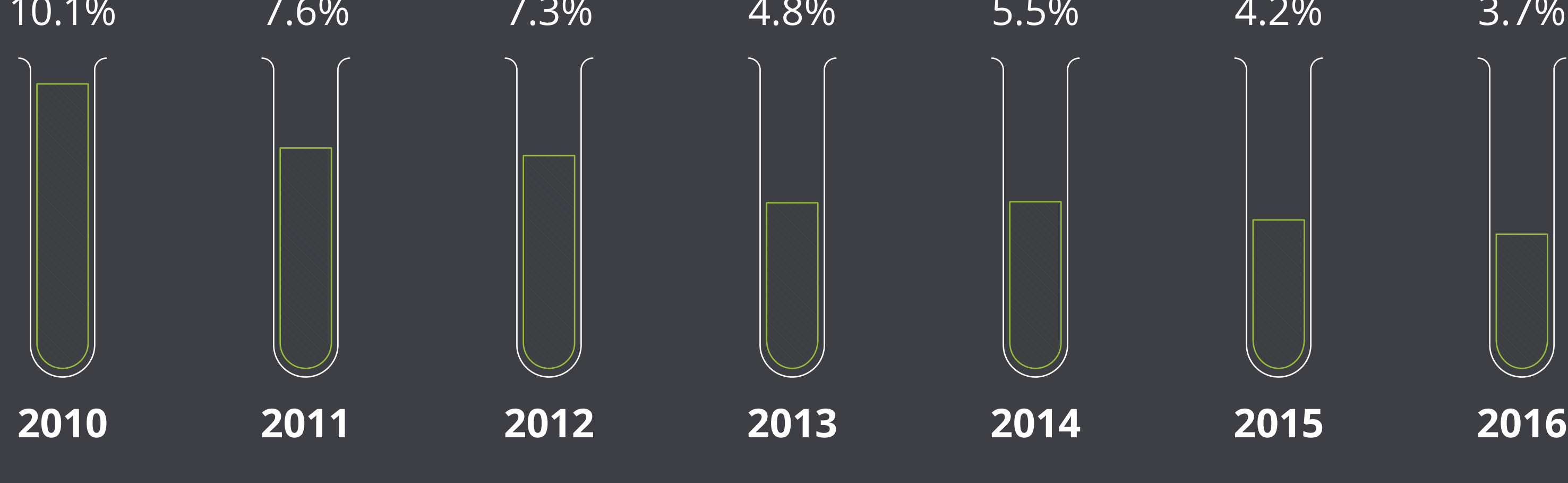
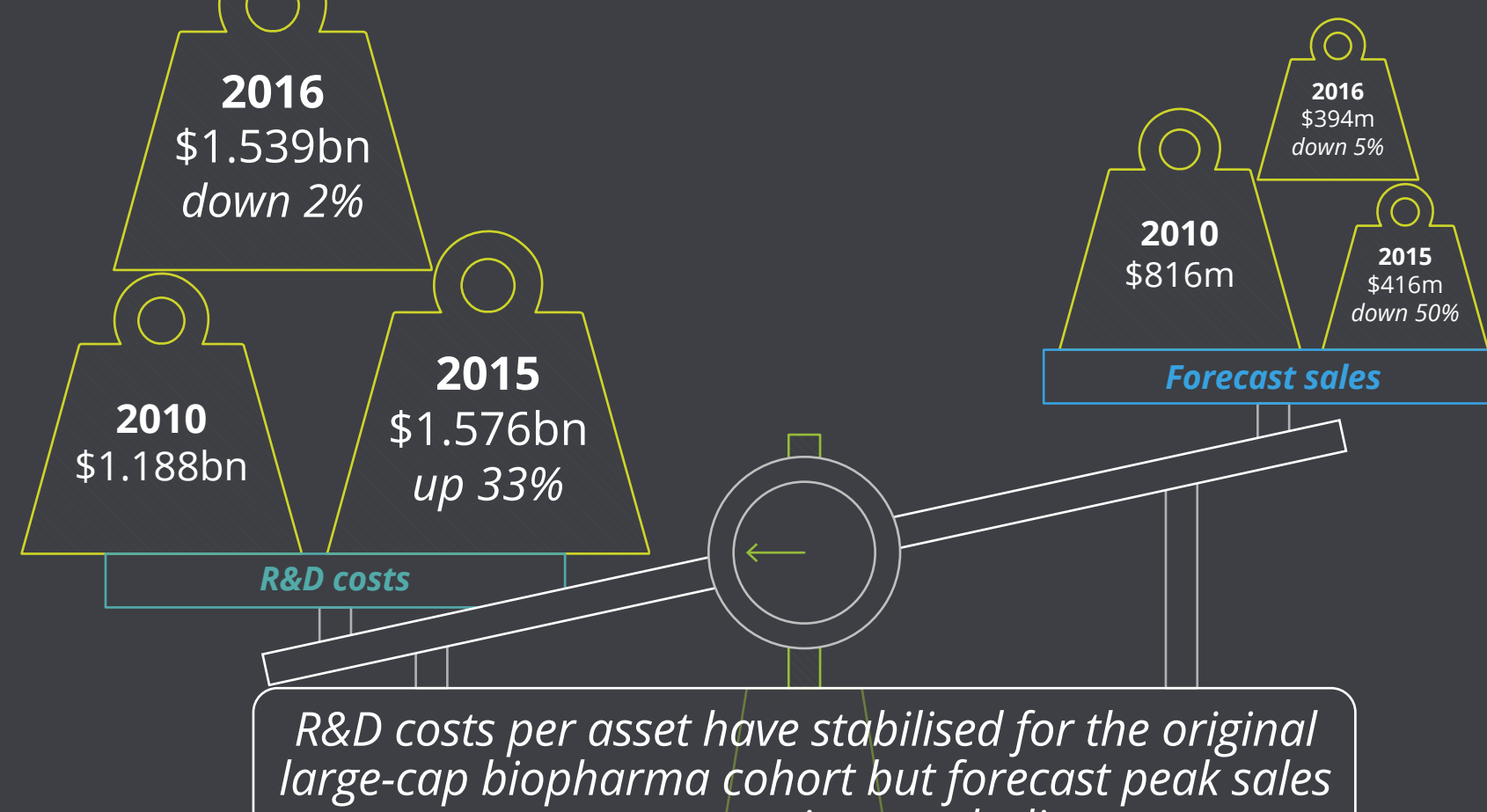


Measuring the return from pharmaceutical innovation 2016: Balancing the R&D equation

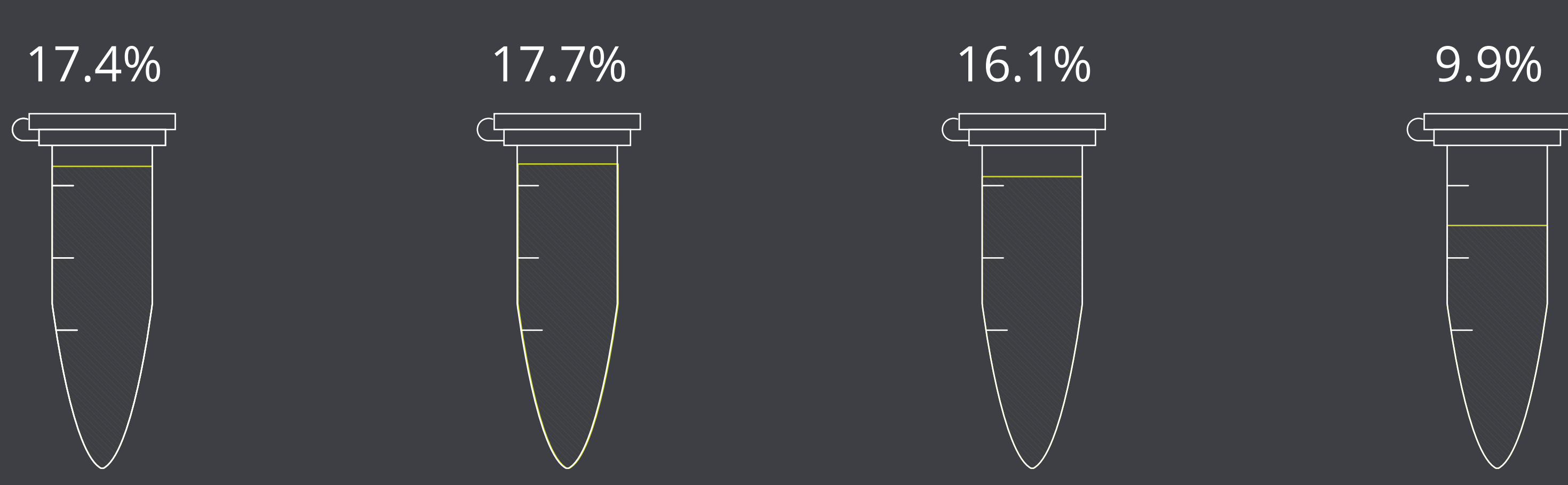
R&D returns continue to decline for the original large-cap biopharma cohort



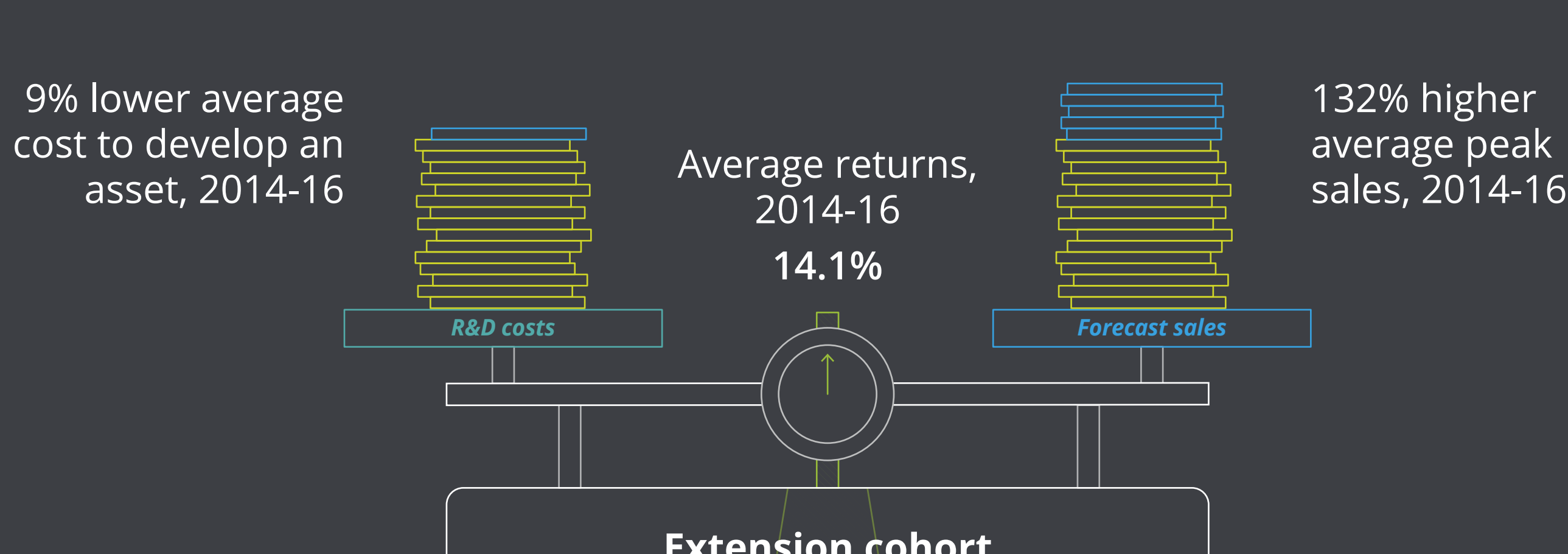
Blockbuster costs without balancing blockbuster revenues



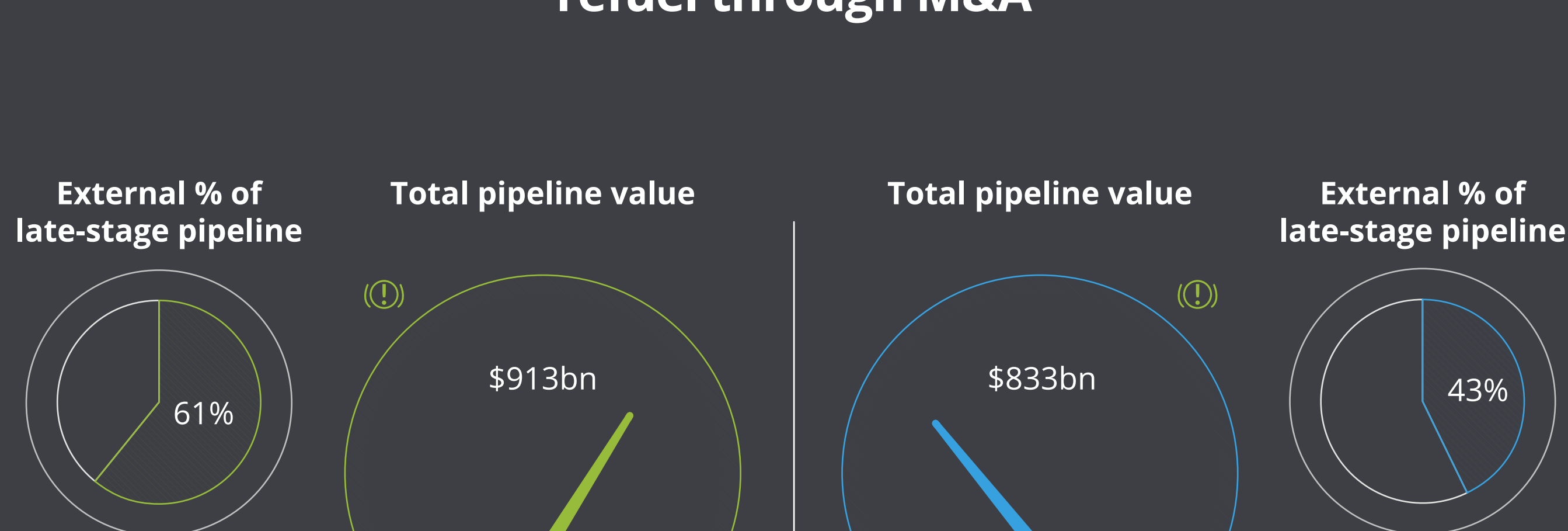
Extension cohort of mid-tier biopharma companies also sees returns decrease in 2016



Extension cohort of mid-tier biopharma companies are still outperforming their larger peers

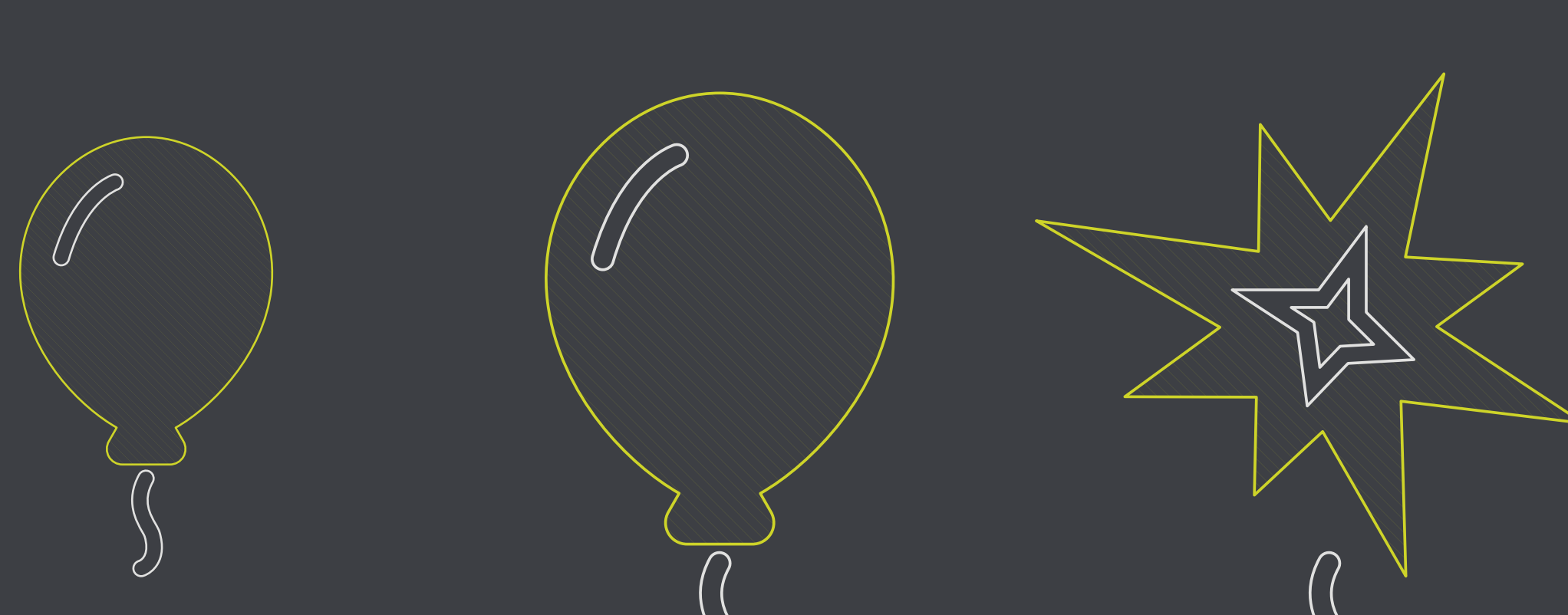


A large number of externally sourced assets have been commercialised; with late-stage pipelines close to empty the temptation may exist to refuel through M&A

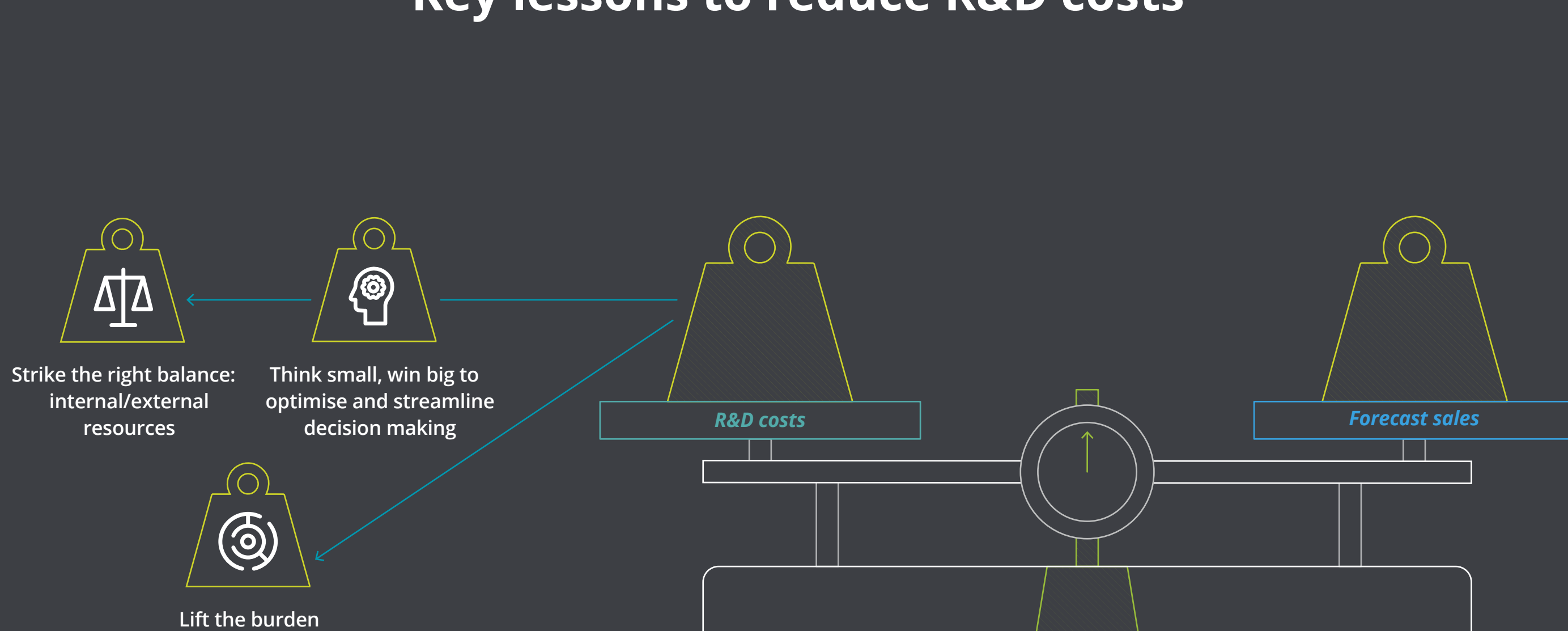


Bigger isn't necessarily better for R&D productivity

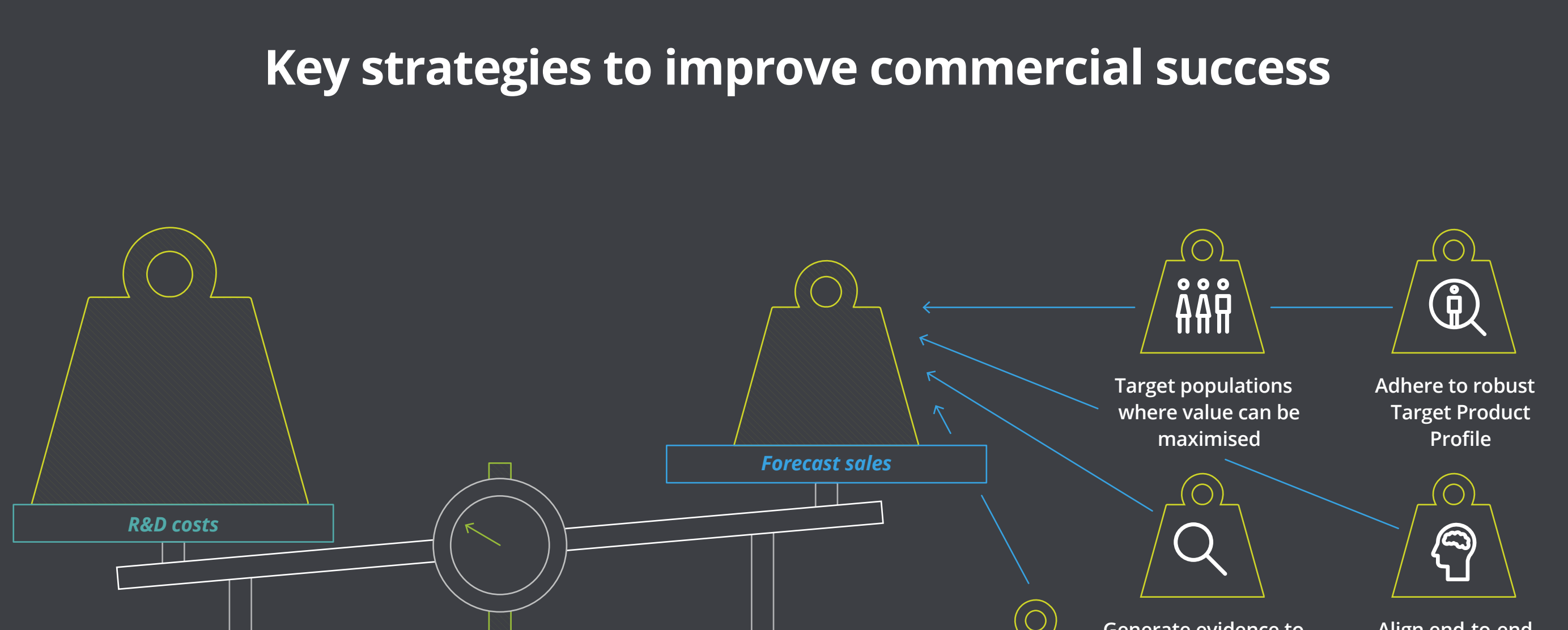
As a negative relationship exists between company size and returns, getting bigger through M&A may not be a good strategy



Key lessons to reduce R&D costs



Key strategies to improve commercial success



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