

## ASX ANNOUNCEMENT

Wednesday 19<sup>th</sup> February 2025

# Revenue & Pre-Tax Profit Rises to Highest Level Since Start of Strategic Pivot

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### Highlights:

- Interim revenue surged 83% pcp to \$10.5M while pre-tax profit improved 19.5% pcp to a loss of \$3.3M – both at their highest levels since the transformation program over two years ago
- The growth is driven by a sharp ramp up in the Advanced Therapies vertical which typically attracts higher margins due to the complex nature of the work
- Strong demand from return customers and US-based entities driving growth
- On track to deliver a significant improvement in full year revenue with IDT winning ~\$20M in new contracts in H1FY25 alone
- Multiple opportunities to expand sales and profit margin over short- and long-term via shift in the sales mix, operating leverage, and booming demand for next-gen drugs

**IDT Australia Limited** (ASX: IDT) (**IDT** or the **Company**) is pleased to report a significant improvement in revenue and profitability in the first half of financial year 2025 (**H1FY25**) when compared to the previous corresponding period (**pcp**).

Interim revenue surged 83% to \$10.5 million compared to the prior corresponding period, while the loss before tax narrowed by 19.5% (\$787K improvement) to \$3.3 million. Both revenue and profitability metrics have reached their strongest levels since IDT initiated its strategic transformation more than two years ago. The growth coincides with strong demand from returning customers and US-based entities who are attracted to Australia because of its high regulatory standards, cost effectiveness and attractive tax credits for

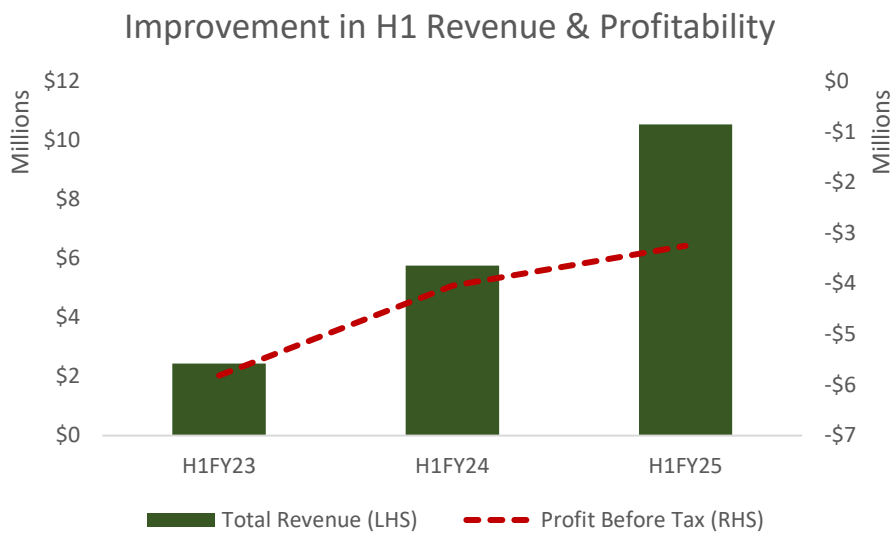
#### About IDT

IDT (ASX:IDT) is an Australian pharmaceutical manufacturing company based in Boronia, Victoria, Australia. The Company has extensive experience in the development and production of high potency and high containment pharmaceutical products for local and international clients. IDT's facilities are cGMP compliant and are regularly audited by the US FDA and Australian TGA. With an experienced team of specialists within world-class facilities, IDT provides a full-scale service for new drug development and scale-up, commercial active drug manufacture as well as a variety of oral and injectable finished drug dose forms.

research and development. As these programs are at the early stage of the asset lifecycle (e.g. entering Phase 1 trials), there is further upside as these programs progress and scale.

Further, the improvement in H1FY25 profitability was achieved despite the capital investments made in the period to ramp up the Advanced Therapies vertical, the hiring of additional personnel in operations and the extra working capital required to service major contracts, including those with Sanofi Australia.

### Performance of Key Verticals



### Advanced Therapies

The robust growth in the period is driven by the Advanced Therapies vertical, which recorded revenue of \$3.9 million in H1FY25 compared with \$323K in the pcp (+1,116%). The ramp up of this business reflects the success of IDT's strategy to shift the sales mix towards Advanced Therapies as contracts in this area typically attract higher margins due to the need for more complex manufacturing processes and specialist expertise that few in Australia can offer.

This higher growth vertical is leveraged to the growing global demand for Antibody Drug

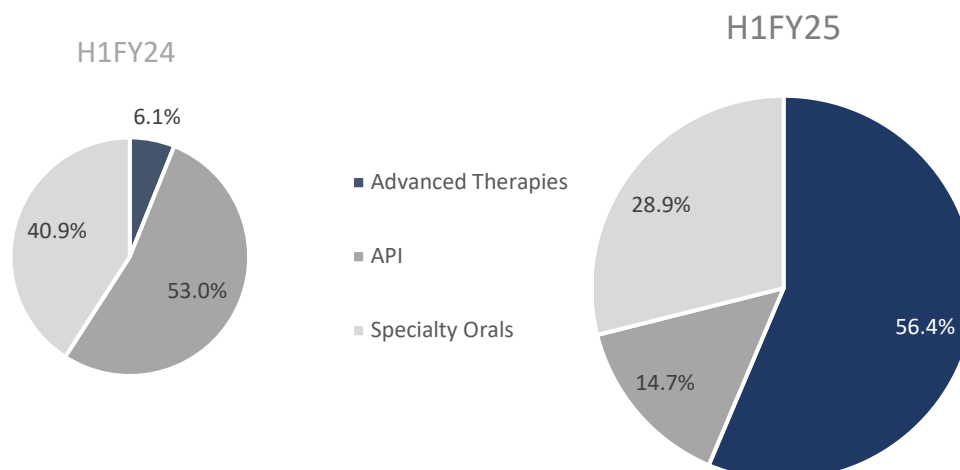
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Conjugates (**ADC**) and messenger RNA (**mRNA**) technologies.

## Positive Change in the Sales Mix Towards Advanced Therapies Percentage of Total Op Revenue



### Active Pharmaceutical Ingredient (API) Manufacturing

First half revenue declined 63.6% pcp to \$1 million due to the timing and cycling of orders in the period. This vertical plays a key role for IDT's integrated offering where an API order is transitioned to the Specialty Orals or Advanced Therapies verticals to make the finished drug.

The performance of this vertical is expected to improve significantly over the coming periods due to recent contract wins, particularly in the December 2024 quarter when it secured close to \$4 million in new work.

### Specialty Orals

Revenue from the Specialty Orals vertical dipped 7.1% pcp to just over \$2 million in the period. A significant portion of the API business once completed moves into Specialty Oral formulation and finishing in oral dose form. The delayed start to some of our API campaigns had a knock-on effect into the Specialty Oral Business.

However, the performance of this vertical is expected to improve over the coming periods as a significant portion of the \$4 million in new contracts for the API vertical is expected

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to flow into this business to produce the finished oral dose.

IDT is one of the few in the region that can manufacture GMP-grade product and this vertical will continue to be a key cash contributor to the business going forward.

## Outlook

IDT is on track to deliver a material uplift in its full year result compared to FY2024. There are several drivers behind the Company's positive outlook, which includes:

- **Multiple Revenue Tailwinds:** IDT benefitting from rise in emerging global technologies like ADCs and mRNA, and growing demand for its Advanced Therapies vertical will provide additional opportunities for the API business. The Company is also experiencing increased interest from US-based customers who are attracted to Australia's favourable drug development environment and IDT's world class facilities.
- **Product Lifecycle & Follow-On Work:** Most of the new contracts won by IDT are for drugs entering the initial testing phase. As these drugs progress to later phases of trials and commercialisation, IDT has opportunities to secure follow-on work and larger orders.
- **Margin Expansion Opportunities:** Growth in revenue will lead to a larger increase in profits in the future periods due to IDT's operating leverage from its fixed cost base. Additionally, the high levels of repeat customers will also bolster profit margins as this group costs less to service compared with new customers.
- **Favourable Sales Mix:** There is plenty of room for growth, particularly for the Advanced Therapies vertical. IDT has excess capacity to service new contracts, and it has a strong potential sales pipeline with pharmaceutical and biotech groups actively developing the next generation drugs.
- **Financial Flexibility:** IDT has the funds to expand its business and service new and large contracts, particularly after it secured a \$20 million asset-based loan facility last month.

## Paul McDonald, the Chief Executive Officer of IDT Australia, said:

*"The momentum we have built is carrying through into the second half of this*

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*financial year with IDT signing nearly \$20 million in new contracts in H1FY25 alone. These new contracts are for programs at the early stage of the product lifecycle. As these programs progress towards commercialisation, we are in prime position to win follow-on work for larger quantities of the drug, which will generate higher profit margins for our business due to economies of scale and enhanced efficiency.”*

Ends.../

**Authorised by the Board of Directors of IDT Australia Limited.**

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### **Forward-looking statements**

This announcement contains or may contain forward-looking statements that are based on IDT Australia's beliefs, assumptions, and expectations and on information currently available to IDT Australia.

All statements that address operating performance, events, or developments that IDT Australia or its directors expect or anticipate will occur in the future are forward-looking statements, including, without limitation, statements as to the expectations of IDT Australia or the market it operates in.

IDT Australia believes that these forward-looking statements are reasonable as and when made. You should not place undue reliance on forward-looking statements because they speak only as of the date when made. IDT Australia does not assume any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. No assurance or guarantee is, or should be taken to be, given in relation to, and no reliance should be placed on, the future business performance or results of IDT Australia or the likelihood that the current assumptions,

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estimates or outcomes will be achieved. Actual results, developments or events could differ materially from those disclosed in the forward-looking statements.

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