



Warsaw, 13th of August 2017

PEX PharmaSequence data regarding the Polish pharmaceutical market:

Value of the market

In July of 2017 value of sales in the **pharmaceutical market** was close to **2 530 m PLN**, 4,4% higher than July 2016.

- **Sales of reimbursed drugs reached 920m PLN** – a growth of 2% compared to July 2016
- **OTC sales** of all preparations sold in pharmacies without a prescription amounted to **1 010m PLN**, and was higher than July 2016 by 6,6%
- **Sales of non-reimbursed Rx drugs** amounted to **577,7m PLN** and grew by 5% compared to July 2016

Pharmacies

Turnover of an average pharmacy in July was **168,5 thousand PLN** (in gross retail prices) and grew by 3,4% compared to July 2016.

Reimbursement

Patient copayment level in the reimbursed drugs segment reached 26,61% and value of **reimbursement in July** was almost 675m PLN – growth by 7,7% compared do July 2016

Prices and growth compared to July 2016

- **average retail price** of a drug sold in a pharmacy was **18,70 PLN** (growth of **4,8%**)
- **average retail price** of **reimbursed drugs** was **27,49 PLN** (growth of **1,5%**)
- **average retail price** of **non-reimbursed Rx drugs** was **25,05 PLN** (growth of **6,5%**)
- **average retail price** in **OTC sales** was **12,92 PLN** (growth of **5,3%**)

Commentary:

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

The pharmaceutical market in July 2017 saw sales reach **2 530m PLN**. Value of sales compared to July 2016 grew by close to **108m PLN (+4,4%)**. Compared to June of 2017 sales fell by 97m PLN (-3,7%).

Compared to the same period of 2016, the OTC segment grew by 62m PLN (+6,6%). Sales of non-reimbursed Rx drugs grew by 27m (5%) and of reimbursed drugs by 18m PLN (+2%).

Compared to the previous month, value of individual segments mostly fell. Value of OTC products fell by 39m PLN (-3,7%), value of reimbursed drugs was smaller by 64m PLN (-6,5%) and of non-reimbursed drugs grew by 0,7m PLN (0,1%).

Average pharmacy margin for all drugs in July was 24,8% and was larger by 0,38pp than the margin in the same period of 2016. Compared to June of the current year the average pharmacy margin fell by 1,74% (-0,44 pp.). The average drug price in July was 18,70 PLN and was 0,03% higher than in the previous month, and 4,76% higher than the average price in July of 2016.

Drug reimbursement by the National Health Fund in July was in the amount of 675m PLN, 7,7% higher than in the same period of 2016. The level of patient copayment for reimbursed drugs in July was 26,61%, smaller by 3,84 pp. compared to July 2016. Patient copayment for reimbursed drugs fell by 0,39 pp from June 2017.

Forecast: By the end of 2017 sales of the entire pharmaceutical market will amount to over **33bn PLN, 5,3%** more than in 2016. The estimated value of reimbursement will be over **8,4bn PLN (+5%)**.

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

Pharmacy market	Value of sales to the patient											
	07'2017	06'2017	change	trend	07'2017	07'2016	change	trend	YTD'2017	YTD'2016	change	trend
Key market segments	920,36	984,56	- 64,20	↓ -6,52%	920,36	902,00	18,37	↑ 2,04%	6 832,22	6 677,92	154,30	↑ 2,31%
Reimbursed Rx drugs	577,72	576,98	0,73	↑ 0,13%	577,72	550,39	27,33	↑ 4,97%	4 268,02	4 089,29	178,73	↑ 4,37%
Non-reimbursed Rx drugs	1 010,18	1 049,22	- 39,04	↓ -3,72%	1 010,18	947,68	62,50	↑ 6,59%	8 033,72	7 278,05	755,67	↑ 10,38%
OTC	2 530,37	2 627,76	- 97,39	↓ -3,71%	2 530,37	2 422,67	107,70	↑ 4,45%	19 271,28	18 187,99	1 083,29	↑ 5,96%
Total sales												

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				07'2017				YTD'2017			
Key market segments	07'2017	06'2017	change	trend	07'2017	07'2016	change	trend	YTD'2017	YTD'2016	change	trend
Reimbursed Rx drugs	61,29	65,76	-4,47	↓ -6,79%	61,29	60,69	0,60	↑ 0,99%	456,78	451,56	5,22	↑ 1,16%
Non-reimbursed Rx drugs	38,47	38,54	-0,06	↓ -0,17%	38,47	37,03	1,44	↑ 3,89%	285,35	276,53	8,83	↑ 3,19%
OTC	67,27	70,07	-2,80	↓ -4,00%	67,27	63,76	3,51	↑ 5,50%	537,18	492,26	44,92	↑ 9,13%
Total sales	168,50	175,50	-7,00	↓ -3,99%	168,50	163,00	5,50	↑ 3,37%	1288,50	1230,00	58,50	↑ 4,76%

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

Average pharmacy	Average unit price											
	06'2017				07'2017				YTD'2017			
Key market segments	07'2017	06'2017	change	trend	07'2017	07'2016	change	trend	YTD'2017	YTD'2016	change	trend
Reimbursed Rx drugs	27,49	27,66	-0,17	↓ -0,62%	27,49	27,07	0,42	↑ 1,55%	27,36	27,13	0,23	↑ 0,85%
Non-reimbursed Rx drugs	25,05	25,07	-0,02	↓ -0,09%	25,05	23,52	1,53	↑ 6,52%	24,42	22,98	1,45	↑ 6,30%
OTC	12,92	12,88	0,04	↑ 0,34%	12,92	12,27	0,65	↑ 5,27%	12,74	12,14	0,60	↑ 4,92%
Total sales	18,70	18,70	0,01	↑ 0,03%	18,70	17,85	0,85	↑ 4,76%	18,14	17,55	0,59	↑ 3,35%

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

Average pharmacy	Average margin											
	06'2017				07'2017				YTD'2017			
Key market segments	07'2017	06'2017	change	trend	07'2017	07'2016	change	trend	YTD'2017	YTD'2016	change	trend
Reimbursed Rx drugs	18,00%	18,63%	-0,63%	↓ -3,40%	18,00%	18,92%	-0,92%	↓ -4,8878%	18,57%	18,51%	0,06%	↑ 0,32%
Non-reimbursed Rx drugs	24,16%	25,65%	-1,50%	↓ -5,83%	24,16%	25,05%	-0,89%	↓ -3,5557%	24,71%	25,51%	-0,80%	↓ -3,12%
OTC	29,15%	29,70%	-0,54%	↓ -1,84%	29,15%	29,35%	-0,20%	↓ -0,6969%	29,51%	30,06%	-0,55%	↓ -1,83%
Total sales	24,80%	25,24%	-0,44%	↓ -1,74%	24,80%	25,19%	-0,38%	↓ -1,5202%	25,23%	25,46%	-0,23%	↓ -0,92%

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

Average pharmacy	Number of patients											
	06'2017				07'2017				YTD'2017			
Key market segments	07'2017	06'2017	change	trend	07'2017	07'2016	change	trend	YTD'2017	YTD'2016	change	trend
Reimbursed Rx drugs	650	700	- 50	↓ -7,14%	650	670	- 20	↓ -2,99%	5 080	5 080	-	↔ 0,00%
Non-reimbursed Rx drugs	710	760	- 50	↓ -6,58%	710	750	- 40	↓ -5,33%	5 570	5 660	- 90	↓ -1,59%
OTC	2 690	2 770	- 80	↓ -2,89%	2 690	2 760	- 70	↓ -2,54%	21 170	20 550	620	↑ 3,02%
Total sales	3 280	3 390	- 110	↓ -3,24%	3 280	3 370	- 90	↓ -2,67%	25 540	25 000	540	↑ 2,16%

Table 6: Number of pharmacies compared to 2016

Number of pharmacies			
06'2017	06'2016	change	trend
15 017	14 863	120	↑ 0,81%
06'2017	05'2017	change	trend
15 017	14 973	10	↑ 0,07%
YTD 2017	YTD 2016	change	trend
14 958	14 789	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.