Choice
Institutional Equities



Biosimilar Opportunity: Picking the Right Molecules and Players



Biosimilar Opportunity: Picking the Right Molecules and Players

Recommendation			
Company (Ticker)	CMP (INR)	TP (INR)	Rated
Ajanta Pharma (AJP)	3,373	3,370	REDUCE
Alkem Labs (ALKEM)	5,130	5,540	REDUCE
Cipla (CIPLA)	1,432	1,400	REDUCE
Concord Biotech (CONCORDB)	549	755	ADD
Divi's Labs (DIVI)	11,700	12,650	ADD
Dr. Reddy's Lab (DRRD)	1,394	1,380	ADD
Granules India (GRAN)	842	1,010	BUY
Glenmark Pharmaceuticals (GNP)	2,712	2,835	ADD
IPCA Labs (IPCA)	1,829	2,080	ADD
Laurus Labs (LAURUS)	2,455	2,500	ADD
Lupin Ltd (LPC)	1,997	2,305	ADD
Marksans Pharma (MRKS)	280	385	BUY
Piramal Pharma (PIRPHARM)	233	250	ADD
Senores Pharma (SENORES)	1,070	1,700	BUY
Supriya Lifescience (SUPRIYA)	616	680	REDUCE
Sun Pharma (SUNP)	1,897	2,300	BUY
Zydus Lifesciences (ZYDUSLIF)	1,235	1,400	BUY

**CMP as on 25th November, 2026*

Presence in Biosimilars segment

Biosimilars could be the next growth driver for Indian pharma. The global market is anticipated to expand at CAGR of 18.4% through 2033E. Growth will be driven by loss of exclusivity across high-value biologics, particularly in oncology and immunology. ***118 biologics*** that are ***facing US patent expiry*** over 2025–34E, IQVIA estimates, ***represent ~USD 230 Bn in originator sales***. This opportunity also offers Indian pharma a pathway to move beyond cost-led generics towards science-led, higher-value products.

India is well-positioned to capture this opportunity. The ***domestic biosimilar market is projected to expand at a CAGR of 21.3% through 2033E***, the fastest among the regions in our comparison *(Exhibit 2)*. The opportunity spans both, domestic market growth and exports. ***Indian manufacturers offer an estimated 30–35% cost advantage*** over developed markets, while industry interaction indicates rising RFPs and RFQs from the US and Europe.

Biosimilars are unlikely to follow the conventional generics cycle. Global ***biosimilar development typically*** takes 6–9 years (McKinsey) and ***costs USD 100–300 Mn per molecule.*** BCG estimates that the ***first 2–3 entrants capture over 90% of the US biosimilar market***. While price erosion remains inevitable, high entry barriers and molecule-specific competition are likely to result in differentiated returns. ***We expect value-creation to favour selective molecule targeting, early entry and strong commercial execution over broad portfolio expansion.***

The 2027–29 window presents a sizeable launch opportunity. ***Oncology leads, with over USD 56 Bn in combined FY25 originator sales***. However, the opportunity varies in terms of molecule, depending on patent expiry timelines, competition intensity and launch readiness *(Exhibit 3)*. Pembrolizumab, Daratumumab and Nivolumab offer meaningful opportunities for Indian developers.

Potential beneficiaries span developers and CDMOs. Developers are best-positioned to capture product-level economics, while CDMOs stand to benefit from rising demand for biologics development and manufacturing.

- Preferred developers: ***DRRD, LPC and ZYDUSLIF***, supported by their oncology presence and biosimilar pipelines *(Exhibit 4)*.
- CDMOs: ***PIRPHARM***, through Yapan Bio, is well-positioned to benefit.

Key monitorables include molecule-level competition and price erosion, regulatory approvals and launch timelines, pipeline execution, commercial partnerships and returns on biologics investments.

Click to read:

Mapping the Indian Biosimilar Opportunity
Biologics: Opportunity vs Competition
Molecule-wise Patent Cliff
Our Preferred Plays

Business Insights

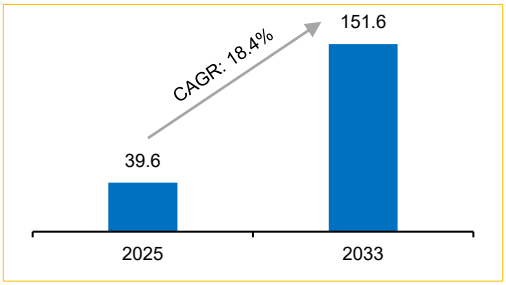
Recent Report Links:

Pharma by Choice_October Edition
Pharma Q2FY27 Review

Maitri Sheth
Email: maitri.sheth@choiceindia.com
Ph: +91 22 6707 9511

Stuti Bagadia
Email: stuti.bagadia@choiceindia.com
Ph: +91 22 6707 9511

Exhibit 1: Global Biosimilars Market (USD Bn)



Source: Grand View Research

The Global Biosimilar Opportunity: Market Size and Growth Drivers

The global biosimilar market was estimated at USD 39.6 Bn in 2025 and is ***projected to reach USD 151.6 Bn by 2033E, implying an 18.4% CAGR***. The ***growth will be supported by loss of exclusivity across high-value biologics***, particularly in oncology and immunology. ***IQVIA estimates that 118 biologics are facing US patent expiry over 2025–34E*** represent approximately USD 230 Bn in originator sales, creating a significant opportunity for biosimilar developers.

India: Emerging as the Key Growth Engine for Global Biosimilar Opportunity

We place our biggest bet on India, whose biosimilar market is expected to expand at a 21.3% CAGR through 2033E *(Exhibit 2)*, outpacing all other regions. While North America and Europe remain the largest revenue pools, **India's opportunity is two-fold**: A growing domestic market and the potential to serve global demand through its manufacturing and development capabilities. ***Indian manufacturers offer an estimated 30–35% cost advantage*** over developed markets, driving increased interest from global players, with industry interactions pointing to a rise in RFPs and RFQs from the US and Europe.

Exhibit 2: Regional Biosimilar Market – Size and Growth Outlook (2025–33E)

Geography	2025 Market Size (USD Bn)	2033E Market Size (USD Bn)	CAGR	Key Market Characteristics
Global	39.6	151.6	18.4%	Strong growth across major biologic markets
North America	16.9	62.5	18.0%	Large market; US biosimilar adoption and upcoming launches
Europe	11.6	43.7	18.3%	Mature biosimilar market; established regulatory framework
Asia-Pacific	8	33.7	19.8%	Fastest-growing major region
China	2.1	9.5	20.6%	Growing domestic development and manufacturing ecosystem
India	**1.3**	**5.9**	**21.3%**	**Fast-growing market; domestic developers and manufacturing base**
Japan	1.7	6.6	18.4%	Established biologics market with scope for biosimilar penetration
Rest of World	3.2	11.7	17.8%	Emerging markets offer incremental adoption opportunities

Source: Grand View Research

Business Insights

Mapping the Indian Biosimilar Opportunity: Developers, CDMOs and Enablers

Biosimilar opportunities will not accrue equally across our coverage universe. We see two key beneficiary groups:

- **Developers and Partners:** We believe these are ***best placed to capture a meaningful share*** of product-level economics. DRRD, LPC, ZYDUSLIF, BIOCON* and INTAS* are well-placed, given their biologics capabilities, pipeline and manufacturing readiness.

- **CDMOs:** ***Demand for biologics development and manufacturing is rising***, supported by India's cost-competitiveness and upcoming patent expiries. PIRPHARM (through Yapan Bio), SYNG* and ALKEM (through Enzene) are well-positioned to benefit. DIVI is also worth tracking for its complex capabilities.

**not covered*

We believe the next leg of biosimilar growth will be driven by high-value opportunities across oncology, immunology and neurology.

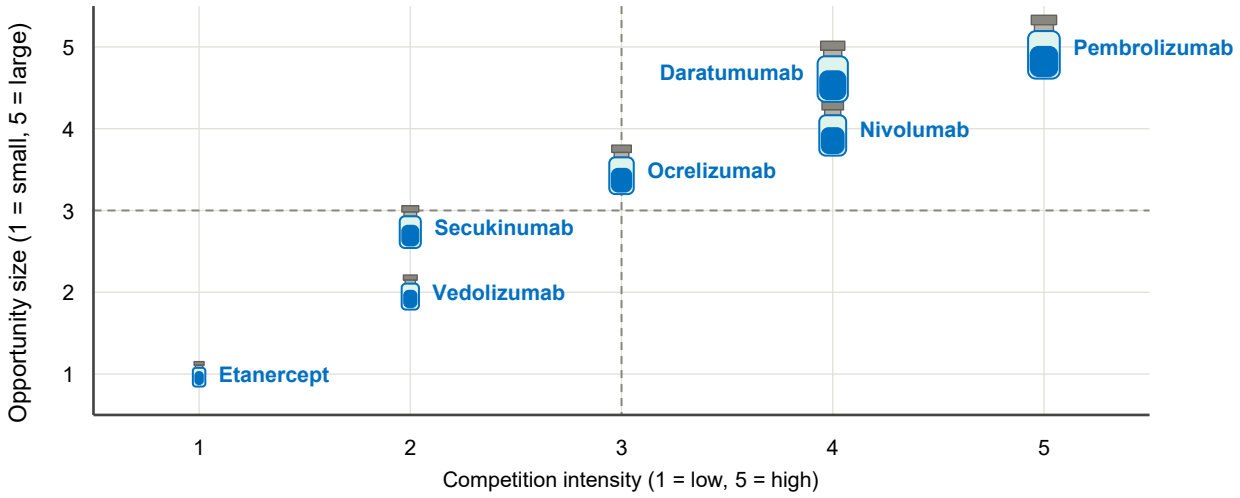
Companies in our coverage well prepared: DRRD, ZYDUSLIF

The Molecule Race: Key Biologics Losing Exclusivity, Competition Intensity and Launch Opportunities

The ***2027–29 period presents a sizeable biosimilar opportunity*** across oncology, immunology and neurology. Oncology leads the opportunity, generating over USD 56 Bn in combined FY25 sales.

However, ***the opportunity will vary by molecule*** depending on patent timelines, competition and launch readiness *(Exhibit 3)*. Indian developers are positioning themselves across select high-value molecules, while global players currently have a broader pipeline.

Exhibit 3: Biologics: Opportunity vs Competition



Source: Public disclosures by the companies

Exhibit 4: Molecule-wise Patent Cliff

Molecule / Brand	Originator	Therapy	Indicative LOE / Earliest Entry Window	FY25 Originator Sales (USD Bn)	Biosimilar Developers / Players
Pembrolizumab (Keytruda)	Merck	Oncology – PD-1	India: 2028; US: 2028; EU: 2031; Japan 2023-33	31.6	Indian: CIPLA, DRRD, ZYDUSLIF, ALKEM, BIOS*, SLPA*, INTAS* Global: Samsung Bioepis, AMGN, Celltrion, Bio-Thera, Prestige Biopharma
Nivolumab (Opdivo)	BMS / Ono	Oncology – PD-1	India: May 2026, US: 2028; EU: 2030; Japan: 2031	10.0	Indian: DRRD, ZYDUSLIF, LPC, Biocon*, ALKEM, SLPA*, INTAS* Global: AMGN, Prestige Biopharma, SDZ
Daratumumab (Darzalex)	J&J / Genmab	Oncology – multiple myeloma	India: 2026; US: 2029; Japan: 2030; EU: 2031	14.4	Indian: DRRD, ZYDUSLIF, SLPA* Global: Biocad, Celltrion, XBRANE
Ocrelizumab (Ocrevus)	Roche	Neurology – multiple sclerosis	US: 2029; EU: 2028; RoW: 2028	8.3	Global: Celltrion, AMGN, Samsung Bioepis,
Secukinumab (Cosentyx)	Novartis	Immunology – psoriasis / inflammatory diseases	US: 2029; EU: ~2030; China & EMs: 2026	6.7	Indian: DRRD Global: Celltrion, Bio-Thera
Etanercept (Enbrel)	Amgen	Immunology – autoimmune diseases	India: 2013; EU: 2015; US: 2029	2.2	Indian: CIPLA, BIOS*, INTAS*, LPC preparing for US launch Global: Fresenius Kabi, Samsung Bioepis
Vedolizumab (Entyvio)	Millennium / Takeda	Immunology – inflammatory bowel disease	US / EU: broad 2026–32 window	6.4	Indian: DRRD, INTAS* Global: Fresenius Kabi, Samsung Bioepis, Prestige Biopharma

Source: Public disclosures by the companies

**not covered*

We see molecules, such as Pembrolizumab, Daratumumab and Nivolumab creating meaningful opportunities for Indian developers.

Separately, SUNP's acquisition of Unloxcyt highlights the opportunity for Indian pharma to participate in the broader oncology biologics market through differentiated, innovative therapies.

Why Biosimilars Would Not be Another Generics Cycle: High Entry Barriers and Molecule-led Economics

Biosimilars are unlikely to follow the broad-based commoditisation seen in generics, as high development cost and molecule-specific economics restrict viable entry. ***Global development typically costs USD 100–300 Mn per molecule and takes 6–9 years (McKinsey).***

BCG estimates that the first 2–3 entrants typically capture over 90% of the US biosimilar market share, even in markets which eventually see 5–6 competitors. The opportunity, therefore, is not immune to price erosion, but is likely to reward selective molecule targeting, early entry and execution, rather than indiscriminate portfolio expansion.

Our Preferred Plays: Companies Best Positioned to Capture the Biosimilar Opportunity

While the overall opportunity for Indian players looks attractive, we are most positive on companies which have built capabilities across differentiated pipelines and have a strong portfolio of approved or late-stage products. Within our coverage, **DRRD, LPC and ZYDUSLIF** are well-placed to capture this opportunity, supported by their established presence in oncology and key molecules in their biosimilar pipelines *(Exhibit 4)*.

Among CDMOs, we are positive on **PIRPHARM through its acquisition of Yapan Bio**.

Dr.Reddy's

CMP: INR 1,394 | Target Price: INR 1,380 | Rating: ADD

LUPIN

CMP: INR 1,997 | Target Price: INR 2,305 | Rating: ADD

zydus Dedicated To Life

CMP: INR 1,235 | Target Price: INR 1,400 | Rating: BUY

Piramal Pharma Limited

CMP: INR 233 | Target Price: INR 250 | Rating: ADD

Key Monitorables and Risks: What Could Impact the Opportunity

- **Pricing and competition:** Entry of multiple players in key molecules could aggravate price erosion and limit product-level economics.
- **Regulatory approvals and launch timelines:** Delays in clinical development, regulatory clearances or manufacturing inspections could defer commercialisation.
- **Pipeline execution:** Progression of late-stage assets into approvals and launches will be critical to converting pipeline investments into revenues.
- **Partner and market access:** Success in regulated markets will depend on commercial partnerships, distribution reach and payer access.
- **Capital intensity and returns:** Investments in biologics capabilities and manufacturing capacity need to translate into sustainable returns on capital.

Institutional Research Team			
Utsav Verma, CFA	Head of Institutional Research, India Equity Strategy and SMIDs	utsav.verma@choiceindia.com	+91 22 6707 9440
Purvi Mundhra	Economist	purvi.mundhra@choiceindia.com	+91 22 6707 9241
Ambrish Shah	Analyst - Power	ambrish.shah@choiceindia.com	+91 22 6707 9251
Ashutosh Murarka	Analyst – Building Materials	ashutosh.murarka@choiceindia.com	+91 22 6707 9521
Bhavik Shah, CFA	Analyst – Metals & Mining	bhavik.shah@choiceindia.com	+91 22 6707 9521
Deepika Murarka	Analyst – Healthcare	deepika.murarka@choiceindia.com	+91 22 6707 9513
Dhaval Popat	Analyst – Energy	dhaval.popat@choiceindia.com	+91 22 6707 9949
Ishank Gupta	Analyst – NBFCs	ishank.gupta@choiceindia.com	+91 22 6707 9827
Karan Kamdar	Analyst – Consumer Discretionary, SMIDs	karan.kamdar@choiceindia.com	+91 22 6707 9451
Maitri Sheth	Analyst – Pharmaceuticals	maitri.sheth@choiceindia.com	+91 22 6707 9511
Putta Ravi Kumar	Analyst – Defence	ravi.putta@choiceindia.com	+91 22 6707 9908
Preeyam Tolia	Analyst – FMCG & Retail	preeyam.tolia@choiceindia.com	+91 22 6707 9987
Subhash Gate	Analyst – Autos	subhash.gate@choiceindia.com	+91 22 6707 9233
Vijiya Rao	Analyst – AMC & Insurance	vijiya.rao@choiceindia.com	+91 22 6707 9531
Avi Jhaveri	Sr. Associate – Technology	avi.jhaveri@choiceindia.com	+91 22 6707 9901
Bharat Kumar Kudikyala	Sr. Associate – Building Materials	bharat.kudikyala@choiceindia.com	+91 22 6707 9930
Samarth Goel	Sr. Associate– Small and Midcaps	samarth.goel@choiceindia.com	+91 22 6707 9451
Darshit Vora	Associate – FMCG & Retail	darshit.vora@choiceindia.com	+91 22 6707 9987
Heer Gogri	Associate – Small and Midcaps	heer.gogri@choiceindia.com	+91 22 6707 9433
Heet Chheda	Associate – Autos	heet.chheda@choiceindia.com	+91 22 6707 9233
Prakhar Tibrewala	Associate – SMIDs	prakhar.tibrewal@choiceindia.com	+91 22 6707 9433
Shreya Mehra	Associate – Technology	shreya.mehra@choiceindia.com	+91 22 6707 9535
Stuti Bagadia	Associate – Pharmaceuticals	stuti.bagadia@choiceindia.com	+91 22 6707 9511
Vedanta Bhadani	Associate – Power	vedanta.bhadani@choiceindia.com	+91 22 6707 9251
Vinay Rawal	Associate – Small and Midcaps	vinay.rawal@choiceindia.com	+91 22 6707 9433

Business Insights

CHOICE RATING DISTRIBUTION & METHODOLOGY	
Large Cap*	
BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
Mid & Small Cap*	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
Other Ratings	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
Sector View	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

***Large Cap: More Than INR 20,000 Cr Market Cap**
***Mid & Small Cap: Less Than INR 20,000 Cr Market Cap**

Disclaimer & Disclosure

Research Disclaimer and Disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

Choice Equity Broking Private Limited is a registered Research Analyst Entity (Reg. No. INH000000222) CIN. NO.: U65999MH2010PTC198714. Reg. Add.: Sunil Patodia Tower, J B Nagar, Andheri (East), Mumbai 400099. Tel. No. 022-6707 9999 . Compliance Officer-Prashant Salian. Tel. 022-6707 9999-Ext. 896. Email-Compliance@choiceindia.com. Grievance officer-Deepika Singhvi Tel.022-67079999- Ext-834.

Email- ig@choiceindia.com

The Company uses artificial intelligence tools as part of its research process, including data analysis and content generation. Notwithstanding the foregoing, all analysis, views, and recommendations are independently formulated and duly reviewed by qualified research analysts prior to issuance.

General Disclaimer:

Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI, and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

This report ("Report") is prepared by Choice Equity Broking Private Limited as a Research Entity (hereinafter referred as "CEBPL") in its capacity as a SEBI-registered Research Analyst and is intended solely for informational and educational purposes. This Report is meant exclusively for the recipient and shall not be circulated, reproduced, or distributed, in whole or in part.

This Report does not take into account the specific investment objectives, financial situation, risk profile, or particular needs of any individual or class of investors and does not constitute a personal recommendation or investment advice. Any views, opinions, or recommendations expressed herein are based on publicly available information and internal analysis and are subject to change without notice.

Nothing contained in this Report shall be construed as an offer, solicitation, or inducement to buy, sell, or subscribe to any securities, derivatives, or other financial instruments, nor shall it be considered as investment, legal, accounting, or tax advice. Recipients are advised to conduct their own independent analysis and are encouraged to seek independent professional advice before making any investment or trading decisions.

The information contained in this Report has been compiled from sources believed to be reliable; however, CEBPL does not represent or warrant the accuracy, completeness, or reliability of such information. CEBPL, its directors, employees, or associates shall not be liable for any losses, damages, or expenses arising directly or indirectly from the use of or reliance upon this Report.

Investments in securities are subject to market risks. The price and value of investments and the income from them may fluctuate, and investors may incur losses. Past performance is not indicative of future results. Opinions expressed herein are as of the date of this Report and may differ from views expressed in other research reports due to differences in methodology, assumptions, or time horizons.

Disclaimers in respect of Jurisdiction:

This Report is not intended for distribution to, or use by, any person or entity who is a citizen or resident of, or located in, any jurisdiction where such distribution, publication, or use would be contrary to applicable laws or regulations, or would subject CEBPL to any registration or licensing requirements in such jurisdiction.

No action has been taken or will be taken by CEBPL in any jurisdiction outside India where such action would be required for distribution of this Report. Accordingly, this Report shall not be directly or indirectly distributed, published, or circulated in any such jurisdiction except in compliance with applicable laws and regulations.

Recipients of this Report are required to inform themselves of, and comply with, all applicable legal and regulatory restrictions at their own expense and without any liability to CEBPL. Any dispute arising out of or in connection with this Report shall be subject to the exclusive jurisdiction of the competent courts in Mumbai, India.

Disclosure on Ownership and Material Conflicts of Interest:

- "CEBPL", its Research Analyst(s), their associates and relatives may have any financial interest in the subject company covered in this Research Report.
- "CEBPL", its Research Analyst(s), their associates and relatives may have actual or beneficial ownership of one percent (1%) or more of the securities of the subject company, as on the last day of the month immediately preceding the date of publication of this Research Report.
- "CEBPL", its Research Analyst(s), their associates and relatives may have any other material conflict of interest at the time of publication of this Research Report.

Disclosure on Receipt of Compensation:

- "CEBPL" or its associates may have received compensation from the subject company during the past twelve months.
- "CEBPL" or its associates may have managed or co-managed public offerings of securities for the subject company during the past twelve months.
- "CEBPL" or its associates may have received compensation from the subject company during the past twelve months for investment banking, merchant banking or brokerage services.
- "CEBPL" or its associates may have received compensation from the subject company during the past twelve months for products or services other than investment banking, merchant banking or brokerage services.
- "CEBPL" or its associates have not received any compensation or other benefits from the subject company or any third party in connection with the preparation or publication of this Research Report.
- Research Analyst may have served as an officer, director or employee of the subject company covered in this Research Report.
- "CEBPL" and Research analyst may engage in market-making activity in the securities of the subject company.

Details of Associates of CEBPL and Brief History of Disciplinary action by regulatory authorities are available on our website i.e. www.https://choiceindia.com/research-listing

Copyright:

This research report is confidential and intended solely for the recipient. Unauthorized reproduction, distribution, or disclosure of this report, in whole or in part, in any form or by any means, without the prior written permission of the Company is strictly prohibited.

MAITRI J SHETH

Digitally signed by MAITRI J SHETH
Date: 2026.11.26 13:37:47 +05'30'

Business Insights