

Interview: Jerome Martinez â?? President, Santen France



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Mr Martinez, President of Santen France, reveals how Santenâ??s decision to acquire the French pharmaceutical company Novagali in 2011, was based on its desire to project itself as an innovative ophthalmic player across the whole of Europe and why 2015 was a significant year for the group, receiving European marketing approval for Ikervis, the first and only cyclosporine eye drops licensed in Europe.

In announcing the takeover of Novagali in 2011, Santen's CEO, Akira Kurokawa, said this acquisition would play a key role in strengthening the group's global business platform. Why was Novagali the right match for Santen in this?

Before Novagali was acquired in 2011, Santen's European presence extended primarily to Germany, Finland and Eastern Europe. The group's desire was to establish a presence in all the major European markets, such as the UK, France, Spain and Italy, covering the whole of Europe, and in the process become a real player on the continent, and not merely a North European actor. They decided to acquire Novagali, for whom I was working, because we had products that were of real interest to them, not only in Europe but also from a global standpoint. It was also a way for Santen to project itself as an innovative company in Europe.

Furthermore, they saw the French market as a major European market, as well as being a good way to begin developing a strategy for all of southern Europe. France is at the frontier between northern and southern Europe. Many of our practices and cultures are a mix of the two regions. France is also a good base to enter into the French-speaking African markets and the Middle East, given our historical ties and high level of collaboration.

You had been at the helm of Novagali since 2003. How has this takeover allowed you to take the business to the next level and how smooth was the transition?

Novagali started off as a start-up in 2000, and for over a decade spent a lot of money working with venture capitalists. In 2010 we went public, moving to the stock exchange. The next step was either to have a licensing agreement for one of our products, or to work with a company that would fund our future development and allow us to move into a commercial phase. We were in talks with several companies from different origins, North America, Europe and Asia. The Novagali management were in complete agreement that Santen was the perfect partner for us. First of all because we had been familiar with Santen for over 10 years. During this time we had been regularly visiting potential partners, and had good relations with all the major ophthalmic players. We overwhelmingly decided that Santen was the most appropriate partner for us. They were committed to maintaining our research and development activities, as well as all of our employees. Santen also opened the door to all the major Asian markets, which we had not previously been very familiar with, unlike the North American and European markets. Santen's philosophy regarding innovation and their level of social responsibility were also complementary to Novagali's approach. Japanese people are very methodical and the transition process was extremely smooth.

What are Santen France's expected results for 2015 and what is the outlook for 2016?

2015 was a significant year for Santen France. We received European marketing approval for Ikervis, the first cyclosporine drug for the treatment of severe keratitis in adult patients with dry eye disease in Europe. Cyclosporine has been available in the US since 2004, and is now finally available for European patients. This was a major step forward for the European ophthalmic community as well as a significant breakthrough for Santen given that it was our first major first-in-class product to be launched in Europe. In France the product was already available through the ATU system (early access to drugs not yet on the market), 18 months before it received European approval.

Innovation is what drives any successful business. What does innovation mean to Santen?

Our focus is always the patient, how we can improve their lives and their access to treatments. Our aim is always to come up with improvements to existing products, or to deliver completely new

innovations and in doing so change the paradigm regarding the treatment of a disease. We are also working on specific algorithms, helping ophthalmologists to diagnose different diseases and then to decide what treatment is most appropriate for each patient. Our innovation strategy goes from researching breakthrough products, to the approaches in diagnosing and optimising the treatment of patients regarding their ophthalmic diseases.

Do you see France as a good environment for innovation?

France is a good environment for innovation not merely when a product is ready to be launched, with the ATU system, but from the beginning of the process. As an entrepreneur myself, I have personally benefited from the research environment that has been created by the French government. France has a tax credit research program, *the Credit d'Impôt Recherche*, and for the first seven years of any new start-up, there is also the status *Jeune Entreprise Innovante* (young innovative enterprise), which reduces considerably your level of social charges and taxes. This allows you to invest in pure research, a system which is rather unique in the world. In the ophthalmic field, France is also an extremely good environment when it comes to the pre-clinical, clinical, specialized hospitals and manufacturing worlds with specific expertise and know-how. We have a lot of companies which are experts in their field, with all the necessary certifications. This was very important for the development of Novagali as it meant that our work could be used in any market across the world, in North America, Asia or Europe. France also has all the CROs that are required for clinical studies and a lot of consultants, with a great level of know-how and excellent advice when it comes to establishing the right communication pathways with the regulatory bodies.

Santen's vision is to develop Santen Novagali into a specialized pharmaceutical company with a global presence by 2020. What is the strategic importance of your activities in France as part of that ambition?

There is a clear commitment from Santen to continue investing in research and development through the Novagali Innovation Centre, contributing to the group's fast growth by delivering constant innovation. Last year, in order to boost this process further, Santen decided to acquire MSD's ophthalmic portfolio, developing further our level of critical mass. France is a key market for Santen when it comes to delivering innovation and launching new products. We also benefit from the scientific environment in France, with many key opinion leaders and a school of ophthalmology that is well respected across the world.

The ophthalmic market in Europe is already an extremely competitive one. Mr Chibret of Laboratoires Théma was explaining to us how over the last 10 years they have established themselves as the third largest ophthalmic player in Europe and a dominant player in France. As a relatively late player in France, what is Santen's strategy to build brand name recognition?

The ophthalmic community in France welcomed the emergence of Santen in this country. Santen has been dedicated to this field for over 125 years. We are the number one Japanese ophthalmic pharmaceutical company, with over 40 percent share of the market. Santen has always been a leading innovator in this field. Our job in France is to demonstrate that we will do the same in this country as we have done in Japan when it comes to delivering innovative products. We have done a lot of work in branding Santen as an ophthalmic partner of choice.

What are your key objectives for the next five years?

The ambition is to be one of the major ophthalmic pharmaceutical companies in France and in particular a leader in the treatment of dry eyes, where we have truly unique products. Ikervis will also be a major contributor to our growth, while bringing a lot to the community. We also want to continue

building on our close relationships with ophthalmologists, in terms of scientific exchanges and in the services we offer to them and their patients.

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