



ASX:MVP

# FY23 Half Year Results

24 February 2023



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## Non-IFRS Financial Information

This presentation uses non-IFRS information including underlying revenue, underlying EBIT and underlying adjustments. These measures are key performance measures used by MDI, the investment community, and peers with similar business portfolios. MDI uses these measures for its internal management reporting as it better reflects what MDI considers to be its underlying performance. Underlying revenue and EBIT are used to measure segment performance and have been extracted from the segment information disclosed in the Condensed Half Year Financial Report.





# FY23 Half Year Financial highlights

## Revenue

\$13.9m<sup>1</sup>

+45%

## Pain Management Revenue

\$7.6m<sup>1</sup>

+27%

## Respiratory Revenue

\$6.2m

+81%

## Underlying EBIT

\$(8.1)m

+4%

## Underlying Adjustments

\$11.5m<sup>2</sup>

(pcp \$0.9m loss)

## NPAT

\$2.7m

(pcp \$7.4m loss)

1. Excludes Contract termination revenue of \$18.9 million (refer to the Half-Year Consolidated Financial Report)

2. Underlying adjustments in the current period included: contract termination income arising from the termination of agreements for the distribution of Pentrox in China (\$18.5 million); and impairment of capitalised registration costs following the cessation of market activities in China of \$6.5 million, and an additional \$0.9 million in other countries where revenue opportunities are not being pursued. Underlying adjustments in the prior period related to impairment losses recognised following the Group's decision to discontinue the Veterinary business (\$0.6 million); and finalisation costs for the CSIRO Continuous Flow technology program (0.3 million).



## Operational highlights

# Growth opportunities remain attractive



### **In-market team deployed in Australia**

to accelerate penetration of Pentrox in hospital emergency departments



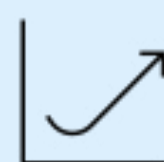
### **Pentrox volumes in France up 24%**

but below expectation, with challenges across the health system



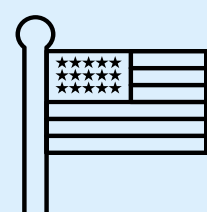
### **Strong growth in partner markets**

Pentrox relaunched in Canada, demand in UK and Ireland up 29%



### **Market share gains in the Respiratory segment**

sales in the USA up 100%



### **Planning for Pentrox USA market entry underway**

focus on future partnering potential





# FINANCIAL PERFORMANCE



# Earnings summary

## FY23 half year results

\$million	1H22	1H23	Change %
Revenue <sup>1</sup>	9.6	13.9	45%
Underlying EBIT	(8.5)	(8.1)	4%
Underlying Adjustments <sup>2</sup>	(0.9)	11.5	-
Reported EBIT	(9.4)	3.4	-
NPAT	(7.4)	2.7	-

### Commentary

- Higher volumes in both Pain Management and Respiratory segments
- Price increases successfully implemented
- Continuing investment in resources to drive growth strategy
- Underlying EBIT improved
- Non-cash Underlying Adjustments of \$11.5 million (gain) mostly arising from cessation of clinical trial preparations in China
- NPAT strongly improved due to non-cash Underlying Adjustments

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# Revenue and volume

## Strong revenue and volume growth

Underlying revenue (\$million)	1H22	1H23	Change %
Product revenue	5.9	7.0	19%
Milestone and other revenue	0.1	0.6	-
<b>Pain Management</b>	<b>6.0</b>	<b>7.6</b>	<b>27%</b>
<b>Respiratory</b>	<b>3.4</b>	<b>6.2</b>	<b>81%</b>
<b>Other</b>	<b>0.2</b>	<b>0.1</b>	<b>-</b>
<b>Group</b>	<b>9.6</b>	<b>13.9<sup>1</sup></b>	<b>45%</b>

## Commentary

### Pain management revenue up 27%

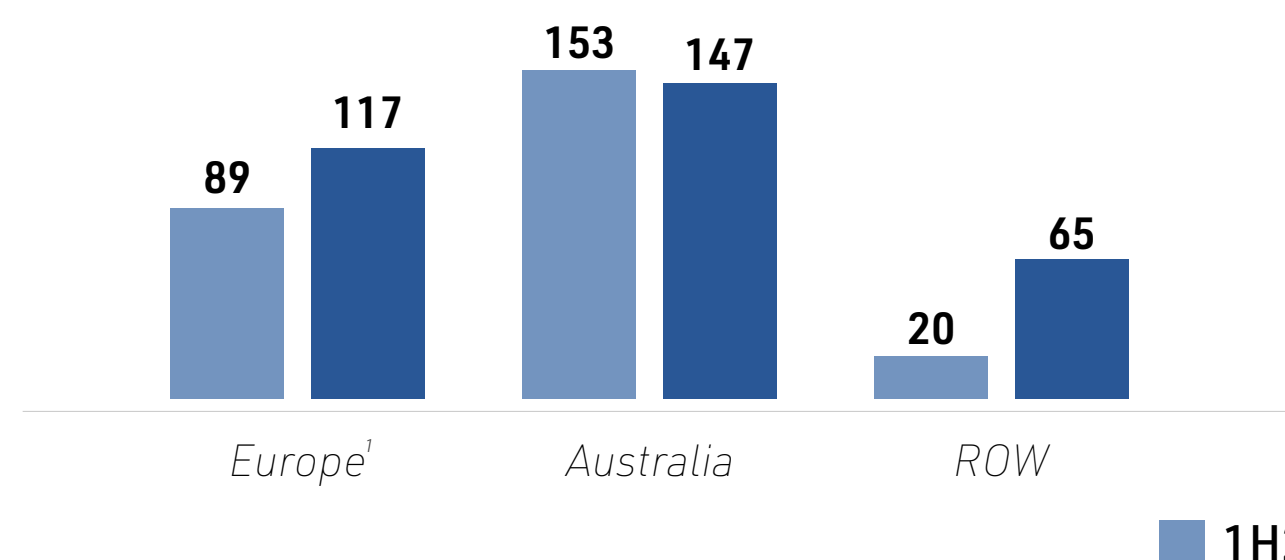
- France volumes up 24% against a challenging economic backdrop
- In-market volumes up 29% in UK and Ireland, though revenue impacted by timing of deliveries
- Solid demand from ambulance in Australia
- Relaunch of Pentrox in Canada
- Prices increased

### Respiratory revenue up 81%

- Strong market share growth, particularly in USA
- Prevalence of respiratory conditions during winter driving solid underlying demand
- Prices increased

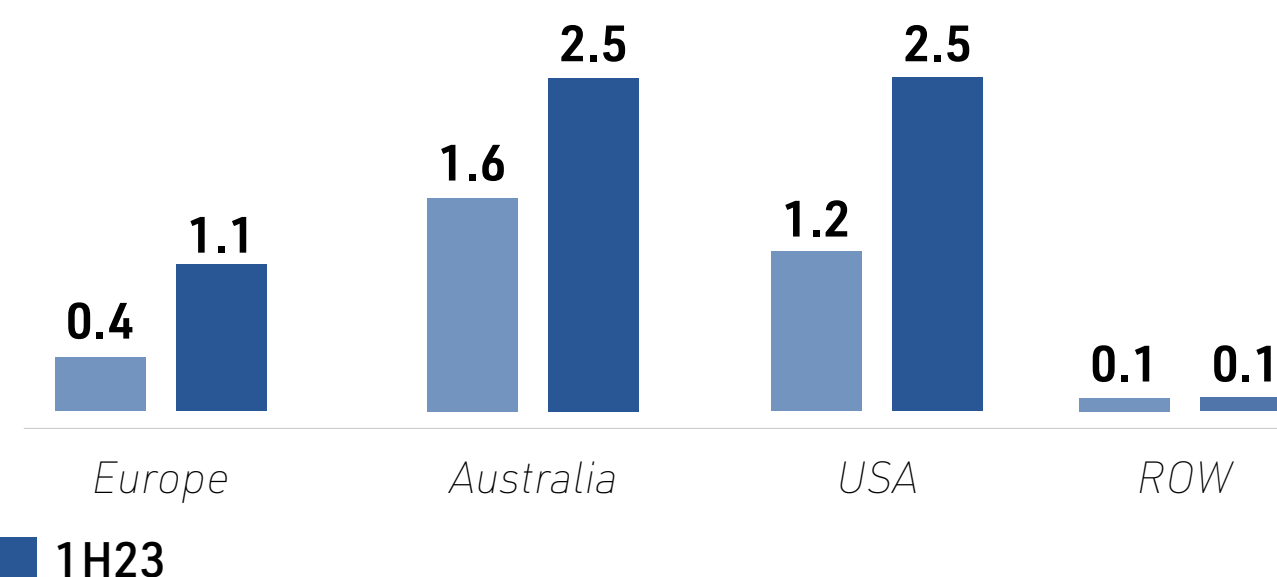
### Pain Management

Pentrox units<sup>2</sup> 000s



### Respiratory

Revenue (\$million)



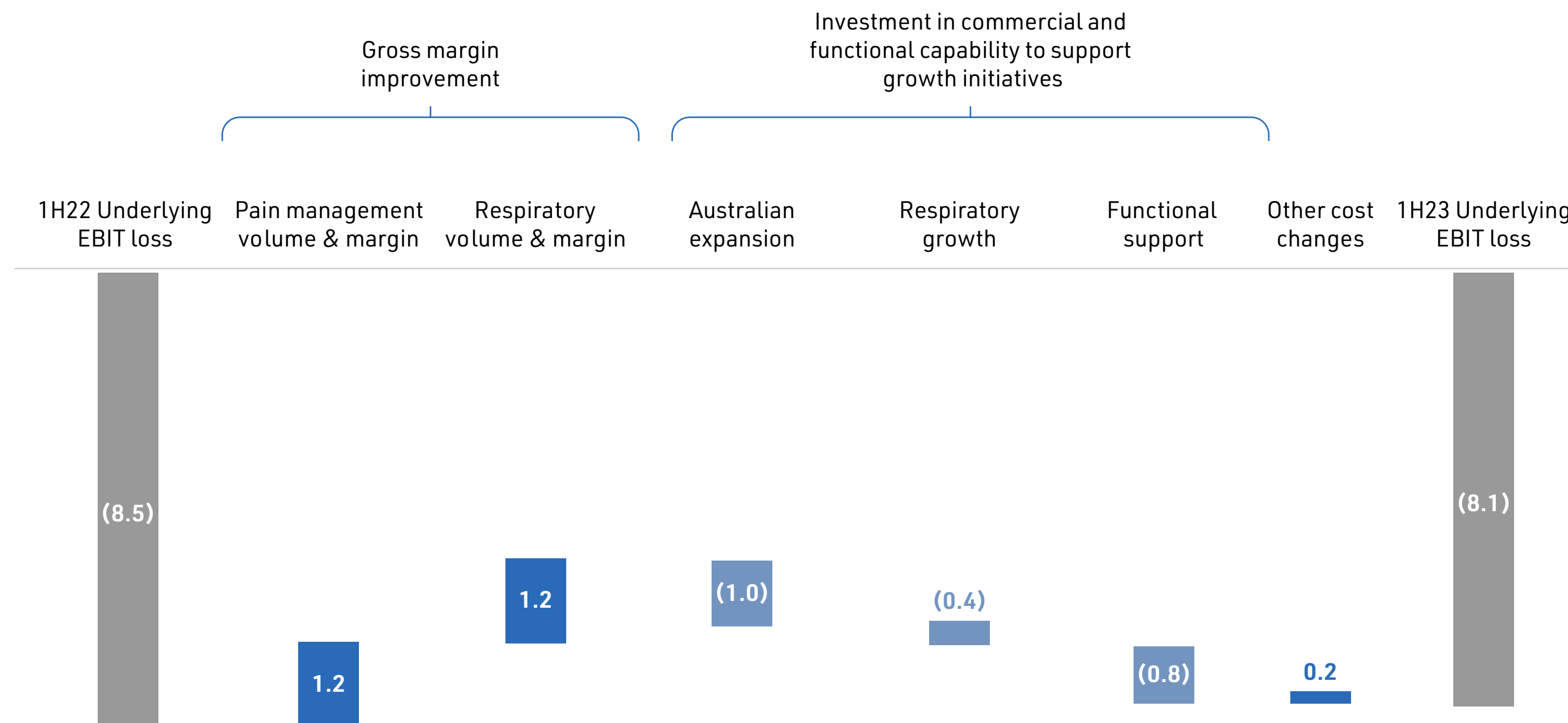
1. Excludes Contract termination revenue of \$18.9 million (refer to the Half-Year Consolidated Financial Report)

2. 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.

# EBIT bridge

## Volume and pricing drive margin improvement

### Underlying EBIT bridge (\$millions)



### Commentary

- Higher Pentrox volumes, improved pricing and higher milestone income in Pain Management
- Strongly improved volumes in Respiratory, and disciplined margin management
- Investment in commercial, leadership and functional capability to support growth initiatives
- Other cost changes include benefit of one-off share-based payments expense adjustment arising from implementation of new Long Term Incentive Plan for senior managers and inflationary impacts



## Balance sheet and cashflow

# Investment to support growth

### Key balance sheet items

\$million	FY22 <sup>1</sup>	1H23	Change \$m
Trade receivables	6.1	5.7	(0.4)
Inventory	7.1	10.6	3.5
Trade payables	(9.4)	(10.7)	(1.3)
Trade working capital	3.8	5.6	1.8
Cash at bank	20.4	37.1	16.7

### Key cashflow items

\$million	1H22	1H23	Change \$m
Operating cash flow	(5.0)	(9.0)	(4.0)
Capital expenditure	(3.0)	(2.8)	(0.2)

## Commentary

- Improvement in customer collections
- Investment in inventory to support growth in both Pain Management and Respiratory segments
- Cash on hand of \$37.1 million
- The change in operating cashflow versus the pcp reflects higher investment in working capital
- Capital expenditure includes spend related to the Company's manufacturing operations, and trial and registration activities



# FY23 PRIORITIES AND OUTLOOK



# Attractive growth opportunity for Penthrox

## Positive customer feedback despite challenging conditions

- Ease of use and resourcing efficiency differentiate Penthrox
- Attractive customer base with >300 existing customers
- Volume growth of 24% in 1H23 with annual run rate of ~60,000 units
- Challenging conditions slowing progress
  - Severe staff shortages, hospital budgetary constraints
  - Difficulty retaining and recruiting key account managers



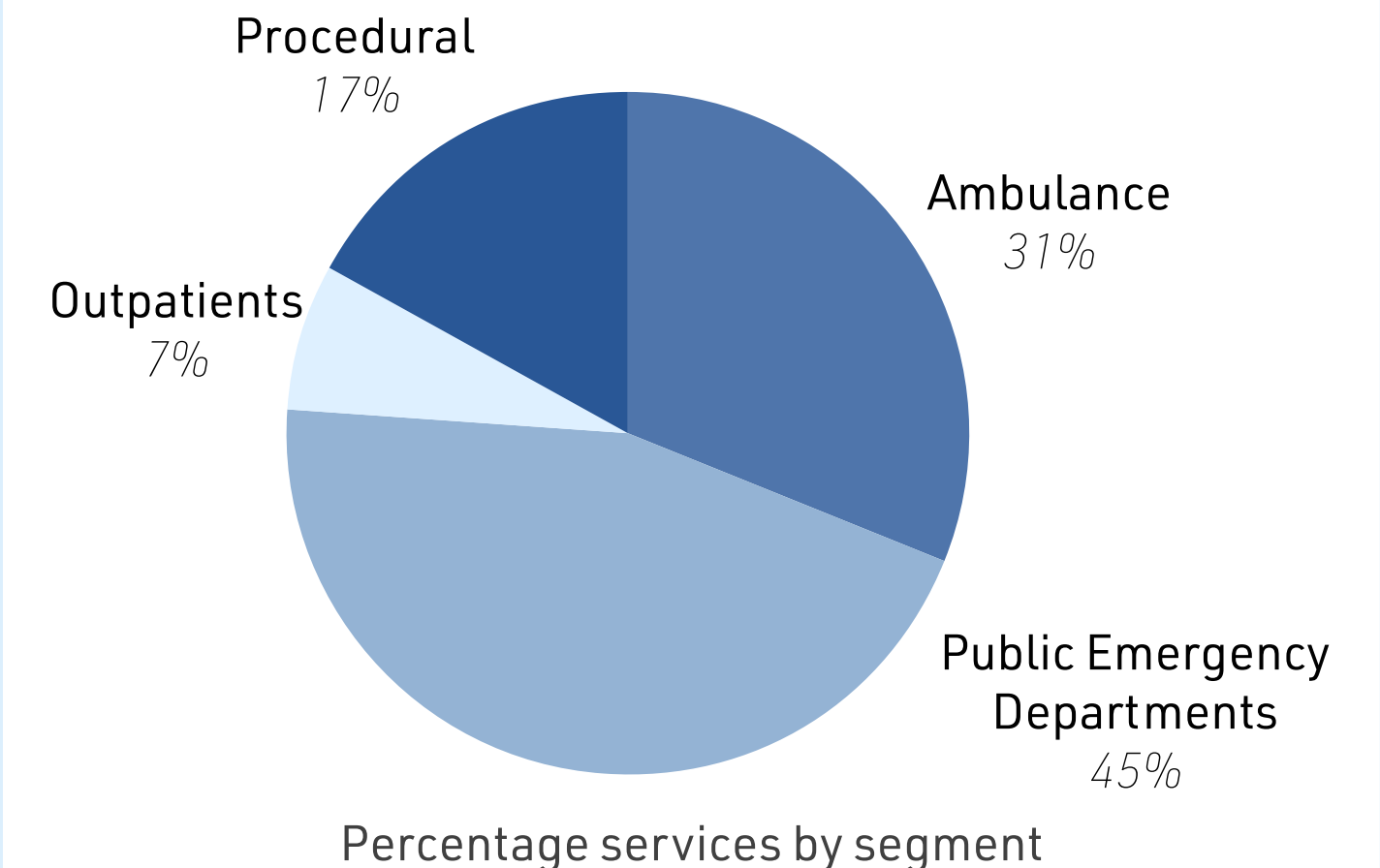


# Drive penetration in emergency departments

## Field team deployed, will drive deeper and broader market penetration

- In-market team recruited and deployed
- New marketing campaign launched
  - Supporting positioning of Pentrox in emergency department and procedural settings
- Large and attractive market opportunity
  - Hospital emergency departments
  - Short surgical procedures
  - Ambulance

### 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



# Momentum building

### Delivering success in new and existing markets

- Continued growth in UK and Ireland, monthly in-market Pentrox volumes achieving new thresholds
- Re-launch of Pentrox in Canada with motivated new partner, strong forecast demand with additional shipment ordered for the 2nd half
- Strong partner engagement, sales into over 20 markets globally
- Opportunity to reset commercial arrangements

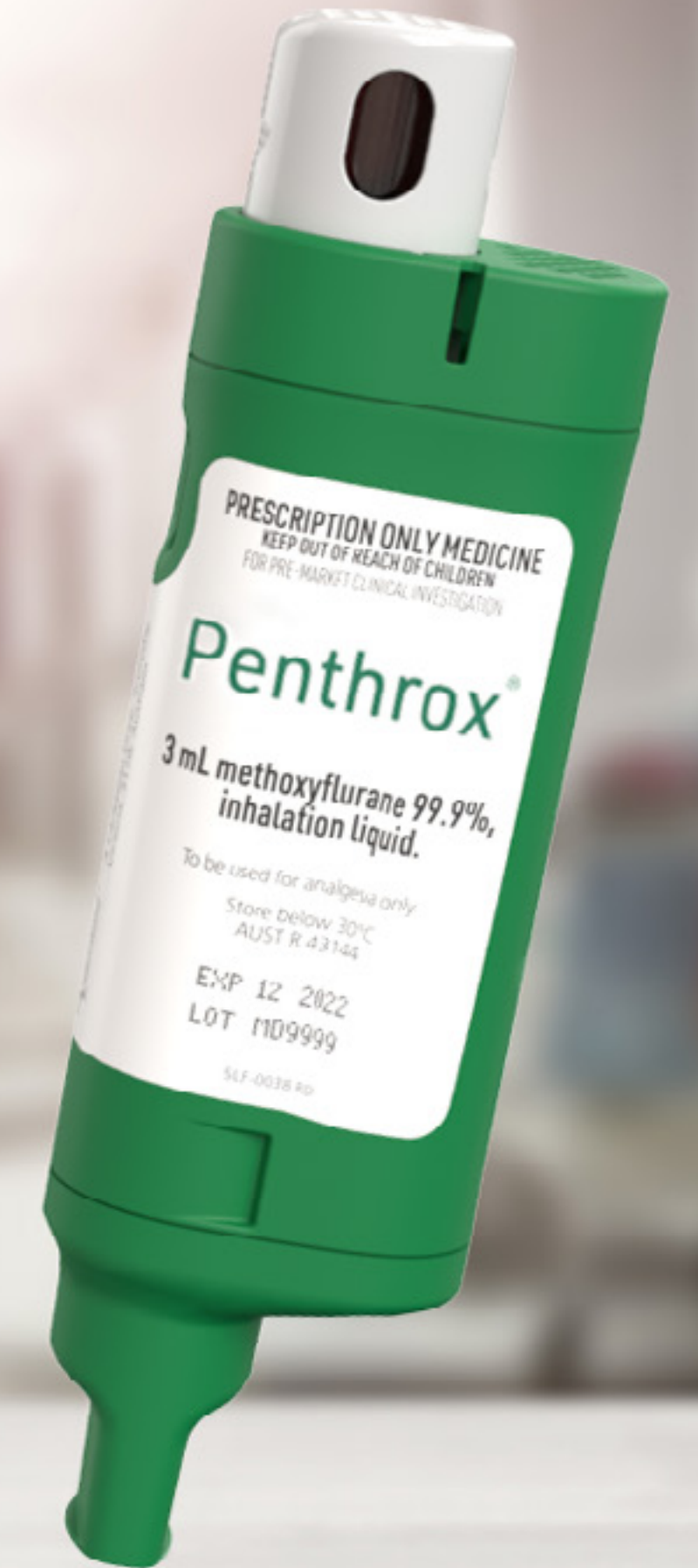


USA market entry

# Plans advancing

## The USA will drive a new wave of expansion succeeding the current European and Australian growth

- Detailed commercial market assessment underway to inform:
  - Addressable market and commercial pathway
  - Resource requirements to access
  - Potential partners
- Clinical program advancing
  - Protocol reviewed to broaden opportunity
- Development of next generation device, to be used at launch, on track
  - New device will deliver improved usability
- Funding strategy focused on partnering and / or other 3rd party funding arrangements





FY23 priorities

# Growth in the 2<sup>nd</sup> half

## Pain Management

- Complete US commercial market assessment and advance funding plan
- Accelerate growth in France
- Grow in Australian hospital emergency departments
- Positive momentum to continue in partner markets
  - Re-launch in Canada
  - Continue growth in UK and Ireland
- Deliver improved 2nd half operating cashflow

## Respiratory

- Continue to grow market share





# Appendix

EMERGENCY



# 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<sup>®</sup>), an inhaled, needle-free, non opioid analgesic, is manufactured in Australia and sold globally
- The Company also has a portfolio of respiratory products for sufferers of asthma and COPD1
- 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
- Longer term growth for Pentrox will be underpinned by entry into the USA market



# 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 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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