Overview of the retail commercial segment of the pharmacy market for dietary supplements based on the results of the 1st half of 2017

The capacity of the commercial segment of dietary supplements reached 24.3 billion rubles in the prices of pharmacy sales based on the results of the first half of 2017, which is 17% more than in the same period of 2016. In volume, about 177 million packages of dietary supplements were sold, which is 7% more than in the same period of the last year (Figure 1).

Trends of dietary supplements sales in the retail commercial segment of pharmacy market, 1st half of 2015-2017

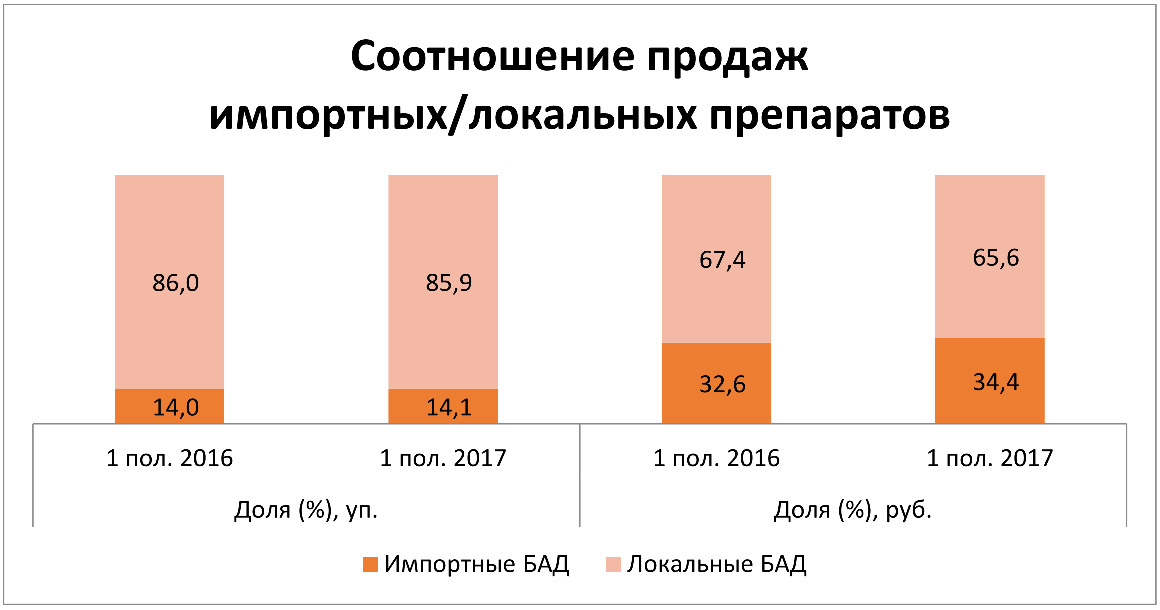
Source: AlphaRM – Monitoring of retail sales of medicinal products and dietary supplements in Russian Federation *Figure 1*

Trends in the sales of dietary supplements in the commercial segment of pharmacy market, by manufacturing country, in the 1st half of 2016-2017

Source: AlphaRM – Monitoring of retail sales of drugs and dietary supplements in RF *Figure 1*

In the first half of 2017, we observe an increase in the sales of dietary supplements compared to the same period in 2016, for imported (+ 23%) as well as domestic supplements (+ 14%). In volume, domestic and imported dietary supplements showed an equivalent increase of + 8%. The greatest share of consumption of dietary supplements is provided by local manufacturers: 65.6% in rubles and 85.9% in packages. The share of domestic dietary supplements declined both in volume and in value terms compared to the 1st half of 2016 (Figure 2).

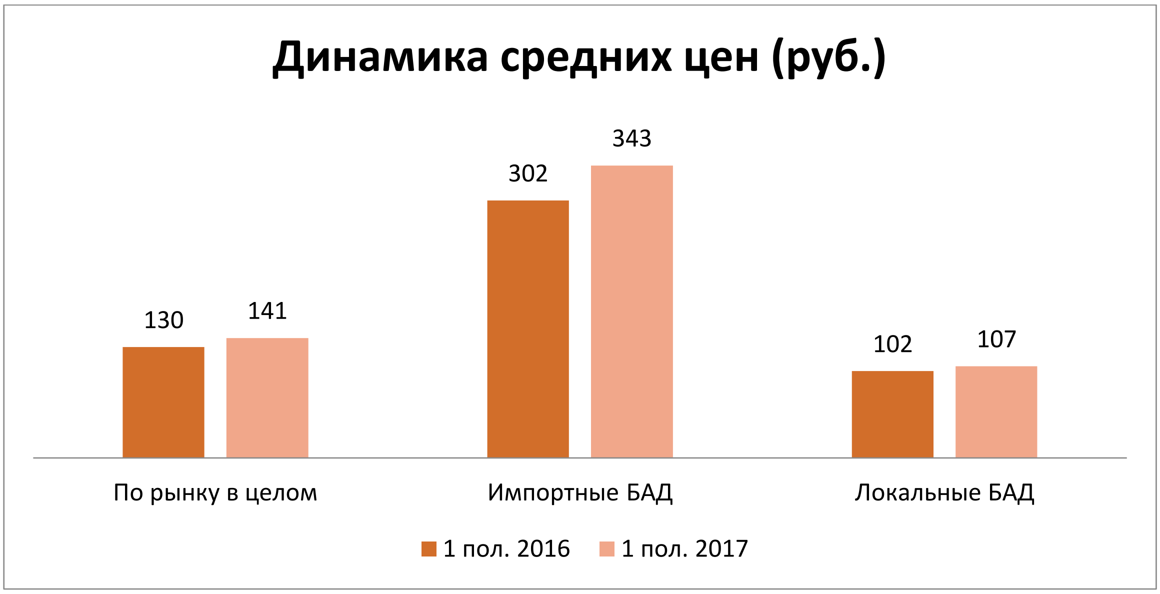
The ratio of sales of dietary supplements by country of manufacture, in the retail commercial segment of the pharmacy market, 1st half of 2016-2017



Source: AlphaRM – Monitoring of retail sales of drugs and dietary supplements in RF *Figure 2*

In the 1st half of 2017, the average prices for dietary supplements increased by about 8%. The imported dietary supplements showed an increase in prices by 14%, while the dietary supplements of domestic manufacturers went up by 6% (Figure 3). The leaders in sales have not changed: the brand Solgar leads among imported dietary supplements in value terms, and Naturino leads in volume; among domestic products, Fitolax is the leader in sales in value, and Hematogen in volume.

The dynamics of the average prices of dietary supplements, by manufacturing country, in the retail commercial segment of pharmacy market, 1st half of 2016-2017



Source: AlphaRM – Monitoring of retail sales of drugs and dietary supplements in RF *Figure 3*

In the first half of 2017, the price segment of up to 50 rubles accounted for the largest number of dietary supplement sales by volume in the retail commercial segment of the pharmacy market, with Hematogen, Asvitol and Ascorbin Ka Forte leading the sales in this segment. Because of low prices in this segment, it accounts for the smallest share by value, 8.1%. The most expensive price segment (from 500 rubles), became the leader of sales of dietary supplements by value, with a share of 6.9% in volume, in the retail commercial segment of the pharmacy market of dietary supplements. Solgar, Femibion and Sealex are the leading brands in the expensive sector (Figure 4).

The ratio of sales of dietary supplements in the retail commercial segment of the pharmacy market, in detail by price segments, 1st half of 2017

Source: AlphaRM – Monitoring of retail sales of drugs and dietary supplements in RF *Figure 4*

Rating of corporations[1] in the dietary supplements retail commercial segment of the pharmacy market based on the results of the 1st half of 2017

The TOP-20 leading corporations account for 63% of the total value of sales in the pharmacy segment of dietary supplements. The three leaders in the rating remain the same: the company Evalar is on the first position with a share of 17%. Fitolax, Turboslim and Glycin Forte are still the company's bestsellers. Compared to the 1st half of 2016, the company's sales growth in value amounted to 6.5%, however, the market share of the corporation fell by 1.5%. The corporation Pharmamed is on the second line of the

[1] A corporation is a group of companies with manufacturing, selling and other specialized departments that arises in the process of consolidation of assets and globalization of the activities of pharmaceutical and other companies, often not limited by one country of presence and possessing the rights to manufacture the products of all the company that are parts of the corporation.

rating, with a share of 5%, while the corporation Pharmstandard is on the third line with a share of 4.3%. The Top-5 underwent some changes: the corporation Valeant rose by one position in the rating, with the growth of 14.6% and the dietary supplements market share of about 4%, while the corporation Solgar is on the heels of Valeant with a market share of just 0.02% less. Based on the results of the 1st half of 2017, the corporation Solgar grew by 45.6%. Attention should be paid to the corporations that rose in the rating with the largest figures of growth: the corporation Otisipharm rose by 11 lines in the rating, with the growth of about 150%, and increased its share by 1.1%; Vneshtorg Pharma Corporation also attracted attention, with a growth of about 370%, increase in the market share by 0.87% and rising by 38 lines in the rating (Table 2).

The growth of Otisipharm Corporation is due to the market launch of several new types of the well-known brand Komplivit: tablets "Komplivit Superenergy with ginseng", "Komplivit Hair Growth Formula", "Komplivit Calcium D3 Gold", lozenges "Komplivit ACTIVE bears", "Komplivit FrutoVit", "Komplivit Radiance Antioxidants of Youth" and "Komplivit Chondro”[2].

The active growth of the corporation GLS Medical can be attributed to the increased marketing activity of the company's main products since mid-2016: Lovelace, Positive and Yarsagumba. This intensive growth can also be explained by a favorable moment: the Lovelace brand in conquering the market share that used to belong to the Vis and RIA Panda corporations with their brands Sialex and Alicaps.

The growth of Vneshtorg Pharma Corporation is due to the launch of a large number of its new multivitamin products, and such brands as Artelar and Josen, as well as the sales growth of the already existing brands: Superum, White Coal Active and Pharmadar.

TOP-20 corporations in the retail commercial segment of DS pharmacy market (Rub.), 1st half of 2017

Rating	Change in rating, 1st half 2017/2016	Corporation	Growth, 1st half of 2016/2015 (%)	Share (%)
1	-	Evalar	6.5	17.32
2	-	Pharmamed	16.2	5.01
3	-	Pharmstandard	11.7	4.27
4	+1	Valeant	14.6	3.98
5	+3	Solgar	45.6	3.96
6	-	Queisser Pharma GmbH and Co KG	25.5	3.57
7	-	Dr Reddy’s laboratories ltd	17.9	3.25
8	+1	Recordati	-0.1	2.45
9	-5	Vis	-37.8	2.31
10	+3	Obnovlenie PFK	38.5	2.14

[2] Brands listed on the official website of the manufacturer http://otcpharm.ru/ as "novelties".

11	+11	Otisipharm	151.5	1.99
12	+3	Stada	58.3	1.95
13	+3	FP Obolenskoye	32.5	1.62
14	-3	Pharm-Pro	-1.4	1.61
15	-5	Polpharma	-12.7	1.56
16	+1	Novartis	12.6	1.29
17	+76	GLS Medical	1021.7	1.25
18	+5	Pharmaplant Fabrication Chemischer Produkte GmbH	55.0	1.18
19	+1	PROTEK group of companies	31.4	1.17
20	+38	Vneshtorg Pharma	372.6	1.15

Source: AlphaRM – Monitoring of retail sales of drugs and dietary supplements in RF *Table 1*

Rating of dietary supplements brands in the retail commercial segment of the pharmacy market based on the results of 1st half of 2017

Together, the TOP-20 leading brands account for 37% of the totalsales value in the commercial segment of the pharmacy market. There were some changes in the Top 5: the brands Solgar of the corporation Solgar and Fitolax of the corporation Evalar exchanged their positions in the rating: the brand Fitolax went down by 2 positions, reducing its sales volume by 1.3% compared to the 1st half of 2016, while the brand Solgar rose by two lines with its sales volume increasing by 45%. The fastest growing brand among TOP-20 is Lovelace brand of GLS Medical, which grew by about 145%, increasing its share by more than 0.6%. The active growth of the product Lovelace is accompanied by a rapid decline of its competitor, Sealex of the Corporation Vis falling almost by 50% in sales value, and losing the share of 1.5% (Table 2).

TOP-20 brands of dietary supplements by sales volume in the retail commercial segment of the pharmacy market, rubles, 1st half of 2017.

Rating	Change in rating, 1st half of 2017/2016	Brand	Corporation	Share (%)	Growth, 1st half of 2016/2015 (%)
1	+2	Solgar	Solgar	3.96	45.6
2	-	Doppelherz	Queisser Pharma GmbH and Co KG	3.57	25.5
3	-2	Fitolax	Evalar	3.02	-1.3
4	-	Femibion	Dr Reddy's Laboratories Ltd	2.80	20.8
5	-	Vitamishki	Pharmamed	2.49	11.0
6	+1	Ferrohematogen	Pharmstandard	2.00	16.5
7	+6	Komplivit	Pharmstandard, Otisipharm	1.84	35.1

8	-2	Turboslim	Evalar	1.72	-8.0
9	-1	Alfavit	Recordati	1.70	5.3
10	+2	Glycin Forte Evalar	Evalar	1.64	10.8
11	+3	Maxilak	FP Obolenskoye	1.62	32.7
12	+8	Univit	Otisipharm	1.54	98.8
13	-4	Normobact	Polpharma	1.37	-12.3
14	+2	Ovesol	Evalar	1.34	32.2
15	+5	Modelform	Pharmaplant Fabrikation Chemischer Produkt GmbH	1.18	55.0
16	-	Linex	Novartis	1.17	17.2
17	+19	Lovelace	GLS Medical, Polens	1.16	144.0
18	-13	Sealex	Vis	1.06	-52.0
19	-1	Pustyrnik Forte	Evalar	1.02	1.8
20	-4	Hematogen	Pharm-Pro	1.01	-10.6

Source: AlphaRM – Monitoring of retail sales of drugs and dietary supplements in RF *Table 2*

Conclusion

Based on the results of the 1st half of 2017, the sales in the retail commercial segment of the pharmacy market of dietary supplements grew both in value terms and in volume. The share of sales of imported dietary supplements increased both in packages and rubles in the 1st half of 2017. Imported dietary supplements increased in price more than domestic ones. Cheap products make up the largest share in volume but the smallest in value, while the situation is reverse with expensive products: they account for the largest share of sales in value and the smallest share in volume. The company Evalar is the undisputed leader in sales of dietary supplements in the retail commercial segment of the pharmacy market both among manufacturers and among corporations. The leading brand in the value of sales is Solgar of the company Solgar.