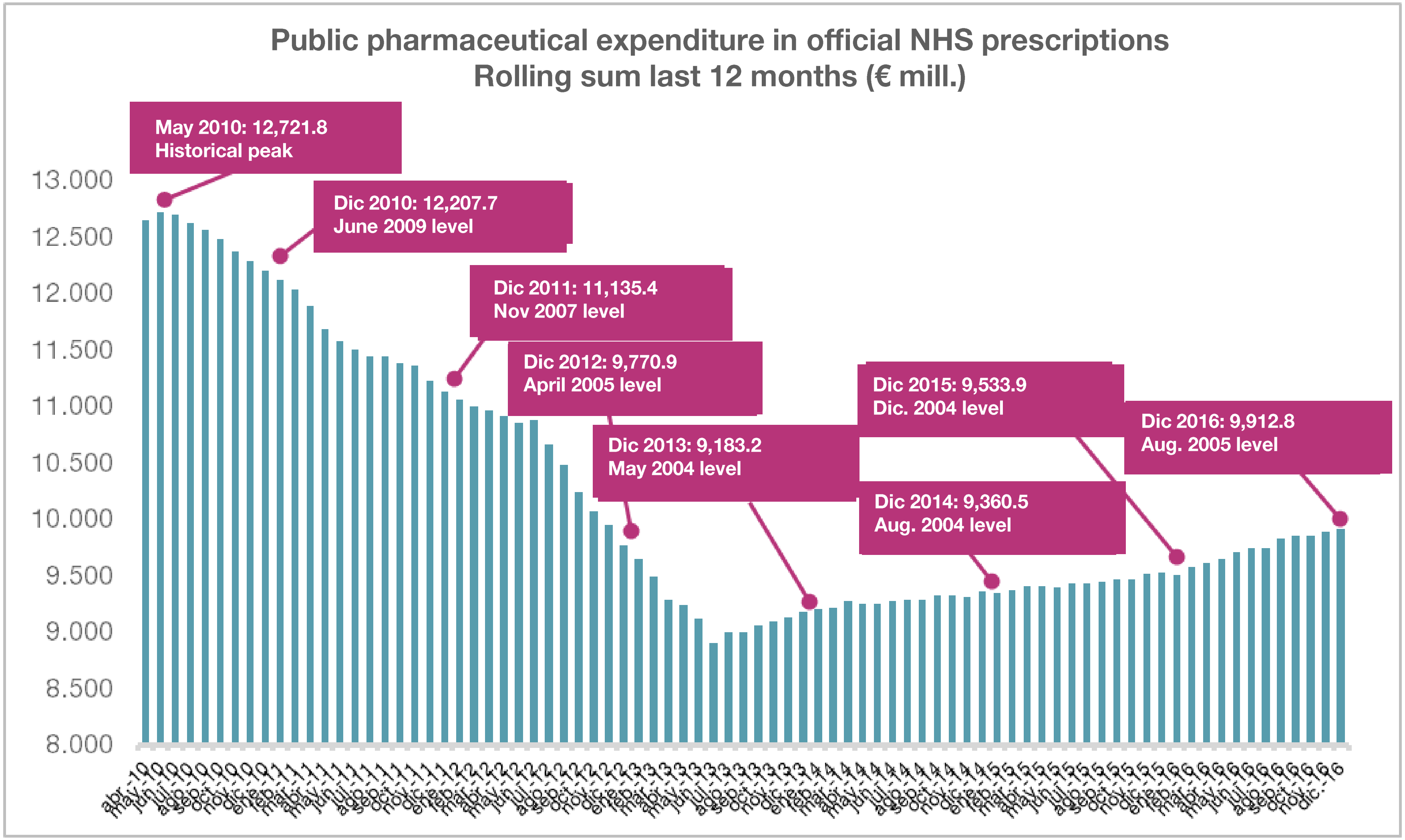
Evolution of Spanish public pharmaceutical expenditure

farmaindustria

February 2017

Public pharmaceutical expenditure. Retail market (monthly evolution)

In December 2016, the 12 months accumulated expenditure has experimented lower values than its historical maximum in -2.809 M€ (-22,1%)



Fuente: FI a partir de MSSSI

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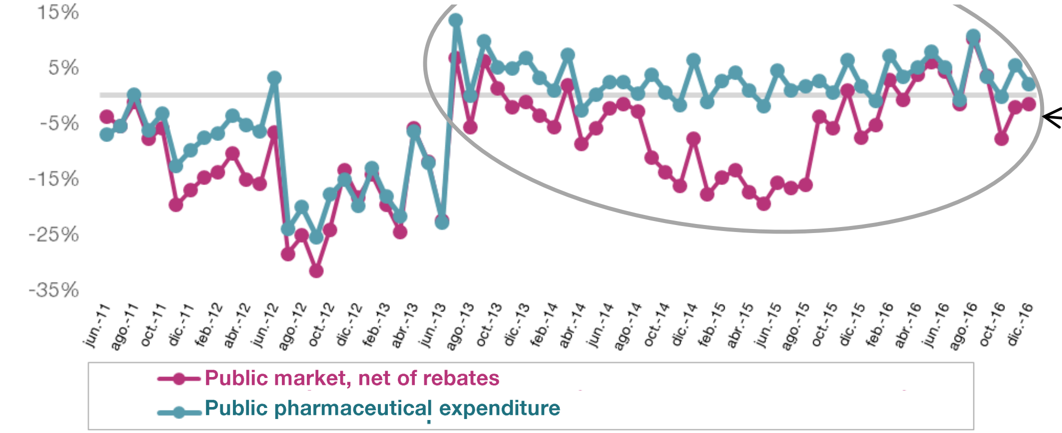
Public pharmaceutical expenditure. Total and innovative products

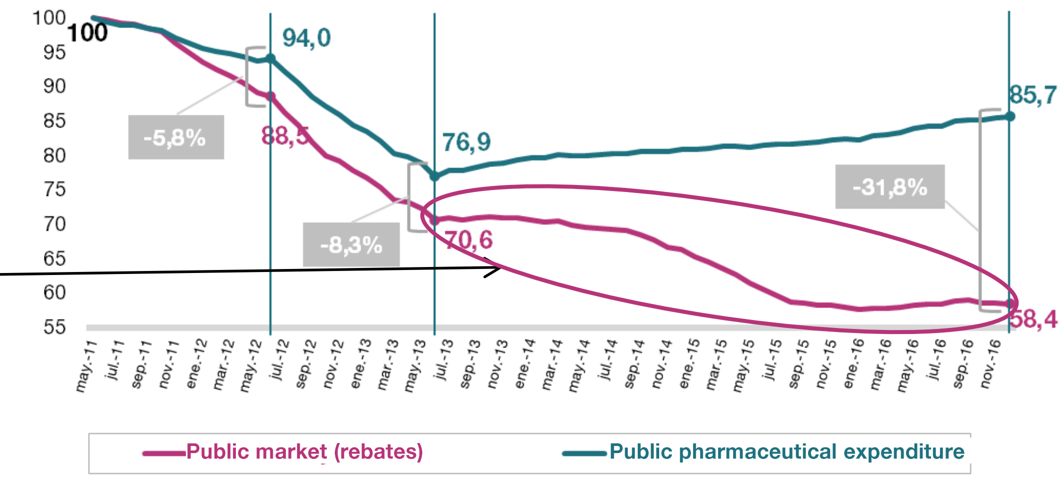
Total public pharmaceutical expenditure and in medicines subject to rebates (innovations) Retail market. Annual growth rate



Fuente: MSSSI y FI

Public pharmaceutical expenditure in innovations (purple) behaves much worse than total public pharmaceutical expenditure (green)

Compared evolution of total public pharmaceutical expenditure and medicines subject to rebates (innovations) Retail market. 12 months accumulated values. Index May 2011=100



Fuente: FI, a partir de datos propios y MSSSI

Public pharmaceutical expenditure in innovations (purple) maintains a slight decreasing profile, even after July 2013, in which expenditure came back as an increasing trend

Public pharmaceutical expenditure in medicines subject to rebates (innovations) has dropped by 41.6% between May 2011 and December 2016

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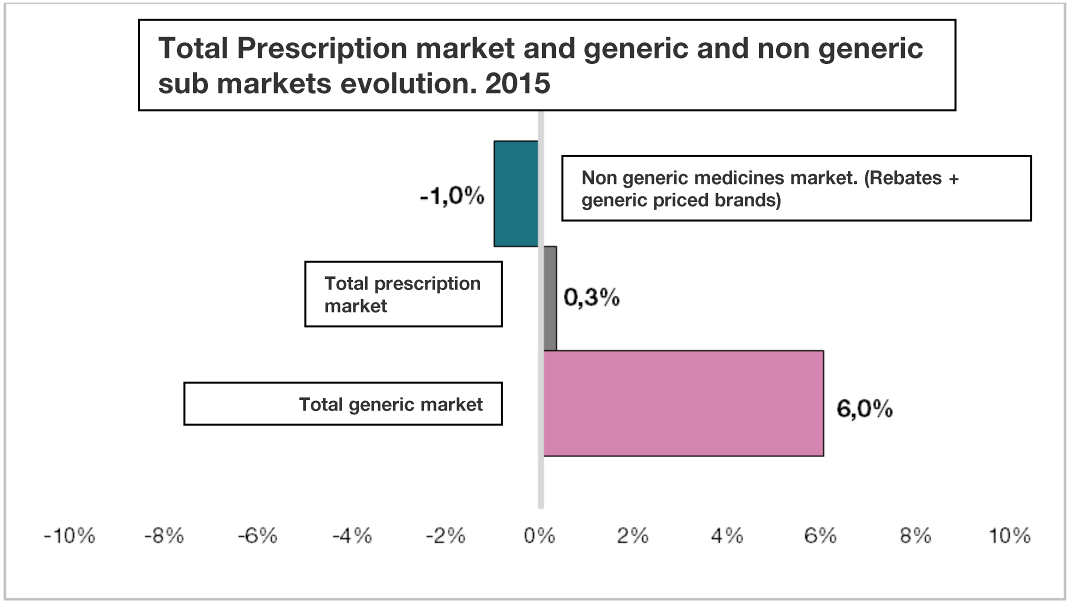
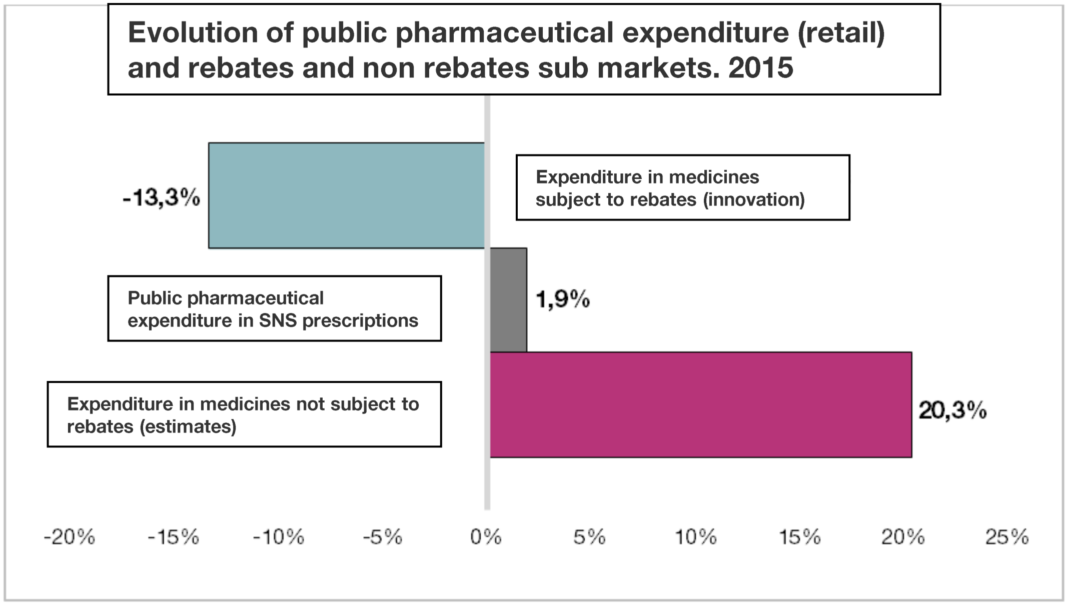
2015 market and expenditure evolution by products categories (retail)



Fuente: Estimación Farmaindustria, a partir de datos de IMS

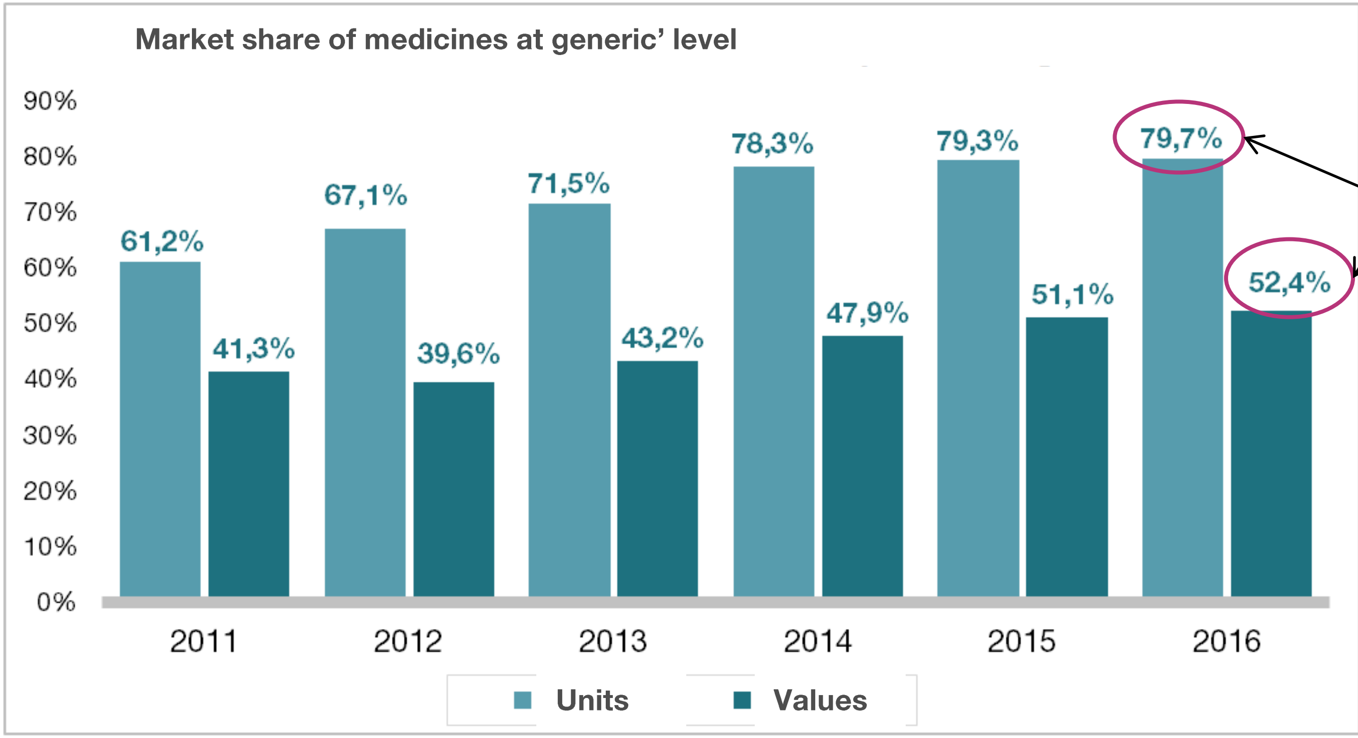
The total retail prescription market (IMS data) grew by 0.3% in 2015. When breaking down this growth: i) sales of generic medicines have grown by +6.0%, and ii) sales of the rest of medicines (non generics) have dropped by -1.0%

Public pharmaceutical expenditure in official SNS prescription (MoH data) grew by +1.9% in 2015. When breaking down this growth: i) sales of medicines subject to rebates (innovations) has dropped by -13.3%, and ii) expenditure in the rest of medicines (subject to RPS or hospital dispensed) has grown by around +20%



Fuente: MSSSI y Estimaciones Farmaindustria

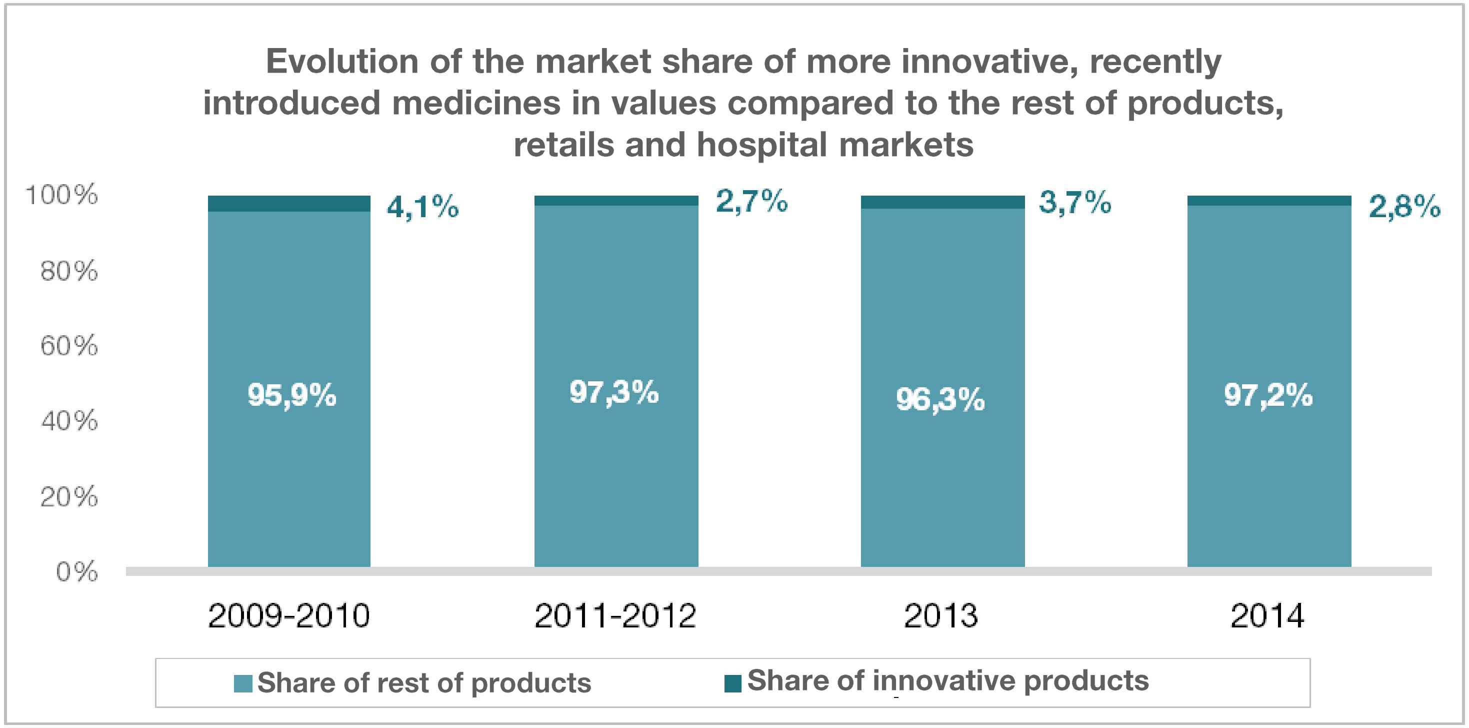
Generic priced market



The market of products at generic prices accounts for almost half of the Spanish pharmaceutical market in value and almost 80% of the market in units

Source: Farmaindustria from IMS information
Note: Total prescription market net from rebates imposed by Royal Decree Laws 8/2010 and 9/2011

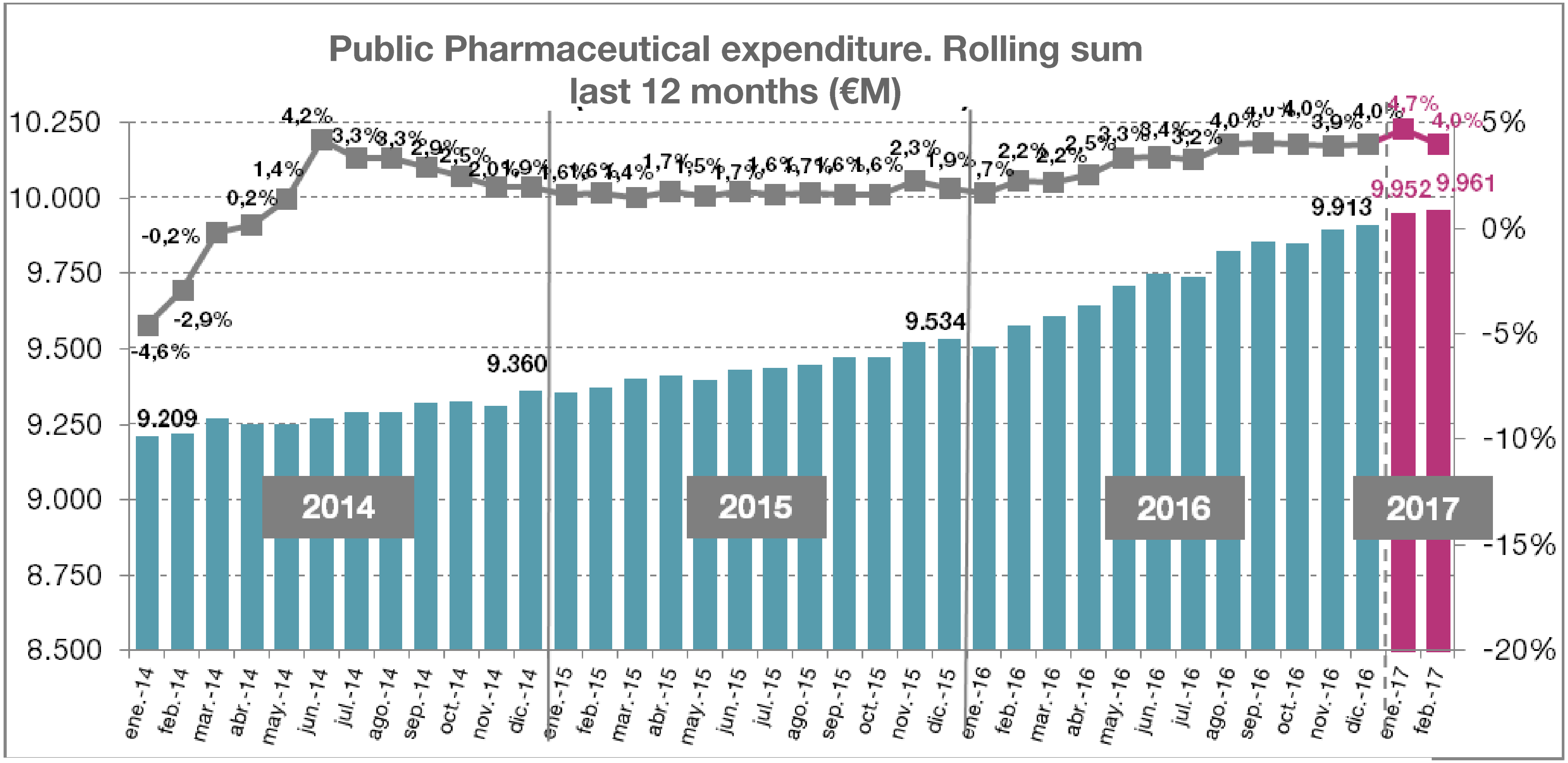
Market share of more innovative medicines (Retail + Hosp)



Note: Sales of innovative medicines correspond to sales (in each period) of products launched in the term which is considered, plus the two previous years. Only publicly reimbursed medicines. Includes single medicines as well as combinations, taking into account that in combinations there is at least one active ingredient of which is considered an innovation. Innovative medicines are those based in new active ingredients launched in the present year and the two previous ones.
Sources: BCG analysis and Farmaindustria from IMS data.

Public pharmautical expenditure (ratail) (short term forecasts)

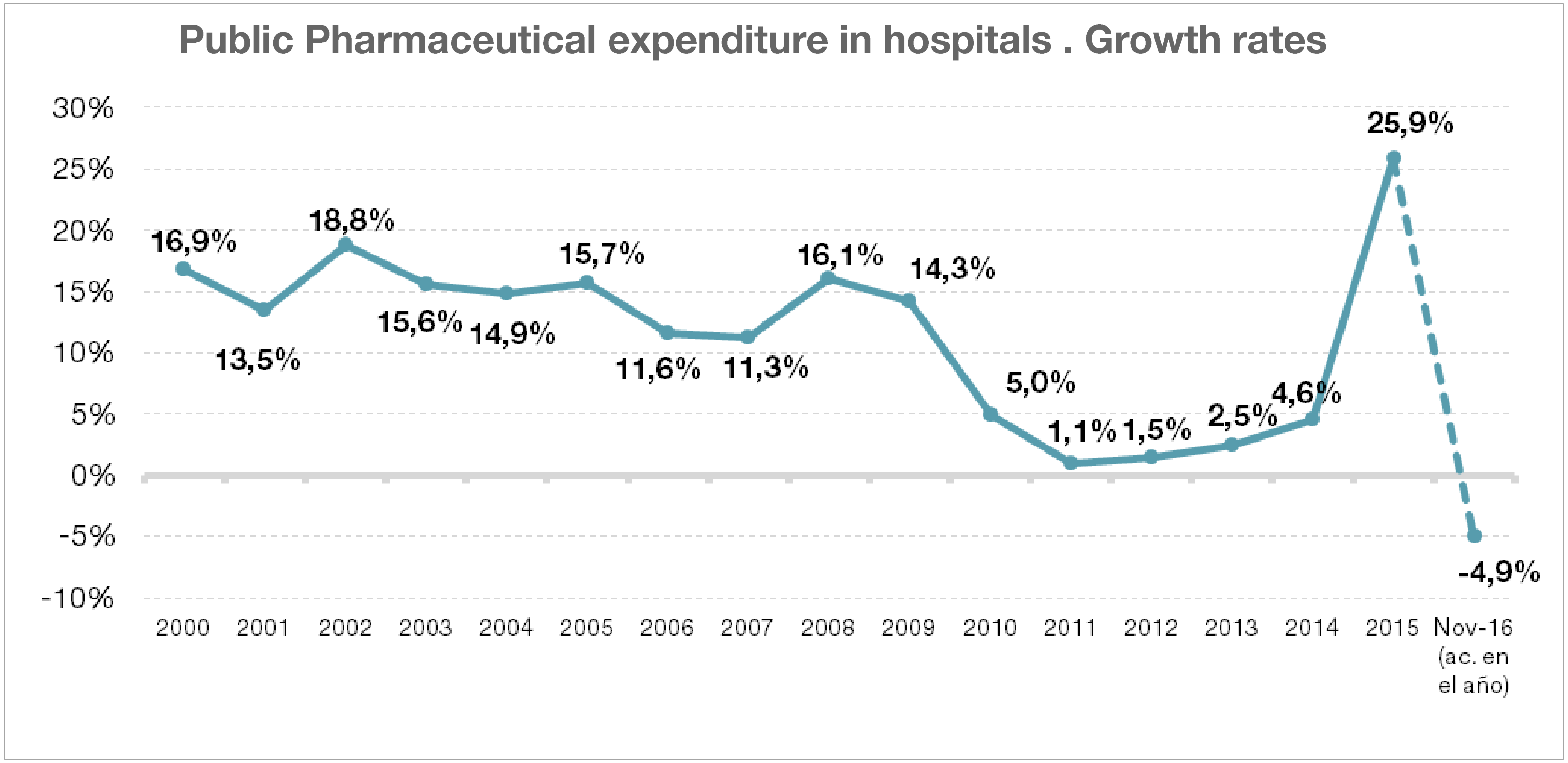
2016 ended with a growth of public pharmaceutical expenditure in the retail market of around +3.96% a little bit above initial estimates, especially because of the increase experienced in average expenditure per prescription. Forecasts for 2017 show a positive growth, but notably inferior to that of 2016.



Source: MoH. Forecasts: Farmaindustria

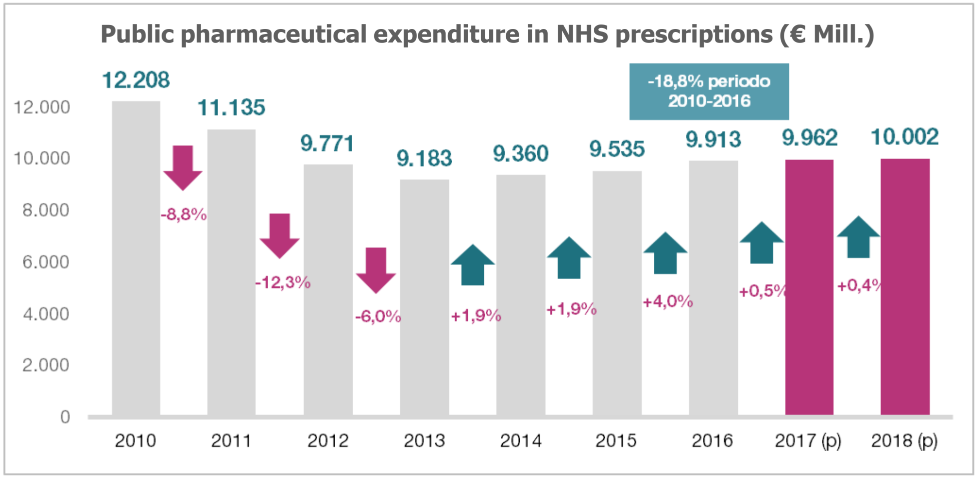
Public pharmaceutical expenditure in hospitals

From 2010, public pharmaceutical expenditure has strongly moderated its growth when compared to the rates experienced in the early 2000s (a drop of more than 13 points on average). The abnormally high growth of 2015 was fundamentally due to the punctual expenditure in innovative medicines to treat HepC. On the contrary, during 2016, the market has corrected, to a great degree, the punctual growth of 2015.

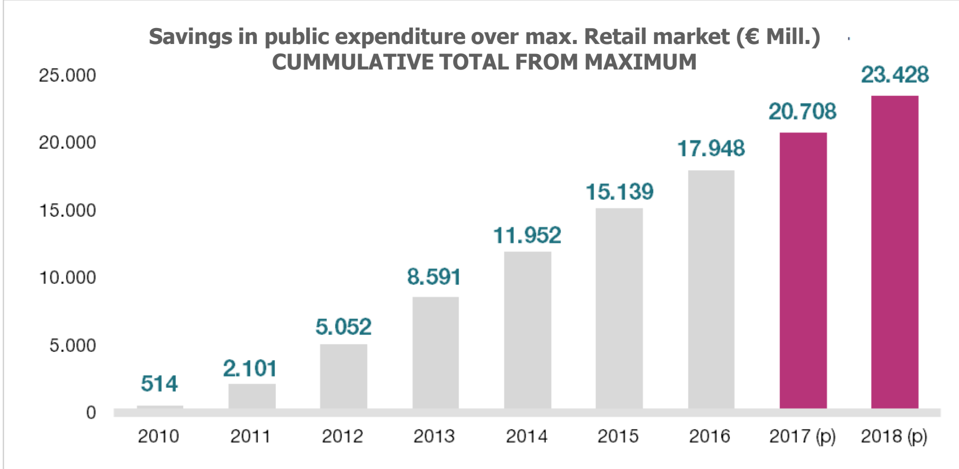


Source: 2000-2005 data, MoH, 2006-2014 Data. Farmaindustria estimates from Hospital Debt survey. 2015 onwards data, MoF

Evolution of public pharmaceutical exp. (annual & forecasts)



Source: 2010-2016 data, MoH, Farmaindustria. 2017-2018 Forecast: Farmaindustria. 2017 Forecasts: Farmaindustria according to IMS forecasts (Market Prognosis Spain, rev. January 2017)



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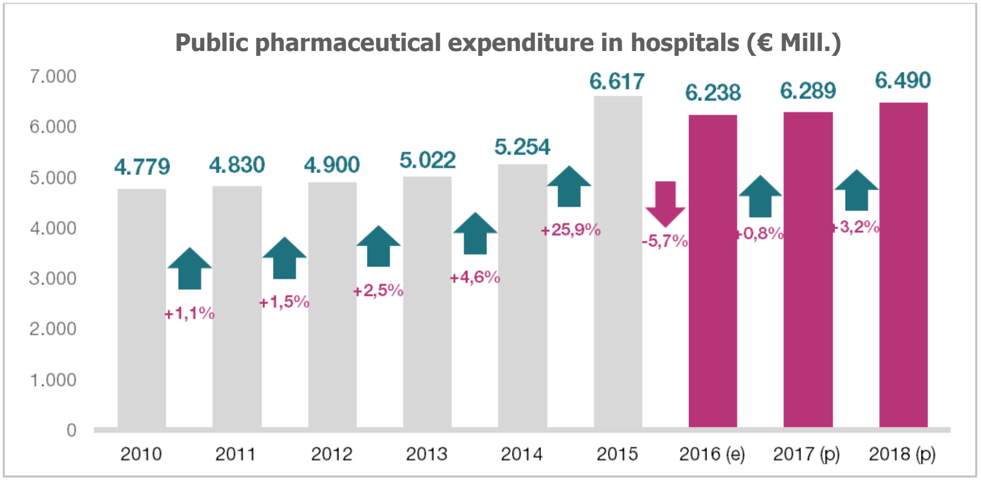
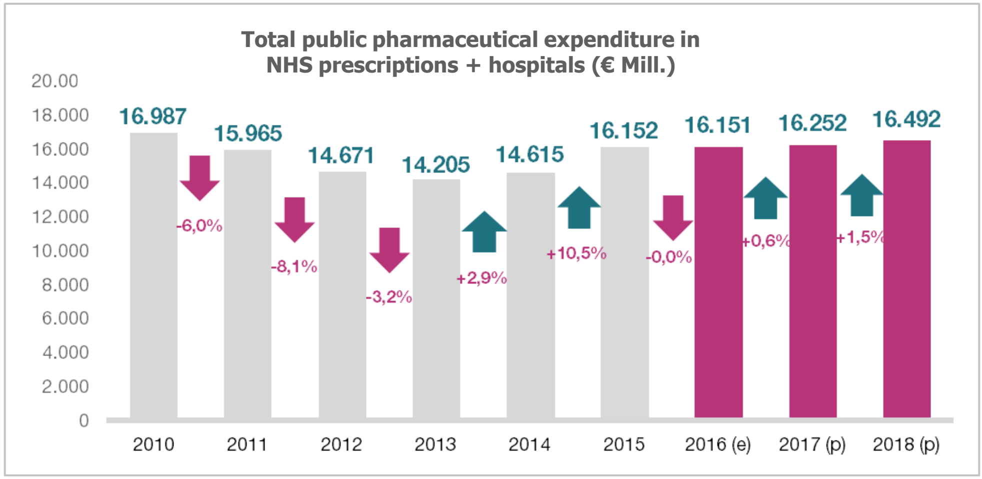
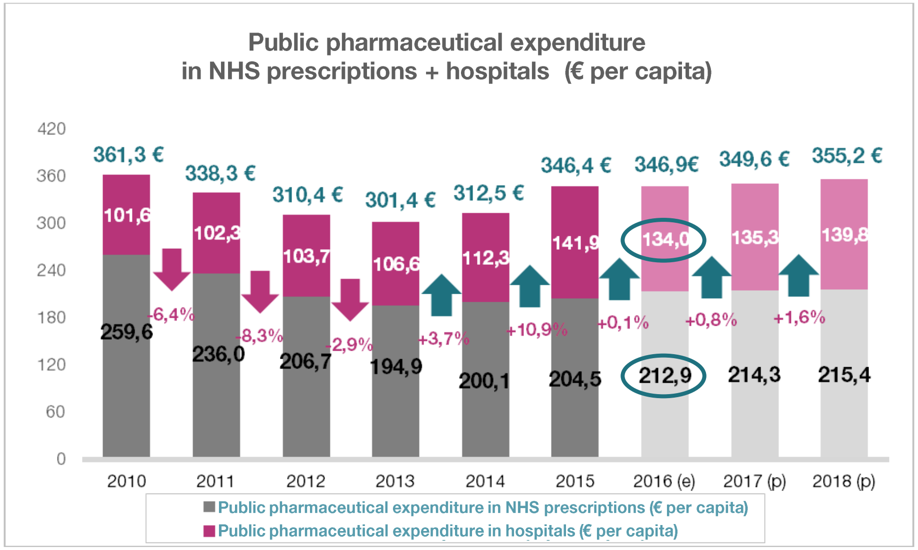


Source: 2010-2013 data, Farmaindustria (re- calculated Hospital survey). 2014-2015, MINHAP. Est. 2016, Forecast: Farmaindustria. 2017-2018 Forecasts: Farmaindustria according to IMS forecasts (Market Prognosis Spain, rev. January 2017)

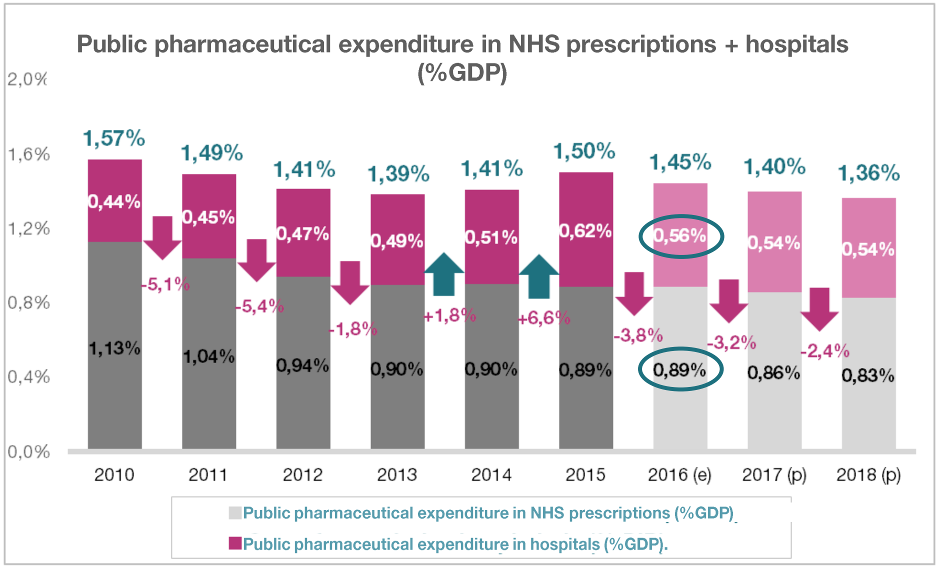


Source: 2010-2013 data, Farmaindustria (re- calculated Hospital survey). 2014-2015, MSSSI and MINHAP. Est. 2016, Forecast: Farmaindustria. 2017-2018 Forecasts: Farmaindustria according to IMS forecasts (Market Prognosis Spain, rev. January 2017)

Public pharmaceutical expenditure. Per capita and % GDP



Source: 2010-2013 data, MoH, Farmaindustria and INE, and own estimates. 2014-2016: FI from MoH, INE and MoF. Forecasts 2017-2018, Farmaindustria from IMS (Market Prognosis Jan. 2017)



Source: 2010-2013 data, MoH, Farmaindustria and INE and own estimates . 2014-2016: FI from MoH, INE and MoF. Forecasts 2017-2018, Farmaindustria + Spanish Government, Budget Plan updater 2017 (p. 10))