



MEDICAL INSIGHT®

Physician-Dispensed Topicals

February 2018

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Michael Moretti has served as a medical industry analyst and strategic advisor for more than 20 years. As an industry consultant, Mr. Moretti specializes in strategic business development projects and high-growth, emerging market segments. He provides custom reports and confidential market studies for a variety of clients, including global medical and pharmaceutical companies.

In 1993, Mr. Moretti founded Medical Insight, Inc., the leader in focused aesthetic market research offering comprehensive data on procedure volume and growth, revenue forecasts and new product introductions. Under Mr. Moretti's leadership, Medical Insight publishes global market studies and forecasts for major industry sectors such as facial injectables, cosmeceuticals, body shaping procedures, skin rejuvenation technologies and home-use aesthetic products. Medical Insight also sponsors executive business forums to address scientific developments and market trends for the investment community.

Mr. Moretti is the founder of *Aesthetic TV*[®], the first and only one-stop online resource for current, reliable information about cosmetic and anti-aging treatments. *Aesthetic TV* offers expert advice for consumers via interviews with the top physicians in the field, and unprecedented access to the latest beauty-enhancing procedures and products created specifically to help people look and feel their absolute best.

Mr. Moretti is also founder and publisher of *THE Aesthetic Guide*[®] – a digital and print publication from Medical Insight featuring in-depth reports on new products, procedures and trends, reaching over 75,000 physicians, industry executives and investment analyst subscribers globally. Special editions of *THE Aesthetic Guide* address the European market and the Asian markets.

In 2007, Mr. Moretti debuted *THE Aesthetic Show*[™], the first multidisciplinary annual business to business trade show that brings thousands of the highest profile physicians and medical professionals together in Las Vegas to learn about the newest aesthetic procedures, products and technologies in a dynamic, interactive, educational format. For more information please visit: www.miinews.com.

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i. Methodology

This report represents the twelfth edition of Medical Insight, Inc.'s Physician-Dispensed Topicals mini-report series. Like its predecessor, which was issued in February 2017, this report contains the latest industry news and updated market forecasts, which take into account recent technology, product, company, regulatory and other developments, as well as an in-depth analysis of the competitive positions of key players selling to both core and non-core aesthetic practices.

Information in this report was compiled from a wide variety of public and proprietary sources. This was cross-checked against other data, using Medical Insight's proprietary forecasting models, and synthesized into both qualitative and quantitative analyses and projections.

Public sources that were utilized include:

- articles in trade publications, medical journals and regulatory documents;
- articles in consumer magazines and newspapers;
- company news releases, website information, patent documents, regulatory data, marketing materials and financial filings;
- information from trade associations

Proprietary sources that were utilized include:

- Medical Insight's extensive databases of industry and product information;
- Medical Insight's recent surveys of aesthetic practices;
- industry analyst reports;
- exclusive interviews with, and feedback from company executives, researchers, sales representatives, physicians, patients, consultants and other industry experts

ii. New in February 2018

Like Medical Insight's prior physician-dispensed cosmeceutical reports, this current report contains the latest industry news and updated market forecasts, which take into account recent technology, product, company, regulatory and other developments, as well as an in-depth analysis of the competitive positions of key players selling to both core and non-core aesthetic practices.

In addition to updated qualitative and quantitative product, manufacturer and market information, this report also includes:

- Expansion of market forecasts from 2016 – 2021 to 2017 – 2022;
- addition of many new, emerging manufacturers.

Section	Executive Summary
1	

Physician-dispensed (PD) topical products are sold to patients from physicians' offices. In 2017, total global sales of PD skincare products, eyelash growth products, skin lighteners and scar products exceeded \$1.2 billion. Through 2022, sales will rise by 8.7% per year. On a regional basis, North America comprised the single largest market for PD topical products and is expected to expand by 8.6% per year through 2022. Greater gains will be mitigated by market saturation and product discounting, particularly through online sales. Europe will expand by 7.9% per year, with growth supported by the cost-effectiveness of topicals compared with office-based procedures. The smaller Asian and Latin American markets will exhibit growth of 10.6% and 6.8% per year, respectively, as market penetration in these regions rises.

Global sales of PD skincare products, not including eyelash growth products, scar products and skin lighteners, reached \$958 million in 2017. Through 2022, compound annual growth is projected at 9.1%.

In 2017, global sales of PD eyelash products are estimated at \$101 million. Due to a maturing market with slower adoption of Allergan's LATISSE than originally expected, as well as continued discounting and heightened competition, through 2022, the CAGR is projected to decrease by -1.0% per year.

Global sales of PD skin lightening products are estimated at \$149 million in 2017. Through 2022, this emerging sector is projected to increase by 10.6% per year.

In 2017, global sales of PD scar products are estimated at \$18 million. This sector is projected to expand by 13.6% per year through 2022. Although, if a new, effective innovation is created or discovered, this could change as the prevention of scarring is a major unmet need. This remains in line with the growth estimated in the prior report, due to a relatively large OTC market for scar products and a lack of innovation.

Other developments in the scar sector include Sientra's March 2016 acquisition of exclusive rights to BioCorneum+ in the U.S. from Enaltus, LLC, for \$7.0 million in cash.

Figure 1
Market Share for Leading Physician-Dispensed Topical Brands, 2017

