

Jennison Associates

Healthcare Obesity and Pain Management

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M: Innovation is consistent and new product cycles, particularly in healthcare, are among the biggest opportunities we see, particularly in the GLP one category that was developed to treat type two diabetes. It's turned out to be blockbuster product area, but it's also moving into obesity. And that is a big opportunity.

T: Huge opportunity actually. There are approximately 800 million people defined as or considered obese in 2020, and that number is expected to grow to about 1.2 billion people by 2030. So a huge problem when you think about what obesity means for a lot of other comorbidities, you have issue with orthopedics and joints, you have issues with metabolism and the impact of weight and obesity on the liver, on the kidney, you have issues with cardiovascular impact as well. So if we can address and find a means to address obesity, that's a huge, huge positive impact over time on a lot of other health considerations as well. And so today there are really two players that have commercialised on the market and available drugs in that GLP one space that are having meaningful impact on weight loss. And the interesting thing there of course, is that neither company has the supply capacity to meet demand. So the growth is still likely there for the foreseeable future.

M: Yeah, we love companies that are sold out. That's the best position to be in if you're any business. And those leaders in that GLP one space are talking about multi-billions of tens of billions of dollars of revenue for a long period of time coming from that drug innovation. So that's again, a typical area of focus for us in healthcare, but we prefer to be in the blockbuster product cycles.

T: There's another blockbuster coming down the road too, potentially. We're in later stage trials for medication that might address acute pain, and that's been a huge problem, especially in the US, but really globally as well. The only available product on the market that really addresses acute pain today is opioid based. And we all know that opioids have proven to be tremendously addictive and very problematic from that standpoint. And the drugs that are in late stage trials today that are looking quite promising so far have proven to be non-addictive. And that's even just for the US market, could be a 10 to 20 billion opportunity if successfully concluded through all the trials and then ultimately approved.

M: Right. We're looking forward to that trial data and hopefully it sails through.

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