



## **Piramal expects global sterile sales growing at 10% annually for the next 5 years**

### **Rapid growth in injectables driven by pharm de-risking and biological pipeline, outlined in CPhI annual report**

**14<sup>th</sup> October, 2015:** Piramal Enterprises' Pharma Solutions division, a global leader in contract development and manufacturing (CDMO), has delivered its comprehensive review of the injectables market – both sterile and small molecule – for the next 5 years during its CPhI annual report piece.

The review indicates that the near-term growth prospects are highest across generics, small molecule injectables, and in contract services. **Vivek Sharma, CEO – Pharma Solutions, Piramal Enterprises, commented:** *"We recently acquired Coldstream in Kentucky, USA to enhance our sterile injectables service offering. We expect that over the next few years there will be further acquisitions by both generic and big pharma players as companies look to gain a foothold in the growing sterile injectables space. In particular, we see this access to manufacturing infrastructure as a key driver for future consolidations."*

The United States remains the primary outsourcing destination, particularly for high value and biological formulations. However, in the longer term, it is predicted that lower cost firms in India and China may try to enter with generic injectables. Over the next few years, CMOs focussed on prefilled syringes and those with high potent handling capabilities are expected to be the biggest beneficiaries of market growth.

**Vivek Sharma further added:** *"Outsourcing in the sterile injectable segment is still focused on the US, followed by the European Union. We anticipate this market to continue growing at around 10% annually for the next 5 years, with US remaining the most preferred outsourcing destination."*

Small molecules injectables are likely to expand at a faster rate than steriles – albeit from a lower base – with oncology and anti-infectives representing just over 50% of the total market. In biologics, monoclonal antibodies (mAbs) account for the largest market

share, followed by vaccines and insulin. *"Demand for cutting edge injectable capabilities should grow as ADCs and other high value products dominate the 'potent' development space. Nevertheless, the primary driver behind the growth in injectables is the generic market. Growth in the generic injectables is outpacing growth on the innovator side. By the year 2020, we expect this market to double to circa US \$70 billion"*, added Sharma.

Technology is also a key component in companies' prospects, and drug delivery systems such as Liposomes, PEGylation and Depot Injections will play an important role. The use of these technologies should see a spurt in growth – especially in therapeutic segments that require efficient targeting of drugs.

Overall, conditions remain positive, but there could be challenges for some smaller firms due to high capital and operational costs along with the complex compliance requirements for approval. This potential reduction in competition may also be augmented by consolidation. Finally, Piramal suggests that there may be more collaborative partnerships between larger and newer players, to overcome any in-house technology gaps.

Overall, Sharma remains bullish on global sterile sales and anticipates a significant expansion – around 10% per year – in this market over the next 5-years. He concluded: *"the drivers for growth in outsourcing are primarily a need for big pharma to de-risk its supply chain, using secondary manufacturing sites. Firms that have experience and an attractive track record of taking injectable products through commercialization, will become partners of choice, as clients focus on quality, and on time deliveries."*

**-ENDS-**

#### **About Piramal Enterprises Limited**

Piramal Enterprises Limited (PEL) is one of India's large diversified companies, with a presence in Healthcare, Healthcare Information Management and Financial Services. PEL's consolidated revenues were over \$ 830 million in FY2015, with approx. 70% of revenues from outside India.

In healthcare, PEL is one of the leading players globally in CRAMS (custom research and manufacturing services) as well as in the critical care segment of inhalation and injectable anaesthetics. It also has a strong presence in the OTC segment in India. The Molecular Imaging Division was formed in 2012 with presence in Europe and USA.

PEL's healthcare information management business, Decision Resources Group, is amongst the top 20 US market research organizations which provide information services to the healthcare industry.

In financial services, PEL, through its Piramal Fund Management Division, provides comprehensive financing solutions to real estate companies. The Structured Investment

Group ("SIG") provides long term patient mezzanine growth capital to capital intensive businesses which are integral part of India's growth story. The total funds under management under these businesses are over \$ 2.5 billion. The company also has strategic alliances with top global pension funds like CPPIB Credit Investment Inc. and APG Asset Management. PEL also has long term equity investments worth over \$ 700 million in Shriram Group, a leading financial conglomerate in India.

PEL is listed on the Bombay Stock Exchange and the National Stock Exchange in India.

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