

Q1

2019

Sales and Earnings

A Scrip Webinar presented by
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2019: The Pressure Is On

- Amid US drug pricing backlash, drug makers are relying on volume – not price – to drive growth
- Big blockbusters are facing generics or biosimilars
 - Pfizer's Lyrica, GSK's Advair, Amgen's Sensipar, Allergan's Restasis and Lilly's Forteo
 - AbbVie is facing the first biosimilar competition to Humira in Europe
 - Roche could see US biosimilars to Herceptin, Avastin and Rituxan
- New launches not yet making up the shortfall
- Drug makers like Pfizer, J&J and AbbVie have forecast flat to declining revenues
- Some upside coming off Q1, with slightly improved financial forecasts

5 Apr 2019 | ANALYSIS

SCRIP

2018 Saw Record Launches, But No Big Splash

By Jessica Merrill

The number of US drug approvals in 2018 was striking, but most of the novel products launched last year are...

Strong Q1 Sales in China

Merck & Co – sales up 67% to \$725m with high demand for Keytruda

Sanofi – sales up 22.3% to €798m

AstraZeneca – up 28% to \$1.24bn, strong rises for Tagrisso and Farxiga

Pfizer – Upjohn unit in emerging markets up 25% to \$1.15bn, driven by Lipitor, Norvasc and Celebrex in China

Novartis – emerging markets driven by China, up 12.2% to \$2.21bn; Entresto had best launch of primary care drug in China since 1999

Bayer – pharma sales €776m, Xarelto up 100%

- [AstraZeneca CEO: Explosive Q1 China Growth Will Ease In 2H, Then Reignite](#), Scrip, 29 April
- [Merck & Co's Frazier: International Business Is Only Scratching The Surface](#), Scrip, 30 April
- [China Pharma Sales Bring Bayer Relief From Monsanto Legal Woes](#), Scrip, 25 April
- [Divest, Refocus, Transition: Multinationals Embark On Uncharted Path In China](#), Scrip, 24 April

What the C-suite says...

Pascal Soriot (AstraZeneca): “[China is] facilitating access to new innovative medicines like Tagrisso and Farxiga, which quite frankly, not long ago, nobody would've thought would be reimbursed.”

Ken Frazier (Merck & Co): “We believe that we've only scratched the surface in terms of the opportunity in key markets such as China.”

Stefan Oelrich (Bayer): China is no longer an emerging market, "it has already emerged."
Targeting turnover of €3bn by 2022 "but won't be a walk in the park."

Severin Schwan (Roche): "What we are seeing is truly extraordinary and very encouraging to see really hundreds of million larger population having the possibility of treatment with drugs like Herceptin, MabThera, Avastin."

Notable Launches

Class of 2018	\$m
Novartis' Lutathera	106
Gilead's Biktarvy	793
Vertex's Symdeko	320
Amgen/Novartis' Aimovig	59
Lilly/Incyte's Olumiant	82
AbbVie's Orilissa	60
Teva's Ajovy	20
Lilly's Emgality	14.2
Sanofi/Regeneron's Libtayo	27.2

Other Launches Of Note	\$m
Pfizer's Eucrisa	22
Sanofi/Regeneron's Praluent	62.7
Amgen's Repatha	141

Class Of 2017	\$m
J&J's Tremfya	217
Lilly's Verzenio	109.4
Novartis' Kisqali	91
Novartis' Kymriah	45
Sanofi/Regeneron's Dupixent	366.6
Roche's Ocrevus	819.4
Roche's Hemlibra	214.6
GSK's Zejula	54.5
GSK's Shingrix	463.8
AstraZeneca's Imfinzi	295
AZ's Fasenra	129
Gilead's Yescarta	96

Launches to watch

- **Sage's Zulresso (brexanolone)** for post-partum depression (approved 3/19)
- **Novartis' Mayzent (siponimod)** for multiple sclerosis (launches 3/26)
- **J&J's Spravato (esketamine)** for treatment-resistant depression (launches 4/5)
- **Amgen's Evenity (romosozumab)** for osteoporosis (launches 4/9)
- **AbbVie Skyrizi (risankizumab)** for plaque psoriasis (launches 4/26)
- **Novartis' gene therapy Zolgensma** for spinal muscular atrophy (PDUFA date in May)



CGRPs: Big Potential, Ho Hum Start

- Launched in 2018:

Amgen/Novartis' Aimovig
(\$59m)

Teva's Ajoovy
(\$20m)

Lilly's Emgality
(\$14.9m)

- Drug makers initially offered free product and are now transitioning to coverage, but offering rebates north of 40% off list price
- Initial revenues raise questions about the launch trajectory. Analyst consensus forecast \$600m for the class in 2019
- [Teva's Ajoovy Claims 28%-30% New Prescription Share In Competitive CGRP Race, Scrip, 2 May](#)



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Psoriasis = one crowded market

4 branded TNFs + 7 TNF biosimilars + 3 IL-17 agents + 3 IL-25 agents + 1 IL-12/23 agent

- **New entrants vs. older entrenched classes?**
 - AbbVie's IL-23 inhibitor Skyrizi joins J&J's Tremfya and Sun's Ilumya
 - Lilly and Novartis maintain IL-17s well entrenched
- **Biosimilar competition?**
 - The adalimumab factor

4 Mar 2019 | NEWS

SCRIP

AbbVie's Skyrizi Poised To Enter Packed Psoriasis Market

By Kevin Grogan

AbbVie could be looking at near-simultaneous launches for Skyrizi on both sides of the Atlantic after the psoriasis drug – a...

Big(gish) quarter for biosimilars

- AbbVie suffers first-ever fall in Humira sales
- Amgen and Biogen seizing adalimumab market share in Europe
- Roche hit hard as Rituxan and Herceptin sales plummet
- **BUT** some players not convinced about biosimilars market (Merck KGaA, Boehringer Ingelheim)

- [Lower-Cost Competitors Hit Amgen's Blockbusters](#), Scrip, 25 April
- [Basaglar Saved Medicaid Millions, Highlighting Benefits Of Competition, JAMA Analysis Shows](#), Scrip, 27 March
- [Biogen Stays Steady As Alzheimer's Programs Falter](#), Scrip, 27 April
- [Boehringer Bails On Biosimilars Outside US](#), Scrip, 4 Dec., 2018
- [Momenta Is Exiting Biosimilars; Is That A Bellwether For Biosimilar Sentiment?](#), Scrip, 2 Oct., 2018

Business Development Outlook

- Mega mergers vs. bolt-on deals
- Is the price right?
 - Merck cautious about biotech valuations rising
 - Investor upset – Bristol/Celgene, Bayer/Monsanto
- Under pressure – some partnerships falling apart
 - Biogen/Eisai in Alzheimer's
 - Amgen/Novartis for Aimovig
 - Lilly/Pfizer for tanezumab?

Thank you

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