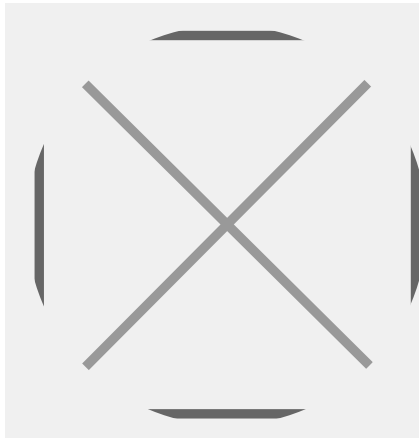


Interview: Haig Yeghiaian - Country Manager, LEO Pharma Brazil



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Haig Yeghiaian, country manager of LEO Pharma Brazil, details his strategic mission and objectives since he took over the helm of the affiliate in November 2016 as well as the key opportunities and structural rooms for improvement he identifies within the promising Brazilian dermatology area, before highlighting how he wants LEO Pharma Brazil to actively contribute to the strengthening of the domestic healthcare ecosystem in this therapeutic area.

You display an eye-catching industry experience forged among leading multinational companies, especially in the renal and virology fields. Could you introduce yourself to our international readers and explain what motivated you to embark on this new adventure at the helm of LEO Pharma Brazil?

I am a pharmacist and biochemist by trade, and my goal has always been to become a senior pharmaceutical executive – even before I started university. As a student, I worked at Eli Lilly as a chemical analyst before moving to the international chemical group Solvay. In 1997, I joined Baxter as a product manager before integrating MSD two years later, where I managed the Hospital and HIV franchise for over six years. In 2007, I was entrusted with the leadership of the Emerging Market project, one of MSD Brazil's most important development programs. As part of this project, my team successfully reached strategic milestones with regards to the set up of private partnerships and joint ventures, product in- and out-licensing, as well as new product launches, while we had the overarching objective to grow our division's turnover significantly.

Overall, I stayed at MSD for around twelve years before moving back to Baxter as director of the renal business unit – a complex division which is fully focus on government sales. There are around 100.000 renal patients under treatment in Brazil, and delivering peritoneal dialysis material to patients' houses across a territory of 8.5 million sq.km is no bed of roses – especially given that most of them live in particularly isolated areas, and deliveries could take up to 30 days. In 2013, I was appointed as general manager of Baxter Gambro Renal, but – after two years managing the Brazilian affiliate – I wanted to come back to a company more aligned with my educational background.

I started looking for an ambitious, upcoming pharmaceutical company and LEO Pharma perfectly matched my aspirations. Finally, heading this growing affiliate set up in 2010 emerged as a perfect opportunity to further enriching my skillset in the retail segment, while providing me with a great opportunity to leverage my experience honed among more mature, Big Pharma companies and contribute to propel the development of LEO Pharma in Brazil.

What was the fundamental mission that you established yourself when taking over the reins of LEO Pharma Brazil?

Our corporate strategy in the mid term is to ensure that Brazil reaches a significance in terms of revenues that is truly aligned with the size of the country's population, as Latin America in general and Brazil in particular undoubtedly hold a huge development potential in the dermatology field.

Brazil's eye-catching growth prospects in the dermatology field are nurtured by various factors, which include cultural specificities – such as the population's lack of awareness about the pathogenic effect of sun exposure – as well as the tremendous number of undiagnosed patients in the country. As a matter of fact, we see that the share of Brazilian psoriasis patients currently under treatment remains significantly lower than in European countries.

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In this regard, LEO Pharma's product offering displays a perfect fit with the specific needs of Brazilian physicians and patients. Looking specifically at Brazil's tropical climate and the unfortunate lack of sun-protective behaviors displayed by the population, we just launched Picato® (ingenol mebutate) in 2016, a product targeting actinic keratosis (AK), also known as solar keratosis, which is considered a *precancer* as – without treatment – it could develop into a skin cancer. This product proudly stands as the most advanced treatment available in this indication; as it allows the patient to treat the disease within only two or three days, while other products typically require a much longer period.

LEO Pharma's commitment to bring best-in-class products echoes the Brazilian population's palpable desire to access more high technology and innovative products, notably through the judicialization of the health. Nevertheless, it should not be forgotten that innovative products only deliver higher patient outcomes if they are correctly integrated within the healthcare pathway. In Brazil, we for example notice a persisting tendency to favor biological products over topical treatments – even when this is not justified from a medical standpoint.

Could you give us an example?

LEO Pharma's Daivonex[®] (calcipotriol), which is accessible through Brazil's public health system, is the only non-corticoid topical product for the treatment of psoriasis available on the Brazilian market. This product brings significant outcomes to patients, as it does not display any side effects – even when used over a long period of time. Looking at Brazilian guidelines, calcipotriol (in combination or monotherapy) is indicated as both first- and second-line treatment options, while biologicals are only recommended if topical treatments have failed to deliver expected outcomes. As our topical treatment is available through the public healthcare system, there is no reason for physicians to continue prescribing biologics before attempting all therapeutic options, but we are still far from having truly broken this habit. This concrete example truly highlights the critical need to further raising awareness about the different treatment options available for psoriasis and to highlighting which ones are the best adapted to patients' needs and to the level of progression reached by the disease.

Although most skin diseases are not life threatening, one must however acknowledge that the Brazilian government has put remarkable efforts in providing the Brazilian population with access to dermatology products – especially for psoriasis; nevertheless, biologics make up the vast majority of treatments included in the Public Health System. In this regard, our country's public health system should look at better anticipating the disease progression and favor the use of topical products, which display a greater efficacy than (expensive) biologics when used as first- and second-line options.

As one of the leading companies in the clinical dermatology field, we aim to tirelessly strengthening our relationship with Brazil's key opinion leaders, holding the clear objective to more deeply entrench international guidelines into the Brazilian medical practices. In the meantime, we also strive to provide our physicians with innovative tools to tackle growing self-medication in the dermatology area, which truly stands as a worrying trend in Brazil as an increasing number of patients buy dermatology products without consulting a doctor. In this regard, our objective is to develop education programs that will bring the patients closer to the physicians and ensure a

heightened treatment adherence and patient follow-up.

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In July 2017, the European Commission has granted marketing authorization for LEO Pharma's Kyntheum® (brodalumab), a new biologic for the treatment of moderate-to-severe plaque psoriasis in adults and the first and only psoriasis treatment to target the L-17 receptor. Given that you already stand as Brazil's market leader for topical treatments of psoriasis, do you plan to expand your scope of action and register this product in Brazil?

We are carefully evaluating all clinical treatments that would make sense in our current portfolio, whether through licensing as well as through local and global portfolio acquisitions.

LEO Pharma Brazil is very ambitious, and our objective is to grow our revenues significantly both in 2017 and 2018. Nevertheless, we know that a "one-size-fits-all" approach will not allow us to reach our objectives, as being successful in Brazil and meet local stakeholders and patients' needs truly requires to build a country-specific portfolio which might differ from those that our company have in European and Asian markets.

In the meantime, our Brazilian strategy goes well beyond tailoring our treatment portfolio to local market specificities, as we want to build an expanded, particularly significant footprint in Brazil. Dermatology stands as therapeutic area where a limited portfolio is not sustainable in the mid term, as a result, I consider that reaching a critical size as well as offering comprehensive product lines will be absolutely key in order to guarantee the affiliate's competitiveness.

In this regard, our objective is to incrementally develop and enrich our portfolio, and we are meticulously assessing current market dynamics in order to identify the best opportunities to further strengthen our competitive advantage in the Brazilian market.

From our perspective, Brazil stands as a tricky market for pharmaceutical executives, as headquarters' expectations are typically extremely high and sometimes lead to overlook this market's complexity. What is your assessment of the situation?

LEO Pharma's Brazilian affiliate is part of a cluster that encompasses markets in Latin America, Middle East, and North Africa, and some of these countries have been tremendously affected by the current drop of oil prices or devastated by ongoing armed conflicts, which somehow prompts us to relativize the complexity of the Brazilian ecosystem.

Overall, I believe that one of the main difficulties faced by pharmaceutical companies in Brazil relates to the sheer size of the market, the huge size of the country and its large population scattered across such an immense territory. Furthermore, I would also highlight that Brazil's regulatory framework is more demanding and stringent than ever, as companies look at bringing products that are more and more advanced from a technology standpoint while ANVISA strives to continuously raise its standards in the meantime.

Given that the country holds a population of more than 208 million inhabitants and the market is set to grow at a sustained rate in the upcoming years, companies' headquarters do have high expectations regarding their Brazilian affiliates. Nevertheless, it is true that Brazil's indisputable growth potential should not lead us to overlook the fact that the country's unemployment rate reached an all time high of 13.70 percent in March 2017, meaning that almost 14 million people are currently unemployed in the country. Given that unemployment usually impacts entire households, we can extrapolate that at least 45 million Brazilians do not hold the financial means to access products that are only available through the private healthcare system.

In this regard, 2017 is set to mark Brazil's exit from a two year recession [*Brazil's GDP fell 3.8 percent in 2015 and 3.6 percent in 2016 according to the World Bank and grew 0.5 percent over the first half of 2017, e.d.*], and we are confident that stronger economic growth will materialize over the upcoming quarters. In this improving context, the expected end of the economic crisis should have a positive impact on our country's unemployment rate. This means that an increasing share of our population will be able to access the private healthcare system, which would ultimately benefit to pharmaceutical companies holding the right product portfolio and the best tailored pricing strategy.

Which personal learning developed during your time among Big Pharma companies do you strive to instill into your teams at LEO Pharma?

There are twofold. First, when a given product meets the needs of a substantial share of the population, we must engage with the government and other public stakeholders and work on raising awareness about its benefits, especially when this product can prevent disease progression and/or reduce complications. On the other hand, it is absolutely crucial to ensure our treatments are truly available to patients, which actually goes beyond affordability: as a company, we hold the mission to guarantee to our partners and patients that our life-changing treatments are easily available and accessible to all patients across Brazil's territory.

The global dermatology market is projected to grow at a considerable Compound Annual Growth Rate (CAGR) of 7.73 percent until 2022 (according to GBI Research's forecasts), which has incited an increasing number of companies to enter this area. What is LEO Pharma's main competitive advantage that sets the company apart from current competitors and potential newcomers?

In the grand scheme of things, our objective in Brazil and in the rest of the world is to be recognized as physicians and patients' partner of choice in clinical dermatology. LEO Pharma is absolutely unique as we are focusing 100 percent of our R&D efforts and investments on clinical dermatology. Beside providing us with a unique portfolio of innovative dermatology products, this specificity also stands as a critical differentiator in the eyes of physicians, as they know that LEO Pharma is fully committed to develop innovative, clinical products and solutions that will meet the needs of their patients.

What will be your final message to our international readers?

The Brazilian health ecosystem holds substantial rooms for improvement when it comes to increasing patient diagnosis, bolstering treatment access, and implementing education-oriented initiatives – and pharmaceutical companies have a huge role to play in raising the bar and ushering in a true paradigm shift in this regard. In the dermatology field, the crucial importance to tackle these unmet needs is even more blatant, especially when it comes to raising diseases and treatment awareness, and LEO Pharma will tirelessly strive to operate as the true partner of the Brazilian ecosystem in the fulfillment of these objectives.

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