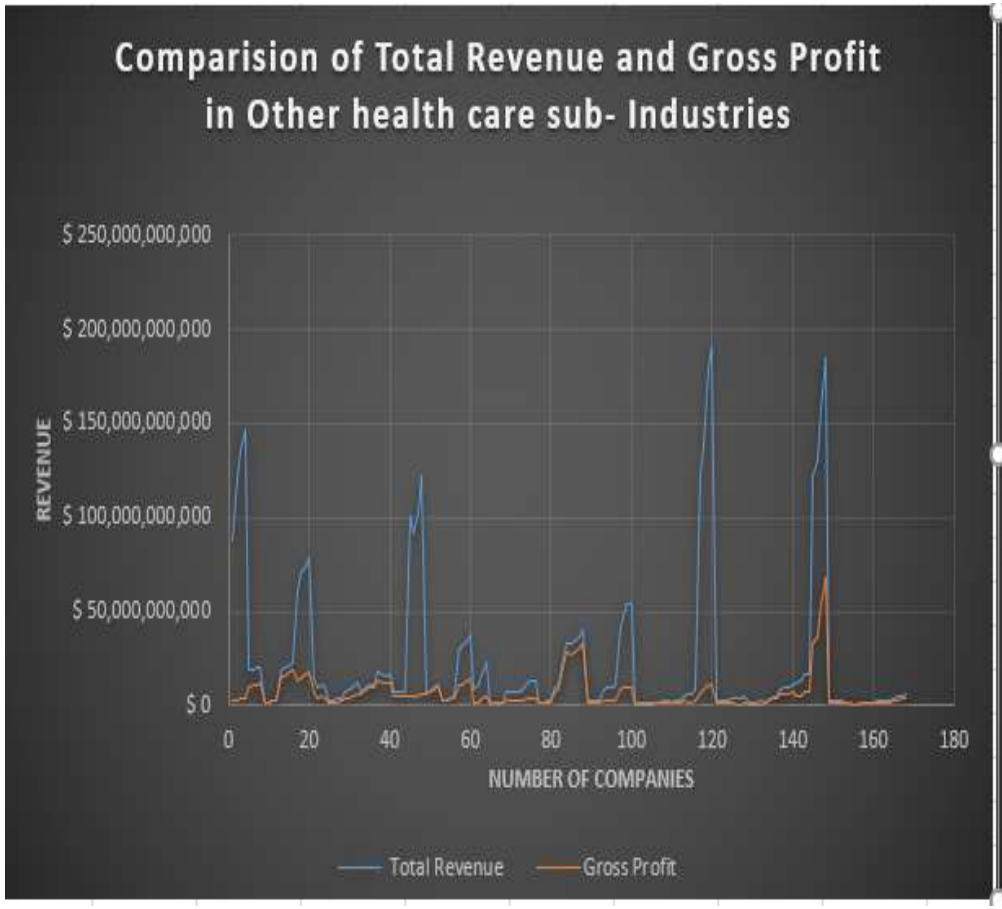
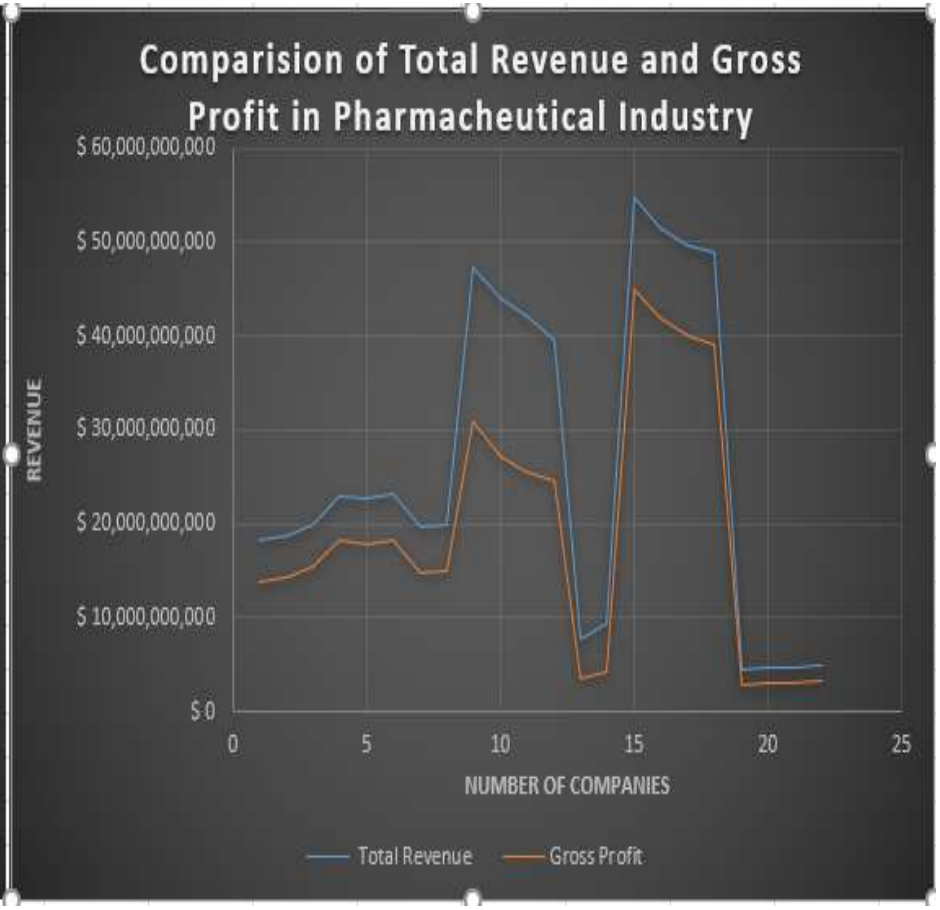
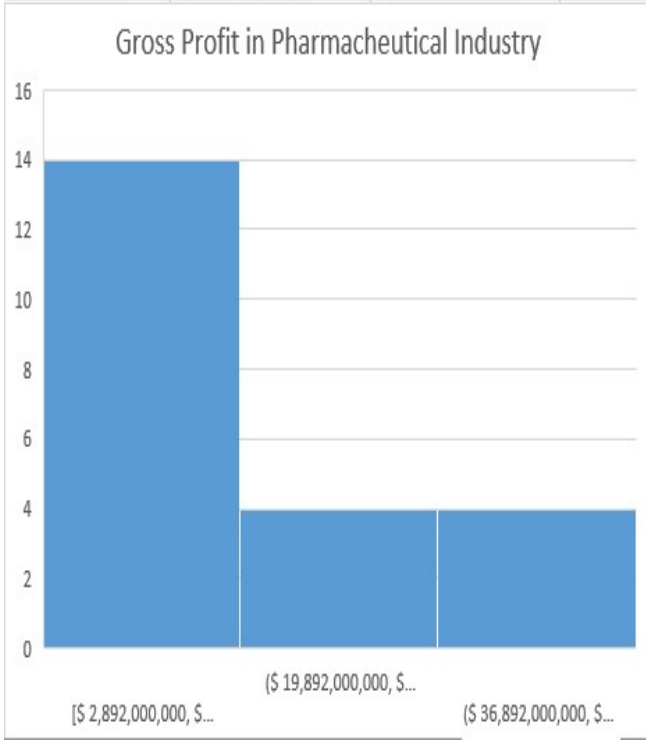
Comparison between Pharmaceutical and Other Health Care Sub-Industries in terms of conversion of Total Revenue into Gross Profit

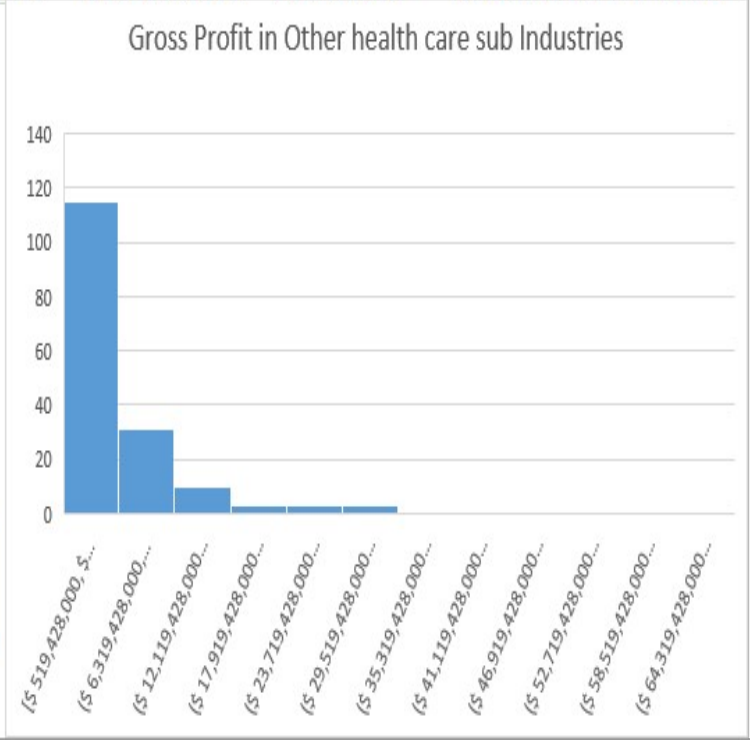




Profitability comparison by analyzing various metrics and drawing inference.

Sub_Industry	Average Revenue	Avg Gross Profit	Median Gross Profit	Avg cost of goods	Avg of research & sales cost	Revenue Range	Standard Deviation
Pharmaceuticals	$ 26,325,440,909	$ 19,160,981,818.18	$ 16,670,450,000	$ 7,164,459,090.91	$ 5,964,054,545	$ 50,096,000,000	17518349827
Other Health care sub Industries	$ 23,950,683,379	$ 8,069,410,159.34	$ 3,919,501,500	$ 15,881,273,219.78	$ 2,067,425,027	$ 190,303,585,000	38427332558





Concluding from the previous slide, the gross margin in pharmaceutical Industry is greater than that in other sub-industries. From the data in this slide, although the average total revenue is almost same, the average gross profit across pharmaceutical Industry is significantly higher (twice) than that in rest health care sub-Industries.

Comparing the revenue range, the revenue in other industries is almost four times spread than pharma industries. Both sub industries have high spread which is justified by high value of standard deviation. Pharma companies are more consistent in revenue generation. Also, the histogram of Gross profit is right skewed which shows that in both sub-industries, the mean gross profit is higher than median which is also verified through data in this slide. The average gross profit in pharmaceutical Industries is less spread and there is little difference between mean and median data. This shows that at least 50% of pharmaceutical companies on average earn double than all other health care sub-industries together. So, it can be established that pharmaceutical industries have high profitability than rest sub-industries. One of the reasons for this is lower cost of products which is less than half of that in rest sub industries and compensates for higher average research cost in pharmaceutical industries.