Smart Pharma CONSULTING

The French Pharma Market

Situation Analysis and 2025 – 2030 Perspectives

Position Paper

APRIL 2026

38, avenue Félix Faure – 75015 Paris – France – Tel. +33 6 11 96 33 78
Email: jmpeny@smart-pharma.com – Website: www.smart-pharma.com

Several levers can be activated to strengthen France's attractiveness in an international context where more and more countries seek to boost R&D investment and relocate drugs manufacturing

Levers to strengthen France's attractiveness for pharma companies

Topics	Attractiveness	Rationale	Recommendations
Pharma market attractiveness		▪ 2nd **pharma market** in Europe but with one of the **lowest profitability**	▪ Improve **market attractiveness** (earlier access, pricing, pay-for-performance contracts, rethinking of the tax framework)
R&D capabilities		▪ 3rd Euro-5 country in terms of R&D investment	▪ Maintain / strengthen **R&D fiscal incentives** ▪ Stimulate **public-private collaborations** ▪ Foster **digital innovations** (e.g., AI)
Manufacturing capacities		▪ 4th Euro-5 country in terms of pharma production (after Italy, Germany and the UK)	▪ Take **ambitious measures to boost manufacturing** ▪ Facilitate investment in **biotherapy infrastructures**
Public incentives		▪ One of the **most attractive** Euro-5 countries in terms of R&D incentives	▪ **Promote existing incentives** to strengthen France's attractiveness ▪ Beyond incentives, create a **competitive fiscal landscape** (more predictable and lower taxes)

Evaluation: High Medium Low

Sources: Global Medicine Use Trends, IQVIA Institute (Feb. 2026) – The pharmaceutical industry in figures, EFPIA (Sep. 2025) – Leem economic report (Mar. 2025) – Smart Pharma Consulting analyses

Despite its strengths, the French pharma market lacks attractiveness for pharma executives, due to heavy taxes and regulations

France's attractiveness – The PwC for the Leem Barometer (2025)

Though pharma is creating value in France…

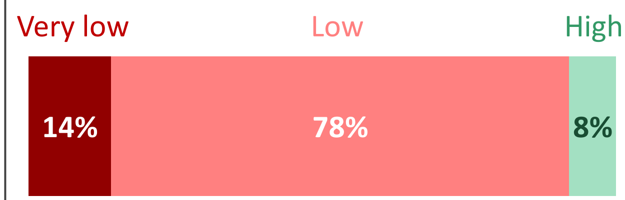
- **€ 1 invested** by pharma companies **generates € 2.07** for the French economy, through:
  - **Direct** contribution (e.g., wages of the 108 K employees in France)
  - **Indirect** contribution (i.e., industrial sourcing to local subcontractors)
  - **Induced** contribution (i.e., value generated by employees' purchases)
- **€ 5.9 B invested in R&D** in 2024, including:
  - **65-70%** for **clinical** research
  - **20-25%** for **internal** research
- **€ 2.8 B** in **production** in 2024

… it is not sufficiently supported…

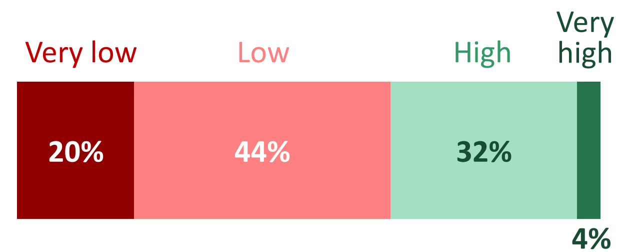
- **Average time to availability** of 523 days, **higher** than Italy (391 days), the UK (310 days) or Germany (50 days)
- **Drug prices lower** than the European average:
  - **-11%** for **non-genericized** drugs
  - **-16%** for **genericized** drugs
- **60 % availability rate** for **innovative drugs, lower** than Germany (89%) or Italy (83%)
- **Heavy taxes** amounting to **60%** of pharma companies' operating profits, higher than Spain (29%) or Italy (35%)…
- … including the **clawback clause** around € 1.6 B - € 1.7 B per year (i.e., ~6% of pharma companies revenues)

… fragilizing France' pharma industry attractiveness

Perceived attractiveness[1]



Willingness to invest[1]



Sources: PwC study for LEEM (Jun. 2025) – Smart Pharma Consulting analyses

[1] According to pharma companies executives

The "Innovation Santé 2030" plan provides for a set of legislative and regulatory measures to make France one of the leading European healthcare industry, based on 3 main topics

"Innovation Santé 2030" – Governmental measures

7 measures for health innovation

1. Strengthen the **biomedical research** capacity
2. Support the **3 sectors** of the future of the healthcare industry:
   - **Biotherapy** and **bioproduction**
   - **Digital health**
   - **Infectious** and **emerging diseases**
3. Make France the **leading country in Europe** for **clinical trials**
4. Enable **equal access to care for patients** and provide an **accelerated and simplified market access framework** for innovations
5. Provide a **predictable economic framework** consistent with the objective of health and industrial sovereignty
6. Support **the industrialization of healthcare products in France** and the growth of companies in the sector
7. Create a structure to drive and strategically manage innovation in health: the **Health Innovation Agency**

3 theme-based acceleration strategies

1 Biotherapy and Bioproduction

- The objective of the strategy is to **restore France's position as European leader** in pharmaceutical biomanufacturing through an aggressive industrial and research & innovation policy in healthcare

2 Digital health

- This acceleration strategy, in line with the **PariSanté Campus** project announced by the President of the Republic, supports the development of digital tools (e.g., AI[1], IoT[2]) aimed at meeting three main challenges:
  - Healthcare system efficiency
  - Economic growth
  - French health sovereignty

3 Infectious and Emerging Diseases

- To prepare France to **face the risks likely to provoke a new major health crisis and to limit its impacts** or even prevent it, the Government launched a national acceleration strategy "Emerging Infectious Diseases and Nuclear, Radiological, Biological and Chemical Threats"

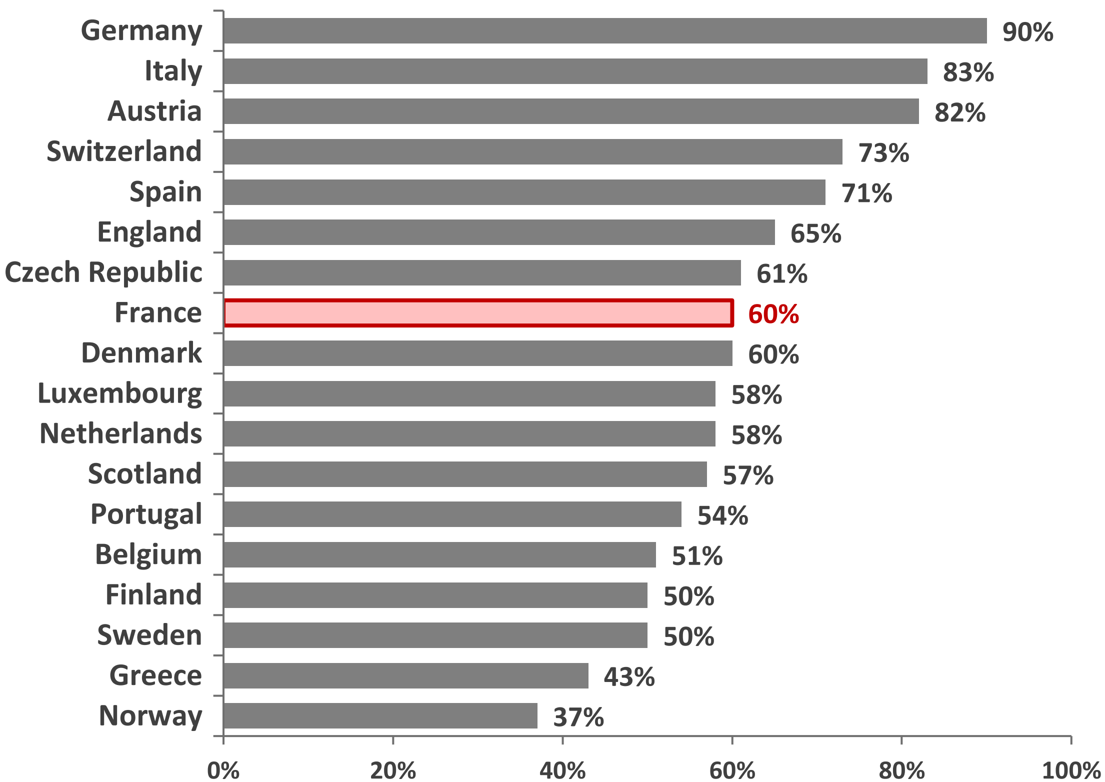
Sources: Innovation Santé 2030, CSIS (Jul. 2021) – Smart Pharma Consulting analyses

[1] Artificial Intelligence – [2] Internet of Things

40% of globally approved drugs are not launched in France, mainly due to market access obstacles (non-reimbursed, low price, etc.)

Market access to new drugs – European comparisons

Average **availability rate** (% of new medicines to patients) in the EU countries[1]: **46%**



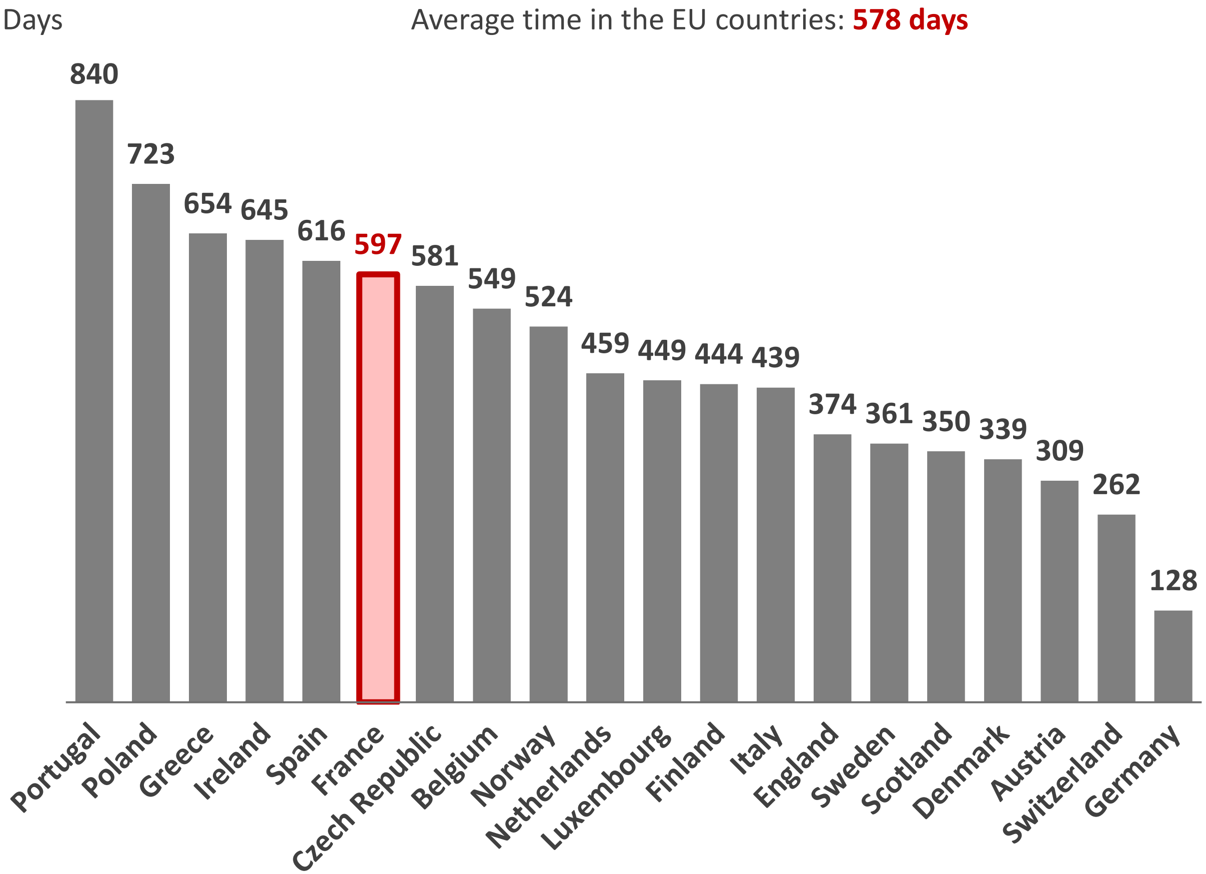
- The fact that all approved new molecular entities (NMEs) are not introduced everywhere depends on several factors:
  - **Different regulatory systems** and authorities (e.g., FDA, EMA, MHRA) impose different market access requirements and procedures
  - Even when there is a centralized approval procedure like in the European Union, the approved drug is not necessarily introduced in all countries as **local pricing and reimbursement policies** can make the launch unattractive
  - Generally, **market potential** and **attractiveness** (e.g., epidemiology, pricing and reimbursement policies) are key factors in the decision of introducing a drug in a specific country by pharma companies
  - New drugs are usually more expensive, which makes their introduction more difficult in lower income countries, where the public budget for pharmaceuticals is lower
- In the future, the availability of new drugs might be reduced in developed countries due to **stricter cost containment measures**

Sources: EFPIA Patient WAIT Indicator 2025, IQVIA (Jul. 2025) – Smart Pharma Consulting analyses

[1] *Based on representative 2020-2023 approvals*

In France, pharma companies and patients must wait ~20 months after marketing authorization to get a new drug reimbursed and launched

Average time to market access – European comparisons



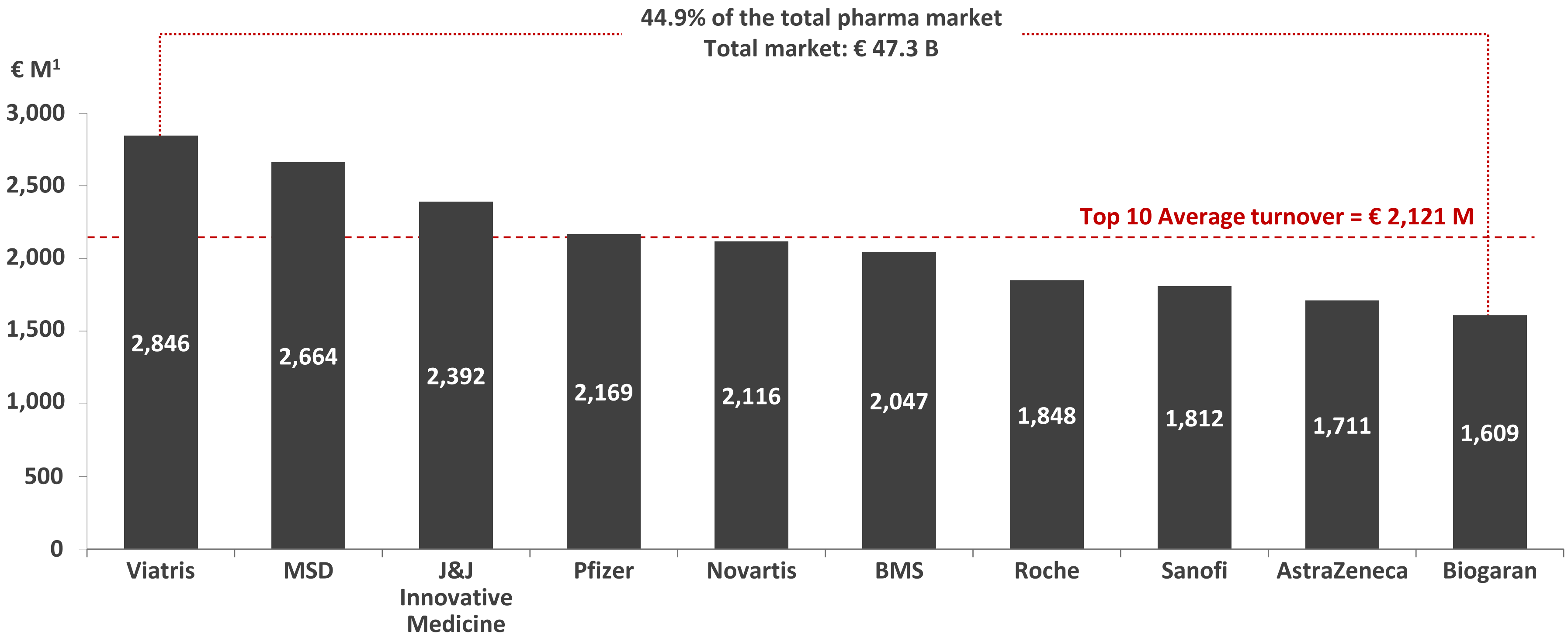
- Time to availability is the number of days between marketing authorization and availability to patients
- In Europe, the delay between marketing authorization of a drug and its availability on the market may vary widely, due to the time required to obtain its inclusion on the reimbursement list and a price agreement
- In countries such as Spain and France, this delay largely 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: EFPIA Patient WAIT Indicator 2025, IQVIA (Jul. 2025) – Smart Pharma Consulting analyses

[1] *Based on representative 2020-2023 approvals*

The top 10 pharma companies grew between +1.2% and +13.1% between 2024 and 2025, except for J&J innovative Medicine and Roche

Pharma market: Top 10 pharma companies (2025)



	Viatris	MSD	J&J Innovative Medicine	Pfizer	Novartis	BMS	Roche	Sanofi	AstraZeneca	Biogaran
Market share	6.0%	5.6%	5.1%	4.6%	4.5%	4.3%	3.9%	3.8%	3.6%	3.4%
2024-2025 evolution	+4.7%	+4.1%	-1.8%	+13.1%	+1.2%	+2.2%	-5.5%	+3.5%	+12.5%	+4.5%

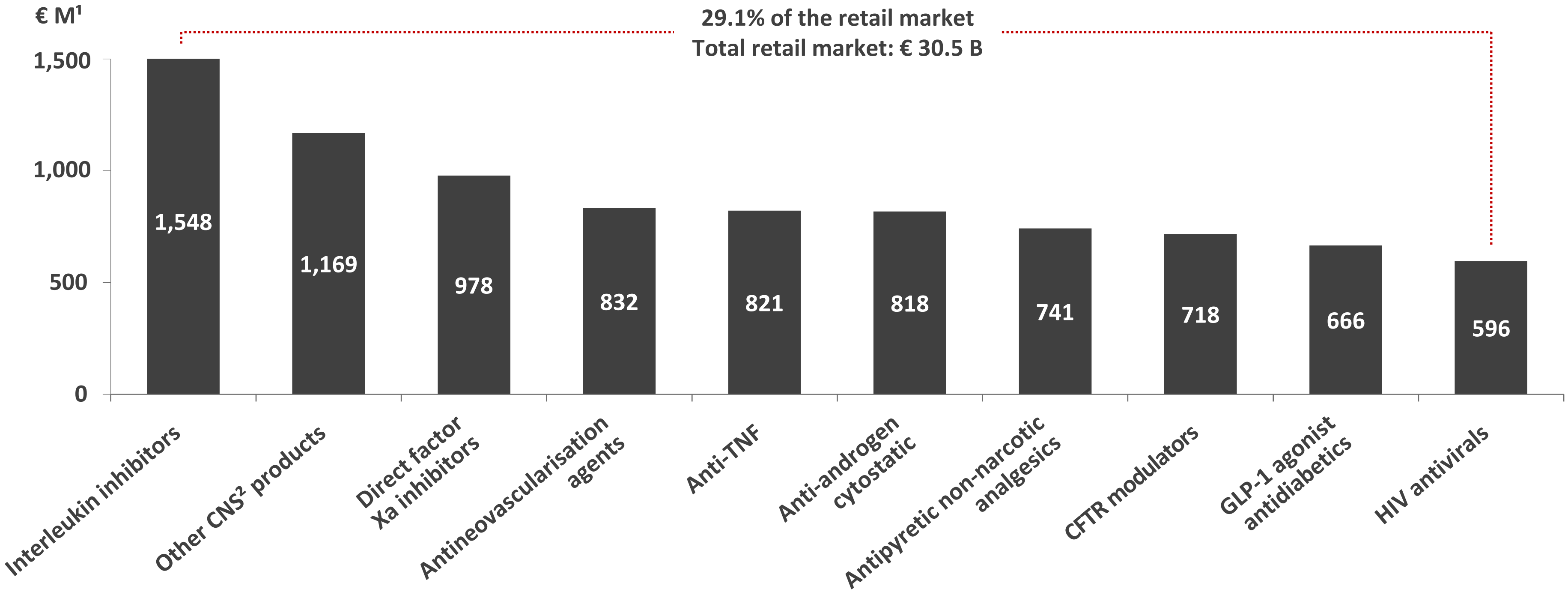
Sources: GERS – Smart Pharma Consulting analyses

[1] Ex-factory price, before rebates and taxes

In terms of therapeutic areas, interleukin inhibitors dominate the French retail market, followed by central nervous system products

Retail market: Top 10 therapeutic areas (2025)

EPhMRA level 4 therapeutic class – In value



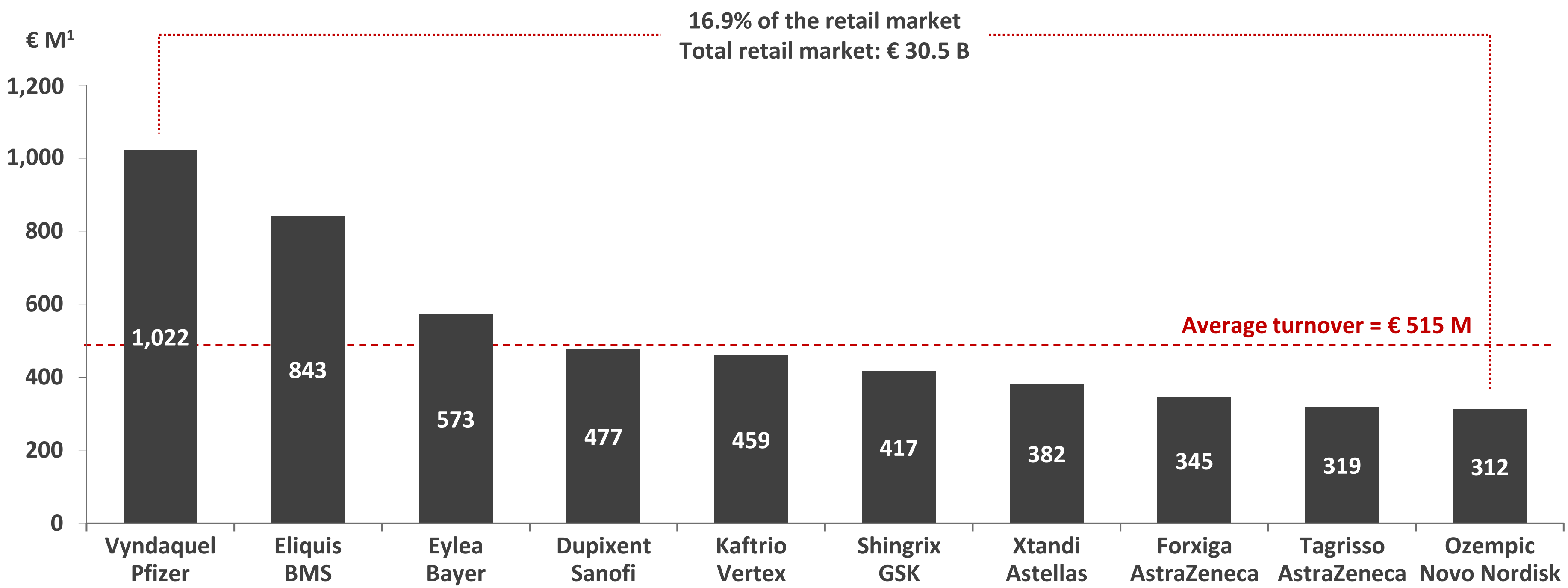
Market share	5.1%	3.8%	3.2%	2.7%	2.7%	2.7%	2.4%	2.4%	2.2%	2.0%

Sources: GERS – Smart Pharma Consulting analyses

[1] Ex-factory prices, before rebates and taxes – [2] Central Nervous System

Vyndaquel (Pfizer), Eliquis (BMS) and Eylea (Bayer) remain the top sales on the 2025 retail market, all three together accounting for ~8% of the market (€ 2.4 B)

Retail market: Top 10 products (2025)



	Vyndaquel Pfizer	Eliquis BMS	Eylea Bayer	Dupixent Sanofi	Kaftrio Vertex	Shingrix GSK	Xtandi Astellas	Forxiga AstraZeneca	Tagrisso AstraZeneca	Ozempic Novo Nordisk
Market share	3.3%	2.8%	1.9%	1.6%	1.5%	1.4%	1.3%	1.1%	1.0%	1.0%
2024 ranking	1 =	2 =	3 =	6 ↗	4 ↘	1,289 ↗	5 ↘	14 ↗	8 ↘	15 ↗
2024-2025 evolution	+26.4%	+9.7%	+26.9%	+28.5%	+3.6%	+15,125.6%	-1.2%	+28.3%	+3.9%	+25.4%

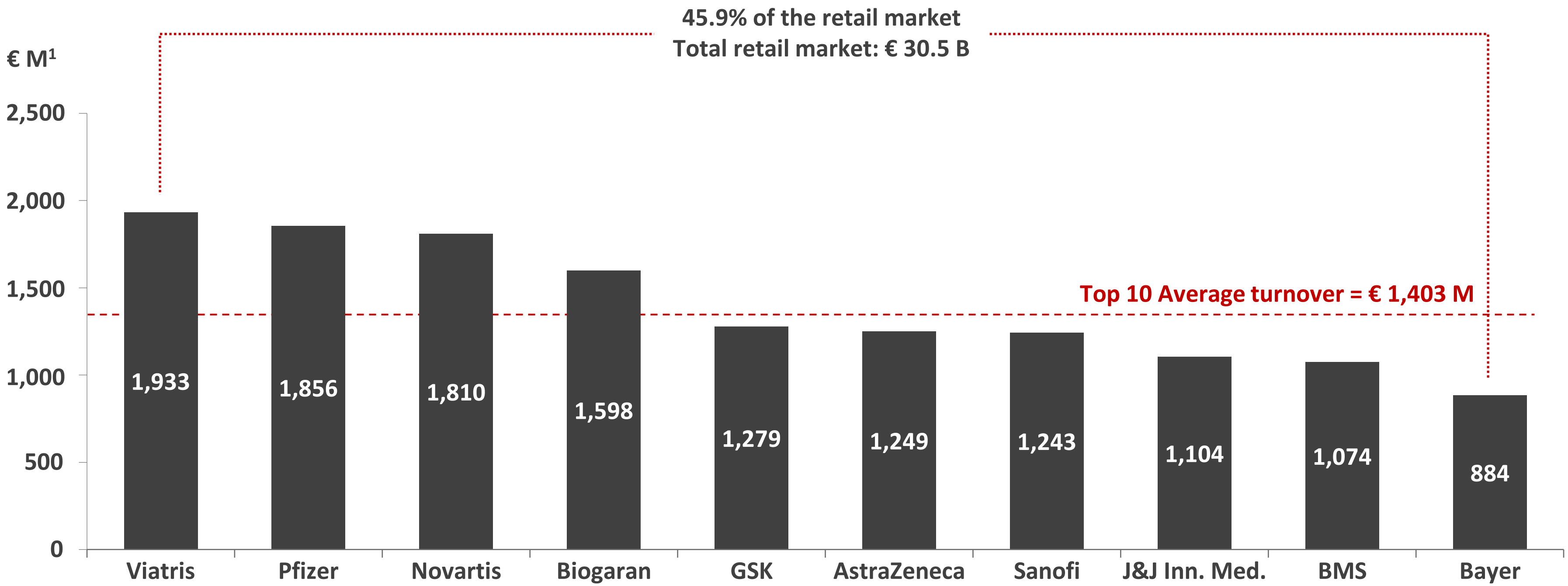
↗: Rise – ↘: Drop – = No change in 2025 vs. 2024 ranking

Sources: GERS – Smart Pharma Consulting analyses

[1] Ex-factory prices, before rebates and taxes

GlaxoSmithKline and Pfizer grew quite strongly between 2024 and 2025, reaching the 5th and 2nd ranks in terms of retail sales in 2025

Retail market: Top 10 pharma companies (2025)



	Viatris	Pfizer	Novartis	Biogaran	GSK	AstraZeneca	Sanofi	J&J Inn. Med.	BMS	Bayer
Market share	6.3%	6.1%	5.9%	5.2%	4.2%	4.1%	4.1%	3.6%	3.5%	2.9%
2024-2025 evolution	+3.7%	+15.6%	-5.8%	+4.5%	+63.0%	+10.1%	+5.0%	-9.6%	+12.1%	+2.0%

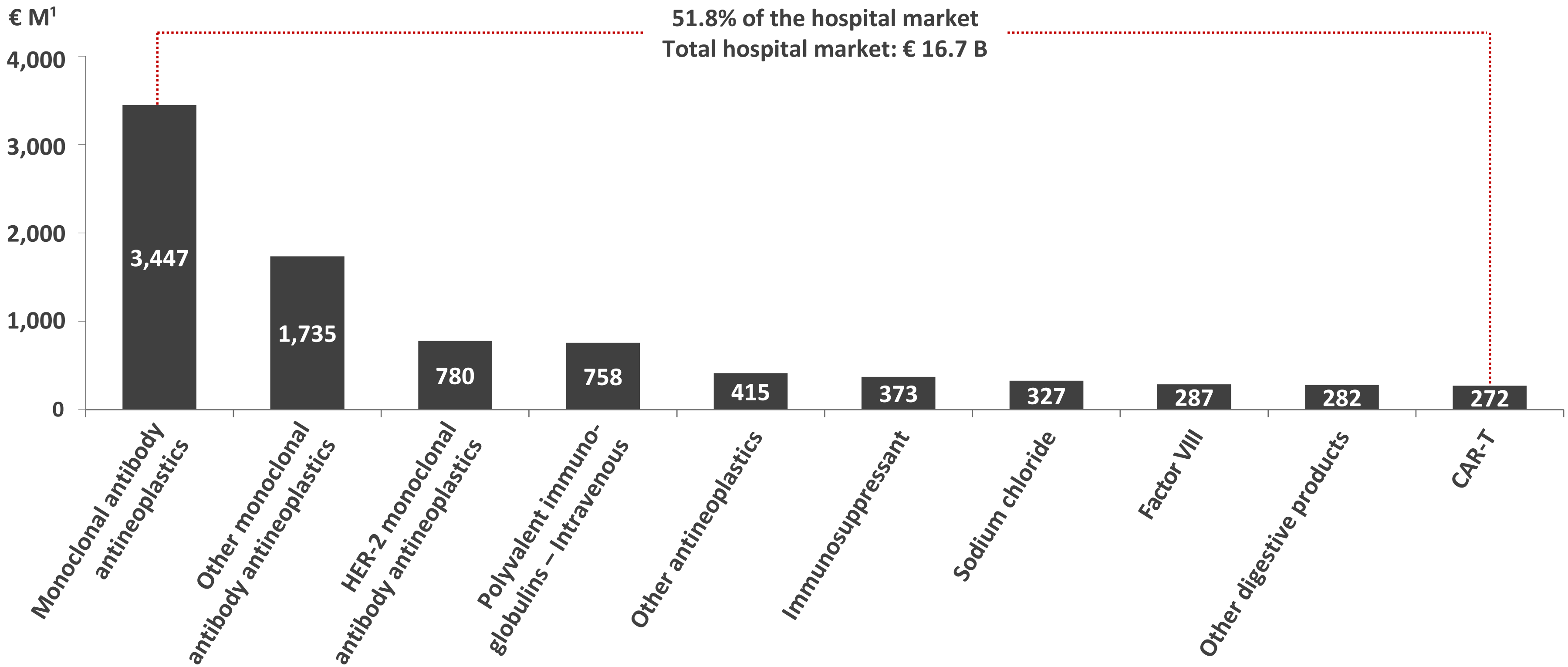
Sources: GERS – Smart Pharma Consulting estimates and analyses

[1] *Ex-factory price, before rebates and taxes*

Antineoplastics (€ 6.4 B) dominate the French hospital market, followed by polyvalent immuno-globulins for intravenous injections (€ 0.8 B) and immunosuppressants (€ 0.4 B)

Hospital market: Top 10 therapeutic areas (2025)

EPhMRA level 4 therapeutic class – In value



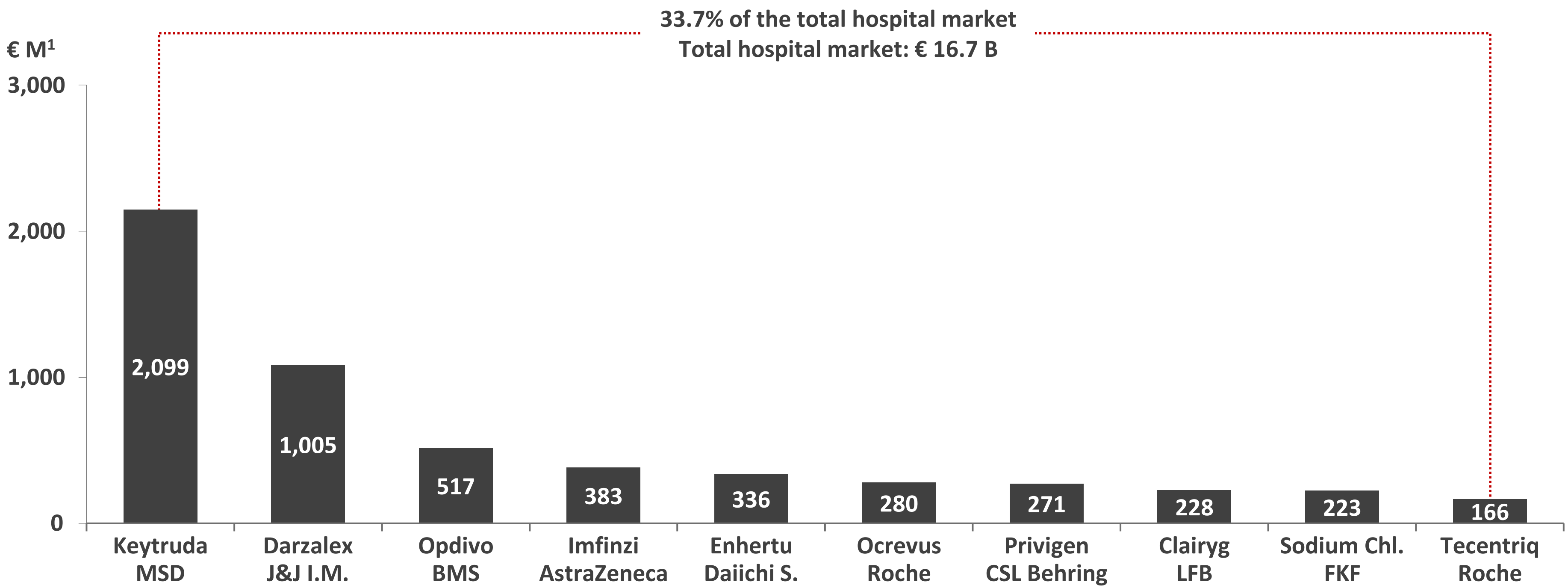
Market share	20.6%	10.4%	4.7%	4.5%	2.5%	2.2%	2.0%	1.7%	1.7%	1.6%

Sources: GERS – Smart Pharma Consulting analyses

[1] Ex-factory price, before rebates and taxes

Sodium chloride (Fresenius Kabi) integrated the top 10 hospital drug list in France in 2025, while the top 3 remained unchanged with Keytruda, Darzalex and Opdivo

Hospital market: Top 10 products (2025)



	Keytruda MSD	Darzalex J&J I.M.	Opdivo BMS	Imfinzi AstraZeneca	Enhertu Daiichi S.	Ocrevus Roche	Privigen CSL Behring	Clairyg LFB	Sodium Chl. FKF	Tecentriq Roche
Market share	12.8%	6.5%	3.1%	2.3%	2.0%	1.7%	1.6%	1.4%	1.3%	1.0%
2025 ranking	1 =	2 =	3 =	5 ↗	7 ↗	6 =	8 ↗	4 ↘	N/A	10 =
2024-2025 evolution	+2.2%	+7.6%	-2.6%	+19.1%	+32.1%	+8.6%	43.4%	-30.0%	+36.2%	-3.3%

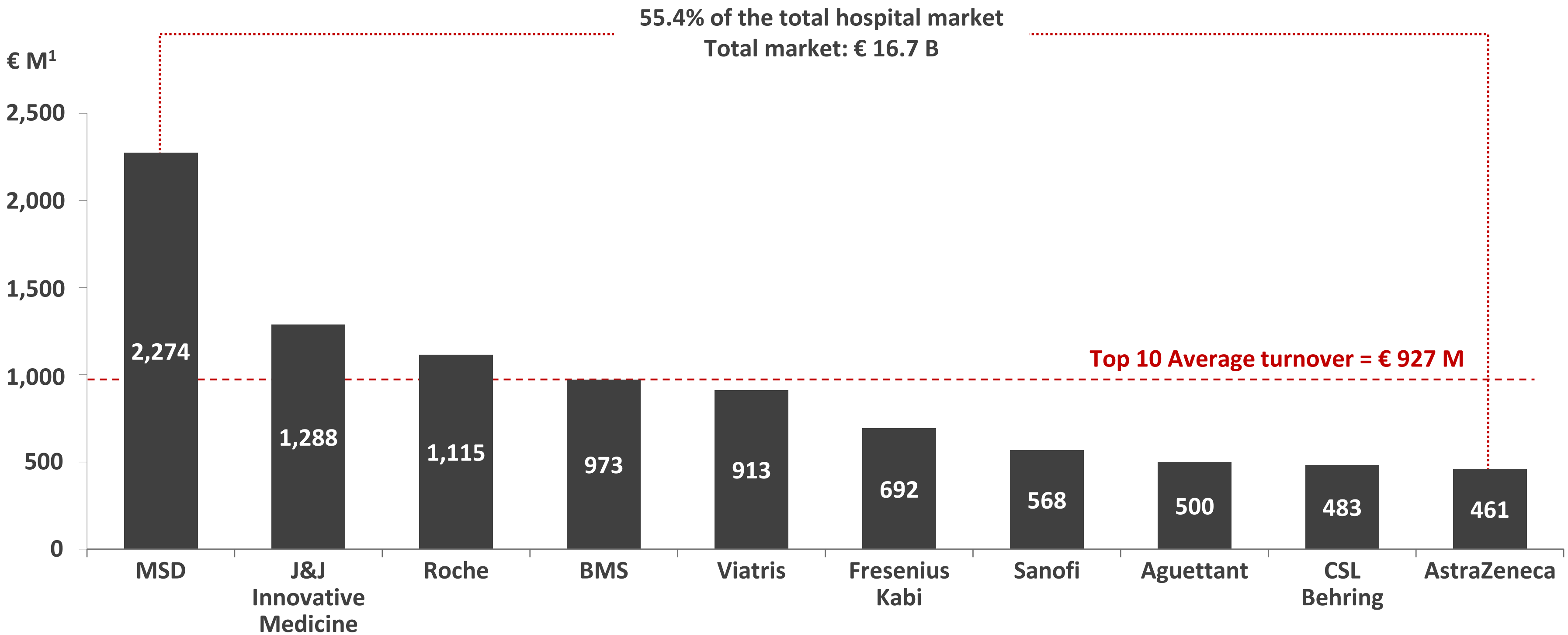
↗: Rise - ↘: Drop - = No change in 2025 vs. 2024 ranking

Sources: GERS – Smart Pharma Consulting analyses

[1] Ex-factory price, before rebates and taxes

In 2025, MSD, J&J Innovative Medicine and Roche led the French hospital market, accounting together for ~28% of it

Hospital market: Top 10 pharma companies (2025)



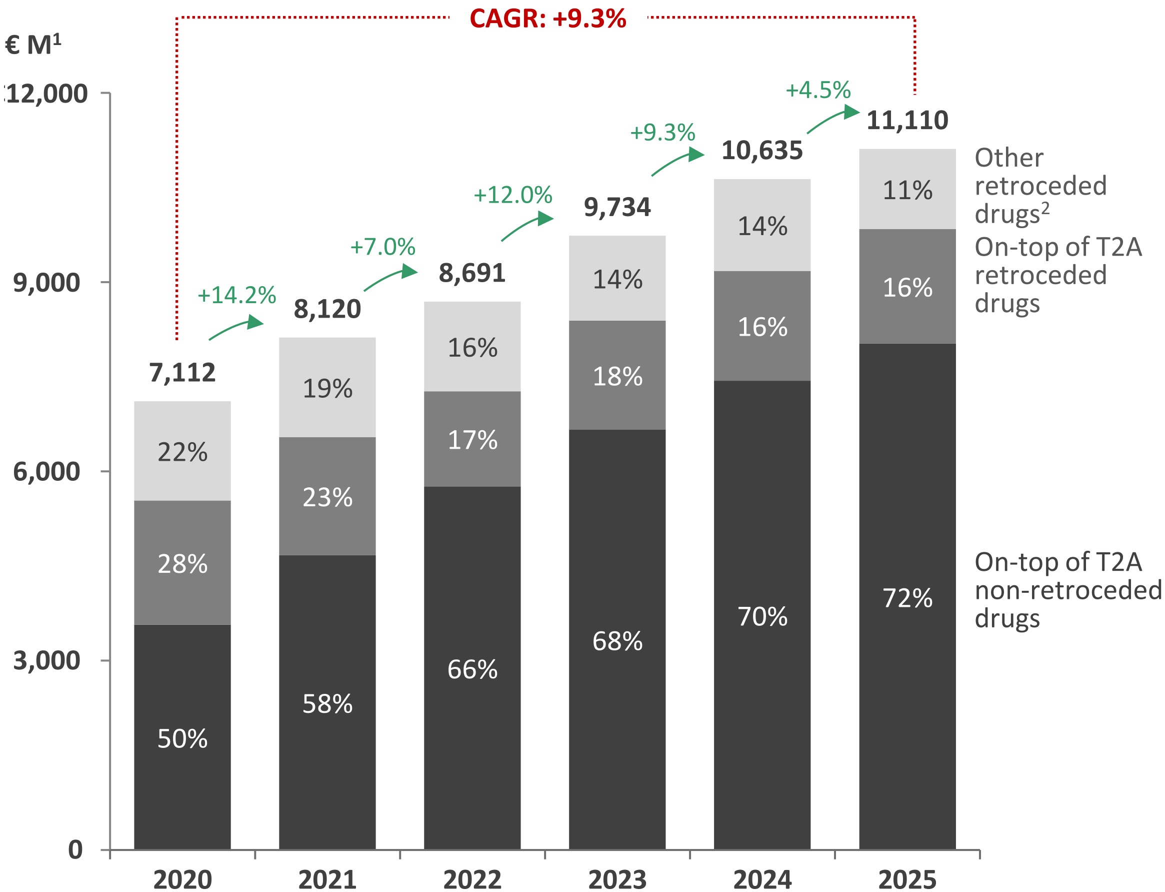
	MSD	J&J Innovative Medicine	Roche	BMS	Viatris	Fresenius Kabi	Sanofi	Aguettant	CSL Behring	AstraZeneca
Market share	13.6%	7.7%	6.7%	5.8%	5.5%	4.1%	3.4%	3.0%	2.9%	2.8%
2024-2025 evolution	+2.3%	+6.0%	-6.6%	-6.8%	+6.8%	+21.4%	+0.3%	+46.3%	+26.5%	+19.3%

Sources: GERS – Smart Pharma Consulting estimates and analyses

[1] Ex-factory price, before rebates and taxes

In 2025, the +4.5% increase in sales of drugs delivered at hospital not funded under hospital budget is mainly due to on-top of T2A drugs

Hospital market: Drugs funded by the National Health Insurance Fund (2020 – 2025)



- 2 types of drugs are **not funded under hospital budget**
  - **On-top of T2A** drugs: expensive drugs
  - **Retroceded** drugs: delivered at hospital to outpatients[3]

Top 10 products (2025)

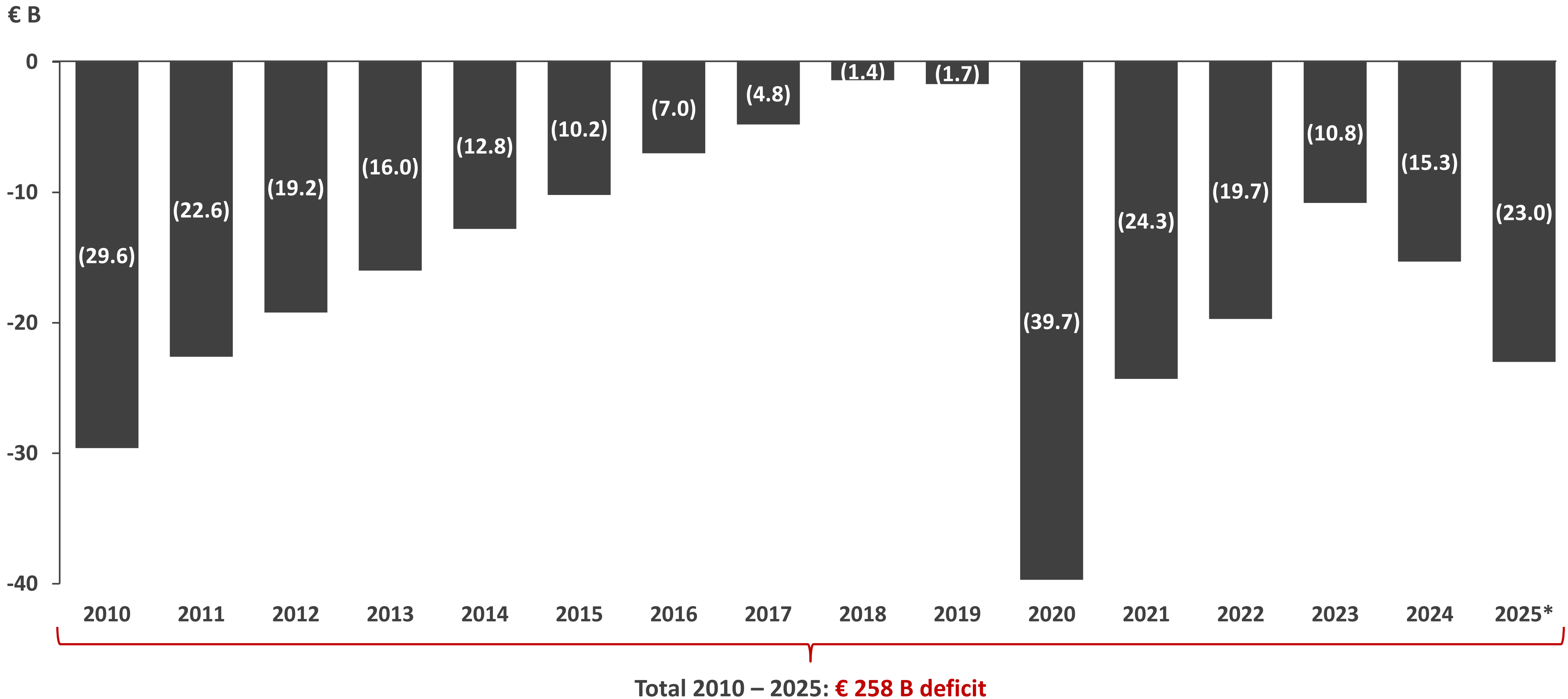
Drug *INN[4]*	Pharma company	2025 hosp. sales (€ M)	Evol. vs. 2024
Keytruda *pembrolizumab*	MSD	2,146	▲ +2,2%
Darzalex *daratumumab*	J&J Innovative Medicine	1,082	▲ +7,6%
Opdivo *nivolumab*	BMS	517	▼ -2,6%
Imfinzi *durvalumab*	AstraZeneca	383	▲ +19,1%
Enhertu *trastuzumab deruxtecan*	Daiichi Sankyo	336	▲ +32,1%
Ocrevus *ocrelizumab*	Roche	280	▲ +8,6%
Privigen *immunoglobines*	CSL Behring	271	▲ +43,4%
Clairyg *immunoglobines*	LFB	228	▼ -30,0%
Tecentriq *atezolizumab*	Roche	166	▼ -3,3%
Hemlibra *emicizumab*	Roche	134	▼ -8.2%

Sources: GERS dashboards and GERS – Smart Pharma Consulting analyses

[1] Ex-factory price, before rebates and taxes – [2] Drugs retroceded that can also be delivered in retail pharmacies (e.g., HIV, viral hepatitis, some anti-cancer drugs) – [3] Ambulatory patients prescribed by office-based physicians – [4] International non-propriety name

The National Health Insurance Fund cumulated a € 258 B deficit since 2010, of which ~€ 40 B in 2020 resulting from the Covid-19 crisis

National Health Insurance Fund deficit – General regime[1] evolution (2010 – 2025)



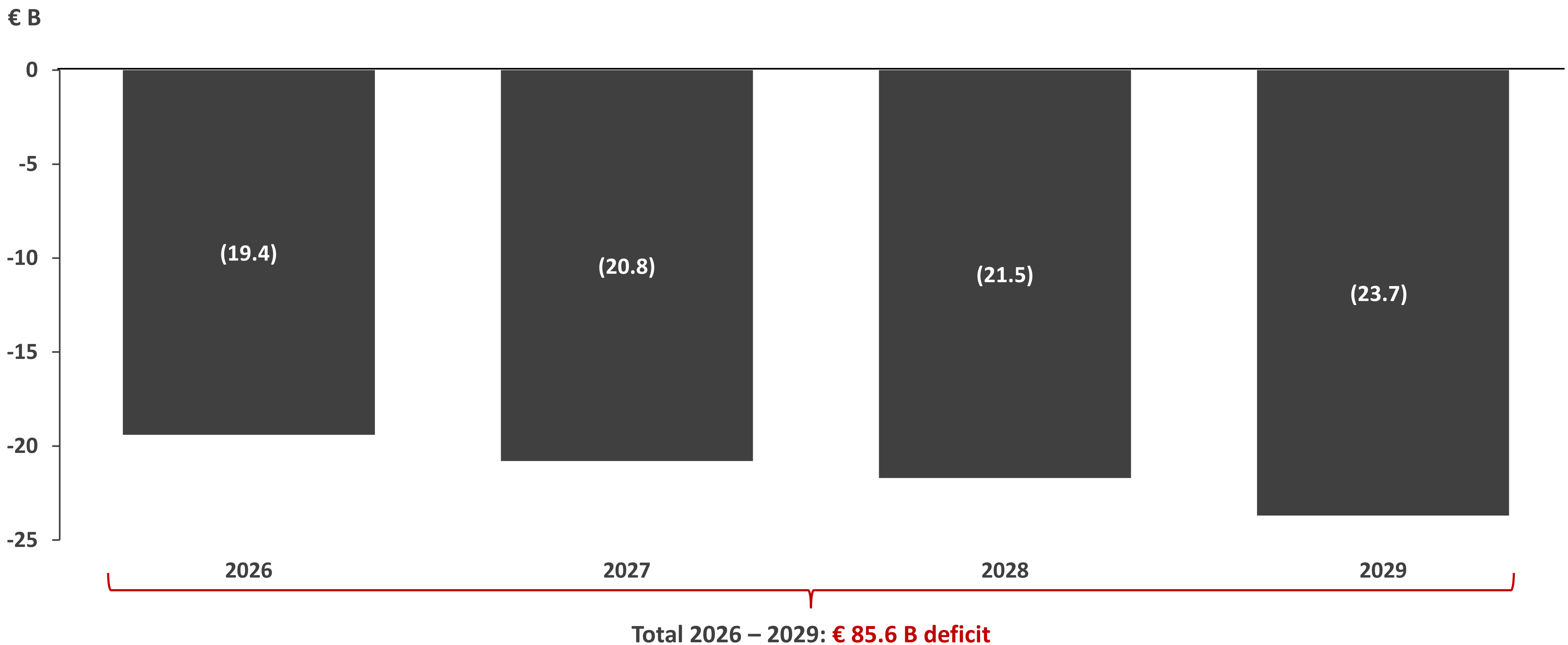
** Projections*

Sources: LFSS 2026 – Annual report of the French Court of Auditors (Oct. 2025) – Smart Pharma Consulting analyses

[1] Including old-age solidarity fund (FSV: "Fonds de Solidarité Vieillesse")

The burden of social debt should continue to grow by 2029, increasing the cost for future generations

National Health Insurance Fund deficit – Projected deficit (2026 – 2029)



Sources: LFSS 2026 (Dec. 2025) – Annual report of the French Court of Auditors on the application of the Social Security Financing Acts (May 2025) – Smart Pharma Consulting analyses

Limited ONDAM growth and a broader reference basket increase price pressure, potentially restricting access to innovation despite expanded "direct access" scheme

Social Security Financing Act – 2026 (1/3)

	Economic regulation of drugs	General implications
Article 109	**ONDAM**[1] set at **€ 274.4 B** for **2026** (**+3.2%** vs. 2025)	▪ Despite the increase, ONDAM will likely remain **below actual needs**, which drive **~5%** annual spending growth ▪ Risk that **drugs** will bear most of the **cost-containment effort** via price regulation, with **€ 1.7 B** in planned **savings**
Article 88	**Expansion** of the **drug pricing reference basket** to all countries with comparable market features (beyond Europe)	▪ Greater **price pressure**, as companies can no longer rely solely on European benchmarks ▪ Risk of **delayed** or **restricted innovation launches** if negotiated prices are too low vs. key markets
Article 88	**Extension** of the "**direct access**" scheme for **2 years**	▪ Opportunity to **access** the French market **earlier** ▪ Temporary pricing that may lead to **price reductions** and **paybacks** ▪ Need to generate robust **real-world evidence** to support final pricing ▪ Strategy requiring **early engagement** with French authorities

Sources: LFSS 2026 (Dec. 2026) – Smart Pharma Consulting analyses

[1] National Health Insurance Expenditure Target

The introduction of new taxes risks further reducing the attractiveness of the French market for pharmaceutical companies

Social Security Financing Act – 2026 (2/3)

	Taxes	General implications
Article 28	**Supplementary contribution** introduced for all drugs excl. generics & originals under TFR[1]	▪ Increased **tax pressure** – **6.45%** of sales for pharma companies with sales ≥ € 50 M – **4.01%** of sales otherwise ▪ Risk of **delays** or **limitations** in **launching innovative drugs** in France
Article 29	New tax introduced for pharma companies **maintaining** their **commercial exclusivity** artificially	▪ Risk of **financial penalties** in case of non-compliance with the law – 3% of the drug's sales… – … even 5% in the event of a further offense within 5 years ▪ **Reputational risk** for pharma companies knowing that the National Health Insurance may **publicize** it
Articles 28 and 31	▪ **M amount** (**€ 22.10 B** for 2026) now expressed as **amounts reimbursed**[2] ▪ **Generics**, **biosimilars** and **hybrids excluded** from the **safeguard clause**	▪ Need for pharmaceutical companies to **monitor** actual **reimbursements**, not just their drug sales ▪ Better **visibility** re. the risk of triggering the "M contribution" ▪ **Shift** of the M contribution to the **detriment** of **innovative drugs** reimbursed by the National Health Insurance

Sources: LFSS 2026 (Dec. 2026) – Smart Pharma Consulting analyses

[1] Reference Price – [2] Article 32 also introduces a territoriality criterion to allocate the safeguard clause (M contribution) amongst pharma companies but the higher manufacturing costs in EU countries is likely to limit the industrial impact of this measure

The 2026 LFSS includes new measures aimed at boosting the adoption of generics, hybrids and biosimilars in order to contribute to savings for the National Health Insurance

Social Security Financing Act – 2026 (3/3)

	Other key measures	General implications
Article 87	New measures to boost **generics**, **biosimilars** and **hybrids**	▪ Authorities' ambition to **accelerate** the **uptake** of **generics**, **hybrids** and **biosimilars** to contribute to **savings** for the **National Health Insurance** ▪ Risk of **faster erosion** of market share for **originals** due to these new measures that will facilitate **retail substitution**: – Implementation of the **third-party payment** mechanism for hybrids and biosimilars – Biosimilars prescription in **INN only** authorized – **Capped reimbursement** base in case of unjustified non-substitution (after 1 year for generics and hybrids and after 2 years for biosimilars)
Article 37	**Pharmacists' rebates** capped at: ▪ **40%** for **generics**, **hybrids** and **originals under TFR**[1] ▪ **20%** for **biosimilars** and **original biologics** at the **same price** as biosimilars	▪ Strengthened **price competition**: need to offer competitive rebates to remain present in retail pharmacies ▪ **Increased pressure** on pharmaceutical companies' **margins** ▪ Enhanced **monitoring** of **commercial compliance** by authorities

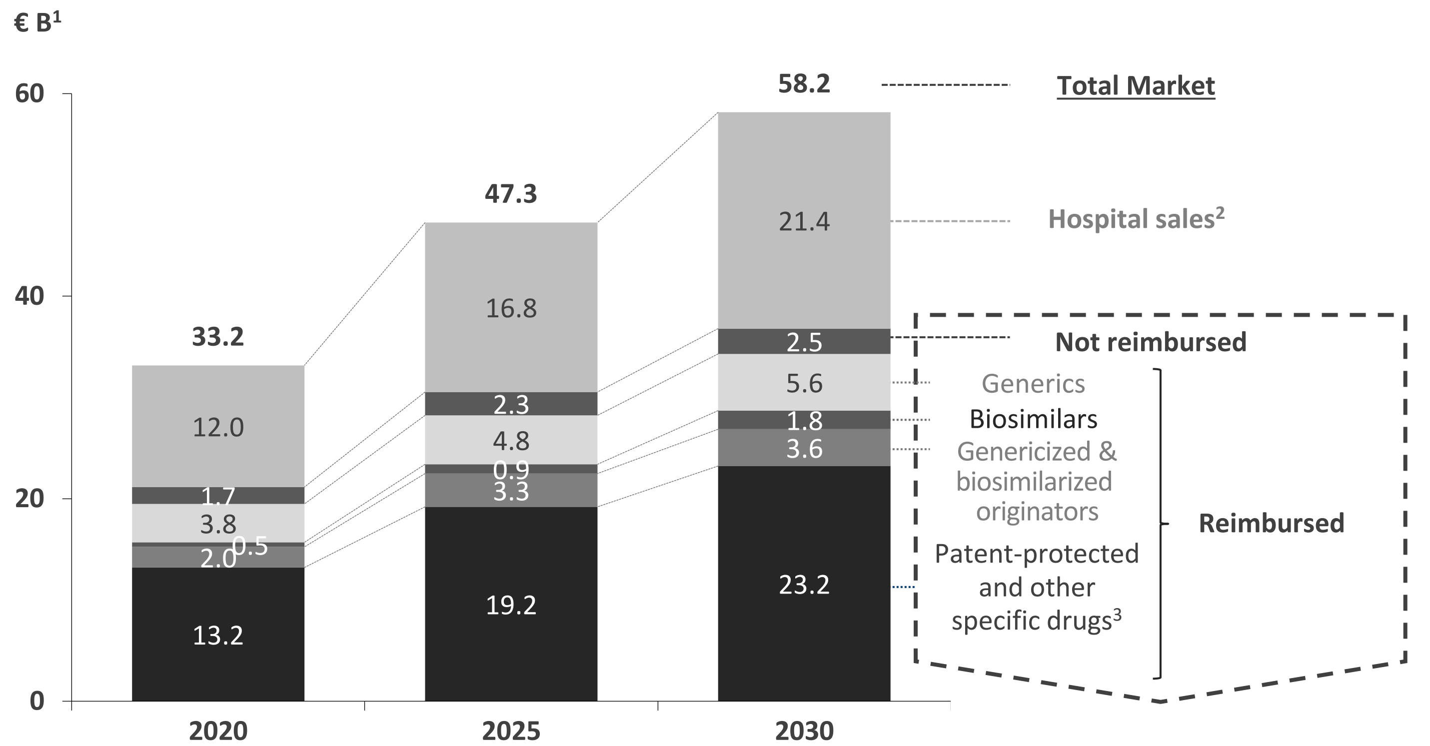
Sources: LFSS 2026 (Dec. 2026) – Smart Pharma Consulting analyses

[1] Reference Price

By 2030, the French pharmaceutical market should be mainly driven by hospital drugs and patent-protected drugs delivered in retail pharmacies

Drugs sales forecast by segment (2020 – 2025 – 2030)

Gross price



Segment	CAGR[4] 2020-2025	CAGR 2025-2030
Total Market	+7.3%	+4.2%
Hospital sales[2]	+6.9%	+5.0%
Not reimbursed	+6.8%	+1.5%
Generics	+5.0%	+3.0%
Biosimilars	+15.2%	+15.0%
Genericized & biosimilarized originators	+10.1%	+2.0%
Reimbursed	+7.7%	+4.0%
Patent-protected and other specific drugs[3]	+7.8%	+3.9%

	2020	2025	2030	CAGR 2020-2025	CAGR 2025-2030
Retail sales	21.2	30.5	36.8	+7.6%	+3.8%

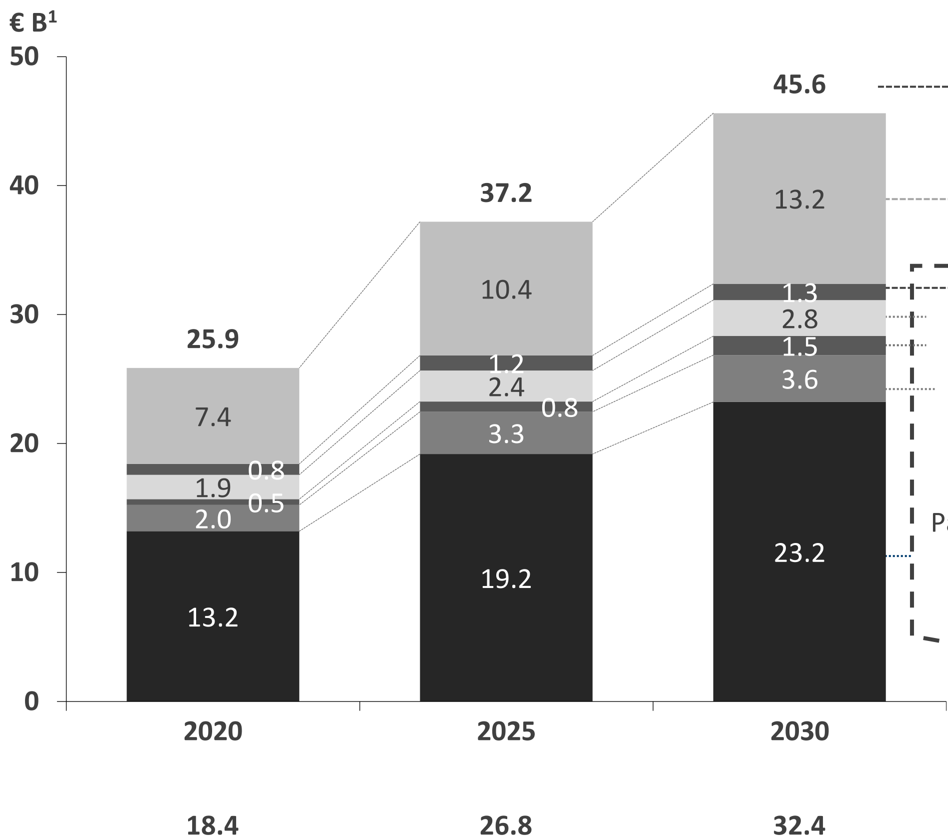
Sources: GERS dashboards – Smart Pharma Consulting estimates

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

In net value, the French pharma market should reach ~€ 46 B in 2030, representing a +4.2% CAGR between 2025 and 2030

Drugs sales forecast by segment (2020 – 2025 – 2030)

Net price



	CAGR[4] 2020-2025	CAGR 2025-2030
Total Market	+7.5%	+4.2%
Hospital sales[2]	+6.9%	+5.0%
Not reimbursed	+6.8%	+1.5%
Generics	+5.0%	+3.0%
Biosimilars	+11.6%	+15.0%
Genericized & biosimilarized originators	+10.1%	+2.0%
Reimbursed	+7.9%	+3.9%
Patent-protected and other specific drugs[3]	+7.8%	+3.9%
Retail sales	+7.8%	+3.8%

Sources: GERS dashboards – Smart Pharma Consulting estimates

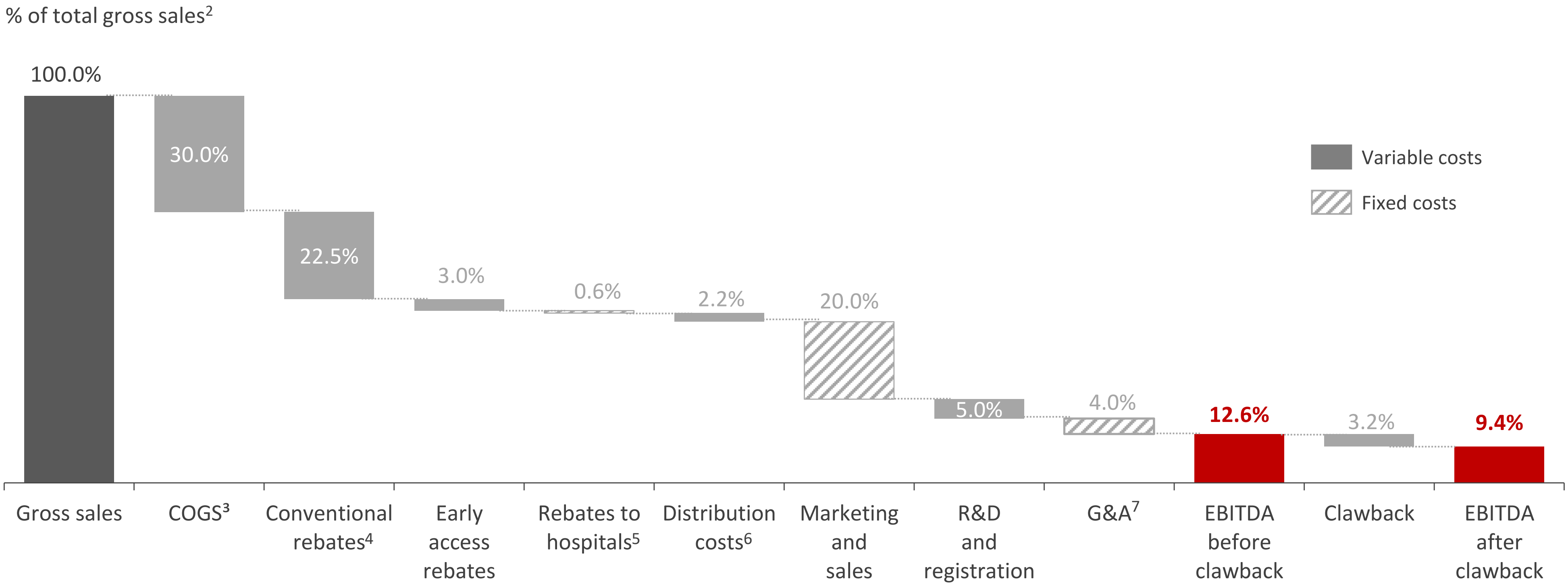
[1] Constant ex-factory prices, after rebates and before taxes – [2] Including hospital sales of biosimilars, products invoiced on top of "T2A" and retroceded medicines
[3] Sales of drugs not competing with generics or biosimilars and of other specific products (calcium, sodium, potassium, paracetamol,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

Originators' average EBITDA[1] in the French retail and hospital market is estimated at 9.4% after clawback in 2023 (12.6% before clawback)

Originators' profitability: Estimated cost structure (2025)

Originators – Average profitability (as a % of total gross sales)

Estimates



Sources: Smart Pharma Consulting analyses and estimates

[1] Earnings Before Interest, Taxes, Depreciation and Amortization – [2] Ex-factory prices before rebates and taxes – [3] Cost Of Goods Sold – [4] Cash reimbursed by pharma companies to the ce Fund, based on a predefined agreement (e.g., amount corresponding to the difference between the official drug price list and the net price negotiated with the CEPS) – [5] 40% rebates on off-patent originals – [6] 4.0% costs for direct sales (22% of retail sales and 99% of hospital sales) and 1.5% costs for indirect sales – [7] General and administrative

The French pharma market will step back from the 5th to the 7th position worldwide with a profitability level below the worldwide average due to high price pressure and multiple taxes

French pharma market competitive landscape (2025 – 2030)

Market Opportunities

- The **French pharma market** should **increase by ~4%** p.a., on average, over the 2025-2030 period; and step back from the 5th to the 7th largest market in value terms
- **Faster access** to **innovation** and to high **quality healthcare** is the **top priority** of the French government and citizens
- **Shift** from hospital **to ambulatory care increases** the number of **patients** treated and better **protects** drug **prices**
- **Support** of **innovative projects** by the government which could **facilitate market access** and **penetration** of **new drugs**

Market Threats

- **Increasing price pressure** on reimbursed drugs, **irrespective** of their **life-cycle position** and **despite** the likely **execution** of the US Most-Favored Nation (**MFN**) **pricing policy**
- Introduction of **new taxes** and **increased tax pressure** to **better control** the **cost of drugs**
- Measures such as **substitution** of **hybrids** and **biosimilars** to **boost** prescription and/or dispensing of **low-cost copies**
- Increasing **difficulties** to **interact with HCPs** to inform them or create partnerships due to lack of interest and time

Implications

- The **French pharma market** will **remain** amongst the world **leading markets** in terms of **sales**, but its **profitability** is likely to **be** further **reduced** (unless pharma companies reduce accordingly their operational costs and keep a leaner organization)
- Drastic **budget constraints** of payers and willingness of government **to give** patients **early and broad access** to **innovations** will lead pharma companies to **accept lower prices** than in the past that should be partly **offset by higher volume sold**

Sources: Smart Pharma Consulting analyses

The future of pharma companies in France should remain attractive enough, provided they adopt a focused strategy, keep on improving their operational efficiency and design a lean organization

Pharma Companies' Perspectives in France (2025 – 2030)

Pharma Companies Strengths

- **Breakthrough innovative** drugs to come by the end of 2030
- Better **clinical studies quality** and development of **real-world evidence data** contributing to optimize drugs benefit and use
- **Portfolio management** with **focused** strategy on the **most attractive therapeutic areas** and on drugs **responding** the best to **medico-marketing** and **sales investments**
- **Selection** of a limited number of **services** offering an important **benefit** to **HCPs**, **patients** or **healthcare facilities**

Pharma Companies Weaknesses

- **Clinical developments not** always **adapted** to **HTA** requirements (i.e., controlled studies vs. standard of care)
- **Weak negotiating power** of pharma companies vis-a-vis the drug pricing committee (CEPS)
- **Rigidity** and **complexity** of **internal processes** preventing pharma companies from optimally seizing opportunities and addressing threats
- **Underperforming marketing** and **sales** investments due to **over-investment** and/or issues in the **quality of execution**

Implications

- The **potential** for **efficiency** and **efficacy improvements** of pharma companies operating in France is important, especially in **market access**, **medico-marketing** and **sales operations**
- Pharma companies' **operational investments** could be decided through a **more rigorous decision-making process**
- Pharma companies should further **simplify** organizations, including their **structure** and key **processes** to **become** more **agile**

Sources: Smart Pharma Consulting analyses

[1] Commission de la Transparence (Transparency Commission)

Best performing pharma companies will have in common to market innovative drugs, offer highly valued services and have a good reputation, driving the preference of their stakeholders

One-page Strategic implications

Strategic Priority: Fight for Key Stakeholders' Preference

Innovative Product Portfolio

- Develop innovative drugs to **address public health priorities** as set by governments (e.g., cancers, neuro-degenerative, infectious and cardio-metabolic diseases) **at an affordable** and **acceptable price** for payers
- Endeavour to **enter first** markets with innovations and **avoid me-too** products **with no** or **minimal** incremental **added value**
- Carry out **robust clinical studies** to **raise early confidence** of key stakeholders:
  - **Health authorities** and **payers** to ease market access
  - **HCPs** for earlier adoption
- **Complete** clinical **studies with RWE**[1] data

Highly Valued Services

- **Offer services** highly **valued by key stakeholders** (e.g., policy makers, payers, HCPs, patients and/or PAGS[2])…
- … and **related to** the company **products** (services **around the drug**) to **enhance** the **perceived value** of the latter
- Thus, **these services**, targeted at HCPs, patients or healthcare facilities, **should be useful**, **interesting**, **convenient** and **properly executed**
- Better **communicate** about proposed **high added-value services**, so that to **enhance** stakeholders' **preference for the drugs** sold by the company

Good Corporate Reputation

- **Build** a **stronger corporate reputation**[3], better than competition, **by**:
  - Offering **highly valued drugs** at an **affordable price**
  - Offering **highly valued services** to key stakeholders
  - **Communicating** on **R&D activities** and **product pipeline**
  - **Investing in** selected **R&D projects**[4] **in France**
  - **Strengthening** the **skills** and **ethical behavior** of **collaborators**
  - Developing a **virtuous working atmosphere** …
  - … and possibly **going beyond CSR**[5] **legal obligations**

Sources: Smart Pharma Consulting analyses

[1] Real-world Evidence – [2] Patient advocacy groups – [3] See the position paper "How to create a superior Pharma Corporate Reputation?": https://smart-pharma.com/wp-content/uploads/2023/01/Smart-Pharma-2016-2024-Complete-collection.pdf– [4] And to a lesser extent in distribution or manufacturing facilities – [5] Corporate Social Responsibility

The French pharma market reached € 47.3 B in 2025 (+7.3% CAGR vs. 2020), mainly driven by retail patent-protected (+ € 6.0 B) and hospital drugs (+ € 4.8 B)

Pharma market – Structure and Dynamics

1. The retail market accounted for 65% of the French pharma market which amounted to € 47.3 B in 2025

2. Drug sales in gross value increased by € 14.1 B over 2020 – 2025, mainly driven by retail patent-protected (+ € 6.0 B) and hospital (+ € 4.8 B) drugs

3. In 2025, the top 10 pharma companies of the retail market accounted for 46% of the market, with Viatris and Pfizer leading

4. In 2025, MSD, J&J Innovative Medicine and Roche led the hospital market, accounting together for 28% of it

5. Vyndaquel, Eliquis and Eylea are the top 3 retail sellers, accounting for 8% of the segment

6. Keytruda, Darzalex and Opdivo are the top 3 hospital sellers with 22% cumulated market share

7. Originators' average EBITDA was estimated at 9.4% of gross sales after clawback in 2025 (12.6% before clawback)

Sources: Smart Pharma Consulting analyses

Smart Pharma CONSULTING

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

Market Insights Series

- This series provides practical tools and recommendations to enhance the efficacy and efficiency of the most important activities or processes in place within pharma companies
- Our tools and recommendations are based on both:
  - Our consulting experience in the pharma sector
  - Our research for innovative, pragmatic and useful solutions
- Each issue is designed to be read in less than 20 minutes

The French Pharma Market

Situation Analysis and 2030 Perspectives

- This paper highlights:
  - France's attractiveness for pharma companies
  - The implications of the 2026 Social Security Financing Act
  - The National Health Insurance deficit and its projected evolution
  - An assessment of the profitability of pharma companies operating in France
  - The market (in gross and net value) by segment (retail and hospital) and its 2030 perspectives

Smart Pharma Consulting Editions

- Besides our consulting activities which take 85% of our time, we are strongly engaged in sharing our knowledge and thoughts through:
  - Our teaching activities in advanced masters
  - Training activities for pharma executives
  - The publication of articles, booklets, books and expert reports
- Our publications can be downloaded from our website:
  - 43 articles
  - 84 position papers covering the following topics:
    1. Market Insights
    2. Strategy
    3. Market Access
    4. Medical Affairs
- Our research activities in pharma business management and our consulting activities have shown to be highly synergistic
- We remain at your disposal to carry out consulting projects or training seminars to help you improve your operations

Best regards

Jean-Michel Peny