



TM

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Pharmaceuticals

US Prescription Trends: Favorable movement for most names

SECTOR UPDATE

Industry

Pharmaceuticals

Sector recommendations

Company	CMP	TP	Ratings
Sun Pharma	1,142	1,194	HOLD
Zydus Lifesciences	635	640	HOLD
Dr. Reddy's	5,581	5,311	HOLD
Ajanta Pharma	1,738	1,698	HOLD
Cipla	1,257	1,150	HOLD
Indoco Remedies	318	385	BUY
Lupin	1139	899	HOLD
Divi's	3,709	2,681	SELL
Poly Medicure	1,371	1,192	HOLD
Mankind Pharma	1,792	1,433	SELL
Pfizer Ltd	3,848	4,954	BUY

Source: Systematix Institutional Research

Average weekly prescription volume trends for key products in the US suggests the quarter is shaping up quite favorably for Lupin. Sun Pharma is facing challenges in its generic business as volumes of multiple products in their generic portfolio continue to witness pressure. Dr. Reddy is witnessing an improvement in most product categories with a few exceptions. Cipla has not been able to recoup lost volumes in Albuterol, but doing well in other high value assets like Budesonide and diclofenac gel. Newly launched Alopecia brand from Pfizer has started to gain share. Glenmark Ryaltis continues to ramp up speedily. Zydus has started to witness impact of competition in gTrokendi XR, which would only be partially offset by ramp up in gChantix.

Sun Pharma: Weakness in Generic Business but Specialty assets doing well – Sun has witnessed decline in major generics products like gLialda, gPentasa, gSutent and Loteprednol Etabonate.

- **gLialda** - The company has lost about 50% volumes on a QoQ basis in gLialda. Zydus has witnessed 2% volume growth. Lannett which has recently entered the market has started to gain share but is currently miniscule. Lannett is partnered with Sinotherapeutics. Year Till Date Sun has lost almost 80% volumes in gLialda.
- **gPentasa** - Sun Pharma has lost 20% volumes on a QoQ basis in gPentasa. Sun is the sole player, and the decline may be attributable to issues at Mohali facility.
- **Odomzo** - 16% QoQ growth in volumes
- **Winlevi** – The average weekly prescription Volumes of Winelevi are up by 3% QoQ and in line with the exit run rate seen in the previous quarter.
- **Cequa** - A strong 7% QoQ growth in prescription volumes.
- **Loteprednol Etabonate** – Average weekly prescription volumes have dropped 70% and market share is down from 23% to 7%.
- **gSutent** - Sun has lost volumes (lower 20% QoQ), while DRL has grown about 25% QoQ.
- **Bromsite** – Average prescription Volumes are down ~20% QoQ.
- **Absorica and Absorica LD** - The volumes in Absorica and Absorica LD has dipped by ~33% & ~9% respectively.
- **Lubiprostone** - Both Sun Pharm and Dr. Reddy are gaining market share from competitors, Volumes are up ~21% & 32% respectively for Sun Pharma and Dr. Reddy.
- **Recent Launches in Alopecia Aerata** – Eli Lilly and Pfizer have recently launched their respective JAK Inhibitors – Olumiant and Litfulo respectively. Olumiant has been able to expand its prescription base almost four-fold by since it was approved for Alopecia Aerata (June 2022). Olumiant is almost 1.2 year into the market and is doing \$200mn annually from Alopecia. Litfulo launched by Pfizer has also started to garner market share. Litfulo prescription share is around 3%

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in the JAK inhibitor category. Sun pharma has a Phase 3 asset in its pipeline that is expected to be approved for the same indication In CY - 2024

Dr. Reddy's: Improving Market share across most product categories.

- **gCiprodex** – Both Reddy and Sun will benefit from a favourable QoQ growth on account of seasonal benefit in gCiprodex. Sun pharma has grown volumes by 71% QoQ and Dr Reddy has grown Volumes by 45%. Dr. Reddy Market share has expanded from 30% to 36% whereas Sun Pharma's market share has expanded from 2.8% to 4%. Indoco Remedies which does contract manufacturing for Dr. Reddy should also benefit from this favourable trend during the quarter.
- **Metoprolol Succinate** - DRL continues to expand market share in Metoprolol Succinate. Market share has grown from 34.8% to 35.6%.
- **gSuboxone** - Dr. Reddy's has seen a 5% growth in volume. Market share has expanded by 2% (currently ~26%).
- **gVascepa** - The volumes for gVascepa remained flat QoQ.
- **gKuvan** - Dr. Reddy's volumes in Kuvan dropped by almost 90% in Kuvan for both Internal powder and Soluble tablet there by reducing it market share to ~1% only (from ~10% previous quarter's weekly average).
- **gNuvaring** - The company has gained market share of Nuvaring to ~4% owing to sharp increase in volumes by 79%.
- **gLatuda (Lurasidone)** – Dr Reddy and Alkem both have garnered market share of about 15%. The product has recently seen generic competition.

Lupin: gSpiriva is shaping up well and positive momentum in other products too

For Lupin, the quarter earnings will be shaped by gSpiriva, which has put up a decent start. Other limited competition launches are also ramping up well.

- **gSpiriva** - The company is gaining market share in gSpiriva week after week- the average Market share for the quarter was 2.8% and the market share for the latest week ending August 25, 2023, was 6%.
- **gPulmicort** – Lupin witnessed a steep decline in gPulmicort volumes in Q1FY24 and the company has been able to recover a large part of the lost volumes during the quarter. Market share which corrected to 11% has now rebound to 17% QoQ. Likewise, Cipla and Sun Pharma have also gained share. Cipla share has expanded from 25% to 29% and Sun Pharma market share is at 4% as against 1.1% in previous quarter.
- **gAlbuterol** - Company has also expanded its market share in gAlbuterol Inhalant from 15% to 17% during the quarter with a 4% volume increase. Cipla market share remains flat, but volumes have declined 4% owing to a decline in market volumes.
- **gPrezista** - Lupin has garnered 38% market share in the 800mg dose and 12% share in the 600mg dose in gPrezista. The average market share in the previous quarter was 7% and 20% respectively in the 600mg and 800mg dose.

Cipla – Favorable Progress on a QoQ basis.

- **Diclofenac Gel** - The market share of Cipla has risen to 76.5% from ~44% in Diclofenac Sodium Topical gel, this was a result of increase in volumes by 40% QoQ.
- **gBrovana** - Volumes in Brovana for Cipla & Sun remained flattish, while for Lupin it dropped by ~8% QoQ.

Indoco: The volumes in Brinzolamide remained flat with no change in market share either. Indoco should benefit from a favourable demand for gCiprodex during the quarter as it is a contract manufacturer for Dr. Reddy.

Zydus: For Zydus, gChantix is moving favourably, but one of their limited competition assets (gTrokendi XR) should see steep erosion.

- **gChantix** - The company has started gaining volumes in gChantix and has garnered close to 5% market share. Recently Alkem has also received approval for gChantix hence competition is expected to increase.
- **gTrokendi XR**- In gTrokendi XR, due to entry of competition (new entrant- Teva) Zydus has lost 25% Volume on a QoQ basis.
- **Asacol HD** -Zydus has ~99% market share in Asacol Hd, the company has lost 3% volume on a QoQ basis. The volume decline has been consistent owing to shift of patients to alternative mesalamine products owing to price differential.

Glenmark: Ryaltris volumes continue to grow and have registered at 32% growth.

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