Interview with Maciej Adamkiewicz, President/Chief Executive Officer, ADAMED

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Adamed was founded in 1986 by your father, Mr. Marian Adamkiewicz. The company is today still fully-owned by your family, which is remarkable in such an industry, where family-run businesses are less and less frequent. What are the advantages of this situation?

Today the Adamed Group is one of the largest Polish pharmaceutical group and consists of Adamed, Polfa Pabianice and Adamed Consumer Healthcare. At present the Adamed Group employs more than 1700 people. For over 20 years we have been providing patients with the highest quality of medicinal products in many therapeutic groups. The company’s products are sold in 22 countries and we continuously strengthen our position in the international market. These was possible to achieve thanks to our focus on innovation and continuous investments in research and development. With my wife Malgorzata Adamkiewicz we are now the second generation of doctors in our family. My father created this company because he perceived needs of patients and tried answer to them. Today we focus on innovation, expand R&D departments and employ nearly two hundred Polish scientists. So far Adamed developed in an organic manner, but it was not sufficient, we decided to grow through mergers and acquisitions. In this way has been created the Adamed Group, after acquisition of Polfa Pabianice and Agropharm (Adamed Consumer Healthcare). Including to Adamed Group another companies we mainly concentrate on their development. As it was in the Polfa Pabianice case.
Adamed wants to be seen as an innovative company but the most important for us is to be

considered as the company that delivers therapies to the patients. Adamed provides doctors with tools to treat patients and has proved to be financially successful in doing so. The role of a pharmaceutical company committed to its country and willing to succeed is not only to produce drugs, but also to interact with the doctors in order to educate them and learn their needs. Nevertheless, the pure delivery of a medicine is not enough; the provider must also inform about all characteristics of that very medicine with as much transparency as possible. There are new medicines in the market everyday, both available for doctors and their patients, but they can keep up with innovation only if the industry fully plays its role of educator.

As a Polish pharmaceutical major company, Adamed is respected among all stakeholders in the healthcare sector. To what extent does this help the company play this role of educator?

Adamed does not run its business only to of make tablets and selling them. Even though the company is a commercial organization, there is a shared feeling among the workforce that we actually treat the patients. This is due to the company’s close collaboration with the doctors and medical knowledge and interest. Me and my wife Malgorzta believe that the success of Adamed comes from this philosophy of always working as a reliable partner to the medical community, understanding the needs of the patients and being involved in the whole process of treating a patient. In the interest of patients Adamed leads educational prevention programs for therapeutic groups, such as: cardiac, psychiatric, gynecological diseases, gastrointestinal and urological systems group.

At first Adamed specialized in the production of gynaecological pharmaceuticals and medical equipment, now the company has grown and diversified. What has been driving the growth in the recent years?

First of all we we have drugs for all treatment groups and the main diseases of civilization. The choice of directions for development was determined not only by our medical specialty but also by the financial potential of the market. Moreover, since 2000, have been created modern laboratories and research departments. We decided to start research on the innovative drugs. This decision initiated a breakthrough in the development of our company. In addition, so far Adamed developed in an organic manner, but it was not sufficient, we decided to grow through mergers and acquisitions and expansion of export.

There are today in Poland more than 2,5 millions people suffering from Diabetes. The World Health Organization estimates, that by 2030, the number of people suffering from diabetes worldwide will double. Therefore of course it is not just the local companies, but pharmaceutical giants that are

beginning to focus on this therapeutic sector. What are Adamed’s strengths to compete in this market?

Adamed intends to develop products for the global market, constantly searches for out licensing opportunities with major multinational companies. For the research of new compounds, Adamed benefits from the same tools as multinational companies. At present R&D Department of Adamed is on preclinical stage of studies for the antidiabetic drug. If all goes according to plan, in what we firmly believe, the drug will appear on the market in 2018. Adamed’s philosophy is: ‘from a need to a therapy’. The unmet medical needs give us directions, and we recognize the resources to respond to those needs and deliver the adapted products. The main strength of Adamed is to be a fully integrated company, operating in research and development, production and marketing. Most local companies do not have developed marketing activities, which prevents them from defining proper and adapted marketing strategies, that is to say matching the needs of the population.

Adamed acquired in February this year 94% of the shares of Polfa Pabiance, a part of the PHF group. What was the impact on the company’s operations?

Adamed has both short term and long term strategies. Whereas the company develops innovative products in order to ensure its sustainability, Adamed has also short term objectives, such as increasing its market shares and developing its portfolio. The acquisition of Polfa Pabiance falls into the group’s short term goals.Taking over Polfa Pabiance has not only allowed us to reinforce our presence in the market, it also created important synergies, for instance between the two research and development (R&D) departments. All entities of the Adamed Group are treated as a unity which enables us to expand export on Eastern markets. Obviously from a business point of view we had to introduce the distribution of tasks: while Polfa Pabianice will be developing generic products, Adamed will be much more focused on innovation.
Adamed is also in the race to acquire Polfa Warszawa. We believe that we are able to build a strategy that will contribute to the entire industry in Poland. Including to the Group Adamed another company, we are mainly focused on their development. In the context of a possible acquisition of Polfa Warszawa we want this company to develop further and faster. We have in mind primarily the introduction of new products and expand into foreign markets of Central and Eastern Europe, especially Ukraine. Also in the context of the possible acquisition of Polfa Warszawa we want for this company to develop further and faster. Potential acquisition of Polfa Warszawa would give us larger shares in the Polish market, new technologies and widening portfolio of OTC products. Polfa Pabianice and Polfa Warszawa are very important entities. They enable Polish patients to have better access to essential medicines.

Adamed was founded 25 years ago and is a true success story. Michal Bichta of Merck said that in Poland “Fighting with the past remains the most difficult task”, referring to the change of mindsets that needs to be operated and the changes of the regulation system. How did you manage to always adapt to the evolving Polish market over the years and be so successful? What is the secret to succeed in Poland?

The secret of our success is the hierarchy of our values. The most important thing for us is interpersonal relations. You need to find people that share the management’s vision and passion in order to maintain a successful and sustainable business. Business should be driven first by passion. It must also based on a strong financial planning. Business plan is fundamental. There is no recipe for success, but having the good people on board, who enjoy their work and are committed to it, and specialists who carry out projects until the end, is already a major factor. Therefore we constantly make new contacts with foreign experts, opinion leaders, scientists and doctors, whose knowledge and experience is important in the pharmaceutical industry.

Adamed opened in 2009 in Madrid the second foreign branch office after Ukraine. How does the company look to further internationalize?

Through the acceleration of the process of acquisition, internationalization and portfolio diversification Adamed expands export activities. At present Adamed export is one eighth of its whole revenue, and the company sells its products in 22 countries around the world. Thanks to the combination with Polfa Pabianice overall export revenue will rise.
In the future, most of the company’s international expansion will be oriented towards the East. For instance, Vietnam and China are currently considered as the next countries for exports. However the company must face two different kinds of hurdles. First, the mentalities differ from one country to another and require a different approach. Secondly, it is difficult to predict which markets will grow at which pace, given that macro-economic indicators fail to provide information about the evolution of their legal environments. In the end, Adamed’s commitment to develop particular products is the criteria number one for us to decide which strategies to implement.

Where do you see the company in Poland in the coming years?

The challenge we set for ourselves is development of innovative potential by improving the cooperation between science and industry. Our best practices in this area is active cooperation with universities in the framework of research platforms and R & D activities. Our goal is to create an innovative product that will be available in the global market. Adamed its market activity bases on the foundation created by the results of R & D Department. Work in the labs is held at the

highest level, which reflects in quality of offered products. The greatest achievements of the company are related to the work carried out in three research platforms: metabolic, oncological, and neuropsychiatric, which we plan to develop in the coming years. Apart from the R&D activities we focus on the portfolio enlargement and diversification.

Your father created the company and the legacy he left behind was the foundation and the vision behind the foundation. What would you want your legacy to be?

I was promoted as the first manager of Adamed and I was then involved in the process of the creation of the company’s structure, that is to say employing the right people in the right positions. My job was to build on a team on the foundations created by my father, in order for the organization to grow. That is why now I realize how important is work spirit and passion. I wish that my heritage was passion and commitment to action.
Our goal is to create a strong pharmaceutical group. In the future we want to appear as a group, rather than as independent entities. Over the years the company was building its strong market position through innovative activities, which affected the economy of the country and had a direct impact on progress in the treatment of many diseases and thus the standards of health care in Poland. Our ambition is to create products with the majority of a patents that will effectively compete in the global market.

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