Keep the light out

Skin deep
Innovation in blue light protection

Dry season
Custom drying of ingredients

www.specchemonline.com

In this issue: Focus on CDMOs - SOCMA interview - Minagro launch
The past few years have seen the rise of a major player in pharmaceutical CDMO services. Seqens. The name is pronounced like ‘sequence’; it refers, the company says “to our core synthesis activities, combined with the sequencing of molecules, competencies and technologies to take science to the next level”.

The group presented itself under this new identity for the first time at DCAT Week ‘19 in New York in March. This, says Frédéric Desdouits, managing director of the CDMO business unit, which unites the former CU Chemie Uetikon, PCAS and PCI Synthesis, was also the first time many other major players in the pharma CDMO field became aware of this new competitor in their midst.

Seqens’ predecessor, the Novacap Group, was formed in

New kid on the block

Seqens has rapidly established itself as a contender in pharmaceutical CDMO services. We spoke with managing director Frédéric Desdouits and Ed Price, North America CEO, at DCAT Week
France in 2003 and was mainly a supplier of sodium bicarbonate and calcium chloride. After 2011, when Ardian Investments acquired it from Bain Capital, the decision was made to focus on two main markets: pharmaceuticals and speciality ingredients for other markets, such as cosmetics, electronics and environmental services. The company continued to add other drug substances and ingredients to the portfolio, along with a presence in China, by a mixture of investment and acquisition.

Becoming a CDMO
The foray into CDMO services began in 2015, when Novacap acquired Uetikon, an APIs and fine chemicals manufacturer with custom synthesis capabilities, based at a single GMP site at Lahr, in Germany’s Black Forest region. The next year, Eurazeo took a majority shareholding in the group. In 2017, Novacap made a rapid series of acquisitions, including majority stakes in two more Chinese drug substance companies and two ingredients makers, ID Bio and H2B.

In the non-pharma arena that year, Novacap acquired the large UK-based CMO and green solvents producer Chemoxy International. The key buy in pharma CDMO services, however, was that of a stake in PCAS, a French-based multinational player in both pharma and speciality chemicals, and its biocatalysis subsidiary, Protéus. This was first announced in May 2017 and evolved into outright ownership over time.

In June 2018, Novacap acquired Massachusetts-based PCI Synthesis, a pharmaceutical development CDMO, which brought in an R&D facility in Devens, a manufacturing site in Newburyport – its first in the US – and a development collaboration in India.

At the end of the year, the change of name was announced, with all operations adopting the Seqens identity. The company now has 24 industrial plants and three R&D centres in Europe, North America and Asia. Its total workforce is about 3,200, of whom some 300 are dedicated to the development of new products, new processes and new client services.

CEO Pierre Luzeau recruited Desdouits from Pierre Fabre, where he had worked for some years in roles related to business development, M&A and market intelligence, and was in charge of the US market for pharmaceuticals, in October 2017. His role then was to head the former Uetikon activities; PCAS was just being acquired and there were no plans to turn them into a single CDMO business, or to acquire PCI.

Now, PCAS, Uetikon and PCI Synthesis are being integrated and these names survive only as legal entities; the customer-facing parts are all called Seqens. “The aim is to build a global CDMO activity,” Desdouits says. There are no specific plans for further acquisitions, he adds, but they may happen in time.

PCI has brought a lot to the company, Desdouits says. “First of all, it has brought a kind of American spirit into the business unit. The company president, Ed Price, brings a lot of energy into the system. He will stay with us for at least two years and the deal was put together in a way that means he is still contributing to what we do. He remains very committed, very constructive.”

News US presence
There is a big difference, Desdouits continues, in being the US sales representative of an operation whose manufacturing is all in Europe – as was the case with Novacap and pre-acquisition PCAS and Uetikon – from one with an existing set-up in the US. The US operation is now headed by Don Laferle, who is working with Price to integrate the PCI team into its US operation.

“We used to say that if our US market was as big as our French market, it was a good performance. But it wasn’t really a good performance – the US potential is so much bigger,” Desdouits says. “Having a presence on the ground in the US brings us new opportunities that we couldn’t have embraced before without being physically here.”

Price, who founded and formerly owned PCI, says: “There’s not a lot of overlap between the companies, it’s very complementary in many respects. They wanted entry into the US market and good development capabilities, so it was a good fit all the way round.” Not much has changed in terms of how PCI does business so far, he adds;
Seqens recognises the unique nature of its model.

The development side of the business in the US, Price adds, is “very strong”. In the three quarters of its fiscal year starting on 1 July 2018, PCI brought 11 new development projects from ten different customers into its pipeline. A typical year would be eight to ten. “If we are able to achieve that through our own efforts before we are integrated, we should be able to double that going forward, as a minimum.”

**News at DCAT Week**

At DCAT Week ’19, Seqens focused its announcements on ongoing investments in the high potency field at Villeneuve-la-Garenne in France, but this is only part of its current capex. It also has investment plans for the small, non-GMP Bourgoin site near Lyon, where drying and other capabilities are being brought in to complement its more liquid-focused operations.

This is being done largely to meet demand for certain ‘pre-GMP’ intermediates, which do not have to be made specifically to GMP but are still subject to demanding requirements.

“The idea is to bring to our clients more back-integration in our activities,” Desdouits says. “This is something they are asking for. Sometimes they are the same people who went to China ten years ago and are now back, helping us to bring assets into our plants in Europe.”

Seqens is also investing substantially in its R&D facilities at Porcheville, France, PCI’s Devens site and the former Protéus biocatalysis laboratory at Nîmes, southern France. “We are making sure they get what they need,” says Desdouits. “We have invested in flow chemistry at R&D-scale only so far, but when a client is ready to invest commercially, we are ready to move in that direction too.”

In 2018, he adds, PCAS had a difficult year, as did many of its competitors. However, the underlying business trends are relatively strong across all of Seqens’ four main businesses of custom development, custom manufacturing, APIs and polymers.

“Our business is well balanced between big accounts, emerging companies, animal health and clients entering into or already in Phase III,” Desdouits says. “The proprietary business is also growing quite well and the growth is about the same across all the business. The management team is in place and it’s a nice mix of ex-PCAS people and others from the former Novacap and from outside, so there’s a nice momentum.”

**CONTACT**

Aline Rancony
Group Communications Officer
Seqens

+33 4 81 65 07 02
aline.rancony@seqens.com
www.seqens.com