



# The Regional Market Trends and Perspectives



Central America & the Dom. Rep.

Presented by:  
Javier Villacorta – General Manager

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# IQVIA

## WORLD REVIEW CONFERENCE 2024

### Agenda for today's session

-  Pharmaceutical Market Trends Q1-2024
-  Retail Market Performance
-  Non-Retail Market Performance
-  Healthcare Future Trends

# CENCA region compared to other LATAM countries



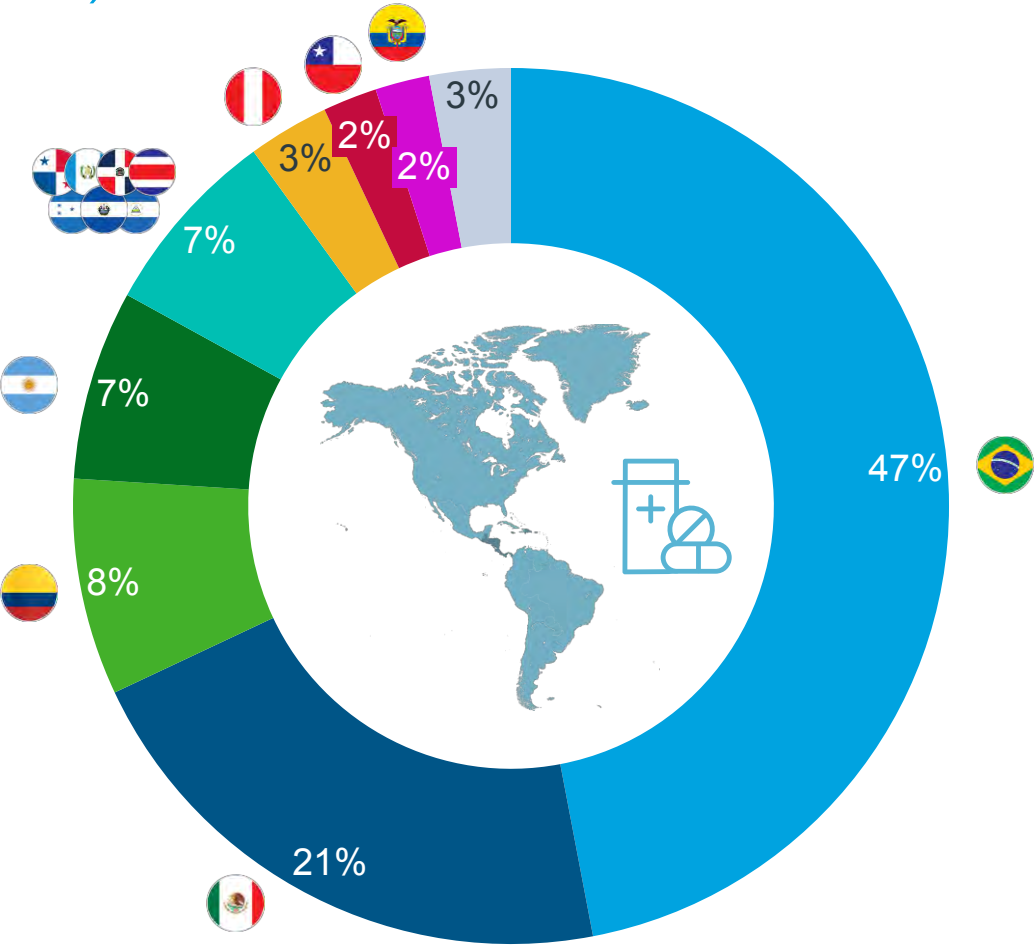
# When retail and non-retail markets are considered, CENCA region represents a 7% of the total LATAM market with \$5.9 billions per year

*CENCA's weight vs total LATAM market (retail + non-retail)*

Total LA market size – USD (billion)

MAT Feb 2024

Country	Channels Included	USD billion
BRA	Retail & Non- Retail	40.5
MEX	Retail & Non- Retail	17.7
*COL	Retail & Non- Retail	6.8
*ARG	Retail & Non- Retail	6.3
<b>*CEA</b>	<b>Retail &amp; Non- Retail</b>	<b>5.9</b>
PER	Retail & Non- Retail	2.5
CHL	Retail	1.9
ECU	Retail & Non- Retail	1.9
VEN	Retail	0.9
URU	Retail	0.5
PRY	Retail	0.4
BOL	Retail	0.4
LATAM		USD 85.6 billion



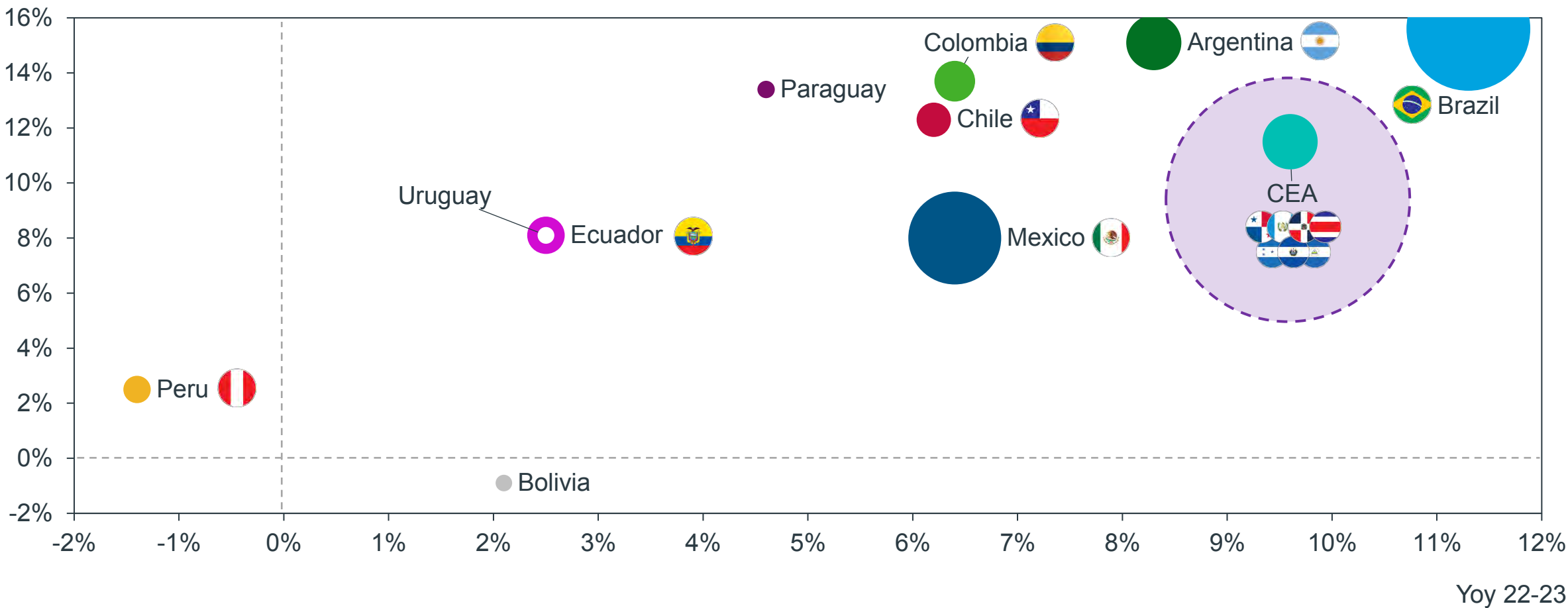
Source: Local IQVIA Audits MAT Feb 2023, except for (\*) MATJAN for Non-retail ARG, MATDEC for Non-retail CEA and MATSEP for Non-retail COL. (\*\*) Considered only retail for COL. Exchange rates – countries where constant exchange rate was used include Bolivia 6.91; Brazil 4.96; Chile 964.23; Colombia 3,929.27; Dom. Rep 58.67; Ecuador 1.00; Mexico 17.09; Peru 3.83; Paraguay 7,283.32; Uruguay 39.11; Countries where variable exchange rate was used include Argentina Monthly CCL rate, C. America and Venezuela.



# CENCA with one of the best performances; both short (YoY) and long (CAGR) terms – Peru with negative YoY growth MAT 24 vs MAT 23

Pharmaceutical Retail Market's evolution in LATAM

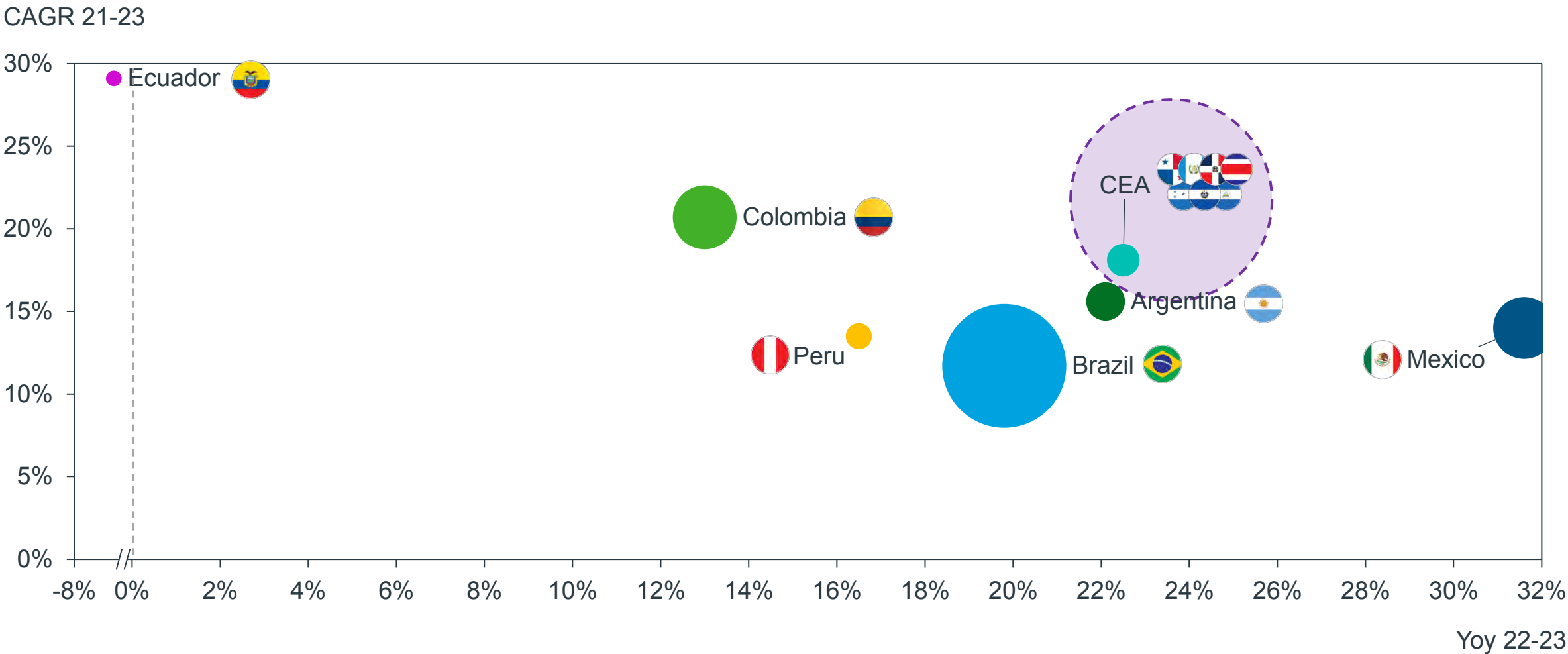
CAGR 21-23



Source: Local IQVIA Audits MAT Feb 2023, except for (\*) MATJAN for Non-retail ARG, MATDEC for Non-retail CEA and MATSEP for Non-retail COL. \*\*\*\*CAGR (MATFEB 2023 vs 21). Excluded COVID vaccines . Exchange rates – countries where constant exchange rate was used include Bolivia 6.91; Brazil 4.96; Chile 964.23; Colombia 3,929.27; Dom. Rep 58.67; Ecuador 1.00; Mexico 17.09; Peru 3.83; Paraguay 7,283.32; Uruguay 39.11; Countries where variable exchange rate was used include Argentina Monthly CCL rate, C. America and Venezuela.

# CENCA with one of the best growths in LATAM for the Non-Retail market; showed high increases in 2022 (+\$100M) and 2023 (+\$185M)

Pharmaceutical Non-Retail Market's evolution in LATAM



# Total Market Retail + Non-R. Q1 2024 Review



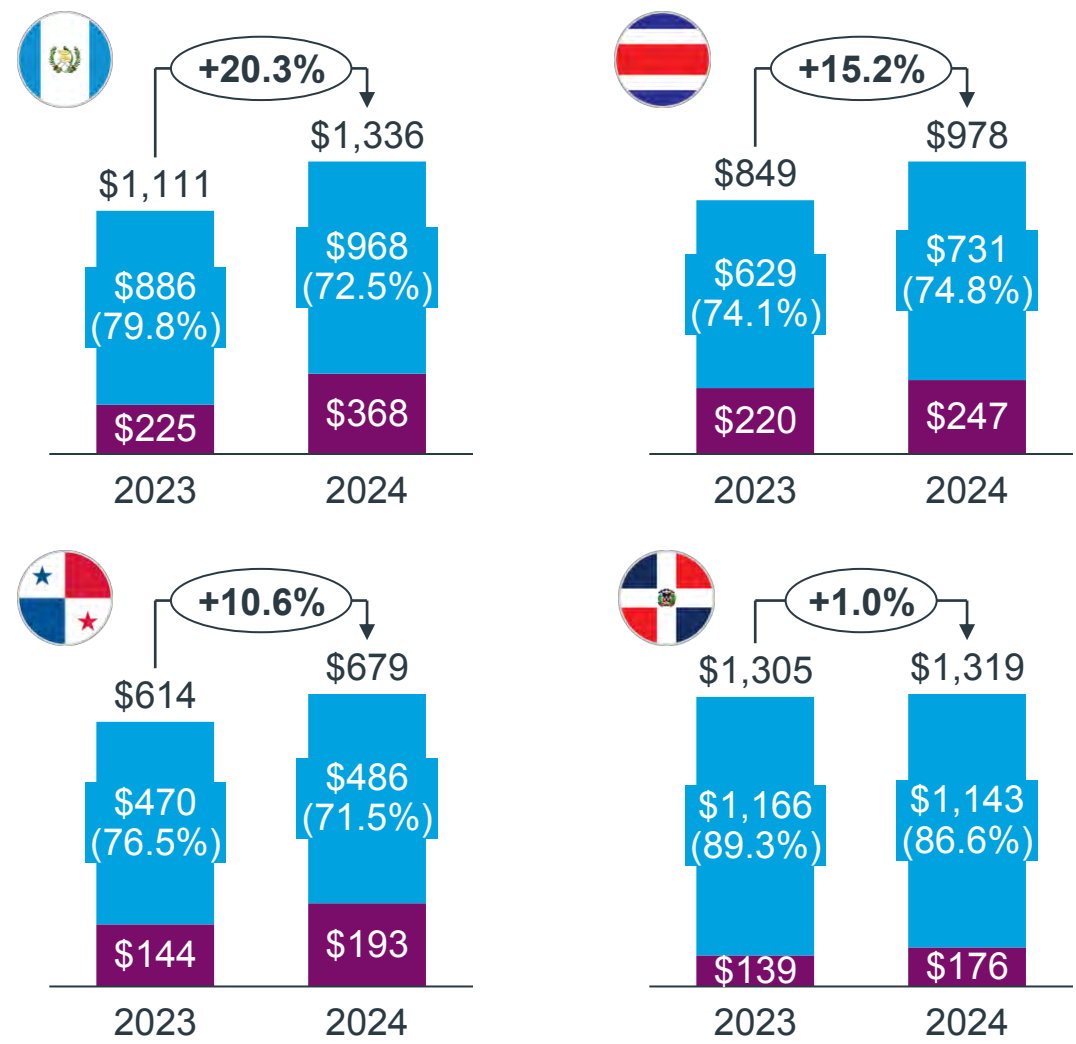
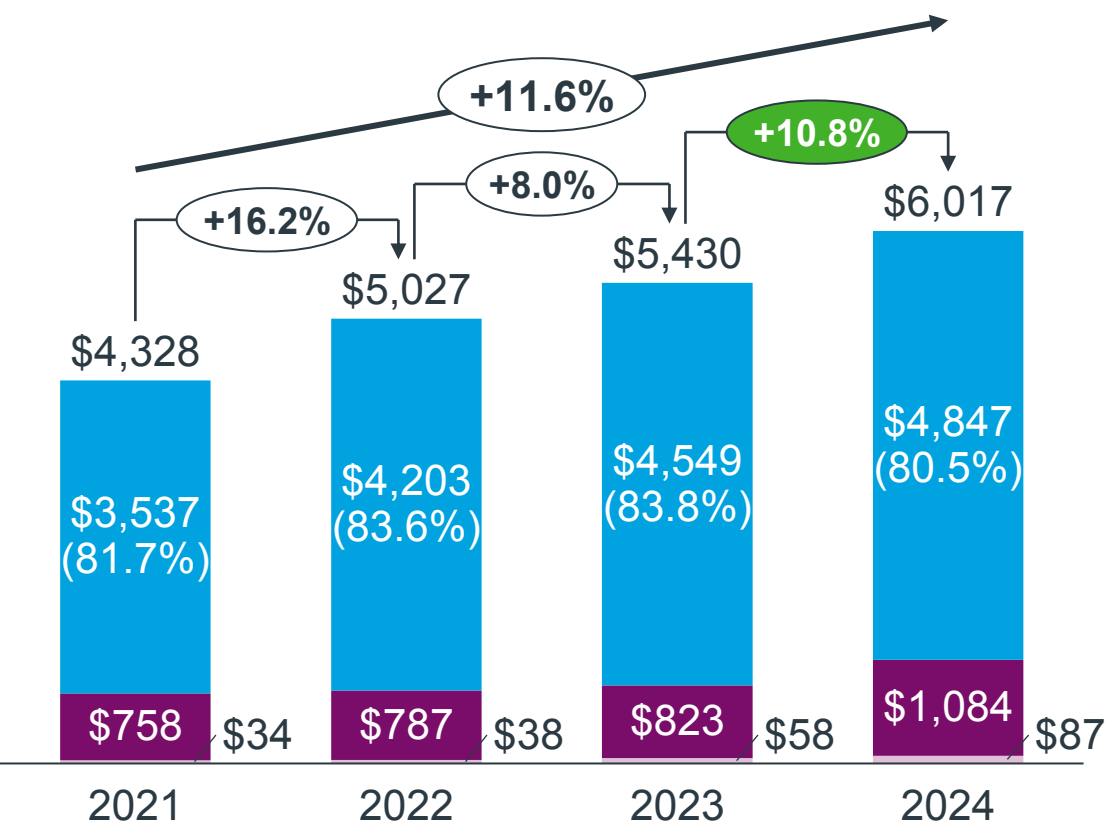
# CEADR's market continues to show a good performance over the years

## The non-retail market with important growth in the past two years

Total CADR Market – Both Retail and Non-Retail

Values (Millions of USD)

Retail Audited Non Retail Audited Non Retail Estimated



Source: Retail - IQVIA PM CADR MAT March 2024 (GT, ESV, HON, NIC, PAN, COS + DR)  
Non-Retail - IQVIA Dimensionamiento Institucional MAT Dec 2023. (GT, PAN, COS & DR) / SV Projected



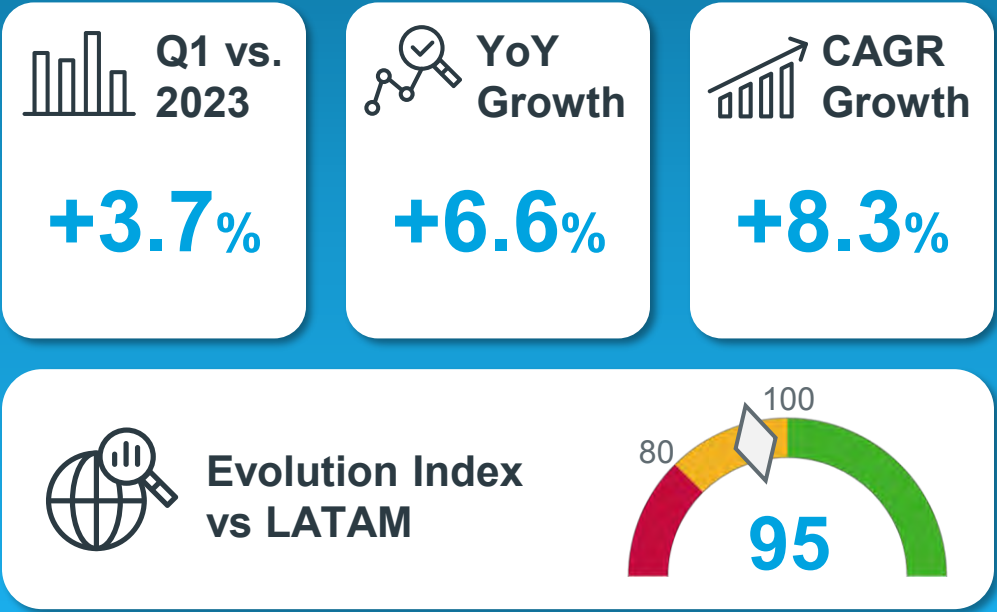
# Retail Market Performance Q1 2024 Review



The region shows a good overall performance in both short and long term  
A slower first quarter growth, compared to 2022 (+8.3%) and 2023 (+13.4%)

Total Retail Market – Key Summary

Total Market Value (MAT March 2024)  
\$4,847 millions



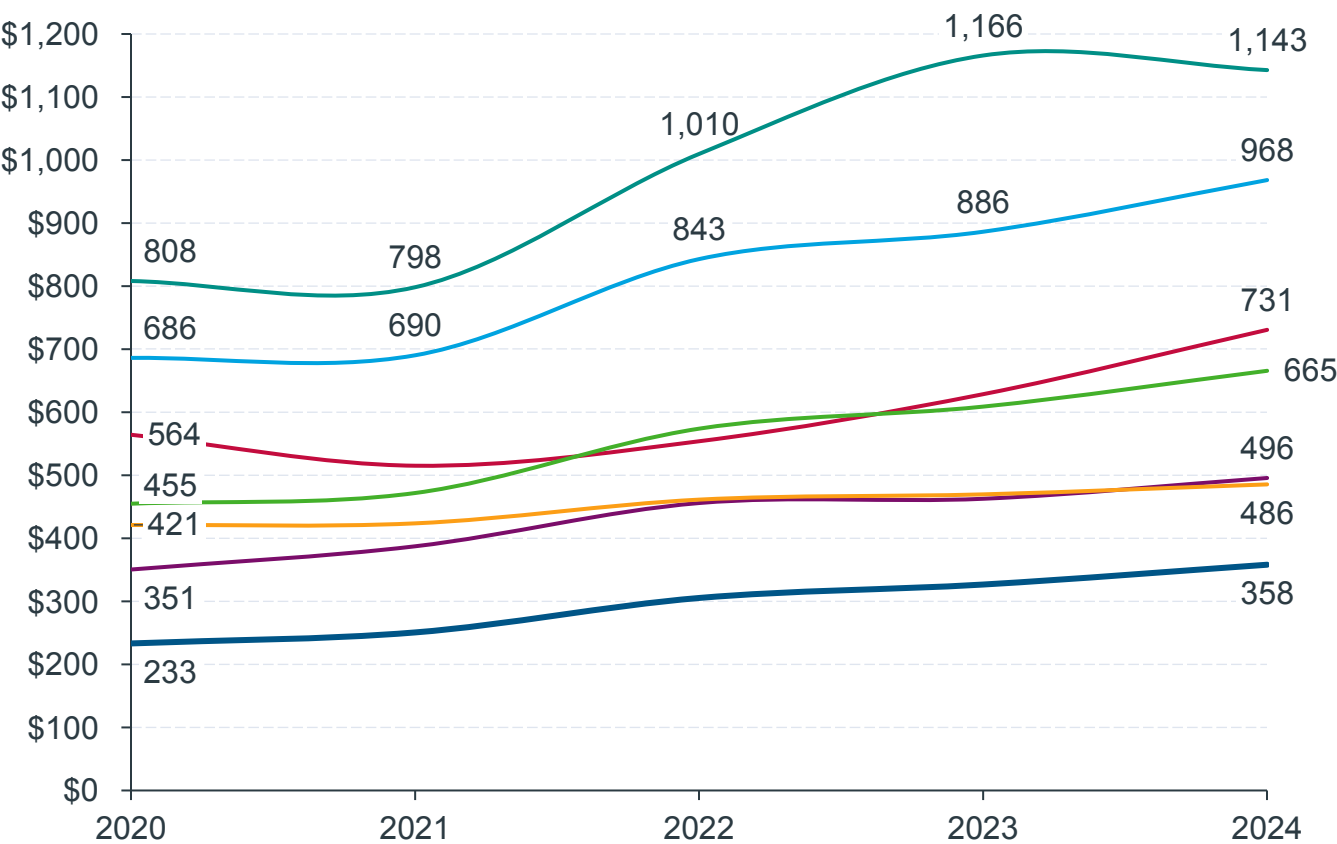
Source: IQVIA PM CADR Total Market MAT March 2024  
CAGR 2019-2024

# Dom. Rep., which leads the market in values, with \$1,143 millions, presented negative YoY growth; impacting the region's overall YoY

Total Pharmaceutical Market – Retail segment

## Retail Market Evolution

(Millions of USD)















Country	Sales 2023	Sales 2024	YoY (23-24)	CAGR (19-23)	Evol. Index
DOM	\$1,166	\$1,143	-2.0%	9.1%	92
GUA	\$886	\$968	9.3%	9.0%	103
COS	\$629	\$731	16.3%	6.7%	109
HON	\$609	\$665	9.3%	10.0%	103
ESV	\$463	\$496	7.1%	9.0%	101
PAN	\$470	\$486	3.4%	3.6%	97
NIC	\$327	\$358	9.6%	11.3%	103
Total CENCA	\$4,549	\$4,847	6.6%	8.3%	95

Higher market size for 2024

# Several countries conforming a region with different market realities

## A region dominated by Rx (prescription) products and Branded Generics (BGx)

### Total Retail Market – Key Summary

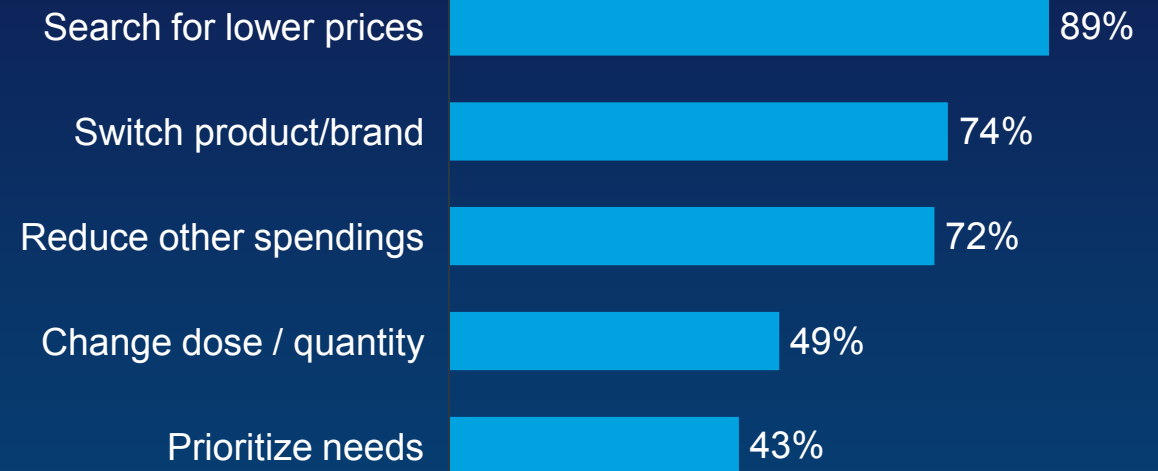
	Dominican Republic 	Guatemala 	Costa Rica 	Honduras 	El Salvador 	Panama 	Nicaragua 
<b>Population (Millions)</b> 	10.8 M	17.8 M	5.3 M	10.7 M	6.4 M	4.6 M	6.7 M
<b>Mkt. Size US\$ (% of the Mkt.)</b> 	\$1,143M (23.6%)	\$968M (20.0%)	\$731M (15.1%)	\$665M (13.7%)	\$496M (10.2%)	\$486M (10.0%)	\$358M (7.4%)
<b>US\$ per Capita Ret.</b> 	\$106	\$54	\$137	\$64	\$78	\$106	\$53
<b>Prescription vs OTC</b> 	91% - Rx 9% - OTX	84% - Rx 16% - OTX	89% - Rx 11% - OTX	92% - Rx 8% - OTX	83% - Rx 17% - OTX	85% - Rx 15% - OTX	84% - Rx 16% - OTX
<b>Innovation Share</b> <b>Brand Gx Share</b> <b>Generic Share</b> 	20% 71% 9%	37% 58% 5%	43% 51% 6%	41% 55% 4%	37% 55% 8%	43% 46% 11%	27% 61% 12%





## Most consumers are cutting back on spending and buying cheaper products

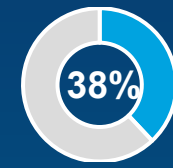
### Saving strategies used by consumers



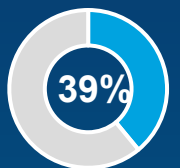
Are changing habits to reduce spending on FMCG



Are changing how they manage their financial situation



Prioritize and reduce to only purchase their basic basket



Of consumers identify themselves as "cautious spenders"

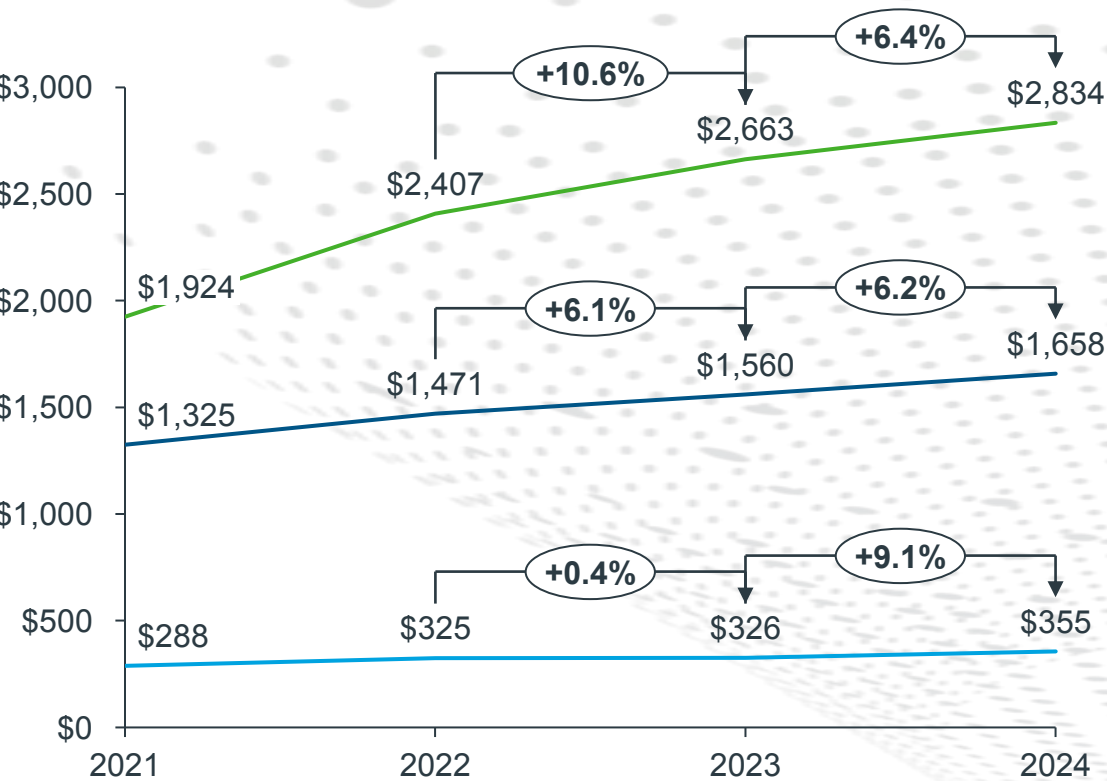


# Branded Generics growing in both units and US\$ for the second year in a row – pure Generics recovered vs previous year in both units and US\$

Market performance of branded vs generic products

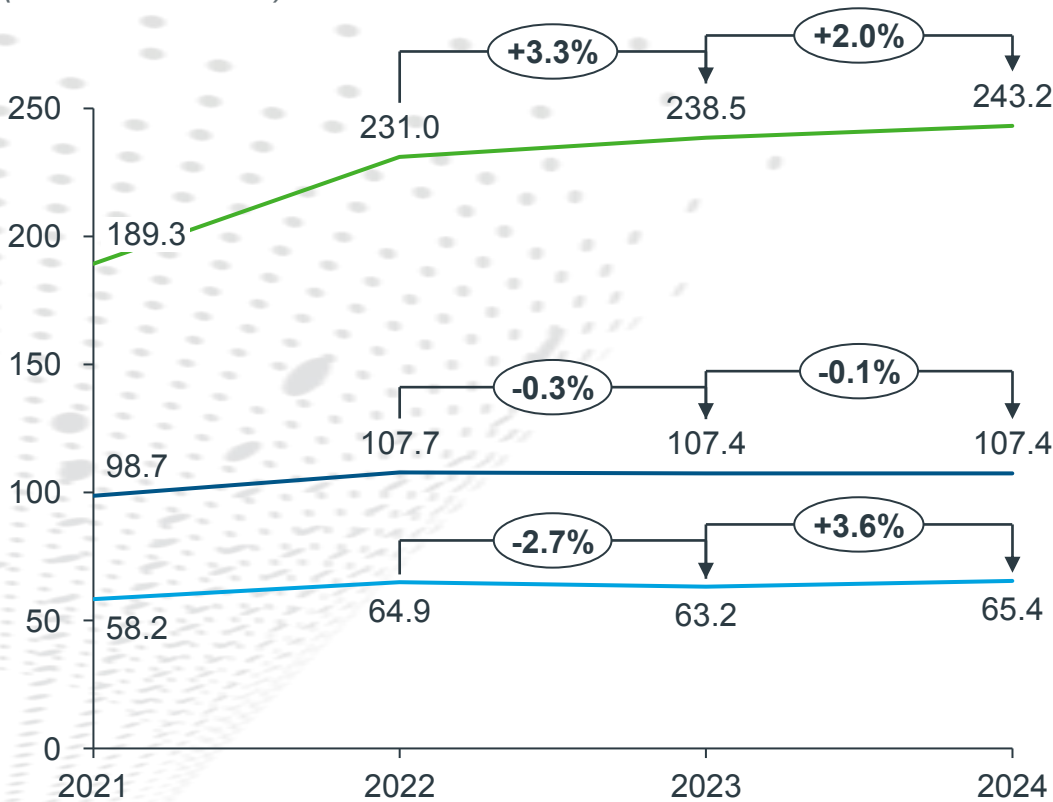
## Market Type Evolution

(Millions of USD)








## Market Type Evolution

(Millions of Units)



# Pharmacies chains represent ~76% of CENCA’s retail market in US\$ Costa Rica and El Salvador with a high metropolitan concentration of PoS

Total Retail Market – Key Summary – Pharmacy chains versus independent pharmacies

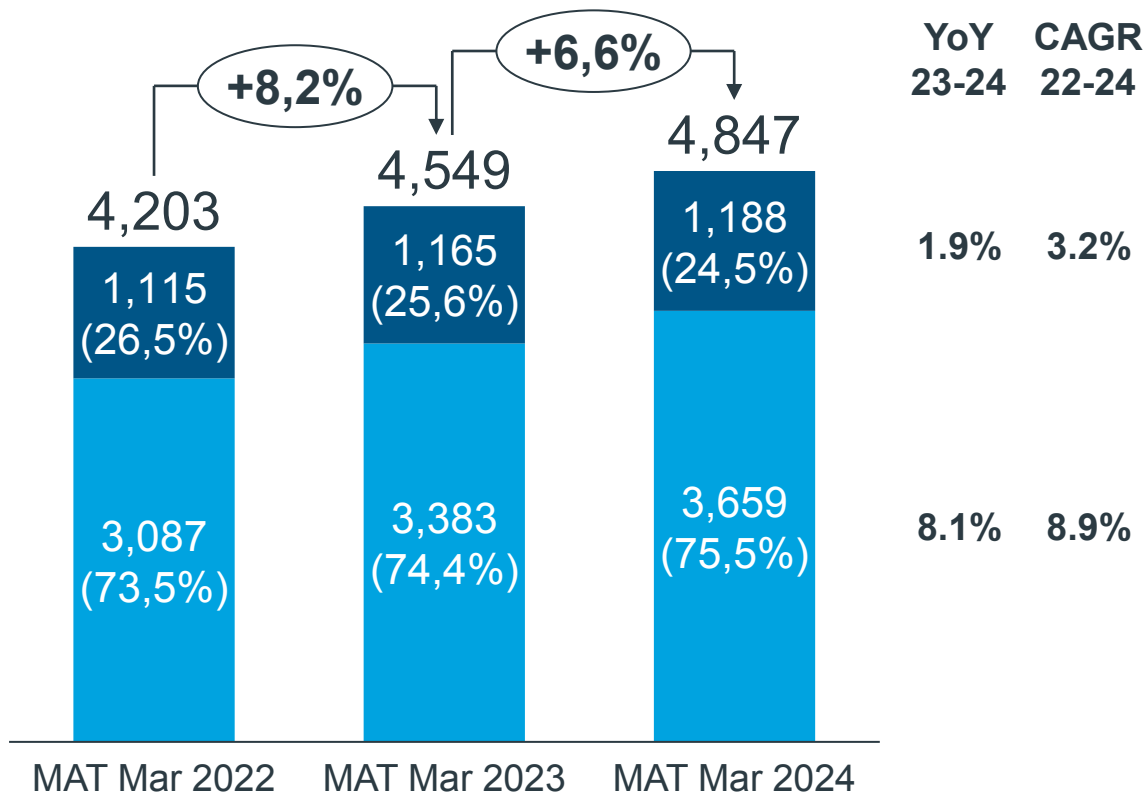
		Dominican Republic 	Guatemala 	Costa Rica 	Panama 	El Salvador 	Honduras 	Nicaragua 	Average CENCA 
Mkt. Weight Ph. Chains 		55%	77%	76%	80%	83%	92%	55%	76% (average)
Mkt. Weight Independent 		45%	23%	24%	20%	17%	8%	45%	24% (average)
Total Number of POS 		2,654	3,748	1,539	1,559	1,942	2,037	2,747	16,226 (total)
Habitants per POS 		4,377	5,200	3,540	3,090	3,281	5,114	2,515	3,874 (average)
Metropolitan POS Concentration 		58%	57%	71%	50%	65%	51%	46%	57% (average)

# Pharmacy chains continue to gain a larger share of the pharmaceutical retail market; both in US\$ and points of sale

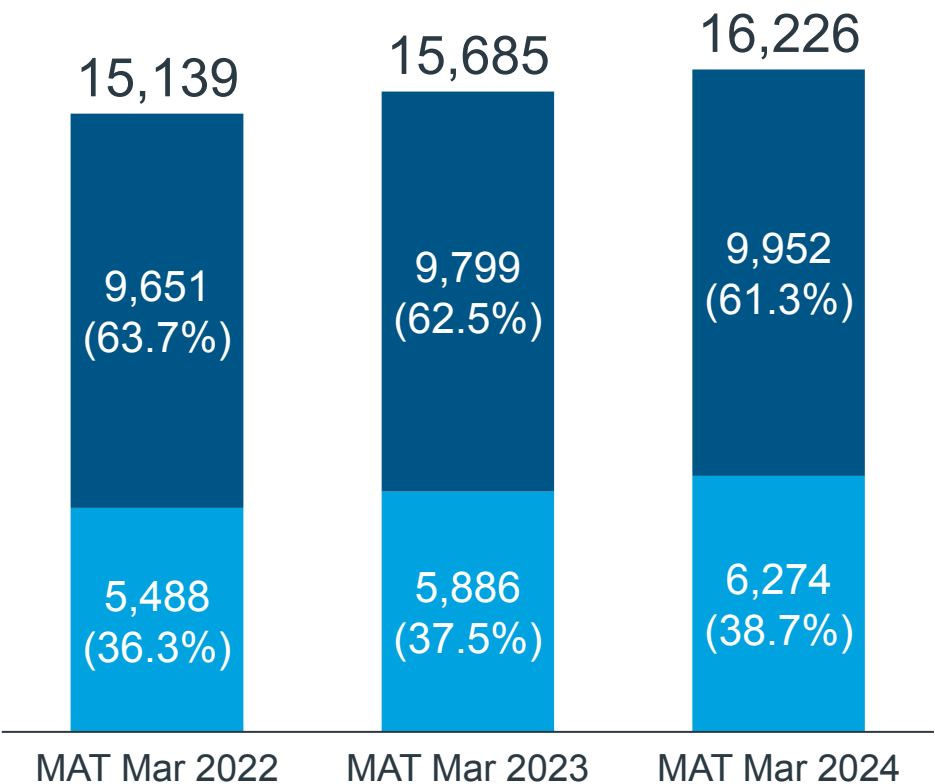
Pharmacy chains versus independent pharmacies - Central America + Dominican Rep.



Evolution by Channel in Values  
Millions of USD



Evolution of Points of Sale  
Puntos de venta por canal  
(with sales over \$4k in a year)



Independent Ph. Pharmacy Chains

# Prescription (Rx) Market Year-End 2023



The share of Rx products with a constant trend in the last 3 years;  
~87% of the total retail market – Costa Rica showed the best YoY growth

Rx market evolution, performance and weight in the retail sector



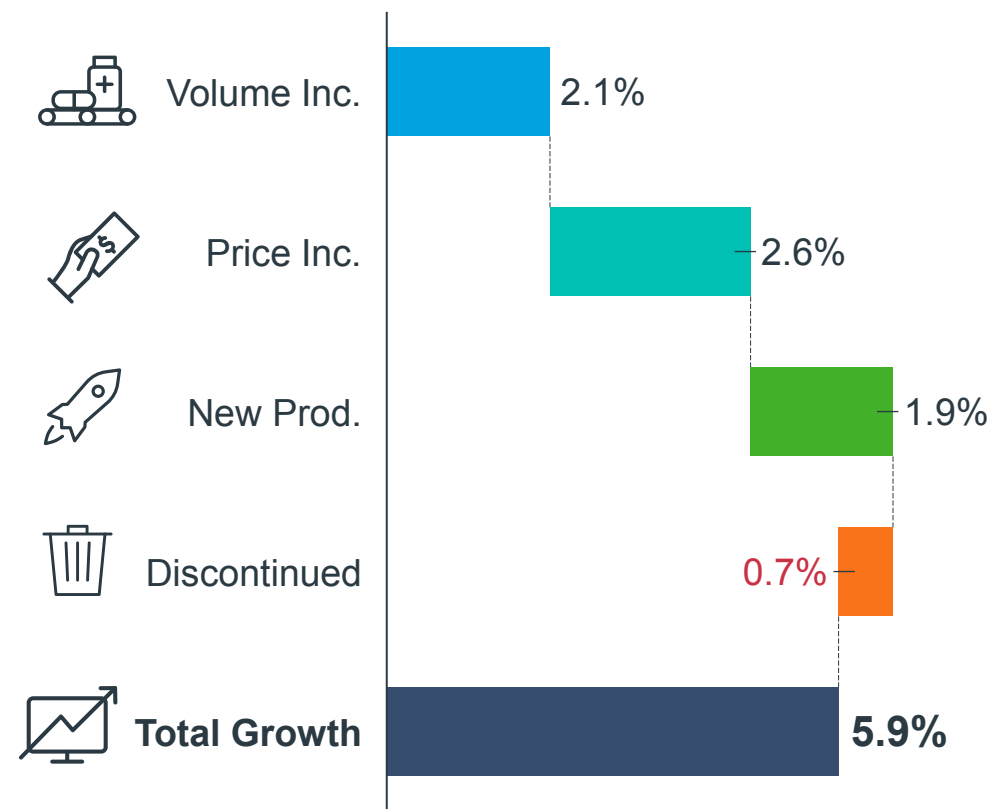
Source: IQVIA PM CADR MAT March 2024 – Only Rx category without ATC V06 & V07



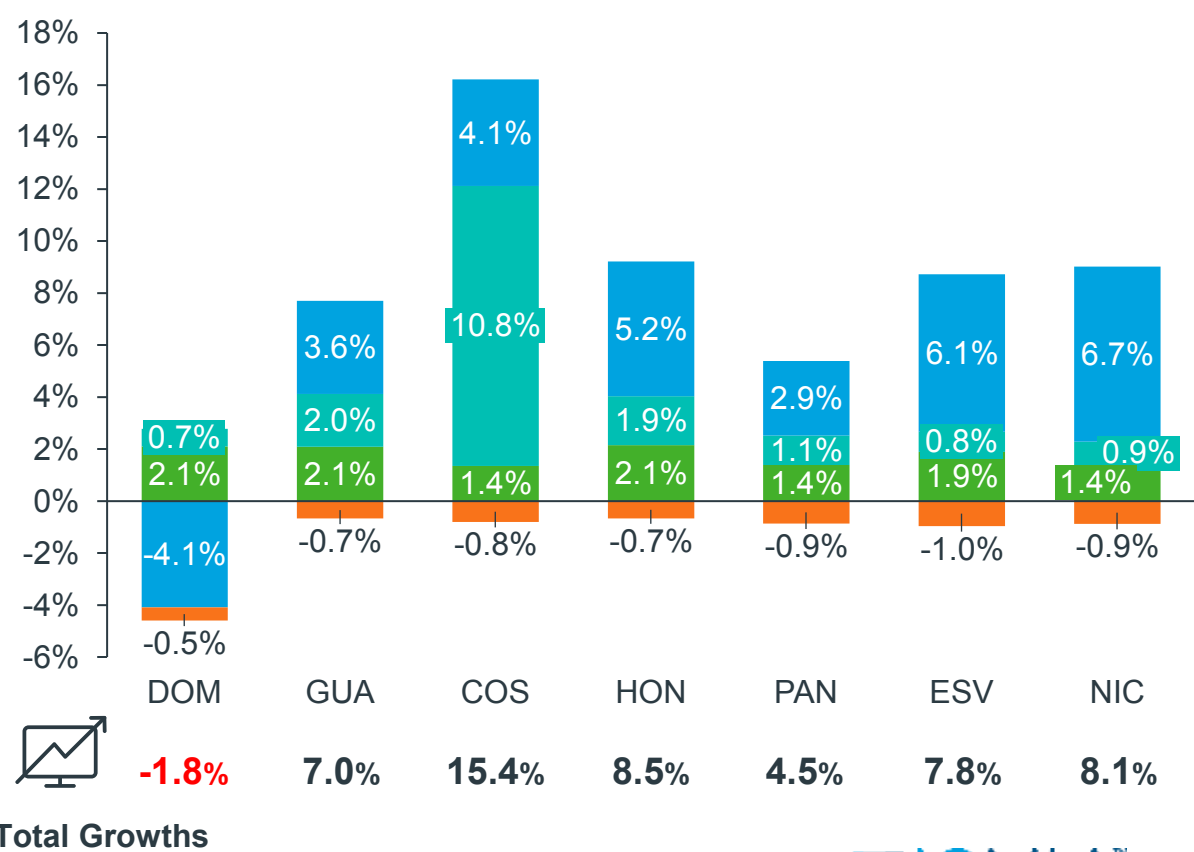
# The retail Rx market grew 5.9% regionally, driven mainly by price increases (CR mainly impacted by exchange rate fluctuations)

Elements of growth in our region

Regional Growth Variables  
(MAT March 2024 vs March 2023)



Growth Variables & Impact per Country  
(MAT March 2024 vs March 2023)



Source: IQVIA PM CADR MAT March 2024 – Only Rx category without ATC V06 & V07

# Cardiovascular products lead, in terms of market size, accounting for +16% of the market – Diabetes (+15%) and Dermatologics (+14%) the highest growths

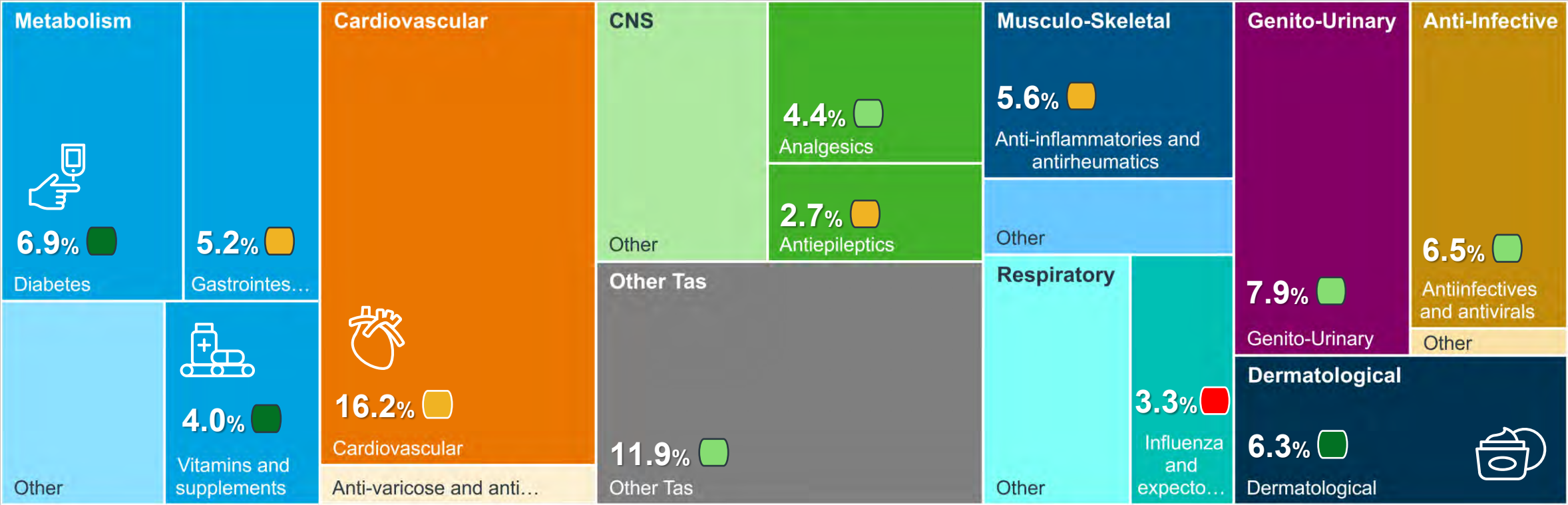
Rx Market – market size and performance per TA

 **Proportion of the market per Therapeutic Area (TA)**  
(Size of the rectangle in Millions of USD)

Growth 2024 vs 2023

+10%  +5% to 10%  +0% to 5%  Less than 0%

Metabolism Cardiovascular CNS Musculo-Skeletal Respiratory Genito-Urinary Anti-Infective Dermatological Other Tas

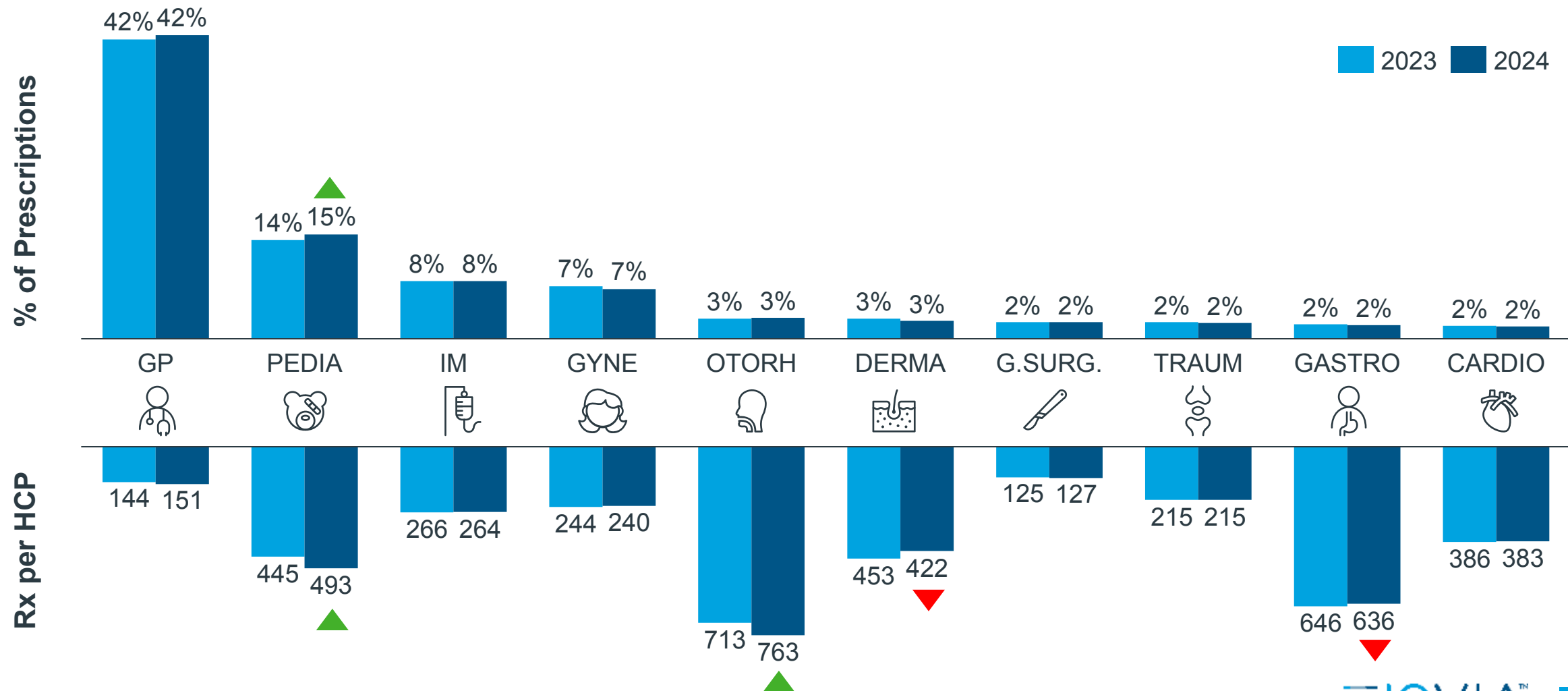


# **IQVIA's PBS Prescriptions Information**



Although GPs generate +40% of the market's prescriptions; OTORHs and GASTROs have the highest “Rx per HCP” ratio, with +500 Rx per physician

*Top specialties by total Rx issued and prescription index relevance (CEA without the DR)*



# Consumer trends in Central America & Caribbean

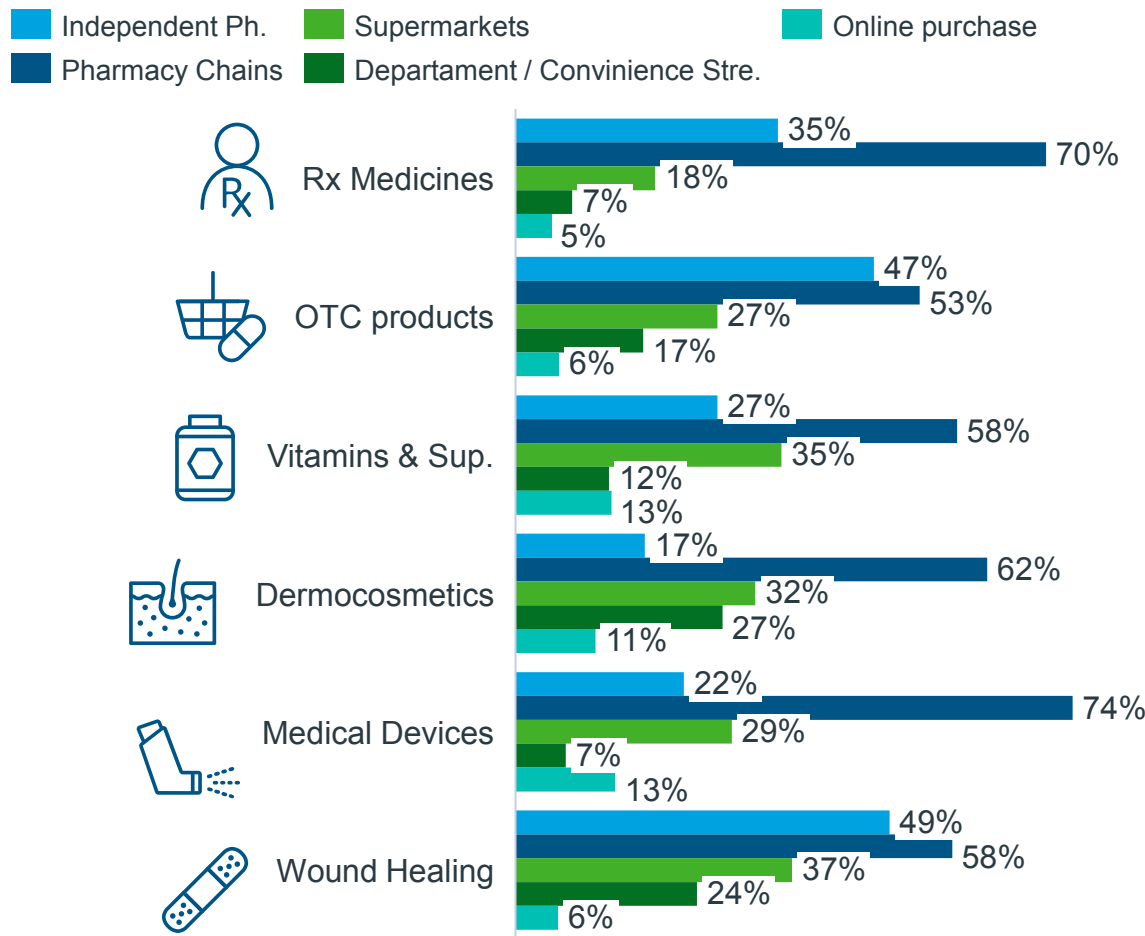




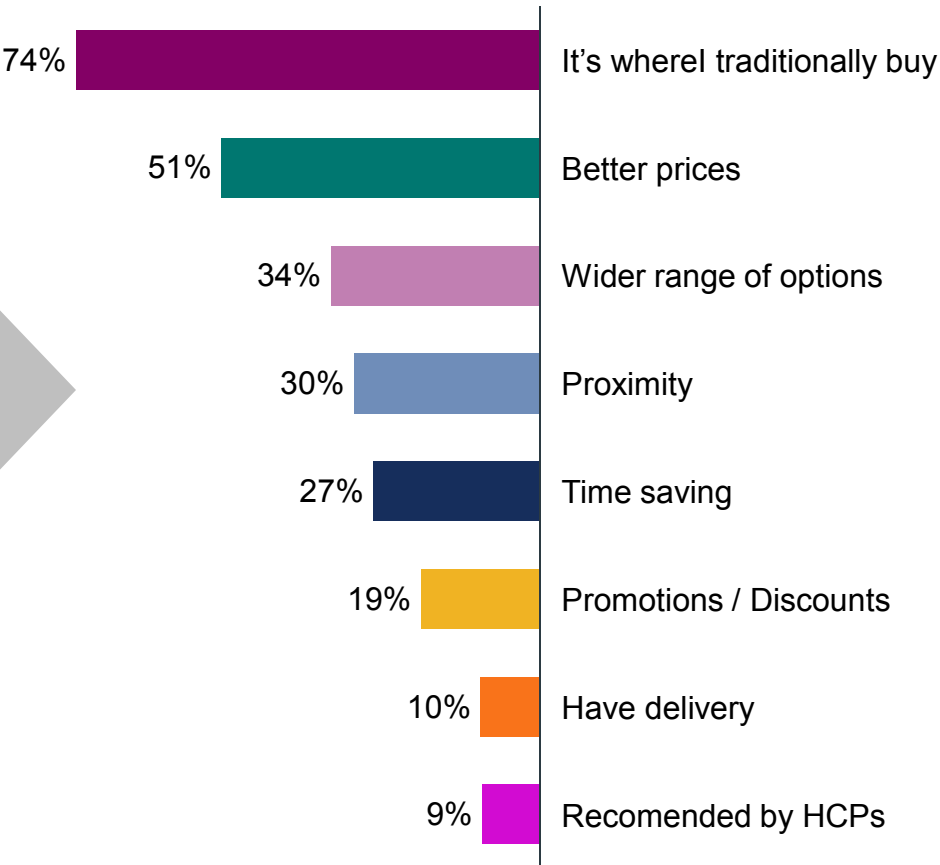
# Pharmacy chains are the main purchasing channel in all categories; the majority choose it because it is where they traditionally buy it and because of the prices they find

## Purchase channel and reason of choice

### Purchase channel mostly used



### Why did you choose this channel?



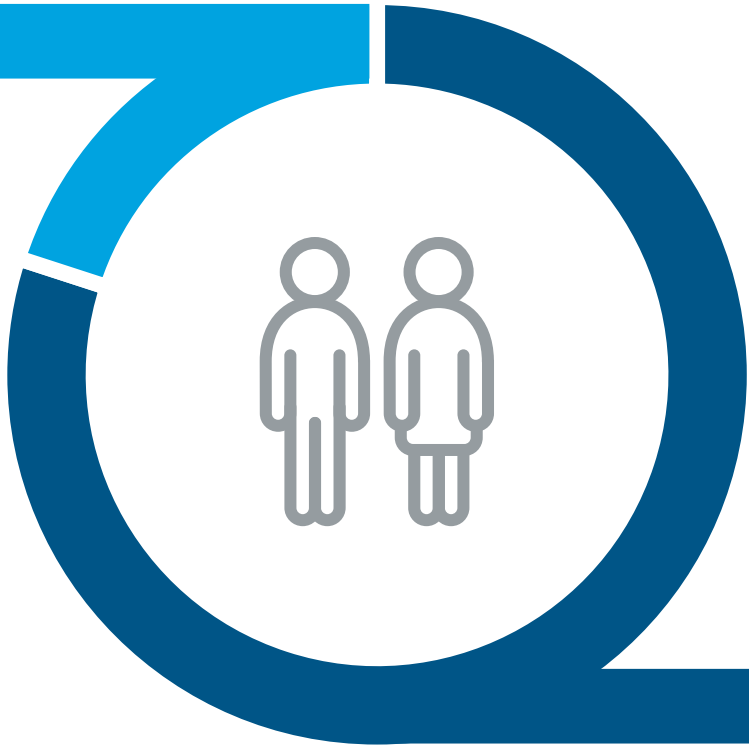
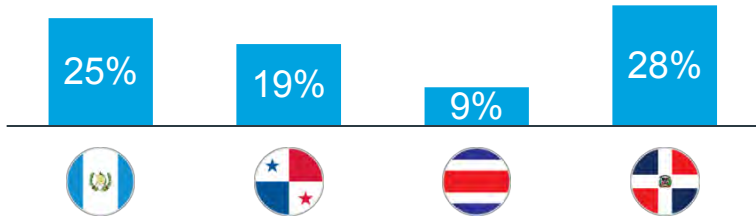
P3. In which channels/place did you buy these categories?  
Q4. Why did you choose to buy these categories in those places/channels

# Most consumers still prefer the in-person purchases

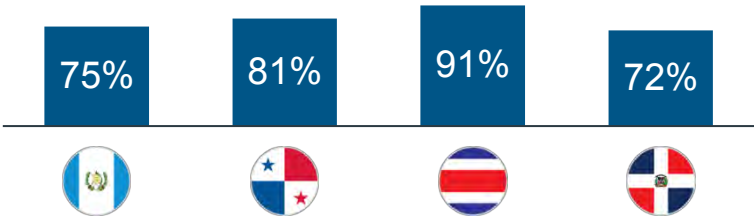
Consumer purchasing channel preference



**20%**  
Online



**80%**  
In-Person



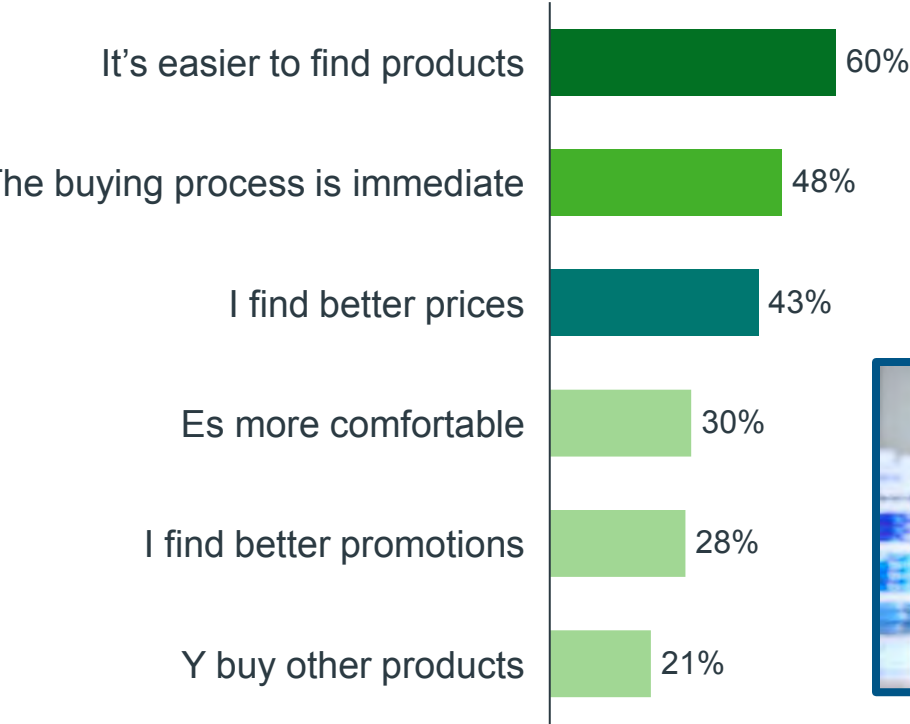
P3.a. What percentage of your purchase do you dedicate, in a normal purchasing month, to the in-person channel and the online channel?

# Ease of finding products and speed of the purchasing process are the factors that the typical consumer values during their in-person visit

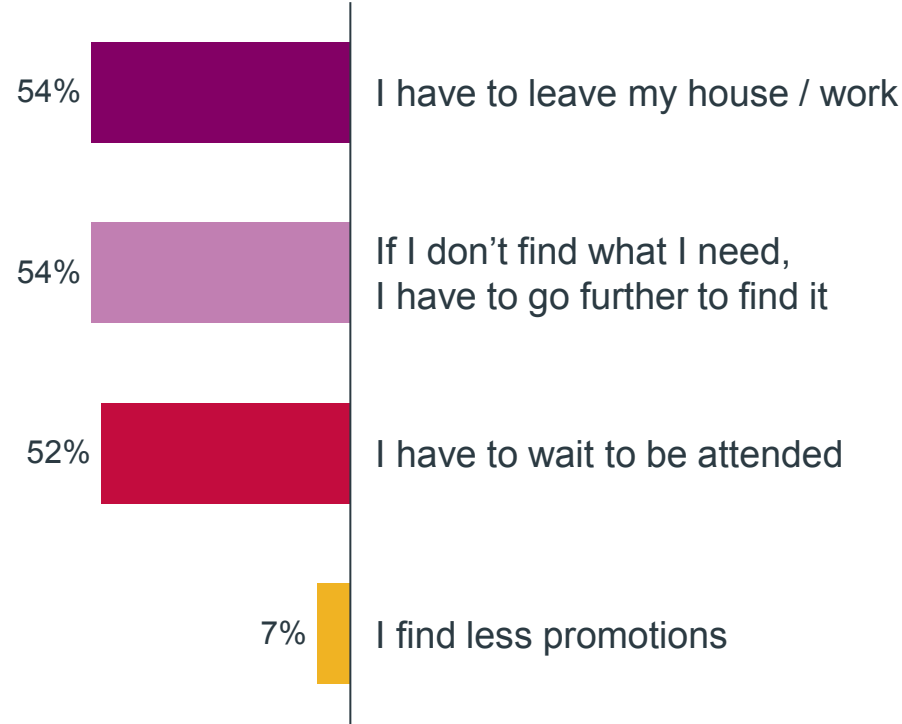
## In-Person Channel – Advantages & Disadvantages



### In-Person Advantages



### In-Person Disadvantages



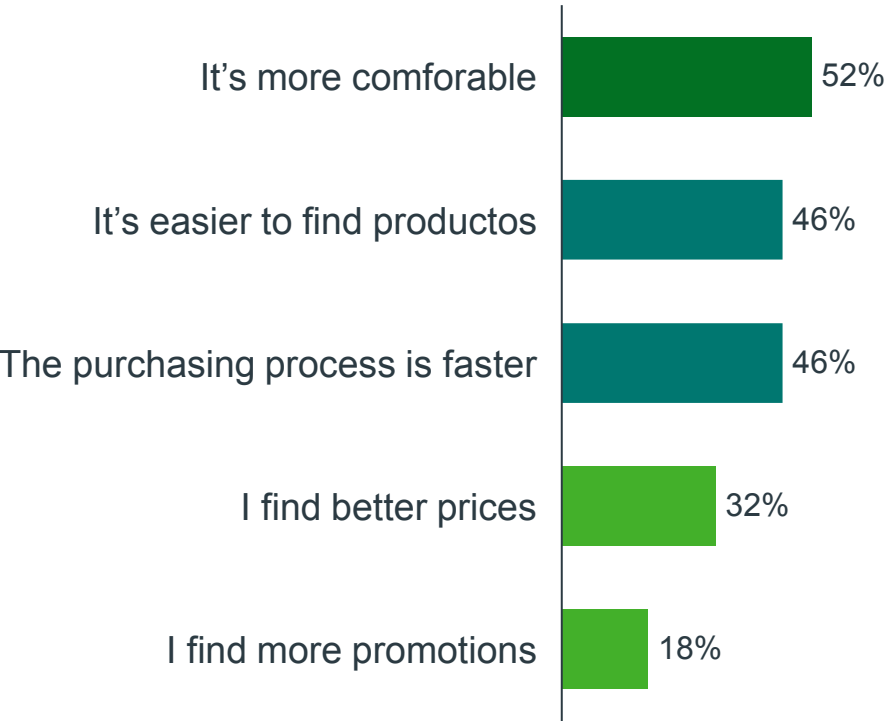
Q19. What advantage do you identify in purchasing these products at a physical point of sale?  
Q20. What disadvantage do you identify in purchasing these products at a physical point of sale?

# Convenience is the biggest benefit of the online channel; although the delay in the total process and lack of personalized attention are still barriers

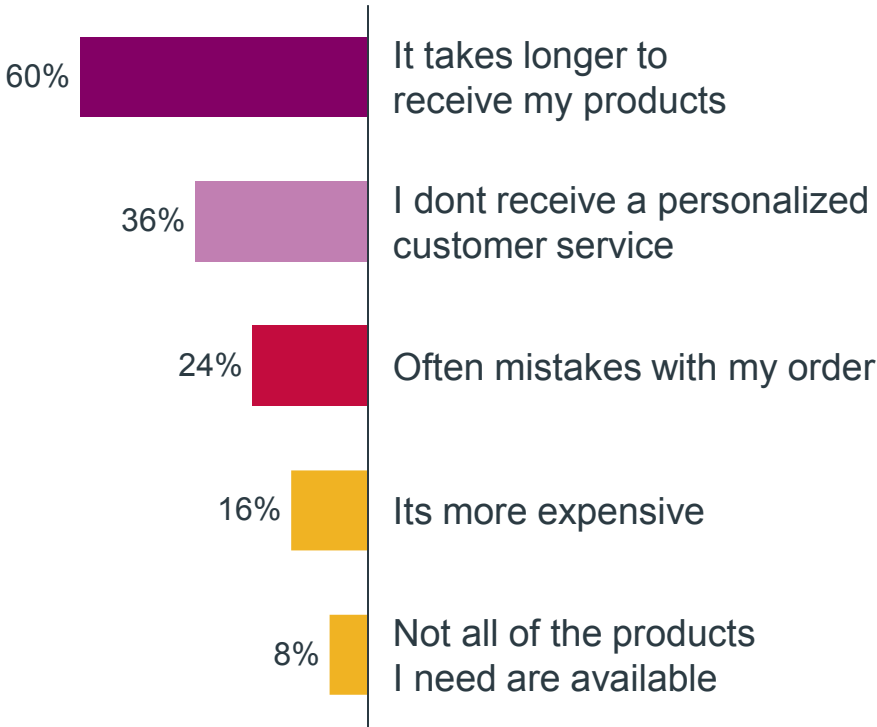
## Online Channel – Advantages & Disadvantages



### Online Advantages



### Online Disadvantages



P32. ¿Qué ventaja identifica en la compra de estos productos en línea?  
P33. ¿Qué desventaja identifica en la compra de estos productos en línea?





## Case study: High empowerment of patients in Central America causes them to not adhere to treatment

Modified/change  
d the dose  
prescribed by the  
doctor

20%

Reduced the  
dose prescribed  
by their doctor

21%

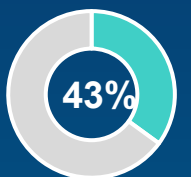
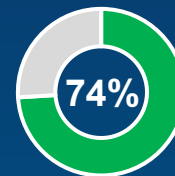
Stopped taking the  
medication due to  
forgetfulness or  
another reason

56%

Abandoned their  
treatment because  
they felt “better”

28%

Would like to receive  
reminders via phone



Received an explanation,  
when diagnosed, about  
their treatment and the  
importance of adherence



# Non-Retail Market Year-End Review

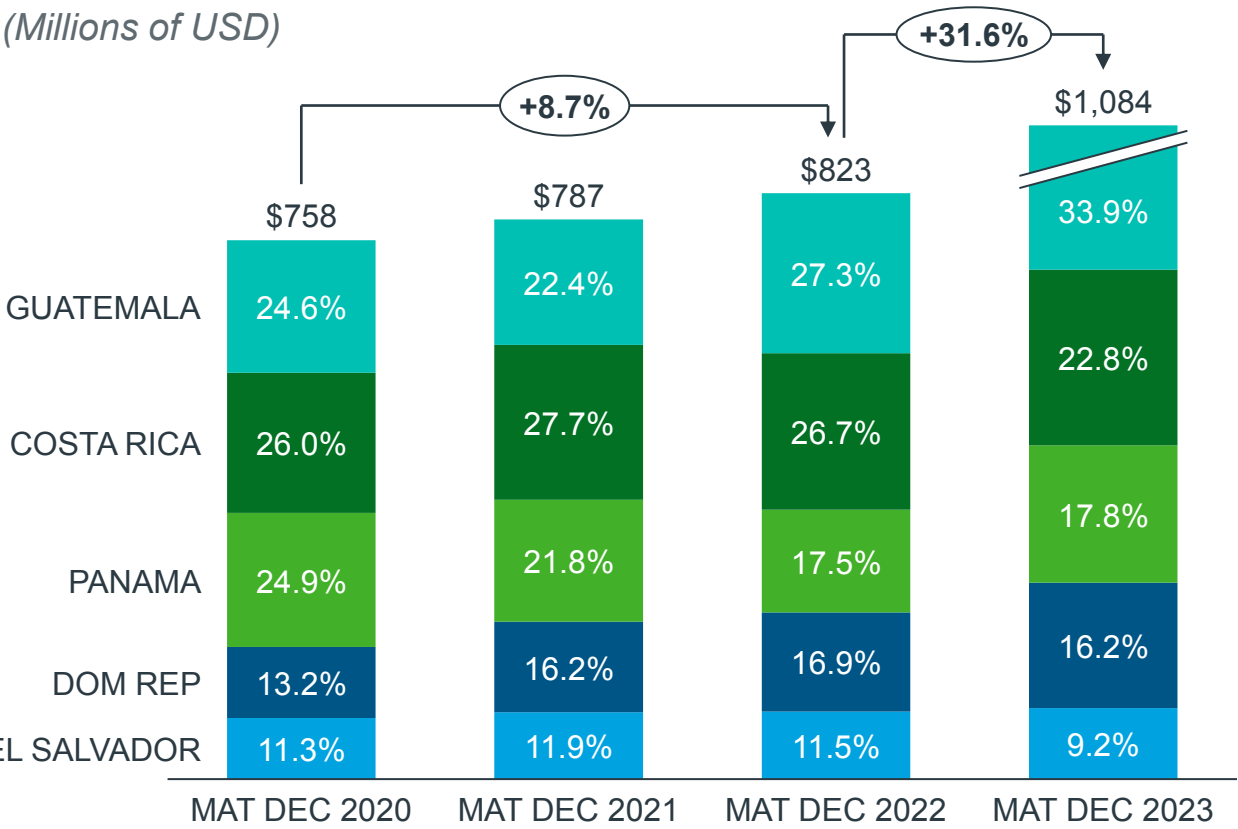


# Non-Retail Market is showing good growth

## Pharmaceutical Market – Non-Retail segment

### Non-Retail Market Evolution

(Millions of USD)



▼ 2023 Growth Accelerated  
▲ 2023 Growth Decelerated

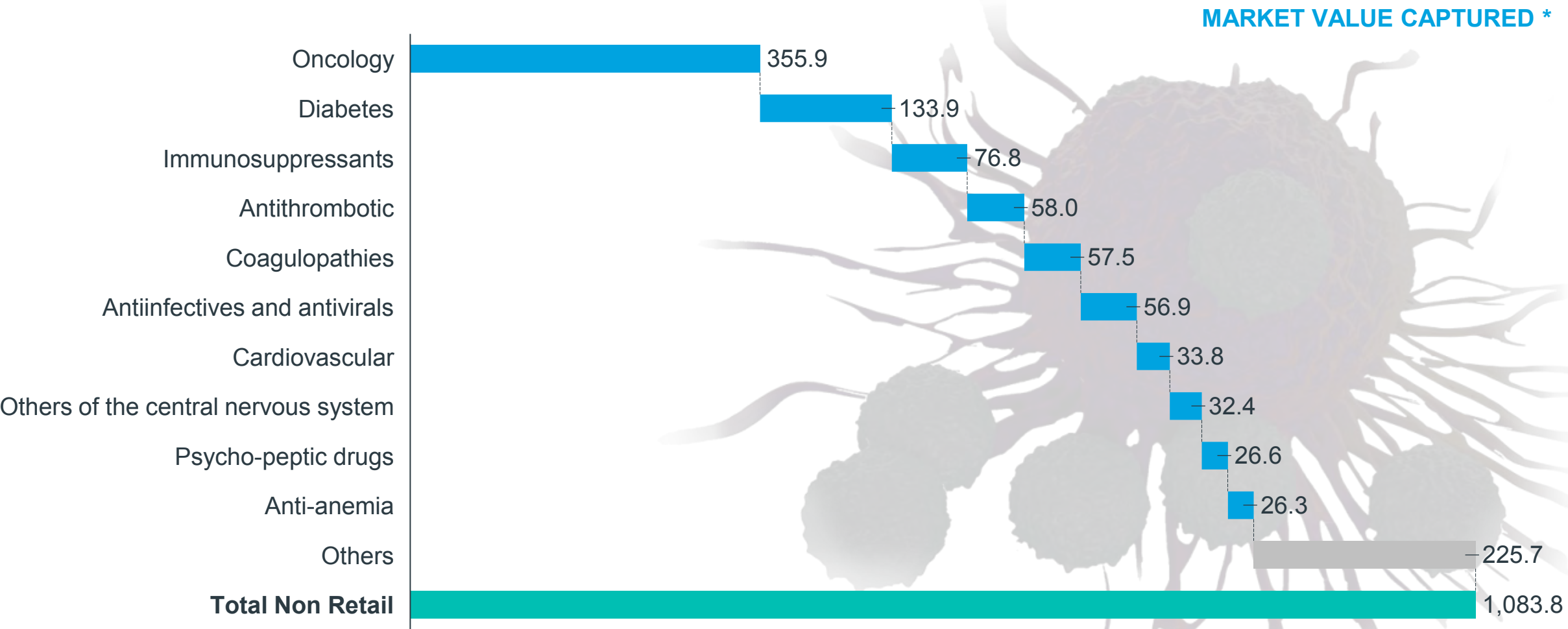
Country	USD MAT Dic 2023	Growth USD 2021 vs 20	Growth USD 2022 vs 21	Growth USD 2023 vs 22
Guatemala	367.87	-5.5%	27.5%	▲ 63.7%
Costa Rica	246.81	10.7%	1.0%	▲ 12.1%
Panama	193.14	-9.0%	-16.0%	▲ 34.0%
Dom. Rep.	176.08	27.4%	9.7%	▲ 26.3%
El Salvador	99.87	9.4%	1.1%	▲ 5.2%

- Guatemala growing constantly in five of last six quarters driven mainly by Oncology, Diabetes and anti-thrombotic
- Costa Rica with an important growth in Oncology, immune and anti-infectives
- Panama growing in Oncology, Diabetes and anti-infectives
- Dominican Rep continue with a sustained growth in Oncology, Diabetes and Immuno

The dimensioning of the Non-Retail market is focused on the reading of ~500 high-cost molecules and specialized therapies such as: Oncology, Immunology, Rare Diseases, among others.

# Oncology leads the “non-retail” market, representing +30% of the market

Non-Retail Therapies Structure – Sales USD\$ (millions)



MAT Dec 2023

Source: Dimensionamiento Institucional Audit CEA – GUA/SAL/COS/PAN/DOM

# Healthcare Future Trends





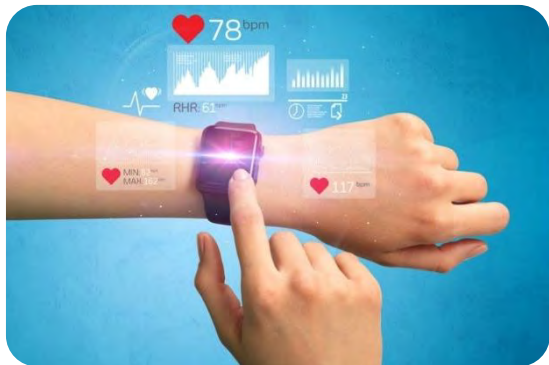
# 4 major healthcare trends that are already happening and that will shape the industry and our approach over the next 12 - 24 months

## Major Healthcare Trends for 2024 and 2025

1.

### Preventive Approach

Technological breakthroughs, such as wearables, will shift from **reactive medicine** to **preventive health**; enabling early warning and rapid intervention.



2.

### Virtual Health

From **chatbots** to **telemedicine** to **virtual solutions**; new ways to help patients and physicians improve healthcare along the patient journey.



3.

### Personalized Medicine

With technology and data...  
Creation of **custom-made** medicines and treatment plans for **specific patients with specific needs**.



4.

### Generative AI

Advanced reasoning, access to up-to-date medical knowledge and **understanding of complex multimodal Real-World Data** will change healthcare.

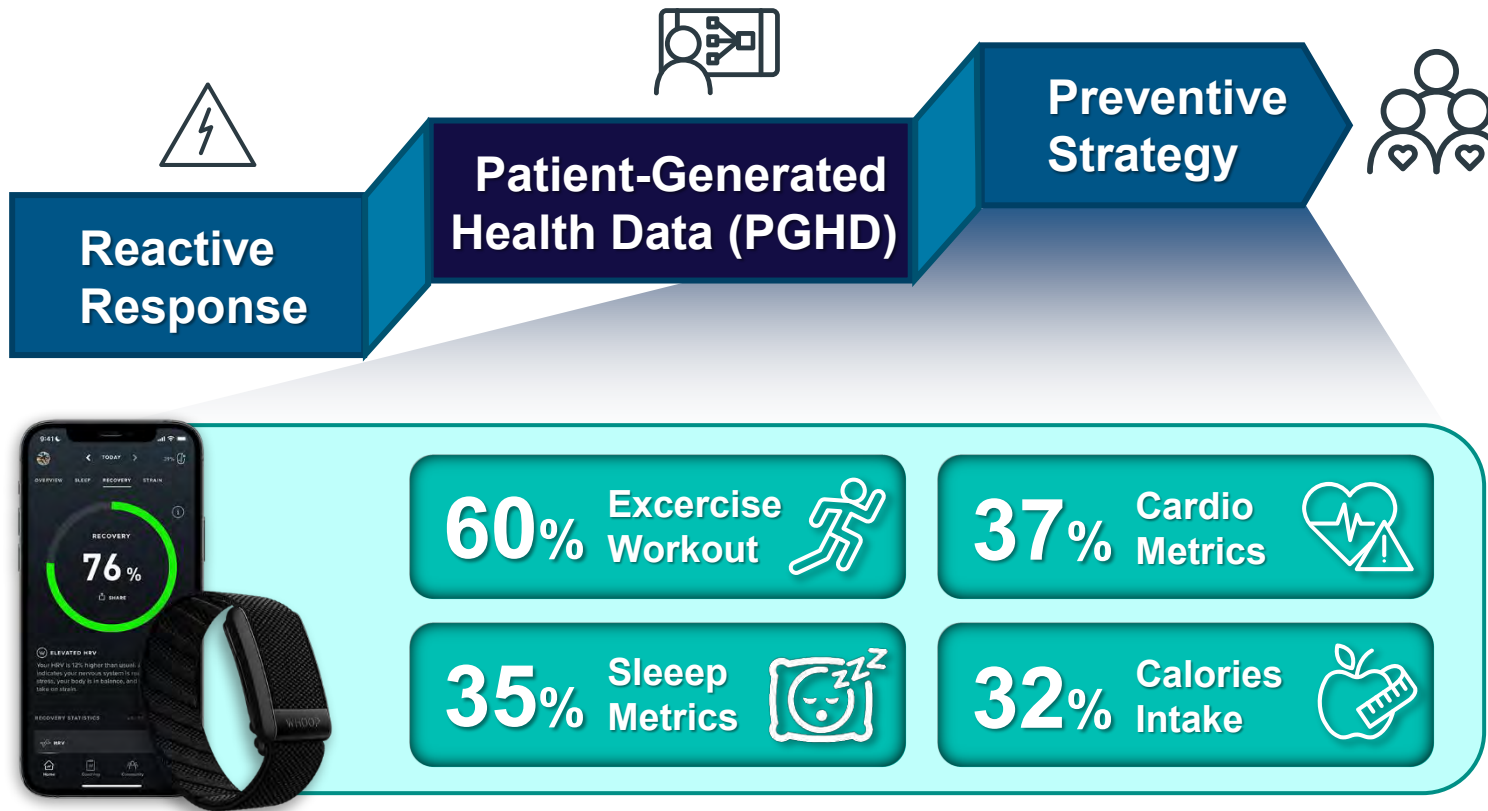




# Healthcare moving for reactive response to a preventive strategy → enabling early warning, rapid intervention and early treatment

## 1<sup>st</sup> Trend – Preventive Approach

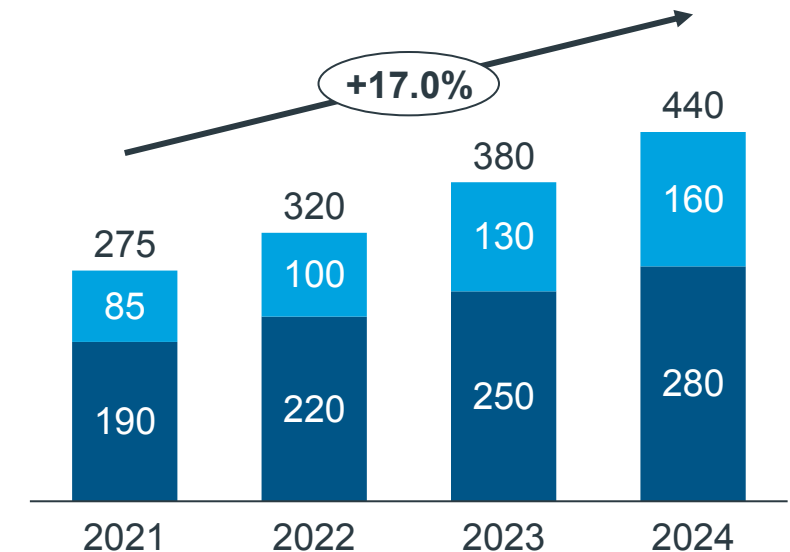
Studies show that, new generations, are giving higher importance to constantly monitor their health metrics in order to prevent diseases and improve their health. Moving from a **reactive** response to health to a **preventive** strategy.



A market already big, that is growing fast → 17.0% CAGR in 4 Years

### Devices shipped globally (in millions of units)

Smartwatches and fitness trackers  
Wearable Medical sensors and devices



# FDA approved the first OTC Continuous Glucose Monitor and qualified the first OTC Medical Device Development Tool in 2024

## 1<sup>st</sup> Trend – Preventive Approach



Two wearable devices received an **approval / qualification** for over-the-counter use. The **first ones** of their segment.

### Apple Watch's atrial fibrillation (AFib) history feature

- The **first-ever digital health technology** to qualify for the FDA's Medical Device Development Tools (MDDT) program as a class II photoplethysmography (PPG) analysis software for OCT use.
- Estimates how frequently the user shows signs of the irregular and often extremely rapid heartbeat associated **AFib and derives AFib** burden estimates.
- The recent FDA approval allows its use as a secondary (surrogate) endpoint in **clinical studies**.



### Stelo Glucose Biosensor System

- Is the **first over-the-counter (OTC) integrated Continuous Glucose Monitor** (iCGM)
- Intended to **continuously measure, record, analyze, and display** glucose values
- Will also help the user better understand how **lifestyle and behavior** modification, including diet and exercise, impact glucose excursion.



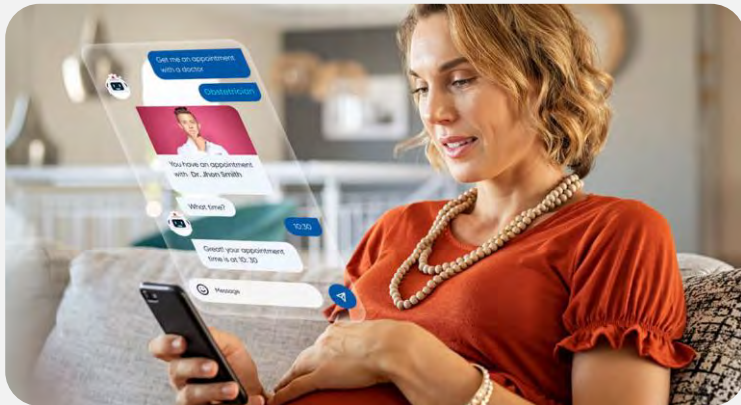
# Generative AI Personalized Medicine Virtual Health Preventive Approach

## Virtuality is expected to drive healthcare to a whole new level; following a patient-centric approach to deliver innovative solutions

### 2<sup>nd</sup> Trend – Preventive Approach

#### Virtual Assistants

- Virtual assistants and chatbots can help patients by **answering questions** about their care.
- They can also help patients stay compliant by **reminding** them to take medications.
- They can provide **companionship** to patients and improve their **mental health**



#### Virtual Hospitals

- Virtual hospitals (also known as hospital at home) allow patients to **get hospital-level care at home**.
- Telemedicine + wearable devices connected to the internet. Professionals remotely monitor patients and provide care; **avoiding or reducing hospital visits** thus increasing hospital beds for patients that need them most.



#### Virtual Augmented Reality

- Innovation will take off the use of virtual reality (VR) solutions in healthcare.
- A trending use is the recently approved RelieVRx; the first **FDA-authorized** in-home virtual reality (VR) treatment clinically proven to deliver significant, lasting **reduction of chronic pain**.





# RelieVRx; the first FDA-authorized in-home virtual reality (VR) treatment, prescribed by an HCP, to help reduce chronic pain

## 2<sup>nd</sup> Trend – Preventive Approach

### Virtual Augmented Reality

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#### 1. Simple to Prescribe

The prescriber simply submits the Rx form along with the required medical documentation to the AVR Pathway, support team.



#### 2. Ready To Use

The RelieVRx device is delivered directly to the patient's home, ready to use with preloaded content.



#### 3. Easy To Return

Patients will return the device in the original packaging using the provided prepaid return shipping label.

↓ **43%**

Reduction In  
Pain Intensity



↓ **52%**

Reduction In Interference  
With Activity



↓ **54%**

Reduction In Interference  
With Sleep



↓ **56%**

Reduction In Interference  
With Mood



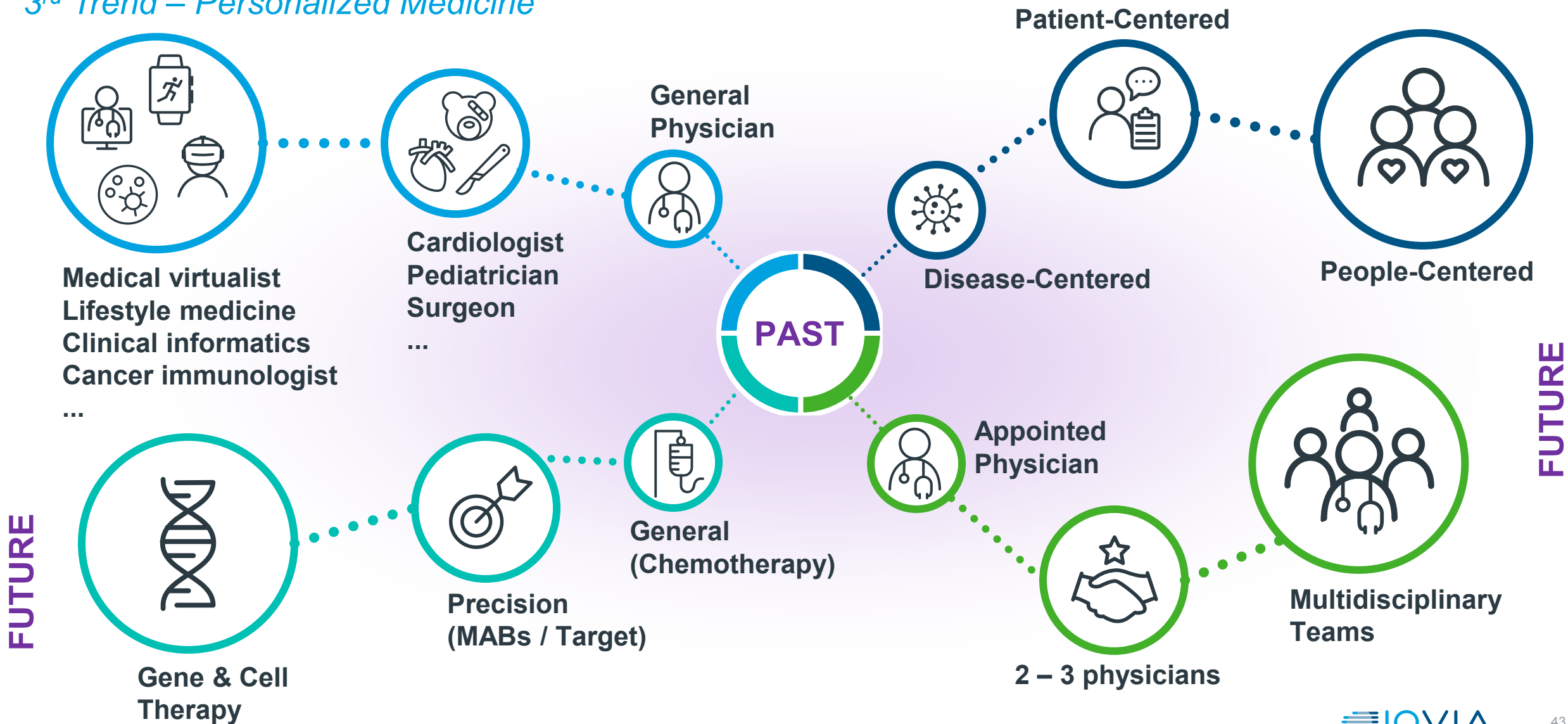
↓ **60%**

Reduction In Interference  
With Stress



# From a general approach to personalized medicine

## 3<sup>rd</sup> Trend – Personalized Medicine





# To get a fuller understanding of people's health, we need a technology that accurately understands different types of info.

## 4<sup>th</sup> Trend – Generative AI



As medicine is a multimodal discipline, to reach a SoTA situation, must excel at:

1. Precise and accurate **advanced reasoning** in a short period of time

2. Access to **up-to-date medical knowledge** from “n” verified sources

3. Understand & analyze **complex & patient-specific multimodal data**

Healthcare data it's made up of **different types** of information stored **across formats**:



Lab.  
Results



Patient  
Records



Environmental  
Context



Clinical  
Trials



Medical  
Literature



Genomics  
Data

**~30%** of the world's data volume is being generated by the healthcare industry

**+36%** Annual growth expected

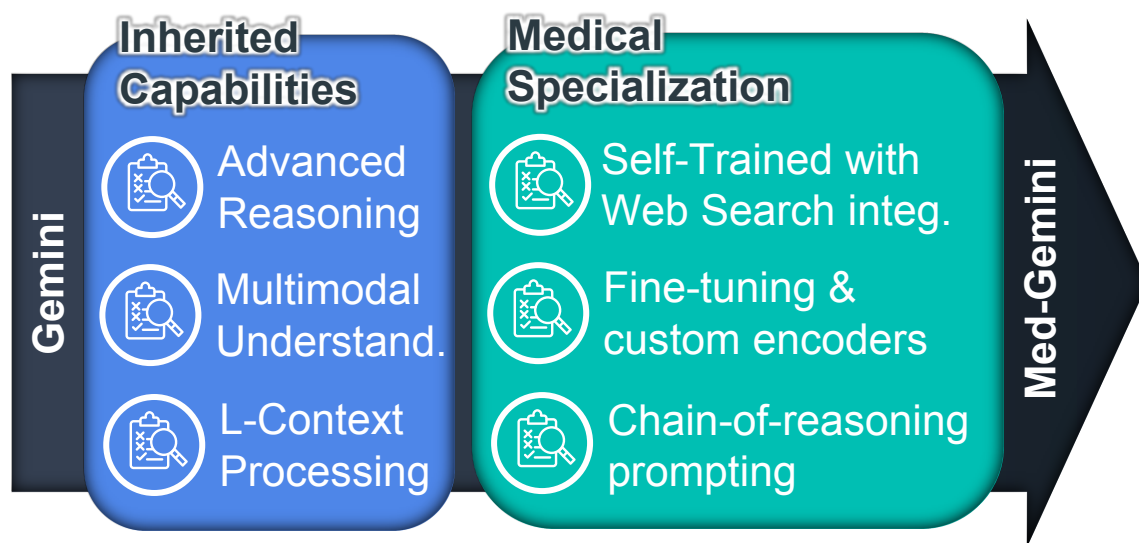
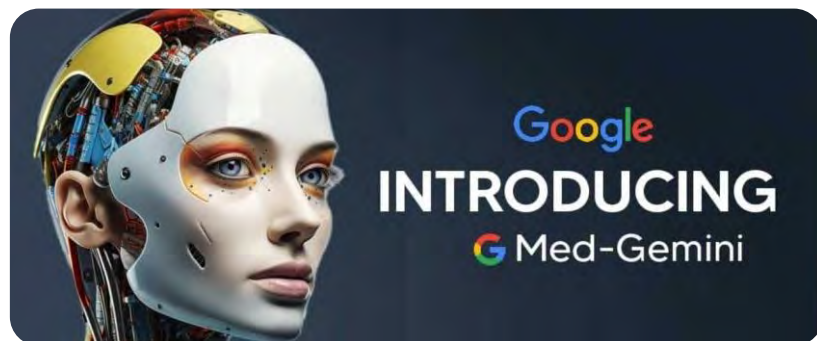
**\*SoTA = State of The Art**

Source: Google Deep Mind & Research

# Google just recently introduced Med-Gemini; an advanced AI research model designed specifically for the healthcare industry

## 4<sup>th</sup> Trend – Generative AI

Complex patient consultations need **advanced clinical reasoning**, **synthesize complex information** from diverse and multimodal sources, and **collaborate effectively with other** clinicians and specialties.



Source: Google Deep Mind & Research

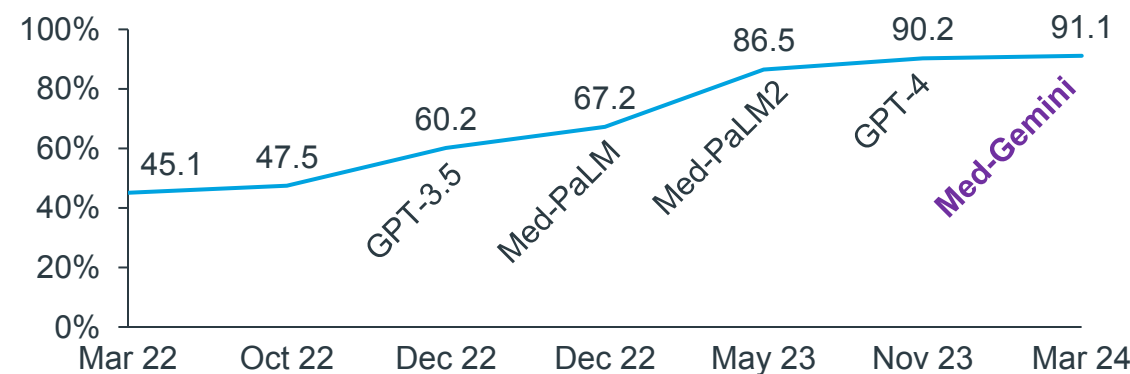
## How was the AI tested?

Med-Gemini was tested on **14 medical benchmarks**, by answering **+12,000 questions** from MedQA; a compendium of the United States Medical Licensing Exams.



## The results...

Med-Gemini established a new state-of-the-art (**SoTA**) **performance on 10 of those 14 evaluated benchmarks**; achieved an **accuracy of 91.1%** on MedQA (USMLE)



# Med-Gemini analyzing and interpreting a chest x-ray

## 4<sup>th</sup> Trend – Generative AI



Hello, I am a primary care physician and this is a chest x-ray for a patient of mine. The formal radiology report is still pending and I would like some help to understand the x-ray. Please write a radiology report for me:



**Med-Gemini**



**FINDINGS:** The heart is at the upper limits of normal size. The mediastinal and hilar contours appear within normal limits. The lungs appear clear. There are no pleural effusions or pneumothorax. Mild degenerative changes are noted along the lower thoracic spine. **IMPRESSION:** No evidence of acute disease.

What evidence do you see for degenerative changes?



Mild degenerative changes are noted along the lower thoracic spine. This can be seen by the slight narrowing of the intervertebral disc spaces and the presence of small osteophytes (bone spurs) along the anterior margins of the vertebral bodies.

My patient has a history of back pain. Might this explain the back pain?





# Helped the HCP to write a report without medical terminology

## 4<sup>th</sup> Trend – Generative AI

My patient has a history of back pain. Might this explain the back pain?



While the degenerative changes seen on the x-ray could potentially contribute to your patient's back pain, it's important to note that correlation doesn't equal causation. Many people have degenerative changes in their spine without experiencing pain, and conversely, back pain can have numerous causes beyond just degenerative changes.

Therefore, while the x-ray findings are worth noting, they don't definitively explain your patient's back pain. A comprehensive evaluation, including a detailed history, physical examination, and potentially additional imaging or tests, would be necessary to determine the exact cause of their pain.

Please let me know if you have any other questions.

To help me communicate all of this to my patient, please rewrite the report without medical terminology:



### Chest X-ray Results:

- **Heart:** Normal size.
- **Lungs:** Clear, no signs of infection or fluid buildup.
- **Bones:** Minor wear and tear in the lower spine, common with age.

**Overall:** No signs of serious problems in the chest. The wear and tear in the lower spine might be related to your back pain, but other factors could also be involved. We'll need to do more tests to figure out the exact cause of your pain.

Thank you. That is useful while I wait for the radiologists report.



You're welcome! I'm glad I could help. If you have any further questions, feel free to ask.



# AI sharing information of several treatment options to consider


## 4<sup>th</sup> Trend – Generative AI

### (a) Dialogue example

For the past few weeks, I have noticed multiple itchy lumps on my legs and arms. The lumps are solid and don't contain fluid. They are very itchy and I have been waking up at night scratching them. I have tried over-the-counter hydrocortisone cream, but it has not provided much relief.

I understand your concern. Can you send me a picture of the lumps?

Here it is.



Have you recently been exposed to any new plants, animals, or medications?

No, I don't think so.

This looks like prurigo nodularis. It is a skin condition that causes hard, itchy lumps to form on the skin. The itching can be intense, especially at night. I recommend that you see a dermatologist for further evaluation and treatment. They may prescribe a stronger topical steroid or other medications to help relieve the itching. In the meantime, you can try to avoid scratching the lumps, as this can make them worse.

Thanks! Could you explain why you think the lesion is caused by prurigo nodularis?

The lesion appears as a firm, dome-shaped nodule with a hyperkeratotic surface, which is consistent with prurigo nodularis. Additionally, your description of intense itching, especially at night, further supports this diagnosis.

However, a definitive diagnosis can only be made by a dermatologist through a physical examination and potentially a skin biopsy.

Okay, will you advise me on how to treat it?

Unfortunately, there is no cure for prurigo nodularis, but there are several treatment options that can help manage the symptoms and improve quality of life, including:

**Topical medications:**

- High-potency corticosteroids: These creams or ointments can help reduce inflammation and itching.
- Capsaicin cream: This cream can help desensitize the skin and reduce itching.
- Topical calcineurin inhibitors: These medications can help suppress the immune response and reduce inflammation.

**Oral medications:**

- Antihistamines: These medications can help reduce itching.
- Gabapentin or pregabalin: These medications can help reduce nerve pain and itching.

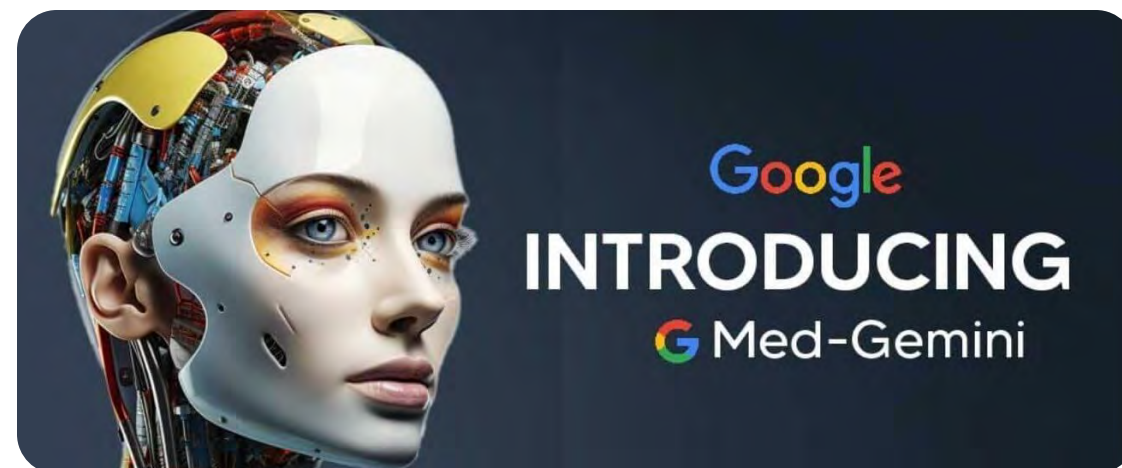
**Other treatments:**

- Phototherapy: This treatment involves exposing the skin to ultraviolet light, which can help reduce inflammation and itching.
- Cryotherapy: This treatment involves freezing the nodules with liquid nitrogen, which can help reduce their size and itching.
- Counseling or therapy: This can help address any underlying psychological factors that may be contributing to the condition.

It's important to work with a dermatologist to develop a treatment plan that is right for you. They can help you determine the best combination of treatments based on the severity of your symptoms and your individual needs.

### (b) Feedback from dermatologist

Source: Google Deep Mind & Research



IMS Health & Quintiles are now



**Let's drive healthcare forward!**





## WORLD REVIEW CONFERENCE 2024

