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CONSUMER HEALTH

Global Consumer Health Trends

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IQVIA Consumer Health

ICPA Conference – October 2023

Let’s start by hearing from you!

Do you think of Consumer Health as an opportunity?

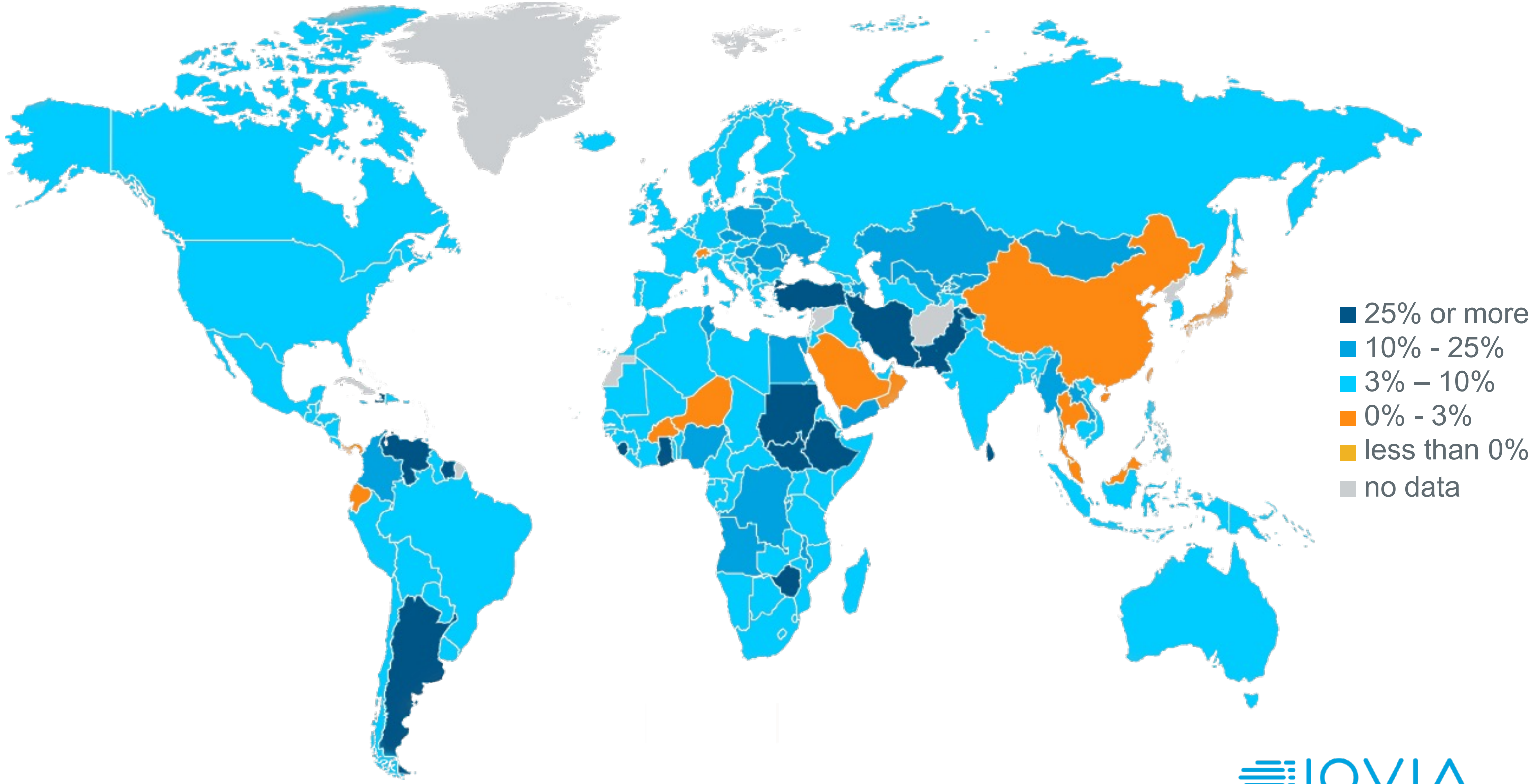
Do you see Consumer Health as a growing area?

Volatile short-term trends

Inflation/Cost of Living/Pricing

50% of consumers either very or extremely concerned about their own personal financial situation

96% intend to adopt some type of cost-saving behaviour over the next six months*



Source: https://www.imf.org/external/datamapper/PCPIPCH@WEO/OEMDC/ADVEC/WEOWORLD
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Why we see an opportunity in consumer health

CONSUMER HEALTH MARKET IS GROWING

RISE OF THE HEALTH-CONCIOUS CONSUMER

SELF-CARE IS KEY TO SUSTAINABLE HEALTHCARE SYSTEMS

Rise | Reconnect | Recover | Rebuild | Re-Energise

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Global OTC recovery post-COVID has been faster than expected

Rise

Global OTC market performance: MAT Q2 2023

$187bn

MAT Q2 2023, compared to $172bn in MAT Q2 2022

+8.5%

Growth MAT Q2 2023

24.3%

CCR holds largest share; sale growth of +18.9%

37.6%

EMEA maintains largest share; Growing at +10.1%

Factors impacting CH

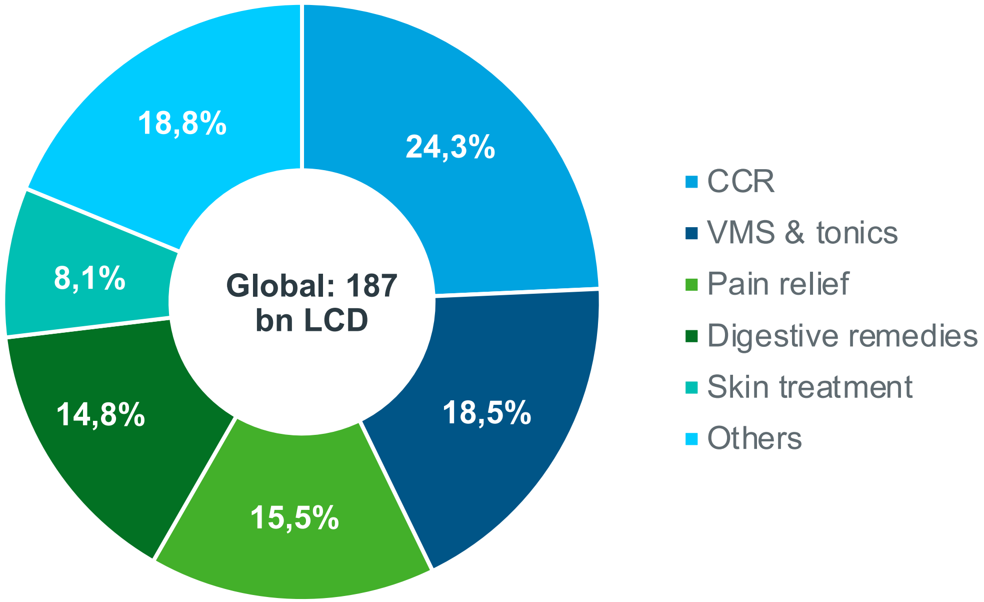
- Reopening of the economy (exc. China) driving the market to pre-COVID levels
- Inflation and price increase have been the dominant news
- Innovation and new launches getting back to Pre-COVID levels
- CCR and Pain Relief driving bulk of the growth and covering for VMS slow-down

Source: IQVIA Global OTC Insights

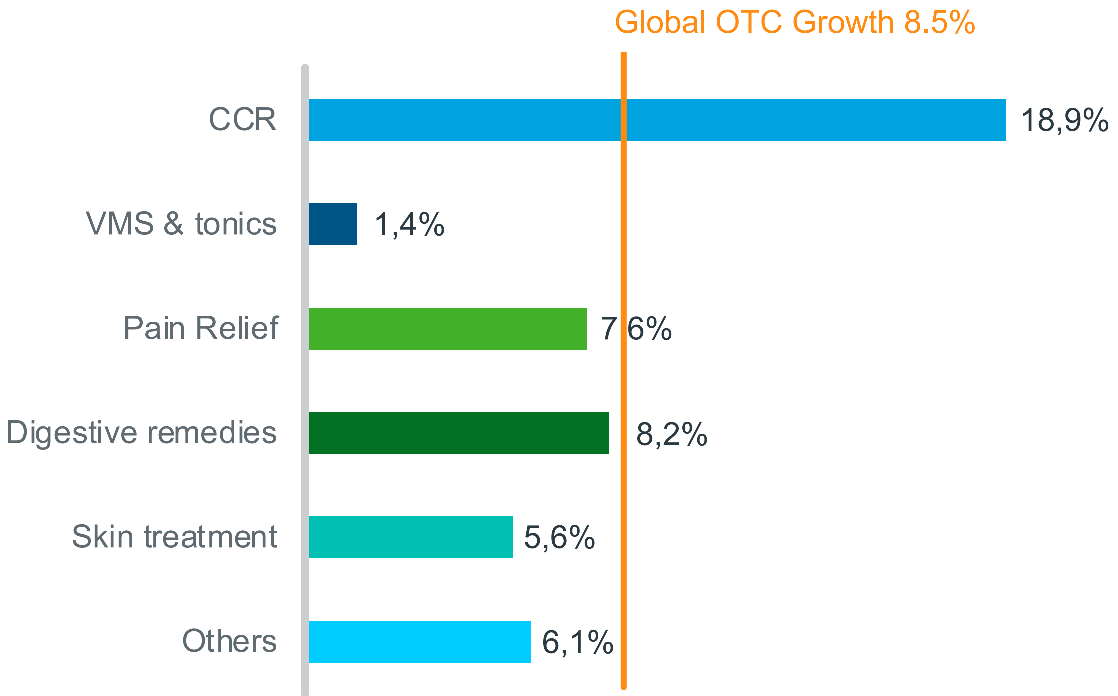
Global OTC category performance – MAT Q2 2023

CCR continues to drive the growth of the OTC market, while pain and digestive remedies support the growth

Size of OTC categories share
[LCD in %,Q2 2023]



YoY growth of OTC categories
[% in LCD,Q2 2023]



Source: IQVIA Global OTC Insights
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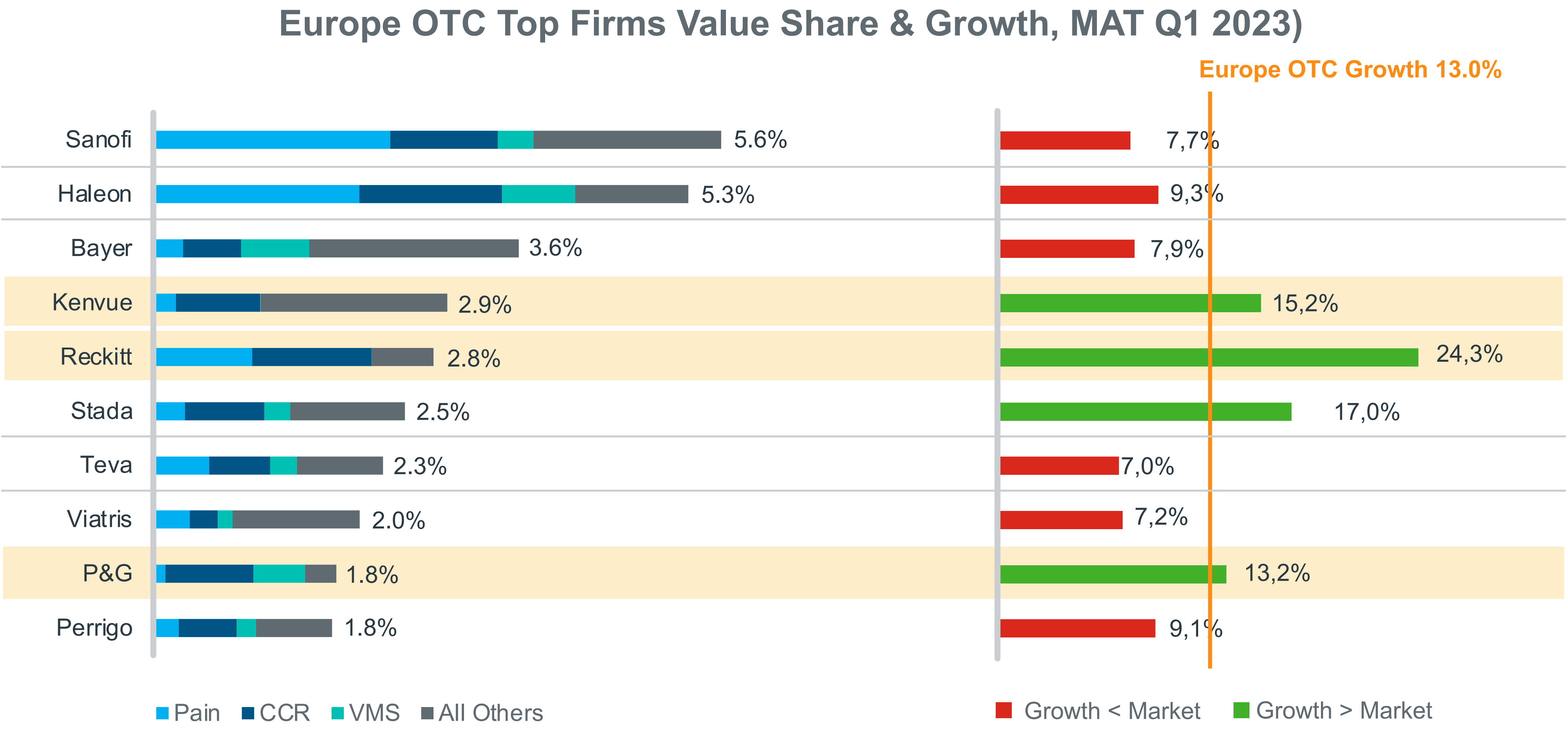
Rise

Companies with strong 'traditional' portfolios performing well

Kenvue, Reckitt, P&G all growing faster than market thanks to big CCR portfolios



Source: IQVIA Global OTC Insights
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Rise

Role of innovation in OTC growth

Innovation is the biggest growth driver with opportunity for the industry to maximize its impact; ~11% of sales from the OTC market came from the new SKUs launched since 2021

Innovation comparison – OTC categories – (3yr cumulative)

Category	Freshness Index	#SKUs launched	# new SKUs with Sales > $100k
CCR	10.1%	21,488	1 729
VMS & Tonics	13.2%	66,524	3 066
Digestive Remedies	8.1%	21,094	1 187
Pain Relief	10.0%	16,876	1 261
Skin Treatment	7.6%	20,690	879

*Freshness Index= MAT Mar 2023 Sales of SKUs launched in MAT Mar 2021-23/Total market/company sales in MAT Mar 2023
Source: IQVIA Global OTC Insights
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Today’s pharmacy consumer

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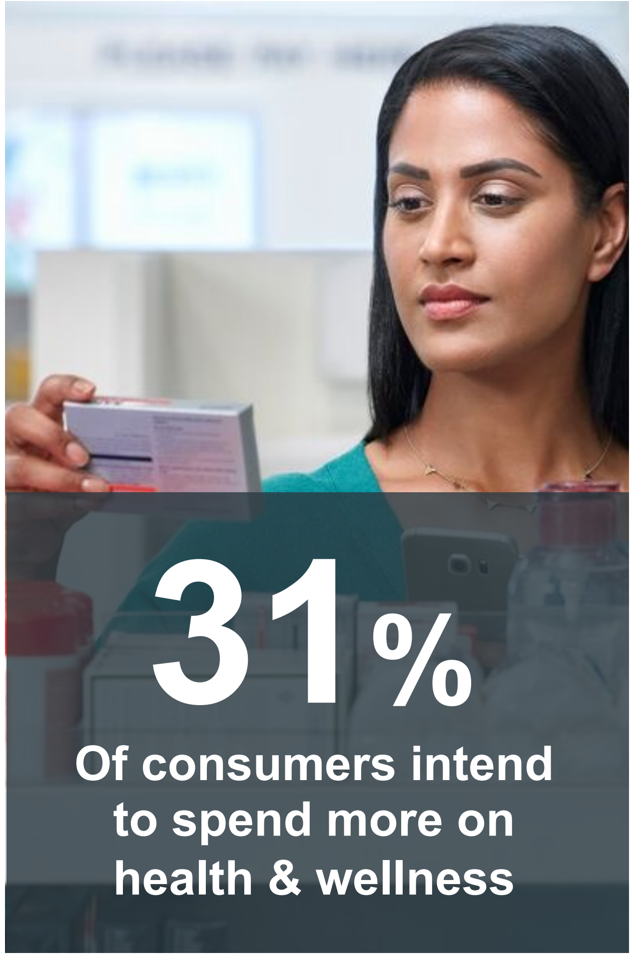
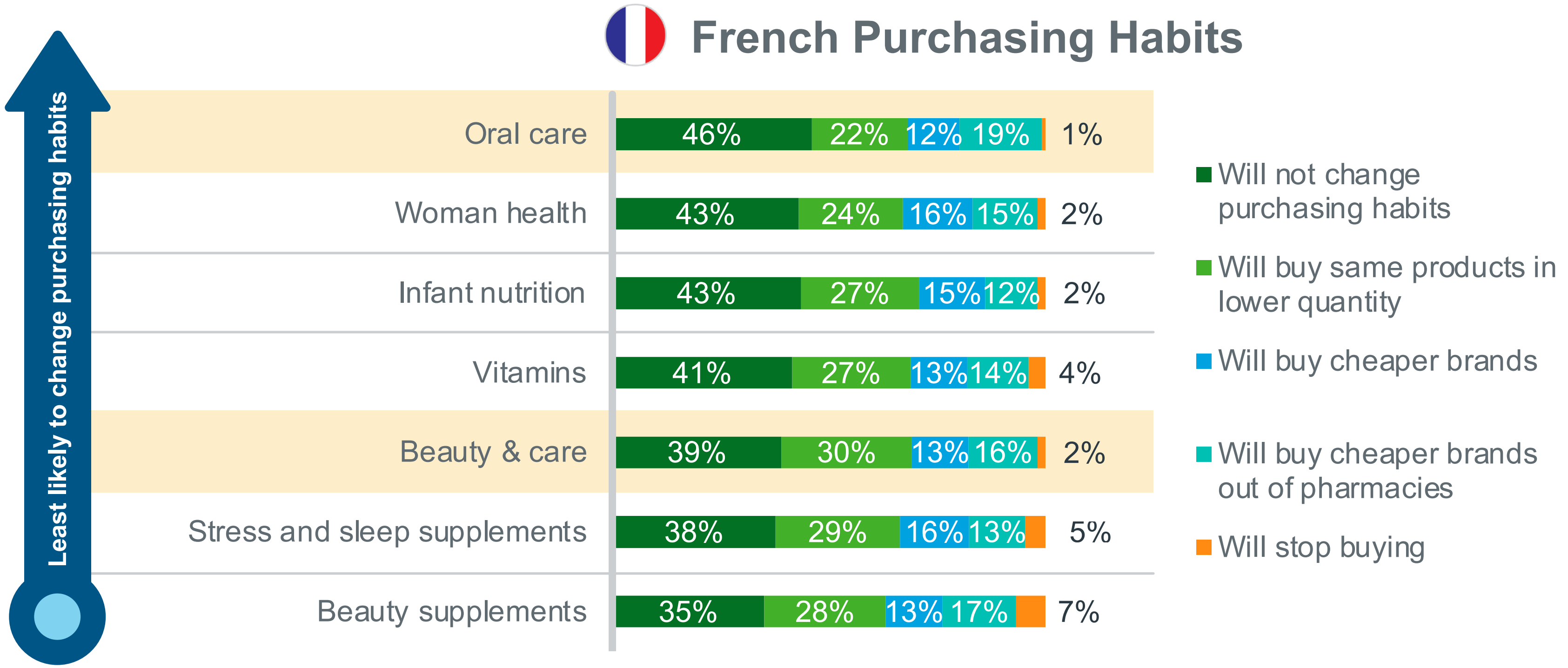
Rising prices are biting, but healthcare remains a key spend

Less 'essential' the category, less likely consumers will be willing to spend more





Source : IQVIA – Survey on 2.000 French adult led in January 2023 – What will be the impact on your purchasing habits of a price increase?; Consumer Outlook 2023, NeilsenIQ
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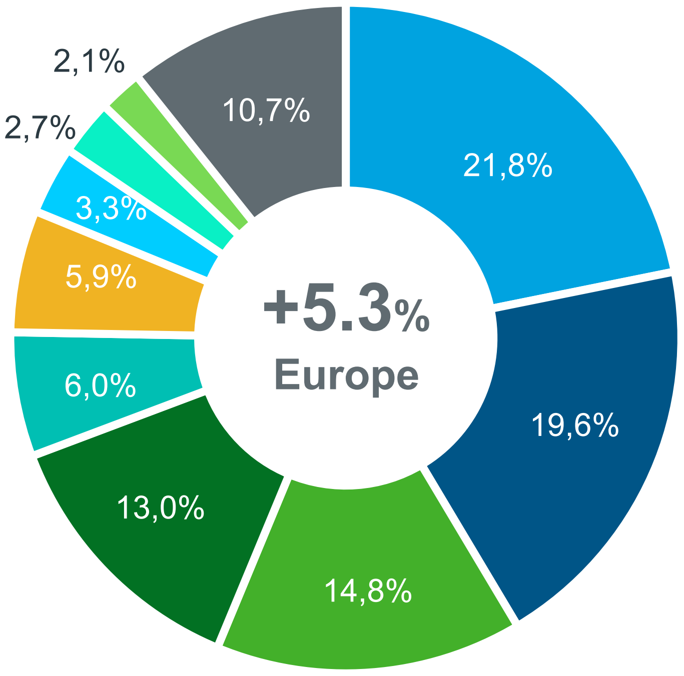
Consumers spending choices hitting <u>minor</u> categories

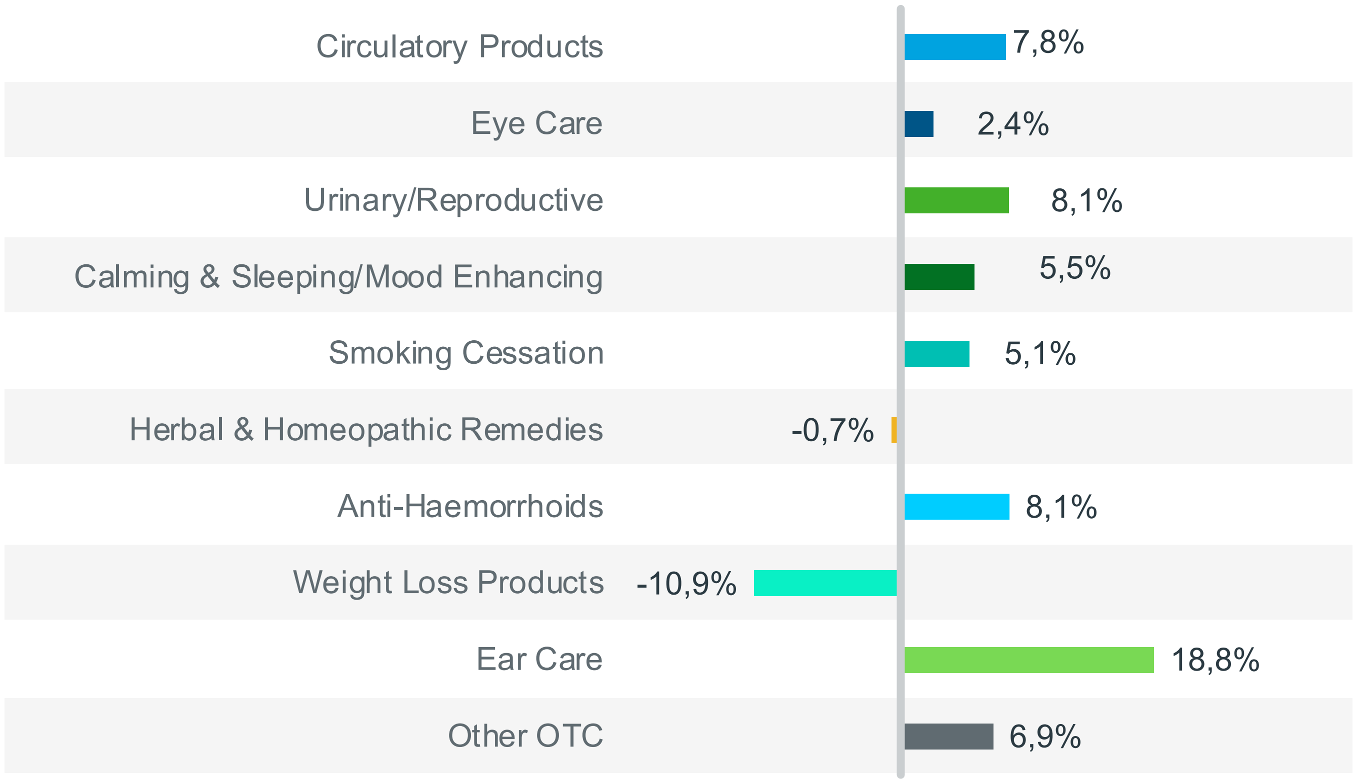
More 'aspirational' categories seeing slower/declining growth as people prioritize 'acute' categories

Europe OTC Minor Category Share & Growth(MAT Q1 2023)

Value Share (%)



Value Growth (%)



Source: IQVIA Global OTC Insights – excluding Russia & Ukraine
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Consumers' self-care shopping journey is changing

They are interacting with your brands across multiple channels and stores online and offline

WHERE THEY SHOP OFFLINE

69% use a physical pharmacy when shopping for self-care products

WHERE THEY SHOP ONLINE

23% use an e-Pharmacy when shopping for self-care products

22% use Amazon when shopping for self-care products

TOP CATEGORIES ONLINE USAGE

Vitamins, Supplements, complements — 35%

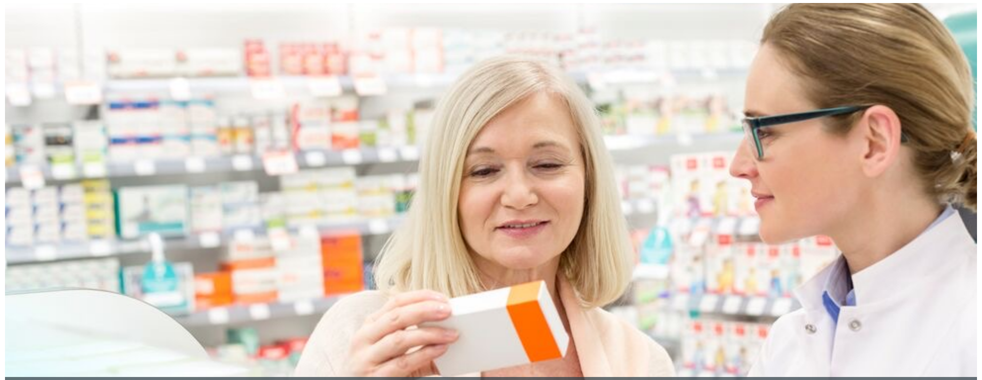
Nutrition, Child products — 25%

Weight loss, Sport nutrition — 43%

Source: IQVIA Consumer Health - Base: n=1,000 Spanish population over the age of majority responsible for household purchases; Purchase category Where do you buy products .... (multiple response); Global Consumer Health Trends – ICPA Conference October 2023 – IQVIA Consumer Health

Despite this change, consumers still trust their pharmacist

So, it is crucial you are engaging consumers in the right way

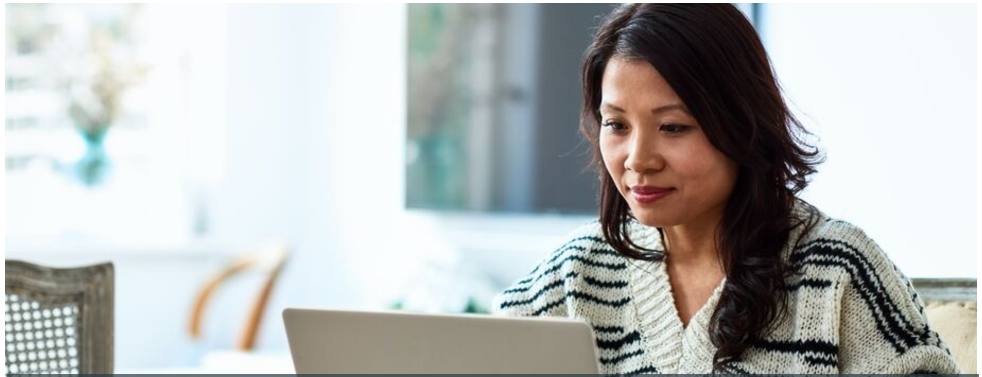


Reasons to buy offline

63% prefer to have the advice of their pharmacist before buying

29% are afraid to buy counterfeit products on the Internet

17% do not know that it is possible to buy OTC medicines on the Internet



Reasons to buy online

77% buy OTC products on the Internet because they are cheaper than in pharmacies

60% buy OTC products on the Internet for convenience (home delivery)

35% out of opportunism, because they buy other para-pharmacy products

Source: IQVIA Consumer Health with a panel of SantéDiscount customers (450 respondents)

Consumers want improved outcomes *and* value-based services

Reconnect

Holistic self-care is moving beyond symptom treatment, driven by the rise of digital health tools

Advanced health & wellbeing

- **Advanced innovation** beyond formulation
- **Evidence-based** products for an ageing society
- **More access to OTC drugs** through RX to OTC switches
- **Long-term health** prevention services

Inform – Advise - Diagnose – Treat – Prevent - Manage

Digital innovation

- Integration of new **digital experience**
- **Digital therapeutics**
- **Advanced diagnostics & personalization**
- **Digital biomarkers**

Reconnect

Pharmacy is seen as the first line of healthcare support

Governments and healthcare systems are looking to you!

Taking the opportunity

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So, make it easy for consumers to recognize what you can do for them and their families

Recover | Rebuild

Planogram compliant merchandising drives improvements across many key metrics within a pharmacy environment

Recover | Rebuild

Which can deliver an increase of +7.8% revenue and +8.1% profitability

Drive Operational Excellence & Efficiency

Reduce time to identify planogram gaps, make it compliant and increase productivity of the Sales Reps

Increase Sales

Increase conversion to purchase, maximizing sales per trade operation, and faster stock re-stock

Support Employee Success

Clear merchandising standards helping both the pharmacy and the employees to drive sales

Improve Customer Experience

Improve the shopper journey and experience, driving Net Promoter Score / satisfaction

Engage with your shopper

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Consumer channel preference

Despite digitalization, retail pharma consumers prefer in-store shopping for consultation, variety, and personalization

80%

of total pharmacy spend instore. Despite increasing digitization, **Australian** consumers are continuing to channel more of their pharmacy spend instore

81%

of **Americans** trust a pharmacist, nurse, or nurse practitioner to provide care when they or a family member is sick

87%

of **Saudis** have a personal preference to visit a community pharmacy with ability to talk to pharmacists directly

Dermocosmetics: a market strongly influenced by the recommendations of healthcare professionals

A doctor's recommendation or prescription

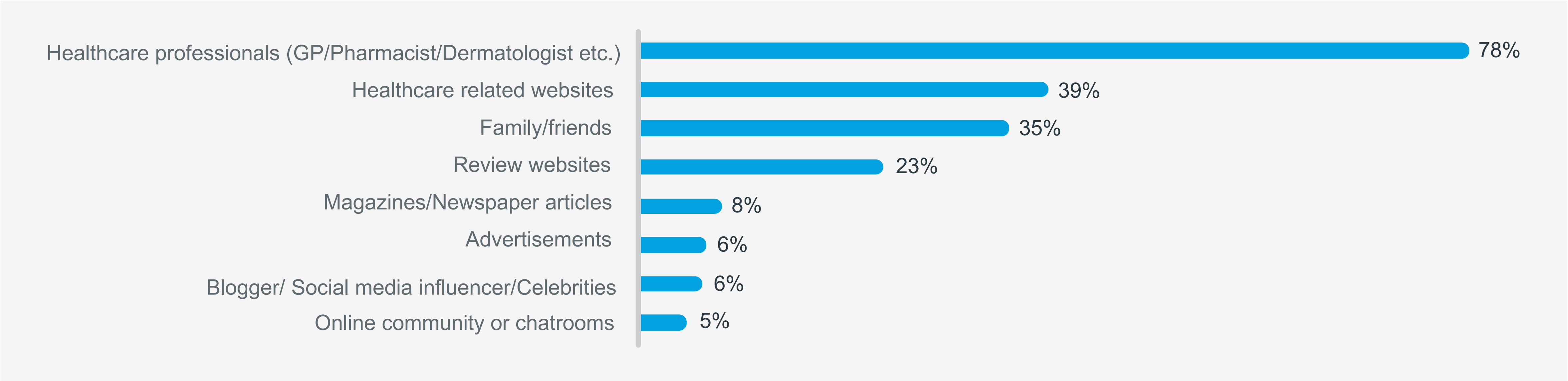
19% of consumers of dermocosmetic products say they buy these products in pharmacies on prescription from a doctor

Purchasing a product for medical reasons

29% of consumers of dermocosmetic products say they buy these products for medical reasons

Valuing the advice of the pharmacist

44% of consumers of dermocosmetic products declare that they value pharmacist advice when purchasing a dermocosmetic product



Source: IQVIA Consumer Health, Dermocosmetics 2022 - Under the Skin

Empower your pharmacy staff to provide support so they can take an active role in engaging with consumers

Re-energise

16,814
Registered pharmacists

24,195
Pharmacy support personnel

4,796
Registered pharmacies

https://pharmcouncil.co.za/Media/Default/Annual%20Reports/AR2021_web%20version_2.pdf – SOUTH AFRICA FIGURES
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Connect with industry

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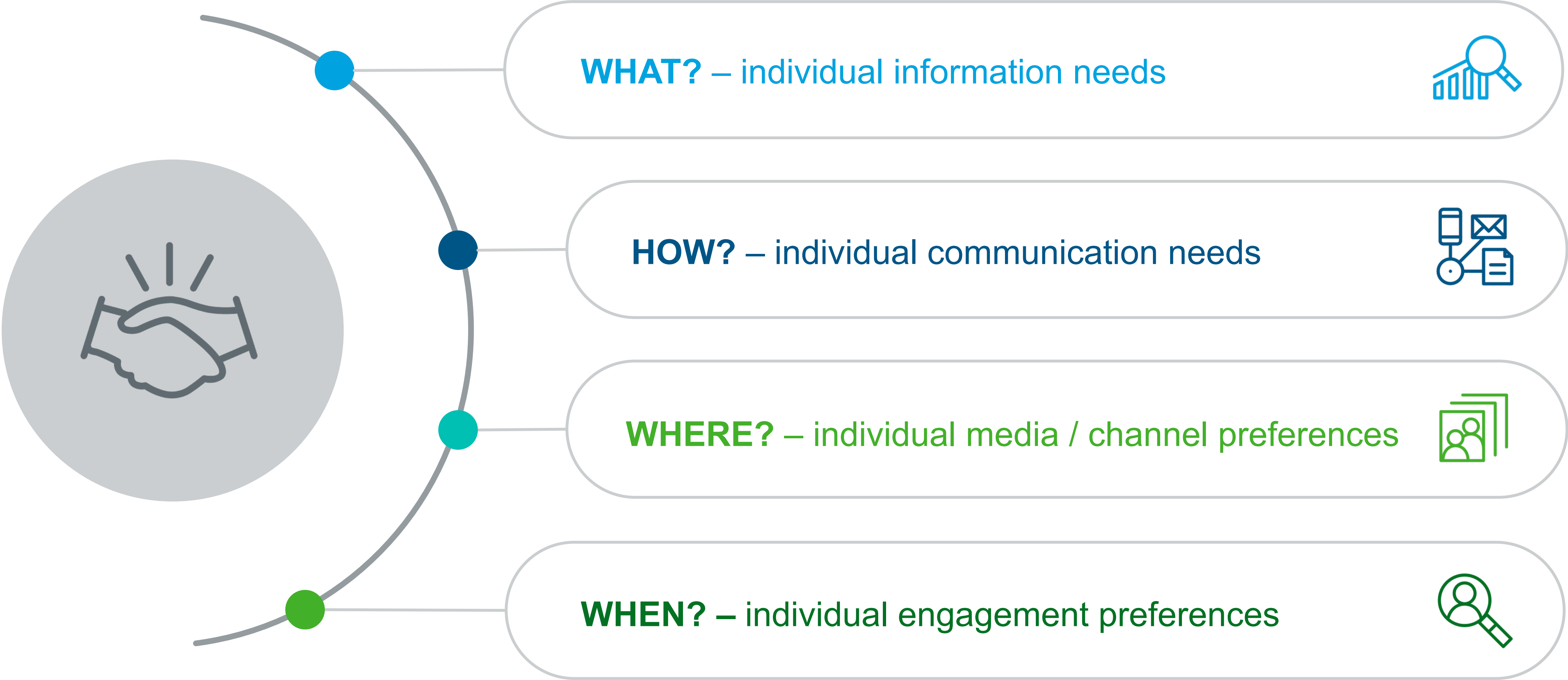
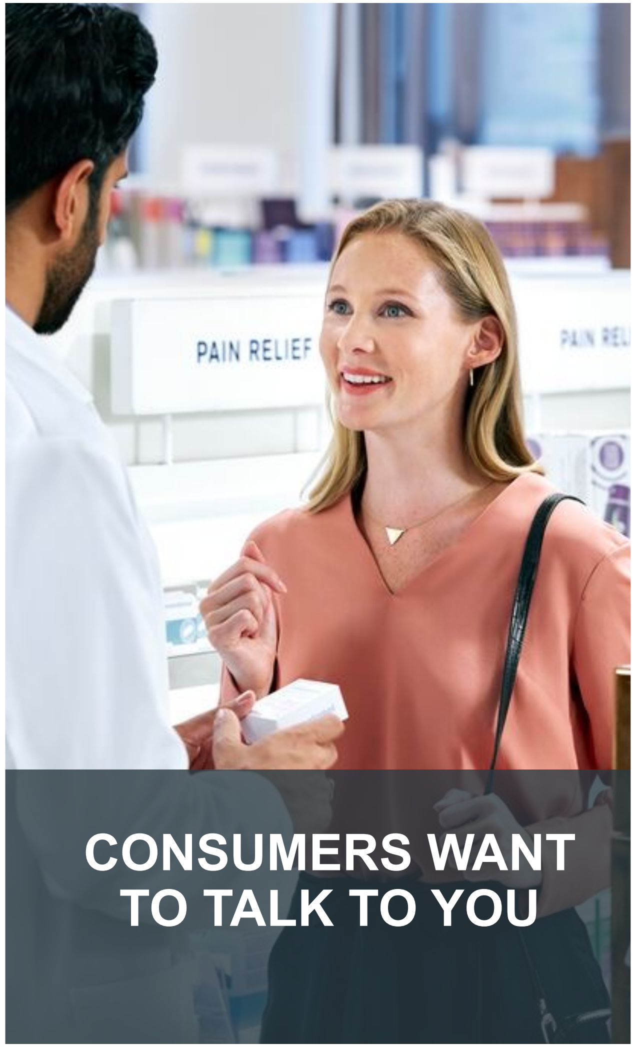
Industry wants to nurture its relationship with pharmacists with omnichannel strategies

Foster a two-way relationship for better outcomes for you, the industry and the consumer



The Consumer Health opportunity is emerging!



Thank You!

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