

Ash Stevens starts \$6m expansion

By Nick Taylor

Buoyed by an increase in repeat business and deals with large pharma companies **Ash Stevens** has begun a \$6m (€4.1m) expansion of its API manufacturing facility, with further phases planned to occur over the next six years.

Speaking to Outsourcing-Pharma James Hamby, vice president of business development at Ash Stevens, explained that the company has had growing demand for active pharmaceutical ingredients (API) and record results in its past three fiscal years, prompting it to expand.

The new infrastructure, which is completely self-financed, includes a reactor bay. This will be similar to its existing reactor bay, and act as a backup, but will also include a 50 gallon hydrogenation vessel.

Hamby expects the first phase of the expansion to be operational in January. The second phase of the expansion will be complete in June 2010, when Hamby expects Ash Stevens to finish its new 10,000 sq ft warehouse.

These two developments will use the \$6m Ash Stevens has ringfenced for expansion but the company has plans beyond this. If future business is strong Ash Stevens intends to further expand its site in Riverview, Michigan over the next six years.

The next step after the warehouse is the installation of larger vessels, up to 1,000 gallons, followed by process development capacity and highly potent API (HPAPI) handling capabilities.

Expanding in the downturn

Ash Stevens has been able to meet or exceed its five to 10 per cent annual growth target despite the economic downturn and this has prompted it to expand, according to Hamby.

He added that the company has benefited from increased business from large pharmaceutical companies, which Hamby believes are increasingly outsourcing their API operations.

Ash Stevens has also benefited from an increase in repeat business, an area Hamby said has always been strong at the company. Hamby attributes this increase to clients' desire to outsource to companies that deliver quality and on-time, with cost being less important than these factors.

Upturns in these areas have compensated for reduced business from start up companies, which have struggled to obtain funding in recent quarters because of the economic situation.