

Ajanta Pharma ties up with Biocon to target emerging markets for generic weight loss drug

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Ajanta is betting on its strong ground presence in these markets, increasing demand and assured supply from Biocon to gain significant share overseas. (Mint)

SUMMARY

Ajanta Pharma plans to sell generic semaglutide in 26 countries, in a partnership with Biocon, capitalizing on patent expirations. With a strong foothold in emerging markets and a potential 10x market growth, Ajanta aims to become a leading player in the global GLP-1 market by 2027.

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As drugmakers race to prepare for the launch of the generic version of the blockbuster weight loss drug semaglutide in India in March, Mumbai-based Ajanta Pharma sees a plumper opportunity overseas.

Ajanta, which gets over 40% of its revenue from these markets, has inked an agreement with Biocon to distribute generic semaglutide in 26 countries in Asia and Africa next year, as patents expire. Under the deal, Ajanta will procure the finished product—the semaglutide injectable pen—from Biocon and distribute it under its own brand exclusively in 23 countries and semi-exclusively in the three other countries, the company’s top executive told *Mint* in an interview.

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“It’s a milestone moment for us,” said managing director Yogesh Agrawal. “We all know GLP-1s are doing exceptionally well. The total market for GLP-1s globally is about \$55 billion. Historically, we have not seen any blockbuster product like this,” he said.

GLP-1 (glucagon-like peptide-1) is a naturally occurring hormone produced in the small intestine. Semaglutide is the active ingredient in drugs such as Ozempic and Wegovy, which mimics the hormone to treat type 2 diabetes and obesity. Innovator **Novo Nordisk** is set to lose patent exclusivity of semaglutide in several countries including India in 2026.

“We have a large footprint in the RoW (rest of the world) markets—in Africa, we are one of the largest players. In the Middle East, we have a very strong presence as well as in Central Asia and Southeast Asia,” Agrawal added.

Over a third of the company’s medical representatives—about 2,000 of its 5,600 reps—are based in these markets, giving it a significant stronghold.

“The idea with this tie-up is to join strength with them (Biocon) and take their product to emerging markets where they don’t have a presence,” said Agrawal.

Off-patent opportunity

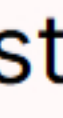
The market for generic semaglutide globally is expected to boom next year. About 40% of the world’s population and an estimated 33% of the world’s adults living with obesity are in countries where semaglutide’s patent expires next year, according to a note by IQVIA, a healthcare data and research company, in August.

The addressable opportunity for Ajanta is huge. Currently, the market for semaglutide, which so far has only sales from innovator Novo Nordisk, is \$35 million-45 million in its 26 targeted countries, according to Ajanta’s estimates. However, the company estimates this could grow 10x in the next 2-3 years as patents expire and cheaper generics are allowed.

Generic pricing in these markets is not expected to be as low as Indian prices, which are expected to drop about 80-90%, according to analyst estimates.

“From an on-ground perspective, the company is well-equipped, given their branded generics strength in both Africa and Asia emerging markets,” said Shrikant Akolkar, a pharma analyst at Nuvama Institutional Equities.

The market is expected to boost margins as well.

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“We do not know the pricing for the drug yet, but what we understand is that the pricing may remain very attractive because the API (active pharmaceutical ingredient) prices and cost of fill-finish required for the drug are low. Additionally, emerging markets have a growing prevalence of obesity, which also remains untreated. Going by that, emerging markets will be a profitable proposition for many companies,” Akolkar said.

Distribution is very important in these markets, said Akolkar, giving the company an edge.

Tight competition

While the market may not be as crowded as India is expected to be, the competition will be tight.

Indian drugmakers including **Dr Reddy’s Laboratories** have indicated plans to launch semaglutide in emerging markets. Sun Pharmaceutical Industries and Dr Reddy’s have already started manufacturing and exporting the drug to non-patent-holding countries in the emerging regions.

Mint reported last week about how manufacturers from Bangladesh, leveraging its least-developed country status under World Trade Organization rules that allow them to reverse-engineer patented drugs, have been exporting semaglutide for over two years.

However, Ajanta is betting on high entry barriers to limit competition.

“The entry value is very high in terms of the device, the dedicated specialized plant and the study investment which you have to do. So, I think only a handful of companies, maybe less than a dozen, would want to take that kind of concentrated bet on the capex and the studies,” said Agrawal.

The company is banking on its salesforce—among the highest for an Indian company overseas—and Biocon’s R&D and manufacturing expertise, to be among the top five players in its targeted markets.

The company will start regulatory filings for these markets in early 2026 and expects gains to start coming in from calendar year 2027. Ajanta is also looking at an India launch and is in talks with a separate partner.