

1 Market Perspective

The health of the pharmaceutical contract development and manufacturing market correlates directly with the health of the overall pharmaceutical industry. Both sectors are doing well at the present time.

The global drug product market will expand at a compound annual growth rate (CAGR) of 6.3% from 2016 to 2022, according to research firm EvaluatePharma, with biologics accounting for 50% of the top 100 products by the end of the study period.¹

Although expanding at a lower CAGR of 2.8%, global R&D spending in the pharmaceutical industry will result in new products currently in the R&D pipeline contributing to half of the added revenues by 2022.¹

Global demand for drug substances – both small- and large-molecule active pharmaceutical ingredients (APIs) – is growing at a rate similar to that of drug products (6.5% CAGR), according to market research firm Mordor Intelligence, increasing from \$154 billion in 2015 to \$225 billion in 2021.²

The market for services from CMOs is consequently expanding at a CAGR of 6.4% and is expected to increase to \$84 billion in 2020, up from \$58 billion in 2014.³

2 Demographics

Over 700 pharmaceutical industry professionals representing all types of companies took part in the 2017 Nice Insight CDMO Survey. 41% of respondents were from large (>\$5 billion in annual sales) pharmaceutical and biotechnology firms, 36% from medium-sized (\$500 million to \$5 billion) companies, 20% from small (\$100 million to \$500 million) organizations and 3% from emerging (<\$100 million) businesses. The survey was truly global in nature as well, with 38% of participants located in Europe, 33% in North America and 29% in Asia.

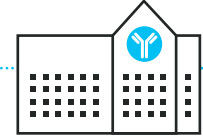
CDMO SURVEY RESPONDENTS PROFILE BY REGION



38% Europe

North America	33%
Asia	29%

CDMO SURVEY RESPONDENTS PROFILE WITH INFO BY COMPANY SIZE



41% Big Pharma/Biotech

Midsized Pharma/Biotech	36%
Small Pharma/Biotech	20%
Emerging Pharma/Biotech	3%

These companies are engaged in the development of all major forms of medicines, including small- and large-molecule drug substances and drug products across all therapeutic categories. Therapeutic areas of focus include infectious, metabolic, respiratory, endocrine, oncology and central nervous system disorders and diseases. Notably, 51% of respondents work for companies that engage in the development of new biological entities, including protein-based products, growth factors, hormones and others, while 33% represent firms engaged in the development of biosimilars.

THERAPEUTIC AREAS OF FOCUS



42% Cardiovascular Diseases

Infectious Diseases	39%
Metabolic Disorders	38%
Respiratory Diseases	38%
Endocrine Diseases	34%
Oncology Diseases	34%
CNS Disorders	27%

TYPES OF BIOLOGICS INCLUDED IN RESPONDENTS' PRODUCT PIPELINE



51% Vaccines

Antibody Drug Conjugates	42%
Blood Factors	46%
Hormones	44%
Growth Factors	44%
Interferon	37%
Monoclonal Antibodies	42%
Interleukins-Based Products	41%
TNF Factors	37%