7th EPLS conference
Prague

Chameleon Pharma Consulting
The World of Emerging Markets

Chameleon Pharma: Your guide in the Healthcare World of the Emerging Markets
Are All The Emerging Markets Paying Their Way?

- Which EM offer the best opportunity, which are risky?
- Systematic market entry analysis and partner selection!
- How to select the TOP 5 EM best fitting your products / segment?

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7th European Pharma Licensing Symposium (EPLS)
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About
Chameleon Pharma Consulting (CPC)
Our CPC Focus

• CPC was established 6 years ago; HQ in Berlin
• 18 experts & project managers in Asia, CEE/CIS, Latin America and Europe
• Our CPC experts have 15y.+ experience in Rx., OTC, Medical Devices, Derma
• Privately owned & independent
Our CPC Competence

Chameleon Pharma Consulting
The Expert in Emerging Markets

Establishing International Business
M&A
Strategy & Marketing
Publications & Analysis

Segment focus: OTC, medical devices, cosmetics, pharma Rx., VMS

Focus Markets: Emerging Markets in Asia, CIS, CEE, Latin America & Europe
Our CPC Services

International Strategy & Marketing

- Select the right fitting EM for your company & products
- Intern. Strategy scenarios
- International Partner Identification
- Exit & Mature Strategies
- Support to opening Representative Office
- Reviewing investment plans and expansion plans

M&A & Licensing

- M&A projects and Commercial Due Diligence processes
- Identification of a product and company acquisition target
- In- and out-licensing of product
- Scenario planning during M&A and post mergers

Regulatory & Registration

- Registration strategy, decode the regulation process and fast-track registration possibilities
- Guide through regulation procedures and marketing authorization procedures
- Develop Health Claims and Labelling for Cosmetic and Food supplements
- Support with establishment of the CE-Mark

International Business Establishment

The Emerging Markets will remain the leading growth drivers for the Rx., OTC, Medical Device and Derma industry during the next 10 years to come.

Executive Search

- Due to our consultant work, all our experts have actual international market know-how.
- We manage to conduct a short-list search in only 6-7 weeks.
- Understanding of intercultural human behaviour is our key asset.
CPC Publication & Market Reports

The *WEM-News Magazine* is published with the focus on the developments, news and changes in the Emerging Markets around the world.

Different Magazines with focus on:
- Latin America
- CEE & CIS
- Asia
- Europe

**Market reports:**
- first set of reports will be on Russia by end 2014

Numerous expert reports, studies and articles on:
- Consumer health
- Rx. Products
- Medical Devices
- Derma & Food Supplements
- Retail & Wholesale
The Emerging Pharma Markets

Insights & Trends
While the developed markets are likely to slow down their economic growth to 2-3%, the Emerging Markets are predicted to have a rapidly increasing growth around 12-14% each year.
Future Growth and Developed of the EM (estimation for 2018)

China and Mature Markets

- USA: 1% growth, 450 US$Bn.
- China: 22% growth, 220 US$Bn.
- Japan: 0.5% growth, 100 US$Bn.
- EU5: 1.2% growth, 150 US$Bn.

Big Emerging Markets

- Brazil: 12% growth, 600 US$Bn.
- Russia: 7% growth, 500 US$Bn.
- India: 13% growth, 400 US$Bn.
- Mexico: 14% growth, 300 US$Bn.

Fast Growth Emerging Markets

- South Korea: 8% growth, 350 US$Bn.
- Argentina: 4% growth, 250 US$Bn.
- Indonesia: 15% growth, 200 US$Bn.
- Ukraine: 7% growth, 100 US$Bn.
- Colombia: 8% growth, 90 US$Bn.
- The Philippines: 11% growth, 80 US$Bn.
- Chile: 5% growth, 70 US$Bn.
- Malaysia: 10% growth, 60 US$Bn.
- Peru: 10% growth, 50 US$Bn.

Source: DSM Group, open source
Did you know that...

- **Mexico is No. 2** per capita of Coca-Cola consumption

- **Mexicans** make up the largest percentage of the world’s obese: **47.0% of adults are overweight**. This creates high demand for drugs for diabetes, cardiovascular and indications.

Organic Products in S-Korea

- **61%** of consumers purchased organic products due to concerns about their health and food safety. Mothers in South Korea have created a strong demand for organic baby food

- **Russia has the biggest consumption** of nasal decongestants per person in the world.

- **By 2020 the elder care in China** will increase its value to **62 billion EUR**, providing a great business opportunity in OTC, Pharma and Medical Devices.
Russia and China Obesity/Weight control

Russia’s demand on anti-diabetic products

- 55% of population has problems with excessive weight
- 25% of population has obesity
- 20% of boys & girls are overweight
- > 6% of children suffer from obesity

12 million in 2020

Obesity is a growing concern in China

- 200 mio. are overweight and obese
- 11% of children are obese
- 1/10 adults have diabetes

Source: European Journal of Clinical Nutrition, Scientific Research, themoscownews, World Health Organisation, China Mike
The EM future looks great, but...

Are All The Emerging Markets Paying Their Way?
“BRIC does not make sense for Pharma...

You better analyse market by market with regards to your unique product portfolio!”

Source: Chameleon Pharma Consulting Group
The future of the Emerging Markets

By 2020 the Health Care market to value $28 bln

Will remain the TOP Latin American Pharma Market

Almost 90% of Pharma and OTC products imported

Market to exceed the US in size, but mostly Generics. Dominated by Chinese companies

Most of the successful players in India are Indian companies

Fast-growing (>90 Million) consumer base

→ The EM are so different, there is no „EM“ strategy that fits all markets!
Entering the Emerging Markets: big opportunities or rather risks?

The Chinese pharma market shows a rapid growth like other Emerging markets in CEE & CIS, Latin America, and South Africa.

The priorities for the Chinese consumer are different from those in Europe, and you might have to adjust some product formulations in OTC and Derma to the country’s consumer needs.

The increasing healthcare awareness of the Chinese population raises correspondently the purchasing power of the middle class.

China pharma market has one of the longest drug application timeline.

Chinese consumers have high confidence in foreign brands, thus, they are expected to win drug customers away from the domestic generic brands.

The distribution of products remains a challenge, with a landscape of multiple channels, decision makers, and regulations adding significant complexity to the market.
How to approach the Emerging Markets?

Which are the best EM to enter?

CPC Strategy Project Examples
Switch from your home market focus to international market focus

Having in mind the fact that the Emerging Markets develop and grow in size, one should think of becoming one of the strong growth players while switching your focus + Marketing budget to the growing international markets!

→ Due you have a strategy to harvest non growth markets.
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We recommend study the Emerging Markets in detail with regards to your specific portfolio and then analyse which are the best TOP 5 ranked markets for your company. The dynamic of segments in markets are very different.
Conduct a critical market analysis for each of your segments / products:

- Understand the challenges **beyond market data** and completion
- **Identify** your segments with stronger potential
- Deep understanding of Market Structure and **market entry cost**

*Market data do not tell much. One need to look beyond to understand real market entry cost and potential!*
Using a **specialized CPC Systematic Partner Search Process** we will identify your **best fitting local business partners** in only **10-12 weeks**. Keep in mind that the success of getting your products into the EM mainly depends on **your partner**.

**So do NOT select a partner or service provider too quickly!**
The 8 Ps analysis helps to define detailed market entry parameters for each product / segment.

While the decision for the market and the product / segment has been taken, it is important to work out the business plan and make it fit to the overall market entry strategy & Plan.

Source: Chameleon Pharma Consulting Group, various open sources
• The **EM** are very different, this is why only a detailed analysis will support you in making the **rights decision** for your products / segments!

• Do you know the **TOP 5 Emerging Markets** best fitting to your own focus **products** / segments?
Case study:

Which is one of the best accessible, underdeveloped and growing Cough & Cold markets for Phyto OTC drugs in the Emerging Markets.
Case study: Best growing, accessible Cough & Cold market in the EM.

Guess which cough & Cold market we are talking about?

- Growth Potential
- Health Care System Development
- Market Size
- Regulatory Aspects of Product Registration
- Uncomplicated Market Access
- Brand Legal Aspects

Cough & Cold
Case study: Which is the best growing, accessible Cough & Cold market today.

Mexico

- Only one Phyto OTC drug is on the Market (EU product), selling for >16 US$ per box and growing 15% a year.
Executive Summary

- The **Emerging Markets** offer many **opportunities**, but without a **clear analysis** which one to **enter first** with your **specific portfolio**, they can be risky, costly and tricky at a time.

- Do you have an actual international strategy in place on which EM to enter first including a **market entry strategy** for your segment?

- Do you know the **TOP 5 Emerging Markets best fitting** to your own focus **products / segments**?

- While the Rx. Pipeline is almost empty you may look into OTX and OTC concepts. We are happy to support...

- Identify the **right fitting EM for your products / segments** and the **best fitting local partner** or own office execution already makes more than **>50% of the success**.
Thank you very much ...
“... any specific questions on entering the Emerging Markets?”

...we will be happy to support you....!