

Futura Medical

Haleon confirms US Eroxon launch by end-2024

1 August 2024

- Haleon, Futura Medical's commercial partner for Eroxon in the US market, has announced it intends to make Eroxon available in the US before the end of 2024. Haleon had previously only stated, during analyst [Q&A](#) as part of FY23 results in February, that US launch was expected "within the next 12 months" ie by February 2025. The importance of the clarification lies in the timing of the expected US launch milestone being triggered, which should propel Futura to profitability in FY24. Our current forecasts conservatively model a US launch in FY25.
- We detailed the complexities of launch preparations for a new brand into what is effectively a new category in our [April 2024 Outlook](#) note. Given there is only one opportunity to make an initial major impact, and that this could dictate the future success of the product, getting all elements in place to target the broad and multiple channels in US consumer health, and to develop messaging that will resonate with target audiences, is critical. Hence, we view Haleon's confirmation of Eroxon's launch timing as suggesting all these are now ready, the supply chain is set up, the marketing campaign is lined up, and the targeted promotional messaging has been finalised.
- We have previously discussed the challenges in forecasting near-term revenues for Futura. This is owing to the unpredictable launch dynamics including stocking effects, timing of batch release, limited disclosure from partners and differing & unknown precise deal terms in various regions. We expect revenues to become more predictable as additional launches are executed in various countries, and once there is visibility on repeat orders as launches are more advanced. Whilst we accept FY24 will now likely post a maiden profit, we will formally review our revenue forecasts, and profit expectations, following the H124 results, expected mid-September.

Trinity Delta view: As we have stated before, Futura Medical's investment case has shifted firmly onto commercial execution. The highly successful initial launches of Eroxon, its novel topical gel for ED (erectile dysfunction), by partner Cooper Consumer Health in the UK and Belgium are being followed by roll-outs across the major European markets. Other geographies have also successfully launched. However, in our view, it is the US that could prove transformational as commercial success in the US would put Futura firmly on the path towards sustainable and growing profitability. Therefore, increasing clarity on potential launch timelines is reassuring, given limited visibility previously. Eroxon offers a unique proposition within ED, being a clinically proven, fast-acting, and safe product that can be easily bought over-the-counter. The market for ED treatments is significant and Eroxon appears ideally placed to carve a sizeable niche for itself. Our current Futura Medical valuation, based on conservative assumptions, is £371m, equivalent to 123p per share, with the US opportunity worth more than Europe and Other Regions combined.

Price	34.20p
Market Cap	£103.2m
Primary exchange	AIM
Sector	Healthcare
Company Code	FUM
Corporate client	Yes

Company description:

Futura Medical is the developer of innovative sexual health products; its core strength is in its research, development, and commercialisation of topically delivered gel formulations. Lead product Eroxon (MED3000) is approved as an OTC product for ED (erectile dysfunction) in Europe and the US.

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