Skin Care

July 2011

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MEDICATED SKIN CARE IN SWEDEN - CATEGORY ANALYSIS

HEADLINES

- Current value sales reach SEK583 million in 2010 which represents an increase of 4%
- Competition from competing substitute products is slowing the growth of medicated skin care sales
- Haemorrhoid treatments records the fastest current value growth in 2010 at 10%
- Antula Healthcare AB is the leading category player with value share of 12%
- Medicated skin care is expected to reach constant value sales of SEK636 million in 2015, which represents an overall increase of 9%

TRENDS

- Skin care is an important competitor to consumer health category medicated skin care. A fine line continues to exist in acne treatments, where it is difficult for many consumers to differentiate cleansers and toners to help with acne from the medicated acne treatments tracked in consumer health. This is having a negative impact on retail value growth rates.
- In current value sales terms, 2010’s growth rate of 4% was slower than the 7% CAGR recorded for the review period as a whole. Competition from rival substitute products such as cosmetics is slowing the growth of medicated skin care sales.
- Haemorrhoid treatments recorded the fastest value growth in 2010 at 10%. This growth was driven by the strong performance of the AC3 Comfort and Xyloproct brands in 2010 and the more general trend of an ageing population. Although haemorrhoids is not age- specific in that all age groups can suffer from haemorrhoids, the likelihood and frequency of its occurrence is linked to consumer ageing.
- Despite the de-regulation of pharmacy sales, this did not have any real or significant influence on pricing developments in 2010. For example, the topical germicidals brand Descutan was priced at SEK151 (15g packaging) by the pharmacy chain Apoteket in both 2009 and 2010. Similar to this there were no noted deviations in store check recordings for the cold sore treatments brand Anti 5% Pumpflaska. Anti 5% Pumpflaska is recorded as being priced the same in three different outlets; namely Apoteket (pharmacy), Kronanas Doghandel (pharmacy) and ICA supermarket (supermarket).
- Child-specific medicated skin care sales recorded current value growth of 4% in 2010. 2010’s growth was much slower than the 20% CAGR recorded for the review period. Many medicated skin care products in Sweden detail recommended dosage for children. This is lowering the absolute growth potential for child-specific products.
- Herbal/traditional products held marginal share in medicated skin care, and accounted for just 1% of value sales in 2010 with its share remaining stable compared with the previous year. Many consumers are reluctant to use herbal/traditional medicated skin care products, which are perceived as being less efficient. Herbal/traditional products are strongest in acne treatments, with these mainly being sold through health specialist retailers.
- Acne treatments reached current value sales of SEK85 million in 2010; an increase of 2% compared with 2009. Reckitt Benckiser (Scandinavia) AB is clearly at the forefront of launching new products, with its Clearasil range. Acne treatments mainly target men and women in the age range 15-25, and the marketing (mostly by Clearasil) targets these groups. Reckitt Benckiser does not position Clearasil as a “medicine”; rather as a lifestyle product. Other brands, mostly those which are distributed via chemists/pharmacies, are promoted less frequently and have more of an image of being medicines. Clearasil is mostly distributed via supermarkets and hypermarkets, while most other brands are distributed via chemists/pharmacies.

- Vaginal and anal problems are surrounded with stigma, and this can hold back sales. However, the marketing campaign from Antula Healthcare AB for its haemorrhoid treatment brand AC3 Comfort lifted some of this stigma. Web sales also increased, as they contributed to making purchasing easier for those consumers who felt uneasy about having to ask for this product in a store-based retailer.

SWITCHES

- Aciklovir and hydrocortisone, for treatment of herpes labialis, were switched to OTC status in 2009.

COMPETITIVE LANDSCAPE

- Antula Healthcare AB was the leading category player in 2010 with a value share of 12%. The company controls a number of popular and strong medicated skin care brands in Sweden such as the cold sore treatment Anti and the haemorrhoid treatment AC3 Comfort. Both Anti and AC3 Comfort are leading brands in high growth segments of medicated skin care. This is facilitating the growth of Antula's total medicated skin care sales and supporting its leading position.

PROSPECTS

- Increased competition from non-consumer health products such as cosmetics will continue to present a challenge to the growth of medicated skin care as a whole over the forecast period.

CATEGORY DATA

Table 1 Sales of Medicated Skin Care by Category: Value 2005-2010

SEK million

	2005	2006	2007	2008	2009	2010
Acne Treatments						
Medicated Shampoos						
Topical Antifungals						
Vaginal Antifungals						
Hair Loss Treatments						
Nappy (Diaper) Rash Treatments						
Antiparasitics/Lice (Head and Body) Treatments						
Antipruritics						
Child-Specific Medicated Skin Care						
Cold Sore Treatments						
Haemorrhoid Treatments						
Topical Allergy Remedies/Antihistamines						
Topical Germicidals/ Antiseptics						
Medicated Skin Care						

Source: *Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources*

Table 2 Sales of Medicated Skin Care by Category: % Value Growth 2005-2010

% current value growth

	2009/10	2005-10 CAGR	2005/10 TOTAL
Acne Treatments			
Medicated Shampoos			
Topical Antifungals			
Vaginal Antifungals			
Hair Loss Treatments			
Nappy (Diaper) Rash Treatments			
Antiparasitics/Lice (Head and Body) Treatments			
Antipruritics			
Child-Specific Medicated Skin Care			
Cold Sore Treatments			
Haemorrhoid Treatments			
Topical Allergy Remedies/Antihistamines			
Topical Germicidals/Antiseptics			
Medicated Skin Care			

Source: *Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources*

Table 3 Acne Treatments by Format: % Value Breakdown 2005-2010

% retail value rsp

	2005	2006	2007	2008	2009	2010
Cream/Ointment						
Lotion						
Pad						
Stick/Wand						
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: *Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources*

Table 4 Medicated Skin Care Company Shares by Value 2006-2010

% retail value rsp

Company	2006	2007	2008	2009	2010

Total	100.0	100.0	100.0	100.0	100.0

Source: *Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources*

Table 5 Medicated Skin Care Brand Shares by Value 2007-2010

% retail value rsp

Brand	Company	2007	2008	2009	2010
Total		100.0	100.0	100.0	100.0

Source: *Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources*

Table 6 Acne Treatments Brand Shares by Value 2007-2010

% retail value rsp Brand	Company	2007	2008	2009	2010
Total		100.0	100.0	100.0	100.0

Source: *Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources*

Table 7 Hair Loss Treatments Brand Shares by Value 2007-2010

% retail value rsp Brand	Company	2007	2008	2009	2010
Total		100.0	100.0	100.0	100.0

Source: *Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources*

Table 8 Forecast Sales of Medicated Skin Care by Category: Value 2010-2015

SEK million	2010	2011	2012	2013	2014	2015
Acne Treatments						
Medicated Shampoos						
Topical Antifungals						
Vaginal Antifungals						
Hair Loss Treatments						
Nappy (Diaper) Rash Treatments						
Antiparasitics/Lice (Head and Body) Treatments						
Antipruritics						
Child-Specific Medicated Skin Care						
Cold Sore Treatments						
Haemorrhoid Treatments						
Topical Allergy Remedies/Antihistamines						
Topical Germicidals/ Antiseptics						

Medicated Skin Care	

Source: *Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources*

Table 9 Forecast Sales of Medicated Skin Care by Category: % Value Growth 2010-2015

% constant value growth

	2010-15 CAGR	2010/15 TOTAL
Acne Treatments		
Medicated Shampoos		
Topical Antifungals		
Vaginal Antifungals		
Hair Loss Treatments		
Nappy (Diaper) Rash Treatments		
Antiparasitics/Lice (Head and Body) Treatments		
Antipruritics		
Child-Specific Medicated Skin Care		
Cold Sore Treatments		
Haemorrhoid Treatments		
Topical Allergy Remedies/Antihistamines		
Topical Germicidals/Antiseptics		
Medicated Skin Care		

Source: *Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources*

MEDICATED SKIN CARE IN SWEDEN - COMPANY PROFILES

ANTULA HEALTHCARE AB IN CONSUMER HEALTH (SWEDEN)

Strategic Direction

~ Antula Healthcare AB strategic direction is to expand and to be a key driving force behind the development of OTC consumer health in Sweden. The company will focus on the continued development of products approved to be sold without prescription (OTC) today or likely to be approved OTC status in the future.

Key Facts

Summary 1 Antula Healthcare AB: Key Facts

Full mame of company:	Antula Healthcare AS
Address:	Qstermalmsgatan 19, 11426 Stockholm, Sweden
Tel:	+46 (8) 316 800
Fax:	nla
www:	Antula.se
Activities:	Sale, marketing and distribution of pharmaceuticals

Source. *Euromonitortniemetionet from companyreports, companyresearch*

Summary 2 Antula Healthcare AB: Operational Indicators

	2008	2009	2010
Net sales (SEK million)	nla	527.136	nla
Net profit (SEK million)	nla	12.973	*n/a*
Number of employees	nla	50	nla

Source: *Companyresearch, trade sources, retsit.se*

Company Background

~ Antula Healthcare is a pharmaceutical company focusing on products approved to be sold without prescription (OTC) today or likely to be approved OTC status in the future.

~ The company's brands are marketed towards doctors, pharmacies and consumers in Sweden, Finland, Denmark and Norway.

~ Antula launched Becur Nalox in 2010. Becur Nalox is a topical antifungal that is distributed via chemists/pharmacies, The brand is marketed as a quick and effective treatment for nail fungus,

~ InsideGum was launched by Anttila in September 2010. The launch highlights the company's innovation capacity to seek, develop and successfully launch new delivery mechanisms for OTC medicines. The use of gum as a delivery mechanism within digestive remedies is unique to the InsideGum brand. Antula positions InsideGum as a unique product innovation that provides the consumer with a quick and convenient digestive remedy.

Production

~ The company does not have any production facilities. All products are manufactured by third parties.

Competitive Positioning

~ The company's overall share in consumer health in 2010 was 3%, ranking Antula Healthcare AB 7th.

~ Antula's share increased on a yearly basis throughout the review period. This was linked to the company's high innovation levels and subsequent successful product launches.

~ Antula is at the forefront of new developments in Swedish consumer health. The company views Swedish OTC consumer health as offering strong growth opportunities in comparison to other Western European countries where the absolute sale value of OTC sales per capita is higher than the Swedish market

~ Antula operates a wide and varied product portfolio.

~ The company's product portfolio has a standard to premium pricing positioning.

Summary 3 Antula Healthcare AS: Competitive Position 2010

Product type	Value shar.e	Rank
Consumer healthcare	2.5%	8
Adult mouth care	15.9%	3
Analgesics	4.7%	5
Diclofenac	41%	2
Naproxen	23%	3
Digestive remedies	5.6%	6
H2 blockers	22	2
Motion sickness remedies	27	2
Medicated skin care	11.8%	1
Hair loss treatments	19%	2
Child-specific medicated skin care	8.9%	3
Cold sore treatments	46%	1
Haemorrhoid treatments	38%	2
OTC Triptans	12%	1
Topical analgesics/anaesthetic	17%	2

Source: Euromonitor tniemetions: from company reports, company reseercn, trade sources, trade interviews

CONSUMER HEALTH IN SWEDEN - INDUSTRY OVERVIEW

EXECUTIVE SUMMARY

Resilience To Wider Economic Forces

Despite the weak economic climate, Swedish consumer health sales proved to be relatively immune to wider economic forces. Consumer health posted strong retail value growth once again in 2010, albeit slower than the CAGR recorded for the review period as a whole. Most mature consumer health categories proved to be resilient and posted healthy growth rates as consumers still needed to attend to their minor ailments. Growth in 2010 was also supplemented and supported by a number of other factors such as the self-medication trend, liberalisation of pharmacy sales, the continued ageing of the Swedish population and increased category segmentation.

Liberalisation Boosts Sales Growth

The de-regulation of pharmacy sales occurred in November 2009, leading to the entry of numerous new pharmacy chains. As part of this process the sale of certain OTC medicines was liberalised with distribution via mass market channels such as supermarkets and hypermarkets now possible. This change led to a strong boost in sales prompted by the greater availability and distribution of consumer health products. However, despite the de-regulation of pharmacy sales, subsequent entry of new players in pharmacy retailing sales and product availability in mass market channels, increased or significant price competition had yet to occur in Swedish consumer health at the end of the review period. The lack of price competition in the context of greater product distribution consequently encouraged the recording of strong current retail value growth rates for 2010.

Increasing Concentrated Environment

Consumer health’s sales were increasingly characterised by consolidation; numerous categories are dominated by a handful of players. Indeed major players are not just confined to one area of consumer health but have an overall presence across the spectrum of total consumer health sales. 2010 was also a year that witnessed merger and acquisition activity. The domestic player, Meda AB, firmly stated strategic goals to establish itself as a leading player. This will be achieved through a combination of organic growth and acquisition, as the company’s acquisition of BioPhausia OTC medicine product portfolio in September 2010 indicates.

Distribution Increasingly Diverse

Positive Outlook

KEY TRENDS AND DEVELOPMENTS

the Population Continues To Age

Current Impact

Outlook

Future Impact

Consumer Healthcare Proves Resilient To Wider Economic Forces

Current Impact

Outlook

Future Impact

Health and Wellness – A Driver of Sales

Current Impact

Outlook

Future Impact

Swedish Consumers Are More Willing To Self-medicate

Current Impact

Outlook

Future Impact

Liberalisation Does Not Lead To Increased Price Competition

Current Impact

Outlook

Future Impact

MARKET INDICATORS

Table 1 Consumer Expenditure on Health Goods and Medical Services 2005-2010

SEK million	2005	2006	2007	2008	2009	2010
Pharmaceuticals,						

medical appliances/ equipment	
Outpatient services	
Hospital services	
Total	

Source: Euromonitor International from official statistics, trade associations, trade interviews

Table 2 Life Expectancy at Birth 2005-2010

years	2005	2006	2007	2008	2009	2010
Males						
Females						

Source: Euromonitor International from official statistics

MARKET DATA

Table 3 Sales of Consumer Health by Category: Value 2005-2010

SEK million	2005	2006	2007	2008	2009	2010
OTC						
Sports Nutrition						
Vitamins and Dietary Supplements						
Weight Management						
Herbal/Traditional Products						
Allergy Care						
Child-Specific Consumer Health						
Consumer Health						

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Note: Sum of sectors is greater than the market size because the four allergy care subsectors are included in allergy care as well as cough, cold and allergy remedies, medicated skin care and eye care.

Table 4 Sales of Consumer Health by Category: % Value Growth 2005-2010

% current value growth	2009/10	2005-10 CAGR	2005/10 TOTAL
OTC			
Sports Nutrition			
Vitamins and Dietary Supplements			
Weight Management			
Herbal/Traditional Products			
Allergy Care			
Child-Specific Consumer Health			
Consumer Health			

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Note: Sum of sectors is greater than the market size because the four allergy care subsectors are included in allergy care as well as cough, cold and allergy remedies, medicated skin care and eye care.

Table 5	Consumer Health Company Shares by Value 2006-2010				
% retail value rsp Company	2006	2007	2008	2009	2010
Total	100.0	100.0	100.0	100.0	100.0

Source: *Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources*

Table 6	Consumer Health Brand Shares by Value 2007-2010				
% retail value rsp Brand	Company	2007	2008	2009	2010

Total		100.0	100.0	100.0	100.0

Source: *Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources*

Table 7 Penetration of Private Label by Category 2005-2010

% retail value rsp

	2005	2006	2007	2008	2009	2010
Consumer Health						
OTC						
Sports Nutrition						
Vitamins and Dietary Supplements						

Source: *Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources*

Table 8 Sales of Consumer Health by Distribution Format: % Analysis 2005-2010

% retail value rsp

	2005	2006	2007	2008	2009	2010
Store-Based Retailing						
Grocery Retailers						
Discounters						
Healthfood shops						
Hypermarkets						
Small Grocery Retailers						
Supermarkets						
Other Grocery Retailers						
Non-Grocery Retailers						
Health and Beauty Retailers						
Chemists/Pharmacies						
Parapharmacies/Drugstores						
Other Healthcare Specialist Retailers						

Mass Merchandisers						
Other Non-Grocery Retailers						
Non-Store Retailing						
Vending						
Homeshopping						
Internet Retailing						
Direct Selling						
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: *Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources*

Table 9 Sales of Consumer Health by Category and Distribution Format: % Analysis 2010

% retail value rsp

	OTC	SN	VDS	WM	HTP	AC
Store-Based Retailing						
Grocery Retailers						
Discounters						
Healthfood shops						
Hypermarkets						
Small Grocery Retailers						
Supermarkets						
Other Grocery Retailers						
Non-Grocery Retailers						
Health and Beauty Retailers						
Chemists/Pharmacies						
Parapharmacies/Drugstores						
Other Healthcare Specialist Retailers						
Mass Merchandisers						
Other Non-Grocery Retailers						
Non-Store Retailing						
Vending						
Homeshopping						
Internet Retailing						
Direct Selling						
Total	100.0	100.0	100.0	100.0	100.0	100.0

	CSCH
Store-Based Retailing	
Grocery Retailers	
Discounters	
Healthfood shops	
Hypermarkets	
Small Grocery Retailers	
Supermarkets	
Other Grocery Retailers	
Non-Grocery Retailers	
Health and Beauty Retailers	
Chemists/Pharmacies	
Parapharmacies/Drugstores	
Other Healthcare Specialist Retailers	
Mass Merchandisers	
Other Non-Grocery Retailers	
Non-Store Retailing	
Vending	

Homeshopping	
Internet Retailing	
Direct Selling	
Total	100.0

Source: *Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources*

Key: *OTC = over the counter; SN = sports nutrition; VDS = vitamins and dietary supplements; WM = weight management; HTP = herbal/traditional products; AC = Allergy Care; CSCH = child-specircfic consumer health*

Table 10 Forecast Sales of Consumer Health by Category: Value 2010-2015

SEK million

	2010	2011	2012	2013	2014	2015
OTC						
Sports Nutrition						
Vitamins and Dietary Supplements						
Weight Management						
Herbal/Traditional Products						
Allergy Care						
Child-Specific Consumer Health						
Consumer Health						

Source: *Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources*

Note: *Sum of sectors is greater than the market size because the four allergy care subsectors are included in allergy care as well as cough, cold and allergy remedies, medicated skin care and eye care.*

Table 11 Forecast Sales of Consumer Health by Category: % Value Growth 2010-2015

% constant value growth

	2010-15 CAGR	2010/15 TOTAL
OTC		
Sports Nutrition		
Vitamins and Dietary Supplements		
Weight Management		
Herbal/Traditional Products		
Allergy Care		
Child-Specific Consumer Health		
Consumer Health		

Source: *Euromonitor International from trade associations, trade press, company research, trade interviews, trade sources*

Note: *Sum of sectors is greater than the market size because the four allergy care subsectors are included in allergy care as well as cough, cold and allergy remedies, medicated skin care and eye care.*

APPENDIX

OTC Registration and Classification

European regulatory systems

Marketing authorisations

Advertising

Standardised Packaging Requirements

Vitamins and Dietary Supplements Registration and Classification

National legislation

Distribution

Regulation of vitamins and dietary supplements

Regulation of herbal products

Advertising

Self-medication/self-care and Preventative Medicine

Switches

Summary 1 OTC Healthcare Switches 2008-2010

Brand name	Manufacturer	Product type/Ingredient	Switch date
Alit	Removed	Removed	Removed
-	Removed	Removed	Removed
Lansopazol Mylan 30 mg enterokapsel	Removed	Removed	Removed
Omeprazol BMM Pharma 20 mg enterotablett	Removed	Removed	Removed
Bamyl Koffein 500 mgl SOmgtablet	Removed	Removed	Removed
Bamyl 500 mg Brustablett	Removed	Removed	Removed
Bamyl Koffein 500 mgl 50 mg brustablett	Removed	Removed	Removed
Telfast 120 mg filmdragerad tablet	Removed	Removed	Removed
Zomig Rapimelt 5 mg munsonderfaflande tablet	Removed	Removed	Removed
Toilax 5 mg enterotablett	Removed	Removed	Removed

Cetirizine BMM Pharma	Removed	Removed	Removed
Sumatriptan BMM Pharma 50 mg	Removed	Removed	Removed
Sumatriptan Ratiopharm 50mg	Removed	Removed	Removed
Sumatriptan Sandoz 50 mg	Removed	Removed	Removed
Dulcolax 5mg	Removed	Removed	Removed
Dulcolax 10mg	Removed	Removed	Removed
Kestine 10mg	Removed	Removed	Removed

Source. Official statistics, Lakemedelsverket), Trade interviews

DEFINITIONS

This report analyses the market for consumer health in Sweden. For the purposes of the study, the market has been defined as follows:

- Analgesics
- Cough, Cold And Allergy (Hay Fever) Remedies
- Digestive Remedies
- Medicated Skin Care
- NRT Smoking Cessation Aids
- Eye Care
- Ear Care
- Adult Mouth Care
- Calming and Sleeping Products
- Wound Care
- Emergency Contraception
- OTC Triptans
- Vitamins and Dietary Supplements
- Weight Management
- Sports Nutrition
- Herbal/Traditional Products

Explanations of words and/or terminology used in this report are as follows:

- Leverantorsforeningen for homeopati - Swedish trade association for homeopathic therapists and suppliers
- Lakemedelsverket - (Swedish) Medical Products Agency.

Sources used during research include the following:

Summary 2 Research Sources

Official Sources	Laksrnedelsverket
	L1F

	Medical Products Agency
Trade Associations	Apotekens Sevice
	Association of the European Self-Medication Industry (AESGP)
	Halsokostcentralen
	Hatsokostradet
	Lakemedelsindustriforeningen
	Svensk Egerward
	Svesk Handel
Trade Press	Anarsvarlden
	Anna Bjore
	Butikens Varld
	Dagens Handel
	Dagens Industri
	Dagens Media
	Dagens Medicin
	Dagens Nyfleter
	Economic & Legal Framework for Non-Prescription Medicines (AESGP)
	Fri Kopenskap
	Hufvudstadsbladet
	Uikemede'lsvarden
	Ny Teknik
	Nyhetsbanken
	Nyhetsbyran Dlre'kt
	OTC Bulletin
	Pharma Online
	PointLex
	Resume
	SVD Ekonomi
	Svenska Dagbladet
	Sydsvenska Dagbladet
	TT Nyhetsbanken
	TT Spectra
	Veckans Affarer
	Waymaker

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