



The Pharmaceutical Market: Did we Learned the Crisis Lessons?

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The Pharmaceutical Market

Pharma Market	MAT(2008 - M6)	MAT(2014 - M6)	+/- %
Total Units (mill. packs)	508.3	504.1	-0.8%
Total Value (mill. RON*)	6,460.0	11,865.2	83.7%

Total DOTs	4,864.6	6,509.9	33.8%
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DOT/Unit	9.57	12.91	35.0%
Price/Unit (RON*)	12.71	23.54	85.2%
Price/DOT (RON*)	1.33	1.82	37.3%

* Pharmacy Purchase Price level, without VAT

Data Source: CEGEDIM, Pharma & Hospital Report



2008-2014: Value? Price?

Value RON

+83.7%

Yearly average **+10.6%**

Average Price RON

+85.2%

Yearly average **+10.8%**

Price/DOT RON

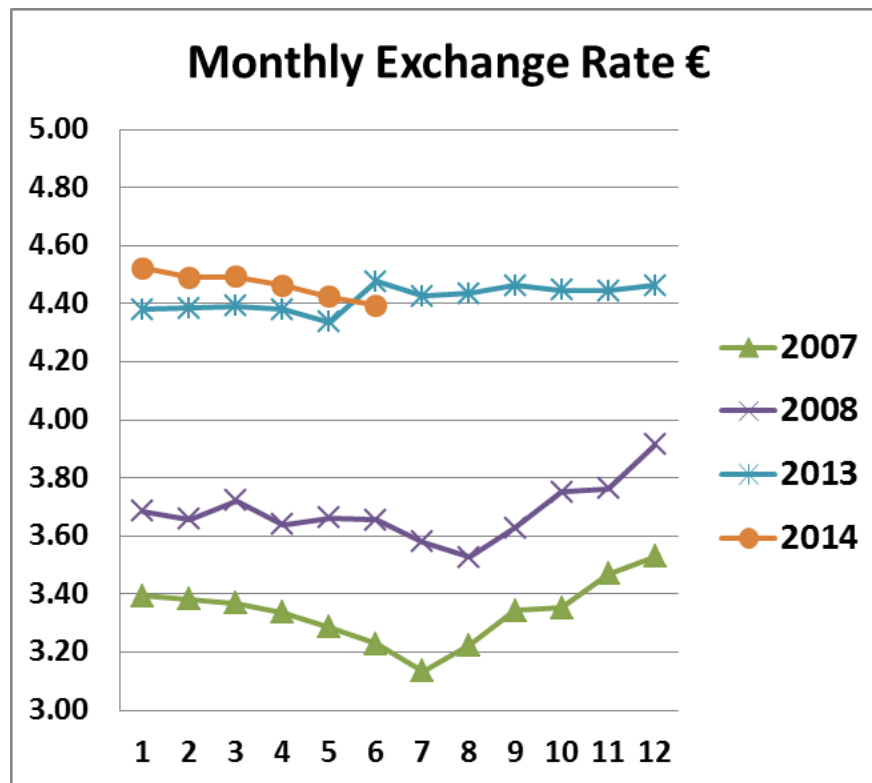
+37.3%

Yearly average **+5.4%**

Exchange Rate

+27.1%

Yearly average **+4.1%**



Value EUR

+44.6%

Yearly average **+6.3%**

Average Price EUR

+45.8%

Yearly average **+6.5%**

Price/DOT EUR

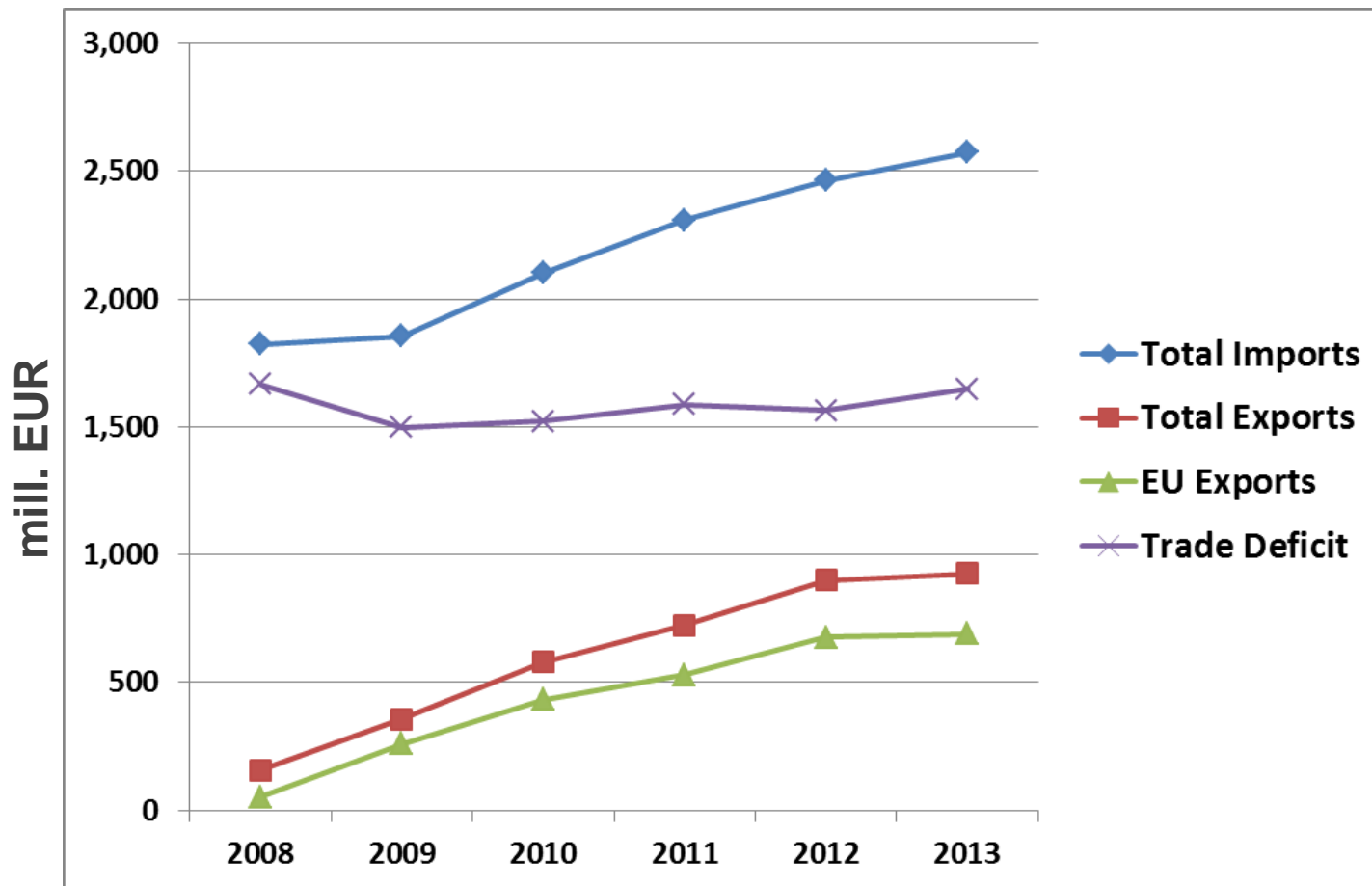
+8.1%

Yearly average **+1.3%**

Data Source: National Bank of Romania



Pharmaceutical Trade - Romania



Data Source: National Institute of Statistics

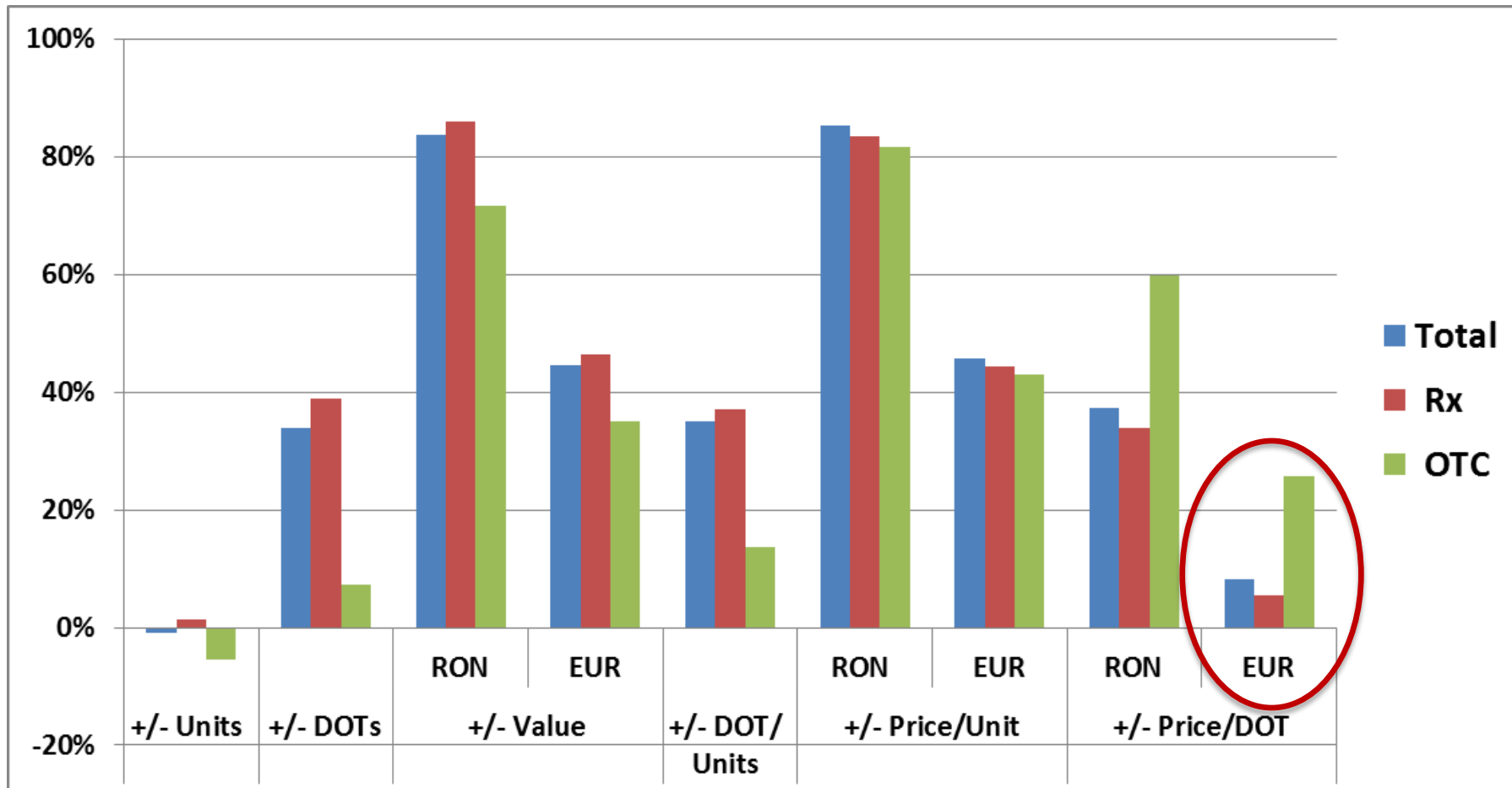


1st Proposal

“Due to historical and recent evolutions, as well as the EU membership of Romania, the pharmaceutical market tends to follow the price convergence of the European market with all associated consequences (price increase in local currency, significant trade deficit but stable price of treatment in euros) and risks (parallel trade)”



Drug Status – Rx vs OTC 2008-2014



Data Source: CEGEDIM, Pharma & Hospital Report

Therapeutic summary – Rx

ATC1	% Value MAT 2008- 06	% Value MAT 2014- 06	+/- Units	+/- DOTs	+/- Value		+/- DOT/ Units	+/- Price/Unit		+/- Price/DOT	
					RON	EUR		RON	EUR	RON	EUR
All ATC	100.0%	100.0%	-0.8%	33.8%	83.7%	44.5%	35.0%	85.2%	45.7%	37.3%	8.0%
All ATC Rx	83.3%	84.4%	1.4%	38.9%	86.1%	46.4%	37.0%	83.5%	44.3%	33.9%	5.4%
Top 7 ATC1 Rx	70.6%	73.3%	1.4%	39.1%	90.8%	50.1%	37.1%	88.2%	48.0%	37.2%	8.0%
A Rx	8.6%	10.4%	11.1%	44.7%	122.4%	75.0%	30.2%	100.1%	57.4%	53.7%	21.0%
C Rx	19.7%	17.1%	26.3%	47.1%	60.0%	25.9%	16.5%	26.6%	-0.4%	8.7%	-14.5%
J Rx	13.4%	9.9%	-36.0%	-14.9%	36.3%	7.3%	32.9%	113.1%	67.6%	60.3%	26.1%
L Rx	9.9%	17.4%	31.8%	111.7%	224.3%	155.2%	60.7%	146.1%	93.6%	53.2%	20.5%
M Rx	4.6%	3.4%	1.4%	15.3%	33.7%	5.2%	13.8%	31.8%	3.7%	15.9%	-8.8%
N Rx	11.5%	11.5%	-11.5%	40.3%	83.1%	44.0%	58.5%	106.7%	62.7%	30.5%	2.6%
R Rx	2.8%	3.5%	13.0%	43.0%	125.7%	77.6%	26.5%	99.7%	57.1%	57.8%	24.2%
Other ATC1 Rx	12.7%	11.0%	1.7%	38.1%	60.0%	25.9%	35.8%	57.3%	23.7%	15.8%	-8.9%

Data Source: CEGEDIM, Pharma & Hospital Report

Therapeutic summary – OTC

ATC1	% Value MAT 2008-06	% Value MAT 2014-06	+/- Units	+/- DOTs	+/- Value		+/- DOT/Units	+/- Price/Unit		+/- Price/DOT	
					RON	EUR		RON	EUR	RON	EUR
All ATC	100.0%	100.0%	-0.8%	33.8%	83.7%	44.5%	35.0%	85.2%	45.7%	37.3%	8.0%
All ATC OTC	16.7%	15.6%	-5.5%	7.3%	71.6%	35.0%	13.6%	81.6%	42.9%	59.9%	25.8%
Top 7 ATC1 OTC	13.7%	12.4%	-10.0%	-13.2%	66.8%	31.2%	-3.7%	85.2%	45.7%	92.3%	51.3%
A OTC	5.3%	5.1%	-0.9%	-12.8%	78.0%	40.1%	-12.0%	79.7%	41.4%	104.1%	60.6%
C OTC	0.9%	0.9%	4.2%	-20.1%	80.8%	42.2%	-23.3%	73.5%	36.5%	126.4%	78.1%
J OTC	0.0%	0.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%
M OTC	1.5%	1.4%	-3.0%	20.0%	73.2%	36.2%	23.7%	78.6%	40.5%	44.4%	13.6%
N OTC	2.2%	1.5%	-31.6%	-32.0%	27.0%	-0.1%	-0.7%	85.7%	46.1%	86.9%	47.1%
R OTC	3.8%	3.5%	-1.8%	-6.4%	68.2%	32.4%	-4.7%	71.3%	34.8%	79.8%	41.4%
Other ATC1 OTC	3.1%	3.2%	25.5%	72.3%	92.9%	51.8%	37.3%	53.7%	20.9%	11.9%	-11.9%

Data Source: CEGEDIM, Pharma & Hospital Report

Competitive Summary

Level	Rx			OTC		
	2008	2014	+/-%	2008	2014	+/-%
Total Sales (m€)	1,534.0	2,246.5	46.4%	308.5	416.2	34.9%
Total INNs	901	965	7.1%	227	250	10.1%
Total Brands	1,711	2,203	28.8%	1,205	1,755	45.6%
Total Products	3,320	4,147	24.9%	1,680	2,603	54.9%

Brand/INN	1.90	2.28	20.2%	5.31	7.02	32.2%
Product/INN	3.68	4.30	16.6%	7.40	10.41	40.7%
Product/Brand	1.94	1.88	-3.0%	1.39	1.48	6.4%

m€	Avg Sales/INN	1.70	2.33	36.7%	1.36	1.66	22.5%
	Avg Sales/Brand	0.90	1.02	13.7%	0.26	0.24	-7.4%
	Avg Sales/Product	0.46	0.54	17.2%	0.18	0.16	-12.9%



2nd Proposal

***“There is no such thing
as a single administrative decision
to control the health needs;
the matter is so complex that no one is able
to predict its exact evolution in the mid- and long run.
The best way to ensure performance rewarding
is the healthy and loyal competition
and the continuous update and adjustment
to all relevant evolutions”***

Rx Regulation – Payment vs Demand

Therapy Evolution		INN		Rx Value (mEUR)				
		Count	%	2008	%	2014	%	+/-%
DOT Evolution (2014 vs 2008)	>50%	344	32.1%	692.0	45.1%	1,492.8	66.5%	115.7%
	+10-50%	107	10.0%	240.3	15.7%	239.7	10.7%	-0.2%
	-10/+10%	64	6.0%	138.9	9.1%	128.9	5.7%	-7.2%
	-10-50%	155	14.4%	299.0	19.5%	165.8	7.4%	-44.5%
	<-50%	123	11.5%	145.8	9.5%	62.1	2.8%	-57.4%
	-100%	108	10.1%	16.9	1.1%	0.0	0.0%	-100.0%
	after 2008	172	16.0%	0.0	0.0%	157.2	7.0%	n/a
Total	1,073	100.0%	1,534.0	100.0%	2,246.5	100.0%	46.4%	

Why the market tends to grow?

Therapy Evolution		Sales by ATC (MAT 2014-06)							
		A	C	J	L	M	N	R	Other ATCs
DOT Evolution (2014 vs 2008)	>50%	67.2%	63.4%	53.7%	83.4%	51.1%	75.6%	64.5%	51.0%
	+10-50%	9.1%	23.6%	8.1%	2.7%	15.9%	5.8%	9.4%	10.9%
	-10/+10%	8.1%	1.3%	9.6%	3.4%	0.2%	6.1%	19.9%	7.4%
	-10-50%	4.5%	9.2%	9.6%	0.4%	27.6%	3.6%	2.5%	15.6%
	<-50%	3.6%	0.6%	8.7%	0.3%	1.8%	4.2%	1.7%	3.0%
	-100%	-	-	-	-	-	-	-	-
	after 2008	7.5%	1.9%	10.2%	9.9%	3.4%	4.7%	2.0%	12.2%
Total INNs		84	119	125	87	51	133	49	317



3rd Proposal

**“Our common work is:
as an industry, to provide the right tools
(products) for treatment and prevention;
as health decision-makers,
to ensure a reasonable framework to achieve
an accessible and affordable treatment
for all Romanian citizens.**

**Let’s try to better adapt to the switch
from the offer-driven to the demand-driven
model of doing business”**



Thank you for your attention

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