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Biosimilars should slash up to 50% off reference product prices, says Oncobiologics' Pankaj Mohan

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The companies aiming to take advantage of patent expiries of some of the world's best-selling biologics – be they the Sandoz unit of Swiss pharma giant Novartis (NOVN: VX), US biotech majors Amgen (Nasdaq: AMGN) and Biogen (Nasdaq: BIIB) or others of similar ilk – are some of the industry's big players.

Oncobiologics (Nasdaq: ONS), a US-based company that recently completed its initial public offering, certainly does not fit that mould.

However, just five years after its formation, it already has its own platform for developing, manufacturing and commercializing biosimilars, including a version of the world's biggest-selling drug, AbbVie's (NYSE: ABBV) Humira (adalimumab), which will soon enter the Phase III stage, and others in less crowded but highly attractive markets.

One way that Oncobiologics is achieving this is through the expertise of its board and management, says chief executive Pankaj Mohan, who has previously held senior roles with US pharma majors Bristol-Myers Squibb (NYSE: BMY) and Eli Lilly (NYSE: LLY), and the biotech company Genentech.

"With our focus on developing technically challenging, commercially attractive monoclonal antibodies (mAbs), there are large hurdles to overcome throughout the process," he tells the Pharma Letter. "But we are confident because we all have large pharma and biotech experience. We've definitely built a business model to be one of the leaders in this space."

Avoiding IP hurdles

Amgen, Korean company Samsung-Bioepis and Indian drugmaker Zydus Cadila - are among those also involved in the Humira biosimilar race, though in spite of the competition, Dr Mohan says that developing its own version was too attractive an opportunity for Oncobiologics to pass up.

"The landmine here is the biosimilar formulation intellectual property (IP) landscape," he says. "We decided to create our own formulation IP to ensure we have a clear path to commercialization. Humira is a crowded space but even gaining 10% to 15% of that market is a very lucrative opportunity. We expect that biosimilar to prove our engine."

Oncobiologics should have an idea of its ONS-3010 Humira biosimilar Phase III results by the third quarter of next year, but it is by no means a one-trick pony, with a pipeline including other immunology and oncology products.

Its second-most advanced asset is ONS-1045, a biosimilar of Swiss pharma giant Roche's (ROG: SIX) cancer drug Avastin (bevacizumab), which Dr Mohan describes as "even more difficult to develop and manufacture," but he adds that the competition is not so fierce.

Targeting big savings

In 2013 Oncobiologics signed a co-development and commercialization partnership for four of its monoclonal antibody (MAb) biosimilars biosimilars in developed markets with China's Zhejiang Huahai Pharmaceutical, and it is now exploring other alliances.

"We have the ability to execute multiple assets, but nobody has the capacity to do it all, and we are a small company," Dr Mohan says. "The only way we can take our plan forward is by partnering."

Oncobiologics' product-by-product collaboration with Premier (Nasdaq: PINC), the health care company with a presence in 3,600 US hospitals, looks a smart move in helping to advance the adoption of its biosimilars, but whoever his company partners with, and despite the relative small-size of his company, Dr Mohan has big ambitions to deliver major savings in healthcare through these products.

"If you take 15% to 20% off the price of the original drug, it's not a significant saving." he says. "That's true in the USA and Europe. What payers are looking for is a saving of 40% to 50%, especially for a product like Humira, and that's what you have to aim for if you really want to make a dent. There is significant social and political pressure to reduce the cost of medicines, and MAbs are the most expensive drugs.

"Reducing the cost is where our focus and passion is."