



US Cold and Flu Season Starts With a Bang

An IQVIA Consumer Health Quickview

November, 2022



With overall flu cases across the US 10-times higher than the baseline 3 year average according to IQVIA's FAN Flu/Cold/Respiratory Activity Notification Program, the cough, cold and flu (CCF) season in the world's biggest OTC market has started fast, reflecting a similar start in Australia where the season is now ending.

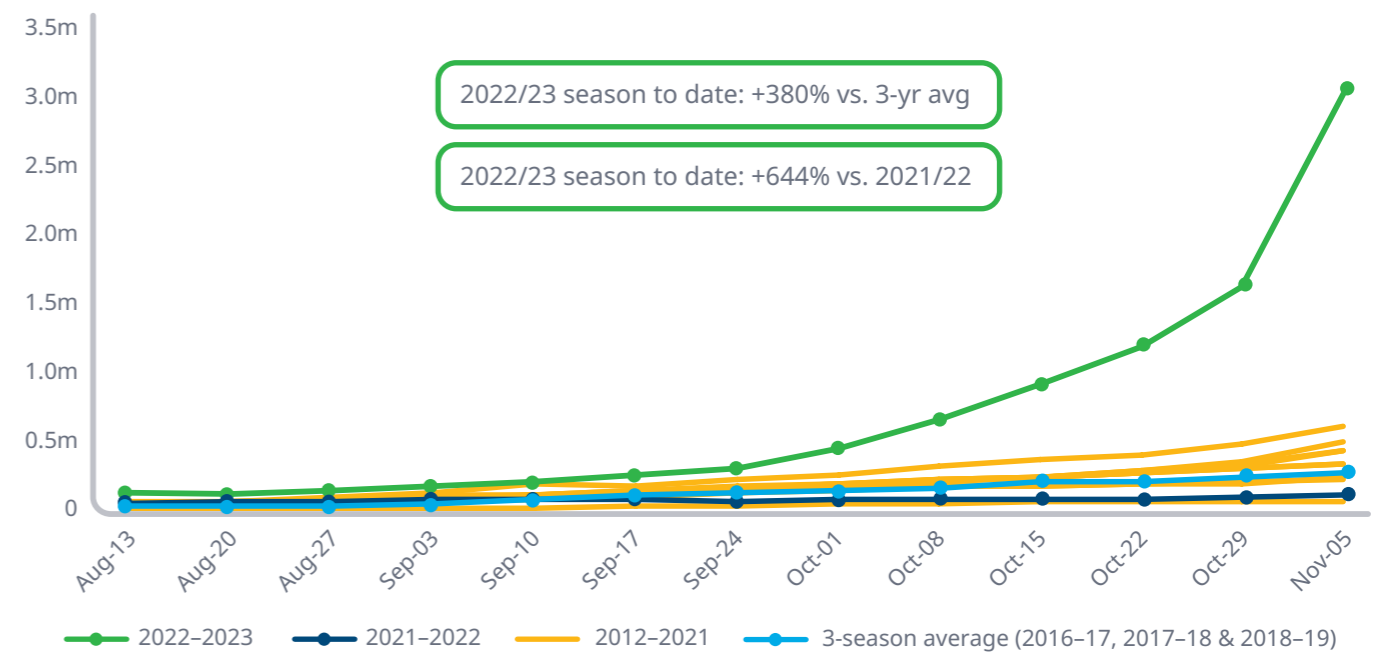
Through the first week of November, the 2022/23 flu season in the US is showing a sharp increase compared to the prior 10 years, with overall flu cases 10-times the level of the same week during the baseline period — three-year average of 2016/17, 2017/18, 2018/19 — which suggests that we are in for an unusually high-level of incidence over the full season (see Exhibit 1).

For the season to date (from mid-August), this year is running at almost five times (4.8) the level of the baseline period, up 380%, while this year is currently running at more than seven times (7.4) the level of the 2021/22 flu season, which was unusually mild, up 644%.

US start mirrors Australia

This fast start to the 22/23 CCF season in the US, mirrors the experience in Australia which is just emerging from winter and its own cough, cold and flu season. Flu infections kicked off in a flurry, climbing from approximately 1,000 lab-confirmed influenza notifications sent to Australia's National Notifiable Disease Surveillance System (NNDSS) at the start of April, to over 10,000 notifications by the end of April, amplifying fears of a 'twindemic' as Covid-19 variants continued to spread.

Exhibit 1: Estimated number of total U.S. influenza cases 2012-2022



Source: IQVIA Consumer Health FAN, IQVIA Institute, Nov 5, 2022.



Influenza, the likes of which had not previously been observed had returned to Australia's shores with a vengeance, with over 80% of sequenced strains proving to be influenza A, and of these over 90% were novel, previously un-subtyped strains. Moreover, the "let it rip" approach and the comparatively reduced severity of the Omicron Covid-19 variant meant public apathy towards influenza and the vaccine remained, with individuals under-30 in particular most likely to not opt for the influenza vaccine.

Influenza continued, unperturbed, and the lack of exposure to any major upper-respiratory tract infections (URTIs) over the past 2 years, exacerbated by low vaccine uptake, likely helped accelerate its propagation, with over 55,000 notifications in the fortnight ending 19 June.

Naturally, cold and flu product sales soared with over 9 million units sold in June 2022, 20% more than in June 2019 (see Exhibit 2), the last time Australia experienced a potent cold and flu season, where there were over 313,000 lab-confirmed influenza notifications were made to the NNDSS. Other URTIs also had a field day, including respiratory syncytial virus (RSV), which did the rounds through schools and childcare facilities.

Over AU\$100 million worth of cold and flu products were purchased by Australians in June alone, accounting for almost 10% of all OTC scanned sales across all Australian retail sales channels for that month.

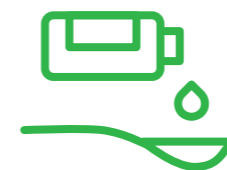
Exhibit 2: Value sales and Volume sales growth of cough, cold and flu product in Australia in June 2022

+AU\$100m



Of OTC CCR products were purchased by Australians in June alone, accounting for almost 10% of all OTC scanned sales across all Australian retail sales channels for that month

+20%



Growth in June 2022 of CCR unit sales to 9 million units compared to June 2019

Source – IQVIA Consumer Health Global OTC Insights.

Forecast, track and target with FAN US



IQVIA Consumer Health's FLU/COLD/RESPIRATORY ACTIVITY NOTIFICATION (FAN) US Programme monitors and projects the population affected by cough, cold and flu in the US. The FAN Programme closely tracks market activity at the national level, 9 census regions and across 150 markets, ensuring the most accurate representation of cough, cold and flu sufferers so you can plan and adapt your marketing and sales strategies with confidence.

To make an enquiry contact Chip Schaible — chip.schaible@iqvia.com



Rapid end to the Australian season

However, while the season began early and incredibly strongly, it also burned out quickly. While there were more notifications during the 2022 peak period than noted over the past 5 years, the latest NNDSS data indicates that there were over 224,000 notifications, well below the 2019 caseload. COVID-19 cases have also been in decline since July, where over 1.2 million cases were detected, and have remained flat since early September 2022.

A strong start doesn't mean a strong finish in the US.

While the current trends in US mirror Australia's start, it is too early to say whether the US season will see a similar decline in cases as the months move on. While the week ended 5th November showed a significant increase in the level compared to the baseline and prior years, indicating a worsening of the season's trend — and flu diagnoses typically peak around end of year/early January - significant year-to-year fluctuations do occur.

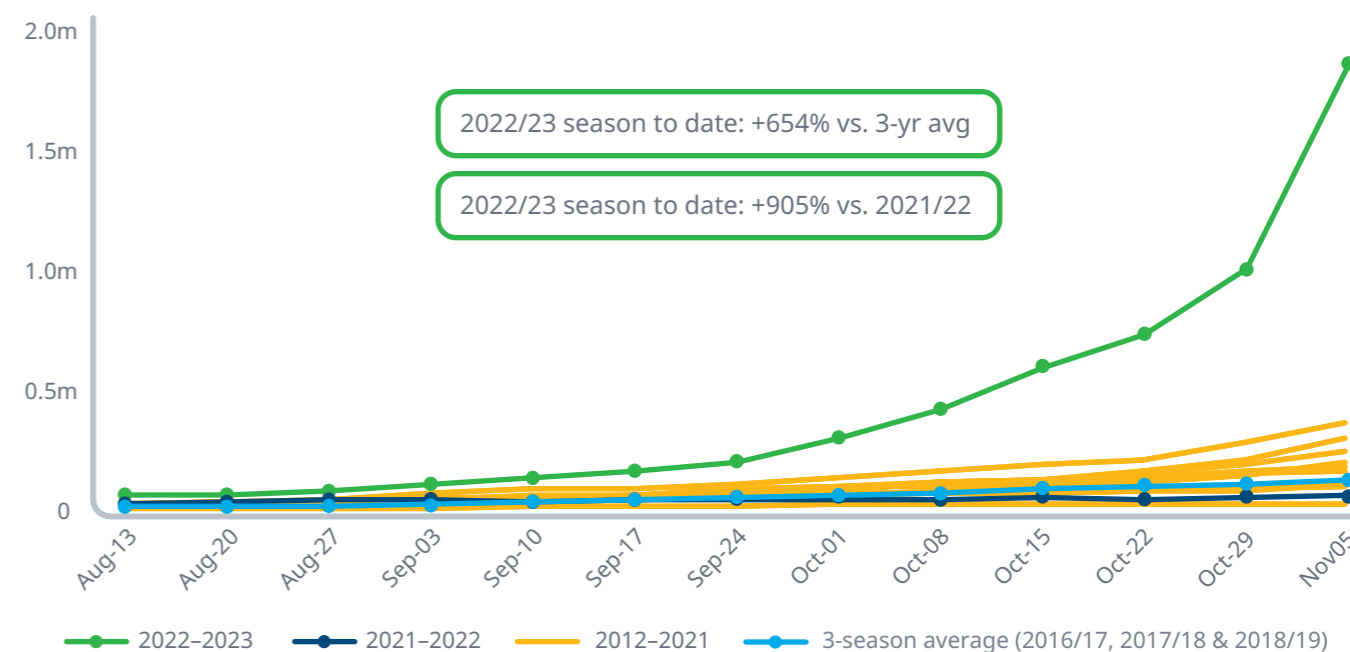
Looking at the current levels it is clear that pediatric cases are driving the rapid start to the US season, with cases amongst children 30-times higher in the week ended 5th November 2022, compared to same week a year earlier (see Exhibit 3). For the season to date, pediatric flu is more than seven times (7.5) the baseline level, up 654%, and over 10 times (10.1) the 2021/22 flu seasons, up 905%

Regional variations are showing

All regions of the US are reflecting higher levels of flu to date than last year, although there is significant regional variation, with the West South Central and South Atlantic regions trending much higher in total cases during the season to date, with estimated cases running above the 2021/22 season by 942% and 932% respectively.

The East South-Central region is now running 900% higher than the 2021/22 season, while New England and Mountain regions are trending the lowest of all regions, but still have more than double the cases of last year at 151% and 144% higher respectively.

Exhibit 3: Estimated number of pediatric U.S. influenza cases 2012-2022



Source: IQVIA Consumer Health FAN, IQVIA Institute, Nov 5, 2022.

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Vaccination levels only slightly up

Flu vaccinations delivered through retail pharmacies are now running slightly ahead of last year's level for the season to date, after several weeks of lower vaccination rates and despite efforts to raise public awareness of the heightened level of influenza this year.

Total retail pharmacy flu vaccinations through October 28, 2022, are running 1.9% above the 2021/22 flu season, totalling 28.2 million this season to date and during the week of October 28, the number of flu vaccines administered through retail pharmacies totalled 4.3 million, 34.5% more than the comparable week last year but down from the seasonal high levels reported over the prior two weeks and indicating the start of a downward trend in weekly vaccinations.

For more information on IQVIA's FAN Flu/Cold/Respiratory Activity Notification Program please contact: **Chip Schaible** at chip.schaible@iqvia.com.

Notes

- Baseline is defined as a three-year average of the 2016/17, 2017/18, and 2018/19 flu seasons.
- The FAN program has been used for more than 35 years to predict variations in demand for related over-the-counter medications.
- Insights into US market taken from IQVIA Institute Influenza Weekly Tracking Report .Australian Insights provided by Sashindran Anantham, Associate Principal, Commercial Effectiveness Solutions, IQVIA.

Preparation is key to a successful season

With a potential stronger US flu season incoming, it will be key for manufacturers and retailers to be aware of where the flu season is higher nationally so they can manage the increased incidence levels.

Be ready to:

- Ensure supply/stock of multi-Symptom / Fever / Hydration OTC products, as well as prevention products.
- Work with your customers to create an action plan to minimize stock-outs.
- Stay up-to-date on regional variations in incidence levels and be prepared to move promotional/advertising spend quickly to take advantage of outbreaks.



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