Measuring the return from pharmaceutical innovation 2016: Balancing the R&D equation

R&D returns continue to decline for the original large-cap biopharma cohort

![Graph showing R&D returns for 2010 to 2016.]

Blockbuster costs without balancing blockbuster revenues

![Graph showing blockbuster costs from 2010 to 2016.]

Extension cohort of mid-tier biopharma companies also sees returns decrease in 2016

![Graph showing extension cohort returns from 2013 to 2016.]

A large number of externally sourced assets have been commercialised; with late-stage pipelines close to empty the temptation may exist to refuel through M&A

![Graph showing external % of late-stage pipeline from 2013 to 2016.]

Bigger isn’t necessarily better for R&D productivity

As a negative relationship exists between company size and returns, getting bigger through M&A may not be a good strategy

Key lessons to reduce R&D costs

![Diagram illustrating key lessons to reduce R&D costs.]

Key strategies to improve commercial success

![Diagram illustrating key strategies to improve commercial success.]

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