The biotech drug market

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In recent years, biotech has claimed an increasing share of novel treatments approved by the US Food and Drug Administration; that trend will shift this year. Although recombinant drugs account for more than one-third of candidates in discovery, the share dwindles along the pipeline.

Biotech drug candidates by phase

Very early in the pipeline, recombinant drugs account for more than a third; this dwindles further along the approval process.

Source: BioPharm Insight

Investigational biotech drugs by indication

Cancer dominates the biotech research agenda, with AIDS-related and infectious disease treatments also drawing considerable research.

Source: BioPharm Insight

Number of novel biologics approved

Biotech drugs have taken an increasing share of overall new drugs in recent years, but this year will be an exception.

2004 data as of September 30, 2004

Source: Food and Drug Administration, Center for Biologics Evaluation and Research

line. Currently, only 8 out of 100 new drug or biologic applications are for biotech treatments. Only eight biotech drugs on the market have sales over \$1 billion, but analysts suggest several late-stage products could turn into blockbusters.

Potential blockbusters in pipeline

Company	Drug name	Product	Indication	Peak annual sales potential (\$ million)
Biogen Idec/Elan	Antegren	mAb	Multiple sclerosis	>\$3,000
Genentech	Avastin	mAb	Colorectal cancer	>\$2,000
ImClone/Bristol	Erbix	mAb	Colorectal, head and neck cancer	>\$1,000
Amylin/Lilly	Exenatide	Peptide	Diabetes	>\$1,000
Amgen/Wyeth	Enbrel	Fusion protein	Psoriasis	\$700–1,000
Neurocrine/Pfizer	Indiplon	Small molecule	Insomnia	\$500–1,000
Onyx/Bayer	BAY 43-9006	Small molecule	Kidney cancer	\$500–1,000
Gilead	Truvada	Small molecule	HIV/AIDS	\$500–1,000
Sepracor	Estorra	Small molecule	Insomnia	\$500–1,000
Genentech/OSI/Roche	Tarceva	Small molecule	Lung cancer	\$500–1,000
NPS	Preos	Recombinant hormone	Osteoporosis	\$300–500
Celgene	Revlimid	Small molecule	Myelodysplastic syndrome and myeloma	\$300–500
Cephalon	Nuvigil	Small molecule	Daytime sleepiness	\$300–500

Source: SG Cowen

Top biotech drugs by sales

Drug	Product	Indication	2Q04 (\$)	Change since 3Q04
Procrit	Erythropoietin-α	Anemia	835.1	3%
Epogen	Erythropoietin-α	Anemia	722.5	-7%
Remicade	mAb	Rheumatoid arthritis	478.2	4%
Enbrel	Receptor fusion	Rheumatoid arthritis	448.9	7%
Aranesp	Erythropoietin-α	Anemia	444.4	24%
Neulasta	Erythropoietin-α	Anemia	421.1	15%
Avonex	Interferon-β	Multiple sclerosis	243.1	2%
Neupogen	Erythropoietin-α	Anemia	227.1	2%
Copaxone	Small molecule	Multiple sclerosis	157.9	2%
Viread	Small molecule	HIV	124.1	~0%
Herceptin	mAb	Cancer	123.9	9%
Humira	mAb	Rheumatoid arthritis	117.7	15%
Pegasys	Peginterferon-α2b	Hepatitis C	114.7	0%
Betaseron	Interferon-β	Multiple sclerosis	97.6	6%
Avastin	mAb	Cancer	84.0	415%
Rebif	Interferon-β	Multiple sclerosis	79.7	12%
Erbix	mAb	Cancer	74.3	412%

Source: IMS Health, Credit Suisse First Boston