

From Portfolio Rationalisation to A Flurry of Spending: M&A in Consumer Health in 2021 and Beyond

June 2021

SCOPE OF THE REPORT

Key findings

RECAPPING M&A DURING COVID-19

COVID-19 stifled M&A in consumer health in 2020

STADA was the leading buyer in 2020

GSK was the leading net buyer over the review period

Aside from GSK, OTC companies have cut back on M&A in recent years

CPG companies pounce on consumer health assets

VDS and sports nutrition leaders reluctant to grow through acquisitions

Supplement brands increasingly popular acquisition targets

FINANCIAL PERFORMANCE OF LEADING COMPANIES

A framework to gauge companies' ability to acquire over the near term

2020 sales growth was muted for most of the market leaders

Starting with profitability ratios to determine company health

Liquidity ratios suggest narrower acquisition targets in 2021

Gearing ratios show that most leaders have space to acquire in 2021

Combining financial indicators to evaluate 2021 M&A opportunities

GlaxoSmithKline: Acquisitions unlikely as it readies for separation

Johnson & Johnson: The space but not the disposition for acquisitions?

Bayer: Debt to limit near-term acquisition planning

Sanofi: Divestment, not acquisitions, on the cards

The CPG giants: Waiting in the wings for further consumer health add-ons

The CPG Giants: A US-orientated acquisition strategy

OTC and CPG leaders to further converge

PLANNING FOR M&A IN 2021

Should companies plan for an industry rebound?

Dietary supplements represents the biggest size of prize for acquisitions

The VDS marketplace is teeming with acquisition targets

Mid-tier companies outpacing global growth: VDS

At the category level, a sizable number of OTC brands are available

Mid-tier companies outpacing global growth: OTCs

Asia Pacific: Consumer health's largest unconsolidated region

VDS targets in Asia and North America but OTCs still plentiful elsewhere

What to expect from regional players

Nestlé already dominating 2021 acquisitions

Investments in M&A in 2021 should have an eye on future trends

Dietary and health positionings point to trendy product developments

Considerable overlap between VDS and adjacent industries

Targets for M&A in 2021: US

Evaluating recent acquisitions

Targets for M&A in 2021: Western Europe

Areas to watch in 2021 within M&A

APPENDIX: COMPETITOR ANALYTICS

Competitor Analytics tool

Overview

Competitors

Market overlap

Treemap

Overlap matrices

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