

Our Business Model

Our Key Activities

Our objectives are to innovate, develop, register, manufacture, supply and market high quality products to the veterinary profession worldwide.



 Read more about our Key Activities on pages 23 and 24

1

Innovation, Partnership and Register

We spread our development portfolio across novel entities, differentiated generics, generics and lifecycle management projects across multiple species.

How Ideas are Generated:

- regular cross functional meetings where all senior staff are encouraged to bring new ideas from their experience in the marketplace.
- networking with key opinion leaders, especially in our focus therapeutic areas, to identify and develop ideas.
- employing talented veterinary scientists who extensively screen scientific papers looking for new human medicine-related technologies that might have an application in our marketplace.

Innovative Products that Treat a Range of Conditions

Our products give veterinarians the solutions they need in the treatment of animals. A number of our key products are novel or have clear advantages over competitor products. This allows veterinarians to offer a high standard of care to animals that they treat.

Key Expertise for In-house Product Development

Our formulation and development laboratories are located at our manufacturing sites, which allows us to emulate the manufacturing equipment at laboratory scale.

Product Development Process

Once all the studies are concluded, if the product reaches the required safety, efficacy and stable chemical formula, regulatory dossiers are prepared for registration and filing with the relevant regulatory authorities.

2

Manufacture and Supply

Manufacturing is a key competency of the Group; the prime objective is to deliver safe, efficacious, cost effective, high quality products.

Our Range of Competencies

We have a wide range of competencies across our seven sites including tablets, creams, liquids, ointments, powders, vaccines and sterile injections that can be packed in a multitude of different presentations. Currently we manufacture approximately 40% of our products in-house; however, we are working on bringing more products into our own production facilities. There are competencies and dosage forms that we do not have, and we have long term agreements that prevent in-house manufacturing of some products.

Batch runs for veterinary medicines are often relatively small compared to human production. Therefore, in some instances, outsourcing can prove difficult and expensive. Our Contract Manufacturing Organisation (CMO) network is an important part of our business.



3

Route to Market

Our products are distributed from our major logistics sites via wholesalers, distributors, or direct supply.

The principal objective is to deliver a customer's order on time and in full every time.

Types of Distribution Channels

Our European and International markets are serviced from our own logistics facilities based in Uldum, Denmark, and Somersby, Australia. North America and Brazil are supplied out of third party logistics providers.

There are a few markets where we offer direct supply, such as Germany and the Netherlands, that are not fully supported by veterinary wholesalers or where legislation enforces all pharmaceuticals to be sold through pharmacies, such as Denmark, Italy, Norway and Sweden.

Specialised Veterinary Wholesalers

The majority of veterinary practices are supplied through specialised veterinary wholesalers that operate as one-stop shops. They stock the majority of items veterinary practices need and offer high levels of service, often with a next day delivery. These wholesalers are generally passive in selling product; they predominantly supply to demand where the demand is driven by Dechra's own sales activities within veterinary practices.

4

Customers

Our customers are veterinary professionals operating in veterinary practices and major farming units.

Our products and sales and marketing activities are mainly targeted at veterinary professionals. The majority of veterinarians prescribe and dispense pharmaceuticals, although there are a few territories in the world where the veterinarian writes a prescription and the drugs are purchased by the animal owner at a pharmacy.

The majority of our products are prescription only medicines (POMs); however, we have a range of complementary non-prescription products. Our product range includes novel, generic-plus and generic products in key therapeutic areas, in particular endocrinology and anaesthesia and analgesia.



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Sales and Marketing

The relationship with veterinarians is key and, to this end, we provide added value services. Our customer channels involve our telephone sales representatives, field based representatives, educational programmes and technical support programmes.

Sales Representatives

Dechra operates its own sales force and provides in-house marketing and technical support in 25 countries, predominantly in Europe, North America, Brazil and ANZ. In almost all of these countries we have highly skilled field based representatives who make regular calls to all major veterinary practices. The representatives' brief is to sell the product on a technical basis, outlining the beneficial aspects of our products and to provide educational support on how best to treat animals in our key therapeutic areas.

Customer Support

We also provide high levels of technical support and pharmacovigilance through helplines in every country in which we operate. These helplines provide veterinarians with support on how to best use our products and free advice on any difficult or complex cases that may be encountered.

Educational and Training Programmes

We offer high level educational programmes focused on the diagnosis and treatment of conditions in our key therapeutic areas. We deliver this education through many channels, including major conferences, regional groups, individual practices and increasingly through digital channels.

We help to improve the knowledge and education of veterinarians. These programmes are certified to offer veterinarians and veterinary nurses the continuing professional development hours they require to maintain their professional qualification.



View our Website for more details at: dechra.com/about/our-business



