

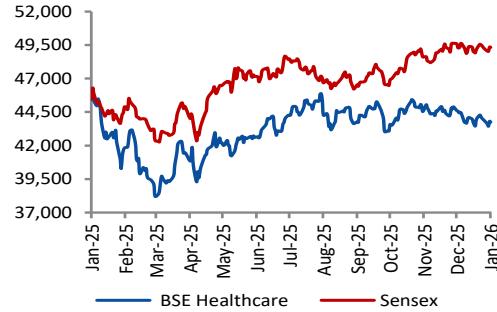
02 January 2026

Pharma and Healthcare

Generic semaglutide – over Rs 50bn opportunity

INDUSTRY UPDATE

BSE Healthcare v/s BSE Sensex



Source: Bloomberg, Systematix Institutional Research

Company recommendations

Company	TP (Rs)	Reco
AJP	3,293	BUY
CIPLA	1,781	BUY
DIVI	5,487	SELL
DRRD	1,156	HOLD
JUBLPHAR	1,238	HOLD
KRSNAA	949	BUY
LPC	2,064	HOLD
MANKIND	2,425	HOLD
ORCP	1,041	BUY
PFIZ	6,375	HOLD
PLM	1,781	HOLD
RAINBOW	1,670	BUY
SHEP	3,034	BUY
SLPA	392	HOLD
SUNP	1,781	BUY
ZYDUSLIF	938	HOLD

Source: Systematix Institutional Research;

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Patent expiry of semaglutide in India, emerging markets and regulated markets (Brazil, Canada) could create an incremental Rs 50bn+ revenue opportunity for generic versions over the next 12-15 months. This opportunity is likely to be shared among 10-15 players, comprising Indian and global generic manufacturers. For FY27E, we see this as a Rs 10-Rs 20bn incremental revenue opportunity in India branded formulation space, ~Rs 45bn in regulated markets (Canada and Brazil) and Rs 5bn-Rs 10bn for emerging markets (EM). The regulated markets opportunity can be large in the near term, but should gradually subside over time. In addition, there are also meaningful risks – regulatory and commercial risks. India and EM opportunity may not become as large imminently, but will keep expanding over years. The regulatory risks are also lower in India and EM. Indian players that stand to benefit the most are Sun Pharma (SUNP), Dr. Reddy's (DRRD), Eris Lifesciences (ERIS), Cipla (CIPLA), One Source Speciality Pharma (ONESOURC), Torrent Pharma (TRP), Lupin (LPC), Alkem (ALKEM), Zydus Lifesciences (ZYDUSLIF), Ajanta (AJP) and Biocon (BIOS). Shailly Engineering Plastics (SHEP) will also benefit meaningfully, as one of the few global suppliers of pen device to these front-end generic companies.

- India launch can add about 0.5%-1% to IPM growth in FY27

We expect the adoption of GLP-1 therapy among diabetics to rise sharply, following the launch of generic semaglutide version in 1QFY27, driven by an affordable price point - potentially 30% to 50% lower versus the current level. Over time, prices could further correct as low as 70%-75% from current levels. Market share within the GLP-1 segment may remain concentrated among the top 5-10 players, including Novo Nordisk (NOVOB)/ Emcure (EMCURE), SUNP, Eris, CIPLA, LPC, TRP, DRRD, ALKEM and ZYDUSLIF. At present, only ALKEM, DRRD and SUNP have approvals from the Indian drug regulator for their generic versions, with the same pending for other players. ZYDUSLIF is pursuing a differentiated semaglutide injection with some competitive advantage versus peers, which could offset its relatively weaker presence in diabetes therapy.

- Launch in regulated markets (Canada and Brazil): Higher uncertainty due to competitive and approval risks

The combined semaglutide market in Brazil and Canada is estimated at ~USD 2bn in annual sales. Assuming a 50% price erosion following the generic entry and 50% market share capture by generics, the addressable opportunity for generics players could be ~ USD 500mn. However timely approvals in these markets are critical to its success. We estimate there are 7-8 generics filers in Canada about 12 in Brazil. DRRD potentially could be the first generic player among Indian companies to launch in Canada, while SUNP may have the first-mover advantage in Brazil. Other Indian players in play for Brazil include, TRP, CIPLA, ZYDUSLIF and BIOS (partnered with BIOMM ZK). Notably, SUNP and DRRD are the only Indian players that have filed in Canada.

- Launch in EMs: SUNP, DRRD and Alkem may be better positioned

DRRD, BIOS, ONESOURC appear better positioned to monetize the opportunity in EMs. AJP, through its tie up with BIOS and a strong existing footprint in diabetes therapies across African markets, is also well placed to succeed. Plus, semaglutide API manufacturers could also benefit from more penetration in EMs.

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