Interview: Leonardo Torres – General Manager Mexico, Central America & Caribbean, Shire



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Leonardo Torres, general manager Mexico, Central America & Caribbean of Shire, provides insights into the rapidly progressing integration of Baxalta in Mexico, while he also highlights his key priorities to further accelerate the growth and consolidate the strategic positioning of Shire, a company that now proudly stands out as the global biotech leader in rare diseases.

In November 2015, you were appointed general manager Shire for Mexico, Central America & Caribbean, after a long-standing experience in large-scale multinational pharmaceutical companies. What have been your main first impressions since you took over the helm of the Mexican affiliate?

The last ten months have been extremely exciting and were marked by various adaptions and changes, both at personal and corporate levels.

I indeed held various national and regional leadership positions among big Pharma companies, in which the organizational structure and the inherent challenges are completely different. In this regard, joining Shire first implied to adapt my management approach to the reality of a patient-centric biopharmaceutical company.

In the meantime, Shire also stands as a company in continuous expansion and pursuing a clear objective: becoming the number one biopharmaceutical company for rare diseases and special conditions. I was at Shire for a year when the acquisition of Baxalta was officially closed on June 3,

2016. Combining the two companies offers great perspectives for our new organization, which now holds leadership positions in multiple, high-value franchises. The integration also has a deep structural impact, as we doubled our global sales to form an entity gathering more than 22.000 employees with an expanded geographic reach across more than 100 countries.

Shire has always had the ambition to reach such leadership position in rare diseases, and the integration of Baxalta indisputably demonstrates one of the company's key cultural specificities: Shire truly is a company that ensures great ambitions become reality. At the end of the day, this commitment and proven ability to deliver on our promises make a fundamental difference, for our collaborators and employees as well as for our patients all around the world.

What is the importance of the Mexican market in the new company's vision?

Looking at both the opportunities and challenges that this market holds, Mexico undoubtedly stands out as one of the most important countries within the company's renewed strategy. This strategic significance is notably sustained by the growth perspective of the Mexican market, while the country's overall population of more than 120 million people and the high number of undiagnosed patients further strengthens the deep impact Shire can have in Mexico.

Shire's fundamental mission is to support and change the lives of an increasing number of patients affected by rare diseases. In this regard, Mexico clearly emerges as a country with substantial, untapped opportunities, while our treatments can concretely contribute to raise health outcomes for Mexican patients and their families.

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Looking at the USD32-billion acquisition of Baxalta, the last quarterly results of the company highlighted impressive developments in terms of integration planning, which apparently progresses faster than for other transactions of similar size, according to a 2016 McKinsey Study on deals over USD5 billion. How has the integration been progressing in Mexico?

In Mexico, we are aligned with the progression of the integration of Baxalta at global level and with the agenda established by our headquarters. Despite the integration coming as a top-bottom decision, our overarching objective since June 2016 has been to ensure there is no operational disruption affecting the Mexican affiliate – and I am glad to say that so far we have been particularly successful in this endeavor. In Mexico, our new, unified commercial structure already is in place, and we start benefiting from the enhanced growth prospects and the superior operational

scale and efficiency of our combined entity.

Finally, I want to highlight that the integration has been further ramped up by the fundamental similarities that Baxalta and Shire share, as both companies display strong entrepreneurial, patient-driven cultures. Furthermore, the two companies' portfolios truly are complementary, so we already are fully focused on leveraging this amplified, diverse portfolio to the benefits of Mexican patients.

What does your new product portfolio look like in Mexico and how do you see it evolving in the upcoming years?

Over the last year, we have been launching our neurosciences franchise in Mexico, which now complements a portfolio initially centered on lysosomal storage diseases, gastrointestinal and endocrine treatments, as well as hereditary angioedema (HAE). Entering the attention deficit hyperactivity disorder (ADHD) segment stands as a crucial milestone for the affiliate, as a substantial number of patients are affected by this kind of diseases in Mexico. The Mexican physician community can now treat these patients with the newest, groundbreaking neuroscience products coming from Shire's R&D pipeline.

In terms of product portfolio, Baxalta legacy products will obviously play a strategic role in enriching our scope of action, especially in hematology and immunology. The combined company also possesses a growing franchise in oncology, with approved products and innovative compounds in development. Finally, we also boast a robust late-stage ophthalmic pipeline, which should soon lead to interesting product launches in this field.

Overall, we plan to launch ten new products within the next five years in Mexico, with important product launches in all our therapeutic areas, but also with a strengthened focus on immunology and oncology. As a matter of fact, we will officially introduce into the Mexican market our first oncology treatment in 2017, and it will be followed by at least three other oncology and hematology products within the next five years.

This amplified and developing portfolio combined with the depth and growth potential of the Mexican market allows us to target significant growth objectives for the upcoming years. Although we are still fine-tuning the details of our growth strategy for the upcoming years, we already expect the sales of the Mexican affiliate to grow double-digit in 2016, in line with the global strategic goals.

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Baxalta integration allows Shire to realize the company's vision of building the leading biotechnology company focused on rare diseases. How has this heightened positioning been impacting your relationship and priorities vis-a-vis Mexican public stakeholders?

As a company, becoming the leading company for rare diseases also entails larger responsibilities, which Shire is absolutely ready to assume. In this vein, we want to become the clear partner of choice of government and regulatory stakeholders when it comes to rare diseases and special conditions.

The strategic priorities of the current Mexican government essentially revolve around metabolic diseases and obesity, which truly stand as worrying epidemics in Mexico. Nevertheless, rare diseases are dramatic conditions that also have a life-altering impact on patients' lives and those of their relatives. In this regard, we need to work as closely as possible with the government and Mexican health institutions to ensure rare diseases truly receive the attention they deserve in this country. In this endeavor, deepening our collaboration with patient organizations at a local level will be critical to better understand and identify the challenges and expectations of the patients throughout the treatment pathway.

In the meantime, we have a responsibility to further develop new treatments targeting unmet medical needs: although 7.000 rare diseases have been identified, only 5 percent of them already have a treatment. As the global leader in rare diseases, Shire will continue to invest to close this critical therapeutic gap. As a mater of fact, our current R&D pipeline currently comprises 60 programs in development, including over 50 compounds that will address rare diseases.

On the other hand, the Mexican affiliate is committed to bring to Mexican patients all products that our global portfolio comprises. In this regard, I want us to work evermore proactively and closely with Cofepris and the national social security institutions to ensure all Mexican patients can access these life-changing treatments in a timely manner. When it comes to rare diseases, accessing the right treatment has a radical, positive impact on these patients' abilities to live normal lives. We thus need to jointly design and develop the access solutions that would allow them to be integrated into the social and economic life of our country – and not become a burden for the Mexican society and their families.

Finally, given the cost-containment context currently framing the Mexican health system, we also need to clearly showcase to the Mexican government that investing to provide these patients with the life-changing treatments they need is the most sustainable solution in the mid-term, from both economic and healthcare standpoints.

What are the strategic priorities you will focus on over the next three years, as general manager of Shire Mexico?

My first and foremost objective is to position Shire as the number one biotech company and the partner of choice of all public and medical stakeholders for rare diseases and special conditions. This means increasing our expertise and leadership throughout the entire treatment pathway, including awareness, diagnostic and treatment access.

The second priority relates to our responsibility to bring more innovative solutions to Mexican patients, both for rare diseases and oncology. The remarkable and promising quality of our global R&D pipeline leaves us with no choice but to reach a similar level of operational performance at the local level, in order to make a success of all these upcoming product launches.

Last but not least, I want to ensure our focus on patient-centricity delivers real, tangible outcomes to Mexican patients. In this regard, we need as a company to think in terms of patients' needs, tailoring our best-in-class solutions in diagnostic, treatment or patient support to better meet their expectations.

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