

## Pharmaceutical Sector

28 March 2019

### Prescription Trends – New Launches

#### Dr. Reddy's Laboratories (DRL) – Gradual ramp-up in new product launches

- Welchol generic – DRL has gained 9% market share for the product as against a low single-digit share at the end of the previous quarter. Glenmark Pharmaceuticals has also been able to expand its market share to 16% from 10% (at the end of the previous quarter).
- Glivec generic – DRL is yet to gain a meaningful market share which is now at 2%. Sun Pharmaceutical Industries maintains its market share at 14%.
- Toprol XL – The market is now extremely competitive and DRL has shed around 500bps in market share.
- Suboxone generic – Suboxone market is in a transition phase as generics are garnering market share. DRL has a 3% market share, while Sandoz (authorised generic) has a 14% share.
- Diprivan generic and Renvela suspension generic – These are limited-competition opportunities for which DRL has recently received approval, but prescription trend does not reflect a meaningful share till now. Aurobindo Pharma maintains its market share in Renvela suspension generic.

#### Cipla – QoQ traction in Diclofenac gel

- Albendazole – New competitors entered the molecule during the quarter. Cipla's market share slipped 500bps to 43% from 48% (at the end of the previous quarter).
- Diclofenac gel (1%) – Cipla has added market share which is at 26% as against 23% in the previous quarter. QoQ -prescription count is up 100% QoQ for Cipla and should help the company to achieve its guided target of a quarterly run-rate of US\$125mn.
- Pulmicort generic – Cipla has maintained market share in it. Lupin, which received an approval in the previous quarter, is yet to gain market share.

#### Aurobindo Pharma (APL)

- Ertapenem injection generic – APL is maintaining prescription share.
- Renvela suspension – APL maintains its market share in Renvela suspension, while DRL - a recent entrant - is yet to make its mark.

#### Sun Pharmaceutical Industries (SPIL) – Early phase of ramp-up in specialty products

- Ilumya (Tildrakizumab) – Ilumya has reached a weekly run-rate of 50 prescriptions, which translates to 150 prescriptions per week (adjusted for quarterly dosing). Tremfya, which is also an IL-23 inhibitor like Ilumya, is doing 2,200 prescriptions on a weekly basis.
- Dry eye market – The dry eye market remains steady with Restasis and Xiidra almost plateauing at current levels. SPIL is expected to launch Cequa in 1QFY20.
- Lialda generic – SPIL received the approval earlier this quarter for Lialda generic, but it is yet to reflect in prescription share. Zydus Cadila - the first entrant - maintains its market share.

#### Natco Pharma – Copaxone ramp-up and a worsening flu season should help 4QFY19

- **Copaxone 40mg** – Natco Pharma/Mylan continues to build market share, which is now at 27% as against 23% (at the end of the previous quarter).
- **Tamiflu suspension** - The flu pandemic in the US has seen a major surge in the past two months. The flu season was expected to be relatively softer this year, as indicated by a relatively mild beginning in 3QFY19. In 3QFY19, prescription count for flu treatment was lower by 40% on YoY basis. However, in 4QFY19, the overall prescription count is down just around 4% on YoY basis. Natco Pharma has ramped up its market share to 45% in the last week of the quarter as there seems to be a supply problem emerging at Cadila Healthcare in early March 2019. Lupin, which was averaging around 21% market share during the quarter, has been able to touch 32% on account of Cadila Healthcare's supply constraints. Cadila Healthcare's market share was hovering around 25% during the quarter, but corrected to the 10% level in March 2019.

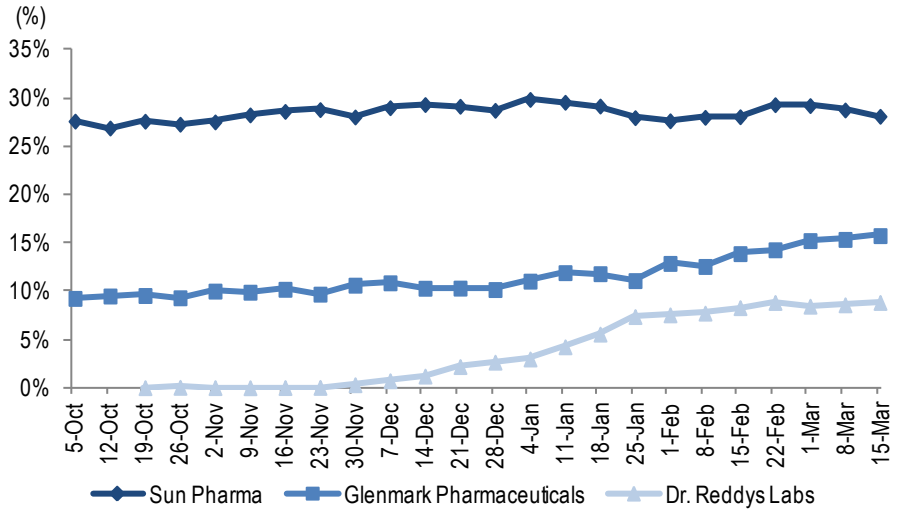
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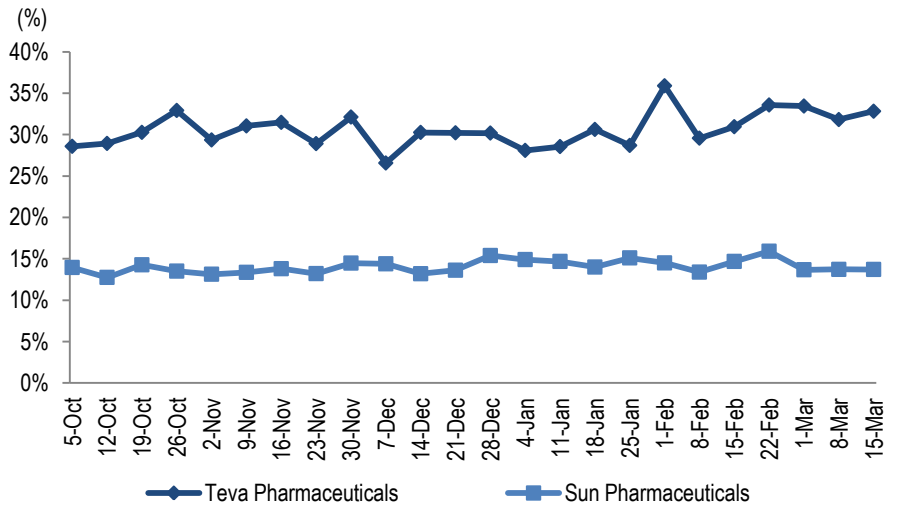
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**Exhibit 1: Welchol prescription trend (market share data)**



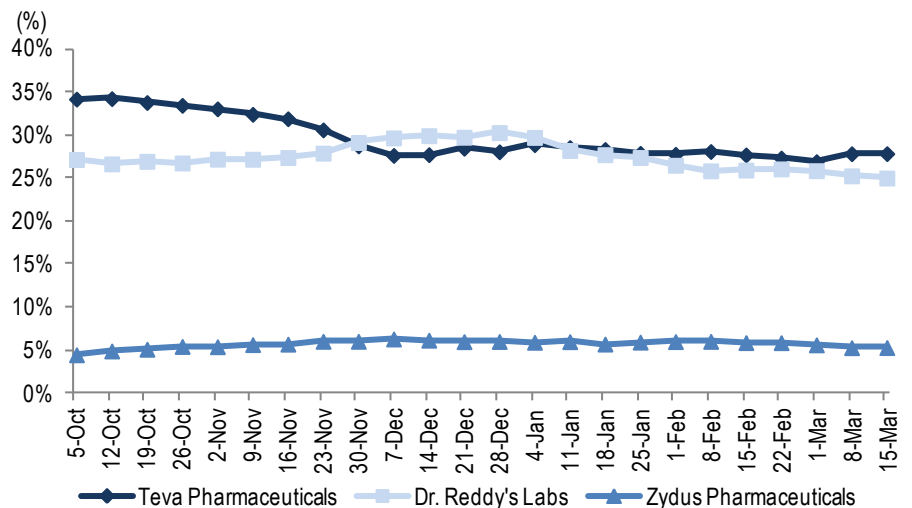
Source: Bloomberg, Nirmal Bang Institutional Equities Research

**Exhibit 2: Gleevec prescription trend (market share data)**



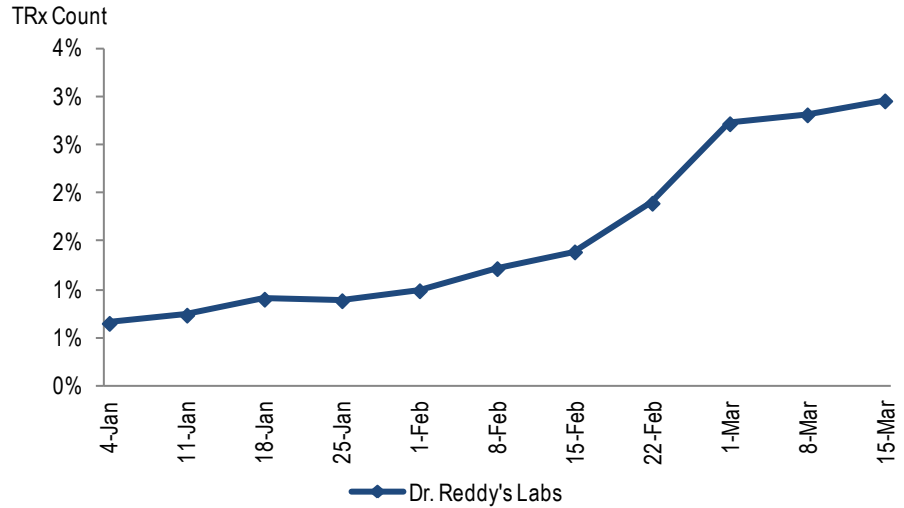
Source: Bloomberg, Nirmal Bang Institutional Equities Research

**Exhibit 3: Toprol prescription trend (market share data)**



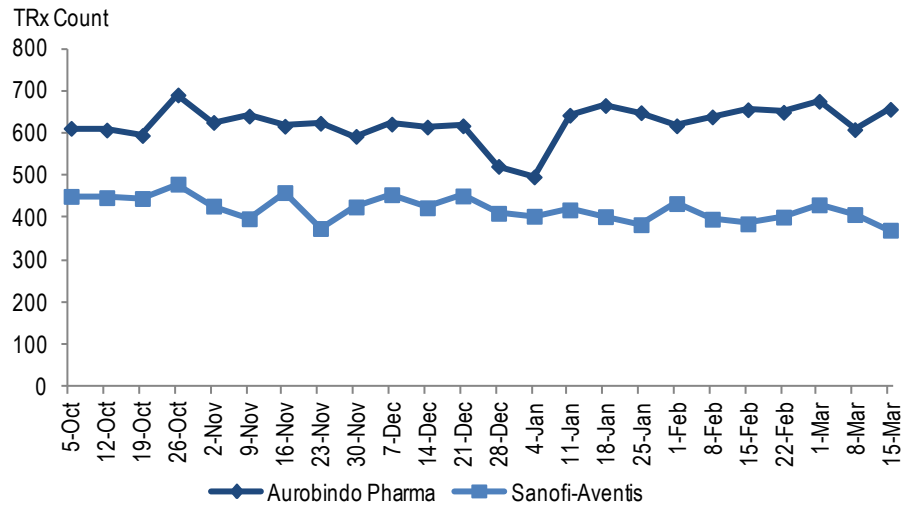
Source: Bloomberg, Nirmal Bang Institutional Equities Research

**Exhibit 4: Suboxone prescription trend (prescription trend)**



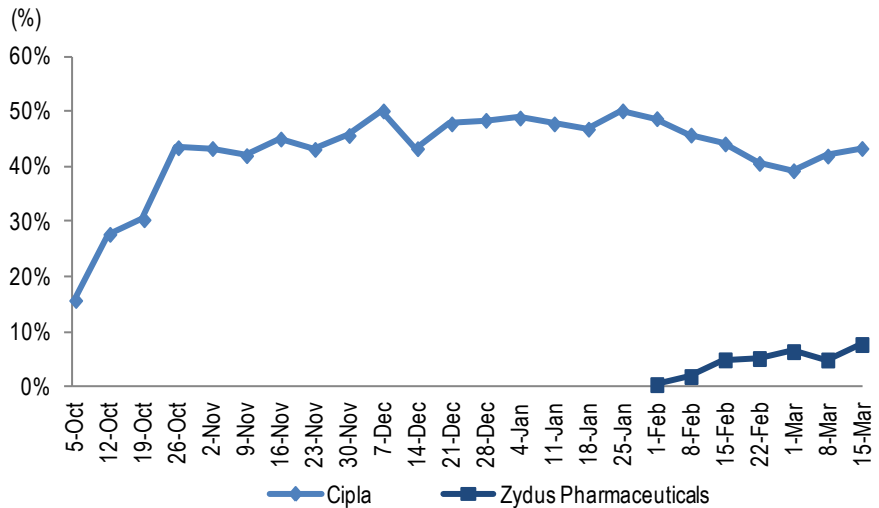
Source: Bloomberg, Nirmal Bang Institutional Equities Research

**Exhibit 5: Prescription trend for Renvela suspension**



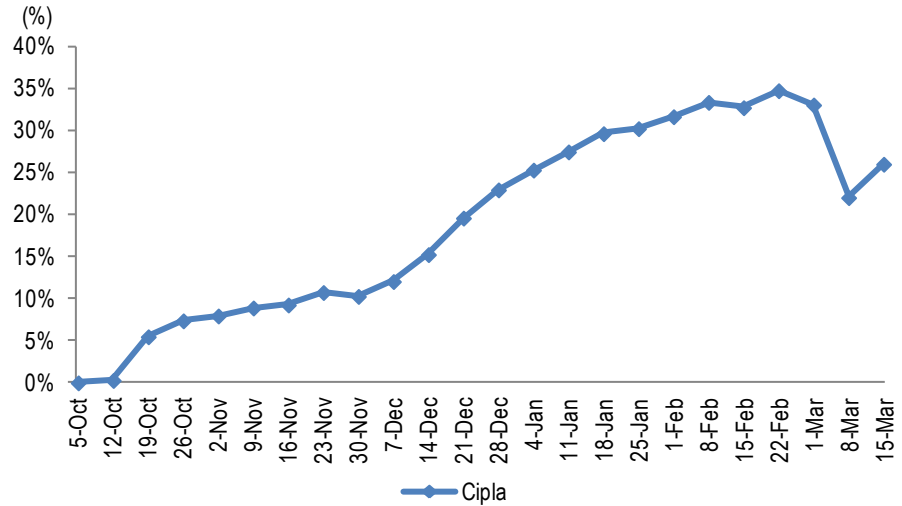
Source: Bloomberg, Nirmal Bang Institutional Equities Research

**Exhibit 6: Albendazole prescription trend (market share)**



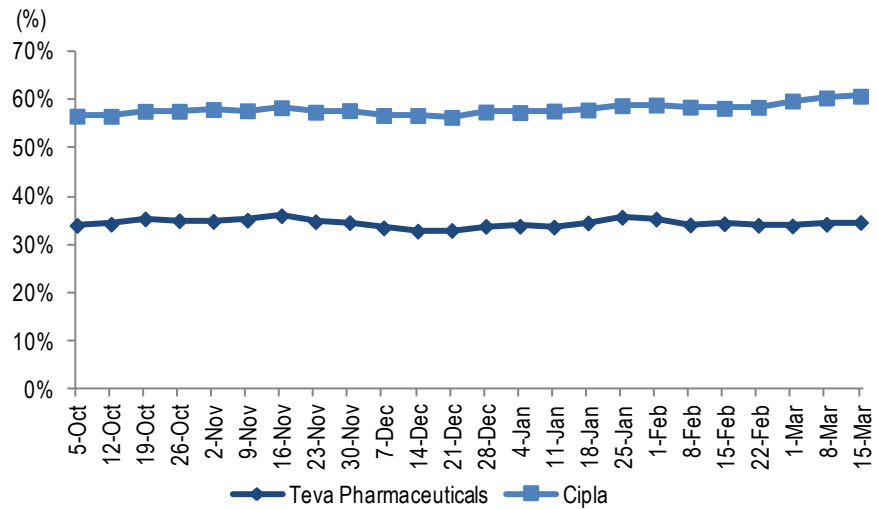
Source: Bloomberg, Nirmal Bang Institutional Equities Research

**Exhibit 7: Diclofenac (gel 1%) prescription trend (market share)**



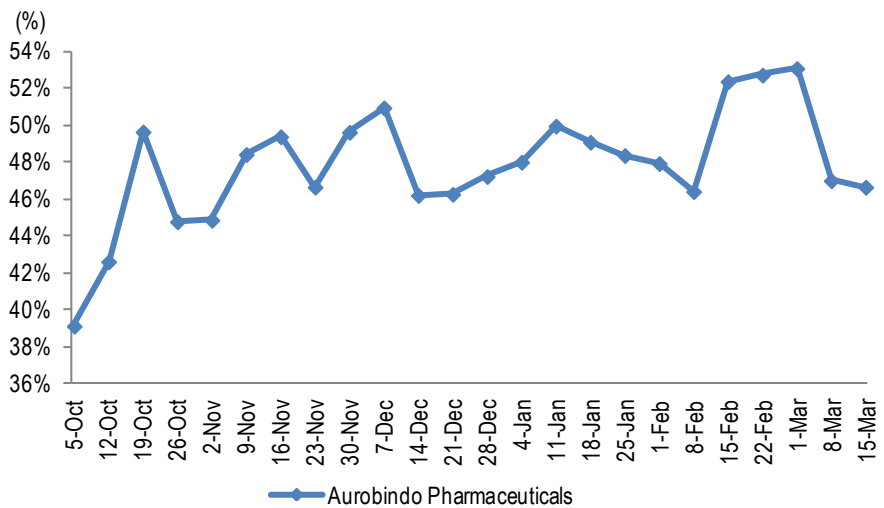
Source: Bloomberg, Nirmal Bang Institutional Equities Research

**Exhibit 8: Budesonide (Pulmicort) prescription trend (market share)**



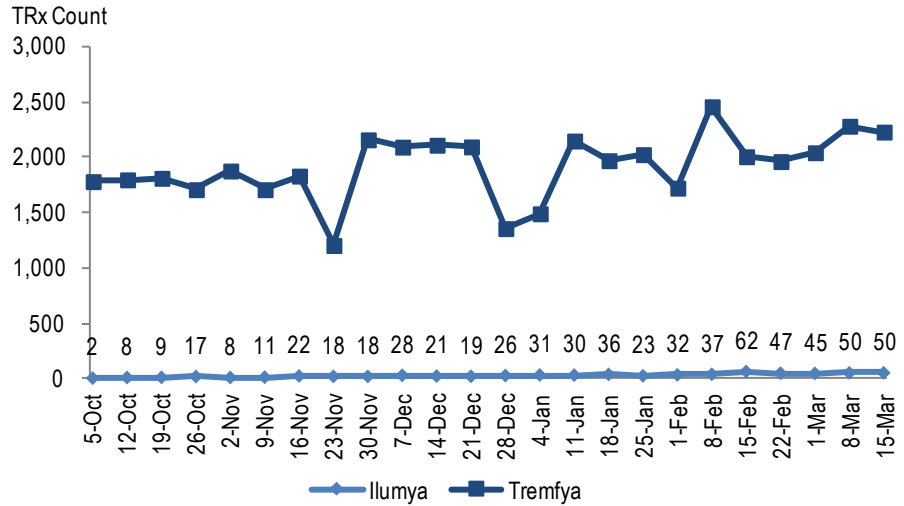
Source: Bloomberg, Nirmal Bang Institutional Equities Research

**Exhibit 9: Ertapenem prescription trend (market share)**



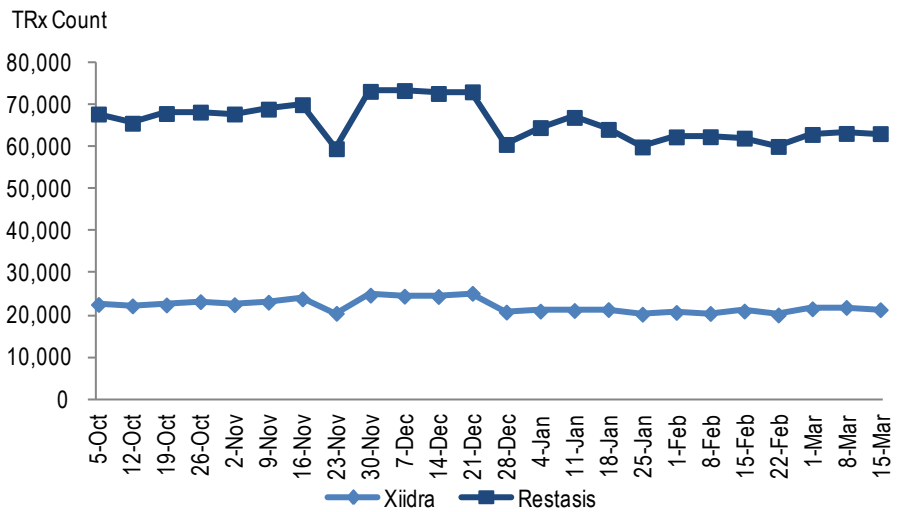
Source: Bloomberg, Nirmal Bang Institutional Equities Research

**Exhibit 10: Ilumya prescription trend (prescription units)**



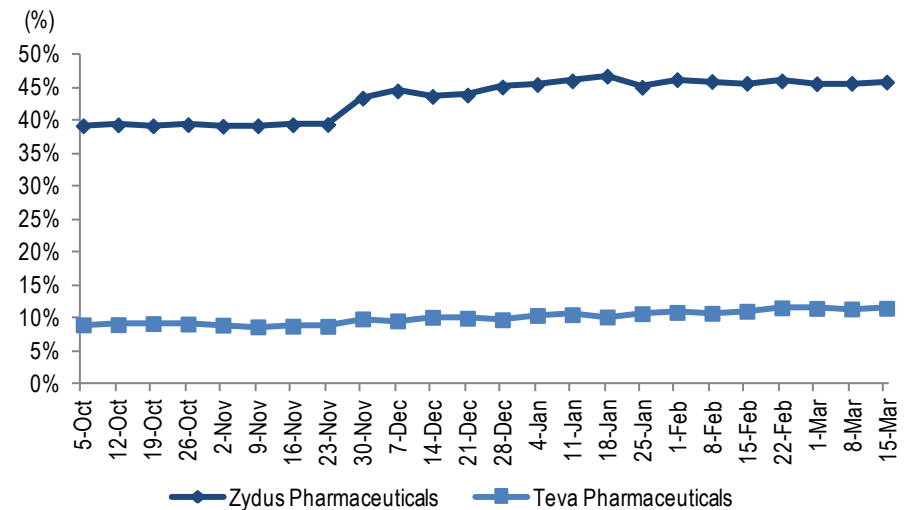
Source: Bloomberg, Nirmal Bang Institutional Equities Research

**Exhibit 11: Xiidra and Restasis prescription trend (prescription units)**



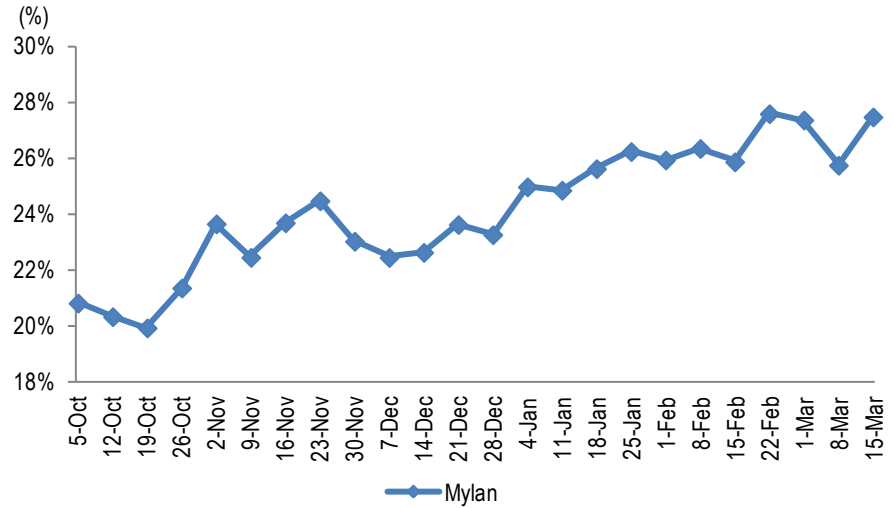
Source: Bloomberg, Nirmal Bang Institutional Equities Research

**Exhibit 12: Lialda prescription trend (market share)**



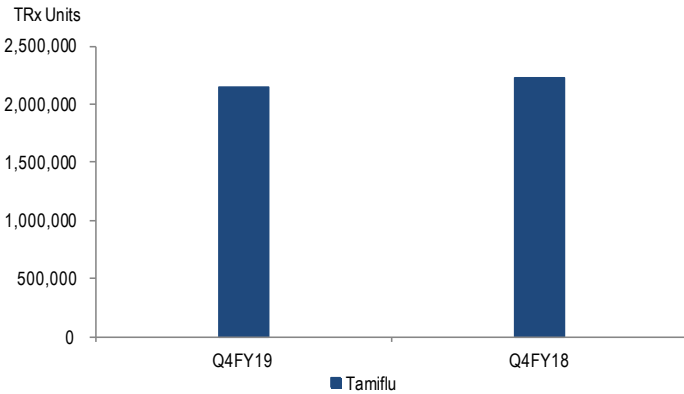
Source: Bloomberg, Nirmal Bang Institutional Equities Research

**Exhibit 13: Copaxone (40mg) prescription trend (market share)**



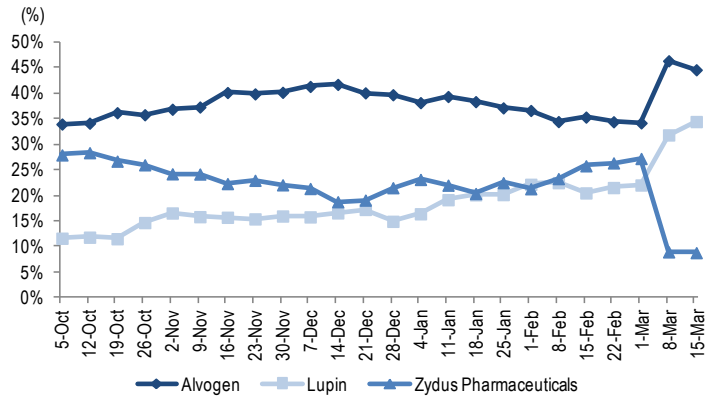
Source: Bloomberg, Nirmal Bang Institutional Equities Research

**Exhibit 14: Tamiflu prescription trend YoY**



Source: Bloomberg, Nirmal Bang Institutional Equities Research

**Exhibit 15: Tamiflu prescription trend (market share)**



Source: Bloomberg, Nirmal Bang Institutional Equities Research

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SELL < -5%

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