

Warsaw, 17th of July 2017

PEX PharmaSequence data regarding the Polish pharmaceutical market:

Value of the market

In June of 2017 value of sales in the **pharmaceutical market** was close to **2 628m PLN**, 4,1% higher than June 2016.

- **Sales of reimbursed drugs reached 984m PLN** – a growth of 0,3% compared to June 2016
- **OTC sales** of all preparations sold in pharmacies without a prescription amounted to **1 049m PLN**, and was higher than June 2016 by 11,2%
- **Sales of non-reimbursed Rx drugs** amounted to **576m PLN** and fell by 1,2% compared to June 2016

Pharmacy

Turnover of an average pharmacy in June was **175,5 thousand PLN** (in gross retail prices) and grew by 3,2% compared to June 2016.

Reimbursement

Patient copayment level in the reimbursed drugs segment reached 27% and value of **reimbursement in June** was almost 718m PLN – growth by 5,4% compared do June 2016

Prices

- **average retail price** of a drug sold in a pharmacy was **18,70 PLN** (growth of **2,7%** vs June 2016)
- **average retail price** of **reimbursed drugs** was **27,66 PLN** (growth of **0,4%** vs June 2016)
- **average retail price** of **non-reimbursed Rx drugs** was **25,07 PLN** (growth of **6,9%** vs June 2016)
- **average retail price** in **OTC sales** was **12,88 PLN** (growth of **5%** vs June 2016)

Commentary:

Jarosław Frąckowiak PhD, PEX PharmaSequence (formerly PharmaExpert and Sequence) Vice-chairman of the Board

The pharmaceutical market in June 2017 saw sales reach **2 628m PLN**. Value of sales compared to June 2016 grew by close to **103m PLN (+4,1%)**. Compared to May of 2017 sales fell by 43m PLN (-1,6%).

Compared to the same period of 2016, the OTC segment grew by 106m PLN (+11,2%). Sales of non-reimbursed Rx drugs fell by 6,78m (-1,2%) and of reimbursed drugs grew by nearly 2,66m PLN (+0,3%).

There was varied change in value of particular segments compared to the previous month. Value of OTC products fell by 22m PLN (-2,1%), value of reimbursed drugs was higher by 16,21m PLN (+1,7%) and of non-reimbursed drugs fell by 35,73m PLN (-5,8%).

Average pharmacy margin for all drugs in June was 25,24% and was larger by 0,1pp than the margin in the same period of 2016. Compared to May of the current year the average pharmacy margin grew by 1,57% (+0,39 pp.). The average drug price in June was 18,70 PLN and was 2,7% higher than in the previous year, and 2,1% higher than the average price in May of 2017.

Drug reimbursement by the National Health Fund in June was in the amount of 718m PLN, meaning 5,4% higher than in the same period of 2016. The level of patient copayment for reimbursed drugs in June reached 27% and was smaller by 3,54 pp. compared to June 2016. Patient copayment for reimbursed drugs fell by 0,27 pp from May 2017.

Forecast: By the end of 2017 sales of the entire pharmaceutical market will amount to over **33bn PLN, 5,2%** more than 2016. The estimated value of reimbursement will be over **8,4bn PLN (+4,6%)**.

Table 1: Value of sales in key market segments and comparison to 2016

Pharmacy market	Value of sales to the patient											
	06'2017	05'2017	change	trend	05'2017	05'2016	change	trend	YTD'2017	YTD'2016	change	trend
Reimbursed Rx drugs	984,56	968,34	16,22	↑ 1,67%	984,56	981,90	2,66	↑ 0,27%	5 911,86	5 775,92	135,93	↑ 2,35%
Non-reimbursed Rx drugs	576,98	612,72	- 35,74	↓ -5,83%	576,98	583,77	- 6,78	↓ -1,16%	3 690,30	3 538,90	151,40	↑ 4,28%
OTC	1 049,22	1 071,26	- 22,04	↓ -2,06%	1 049,22	943,21	106,01	↑ 11,24%	7 023,54	6 330,37	693,17	↑ 10,95%
Total sales	2 627,76	2 670,90	- 43,13	↓ -1,61%	2 627,76	2 525,01	102,75	↑ 4,07%	16 740,91	15 765,32	975,59	↑ 6,19%

Table 2: Value of sales of an average pharmacy (price for patient) in key market segments and comparison to 2016

Average pharmacy	Average pharmacy sales											
	06'2017	05'2017	change	trend	05'2017	05'2016	change	trend	YTD'2017	YTD'2016	change	trend
Key market segments	65,76	64,72	1,04	↑ 1,61%	65,76	66,11	-0,35	↓ -0,53%	395,50	390,87	4,62	↑ 1,18%
Reimbursed Rx drugs	65,76	64,72	1,04	↑ 1,61%	65,76	66,11	-0,35	↓ -0,53%	395,50	390,87	4,62	↑ 1,18%
Non-reimbursed Rx drugs	38,54	40,95	-2,41	↓ -5,90%	38,54	39,30	-0,77	↓ -1,95%	246,88	239,49	7,39	↑ 3,08%
OTC	70,07	71,59	-1,52	↓ -2,12%	70,07	63,50	6,57	↑ 10,35%	469,91	428,50	41,42	↑ 9,67%
Total sales	175,50	178,50	-3,00	↓ -1,68%	175,50	170,00	5,50	↑ 3,24%	1120,00	1067,00	53,00	↑ 4,97%

Table 3: Average unit price (price for the patient) in key market segments and comparison to 2016

Average pharmacy	Average unit price											
	06'2017	05'2017	change	trend	06'2017	06'2016	change	trend	YTD'2017	YTD'2016	change	trend
Key market segments	27,66	27,35	0,31	↑ 1,14%	27,66	27,55	0,11	↑ 0,41%	27,34	27,14	0,20	↑ 0,74%
Reimbursed Rx drugs	27,66	27,35	0,31	↑ 1,14%	27,66	27,55	0,11	↑ 0,41%	27,34	27,14	0,20	↑ 0,74%
Non-reimbursed Rx drugs	25,07	24,89	0,19	↑ 0,75%	25,07	23,46	1,61	↑ 6,85%	24,32	22,89	1,43	↑ 6,26%
OTC	12,88	12,69	0,18	↑ 1,43%	12,88	12,26	0,62	↑ 5,03%	12,70	12,12	0,59	↑ 4,86%
Total sales	18,70	18,31	0,38	↑ 2,10%	18,70	18,20	0,50	↑ 2,74%	18,05	17,50	0,55	↑ 3,12%

Table 4: Average margin per unit in an average pharmacy in key market segments and comparison to 2016

Average pharmacy	Average margin											
	06'2017	05'2017	change	trend	06'2017	06'2016	change	trend	YTD'2017	YTD'2016	change	trend
Key market segments	18,63%	18,36%	0,003	↑ 1,46%	18,6315%	19,0562%	-0,4247%	↓ -2,2285%	18,66%	18,44%	0,22%	↑ 1,21%
Reimbursed Rx drugs	18,63%	18,36%	0,003	↑ 1,46%	18,6315%	19,0562%	-0,4247%	↓ -2,2285%	18,66%	18,44%	0,22%	↑ 1,21%
Non-reimbursed Rx drugs	25,65%	24,27%	0,014	↑ 5,69%	25,6546%	25,2327%	0,4219%	↑ 1,6720%	24,81%	25,59%	-0,78%	↓ -3,05%
OTC	29,70%	29,36%	0,003	↑ 1,15%	29,6954%	30,0442%	-0,3489%	↓ -1,1612%	29,57%	30,18%	-0,61%	↓ -2,02%
Total sales	25,24%	24,85%	0,004	↑ 1,59%	25,2448%	25,2370%	0,0078%	↑ 0,0310%	25,30%	25,51%	-0,21%	↓ -0,82%

Table 5: Number of patients in key market segments and comparison to 2016

Average pharmacy	Number of patients											
	06'2017	05'2017	change	trend	06'2017	06'2016	change	trend	YTD'2017	YTD'2016	change	trend
Key market segments	700	710	- 10	↓ -1,41%	700	690	10	↑ 1,45%	4 430	4 410	20	↑ 0,45%
Reimbursed Rx drugs	700	710	- 10	↓ -1,41%	700	690	10	↑ 1,45%	4 430	4 410	20	↑ 0,45%
Non-reimbursed Rx drugs	760	770	- 10	↓ -1,30%	760	770	- 10	↓ -1,30%	4 860	4 910	- 50	↓ -1,02%
OTC	2 770	2 940	- 170	↓ -5,78%	2 770	2 650	120	↑ 4,53%	18 480	17 790	690	↑ 3,88%
Total sales	3 390	3 570	- 180	↓ -5,04%	3 390	3 270	120	↑ 3,67%	22 260	21 630	630	↑ 2,91%

Table 6: Number of pharmacies compared to 2016

Number of pharmacies			
06'2017	06'2016	change	trend
14 973	14 853	120	↑ 0,81%
06'2017	05'2017		
14 973	14 963	10	↑ 0,07%
YTD 2017	YTD 2016		
14 948	14 776	182	↑ 1,23%

Attention! YTD variable in tables 1, 2 and 5 is presented incrementally, and in tables 3,4 and 6 as an average in the given period.