



CALCBENCH

Next Generation Financial Data Tools

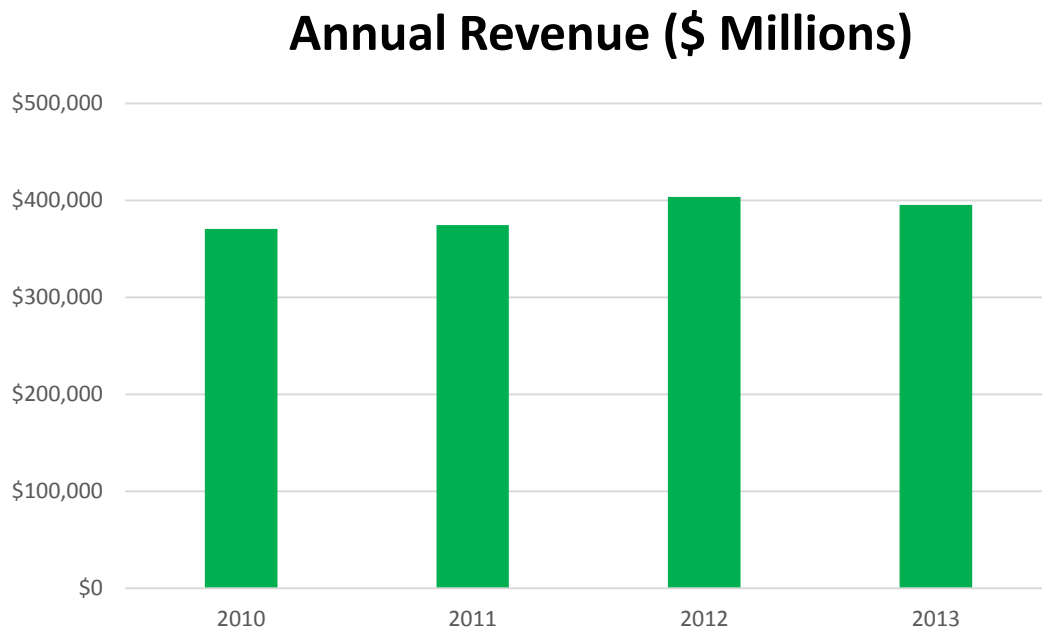
Pharmaceuticals Industry Analysis

Technology enables access to data in ways that were not possible prior.

Calcbench is designed to help finance leaders collect and analyze hard-to-find competitor, customer, and supplier financial data in near real-time to help them make more informed decisions.

What can our data tell you about your industry?

Below is a chart that shows aggregated revenue for the past 4 years for the Pharmaceuticals sector.^{1,2}

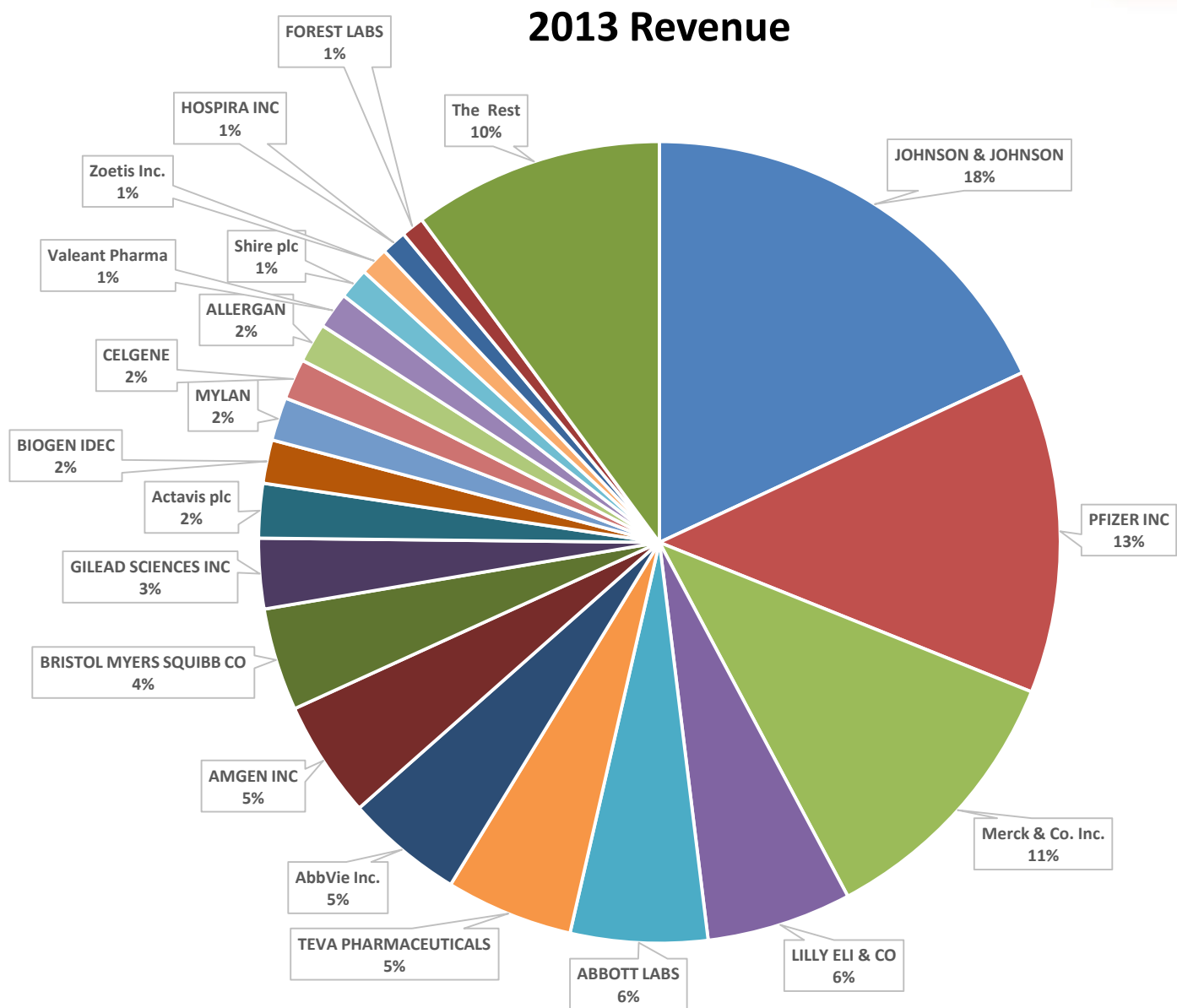


1. Peer Group of 225 firms comprised of SIC Groups 2834, 2835 and 2836.

2. The \$9 Billion USD revenue drop from 2011 to 2012 may be due to patent expiration on blockbuster drugs from FOUR firms. (Pfizer – Lipitor, Bristol Myers – Plavix, Eli Lilly -- Zyprexa, Forest Labs -- Lexapro).



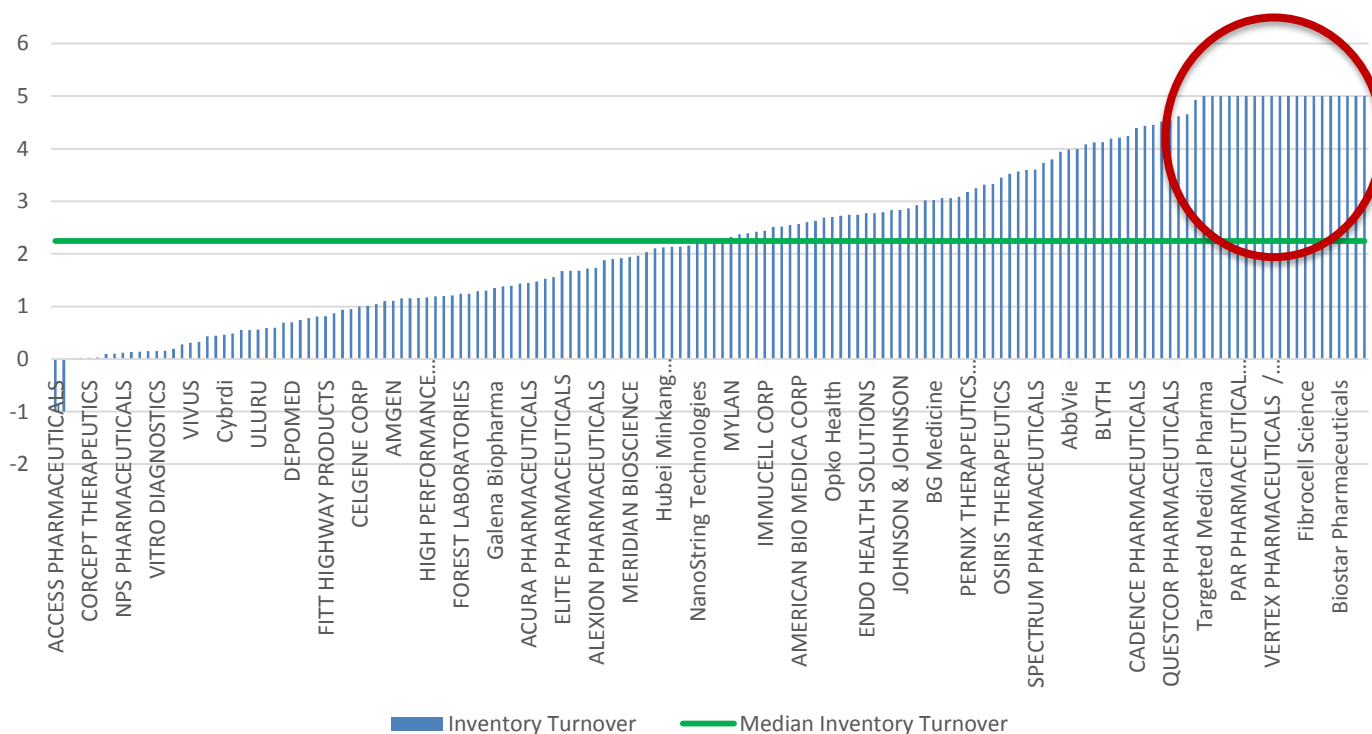
20 companies control 90% of the market.





Inventory, and specifically *Inventory Turnover*, can serve as an indicator of the effectiveness of a firm's inventory management. The median inventory turnover (green line) was 2.24 (or 224%), but some firms turned over much higher rates than that. If a firm had turnover greater than 5 we set the level at 5 and flagged it for further analysis (red circle).

2013 Inventory Turnover By Firm





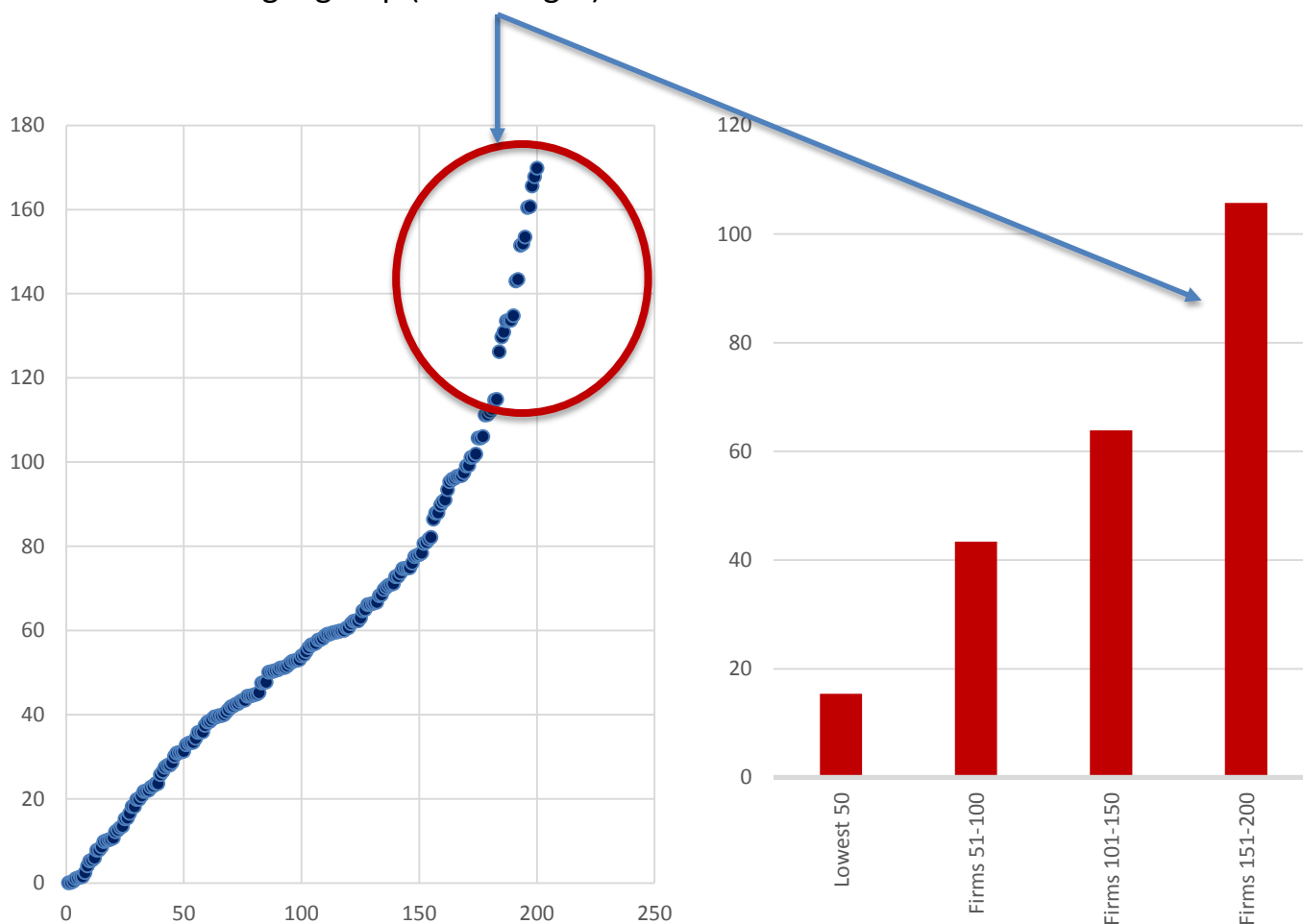
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Days Sales Outstanding—A Deeper Dive

Days Sales Outstanding (DSO) can provide a clearer picture of the customer landscape with respect to potential red flags regarding customer credit quality. Calcbench's toolkit allows DSO to be calculated across the peer group of over 200 firms within seconds.

The median DSO for the peer group is 60 days. As you see, the chart on the left shows the DSO for all firms in our sample. Look at the outliers! In further refining the data, notice the median in the 'high' group (on the right) is over 100.



***Want to find out where specific firms fall across the spectrum?
Contact us at us@calcbench.com for the complete data set.***

Please note all annual data is based on Calendar Year 2013, NOT Fiscal Year. FY 2013 provided upon request.



Total R&D Spend Year over Year

While seemingly little has changed, a deeper dive tells a different story!

| | 2012 | 2013 | YoY Change |
|-----------------------------|----------|----------|------------|
| R&D Expense (in \$ Million) | \$62,964 | \$63,516 | 0.88% |

R&D Spend (\$ Million)

The overall year over year shrinking is caused by the 3 biggest firms—JNJ, MERCK and PFIZER—spending less on R&D.

But, note that the total spend overall was **up** 0.88%. Approximately 3 out of 4 firms in our full sample spent more dollars in 2013.

The table to the right shows spend for the top 25 firms.

| | 2012 | 2013 | \$ Change |
|---------------------------|-------|-------|-----------|
| JOHNSON & JOHNSON | 8,828 | 8,763 | \$ (65) |
| Merck & Co. | 8,168 | 7,503 | \$ (665) |
| PFIZER | 7,482 | 6,678 | \$ (804) |
| LILLY ELI & CO | 5,278 | 5,588 | \$ 310 |
| AMGEN | 3,380 | 4,083 | \$ 703 |
| BRISTOL MYERS SQUIBB CO | 3,904 | 3,731 | \$ (173) |
| AbbVie | 3,066 | 3,193 | \$ 127 |
| CELGENE CORP | 1,724 | 2,226 | \$ 502 |
| GILEAD SCIENCES | 1,760 | 2,120 | \$ 360 |
| ABBOTT LABORATORIES | 1,544 | 1,452 | \$ (92) |
| BIOGEN IDEC | 1,335 | 1,444 | \$ 109 |
| TEVA PHARMACEUTICAL | 1,356 | 1,427 | \$ 71 |
| ALLERGAN | 977 | 1,042 | \$ 65 |
| Shire plc | 953 | 933 | \$ (20) |
| VERTEX PHARMACEUTICALS | 806 | 919 | \$ 113 |
| REGENERON PHARMACEUTICALS | 626 | 860 | \$ 234 |
| FOREST LABORATORIES | 964 | 788 | \$ (175) |
| Actavis plc | 403 | 617 | \$ 214 |
| MYLAN | 401 | 508 | \$ 106 |
| CUBIST PHARMACEUTICALS | 278 | 478 | \$ 200 |
| Zoetis | 409 | 399 | \$ (10) |
| BIOMARIN PHARMACEUTICAL | 302 | 355 | \$ 53 |
| ALEXION PHARMACEUTICALS | 223 | 317 | \$ 94 |
| Valeant Pharm. Intl, | 269 | 310 | \$ 41 |
| HOSPIRA | 304 | 302 | \$ (2) |

