# Veronika Ferencz – General Manager, Exeltis Hungary



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*Veronika Ferencz, general manager of Exeltis Hungary, gives an update on the recent activies and achievement of the affiliate since her last PharmaBoardroom interview in 2016. Furthermore, Ferencz goes on to highlight how the upcoming launch of the company's first innovative product Slinda® is a very significant step in its mission to be a health partner for women throughout their life.*

**What have been the major developments of the affiliate over the past few years and how would you assess the performance of Exeltis Hungary?**

Our primary target was to be a significant player in Hungary's oral contraceptive market and reach the second position. Today, I am proud to say we have achieved this goal and moved from the third rank to second! For a small affiliate like Exeltis Hungary, this was a major achievement to accomplish in just ten years. This was also a personal goal since I had a previous relationship with the company that was occupying this position, but of course, this has been a success of the entire affiliate and especially the efforts of our dedicated medical reps.

Currently, Exeltis Hungary has 21 employees with a majority being on the field as medical sales representatives – 13 to be exact. We have many activities like registration, medical, and legal being outsourced to our partners in the country. In terms of revenue, we are expecting to reach around USD 7 million in sales with a strong year-on-year performance. Since entering Hungary in

2009 we have had continuous development and within the last year, we have achieved consistent double-digit growth of between ten and 15 percent.

**How is the affiliate’s local portfolio balanced in Hungary today?**

Approximately 80 percent of our revenues come from our women’s health portfolio. Previously, we believed dermatology would be the affiliate’s second strong leg to not only rely on oral contraception. However, we realized that this therapeutic area was not strategic for Exeltis Hungary, so it was decided not to pursue this direction. Nevertheless, we do have one product in this category which is still connected to women’s health as it is indicated for anti-hair loss.

Our endocrinology portfolio is very successful, and we are present in the segment with food supplements. These supplements are both related to fertility and our first product in endocrinology was launched in 2013. Exeltis effectively was the front runner and built this market here in Hungary. It was so successful that other competitors have since launched products in this area but Exeltis still holds a leading position. The target group is relatively small of 100 endocrinologists, but we have a strong relationship and we see their openness to try new products. Therefore, endocrinology is an important segment for Exeltis Hungary and in the future, we are aiming to introduce further solutions in this field.

Urology is a new venture for the affiliate, and we are planning to launch a full portfolio next year. One of the products come from our headquarter and we have got also a nice product family from another Spanish company, we will be ready to step in this new direction which could potentially become the affiliate’s second strong suit after contraception.

**How strategic is this new entrance into the urology market?**

This product family from our partner are patented food supplements for the management of kidney stones. Beforehand, we conducted research and realized that in Hungary there are very limited tools available to urologists to treat this condition. Like we did in endocrinology, we hope to take this opportunity to build the market and fulfill the unmet need which exists.

**There has been a relatively minimal amount of innovation in the contraceptive market over the past years and the space is saturated with effective and relatively cheap**

**products. How does Exeltis create added value to be the reference partner for women's contraception?**

The contraceptive market is very crowded in Hungary but also quite challenging and expensive. Several of our competitors have realized this and in addition to the natural industry movement coming from M&A activities, we have seen several players disappear from the market. Of course, this has been beneficial for Exeltis in terms of available market share and competition.

Furthermore, to survive in Hungary we do not bring me-too products to market but instead, work to fill the gaps which exist. For example, our **Missee 20 contraceptive** contains a low dosage of levonorgestrel. Additionally, last year we launched a birth control ring which is not a real generic to MSD's NuvaRing, but rather an added-value product which was developed by Exeltis R&D.

We are also excited to announce that next year we will launch Slinda®, our first novel oral contraceptive developed by Exeltis. Slinda® is an estrogen-free oral contraceptive that is intended as a 24 active with four inactive tablet dosing regimen and also allows a 24-hour missed pill window. We are hoping for a major success in this launch which is expected in March here in Hungary.

**What is your assessment of Hungary's market access and reimbursement conditions regarding women's health products?**

Exeltis Hungary does not operate in the reimbursed segment. We tried once with a product but realized that pharmacists are not aligned with the government's goal of prescribing the cheapest product. Therefore, we exited the reimbursement list and instead offer our products at the same price point as the originator with reimbursement. This is beneficial for us because of stronger margins and for patients because the cost is the same without having to go through the reimbursement procedure.

**What is the brand perception of Exeltis from local healthcare practitioners?**

Gynecologists are our biggest target group and we cover around 90 percent of these health professionals. After ten years in Hungary, they have come to realize that Exeltis is a strong partner in women health. We always receive positive feedback from gynecologists that they like our portfolio as we continuously try to create new markets and introduce innovations that are missing

in Hungary. This strong relationship is a good indicator that we are operating in the right direction here in the country.

**What is your assessment of Hungary’s current healthcare landscape overall?**

Healthcare is a very pressing issue in Hungary and the current conditions are difficult. Generally speaking, the vast majority of the population is not satisfied, and some may say healthcare in the country is worse than ever. This has a negative impact on the industry as well because patients are spending more money to visit private institutions and will make it more difficult to access quality products, ultimately resulting in long-term health issues and therefore even more trips to the doctor. In Hungary, we have now reached the level where it will be very difficult to make changes in the healthcare ecosystem, let alone the rapid reforms which are desperately necessary.

**As a member of the pharma industry, what changes do you see as most necessary in Hungary?**

Primarily, the reimbursement mechanism is not adequate and in dire need of reform. Furthermore, the industry faces clawbacks after reimbursement and high taxes on medical sales representatives which is unique to Hungary in Europe. The industry is trying to decrease the level of this tax on reps because it is a very difficult burden on all the companies who want to work ethically and legally. This is not only for Rx products but medical devices as well, and for a company like Exeltis which works in both areas, this tax must be paid twice over. It is very difficult to explain to headquarters why hiring new reps is much more expansive in Hungary than in surrounding areas. This creates a complex balancing act between introducing new products to cover the cost of hiring newcomers while ensuring that the sales force is strong enough to deliver successful launches.

**What actions are you putting in place in order to develop women’s health and raise education in Hungary?**

Raising awareness is always a key priority of Exeltis but reaching patients directly in Hungary is a challenge. The pharmacy business is becoming increasingly stronger and while chain pharmacies are not as strong as in the Czech Republic, this trend is gradually shaping. Therefore, this is becoming difficult to manage as more money and higher sales are necessary to enter these chains.

When it comes to Rx products, Hungary’s regulations do not allow us to communicate directly with patients, so this makes bypassing the pharmacy chains a challenge. On the other hand, we have more flexibility with communication when it comes to medical devices and food supplements, however, we can only use EFSA Claims which limits the amount of content available. It is a continuous brainstorming process for us to find ways in which we can raise awareness for the health matter for which Exeltis offers solutions.

**One decade after entering the Hungarian market, are you satisfied with how the affiliate has developed during this time?**

Absolutely! I am very proud of how far the affiliate has come and it brings me great pleasure to see how we all still work together as a family. There is a strong company culture in the affiliate of everyone striving towards a common goal of success and support for one another.

**What are your objectives as general manager of Exeltis Hungary moving forward?**

We want to continue building our positioning in women’s health especially in oral contraceptives. With the upcoming launch of Slinda®, we will be an even stronger player in this segment. Not only in contraceptives, but we are also aiming to bring new products in other areas of women’s health as well and build a robust portfolio that covers the lives of patients from adolescence to adulthood.

**What final message about Exeltis would you like to share?**

Since being established in 2003, the entire Exeltis world has grown very quickly and we are happy to see we are not alone as the network continues to expand all across the world. We have a good relationship between affiliates, general managers, and marketing where we can discuss topics openly and learn from each other.

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