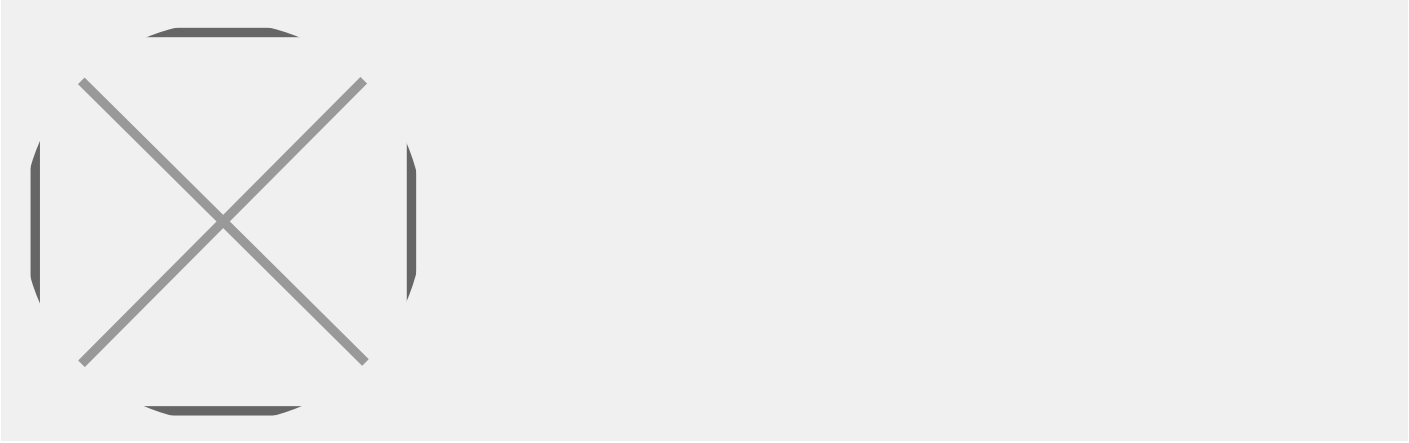
Interview with Albert Saporta, President and CEO, Stallergenes



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albert-saporta-president-and-ceo.jpg

re recent milestones for Stallergenes?

Stallergenes has been successful over recent years for several reasons, the first of which is the growth of the group. On average we have grown 15% meaning in the past decade our sales have quadrupled our turnover.

These results are based on our method to allergy treatments using a long-term approach through allergen immunotherapy. This is in contrast to a symptomatic treatment of allergies which is sufficient for non severe allergies and only if you continue taking medications other wise the allergy issues will resume. Stallergenes is looking to eliminate the disease through desensitization to the root cause of the initial allergy.

Historically, the allergen immunotherapy approach has been carried out through injections which demand a regimen of 60 shots over the course of three years that is obviously a cumbersome method. Over 20 years ago we developed a sublingual delivery method that has been proven to be similarly efficacious to injections, and with a much better benefit/risk ratio. Despite this improvement, immunotherapy treatments are still seldom registered as specialties.

Today, we are ambitiously shifting the paradigm of company to make way for the future of severe allergy treatment. There are all together more than 100 allergies that people can suffer from. We have found that by providing five drugs– grass pollen, dust mites, , ragweed pollen, birch pollen and Japanese cedar – we can cover 80% of the developed world’s needs.

Moreover, the regulatory context is dramatically evolving: rules governing the conduct of clinical trials evaluating products used in allergen immunotherapy were defined by a new EMA directive released in 2009. EMA thus recognizes the relevance of immunotherapy as a treatment practice in respiratory allergies, proposing a methodological framework and indication objectives.

Therefore our idea is to create a new paradigm based on five sublingual immunotherapy tablets as registered drugs, developed on evidence-based medicine (EBM) basis.. In addition to simplifying administration, the development of our sublingual immunotherapy tablets marks the start of a new era for this therapy, founded on EBM. This is the core of our strategy for the future.

Oralair was first released in Germany and Stallergenes has used this as a reference market to get pan-European approval. What does this move mean for the group?

We chose Germany for many reasons, the first being that Germany has its own agency devoted to biological medicines and within that a special department focused on allergens. Therefore, it was an opportunity for us to discuss with experts in this field about our drug file.

Secondly, it should be noted that Germany is by far the largest immunotherapy market in the world and it’s a country where our market share is not as high as we would like it to be so we wanted the new product on the market there as soon as possible.

Today we are licensed in Europe and still have to negotiate on a country-by-country basis for price and once obtained we will launch in the different markets.

Many foreign multinationals find that getting a fair price can be difficult in France; as a French company do you find that to be the case as well?

Just being a French company alone is not a decisive argument for a price here. The difficulties in getting a fair price in France are clear and even more evident in a field like allergies as it does not compare to very severe diseases such as cancer or diabetes. In immunology we have to demonstrate a high level of efficacy in order to obtain an acceptable price.

Stallergenes has grown rapidly in the last years and has also obtained several awards such as the “Meilleure Performance Boursière” (Best stock market performance) in 2009. Is this growth sustainable?

As we continue to develop in our five core specialities our company should continue to grow at the same speed. In fact, we can really explode in the US market while create an entirely new segment in the non-existent Japanese allergen market. I believe that the award “Best stock exchange performance” is the recognition of the simplicity and efficacy of our strategy.

In regard to internationalization, Stallergenes has made big strides to expand here in Europe as well as enter into other regions like the CIS through partnership. Nevertheless

the company still sits outside of the US and Japan; how do you plan on penetrating these markets?

Up until now you could call Stallergenes a European company as we began our development in France and today have 10 subsidiaries in the market. This has led to a foundation from which to create our products and network. Outside of Europe – excluding the US and Japan – we take a very opportunistic approach by selecting good distributors for our products should it benefit the distribution of our products. We will continue with this strategy.

In regard to the US and Japan, where immunotherapy is not developed as it is in Europe, we have to enter into local clinical development as our European file will not be accepted as is. At the very least we will require a phase III local trial to confirm our European results that will be expensive. Secondly, we need to negotiate with local health agencies which is a process done better through experience. Lastly, we need to actually get our tablets onto the market which will be a revolution in either country but to do so in a country that is not yours it's better to be big. Therefore, we will look for a partnership with a big – possibly international or perhaps local player – to impose the concept in these two markets.

Stallergenes is a smaller French company looking for someone much larger: what are the right qualities you're looking for in partners for these collaborations?

Ideally we can collaborate with a larger company who already has an allergy franchise but if it does not work we could imagine doing something with a large domestic player who may want to expand activity in Europe.

You have been with Stallergenes for a number of years, both in the early 90s as well as your latest tenure. What is it about this company that keeps you coming back and interests you in staying here?

My first experience with Stallergenes was between 1990 and 1994 when the group was part of the Mérieux Group. At the time I had spent over 15 years in vaccines so Alain Mérieux sent me to run this new affiliate and test my ability as a newer manager. Four years after Mérieux was asked by Rhone Poulenc – the holding company then – to divest from all business that was not linked to the core business of vaccines.

I agreed with the sale at the time but as I was not part of the transaction agreement I wanted to come back to vaccines. Mérieux then sold Stallergenes to the Wendel Group who remains the main shareholder today. While I did stay on a year to help with the transition my intent to return to the Mérieux Group was clear.

It is fair to say that after five years the spirit of the group had changed a bit and while it was still a good company Alain Mérieux was no longer the CEO. Five years later Stallergenes was going

through a challenging period and I was asked by the new owners if by any chance I would come back. And by any chance I was ready to come back.

The growth of the group in the last decade under your direction has been strong; what would your recommendations be to a young manager looking to internationalize their company?

I am not sure if what has been true for Stallergenes could be true for others but I think it's always important to look elsewhere. The best idea – especially in this field – is to hire very good people and give them time to do their jobs. In pharmaceuticals, investment is crucial as you have to register your drug and find the right partners which demands capable teams. If you prepare an environment with these qualities then the success will come. It's not original advice but it works.

What do you see to be the success of Stallergenes in the next five years?

We have developed a clear strategy that we feed with huge investment into R&D: last year we dedicated 24% of our sales to creating new products. Allergen is a solid approach to this chronic disease and I feel it's logical to target the cause of a disease rather than the symptoms. With the right products in hand it becomes a matter of commercial know-how and good partners.

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