John Rim â?? CEO, Samsung Biologics

We are the only CDMO represented in the SMIâ??s Health Systems Task Force â?¦ This foregrounds our positioning as a strategic partner to pharma and a contributor to the betterment of society, global health, and the planet

06.07.2022

Tags:

Korea, Samsung Biologics, Global CEO, CDMO, Manufacturing, Supply Chain

After a dynamic two years as CEO of Samsung Biologics, John Rim highlights some of the fundamentals behind the companyâ??s rapid growth as a CDMO, including the creation of huge new manufacturing facilities to cope with increased demand, a dedication to carrying out technology transfers at half the speed of the industry average, and a focus on its people. Rim also touches on Samsung Biologicsâ?? ESG commitments as part of the Sustainable Markets Initiative, his thoughts on Koreaâ??s bio innovation ecosystem, and some of the key learnings arising from the COVID-19 pandemic.

You oversaw a stellar 2021 for Samsung Biologics financially, with Q4 revenues up 18 percent on 2020 figures, driven by increased global demand for CDMOs able to reliably supply high quality biologics. How would you sum up your first full calendar year as President and CEO?

Since its formation in 2011, Samsung Biologics has continually performed well, expanding both its footprint within Korea as well as the scope and scale of its CDMO services. We now have three plants of roughly 30,000, 150,000, and 180,000 liters respectively, all of which are running at almost full capacity, and phase one of a fourth 240,000+ liter plant will come online in October 2022. Since 2018 we have also had a robust clinical development offering and from 2021, Samsung Biologics has been performing fill and finish services in Korea for Modernaâ??s mRNA vaccine. Additionally, we have been producing Greenlight Biosciencesâ?? COVID vaccine, expanding our cell and gene

therapy focused multi-modal platform (MMP), and purchasing additional land for our Bio Campus 2 adjacent to our current facility, which is larger than our current campus by 30 percent.

All of this has led to year-on-year sales growth of 35 percent over the last few years with operating income margins in the 30th percentile.

Operational excellence has been crucial to our strong performance; we do an outstanding job for our customers and, for example, are able to build facilities faster than any other player in the industry. Additionally, Samsung Biologics has a phenomenal ability to rapidly carry out technology transfers; our average timeframe is three to four months compared to an industry standard of six to eight. Even during the COVID pandemic, we were able to complete the tech transfer for Modernaâ??s vaccine within three months and gain approval from the Korean government within five months. Moreover, Samsung Biologics has worked to rapidly produce COVID therapies for Eli Lilly, GSK/Vir and AstraZeneca, underlining our commitment to bringing these vital products to the patients that need them as quickly as possible.

Samsung Biologicsâ?? successes would not be possible without our excellent people. Our culture, as encompassed in the â??Driven. For Life.â?• motto is based around a purpose, commitment, and unrelenting will to build a better future for all humanity, which brings our teams together to serve clients and patients and shows through in our financials.

As security of supply and population health are now central conversations for governments, companies, and citizens, have you seen a reassessment of the importance of CDMOs like Samsung Biologics in the eyes of stakeholders?

In the past, pharma companies looked at CMO partnerships and dual sourcing primarily as a risk mitigation exercise. However, pharma is now realising that its core competencies are in R&D rather than in building and maintaining manufacturing facilities, leading to a greater degree of outsourcing. I foresee that trend continuing, particularly in an environment of constrained supply chains post-COVID.

Samsung Biologics has been able to perform very well against this backdrop, having noted right at the outbreak of the pandemic that this was going to be a long-term issue on which we needed to move quickly. For example, we rapidly set up a war room for the supply chain management organisation to ensure consistency of supply. From our base in Songdo International Business District (Songdo IBD), we have a critical mass of companies, including Saint-Gobain, Cytiva, Thermo Fisher Scientific, and Celltrion, which helps secure this supply chain.

12 of the Top 20 global pharma companies, as well as many smaller players, currently partner with Samsung Biologics because of our ability to ensure security of supply, as well as because of the quality, speed, and cost of our offering.

Samsung Biologics in particular is an important part of the health ecosystem, as part of the Sustainable Markets Initiative (SMI). Launched by His Royal Highness Prince Charles at The World Economic Forum 2020 Annual Meeting in Davos, the SMIâ??s mission is to build a coordinated global effort to enable the private sector to accelerate the transition to a sustainable future, with multiple industries involved in reducing greenhouse gas emissions across the world by 2030. We are the only CDMO represented in the SMIâ??s Health Systems Task Force along with AstraZeneca, Sanofi, GSK, Novo Nordisk, the WHO, the NHS, and UNICEF. This foregrounds our positioning as a strategic partner to pharma and a contributor to the betterment of society, global health, and the planet.

How would you characterise Samsung Biologicsâ?? relationship with regulatory bodies and how does this play into being fast and reactive in your activities?

Samsung Biologics has a stellar reputation and great relationships with regulatory agencies from the USA, Europe, Brazil, Russia, Japan, and across the world, counting over 130 regulatory approvals to date. Additionally, during COVID we were able to quickly set up 24/7 remote audits for clients and regulators, allowing them to inspect facilities and access documents at any moment. Several regulatory agencies have requested more information on setting up such audits in their dealings with other companies.

Importantly, during the pandemic we were able to continue to rapidly deliver for our clients, particularly around tech transfer thanks to our project management teams. Our client focus helps ensure that tech transfer is done smoothly and quickly, bringing critical treatments for unmet medical conditions like HIV, cancer, and COVID-19 to patients sooner. For example, we were able to conduct eight tech transfers, primarily of COVID-related products, in a three-to-four-month period, demonstrating our employeesâ?? commitment to global healthcare.

When we spoke to your predecessor, Tae-Han Kim, he underlined the companyâ??s big bet on biosimilars, an area where many companies had previously failed to gain approvals or experienced significant delays due to inadequate manufacturing facilities. How has this footprint evolved and what do you see as the key challenges in the global biosimilars market today?

In collaboration with Biogen, Samsung Biologics launched its own biosimilar business, Samsung Bioepis, in 2012. In the intervening decade we have been able to demonstrate our ability to provide biosimilar products to global health authorities and populations across the world at a much more cost-effective price, particularly in Europe but increasingly in the US as well. Health authorities across the globe are recognising biosimilars as a cost-effective solution that will bring medical products to larger populations and also enable better government spending.

Earlier this year, Samsung bought out Biogenâ??s stake in Bioepis for USD 2.3 billion. What is the significance of this move?

Samsung Group is committed to building up its biopharma business in the same way as it did with its electronics business; Samsung Electronics is close to USD 500 billion in size. To this end, the Group has committed to a significant investment in biopharma over the next few years, including in the CDMO business, the pharma sector, and the biosimilar business, hence the decision to fully acquire Bioepis.

Up until now, most of Samsung Biologicsâ?? expansion has occurred in Korea. However, given the locations of your clientsâ?? headquarters, logistical challenges, and increased fuel costs, might the firm now look to acquire more assets in the US and Europe?

Our aim thus far has been to build the facilities that serve our clients quickly. In the CDMO business, around 90 percent of our clients are from the US and Europe and are mostly agnostic on location,

particularly as it relates to drug substance manufacturing. The story is a little different for drug products, where transportation is more costly, and there are greater sensitivities around customs clearance and speed, but we are still able to serve clients across Asia Pacific and globally from Korea.

In the long-term we are looking at both greenfield and brownfield opportunities in the US and Europe, but frankly, it will not be possible to build facilities in these geographies at the speed at which we have been able to do so in Korea.

The Korean government has long been pushing a bio innovation agenda and recently pledged USD two billion towards the development of homegrown COVID-19 vaccines. What do you see as the status of the overall Korean biopharma ecosystem today and Samsung Biologicsâ?? role within it?

While I cannot speak to the Korean governmentâ??s specific aims, I can say that the country is continuing to build a strong hub in biotechnology, particularly around Songdo IBD with a critical mass of companies establishing strong footprints. This trend looks set to continue as people live longer, technology improves, and incomes rise.

In terms of vaccines, Korea is doing the same as many other countries in securing its own capability so that in the event of a supply shortage, its own citizens get first priority. Samsung Biologics has a role to play in this, with significant in-house manufacturing capability for half a billion vaccine doses, including mRNA vaccines.

Infrastructure around people and talent is also a key component in the future of Korean biopharma, and the government has rolled out some initiatives on that front, as have we. This talent piece also plays into Koreaâ??s global responsibilities as the base of a new WHO vaccine manufacturing training hub for professionals from developing countries.

Having spent most of your career in the US, why did you decide to return to work in Korea and what can professionals with profiles like yours contribute to the Korean industry?

I saw it as a once-in-a-lifetime opportunity to help take the Korean biotech industry to the next level. Having worked extensively in biotech in the US, I felt that I had plenty to contribute to its development in Korea; a country with a well-developed pharma industry but without a deep footprint in R&D and with plenty of room for growth. We must now invest in R&D, people, and infrastructure, which will take time, but I am highly optimistic about Koreaâ??s future trajectory.

What can we expect from Samsung Biologics in the next few years?

There have been several learnings from the COVID-19 pandemic period. The regulators have been extremely flexible and supportive during what was a challenging time in helping bring vaccines and therapeutics to patients rapidly and aligning with companies. Many strategic relationships have been developed, with greater transparency on sharing data and working towards common goals.

Of course, I am very proud of what we have been able to achieve at Samsung Biologics, but I would like to re-emphasise that all our successes are down to our employees. Looking forward, we will continue to increase headcount, including at our US R&D center, expand our footprint in the US and

Europe more generally, and develop our portfolio offerings across monoclonal antibodies, mRNA, and cell and gene therapies.

See more interviews