Patrick Mahieux – General Manager, ABL Europe



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Patrick Mahieux, general manager of ABL Europe, a CDMO specialized in the provision of viral vectors, discusses the company's history within the Institut Mérieux and, the unique and flexible strategy Mahieux leverages to position the CMO as a top player in the market.

Please begin by introducing ABL Europe and how the company came to be.

ABL Europe is a subsidiary of ABL Inc, which is under the corporate ownership of Institut Mérieux. In 2015, Transgene, a biopharmaceutical company which is also under the Institut Mérieux, decided to carve out their manufacturing activity. From this separation, ABL Europe was created as a contract manufacturing organization.

What challenges did you face in the transition of establishing ABL Europe as a standalone company?

The first challenge was to ensure that employees had the right mindset in transforming from a product production company to a service provider. Our net goal was to find new clients as soon as possible as we began with only one – Transgene. We were very successful in setting up our independence, having had positive growth of 35 percent in 2017. Additionally, in 2016, we started with 29 employees who came directly from Transgene. Today we are a team of 80 employees

reaching a turnover of approximately EUR 12. 5 (USD 14.1) million.

What have been the drivers of ABL Europe’s growth since separating from Transgene?

ABL Europe operates in a very dynamic market that is growing 20 percent by year. Therefore, we aim for double-digit growth above this mark each year to be aligned with the market.

ABL’s growth is mainly limited by our own production capacity as the market demand is so large. For this reason, we acquired a second site in Lyon in 2018. With this new production facility, we should be able to double our capacity. However, even with added capabilities, if the market trends continue as they have the capacity of this site will also be saturated within three years. Lucky, our shareholders at the Institut Mérieux are very supportive and will be willing to back us for further acquisition opportunities if needed.

How significant are export activities to ABL Europe?

Transgene is ABL Europe’s only client in France. The rest of our business comes internationally from markets such as Korea, Japan, the US, and other European markets. Viral vectors is quite a niche market and when companies need a virus, there are only a few players available – less than 20 in the world.

What added value can ABL Europe offer to position itself as a top player in the market?

Here at ABL Europe, we have an entire offer all under the same roof. From the right service to the right product, quality control, and process development are all done internally. This is a major difference not only among the other ABL subsidiaries but also in regard to our competitors – ABL Europe is really a one-stop shop. We do not outsource activities, and this strategy is very important to the organization. Dealing with biological products, having close control of operations is essential in ensuring products are safe and produced to be high-quality goods.

How is ABL Europe’s management strategy different from large organizations within the industry?

We manage ABL Europe as a start-up in the sense that we can be flexible and offer advantages that cannot be found in large corporations. For example, our team is given the freedom to manage their own hours; when to come in and when to leave. This results in our people being very committed to efficiency. ABL is focused on retaining lean structures which allow us to only have three organization layers – CEO, manager, and technicians.

Furthermore, in ABL Europe, we have no segregation between product development and GMP manufacturing. We have process engineers who are dedicated to processing development, but our technicians can move between the areas of development and manufacturing – a practice which does not exist in big pharma organizations. One year can be lost in the transferring of process methods from development to GMP manufacturing. All the know-how is left behind in development, which results in avoidable issues when problems arise in the manufacturing process caused by a lack of background knowledge in technicians.

ABL Europe is a specialized player in producing viral vectors. How is this strategy impactful for the company?

By being so specialized, there are only a handful of competitors in the market. This gives ABL the opportunity to not only selective in choosing who we work with, but we can also fully adapt to any complex project needed by our clients. Working in this market, demand is high and the price is not an issue – clients want to have their clinical trials as soon as possible because, for them, time is money.

Despite having a selective client base, we are able to build long term, flexible relationships which are highly valued by our partners as their projects often change. Therefore, ABL has the capabilities to work with clients from small biotechs to big pharma. When it comes to a complex platform such as viral vectors, what clients look for is expertise and added value offerings. ABL can manage the full scope of a project from bio-banking, process development, to final delivery.

The Macron administration has strong ambitions to bring strength back to French industry. Have you seen any benefits being realized in the environment today?

This has been a good start, but the changes are still to come. We have seen certain simplifications in business areas, for example, the margining of employee councils to create a more direct dialogue with labour representatives, but the industrial improvements initiatives are still too slow.

Especially when it comes to social principles, the need for more flexibility is crucial to reenergize the French industrial ecosystem.

What is your vision for the CDMO sector and ABL Europe within the upcoming five years?

I expect to see further development in biologic products within the market with biosimilars playing a larger role in the pharmaceutical industry. Furthermore, pharmaceutical players will continue to divest their activities and there will be an increase in the demand for outsourcing services.

For ABL Europe, we will continue our expansion through continued acquisition activity. We are also considering the diversification of our service offering, perhaps entering into personalized medicine which is a very unique area yet offers interesting opportunities for the company. Cell and gene therapies are still a new area and I will continue to monitor this space as it matures further.

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