

FY 2016 Pharmaceutical industry summary

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	Currency	FY 2016 Sales (mio)	Growth yoy (CER)	FY 2016 Op Profit (mio)	FY 2016 Op Margin (%)	FY 2016 R&D expenses (mio)	R&D in % of sales	Publication date	Guidance 2017	Comments
AbbVie	USD	25638	13.3%	9384	36.6%	4366	17.0%	27.01.2017	GAAP diluted EPS guidance for the full-year 2017 of \$4.55 to \$4.65. Adjusted diluted EPS guidance (excludes \$0.89 per share of intangible asset amortization expense) for the full-year 2017 of \$5.44 to \$5.54, representing growth of 13.9% at the mid-point.	Humira (rheumatoid arthritis) is still a very crucial product for AbbVie, representing 62.9% of 2016 product sales. Imbruvica (lymphoma (MCL, NHL) & leukemia (CLL)) emerged as 2nd product with sales of USD 1.8b for 2016.
Amgen	USD	22991	5.0%	9794	42.6%	3840	16.7%	02.02.2017	2017 total revenues guidance of \$22.3-\$23.1 billion; EPS guidance of \$10.45-\$11.31 on a GAAP basis and \$11.80-\$12.60 on a non-GAAP basis.	Revenue growth was primarily driven by Enbrel (rheumatoid arthritis), Prolia (osteoporosis), Repatha (hypercholesterolemia) and Kyprolis (multiple myeloma). Enbrel is the first product of Amgen, representing 27.2% of 2016 product sales. It is closely followed by Neulasta (neutropenia) (21.2% of sales). Enbrel sales still grew during 2016. On the contrary, Neulasta slowed down by 1%. Prolia and Kyprolis registered both strong growth with 25% increase vs. previous year.
AstraZeneca	USD	23002	-5.0%	6721	29.2%	5631	24.5%	02.02.2017	Total Revenue: a low to mid single-digit percentage decline Core EPS: a low to mid teens percentage decline	Crestor (hypercholesterolemia) (16% of 2016 product sales), Symbicort (asthma) (14%) and Nexium (dyspepsia, peptic ulcers, GERD) (10%) are the main but declining contributors. AstraZeneca has a fragmented portfolio unable to generate strong growth drivers in the short term which is fully reflected in 2017 revenue and core EPS guidance.
Bristol-Myers Squibb	USD	19427	17.0%	5915	30.4%	4940	25.4%	26.01.2017	2017 GAAP EPS guidance range of \$2.47 - \$2.67. Adjustment of non-GAAP EPS guidance range from \$2.85 - \$3.05 to \$2.70 - \$2.90. Both GAAP and non-GAAP guidance assume current exchange rates. 2017 GAAP and non-GAAP line-item guidance assumptions include: - Worldwide revenues increasing in the low-single digits - Gross margin as a percentage of revenue to be approximately 72% to 73% - Marketing, selling and administrative expenses decreasing in the mid- to high-single digit range - Research and development expenses increasing in the high-single digit range - Effective tax rate of approximately 21%	Opdivo (NSCLC) is the best selling drug representing 19.4% of 2016 product sales. Eliquis (cardiovascular) followed closely with 17.2% of sales. Both drugs are strongly growing and, together with Orenicia (immunology) will be able to partially compensate the fall of the virology franchise as well as other products declining performance.
Gilead Sciences	USD	30390	-6.9%	17633	58.0%	5098	16.8%	07.02.2017	Full year 2017 guidance: GAAP: - Net Product Sales (USDm) \$22,500 - \$24,500 - Non-HCV Product Sales (USDm) \$15,000 - \$15,500 - HCV Product Sales (USDm) \$7,500 - \$9,000 Non-GAAP* - Product Gross Margin 86% - 88% - R&D Expenses \$3,100 - \$3,400 - SG&A Expenses \$3,100 - \$3,400 - Effective Tax Rate 25.0% - 28.0% - Diluted EPS Impact of Acquisition-related, Up-front Collaboration, Stock-Based Compensation and Other Expenses \$0.84 - \$0.91 * Non-GAAP items exclude acquisition-related, up-front collaboration, stock-based compensation and other expenses.	HIV and other antiviral product sales (43.1% of 2016 product sales) increased on a yoy basis thanks to the continued uptake of tenofovir alafenamide (TAF)-based products partially offset by decreases in sales of tenofovir disoproxil fumarate (TDF)-based products. HCV product sales (49.5% of 2016 product sales) declines were due to lower sales of Harvoni and Sovaldi, partially offset by sales of Epclusa, which was launched in 2016 across various locations.
GlaxoSmithKline	GBP	27889	6.0%	7771	27.9%	3628	13.0%	08.02.2017	The guidance depends on the launch (or not) of a generic version of Advair. In the event that no generic version of Advair is introduced to the US market in 2017, the Group expects 2017 core EPS growth of 5-7% at CER. This is based on an expected decline in 2017 US Advair sales of 15-20%. - In the event of a mid-year introduction of a substitutable generic competitor to Advair in the US, the Group expects full year 2017 US Advair sales of around £1 billion at CER (US\$1.36/E1), with core EPS flat to a slight decline in percentage terms at CER.	New product sales more than doubled to £4.5 billion (+71% CER) driven by HIV (Tivicay, Triumeq), Respiratory (Relvar/Breo, Anoro, Incruse, Nucala) and Meningitis vaccines (Bexsero, Menvivo) - New Pharmaceutical products sales represented 24% of 2016 Pharmaceuticals sales. The respiratory franchise is still the most important therapeutic area with 40.4% of 2016 product sales thanks to Serelva/Avair making the majority of the portfolio sales (53% of respiratory 2016 product sales). 5 products have been launched to compensate the potential decline of Seretide/Advair. The second most important therapeutic area is HIV with 22.1% of 2016 product sales. It is a mature franchise with declining product sales compensated by the launch of 2 new products (Triumeq and Tivicay).
Johnson & Johnson	USD	71890	3.9%	21136	29.4%	9095	12.7%	24.01.2017	2017 guidance for sales of \$74.1 billion to \$74.8 billion reflecting expected operational growth in the range of 4.0% to 5.0%. Excluding the impact of acquisitions and divestitures, operational sales growth is expected to be in the range of 3.0% to 3.5%. Additionally, the Company announced adjusted earnings guidance for full-year 2017 of \$6.93 to \$7.08 per share reflecting expected operational growth in the range of 4.8% to 7.0%. * Adjusted earnings guidance excludes the impact of after-tax intangible amortization expense and special items.	Pharmaceutical division represented 46.5% of 2016 total sales. The second most important division is Medical devices (34.9%) and the last is Consumer (18.5%). Inside Pharma, the biggest therapeutic area is immunology (35.8% of 2016 pharma sales) with Remicade (rheumatoid arthritis and other inflammatory diseases) and Stelara (psoriasis) making most of the performance. Cardiovascular is the 2nd best selling franchise with 19.1% of 2016 pharma sales pushed by Xarelto (deep vein thrombosis). Neurosciences is also a very important franchise with 18.2% of 2016 pharma sales pushed by Invega Sustenna (schizophrenia) portfolio.
Lilly	USD	21222	6.0%	3459	16.3%	5243	24.7%	31.01.2017	2017 financial guidance: Revenue: \$21.8 to \$22.3 billion Gross Margin % of Revenue (reported): Approx. 73.5% Gross Margin % of Revenue (non-GAAP): Approx. 77.0% Marketing, Selling & Administrative: \$6.4 to \$6.6 billion Research & Development: \$4.9 to \$5.1 billion Other Income/(Expense): \$0 to \$100 million Tax Rate (reported): Approx. 24.5% Tax Rate (non-GAAP): Approx. 22.0% Earnings per Share (reported): \$2.69 to \$2.79 Earnings per Share (non-GAAP): \$4.05 to \$4.15 Capital Expenditures: Approx. \$1.2 billion	The most important product is Humalog (rapid-acting insulin for diabetes treatment) (13.0% of 2016 product sales - including animal health). However, the trend is not favorable as it began to decline. Cialis (erectile dysfunction), the 2nd most important product (11.6%), was still growing in 2016. Alimta (NSCLC) (10.8%) is on the same performance trend as Humalog. However, a bunch of newly launched products (Tulicity (type II diabetes), Cymraza (gastric cancer)) clearly emerged as growth drivers that could compensate the decline of the strong old brands.
Merck & Co	USD	39807	3.0%	8960	22.5%	7194	18.1%	02.02.2017	2017 guidance for: - GAAP EPS: between \$2.47 and \$2.62 - non-GAAP EPS: between \$3.72 and \$3.87, including approx 2% negative impact from FX. The non-GAAP range excludes acquisition- and divestiture-related costs and costs related to restructuring programs. - revenues: between \$38.6 billion and \$40.1 billion, including approx 2% negative impact from FX. - operating expenses: higher than 2016 by a low-single digit rate - effective tax rate (GAAP): 22.0% to 23.0% - effective tax rate (non-GAAP): 21.0% to 22.0%	Januvia/Janumet was still the most important product, unfortunately with low growth (2%), with 17.4% of 2016 pharma product sales. Zeltia/Vytroin made 10.5% of 2016 product sales but was slightly declining. Gardesil was a strong performer with 14% growth achieving 2% of 2016 product sales. Keytruda emerged as a potential growth relay for 2017; it grew by 148% in 2016. Merck registered a decline in Q4, linked to the loss of US market exclusivity in 2016 for Cubicin (antibiotic), Nasonex (allergy symptoms); and Zetia (hypercholesterolemia); as well as by the ongoing impact of biosimilar competition in the company's marketing territories in Europe for Remicade.
Novartis	USD	45518	0.0%	8268	18.2%	9039	19.9%	25.01.2017	2017 guidance: - Sales broadly in line with prior year - Core Operating Income broadly in line with prior year or decline low single digits - Return Alcon to top-line growth	Oncology was one of the main contributors (39.3% of 2016 innovative medicines division), with Gleevec (CML) suffering from generic competition in US. Jakavi (myelofibrosis) grew strongly but not enough to compensate the Gleevec decline. Ophthalmology registered negative performance in 2016 with decline of 8%. Neuroscience grew thanks to Galentia (multiple sclerosis). In immunology, Cosentyx (psoriasis) had a great year and emerged as one of the key growth drivers of the portfolio. Despite small absolute numbers, Utibro (respiratory) showed amazing adoption rates. Sandoz (generic division) showed 2% growth (CER) thanks to high volume growth compensating for increased price erosion. Alcon (ophthalmology drugs, surgery, consumer) division deteriorated over 2016 with negative performance along all its segments.
Pfizer	USD	52824	5.0%	13730	26.0%	7872	14.9%	31.01.2017	2017 financial guidance: - Revenues \$52.0 to \$54.0 billion - Adjusted Cost of Sales as a Percentage of Revenues 20.0% to 21.0% - Adjusted S&A Expenses \$13.7 to \$14.7 billion - Adjusted R&D Expenses \$7.5 to \$8.0 billion - Adjusted Other (Income)/Deductions Approximately \$100 million of deductions - Effective Tax Rate on Adjusted Income: Approximately 23.0% - Adjusted Diluted EPS: \$2.50 to \$2.60	The most important, but declining (by -8%), product was Prevnar (pneumococcal vaccine) (10.8% of 2016 sales). Lyrica (epilepsy) was extremely well positioned (7.9% of 2016 sales) and growing. Enbrel (rheumatoid arthritis) (ex-US and Canada) was another important product in absolute terms, but again declining. It is not easy to envision future growth drivers: Chantix (smoking cessation) could be one as well as altianos revenues. Pfizer divided its revenues into 2 categories: Innovative health (for new products) and Essential health (for legacy products). Despite Innovative health growing as a whole (+9%), it seems that this performance was driven by few products.
Roche	CHF	50576	4.0%	18420	36.4%	11532	22.8%	01.02.2017	In 2017, Roche expects sales to grow low- to mid-single digit, at constant exchange rates. Core earnings per share are targeted to grow broadly in line with sales, at constant exchange rates. Roche expects to further increase its dividend in Swiss Francs.	MabThera/Rituxan (NHL, rheumatoid arthritis) was still the number 1 in terms of product (18.7% of 2016 pharma sales). Avastin (CRC & other solid tumors) and Herceptin (HER2+ breast cancer) were still registering sales over CHF 6b. Perjeta (HER2+ breast cancer), Actemra (rheumatoid arthritis) and Xolair (asthma) grew strongly during 2016. Newly launched products were doing very well, especially Esbriet (idiopathic pulmonary fibrosis), Erivedge (BCC) and Gazvya (CLL). On the diagnostic side, diabetes care was the only segment not performing very well.
Sanofi	EUR	33821	1.2%	7856	22.6%	5172	15.3%	08.02.2017	Sanofi expects 2017 Business EPS to be stable to -3% at constant exchange rates, barring unforeseen major adverse events, consistent with its previously announced Strategic Roadmap guidance for the 2016-17 period. Applying the average December 2016 exchange rates, the currency impact on 2017 Business EPS is estimated to be +3% to +4%	Lantus (diabetes) was the biggest product in the portfolio (16.3% of 2016 product sales), declining 12% over the year. Plavix (stroke) and Lovexon (deep venous thrombosis) were still registering over EUR 1b in sales despite being mature products. Aubagio (multiple sclerosis) was one of the strongest growth of 2016 with 49%. Vaccines, especially pertussis and influenza, were also good contributors with over EUR 1b in sales.
Takeda	JPY	1315846	7.4%	217430	16.5%	223800	17.0%	01.02.2017	9 months results - no FY guidance	Velcade (multiple myeloma) (8.7% of product sales) was the most important product but it declined sharply (-18%) over the considered period. Nintaro (relapsed/refractory multiple myeloma) took off soundly and will be one of the growth driver of the company. Entyvio (Crohn's disease, ulcerative colitis) was also a solid contributor to the performance, growing 73% over the last period.
Teva	USD							13.02.2017	Will be updated as of 13.2.2017 - Stay tuned!	
Average			4.3%		29.5%		18.5%			
Median			4.5%		28.5%		17.0%			

Acronyms:  
MCL: Mantle cell lymphoma  
NHL: Non-Hodgkin lymphoma  
CLL: Chronic lymphocytic leukemia  
GERD: Gastro esophageal reflux disease  
NSCLC: Non small cell lung cancer  
CML: Chronic myeloid leukemia  
CRC: Colorectal cancer  
BCC: Basal cell carcinoma