

# Q&A with Ian Page

**Q It has been a strong year for Dechra; to what do you attribute this success?**

**A** Ultimately, it is the delivery of our strategy. We have expanded geographically, launched new products, and our core portfolio of products has performed very well. Looking at it in a little bit more detail, revenue growth in the USA was exceptional at almost 60%. This is driven both organically, with good performance from our endocrinology and dermatology portfolio, but also with the launch of *Osphos*, our new equine lameness product. This has been enhanced by the acquisition of PSPC, which was made in the prior year, where we have seen an excellent market penetration from *Phycox* and by the introduction of a new endocrine product, *Levocrine*.

Looking at Europe, our performance has been a little bit more modest with 4% growth; however, our companion animal portfolio continues to perform well even in mature markets. Our farm animal products have performed less well and there has been a little bit of a headwind in the period as we have seen in prior years; this is again due to focus on antibiotics resistance issues within the marketplace. We do, however, have a strong portfolio of products and are investing strongly in this area and do expect to turn around the farm animal poor performance in the future. Overall, it is the revenue growth across the Group that has driven the performance within the year.

**Q In terms of geographical expansion, have you got any more plans?**

**A** I am pleased to report that Canada, which we launched in January of this year, has performed to our expectations and we have also received orders in Poland within the financial year, which is ahead of schedule. We have established a legal entity in another European country and we hope to start trading there very soon. We have increased the number of people in our Regulatory Department that look at international registrations as we look to penetrate developing markets and also we hope to enhance our geographical expansion by acquisitions.



**Q What progress are you making on acquisitions?**

**A** We have made a lot of progress in terms of screening acquisitions. There are not a lot of opportunities to consolidate businesses within our existing markets. However, we are looking further afield and looking into new geographies and new therapeutic competencies.

I am pleased that we have made a conditional acquisition in a majority stake in Genera, which is a Croatian based animal health business. The principal interest in this business is its poultry vaccine facility. We had been negotiating with Genera for a number of years to acquire the marketing rights for Europe and the opportunity became available to us to acquire a majority share. We see vaccines as a very important way forward to develop our FAP portfolio; vaccines are the future as we have seen growth in this section as we are seeing a decline in antibiotics. Genera will also bring to us a low cost manufacturing base and will give us a significant market share in three new territories: Slovenia, Bosnia and Croatia. So we are pleased to have announced the conditional acquisition of a majority stake in this market.

**Q How do you see the outlook for the next year and into the future?**

**A** We remain very confident in our strategy. Our market share in our key therapeutic sectors continues to increase; we continue to screen more opportunities to add depth and breadth into our product development pipeline. As I have already outlined, our geographical strategy is also performing well. In terms of acquisitions, they have been strategic, they will add new therapeutic competencies and will also add new countries to trade in. Looking at current trading we have got every reason to be confident in our future.



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