Q&A with Ian Page

Ian Page
Chief Executive Officer

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Q Revenue growth does not appear as strong as in previous years. Are you concerned?

A There have been a number of headwinds in the year on revenue growth. Firstly, *Vetoryl*, our lead product, was affected by the shortage of a diagnostic tool used to recognise Cushing's disease. This resulted in it being very difficult for veterinarians to actually prescribe the drug for new cases. We have had ongoing supply issues with the US, with *Animax* and the ophthalmics, and we are also constantly seeing a pressure on antibiotic usage as governments look to put pressure on veterinarians to prescribe less antibiotics because of concerns over antimicrobial resistance.

If you look at our second half growth, which was 4%, and was a lot stronger than the first half decline, then we feel that we have no concerns at all over revenue growth and going forward we should see an improvement.

Q Why did you acquire PSPC?

A We have been very successful in the US, with a business that is growing revenues very quickly, and is already very profitable. However, if you look at the business it is underweight, given the scale of the market and in comparison with the EU.

PSPC was a business we had been talking to for a number of years. We saw it as an excellent acquisition, particularly as it has one unique product, *Phycox*, which is a patented nutraceutical that fits ideally with our portfolio. It also has a new endocrinology product in development which is very similar to our *Forthyron* product, which we market very successfully within the EU. So we are really keen on bringing that product into our portfolio later in this calendar year to really enhance our position.

Looking at the acquisition as a whole, it creates opportunities to grow their existing products, and it also creates the critical mass required to continue to invest, to get a sales team which is sufficient to penetrate this very important market.

Find out more about *Vetoryl* on page 59.

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Q What do you see as the key growth drivers in the next few years?

A Our strategy is very clear, and has been covered well in recent communications. There are four major pillars to our strategy: portfolio focus, product development, geographical expansion and acquisition.

Of these four drivers I consider product development to be the most important. We have recently submitted a dossier for a new equine product branded *Osphos*, and have had that approved in both the UK and the USA. We also expect the product to be approved across the rest of Europe early in the next calendar year.

We have also submitted an endocrine dossier for approval in Europe and the USA and we expect that to be approved next year.

We have added additional resources into the product development team, and we have got new projects that we are currently looking at.

Q What are your medium and long term expectations for the business?

A Our major objective is to cement ourselves as a leading global animal health company.

Looking geographically, we have recently opened in Italy, we are about to launch in Canada, we are reviewing another territory to hopefully launch next year. We are also investing further into our export capabilities, particularly in project registration as we look to gain critical mass in a number of other key target territories.

We are also looking at acquisitions. Recent transactions by big pharma have been at such high multiples that it is very difficult to find value at the moment; however, we are reviewing several candidates and we will hopefully make progress.

I have already mentioned the pipeline, which is delivering new products and will lead to success. We are also seeing growth, as I mentioned at the outset of this interview, of 4% revenue growth in the second half of our last financial year.

So, if we take all these factors into consideration, we have every confidence in our future growth prospects.