

20 February 2025

## **ASX ANNOUNCEMENT**

### **FY25 HALF YEAR RESULTS**

#### **STEP CHANGE IMPROVEMENT IN EARNINGS AND CASHFLOW**

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- Strongly improved operating performance, with revenue up 33%, EBIT improved \$8.0 million and free cashflow improved \$6.8 million
  - Higher pricing and cost efficiencies deliver earnings benefits of \$6.6 million
  - Continued growth for Pentrox in Australian hospital segment and Europe
  - Continued share growth in the attractive US respiratory spacer market
  - MAGPIE paediatric study data submitted to the European regulatory agency, provides potential to expand addressable market for Pentrox
  - New Pentrox distribution agreement signed with Swiss partner
  - Cash balance at 31 December 2024 of \$17.6 million
  - Positive operating cashflow expected in the second half of FY25
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Medical Developments International (ASX: MVP) today announced a net profit after tax of \$0.3 million for the half year ended 31 December 2024, compared to a loss of \$10.9 million in the prior corresponding period (pcp).

Underlying EBIT improved \$8.0 million to \$0.2 million (pcp \$7.8 million loss).

#### **FY25 HALF YEAR PERFORMANCE**

CEO, Brent MacGregor, said, *"We have delivered a step-change improvement in earnings and cashflow in the first half. Our margins have improved, costs have reduced, and volumes are stronger in both our Pain Management and Respiratory segments. Revenue and earnings growth, and disciplined cash management, have delivered an improvement of \$6.8 million in Free Cashflow."*

*"We remain on track to deliver positive operating cashflows by the end of FY25."*

Group revenue was up 33% on the pcp at \$20.0 million.

Pain Management segment revenue grew 37% driven by higher volumes and improved pricing, particularly in Australia, the UK and Ireland.

European Pain Management revenue was up 83%, with growth in underlying demand of 22%, improved pricing in the UK and Ireland, and favourable shipment timing. Revenue for Pentrox in Australia was up 25%, reflecting volume growth of 3% and higher prices. Revenue from Rest of World countries was down 3%, mostly due to timing.

Revenue in the Respiratory segment was up 26% with strong volume growth in the US, supported by market share gains, and improved demand conditions in Australia.

EBIT improved \$8.0 million to \$0.2 million in the period, driven mostly by stronger volumes, improved pricing and efficiency.

Free cashflow improved by \$6.8 million, with improved earnings, disciplined working capital management, and lower capital expenditure.

## **FY25 PRIORITIES**

### **Improve margins through pricing and efficiency**

The Group has implemented pricing initiatives in the current year that are expected to deliver annualized margin improvements of ~\$3.5 million. This includes enhanced pricing in Australia aligned with the decision of the Pharmaceutical Benefits Scheme (PBS) in August 2024. It also reflects improved economic terms in our UK and Ireland agreement following its extension in July 2024.

Group operating costs for the first half of FY25 are approximately \$4 million lower than the pcg, reflecting the benefits of efficiency initiatives implemented in the second half of FY24.

### **Increase penetration of Pentrox in Australia**

The Group made further progress in its strategy to grow Pentrox in hospital emergency departments. Demand from the hospital segment in the first half of FY25 was up 52% on the pcg.

During the period, the Queensland List of Approved Medicines (LAM) amended the listing of Pentrox to include use in all public hospital emergency departments. The LAM is the official statewide formulary for medicines approved for use in all Queensland Health public hospitals and institutions. The amendment may support the broader use of Pentrox in Queensland.

The Group has implemented several medical engagement initiatives to accelerate behavioural change required to embed Pentrox in hospital standard of care and promote faster product adoption over time.

### **Grow Pentrox in Europe**

European in-market demand for Pentrox in 1H FY25 was up 22% versus the pcg, with strong growth in all markets.

In August 2024 the Group submitted an application to the European regulatory agency based on the MAGPIE paediatric study data. A successful outcome would broaden the addressable market for Pentrox in select markets to children from 6 years of age. Initial feedback received from the regulatory agency during the quarter was positive about the submission. A decision from the reference regulatory authority is expected by August 2025, with national approvals to follow.

Pentrox distribution arrangements for Switzerland were finalized with Labatec in September 2024. Labatec is a privately owned Swiss-based pharmaceutical company that has extensive experience in the hospital segment. Planning for the transfer of distribution in Switzerland to Labatec is tracking well, with the transition expected to be completed in Q4 FY25.

The Group continued to advance partner negotiations for distribution of Pentrox in France.

## **FY25 OUTLOOK**

Phasing and movements in foreign exchange rates are expected to result in earnings that are lower in the second half of FY25 compared to the first half. Notwithstanding, the Group expects underlying EBIT for the full year to be strongly improved on FY24, driven mainly by benefits of \$8 million from higher average Pentrox prices and operational efficiencies.

The Group remains on track to generate positive operating cashflow for the second half of FY25.

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**Authorised for release by the Board of Directors.**

### Enquiries

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### **About Medical Developments International Ltd**

MVP is an Australian company delivering emergency medical solutions dedicated to improving patient outcomes. MVP is a leader in emergency pain relief and respiratory products. The Company manufactures Pentrox®, a fast-acting non-opioid trauma & emergency pain relief product. It is used in Australian Hospitals including Emergency Departments, Australian Ambulance Services, the Australian Defence Forces, Sports Medicine and for analgesia during short surgical procedures such as change of burns dressings, biopsies and dental procedures as well as in other medical applications.