

Futura Medical

Major MED3000 deal for Europe with Cooper Health

23 May 2022

- Futura Medical will partner with Cooper Consumer Health to commercialise MED3000 across Europe, including the UK. [Cooper](#) is a Paris-based specialist in self-care, with brands spanning from cough syrup to burn treatment. It has sales of over €500m, with a direct presence in the seven largest European markets and via distributors in remaining geographies. Although over 100 years old, being originally a pharmacists' cooperative, the turning point was the private equity backed acquisition of Sanofi's OTC product portfolio. Nine further acquisitions of complementary brands have been integrated since. In March 2021 [CVC](#) acquired a majority stake to support growth initiatives.
- The agreement is initially for five years, in line with EU competition policy, and has four main elements: (1) Futura Medical to receive an upfront payment, assumed to be modest as management has previously stated its desire to maximise long-term value, (2) potential receipt(s) of cumulative undisclosed sales-based milestones; (3) an agreed price paid by Cooper for MED3000 manufacture and supply (by third-party contractors), and (4) Cooper commitment to sizeable, but undisclosed, commercialisation spend to support launch roll outs and continuing marketing and promotional costs. We expect the main value for Futura Medical to arise from elements (2) and (3).
- Interestingly, as part of its due diligence, Cooper undertook a consumer marketing home use test (HUT) in the UK, France, and the Netherlands. The size of the HUT is not disclosed but would typically involve c 200 consumers. In this case men with self-diagnosed ED were supplied a four-pack sample of MED3000 with the appropriate packaging leaflet. The results were in line with those seen in the FM57 1,000 patient clinical trial, where over two-thirds of patients saw a clinically meaningful benefit. The importance of the HUT lies in the confirmation that MED3000 works as expected in a real-world setting. Longer-term use is being explored in the c 100 patient FM71 clinical trial, conducted over 24 weeks, to support the FDA application.
- The launch timings have not been detailed; however the nature of the pharmacy market varies across Europe with countries such as the UK and Netherlands dominated by large retail chains. We suspect these will be the initial launch markets (probably in 2023), with retailers actively contributing to the promotional messaging. The next wave would likely include the key markets of France, Belgium, Germany, Italy, and Spain, with the third wave being the distributor-led smaller geographies. Even limited success in these larger markets could transform Futura Medical, in our view.

Price	27.5p
Market Cap	£78.9m
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 an OTC product for ED (erectile dysfunction) in Europe, with final trials underway in the US.

Trinity Delta view: The deal with Cooper for the commercially important EU (including UK) markets is a critical milestone that could be transformative for Futura Medical. The depth of due diligence suggests a strong commitment from Cooper, that should be sustained in the longer term given contractual marketing spend. We currently value Futura Medical at £264m, equivalent to 92p per share but expect to review this as visibility on expected launch timings increases and also when the results of the FM71 trial are made public.

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