



PEX PharmaSequence monthly report - October 2018

Total open market (sell-out report)

	October 2018	Change in comparison to			Cumulative YTD		Forecast		
		September 2018	January 2018	October 2017	2018	Change vs 2018	2018	Change vs 2017	Change vs 2016
Total turnover (PLN million)									
Total open market ¹	3 180	12,7%	7,1%	11,7%	28 434	3,8%	34 350	4,1%	8,2%
Rx reimbursed ²	1 123	14,8%	10,4%	11,5%	10 085	4,0%	12 126	3,9%	5,4%
Rx nonreimbursed ³	692	14,6%	12,9%	9,4%	6 201	2,1%	7 502	3,3%	6,6%
Non Rx products ⁴	1 340	9,9%	2,2%	13,0%	11 928	4,3%	14 458	4,5%	11,5%
Reimbursement									
Reimbursement value (PLN million)	831	14,5%	14,0%	12,9%	7 389	5,5%	8 885	5,5%	10,3%
Reimbursement share In total turnover	26,1%	1,7%	6,4%	1,1%	26,0%	1,7%	25,9%	1,4%	1,9%
Reimbursement share In reimbursed sales	72,9%	-0,3%	2,0%	1,3%	72,4%	1,6%	72,3%	1,6%	4,9%
Average price per pack (PLN)									
Total ¹	21,2	0,9%	4,9%	3,6%	20,8	2,7%	20,7	2,4%	5,4%
For reimbursed Rx products ²	28,3	0,3%	2,6%	2,2%	28,0	2,0%	28,6	4,1%	5,5%
For nonreimbursed Rx products ³	25,9	-0,1%	5,0%	4,0%	25,3	3,2%	24,9	1,4%	7,4%
For Non Rx products ⁴	16,0	0,4%	3,6%	4,7%	15,7	3,4%	15,6	2,5%	5,8%
Average mark-up									
Total ¹	25,0%	-1,2%	-1,4%	-1,0%	25,0%	-1,2%	25,0%	-1,1%	-1,9%
For reimbursed Rx products ²	18,7%	-2,8%	2,6%	1,7%	18,6%	0,3%	18,5%	-0,2%	-1,4%
For nonreimbursed Rx products ³	22,2%	-3,0%	-7,0%	-10,6%	23,1%	-7,3%	23,1%	-6,8%	-8,6%
For Non Rx products ⁴	29,9%	0,9%	1,1%	1,4%	29,5%	-0,3%	29,3%	-0,4%	-1,7%
Average pharmacy									
Number of patients in pharmacies	4 010	10,5%	5,2%	10,2%	36 100	0,1%	43 394	0,7%	1,9%
Total turnover (PLN thousand) ¹	216	13,1%	9,9%	14,3%	1 901	3,9%	2 303	4,7%	7,6%

- 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	28 434	3,8%	10 085	4,0%	6 201	2,1%	11 928	4,3%
November								
December								

Retail sales in PLN

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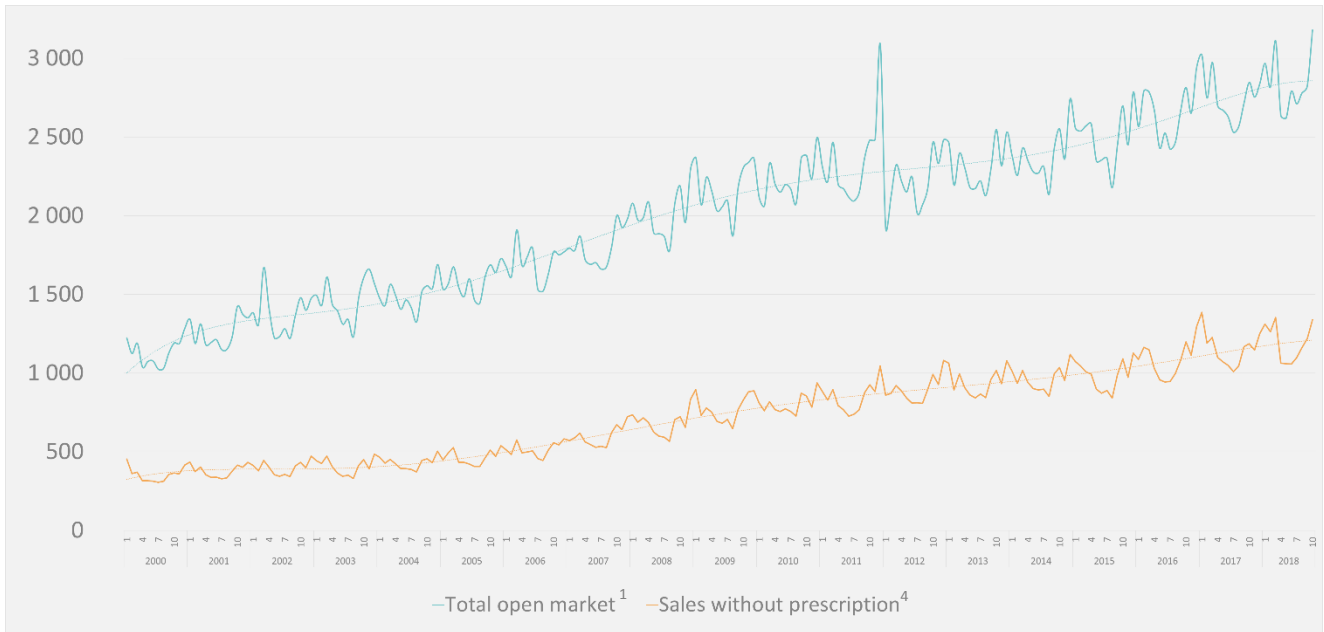
Sąd Rejonowy dla m. st. Warszawy w Warszawie, XIII Wydział Gospodarczy,
 KRS 0000178089, REGON: 015579675, NIP 9512093564, kapitał zakładowy 1 000 000 zł.



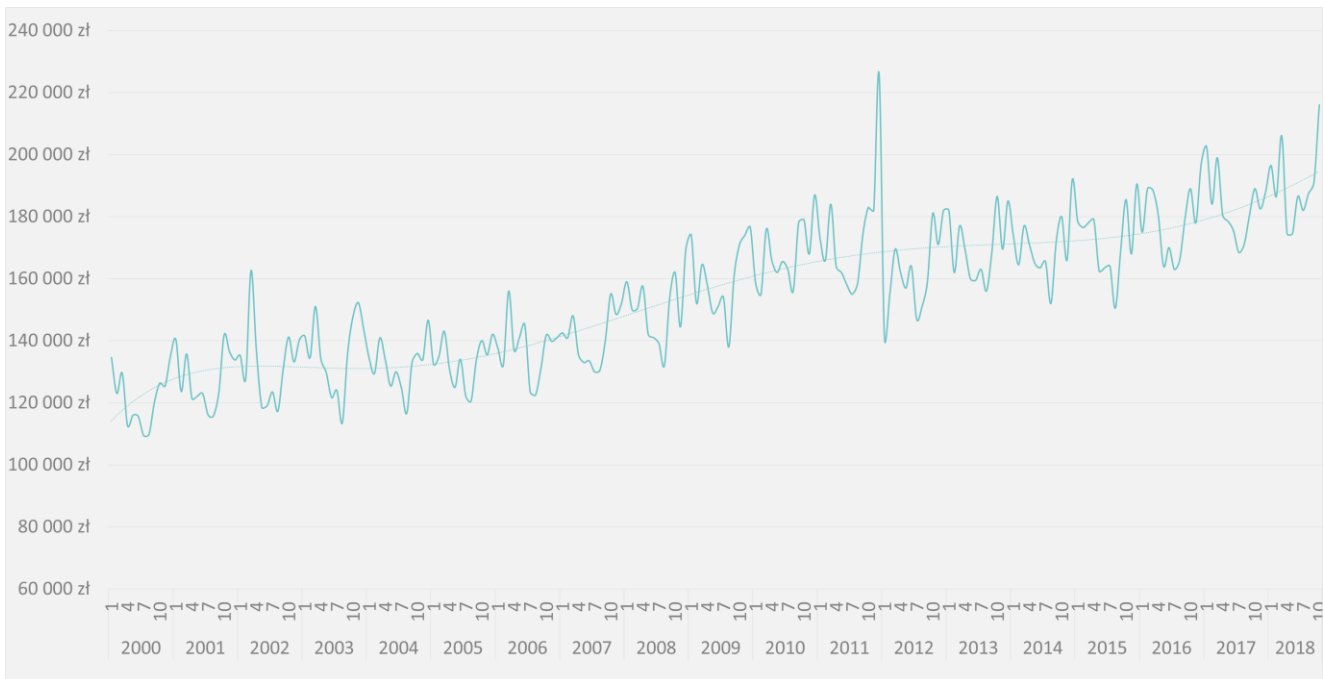
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Trends

- Total monthly pharmacy sales in PLN million -



- Total monthly sales in an average pharmacy in PLN -



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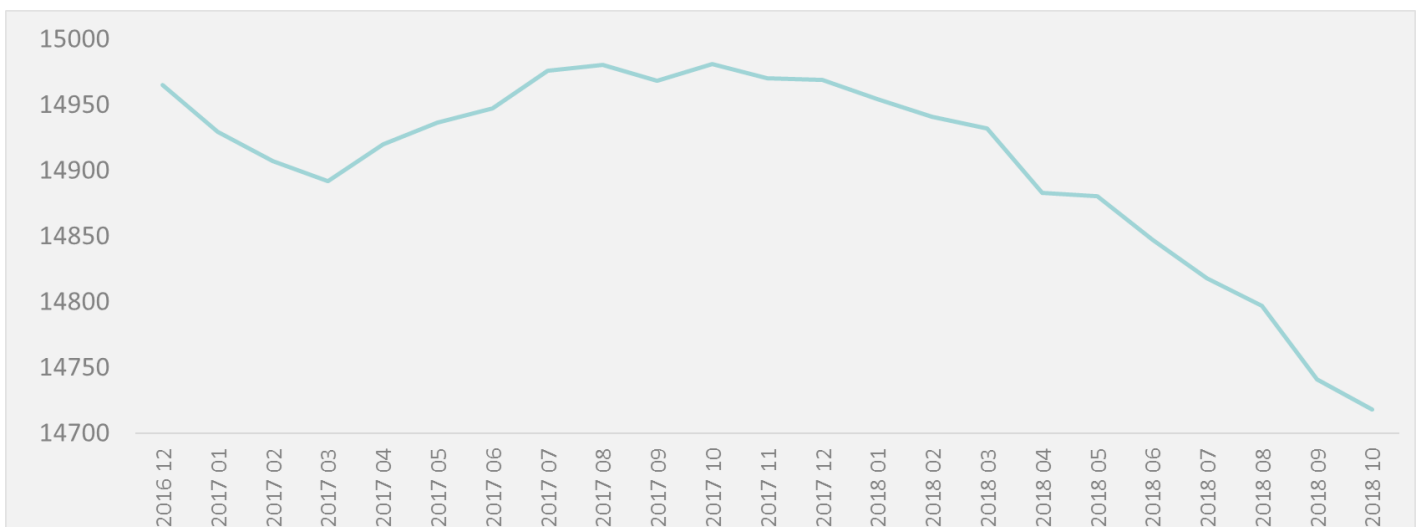
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Average pharmacy

	October'18	YTD'2018	September'18		Change		October'17		Change		YTD'2017	Change	
			Value	%	Value	%	Value	%	Value	%			
Total turnover (thousand PLN)													
Total open market ¹	216	1 901	191	25,0	13,1%	189	27,0	14,3%	1 829	72,0	3,9%		
Rx reimbursed ²	76	674	66	10,1	15,2%	67	9,5	14,1%	647	26,9	4,1%		
Rx nonreimbursed ³	47	415	41	6,1	15,0%	42	5,0	12,0%	405	9,4	2,3%		
Non Rx products ⁴	91	797	83	8,5	10,3%	79	12,3	15,6%	763	34,0	4,5%		
Average price⁵ per pack (PLN)													
Total ¹	21,2	20,8	21,0	0,18	0,9%	20,4	0,7	3,6%	20,3	0,5	2,6%		
For reimbursed Rx products ²	28,3	28,0	28,2	0,1	0,3%	27,7	0,6	2,2%	27,4	0,5	2,0%		
For nonreimbursed products ³	25,9	25,3	25,9	0,0	-0,1%	24,9	1,0	4,0%	24,5	0,8	3,1%		
For Non Rx products ⁴	16,0	15,7	16,0	0,1	0,4%	15,3	0,7	4,7%	15,2	0,5	3,4%		
Average mark-up*													
Total ¹	25,00%	25,03%	25,32%	-0,32%	-1,25%	25,26%	-0,26%	-1,03%	25,31%	-0,28%	-1,15%		
For reimbursed Rx products ²	19%	18,6%	19,2%	-0,5%	-2,8%	18,3%	0,3%	1,7%	18,6%	0,1%	0,3%		
For nonreimbursed Rx products ³	22%	23,1%	22,9%	-0,7%	-3,0%	24,8%	-2,6%	-10,6%	24,9%	-1,8%	-7,3%		
For Non Rx products ⁴	30%	29,5%	29,7%	0,3%	0,9%	29,5%	0,4%	1,4%	29,6%	-0,1%	-0,3%		
Number of patients													
Total ¹	4 010	36 100	3 630	380	10,5%	3 640	370	10,2%	36 080	20	0,1%		
For reimbursed Rx products ²	800	7 100	680	120	17,6%	730	70	9,6%	7 130	-30	-0,4%		
For nonreimbursed Rx products ³	830	7 390	710	120	16,9%	800	30	3,8%	7 830	-440	-5,6%		
For Non Rx products ⁴	3 330	30 040	3 040	290	9,5%	3 010	320	10,6%	29 890	150	0,5%		
Number of pharmacies - summary[#]													
	14 718	14 851	14 741	-23	-0,2%	14 981	-263	-1,8%	14 944	-93	-0,6%		

*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

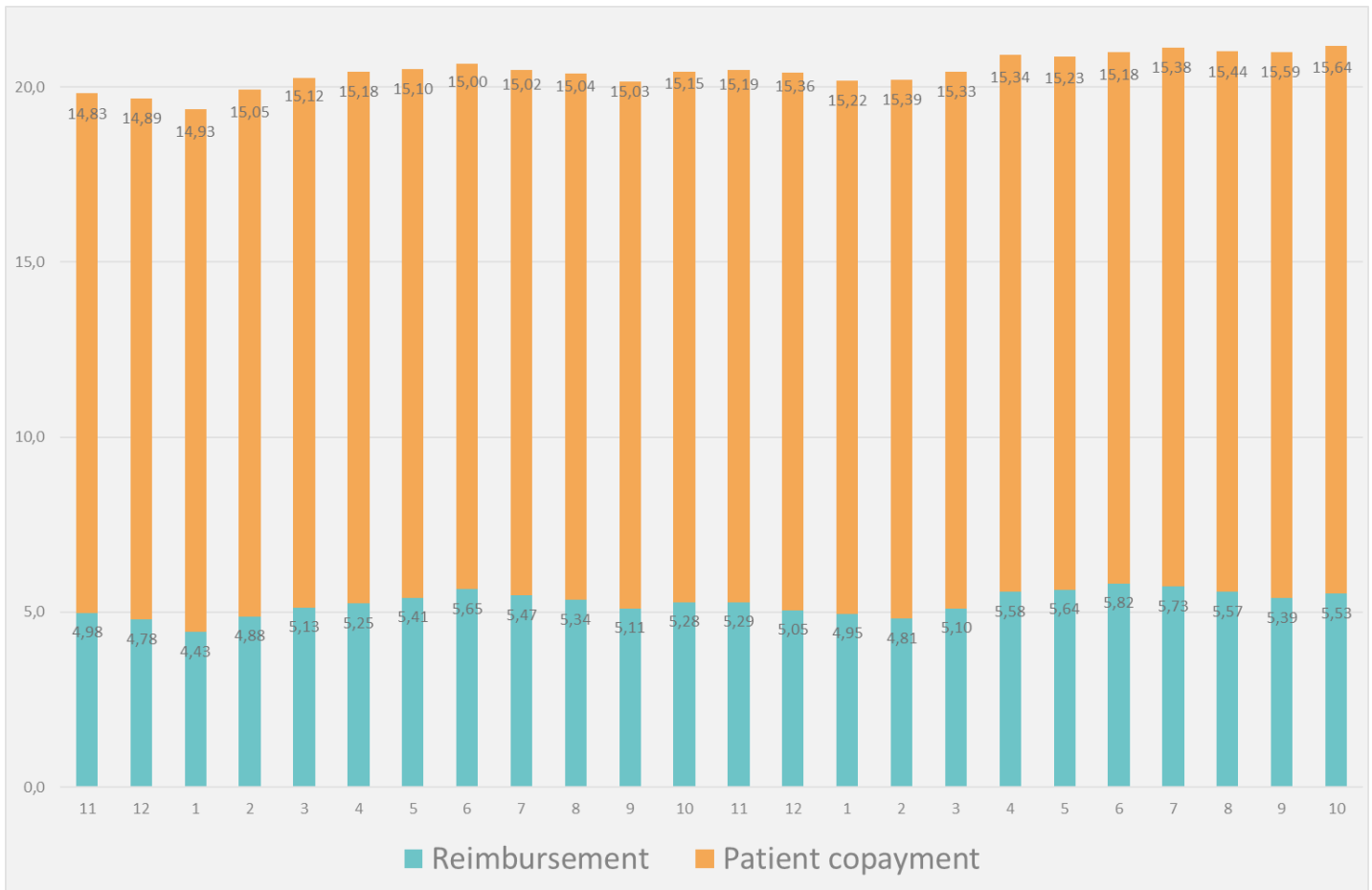
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Price

- 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 October 2018 saw sales go close to 3 180m PLN. Value of sales compared to October 2017 grew by almost 333m PLN (+11,7%). Compared to September of 2018, sales grew by approximately 357,5m PLN (+12,7%).

Compared to the same period of 2017 the value of tracked segments was growing. The non-prescription segment grew by over 154m PLN (+13%). Sales based on non-reimbursed prescriptions grew by 59,5m PLN (+9,4%) and on reimbursed prescription grew by over 116m PLN (+11,5%).

Compared to the previous month, value of tracked segments was growing as well. Value of products sold without a prescription was larger by approximately 121m PLN (+10%), the value of non-reimbursed prescriptions was higher by 88m PLN (+14,6%) and of reimbursed Rx drugs grew by approximately 145 PLN (+14,8%).

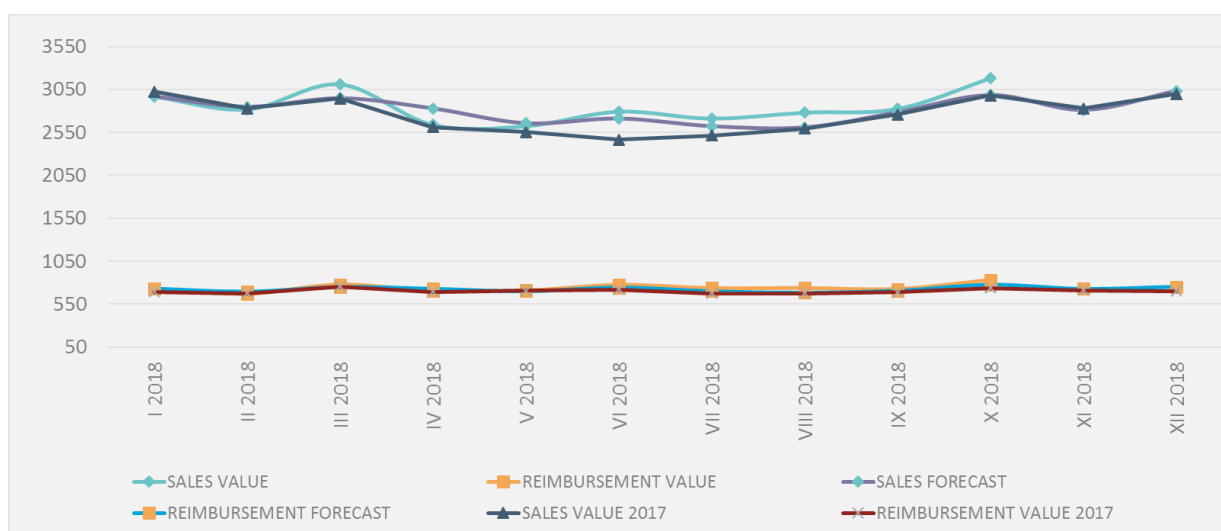
Average pharmacy margin for all drugs in October 2018 was 25% and was smaller by about 0,3pp than the margin in the same period of 2017. Compared to September of 2018, the average pharmacy margin fell by approximately 1,2% (-0,3pp.).

The average retail drug price in October 2018 was approximately 21 PLN and was 0,9% larger than in the previous month, and 3,6% higher than the average price in October of 2017. The average retail price of reimbursed prescriptions was 28,3 PLN (+2,2% vs October 2017), 25,9 PLN for non-reimbursed prescriptions (+4% vs October 2017) and 16 PLN for products sold without a prescription (+4,7% vs October 2017).

Drug reimbursement by the National Health Fund in October was in the amount close to 831m PLN, approximately 13% more than in the same period of 2017. The level of patient copayment for reimbursed drugs in October was 26%, lower by 1 pp. compared to October 2017. Patient copayment for reimbursed drugs grew by 0,2 pp compared to the previous month.

Forecast: By the end of 2018 sales of the entire pharmaceutical market will amount to above 34bn PLN, 4% more than in 2017. The estimated value of reimbursement will be close to 9bn PLN (+5,5% compared to 2017).

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

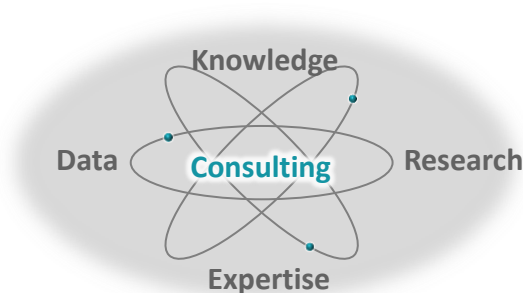


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About us

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. To its right is the text "www.pexps.pl more info". Below this is a person icon with question marks above their head and an envelope icon to the right. To the right of this icon is the text "Ask us a question: rozwiwania@pexps.pl 22 886 47 15".

Published on the 20th of November 2018, prepared by Błażej Górniak, Marketing Specialist based on PEX PharmaSequence data.

