

Poland

- Population 2018: 38.4mn
- OTC sales per capita 2018: \$61.42

Chart 46: Poland OTC market by category 2018

Category	\$mn	18/17	% share
Analgesics	328	+7%	14
Cough, Cold & Allergy	525	+4%	22
Gastrointestinals	259	+7%	11
Vitamins, Minerals & Supplements	664	+6%	28
Dermatologicals	356	+6%	15
Lifestyle OTCs	227	+4%	10
Total	2,359	+6%	100

Source: Nicholas Hall Reports based on DB6 (MSP)

Chart 47: Poland leading OTC marketers & brands 2018

Marketer	% share	Brand	% share
USP Zdrowie	7.9	Ibuprofen (USP Zdrowie)	2.5
Polpharma	6.0	APAP (USP Zdrowie)	1.6
Aflofarm	5.7	Gripex (USP Zdrowie)	1.1
GlaxoSmithKline	4.9	No-Spa (Sanofi)	1.1
Sanofi	4.2	Voltaren (GSK)	1.0

Source: Nicholas Hall Reports based on DB6 (MSP)

The Polish OTC market saw accelerated growth in 2018, with solid performances from all major categories. Poland is one of the most developed and liberal markets in the C&EE region, with many OTCs available for sale outside of pharmacies and a progressive switch environment. The country is an open market for MNCs, but local marketers play an increasingly strong role, often with large A+P budgets. VMS grew well, although dynamic probiotics had a struggling performance from multivitamins. Brands backed by scientific claims or which have unique delivery formats perform well in this saturated market. CCA was boosted by high levels of switch activity in recent years and significant NPD and consumer promotion in systemic cold & flu. In analgesics, systemics were boosted by strong performance from children's versions and continued advance of ketoprofen switches. In GIs, large liver & bile remedies category was fairly flat while smaller anti-diarrhoeals and antispasmodics & IBS remedies categories were dynamic. Lifestyle OTCs were boosted by the switch of ED treatments in 2016, which took sales of \$15mn in 2018.

- Competition comes from nighttime analgesics (mainly USA) and cough & cold treatments (widespread), plus rising number of sleep-related apps and technology
- **Smoking control** remains a significant focus for OTC investment as governments worldwide increasingly move to regulate smoking via bans and increased taxation, but sales have been impacted by the rise in e-cigarette use
- N America and W Europe generate 83% of global smoking control sales
- **Systemic cardiovasculars**, positioned to reduce risk of heart attack, largely encompass low-dose aspirin regimens; USA, Russia and Germany lead category sales, with Bayer Aspirin the clear leading brand internationally
- Some possibility of regulatory challenge exists, as new scientific studies suggest the risk of internal bleeding outweighs CVD benefits
- **Urinary products** category comprises cranberry supplements for treatment and prevention of cystitis, while **Prostate remedies** are generally products with saw palmetto (or other natural ingredients) positioned for prostate health
- Latter category enjoyed strong growth in 2018, performing particularly well in E&SE Asia, although down in largest market W Europe; key brands are Qian Lie Kang Pu Le An (Conba Pharm) in China and Prostamol Uno (Menarini) in Europe
- **EHC** remained dynamic, boosted by improved access to Foundation's Plan B in USA and successful global rollout of HRA Pharma's ellaOne
- Category remains underweight in Europe, owing to the refusal or delay of some countries to acknowledge EU-wide switch approval, plus some limits on consumer access in pharmacies

Chart 63: Leading lifestyle OTC brands 2018

Brand	Category	\$mn	18/17
Nicorette (J&J, GSK)	smoking control	649	+3%
Systane (Novartis)	eye care	307	+8%
Rohto Eyedrops (Rohto)	eye care	278	+7%
Hui ren Shenbao (Jiangxi Hui ren)	other lifestyle OTCs	235	-4%
Bayer Aspirin (Bayer)	systemic cardiovasculars	233	-2%
Plan B (Foundation, Endo)	EHC	192	+12%
Nicotinell (GSK, Perrigo)	smoking control	183	-1%
Refresh (Allergan)	eye care	160	-4%
Visine (J&J)	eye care	144	+1%
Optive (Allergan)	eye care	135	+4%

Source: Nicholas Hall Reports based on DB6 (MSP)

Bausch Health

Core business: Pharmaceuticals

Website: www.bauschhealth.com

Head office: 2150 St. Elzéar Blvd. West,
Laval, Quebec H7L4A8, Canada

Corporate turnover (2018): \$8.4bn (-4%)

Total OTC sales (2018): \$732mn (+4%)

Top OTC brands (2018): PreserVision (\$154mn), Ocuville (\$76mn), Mioclear (\$53mn), Moisten (\$47mn), Artelac (\$43mn)

Principal markets for OTC products

North America (40% of total sales), Western Europe (20%), C&E Europe (19%)

Principal OTC categories & brands

Analgesics (5%): Cholisal, Vantal, Sachol, Thera Pearl, Vivimed, Bloxaphte

CCA (6%): AntiGrippin-Naturprodukt, Green Doctor, Vividrin, Ocean, Chlorchinaldin

Gastrointestinals (2%): Panclasa, Carbo Medicinalis-Valeant, Tasetan

VMS (39%): PreserVision, Ocuville, Bedoyecta, COLD-fX, Swiss Natural, 4Flex

Dermatologicals (5%): Caladryl, Diosminex, Panthenol-Chauvin Ankerpharm

Lifestyle OTCs (43%): Mioclear, Moisten, Artelac, Lumify, Soothe, Corneregel

- Bausch Health (formerly Valeant) achieved historical rapid growth primarily through business development and targeted acquisition
- Acquisition of eye care specialist Bausch + Lomb in 2013 saw it break into the global Top 20 OTC rankings; changed name to Bausch Health in 2018
- Eye health presence also extends into VMS, with eye health multivitamins PreserVision and Ocuville leading Bausch Health's OTC portfolio
- Following failed bid for Allergan in 2014, it reportedly decided to put a halt on acquisitions in 2015 and subsequently entered a series of divestitures 2017-18 to reduce debt and focus on core business areas
- Divestitures included derma brands CeraVe, AcneFree and AMBI to L'Oréal, iNova to a private equity company, and Probiotica to Supley Laboratorio
- Pershing Square, previously company's second-largest shareholder, sold its entire stake in the company in March 2017
- 2019 saw acquisitions including rights to Eton Pharmaceuticals' EM-100 eye drop for ocular itching and certain GI ingredients from Synergy Pharmaceuticals; CEO Joseph Papa claimed deals were part of Bausch Health "pivoting to offence" to enhance its portfolio

- Mucinex's historical rapid growth has been driven by high-profile A+P, and partly its strong medical claims
- Adams Respiratory Therapeutics (acquired by RB in 2008) was first to file US patent on extended-release guaifenesin, and Mucinex's FDA approval forced all remaining single-ingredient guaifenesin generics out of market
- Now faces generic competition including versions from Allergan, Perrigo, Aurobindo Pharma and (since February 2019) Amazon which fields generic version of Mucinex DM via its Basic Care OTC range
- Mucinex extended in 2018 with Fast-Max Cold & Flu All In One, positioned as a fast and convenient cure-all product to help mitigate impact of private labels
- Initially HCP-marketed, Mucinex's sales surged following a shift to direct to consumer marketing strategy with the launch of its brand mascot Mr Mucus – a staple in every ad campaign but with updated taglines over the years
- Current US #SuperSickMonday campaign uses the tagline "When you're really sick, take Mucinex", while in Canada Mr Mucus is promoted with the tagline "Let's End This"
- RB teamed-up with WebMD to launch a chatbot in November 2017 to help users self-diagnose, while also promoting RB brands such as Mucinex
- In October 2018 RB and Walmart collaborated on a telehealth initiative offering a free medical consultation with a Doctor On Demand physician with any Mucinex purchase in store or at Walmart.com

Panadol (GSK)

- Ranking fourth in the global OTC analgesics category, Panadol is a dynamic international paracetamol brand (available in over 80 markets); it performs strongly in several regions, but remains absent from Japan
- Analgesic presentations account for 85% of brand sales with systemics driven by a wide range of available presentations, including extra-strength, night-time and paediatric versions, while systemic cold & flu options also grew well
- Brand generates over 50% of its sales in key Asia-Pacific region as the leading systemic analgesic in Australia, Malaysia and Hong Kong, among others
- Supported by Toughies campaign in 2018 in several SE Asia markets showcasing people who go to great lengths to help others and do not stop for pain
- In Australia Children's Panadol teamed up with kidspot.com.au to launch the First Timers campaign in 2018 to support first-time mothers in Australia
- Brand continues to promote its Optizorb technology that disperses the tablet quickly to increase absorption rate, up to five times faster than regular paracetamol

Chart 70: Legal status of ingredients in selected European markets (II)

	Czech Rep	Hungary	Netherlands	Poland	Russia	Switzerland
Dermatologicals (cont.)						
ketoconazole 2%	P	P	Rx	P	P	P
miconazole (topical)	Rx	Rx	P	P	P	P
miconazole (vaginal)	Rx	Rx	Rx	Rx	P	Rx
minoxidil (topical)	P	P	P	P	P	P
penciclovir	P	P	M	U	P	P
terbinafine (topical)	P	P	M	P	P	P
Others						
levonorgestrel	P	Rx	P	Rx	Rx	P
naphazoline (eye care)	P	P	U	P	P	P
nicotine oral inhaler	P	U	P	M	P	P
nicotine patch	P	P	P	M	P	P
orlistat	P	P	P	P	Rx	P
ulipristal acetate	P	U	P	Rx	Rx	P

Key to symbols

Rx = prescription only

U = not available

P = OTC in pharmacy only

M = available in mass market

- Major retailers are increasingly investing in digital platforms to provide greater convenience for consumers, such as Walgreens' Find Care Now, a digital platform and marketplace to help mobile and online visitors connect to healthcare services in the company's stores and growing list of recognised providers in the community
- Meanwhile, Walgreens Express brings together its neighbourhood pharmacy locations with the FedEx air-and-ground delivery network to provide next-day prescription delivery; same-day delivery is available in selected markets and will be expanded in 2019
- Telehealth is a growing area, e.g. RB and Walmart are collaborating with leading virtual care provider Doctor On Demand to provide consumers with live access to high-quality, board-certified physicians on mobile phones, tablets or computers

Canada

- There are over 10,000 pharmacies operating in Canada; OTCs are widely available through a range of outlets
- Pharmacy sector faces strong competition from supermarkets, mass merchandisers and online retailers
- Several large chains dominate, while independent pharmacies struggle owing to a reduction in allowances paid for Rx dispensing
- Target had planned to make a high-profile launch in Canada, featuring in-store pharmacies, but the retailer pulled the plug on its first foreign venture in 2015 in dramatic fashion
- Supermarket chain Loblaw entered retail pharmacy in 2010 in order to capitalise on price cuts for Rx medicines and acquired Canada's former leading pharmacy chain Shoppers Drug Mart in 2014
- In 2017 Loblaw announced plans to invest around US\$1bn in the Canadian economy, including the opening of 30 stores and renovation of 500+, with continued rollout of Click & Collect e-commerce and improved health & wellness services
- In May 2018 Canadian grocery retailer Metro acquired pharmacy chain Jean Coutu for around \$3.5bn (on condition Metro sells 10 pharmacies in Quebec)

Western Europe

UK

- The global role model for GSL, with many well-established and safe products permitted for sale in the mass market as well as by self-selection in pharmacies
- Established pharmacy-only channel gives pharmacists a significant role in providing healthcare advice