

Sanofi's geriatric pipeline fails to freshen up



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A look at the freshness of pharma's pipelines shows that Sanofi's new chief executive has his work cut out, while Lilly and AstraZeneca come up smelling of roses.

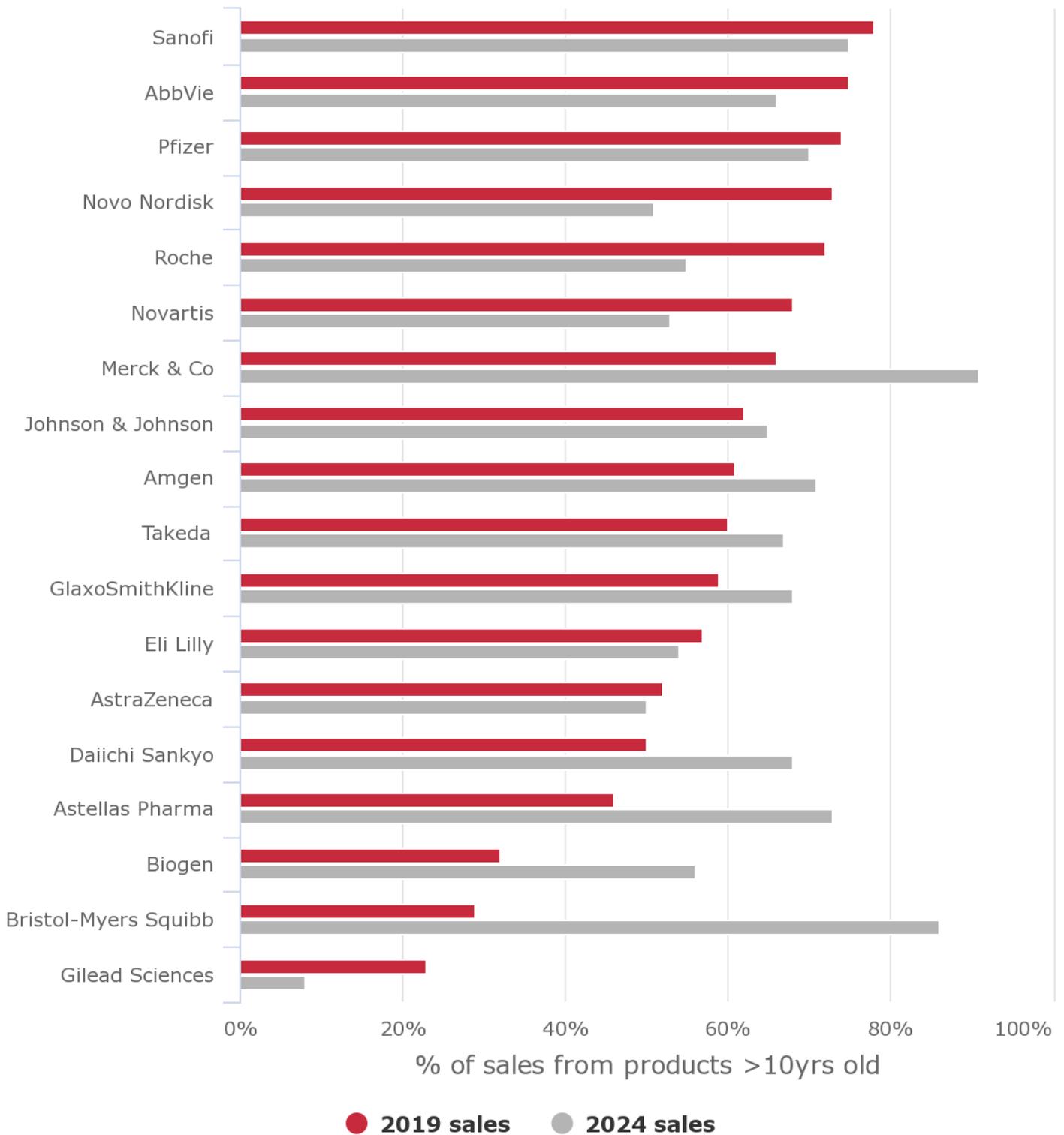
It has been 14 months since *Vantage* [last looked at the relative freshness](#) of the pipelines of the biggest drug makers, and one of the most striking observations is the lack of progress made by Sanofi and Abbvie.

This analysis, which measures the proportion of a company's sales coming from products over 10 years old, finds that Sanofi has remained steadfastly at the bottom of the table, while Abbvie continues to struggle with an overreliance on Humira.

The US pharma company can at least point to an improving picture: forecast sales suggest that new launches will start to freshen up Abbvie's portfolio in the coming years, although these numbers have yet to reflect the inclusion of Allergan, as the deal has yet to close.

Not much change is predicted for the French firm, however, and investors must hope that the [sweeping strategy review](#) announced by its new chief executive, Paul Hudson, signals the turning of this big pharma tanker.

Freshness index 2019 and 2024



[Evaluate](#)

Still, Sanofi and Abbvie are not alone up in the 70% bracket: Pfizer, Novo Nordisk and Roche are also heavily reliant on old drugs. The last two at least have new products coming through and are seen improving on this metric in the coming years, although the same cannot be said for Pfizer.

Business development teams at Sanofi and Pfizer are surely under pressure to bring in new sources of growth as soon as possible – making both prime candidates for deal-making this year.

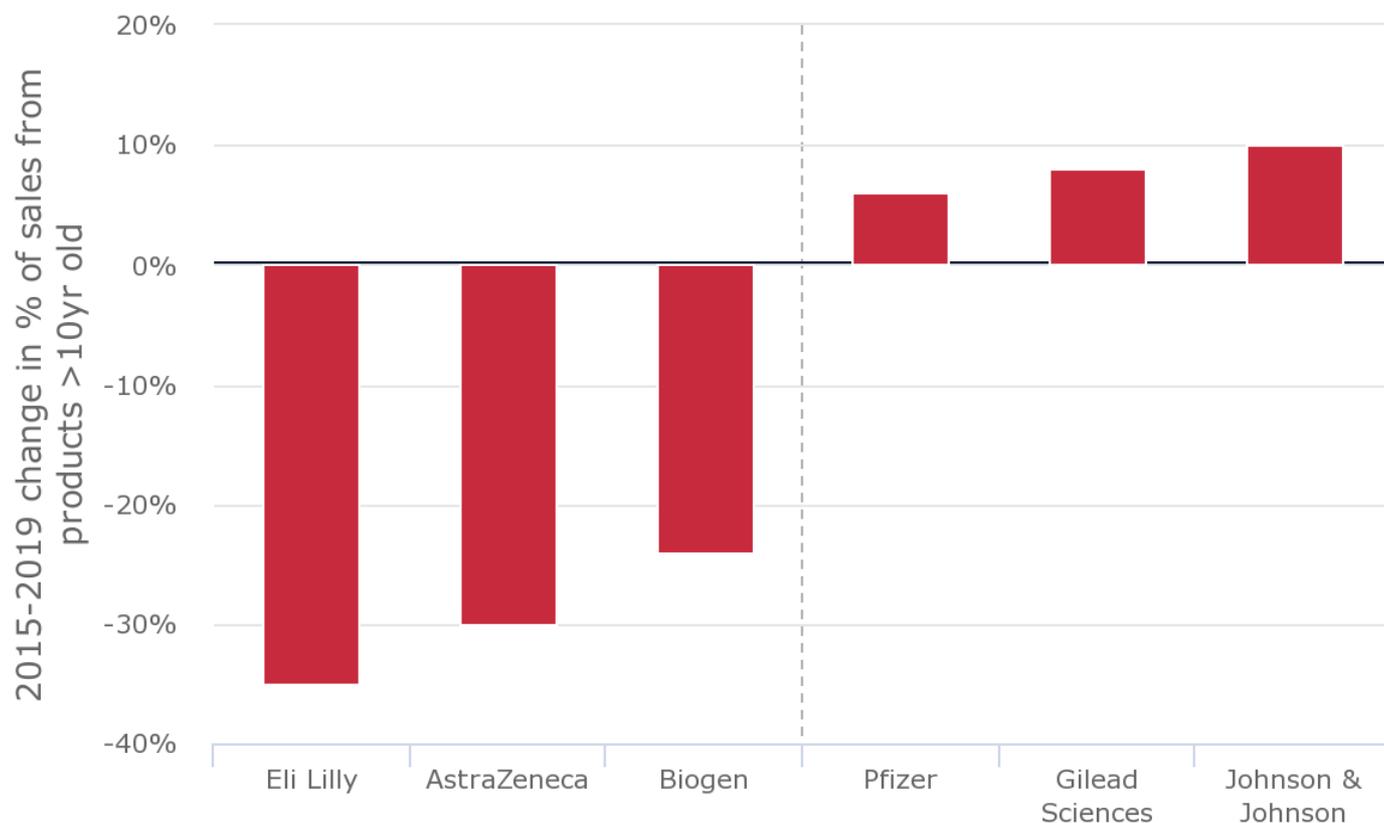
Considering that Gilead is also considered a dealmaker, it is notable that this big biotech has one of the most youthful pipelines, a situation that is expected to improve markedly by 2024. The pressure here is to replace a swiftly disappearing and hugely cash-generative hepatitis C franchise, which is itself a relatively young suite of products.

Bristol-Myers Squibb also scored highly on the youth front last year, although the impact of the Celgene deal

on its future profile is remarkable. This is almost all down to the inclusion of Revlimid, which joins Bristol's own ageing products, Opdivo and Eliquis. This company's deal making days also look far from over.

Another company that looks in need of air freshener is Biogen – though its Alzheimer's candidate aducanumab could change the picture here. This analysis also seems to explain the keenness for M&A among Japanese drug developers.

Top/bottom 5yr changes in freshness



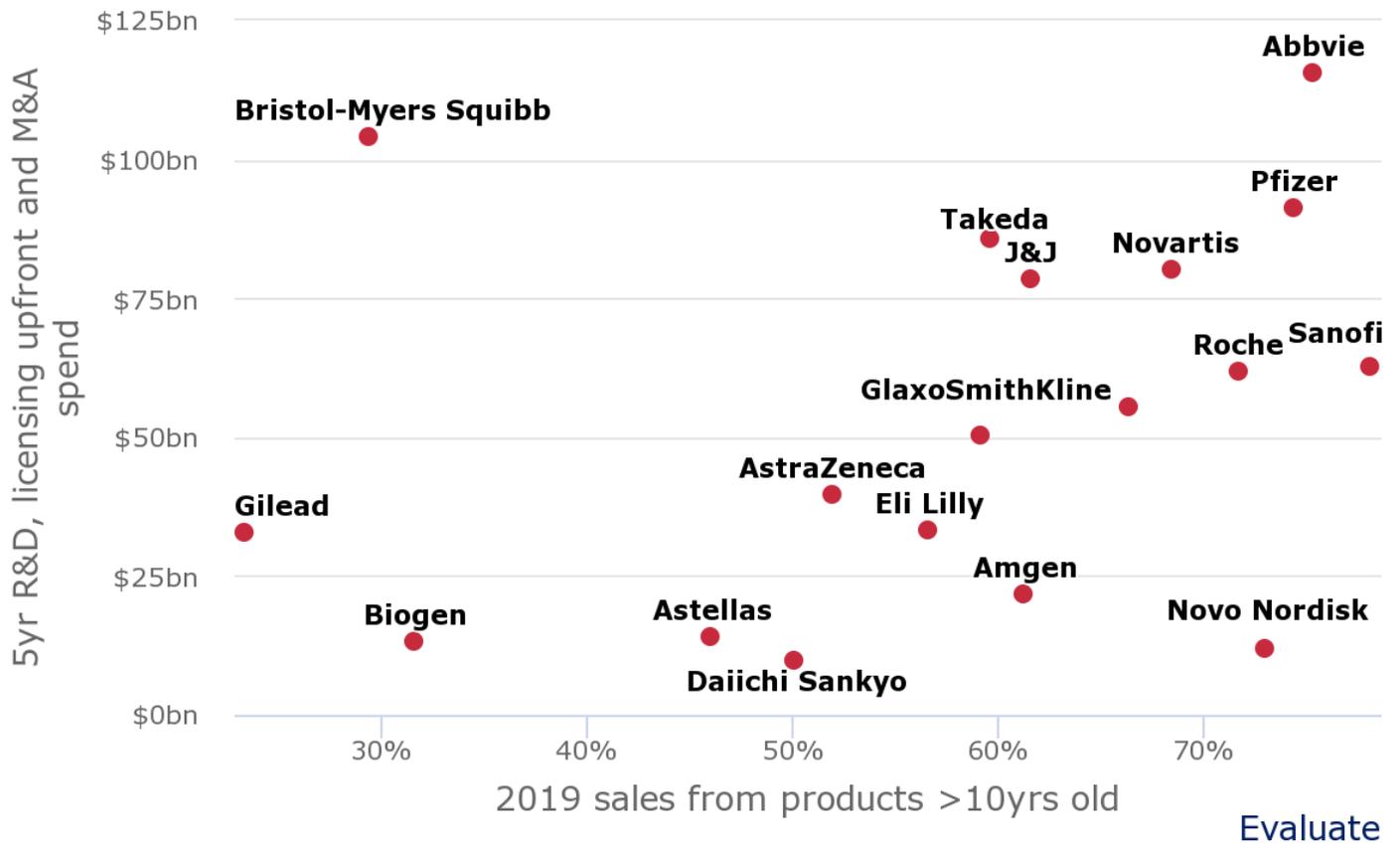
However, rather than just looking at absolutes, it is also useful to see shifts over time in the maturity of products in company portfolios.

For standout performances look no further than Lilly and AstraZeneca. Just five years ago 95% of Lilly's sales were from old products, but by the end of 2019 that figure had dropped to 51%. Much of this turnaround has been driven by the strong performance from the diabetes drug Trulicity and a raft of other, mainly homegrown new launches, including Talz, Verzenio and Emgality.

In turn, AstraZeneca's continuing success with its oncology franchise, which now boasts the blockbusters Lynparza and Tagrisso, has increased the sales contribution of young products from less than 18% to 48% last year.

Among these drug makers Johnson & Johnson's pipeline aged most noticeably, and forecasts suggest that this will continue to 2024.

Freshness vs spend



The freshness index can also be helpful in revealing the wisdom, or lack thereof, in trying to buy new sales. High-spending Sanofi, which recently shelled out a combined \$16bn on Bioverativ and Ablynx, has apparently little to show for it, in terms of a fresher portfolio at least.

Novartis on the other hand is also a big spender, but its pipeline is projected to get younger in the coming years. These future projects are based on sellside forecasts and are of course subject to change; future deal making will also change the picture.

But investors hungry for the deals that did not appear at this year's JP Morgan conference can take comfort in the fact that there is an obvious need to shore up ageing pipelines at many large developers. Freshness is only one way to look at this, but it is clear that M&A will remain on the table in 2020.