

# What's Next in Pharma? The Intersection of Innovation & Compliance



# The industry has driven great advances



Unprecedented COVID vaccines



Alzheimer's breakthrough



Decline in cancer death rate



Tackling obesity



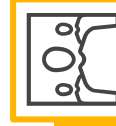
Innovations in rare diseases



247 NMEs approved by FDA since 2018



Possibilities from new modalities



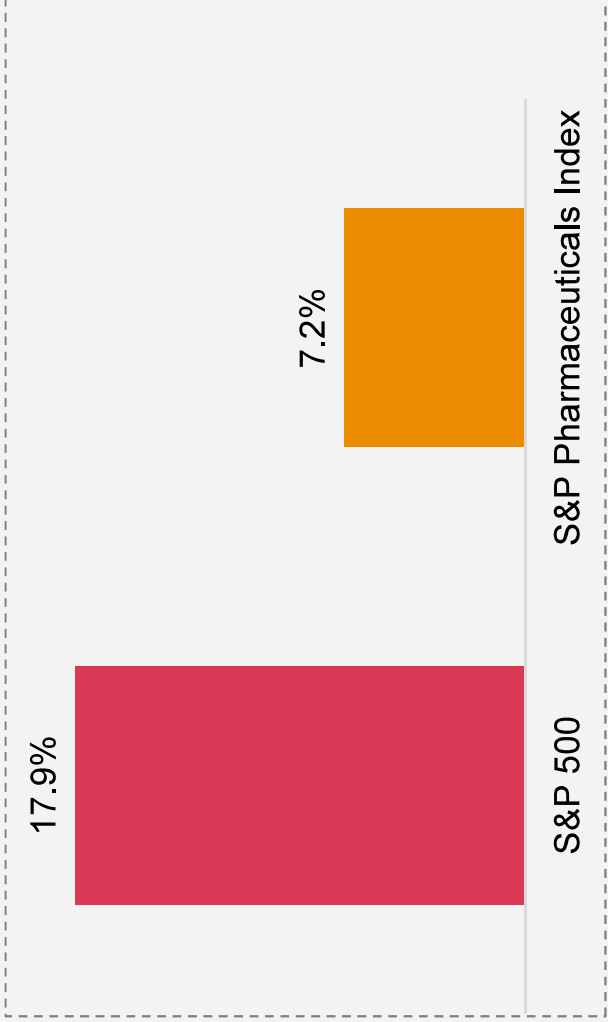
Improvement in public perception



Even with the great advances, capital market returns are lagging; investors are differentiating based on positioning

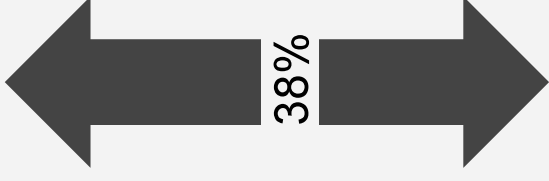
**2023 YTD TSR**

1/2/23 – 8/31/23



Source: Capital IQ, PwC Analysis

5-Year TSR  
Top Performers  
(out of top 50 Pharma)



5-Year TSR  
Bottom Performers

# ...driven by rapidly changing market dynamics

## ↑ POSITIVE MARKET DRIVERS

Steady flow of new drug approvals

Growing and aging population creating unmet needs

Rapid advances in understanding biology

## ↙ NEGATIVE MARKET FORCES

"Double edge" of science

Rising costs – OPEX, Tax, Capital

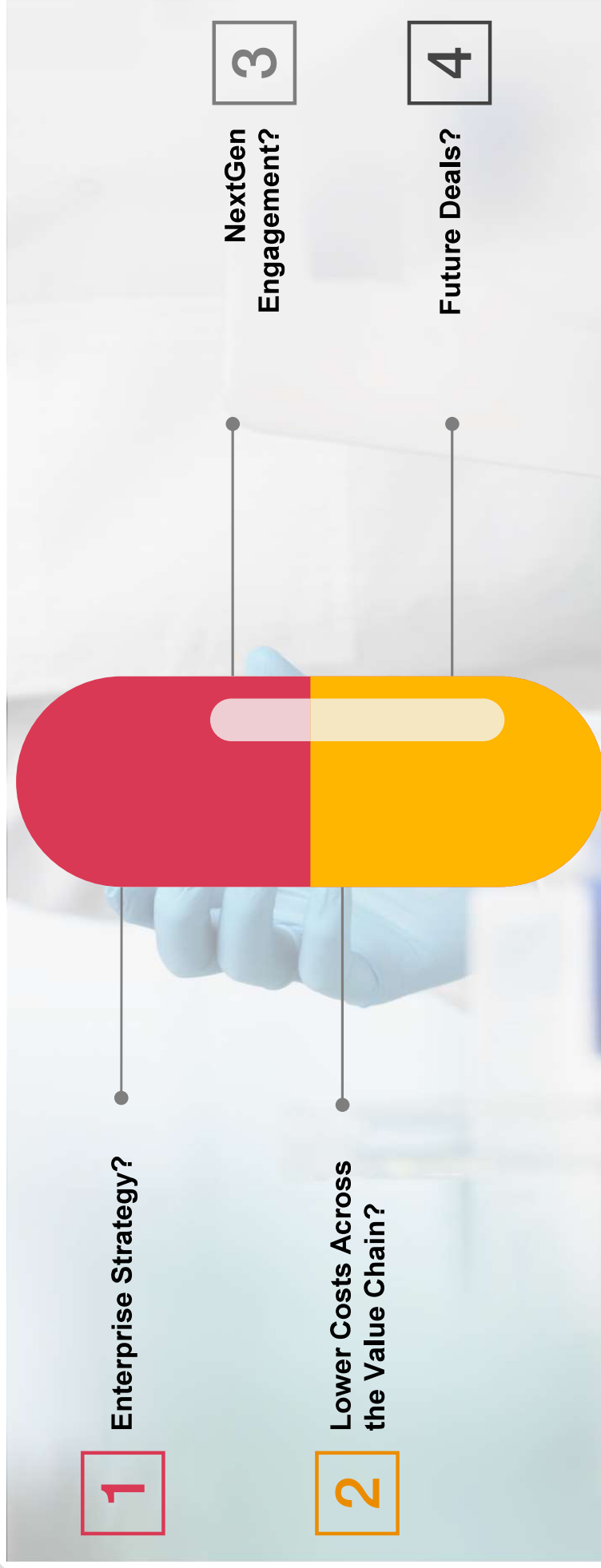
Pricing

Portfolio shifts, coupled with M&A slow-down

Increasing costs to protect the enterprise

Uncertainty in Geo-political climate

# Key Questions



How to transform at-pace and protect the enterprise at the same time?

**Enterprise Strategy:** New considerations are shaping where/how companies draw the business boundaries for the future

Factors Shaping Tomorrow's Corporate Strategy



Fundamental Identity



Attractive Adjacencies



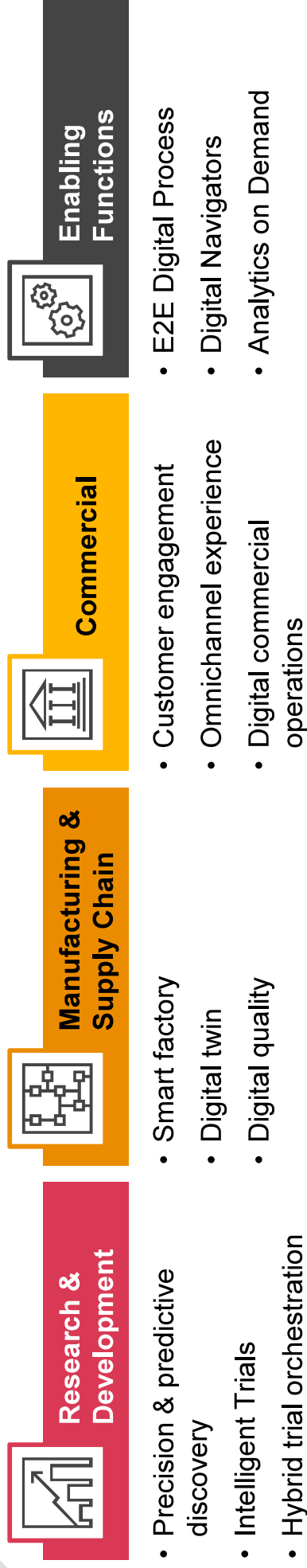
Novel Science



Geographic Presence



# Digital technology will lower costs and reduce timelines, driving major changes across the value chain



# Data, technology and expectations will drive next wave of consumer empowerment, meaning pharma will need to engage differently



Earlier relationships and proactive activation

Digestible, personalized content through more novel channels

Increased data sharing, along side investments in Trust brand

More at-home and on-demand resources

N=1 treatment resources (e.g., digital twin models)

Digestible, personalized and on-demand engagement via more channels

Orchestrated outreach powered by predictive models



Implications for future **Patient** engagement?

Implications for future **Physician** engagement?



# Deal-making will continue to be an essential capability, including potential for new types of partnership arrangements

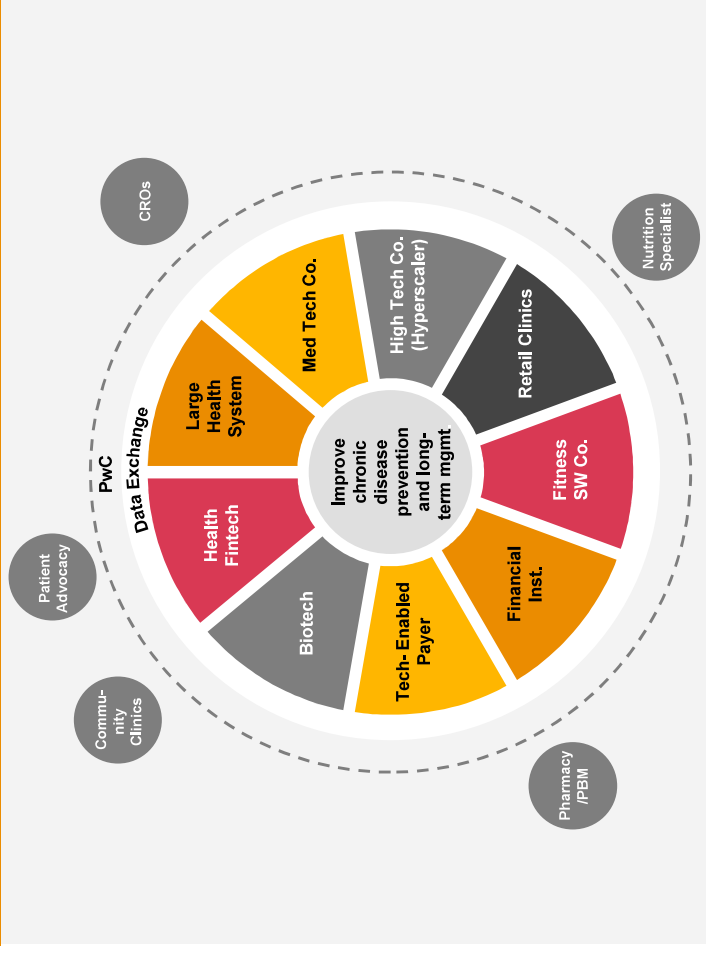


## Driving Value from Today's Deal Types...

- Business acquisitions
- Asset acquisitions
- Platform/technology acquisitions
- Co-develop/Co-promote
- Academic collaborations
- Venture investments



## ...And Considering Partnerships of the Future



# Summary



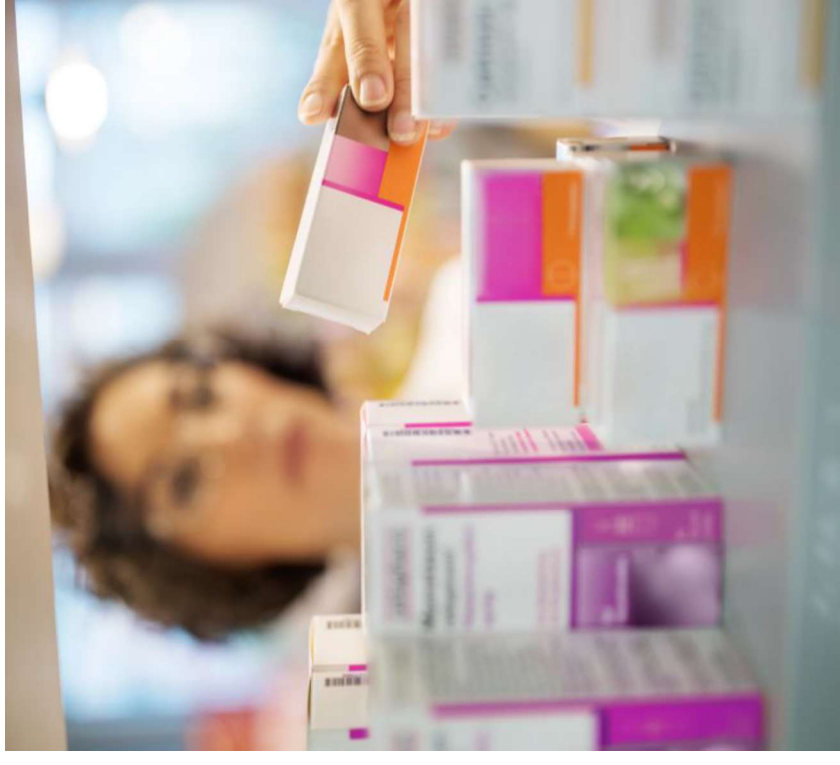
How value is being created is shifting

- Future pharma company
  - Will be faster
  - Will lower costs of today's activities
  - Will engage customers and partners differently
  - May be in new lines of business and managing a wider range of business models



Compliance function of the future will need to

- Deliver faster and with lower costs
- Enable new patient/physician engagement and protect the enterprise
- Double-down on culture of compliance and ownership in the line as business transformation accelerates





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