

Interview: Laurena de Almeida Magnoni - Regional Director for Latin America, Besins Healthcare



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Laurena de Almeida Magnoni, regional director for Latin America at Besins Healthcare, a pharmaceutical company specialized in the development and worldwide diffusion of innovative drugs and food supplements for men's and women's health, provides insights into the impressive growth of the Brazilian operations over the past six years, her recipe for success to set up and develop a new affiliate in the country, as well as her aspirations for Besins in Brazil moving forward.

When we first met you in 2011, the Brazilian affiliate was at the start up phase and you were working on the market registration of your first products in the country. What would you highlight as the main milestones reached by Besins Healthcare in Brazil over the past six years?

We have made tremendous progresses over the past years, as we evolved from a startup company where I was the only employee to a more mature structure gathering together 75 people and displaying revenues of more than BRL119 million [USD 37 million], annual growth of 38%. In 2011, our overarching objective was to integrate the top 100 within five years, and we proudly stand at the 71st position in the Brazilian market in 2017 ⁽¹⁾.

To fulfill our growth objectives, we have followed an aggressive launch strategy which has enabled us to bring at least a new product per year onto the Brazilian market over the past six years.

Prior to entering the Brazilian market in 2010, two of our strategic hormonal products, called Utrogestan and Oestrogel, were already accessible locally through a partnership with the domestic company Farmoquímica. When setting up our affiliate, we decided to integrate these products in our affiliate's portfolio, while registering them under our own name took around two years to be completed. Holding Utrogestan and Oestrogel in our portfolio was however absolutely critical to set our affiliate on the right tracks for long-term growth and strengthen our leadership in the hormone replacement therapy area. As a matter of fact, Utrogestan is the number one product of the company and the worldwide unique natural micronized progesterone; in Brazil, it also stands as the market leading progesterone product.

Keeping up with our strategy, we subsequently registered a new presentation of Oestrogel Pump, which was rapidly complemented by the launch of the nutritional supplement Ogestan Plus.

2014 was a very important year for us, as it marked our affiliate's entry into the men's health segment with the launch in Brazil of Androgel, the leading testosterone product globally with global annual sales of over EUR 1 billion ⁽²⁾. In Brazil, this product has already become the third largest selling testosterone product – after only three years on the market. In 2014 and 2015, we respectively launched a new formulation of Oestrogel (Pump) and Androgel. Next year 2018 we will launch Cystera, a nutritional supplement used in cystitis that is also available in the French market.

Setting up and growing an affiliate is no easy task, especially in the complex Brazilian ecosystem. What do you identify as the key success factors in this endeavor that you would like to share with our international readers?

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I deeply believe in the transformational power of teamwork, and I truly strive to instill this spirit in the entire organization – and not only to our sales teams. Furthermore, it is absolutely paramount to me that all employees fully embrace a business-oriented mindset, regardless of their position in the company. I want all my collaborators to know our commercial objectives and – above all – the fundamental purpose of Besins Healthcare in the market: why we are in the country as well as what our competitive advantage and our value offering are.

In the meantime, I have been particularly adamant on bolstering a creative, bottom up approach, and all employees are incited to suggest and develop innovative projects that would allow to further differentiate our company in Brazil. Besins Healthcare's slogan is "Innovation For Well-Being", and we cannot limit this innovative approach to our products: innovation must truly be integrated in all our processes as well as in the way we engage with our stakeholders across the

Brazilian ecosystem.

Although we still stand as a relatively small company in Brazil, we must comply with the same level of regulatory requirements as all other players operating in the market. Fostering our affiliate's exponential growth on one hand and meeting the expectations of one of the best regulatory agencies in the meantime has required us strictly prioritizing our daily tasks and fundamental objectives, as we cannot afford to overlook critical regulatory aspects that would compromise the sustainability of our business. In this regard, we were particularly careful to maintain our operational efficiency and efficiency, especially as our affiliate grew from one to 75 employees within the span of only five years.

Finally, as Besins Healthcare truly sees Brazil as a strategic market, building long lasting, quality, and ethical relationships with our external environment has been a key priority from day 1.

Looking forward, where do you see the growth coming from for Besins Healthcare in Brazil?

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The Brazilian pharmaceutical market is set to increase 6.9 percent (local currency) in 2018 according to IMS information⁽³⁾, but we already know that generic products will drive most of the growth. In the meantime, 100 percent of our sales come as out of pocket spending, as our products are not reimbursed in either the public or private sector.

On the other hand, Brazil stands as the fifth most populous country in the world and its population has been rapidly aging over the past decade, while over 30 million Brazilians will be over 60-year-old by 2025. This aspect is particularly important for us, as our portfolio is essentially focused on hormone replacement therapies and products targeting women's and men's midlife health.

Moving forward, we do not plan to radically change our growth strategy, as we aim to keep up the pace of our upcoming product launches, maximize our women's health business, and develop our portfolio of nutritional products. In the meantime, we believe that we can establish Androgel as the market leader in its product category in Brazil. Leveraging the latest advancement of our company's R&D pipeline, we moreover expect to launch three new products within the next three years.

Partnerships will also hold an increasing importance in our affiliate's development. As a matter of fact, we recently closed an agreement with Novo Nordisk regarding the promotion of one of their products, which we expect to launch in 2019. We are now reaching out to potential partners and

see how new partnerships could allow us to complement our portfolio.

Besins Healthcare has been continuously investing to Brazil since we entered the market in 2011, and we are currently setting up a manufacturing arm in the Sao Paulo state dedicated to the production of nutritional products, which will tremendously help us to further accelerating the development of this business. When this facility will be up and running in 2018, we will plan the launch of three new nutritional products specifically targeting men's fertility and women.

Testosterone deficiency (TD) commonly affects over eight percent of men aged between 50 and 79 years. The results of a recent study conducted by Besins Healthcare however showed that over 20 percent of men with libido loss just suffer in silence and do not look for help. Given the company's leadership in this area, how do you strive to raise awareness around this matter in Brazil?

We are truly facing a similar issue in Brazil, which is clearly visible when comparing the size of the estrogen market (around EUR 50 million) with that of the testosterone market (EUR 28 million)⁽²⁾. As a company, we believe that we can contribute to further increasing the size of the men's health market while reaching an increased number of patients through innovative products and formulations, such as Androgel and its unique gel technology.

In this regard, one of our first and foremost priorities is to raise awareness about TD at both the physicians and patient levels. Overall, 60 percent of Besins' investments in Brazil are allocated to medical education, which is particularly significant, and we are moreover continuously developing our medical affairs capacity.

While engaging directly with patients is not allowed in Brazil, our strategy is to jointly develop targeted education tools in partnership with the country's medical societies. In the grand scheme of things, our thinking is that we cannot content ourselves with bringing our life-changing treatments to the market, as we need to ensure that both physicians and patients are aware of existing therapeutic options to tackle TD.

In 2011, your ambition was to reach the top 100 in five years and it turned out that you actually exceeded your objectives. Where do you want to see Besins Healthcare in 2023?

Our vision is to integrate the top 52 companies in Brazil within the next five years and to double our operating income in the meantime.

There are few women holding leadership positions among the Brazilian industry. What would be your piece advice to women aiming to follow your way?

Believe in yourself and be extremely well prepared. Holding technical expertise is also key, but – above all – you must be utterly convinced that you can succeed in your endeavors. Finally, women must often cope with heightened family responsibilities, which further highlights the importance to be extremely sharp in terms of planning – both at personal and business levels.

(1) IMS Health October 2017 (List Price)

(2) IMS Health MIDAS Q2 2017

(3) IMS Health World Review 2017

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