



Warsaw, 15th of September 2017

PEX PharmaSequence data regarding the Polish pharmaceutical market:

Value of the market

In August of 2017 value of sales in the **pharmaceutical market** was **2 566 m PLN**, 4,01% higher than August 2016.

- **Sales of reimbursed drugs reached 918m PLN** – a growth of 2.98% compared to August 2016
- **OTC sales** of all preparations sold in pharmacies without a prescription amounted to **1 046m PLN**, and was higher than August 2016 by 4,89%
- **Sales of non-reimbursed Rx drugs** amounted to **584m PLN** and grew by 3,98% compared to August 2016

Pharmacies

Turnover of an average pharmacy in August was **171 thousand PLN** (in gross retail prices) and grew by 3,01% compared to August 2016.

Reimbursement

Patient copayment level in the reimbursed drugs segment reached 26,71% and value of **reimbursement in August** was almost 673m PLN – growth by 8,9% compared do August 2016

Prices and growth compared to August 2016

- **average retail price** of a drug sold in a pharmacy was **18,52 PLN** (growth of **3,17%**)
- **average retail price** of **reimbursed drugs** was **27,38 PLN** (growth of **1,37%**)
- **average retail price** of **non-reimbursed Rx drugs** was **24,99 PLN** (growth of **5,84%**)
- **average retail price** in **OTC sales** was **12,88 PLN** (growth of **2,48%**)

Commentary:

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

The pharmaceutical market in August 2017 saw sales reach **2 566m PLN**. Value of sales compared to August 2016 grew by close to **99m PLN (+4,01%)**. Compared to July of 2017 sales grew by close to 36m PLN (+1,42%).

Compared to the same period of 2016, the OTC segment grew by 48,79m PLN (+4,89%). Sales of non-reimbursed Rx drugs grew by 22,37m (+3,98%) and of reimbursed drugs by 26,55m PLN (+2,98%).

Compared to the previous month, value of individual segments mostly grew. Value of OTC products grew by 36,17m PLN (+3,58%), value of reimbursed drugs was smaller by 2,39m PLN (-0,26%) and of non-reimbursed drugs grew by 6m PLN (+1,07%).

Average pharmacy margin for all drugs in August was 25,40% and was smaller by 0,24pp than the margin in the same period of 2016. Compared to July of the current year the average pharmacy margin grew by 2,41% (+0,6pp.). The average drug price in August was 18,52 PLN and was 0,99% smaller than in the previous month, and 3,17% higher than the average price in August of 2016.

Drug reimbursement by the National Health Fund in August was in the amount of 672,8m PLN, 8,9% higher than in the same period of 2016. The level of patient copayment for reimbursed drugs in August was 26,71%, smaller by 4,02 pp. compared to August 2016. Patient copayment for reimbursed drugs fell by 0,1 pp from July 2017.

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

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 - kPLN												
	Aug-17	Jul-17	change	trend	Aug-17	Aug-16	change	trend	YTD'2017	YTD'2016	change	trend	
Key market segments													
Reimbursed Rx drugs	61,17	61,29	-0,12	↓ -0,19%	61,17	59,98	1,19	↑ 1,99%	517,95	511,54	6,42	↑ 1,25%	
Non-reimbursed Rx drugs	38,91	38,47	0,44	↑ 1,14%	38,91	37,78	1,13	↑ 2,99%	324,26	314,31	9,96	↑ 3,17%	
OTC	69,72	67,27	2,46	↑ 3,65%	69,72	67,12	2,61	↑ 3,88%	606,91	559,38	47,53	↑ 8,50%	
Total sales	171,00	168,50	2,50	↑ 1,48%	171,00	166,00	5,00	↑ 3,01%	1459,50	1396,00	63,50	↑ 4,55%	

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

Average pharmacy	Average unit price - PLN												
	Aug-17	Jul-17	change	trend	Aug-17	Aug-16	change	trend	YTD'2017	YTD'2016	change	trend	
Key market segments													
Reimbursed Rx drugs	27,38	27,49	-0,11	↓ -0,41%	27,38	27,01	0,37	↑ 1,37%	27,36	27,11	0,25	↑ 0,92%	
Non-reimbursed Rx drugs	24,99	25,05	-0,06	↓ -0,23%	24,99	23,61	1,38	↑ 5,84%	24,50	23,06	1,44	↑ 6,24%	
OTC	12,88	12,92	-0,04	↓ -0,31%	12,88	12,57	0,31	↑ 2,48%	12,75	12,19	0,56	↑ 4,60%	
Total sales	18,52	18,70	-0,19	↓ -0,99%	18,52	17,95	0,57	↑ 3,17%	18,19	17,60	0,59	↑ 3,33%	

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

Average pharmacy	Average margin												
	Aug-17	Jul-17	change	trend	Aug-17	Aug-16	change	trend	YTD'2017	YTD'2016	change	trend	
Key market segments													
Reimbursed Rx drugs	18,47%	18,00%	0,47%	↑ 2,63%	18,47%	19,20%	-0,73%	↓ -3,80%	18,56%	18,60%	-0,04%	↓ -0,21%	
Non-reimbursed Rx drugs	24,93%	24,16%	0,77%	↑ 3,20%	24,93%	25,08%	-0,14%	↓ -0,58%	24,74%	25,46%	-0,71%	↓ -2,81%	
OTC	30,12%	29,15%	0,97%	↑ 3,33%	30,12%	30,09%	0,03%	↑ 0,11%	29,59%	30,07%	-0,48%	↓ -1,59%	
Total sales	25,40%	24,80%	0,60%	↑ 2,41%	25,40%	25,65%	-0,24%	↓ -0,95%	25,25%	25,49%	-0,24%	↓ -0,92%	

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

Average pharmacy	Number of patients												
	Aug-17	Jul-17	change	trend	Aug-17	Aug-16	change	trend	YTD'2017	YTD'2016	change	trend	
Key market segments													
Reimbursed Rx drugs	650	650	-	→ 0,00%	650	630	20	↑ 3,17%	5 730	5 710	20	↑ 0,35%	
Non-reimbursed Rx drugs	720	710	10	↑ 1,41%	720	710	10	↑ 1,41%	6 290	6 370	- 80	↓ -1,26%	
OTC	2 730	2 690	40	↑ 1,49%	2 730	2 620	110	↑ 4,20%	23 900	23 170	730	↑ 3,15%	
Total sales	3 330	3 280	50	↑ 1,52%	3 330	3 190	140	↑ 4,39%	28 870	28 190	680	↑ 2,41%	

Table 6: Number of pharmacies compared to 2016

Number of pharmacies			
Aug-17	Aug-16	change	trend
15 007	14 863	144	↑ 0,81%
Aug-17	Jul-17		
15 017	15 017	-	↑ 0,07%
YTD'2017	YTD'2016		
14 964	14 798	166	↑ 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.