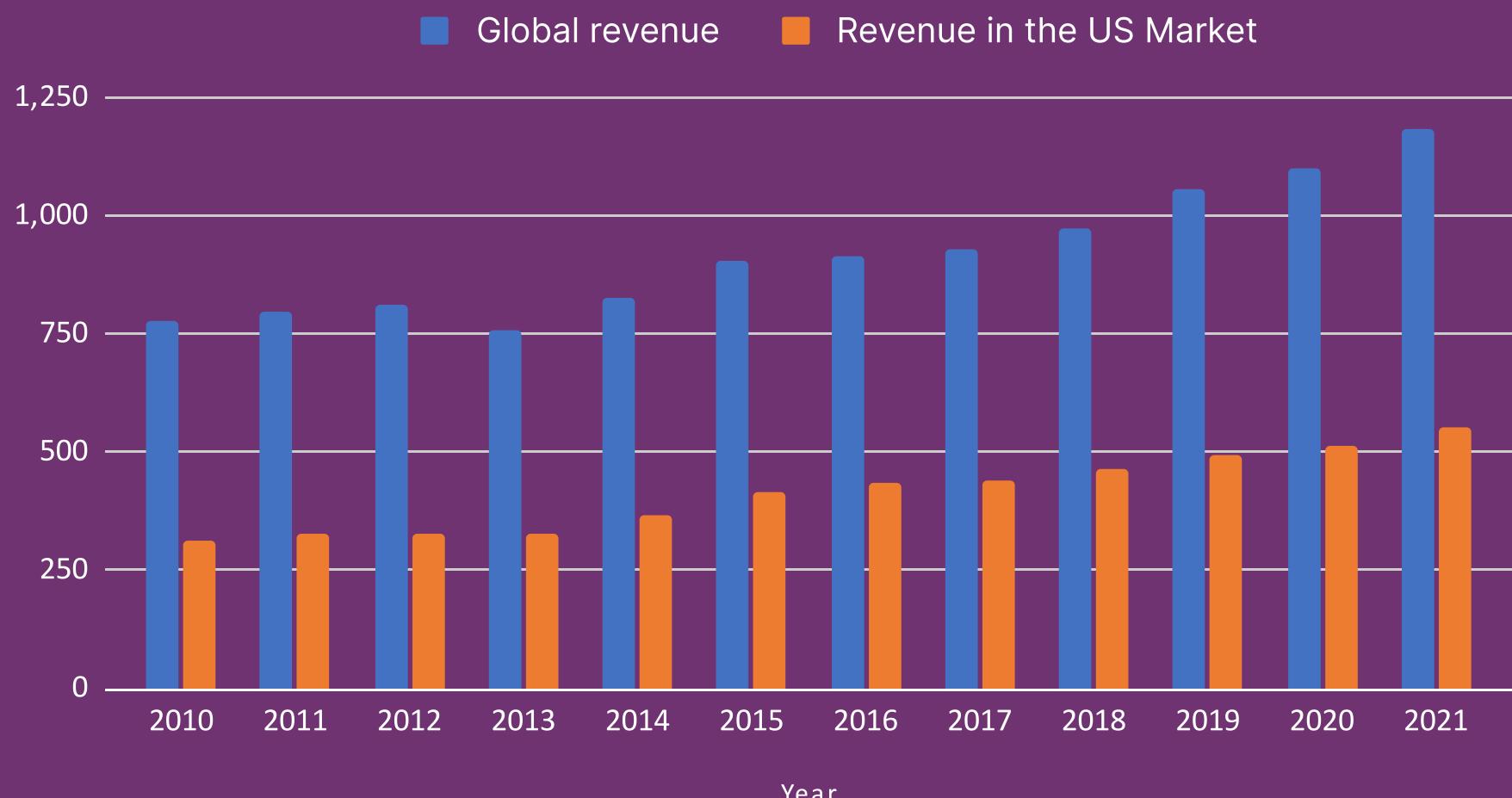




CONSOLIDATION:
Pharmaceuticals

Industry Overview

Global Revenue vis-a-vis US Market (in billion U.S. dollars)



The total pharmaceutical market was valued at

In 2010

USD
780+
billion.



USD
1,186
billion.

At the end
of, 2021

Industry Volume

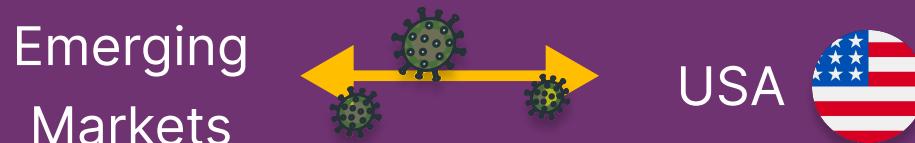
Global Market Share

- In the global sales, between 2010-2021.

The contribution of the
US Market ranges between

48.05%  40.25%

- Growth in the US Pharma Industry has been significant. The **gap** between emerging markets like (India, Middle-East) and the US has been **reducing** due to factors like COVID and improved health conditions.



However, US was still the largest pharma market in 2021 with a revenue



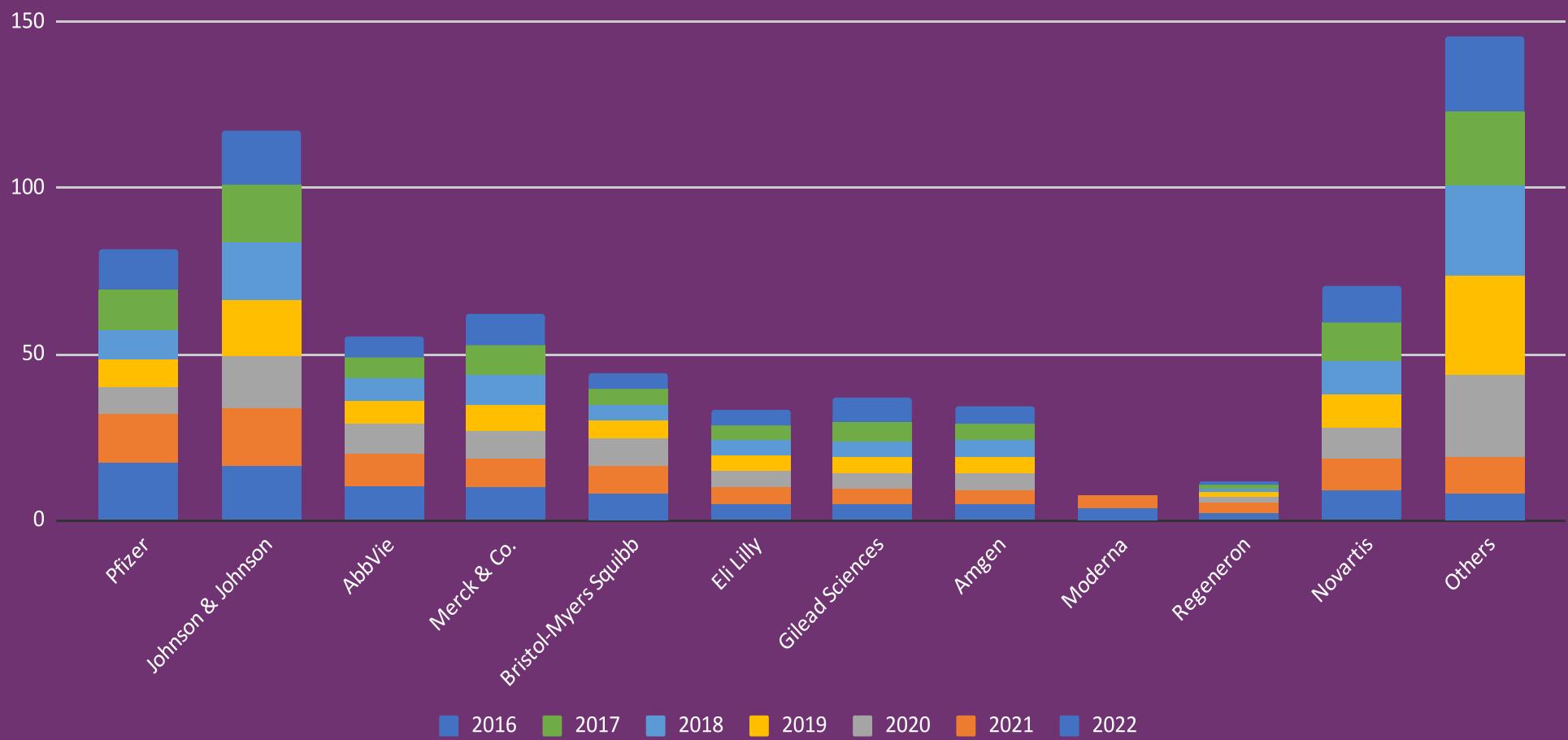
over
USD 550 Billion

- In 2021, 15 out of top 50 pharma companies (by prescription sales and R&D spending) were from US.



CONSOLIDATION:
Pharmaceuticals
Market Outlook

Revenue (as % of total)



- US has been the **single largest contributor** to the global pharmaceutical sales. From within this volume, as a significant chunk has been contributed by 10 key players in the industry.
- The **top 5 companies** have been identified as follows –



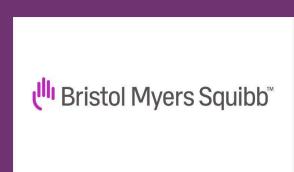
Pfizer



J&J



Abbvie



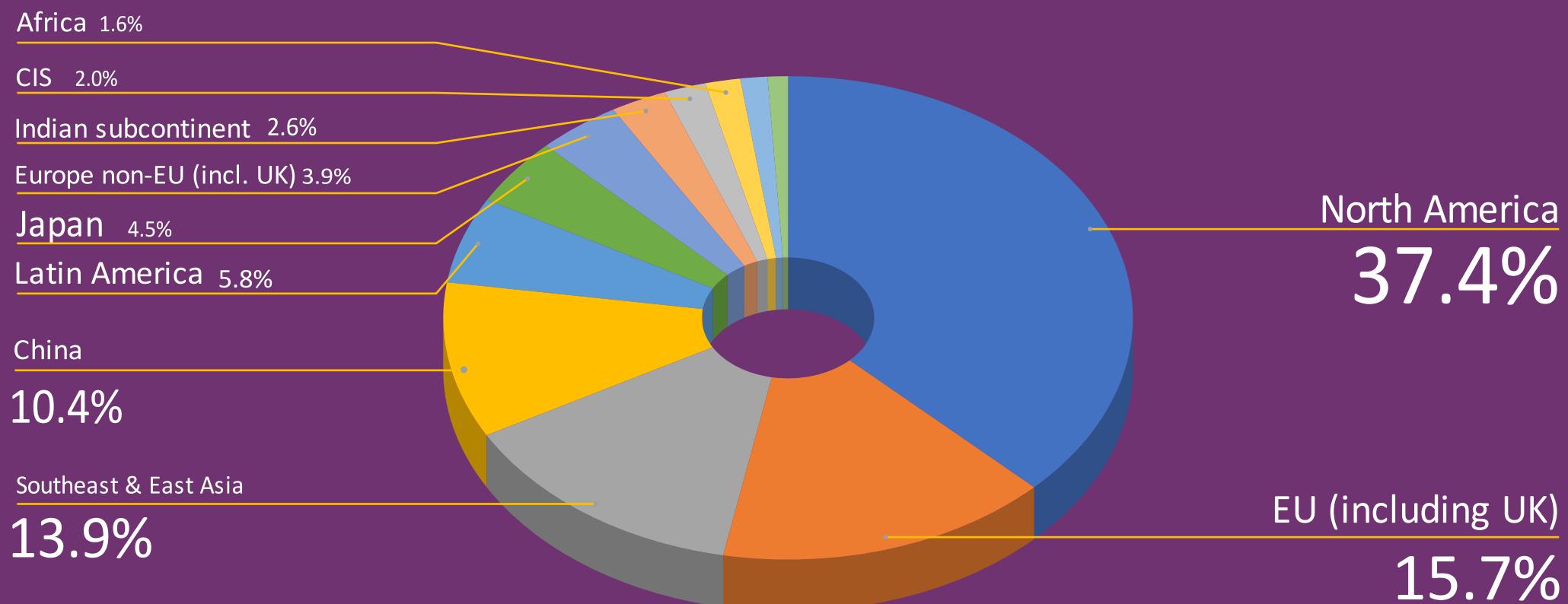
Merck & Co.

Bristol-Myers
Squibb



Market Outlook

Projected Global Sales



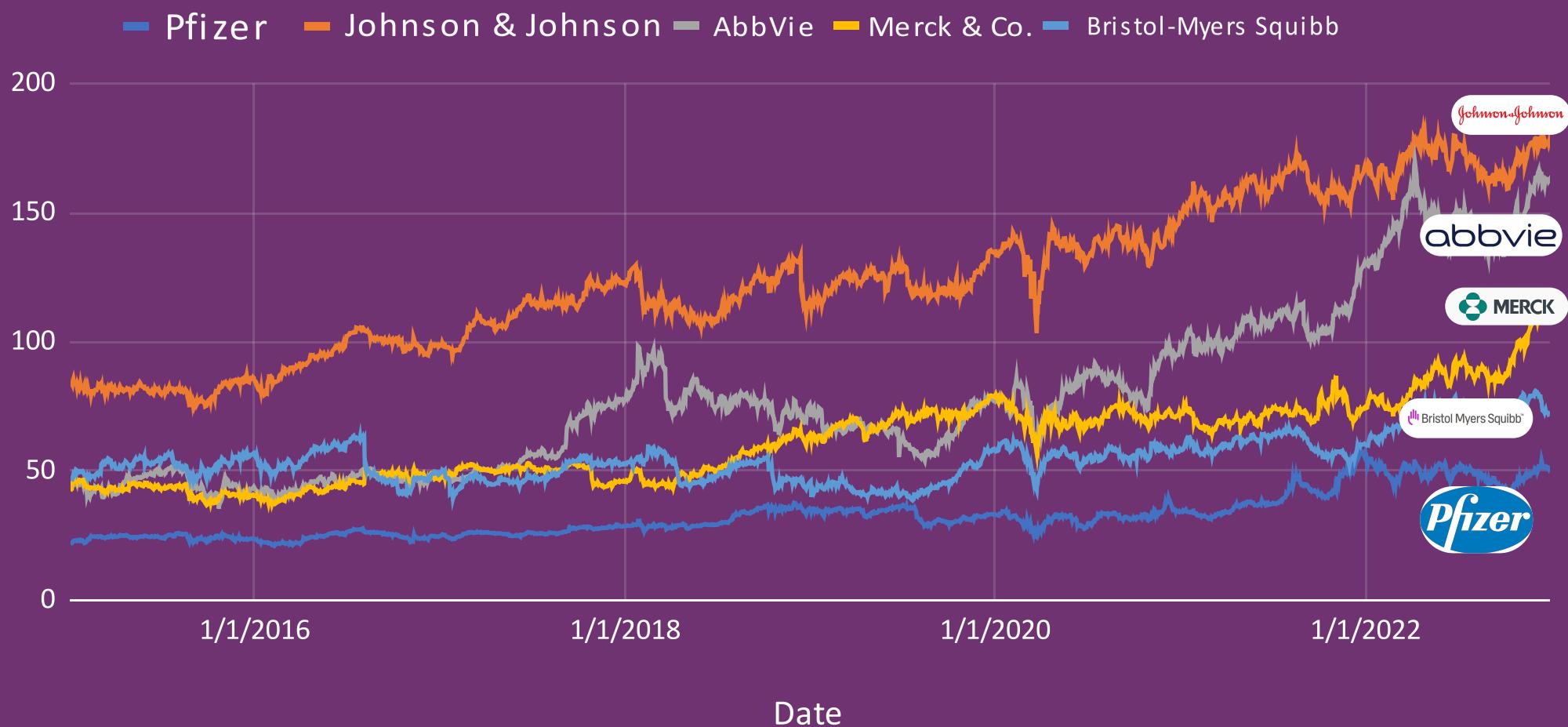
- Revenue in the Pharmaceuticals market is projected to reach **USD 612.60 Billion** in 2023.
- Further, revenue is expected to show an annual growth rate of **5.74%**.
- As per surveys conducted, the market sentiment is currently inclined towards **somewhat favorable (41%) in terms of public view** vis-à-vis a favorable view for pharma cos. Thus, public trust in terms of retail investment may **not be that significant**



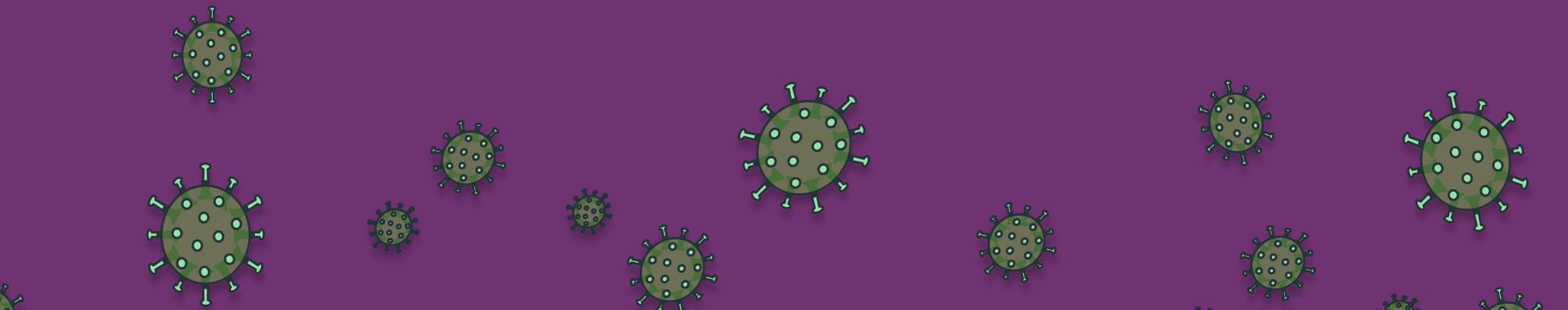
CONSOLIDATION:
Pharmaceuticals

Key Players & Performance

Adjusting Closing Price



Stock performance indicates consistent growth over the years, with
2020 being an **exception** due to **COVID-19**

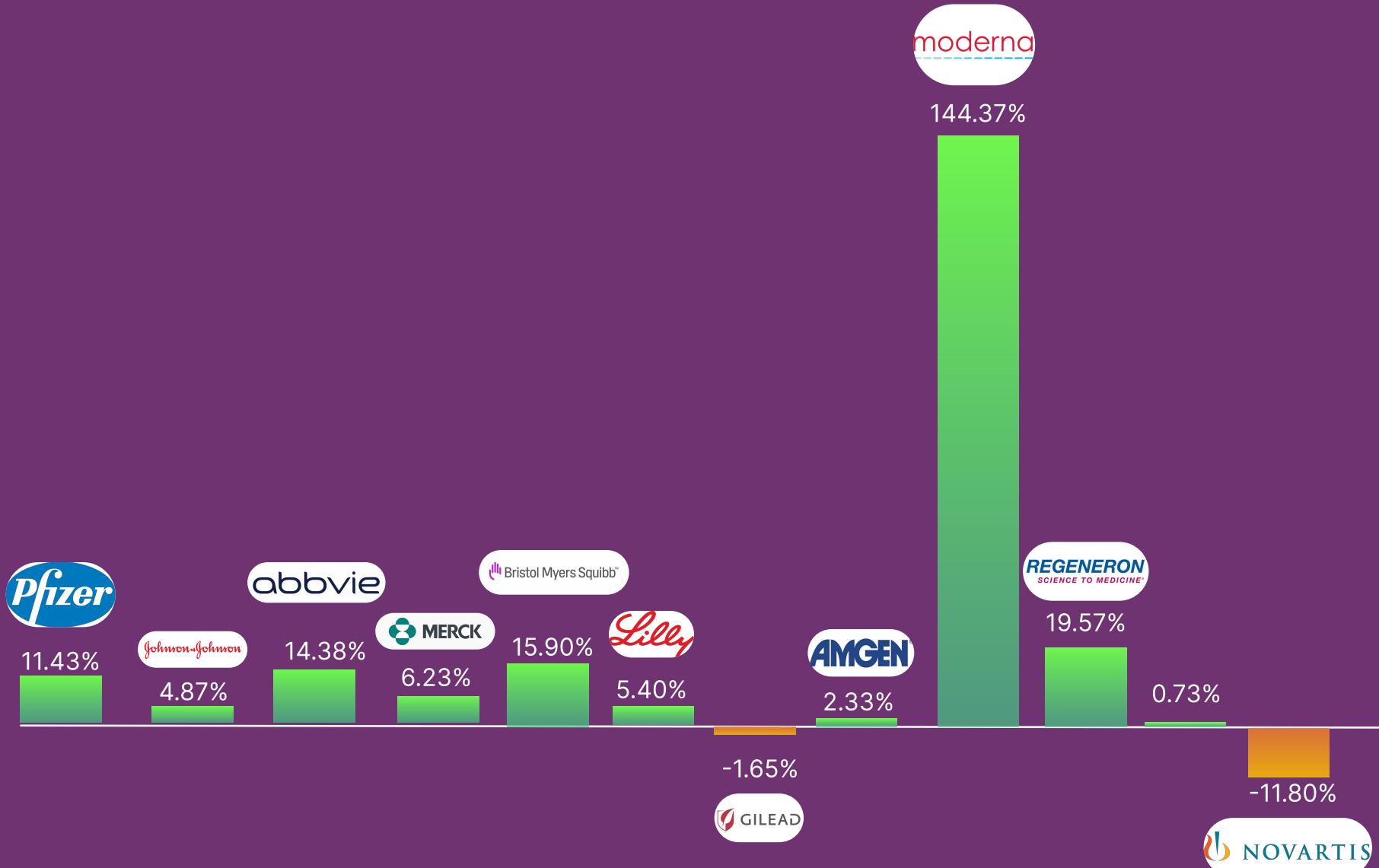




CONSOLIDATION:
Pharmaceuticals

Key Players & Performance

CAGR Revenue (In percent)



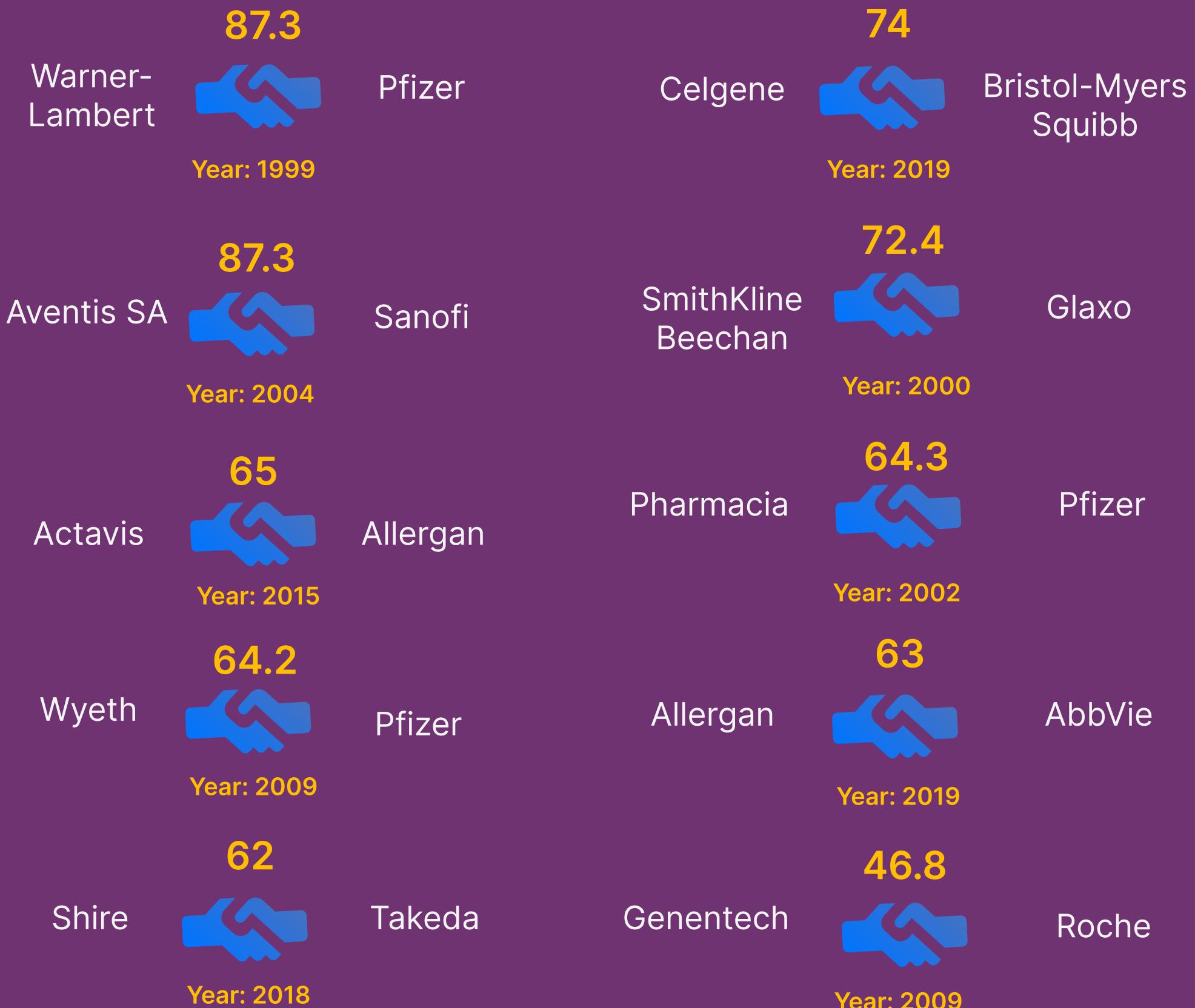
Growth in revenue has been boosted by the several consolidations by and/or between the companies, resulting in **product line synergy** and **product market capturing**



CONSOLIDATION:
Pharmaceuticals

Mergers in the US Pharma Industry (1/2)

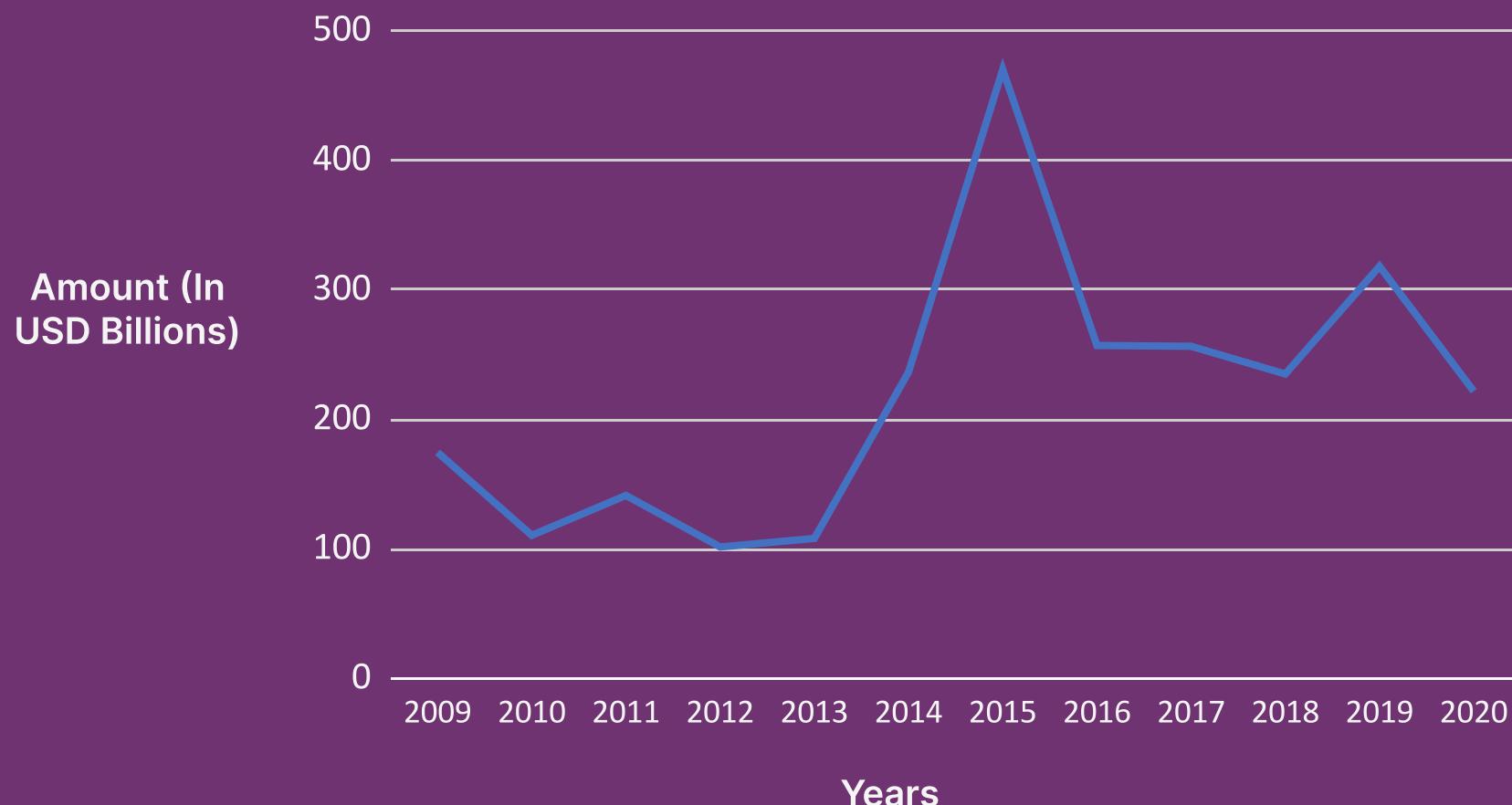
Largest M&A pharmaceutical deals ever as of 2022 (in USD Billion)





Mergers in the US Pharma Industry (1/2)

Transaction value of mergers and acquisitions in the U.S. healthcare and life sciences



- The year 2000 was a **watershed moment** in the pharmaceutical business.
- **SmithKline Beecham and GlaxoWellcome** merged towards the end of the year, creating a pharmaceutical behemoth to compete with Pfizer.
- **Rising research and development (R&D)** expenditures were one cause for such mega-mergers;
- Between 1995 and 2000, R&D expenditure of corporations located in the United States grew by nearly **11 billion** US dollars.
- Companies sought **merger partners** in the race to produce new pharmaceuticals in order to combine R&D spending.
- Post consolidations prices indicate an **increase** in the stock prices upon the mergers, thus indicating a **positive outlook** towards the mergers.