

Futura Medical

Haleon to commercialise MED3000 in the US

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- Futura Medical has licenced US marketing rights for MED3000 to [Haleon](#), an acknowledged global leader in consumer health that was recently spun out of GSK. The deal grants Haleon exclusive rights to commercialise MED3000 ([Eroxon](#) in Europe) across the USA, with Haleon responsible for the launch (although no detail on likely timing is provided) and then all ongoing regulatory, development, marketing, and commercialisation activities.
- Disclosed terms include an initial \$4m upfront payment, royalties on sales, and milestones of between \$5m and \$45m linked to commercial and performance-driven sales thresholds over the coming “several years”. Haleon has responsibility for all investment and activities related to US launch and marketing. Interestingly, while Futura will provide ongoing technical support there is no mention of its involvement in MED3000 manufacture and supply in contrast to the deals for other markets (eg Cooper Health [May 2022](#)). This suggests Futura will not have to manage the US supply chain, a costly and time-consuming exercise for a small (relatively) company.
- Haleon is an ideal partner for a “scientific” product such as MED3000, with unparalleled expertise in switching prescription products to OTC (over-the-counter) across complex markets. It has proven ability in addressing the broad and multiple channels that now exist in consumer health, with messaging that resonates with the target audiences and so creates strong and enduring brands. We are curious to see how Haleon will brand MED3000 in the commercially important US market.
- Understandably, Haleon is currently minimising public disclosure of its plans, but the positioning strategy will clearly major on MED3000 as an FDA approved effective and clinically proven treatment for Erectile Dysfunction (ED) that, uniquely, can be bought OTC (ie without prescription). The other major differentiator is MED3000’s demonstrable 10-minute onset of action, unlike oral PDE5i’s (ie Cialis and Viagra), which typically take ≥ 30 minutes.
- Previously, we have discussed the challenges in forecasting FY23 and FY24 sales of Eroxon/MED3000 until there is visibility on repeat orders in initial European markets and on US launch plans. With this caveat, we expect the \$4m upfront to extend the cash runway from FY25 into FY26. It is worth noting that if we are correct regarding the responsibility for establishing the US supply chain, then under many revenue scenarios profitability is in sight.

Price	51.60p
Market Cap	£154.32m
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 a clinically effective OTC product for ED (erectile dysfunction) both in Europe and the US.

Trinity Delta view: We knew 2023 was going to be pivotal for Futura Medical, and this earlier than expected US commercialisation partnership is the third major event so far (following Eroxon’s successful maiden launch in Europe, as confirmed at the June investor event, and FDA clearance of MED3000 as a unique OTC treatment for ED). The quality of Haleon as a commercial partner is beyond doubt and, in our view, validates the entire MED3000 investment case. Our valuation, once seemingly ambitious, is £270m, equivalent to 94p per share; however, we expect to review this as soon as forecasting visibility improves.

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