

# Abbott Laboratories

July 2012

Volume 2 Issue 3

PharmaDeals Corp-METRx is designed to provide vital company metrics for financial and investment bank analysts.

Updated monthly, it provides key metrics on the relative strengths and weaknesses of the world's top 12 pharmaceutical companies.

Delivered in concise and accessible formats online, this publication provides an essential look-up for key facts about company rankings that increases work efficiencies and helps decision making.

#### Source Data

*The source of this data is PharmaDeals v4 Agreements, published by PharmaDeals Ltd, as well as published company reports. PharmaDeals makes every endeavour to achieve comprehensive coverage of all publicly available and significant deals, although does not warrant completeness.*

# PharmaDeals Corp-METRx

Company metrics for financial and investment bank analysts

## Activity area

## Deal Activity

### Criteria

Licensing deal activity is generally focused around bringing valuable new drugs and drug development programmes into the company. The intensity of activity as compared with the peer group indicates how successful the company is at attracting and securing strategic partnerships, and how relatively weak the internal pipeline is in addressing future revenue and profit challenges.

### Ranking

Overall deal activity rank within peer group

- Deals/Sales adjusts or normalises that metric relative to current sales revenue.
- Deals/5 yr patent risk shows the level of activity and urgency in sourcing additional products to defend the future patent cliff challenge.

### Overall Deal Activity

### Peer Group Status

Deals vs Peers

12th

Very Low

Deals/2011 \$ Sales

12th

Very Low

Deals/5 year Patent Risk

12th

Very Low

## Deal Activity League Table

Rank	Company	Rank	Company
1	Roche	7	Johnson & Johnson
2	GlaxoSmithKline	8	Merck
3	Pfizer	9	Eli Lilly
4	Sanofi	10	Bayer Healthcare
5	Novartis	11	Bristol-Myers Squibb
6	AstraZeneca	12	Abbott Laboratories



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## Activity area

## M&A

### Criteria

Mergers and acquisitions have been proven strategies in both adding revenues, creating critical mass, reducing the long term financial obligations e.g. from royalty payments, and generating profit from economies of scale. High M&A ranking indicates a successful strategic drive to survive in an increasingly consolidated market.

### Ranking

M&A Activity compared with peer group average

<b>M&amp;A Volume</b>	<b>13</b>
<b>Peer Average</b>	<b>16.2</b>
<b>M&amp;A Ranking</b>	<b>8th</b>

### Summary

Amongst their peer group, '**Abbott Laboratories**' demonstrate '**below average**' activity in merger and acquisition growth strategy.



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## Activity area **Therapy Area Focus**

### Criteria

Companies currently operating in attractive and growing markets will direct deal activity towards these areas where current strengths can be leveraged. Those currently active in less attractive therapy areas (TA), or currently well established in high value but stagnating or genericizing therapy areas will incline deal activity towards more attractive new therapy areas where growth can add incrementally to their stable and internally supported business base.

### Top 5 Therapy Areas by revenue

Therapy Area	% 2011 Rx and OTC sales
Musculoskeletal	35.4%
Cardiology	15.0%
Systemic Anti-infectives	10.0%
CNS	6.2%
Endocrinology	4.6%

### Ranking

Therapy area activity compared with peer group average

<b>All TA In-licensing</b>	<b>11th</b>
<b>Core activity deal focus</b>	<b>12th</b>
<b>New TA deal focus</b>	<b>1st</b>

### Summary

Amongst their peer group 'Abbott Laboratories' show 'the lowest' focus on their core therapeutic areas.

Amongst their peer group 'Abbott Laboratories' show 'the highest' diversification activity into new therapy areas.



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## Activity area

## Short Term Response

### Criteria

Urgency in addressing imminent revenue shortfalls, and attractiveness in courting more financially secure late stage development partners is indicated by success in licensing Phase III products. Although less risky than early stage deals, drugs at this stage are increasingly hard to find. Finding and securing Phase III drugs is a highly competitive field for Big Pharma.

### Ranking

Focus on late stage development

<b>Deal Volume</b>	<b>1</b>
<b>Peer Average</b>	<b>2.5</b>
<b>Ranking</b>	<b>8th</b>

### Summary

Amongst their peer group, '**Abbott Laboratories**' show '**Below Average**' focus on in-licensing late stage drugs with potentially fast return on investment.



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## Activity area

## Long Term Deal Investment

### Criteria

Increasingly Big Pharma is looking to small start-ups as a source of very early stage drug development activity, from both a cost and entrepreneurial productivity perspective. Deal activity at the Discovery and Preclinical stage indicates a long term confidence in the business and a desire to remain at the cutting edge of science and research.

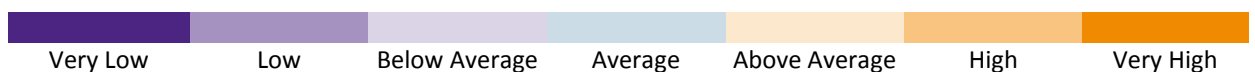
### Ranking

Focus on early stage development

<b>Deal Volume</b>	<b>8</b>
<b>Peer Average</b>	<b>40.1</b>
<b>Ranking</b>	<b>12th</b>

### Summary

Amongst their peer group, 'Abbott Laboratories' show 'the lowest' Focus on Long Term Early Stage Investment.



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## Activity area **Research and Development**

### Criteria

Ranking in the R&D/deals metric indicates the degree to which companies see external opportunities driving their future rather than current internal pipeline efforts. Here a high ranking is generated by a high level of deal activity relative to R&D spend, indicating external rather than internal focus.

### Ranking

Deal activity ranking in relation to overall R&D spend

**R&D / All TA deal activity** **\$61.21 M**

**Peer Average** **\$81.41 M**

**Ranking** **4th**

### Summary

Amongst their peer group, '**Abbott Laboratories**' show '**Above Average**' deal activity in relation to their overall R&D spend.



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## Activity area

## Lead Therapy Areas

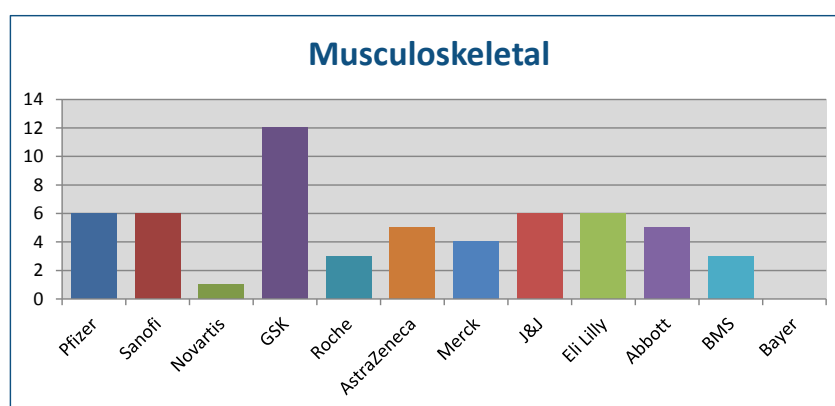
### Criteria

Here the peer group deal activity in the top current sales therapy area for the company is shown. This identifying deal activity threat intensity and competitors in the key revenue generating therapy area.

### Ranking

Comparison of top 12 companies within top sales therapy area.

- All deal activity relates to the period starting 5 years prior to the end of the latest full month



### Summary

Amongst their peer group, '**Abbott Laboratories**' show **average** in-licensing deal activity in the Therapy Area '**Musculoskeletal**'.



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