

Top ten generic pharma

1 Teva (Israel)

2010 revenue: \$11.03 billion (+17.1% over 2009)

The leading generic company in the US recorded an operating profit of \$3.88 billion during the fiscal year 2010, an increase of 61% over 2009. Its net profit was \$3.33 billion, an increase of 66.5% over 2009. Based in Tikva, Israel, Teva operates in 60 countries in Europe, Asia, North America and Latin America. It has 40 finished dosage pharmaceutical manufacturing sites in 19 countries, pharmaceutical R&D centres in 18 countries and employs more than 35,000 people worldwide. The total number of prescriptions for Teva products in the US increased to approximately 611 million in 2010 from 599 million in 2009, representing 21.1% of the US's total generic prescriptions.

The impending patent cliff will mean losses for Big Pharma, but gains for their generic competition. GBI Research's **Jay Mehta** profiles the top ten generic pharma companies by 2010 revenue.

3 Mylan (US)

2010 revenue: \$4.99 billion (+7% over 2009)

During the fiscal year 2010, the operating profit of Mylan was \$721.6 million, an increase of 37.9% over 2009. Based in Pennsylvania, US, the company's net profit for 2010 was \$345.1 million, an increase of 48.4% over 2009. Mylan markets over 1,000 products to consumers in more than 150 countries and territories, and employs over 17,000 people. Currently operating in the generics and speciality business segments, the company's subsidiary Matrix Laboratories has direct access to one of the largest active pharmaceutical ingredient manufacturers. In the US generics prescription market, Mylan ranks second in terms of revenue and prescriptions dispensed.

2 Sandoz (Germany)

2010 revenue: \$8.52 billion (+13.7% over 2009)

Headquartered in Holzkirchen, Germany, Sandoz International is a subsidiary of Novartis. It has 23,000 employees in 130 countries, ten global development centres and more than 30 manufacturing sites worldwide. The company's operating profit was \$123 billion during fiscal year 2010, an increase of 18.8% over 2009. Sandoz's major product offerings include biosimilars, injectables, inhalables, patches and complex oral solids. The firm offers over 1,000 molecules to patients across 130 countries. Its top ten revenue-generating products worldwide are enoxaparin, amoxicillin/clavulanic acid, omeprazole, tacrolimus, losartan, fentanyl, lansoprazole, simvastatin, acetylcystein and amlodipine/benazepril.

4 Actavis (Switzerland)

2010 revenue: \$2.52 billion (estimated – Actavis was privatised in 2007 and has not published its latest annual reports)

Actavis operates in over 40 countries in North America, Europe and Asia Pacific, and has a 10,000-strong workforce. Thanks to proactive R&D work and robust product registration, the company, which is based in Zug, Switzerland, has 350 products under development and pending registration, and 830 products available in 60 countries. Its products come in tablet, capsule, injectable, suppository, spray, sterile powder, oral liquid and semi-solid forms. Major therapeutic areas in Actavis's product portfolio include the central nervous system, cardiovascular, oncology, respiratory and dermatologicals.

TOP TEN PHARMA COMPANIES

1. Pfizer: \$67.8 billion
2. Johnson & Johnson: \$61.6 billion
3. Novartis: \$51.6 billion
4. Bayer: \$46.8 billion
5. Merck: \$46 billion
6. F. Hoffmann-La Roche: \$45.6 billion
7. GlaxoSmithKline: \$43.7 billion
8. Sanofi: \$42.7 billion
9. Abbott Laboratories: \$35.2 billion
10. AstraZeneca: \$33.3 billion

Source: Nithiya Dhevi, GBI Research

Jay Mehta

Jay Mehta is a senior analyst in healthcare practice at GBI Research. Prior to joining the company, he completed his MBA in international management from the Management Development Institute in Gurgaon, India.

**5 Hospira (US)**

2010 revenue: \$2.35 billion (+13.3% over 2009)

Hospira's operating profit for the fiscal year 2010 fell to \$482.4 million, a 4.1% drop from 2009. Its net profit was \$357.2 million for 2010, a decrease of 11.6% from 2009. Headquartered in Illinois, US, Hospira has operations across the US, Europe, Latin America and Asia Pacific. The company's generic business is operated through its speciality injectable pharmaceuticals division, which includes approximately 200 generic injectable drugs. Some of Hospira's major generic drug launches in 2010 included docetaxel in Europe, oxaliplatin, piperacillin/tazobactam, gemcitabine and biosimilar erythropoietin Nivestim in the US, and irinotecan and gemcitabine in Japan.

6 Watson (US)

2010 revenue: \$2.27 billion (+38.2% over 2009)

Based in California, US, Watson Pharmaceuticals operates in three businesses: global brands, global generics and distribution. Global generics forms the key business segment, contributing approximately 66% of the total revenue. The company saw a decrease of 20.2% in its operating profit from 2009-10, with a figure of \$304.9 million during the fiscal year 2010. Watson's net profit also fell by 16.9% to \$184.4 million in 2010. The company markets over 170 generic products in the US and 350 in international markets through its global generics business. Some of the key products in its generic portfolio include Wellbutrin SR, DDAVP, Marinol, Duragesic, Nordette, Nicorette and Yasmin.

7 Sanofi (France)

2010 revenue: \$2.04 billion (+41.5% over 2009 – Generics Division)

Although it is renowned as a branded pharmaceutical company, Sanofi also has a strong generics division. It operates its business in two broad categories: pharmaceuticals and vaccines, with generics forming part of the pharmaceuticals division. Sanofi has been aggressive in the generics business, with acquisitions in emerging markets such as Eastern Europe and Brazil. In Europe, Sanofi rebranded all its generics businesses under Zentiva, a Czech Republic-based generics company that was acquired in 2009. In May 2010, the pharma giant established a new joint venture with Nichi-Iko Pharmaceutical, a Japanese generics market leader, to develop its generics business in Japan.

8 Greenstone (US)

2010 revenue: \$1.72 billion (2009 revenue unavailable)

Based in New Jersey, US, Greenstone is a wholly owned subsidiary of Pfizer. The company is involved in the marketing of a broad line of authorised generics in the US. Strong distribution channels and sales support from its parent company ranked Greenstone eighth on our list, despite its large operations being focused only in the US. Major drugs in the company's portfolio include alprazolam, azithromycin, benazepril, donepezil hydrochloride (ODT and tablets), fluconazole, levofloxacin, nifedipine, ondansetron, topiramate and zidovudine, while its recent launches include donepezil HCL, latanoprost ophthalmic solution and exemestane tablets.

9 STADA (Germany)

2010 revenue: \$1.5 billion (0.7% over 2009)

The operating profit of Hesse-based STADA Arzneimittel was \$215.2 million during the fiscal year 2010, a drop of 14.5% from 2009, while its net profit was €68.4 million, a fall of 31.9%. STADA operates its business through two segments: generics and branded products, with the generics division accounting for 69.1% of its total revenue. The top five generic products for the company in terms of sales were omeprazole (\$67 million), simvastatin (\$35.2 million), enalapril (\$30.8 million), diclofenac (\$30.7 million) and phospholipide (\$29.7 million). STADA is highly focused on the European market, which contributes 96.3% of the total revenue of the generics segment.

10 Dr Reddy's (India)

2010 revenue: \$1.16 billion (16.7% over 2009)

Based in Hyderabad, India, Dr Reddy's Laboratories is one of the country's leading pharmaceutical companies and has a strong presence in the global generics market. The firm has subsidiaries in the US, UK, Russia, Germany and Brazil. Dr Reddy's operates through three business segments: pharmaceutical services and active ingredients, global generics and proprietary products. Global generics, which includes branded and unbranded generics, forms the key segment of the Indian manufacturer, contributing 71.4% of the total revenue. The branded generics division has 200 products on the market in areas such as oncology, cardiovascular and dermatology.