

ASX ANNOUNCEMENT Monday 26 August 2024

Doubling in FY24 Revenue with All Verticals Contributing to Growth

Highlights:

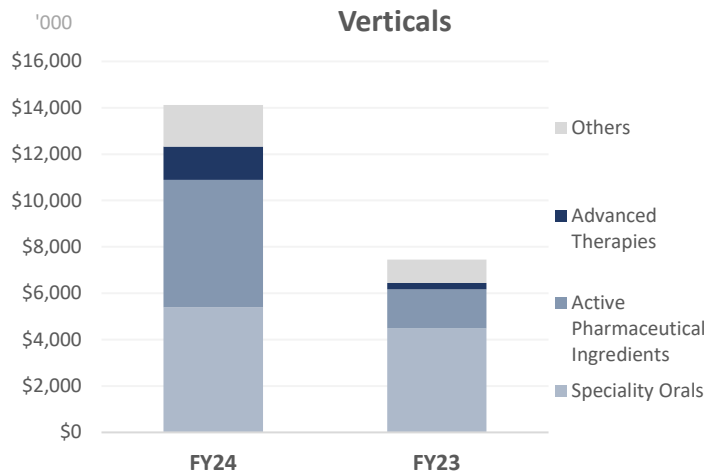
- **Total revenue jumped 101% to \$14.1M driven by IDT's three verticals:**
 - API vertical up 227% to \$5.5M driven by larger repeat orders
 - Advanced Therapies up 415% to \$1.4M from new contract wins (including Sanofi)
 - Specialty Orals up 20% to \$5.4M from ongoing demand for mental illness treatments
- **Significant narrowing of earnings loss in the second half as IDT heads towards profitability**
- **Strong and growing sales pipeline with \$25M worth of proposals under client consideration**
- **Positive outlook with IDT expecting to deliver further growth in FY25**

IDT Australia Limited (ASX: IDT) (IDT or the Company) is pleased to announce its full year profit result for the financial year 2024 (FY24) with growth across the business accelerating as IDT completes the second year of its strategic transformation program and recorded a near doubling in operating revenue.

Total statutory revenue increased by 100.8% to \$14.1 million and was driven by the performance of IDT's three business verticals – the manufacture of Active Pharmaceutical Ingredients (API), Specialty Orals (SO) and Advanced Therapies (AT) – with the number of commercial contracts reaching a three-year high. These contracts are with international and local groups, including Sanofi Australia.

Revenue from these key verticals increased 91.1% Year-on-Year (YoY) to \$12.3 million in FY24 as IDT successfully implements its strategic pivot to scale the three verticals and build an integrated offering to increase return business and competitive advantage.

Near Doubling of Revenue from 3 Key Verticals



Narrowing of Losses in 2H vs 1H



About IDT

IDT (ASX:IDT) is an Australian pharmaceutical manufacturing company based in Boronia, Victoria, Australia. The Company has extensive experience in the development and production of high potency and high containment pharmaceutical products for local and international clients. IDT's facilities are cGMP compliant and are regularly audited by the US FDA and Australian TGA. With an experienced team of specialists within world-class facilities, IDT provides a full-scale service for new drug development and scale-up, commercial active drug manufacture as well as a variety of oral and injectable finished drug dose forms.

Total comprehensive loss for the year improved to \$3.4 million from \$6.0 million in FY23 as IDT increased the necessary investments in the business to drive and sustain growth, such as the continued expansion of its sales and marketing team and direct manufacturing staff.

Importantly, the loss narrowed significantly in the second half of FY24 (2HFY24) to \$2.4 million vs. \$3.6 million in 1HFY24.

IDT enjoys strong operating leverage with its operating margin set to expand ahead of revenue as the business scales. This can be seen in the increase in the Company's earnings before interest, tax, depreciation and amortisation (EBITDA) figure, which improved significantly in 2HFY24 to a loss of \$1.7 million compared with a loss of \$3.4 million in 1HFY24, and is running ahead of the pace of revenue growth over the same periods. The Company recorded an EBITDA loss of \$7.7 million in FY23.

API Manufacturing

This is IDT Australia's most established vertical, and it recorded a 227% YoY increase in full year revenue of \$5.5 million. The growth was largely driven by early-stage clients progressing their assets with larger orders and the introduction of new psychedelic clients. The API business is complementary to the SO and AT verticals, where the API is converted to a finished dose.

The ability for IDT to offer an integrated API through to finished product manufacture (including labelling, packaging and release) gives clients more control over their supply chain, which in turn, converts to higher lifetime value and revenue per client for IDT.

Specialty Orals

The SO vertical grew by 20.2% YoY to \$5.4 million in FY24. This business focuses on innovative treatments for neurological disorders with medicinal cannabis making up the bulk of the current revenue. The vertical suffered a setback in the first half of FY24 with reduced orders in medicinal cannabis due to an oversupplied market, which recovered slightly in the second half. Total medicinal cannabis revenue generated in FY24 was \$3.9 million compared with \$3.3 million in the prior year.

Meanwhile, revenue from other specialty oral treatments increased in the year to \$1.5 million when compared to \$1.2 million in FY23. The growth is largely credited to the integration with IDT's API business, where the active ingredient is further processed to a finished dose within the SO facility.

Advanced Therapies

IDT completed a sterile license extension in April 2023 to include clinical trial manufacture and release. This business vertical delivered growth in FY24 with revenue of \$1.4 million compared to \$0.3 million in the previous year. The Company secured further contracts during FY24 from several international and local clients, including Sanofi to manufacture its novel mRNA concepts.

Business proposals submitted in this vertical during the year amount to a total potential value of \$15 million with a historical acceptance rate of ~30%. This is a significant step in our journey to establish IDT as a leading manufacturer of advanced therapies in the region and deliver novel medicines to the benefit of society.

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Outlook

IDT has achieved significant milestones over the past two years that have laid the foundation for continued growth. Its strategic investments in people, plant, and equipment provide a powerful catalyst for future expansion and innovation.

During FY24, IDT submitted \$39.8 million worth of proposals to potential clients, mostly for the Advanced Therapies business. The Company successfully converted \$10.9 million of proposals to binding contracts with a further \$24.7 million worth of proposals under active consideration.

Additionally, the strength of its balance sheet following the recent \$7 million capital raise empowers IDT to further advance its turnaround strategy, ensuring sustainable progress across all areas of the business.

While IDT has made substantial strides, the Company is only at the beginning of its recovery journey. There remains significant potential for growth as it continues to execute its strategic initiatives.

Paul McDonald, the Chief Executive Officer of IDT Australia, said:

"IDT is poised to benefit from favourable industry trends and the adoption of emerging medical technologies, enabling us to capitalise on new opportunities to deliver value to shareholders over the short- to long-term."

"With a robust framework in place and a dedicated team at the helm, we are expecting to become operating cash flow positive in the near-term as we record another year of solid growth in FY25."

Ends..../

Authorised by the Board of Directors of IDT Australia Limited.

For investor and media enquiries, please contact:

Brendon Lau

E: brendon@vantagepointpartners.com.au

M: +61 409 341 613

Forward-looking statements

This announcement contains or may contain forward-looking statements that are based on IDT Australia's beliefs, assumptions, and expectations and on information currently available to IDT Australia.

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All statements that address operating performance, events, or developments that IDT Australia or its directors expect or anticipate will occur in the future are forward-looking statements, including, without limitation, statements as to the expectations of IDT Australia or the market it operates in.

IDT Australia believes that these forward-looking statements are reasonable as and when made. You should not place undue reliance on forward-looking statements because they speak only as of the date when made. IDT Australia does not assume any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. No assurance or guarantee is, or should be taken to be, given in relation to, and no reliance should be placed on, the future business performance or results of IDT Australia or the likelihood that the current assumptions, estimates or outcomes will be achieved. Actual results, developments or events could differ materially from those disclosed in the forward-looking statements.

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