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# Q&A with Emmanuel Papadakis

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We talk to Emmanuel Papadakis, European Head of Biopharma. Emmanuel explains how Covid has impacted the biopharmaceutical industry and how R&D productivity remains a challenge.

**Q: The COVID pandemic has been a seminal event in recent human history, what are the lasting therapeutic and diagnostic implications for the biopharmaceutical industry?**

A: We view the events of the past few years as an unprecedented showcase of the industry's capability to address a fast-moving, unpredictable and unanticipated pandemic situation. Pharma companies have been able to deliver vaccine, therapeutic and diagnostic solutions at a dramatic speed and with an efficacy that seemed beyond optimism at the outset. This should lead to a welcome improvement in the public's perception of the industry's value. But while there have been some monetary winners, our concern is that the industry will not achieve as much durable recognition as it deserves for such a successful contribution to managing the pandemic.

**Q: The pace of therapeutic change has never been faster, but R&D productivity remains a challenge, why?**

A: As the pandemic has highlighted, structural innovation in the industry has never been faster and more disruptive. Vaccine winners emerged courtesy of an untested mRNA technology that was relatively hypothetical at the onset of the pandemic, but quickly proved itself and displaced years of established industry dogma in the process. This is a story being replicated across therapeutic verticals, which makes it difficult for slower-moving large organisations to stay at the consistent forefront of innovation. Coupled with the perpetual need for reinvention (courtesy of patent lifecycles), R&D productivity is likely to remain an ongoing challenge, particularly for larger companies.

**Q: Inflation exposure and ongoing net US pricing pressure appear to put pharma between a rock and a hard place, how will the sector fare in this environment?**

A: The economic moat derived from patent protection means that input costs remain relatively immaterial for most pharma companies, whilst pricing power remains robust for those companies that are able to deliver practice-changing therapeutic innovation. Coupled with the sector's defensive insulation from macroeconomic conditions, that is likely to see the sector continue to fare



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relatively well.

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