

# Q&A with Ian Page



Ian Page Chief Executive Officer



**We have many new ideas and we are working on lots of new product development opportunities that I believe will deliver growth in the future.**

**Ian Page**  
Chief Executive Officer

**Q What do you consider to be the highlights of another strong year for Dechra?**

**A** There have been many highlights in the year but I would have to mention the success of our acquisitions that we have made over the last two years and when you couple that with a solid performance in the EU, and a very strong performance in the US, it has resulted in a profit performance which is above our expectations. Looking at things from an operational perspective, we have introduced a new manufacturing strategy and we are now getting greater efficiency and looking to better utilise our sites. From a people perspective we have over the last few years recruited a really strong Senior Executive Team and they are now really beginning to function exceptionally well. It would be remiss of me not to mention cash generation. Cash generation has again been strong within the year which has resulted in net debt being below market expectations for the year. So, all in all, many highlights.

**Q The US continues to outperform the EU; why is this?**

**A** The main reason is the relative maturity of the two markets. We have been trading in Europe a lot longer and a lot of our older products are getting close to reaching maturity in terms of market share; although we still do get growth by educating veterinary surgeons in better utilisation of the products. Within the US it is not only about education but it is also about gaining market share. It is a very large market and is a very difficult market to access. We have always said that we are underweight in terms of sales team, i.e. we do not have enough people to get round all the practices on a regular cycle. Even with the acquisition of Putney, it was still not up to the scale we would like to be, but we are now seeing the benefits of cross-selling Putney products and Dechra products through the enlarged sales team and we are beginning to get very strong market penetration in the US. So, we will continue to see the US outperform the EU in the future; however, that is not to detract what is still a very solid performance within the EU markets.

**Q What are your current thoughts on the likelihood of further acquisitions?**

**A** I have always said that it is important that the business is structured to be not dependent on acquisitions. Although we have been very successful in the acquisitions that we have made, it is a very consolidated market with few opportunities, if you look at what we have done organically, we have really strengthened our pipeline, we

have put a greater focus on the international markets and we have created a lot of new opportunities in the year and I think if we are going to acquire it is likely to be to extend our geographical coverage as a lot of the main markets that we trade in, predominantly Western Europe and the US, the opportunities are few and far between. So, just to repeat myself, we have built a business that is successfully grown organically; if we can acquire we would like to, but the business is not dependent upon it.

**Q What is the rationale of investing in Animal Ethics?**

**A** Well I first met the CEO of Animal Ethics probably four years ago now, he came up with this idea of improving the welfare, in terms of pain management, of farm animals. There are many treatments in pigs, cattle and sheep that are currently conducted with very little pain control and what has actually changed over the years is that Animal Ethics have progressed their idea very, very well; it is a multi-component product that contains pain management and restricts blood flow and also limits infection. With this product they have managed to get great support from consumer groups, from supermarkets, from governments as animal welfare becomes more and more important in social circles. We are very delighted to have bought a third of the business, but more importantly we have signed an international marketing agreement and what this brings to us is a range of niche farm animal products that will really help our presence within this sector.

**Q Dechra has delivered sustained growth for 20 years; is it possible to maintain that momentum?**

**A** Well, it is remarkable to think that Dechra is 20 years old, 17 of those years as a FTSE listed company, obviously we are delighted that we have delivered good growth throughout all those years. Whilst you can never predict the future, of course we have confidence in the future; our strategy serves us well. We have many new ideas and we are working on lots of new product development opportunities that I believe will deliver growth in the future. We are expanding our geographical scope further and we have a very strong management team that is extremely focused so I have the confidence that we can continue to drive this business again and again over future years.



Watch the full interview with Ian Page at [dechra.annualreport2017.com](http://dechra.annualreport2017.com)