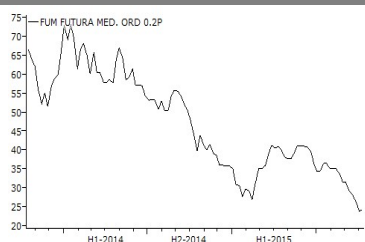


Pharmaceuticals & Biotech



Market data

EPIC/TKR	FUM
Price (p)	24.3
12m High (p)	45.0
12 Low (p)	22.5
Shares (m)	99.0
Mkt Cap (£m)	24.0
EV (£m)	14.5
Free Float* (%)	98%
Market	AIM

*As defined by AIM Rule 26

Description

Futura is engaged in the development of drugs and medical devices and their commercial exploitation; products includes condoms, erectile dysfunction, enhanced sexual control, pain relief and delivery technology.

Company information

CEO	James Barder
CFO	Derek Martin
Chairman	John Clarke

01483 685 670

www.futuramedical.com

Next Event

2015 results	March 2016
MED2002 trial	1H 2016

Analysts

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Futura Medical

Maximising the return on MED2002

Futura Medical has advanced transdermal technology which can be incorporated into formulations of well characterised drugs to improve performance and extend their uses. MED2002 is a topical gel of glyceryl trinitrate (GTN) in FUM's proprietary DermaSys technology. It is applied with a specially designed single-use applicator directly to the glans of the penis, rapidly absorbed to increase blood flow giving a fast onset of action, for the treatment of erectile dysfunction. It is very safe to use because local application eliminates many of the side effects associated with systemic prescription drugs (eg Viagra), such as headache and flushing.

- **Strategy:** For regulatory approval, FUM is undertaking a pivotal randomised, double-blind, placebo controlled cross-over trial in 192 patients which is due to complete in 1H 2016. Meanwhile, FUM has announced a licensing deal with Quantum Pharma (QP.L) to make MED2002 available in the UK as a 'Special'.
- **'Special':** In the UK, doctors can prescribe unlicensed medicines, which have a proven track record regarding safety, for alternative indications to individual patients on a 'Named Patient' basis. Such products are known as 'Specials'. Quantum is a leading manufacturer and supplier of such products.
- **Terms:** FUM has granted Quantum an exclusive license for the manufacture and supply of MED2002 as an unlicensed medicine in the UK. In return, FUM will receive royalties based on the sales made by Quantum. This extends the total potential return for the company from this product.
- **Risks:** The risks to FUM are minimal. MED2002 satisfies all the regulatory requirements for classification as a 'Special'. This deal maximises the potential shareholder returns from MED2002 for the period of time where the product remains unlicensed for erectile dysfunction.
- **Summary:** Given that the pivotal trial for regulatory approval will not complete until 1H 2016, after which the submission documents need to be prepared, this deal will provide some income on MED2002 for at least 12 months that would otherwise be lost. Also, it is likely to provide some in-market use data and increase awareness prior to full launch. No changes to forecasts at this stage.

Financial summary and valuation

Year end Dec (£000)	2012	2013	2014	2015E	2016E	2017E
Sales	75	371	0	0	300	345
Royalties	0	0	44	45	1,000	1,600
Underlying EBIT	-2,327	-2,390	-3,350	-4,539	-4,597	-4,339
Reported EBIT	-2,456	-2,532	-3,527	-4,639	-4,717	-4,479
Underlying PTP	-2,308	-2,381	-3,302	-4,502	-4,510	-4,345
Statutory PTP	-2,437	-2,522	-3,479	-4,602	-4,630	-4,484
Underlying EPS (p)	-2.7	-2.7	-3.2	-4.0	-3.8	-3.4
Statutory EPS (p)	-2.9	-2.8	-3.4	-3.7	-3.9	-3.7
Net (debt)/cash	2,817	991	9,492	5,410	1,520	-1,994
Shares issued	2,163	181	11,555	100	100	100
P/E (x)	-18.3	-18.8	-15.4	-12.4	-13.2	-14.8
EV/sales (x)	nm	nm	nm	nm	nm	nm

Source: Hardman & Co Life Sciences Research

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