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How we perform in the Swiss Consumer Healthcare market

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Consumer Healthcare (CHC) market in retail

Supermarkets

Specialist Trade

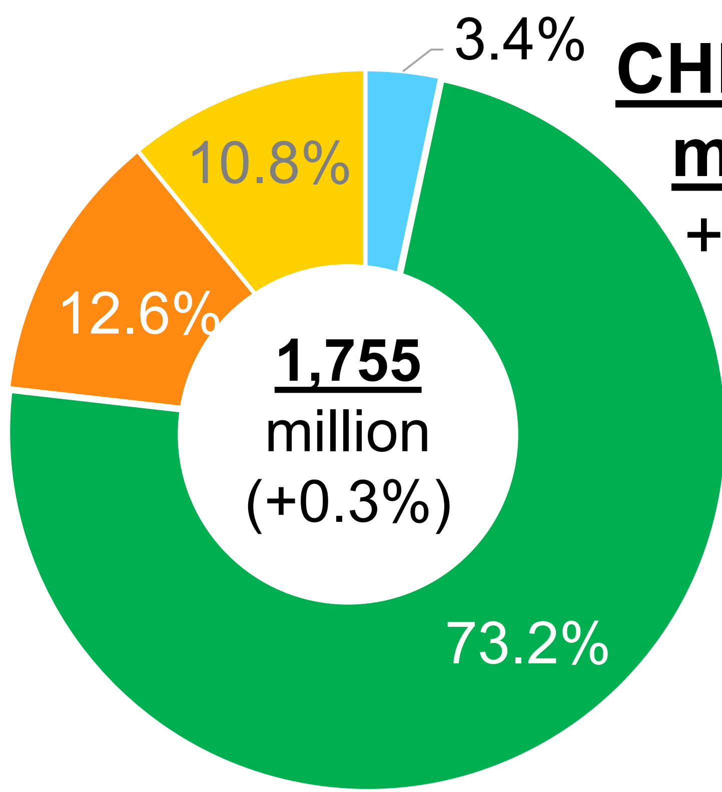
CHF 4,244 million
+0.8%

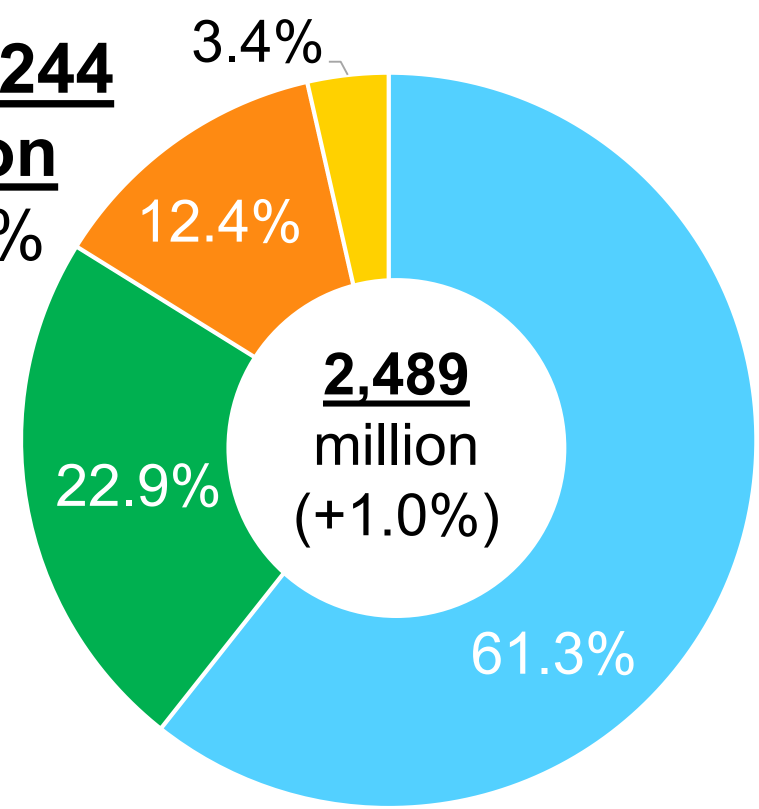
Over The Counter +6.2%

Personal Care -0.2%

Patient Care +2.1%

Nutrition -0.4%





Over The Counter +2.3%

Personal Care -1.1%

Patient Care -0.6%

Nutrition -3.4%

nielsen

IMS Health & Quintiles are now IQVIA™

Source: Nielsen Handelspanel, Streetprices 2018

Source: IQVIA PharmaTrend Copyright Streetprices 2018

The Consumer Healthcare market in the specialist trade is stable

Consumer Healthcare market segments:
+/- (in %) in streetprices (SP) value compared to previous year

Value Growth	2014	2015	2016	2017	2018
TOTAL	-0.3	-0.4	-1.1	-1.5	+1.0
OTC	-0.2	+1.5	+1.0	-0.5	+2.3
PEC	-2.5	-4.6	-6.1	-4.0	-1.1
PAC	+2.6	+0.2	+0.2	-0.7	-0.6
NUT	+5.7	-0.7	-3.3	-4.8	-3.4

Source: IQVIA PharmaTrend Copyright; MAT 12/2018; change in %

The **OTC** segment represents 61% of the CHC market
Only 2 of top 10 OTC segments are growing

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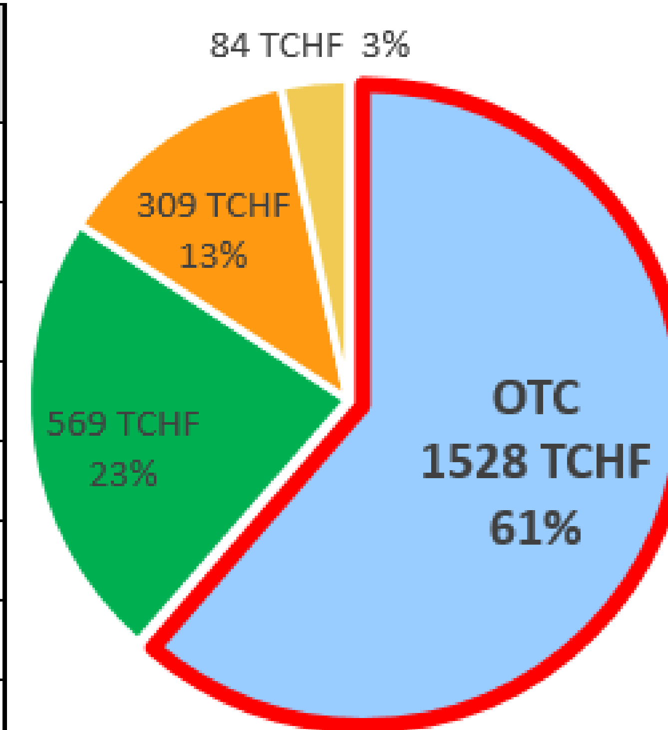
Top 10 OTC Segments - Sales	Market Size (TCHF)	Change vs PY
01B COLD REMEDIES	130’883	-1.0%
02E MUSCULAR PAIN RELIEF	125’309	-0.5%
04F MINERAL SUPPLEMENTS	121’482	-2.2%
02A GENERAL PAIN RELIEF	89’504	-0.5%
07A EYE CARE	64’821	6.2%
01A COUGH PRODUCTS	64’596	-4.9%
18A COMPLEMENTARY MEDICINE & MISCELLANEOUS	59’415	1.8%
01C SORE THROAT REMEDIES	49’771	-1.9%
04A MULTIVITAMINS WITH MINERALS	48’933	-1.0%
06P SKIN PROTECTORS AND EMOLLIENTS	47’556	-0.5%
Total Top 10	**802’271**	**-0.6%**

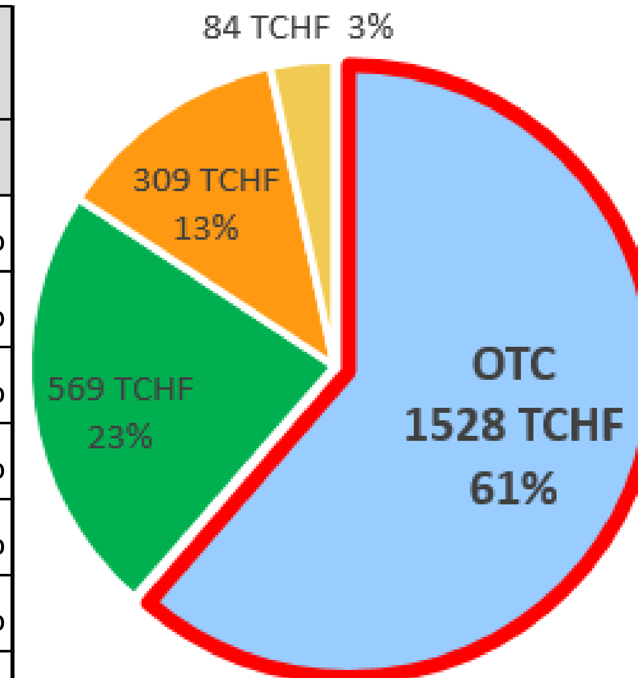


Source: IQVIA PharmaTrend Copyright, Database MAT03/19, Streetprices

- Top 10 sub-segments represent 53% of the OTC market
- Only eye care products (07A) and complementary medicine (18A) demonstrate solid growth

In most of the top 10 **OTC** segments
Verfora is performing better than the market!

Nr	Growth Segment	Leading Brand		Verfora - Top Brand		
		Name	Growth	Name	Ranking	Growth
01B	-1.0%	Neo Citran	↓	Triofan	2	1.3%
02E	-0.5%	Voltaren	↓	Perskindol	3	-1.5%
04F	-2.2%	Calcimagon	↓	Magnesium Vital	5	-3.2%
02A	-0.5%	Algifor	↑	Algifor	1	8.4%
07A	6.2%	Similasan	↑	Collypan	15	10.5%
01A	-4.9%	Solmucalm / Solmucol	↓	Pulmofor	12	-0.9%
18A	1.8%	Ceres	↑	Spagyros	5	8.2%
01C	-1.9%	Mebucaine	↓	Spagyrom	10	18.6%
04A	-1.0%	Supradyn	→	Multi Sanasol	13	-1.6%
06P	-0.5%	Excipial	↓	Panpharma	14	-0.5%

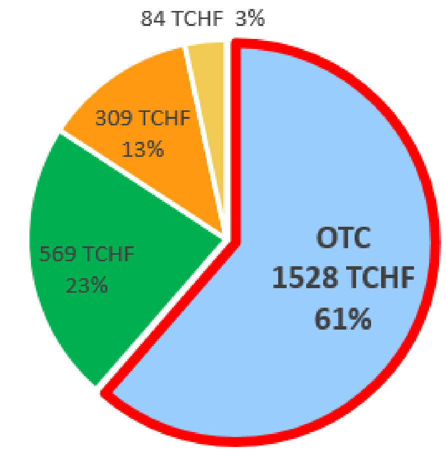


Source: IQVIA PharmaTrend Copyright, Database MAT03/19, Streetprices

- In 5 of Top 10 segments Verfora has already reached a top ranking
- Additional potential to be leveraged through investments in advertising, launching line extensions and purchasing products & brands

Three **OTC** segments demonstrate strong growth

Top 3 OTC Segments - Growth	Market Size (TCHF)	Change vs PY
01E RESPIRATORY AND GENERAL ANTI-ALLERGICS	20'078	37.5%
03F PROBIOTICS FOR DIGESTIVE HEALTH	17'139	17.0%
04G OMEGA-3 FATTY ACIDS	9'713	7.1%



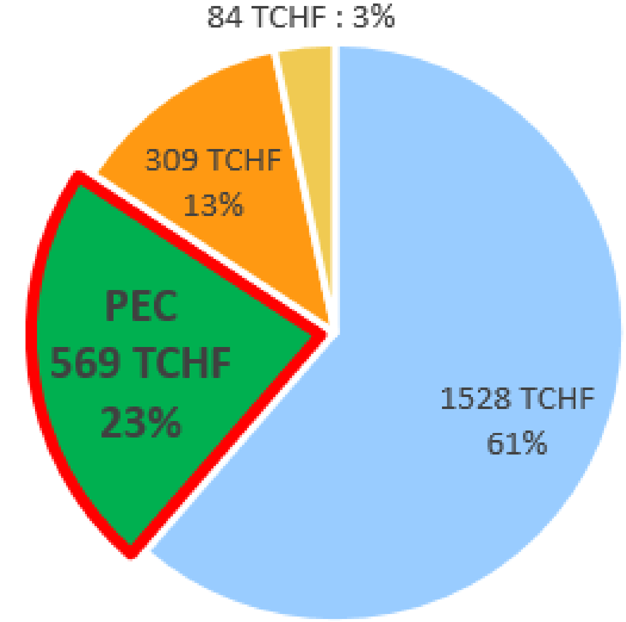
Nr	Growth Segment	Leading Brand	Change vs PY	Verfora Top Brand	Ranking	Change vs PY
01E	37.5%	Telfastin Allergo		Triofan Heuschnupfen	3	49.8%
03F	17.0%	Lactibiane		Vitafor Probi	6	-9.6%
04G	7.1%	Burgerstein		Equazen IQ	5	-7.6%

Source: IQVIA PharmaTrend Copyright, Database MAT03/19, Streetprices

- In the fastest growing segment (01E) we are growing even faster than the market
- To leverage the potential of Probiotics (03F) and Omega 3 (04G) we will seek appropriate acquisition or licencing targets

The Personal Care (**PEC**) segment represents 23% of the CHC market

Top 10 PEC Segments	Market Size (TCHF)	Change vs PY
82B SPECIAL FACIAL CARE PRODUCTS FOR WOMEN (DERMOCOSMETIC)	78'893	3.2%
82K MAKE-UP	46'711	-4.0%
83F SUN PRODUCTS	46'067	7.9%
82A FACIAL CARE PRODUCTS FOR WOMEN	42'190	2.6%
80B FRAGRANCES FOR WOMEN	27'491	-3.2%
82F BODY BEAUTY CARE PR WOMEN	25'544	-1.5%
86H SPECIFIC PRODUCTS FOR HAIR CARE	24'870	0.1%
82D EYE CARE PRODUCTS FOR WOMEN	18'587	2.4%
85C DEODORANTS AND ANTIPERSPIRANTS	17'995	-0.7%
86B SHAMPOOS	15'403	-3.8%
Total Top 10	**343'753**	**1.0%**



Source: IQVIA PharmaTrend Copyright, Database MAT03/19, Streetprices

- PEC segment includes mainly cosmetics
- We have started to build a presence in dermo-cosmetics (82B) with licences for A-Derma and Lireac and have just launched our own brand Dermafora® early 2019
- Smaller segments on PEC are Oral Care, Hair Growth & Repellents, where we are present with Oral B, Rombellin, Revalid and Anti-Brumm®

The Patient Care (**PAC**) segment represents 13% of the CHC market

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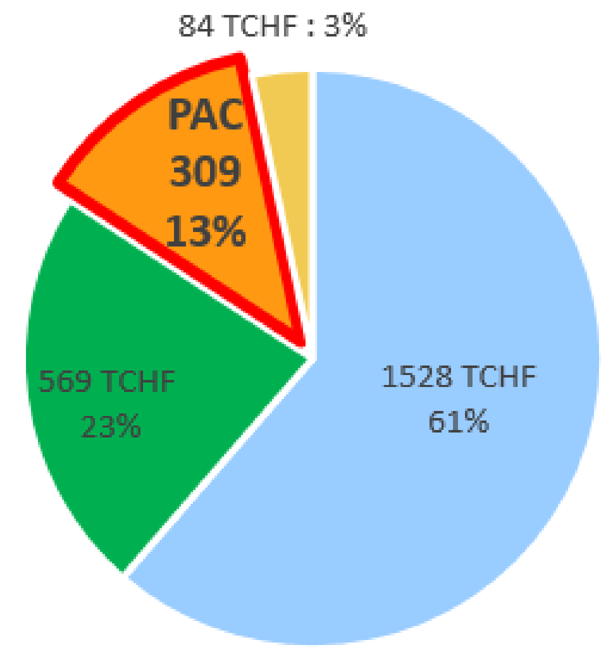
Top 10 PAC Segments	Market Size (TCHF)	Change vs PY
56 TESTS AND MEASURING INSTRUMENTS	71’943	-2.1%
52 INCONTINENCE CARE PRODUCTS	41’918	3.1%
58 ORTHOPAEDIC/ANTIRHEUMATIC AIDS	36’615	-1.5%
49 PLASTERS	21’888	0.0%
79 OTHER PATIENT CARE PRODUCTS	19’010	-5.7%
41 SURGICAL ABSORBENTS	15’512	0.6%
57 MEDICAL/SURGICAL AIDS	13’712	0.5%
47 ADVANCED WOUND HEALING DRESSINGS	13’457	-15.8%
53 PRODUCTS FOR BLADDER PROBLEMS	10’695	5.9%
43 BANDAGES	9’617	0.5%
Total Top 10	**254’367**	**-1.5%**



Source: IQVIA PharmaTrend Copyright, Database MAT03/19, Streetprices

- Diabetes Diagnostic Sticks (56), Incontinence (52) and Wound Care products (49, 47) are the main segments
- In the PAC segment we look for products opportunistically only

The Nutrition (**NUT**) segment represents 3% of the CHC Market

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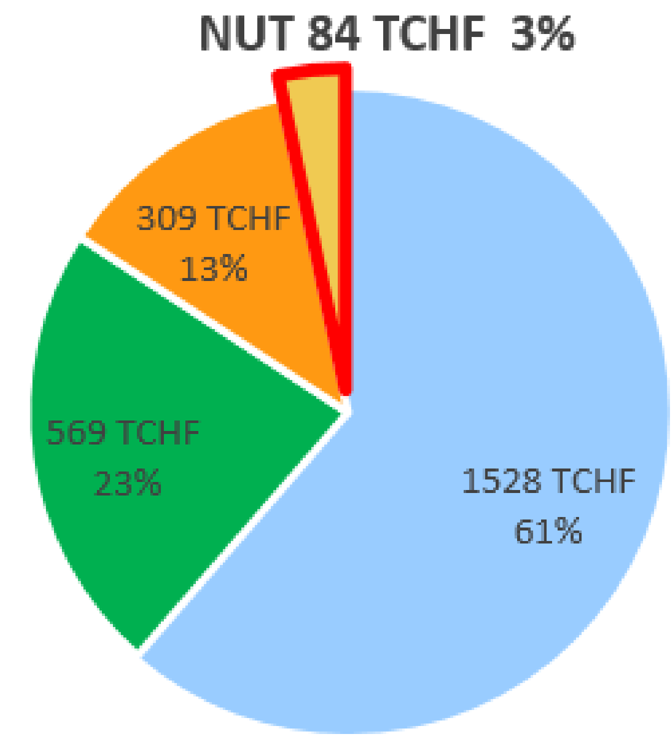
Top 10 NUT Segments	Market Size (TCHF)	Change vs PY
35G MILK PRODUCTS FOR CHILDREN	23’514	1.6%
36C DRINKS FOR ADULTS	13’899	-2.9%
36Z OTHER FOOD FOR ADULTS	7’922	-6.4%
30A COMPLETE FEEDS	5’588	5.6%
37A CONFECTIONERY	5’524	-1.4%
34A MEAL SUBSTITUTES	5’438	-12.5%
36D SPORTS AND RELATED ENERGY FOODS	4’299	0.1%
30B NUTRITIONAL SUPPLEMENTS	3’749	-12.5%
36B CEREAL PRODUCTS FOR ADULTS	2’775	-5.1%
35B CEREAL PRODUCTS FOR CHILDREN	2’210	-10.2%
Total Top 10	**74’918**	**-2.7%**



Source: IQVIA PharmaTrend Copyright, Database MAT03/19, Streetprices

- NUT is by far the smallest segment
- Infant Nutrition (35G) is the largest segment and still growing

How did Verfora become number 1 in the specialist trade?

Consumer Healthcare Market	Market share	+/- %	MAT 3/19 [million CHF]
Verfora	**6.3%**	**+5.6%**	**157**
GSK Consumer Health	5.4%	-4.4%	134
Bayer Consumer Health	5.3%	-0.3%	133
Ebi-Pharm	3.5%	+5.0%	88.1
Cosmétique Active	2.3%	+1.1%	58.1
Sanofi-Aventis	1.9%	+1.5%	47.7
Zeller Max Söhne	1.8%	+4.8%	46.0
Janssen-Cilag	1.7%	+1.8%	42.4
Biomed	1.6%	+3.6%	40.0
Pierre Fabre Suisse	1.5%	-1.5%	

Source: IQVIA PharmaTrend Copyright, Database MAT03/19, Streetprices

– Expansion (e.g. P&G portfolio Vicks® and Metamucil®)
– Develop close relationship with the entire specialist trade
– Educate pharmacy staff
– Innovative direct-to-consumer (DTC) campaigns

Innovative DTC Bug campaign …

… helped further grow our number 1 brand!

+6%

Market share

Source: IQVIA PharmaTrend Copyright, Database 03/19

Summary

- The Consumer Healthcare market in the specialist trade is worth CHF 2,5 billion
- The market is still quite fragmented and the top 3 companies reach only 5% - 7% market share each
- Over the past 2 years we have been able to grow our own portfolio, to enlarge our partner business and to develop a successful new advertising campaign
- Products & Brands is well positioned in this market and still has a lot of potential to further grow

Verfora, the mediator between consumers and specialist trade

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