
Paris, 27th March 2017

Axyntis, independent, multi-site leader in the strategic sector of fine chemicals in France

Under the aegis of both the French ministry of Economy and Finance and of the French ministry of Foreign Affairs and International Development, the PIPAME report (Annex 1) titled “Challenges and perspectives of producers of active ingredients and drugs for third parties”, identifying Axyntis as a leading intermediary-sized company (ETI) having more than one manufacturing facility, was published in March 2017 (Annexe 1).

“The activity is performed by international groups which opened their production capacity to third parties (Sanofi Chimie, Servier, etc.), leading multisite ETIs (PCAS, Axyntis, Novasep, etc.) and a majority of small and medium sized companies having only one manufacturing facility.” (page 9)

A key player in the production of active ingredients in France

Over the past ten years, the Axyntis group, created in 2007, has become the independent group with the most manufacturing facilities in France (5 at the time of the study, 6 since the takeover of the 3M fine chemicals activity towards the end of 2016, see Annex 2):

“Despite being characterised by a splintering effect, the production of active ingredients still has a certain number of leaders, such as Sanofi Chimie, Axyntis and PCAS which each have more than four sites in France.” “Having generated more than 600 million Euros from production for third parties, the top three players represent almost 40% of the total turnover for active ingredient production for third parties and employ 31% of the relevant workforce. The industry is therefore partially concentrated around these key players.” (page 32)

A dynamic group

In the context of a stable environment, the Axyntis group also appears to be one of the most active companies as regards the reorganisation of the sector:

“Little movement is seen between the companies but among the more recent events, there was the acquisition of the 3M group at Pithiviers by the Axyntis group in August 2016.” (page 33)

A strategy of diversification and innovation

By strategically diversifying its technologies and markets (70% of its turnover is generated through exports) and by innovating, Axyntis has broadened its portfolio:

“As they evolve in the chemical sector, the latter which touches different application sectors and is transversal by definition, very few producers of active ingredients have limited their activity to pharmaceuticals... As a result of opportunistic strategies, this horizontal diversification affects companies of all sizes. Consequently, Axyntis (80 million Euro turnover) generated 50% of its fine chemical activity in sectors other than pharmaceuticals (perfumes and scents, cosmetics, animal health...)” (page 108) “Service is fundamental to attract new markets...there are also companies which enter into partnerships with other companies specialised in clinical development, such as the partnership between Axyntis, the producer of active ingredients, with Provence Technologies.” (page 111)

A committed founding President

David Simonnet, has been identified and cited (pages 64 et 109) for his involvement in the defence of the sector so as to improve patients’ access to drugs: the presentation on 20 March 2013 at the National Pharmaceutical Academy, “Procurement of active pharmaceutical ingredients in Europe: reconstruction of a sector? Requirements, limits and recommendations.”

Axyntis supports the main recommendations of the study, and in particular those relating to the tax credits for research (CIRs)

On the basis of its experience in the management of its own CIRs, which are systematically assessed by the tax authorities, the Axyntis group supports all attempts to clarify the nature of the amounts spent on the research it requires for its business, to the experts. In particular, the manufacturing costs which enable the transformation of an R&D project into an actual production chain and therefore, into solutions which will improve patients' access to producers of active ingredients in France, should be incorporated in the CIRs.

Action	Summary	Relevant players
No.1 : expand the CIRs to include all pilot batches and indefinitely extend additional depreciation	Extend the application of the CIRs to all pilot batches required to develop new drugs so as to facilitate the industrial transfer, whilst simultaneously promoting investment in production through the indefinite extension of additional depreciation.	Portage: the Directorate of Large Companies (DGE) Support : General Directorate of research and Innovation, General Directorate of Public Finances

ANNEX 1

The study, « Challenges and perspectives of producers of active ingredients and drugs for third parties » was carried out by advisors Alcimed, on behalf of PIPAME (the Interministerial Pole of Potential and Anticipated Economic Mutations (*Pôle interministériel de Prospective et d'Anticipation des Mutations économiques*)), the Ministry of the Economy and Finance, the Ministry of Foreign Affairs and International Development, together with the LEEM (drug companies) and Sicos Biochimie.

http://www.entreprises.gouv.fr/etudes-et-statistiques/enjeux-et-perspectives-principes-actifs-medicaments?utm_campaign=pipame-pa-medicaments&utm_source=pipame-pa-medicaments%20&utm_medium=mars-2017

ANNEX 2 (page 33)

Table 2 - Main companies in the production of active ingredients for third-parties in France (source : Alcimed)

Company	Number of production sites for active ingredients for third parties	Nationality
Sanofi Chimie	7	French
Axyntis	5	Franco-Japanese
PCAS	4	French
NOVASEP	4	French
ISOCHEM	3	French
FAREVA	3	French
NOVACAP	2	French
SERVIER	2	French
MINAKEM	2	French
EUTICALS	2	Italian

Created in 2007, the Axyntis Group (www.axyntis.com), an intermediate-sized company (ETI) is, with close to 460 employees, France's fine chemicals market leader thanks to its industrial capacities. It has two divisions: dyes, with Steiner (St Marcel), and fine chemicals, with its six factories (All'Chem in Montluçon, Centipharm in Grasse, Kyrpharm and Orgapharm in Pithiviers, and Synthexim Calaire and Dunes in Calais), three of which have R&D centres. Its activities cover various industrial subcontracting markets: life sciences, dyes and speciality fine chemicals, and are built on strategic relationships with the leading players on these markets. In addition to its Chief Executive Officer, David Simmonet who controls the share capital, Fuji Silysia Group entered into a strategic alliance with Axyntis.