



Healthcare 2022

The annual report on the most valuable and strongest pharma, medical devices and healthcare services brands

May 2022

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About Brand Finance.

Brand Finance is the world's leading brand valuation consultancy.

We bridge the gap between marketing and finance

Brand Finance was set up in 1996 with the aim of 'bridging the gap between marketing and finance'. For 25 years, we have helped companies and organisations of all types to connect their brands to the bottom line.

We quantify the financial value of brands

We put 5,000 of the world's biggest brands to the test every year. Ranking brands across all sectors and countries, we publish nearly 100 reports annually.

We offer a unique combination of expertise

Our teams have experience across a wide range of disciplines from marketing and market research, to brand strategy and visual identity, to tax and accounting.

We pride ourselves on technical credibility

Brand Finance is a chartered accountancy firm regulated by the Institute of Chartered Accountants in England and Wales, and the first brand valuation consultancy to join the International Valuation Standards Council.

Our experts helped craft the internationally recognised standards on Brand Valuation – ISO 10668 and Brand Evaluation – ISO 20671. Our methodology has been certified by global independent auditors – Austrian Standards – as compliant with both, and received the official approval of the Marketing Accountability Standards Board.



Get in Touch.

For business enquiries, please contact:

Richard Haigh

Managing Director

rd.haigh@brandfinance.com

For media enquiries, please contact:

Michael Josem

Associate Communications Director

m.josem@brandfinance.com

For all other enquiries:

enquiries@brandfinance.com

+44 207 389 9400

www.brandfinance.com



linkedin.com/company/brand-finance



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Request your own Brand Value Report

A Brand Value Report provides a complete breakdown of the assumptions, data sources, and calculations used to arrive at your brand's value.

Each report includes expert recommendations for growing brand value to drive performance and offers a cost-effective way to gaining a better understanding of your position against peers.

Visit brandirectory.com/request-a-valuation
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Insight



Strategy



Benchmarking



Education



Communication



Understanding

Benefits



Brand Valuation
Summary



Brand
Strength Tracking



Royalty Rates



Cost of
Capital Analysis



Customer
Research Findings



Competitor
Benchmarking

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Brandirectory is the world's largest database of current and historical brand values, providing easy access to all Brand Finance rankings, reports, whitepapers, and consumer research published since 2007.

- + Browse thousands of published brand values
- + Track brand value, strength, and rating across publications and over time
- + Use interactive charts to compare brand values across countries, sectors, and global rankings
- + Purchase and instantly unlock premium data, complete brand rankings, and research

Visit brandirectory.com to find out more.

Brand Finance Group.



Brand Finance
Institute

Brand Finance Institute

Brand Finance Institute is the educational division of Brand Finance, whose purpose is to create and foster a professional environment for knowledge-sharing and networking among practitioners and experts in the market. BFI organises events, in-company training, and corporate educational initiatives around the world. In the quest for marketing excellence and with the purpose to equip the brand valuation and strategy practitioners with the necessary skills and tools, we have developed a wide range of programmes and certifications in collaboration with the most coveted business schools, universities and thought leaders in the field.

Brand Dialogue



Brand Dialogue

Brand Dialogue is a public relations agency developing communications strategies to create dialogue that drives brand value. Brand Dialogue has over 25 years of experience in delivering campaigns driven by research, measurement, and strategic thinking for a variety of clients, with a strong background in geographic branding, including supporting nation brands and brands with a geographical indication (GI). Brand Dialogue manages communications activities across Brand Finance Group's companies and network.

vi360

VI360

VI360 is a brand identity management consultancy working for clients of all sizes on brand compliance, brand transition, and brand identity management. VI360 provide straightforward and practical brand management that results in tangible benefits for your business.

Brand Finance®



Global Brand Equity Monitor

- Original market research on over **5,000 brands**
- **36 countries** and **29 sectors** covered
- Over **100,000 respondents** surveyed annually
- We are now **in our 6th consecutive year** conducting the study

Visit brandirectory.com/consumer-research
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enquiries@brandirectory.com

Foreword.



David Haigh
Chairman & CEO,
Brand Finance

What is the purpose of a strong brand: to attract customers, to build loyalty, to motivate staff? All true, but for a commercial brand at least, the first answer must always be 'to make money'.

Huge investments are made in the design, launch, and ongoing promotion of brands. Given their potential financial value, this makes sense. Unfortunately, most organisations fail to go beyond that, missing huge opportunities to effectively make use of what are often their most important assets. Monitoring of brand performance should be the next step, but is often sporadic. Where it does take place, it frequently lacks financial rigour and is heavily reliant on qualitative measures, poorly understood by non-marketers.

As a result, marketing teams struggle to communicate the value of their work and boards then underestimate the significance of their brands to the business. Sceptical finance teams, unconvinced by what they perceive as marketing mumbo jumbo, may fail to agree necessary investments. What marketing spend there is, can end up poorly directed as marketers are left to operate with insufficient financial guidance or accountability. The end result can be a slow but steady downward spiral of poor communication, wasted resources, and a negative impact on the bottom line.

Brand Finance bridges the gap between marketing and finance. Our teams have experience across a wide range of disciplines from market research and visual identity, to tax and accounting. We understand the importance of design, advertising, and marketing, but we also believe that the ultimate and overriding purpose of brands is to make money. That is why we connect brands to the bottom line.

By valuing brands, we provide a mutually intelligible language for marketing and finance teams. Marketers then have the ability to communicate the significance of what they do, and boards can use the information to chart a course that maximises profits. Without knowing the precise, financial value of an asset, how can you know if you are maximising your returns? If you are intending to license a brand, how can you know you are getting a fair price? If you are intending to sell, how do you know what the right time is? How do you decide which brands to discontinue, whether to rebrand and how to arrange your brand architecture? Brand Finance has conducted thousands of brand and branded business valuations to help answer these questions.

Brand Finance's research revealed the compelling link between strong brands and stock market performance. It was found that investing in highly-branded companies would lead to a return almost double that of the average for the S&P 500 as a whole.

Acknowledging and managing a company's intangible assets taps into the hidden value that lies within it. The following report is a first step to understanding more about brands, how to value them and how to use that information to benefit the business.

The team and I look forward to continuing the conversation with you.

Pharmaceutical brands save millions of lives and trillions of dollars, brand values surge as result

- + **Johnson & Johnson** retains top position with brand value at US\$13.4 billion
- + **AstraZeneca** is fastest growing pharma brand with brand jump of 77% due to COVID-19 vaccine development and deployment
- + **Pfizer** is strongest pharmaceutical brand with an AAA Brand Strength Index (BSI) rating
- + Chinese brand **Guangzhou Pharmaceutical** achieved 147% brand value growth over past two years

Executive Summary.



Brand Finance Pharma 25.



With the world turning to vaccines to combat the COVID-19 pandemic, pharmaceutical brand names across the world have surged in value as they have become household names globally. Brands such as **Johnson & Johnson** (brand value up 24% to US\$13.4 billion), **Pfizer** (brand value up 58% to US\$6.3 billion) and **AstraZeneca** (brand value up 77% to US\$5.6 billion) have stormed to global consciousness as billions of people around the world have queued up to obtain the benefit of their vaccines – and much of the world is re-opening from lockdowns as a result.

Johnson & Johnson sits at the first position with a brand valuation of US\$13.3 billion

Johnson & Johnson remains the world's most valuable pharma brand with its COVID-19 vaccine complementing a variety of other Johnson & Johnson branded products. The Johnson & Johnson/Janssen COVID-19 vaccine – like all COVID-19 vaccines – was subject to significant public scrutiny and attracted attention for rare harmful side effects. However, in contrast with several other COVID-19 vaccines, the Johnson & Johnson vaccine required only one dose, and was widely recommended for use by people who would otherwise remain unvaccinated for COVID-19 due to limited access to Pfizer-BioNTech or Moderna (mRNA COVID-19 vaccines).

In addition to COVID-19 vaccines, Johnson & Johnson continued to provide a variety of consumer hygiene products which are also attracting increased consumer demand due to heightened customer interest in cleanliness and combating germs.

The global pharmaceutical industry has saved millions of lives and trillions of dollars by allowing humanity to overcome the COVID-19 pandemic. These brands are widely recognised as hero brands for mitigating the risk of the pandemic and are rightly recognised for their global impact as a result. These brands represent the triumph of humanity over disease and the height of human scientific achievement.

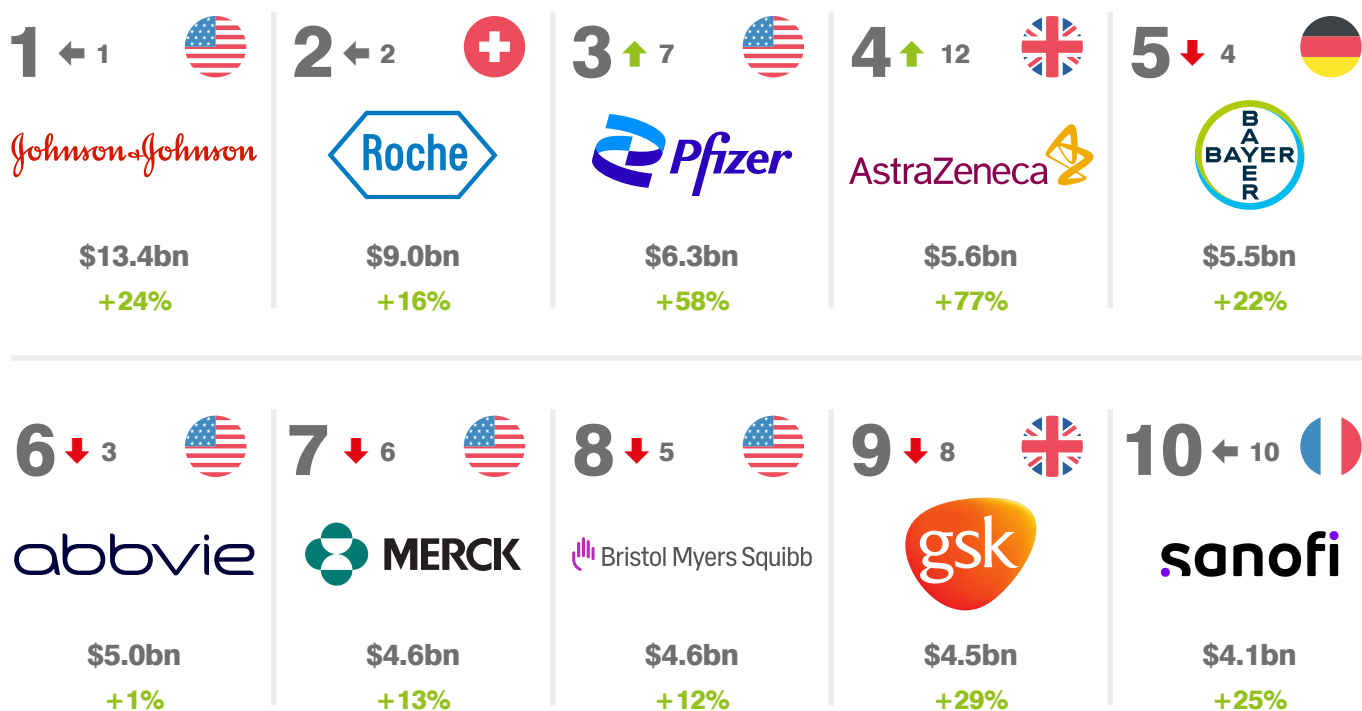
Alex Haigh
Managing Director, Brand Finance

AstraZeneca is fastest growing pharma brand with brand jump of 77% due to COVID-19 vaccine development and deployment

AstraZeneca is the fastest growing pharma brand of 2022. The brand has seen an impressive growth of 77% over the past year to US\$5.6 billion, up from US\$3.2 billion in 2021, jumping eight places in the ranking from 12th to 4th position this year.

Top 10 Most Valuable Pharma Brands

© Brand Finance Plc 2022



AstraZeneca cemented its brand identity amid the global pandemic by segmenting its product offering. The COVID-19 vaccine formulated with Oxford University was rebranded to be known as Vaxzevria. The brand has also maintained strategic partnerships with an artificial intelligence consultancy, university and technology companies to engage with key stakeholders and deliver results.

Pfizer is strongest pharmaceutical brand with an AAA Brand Strength Index (BSI) rating

In addition to calculating brand value, Brand Finance also determines the relative strength of brands through a balanced scorecard of metrics evaluating marketing investment, stakeholder equity, and business performance. Compliant with ISO 20671, Brand Finance's assessment of stakeholder equity incorporates original market research data from over 100,000 respondents in more than 35 countries and across nearly 30 sectors. **Pfizer** is recognised as the strongest pharma brand in the world with a Brand Strength Index (BSI) score of 87.8 out of 100 and a corresponding AAA rating. The brand grew in value over the past two years due to high efficacy of the

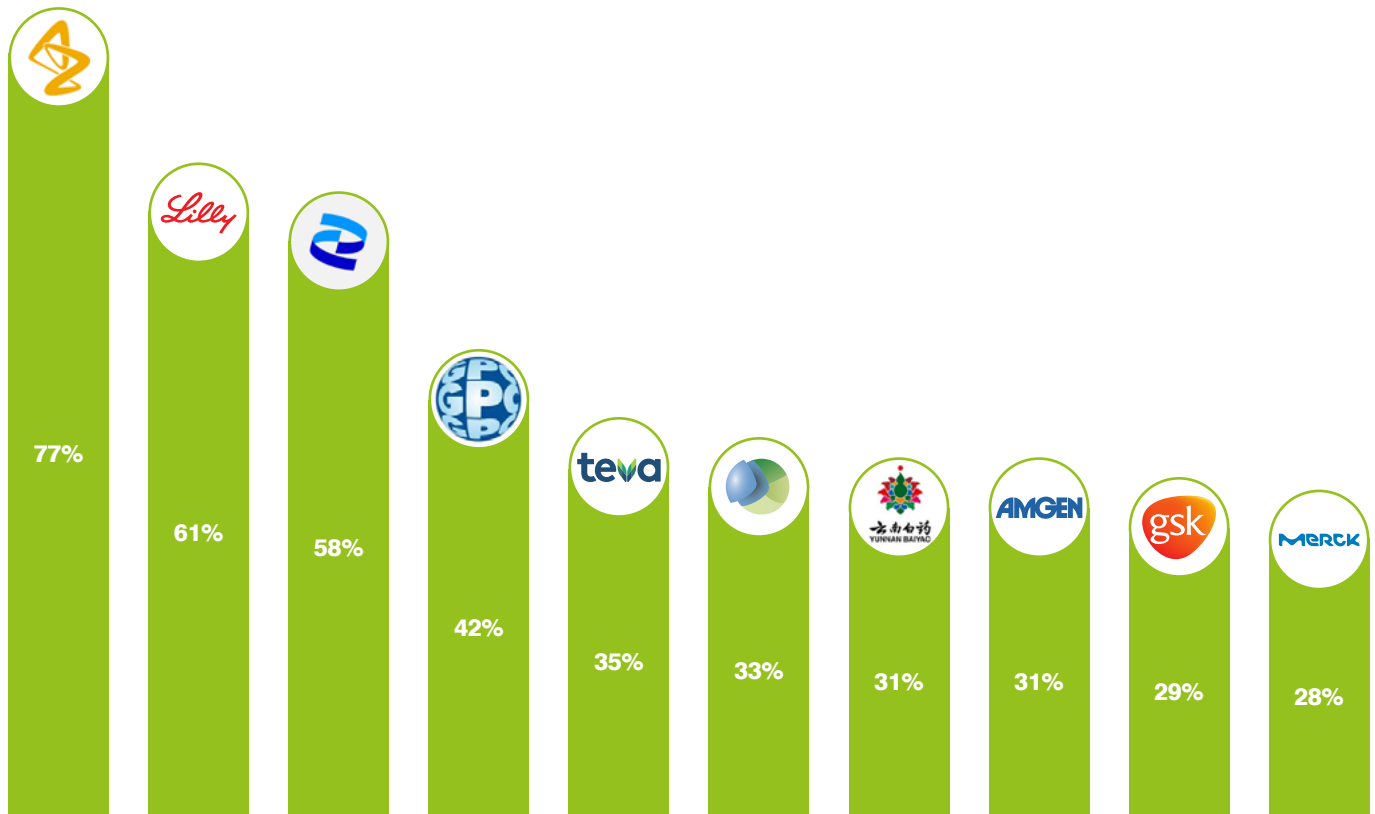
COVID-19 vaccine and booster doses. The brand's revenue has doubled and reached US\$100 billion over the span of the pandemic.

Chinese brand Guangzhou Pharmaceutical achieved 147% brand value growth over past two years

Chinese brand **Guangzhou Pharmaceutical** achieved brand value growth of 147% since 2020. Over the course of 2021, the brand value grew by 42% to US\$2.1 billion. The pharma brand is best known for its global supply chain and digital management of its cloud platform that result in efficient delivery of healthcare. Additionally, the brand led efforts to reduce the impact of COVID-19 at the height of the pandemic and contributed positively to the community tackling pandemic induced obstacles.

Brand Value Change 2021-2022 (%)

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Top 10 Strongest Pharma Brands

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Brand Value by Country

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Country	Brand Value (USD bn)	% of total	Number of Brands
United States	43.7	46.5%	9
Switzerland	12.8	13.6%	2
United Kingdom	10.1	10.7%	2
China	9.3	9.9%	5
Germany	7.4	7.9%	2
France	4.1	4.3%	1
Other	6.6	7.1%	4
Total	94.0	100.0%	25

Brand Value Ranking.

Top 25 most valuable pharma brands

2022 Rank	2021 Rank		Brand	Country	2022 Brand Value	Brand Value Change	2021 Brand Value	2022 Brand Rating	2021 Brand Rating
1	1	←	Johnson & Johnson	United States	\$13,379	+24.4%	\$10,751	AAA	AA
2	2	←	Roche	Switzerland	\$8,964	+16.3%	\$7,705	AAA-	AA
3	7	↑	Pfizer	United States	\$6,342	+57.5%	\$4,026	AAA	AA
4	12	↑	AstraZeneca	United Kingdom	\$5,607	+76.7%	\$3,174	AAA-	AA-
5	4	↓	Bayer	Germany	\$5,451	+22.2%	\$4,461	AAA-	AA-
6	3	↓	AbbVie	United States	\$5,042	+1.3%	\$4,976	AA+	AA
7	6	↓	Merck & Co	United States	\$4,632	+12.6%	\$4,113	AA+	AA-
8	5	↓	Bristol-Myers Squibb	United States	\$4,624	+11.7%	\$4,140	AA+	AA
9	8	↓	GSK	United Kingdom	\$4,461	+28.7%	\$3,467	AA	AA-
10	10	←	Sanofi	France	\$4,056	+25.2%	\$3,240	AA	AA-
11	9	↓	Novartis	Switzerland	🔒	🔒	🔒	🔒	🔒
12	11	↓	Sinopharm	China	🔒	🔒	🔒	🔒	🔒
13	13	←	Lilly	United States	🔒	🔒	🔒	🔒	🔒
14	14	←	Amgen	United States	🔒	🔒	🔒	🔒	🔒
15	15	←	Novo Nordisk	Denmark	🔒	🔒	🔒	🔒	🔒
16	16	←	Takeda	Japan	🔒	🔒	🔒	🔒	🔒
17	17	←	Gilead Sciences	United States	🔒	🔒	🔒	🔒	🔒
18	19	↑	Guangzhou Pharmaceutical	China	🔒	🔒	🔒	🔒	🔒
19	18	↓	Merck	Germany	🔒	🔒	🔒	🔒	🔒
20	21	↑	Biogen	United States	🔒	🔒	🔒	🔒	🔒
21	20	↓	SPH	China	🔒	🔒	🔒	🔒	🔒
22	22	←	Teva	Israel	🔒	🔒	🔒	🔒	🔒
23	-	New	Astellas Pharma	Japan	🔒	🔒	🔒	🔒	🔒
24	23	↓	CSL	Australia	🔒	🔒	🔒	🔒	🔒
25	25	←	Yunnan Baiyao	China	🔒	🔒	🔒	🔒	🔒



Medtronic retains top position among medical devices brands.

- + American pharma brand **Medtronic** holds onto top spot valued at US\$8.3 billion
- + **Align** is the fastest growing medical devices brand in the world, brand value growth of 67%
- + **Abbott** is named the strongest brand in the ranking with a Brand Strength Index (BSI) rating of AA

Brand Finance Medical Devices 25.



American pharma brand Medtronic holds onto top spot valued at US\$8.3 billion

Medtronic is named the most valuable medical devices brand in the world valued at US\$8.3 billion. The brand's product offerings vary from patient monitoring devices to surgical technology. In the height of the pandemic, Medtronic provided effective screening and diagnosis for COVID-19. The brand also emphasizes on healthcare awareness and education in partnership with public health authorities. In the past year, the brand has pioneered projects at the intersection of healthcare and technology to provide digital resources to health care providers and professionals about surgical procedures.



















Apart from innovation in the medical devices industry, the brand rebranded to focus on its Environmental, Social and Governance (ESG) activities. Medtronic is working towards closing the gap of unequal access to medical needs and healthcare technology.

As expected, the demand for medical devices surged amidst the global pandemic. The sector was active in ensuring access of medical devices countries worldwide to tackle the impact of COVID-19. Brands in the ranking have demonstrated the ability to use their global network for the greater good and ensure a high standard of sustainability.

Alex Haigh
Valuation Director, Brand Finance

Top 10 Most Valuable Medical Devices Brands

© Brand Finance Plc 2022

1  1  Medtronic \$8.4bn -10%	2  2  FRESENIUS \$7.1bn +28%	3  4  Abbott \$5.5bn +35%	4  3  BD \$3.8bn -16%	5  5  stryker \$3.6bn +4%
6 <small>NEW</small>  SIEMENS Healthineers \$3.3bn +63%	7  6  Boston Scientific \$2.5bn +5%	8  12  align \$2.3bn +67%	9 <small>NEW</small>  ZIMMER BIOMET \$2.0bn -7%	10  7  illumina® \$2.0bn +12%



Align is the fastest growing medical devices brand in the world, brand value growth of 67%

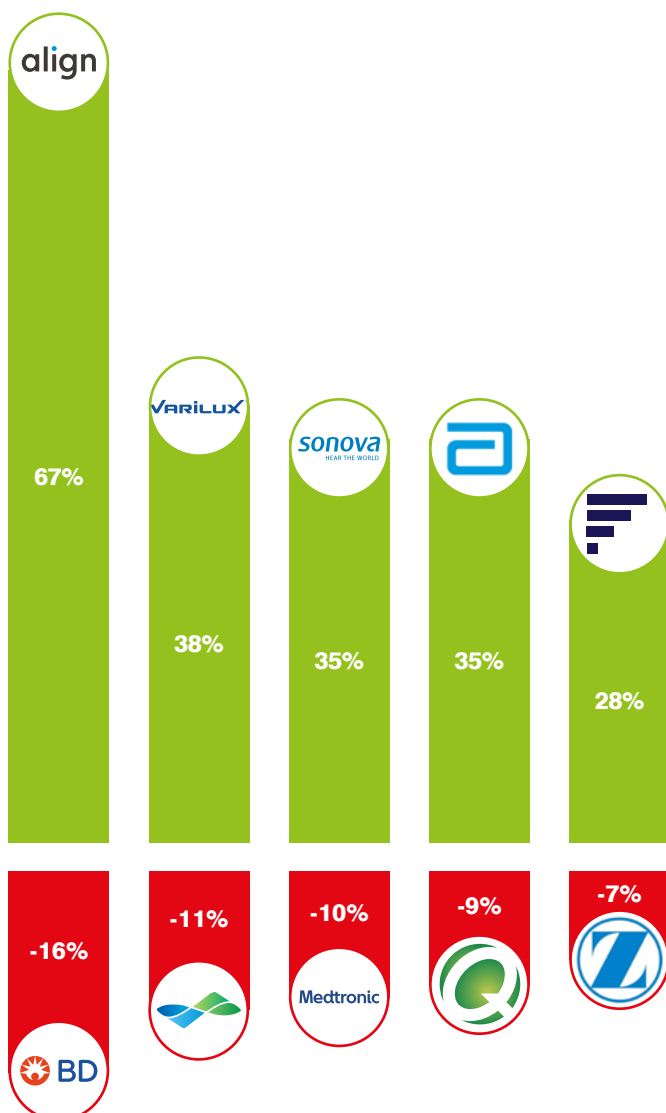
Align Technology is recognised as the fastest growing medical devices brand with a 67% growth in brand value since 2021. The brand jumped five spots in the ranking and is among the top ten medical devices brands. The dental medical device brand is a trailblazer in the orthodontics technology industry with its main product offering being 3D scanners for dental Invisalign treatments.

The demand for orthodontic treatments, devices and services has grown significantly this year. Align is well placed as the brand invests heavily in research and development of treatments and medical devices to cater to the growing customer base of dental treatments. The brand has grown rapidly by leveraging its core competency in 3D scanning and providing patients with personalised dental treatment based on an individual customer's case by case requirement.

Abbott is named the strongest brand in the ranking with a Brand Strength Index (BSI) rating of AA

In addition to calculating brand value, Brand Finance also determines the relative strength of brands through a balanced scorecard of metrics evaluating marketing investment, stakeholder equity, and business performance. Compliant with ISO 20671, Brand Finance's assessment of stakeholder equity incorporates original market research data from over 100,000 respondents in **more** than 35 countries and across nearly 30 sectors. Abbott is named the strongest medical devices brand in the world with a Brand Strength Index (BSI) score of 73.9 out of 100 and a corresponding AA brand rating. The brand has strengthened its identity and reputation by spearheading innovation in the sector using artificial intelligence and imaging to assist coronary treatments. Enabling medical professionals to use data for treatments makes the process personalised and more effective to reduce human errors and assess risk of the procedure using predictive analysis.

Brand Value Change 2021-2022 (%)

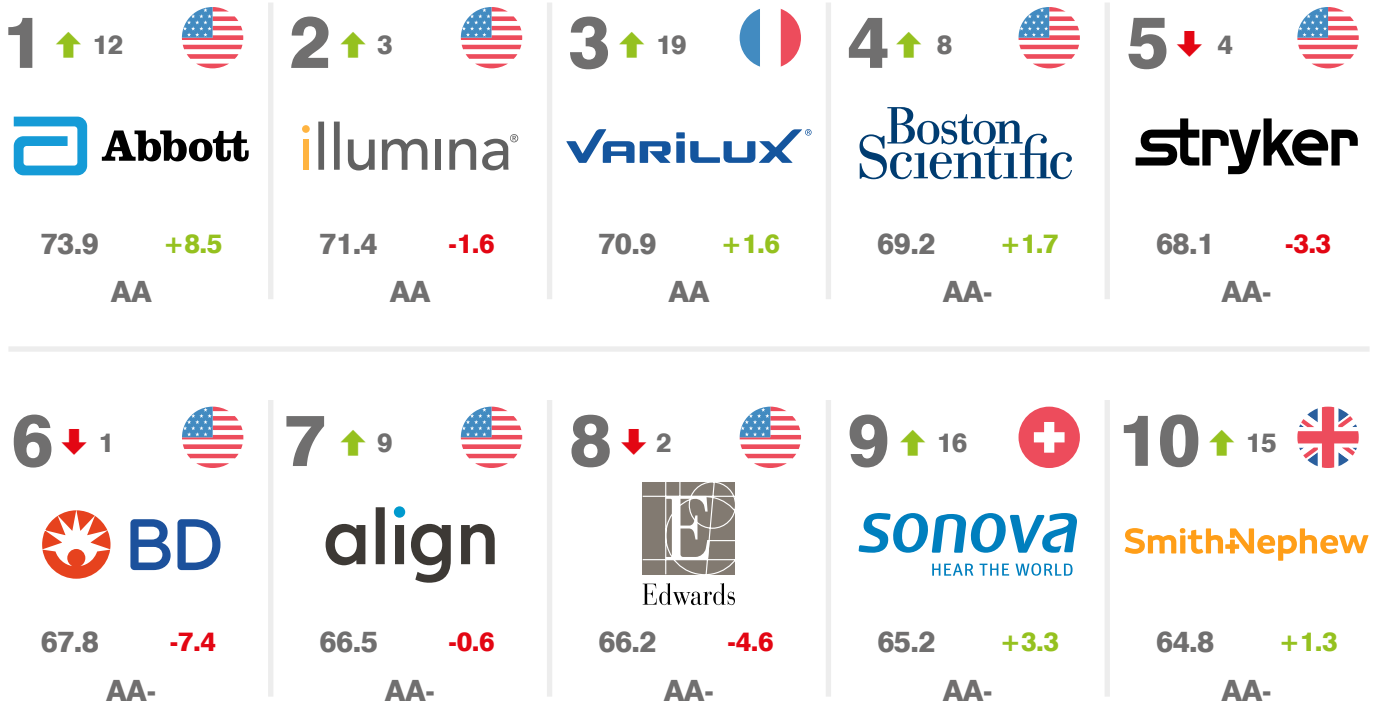


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Top 10 Strongest Medical Devices Brands

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Brand Value by Country

© Brand Finance Plc 2022



Country	Brand Value (USD bn)	% of total	Number of Brands
United States	42.0	71.0%	18
Germany	10.3	18.0%	2
Japan	1.8	3.0%	1
United Kingdom	1.7	3.0%	1
Switzerland	1.1	2.0%	1
Denmark	1.0	2.0%	1
France	0.8	1.0%	1
Total	58.8	100.0%	25

Brand Value Ranking.

Top 25 most valuable medical devices brands

2022 Rank	2021 Rank		Brand	Country	2022 Brand Value	Brand Value Change	2021 Brand Value	2022 Brand Rating	2021 Brand Rating
1	1	↑	Medtronic	United States	\$8,387	-10.2%	\$9,344	A+	AA
2	2	↑	Fresenius	Germany	\$7,052	+28.4%	\$5,494	A-	A
3	4	↑	Abbott	United States	\$5,491	+35.2%	\$4,061	AA	AA-
4	3	↓	BD	United States	\$3,788	-16.4%	\$4,531	AA-	AA+
5	5	↑	Stryker	United States	\$3,647	+4.4%	\$3,495	AA-	AA
6	-	New	Siemens Healthineers	Germany	\$3,294	+63.5%	\$2,015	A+	-
7	6	↓	Boston Scientific	United States	\$2,468	+5.4%	\$2,343	AA-	AA-
8	12	↑	Align	United States	\$2,297	+67.2%	\$1,374	AA-	AA-
9	-	New	Zimmer Biomet	United States	\$1,992	-7.1%	\$2,144	A+	-
10	7	↓	Illumina	United States	\$1,955	+12.3%	\$1,740	AA	AA
11	9	↓	Terumo	Japan	🔒	🔒	🔒	🔒	🔒
12	10	↓	Smith & Nephew	United Kingdom	🔒	🔒	🔒	🔒	🔒
13	8	↓	Quest Diagnostics	United States	🔒	🔒	🔒	🔒	🔒
14	11	↓	Baxter	United States	🔒	🔒	🔒	🔒	🔒
15	13	↓	Alcon	United States	🔒	🔒	🔒	🔒	🔒
16	14	↓	Hologic	United States	🔒	🔒	🔒	🔒	🔒
17	-	New	Unity Lab Service	United States	🔒	🔒	🔒	🔒	🔒
18	15	↓	ResMed	United States	🔒	🔒	🔒	🔒	🔒
19	19	↑	Sonova	Switzerland	🔒	🔒	🔒	🔒	🔒
20	17	↓	Coloplast	Denmark	🔒	🔒	🔒	🔒	🔒
21	-	New	Dentsply Sirona	United States	🔒	🔒	🔒	🔒	🔒
22	16	↓	Edwards Lifesciences	United States	🔒	🔒	🔒	🔒	🔒
23	-	New	Applied Biosystems	United States	🔒	🔒	🔒	🔒	🔒
24	20	↓	Coopers	United States	🔒	🔒	🔒	🔒	🔒
25	21	↓	Varilux	France	🔒	🔒	🔒	🔒	🔒



Healthcare is saving lives as UnitedHealthcare remains most valuable and strongest.

- + **UnitedHealthcare** retains title of world's most valuable healthcare brand at US\$32.9 billion, and strongest brand with AA+ strength rating
- + **IQVIA** is fastest growing healthcare services brand, up 47% this year
- + New entrant **AmerisourceBergen** outperforms competitors and joins the top ten healthcare brands, valued at US\$4.8 billion

Brand Finance Healthcare Services 10.



Healthcare services brands have played a key role in providing care through the COVID-19 pandemic, with the ten big American brands facing high demand for hospitals, doctors and medication. With demand skyrocketed, brands were put under significant stress – with new and innovative ways needed to serve patient needs by expanding their service offerings and by introducing new technology to meet demands.

UnitedHealthcare retains title of world's most valuable healthcare brand

American healthcare brand **UnitedHealthcare** achieved a 21% brand value growth this year, with the brand valued rising to US\$32.9 billion. UnitedHealthcare's mission of providing affordable and timely healthcare solutions has been possible with the launch of its virtual-first health plan which provides healthcare service around the clock. The platform is helpful for online consultations as well as booking appointments for procedures in-person.

In addition to calculating brand value, Brand Finance also determines the relative strength of brands through a balanced scorecard of metrics evaluating marketing investment, stakeholder equity, and business performance. Compliant with ISO 20671, Brand Finance's assessment of stakeholder equity incorporates original market research data from over





















100,000 respondents in more than 35 countries and across nearly 30 sectors. UnitedHealthcare is the strongest healthcare brand in the ranking with a Brand Strength Index (BSI) score of 77.4 out of 100 and a brand rating of AA+. The brand has spearheaded initiatives to ensure equity and better medical outcomes by supporting communities that have low access to healthcare services. The brand uses a data-first approach to understand the needs of low-income families and provides diagnosis, and telehealth and medical assistance.

Facing a previously unknown virus, global healthcare brands answered the call to treat people as the pandemic spread. The brands have grown and adjusted to patient needs, recalibrated their services, and fought to deliver treatment in difficult conditions and under very stressful requirements.

Alex Haigh
Managing Director, Brand Finance

Top 10 Most Valuable Healthcare Services Brands

© Brand Finance Plc 2022

1 ← 1   \$32.9bn +21%	2 ← 2   \$18.6bn +17%	3 ↑ 4   \$15.9bn +28%	4 ↓ 3   \$14.1bn +5%	5 ← 5   \$7.5bn +7%
6 ← 6   \$7.1bn +8%	7 ↑ 9   \$6.2bn +35%	8 ↓ 7   \$5.7bn +15%	9 NEW   \$5.2bn +47%	10 NEW   \$4.8bn +11%

IQVIA named the fastest growing healthcare services brand, brand value growth of 47% year-on-year

IQVIA is the fastest-growing healthcare brand this year. The brand has seen an impressive growth of 47% over the past year to US\$5.2 billion, up from US\$3.5 billion in 2021. The healthcare brand has been active in various research and development projects for clinical development of new medication. In the next five years, IQVIA is expected to launch many new specialty drugs to contribute to medical developments and provide wider access to healthcare using its well-connected distribution network.

New entrant AmerisourceBergen outperforms competitors and joins the top ten healthcare brands, valued at US\$4.8 billion

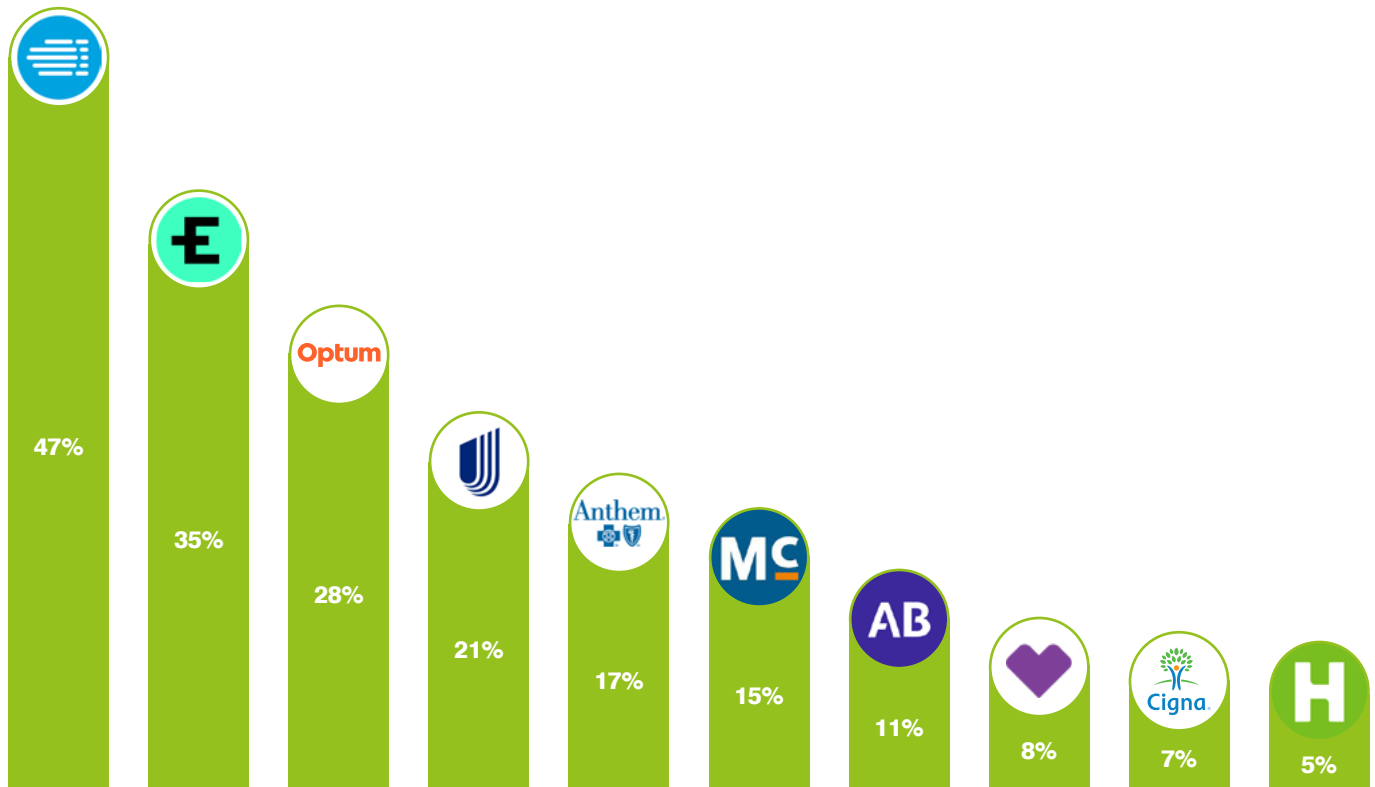
AmerisourceBergen (brand value up 11% to US\$4.8 billion) is a new entrant in the Healthcare 10 ranking. The brand has achieved big gains in the past year owing to strategic partnerships and investments in emerging MedTech and healthcare start-ups. This year,

AmerisourceBergen launched its venture capital fund AB Health Ventures to accelerate its growth in new markets and innovative healthcare solutions. The brand has also prioritised its Environmental, Social and Governance (ESG) activities by supporting global non-profit organizations, COVID-19 vaccine distribution and by using sustainable and recyclable packaging for its products.



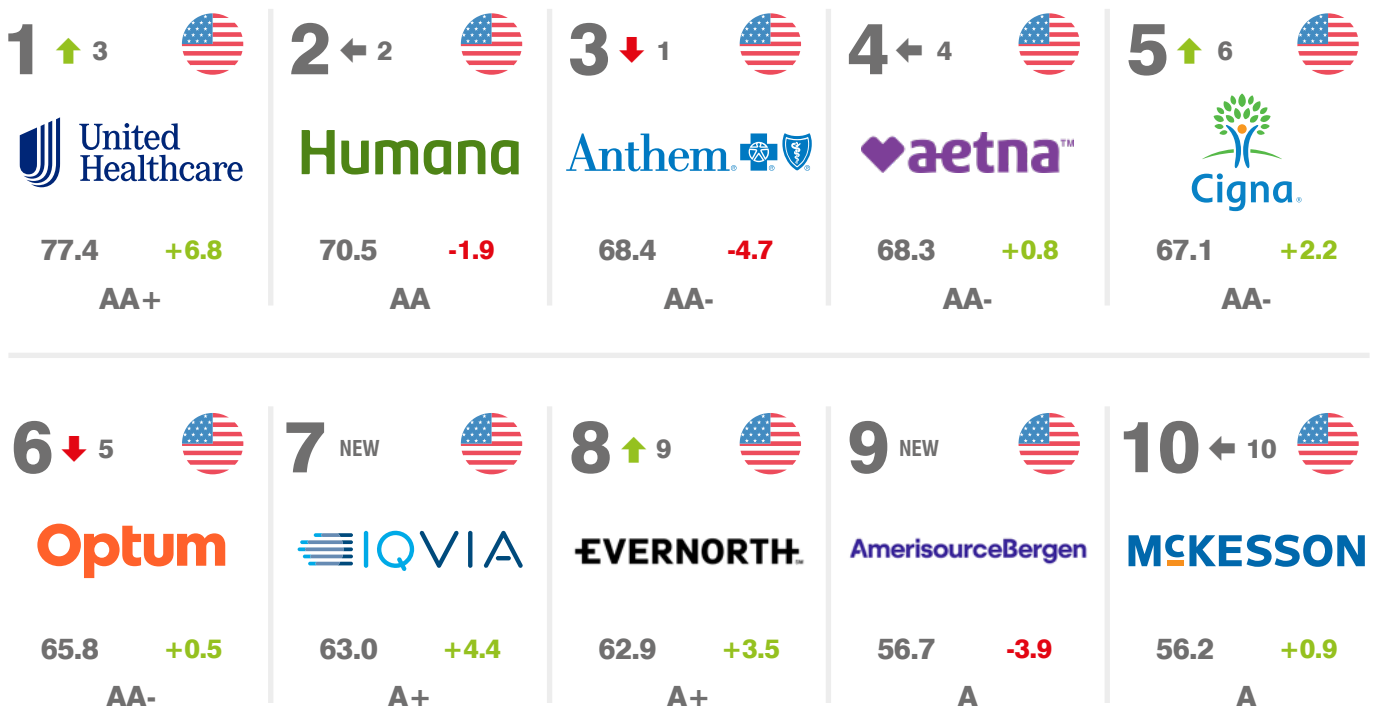
Brand Value Change 2021-2022 (%)

© Brand Finance Plc 2022



Top 10 Strongest Healthcare Services Brands

© Brand Finance Plc 2022



Brand Spotlight.





Rank

5 ↓

Brand Value

\$5,451m +22%

Rank

4 ↑

Brand Strength

81.3 +12.1



**Brand Finance®
Awards**

**TOP 5
MOST VALUABLE
PHARMA BRAND**



**Brand Finance®
Awards**

**MOST VALUABLE
AGRISCIENCE
BRAND**

Interview with Sven Theobald.



Sven Theobald
Global Head of Corporate
Brand Management,
Bayer

How does Bayer consider the brand as a driver of value within the business, especially compared to the more tangible areas for investment?

The iconic Bayer brand is not only our most distinctive asset, but also one of our company's most valuable assets. For almost 160 years, Bayer has stood for innovation, quality, reliability, and trust throughout the world. Data shows that we have a strong and resilient brand foundation, built over decades. This foundation helps safeguard our license to operate, maintain our standing with key stakeholders, and foster a sense of community amongst our 100,000 employees. Even in the face of reputational headwinds, our brand occupies a competitive position.

This strength also provides us with significant commercial value. Our product brands are perceived 80% more positively among people who know that the product is from Bayer. In this context, we have evolved our global brand measurement by defining future behaviour as a new target figure. We are now able to measure and explain if and how the Bayer brand triggers desired behaviours such as the willingness to engage, purchase, recommend, and invest, allowing for clear management recommendations. In 2021, the average lead over the competitive set in our top 20 countries was more than 10%.

Furthermore, a recent study found that 26% of Bayer's market capitalization is driven by our brand and reputation.

How does a Bayer strategy deliver additional value to the business through the brand? and how important is consistent communication to achieve this across very different divisions with different stakeholders?

Our overarching aspiration is to unlock our corporate brand's full value potential. Our strategy is built on four strategic pillars:

1. From tracking to decision-making guidance in Brand Measurement & Controlling.
2. From complexity to clarity and simplicity in Brand Strategy & Identity, clearly outlining the long-term foundation of our corporate brand (purpose, vision, promise and personality).
3. From regulation to inspiration, motivation, and empowerment in Brand Education & Enablement, striving to foster a brand-driven mindset across the organization.
4. From fragmentation to consistency in Brand Communication & Experience, providing a consistent ONE Bayer brand platform across all audiences, businesses, and geographies.

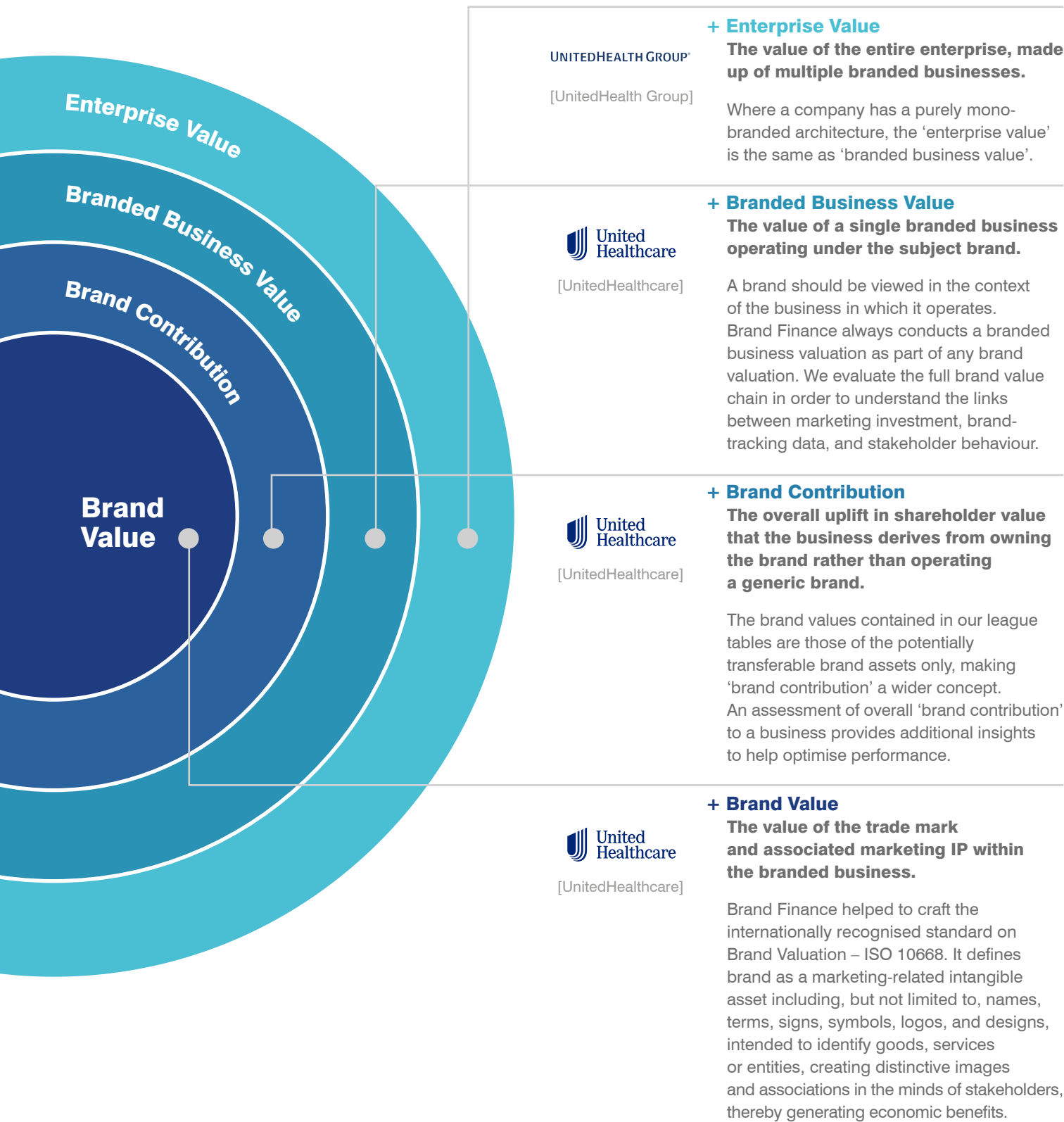
In terms of brand direction, our journey continues towards a more dynamic, outward-oriented, and human brand, which started in 2018. Going forward, we want to tap more strongly into opportunities to further grow our brand likeability. This means;

- + Putting a strong focus on our innovation leadership in health and nutrition
- + Demonstrating how Bayer helps people and the planet to thrive
- + Bringing humanity into Bayer's breakthrough innovations
- + Making our exciting future potential visible



Methodology.

Definitions.



Brand Valuation Methodology.

Definition of Brand

Brand is defined as a marketing-related intangible asset including, but not limited to, names, terms, signs, symbols, logos, and designs, intended to identify goods, services, or entities, creating distinctive images and associations in the minds of stakeholders, thereby generating economic benefits.

Brand Value

Brand value refers to the present value of earnings specifically related to brand reputation. Organisations own and control these earnings by owning trademark rights.

All brand valuation methodologies are essentially trying to identify this, although the approach and assumptions differ. As a result published brand values can be different.

These differences are similar to the way equity analysts provide business valuations that are different to one another. The only way you find out the “real” value is by looking at what people really pay.

As a result, Brand Finance always incorporates a review of what users of brands actually pay for the use of brands in the form of brand royalty agreements, which are found in more or less every sector in the world.

This is sometimes known as the “Royalty Relief” methodology and is by far the most widely used approach for brand valuations since it is grounded in reality.

It is the basis for a public rankings but we always augment it with a real understanding of people’s perceptions and their effects on demand – from our database of market research on over 3000 brands in over 30 markets.

Disclaimer

Brand Finance has produced this study with an independent and unbiased analysis. The values derived and opinions produced in this study are based only on publicly available information and certain assumptions that Brand Finance used where such data was deficient or unclear. Brand Finance accepts no responsibility and will not be liable in the event that the publicly available information relied upon is subsequently found to be inaccurate. The opinions and financial analysis expressed in the report are not to be construed as providing investment or business advice. Brand Finance does not intend the report to be relied upon for any reason and excludes all liability to any body, government or organisation.

1



Brand Impact

We review what brands already pay in royalty agreements. This is augmented by an analysis of how brands impact profitability in the sector versus generic brands.

This results in a range of possible royalties that could be charged in the sector for brands (for example a range of 0% to 2% of revenue)

2

Brand Strength

We adjust the rate higher or lower for brands by analysing Brand Strength. We analyse brand strength by looking at three core pillars: “Inputs” which are activities supporting the future strength of the brand; “Equity” which are real current perceptions sourced from our market research and other data partners; “Output” which are brand-related performance measures such as market share.



Each brand is assigned a Brand Strength Index (BSI) score out of 100, which feeds into the brand value calculation. Based on the score, each brand is assigned a corresponding Brand Rating up to AAA+ in a format similar to a credit rating.

3



Brand Impact × Brand Strength

The BSI score is applied to the royalty range to arrive at a royalty rate. For example, if the royalty range in a sector is 0-5% and a brand has a BSI score of 80 out of 100, then an appropriate royalty rate for the use of this brand in the given sector will be 4%.

Forecast Brand Value Calculation

4

We determine brand-specific revenues as a proportion of parent company revenues attributable to the brand in question and forecast those revenues by analysing historic revenues, equity analyst forecasts, and economic growth rates.



We then apply the royalty rate to the forecast revenues to derive brand revenues and apply the relevant valuation assumptions to arrive at a discounted, post-tax present value which equals the brand value.

Brand Strength.

Brand Strength

Analytical rigour and transparency are at the heart of our approach to brand measurement at Brand Finance. Therefore, in order to adequately understand the strength of brands we conduct a structured, quantitative review of data that reflect the 'Brand Value Chain' of brand-building activities, leading to brand awareness, perceptions and onwards to brand-influenced customer behaviour.

To manage the 'Brand Value Chain' process effectively we create and use the "Brand Strength Index" (BSI). This index is essentially a modified Balanced Scorecard split between the three core pillars of the 'Brand Value Chain': **Brand Inputs**, **Brand Equity** and **Brand Performance**.



1 Attribute Selection and Weighting

Although we follow a general structure incorporating the three pillars (Brand Inputs, Brand Equity and Brand Performance), the attributes included are different depending on the sector. A brand strength index for a luxury apparel brand will differ in structure from an index designed for a telecommunications brand. An index for luxury apparel brand may emphasize the exclusiveness, word of mouth recommendation, and price premium, whereas an index for a telecommunications company may emphasize customer service and ARPU as important metrics.

These attributes are weighted according to their perceived importance in driving the following pillar: Brand Investment measures in driving Brand Equity; Brand Equity measures for Brand-Related Business Performance measures; and finally the relevance of Brand-Related Business Performance measures for driving business value.

2

Data Collection

Brand's ability to influence purchase depends primarily on people's perceptions. Therefore, the majority of the Brand Strength Index is derived from Brand Finance's proprietary Global Brand Equity Research Monitor research, a quantitative study of a sample of over 100,000 people from the general public on their perceptions of over 4,000 brands in over 25 sectors and 37 countries.

However, at Brand Finance we also believe that there are other measures that can be used to fill gaps that survey research may not capture. These include total investment levels – for example in marketing, R&D, innovation expenditure, that can be a better guide to future performance than surveys. They also include online measures – such as ratings by review sites and social media engagement that can give a more granular understanding of marketing effectiveness. Finally they also include real behaviour – for example net additions, customer churn and market share, to overcome the tendency for surveys to incorporate intended behaviour rather than real.

Over a period of 3 to 4 months each year, we collect all this data across all the brands in our study in order to accurately measure their comparative strength.



3 Benchmarking and Final Scoring

In order to convert raw data in to scores out of 10 that are comparable between attributes within the scorecard, we then have to benchmark each attribute. We do this by reviewing the distribution of the underlying data and creating a floor and ceiling based on that distribution.












Each brand is assigned a Brand Strength Index (BSI) score out of 100, which feeds into the brand value calculation. Based on the score, each brand is assigned a corresponding rating up to AAA+ in a format similar to a credit rating.

Analysing the three brand strength measures helps inform managers of a brand's potential for future success.













Global Brand Equity Monitor.

Original market research in 36 countries and across more than 29 sectors with approximately 100,000 consumers rating over 5,000 brands.

Tier 1

-  Apparel
-  Automobiles
-  Luxury Automobiles
-  Banks
-  Cosmetics & Personal Care
-  Food
-  Insurance
-  Oil & Gas
-  Restaurants
-  Retail & E-Commerce
-  Telecoms
-  Utilities

Tier 2

-  Airlines
-  Luxury Apparel
-  Appliances
-  Beers
-  Luxury Cosmetics
-  General Retail
-  Healthcare Services
-  Hotels
-  Household Products
-  Logistics
-  Media
-  Pharma
-  Real Estate
-  Soft Drinks
-  Spirits & Wine
-  Technology
-  Tyres



Brand KPIs and Diagnostics

1. Brand Funnel



Awareness

Have heard of your brand

Familiarity

Know something about your brand

Consideration

Would consider buying/using your brand

2. Brand Usage

3. Quality

4. Reputation

5. Loyalty

6. Closeness

7. Recommendation (NPS)

8. Word of Mouth

9. Brand Imagery

10. Advertising Awareness

11. Brand Momentum

Highlights from the Global Brand Equity Monitor.

Brand Finance's proprietary market research provides a robust assessment of brand health on key equity measures, allowing comparison both within and across product and service categories. Benchmarking against brands outside your sector is especially helpful in assessing the real strength of brand – not just the 'best of a bad bunch' in a category where brands are generally weaker.

What makes a brand great?

Amazon is undoubtedly one of the world's strongest brands, one of just a handful achieving the highest AAA+ rating. It has an extremely strong brand funnel, with near-universal familiarity, and consideration, and while its reputation score is not best-in-class, it is stronger than many of its critics might think.

Every strong brand has its own winning formula, and our research highlights Amazon's particular advantages. Top of that list is the outstanding value which shoppers believe Amazon delivers. Amazon ranks on this measure in big markets such as Brazil, USA, UK, and is #1 among retailers in many more. Value has always been a big driver of consumer behaviour, but Amazon also delivers a slick shopping experience ("excellent website/apps"), and this powerful combination is irresistible for many consumers, even those who question Amazon's values and broader corporate reputation.

Does brand purpose deliver?

Argument rages among CMOs and marketing gurus over this issue. The jury is out – our data suggests that being seen to "care about the wider community" does correlate somewhat with higher Consideration levels, and is an asset particularly for local favourites such as **Jio** (India) or **Bunnings** (Australia). But brands like **McDonald's** and **Nike** (as well as Amazon) are liked and desired despite somewhat moderate reputations on sustainability and values.

Who's the coolest cat?

In categories like apparel, tech and automotive, sustainability can make you cool, but it's not the only way. **Porsche** wins relatively few plaudits for sustainability, but its übercoolness is very apparent.

Selected Rankings for Amazon – All Non-Luxury Brands

	Great value for money	Excellent website/apps
	5	5
	1	1
	8	1
	6	1

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43% Care about the wider community (Rank #1)

88% Consideration Conversion



8% Care about the wider community (Rank #86)

92% Consideration Conversion

Similarly in the apparel category (especially footwear), the correlation between coolness and sustainability is not especially high.

Meanwhile in France, the epitome of chic, the 2nd-highest highest scorer among non-luxury brands is... **Burger King**.

















Get your brand talked-about

Cool brands get talked about, and word-of-mouth (WOM) is another key asset some brands possess. It has proven impact on brand growth, hence WOM's inclusion in our Brand Strength Index model.

In an absolute sense, big brands get talked about a lot more than small ones – their sheer mass presence and relevance ensures that. But deeper analysis reveals a number of challenger brands who look set to profit from above-expectation WOM levels and positive consumer sentiment. Keep an eye on **Tim Horton's** in Spain, **Peros Garment Factory** (Canada), **SAIC** in, yes, the USA and **iinet** in Singapore.



Top-ranked brands for being “Cool” (Among Category Users) © Brand Finance Plc 2022

	1 st	2 nd	3 rd
	 PORSCHE		
			
	 CONVERSE		 PORSCHE
		 PORSCHE	 UNDER ARMOUR

Our Services.



Consulting Services.

Make branding decisions using hard data

Brand Research

What gets measured

Brand evaluations are essential for understanding the strength of your brand against your competitors. Brand Strength is a key indicator of future brand value growth whether identifying the drivers of value or avoiding the areas of weakness, measuring your brand is the only way to manage it effectively.

- + Brand Audits
- + Primary Research
- + Syndicated Studies
- + Brand Scorecards
- + Brand Drivers & Conjoint Analysis
- + Soft Power

- + Are we building our brands' strength effectively?
- + How do I track and develop my brand equity?
- + How strong are my competitors' brands?
- + Are there any holes in my existing brand tracker?
- + What do different stakeholders think of my brand?



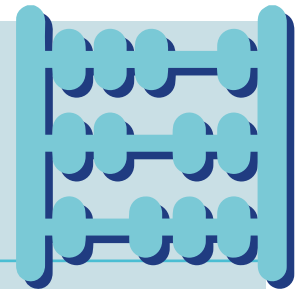
Brand Valuation

Make your brand's business case

Brand valuations are used for a variety of purposes, including tax, finance, and marketing. Being the interpreter between the language of marketers and finance teams they provide structure for both to work together to maximise returns.

- + Brand Impact Analysis
- + Tax & Transfer Pricing
- + Litigation Support
- + M&A Due Diligence
- + Fair Value Exercises
- + Investor Reporting

- + How much is my brand worth?
- + How much should I invest in marketing?
- + How much damage does brand misuse cause?
- + Am I tax compliant with the latest transfer pricing?
- + How do I unlock value in a brand acquisition?



Brand Strategy

Make branding decisions with your eyes wide open

Once you understand the value of your brand, you can use it as tool to understand the business impacts of strategic branding decisions in terms of real financial returns.

- + Brand Positioning
- + Brand Architecture
- + Franchising & Licensing
- + Brand Transition
- + Marketing Mix Modelling
- + Sponsorship Strategy

- + Which brand positioning do customers value most?
- + What are our best brand extension opportunities in other categories and markets?
- + Am I licensing my brand effectively?
- + Have I fully optimised my brand portfolio?
- + Am I carrying dead weight?
- + Should I transfer my brand immediately?
- + Is a Masterbrand strategy the right choice for my business?



Brand Evaluation Services.



How are brands perceived in my category?

Brand Finance tracks brand fame and perceptions across 30 markets in 10 consumer categories. Clear, insightful signals of brand performance, with data mining options for those who want to dig deeper – all at an accessible price.

What if I need more depth or coverage of a more specialised sector?

Our bespoke brand scorecards help with market planning and can be designed to track multiple brands over time, against competitors, between market segments and against budgets. Our 30-country database of brand KPIs enables us to benchmark performance appropriately.

Do I have the right brand architecture or strategy in place?

Research is conducted in addition to strategic analysis to provide a robust understanding of the current positioning. The effectiveness of alternative architectures is tested through drivers analysis, to determine which option(s) will stimulate the most favourable customer behaviour and financial results.

How can I improve return on marketing investment?

Using sophisticated analytics, we have a proven track record of developing comprehensive brand scorecard and brand investment frameworks to improve return on marketing investment.

What about the social dimension? Does my brand get talked about?

Social interactions have a proven commercial impact on brands. We measure actual brand conversation and advocacy, both real-world word of mouth and online buzz and sentiment, by combining traditional survey measures with best-in-class social listening.

Communications Services.

How we can help communicate your brand's performance in brand value rankings



Brand Accolade – Create a digital endorsement stamp for use in your brand's marketing materials, communications, annual reports, sales documents, recruitment purposes, social media channels and website.



Brand Finance®
Awards

TOP 10
PHARMA
BRAND



Brand Finance®
Awards

MOST VALUABLE
MEDICAL DEVICES
BRAND



Brand Finance®
Awards

STRONGEST
HEALTHCARE SERVICES
BRAND



Video Endorsement – Recorded video of Brand Finance CEO or Director speaking about the performance of your brand, for use in both internal and external digital communications for your brand.



Bespoke Events – Organise a report launch, award ceremony or celebratory event, coordinate event opportunities and spearhead communications to ensure a good return on investment.



Digital Infographics – Design infographics visualising your brand's performance for use across your brand's social media platforms or on other digital materials.



Trophies & Certificates – Provide a trophy and/or a hand written certificate personally signed by the Brand Finance Chairman to recognise your brand's performance of that year.



Brand Spotlight – Publish contributed brand article or an interview with your brand leader, in the relevant Brand Finance sector report, offered to the Brand Finance network and press.



Media Support – Offer editorial support in reviewing or copywriting your press release, pitching your content to top journalists across the world, and monitoring media coverage.

Brand Dialogue®



With strategic planning and creative thinking, we develop communications plans to create dialogue with stakeholders that drives brand value.

Our approach is integrated, employing tailored solutions for our clients across PR and marketing activations, to deliver strategic campaigns, helping us to establish and sustain strong client relationships. We also have a specific focus on geographic branding, including supporting nation brands and brands with a geographical indication (GI).

Brand Dialogue Limited is a member of the Brand Finance Plc Group



Research, Strategy & Measurement

- Brand & Communications Strategy
- Campaign Planning
- Market Research & Insights
- Media Analysis



Public Relations & Communications

- Media Relations
- Press Trips & Events
- Strategic Partnerships & Influencer Outreach
- Social Media Management



Marketing & Events

- Promotional Events
- Conference Management
- Native Advertising
- Retail Marketing



Content Creation

- Bespoke Publications, Blogs & Newsletters
- Press Releases
- Marketing Collateral Design
- Social Media Content



Strategic Communications

- Crisis Communications
- Brand Positioning & Reputation
- Geographic Branding
- Corporate Social Responsibility (CSR)





Brand Finance[®] Institute

Brand Finance Institute

Learn how to build, protect and measure brand value

The Brand Finance Institute is the educational division of Brand Finance, offering expert training on brand evaluation, management and strategy.

Our in-house training and workshops, online learning offer and webinars will help you answer key strategic questions about your brand for different levels of seniority and development needs:

- How can I grow brand value?
- How can I build a business case to show the return on my marketing investment?
- How can I set up my marketing budget using brand research and analytics?

For more information, contact enquiries@brandfinance.com or visit brandfinanceinstitute.com

Brand Finance Institute is a member of the Brand Finance plc group of companies



Brand Finance Network.

For further information on our services and valuation experience, please contact your local representative:

Market	Contact	Email
Africa	Jeremy Sampson	j.sampson@brandfinance.com
Asia Pacific	Alex Haigh	a.haigh@brandfinance.com
Australia	Mark Crowe	m.crowe@brandfinance.com
Brazil	Eduardo Chaves	e.chaves@brandfinance.com
Canada	Charles Scarlett-Smith	c.scarlett-smith@brandfinance.com
China	Scott Chen	s.chen@brandfinance.com
East Africa	Walter Serem	w.serem@brandfinance.com
France	Bertrand Chovet	b.chovet@brandfinance.com
Germany/Austria/Switzerland	Ulf-Brün Drechsel	u.drechsel@brandfinance.com
India	Ajimon Francis	a.francis@brandfinance.com
Indonesia	Sutan Banuara	s.banuara@brandfinance.com
Ireland	Declan Ahern	d.ahern@brandfinance.com
Italy	Massimo Pizzo	m.pizzo@brandfinance.com
Mexico & LatAm	Laurence Newell	l.newell@brandfinance.com
Middle East	Andrew Campbell	a.campbell@brandfinance.com
Nigeria	Tunde Odumeru	t.odumeru@brandfinance.com
Romania	Mihai Bogdan	m.bogdan@brandfinance.com
Spain	Teresa de Lemus	t.delemus@brandfinance.com
Sri Lanka	Aliakber Alihussain	a.hussain@brandfinance.com
Sweden	Anna Brolin	a.brolin@brandfinance.com
Turkey	Muhterem Ilgüner	m.ilguner@brandfinance.com
UK	Richard Haigh	rd.haigh@brandfinance.com
USA	Laurence Newell	l.newell@brandfinance.com
Vietnam	Lai Tien Manh	m.lai@brandfinance.com





Contact us.

The World's Leading Brand Valuation Consultancy

T: +44 (0)20 7389 9400

E: enquiries@brandfinance.com

www.brandfinance.com