India's GLP-1 Opportunity Lies Upstream

Patent expiries are opening a new chapter in the GLP-1 market. We examine how Indian pharma and CDMO players are positioning themselves to benefit

589M
diabetics worldwide (age 20-79)

156.7M
diabetes patients in India alone

1Bn+
people living with obesity globally

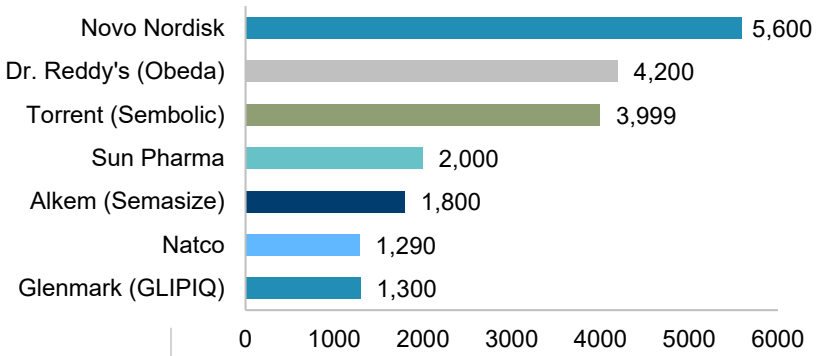
USD 66Bn GLP-1 Market (2025)

USD 185Bn Projected by 2033

95-97% of all diabetes cases are Type 2, the primary target of GLP-1 therapies

Considering the pricing expiry, it creates a pricing pressure on Pharma companies.

Monthly Treatment Cost Comparison (Rs.)



Patent Expiry Catalyst:

- 40+ Indian drugmakers
- 50+ brands launching
- India Market: $240.5mn today→ $1bn by 2030

Semasize, Obesema, Hepaglide
Rs. 1,800/mo | Disposable + reusable pen

Obeda
Rs. 4,200/mo | 1st DCGI generic semaglutide approval

Sembolic, Semalix
Rs. 3,999/mo | Oral + injectable both launched

GLIPIQ
Rs. 325/wk | 'Sankalp' patient support programme

Noveltreat, Sematrinity
Rs. 750-2,000/wk | Obesity + T2D

Semanext, SEMAGLYN
Co-marketing deal | Licensing partnership

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Value chain opportunities & company profiles

Segment	Economics	Competition
API (Peptides)	High margin	Low
CDMO	Very high margin	Low
Formulations	Low margin	High (crowded)
Devices	Medium-high margin	Moderate

As generics flood formulations, **value shifts upstream to API and CDMO players**

Top pick | CDMO + API

Divis Laboratories

- Strong peptide API capabilities
- Export-oriented with ~USD 80M invested
- Early mover advantage
- Suspected strategic partnership with Eli Lilly (per Jefferies)
- +15% revenue, +20% EPS uplift expected
- API volume expansion play as semaglutide generics scale globally

Growth Pick | CDMO + API

Neuland Laboratories

- New peptide facility opening Summer 2026
- USD 30M already secured in client commitments
- Engaged with LIR Life Sciences for transdermal GLP-1 development
- Higher market penetration potential
- API + CDMO capabilities with strong innovation initiatives
- Benefits from next-gen peptide demand

Emerging Pick | Pure CDMO

OneSource Specialty Pharma

- Emerging pure-play CDMO with first-mover approval for generic Ozempic in Saudi Arabia
- Commercialization with Hikma Pharmaceuticals across MENA
- Benefits from rising regional obesity and healthcare spending
- Early-stage platform to capitalize on expanding GLP-1 demand in the Middle East

GLP-1 Adoption & Market Outlook by Region

GLOBAL MARKET BREAKDOWN + ARANCA PHASE VIEW

46%

North America

+ Strong insurance + reimbursement coverage

+ High physician adoption + telehealth integration

— Pricing pressure from generics

— Diabetes segment nearing saturation

28%

Europe

+ Govt-backed healthcare systems

+ Higher oral GLP-1 adoption emerging

— Pricing controls + regulatory variability

— Slower uptake vs US

18%

Asia-Pacific

+ Largest untreated diabetes + obesity pool

+ Strong generic-led expansion potential

— Affordability limits access

— Uneven healthcare infrastructure

8%

Middle East & Africa

+ Rising obesity + diabetes prevalence

+ Private healthcare growth in Gulf

— Cold-chain + distribution gaps

— Limited access + affordability

Injectable 69% dominant in developed markets | **Oral 31%** gaining in Asia-Pacific | Obesity CAGR: **25.3%**

Key Takeaways for Portfolio Managers

ARANCA VIEW

This is a structural multi-year opportunity not a momentum trade. The edge lies upstream.

1. Avoid crowded formulation plays

- With 40+ Indian brands expected to launch GLP-1 products within a narrow window, formulation pricing is likely to become increasingly competitive.
- As differentiation fades, profits will accrue to low-cost manufacturers rather than branded marketers.

2. Go upstream: API and CDMO are the real value pools

- Generic formulations commoditize over time, but peptide API manufacturing and CDMO services remain protected by technical complexity and regulatory barriers.
- This supports higher margins, stronger pricing power, and longer-term earnings visibility.

3. Domestic demand is not the thesis - exports are

- India's domestic GLP-1 market is expected to absorb only a small fraction of production capacity.
- The larger opportunity lies in supplying regulated export markets as generic semaglutide adoption accelerates across Europe, MENA, Asia-Pacific, and eventually the U.S.

4. Watch Neuland for the CDMO re-rating

- Neuland is yet to be valued as a peptide-focused CDMO.
- The new peptide facility, coupled with ~USD 30 mn in secured customer commitments, provides a visible revenue inflection that could support a valuation re-rating over the next 12–18 months.

5. Manage tail risks actively

- Success in peptides depends on regulatory compliance, manufacturing quality, and the ability to win long-term global contracts.
- Companies with established export capabilities and proven execution are better positioned than volume-driven generic manufacturers.

6. The 2026-27 window is the entry point

- Patent expiries will unlock the generic opportunity, but meaningful earnings growth should follow only as capacity utilization and export volumes ramp.
- This creates an opportunity to accumulate quality names before the sector's earnings inflection becomes fully reflected in valuations.

Sources: *Aranca Research, Reuters, Grand View Research, Global Market Statistics*

Connect with our Team

Swadhaa Deb Roy
Senior Analyst,
Investment Research

+91 223937 9999
swadhaa.roy@aranca.com