Thomas Willemsen – SVP APAC, Takeda

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In an exclusive and wide-ranging interview, Takeda APAC SVP Thomas Willemsen outlines his strategy for bringing the company's specialty pharma portfolio to the diverse group of countries that make up the APAC region, the potential significance of Takeda's upcoming dengue vaccine, and what Asia's contribution to global healthcare and life sciences can be.

With over 20 years of experience in the Asia-Pacific (APAC) region, predominantly in mainland China and Taiwan with Merck KGaA and GSK, what led you to take on the role as Takeda's SVP for APAC in 2019?

After ten years in Taiwan with Merck then GSK, followed by five years in China that gave me the opportunity to lead the GSK business as General Manager, it was time to move on and share my experiences of both rapidly developing markets like mainland China and very mature ones like Taiwan. Given that APAC contains both types of markets, this position represented an extremely exciting opportunity for me.

Moreover, I had previously worked with Takeda CEO Christophe Weber when he was SVP APAC at GSK and the opportunity to work in an organisation under his leadership again was definitely a pull factor. It is always good to know who is at the top of the company and what values that person stands for.

I was also really intrigued by the opportunity to join a company at a transformative moment. The integration of Shire has accelerated Takeda's shift from a dynamic but still fairly primary care-focused Japanese firm to a global top 10 pharma company with a significant presence in the US, a very strong pipeline, and a rejuvenated leadership team with the best of both legacy organizations. There are not many opportunities to join a company at that kind of inflection point at such an early stage.

The final pull factor was the opportunity to oversee the launch of Takeda's dengue vaccine in APAC, in part due to my personal experience with the disease, which stands to be truly transformational for our Growth & Emerging Markets, especially in Southeast Asia.

Bringing a specialty care portfolio to emerging markets must be challenging compared to developed markets where payers, regulators and infrastructure are better set-up for such specialised medicines. How are you planning to navigate this?

The big picture trends of ageing populations and rising affluence, which lead to greater demand for specialty care products, are universal and, if anything, are moving faster in emerging markets than in the developed world.

Takeda's business areas of focus include rare disease, GI, neuroscience, plasma-derived therapies and oncology. We also make targeted R&D investments into Vaccines, where we will enter the global Vaccine market with our dengue vaccine – of which we are confident that a sizeable amount of the vaccine's global revenue will come from APAC in the foreseeable future.

Some in the industry may ask, is a specialty care focus a risk for growth in emerging markets given that this geography is traditionally seen as more suitable for high-volume primary care players riding the wave of still-evolving healthcare systems? We feel not. Like most Big Pharma companies, the majority of our sales comes from the US, followed by other developed markets like Europe and Japan, but our growth in emerging markets is set to shift this balance.

The first reason for this shift is that there are still a number of economies – Brazil, China and Russia in particular – but also areas like APAC with growth potential that has not yet been explored, both in terms of the legacy Shire portfolio and our new innovation pipeline. The second reason is our dengue vaccine which will become incredibly important in Asia and Latin America.

Focusing on rare diseases has a number of advantages. Firstly, development time is shorter thanks to greater access to patients at an earlier stage. Second, access risk is lowered because, in

absolute terms, the treatment will be relatively affordable for the payer. There is not as much competition and it builds on the expertise that we already have. This is why Takeda is now more focused on addressing the unmet needs of complex and rare diseases.

Your portfolio encompasses countries that are quite developed such as Korea, Australia, and Taiwan as well as growth markets like the Philippines, Indonesia, and Vietnam. These developed nations may already be ready to absorb a rare disease portfolio in terms of infrastructure and attitudes, whereas in the emerging countries Takeda will have to engage in advocacy work and help build the infrastructure. How are you approaching this diverse region in terms of rare diseases?

Korea, Taiwan, and Australia are markets with mature reimbursement environments, which spend around eight to nine percent of their GDP on healthcare; a good level although less than the main European markets and the US. On the other hand, markets like the Philippines and Indonesia spend between three to four percent of their GDP on healthcare, there are a lot of out-of-pocket costs, and many of the rare diseases we cover are not even recognised, let alone treated properly.

Because of this situation, we have developed a twofold strategy. In terms of our innovative portfolio, we are focusing a lot of investment and resources on the three developed markets already mentioned, along with Thailand. Takeda is trying to build more value in those markets, not just in the way that we fast-track access to our highly innovative portfolio to patients, but also in how we generate value in terms of support services for the patient and drive the best possible outcomes.

In the developing markets, we need to build the infrastructure from the ground-up, mobilizing collective action to drive impact to patients, through targeted partnerships that strengthen healthcare systems in a sustainable way, at every stage of the patient journey. Our objectives in these markets are to help patients that suffer from these diseases to access our medicines more easily. We do this with the use of innovative and collaborative financing models to increase patient’s access to treatment, thereby making it possible for patients to complete their course of treatment even if they cannot afford to pay for it in full. We do not have a profitable intent in these “access to medicines markets”; rather, the prime objective is to help shape the environment and give physicians the experience that they need to properly diagnose and treat these diseases. Our secondary objective in these developing markets is to shape the environment in these markets, so that in the long-run, reimbursement becomes a possibility. In addition, our developing markets

such as the Philippines and Indonesia are a priority for us to launch our dengue vaccine to help alleviate some of the burden of this life-threatening disease.

Can you share with us the significance of the *dengue vaccine* and what are the timelines for its introduction to the market?

The vaccine is not yet approved; we are in the final stages and hope to be able to submit for regulatory approval in early 2021 with our first commercial launches in mid-2022. Our priority markets for the vaccine, where there is a high prevalence of dengue and a great opportunity to help hundreds of thousands of patients, are mostly in APAC.

This is a true passion project for me – I have experience launching vaccines at GSK in China and Taiwan and I myself am a survivor of dengue, having caught the disease as a teacher in a refugee camp in Thailand in 1989. I would not wish that experience on anyone; dengue and I have a score to settle!

Dengue is on the rise globally and particularly in Asia. Here in Singapore, the country is facing its worst dengue outbreak since 2013, and the fatality of the disease is even higher than that of COVID-19. It represents a severe burden on healthcare systems, meaning that our vaccine is going to be transformational. This is our first vaccine outside of Japan and global manufacturing will be based in Germany.

With product launches planned ranking on the hundreds, including the dengue vaccine, does Takeda APAC possess today the right talent with experience in product launches?

There is always a need for talent! Our people are the cornerstone of our success and the integration of the legacy Shire organisation has given us access to a significant pool of very talented people with good experience in specialty care. As it often is in these large integrations and acquisitions, it is the people that are a big part of the value.

As we continue the integration journey of the new Takeda, we always need to be on the lookout for new talent or building the capabilities of our existing employees for our upcoming launches. Over the next five years, we have about 100 products coming onto the market, requiring a focus on the flawless execution of what we call “Launch Excellence”.

Many of these launches will be relatively targeted in niche areas. We need to build a talent base from the existing organisation as well as attract new people, with the goal to position Takeda as an attractive and innovative employer. To do this, we are committed to providing a purposeful, inclusive and positive workplace for every Takeda employee, and this is recognized in our Global, regional and some local Top Employer certifications. In line with our deeply embedded Values, the way that our company has handled the COVID-19 crisis has also really resonated with employees. We communicated our response approach and took action very early on, with plans that were led by science and underpinned by our Values, prioritizing the well-being of our employees and the needs of patients above all else. I believe that employees that feel respected and supported by Takeda are the best ambassadors to share their experiences with others, attracting even more talent to join us.

What is the perception of Takeda across the markets under your supervision; is there a divergence and how straightforward will it be to build this new image for the brand?

Perception is commonly driven by the quality of our products. Our customers are appreciative of the company, but at the end of the day, their confidence lies with the products they use. Takeda is still on a transformation journey from a predominantly primary care past towards an innovation-led biopharmaceutical company, but the shift in perception to reflect this will take time.

The Access to Medicines initiatives we are driving across Southeast Asia are a big help, especially for specialty care doctors in oncology and GI who recognise that it goes beyond what other companies are doing. Our dengue programme is also much anticipated by doctors and government officials alike in these countries.

In Australia, Taiwan, and Korea we have a well-established position in the specialty care market.

Many countries in APAC are in the process of switching to some form of universal healthcare. How fully are these programmes being realised and what challenges and opportunities do they present for Takeda?

The coverage of the universal healthcare systems in markets like the Philippines, Indonesia, or Malaysia has not been fully established, especially compared to Taiwan or Australia. There is still a large portion of the medical expense that is still being covered out-of-pocket and, while they may have basic healthcare provision, access hurdles to both doctors and medicines persist. Once a

patient is in a more severe disease situation, they usually have to pay out-of-pocket or, as is the case for many Indonesian patients who can afford it, travel to Singapore. Although things are improving, we are obviously still a long way away from having a full-fledged specialty care market in these places.

The idea behind our Access to Medicines programmes in these markets is to support government stakeholders and the medical community to develop a sustainable reimbursement environment that also covers these complex and rare conditions.

There are encouraging market dynamics in Asia today not only in terms of market growth but some countries under your watch have excellent digitalisation of the medical records, and clinical trial infrastructure. How are you attempting to leverage these assets?

In terms of opportunities and digital records, there is no better system than Taiwan, where I lived for ten years. There we have a very strong base and are recruiting patients into key clinical trials for certain treatments. It is important that we leverage the infrastructure, especially in Korea, Taiwan and Australia, for the development of our rare disease and specialty care portfolio.

There is an increasing awareness that the oncology drugs being developed by big pharma are not including Asian patients in the development process. As a Japanese company is there an opportunity to take on Asia's genetic destiny?

As the world's largest Asian pharma company, it is clear that we have a role to play in increasing the amount of R&D and the number of clinical trials being conducted in Asia. We bring together expertise from across the region through our development centres for Asia based in China and Singapore and we have frequent communication with our colleagues in Japan. There is also a lot to share and gain between Korea, Japan, mainland China, and Taiwan, where there are a lot of similarities in terms of the epidemiology of certain cancer types.

The current underrepresentation of Asian patients in the development of our oncology drugs is a result of legacy; for many of our products, the majority of the data comes from the US and Europe, mainly because the pipeline – especially before the acquisition of Shire – was to a large extent acquired. Many of these products came from small US companies, which when they started to develop these products would never have thought about doing so in Asia. It is therefore important

that we continue with evidence generation post-launch, especially in rare disease where there is little experience to begin with.

Part of the COVID-19 impact has been the role of the sales reps- certainly digitalising the process in mature markets with a settled infrastructure is one thing, but how are you dealing with it in your "emerging market portfolio"? Your own job based in Singapore encompasses plenty of travelling to align the organisation!

Working from home and not travelling as extensively as before is in itself a great opportunity to take stock. We took the time to sit down and map out a clear plan of what needs to happen over the next two to three years, something that we probably would otherwise not have had a chance to do.

In terms of digital engagement and how we can be a part of shaping the environment, this is another great opportunity. In places where we are focused on innovation it is already happening. Generally speaking, it is not about instituting a particular technology platform, but rather about creating a new way of working.

An example of this is our recent initiative to run a pilot program to organise roundtable discussions among small groups of specialists. The basic idea is for us to bring together four or five doctors to share their experiences with each other. If done well, doctors will happily participate in these meetings on a more regular basis. These roundtables require us to be very agile with the creation of new and engaging content; you have to put yourself into the customer's shoes to create value and digital is a means to do that at scale.

I don't think, however, that digital will completely replace the need for human-to-human interaction. A lot of what we do is creating and building trust with our customers, which is difficult to do without the human touch. However, there is no longer a need for the high-volume engagement that we still see in many markets and the old-fashioned way of pushing to have a sales rep see a doctor two or three times a week. We can be more targeted and smarter about the usage of technology in terms of artificial intelligence (AI) identifying trends in where doctors get their information from, or how they respond to online seminars. There is a lot of knowledge that we are currently not capturing and, crucially, not acting upon.

2020 and the COVID-19 pandemic has forced a realignment of expectations for many companies, what are the growth expectations and dynamics for Takeda in APAC over the next year or two?

There is a clear plan for Takeda in APAC to grow ahead of the market based on the 100 launches we anticipate over the next five years. Have we seen a big impact from COVID-19? That depends on the market as well as the sophistication of the treatments that we offer in the respective country. In more mature markets where there is more reimbursement and more specialty focus, there was a very minor impact driven by reduced diagnosis, but not exceeding one to two percent of our plans affected.

However, in Southeast Asian markets with more out-of-pocket spending and primary care focus, patients have been avoiding going to a hospital and therefore, delaying treatment. Nonetheless, for oncology or severe rare genetic disorders, the need to access regular treatment is high and our teams are working hard to ensure that these patient needs are met.

Although the situation in markets like the Philippines and Indonesia is still uncertain, we do not foresee a material impact on our overall APAC business. Therefore, our five-year plan is not at risk.

The bigger focus this and next year is the ongoing company transformation, meaning refining our portfolio to focus on innovation, prioritizing sustainable approaches so that we can achieve growth to invest in the discovery, development and delivery of future innovative medicines, positively impacting patient lives in the near and long-term.

Today, Asia has not only the world´s population, and is home to fast growing market but is the second largest VC market in the world, the leader in terms of number of IPOs in 2020. As a leader that spent a considerable amount of his career in Asia, can this part of the world be a true contributor to global healthcare and life sciences?

I am glad that I took the decision when I was 19 to go off into the complete unknown and work as a teacher in a refugee camp at the Thai border with Cambodia, which was a completely random decision that led me to fall in love with Asia. Over time, I also realised that I made the right decision professionally to focus on the emerging healthcare environments in China and Taiwan.

Everybody knows that China will drive growth in life science because of the sheer speed of development, the growth of medical need, the ageing population, and other factors. However, I think that at some point we are going to reach a limit in terms of volume growth. We have to ask

ourselves the question as a global pharmaceutical company, what role do we play? And to what extent does a very large market like China needs so many products coming from overseas? More and more, the tides are going to shift, and Chinese companies will begin investing more in Europe and the US. There is going to be more of an equilibrium with regards to origin of drugs, which poses a challenge for all international pharma companies.

The signs are still positive. Comparing China to Europe, for example, there is still a long way to go for it to reach the same level of healthcare, especially in the more mature and specialised categories. In the next five to ten years we will still see strong growth momentum, but we do need to think about what happens after that. Moreover, China can be volatile. Just last week for example, China announced another price-cut initiative to manage rising healthcare costs.

In Southeast and North Asia, the critical mass of these markets will not allow domestic companies to become our competitors in biologics in the short- to medium-term. Korea has a few companies, Taiwan very little, and Australia not much except in plasma-derived therapies. Here, we still have space to grow over the next ten years and more.

What are your key objectives for your role as SVP APAC?

As much as I talk about our innovation, science, pipeline, or financials, the most important factor in our success will always be our people. I spend most of my time curating a team with a strong culture of trust that will help play a part in Takeda edging closer towards our ambition to be a competitive, science-driven, global biopharmaceutical leader. That is the key contribution that I can bring. Innovation happens in the lab, whereas my job is to execute the strategy with the right people, leverage those key trends that we talked about, implement access programs so that developing markets will be our markets for the future, have transparent conversations with regulators, and continue to add value and services in our more developed markets where we can get much more out of our existing and future rare and oncology pipeline. We are in good shape and I am enjoying myself enormously working with our excellent team to meet the needs of patients in the APAC area.

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