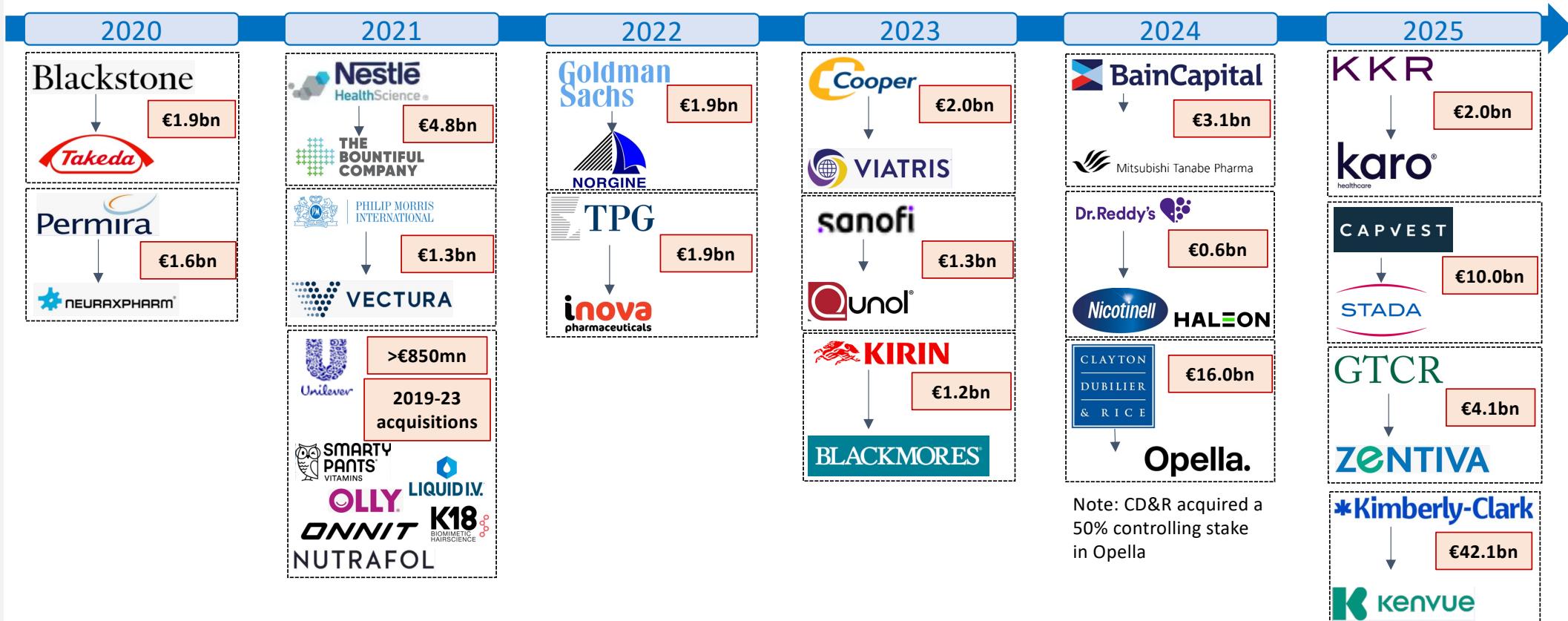


Competition will intensify as M&A accelerates, pharma spin-offs grow, FMCG players diversify and PE/VC investment increases in CHC



Strategic Guidance to Stakeholder & Market Outlook



CEOs

Decide where to play on CHC spectrum: science-backed OTC (stable, lower growth) vs wellness/VMS (dynamic, higher growth). This positioning shapes all downstream decisions.



CFOs

Benchmark against segment multiples. Assess if your business has: (1) Specialist channel access, (2) HCP relationships, (3) Clinical evidence base. These drive 30-40% of valuation premium.



M&A Heads

Align M&A model with scale ambition: local/regional (simpler execution), specialist (focus + differentiation) or global (maximum leverage). Don't mix strategies mid-deal.



✓ Tailwinds

GLP-1 adjacencies, ageing demographics, preventive health adoption, pharma divestments creating quality targets, PE capital deployment pressure.



⚠ Headwinds

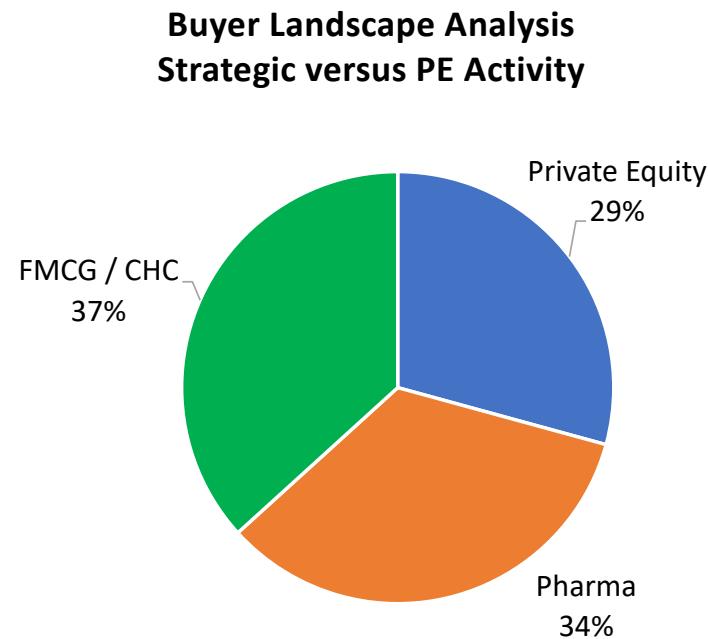
Consumer spending pressure, Amazon private label expansion, regulatory scrutiny on wellness claims, specialist channel disruption from e-commerce.



? Wildcards

AI-driven personalisation at scale, TikTok commerce acceleration, pharma re-entry post weight-loss pivot, mega-consolidation deals reshaping competitive landscape.

Dynamic buyer landscape: PE & FMCG lead CHC growth as Pharma pivots to Rx



FMCG / CHC (37%)

FMCG giants expanding into CHC via diversification and premium wellness plays (e.g., Kimberly-Clark/Kenvue, NHSc/Bountiful Co., Unilever building more than €1bn VMS portfolio via Liquid I.V., Olly, etc.). Focus on category depth and high-growth therapeutic segments.

Pharma (34%)

Two-way activity: divesting CHC brands to refocus on Rx (e.g., Sanofi/Opella, GSK/Haleon, J&J/Kenvue) while others enter CHC for diversification (e.g., Dr. Reddy's/Nicotinell, Italfarmaco/Lacer). Emphasis on science-led repositioning.

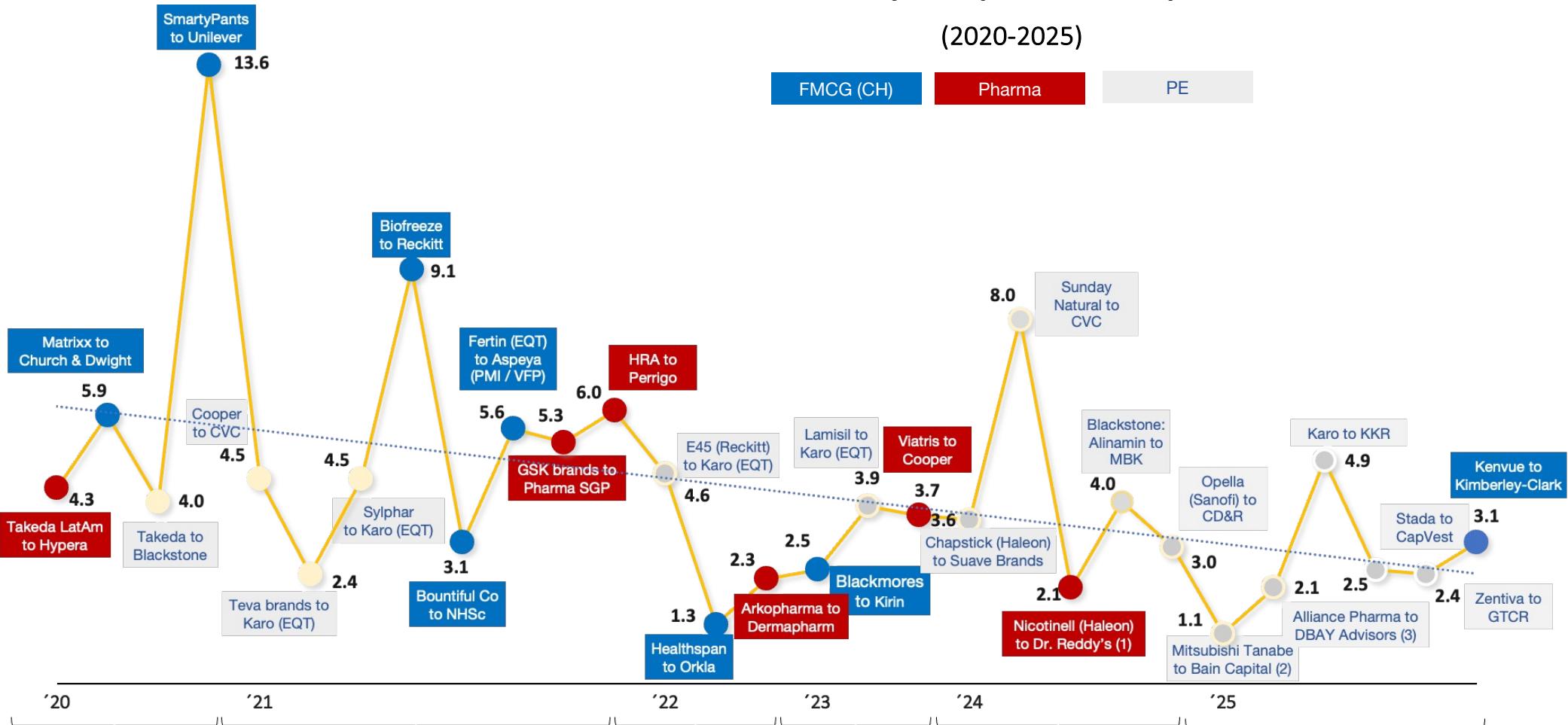
Private Equity (29%)

Active in high-yield categories with bolt-ons and regional expansion. Building density across specialist channels. Focus on value creation through innovation and portfolio scaling.
E.g., CapVest/Stada, KKR/Karo Health, CD&R/Opella, GTCR/Zentiva.

PE interest surges as revenue multiples reset to attractive entry points

CHC Major Acquisition Multiples*

(2020-2025)



* Multiples: price paid/sales

Source: NHC M&A Register or Marketscreener (where not in public domain)

(1) Based on upfront payment £ 458 mn

(2) Based on Tanabe Pharma's revenue for the fiscal year ended March 31, 2024, \$2.89 bn

(3) Based on estimated revenues of 2024 Alliance Pharma around £180.3 mn