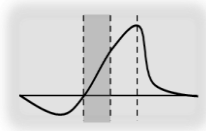


Long Term Value Optimization of innovative Asset



Detailed assessment of the impact of targeted clinical LCM projects on the future value proposition and revenue potential of an innovative new antibiotic to generate internal consensus on long-term investment & pricing strategy

Challenge / Opportunity:

- Launch of a new promising antibiotic was behind expectations in Europe
- Introduction of competitor generic triggered 90% price decline of alternative therapy
- Clinical evidence not sufficient to justify significant price premium
- Key decision to be made: Which (if any) clinical LCM studies will maximize price and long-term ROI for asset

Our Approach:

- Systematic assessment of the changed external conditions due to genericization of a key competitor (price discounts, market share, product perceptions)
- Impact analysis of these changes on today's value proposition by means of in-depth-interviews with prescribers and payers
- Development of future potential product profiles (TPPs) – product benefits, clinical evidence
- Qual. and quant. assessment of these TPPs with all key stakeholders. Evaluation of the best price point.
- Development of a dynamic model to conduct scenario analysis based on targeted patient pools, price / share trade-offs, and long-term NPV assessment

Results:

- Determined price sensitivity and price/volume trade-offs to model revenue maximizing price for different product profiles
- Compared alternative investment scenarios (clinical development strategies for LCM) based on risk and expected NPV
- Generated internal alignment on value proposition and future potential, leading to additional LCM investments and clear cut-offs for go/no go decisions based on clinical results

