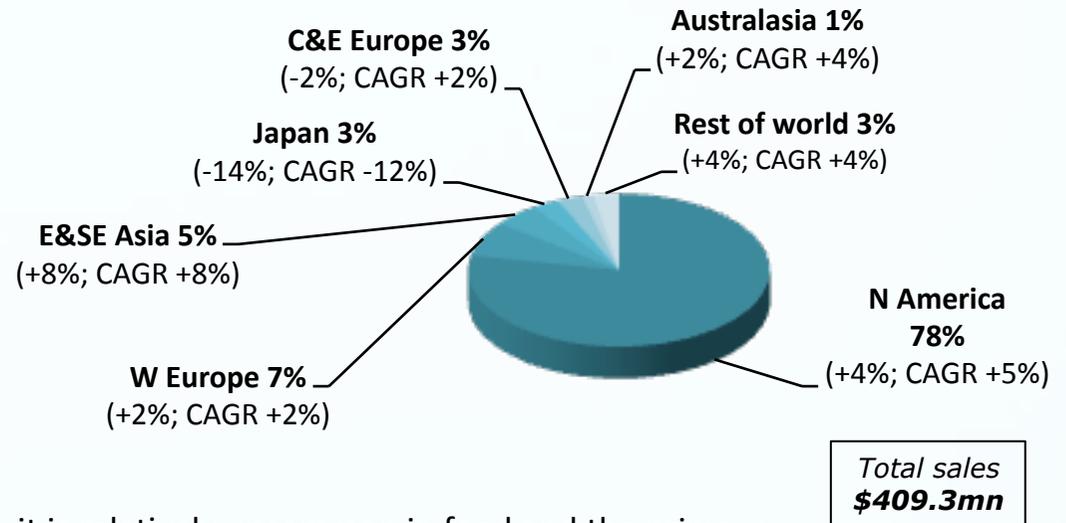
Canada OTC fish oils & omega-3 sales 2012-2016 (MSP, \$mn)



CoQ10 supplements

- Furthermore, it has been shown to be more effective in inhibiting lipoprotein oxidation than other common antioxidants including tocopherol (vitamin E)
- CoQ10 is commonly available OTC either as ubiquinol (a reduced form) or ubiquinone (an oxidised form); both forms are equivalent in action and the body can convert one to the other
- A growing number of longline supplement players worldwide have launched CoQ10 supplements, although marketing is not purely focused on cardiovascular benefits
- Ingredient is a solid prospect for supplement marketers; it is relatively uncommon in food and the primary source is the body's cells (particularly the heart, liver and kidneys)
- The foods with the highest concentration of CoQ10 are organ meats, including liver, kidney and heart, as well as red meat and fish; as a result, vegetarian and vegan diets are more likely to be deficient
- Natural CoQ10 levels decline with age and as a result of taking statins; supplementation is therefore particularly necessary for patients at high risk of heart disease, who may already be taking statins to manage their cholesterol levels
- It is frequently positioned as a general health antioxidant which benefits the heart, liver and kidneys; antioxidant supplements, which can aid heart health and protect against free radical damage, are also often marketed as healthy ageing products

Global OTC CoQ10 supplements sales by region 2016
(MSP, \$mn)



Garlic supplements

- Knobivital liquid garlic supplement is available in a range of different ingredient combinations with garlic as the core ingredient; range includes versions with additional ginger, chokeberry and lemon
- Dedicated brand website explains to consumers how the product is naturally formulated with no preservatives, dyes or sweeteners, contributing to normal nervous, immune and heart function
- 2016 TV ads for Knobivital featured Christian Neureuther (an Alpine ski racer) and Rosi Mittermaier (Olympic athlete) who talk about the positive effects of the supplement, ending with tagline “Health is our highest asset”; YouTube ads in 2016 depicted the production process of the supplement emphasising its natural formula



2016 YouTube ad which depicts the manufacturing process where fresh ingredients get pressed into Knobivital

- Klosterfrau’s Kwai is available in standard 100mg dragees in addition to a higher-strength Forte option (300mg garlic powder)
- Kwai is positioned to maintain healthy vasculature by improving elasticity of the vessels, acting against plaque formation and improving blood flow; brand website, klosterfrau.de, claims that scientific studies have shown a greater amount of allicin is released from the dry powder than fresh garlic
- In **France** Arkogélulé Inod’Ail (Arkopharma) dominates, garnering over 70% of category sales, although the brand is positioned for mild sleep disorders, anemia and as an appetite stimulant rather than for cardiovascular support

France OTC garlic supplements sales 2012-2016 (MSP, \$mn)



Gender divide in heart health

Heart disease: the silent killer amid women

- Cardiovascular disease (CVD) is traditionally believed to be a “male killer”, usually prompting an image of a middle-age man grasping his chest in agony
- Heart disease however causes around one in three deaths for both genders, with more women dying every year from heart disease than men; globally, heart disease is the number one killer of women
- Many women remain unaware of the risk, with only 56% of women in the US believing heart disease is the biggest threat; 80% of deaths from CVD are attributable to preventable factors, making raising awareness for women a crucial necessity



Heart attacks: men vs women

- The social stigma of CVD being thought of as a disease of men and the elderly is possibly driven by the earlier onset of heart attacks in men than women
- First heart attack in men occurs at age 65 on average, while in women the average age is 72; the later onset of heart attacks in women partly contributes to the lower survival rate
- Women are more likely to die in their first year after a heart attack than men and, under the age of 50, women’s heart attacks are twice as likely as men’s to be fatal

Risk factors for women

- Middle-aged men tend to have more heart attacks than women in the same age group, while the risk of heart disease for women increases after menopause; some experts suggest younger women’s natural hormone levels play a protective role

