Marina Lugova – CFO & Member of the Board of Directors, Synbias Pharma AG



The uniqueness of Synbias lies in the constant innovation that the company is able to implement in its manufacturing processes

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Chief Financial Officer Marina Lugova introduces pharmaceutical company Synbias Pharma's evolving European footprint, how the company has been able to withstand the COVID-19 pandemic and continue providing its essential products to customers, and its plans for the future, including further investments in the firm's German production facility and new strategic initiatives.

Can you begin by introducing yourself and your role at Synbias Pharma AG?

I am a graduate of ESSEC and an MBA from INSEAD. Prior to joining Synbias Pharma as VP for business development in 2014, I was a consultant at The Steinbeis Center of Management and Technology in Stuttgart, Germany. Since 2018, I have served as CFO of Synbias and also sit on the board of directors. Together with other directors, I am accountable for the group's activities, strategy, risk management and financial performance.

Outside of Synbias, I am a mentor at the INSEAD Alumni Association (France and Germany) and at PWN (Professional Women's Network) Global, empowering women and helping young managers develop their leadership skills.

What is Synbias Pharma today?

Synbias Pharma AG was founded in 2012 in Switzerland with the objective of developing, manufacturing, and selling Highly Potent Active Pharmaceutical Ingredients (HPAPIs) and Final Drugs used in the therapies needed to fight a range of cancers. Synbias Pharma AG is certified by Switzerland's regulatory body, Swissmedic, and the group's production site in Mannheim, Germany is EU GMP certified and undergoing a US FDA inspection.

Currently, we sell our products in the anthracycline category in 21 countries across five continents. Synbias Pharma is a leading global supplier of anthracycline antibiotics with a 30-50 percent share in its niche markets.

The uniqueness of Synbias lies in the constant innovation that the company is able to implement in its manufacturing processes. This innovation allows us to be one of the only companies that produces APIs in this category within Europe – most of our competitors are in China or India – with excellent quality and at a good price. Other European HPAPI manufacturers currently lack this level of manufacturing innovation and will struggle to compete with us, making Synbias quite assured in its position and long-term strength.

What has been the impact of the COVID-19 pandemic on the healthcare industry and how has Synbias Pharma been able to withstand it?

The COVID-19 pandemic has been one of the worst crises to hit mankind, but has inspired tremendous resilience and innovation in all parts of the healthcare industry. Scientific teams around the world have been working relentlessly to develop solutions to combat the virus, and are experiencing a paradigm shift that is here to stay beyond the pandemic.

On the manufacturing side, disruptions in supply chains have highlighted the need for greater backward integration of the key starting materials and improvement of manufacturing processes during development. Finally, this period has reminded us of the value of partnerships across pharmaceutical companies, academia, government, and non-governmental agencies.

At the European level, more than EUR ten billion has been mobilised for healthcare in the EU's new budget proposition, which shows that European cooperation in the healthcare space is a reality and is strong. However, the creation and implementation of an industrial ecosystem is still an ongoing task.

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Synbias Pharma withstood the first and the second wave of the COVID-19 crisis, having responded with agility to disruptions in the supply chain and implemented necessary changes in its business processes. This summer we successfully launched the commercial production of anthracycline anti-cancer APIs in Germany and our ongoing production of these APIs is already beginning to pay dividends, as a global production shortage in the anthracycline category of drugs has been alleviated, leading to more treatment options for doctors and their patients.

What are Synbias Pharma’s strategic priorities for the future?

Synbias Pharma plans to strengthen its HPAPIs portfolio by launching new APIs later this year (2020) and then later on grow these products. The group expects to increase the size of its team and will continue to invest in its manufacturing facility in Germany.

We innovate on HPAPI manufacturing processes based on many years of experience and practice. With this in mind, the German production of these essential ingredients means that they are accessible for European clients from a pricing perspective and, at the same time, remain economically viable for the Synbias business model.

As the next step in our development and growth, we aim to explore other strategic initiatives, grow the production business, including for final drugs, and also add services to our business model, starting from analytical and custom development services. This will be significant, given that oncology treatments are becoming more and more personalised, meaning that volumes of final products are decreasing, and the demands on service providers are therefore growing. Small- and medium-sized companies developing innovative new oncology treatments will need extremely flexible and reliable manufacturing partners to help them develop and produce in a very short period of time. Synbias can be one of the few such partners here in Europe.

What are the challenges of implementing such an ambitious growth plan under current conditions?

From the very beginning of the pandemic, Synbias laid out two main objectives. The first was to protect the health and safety of our colleagues and their families and the second was to fulfil our role as a critical supplier of essential medications to healthcare customers around the world. Our countermeasures were strict, helped us achieve the success we desired, and still apply.

The continuous optimisation of production processes has always been an integral part of our company’s strategy. Now we have also started an initiative to focus on establishing second sources for raw materials, balancing global and local suppliers to become more resilient against disruptions in global supply chains. We continue to invest and innovate, plan for robust business continuity and make sure than our plan is flexible and agile. Now as never before we need to adapt to unprecedented events.

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