

Medexus Pharmaceuticals Inc

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Medexus fiscal 4Q revenue soars following IXINITY hemophilia drug acquisition

Medexus Pharmaceuticals Inc (CVE:MDP) (OTCQB:PDDPF) reported fiscal fourth quarter and full-year results after the bell Monday that showed quarterly revenue that doubled year-over-year thanks in large part to its February acquisition of Aptevo BioTherapeutics LLC.

The pharmaceutical company posted revenue of C\$25.6 million in the three months ended March 31, compared to C\$12.7 million in the same period a year earlier. Gross profit for the quarter jumped to C\$13.3 million from C\$7.7 million, and net loss increased to C\$2.1 million from C\$700,000.

Roughly \$9.5 million of that revenue increase came from the Aptevo acquisition, which netted the company the hemophilia B treatment IXINITY.

Medexus shares leaped more than 15% to C\$3.80 in Toronto and 12% to US\$2.60 in New York.

READ: Medexus Pharmaceuticals sees steady growth across key product lines as it updates on IXINITY acquisition

Hemophilia B affects between 4,000-to-5,000 people in the US, and annual sales of the drug were C\$32 million last year, up 40% from 2018. The drug is currently indicated for patients older than 12 years of age, and a Phase 4 clinical trial of patients younger than 12 began in January.

"The integration of IXINITY is complete, and it leverages our existing US-based infrastructure, as we have added a product generating approximately \$40 million of revenue on an annual basis (based on the twelve-month period ended December 31, 2019) with roughly the same number of employees as we had before the acquisition," CEO Ken d'Entremont said in a statement. "We see significant potential for further growth of IXINITY in the US and other markets."

Aside from IXINITY, Medexus reported an 11% market demand increase in the US for its arthritis treatment, Rasuvo, and a 96% unit demand growth bump in Canada for Metoject.

"We are proud of our continued progress, continue to believe that we have built a highly scalable business model and will continue to actively evaluate additional opportunities to license or acquire accretive products that leverage our existing infrastructure in the United States and Canada," d'Entremont added.

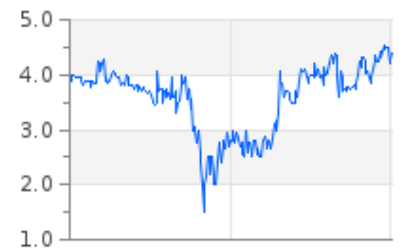
For the full fiscal year, revenue more than doubled to C\$74.4 million from \$33.0 million in fiscal 2019, and gross profit similarly rose to C\$41.8 million from \$20.2 million. Net loss narrowed slightly to C\$6.2 million from C\$6.3 million.

Looking ahead, Montreal-based Medexus said its glioma (read:a specific type of brain tumor) treatment Gleolan could be approved by Health Canada as soon as August. The company filed an application for registration with the agency in

Price: 4.37

Market Cap: \$63.16 m

1 Year Share Price Graph



October 2019 April 2020 October 2020

Share Information

Code: MDP

Listing: TSX-V

52 week	High	Low
	4.52	1.42

Sector: Pharma & Biotech

Website: www.medexusinc.com

Company Synopsis:

Medexus is a leading specialty pharmaceutical company with a strong North American commercial platform. The Company's vision is to provide the best healthcare products to healthcare professionals and patients, through our core values of Quality, Innovation, Customer Service and Teamwork. Medexus Pharmaceuticals is focused on the therapeutic areas of auto-immune disease, hematology and allergy.

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December, which is currently under priority review.

A Speculative Buy

Analysts at Mackie Research Capital Corporation were among those impressed with Medexus' quarterly results. The firm reiterated its Speculative Buy rating and 12-month price target of C\$6.30 per share in an analyst note published Monday.

"Based on MDP's fast growth trajectory, we believe the stock's multiple is low relative to the Canadian specialty pharma sector," Mackie wrote. "Calendar Q1 is usually a weak season for specialty pharma. MDP's total revenues were \$25.6M — beating our estimate of \$24.0M and Reuters consensus of \$19.6M."

Mackie expects growth from Medexus' US segment and projects big things for IXINITY.

"MDP is marketing two drugs in the US — Rasuvo and Ixinity. In Q4, Rasuvo generated \$10.9M in sales — ahead of our estimate of \$8.5M compared to \$8.5M last year," the firm wrote. "Rasuvo unit market demand increased 11% in FY20. We expect the drug sales to continue growing in FY21.

"IXINITY sales in Q4 were \$9.5M — annual sales of the drug were US\$32M in CY2019, a 40% increase over CY2018. We believe IXINITY sales should double the segment revenues in FY21 and provide MDP with long-term organic growth going forward."

—Updated to include details from the Mackie analyst note and a share price—

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