# GSK Shares Plunge 10% After Delaware Court Ruling on Zantac Lawsuits



GSK shares fell nearly 10% on Monday following a Delaware court ruling permitting US jury trials for over 70,000 lawsuits concerning its heartburn medication, Zantac. Judge Vivian Medinilla ruled that plaintiffs’ scientific evidence linking their cancers to N-nitrosodimethylamine (NDMA), a probable human carcinogen found in Zantac, is admissible, allowing cases to proceed to trial.

Zantac, initially approved by GSK in 1983, became the first pharmaceutical drug to generate over $1 billion in revenue. The rights to sell Zantac were later acquired by Pfizer, Boehringer Ingelheim, and Sanofi after GSK's patent expired. Concerns over NDMA contamination have significantly impacted GSK’s share price since mid-2022, with potential litigation costs estimated to reach $45 billion.

GSK and the other companies that marketed Zantac dispute the claims. GSK announced plans to appeal the Delaware ruling, maintaining that scientific consensus does not support claims that ranitidine, Zantac's active ingredient, increases cancer risk. The ruling does not endorse the plaintiffs’ allegations but allows jury trials to proceed. Shares of Sanofi also dropped by 2% following the judgment.

The Delaware ruling contrasts with a 2022 Florida federal court decision that dismissed similar claims on the grounds of unreliable scientific methodologies. Citi analyst Peter Verdult estimates GSK's potential settlement costs at around $3 billion. The company plans to defend its position vigorously, while also seeking an immediate appeal to the Delaware Supreme Court.