East & South East Asia

- Population 2023: 2,093.5mn
- CHC sales per capita 2023: $20.39

Chart 7: E&SE Asia CHC market by category 2023

Category	$mn	23/22	% share
Analgesics	5,371	+7%	13
Cough, Cold & Allergy	8,544	+9%	20
Gastrointestinals	5,628	+8%	13
Vitamins, Minerals & Supplements	14,768	+6%	35
Dermatologicals	4,729	+6%	11
Lifestyle CHC	3,644	+5%	9
Total	**42,683**	**+7%**	**100**

*Source: Nicholas Hall Reports based on **DB6** (MSP)*

- Diverse region encompassing developing economies such as Indonesia and the Philippines and more developed markets like China and South Korea
- Growth in biggest market China (which accounts for 76% of CH sales) improved following the removal of the country's Zero Covid policy in late 2022, helping offline retail to recover; pandemic also left legacy of improved health consciousness
- Ending of pandemic-related travel restrictions and consequent increase in the tourist trade also boosted sales in the region (notably in the Philippines and Hong Kong)
- In Indonesia, growth slowed amid weaker consumer purchasing power in an inflationary environment, reduced demand for VMS products as pandemic-related purchases eased off and safety concerns over liquid format products
- Growth in South Korea also slowed; many categories are heavily saturated here and domestic companies are increasingly looking to other SE Asian countries for growth, e.g. Samjin signed an MoU with OPC Pharmaceutical to supply and distribute its products in Vietnam in March 2023
- Japanese companies also invested in Vietnam, e.g. Lion acquired shares in Merap (January 2023), owner of several OTC brands with country-wide distribution network
- Region remains attractive to MNCs, who often partner with domestic players for their local expertise
- Increased marketer co-operation with local retailers in China has helped build presence, particularly in e-commerce and e-health; building presence on local e-commerce platforms such as Tmall provides a way into the region

Chart 64: Top 250 CHC marketers 2023 (cont.)

	Marketer	$mn	CAGR
184	Amphastar	108	+52%
185	Henan Wanxi	107	-4%
186	Bridges CH	107	+0%
187	Deltomed Laboratories	106	+2%
188	China Resources Double Crane	106	+2%
189	Combe	103	+7%
190	Ikeda Mohando	102	+3%
191	Pharmstandard	101	+8%
192	Gedeon Richter	101	+3%
193	Orix	101	-4%
194	NeilMed	101	+5%
195	Engelhard	99	+3%
196	Takeda	99	-1%
197	Pohl-Boskamp	98	+6%
198	Hasco Lek	98	+11%
199	Orkla Health	98	+4%
200	Ascendis	97	+12%
201	Orion	97	+3%
202	Sino Biopharm	97	+14%
203	Carma	97	+1%
204	Chinoin	96	+12%
205	Mega Lifesciences	96	+8%
206	Alkem	96	+16%
207	UCB	95	+5%
208	Himalaya	94	+13%
209	Zhuzhou Qianjin	94	+2%
210	Jilin Wutai	91	-6%
211	Dong Wha	91	+11%
212	Merz	90	-1%
213	Liomont	89	+8%
214	Fidia Farmaceutici	89	+1%
215	Jamjoom Pharma	89	+19%
216	Abdi Ibrahim	88	+35%
217	Biofarm SA	88	+13%
218	Hunan Jiuzhitang	87	-4%
219	Avalon Pharma	87	+25%
220	Havea	87	+8%
221	Guangxi Bangqi	86	+10%
222	Hermes	85	+1%
223	Tecnoquímicas	85	+9%
224	Daewoong	84	-1%
225	Crown Laboratories	83	+25%
226	Whealthfields Lohmann	83	+10%
227	AllergoSan	83	+15%
228	Solopharm	82	+46%
229	Shanghai Gold Partner	82	-4%
230	Grünenthal	82	+5%
231	Li Shizhen	80	+3%
232	Jingzhu Tibetan	80	+5%
233	Consun	80	+11%
234	Edgewell Personal Care	80	+22%
235	Apex	80	+18%
236	GOJO Industries	80	+22%
237	Goldstone Group	79	-4%
238	Yunnan Green A Biotech	78	+5%
239	Kunming Chinese Medicine Factory	77	+13%
240	Yuhan	77	+7%
241	Materia Medica	76	+5%
242	WN Pharmaceuticals	76	+3%
243	Orthomol	76	+3%
244	Goli Nutrition	75	n/a
245	Nippo Pharm	75	+1%
246	Djojonegoro	74	+12%
247	Konimex	74	+8%
248	Perfetti Van Melle	73	+2%
249	FDC	73	+16%
250	Lupin	73	+8%
	Top 250 Total	**101,467**	**+6%**

CAGR refers to period 2019-23

*Source: Nicholas Hall Reports based on **DB6** (MSP)*

Perrigo

Website: www.perrigo.com

Head office: The Sharp Building, Hogan Place, Dublin 2, Ireland

Total CHC sales (2023): $925mn (+4%)

Top CHC brands (2023): Solpadeine ($80mn), Abtei ($67mn), Good Sense ($58mn), NiQuitin ($55mn), ellaOne ($55mn)

Principal markets for CHC products

Western Europe (70% of total sales), C&E Europe (12%), North America (12%)

Principal CHC categories & brands

Analgesics (14%): Solpadeine, Good Sense, Galpharm, Herron, Tiger Balm

CCA (26%): Coldrex, Bronchostop, Physiomer, Good Sense, Bronchenolo, Nasonex

Gastrointestinals (4%): Good Sense, Prevacid, Phillips, Abtei, Verecolene Complesso

VMS (12%): Abtei, Davitamon, Ymea, Vitamax, ACO, Abidec, Zaffranax, Metatone

Dermatologicals (23%): Compeed, Canoderm, Mederma, Para, Lactacyd, Wartner

Lifestyle CHC (21%): NiQuitin, ellaOne, Nytol, Abtei, Granu Fink, Nicotinell, Option 2

- Perrigo built its strength in consumer health via a significant generics and store brand portfolio, and repositioned as a "pure-play global consumer self-care company" in 2021 via divestiture of Rx generics to Altaris Capital
- Expanded beyond private labels via M&A, e.g. acquired branded OTC rights to Prevacid24HR (2019), High Ridge Brands' oral care portfolio and skincare and hair loss treatment brands from Sanofi (2020) and partnered with Probi in Europe to launch probiotics (2021)
- Acquisition of French-based HRA Pharma in May 2022 was described as "crowning achievement" in its CHC repositioning, bringing women's health (ellaOne, Hana) and therapeutic skin care (Compeed, Mederma) brands
- Sold Mexican and Brazilian-based OTC businesses to Advent in early 2022
- Rx-to-OTC switch has been a route to CHC growth; after its first branded switch, Nasonex 24HR Allergy (mometasone furoate), launched in 2022, it also launched omeprazole magnesium delayed-release mini capsule
- Received FDA approval for Opill (norgestrel 0.075mg) in July 2023, first daily birth control pill available without a prescription in USA, launching into stores and online in March 2024; Perrigo aims to maximise category's long-term potential by investing in a franchise of women's health products

Chart 65: CHC merger, acquisition, alliance & joint-venture activity 2019-2024 (cont.)

Year	Company	Activity
2023	Wellful	acquired Jenny Craig weight management brand (USA)
2023	Wellnex	acquired Pain Away (Australia)
2024	21 Invest	acquired Omega Pharma (Italy)
2024	3M	spun off its healthcare business, renamed Solventum (global)
2024	Alinamin Pharmaceutical	acquired Nihon Pharmaceutical (Japan)
2024	Chr Hansen	merged with Novozymes, renamed Novonesis (Denmark)
2024	Cimed	acquired R2M (Brazil)
2024	Cinfa Group	acquired Adamed (Spain)
2024	Damor	acquired Laboratoires Carilène (France)
2023	Dexcel Pharma	acquired eight CHC brands from Teva (UK)
2024	DKSH	acquired Medipharm (Brunei)
2024	Dong Wha	acquired four CHC brands from Celltrion (Asia)
2024	Dr Reddy's	acquired MenoLabs (USA)
2024	EMS (Grupo NC)	acquired Sanofi's Lactacyd (Latin America)
2024	Fidia Farmaceutici	acquired Sanifarma's ophthalmology business (Italy)
2024	Group KPS, Bastion Capital and partners	acquired Goli Nutrition (N America)
2024	Karo Healthcare	acquired the rights to Proctosedyl (Italy)
2024	Kwang Dong	acquired a 58.74% stake in BL Healthcare (S Korea)
2024	LDSP	entered strategic partnership with P&G to distribute Rolaids (USA)
2024	Megalabs	acquired Croma-Pharma's Brazilian operation (LatAm)
2024	Mitsui and Rohto	to acquire majority stake in Eu Yan Sang (APAC)
2024	Navamedic	acquired the marketing & distribution rights to MED3000 (Nordics)
2024	Novo Holdings	to acquire Catalent (global)
2024	Novozymes	merged with Chr Hansen, renamed Novonesis (Denmark)

continued

8. Hot Topics

Obesity crisis represents huge opportunity for CHC

- Obesity is one of the most significant unmet medical needs and a huge opportunity for CHC, assuming the right products and strategies are developed; there is no other sector where demand is so high and delivery so poor
- 51% of the global population (more than 4bn people) will be overweight and living with obesity by 2035 if current trends prevail, according to World Obesity Atlas 2023
- Childhood obesity could more than double by 2035 (from 2020 levels), while lower income countries face rapid increases in obesity prevalence; even in developed markets, the problem is putting huge strain on healthcare systems
- Demand is almost unlimited among this increasingly overweight population, yet there is an absence of safe and effective products in consumer health
- Aside from a raft of unproven supplements, the existing CHC market offers just one ingredient specifically indicated for treating obesity – orlistat – but brands like Alli, Xenical and Redustat have not taken off owing to well-documented side-effects and overpromising on results
- This has not stopped Taisho attempting to revive Alli's fortunes, launching the brand in Japan in April 2024 (after it was granted marketing approval in February 2023); while Japan has the lowest total prevalence of obesity among major markets, it is conceivable the brand can find an audience here
- Plenty of alternatives exist among supplements, including probiotics and functional foods, but with few genuinely exciting developments; common ingredients include green tea, green coffee extract, l-carnitine, cinnamon bark and vitamin D
- Among more innovative new entrants, Nexira's Carolean is a patent-pending ingredient based on carob and nopal (cactus) for appetite control, which raises satiety by increasing viscosity in the stomach
- Siluete lip balm (Arquimea; Spain, 2022) is positioned to reduce desire to snack by providing a sensory distraction, with proven efficacy in clinical studies
- Among the many established probiotics, Symbiosys Satylia (TargEDys), based on Hafnia alvei HA4597 and launched in several European markets since 2020, is well regarded, positioned for overweight adults and claimed to increase the feeling of fullness and to help control appetite
- The most interesting recent research in the field of weight management includes microbiome-based management of obesity (*see later in this chapter*)
- Meanwhile, Nestlé Health Science and Epitomee are running a clinical trial involving a weight loss capsule that imitates solid food to achieve a sensation of satiety; already CE cleared, the device is not absorbed by the body, rather evacuated via normal bowel movements