



*Working to improve your health*

16 February 2024

## **AFT updates operating profit guidance to \$23m to \$25m**

AFT Pharmaceuticals (NZX: AFT, ASX: AFP) today announces an update to guidance for the financial year to the end of March 2024 (FY 24).

The update follows a review of January trading and news that Hikma Pharmaceuticals, the US licensee of Maxigesic<sup>®</sup> IV, has made its first sale of the intravenous pain relief medicine, an event that triggers a US\$6 million license fee payment to AFT and its development partner Belgium's Hyloris Pharmaceuticals.

AFT now expects FY 24 operating profit, including the company's share of the license fee (estimated at NZ\$6 million), to range between \$23 million to \$25 million. AFT's earlier guidance for an FY 24 operating profit of \$22 million to \$24 million, excluded the Hikma license income and was subject to finalisation of the US commercialisation plans, and the related investment costs, for Maxigesic Rapid, a prescription-only tablet form of the pain relief medicine approved for sale in the US last year.

The company continues to expect to declare a dividend for FY24.

The new operating profit guidance, which represents an improvement over the \$19.7 million operating profit posted in the year to the end of March 2023, follows lower than forecast Australasian sales. This reflected some launch delays and slower than forecast sales offtakes for newly launched products in these markets. It also reflects a decision to take advantage of the Hikma license fee income to accelerate investments for growth. These investments include:

- increased support for new product launches in Australasia and on e-commerce;
- the launch of Maxigesic (Combogesic<sup>®</sup>) tablets in the UK;
- additional investments into AFT Pharm Europe for new products in that market and the recruitment of an additional staff member;
- investments to support the US commercialisation of Maxigesic Rapid in the US and our broader portfolio of medicines in Canada. This includes the formation of AFT Pharmaceuticals Canada and, prior to the end of the financial year, AFT Pharmaceuticals USA; and
- other market and research development projects.

AFT Managing Director Hartley Atkinson said: "Trading in Australasia, with some launch delays and slower launch offtakes for new products have represented a headwind to the company. After the license income, these weaker than expected sales represent the largest factor in the change to the operating result."

“However, supported by our decades-long record of delivering steady growth in Australasia, we remain confident of our prospects and the value of investing through short term swings.

“Similarly, given our success in international markets we are confident in our ability to take advantage of the strong potential we see for our portfolio of medicines around the world. Given this outlook and the license fee gain, we have resolved it is in shareholders’ interests to continue to significantly invest to support growth.

“In the current financial year, we have struck more than 109 in-licensing agreements<sup>1</sup> and expanded our product development portfolio, adding three new projects including a topical treatment for strawberry birthmarks, a treatment for Burning Mouth Syndrome and a treatment for Vulvar Lichen Sclerosus. We also have a further two projects under consideration.

“We continue to invest to build the international infrastructure to support our growth. This includes investments to significantly bolster our presence in the UK and Europe and the establishment of an AFT presence in North America.

“The North American presence is aimed at supporting our US Maxigesic IV licensee, advancing our plans for Maxigesic Rapid in the US, and exploiting the potential we see for our broader portfolio of medicines in Canada. This represents a significant shift in focus in the business over the last 12 months.

“All these growth initiatives come at the expense of short-term earnings so we are pleased to be able to benefit from the one-off licensing income boost. We remain confident these investments will reward shareholders over the medium to longer-term and we look forward to providing a further more detailed update to shareholders when we release our FY 24 results in May.”

*Released for and on behalf of AFT Pharmaceuticals Limited by Malcolm Tubby, Chief Financial Officer.*

**For more information:**

**Investors**

Dr Hartley Atkinson  
Managing Director  
AFT Pharmaceuticals  
Tel: +64 9488 0232

**Media**

Richard Inder  
The Project  
Tel: +64 21 645 643

**About AFT Pharmaceuticals**

AFT is a growing multinational pharmaceutical company that develops, markets, and distributes a broad portfolio of pharmaceutical products across a wide range of therapeutic categories which are distributed across all major pharmaceutical distribution channels: over the counter (OTC), prescription and hospital. Our product portfolio comprises both proprietary and in-licensed products, and includes patented, branded, and generic drugs<sup>2</sup>. Our business model is to develop and in-license products for sale by our own dedicated sales teams in our home markets of Australia

---

<sup>1</sup> Counting one drug and one country as an agreement.

and New Zealand and in certain Southeast Asian markets, and to out-license our products to local licensees and distributors to over 125 countries around the world. For more information about the company, visit our website [www.aftpharm.com](http://www.aftpharm.com).