Imperial Health Sciences In Africa

Welcome!
What Is Our Common Purpose?

“To Support Secure and Sustainable Access To Quality Medicines For The People Of Africa!”

Our Brand Statement

“Africa’s leading partner in healthcare supply chain”

Our Brand Positioning

Africa - Healthcare - Supply Chain - IHS
Imperial Health Sciences

Who we are

- A single brand facing the market by product
  - Specialisation
  - Service excellence
- Providing services across the value chain
- Growth into Africa
  - Sectors
  - Geographies

- Sectors
  - Pharma
  - Consumer Health
- Geographies
  - SADC
  - Kenya, Tanz, Uganda
  - Ghana & Nigeria
“P = Position”

- Channel access
- Quality
  - Of service
  - Of systems
- Profit thru consolidation
IHS Coverage & Services

- Inventory Consignment Pre-Wholesaling Model

- Provides **end-to-end** supply chain solutions including:
  - ✓ Inbound Freight Management
  - ✓ Warehousing
  - ✓ Order Management
  - ✓ Secondary Repackaging
  - ✓ Kitting
  - ✓ Outbound Distribution
  - ✓ Customer Services
  - ✓ 3rd Party Invoicing (“Back2Back”)
  - ✓ Debtor Management
  - ✓ Reverse Logistics
  - ✓ Cold Chain Management
**THE OPPORTUNITY OF AFRICA**

- Examining our paradigm
  - The time for Africa is **NOW!**
  - Commercial capacity is growing
  - Private healthcare delivery is growing
  - PPPs are *de rigeur*

2020 – 18.6m diabetics
1m new cancer pts pa
60m hypertensives
Gauteng = 12% of SSA GDP
Emerging transport corridors

2025 - 25% growth in urban pop
3.4% pa

2030 - >60yrs population doubles

2050 - 60% urbanised

“Value for Many” replaces “Value for Money”
Supporting Client Business Growth

- **End-to-end** supply chain solutions:
  - Inbound Freight Management
  - Warehousing & Quality Management
  - Order Management
  - Repackaging & Kitting
  - Outbound Distribution
  - Reverse Logistics
  - Cold Chain Management

- **Flexible Commercial Options**
  - Consignment OR Trading
  - Pre-Wholesaling OR Direct
  - 3rd Party Invoicing ("SPM")

**Client A:**
- Opened the market to 7 distributors in Kenya (from 1)
- Increased FOB price by 50% and 44% price reduction to the patients
- Moved from quarterly to weekly orders
- Tripled the sales in region and doubled the sales of the initial distributor
# MMWs – A Game Changer For All Parties

## Value to Manufacturer

| ✓ Increased revenue | ✓ Open multiple channels | ✓ Chain of custody | ✓ Price control | ✓ Quality control | ✓ Deeper market penetration  
| ✓                      | ✓                      | ✓                    | ✓               | ✓                    |                      
| ✓                      | ✓                      | ✓                    | ✓               | ✓                    | ✓                      
| ✓                      | ✓                      | ✓                    | ✓               | ✓                    | ✓                      
| ✓                      | ✓                      | ✓                    | ✓               | ✓                    | ✓                      |

## Value to Wholesalers

| ✓ Shorter lead times | ✓ Smaller order sizes | ✓ More frequent replenishments | ✓ Improved stock availability | ✓ Lower working capital |
| ✓ Decreased lost sales | ✓ Decreased round tripping & parallel importation | |

**Imperial Health Sciences**
Leading & Competing ... Achieving Growth

Where do we win?
- Debtors
- IT – SAP / MediQ
- Customer service – CRM
- Platform to Africa

New services?
- “2 Not 4”
- Wholesaling
- Procurement management
- Demand management
- International Buy & Sell
- Labeling & kitting

New places?
- RDC – Lusaka
- LDCs – 1° = own;
  - 2° = IA (CIC);
  - 3° = 3rd party
- Ethiopia – time to plan

New people?
- Hospital groups
- State
- NGOs / Donors
Tectonic Plates ... 1 of 2

- Generic or innovator
  **Generics** – Fastest growing segment with double accelerator (patent expiry & market share);
  NB – Needs ABC model and low cost to serve

- Innovator – who is buying and who is being bought?
  Differentiator is “Biotech Ability” ie cold chain and specialist reach

- ... or Both?
  Absolutely!

- The State / Public Health
  Trading on our BBBEE score
  Demand generation model
  Requires client input & service model definition

- ARVs
  Leverage state service / control tower & DoH GFATM contract to dominate ARV distribution
  Mylan / Cipla / Adcock / Aspen
  Demand management = core
Vertical integration
Wholesaling
Labelling & kitting

Development Aid
VPP will double PfSCM volumes
Need to expand USAID role
Need to expand CDC role

China syndrome
The unknown future
Need to understand manufacturers
Need to understand donors

“Air to sea”
50% cost reduction
Backward integration
Enhanced demand management

“India Inbound” - No brainer
Current estimate > 1,000 12m containers / year
Aggregated volumes
Regional planning
Mode vs need
Decrease costs & increase fill rates
South Africa - Centurion

- Warehouse 26,500 m²
- 22,500 pallet spaces
- 1,100 cold room

- Transportation
  - Local: own vehicles
  - Export: own & contractors

- Facility
  - GDP compliant
  - ISO 9001:2008 certified
  - SA’s only bonded facility

- Freight volume = 16,360,329 Kg
IHS- South Africa, Centurion Facility
Ghana - Tema
- Warehouse 2,300m²
  - 2,550 pallet spaces
  - 40 cold room
  - 20 dangerous goods
  - High risk / High value area
- Transportation
  - Export
- Facility
  - GDP compliant
  - ISO 9001:2008 in Q2 12
  - Bonded
- Freight volume = 676,000 Kg

Nigeria - Abuja
- Shared facility 930m²
  - 768 pallet spaces
  - Freight ≈ 250 per month

Nigeria - Lagos [in planning]
- MIS
- SAP, CRM, SLE/TIMS, MEDiQ
Kenya - Nairobi

- Current warehouse 1,860m²
  - 1,970 pallet spaces
  - 40 cold room
  - 20 dangerous goods
  - High risk / High value area
- 2014 new WH 15,000m²
- Transportation
  - Local own x2 trucks
  - Ntl / Export - contractors
- Freight volume = 944,738 Kg
- Facility
  - GDP compliant
  - ISO 9001:2008 certified
- Freight volume = 944,738 Kg
- MIS
  - SAP, CRM, SLE / TIMS, MEDiQ
IHS- Kenya, Nairobi Facility
IHS- Nigeria, Abuja
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Thank you