

Sanofi slumps as stagnation and litigation collide



Amy Brown

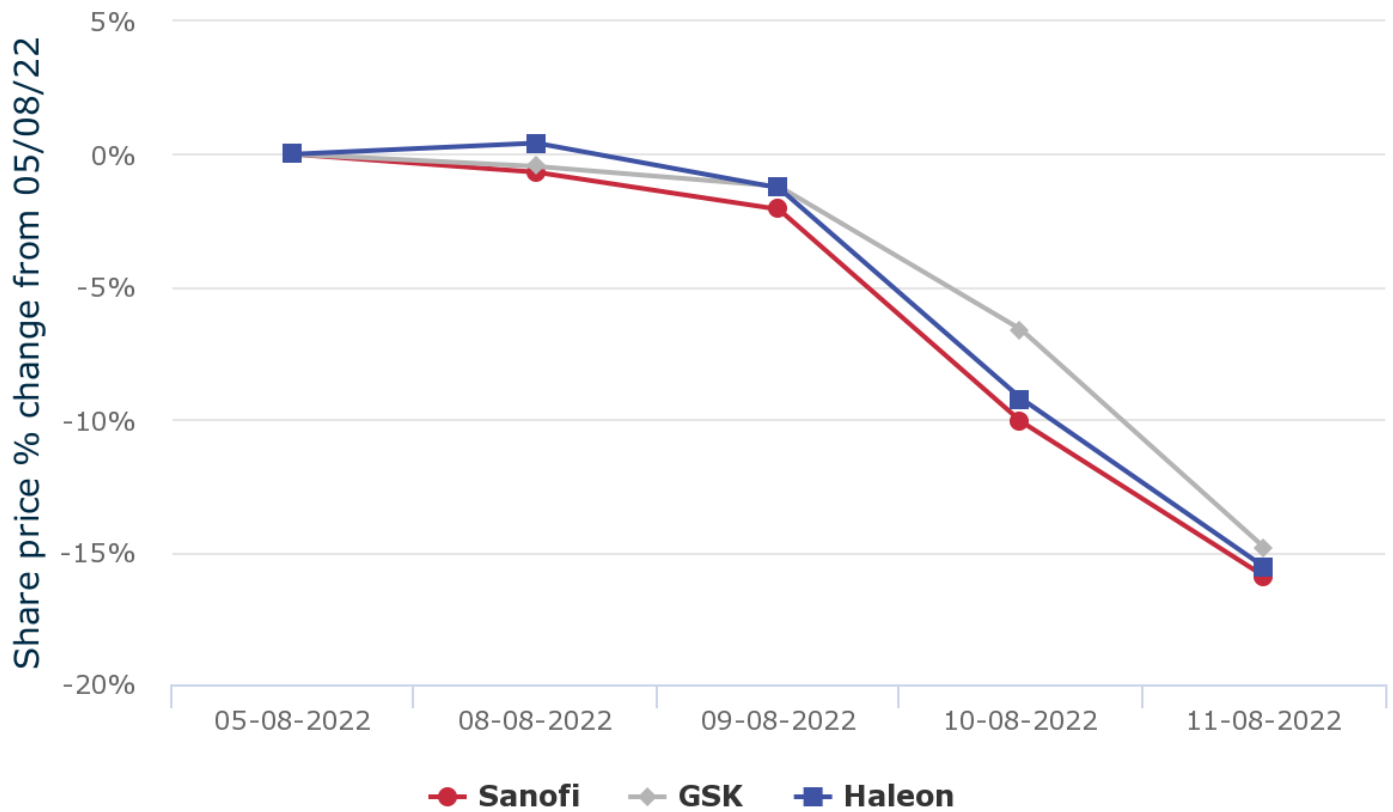
Sanofi's terrible week started with news of a global recruitment pause on tolebrutinib, the group's BTK inhibitor that is mired in [liver injury concerns](#). The project is for now Sanofi's most valuable pipeline asset, according to *Evaluate Pharma*, although forecasts are under threat. Analysts at UBS this week halved their tolebrutinib peak sales estimate to €1bn, citing the liver toxicity issue, and raised serious concerns about the company's lack of growth. The note also flagged approaching Zantac litigation court cases – the drug was withdrawn in 2019 on a link with cancer – an issue to which the market seems to have just woken up. Zantac rights were passed around over the years, and the numerous companies involved are already fighting among themselves, seeking indemnification from losses. Morgan Stanley says damages could reach \$45bn. Sanofi, Haleon and GSK are bearing the brunt of the concerns, but investors appear to be fearing the worst for all associated. All of which could not have come at a worse time for Sanofi, which looks like ending the week nursing a drastic valuation slump: its shares hit an 18-month low today and are down 16% since Monday.

Causing heartburn: tracing potential Zantac liability

1981	Glaxo (legacy company) wins first approval for prescription Zantac, which goes on to become the world's biggest-selling drug (\$3.7bn peak sales in 1994)
1993	As Zantac patents start to expire, Glaxo and Warner Lambert form a joint venture to develop an OTC product
1995-1998	OTC Zantac is launched and marketed by the Glaxo-Warner Lambert joint venture
1998	JV terminated, Warner Lambert retains full rights
2000	Warner Lambert is acquired by Pfizer
2006	Johnson & Johnson buys Pfizer's OTC business; Zantac OTC rights sold to Boehringer Ingelheim to satisfy antitrust
2017	BI sells consumer health business to Sanofi, including OTC Zantac, as part of animal health asset swap
2018	Concerns emerge about NDMA levels in drugs containing ranitidine, Zantac's active ingredient
2019	Sanofi voluntarily withdraws ranitidine-containing Zantac from the market

Source: company statements & [Haleon F1 document](#).

Zantac-related share price losses



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Evaluate HQ
[44-\(0\)20-7377-0800](tel:44-020-7377-0800)

Evaluate Americas
[+1-617-573-9450](tel:+1-617-573-9450)

Evaluate APAC
[+81-\(0\)80-1164-4754](tel:+81-080-1164-4754)

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