

## The Pharmaceutical Firms With Drugs On Medicare's Price Negotiation List Spent Only \$95 Billion On Research And Development While Spending \$162 Billion On Shareholder Handouts, Marketing, And Overhead In 2023—All While Industry Fights The Government's Attempts To Reign In Drug Prices

**SUMMARY:** Eight pharmaceutical companies that manufacture the ten medications on the Biden administration's list for Medicare price negotiations have spent lavishly on a variety of expenses, including millions in executive compensation and billions in advertising and shareholder handouts, with most spending far less on research and development. Several of these companies argue that the negotiations will negatively affect their research and development operations and are currently suing the Biden administration to stop the plan.

The companies - Johnson & Johnson, Amgen, AstraZeneca, Bristol Myers Squibb, Eli Lilly, Merck, Novartis and Novo Nordisk - pulled in a combined \$367 billion in sales in 2023, according to their financial filings. Collectively, these companies spent a total of \$95.9 billion on research and development expenses, compared to \$162 billion on stock buybacks, dividends, and marketing and administrative costs and nearly \$500 million on compensation for their boards and executives. Additionally, these companies spent at least \$83.2 million on trade association dues, \$10.6 million on political contributions and \$57.8 million on lobbying, all in 2023 alone.

Four of the companies — Johnson & Johnson, Bristol Myers Squibb, Novartis and Novo Nordisk — spent more on combined payments to shareholders in the form of stock buybacks and dividends than they did on research and development in 2023. Five of the eight companies — JNJ, Amgen, AstraZeneca, Novartis and Novo Nordisk — spent more on administrative and marketing expenses than R&D in 2023. In all, the eight companies paid their chief executive officers an average of about \$20.7 million in total compensation in 2023.

The companies and their CEOs have been outspoken about their views on the Inflation Reduction Act's price negotiation plans:

- **Johnson & Johnson:** "We can only make the significant research and development investments we do because U.S. policy has respected manufacturers' patent rights and afforded periods of market exclusivity for innovations."
- **Eli Lilly:** "I'm really worried about the harm this will do to new cures and possibilities in medicine."
- **Merck:** "Unfortunately, this progress is now at risk due to unconstitutional provisions in the Inflation Reduction Act (IRA), necessitating the legal action Merck has taken in U.S. Federal Court against the United States government. We believe this program will negatively impact biopharmaceutical innovation and the sector's work to develop lifesaving and life-changing innovations. In turn, it will have devastating consequences for millions of patients in need."

- **Novartis:** The IRA has “unintended long-term innovation distortion, which disadvantages small molecule and related medicines for the Medicare population, indication expansions in cancer, medicines that take longer to ramp in cardiovascular disease or in respiratory disease.”
- **Novo Nordisk:** “We believe the IRA’s pricing scheme will limit patient access and negatively affect overall patient care. Novo Nordisk is challenging this law to protect patients and ensure our ability to continue developing and providing transformative medicines to treat and cure chronic diseases now and in the future.”

Company	2023 Total Sales	Total Exec. Comp.	Marketing, General, Admin.#	% of Total Sales	Shareholder Payments#	% of Total Sales	R&D Spending	% of Total Sales
<b>Johnson &amp; Johnson</b>	\$85.1bn	\$94m	\$21.5bn	25.2%	\$16.8bn	19.7%	\$15bn	<b>17.7%</b>
<b>Amgen</b>	\$26.9bn	\$57.9m	\$6.1bn	22.6%	\$4.5bn	16.7%	\$4.7bn	<b>17.8%</b>
<b>AstraZeneca</b>	\$43.7bn	\$28.8m	\$19.2bn	43%	\$4.4bn	10%	\$10.9bn	<b>24.9%</b>
<b>Bristol Myers Squibb</b>	\$43.7bn	\$55.4m	\$7.7bn	17.6%	\$9.9bn	21.9%	\$9.2bn	<b>21%</b>
<b>Eli Lilly</b>	\$28.8bn	\$62m	\$7.4bn	25.6%	\$4.7bn	16.3%	\$9.3bn	<b>32%</b>
<b>Merck</b>	\$60.1bn	\$55.1m	\$10.5bn	17.4%	\$8.8bn	14.6%	\$30.5bn	<b>50%</b>
<b>Novartis</b>	\$45.4bn	\$92m	\$12.5bn	27%	\$15.7bn	34.5%	\$11.3bn	<b>25%</b>
<b>Novo Nordisk</b>	\$33.3bn	\$58.4m	\$8.1bn	24%	\$10.2bn	30.4%	\$4.6bn	<b>14%</b>

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## Johnson & Johnson

### Medications

#### **Johnson & Johnson Manufactures Three Of The Ten Drugs That Are On The Biden Administration's Medicare Negotiation List.**

**Three Of Johnson & Johnson's Drugs, Stelara, Xarelto And Imbruvica, On Which It Partners With AbbVie, Are Listed On the Biden Administration's Medicare Negotiation List.** "In August 2022, President Biden signed the Inflation Reduction Act of 2022 (P.L. 117-169) into law. The new law makes improvements to Medicare by expanding benefits, lowering drug costs, and improving the sustainability of the Medicare program for generations to come. The law provides meaningful financial relief for millions of people with Medicare by improving access to affordable treatments and strengthening Medicare, both now and in the long run. For the first time, the law provides Medicare the ability to directly negotiate the prices of certain high expenditure, single source drugs without generic or biosimilar competition. Below is the list of 10 drugs covered under Medicare Part D selected for negotiation for initial price applicability year 2026, based on total gross covered prescription drug costs under Medicare Part D and other criteria as required by the law." [Center for Medicare and Medicaid Services, accessed [04/01/24](#)]

- **"The 10 Drugs Selected For The First Round Of Negotiations Include Treatments For Several Medical Conditions, Including Diabetes (Farxiga, Fiasp/Novolog, Januvia, Jardiance), Blood Clots (Eliquis, Xarelto), Heart Failure (Entresto,**

Farxiga), Psoriasis (Stelara, Enbrel), Rheumatoid Arthritis (Enbrel), Crohn's Disease (Stelara), And Blood Cancers (Imbruvica)." [KFF.org, [09/26/23](#)]

## **Johnson & Johnson Is Currently Suing To Block Medicare Prescription Negotiations In The Third Circuit Court.**

**Johnson & Johnson Is One Of Two Companies Appealing Their Recently Dismissed Case In The Third Circuit Court Challenging The Medicare Prescription Negotiation Process Of The Inflation Reduction Act.** "On Monday, a New Jersey federal judge tossed lawsuits by Bristol Myers Squibb and Johnson & Johnson, which questioned the constitutionality of the U.S. government requiring drugmakers to negotiate with Medicare on the pricing of their product. The dismissal comes two months after a Delaware federal court rejected a similar lawsuit by AstraZeneca. On Monday, the European drugmaker filed its challenge of the decision with the U.S. Court of Appeals. Similarly, J&J said it will appeal Monday's decision" [Fierce Pharma, [04/30/24](#)]

## **JNJ's Psoriasis Treatment Stelara Brings In \$10.86 Billion A Year And Costs \$16,000 Per Dose In The U.S. And The Company Recently Made A Deal To Temporarily Keep Generics Out Of The Market.**

**Stelara Has A Price Tag Of \$16,600 Per Dose In The U.S., Compared To \$2,900 In The U.K. And The Cost For Medicare Patients Increased From \$709 To \$2,058 From 2018 To 2022.** "From 2018 to 2022, out-of-pocket costs for Medicare enrollees climbed for nine of the 10 drugs. The average annual out-of-pocket cost for Stelara, an injectable drug that treats autoimmune conditions, rose the most from \$709 per enrollee to \$2,058. For non-Medicare U.S. patients, Stelara can be considerably more expensive, especially since drugmakers charge far higher prices in this country than they do elsewhere. A 2019 report found that the regular price for Stelara was \$16,600 per dose in the United States, compared to \$2,900 per dose in the United Kingdom." [The Lever, [02/22/24](#)]

Major Innovative Medicine therapeutic area sales:	
(Dollars in Millions)	2023
<b>Total Immunology</b>	<b>\$18,052</b>
REMICADE	1,839
SIMPONI/SIMPONI ARIA	2,197
STELARA	10,858

[Johnson & Johnson Form 10-K, [02/16/24](#)]

- **Stelara's Patents Began Expiring In The U.S. In 2023, However, Johnson & Johnson Cut A Deal With Competitors To Delay The Release Of Their Generic Versions.** "A key Stelara patent expired in the United States last year, but J&J struck deals with competitors to delay the launches of their biosimilars until 2025. Amgen (AMGN.O) will be the first to launch its near-copy, Wezlana, next year. Analysts have said the delay in biosimilar launches would make Stelara a larger contributor to J&J's 2024 and 2025 sales than previously anticipated." [Reuters, [01/23/24](#)]

## **Johnson & Johnson Has Previously Been Criticized By A Senate Committee For Its 2022 Spending On Stock Buybacks, Dividends, And Executive Compensation Compared To Research And Development.**

**In A February 2024 Report, The Senate HELP Committee Majority Staff Wrote That Johnson & Johnson Spent \$3.2 Billion More In Stock Buybacks, Dividends, And Executive Compensation Than On Research And Development For 2022:** “In 2022, Johnson & Johnson made \$17.9 billion in profits and its CEO received \$27.6 million in compensation. That year, the company spent \$17.8 billion on stock buybacks, dividends, and executive compensation, compared to just \$14.6 billion on research and development (R&D). In other words, the company spent \$3.2 billion more enriching executives and stockholders than finding new cures.” [United States Senate HELP Committee “Big Pharma’s Business Model: Corporate Greed,” [02/06/24](#)]

- **In A Statement To The Committee, JNJ’s CEO Joaquin Duato Said The U.S. Should “Reject Price Caps And Controls” That “Stunt Innovation.”** “It is essential that the United States reject the price caps and controls that exist in other countries and serve to stunt innovation and deprive patients of life-saving medicines. Our nation’s robust biopharmaceutical industry was created and fostered by deliberate policy choices that prioritized and incentivized investment in medical innovation in exchange for a period of patent and regulatory exclusivity that enables innovators to price at levels required to recoup their investments and reinvest in the future. As reflected in the Constitution, this nation’s founders recognized as a fundamental tenet, and a cornerstone of a free and capitalistic economy, that the award of exclusivity promotes progress. We can only make the significant research and development investments we do because U.S. policy has respected manufacturers’ patent rights and afforded periods of market exclusivity for innovations. Those exclusivity periods are limited and often curtailed because they run from the date of invention, not from the date of market entry, which can be years thereafter. Moreover, as part of the laudable social bargain, upon expiry of patent and regulatory exclusivities, generic drug and biosimilar manufacturers are legally authorized to rely upon and leverage the innovator’s investment in safety and efficacy studies to bring competitive drugs to the market. That social bargain is one reason that—over time and on average—drug costs in the United States are only 14% of total healthcare costs, which is below the average for other major markets. We support policies that encourage other countries to do more to foster innovation, rather than misguided approaches that would result in the United States doing less. This is critical not only to the health of the United States, but also to our nation’s financial and national security.” [Johnson & Johnson, [02/08/24](#)]

## **Recent Earnings**

**In Q4 2023, Johnson & Johnson’s Net Earnings Increased 28% Year Over Year, With FY 2023 Earnings Nearly Doubling To Over \$35.1 Billion While AbbVie Reported \$54 Billion In Revenues And \$2.6 Billion From Imbruvica Sales In The U.S.**

JNJ Reported A Total Of \$85 Billion In Sales And In Q4 2023, The Company Reported Net Earnings From "Continued Operations" Of Over \$4.1 Billion, A 28% Increase YoY From

**Q4 2022.** “In 2023, worldwide sales increased 6.5% to \$85.2 billion as compared to an increase of 1.6% in 2022.” [Johnson & Johnson Form 10-K, [02/16/24](#)]

(\$ in Millions, except EPS)	Q4		
	2023	2022	% Change
Reported Sales	\$21,395	\$19,939	7.3%
Net Earnings	\$4,132	\$3,227	28.0%
EPS (diluted)	\$1.70	\$1.22	39.3%

[Johnson & Johnson, [01/23/24](#)]

**However, Johnson & Johnson Reported Net Earnings Of Over \$35.1 Billion For FY 2023 When Including Discontinued Operations, Nearly Doubling From \$17.9 Billion In 2022:**

	2023		2022		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
[...]					
Net earnings from Continuing Operations	\$ 13,326	15.6	\$ 16,370	20.5	(18.6)
Net earnings from Discontinued Operations, net of tax	21,827		1,571		
Net earnings	\$ 35,153		\$ 17,941		

[Johnson & Johnson, [01/23/24](#)]

**AbbVie, Which Partners With JNJ On The Cancer Drug Imbruvica, Reported \$54.3 Billion In Worldwide Net Revenues, Including \$22.8 Billion From Cash Flow Operations...**

“AbbVie's strategy has focused on delivering strong financial results, maximizing the benefits of a diversified revenue base, advancing and investing in its pipeline and returning value to shareholders while ensuring a strong, sustainable growth business over the long term. The company's financial performance in 2023 included delivering worldwide net revenues of \$54.3 billion, operating earnings of \$12.8 billion, diluted earnings per share of \$2.72 and cash flows from operations of \$22.8 billion.” [AbbVie Inc. 10-K, [02/20/24](#)]

**...And \$2.6 Billion From Proceeds From Imbruvica In The U.S.**

Total		\$	2,908
Oncology			
Imbruvica	United States	\$	2,665
	Collaboration revenues		931

[AbbVie Inc. 10-K, [02/20/24](#)]

## Most Recent Executive Compensation

**In 2023, Johnson & Johnson Paid Its Top Executives And Board Members More Than \$94 Million In Total Compensation And Spent \$170,684 For The CEO's Use Of Corporate Aircrafts And A Company Car, While Its CEO To Worker Pay Ratio Was 338 To 1.**

**In 2023, Johnson & Johnson CEO Joaquin Duato Earned \$28 Million In Total Compensation, A CEO To Worker Pay Ratio Of 338 To 1.** "The annual total compensation of our median-paid employee on a worldwide basis for 2023 was \$84,000. The annual total compensation of our chief executive officer for 2023 was \$28,422,037. The ratio of the two amounts for 2023 is 338 to 1." [Johnson & Johnson 2023 Proxy Statement, [03/13/24](#)]

- **Mr. Duato's Total Compensation Is More Than Double His Total Compensation Of \$13.1 Million In 2022, Which Was A CEO To Worker Pay Ratio Of 164 To 1.** "The annual total compensation of our median-paid employee on a worldwide basis for 2022 was \$80,000. The annual total compensation of our Chief Executive Officer for 2022 was \$13,121,860. The ratio of the two amounts for 2022 is 164 to 1." [Johnson & Johnson 2022 Proxy Statement, [03/15/23](#)]

**In 2023, Johnson & Johnson Also Spent \$170,684 For Duato's Personal Use Of Corporate Aircrafts And A Company Car And Driver.** "J. Duato. \$170,684, which includes personal use of corporate aircraft of \$145,685 and personal use of a company car and driver." [Johnson & Johnson 2023 Proxy Statement, [03/13/24](#)].

**In 2023, Johnson & Johnson Spent \$90,860,034 In Total Compensation For Its Top Six Executives Including Joaquin Duato.**

**2023 Summary compensation table**

In the table below, we show the compensation of our Chief Executive Officer, Chief Financial Officer and the three other most highly compensated executive officers for 2023. We also show the compensation of one of our former executive officers who served for part of 2023. We show the compensation of executive officers listed in the table below for 2022 and 2021 if they were also named in the 2023 and 2022 Proxy Statements. For a complete understanding of the table, please read the descriptions of each column that follow the table.

A	B	C	D	E	F	G	H	I	J
Name and principal position	Year	Salary (\$)	Bonus (\$)	Stock awards (\$)	Option awards (\$)	Non-equity incentive plan compensation (\$)	Change in pension value and non-qualified deferred compensation earnings (\$)	All other compensation (\$)	Total (\$)
J. Duato Chairman/CEO	2023	\$1,584,615	\$0	\$11,182,143	\$4,796,990	\$4,376,500	\$6,213,000	\$241,992	\$28,397,240
	2022	1,490,962	0	5,940,820	2,318,959	3,079,750	0	268,987	13,099,487
	2021	1,030,000	0	7,001,281	2,393,998	2,319,450	875,767	184,796	13,805,292
J. Wolk EVP, CFO	2023	1,147,962	0	5,766,005	2,460,014	1,928,800	2,514,000	98,072	13,914,853
	2022	1,008,462	0	4,718,897	1,841,952	1,177,800	0	75,971	8,823,082
	2021	938,077	0	4,877,538	1,688,997	1,560,863	1,809,897	78,243	10,953,615
J. Reed EVP, Innovative Medicine, R&D	2023	840,385	5,700,000	11,699,934	0	1,720,000	374,000	313,031	20,847,350
J. Taubert EVP, WWC Innovative Medicine	2023	1,130,000	0	4,246,820	1,799,992	1,896,250	1,844,000	78,332	10,995,394
	2022	1,008,462	0	4,764,921	1,859,958	1,094,875	0	53,316	8,781,532
	2021	938,077	0	4,947,245	1,713,005	1,510,314	1,067,411	49,707	10,225,759
P. Fasolo EVP, Chief Human Resources Officer	2023	877,692	0	2,999,620	1,277,991	1,160,000	1,076,000	110,744	7,502,047
A. McEvoy Former EVP, WWC MedTech	2023	1,059,231	0	4,015,750	1,707,004	1,261,500	1,312,000	47,665	9,403,150
	2022	984,615	0	3,935,021	1,535,967	890,250	0	44,308	7,390,161

[Johnson & Johnson 2023 Proxy Statement, [03/13/24](#)]

**In 2023, Johnson & Johnson Paid Its Board Of Directors A Total Of \$4,074,961 In Fees, Stock Awards And Other Compensation.**



### 2023 total Director compensation

This table sets forth the compensation of our Directors for fiscal 2023. For a complete understanding of the table, please read the accompanying footnotes and the narrative disclosures.

A	B	C	D	E	F
Name	Role for additional cash retainer	Fees earned or paid in cash	Stock awards	All other compensation	Total
D. Adamczyk		\$125,000	\$195,000	\$20,000	\$340,000
M. C. Beckerle	Comm Chair	145,000	195,000	15,000	355,000
D. S. Davis	Comm Chair	155,000	195,000	0	350,000
I. E. L. Davis		72,688	0	0	72,688
J. A. Doudna		125,000	195,000	0	320,000
M. A. Hewson	Comm Chair	145,000	195,000	20,000	360,000
P. A. Johnson		109,503	233,466	10,000	352,969
H. Joly		125,000	195,000	0	320,000
M. B. McClellan		125,000	195,000	0	320,000
A. M. Mulcahy	LD/Comm Chair	195,000	195,000	20,000	410,000
A. E. Washington		105,154	0	0	105,154
M. A. Weinberger	Comm Chair	145,000	195,000	0	340,000
N. Y. West		125,000	195,000	20,000	340,000
E. A. Woods		10,616	78,534	0	89,150

[Johnson & Johnson 2023 Proxy Statement, [03/13/24](#)]

## Recent Acquisitions

### **Johnson & Johnson's Acquired Heart Pump Maker Abiomed For \$16.6 Billion In December 2022.**

**January 2023: Johnson & Johnson CEO Joaquin Duato Said The Company Was Looking At Opportunities To Acquire Companies In The Eye Care, Orthopedics And Surgical Robotics Industries, Adding He Expects JNJ To Hit \$60 Billion In Sales By 2025.** "Johnson & Johnson (JNJ.N), opens new tab will look for opportunities to merge with or acquire firms that add value to its focus areas of eye care, surgical robots, orthopedics and cardiovascular products, the company's Chief Executive Officer Joaquin Duato said on Monday. [...] The company's CEO expects J&J to continue growing towards its goal of \$60 billion in pharmaceutical sales by 2025, and is confident of exceeding current Street expectations by the targeted year." [Reuters, [01/09/23](#)]

- **This Followed Johnson & Johnson Acquisition Of Heart Pump Manufacturer Abiomed For \$16.6 Billion In December 2022.** "J&J last month completed its acquisition of heart pump maker Abiomed for \$16.6 billion, which will operate as an independent division in its medical devices business." [Reuters, [01/09/23](#)]

### **In November 2023, Johnson & Johnson Acquired Laminar For \$400 Million In Response To Competitor Medtronic's Moves In A Specific Cardiological Market.**

**November 2023: Johnson & Johnson Acquired Laminar, In Response To Competitor Medtronic's Activity In "The Left Atrial Appendage (LAA) Closure Market."** "Competition in the left atrial appendage (LAA) closure market intensified this week, once again, with Johnson & Johnson's acquisition of Laminar, a Santa Rosa, California-based company that is developing a new approach to eliminate the LAA. J&J, which announced the deal Thursday morning, paid \$400 million upfront to acquire the privately held company, with the potential for additional payments based on reaching clinical and regulatory milestones starting in 2024. J&J said it will take charges related to the deal that will reduce its 2023 earnings by about 17 cents per share from its previously issued forecast and lower its 2024 EPS by about 15 cents." [Industry Dive, [11/30/23](#)]

- **Johnson & Johnson's Acquisition Came The Same Week Competitor Medtronic Acquired A Similar LAA System From Medical Device Incubator Syntheon.** "The deal comes in the same week that Medtronic revealed it had acquired an LAA exclusion system in August from Miami-based medical device incubator Syntheon." [Industry Dive, [11/30/23](#)]

## **In 2024, Johnson & Johnson Announced It Would Acquire Ambrx Biopharma For \$2 Billion As It "Scrambles To Fill A Revenue Hole" For When Generics Begin Competing Against Its Top Selling Drug Stelara In 2025.**

**January 2024: Johnson & Johnson Announced It Would Acquire Cancer Treatment Company Ambrx Biopharma For \$2 Billion.** "Johnson & Johnson said it will acquire Ambrx Biopharma for \$2 billion, picking up a drugmaker specializing in one of the hottest areas of cancer treatment." [CNBC, [01/08/24](#)]

- **Ambrx Specializes In Antibody-Drug Conjugates (ADCs) Treatment And Serves As An Entry For Johnson & Johnson, Following AbbVie, Pfizer And Merck's Entrance In The Space Over The Past Year.** "Ambrx is aiming to target multiple cancers with drugs called antibody-drug conjugates, or ADCs, which are described by researchers as "guided missiles" to directly target and kill cancer cells and minimize damage to healthy tissue. The deal, which was announced on the first day of the annual JPMorgan Healthcare Conference, makes J&J the latest drugmaker to bet on ADCs following similar moves by other large rivals – including Pfizer, AbbVie and Merck– over the last year." [CNBC, [01/08/24](#)]
- **The Move Came At A Time When JNJ Is "Scrambl[ing] To Fill A Revenue Hole" When Its Top-Selling Drug, Stelara, Is Expected To Face Competition From Generic Brands In The Marketplace In 2025.** "The acquisition also comes as J&J scrambles to fill a revenue hole that's approaching in 2025, when its top-selling drug Stelara, which is used to treat a long-lasting autoimmune disease called psoriasis, is expected to face generic competition." [CNBC, [01/08/24](#)]

## **Marketing and Buyback Expenditures vs R&D Expenditures**

### **In 2023, Johnson & Johnson Spent \$21.5 Billion On Selling, Marketing And Administrative Costs And Paid A Combined \$16.9 Billion In Dividends And Stock Buybacks, Compared To Only \$15 Billion On R&D.**

**JNJ Reported Spending \$21.5 Billion On "Selling, Marketing And Administrative Expenses" In 2023, Including \$500 Million On Worldwide Advertising.** "Costs associated with advertising are expensed in the year incurred and are included in selling, marketing and administrative expenses. Advertising expenses worldwide, which comprised television, radio, print media and Internet advertising, were \$0.5 billion, \$0.7 billion and \$1.2 billion in fiscal years 2023, 2022 and 2021, respectively." [Johnson & Johnson Form 10-K, [02/16/24](#)]

[Johnson & Johnson Form 10-K, [02/16/24](#)]

**Johnson & Johnson Increased Its Dividend “For The 61st Consecutive Year” In 2023 Boosting It To \$4.70 Per Share, Totaling \$11.8 Billion.** “The Company increased its dividend in 2023 for the 61st consecutive year. Cash dividends paid were \$4.70 per share in 2023 and \$4.45 per share in 2022.” [Johnson & Johnson Form 10-K, [02/16/24](#)]

Cash flow used for financing activities of \$15.8 billion was primarily due to:

**(Dollars in billions)**

\$(11.8)	dividends to shareholders
(5.1)	repurchase of common stock
(10.8)	net repayment from short and long term debt
1.1	proceeds from stock options exercised/employee withholding tax on stock awards, net
(0.2)	Credit support agreements activity, net
8.0	Proceeds of short and long-term debt, net of issuance cost, related to the debt that transferred to Kenvue at separation
4.2	proceeds from Kenvue initial public offering
(1.1)	Cash transferred to Kenvue at separation
(0.1)	other and rounding
\$(15.8)	Net cash used for financing activities

[Johnson & Johnson Form 10-K, [02/16/24](#)]

**During Its Q4 2023 Earnings Call, Johnson & Johnson CFO Joe Wolk Said The Company “Returned Over \$14 Billion To Shareholders Last Year” And Completed Its \$5 Billion Stock Buyback Program.** “In early 2023, we completed the \$5 billion share repurchase program initiated in late 2022 and, in combination with our dividend, returned over \$14 billion to shareholders last year.” [The Motley Fool, [01/23/24](#)]

- JNJ Also Reported That It Repurchased \$5 Billion Of Its Common Stock In 2023.** “On September 14, 2022, the Company announced that its Board of Directors approved a share repurchase program, authorizing the Company to purchase up to \$5.0 billion of the Company's Common Stock. The repurchase program was completed during the fiscal first quarter of 2023.” [Johnson & Johnson Form 10-K, [02/16/24](#)]

**Johnson & Johnson Reported That It Spent Nearly \$15.1 Billion On Research And Development In 2023, Amounting To 17.7% Of Sales.** “New products introduced within the past five years accounted for approximately 25% of 2023 sales. In 2023, \$15.1 billion was invested in research and development reflecting management’s commitment to create life-enhancing innovations and to create value through partnerships that will profoundly impact of health for humanity.” [Johnson & Johnson Form 10-K, [02/16/24](#)]

Research and Development Expense:				
Research and development expense by segment of business was as follows:				
(Dollars in Millions)	2023		2022	
	Amount	% of Sales*	Amount	% of Sales*
Innovative Medicine	\$11,963	21.8 %	\$11,642	22.1 %
MedTech	3,122	10.3	2,493	9.1
<b>Total research and development expense</b>	<b>\$15,085</b>	<b>17.7 %</b>	<b>\$14,135</b>	<b>17.7 %</b>
Percent increase/(decrease) over the prior year	6.7 %		(1.0 %)	
*As a percent to segment sales				

[Johnson & Johnson Form 10-K, [02/16/24](#)]

## Trade Association Dues Paid

### **Johnson & Johnson Spent A Minimum Of \$3.5 Million On Trade Association Memberships In 2022.**

Johnson & Johnson Did Not Specify Exact Totals But Reported Spending At Least \$3.5 Million To Various Trade Groups Including The Pharmaceutical Research Management Association (PhRMA), Biotechnology Industry Organization (BIO), Business Roundtable, And U.S. Chamber Of Commerce In 2022, According To The Most Recent Data Available.

\$50,000-\$100,000	<ul style="list-style-type: none"><li>• Healthcare Distribution Management Association</li><li>• National Council for Behavioral Health</li><li>• National Health Council</li></ul>
\$100,000-\$250,000	<ul style="list-style-type: none"><li>• Healthcare Institute of New Jersey</li><li>• Healthcare Leadership Council</li><li>• Medical Device Manufacturers Association</li><li>• National Association of Manufacturers</li></ul>
\$250,000-\$500,000	<ul style="list-style-type: none"><li>• Business Round Table</li><li>• Personal Care Products Council</li></ul>
Over \$500,000	<ul style="list-style-type: none"><li>• Advanced Medical Technology Association</li><li>• Biotechnology Industry Organization</li><li>• Consumer Healthcare Products Association</li><li>• Pharmaceutical Research Manufacturers of America</li><li>• U.S. Chamber of Commerce</li></ul>

[Johnson & Johnson 2022 Trade Associations, accessed [04/16/24](#)]

## Company PAC and Donations

### **Johnson & Johnson Made More Than \$600,000 In Political Contributions And JNJ Employees Donated Almost \$730,000 To The Company's PAC In 2022.**

JNJ Contributed To A Wide Range Of PACs, Party Committees And Federal And State-Level Candidates, Totaling \$608,250, And Its Employee PAC Made \$728,950 In Donations During The 2022 Cycle.

TOTAL CORPORATE	\$608,250
TOTAL PAC	\$728,950

[Johnson & Johnson 2022 Political Contributions, accessed [04/17/24](#)]

## Lobbying Table

### During 2023, Johnson & Johnson Spent \$6.8 Million While Lobbying On The Inflation Reduction Act's Drug Pricing Policy And S. 150, The "Affordable Prescriptions For Patients Act Of 2023"

Registrant	Filing Period	Related Lobbying Issues	Total Amount Spent
Johnson & Johnson	<a href="#">Q4 2023</a>	PL 117-169, "The Inflation Reduction Act", regarding provisions impacting drug pricing and implementation; S 150, "Affordable Prescriptions for Patients Act of 2023", regarding all provisions	\$1,160,000
Johnson & Johnson	<a href="#">Q3 2023</a>	PL 117-169, "The Inflation Reduction Act", regarding provisions impacting drug pricing and implementation; S 150, "Affordable Prescriptions for Patients Act of 2023", regarding all provisions	\$2,350,000
Johnson & Johnson	<a href="#">Q2 2023</a>	PL 117-169, "The Inflation Reduction Act", regarding provisions impacting drug pricing and implementation; S 150, "Affordable Prescriptions for Patients Act of 2023", regarding all provisions	\$850,000
Johnson & Johnson	<a href="#">Q1 2023</a>	PL 117-169, "The Inflation Reduction Act", regarding provisions impacting drug pricing and implementation; S 150, "Affordable Prescriptions for Patients Act of 2023", regarding all provisions	\$2,490,000
<b>TOTAL:</b>			<b>\$6,850,000</b>

## Amgen

### Medications

### The Medicare Price Negotiation List Includes Amgen's Arthritis Drug Enbrel And In 2022, Amgen's CEO Described The Inflation Reduction Act As "Unfortunate".

**Amgen's Arthritis Treatment Enbrel Is Listed On The Biden Administration's Medicare Negotiation List.** "Other medicines picked for negotiations include Amgen's (AMGN.O) rheumatoid arthritis treatment Enbrel, Boehringer Ingelheim and Eli Lilly's (LLY.N) diabetes drug Jardiance, J&J's arthritis and Crohn's disease medicine Stelara and insulin from Novo Nordisk." [Reuters, [08/29/23](#)]

**In 2022, Amgen CEO Robert Bradway Called The IRA "Unfortunate" And Said The Legislation Would Stymie Innovation.** "As for the IRA writ large, Amgen will "adapt," Bradway said, though the CEO claimed the legislation is "unfortunate." He argued the bill will stymie

innovation and said that it fails to “address the real challenge for patients in this country,” which he identified as high out-of-pocket costs for medicines.” [Fierce Pharma, [09/15/22](#)]

## Recent Earnings

### **In 2023, Amgen Reported Revenues Of \$28.1 Billion And Net Income Of \$6.7 Billion, Which Included \$3.6 Billion In Sales From Enbrel.**

**In 2023, Amgen Reported Total Revenues Of \$28.1 Billion, Including Total Sales Of \$26.9 Billion And A Net Income Of \$6.7 Billion.**

		2023	
<b>Product Sales by Geography:</b>			
U.S.	\$	19,272	72 %
ROW		7,638	28 %
Total	\$	26,910	100 %

Total revenues	<u>28,190</u>
----------------	---------------

[...]

Total revenues	\$	28,190
Operating expenses	\$	20,293
Operating income	\$	7,897
Net income	\$	6,717

[Amgen Inc. 10-K Report, [02/14/24](#)]

**In 2023, Amgen Reported \$6.7 Billion In Net Income, Up From \$6.5 Billion In 2022:**

	Three months ended		Twelve months ended	
	December 31,		December 31,	
	2023	2022	2023	2022
Net income	\$ 767	\$ 1,616	\$ 6,717	\$ 6,552

[Amgen, Inc. Q4 2023 Earnings Report, [02/06/24](#)]

**Amgen’s Earnings Included More Than \$3.6 Billion From Sales Of Enbrel, Making It The Company’s Second Best-Selling Product.**

*Product sales*

Worldwide product sales were as follows (dollar amounts in millions):

	Year ended December 31, 2023
Prolia	\$ 4,048
ENBREL	3,697

[Amgen Inc. 10-K Report, [02/14/24](#)]

## Most Recent Executive Compensation

### **In 2023 Amgen Paid Its Top Executives And Board Members More Than \$57.9 Million In Total Compensation And Paid Almost \$190,000 For The CEO's Use Of Company Cars And Planes.**

**In 2023, Amgen CEO Robert Bradway Made Over \$22.6 Million In Total Compensation Including Salary, Stock And Option Awards, An Incentive Plan And More, Resulting In a 136-1 Ratio To The Median Amgen Worker.**

	Year	Salary (\$) <sup>(1)</sup>	Bonus (\$)	Stock Awards (\$) <sup>(2)</sup>	Option Awards (\$) <sup>(3)</sup>	Non-Equity Incentive Plan (\$) <sup>(4)</sup>	All Other Compensation (\$) <sup>(5)</sup>	Total (\$)
Robert A. Bradway	2023	1,786,977	0	11,138,503	4,773,714	4,264,000	680,456	22,643,650
Chief Executive Officer	2022	1,722,300	0	11,138,544	4,773,714	3,122,000	643,175	21,399,733
and President	2021	1,674,061	0	11,138,622	4,773,710	3,420,000	714,761	21,721,154

[Amgen 2023 Schedule 14A Proxy Statement, [04/17/24](#)]

- **Amgen Reported That Its CEO Pay Ratio Was 136 To 1.** “We then determined the annual total compensation of our median employee for 2023 which was \$166,322. As disclosed in the “Summary Compensation Table” appearing on page 83, our CEO’s annual total compensation for 2023 was \$22,643,650. Based on the foregoing, the ratio of the annual total compensation of our CEO to that of the median staff member was 136 to 1. [Amgen 2023 Schedule 14A Proxy Statement, [04/17/24](#)]

**Amgen Also Spent A Total \$189,811 On Company Perks For Mr. Bradway Including Use Of Company Aircraft, A Company Car And Driver And Personal Financial Planning Services.**

Name	Personal Use of Company Aircraft <sup>(1)</sup>	Personal Use of Company Car and Driver <sup>(2)</sup>	Personal Financial Planning Services	Other <sup>(3)</sup>	Total(\$)
	Aggregate Incremental Cost(\$)	Aggregate Incremental Cost(\$)	Aggregate Incremental Cost(\$)	Aggregate Incremental Cost(\$)	
Robert A. Bradway	56,692	6,155	15,000	111,964	189,811

[Amgen 2023 Schedule 14A Proxy Statement, [04/17/24](#)]

**In Total, Amgen Paid Its Top Executives Including Robert Bradway \$53,564,250 In 2023.**

	Year	Salary (\$) <sup>(1)</sup>	Bonus (\$)	Stock Awards (\$) <sup>(2)</sup>	Option Awards (\$) <sup>(3)</sup>	Non-Equity Incentive Plan (\$) <sup>(4)</sup>	All Other Compensation (\$) <sup>(5)</sup>	Total (\$)
Robert A. Bradway	2023	1,786,977	0	11,138,503	4,773,714	4,264,000	680,456	22,643,650
Chief Executive Officer and President	2022	1,722,300	0	11,138,544	4,773,714	3,122,000	643,175	21,399,733
	2021	1,674,061	0	11,138,622	4,773,710	3,420,000	714,761	21,721,154
Murdo Gordon	2023	1,144,623	0	3,499,708	1,499,969	1,821,000	277,511	8,242,811
EVP, Global Commercial Operations	2022	1,103,277	0	3,499,679	1,499,985	1,333,000	281,285	7,717,226
	2021	1,072,595	0	3,499,717	1,499,963	1,461,000	286,909	7,820,184
David M. Reese	2023	1,212,823	0	3,149,928	1,349,985	1,929,000	260,919	7,902,655
EVP and Chief Technology Officer	2022	1,158,846	0	3,149,736	1,349,995	1,397,000	277,547	7,333,124
	2021	1,065,127	0	3,359,848	1,439,975	1,449,000	271,734	7,585,684
Peter H. Griffith	2023	1,083,762	0	3,149,928	1,349,985	1,724,000	261,623	7,569,298
EVP and Chief Financial Officer	2022	1,044,492	0	3,149,736	1,349,995	1,262,000	267,512	7,073,735
	2021	1,014,963	0	2,799,665	1,199,979	1,382,000	267,427	6,664,034
Esteban Santos	2023	1,061,385	0	2,939,776	1,259,986	1,688,000	256,689	7,205,836
EVP, Operations	2022	1,022,946	0	2,939,724	1,259,959	1,236,000	262,995	6,721,624
	2021	994,246	0	3,324,824	1,424,988	1,354,000	264,575	7,362,633

[Amgen 2023 Schedule 14A Proxy Statement, [04/17/24](#)]

**In Total, Amgen Paid Its Board Of Directors \$4,396,904 In Fees, Stock Awards And Other Compensation In 2023.**

Non-Employee Director	Fees Earned or Paid in Cash(\$) <sup>(2)</sup>	Stock Awards(\$) <sup>(3)(4)</sup>	All Other Compensation(\$) <sup>(5)</sup>	Total(\$)
Wanda M. Austin	130,000	209,791	20,129	359,920
Michael Drake <sup>(1)</sup>	0	339,791	129	339,920
Brian J. Druker	130,000	209,791	20,129	359,920
Robert A. Eckert	190,000	209,791	20,129	419,920
Greg C. Garland	150,000	209,791	20,129	379,920
Charles M. Holley, Jr. <sup>(1)</sup>	0	369,791	129	369,920
S. Omar Ishrak <sup>(1)</sup>	0	339,791	26,683	366,474
Tyler Jacks	130,000	209,791	129	339,920
Ellen J. Kullman	130,000	209,791	20,496	360,287
Amy E. Miles	130,000	209,791	20,129	359,920
Ronald D. Sugar	150,000	209,791	20,129	379,920
R. Sanders Williams	130,000	209,791	21,072	360,863

[Amgen 2023 Schedule 14A Proxy Statement, [04/17/24](#)]

## Recent Acquisitions

**In October 2023, Amgen Completed A \$27.8 Billion Acquisition Of Horizon Therapeutics In A Move Seen As “Generating Robust Cash Flow” And “Accelerat[ing] Revenue Growth.”**

**October 2023: Amgen Completed A \$27.8 Billion Acquisition Of Horizon Therapeutics.** “Amgen (NASDAQ: AMGN) today announced that it has completed its acquisition of Horizon Therapeutics plc for \$116.50 per share in cash, representing a transaction equity value of approximately \$27.8 billion.” [Amgen, [10/06/23](#)]

- **Amgen Notes Part Of The “Compelling Strategic And Financial Rationale For The Acquisition” Is To “Generat[e] Robust Cash Flow” And Accelerate “Revenue Growth.”** “The compelling strategic and financial rationale for the acquisition includes:



[...] Generating robust cash flow to support capital allocation priorities, including ongoing investment in innovation while sustaining a commitment to an investment grade credit rating. [...] Acceleration of revenue growth; expected to be accretive to non-GAAP earnings per share from 2024.” [Amgen, [10/06/23](#)]

## Marketing and Buyback Expenditures vs R&D Expenditures

### **In 2023, Amgen Reported Spending More Than \$647 Million In Advertising Costs And \$4.5 Billion In Dividends, Compared To Only \$4.7 Billion On Research And Development.**

**Amgen Reported Spending \$6.1 Billion On “Selling, General And Administrative” Expenses, Including \$647 Million On Advertising Costs In 2023, Down From \$841 Million In 2022 And \$843 Million In 2021.** “Advertising costs are expensed as incurred and were \$647 million, \$841 million and \$843 million during the years ended December 31, 2023, 2022 and 2021, respectively. SG&A expenses also include costs and cost recoveries associated with marketing and promotion efforts under certain collaborative arrangements. Net payment or reimbursement of SG&A costs is recognized when the obligations are incurred or we become entitled to the cost recovery.” [Amgen Inc.10-K Report, [04/14/24](#)]

Selling, general and administrative	6,179
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[Amgen Inc.10-K Report, [04/14/24](#)]

**Amgen Did Not Re-Purchase Any Of Its Stock In 2023, But Purchased \$6 Billion Of Its Own Shares In 2022 And \$5 Billion In 2021.** “During 2023, we did not repurchase any of our common stock. During 2022, we repurchased \$6.3 billion of common stock, including \$6.0 billion under ASR agreements and had cash settlements for stock repurchases of \$6.4 billion. In 2021, we repurchased and had cash settlements of \$5.0 billion of common stock. As of December 31, 2023, \$7.0 billion remained available under the stock repurchase program.” [Amgen Inc.10-K Report, [04/14/24](#)]

**Amgen Paid A Dividend Of \$2.13 Per Share In 2023, Totalling More Than \$4.5 Billion.** “The Board of Directors declared quarterly cash dividends of \$2.13, \$1.94 and \$1.76 per share of common stock paid in 2023, 2022 and 2021, respectively, an increase of 10% over the prior year in both 2023 and 2022. In December 2023, the Board of Directors declared a cash dividend of \$2.25 per share of common stock for the first quarter of 2024, an increase of 6% for this period, to be paid in March 2024.” [Amgen Inc.10-K Report, [04/14/24](#)]

Repurchases of common stock	—
Dividends paid	(4,556)

[Amgen Inc.10-K Report, [04/14/24](#)]

### **Amgen Spent \$4.78 Billion On Research And Development In 2023, Only 17.8% Of Its Product Sales.**

Research and development	\$	4,784
% of product sales		17.8 %
% of total revenues		17.0 %

[Amgen Inc.10-K Report, [04/14/24](#)]

## Trade Association Dues Paid

**In 2023, Amgen Reported Over \$2.3 Million In Trade Association Membership Dues, Including \$1.8 Million To PhRMA, Nearly \$274,000 To The Biotechnology Innovation Organization (BIO), And Over \$141,000 To The U.S. Chamber Of Commerce.**

**In 2023, Amgen Paid \$2,329,284 In Contributions To Lobbying By Trade Associations, Including \$1.8 Million To PhRMA, Nearly \$274,000 To The Biotechnology Innovation Organization (BIO), And Over \$141,000 To The U.S. Chamber Of Commerce:**

Organization	2023 Contributions Toward Lobbying	Quarter Paid	Amgen Priority Policies	Alignment With Mission to Serve Patients
Pharmaceutical Research Manufacturers of America (PhRMA)	\$1,805,522.67	Q1, Q3	Pricing, Access to Medicines, Innovation, Intellectual Property	Substantial Alignment
Biotechnology Innovation Organization (BIO)	\$273,979.30	Q3, Q4	Pricing, Access to Medicines, Innovation, Intellectual Property	Substantial Alignment
Healthcare Leadership Council	\$50,000.00	Q4	Accessible Quality Healthcare, Innovation	Substantial Alignment
US Chamber of Commerce	\$141,750.00	Q4	Competition and pricing, Intellectual Property	Substantial Alignment
California Life Sciences	\$54,033.10	Q4	Pricing, Access to Medicines, Innovation, Intellectual Property	Substantial Alignment
AdvaMed	\$4,000	Q2	Regulatory Diagnostic Policy	Substantial Alignment

[Amgen, accessed [03/25/24](#)]

## Company PAC and Donations

### **Amgen Made More Than Half A Million Dollars In Corporate Political Contributions To State-Level Committees Around The Country In 2023 And Its Employee PAC Made \$630,144 In Contributions To Federal Candidates And Committees.**

Amgen Reported Making A Total Of \$517,950 In Corporate Political Contributions To State-Level Candidates And Party Committees Around The Country In 2023.

Contributor	Dates	Amount
Amgen, Inc.	<a href="#">January 1-June 30, 2023</a>	\$206,100
Amgen, Inc.	<a href="#">July 1-December, 2023</a>	\$311,850

[Amgen, Inc. Political Contributions, accessed [04/22/24](#)]

Amgen's PAC Gave \$630,144 To Federal Candidates, PACs And Party Committees In 2023. [FEC Disbursements, accessed [04/29/24](#)]

## Lobbying Table

### **During 2023, Amgen Spent Over \$10.4M While Lobbying On The Inflation Reduction Act And Other Drug Pricing Issues And Legislation.**

Registrant	Filing Period	Related Lobbying Issues	Total Amount Spent
Amgen Inc.	<a href="#">Q4 2023</a>	Issues related to drug pricing reform -Changes to Public law 117-1769 Inflation Reduction Act -Awareness of implications to patients and research and development of Public law 117-1769 Inflation Reduction Act S. 113 Prescription Pricing for the People Act of 2023	\$3,550,000
Amgen Inc.	<a href="#">Q3 2023</a>	Issues related to drug pricing reform -Changes to Public law 117-1769 Inflation Reduction Act -Awareness of implications to patients and research and development of Public law 117-1769 Inflation Reduction Act S. 113 Prescription Pricing for the People Act of 2023	\$2,240,000
Amgen Inc.	<a href="#">Q2 2023 (A)</a>	Issues related to drug pricing reform -Changes to Public law 117-1769 Inflation Reduction Act -Awareness of implications to patients and research and development of Public law 117-1769 Inflation Reduction Act S. 113 Prescription Pricing for the People Act of 2023	\$1,950,000
Amgen Inc.	<a href="#">Q1 2023</a>	Issues related to drug pricing reform -Changes to Public law 117-1769 Inflation Reduction Act	\$2,800,000

		-Awareness of implications to patients and research and development of Public law 117-1769 Inflation Reduction Act S. 113 Prescription Pricing for the People Act of 2023	
			<b>TOTAL:</b> <b>\$10,540,000</b>

## AstraZeneca

### Medications

#### **The Medicare Price Negotiation List Includes AstraZeneca’s (AZ) Diabetes Drug Farxiga.**

**AstraZeneca’s Heart Failure And Diabetes Medication Farxiga Is On The Biden Administration’s List For Medicare Price Negotiation.** “The 10 drugs selected for the first round of negotiations include treatments for several medical conditions, including diabetes (Farxiga, Fiasp/NovoLog, Januvia, Jardiance), blood clots (Eliquis, Xarelto), heart failure (Entresto, Farxiga), psoriasis (Stelara, Enbrel), rheumatoid arthritis (Enbrel), Crohn’s disease (Stelara), and blood cancers (Imbruvica). [KFF.org, [09/26/23](#)]

- **“AstraZeneca’s Farxiga, Used To Treat Type 2 Diabetes, Was One Of The 10 Drugs Selected In The First Negotiation Round.”** [Bloomberg Law, [01/29/24](#)]

#### **AstraZeneca Is Currently Suing To Block The Medicare Negotiations Process In The Third Circuit Court.**

**AstraZeneca Is Currently Suing To Block The Medicare Negotiations Of The Inflation Reduction Act In The Third Circuit Court.** “AstraZeneca PLC is taking its challenge against a government drug price-setting scheme to a federal appeals court. The diabetes drugmaker on Monday filed notice for its appeal to the US Court of Appeals for the Third Circuit after the dismissal of its case against the Medicare Drug Price Negotiation Program.” [Bloomberg Law, [04/29/24](#)]

#### **Lawyers For AstraZeneca Argued That The Price Negotiations Are “Statutory Overreach” And Its CEO Said They Weren’t Negotiations But Rather “An Imposition Of Price” And They Would Hurt Innovation.**

**Lawyers For AstraZeneca Argued In Federal Court That The Medicare Negotiations Were “Statutory Overreach.”** “We are, you know, it is difficult for us on a public record to talk about, you know, the amount of investment in a particular product, but our point is, our choices about investment are being damaged by the Government’s statutory overreaches here. And irreparable harm, you know -- or let’s say, “harm,” since we are past irreparable, it doesn’t have to be for standing purposes much. It just has to be something. So for these purposes, to the extent we’re going to look at the monetary investment side, we shouldn’t have to come in and say, you know, we’re investigating X hundreds of millions of dollars in a particular line of

research. It should be enough to say we are making these choices because we are forced to make them based on the Government's statutory overreach." [AstraZeneca Pharmaceuticals LP et al v. Becerra et al Oral Argument Transcript, accessed [05/07/24](#)]

- **And In 2022, AZ CEO Pascal Soriot Said The Negotiations Will Be More Of An “Imposition Of Price” And That They Would Hurt Innovation And Prevent Companies From Recouping R&D Investments.** “Chief Executive Pascal Soriot warned on Tuesday new U.S. legislation capping drug prices would reduce the ability of companies to recoup their investment on developing new drugs and hurt innovation. In a Reuters Newsmaker interview, he said the British drugmaker's top-selling cancer therapy Tagrisso as well as its potential blockbuster Enhertu would likely be negatively affected by the new law in the coming years.” [Reuters, [08/24/22](#)]
  - “The price negotiation portion of the legislation, which will kick off from 2026, poses a significant challenge, Soriot said. He said it was unclear how such negotiations would play out, and that it appeared to be structured as less of a negotiation and more of an "imposition of price." [Reuters, [08/24/22](#)]

## Recent Earnings

### **AstraZeneca Boasted Total Revenue Of \$45.8 Billion In 2023 Including A 37% Increase In Sales From Farxiga, Resulting In A Total Of \$5.9 Billion From The Drug.**

**AstraZeneca Reported Total Sales Of \$43.7 Billion And Total Revenue Of \$45.8 Billion In 2023 Despite A Decline In Covid-19-Related Business...** “Total Revenue \$45,811m, up 6% despite a decline of \$3,736m from COVID-19 medicines.” [AstraZeneca FY and Q4 2023 results, [02/08/24](#)]

	Revenue and EPS summary		
	FY 2023		
	\$m	% Change Actual	CER <sup>1</sup>
- Product Sales	43,789	2	4
- Alliance Revenue <sup>2</sup>	1,428	89	89
- Collaboration Revenue <sup>2</sup>	594	(1)	(1)
Total Revenue	45,811	3	6
Total Revenue ex COVID-19	45,488	13	15

[AstraZeneca FY and Q4 2023 results, [02/08/24](#)]

**...Resulting In An Operating Profit Of \$8.1 Billion, More Than Double 2022’s Operating Profit Of \$3.7 Billion.**


**Table 11: Reported Profit and Loss**

	FY 2023	FY 2022	% Change	
	\$m	\$m	Actual	CER

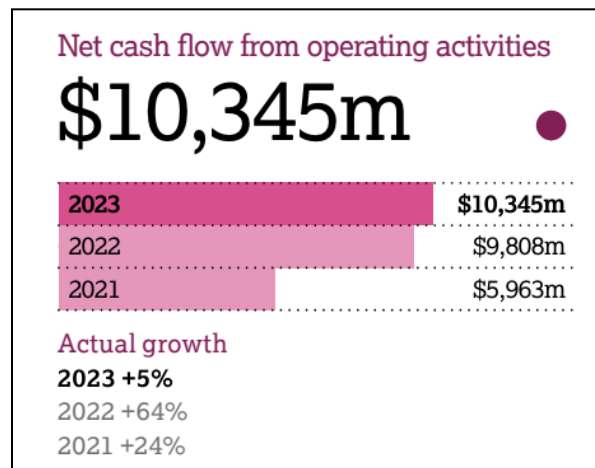
Operating profit	8,193	3,757	>2x	>2x
Operating Margin	17.9%	8.5%	+9pp	+10pp

[AstraZeneca FY and Q4 2023 results, [02/08/24](#)]

**2023 Revenue Included \$10.3 Billion From Operating Activities And \$5.9 Billion From Farxiga Alone, Representing A 37% Increase.** “Farxiga is the number one prescribed SGLT2i worldwide by volume. In August, Forxiga received a 1st-line recommendation from the 2023 European Society of Cardiology Treatment Guidelines for HF across the range of ejection fractions.” [AstraZeneca Annual Report, accessed [04/17/24](#)]

Key marketed products		
Product	Disease	Total Revenue
<i>Farxiga/Forxiga</i> (dapagliflozin)	T2D HF CKD	 \$5,997m, up 37% (39% at CER)

[AstraZeneca Annual Report, accessed [04/17/24](#)]



[AstraZeneca Annual Report, accessed [04/17/24](#)]

## Most Recent Executive Compensation

**AstraZeneca Paid Its Top Executives And Board Members A Combined \$28.8 Million In Total Compensation In 2023.**

**AstraZeneca Paid Chief Executive Office Pascal Soriot £16.9 Million - About \$21 Million - In 2023, An 11% Increase From the Previous Year.<sup>1</sup>** "History is repeating for AstraZeneca CEO Pascal Soriot, who successfully dodged an executive pay revolt at the company's annual meeting Thursday, echoing a similar situation that played out in 2021." [Fierce Pharma, [04/12/24](#)]

- **Soriot Earned \$21.3 Million USD In 2023.** "AZ recently awarded Soriot 16.9 million pounds (around \$21.3 million) for his work in 2023, an 11% increase over the 15.1 million pounds he collected the previous year." [Fierce Pharma, [04/12/24](#)]

£'000		Base pay	Taxable benefits	Pension	Other	Total fixed	Annual bonus	Long-term incentives <sup>1</sup>	Total variable	Single total figure
Pascal Soriot	2023	1,429	140	157	–	1,726	2,839	12,288	15,127	16,853
	2022	1,367	136	150	–	1,653	3,127	10,305	13,432	15,085

[AstraZeneca PLC 2023 Annual Report, accessed [04/15/24](#)]

- **AstraZeneca Reported That Its CEO Pay Ratio Was 52 To 1 In 2023.** "Given the Committee's focus on ensuring CEO pay is performance-driven (and as demonstrated again this year), the majority of the single figure is comprised of variable pay and therefore may vary significantly year-on-year due to annual bonus and PSP outcomes, as well as share price movements. The Committee therefore also considers the CEO pay ratio without the LTI impact. When excluding LTI, the pay ratio of the CEO compared to the median UK employee is 52:1 – in line with the trend across prior years." [AstraZeneca PLC 2023 Annual Report, accessed [04/15/24](#)].

**AstraZeneca Paid Its Other Top Executive, Executive Director And CFO Aradhana Sarin, £4,410,000, Roughly \$5.4 Million, In Total Compensation In 2023.** "Aradhana Sarin, Executive Director and CFO. Skills and experience: Before joining AstraZeneca, Aradhana was CFO for Alexion, responsible for driving strategic growth, financial performance and business development. She brings operational experience in biopharma, plus more than 20 years of professional experience at global financial institutions and extensive knowledge of global healthcare systems. This includes tenures at Citi Global Banking, UBS, and JP Morgan. Aradhana trained as a medical doctor in India and spent two years practising in both India and Africa. She completed her medical training at the University of Delhi and received her MBA from Stanford Business School." [AstraZeneca PLC 2023 Annual Report, accessed [04/15/24](#)]

£'000		Base pay	Taxable benefits	Pension	Other	Total fixed	Annual bonus	Long-term incentives <sup>1</sup>	Total variable	Single total figure
Pascal Soriot	2023	1,429	140	157	–	1,726	2,839	12,288	15,127	16,853
	2022	1,367	136	150	–	1,653	3,127	10,305	13,432	15,085
Aradhana Sarin	2023	915	46	101	–	1,062	1,455	1,893	3,348	4,410
	2022	876	161	96	–	1,133	1,602	– <sup>2</sup>	1,602	2,735

[AstraZeneca PLC 2023 Annual Report, accessed [04/15/24](#)]

<sup>1</sup> In this section, [Oanda FX Data Services](#) was used to calculate the currency conversion from Great British Pounds (£, GBP) to U.S. Dollars (USD).

## AstraZeneca Paid Its Board Of Directors A Total Of £2,078,000, Roughly \$2.5 Million, In Fees And Other Compensation In 2023.

<b>Non-Executive Directors' remuneration</b>					
<b>Non-Executive Directors' realised pay for 2023 (single total figure of remuneration)</b>					
The table sets out all elements of remuneration receivable by the Non-Executive Directors in respect of the year ended 31 December 2023 alongside comparative figures for the prior year.					
	2023 Fees £'000	2022 Fees £'000	2023 Other £'000	2022 Other £'000	2023 Total £'000
Michel Demaré <sup>1</sup>	584	158	-	-	584
Euan Ashley	119	110	-	-	119
Philip Broadley	200	200	-	-	200
Deborah DiSanzo	120	120	-	-	120
Diana Layfield	110	110	-	-	110
Anna Manz	40	-	-	-	40
Sheri McCoy	175	157	-	-	175
Tony Mok	110	110	-	-	110
Nazneen Rahman	160	155	-	-	160
Andreas Rummelt	110	110	-	-	110
Marcus Wallenberg	125	125	-	-	125
<b>Former Non-Executive Directors</b>					
Leif Johansson – retired 27 April 2023	203	625	22	70	225
<b>Total</b>	<b>2,056</b>	<b>1,980</b>	<b>22</b>	<b>70</b>	<b>2,078</b>

[AstraZeneca PLC 2023 Annual Report, accessed [04/15/24](#)]

## Recent Acquisitions

### **AstraZeneca Acquired CinCor Pharma For \$1.3 Billion In 2023 And Has Recently Announced Acquisitions Of Cancer Treatment Firm Fusion Pharmaceuticals Inc. For \$2.6 Billion And Vaccine Producer Icosavax, Inc. For \$1.1 Billion.**

In 2023, AZ Announced It Purchased CinCor Pharma, A Biotech Firm Focusing On Kidney Disease And Hypertension, For \$1.3 Billion—And With Contingent Payments, The Price Could Come To \$1.8 Billion. “AstraZeneca announced today the successful completion of the acquisition of CinCor Pharma, Inc. (CinCor), a US-based clinical-stage biopharmaceutical company, focused on developing novel treatments for resistant and uncontrolled hypertension as well as chronic kidney disease.” [AstraZeneca, [02/24/23](#)]

- “The acquisition was completed through a tender offer to purchase all outstanding shares of CinCor for approximately \$1.3bn upfront. As part of the transaction, AstraZeneca acquired the cash and marketable securities on CinCor’s balance sheet, which totalled approximately \$500 million as of the closing, excluding transaction-related expenses. Under the terms of the agreement, CinCor shareholders also received a non-tradable contingent value right, payable upon a specified regulatory submission of a baxdostat product. Combined, the upfront and contingent value payments represent, if achieved, a transaction value of approximately \$1.8bn. As of the expiration of the tender offer, 39,580,275 shares of CinCor were validly tendered and not validly withdrawn from



the tender offer, representing approximately 86.3% of the outstanding shares of common stock of CinCor, and such shares have been accepted for payment in accordance with the terms of the tender offer.” [AstraZeneca, [02/24/23](#)]

**In February 2024, AZ Completed Its Acquisition Of Clinical Stage Vaccine Company Icosavax For Approximately \$1.1 Billion.** “AstraZeneca announced today the successful completion of the acquisition of Icosavax, Inc., a US-based clinical-stage biopharmaceutical company focused on developing differentiated, high-potential vaccines using an innovative, protein virus-like particle (VLP) platform. As a result of the acquisition, Icosavax has become a subsidiary of AstraZeneca, with operations in Seattle, US. [...] Combined, the upfront and contingent value rights payments, if achieved, represent a transaction value of approximately \$1.1bn.” [AstraZeneca Press Release, [02/19/24](#)]

**In March 2024, AZ Announced It Would Acquire Cancer Treatment Company Fusion Pharmaceuticals Inc., Which Is Working On Alternatives To Radiotherapy And Chemotherapy, For Approximately \$2.6 Billion.** “AstraZeneca has entered into a definitive agreement to acquire Fusion Pharmaceuticals Inc., a clinical-stage biopharmaceutical company developing next-generation radioconjugates (RCs). The acquisition marks a major step forward in AstraZeneca delivering on its ambition to transform cancer treatment and outcomes for patients by replacing traditional regimens like chemotherapy and radiotherapy with more targeted treatments.” [AstraZeneca Press Release, [03/19/24](#)]

- **“Combined, The Upfront And Maximum Potential Contingent Value Payments Represent, If Achieved, A Transaction Value Of Approximately \$2.4bn, A 126% Premium To Fusion’s Closing Market Price On 18th March 2024 And A 111% Premium To The 30-Day VWAP.”** [AstraZeneca Press Release, [03/19/24](#)]

## Marketing and Buyback Expenditures vs R&D Expenditures

**AstraZeneca Reported \$19.2 Billion In Selling, Marketing And Administrative Costs And Paid \$4.4 Billion In Dividends Compared To Spending \$10.9 Billion On R&D.**

**AZ Spent More Than \$19.2 Billion On “Selling, General And Administrative” Expenses In 2023.**

Selling, general and administrative expense	(19,216)
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[AstraZeneca PLC 2023 Annual Report, accessed [04/15/24](#)]

**AstraZeneca Announced It Will Pay An Interim Dividend Of \$1.97 Per Share In March 2024, Coming After Spending \$4.4 Billion In Dividends In 2023.** “The Board has recommended a second interim dividend of \$1.97 (156.0 pence, 20.65 SEK) to be paid on 25 March 2024. This brings the full-year dividend to \$2.90 (227.8 pence, 30.29 SEK). [AstraZeneca PLC 2023 Annual Report, accessed [04/15/24](#)]

Distributions to shareholders: dividends paid

4,481

[AstraZeneca PLC 2023 Annual Report, accessed [04/15/24](#)]

**AstraZeneca Made No Stock Buybacks In 2023, 2022 Or 2021.** “Share repurchases: No Ordinary Shares were repurchased by the Company in 2023 (2022: nil; 2021: nil).”

[AstraZeneca PLC 2023 Annual Report, accessed [04/15/24](#)]

**AstraZeneca Reported \$10.9 Billion In Spending Related To Research And Development In 2023.**

Research and development expense	(10,935)
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[AstraZeneca PLC 2023 Annual Report, accessed [04/15/24](#)]

## Trade Association Dues Paid

**AZ Does Not Disclose Specific Amount Totals It Paid For Memberships In Trade Associations, However The Company Notably Left PhRMA In 2023.**

**AstraZeneca Does Not Disclose Specific Amounts It Paid To Trade Associations And Claims That These Are Included In Their Quarterly Lobbying Totals.**

AstraZeneca registers in-house lobbyists and reports federal lobbying activities to the Clerk of the House of Representatives and the Secretary of the Senate on a regular basis. These quarterly reports are available below and include:

- Internal lobbying expenditures
- External consultant expenditures
- Any portion of AstraZeneca's trade associations dues used for lobbying purposes
- Relevant federal issues lobbied per quarter

[AstraZeneca, Political Engagement & Lobbying, accessed [04/19/24](#)]

**AZ Left The Pharmaceutical Research Management Association (PhRMA) In 2023.** “British drug giant AstraZeneca is joining the PhRMA exodus. With its recent decision to leave the influential U.S. lobbying group, AZ is the third company to leave the Pharmaceutical Research and Manufacturers of America in the last six months.” [Fierce Pharma, [05/16/23](#)]

## Company PAC and Donations

**AZ Does Not Donate To Political Causes In Europe But Reported Making Direct Political Contributions Totaling \$1.6 Million In The U.S. While Its Employee PAC Made More Than \$400,000 In Contributions In The U.S. In 2023.**

**AstraZeneca Reported That It Made No Political Contributions In The European Union However, Its Corporate PAC Reported Contributions Of \$1,687,650 In The United States In 2023.** “Neither the Company nor its subsidiaries made any EU political donations or incurred any EU political expenditure in 2023 and they do not intend to do so in the future in respect of

which shareholder authority is required, or for which disclosure in this Annual Report is required, under the Companies Act 2006.” [AstraZeneca PLC 2023 Annual Report, accessed [04/15/24](#)]

- **In 2021, AZ’s US Corporate Entities Made \$1,687,650 In Contributions.** “Corporate political contributions in the US are permitted in defined circumstances under the First Amendment of the US Constitution and are subject to both federal and state laws and regulations. In 2023, the Group’s US legal entities made contributions amounting in aggregate to \$1,687,650 (2022: \$1,316,950) to national political organisations, state-level political party committees and to campaign committees of various state candidates. No corporate political donations were made at the federal level and all contributions were made only where allowed by US federal and state law.” [AstraZeneca PLC 2023 Annual Report, accessed [04/15/24](#)]
- **In 2023, AZ’s Employee PAC Made \$406,200 In Contributions To Federal Candidates, PACs And Party Committees.** [FEC, accessed [04/29/24](#)]

## Lobbying Table

### During 2023, AstraZeneca Spent Over \$3.9M While Lobbying On The Inflation Reduction Act And Other Drug Pricing Issues And Legislation.

Registrant	Filing Period	Related Lobbying Issues	Total Amount Spent
AstraZeneca	<a href="#">Q4 2023</a>	Issues related to drug pricing; Implementation of the Inflation Reduction Act (IRA) -- with specific focus on drug negotiation (orphan drug exemption language), Medicare Part D reform, and inflation penalties	\$830,000
AstraZeneca	<a href="#">Q3 2023</a>	Implementation of the Inflation Reduction Act (IRA) -- with specific focus on drug negotiation (orphan drug exemption language), Medicare negotiation and Medicare Part D reform and redesign and inflation penalties. -Issues related to the orphan drug exclusion of the Inflation Reduction Act.	\$950,000
AstraZeneca	<a href="#">Q2 2023</a>	Implementation of the Inflation Reduction Act (IRA) -- with specific focus on drug negotiation (orphan drug exemption language), Medicare Part D reform, and inflation penalties. Issues related to the orphan drug exclusion of the Inflation Reduction Act.	\$830,000
AstraZeneca	<a href="#">Q1 2023</a>	Issues related to implementation of H.R.5376 - Inflation Reduction Act of 2022 (Public Law No. 117-169); Issues related to the orphan drug exclusion of the Inflation Reduction Act;	\$1,300,000

		Specific focus on drug negotiation (orphan drug exemption language), Medicare Part D reform, and inflation penalties;	
			<b>TOTAL: \$3,910,000</b>

## Bristol Myers Squibb

### Medications

#### **The Medicare Price Negotiation List Includes Bristol Myers Squibb’s (BMY) Blood Thinner Eliquis, Which Made Up About A Quarter Of BMY’s 2022 Sales.**

**Bristol Myers Squibb’s (BMY’s) Blood Thinner Drug Eliquis Is Listed As A Target Of The Biden Administration’s Medicare Drug Price Negotiations.** “The 10 drugs selected for the first round of negotiations include treatments for several medical conditions, including diabetes (Farxiga, Fiasp/NovoLog, Januvia, Jardiance), blood clots (Eliquis, Xarelto), heart failure (Entresto, Farxiga), psoriasis (Stelara, Enbrel), rheumatoid arthritis (Enbrel), Crohn’s disease (Stelara), and blood cancers (Imbruvica).” [KFF.org, [09/26/23](#)]

**Eliquis Made Up Approximately 25% Of BMY’s Total Sales In 2022, Bringing In \$11.79 Billion In 2022, And The Company Successfully Extended Some Of Its Patents To 2028, Allowing It To Keep Control Over The Price.**

**Bristol Myers Squibb’s Eliquis** is a [blood thinner](#) used to prevent clotting, to reduce the risk of stroke.

- Key patent expirations: [2026 to 2028](#)
- 2022 sales: [\\$11.79 billion](#)
- Percentage of company’s total 2022 sales: Around 25%
- Estimated future revenue: \$478 million in 2032, according to Leerink Partners estimates.

[CNBC, [01/28/24](#)]

- “But the generic version of the drug won’t be available for several more years. Bristol Myers Squibb and Pfizer fought to restore their patent.” [Fox Carolina, [01/14/23](#)]
- “A court ruling granted that extension and now a generic will not be available for sale until April 2028. Patent extension or restoration is a common tactic pharmaceutical companies use to hold onto revenue for their products. According to one study in the Journal of Law and Biosciences of about 100 best-selling drugs more than 70% had their protection extended at least once.” [Fox Carolina, [01/14/23](#)]

#### **Bristol Myers Squibb Is Currently Suing To Block Medicare Prescription Negotiations In The New Jersey District Court.**

**Bristol Myers Squibb Is One Of Two Companies Appealing Their Recently Dismissed Case In The Third Circuit Court Challenging The Medicare Prescription Negotiation Process Of The Inflation Reduction Act.** "On Monday, a New Jersey federal judge tossed lawsuits by Bristol Myers Squibb and Johnson & Johnson, which questioned the constitutionality of the U.S. government requiring drugmakers to negotiate with Medicare on the pricing of their product. The dismissal comes two months after a Delaware federal court rejected a similar lawsuit by AstraZeneca. On Monday, the European drugmaker filed its challenge of the decision with the U.S. Court of Appeals. Similarly, J&J said it will appeal Monday's decision." [Fierce Pharma, [04/30/24](#)]

**BMY's CEO, Christopher Boerner Acknowledged That Pharmaceutical Firms Should Play A Role In Making Drugs Affordable But Warned Against Harming Innovation.** "The three CEOs acknowledged the high cost of health-care in the U.S, but said their prices reflect the value of their life-saving drugs to patients and the broader health-care system, along with their high investments in research and development." [CNBC, [02/08/24](#)]

- "Patients bear the brunt of a complex U.S. system that sees increasing health care costs and a lack of affordability. We have to make the system work better for them," said Boerner, adding that drugmakers "have a role to play in addressing affordability." But he added that Bristol Myers Squibb supports policies that "lower patient out-of-pocket costs without ultimately harming innovation." Boerner did not point to specific policies." [CNBC, [02/08/24](#)]

## Recent Earnings

**In February 2024, Bristol Myers Reported Better Than Expected Sales, With Sales Of New Drugs Increasing 66% Year-Over-Year And The Company Increased Its Share Buyback Program By \$3 Billion.**

**February 2024: Bristol Myers Q4 2023 Earnings Topped Investor Expectations, While "Its Portfolio Of New Drugs Posted Strong Sales Growth."** "Bristol Myers Squibb reported quarterly earnings and revenue that topped expectations on Friday as its portfolio of new drugs posted strong sales growth. [CNBC, [02/02/24](#)]

- **BMY Reported More Than \$43.7 Billion In Net Product Sales And \$45 Billion In Total Revenues In Its FY 2023.**

EARNINGS	2023
Net product sales	\$ 43,778
Alliance and other revenues	1,228
Total Revenues	45,006

[Bristol Myers Squibb, 2023 Form 10-K, [10/26/23](#)]

**BMY Said Its Revenue Growth Was "In Large Part Due To Higher Sales" Of New Drugs Such As Reblozyl And Opdualag, Which Raked In Over \$1 Billion In Sales, Up 66% From Q4 2022.** "The company said it eked out revenue growth in large part due to higher sales of a group of new drugs, including anemia drug Reblozyl and advanced melanoma treatment Opdualag. That group raked in \$1.07 billion in sales for the quarter, up 66% from the \$645 million for the year-earlier period." [CNBC, [02/02/24](#)]

**In Its Q4 2023 Earnings Release, Bristol Myers Said It "Takes A Strategic Approach To Capital Allocation Focuse[d] On Prioritizing Investment For Growth" Adding It Was "Returning Capital To Shareholders Through Dividends And Share Repurchase[s]" Increasing Its Stock Buyback Program By \$3 Billion.** "The company takes a strategic approach to capital allocation focused on prioritizing investment for growth through business development, maintaining a strong investment grade credit rating, and returning capital to shareholders through dividends and share repurchase. Dividend decisions are subject to approval by the Board of Directors. [...] Also in December, the company announced that the Board authorized the repurchase of an additional \$3 billion of the company's common stock under an existing multi-year share repurchase program. With this increase, the company's total outstanding share repurchase authorization is approximately \$5 billion." [Bristol Myers Squibb, [02/02/24](#)]

## **Most Recent Executive Compensation**

### **BMY Reported Paying Its Top Executives And Board Members More Than \$55.4 Million In Total Compensation In 2023 And Paid More Than \$2 Million For Perks And Other Compensation To Its Executives.**

**April 2023: BMY Announced Its CEO Giovanni Caforio Would Retire From The CEO Position Effective November 1, 2023, And That The Company Was Promoting Christopher Boerner To Serve As CEO.** "Bristol Myers Squibb (NYSE: BMY) today announced that Giovanni Caforio, MD, Chairman of the Board and Chief Executive Officer, has decided to retire as Chief Executive Officer, effective November 1, 2023. Christopher Boerner, PhD, EVP, Chief Commercialization Officer, has been named EVP, Chief Operating Officer, effective immediately, and will succeed Caforio as CEO on November 1, 2023. The Board also intends to appoint Boerner as a member of the Board after the Annual Meeting of Shareholders." [Bristol Myers Squibb, [04/26/23](#)]

**In 2023, Mr. Caforio Earned \$19,661,434 In Total Compensation While Serving As The Chief Executive Officer And Mr. Boerner Made \$8,461,833 In His Roles As EVP And Then CEO.**

Name and Principal Position	Year	Salary <sup>(1)</sup>	Bonus <sup>(2)</sup>	Stock Awards <sup>(3)</sup>	Non-Equity Incentive Plan Compensation <sup>(4)</sup>	Change in Pension Value and Non-Qualified Deferred Compensation Earnings <sup>(5)</sup>	All Other Compensation <sup>(6)</sup>	Total
<b>Giovanni Caforio, M.D.<sup>(7)</sup> Executive Chair and Former Chief Executive Officer</b>	2023	\$1,754,808	\$0	\$14,465,570	\$2,706,444	\$0	\$734,612	\$19,661,434
	2022	\$1,700,000	\$0	\$14,289,505	\$3,450,252	\$0	\$613,275	\$20,053,032
	2021	\$1,700,000	\$0	\$13,965,989	\$3,410,625	\$0	\$708,192	\$19,784,806
<b>Christopher S. Boerner, Ph.D.<sup>(8)</sup> Chief Executive Officer</b>	2023	\$1,256,921	\$0	\$5,326,178	\$1,567,098	\$0	\$311,636	\$8,461,833
	2022	\$1,064,049	\$0	\$4,256,197	\$1,274,626	\$0	\$285,348	\$6,880,220
	2021	\$1,020,118	\$0	\$4,095,864	\$1,313,855	\$0	\$273,192	\$6,703,029

[Bristol Myers Squibb 2023 Proxy Statement, [03/28/24](#)]

**In 2023, Bristol Myers Squibb's CEO To Worker Pay Ratio Was 130 To 1.** "We calculated that the median employee's 2023 total compensation, as determined in the same manner as "Total Compensation" in the 2023 Summary Compensation Table, was \$151,172. Dr. Caforio who was CEO at the time we identified our median employee, had an annual total compensation equal to the amount included in the "Total Compensation" column of the 2023 Summary Compensation Table, which results in an annual total compensation for 2023 of \$19,661,434. Based on this information, for 2023, the ratio of the annual total compensation of the CEO to the median of the annual total compensation of all other employees of the Company was 130 to 1." [Bristol Myers Squibb 2023 Proxy Statement, [03/28/24](#)]

**BMY Paid Its Top Six Executives, Including Mr. Caforio And Mr. Boerner \$51,794,895 In Total Compensation In 2023, Including Salaries, Incentive Plans And More.**

Name and Principal Position	Year	Salary <sup>(1)</sup>	Bonus <sup>(2)</sup>	Stock Awards <sup>(3)</sup>	Non-Equity Incentive Plan Compensation <sup>(4)</sup>	Change in Pension Value and Non-Qualified Deferred Compensation Earnings <sup>(5)</sup>	All Other Compensation <sup>(6)</sup>	Total
Giovanni Caforio, M.D. <sup>(7)</sup> Executive Chair and Former Chief Executive Officer	2023	\$1,754,808	\$0	\$14,465,570	\$2,706,444	\$0	\$734,612	\$19,661,434
	2022	\$1,700,000	\$0	\$14,289,505	\$3,450,252	\$0	\$613,275	\$20,053,032
	2021	\$1,700,000	\$0	\$13,965,989	\$3,410,625	\$0	\$708,192	\$19,784,806
Christopher S. Boerner, Ph.D. <sup>(8)</sup> Chief Executive Officer	2023	\$1,256,921	\$0	\$5,326,178	\$1,567,098	\$0	\$311,636	\$8,461,833
	2022	\$1,064,049	\$0	\$4,256,197	\$1,274,626	\$0	\$285,348	\$6,880,220
	2021	\$1,020,118	\$0	\$4,095,864	\$1,313,855	\$0	\$273,192	\$6,703,029
David V. Elkins EVP and Chief Financial Officer	2023	\$1,106,176	\$0	\$4,882,143	\$866,318	\$0	\$311,663	\$7,166,300
	2022	\$1,073,859	\$0	\$4,922,614	\$1,397,863	\$0	\$252,954	\$7,647,290
	2021	\$1,027,005	\$525,000	\$4,716,137	\$1,342,169	\$0	\$284,749	\$7,895,060
Samit Hirawat, M.D. EVP, Chief Medical Officer, Head of Development	2023	\$1,103,781	\$0	\$3,616,394	\$1,234,117	\$0	\$279,335	\$6,233,627
Sandra Leung EVP and General Counsel	2023	\$1,147,819	\$0	\$3,345,168	\$1,123,091	\$0	\$307,403	\$5,923,481
	2022	\$1,133,074	\$0	\$3,441,053	\$1,238,952	\$0	\$291,748	\$6,104,827
	2021	\$1,100,196	\$0	\$3,434,134	\$1,298,162	\$0	\$329,092	\$6,161,584
Elizabeth Mily <sup>(9)</sup> EVP, Strategy & Business Development	2023	\$992,118	\$0	\$2,260,278	\$895,000	\$0	\$200,824	\$4,348,220

[Bristol Myers Squibb 2023 Proxy Statement, [03/28/24](#)]

**BMJ Also Spent \$2,145,473 On Perks And Other Compensation For Their Executives, Including More Than \$100,000 For Air Travel For Mr. Caforio.**

Name	Year	Financial Counseling and Tax Preparation <sup>(1)</sup>	Executive Physical <sup>(2)</sup>	Air Travel <sup>(3)</sup>	Company Contributions to Savings Plans <sup>(4)</sup>	Total All Other Compensation
Giovanni Caforio, M.D.	2023	\$0	\$8,845	\$101,160	\$624,607	\$734,612
Christopher S. Boerner, Ph.D.	2023	\$0	\$7,850	\$0	\$303,786	\$311,636
David V. Elkins	2023	\$11,178	\$0	\$0	\$300,485	\$311,663
Samit Hirawat, M.D.	2023	\$0	\$0	\$0	\$279,335	\$279,335
Sandra Leung	2023	\$16,000	\$4,990	\$0	\$286,413	\$307,403
Elizabeth Mily	2023	\$10,816	\$0	\$0	\$190,008	\$200,824

[Bristol Myers Squibb 2023 Proxy Statement, [03/28/24](#)]

**In 2023, Bristol Myers Squibb Paid Its Board Of Directors \$3,616,060 In Total Compensation, Including Fees, Stock And Option Awards And More.**



Name	Fees Earned or Paid in Cash <sup>(1)</sup>	Stock Awards <sup>(2)</sup>	Option Awards <sup>(3)</sup>	All Other Compensation <sup>(4)</sup>	Total
P. J. Arduini	\$135,000	\$200,000	\$0	\$24,678	\$359,678
D. L. Bhatt, M.D., M.P.H.	\$129,966	\$200,000	\$0	\$0	\$329,966
J. A. Haller, M.D.	\$141,675	\$200,000	\$0	\$30,000	\$371,675
M. Hidalgo Medina, M.D., Ph.D.	\$135,000	\$200,000	\$0	\$0	\$335,000
P. A. Price	\$135,000	\$200,000	\$0	\$30,000	\$365,000
D. W. Rice	\$145,000	\$200,000	\$0	\$30,000	\$375,000
T. R. Samuels	\$195,000	\$200,000	\$0	\$30,000	\$425,000
G. L. Storch <sup>(5)</sup>	\$145,000	\$200,000	\$0	\$0	\$345,000
K. H. Vousden, Ph.D.	\$138,408	\$200,000	\$0	\$6,333	\$344,741
P. R. Yale	\$135,000	\$200,000	\$0	\$30,000	\$365,000

[Bristol Myers Squibb 2023 Proxy Statement, [03/28/24](#)]

## Recent Acquisitions

### **In December 2023, BMY Acquired Radiopharmaceutical Therapeutics Company RayzeBio For \$4.1 Billion In A Move That Diversified Its Oncology Portfolio.**

**December 2023: Bristol Myers Acquired RayzeBio For \$4.1 Billion.** "Bristol Myers Squibb (NYSE: BMY) and RayzeBio, Inc. (NASDAQ: RYZB) today announced a definitive merger agreement under which Bristol Myers Squibb will acquire RayzeBio for \$62.50 per share in cash, for a total equity value of approximately \$4.1 billion, or \$3.6 billion net of estimated cash acquired. The transaction was unanimously approved by both the Bristol Myers Squibb and RayzeBio Boards of Directors." [Bristol Myers Squibb, [12/26/23](#)]

- CEO Boerner Said The Acquisition Of RayzeBio, "A Clinical-Stage Radiopharmaceutical Therapeutics" Company, "Would Lead To Growth In The "Back Half Of The Decade And Beyond."** "RayzeBio is a clinical-stage radiopharmaceutical therapeutics ('RPT') company with an innovation-leading position in actinium-based RPTs and a pipeline of potentially first-in-class and best-in-class drug development programs. [...] 'This transaction enhances our increasingly diversified oncology portfolio by bringing a differentiated platform and pipeline, and further strengthens our growth opportunities in the back half of the decade and beyond,' said Christopher Boerner, Ph.D., Chief Executive Officer of Bristol Myers Squibb." [Bristol Myers Squibb, [12/26/23](#)]

### **In December 2023, Bristol Myers Acquired Karuna Therapeutics For \$14 Billion, Including The Rights To Psychiatric Drug KarXT, Which Will "Enhance" The Company's "Growth Through The Late 2020s And Into The Next Decade."**

**December 2023: Bristol Myers Acquired Karuna Therapeutics For \$14 Billion To "Help Expand [Its] Drug Pipeline After Competition From A Generic Offering" To Its Blood**

**Cancer Drug Revlimid.** "Bristol Myers Squibb on Friday announced it agreed to buy biopharmaceutical company Karuna Therapeutics for \$14 billion in cash, or \$330 per share. [...] The deal will help expand Bristol Myers' drug pipeline after competition from a generic offering caused demand for the company's blood cancer drug Revlimid to tumble in its third quarter." [CNBC, [12/22/23](#)]

- **"Karuna Develops Medications For Patients Living With Neurological And Psychiatric Conditions" And KarXT Is Its Lead Asset Which Will "Serve As A Treatment For Adults With Schizophrenia Beginning In Late 2024."** "Karuna develops medications for patients living with neurological and psychiatric conditions. The company's lead asset is an antipsychotic called KarXT, which is expected to serve as a treatment for adults with schizophrenia beginning in late 2024, the release said." [CNBC, [12/22/23](#)]
- **CEO Chris Boerner Said "Karuna Strengthens Our Position And Accelerates The Expansion And Diversification Of Our Portfolio," Adding BMY "Expect[s] KarXT To Enhance [Its] Growth Through The Late 2020s And Into The Next Decade."** "There are tremendous opportunities in neuroscience, and Karuna strengthens our position and accelerates the expansion and diversification of our portfolio in the space. We expect KarXT to enhance our growth through the late 2020s and into the next decade," Bristol Myers Squibb CEO Christopher Boerner said in a statement." [CNBC, [12/22/23](#)]

### **In November 2023, Bristol Myers Acquired Orum Therapeutics' Blood Cancer Drug, Which Was Approved By The FDA For Early-Stage Study.**

**November 2023: Bristol Myers Acquired Orum Therapeutics' Blood Cancer Drug ORM-6151 In A Deal Worth As Much As \$180 Million—The Drug Had Been Approved By The FDA For An "Early Stage Study."** "Bristol Myers Squibb (BMY.N), opens new tab has acquired Orum Therapeutics' experimental therapy to treat a type of blood cancer for a total value of up to \$180 million, the privately held company said on Monday. The therapy, ORM-6151, which helps degrade a specific protein hard to treat previously, has received the U.S. Food and Drug Administration's (FDA) clearance for an early stage study." [Reuters, [11/06/23](#)]

- **"The Deal Includes An Upfront Payment Of \$100 Million And Milestone Payments."** "The deal includes an upfront payment of \$100 million and milestone payments, Orum said, without disclosing further details." [Reuters, [11/06/23](#)]

### **In October 2023, BMY Acquired Mirati Therapeutics For \$5.8 Billion, In A Deal That Boerner Said Would Strengthen The Company "For The Latter Half Of The Decade And Beyond."**

**October 2023: Bristol Myers Acquired Mirati Therapeutics For Up To \$5.8 Billion After Mirati Was "Rumored" To Be A Target Of "Big Pharma" For Years.** "After years serving as a rumored target of Big Pharma M&A, Mirati Therapeutics has finally made its sale a reality. The buyer, Bristol Myers Squibb, will pay up to \$5.8 billion for the California-based cancer drug developer, the two companies said Sunday. The price marks a 52% premium to a 30-day

average of Mirati's stock before a Bloomberg report of a potential takeover boosted the company's market performance." [Fierce Pharma, [10/09/23](#)]

- **As Part Of The Deal, BMY Said It Would Pay Mirati Shareholders \$1 Billion If The FDA Approves The Company's Pipeline Drug Used To Treat Non-Small Cell Lung Cancer.** "Through the acquisition, BMS will gain FDA-approved non-small cell lung cancer (NSCLC) drug Krazati, which the companies billed as the best-in-class KRAS G12C inhibitor. [...] On top of the current equity value of \$4.8 billion, the deal also includes a non-tradeable contingent value right term. It promises to pay Mirati shareholders \$1 billion if the FDA accepts an application for the company's pipeline drug MRTX1719 for NSCLC in patients who've received no more than two prior lines of therapy within seven years of deal closure." [Fierce Pharma, [10/09/23](#)]
- **Boerner Said The Move To Acquire Mirati Will "Strengthen Bristol Myer Squibb's Pipeline For The Latter Half Of The Decade And Beyond."** "'With multiple targeted oncology assets including Krazati, Mirati is another important step forward in our efforts to grow our diversified oncology portfolio and further strengthen Bristol Myers Squibb's pipeline for the latter half of the decade and beyond,' BMS' CEO-elect, Chris Boerner, Ph.D., said in a statement Sunday." [Fierce Pharma, [10/09/23](#)]

## Marketing and Buyback Expenditures vs R&D Expenditures

### **BMY Spent Approximately \$7.7 Billion On "Marketing, Selling And Administrative" Expenses, A Combined \$10 Billion On Dividends And Stock Buybacks Compared To \$9.2 Billion In Research And Development In 2023.**

**Bristol Myers Squibb Reported Spending \$7.7 Billion On "Marketing, Selling And Administrative Costs" In 2023, A Decrease From The Previous Year.** "Marketing, selling and administrative expenses decreased by \$42 million or 1% primarily due to the timing of charitable giving (\$215 million) and cash settlement of Turning Point unvested stock awards (\$73 million) in 2022, partially offset by higher advertising and promotion costs resulting from additional new product launches (\$121 million) and site exit costs (\$88 million). [Bristol-Myers Squibb Company, SEC Form 10-K, [02/13/24](#)]

Marketing, selling and administrative	7,772
Research and development	9,299

[Bristol-Myers Squibb Company, SEC Form 10-K, [02/13/24](#)]

**In 2023, BMY Repurchased 87 Million Outstanding Common Shares, Amounting To \$5.2 Billion...** "In 2023, we repurchased approximately 87 million shares of our common stock for \$5.2 billion, including approximately 70 million shares for \$4.0 billion through our ASR agreements. In December 2023, the Board of Directors approved an increase of \$3.0 billion to the share repurchase authorization for BMS's common stock. The remaining share repurchase capacity under the BMS share repurchase program was \$5.0 billion as of December 31, 2023." [Bristol-Myers Squibb Company, SEC Form 10-K, [02/13/24](#)]

**...And Paid A Quarterly Dividend Of \$0.57 Per Share, Equaling \$4.7 Billion, Up From \$4.6 Billion In 2022.** "Dividend payments were \$4.7 billion in 2023 and \$4.6 billion in 2022. Dividend

paid per common share was \$0.57 during each quarter of 2023. Dividends are authorized on a quarterly basis by our Board of Directors.” [Bristol-Myers Squibb Company, SEC Form 10-K, [02/13/24](#)]

### **Bristol Myers Squibb Reported Spending \$9.2 Billion On Research Development In 2023.**

Marketing, selling and administrative	7,772
Research and development	9,299

[Bristol-Myers Squibb Company, SEC Form 10-K, [02/13/24](#)]

### **BMJ Has Previously Been Criticized By A Senate Committee For Their 2022 Spending On Stock Buybacks, Dividends, And Executive Compensation Compared To Research And Development.**

**In A February 2024 Report, The Senate HELP Committee Majority Staff Reported That Bristol Myers Squibb Spent \$3.2 Billion More In Stock Buybacks, Dividends, And Executive Compensation Than On Research And Development For 2022:** “In 2022, Bristol Myers Squibb made \$6.3 billion in profits and its former CEO made \$41.4 million in compensation. That year, the company spent \$12.7 billion on stock buybacks, dividends, and executive compensation, compared to just \$9.5 billion on R&D. Just like Johnson & Johnson, Bristol Myers Squibb spent \$3.2 billion more enriching executives and stockholders than finding new cures.” [United States Senate HELP Committee “Big Pharma’s Business Model: Corporate Greed,” [02/06/24](#)]

### **Trade Association Dues Paid**

#### **In The First Half Of 2023, More Than \$3.3 Million Of The Dues BMJ Paid To Trade Associations Such As The U.S. Chamber And PhRMA Went To Lobbying.**

**In The First Half Of 2023, BMJ Had Over \$3.3 Million In Trade Association Membership Dues Go Towards Lobbying, Including Nearly \$3 Million To PhRMA, Just Under \$343,000 To The Biotechnology Innovation Organization (BIO), And \$59,500 To The U.S. Chamber Of Commerce:**

<b>First Half 2023 Lobbying Expenditures by Certain Trade Associations</b>	
<b>Trade Association Name</b>	<b>Amount of Dues uses for non-deductible lobbying expenses</b>
Pharmaceutical Research and Manufacturers of America (PhRMA)	\$2,925,270
Biotechnology Industry Organization (BIO)	\$342,911
US Chamber	\$59,500
California Life Sciences Association	\$10,450
Healthcare Leadership Council	\$26,000
<b>Total</b>	<b>\$3,364,131</b>

YTD: June 30, 2023

[Bristol Myers Squibb, accessed [03/25/24](#)]

## Company PAC and Donations

**In 2023, Bristol Myers Squibb Made Nearly \$280,000 In Direct Political Contributions To State Level Parties And Candidates And Its Employee PAC Made Almost \$500,000 In Contributions At The Federal Level.**

**In 2023, Bristol Myers Squibb Made \$279,750 In State-Level Direct Corporate Contributions.** [Bristol Myers Squibb 2023 State Corporate Contributions thru 12/31/2023, accessed [04/23/24](#)]

**In 2023, Bristol Myers Squibb Made \$499,950 In Employee PAC Federal Contributions.** [Bristol Myers Squibb Political Action Committee (BMS PAC) 2023 Contributions, accessed [04/23/24](#)]

## Lobbying Table

**During 2023, Bristol Myers Squibb Spent \$8.8 Million While Lobbying On The Implementation Of The Inflation Reduction Act, Which Provided For Medicare Drug Price Negotiation.**

<b>Registrant</b>	<b>Filing Period</b>	<b>Related Lobbying Issues</b>	<b>Total Amount Spent</b>
Bristol Myers Squibb	<a href="#">Q4 2023</a>	Inflation Reduction Act implementation	\$2,060,000
Bristol Myers Squibb	<a href="#">Q3 2023</a>	Inflation Reduction Act implementation	\$2,180,000
Bristol Myers Squibb	<a href="#">Q2 2023</a>	Issues related to the Inflation Reduction Act of 2022	\$2,230,000
Bristol Myers Squibb	<a href="#">Q1 2023</a>	Issues related to the Inflation Reduction Act of 2022; IRA implementation	\$2,410,000
<b>TOTAL:</b>			<b>\$8,880,000</b>

# Eli Lilly & Boehringer Ingelheim

## Medications

### **The Medicare Price Negotiation List Includes Eli Lilly's And Boehringer Ingelheim's Diabetes Drug Jardiance.**

**Eli Lilly's And Boehringer Ingelheim's Diabetes Drug Jardiance Is Listed As A Target For Medicare Price Negotiations By The Biden Administration.** "Other medicines picked for negotiations include Amgen's rheumatoid arthritis treatment Enbrel, Boehringer Ingelheim and Eli Lilly's diabetes drug Jardiance, J&J's arthritis and Crohn's disease medicine Stelara and insulin from Novo Nordisk." [Reuters, [08/29/23](#)]

### **Boehringer Ingelheim Is Currently Suing To Block Medicare Negotiations In The New Haven, Connecticut District Court.**

**Boehringer Ingelheim, Which Makes Jardiance With Eli Lilly, Is Currently Suing To Block The Medicare Negotiation Process Of The Inflation Reduction Act In The New Haven, Connecticut District Court.** "Boehringer Ingelheim sued the U.S. government in an attempt to block a program that gives the Medicare health insurance plan the power to negotiate lower drug prices, joining other drugmakers and business groups claiming that it would stifle development of new medicines. In a complaint, filed on Friday in federal court in New Haven, Connecticut, the privately-held German drugmaker said the program violates the U.S. Constitution by giving federal regulators too much power to dictate drug prices. [...] Type 2 diabetes treatment Jardiance, which Boehringer shares with U.S. drugmaker Eli Lilly (LLY.N), opens new tab, is considered among the most likely drugs to be chosen for the first round of negotiations." [Reuters, [08/21/24](#)]

## Recent Earnings

### **Eli Lilly Reported A Significant Increase In Revenue In 2023 To \$34.1 Billion, Resulting In A \$5.2 Billion Profit While Boehringer Ingelheim Also Reported Net Sales Of \$27.3 Billion.**

**Eli Lilly Increased Its Revenue From \$28.5 Billion In 2022 To \$34.1 Billion In 2023, Amounting To A \$5.2 Billion Net Income And The Company Reported Net Product Revenue Of \$28.8 Billion.**

ELI LILLY AND COMPANY AND SUBSIDIARIES (Dollars in millions, except per-share data, and shares in thousands)	Year Ended December 31	
	2023	2022
Revenue (Note 2)	\$ 34,124.1	\$ 28,541.4
Costs, expenses, and other:		
Cost of sales	7,082.2	6,629.8
Research and development	9,313.4	7,190.8
Marketing, selling, and administrative	7,403.1	6,440.4
Acquired in-process research and development (Note 3)	3,799.8	908.5
Asset impairment, restructuring, and other special charges (Note 5)	67.7	244.6
Other—net, (income) expense (Note 18)	(96.7)	320.9
	27,569.5	21,735.0
Income before income taxes	6,554.6	6,806.4
Income taxes (Note 14)	1,314.2	561.6
Net income	\$ 5,240.4	\$ 6,244.8

[Eli Lilly 2023 10-K, [02/21/24](#)]

Note 2: Revenue	
The following table summarizes our revenue recognized in our consolidated statements of operations:	
	2023
Net product revenue	\$ 28,813.9
Collaboration and other revenue <sup>(1)</sup>	5,310.2
Revenue	\$ 34,124.1

[Eli Lilly 2023 10-K, [02/21/24](#)]

### Eli Lilly Reported That 2023 Revenue From Jardiance Surged By 33% To Over \$1.6 Billion In 2023:

Product	Year Ended December 31,				
	2023			2022	
	U.S.	Outside U.S.	Total	Total	Percent Change
Trulicity	\$ 5,433.3	\$ 1,699.2	\$ 7,132.6	\$ 7,439.7	(4)
Mounjaro	4,834.2	328.9	5,163.1	482.5	NM
Verzenio	2,509.0	1,354.3	3,863.4	2,483.5	56
Taltz	1,831.6	928.0	2,759.6	2,482.0	11
Jardiance <sup>(1)</sup>	1,600.4	1,144.2	2,744.7	2,066.0	33

[Eli Lilly 2023 10-K, [02/21/24](#)]

- **Eli Lilly's Partner, Boehringer Ingelheim, Reported €25.6 Billion Euros, Approximately \$27.3 Billion In Net Sales In 2023, Including €7.3 Billion, Nearly \$7.8 Billion, In Sales From Jardiance.<sup>2</sup>**

Financial Highlights	
Amounts in million EUR, unless otherwise indicated	2023
<b>Net sales</b>	<b>25,611</b>
by region	
Americas	48%
Europe	32%
Asia/Australia/Africa (AAA)	20%

[Boehringer Ingelheim 2023 Annual Report, accessed [04/22/24](#)]

<sup>2</sup> In this section, [Oanda FX Data Services](#) was used to calculate the currency conversion from Euros (€) to U.S. Dollars (USD).

Human Pharma: Net sales Top 5 products (in million EUR)				
	2023	2022	Change	currency-adjusted
JARDIANCE® family	7,382	5,832	+26.6%	+31.0%

[Boehringer Ingelheim 2023 Annual Report, accessed [04/22/24](#)]

**June 2023: Eli Lilly CEO David Ricks Argued That Medicare Price Negotiation Could Harm Drug Development, Arguing, “I’m Really Worried About The Harm This Will Do To New Cures And Possibilities In Medicine.”** “Eli Lilly CEO David Ricks on Tuesday said Medicare price negotiations, which aim to cut costs for older Americans, could potentially harm drug development. ‘I’m really worried about the harm this will do to new cures and possibilities in medicine,’ Ricks said in an interview on CNBC’s ‘The Exchange.’ Ricks was referring to a provision in the Biden administration’s Inflation Reduction Act that will allow the Medicare program to negotiate prices on the costliest prescription drugs each year.” [CNBC, [06/13/23](#)]

## Most Recent Executive Compensation

### **Eli Lilly Reported Paying Its Top Executives And Board Members More Than \$62 Million In Total Compensation In 2023.**

**Eli Lilly Reported Paying CEO David Ricks A \$26,655,732 In Total Compensation In 2023, Including Salary, Stock Awards, Pension And Incentive Plans And Other Compensation.**

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) <sup>1</sup>	Non-Equity Incentive Plan Compensation (\$) <sup>2</sup>	Change in Pension Value (\$) <sup>3</sup>	All Other Compensation (\$) <sup>4</sup>	Total Compensation (\$)
David A. Ricks	2023	\$1,621,154	\$0	\$18,840,250	\$4,401,433	\$1,439,822	\$263,073	\$26,565,732
Chair, President, and Chief Executive Officer	2022	\$1,500,000	\$0	\$16,981,250	\$2,700,000	\$0	\$216,885	\$21,398,135
	2021	\$1,500,000	\$0	\$14,966,000	\$2,475,000	\$2,442,235	\$126,750	\$21,509,985

[Eli Lilly 2023 Proxy Statement, [03/22/24](#)]

**Eli Lilly Paid Its Top Five Executives, Including Mr. Ricks, \$57,912,175 In Total Compensation In 2023, Including Salary, Bonus, Stock Awards, Incentive Plans And More.**



<b>Executive Compensation</b>								
<b>Summary Compensation Table</b>								
<b>Name and Principal Position</b>	<b>Year</b>	<b>Salary (\$)</b>	<b>Bonus (\$)</b>	<b>Stock Awards (\$)<sup>1</sup></b>	<b>Non-Equity Incentive Plan Compensation (\$)<sup>2</sup></b>	<b>Change in Pension Value (\$)<sup>3</sup></b>	<b>All Other Compensation (\$)<sup>4</sup></b>	<b>Total Compensation (\$)</b>
David A. Ricks	2023	\$1,621,154	\$0	\$18,840,250	\$4,401,433	\$1,439,822	\$263,073	\$26,565,732
Chair, President, and Chief Executive Officer	2022	\$1,500,000	\$0	\$16,981,250	\$2,700,000	\$0	\$216,885	\$21,398,135
	2021	\$1,500,000	\$0	\$14,966,000	\$2,475,000	\$2,442,235	\$126,750	\$21,509,985
Anat Ashkenazi	2023	\$1,030,769	\$0	\$3,689,000	\$1,865,692	\$951,950	\$61,846	\$7,599,257
Executive Vice President and Chief Financial Officer	2022	\$940,385	\$0	\$3,135,000	\$1,128,462	\$0	\$56,423	\$5,260,270
	2021	\$850,432	\$0	\$2,453,000	\$906,894	\$395,335	\$51,026	\$4,656,687
Daniel M. Skovronsky, M.D., Ph.D.	2023	\$1,330,769	\$0	\$7,483,400	\$2,408,692	\$551,222	\$79,846	\$11,853,929
Executive Vice President, Chief Scientific Officer and President, Lilly Research Laboratories and Lilly Immunology	2022	\$1,201,923	\$0	\$5,747,500	\$1,442,308	\$0	\$72,115	\$8,463,846
	2021	\$1,000,000	\$0	\$5,024,300	\$1,100,000	\$342,792	\$60,000	\$7,527,092
Anat Hakim	2023	\$980,769	\$0	\$3,952,500	\$1,775,192	\$239,430	\$58,846	\$7,006,737
Executive Vice President, General Counsel and Secretary	2022	\$875,962	\$0	\$3,135,000	\$1,051,154	\$146,792	\$52,558	\$5,261,466
	2021	\$775,000	\$0	\$2,244,900	\$852,500	\$98,953	\$46,500	\$4,017,853
Jake Van Naarden	2023	\$830,769	\$0	\$2,424,200	\$1,503,692	\$78,013	\$49,846	\$4,886,520
Executive Vice President and President, Loxo@Lilly	2022	\$735,577	\$0	\$1,933,250	\$882,692	\$26,178	\$44,135	\$3,621,832
	2021	\$745,649 <sup>5</sup>	\$218,715 <sup>6</sup>	\$4,099,500 <sup>7</sup>	\$1,029,507	\$16,909	\$12,462	\$6,122,742

[Eli Lilly 2023 Proxy Statement, [03/22/24](#)]

**Eli Lilly Reported Paying Its Board Members A Total Of \$3,925,854 In Fees, Stock Awards And Other Compensation In 2023.**

<b>2023 Compensation for Non-Employee Directors</b>				
<b>Name</b>	<b>Fees Earned or Paid in Cash (\$)</b>	<b>Stock Awards (\$)<sup>1</sup></b>	<b>All Other Compensation and Payments (\$)<sup>2</sup></b>	<b>Total (\$)<sup>3</sup></b>
Mr. Alvarez	\$136,000	\$200,000	\$0	\$336,000
Dr. Baicker	\$136,000	\$200,000	\$0	\$336,000
Mr. Fyrwald	\$119,000	\$200,000	\$25,884	\$344,884
Dr. Hedley	\$119,000	\$200,000	\$0	\$319,000
Mr. Jackson	\$145,000	\$200,000	\$0	\$345,000
Ms. Johnson	\$116,000	\$200,000	\$0	\$316,000
Dr. Kaelin	\$137,000	\$200,000	\$12,150	\$349,150
Mr. Luciano	\$173,000	\$200,000	\$0	\$373,000
Dr. Runge	\$119,000	\$200,000	\$0	\$319,000
Ms. Sulzberger	\$119,000	\$200,000	\$16,500	\$335,500
Ms. Walker	\$119,000	\$200,000	\$40,000	\$359,000
<b>Former Director:</b>				
Mr. Tai <sup>4</sup>	\$39,987	\$83,333	\$70,000	\$193,320

[Eli Lilly 2023 Proxy Statement, [03/22/24](#)]

## Recent Acquisitions

### **In 2023, Eli Lilly Spent More Than \$4.9 Billion On Mergers And Acquisitions With Several Smaller Biotech Firms.**

**In December 2023, Eli Lilly Successfully Merged With Point Biopharma Global, A Radiopharmaceutical Firm, For Approximately \$1.04 Billion.** “Eli Lilly and Company (NYSE: LLY) today announced the successful completion of its acquisition of POINT Biopharma Global Inc. (NASDAQ: PNT), a radiopharmaceutical company with a pipeline of clinical and preclinical-stage radioligand therapies in development for the treatment of cancer.” [Eli Lilly Press Release, [12/27/23](#)]

- “For Investments That Were Accounted For As Business Combinations, We Paid \$1.04 Billion In 2023 Primarily Related To The Acquisition Of **POINT Biopharma Global Inc. (POINT)**.” [Eli Lilly 2023 Form 10-K, [02/21/24](#)]

**In 2023, The Company Also Reported Paying \$3.9 Billion To Acquire Several Smaller Companies, Including DICE And Emergence Therapeutics.** “For investments that were accounted for as asset acquisitions, we paid \$3.94 billion in 2023 for acquired IPR&D primarily related to acquisitions of DICE, Versanis, Emergence Therapeutics AG (Emergence), and Mablink Biosciences SAS (Mablink).” [Eli Lilly 2023 Form 10-K, [02/21/24](#)]

**In 2023, Boehringer Ingelheim Announced It Acquired T3 Pharmaceuticals, A Cancer Immunotherapy Company For 450 Million Swiss Francs.** “Boehringer Ingelheim today announced the acquisition of privately-held T3 Pharmaceuticals AG (“T3 Pharma”), a clinical stage Swiss biotech company, for an amount of up to 450 million CHF. T3 Pharma has developed a proprietary therapy platform that uses live bacteria to deliver immune-modulating proteins to cancer cells and tumor micro-environments.” [Boehringer Ingelheim Press Release, [11/22/23](#)]

## Marketing and Buyback Expenditures vs. R&D Expenditures

### **In 2023, Eli Lilly Spent A Total Of \$7.4 Billion On Selling, Marketing And Administrative Expenses, \$4.7 Billion On Stock Dividends And Buybacks Compared To \$9.3 Billion On Research And Development, Which Was A Significant Increase From 2022.**

**Eli Lilly And Boehringer Ingelheim Are Estimated To Have Spent A Combined \$158 Million To Promote Jardiance In 2022, Including \$145 Million On TV Advertising.** “Jardiance was the only diabetes drug within touching distance of Novo Nordisk’s Ozempic and Rybelsus in terms of ad spend last year, as Boehringer Ingelheim and Eli Lilly invested in promotion to cement the SGLT2 inhibitor’s status as the front-runner in its class amid the expansion of its label. Boehringer and Lilly moved up the ranks of TV ad spenders last year, upping their outlay on Jardiance to an estimated \$145.1 million to climb two spots to No. 5 on the list for 2022. The spending bought the partners five spots, chief among them the “Meet Ron: On It” TV ad that accounted for \$45.9 million of their budget, according to data from iSpot.TV.” [Fierce Pharma, [05/01/23](#)]

## 8 Jardiance

By Nick Paul Taylor

**Companies:** Boehringer Ingelheim and Eli Lilly

**What is it?** Type 2 diabetes and heart failure drug

**2022 spend:** \$158.6 million

[Fierce Pharma, [05/01/23](#)]

### Eli Lilly Reported Spending A Total Of \$7.4 Billion On “Marketing, Selling And Administrative” Costs In 2023.

Research and development	9,313.4	7,190.8
Marketing, selling, and administrative	7,403.1	6,440.4

[Eli Lilly 2023 Form 10-K, [02/21/24](#)]

**Eli Lilly Increased Its Dividend To \$4.52 Per Share In 2023, Resulting In Payouts To Shareholders Of \$4 Billion.** “Dividends of \$4.52 per share and \$3.92 per share were paid in 2023 and 2022, respectively. The quarterly dividend was increased to \$1.30 per share effective for the dividend to be paid in the first quarter of 2024, resulting in an indicated annual rate for 2024 of \$5.20 per share.” [Eli Lilly 2023 Form 10-K, [02/21/24](#)]

Net Cash Used for Investing Activities		(7,152.7)
<b>Cash Flows from Financing Activities</b>		
Dividends paid		(4,069.3)
Net change in short-term borrowings		4,691.4
Proceeds from issuance of long-term debt		3,958.5
Repayments of long-term debt		—
Purchases of common stock		(750.0)
Other financing activities, net		(335.0)

[Eli Lilly 2023 Form 10-K, [02/21/24](#)]

**In 2023, Eli Lilly Also Repurchased \$750 Million Of Its Own Shares.** “In 2023, we repurchased \$750.0 million of shares under our \$5.00 billion share repurchase program that our board authorized in May 2021. As of December 31, 2023, we had \$2.50 billion remaining under this program.” [Eli Lilly 2023 Form 10-K, [02/21/24](#)]

**Eli Lilly Spent A Total Of \$9.3 Billion On Research And Development In 2023, A Significant Increase Of 30% From The Prior Year.** “Research and development expenses increased 30 percent in 2023, primarily driven by development expenses for late-stage assets and additional investments in early-stage research.” [Eli Lilly 2023 Form 10-K, [02/21/24](#)]

Research and development	9,313.4	7,190.8
Marketing, selling, and administrative	7,403.1	6,440.4

[Eli Lilly 2023 Form 10-K, [02/21/24](#)]

- **Boehringer Ingelheim Spent 5.2 Billion Euros - Approximately \$5.5 Billion USD - On Research And Development, Roughly A Quarter Of Its Human Pharma Sales.** “R&D investments in Human Pharma rose to EUR 5.2 billion in 2023, 25.1% of Human Pharma net sales (EUR 20.8 billion).” [Boehringer Ingelheim Press Release, [04/16/24](#)]

## **Trade Association Dues Paid**

### **Eli Lilly Paid At Least \$400,000 In Total On Dues To Trade Associations Such As The Pharmaceutical Research Management Association And More.**

**Eli Lilly Does Not Disclose Exact Amounts It Paid For Memberships In Trade Associations But It Spent At Least \$400,000 On Dues To Groups Like PhRMA, BIO And The Business Roundtable.** “We disclose memberships in organizations to which Lilly pays annual membership dues of \$50,000 or more, and which lobby in the U.S. at the federal and state level, as well as the percentage of dues collected from member companies utilized by that organization for federal and state lobbying and political expenditures. If Lilly has a board seat in any of those organizations, the board seat is also disclosed and noted with an asterisk.

- BIOCOM California\* (10%)
- Biotechnology Innovation Organization\* (25%)
- Business Roundtable (28%)
- Greater Indianapolis Chamber\* (5%)
- Indiana Chamber of Commerce\* (12%)
- National Association of Manufacturers\* (30%)
- Pharmaceutical Research and Manufacturers of America\* (33%)
- U.S. Chamber of Commerce (35%)”

[Eli Lilly, Public Policy Engagement and Political Participation, accessed [04/22/24](#)]

## **Company PAC and Donations**

### **Through Its PACs And Corporate Donations, Eli Lilly Made More Than \$2.7 Million Dollars In Contributions To State And Federal Candidates, PACs, Party Committees And Other Political Groups In 2023.**

**Eli Lilly Reported That Its LillyPAC And Its New York State PAC Made A Total Of \$2,012,700 In Contributions To Federal And State Candidates, PACs And Party Committees In 2023.**

<b>Disbursements</b>	
Contributions to Candidates	\$ 988,600.00

<b>LillyPAC Federal Contributions Total</b>	<b>\$528,000</b>
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<b>LillyPAC State Contributions Total</b>	<b>\$460,600</b>
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<b>New York PAC Contributions Total</b>	<b>\$35,500</b>
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[Eli Lilly, 2023 Report Of Political And Financial Contributions, accessed [04/22/24](#)]

**Eli Lilly Also Made \$739,400 In Direct Corporate Contributions To State Candidates And Other Political Groups Around The Country.**

<b>Corporate Contributions to State Candidates and Committees Total</b>	<b>\$219,400</b>
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<b>Other Corporate Political Contributions Total</b>	<b>\$520,000</b>
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[Eli Lilly, 2023 Report Of Political And Financial Contributions, accessed [04/22/24](#)]

## **Lobbying Table**

**Eli Lilly Spent A Total Of \$7.8 Million Dollars On Lobbying Expenditures In 2023 Which Also Included Lobbying On The Inflation Reduction Act And Other Drug Pricing Issues.**

**Eli Lilly Reported Spending \$7,886,360 On Lobbying Which Included Lobbying On “Drug Pricing, Coverage Value And Access” And The Inflation Reduction Act In 2023.**

<b>Registrant</b>	<b>Filing Period</b>	<b>Related Lobbying Issues</b>	<b>Total Amount Spent</b>
Eli Lilly	<a href="#">Q4 2023</a>	Drug pricing, coverage, value and access; Implementation of Inflation Reduction Act	\$2,530,000
Eli Lilly	<a href="#">Q3 2023</a>	Drug pricing, coverage, value and access; Implementation of Inflation Reduction Act	\$2,301,360
Eli Lilly	<a href="#">Q2 2023</a> (A)	“Drug pricing, coverage, value and access; Implementation of Inflation Reduction Act	\$1,585,000
Eli Lilly	<a href="#">Q1 2023</a>	Drug pricing, coverage, value and access; Implementation of Inflation Reduction Act	\$1,470,000
<b>TOTAL:</b>			<b>\$7,886,360</b>

# Merck

## Medications

### **The Medicare Price Negotiation List Includes Merck's Diabetes Drug Januvia.**

**Merck's Diabetes Medication Januvia Is A Targeted Medication On The Biden Administration's Medicare Price Negotiation List.** "Merck & Co's diabetes drug Januvia, Eliquis rival Xarelto from Johnson & Johnson and AbbVie's leukemia treatment Imbruvica were also selected." [Reuters, [08/29/23](#)]

### **Merck Is Currently Suing To Block The Medicare Negotiation Process In The District Of Columbia District Court And The CEO Is Unconstitutional And Is "Negatively Affecting" R&D.**

**Merck Is Currently Suing To Block The Medicare Negotiation Process Of The Inflation Reduction Act In The District Of Columbia District Court.** "The legal fight over the Medicare drug price negotiation program enacted under the Inflation Reduction Act (IRA) has entered a new phase. As we covered in previous articles here, the U.S. Department of Health and Human Services' (HHS) authority to directly negotiate the price Medicare pays for a few single-sourced, high-cost drugs faces a slew of constitutional and statutory challenges. Merck is one of multiple pharmaceutical companies and trade associations to file lawsuits across the country, several of which involve similar claims over the constitutionality of the IRA drug negotiation program." [Health Affairs, [09/29/23](#)]

**In 2023, Merck's CEO Rob Davis And Several Top Executives Signed A Letter In Which They Called Provisions In The IRA "Unconstitutional" And Said The Law Is "Negatively Affecting Critical Research And Development".** "Unfortunately, this progress is now at risk due to unconstitutional provisions in the Inflation Reduction Act (IRA), necessitating the legal action Merck has taken in U.S. Federal Court against the United States government. We believe this program will negatively impact biopharmaceutical innovation and the sector's work to develop lifesaving and life-changing innovations. In turn, it will have devastating consequences for millions of patients in need." [Merck, [06/06/23](#)]

- "Under the IRA, the government will take Merck's patented innovations by coercing the company to provide third parties with access at prices the government sets. In addition, the IRA creates the false impression that innovators like Merck are voluntary participants in its program by coercing them to sign an "agreement" conveying that the government-set prices are the "fair" result of a "negotiation." That compelled mirroring of the government's political message violates the First Amendment." [Merck, [06/06/23](#)]
- "Patients and the public need biopharmaceutical innovation to address global health challenges like cancer and Alzheimer's disease, and the IRA is negatively affecting critical research and development. By changing the incentives and returns for some therapies and technologies over others, the IRA is changing the course of R&D, which in time will leave many patients without treatment options." [Merck, [06/06/23](#)]

## Recent Earnings

### In 2023, Merck Reported More Than \$60.1 Billion In Total Sales, Including \$3.3 Billion From Januvia.

Merck Reported \$60.1 Billion In Total Sales In 2023, \$53.5 Billion Of Which Came From Pharmaceutical Sales, Including \$3.3 Billion Generated From Sales Of Januvia.

Product Sales	
Total Company sales, including sales of the Company's top pharmaceutical products, as well as sales of animal health products, were as follows:	
(\$ in millions)	2023
Total Sales	\$ 60,115
Pharmaceutical	53,583
Keytruda	25,011
Gardasil/Gardasil 9	8,886
Januvia/Janumet	3,366

[Merck & Co. Inc. 2023 Form 10-K, [02/26/24](#)]

## Most Recent Executive Compensation

### In 2023, Merck Paid Its Board And Executives More Than \$55.1 Million In Total Compensation Including More Than \$20.2 Million For CEO Robert M. Davis, A Pay Ratio Of 183 To 1.

In 2023, Merck CEO Robert M. Davis Earned \$20,273,287 Million In Total Compensation, Including Stock And Option Awards Valued At Nearly \$14 Million:

Name and Principal Position	Year	Salary (\$) <sup>(1)</sup>	Bonus (\$)	Stock Awards (\$) <sup>(2)</sup>	Option Awards (\$) <sup>(3)</sup>	Non-Equity Incentive Plan Compensation (\$) <sup>(4)</sup>	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) <sup>(5)</sup>	All Other Compensation (\$) <sup>(6)</sup>	Total (\$)
<b>Robert M. Davis</b>	2023	\$1,603,091	\$0	\$9,997,585	\$4,050,000	\$3,585,300	\$651,163 <sup>(7)</sup>	\$386,148	\$20,273,287
Chairman, Chief Executive Officer and President	2022	1,538,613	0	8,868,587	3,524,995	4,125,150	180,259 <sup>(8)</sup>	412,490	18,650,093
	2021	1,319,959	0	6,324,576	2,760,003	2,834,606	235,640	247,337	13,722,121

[Merck 2023 Proxy Statement, [04/11/24](#)]

**Merck's CEO To Worker Pay Ratio Was 183 To 1.** "The total annual compensation of our median employee as calculated under the *Summary Compensation* table requirements for calculating total annual compensation was \$110,827 comprised of base salary, annual cash incentive, savings plan company match, and change in pension value. The total annual compensation for our CEO was \$20,273,287. A reasonable estimation of the ratio of our CEO's compensation to our median employee's compensation is 183 to 1." [Merck 2023 Proxy Statement, [04/11/24](#)]

**During 2023, Merck Spent \$1,164,829 On Perks And Other Expenses For Their Executives Including \$91,519 For Mr. Davis' Use Of Company Aircrafts, \$15,224 For Use Of A Company Car And Driver, And \$10,000 For Tax Preparation Services.**

Name	Year	Financial/Tax Counseling & Tax Preparation Services (\$) <sup>(1)</sup>	Company Aircraft (\$) <sup>(2)</sup>	Company Car and Driver (\$) <sup>(3)</sup>	Installation, Maintenance and Remote Access of Home Security (\$) <sup>(4)</sup>	Relocation Expense and Tax Equalization (\$)	Savings Plan Company Match and Credits (\$) <sup>(5)</sup>	Total (\$)
Davis	2023	\$10,000	\$91,519	\$15,224	\$11,824	\$0	\$257,580	\$386,148
	2022	10,000	191,073	8,113	6,689	0	196,615	412,490
	2021	10,000	94,552	11,353	26,258	0	105,174	247,337
Litchfield	2023	10,000	0	0	0	190,245 <sup>(7)</sup>	127,165	327,410
	2022	10,000	0	0	0	220,220 <sup>(7)</sup>	96,385	326,605
	2021	10,000	0	0	0	375,176 <sup>(7)</sup>	49,770	434,946
Chattopadhyay	2023	10,000	0	36,044	0	0	114,150	160,194
	2022 <sup>(6)</sup>	—	—	—	—	—	—	—
	2021 <sup>(6)</sup>	—	—	—	—	—	—	—
DeLuca	2023	10,000	0	0	0	0	108,931	118,931
	2022 <sup>(6)</sup>	10,000	0	0	0	0	91,011	101,011
	2021	10,000	0	0	0	0	61,907	71,907
Li	2023	10,000	0	579	0	0	161,567	172,146

[Merck 2023 Proxy Statement, [04/11/24](#)]

**Merck Paid Its Top Five Executives \$50,791,336 In Total Compensation In 2023, Including Salary, Stock and Option Awards, Incentives And More.**

Name and Principal Position	Year	Salary (\$) <sup>(1)</sup>	Bonus (\$)	Stock Awards (\$) <sup>(2)</sup>	Option Awards (\$) <sup>(3)</sup>	Non-Equity Incentive Plan Compensation (\$) <sup>(4)</sup>	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) <sup>(5)</sup>	All Other Compensation (\$) <sup>(6)</sup>	Total (\$)
Robert M. Davis Chairman, Chief Executive Officer and President	2023	\$1,603,091	\$0	\$9,997,585	\$4,050,000	\$3,585,300	\$651,163 <sup>(7)</sup>	\$386,148	\$20,273,287
	2022	1,538,613	0	8,868,587	3,524,995	4,125,150	180,259 <sup>(8)</sup>	412,490	18,650,093
	2021	1,319,959	0	6,324,576	2,760,003	2,834,606	235,640	247,337	13,722,121
Caroline Litchfield Executive Vice President and Chief Financial Officer	2023	1,093,063	0	3,147,375	1,275,003	1,665,000	792,534 <sup>(9)</sup>	327,410	8,300,385
	2022	959,959	0	2,075,595	824,999	1,735,500	0 <sup>(10)</sup>	326,605	5,922,657
	2021	805,060	0	1,512,420	660,001	1,184,203	0 <sup>(11)</sup>	434,946	4,596,630
Sanat Chattopadhyay Executive Vice President and President, Merck Manufacturing Division	2023	934,923	0	2,443,907	989,997	1,393,873	317,466	160,194	6,240,360
	2022 <sup>(14)</sup>	—	—	—	—	—	—	—	—
	2021 <sup>(14)</sup>	—	—	—	—	—	—	—	—
Richard R. DeLuca, Jr. Executive Vice President and President, Merck Animal Health	2023	910,027	0	2,369,846	959,999	1,369,000	470,087 <sup>(12)</sup>	118,931	6,197,890
	2022 <sup>(14)</sup>	840,522	0	2,264,301	899,993	1,513,000	0 <sup>(13)</sup>	101,011	5,618,828
	2021	790,247	0	3,856,115 <sup>(15)</sup>	809,999	1,184,000	128,732	71,907	6,841,000
Dean Li, M.D., Ph.D. Executive Vice President and President, Merck Research Laboratories	2023	1,368,819	0	4,147,202	1,679,999	2,072,000	339,249	172,146	9,779,414
	2022	1,095,055	0	2,943,574	1,169,998	2,225,000	210,204	122,233	7,766,063
	2021	937,104	0	2,062,363	900,003	1,400,799	114,593	66,057	5,480,919

[Merck 2023 Proxy Statement, [04/11/24](#)]

**Merck Paid Its Board Of Directors \$4,385,100 In Total Compensation In 2023.**

Name	Director Compensation for Fiscal Year Ended December 31, 2023			Total (\$)
	Fees Earned or Paid in Cash (\$)	All Other Compensation (\$) <sup>(1)</sup>		
Douglas M. Baker, Jr.	\$127,639	\$220,000		\$347,639
Mary Ellen Coe	122,361	220,000		342,361
Pamela J. Craig	150,000	250,000		400,000
Thomas H. Glocer	180,000	250,100		430,100
Risa J. Lavizzo-Mourey, M.D.	120,000	245,000		365,000
Stephen L. Mayo, Ph.D.	130,000	220,000		350,000
Paul B. Rothman, M.D.	150,000	230,000		380,000
Patricia F. Russo	140,000	220,000		360,000
Christine E. Seidman, M.D.	130,000	220,000		350,000
Inge G. Thulin	120,000	220,000		340,000
Kathy J. Warden	130,000	220,000		350,000
Peter C. Wendell <sup>(2)</sup>	120,000	250,000		370,000

[Merck 2023 Proxy Statement, [04/11/24](#)]



## Recent Acquisitions

### **In January 2024, Merck Announced Plans To Acquire Harpoon Therapeutics For Approximately \$680 Million Which Is Expected To Close In The First Half Of 2024.**

#### **January 2024: Merck Announced Plans To Acquire Harpoon Therapeutics, With A Developed Portfolio In Treatments To Kill Tumor Cells, For Approximately \$680 Million.**

"Merck (NYSE: MRK), known as MSD outside of the United States and Canada, and Harpoon Therapeutics, Inc. (Nasdaq: HARP) today announced that the companies have entered into a definitive agreement under which Merck, through a subsidiary, will acquire Harpoon for \$23.00 per share in cash for an approximate total equity value of \$680 million. [...] Harpoon has developed a portfolio of novel T-cell engagers that employ the company's proprietary Tri-specific T cell Activating Construct (TriTAC®) platform, an engineered protein technology designed to direct a patient's own immune cells to kill tumor cells, and ProTriTAC™ platform, applying a prodrug concept to its TriTAC® platform to create a therapeutic T-cell engager that is designed to remain inactive until it reaches the tumor." [Merck, [01/08/24](#)]

- **Harpoon's Board Of Directors Unanimously Approved The Acquisition, Which "Is Expected To Close In The First Half Of 2024."** "Under the terms of the agreement, Merck, through a subsidiary, will acquire all outstanding shares of Harpoon Therapeutics, Inc. for a price per share of \$23.00 in cash. The Board of Directors of Harpoon has unanimously approved the transaction. Closing of the acquisition is subject to certain conditions, including approval of the merger by Harpoon's stockholders, the expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act, and other customary conditions. The transaction is expected to close in the first half of 2024 and will be accounted for as an asset acquisition. Merck expects to record a charge (non-tax deductible) of approximately \$650 million, or approximately \$0.26 per share, that will be included in non-GAAP results in the quarter that the transaction closes." [Merck, [01/08/24](#)]

### **In November 2023, Merck Fully Acquired Caraway Therapeutics For Up To \$610 Million, Including "Contingent Milestone Payments."**

#### **November 2023: Merck Acquired Caraway Therapeutics, Which Develops Treatments For Dementia And Alzheimer's, For Up To \$610 Million, Including "Contingent Milestone Payments."**

"The Dementia Discovery Fund (DDF), a SV Health Investors (SV) fund specialized in pursuing transformational therapeutic approaches for dementias including Alzheimer's disease, is pleased to announce the acquisition of its portfolio company, Caraway Therapeutics, Inc. by Merck, known as MSD outside the United States and Canada. The companies have entered into a definitive agreement under which Merck will acquire Caraway Therapeutics for a total potential consideration of up to \$610 million, including an undisclosed upfront payment as well as contingent milestone payments." [Business Wire, [11/21/23](#)]

- **Merck Senior Vice President George Addona Said, "Caraway's Multidisciplinary Approach Has Yielded Important Progress In Evaluating Novel Mechanisms Of Modulation Of Lysosomal Function"** "'Caraway's multidisciplinary approach has yielded important progress in evaluating novel mechanisms of modulation of lysosomal function with potential for the treatment of progressive neurodegenerative diseases,' said

George Addona, senior vice president, discovery, preclinical development and translational medicine, Merck Research Laboratories. "We look forward to applying our expertise to build upon this work with the goal of developing much needed disease-modifying therapies for these conditions." [Merck, [11/21/23](#)]

- **Prior To Merck Fully Acquiring Caraway, It Was A Shareholder Through Its MRL Ventures Fund Since 2018.** "Under the terms of the agreement, Merck, through a subsidiary, will acquire all outstanding shares of Caraway with earnout milestones associated with the development of certain pipeline candidates. The Board of Directors of Caraway Therapeutics has approved the transaction. Merck, through its MRL Ventures Fund, has been a shareholder of Caraway Therapeutics since 2018." [Merck, [11/21/23](#)]

## **In 2023, Merck Announced Plans To Acquire Prometheus Biosciences For \$10.8 Billion, And CEO Davis Said It Would Lead To Growth "Well Into The 2030s Given The Long Patent Life."**

**April 2023: Merck Announced It Would Acquire Prometheus Biosciences For \$10.8 Billion, Adding To Merck's Colitis And Crohn's Disease Portfolio.** "Merck & Co (MRK.N) said on Sunday it will buy Prometheus Biosciences Inc (RXDX.O), for about \$10.8 billion, picking up a promising experimental treatment for ulcerative colitis and Crohn's disease and building up its presence in immunology. [...] Davis said the Prometheus drug, PRA023, being developed to treat two inflammatory bowel diseases (IBD) - ulcerative colitis and Crohn's disease - and other autoimmune conditions, could be a multibillion-dollar seller for Merck. He said the recent release of encouraging mid-stage trial results drove Merck to pounce." [Reuters, [04/17/23](#)]

- **Merck CEO Davis Said The Acquisition Allows Merck To Move Into The Immunology Market And Provide Sustainable Growth "Well Into The 2030s Given The Long Patent Life."** "This is allowing us to move into immunology in a strong way and will allow us sustainable growth, we think, well into the 2030s given the long patent life," Merck Chief Executive Robert Davis said in an interview." [Reuters, [04/17/23](#)]
- **In June 2023, Merck Said The Deal "Record[ed] A Charge Of Approximately \$10.3 Billion."** "As previously disclosed, because this transaction is being accounted for as an asset acquisition, Merck is recording a charge of approximately \$10.3 billion, or approximately \$4.00 per share. The impact of this charge will result in a reduction in both second-quarter and full-year 2023 GAAP and non-GAAP results." [Merck, [06/16/23](#)]

## **Marketing and Buyback Expenditures vs R&D Expenditures**

**Merck Spent \$10.5 Billion On Selling, Marketing And Administrative Costs, Paid A Combined \$8.8 Billion In Dividends And Stock Buybacks And Significantly Increased Its Research And Development To \$30.5 Billion.**

**Merck Reported A 5% Increase In "Selling, General And Administrative" Expenses In 2023, Partly To Increased Promotional Costs, Bringing The Total To \$10.5 Billion.** "Selling,

general and administrative (SG&A) expenses were \$10.5 billion in 2023, an increase of 5% compared with 2022. The increase was primarily due to higher administrative costs, including compensation and benefits, and increased promotional spending and selling costs, partially offset by the favorable effect of foreign exchange and lower acquisition-related costs.” [Merck & Co. Inc. 2023 Form 10-K, [02/26/24](#)]

**In 2023, Merck Increased Its Quarterly Dividend To \$0.77 Per Share, Resulting In A Payout To Shareholders Of \$7.4 Billion.** “In November 2023, Merck’s Board of Directors approved an increase to the Company’s quarterly dividend, raising it to \$0.77 per share from \$0.73 per share on the Company’s outstanding common stock. During 2023, the Company returned \$8.8 billion to shareholders through dividends of \$7.4 billion and share repurchases of \$1.3 billion.” [Merck & Co. Inc. 2023 Form 10-K, [02/26/24](#)]

**In 2023, Merck Repurchased 13 Million Shares Of Its Own Stock, Amounting To \$1.3 Billion.** “In 2023, the Company purchased \$1.3 billion (approximately 13 million shares) of its common stock for its treasury under this program. As of December 31, 2023, the Company’s remaining share repurchase authorization was \$3.7 billion. The Company did not purchase any shares of its common stock under this program in 2022. The Company purchased \$840 million of its common stock during 2021 under the authorized share repurchase program.” [Merck & Co. Inc. 2023 Form 10-K, [02/26/24](#)]

**Merck Increased Its Research And Development Dramatically In 2023 Compared To 2022, As R&D Investment Went From \$13.5 Billion To \$30.5 Billion, Which The Company Attributed To Higher Charges For Business Transactions And Increased Focus On “Therapeutic Areas.”** “Research and development expenses in 2023 reflect higher charges for business development transactions and increased development spending particularly in the therapeutic areas of oncology, cardiovascular, infectious diseases and vaccines.” [Merck & Co. Inc. 2023 Form 10-K, [02/26/24](#)]

Costs, Expenses and Other				
(\$ in millions)	2023		% Change	2022
Cost of sales	\$	16,126	(7)%	\$ 17,411
Selling, general and administrative		10,504	5 %	10,042
Research and development		30,531	*	13,548

[Merck & Co. Inc. 2023 Form 10-K, [02/26/24](#)]

## Trade Association Dues Paid

**In 2023, Merck Spent Over \$12 Million In Trade Association Dues With Notable Contributions To PhRMA (\$11.4 Million), BIO (\$355,000) And US Chamber Of Commerce (\$224,000).**

**In 2023, Merck Spent A Total Of \$12,685,596 In Trade Association Dues, With PhRMA (\$11,455,335), BIO (\$354,491), And The U.S. Chamber Of Commerce (\$224,000) Receiving The Most.** [Merck 2023 Trade Association Dues Used for Lobbying, accessed [04/22/24](#)]

Pharmaceutical Research and Manufacturers of America	\$11,455,335
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[Merck 2023 Trade Association Dues Used for Lobbying, accessed [04/22/24](#)]

Biotechnology Industry Organization	\$354,491
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[Merck 2023 Trade Association Dues Used for Lobbying, accessed [04/22/24](#)]

U.S. Chamber of Commerce	\$224,000
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[Merck 2023 Trade Association Dues Used for Lobbying, accessed [04/22/24](#)]

## Company PAC and Donations

### **Through Direct Corporate Contributions And Its Employee PAC, Reported Making More Than \$1.5 Million In Political Contributions In 2023.**

**In 2023, Merck Made \$903,829 In Direct Corporate Contributions To State Candidates, Committees And Other Political Groups Around The Country.**

<b>Total Corporate Contributions</b>	<b>\$903,829.97</b>
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[Merck 2023 U.S. Corporate Contributions January – December 2023, accessed [04/23/24](#)]

**Merck Made \$624,400 In Contributions To Federal Candidates, Committees And Other Political Groups Through Its Employee PAC In 2023.**

<b>Total PAC Contributions</b>	<b>\$624,400.00</b>
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[Merck 2023 U.S. Corporate Contributions January – December 2023, accessed [04/23/24](#)]

## Lobbying Table

**During 2023, Merck Spent Nearly \$10 Million While Lobbying On Efforts To Lower Prescription Drug Costs, Including The Inflation Reduction Act And The Bipartisan "Affordable Prescriptions For Patients Act."**

Registrant	Filing Period	Related Lobbying Issues	Total Amount Spent
Merck	<a href="#">Q4 2023</a>	S. 150, Affordable Prescriptions for Patients Act of 2023; Drug pricing; Inflation Reduction Act (P.L. 117-169), issues relating to drug pricing provisions	\$1,940,000
Merck	<a href="#">Q3 2023</a>	S. 150, Affordable Prescriptions for Patients Act of 2023; Drug pricing; Inflation Reduction Act (P.L. 117-169), issues relating to drug pricing provisions	\$2,130,000
Merck	<a href="#">Q2 2023</a>	S. 150, Affordable Prescriptions for Patients Act of 2023; Drug pricing; Inflation Reduction Act (P.L. 117-169), issues relating to drug pricing provisions	\$2,980,000
Merck	<a href="#">Q1 2023</a>	S. 150, Affordable Prescriptions for Patients Act of 2023; Drug pricing; Inflation Reduction Act (P.L. 117-169), issues relating to drug pricing provisions	\$2,930,000
<b>TOTAL:</b>			<b>\$9,980,000</b>

**Novartis**

**Medications**

**The Medicare Price Negotiation List Includes Novartis’s Heart Failure Medication Entresto.**

**Novartis’ Heart Failure Drug Entresto Is A Target Medication On The Biden Administration’s Medicare Price Negotiation List.** “Novartis, whose heart failure drug Entresto was among the 10 selected, Eli Lilly and Merck said they believed the price-setting would stifle innovation in the sector and impact quality of care.” [Reuters, [08/29/23](#)]

**Novartis Is Currently Suing To Block Medicare Prescription Negotiations In The New Jersey District Court And Its CEO Has Pledged To Reverse Parts Of The Inflation Reduction Act.**

**Novartis Is Currently Litigating *Novartis Pharmaceuticals Corporation V. Becerra Et Al* As One Of Four Pharmaceutical Cases In The New Jersey District Court Challenging The Medicare Prescription Negotiation Process Of The Inflation Reduction Act.** “Four leading drugmakers seeking to scuttle Medicare’s drug pricing program will have their day in federal court Thursday to defend a gamut of legal challenges against the [negotiations.] Bristol Myers Squibb Co., Johnson & Johnson, Novartis AG, and Novo Nordisk A/S were given the green light from Judge Zahid N. Quraishi of the US District Court for the District of New Jersey to present

their arguments in one hearing among the four separate lawsuits before the court.” [Bloomberg Law, [03/06/24](#)]

### **In 2023, Novartis CEO Vas Narasimhan Told Investors That The IRA Would Harm Innovation And That There Would Be Opportunities To Change The Law In The Future.**

“Last week, in an earnings call with investors, Novartis CEO Vas Narasimhan - and incoming chairman of the board for the powerful lobby group PhRMA - pledged to work on undoing certain facets of the IRA’s drug pricing provisions. Narasimhan claims the law has “unintended long-term innovation distortion, which disadvantages small molecule and related medicines for the Medicare population, indication expansions in cancer, medicines that take longer to ramp in cardiovascular disease or in respiratory disease.” He went on to say that in the “the coming years, there’s a legislative vehicle for us to be able to pursue [changes].” [Forbes, [02/07/23](#)]

- “Furthermore, he and several other high-profile CEOs have cited the potentially deleterious impact the IRA would have on investment in cancer drug development. Cancer drug approvals almost always start with late-line treatment or smaller indications before moving to earlier-line treatment or indications with larger populations.” [Forbes, [02/07/23](#)]

## **Recent Earnings**

### **Novartis Reported More Than \$45.4 Billion In Sales In 2023, Powered By A 30% Increase In Sales Of Entresto Which Totaled \$6 Billion.**

**Novartis Reported \$45.4 Billion In Net Sales In 2023, Including \$6 Billion From Entresto, An Increase Of More Than 30% From 2022.** “Net sales from continuing operations were USD 45.4 billion, up 8% in USD reported terms and 10% measured in constant currencies (cc) to remove the impact of exchange rate movements. Sales growth was driven by volume growth of 16 percentage points. Generic competition had a negative impact of 4 percentage points and pricing had a negative impact of 2 percentage points. Sales in the US were USD 18.0 billion (+13%) and in the rest of the world USD 27.5 billion (+5%, +8% cc). Net sales growth was mainly driven by continued strong performance from *Entresto* (USD 6.0 billion, +30%, +31% cc), *Kesimpta* (USD 2.2 billion, +99%, +99% cc), *Kisqali* (USD 2.1 billion, +69%, +75% cc), *Pluvicto* (USD 980 million, +262%, +261% cc), partly offset by generic competition mainly for *Gilenya*.” [Novartis Annual Report, [01/30/24](#)]

## **Most Recent Executive Compensation**

### **Novartis Paid Its Executive Committee Members And Non-Executive Directors More Than \$92 Million In Total Compensation In 2023.**

**Novartis CEO Vasant Narasimhan Made CHF 16,248,178 In Swiss Francs, Roughly Equivalent To \$17.6 Million USD In Total Compensation In 2023, Including Salary, Pension Benefits, Incentives And Other Pay.<sup>3</sup>**

<sup>3</sup> In this section, [Oanda FX Data Services](#) was used to calculate the currency conversion from Swiss Francs (CHF) to U.S. Dollars (USD).

		2023 annual base salary	2023 pension benefits	2023 Annual Incentive	2021 – 2023 LTTP cycle	Other 2023 compensation	Total realized compensation (incl. share price movement)
	Currency	Cash (amount)	Amount	Cash & Equity	Equity (value at vesting date)	Amount	
Vasant Narasimhan (CEO)	CHF	1 822 334	170 125	5 075 255	8 921 546	258 918	16 248 178

[Novartis Annual Report, [01/30/24](#)]

**Novartis’s Executive Committee Members Received A Total Of CHF 47,205,005 In Swiss Francs - Roughly \$51.3 Million USD - In Salary, Benefits, Incentives And More In 2023.**

Aggregate realized compensation of the other 11 Executive Committee members, including the member who stepped down during the financial year 2023	CHF	8 551 936	1 627 708	15 449 571	15 100 093	6 475 697
						47 205 005

[Novartis Annual Report, [01/30/24](#)]

**Novartis Paid Its Non-Executive Directors A Total Of \$9.9 Million USD In 2023, Resulting In A \$92.2 Million Total For All Executive Officers And Directors.**

The total compensation for Executive Committee members and the 14 Non-Executive Directors (15 in 2022 and 14 in 2021) using the Company’s accounting policies for equity-based compensation and pension benefits was as follows:

(USD millions)	Executive Officers			Non-Executive Directors			Total		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Cash and other compensation	18.0	25.0	20.3	4.9	4.6	4.7	22.9	29.6	25.0
Post-employment benefits	2.1	2.8	2.5				2.1	2.8	2.5
Equity-based compensation	62.2	42.6	37.3	5.0	4.8	5.2	67.2	47.4	42.5
<b>Total</b>	<b>82.3</b>	<b>70.4</b>	<b>60.1</b>	<b>9.9</b>	<b>9.4</b>	<b>9.9</b>	<b>92.2</b>	<b>79.8</b>	<b>70.0</b>

[Novartis Annual Report, [01/30/24](#)]

## Recent Acquisitions

**In 2024, Novartis Has Agreed To Spend More Than \$3.2 Billion Acquiring Two Companies, MorphoSys AG And Calypso Biotech, After The Company Acquired Chinook Therapeutics For More Than \$3 Billion In June 2023.**

**In February 2024, Novartis Announced An Agreement To Acquire German Biopharmaceutical Firm MorphoSys Ag For 2.7 Billion Euros, Roughly \$2.8 Billion In A Move Designed To Strengthen Its Oncology Product Pipeline.** “Novartis today announced that it has entered into an agreement to make a voluntary public takeover offer to acquire MorphoSys AG (FSE: MOR; NASDAQ: MOR), a Germany-based, global biopharmaceutical company developing innovative medicines in oncology. The acquisition, which is subject to customary closing conditions, including a minimum acceptance threshold of 65% of outstanding shares tendered in the takeover offer and regulatory approvals, further expands and complements Novartis pipeline in oncology, one of its priority therapeutic areas, while also enhancing Novartis global footprint in hematology.” [Novartis Press Release, [02/05/24](#)]

**The MorphoSys Deal Came Shortly After The Company Agreed To Acquire Calypso Biotech, A European Immunotherapy Company, For As Much As \$425 Million In January 2024.** On Jan. 8, 2024, Calypso Biotech, a European immunotherapy biotech company focused on the research and development of novel biologics, announced it had agreed to be acquired by Novartis. Calypso’s shareholders are set to receive an upfront payment of \$250 million and are eligible to receive development milestones of up to \$175 million, based on reaching certain milestones.” [PharmTech, [01/18/24](#)]

**Novartis Also Agreed To Acquire Renal Therapy Company Chinook Therapeutics For \$3.5 Billion In 2023.** “Novartis today announced that it has entered into an agreement to acquire Chinook Therapeutics, a Seattle, WA, based clinical stage biopharmaceutical company with two high-value, late-stage medicines in development for rare, severe chronic kidney diseases. The agreed deal, which is subject to customary closing conditions, is fully in line with Novartis strategy to focus on innovative medicines and will significantly expand its renal portfolio, complementing the existing pipeline.” [Novartis Press Release, [06/12/23](#)]

- “Under the agreed deal, which has been unanimously approved by the Boards of both companies, Novartis will acquire Chinook for a total value of up to USD 3.5bn with the transaction being in the form of a merger of Chinook and a newly formed Novartis subsidiary. Pursuant to the terms of the merger agreement, holders of Chinook common stock would receive USD 3.2bn (USD 40.00 per share) in cash upon closing, plus a contingent value right with a value of up to USD 0.3bn (USD 4.00 per share), payable in cash upon the achievement of certain regulatory milestones. The transaction is expected to close in the second half of 2023, subject to customary closing conditions, including approval of Chinook’s stockholders and receipt of regulatory approvals. Until the deal closes, Chinook will continue to operate as a separate and independent company.” [Novartis Press Release, [06/12/23](#)]

**Marketing and Buyback expenditures vs R&D Expenditures**

**Novartis Spent \$11.3 Billion On R&D Costs In 2023, While Also Spending \$12.5 Billion On Selling, Marketing And Administrative Costs And A Combined \$15.7 Billion On Stock Dividends And Buybacks.**

**Novartis Reported Spending \$12.5 Billion On “Selling, General and Administration” In 2023.**

Selling, general and administration	-12 517
Research and development	-11 371

[Novartis AG 2023 SEC Form 20-F, [01/31/24](#)]

**Novartis Spent \$7.3 Billion On Dividends To Shareholders In 2023.** “The current year net cash outflows used in financing activities from continuing operations were mainly driven by USD 8.6 billion for net treasury share transactions; USD 7.3 billion for the dividend payment; USD 2.2 billion for the repayment of two EUR denominated bonds (notional amounts of EUR 1.25 billion and of EUR 0.75 billion) at maturity. Payments of lease liabilities amounted to USD 0.3 billion.” [Novartis AG 2023 SEC Form 20-F, [01/31/24](#)]



**Novartis Bought 87.5 Million Of Its Own Shares In 2023, Resulting In A Payout To Shareholders Of \$8.4 Billion.** “In 2023, Novartis repurchased a total of 87.5 million shares for USD 8.4 billion on the SIX Swiss Exchange second trading line. These repurchases included 52.8 million shares (USD 4.9 billion) under the USD 15 billion share buyback (announced in December 2021 and completed in June 2023) and 23.0 million shares (USD 2.3 billion) under the new up-to USD 15 billion share buyback announced in July 2023. In addition, 11.7 million shares (USD 1.2 billion) were repurchased to mitigate dilution related to participation plans of associates. Furthermore, 1.6 million shares (for an equity value of USD 0.1 billion) were repurchased from associates. In the same period, 13.5 million shares (for an equity value of USD 1.1 billion) were delivered as a result of options exercised and share deliveries related to participation plans of associates. Consequently, the total number of shares outstanding decreased by 75.6 million versus December 31, 2022. These treasury share transactions resulted in an equity decrease of USD 7.4 billion and a net cash outflow of USD 8.6 billion.” [Novartis AG 2023 SEC Form 20-F, [01/31/24](#)]

**Novartis Reported Spending \$11.3 Billion Dollars On Research And Development, Equalling 25% Of Net Sales.** “Research and exploratory development expenses increased by 24% (-22% cc) to USD 3.6 billion. Confirmatory development expenses amounted to USD 7.7 billion, increasing by 24% (-22% cc) versus the prior year mainly due to higher impairments from discontinuation of early stage development projects. Research and development as a percentage of net sales from continuing operations increased by 3.3 percentage points to 25.0% of net sales from continuing operations. Total core research and development expenses amounted to USD 8.6 billion, increasing by 4% (-3% cc) versus the prior year mainly due to higher investments in recently acquired assets. Core research and development as a percentage of net sales from continuing operations decreased by 0.7 percentage points (-1.3 percentage points cc) to 18.9% of net sales from continuing operations. [Novartis AG 2023 SEC Form 20-F, [01/31/24](#)]

## Trade Association Dues Paid

### Novartis Spent \$59.8 Million On Trade Association Memberships In 2023.

Novartis Did Not Provide Specific Amounts Or Organizations But The Company Reported Spending \$59,849,000 On Memberships In Trade Associations Around The World In 2023.

Memberships in trade associations (USD thousands)			
Global	59 849	60 600	64 700

[Novartis In Society Integrated Report 2023, [01/30/24](#)]

## Company PAC and Donations

### Novartis Made A Total Of \$755,000 In Corporate Political Contributions And PAC Donations In 2023.

**Novartis Reported Making \$492,000 In Direct Corporate Political Contributions In The U.S. In 2023 And Its Employee PAC Made \$263,000 In Contributions.**

<b>Political contributions (USD thousands)</b>			
Global	<b>1 155</b>	1 150	1 131
US (Corporate)	<b>492</b>	478	498
US (Political Action Committee) <sup>2</sup>	<b>263</b>	274	199

[Novartis In Society Integrated Report 2023, [01/30/24](#)]

## Lobbying Table

**During 2023, Novartis Spent Over \$5.5M While Lobbying On The Inflation Reduction Act And Other Drug Pricing Issues.**

Registrant	Filing Period	Related Lobbying Issues	Total Amount Spent
Novartis	<a href="#">Q4 2023</a>	H.R. 5376, Inflation Reduction Act; Drug Pricing	\$860,000
Novartis	<a href="#">Q3 2023</a>	H.R. 5376, Inflation Reduction Act; Drug Pricing	\$1,360,000
Novartis	<a href="#">Q2 2023</a>	H.R. 5376, Inflation Reduction Act; Inflation Reduction Act Implementation; Drug Pricing	\$930,000
Novartis	<a href="#">Q1 2023</a>	H.R. 5376, Inflation Reduction Act Implementation; Drug Pricing.	\$2,440,000
<b>TOTAL:</b>			<b>\$5,590,000</b>

## Novo Nordisk

### Medications

**The Medicare Price Negotiation List Included Novo Nordisk’s Insulin Drugs Fiasp And NovoLog.**

Novo Nordisk’s Insulin Drugs Fiasp And NovoLog Were Included On The Biden Administration’s List Or Medications Targeted For Medicare Price Negotiations. “Novo Nordisk’s drugs—selected as among the first 10 up for price talks with Medicare—include the insulin products Fiasp and NovoLog.” [Bloomberg Law, [10/01/23](#)] [Reuters, [08/29/23](#)]

**Novo Nordisk Is Currently Suing To Block Medicare Prescription Negotiations In The New Jersey District Court And The Company Has Claimed It The Law Is Unconstitutional And Will Harm Innovation.**

Novo Nordisk Is Currently Litigating *Novo Nordisk Et Al V. Becerra Et Al* As One Of Four Pharmaceutical Cases In The New Jersey District Court Challenging The Medicare Prescription Negotiation Process Of The Inflation Reduction Act: “Four leading

drugmakers seeking to scuttle Medicare’s drug pricing program will have their day in federal court Thursday to defend a gamut of legal challenges against the [negotiations.] Bristol Myers Squibb Co., Johnson & Johnson, Novartis AG, and Novo Nordisk A/S were given the green light from Judge Zahid N. Quraishi of the US District Court for the District of New Jersey to present their arguments in one hearing among the four separate lawsuits before the court.” [Bloomberg Law, [03/06/24](#)]

**In September 2023, Novo Nordisk Issued A Statement Claiming That Price Negotiations Are Unconstitutional And Said They Were Challenging The IRA In Order To Continue Developing “Transformative Medicines.”** “With the implementation of the IRA, Novo Nordisk asserts that price negotiations violate several constitutional rights, including both the Fifth and First Amendments. CMS also directly violated the law by, among other things, selecting more than 10 individual drugs for price controls by grouping together products with the same active ingredient or moiety. The IRA does not permit CMS to treat multiple products, such as Novo Nordisk’s novel insulin aspart products, including NovoLog® (insulin aspart injection) and Fiasp® (insulin aspart injection) as one. These medications are different drugs with different formulations and different requirements for approval, each separately licensed by the US Food and Drug Administration (FDA). Each medicine had its own development timeline, clinical trial program, and production cost. By treating these products as one, CMS is defying the IRA’s clear and express mandates and setting up conflicts with the FDA’s longstanding regulatory definitions and programs.” [Novo Nordisk, [09/29/23](#)]

- “Not only are pricing provisions of the IRA unconstitutional, CMS has overstepped its authority and taken aggressive and unlawful steps that harm patients living with chronic disease,” said Steve Benz, Corporate Vice President, Legal and General Counsel at Novo Nordisk. “We believe the IRA’s pricing scheme will limit patient access and negatively affect overall patient care. Novo Nordisk is challenging this law to protect patients and ensure our ability to continue developing and providing transformative medicines to treat and cure chronic diseases now and in the future.” [Novo Nordisk, [09/29/23](#)]

## Recent Earnings

### **Novo Nordisk (NVO) Posted A 31% Increase In Sales From 2022 To 2023, Reporting Net Sales Of About \$33.3 Billion And An Operating Profit Of About \$14.6 Billion.**

**Novo Nordisk Reported A 31% Increase In Net Sales From 2022 To 2023, Resulting In A Total Of 232 Billion Danish Kroner (DKK), Approximately \$33.2 Billion, And An Operating Profit Of 102 Billion DKK, Or \$14.6 Billion.<sup>4</sup>**

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<sup>4</sup> In this section, [Oanda FX Data Services](#) was used to calculate the currency conversion from Danish Kroner (DKK) to U.S. Dollars (USD).

DKK million	2019	2020	2021	2022	2023	2022-23
<b>Financial performance</b>						<b>Change</b>
Net sales	122,021	126,946	140,800	176,954	232,261	31%
Sales growth as reported	9.1%	4.0%	10.9%	25.7%	31.3%	
Sales growth in constant exchange rates <sup>1</sup>	5.6%	6.7%	13.8%	16.4%	35.6%	
Operating profit	52,483	54,126	58,644	74,809	102,574	37%
Operating profit growth as reported	11.1%	3.1%	8.3%	27.6%	37.1%	
Operating profit growth in constant exchange rates <sup>1</sup>	5.6%	6.8%	12.7%	14.6%	43.7%	

[Novo Nordisk 2023 Annual Report, [01/31/24](#)]

## Most Recent Executive Compensation

### **Novo Nordisk Paid Its Top Executives And Board Members A Combined \$58.4 Million In Total Compensation In 2023.**

**In 2023, Novo Nordisk Reported Paying Its CEO Lars Fruergaard Jørgensen 68.2 Million In Danish Kroner, Roughly Equivalent To \$9.7 Million USD, In Total Compensation, Including Salary, Pension, Benefits, And Incentives.**

DKK million	Base salary	Pension	Benefits <sup>5</sup>	Short-term incentive	Total <sup>6</sup>	Long-term incentive <sup>7</sup>	Total	Fixed	Variable	Total
Lars Fruergaard Jørgensen - President and CEO	17.9	1.8	0.3	17.2	37.2	31.0	68.2	20.0	48.2	68.2

[Novo Nordisk Remuneration Report, [01/31/24](#)]

**In Total, Novo Nordisk Paid Its Top Executives, Including Lars Jorgensen, 318.3 Million DKK, Or \$45.6 Million In Total Compensation, Including Salary, Pension, Benefits, And Incentives.**

DKK million	Base salary	Pension	Benefits <sup>5</sup>	Short-term incentive	Total <sup>6</sup>	Long-term incentive <sup>7</sup>	Total	Fixed	Variable	Total
Lars Fruergaard Jørgensen - President and CEO	17.9	1.8	0.3	17.2	37.2	31.0	68.2	20.0	48.2	68.2
Karsten Munk Knudsen - Finance, Legal & Global Solutions	8.1	0.8	0.3	6.1	15.3	11.1	26.4	9.2	17.2	26.4
Martin Holst Lange - Development	7.5	0.7	0.3	5.3	13.8	9.6	23.4	8.5	14.9	23.4
Marcus Schindler - Research & Early Development	7.5	0.7	0.5	5.3	14.0	9.6	23.6	8.7	14.9	23.6
Camilla Sylvest - Commercial Strategy & Corporate Affairs	7.5	0.7	0.3	5.3	13.8	9.6	23.4	8.5	14.9	23.4
Henrik Wulff - Product Supply, Quality & IT	8.1	0.8	0.4	5.9	15.2	10.7	25.9	9.3	16.6	25.9
Non-registered executives <sup>3</sup>	34.0	11.4	1.2	32.1	78.7	46.5	125.2	42.0	83.2	125.2
<i>Former executives:</i>										
Monique Carter <sup>4</sup>	1.0	0.1	0.3	0.8	2.2	—	2.2	1.4	0.8	2.2
<b>Executive Management in total</b>	<b>91.6</b>	<b>17.0</b>	<b>3.6</b>	<b>78.0</b>	<b>190.2</b>	<b>128.1</b>	<b>318.3</b>	<b>107.6</b>	<b>210.7</b>	<b>318.3</b>

[Novo Nordisk Remuneration Report, [01/31/24](#)]

**Novo Nordisk Paid Its Board Members A Total Of 21.5 Million DKK, Or \$3.1 Million USD, In 2023, Including Fees And Travel Allowance.**

DKK million	Current role	Fixed base fee	Fee for ad hoc tasks and committee work	Travel allowance	Total <sup>4</sup>
	Helge Lund <sup>2</sup>	2.9	0.4	0.6	3.9
	Henrik Poulsen	1.6	0.7	0.1	2.4
	Elisabeth Dahl Christensen	0.8	0.2	0.1	1.1
	Laurence Debroux	0.8	1.0	0.3	2.1
	Andreas Fibig	0.8	0.2	0.4	1.4
	Sylvie Grégoire	0.8	0.8	0.4	2.0
	Liselotte Hyveled	0.8	0.2	0.1	1.1
	Mette Bøjer Jensen	0.8	0.4	0.1	1.3
	Kasim Kutay	0.8	0.4	0.1	1.3
	Christina Law	0.8	0.4	0.5	1.7
	Martin Mackay	0.8	0.6	0.4	1.8
	Thomas Rantzaou	0.8	0.2	0.1	1.1
	<i>Former members:</i>				
	Jeppe Christiansen <sup>3</sup>	0.2	0.1	0.0	0.3
	<b>Board of Directors in total</b>	<b>12.7</b>	<b>5.6</b>	<b>3.2</b>	<b>21.5</b>

[Novo Nordisk Remuneration Report, [01/31/24](#)]

## Recent Acquisitions

**Since August 2023, NVO Has Spent A Total Of \$17.5 Billion, Acquiring Two Companies: Catalent, Inc. And Inversago And Both Deals Were Financed Entirely In Cash.**

**In February 2024, Novo Nordisk's Parent Company Announced Plans To Acquire New Jersey-Based Catalent, Inc. For \$16.5 Billion In An All-Cash Deal.** "Catalent Inc , a leader in the contract development and manufacturing organization (CDMO) space, announced on 5 February 2024 that it will be acquired by Novo Holdings A/S (Hellerup, Denmark), the owner of Novo Nordisk (Bagsvaerd, Denmark), which markets Ozempic/Wegovy (semaglutide). Novo Holdings will acquire Catalent in an all-cash transaction that values Catalent at \$16.5bn on an enterprise value basis." [Pharmaceutical Technology, [02/08/24](#)]

**Novo Nordisk Also Spent More Than \$1 Billion To Acquire Montreal-Based Inversago, A Company That Treats Metabolic Disorders.** "Novo Nordisk A/S and Inversago Pharma today announced that Novo Nordisk has agreed to acquire Inversago for up to 1.075 billion US dollars in cash if certain development and commercial milestones are achieved. Inversago Pharma is a private, Montreal-based developer of CB1 receptor-based therapies for the potential treatment of obesity, diabetes and complications associated with metabolic disorders." [Inversago, [08/10/23](#)]

## Marketing and Buyback Expenditures vs. R&D expenditures

**NVO Has Significantly Increased Its Dividend And Stock Repurchases To A Combined \$14.1 Billion Dollars While Spending Only \$4.6 Billion On Research And Development In 2023.**

**In 2023, Novo Nordisk Spent 56.7 Billion DKK, Approximately \$8.1 Billion USD, On Sales And Distribution Costs, A 23% Increase The Company Attributed To Wegovy And Ozempic Activities In North America.** “Sales and distribution costs increased by 23% measured in Danish kroner and by 26% at CER to DKK 56,743 million. The increase in costs is driven by both North America Operations and International Operations. In North America Operations, the cost increase is driven by the relaunch of Wegovy and promotional activities for Ozempic. In International Operations, the increase is mainly related to promotional activities for Rybelsus as well as Obesity care market development activities. The increase in sales and distribution costs is impacted by adjustments to legal provisions.” [Novo Nordisk 2023 Annual Report, [01/31/24](#)]

- **In 2022, Novo Nordisk Was One Of The Top Spenders In Diabetes Medication Advertising, Spending Nearly \$350 Million On Rybelsus And Ozempic Alone.** “For now, Novo Nordisk is the big dog in diabetes advertising, claiming the top two spending spots in the therapeutic area by investing almost \$350 million across Rybelsus and Ozempic.” [Fierce Pharma, [05/01/23](#)]

**NVO Also Paid A 9.40 DKK Per Share Dividend In 2023, Resulting In 41.9 Billion DKK Payout, Roughly \$6 Billion USD, To Shareholders, A 50% Increase From 2022.** “The total dividend for 2023 amounts to DKK 41,987 million (DKK 9.40 per share). A final dividend for 2023 of DKK 28,557 million (DKK 6.40 per share) is expected to be distributed pending approval at the Annual General Meeting. The interim dividend of DKK 13,430 million (DKK 3.00 per share) was declared and paid in August 2023. The total dividend for 2022 was DKK 27,950 million (DKK 6.20 per share), of which the final dividend of DKK 18,337 million (DKK 4.08 per share) was declared and paid in March 2023. No dividend is declared on treasury shares.” [Novo Nordisk 2023 Annual Report, [01/31/24](#)]

**The Company Also Repurchased 29.9 Billion DKK, Or \$4.2 Billion USD, Worth Of NVO Shares In 2023, A 24% Increase From The Prior Year.**

Dividend per share in DKK <sup>3,4,5</sup>	4.18	4.55	5.20	6.20	9.40	52%
Total dividend (DKK million) <sup>4</sup>	19,651	21,066	23,711	27,950	41,987	50%
Dividend payout ratio <sup>3,5</sup>	50.5%	50.0%	49.6%	50.3%	50.2%	
Share repurchases (DKK million)	15,334	16,855	19,447	24,086	29,924	24%

[Novo Nordisk 2023 Annual Report, [01/31/24](#)]

**Novo Nordisk Reported Spending More Than 32 Billion DKK - Or \$4.6 Billion USD - On Research And Development In 2023, Significant Increases From 2022 And 2021, Which Represented 14% Of Net Sales.**

2.3 Research and development costs			
DKK million	2023	2022	2021
Employee costs (note 2.4)	12,429	9,952	7,328
Amortisation and impairment losses, intangible assets (note 3.1)	1,757	1,364	744
Depreciation and impairment losses, property, plant and equipment (note 3.2)	1,313	922	736
Clinical trial cost	9,468	6,313	4,214
Other research and development costs	7,476	5,496	4,750
<b>Total research and development costs</b>	<b>32,443</b>	24,047	17,772
<b>As percentage of net sales</b>	<b>14.0%</b>	13.6%	12.6%

[Novo Nordisk 2023 Annual Report, [01/31/24](#)]

## Trade Association Dues Paid

### **Novo Nordisk Does Not Disclose Membership Dues It Pays To Trade Associations But Is A Member Of Both PhRMA And BIO And In 2023 Was Suspended From A Trade Association In The UK.**

**Novo Nordisk Is Listed As A Member Of Two Powerful Trade Associations That Represent Drugmakers In The U.S, The Biotechnology Innovation Organization And The Pharmaceutical Research Management Association.**

Company Name	City	State	Country/Region	Website	Service Type
Novo Nordisk	Plainsboro Township	New Jersey	United States	<a href="http://novonordisk-us.com">novonordisk-us.com</a>	Core Company
Novo Nordisk A/S	Bagsvaerd		Denmark	<a href="http://novonordisk.com">novonordisk.com</a>	Core Subsidiary

[Bio.org, accessed [04/29/24](#)]



[PhRMA, accessed [04/29/24](#)]

**In 2023, The Company Was Suspended From The Association Of British Pharmaceutical Industry In The UK For Promoting Its Products Through Weight-Loss Courses. "The**

company behind the slimming jab [Wegovy](#) has been suspended from the UK’s pharmaceutical trade association after a row over sponsored weight-loss courses that promoted its medicines. The Association of the British Pharmaceutical Industry (ABPI) said an extensive investigation by the Prescription Medicines Code of Practice Authority (PMCPA) found Novo Nordisk to be in breach of the ABPI code of practice. The ABPI said this included a clause relating to actions “likely to bring discredit on, or reduce confidence in, the pharmaceutical industry”. As a result the Danish firm has been suspended from the ABPI for two years, with a return to full membership dependent on further audits in late 2023 and 2024 that will need to show significant and sustained improvement to industry standards. Patients will still be able to access available drugs produced by Novo Nordisk, such as Saxenda.” [The Guardian, [03/16/24](#)]

**Company PAC and Donations**

**Novo Nordisk’s Employee PAC Made \$273,500 In Contributions In 2023.**

The Company’s Employee PAC Has Made \$273,500 In Political Contributions So Far In 2023. [Federal Election Commission, accessed [04/29/24](#)]

**Lobbying Table**

**During 2023, Novo Nordisk Spent Over \$4.2M While Lobbying On The Inflation Reduction Act And Insulin Pricing Issues.**

Registrant	Filing Period	Related Lobbying Issues	Total Amount Spent
Novo Nordisk	<a href="#">Q4 2023</a>	IRA implementation; Insulin Pricing/affordability	\$1,440,000
Novo Nordisk	<a href="#">Q3 2023</a>	IRA implementation; Insulin Pricing/affordability	\$600,000
Novo Nordisk	<a href="#">Q2 2023</a>	IRA implementation; Insulin Pricing/affordability	\$846,120
Novo Nordisk	<a href="#">Q1 2023</a>	IRA implementation; Insulin Pricing/affordability	\$1,343,495
<b>TOTAL:</b>			<b>\$4,229,615</b>

[###]