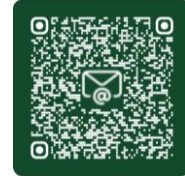


# Alantra Market Review

## Consumer Health 2H 2022

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# FOREWORD

## Welcome to Alantra's 2022 Year-End Review of the Consumer Health Sector, our semi-annual newsletter on the trends and opportunities in Consumer Health

### In this issue, we explore...



#### A recap of our 1H22 Report

- Even with an industry-wide effort, the Women's Health category lacks concerted focus from corporates
- Amazon Basic line leads OTC on Amazon
- Unilever leverages existing brands into the OTC market



#### Three themes to watch:

- Understanding the European market
  - Challenges with market entry and distribution
  - Spotlight – VMS Market in Germany
- Gut health's link to brain and immune system functionality will fuel category growth
- Ingredients – a valued strategy to earn consumer and pharmacist trust



#### Deep-dive:

- Concepts of separation and transition
- Tracking Consumer Health on Amazon
- Public market performance and M&A in 2H 2022

Alantra aims to foster knowledge-sharing and collaboration across the Consumer Health (CH) universe. Every six months, we publish this report to reflect what we see and hear in the market.

On the news – we recently launched a healthcare podcast, [Crossroads by Alantra](#), where we invite global industry experts to discuss trends and impacts on the M&A market. We released [a series of four episodes on Consumer Health](#) with guest speakers from Bain & Company and Allen & Overy.

The Consumer Health market continues to grow as individuals are empowered to manage their health through increased access to information. In this edition, we explore fast-growing channels / categories and the European VMS market.

### Alantra Consumer Health Team



**Rusty Ray**  
Managing Partner  
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**Matthew Wiseman**  
Partner  
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**Josh Garver**  
Managing Director  
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**Charles Lanceley**  
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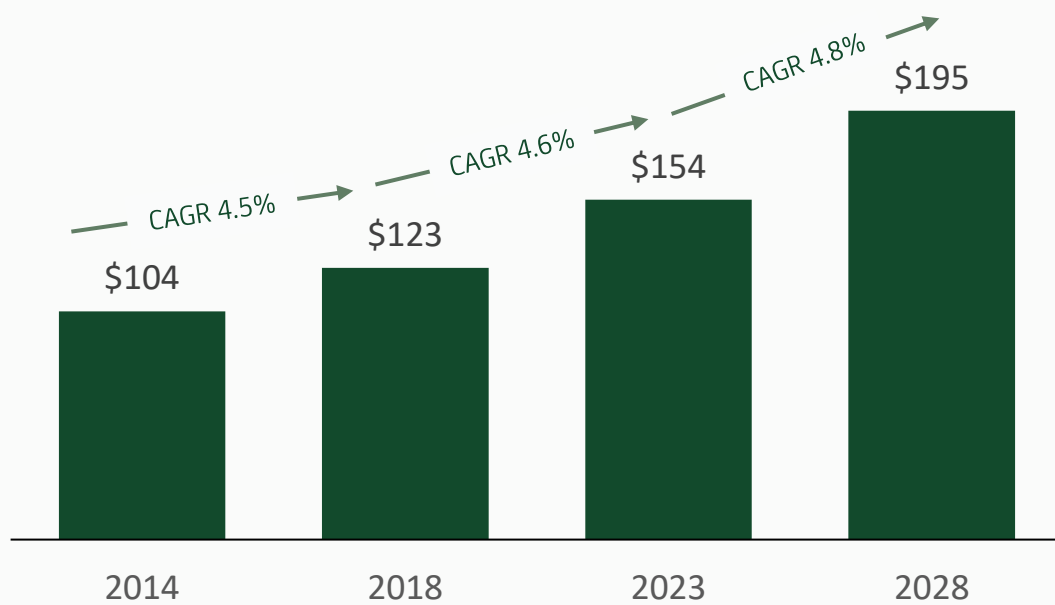
**Chris Carlson, PhD**  
Director  
Healthcare



**Michaela Zhang**  
Analyst  
Healthcare



Global Consumer Health Market Size  
(\$Bn), 2014 – 2028E <sup>(1)</sup>



The Alantra Healthcare team has leveraged our experience and market access to provide you with a deep-dive into the key trends and themes that have emerged in this fast-growing industry

## Consumer Healthcare Products

In the US, every \$1 spent on CH products results in savings of nearly \$7.20 for the broader healthcare system, amounting to \$146 billion in value <sup>(2)</sup>. Additionally, CH availability results in \$34 billion of savings to the overall economy through reduced losses in productivity. Finally, the broad availability of CH products expands access to medicines to over 27 million US consumers.



### Accessibility

Around the world, CH products can be accessed by consumers through pharmacies, grocery stores, mass merchandisers, or increasingly, directly through e-commerce channels



### Lower cost

Consumer Health products allow consumers to avoid high-cost doctor's visits, opening limited healthcare resources for the treatment of more serious diseases and conditions



### Empowerment

Consumer engagement through increasing awareness and accessibility have empowered consumers to become their own experts in self treatment of commonly occurring conditions

(1) Nicholas Hall DB8

(2) CHPA An analysis of nine significant CH categories in the US

# Recap

## First Half of 2022

- 1 Women's Health lacks commitment from corporates
- 2 Amazon Basic Care line now ranks top in OTC medicine on Amazon
- 3 Unilever leverages its existing brands into the OTC market



## Even with industry-wide efforts

# Women's Health lacks commitment from corporates

Women's Health is one of the fastest-growing subcategories within VMS. At a 7.5% CAGR, it outperforms the broader VMS and OTC market. Despite its growth, the share of new supplement launches within the subcategory remained flat, hinting at a lack of commitment from corporates.

“Activity from large consumer goods corporates has been patchy in Women's Health. There is significant market potential and innovation to be explored,” said Irina Barbalova, Global Lead for Health and Beauty at Euromonitor.

Nonetheless, there has been an industry-wide push towards Women's Health awareness, particularly around issues that are gaining public acknowledgment, like menopause and sexual health & wellness.

According to GenM, an organization leading the initiative to improve menopause support, there will be ~1 billion menopausal women worldwide by 2025, but 91% of menopausal women today have never seen specific advertising or marketing for relevant products. The organization has united with brands and consumers to raise awareness and normalize the conversation around menopause.

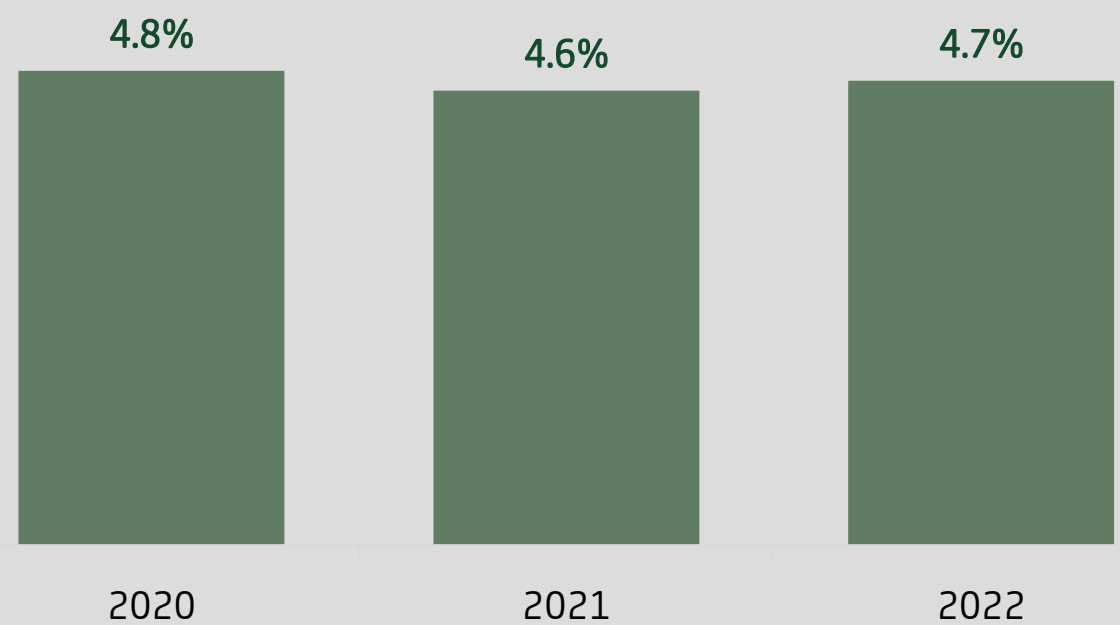
Meanwhile, retailers, such as Ulta Beauty, Bluemercury, and Sephora, recognize sexual health's natural connection to self-care. All have launched female sexual wellness aisles alongside beauty and personal care products in their stores.

More work has been done in general Women's Health as well. CVS has committed to making menstrual care options affordable. In October, the pharmacy giant cut its store brand period product price by 25% and started paying applicable sales tax on behalf of its customers in 12 states. Most of these 12 states have a “tampon tax,” which deems menstrual products non-essential, excluding these items from the tax-exempt status afforded to other hygiene necessities.

**7.5%**  
CAGR 2017 – 2022<sup>1</sup>

**\$2.5B**  
2022 Market Size<sup>2</sup>

*Share of New Supplement Launches with Women's Health as Indication<sup>1</sup>*



Recap  
1

## Recap 2

### 5<sup>th</sup> Year Anniversary

## Amazon Basic Care line now ranks top in OTC medicine on Amazon

2023 marks the five-year anniversary of the exclusive line of OTC products launched in 2018. Though manufactured and owned by Perrigo, the Amazon Basic Care line was seen as a disruptor in daily-use products, such as Digestive, Analgesic, Cough & Cold, and Allergy. Of the top 10 sellers on OTC medication sellers on Amazon, four are Amazon Basic Care products. These products tend to be household OTC products that are well-known to shoppers.

#### Amazon Best Sellers in OTC Medications & Treatments<sup>1</sup>

#1		Amazon Basic Care Antacid Heartburn	Amazon Basic Care Omeprazole Delayed Release Tablets 20 mg, Acid Reducer, Treats Frequent Heartburn
#2		Chapstick Lip Care	Chapstick Lip Tube
#3		Amazon Basic Care Antihistamine Allergy	All Day Allergy, Cetirizine Hydrochloride Tablets, 10 mg, Antihistamine
#4		Tylenol Acetaminophen Analgesic	Tylenol Extra Strength Acetaminophen Rapid Release Gels, Pain Reliever & Fever Reducer
#5		Amazon Basic Care Famotidine Heartburn	Amazon Basic Care Maximum Strength Famotidine Tablets 20 mg, Acid Reducer for Heartburn Relief
#6		MiraLAX Laxative Constipation Relief	MiraLAX Laxative Powder for Gentle Constipation Relief, #1 Dr. Recommended Brand, 45 Dose Polyethylene Glycol 3350
#7		TUCKS Hemorrhoid Pads Analgesic	TUCKS Medicated Cooling Pads, 100 Count – Hemorrhoid Pads with Witch Hazel, Cleanses Sensitive Areas, Protects from Irritation
#8		Amazon Basic Care Ibuprofen Analgesic	Amazon Basic Care Ibuprofen Tablets, Fever Reducer and Pain Relief from Body Aches, Headache, Arthritis Pain
#9		Voltaren Diclofenac sodium Arthritis & Joints / Analgesic	Voltaren Arthritis Pain Gel for Powerful Topical Arthritis Pain Relief, No Prescription Needed
#10		Tylenol Acetaminophen Arthritis & Joints / Analgesic	Tylenol Extra Strength Caplets with 500 mg Acetaminophen, Pain Reliever & Fever Reducer, Acetaminophen for Minor Arthritis Pain

(1) As of 1/31/23; excludes devices / drug organizers

## Recap 3

### CPG Moves into OTC

## Unilever pushes further into the OTC market

In the 2H 2021 edition of the report, we featured the serial spin-offs of the Consumer Health divisions of pharmaceutical companies – GSK, J&J, Sanofi, and Bausch + Lomb. These events signaled the end of an era in which OTC was considered a subsidiary of pharma.

One ambitious CPG leader, Unilever, had pursued the OTC market with a £50B offer to buy GSK Consumer Health, now Haleon. As a reminder, in 2022:

- Unilever stressed that the Pfizer-GSK joint venture would be a “strong strategic fit”
- GSK rejected a total of three Unilever takeover bids for its consumer health business, the most recent of which was the aforementioned £50B
- Haleon eventually went public in July 2022

In August 2022, Unilever proceeded with its own plans to enter the OTC space, as its playful first-aid brand Welly expanded its portfolio to include dietary supplements and OTC medicines. The Welly brand now covers the categories of Pain & Fever, Digestive, Allergy, and Cough & Cold.

This is technically not the first move Unilever made to enter the OTC space. In July 2021, its venture arm participated in clean-label OTC Medicine brand Genexa’s \$60M Series-A.

Noteworthy of Unilever’s plan – it seems to be “selectively” pursuing the Consumer Health market with a preference towards “clean-label/free-form” products.

OTC medicine is only a part of its shifting strategic focus. After acknowledging that the growing demand for Health, Hygiene, and Beauty will likely surpass traditional foods in early 2022, Unilever started trading its legacy brands for posh skincare lines like Paula’s Choice.

# Three

## themes to watch

1

### Understanding the European market

Challenges with market entry and distribution



European market spotlight – VMS market in Germany

2

### Gut health's link to brain and immune system functionality fueling growth

3

### Ingredients – a valued strategy to earn consumer and pharmacist trust

# 1

## Understanding European market entry and distribution

There are several barriers for European expansion for US-based companies. Obvious hurdles include geographic distance and language differences; less obvious may be the myriad complex regulations across 40+ countries on the continent. As a result, it is hard to spot global brands that exist in both North America and Europe today, and most successful global brands are owned by large conglomerates that can support global infrastructures. For non-core brands, however, supporting is becoming more challenging. This edition will discuss the pain points of the European distribution model.

First is pharmacy chain regulations. 15+ countries disallow pharmacy chains, including large markets like Spain, France, and Germany. The resulting fragmentation complicates distribution and supply chains creating a complex distribution web borne by the wholesaler.

Next is distribution channels. Unlike the US market, in which OTC distribution spans across Mass, Natural, Drug, e-Retail, and DTC channels, some European countries prohibit sales of OTC medications via non-pharmacy channels or via e-Commerce. As a result, brand performance heavily relies on pharmacist recommendations in these countries, necessitating a large sales team and less emphasis on consumer brand building.

The obstacles outlined above, as well as others, make distribution in Europe challenging and inevitably require boots on the ground to manage retailer (pharmacy) relationships. To that end, the common solution US companies take is to let distribution experts handle the challenges or avoid the European market entirely.

Similarly, even large European-based participants are coming to recognize the importance of specialized commercial reach. In 2021, Sanofi entered into a distribution agreement with STADA. Sanofi expressed delight for the commercial reach and footprint of STADA to allow Sanofi to continue to build stronger brands and ensure access to its trusted portfolio of brands to consumers. The broad marketing and distribution agreement with Sanofi serves as further evidence that STADA is increasingly a go-to partner for consumer healthcare in Europe.

European market entry will remain a challenge owing to the complex landscape of the continent. Solutions rest in developing expertise internally or finding the right partner to fully outsource necessary commercialization functions.

Next, we explore the German VMS Market in depth and identify distribution channels for major players.

“

Distribution in EU on a holistic basis remains challenging given the different regulatory environments and individual market dynamics. STADA approaches this by embracing the complexity and mastering it. We have been highly successful at meeting different consumer demands in their individual markets.

Our track record of M&A, licensing, and distribution deals attest to STADA being a partner of choice for healthcare in Europe.

Felix Von Berg  
SVP Global M&A  
STADA



## Underexploited VMS market with tremendous opportunity for growth in Germany

Like other developed countries, Germany is experiencing powerful drivers for VMS demand, including demographic shifts, increasing health awareness among consumers, and a paradigm shift from curative to preventive medicine.

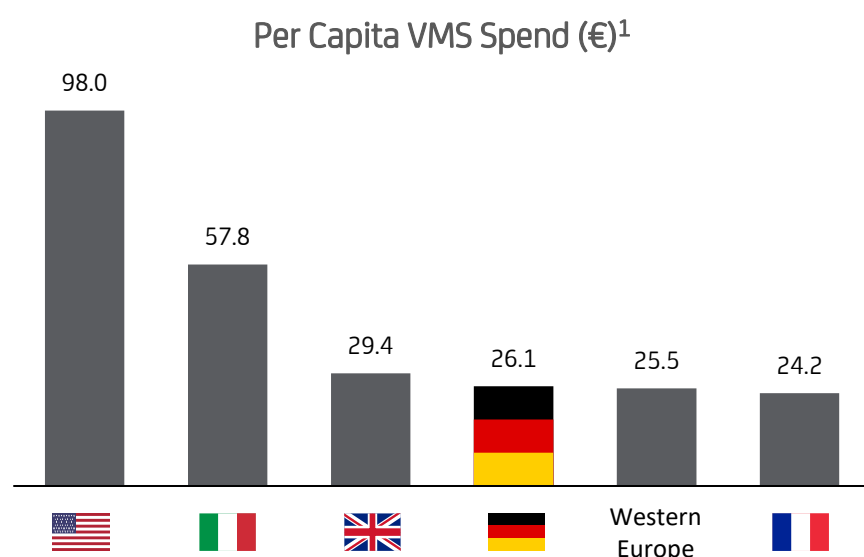
As the share of Germans aged 65 years and older grew to ~22% in 2021, the population has an increased need for supplements to support other traditional (i.e., pharmaceutical) medications, to meet specific age-related nutritional needs, and to prevent or delay age-related disorders.

Among younger consumers, likewise, there is an increasing awareness that lifestyle and nutrition substantially impact one's health and well-being. Thus, this increased emphasis on self-care leads to increasing VMS integration into daily routines.

Healthcare professionals and consumers alike are starting to think beyond traditional curative healthcare and use VMS as a precautionary measure to prevent various diseases and mental health issues.

Despite having the highest population among European countries, Germany is only the second-largest VMS market in Europe after Italy, followed closely behind by the UK. Consumers in Italy spend more than twice as much on VMS compared to Germans, leaving ample room for further growth opportunities in Germany.

Natural medicines, including herbal and homeopathic remedies, have a century-long tradition in Germany and enjoy a high level of acceptance and preference among consumers. As such, "clean" labels with ingredients from natural sources are expected to be the main beneficiaries of market growth.



## Spotlight VMS Market in Germany

### Alantra German Healthcare Team



**Christopher Jobst**  
Managing Partner  
Healthcare



**Elisa Patricia Suhl**  
Director  
Healthcare



# Selected German VMS Players

The German VMS market is spread across pharma-heritage conglomerates, family businesses, and emerging stand-alone brands. Players are often still owned by family or founders, with PE investment only starting to evolve. The market has yet to cultivate a platform but is sitting on growing consumer demand and quality brands with scale and platform capabilities.

Pharmacy
 Grocery
 DTC
 e-Retailers

## Pharma-heritage Conglomerates

While Pharma tends to operate VMS as a part of their broader consumer health portfolio, some of the German-based pharma strategies have established or invested in pure-VMS subsidiaries.

## Family-owned Business

Most family businesses have traditionally not been interested in a financial exit, but first signs of a paradigm shift can be observed

## Single-brand VMS Platforms

Germany has yet to develop a platform like Havea Group. However, the market has an abundant supply of stand-alone VMS brands with platform potential.

Company	Selected Brands	Keywords				
	gloryfeel natural elements .elevit FEEL NATURAL NATURE LOVE	Pharmaceutical Consumer Health	●	●	●	●
	ELOTRANS Curazink Cetebe	Pharmaceutical Consumer Health	●	○	○	●
	VITA Dekristolvit	Pharmaceutical Consumer Health	●	○	○	○
	tetesept: MERZ SPECIAL	Pharmaceutical Consumer Health	●	●	○	●
	Kneipp	Pharmaceutical Personal Care	●	●	●	●
	taxofit OYONO VitaGerini Tota	Consumer Health Family-owned	●	●	○	●
		VMS Family-owned	●	○	○	○
		VMS Family-owned <sup>1</sup>	○	●	○	●
		VMS Family-owned	●	○	●	●
		VMS Family-owned	●	●	○	○
		VMS Founder-owned	○	○	●	○
		VMS PE-backed	○	●	●	●
		VMS Founder-owned	○	○	●	●
		VMS PE-backed	○	○	●	●
		VMS VC-backed	○	●	●	●

(1) Family Office Holding

## Gut health's link to brain and immune system functionality fueling growth

A 5,000-person survey by *Nutiani and IPSOS* shows that Digestive Health is within the top five priorities for well-being among consumers.

Still, consumer interest and growth does not stop. It is known that the impact on digestive health reaches way beyond the gut. 70% of immune cells rest inside of the small intestines, as the intestinal epithelium acts as the first barrier in immune response<sup>1</sup>. In addition, the enteric nervous system is in constant communication with the brain, sometimes referred to as the body's "second brain." In fact, the gastrointestinal tract is the largest collection of neurons in the human body outside of the brain. Furthermore, gut bacteria produce neurotransmitters, which are chemicals like dopamine or serotonin that enable neuronal communication.

*Nature Communications* published two studies in December 2022 that do not claim a direct cause-and-effect relationship between gut bacteria and mental health but rather provide evidence of a link between depression and gut bacteria. One of the studies pinpointed 13 bacterial types directly associated with depression symptoms.

The newly associated characteristics of the human gut expand its understood function from digestion to immunity, mental health, and overall health and are expected to fuel category growth above the broader OTC market.

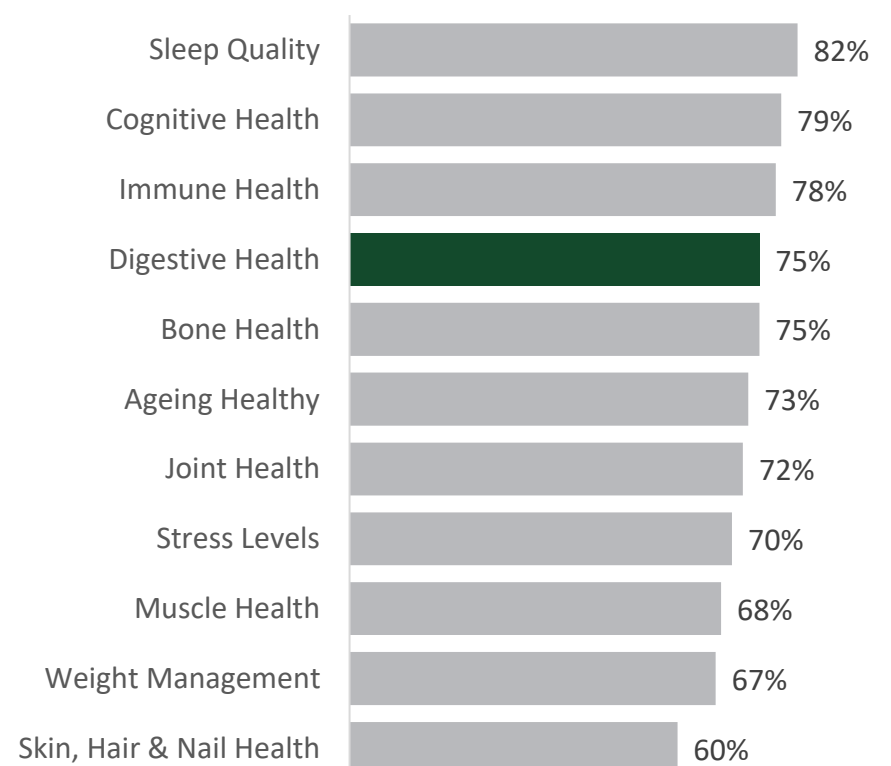
“

There is an avalanche of consumer awareness around the benefits of improved gut health. Emerging research shows the impact of gut health on emotional well-being, focus, and even improved sexual health.

When you also consider that 70-80% of your body's immune cells reside in your gut, it's becoming quite clear that a fast-lane to improved overall health can be found via improved gut health.

John Peine  
Founder  
FRiSKA

*Wellbeing Aspects Prioritized by Consumers<sup>1</sup>*



(1) Vighi et al., 2008; Santaolalla et al., 2011



## Ingredients – a valued strategy to earn consumer & pharmacist trust

*BrandSpark / Newsweek* announced its first *Most Trusted by Pharmacists Awards* for OTC brands in September 2022. One of the highlights related to i-Health, the branded consumer health product subsidiary of DSM. The company won in three categories – *Probiotic Supplement* (Culturelle), *UTI Prevention* (AZO), and *Menopause Supplement* (Estroven).

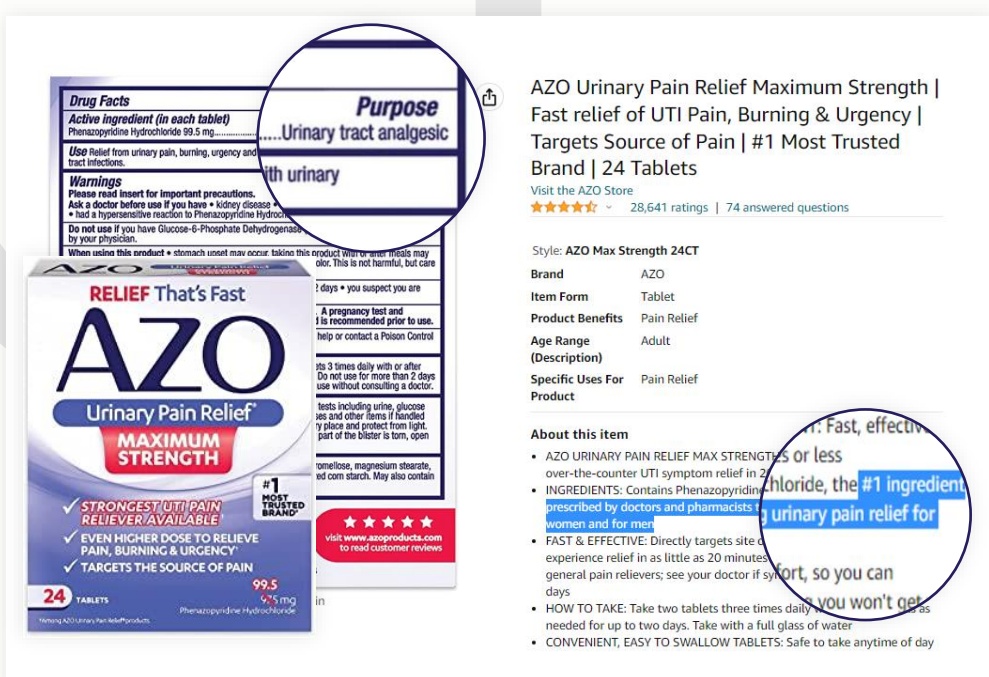
The award asked pharmacists to rank brands based on effectiveness and trustworthiness. i-Health's high rank suggests that its choice of ingredients with expertise from DSM translates into the characteristics pharmacists are looking for. The trust from pharmacists may also directly translate to consumer demands, as medical professionals still weigh as a trusted source of advice.

From the founding of *The Ordinary*, a brand that differentiated itself based on ingredients, in 2016 to today, where young consumers are emerging as researchers of ingredients “to the point of interrogation”<sup>1</sup>, shoppers are demanding ingredient knowledge more than ever. This creates an opportunity to drive adoption through consumer education.

In an example of UTI treatments, *BrandSpark / Newsweek* ranked winner AZO promotes Phenazopyridine Hydrochloride as a critical ingredient – declaring it the “#1 ingredient prescribed by doctors and recommended by pharmacists specifically for urinary pain.” In educating consumers, this helps form an association between the ingredient and a specific symptom of UTIs.

Its competitor Cystex, on the other hand, markets its ingredient as the “#1 OTC Ingredient for Bacteria Control” without specifying the ingredient used. In not highlighting the ingredient, this prompts consumers to inquire about the ingredients, according to its Amazon page<sup>2</sup>.

Looking ahead, pharmacists will continue to be a trusted source of medical advice for OTC shoppers, but brand-led education on OTC ingredients will aid product adoption as well.



**Purpose**  
Urinary tract analgesic

**Active ingredient (in each tablet)**  
Phenazopyridine Hydrochloride 99.5 mg

**Use** Relief from urinary pain, burning, urgency and frequent urination.

**Warnings**  
Please read insert for important precautions.  
Ask a doctor before use if you have • kidney disease • had a hypersensitive reaction to Phenazopyridine Hydrochloride by your physician.  
Do not use if you have Glucose-6-Phosphate Dehydrogenase deficiency.

**When using this product** • stomach upset may occur. Take this product with or after meals may help. This is not harmful, but may irritate your stomach if you suspect you are pregnant. • A pregnancy test and 1 is recommended prior to use. help or contact a Poison Control Center. • Do not use for more than 2 days unless directed by your physician. • Do not use without consulting a doctor. • Avoid alcohol, caffeine, grapefruit juice, and other drugs containing phenazopyridine, including urinary, glucose and other drugs. • Do not use if you are allergic to phenazopyridine, phenazopyridine hydrochloride, or other ingredients. • Contains sodium, magnesium stearate, and corn starch. May also contain other inactive ingredients.

**AZO Urinary Pain Relief Maximum Strength | Fast relief of UTI Pain, Burning & Urgency | Targets Source of Pain | #1 Most Trusted Brand | 24 Tablets**

Visit the AZO Store  
★★★★★ 28,641 ratings | 74 answered questions

Style: AZO Max Strength 24CT

Brand: AZO

Item Form: Tablet

Product Benefits: Pain Relief

Age Range (Description): Adult

Specific Uses For Product: Pain Relief

**About this item**

- AZO URINARY PAIN RELIEF MAX STRENGTH provides over-the-counter UTI symptom relief in as little as 20 minutes.
- INGREDIENTS: Contains Phenazopyridine Hydrochloride, the #1 ingredient prescribed by doctors and pharmacists specifically for urinary pain relief for women and for men.
- FAST & EFFECTIVE: Directly targets site of infection for fast relief. Experience relief in as little as 20 minutes.
- HOW TO TAKE: Take two tablets three times daily with or after meals for up to two days. Take with a full glass of water.
- CONVENIENT: EASY TO SWALLOW TABLETS: Safe to take anytime of day.



**NEW Large Size!**  
Now 48 Tablets

**Cystex**  
MAX STRENGTH

**UTI PAIN RELIEF**

**BACTERIA CONTROL**  
Helps control UTI bacteria

**Maximum Strength**  
#1 OTC Ingredient for Bacteria Control

**48 tablets**

**Cystex UTI Pain Relief, Maximum Strength, Relieves Pain & Urgency of Urinating, FSA HSA Eligible & Approved, 48 Count**

Visit the Cystex Store  
★★★★★ 999 ratings | 6 answered questions

List Price: \$49.99 Details  
Price: \$9.58 (80.20 / Count) Get Fast, Free Shipping with Amazon Prime  
You Save: \$1.41 (13%)

Get \$50 off instantly. Pay \$0.00 \$9.98 upon approval for the Amazon Rewards Visa Card. No annual fee.

Size: 48 Count (Pack of 1)

Brand: Cystex

Item Form: Tablet

Product Benefits: Pain Relief

Age Range (Description): Adult

Package Information: Glass

**About this item**

- Maximum strength UTI pain relief treatment. Medicine for women seeking relief from pain and discomfort associated with a UTI while waiting to see a doctor.
- Helps control UTI from getting worse. The Cystex dual action formula is a maximum strength analgesic that targets UTI pain and discomfort.
- Usage instructions: Take 2 Cystex Urinary Pain Relief tablets with a full glass of water 3 times per day for temporary relief of symptoms associated with a UTI.
- FSA & HSA Eligible & Approved. Does not dye your urine orange compared to AZO Urinary Pain Relief.
- Cystex Urinary Health Made Easy: Cystex offers a range of solutions for urinary health: Cystex Urinary Pain Relief for maximum strength UTI pain relief, Cystex Cranberry Probiotic and Cystex Ultra Protection Probiotics for daily UTI protection.

(1) RDSI Research

(2) Two of the four questions featured on ASIN B07GTJQ3JJ are regarding ingredients.



types by volume

# Deep-dive

1

Separation & Transition

What should be on your mind?

2

Separation Roadmap

What happens before the deal closes?

3

Active Tracking – Amazon

Nursing Home

Clinics

Pharma & L

Consumer H

Digital Heal

## Separation & Transition


# What should be on your mind?

In the last edition, our senior advisor Chris Harley-Martin discussed where value is lost in a transaction – Integration & Separation is one of the most critical areas.

In this special deep-dive on Separation & Transition, we discuss essential concepts in the process and what the separation roadmap typically looks like.

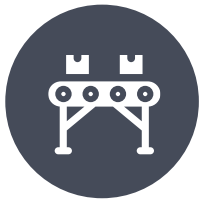
 Unique to brand divestitures out of a portfolio

### Example

Seller	 1	<b>Separation difficulty as a criteria for divestiture</b> Branded assets are sometimes inevitably structurally intertwined with the rest of the portfolio. If a brand is too embedded within a corporate structure, separation may complicate the divestiture.	<i>Separation of an in-house manufactured brand will automatically trigger a post-separation strategy plan for the manufacturing plant if the capacity is no longer needed.</i>
	2	<b>Plan separation before going to market</b> Separation should be a part of Reverse Due Diligence in conjunction with financial advisors. The discussion will contribute to evaluating the assets and risks and foreseeing problems that may occur in the process.	<i>A multinational brand may encounter regulatory risks and require the buyer to have proper infrastructure. These complications will impact process outreach and valuation discussions.</i>
	3	<b>A separation team within the deal team</b> While the deal team will work alongside financial advisors in the deal process, the separation team will work with the counterparty's integration team. The team should cover manufacturing, supply, human resources, and finance.	<i>The deal team's main job is to execute deals. They will have to rely on department experts when it comes to specific operational problems. The two teams need to work side by side.</i>
	 4	<b>Be realistic about how long separation takes</b> Timing gaps between sign and close can take months. Once the deal is signed, typically, the deal team will step aside, and the separation team will revert to reporting to its respective department heads instead of the deal team.	<i>Separation of an operating asset will not happen overnight. The separation team will have to "unplug" the operation piece by piece.</i>
Buyer	5	<b>Get ahead of portfolio management and exit</b> Buyers will one day become a seller. This is especially true for financial sponsors. Future sales may go many different ways, so the best practice post-acquisition is to structure the asset so that the next transition will not hinder exit.	<i>If foreseeing such opportunities, a platform can be structured so that brands are "turnkey" and can easily be divested.</i>

## Separation Roadmap

# What happens before the deal closes?



### Supply

#### Outsourced

- Assign CDMO / CMO contracts
- Re-negotiate terms / renewal if needed

#### In-house

- MSA / TSA arrangement if the seller agrees to continue manufacturing
- If not, buyer needs to secure a CDMO / CMO



### Artwork

- Packaging must be updated for new owner



### Inventory Distribution

- Agree on purchase of salable inventory and disposal of short-dated inventory
- Assign order-to-cash vendor contracts, if applicable

- Notify retailers of the new owner to get new codes
- No need of a new code if uses an order-to-cash vendor code

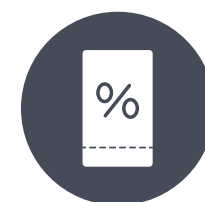


### Retailer



### Regulatory

- Transfer of Market Authorization (non-US)
- Potential FDA Communication (US)



### Promotion

- Define promotion obligations made by the seller for the buyer
- Define return liabilities for sellers

- Ensure a smooth transition for the customer hotline number
- Put in place a customer complaint policy as for some time customers will still be buying products with old packaging



### Misc. – Call Center / Hotline

# Actively Tracking amazon

Amazon dominates almost 40% of e-Commerce retail market share in the U.S., while second-place Walmart has <10%<sup>(1)</sup>.

We track CH brands sold on Amazon in order to understand the e-Commerce retail space across six categories – **VMS, Cough & Cold, Arthritis & Joint, Pain Relief, Feminine Care, and Allergy, Sinus & Asthma**<sup>(2)</sup>.

## Between 1H22 and 2H22 Searches...



### VMS

**-5%**

Average Price Increase

**22%**

Average Review Count Increase

**-3%**

Average Rating Increase

The average price per bottle dropped to \$19 per bottle in the 2H22 search from \$27 in 1H22, which potentially signals a consumer-led loss of favor in premium products



### Cough & Cold

**-9%**

Average Price Increase

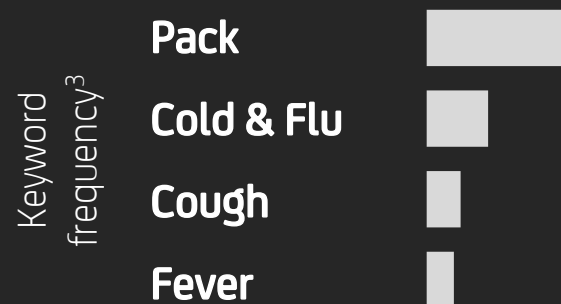
**18%**

Average Review Count Increase

**0%**

Average Rating Increase

The average price of the category increased 50%+ in Q3 but dropped 40%+ in Q4, reflecting seller actions during the cold / flu season in the fall.



### Arthritis & Joint

**-2%**

Average Price Increase

**15%**

Average Review Count Increase

**-2%**

Average Rating Increase

The average review count in the 2H22 search dropped below 10K, compared to 16K in 1H22 – this may be due to an increasing number of new SKUs in the search result.



### Pain Relief

**-11%**

Average Price Increase

**22%**

Average Review Increase

**-4%**

Average Rating Increase

After two quarters of double-digit growth, average review count growth in the category slowed to 2 – 3% in Q4; nonetheless, its semiannual increase remains double-digit.



(1) Statista as of June 22

(2) Category search result of the first 10 pages on Amazon

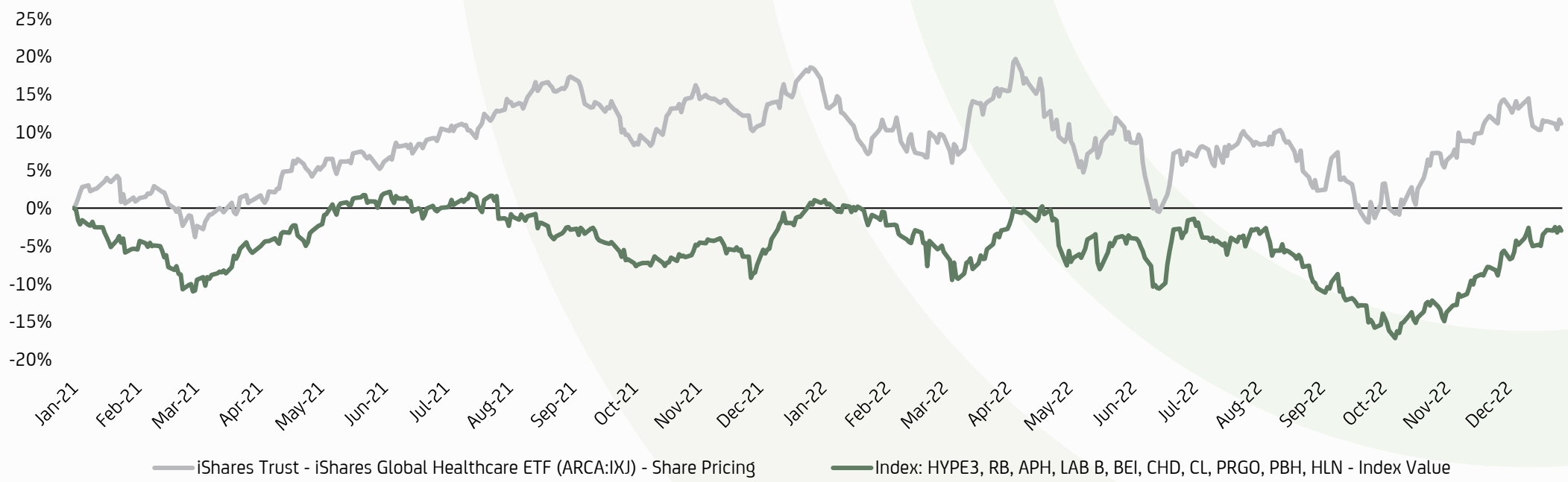
(3) Within product name only



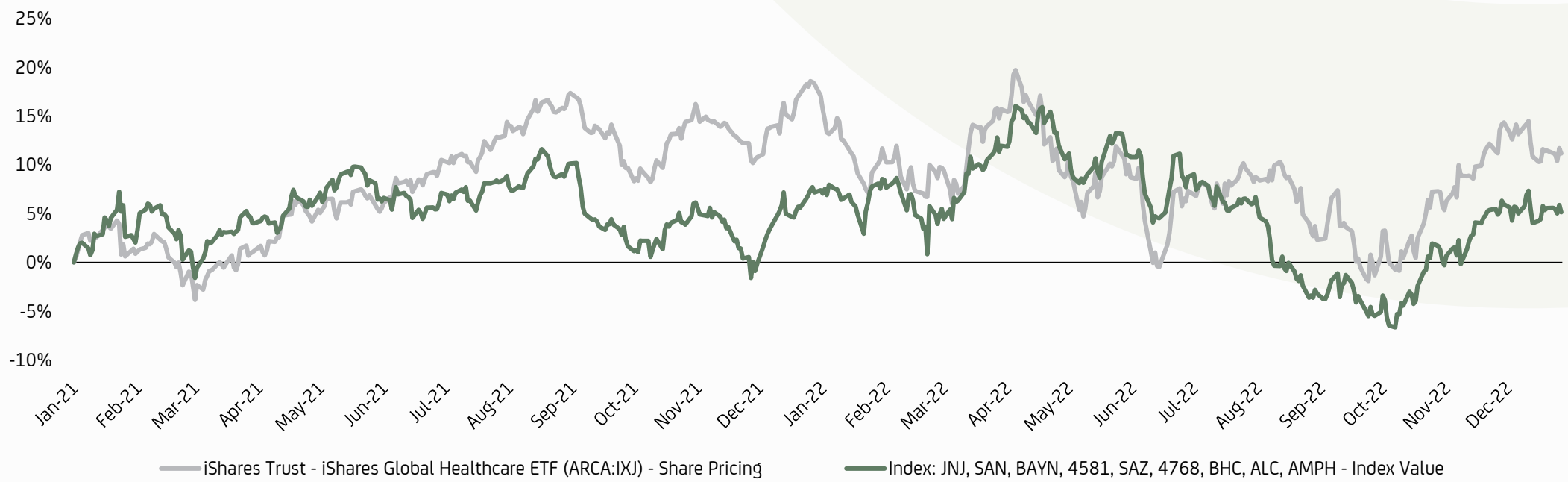
# Public Market Equivalent Performance<sup>(1)</sup>

While the IXJ index still outperforms the Consumer Health Pure Play and VMS indices, it underperforms the Consumer Health Conglomerate index

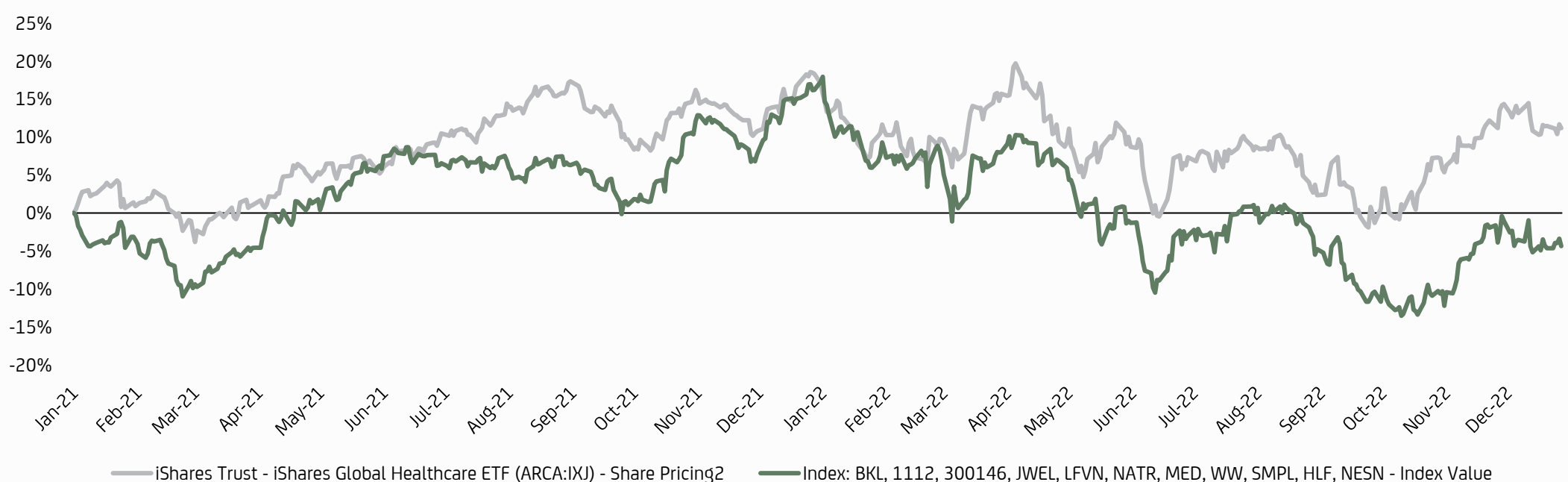
Consumer Health Index (Pure Play) Alantra Selected Index



Consumer Health Index (Conglomerate) Alantra Selected Index

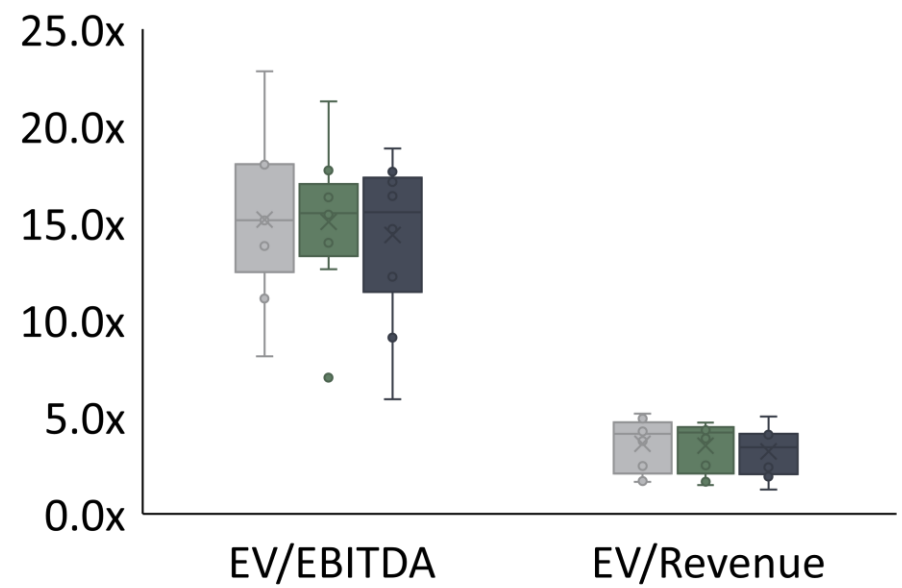
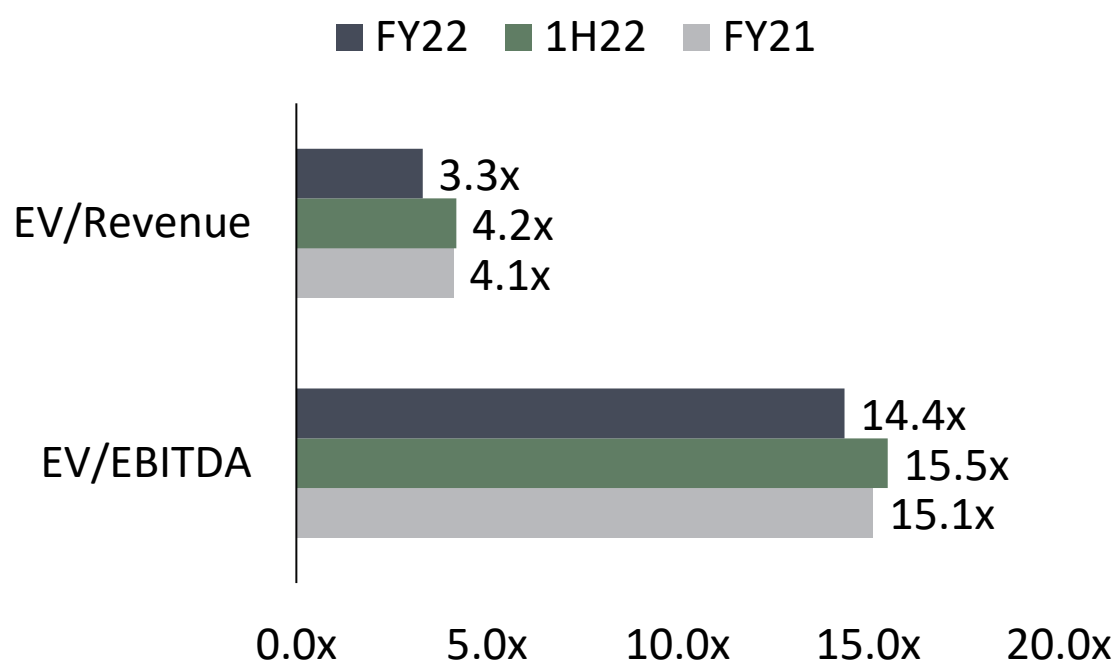


Consumer Health Index (VMS / Wellness) Alantra Selected Index

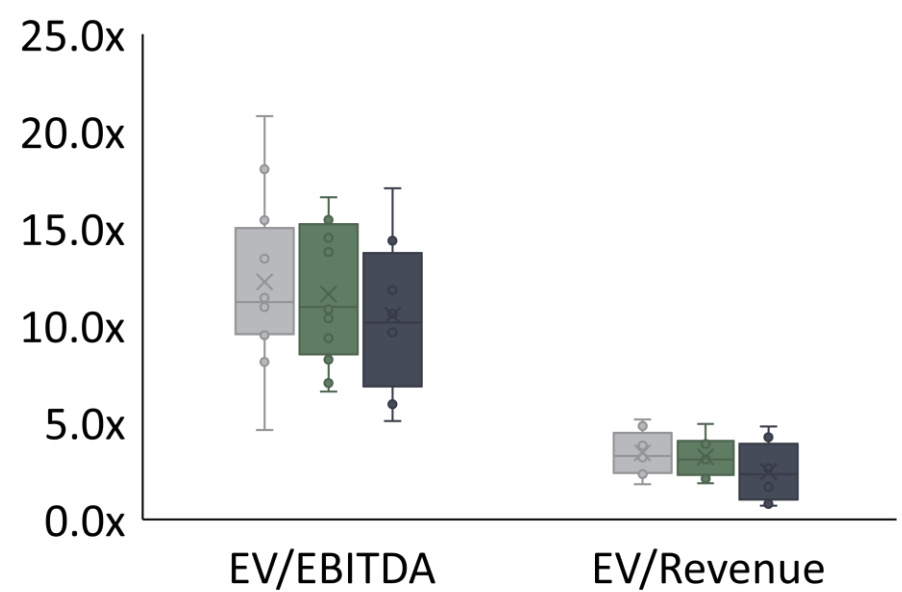
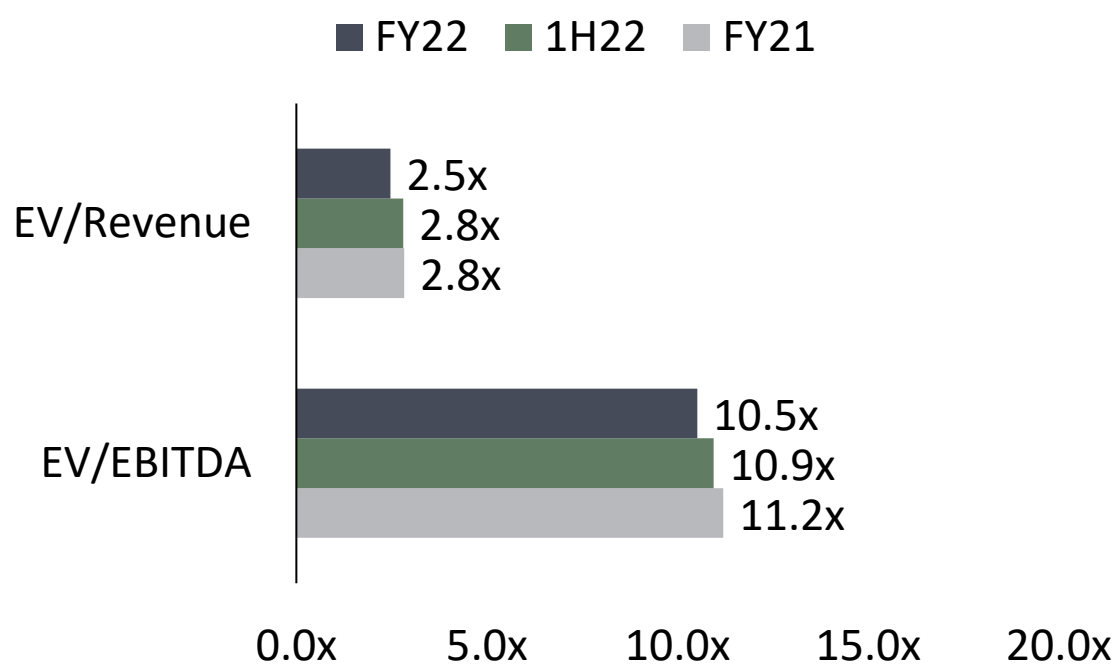


(1) Source: Capital IQ; index weighted by market cap

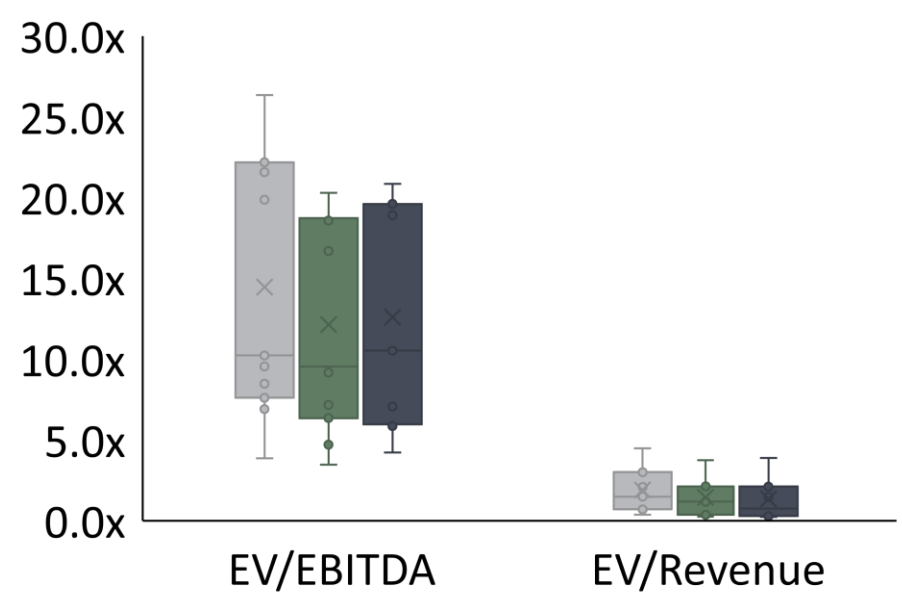
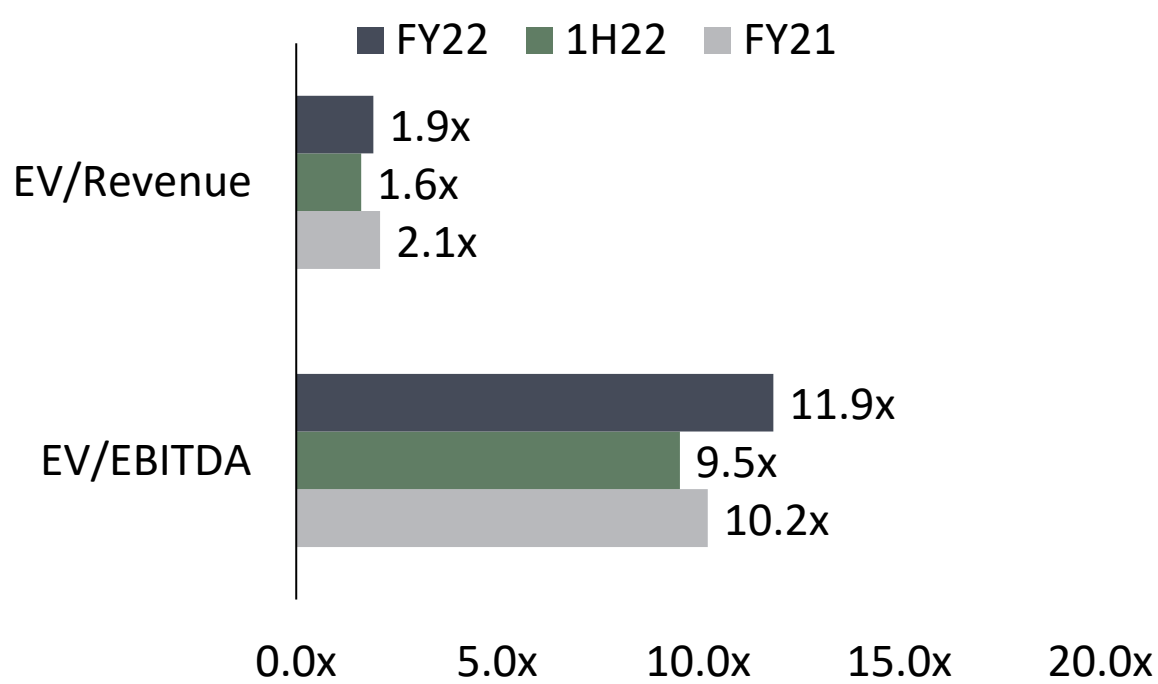
## CH Pure Play <sup>(1)</sup>



## CH Conglomerate <sup>(1)</sup>



## CH VMS / Wellness <sup>(1)</sup>



(1) Source: Capital IQ; EV dated as 12/31/21, 6/30/21, 12/31/22; Revenue and EBITDA dated as FY21 LTM, 1H21 LTM, FY22 LTM

# M&A and Valuation

## Key metrics for valuing an asset

### Recent Sales Performance

- Is the brand growing or declining in sales (aggregate and by channel)?
- What is the brand's distribution and recent performance across retail and online?

### Profitability

- Are there recent movements in gross-to-net?
- Does gross margin support require sales and marketing support?
- Is there demonstrated marketing ROI and brand loyalty?















### Brand Awareness & Heritage

- Does the brand have high consumer awareness (aided & unaided)?
- What is the brand's legacy? Does it have a strong heritage that can be key to drive growth?

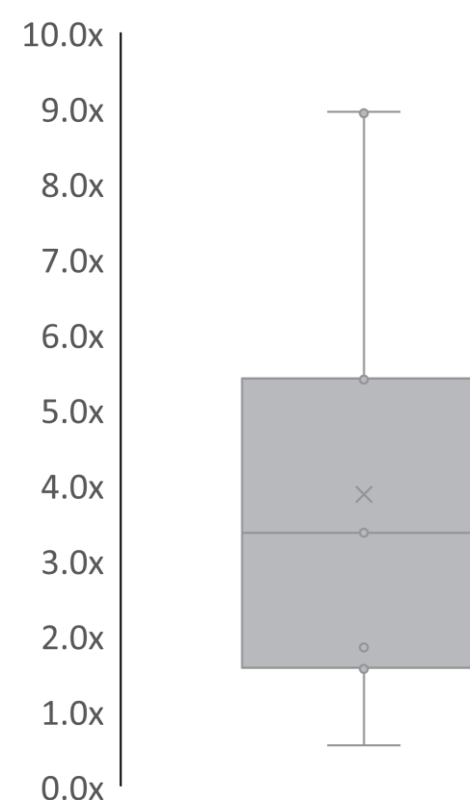
### Growth Opportunities

- Are the segment and brand suited for digital presence?
- What are the demographic trends of the target consumer segment?
- Are the segment and brand amenable to new product development and line extensions?

## LTM Transaction Highlight

Buyer	Target	Date	Value (\$M)	Country
 <b>Zerinol</b> SOLUTIONS SCHÖUM	 <b>ZENTIVA</b>	12/16/2022	-	
 <b>MEDIMETRIKS</b> PHARMACEUTICALS, INC.	 <b>eurofarma</b>	12/2/2022	-	
 <b>AUDISOL</b>	 <b>DKSH</b>	11/7/2022	-	
 <b>Hero.</b>	 <b>AVISTA</b> CAPITAL PARTNERS	9/6/2022	630	
 <b>WellSpring</b> PHARMACEUTICAL	 <b>AVISTA</b> CAPITAL PARTNERS	8/23/2022	-	
 <b>Lacer</b>	 <b>ITALFARMACO</b>	7/23/2022	511	
 <b>nutrwise</b>	 <b>JAMIESON</b> wellness inc.	6/1/2022	400	
 <b>QHT</b> Global Leader in Oncology, Technology and Healthcare Industry	 <b>TATE &amp; LYLE</b>	3/31/2022	237	
 <b>healthspan</b>	 <b>Orkla</b>	2/24/2022	114	
 <b>IPSEN</b> Innovation for patient care Consumer Health Business	 <b>MAYOLY SPINDLER</b> LABORATOIRES	2/11/2022	399	

## LTM Consumer Health Transaction EV/Revenue Multiple <sup>(1)</sup>



# ALANTRA

## Consumer Health Team

### Extensive Experience

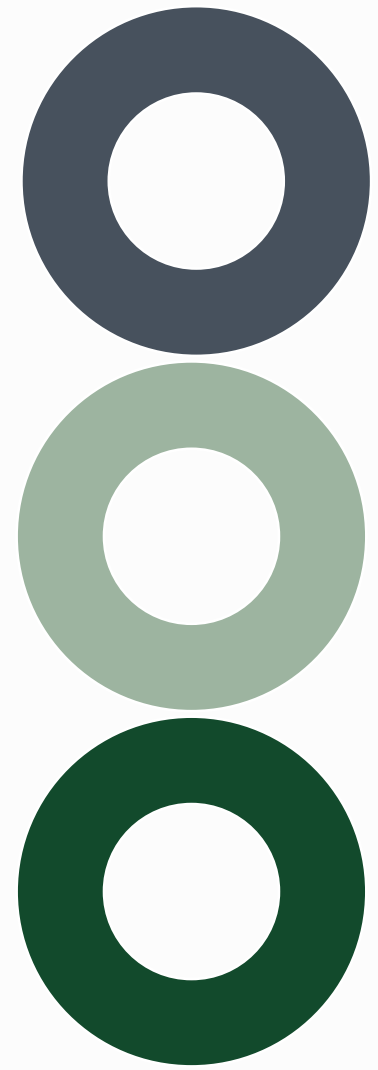
A highly experienced team of M&A professionals with relevant transactional experience and senior resources dedicated to delivering for clients.

### Expertise

A deep-rooted specialty in Consumer Health, resulting in the best knowledge of sector dynamics and value drivers.

### Leading track record

A leading track record in mid-market Consumer Health sell-sides, with a proven ability to deliver certainty and value in all manner of transactions.



Childs Farm

FRISKA  
CREATE HEALTHIER HABITS

Primatene

Privine

Vagistat-1

Keri

PROTEC  
LABORATORY

Lycored

NutriScience

ThermaCare

Zeasorb

Breathe Right  
NASAL STRIPS

HAIRBURST

MYOFLEX  
PAIN RELIEVING CREAM

Eurax

BOROLEUM NUPERCAINAL  
FOR NASAL SORENESS

BEE HEALTH

Medik8

absolute collagen

Lantiseptic

Dristan

BUFFERIN

Cal-C  
50% More Calcium

ALAVERT

FiberCon

Viactiv

Desenex

ANBESOL

Baby, Yourself  
Stuart ONE  
PREGNANT VITAMIN with DHA

Tavegyl  
Antihistaminik  
Klemastin

NO DOZ

NUTRAGENESIS

Cruex Nail

NATROL

UAS Labs

ORIGINAL Sarna

PREVACID  
24HR  
Lansoprazole delayed-release capsules 15 mg / acid reducer

DOAN'S

Dimetapp
























PanOxyl

COMTrex  
COLD & COUGH

Representative Brand Experience



# Relevant Consumer Healthcare Credentials

<p>2022 </p> <p><b>STADA</b> <b>FRISKA</b> CREATE HEALTHIER HABITS™</p> <p>Sell-side advisory</p> <p><b>Megalabs</b></p> <p>VMS</p>	<p>2022 </p> <p><b>Childs Farm®</b> Toiletries for baby &amp; child</p> <p>Sell-side advisory</p> <p><b>PZ</b> <b>Cussons</b></p> <p>Personal care</p>	<p>2022 </p> <p><b>Aakamp</b> Pharmazeutische Lohnherstellung</p> <p>Sell-side advisory</p> <p><b>FARMACEUTICI</b> <b>PROCENSA</b></p> <p>VMS Mfct</p>	<p>2021 </p> <p><b>Medik8 PANGAEA</b></p> <p>Sell-side advisory</p> <p><b>inflexion</b></p> <p>Dermatology</p>	<p>2021 </p> <p><b>BEE HEALTH™</b></p> <p>Sell-side advisory</p> <p><b>INW</b> <b>CORNELL</b> CAPITAL</p> <p>VMS Mfct</p>
<p>2021 </p> <p><b>LAKEVIEW EQUITY</b> PARTNERS LLC <b>NutriScience</b></p> <p>Sell-side advisory</p> <p><b>tilia</b></p> <p>Nutritional Ingredients</p>	<p>2021 </p> <p><b>HAIRBURST</b></p> <p>Sell-side advisory</p> <p><b>JD</b></p> <p>Haircare</p>	<p>2021 </p> <p><b>广生胶囊</b> <b>GS CAPSULE</b></p> <p>Sell-side advisory</p> <p><b>Advent International</b> GLOBAL PRIVATE EQUITY</p> <p>Capsule Mfct</p>	<p>2021 </p> <p><b>+FARMAÈ GROUP</b></p> <p>Buy-side advisory</p> <p><b>amicafarmacia</b></p> <p>Consumer Health Strategics Consolidation</p>	<p>2020 </p> <p><b>gsk Pfizer</b></p> <p>Sell-side advisory</p> <p><b>Charlesbank</b></p> <p>Consumer Health Branded Bundle Asset</p>
<p>2020 </p> <p><b>ABENEX CAPITAL</b> <b>LABORATOIRE</b> <b>LESCUYER</b></p> <p>Sell-side advisory</p> <p><b>LEHNING</b> LABORATOIRES</p> <p>VMS</p>	<p>2020 </p> <p><b>CHR HANSEN</b></p> <p>Buy-side advisory</p> <p><b>UAS Labs</b> <b>LAKEVIEW EQUITY</b> PARTNERS LLC</p> <p>Consumer Health CMO</p>	<p>2020 </p> <p><b>gsk</b></p> <p>Sell-side advisory</p> <p><b>KELSO</b> PRIVATE EQUITY</p> <p>Consumer Health Branded Bundle Asset</p>	<p>2019 </p> <p><b>gsk</b></p> <p>Sell-side advisory</p> <p><b>Perrigo®</b></p> <p>Consumer Health Branded Asset</p>	<p>2019 </p> <p><b>farmaè</b></p> <p>IPO</p> <p>Consumer Health Strategics</p>
<p>2019 </p> <p><b>prooptik</b> IST GÜNSTIG</p> <p>Sell-side advisory</p> <p><b>PARAGON PARTNERS</b></p>	<p>2018 </p> <p><b>gsk</b></p> <p>Sell-side advisory</p> <p><b>Crown Laboratories, Inc.</b></p>	<p>2018 </p> <p><b>ferrer</b> <b>Trommsdorff</b></p> <p>Sell-side advisory</p> <p><b>Dermapharm AG</b></p>	<p>2017 </p> <p><b>gsk</b></p> <p>Sell-side advisory</p> <p><b>COMBE</b></p>	
<p>2017 </p> <p><b>Ducere Pharma</b></p> <p>Sell-side advisory</p> <p><b>Dr.Reddy's</b></p>	<p>2017 </p> <p><b>gsk</b></p> <p>Sell-side advisory</p> <p><b>DRUG STORE</b> PRODUCTS</p>	<p>2016 </p> <p><b>gsk</b></p> <p>Sell-side advisory</p> <p><b>NISSIN</b></p>	<p>2016 </p> <p><b>Viactiv</b></p> <p>Sell-side advisory</p> <p><b>ADARE</b> Pharmaceuticals</p>	































Let's Connect! CLICK or SCAN to send us an email



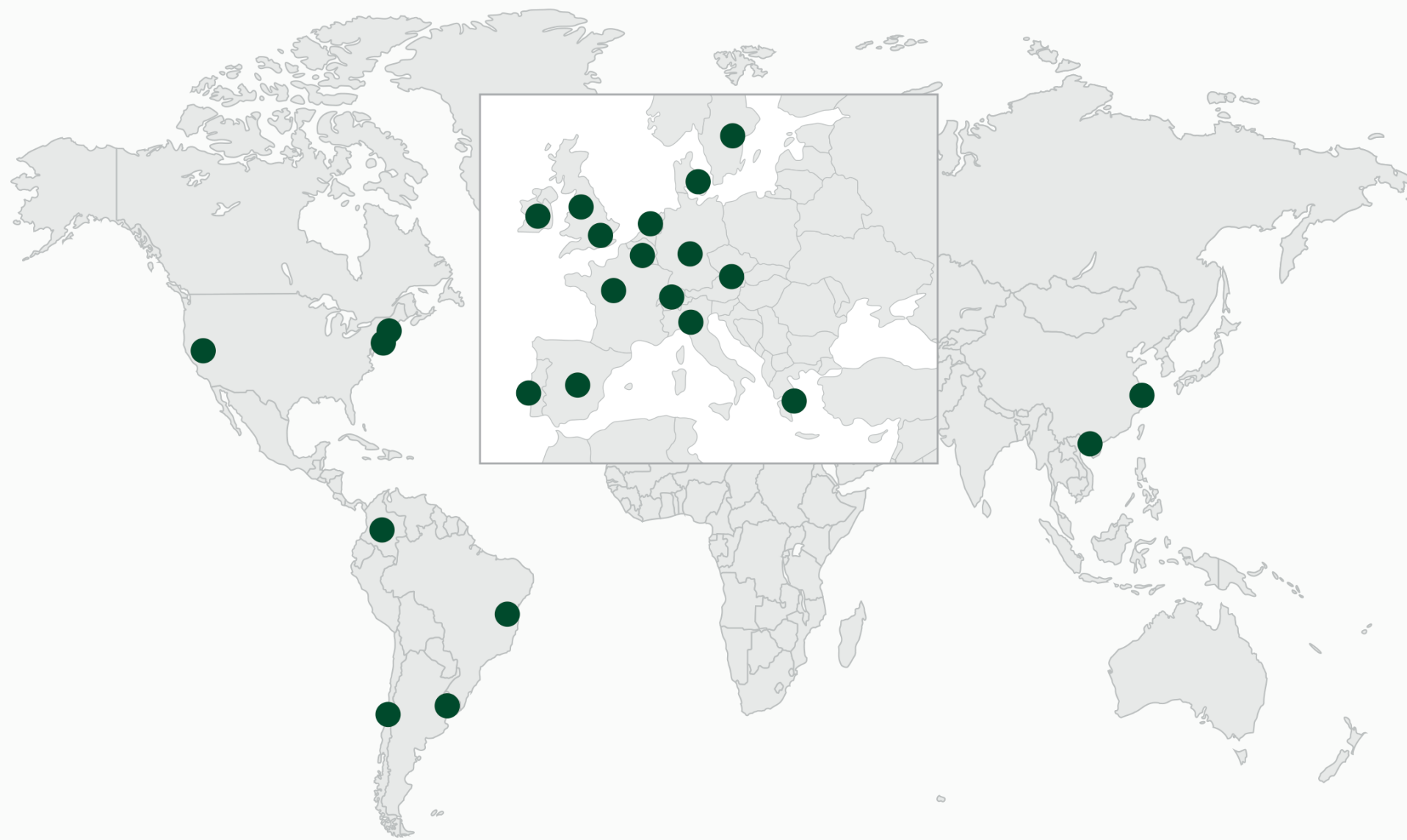
# About Alantra

Alantra is a global alternative asset management, investment banking, and credit portfolio advisory firm providing high value-added services to companies, families, and investors operating in the mid-market segment.

## Senior Global Healthcare Team

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 <p><b>Jonas Bauréus</b> Managing Partner jonas.baureus@alantra.com</p> 	 <p><b>Christian Barrot</b> Partner christian.barrot@alantra.com</p> 	 <p><b>Gianni Casanova</b> Partner gianni.casanova@alantra.com</p> 

# Global Presence



25

Offices Worldwide

555+

Financial Professionals<sup>1</sup>

100+

Partners<sup>1</sup>

\$290bn+

Deal Volume<sup>2</sup>

1,420+

Completed Transactions<sup>2</sup>

1,050+

Clients Advised<sup>2</sup>

(1) As of Sep 2022. Excludes professionals from strategic partnerships where Alantra holds a minority stake (Singer CM, ACP, Wealth Management, Asabys and Indigo / Includes Corporate Services professionals

(2) Since 2013

## ALANTRA

Possibility is in the ascent

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Argentina  
Austria & CEE  
Belgium  
Brazil  
Chile  
China

Colombia  
Denmark  
France  
Germany  
Greece  
Hong Kong

Ireland  
Italy  
Netherlands  
Portugal  
Spain  
Sweden

Switzerland  
UAE  
United Kingdom  
United States