

"Sartorius Stedim Biotech is one of the leading companies in bioprocessing technology"

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-Dr Joachim Kreuzburg, CEO, Sartorius Stedim Biotech

Laboratory and process technology provider Sartorius acquired a majority stake in France-based biotechnology supplier Stedim Biosystems and combined its biotechnology division with Stedim carving out a new entity Sartorius Stedim Biotech. With the integration of these two now declared complete, the new entity Sartorius Stedim is set to close year 2007 with about \$550 million in revenue and is focused on the biotech niche

According to CEO, Dr Joachim Kreuzburg, this strategic move will allow the company to offer fully integrated solutions for next generation biopharmaceutical manufacturing. He stated that given the strong double-digit growth rates in the biopharmaceutical markets and the market shift to disposable solutions this is just the right move in the right direction. Excerpts from an interview with Dr Kreuzburg:

What decided the case in favor of Stedim acquisition?

After we had sold single-use bags for several years through a model of cooperation, both the technological and economic reasons spoke in favor of including this technology in our own portfolio of expertise. Aseptic bag technology is becoming a platform technology for further single-use products, such as disposable bioreactors or single-use aseptic transfer systems. Even completely new applications are conceivable, for instance, in the laboratory area. We assume that the development of this market is just beginning and are therefore aspiring to become the global market leader in the field of single-use products for biotechnological applications.

The fact that Stedim offered us the special chance to acquire the market leader in single-use bag technology was, naturally, too good an opportunity to pass up. Stedim not only contributes its technological expertise and market share to our group, but also has outstanding production facilities in France, Tunisia and the US, which is important for our customers, from reliable delivery service aspects.

After the integration how is Sartorius Stedim Biotech positioned?

In this merger, Sartorius brought value with its technologies in the areas of fermentation, filtration, purification and laboratory applications while the sector of fluid management came from Stedim.

Sartorius Stedim Biotech is one of the leading companies in bioprocessing technology, globally. We are also a leading supplier in fermentation, bioprocess filtration and various purification technologies, such as membrane chromatography, which are all core technologies from Sartorius. None of our competitors have such a broad range of products. We provide total solutions and will continue to follow our approach of supplying our customers' needs for technologies and products all along their bioprocessing chain.

What makes India a favorite?

"Compared to the US and Europe markets, Asian scenario is very interesting. There is a huge growth potential, however, countries in Asia are not only characterized at different growth rates but also have different levels of technology penetration and different development levels. The business in India is growing at a fast rate making it very appealing.

Biotech market in India is interesting and not only because of its sheer volume, India is also ideally suited for our product and technology portfolio. For our growth, in the next five years there is a strategic role-play attributed to India. We are consolidating our operations in India in one campus. For us, a local facility to run process trials, validations and to develop new processes together with our clients is crucial for our local business development. It will enable us to stay in line with the customer support that is expected from us in view of the growing business. From this facility we will also support our global customers.

India has a well-established manufacturing base and skilled human resource pool, which puts it ahead of other countries in Asia in terms of growth potential. Sartorius Stedim's value proposition is the whole package that we bring to the life sciences industry in India. I believe our base in the biotech industry in India is well-covered. Now, we will build on the strengths that we have created in this market."

What are the synergies between Stedim and Sartorius product portfolios?

The synergy is in single-use bags and sterilizing-grade filters, because the two are used in tandem as a rule. Currently, approximately 10 percent of our sterilizing-grade filters are channelled into applications with single-use bags, and we estimate that this proportion will increase in the next few years to around 30 percent. Here, we assume that the market for applications with single-use bags will grow faster than the remaining market-and thus become the growth engine for our filter business. And, naturally, by focussing on this segment, we will be securing our sales market for sterilizing-grade filters.

Nandita Singh

Sartorius strengthens biotech business

-Dr Joerg Lindenblatt, Vice President, Sales-Asia, Sartorius Stedim Biotech

Sartorius has got it right on a number of counts. The strategic focus on biotech, a product portfolio spanning from lab-to-pilot-to-full scale production, the focus on growing markets such as India, and now the acquisition of Stedim-the global market leader in disposable technology.

In tune with the trend in US & Europe, the disposables uptake in the industry is growing at a fast rate in Asia as well. In India, though the absolute numbers are not particularly inspiring by themselves, in the next five years the situation will clearly change for better, believes Dr Joerg Lindenblatt. Based out of Goettingen in Germany, Lindenblatt spearheads the company's Asia market initiatives. And, these days, India is his favorite country.

It pays to take a position in the market, early. "Early stage business pitch is much easier. Being a consultant to customers and helping them achieve their objective is what we focus on," says Lindenblatt. According to him, given the way Indian biotech segment is growing, the untapped potential is high. It is this untapped potential that is making him spend every fourth week of his life as the "India week".

Sartorius is focused on leveraging its strong established base in India. The company has made a beginning in the direction by consolidating its operations in the country. By mid-2008 Sartorius will start operating from its new campus in Bangalore. "In our five-year planning India plays a major role, not just sales-wise but resource-wise as well," informs Lindenblatt.

According to him, the integrated campus is a necessity to stay in line with the support that Sartorius Stedim customers need. The facility will have validation labs and process development facilities, which will serve local and global customers. The company has three other such labs in the US, Europe and Japan respectively. The facility in India will also work as backup and support for these labs.\

Nandita Singh