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**CORDENPHARMA**

CordenPharma is a CDMO supporting pharmaceutical and biotechnology companies, with facilities in the United States and Europe.



**In which parts of its business has CordenPharma experienced most growth over the last year?**

One of the key areas of growth has been in high-potency API and drug product manufacturing, primarily to be used in oncology. We recently acquired a facility in Boulder, Colorado, from Pfizer in November 2017, which is now our second facility in Boulder to support these capabilities, since it is an area in which we see increasing demand. We are also completing an investment of > €10 million at our CordenPharma Plankstadt facility in Germany for a state-of-the-art oral solid dosage manufacturing plant. The investment has been supported by one of our key customers.

Another area of strong demand has been the injectables market, for which we continue to invest and expand our capabilities in CordenPharma Caponago (IT). This is a critical area for CordenPharma, and we expect the plant to be operational by the end of the second quarter of 2018. We are installing two high speed manufacturing lines for aseptic fill and finish of vials, pre-filled syringes and lyophilized products, which will support our customers from clinical phase to commercial supply.

In addition, we also completed an investment into oligonucleotide manufacturing last year at our CordenPharma Colorado facility in Boulder, CO. This is another very hot area in the industry right now, as many major pharmaceutical companies are moving towards their utilization. We expect the first oligonucleotides to be approved around mid-2018 and we are one of only a few companies to have manufacturing capabilities in this area.

**How extensive is the support that CordenPharma can offer to smaller companies?**

Although we work for all of the top 20 pharmaceutical companies, we also work for many of the leading biotech, which account for about 60% of our customer portfolio. We are one of the few companies able to offer what we call an 'end-to-end' service; from the initial clinical supply, we not only produce the API but also manufacture the drug product, all the way through the value chain to commercialization.

**Does the rapid rate of innovation in the industry pose a challenge?**

We have to be selective in terms of which areas we want to be active in. Beyond our current areas of proficiency, there is scope for expansion into biologics. With biologics, the primary challenge is the difficulty in finding a good facility. Our business model centers on acquiring assets from big pharma that are no longer of interest to them and turn them into contract manufacturing facilities. With biologics, it is difficult to find good assets at a reasonable price that also have the potential to become multi-purpose facilities.

**The deadline for serialization requirements is just around the corner. With the challenges involved, what does this mean for CordenPharma?**

We have three sites that are affected: one site is completely ready, the second is partly ready and the third will be ready by mid-2018. A primary challenge with serialization is that there is no harmonized system readily available, with different countries

having different requirements. For us, it has been slightly easier than for other companies as we only have drug product facilities in two countries, but of course we supply to a wide global market – one of our facilities serves over 100 markets. There are no shortcuts with this process: only companies that meet these requirements will succeed in the market.

**What are the next steps for CordenPharma?**

Geographically speaking, we will remain focused on the United States and Europe. The critical areas going forward for capability expansion are to strengthen our technology platforms such as injectables, highly potent & oncology and peptides, oligonucleotides, lipids & carbohydrates. For our customers, overall total costs, quality and time required are the most important factors we are constantly striving to improve. This is why we will continue to focus our operations in these two markets.

Today, CordenPharma has more than 300 customers globally. All facilities serve all geographies, but our U.S. facilities are about 90% dedicated to U.S. customers, along with a few Japanese companies. In addition, we serve many U.S. customers from Europe as well. As biotech continues to emerge, we will be on the lookout for new customers in this space. We are also trying to build a steadier customer base by focusing on the top 50 pharma companies. Since we have acquired mostly under-utilized facilities, we still have a lot of capacity available to scale-up our activities. ■