



Intelligent Life Science

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Pricing pressure causes worldwide drug sales forecasts to fall for first time in 10 years

Fall comes as average cost of developing new drugs totals \$4bn over the last 10 years

LONDON, BOSTON, TOKYO (June 20, 2017) —Increased scrutiny around the pricing of medicines is starting to have an impact on drug sales growth, according to Evaluate's latest World Preview report. Despite consensus forecasts for worldwide drug sales hitting \$1.06trn in 2022, this is down from the \$1.12trn analysts forecast for the same period last year.

The fall also represents the first time in 10 years of Evaluate analysis that total drug sales have failed to beat previous year forecasts.

However, sales of some of the industry's hottest products including cancer immunotherapies like Keytruda and Opdivo are expected to help propel the sector to its expected trillion dollar sales target. The report also finds that, even with

mounting questions around their pricing, orphan drugs are now set to make up a third of pharma sales by 2022.

“The continued political and public scrutiny over pricing of both the industry’s new and old drugs is not going to go away and we are starting to feel the impact now. Market access is becoming harder, as seen by the disappointing sales of the drugs like Repatha, Praluent, and Nucala. And the increasing cost of taking a novel therapy to market, now at \$4bn over the last 10 years puts additional pressure on the productivity of the industry and its longer term sustainability“ said Antonio Iervolino, Head of Forecasting, Evaluate.

Other key findings of the report include:

- 32% of the 2022 increase in sales to come from orphan drugs (+\$95bn)
- Patent expiries could wipe out \$194bn worth of pharma sales during 2017-2022 - potentially signalling a second patent cliff
- Novartis, Pfizer and Roche to compete head to head for the crown of worldwide RX sales in 2022, but Novartis seems to have a slight edge
- Celgene (+15%) and Shire (+10%) expected to record the fastest sales growth (CAGR) by 2022 although growth estimates have been revised downward in the last 12 months
- AbbVie’s Humira will continue to be the leading product in the USA in 2022, with sales of \$12.0bn. Keytruda knocks off Opdivo as the top-selling PD-1/ PD-L1 product in 2022

Antonio and other members of the Evaluate team will be available at BIO to answer questions about this report. Please come visit us at the Evaluate Booth #3627.

We will also be able to showcase key new data sets and analyses including:

- Epi Analyzer – Epidemiology and patient segmentation analysis for 8,000 sub-populations across 160 indications
- Regional sales forecast coverage for US, Europe and Japan

- R&D Analyzer – incorporating Probability of Technical and Regulatory Success (PTRS), predictive timeline and R&D cost metrics alongside clinical trial endpoints and outcomes

The “EvaluatePharma World Preview 2017, Outlook to 2022” report, based on consensus forecasts from EvaluatePharma, can be downloaded at www.evaluate.com/PharmaWorldPreview2017.

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About Evaluate

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