

# Capitalising on market growth

The global healthcare industry is an attractive market underpinned by strong growth dynamics and trends. Currently worth \$1.2 trillion, the market is forecast to grow at a CAGR of 3-6% to \$1.5 trillion by 2023.<sup>1</sup>

At a macro level, ageing populations and increasing life expectancy will continue to drive global healthcare demand. A sustained increase in the number of new drug approvals is also expected to continue while the growth in specialty medicine as a percentage of the total market continues to rise. The pharmaceutical industry is driven by growth in specialised drugs, in particular for oncology and rare diseases where demand is higher. Furthermore, the shift in mix from traditional blockbuster primary care drugs to biotech and orphan drugs which are more complex and expensive, creates opportunities for our client services and solutions.

These global growth trends are occurring at a time when both large and small-scale pharma and biotech companies continue to outsource more activities as they move toward more specialty therapies and manage the rising costs of developing drugs.

UDG Healthcare’s outsourced healthcare services can provide these pharmaceutical and biotech companies with more effective and flexible solutions.

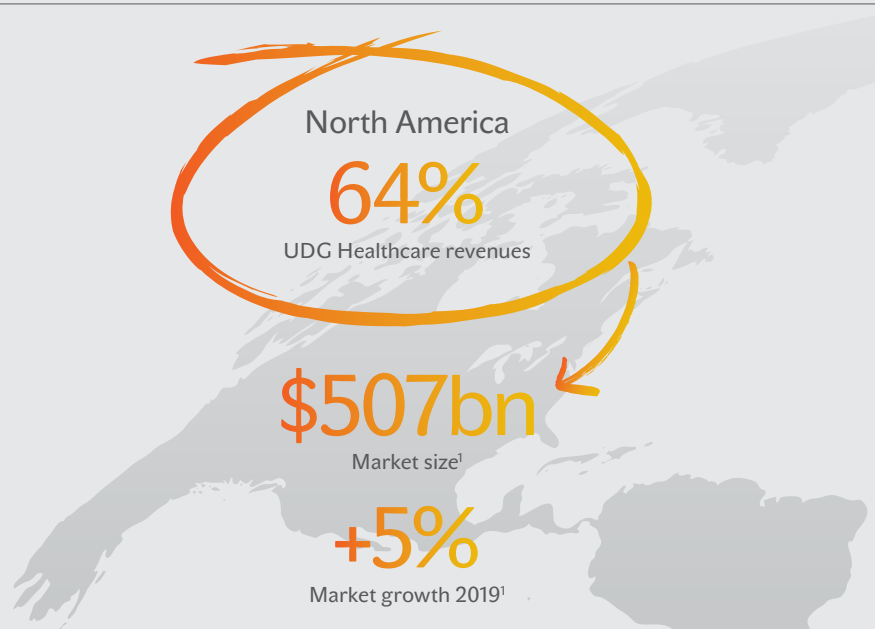
## Global market healthcare trends



Ageing populations and increasing life expectancy are driving the demand for healthcare. By 2050, the number of people globally aged over 60 is expected to double to 2 billion<sup>2</sup> and global life expectancy is expected to increase by over 4 years by 2040.<sup>3</sup>



Global healthcare spend is forecasted to grow at 3-6% per annum to reach \$1.5 trillion by 2023.<sup>1</sup>



## Divisional specific market opportunities

### Ashfield Advisory

**Key growth drivers:**

Increasing outsourcing penetration with growing demand for specialist advisory services

Increasingly complex healthcare landscape, specialty therapies and drug launches

Growing demand for data and informed research to improve decision making

**\$2.9bn**

Estimated market size\*

### Ashfield Communications

**Key growth drivers:**

Growth of specialty and orphan products leading to increased demand for education, multi-channel engagements, and digital communications

Expansion of direct patient engagement

Increase in number of molecules in development and positive drug approval outlook

**\$7.3bn**

Estimated market size\*

1 The Global Use of Medicine in 2019 and Outlook to 2023. IQVIA Institute, January 2019.  
 2 World Population Ageing, 2017 Highlights. The United Nations, 2017.  
 3 Forecasting life expectancy, years of life lost, and all-cause and cause-specific mortality for 250 causes of death: reference and alternative scenarios for 2016-40 for 195 countries and territories. Lancet Journal, October 2018, Foreman et al.  
 4 World Preview 2019, Outlook to 2024. EvaluatePharma, June 2019.



Pharmaceutical R&D spend is forecasted to grow at a CAGR of 3% to 2024.<sup>4</sup>



An average of 54 new drug launches per year are forecasted over the next five years, compared to 46 in the previous five years reflecting growing pharma R&D pipelines and high approval success rates.<sup>1</sup>



Specialty drugs are expected to account for two-thirds of product launches over the next five years and to account for 50% of spend in developed markets by 2023.

Europe and U.K.

35%

UDG Healthcare revenues

\$182bn

Market size<sup>1</sup>

+3%

Market growth 2019<sup>1</sup>

Japan

UDG Healthcare operates via a joint venture with CMIC Ashfield Co. Ltd in Japan for Commercial & Clinical services under the name CMIC Ashfield.

\$89bn

Market size<sup>1</sup>

+1%

Market growth 2019<sup>1</sup>

### Ashfield Commercial & Clinical

#### Key growth drivers:

Increasing outsourcing penetration

Demand for innovative models, multi-channel offerings and multi-country solutions

Increasing importance of patient support programs and engagement to improve adherence and outcomes

\$6.1bn

Estimated market size\*

### Sharp Commercial

#### Key growth drivers:

Increasing outsourcing penetration

Increase in complexity of specialty and biotech leads pharma to seek more specialised providers

Demand for secondary packaging of injectable products

\$5-7bn

Estimated market size\*

### Sharp Clinical

#### Key growth drivers:

Increasing outsourcing penetration

Facility investments driving increasing demand across the client base for end to end integrated service offerings

Growth in specialty clinical services for orphan and rare disease patient populations

\$6-8bn

Estimated market size\*

\*Market sizes derived from BCG, Deloitte and UDG internal analysis