Interview: Thebar Miranda – President, Grupo Azevedos, Portugal



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Azevedos is one of the oldest pharmaceutical brands in Portugal. Lead by Thebar Miranda, president for 30 years it operates across Portuguese speaking companies and distributes worldwide. In this interview, Miranda highlights the importance of flexibility and high-quality in production and sheds light on global production trends, Portugal's status as the 'doorway to Europe,' and the key to an effective internationalization strategy.

Can you provide us with an overview of Azevedos and your role as president of the group?

Azevedos is one of the oldest pharmaceutical brands in Portugal. Azevedos enjoys a stable position in industrial activity; we are the first producer of Portuguese pharmaceuticals. The brand had its origins in 1775, and the group began following a split between Sociedade Industrial Farmacêutica and Azevedos in 1985. My story ties closely with the beginning of the Azevedos group, and as President, I see strong unity across all branches of our operations. The company specializes in research, development, production, distribution, and commercialization. The group represents 20 companies in three countries: Portugal, Mozambique, and Brazil.

We have several positions in the Portuguese pharmaceutical market. The Laboratories Azevedos own all the marketing authorizations and all of our products. We currently have over 300 Portuguese marketing authorizations(European). In total, we market these products in over 80

countries worldwide. Our business model in foreign countries involves local partnerships for assistance in selling our products, or in the markets where we are already established, we take on the entire operation.

Our industrial branch Sofarimex, is our most significant growth driver for the Group. Not only does it produce Azevedos products but also run as a CMO organization, working with over 40 different companies all over the world. Our total revenues last year amounted to over 80 million euros, and we expect to see consistent, sustainable growth in the future.

What are Azevedos Group's future growth drivers?

Concerning future growth, we intend to capitalize on the development and produce generic formulations and new combinations. Important is our specialization and expertise in freeze-dried injectables where we have a state-of-the-art industrial facility. We are investing in new conditions for these area and intend to increase the capacity, both regarding efficiency and volume, all the while maintaining extremely high quality levels. High-quality is one of Azevedos' defining attributes.

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Given your focus on generics and freeze-dried-injectables, what is the importance of innovation to Azevedos?

It is vital to our organization to deliver innovative solutions across the value chain; from our products but also for pharmaceutical technologies. Take the freeze-dried injectables, for instance, we invest year on year into this technology to provide an efficient solutions and high-quality products to market.,. Last year, we invested 8 million euros into the project, and for 2018 we will inject a further 5 million euros investment into this technology.

We know what Azevedos must be on the global competition and we are well aware of the limitations of being in a smaller market such as Portugal. We specialize in small and medium series production lines, and therefore specialization and expertise are our differentiation approach.

Pharmaceutical technology has undergone a revolution in the past years, and Azevedos positions itself as one of the frontrunners in advanced production processes. To satisfy the specific, tailored needs of our worldwide partners, we must be agile, flexible and understanding to provide the best solutions.

Will manufacturing become a new focus for Portugal?

The pharmaceutical industry in Portugal has strong potential to increase manufacturing capabilities and all the indicators point towards steady progress in the future. The political and geographic situation in the world attract interest from international traders and serve as a bridge between countries and continents. We have a robust pharmaceutical culture and history in Portugal and excellent technicians, scientists, especially within the healthcare sphere. If we are dynamic and we develop our business based on these features, we can continue to capitalize on the global market production share. Over the past ten years, Azevedos amongst others, have improved the pharmaceutical standing of Portugal in the worldwide market.

How do you respond to global competition from China and India?

Firstly, we must make clear that price is not the defining feature in competing on a global platform. India benefits from excellent manufacturing conditions and highly-skilled labour, but they work with kilograms in production, whereas Portugal and Azevedos works in milligrams. Mass production is, of course, a comparative advantage in being able to supply vast quantities of drugs at a low rate, but if a company requires smaller, more exact amounts and a level of flexibility, then they should consider a smaller, more flexible manufacturing outfit such as Portugal.

In Europe, we have fantastic scientific institutions and widespread trends that we can extrapolate across the continent. However, each country has specific politics, cultures, and particularities which make entry into health markets more challenging. It will be many years until we have a universal health policy in Europe. The difference in markets translates into specialization, and for Portugal and Azevedos, we can differentiate our business model by nurturing flexible and customer-oriented work processes.

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What is your internationalization strategy?

Azevedos has products in Europe; the Middle East, Eastern Europe, Africa, South America and Asia. Nowadays, our goal is to consolidate the markets in which we are already present. We want to bring the number of products from two or three to five or six across all markets in which we are present and strengthen ties on the ground.

Our future target market is the US which we intend to enter in the next five years. Although the US is a market renowned for having vast volumes of sale, we know that specialized areas are an attractive ground for growth. We are currently in negotiations with several companies on the ground considering our operation in the world’s largest pharmaceutical market.

What makes Azevedos the partner of choice?

Our technology, our offer and also our position regarding the political and geographical situation. Given Portugal’s geographic location, we are a bridge to Europe—both regarding exports and imports. We are increasing the Portuguese brand worldwide, and along the way, we are educating international markets about both the understanding and inner workings of the European block. we make it a priority to increase awareness of the business in Europe.

We have the appropriate conditions l. We know that Portugal is small, but with excellent technicians and scientific institutions. The difference once again is quality and flexibility.

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