

Manufacturing Strengths and Capabilities



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What We Do

Dechra Pharmaceuticals Manufacturing (“DPM”) produces the vast majority of Dechra’s pharmaceuticals and also manufactures for third parties on a contract basis. The key strategic objective of manufacturing is to efficiently and economically produce Dechra’s veterinary pharmaceuticals product range, maintaining a robust and reliable supply chain for the Group, and to contribute revenue and profit to the Group from third party manufacturing.

Our Sites

After the *Eurovet* acquisition, DPM operated out of three sites based in Skipton, England, Bladel, the Netherlands, and Uldum, Denmark. Since then, the focus of DPM has been to integrate the sites, ensuring their processes and reporting are consistent so that the most effective manufacturing capabilities are available to DPM’s internal and external customers. The small site at Uldum will be closed by the end of the 2013 calendar year, as part of this restructuring with its two key products being transferred to Skipton. The Skipton and Bladel management teams have worked closely together to pool their skills and technical capabilities to standardise procedures and improve quality systems across the Group.

Work has also been ongoing in improving the lean processes and to introduce a standard ERP system across the whole of DPM.

Skipton

The site at Skipton employs 215 people, and offers a comprehensive range of pharmaceutical manufacturing and packing services, predominantly for companion animals. The site is dual-licensed to produce both veterinary and human products. The site includes a Pharmaceutical Development Laboratory, a Routine QC (Quality Control) Laboratory and a Stability Testing and Validation Laboratory; these play a significant part in the new product development programme and are necessary for new product introductions.

Bladel

The site at Bladel, acquired as part of *Eurovet*, employs 120 people. The operation complements the existing Dechra capabilities; the site predominantly manufactures products for food producing animals in large scale batches. This site also has an aseptic manufacturing facility to produce sterile injections, a new competence in DPM’s manufacturing portfolio.



Above:
Dechra Pharmaceuticals Manufacturing, Skipton



Above:
Dechra Pharmaceuticals Manufacturing, Bladel

Manufacturing Strengths and Capabilities continued



“DPM will continue to support new product development and the increasingly important product pipeline.”

Our Expertise

DPM's primary expertise is its ability to perform a wide range of services which delivers the flexibility that the veterinary market requires and provides a one-stop shop for its external customers. Furthermore, it offers a wide range of dosage forms and packaging capabilities and also supports the Group with the Pharmaceutical Development Laboratory which is integrated and aligned with our manufacturing capabilities.

One-stop Shop

DPM offers an end-to-end service; from formulation, method validation, stability testing, licensing support, flexibility in scale of production and packaging options to take products to market. The supply chain for the majority of products is short and we offer reliable high service levels with exceptional quality control throughout.

Production Capabilities

DPM has a wide range of capabilities in terms of dosage form, packaging capabilities and production scale. We can produce high, medium and low volumes of almost all dosage forms and have great flexibility in producing to demand. Dosage forms include: tablets, capsules, creams, ointments, gels, sterile injectables, low volume and high volume powders and pre-medicated feeds. We can

pack into sachets, tubs, bags, capsules, tubes, bottles and jars. These capabilities are very important for the production of veterinary products where our licensed portfolio comes in many dosage formats and in various scales of batch size. Relative to human pharmaceuticals, veterinary batch runs are often very small. A number of our licensed branded minor products, although highly profitable, are of such a small scale that it would be difficult to find a third party manufacturer to produce them at a competitive price if we were unable to perform the function in-house.

Product Development

The Pharmaceutical Development Laboratory is integrated with our production capabilities. The primary objective is to formulate and validate products for our in-house pipeline which is a major benefit to the Group in order to shorten the time to get a product to market. Our technical expertise and development capabilities are also outsourced to third party customers which helps to secure new business.

Contract Manufacturing

In addition to manufacturing our own products, both Skipton and Bladel generate income through contract manufacturing. Although the clear focus is on Group manufacturing, we still seek to increase our third party sales; currently approximately 50% of Skipton's and approximately 10% of Bladel's output by value is contract manufacturing. The external offering includes product development, formulation, trial manufacturing, validation, production and packaging for both human and veterinary pharmaceuticals.

Looking Forward

Over the coming years the in-house production strategy will continue. There are currently no significant capacity constraints; therefore, we will continue to pursue profitable third party business. DPM will continue to support new product development and the increasingly important product pipeline. Manufacturing will also continue to maximise effectiveness and efficiency and improve productivity whilst constantly adapting our quality, health and safety and environmental systems.



Above:
Autoclave trolley in the injection suite, DPM, Skipton