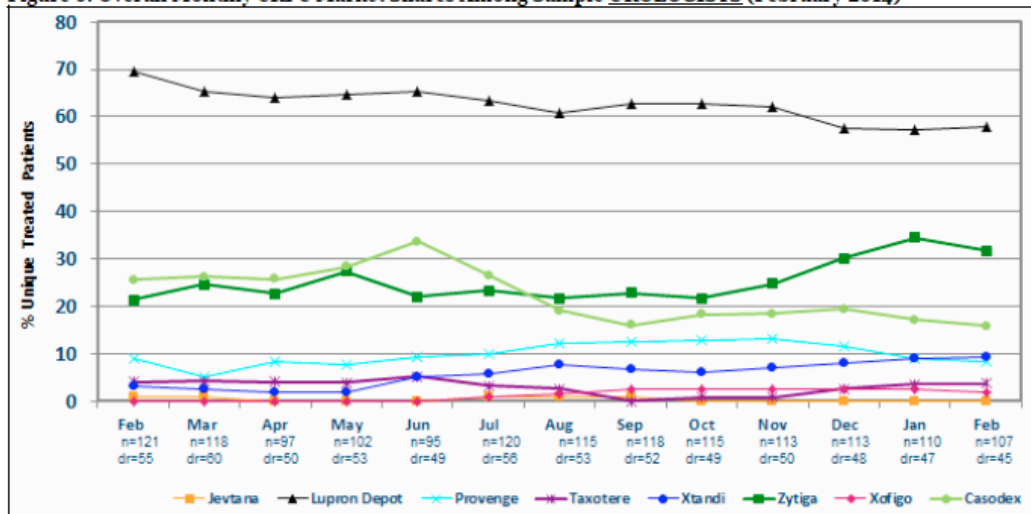


Johnson & Johnson: Increasing Penetration Among Urologists Remains a Growth Driver for Zytiga, in Addition to Increased Uptake in Pre-Chemo and OUS Market

We reviewed data from Symphony Health survey and IMS for JNJ's Zytiga and competing prostate cancer drugs. Zytiga's overall share among sample oncologists dipped slightly to 41% in February from 43% in January. For the first time in our report, we are also looking at survey data from a small sample of urologists, which shows that Zytiga holds about 30% share. Increasing penetration among urologists – which has increased from ~24% to ~30% over the past year in the survey – remains a growth driver for Zytiga, in addition to increased uptake in the pre-chemo market segment and in OUS markets. With pre-chemo use now contributing about 80% of Zytiga use, we expect JNJ to generate somewhat higher revenue per patient as the median duration of use should be longer in the pre-chemo population. JNJ reported U.S. Zytiga sales of \$211MM (+85%) in Q4 and \$750MM (+62%) in full year 2013. We estimate sales of \$958MM (+28%) in the U.S. and \$2.2B (+31%) global in 2014, growing to \$1.2B and \$2.8B, respectively, in 2016.

Figure 6. Overall Monthly CRPC Market Shares Among Sample UROLOGISTS (February 2014)



Source: Symphony Health Solutions

Source: Wells Fargo Securities/Biegelsen, March 28, 2014

Oncology Indication: Prostate

Keyword: Sales/Rx Trends