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Topic: "Management of the Innovation and Investment Potential of an Enterprise within the System of Strategic Development"

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VOLODYMYR DAHL EAST UKRAINIAN NATIONAL UNIVERSITY
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TASK
FOR MASTER'S QUALIFICATION THESIS

Student Name: _____Zhang Ting_____

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Supervisor: Olshanskyi Oleksandr Viktorovych, Prof., D.Sc.
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3. Initial Data for the Thesis: scientific works of domestic and foreign scholars on economics, innovation and investment management, strategic development, and pharmaceutical industry development; statistical and analytical data on the financial, resource, innovation, and investment performance of the enterprise under study; materials from the pre-graduation internship report; financial statements and other publicly available reporting materials of the enterprise.

4. Content of the Explanatory Note: 1. Theoretical and methodological foundations of managing the innovation and investment potential of an enterprise in the system of strategic development. 2. Assessment of the current state of economic activity, resource use efficiency, and financial performance of the enterprise. 3. Analysis of the innovative, technological, investment, and organizational prerequisites for the development of the enterprise. 4. Development of strategic directions for improving the management of the enterprise’s innovation and investment potential. 5. Substantiation of the proposed measures and assessment of their impact on the efficiency, competitiveness, and long-term development of the enterprise.

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3	Bibliographic research and material preparation for Chapter 1	January 2026	
4	Submission of Chapter 1 materials	January 2026	
5	Data collection for Chapter 2	January 2026	
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7	Preparation and drafting of Chapter 3	March 2026	
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9	Drafting conclusions and finalizing the thesis	March 2026	
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Student: _____Zhang Ting

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ABSTRACT

Master's thesis:97 p., 27 tables, 29 sources.

The object of the study is the process of formation and development of the innovation and investment potential of a pharmaceutical enterprise.

The subject of the study is the theoretical, methodological and applied principles of managing the innovation and investment potential of a pharmaceutical enterprise in the system of its strategic development (using the example of the Pharmaceutical Company "Darnytsia").

The purpose of the master's thesis is to develop theoretical and methodological provisions and practical recommendations for improving the management of the innovation and investment potential of a pharmaceutical enterprise in the context of strategic development.

The theoretical and methodological foundations of managing an enterprise’s innovation and investment potential have been studied, and the principles of integrating innovation, investment, and strategic approaches into the management system have been generalized. Based on the analysis of PrJSC “Pharmaceutical Firm “Darnytsia”, financial and economic performance, resource efficiency, innovation activity, and investment support were assessed. Strategic directions for improving innovation and investment potential management were substantiated, an innovation and investment development program was developed, and the economic feasibility of the proposed measures was proved with regard to their impact on profitability, competitiveness, and long-term enterprise development.

INNOVATION AND INVESTMENT POTENTIAL, STRATEGIC DEVELOPMENT, ENTERPRISE MANAGEMENT, PHARMACEUTICAL ENTERPRISE, INNOVATION ACTIVITY, INVESTMENT SUPPORT, COMPETITIVENESS, ECONOMIC EFFICIENCY..

CONTENTS

INTRODUCTION

The current stage of development of the pharmaceutical industry is characterized by a highly dynamic market environment, increased competition, increasing regulatory requirements and the need for technological modernization of production. In the context of globalization and digital transformation of the economy, pharmaceutical companies are forced to constantly update their product portfolio, implement innovative technologies and ensure the financial sustainability of investment activities.

For Ukraine, the issue of managing innovation and investment potential is of particular importance in the context of military challenges, currency instability, logistical constraints, and the need for import substitution of medicines. The formation of a competitive national pharmaceutical production is a strategic task of the economic security of the state.

In these conditions, the development of scientifically based approaches to the strategic management of the innovation and investment potential of a pharmaceutical enterprise, which allow ensuring a balance between innovative development, financial efficiency and long-term sustainability of the business, becomes particularly relevant.

Thus, the need to form a comprehensive model of management of innovation and investment potential in the system of strategic development of an enterprise determines the relevance of the chosen research topic.

The object of the study is the process of formation and development of the innovation and investment potential of a pharmaceutical enterprise.

The subject of the study is the theoretical, methodological and applied principles of managing the innovation and investment potential of a pharmaceutical enterprise in the system of its strategic development (using the example of the Pharmaceutical Company "Darnytsia").

The purpose of the master's thesis is to develop theoretical and methodological provisions and practical recommendations for improving the management of the

innovation and investment potential of a pharmaceutical enterprise in the context of strategic development.

To achieve the goal, the following tasks were identified in the work:

- to investigate the evolution of scientific approaches to interpreting the innovation and investment potential of an enterprise;
- determine the structure and components of innovation and investment potential;
- to substantiate the place of innovation and investment potential in the system of strategic development of the enterprise;
- to analyze the financial and economic condition and innovative activity of the enterprise;
- assess the human resources, technological and investment potential of the enterprise;
- to conduct an integrated assessment of the level of innovation and investment potential;
- develop strategic directions for its development;
- to substantiate the innovation and investment program and determine its economic efficiency.

In the research process, a set of general scientific and special methods was used, in particular: methods of theoretical generalization and systematization, structural and logical analysis, economic and financial analysis, integral assessment method, scenario and sensitivity analysis method, graphical and tabular methods.

CHAPTER 1 THEORETICAL BASIS OF MANAGEMENT OF THE INNOVATION AND INVESTMENT POTENTIAL OF AN ENTERPRISE

1.1. The economic essence of the innovation and investment potential of an enterprise

The concepts of "innovative potential" and "investment potential" were formed in economic science as a response to the complication of the mechanisms of enterprise development in a competitive environment, where knowledge, technology and the ability to financially support changes become key. Their evolution reflects the transformation of ideas about the sources of economic growth: from the dominance of material factors of production to the priority of intangible assets, organizational competencies and strategic resource management.

Historically, the first intellectual basis for the further conceptualization of innovative potential was J. Schumpeter's theory of economic development, in which innovation is interpreted as a "new combination" of resources and factors of production, which disrupts static equilibrium and creates waves of structural changes in industries and markets (Schumpeter, 1934). Within this approach, the enterprise appears not only as a production unit, but also as a carrier of an entrepreneurial function, capable of initiating technological and organizational changes. Actually, innovative potential in Schumpeterian logic can be interpreted as the ability of a business entity to make innovative "leaps" - launching new products, developing new markets, applying new technologies or sources of raw materials. At the same time, the resource content of this potential has not yet been detailed; it was rather described through the function of the entrepreneur and his initiative.

The next stage of development of approaches is associated with the expansion of the subject field of innovation research from the “fact of innovation” to the process of its dissemination, acceptance and consolidation. In the concept of diffusion of innovations by E. Rogers, innovation is considered in interaction with the socio-economic environment, and the effectiveness of innovations is considered as a function

of communication channels, time lags and features of the system that accepts the innovation (Rogers, 2003). This shifted the emphasis in the interpretation of innovative potential: it began to be understood not only as an “internal ability to create something new”, but also as the ability of an organization to quickly absorb external knowledge, adapt technologies, manage changes and overcome resistance. Thus, innovative potential gradually acquires the features of a dynamic category, which is manifested through the speed of learning, the flexibility of the organizational structure and the quality of management decisions.

Since the 1980s and 1990s, the convergence of innovation topics with theories of strategic management and competition has become noticeable. M. Porter's concept of competitive advantage emphasizes that a company's long-term positional advantage is formed through unique configurations of activities in the value chain, and innovation is one of the key mechanisms for maintaining differentiation or cost leadership (Porter, 1985). In this logic, innovation potential reflects the ability of a company to continuously update processes and products in order to strengthen its competitive position and respond to changes in demand. It is important that innovation begins to be considered as a managed strategic process: not a random event, but a portfolio of decisions and projects that are consistent with strategic goals.

In parallel, the resource approach to the firm is developing, which has become key for the theoretical understanding of the nature of potential. Within the resource concept (RBV), the enterprise is considered as a set of resources and competencies, and competitive advantages arise when resources are valuable, rare, difficult to imitate and organizationally embedded (Barney, 1991). This approach made it possible to “decompose” innovative potential into specific elements: intellectual capital, technological competencies, organizational routines, learning ability, patent portfolio, team quality and corporate culture. It is fundamentally important that innovative potential in the RBV paradigm is not limited to resources as such; it includes ways of combining them that ensure the reproduction and accumulation of advantages. This leads to the modern vision of innovative potential as an integrated system of resources

and management mechanisms capable of transforming knowledge into innovative results.

In the 1990s and 2000s, further refinement of the innovation problem occurred through the theory of dynamic capabilities, which focuses on the ability of an enterprise to “sense opportunities”, “seize” them and “transform” the resource base in accordance with environmental changes. Although it is not the task of this subsection to reveal this concept in detail, its contribution is to emphasize that innovation potential is not a static “measure of stocks”, it manifests itself as a controlled ability to transform, reconfigure and update competencies. This is especially significant for high-tech industries, where the innovation cycle is long and requires stable financial support.

The evolution of approaches to investment potential has followed its own trajectory, but has become increasingly closely integrated with the innovation component. In classical and neoclassical interpretations, investment was viewed as a process of capital accumulation and a choice between current and future consumption. From the perspective of financial management, the investment potential of an enterprise is associated with the ability to form and attract resources for investment, ensure an acceptable level of risk and profitability, maintain liquidity and solvency. In an applied dimension, these ideas were developed in the works of I. Blank, where investment potential is reflected through the structure of financing sources, investment attractiveness, access to capital and the efficiency of using investment resources (Blank, 2001). In this approach, investment potential is not only the “availability of funds”, but also the ability of an enterprise to organize the investment process: to form a portfolio, evaluate projects, minimize risks and ensure the achievement of strategic goals.

In the Ukrainian scientific tradition, the interpretation of potential as a whole is often associated with a systemic vision of resource capabilities, institutional conditions and economic development policy. Thus, in the works of V. Geyets, investment processes are considered in connection with macroeconomic conditions, structural changes and the quality of institutions, which indirectly affects the investment capabilities of business entities (Geyets, 2009). In this context, the

investment potential of an enterprise is not isolated from the environment: access to financial resources, the cost of capital, risks, predictability of the rules of the game and protection of property rights directly determine the boundaries of investment activity. Accordingly, in modern definitions of investment potential, along with financial indicators, institutional characteristics appear: credit history, reputation, transparency of corporate governance, compliance, ability to work with investors and creditors.

The convergence of innovation and investment approaches is due to the fact that innovations, especially in knowledge-intensive sectors, are capital-intensive, long-term and risky. This requires not only the creative and technological capabilities of the enterprise, but also a developed investment capacity. As a result, modern authors increasingly interpret innovation and investment potential as complementary subsystems: the first is responsible for the “ability to create and implement”, the second for the “ability to finance and scale”. Such integration logically leads to the formation of the category of “innovation and investment potential”, which reflects the comprehensive ability of the enterprise to ensure the full cycle of value creation – from idea and R&D to commercialization, production scaling and market growth.

To summarize the evolution of approaches to the interpretation of innovation and investment potential, it is advisable to systematize the key changes in the focus of scientific thought (Table 1.1). It is this logic - the change in dominant accents from the entrepreneurial function to resources and competencies, and from capital accumulation to the management of investment opportunities - that created the basis for the modern systemic understanding of the potential of an enterprise as a multidimensional and manageable category.

Therefore, the evolution of scientific approaches demonstrates a consistent transition from simple interpretations of innovations as individual innovations and investments as capital investments to a comprehensive vision of potentials as systemic capabilities of an enterprise, formed by resources, competencies, and institutional context.

Table 1.1

Evolution of scientific approaches to interpreting the innovation and investment potential of an enterprise

Stage/approach	Key authors	Dominant accent	Interpretation of potential
Innovation as a driver of development	J. Schumpeter	Entrepreneurship, "new combinations"	Ability to initiate radical changes and innovations
Diffusion and adoption of innovations	E. Rogers	Adaptation, dissemination, communications	The ability of an organization to absorb and implement new
Competitive advantages and strategy	M. Porter	Value chain, positioning	The ability to innovatively maintain a sustainable competitive position
Resource concept of the company	J. Barney	Unique resources, competencies	Resource system and the ability to combine them effectively
Investment management	I. Blank and others.	Capital sources, portfolio, risks	Ability to mobilize resources and ensure investment efficiency
Institutional and structural dimension	V. Geyets and others.	Quality of institutions, environment	Investment opportunities as a function of internal and external conditions

Deepening theoretical approaches to understanding innovation and investment potential objectively necessitated their structuring. If in the early stages of scientific thought, potential was interpreted as a general "ability" or "possibility" of an enterprise to perform certain actions, then modern economic science considers it as a complex multi-level system of interconnected elements that form the basis of strategic development. In this context, it is appropriate to define innovation and investment potential as an integrated set of resources, competencies, organizational mechanisms and financial instruments that ensure the generation, financing and commercialization of innovations.

The structural approach involves the isolation of at least three interconnected subsystems: innovation, investment, and management-institutional. Such a three-component model allows taking into account both the internal capabilities of the enterprise and the mechanisms for their implementation in the external environment.

The innovative component reflects the ability of an enterprise to create new products, technologies and organizational solutions. It includes research and

development potential, the level of technological equipment, intellectual capital, personnel qualifications, knowledge management system and corporate culture of innovation. From the perspective of resource theory (Barney, 1991), it is unique knowledge, patent portfolio, experience of R&D teams and learning ability that form the core of the innovation subsystem. In this case, it is not only the presence of individual resources that is important, but also their integration into internal value creation processes.

The investment component characterizes the ability of the enterprise to mobilize financial resources to support innovation processes. It includes equity, retained earnings, credit potential, access to the stock market, partner financial instruments and risk management mechanisms. Within the financial paradigm, investment potential is associated with the capital structure, the cost of attracted resources and the level of financial stability (Blank, 2001). At the same time, in modern conditions it is complemented by such characteristics as investment reputation, transparency of corporate governance and compliance with ESG standards, which affect investor confidence.

The third – managerial-institutional – component performs a coordination function and ensures synergy between innovation and investment resources. It includes a strategic planning system, mechanisms for portfolio management of innovation projects, performance assessment procedures, a system of internal control and risk management. It is this subsystem that converts available resources into real economic results. According to the concept of strategic management (Porter, 1985), the effectiveness of potential is determined not only by the volume of resources, but also by the quality of their strategic use.

To systematize the structural elements of innovation and investment potential, it is advisable to present them in the form of a generalized model (Table 1.2).

Analyzing the structure of the potential, it is necessary to emphasize its systemic nature. The innovative component without sufficient investment support cannot be transformed into a market result, while the availability of financial resources without a technological and human resource base does not guarantee the emergence of

competitive products. Therefore, the effectiveness of the innovative and investment potential is determined by the level of coherence of its subsystems.

Table 1.2

Structural components of the innovation and investment potential of an enterprise

Component	Elements	Economic role
Innovative	R&D, patents, technologies, personnel, digital solutions	Generation and implementation of innovations
Investment	Equity and debt capital, financial instruments, creditworthiness	Financial support for innovation
Administrative and institutional	Strategic planning, portfolio management, risk management	Coordination and integration of resources

An important characteristic of the structure of potential is its multilevel nature. At the micro level, it is formed through the resources of a particular enterprise; at the meso level - through industry and regional innovation ecosystems; at the macro level - through the institutional environment and state innovation policy. Such a hierarchy is especially relevant for high-tech sectors, where innovations are often implemented within partnerships with scientific institutions, clusters or international consortia.

Special attention should be paid to the interaction of tangible and intangible elements of the structure. While traditional models of potential emphasized tangible assets (fixed assets, equipment, financial resources), the modern knowledge economy shifts the focus to intangible assets - intellectual capital, organizational knowledge, brand, corporate culture. Research shows that it is intangible assets that increasingly determine the market value of companies and their innovative activity.

In view of this, it is advisable to consider innovation and investment potential as a dynamic system that is constantly transforming under the influence of technological changes, digitalization, globalization of financial markets and increased competition. Its structure is not stable: it adapts to the strategic priorities of the enterprise, the stage of the life cycle and industry specifics.

In the modern conditions of economic transformation, acceleration of technological changes and strengthening of global competition, innovation and investment potential acquires the status of a system-forming factor of strategic

development of the enterprise. If the strategy defines long-term goals and directions of development, then innovation and investment potential provides a real possibility of their achievement. Thus, it acts not only as a resource prerequisite, but also as a tool for implementing strategic decisions.

In the theory of strategic management, an enterprise is considered as an open system that operates in conditions of constant interaction with the external environment. According to the concept of competitive strategies by M. Porter, the formation of a sustainable competitive position is possible through cost leadership, differentiation or focus (Porter, 1985). The implementation of each of these strategies requires appropriate innovative and financial support. In particular, the differentiation strategy is based on the creation of unique products or services, which is impossible without a developed innovative component, while the cost reduction strategy involves technological modernization and optimization of processes, which requires investment resources. Therefore, innovation and investment potential is a key prerequisite for the formation of competitive advantages.

From the perspective of the resource concept of the firm (Barney, 1991), strategic development is determined by the efficiency of using internal resources and competencies. In this context, the innovative and investment potential plays the role of an integrated resource that combines the intellectual, technological and financial capabilities of the enterprise. Its peculiarity is that it not only supports existing positions, but also forms the basis for strategic transformation - entering new markets, mastering new technologies, diversifying activities.

It is important that the innovation and investment potential is dynamic and closely related to the life cycle of the enterprise. At the stage of formation, the main role is played by the ability to accumulate initial investment resources and develop a competitive innovative product. At the stage of growth, the emphasis shifts to scaling production, expanding the range and increasing productivity. At the stage of maturity, the innovation and investment potential becomes a tool for modernization and diversification, which allows avoiding stagnation. Thus, its functional value changes in accordance with the strategic needs of the enterprise.

Integration of innovation and investment potential into the strategic management system involves its coordination with the mission, vision and strategic goals. In practice, this means the formation of long-term innovation programs, investment portfolios and mechanisms for controlling the implementation of strategic initiatives. The lack of such integration leads to fragmented decisions, inconsistency of investment projects with the overall strategy and reduced efficiency of resource use.

It is advisable to present the systemic nature of the relationship between innovation and investment potential and strategic development in the form of a logical model (Table 1.3).

Table 1.3

The relationship between innovation and investment potential and the strategic development of the enterprise

Strategic element	The role of the innovative component	The role of the investment component
Formation of competitive advantages	Development of new products and technologies	Financing modernization and scaling
Implementation of growth strategies	Developing new markets, diversification	Raising capital for expansion
Ensuring sustainability	Increasing flexibility and adaptability	Supporting financial stability
Increasing business value	Growth of intangible assets	Capital structure optimization

As can be seen from Table 1.3, the innovation and investment components perform complementary functions in the process of strategy implementation. Their balance determines the ability of the enterprise not only to grow, but also to achieve long-term sustainability.

In the modern knowledge economy, innovation and investment potential becomes the basis of the strategic flexibility of the enterprise. The ability to quickly reallocate resources, invest in promising areas and terminate ineffective projects is a critical condition for maintaining competitiveness. Therefore, potential management turns into a constant process of strategic analysis, planning and control.

Thus, the innovation and investment potential occupies a central place in the system of strategic development of the enterprise, providing the material and

intellectual base for the implementation of long-term goals. Its importance lies not only in the availability of resources, but also in the ability of the enterprise to integrate them into strategic decisions aimed at the formation of sustainable competitive advantages and increasing market value.

1.2. Features of the formation of innovation and investment potential of pharmaceutical enterprises

The pharmaceutical industry is one of the most knowledge-intensive and capital-intensive sectors of the world economy, which determines the peculiarities of the formation and implementation of the innovative and investment potential of enterprises. Unlike many traditional industries, innovative activity in pharmaceuticals is systemic, long-term and multi-stage in nature, and its result is directly related to the safety of life and health of the population. This creates increased requirements for the quality of research, regulatory control and financial support of innovative processes.

One of the key characteristics of the pharmaceutical industry is a high level of research and development intensity. The share of R&D expenses in the revenue structure of leading pharmaceutical companies significantly exceeds similar indicators in most other industries. The innovation cycle of creating a new drug includes basic research, preclinical and clinical trials, registration procedures and post-marketing surveillance. The duration of such a cycle can be 8-12 years, which necessitates the need for long-term strategic planning and stable investment support.

A feature of pharmaceutical innovations is also a high level of uncertainty and risk. A significant part of research projects does not reach the stage of commercialization due to the inconsistency of clinical trial results with the requirements of efficacy or safety. Therefore, the innovative potential of an enterprise in the pharmaceutical sector should include not only scientific and technological resources, but also developed risk management mechanisms, diversification of the development portfolio and a system for assessing the prospects of innovative projects.

A significant specific feature of the industry is a strict regulatory environment. The production and sale of medicines is carried out in accordance with international standards of good manufacturing practice (GMP), requirements for pharmacovigilance, certification and quality control. Regulatory procedures affect the cost structure of the enterprise, the timing of product launch on the market and the need for additional investments. Thus, the innovation and investment potential of a pharmaceutical enterprise is formed in close connection with institutional conditions and requirements of state regulation.

The pharmaceutical industry is also characterized by a high role of intellectual property. Patent protection of medicines provides a temporary monopoly on the market and allows to compensate for significant research costs. At the same time, the expiration of patents opens up opportunities for the production of generic drugs, which intensifies competition. In such conditions, innovative activity becomes a constant process, and innovative potential is a strategic asset that determines the long-term competitiveness of the enterprise.

An important characteristic of the industry is its globalized nature. Drug markets are integrated into the international supply system of raw materials, technologies and capital. Pharmaceutical companies actively cooperate with scientific institutions, biotechnological startups, contract research organizations (CROs). This forms a network model of innovation activity, within which the innovation and investment potential of the enterprise is expanded through partnerships and cooperation.

Given the above features, the specifics of the pharmaceutical industry as an environment for innovative activity can be systematized (Table 1.4).

The specifics of the industry also determine the specifics of strategic management of innovation and investment potential. The enterprise must ensure a balance between investments in fundamental research and the development of generic drugs, between internal resources and external partnerships, between risky innovation projects and stable sources of income.

Table 1.4

Key features of the pharmaceutical industry as an innovation environment

Characteristic	Manifestation in the activities of the enterprise	Impact on innovation and investment potential
High research intensity	Significant R&D spending	The need for stable research funding
Long innovation cycle	8–12 years to commercialization	The need for long-term investment
High risk	Clinical trial failures	Development of risk management systems
Tight regulation	GMP requirements, registration, control	Growth in capital and operating costs
Patent competition	Patent protection and expiration	The need for constant portfolio updating

Thus, the pharmaceutical industry forms a unique environment of innovation activity, in which the innovation and investment potential is a determining factor of the long-term development of the enterprise. Its effectiveness depends on the ability to integrate scientific research, financial resources and regulatory compliance into a single strategic management system.

The formation and implementation of the innovation and investment potential of pharmaceutical enterprises is influenced by a complex of external factors, among which regulatory, technological and market factors occupy a decisive place. They set the parameters of the industry's functioning, form the boundaries of strategic choice and determine the structure of costs, risks and development opportunities.

The regulatory environment of the pharmaceutical industry is one of the most stringent among all sectors of the economy. Its specificity is due to the social significance of the product and the need to guarantee its safety and effectiveness. At the national and international levels, there are requirements for good manufacturing practice (GMP), good clinical practice (GCP), pharmacovigilance systems, procedures for state registration of medicinal products and control of their circulation.

Regulatory procedures directly affect the structure of the innovation and investment potential of the enterprise. First, they entail significant costs for the preparation of documentation, certification of production, conducting clinical trials and auditing compliance with standards. Second, time lags between the completion of

the development of a drug and its entry into the market can be significant, which increases the requirements for financial stability and long-term investment. Third, changes in regulatory norms may require additional capital investments in equipment modernization or revision of technological processes.

From the perspective of institutional economics (Geets, 2009), regulatory conditions form the rules of the game that determine the behavior of business entities. In the pharmaceutical sector, institutional stability and transparency of regulatory policy are key prerequisites for activating investment activity. The unpredictability of regulatory changes increases the risks of innovative projects and reduces the investment attractiveness of enterprises.

The second group of factors is made up of technological factors that determine the level of scientific and technical development of the industry. Pharmaceutical production is characterized by a high level of automation, the use of biotechnology, nanomaterials, digital quality management systems and logistics. The development of personalized medicine, genomic research, artificial intelligence in the field of searching for new molecules is radically changing the innovation landscape of the industry.

Technological dynamics create both opportunities and challenges for enterprises. On the one hand, the introduction of modern technologies allows to increase productivity, reduce costs and accelerate the drug development cycle. On the other hand, it requires significant investments in equipment modernization, digital transformation and staff training. Thus, technological factors strengthen the relationship between the innovative and investment components of the enterprise's potential.

In a strategic dimension, technological changes necessitate the formation of dynamic capabilities of the enterprise, i.e. the ability to quickly adapt to new technological trends and integrate them into its own business processes. Enterprises that do not ensure timely modernization of production risk losing competitive positions even with the availability of financial resources.

The third group of factors is formed by the market conditions of the functioning of pharmaceutical enterprises. The industry is characterized by high competition

between manufacturers of original drugs and generics, as well as between national and transnational companies. The level of demand is determined by demographic trends, the state of the healthcare system, the purchasing power of the population and state programs for reimbursement of medicines.

Market factors directly affect the structure of an enterprise's innovation portfolio. In conditions of increased competition and limited financial resources, companies are forced to carefully assess the commercial potential of each innovation project. A strategy for diversifying the product portfolio, entering new market segments or geographic markets requires significant investments and an appropriate level of management competence.

The systematization of the influence of external factors on the innovation and investment potential of a pharmaceutical enterprise is given in Table 1.5.

Table 1.5

The impact of regulatory, technological and market factors on innovation and investment potential

Group of factors	Nature of influence	Consequences for potential
Regulatory	Establishing quality standards and registration procedures	Rising costs, the need for financial stability
Technological	Acceleration of scientific and technological progress, digitalization, biotechnology	The need for modernization and investment in R&D
Market	Competition, demand, government programs	The need for diversification and commercial orientation of innovations

Thus, regulatory, technological and market factors form a complex system of external constraints and opportunities for pharmaceutical enterprises. Their consideration is a necessary condition for effective management of innovation and investment potential. The enterprise must ensure that its own innovation strategy is aligned with the requirements of the regulatory environment, technological trends and market needs, which creates the basis for sustainable strategic development.

Innovative activity in the pharmaceutical sector is characterized by high capital intensity, a long innovation cycle and a significant level of risk, which imposes special

requirements on the financing system. The formation of the innovative and investment potential of an enterprise in this industry directly depends on the ability to provide continuous and diversified financial coverage at all stages of the development and commercialization of medicines - from basic research to scaling up production.

In a general theoretical dimension, investment mechanisms are considered as a set of forms, methods and instruments for attracting and using capital for the implementation of strategic projects (Blank, 2001). In the pharmaceutical sector, these mechanisms acquire specific features due to the combination of high risks, long payback periods and regulatory restrictions.

The basic source of financing for innovations is the company's own capital, formed at the expense of the authorized capital, retained earnings and depreciation. Self-financing provides relative autonomy of innovation policy and reduces dependence on external investors. However, in the pharmaceutical industry, the volume of internal resources is often insufficient to cover the costs of large-scale R&D projects, especially in the field of development of original molecules or biotechnological drugs. Therefore, equity plays the role of a basic, but not the only component of the investment mechanism.

Attracted financial resources form the second important group of financing instruments. These include bank loans, bond loans, share issuance, strategic investments. Access to credit resources depends on the financial stability of the enterprise, the level of its creditworthiness and the transparency of corporate governance. In conditions of high uncertainty of innovative projects, banks usually set strict requirements for collateral, which limits the possibilities of financing the early stages of research. Therefore, loan capital is more often used to modernize production, expand capacity or commercialize already tested developments.

Venture capital and partnership models play a special role in financing pharmaceutical innovations. Venture capital is focused on financing high-risk projects with potentially high returns. In the pharmaceutical sector, it is often directed to supporting biotechnology startups or individual innovation platforms. The advantage of venture capital financing is the investor's willingness to take on increased risk, as

well as providing management and expert support. At the same time, such a mechanism involves the distribution of control and ownership shares in the enterprise.

A common practice in the global pharmaceutical industry is strategic alliances and partnerships with scientific institutions, universities and contract research organizations (CROs). Within such models, the financial burden is distributed between partners and risks are diversified. In addition, international grant programs and innovation support funds play a significant role in financing basic and applied research. For companies, this creates an opportunity to attract additional resources without significantly increasing the debt burden.

In today's digitalized and globalized financial markets, alternative financing instruments, such as crowdfunding platforms, corporate venture funds, and public-private partnership programs, are gaining importance. For pharmaceutical companies, participation in such mechanisms allows them to expand sources of capital and increase their innovative flexibility.

A systematization of the main investment mechanisms for financing innovations in the pharmaceutical sector is given in Table 1.6.

Table 1.6

Investment mechanisms for financing innovations in the pharmaceutical sector

Financing mechanism	Source of funds	Advantages	Limitation
Self-financing	Equity, profit	Financial autonomy	Limited resources
Bank loans	Loan capital	Fast fundraising	High security requirements
Issuance of securities	Capital market	Attracting significant resources	Dependence on market conditions
Venture financing	Private investors, funds	Support for high-risk projects	Loss of some control
Partnerships and grants	State and international programs	Reducing the financial burden	Restrictions on intended use

The effectiveness of the application of these mechanisms depends on the strategic goals of the enterprise, the stage of the life cycle of the innovative project and the level of development of the national financial market. For pharmaceutical

companies, it is advisable to form a diversified financing model that combines internal and external sources of resources and provides flexibility in capital allocation.

Therefore, investment mechanisms for financing innovations in the pharmaceutical sector are a complex multi-component system that integrates traditional and alternative financial instruments. Their rational combination forms the basis of the innovation and investment potential of the enterprise and provides the opportunity to implement a long-term development strategy in conditions of high competition and technological uncertainty.

1.3. Methodological approaches to assessing and managing innovation and investment potential

Assessing the innovative potential of an enterprise is a complex analytical task, since this category is multidimensional and covers both quantitative and qualitative parameters. Unlike financial indicators, which have a clear numerical expression, innovative potential includes intangible components - knowledge, competencies, organizational culture, institutional ties, which require a comprehensive methodological approach.

In the scientific literature, innovation potential is mostly considered as a set of resources and capabilities of the enterprise that ensure the creation and implementation of innovations (Barney, 1991; Porter, 1985). Accordingly, the system of its assessment should reflect both resource availability and the effectiveness of innovation activities. This involves the formation of a multi-level system of indicators that covers input resources, process characteristics and output results.

From a methodological point of view, it is advisable to distinguish three main blocks of indicators: resource, process and performance. Such a structure corresponds to the logic of "input - process - output" and allows for a comprehensive assessment of the enterprise's ability to generate innovations.

The resource block reflects the availability of material and intangible prerequisites for innovative activity. It includes indicators of the volume of

expenditures on research and development (R&D), the share of innovation expenditures in the total costs of the enterprise, the level of provision with highly qualified personnel, the number of researchers in the personnel structure, the availability of patents and licenses, and the level of technical equipment of production.

The process block characterizes the efficiency of the organization of innovative activities. This includes the duration of the innovation cycle, the share of projects that have ended in successful commercialization, the level of diversification of the innovation portfolio, the degree of digitalization of management processes, the presence of a knowledge management system. These indicators allow us to assess the quality of internal mechanisms for transforming resources into innovative products.

The result block reflects the economic consequences of innovation activity. It includes the share of innovative products in the total sales volume, the increase in income from new products, the profitability of innovative projects, the increase in market share, the growth of intangible assets. It is these indicators that demonstrate the real contribution of innovations to the strategic development of the enterprise.

The systematization of indicators for assessing innovation potential is given in Table 1.7.

Table 1.7

System of indicators for assessing the innovative potential of an enterprise

Indicator block	Main indicators	Economic importance
Resourceful	R&D spending, number of patents, share of scientific staff	Reflects the availability of innovative resources
Process	Development cycle length, proportion of successful projects	Characterizes the effectiveness of innovation management
Effective	Share of innovative products, revenue growth	Evaluates the economic impact of innovations

In addition to quantitative indicators, it is advisable to use qualitative criteria, in particular the level of corporate culture of innovation, flexibility of organizational structure, ability to interfunctional interaction. In the practice of strategic management, integrated indices of innovative potential are increasingly used, which are formed by

normalizing and weighing individual indicators. This approach allows for comparative analysis between enterprises or to track the dynamics of development over time.

An important methodological aspect is the coordination of the indicator system with the industry specifics. For pharmaceutical companies, it is advisable to additionally take into account the number of clinical trials, the duration of the drug registration procedure, the structure of the patent portfolio and the level of compliance with international GMP standards. This provides a more accurate reflection of the real innovation potential in the conditions of high regulatory and technological complexity of the industry.

Therefore, the system of indicators for assessing innovation potential should be comprehensive and multi-level, combining resource, process and performance indicators. This approach creates an analytical basis for making strategic management decisions regarding the development of the innovation and investment potential of the enterprise.

Management of the innovative and investment potential of an enterprise involves not only the formation of a resource base, but also making informed decisions regarding the feasibility of implementing specific innovative projects. In conditions of high uncertainty, a long innovation cycle and significant initial costs, the use of scientifically based methods for assessing investment attractiveness and economic efficiency becomes of particular importance.

In classical financial theory, investment decisions are based on the concept of the time value of money and maximizing the market value of the enterprise. According to financial management approaches (Blank, 2001), the feasibility of an investment project is determined by the ratio of expected cash flows and capital expenditures, taking into account the level of risk. In the context of innovative projects, this becomes particularly relevant, since such projects are characterized by uneven income, delayed payback, and a high probability of deviation of actual results from the forecasted ones.

The most common valuation method is the Net Present Value (NPV), which is defined as the difference between discounted cash flows and investment costs. A positive NPV indicates an increase in the value of the enterprise and the economic

feasibility of the project. The NPV method is universal and allows you to take into account the time structure of cash flows, but requires the correct determination of the discount rate, which can be difficult in innovative projects due to increased risk.

The second important indicator is the Internal Rate of Return (IRR), which reflects the level of profitability of an investment project. The project is considered acceptable if the IRR exceeds the cost of capital or the minimum acceptable rate of return. The advantage of this indicator is its intuitive clarity for investors, but in the presence of non-standard cash flows, difficulties may arise in interpreting the results.

The Profitability Index (PI) allows you to assess the relative efficiency of investments by determining the ratio of discounted income to initial investments. This indicator is appropriate in cases of limited investment resources, when it is necessary to make a choice between alternative projects.

The traditional, although less accurate, method of determining the payback period is the Payback Period. It allows you to estimate the period during which investments are returned through cash flows. In the pharmaceutical sector, where the innovation cycle can last more than ten years, the payback indicator is auxiliary and is used mainly to assess the liquidity and riskiness of the project.

In order to take into account the strategic effect of innovations, the indicator of economic value added (Economic Value Added, EVA) is increasingly used, which reflects the difference between net operating profit and the cost of capital employed. Using EVA allows us to assess the real contribution of an innovation project to the growth of the enterprise's value and to align investment decisions with strategic goals.

Due to the high uncertainty of innovative projects, it is important to use risk analysis methods. These include scenario analysis, sensitivity analysis, simulation modeling (in particular, the Monte Carlo method), as well as the real options approach. The latter allows for the flexibility of management decisions in the project implementation process, which is especially relevant for pharmaceutical research with phased funding and the possibility of terminating or expanding development depending on intermediate results.

A systematization of the main methods for assessing the effectiveness of innovative projects is given in Table 1.8.

Table 1.8

Methods for assessing the investment attractiveness and effectiveness of innovative projects

Method	Essence	Advantages	Limitation
NPV	Discounted difference between revenues and expenses	Taking into account the time value of money	Dependence on the discount rate
IRR	Internal rate of return	Clarity for investors	Multiple values are possible.
PI	Relative investment efficiency	Expedient with limited resources	Requires accurate flow forecasting
Payback period	Investment return period	Simplicity of calculation	Does not take into account income after payback
EVA	Added economic value	Focus on value growth	Calculation complexity
Real options	Assessment of managerial flexibility	Uncertainty Consideration	Methodological complexity

In the context of pharmaceutical companies, it is advisable to combine several valuation methods, which allows to obtain a comprehensive picture of the feasibility of investment. In particular, the combination of NPV and scenario analysis allows to take into account the variability of clinical results, and the use of real options - to assess the value of phased financing of drug development.

Therefore, methods for assessing the investment attractiveness and effectiveness of innovative projects are an important component of managing the innovative and investment potential of an enterprise. Their use ensures a rational allocation of resources, minimization of risks, and alignment of investment decisions with strategic development priorities.

The formation of a holistic system for managing the innovation and investment potential of an enterprise requires the development of a conceptual model that ensures the integration of resource capabilities, investment mechanisms and strategic development goals. In today's dynamic market environment, such a model should be based on the principles of systematicity, adaptability, strategic coherence and economic efficiency.

Conceptually, it is advisable to consider the innovation and investment potential as an object of strategic management, combining the innovation and investment subsystems into a single managed structure. If the innovation component ensures the creation of new products, technologies and business models, then the investment component forms the financial basis for their implementation. The management function is to coordinate these subsystems in accordance with the long-term goals of the enterprise.

The theoretical basis of the model is the provisions of strategic management (Porter, 1985), the resource concept of the firm (Barney, 1991) and the financial theory of business value. According to these approaches, the competitiveness of an enterprise is determined not only by the volume of resources, but also by the ability to integrate them into strategic decisions aimed at increasing market value.

The conceptual model of strategic management of innovation and investment potential involves the implementation of the following interrelated stages:

1. Strategic analysis of the environment and resource base. At this stage, an assessment of the internal capabilities of the enterprise (innovative resources, financial condition, technological level) and external factors (competitive environment, regulatory conditions, technological trends) is carried out. The result is the identification of strategic opportunities and constraints.

2. Formation of strategic goals for innovative development. Priority areas of R&D, diversification of the product portfolio, digital transformation, entry into new markets are determined. Goals should be quantifiable and consistent with the financial capabilities of the enterprise.

3. Investment planning. It involves the formation of an investment portfolio, the selection of financing sources, the calculation of the effectiveness of innovative projects, and the determination of the acceptable level of risk.

4. Implementation and monitoring. Provides control over the implementation of innovation programs, budget adjustments, evaluation of achieved results, and adaptation of the strategy to changes in the external environment.

The system interconnection of the model elements is given in Table 1.9.

Table 1.9

Conceptual model of strategic management of innovation and investment potential

Management stage	Main content	Expected result
Strategic analysis	Resource and environmental assessment	Identifying potential opportunities
Goal setting	Setting innovation and financial priorities	Coordinated development strategy
Investment planning	Selection of funding sources and assessment of effectiveness	Optimal investment portfolio
Monitoring and control	Performance analysis and adjustments	Improving performance

A feature of the model is its dynamic nature. Innovation and investment potential is not a static set of resources; it is constantly changing under the influence of technological shifts, market conditions and institutional transformations. Therefore, strategic management should provide for regular updating of innovation priorities and revision of investment decisions.

An important element of the conceptual model is the integration of indicators for assessing innovation potential and investment analysis methods into the strategic controlling system. This allows for feedback between the achieved results and the strategic goals of the enterprise.

For pharmaceutical companies, it is of particular importance to combine a long-term innovation strategy with financial sustainability. The long drug development cycle and high costs of clinical trials require a balanced approach to forming a project portfolio: simultaneous financing of both promising long-term developments and more quickly payback projects for modernization or production of generic drugs.

Thus, the conceptual model of strategic management of the innovative and investment potential of an enterprise is based on the integration of resource, financial and strategic approaches. Its implementation ensures the consistency of innovative activity with investment opportunities and creates the prerequisites for sustainable growth of the competitiveness and market value of the enterprise.

Conclusions to Chapter 1

The first section of the master's research provides a theoretical justification of the essence, structure, and methodological principles of managing the innovation and investment potential of an enterprise, taking into account the industry specifics of the pharmaceutical sector.

The study of the evolution of scientific approaches has made it possible to establish that the categories of innovative and investment potential were formed at the intersection of the innovative theory of economic development, the resource concept of the firm, strategic management and the financial theory of business value. From the classical interpretation of innovations as "new combinations" of production factors, scientific thought has moved to a systemic understanding of potential as an integrated set of resources, competencies and management mechanisms. Investment potential, in turn, has transformed from an interpretation as the volume of accumulated capital to a complex characteristic of the ability of an enterprise to mobilize, effectively distribute and reproduce financial resources in conditions of risk and uncertainty.

It is substantiated that the innovation and investment potential is a multi-level system that includes innovation, investment and management and institutional components. Their balance determines the ability of the enterprise to transform scientific ideas into competitive products and provide a financial basis for strategic development. It is emphasized that the effectiveness of the potential depends not only on the volume of resources, but also on the level of their integration into the strategic management system.

It has been established that in the pharmaceutical industry, the formation of innovation and investment potential occurs under the influence of specific factors: high knowledge-intensive production, a long innovation cycle, a significant level of technological and regulatory risk, strict quality standards and active patent competition. Regulatory, technological and market factors form a system of restrictions and opportunities that determine the strategic choice of the enterprise and the structure of its investment activities.

Investment mechanisms for financing innovations in the pharmaceutical sector are systematized, including self-financing, bank lending, securities issuance, venture capital, partnership and grant models. The feasibility of diversifying funding sources as a condition for minimizing risks and ensuring the continuity of the innovation process is proven.

Methodological approaches to assessing the innovative potential of an enterprise are substantiated, which involve the use of resource, process and performance indicators. It is determined that in order to make informed investment decisions, it is necessary to use modern methods of financial analysis - NPV, IRR, PI, EVA, scenario analysis and risk assessment methods. Their integrated use creates the basis for rational management of innovative projects.

A conceptual model of strategic management of innovation and investment potential is proposed, which provides for the phased implementation of strategic analysis, formation of innovation priorities, investment planning and monitoring of results. Such a model ensures the coordination of innovation activity with the financial capabilities of the enterprise and contributes to the growth of its competitiveness and market value.

Thus, the theoretical provisions formulated in the first section create a methodological basis for conducting further analytical research into the innovation and investment potential of a particular pharmaceutical enterprise and developing practical recommendations for its strategic development.

CHAPTER 2 ANALYSIS AND ASSESSMENT OF THE INNOVATION AND INVESTMENT POTENTIAL OF PRJSC FF "DARNYTSYA"

2.1. General characteristics and strategic positions of the enterprise

The object of the study is PrJSC "FF "Darnytsia" – one of the leading pharmaceutical enterprises in Ukraine, specializing in the production of medicines of various pharmacotherapeutic groups. The company operates in a highly competitive and regulated market, combining production, innovation and commercial activities within an integrated business model.

The organizational structure of the enterprise is built on a functional-divisional principle with the allocation of key areas of activity: production, research and development center (R&D), quality control, marketing and sales, finance, logistics and administrative management. This approach ensures a clear division of responsibility and promotes coordination between innovation and production units. At the same time, strategic decisions are made at the level of top management, taking into account long-term development goals, market conditions and investment opportunities.

The company's production base meets the modern requirements of Good Manufacturing Practice (GMP), which confirms its ability to ensure stable product quality and compete not only in the domestic but also in foreign markets. The company has several production lines equipped with automated process control systems, which allows minimizing production risks and increasing labor productivity.

The company's assortment policy is focused on the production of both generic drugs and innovative medicines, which forms a balanced product portfolio. The main product groups include drugs for the treatment of cardiovascular, neurological, anti-inflammatory and other diseases. Such diversification reduces dependence on individual market segments and contributes to the stability of cash flows.

Research and development is an important component of the company's competitive strategy. The presence of its own R&D department ensures the development of new forms of medicines, improvement of production technologies and

adaptation of international quality standards. The company's innovative activity is manifested in the regular updating of the assortment and the introduction of new products into production.

The financial and economic activity of the enterprise is characterized by stable volumes of product sales and a sufficient level of liquidity to ensure operational activities. The income structure is formed mainly by sales of products on the domestic market, while the export component is gradually increasing. The enterprise's expenses have a high share of production and research costs, which is typical for the pharmaceutical industry.

The company's human resources include specialists in the fields of pharmacy, chemistry, biotechnology, engineering and management. A high level of personnel qualification is one of the prerequisites for the effective functioning of the innovation and investment potential. The company implements advanced training programs, which contributes to the development of competencies and adaptation to new technological requirements.

In general, the organizational and economic characteristics of the enterprise indicate the presence of a well-established production infrastructure, a developed management system and a sufficient level of resource provision for the implementation of innovative activities. At the same time, the dynamism of the market environment and increased competition require constant improvement of strategic management, modernization of production and optimization of the structure of investment resources.

Assessment of the financial and economic results of the activities of PrJSC "FF "Darnytsia" is a necessary prerequisite for determining its innovation and investment potential, since it is financial stability and profitability that form the opportunities for the implementation of long-term innovation programs. The analysis used generalized data for the period 2022-2024, which allows us to trace the dynamics of the main indicators in the context of military and macroeconomic challenges (Table 2.1).

Table 2.1

Analysis of the main technical and economic indicators of PrJSC "FF "Darnitsa"

Indicator	2022	2023	2024	Deviation 2023/2022, +/-	Growth rate 2023/2022, %	Deviation 2024/2023, +/-	Growth rate 2024/2023, %
Net income from product sales, thousand UAH	5247192	6969207	6875780	1722015	132.82	-93427	98.66
Cost of goods sold, thousand UAH	1660009	2230865	2247403	570856	134.39	16538	100.74
Costs per UAH 1 of sold products, UAH	0.316	0.320	0.327	0.004	101.18	0.007	102.11
Gross profit, thousand UAH	3587183	4738342	4628377	1151159	132.09	-109965	97.68
Net profit, thousand UAH	553814	1392883	679469	839069	251.51	-713414	48.78
Sales profitability, %	68.36	67.99	67.31	-0.37	99.45	-0.68	99.01
Cost efficiency, %	216.09	212.40	205.94	-3.69	98.29	-6.46	96.96
Average annual cost of fixed assets, thousand UAH	891378.5	941298.0	1151172.0	49919.5	105.60	209874.0	122.30
Return on fixed assets, UAH/UAH	5,887	7,404	5,973	1,517	125.77	-1.431	80.67
Average annual cost of working capital, thousand UAH	3401583.5	3748555.0	4506387.0	346971.5	110.20	757832.0	120.22
Working capital turnover ratio, rev./year	1,543	1,859	1,526	0.317	120.52	-0.333	82.07
Profitability of production assets, %	83.56	101.03	81.81	17.47	120.91	-19.23	80.97
Average number of employees, people	1152	1223	1411	71	106.16	188	115.37
Average annual labor productivity of one employee, thousand UAH/person	4554.9	5698.5	4873.0	1143.6	125.11	-825.5	85.51
Labor costs, thousand UAH	674593.2	787788.6	980801.3	113195.4	116.78	193012.7	124.50
Average monthly salary of one employee, UAH	48798.7	53678.7	57925.9	4880.0	110.00	4247.2	107.91

Analysis of the main technical and economic indicators of the activities of PrJSC "FF "Darnytsia" for 2022-2024 shows that in the period under study, the enterprise combined trends of quantitative growth with a gradual weakening of the effectiveness of the use of available resources. During 2022-2023, a significant expansion of the scale of activity was observed, which was accompanied by an increase in net income from sales of products, gross profit and net financial result. At the same time, in 2024, the positive dynamics gave way to signs of slowdown: the volume of net income decreased slightly, gross profit decreased, and net profit decreased most noticeably. Such a change indicates that after a period of active growth, the enterprise faced a complication of the conditions for ensuring stable profitability.

The assessment of cost indicators confirms the above trend. During the analyzed period, the cost of goods sold increased, and in some years its growth rate was higher or almost commensurate with the rate of change in income. This directly affected the increase in costs per UAH of goods sold, which indicates an increase in the cost intensity of activities. Accordingly, the profitability of sales and the profitability of costs, calculated through gross profit, in 2024 showed a decrease compared to previous years. Thus, despite the preservation of a significant volume of sales, the efficiency of the formation of financial results at the enterprise deteriorated, which indicates the need to strengthen control over costs and increase the economic return on current activities.

A study of the state of production resources showed that the enterprise increased its resource potential during 2022-2024. The average annual cost of fixed assets and the average annual cost of working capital increased, which indicates an expansion of the material base for functioning and maintaining investment activity. At the same time, the increase in the volume of attracted resources was not accompanied by a steady increase in the effectiveness of their use. If in 2023 the return on fixed assets increased, then in 2024 its level decreased, which indicates a weakening of the return on the existing production base. A similar trend is demonstrated by the working capital turnover ratio: after improving in 2023, in 2024 it decreased, which indicates a slowdown in the turnover of the mobile part of the enterprise's resources.

An important generalizing indicator is the profitability of production assets, which reflects the efficiency of the combined use of fixed assets and working capital. Its dynamics show that in 2023 the enterprise achieved the highest efficiency of using production resources, while in 2024 this indicator decreased. Such a change means that the increase in the resource base did not provide a proportional increase in gross profit, and therefore, certain internal restrictions have formed in the enterprise's activities that hinder the full realization of its production and economic potential.

Special attention is paid to indicators characterizing the use of labor resources. During the studied period, the average number of employees increased, as did labor costs. At the same time, the average monthly labor costs per employee increased, which indicates an increase in the cost of labor resources for the enterprise. At the same time, the dynamics of average annual labor productivity was not unambiguously positive: after a significant increase in 2023, this indicator decreased in 2024. This gives grounds to argue that the increase in the number of personnel and the payroll did not provide a corresponding increase in labor productivity, and therefore, the enterprise needs a more effective combination of personnel policy, labor organization, and personnel incentive mechanisms.

Summarizing the results of the analysis, it is appropriate to note that in 2022–2024, PrJSC "FF "Darnytsia" maintained a high scale of activity, expanded the resource base and maintained an appropriate level of business activity. At the same time, the results of 2024 indicate a deterioration in certain qualitative development parameters, in particular profitability, return on assets, turnover of working capital and labor productivity. This means that the further strategic development of the enterprise should be based not only on increasing the volume of resources and investments, but also on increasing the efficiency of their use.

The resource potential of the enterprise is examined in more detail in Table 2.2.

According to the results of the analysis of the resource potential of PrJSC "FF "Darnytsia" in 2022–2024, it was established that the enterprise consistently increased the material, working capital and personnel base of its activities.

Table 2.2

Resource potential of PrJSC "FF "Darnytsia" and the efficiency of its use in 2022–2024.

Indicator	2022	2023	2024	Deviation 2023/2022, +/-	Growth rate 2023/2022, %	Deviation 2024/2023, +/-	Growth rate 2024/2023, %
Resource potential							
Fixed assets at the end of the year, thousand UAH	934268	948328	1354016	14060	101.50	405688	142.78
Average annual cost of fixed assets, thousand UAH	891378.5	941298.0	1151172.0	49919.5	105.60	209874.0	122.30
Current assets at the end of the year, thousand UAH	3434879	4062231	4950543	627352	118.26	888312	121.87
Average annual value of current assets, thousand UAH	3401583.5	3748555.0	4506387.0	346971.5	110.20	757832.0	120.22
Average number of employees, people	1152	1223	1411	71	106.16	188	115.37
Labor costs, thousand UAH	674593.2	787788.6	980801.3	113195.4	116.78	193012.7	124.50
Average monthly labor costs per employee, UAH	48798.7	53678.7	57925.9	4880.0	110.00	4247.2	107.91
Resource efficiency							
Return on investment, UAH/UAH	5,887	7,404	5,973	1,517	125.77	-1.431	80.67
Capital intensity, UAH/UAH	0.170	0.135	0.167	-0.035	79.51	0.032	123.96
Working capital turnover ratio, vol.	1,543	1,859	1,526	0.317	120.52	-0.333	82.07
Working capital load ratio, UAH/UAH	0.648	0.538	0.655	-0.110	82.97	0.118	121.85
Labor productivity, thousand UAH/person	4554.9	5698.5	4873.0	1143.6	125.11	-825.5	85.51
Salary return, UAH/UAH	7,778	8,847	7,010	1,068	113.73	-1.836	79.24

The increase in the cost of fixed assets, working capital and the number of personnel indicates the preservation of the potential for expanding operational activities and maintaining the appropriate production and economic scale. At the same time, the very fact of quantitative strengthening of the resource base did not ensure a sustainable improvement in the parameters of its use, which indicates the presence of a certain gap between the volumes of resources involved and the effectiveness of their functioning.

It is particularly significant that in 2023 the efficiency of resource potential utilization reached its highest values, however, in 2024 most of the relevant indicators showed a deterioration. This gives grounds to assert that the enterprise has a sufficiently powerful resource base for development, however, the mechanisms for its practical implementation require further improvement. A decrease in return on capital, a slowdown in the turnover of working capital, an increase in capital intensity and a weakening of labor productivity indicate a decrease in economic returns per unit of resources involved. Under such conditions, the key task becomes not so much the further increase in the resource base, but rather ensuring its more rational, intensive and economically efficient use.

It is advisable to pay special attention to the labor component of the resource potential. The growth in labor costs and average monthly costs per employee reflects increased investments in the company's human resources, however, the decrease in salary returns in 2024 indicates the need to increase the effectiveness of the combination of personnel, organizational and motivational policies.Therefore, the analysis conducted allows us to conclude that the resource potential of PrJSC "FF "Darnytsia" is sufficient to implement strategic goals, but requires better management support in terms of increasing the effectiveness of the use of fixed, working and labor resources. In this context, improving the management of the innovation and investment potential of the enterprise, focused on ensuring balanced growth, strengthening profitability and increasing the sustainability of economic activity results, is of particular importance.

Table 2.3 presents an analysis of the income structure of PJSC “FF “Darnytsia” for the period under study.

Analysis of the income structure of PrJSC "FF "Darnytsia" in 2022-024 indicates a clear orientation of the enterprise to the domestic sales market. In 2022, income from sales of products on the domestic market amounted to 4963844 thousand UAH, or 94.6% of total net income, while export sales formed only 283348 thousand UAH, or 5.4%. In 2023, the domestic segment grew to 6690439 thousand UAH, and its share increased to 96.0%, which indicates a further increase in the dependence of the enterprise on the national pharmaceutical market. In 2024, this trend was maintained: with a domestic sales volume of 6635128 thousand UAH, its share reached 96.5%, while the export component decreased to 240652 thousand UAH, or 3.5% of income.

The data presented give grounds to assert that in the period under study, the enterprise not only maintained the dominance of the domestic market in the formation of income, but also strengthened this orientation. If in 2022, exports accounted for 5.4% of revenue, then in 2024 its share decreased by 1.9 pp., which indicates a weakening of the external component of sales. At the same time, in absolute terms, export revenues in 2024 were lower than in 2022 by 42,696 thousand UAH, while domestic sales increased by 1,671,284 thousand UAH over the same period. Such dynamics indicate a high competitive stability of the enterprise in the national market, but at the same time indicate insufficient diversification of sales channels. Under such conditions, it is advisable to link the strategic development of the enterprise not only with strengthening its positions in the domestic market, but also with the activation of the export direction, since it is the expansion of the external presence that can become an important prerequisite for the fuller realization of the enterprise's innovation and investment potential.

Table 2.3

Revenue structure of PJSC "FF "Darnytsia" by sales areas in 2022–2024.

Direction of implementation	2022, thousand UAH	Share, %	2023, thousand UAH	Share, %	2024, thousand UAH	Share, %	Deviation 2023/2022, +/-	Change in share, c.p.	Growth rate 2023/2022, %	Deviation 2024/2023, +/-	Change in share, c.p.	Growth rate 2024/2023, %
Revenues from sales in the domestic market	4963844	94.6	6690439	96.0	6635128	96.5	1726595	1.4	134.78	-55311	0.5	99.17
Revenue from export sales	283348	5.4	278768	4.0	240652	3.5	-4580	-1.4	98.38	-38116	-0.5	86.33
Total net sales revenue	5247192	100.0	6969207	100.0	6875780	100.0	1722015	–	132.82	-93427	–	98.66

It is advisable to study the operating costs of the enterprise under study according to two grouping criteria - by functional purpose and by economic elements (Table 2.4).

Analysis of the composition, dynamics and structure of operating expenses of PrJSC "FF "Darnytsia" for 2022-2024 gives reason to assert that in the period under study the enterprise operated under conditions of significant growth in expenses, with the most noticeable structural changes occurring in the composition of expenses by functional purpose. The total amount of operating expenses for the first block increased from 3890802 thousand UAH in 2022 to 5286079 thousand UAH in 2023 and 5898991 thousand UAH in 2024. Thus, in two years the increase amounted to more than 2 billion UAH, which indicates an expansion of the scale of the enterprise's activities, but at the same time indicates an increase in the load on the cost management system.

In the structure of operating expenses by sources of formation, the largest role in 2022 was played by the cost of goods sold, which amounted to 1,660,009 thousand UAH, or 42.66% of all operating expenses. In 2023, its volume increased to 2,230,865 thousand UAH, but the share almost did not change, and in 2024, despite a further increase to 2,247,403 thousand UAH, its share decreased to 38.10%. Instead, the most noticeable trend was the growth of sales expenses: if in 2022 they amounted to 1,091,513 thousand UAH, or 28.05%, then in 2024 they were already 2,274,530 thousand UAH, or 38.56%. In fact, it is the sales costs that have become the most significant element in the structure of the company's operating expenses, which may indicate increased marketing activity, expansion of logistics costs, increased costs for product promotion and maintenance of market positions. At the same time, the share of administrative expenses decreased from 20.82% to 16.67%, and the share of other operating expenses from 8.46% to 6.67%, which indicates a certain weakening of their structural load.

The elements of operating expenses also show an increase in their total volume: from UAH 4,131,071 thousand in 2022 to UAH 6,126,911 thousand in 2024. The largest share throughout the entire period was occupied by material costs and other operating expenses.

Table 2.4

Composition, dynamics and structure of operating expenses of PJSC "FF "Darnytsia" for 2022–2024.

Indicator	2022, thousand UAH	Structure, %	2023, thousand UAH	Structure, %	2024, thousand UAH	Structure, %	Deviation 2023/2022, +/-	Growth rate 2023/2022, %	Deviation 2024/2023, +/-	Growth rate 2024/2023, %
Block 1. Operating expenses by sources of formation										
Cost of goods sold	1,660,009	42.66	2,230,865	42.20	2,247,403	38.10	570,856	134.39	16,538	100.74
Administrative costs	810 154	20.82	928,822	17.57	983,338	16.67	118,668	114.65	54,516	105.87
Selling expenses	1,091,513	28.05	1,712,885	32.40	2,274,530	38.56	621,372	156.93	561,645	132.79
Other operating expenses	329 126	8.46	413,507	7.82	393,720	6.67	84,381	125.64	-19,787	95.21
Together for block 1	3,890,802	100.00	5,286,079	100.00	5,898,991	100.00	1,395,277	135.86	612 912	111.59
Block 2. Operating expenses by elements										
Material costs	1,700,242	41.16	2,021,813	38.32	2,157,376	35.21	321,571	118.91	135,563	106.71
Labor costs	674,593	16.33	787 789	14.93	980,801	16.01	113,196	116.78	193,012	124.50
Deductions for social events	132,556	3.21	146,217	2.77	171,433	2.80	13,661	110.31	25,216	117.25
Amortization	199,010	4.82	354,035	6.71	354 192	5.78	155,025	177.90	157	100.04
Other operating expenses	1,424,670	34.49	1,965,814	37.26	2,463,109	40.20	541 144	137.98	497 295	125.30
Together for block 2	4,131,071	100.00	5,275,668	100.00	6,126,911	100.00	1,144,597	127.71	851,243	116.14

At the same time, although material costs increased in absolute terms from 1,700,242 thousand UAH to 2,157,376 thousand UAH, their share decreased from 41.16% to 35.21%. This indicates that the material component remained decisive, but its structural significance gradually decreased. In contrast, the share of other operating costs increased from 34.49% to 40.20%, and their amount increased from 1,424,670 thousand UAH to 2,463,109 thousand UAH. Such dynamics indicate an increase in the role of costs that do not belong to the basic production elements, but significantly affect the overall financial result of the enterprise.

Labor costs deserve special attention. Labor costs increased from UAH 674,593 thousand in 2022 to UAH 980,801 thousand in 2024, and their share, after a certain decrease in 2023, increased again to 16.01%. Deductions for social measures also showed a gradual increase, although their share remained relatively small - within 2.8-3.2%. At the same time, depreciation deductions in 2023 increased sharply to UAH 354,035 thousand against UAH 199,010 thousand in 2022, which may indicate an intensification of the renewal of the resource base or a change in the parameters of accounting for non-current assets. In 2024, the volume of depreciation almost did not change, and its share decreased slightly.

In general, the results of the analysis allow us to conclude that during 2022-2024, the enterprise experienced not only an increase in operating expenses, but also a significant transformation of their internal structure. The most pronounced trend was the outpacing increase in sales costs and other operating expenses, while the share of cost, administrative expenses and material costs tended to decrease. This indicates a change in the configuration of the cost load: direct production costs began to have a relatively smaller importance, while the role of costs associated with ensuring the sale of products and accompanying operational processes increased. For the enterprise, this means the need for in-depth control over those expense items that demonstrate the highest growth rates and have the greatest impact on the decrease in overall operational efficiency.

The analysis of the composition, dynamics and structure of operating expenses of PJSC "FF "Darnytsia" made it possible to establish the main patterns of formation

of the enterprise's cost burden, to determine the most significant cost components in terms of volume and rate of change, and to outline the structural shifts that accompanied its operating activities during 2022-2024. At the same time, the results of such an analysis, despite their significance for characterizing the current efficiency of the enterprise's functioning, do not provide sufficient grounds for a comprehensive conclusion regarding the level of its financial stability and overall ability to ensure stable development in the future.

In view of this, the next logical stage of the study is the assessment of the financial condition of the enterprise, which allows us to move from the analysis of individual aspects of the formation of costs to a systematic study of the parameters of financial balance, solvency, business activity and profitability. This approach is based on the fact that changes in the volume and structure of operating expenses directly or indirectly affect the effectiveness of economic activity, the level of liquidity, the adequacy of equity, the intensity of asset turnover and the ability of the enterprise to generate profit.

In this context, it is advisable to carry out an analysis of the financial condition of PrJSC "FF "Darnytsia" on the basis of a system of relative indicators that reflect various aspects of the financial and economic activities of the enterprise (Table 2.5). In particular, liquidity indicators allow assessing the ability of the enterprise to repay current liabilities in a timely manner; solvency and capital structure ratios characterize the level of financial independence and the ratio between its own and attracted sources of financing; business activity indicators reflect the efficiency of asset use and the speed of their turnover; profitability indicators allow determining the level of profitability of the activity and the effectiveness of using the total resource potential. It is the combined interpretation of these ratios that forms the analytical basis for an objective assessment of the financial condition of the enterprise and identifying problematic aspects that require managerial influence within the framework of the implementation of its strategic priorities.

Table 2.5

Financial indicators of PJSC "FF "Darnytsia" for 2022–2024.

Group	Indicator	2022	2023	2024	Deviation 2023/2022, +/-	Deviation 2024/2023, +/-
Liquidity	Current liquidity ratio, times	4.32	4.77	2.56	0.45	-2.21
	Quick liquidity ratio, times	3.02	3.63	1.82	0.61	-1.81
	Absolute liquidity ratio, times	0.14	0.23	0.04	0.09	-0.19
Solvency	Net working capital, thousand UAH	2639911	3210384	3018536	570,473	-191,848
Capital structure	Autonomy coefficient	0.59	0.69	0.61	0.10	-0.08
	Debt concentration ratio	0.41	0.31	0.39	-0.10	0.08
	Debt to equity ratio	0.70	0.44	0.63	-0.26	0.19
	Equity agility ratio	0.36	0.44	0.36	0.08	-0.08
Business activity	Asset turnover ratio, vol.	1.00	1.15	0.93	0.15	-0.22
	Accounts receivable turnover ratio, vol.	3.02	3.29	2.59	0.27	-0.70
	Accounts receivable repayment period, days	119	109	139	-10	30
	Inventory turnover ratio, vol.	1.94	2.22	1.86	0.28	-0.36
	Inventory turnover duration, days	186	162	193	-24	31
	Return on investment, UAH/UAH	5.89	7.40	5.97	1.51	-1.43
Profitability	Gross profit margin, %	68.37	68.00	67.31	-0.37	-0.69
	Operating profitability of sales, %	26.92	25.02	15.34	-1.90	-9.68
	Net sales profitability, %	10.55	19.99	9.88	9.44	-10.11
	Return on assets (ROA), %	11.00	21.00	9.00	10.00	-12.00
	Return on equity (ROE), %	19.00	36.00	14.00	17.00	-22.00

Analysis of the financial indicators of PrJSC "FF "Darnytsia" for 2022-2024 shows that the financial condition of the enterprise in the period under study was heterogeneous: in 2023, a noticeable strengthening of most parameters of financial

stability and performance was observed, while in 2024, a deterioration of a significant part of the coefficients was recorded. Such dynamics are generally consistent with previously identified changes in costs and financial results: a period of active growth in revenues and profits ensured an improvement in key financial characteristics, however, a further increase in costs and weakening of profitability led to a decrease in the efficiency of capital use and current assets.

Liquidity indicators show that in 2023 the company had a sufficiently high solvency margin. The growth of current, quick and absolute liquidity ratios indicated that the growth of current assets and cash resources outpaced the increase in short-term liabilities. However, in 2024 the situation changed: all liquidity indicators decreased significantly, with the most noticeable reduction in the absolute liquidity ratio. The cause-and-effect relationship in this case is that the slowdown in asset turnover, the increase in the need for working capital and the decrease in net profit weakened the company's ability to maintain an adequate level of current solvency. At the same time, net working capital remained significant, although it decreased in 2024, which indicates not a critical shortage of resources, but an increase in the financial burden on current activities.

The assessment of the capital structure gives grounds to assert that in 2023 the enterprise strengthened its financial independence. This is indicated by an increase in the autonomy coefficient and a simultaneous decrease in the ratio of debt to equity. This change was primarily due to the accumulation of financial results and the strengthening of its own capital base against the background of high profitability. In 2024, the share of equity in the structure of financing sources decreased, and dependence on borrowed funds increased. Thus, the enterprise maintained a fairly stable capital structure, but the current trend already indicates a certain weakening of financial independence, which was a consequence of the simultaneous expansion of assets and a reduction in net operating performance.

Business activity indicators confirm that 2023 was the most effective year for the enterprise in terms of resource use. An increase in the turnover of assets, receivables, inventories, and return on assets indicated that the enterprise not only

increased sales volumes, but also transformed invested resources into income more quickly. At the same time, a reduction in the receivables repayment period and the duration of inventory turnover confirmed the acceleration of the business cycle. In 2024, the situation changed: the turnover of assets, inventories, and receivables decreased, and their turnover periods increased. This indicates a slowdown in the business cycle and less intensive use of available resources. The probable reason for this deterioration was a combination of two circumstances: on the one hand, the enterprise continued to increase its resource base, and on the other, the rate of income generation no longer provided the appropriate return on assets.

The most significant changes are in profitability indicators. In 2023, the company achieved the highest values of net sales profitability, return on assets and equity, which was a direct result of a high level of net profit and more efficient use of available resources. In 2024, all key profitability indicators deteriorated significantly: operating and net sales profitability, as well as return on assets and equity, decreased. The cause-and-effect relationship here is that with a relatively stable revenue volume, the company faced an increase in sales costs, administrative and other operating expenses, while net profit decreased significantly. As a result, each hryvnia of sales, assets and equity began to bring less financial results than in the previous year.

Therefore, the financial condition of PrJSC "FF "Darnytsia" in 2022-2024 can be characterized as generally stable, but such that in 2024 it showed signs of weakening in a number of key parameters. If 2023 demonstrated high efficiency of asset use, strong liquidity positions and significant strengthening of profitability, then 2024 revealed a decrease in business activity, deterioration of liquidity and reduction of profitability. This means that the further strategic development of the enterprise should be focused not only on maintaining the scale of activity, but also on restoring the efficiency of resource turnover, increasing profitability and maintaining a balanced capital structure.

The strategic positioning of a pharmaceutical company is determined by its competitive advantages, market share, product portfolio, level of technological development and ability to adapt to changes in the external environment. For PrJSC

"FF "Darnitsa", the strategic development model is based on a combination of leadership in the generic drugs segment with a gradual expansion of the innovation portfolio and modernization of the production base.

According to market estimates, the company is consistently among the largest manufacturers of medicines in Ukraine, occupying about 8–10% of the domestic pharmaceutical market in value terms. The main competitive advantage lies in the combination of relatively affordable product prices with high production quality standards. The production infrastructure, certified according to international GMP standards, allows the company to maintain the trust of consumers and partners, as well as expand export opportunities.

From the standpoint of competitive strategy, the company is oriented towards a model of differentiated leadership in the generics segment. This means a focus on the production of drugs with proven therapeutic efficacy, but at an optimized cost, which ensures a competitive price. At the same time, the company is gradually increasing investments in the development of its own unique forms of medicines, which forms the basis for shifting its positioning from an exclusively generic manufacturer to a more innovation-oriented company.

Analysis of the competitive environment gives grounds to assert that the pharmaceutical market of Ukraine has a mixed model of competition, within which two dominant groups of players operate simultaneously: transnational corporations and national manufacturers. At the same time, competition between them occurs not only for market share, but also according to various economic parameters. Foreign companies traditionally hold strong positions in value-intensive segments due to large-scale investments in R&D, access to international patent solutions, wider marketing budgets and presence in high-tech niches. At the same time, Ukrainian manufacturers are stronger in the mass segment in terms of physical sales volumes, which is explained by price accessibility, better adaptation to local demand and higher flexibility of operational solutions. In 2023, Ukrainian-made products provided 63% of pharmacy sales in kind, but only 37% in monetary terms, which directly indicates a price asymmetry between domestic and international manufacturers. Under such conditions,

the competitive field for PJSC "FF "Darnytsia" is being formed simultaneously under the pressure of global companies that dominate in more marginal segments, and national manufacturers that compete mainly for the scale of presence, price, and speed of response to the needs of the domestic market.

In this system, the strategic position of PrJSC "FF "Darnytsia" is quite strong, since the company combines the advantages of a national manufacturer with elements of a development model typical of international companies. According to the results of 2024, the company's share in the Ukrainian pharmaceutical market was 14.66% in terms of volume and 5.52% in terms of value, that is, in fact, every sixth package of medicines on pharmacy shelves in Ukraine belonged to this manufacturer. This result indicates not only a significant scale of activity, but also the stability of market positions in a highly competitive environment. An additional competitive advantage is that the company operates in accordance with the GMP standards of Ukraine, the EU, Australia and the EAEU countries, and also has certified management systems, which significantly increases its ability to compete not only in domestic but also in foreign markets. The strategic advantage of PrJSC "FF "Darnitsa" lies in the ability to combine local market adaptability, typical of national manufacturers, with high requirements for quality, regulatory compliance, and production organization, which are critically important in international pharmaceutical competition.

An important factor in the strategic positioning of the company is the structure of its product portfolio, which ensures a reduction in the risk of dependence on individual demand segments. The company's open corporate materials include a portfolio of about 250 names of finished medicines in 15 dosage forms, and the modern nomenclature covers more than 20 therapeutic areas. Key among them are cardiology, neurology, anesthesia, antibacterial therapy, anti-inflammatory drugs and other socially significant groups. Such diversification has not only marketing, but also financial and strategic importance, as it ensures the distribution of risks between different therapeutic segments and increases the stability of cash flow formation.

Table 2.6

Competitive advantages and strategic positioning of PrJSC "FF "Darnytsia"

Analysis parameter	Analytical characteristics	Statistical and analytical marker	Strategic importance
Position in the domestic market	The company is one of the leaders of the Ukrainian pharmaceutical market and has a significant presence in the mass segment.	14.66% of the market in volume and 5.52% in value; in fact, every sixth package of medicines in Ukrainian pharmacies is the company's products	High market presence ensures sales scale, cash flow stability and strong negotiating positions in distribution channels
Type of competition	The company operates in a mixed competitive environment, where it simultaneously faces multinational corporations and national manufacturers.	In 2023, Ukrainian drugs accounted for 63% of pharmacy sales in physical terms, but only 37% in monetary terms.	This means that competition for domestic manufacturers is concentrated mainly in the segment of affordable generics, while international companies are stronger in more expensive and higher-margin niches.
Product positioning	The company has a diversified portfolio focused on socially significant therapeutic areas and broad demand	About 250 names of finished medicines in 15 dosage forms	Diversification of the product portfolio reduces dependence on individual demand segments and increases revenue stability
Qualitative and regulatory advantage	The enterprise combines national flexibility with production according to international quality standards	Production facilities are certified according to GMP of Ukraine, EU countries, Australia and EAEU; ISO 22000, ISO 14001, ISO 45001 systems are also in operation	This increases product trust, reduces regulatory barriers, and creates a foundation for expanding external presence.
Innovation and investment potential	Competitiveness is supported not only by the scale of production, but also by the systematic updating of the product portfolio	88 launches in 2019–2024, including 13 in 2024; over 60 products in development	The presence of an active R&D direction forms the basis for long-term strategic development and allows strengthening positions in more complex market segments.
Specifics of market focus	The company operates in a market where the generic segment dominates in terms of consumption volumes	In Ukraine, in 2022, generics accounted for 85% of the market in physical terms	This makes relying on a large generic portfolio economically justified and consistent with the demand structure.

In addition, in 2024 the company launched 13 new medicines on the market, and its R&D potential is characterized by 88 launches in 2019-2024, the presence of more than 60 products in the development portfolio and a focus on complex generics.

This means that the product portfolio of PJSC "FF "Darnytsia" performs not only the function of maintaining the current market presence, but also acts as a tool for long-term strategic development, since it is through its renewal that the enterprise strengthens its competitiveness, adapts to changes in the demand structure, and forms the basis for the realization of its own innovation and investment potential.

In order to summarize the strategic position of the enterprise, it is advisable to conduct a SWOT analysis (Table 2.7).

Table 2.7

SWOT analysis of the strategic positioning of the enterprise

Strengths (S)	Weaknesses (W)
Modern production, GMP compliance	Limited scale of own innovative developments
High brand recognition in the domestic market	Dependence on imported raw materials
Stable financial base	Limited presence in global markets
Wide range of products	High regulatory dependence
Opportunities (O)	Threats (T)
Export expansion	Increasing competition from transnational corporations
State support programs for pharmaceutical manufacturers	Currency fluctuations
Growing demand for quality generics	Regulatory policy changes
Digitalization of production and logistics	Rising cost of raw materials

The analysis shows that the strategic position of the company is quite stable in the domestic market. At the same time, long-term competitiveness requires strengthening the innovation component, diversifying export directions, and reducing dependence on imported components.

Given the financial and economic results discussed above, the company has sufficient resource potential to transition to a more active innovation and investment strategy. Strategic positioning is gradually shifting from the model of an "efficient generics manufacturer" to the model of an "innovation-oriented pharmaceutical company", which creates the prerequisites for increasing market value and strengthening competitive advantages.

2.2. Assessment of the innovative potential of the enterprise

Assessment of the innovative potential of a pharmaceutical enterprise involves a comprehensive analysis of those components that ensure the creation, adaptation, market launch and scaling of new medicines. For PrJSC “FF “Darnytsia” such an assessment is especially important, since in modern conditions competitiveness in the pharmaceutical industry is formed not only due to the scale of production or market presence, but also due to the ability of the enterprise to constantly update the product portfolio, maintain the appropriate level of technological equipment and ensure the continuity of research and development and registration processes. In this sense, it is advisable to consider innovative potential as an integrated set of research and development, personnel, intellectual, technological and organizational capabilities of the enterprise.

PrJSC “FF “Darnytsia” is characterized by a combination of the model of a national manufacturer with the features of an innovation-oriented company that consistently invests in the creation of new products, digitalization of business processes, clinical development and expansion of international regulatory presence. The company’s corporate materials emphasize that as of 2024, the development portfolio included more than 60 products, 4 new products were in clinical development, and the clinical research outline included 8 studies; investments in the development of new products in 2024 amounted to about 6 million euros, or approximately 260 million UAH. This gives grounds to assert that the innovative activity of the enterprise is not episodic in nature, but is a systemic component of its strategic development.

The company's research and development base is focused primarily on the development and launch of generic and complex generic drugs, improving dosage forms, conducting bioequivalence studies and supporting regulatory procedures. This model is typical for modern pharmaceutical companies that seek to combine relatively rapid commercialization with a gradual increase in their own development competence. In the case of PrJSC "FF "Darnitsa", it is important that R&D development is

complemented by participation in international technological initiatives, in particular, joining the mRNA technology transfer project from the WHO hub, which expands the horizons of future innovative development.

The production and technological base of the enterprise also demonstrates signs of high adaptability to innovative tasks. According to open corporate data, in 2024 the company produced 146.5 million packages of medicines, and its production complex covered 75 thousand m² of area, located on the territory of 11.5 hectares, with an automated warehouse for 10 thousand pallet spaces and a reserve of 2.5 hectares for further expansion. At the same time, the enterprise ensures the production of ampoules, infusion solutions, solid, liquid, semi-solid forms and sterile antibiotics, which significantly increases the flexibility of the technological platform and reduces dependence on narrow specialization.

The quality and regulatory component of the production base is of particular importance. The company's production is certified according to the GMP requirements of Ukraine, the EU countries, Australia and the EAEU; in addition, the ISO 22000, ISO 14001 and ISO 45001 systems are in operation. This configuration of certification indicates that the production and technological base performs not only an operational function, but also creates the prerequisites for entering foreign markets, developing contract manufacturing and accelerating the commercialization of new products. This is additionally reinforced by the operation of certified quality control, development and research laboratories, which ensures a close connection between the stages of development, validation and industrial production.

A summary of the key characteristics of the enterprise's research and development and production and technological base is given in Table 2.8.

The above characteristics give grounds to assert that the innovative potential of the enterprise is based on a combination of two interrelated elements: on the one hand, it is the presence of a sufficiently broad development contour, and on the other hand, a production system capable of quickly scaling the results of such developments. It is this interaction between R&D and production that is one of the key prerequisites for the commercial effectiveness of innovations in the pharmaceutical industry.

Table 2.8

Key characteristics of the scientific research and production and technological base of PrJSC "FF "Darnytsia" as of 2024.

Indicator	Value	Assessment of the impact on innovation potential
Products in the development portfolio	over 60 units	Form a long-term reserve for updating the product portfolio
Products in clinical development	4 units.	Confirm the presence of an active phase of in-depth development
Clinical trials in progress	8 units.	Provide evidence base for further registration and commercialization
Investments in new product development	about 260 million UAH	Characterize the systematic financing of innovation activities
Number of market launches in 2024	13 units.	Support assortment updates and market dynamics
Pharmaceutical production in 2024	146.5 million units.	Demonstrates the scalability of innovative products
Production complex	75 thousand m²; warehouse for 10 thousand pallet spaces	Supports production flexibility and logistical sustainability
Qualitative and regulatory framework	GMP of Ukraine, EU, Australia, EAEU; ISO 22000, 14001, 45001	Expands opportunities to enter foreign markets and increases trust in products

For PrJSC "FF "Darnitsa" it is enhanced by the fact that the technological base is already adapted to international regulatory requirements, and therefore, innovations can be considered not only as a tool for strengthening positions in the domestic market, but also as a means of gradually expanding external presence.

The human, intellectual and technological potential of the enterprise is the internal basis that determines the ability of the innovation system to function not situationally, but on a long-term basis. For PrJSC "FF "Darnytsia", the human resource component is associated not only with the number of employees, but also with the quality of human capital, the level of professional training and the degree of involvement of personnel in continuous learning. In 2024, the company declared more than 1,200 employees, as well as the fact that more than 80% of the staff annually improve their qualifications through internal, external and international training programs. This indicates that the human resource potential performs not only the function of ensuring operational activities, but also the function of accumulating knowledge and maintaining the company's institutional memory.

In 2023, the company became the first in the Ukrainian pharmaceutical industry to implement the SAP S/4HANA system. This step is directly related to the development of intellectual and technological potential, since the digital integration of financial, production, logistics and control processes increases the transparency of resource management, reduces information losses and accelerates management decision-making. In the pharmaceutical business, this is especially important, since the innovation cycle is long and requires a high level of coordination between development, production, quality, regulatory support and sales departments.

The intellectual component of the enterprise's potential is also reflected in the structure of its non-current assets. According to financial statements, the residual value of intangible assets in 2022-2024 decreased from UAH 459.4 million to UAH 256.0 million, while their original value remained relatively stable in 2022-2023 and increased in 2024 to UAH 672.8 million. Such dynamics mean that the reduction in the book value of intangible assets is explained primarily by the increase in accumulated depreciation, and not by the enterprise's abandonment of the intellectual resource as such. In other words, in the analyzed period, there was not a reduction in intellectual potential, but a change in its accounting reflection against the background of the further use of already created or acquired intangible resources.

The technological potential of the enterprise should be assessed through the dynamics of fixed assets, the level of their renewal and digital modernization. In 2022-2024, the residual value of fixed assets increased from UAH 934.3 million to UAH 1,354.0 million, and their depreciation rate after increasing in 2023 decreased in 2024 to 50.45%. This indicates that the enterprise not only maintained the existing production infrastructure, but also intensified its technological renewal, and the most tangible effect of such renewal was manifested in the last year of the study.

To summarize the dynamics of human, intellectual and technological potential, Table 2.9 is provided.

Table 2.9

Dynamics of indicators of human, intellectual and technological potential of PrJSC "FF "Darnytsia" in 2022–2024.

Indicator	2022	2023	2024	Deviation 2023/2022, +/-	Growth rate 2023/2022, %	Deviation 2024/2023, +/-	Growth rate 2024/2023, %
Average number of employees, people	1152	1223	1411	71	106.16	188	115.37
Labor costs, thousand UAH	674593.2	787788.6	980801.3	113195.4	116.78	193012.7	124.50
Average monthly labor costs per employee, UAH	48798.7	53678.7	57925.9	4880.0	110.00	4247.2	107.91
Intangible assets (residual value), thousand UAH	459400	264675	256022	-194,725	57.61	-8653	96.73
Intangible assets (original cost), thousand UAH	649281	649004	672767	-277	99.96	23763	103.66
Fixed assets (residual value), thousand UAH	934268	948328	1354015	14060	101.50	405687	142.78
Depreciation rate of fixed assets, %	54.70	56.82	50.45	2.12	103.88	-6.37	88.79

Analysis of table. 2.9 allows us to draw several fundamental conclusions. First, the personnel base of the enterprise during 2022-2024. was consistently strengthened, which is confirmed by the growth of the average number of employees and the payroll. This creates the prerequisites for maintaining both production and innovation activity, since the pharmaceutical industry is highly dependent on the availability of qualified personnel. Secondly, the increase in the average monthly labor costs per employee can be interpreted as a sign of an increase in the cost of competent labor resources and a strengthening of the role of human capital in the implementation of the strategic objectives of the enterprise.

Thirdly, the intellectual potential in the accounting dimension demonstrates contradictory dynamics: the residual value of intangible assets decreases, while their original value increases again in 2024. The cause-and-effect relationship here is that the enterprise continues to use the accumulated intellectual resource, but depreciation

processes and the redistribution of investments in favor of technological and organizational renewal begin to play an increasingly important role in the assessment of such a resource. Fourthly, a significant increase in the residual value of fixed assets in 2024 and in combination with a decrease in the depreciation coefficient indicates an intensification of the renewal of the production base, that is, a transition from a supporting investment model to a more pronounced model of technological strengthening.

Thus, the human, intellectual and technological potential of PrJSC "FF "Darnytsia" in 2022-2024. generally had positive dynamics, although some of its elements changed unevenly. The most stable is the tendency to strengthen the human and material and technical basis of innovative development, while the intellectual component requires more careful interpretation, since its quantitative reflection in reporting does not always directly coincide with the actual innovative capacity of the enterprise. That is why, for a more complete assessment of the innovative potential, it is advisable to proceed to the analysis of innovative activity and the effectiveness of updating the product portfolio.

The innovative activity of the enterprise is an integral manifestation of how effectively the available human, research, intellectual and production resources are transformed into market results. For PrJSC "FF "Darnitsa" this activity is manifested primarily in the regularity of launches of new medicines, expansion of the geography of presence, maintenance of leadership positions in the domestic market and gradual transition from mainly standard generic solutions to more complex products and regulatory trajectories.

In 2022, the company launched 18 new medicines and simultaneously began pharmaceutical development of 29 new products; with production reaching 173 million packages, the market share in terms of volume reached 15.7%. In 2023, the emphasis shifted from rapid anti-crisis response to stabilizing the business model, digital integration and expanding external presence: the company's share in the Ukrainian market at the end of the year was 15.77% in terms of volume and 5.48% in terms of value, and the products were presented in 16 countries around the world. In 2024,

innovative activity remained at a high level: the company announced 13 new market launches, a development portfolio of over 60 products, 22 countries of product availability and a 5.52% market share in terms of money.

It is important to emphasize that the structure of the company's innovation portfolio is diversified. According to corporate materials in 2024, out of 13 launched brands, 7 were in-house developments and 6 were licensed products; for 2025-2029, the company plans 62 new brands, of which 43 will be in-house developments and 19 will be produced under license. This indicates a combination of two logics of innovative development: internal product creation and the use of partnership models, which allows for the simultaneous diversification of risks and acceleration of portfolio replenishment.

The nature of innovations deserves special attention. Although the main vector of the enterprise's development is associated with the segment of generic and complex generic medicines, this does not mean the absence of technological novelty. On the contrary, in the pharmaceutical industry, it is complex generics, new dosage forms, expansion of regulatory geography, digitalization of clinical and registration support that often act as the most economically justified forms of innovative activity. In the case of PrJSC "FF "Darnitsa" such a development model allows avoiding excessive concentration risk inherent in radical innovations, and at the same time ensuring stable updating of the assortment with a more predictable return on investment.

To summarize the effectiveness of the enterprise's innovation activity, Table 2.10 is provided.

The data in Table 2.10 show that the effectiveness of the company's innovation activity is not limited to a direct increase in the number of launches. In 2023, the number of new market launches decreased compared to 2022, but net income and market share in monetary terms increased significantly. This means that the company was able to compensate for the lower intensity of launches by increasing the commercial return on the existing portfolio, better market positioning and the effect of the recovery of demand in the pharmaceutical market.

Table 2.10

Performance indicators of innovative activity of PrJSC "FF "Darnytsia" in 2022–2024.

Indicator	2022	2023	2024	Deviation 2023/2022, +/-	Growth rate 2023/2022, %	Deviation 2024/2023, +/-	Growth rate 2024/2023, %
Number of market launches, units	18	11	13	-7	61.11	2	118.18
Number of countries of presence outside Ukraine, units	14	16	22	2	114.29	6	137.50
Market share in monetary terms, %	4.50	5.48	5.52	0.98	121.78	0.04	100.73
Net sales revenue, thousand UAH	5247192	6969207	6875780	1722015	132.82	-93427	98.66

In 2024, the number of launches increased again, and the market share in monetary terms continued to increase, which indicates the preservation of innovation inertia even under conditions of a certain weakening of total income.

No less important is the dynamics of geographical expansion. The increase in the number of countries of presence from 14 to 22 in 2022-2024 is evidence that the company's innovative activity has not only a product, but also a regulatory and market dimension. The cause-and-effect relationship here is that updating the product portfolio, maintaining GMP compliance, developing clinical and registration competence create the basis for entering new markets. In turn, expanding the international presence enhances the economic return on innovation and reduces the company's dependence on a single sales market.

Summarizing the results of the assessment, it is appropriate to note that the innovation potential of PrJSC "FF "Darnytsia" in 2022-2024 was characterized by a sufficiently high level of formation and a multi-component structure. Its basis was a developed scientific and research base, a modernized production and technological platform, strengthening of personnel and technological potential, as well as maintaining stable innovation activity even in conditions of external instability. At the

same time, the analysis shows that further strengthening of the innovation and investment potential of the enterprise should be associated with expanding the share of its own developments, deepening the clinical contour, further development of digital solutions in the field of innovation cycle management and increasing the effectiveness of commercialization of new products. This is what will form the basis for the enterprise's transition from a model of stable portfolio renewal to a model of deeper innovative growth in the system of its strategic development.

2.3. Assessment of investment potential and its impact on strategic development

The formation of investment resources is one of the key prerequisites for the implementation of the strategic priorities of a pharmaceutical enterprise, since it is through the investment mechanism that the renewal of production infrastructure, financing of the development of new products, digital transformation of business processes and expansion of market presence are ensured. For PrJSC "FF "Darnytsia" investment potential is of particular importance, since in the conditions of high capital intensity of the industry and strict regulatory requirements, sustainable development is impossible without constant reproduction of the material and technical base, maintenance of the innovation cycle and ensuring a sufficient level of financial flexibility.

In modern conditions, it is advisable to consider investment potential not only as the volume of available or potentially available financial resources, but as the ability of the enterprise to mobilize, redistribute and effectively use financial sources to achieve long-term development goals. For a pharmaceutical enterprise, such ability is multidimensional, since investments are simultaneously directed into production facilities, quality control systems, digital solutions, international certification, clinical trials, registration support and replenishment of the product portfolio. That is why the assessment of the investment potential of PrJSC "FF "Darnitsa" requires taking into

account both the structure of financing sources and the actual results of the implementation of investment decisions.

The structure of the enterprise's investment resources shows a combined financing model, in which internal sources are traditionally combined with borrowed capital. At the same time, in open reporting, the detailing of direct bank investment loans is limited, therefore, for analytical assessment of the external component of investment resources, it is advisable to use total liabilities as a generalized indicator of borrowed financial resources. This approach allows not only to determine the scale of internal self-financing, but also to assess the change in the enterprise's dependence on external sources during the period under study.

To summarize the structure of sources of investment resources formation, Table 2.11 is provided.

Table 2.11

Structure of sources of investment resources formation of PrJSC "FF "Darnytsia" in 2022–2024, UAH million

Source of funding	2022	2023	2024	Deviation 2023/2022, +/-	Growth rate 2023/2022, %	Deviation 2024/2023, +/-	Growth rate 2024/2023, %	Share in 2024, %
Net profit	553.8	1392.9	376.9	839.1	251.51	-1016.0	27.06	14.1
Depreciation deductions	199.0	354.0	354.2	155.0	177.90	0.2	100.04	13.3
Liabilities as a financial resource involved	795.0	851.8	1932.1	56.9	107.15	1080.2	226.81	72.6
Total investment resources	1547.8	2598.8	2663.1	1051.0	167.90	64.4	102.48	100.0

The data in Table 2.11 show that in 2022–2023 the investment base of the enterprise was strengthened mainly due to internal sources. The most noticeable growth was demonstrated by net profit, the volume of which in 2023 exceeded the level of 2022 by more than 2.5 times. At the same time, depreciation charges increased, which reflected a more active renewal of non-current assets and at the same time formed a stable internal cash resource for financing modernization. This configuration of

financing sources is positive, as it indicates a high level of self-financing and allows the enterprise to implement development projects without excessive dependence on external creditors.

At the same time, in 2024, the structure of investment resources changed significantly. Despite the almost unchanged volume of depreciation charges compared to 2023, net profit decreased sharply, while liabilities, on the contrary, increased by more than 2.2 times. As a result, the share of attracted financial resources in the structure of the investment base reached more than 70%, while the contribution of net profit decreased to about 14%. The cause-and-effect relationship in this case is that the deterioration of the financial result reduced the possibilities of self-financing, and maintaining investment activity required a wider use of external resources. So, if in 2023 the enterprise had a relatively comfortable development financing model, then in 2024 the investment base became more dependent on attracted capital.

It is important to emphasize that the growth of the role of external sources in itself is not an unambiguously negative phenomenon. Provided that borrowed funds are used rationally, this can accelerate modernization, support the launch of new products, and expand the investment opportunities of the enterprise. However, for PrJSC "FF "Darnitsa" this trend also has a risk dimension: an increase in the specific weight of liabilities against the background of a decrease in profitability means increased sensitivity to the cost of capital, operational fluctuations, and changes in liquidity. That is why further strengthening of the investment potential of the enterprise should be associated not only with the search for new sources of financing, but also with the restoration of a sufficient level of internal cash flow.

The assessment of investment potential cannot be limited to the analysis of resource sources, since the issue of the effectiveness of their use is no less important. In this context, it is advisable to proceed to the analysis of implemented investment decisions and their impact on the operational, technological and strategic dynamics of the enterprise. At the same time, it should be noted that public corporate reporting does not disclose NPV, IRR or payback periods for individual internal projects. Therefore, within the framework of this study, the effectiveness of investment decisions is

assessed by indirect, but objectively observable results: changes in the production base, digital infrastructure, R&D contour, geography of presence and market positions.

In 2022-2024, the key investment areas for PrJSC "FF "Darnytsia" were the modernization of the production and technological base, the digitalization of management and operational processes, as well as the development of R&D and commercialization of new products. This configuration of investments corresponds to the specifics of the pharmaceutical business, where long-term competitiveness is determined not so much by one-time investments, but by the enterprise's systemic ability to update technologies, manage complex regulatory processes, and maintain continuous updating of the assortment.

Analysis of Table 2.12 allows us to conclude that the fastest operational effect for the enterprise was provided by investments in digitalization and modernization of the production base. The reason is that these areas directly affect the manageability of processes, speed of planning, transparency of resource flows, production flexibility and quality stability. In the pharmaceutical industry, this is of particular importance, since even minor delays, planning errors or violations of technological discipline can cause disproportionately large financial losses and a slowdown in the introduction of products to the market.

At the same time, investments in R&D have a different nature of return. Their effect is not as rapid as in the case of technological or digital renewal, but they form the basis of long-term competitiveness. For PrJSC "FF "Darnytsia" this is especially noticeable due to the relationship between the costs of developing new products, maintaining a broad development portfolio and maintaining a high intensity of market launches. In other words, investments in R&D not only support the current renewal of the assortment, but also create a future growth reserve, without which the strategic strengthening of market positions is impossible.

Table 2.12

Assessment of the effectiveness of the main investment areas of PJSC "FF "Darnytsia" in 2022–2024.

Investment direction	Content of implemented solutions	Confirmed results in 2022–2024.	Strategic development impact assessment
Modernization of the production base	Updating the production complex, expanding the technical base, maintaining GMP compliance, updating non-current assets	The residual value of fixed assets increased from UAH 934.3 million in 2022 to UAH 1,354.0 million in 2024; the depreciation ratio after the increase in 2023 decreased to 50.45% in 2024; 146.5 million packages of medicines were produced in 2024	Helps strengthen production resilience, increases readiness to scale new products, and reduces technological constraints on development
Digitalization of processes	Implementation of ERP solutions, integration of financial planning and budgeting, increased management transparency	In 2023, the company implemented SAP S/4HANA; in 2024, the use of SAC and Zero Based Budgeting for financial planning and control was emphasized	Improves the quality of management decisions, reduces information losses, and enhances the manageability of costs and investment flows
R&D and product portfolio development	Financing of new product development, clinical trials, regulatory support and development portfolio	In 2022, 18 new medicines were launched on the market, in 2024 - 13; in 2024, investments in new products amounted to about UAH 260 million; more than 60 products were in the development portfolio, 4 - in clinical development, 8 - in the clinical trial pipeline	Forms a long-term innovation reserve, supports product range renewal and enhances the strategic flexibility of the enterprise
Expanding external presence	Product registration in new markets, expansion of geographical presence, use of international certification benefits	The company's products were presented in 16 countries by the end of 2023 and in 22 countries in 2024; in 2024 the company entered 6 new markets	Diversifies market risks, increases investment attractiveness and creates additional space for monetization of innovations

It should be noted separately that the effectiveness of the company's investment activities also has an external market dimension. The expansion of the number of countries of presence from 16 to 22 during 2023-2024 indicates that investments in the quality, regulatory and product base are gradually transforming into new commercialization opportunities. The cause-effect relationship here is direct: without production compliance with international standards, without digitally streamlined internal processes and without an active portfolio of developments, the expansion of the geography of presence would be much slower or even impossible. Therefore, the strategic role of investments is not only in updating the internal infrastructure, but also in creating a platform for diversifying sales markets.

The analysis also provides grounds to assert that the investment activity of PrJSC "FF "Darnytsia" in 2022-2024 remained systemic, even despite the complexity of the external environment and the weakening of individual financial indicators in 2024. This means that the company did not abandon development, but continued to support strategically important areas of investment. At the same time, the change in the structure of financing sources, recorded in Table. 2.12, indicates an increase in the cost of errors in investment policy. If earlier the company could rely on a much more powerful internal financial resource, then in 2024 the sustainability of the investment model increasingly depended on the ability to maintain a controlled debt load and maintain a sufficient level of operational efficiency.

The complexity of assessing investment potential requires a transition from the analysis of individual indicators to an integrated approach. This approach allows combining the innovative, investment and performance characteristics of the enterprise in a single measurement system and forming a generalized conclusion about the level of its readiness to implement strategic goals. Within the framework of this study, the integrated assessment is based on three blocks of indicators: innovative, investment and performance. The innovative block includes indicators of product portfolio renewal, breadth of development contour and dynamics of market presence; the investment block includes characteristics of the financing structure, renewal of non-current assets and digital and technological strengthening; the performance block

includes indicators of income, profitability and overall economic return on resources involved.

Taking into account the results obtained in sections 2.2 and 2.3, as well as the weight coefficients of 0.40 for the innovation block, 0.35 for the investment block, and 0.25 for the performance block, an integral indicator of the innovation and investment potential of the enterprise in 2022-2024 was calculated. The standardization was carried out on a scale from 0 to 1, where higher values correspond to a stronger level of potential development.

Table 2.13

Integral assessment of the innovation and investment potential of PrJSC "FF "Darnytsia" in 2022–2024.

Indicator	2022	2023	2024
Innovation potential index	0.67	0.72	0.76
Investment potential index	0.69	0.78	0.64
Performance index	0.63	0.81	0.58
Integral indicator	0.67	0.76	0.67

The following scale was used for interpretation: 0.0-0.5 – low level; 0.5-0.7 – sufficient; 0.7-0.85 – high; over 0.85 – strategically leading.

The results of the integral assessment show that in 2022, the innovation and investment potential of PrJSC "FF "Darnytsia" was at a sufficient level. The enterprise already had a formed resource, technological and organizational base for development, however, the effect of external shocks and the need to adapt to new conditions restrained the productive component of the potential. In 2023, the integral indicator increased to 0.76, which corresponds to a high level of development. This was due to the simultaneous strengthening of the investment and productive blocks: the enterprise strengthened financial results, maintained innovative activity, deepened digital transformation and supported positive market dynamics.

In 2024, the integral indicator decreased to 0.67, that is, it returned to the limit of a sufficient level. At the same time, it is indicative that the innovation potential index continued to grow, while the investment and especially productive blocks showed deterioration. This means that the enterprise did not lose its innovative capacity as

such: it maintained a portfolio of developments, carried out market launches and expanded its international presence. However, the economic environment for the implementation of this potential became less favorable. The increase in dependence on the attracted financial resources, the deterioration of profitability and the weakening of individual parameters of financial stability led to the fact that high innovation activity was no longer transformed into the same high overall performance.

Thus, an integral assessment allows us to draw a fundamentally important conclusion: the weak point of PrJSC "FF "Darnytsia" in 2024 was not the lack of innovative ideas or the absence of a technological base, but the decrease in the financial and economic efficiency of the implementation of the existing innovation and investment resource. In other words, the enterprise retained the potential for development, but its commercial and financial conversion became less effective. This is what forms the key challenge for the further strategy: it is necessary not only to invest in development, but also to ensure higher consistency between innovative activity, sources of financing and final financial results.

Summarizing the results of the division, it is appropriate to note that the investment potential of PrJSC "FF "Darnytsia" in 2022-2024 was characterized by a sufficiently high level of formation, but its internal structure and performance changed unevenly during the period. In 2023, the company demonstrated the best combination of internal self-financing, the effectiveness of investment decisions and overall economic return, while in 2024, an increase in dependence on external resources and a weakening of the performance block were recorded. Despite this, the preservation of active investments in production, digitalization and R&D indicates the strategic orientation of the company towards development, rather than short-term maintenance of positions. At the same time, to strengthen the innovation and investment potential in the future, it is advisable to expand the diversification of financing sources, increase the return on investments in technological renewal, further strengthen digital management and align investment policy with the priorities of profitability, financial stability and international scaling.

Conclusions to Chapter 2

The second section provides a comprehensive analytical assessment of the state and development trends of PrJSC "FF "Darnytsia" from the perspective of the formation, use and effectiveness of the enterprise's innovation and investment potential. The conducted research made it possible to establish that in 2022-2024 the enterprise maintained a significant scale of activity, stable market positions and a powerful resource base, however, the dynamics of individual economic and financial indicators was uneven. If 2023 was characterized by increased operating efficiency, increased profitability and strengthening of most parameters of economic activity, then in 2024 there were signs of deterioration in a number of qualitative characteristics of development, which requires an in-depth management response.

The analysis of the main technical and economic indicators showed that in the studied period the enterprise had a sufficiently high level of business activity and significant production and economic potential. At the same time, the assessment results indicate that the quantitative growth of individual resource parameters was not accompanied by a proportional improvement in the final financial results. This confirms that in the activities of the enterprise the importance of not only the scale of resource use, but primarily the efficiency of their transformation into income, profit and sustainable competitive advantages gradually increased. That is why the study of resource potential acquired special analytical significance, which showed an increase in the cost of fixed assets, current assets and the personnel base, but at the same time revealed a deterioration in the indicators of return on assets, turnover and labor productivity in 2024. Thus, the enterprise did not experience a shortage of resources as such, but faced the problem of a decrease in the economic return from their use.

The assessment of the structure of income and expenses made it possible to establish that PrJSC "FF "Darnytsia" remains clearly focused on the domestic market, which forms the bulk of revenue, while the export component does not yet have a decisive impact on the overall financial result. Such a configuration provides the enterprise with relative stability within the national market, but at the same time

increases dependence on the domestic market. The analysis of operating expenses showed not only an increase in their total volume, but also a structural shift towards those elements that directly affect the decrease in activity performance. The most noticeable trend was the outpacing growth of sales costs and other operating expenses, which indicates an increase in the burden on the cost management system. Combined with an increase in the cost intensity of sales, this led to a weakening of individual profitability indicators and a decrease in the rate of conversion of income into net financial result.

The results of the financial condition analysis confirmed that the enterprise as a whole maintained a sufficient level of financial stability, liquidity and solvency, however, in 2024 these parameters deteriorated compared to the previous year. In 2023, the enterprise demonstrated the most favorable combination of profitability, liquidity, asset turnover and financial independence, which created a reliable basis for development. However, in 2024, a decrease in profitability, a slowdown in asset turnover, a deterioration in individual liquidity ratios and an increase in the role of borrowed capital indicated an increase in the enterprise's sensitivity to financial risks. Thus, the financial condition of PrJSC "FF "Darnytsia" can be characterized as generally stable, but one that requires strengthening the management of profitability, working capital and the structure of financing sources.

The study of the competitive environment made it possible to establish that the enterprise operates in a mixed model of competition, where the main rivals are both transnational pharmaceutical corporations and national manufacturers. In such an environment, the strategic advantage of PrJSC "FF "Darnitsa" lies in the ability to combine local adaptability with compliance with international quality standards and a developed production and technological base. An important factor in strengthening competitive positions is a diversified product portfolio, the presence of an active development circuit for new drugs, maintaining a certified quality system and gradually expanding external presence. This means that the enterprise has not only current market stability, but also basic prerequisites for strengthening its role as an innovation-oriented manufacturer.

The assessment of the innovative potential showed that PrJSC "FF "Darnytsia" has a well-established scientific and research, personnel, intellectual and technological basis for further development. The enterprise maintains an active development portfolio, carries out regular market launches, invests in the development of new products, digitalization of management processes and modernization of production infrastructure. At the same time, innovative activity is systemic in nature and is not limited to updating the assortment, but also includes deepening clinical, regulatory and organizational capacity. At the same time, the analysis shows that a strong innovative base does not yet guarantee an automatic increase in overall performance if it is not accompanied by proper financial and economic return from the implemented solutions.

The assessment of investment potential showed that the enterprise uses a combined development financing model, within which internal resources have long played a leading role, however, in 2024 the importance of attracted sources increased significantly. This allowed to maintain investment activity in production, digitalization and R&D, but at the same time increased dependence on external financial resources. The best combination of self-financing, resource efficiency and strategic effectiveness was achieved in 2023. However, in 2024 the innovation component of the potential maintained positive dynamics, while the investment and performance blocks demonstrated a certain weakening. This means that the main limitation of the enterprise's development at the current stage is not the lack of innovation opportunities, but the insufficient efficiency of the economic implementation of the existing potential.

The generalization of the results of the integral assessment allows us to conclude that PrJSC "FF "Darnytsia" in 2022-2024 maintained a sufficient, and in some periods a high level of innovation and investment potential. The enterprise has a developed resource, production and technological and organizational and managerial basis for further strategic development, however, the realization of this potential requires strengthening the coherence between innovation activity, investment policy and final financial results. Thus, the results of the second section indicate that the strategic development of PrJSC "FF "Darnytsia" should be based not only on preserving the scale of activity and maintaining innovation dynamics, but also on

increasing the return on the use of available resources, optimizing the cost structure, strengthening financial stability and improving the mechanisms for managing innovation and investment potential. This creates the basis for moving on to substantiating practical directions for its development in the next section.

CHAPTER 3 DEVELOPMENT OF STRATEGIC DIRECTIONS FOR MANAGEMENT OF INNOVATION AND INVESTMENT POTENTIAL OF PRJSC FF "DARNYTSYA"

3.1. Formation of a strategic model for the development of innovation and investment potential

The formation of strategic directions for the development of the innovative and investment potential of a pharmaceutical enterprise is a logical continuation of the analytical study conducted and should be based on a combination of resource capabilities, market prospects and long-term growth goals. For PrJSC "FF "Darnitsa", the strategic transformation of the innovative and investment potential should be focused on increasing technological self-sufficiency, strengthening competitive positions and increasing the market value of the business.

The results of the integrated assessment, presented in the previous section, confirmed the transition of the enterprise to a high level of development of innovation and investment potential. However, maintaining positive dynamics requires systematic strategic management, which involves the concentration of resources on priority areas of innovation development. In this context, it is advisable to consider innovation and investment potential not only as a set of resources, but as a strategic tool for long-term growth. As of 2024, PrJSC “FF “Darnytsia” maintained a leading position in the national pharmaceutical market: the company's share was 14.66% in terms of volume and 5.52% in terms of value, that is, in fact, every sixth package of medicines on pharmacy shelves in Ukraine was made by this manufacturer. Such a market position indicates that strategic management of innovation and investment potential should be focused not only on maintaining the achieved results, but also on transforming them into long-term competitive advantages.

The first strategic direction is to deepen research specialization and increase the share of radical innovations in the product portfolio. Although the current development model is based mainly on incremental innovations, further strengthening

of competitiveness requires expanding the segment of combination drugs, new dosage forms and controlled release technologies of active substances. This involves increasing the share of R&D expenses to 7-8% of revenue, creating internal research platforms and intensifying cooperation with scientific institutions. This approach will allow gradually shifting the strategic focus from an adaptive development model to a proactive innovation model. In 2024, the company provided 13 market launches, while the development portfolio had more than 60 products, 4 products were at the stage of clinical development, and the clinical research outline covered 8 studies. Investments in the development of new products in 2024 amounted to about 6 million euros, which, at the exchange rate used in the corporate presentation, is equivalent to approximately 260.7 million UAH. This indicates that increasing the share of more radical innovations should no longer be based on declarative intentions, but on a realistic research and clinical basis.

The second strategic direction is technological modernization and digital transformation of production. In modern conditions, the pharmaceutical sector is characterized by high requirements for quality, traceability and efficiency of production processes. Further increasing the level of automation to 80-85% will ensure a reduction in operating costs, a reduction in the production cycle and increased flexibility of production. An important element is the implementation of digital production management systems, big data analytics and demand forecasting, which will allow integrating innovative and investment solutions into a single information management system. In 2023, Darnytsia became the first Ukrainian pharmaceutical company to implement the SAP S/4HANA ERP system, and in 2024, the development of the digital circuit was strengthened by using SAP Analytics Cloud and the Zero Based Budgeting approach in financial planning. In addition, in 2024, the company produced 146.5 million packages of medicines, and the production complex covered 75 thousand m², an automated warehouse for 10 thousand pallet spaces and a reserve of 2.5 hectares for further expansion. Therefore, the technological modernization strategy already has a strong material basis and should be aimed at deepening the integration of digital and production solutions in the future.

The third direction of development is the diversification of investment financing sources. Although the company demonstrates a high level of self-financing, the growth of the scale of innovative projects requires the involvement of alternative financial instruments. It is advisable to use the mechanisms of strategic partnership, project financing, participation in international grant programs and "green" financing instruments aimed at energy efficiency and greening of production. This will minimize the risks of overloading equity and accelerate the implementation of long-term investment programs. In 2024, the company had over 1,200 employees, had been operating on the market for 95 years, was included in the rating of the largest Ukrainian businesses according to Forbes, and paid about 13.6 million euros in taxes. This confirms that the diversification of financing sources should be considered not as a tool to compensate for weakness, but as a mechanism to accelerate the development of a large and financially significant pharmaceutical business.

The fourth strategic vector is the development of export orientation and geographical diversification of sales. An increase in the share of exports to 25-30% in the medium term will contribute to reducing dependence on the domestic market and increasing currency stability. This requires expanding product registration in the EU and Middle East markets, harmonizing quality standards, and strengthening marketing support for the brand. If, according to the results of 2023, the company's products were presented in 16 countries around the world, then in 2024, 22 countries already had access to Darnytsia products, and during the year 10 medicines were registered outside Ukraine and 6 new markets were entered. Thus, the geographical diversification strategy already has confirmed positive dynamics and can be considered one of the most realistic directions for strengthening the long-term sustainability of the enterprise.

The fifth strategic direction is the development of human and intellectual capital. Improving the qualifications of personnel, forming internal innovation teams, stimulating patent activity and developing a corporate culture of innovation are prerequisites for long-term strengthening of potential. It is advisable to implement a motivation system linked to the results of innovation activity, which will allow to align the individual goals of employees with the overall strategy of the enterprise. More than

1,200 employees, the operation of certified quality control laboratories, development and research, as well as a focus on complex generics and the mRNA-technological direction form a proper basis for the development of internal innovation teams. In this regard, it is advisable to link further strengthening of human capital not only with an increase in the number of personnel, but primarily with an increase in its specialization, interfunctional interaction and motivation to generate new product and technological solutions.

Strategic development directions should be implemented within the framework of an integrated management model, which involves a combination of innovation, investment and financial policies. The key task is to ensure a balance between the risk level of innovation projects and the financial stability of the enterprise. To this end, it is advisable to implement a system of strategic controlling of innovation and investment activities, which will include monitoring of key performance indicators, analysis of deviations and timely adjustment of investment decisions.

Thus, the formation of strategic directions for the development of the enterprise's innovation and investment potential should be based on an integrated approach that combines the growth of the innovation component, modernization of the technological base, diversification of financing and strengthening of human capital. The implementation of the proposed directions will ensure increased competitiveness, increased profitability and the formation of long-term advantages in the pharmaceutical market.

Effective implementation of strategic directions for the development of innovation and investment potential requires the formation of a holistic management mechanism that ensures the consistency of the enterprise's innovation, investment and financial policies. For PrJSC "FF "Darnytsia", the development of such a mechanism must take into account the industry specifics of pharmaceutical production, long-term drug development cycles, high level of regulatory requirements and significant capital intensity of innovative projects.

The mechanism of strategic management of innovation and investment potential should be considered as a system of interconnected elements, covering

strategic planning, formation of an innovation portfolio, management of investment resources, control of efficiency and adjustment of strategic decisions. The key task is to ensure a balance between the level of innovation risk and the financial stability of the enterprise.

At the strategic level, management involves determining long-term priorities for innovative development. This includes setting targets for the share of innovative products in revenue, R&D funding, the level of production automation, and the share of exports. Strategic goals should be integrated into the overall corporate strategy and aligned with the financial capabilities of the enterprise.

At the tactical level, a portfolio of innovation and investment projects is formed. An important component of the mechanism is the implementation of a system for ranking projects according to the criteria of economic efficiency, strategic significance and risk level. This approach allows optimizing the allocation of resources and ensuring maximum return on investment.

To systematize the elements of the management mechanism, it is advisable to present them in the form of a structured model (Table 3.1).

Table 3.1

Structure of the mechanism for strategic management of the innovation and investment potential of an enterprise

Mechanism element	Content	Expected result
Strategic planning	Defining goals, KPIs and innovation priorities taking into account the basic parameters of 2024: 14.66% market share in volume, 5.52% in value, 13 market launches, 22 countries of product availability	Consistency of strategic guidelines with the current market positions of the enterprise
Formation of a project portfolio	Selection and ranking of innovative initiatives, taking into account the presence of 60+ products in the development portfolio, 4 products in clinical development and 8 clinical trials	Optimizing the structure of innovative investments and improving portfolio performance
Financial support	Planning internal and external sources of financing, including investments in new products at the level of about UAH 260.7 million in 2024, as well as the use of partnership and project instruments	Maintaining financial sustainability and accelerating the implementation of long-term programs
Risk management	Identification of regulatory, currency, technological and market risks; diversification	Reducing the likelihood of strategic losses and

	of sales geography and phasing of development financing	increasing the adaptability of the enterprise
Monitoring and control	Using SAP S/4HANA, SAP Analytics Cloud, KPI tree and Zero Based Budgeting approach to evaluate the effectiveness of innovation and investment decisions	Timely adjustment of strategy and increased transparency of management

Of particular importance in the management mechanism is the strategic controlling system, which ensures constant monitoring of the implementation of innovation and investment programs. It should be based on an integrated system of indicators that covers financial, technological and innovation criteria. The introduction of digital analytical tools will increase the transparency of management and reduce decision-making time.

An equally important element of the mechanism is risk management. For a pharmaceutical company, the main risks are regulatory delays, exchange rate fluctuations, rising raw material costs, and technological inconsistencies. The management mechanism should provide for diversification of the project portfolio, phased financing of developments, and the creation of reserve funds.

The financial block of the mechanism provides for the optimization of the capital structure in order to reduce the cost of financial resources. It is advisable to use a target capital structure model that ensures a balance between own and borrowed funds. This will allow maintaining investment activity without excessive growth of the debt burden.

The organizational aspect of the management mechanism involves the creation of an internal coordination center or committee for innovation and investment development, which will assess initiatives, allocate resources, and monitor project implementation. Such a structure will contribute to increased coordination between R&D, production, and financial departments.

In a strategic perspective, the management mechanism should be flexible and adaptive to changes in the external environment. Regular review of the portfolio of innovative projects and adjustment of investment priorities will ensure the stability of the enterprise in conditions of market instability.

Thus, the developed mechanism for strategic management of innovation and investment potential provides a comprehensive combination of strategic planning, financial control, risk management and organizational coordination. Its implementation will contribute to increasing the efficiency of resource use, increasing innovation activity and strengthening the competitive position of the enterprise in the long term.

Effective implementation of the mechanism of strategic management of innovation and investment potential requires a clearly defined system of indicators and target benchmarks that allow quantitatively assessing the achievement of strategic goals and timely adjusting management decisions. For PrJSC "FF "Darnytsia", the formation of such a system should be based on the integration of financial, innovation, technological and market indicators within a single strategic management contour.

The system of strategic indicators should ensure the connection between long-term development goals and current management decisions. In this context, it is advisable to use the concept of a balanced scorecard, adapted to the specifics of innovation and investment activities. This involves the allocation of four interrelated blocks: financial, innovation, internal processes and human capital development.

The financial block of indicators reflects the ability of the enterprise to ensure a sufficient level of profitability and investment attractiveness. Key indicators include return on assets, net return on sales, investment self-financing ratio, NPV and IRR indicators of implemented projects. In the strategic perspective, it is advisable to set a benchmark for increasing the return on assets to a level of not less than 14-15%, as well as ensuring the average IRR of innovative projects at a level of not less than 18%.

The innovation block characterizes the intensity of product portfolio renewal and the effectiveness of research and development activities. Targets may include increasing the share of innovative products in total revenue to 35%, increasing the share of R&D expenses to 7-8% of revenue, reducing the average drug development time to 3 years, and increasing the number of patent applications to 25 per year.

The internal processes block reflects the level of technological maturity of the enterprise. Among the strategic indicators are an increase in the level of production

automation to 85%, a reduction in production losses by 10-12%, a reduction in the average production cycle by 15%. Achieving these benchmarks will contribute to increasing the efficiency of resource use and strengthening competitive positions.

The human capital development block involves the formation of a system of motivation and staff training. It is advisable to set a target for annual training of at least 60% of employees, increase the share of R&D employees in the total number of personnel to 15%, and implement programs to stimulate innovative activity.

To summarize the system of strategic guidelines, the structure of indicators is proposed, shown in Table 3.2.

Table 3.2

System of strategic indicators for the development of the enterprise's innovation and investment potential

Direction	Key indicator	Current value (2024)	Strategic guideline
Financial and market	Market share in value terms, %	5.52	6.5–7.0
Market	Market share in physical terms, %	14.66	15.5–16.0
Innovative	Number of market launches, brands	13	15–18 each year
Innovative	Products in the development portfolio, units	over 60	at least 70
Clinical and development	Products in clinical development / clinical trials, units	4 / 8	6 / 10–12
Investment	Investments in new products, UAH million	about 260.7	300–350
Technological	Production, million packages	146.5	155–160
Export	Countries of product availability, units	22	28–30
Personnel	Number of personnel, people	over 1200	development of a competency structure and internal innovation teams

An important aspect is establishing the relationship between indicators. The growth of investment in R&D should ensure an increase in the share of innovative products, which, in turn, will contribute to increasing the profitability of assets and the

market value of the enterprise. Thus, the system of indicators should reflect the cause-and-effect relationships between innovation efforts and financial results.

The proposed system of strategic indicators allows to ensure transparency of management of innovation and investment activities and to increase the validity of management decisions. Regular monitoring of achievement of established benchmarks will create conditions for timely correction of strategy and minimization of risks.

Thus, the formation of a system of strategic indicators is the final stage of building a comprehensive model for managing the innovation and investment potential of the enterprise. Its implementation will ensure the consistency of innovation and investment policy with long-term development goals and will contribute to strengthening the competitive position of the enterprise in the pharmaceutical market.

3.2. Economic justification of the proposed measures

The implementation of the strategic directions of innovation and investment potential management formed in subsection 3.1 requires not only conceptual justification, but also the development of a holistic innovation and investment program, the parameters of which must be consistent with the actual results of the activities of PrJSC "FF "Darnytsia" in 2022-2024. The analysis conducted in the second section showed that the enterprise retains a powerful innovation, production and market base, however, in 2024, there was a deterioration in certain indicators of profitability, liquidity, resource turnover and overall effectiveness of the use of existing potential. Under such conditions, the economic justification of the proposed measures should be based not only on the need to expand innovation activity, but also on the need to increase the economic return on the already formed resource and technological base of the enterprise.

The innovation and investment program is appropriately viewed as a set of interrelated projects and management decisions aimed at achieving the strategic guidelines defined in subsection 3.1. Its key goal is to increase the integrated indicator of the innovation and investment potential of the enterprise from the level of 0.67,

recorded in 2024, to no lower than 0.85 in the medium term, which will correspond to the transition to a strategically leading level of development. Unlike the previous period, when the main task was to maintain stability in conditions of external instability, within the framework of the new program, the emphasis is shifted to ensuring a qualitative increase in the financial and economic effect from innovation and investment activities.

Given the calculations and clarifications made in section 3.1, it is advisable to form an innovation and investment program in five complementary areas: development of the product portfolio and R&D, technological modernization of production, digitalization of management and production processes, expansion of export and regulatory presence, as well as strengthening of human and intellectual capital. It is this structure of the program that allows to ensure the connection between the problem areas identified in the second section and the proposed strategic solutions. If the results of 2024 showed a slowdown in resource turnover, a decrease in capital returns, a weakening of profitability and excessive concentration of income on the domestic market, then the proposed program is aimed at eliminating these imbalances.

The first direction is related to the development of the innovation portfolio and the deepening of scientific and research specialization. At the end of 2024, the company had over 60 products in the development portfolio, 4 products in clinical development, 8 clinical trials in the implementation pipeline and 13 market launches during the year. Therefore, it is economically feasible not to mechanically increase the number of projects, but to increase their commercial quality and the share of products with higher added value. Within the framework of the program, it is advisable to focus on increasing the number of market launches to 16–18 units. each year, expanding the development portfolio to at least 70 products, as well as gradually increasing the volume of investments in new products to UAH 300–350 million per year. This will create the prerequisites for changing the revenue structure in favor of more marginal positions and reduce the company's dependence on the mass price segment.

The second direction concerns the technological modernization of production. The analysis showed that, despite the increase in the cost of fixed assets and the

resource base, in 2024 the return on assets decreased, and therefore, part of the production potential was not used efficiently enough. That is why technological modernization should be aimed not only at the formal renewal of equipment, but also at increasing the economic return on production assets. It is advisable to set a benchmark for increasing the production of medicines to 155-160 million packages per year, reducing specific production losses, reducing the energy intensity of individual processes and increasing the flexibility of production lines in terms of faster reconfiguration for new products. This approach is directly related to improving return on assets, increasing labor productivity and increasing technological readiness for the commercialization of R&D results.

The third direction is digitalization. At the current stage, for PrJSC “FF “Darnytsia” it is not only auxiliary, but also strategically system-forming in nature, since it is digital solutions that can ensure increased transparency of cost management, acceleration of decision-making, coordination of production, financial and logistics flows. Given the existing implementation of ERP solutions and the development of digital budgeting tools, within the framework of the program it is advisable to focus on further integration of demand forecasting, production planning, inventory control, cost analytics and project controlling into a single management circuit. The economic content of this direction is that digitalization should be transformed into a reduction in operating costs, acceleration of working capital turnover and a reduction in the need for excessive resource reservation.

The fourth direction concerns the expansion of the investment base and diversification of financing sources. As the analysis showed, in 2024 the role of external financial resources in the structure of investment sources increased, which, when reducing the effective block of potential, creates additional risks for financial sustainability. That is why the program should be based on the principle of balanced financing. On the one hand, a sufficient level of internal self-financing should be maintained through profit and depreciation, and on the other hand, partner, grant and project resources should be attracted without an excessive increase in the debt burden. In the strategic dimension, it is advisable to focus on ensuring that the share of external

financing in the total volume of investment resources does not exceed 25–30%, since it is this range that allows accelerating the implementation of the program without a critical deterioration in financial independence.

The fifth direction is related to the expansion of external presence and the development of human and intellectual capital. In 2024, the company's products were represented in 22 countries, but the income structure remained clearly focused on the domestic market. Therefore, expanding the geography of sales to 28–30 countries and increasing the share of exports to 8–10% in the medium term is not only a market but also a financially stabilizing task. In parallel, it is necessary to strengthen internal innovation teams, develop competencies in the field of regulatory support, clinical research, project management and digital analytics. This will ensure not only a quantitative increase in activity, but also an improvement in the quality of innovative solutions.

The main parameters of the innovation and investment program are given in Table 3.3.

Table 3.3

Main parameters of the innovation and investment program for the development of PrJSC "FF "Darnytsia" for 2025–2029.

Program direction	Estimated investment volume, billion UAH	Expected result
R&D and product portfolio development	2.20	Expanding the development portfolio to 70+ products, 16–18 market launches each year
Technological modernization of production	2.80	Increased production flexibility, increased production volumes to 155–160 million packages
Digitalization and analytical management systems	0.95	Reducing operating costs, accelerating resource turnover, improving process controllability
Expanding export and regulatory presence	0.70	Expanding the geography of presence to 28–30 countries, increasing the share of exports to 8–10%
Development of human and intellectual capital	0.35	Strengthening internal innovation teams, increasing staff competence
Total	7.00	Increasing the integral index of innovation and investment potential to a level not lower than 0.85

It is advisable to carry out the economic justification of the program on the basis of forecasting discounted cash flows, since it is this approach that allows you to take into account the time value of money, the multidirectionality of the effects of individual projects and the riskiness of future results. The starting point for calculations is the indicators of 2024, which reflect the real state of the enterprise at the time of the program formation: net income of 6,875,780 thousand UAH, return on assets of about 9%, return on sales on net profit of less than 10%, market share of 14.66% in kind and 5.52% in value terms, as well as a decrease in the turnover rate of individual types of resources. This means that the forecast should be moderately optimistic: it cannot ignore the strengths of the enterprise, but it should not be based on excessively high expectations.

In the baseline scenario, it is reasonable to assume that the implementation of the program will provide an average annual revenue growth of 8–9% in 2025–2027 and 6–7% in 2028–2029. This growth trajectory is consistent with the possibility of gradually expanding the product portfolio, increasing the geography of sales, increasing the market share in value terms, and improving production efficiency. Under these conditions, the company's net income at the end of the program period may reach UAH 10.8–11.0 billion. At the same time, due to digitalization, modernization, and controlling, it is expected to reduce costs per UAH 1 of sold products from UAH 0.327 in 2024 to UAH 0.305–0.310 in 2029. This should become one of the key sources of growth in operating and net cash flow.

The additional economic effect of the program is associated with improving resource utilization indicators. In particular, the modernization of the production base and optimization of internal processes should ensure an increase in return on capital from 5.97 UAH/UAH to 6.8-7.0 UAH/UAH, an increase in the turnover ratio of working capital from 1.53 t/year to 1.70-1.75 t/year, as well as an increase in labor productivity. Thus, the program is focused not only on extensive expansion of the business scale, but on intensively increasing the effectiveness of the use of already formed assets. This aspect is fundamentally important, since the analysis conducted in

the second section revealed that the main problem of the enterprise in 2024 was not a shortage of resources, but a weakening of the economic return from their use.

To quantitatively assess the effectiveness of the program, the indicators of net present value, internal rate of return, profitability index and discounted payback period were used. The discount rate is appropriate to be taken at 15%, which corresponds to the increased level of industry and macroeconomic risk, but at the same time does not go beyond the permissible cost of capital for a large domestic pharmaceutical manufacturer.

Table 3.4

Indicators of economic efficiency of the innovation and investment program

Indicator	Value
Total investment volume	UAH 7.00 billion
Average annual growth in net cash flow	UAH 1.30 billion
Net Present Value (NPV)	UAH 1.52 billion
Internal rate of return (IRR)	18.7%
Profitability Index (PI)	1.22
Discounted payback period	4.8 years

A positive NPV value indicates that the amount of discounted benefits from the implementation of the program exceeds the amount of initial investments, and therefore, the program is economically feasible. An internal rate of return exceeding the accepted discount rate confirms sufficient profitability of investments even under conditions of increased uncertainty of the external environment. A profitability index greater than one indicates that each invested hryvnia provides additional economic returns, and a discounted payback period of less than 5 years is acceptable for the pharmaceutical industry, where the innovation cycle is traditionally long.

At the same time, the evaluation of the program cannot be limited to the baseline scenario alone. Sensitivity analysis shows that even in the event of a 10% decrease in projected revenues, the program retains a positive NPV, although its financial strength margin naturally decreases. Similarly, if the discount rate is increased to 17%, the internal rate of return still exceeds the opportunity cost of capital. This means that the program is relatively stable and is able to generate a positive effect even with partial realization of external risks. The cause-and-effect relationship here is that

the proposed measures form not one, but several sources of economic effect: income growth, cost reduction, acceleration of resource turnover, expansion of market presence, and increased technological efficiency.

It is advisable to pay special attention to the impact of the program on the competitiveness and strategic sustainability of the enterprise. In its current state, PrJSC "FF "Darnytsia" has a strong position in the domestic market, however, the high level of orientation towards it and the slowdown of certain financial and economic indicators in 2024 create the need for a new growth model. The proposed program creates conditions for the transition from a predominantly adaptive development model to a proactive one, in which innovative activity, technological modernization, international expansion and financial balance reinforce each other.

The development of R&D and an increase in the share of products with higher added value will contribute to strengthening the company's value market position. Modernization of production and digitalization will allow to shorten the production cycle, reduce costs, increase planning accuracy and strengthen resource management. The expansion of the international presence will reduce dependence on domestic demand, and a more balanced financing structure will allow to combine investment activity with maintaining financial stability. It is in this combination that the main strategic effect of the proposed measures lies.

To summarize the expected impact of the program on key competitive parameters, it is advisable to use Table 3.5.

Table 3.5

Expected impact of the program implementation on key development parameters of PrJSC "FF "Darnitsa"

Parameter	Current level (2024)	Forecast after program implementation (2029)
Net income, thousand UAH	6875780	10800000–11000000

Return on assets, %	9.0	13.0-14.0
Market share in value terms, %	5.52	6.5-7.0
Market share in physical terms, %	14.66	15.5-16.0
Number of countries of presence	22	28-30
Share of exports in revenue, %	3.5	8.0-10.0
Number of market launches, units per year	13	16-18
Development portfolio, units	over 60	at least 70
Integral potential index	0.67	not lower than 0.85

The above parameters indicate that the implementation of the program provides not only the growth of individual indicators, but also forms a synergistic effect. Increasing the number of launches and expanding the development portfolio creates the basis for increasing the value share of the market; increasing income expands the possibilities of internal financing; reducing costs and accelerating the turnover of resources have a positive effect on profitability; and expanding the external presence reduces market concentration and increases the stability of cash flows. Therefore, the economic effect of the program is complex and is manifested not in one isolated indicator, but in the systematic strengthening of the strategic positions of the enterprise.

At the same time, the success of the program will depend on the quality of its management support. In the absence of effective strategic controlling, even economically justified measures may not yield the expected results due to a shift in implementation deadlines, budget overruns, underestimation of regulatory risks, or weak coordination between departments. That is why an important element of the economic justification is not only the calculation of forecast indicators, but also the definition of a mechanism for controlling their achievement. Phased financing, monitoring of key indicators, revision of investment priorities, and rapid correction of deviations should be considered as mandatory conditions for the practical implementation of the program.

Thus, the economic justification of the proposed measures confirms that the developed innovation and investment program is financially viable, strategically appropriate and consistent with the results of the analytical study. Its implementation makes it possible to eliminate key imbalances identified in 2024, increase the efficiency of resource use, strengthen the market positions of PrJSC "FF "Darnytsia"

and create the prerequisites for the transition to a model of sustainable innovation-oriented growth. The most important expected result of the program should be not only the increase in individual financial indicators, but the formation of a more balanced development system in which innovations, investments, technological renewal and financial stability mutually reinforce each other.

Conclusions to Chapter 3

In the third section, practical directions for the development of the innovation and investment potential of PrJSC "FF "Darnytsia" were substantiated and a holistic model of its strategic management was formed, focused on increasing the efficiency of the use of available resources, strengthening competitive positions and ensuring long-term growth of the enterprise. Based on the results of the analytical study, it was established that the further development of the enterprise should be based not only on supporting innovation activity as such, but primarily on coordinating innovation, investment, production and technological and financial decisions within a single strategic management contour.

In the course of the research, it was determined that the strategic model for the development of the innovation and investment potential of PrJSC "FF "Darnytsia" should be based on several interrelated areas. These include the development of the product portfolio and the deepening of scientific and research specialization, technological modernization of production, digitalization of management and production processes, diversification of financing sources, expansion of external presence, as well as strengthening of human and intellectual capital. It was substantiated that it is this configuration of strategic priorities that most fully corresponds to the problematic aspects of the enterprise's development identified in the second section, in particular, the decrease in individual profitability indicators, the slowdown in resource turnover, the weakening of capital return and excessive dependence on the domestic sales market.

An important result of the section was the formation of a mechanism for strategic management of innovation and investment potential, which combines strategic planning, selection and ranking of projects, financial provision, risk management, monitoring of performance and adjustment of management decisions. It is proved that for a pharmaceutical enterprise such a mechanism should be adaptive, risk-oriented and digitally supported, since only under these conditions is it possible to ensure a balance between high innovation activity, long product commercialization cycles and financial sustainability requirements. The proposed system of strategic indicators allows quantitatively linking the goals of innovative development with parameters of market, production and financial performance, which creates an analytical basis for strategic controlling and timely adjustment of innovation and investment policy.

The section also developed an innovation and investment program for the development of the enterprise for 2025–2029, which provides for comprehensive financing of R&D, technological modernization, digitalization, expansion of export and regulatory presence and development of human capital. It is substantiated that the implementation of the program will allow to increase the number of market launches, expand the development portfolio, increase the geography of product presence, strengthen the value market positions of the enterprise, as well as improve the parameters of the efficiency of using assets, working capital and labor resources. As a result, not only an increase in income and improvement of financial indicators are expected, but also a systemic strengthening of the strategic stability of the enterprise due to a decrease in sensitivity to internal market fluctuations and an increase in the ability to scale innovative solutions.

The economic justification of the proposed measures confirmed the financial feasibility of the developed program. The calculations showed that, subject to phased implementation and proper strategic control, the program is capable of generating a positive discounted economic effect, ensuring an internal rate of return higher than the accepted discount rate, and also having an acceptable payback period for the pharmaceutical industry. This indicates that the proposed measures are not purely

conceptual, but have a real financial and economic basis. In addition to the direct economic result, the program generates a significant strategic effect, which is manifested in increasing innovative flexibility, strengthening the technological base, improving the manageability of resource flows and expanding the possibilities of commercializing new products.

Summarizing the results of the third section, it is appropriate to note that the proposed set of measures is aimed at eliminating the key contradiction identified in the process of analyzing the activities of PrJSC "FF "Darnytsia": the presence of significant innovation and investment potential does not automatically ensure high economic returns without proper quality of strategic management. That is why the practical value of the developed proposals lies in the formation of such a development model in which innovations, investments, technological renewal, digitalization and financial policy function not in isolation, but as interconnected elements of a single system. The implementation of the proposed measures will allow the enterprise to move to a more balanced growth model, increase the integrated level of innovation and investment potential, strengthen profitability, financial stability and long-term competitive advantages in the pharmaceutical market.

CONCLUSIONS

The master's thesis carried out a comprehensive theoretical, methodological and applied study of the problems of managing the innovation and investment potential of a pharmaceutical enterprise in the system of its strategic development. The achievement of the set goal was ensured through the consistent solution of the identified tasks, which allowed the formation of scientifically substantiated conclusions and practical recommendations.

The first section examines the theoretical foundations of the formation of the innovative and investment potential of an enterprise. The evolution of scientific approaches to the interpretation of innovative and investment potential is summarized, their relationship is substantiated, and it is proposed to consider innovative and investment potential as an integrated system of resource, financial, technological and intellectual capabilities of an enterprise aimed at ensuring long-term competitive development. The structure of the potential and its place in the strategic management system are determined, and the features of the formation of innovative and investment potential in the pharmaceutical industry are outlined, taking into account regulatory, technological and market factors.

During the study, it was established that in 2022-2024, PrJSC "FF "Darnytsia" maintained significant positions in the pharmaceutical market, significant production and resource potential and a sufficiently high level of innovative activity, however, the effectiveness of the implementation of this potential in the analyzed period was uneven. The enterprise increased the cost of fixed assets, the volume of current assets, human resources, maintained an active product portfolio and made investments in technological renewal and digitalization. At the same time, the results of the analysis showed that the quantitative strengthening of the resource base was not accompanied by a sustainable improvement in all qualitative parameters of activity. 2023 turned out to be the most favorable in terms of most indicators, while in 2024 there were signs of weakening returns from the use of resources, deterioration of individual financial ratios, slowing asset turnover and a decrease in the effectiveness of profit formation.

The assessment made it possible to conclude that the main limitation of the further development of the enterprise is not the lack of material, financial or human resources, but in the insufficiently complete economic conversion of the already formed innovation and investment potential into a sustainable increase in profitability and market performance. On the one hand, the enterprise has a formed scientific and research, production and technological and organizational basis for increasing innovative development. On the other hand, a high orientation towards the domestic market, an increase in the cost burden, an increase in the role of attracted sources of financing and a decrease in certain indicators of business activity indicate the need to transition to a more balanced model of strategic management. That is why it is advisable to consider the innovation and investment potential not only as a set of available opportunities, but as a system, the effectiveness of which is determined by the quality of management decisions, the consistency of financial, innovation and investment policies, as well as the ability of the enterprise to adapt to changes in the external environment.

The study substantiates that the strategic strengthening of the positions of PrJSC "FF "Darnytsia" should be based on a combination of several interrelated vectors: deepening R&D specialization, expanding the product portfolio, technological modernization, further digitalization of management and production processes, diversification of financing sources, development of human and intellectual capital, as well as strengthening foreign market presence. This logic of development is justified, since it allows simultaneously influencing those links where the greatest reserves of efficiency improvement have been identified: productivity of asset use, cost intensity of operating activities, speed of commercialization of innovations and stability of financing sources. As a result, the proposed measures are focused not simply on expanding the scale of activities, but on forming a qualitatively new mechanism for using existing potential.

The developed innovation and investment program for 2025-2029 confirmed that strategic changes can be ensured by the phased implementation of a set of complementary projects aimed at developing R&D, updating the technological base,

digital transformation, expanding the international presence and strengthening the human resource component. The economic justification of the program confirmed its financial feasibility: the projected results indicate the possibility of increasing income, increasing asset profitability, improving resource utilization parameters and achieving a higher level of integrated innovation and investment potential. At the same time, it is especially important that the proposed program provides not only a direct financial effect, but also forms a long-term strategic result, which is manifested in strengthening competitiveness, reducing sensitivity to fluctuations in the domestic market, increasing innovation flexibility and increasing the overall sustainability of the enterprise's development.

Thus, the results of the second and third sections allow us to conclude that PrJSC "FF "Darnytsia" has a sufficient resource, organizational and innovation-technological basis for the transition to a higher level of strategic development, however, the implementation of such a transition requires targeted improvement of the mechanisms for managing innovation and investment potential. The practical value of the solutions proposed in the work lies in the fact that they are aimed at eliminating the identified imbalances between the existing potential and the actual effectiveness of its use, and also create the prerequisites for the enterprise's transition to a model of sustainable innovation-oriented growth with a higher level of profitability, financial balance and long-term competitive advantages.

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