



## BIOSIMILARS INTERVIEW SERIES 2016

# An Interview with Duncan Emerton, Senior Director Syndicated Insights & Analysis, FirstWord

Following the success of previous events, SMI returns to London with its 7th Annual **Biosimilars Europe** conference this September at the Holiday Inn Kensington Forum. This event will give the latest updates on regulation, market access strategies and the improvement of commercialisation.

In the run up to his opening keynote address, SMI Group recently caught up with **Duncan Emerton**, Senior Director at **FirstWord** to discuss current industry developments and his talk.



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### Q. Tell us about your role. What perspective will you bring to the conference?

My role at FirstWord is to provide unbiased, expert-led insight and analysis across a range of issues within the pharmaceutical industry, including biosimilars.

Biosimilars is a sector I've been working in, writing about and supporting clients on engagements since 2006. My aim is to provide a deep understanding of what's been happening in the market over the last decade, and where things are headed.

### Q. What will attendees take away from your presentation?

The main aim will be to provide some views on where the market is headed, specifically from a commercial perspective.

### Q. What's driving the uptake of biosimilars in Europe and what still needs to be done?

I was honoured to be a speaker at this year's Medicines for Europe annual conference in April. During the meeting, I was interviewed and provided my views on what the key takeaways from the conference were ([link](#)). Simply put, much of the success of the European biosimilars market has come about as a result of collaboration. Groups of key stakeholders coming together with a shared aim of driving better biosimilar adoption across the region, focusing on the cutting edge science that underpins biosimilars and pushing for better patient access.

Lots of challenges remain, however, perhaps most critically in areas such as education, commercial differentiation and navigating the legal systems. These and other issues are covered in significant detail in a recently published report wrote by myself ([link](#)).

### Q. What factors might stall biosimilar uptake in 2016?

Generally speaking there are three issues which could slow down adoption to future biosimilar uptake, the first is intellectual property. Companies are protecting their IP very aggressively, and several high profile cases are being fought in the courts of the US and Europe.

The second is physician acceptance of biosimilars. With over 20 biosimilars approved in Europe and over a decade of positive experience in the region, this might sound like an odd thing to say. But, my research for reports published in 2016 suggests that physician skepticism still remains, particularly in areas like oncology ([link](#) to research to provide more details).

Finally, how biologics are purchased in specific countries could slow down adoption. In countries which have committed tenders, like Norway and Denmark, uptake of anti-TNF biosimilars has been amazing. A report from [Harvard Business School](#) provides some great analysis on this. Recent data shows that at the end of June 2016, infliximab biosimilars had captured a 94 percent and 97 percent share of the Norwegian and Danish markets, respectively. Perhaps more impressive is the fact that Benepali, an etanercept biosimilar developed by Samsung Bioepis and marketed by Biogen, has captured 59 percent and 93 percent share of the Norwegian and Danish markets, respectively, and all in three months of being launched ([link](#)).

#### **Q. Can a biosimilar medicine and its reference medicine be used interchangeably?**

The simple answer to this question is yes. Biosimilars are developed to be as similar to the reference product as possible, both non-clinically and clinically. A decade of positive experience in Europe with no safety issues proves that this is possible. Moreover, supportive policies which categorically say that switching to the biosimilar is good are appearing all over Europe.

#### **Q. What are the leading branded therapies that are in biosimilar development and how will their availability continue to drive change?**

As of June 2016, the leading targets for biosimilar developers remain filgrastim (Neupogen/Neulasta; Amgen), EPO-alfa (Epogen/Aranesp; Amgen) and rituximab (MabThera/Rituxan; Biogen/Roche), which account for 24 percent of total programmes that are tracked as part of FirstWord's Biosimilar Index ([link](#)). Trastuzumab (Herceptin; Roche) ranks fourth, attracting 7 percent of development programmes, with etanercept (Enbrel; Amgen), bevacizumab (Avastin; Roche) and adalimumab taking fifth, sixth and seventh place, respectively.

Since June 2015, there has been a 20 percent increase in the number of programmes targeting the key mAbs and fusion proteins. As of 1 June 2016, FirstWord's Biosimilar Index included 265 biosimilar mAb and fusion protein development programmes, up from 220 in June 2015, an increase of 20 percent.

With more biosimilars coming to the end of their clinical development programmes, more are likely to reach the market. And this will have a profound impact on the competitive dynamics in certain disease areas.

#### **Q. What level of biosimilar discounting is optimal and will we ever see price matching between branded and biosimilar products?**

Cost is a key commercial differentiator, but is not the only attribute upon which your biosimilar product or portfolio will be judged by payers. For some companies there could be a temptation to offer deep discounts immediately in order to make rapid market share gains. This has been seen in Nordic markets. Other companies won't adopt this strategy, choosing to adopt a more "rationale" pricing strategy.

As PlantForm's CEO, Don Stewart, told FirstWord in a recent interview; "It will depend on the price of competing products in the market when we launch our products. We don't want to leave any money on the table. Our commercial partners are unlikely to offer Nordic-style discounts immediately" ([link](#)). As for price matching, we're already seeing evidence of this in some countries.

For example, Roche has decided to compete on price in countries like Russia with its mAbs portfolio, a move that Russia's Biocad has objected to in the form of a law suit ([link](#)).

**Q. To what extent have prescribing targets and quotas driven biosimilar usage in European countries and are they always successful?**

Research published in January 2016 shows that prescribing targets and quotas for physicians are being piloted in some European markets, but results have been mixed and payers are unclear whether this is the optimal method to drive biosimilar use ([link](#)). German payers argue that "...incentives are the reason why we have the highest biosimilar uptake in Europe. Look at the EPO market – currently 75 percent of the market is biosimilar." In contrast, similar strategies in Italy have not been as successful, with only a few regions having embraced the concept.

**Q. What would you like to gain from this meeting?**

I'm always looking to learn new insights and perspectives on the biosimilars market. Meeting new people, expanding my network and listening to where other people believe the market is headed is also something I hope to gain from the meeting.

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Hear more from Duncan at the 7th Biosimilars Europe 2016 event this autumn.

Visit the website at [www.biosimilars-europe.com](http://www.biosimilars-europe.com)

7<sup>th</sup> Annual Conference:

Biosimilars Europe

29<sup>th</sup> & 30<sup>th</sup> September 2016

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