



ASX:MVP

# FY22 Full Year Results

26 August 2022



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## Key messages

# Well positioned for growth

1. Strong revenue growth in FY22 in a COVID impaired environment; Pentrox and Respiratory performing well
2. Direct sales strategy driving faster penetration and improving margins
3. Substantial opportunity for Pentrox growth in large European markets and Australia
4. Transformed leadership team and functional capability will drive delivery of strategy
5. Robust balance sheet following \$30 million capital raise
6. Strong revenue growth trajectory to continue in FY23

## Company overview

- Medical Developments International Limited (ASX:MVP) is an Australian based pain management and respiratory company
- The company's lead product Pentrox (*The Green Whistle*®), an inhaled needle-free analgesic, is manufactured in Australia and sold globally
- The Company also has a portfolio of respiratory products for sufferers of asthma and COPD<sup>1</sup>
- The Company's strategic focus is to accelerate penetration of Pentrox through direct in-market capability in Australia and Western Europe, and to grow its Respiratory segment through market share gains
- Unconditional approval from the FDA to commence Phase III clinical trials for Pentrox has opened the door for longer-term growth in the USA



FY22 results

# Financial highlights

Revenue  
\$22.4m

**+37%<sup>1</sup>**  
(underlying)

Pain Management Revenue  
\$13.7m

**+29%<sup>1</sup>**  
(underlying)

Respiratory Revenue  
\$8.2m

**+53%**

Reported EBIT  
\$(15.9)m

NPAT  
\$(12.4)m

Cash at bank  
\$20.4m



## FY22 achievements

# Building a strong foundation

- **European regional platform established** and in-market sales team deployed in France, growth in FY22 affirms direct sales strategy
- **Leadership team transformed** - with strong international and industry experience providing a deeper focus on commercial execution
- **Functional teams enhanced** - bringing new ways of working and a stronger focus on operational excellence
- **Business portfolio simplified** - strategic focus narrowed to growth segments of Pain Management and Respiratory
- **Doors opened to the USA** - unconditional approval provided by FDA to conduct a Phase III clinical trial for Pentrox
- **Balance sheet strengthened** - successful \$30 million capital raise provides funding for growth





Leadership and capability

# Driving our transformation

## Investment in leadership and capability will underpin execution of strategy

- Transformation of the leadership team  
New appointments in finance, legal, human resources, medical affairs, clinical development and quality
- Enhanced functional teams  
Bringing a broader capability to support the Company as it grows and broadens geographic and customer reach
- Greater focus on performance and commercial execution







# FINANCIAL PERFORMANCE



# Financial summary

## FY22 full year results

\$million	FY21	FY22	Change %
Reported revenue	25.3	22.4	(11%)
Reported EBIT	(14.9)	(15.9)	(6%)
NPAT	(12.6)	(12.4)	1%
Underlying revenue <sup>1</sup>	16.3	22.4	37%
Underlying EBIT <sup>2</sup>	(10.1)	(14.7)	(45%)
Operating cashflow	(8.9)	(10.8)	(21%)
Free cashflow	(15.4)	(15.9)	(4%)
Cash at bank	36.3	20.4	n/a
Proforma cash at bank allowing for capital raise <sup>3</sup>	n/a	48.9	-

## Commentary

- Strong growth in underlying revenue up 37% to \$22.4m
- Disruption to sales from COVID restrictions throughout most of the period, particularly in France
- Pain management gross margin percent improved, driven by growth in direct sales
- Underlying EBIT down \$4.6 million, reflecting investment phase of strategy
- NPAT in line with prior year
- Strong cash position following capital raise with proforma cash of \$49 million



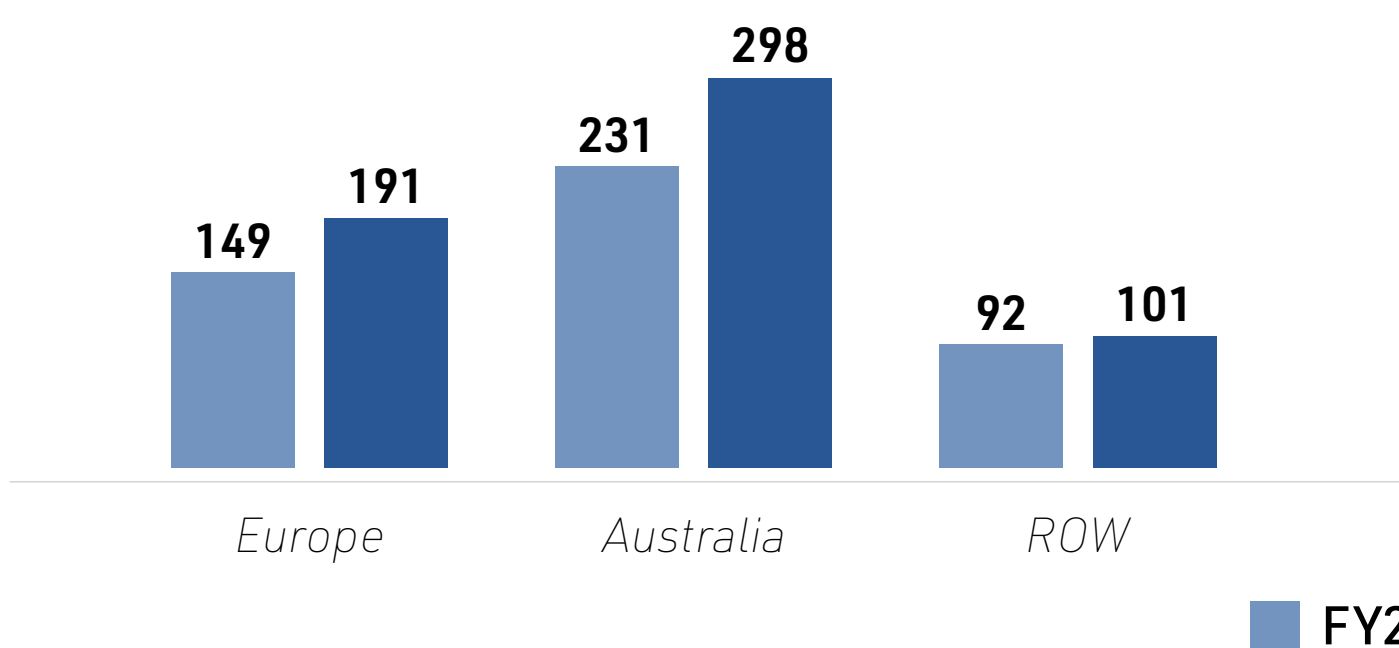
# Revenue and volume

## Strong growth in all markets

Underlying revenue (\$million)	FY21	FY22	Change %
Product revenue	9.1	13.3	46%
Milestone and other revenue	1.5	0.4	(73%)
<b>Pain Management</b>	<b>10.6</b>	<b>13.7</b>	<b>29%</b>
<b>Respiratory</b>	<b>5.4</b>	<b>8.2</b>	<b>53%</b>
<b>Veterinary (discontinued)</b>	<b>0.3</b>	<b>0.5</b>	<b>-</b>
<b>Group</b>	<b>16.3</b>	<b>22.4</b>	<b>37%</b>

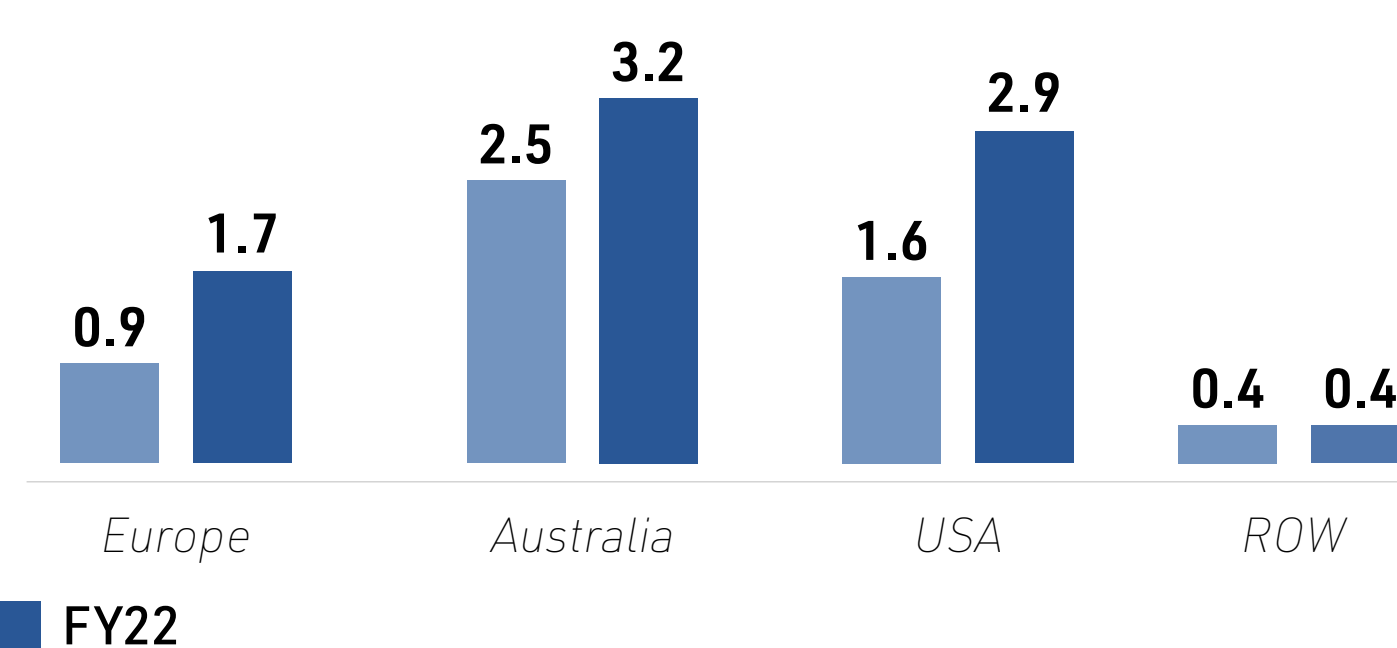
### Pain Management

Penthrox units<sup>1</sup> 000s



### Respiratory

Revenue (\$million)



## Commentary

Pain management revenue up 29% driven by strong volume growth

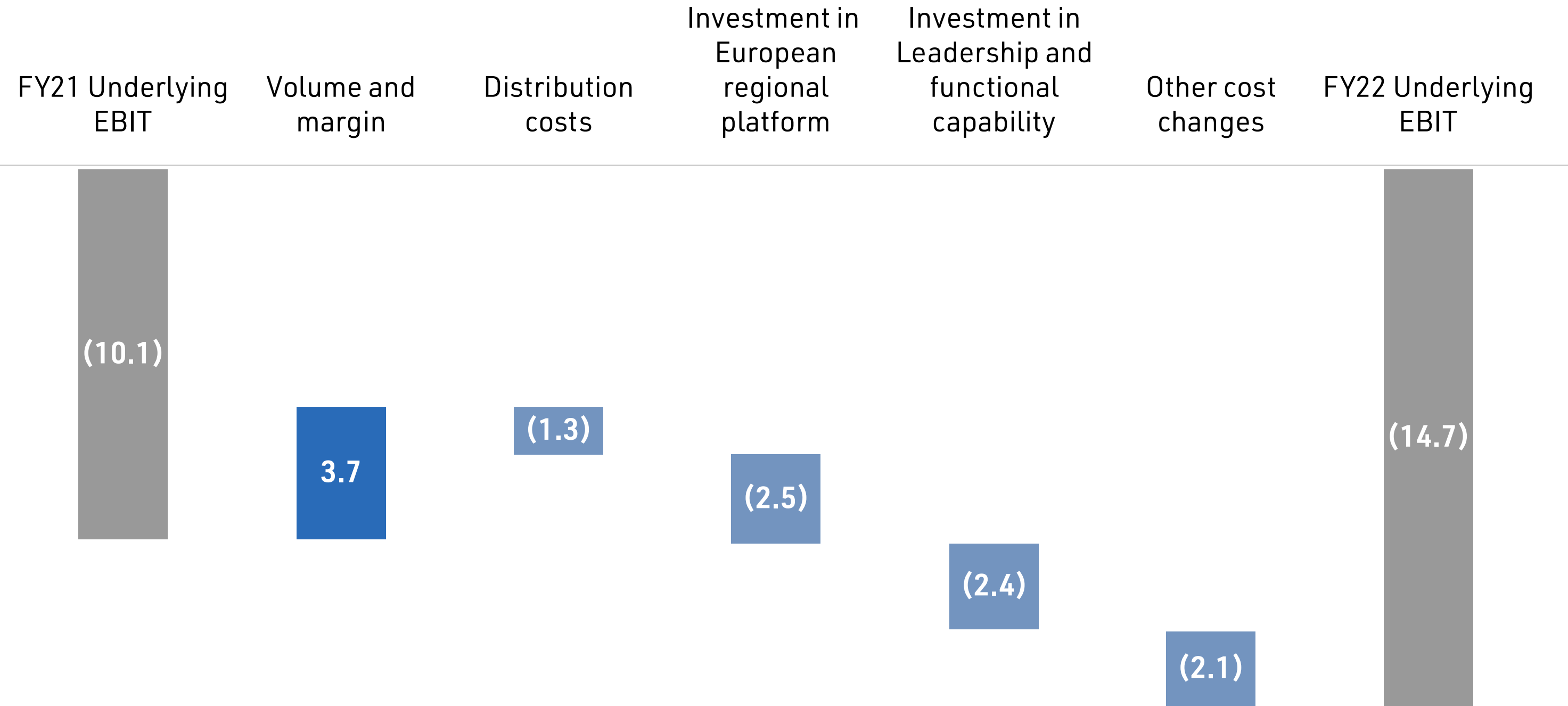
- France volumes up 35% with record volumes achieved in Q4 following easing of COVID restrictions
- Record in-market volumes in UK and Ireland, up 22%
- Strongly improved volumes in Australia, up 29%
- ROW performing well, volume up 10% driven by growth in New Zealand

Respiratory revenue up 53% reflecting a rebound in demand and market share growth, particularly in the USA

1. European volumes reflect “in-market” sales units, which may differ from units sold to distribution partners in the period (and recognised in revenue). The Company believes this measure improves the transparency of underlying demand.

# Building a platform for future growth

## Underlying EBIT bridge (\$millions)



## Commentary

- Higher Pentrox and Respiratory volumes
- Higher margins driven by growth in direct Pentrox sales in France and Australia
- Higher distribution costs arising from higher freight rates amid global supply chain disruption
- Investment in in-market resources in France (9 key account managers) and expansion of the European regional team to support growth strategy
- Investment in Group leadership and functional capability to drive high-performance culture
- Other cost changes include FY21 Jobkeeper benefits (\$1.5 million) and inflationary impacts



Capital raise

# Underpinning our growth strategy

The capital raise in August 2022 has provided approximately \$28.5 million to underpin the delivery of strategy

Proposed use of funds

Investment in direct sales resources that will support the growth in Australia and Europe respectively, along with enhanced organisational capability	\$15.3m
Clinical trials and research and development	\$5.5m
New product development	\$2.7m
Manufacturing improvements	\$3.0m
Working capital	\$2.0m





# FY23 PRIORITIES AND OUTLOOK



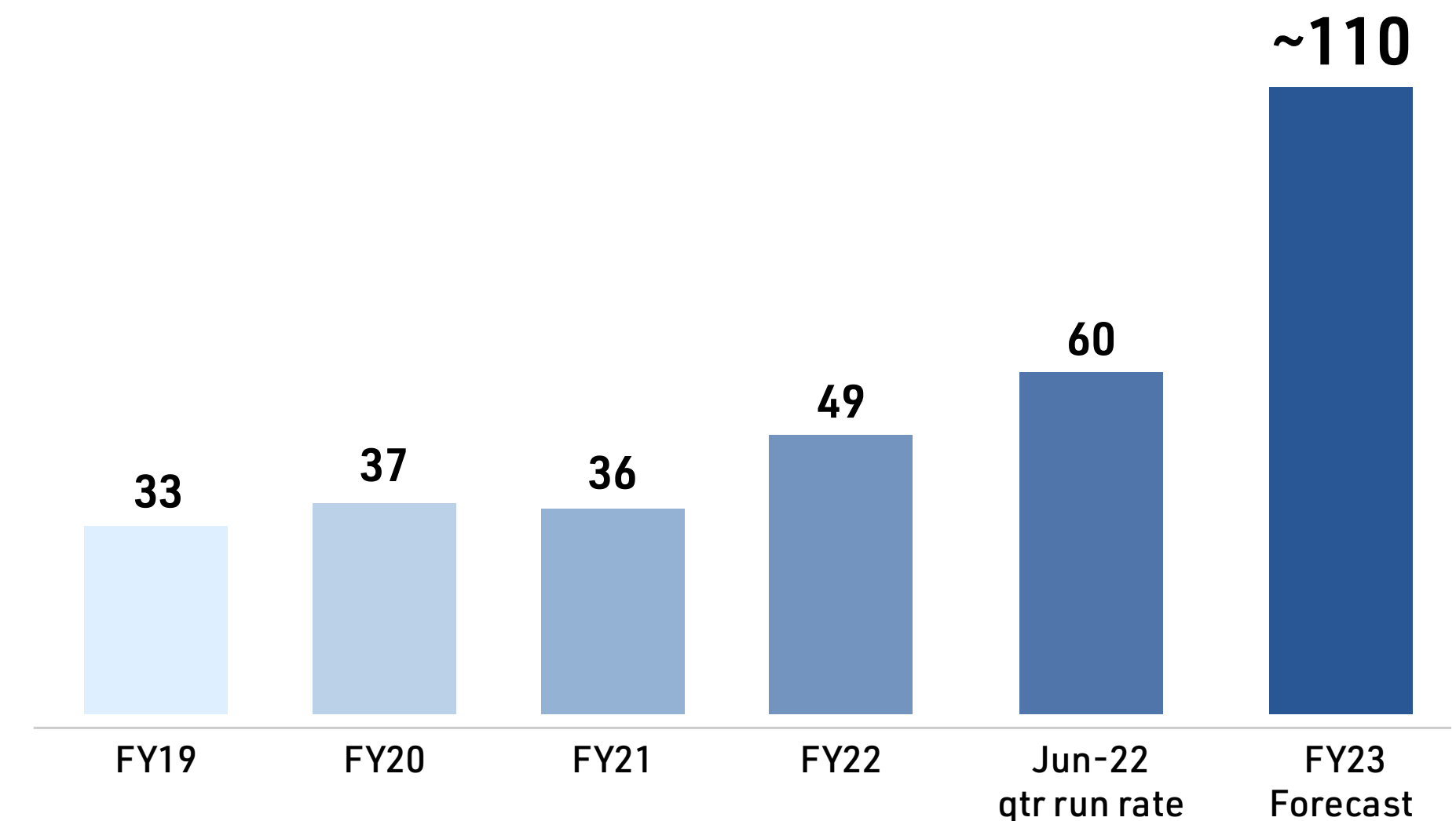


# Continue to grow Penthrox in France

**Leverage established in-market sales capability to deepen penetration in existing customers and broaden market reach**

- Direct sales capability established  
9 key account managers fully deployed
- Supported by European regional team  
Capability across medical, regulatory and operations
- Sales momentum to accelerate  
Volumes expected to double in FY23  
Over 300 purchasing customers – deepen penetration  
New customer wins

**Targeting  
~110,000 units in FY23**



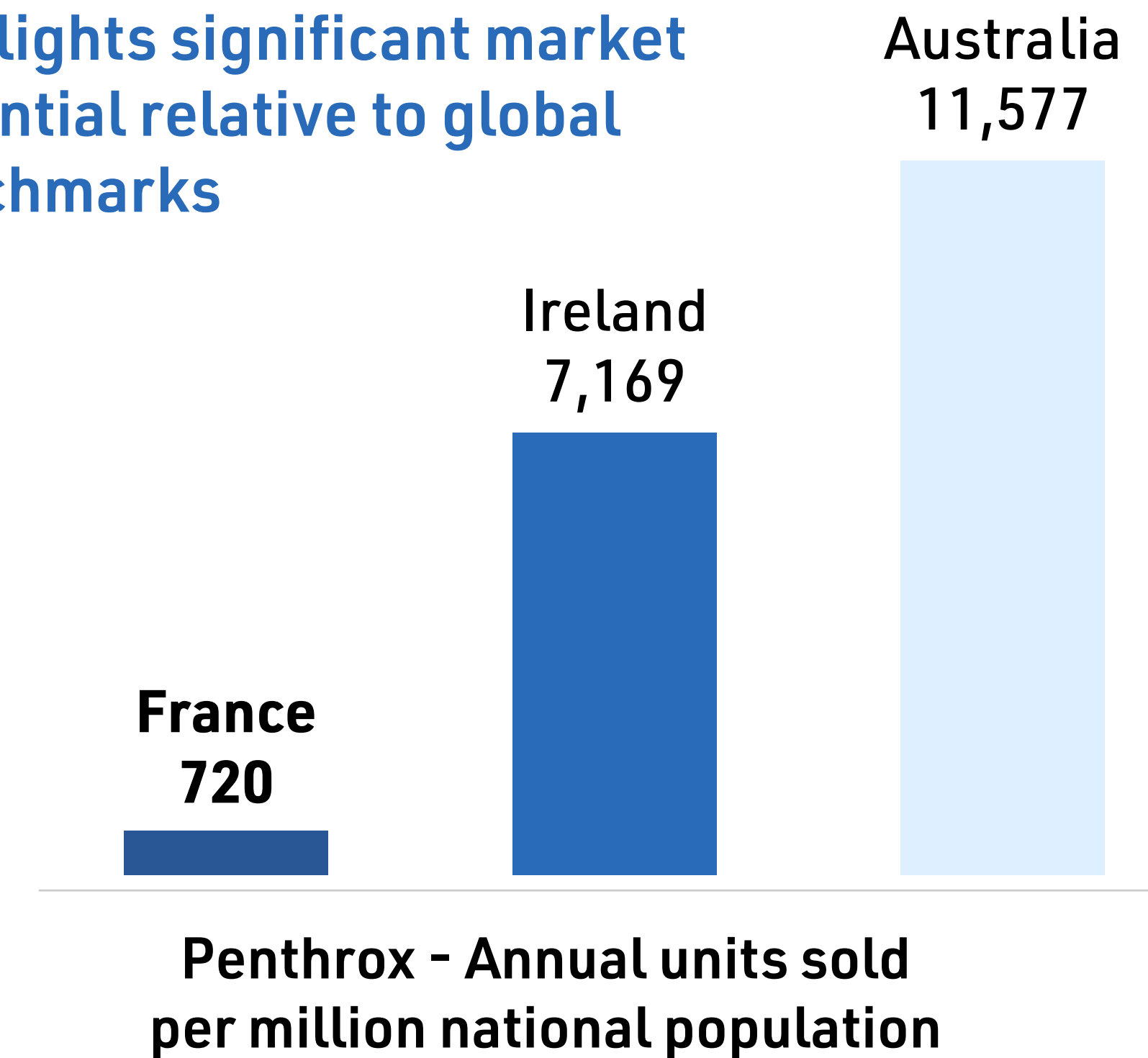
**Penthrox - France unit sales (000s)**

# Prepare for expansion in nearby markets

**A direct sales approach in key markets is accelerating the commercialisation of Pentrox, growing volumes and expanding margins**

- **Large addressable markets**  
Population of ~260 million in Europe's four largest markets (France, Germany, Italy, Spain), 10 x larger than Australia
- **Phased market entry**  
Rollout expected to continue in Germany and Italy followed by Spain
- **Emergency department**  
Primary focus is on penetration of hospital emergency departments

**Current penetration in France highlights significant market potential relative to global benchmarks**



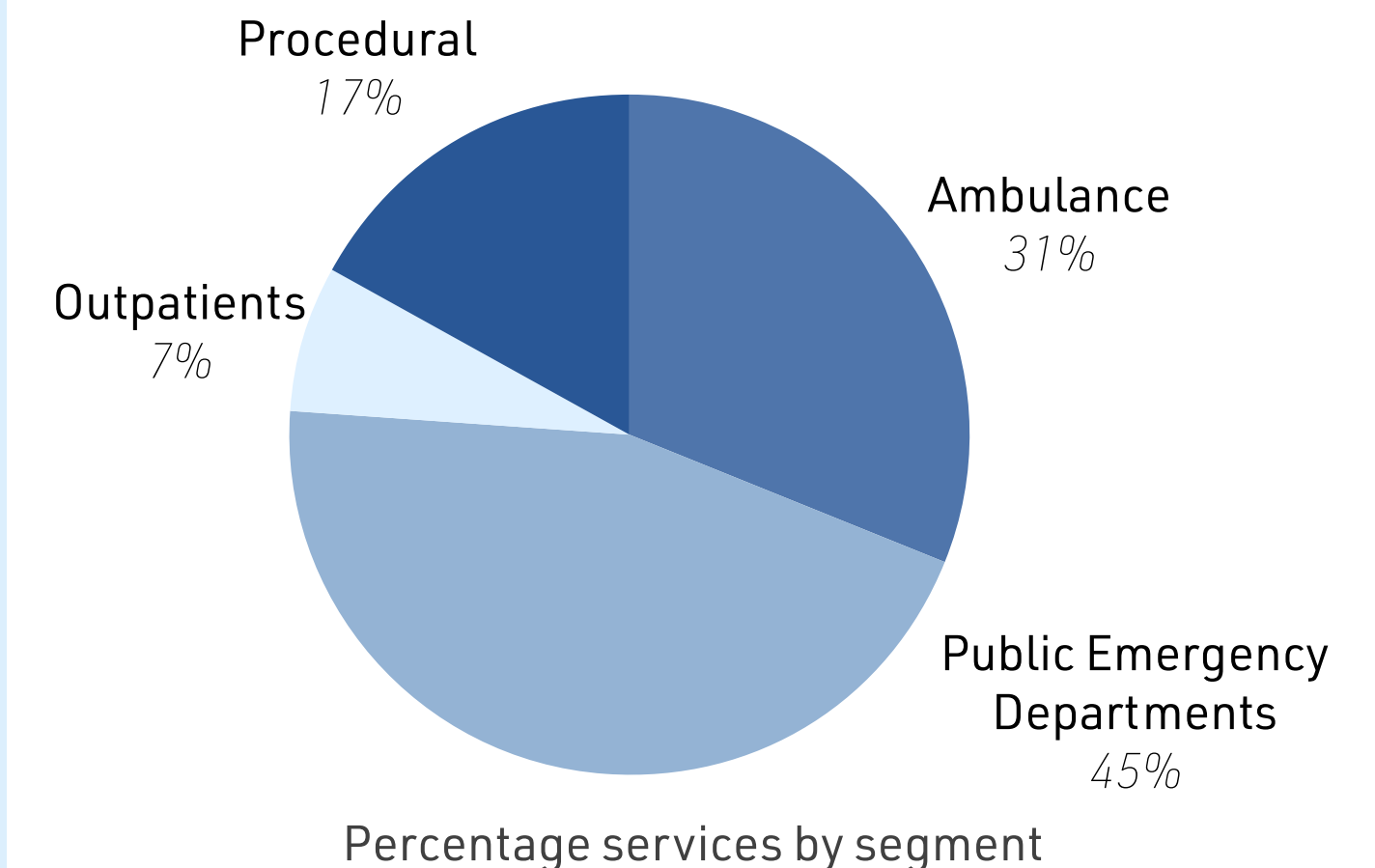


# Drive penetration in Australian emergency departments

## Invest in direct sales capability to broaden market penetration

- Appointment of direct sales team  
Expected in H1 FY23
- Will drive penetration across key market segments
  - Hospital emergency departments  
Leverage compelling economic and clinical benefits in the emergency department setting
  - Short surgical procedures  
Grow in niche segments of radiology, haematology, urology, obstetrics and gynaecology
  - Ambulance  
Drive further penetration by overcoming protocol and quantity restrictions in some states

### Attractive market opportunity<sup>1</sup>



#### Opportunity to broaden market penetration

- ~75% of Pentrox volumes currently from Ambulance segment
- Significant opportunity to grow in emergency departments and procedural

# Trial planning advancing

## Unconditional go ahead for Pentrox US trial received from FDA

- Trial planning is advancing
- First patient enrolment in US trial now likely in calendar year 2023
- Macro-economic conditions warrant a focused approach
- A US launch will drive a new wave of expansion succeeding the current European and Australian growth

"We have completed the review of your submissions and have concluded that the clinical trial may be initiated"

FDA Feedback on  
1 March 2022





FY23 outlook

# Strong revenue growth expected

## Driving the trajectory:

- Significant growth in France
- Penetration in Australian hospital emergency departments
- Continued growth in Australian ambulance segment
- Enhanced distributor engagement
- Further market share gains in the Respiratory segment, primarily in the US







# Appendix



# Penthrox

## Over 8 million used worldwide

**The superior efficacy, safety and administration benefits of Penthrox deliver improved patient outcomes and lower overall costs**

- Inhaled needle-free analgesic<sup>1</sup>
- Non-opioid<sup>1</sup>
- Portable, self administered device<sup>1</sup>
- Effective pain relief within 6–10 breaths<sup>1-4</sup> and rapid offset
- Established safety profile with over 8 million uses
- Well tolerated, with the majority of adverse events mild and transient<sup>1,2</sup>
- Approved for use in children in Australia<sup>1</sup>
- Efficiency benefits of Penthrox in hospital emergency departments illustrated in British study<sup>5</sup>

The iconic *Green Whistle*



## Assisting patients manage asthma and COPD<sup>1</sup>

Providing pharmacies, medical clinics and hospitals with a range of respiratory devices which are designed to assist patients to manage asthma and COPD<sup>1</sup>

- Space chambers
- Portable nebulisers
- Silicon Face Masks

### At home



### On the go







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