

17 Oct 2022 | News

# Strongest US Cough/Cold Season In 10 Years Likely

*Sales Growth For US OTC Firms May Not Offset Inflation, Exchange Headwinds, Though*

by [Malcolm Spicer](#)

Increasing numbers cough/cold drug prescriptions combined with consumers' waning interest in flu vaccines point to 2022-2023 season rivaling decade-high levels from 2017-18 and to retailers boosting inventories through year-end, Raymond James analysts say.

The US consumer health product sector's first results from the latest quarter could indicate the start of the strongest period in a decade for OTC cough/cold product sales, analysts at Raymond James suggest.

Increasing numbers for sales of Rx cough/cold drugs combined with an apparent waning interest by consumers in receiving flu vaccines point to the 2022-2023 season rivaling the decade-high levels from 2017-18 and to retailers boosting their inventories through year-end, stated Elliot Wilbur and Michael Parolari, Raymond James specialty pharmaceutical analysts, in a 17 October research note.

In an earlier note, they wrote that "early indications on cough/cold market dynamics suggest the 2022-23 season will be nothing to sneeze at and could blow past levels not seen since at least 2015."

Those conclusions bode well for many US OTC drug marketers in the US. For firms that feature cough/cold formulations in their nonprescription drug portfolios, sales of those products are key to strong second-half results and important to full-year revenue growth.

In their most recent note, Wilbur and Parolari referenced cough/cold OTCs' importance to

Perrigo Company plc. Cough/cold is an important revenue driver as its largest product category.

Even robust cough/cold sales, however, might not offset headwinds Perrigo and other US OTC drug marketers face, including inflationary pressures, supply chain disruption and losses to foreign exchange.

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“Our [Perrigo] model has been fairly conservative on respiratory product category growth, embedding only 3.5% [year-on-year] growth. Though there is likely top-line upside here, probably not enough to offset FX headwinds,” the Raymond James analysts stated.

Perrigo, which attributes 20% of its revenues to upper respiratory OTCs, has scheduled publishing its July-September results on 18 November; the US consumer health product sector’s results start with Johnson & Johnson on 18 October with Abbott and Procter & Gamble the next day. (Also see [“US Q3 Consumer Health Earnings Preview: Coming Changes Overshadow Current Conditions?”](#) - HBW Insight, 16 Oct, 2022.)

With its 2021 fourth-quarter results in March, Dublin-based Perrigo reported the prevalence of flu and cough/cold symptoms had begun spreading during the October-December period as sales of the firm's upper respiratory OTCs, which include allergy as well as cough/cold formulations, grew 28%. (Also see [“Cough And Cold Symptoms, Some Coming From Omicron, Sound Like Seasonal Rebound To Perrigo”](#) - HBW Insight, 1 Mar, 2022.)

### **Most Cough/Cold Prescriptions Since 2017**

The Raymond James analysts based their forecast for strong OTC cough/cold sales on prescriptions in September for cough/cold drugs reaching 2.92m, more than the previous highs level for the month during the past decade of 2.621m in 2019 and 2.58m in 2017.

The 2017 total, they noted, “marked the beginning of the 2017-18 cough/cold season, the worst in a decade.”

Additionally, cough/cold prescriptions have climbed 45% year-on-year over the previous four weeks with a cumulative four -week total up 30% from a year-ago period which “reflected a

typical, read not pandemic-depressed, period,” the analysts said.

Current reports suggest October cough/cold prescriptions will be “at least 20% higher than any October since 2015,” Wilbur and Parolari said. They added that although the peak period for cough and cold symptoms is December-January-February, “strong early incidence levels as suggested by prescription trends will likely drive favorable retailer stocking trends on a y/y basis.”

While cough/cold drug prescriptions increase, though, the same wasn’t true of total flu vaccines administered in September. The number was flat from a year ago while down from elevated levels of 2020 due to the COVID-19 pandemic.

Flu vaccinations appear up around 15% from pre-pandemic periods through September, but “trends have decelerated over the past two weeks,” Wilbur and Parolari said.

“Read-through is that behavior appears to be generally less risk averse, meaning greater potential exposure to cough/cold/flu,” they added.