



US Generics Market

**Indian companies in the US
pharmaceutical market in the
healthy zone**

December 2024



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2 Performance of Indian pharma companies in the US generics market



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ICRA expects healthy revenue growth of 9-11% from the US market for its sample set companies in FY2025, compared to 18% in FY2024.

A high number of patent expiries are expected over the next few years in addition to ongoing drug shortages, resulting in a healthy revenue growth of the sample set from the US market over the medium term.



The US continues to be the largest pharmaceutical market in the world, accounting for around 48% of the global pharmaceutical spending. It has always been a key market for most leading Indian pharmaceutical companies as well, accounting for a sizeable 33-35% share of their revenues.



The US pharmaceutical market continues to witness pricing pressure on account of continued high market share of the three largest pharmaceutical benefit managers (PBMs) in the market. However, these pressures have eased out over the last three-four quarters, to mid-to-high single digit levels during Q2 FY2025 due to increasing drug shortages, thus supporting the revenue growth of generic pharmaceutical companies. The sustainability of the same, however, remains a key monitorable.



Increasing product shortages in the US have supported revenues of generic companies to some extent during FY2024 and FY2025, by way of higher volume growth and better pricing opportunities. Going forward, upcoming patent expirations of ~120 billion over CY2025 to CY2028 are expected to support the revenue growth of generic pharmaceutical companies.



ICRA expects the revenue growth from the US market for its sample set companies to grow by 9-11% YoY in FY2025, a moderation from the 18.3% YoY increase witnessed in FY2024 due to the high base. The sample set witnessed a YoY growth of 12.5% in revenues from the US market in H1 FY2025.



High incidences of warning letters and import alerts by the United States Food & Drug Administration (USFDA) remain a key credit risk. These not only lead to delays in product launches, but also failure in supplying penalties and the incurring of additional costs towards remedial measures, thus impacting revenue growth and profit margins.



Indian pharma companies have taken a host of initiatives to combat various US market-related risks. These include, among others, optimisation of product portfolio, cost saving measures and increased focus on complex molecules including injectables, inhalations, specialty products and biosimilars.

[^]Cumulated for thirteen companies



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