

# Romanian pharma environment

*Regional trend and local dynamic overview*

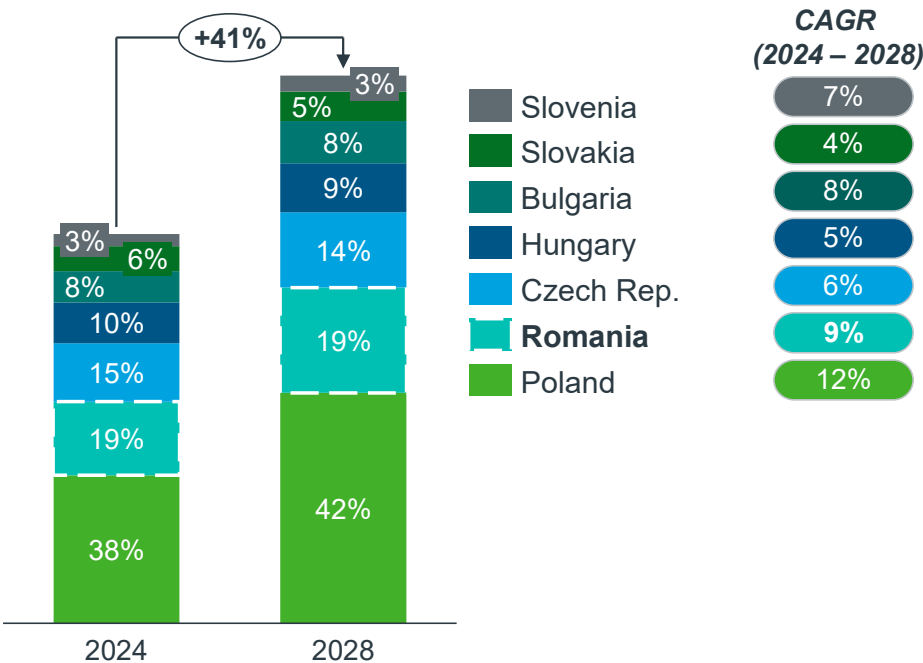
Alexandra Bosco  
General Manager Romania, Bulgaria and Moldova

- 
- **Regional pharmaceutical market**
  - **Overview of Romanian pharmaceutical context**
    - **Romanian Market Evolution**
    - **Reimbursed and Over The Counter Markets**
    - **Pharmacy Landscape**
    - **Medical Infrastructure**

# Within the region Romania is expected to capture the second highest growth, lower than in previous years

Forecast of selected<sup>1</sup> CEE pharmaceutical markets

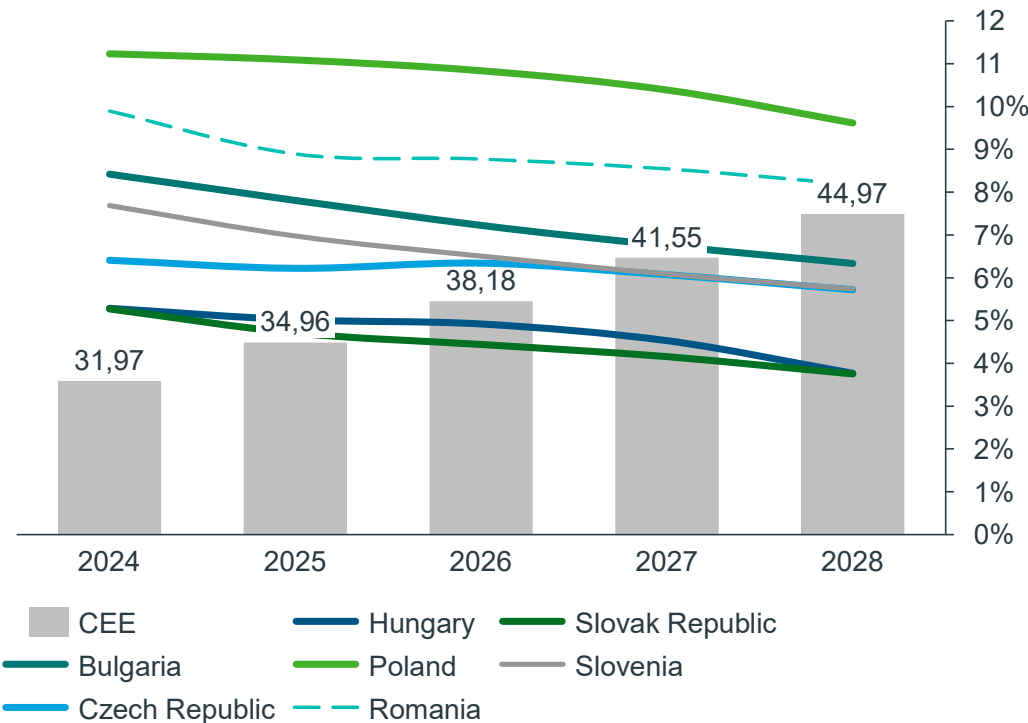
Forecast of selected CEE pharmaceutical markets



Note: 1) Poland, Romania, Czech Republic, Hungary, Bulgaria, Slovakia and Slovenia included

Source: IQVIA Market Prognosis Global 2024-2028 - Country Forecast update (May, 2024)  
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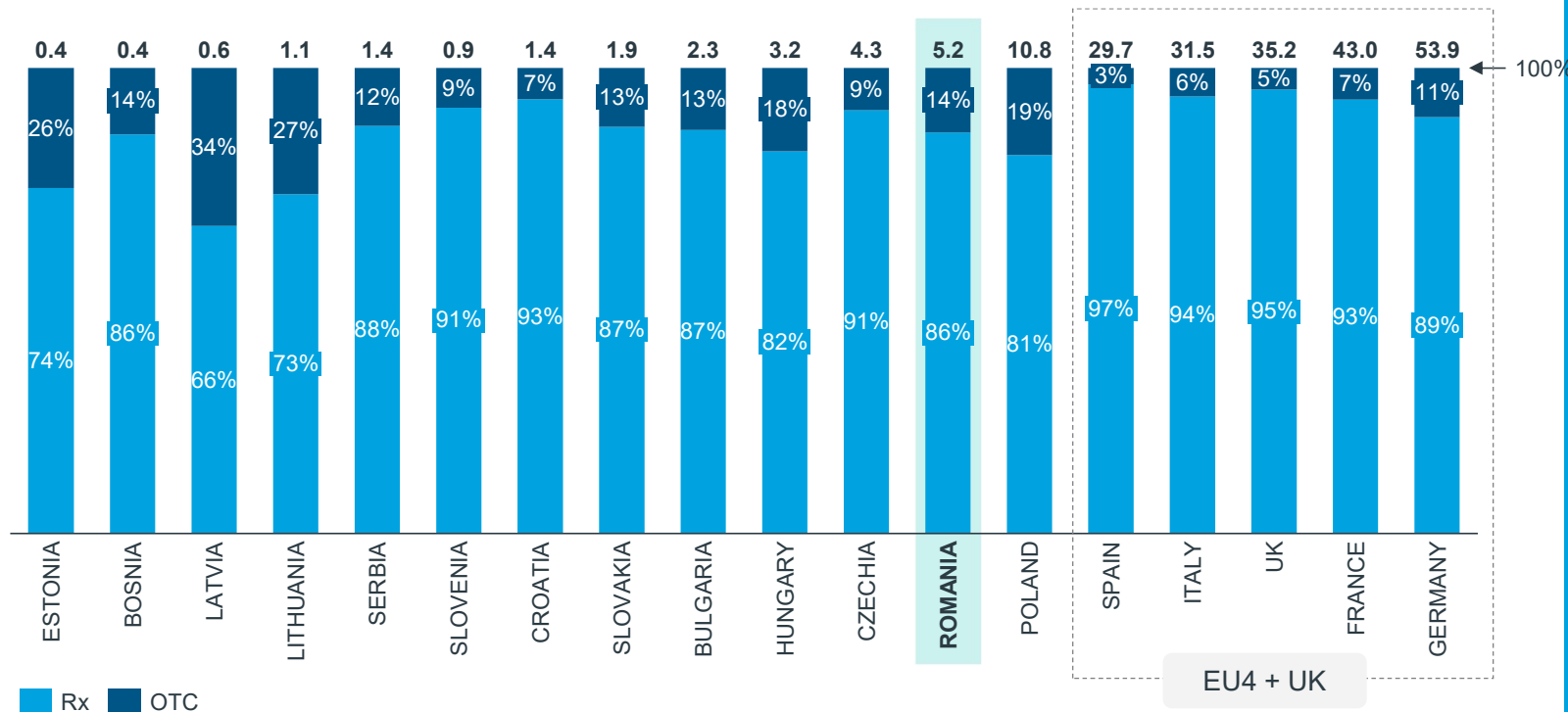
CEE selected<sup>1</sup> pharma markets value and their growth rates, 2024-2028 [M EUR]



# Romanian market structure is similar with most of the CEE countries, with below 20% OTC drug consumption

Pharma market: Rx vs. OTC

Pharma market structure [FY 2023, bn EUR]



In EU4 and UK, the **share of prescription medicines** ranges from **89%** (Germany) to **97%** (Spain).

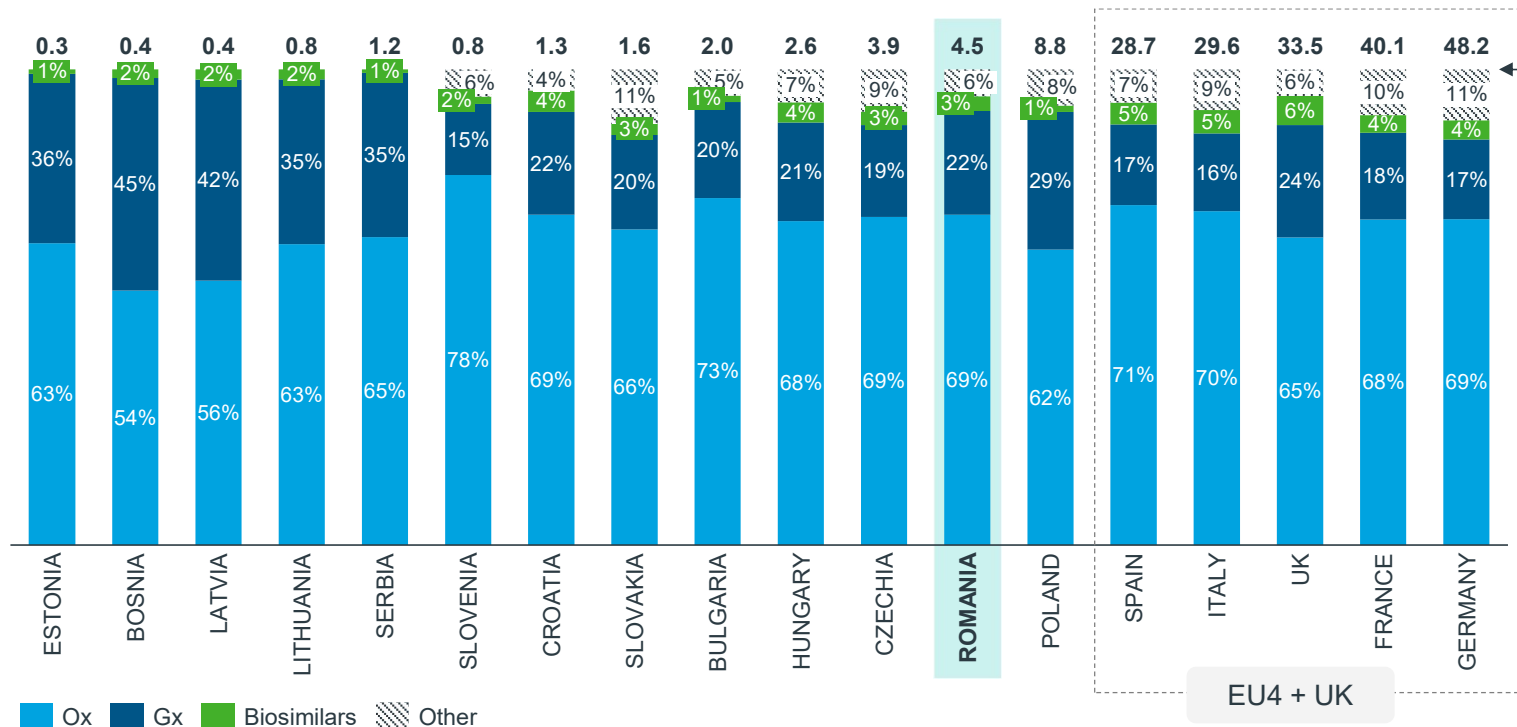
Among the CEE countries, **Croatia is the leader in the share of prescription drugs with 93%.**

In **Latvia**, share of Rx is the lowest among the CEE countries – **66%.**

# Romania ranks behind some CEE country when it comes to RX market structure, being -20 p.p. behind Latvia for GX adoption

## Rx market: structure

Pharma market structure [FY 2023, bn EUR]



Note: The "Other" category includes products such as vaccines, immunoglobulins, factors, etc. – this group is not separately shown in Estonia, Bosnia, Latvia, Lithuania and Serbia, where they are classified as either Gx or Ox products.

Source: IQVIA Local Databases, MIDAS. Rx market includes retail and hospital sales.

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In EU4 and UK, the **share of original drugs** among those provided only with a prescription **ranges from 65% (UK) to 71% (Spain)**

Among the CEE countries, **Slovenia is the leader in the share of original drugs** among Rx products **with 78%**.

The **lowest share of Ox**, and, conversely, the **highest share of Gx** in the CEE region is found in **Bosnia and Latvia** – **54%/45%** and **56%/42%**, respectively.

# The healthcare environment in Romania is challenged along its whole ecosystem

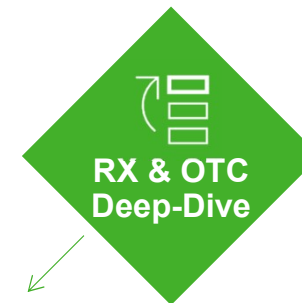
## The total pharma market value reached 7.3 bEUR

- The market registered a +13.9% growth in value driven exclusively by price increase



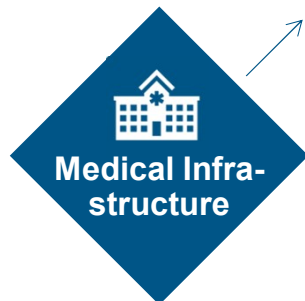
## Both markets registered decrease in volumes

- The top 10 companies contributed to almost half of the Rx and OTC market in Q2 2024



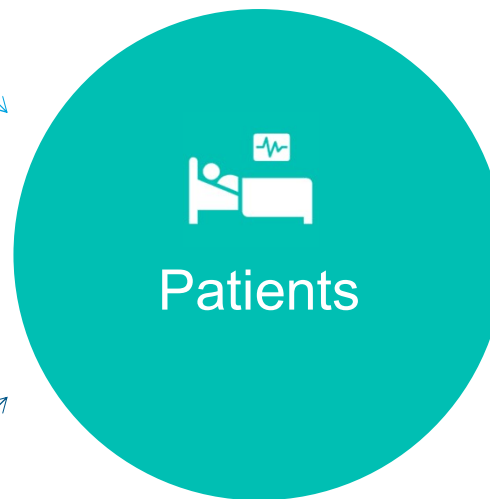
## Workforce structure and availability

- Romania has a lower than the EU average number of practicing doctors per 1,000 inhabitants
- Inpatients expenditures continue to overpass the Ru average



## Retail channel shows a growth of +13.7% in value

- Pharmacies number is stable with independence pharmacies recording a slight decline
- National chains account for 48.3% of the total retail sales, weighing just 31.9% of the total number of stores

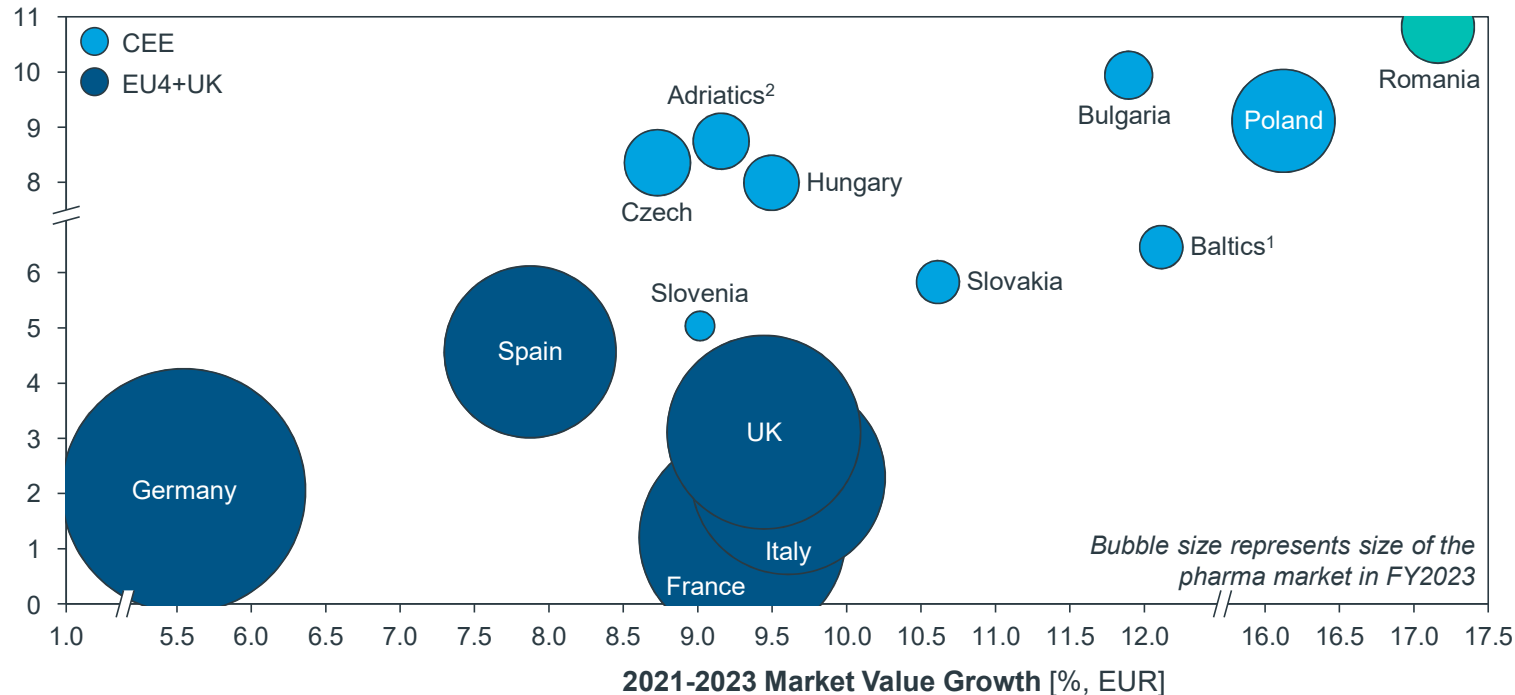


# Over the last 2 years, Romania and Poland have grown the most significantly in the market value among CEE countries

## Growth dynamic

### Comparison of growth dynamics: GDP vs. pharma market [bn LCEUR]

2021-2023 GDP CAGR [% in current prices]



Baltics include Estonia, Latvia and Lithuania 2) Adriatics include Bosnia & Herzegovina, Serbia and Croatia

Source: IQVIA Local Databases, MIDAS, Pharma market includes Retail and Hospital sales TRD sell-in prices, IMF

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**CEE countries** have relatively similar GDP growth, however their Market Value growth differs

Among the most developed markets **UK, Italy and France** have been growing in a similar pace with 9% CAGR

# The total pharma market value reached 7.3 bEUR at MAT06 2024, driven mainly by innovative segment

Romania market overview [MAT06 2023 vs MAT06 2024]

**7,297 mEUR**

Total Pharma market

**+13.9% in value**

**-2.3% in units**



**5,355 mEUR**

Rx market

**+15.2% in value**

**-3.0% in units**



**1,941 mEUR**

OTC&CH market

**+10.5% in value**

**-1.2% in units**



**15.7 bEUR**

Healthcare funds (MoH & CNAS)

**~6.5% GDP**

allocated to healthcare

**Hospital**

+14.8% value, -0.8% units

**Retail**

+13.7% value, -2.3% units

**Key drivers**

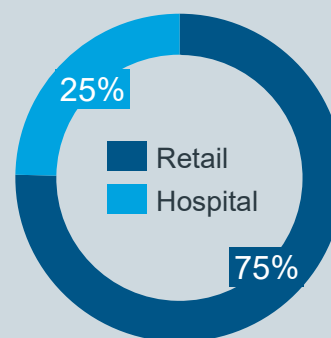
ATC L0 +251 mEUR

OTC&CH +185 mEUR

ATC A0 +107 mEUR



**3,977 mEUR Innovative market**



**Hospital**

+14.3% value  
-13.9% units

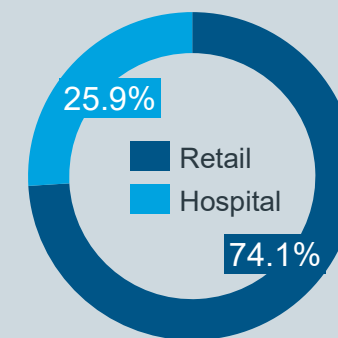
**Retail**

+14.9% value  
-0.6% units

**Overall Market**

+14.8% value  
-1.1% units

**1,378 mEUR Generics market**



**Hospital**

+15.8% value  
+1.1% units

**Retail**

+16.5% value  
-5.1% units

**Overall Market**

+16.3% value  
-4.5% units

Note: CH Market includes all non-prescription based products

IQVIA Sell-In Audit, Units and Sales in EUR at wholesaler price

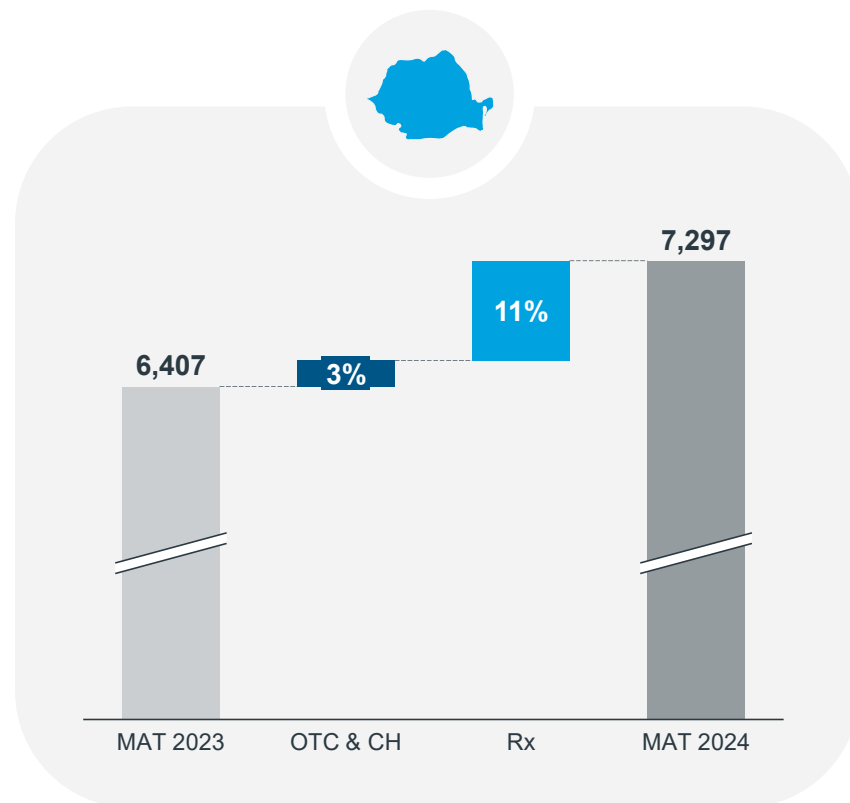
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# Consumption of reimbursed drugs was the main growth driver of the market growth, influenced by the price increases

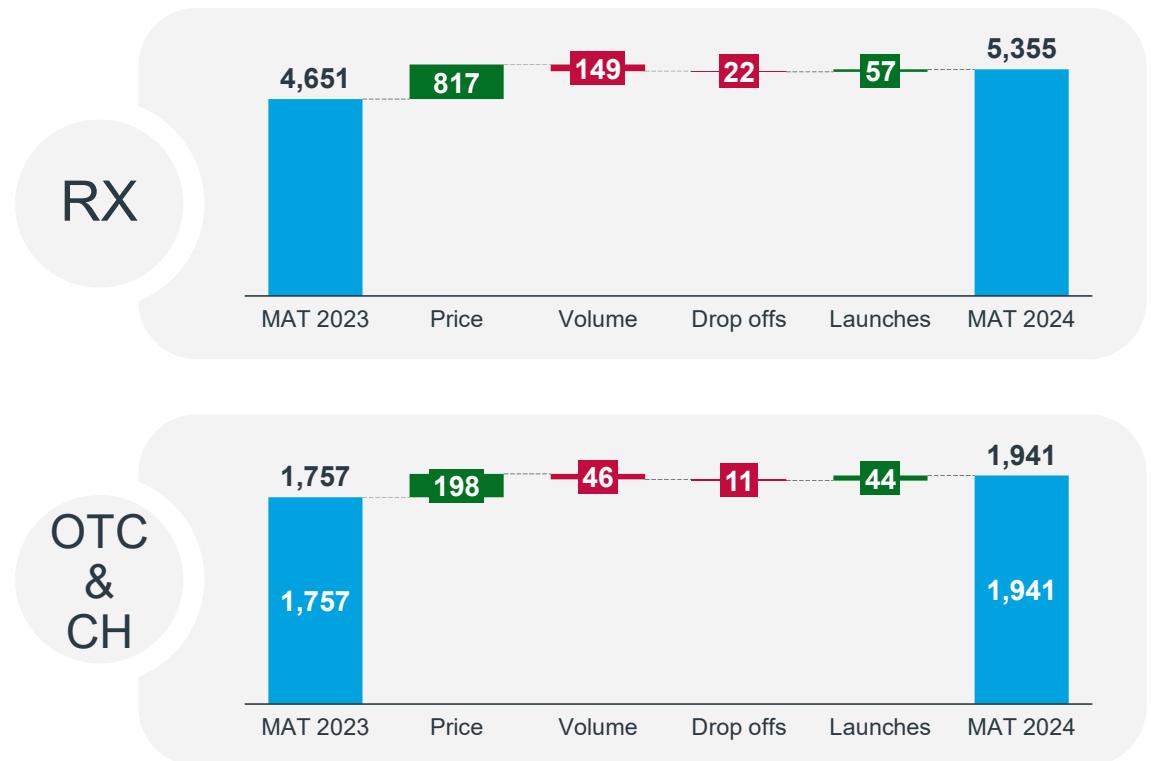
## Romania growth drivers by type of drug

[MAT 06/2023 – MAT 06/2024, mn. EUR]



## Romania growth drivers by type of drug

[MAT 06/2023 – MAT 06/2024, mn. EUR]



Source: IQVIA Sell-In Database Wholesale price

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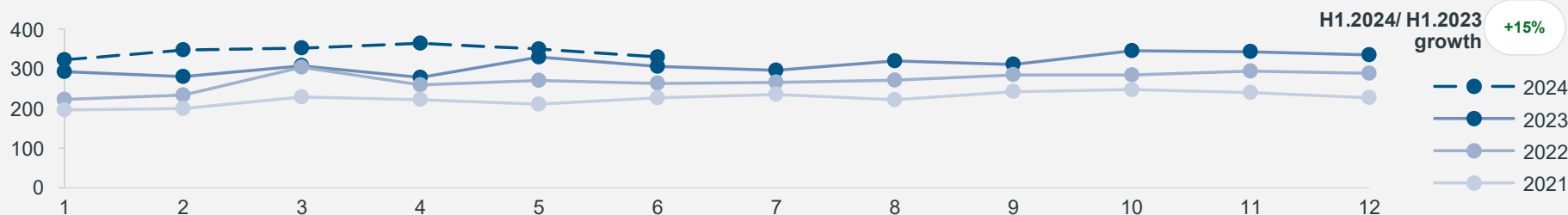
# In H1 2024, the RX market grew at a faster pace of 15% and 21% for retail and hospital respectively

*Pharmaceutical market [months, mlnEUR]*

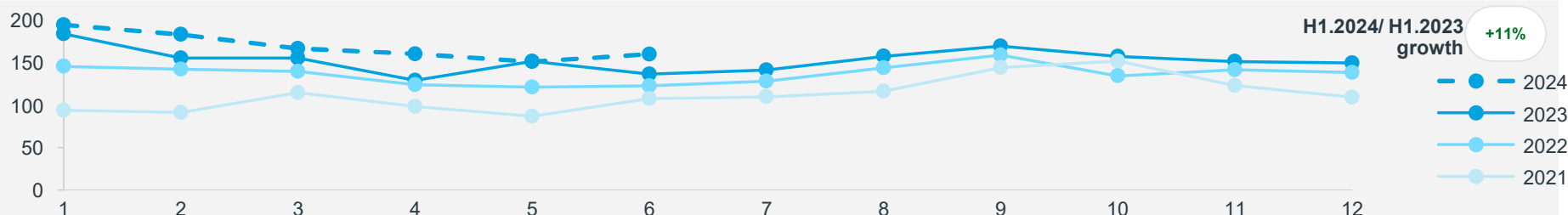
## Rx Hospital market<sup>1</sup>



## Rx Retail market<sup>2</sup>



## OTC & CH market<sup>3</sup>

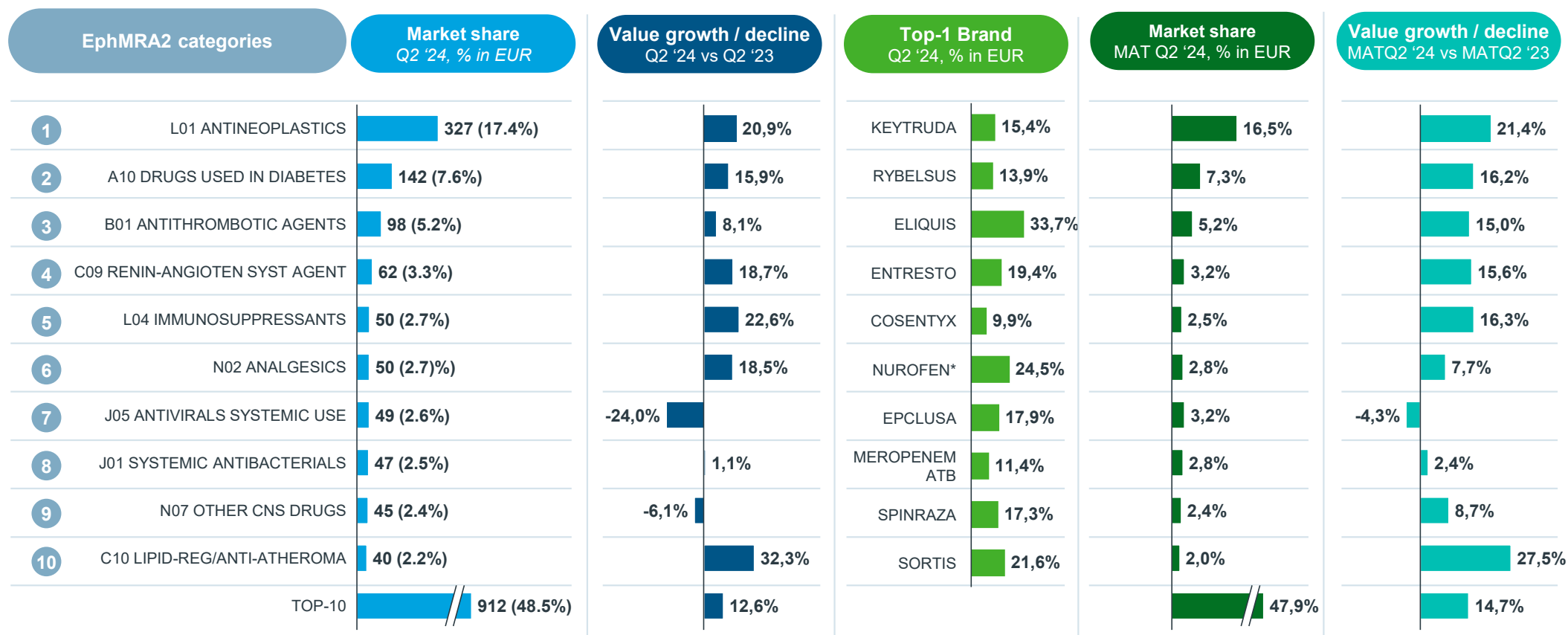


Source: 1) IQVIA Sell-In, Full Year, Sales WHS EUR, Hospital; 2) IQVIA Sell-In, Full Year, Sales WHS EUR, Retail; 3) IQVIA Sell-In, Full Year, Sales WHS EUR, Retail+Hospital;

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# Value of drug consumption increased in most of ATC2 classes, with Oncology accounting for 17% of the market

*EphMRA2 top-10 performance, MS% within relative ATC2*



Source: IQVIA Sell-In Database Wholesale price

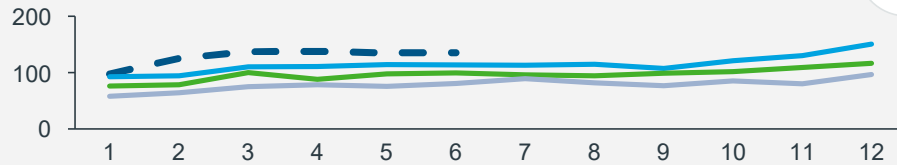
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# Main therapeutical classes have recorded a double-digit growth in value, exceeding the volume evolution

*Value & Volume in key therapeutic areas – Rx [months, mln EUR, k Units]*

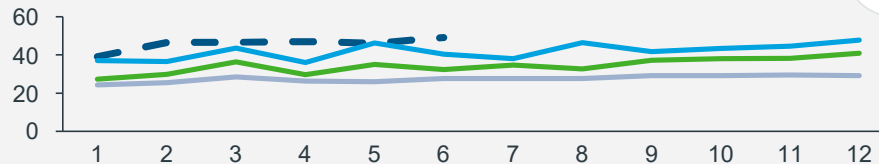
## Oncology Value

H1.2024/ H1.2023  
growth **+21%**



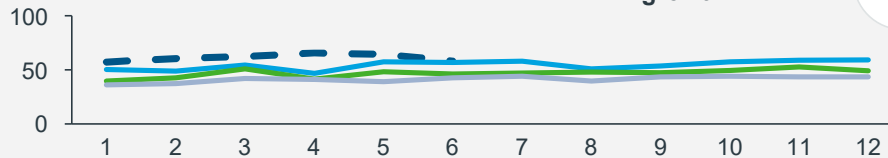
## Diabetes Value

H1.2024/ H1.2023  
growth **+14%**



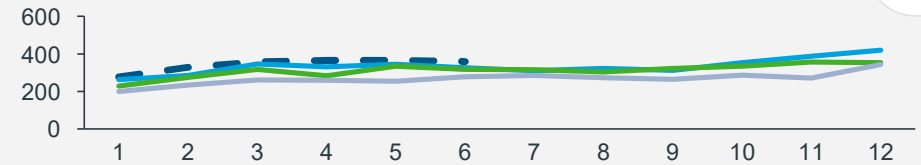
## Cardiovascular Value

H1.2024/ H1.2023  
growth **+17%**



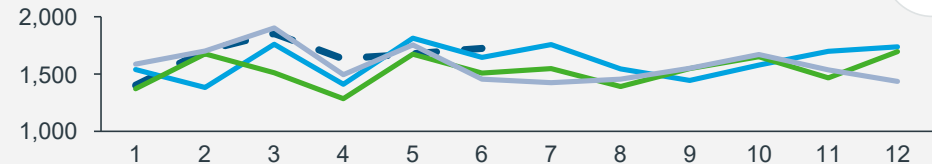
## Oncology Volume

H1.2024/ H1.2023  
growth **+8%**



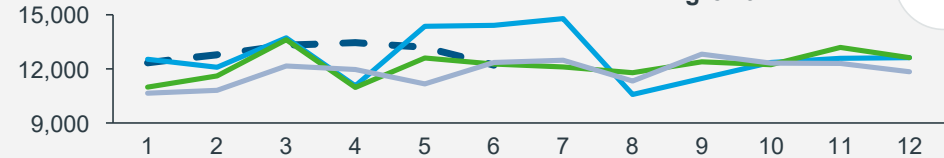
## Diabetes Volume

H1.2024/ H1.2023  
growth **+5%**



## Cardiovascular Volume

H1.2024/ H1.2023  
growth **-1%**



— 2024 — 2023 — 2022 — 2021

Source: IQVIA Sell-In, Monthly, Sales WHS EUR, Retail+Hospital;

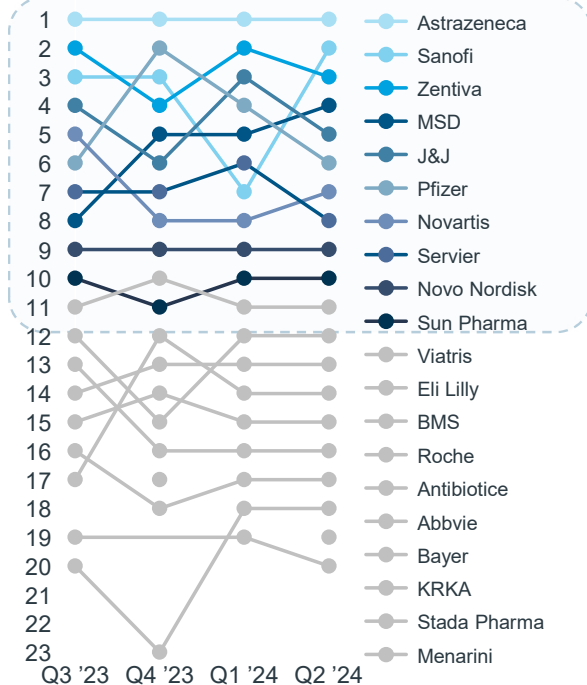
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# Top 10 companies on the Rx market account for 47.8% of the sales in Q2 2024

## Top Rx Corporations Ranking

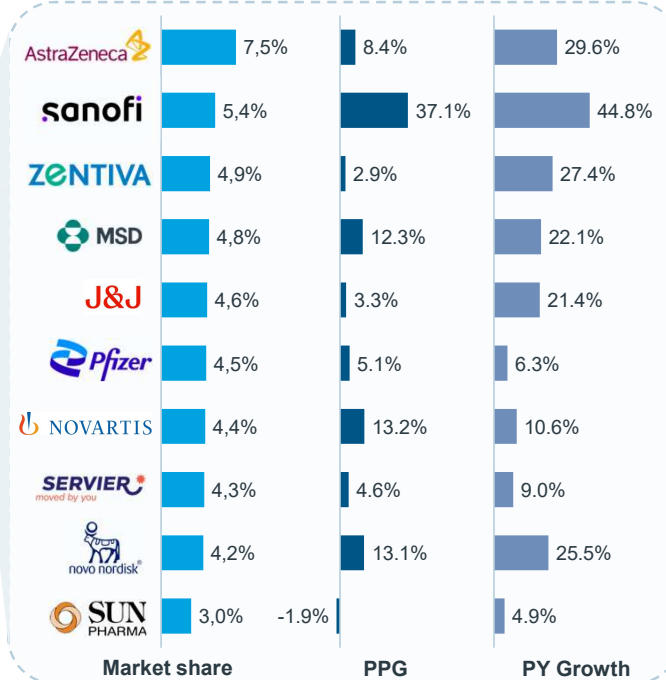
### Top 20 Rx corporations

[Q3 '23 – Q2 '24, rank by value]



### Top 10 Rx corporations

[Q2 '24 market share, PPG, PY Growth]



The **top 10 RX** companies contributed to almost **half of the RX market** in Q2 2024 (47.8% of the total)

**Sanofi** records the **highest previous year growth** (PY +44.8%), driven by Hexacima vaccine, with **AstraZeneca and Zentiva** following

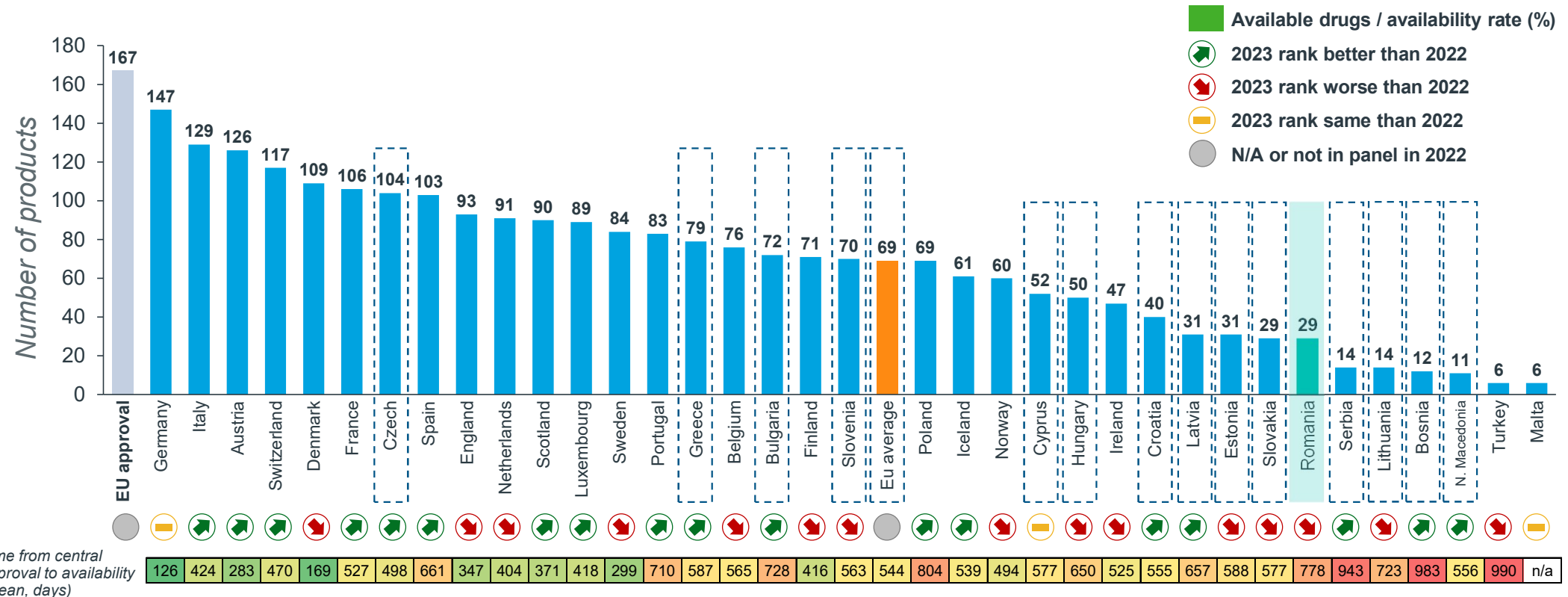
Note: Where ranking is missing for a specific period, companies were not part of top 20 for this same period.

IQVIA Sell-In Audit, Units and Sales in EUR at wholesaler price

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# Romania has experienced a decline in access to innovative drugs compared to previous years

*Rate of availability - breakdown (drugs approved by EMA between 2019 – 2022)*



The total availability by approval year is

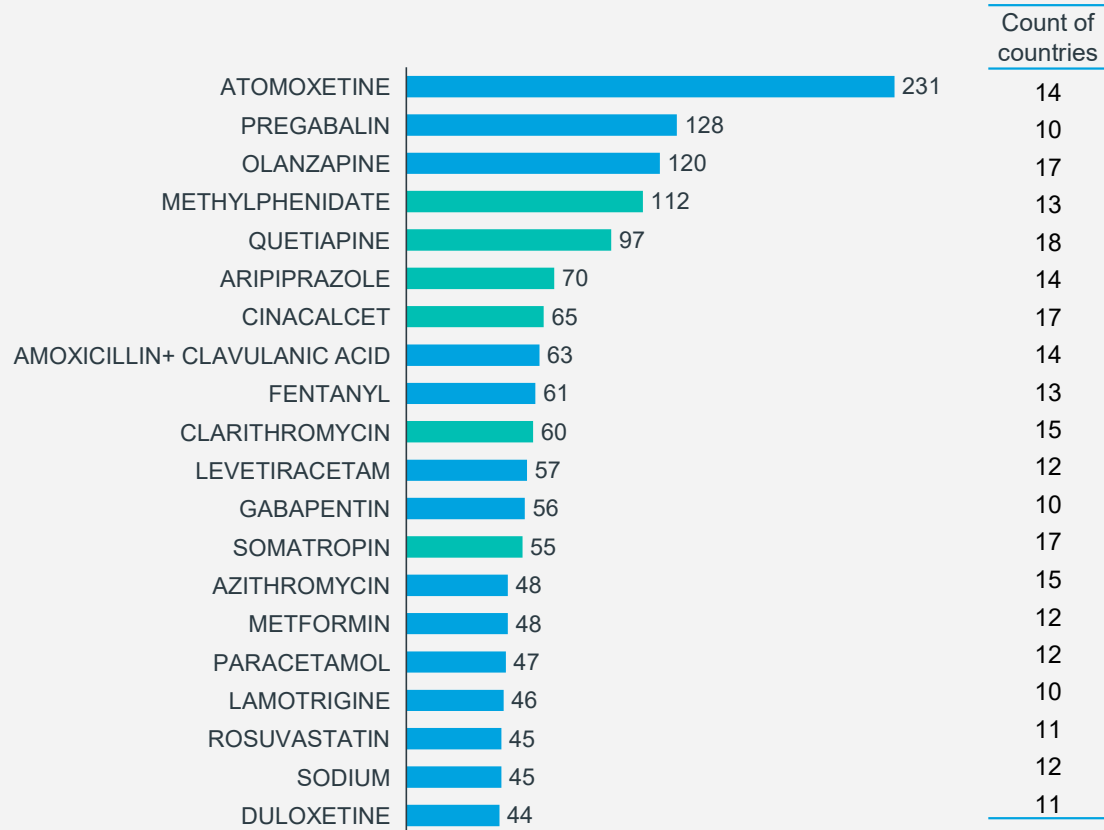
- the **number of medicines** available to patients as of 5th Jan '24 (for most countries is the point at which the product gains access to the reimbursement list),
- split by the **year the product received marketing authorization** in Europe.

Source: IQVIA W.A.I.T. Indicator 2024

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# Shortage events are common to all EU countries, with a shift from antibiotics to Nervous system therapeutic class

*Top-20 molecules with reported SKUs shortages (6th August 2024)*



## New shortages profile

More than half of the molecules on the list below, including the top 6 are related to Nervous class



## Less countries affected

During winter months, we would typically observe around 20 countries with a shortage of the respective molecule at the same time.



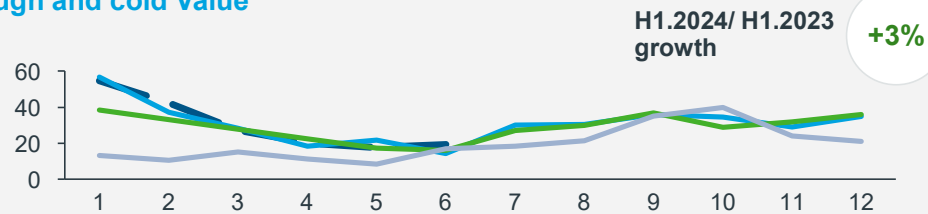
## Shortages in Romania

6 of the top 20 molecules with shortage in Europe are among the highest risk areas in Romania too

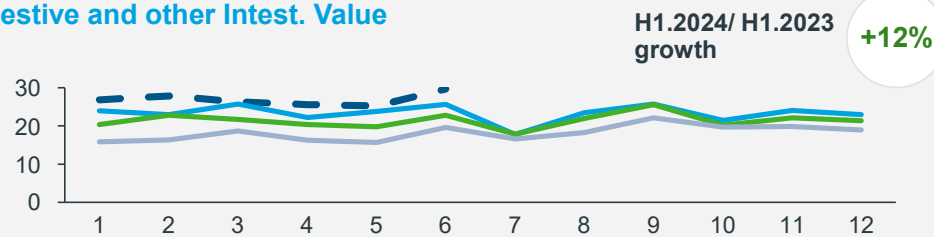
# Despite the prices increase, the interest in prevention & a healthy lifestyle hasn't impacted the demand for Digestive products

*Value & Volume in key therapeutic areas – OTC&CH [months, mln EUR, k Units]*

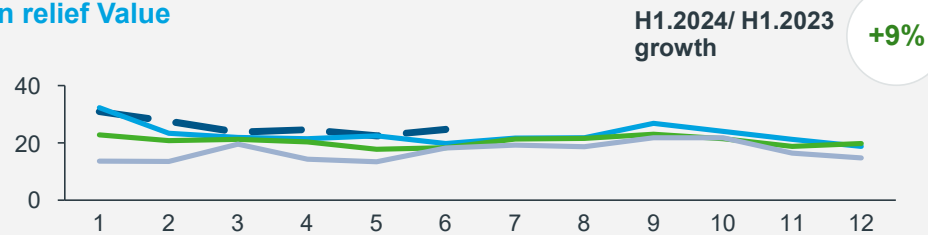
## Cough and cold Value



## Digestive and other Intest. Value

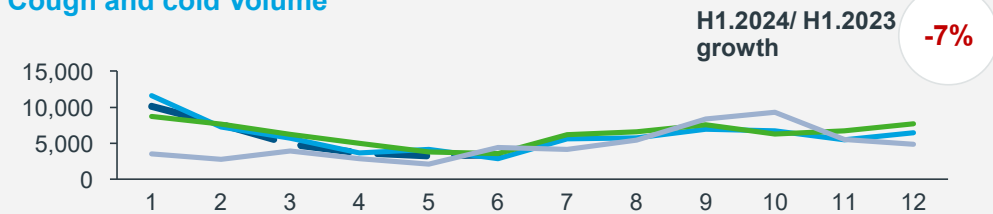


## Pain relief Value

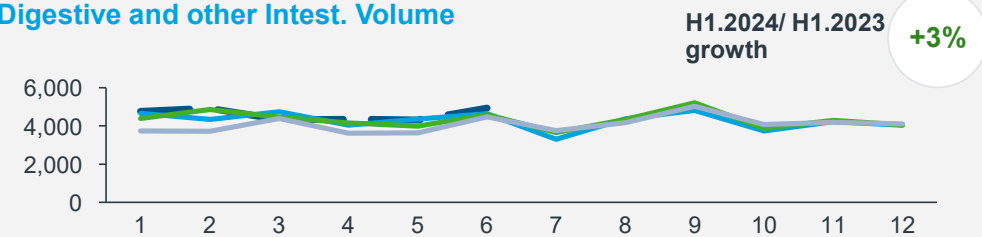


— 2024 — 2023 — 2022 — 2021

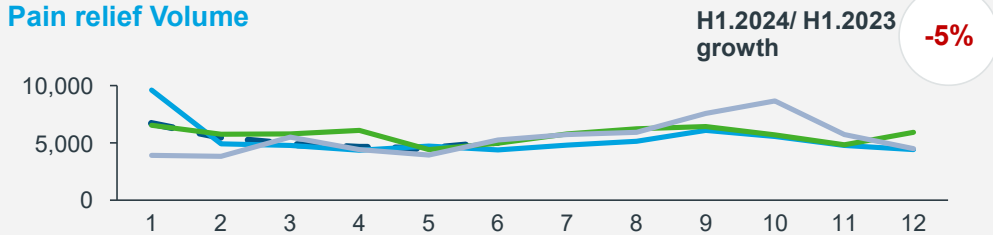
## Cough and cold Volume



## Digestive and other Intest. Volume



## Pain relief Volume



Source: IQVIA Sell-In, Monthly, Sales WHS EUR, Retail+Hospital;

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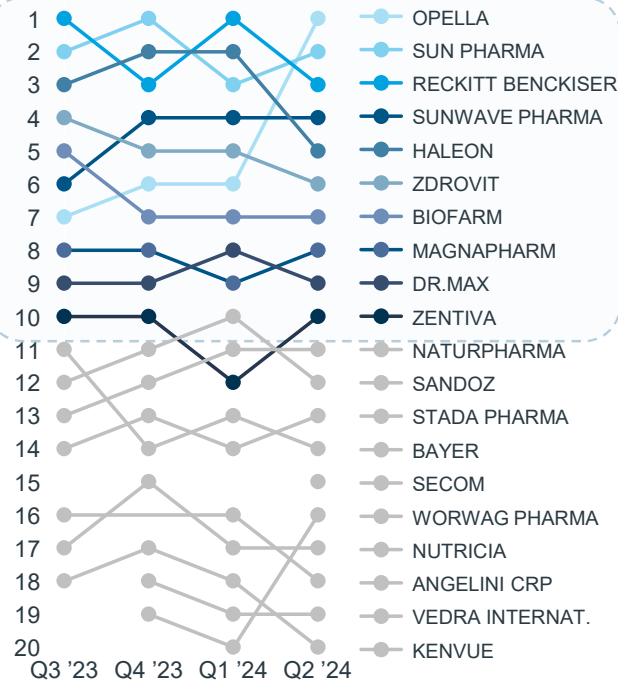


# Top 10 companies on the OTC & CH market account for 44.4% of the sales in Q2 2024

## Top OTC & FS Corporations Ranking

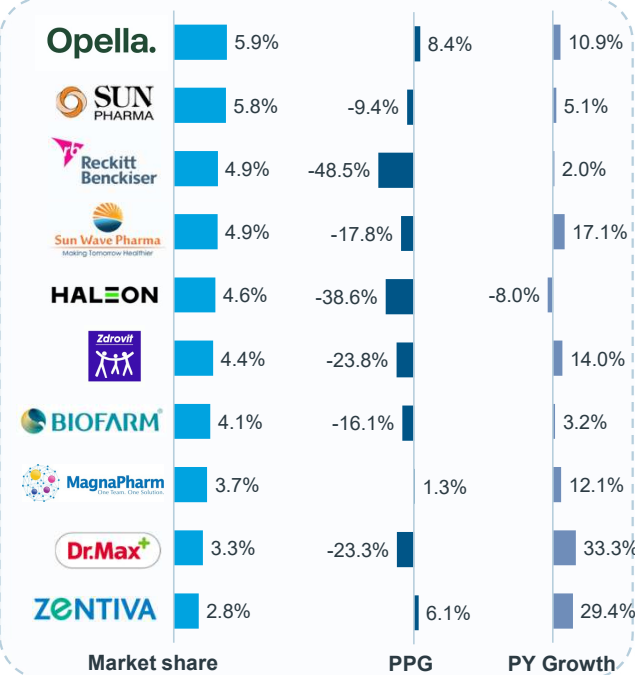
### Top 20 OTC & CH corporations

[Q3 '23 – Q2 '24, rank by value]



### Top 10 OTC & CH corporations

[Q2 '24 market share, PPG, PY Growth]



Most of top 10 OTC & CH companies recorded growth compared to Q2 2023

Dr. Max records the highest growth compared to previous year Q2 (PY 33.3%), with Zentiva and SunWave Pharma following

Note: Where ranking is missing for a specific period, companies were not part of top 20 for this same period; OTC segment includes non-Rx bound registered medicines; Consumer Health segment includes food supplements, personal care products, patients care and nutrition).

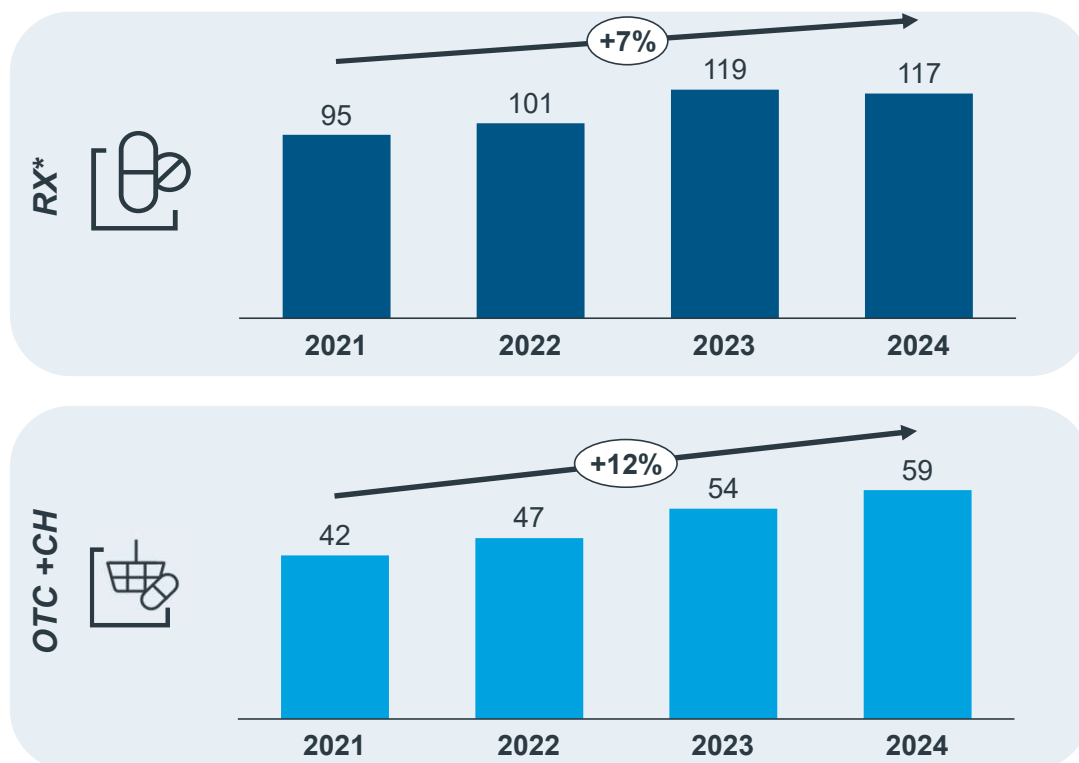
IQVIA Sell-In Audit, Units and Sales in EUR at wholesaler price

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# While the average OTC + CH receipts are showing an increase in 2024, the average RX receipts slightly decreased vs. 2023

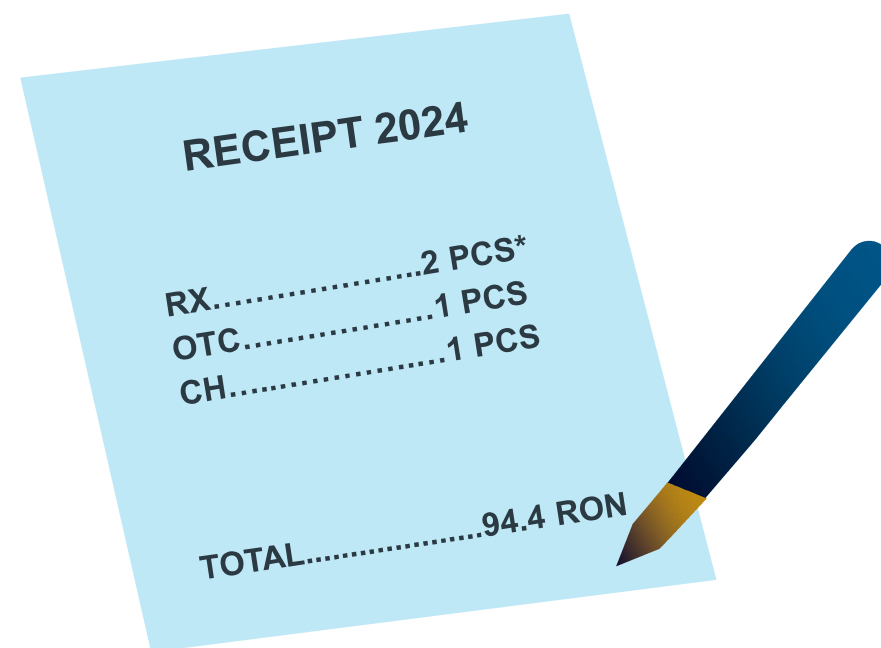
## Receipt Value

### Average Receipt Value [RON]



Note (\*) the RX receipt contains the final value, not only the Reimbursed value or Co-Payment value  
Source: IQVIA data

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The combined average receipt value slightly increased from **93.5 RON in 2023** to **94.4 RON in 2024**

## Slide 18

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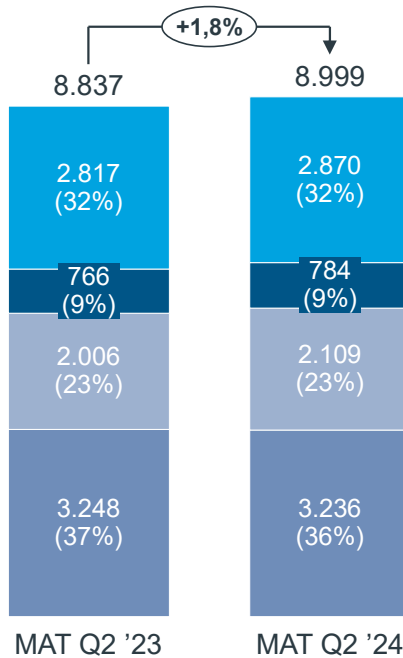
[@Dogioiu, Flavius] aici analiza e YTD sau MAT?

Bosco, Alexandra, 2024-09-22T18:18:59.586

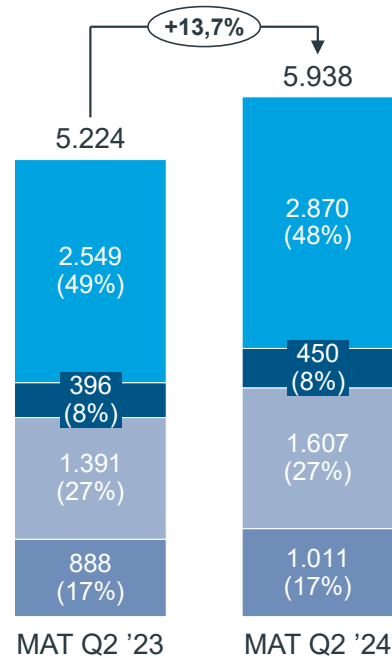
# The Romanian active pharmacy universe remained relatively stable but recording a 13.7% increase in sales value

## Annual dynamics of the pharmacy landscape

### Number of Pharmacies dynamics



### Value evolution, M Eur



The overall Pharmacy landscape exhibited a **steady outcome in terms of store count**, managing a declining units sold but with increase value



**National chains account for 48.3%** of the total retail sales, weighing just 31.9% of the total number of stores



Conversely, independent pharmacies make up 36% of the total store count, yet they only contribute to 17.0% of the sales.

■ National ■ Regional ■ Local ■ Independent

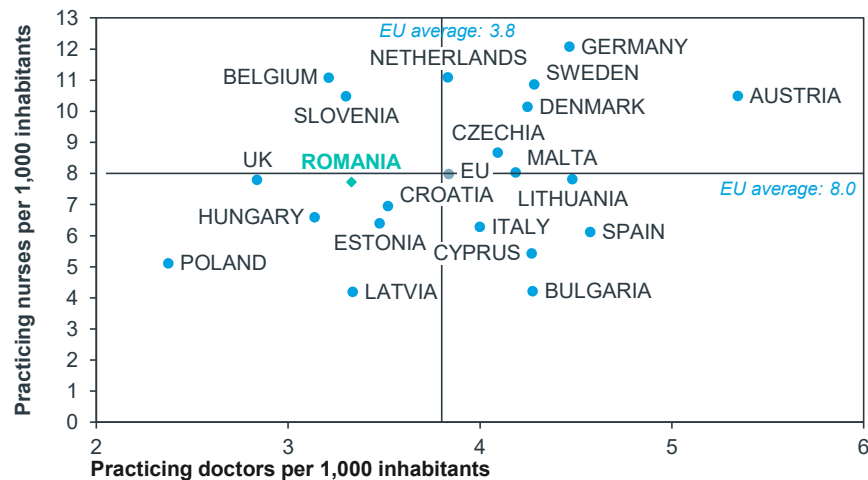
The number of pharmacies refer to the pharmacies that had at least one Sell-In transaction in the given period  
IQVIA Sell-In Audit, Units and Sales in EUR at wholesaler price

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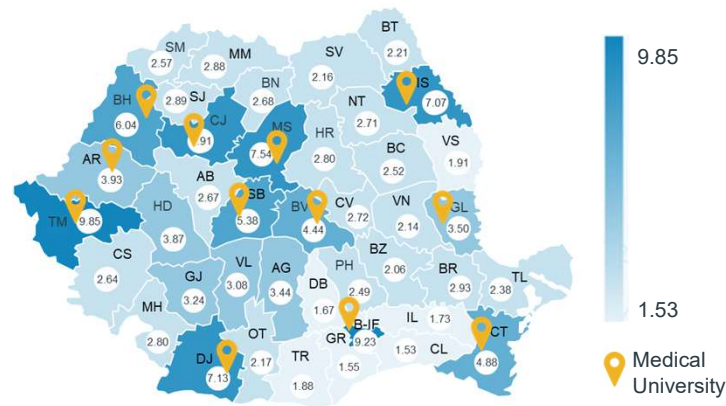
# Patients monitoring including drug prescription is affected by regional disparities and overall shortage of doctors

## Healthcare personnel in Romania

Doctors and nurses per 1,000 inhabitants, 2020\*



Medical doctors per 1,000 inhabitants, 2021



**1,500- 2,000  
doctors**

on average leave Romania  
yearly due to low recognition  
and low pay, which  
accelerates the shortage of  
medical personnel

- Romania has a **lower than the EU average number of practicing doctors per 1,000 inhabitants**, 3.3 in Romania vs 3.8 EU average with **notable fragmentation in their distribution across the country**
- To successfully tackle the persisting problems and negative trends, it is essential to take necessary action, i.e. raise salaries for paid specializations, provide regional incentives and support educational initiatives

\* Or latest data available

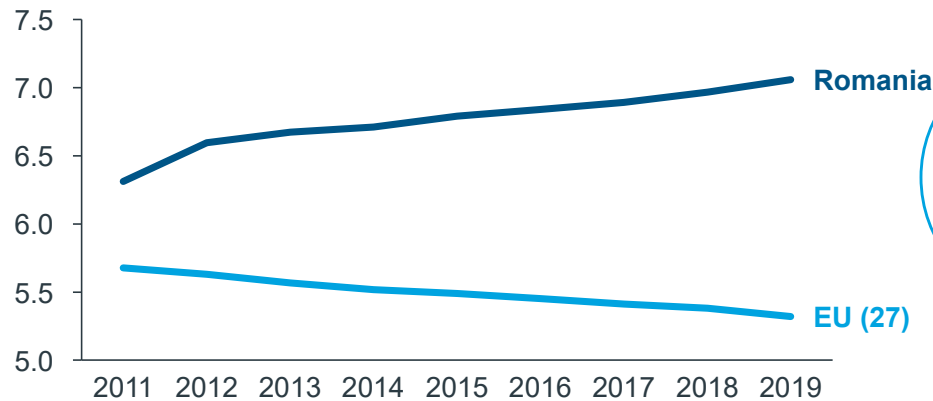
Source: Eurostat, INS

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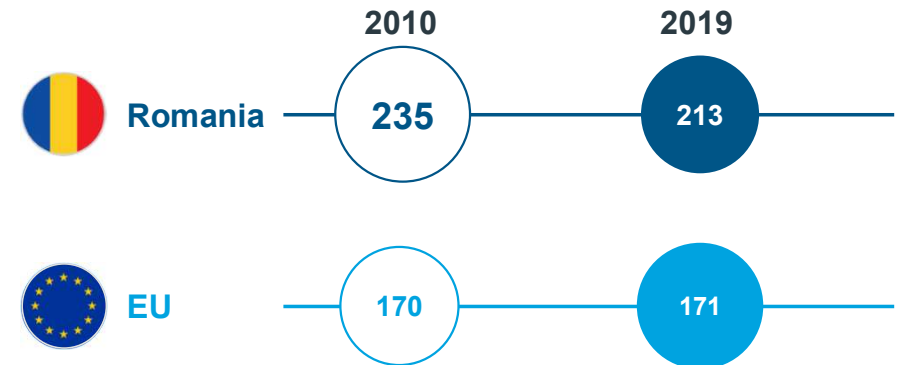
# Primary care and outpatient accessibility need to continue to be in focus and improved, to reduce avoidable inpatient care

*Hospital infrastructure: Number of beds and hospital discharges*

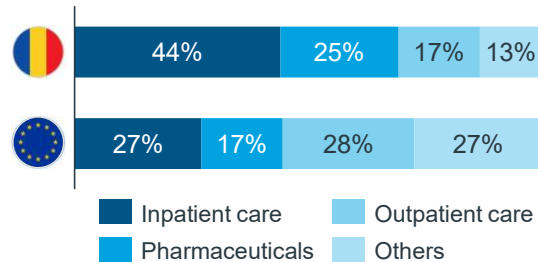
## Number of hospital beds per 1,000 inhabitants



## Yearly hospital discharges per 1,000 inhabitants



## Healthcare spending per care area (PPP, 2021)



Romania allocated 6,5% of GDP, **40% bellow EU average** from its GDP to Healthcare in 2021

- Romania takes the 4<sup>th</sup> place in the EU when it comes to hospital beds, as well as **2<sup>nd</sup> place in terms of hospital discharges** per capita in 2019
- Compared to outpatient care costs the inpatient care costs takes up **2.6x as much** from the total spending (44% vs 17%). In contrast, on average in the EU, the two areas are equal
- Hospitalizations are often the result of patients bypassing primary care

Source: Eurostat, OECD

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**THANK YOU!**

