

Tendering of Biosimilars

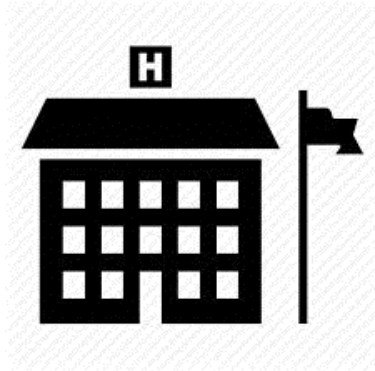
Overview, Trends and capabilities
to be successful

London, November 2022

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Terminology for Tendering & Contracting



Institutional customers

- Governments / Health Regions
- Group Purchasing Organizations
- Hospitals
- Health Insurers
- Pharmacy chains



are using tendering and contracting processes

- **Tendering**
 - Formal request for products/ services are published or sent to suppliers followed by a bidding process
- **Contracting**
 - Interactive negotiation between supplier and customer resulting in a contract or agreement



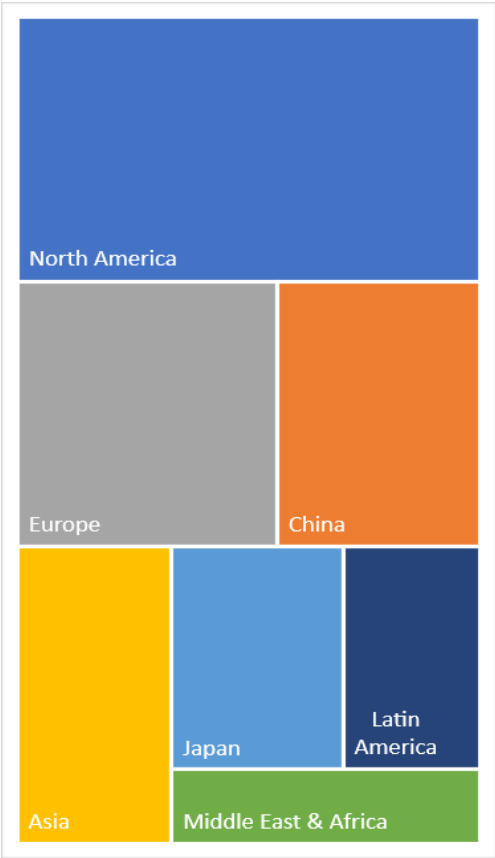
to agree on supply for products & services

(Products, Volumes, Prices, Services, Time-periods, Terms and conditions)

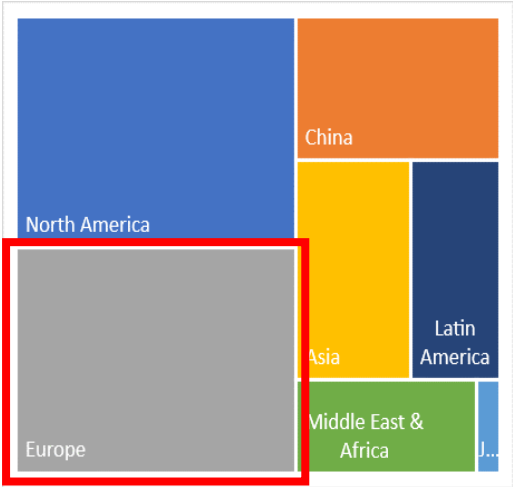
Global Tender & Contracting market overview

Tender & Contracting is prevalent in all regions across the world and is growing continuously

Total Pharmaceutical Market size in 2021
around 1'250 bn USD



Global Tender & Contracting Business
estimated at 380 bn USD ~ 30%



off-patent



on-patent



Around 2/3 of the global T&C business is
driven by the off-patent segment

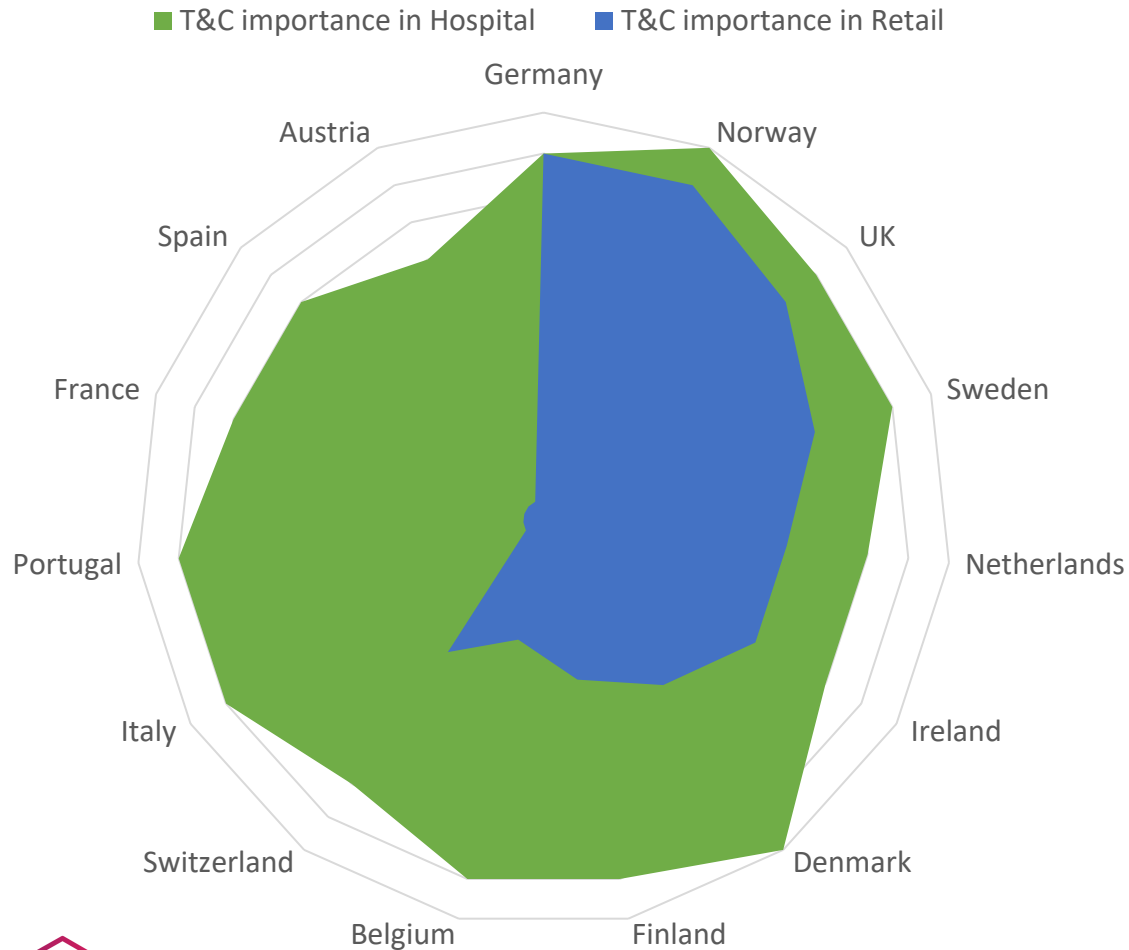


Sources: <https://www.statista.com/>

Source: Tender publishing websites such as e.g. TED (Tenders electronic Daily) Source: Interviews with Tender/Pharma Experts 2021 and 2022

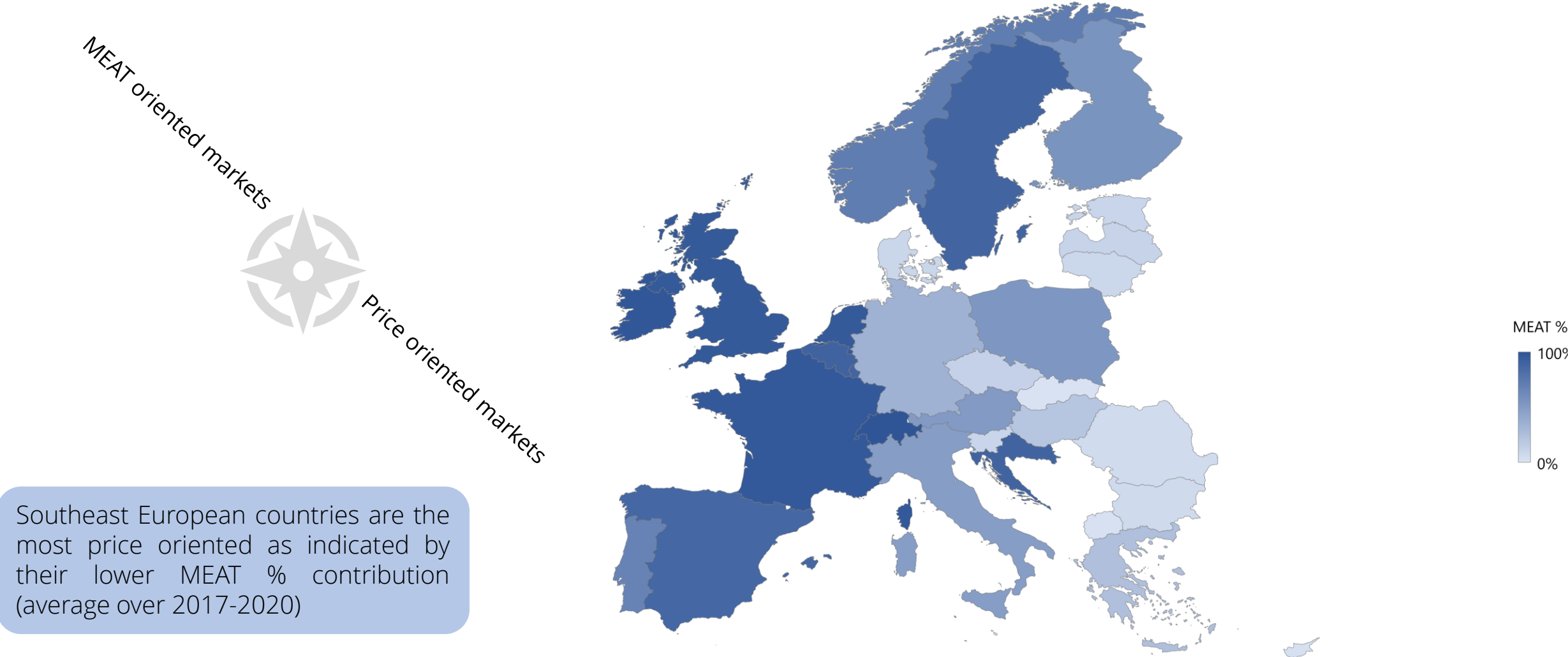
Hospital vs. Retail Tenders in Europe

Overview Tender & Contracting in Europe



- T&C is the main procurement mechanism for the hospital channel across all countries in Europe
- In many countries, especially in Northern Europe, T&C is also used in Retail settings with big pharmacy chains
- In Germany, a big part of the T&C business is done through insurance companies. In this graph they are included under Retail.
- In many countries, the government is coordinating the procurement for the hospitals

Total Pharma Tender Award Criteria in Europe: MEAT vs. Price



Southeast European countries are the most price oriented as indicated by their lower MEAT % contribution (average over 2017-2020)

¹ **Source:** Based on data (published tenders from 2017 to 2020) from TED (Tender Electronic Daily), ©European Union, <http://ted.europa.eu>, 1998–2020

Biosimilars Tender Award Criteria in Europe: MEAT vs. Price

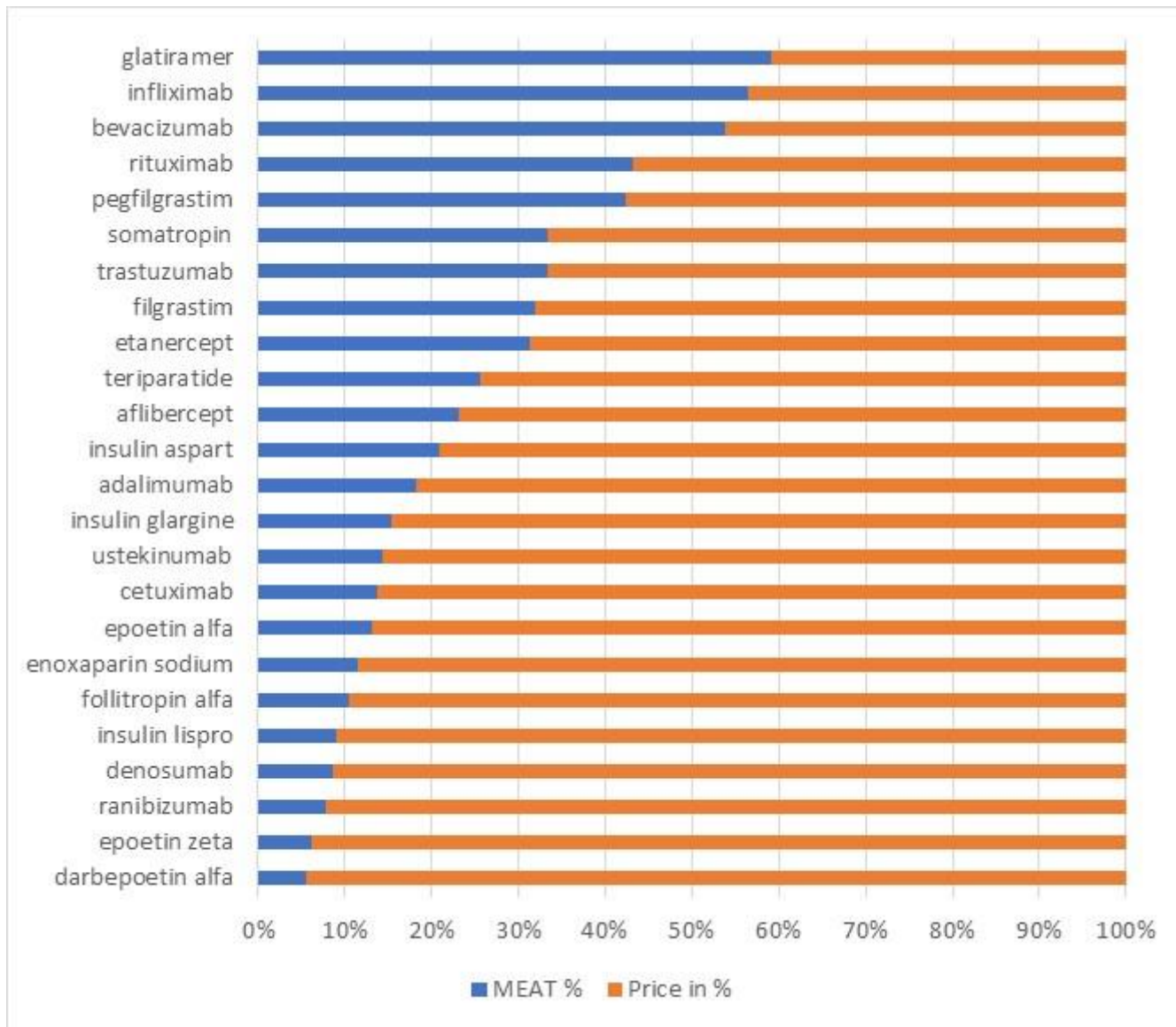
Overall, less MEAT criteria tenders versus Total Pharma, which is understandable as Biosimilars are in the off-patent field and under stronger competition than protected Molecules.

Geographic Trend from West vs. East

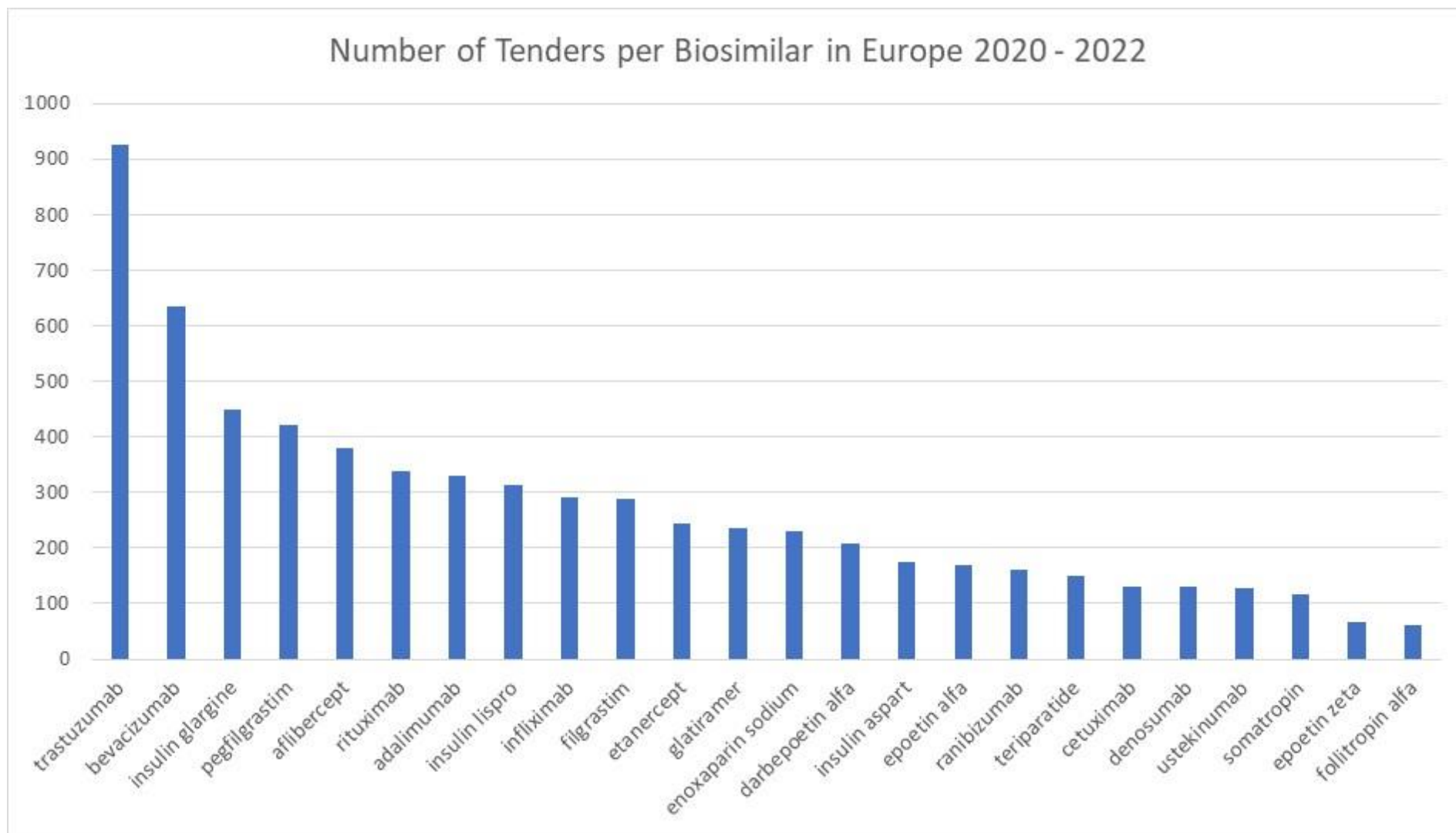


¹ **Source:** Based on data (published tenders from 2020 to 2022) from TED (Tender Electronic Daily), ©European Union, <http://ted.europa.eu>

Award Criteria in Europe by molecule MEAT vs. Price (excluding high volume / low MEAT countries Poland, Romania & Germany)



Trastuzumab and Bevacizumab are the most tendered Biosimilars in Europe



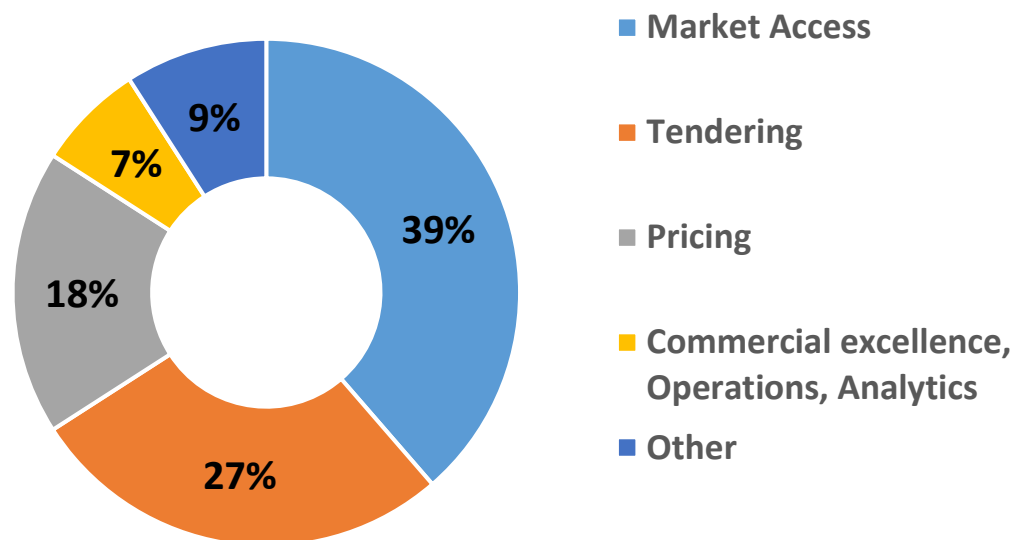
Share of number of Biosimilar Tenders from 2020 - 2022



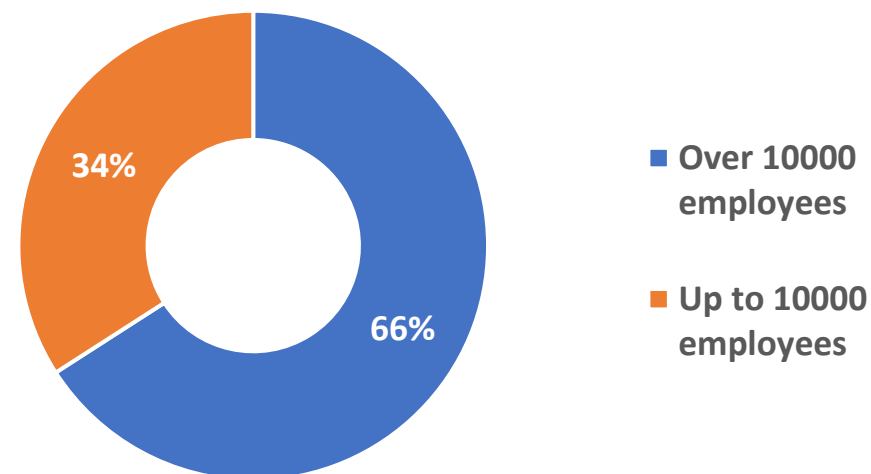
In 2022 we did a tender industry benchmark in Health-Care

Top Global Pharma & Med-Tech Companies

Functions



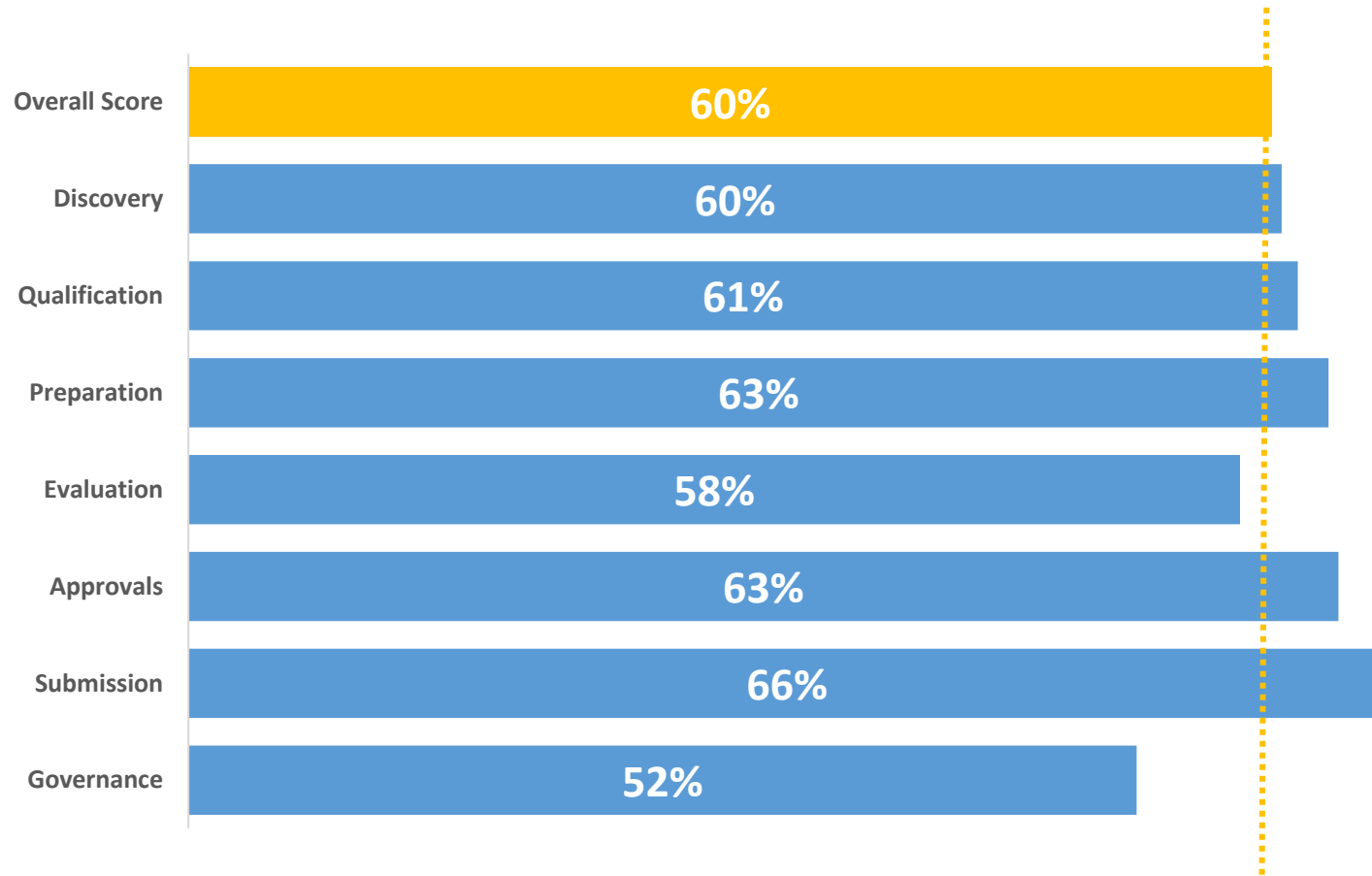
Company size



Note: All inputs are individual assessments of the participants. They can of course be subject to personal opinions, perceptions and views.

Overall maturity at 60% with lowest score at governance

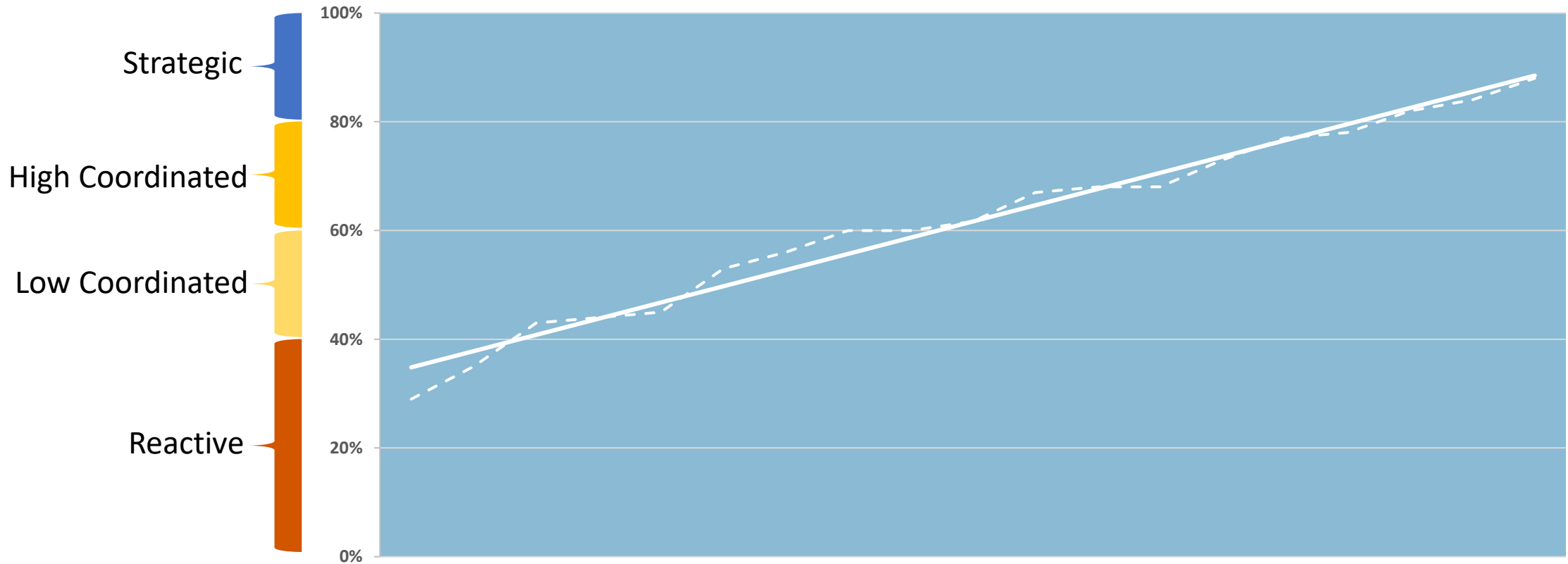
Overall score per phase



Source: Updated results of the Tender Maturity Assessment for the Life Sciences, Mar 2022

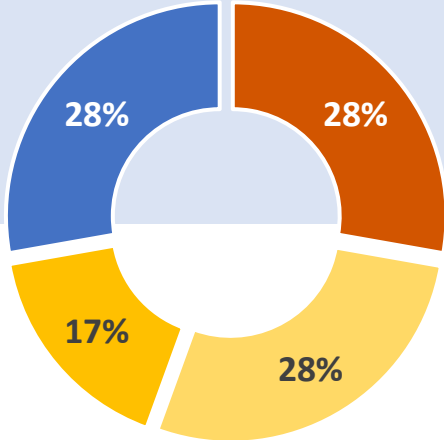
OVERALL SCORE: Very wide distribution in terms of self-estimated tender maturity by participating companies (from 29% to 88%)

Distribution of total scores

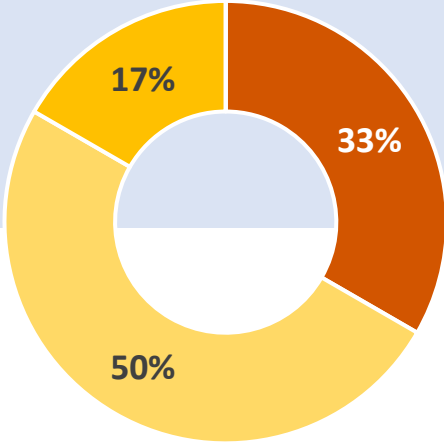


Deep Dive into some of the biggest challenges:

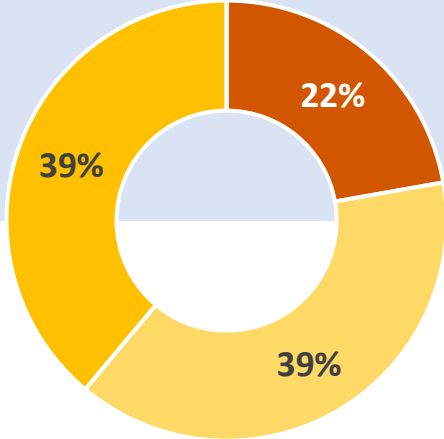
We anticipate the tenders to be published for the next 9-12 months and prepare for them.



We have access to and gather competitive intelligence systematically.

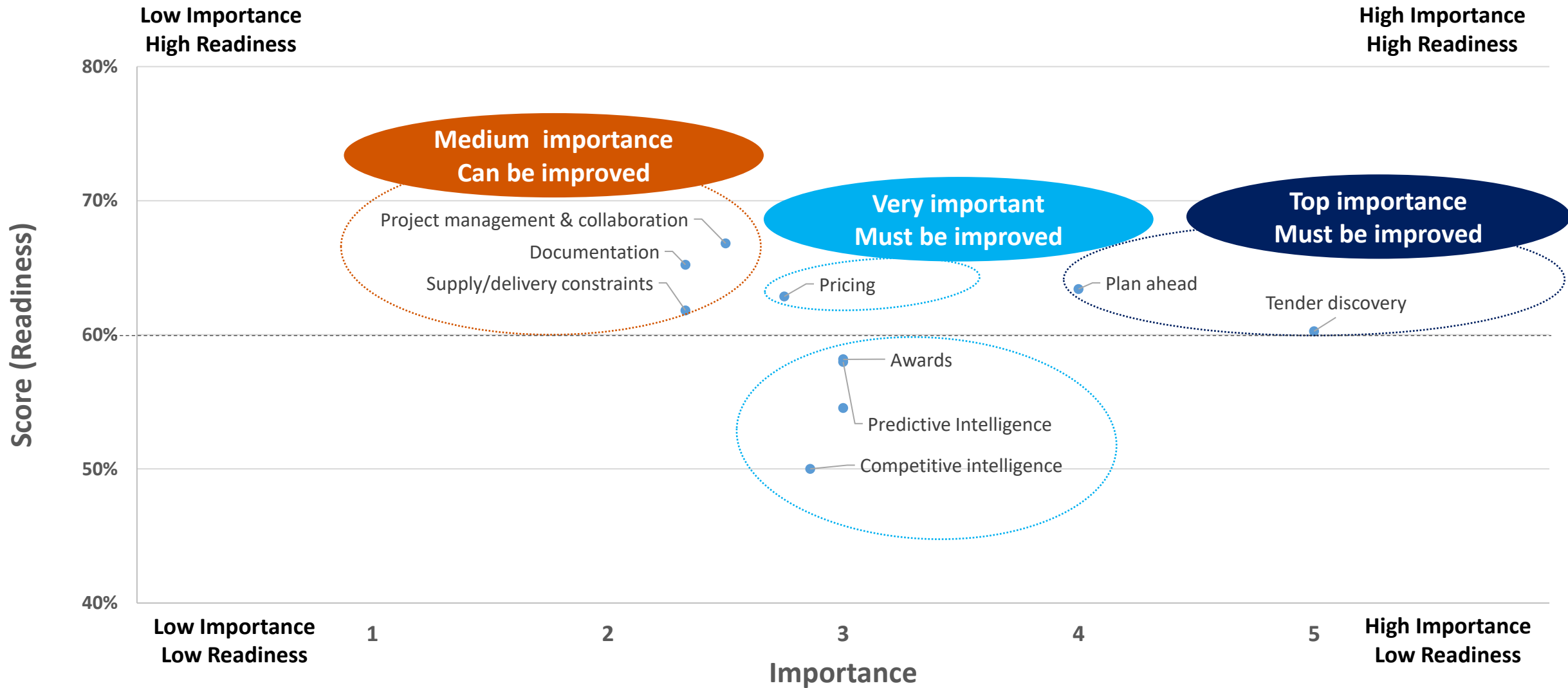


We are always able to identify the right offering and optimum price to maximize our revenue potential and profitability.



- Reactive (0-40%)
- Low Coordinated (40-60%)
- High Coordinated (60-80%)
- Strategic 80-100%)

Importance vs Readiness

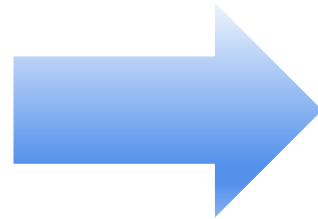
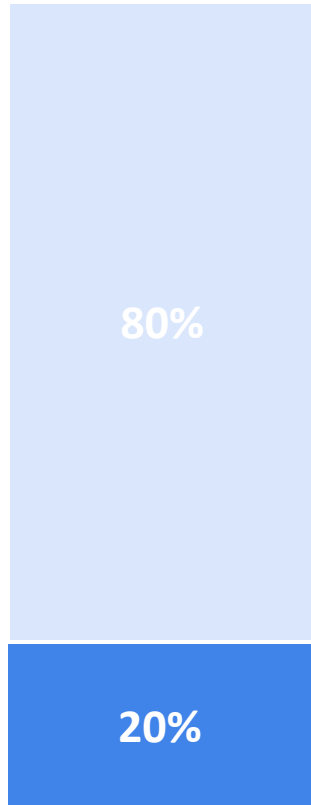


Source of Importance: EPP Life Sciences Pricing Forum workshop by Cube RM and Growpal

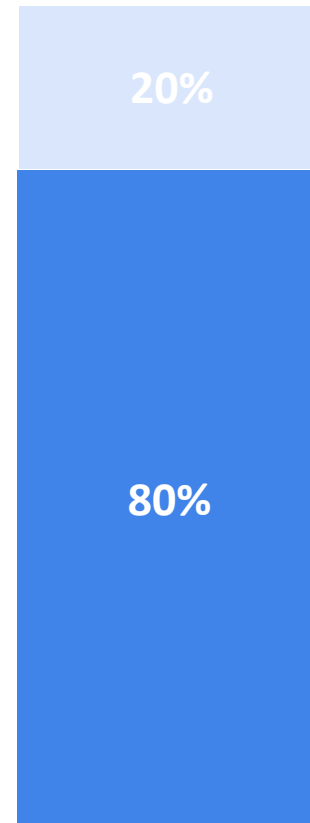
Source of Score (Readiness): Updated results of the Tender Maturity Assessment for the Life Sciences, Mar 2022



Tenders are cyclic and therefore plannable!

In the beginning



after 2-3 years



-  Pro-active & strategic opportunity management
-  Re-active & 'emergency'- tender management

* Average time to submit a tender in Europe is around 40 days (publication date to submission date)

** Average tender duration in Europe is 660 days (based on TED data), 1.8 years

Many positive aspects with direct P&L impact by moving your tender business from a purely local and ad-hoc/emergency business to a plannable, strategic and globally coordinated approach





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