

COVID 19 Impact on Romania Pharma Supply

Bucharest 2020



Today's agenda

- + Brief Market Overview Romania
- + A Manufacturer Challenges During Pandemic
- + COVID 19 IMPACT on European Pharma Market
- + IQVIA's Consulting Projects on Pharma Supply Chain



Today's presenters



Cristian Radulescu

Associate Director Offering Development
IQVIA Romania



Schalk Opperman

General Manager
MERK Romania



Michal Pilkiewicz

Senior Director Supplier Services
IQVIA East Europe



Alexandra Bosco

Engagement Manager
IQVIA Romania

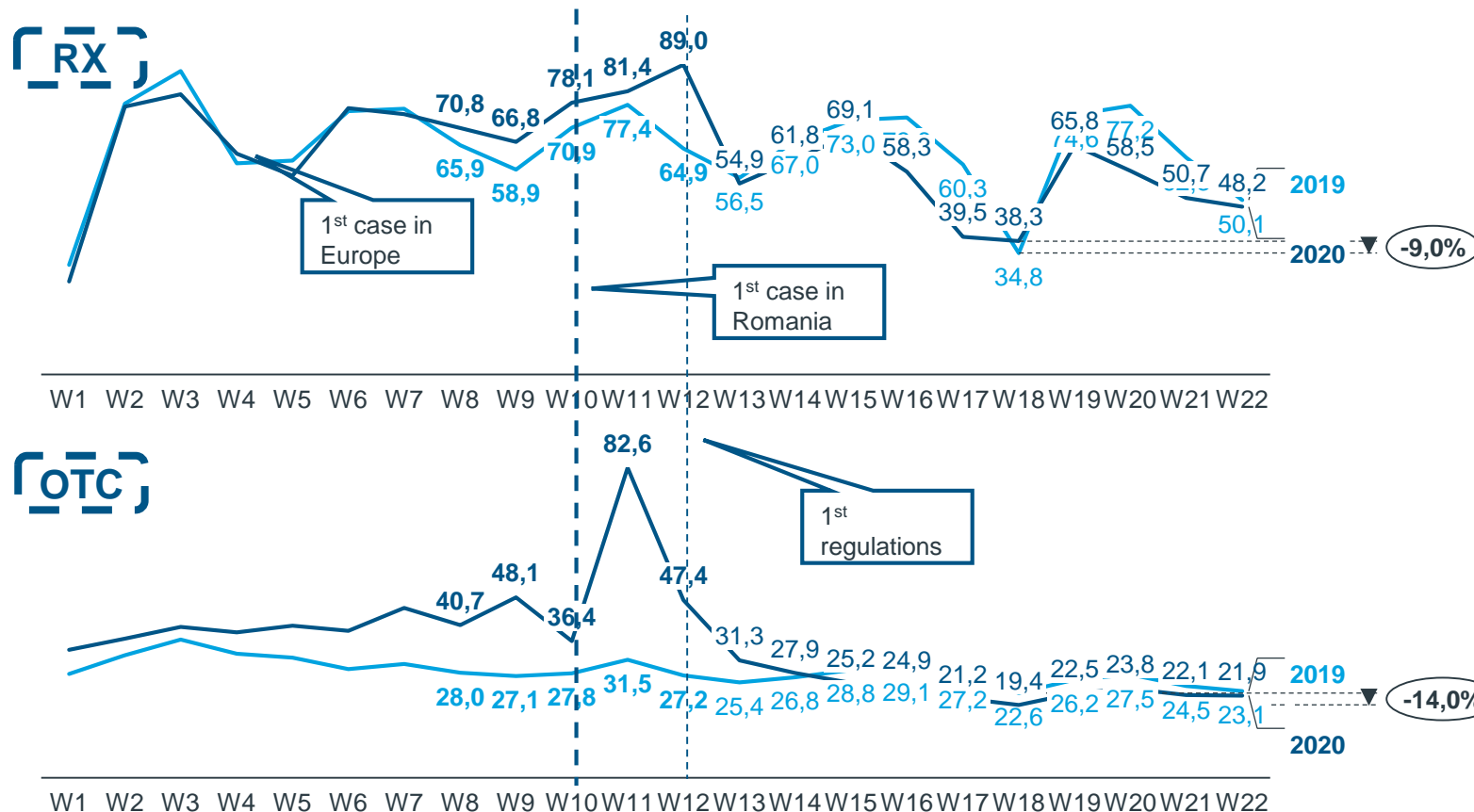
Brief market Overview

Cristian Radulescu

First COVID-19 cases were reported in Romania on March 6 (week 10), government regulation were followed

Total pharma market

Total market sales [Rx and OTC market, mEUR, 2020 weekly]



Key milestones:

- First confirmed cases were reported on 6th March in Romania
- The government declared state of emergency on 16th March
- The first military directive was introduced in Romania in 18th March to regulate the economic activity of non-essential services
- Further restrictions followed the next weeks to minimize the number of people on the streets

April showed the effects of the lock down on overall sales, most of the categories decreasing sharply

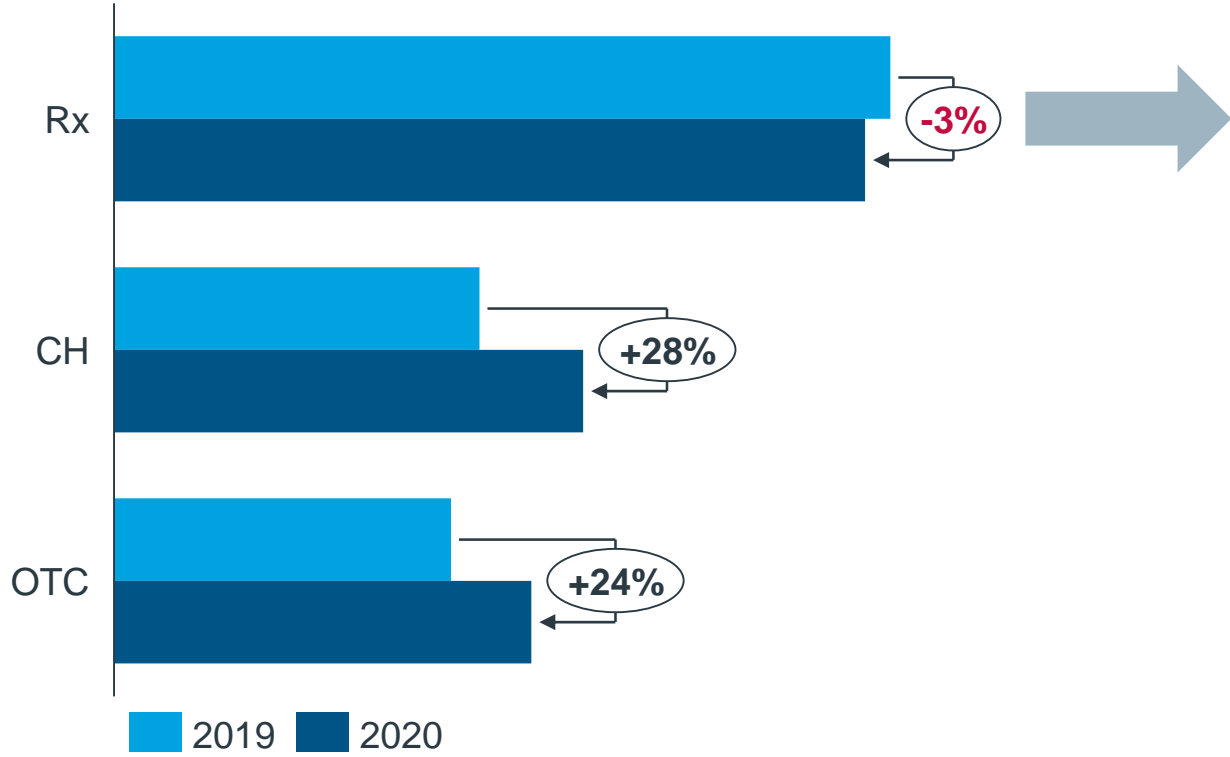
Cumulated, un-projected weekly sales from pharmacies

Rx	February 2020 vs January 2020		March 2020 vs February 2020		April 2020 vs March 2020	
	Value	Volume	Value	Volume	Value	Volume
Total RX Growth	75%	69%	45%	56%	24%	-31%
V0 (various)	143%	182%	-25%	-17%	94%	31%
L0 (antineoplastics)	52%	55%	41%	13%	-15%	-20%
B0 (blood)	44%	39%	43%	67%	-22%	-41%
A0 (alimentary-metabolism)	83%	54%	24%	55%	-28%	-50%
R0 (respiratory)	71%	72%	78%	75%	-45%	-49%
H0 (systemic hormones)	49%	53%	51%	33%	-56%	-55%
N0 (nervous system)	166%	85%	54%	73%	-22%	-58%
C0 (cardiovascular)	96%	60%	19%	71%	-16%	-55%
D0 (dermatologicals)	59%	46%	// 343%	40%	-42%	-62%
S0 (sensory organs)	55%	82%	7%	12%	-55%	-59%
M0 (musco-skeletal)	77%	77%	65%	62%	-44%	-62%
G0 (genito-urinary system)	44%	38%	82%	71%	-57%	-47%
K0 (hospital solutions)	38%	49%	77%	55%	-50%	-58%
P0 (parasitology)	-38%	-41%	// // 524%	// 548%	-93%	-93%
T0 (diagnostics agents)	83%	123%	-1%	-7%	-57%	-52%
J0 (anti-infectives)	108%	146%	59%	61%	// 145%	127%

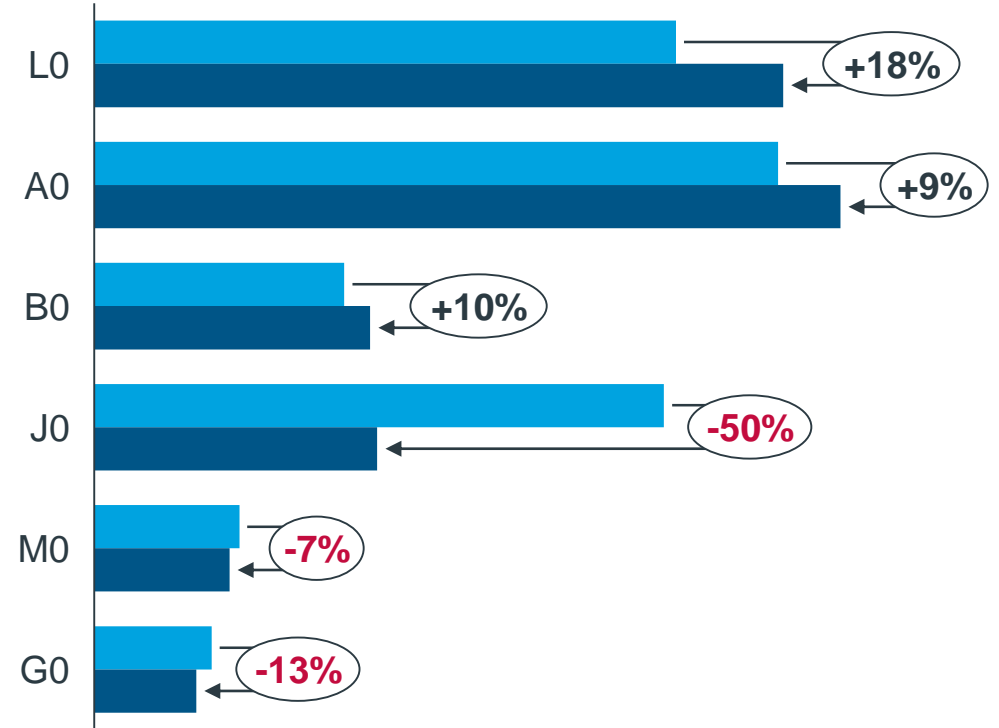
All OTC & CH product categories grew significantly versus Jan – Apr 2019, on Rx drugs evolution being mixed

Cumulated weekly, un-projected sales from pharmacies, EUR, Retail price

Jan – Apr 2020 vs. Jan – Apr 2019



Jan – Apr 2020 vs. Jan – Apr 2019

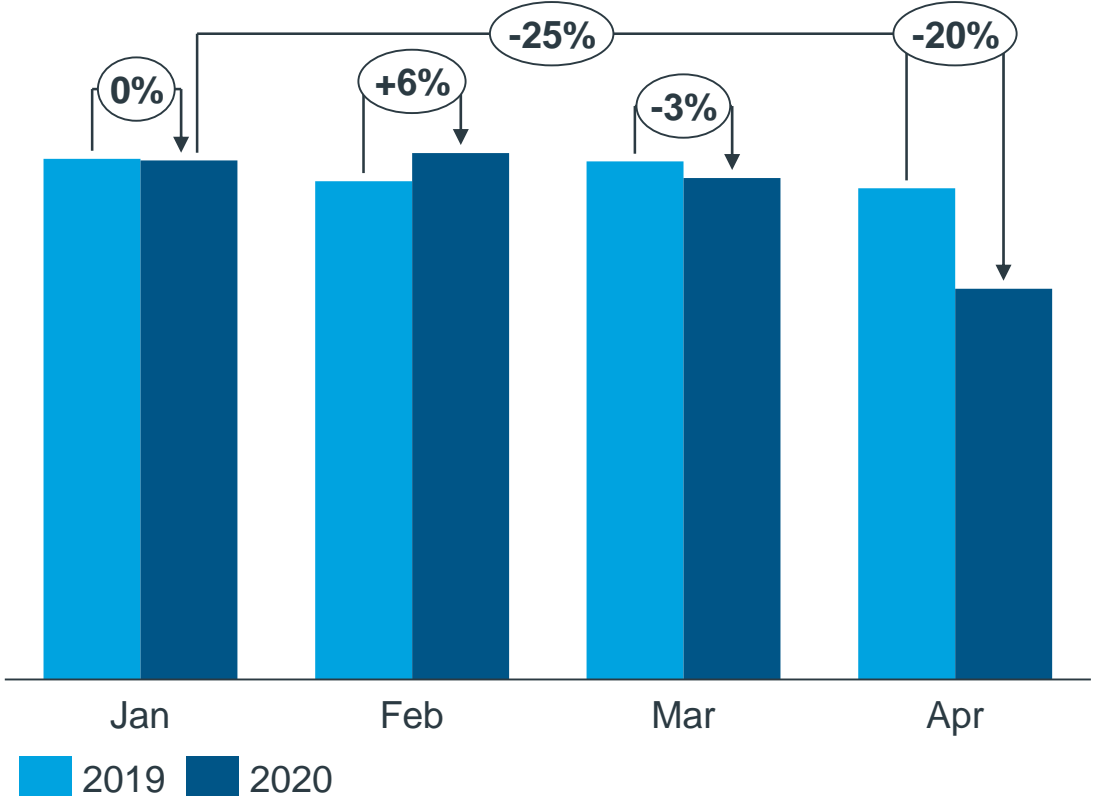


Source: IQVIA Pharamatrend and Weekly Sales Out Audit
 COVID Impact on Romania Pharma Supply webinar – June 2020 Romania © IQVIA 2020. All rights reserved.

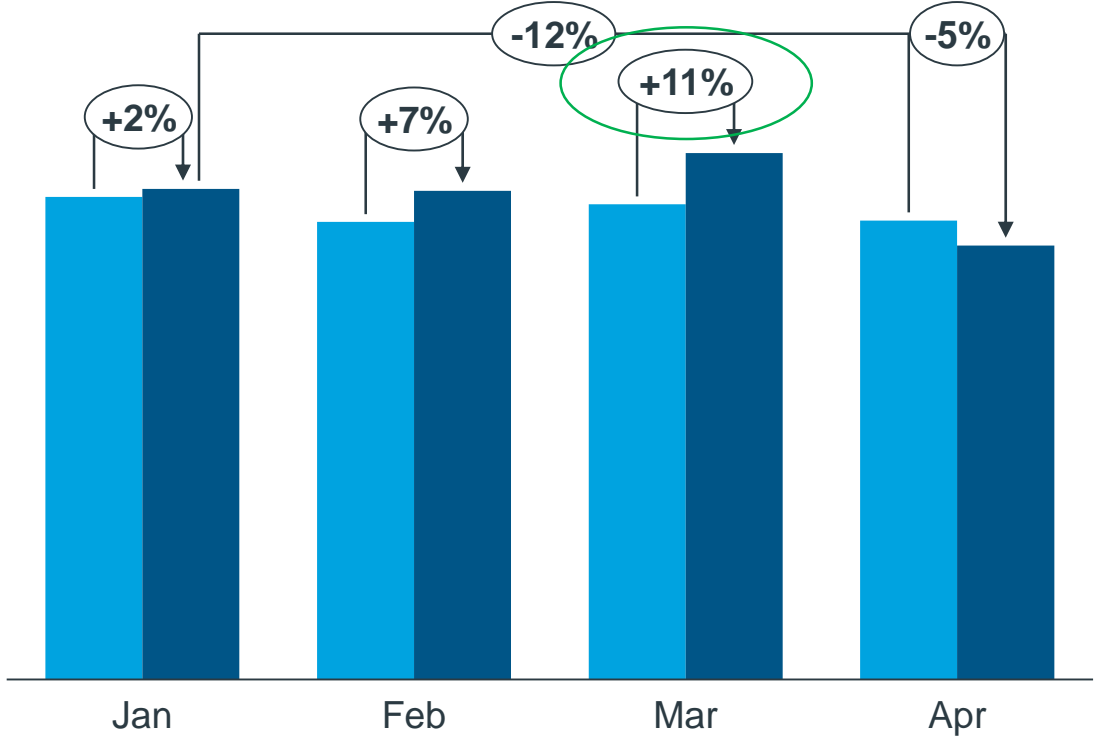
Stockpiling for chronic patients occurred early February and accelerated as the lock down measures were imposed

Cumulated, un-projected reimbursed prescriptions released through pharmacies

reimbursed prescriptions



Total units released through reimbursed prescriptions

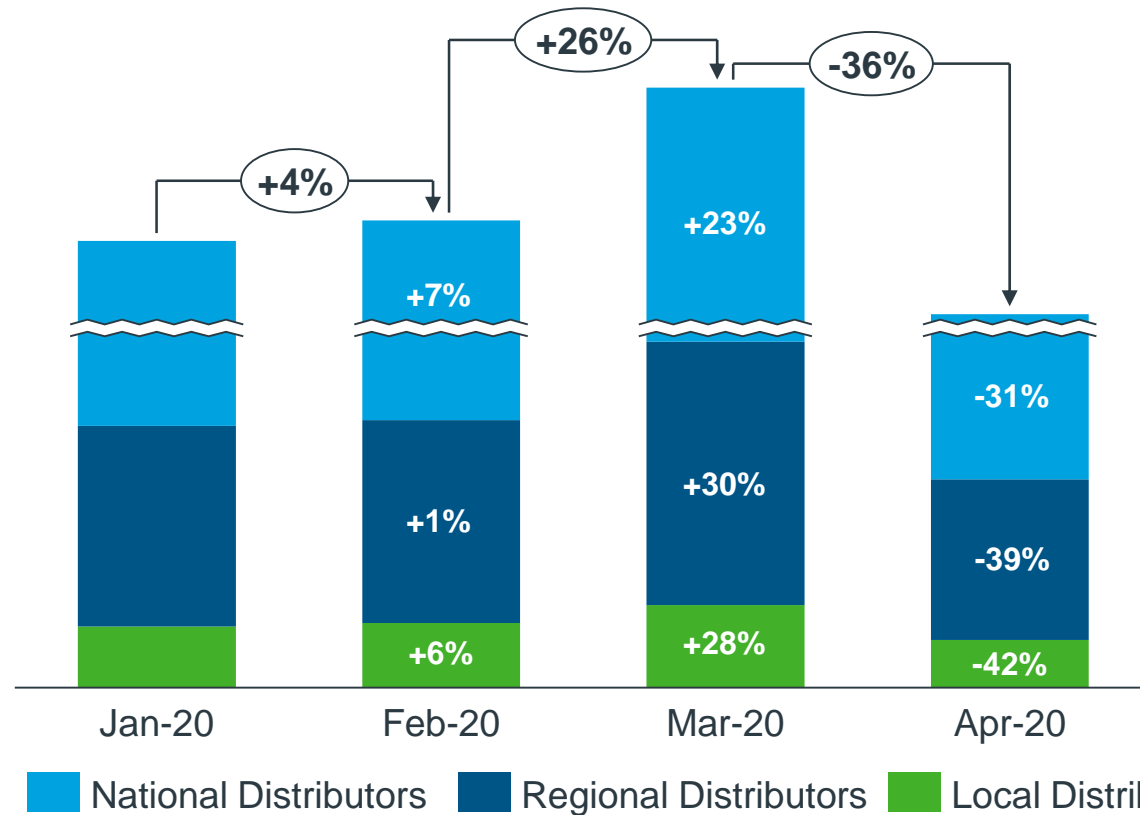


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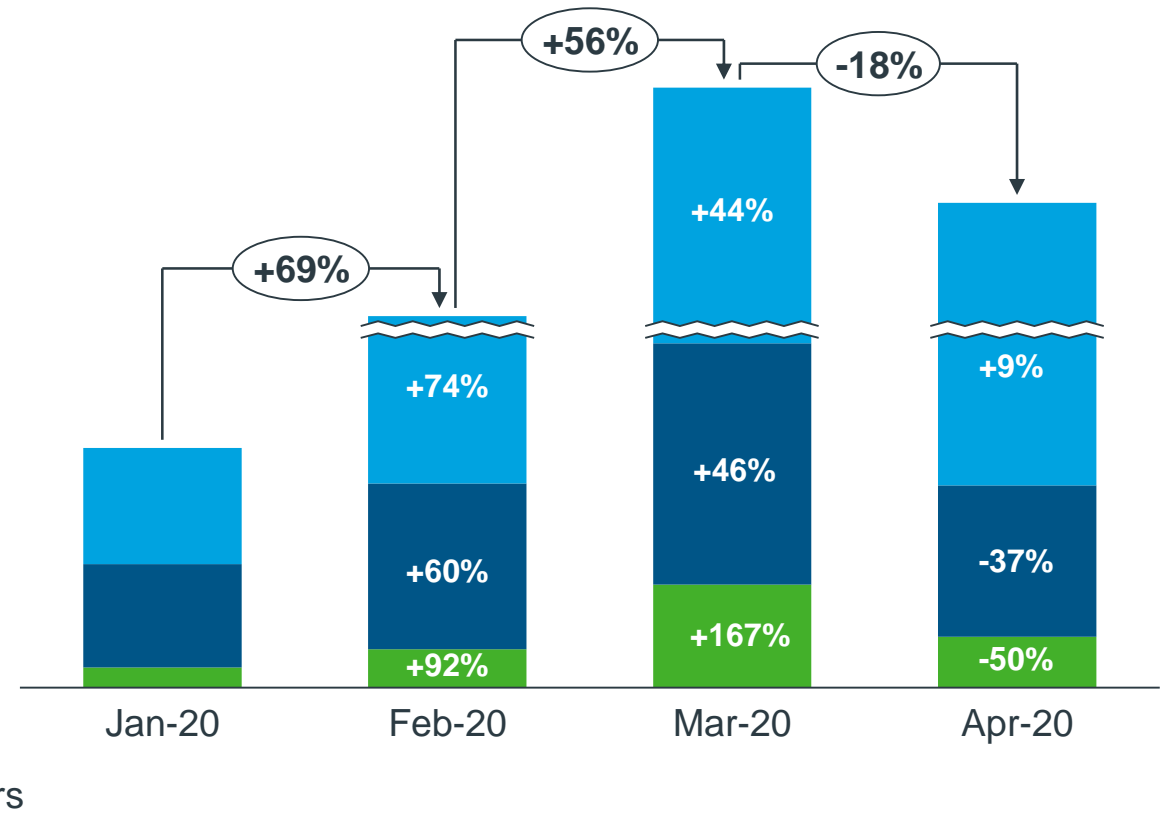
There was no visible pharmacy de-stocking activity, while Hospital channel acquisitions grew significantly over this period

Sell In, WHS Price, RON

Sales to Pharmacies



Sales to Hospitals



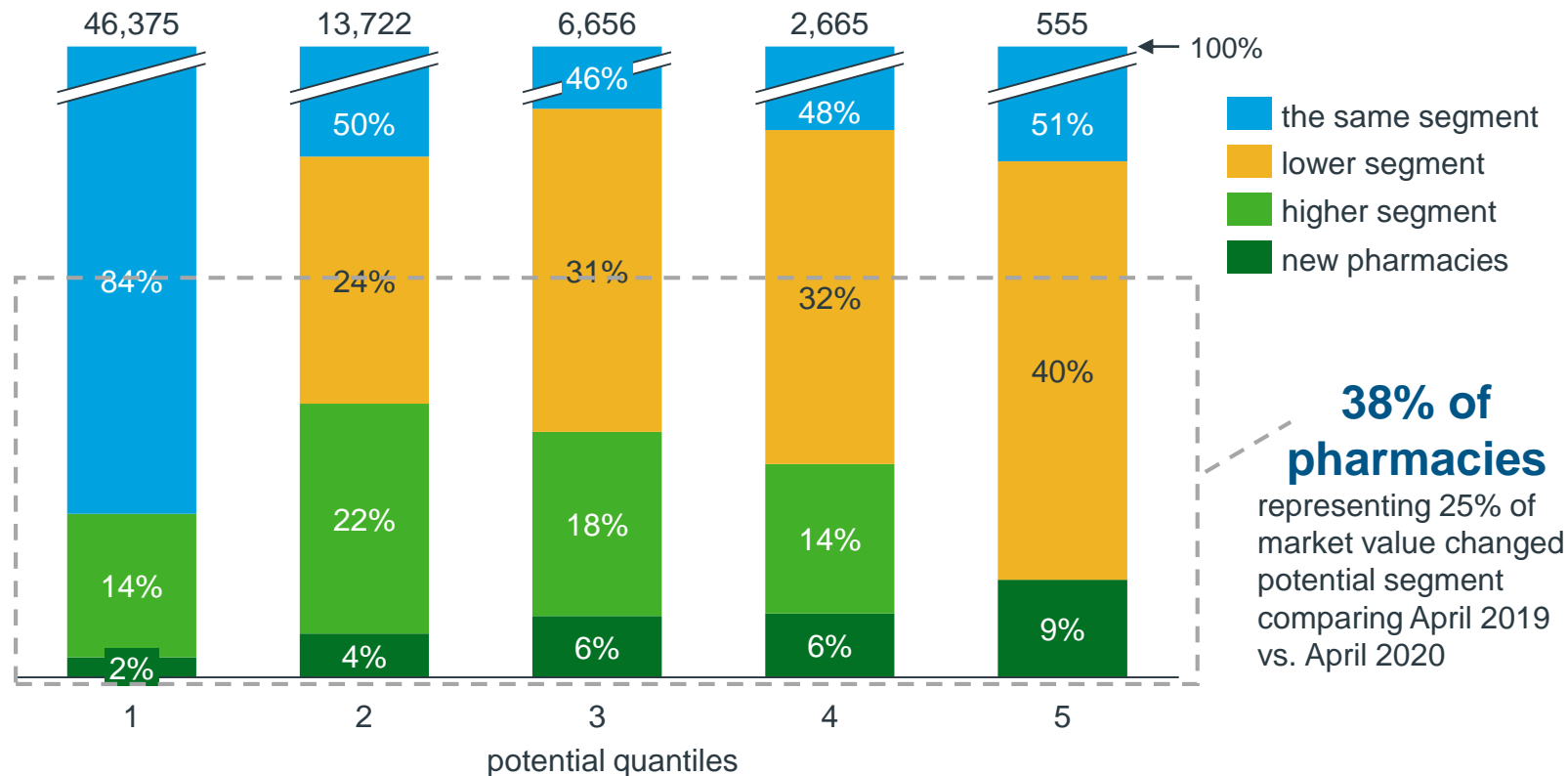
Source: IQVIA Pharamtrend and Weekly Sales Out Audit

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Pharmacies landscape and related strategies needs refreshing as market potential shifted significantly due to COVID impact

Example of pharmacy segmentation on OTC market in Romania

Change of pharmacies in potential quintals in total OTC market in Romania
[by value kEUR, April 2019 vs. April 2020]



Key questions ?

1

Which pharmacies currently show the largest market potential for me as distributor?

2

How this situation may change and affect my pharmacies?

3

How can I identify relevant growth factors (potential acquisition targets)?



Please contact us for more details.

Cristian Radulescu

Associate Director Offering & Data Suppliers

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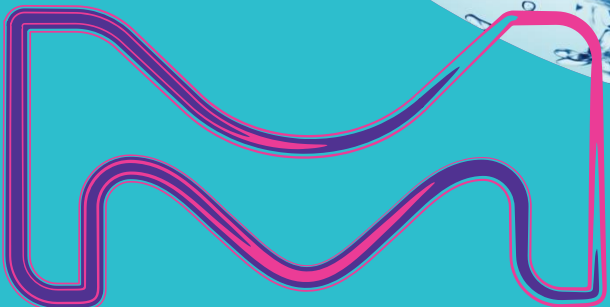
+40 730 713 505

A large, circular graphic showing a dynamic splash of water, with a central sphere of water surrounded by smaller droplets and splashes, set against a light blue background.

Major Challenges during Covid-19

Schalk Opperman

11 June 2020



MERCK

Start of COVID-19 for Merck Romania.

- We announced on **9 March** – that our staff should start **voluntarily** working from home 'for 2 weeks'.
- These initial '2 weeks' lasted for 10 weeks until May 18th → when Merck started their first phase "Focused Vigilance" period where we started allowing a max of 40% of staff to re-enter the office, only for critical activities.
 - Our first phase of "Focus Vigilance" will last until June 5th.
 - Second phase – June 8th to June 26th – we will ask office staff to come to office at least 2 days in the week – but not more than 50% of staff in the office at the same time. (Scheduling attendance)
 - Third Phase - will be finally defined during 2nd phase. Will probably entail;
 - 3 Days office work – Monday & Thursday compulsory - for F2F meetings
 - 2 days – work from home

From: Schalk Opperman <Schalk.Opperman@merckgroup.com>

Sent: Monday, March 9, 2020 12:14 PM

Subject: Corona Virus & Work from Home

Dear All

As you know there is quite a bit of communication about the Corona Virus and the possible impact it may have on all of us.

Currently we have 15 cases in Romania – 5 people completely recovered and 10 Active cases – according to the “official statistics”.

I would like to let all you know, that we are concerned about everybody’s health – including those of every Merck Employee.

For the next two weeks – all office staff should try and work from home when possible and appropriate – while still considering business continuation. → Please just inform your direct manager about the dates you plan to be working from home!

NB – if you are feeling ill or showing any symptoms of flu, please do not come to the office. Just inform Emanuel and myself about your illness 😊

For BUM’s – please do not let your KAM’s or Representatives go to hospitals that are ‘closed’ – and please keep me informed about the number of ‘closed hospitals’

Cheers

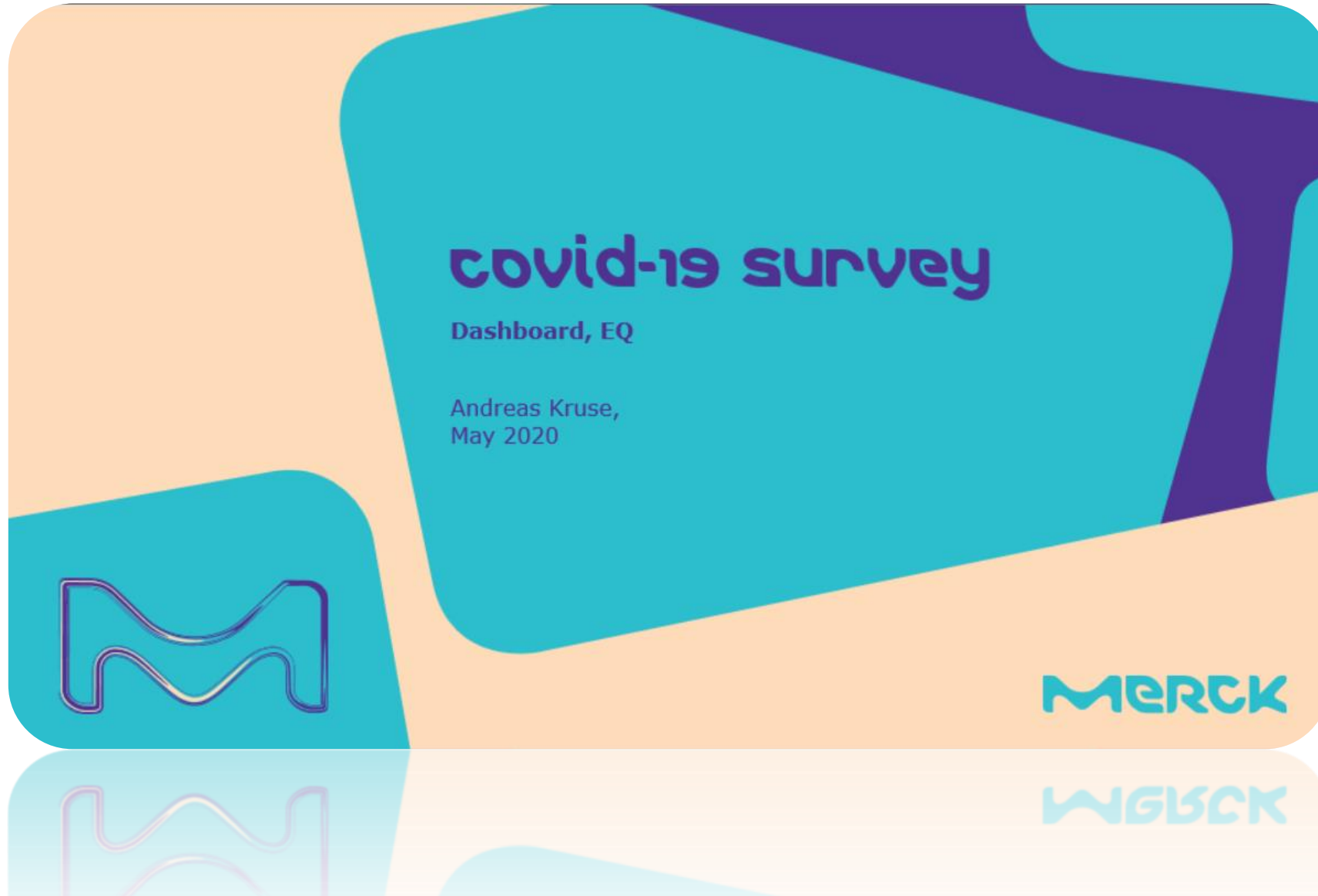
Schalk

Schalk Opperman

Managing Director – Merck Romania SRL

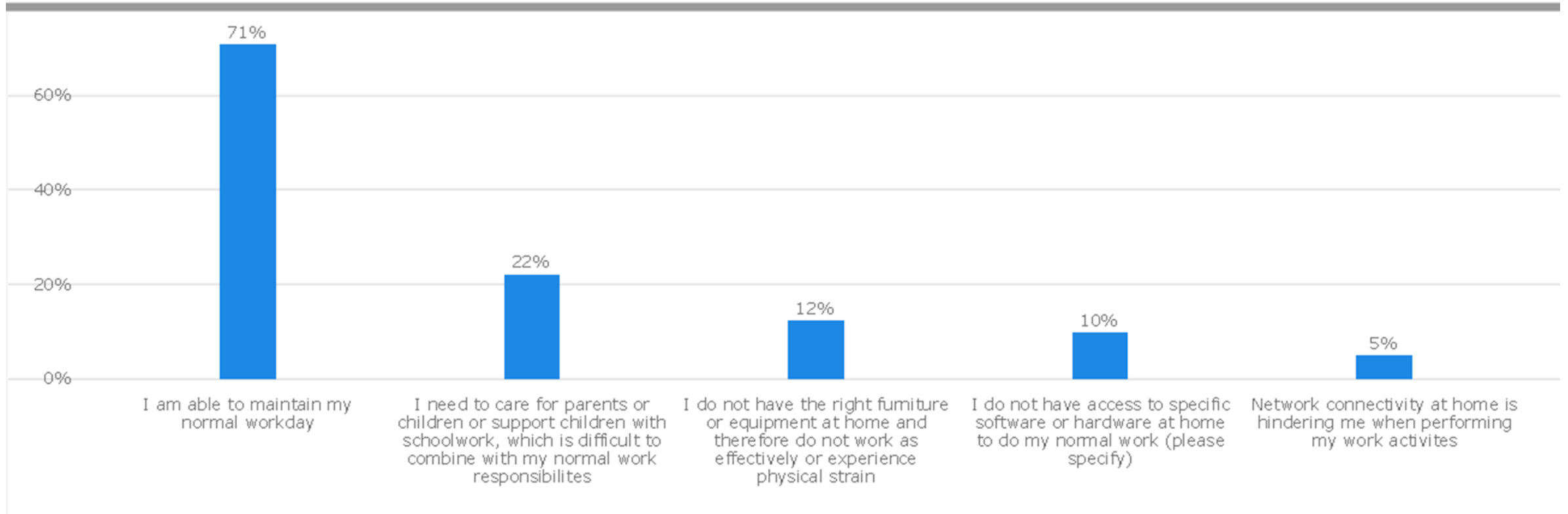
General Manager – Merck Romania Healthcare

At Merck we did a COVID-19 Survey – to find out how are staff is dealing with this pandemic.









COVID-19 Staff Survey - Romania

Are there any barriers that might prevent you from maintaining your normal workday when you are working from home? 41 Responses



COVID-19 Staff Survey - Romania

Question	Responses	Distribution ▾	vs Merck overall
Collaboration with colleagues working from home is working quite well.	41	 98%	+13
I have confidence in the senior leadership team to make the right decisions for Merck at this time.	42	 95%	+7
Collaboration with colleagues working on site is working quite well.	41	 95%	+12
Communication from the company on COVID-19 has been helpful to me in understanding what I need to do (e.g., safety guidance, access to benefits, work from home practices).	41	 95%	+5
I feel supported by my direct line manager in my efforts to adapt to the current situation.	42	 90%	+5
Overall, how satisfied are you with IT during this crisis (i.e. stability of connectivity to the Merck networks, remote meetings, etc.)?	41	 80% 20%	+21

Sales/Business Impact for Merck

Interestingly COVID-19 **sales** impact for Merck was dependent on the Therapeutic Area.

- **Neurology** – There was a disruption with the MS-centers – some hospitals that had MS centers, became COVID hospitals (Colentina) – which disrupted the supply of MS-products to MS patients and had a negative impact on Sales for especially March – but later on there was recovery. No new patients treated for the initial months
- **Oncology** – patients were asked not to come to Oncology centers for treatment – this meant delays of treatment and quite a negative impact on patients as well as sales.
- **Fertility** centers – ESHRE guidelines informed that fertility procedures should be postponed – centers only completed cycles and no new entries were accepted. Clinics completely closed for 2 months!
- **General Medicine** – Sales went through the roof – with patients stockpiling - driven from fear that supply would not be able to keep up. We had to allocate stock to prevent us from running out of stock.

Euthyrox Nightmare

Umilințele la care sunt supuși dependenții de Euthyrox. Eforturile ONG-urilor de a salva vieți vs batjocura statului

24 mai 2020, 12:39 de Daniela Serb Devino fan
cuvinte cheie: euthyrox, cutii, farmacie, boțnavi, tiroida, agentia medicamentului, substanța, hormoni, cancer

8 comentarii
126
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România 🇷🇴 Cehia 🇨🇪
€ +60% Olanda 🇳🇱
€ x6 Germania 🇩🇪
€ x8

SOS Medicament
April 24

This is the most sought after medicine in Romania. We bring him from Austria.
See original · Rate this translation



CAPITAL
Actualitate Business Piață financiară MEDIA & TV Auto Lifestyle Internațional
NEWS: S-a aflat totul! Câți bani câștigă Gheorgh...
Coronavirus ActiviAcasa SalvamEconomie
Probleme mari! Medicamente importante nu se mai găsesc pe piață. Ce se întâmplă cu Euthyroxul

INTERVIU Situația absurdă în care sunt puși pacienții care au nevoie de Euthyrox, cel mai căutat medicament din România: Ție, birocrat, nu îți merge creierul că pentru 9 lei nu se duce nimeni să se plimbe între doi doctori

de Alina Neagu HotNews.ro
Vineri, 8 mai 2020, 9:09 Actualitate | Sanatate

Facebook Twitter Email + Mai multe... 3.4K



Medicul Sandra Alexiu
Foto: AGERPRES

Euthyrox, un banal medicament prescris pacienților cu afecțiuni tiroidiene, care costă undeva la 9-10 lei, a reușit "performanța" să fie cel mai căutat medicament din România, în perioada pandemiei de coronavirus. Euthyrox lipsește din farmacii încă de la începutul anului. Acum o lună, Ministerul Sănătății anunța că problema este ca și rezolvată și că peste 140.000 de cutii de Euthyrox au ajuns în țară. Numai că pacienții se plâng în continuare că nu găsesc medicamentul în farmacii. Iar acolo unde Euthyrox se găsește cu greu, se lovește de o situație de-a dreptul absurdă: pentru 9 lei, cât costă o cutie cu 100 de comprimate, pacienții trebuie să facă două drumuri la doi medici diferiți - endocrinolog și medic de familie. Farmaciile nu eliberează Euthyrox contra cost, ci doar pe rețetă gratuită, a explicat Euthyrox contra cost, și doar președintele Asociației Medicilor de Familie București-Ilfov, într-un interviu acordat HotNews.ro.

07 MAI 2020

Nelu Tătaru, despre criza Euthyrox. "Am stabilit cu producătorul să suplimenteze cantitatea pentru luna mai"

Autor: Mirela Dădăcuș



Autoritățile iau noi măsuri în criza Euthyrox

Autoritățile iau noi măsuri în criza Euthyrox. Acestea vin după ce în ciuda suplir de medicamente puse pe piață luna trecută încă există discontinuitate în apro

Nelu Tătaru, scandalul Euthyrox: Am deschis anchete și am cerut ANMDM să verifice distribuitorii

Dana Lascu / 11 mai 2020 / 20:53



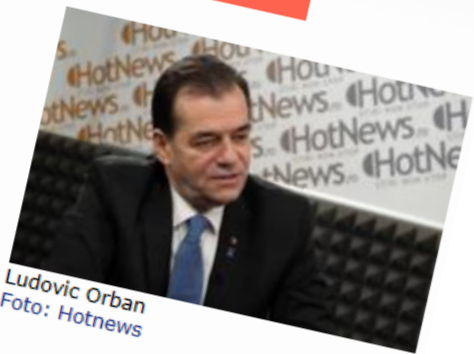
Ministrul Sănătății Nelu Tătaru a anunțat că a cerut ANMDM să verifice distribuitorii ca să vadă de ce medicamentul Euthyrox nu ajunge în farmacii și la pacienți, după ce firma producătoare i-a arătat că aduce mai mult în țară.

Orban: Mi s-a garantat că se rezolvă problema medicamentelor lipsă; dacă nu, conducerea ANMDM va trebui să plece

de I.B. HotNews.ro
Duminică, 5 aprilie 2020, 22:31 Revista Presei | Radio TV

Facebook Twitter Email + Mai multe... 10

Premierul Ludovic Orban a declarat, duminică seara, la România TV, că i s-a garantat că se va rezolva problema lipsei unor medicamente de pe piață, altfel conducerea ANMDM (Agenția Națională a Medicamentului și Dispozitivelor Medicale, n.r.) "va trebui să plece acasă". Premierului i s-a atras atenția despre criza Euthyrox și a unor medicamente pentru diabet, care de mai multe săptămâni lipsesc din farmacii.



Ludovic Orban
Foto: Hotnews



Agenția Națională a Medicamentului și a Dispozitive Medicale din România

April 9 · 🌐

THE MINISTRY OF HEALTH AND ANMDMR is actively involve managing the EUTHYROX CRISE
In collaboration with the Ministry of Health, the National Medicine Medical Devices Agency in Romania (ANMDMR) initiated together the College of Pharmacists in Romania, representatives of the manufacturing company and drug distributors, an analysis of the causes that led to Euthyrox deficit in the Romanian market, which has recently reached the threshold of a real crisis.



Agenția Națională a Medicamentului și a Dispozitivelor Medicale din România

March 31 · 🌐

ANMDMR monitorizeaza continuu disponibilitatea medicamentelor pe baza de levotiroxina
La sfarsitul saptamanii trecute, ANMDMR a verificat rapoartele operatiilor comerciale efectuate de distribuitorii angro privind medicamentul Euthyrox comprimate. Cantitatile ridicate de la compania Merck Romania SRL urmeaza, in cursul acestei sapatamani, circuitul logistic catre farmaciile din tara.
Este important de precizat ca astazi a sosit in depozitul Merck o cantitate semnificativa de Euthyrox 100 micrograme/comprimat, urmand a se finaliza receptia si a se elibera loturi spre vanzare catre distribuitorii angro, parteneri de contract.





Zeci de mii de bolnavi de tiroidă, lăsați fără medicamentul vital. Ministerul Sănătății: Piața e liberă!



- HOME
- CORONAVIRUS
- PREVENȚIE
- AFECȚIUNI
- TRATAMENTE
- PACIENȚI
- ASIGURĂRI
- FARMA
- PATOLOGII

Criza de Euthyrox și alte medicamente: Când se termină și cum faci rost de ele!

Dana Lascu / 16 Martie 2020 / 13:00

EXCLUSIV



Societatea Română de Endocrinologie
SRE

- Evenimentele SRE
- Despre noi
- Membri

Disponibilitate Euthyrox

mart. 19, 2020

Merck Romania SRL, reprezentant al detinatorului autorizatiei de punere pe piata Merck KGaA pentru produsul Euthyrox transmite urmatorul comunicat referitor la disponibilitatea preparatului Euthyrox in Romania.



- HOME
- CORONAVIRUS
- PREVENȚIE
- AFECȚIUNI
- TRATAMENTE
- PACIENȚI
- ASIGURĂRI
- FARMA
- PATOLOGII

CRIZA de Euthyrox, răspunsul OFICIAL al Agenției Naționale a Medicamentului

Dana Lascu / 18 Martie 2020 / 19:18

EXCLUSIV



EXCLUSIV

Ro Health Review
Strategies, Economics & More

- Home
- Editoriale
- Știri
- Servicii medicale
- Analize
- Science&Tech
- Pharma
- Evenimente medicale

CITEȘTE ACUM: Bugetul Ministerului Sănătății pentru anul 2020 a fost suplimentat cu 600.000 de lei

ADEM vrea să facă import paralel de medicamente lipsă precum Euthyrox 100

Pharma, Știri | 27 martie 2020 | Ștefan Andreea



Ro Health Review
Strategies, Economics & More

- Servicii medicale
- Analize
- Science&Tech
- Pharma
- Evenimente medicale

CITEȘTE ACUM: CoV-2 mai 29, 2020

Societatea Română de Endocrinologie: Am primit asigurări ferme că levotiroxina va fi disponibilă în farmacii de la jumătatea acestei săptămâni

Why such a crisis?

The company has been supplying the market consistently for the past 3 years, with a small (3-5%) increase over time, as the awareness and treatment of Hypothyroidism grew.

	Merck Supply to Market - 2020					Jan
	Jan	Feb	March	April	May	Ave
Euthyrox 25 mcg.	53,760	54,000	52,200	59,957	63,418	56,667
Euthyrox 50 mcg.	46,360	51,960	41,400	61,817	61,854	52,678
Euthyrox 100 mcg.	53,500	54,200	60,730	84,469	66,752	63,930
	Average for 2017 - 2019	Average YTD May 2020	% VAR			
Euthyrox 25 mcg.	44660	56667	27%			
Euthyrox 50 mcg.	41051	52678	28%			
Euthyrox 100 mcg.	44065	63930	45%			

COVID-19 became a reality in March in Romania, and people bought a few boxes extra of medication, to ensure that they do not run out – we all did it right?

So why the crisis for Euthyrox?

Why such a crisis?

- The first factor is that Euthyrox is the only Levothyroxine on the Romanian Market.
- Secondly, it is very affordable, costing about 2 Euro per box
- Thirdly and I believe the biggest reason – it comes in boxes of **100's**
 - This means → 1 box = 3 months of treatment
 - When patients bought 3 boxes – they bought 9 months of stock ... and nobody carries 9 months of stock
 - The fact that COVID was a global pandemic – makes bringing more stock to Romania more difficult.



In Summary

- Our People at Merck could handle the COVID-19 crisis quite well – especially office staff.
- Sales of different TA's responded differently to the Pandemic. Because Merck has quite a balanced portfolio, there is a compensation between losses and gains.
- Our biggest crisis that we faced, was linked specifically to Euthyrox.

Thank You





COVID Impact on European pharma market

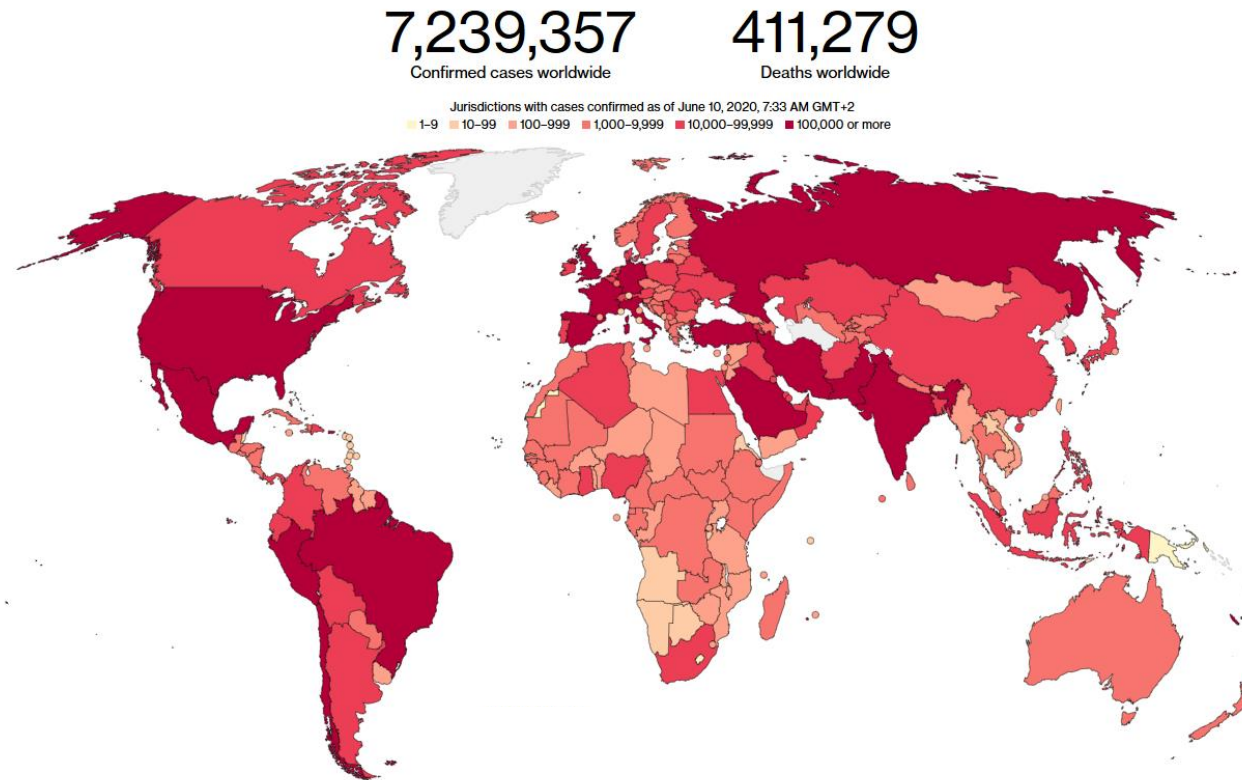
IQVIA webinar

Michał Pilkiewicz

June 11th 2020

COVID-19 has spread rapidly and is unlike ‘comparable’ viruses

As of June 10th over 7.2 million confirmed cases and 411 000 deaths cases



Clinical course of COVID-19	Population characteristics	Frequency
No/mild symptoms	Younger, no co-morbidities	20-80%
Moderate-severe symptoms: hospitalization	Older, co-morbidities	20-30%
Severe symptoms: ICU admission	Limited physiologic reserve, development of “cytokine storm”	5-10%

Characteristics of COVID-19 impact on hospital capacity

	Influenza	COVID
Median duration of hospitalization (days)	5 (Netherlands)	12 (Seattle); 17 (survivors)
ICU admission for hospitalized patients	5-23%	30-50%

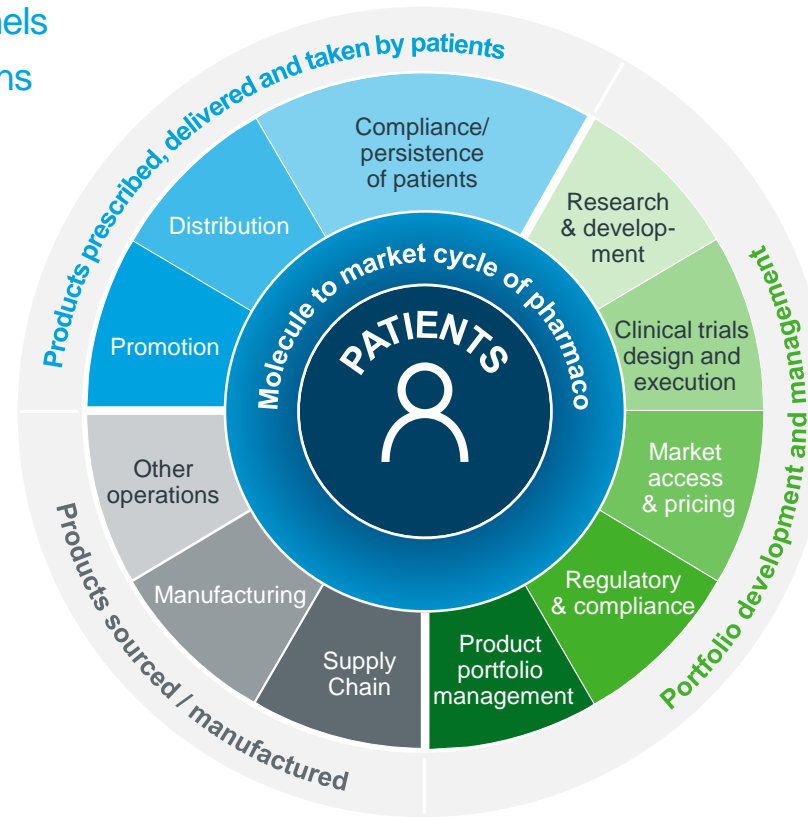
Source: Bloomberg <https://www.bloomberg.com/graphics/2020-coronavirus-cases-world-map/> using JHU, CSSE data, <https://systems.jhu.edu/research/public-health/ncov/>, as of April 29, 2020; Source: WHO, <https://www.who.int/emergencies/diseases/novel-coronavirus-2019>, as of April 28, 2020.; <https://www.cebm.net/covid-19/covid-19-what-proportion-are-asymptomatic/>; MMWR / March 27, 2020 / Vol. 69 / No. 12; doi:10.1001/jama.2020.7202; DOI: 10.1056/NEJMoa2004500; doi: [10.1016/j.jcirc.2018.11.013](https://doi.org/10.1016/j.jcirc.2018.11.013); IQVIA COVID-19 Executive Briefing. © IQVIA 2020. All rights reserved.

Pharma companies need to stay on track through pandemics, understand and prepare for post-COVID-19 environment

Key COVID-19 challenges for PharmaCo across molecule-to-market cycle

- Restricted F2F promotion & shift toward remote channels
- Uncertainty about post-COVID HCP needs/expectations
- Insufficient digital promo capabilities
- Surge of the e-commerce sales with pressure on Rx delivery liberalization
- Changing patients needs (e.g. remote consultation growth) & lower disposable income
- Changing pharmacy and doctors' potential

- Medicines/API export constraints
- Increasing costs of API & production
- Pandemics (countermeasures) impacting manufacturing & supply
- Reduced effectiveness of other operations
- Recession hitting suppliers, partners and competitors



- No/limited access to R&D facilities and clinical sites
- Hurdles in patients recruiting for clinical trials
- Healthcare resources diverted massively to COVID-19
- Pressure on current/new reimbursements conditions
- No/limited access to HCPs for launch campaigns
- High uncertainty of market demand/sales levels per product

**How does the market develop in the following months?
How well is your company prepared for post-COVID-19 business environment?**

All managers have too many COVID-19 related information and even more questions and decisions to be taken...

IQVIA Team during this presentation and follow up discussion wants help you to...



Understand the market situation and dynamics
impacting your competitive positioning within pandemics



Review your business continuity plans
based on IQVIA market insights



Learn how to improve your future post-COVID-19 strategies through case studies and IQVIA expertise



Prioritize COVID-19 countermeasures and prepare for implementation through a joint Strategy Workshop

Align on your priorities

Expand your perspectives on actions needed

Prioritize and plan execution

Examples of new regulations 1/3



New ways of supply monitoring:

1. In several countries the government has recommended that “there may be significant patient pressure at this time, however **patients and the general public are asked not to seek supplies of medicines over and above their normal requirements**. It is vital that stockpiling at pharmacy or patient level does not occur to provide the supply for others”.
2. Some countries started to monitor **sudden price rises** (eg. Pharmaceutical Services Negotiation Committee (PSNC) in UK).
3. Some countries have **frozen prices** of all disinfectant products and masks (unless proved that purchasing price is higher). Some have forbidden media commercials for pharma products, especially on internet (eg. in Macedonia).
4. Mask price cap 0,5 EUR in Italy.
5. **New substitution rules**. In Germany they relaxed the tender contracts conditions. If there is no discounted medicine in stock pharmacy can **supply the cheapest possible medicine**. Australia allows substitution **without doctor approval**.



Telemedicine & technology:

1. **E-prescription** automatic renewal / implementation speed up.
2. In some countries government authorities strongly advocate the temporary **use of telemedicine or telephones** in order to avoid traffic in hospitals and outpatient clinics (eg. in The Director General of Health in France, Germany, Poland, Spain, Australia).
3. In Croatia authorities introduced **digital assistant** Andrija, using series of questions and answers it will try to detect if you are infected and what kind of steps you should make (remove some pressure from epidemiologist).
4. In Croatia pharmacists are enabled **to check if patients in pharmacy are violating self-isolation measures** by merging Health Insurance fund data on patients and registry of people with self isolation measures (in first days there were dozens on cases detected of breaking self isolation this way).
5. **Patient location and movement tracking** via google and mobile operators (help with restrictions release monitoring in Czech). Covid contact tracing app was released in Australia, with over 4 million downloads (not obligatory).
6. **Covid-19 patient registry** – like in Poland.
7. Portugal – portal with **automatic renewal of chronic prescriptions**.

Examples of new regulations 2/3



New ways drug delivery:

1. In some countries **Internet sales** of paracetamol, ibuprofen and aspirin medicines (like in France) or disinfectant products (eg. Poland) **are suspended**.
2. In Russia liberalization of **“click and home delivery”** for registered OTC’s discussed. Possible also for Rx.
3. Chronic patients can buy their medicines **without prescription** for the next 3 months (Portugal, Australia).
4. The NHS in UK is planning **delivery service for shielded patients** over the volunteer network (now over 400K have registered). **Post** delivery to 70+ people in Australia.
5. **Sales representatives voluntary started deliver medicine** to elderly patients who should not leave their homes in order to stay save (Pharmacy Union in Austria).
6. In Macedonia one wholesaler already started **home delivery when ordered through their pharmacies** via own taxi company (especially during total curfew).
7. In Italy **home delivery is increasing for direct distribution** in the hospital channel: Regions and Local Health Units are making agreements with wholesalers and pharmaceutical companies that take care of the distribution of medicines at home.
8. In Germany **home delivery service** during COVID-19: pharmacies get 5,- Euro payment for every delivery and an one-time support of 250,- Euro. For correct balancing and billing the pharmacies use a special “Central Pharmaceutical Number”. Now home delivery is on demand only

Examples of new regulations 3/3

Drugs traceability:

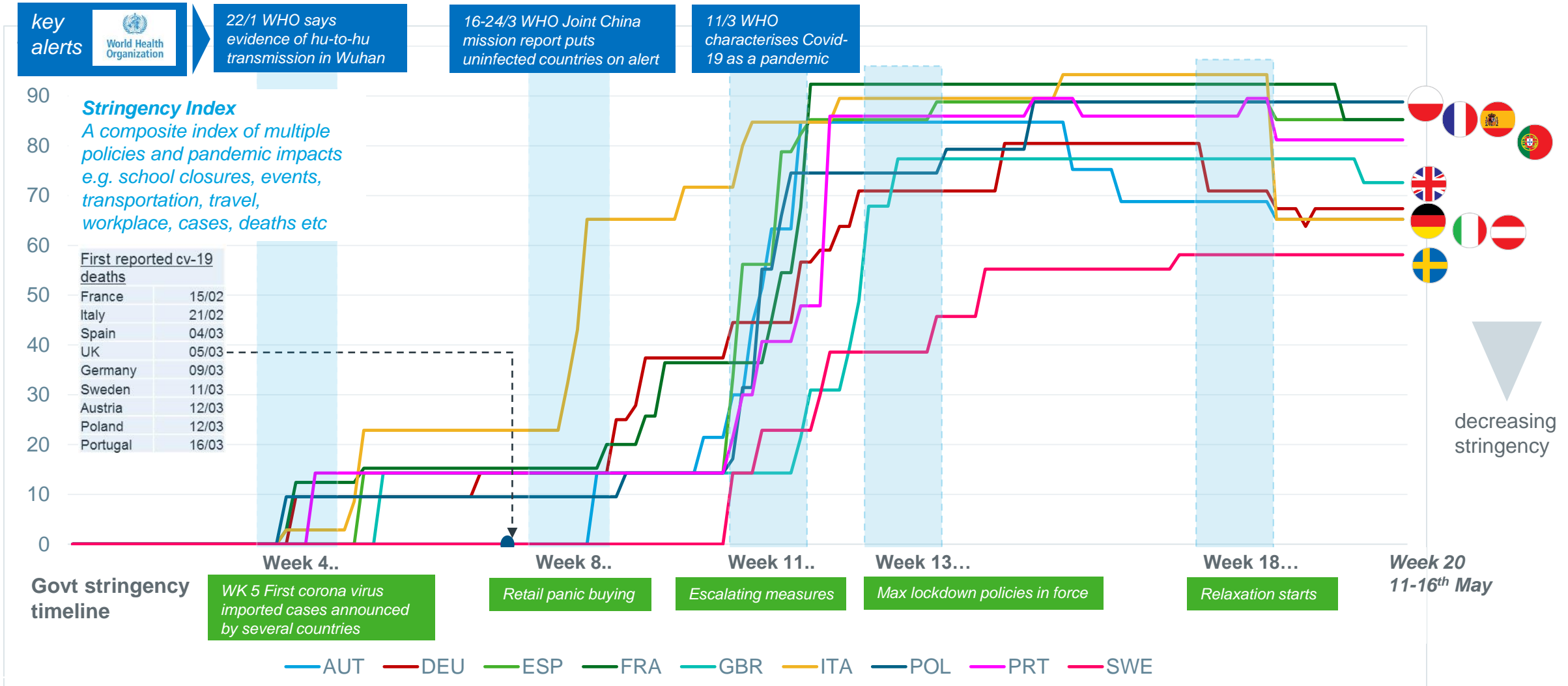
1. Portugal – **obligation for hospitals to reinforce their respective stocks** by 20%, in relation to their annual consumption registered in 2019, in the respective hospital units.
2. Wholesalers needs to **report stocks weekly** (Portugal); **daily** (Latvia); Wholesalers with MS>10% are obliged to report stock on a daily basis (Estonia).
3. **Stock of crucial medication is managed centrally** by the government: they guarantee a continuous stock in line with the needs of the individual hospitals (Belgium)
4. In Netherland National Medication Center (LCG) has been installed to keep track of medication that are essential in IC-rooms, like Propofol.
5. In Switzerland Federal Office for National Economic Supply has released a monitoring list in medicinal products. The cantons, hospitals and manufacturers and distributors of medicinal products are obliged to **report regularly** to the Therapeutic Products Division of the Federal Office for National Economic Supply on their current stocks.
6. Several countries increased the list of medicines with **export ban**. Serbia had **total ban of export** covering also local MNF. Bulgaria and Romania added new drugs to export ban list. In Poland export ban list increased to 1600 SKU and reduced to 800 SKU.

Other:

1. **New staff and support** - any medically trained like retired doctors, nurses, medical students are asked for help (11,000 former medics and 24,000 final year student nurses and medics in UK).
2. **SAS airlines team and students are helping** in Sweden in the health care system.
3. Germany – consultation of the new directive on 'SARS-CoV-2 drug supply'. **The Ministry could request companies, wholesalers or pharmacies to cede drugs, active ingredients and additives** to the Ministry or a notified body at the price that was effective before the emergence of the epidemic. The Ministry could also **forbid selling of these products and request details from pharma companies, wholesalers and pharmacies about stocks, manufacturing, sales and prices of these products**.
4. New Zealand **policy of single-source tenders for medicines under challenge** - has caused additional concern about supply, with the head of Pharmac advising that one-fifth of NZ's drug suppliers were indicating potential supply issues relating to Covid-19

Source: IQVIA collection from our Supplier Relationship Teams' first-hand experience with stakeholders, governments or supply chain managers.

By late April/May some relaxation of stringency control measures have commenced



Note: Data as at 16 May 2020. Individual countries may be several days older.
Source: Oxford COVID-19 Government Response Tracker. More at: bsg.ox.ac.uk/covidtracker

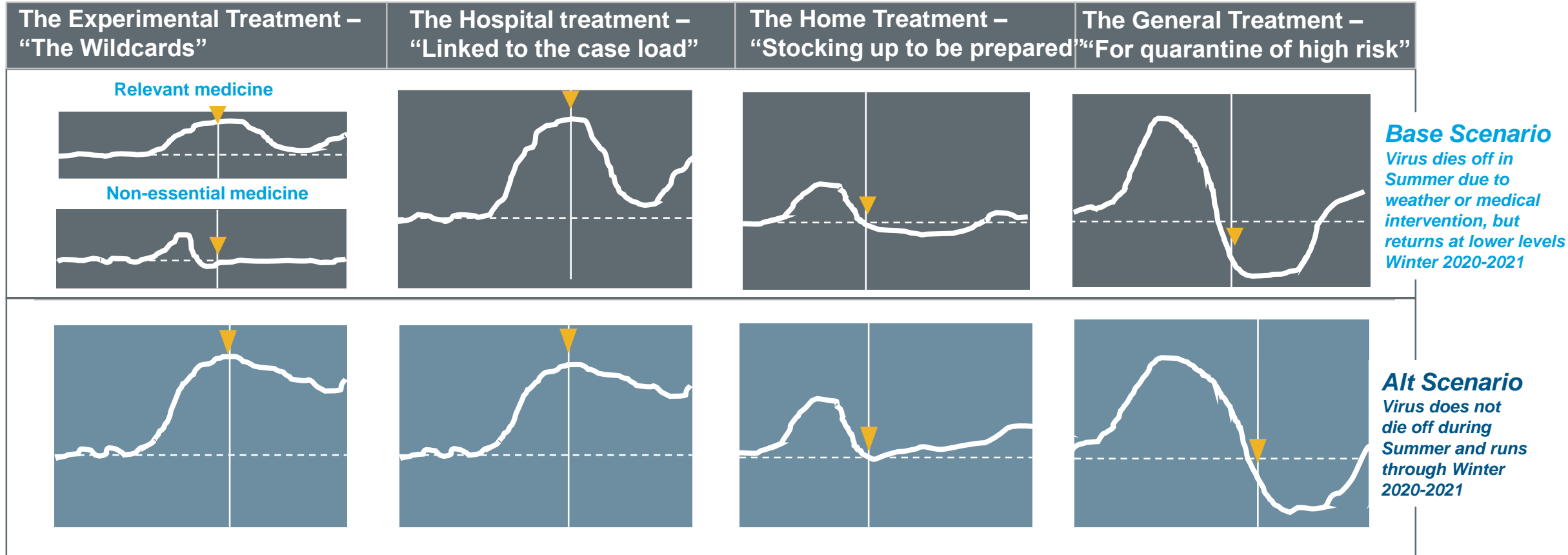
Local COVID-19 related regulations are quickly changing across East Europe and impacting our industry (status 1st of June)

🚫 Restriction in place
 🚫 Restriction partial release
 🚫 No restriction anymore
 🚫 New restriction

COVID driven regulations (as of March 2020)	PL	CZ&SK	BG	HU	RO	RU	EE	LT	LV	AL	B&H	HR	NM	SL	SR	UA	KZ
No travel outside/inside the country	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫
House quarantine / working from home highly encouraged	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫
Mandatory home quarantine for the population						🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫
Limited movement of people (travel only to/from work)	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫
Ban traveling between cities		🚫	🚫	🚫			🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫		🚫	🚫
Minimizing social contact - ban of grouping >50	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫
Shopping Malls & Shops closed with exception of food, drugstores, pharmacies, gas stations	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫
Working shops required to meet social distancing criteria (waiting on que outside, 1 m distance, limited people inside, etc)	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫
University, Schools, Kindergarten – all closed	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫
Bars & Clubs closed	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫
Restaurant - only take a way sale	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫		
Some cities in total quarantine		Not anymore	Not anymore		🚫	Not anymore				Not anymore	Not anymore	Not anymore	Not anymore	Not anymore	Not anymore	Not anymore	Not anymore
Mandatory wearing masks and / or gloves in public transportation and places	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫
Penalties and Prosecution has started actively monitoring unlawful practices in the context of COVID-19	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫
Curfew 20:00-05:00 – all 00-24 for +65 year				🚫						🚫	🚫		🚫		🚫	🚫	🚫
All prices including pharmaceuticals returned to Jan / March level										🚫	🚫	🚫	🚫		🚫	🚫	🚫
System of electronic online passes for citizens for going outside with limitation of purposes						🚫				🚫			🚫				

IQVIA is validating scenarios with real-data accurately

Preparation for supply shortages depends on case load decline in summer



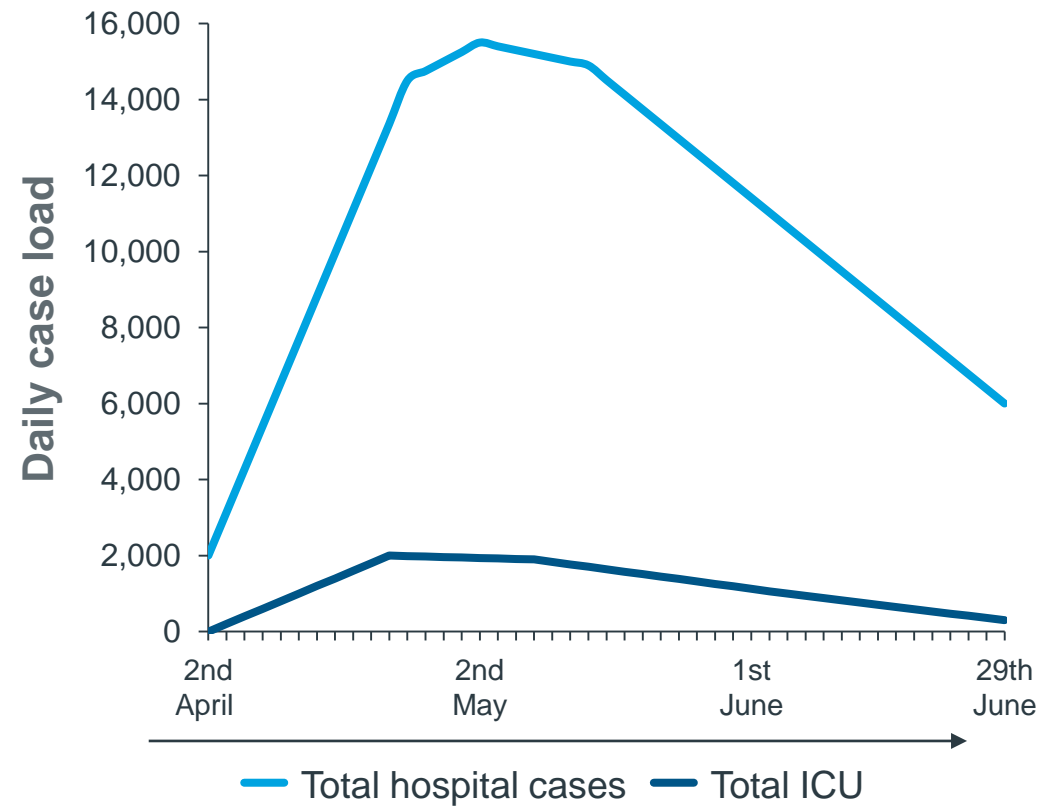
Key: Marker indicates hypothetical position as of 9th April 2020; *Calculating impact on the 'The Experimental Treatments' is limited by data supply lag, but is in progress across multiple-countries w/c 6th April 2020; Source: IQVIA Global Supplier & Association Relations perspectives (April 2020)



The Hospital treatment – “Linked to the case load”

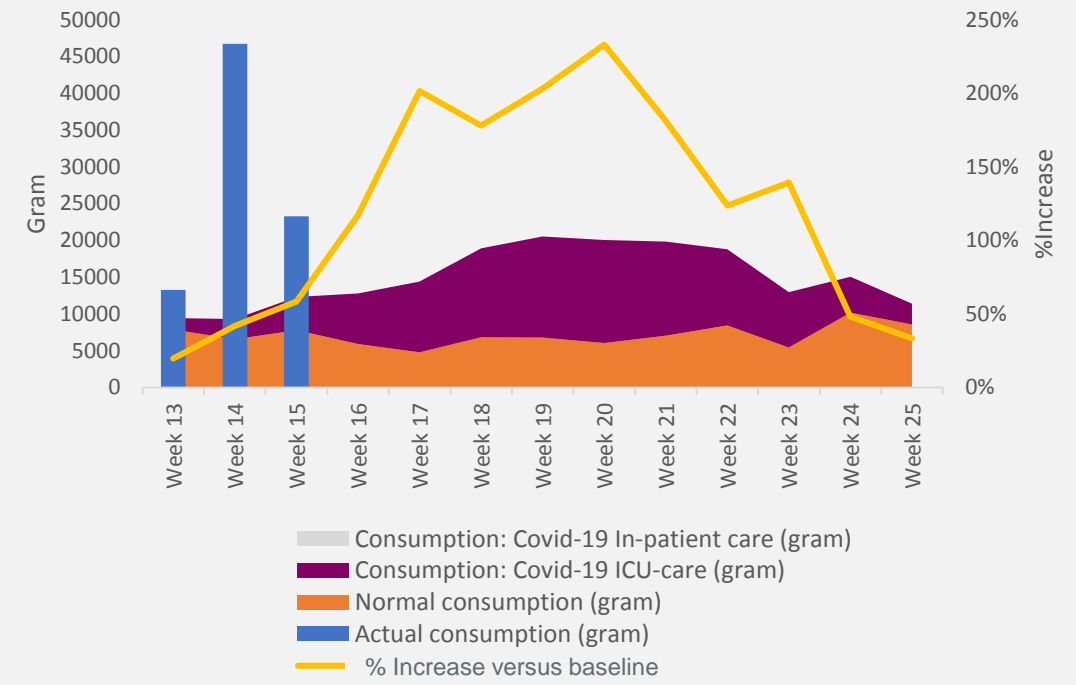
Using daily Swedish data we can plan for the increased need for critical hospital medicines

Swedish Hospital Forecast (daily data)



IQVIA prediction of supply needs

Normal consumption + COVID-19 consumption vs Actual consumption

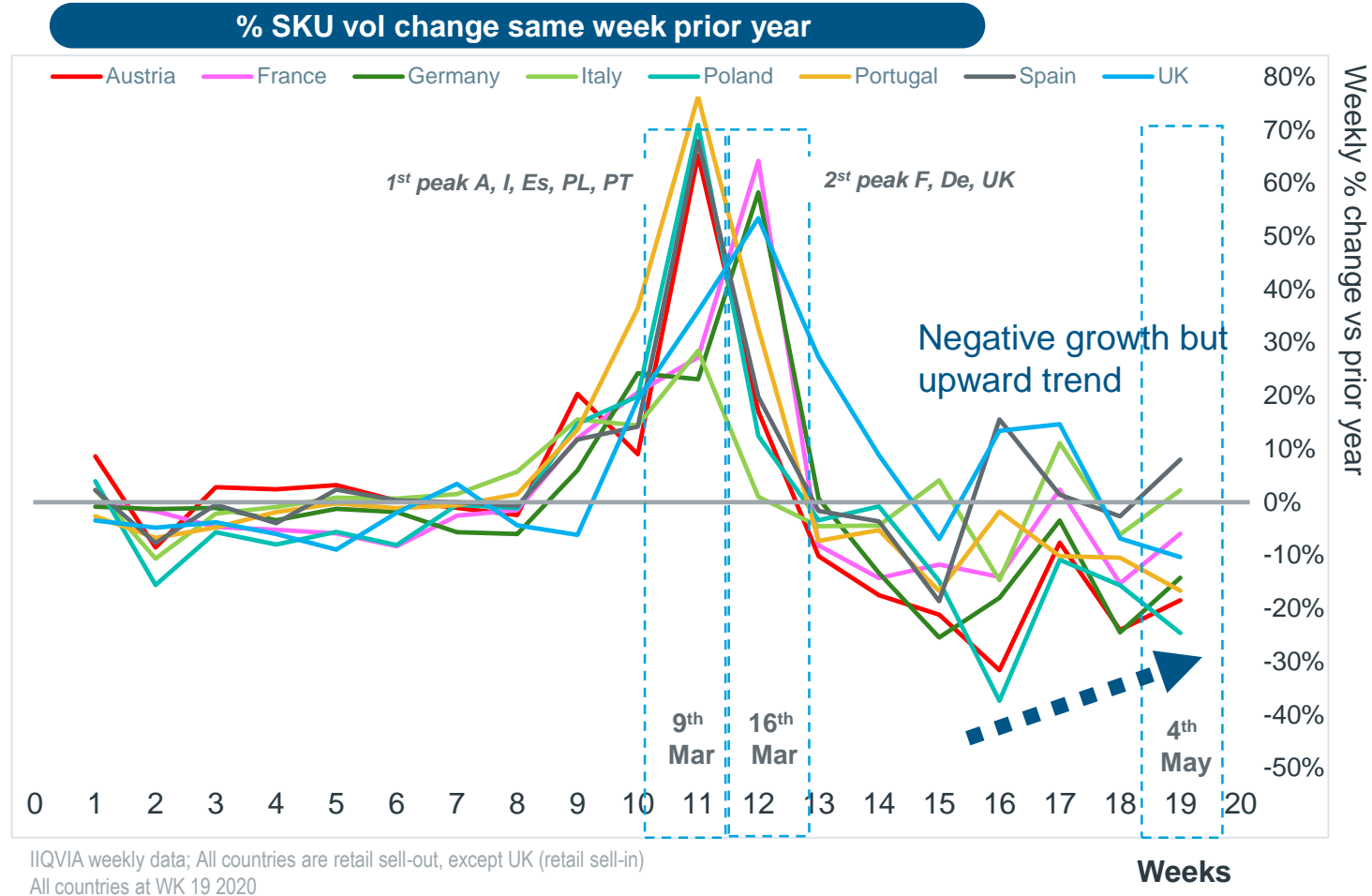


The non-Rx, Consumer Health retail market has bottomed out and slowly returning to baseline

Weekly retail non-ethical (OTC, PEC, PAC, NUT) trend by country

Highlights WK 19 update

- Following the peak of home treatment stock-up in March, the CH market has started to return to prior year baseline in some markets, with the latest week range at -20% to +10%.
 - Italy and Spain have seen positive upticks
 - UK as a sell-in measure appears to have undergone a period of re-stocking but sell-out market remains likely negative for the moment
 - The other markets remain overall negative however are trending upwards
- Week 16 & 17 fluctuations are a Easter y/y calendar effect.

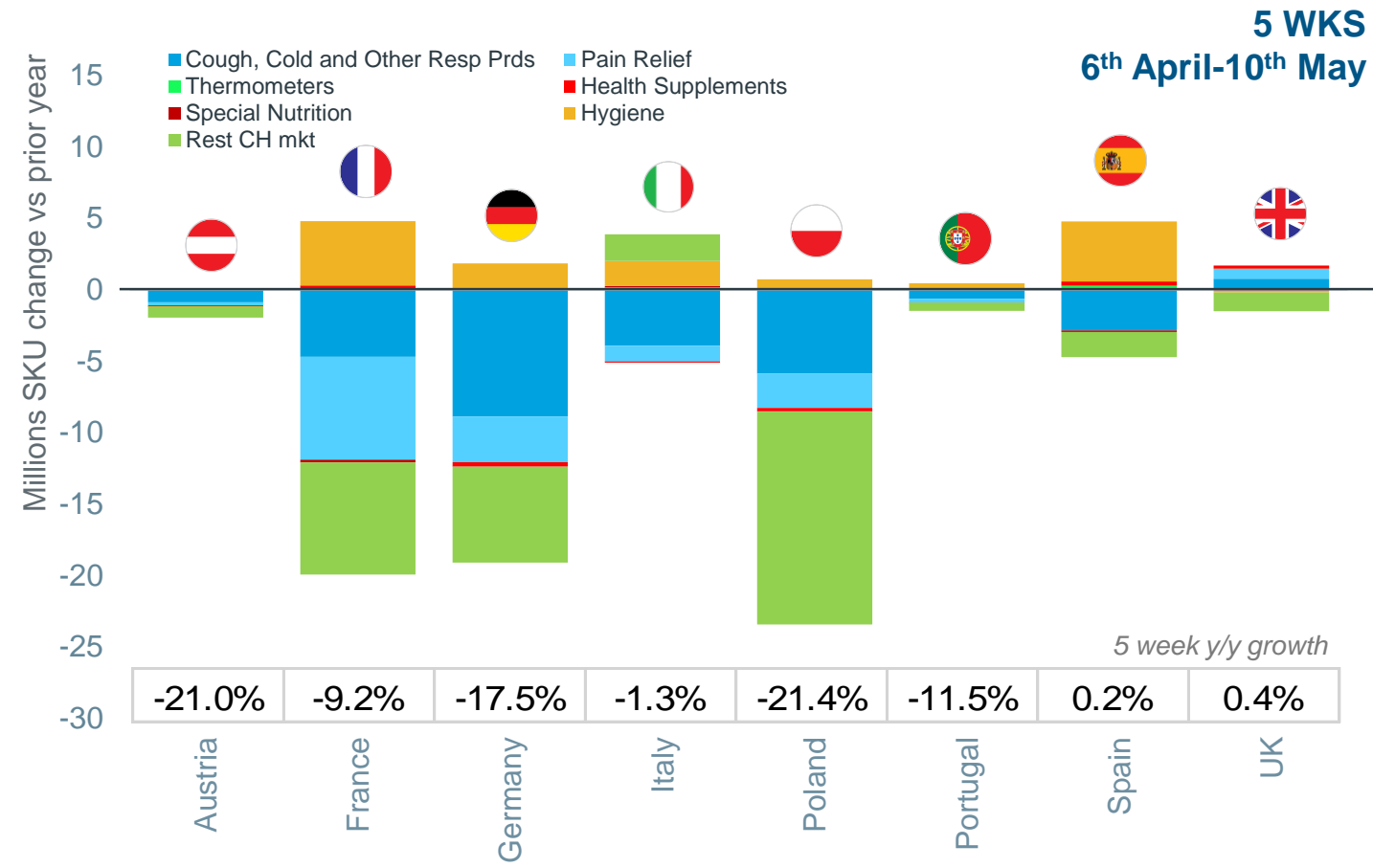


Post peak, hygiene products remain on positive demand

Highlights WK 19 update

- Following the peak of home treatment stock-up in March, the CH market remains below prior year with signs of positive trends only in Italy.
- Hygiene products as consumables remain on a reasonable high level of demand across most markets.
- Cough/cold and pain relief products are in lower demand having been stocked up in the prior weeks, only UK exception.
- The overall market growth in the 5 weeks is a varied picture by country with some mildly positive and others still showing significant down turn.

5 WEEKS PAST PEAK TO WK 19 - volume change same 5 weeks prior year



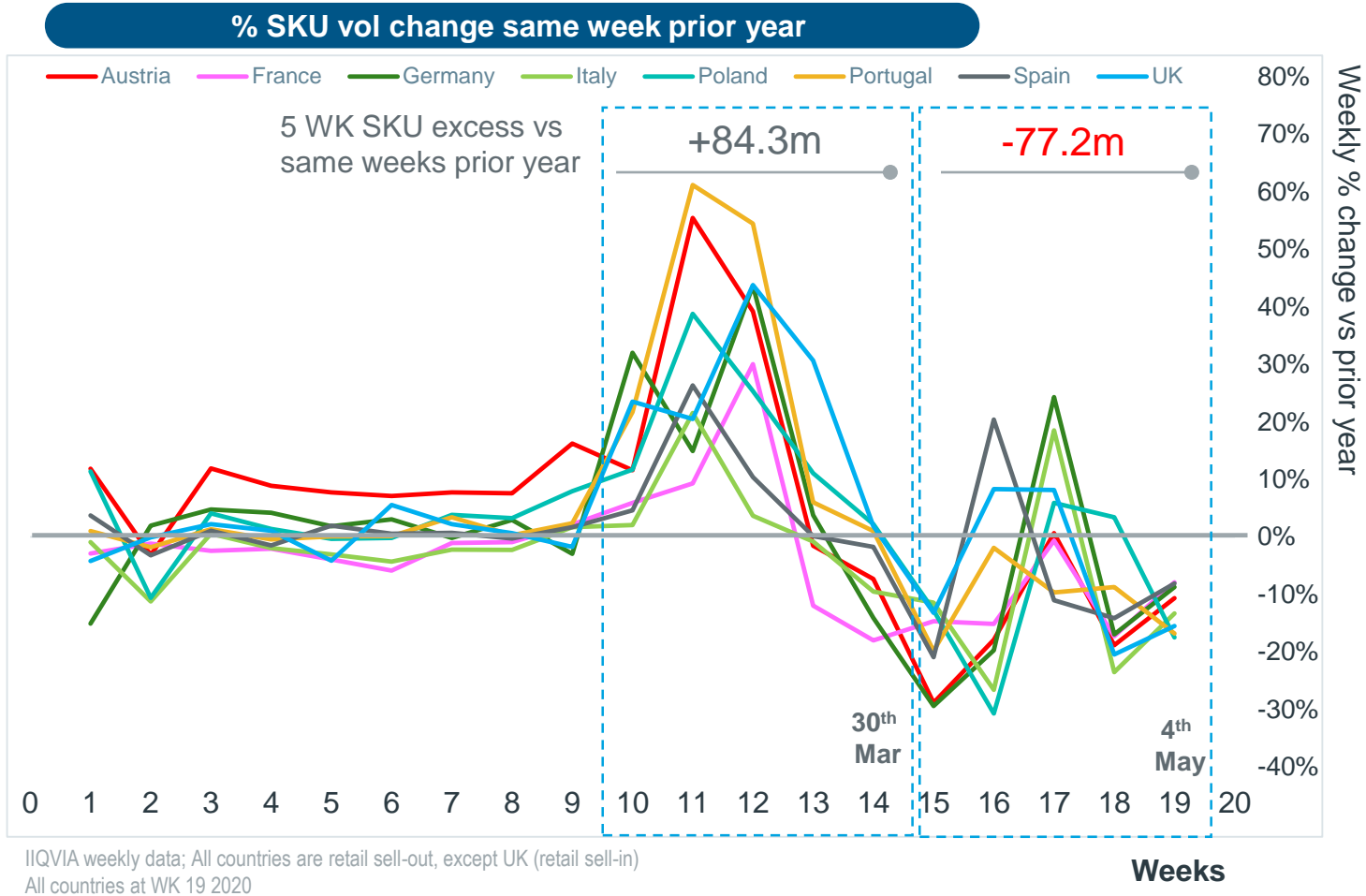
IQVIA weekly data; All countries are retail sell-out, except UK (retail sell-in)
All countries at WK 19 2020

The Rx retail market is now in decline vs last year and prior Covid-19 EU crisis

Weekly retail ethical (Rx) weekly trend by country

Highlights WK19 update

- The RX rush is shifted by 1-2 weeks taking off from WK 10, compared to CH rush (WK 8-9 coincides with start of increasing social restrictions).
- The April-May RX market has declined (WK 16/17 up and down is effect of y/y Easter calendar).
- Across countries comparing the 5WK periods to end March and beginning May, the overall excess demand has nearly balanced out however the situation varies by country.

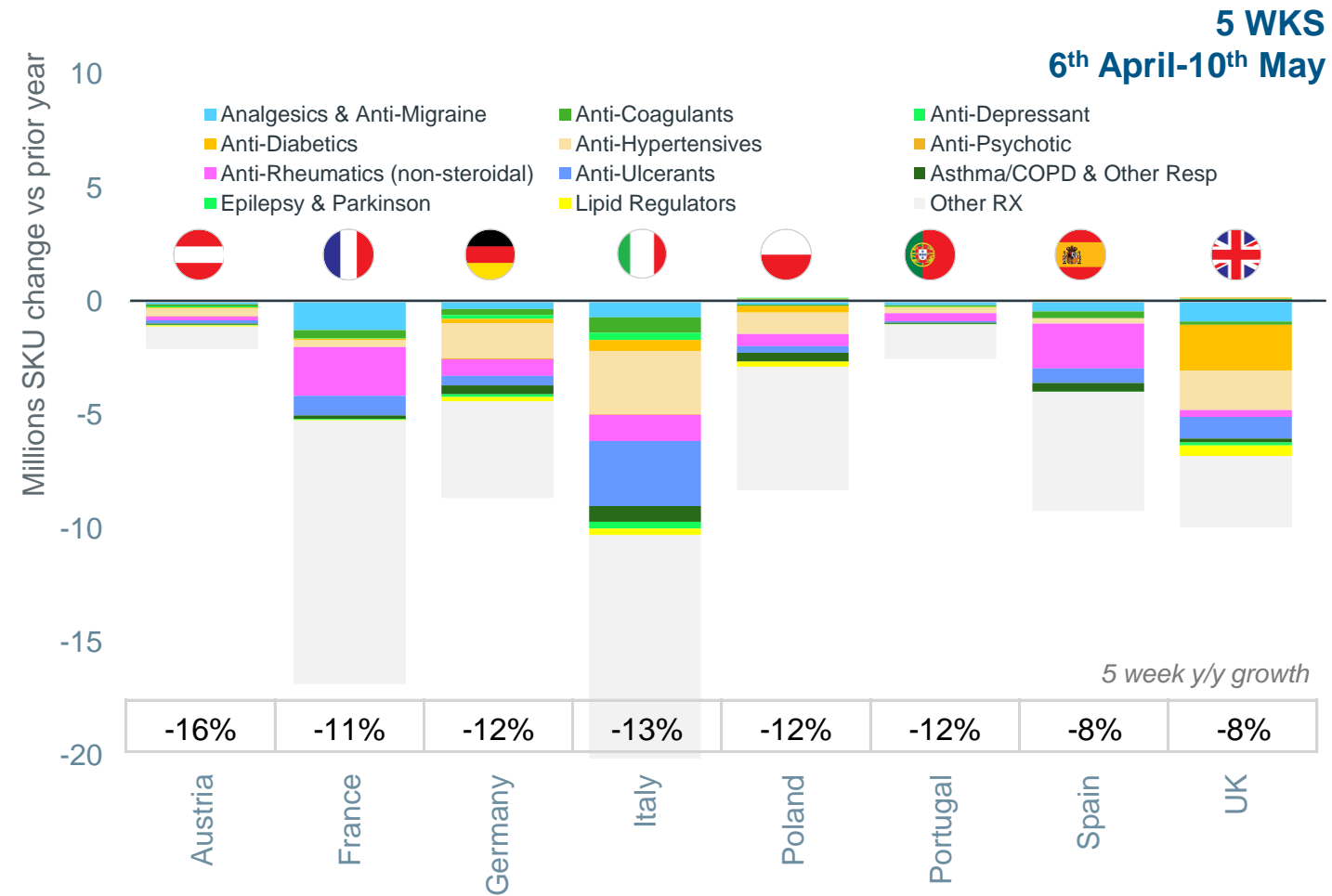


Post peak, general RX treatments remain depressed to similar % levels across countries compared prior year

Highlights WK 19 update

- Following the peak of home treatment stock-up in March, the RX market remains below prior year across all markets in range of -8% to -16%
- The peak stock up period will have provided patients roughly 1-2 months of medication cover suggesting another 2-3 weeks before markets start to return to baseline.

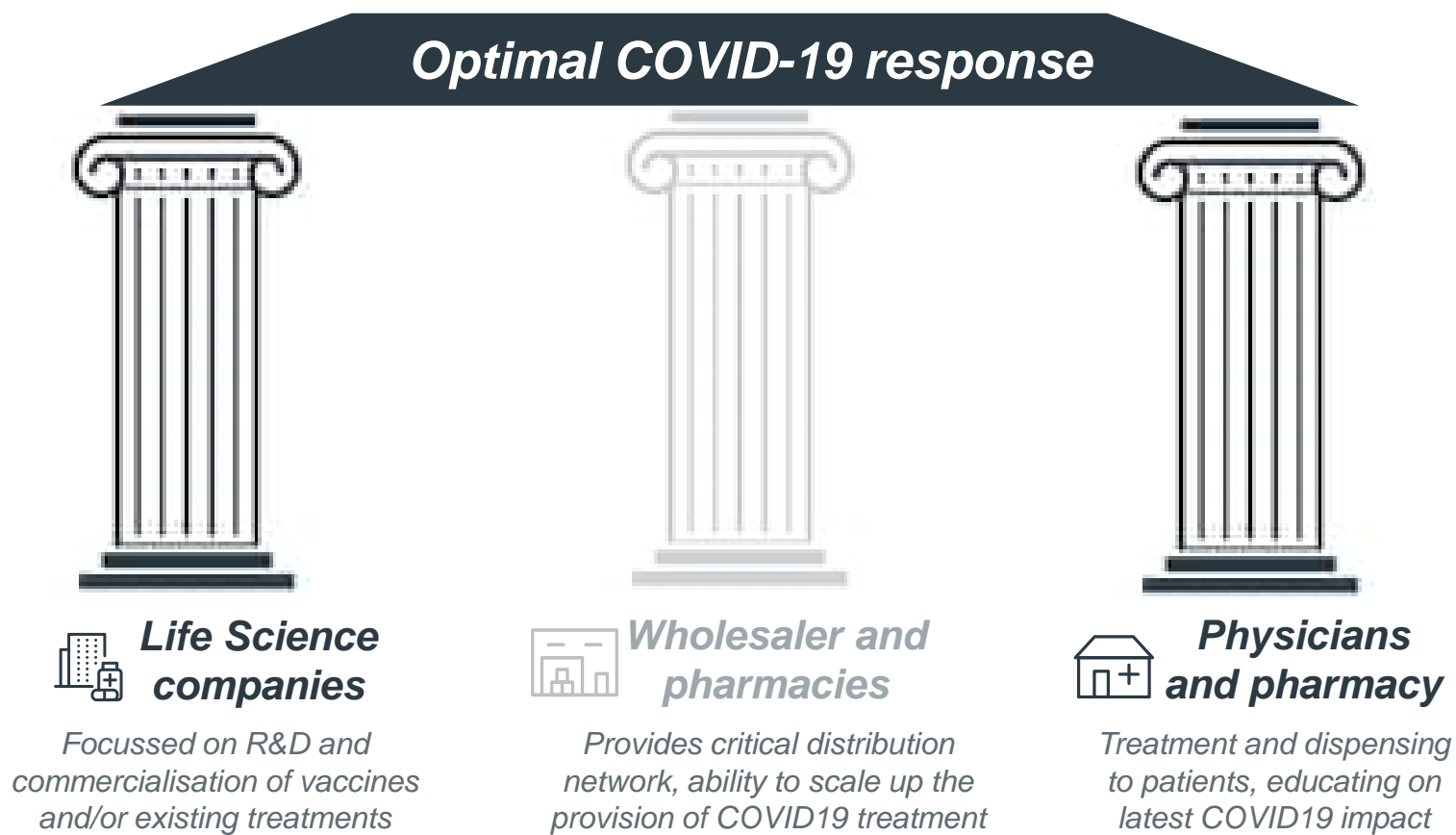
5 WEEKS PAST PEAK TO WK 19 - volume change same 5 weeks prior year



IQVIA weekly data; All countries are retail sell-out, except UK (retail sell-in)
All countries at WK 19 2020

Supply chain has become an ‘invisible pillar’ of medical innovation

Wholesalers and pharmacies are national / regional strategic assets to the system



Pre-COVID19 model

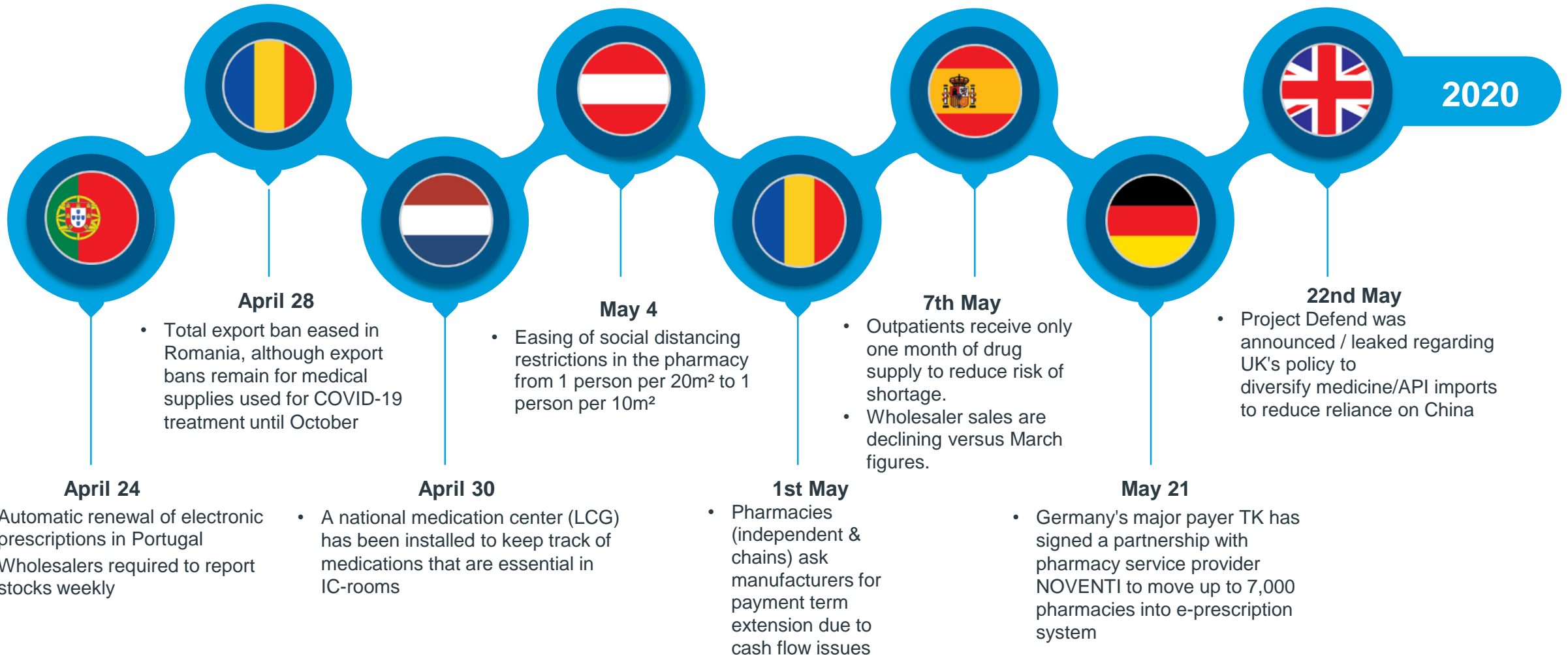
- Limited visibility to the flow of goods within the system
- Limited public awareness, and low perception

Post-COVID19 model

- Strategic asset to companies and governments
- Increasing transparency and centralised data collection
- Top-tier government priority

COVID-19 supply chain events

Selected April – May changes



Temporary initiatives to manage stock levels of critical treatments have implications for supply chain players (status 05th of June)

Authorities are seeking to secure sufficient stock to treat patients and manage the shortages

1. Temporary Trade Restrictions

Extensive restrictions

Export bans across categories

Partial restrictions

Focused on products for direct treatment of COVID-19 and other identified therapy areas

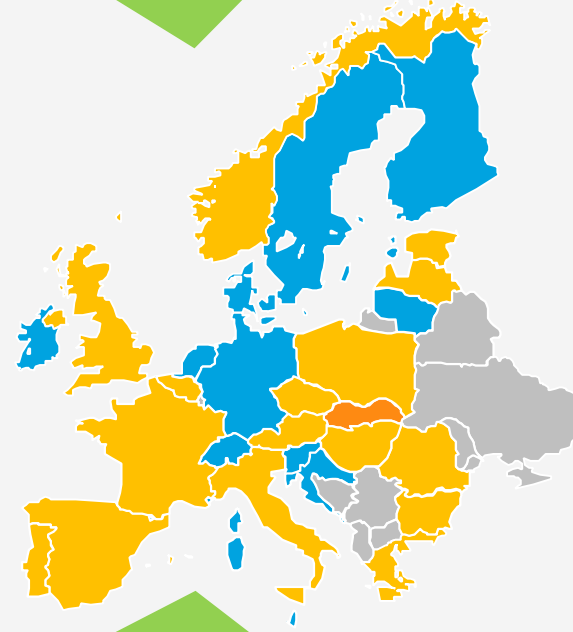
No current restrictions

Continuation of trade

The **European Union** has urged members to lift restrictions since they may cause further shortages

Key amendments last weeks:

1. Romania and Serbian total ban cancelled. Czech partial ban ceases with end Emergency state.
2. Bulgaria & Hungary halt most restrictions.
3. Extension of restrictions in e.g. Norway



Shortages

1. ICU treatments appearing on a number of shortage lists across markets
2. In some cases import certificates are issued



Recent Italian shortage examples:

- Propofol
- Adrenalines
- Antibiotics / Antivirals
- Fentanyl

...

2. Inventory Management

Latvia

Wholesalers to report stock on daily basis

Portugal

Wholesalers to report stock and sales by channel on a weekly basis

Estonia

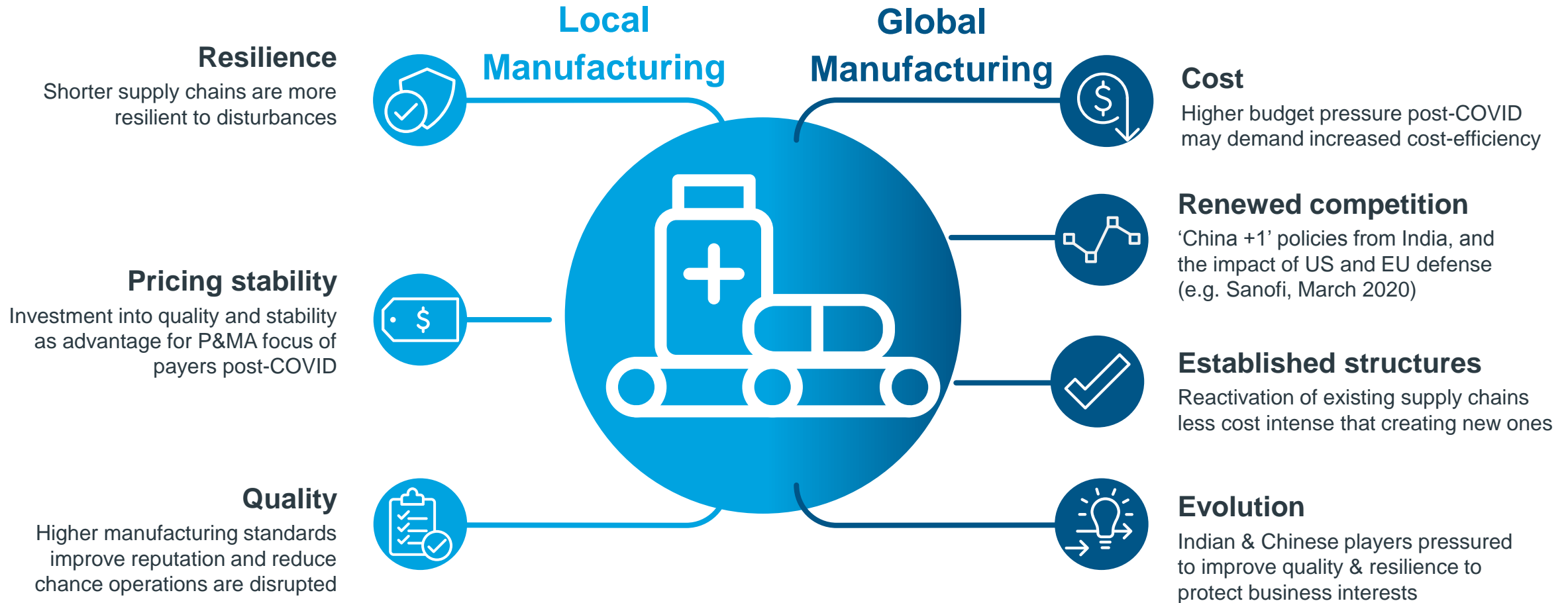
Wholesalers with MS>10% are obliged to report stock on a daily basis

Switzerland

Cantons, hospitals, manufacturers and distributors of medicinal products to regularly report on their current stocks of a list of medicinal products

This means that manufacturing supply chains are at a crossroads

Technological advances become critical than economies of scale for future manufacturing



The Supply chain is key regardless of how the pandemic ends

Few stakeholders are as critical to the end of the pandemic

How do pandemics end?

'Medical' end

The disease has been treated or weakened (e.g. smallpox, 1918 flu strain)

'Social' end

People grow tired of panic mode and chose to live with a disease (e.g. the plague)

Vaccine(s)

- Scale and sourcing
- Allocation of scarce resources
- Pan-European / global distribution
- Potential of multi-dose

Treatment(s)

- Scale and sourcing
- Likely retail versus hospital

Self-limitation

- Disease mutates to a less complex strain

Minimisation

- Diagnostics, and / or retail tests
- PPE and devices
- Retail COVID-19 medicines

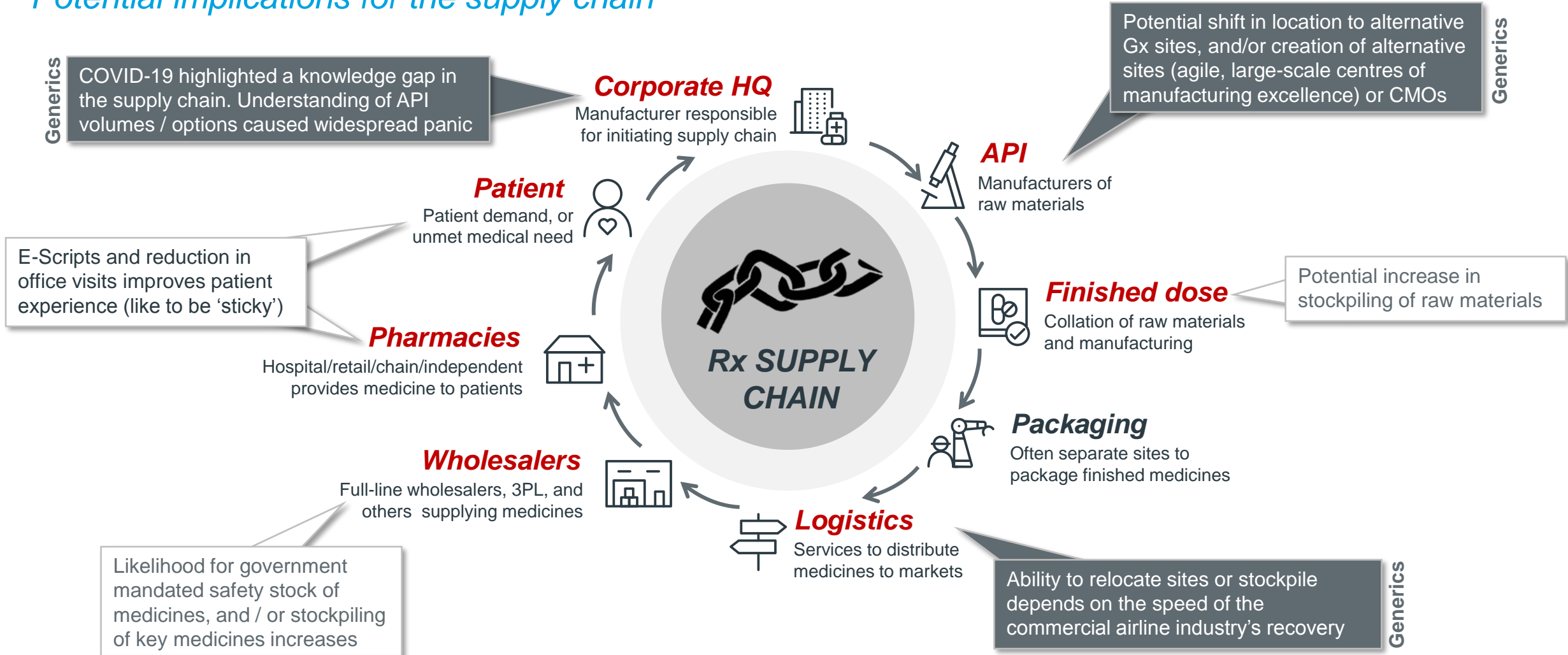
Self-limitation

- Disease burns out due to death of susceptible

Supply-chain intensive scenarios

It is undeniable that COVID-19 is a major supply chain disruptor

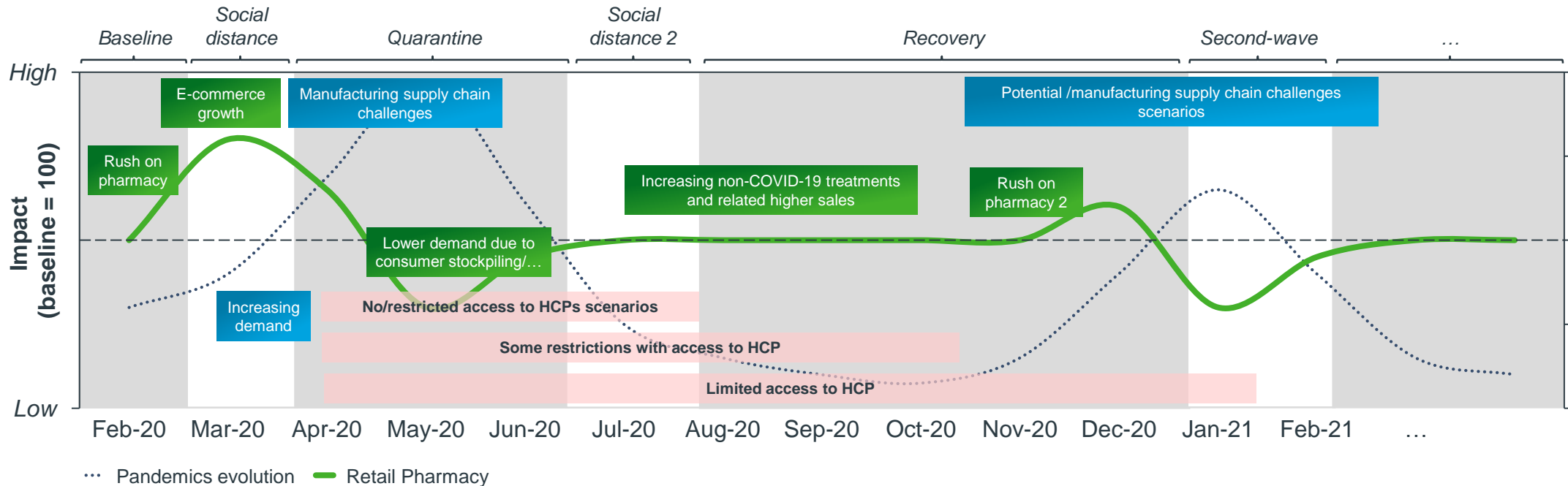
Potential implications for the supply chain



Planning/budgeting is as crucial to decision making as it is challenging to develop due to extraordinary circumstances

Illustrative pandemics impact for key players and planning/budgeting related priorities

Illustrative



What will be the impact on your company?

How to prepare dedicated sales forecast?

- Manage the crisis. Plan for COVID-19
- Monitor and react to changing market / regulatory situation
- Validate/prioritize (post-)COVID-19 countermeasures. Go for quick-wins. Prepare for post-COVID-19.
- Assess market/brand specific impact and update forecasts/budgets
- Implement (post-)COVID-19 countermeasures
- Monitor the market/react as needed/derive lessons learnt



IQVIA's Consulting Projects on Pharma Supply Chain

Alexandra Bosco

Pharma distributors are investigating future strategic moves across 4 main directions

Strategic directions



Commercial platform

COVID impact:



Commercial excellence

COVID impact:



Operational excellence and governance

COVID impact:



M&As and partnerships

COVID impact:

Long-list of strategic moves

- Grow & optimize revenue from **current operations** – products, segments, customers optimization
- Expand operations into **different business models** – own products (white/ private label), ecommerce with click&collect, clinics, pharmacy chain
- Expand into other countries
- Develop customer management model – segmentation of pharmacies & hospitals, commercial & pricing conditions, sales/marketing team size & processes; additional services & contracts for MNF, etc.
- Develop sales/marketing supporting tools (Multichannel/ Digital)
- Investing into technology to support business processes and communication with clients
- Adjust governance model, standardize/integrate key processes, risk management
- Optimize quality/costs of processes (consortium synergies, benchmarks, improvement initiatives etc.); warehouse processes automation (labor cost)
- Optimize logistics and working capital (stock and cash collection)
- Optimize sourcing
- Identify, assess and prioritize potential acquisition or partnership targets
- Develop eco-system of partners and establish strategic alliances/partnerships
- ...

COVID impact: COVID19 situation has impact on all elements of the strategy, with many wholesalers and pharmacy chains undergoing disruption of their value chain

We prepared an overview of several studies where we supported distribution companies in design of new growth strategies

Strategic directions



Commercial platform



Commercial excellence



M&As and partnerships

IQVIA Case studies

1. **Product portfolio** – assortment optimization & category management
2. **Ecommerce** implementation
3. **Private / White label** launch
4. **New pharmacy chain and virtual chain** development
5. **Customer & patient engagement strategy**
6. **Pricing optimization** & customers (pharmacies) segmentation
7. **Marketing/ CRM support** (OCE & Technology)
8. **Category management/ optimization**
9. **Pharmacy chain acquisition**

Assortment should be actively shaped – define its breath, depth and category roles

1. Product portfolio (1/2)

Commercial platform

Context

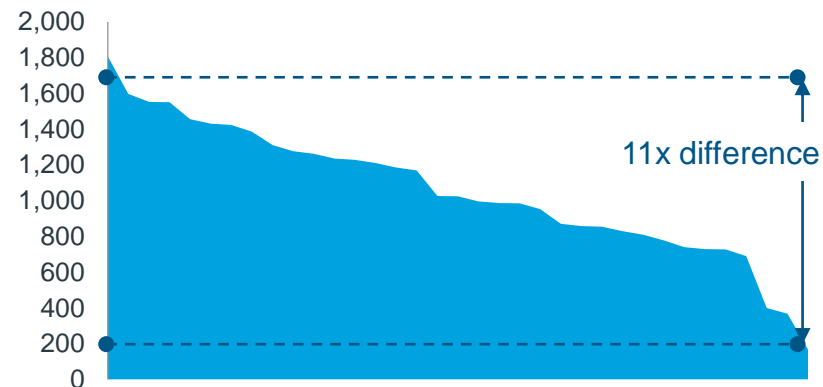
- Both **wholesalers** and **pharmacy chains** wanted to:
 - manage complexity of its assortment,
 - strengthen position towards producers,
 - define options to improve profitability
- We delivered **category management analysis** and defined **tools for future actions**

Illustration

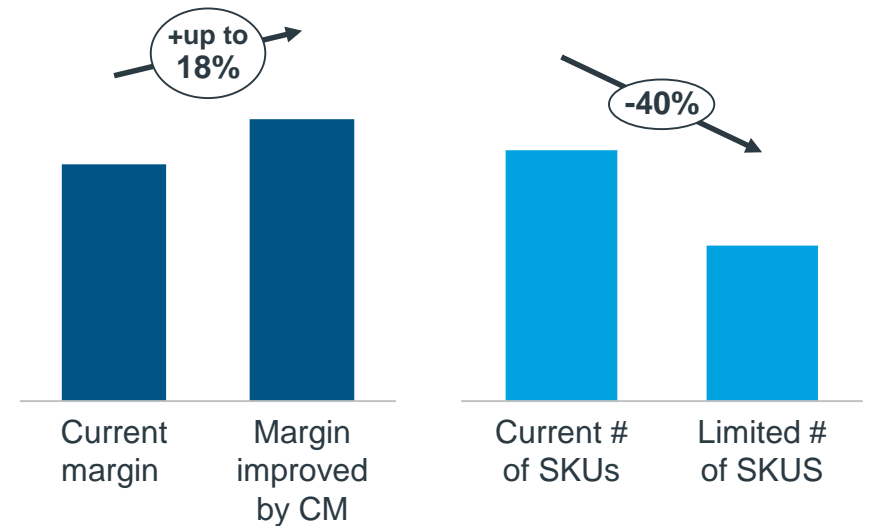
Mindset

- What do you distribute?
 - a. Producers' products
 - b. Categories of products

Number of SKUs by pharmacy



Improved performance by plain SKUs limitation



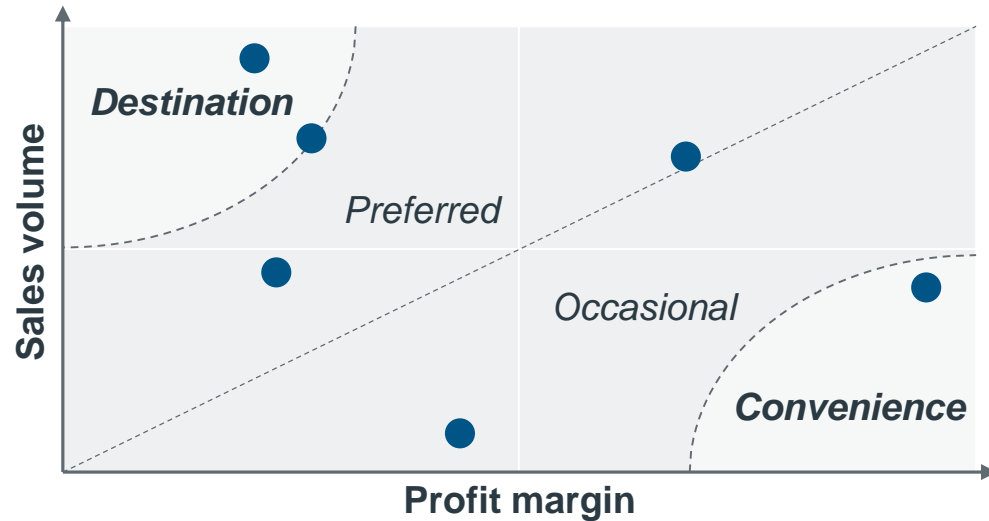
- Valid for CH and Gx portfolio – the improvements varied by category

Assortment usually can be limited, allowing for stronger focus of a category's role – there are also many products to be added

1. Product portfolio (2/2)

Commercial platform

Improved performance by plain SKUs limitation



- Each category got its role (e.g. drive patient flow, drive margin) and define range of offer
- It helps with definition which products categories have strong potential for private label – which can be supported by international benchmarking

New products, private label ideas and partners definition

Definition of products ideas and their sources, e.g.:

Missing locally top products from other countries



Missing compositions successful in other countries



Private label potential – international benchmarking



Molecules with patent expiry in next 3 years



Molecules with expired patent, but not present on local market



Product profiling and sales potential assessment



Facilitation of contact with producers



COVID-19 is a trigger for further growth of e-pharmacy market and may facilitate disruption of distribution in the selected markets

2. New channels – ecommerce (1/4)

Commercial platform

The e-pharmacy market is a dynamically growing sales channel. Most EU countries allow for non-Rx online sales



- Such countries as the UK or Germany, as well as Scandinavian countries allow for **online sales of both Rx and OTC medications**. In the Czech Republic, Lithuania and Poland online sales of Rx medications is being discussed at the time being.
- But generally, most EU countries allow for online sales of **OTC medications only**.
- **In Russia online sales of medications is not legal**, but the government is considering the legalisation of online OTC sales.

Some countries experienced pre-COVID-19 annual growth of 17% - Polish example

STRONGLY GROWING MARKET E-PHARMACY MAIL ORDER SALES MARKET

(data of July 2019)



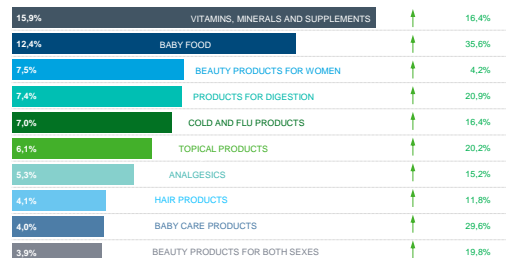
The mean value of transactions at e-pharmacies was over three times higher than in the traditional channel.

E-pharmacies sale over three times more products per one till receipt.

	The mean value of a single transaction (PLN)	The mean number of packs per a single transaction	The mean number of SKUs per a single transaction
TRADITIONAL PHARMACIES	PLN 54.33	3	2
E-Pharmacies	PLN 185.91	10	6

Top 10 of CHC classes in the e-pharmacy channel according to sales value. The strongest growing category is baby food

Market dynamics for the top 10 CHC classes - value: MAT 06/2019

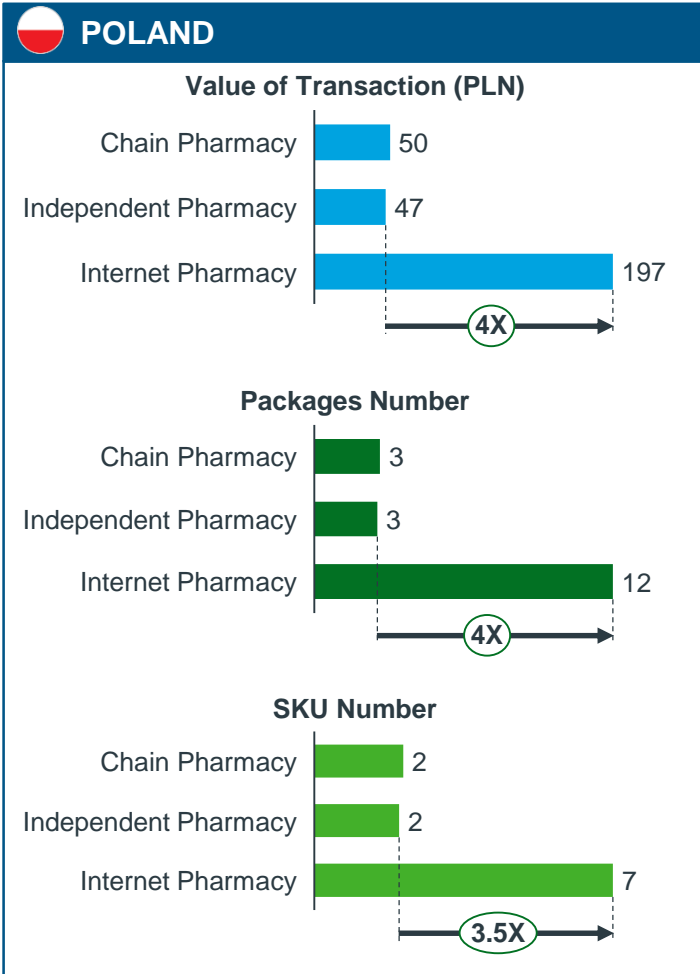


Market growth (value) IQVIA ePharmacy = 19%

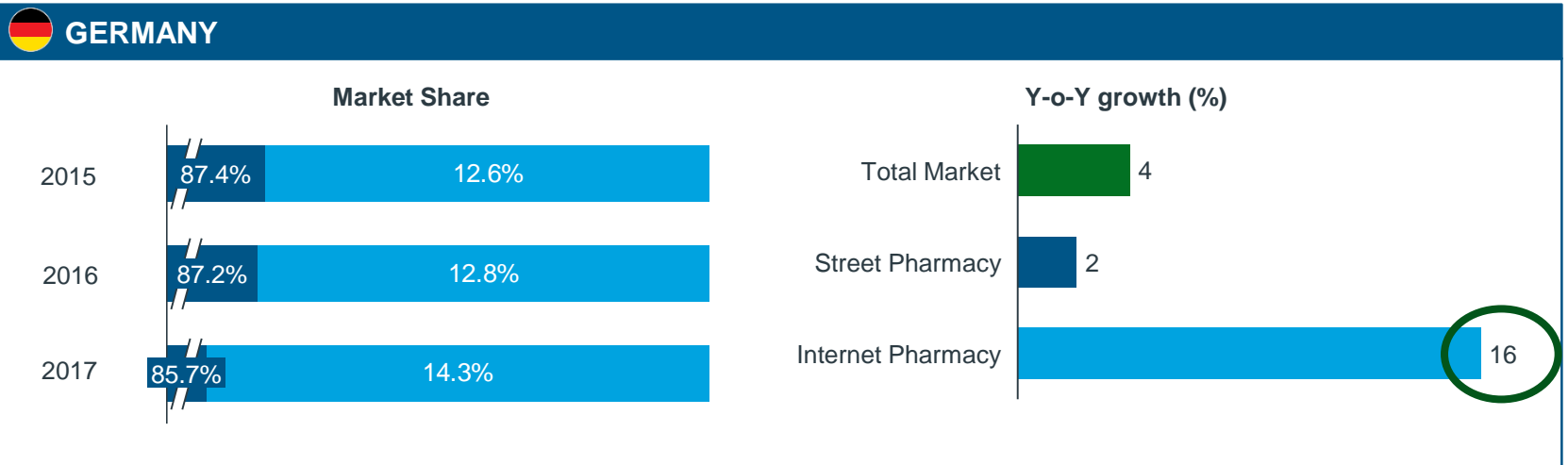
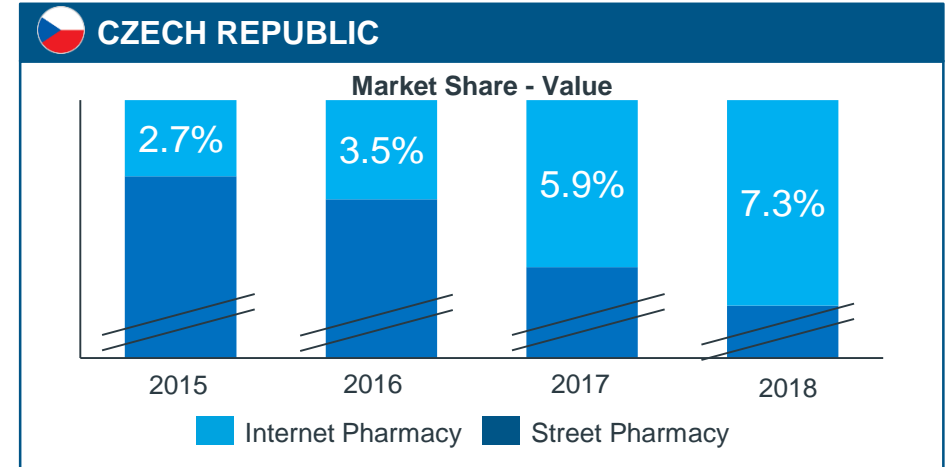
E-commerce pharmacy becomes more important within the overall pharmacy market and is growing more quickly

2. New channels – ecommerce (2/4)

Commercial platform



- ✓ The average value of transaction in internet pharmacy is **approx. 4X** traditional pharmacy
- ✓ Internet pharmacy **more than doubled its market share** in 3 years
- ✓ In Germany, the evolution of internet pharmacy is slower as the sector is more mature ...but **still grows 8X the rate** of street pharmacy



Source: IQVIA Pharamatrend and Weekly Sales Out Audit

COVID Impact on Romania Pharma Supply webinar – June 2020 Romania © IQVIA 2020. All rights reserved.

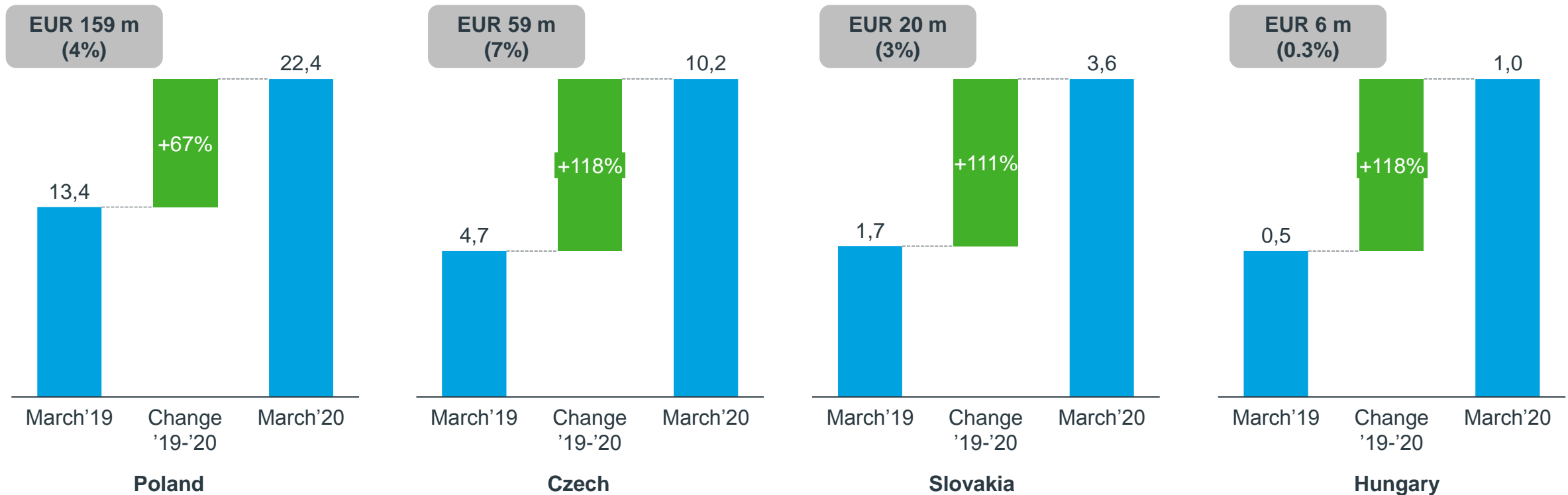
Online channel doubled its turnover in March, with only a handful countries with well developed ecommerce

2. New channels – ecommerce (3/4)

Commercial platform

E-commerce market size and COVID19 impact [EUR m]

E-commerce¹ – size in 2019 (Share of total retail market):



1) Please note: the e-commerce values for Poland include mail order sales only; Czech and Slovak data covers both mail order and click & collect sales.

We conduct workshops and projects allowing clients to capture growing e-pharmacy opportunity

2. New channels – ecommerce (4/4)

Commercial platform



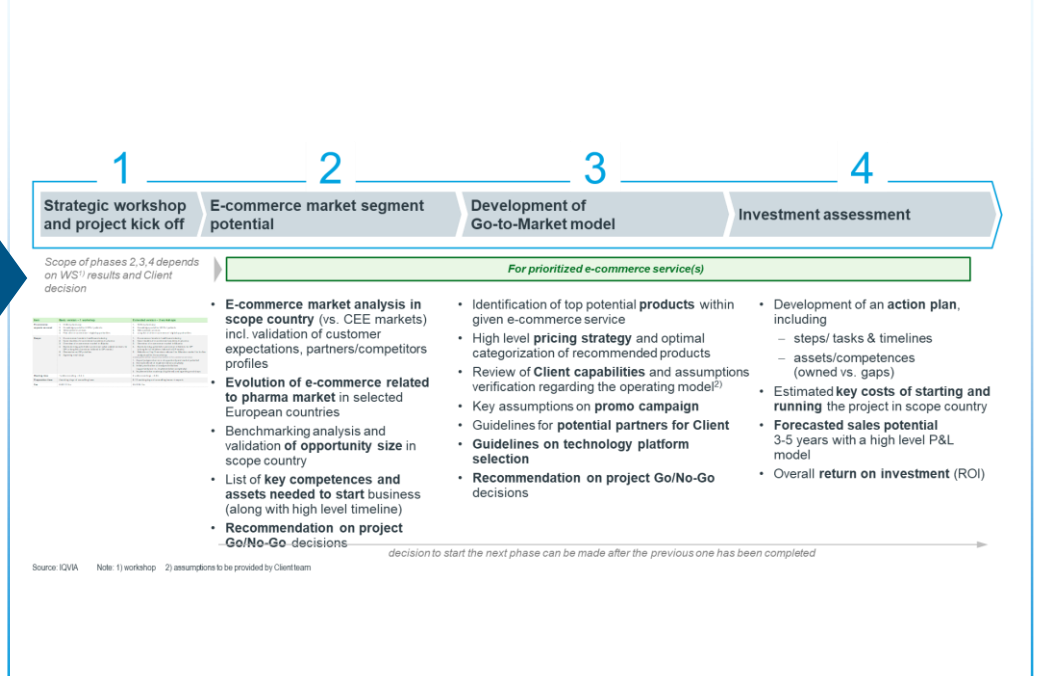
Strategic workshop outlining potential e-commerce initiatives



Development roadmap and P&L design allowing client to launch

Item	Content
Scope	<ol style="list-style-type: none"> 1. Online pharmacy 2. Knowledge portal for HCPs / patients 3. Telemedicine services 4. Other e-commerce / digital opportunities
Agenda	<ol style="list-style-type: none"> 1. E-commerce trends in healthcare industry 2. Case studies of e-commerce business in pharma 3. Overview of e-commerce market in scope country (-ies) 4. Brainstorming potential e-commerce initiatives for Client (a long-list of initiatives tailored to Client needs) 5. Selection of top 3 services relevant for scope market for further analysis within the workshop 6. Expert judgment on size of opportunity and market potential 7. Estimated level of implementation complexity 8. Initial prioritization of analyzed initiatives (opportunity size vs. implementation complexity) 9. Implementation roadmap (high level)

Exemplary e-pharmacy platform development approach



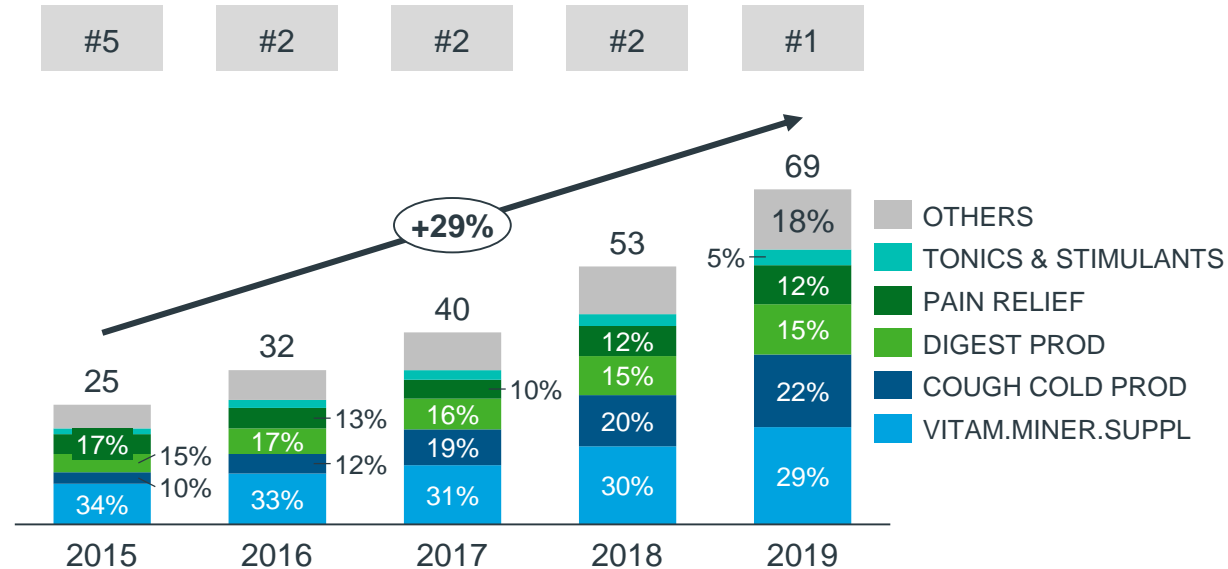
Integrated player in CZ became the OTC market leader, dominating highly competitive and established segments

3. White/ private label (1/2)

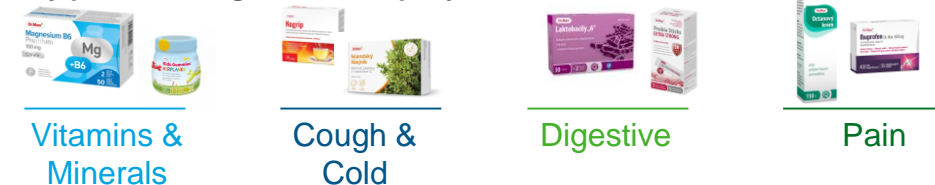
Commercial platform

Player in Czech – private label performance [EUR m]

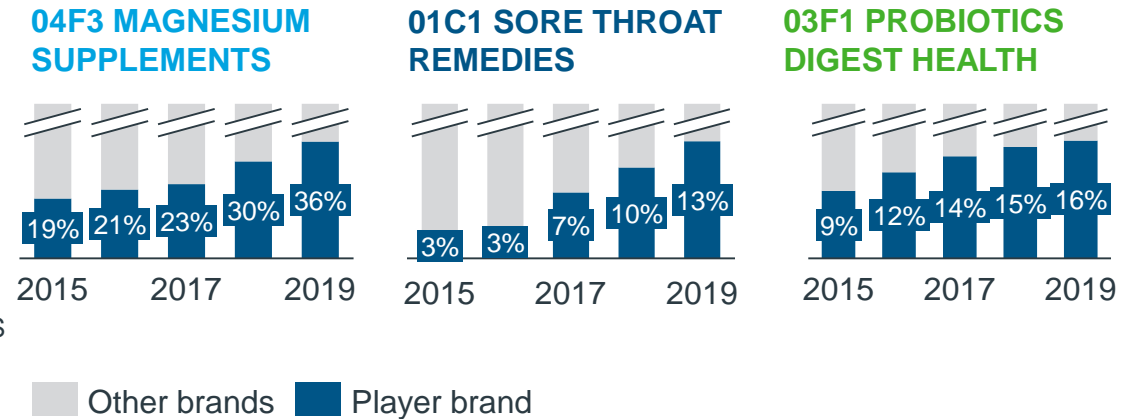
Position in the Retail OTC market in manufacturers:



Key product categories – Company branded



Market share performance in top classes



Key success factors:

- **Pharmacy recommendation system** to support pharmacists driven sales
- **Category management** enabling selection of products with high influence of pharmacists recommendation
- **Ecommerce platform** to drive sales outside of own pharmacies

Source: IQVIA Pharmascope Sell-Out data

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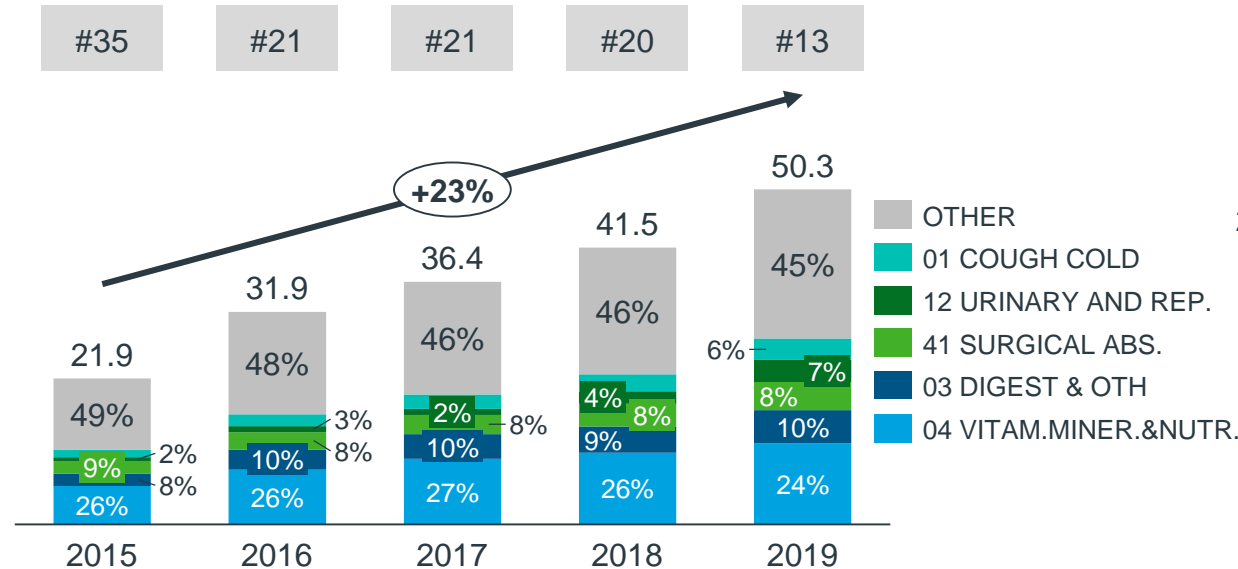
Poland distributor is becoming an important player in the OTC segment, expected to reach top10 ranks if growth continues

3. White/ private label (2/2)

Commercial platform

Poland distributor – private label performance [EUR m]

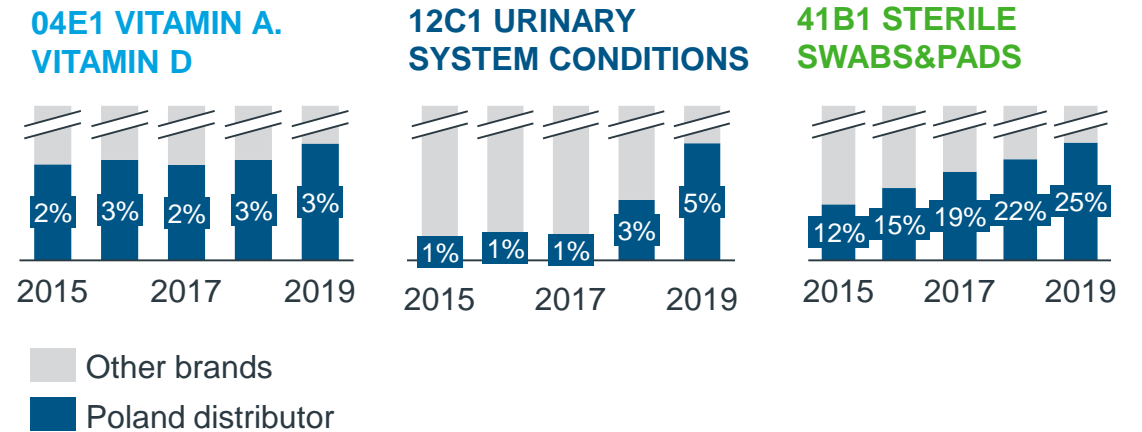
Position in the Retail OTC market in manufacturers:



Key product categories – Company branded



Market share performance in top classes



Key success factors:

- **Focus on individual pharmacies** – products available in pharmacies supplied (over 12,000 in 2018)
- **Sales support program for pharmacists**, offering sales training and education for pharmacy staff
- **From Rx drugs to skincare and herbal infusions** – wide portfolio of economy segment products

Source: IQVIA Pharmascope Sell-Out data

COVID Impact on Romania Pharma Supply webinar – June 2020 Romania © IQVIA 2020. All rights reserved.

Pharmacy Chains can look to improve their patient loyalty through a number of initiatives targeting specific groups

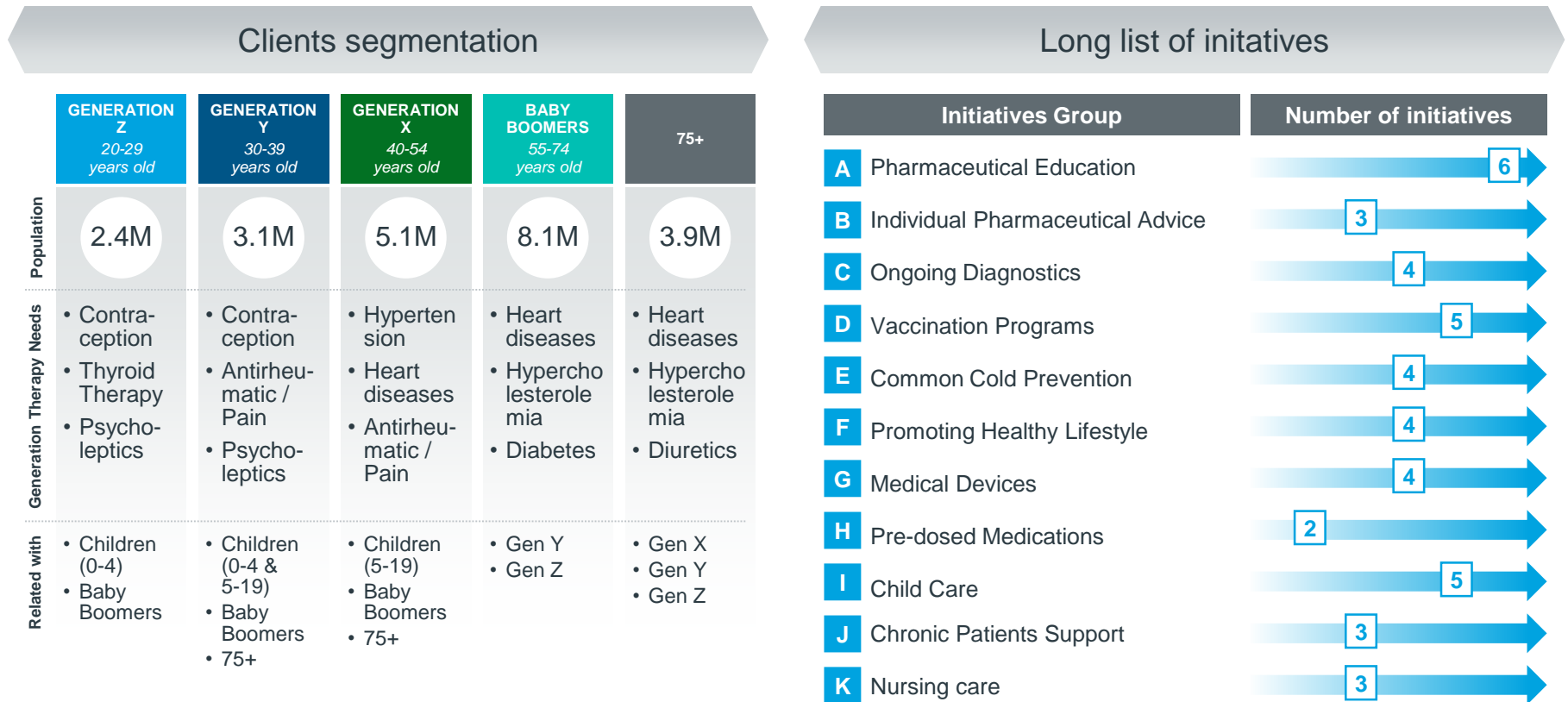
5. Customers/ patients strategy

Commercial platform

Context

- A pharmacy chain wanted to develop a unique patient-centric approach, to help patients get better and stay healthy, while at the same time achieve sales growth
- We developed a **5-year patient-centric strategy to establish competitive advantage upon mix outlet activity and digital channels and translating into sustainable growth of patient base and its value**

Illustration



Pharmacists have different price & stock sensitivities – thus distributors may use this to improve their results

6. Pricing optimization

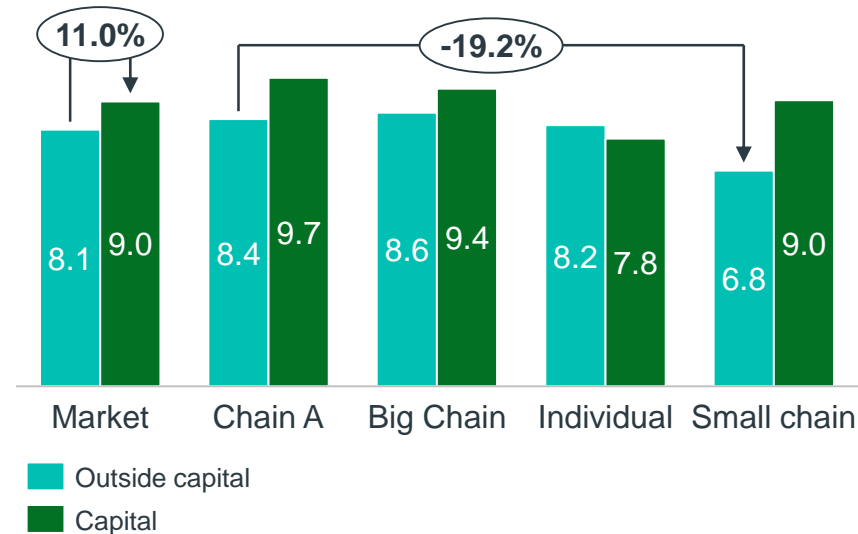
Commercial excellence

Context

- Wholesalers wanted to **optimize its pricing and discount policies** to pharmacist
- Pharmacists wanted to define **optimal prices** for patients and consumers
- We delivered **statistical models** (AI/ML powered) to optimize sales and margins and **tools** to define and **execute pricing policies**

Illustration

Price difference – CH, weighed prices



Price sensitivity of pharmacists



Segment	Cluster	Current	Optimal	Change %
Big chains	1	22.68	23.73	5% ↑
Big chains	2	19.34	21.10	9% ↑
Individual	1	21.09	22.61	7% ↑
Individual	2	19.11	22.15	16% ↑
Medium chains	1	20.84	18.24	-12% ↓

Thank you!

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