

Cipla with partnership plans to enter new therapies in Africa

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Since last two years, Cipla acquired second South African over-the-counter medicine (OTC) manufacturer and distributor company Mirren, for Rs 2.28 billion. The acquisition brings cold, flu and pain relief brands to Cipla. Cipla is the fourth-largest generic drug maker in South Africa.

Africa is the second largest market for the drugmaker after India as it accounted for 22 percent of its consolidated revenue in FY 2018. Also, its Ebitda margin in South Africa is higher than its consolidated margin of 18.6 per cent (FY18).

The company's Africa portfolio includes central nervous system medication, respiratory drugs and HIV drugs in Africa. Acquisition and partnerships would give it access to other growing therapies such as cancer and hypertension.

The company is looking at inorganic growth opportunities to offset delays in product approvals and a decline in institutional tender business.

Kedar Upadhye, Cipla's global chief financial officer said that the drug major is evaluating various opportunities but refused to comment on potential deal sizes and therapies.

Cipla's main focus markets are South Africa, East Africa (Uganda, Kenya, Tanzania). Also, it has a large institutional tender business (called global access) consisting of anti-malarial and HIV drugs.

In Uganda, the company is looking to partner with the government to increase access to cancer treatment for the local population.