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Guillaume El Glaoui, co-founder and CEO of

Laboratoires Majorelle, discusses what spurred the creation of the company, its success of gaining the first reimbursement ever of a condom in France, and the company's core philosophy of social responsibility to public health.

Please begin by introducing Laboratoires Majorelle.

The origins of Majorelle come from the need for a company specialized in public health matters in France. We are focused on solving market access issues for the most needed products, starting with oral contraceptives as a response to the 2013 contraceptive pill crisis [The 3rd generation contraceptive pill was the focus of a great deal of media attention related to the risk of venous thrombosis -Ed.]. There was room in the market for products using a continuous regimen, meaning 28 days rather than 21, which allows women to have less missed pills.

After beginning with this area, we examined other areas of gynaecology and found different subjects which could be improved. We obtained reimbursement for several products which were not reimbursed by the State, as this very much an integral part of our company's strategy; to ensure the availability of these products. Unfortunately, even in France – today one of the world's leading healthcare systems – some important products are not reimbursed. Many pharmaceutical

companies prefer to keep these day to day products as OTC and create higher margins. The philosophy of Majorelle is that products that are of a public health issue should be available to patients whether they can afford to pay for it or not.

We started with contraception and after a few years became the market leader in France, ahead of big pharma players like Pfizer, Bayer, and MSD. Later on, we launched a product in erectile dysfunction called Vitharos®, the first topical treatment for the condition, which was developed in the US. Not only are we the smallest country globally to launch the product, but France is also the top market for Vitharos®, representing over 50 percent of global sales – something we are very proud of. Today, we now have more than twenty products in our portfolio. As a company, we have grown from a team of five people to over 70 and from zero to more than EUR 30 million (USD 34 million) in turnover.

What have been some of the challenges for Majorelle since its foundation?

There have been many challenges of course; one of the biggest being people. The performance of the company is driven by the team we have and being able to recruit and train people both on the field and in the office to cope with such fast growth has been a difficult task. Nevertheless, we succeeded in making this possible. Additionally, in France, obtaining market authorization, reimbursement, and defining the right price are particularly complex.

How have you worked with health authorities to navigate the market access process?

The first step we took was to build product awareness and make sure that the government understands the company’s intentions. We can say that now, health authorities know about Majorelle and recognize that our intentions are to look out for patients, not negotiate high prices for products that will cost them hundreds of millions of euros. Majorelle is here to make sure that we give the widest access to first necessity products at the best price for connectivity.

Majorelle was the first company to dare to ask for a product like condoms to be reimbursed and through this mindset, we have become disruptors in this market space. We always look at the market with the eyes of a company that has not invested millions of euros into a product and need it to be a success. We look at the market with natural eyes which allows us to see the needs of patients and doctors and bring the best product offering possible. Sometimes the best treatment is not the trendy, new product that costs a lot of money, but rather the affordable, mature one that

has always worked.

How do you craft the Majorelle product portfolio?

It is an opportunist approach in a good way, meaning each project brings another. First, we started with female pill contraception, which brought us to other areas in contraception, afterwards gynaecology, and so on. As we continue, we notice the needs of the market and areas which have yet to be addressed. These ideas are not particularly revolutionary, but there are not many companies with this same philosophy in our sector.

Furthermore, part of our strategy is to acquire a market license of products that do not exist in France. At first, this was difficult because Majorelle was not very known, but we are building a track record along with our dynamism that gives us the credibility needed as a partner of choice.

Is there an ambition to increase R&D activities and potentially develop the company's own products?

Absolutely. We already have an interesting R&D project which is being handled by external providers. We are currently in a Phase II trials and we are excited to see how this develops moving forward. Before the project moves later into Phase III, we still have time to discuss with potential investors or co-developers. When a project is interesting and there is proof of concept, funding is never an unstoppable barrier.

What are your growth expectations for Majorelle five years into the future?

In the short term, I believe our next milestone is reaching EUR 50 million (USD 56 million) revenue which will allow us to become a medium-sized company. Looking further, our socially responsible vision can be applied internationally as each country has its own anomalies which is what Majorelle is here for. We want to try and make a difference and improve public health with bringing new products to the country. This goal can be applied globally and there is a lot of work left to do, especially from those who cannot afford good health. As a private company, we are not solely interested in driving growth – something that does not exist anywhere.

What internationalization strategy might be the most appealing to Majorelle?

The logical step would, of course, be to begin with the top 5 European markets and slowly and steadily expand outwards to major markets like the US and Asia. However, opportunity always leads our path. For example, with the R&D project we are working on, the American market may be an attractive place that would benefit from this. These are just options and if we make this kind of choice it is something we want to do so correctly.

What role can a company like Majorelle play in facing the current high prevalence of Sexually transmitted diseases (STDs) in France?

What we noticed when studying the market is that all the efforts made to market contraception ‘in a very marketing way’ by the large players have had the opposite effect: condoms, for example, lost their medical function image amongst the youth notably. However, now that we obtained reimbursement, condoms will be delivered through prescriptions which will give doctors the opportunity to educate and increase prevention. Prescribing products like contraceptive pills with condoms will help create positive habits in this area. There is a new discussion in France dedicated to sexual health, created in 2018, that will be part of a consultation when visiting healthcare professionals.

From our contraceptive products, we contribute to the avoidance of around 900 VTE (veinous thromboembolisms) cases since 2013. With small innovations and better access to basic products, there can be real effects on public health which can be measured.

As an SME in France, have you seen the impact of the new pro-business attitude of the Macron administration?

The business climate has really improved, and entrepreneurs can envision the future with better stability and optimism. Although the initiatives are not pharmaceutical industry-specific, they are beneficial to business in general. The Macron administration has just been in power for 18 months, so they are still very new, but with time we can hope to see positive outcomes as time goes on.

However, the challenges still remain, especially for the health industry. This will not change until the authorities understand that at some point, you cannot negotiate with health. Looking at the big picture, it is not possible to decrease prices forever. This way France will continue to lose

production and clinical trials as it has done in the past.

A concluding final message?

We are proud to be the first truly socially responsible company in the pharmaceutical industry. Majorelle takes pride in being able to have a real footprint in public health with much smaller resources available than compared to MNCs and big pharma. With what we have in our pipeline, we hope to make strong progress in the coming years and confirm the business model that does not choose between profit and public health.

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