

ASX RELEASE (ASX: MDR)

## MedAdvisor's strong FY23 results pave the way for profitable growth in FY24

Melbourne, Australia, 30 August 2023 - World-class medication management platform, MedAdvisor Limited (**MedAdvisor** or the **Company**) is pleased to release its annual results for the year ended 30 June 2023 (**FY23**).

Year ended 30 June (AUD)	2023	2022	Change
Revenue	\$98.0m	\$67.8m	+44.6%
Gross Profit	\$59.4m	\$35.0m	+69.7%
Gross Margin	60.6%	51.6%	+9.0 ppts
EBITDA	(\$3.0m)	(\$11.3m)	+\$8.3m

### Key highlights:

- Revenue grew to **\$98.0** million, representing a 44.6% increase on the previous corresponding period (PCP), supported by growth in both the United States and Australia & New Zealand.
- Gross profit rose by 69.7% to **\$59.4** million and gross margin improved by 9.0 percentage points (ppts) to 60.6%, driven by a strategic shift in product mix.
- An EBITDA improvement of **\$8.3** million was realised, resulting in a loss reduction to **\$3.0** million, assisted by gross margin improvement, cost savings and scale benefits (see additional details in table below).
- In the United States, digital patient communications now surpasses 90 million. Our sales pipeline in the US is also exceeding the PCP, driven by the strategic shift to digital programs.
- In Australia, the successful integration of GuildLink pharmacy and the implementation of restructuring measures were completed on time and within budget, resulting in expected annualised cost savings of approximately **\$2.0** million.
- Our cash position remains robust, with **\$14.2** million in available funds as of 30 June 2023.
- Our initial 5-year strategic plan, which delineates avenues for growth, has been developed.

## EBITDA bridge FY22 to FY23:

Items highlighted below indicate one-off or non-recurring costs for FY23.

<b>FY22 EBITDA (m)</b>	<b>(\$11.30)</b>	<b>Commentary</b>
Revenue and Margin uplift	\$24.50	Improvement due to shift in product mix to digital medication awareness programs across and significant expansion in digital patient reach.
Performance based remuneration	(\$4.50)	Performance based remuneration (directly attributable to revenue and margin uplift). Combination of cash and non-cash share based payments.
Product innovation	(\$2.00)	Investment in product innovation capability to strengthen MedAdvisor's core products while planning for future growth.
One MedAdvisor	(\$1.50)	One-Company initiative focused on global platform planning and enterprise branding.
US Cloud migration	(\$1.20)	US cloud migration project (resulting in USD \$3m in savings over the next three years).
GuildLink Acquisition & Integration	(\$2.00)	GuildLink acquisition and integration costs.
AU / GuildLink Employee costs	(\$2.00)	Restructure employee costs (20% headcount reduction in FY24).
Business Restructure	(\$1.40)	US and AU redundancy costs.
Other	(\$1.63)	CPI increases and other general expenses.
<b>FY23 EBITDA (m)</b>	<b>(\$3.03)</b>	

Commenting on the results, CEO & Managing Director Rick Ratliff remarked: "FY23 stands as a pivotal period for MedAdvisor. Notably, we have bolstered both the Board and Executive Leadership team, and our efforts also encompassed a comprehensive restructuring of the US operations spanning technology, systems, and talent. In Australia, we acquired and successfully integrated GuildLink, and restructured the Australian operations. Moreover, we completed the development of our initial 5-year strategic plan."

"During the period, we were also proud to have delivered exceptional financial results. Our revenue grew by 44.6%, accompanied by a 69.7% increase in gross profit. Furthermore, our EBITDA loss reduced by \$8.3 million, resulting in a loss of \$3.0 million."

"Operationally, we have combined the best of MedAdvisor, Adheris Health, and GuildLink to create MedAdvisor Solutions – providing a global solution in patient engagement and community pharmacy empowerment. Collectively, we now reach over 37,000 pharmacy locations globally and connect with over 90 million patients through our digital communications channels."

"MedAdvisor has built robust foundations with prospects for significant growth opportunities, enabling us to drive profitable EBITDA growth in FY24 and sustainable growth in the years ahead. I am confident that our strategic initiatives will continue to drive our success as we navigate the path ahead."

## Financial performance – United States

In the US, MedAdvisor Solutions engages patients through THRiV, our omni-channel intelligent patient management platform that enables individualised patient engagement through the community pharmacy. Medication communications programs are designed with pharmaceutical manufacturers to improve patients' understanding of their medication, treatment alternatives, and lower-cost medication options.

Year ended 30 June (AUD)	2023	2022	Change
Revenue	\$78.1m	\$53.6m	+45.5%
Gross Profit	\$42.6m	\$23.2m	+83.6%
Gross Margin	54.6%	43.3%	+11.3 pts

- Revenue increased by 45.5% to \$78.1 million, heavily skewed to the first half of the year due to the seasonal nature of medication awareness and adherence programs. Notably, digital solutions now account for 40% of total revenue.
- Gross profit and margins benefitted strongly from a strategic shift in the product mix towards digital solutions.
- Our pharmacy network expanded by 10,000 locations throughout the year, bringing the total to over 32,000 pharmacy locations. Additionally, our digital reach has crossed the 90 million patients mark.
- We successfully executed extensive large-scale awareness and adherence programs across COVID and shingles vaccines, as well as chronic obstructive pulmonary disease, hyperlipidaemia, Type 1 and Type 2 diabetes, chronic kidney disease, and migraines.
- The current pipeline surpasses the PCP, attributed to growth of the number of vaccine programs and the transition to omni-channel programs leveraging our THRiV platform.

## Financial Performance – Australia & New Zealand

In Australia, MedAdvisor Solutions provides digital solutions that enable community pharmacies to enhance their engagement with their patients. The MedAdvisor mobile app is an extension of the pharmacy, enabling the patient to order repeat prescriptions, schedule vaccinations, and more. Further, the pharmacist can manage patient engagement through the MedAdvisor Plus One clinical workflow solution.

Year ended (AUD)	2023	2022	Change
Revenue	\$19.9m	\$14.0m	+41.9%
Gross Profit	\$16.7m	\$11.7m	+42.7%
Gross Margin	84.5%	83.3%	+1.2 pts

- Both revenue and gross profit increased by 41.9% and 42.7%, respectively, supported by the GuildLink acquisition and early calendar 2023 price increases.
- The acquisition and integration of GuildLink was achieved on schedule and below budget. Presently, nearly 95% of Australian pharmacies are utilising our platform, effectively reaching over 4 million people through our technology solutions.
- The restructuring efforts undertaken in the Australian business during FY23 are anticipated to deliver annualised cost savings of approximately \$2.0 million in FY24.
- Solid progress has been made in our association with Green Cross in New Zealand, with over 215 pharmacies now successfully integrated into the MedAdvisor Solutions platform. Moreover, our mobile app and text/SMS services have garnered an active user base of around 500,000.

## United Kingdom

In early FY23, we set objectives for the UK pharmacy rollout program. Although we have made reasonable progress with over 75 pharmacy locations now operational, this has fallen short of our target. Consequently, we are currently in the process of re-evaluating our strategy for the UK business.

## Development of 5-year strategy

Towards the end of FY23, we successfully completed the development of our initial 5-year strategic plan. This outcome encompasses a series of initiatives poised to substantially expand our total addressable market. These initiatives will be steered by the following key drivers:

- Increasing patient reach and engagement
- Strengthening and expanding core solutions
- Entering new adjacent markets and product white spaces
- Moving towards a unified global platform and modern tech stack
- Building one team with a common high-performance culture

We are now further analysing the identified initiatives to determine opportunities for initial expansion, the level of investment and timelines required for execution of each initiative.

As we enter FY24, our focus is on delivering sustainable Revenue growth, positive EBITDA, and enhanced operating cashflows. We intend to guide our evolution at the forefront of the industry, while continuing our laser-focus on efficiently building out a robust capability to drive profitable growth.

- ENDS -

*This document has been authorised for release by the Board of MedAdvisor Limited.*

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### About MedAdvisor Solutions

*MedAdvisor Solutions is a global leader of pharmacy-driven patient engagement solutions that provide individualized patient experiences to help remove barriers of care. Their solutions are paired with an individualized approach, data-driven insights and innovative, patient-centric digital offerings that simplify the patient medication journey through the pharmacy to empower better health. MedAdvisor Solutions works with over 33,500 pharmacies in the US to deliver programs to help patients take their medication safely and effectively. In Australia, MedAdvisor Solutions has connected over 3.7 million patients through more than 95% of Australian pharmacies. MedAdvisor Solutions is on track to become one of the largest players to aid in the global transformation of the pharmacy of the future through digital patient engagement solutions. In 2018 and 2020, MedAdvisor Solutions was recognized in the AFR Fast 100 and in both 2022 and 2023, received the Retail Excellence Award (REX) for Technology & Automation from Drug Store News. Visit: [medadvisorsolutions.com/investors](https://medadvisorsolutions.com/investors).*