Global Overview | Innovation & NPD

- Only four 4-star innovations have launched since the start of 2021:
- Bose Sound Control Hearing Aids (Bose; USA, May 2021), the first FDA-cleared, direct-to-consumer hearing aids, are self-adjusting hearing aids positioned to amplify sounds for adults with mild to moderate hearing impairment; the medical device is pairable with the Bose Hear app, allowing customisation for different environments, but it comes with a premium price tag (RRP: $849.95)

- Lovima (Maxwellia; UK, July 2021) and Hana (Perrigo; UK, July 2021) became the first daily oral contraceptives available OTC in the UK, following their switch Rx to pharmacy only (*see next page*)
- Another Rx-to-OTC switch, BUP-4 Lady (Taiho / Otsuka; Japan, November 2021), claimed to be Japan's first OTC medication indicated for urinary urgency, is a propiverine tablet indicated to treat sudden urinary urgency (*see next page*)

- Notable 3-star innovations in 2022 so far include:
- World's first kidney stone prevention gummy, Stone Stopper + Immunity Support Elderberry Gummies (Moonstone; USA, September 2022)

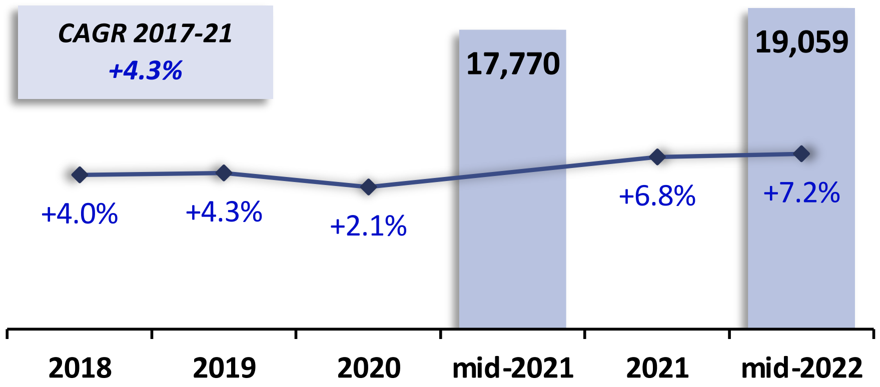
- A "world first" supplement, Myrkl (Myrkl; UK, July 2022), positioned to reduce the impact of hangovers and designed to be taken before drinking, claimed to break down up to 70% of alcohol consumed within 60 minutes
- Equazen Pro ADHD Support Jelly Chews (New Nordic for SFI; USA, June 2022), claimed to be the first-of-its-kind medical food for children and adults with ADHD, positioned to address fatty acid deficiencies in people with ADHD and some related neurodiverse conditions that cannot be resolved by normal diet modification alone
- The only FDA-approved OTC product to reduce hives and relieve itchiness from hives, Allegra Hives (Chattem / Sanofi; USA, June 2022)

- Aspercreme Flexi-Motion Patch (Chattem / Sanofi; USA, April 2022), positioned to help increase circulation, claims to offer revolutionary 'Reflec-Tech' process with bioceramic particles, designed to help increase blood flow and bring more oxygen to the affected area, plus one of the first remedies designed with FIR (far infrared) technology in the world
- Tru Niagen Immune (Chromadex; USA, March 2022), first-of-its-kind combination of proprietary NAD-boosting ingredient Niagen with immune-boosting ingredients, positioned to support the optimal maintenance and function of ageing cells and as nourishment for the immune system

Nicholas Hall's CHC REPORTS

Category Trends | Gastrointestinals

Global GIs sales mid-2021 & mid-2022
(*MSP, $mn*)



Sales reflect MAT for 12-month period ending June 2021 & 2022
Growth rates are % change on previous 12 months

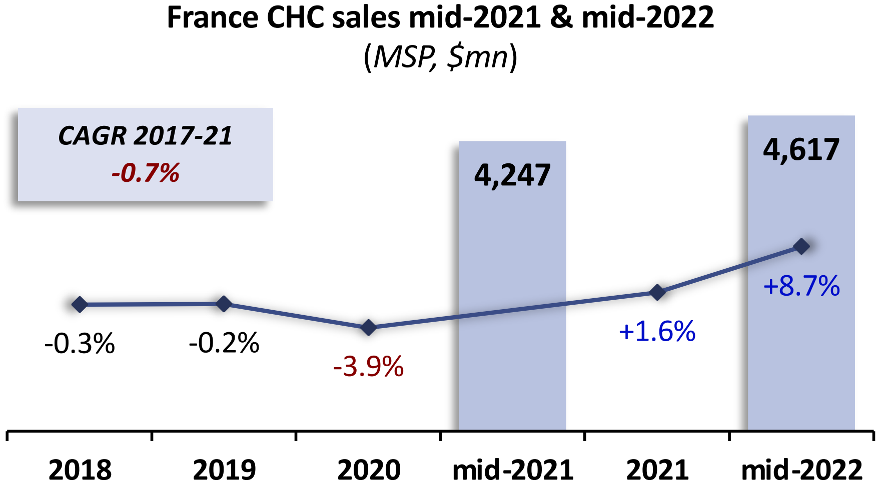
Global GIs sales by category mid-2022 (*MSP, $mn*)

Category	$mn	mid-22/ mid-21	21/19	CAGR 21/17
Antacids	6,880	+4%	+7%	+3%
Laxatives	3,982	+4%	+10%	+4%
Liver & bile remedies	1,697	+9%	+16%	+7%
Antidiarrhoeals	1,442	+13%	+0%	+3%
Antinauseants	1,083	+22%	+6%	+2%
Oral rehydration treatments	992	+22%	+41%	+17%
Digestive enzymes	810	+7%	+9%	+5%
Antispasmodics & IBS remedies	603	+10%	+8%	+5%
Antiflatulents	593	+6%	+8%	+4%
Traditional digestive remedies	194	+7%	+5%	+3%
Other gastrointestinals	782	+3%	+4%	+1%
Total	19,059	+7%	+9%	+4%

- GIs sales revived as incidence of digestive conditions started to return to pre-pandemic levels and typically travel-associated categories like ORTs, antinauseants and antidiarrhoeals benefited from consumers returning to normal activities such as holidaying and eating out; NPD is limited, with little genuine innovation (particularly in mature categories)
- Sales held back by ingredient restrictions (in selected markets) and growing challenge from probiotics offering broad digestive health benefits
- **Antacids** grew modestly as traditional antacids continue to dominate and perform well; format innovation is still key, with marketers largely investing in on-the-go options, while positioning for gastric symptoms resulting from stress is a key message in A+P

- NPD has expanded brands into new formats including chews, lozenges and gums; natural antacids, well established in some Asian markets, are emerging elsewhere, e.g. P&G's launch of Pepto Herbal Blends in USA and Reckitt rolling out GAVINatura lozenges (medical device) in selected European markets in 2021 in response to demand for natural-based digestive products
- H2s segment hit hard by voluntary withdrawal / official recall of ranitidine products (linked to possible presence of NDMA) since late 2019 in markets worldwide, with marketers responding with reformulation (e.g. Sanofi relaunched Zantac in 2021 with new famotidine-based formula)

Core Markets | France



Sales reflect MAT for 12-month period ending June 2021 & 2022
Growth rates are % change on previous 12 months

France CHC sales by category mid-2022 (*MSP, $mn*)

Category	$mn	mid-22/ mid-21	21/19	CAGR 21/17
Analgesics	1,028	+11%	+0%	-1%
Cough, Cold & Allergy	654	+41%	-14%	-5%
Gastrointestinals	494	+5%	-3%	+0%
Vitamins, Minerals & Supplements	953	+5%	+7%	+2%
Dermatologicals	828	-2%	-7%	-2%
Lifestyle CHC	662	+4%	-1%	+2%
Total	4,617	+9%	-2%	-1%

After years of flat or declining sales, France's CHC market returned to growth, helped by a bounce back in CCA sales (albeit after a steep prior-year decline). Despite the CCA resurgence, the category experienced relatively low levels of NPD; those marketers that did invest tended to focus on natural options. Ongoing pandemic made wellness a priority for consumers, with a shift to preventive options benefiting VMS. In saturated categories, marketers look to attractive and on-the-go formats as a route to growth, with a particular focus on gummies and orodispersible options. Generics typically performed well and this trend may continue as the cost of living rises. Homeopathics (extremely popular in France) were dereimbursed in 2021. Major switches in recent years have come via the EU centralised procedure, and the market is characterised more by reverse switches and withdrawal of self-selection status than Rx-to-OTC switches. Pharmacy channel remains dominant and consumers have a positive relationship with pharmacists; the self-selection list was expanded in 2020 and 2022.

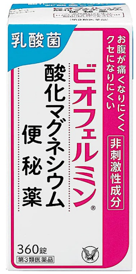
France leading CHC marketers & brands mid-2022 (*MSP, $mn*)

Marketer	$mn	mid-22/ mid-21	Brand	$mn	mid-22/ mid-21
Sanofi	714	+15%	**Doliprane** (Sanofi)	546	+17%
Pierre Fabre	228	+3%	**Dafalgan** (Taisho)	104	+8%
Taisho	224	+15%	**Ricola** (Solinest)	88	+18%
Bayer	182	+2%	**Efferalgan** (Taisho)	55	+15%
Cooper CH	157	+10%	**Kardegic** (Sanofi)	55	-13%
Viatris	151	+4%	**Bion 3** (P&G)	47	+1%
J&J	126	+9%	**Permixon** (Pierre Fabre)	47	+10%
Servier	125	+9%	**Nicorette** (J&J)	47	+8%

Core Markets | Japan

Gastrointestinals (+3%)

- Sales returned to growth as categories related to overeating or drinking such as antacids and liver & bile remedies benefited from the easing of restrictions, while antinauseants and antidiarrhoeals benefited from relaxation of rules for Japanese travellers



- **Antacids** (+4%) saw activity in the kampo segment with leading entries revamped and launches including DHC Sogo Ichoyaku Granules (DHC) in October 2021 and Alpha Daiso Gastrointestinal (Nippo Yakuhin) in February 2022; Ohta's Isan (Ohta's Isan) diversified with April 2022 rollout of probiotic + digestive enzyme formulation Onaka Support to relieve stomach troubles and improve gut health
- **Laxatives** (+2%) continue to face competition from probiotics; in October 2021, Taisho rolled out Biofermin Magnesium Oxide Constipation (*see right*), Japan's first OTC to contain both magnesium oxide and lactic acid bacteria for gentle stool softening
- **Antispasmodics & IBS remedies** (+1%) benefited from launch of Colpermin (Zeria) in March 2022, Japan's first OTC IBS remedy to contain peppermint oil, following direct-to-OTC approval in June 2021; Kobayashi's Gulac (polycarbophil calcium) also approved for switch in June 2021

Vitamins, Minerals & Supplements (+2%)

- **OTC tonic drinks** (+4%) posted rare growth as increased retail footfall boosted impulse buying, while leading Lipovitan (Taisho) launched new formats including jelly pouches, frozen slush drinks and dissolvable powders, and Alinamin (Alinamin Pharma) diversified via September 2021 launch of Alinamin Night Recover, to be consumed before bedtime to improve sleep quality; other marketers' NPD included jelly pouches
- **Single vitamins** (-4%) saw demand soften for vitamin C (-1%), where focus is on beauty rather than immunity, and vitamin B (-5%), while small vitamin D (+20%) segment was driven by consumers' lack of exposure to the sun
- **Herbal & natural joint health** (+1%) benefited from increased focus on younger consumers via launches like Ajinomoto's aminoVITAL Connect, originally developed for athletes, in October 2021, as well as traditional options for elder consumers, led by Zeria's Chondroitin

- **Herbal memory & brain health** (+4%) benefited from NPD with a focus on middle-aged consumers concerned about cognitive decline, and saw Kirin launch the world's first range of beta-lactolin products for maintaining memory in early 2021
- **Probiotics** (+8%) grew in line with leading brand Biofermin, while NPD was dominated by Kirin's patented L.lactis strain Plasma, including several immunity options; Fancl (in a business alliance with Kirin since 2019) launched Immune Support Intestinal Environment + in January 2022, the first FFC (Food with Function Claim) to support both immune health and intestinal function