

# AFT Pharmaceuticals

Commercial update

## Maxigesic IV's Brazil entry, a foray into LATAM

Pharma and biotech

AFT continues to expand its Maxigesic IV footprint with the announcement of a licensing agreement in Brazil, the largest pharma market in South America and tenth largest market globally. The deal signed with Halex Istar, a leading manufacturer of injectables in the country, provides a strong foundation for further extension into the Latin American and global markets, an overarching long-term goal for AFT. Maxigesic IV is a higher-strength version of AFT's proprietary paracetamol plus ibuprofen formulation targeting post-surgical pain relief in the hospital setting. It is currently available in 36 countries, including the US, with the recent launch by Hikma, its distribution partner.

2 May 2024

**Price** **NZ\$3.09**

**Market cap** **NZ\$324m**

NZ\$0.61/US\$

Net debt (NZ\$m) at 30 September 2023 30.6

Shares in issue 104.9m

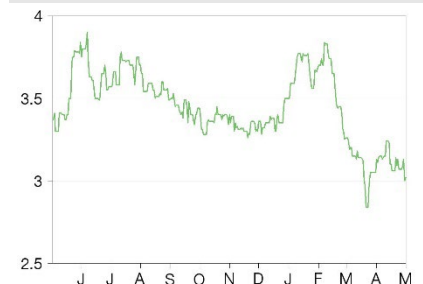
Free float 25.9%

Code AFT

Primary exchange NZX

Secondary exchange ASX

### Share price performance



### Business description

AFT Pharmaceuticals is a specialty pharmaceutical company that operates primarily in Australasia but has product distribution agreements across the globe. The company's product portfolio includes prescription and over-the-counter drugs to treat a range of conditions and a proprietary nebuliser.

### Analysts

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Year end	Revenue (NZ\$m)	PBT* (NZ\$m)	EPS* (c)	DPS (c)	P/E (x)	Yield (%)
03/22	130.3	18.9	19.2	0.00	16.0	N/A
03/23	156.6	16.7	11.0	1.10	27.9	0.4
03/24e	187.5	22.3	15.5	1.55	19.8	0.5
03/25e	223.5	26.3	18.2	1.82	16.9	0.6

Note: \*PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Maxigesic IV (marketed as Combogesic IV in the US) is a double-strength formulation of AFT's traditional oral version (1,000mg paracetamol and 300mg ibuprofen) and is targeted specifically at the hospitals segment for the treatment of post-operative pain. Following the licensing deal with Halex Istar in Brazil, Maxigesic IV has been launched in 36 countries worldwide, including eight of the top pharma markets globally – the US, Germany, France, Italy, the UK, Canada, Spain and Brazil. We note that while AFT is self-commercialising in the UK and Canada, distribution is being undertaken by licensing partners in the other top markets. Most recently, Maxigesic IV received FDA approval in the US, with partner Hikma launching the product earlier this year, triggering a US\$6m milestone payment to AFT and partner Hyloris (65/35 split).

Brazil is the largest pharmaceutical market in Latin America and is the tenth largest in the world, valued at [c US\\$23bn](#) (2.2% of the global market). Maxigesic's licensing partner in the country, Halex Istar, is an established name in the hospitals injectables space in Brazil, having introduced the first injectable paracetamol in the country in 2020. We expect AFT to be able to leverage Halex Istar's knowledge and experience of the local market to expand its commercial presence in the country. We also expect this to provide AFT with a strong foothold to gain access to other major Latin American markets and beyond.

The Maxigesic product range is AFT's flagship offering and has been instrumental in driving the company's global presence. According to the latest available information, Maxigesic is now available in close to 70 countries globally, across different formats – tablets, IV, oral solution, hot drink sachets – and contributes more than 20% of sales for the company, per our estimates. We expect the launch of Maxigesic IV in the US and the expected launch of the rapid release tablets in the country (expected in 2025 following the finalisation of a distribution partner) to drive this growth further.

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