

Futura Medical

First months of Eroxon launch suggest a successful start

22 June 2023

- Futura Medical's AGM statement gives the first indications of [Eroxon](#) market uptake following its maiden launch in March 2023 through selected channels in the UK and Belgium. The net reported revenues for H123 (six months to June) are expected to be at least £1.5m, based on the agreed, undisclosed transfer price for manufacture and supply. Cooper Consumer Health (the partner for the EU countries, UK, and Switzerland) started an extensive advertising and promotional campaign in April. Although details are limited, management is "highly encouraged" by the early growth trajectory with in-market demand in line with expectations. More information may be provided at today's Investor Seminar for analysts and institutional investors, with contributions from clinical specialists and representatives of Cooper.
- These first revenues include initial orders for launch stock, and as launches into new European geographies continue, and in the US once a commercial partner is secured, these could mask true underlying market demand. Hence, any estimates for FY23e and FY24e will be little more than guesswork until there is visibility on repeat orders in initial markets. Nevertheless, we would expect an expansion in revenues with new launches.
- The statement also covers the recent FDA authorisation for MED3000 to be marketed as an OTC (over-the-counter) product ie without a prescription. MED3000 is now approved as an effective and clinically proven treatment for erectile dysfunction (ED), with the important claim that it has a 10-minute onset of action. This is a major differentiator to the oral PDE5i's (such as Cialis and Viagra), which typically take around 30 minutes. MED3000 is the first ED treatment that can be sold OTC, without any clinician intervention, in the US. Unlocking the commercial potential of this large market is a strategic priority and we still expect a partner(s) to be announced by end-2023.
- The £1.5m in H123 net revenues, coupled with £250k of milestone receipts and the c £4.4m additional cash raised as Lombard Odier AM exercised their 2019 warrants (10.9m shares at 40p per share), has strengthened the balance sheet further. We already expected end-December 2022 cash to extend well beyond key upcoming catalysts, including securing the US commercial deal.

Price	65.00p
Market Cap	£194.40m
Primary exchange	AIM
Sector	Healthcare
Company Code	FUM
Corporate client	Yes

Company description:

Futura Medical is an R&D driven small pharma company, with a novel DermaSys transdermal delivery platform. The lead programme, a topically applied gel (MED3000), has been approved as an OTC product for ED (erectile dysfunction) in Europe and the US.

Trinity Delta view: We had long expected 2023 to be a pivotal year for Futura Medical, and Eroxon's successful maiden launch in Europe, coupled with the FDA's clearance of MED3000 as an over-the-counter treatment for ED, have been major milestones. As the picture for consumer acceptance and market uptake unfolds from the initial launch markets, we should be able to better assess likely future sales. The early indications are encouraging, particularly from just two launches for a few months, and suggest suitable partnerships for the US market will be struck. Our last valuation was £270m, equivalent to 94p per share, which was published before the US FDA authorisation; we expect to review this once there is clarity on plans for launching in the US.

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