


# Delivering Our Strategy

Since 2013, our priorities for each Strategic Growth Driver and Enabler have been clearly defined and communicated and are outlined in the table overleaf. In this section of the Annual Report we describe the progress we have made towards achieving our strategic objectives.

 **Generate long term value for shareholders**

**International specialist veterinary pharmaceuticals and related products business**

 **Strategic Growth Drivers**



Pipeline Delivery




Portfolio Focus



Geographical Expansion



Acquisition

 **Strategic Enablers**



Manufacturing and Supply Chain

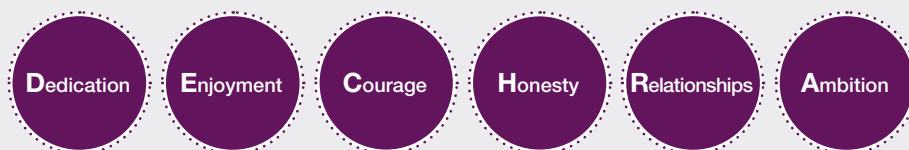


Technology




People

**Dechra Values**



 Read more on **Strategic Growth Drivers** on pages 32 to 39

 Read more on **Strategic Enablers** on pages 40 to 43

# Delivering Our Strategy

continued

## Our Strategic Priorities



### Pipeline Delivery

We must deliver our pipeline on time, at the right costs and with the expected returns. It is also important that we refill the pipeline so that we get a constant flow of new products in future years.



### Portfolio Focus

We are a specialist veterinary pharmaceuticals business focused on CAP, Equine, FAP and Nutrition. We look to maximise our revenue by focusing on clearly defined therapeutic sectors.



### Geographical Expansion

We have identified a number of markets that present both volume and profit opportunities in the medium to long term. Our entry strategies will vary depending on the local market dynamics.



### Acquisition

Our priority is to target strategic acquisitions that will expand our geographical footprint and/or enhance our product portfolio.



### Strategic Enablers

Our strategic enablers, Manufacturing and Supply Chain, People and Technology, support the execution of our strategy.

## Our Progress in 2017

- Signed Animal Ethics licensing agreement, and building pipeline of other in-licensing opportunities.
- Vaccines development strategy defined and new opportunities identified.
- Zagreb product development laboratory commissioned and operational.
- Putney's Amoxi-Clav tablet development completed and other projects continuing.
- A number of minor FAP market authorisations gained.


- Strong CAP and Equine growth continuing across the Group. FAP returned to growth.
- Increased effective use of CRM tools in EU and NA.
- Expanded sales force effectiveness training.
- Unblocking of distribution channels for Putney products in the US has opened up market for enlarged NA business growth.

- Several international product registrations achieved.
- Established Dechra Veterinary Products International business.
- Commenced appointment of the Dechra Veterinary Products International team.

- Successful integration and operation of Genera, Brovel, Putney and Apex.
- Acquisition of Apex, opening up new bridgehead into Australasia and South East Asia.
- Acquisition of 33.0% of Medical Ethics Pty Ltd provides the Group with secure access to novel therapeutic areas/product development.

- Developed new Manufacturing and Supply Chain strategy.
- Continued strengthening of Senior Executive Team with key appointments of Richard Cotton, Giles Coley, Anthony Lucas and Greig Rooney.
- Ongoing progress in Oracle deployment.
- IT user hardware standardised across the Group.

Future Priorities	Link to Strategy in Action
<ul style="list-style-type: none"> <li>• Continue to identify innovative development opportunities.</li> <li>• Further develop Dechra laboratory network, including further FDA licensing.</li> <li>• Continue to develop Vaccines pipeline.</li> <li>• Explore and negotiate further in-licensing deals.</li> </ul>	<p><b>Amoxi-Clav</b></p> <p> See pages 32 and 33</p>
<ul style="list-style-type: none"> <li>• Deepen market penetration of existing products across all territories.</li> <li>• Enhance Nutrition and FAP sales growth.</li> <li>• Continue to drive marketing and sales force effectiveness.</li> </ul>	<p><b>Our Key Therapeutic Areas</b></p> <p> See pages 34 and 35</p>
<ul style="list-style-type: none"> <li>• Develop Dechra Veterinary Products International business.</li> <li>• Continue to leverage current registration portfolio in newer territories.</li> <li>• Increase international country registrations.</li> </ul>	<p><b>Dechra Veterinary Products International</b></p> <p> See pages 36 and 37</p>
<ul style="list-style-type: none"> <li>• Continue integration and leverage of recent acquisitions.</li> <li>• Acquire businesses in target geographical/therapeutic markets.</li> </ul>	<p><b>Integration of Acquisitions</b></p> <p> See pages 38 and 39</p>
<ul style="list-style-type: none"> <li>• Execute Manufacturing and Supply Chain remodelling strategy.</li> <li>• Develop and integrate procurement activities.</li> <li>• Continue to develop leadership effectiveness, and quality of talent.</li> <li>• Continue to develop Oracle ERP and other business systems.</li> </ul>	<p><b>Manufacturing and Supply Chain</b></p> <p> See page 40 for more on <b>Manufacturing and Supply Chain</b></p> <p><b>SET (Senior Executive Team)</b></p> <p> See pages 42 and 43 for more on <b>People</b></p> <p><b>People – 20th Anniversary</b></p> <p> See page 41 for more on <b>People - 20th Anniversary</b></p>

 See our **Key Performance Indicators** on pages 30 and 31

 Read about **Understanding Our Key Risks** on pages 58 to 61