

Should the diabetes development road end for Sanofi?



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Sanofi has said goodbye to Lexicon, but after years of failing to keep up with rivals, there is scope for the French drug maker to make more drastic cuts to its diabetes pipeline.

Sanofi's diabetes pipeline keeps getting smaller. Yesterday the French group formally cut its ties with Lexicon Pharmaceuticals, terminating any future involvement in Zynquista. After the SGLT-1/2 inhibitor [failed to offer real differentiation from much more entrenched rivals](#), Sanofi's decision to cut its losses is understandable.

An analysis of the remainder of the French pharma giant's diabetes pipeline, using *EvaluatePharma Vision* data, suggests that this might not be the last project to which Sanofi could bid farewell. In particular, the case for continuing development of epeglenatide looks increasingly hard to justify, as the group's position in the global diabetes market continues to shrink.

Top forecast diabetes drugs in 2024

Product	Company	Pharmacological Class	2018 sales (\$bn)	2024e sales (\$bn)
Trulicity	Eli Lilly	Once weekly GLP 1 agonist	3.20	7.13
Ozempic	Novo Nordisk	Once weekly GLP 1 agonist	0.28	5.28
Semaglutide Oral	Novo Nordisk	oral GLP 1 agonist (filed)	-	3.23
Jardiance	Boehringer Ingelheim/Yuhan	SGLT 2 inhibitor	1.75	3.24
NovoRapid	Novo Nordisk	Insulin	2.97	2.43
Farxiga	AstraZeneca/Ono Pharmaceutical	SGLT 2 inhibitor	1.44	2.59
Tresiba	Novo Nordisk	Insulin	1.27	2.36
Lantus	Sanofi	Insulin	4.21	2.19
Humalog	Eli Lilly	Insulin	3.00	2.02
Tradjenta	Boehringer Ingelheim	DPP IV inhibitor	1.65	1.50

Source: EvaluatePharma.

Sanofi's diminishing status in this world is highlighted by the fact that Lantus only just makes the list of the top 10 biggest selling diabetes drugs in 2024. Sales of Sanofi's crown jewel are forecast to fall by 10% annually, hit by biosimilars and falling prices.

The group's second biggest diabetes product, Toujeo, is only forecast to grow by 3% a year, and its sales contribution will not even touch the sides of the hole left by Lantus. The company's other innovative efforts, via deals with Lexicon and Zealand Pharma, from which it licensed Adlyxin, have been left in the dust by rivals.

Sanofi's remaining big effort here is efpeglenatide, a once-weekly GLP 1 agonist licensed from Hanmi. This is currently the subject of five phase III trials, including one large outcomes study.

Sanofi's diabetes offerings

Product	Pharmacological Class	2018 sales (\$m)	2024e sales (\$m)
Lantus	Insulin	4,211	2,187
Toujeo	Insulin	992	1,195
Admelog	Insulin	110	687
Amaryl	Sulphonylurea	396	418
Apidra	Insulin	422	380
Zynquista	SGLT 1/2 inhibitor	-	331
Soliqua 100/33	GLP 1 agonist & insulin	86	231
Adlyxin	GLP 1 agonist	66	128
Efpeglenatide	GLP 1 agonist		91
Insuman	Insulin	107	80

Source: EvaluatePharma

In a world where Eli Lilly and Novo Nordisk are predicted to dominate with their already launched once-weekly GLP 1 agonists, Sanofi's pitch to stay in the race is a bold head-to-head trial against Lilly's Trulicity. This is the [900-patient Amplitude D trial](#), slated to yield results in early 2021.

Given Trulicity's dominance, efpeglenatide will have to come up with some pretty convincing numbers to steal sales from the Eli Lilly drug. The cardiovascular outcomes trial, [Amplitude O](#), will only read out at the end of 2021; again Sanofi is behind its rivals.

The question thus becomes: is the cost of pursuing efpeglenatide in type 2 diabetes worth it?

Counting the cost

According to *EvaluatePharma Vision* estimates, the efpeglenatide programme could cost Sanofi just over \$1bn. Over half has already been spent, but according to Evaluate's calculations the clinical trials will cost the company a further \$580m.

The Lexicon write-off shows that Sanofi is prepared to draw a line under investments. Could the same happen here?

It might also be worth remembering that efpeglenatide was originally a Hanmi drug. While the past performance is not always a guide to future performance, [Hanmi does not have a stellar record](#) in delivering for companies that have licensed its products.

Perhaps Sanofi's real hopes for efpeglenatide are in obesity. But the company's new chief executive, Paul Hudson, must be taking a long, hard look at the rationale for investing hundreds of millions more dollars into a product which stands little chance of being either better or different.

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