

OTC**Toolbox** REPORT

14 March 2018

OTC COMPANY STRATEGIES

Winning in a changing world

These are challenging times for the OTC/consumer healthcare industry. Disruptive forces are changing the business environment, global sales growth is slowing down, and consolidation is reshaping the fragmented industry. Companies of all shapes and sizes are busy adapting their strategies to win in this changing competitive landscape.

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Bayer Consumer Health strives for growth [\(go to now\)](#)..... 51

Germany's Bayer transformed its consumer healthcare operations in October 2014 when it acquired US-based Merck & Co's Consumer Care business. Three years later, however, Bayer Consumer Health is struggling to achieve sales growth, and a new worldwide head has been appointed.

Church & Dwight is acquisition platform [\(go to now\)](#)..... 77

US-based Church & Dwight is expanding its portfolio of powerbrands through bolt-on acquisitions. The consumer products company highlights the importance of innovation, and is taking steps to build its international presence.

GlaxoSmithKline highlights brand building [\(go to now\)](#)..... 88

Building brands that are preferred by consumers and recommended by experts is a key element of GlaxoSmithKline's strategy for its Consumer Healthcare business. Seizing the digital opportunity is also a core part of the strategy, along with winning with shoppers, customers and experts.

HRA has ambitions in consumer healthcare [\(go to now\)](#)..... 105

HRA Pharma's acquisition of the Compeed brand from Johnson & Johnson highlighted the French firm's ambitions in consumer healthcare. The company aims to expand through a combination of organic growth and further targeted acquisitions.

J&J is busy reshaping Consumer division [\(go to now\)](#) 112

US-based Johnson & Johnson is reshaping its Consumer division in multiple ways including acquisitions, divestments, outsourcing agreements and research collaborations.

Merck reviews Consumer Health options [\(go to now\)](#) 134

Germany's Merck has announced it is considering a range of strategic options for its Consumer Health business, including divestment.

Mylan intends to double its OTC sales ([go to now](#)) 143

Generic pharmaceutical company Mylan intends to double its OTC sales over the next five years through a combination of acquisitions, switching medicines from prescription-to-OTC status and reinvigorating its brands.

Nature's Bounty recruits Pfizer expertise ([go to now](#)) 147

Vitamins, minerals and supplements (VMS) specialist The Nature's Bounty Co – formerly NBTY – has gained a new private-equity owner and recruited Paul Sturman, former worldwide head of Pfizer Consumer Healthcare, as chief executive officer.

Nestlé expands in consumer healthcare ([go to now](#)) 154

Nestlé views the consumer healthcare market as an “additional growth platform” that is consistent with its focus on nutrition, health and wellness. The Swiss company recently announced the acquisition of Canada's Atrium Innovations and has been linked with further significant deals.

Perrigo seeks fresh start after troubles ([go to now](#)) 172

Perrigo's acquisition of Omega Pharma in 2015 made the store-brand specialist into a significant player in the branded consumer healthcare market, but it also marked the start of a troubled three years. The company is carrying out a fresh review of its strategy after a new president and chief executive officer took the helm in January 2018.

Pfizer may divest Consumer Healthcare ([go to now](#)) 184

Following years of speculation about Pfizer's commitment to its Consumer Healthcare business, the US-based pharmaceutical company announced in October 2017 that it is considering a range of strategic alternatives, including divestment.

Prestige builds OTC through acquisitions ([go to now](#)) 192

US-based Prestige Brands Holdings has expanded its OTC business at home and abroad in recent years through a series of acquisitions including CB Fleet.

Challenging times for P&G, Teva and PGT [\(go to now\)](#) 206

2017 was a challenging year for Procter & Gamble, Teva and their PGT Healthcare OTC joint venture for a range of reasons. At the start of 2018, Teva said it was reviewing its relationship with Procter & Gamble via PGT Healthcare, and exploring all its options.

RB is transforming itself into “RB2.0” [\(go to now\)](#) 216

RB – formerly Reckitt Benckiser – was very busy in 2017. The UK-based company acquired infant and child nutrition specialist Mead Johnson Nutrition, then announced plans to restructure into “RB2.0” with two separate business units.

Sanofi is busy building on Boehringer [\(go to now\)](#) 235

Sanofi has transformed its Consumer Healthcare presence by acquiring Boehringer Ingelheim’s Consumer Health Care business.

Stada drives OTC internationalisation [\(go to now\)](#) 251

Stada Arzneimittel is pushing ahead with plans to internationalise its key OTC brands under its new private-equity owners Bain Capital and Cinven. The German generics and OTC company has just appointed its fifth chief executive officer in around two years.

Taisho makes plans at home and abroad [\(go to now\)](#) 264

Japan’s Taisho Pharmaceutical aims to grow its Self-Medication division at home and abroad. Overseas expansion will mainly be in South-East Asia, says the company, which continues to build its presence through acquisitions.

Takeda separates Japanese OTC business [\(go to now\)](#) 270

Japanese pharmaceutical company Takeda has separated its Japanese Consumer Healthcare business into a wholly-owned subsidiary called Takeda Consumer Healthcare Company (TCHC). It plans to develop the business in Japan and other Asian countries. Takeda is also expanding its OTC presence in other regions of the world but is not seeking to become a truly global OTC player.