



PEX PharmaSequence monthly report - September 2018

Total open market (sell-out report)

	September 2018	Change in comparison to			Cumulative YTD		Forecast		
		August 2018	January 2018	September 2017	2018	Change vs 2018	2018	Change vs 2017	Change vs 2016
Total turnover (PLN million)									
Total open market ¹	2 822	1,5%	-4,9%	4,0%	25 254	2,9%	33 827	2,5%	6,6%
Rx reimbursed ²	978	-0,3%	-3,9%	3,9%	8 962	3,1%	11 928	2,2%	3,7%
Rx nonreimbursed ³	604	-2,3%	-1,5%	3,0%	5 509	1,3%	7 400	1,9%	5,2%
Non Rx products ⁴	1 219	5,1%	-7,1%	4,3%	10 588	3,3%	14 235	2,9%	9,8%
Reimbursement									
Reimbursement value (PLN million)	725	-1,6%	-0,5%	5,4%	6 558	4,6%	8 741	3,8%	8,5%
Reimbursement share In total turnover	25,7%	-3,1%	4,6%	1,3%	26,0%	1,7%	25,8%	1,3%	1,8%
Reimbursement share In reimbursed sales	73,1%	-1,4%	2,3%	1,3%	72,3%	1,7%	72,3%	1,6%	4,8%
Average price per pack (PLN)									
Total ¹	21,0	-0,2%	4,0%	4,2%	20,73	2,5%	20,7	2,0%	5,1%
For reimbursed Rx products ²	28,2	1,4%	2,3%	2,3%	27,9	2,0%	27,5	0,0%	1,3%
For nonreimbursed Rx products ³	25,9	1,9%	5,1%	4,9%	25,2	3,1%	24,7	0,4%	6,2%
For Non Rx products ⁴	16,0	1,1%	3,1%	5,0%	15,7	3,2%	15,5	1,9%	5,2%
Average mark-up									
Total ¹	25,3%	0,5%	-0,1%	-1,9%	25,0%	-1,2%	25,0%	-1,0%	-1,9%
For reimbursed Rx products ²	19,2%	2,6%	5,6%	1,7%	18,6%	0,1%	18,4%	-0,5%	-1,7%
For nonreimbursed Rx products ³	22,9%	-0,4%	-4,1%	-13,4%	23,2%	-6,9%	23,3%	-6,1%	-8,0%
For Non Rx products ⁴	29,7%	-1,5%	0,2%	0,4%	29,5%	-0,5%	29,2%	-0,8%	-2,0%
Average pharmacy									
Number of patients in pharmacies	3 630	2,3%	-4,7%	1,7%	32 090	-1,1%	43 120	0,1%	1,2%
Total turnover (PLN thousand) ¹	191	1,9%	-2,8%	5,8%	1 685	2,7%	2 266	3,0%	5,9%

- Total pharmacy turnover cumulative in PLN million -

2018	Pharmacy market total ¹		Rx reimbursed prescriptions ²		Rx nonreimbursed prescriptions ³		Non Rx products ⁴	
	Total	Change vs 2018	Total	Change vs 2017	Total	Change vs 2017	Total	Change vs 2017
January	2 968	-1,8%	1 018	3,6%	613	-2,7%	1 312	-5,4%
February	5 784	0,3%	1 950	0,9%	1 216	-0,4%	2 575	0,0%
March	8 896	1,7%	3 024	1,0%	1 879	-0,6%	3 929	3,3%
April	11 531	0,8%	3 981	0,5%	2 471	-1,2%	4 992	1,8%
May	14 152	0,3%	4 936	0,2%	3 057	-1,8%	6 051	1,3%
June	16 943	1,2%	6 023	1,9%	3 680	-0,3%	7 110	1,2%
July	19 653	2,0%	7 003	2,5%	4 288	0,5%	8 208	2,2%
August	22 432	2,7%	7 983	3,0%	4 905	1,1%	9 368	3,2%
September	25 254	2,9%	8 962	3,1%	5 509	1,3%	1 059	3,3%
October								
November								
December								

Retail sales in PLN

PEX PharmaSequence Sp. z o.o.,
 ul. Kłobucka 23, 02-699 Warszawa
 tel. 022-886-47-15, fax. 022-638-21-29
 e-mail: biuro@pexps.pl
<http://www.pexps.pl>

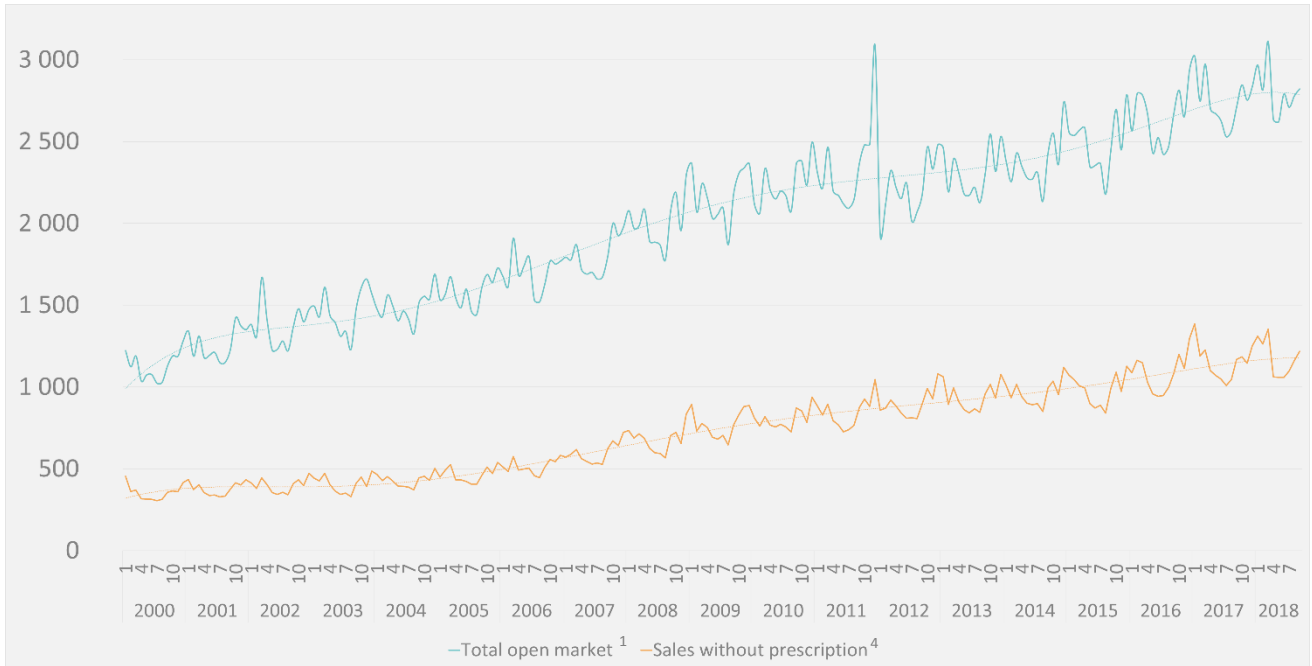
Sąd Rejonowy dla m. st. Warszawy w Warszawie, XIII Wydział Gospodarczy,
 KRS 0000178089, REGON: 015579675, NIP 9512093564, kapitał zakładowy 1 000 000 zł.



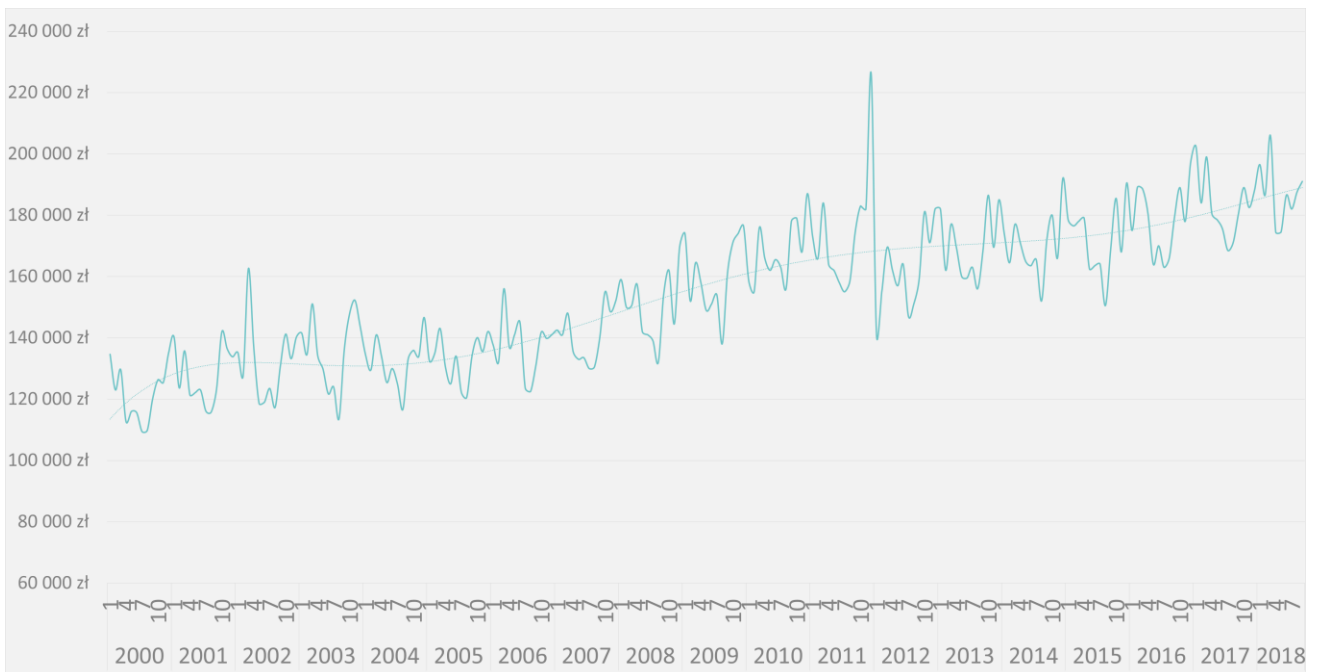
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Trends

- Total monthly pharmacy sales in PLN million -



- Total monthly sales in an average pharmacy in PLN -



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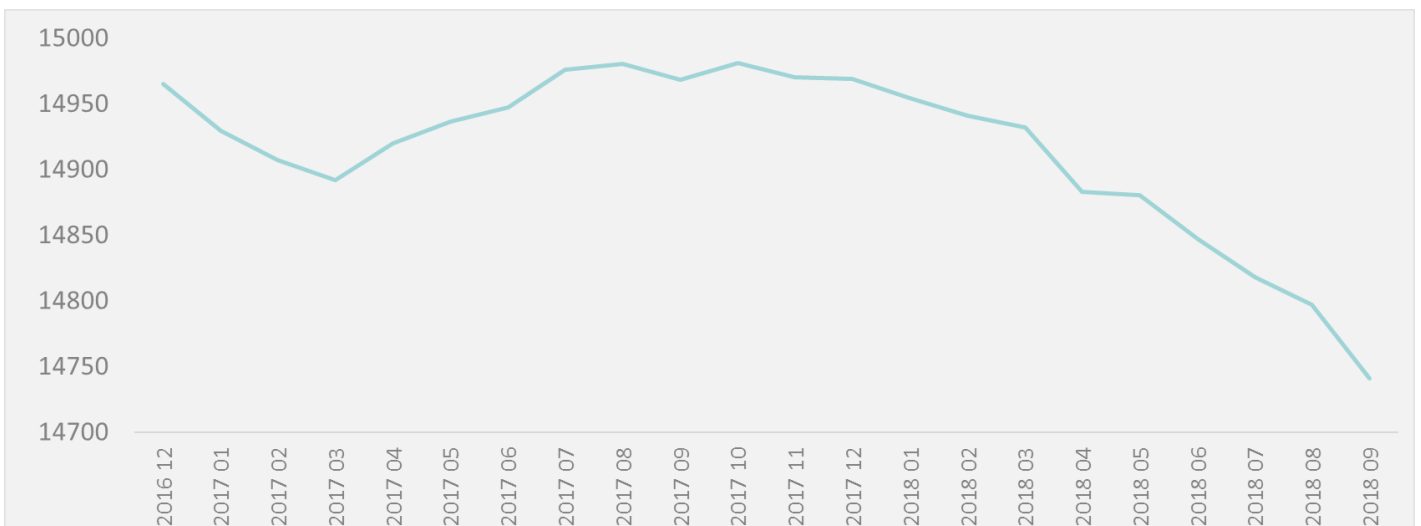
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Average pharmacy

	September'18		YTD'2018		August'18		Change		September'17		Change		YTD'2017		Change	
					Value	%			Value	%			Value	%		
Total turnover (thousand PLN)																
Total open market ¹	191	1 685	188	3,5	1,9%	181	10,5	5,8%	1 640	45,0	2,7%					
Rx reimbursed ²	66	598	66	0,0	0,1%	63	3,6	5,7%	581	17,4	3,0%					
Rx nonreimbursed ³	41	368	42	-0,8	-1,9%	39	1,9	4,8%	363	4,4	1,2%					
Non Rx products ⁴	83	706	78	4,2	5,4%	78	4,8	6,2%	685	21,7	3,2%					
Average price⁵ per pack (PLN)																
Total ¹	21,0	20,7	21,0	-0,03	-0,2%	20,1	0,8	4,2%	20,2	0,5	2,5%					
For reimbursed Rx products ²	28,2	27,9	27,8	0,4	1,4%	27,6	0,6	2,3%	27,4	0,5	1,9%					
For nonreimbursed products ³	25,9	25,2	25,4	0,5	1,9%	24,7	1,2	4,9%	24,5	0,7	3,0%					
For Non Rx products ⁴	16,0	15,7	15,8	0,2	1,1%	15,2	0,8	5,0%	15,2	0,5	3,3%					
Average mark-up*																
Total ¹	25%	25,0%	25,2%	0,1%	0,5%	25,8%	-0,5%	-1,9%	25,3%	-0,3%	-1,2%					
For reimbursed Rx products ²	19%	18,7%	18,7%	0,5%	2,6%	18,9%	0,3%	1,7%	18,6%	0,1%	0,5%					
For nonreimbursed Rx products ³	23%	23,1%	23,0%	-0,1%	-0,4%	26,4%	-3,5%	-13,4%	24,9%	-1,9%	-7,4%					
For Non Rx products ⁴	30%	29,5%	30,1%	-0,4%	-1,5%	29,6%	0,1%	0,4%	29,6%	-0,1%	-0,2%					
Number of patients																
Total ¹	3 630	32 090	3 550	80	2,3%	3 570	60	1,7%	32 440	-350	-1,1%					
For reimbursed Rx products ²	680	6 300	690	-10	-1,4%	670	10	1,5%	6 400	-100	-1,6%					
For nonreimbursed Rx products ³	710	6 560	710	0	0,0%	740	-30	-4,1%	7 030	-470	-6,7%					
For Non Rx products ⁴	3 040	26 710	2 930	110	3,8%	2 980	60	2,0%	26 880	-170	-0,6%					
Number of pharmacies - summary[#]																
	14 741	14 866	14 797	-56	-0,4%	14 968	-227	-1,5%	14 939	-73	-0,5%					

*Values in „Change – value“ for average mark-up in percentage points
 # Number of pharmacies based on PEX's analysis.

- Pharmacies on the open market -



Retail sales in PLN

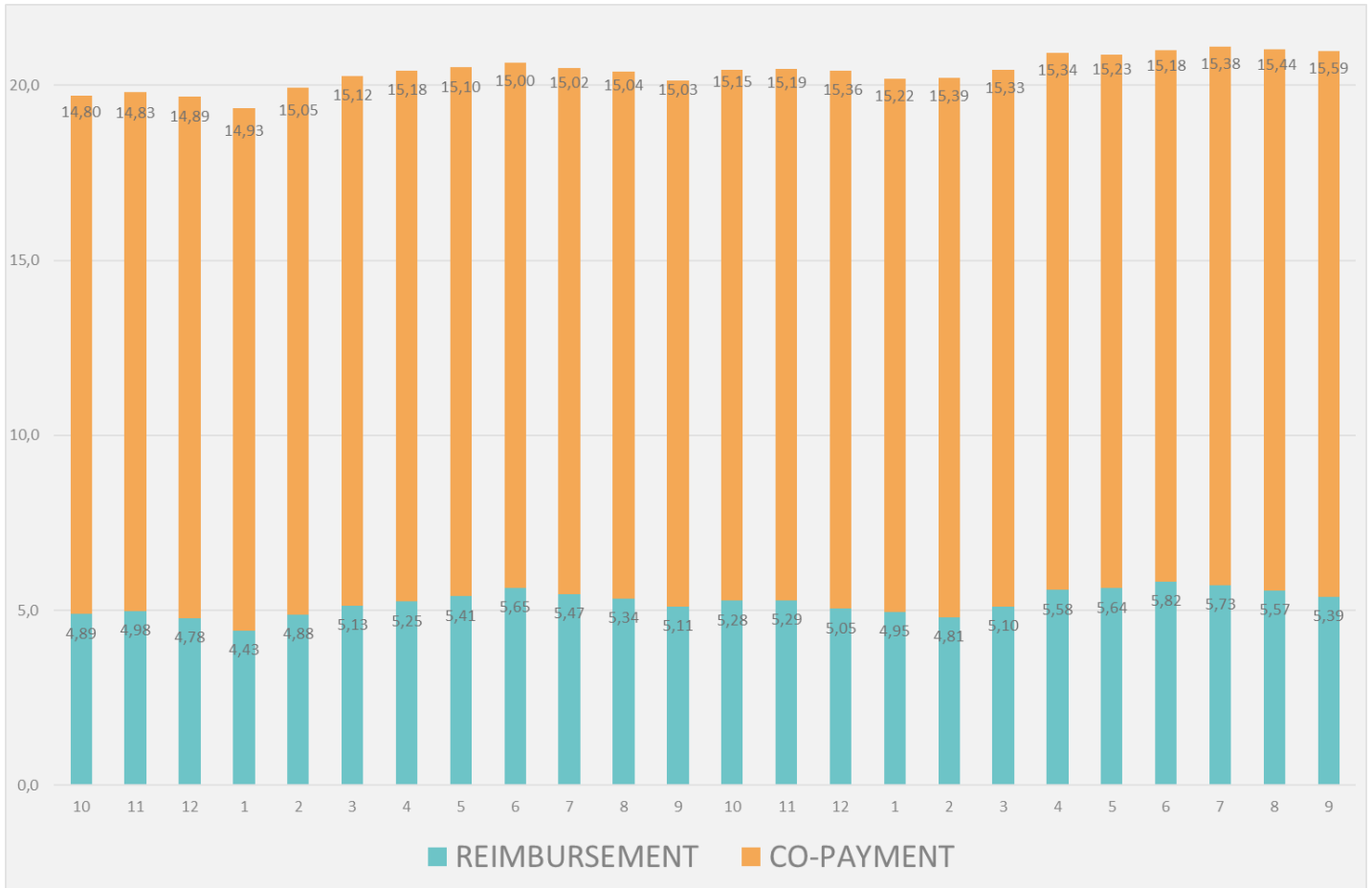
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Price

- Structure of the average retail price⁵ -



All amounts are retail open pharmacy sales in PLN

Most important terms:

¹ Total open pharmacy market sales

² Total sales of Rx products covered by NHF reimbursement

³ Total sales of Rx products not covered by NHF reimbursement

⁴ Total sales of products available without prescription, including OTC medicines, food supplements, herbs, patches, medical devices, etc.

⁵ The calculation of the average price is based on products categorized and included in the pharmacy data database operated by PEX PharmaSequence and Kamssoft (Omnibus) – they make up 97% of the pharmacy market. For consistency in comparisons, the average prices since January of 2016 have been recalculated.

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PEX PharmaSequence commentary

The pharmacy market in September 2018 saw sales go over 2 822m PLN. Value of sales compared to September 2017 grew by 108m PLN (+4%). Compared to August of 2018, sales grew by approximately 43m PLN (+1,5%).

Compared to the same period of 2017 the value of tracked segments was growing. The non-prescription segment grew by close to 51m PLN (+4,3%). Sales based on non-reimbursed prescriptions grew by 17,5m PLN (+3%) and on reimbursed prescription grew by almost 36,5m PLN (+3,9%).

Compared to the previous month, value of tracked segments was mostly falling. Value of products sold without a prescription was larger by approximately 59m PLN (+5,1%), the value of non-reimbursed prescriptions was smaller by close to 14m PLN (-2,3%) and of reimbursed Rx drugs fell by approximately 3m PLN (-0,3%).

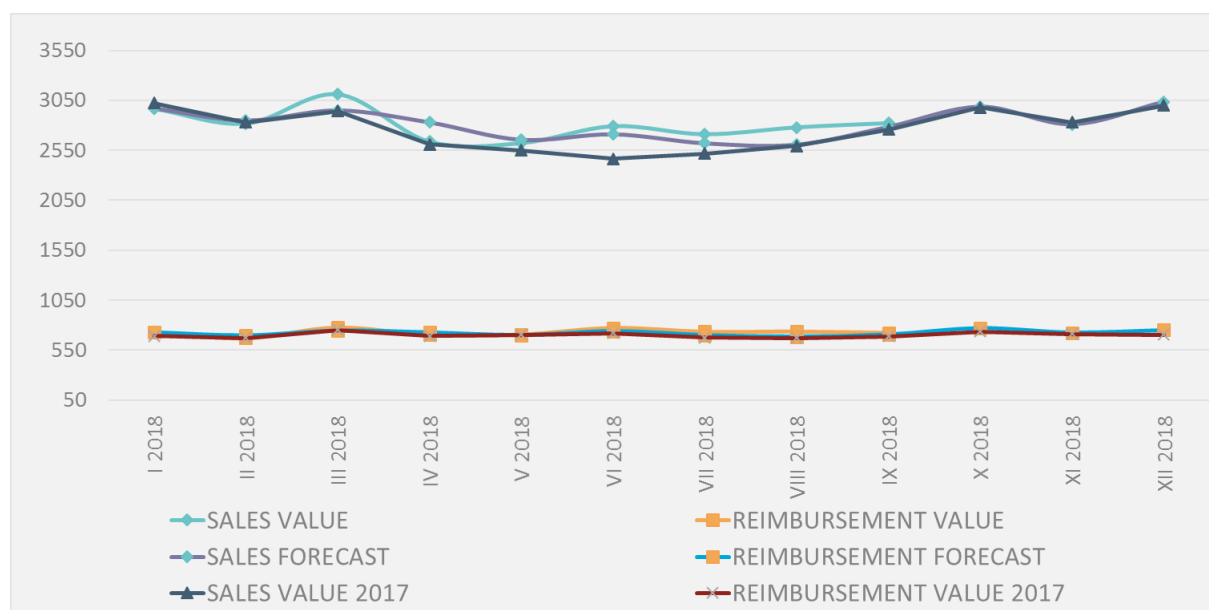
Average pharmacy margin for all drugs in September 2018 was 25,3% and was smaller by 0,5pp than the margin in the same period of 2017. Compared to August of 2018, the average pharmacy margin grew by 0,5% (+0,1pp.).

The average retail drug price in September 2018 was close to 21 PLN and was 0,2% smaller than in the previous month, and 4,2% higher than the average price in September of 2017. The average retail price of reimbursed prescriptions was 28,2 PLN (+2,3% vs September 2017), 25,9 PLN for non-reimbursed prescriptions (+4,9% vs September 2017) and 16 PLN for products sold without a prescription (+5% vs September 2017).

Drug reimbursement by the National Health Fund in September was in the amount over 725m PLN, 5,4% more than in the same period of 2017. The level of patient copayment for reimbursed drugs in September was 25,9%, lower by 1 pp. compared to September 2017. Patient copayment for reimbursed drugs grew by 1 pp compared to the previous month.

Forecast: By the end of 2018 sales of the entire pharmaceutical market will amount to close to 34bn PLN, 2,5% more than in 2017. The estimated value of reimbursement will be close to 9bn PLN (+3,8% compared to 2017).

- Monthly turnover value forecast (PLN million, retail gross prices) -

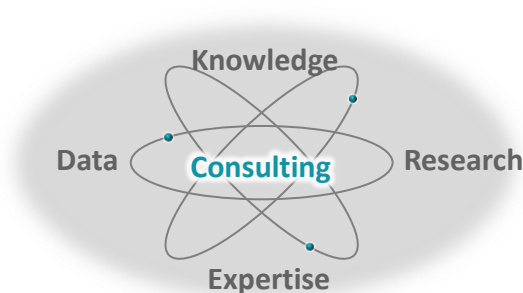


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About us

PEX PharmaSequence is a Polish **consulting and research** company with its own wide-ranging resources of market data. We specialize in services for entities operating in the broadly defined healthcare market.

As a result of numerous projects, carried out over **almost 20 years** of the company's operations on the Polish market, for innovative, generic, and OTC producers, PEX PharmaSequence has gained unique expertise that allows us to provide our Clients with valuable support.



It is not without significance that our team, comprising **60+ people**, has the benefit of experience gained in service companies specializing in the pharma sector, as well as industry experience acquired in local and global pharmaceutical companies.

Our expertise and competencies as well as our **knowledge of the Polish pharma** market enable us to develop proposals and efficiently carry out projects, which offer added value to our Clients' business decisions.

We would like to hear from you!

A grey rounded rectangular box containing contact information. At the top left is a laptop icon with a bar chart on the screen. To its right is the text "www.pexps.pl more info". Below this is a question mark icon next to a person silhouette, with another question mark above it. To the right of this icon is the text "Ask us a question: rozwiwania@pexps.pl 22 886 47 15". At the bottom left of the box is an envelope icon.

Published on the 22th of September 2018, prepared by Błażej Górniak, Marketing Specialist based on PEX PharmaSequence data.

