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Eli Lilly pipeline will counter patent cliff in 2014

07 October 2013 | News | By BioSpectrum Bureau

Singapore: Eli Lilly and Company has outlined its strategies to face patent cliff expected in 2014. In a statement to investors, the company mentioned about the launch several new medicines to treat unmet patient needs beginning next year, and return the company to revenue growth and expanding margins after 2014.

Lilly also reaffirmed its near-term goals of generating at least $20 billion in revenue, $3 billion in net income and $4 billion in operating cash flow through 2014, despite the impending loss of revenue due to patent expirations for two major products in the US, beginning in December of this year. The company also announced a new share repurchase program that will return an additional $5 billion to shareholders over time.

Mr John C Lechleiter chairman, president and CEO, said, "We've undertaken extensive efforts to transform our company to address the challenge of patent expirations and the demands of patients and payers for greater value from medicine."

He also added, "Today, we're seeing our strategy bear fruit, backed by clinical data that strengthens our confidence in our innovation-based strategy and in our ability to return to growth. We're determined to seize the tremendous opportunities before us and drive a new era of growth for Lilly and its shareholders, while delivering on our mission of improving the lives of patients."

Eli Lilly has two medicines in its pipeline to treat type 2 diabetes, including empagliflozin (with partner Boehringer Ingelheim) and dulaglutide, a new insulin glargine product to treat type 1 and type 2 diabetes. It also has ramucirumab, which is a single-agent treatment for patients with advanced gastric cancer who have had disease progression after initial chemotherapy, and necitumumab for patients with metastatic squamous non-small cell lung cancer. The company believes that it would launch empagliflozin, dulaglutide, and ramucirumab, in 2014, subject to regulatory approval.

"Lilly has successfully replenished and advanced our pipeline to drive growth post-2014, while building a sustainable R&D engine for the long-term," said Mr Jan M Lundberg, executive vice president, science and technology; and president of Lilly Research Laboratories.

He further added, "We've filed for regulatory approval for an unprecedented number of investigational medicines this year with three in diabetes and one in oncology. In the future we expect to maintain a steady state of Phase 3 programs in the mid-to-high single digits, with a robust Phase 1 and Phase 2 pipeline to fill in behind."

Mr Lundberg noted that in the 2013-14 timeframe, the company expects data readouts or pipeline advancements for nine of the assets in late-stage development. These include the three potential launches noted above, the regulatory submissions of necitumumab and the new insulin glargine product, and new data readouts for four other late-stage assets by the end of 2014. Mr Lundberg also said the company anticipates seeing clinical readouts for the vast majority of its phase II assets during this period.