

Lilly gets fresher but Roche's rot continues



[Madeleine Armstrong](#)



Lilly reduces its reliance on older products, but Roche and Sanofi still need fresh blood.

Two years ago Eli Lilly had one of the staliest-looking portfolios in the biopharma industry. But since then the company's outlook has improved, and the pharma giant has noticeably climbed up biopharma freshness rankings.

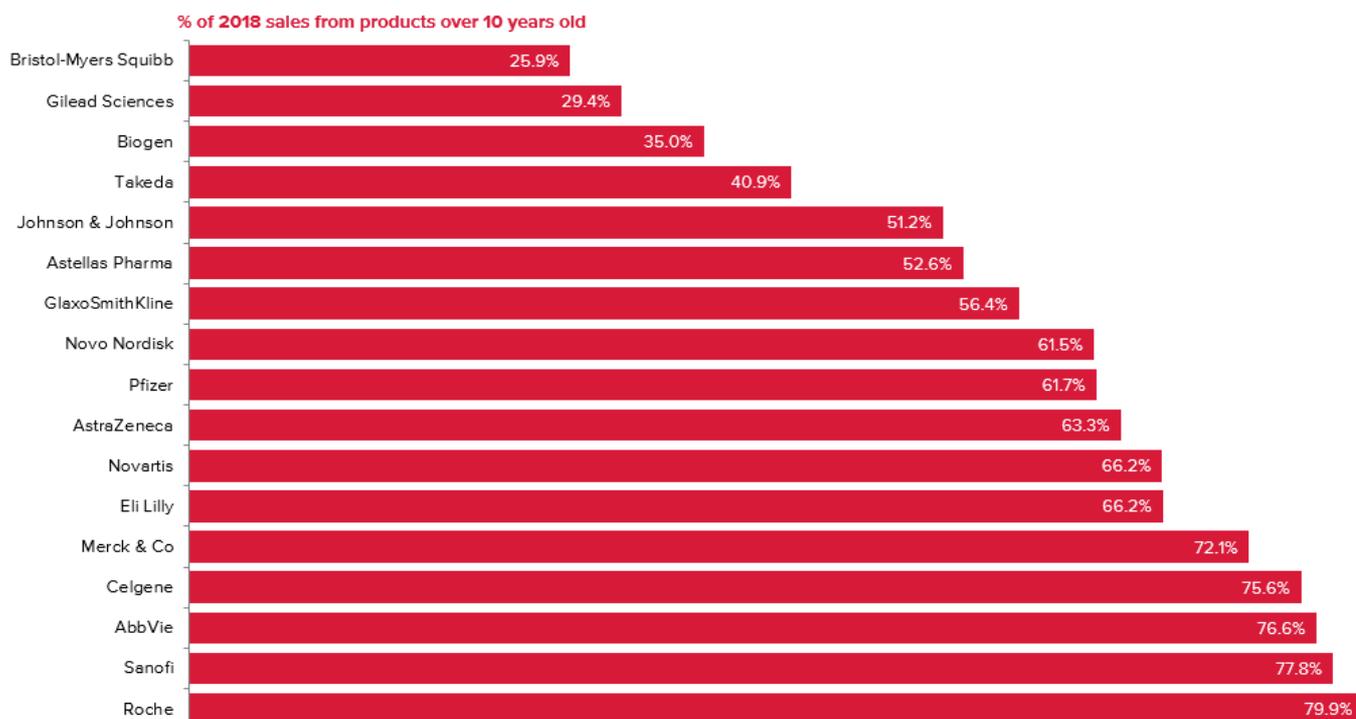
This *Vantage* analysis, which measures the proportion of company sales coming from products over 10 years old, found many of the usual offenders at the bottom of the list: Roche, Sanofi and Abbvie all remain heavily reliant on ageing products.

Lilly has mainly relied on its own research efforts rather than M&A. It has seen newer products like Trulicity, Taltz and Verzenio pick up the slack, and sales of the first of these could get a boost after a recent win in the Rewind cardiovascular outcomes study.

But it has not all been rosy for Lilly. Sales of another big hope, Olumiant, look set to disappoint after safety fears spurred the FDA to limit approval to the lower dose of the drug.

And the company will need more new ideas if its renaissance is to continue. Currently the group's most valuable pipeline asset, according to *EvaluatePharma* sellside consensus, is the acute migraine project lasmiditan, which the company just filed with the FDA. But this is facing a crowded market, with oral CGRP inhibitors like Allergan's ubrogepant and Biohaven's rimegepant also on the horizon.

2018 Freshness Index



Source: EvaluatePharma

Still, things could be worse for Lilly. Abbvie is so dependent on Humira that this group's performance over the next few years might hinge on how successful it is in increasing the price tag of the ageing blockbuster ([Abbvie manoeuvres to defend Humira to the last](#), 7 November 2018).

And Abbvie's attempts to refresh its pipeline with acquisitions, such as the \$5.8bn purchase of Stemcentrx, have so far fallen flat.

Meanwhile, a storming performance from Roche's new multiple sclerosis drug Ocrevus has not stopped that company from slipping to the foot of this analysis, from third from bottom in 2016 ([Buy or build - big pharma's freshness dilemma](#), October 26, 2016).

The Swiss company has also attempted to spend its way out of trouble: with the exception of Pfizer, Roche has shelled out the most on acquisitions over the last 10 years, much of which is accounted for the \$47bn it paid to complete the takeover of Genentech.

Sanofi, another low ranking company, has recently turned to M&A, but it remains to be seen whether the strategy will pay off.

Replenishing stale pipelines



Source: EvaluatePharma

At the other end of the scale, Bristol-Myers Squibb derives nearly 75% of its sales from newer products – more than biotechs like Biogen and Gilead – but is one of the stingiest companies in this analysis when it comes to outgoings on M&A, licensing and R&D.

Bristol might want to up its investment if it does not want to go the way of Roche and Sanofi as it is very reliant of its two big products, Eliquis and Opdivo.

The pressure on big biotechs to buy in growth is also increasing. Celgene is in particularly dire straits, with its stock sitting at a near five-year low after several clinical failures and worries about the longevity of its cash cow Revlimid.

With markets in turmoil and valuations of biotech companies coming down, it might finally be a good time for bigger players to start striking deals. The above analysis reveals the groups that have a greater need for fresh blood than most.

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