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Evaluate Vantage 2021 Preview: High hopes and valuations set the tone for biopharma

LONDON, BOSTON, TOKYO (December 10, 2020) – COVID-19 will continue to be a defining issue for pharma and biotech companies in 2021, but overall the sector will start the year from a position of strength, according to the *Evaluate Vantage 2021 Preview*, published today.

Sales of COVID-19 vaccines are expected to reach between \$10-15bn next year, and for now Moderna's mRNA-1237 is the favored candidate among equity analysts, despite BioNTech and Pfizer's first mover advantage. With many leading COVID-19 projects due to yield data next year, it should become clearer which companies will deliver clinically and commercially successful pandemic products.

Across the broader industry, oncology continues to be a major driver of growth; six of the ten biggest new sales generators and four of the top ten best-selling products in 2021 are cancer drugs. New approvals from the FDA are also expected to generate significant value, with ten pending drugs forecast to be billion-dollar blockbusters by 2026. Finally, the late-stage pipeline shows significant promise, and the combined net present value for the top ten R&D projects is close to \$60 billion.

Investors continue to look favorably on biopharma. The Nasdaq Biotechnology Index looks set to start 2021 at or close to a record high. Biotech IPOs continue to see strong demand, and 2020 was a record year for financings. Venture funds have been able to sell or float portfolio companies much more quickly, and big developers remain motivated buyers, all of which points to an active market for deal-making next year.

"Biopharma has unsurprisingly weathered the COVID-19 landscape much better than many industries," said Amy Brown, report author. "The focus on vaccine and treatment development has created a halo effect that has lifted companies across the industry, and investor enthusiasm is high. But big expectations carry the risk of big repercussions where performance falls short; some big tests lie ahead in the coming year."

Notable Report Findings:

- BNT162b2 (BioNTech/Pfizer) is forecast as the top-selling COVID-19 vaccine in 2021 with sales of \$2.5bn, but mRNA-1273 (Moderna) is expected to be the top performer by 2026.
- Veklury (Gilead) has seen substantial declines in its 2021 consensus forecast, dropping from \$3.5bn in August, heading for \$1bn in December, and with further downgrades likely.
- Keytruda (Merck & Co) is expected to add the most new sales next year, with \$2.7bn in growth and \$16.8bn in total sales.
- Roche narrowly beats Novartis as the top company in 2021, with forecast revenues of \$51.3bn and \$51.0bn respectively, followed closely by AbbVie.
- Aducanumab (Biogen) is the biggest potential launch in 2021 with \$4.8bn in forecast sales in 2026; the FDA's decision on whether to approve the Alzheimer's project is one of the biggest events for biopharma in 2021.
- Tirzepatide (Eli Lilly) maintains its ranking as the most highly valued R&D project, with a net present value of \$12.7bn.

This report is published by Evaluate Vantage, the independent editorial team at Evaluate Ltd. All data cited is from Evaluate Omnium and EvaluatePharma®. Download the full report at: www.evaluate.com/2021Preview.

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