

# The French Pharma Market 2024 – 2029

———— BUSINESS REPORT ————

## Strategic Implications for Pharma Companies

**Excerpts**

March 2025

<b>Introduction</b>		<b>p. 8</b>
<b>Section 1. Worldwide Market Overview</b>		<b>p. 11</b>
<b>1.1. Healthcare expenditure</b>	<b>p. 12</b>	
<ul style="list-style-type: none"> <li>• Relation between GDP and healthcare expenditure (2023)</li> <li>• Healthcare expenditure as a percentage of GDP (2023)</li> <li>• Breakdown of healthcare expenditure per country (2022)</li> <li>• Share of public spending in total healthcare expenditure (2023)</li> </ul>		
<b>1.2. Pharma market attractiveness</b>	<b>p. 16</b>	
<ul style="list-style-type: none"> <li>• Global pharmaceutical market drivers and limiters (2024 – 2029)</li> <li>• Global pharmaceutical market size and growth by geographic area (2024 – 2029)</li> <li>• Global pharmaceutical market ranking by country (2019 – 2024 – 2029)</li> <li>• Global pharmaceutical market size and growth by strategic segment (2024 – 2029)</li> <li>• Market attractiveness by strategic segment (2024 – 2029)</li> <li>• Pharmaceutical industry profitability in Europe (2022)</li> <li>• Net profitability and sales dynamics of the pharma sector (2019 – 2023)</li> <li>• Top 15 Pharma companies – Cost structure (2021 – 2023)</li> <li>• Worldwide prescription drug and pharmaceutical OTC sales by technology (2016 – 2030)</li> <li>• Top 10 therapeutic areas (2023 – 2030)</li> <li>• Top 10 worldwide pharmaceutical drugs (2024 projections)</li> <li>• Top 10 worldwide pharmaceutical drugs (2030 estimates)</li> </ul>		
<b>1.3. Pharma R&amp;D trends</b>	<b>p. 28</b>	
<ul style="list-style-type: none"> <li>• Worldwide pharmaceutical R&amp;D spending (2016 – 2030)</li> <li>• Total number of clinical trials completed by phase (2014 – 2023)</li> <li>• Distribution of clinical trials by therapeutic area and phase (2023)</li> <li>• Evolution of the distribution of clinical trials by region (2004 – 2024)</li> <li>• Evolution of the distribution of clinical trials by country (2004 – 2024)</li> <li>• R&amp;D average success rate from Phase I to submission (2013 – 2023)</li> <li>• R&amp;D success rate by therapeutic area (2022 – 2023)</li> <li>• Top 10 most valuable R&amp;D projects by therapeutic area (2024)</li> <li>• Biggest potential drugs to be launched in 2025 (2030 sales estimates)</li> <li>• Evolution of R&amp;D costs</li> <li>• R&amp;D costs estimates for oncology drugs</li> <li>• Market access of new drugs (2023)</li> <li>• Large pharma R&amp;D spending and spending as a % of sales (2013 – 2023)</li> </ul>		
<b>1.4. Pharma companies' strategies</b>		<b>p. 42</b>
<ul style="list-style-type: none"> <li>• Development strategy matrix – Principles</li> <li>• Development strategy matrix – Application</li> <li>• Pharma strategy trends – Concentration move</li> <li>• Pharma companies' strategic segments coverage (2022)</li> </ul>		
<b>1.5. Synthesis</b>		<b>p. 49</b>

## Section 2. French Healthcare System (1/2)

p. 50

2.1. Key stakeholders p. 51

2.2. Policy makers p. 52

- Government
  - “Innovation Santé 2030” plan
  - “France 2030” plan to boost industrial relocation
  - Public incentives to attract investments – Euro-5 comparisons
  - Levers to strengthen France’s attractiveness for pharma companies
  - Parliament and Ministry of Health
  - National market access in a nutshell
  - Regional health agencies
  - Contract for healthcare quality & efficiency enhancement (CAQES)
  - Hospital prescriptions delivered in retail pharmacies (PHEV)
  - “Ségur de la Santé” consultation
  - National pharmaceutical agreement signed with the National Insurance Fund (May 2022)
  - Compulsory vaccines
- Digital initiatives
  - Digital health roadmap (2023 – 2027)
  - Health Data Hub
  - “Mon Espace Santé”
  - Digital Health Governance
  - Digital Health Agency
  - Health Innovation Agency (AIS)
  - National e-Health Institute (INeS)
  - PariSanté Campus
  - Telemedicine
  - DTx
- National Agency for the Safety of Medicines and Health products (ANSM)
- National Authority for Health (HAS)
  - Missions
  - Organization
  - 2025-2030 strategy
  - European collaboration on HTA
  - European HTA – Evolutions (2025)
  - Early Access Programs
  - Direct access to reimbursed market
  - Economic and Public Health Committee (CEESP)
  - Transparency Committee
- CEPS
  - Presentation
  - CEPS & Leem framework agreement (2021 – 2026)
  - Price setting for reimbursable ambulatory drugs
  - Price regulation for hospital drugs
  - Hospital funding system: Activity-based funding (T2A) principles
  - On-top of T2A / retroceded hospital drugs pricing
  - Hospital biosimilars pricing
  - Price revision of genericized and generics products
  - Prices, margins and rebates for reimbursable drugs on the retail market
  - Legal margins and discounts for retail reimbursed drugs
  - Options for a newly approved product
  - Managed entry agreements
  - Market access to new drugs – European comparisons
  - Average time to market access – European comparisons

## Section 2. French Healthcare System (2/2)

### 2.3. Payers p. 143

- Social Security and Complementary Health Insurance Systems
- Compulsory complementary health insurance plan
- Complementary health insurance organizations

### 2.4. Providers p. 151

- Territorial organization
  - Life – Health – Care pathways
  - “Ma Santé 2022”: Territorial reorganization of care project
  - Territorial professional health communities (CPTS)
  - Territorial support platforms (PTA)
  - Support devices for the coordination of complex journeys (DAC)
- HCPs
  - Evolution of the HCPs demography by specialty (2010 – 2024)
  - Density of physicians by department (2024)
  - Access to HCPs in France (2019 – 2024 – 2029)
  - Links of interest between HCPs and companies
  - Anti-gift law
- Healthcare facilities
  - Multi-disciplinary health centers (MSPs)
  - Medico-social facilities (EHPADs)
  - Typology of healthcare facilities (2023)
  - Territorial Hospital Organization (GHTs)
  - Hospital drug purchasing procedures
- Drug suppliers
  - Key steps from drug manufacturing to dispensing
  - Drugs shortages
  - Drug supply chain (2024)

- Share of direct sales (2009 – 2024)
- Distribution of the revenues of reimbursable drugs retail sales by key stakeholder (2023)
  - Pre-wholesalers
  - Wholesalers
  - Retail pharmacies
  - Voluntary trade organizations (VTOs)
  - Online sales of pharmaceutical products
- Consumers / Patients

### 2.5. Expenditure & regulation p. 240

- Healthcare expenditure as a % of GDP in France (2008 – 2023)
- Breakdown of public and private healthcare expenditure (2017 – 2023)
- Supply, consumption & funding of healthcare & medical goods (2023)
- Key macroeconomic indicators (2019 – 2024)
- Public income (2019 – 2024)
- Public spending (2019 – 2024)
- National Health Insurance Fund deficit evolution (2009 – 2024)
- Levers to regulate drug public spending
- Drugs price & reimbursement: International comparisons (2024)
- Evolution of drug reimbursement rates over time (1975 – 2024)
- Impact of CEPS price cuts on healthcare expenditure (2010 – 2023)
- Drugs rebates to the National Health Insurance Fund & Clawback
- ONDAM evolution (2019 – 2025)
- Social Security balance (2023 – 2024)
- Public hospital expenses

### 2.6. Synthesis p. 268

## Section 3. French Pharma Market (1/2)

p. 272

### 3.1. Structure and dynamics

p. 273

- Classification of pharmaceutical products in France
- Retail and hospital market
  - Structure of the French drug market (2024)
  - Drugs sales by market segment in gross price (2019 – 2024)
  - Drugs sales by market segment in net price (2019 – 2024)
  - Top 10 pharma companies (2024)
- Retail market
  - Drugs sales by reimbursement rate (2019 – 2024)
  - Top 10 therapeutic areas (2024)
  - Top 10 products (2024)
  - Top 10 pharma companies (2024)
- Hospital market
  - Drugs funded by the National Health Insurance Fund (2019 – 2024)
  - Top 10 therapeutic areas (2024)
  - Top 10 products (2024)
  - Top 10 pharma companies (2024)
- Originators' profitability: Estimated cost structure (2023)

### 3.2. Orphan drugs segment

p. 289

- Definitions and overview
- Main therapeutics areas covered by orphan drugs (2019 – 2024)
- Market access (marketing authorization, pricing and reimbursement)
- National plans (2003 – 2025)
- Focus on PNMR 4 (2025 – 2030)
- Mapping of healthcare networks and platform

### 3.3. Generics segment

p. 300

- Segment framework
  - Harmonized data exclusivity in Europe – The “8+2+1 rule”
  - Supplementary certificates of protection (CCPs)
  - Bioequivalence issues for drugs with narrow therapeutic index
  - Creation of a generics group
  - Definitions related to generics and biosimilars
  - The four status of “copies” in France
- Retail generics
  - Measures to boost generics and hybrids (1999 – 2024)
  - Savings for the National Health Insurance Fund (2014 – 2024)
  - Promotion by status of “copy” and by target
  - Retail generics drivers and limiters
  - Generics penetration – International comparisons (2023)
  - Generics penetration – In the reimbursable market (2000 – 2024)
  - Generics penetration – In the generics Directory (2005 – 2024)
  - Dynamics in volume and in value (2005 – 2024)
  - Top 10 companies (2024)
  - Market share of retail generics companies (2019 – 2024)
  - Retail generics companies' portfolios (2024)
  - Key purchasing criteria by pharmacists
  - Key insights from interviews with retail pharmacists
  - Bridge from gross to net price
- Hospital generics
  - Generics penetration key drivers
  - Pricing of generics at hospital (case studies)
  - Top 10 generics companies (2024)

## Section 3. French Pharma Market (2/2)

3.4. Biosimilars segment	p. 332	3.5. OTC segment	p. 365
<ul style="list-style-type: none"><li>• Key stakeholders involved</li><li>• Specificities by market segment (hospital vs. retail)</li><li>• Measures to boost biosimilars (2009 – 2025)</li><li>• Impact of substitution on the National Health Insurance Fund</li><li>• Biosimilars pricing</li><li>• Listing procedures and protocols</li><li>• Biosimilars market in gross price (2009 – 2024)</li><li>• Biosimilars market in net price (2009 – 2024)</li><li>• Top 10 companies (2024)</li><li>• Top 10 INNs (2024)</li><li>• Biosimilars penetration (2019 – 2024)</li><li>• Key purchasing criteria by retail pharmacists</li><li>• Pitfalls to avoid for biosimilars companies</li><li>• Mapping of pharma companies marketing retail biosimilars</li><li>• Biosimilars substitutability: Implications for pharma companies</li><li>• Key insights from interviews with retail pharmacists</li><li>• 2024 – 2029 biologicals patent losses expected</li><li>• Drivers and limiters of the biosimilars market</li></ul>		<ul style="list-style-type: none"><li>• Consumer journey from perceived need to delivery</li><li>• NéreS barometer: takeaways (2024)</li><li>• Market segmentation &amp; dynamics (2019 – 2024)</li><li>• Generic OTC strategy (branded vs. non-branded)</li><li>• OTC market evolution (2010 – 2024)</li><li>• Top 10 therapeutic areas (2024)</li><li>• Top 10 brands and umbrella brands (2024)</li><li>• Top 10 companies (2024)</li><li>• Key drivers and limiters</li></ul>	
		3.6. Market forecasts	p. 381
		<ul style="list-style-type: none"><li>• Factors driving the evolution of drugs sales by segment (2024 – 2029)</li><li>• Drugs sales forecast by segment in gross price (2024 – 2029)</li><li>• Drugs sales forecast by segment in net price (2024 – 2029)</li></ul>	
		3.7. Synthesis	p. 384

<b>Section 4. Strategic priorities for pharma companies</b>		<b>p. 389</b>
4.1. Methodology	p. 390	
<ul style="list-style-type: none"> <li>• Pharma business strategy framework</li> <li>• Assessing strategic segments by country</li> <li>• Assessing company’s assets and capabilities</li> <li>• Advanced SWOT &amp; Strategic Imperatives</li> <li>• The Business Strategic Card</li> </ul>		
4.2. Stakeholder mapping	p. 397	
<ul style="list-style-type: none"> <li>• The 7 Ps</li> </ul>		
4.3. Policy makers and Payers	p. 398	
<ul style="list-style-type: none"> <li>• Behavioral trends</li> <li>• Strategic priorities</li> </ul>		
4.4. Physicians	p. 402	
<ul style="list-style-type: none"> <li>• Behavioral trends</li> <li>• Strategic priorities</li> </ul>		
4.5. Pharmacists		p. 405
<ul style="list-style-type: none"> <li>• Hospital pharmacists <ul style="list-style-type: none"> <li>– Behavioral trends</li> <li>– Strategic priorities</li> </ul> </li> <li>• Retail pharmacists <ul style="list-style-type: none"> <li>– Behavioral trends</li> <li>– Strategic priorities</li> </ul> </li> </ul>		
4.6. Patients & PAGs		p. 411
<ul style="list-style-type: none"> <li>• Behavioral trends</li> <li>• Strategic priorities</li> </ul>		
4.7. Pharma competitors		p. 414
<ul style="list-style-type: none"> <li>• Behavioral trends <ul style="list-style-type: none"> <li>– Strategic orientations</li> <li>– Organisational orientations</li> <li>– Manufacturing &amp; Medical</li> <li>– Marketing &amp; Sales</li> <li>– Support functions</li> </ul> </li> <li>• Strategic priorities</li> </ul>		
<b>Executive Summary</b>		<b>p. 421</b>
<b>Glossary</b>		<b>p. 425</b>



## This report analyzes the current situation and the key trends on the French Pharma market by the end of 2029 to provide pharma companies with key strategic insights

### 2024 – 2029 French pharma market prospects & strategic implications

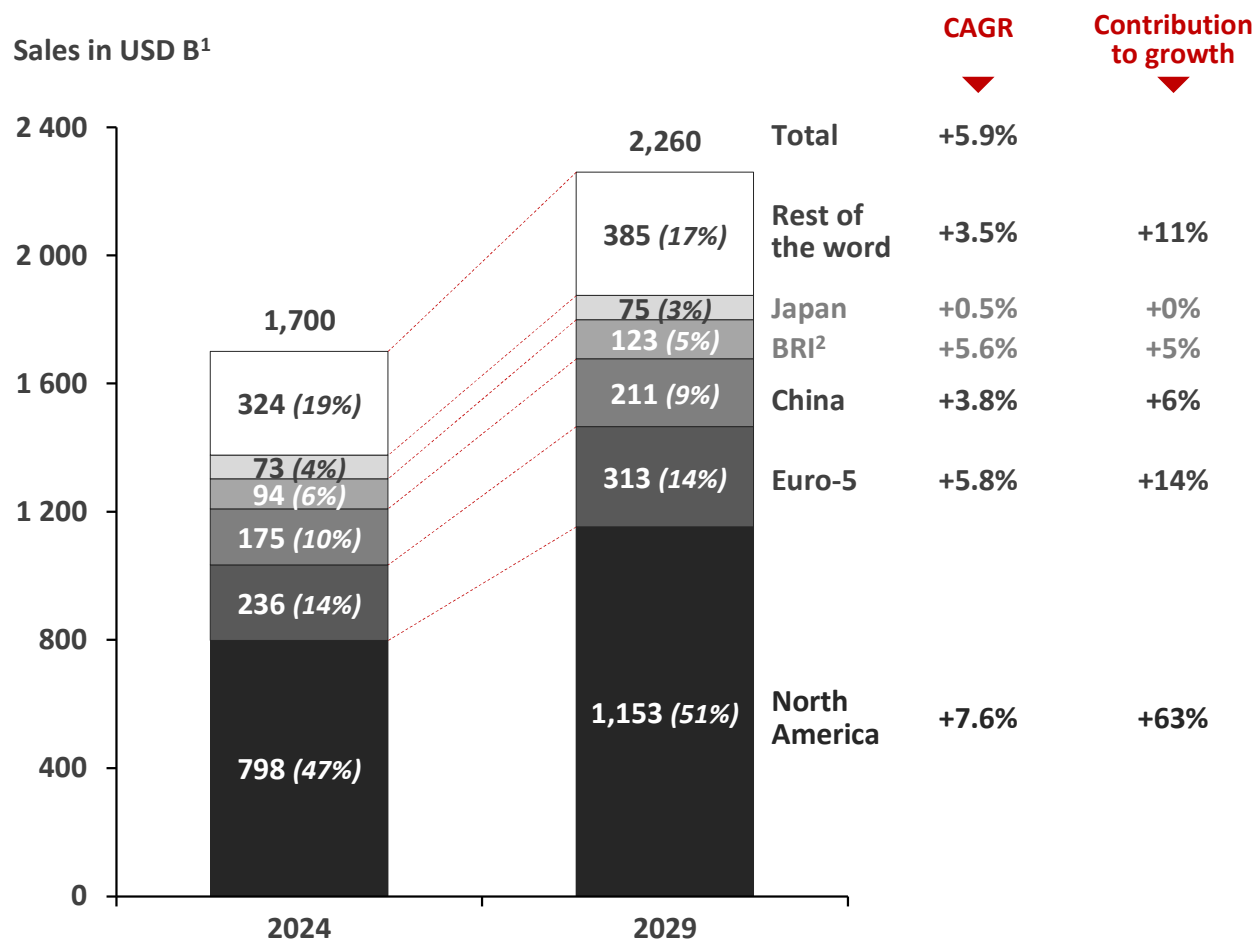
- Despite an ever-tougher environment, France should remain amongst the top 5 largest pharma markets in the world
- Smart Pharma Consulting proposes to address the following key issues related to the French healthcare system and pharma market evolution by the end of 2029, to better grasp its strategic impacts for pharma companies





Sales of Euro-5 countries should grow from 2024 to 2029 at an average 5.8% p.a., despite cost containment measures imposed by governments, due to launches of highly innovative drugs

### Global pharmaceutical market size and growth by geographic area (2024 – 2029)



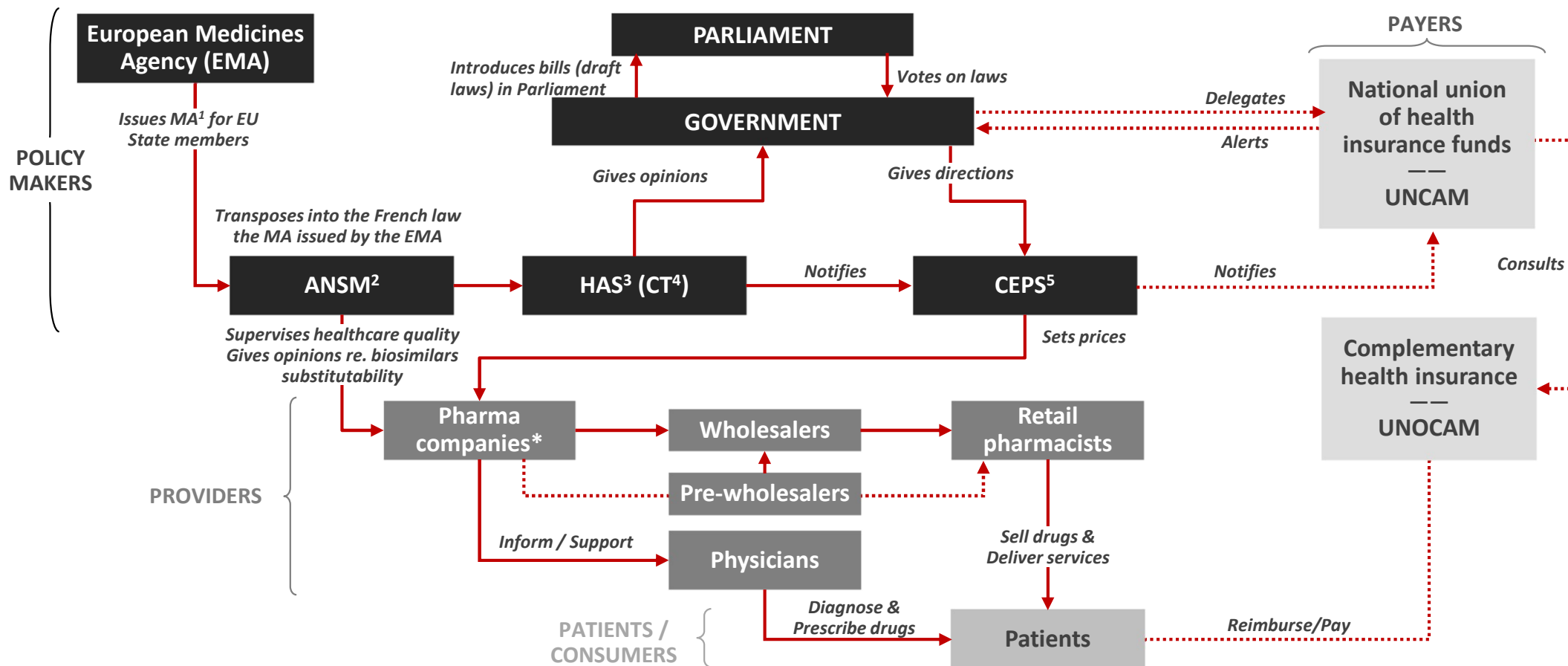
- The **global pharma market** is expected to grow with a **+5.9% CAGR** between **2024** and **2029**, based on gross prices estimates
- **Euro-5 countries** accounted together in **2024** for **13.9%** of the global pharma market:
  - Germany: 4.0%
  - France: 2.9%
  - Italy: 2.6%
  - UK: 2.4%
  - Spain: 2.0%
 and should see their weight remain **quite stable** by **2029** despite high price pressure
- The weight of **North America** (USA and Canada<sup>3</sup>) should **increase by 4 points** and account for **51%** of the global pharma market in value, accounting for **63%** of worldwide **market growth** between **2024** and **2029**
- The **USA** generates **~80%** of the total pharma industry **profits**, compared to **~1.5%** for **France**

Sources: "Global use of Medicines" (January 2024) – IQVIA Institute – Oxford Economics by Atradius (September 2024) – Smart Pharma Consulting estimates

<sup>1</sup> Ex-factory price before rebates – <sup>2</sup> Brazil, Russia, India – <sup>3</sup> Canada accounting for 2% in 2024 and 2029

## Stakeholders in the French healthcare system can be divided according to their role as decision makers, payers, providers / suppliers and consumers

### Mapping of key stakeholders



\* Pharma companies are represented by the professional union named Leem. Generics and certain biosimilars manufacturers have formed a special group named GEMME. Néres is the professional union representing the manufacturers of non-prescription bound drugs and other self-care products

## The Strategic Committee for Healthcare Industries (CSIS<sup>1</sup>), set by the French government in 2021, aimed at strengthening France’s attractiveness for the healthcare sector by 2030

### “Innovation Santé 2030” – Ambitions



5 key priorities				
1	2	3	4	5
<p><b>Excel in fundamental and interdisciplinary research</b></p> <ul style="list-style-type: none"> <li>€ 7 B budget allocated to innovation</li> <li>Fueling of innovation with a continuous flow</li> <li>Ensure continuity from basic research to clinical research</li> </ul>	<p><b>Catalyze innovation</b></p> <ul style="list-style-type: none"> <li>Improve access to funding</li> <li>Secure innovation in France in all phases of innovation (incl. during risky &amp; capital-intensive phases)</li> </ul>	<p><b>Improve patients’ access to innovation</b></p> <ul style="list-style-type: none"> <li>Allow the earliest access to innovation</li> <li>Strengthen the integration of these innovations into the care pathway</li> </ul>	<p><b>Support industrialization “France 2030”</b></p> <ul style="list-style-type: none"> <li>Relocate production sites</li> <li>Have sufficient production capacities</li> <li>Allow innovations to be developed and produced in France</li> </ul>	<p><b>Develop and promote training</b></p> <ul style="list-style-type: none"> <li>Develop and bring out the initial and lifelong training necessary to have the skills to achieve the proposed objectives</li> </ul>
<p><b>Make France a leading nation in terms of healthcare industry and innovation</b></p>				

### Context & objectives

- The Covid-19 pandemic revealed the need for France to have an innovative and strong healthcare industry, to support:
  - Patients’ access to innovation
  - French healthcare sovereignty
- The President Emmanuel Macron has made health industries a priority, to restore France’s footprint in the EU biopharma landscape
- In this context, the French government has set an ambitious objective for the CSIS 2021: make France a leading nation in terms of healthcare industry and innovation

Sources: CSIS (Feb. 2021) – info.gouv.fr (Jan. 2025) – Smart Pharma Consulting analyses

<sup>1</sup> Conseil Stratégique des Industriels de Santé

## The framework agreement signed between the CEPS and the Leem in March 2021 aimed to improve patient access to innovation, encourage investments in France and simplify access

### CEPS & Leem framework agreement (2021 – 2026)



### Context & objectives

- Framework agreement signed on **March 5, 2021**, by the **CEPS** and the **Leem**, in the presence of the Minister of Health and the Delegate to the Minister of Economy in charge of Industry
- This agreement, which replaces the previous one (signed in 2016), was initially concluded for a **3-year period** (until March 5, 2024)
- Since then, it has been **extended** by one year twice (until **March 5, 2026**)
- **3 main objectives** pursued:
  - Improve **patient access to innovation**
  - Encourage **productive investments** in France
  - Simplify **market access** processes

#### Patient access to innovation

##### Innovative drugs

- Guidance on the duration of effect of comparators, the inclusion on uncertainty, the setting of rebates and the splitting of payments

##### Orphan drugs

- Possibility of renegotiating the terms of conventional rebates if the target population evolves
- Commitment to come to a contractual amendment within 6 months with an adjusted budget package
- Fluidification of price negotiation

##### Drugs that meet public health needs

- Possibility for ASMR IV drugs meeting a non- even partially-covered medical need to access to an EU price<sup>1</sup>

#### Productive investments in France

##### Support for investment and export

- Creation of a specific chapter intended to support for investment and export
- Authorization for investing pharma companies to proactively meet with the CEPS President to be informed of conventional terms

##### Pricing counterparties

- Possibility of granting an EU price<sup>1</sup> to ASMR I to III drugs whose manufacturing activities<sup>2</sup> are mainly carried out in France
- List price stability guaranteed over 2 years (renewable once) for products manufactured in Europe (notably in France) for which more than 60% of volumes are exported

#### Market access processes

##### Fast-track

- Access guaranteed within a maximum period of 15 days<sup>3</sup> for:
  - ASMR I to III with dominant efficiency
  - ASMR IV with dominant efficiency & allowing savings
  - ASMR V with prices lower than comparators

##### Price stability and predictability

- 5-year stability of the EU price<sup>1</sup> for ASMR I to III drugs, covering both list and net prices

##### Transparency

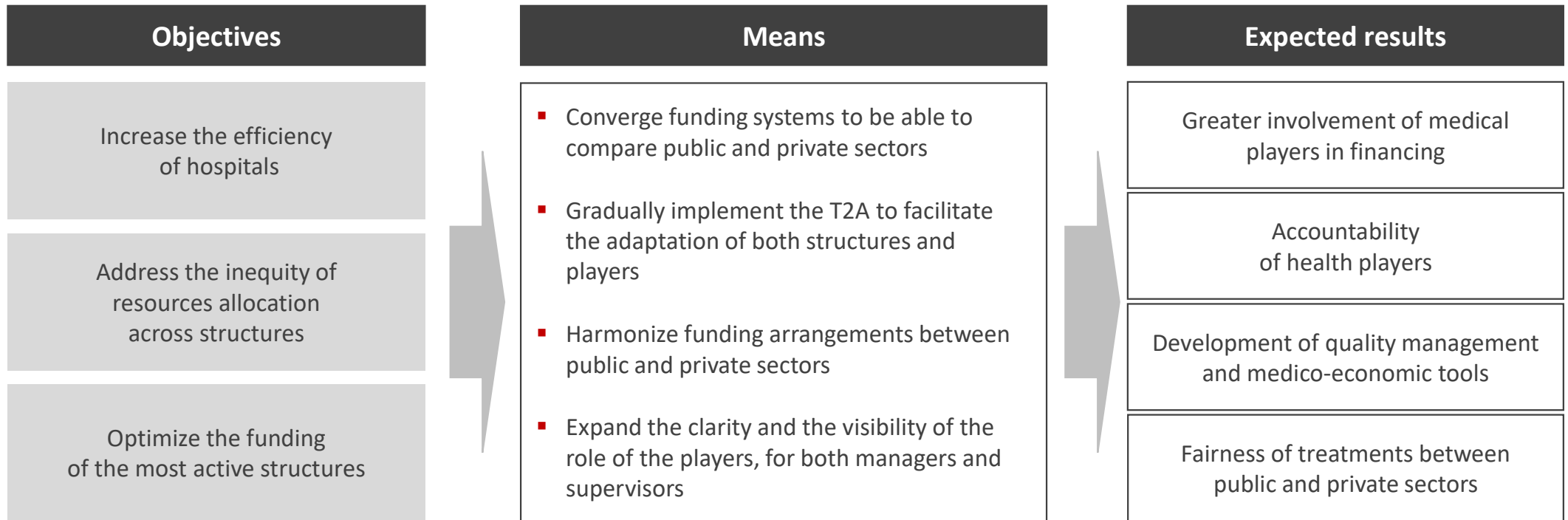
- Statement by pharma companies of the amount of both R&D investment made, and public incentives received

Sources: Framework agreement signed between CEPS and Leem (March 5, 2021), and updates (as of March 2025) – Smart Pharma Consulting analyses

<sup>1</sup> In this case, the French price cannot be lower than the lowest price in the rest of EU4+UK – <sup>2</sup> Manufacturing of active components, finished goods and/or packaging – <sup>3</sup> From the date of receipt of the economic interest note by the CEPS

Since the introduction of the T2A reform in 2004, the allocation of resources of public and private hospitals is based on the nature and on the volume of the activities carried out by each hospital

**Hospital funding system: Activity-based funding (T2A) principles**



**Major drawback**

- The T2A has led to an inflationary effect; hospitals being prompted to increase their level of activities and notably of the most profitable medical procedures, for maintaining adequate funding

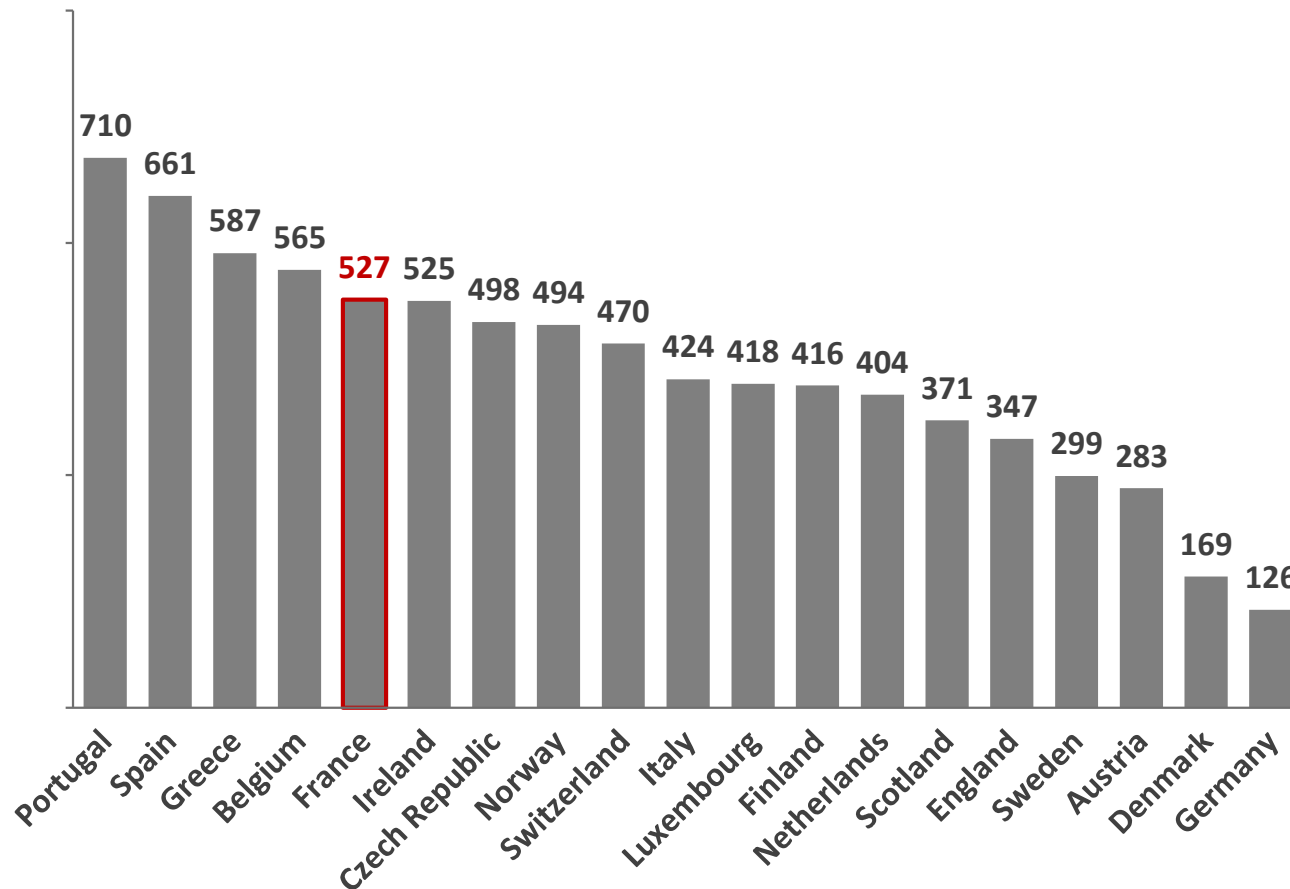
Sources: French Ministry of Health website (January 2023) – Senate committee of inquiry (2021) – Smart Pharma Consulting analyses

## In France, pharma companies and patients must wait ~17 months after marketing authorization to get a new drug reimbursed and launched<sup>1</sup>

### Average time to market access – European comparisons

Time (days)

Average time in the EU countries (2022<sup>1</sup>): **531 days**



- Time to availability is the number of days between marketing authorization and availability to patients
- In Europe, the delay between marketing authorization of a drug and its availability on the market may vary widely, due to the time required to obtain its inclusion on the reimbursement list and a price agreement
- In countries such as Spain, France or Italy, this delay exceeds the 180 days recommended by the European Commission
- An important delay may be harmful both for patients who do not have full access to innovative therapies and for companies which face a loss of revenues
- Germany has smaller delays since the price and reimbursement negotiations occur once the product has reached the market

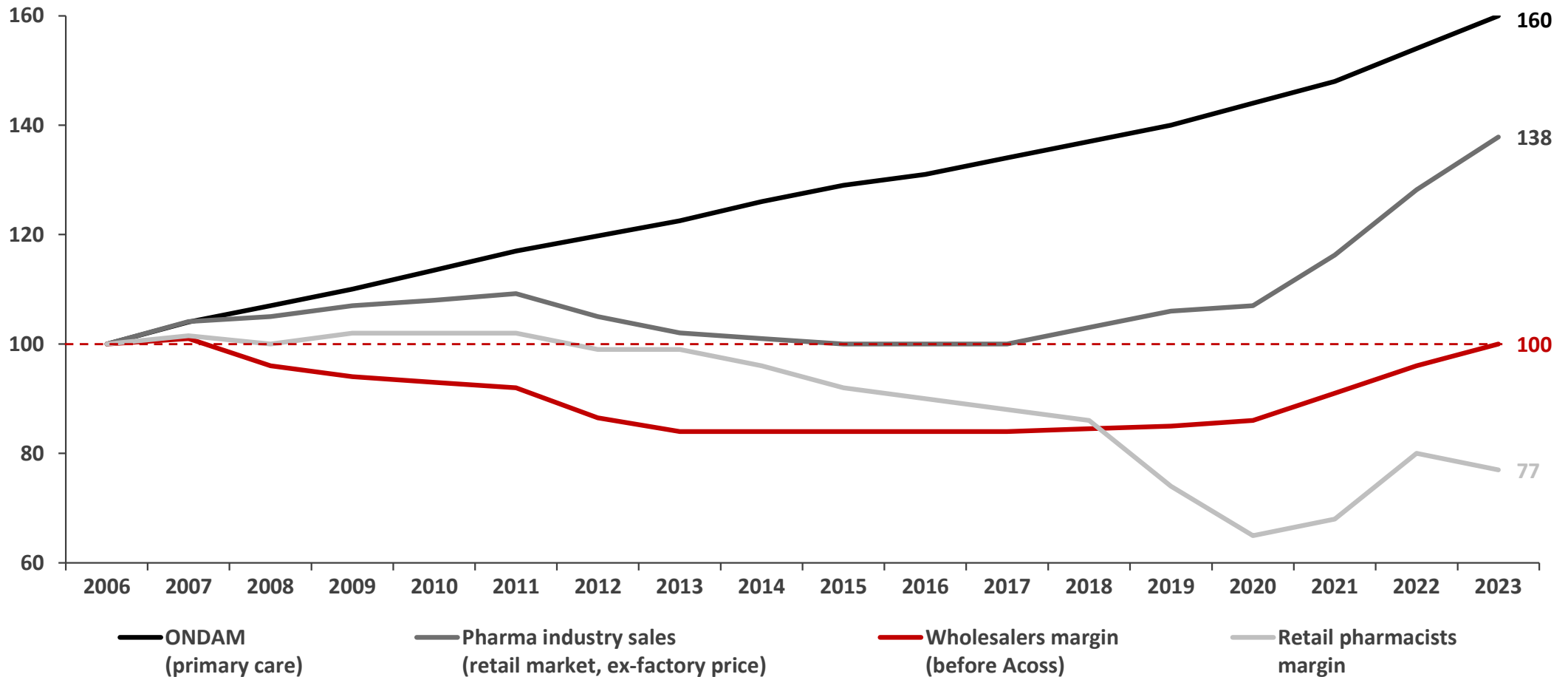
Sources: EFPI Patient WAIT Indicator Survey, IQVIA (June 2024) – Smart Pharma Consulting analyses

<sup>1</sup> Based on 167 medicines approved between 2019 and 2022

Wholesalers' margin reached similar level in 2023 as 17 years before in 2006, while the ONDAM increased by +60% for its primary care setting

Wholesalers margin evolution (2006 – 2023)

Evolution of indicators on a 100 basis (2006)



Sources: CSRP website (February 2025) – Smart Pharma Consulting analyses

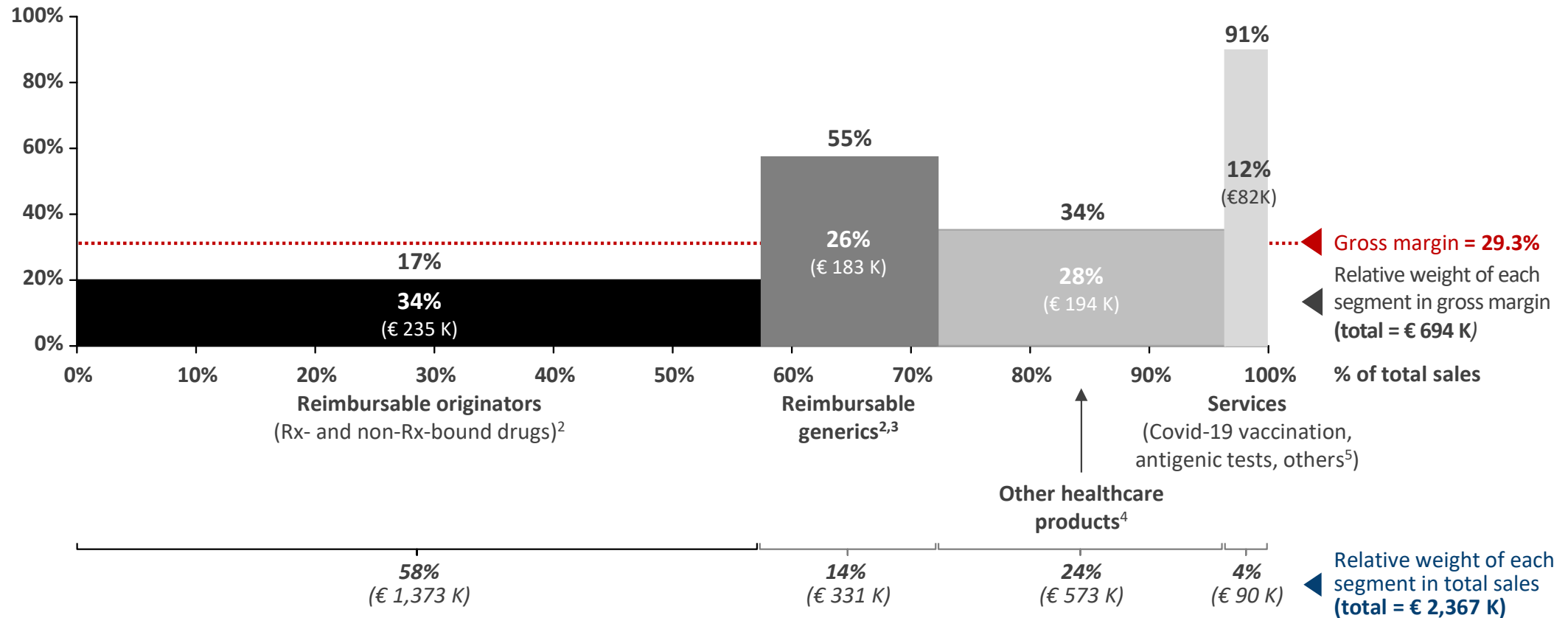


The preferred generics supplier, contributing to ~23%<sup>1</sup> of retail pharmacies gross margin, is well positioned to develop cross-selling with substitutable biosimilars and/or non-Rx-bound products

**Economic structure of retail pharmacies in France (2023)\***

Average annual turnover of a retail pharmacy in 2023: € 2,367 K  
(public price excluding VAT)

Gross margin by segment



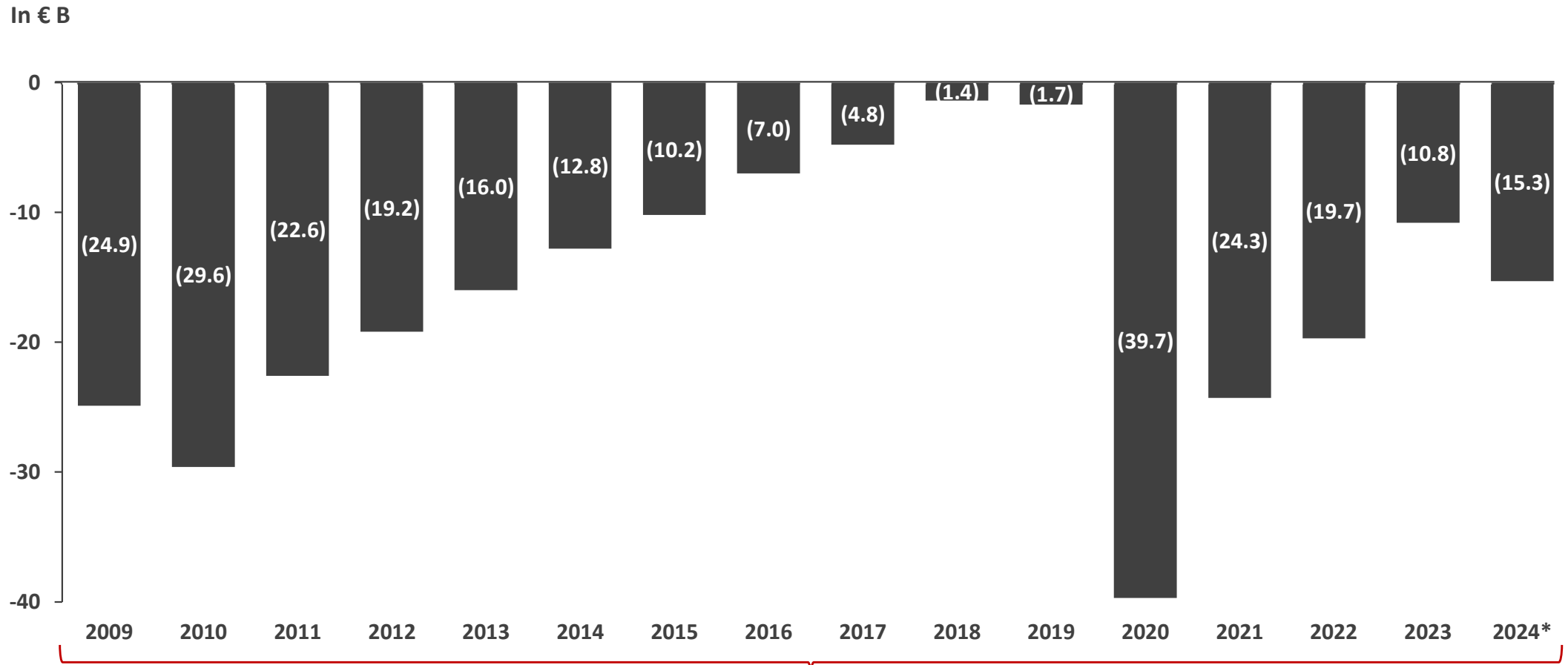
\* Data estimated based on a sample of 1,832 retail pharmacies

Sources : CGP Experts Comptables (2024) – External interviews with accounting experts (July 2023) – Smart Pharma Consulting estimates

<sup>1</sup> Estimating that it accounts for ~90% of the 26% of the generics' contribution to gross margin – <sup>2</sup> Including dispensing fee – <sup>3</sup> Including commercial cooperation with generic companies. The preferred generics supplier ensures ~90% of total segment, making him the 1<sup>st</sup> contributor to the retail pharmacies' profits – <sup>4</sup> Including OTC and "lifestyle" Rx products, medical devices, food supplements, para-pharmacy products, etc. – <sup>5</sup> Remuneration for services corresponding to public health objectives (ROSP), new missions, etc.

**The National Health Insurance Fund cumulated a € 260 B deficit since 2009, of which ~€ 40 B in 2020 resulting from the Covid-19 crisis**

**National Health Insurance Fund deficit – General regime<sup>1</sup> evolution (2009 – 2024)**

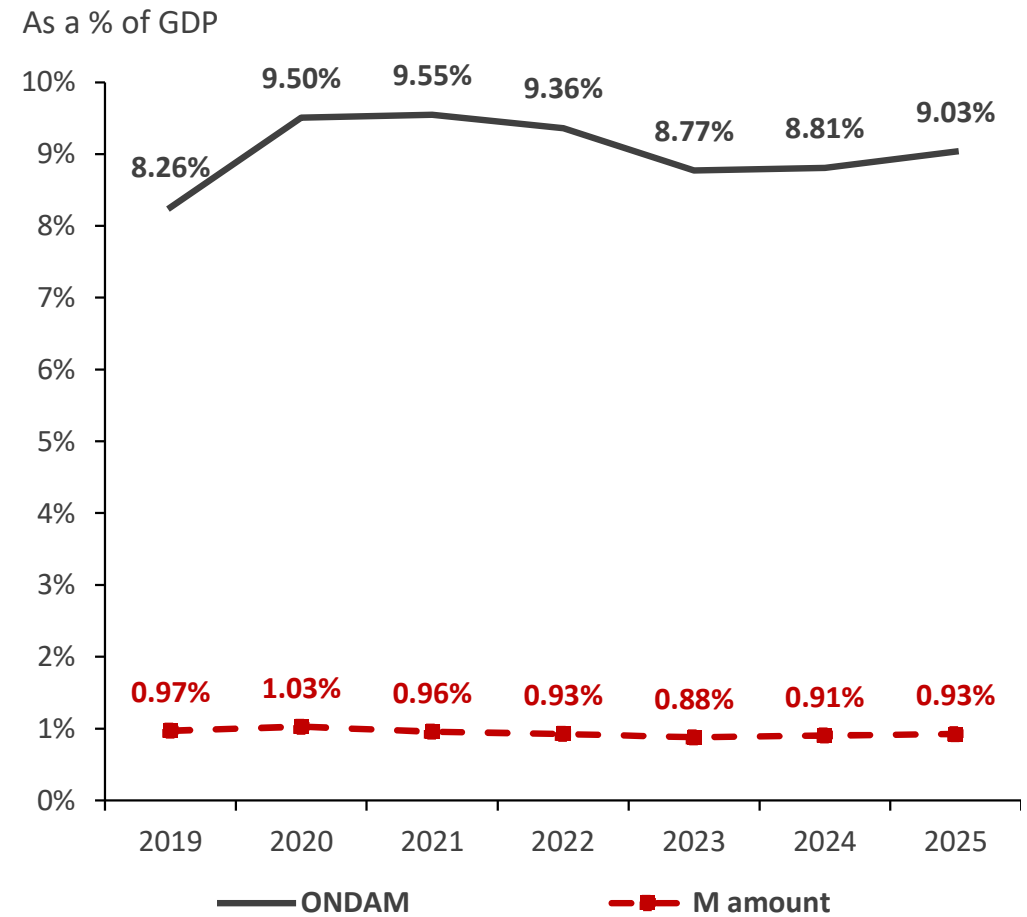
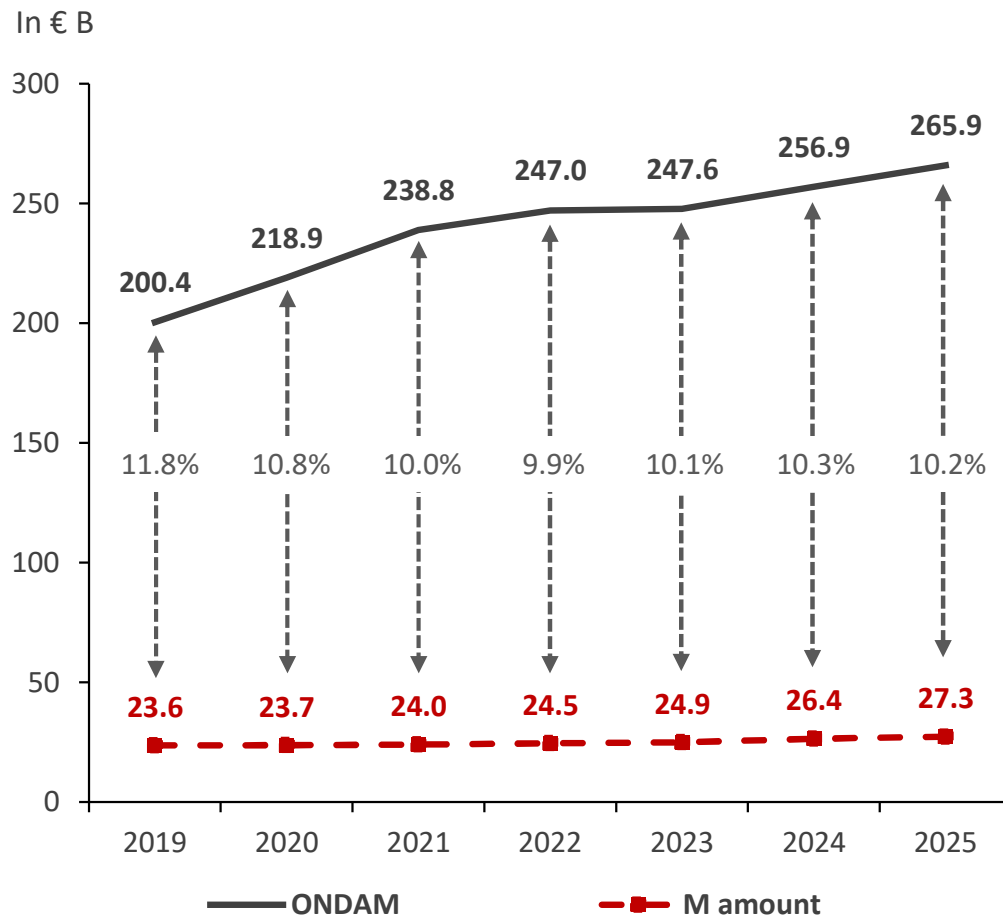


**Total 2009 – 2024: € 260 B deficit**

*\* Based on the accounts published by the National Insurance Fund on March 2025 (currently being audited)*

For 2025, the ONDAM<sup>1</sup> has been set at € 267 B (i.e., ~9.0% of the GDP),  
and the M amount<sup>2</sup> at ~€ 27.3 B (~10.2% of the ONDAM)

**2 M Amount – Evolution (2019 – 2025)**



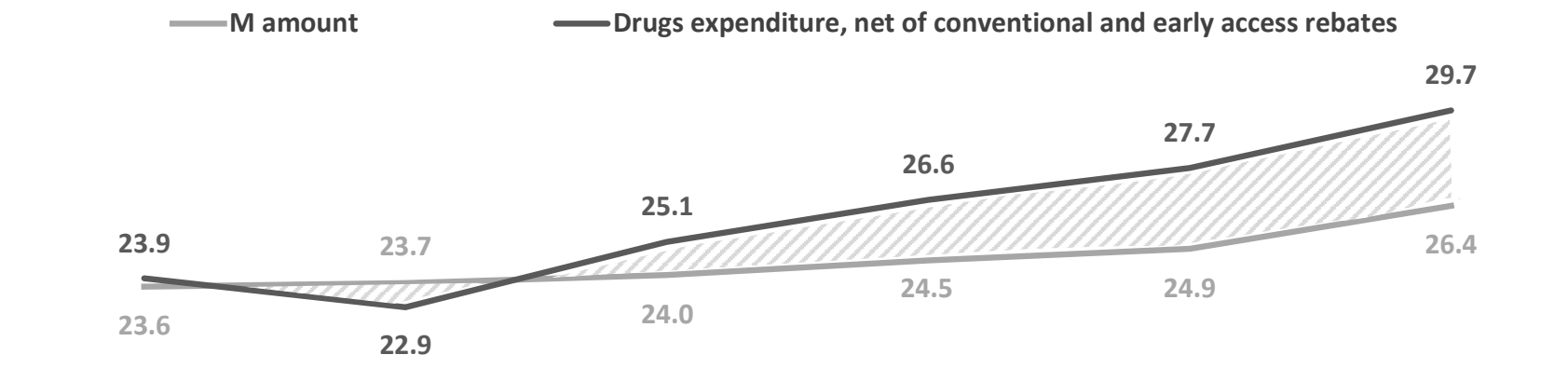
Sources: LFSS 2019 to 2025 – Smart Pharma Consulting analyses

<sup>1</sup> National objective for National Health Insurance Fund expenditure –  
<sup>2</sup> Trigger threshold of the clawback

## Drugs expenditure, net of conventional and early access rebates, systematically exceeded the “M amount” between 2019 and 2024 (except in 2020)

### 4 Clawback – Savings for the National Health Insurance Fund (2019 – 2024)

In € B



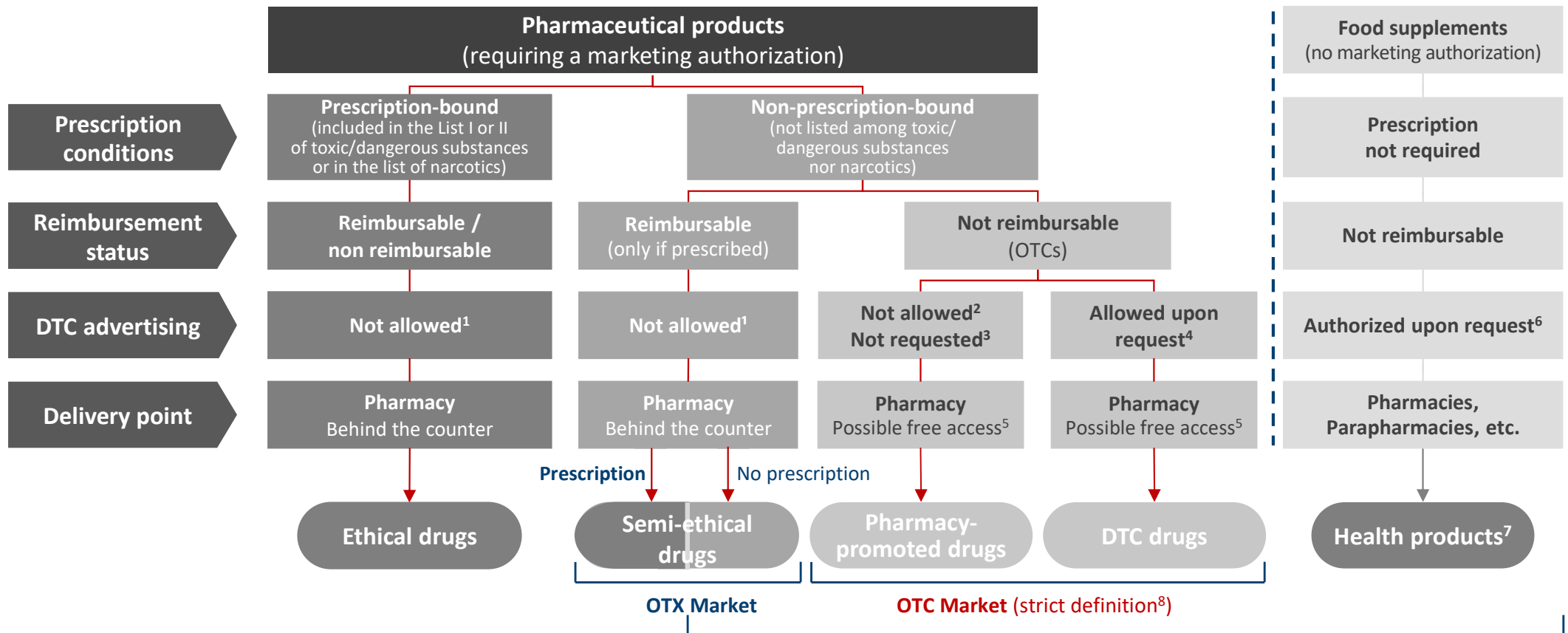
	2019	2020	2021	2022	2023	2024*
<b>Overrun amount</b>	<b>€ 0.3 B</b>	<b>N/A</b>	<b>€ 1.2 B</b>	<b>€ 2.1 B</b>	<b>€ 2.8 B</b>	<b>€ 3.3 B</b>
<i>Overrun &lt; 0.5 pt (50% clawback)</i>	€ 0.1 B	-	€ 0.1 B	€ 0.1 B	€ 0.1 B	€ 0.1 B
<i>From 0.5 to 1 pt (60% clawback)</i>	€ 0.1 B	-	€ 0.1 B	€ 0.1 B	€ 0.1 B	€ 0.1 B
<i>Overrun &gt; 1 pt (70% clawback)</i>	< € 0.1 B	-	€ 0.6 B	€ 1.2 B	€ 1.7 B	€ 2.1 B
<b>Clawback before rebates</b>	<b>€ 0.2 B</b>	-	<b>€ 0.8 B</b>	<b>€ 1.4 B</b>	<b>€ 1.9 B</b>	<b>€ 2.3 B</b>
<i>Tax-exempt rebates (deductions)</i>	-20.0%	-	-13.0%	-15.1%	-15.0%	-15.0%
<b>Clawback after rebates</b>	<b>€ 0.1 B</b>	-	<b>€ 0.7 B</b>	<b>€ 1.2 B</b>	<b>€ 1.6 B</b>	<b>€ 1.9 B</b>

\* Estimates (based on GERS data and interviews)

Sources: Economic report of the Leem (Mar. 2025) – CEPS annual reports (2019 to 2024) – LFSS (2019 to 2024) – Smart Pharma Consulting analyses and estimates

Pharmaceutical products can be split into prescription-bound and non-prescription-bound drugs, knowing that some of the prescribed drugs are not reimbursed

### Classification of pharmaceutical products in France



Note: OTC = Over-the-counter, OTX = combination of prescription (RX) and over-the-counter (OTC), DTC = Direct to consumer

Sources: ANSM – DGCCRF – Smart Pharma Consulting analyses

<sup>1</sup> Rare exceptions (e.g., vaccines) – <sup>2</sup> Psychotropic or narcotic drugs – <sup>3</sup> When the pharma company does not wish to communicate to the general public – <sup>4</sup> Whatever the claims – <sup>5</sup> Possibility of “free access” within the retail pharmacy for certain OTC products – <sup>6</sup> Only for claims relating to healing, alleviating or preventing diseases – <sup>7</sup> Other than drugs and pharmaceutical products – <sup>8</sup> Defined as the non-listed, non-reimbursed and non-prescribed drugs bought by consumers at retail pharmacies

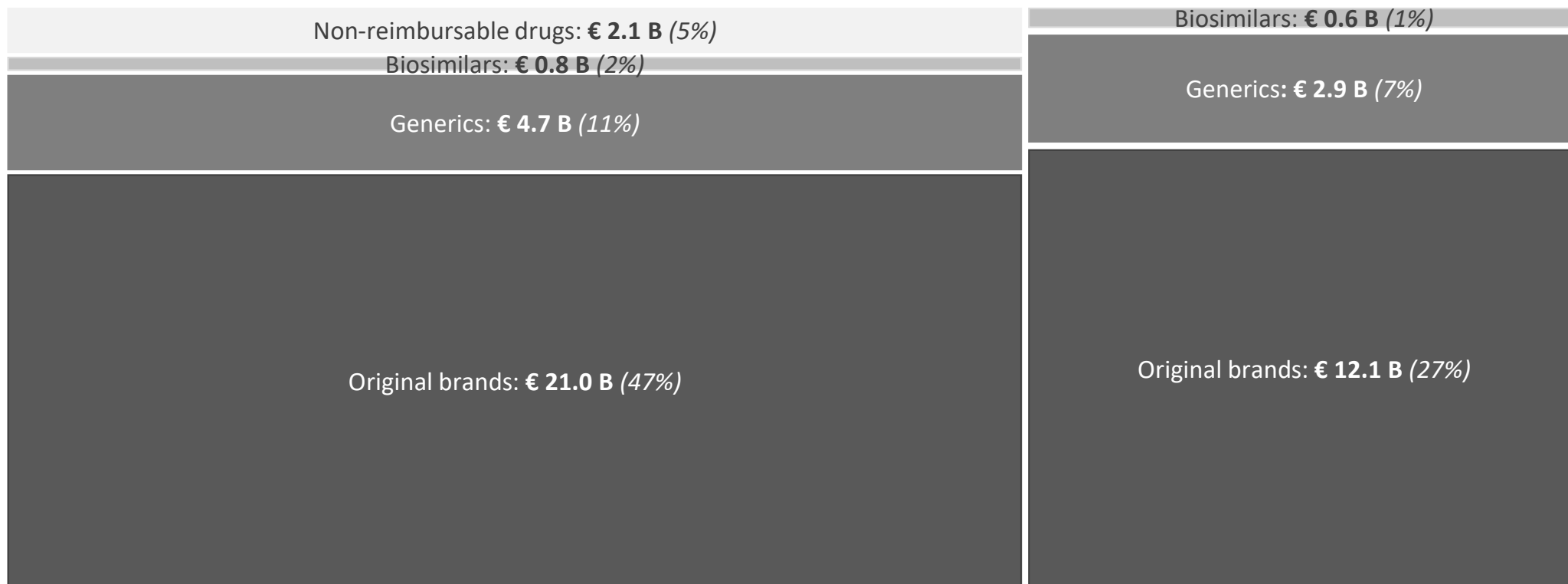
The retail market accounts for 65% of the total pharma market and is mainly driven by original brands (74% of the total market) and generics (18%)

**Structure of the French drug market (2024)**

Total pharmaceutical market<sup>1</sup> ~€ 44.2 B

Retail: € 28.6 B (65%)

Hospital: € 15.6 B (35%)



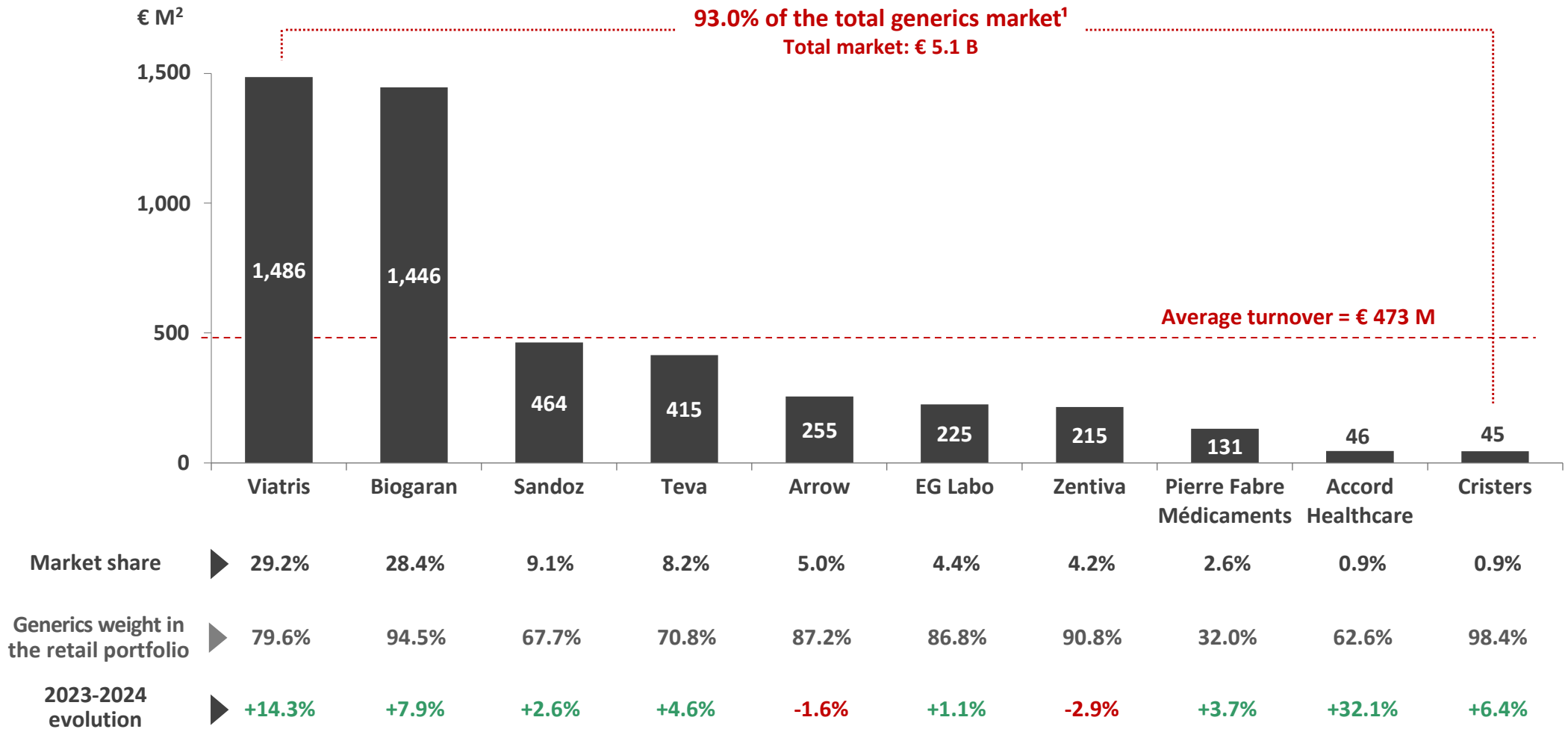
Sources: GERS – Smart Pharma Consulting analyses

<sup>1</sup> Ex factory-price, before rebates and taxes



In 2024, Viatris and Biogaran generated more than € 2.9 B sales and represented together ~58% of the French retail generic market in value

Retail generics market: Top 10 companies – In value (2024)



Sources: GERS – Smart Pharma Consulting analyses

<sup>1</sup> Reimbursable and non-reimbursable, listed in the ANSM generics Directory, including quasi generics –  
<sup>2</sup> Ex-factory price, before taxes and rebates



15 of the biosimilars players have a weak competitive position at retail pharmacies while Sandoz, EG Labo, Teva and Biogaran have a well-balanced position

Mapping of pharma companies marketing retail biosimilars

Number of proposed biosimilars <sup>1</sup>	8		Sandoz	
	7			
	6			
	5		EG Labo	
	4	Biogen    Accord    Pfizer	Teva	Biogaran
	3	Fresenius Kabi    Biocon		
	2	Amgen    Celltrion    Theramex	Arrow	Viatrix
	1	Sanofi    Lilly    Rovi    Gedeon Richter Mundipharma    Samsung    Orion	Zentiva	
		Weak	Medium	Strong

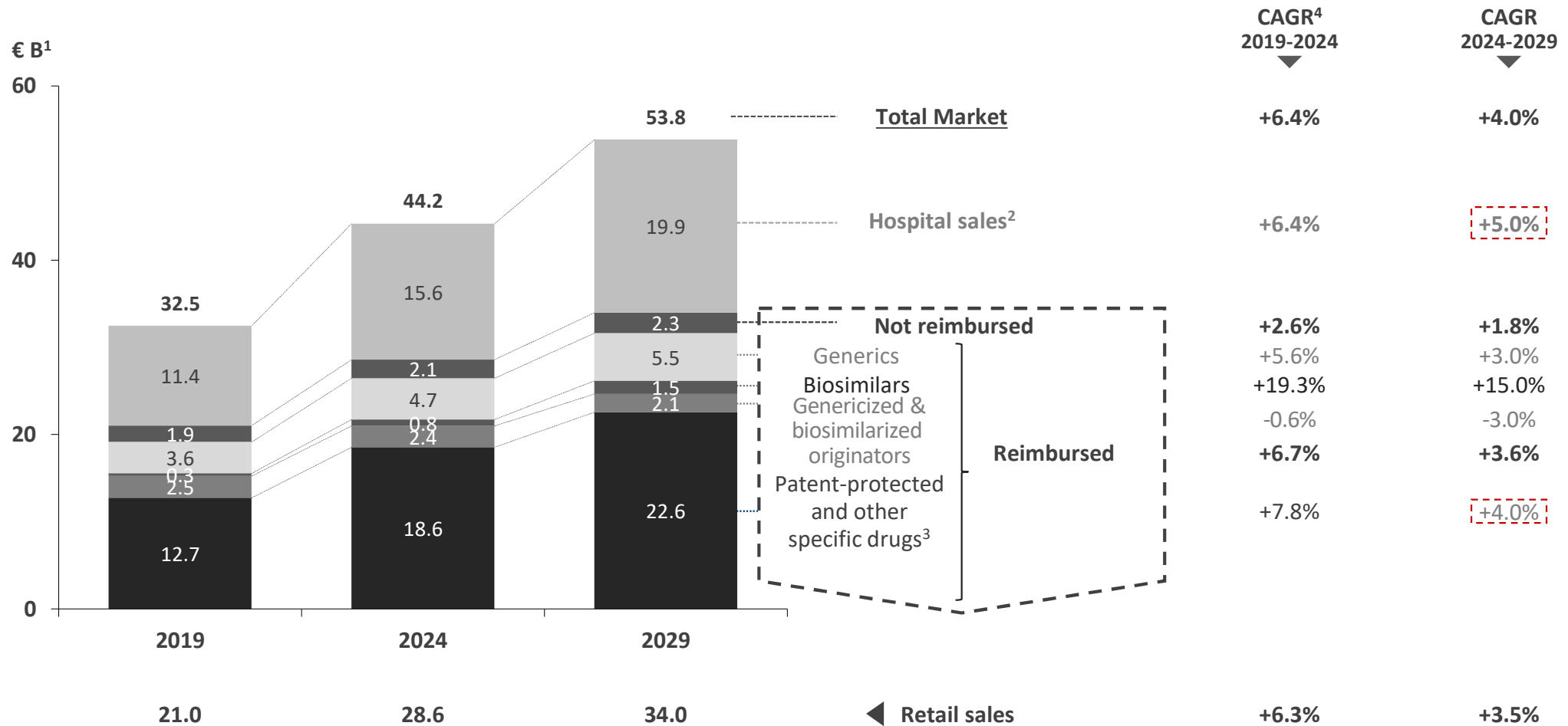
Competitive position at retail pharmacy level

R&D-based companies – Generics and/or biosimilars companies – Mature brand companies

**By 2029, the French pharmaceutical market should be mainly driven by patent-protected drugs delivered in retail pharmacies and hospital drugs**

**Drugs sales forecast by segment (2019 – 2024 – 2029)**

**Gross price**

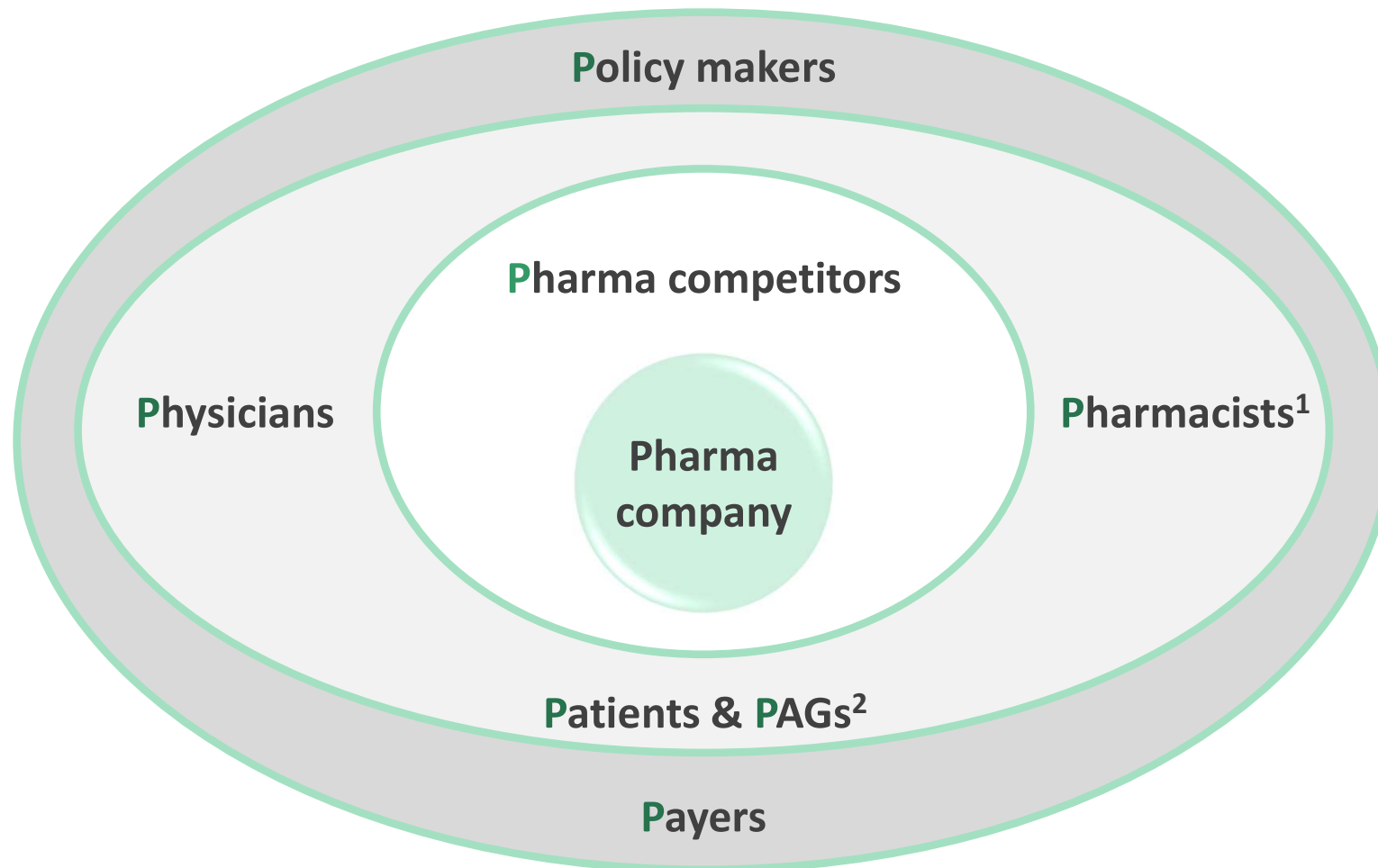


Sources: GERS dashboards – Smart Pharma Consulting estimates

<sup>1</sup> Constant ex-factory prices, before rebates and taxes – <sup>2</sup> Including hospital sales of biosimilars, products invoiced on top of “T2A” and retroceded medicines  
<sup>3</sup> Sales of drugs not competing with generics or biosimilars and of other specific products (calcium, sodium, potassium, paracetamol, etc.) – <sup>4</sup> Compound annual growth rate

Pharmaceutical companies' strategic priorities by 2027  
will be linked with the behavior of the “7 Ps” stakeholders

The 7 Ps



Sources: Smart Pharma Consulting analyses

<sup>1</sup> Pharmacists also play the role of purchasers, and their importance will keep on increasing in the upcoming years, either on the retail or the hospital segments – <sup>2</sup> Patient Advocacy Groups

## Policy makers & payers might introduce new containment measures to secure the sustainability of the healthcare system over time

### Stakeholder behavioral trends: Policy makers & Payers (1/3)

#### 2024 – 2029 Trends

##### *Stricter control of reimbursed drugs expenditure*

##### *Measures to boost generics, hybrids & biosimilars*

- Strong willingness to better control the National Health Insurance Fund deficit, over the long-term:
  - 2024 deficit estimated at € 18.1 B (vs. € 10.7 B in 2023)
  - 2025 ONDAM set at € 265.9 B (+3.5% vs. 2024)
  - 2025 safeguard clause triggered for a:
    - M amount of € 27.25 B (+3.2% vs. 2024)
    - Z<sup>1</sup> amount of € 2.26 B (-2.2% vs. 2024)
- More “aggressive” price regulation of marketed drugs
- Possible amendment of the T2A system
- Better cost management of on-top of T2A products



#### General implications

- Tighter reimbursement restrictions:
  - Number of indications
  - Volume per indication
  - Number of targeted patients
- Drug cost containment measures:
  - Managed care agreements for certain innovative drugs
  - Stronger pressure on established brands:
    - Accelerated price cuts over time for reimbursed drugs
    - New measures to boost generics, hybrids and biosimilars (e.g., incentives for hospital and office-based physicians to prescribe more biosimilars, and for retail pharmacists to substitute them)
    - Will to reduce / collect high-level rebates received by retail pharmacists from generics companies
  - Faster decrease of the ceiling price set by the CEPS for on-top of T2A hospital drugs

**Pharma companies must position their products, services and themselves to be perceived by policy makers and payers as offering superior value than competition to the healthcare system**

**Strategic priorities induced by Policy makers & Payers behavioral trends**

**Behavioral trends**

- 1 Stricter control of reimbursed drugs expenditure
- 2 Measures to boost generics, hybrids & biosimilars
- 3 Earlier and broader access to innovation
- 4 Healthcare system reorganization
- 5 Promotion of investments in France

**Strategic priorities for pharma companies**

- Enhance the global value proposition (incl. corporate identity, products and service offering) through:
  - Dedicated corporate reputation programs targeted at policy makers and government
  - Generation of data vs. standards of care, real world data and ...
  - ... high quality medico-economic studies (whenever relevant)
- Leverage the opportunity offered by fast-track process and public health national plans (e.g., cancer, rare diseases, etc.)
- Participate to working groups with health authorities and other stakeholders to:
  - Facilitate the change management
  - Ensure it will benefit or be neutral on pharma company performance
- Increase or maintain R&D activities to be in a more favorable position to negotiate drugs' price, and weigh – very carefully – the pros and cons before deciding to produce in France

Sources: Smart Pharma Consulting analyses

Consulting firm dedicated to the pharmaceutical sector operating  
in the complementary domains of strategy, management and organization

## The Smart Pharma Business Reports

- Our business reports have in common to:
  - Be well-documented with recent facts and figures
  - Highlight the key points to better understand situations
  - Propose in-depth analyses
  - Determine the business implications for stakeholders

## The French Pharma Market Perspectives 2024 – 2029

- This report has been conceived as a working tool to:
  - Strengthen and align the level of knowledge and understanding of the French pharma market and its key trends by the executives of French affiliates
  - Facilitate the communication, with correspondents of affiliates at the European and/or Global headquarters, regarding the specificities and major trends in France
  - Support the strategic decisions over the next 5 years
- The purchase of this report includes:
  - A two-hour working session to address one or more specific points covered in this report
  - A free update of the report until September 30, 2025
  - A free access for all collaborators of the pharma group

## Smart Pharma Consulting Editions



- Besides our consulting activities which take 85% of our time, we are engaged in sharing our knowledge and thoughts through our:
    - Teaching and training activities
    - Publication of articles, booklets, books and business reports
  - Since 2012, we have published **20 business reports** covering the following topics:
    - French healthcare system and pharma market (2023, 2021, 2019, 2017, 2015, 2014, 2013, 2012)
    - Market access and drug valuation (2016)
    - French generics market (2017, 2016, 2014, 2012)
    - Global biosimilars drugs market (2015, 2012)
    - Best pharma performers (2015)
    - French pharma distribution (2015, 2012)
    - Digital marketing (2012)
    - French OTC market (2012)
  - We expect that this new publication will be helpful
- Best regards,  
Jean-Michel Peny