



2025 J.P. Morgan Healthcare Conference – Patent Cliffs, M&A, and the Trump Administration in Spotlight

(Sources: Various articles by staff writers for FiercePharma, PharmaVoice and Scrip Citeline)

This year's J.P. Morgan Healthcare Conference featured several pharma CEOs addressing the concerns around a number of issues, including directly addressing patent expirations. CEOs of Bristol Myer Squibb (BMS), Pfizer and Merck laid out plans to overcome high-profile losses of exclusivity (LOEs) which threaten sales through the end of the decade.

BMS CEO Chris Boerner gave his perspective on 2025 in "two dimensions". First, Boerner explained the company's "legacy portfolio" will continue to see "LOE exposure." *Revlimid*, the popular multiple myeloma drug acquired in BMS's buyout of Celgene, will face a new crop of generics in March, followed by a full generic market in 2026. *Revlimid* generated US\$4.4 billion in the first nine months of 2024. BMS expects that number to drop US\$2.0 billion to US\$2.5 billion in 2025. Additionally, *Pomalyst* and *Sprycel* are expected to face generics competition in 2025. Those two drugs generated US\$2.7 billion and US\$1 billion respectively through the first nine months of 2024.

The LOE wave will cost Pfizer an expected US\$17 billion to US\$18 billion in annual revenues and is "coming in gradually" between 2026 and 2028, according to Pfizer CEO Albert Bourla. Pfizer expected to lose U.S. patents in coming years including *Inlyta*, *Xeljanz*, *Eliquis*, *Ibrance* and *Xtandi*, according to Pfizer's most recent annual report. In recent years, Pfizer completed several M&A deals to help backfill the loss in sales expected due to generics. Pfizer also expects new products launches to outperform analyst expectations.

But of all the expected losses due to patent expirations and generic competition, none match Merck's *Keytruda*, which generated US\$25 billion in 2023 and US\$21.6 billion in 2024. However, Merck is positive in its outlook and believes it can meet this challenge. Merck CEO Robert Davis said the company has nearly tripled the number of assets in its pipeline.

Additionally, two major deals were announced during the J.P. Morgan Healthcare Conference which represent the largest M&A turnout in years.

Johnson & Johnson led the charge with the biggest deal announced during the conference since at least 2018, revealing the pharma giant is in line to buy neuropsychiatric biotech Intra-Cellular Therapies for US\$14.6 billion. GSK also joined the fray this year with a US\$1 billion purchase of cancer drugmaker IDRx.

The M&A rebound has been years in the making as companies like J&J and GSK face a patent cliff that threatens billions in revenue, and they need to pump up their pipelines to adjust to the coming storm, experts have observed.

The deals this week, while pointing to a general upswing in deal seeking, also paint a picture of companies' shifting priorities.

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In Brief...

♦ **Walgreens Boots Alliance (WBA)** reported first quarter sales of US\$39.5 billion, up 7.5% year-over-year (6.9% on a constant currency basis.) Tim Wentworth, CEO of WBA, credited the results to the company's efforts to stabilize the retail pharmacy by optimizing its footprint, controlling operating costs, improving cash flow and continuing to address reimbursement models. "While our turnaround will take time, our early progress reinforces our belief in a sustainable, retail pharmacy-led operating model," Wentworth added.

♦ **Cencora** is rolling out *Accelerate Pharmacy Solutions*, which combines Cencora's suite of pharmacy and supply chain solutions, to deliver enhanced customer experiences and integrating support to address customers' evolving needs. The solutions range from specialty drug purchasing and cost management strategies to logistics, transport, supply chain and inventory management solutions.

♦ **Cardinal Health** announced construction of a new distribution center in Fort Worth, Texas, which will support its **At-Home Solutions** business, a medical supplies provider that serves more than 5 million patients annually in the

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Ember Life Sciences is IFPW's Newest Service Member

IFPW is pleased to announce that Ember Life Sciences has joined IFPW as its newest service member.

Ember LifeSciences emerged as a spin-out of Ember, one of America's fastest-growing companies celebrated for its innovative temperature control technology. With a mission to transform the cold chain for the healthcare industry, Ember LifeSciences introduced the [Ember Cube](#) - the world's first self-refrigerated, cloud-based shipping box.

The Ember Cube has earned recognition as one of Time Magazine's Best Inventions of the Year and was recently honored with Fast Company's prestigious World Changing Ideas award for the healthcare category. This groundbreaking reusable shipping box features a built-in refrigeration system and advanced sensors that meticulously monitor the temperature of medicines and vaccines, ensuring precise cold chain management. Ember LifeSciences' solutions tackle the staggering US\$35 billion lost annually in the industry due to medicine spoilage from temperature excursions, offering a sustainable, reusable alternative to the excess packaging in use today.

IFPW looks forward to Ember's participation as an IFPW member, and its insights in helping to tackle this critical industry challenge with its innovative technology.

J.P. Morgan (cont'd.)...

At J&J, for instance, incoming competition for the immunology standout *Stelara* has caused the massive company to explore opportunities in neuropsychiatry, where it found recent success with the depression drug *Spravato*. For GSK, a near-term patent expiration for the HIV drug *dolutegravir* has led to a deeper dive into the dependably active field of oncology.

Roche CEO Teresa Graham spoke about the US\$10 billion in M&A firepower it has available to deploy each year but will only deploy the money “if and when we find transformative asset that are either complementary to our portfolio, or again, change the game in important diseases outside of those focus areas.”

Last fall, Roche unveiled a new pharma strategy, placing a focus on the five therapeutic areas of neurology, oncology/hematology, immunology, ophthalmology, and cardiovascular renal metabolic therapies.

Notably, drug makers are wondering whether the new Trump administration will be a friend to and what the new administration will have in store for industry.

But after navigating four years of the Biden administration, which ushered in Medicare drug price negotiations for the first time under the Inflation Reduction Act (IRA), and a tough-on-pharma Federal Trade Commission (FTC), talk of what is expected under a new US president could be a different salve. Even though Trump isn't a reliable ally of the industry, the Republican party has traditionally favored corporate America with friendlier tax policies and less regulation.

Already some pharmaceutical executives appear to have a positive outlook for US pharma policy under the new administration. However, it does come with uncertainties, the most crucial perhaps to pharma being wary of Trump's nominee for HHS Secretary, Robert F. Kennedy, Jr., who is considered by many in the industry to be an outlier, whereas investors prefer a steady hand.

Executives, observers and investors at J.P. Morgan will surely be debating what it could mean for drug approvals, vaccine development and regulatory timelines.

GLP-1 Users Survey Spotlights the Need for a More Personalized Approach to Users

(Source: An article by Sandra Levy for Drug Store News)

Circana has released a new report exploring the impact of glucagon-like peptide-1 medications on consumer spending. The report, *The Ripple Effect of GLP-1s, Today and in the Future*, reveals that GLP-1 users exhibit shifting purchasing habits over time, with weight-loss users making fewer food and beverage purchases during the first three months and returning closer to benchmark levels by the end of year one.

The findings provide actionable insights to develop personalized products and services that support consumers' sustainable lifestyle changes and long-term weight management success.

Circana said that GLP-1 weight loss users shift their spending on food purchases both in and out of the home. At grocery retail, they are spending more on foods that support GLP-1 balance. Conversely, they are making fewer purchases of products they've been recommended to avoid. While dining out, GLP-1 users spend more toward quick-service restaurants, but shift toward grocery food service, casual dining and midscale

restaurants during their first year on the medications. These evolving behaviors reveal a clear connection between category growth and the health-driven preferences of these consumers.

By addressing the preferences of GLP-1 consumers such as increased focus on protein, vegetables and fruits couple with decreased sugar consumption, processed carbohydrates and sodium, brands can align product innovation and marketing strategies with consumer health goals.

Industries beyond food and beverage, including beauty, wellness and pharmaceuticals can explore cross-sector collaborations to serve their demographic. By refining their innovation pipelines, developing personal solutions and creating targeted messaging that resonates with GLP-1 consumers' values and aspirations, companies can foster long-term loyalty while contributing to consumers' broader health and wellness journeys, Circana advised.

In Brief (cont.)

United States. The new 340,000 sq. ft. distribution center will consolidate its two existing warehouses into one larger facility, creating approximately 74,000 square feet of additional inventory capacity and retaining its current workforce. Once open, the facility will ship an average of 10,000 packages per day to patients' homes across the country.

- ◆ Leading global research provider **IQVIA** announced a strategic collaboration with tech company **NVIDIA** to help realize the potential of artificial intelligence (AI) in healthcare and life sciences. The collaboration will combine IQVIA's unparalleled information assets, analytics and domain expertise (known as IQVIA Connected Intelligence™) with the NVIDIA AI Foundry service to help transform life science processes from research and development through commercialization. This work is poised to create new efficiencies, enable new operating models, and ultimately improve patient outcomes.

- ◆ **Novo Nordisk's** blockbuster semaglutide offerings – *Rybelsus* and *Ozempic* for type 2 diabetes and *Wegovy* for obesity – are included in the **Centers for Medicare and Medicaid Services (CMS)** list of 15 drugs that will be subject to Medicare Part D negotiations for pricing effective in 2027 under the *Inflation Reduction Act (IRA)*. The news was a shock to investors, despite speculation ahead of the CMS list published on January 17th that semaglutide products would be included. It remains to be seen if that is just for Wegovy's cardiac health indication or the obesity indication, as there are efforts to allow Medicare to cover obesity medications.

A total of 43 innovative new medicines are anticipated to be approved or listed in Japan in 2025, according to a survey by **Jiho**. Included are some highly innovative, but very expensive gene therapies, as well as a number of antibody-drug conjugates and bispecific antibodies, which are gaining a presence in the oncology space. The survey was conducted in December of 2024 targeting more than 80 companies, including members of the Japan Pharmaceutical Manufacturers Association.

(Sources: Company Press Releases, Drug Store News, PharmaVoice and Pharma Japan)