Interview: Guillaume Clément – Président France, LEO Pharma



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LEO Pharma is expanding its global presence and continuing its leading role in the number of skin disease patients treated and in thrombosis care. Head of the company's French affiliate, the largest globally, Mr. Guillaume Clement shares his perspective on the company's new initiatives in efforts to meet ambitious future goals.

In 2015, LEO Pharma reorganized the company with a more "streamlined structure" comprised of three divisions, International, US, and Europe+. What exactly is the nature of this restructuring?

A more streamlined structure of LEO Pharma will provide better services and care for our patients throughout the world, primarily to help them obtain and maintain healthy skin. To help more patients, a sustainable business model is necessary, and this is a top priority for us at LEO Pharma. The company initiated the reorganization in an effort to manage external diversity and reduce internal complexity in the diverse strategic directions of our company. LEO Pharma is a globalized brand, with products ranging from the US, to Indonesia. Naturally, these markets, and those in between, are markedly different.

In this capacity, when executive management oversees multiple internal sectors, such as R&D, Business, and Marketing, it is nearly impossible to understand the nuances and complexities of all

of these sectors. For this reason, it was essential to establish a more balanced structure in governance, delegating these roles among leaders overseeing different regions. Under our new reorganization, LEO Pharma has a US focused division, an International division, and a division entitled Europe+, covering Europe plus Australia and Canada due in part to these nations' structured market access. With more delegation to address internal company sectors such as industry, marketing, and finances, we believe that we are establishing a more sustainable business model to address the complexities of the local markets. This ensures a more international focus, a better voice for the business, and ultimately, a better voice for the patient.

LEO Pharma's French affiliate is the largest within the company and accounts for twenty one percent of global sales. 2015 marked a very big milestone for the company in France, celebrating fifty years of high tech production capabilities in Vernouillet. How has the company's restructuring plan benefited the French affiliate?

For the French affiliate in particular, this corporate reorganization will bring better clarity, along with more streamlined processes. It is not a new strategy for the company. The reorganization plan is a result of our company's strategy, implemented to best meet our goals. This strategic plan, entitled "Helping Sarah," is a mission to help 100 million patients by 2020, adding to the millions who already benefit from the company's innovation. Providing new solutions at a rate of at least one annually is a key priority under this mission, which can include new services, new devices, or new products. This is in efforts to offer a broader portfolio of products and services.

LEO Pharma is not a company listed on the stock exchange, and is fully owned by a foundation. This does not prevent the company from performing well, but as the company has less pressure to meet quarterly results, LEO Pharma is able to be more long term in strategy, and independent. For us, the most important person for whom we strive to show value is the patient. To be able to improve our capacity for patient care, we need to be able to understand our patients much better, and thereby provide them with outlets for a better quality of life.

Dermatology and dermo-cosmetics at large seems to be the specialty of the French – how can a Danish company establish its roots in a country with so much large competition, and what are the challenges of competing in that segment in particular?

LEO Pharma has largely focused on prescription products. Within our prescription product lines, we mainly concentrate on treating psoriasis. In terms of the number of patients treated, LEO Pharma is the industry leader. This leadership role is thanks in part to the relationships that LEO Pharma has been able to foster with health care professionals like dermatologists, general practitioners,

pharmacists and with other key stakeholders like patients and trade associations throughout France. Our company upholds strong values, integrity, innovation, importance of the patients, passion and adaptability and high professionalism within our teams, which has lent itself to our successful performance in the market.

Thrombosis is another focus area of LEO Pharma, a very different pathology from dermatology. What are your objectives in this division?

On a global level, our products and services dedicated to thrombosis account for approximately twenty-five percent of total revenues, yet in France, this division accounts for fifty-five percent of turnover. Thrombosis care is not associated with all of LEO Pharma's global locations, yet for France, there is a particularly strong connection and the treatment line is historically linked to the country.

Related to the focus on thrombosis, LEO Pharma has been directing greater attention to oncology, as the second highest cause of death for cancer patients after cancer itself is thrombosis. This is a little known reality. We have been working very closely with oncology and pharmacists networks to collaborate and improve patient pathways and patient care. This is especially important for cancer patients moving on to subsequent stages following their treatments.

LEO Pharma and Astellas Pharma Inc recently closed Transaction to Transfer Global Dermatology Businesses. For LEO Pharma, this is the largest transaction in the company's 100-year history in terms of incremental turnover, transferring Astellas' dermatology business to LEO Pharma for 675 million Euros (762.3 million USD). What are the implications of this acquisition for the French affiliate in particular?

The acquisition of Astellas has positioned LEO Pharma to reach over 70 million patients globally. This acquisition represents many mature products that already have firm positioning throughout the market, yet has equated to an additional twenty percent of turnover for the company globally. In Europe, these figures are closer to ten percent turnover, and in France around five percent. For LEO Pharma, this portfolio strengthens our fit with topical treatments, opens new therapeutic areas in dermatology like atopic dermatitis and gives a critical mass to new big potential markets especially Russia and China.

Looking ahead, LEO Pharma's 2020 strategies are directed towards positioning the company as a globally preferred partner in dermatology. What initiatives are currently underway to meet these ambitious goals?

Our goal is to expend portfolio in recent affiliates opened around the world, to propose a new solution per year for patients, and to innovate across new business models. Thereby, LEO Pharma has decided to establish a lab exclusively dedicated to innovative initiatives for psoriasis patients. Called The LEO Innovation Lab, the lab has an investment of 60 million Euros (67.7 million USD) to be utilized over the coming three years. The mission is straightforward, to improve the lives of psoriasis patients, and we are able to commit to these efforts, as LEO Innovation Lab is not focus on mid-term returns on investment. There are three pilot countries of this program, including Canada, the UK, and France. These well-established and well-structured affiliates already have a good understanding of the markets. Currently there are three people in France dedicated to this initiative. The objective is to have new services available in the coming years to add value for patients and better address their needs.

What is the plan for France in the coming four years to align with this 2020 plan?

Growing beyond our product portfolio means looking at things differently. We strive to bring more value to patients via apps, services, information and OTC approaches. Currently France is the largest affiliate, and will continue to serve as a key contributor in both thrombosis and dermatology. One effort that we must undertake is to mobilize and engage our patients in innovative ways. We must engage in the same way in relations with regional stakeholders. As a company, we must also strive to be present in professional relationships with healthcare professionals and deliver them the most pertinent information about your company’s offerings. In France, one issue of concern for the near future is the potential of the number of dermatologists to decrease. This increases the overall importance of general practitioners to treat medical issues of dermatological patients, such as psoriasis.

What characteristics are setting the tone for LEO Pharma France’s performance in the upcoming years, particularly those leading up to the company’s 2020 goals?

Innovation, manufacturing, high performance in revenues, and talent are all key components that make the French affiliate of LEO Pharma important. The affiliate is performing well, and with the passion, skills, and eagerness found within the company, there is a bright future ahead. In addition to this, there is also the financial power to serve our patients best throughout the world. Reaching our mission of treating 100 million patients by 2020 would be an incredible achievement, and we believe that we are well on our way towards meeting this goal

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