Global Generics & Biosimilars AWARDS 2018

Powered by Generics bulletin and Pink Sheet
In hosting the **Global Generics & Biosimilars Awards 2018**, in conjunction with IQVIA, Generics bulletin was able to celebrate the outstanding progress that both teams and individuals achieved in providing greater healthcare access through generic, biosimilar and value-added medicines.

The vibrant progress made was evident not only from the quality and record number of entries we received for the fifth GGB awards, including the ones showcased within this eBook, but also from the record number of over 300 leading industry figures who attended the Awards’ cocktail reception and presentation held on 9 October in Madrid, Spain. You can view photos and details of the awards at [https://pharmaintelligence.informa.com/events/awards/global-generics-and-biosimilars-awards](https://pharmaintelligence.informa.com/events/awards/global-generics-and-biosimilars-awards).

Thank you to all who entered, and for your commitment to advancing access to affordable medicines. Given the record number of entries this year, being included among the shortlist of four nominations for each of our 13 Awards was a huge commendation in itself.

Awards handed out at the fifth GGB Awards recognized: the leaders who take difficult decisions on when and where to invest; the deal-makers who form smart alliances and make the acquisitions needed to provide scale and skills; the formulators and regulatory experts who bring innovative options to physicians and patients; and the industry partners, including API suppliers, who make that possible. Importantly, the Awards also rewarded the efforts these industries make to deliver on their responsibility to improve access to medicines in the less affluent parts of the world.

Many of these achievements in bringing affordable, accessible generic, biosimilar and value-added medicines to patients around the world have been documented over the past 12 months or so in Generics bulletin. Please enjoy the selection of recent articles chosen by the Generics bulletin team to reflect the wide array of industry activities and the breadth of our editorial coverage.

**Aidan Fry**  
Executive Editor, Generics bulletin  
Informa Pharma Intelligence
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The Global Generics & Biosimilars Awards 2018 were presented by Generics bulletin in association with IQVIA at the Palacio Municipal de Congresos, Madrid on 9 October 2018.

We’d like to take this opportunity to thank everyone who entered and congratulations to the winners.
THE 2018 GLOBAL GENERICS BULLETIN AWARDS WINNERS

COMPANY OF THE YEAR SPONSORED BY IQVIA
Accord Healthcare

COMPANY OF THE YEAR, AMERICAS SPONSORED BY MASTERS
Amneal

COMPANY OF THE YEAR, ASIA-PACIFIC SPONSORED BY GENERICS BULLETIN
Intas/Accord

COMPANY OF THE YEAR, EMEA SPONSORED BY PANACEA
Stada

API SUPPLIER OF THE YEAR SPONSORED BY IQVIA
Laurus Labs

BIOSIMILAR INITIATIVE OF THE YEAR SPONSORED BY SANACLIS
Accord Healthcare

ACQUISITION OF THE YEAR SPONSORED BY PHARMAWISE
Aurobindo

LEADER OF THE YEAR SPONSORED BY PHARMACLOUD
Alvogen

INDUSTRY PARTNER OF THE YEAR SPONSORED BY TEVA TAPI
Piramal Pharma Solutions

INNOVATION OF THE YEAR SPONSORED BY PIRAMAL
Chemo Group

BUSINESS DEVELOPMENT OF THE YEAR SPONSORED BY WEST PHARMA
mAbxience

REGULATORY ACHIEVEMENT OF THE YEAR SPONSORED BY MABXIENCE
Mylan

CORPORATE SOCIAL RESPONSIBILITY (CSR) OF THE YEAR SPONSORED BY IHP
Dr. Reddy’s
Accord Healthcare is one of the fastest growing generic and biosimilar pharmaceutical companies in EMENA. Accord is committed to provide high-quality and affordable medicines to patients.

- Operates in over **85 countries** worldwide
- Pan-European footprint in over **45 countries**
- Over **8,500 products** currently marketed across Europe
- Over **4,000 product launches** planned in the next three years
- Actively developing **over 80 new generic INNs** and around **50 new Added Value Products**
- Deliver a consistent supply of life-saving medicine to **93% of the EU patients**

*Accord provides access to 93% of the European population with over 30 oncology therapies*
We are honoured to be awarded Company of the Year and the Biosimilar Initiative of the Year, by the Global Generic and Biosimilar awards. With so many impressive nominees, we are very proud to receive such an endorsement.

Our journey at Accord Europe started only around 10 years ago and we now reach over 95% of European patients with a comprehensive offering of vital medicines. The fight against cancer has always been a key focus and The Biosimilar Initiative of the Year award for our work in this therapeutic area is particularly close to our hearts. The recognition will be appreciated by our dedicated teams who strive every day to improve outcomes for oncology patients. This would not be possible without our fantastic workforce around the world, whose passion and commitment make Accord the company we are today.

Our objective is to transform patient lives by improving access to high-quality affordable medicines and these awards are testament to our continued dedication to deliver on the promise of our mission.

We have an exciting year ahead and look forward to celebrating further successes!
Accord Acts Differently To Plot A Path Towards Further Growth

By Aidan Fry

Just over 10 years ago, privately owned Indian pharma company Intas made its first sale in Europe under the Accord brand. A decade on, Accord Healthcare is one the continent’s largest and fastest-growing generics and biosimilars players, with an annual turnover in its Europe, Middle East and North Africa (EMENA) region of over half a billion euros. And in that decade, Accord has filed more than 10,000 individual marketing authorisation applications (MAAs) in Europe, around 9,500 of which have already been approved.

That rapid EMENA expansion, coupled with the growth of the Accord brand in North America, emerging markets and the Indian group’s progress in its domestic market, has seen Intas more than double its group turnover in its past four financial years, notably having increased sales by 30% to Rs109 billion (US$1.49 billion) in the 12 months ended March 2018 (see Figure 1).

Speaking exclusively to Generics bulletin, Accord’s EMENA head, James Burt, noted that this was a long way from Accord’s first trading year in Europe which contributed only around £10,000 (US$13,000) to the group’s turnover.

“Back when I joined the company in 2010, it really felt like a start-up with around 35 staff in the Europe region,” Burt recalled. “Today, we have over 1,300 employees, and we are keen to attract further talent to our appealing story. Our compound annual growth rate (CAGR) since I joined is over 50% on the top line, and we are still looking to grow,” Burt stated. Following its £603 million acquisition of Actavis’ operations in the UK and Ireland at the start of 2017, Accord posted EMENA growth of about 70% in its most recent financial year, and is targeting a further 20% rise in its current year.

From its humble beginnings in the UK, Accord has rapidly expanded its reach, such that its own commercial platform now serves around 93% of patients within the European Union (EU), while the other 7% are covered by local distribution partners. And to capitalise on that sales and marketing platform, as well as its regulatory, quality and supply-chain expertise, the company positions itself as a ‘one-stop-shop’ for companies in regions such as North America and Asia that are developing generics, added-value products (AVPs), biosimilars, and even new chemical entities (NCEs) looking to access European patients. “We are getting a lot of traction, because developers see us as a route to service half a billion people in some of the wealthiest markets in the world,” Burt asserted.

Building from its starting point in oncology injectables, Burt explained, Accord has been pursuing a “trifecta strategy”. Firstly, he said, the firm had used a “total oncology” concept – developing and launching a comprehensive cancer-care portfolio that enabled it to drive efficiencies of scale – as a “spear-tip” from which to become a broader hospital injectables player in therapeutic classes such as anti-infectives. “We built up both a strong pipeline and platform, and we kept feeding the beast,” he remarked.

Secondly, Accord then moved into retail generics markets, concentrating first on low-barrier and tender-driven markets. “Over time,” Burt pointed out, “we have built out and are increasingly adding fieldforces for branded generics markets, learning skills such as clinical detailing and medical marketing.” In total, he said, Accord now offered around 600 different international nonproprietary names (INNs) in selected European markets, with between 50 and 70 more scheduled for rolling out each year. “In the three years starting from 1 April 2018,” he revealed, “we have 4,000 stock-keeping units (SKUs) planned for launch.”

The push into more brand-driven markets is informing the third pillar of Accord’s trifecta strategy, a push into AVPs, including biosimilars and, eventually, novel NCEs. And the company has just achieved a major milestone in this area by launching its first-to-market Pelgraz (pegfilgrastim) biosimilar in Europe immediately upon receipt of a marketing authorisation from the European Commission.
Pelgraz, Burt highlighted, was “the first time an Indian firm has commercialised a first-to-market, in-house developed biosimilar in Europe”. “It puts us in a very select group of companies that have developed, manufactured and commercialised a first-to-market biosimilar.”

As it builds out its specialty AVP and biosimilars offering, Burt is keen to ensure that Accord does not try to chase every opportunity. “We are not going to go and do every biosimilar, but rather focus on our core areas of strength,” he stated. “We are trying to focus on categories where we have credible lead candidates and novel developments.”

Playing in the OTC arena was, he believed, “OK as a tactic, but not as a strategy” given the need for mass-market advertising to build consumer healthcare brands. “It is all down to Ricardo’s theory of comparative advantage,” he said. “Do what you are relatively best at.”

To that end, Accord is focusing on five core therapeutic categories: oncology; autoimmune diseases, such as rheumatoid arthritis; critical care; central nervous system (CNS); and fertility. However, Burt clarified, the company’s country management teams were permitted a significant degree of latitude to identify local opportunities, such as building a differentiated transplantation offering in Poland. Similarly, he noted, while Accord did not regard pain-management as a core therapeutic franchise, analgesics could fit well with both its oncology and autoimmune disease portfolios.

“We like to give a fair degree of autonomy to the country management, and say ‘pick from this buffet to suit your market’,“ Burt explained. “But let’s try to stay on the buffet menu and not go à la carte!”

“We give employees much more scope and progression within Accord than in more traditional pharma companies,” he claimed, adding that the whole team shared dedication to “push forward and not to be satisfied”.

In the oncology franchise, the recent market launch of Pelgraz builds not only on Accord’s previous success with its short-acting granulocyte colony stimulating factor (GCSF), Accofil (filgrastim), but also on the roster of around 35 cancer molecules that the firm currently has on the market. Accord expects that figure to increase to around 40 by the end of this year, and then to 50 within the next 18 to 24 months.

Paul Tredwell, Accord’s vice president of Specialty Brands, pointed out that the firm currently averaged market share of about a third for the oncology molecules that it had marketed in Europe. “We are already quite well known in the oncology space, but perhaps less so by oncology physicians,” he recognised.

Independent research commissioned by the company found that, among hospital pharmacists in France, Spain and the UK, Accord was the most spontaneously recalled name of companies offering hospital generics. The company is now investing in building stronger relationships

Figure 1: Intas has recorded rapid growth in both turnover and profits before interest, tax and depreciation in its financial years ended 31 March 2014 to 2018

<table>
<thead>
<tr>
<th>Year</th>
<th>Turnover (Rs billions)</th>
<th>Profit before interest, depreciation and tax (Rs billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>42.1</td>
<td>8.7</td>
</tr>
<tr>
<td>2015</td>
<td>51.5</td>
<td>9.9</td>
</tr>
<tr>
<td>2016</td>
<td>65.3</td>
<td>14.2</td>
</tr>
<tr>
<td>2017</td>
<td>84.0</td>
<td>17.7</td>
</tr>
<tr>
<td>2018</td>
<td>108.9</td>
<td>24.6</td>
</tr>
</tbody>
</table>

Source – Intas
with the medical oncology community, with a sizeable number of around 400 in its commercial operations.

Describing Pelgraz as “a gateway product” to the company’s pipeline of differentiated drugs, such as its proprietary liposomal products, Tredwell said the firm expected to launch Pelgraz “across all major territories within six months of approval”. While the timing of the roll-out in individual countries would depend largely on local pricing and reimbursement clearance, he insisted that supply constraints would not be a problem. “The launch stock is made and everything is ready,” he stated.

The Intas group already has significant fermentation capacity at its long-established biologics plant in Moraiya, the first biopharmaceuticals plant in India to obtain good manufacturing practice (GMP) approval from the European Medicines Agency (EMA). To support its extensive biosimilar product pipeline, the firm is currently installing thousands of additional litres to become one of the largest domestic manufacturers of therapeutic recombinant proteins.

“We have already planned in extra capacity for the Pelgraz launch,” he continued, revealing that extra capacity was coming online in the near future. With Neupeg/Pegasta (pegfilgrastim) already on the market in India, and Accofil well established in Europe with a 20% market share despite having been sixth to market, Accord would, he said, be able to maximise yields and realise economies of scale. “We have built experience and supply-chain reliability by launching in less regulated markets ahead of Europe,” he noted.

Speaking to Generics bulletin shortly before three other companies – Cinfa, Mylan and Sandoz – received positive opinions from the committee for human medicinal products (CHMP) within the European Medicines Agency (EMA) for pegfilgrastim (Generics bulletin, 28 September 2018, page 15), Tredwell forecasted that pegfilgrastim would be “a very competitive market” in Europe. The company’s sales and marketing team was well prepared to make best use of Accord’s first-mover advantage, he insisted, pointing out how the firm had used differentiating utility features such as a longer shelf life out of the fridge to gain share for Accofil despite having entered a crowded arena. Accofil, he added, had an immaculate safety record.

Tredwell – who joined Accord at the start of this year, having previously spent more than four years leading Sandoz’ fledgling Biopharmaceuticals business in the UK – argued that pegfilgrastim conferred a distinct patient advantage over standard filgrastim. “There is much less chance of administration errors which could lead to the delay of a chemotherapy cycle,” he claimed.

While competition would inevitably drive down pegfilgrastim prices, the market was poised to expand, especially as large countries such as the UK did not currently reimburse the drug. “As time goes on, we might see a rebalancing between short-acting and long-acting GCSF,” he predicted. “Offering both versions will be an advantage.”

Uptake would vary by local market dynamics, with some countries favouring tender models, and others like France and Germany tending more towards retail sales. Through its heritage in both tender-driven hospital and retail pharmacy markets, Accord was well placed to compete on all commercial fronts.

To augment its in-house biosimilars pipeline, the group recently struck a deal with China’s Shanghai Henlius

Figure 2: The number of biosimilar development candidates at Phase III clinical stage or beyond that leading companies have in their global pipelines

<table>
<thead>
<tr>
<th>Manufacturer</th>
<th>Phase III To Approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliance Life Sciences</td>
<td>14</td>
</tr>
<tr>
<td>Intas Biopharm.</td>
<td>11</td>
</tr>
<tr>
<td>Biocon</td>
<td>9</td>
</tr>
<tr>
<td>Pfizer</td>
<td>7</td>
</tr>
<tr>
<td>Sandoz</td>
<td>7</td>
</tr>
<tr>
<td>Zydus Cadila</td>
<td>7</td>
</tr>
<tr>
<td>Samsung Bioepis</td>
<td>6</td>
</tr>
<tr>
<td>Biocad</td>
<td>6</td>
</tr>
<tr>
<td>Biosidus S.A.</td>
<td>5</td>
</tr>
<tr>
<td>Dr. Reddy’s Lab.</td>
<td>5</td>
</tr>
<tr>
<td>Shanghai CP</td>
<td>5</td>
</tr>
<tr>
<td>Amgen</td>
<td>5</td>
</tr>
<tr>
<td>Lupin</td>
<td>5</td>
</tr>
<tr>
<td>AryoGen Pharmmed</td>
<td>4</td>
</tr>
<tr>
<td>Dong-A Pharm.</td>
<td>4</td>
</tr>
<tr>
<td>NanoGen</td>
<td>4</td>
</tr>
<tr>
<td>Amega Biotech</td>
<td>4</td>
</tr>
<tr>
<td>Wockhardt</td>
<td>4</td>
</tr>
<tr>
<td>LG Life Sciences</td>
<td>4</td>
</tr>
<tr>
<td>Others</td>
<td>128</td>
</tr>
</tbody>
</table>

Source – Iqvia
Biotech for another monoclonal antibody, trastuzumab, in more than 70 countries around the world (Generics bulletin, 6 July 2018, page 1). Burt noted how licensing deals could offer synergies to maximise the efficiency of Accord’s sales and marketing network.

Tredwell highlighted recent IQVIA research that suggested that, with 11 biosimilars in its global pipeline at Phase III clinical stage or beyond, Intas was well ahead of almost all its peers (see Figure 2). “Most people had no idea we would be that big a player,” he remarked.

The advent of biosimilar competition, Tredwell observed, had spurred investment into improved formulations, delivery devices and patient packages. “I think product enhancements will resonate as well with pegfilgratim,” he predicted, adding that this tallied with Accord’s mantra to “think differently” and to innovate rather than replicate. “Just because an originator stopped investing in a molecule, that does not mean we cannot bring better stability, presentations and packaging.”

“As a company, we are aligned at looking for niche areas where we can add patient value and a differentiating factor,” Tredwell continued. “And while we might not always be first into a market, we aim to be last out – to be the last man standing is a key goal for us.”

Tredwell stressed that biosimilars should not be viewed in isolation, but rather as a key element of Accord’s drive into speciality, added-value products. “We do not have a biosimilars division,” he pointed out. Rather, biosimilars form part of a broader offering that ranges within the firm’s core therapeutic franchises from generics, through AVPs or ‘supergenerics’ to novel drugs. “In this way,” he explained, “when we send a sales team out, we can maximise efficiencies. And if somebody offers us a product as a partner, we can add that to the basket without a huge incremental cost to our commercial platform.”

“Our strategy is a franchise and AVP roll-out, not solely a biosimilars play,” Tredwell clarified.

While adding value to biosimilars through utility features is a key element of the AVP strategy, Accord is applying similar principles to its small-molecule portfolio as it seeks to add value for both patients and healthcare professionals.

As an example, Tredwell cited the methotrexate self-dose auto-injector device that Accord recently launched in the UK as a lead market within Europe. Noting that this built upon the market position that the company had already established in Europe for the rheumatoid arthritis drug with its pre-filled syringes, he said the unique device included a large bulb that was easy for arthritis patients to hold, with a smooth, hidden needle application. The device, he added, was designed such that it fitted onto the leg without wobbling, enabling the patient to control the whole process of delivering the dose.

“If you look at the way that methotrexate market is moving, the auto-injector or pen device is taking more share across Europe. We have invested a lot of time and effort in the device, testing it in human-factor studies which demonstrated how patients highly rated its ease of administration,” Tredwell elucidated.

“The device was designed specifically for the arthritis patient group, but that does not mean we cannot use the device in other disease areas as we move forward through our launch portfolio,” Tredwell remarked. Offering patient benefits without driving up prices substantially was core to Accord’s AVP strategy, he said, noting that this could include improvements not only to drug delivery, but also to drug formulation and routes of administration.

Commenting on whether companies could reap any economic reward for such patient-friendly innovations, Burt hailed the health-economic studies being undertaken by industry association Medicines for Europe. In the case of methotrexate, he pointed out, improving patient compliance by spending a few euros on an effective device could save thousands by deferring the use of far more expensive treatments.

Supported by Intas’ vast team of developers in India, Accord currently has a pipeline of around 35 AVPs slated for launch over the next seven years.

“It is all about thinking differently around how to solve the problem, not has it been done before and then copy it. As an industry, we have to get away from that vanilla generic attitude,” Burt contended. He noted that the industry had, historically, been so concerned about being perceived as different to the reference brand that it had failed to explain why its products represented improvements, thereby exposing companies purely to competition on price. “Something as simple as a smaller pack taking up less fridge space should be reflected in the price and value of a product,” he argued.
As it rolls out this extensive pipeline in the EMENA region, Accord is balancing large-scale efficient manufacturing with an ability to react rapidly to market requirements. The group is now shipping “a significant number of products” to Europe from its solid-dose facility in Dehradun, India, that was recently approved by the UK’s Medicines and Healthcare products Regulatory Agency (MHRA), while it is also building a “state-of-the-art facility” in a special economic zone (SEZ) in Ahmedabad, India.

Within Europe, Accord has complemented its highly-efficient former Actavis facility in Barnstaple, UK, by renovating and equipping an ex-Sanofi site in Fawdon near Newcastle, UK, that already employs more than 100 people and is ramping up towards an annual production and packing capacity of up to 5-6 billion units, becoming “a centre of excellence for European late-stage differentiation”. The Barnstaple plant is also supporting Accord’s growing presence in the Middle East, where the company now has around 60 granted marketing authorisations.

“We are effectively doubling capacity within the space of a year,” Burt observed. “And that is really going against the direction of travel in the industry as other companies cut capacity and portfolios.”

With the company also constructing a large-scale warehousing and logistics centre in Didcot, Oxfordshire, Burt acknowledged that Accord was unusual in investing in infrastructure not only in Europe, but also in the UK with the country’s ‘Brexit’ departure from the European Union (EU) looming. The aim, he explained, was to balance the cost effectiveness of large-scale production in India for large, stable volumes whilst being able to react quickly and locally to shifts in demand in Europe.

Burt said he believed it was in the interests of all stakeholders for the UK to reach a regulatory agreement with EU bodies, especially given the prevailing trend towards international alignment of standards. However, he said, Accord had made contingency plans, including bolstering its own network of test-and-release laboratories in Europe and identifying a small number of strategic partners to support batch release.

And at the same time that the firm was preparing from any Brexit fallout, it was also working hard on issues such as artwork variations and installing printers so as to be ready ahead of time for the EU’s implementation deadline for the Falsified Medicines Directive in February next year.

With Accord confident that its pipeline will deliver solid growth for the foreseeable future, Burt said Accord continued to be very selective in the acquisitions it considered and was only looking to deals that fitted with its core strategy, particularly for AVPs. “We are still looking, but we have learned lessons from others over-paying,” he commented. With private-equity investors often looking to healthcare as a relatively secure home for investments, he queried whether some of the valuations being made currently were sustainable.

However, he said Accord’s own ‘Argentum’ acquisition of Actavis’ UK and Ireland operations had been a game-changer, making the company the leading generics player in the UK and giving the company scale to leverage across Europe. “It has certainly positively affected our relationships with key integrated healthcare companies,” Burt stated.

Acknowledging that Accord had previously operated “slightly in stealth mode”, Burt said the privately-owned firm was starting to tell its story more openly. “At the company, we feel strongly that our best is yet to come and that we are delivering on our commitment to improve access to high-quality, affordable medicines and delivering innovation by thinking differently,” he concluded.
Making Benefits Feel Personal

By Aidan Fry

Given the truly global nature of the biosimilars industry, it should not be surprising to hear ardent advocacy for market access and uptake delivered with an American accent. And Erin Federman is certainly passionate in her determination to address not only the practical, but also the emotional barriers, to providing patients with safe, affordable biological medicines.

Speaking to Generics bulletin editor Aidan Fry a few months into her role as chair of the market access committee for the Biosimilar Medicines Group within Medicines for Europe, Federman outlined her mission to communicate the benefits of biosimilar competition on a human, tangible scale. “I am passionate about humanising this issue,” she explained. “We say the words ‘patients’ and ‘access’ a lot,” Federman observed. “But I don’t think anyone is really explaining ‘I am going to prescribe you a biosimilar, now here is a leaflet with infographics explaining what it is’. Now let me tell you what that means. See that nurse out there that helped you, I could hire her because you are on this type of drug. The 12 calls you made to the support line is because of this.”

Putting benefits in tangible terms – such as creating the financial headroom to provide innovative adjacent treatments, particularly in oncology – was a role not just for industry, she suggested, but also for the media and other stakeholders. And as a key means to deliver key messages, infographics were ideal for conveying complex concepts effectively. “That is where a group like Medicines for Europe that sits above national organisations can really add value, because it is an industry-and country-agnostic view to facilitate a difficult conversation,” she maintained.

Gains must be transparent
Federman – who is also vice-president, commercial head of biologics, EU for Mylan – highlights the need for transparency for both healthcare professionals and patients around where savings from competition are being directed, and who is benefitting from concepts such as gainsharing. “The UK is doing a really good job of showing where savings are being reinvested, but in other countries it is completely opaque,” she asserted.

Effective communication and education are among the key priorities for the Biosimilar Medicines Group’s market access committee, along with moving the conversation around biosimilars beyond ‘savings’ to ‘value and affordability’. “Sustainability is a word that gets passed around a lot, but if we can’t come to some sort of solution, in five years from now, there won’t be an industry, or it will be so commoditised that no stakeholder will be happy,” she warned.

Beyond addressing access issues on both the supply and demand side at the patient, pharmacy, hospital, physician or payer level, the Medicines for Europe committee is also advocating for efficient, quick and clear regulatory processes. Pledging to address misinformation by reference-brand companies “in a way that is positive, proactive and clear”, Federman described a phrase often repeated by originator-funded groups – ‘non-medical switching’ – as “a clever way to reframe a pretty simple conversation”.

Acknowledging that prescribers’ input on switching could be invaluable for several conditions, she forecasted that physicians would increasingly trust regulatory science

“We need to remind payers that if you keep pushing, you will force players out of the market”

Erin Federman
Aurobindo Pharma is one of the leading global generic drug companies

- Over USD $2.5bn in current revenues
- Pro forma annualised revenue of ~ USD $3.5bn post completion of Sandoz and Apotex acquisitions
- Present in 31 countries with exports to more than 150 markets
- Employee strength of over 20,000 people worldwide
- European footprint across 11 countries including top 5 EU economies
- Dedicated testing facility in Malta, one of the largest in Europe
- Dedicated, cutting-edge global R&D centres for diverse technology platforms and APIs
- Large and diversified product portfolio
- Product pipeline enhanced through strategic partnering
- Over 25 technologically advanced manufacturing facilities across India, USA and Europe

Track record of success further enhanced by acquisition strategy:

**2018** – Sandoz Inc.’s dermatology and oral solids businesses acquired to become the 2nd largest generic player in the US by number of prescriptions*

**2018** – Apotex’s European businesses acquired to provide a strong foothold in Poland and Czech Republic*

**2017** – Generis Portugal, the #2 player in the Portuguese market

**2016** – Calcium and Calcium Vitamin D3, including Orocal trademark for the French market, acquired from Teva

**2014** – Actavis and Arrow Générales with assets in 7 countries in Europe

*pending completion

For more information, please visit www.aurobindo.com
It is a great honour to receive the 2018 Global Generics & Biosimilars Acquisition of the Year award. The acquisition of Apotex International's commercial operations and supporting infrastructure in five European countries (pending completion) is a key step towards our goal of becoming one of the leading generics companies in Europe. The deal allows us to further expand our product offering, including OTC medicines in the Netherlands, and considerably strengthens our position in Eastern Europe. We are pleased that the judging panel recognised the strong rationale for this transformational transaction and the skilled execution of our deal team. The award is a testament to the strength of our strategy and the hard work of all Aurobindo employees involved in the acquisition. We would like to thank Generics bulletin and the judging panel for their endorsement and look forward to delivering on our objectives as we continue to pursue a European leadership position.
to allow procurement specialists to source one or two preferred brands of a given molecule for prescribers to deploy as they choose. “It is not often discussed that switching between molecules happens all the time in the US, such as when you move jobs and your new insurer no longer covers your current treatment,” she pointed out. Furthermore, when originators altered their reference brand – as AbbVie had done with its citrate-free formulation of Humira (adalimumab) that is said to reduce injection-site pain – patients had simply been moved over to a new concentration that was “effectively a biosimilar” in a ‘non-medical switch’. “The question is how to address these inconsistencies in a positive manner that moves the conversation forward,” she opined.

Comfort at an emotional level

For patients who sometimes faced considerable out-of-pocket costs for treatment, or had no access to biologics at all, explaining options clearly would be crucial, Federman asserted. “I hear all the time from physicians and patients that they are ‘just not comfortable’ with using biosimilars,” she explained. “As humans, we often respond to scientific principles on an emotional level. So I ask these stakeholders what would make them feel more comfortable. Because I don’t think data is going to make you feel a certain way.”

One of the problems, Federman acknowledged, was that the pharma industry had educated doctors to expect clinical and post-marketing data as the basis on which to make their prescribing decisions. “We have to tackle this checklist in the heads of key opinion leaders for evaluating drugs and explain the hoops we have already jumped through,” she proposed.

Turning to communicating with payers, Federman recognised that a lack of understanding about the biosimilarity concept often led stakeholders to perceive the closest analogue of biosimilars to be small-molecule generics. “But the way generics are produced, the money you have to invest, and the scientific acumen you have to bring to them, is very different,” she stressed.

“On discounts,” she continued, “we need to remind payers that if you keep pushing, you will force players out of the market”. Acknowledging the importance of manufacturers acting responsibly on pricing in a bid to capture market share, Federman appealed for all parts of the supply chain to focus on delivering sustainable value and access over an extended period.

Federman highlighted the example of UK authorities shifting their focus away from potential 80% discounts to examining what pricing levels could deliver sustainable value and relief to healthcare budgets. “This requires a mental shift in how we evaluate access and our industry relationship with physicians and payers,” she argued.

“Sometimes people just don’t want to do something wrong with something new,” she concluded. “And that is where you get to risk-sharing. What if I say, if you are worried about that, I will share some of the burden – there is always a solution. That is where we as Medicines for Europe, as industry, can really take a step forward.”
Value Added Medicines Are A US$27 Billion Opportunity

By Aidan Fry

Representing 3% of the global pharma market, value added medicines – such as reformulated, repositioned or combined forms of existing off-patent molecules – offer considerable commercial promise around the world, according to an IQVIA analysis. Aidan Fry looks at the data.

Two years after it officially launched during the industry association’s 2016 annual meeting in Dubrovnik, Croatia, the Value Added Medicines sector group within Medicines for Europe has made considerable progress. Having attracted many of the industry’s leading lights to join up – Teva, Mylan and Sandoz are among its 15 member companies, along with several national associations – the group has developed a clear definition and terminology (Generics bulletin, 20 October 2017, page 2017, page 24).

Comprehensive research commissioned from Professor Monder Toumi at the University of Aix-Marseille demonstrated how value added medicines could fit into health technology assessment (HTA) and pricing and reimbursement frameworks. And after a successful first conference for the sector group late last year, the 2nd Annual Value Added Medicines Conference will take place in Brussels, Belgium, on 21 November.

But what has been missing, until now, is a clear outline of the commercial promise that value added medicines offer to companies looking to reformulate, reposition or combine off-patent molecules in ways that bring benefits to patients and healthcare professionals, such as by addressing the medication adherence problems faced by around half of all patients.

To address that problem, human data science specialist IQVIA has been working on developing a model that defines the value added medicines market’s size and dynamics. Presenting an analysis at the joint conference of Medicines for Europe and the International Generic and Biosimilar Medicines Association (IGBA) in Budapest, Hungary, earlier this month, Aurelio Arias – IQVIA’s senior consultant, European Thought Leadership – argued that establishing a quantitative view of the market, and “putting a number on it”, would be vital to conducting fruitful discussions with stakeholders.

Using its MIDAS analytics platform covering over 1.1 million products, IQVIA has filtered out originator and licensed products, along with any medicines that are patent-protected. In keeping with the differentiated nature of value added medicines, the methodology is limited to products bearing a brand name, but biosimilars and follow-on, non-original biologics are not included.

On that basis, Arias valued the global value added medicines market last year at US$26.8 billion, a “substantial segment” that was equivalent to slightly less than 3% of the global prescription pharmaceuticals market that totalled US$978 billion. Generics, he added, made up 24% of the total market, but biosimilars barely registered (see Figure 1).

US pricing pressure shrank market

In 2017, he explained, the value added medicines market had shed around 5%, or US$1.4 billion, of its value due largely to pricing pressure in the US, not least on products such as Mylan’s EpiPen (epinephrine) auto-injector for anaphylactic shock. Thus, he observed, the share of the global market accounted for by the US shrank by three percentage points, but still dominated at 58% (see Figure 2).

“Within Europe, the European Union (EU) top five – France, Germany, Italy, Spain and the UK – dominate, taking about two-thirds of the local market,” Arias continued, adding that both Spain and Italy had shown relatively

Figure 1: Breakdown of the US$978 billion global prescription drugs market in 2017

<table>
<thead>
<tr>
<th>Category</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovative</td>
<td>41%</td>
</tr>
<tr>
<td>Generics</td>
<td>24%</td>
</tr>
<tr>
<td>Biologics</td>
<td>28%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
</tr>
<tr>
<td>Value Added</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: IQVIA
high growth in the sector. As a result, the EUS represented 13% of the global value added medicines market last year, just behind Japan on 14%.

“Pharmerging sales grew by 22% in 2017, driven by anti-HIV and contraceptive drugs,” Arias commented. As a result, the share of the value added medicines market held by countries that IQVIA classifies as pharmerging increased by a percentage point to 5%, while the rest of the world accounted for a tenth.

Looking at therapy areas, Arias noted that 14 of the top 15 value-added medicine indication areas were in the “traditional” arena. “Specialty tends to just come from oncology products,” he pointed out. “At the moment, we can say this is primarily a primary-care sector. And in the past few years, primary care has not seen a lot of innovation from the originator companies.” For example, he said, PCSK9-inhibitors such as alirocumab and evolocumab had enjoyed only limited success in the cholesterol-lowering market, while several Alzheimer’s disease candidates had failed.

“Where I see value added medicines fulfilling a role in the primary-care setting is bringing that innovation,” he said, highlighting that IQVIA was currently preparing a white paper on innovation in primary care.

**Oncology sales growing strongly**

For value added medicines, Arias outlined, central nervous system (CNS) drugs were leading the way in terms of long-term growth between 2012 and 2017, typically through extended-release formulations. Oncology and respiratory were also showing double-digit growth, with the former primarily driven by Celgene’s Abraxane albumin-bound reformulation of paclitaxel that eliminates the need for solvents. “As China shifts towards more specialty-type medicines,” he added, “it is also increasingly using oncology drugs, including value added medicines, not just in chemotherapy, but also in adjunctive care such as anti-nausea agents.”

“Pain remains the largest therapy area within value added medicines, and that is purely because it is relatively easy to get analgesics onto medicated patches and other transdermal systems that have been used quite extensively in Europe as a way to mitigate exposure to opioids,” he commented.

US media attention to pricing and access issues around EpiPen – which IQVIA classifies in its ‘Other cardiovascular’ therapy area – had, Arias observed, had not only led to negative growth in that category, it had also dragged down prices across the entire value added medicines sector in the US. Nevertheless, EpiPen retained a place in the top-five value added medicines in the US last year, behind Shire’s Lialda (mesalamine) – which last year came under

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**Figure 2: Global sales of value added medicines between 2012 and 2017, broken down by region**

<table>
<thead>
<tr>
<th>Year</th>
<th>ROW</th>
<th>Pharmerging</th>
<th>Japan</th>
<th>EUS</th>
<th>US</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$22.5 bn</td>
<td>9%</td>
<td>4%</td>
<td>19%</td>
<td>13%</td>
<td>55%</td>
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<td>2013</td>
<td>$26.1 bn</td>
<td>9%</td>
<td>5%</td>
<td>16%</td>
<td>13%</td>
<td>57%</td>
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<tr>
<td>2014</td>
<td>$26.0 bn</td>
<td>9%</td>
<td>4%</td>
<td>15%</td>
<td>14%</td>
<td>58%</td>
</tr>
<tr>
<td>2015</td>
<td>$26.6 bn</td>
<td>8%</td>
<td>4%</td>
<td>14%</td>
<td>13%</td>
<td>61%</td>
</tr>
<tr>
<td>2016</td>
<td>$28.2 bn</td>
<td>9%</td>
<td>4%</td>
<td>14%</td>
<td>12%</td>
<td>61%</td>
</tr>
<tr>
<td>2017</td>
<td>$26.8 bn</td>
<td>10%</td>
<td>5%</td>
<td>14%</td>
<td>13%</td>
<td>58%</td>
</tr>
</tbody>
</table>

Source: IQVIA
generic competition from Zydus Cadila, followed this year by Teva (Generics bulletin, 6 April 2018, page 13) – and Horizon Pharma’s Duexis (ibuprofen/famotidine) combination, as well as AbbVie’s AndroGel (testosterone) and Pfizer’s Premarin (conjugated estrogens) hormone products.

Analgesics led the way last year in the EU5 through Mundipharma’s Targin (oxycodone/naloxone) tablets and Grünenthal’s Versatis (lidocaine) patches, while pain-relief products such as Kaken’s Artz (sodium hyaluronate) were also among the largest value added medicine brands in Japan. “Each region has its own value added medicines that fit and are tailored for that region,” Arias pointed out. As an example, he cited the widespread use in Brazil of Farmoquímica’s Annita (nitazoxanide) antiparasitic agent to address local issues.

Dividing the global value added medicines market by administration route, Arias observed that oral solid products, including long-acting formulations, made up a little over half of the total. Another 16% of the total (see Figure 3), he noted, came from parenterals and injectables, “the fastest-growing segment” with a compound annual growth rate (CAGR) over a five-year period of 11%. This, he said, had almost doubled the size of the global value added injectables market to around US$4 billion, fuelled by a 19% CAGR for infusions that outstripped single-digit growth for ampoules, pens and cartridges, and pre-filled syringes. Infusion forms made up just over half of the global injectables total (see Figure 4).

More than four-fifths of the five-year value growth in the value added injectables sector had been derived from the US, Arias revealed. “This came not only from infusions, but also from pre-filled syringes, pens and cartridges,” he added. But from a volume perspective, countries such as China had significantly ramped up their use of value-added injectables.

“We are starting to see a spill-over,” he observed. “As the market moves towards specialty molecules, and originators start to lose exclusivity, generics players are having to tackle these specialty products.” By definition, he added, specialty drugs tended to have more complex means of administration and supply-chain factors.

Looking forwards, Arias predicted that developing countries such as China would drive volume uptake of value added injectables, while the general pharma market shift towards specialty would see greater use of devices such as pens and auto-injectors that could either be administered quickly in clinics or used by patients themselves at home.

He also highlighted examples of packaging companies adding value, such as through injection-moulded single-use emergency inhalers. “It is not only generics and broader pharmaceutical manufacturers that can move into this space,” he stressed.

![Figure 3: Global value added medicine sales in 2017, broken down by administration route](source: IQVIA)

![Figure 4: Global sales of value added injectables in 2012 and 2017, broken down by delivery format](source: IQVIA)
Single-Winner Tenders Threaten The Future

By Aidan Fry

Tender systems that award the total market volume for a molecule to a single competitor are one of two “recent dynamics in the biosimilars market” that pose a danger to the sustainability of the sector in Europe. The other is payer-driven switching between products, according to an ‘Advancing biosimilar sustainability in Europe’ report commissioned by Pfizer from the Iqvia Institute.

“Although single-winner tenders were found to achieve greatest price reduction on biologic molecules when biosimilar competition exists, they were also found not to support long-term sustainability as they disrupt market forces and competition by excluding non-winner manufacturers from the market for the duration of the tender contract,” the report finds.

“Additional evidence suggests single-winner tenders do not always optimise savings, since physicians can still use non-preferred product at a higher price; whereas multi-winner tenders offer price reductions on all contracted products. They also eliminate the incentive for biosimilar manufacturers to innovate in areas to support patients and providers when they select on price only,” states the ‘multi-stakeholder assessment’, which looked at experiences with a set of seven molecules “with different purchasing and use characteristics” that were launched between 2013 and 2017 – enoxaparin sodium, etanercept, follitropin alfa, infliximab, insulin glargine, insulin lispro and rituximab – across seven countries “with differing approaches to biosimilar utilisation”: Denmark, France, Germany, Italy, the Netherlands, Norway and Spain.

In the report that aims to identify best practices that can be leveraged to support long-term sustainability in Europe, Iqvia observes that, while its analysis shows single-winner tenders generally achieve the greatest price discounts upon biosimilar competition, “there is additional evidence from other data sources to show that multiple-winner tenders may result in lower average net molecule costs per defined daily dose (DDD) for a region overall”.

In support of that assertion, the report cites hospital data from Sweden’s E-hälso-myndigheten agency that shows county councils achieving average net costs for infliximab up to 40% or more lower when awarding contracts to two or more suppliers rather than a single tender winner. By naming multiple suppliers, Iqvia points out, payers and healthcare providers can achieve savings through price reductions obtained on all contracted products, “often including the originator”, rather than on just one product. Furthermore,
“tenders with multiple winners offer the option of supply alternatives in case of distribution or stocking issues”.

However, the analysis acknowledges, “use of national tenders leads to faster and higher biosimilar penetration” than in countries such as France, Germany, Italy, the Netherlands and Spain where such systems are not in place. Such rapid uptake is particularly marked in countries like Denmark and Norway that run “single tenders with single winners”. As evidence, the report contrasts experiences in Denmark – where biosimilar infliximab had monopolised the market, and biosimilar etanercept had reached an 88% market share through single-winner national tenders – with biosimilar shares of just 48.6% for infliximab and 10.7% for etanercept in France under multiple-winner, sub-national procurement processes.

As Figure 1 shows, Denmark and Norway are the two of the seven studied markets in which biosimilar launches have hugely accelerated the growth in volume utilisation of molecules now subject to competition.

“Payer-driven switch, especially if enforced through negative physician incentives, provides a means to manage healthcare budgets in the short term, but jeopardises sustainability by disrupting market forces and bringing uncertainty to manufacturers of whether they will be locked out from selling product in a market for a duration of time,” the Pfizer-funded report maintains. Such substitution without involving the prescriber also took the choice of product out of the hands of doctors and recued patients’ involvement in their treatment.

“Potential enforcement of medicine switching policies by payers in the future, either via binding guidelines or negative incentives to physicians such as financial penalties, remains an element of critical importance for the long-term outlook of sustainability,” it cautions.

In general, the report – which observes that “no critical issues on biosimilar safety, quality and supply have been identified” – identifies five key policy areas influencing sustainability: access to biological medicines; regulatory environment and clinical guidelines; product safety, quality and supply; direct and indirect incentives; and competitive pressure, including pricing dynamics and purchasing mechanisms.

**Figure 1: Sales volumes evolution across seven biologic molecules subject to competition, in selected European countries (Source – Iqvia)**

Notes: DDD = Defined Daily Dose. Includes all countries and molecules where >6.6% country penetration of molecule was achieved by MAT 2018; Star indicates appearance of first sales within IQVIA data for countries included. All data shown is a full year moving annual total ending in March of that year. Drops in 2018 may reflect entry of alternative branded drugs or biosimilars with more convenient method of administration.
Thank you, to everyone who voted for us

We are committed to high-quality, urgently needed biosimilars. Our products will broaden access to biopharmaceuticals, allowing more patients to benefit from scientific advances.

A deep understanding of protein-based therapeutics enables us to conduct efficient biosimilar development programs in a manageable and predictable time frame. With our first biosimilar product candidate Pelmeg® (pegfilgrastim), we have successfully proven our efficient concept based on current scientific, regulatory and healthcare market considerations.

Pelmeg® received CHMP recommendation for marketing authorization in the EU in September 2018. In October, the Mundipharma network of independent associated companies confirmed that it had acquired Cinfa Biotech. As a member of the Mundipharma network we are looking forward to leveraging the experience and expertise that the network has in bringing biosimilars to market in Europe, to ensure a successful launch for Pelmeg®.
We are honored to be nominated for Regulatory Achievement of the Year for the efficient and innovative development of our pegfilgrastim biosimilar Pelmeg® to treat chemotherapy induced neutropenia. Right from the start, we took into consideration the most current scientific and regulatory thinking, which required a novel methodology to demonstrate biosimilarity to the reference product on the most sensitive level. Through this approach, our team generated a high-quality and relevant data set for Pelmeg®. Within only five years, we developed Pelmeg®, tested it clinically and received a positive CHMP opinion in September 2018. Now we are only one step away from receiving marketing authorization, the key milestone in our effort to provide patients with high-quality and affordable treatments.

We would like to thank all the experts that voted for Cinfa Biotech, as well as our team members and partners who contributed to making the Pelmeg® development a success.
Regional Differences Show Mylan’s Potential

By Aidan Fry

Considerable regional variations in the balance of Mylan’s sales when measured by therapeutic franchise suggest that the global player still has local portfolio gaps that could be filled.

For example, oncology drugs accounted for US$153 million, or 5.6%, of the company’s total product sales in the second quarter of this year that decreased by 6% to US$2.76 billion, excluding US$52.8 million of ‘other’ revenues (Generics bulletin, 31 August 2018, page 3). But the bulk of that oncology total came from the US, where sales of US$102 million made up just over a tenth of the regional total (see Figure 1). By contrast, cancer therapies made up less than 2% of all Mylan product sales in Europe, with oncology sales of just US$18.4 million in the three-month period (see Figure 2).

Brands including EpiPen (epinephrine) and its authorised generic, as well as Perforomist (formoterol fumarate), ensured that respiratory and allergy medicines made up well over a sixth of North American product sales. That proportion could increase substantially if Mylan succeeds in bringing a generic of Advair Diskus (fluticasone/salmeterol) to the US market. Having responded to issues raised by the US Food and Drug Administration (FDA), Mylan has an FDA action date for its substitutable generic in mid-October this year (Generics bulletin, 31 August 2018, page 19).

CNS and anaesthesia lead
Central nervous system (CNS) and anaesthesia drugs were responsible for at least a fifth of product sales in both Mylan’s North America and Europe regions during the second quarter, but only a tenth of turnover in its Rest of World region. With the latter encompassing most emerging markets and developing countries, nearly a third of Rest of World sales came from treatments for infectious diseases (see Figure 3).

On a global basis, treatments for infectious diseases and for respiratory and allergy complaints each contributed more than 13% of total product sales (see Figure 4).

Mylan is currently “evaluating a wide range of alternatives” for its business amid “negative trends and dynamics” that it sees as “unsustainable for the US healthcare system” (Generics bulletin, 10 August 2018, page 1).

Figures 1: Breakdown of Mylan’s second-quarter product sales totalling US$2.76 billion by therapeutic franchise, shown in each of its three operating regions and globally

<table>
<thead>
<tr>
<th>Therapeutic Franchise</th>
<th>North America (US$M)</th>
<th>Europe (US$M)</th>
<th>Rest Of World (US$M)</th>
<th>Mylan (US$M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Nervous System &amp; Anaesthesia</td>
<td>199.9</td>
<td>220.7</td>
<td>76.4</td>
<td>497.0</td>
</tr>
<tr>
<td>Infectious Disease</td>
<td>62.6</td>
<td>58.2</td>
<td>251.6</td>
<td>372.4</td>
</tr>
<tr>
<td>Respiratory &amp; Allergy</td>
<td>181.6</td>
<td>129.4</td>
<td>53.7</td>
<td>364.7</td>
</tr>
<tr>
<td>Cardiovascular</td>
<td>76.1</td>
<td>149.1</td>
<td>46.2</td>
<td>271.4</td>
</tr>
<tr>
<td>Gastroenterology</td>
<td>33.9</td>
<td>145.1</td>
<td>92.1</td>
<td>271.1</td>
</tr>
<tr>
<td>Diabetes &amp; Metabolism</td>
<td>114.1</td>
<td>80.2</td>
<td>33.5</td>
<td>227.8</td>
</tr>
<tr>
<td>Dermatology</td>
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<td>74.3</td>
<td>27.2</td>
<td>186.0</td>
</tr>
<tr>
<td>Women’s Healthcare</td>
<td>85.2</td>
<td>66.8</td>
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</tr>
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<td>Oncology</td>
<td>102.2</td>
<td>18.4</td>
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<td>Immunology</td>
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<tr>
<td>Other</td>
<td>46.6</td>
<td>45.9</td>
<td>117.7</td>
<td>210.2</td>
</tr>
</tbody>
</table>

Source: Mylan
Aurobindo Expands In East

By Aidan Fry

Over the last 12 years, India’s Aurobindo has completed a number of acquisitions in Europe, including for companies, divisions within companies and product portfolios, as part of a dedicated strategy to become a significant player in the region.

A string of deals, notably the C135 million (US$158 million) capture of Portugal’s Generis Farmacêutica last year, have helped build a European generics business that turns over more than three-fifths of a billion euros per year. Having also invested organically, Aurobindo currently boasts the largest hospital generics operation by volume in France, the second largest generics business in Portugal, and is a top 10 player in Germany, the UK and Italy.

Advancing further its strategy, Aurobindo recently signed a definitive agreement to acquire for C74 million in cash Apotex’ businesses in five European countries: Belgium, the Czech Republic, the Netherlands, Poland and Spain (Generics bulletin, 27 July 2018, page 1). In the view of the Indian company, the proposed transaction “establishes Aurobindo as one of the leading generics companies in Europe.”

Pending completion, the acquisition provides for the commercial operations and certain supporting infrastructure in the five markets, including personnel, products, marketing authorisations and dossier license rights, as well as Apotex’ manufacturing and packaging plant in Leiden, the Netherlands.

As highlighted by management, the proposed transaction beefs up Aurobindo’s presence in Eastern European markets, currently limited to Romania. V Muralidharan, senior vice-president of European Operations for Aurobindo, said the deal would “considerably strengthen our position in Eastern Europe,” providing “faster and improved market access”. In Poland and the Czech Republic, Aurobindo will be catapulted into one of the top 15 generics firms.

In Poland, Aurobindo “will add significant sales based on the established brand name ‘APO’, and a dedicated sales force covering physicians and the pharmacy network.” Boasting 62 marketed products, the business, Aurobindo notes, has a “strong position in selected specialty areas; a leading position in urology; and a strong base in central nervous system (CNS) and transplant medicines.”

Three-quarters of the Polish business by value are generic products, compared to only a quarter in the Czech Republic, which focuses on food supplements and medical devices.
With sales of €43 million in the year ended 31 March 2018, the Polish business is more than double the size of the Czech business, at €17 million; and around a third of the size of the acquired businesses in total at €133 million. “Although some of these businesses are currently loss-making” Aurobindo acknowledged, “the company expects them to return to profitability when combined with the company’s vertically integrated platform and existing commercial infrastructure.”

Of the more than 200 generic and 88 OTC products that Aurobindo will gain in total through the transaction, around 86% are for oral-solid dosages, mostly tablets. A small percentage of the portfolio – 2% apiece – are topical creams, nasal sprays and powder formulations.

Taken by therapeutic category, a third of the portfolio are treatments for central nervous system disorders (see Figure 1); just under a fifth are OTC products; and the remainder covers cardiovascular, genitourinary and alimentary drugs. Aurobindo is also eyeing a pipeline of more than 20 new launches over the next two years.

**Aurobindo to build on platform**

Underlining that the acquired operations gave Aurobindo an “established sales force and diversified portfolio of products,” the Indian firm said it planned to build on this “strong platform” by enhancing the businesses’ growth profile and creating synergies.

To grow the businesses, Aurobindo plans to “maximise the commercial reach and market share” of Aurobindo’s products together with the acquired Apotex products; and supplement these by in-licensing high value/margin niche generic products, via its existing European business development set-up.

Operational leverages would be generated through a three-prong strategy, Aurobindo laid out: by leveraging the research and development capabilities of Aurobindo to launch new products; rationalising the business’ cost of goods sold (COGS) by transferring products to Aurobindo’s own manufacturing plants; and generating operational synergies, in general, through the combined business infrastructure.

Currently, around half of the product portfolio are in-licensed from third-party manufacturers. Just over a quarter are manufactured at Apotex’ sites in Canada and India, and the remaining fifth are made at the Leiden facility. Aurobindo and Apotex will enter into a transitional manufacturing and supply arrangement to “support the ongoing growth plans of these businesses.” “We expect a seamless integration of the acquired businesses with the rest of the Aurobindo group given the success we have achieved in Europe to date,” Muralidharan commented. “We believe this acquisition is a key step towards our goal of becoming one of the leading generics companies in Europe.”
Gottlieb Unveils US Biosimilars Action Plan

By David Wallace

A much-anticipated biosimilars action plan (BAP) unveiled by US Food and Drug Administration (FDA) commissioner Scott Gottlieb has been warmly received by industry. Commending the release of the plan, the US Association for Accessible Medicines (AAM) called it “another key plank in the FDA’s platform to ensure robust and timely competition from generic and biosimilar medicines”.

Announcing the BAP, Gottlieb outlined the plan’s four “key strategies”: improving the efficiency of the biosimilar development and approval process; “maximising scientific and regulatory clarity for the biosimilar product development community”; developing effective communications to improve understanding of biosimilars among patients, healthcare providers and payors; and “supporting market competition by reducing gaming of FDA requirements or other attempts to unfairly delay market competition to follow-on products”.

Specific measures outlined in the BAP include developing new review tools, such as “standardised review templates” tailored to biosimilar and interchangeable marketing authorisation applications, to improve the efficiency of and transparency around the FDA review process. Information resources and development tools will include models and simulations to “correlate pharmacokinetic and pharmacodynamic responses with clinical performance”.

New data-sharing agreements with foreign regulators will be established to “facilitate the increased use of non-US-licensed comparator products in certain studies to support a biosimilar application”. Meanwhile, enhancements to the ‘Purple Book’ repository of biologic patent information are also envisioned by the BAP.

According to the BAP, a new office of therapeutic biologics and biosimilars (OTBB) will be established to “improve coordination and support of activities under the Biosimilar User Fee Act (BsUFA) program, accelerate responses to stakeholders and support efficient operations and policy development”. Relevant staff would transition to the OTBB from the office of new drugs, the FDA noted.

“Additional clarity” will be provided for product developers on demonstrating interchangeability – including through further FDA guidance – while more “flexibility” for developers on analytical approaches will also be forthcoming in separate guidance, following the recent withdrawal of a previous draft guide on statistical analysis (Generics bulletin, 29 June 2018, page 9).

Also outlined by the BAP is “additional support for product developers regarding product quality and manufacturing process”, including identifying critical quality attributes and exploring ways to reduce the number of reference product lots required for testing.

In terms of educating healthcare professionals, the BAP aims to build on the FDA’s existing ‘biosimilar education and outreach’ campaign by continuing to provide “critical
education to healthcare professionals”, including releasing a series of videos explaining key concepts around biosimilar and interchangeable products. The agency also said it would engage in a “public dialogue” to request additional information on policy steps the FDA should consider to enhance its biosimilars program.

On supporting competition, the BAP pledges to “take action, whenever necessary, to reduce gaming of current FDA requirements” and work with the US Federal Trade Commission (FTC) to address anti-competitive behaviour.

“Our plan is aimed at promoting competition and affordability across the market for biologics and biosimilar products,” Gottlieb explained. Admitting to being “worried that the market for these products still isn’t established”, he pointed to “anaemic” biosimilar competition due to a variety of factors. These included supply-chain consolidation, purchasing deals that excluded biosimilars, and litigation that was frustrating market entry.

Insisting that “vibrant competition” from biosimilars was essential, Gottlieb pointed to lessons that could be learned from the hurdles faced by the US generics industry in the 1980s. “Sometimes it feels as if we’re seeing the biosimilars version of ‘Groundhog Day’, with brand drug makers replaying many of the same tactics,” he suggested, citing misconceptions about biosimilar safety and efficacy.

“But we’re not going to play regulatory whack-a-mole with companies trying to unfairly delay or derail the entry of biosimilar competitors,” Gottlieb insisted. “We’re not going to wait a decade or more for robust biosimilar competition to emerge.” Promising to take steps to challenge ‘gaming’ tactics by originators, he also noted that the FDA was “seeking to strengthen its partnerships with regulatory authorities in Europe, Japan and Canada” to achieve “greater efficiency in developing safe and effective biosimilars”.

AAM praises FDA’s ‘strong commitment’

AAM president and chief executive officer Chip Davis said the BAP “demonstrates a strong commitment from the agency to help deliver on the promise of biosimilars to America’s patients”.

“The BAP, with its stated priorities including a focus on effective implementation of BsUFA II, stakeholder education, Purple Book improvements, finalisation of the interchangeability guidance, and exploring the increased use of non-US licensed reference product in certain studies to support a biosimilar application, align closely to priority advocacy and education issues for the AAM,” it stated.

“In addition,” the association continued, “the BAP clearly and repeatedly reiterates the importance of a balance between innovation and access – emphasising the importance of market entry when exclusivity periods expire – and commits to working with Congress and the FTC to close loopholes that may delay biosimilar competition.”

While the FDA had acknowledged that many issues impacting biosimilar market access and competition were “outside of its purview”, the AAM pointed out, “we applaud the agency’s stated willingness to work across federal entities, including the FTC and Congress, to address anti-competitive behaviour and statutory loopholes that are being exploited to delay biosimilar competition and patient access”.

“AAM’s Biosimilars Council is particularly supportive of the provisions intended to streamline the FDA development and approval process,” the association said. “Clear guidance on regulatory pillars such as interchangeability, the ‘deemed to be a license’ provision, product labelling and data-analysis methods are essential.”

“The Council further commends the BAP’s focus on stakeholder education that continues the agency’s leadership role in ensuring stakeholders have credible information about the safety and efficacy of biosimilars and interchangeable biologics,” the AAM said, adding that the Council had published its own “comprehensive resource focused on biosimilars education”. “We look forward to working with the agency to implement this action plan.”

At the same time as the FDA released the BAP, it also published final guidance on biosimilar labelling. Named as part of the action plan, the guidance clarifies that biosimilar labelling “should not include a description of, or data from, clinical studies conducted to support a demonstration of biosimilarity”.

In a final section on interchangeable products, the guidance states that “any specific recommendations for labelling for interchangeable products, including any interchangeability statement similar to the biosimilarity statement described in [an earlier section] of this guidance, will be provided in future guidance”.

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Laurus Looks To Filings To Fuel Formulations

By David Wallace

Indian bulk-drugs specialist Laurus Labs is looking to forward integrate into generic oral finished-dose formulations by filing around 10 abbreviated new drug applications (ANDAs) during its current financial year running until March 2019, followed by around 10 more in the 12 months ending March 2020. To date, the firm has submitted nine ANDAs in the US – where it has sales and distribution deals in place with Dr Reddy’s and Rising Pharmaceuticals – along with a new drug application (NDA) for a triple-dose combination antiretroviral.

Laurus also has a triple-dose antiretroviral under expedited review at the World Health Organization (WHO), and it recently established a subsidiary in Germany with European formulation approvals anticipated soon. So far, the company has filed four dossiers in Europe, three with the WHO, two in South Africa and one in Canada, as well as 15 in other markets.

The firm’s ‘Unit II’ formulations site in Visakhapatnam, India, passed an inspection by the US Food and Drug Administration (FDA) with zero ‘Form 483’ inspections, and has also been audited by authorities from countries including Malawi, Uganda and Tanzania. Laurus says it can make around 5 billion tablets per year, and expects “significant revenues” from its formulations business, in the near future.

With sales of finished-dose tenofovir just beginning in the US, Canada and in certain emerging markets, generic formulations made a negligible contribution to group turnover in Laurus’ financial year ended 31 March 2018 that advanced by 8.0% to Rs20.6 billion (US$303 million). Two-thirds of that total came from the firm’s bulk antiretrovirals business, with hepatitis C, oncology and ‘other’ active pharmaceutical ingredients (APIs) each contributing 8% of the total. The remaining tenth was due to Laurus’ intermediates Synthesis and Ingredients operations.

Bulk antiretroviral sales up by 9% on “improved volumes” helped to offset a sharp decline in hepatitis C revenues. Group pre-tax profit edged up by 0.9% to Rs2.37 billion as lower borrowing costs offset higher depreciation charges.

Chief executive officer Satyanarayana Chava said the firm’s “key growth drivers” would be its Formulations business and its Synthesis segment, while he expects “newer product additions and an increase in volumes to aid growth” in the bulk Antiretrovirals division. “We have shown an improvement in gross margins owing to cost efficiencies and improved contributions from the high-margin Synthesis business.”
Thank You For Awarding Laurus Labs The 2018 API Supplier Of The Year

Bridges built on core pillars underpin our performance path

Leading Products
Chemistry excellence in key generic API areas with a strong therapeutic pipeline and internationally approved cGMP standard for all.

Vertical Integration
Increased back integration into starting raw materials along with significant finished formulation capacity.

Customer Centricity
A strong and growing customer base, which recognizes the strength of partnerships and strives to generate more business

Growing Capacity
Significant ongoing investment in both infrastructure and personnel has created one of the largest and most modern API facilities in the world.

Qualified Personnel
R&D/Quality professionals account for over one third of headcount. They have bought into our strategy to better serve a worldwide need for value drug provision.

For more information, please visit www.lauruslabs.com
Laurus Labs is delighted to have been judged as API Supplier of the Year for a second year running. We take our role within the industry very seriously. It is not enough to merely supply product. We have to continuously innovate in order to be able to meet our goal of being a preferred supplier to partner and patient alike. This is not possible without the hard work and dedication of our team members along with the trust and respect of our customers and suppliers alike. You all have our ongoing thanks.

We are grateful to the expert panel for selecting Laurus once again and look forward to rising to the challenges that lie ahead in the coming year!