



## Key Areas for the Pharma Industry to Watch in 2025

*(Source: An article by Fraiser Kansteiner for FiercePharma)*

The pharma industry is faced with several challenges – political changes with new incoming administrations, cutting-edge technology, and the potential impact of inflation and supply chain disruptions. The good news is there is much to be optimistic about as well, according to the Deloitte U.S. Center for Health Solutions survey of 150 global C suite executives, with 76% of the survey respondents feeling optimistic about the year ahead.

Industry executives' hopes for the coming year hinge largely on growth expectations, with 68% of respondents predicting revenue increases at their companies and 57% forecasting margin expansion in 2025.

Beyond that optimism, the executives laid out four areas of particular concern, including leveraging the industry's ongoing digital transformation, designing research and development (R&D) and portfolio strategies to help weather competition, preparing for business volatility, and reshaping business strategies to meet customer expectations.

With hundreds of billions in drug sales at risk through 2030 due to patent expirations, many companies are turning to innovation to offset potential losses, according to Deloitte. However, some proven strategies, such as focusing on high-value areas like oncology and immunology, may not be the answer for everyone. For example, more than half of the executives surveyed said their companies need to rethink their R&D and product development strategies over the next 12 months.

Companies may also opt to scale back their pipelines to focus on drug candidates with the highest potential, which may have an immediate impact on expenses. To avoid competition with branded rivals, drugmakers are also looking to bet heavily on newer modalities such as cell and gene therapies using CAR-T cells and CRISPR technology.

Business development certainly has a role to play in companies' innovation strategies, with 77% of respondents noting they expect mergers and acquisition to increase in 2025.

*(continued on page 2)*

## IFPW Foundation's 2025 Fundraising Campaign

In 2012, the IFPW Board of Directors challenged IFPW to create a foundation that would contribute to the work being done to ensure access to safe medicines worldwide. In response to that challenge the IFPW Foundation was created as a 501(c)3, quickly developed a relationship with GAVI, the Vaccine Alliance, and joined the international Fight the Fakes Alliance (FtFA). These two initiatives for our Foundation have been extremely successful. We now hold a Vice Chair position within the FtF Alliance and IFPW Foundation has become a key driver in the groundbreaking leadership program, STEP Leadership.

To date, the Foundation has been largely financed through

*(continued on page 2)*

## In Brief...

♦ **McKesson Corporation** announced that it closed on the sale of Canada-based **Rexall** and **Well.ca** businesses to Birch Hill Equity Partners, a Canadian private equity firm. McKesson said that the transaction enables the company to focus capital deployment and prioritize investments expanding its strategic oncology and biopharma growth platforms.

♦ **Walgreens Boots Alliance** announced 4<sup>th</sup> quarter sales (across all segments) of US\$37.5 billion (an increase of 6% year-over-year) and sales of US\$147.7 billion for fiscal 2024, an increase of 6.2% year-over-year across all segments. Net loss for fiscal 2024 was US\$8.6 billion, driven by a higher operating loss, a US\$2.2 billion non-cash charge for valuation loss on certain tax assets, and a US\$717 million after-tax charge for fair value adjustments related to the monetization of **Cencora** shares. The company also announced that it will close 1,200 stores over the next three years, including approximately 500 closures in fiscal 2025.

♦ **IQVIA** has released its *Digital Health Trends 2024 Report: Implications for Research and Patient Care*. Among the key findings of the report included that there are more than 103 digital diagnostics for disease assessment currently available. Additionally, of the 360 software-based digital

*(continued on page 2)*

## PHOENIX Group Joins IFPW



IFPW is pleased to announce that the PHOENIX group has joined IFPW as its newest wholesale member company.

Headquartered in Mannheim, Germany and led by CEO Sven Seidel, PHOENIX is the European leader in pharmaceutical wholesale, pharmacy retail, and services for the pharmaceutical industry. With a presence in 29 healthcare markets, the company offers unique geographical coverage throughout Europe, making a vital contribution to comprehensive healthcare with more than 48,000 employees.

The PHOENIX group is active in the pharmaceutical wholesale and pre-wholesale business areas with 214 sites in 29 countries supplying pharmacies, doctors, and medical institutions with medicines and health products. Numerous other products and services for pharmacy customers complete the portfolio – from assistance in advising patients to modern goods management systems to pharmacy cooperation programs. Around 17,000 pharmacies in 17 countries are members of one of the PHOENIX group's partnership and cooperation programs. The company offers Healthcare Logistics and other services to the pharmaceutical industry along the entire supply chain. The PHOENIX group also operates over 3,300 of its own pharmacies in 17 European countries, in which around 189 million patients

*(continued on page 2)*

## Key Areas (cont'd.)...

Beyond pipeline reviews, companies are increasingly looking at novel tech as a focus area in 2025. About 60% of respondents cited in Deloitte's survey pointed to generative AI or digital advances as areas they're monitoring closely, with about the same number of respondents saying they plan to increase generative AI investments.

This seems to suggest that companies are moving these innovations beyond initial pilot projects and beginning to realize value from adopting these technologies at scale, Deloitte stated.

"Currently digital investments are driven by specific initiatives, but we will need to develop a prioritization framework to manage these investments as a portfolio just like we have been managing our R&D pipeline, Akiko Amakawa, Takeda's corporate strategy officer and CEO chief of staff, told Deloitte in an interview.

Elsewhere, some firms are being realistic about potential turbulence ahead and bracing for business volatility on the horizon.

About one-third of the respondents interviewed by Deloitte said they're worried about potential changes to U.S. regulations in 2025, while another 37% said they are apprehensive about global regulatory shifts and geopolitical uncertainties.

Additionally, 36% of executives surveyed said they are evaluating the potential impact of challenges like inflation, economic recessions, and disruptions to supply chains and manufacturing. In turn, 37% of respondents listed that building resilient and adaptable supply chains is top of mind for 2025.

As for other means to weather economic uncertainties, nearly 65% of those surveyed said they are considering rethinking their operating models as a priority next year, in a move that could hint at cost-cutting measures like restructuring, offshoring, outsourcing and layoffs.

Political unknowns, particularly in the U.S., also present a challenge as the Trump Administration takes over in January. By and large, the incumbent president has promoted programs that attempted to reign in drug costs for seniors but has not directly endorsed the drug pricing provisions in the Inflation Reduction Act. Instead, Trump has hinted at revising a proposal from his first term which would involve creating a "most favored nation" model to cap Medicare drug prices at levels paid by other countries.

Overall, while competitive pressures and market uncertainties inherent in the industry are sure to present challenges in 2025, most global pharma firms appear upbeat about their prospects in the coming year, if the survey is an indicator.

## IFPW Foundation Campaign (cont'd.)...

grants from IFPW members including GSK, Merck, Pfizer, and J&J (and their foundations). The STEP program is growing exponentially, both in popularity and impact, and we remain committed to the FtFA as a full business association member and with IFPW serving on the Executive Board. IFPW and IFPW Foundation have had great success in growing both our brands and the message of the pharmaceutical industry that "Licensed pharmaceutical distributors provide a safe and secure pharmaceutical supply chain and contribute significantly to increased access to medicines" and we believe the

pharmaceutical distribution markets will continue to evolve and provide significant long-term opportunities for our members.

The IFPW Foundation Board has approved a Foundation fundraiser to be held in conjunction with the 2026 IFPW CEO Roundtable in Washington, D.C. We believe that conducting bi-annual fundraisers will provide the required funds to further sustain the program into the future. To meet demand for the STEP Leadership program and continue our work with Fight the Fakes in 2025, additional gap funding is required as a bridge to our 2026 fundraiser.

To continue this critical work uninterrupted, IFPW is asking for voluntary contributions from all IFPW members to raise the funds needed to continue our sector's important work over the next 12 months. We would ask that you consider a contribution equal to 10% of your organization's current dues. Contributing more or less is acceptable, and personal contributions are also welcomed. In all instances, a contribution of any amount is greatly appreciated. **To contribute to the IFPW Foundation or for more information about the Foundation and its programs, please contact Christina Tucker at [c.tucker@ifpw.com](mailto:c.tucker@ifpw.com), or download donation form at [https://www.ifpwfoundation.org/pdf/2025%20Donation%20Form\\_v2.pdf](https://www.ifpwfoundation.org/pdf/2025%20Donation%20Form_v2.pdf).**

## PHOENIX (cont'd.)...

per year receive expert advice from pharmacists in addition to their medicines.

IFPW welcomes the PHOENIX group and looks forward to the PHOENIX team's insights and perspective as an active member organization.

## In Brief (cont.)

therapies commercially available, 140 prescription digital therapeutics are approved for patient use at home and more than 220 therapies are used within digital care or in clinics. To download the report, please click [here](#).

- ◆ The Japanese government will carry out a drug price revision in April of 2025, targeting 53% of all listed medicines, a narrower range compared to 69% covered in the previous "off-year" repricing in 2023. The Central Social Insurance Medical Council's drug pricing subcommittee approved a draft outline of the FY2025 off-year drug price revision on December 20, 2024, which specified an agreement made by three cabinet ministers on the scope of target products and other policy directions.

- ◆ **Eli Lilly** currently has the advantage in the obesity market, but **Novo Nordisk's semaglutide** is expected to become the world's biggest selling drug of 2025 with its *Ozempic* and *Wegovy*. However, analysts forecast that Novo's GLP-1 agonist will soon be eclipsed by Eli Lilly's dual GLP-1 and GIP agonist *tirzepatide* (*Mounjaro* for diabetes and *Zepbound* for obesity) which shows superior efficacy in key trials, particularly when used for weight loss. Evaluate-compiled consensus forecasts expect Lilly's drug to take the number one spot by 2027. Both companies are developing next generation therapies and combinations.

(Sources: Company press releases, Drug Store News, FiercePharma, Pharma Japan and Scrip Citeline)