



The 2024 Freshness Index: Who Needs To Freshen Up?

APRIL 2024



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With half of its 2023 sales coming from aging blockbusters like Humira and Botox, AbbVie needs new blood.

Big Pharma companies must constantly reinvent themselves if they are to ensure their revenues grow, developing new therapies to replace the older drugs whose patents are approaching expiry. AbbVie Inc. in particular needs to accelerate this process: nearly half of its revenues last year came from products that are more than 15 years old.

Several other groups could also do with zhuzhing up their offerings. Around 40% of the 2023 sales of Sanofi and Merck & Co., Inc. were made from similarly geriatric products. And 70% of Bristol Myers Squibb Company's 2023 revenues were earned by drugs more than 10 years old – still within the patent expiry danger zone.

The analyses below look at the proportion of a company's drug sales that come from products more than five, 10 and 15 years old. The cohort comprises the top 10 companies by 2023 revenues, as reaped from prescription and over-the-counter drugs.

Key Takeaways

- AbbVie, Sanofi and Merck & Co get a large proportion of their sales from older drugs, potentially imperilling their future growth
- Some groups have newer products that will compensate for lost revenues – but some do not
- Dealmaking could help revitalise aging product portfolios

A Heavy Loss

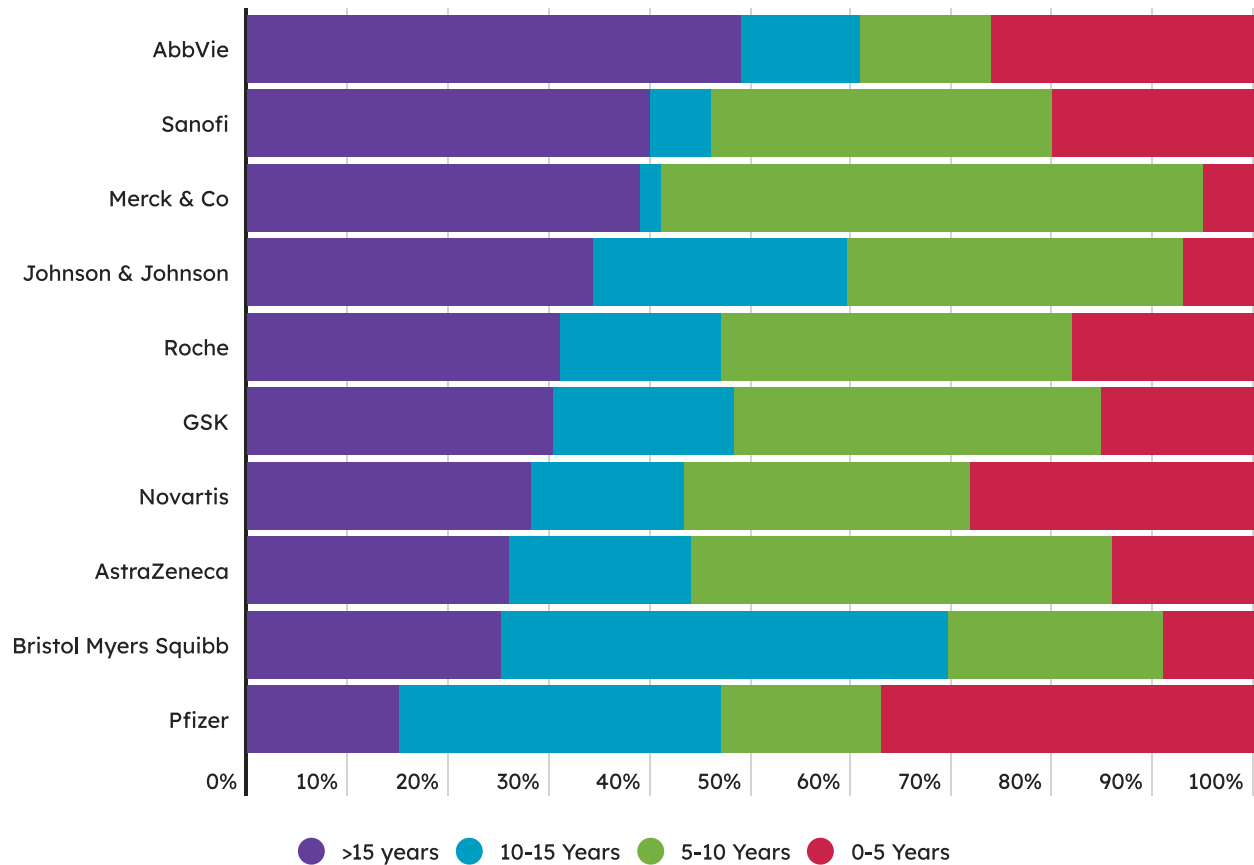
The problem with having the bestselling pharmaceutical product in history is how to cope when you lose it. More than a quarter of AbbVie's 2023 revenues came from Humira (adalimumab), the immunological powerhouse it first launched more than two decades ago, and which remains biopharma's all-time biggest seller.

Humira started seeing biosimilar competition last year, prompting its sales to dwindle from a peak of more than \$21bn in 2022 to \$14.4bn in 2023. Still, it remained by far AbbVie's biggest hitter even as the company's overall sales dropped by 5%.

But Humira sales are forecast to fall markedly out to 2028, according to [Evaluate Pharma's](#) sellside consensus. Fortunately, AbbVie has a couple of newer therapies that will soon start to make up for the Humira shortfall. Skyrizi (risankizumab) and Rinvoq (upadacitinib) both launched in 2019, and are forecast to have 2028 sales of \$17.9bn and \$10.6bn, respectively.



Percentage Of Total Rx And OTC By Product Age



Even Humira is outdone in terms of age by one of Sanofi's big sellers. The influenza vaccine Fluzone was the French group's second best seller last year with revenues of \$2.9bn, despite having been launched in 1981. But perhaps this is a special case. The vaccine is updated with new strains each autumn, and as such is arguably a new product every year.

Bristol Myers Squibb is also in a tricky situation. More than a quarter of its 2023 revenues came from Eliquis (apixaban), first launched 11 years ago. And it is facing another big loss: the PD-1 inhibitor Opdivo (nivolumab), which turns 10 this year. Sales of Eliquis will peak in 2025 at \$13.3bn, while Opdivo will peak at \$12.9bn two years later.

BMS has no upcoming products capable of compensating for these losses, and its overall revenues are forecast to drop by 3% between 2023 and 2028.

But BMS is taking steps to deal with its problems. This month, the company closed its acquisition of the [neurology](#)-focused biotech Karuna, and Karuna's antipsychotic KarXT (xanomeline-trospium) is forecast to have 2028 sales just shy of \$2bn. Small potatoes compared with the sales BMS will shed, but its recent dealmaking, which has also included a buyout of Mirati Therapeutics and its KRAS inhibitor Krazati (adagrasib), is a wise strategic approach.



Shifting Sands

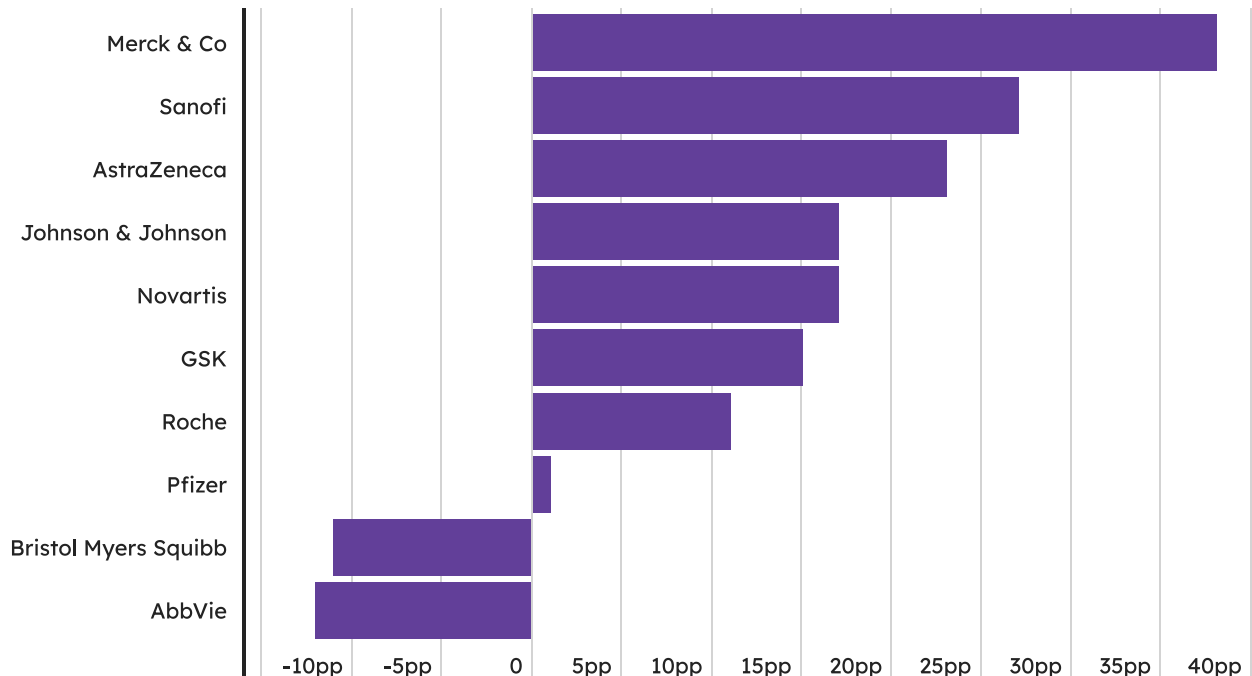
If that is the state of play at the moment, how might the situation change in the future? The graph below shows that Merck & Co has a lot to lose over the coming half-decade. Last year only 41% of its sales came from drugs that were more than 10 years old. By 2028, this proportion will have increased to nearly 80%, and the reason is clear – Keytruda (pembrolizumab).

The checkpoint inhibitor first reached market in 2014, and while its sales are not forecast to peak until 2027 – at an astonishing \$31.4bn – Merck will eventually face a repeat of AbbVie’s Humira problem.

One big caveat here is that these analyses do not take account of any future M&A. Currently there are few transformative deals in the works; the biggest that have not yet closed include AbbVie’s move on Cerevel Therapeutics Holdings, Inc. and Novartis AG’s takeover of MorphoSys AG, neither of which will have a seismic effect on the freshness of those companies’ portfolios.

But surely some larger, more meaningful transactions will take place in the coming years, and could alter the relative freshness of big pharma’s offerings. BMS is already taking this route to rejuvenation. Merck might be well advised to follow.

Percentage Point Change In Proportion Of Rx And OTC Sales From Products >10 years Old Between 2023 And 2028e



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