Brent Ragans – President, Ferring Pharmaceuticals US



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Brent Ragans of Ferring Pharmaceuticals US discusses the effects of the COVID-19 pandemic on the company's operations, their footprint in reproductive health and Crohn's Disease, virtual product launches and digitalisation, and the battle for talent in the competitive US market.

Brent, you have been with Ferring in the US since 2012 and were appointed president in June 2020, during quite a tumultuous period. What are some of the priorities you have set for the organization moving forward?

I was chief commercial officer for four years prior to my appointment as president so there is some continuity but my mission moving forward is to focus our organization more on the key areas of our business. A time of crisis like the pandemic the world and certainly the US is currently facing is an accelerant for us to focus on our core strengths: reproductive medicine and maternal health, gastroenterology, and orthopaedics. These are the areas where we can bring forth the greatest innovations and do the best for patients.

Secondly, this period has enabled us to channel our energies into boosting our adaptability, which has been a key area for us anyway. But the fact that we – like every organization, healthcare and beyond – have been placed in such an uncertain situation means that we have really had to live the company values that we state so often: agility, adaptability and accountability. I have been impressed with how the Ferring US organization has responded to the situation as well as the

willingness and ability of our employees to adapt in terms of systems and operations. Overall, we have become a more focused and agile organization during the COVID-19 pandemic.

For me, the most important thing is what we do for our customers and patients. To this end, we introduced multiple programs during this period of time to support patients and healthcare providers. For instance, we established the Reproductive Medicine and Maternal Health COVID-19 resource centre very quickly after the pandemic reached the US. This is a digital platform that brings together all the latest medical societies guidelines, the recent information related to safety aspects which could be relevant for both HCPs and patients as well as materials that could be adapted by the clinics to facilitate reopening. We were just the conduit and curator of content. This platform has been really appreciated by the entire spectrum of healthcare stakeholders that we consider customers, from physicians to nurses and beyond.

Reproductive health is one of Ferring's core areas of focus. How has this therapeutic area been affected by the COVID-19 pandemic?

From a patient perspective, the music stopped when the pandemic started. Pretty much every single clinic in the US closed in the beginning, and patient volumes fell to zero for the first 45-60 days. After that, there was a terrific rebound because clinics reopened with protocols in place to ensure patient safety. Patients felt more comfortable returning to the clinics. Over the past few months, then, we have seen some of the highest patient volumes ever.

Some of that is pent-up demand. People suffering from infertility know they lose fertility with each passing day so they wanted to access treatment quickly after the COVID-19 delay.

Another interesting factor has been the use of technology during this period of time. US physicians have learned that, out of necessity, they have to triage patients through digital tools like teleconferencing and Zoom, which has enabled them to become more efficient and see more patients. That has been a positive development and I believe we will see more of this. Technology is playing a new role in this area and I do not think it is a temporary one.

Part of the growth also comes from the rise in remote working, which in many cases means more time at home to care for children, plan for children or recover from fertility treatments. Further, market research shows there is still a stigma associated with infertility in the US, where women feel that they are somehow not good enough if they suffer from infertility issues. While working from home, women have more flexibility and privacy to access care. For instance, when women are in

the middle of an *in vitro* fertilization (IVF) cycle, they have multiple doctor appointments, which can impact work schedules, but with increased flexibility from remote working, it can be more convenient for them to seek care.

At Ferring, we have certainly been very responsive to the market changes and needs. We made a very critical decision early on in the pandemic that it was our obligation to continue to produce and deliver fertility products during this period of time. Infertility is a medical condition and patients need access to our therapies. I am proud that we have been able to continue normal production throughout the COVID-19 pandemic.

In general, reproductive health and attitudes towards it vary significantly across countries due to a number of factors. How do you assess the fertility and reproductive health therapeutic space in the US? What are some of the challenges and opportunities for Ferring in the US?

There are many dimensions to this space in the US, with cultural, access, socioeconomic and demographic aspects. For a little context, there are six million couples struggling with fertility in the US each year. Roughly 200,000 IVF cycles are being conducted in the US each year, and some of those are multiple cycles of the same couple, so each year, fewer than 200,000 of the six million struggling couples are accessing fertility treatment. Only a small percentage of that population – in fact, one of the lowest in any developed country in the world – access fertility treatment. There is a long way to go in the US.

Some of the challenges are economic and we are working with advocacy groups as well as legislators to expand access so that more patients can receive care. We have seen modest success: 17 states in the US now require employers to provide some sort of reproductive technology benefit in their insurance plans. 17 out of 50 may not sound that impressive but five of those have happened in just the last couple of years, so we are seeing momentum behind expanded access and we will continue down this path.

We have also recently launched what we call ‘Fertility House Calls’. This was designed primarily to connect patients where they feel most comfortable. There are many privacy concerns and also a lot of stress as people start their reproductive journeys, which can discourage people from seeking care in the first place. Therefore, we have worked with fertility clinics to set up an online system so that patients can ask healthcare providers to meet them at home or online. This program is still in its early days but we are committed to finding and introducing new ways to expand access to care.

Ferring recently launched a couple of products in Crohn's disease. What was your experience with virtual product launches during COVID-19 and do you see this digitalization as a sign of how commercial models within the industry will evolve in the future?

Indeed, we launched ORTIKOS, the first and only once-daily treatment of mild to moderate active Crohn's disease involving the ileum and/or the ascending colon in July, and so now we have products addressing Crohn's disease of varying severity. Crohn's disease affects approximately 800,000 people in the US every year.

The launch of ORTIKOS was fully virtual, which was interesting, but so far it is proceeding well. Currently, about 50 percent of our interactions with healthcare professionals are face-to-face, and about 50 percent are digital, though the digital proportion seems to be increasing slightly every month. The learning for us and I believe the industry at large is that the use of technology is a nice adjunct to face-to-face meetings, and I think that is what we will move towards over time. The old model of purely face-to-face meetings will probably not return in the future.

As an industry in the US, we are also looking at accelerated cycles of product launches, and we have to continue to adapt our business model to that. This is a positive thing because it means that we are bringing more innovation to the marketplace.

Over the past couple of years, the demand from physicians and payers for greater scientific exchanges and more dialogue regarding evidence-based medicine has also increased. COVID-19 has only accelerated this trend. Whereas before we might have interacted with our customers with an almost-exclusively sales approach with a bit of medical support, they are now looking for more medical engagement.

How is the US, which has the most innovative biopharma ecosystem in the world, contributing to Ferring's global R&D efforts?

We have a basic research facility in San Diego with around 75 really bright scientists working on the discovery side. In 2018, we also acquired an innovative biotech company working in microbiome drug development, Rebiotix, and we see that as an R&D platform for the future, with many different directions to treat different diseases.

That acquisition came with a Phase 3 non-antibiotic treatment for the reduction of recurrent *Clostridioides difficile* infection (rCDI), which we hope to be the first microbiome-based FDA-approved product. CDI affects about half a million people and unfortunately claims the lives of around fifteen thousand Americans every year. This is a very new area and we are definitely working on something trailblazing. Well-established scientific evidence points to an opportunity to leverage the microbiome for patient care applications, but it will be a decade-long endeavor. We are excited about that.

We also have clinical development functions based in our Parsippany US headquarters as well. Our future is very much in innovation and R&D, and that is in our DNA.

What is the strategic significance of the US affiliate for Ferring?

As a company, Ferring is 70 years old this year. For the first few decades of our existence, we were very focused on our home markets in Europe. We only started building our direct presence in the US from the 1980s, and even then, we were fairly small for a while. Therefore, the US affiliate is fairly new but we already represent roughly 35 percent of global revenues, and this has increased by around 7-8 percentage points over the last five years. We are now the largest affiliate in the global Ferring network, and we are continuing to grow.

We currently have around more than 700 employees in the US, and we are continuing to make significant investments in the US market, not just from a commercialization standpoint but also a development standpoint. If you look at our pipeline, many of the products, including the first product coming from our Rebiotix acquisition, are being developed for the US market.

Once again, it comes back to the focus. If we can maintain our focus on the core areas of reproductive medicine and maternal health, orthopaedics, as well as gastroenterology (and in the US, microbiome therapeutics), that will enable us to bring the right level of resourcing to the markets in which we are present and engage in the proper levels of scientific development.

Given how competitive the US biopharma talent market is, what do you see as Ferring's value proposition for top industry talents?

During the pandemic, one might expect the job market to have slowed down, but almost everyone I have spoken with has said that there are plenty of opportunities in the marketplace right now,

which I find interesting. For Ferring, I think what appeals to people is our ‘People Come First’ philosophy. That is easy to say but our job candidates do feel it as they go through the interview process. For me, in order to attract the best and brightest, we have to do an impeccable job of articulating and demonstrating our culture to prospective, as well as current employees.

At Ferring, there is the opportunity to contribute in a very meaningful way to a company that is growing much faster than the industry average. Another attractive aspect is people being able to advance their careers in a multinational company. We provide numerous and increasing opportunities for our employees to grow their careers both in the US and outside of the US.

Looking broadly at the US healthcare landscape, 2020 marks 10 years since the passage of the Affordable Care Act (ACA). Access and affordability are perennial topics. What do you see as the role of industry in advancing healthcare in the US?

Ultimately, I think an important aspect is the delivery of high-quality and affordable healthcare for all US citizens. From our viewpoint, the role we must play in promoting that is to ensure that we are creating and bringing innovations to the marketplace that increase the efficiency of care. Looking at IVF, the success rate ten years ago was 28-30 percent. Today, success rates are at 40-50 percent. We played a role in that by bringing better medicines to the market to assist healthcare professionals.

What would you like to achieve for the affiliate in the next few years?

Firstly, a personal goal is to build Ferring into an employer of choice so that we can really bring to life and realize the ambition of becoming the most trusted reproductive medicine company in the world and a worldwide leader in this space.

More generally, I would also like to see Ferring become a genuine innovation hub in the areas in which we focus. We have had several recent approvals and we have a robust pipeline that I think can guide us to double-digit percentage growth over the coming five years, which is more or less double the rate of the US pharma market growth.

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