

# Invida positions itself as a conduit for Asian success

Invida sees itself as well positioned to tap into the increasing interest in the emerging pharma markets of Asia-Pacific from both multinationals and smaller firms looking to build up their businesses in the dynamic region. The Singapore-based product commercialisation company offers a broad range of late development stage services across 13 countries outside of Japan, in a model which has already proven attractive to nearly 70 partners.

Alliances have been struck with several major US, European and Japanese multinationals including Pfizer, GlaxoSmithKline and Takeda, and with smaller companies such as Actelion and Intendis. Other partnerships with western multinationals may materialise this year.

“Larger companies might want access to specialist marketing expertise, for example, while smaller firms and biotechs don’t necessarily want – or are unable – to invest in building up their own infrastructure in Asia,” CEO John Graham explained. “Our advantage is that we provide a single point of entry into the Asian market to international business standards.”

The privately held firm offers services stretching from regulatory affairs through to post-marketing surveillance studies, by way of pre-marketing and commercial contract sales and co-promotion services. It also in-licenses and acquires (mostly mature) products for development and marketing under its own name.

“There are various models for our alliances, ranging from exclusive in-licensing deals to country-specific or pan-regional agreements, and these can be discussed case-by-case,” Mr Graham told *Scrup* in an interview at Invida’s head office in one of Singapore’s science parks.

On the regulatory side, a team of in-country experts can help prepare submissions to local guidelines, with Invida having filed for the approval of 40 new chemical entities since 2006.

In the later stages of the development chain, the firm can conduct market research and draw up tailored marketing strategies, and then offers access to around 4,000 sales staff across the region, covering both the prescription and consumer health sectors. Agency and licensing arrangements can allow the promotion of brands under manufacturers’ or Invida’s name.

This broad approach has paid dividends so far, with the company expecting net

revenues of around \$200 million for calendar 2009. It has logged compound annual growth rates of 30% over the past few years, and has been profitable since its inception, Mr Graham noted.

Last year, partnered products accounted for around 40%, contract sales for 36%, and brands for the remaining 24% of Invida’s business. By 2014, brands, including in-licensed products sold under the Invida name, should account for 29% of revenues.

Ownership of the company is split equally between Temasek (the Singapore sovereign wealth fund), the contract research company Quintiles, and Zuellig Group, an Asian pharma distribution and logistics company.

Temasek and Zuellig had previously set up, along with Quintiles, a Singapore-based joint venture, PharmaLink Asia Pacific. Zuellig’s holding company, Interpharma, transferred its PharmaLink contract pharmaceutical marketing services division into this, and Invida Pharmaceutical Holdings subsequently became the holding company of PharmaLink.

Due to its connections with Zuellig, which has long-standing business ties with the Philippines, Invida employs its biggest number of sales staff (more than 1,300) in this country. India is next with around 1,100.

For his part, Mr Graham spent 18 years in various commercial positions at Aventis and has other pharma sector experience with Genzyme. He also spent time at management consultants Ernst & Young and in the US biotech venture capital field with Paramount Corporate Development. “I think my main strength is in building up effective teams,” he said.

Invida’s board includes executives with multinational pharma experience and is chaired by Ernest Wong, a former CEO of Singapore broadcaster MediaCorp and ex-banker. Former Chiron CEO Sean Lance also holds a board seat.

## the Asian attraction

Mr Graham explained that its partners are looking to tap into a dynamic region where healthcare spending is growing by 12% annually and is projected to approach \$1,000 billion by 2012, accounting for some 13% of global expenditure.

Given forecasts that China will become the third-largest pharma market worldwide in 2013, valued at around \$55 billion, the country is not surprisingly a major focus for Invida. The CEO pointed to government

plans for large investments in the national primary healthcare network and other infrastructure there, as well as in health insurance schemes. The company is now looking to move deeper into primary care and large and second-tier cities, to broaden its geographic coverage and to promote products in tier two and tier three hospitals. “We are looking for both organic growth and potential acquisitions in China, where we are planning to double our staff to around 600 by the end of the year, mostly in sales,” the executive said.

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Invida’s products in the primary care sector include the oral cephalosporin, cefaclor, and pyridostigmine, an oral acetylcholinesterase inhibitor for patients with myasthenia gravis. Last year, the firm acquired marketing rights in selected Asian countries to ProStrakan’s transdermal granisetron patch Sancuso.

Another general goal is to focus on higher-margin products for in-house marketing, with neurology and oncology seen as two areas where further assets may be acquired. “We are consolidating operations under the Invida brand in many markets, although not yet in certain countries such as Pakistan and Bangladesh,” Mr Graham observed. This strategy was given a boost by the acquisition of Valeant Pharmaceuticals’ Asia-Pacific operations in 2008, for around \$38 million. The portfolio of acquired products had total sales of around \$14 million, and included the silicone gel for scar reduction, Dermatix.

For the future “we are aiming to remain focused on the Asia-Pacific region and want to concentrate on providing expert services here, this rather than expanding into other area,” the CEO told *Scrup*. This means building up the business not only in large emerging markets such as China and India, but also in smaller but rapidly developing ones such as Indonesia and Thailand.

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