

# Nod for combination inhaler breathes fresh life into Cipla

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The stock of drug major Cipla gained over 5 per cent in trade on Tuesday.

This followed the long-awaited approval for its combination inhaler Seroflo in two European countries — Germany and Sweden.

**₹300-crore market**

Seroflo is the generic version of GlaxoSmithKline's Seretide, used to treat asthma and breathing disorders. The market size of Seretide in Germany and Sweden is expected to be around \$50 million (₹300 crore).

Though the benefit from the launch may not materialise in the near term, it raises hopes about Cipla's approval and launch in

other key markets such as the UK, France and Spain over the next few months.

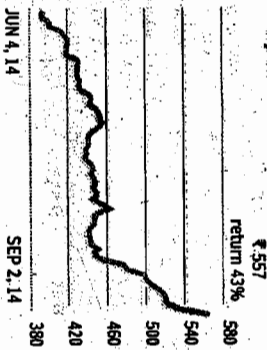
The launch of Seretide in these larger markets will not only boost the company's revenues but also profitability given the healthy margin for inhalers. The potential for Seretide in EU is around \$800 million, while the market size in the UK is over \$350 million.

**10 products**

Cipla has filed for over 10 inhaler products so far in the EU market. This includes the generic version of AstraZenca's Symbicort brand which recorded global sales of \$3.5 billion in 2013.

The EU approval of Teva Pharma's DuoResp Spiromax, which is the generic equivalent of AstraZe-

**cipla**



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neca's inhaler brand Symbicort, in April this year provides confidence about approval of Cipla's generic version of Symbicort. This, when happens, will provide a big leg up to Cipla's revenues and profits.

The company posted revenue growth of over 9 per cent in the June quarter. Due to one-off revenue from sales of Dymista (inhal-

er) during the same period last year, Cipla's net profit declined over 39 per cent to ₹295 crore in the June quarter.

However, a favourable revenue mix driven by strong growth in the home market helped the company improve its operating profit margin by over 3.7 percentage points sequentially to 19.9 per cent.

Company