

Top mid-cap Bt companies increased revenues to \$26.5 bn in 2014

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The combined total revenues for the peer group of 35 mid-cap biotech companies increased from \$24.8 billion in 2013 to \$26.5 billion in 2014, representing a compound annual growth rate (CAGR) of 21.9 percent, according to research and consulting firm GlobalData.

The company's latest report states that this growth was marginally slower than during the previous five years, as total revenues for this peer group expanded at a CAGR of 25.2 percent between 2009 and 2013.

Mr Adam Dion, GlobalData's healthcare industry analyst, says the rise in biotech peer group total revenue over the past year was driven by Regeneron and Alexion, both of which posted sales of more than \$2 billion in 2014.

He explains: "Regeneron's sales grew by 34 percent in 2014, as the company continued its commercialization of Eylea (afibercept) to markets outside the US, including for the treatment of macular edema secondary to central retinal vein occlusion in both the EU and Japan.

"Alexion saw sales from its orphan drug Soliris (eculizumab) increase from \$1.6 billion in 2013 to \$2.2 billion in 2014. Alexion reported a higher volume of unit shipments and better-than-expected demand for Soliris across all geographic regions, especially in the EU, thanks to a reimbursement agreement with the French government."

The analyst adds that Pharmacyclics, which was acquired by pharmaceutical giant AbbVie last month, was the peer group revenue growth leader in 2014.

Its sales shot up by 180 percent in 2014 to \$729 million, representing an absolute dollar increase of nearly \$470 million.

GlobalData attributes this surge to Pharmacyclics recognizing nearly \$493 million in new product revenue from sales of Imbruvica (ibrutinib), the company's first-in-class BTK inhibitor approved to treat blood cancer patients with chronic lymphocytic leukemia and mantle cell lymphoma.

By contrast, some companies experienced sales decreases, most notably Vertex, which saw revenues decline by 52.1 percent, from \$1.2 billion in 2013 to \$580.4 million in 2014.

Mr Dion comments, "This drop was largely attributable to sliding sales of Incivek (telaprevir), Vertex's hepatitis C virus protease inhibitor, which fell by \$442.3 million compared with 2013, primarily as a result of increased competition from Gilead's Sovaldi (sofosbuvir) and Janssen's Olysio (simeprevir)."