

PNC PHARMA & LIFE SCIENCES

Monthly News Brief

October 2023

3Q23 Earnings

[Danaher Q3 Revenue Declines as Demand Challenges Continue](#) *(MedTech Dive)*

Danaher posted lower third-quarter sales and earnings, hurt by ongoing weak demand from bioprocessing customers, but said results were better than expected due to an uptick in respiratory testing revenue. The company expects full-year 2023 core revenue will be down slightly year over year as customers are still working through inventory built up during the pandemic while also continuing to conserve capital as a result of funding pressures. In China, a pullback in funding for equipment purchases, coupled with excess capacity, resulted in a 45% drop in revenue

[Thermo Fisher Cuts 2023 Forecast, Citing Volatile Economic Conditions](#) *(MedTech Dive)*

Thermo Fisher lowered its full year 2023 revenue and earnings outlook due to cautious customer spending and a weakening economy in China. Biotech and other life sciences customers are struggling with a funding slump after a pandemic driven spending surge, while in China, economic conditions worsened during the quarter even as the country is trying to attract foreign investment. The company lowered its guidance for the full year, with core organic revenue growth of 1%

M&A and Spinoffs

[Sandoz Spins Out of Novartis as Standalone Generic Drugmaker](#) *(BioPharma Dive)*

Novartis completed its spinoff of Sandoz in a years-long transformation from a sprawling conglomerate to a company focused on high-margin pharmaceuticals. With more than \$9B of revenue, Sandoz immediately becomes one of the largest standalone generic drugmakers in the world, competing with the likes of Teva and Viatris. Novartis' transformation matches a broader trend in the pharmaceuticals business, as companies have slimmed down their businesses

[Roche to Gain Gut Disease Drug in \\$7.1B Deal for Roivant Subsidiary](#) *(BioPharma Dive)*

Roche to acquire Roivant subsidiary, called Telavent, and gain rights to the drug in the U.S. and Japan. The treatment is being studied for inflammatory bowel disease (IBS), a common gut ailment that encompasses ulcerative colitis and Crohn's disease. Roche plans to advance the drug into a global Phase 3 clinical trial in IBS "as soon as possible." The companies expect their deal to close in either the fourth quarter or the first quarter of next year

Other News

[The Road Ahead for CDMOs in 2024](#) *(Contract Pharma)*

The last several years have been tumultuous for the CDMO sector, with some companies benefiting from a surge in demand for COVID vaccine and therapeutic manufacturing capacity, while others struggled to maintain supplies of key components and materials. Moving forward into what analysts expect to be a challenging economic environment, the CDMO sector will continue to play a vital role in supplying their customers with new and long-standing treatments for patients around the world

[Lessons From a Biotech Downturn: Funding Challenges, an IPO Dry Spell and What to Expect in 2024](#) *(Contract Pharma)*

Despite optimism for a stronger investment climate this year, many of the hurdles that faced young biotechnology companies in late 2022 have endured through 2023. IPOs for drugmakers have remained slow, with only 18 biotechs making their public debut. The IPO slowdown has made it harder for younger startups, analysts state new companies should wait and grow into a valuation and let the data speak for itself when looking for future investments

[Sarepta Gene Therapy for Duchenne Misses Main Goal of Key Study](#) *(BioPharma Dive)*

Sarepta's new gene therapy "Elevidys" for Duchenne muscular dystrophy failed to meet its main clinical trial goal that calls into question the treatments future. The news comes four months after the FDA granted Elevidys accelerated approval in boys with Duchenne, an inherited disease that progressively weakens muscles. Typically, the FDA does not consider data on secondary study goals to be positive if the trial misses its primary endpoint, however it has taken a more flexible approach when diseases are severe, like Duchenne, and when patients have few good treatment options

[Independent Pharmacies Sue Express Scripts, Allege Price-Fixing](#) *(Fierce Healthcare)*

Several independent pharmacies filed suit against pharmacy benefit management "PBM" giant Express Scripts, alleging that it colluded with Prime Therapeutics to fix prescription drug reimbursement rates. The two companies entered into a three-year collaboration agreement in 2019 in which the former would provide key services around retail pharmacy networks and contracting with drugmakers. The lawsuit alleges that the agreement led both to charge retail pharmacies a higher transaction fee rate while reimbursing at a lower rate, both of which had been established by Express Scripts prior to the arrangement

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