

AbbVie – Healthcare Conference March 2025

Overview

AbbVie is a prominent player in the pharmaceutical industry, known for its strong commercial execution and strategic focus on key therapeutic areas. This briefing provides an analysis of AbbVie's industry position, performance, and product set based on recent discussions and strategic insights.

Industry Position

AbbVie operates in a highly competitive and dynamic pharmaceutical industry. The company has strategically positioned itself to leverage opportunities and mitigate risks associated with market changes.

- **Commercial Execution:** AbbVie has demonstrated exceptional commercial execution, reflected in its stock price performance. The company focuses on five major growth platforms: immunology, neuroscience, oncology, aesthetics, and eye care.
- **Therapeutic Areas:** AbbVie is heavily invested in differentiated assets within these therapeutic areas, aiming to lead the markets and gain significant market share.

Performance

AbbVie's financial performance is driven by its strategic focus on key brands and therapeutic areas.

- **Immunology:** AbbVie's immunology portfolio, particularly SKYRIZI and RINVOQ, has shown strong growth. SKYRIZI is driving approximately 50% year-over-year growth in total prescriptions (TRx), with strong performance in psoriatic conditions and inflammatory bowel disease (IBD). RINVOQ is also growing significantly, especially in international markets where it is not restricted by label considerations.
- **Neuroscience:** AbbVie's neuroscience franchise is developing well, with a focus on migraine treatments and psychiatric conditions. Key assets include BOTOX for chronic migraine and VRAYLAR for psychiatric disorders.
- **Oncology:** Despite headwinds from IMBRUVICA's decline, AbbVie's oncology portfolio, including VENCLEXTA and new assets for hematological malignancies, is expected to grow.
- **Aesthetics:** AbbVie has strong positions in aesthetics with BOTOX and the JUVEDERM line.

Product Set

AbbVie's product portfolio is diverse and includes several high-growth potential assets.

- **Immunology:** SKYRIZI and RINVOQ are key drivers in immunology, covering major indications of HUMIRA in a shorter development time. AbbVie is also developing new assets like laticizumab and TLIA for further growth in this area.

- **Neuroscience:** AbbVie's neuroscience portfolio includes migraine treatments and psychiatric drugs like VRAYLAR, which is expected to approach \$5 billion in long-range plans.
- **Oncology:** AbbVie's oncology pipeline includes Teliso-V for cMET overexpressed lung cancer and other promising assets in multiple myeloma and colorectal cancer.
- **Aesthetics:** The aesthetics portfolio includes BOTOX and JUVEDERM, which are significant growth drivers.

Strategic Initiatives

AbbVie is focused on several strategic initiatives to drive future growth and maintain its competitive edge.

- **Business Development:** AbbVie continues to invest in business development, with \$3 billion spent on 20 deals in 2024 to acquire innovative assets. The company is particularly interested in early-stage innovations that can be integrated with its existing platforms.
- **R&D Investment:** AbbVie has increased its R&D investment by \$2 billion from 2022 to 2025, signaling a commitment to long-term growth. The company aims to grow R&D in line with revenue, focusing on both internal and external innovation.
- **Debt Management:** AbbVie has effectively managed its debt, maintaining a comfortable leverage ratio and achieving favorable credit ratings.

Future Outlook

AbbVie's future is poised for transformation as it navigates the post-HUMIRA era and focuses on new growth drivers.

- **Pipeline Potential:** AbbVie's pipeline includes several potential blockbuster drugs in immunology, neuroscience, and oncology. The company is also exploring new opportunities in obesity with recent deals.
- **Financial Health:** AbbVie has a solid financial foundation, with plans to continue investing in R&D and business development to drive long-term growth.

Conclusion

In summary, AbbVie is strategically positioned to navigate the complexities of the pharmaceutical industry, with a strong focus on innovation, strategic acquisitions, and cost management. The company's diverse product portfolio and robust pipeline provide a solid foundation for future growth and success.