

## Shifting forecasts reveal the winners and losers of 2017



[Amy Brown](#)



### **Gilead and Abbvie feel the heat as forecasts shrink for their top drugs, while Biogen's Spinraza exceeds expectations.**

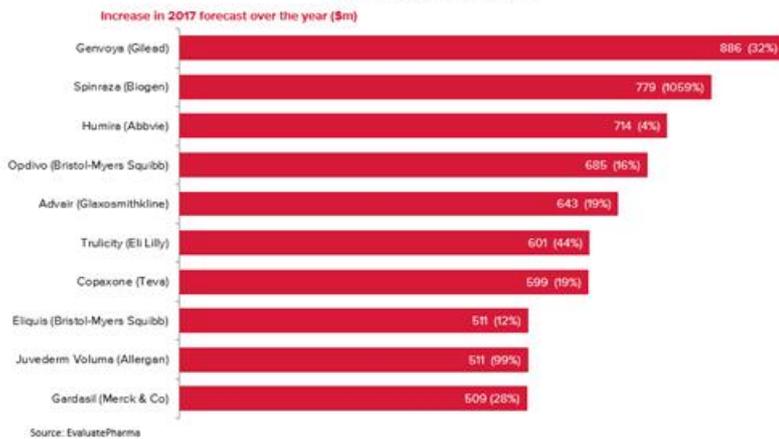
A year in biopharma never passes quietly and 2017 was no exception – though for some the ground shifted more substantially than for others. A trawl through *EvaluatePharma's* archived consensus forecasts reveals which of the top selling medicines experienced the biggest upgrades and downgrades over the year.

The hepatitis C space continued to shrink before Gilead's eyes, a fast declining market that also took down sales expectations of rivals like Abbvie. On the flip side, Gilead's newly launched HIV therapy Genvoya saw hopes for its performance in 2017 surge higher. Another stand out success was Biogen's Spinraza, about which the sellside became increasingly confident as the year progressed (see tables below).

Spinraza was approved in the US on December 23, 2016 and was launched almost immediately. Demand for the therapy, which treats the very rare and devastating paediatric condition spinal muscular atrophy, was initially much stronger than expected and analysts responded with big upgrades.

A disappointing third-quarter number has extinguished much of the exuberance around the product and there will be some trepidation ahead of fourth quarter results, which Biogen will reveal towards the end of January. The target for the full year stands at \$852m.

### Largest upgrades over 2017



Other notable upgrades over the year have been handed out to Gilead's Genvoya, a so-called "quad" HIV therapy comprised of four active ingredients. The product is expected to cannibalise sales of other Gilead HIV pills, which partly explains some of the upgrade.

Eli Lilly's once-weekly GLP-1 agonist Trulicity has fared much better than expected in the competitive diabetes space, causing analysts to lift full-year numbers over the course of 2017. However with Novo Nordisk's once-weekly rival about to hit the market, 2018 will be the real test for Lilly.

Bristol-Myers' flagship immuno-oncology drug Opdivo has seen its 2017 sales number rise 16% over the year, but on-going positioning in various cancer types means this space is likely to continue to see fluctuations. Arch-rival Keytruda from Merck & Co has barely shifted over the year, although this masks some fairly big swings throughout the year - with crucial studies still to report, the eventual size and shape of this market remains largely guesswork.

Elsewhere, Advair has dodged a bullet in terms of generic competition, with a couple of copycat products delayed at the regulators. This stay of execution is unlikely to last much longer, however.

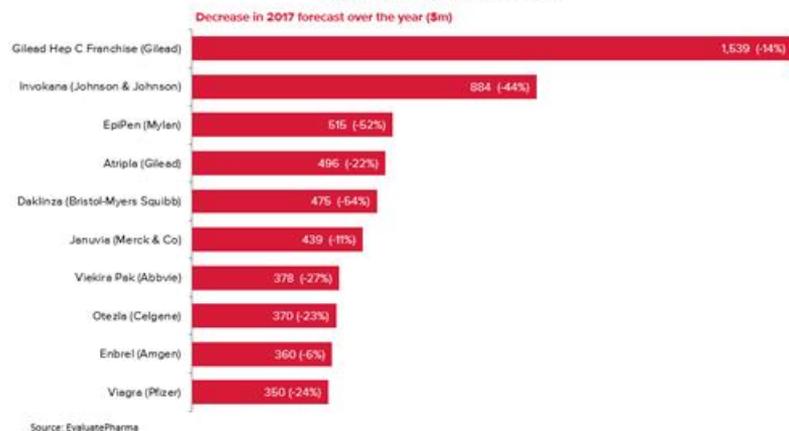
### Going down

Gilead's win in HIV is not going to make up for its losses in hepatitis C, a market that has shrunk more quickly than anyone expected. The swift loss of these valuable revenues ratcheted up pressure on the company over the year - buying Kite Pharma for its cutting edge CAR-T assets was its first response.

Alongside Biogen, Celgene was another big disappointment over the third-quarter reporting period, this time with its psoriasis treatment Otezla. For a big sales miss Celgene blamed "deep and persistent slowing growth" in its target markets and the growing discounts it had to offer to managed care companies to maintain market access.

The \$370m downgrade to 2017's consensus sales forecast for Otezla - a huge 23% slice to the previous full-year number - was taken entirely in the wake of the third-quarter miss. Much like Biogen, the company needs to rebuild confidence with full-year numbers in January.

### Largest downgrades over 2017



Other standout downgrades over the year include those for Mylan's EpiPen and Johnson & Johnson's diabetes treatment Invokana, both of which have seen expectations for 2017 halved over the year.

The former was infamously mired in much controversy over its inflated price; steep discounts and the impact of heightening generic competition have gradually been reflected in diminishing forecasts over the year.

Meanwhile Invokana has seen its prospects much altered by a safety scare – a link with the risk of amputation has meant the SGLT2 inhibitor has struggled within a competitive part of the diabetes market.

With the fourth quarter earnings season looming shortly after the Christmas break, it will not be long before these companies confirm whether sellside analysts have got their numbers right for 2017. But by that time all eyes will be on 2018, in an attempt to pick the next group of winners and losers.

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