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Sandoz CEO Saynor Talks Spinoff, Leadership And Place Among Peers

Firm Is Positioned As Last Pure Generics Player Among An Evolving Industry Big Three

by David Wallace

In the first part of an exclusive three-part interview, Sandoz CEO Richard Saynor talks to *Generics Bulletin* about the firm's upcoming separation from parent company Novartis, as well as outlining its unique position as a pure generics and biosimilars company among an evolving peer group of off-patent industry leaders.

Sandoz will stand alone in more ways than one by the end of this year, CEO Richard Saynor has indicated to *Generics Bulletin* in the first part of an exclusive three-part interview, with the company spinning off from parent company Novartis while also occupying a unique position among its peer group as the only one of the big three off-patent companies to have a pure focus on generics and biosimilars.

Last year Novartis announced that, following a strategic review of the Sandoz generics and biosimilars unit, it would be spun off into a publicly traded, standalone company in the second half of 2023. (Also see "[Sandoz Set To Become Public Company In 2023 As Novartis Confirms Spin-Off](#)" - *Generics Bulletin*, 25 Aug, 2022.)

More recently, the parent company has outlined the shape of the next 12 months for Sandoz, predicting a "trough year" for the off-patent company in terms of its core margin as it absorbs separation costs as well as facing continued inflationary pressures (*see sidebar*).

However, speaking with Saynor about the year to come he was clear that the priorities for Sandoz would be to "continue to build on the momentum from last year" in terms of the firm's "five straight quarters of growth, across pretty much all the business segments and geographies."

“That’s the number one priority, to keep the business driving,” he outlined, pointing to key upcoming launches in the back half of the year such as the firm’s Hyrimoz (adalimumab-adaz) biosimilar rival to Humira in the US and its biosimilar version of Tysabri (natalizumab) in Europe and the US. (Also see [“FDA Reviews Natalizumab For Sandoz And Polpharma”](#) - Generics Bulletin, 25 Jul, 2022.)

At the same time, Saynor said, “you can’t really avoid [that we’ll be] setting up the company to become an independent business at some point, all being well in the second half of this year.”

“There’s a lot going on in terms of building Sandoz to run as an independent company ex Novartis,” he acknowledged. “So it’s a bit of a cliché, but it’s building the plane and flying the plane at the same time.”

Sandoz Expects ‘Trough Year’ In 2023 As It Counts Cost Of Spinoff

By [David Wallace](#)

03 Feb 2023

Sandoz is set for a “trough year” in 2023 as the generics and biosimilars unit faces costs linked with its spinoff from parent company Novartis that will erode its core operating income.

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“We’re setting up a standalone company, inevitably there’s going to be costs of doing that.”

Asked whether a recent flurry of management changes – such as the appointment of Hannes Woerner as head of global operations for its anti-infectives business, Michael Banks as head of global regulatory affairs, Fiona Perry as retail strategy and innovation head and Sonia Oskouei as vice-president of biosimilars and specialty at Sandoz US (Also see [“FDA Reviews Natalizumab For Sandoz And Polpharma”](#) - Generics Bulletin, 25 Jul, 2022.) – had been part of preparations for the spinoff, Saynor observed that “Sandoz has always been a division and never an independent company, so some of those appointments were about strengthening the leadership team to run an independent company.”

Saynor also highlighted management team members such as Colin Bond who became Sandoz chief financial officer in May 2022 – “who was CFO for Vifor and number of other Swiss public companies, so very experienced with the capital markets” – and global head of technical

operations since October 2022 Glenn Gerecke, who brought “a lot of strength in terms of the depth and capabilities in the supply chain,” including years of experience from Teva.

“Some of it was just really sort of bringing in the right talent and getting the right mix,” Saynor explained. “Sandoz is a generic company and has some amazing talent. And a lot of that talent has come from Novartis. But equally sometimes it’s good to have a mix from the industry.”

Asked whether there were any more key positions to fill ahead of the spinoff, the CEO said “no, I think we’ve got a world-class team pretty much across all the segments in terms of our capabilities to run as a standalone,” with Gilbert Ghostine – CEO of Swiss multinational fragrances business Firmenich – having in recent days being announced to become chairman of the board for Sandoz after its separation from Novartis. (Also see "[Who’s Hired? Sandoz Names Post-Spinoff Chair](#)" - Generics Bulletin, 20 Feb, 2023.)

And touching on the “trough year” profitability forecast for Sandoz that was provided by Novartis during the recent earnings call, Saynor acknowledged that “we’re setting up a standalone company, so inevitably there’s going to be costs of doing that, because Sandoz has never been an independent.”

“So I guess the guidance we’ve given is that we would expect those costs clearly to be reflected in the 2023 P&L. And then over the next few years, there’s a lot of areas that then we can effectively turn Sandoz back into being a focused generics company. We’ll spend more time explaining the details of that at the capital market days later on.”

Taking A Different Approach To Teva And Viatris

Asked about Sandoz’s position within the industry as one of the three leading off-patent companies – alongside Teva and Viatris, both of which are in the middle of transitional periods amid leadership changes (Also see "[Five Things Facing Teva’s New CEO Richard Francis](#)" - Generics Bulletin, 24 Nov, 2022.) (Also see "[Viatris To Bring In Plenty Of Brand Knowledge With New CEO Smith](#)" - Generics Bulletin, 27 Feb, 2023.) – Saynor declined to comment on directly on management specifics of other firms but said “I guess it’s a question of, how do you see those three players.”

“Teva, clearly, its direction of travel from an outside point of view, is to become much more focused on innovation, including the assets that it has launched for migraine and Huntington’s disease [Austedo (deutetrabenazine) and Ajovy (fremanezumab)] which are very much among its focus, I understand that.”

And “if you’re looking at Viatris, we would say, actually, in their last earnings report, they would say that they don’t want to be seen as a generic company, they want to be seen as a mature brands company and a differentiated generics company.”

“Ultimately, out of the three, Sandoz is the only one that’s actually saying we’re a generics company, and we’re proud to be a generics company, and we want to continue to be a generics company. And we think there’s more than enough opportunity for us to thrive and grow in that space.”

“In a sense, all three have gone in different directions,” Saynor observed, “probably because of the same challenge, which is the US market. Because how do you build a sustainable, long lasting, predictable business in the US? And I think that, in many ways, we can trace the challenge of pretty much the whole industry to that question. How do you stabilize and get predictable earnings out of what is a vast commodity market?”

Global Leadership Position Gives Industry A Voice

Turning to Saynor’s personal leadership role within Sandoz and the wider industry – both in terms of recent recognition for his stewardship of the company at the Global Generics & Biosimilars Awards (Also see "[Accord And Sandoz Lead Victories At GGB Awards 2022](#)" - Generics Bulletin, 2 Nov, 2022.) and his appointment last year as chair of the International Generic and Biosimilar Medicines Association’s CEO advisory committee (*see sidebar*) – he said “it’s a huge honor. And it’s an industry that I’ve given thirty-odd years to and I which I love. But I think we don’t necessarily get enough recognition for what we do.”

“You know, if you look at most markets, whether it’s 80-20 or 70-30, the bulk of healthcare is provided by the generics industry. And without us most healthcare systems now would be bankrupt.”

“And so, to me, it’s [about] how do we get a voice at the table to say we’re very much part of the solution. You know, the more we can bring products to the market, we then serve patients, we democratize health care. And actually, I think we benefit the originator industry [too], because in a sense, we hold their feet to the fire on innovation.”

“I love the fact that Sandoz, my company, is a pure generic company,” he underlined. “That’s what we want to be, we’re not trying to be an innovator-light or anything else, we want to be a generics company. And there’s huge opportunities.”

“We are healthcare,” he elaborated. “I mean, Sandoz treats nearly pretty much more patients

Sandoz’s Saynor Leads IGBA’s CEO Advisory Committee

By **David Wallace**

18 Oct 2022

Sandoz chief executive Richard Saynor has been named as chair of the IGBA’s CEO advisory committee, which was first convened earlier this year. At the same time, Lupin CEO Vinita Gupta has been made vice-chair.

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than pretty much any other pharma company in Europe.”

“Also, it’s technically getting more and more complex. If you look at where the innovators are going now – into antibody conjugates, mRNA – those will be the biosimilars of the future. And that’s hundreds of millions of dollars in assets, that’s cutting edge science.”

“So it’s really exciting thinking about what’s the next wave and what that looks like.”

Asked about interactions last year between the IGBA’s CEO advisory committee and the World Health Organization (Also see "[IGBA Impresses Importance Of Off-Patent Industry On WHO](#)" - Generics Bulletin, 21 Oct, 2022.), Saynor said the conversation “was really ultimately about how we improve access.”

“A lot of the challenges are, how do you get a filing recognized in as many markets as possible? I think they recognize that supply is still one of the key issues in this industry. And one of the mechanisms that you can use to address that is making sure that, in an ideal world, if you get an approval in the US, you’ll want to get an approval [everywhere]. That’s easy to say, rather than to do.”

Meanwhile, he acknowledged, “I think the industry also has a responsibility in terms of how it behaves in terms of things like quality systems, data integrity...behaving in a responsible way.”

“I think we’ve come a long way,” Saynor summarized. And while in terms of improving the industry’s reputation and lifting widespread understanding of its contribution to healthcare “I think COVID has helped,” he suggested that “I think there’s more to do there.”

In the second part of this interview, Saynor discusses recent Sandoz acquisitions and its generics and biosimilars strategy. (Also see "[Sandoz Chief Looks To Build On Recent Deals](#)" - Generics Bulletin, 2 Mar, 2023.)