Luis Iglesias – President & Head of EMEA, Santen



Our CEO, all my colleagues at corporate officer level, and I, want to make Santen a global company. We are going to do it the Santen way, with patience, professionalism and true innovation

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Santen is a leading multinational company that specializes in ophthalmology. President and Head for Europe, Middle East and Africa (EMEA) Luis Iglesias highlights the company's recent transformation through partnerships across a vast array of areas including digital technology and cell and gene. He also discusses how Santen has leveraged its acquisition of MSD's ophthalmology portfolio, and how the vision of their CEO, Shigeo Taniuchi, has permeated throughout the organization.

Can you share your journey with Santen, your responsibilities and the strategy you have put in place during your more than three years with the company?

I joined Santen at the end of the summer of 2017. At that time, the company was going through a major transformation and we knew that there would be a succession plan in place for a new CEO. There were a number of candidates and Shigeo Taniuchi, who was heading EMEA, was one of them. The transformation was in line with Japanese culture, which is not about revolution but rather evolution; in management succession as well as the way we deal with our business and people.

By the time I took over as corporate officer and head of the EMEA region in the spring of 2018, I had already been working alongside Shigeo for six months. He first stepped up to become COO and President and finally CEO one year later. It was all part of the transition; the COO and President position is unique to Santen and it is designed to prepare the upcoming CEO.

It is coming to four years since I joined Santen and I must say it has been a fabulous experience. I knew ophthalmology well from my time at Allergan but it was just one of the many franchises in a business that had a strong focus on medical aesthetics. At Santen our only focus is ophthalmology. Santen will always have ophthalmology in its DNA and has 130 years of history to prove it. Being independent and focused on a single franchise for that long is a unique situation.

We have direct and indirect operations in approximately 70 EMEA countries with close to 700 employees, all of them 100 percent dedicated to ophthalmology. When we get up in the morning, we talk about glaucoma, dry eye, retinal disease and the same patients, associations and customers. That is what makes our expertise so unique.

The region’s success has been driven by a number of factors. One of them has been looking at conditions that have unmet needs at the patient or clinician level. I think vernal keratoconjunctivitis (VKC) is a very good example; it is a dry eye disease normally seen in pediatric populations that did not have a treatment available in Europe.

The same applies to certain severe dry eye treatment compounds that have been made up by pharmacies for a long time but quite often in small batches and with levels of consistency that are not what patients expect. We’ve been working on improving the treatments available to patients in this field as well. At the same time, in the area of glaucoma we introduced preservative-free formulations because we believe that they do less damage to the eye. We have gained credibility with clinicians and patients because we are not just there to bring a generic product and make money but actually introduce innovation for them. In that regard, Europe has also become the global benchmark for how to drive innovation in the surgical space with medical devices in ophthalmology.

Innovation is always going to be part of the reason why a business is doing well and planning for the future is important. In cell therapy, our initiative to enter that space began in Europe, for example. We managed to come to an agreement with JCyte, a California-based company, to focus on retinitis pigmentosa (RP). It is obviously a new era that we are very excited about and we expect to introduce a product in 2025 so there is still plenty of work to do. Ptosis, myopia, dry eye, glaucoma, eye surgery, intraocular lens (IOL), and many other common and rare diseases in ophthalmology are our focus in R&D with a goal to bring to market products for unmet needs.

You are operating in a therapeutic area in which regulators & payers in each country across your region often have very different approaches, especially related to standard

of care, prescription and reimbursement. How do you deal with that challenge?

Europe's diversity is probably the most exciting part of my job. What we see in healthcare is a standardization of practices while at the same time European governments often view reimbursement and approvals slightly differently. So when launching a new product in EMEA, country approval and reimbursement will vary, but Santen has the talent and agility to adapt and develop dossiers and supportive data to meet local requirements in order to maximize our portfolio and ensure patients benefit from our products.

Glaucoma, for example, is a global disease and the prevalence is almost the same in Russia as in the UK. We see the same issues, similar treatments, but we also see different approaches and the quality of the product can be overlooked because of a country's financial situation. In general, our portfolio is homogenous across Europe, which gives us an advantage from a manufacturing point of view to be able to bring the best products at the lowest possible cost. The standard of care is quite similar, but often the equipment needed to diagnose conditions may vary by country while the treatments available are the same.

There has been great work done by the European Glaucoma Society as well as companies involved in this area to educate and help ophthalmologists. As a matter of fact, 65 percent of our revenue comes from glaucoma today; it is a chronic condition that brings stability for the business without the fluctuations that you may have with an antibiotic or allergy product, for example.

It also means that you can engage with the customer and follow up with patients because, unfortunately, glaucoma today is progressive, and patients experience changes through the years. There has been a change in treatments; we have gone from a single treatment to a combination or even surgery and laser treatments.

Given that glaucoma represents such a significant share of your revenue, what is your position in the European market for the condition?

Is important to note that back in 2014, we acquired the glaucoma portfolio from MSD, which brought a good revenue base that has allowed us to invest in R&D and penetrate new geographies to grow the business. The composition of the portfolio has given us credibility.

For example, in glaucoma we have a market share of around 14 percent. The multitude of options in the market make having a larger share a challenge as there are many local suppliers of generic products as well as companies like AbbVie, Novartis and Thea competing. All of that makes the

market exciting because competition brings innovation and growth. We are developing compounds and solutions in ophthalmology that can bring innovation to the market and compete. The important thing is that, in the eyes of ophthalmologists, Santen is a leading company. That is probably the biggest change over the past seven years; we went from a small player to a company with a broad presence. An example of that change is Italy, which is now our largest operation in the region but a market that had no sales back in 2013. We picked good leaders that gave us the know-how and created a first class team in Italy that is now the leading glaucoma business in the country.

How does being a company fully dedicated to ophthalmology is a differentiation factor vis á vis of key stakeholders such as ophthalmologists, surgeons and patients?

It makes a big difference. I was talking to a customer this morning from Belgium because we have a European internal event next week and I wanted her to speak to my team about a new product we have. The advantage is that while I am the president for EMEA, I continue having direct contact with our customers just like our sales reps and managers do. Our customers know that they can come to me with any questions on ophthalmology or our pipeline because it is my business; I do not have to think about medical aesthetics, oncology or gastroenterology.

Also, the science and R&D world is changing dramatically as companies continue to understand that external partnerships can be more important than internal R&D. When you are a company 100 percent dedicated to ophthalmology, people come to you; research centers, small companies and entrepreneurs will contact you with interesting propositions and ideas.

Having worked for large corporations in my career like Abbott, Eli Lilly and Allergan, I know that when you have multiple franchises, you have to make tough choices, but for us, when someone says eye care, we are ready to listen.

You suggested that the company has undergone a recent transformation both in structure and strategy. Can you walk us through that change at a time when new technology is creating new possibilities?

Looking back at the way our company operated 30 to 50 years ago, there was a more traditional R&D process, focused on an early stage where our people would come up with ideas and then they would go through committees to look for the best return on investments, finding out which

products fit the Japanese market.

Many decisions depended on performance in Japan, so the R&D had to be perfect for that market. However, today we have moved to a position where 35 percent of revenue comes from outside Japan. That fact forces us to look at the broader picture, as we become a global company.

To illustrate that point with some recent examples of collaborations, we expect that 80 percent of the revenue from our global jCyte partnership for RP will come from the EMEA region. We have entered into new partnerships and acquisitions in the USA to expand our presence there. We have announced the investment of a second manufacturing plant in China as our business there continues to grow. We have another international partnership with Orbis to expand access to training for eye care professionals. All of these and many more examples I could give you show how we are moving to become a global company.

Another example is our licensing agreement with Osmotica Pharmaceuticals that covers the global development, registration, and commercialization rights for a product that treats acquired blepharoptosis or ptosis in adults, a condition where one or both of your eyelids droops and causes sight issues.

Moreover, we signed a deal in the United States with Eyevance to enter the US dry eye market. This is a company based in Texas created by former Alcon management. Our intention is to penetrate that market because dry eye is one of the strongest franchises you can have within ophthalmology in the US.

We also just signed an agreement with a company called Aerie, an American company that has two first-in-class therapies for the treatment of patients with open-angle glaucoma, ocular surface diseases and retinal diseases.

Our CEO, all my colleagues at corporate officer level, and I, want to make Santen a global company. We are going to do it the Santen way, with patience, professionalism and true innovation. We have a unique culture, developed over many years in Japan that is now becoming global. We are governed by our people-centric values at Santen, which is important for our employees and customers as we are always asking ourselves if we are contributing to the happiness of people – a life with the best vision experience – through our activities. By bringing together a diverse and talented team at Santen, we have the capabilities to act with agility and collaborate with external partners around the world to leverage their strengths and expertise. Our values also ensure that we are continuously exploring and developing ground-breaking technologies to ultimately find solutions for vision problems that benefit patients, the communities

in which we operate and healthcare systems.

COVID-19 has changed the way the industry interacts with physicians accelerating digitalization. What has your organization learned from this experience and how will the pandemic change the way you operate in the future?

That is correct, COVID-19 has forced every company to re-evaluate the way they operate in so many ways, from how often we go to the office to how we communicate with customers and use digital tools.

We did a survey of 700 glaucoma patients six months ago and were fascinated by the results. We found out that one in ten patients did not go to a doctor's appointment and one in ten did not collect their prescriptions from the pharmacy. Also, there was a surge in digital prescriptions. During the pandemic, 27 percent of patients were acquiring their medication online one way or another. It is a massive transformation. That insight has made us think differently about the possibilities of e-commerce for our industry.

We entered into a European campaign, using El Pais, Corriere della Sera, The Daily Mail, and all the big newspapers in the continent, plus radio stations, magazines, and social media to tell patients that they must continue their treatments. We invested in telling them about the importance of going to the pharmacy and collecting their prescriptions. The motivation was to help our patients to avoid going blind, not the revenue that the campaign would generate since it will probably be offset by the money we invested.

Our organization knows that digital tools will be a crucial element if we are to achieve our goals and be part of the future of the industry. With that in mind, we signed a deal with Google just over 18 months ago to create Verily, a company that is developing digital technology for ophthalmology.

Why does having the European headquarters in Geneva makes sense for a company like Santen?

Switzerland provides a great diversity of talent and well-trained professionals from all backgrounds. I have never had such a diverse team in my career.

The location also helps since Geneva is very accessible, close to both France and Italy. We have the United Nations here, the World Health Organization, refugee organizations, big banking institutions

and so on. It is easy to attract talent when you are located in a place with such quality of life.

I believe that people are attracted to Santen because we are a sort of enigma, a Japanese company that performs so well year after year; a hidden gem that constantly brings innovation to the market. Our office reflects that, we have open spaces and I do not have my own office, which allows me to know the team better. If you want credibility with your team and want them to be engaged, you have to make an effort to understand them, sit next to them, have coffee with them, understand their social media and how they use it.

We are doing the same in Japan because modernizing the company is fundamental for our industry.

The EMEA region is the business driving force for Santen's global operations. What are the things that you personally, as EMEA leader, would like to achieve?

There is a term that is becoming part of our vision for the next ten years: becoming a social innovator. That is something that our CEO is very much embracing. We are trying to look at areas of great importance within ophthalmology that can have a big impact on society. That means thinking about how patients will interact with doctors in ten years or how we work with digital technology to assess potential conditions quicker. Being a social innovator means changing the paradigm.

We are also proud of the youth in leadership we have created that will be here in ten years continuing our path. At the end of the day, you can have great products and processes, but it is people that make the difference.

It has been a tough year. Everyone has worked harder than ever, however we have probably had one of the most successful years for our business in terms of growth, productivity, meeting our targets and gaining market share.

I do not believe that we will go back to the old days, but I also believe people need interaction, seeing each other, connecting in person with customers, getting close to patients so we can serve them even better. The new world will be different to the past but also different to the last 12 months, and success will come to those that adapt faster and embrace the change.

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