

## CORPORATE PROFILE

# Anchoring Saudi Arabia's Biotech Push

Jerome Cabannes, CEO of SPIMACO, on the Kingdom's national biotech strategy and the company's growth plans at home and across the region.

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In January 2024, Saudi Arabia launched its national biotech strategy that aims to position the nation as the regional leader in biotechnologies by 2030 and world leader by 2040, including vaccine research and development, manufacturing of biologics and biosimilars and advancing the country's genomics database. Under the new national blueprint, the government expects the sector to contribute more than \$34.6 billion by 2040, which is around 3% of the country's anticipated non-oil gross domestic product. The biotech strategy also envisions the creation of 11,000 new jobs by 2030 and 55,000 by 2040 in the biotech field. Giant pharmaceuticals players such as Saudi Pharmaceutical Industries & Medical Appliances Corporation (SPIMACO) are using this platform to advance momentum and grow both within Saudi Arabia and beyond. The company's CEO Jérôme Cabannes highlighted Saudi Arabia's as one of the world's fastest changing economies and its significance as an ideal launching pad for the company: "Our country has a unique momentum that is not found elsewhere. The energy and drive to make things happen in Saudi Arabia – despite challenges – make it a fulfilling and positive place to work."



## COMPANY AT A GLANCE

<b>Founded</b>	1986
<b>2023 revenue</b>	\$440m (+16% YoY)
<b>Standing</b>	Only vertically integrated pharma maker in KSA

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JEROME CABANNES · CEO, SPIMACO

Established in 1986, SPIMACO has grown significantly to become the only vertically integrated pharmaceuticals manufacturer in Saudi Arabia and the largest in the GCC region. The company handles not only manufacturing, but also marketing, packaging, warehousing and research and development of new medicines. "Our current transformation began three years ago in anticipation of Saudi Arabia's new biotech policy," said Jérôme Cabannes, CEO of SPIMACO. "The company's most important milestone was the construction of our manufacturing complex in Qassim, which has attracted many key players looking to manufacture in the country." Another major breakthrough for the company was introducing the first biosimilar product in Saudi Arabia in September 2023 called Enoxaparin. Additionally, the manufacturer signed a term sheet with Chinese biotechnology company Jiangsu Recbio Technology Company in January 2024 for the licensing and technology transfer of an HPV-9 vaccine. SPIMACO recorded a revenue of \$440 million in the 2023 financial year, outpacing its set target with a 16% year-on-year increase. In Q4 2023, the company reported an 80% year-on-year increase in new products, with 91 stock keeping units added to its production lines.

SPIMACO is also focused on growing localization and innovating the Saudi Arabian market under the government's larger Vision 2030 initiative. "We are focused on Saudization, upgrading competencies and succession planning through coaching and mentoring programs to ensure continuity," said Cabannes. In July 2023, the company signed a partnership with Emirati educational consultant FranklinCovey Middle East to expand its range of training programs at its dedicated SPIMACO Academy. Additionally, the company is utilizing state-of-the-art technologies in all its activities, including adopting integrated automation and artificial intelligence. "Our operations at the plant are well equipped with fully automated parts coupled with data integration and are based on stringent quality systems," he said. The company recently underwent its largest digital transformation by partnering with Google Cloud in April 2023 to migrate its enterprise resource planning to the digital platform across its operations in 13 countries.

Moving forward, the pharmaceuticals player's large-scale strategy aims to expand at an annual compound growth rate of 13-15% until 2027 through diversification of production lines, optimizing operational costs and entering new markets. "We develop products for Saudi Arabia and surrounding countries, and our ambitious plans include expanding in the Gulf Cooperation Council and in Middle East and Africa regions, including Morocco and Algeria," said Cabannes. According to the CEO, the manufacturer aims to meet the high demand in these regions for diabetes, vascular disease and central nervous system disorder treatments. SPIMACO currently has more than 1,200 stock keeping units across 400 different products, with plans to register around 35 new products in 2024. The CEO admits that leading the company's growth alongside Saudi Arabia's diversification strategy has been fulfilling since he took on the position in February 2024: "Leading people and aligning our efforts with the government's current direction is incredibly rewarding."

