AFT pharmaceuticals

Working to improve your health

AFT Pharmaceuticals Annual Meeting 2026
Milford Cruising Club
Friday, 31 July 2026, 10.30am (NZT).

Chair's Address

Delivering the next phase of growth

It is my pleasure to report a year of record results for AFT Pharmaceuticals — a year of double-digit revenue growth across all of our territories, record earnings, and continued execution of our strategy of building a diversified global pharmaceutical company.

At last year's meeting I spoke about AFT building the foundation for our next phase of growth. This year we have seen the company deliver on that promise. Total revenue rose 22 per cent to $254.7 million, from $208.0 million the year before, with growth across every one of our territories.

Operating profit rose 39 per cent to a record $24.4 million — ahead of our guidance — even as we continued to invest heavily in our international business hubs and our research and development programme. Net profit after tax rose to $14.1 million, from $11.4 million.

Our products are now sold in 87 countries, up from 80 a year ago.

Standing comparison with the majors

I want to take a moment to place this performance in a wider context, because I think our achievements are often not appreciated.

By the standards of the global pharmaceutical industry, AFT is a small company. As of today, we employ about 125 people worldwide. Yet, in the year just ended, each of those employees generated more revenue than employees at global peers, including major pharmaceutical companies such as Merck, Pfizer and our peers across the Tasman.

That efficiency is matched by growth. In a year in which most of the global majors grew revenue in the low single digits — and some saw revenue decline — AFT grew revenue by 22 per cent. This extends a multi-year record of growth that, over the last two decades, stands at a compound annual growth rate of 17 per cent a year.

Few companies in any industry, of any size, can point to a comparable record of enduring and uninterrupted growth.

We have demonstrated an ability to carve out a position with a strategy that is focused tightly on what we are good at — identifying unmet clinical needs, achieved through in-licensing or developing the right medicines, and distributing them efficiently through our markets and partners.

An active research and development portfolio is at the heart of these efforts. Earlier this week we provided investors with detail on the strength of the portfolio and the significant potential if offers. We are excited about these opportunities and will continue to work hard to bring each of them to fruition.

Hartley is going to discuss this in more detail. However, it now stands at 8 patented products spanning a range of applications which combined offer long-term potential much greater than our current total revenues. We also have a number of new products moving to commercialisation that will support our near-term growth as well.

We have balanced this sustained investment in growth with careful management of our financial position. AFT stands apart from many in the industry, especially smaller companies that repeatedly call on shareholders for more capital. We have funded most of our growth from earnings.

Net debt at year end was $38.6 million, up from $14.5 million a year earlier, but well within our target range.

The increase largely reflects a decision to hold higher levels of inventory, to ensure continuity of supply for our customers amid current geopolitical tensions, together with inventory that came with our new South African product licences. To support this, we secured a new and increased banking facility with BNZ of $50 million in December last year.

The company remains well funded.

Reflecting the strength of the result and your Board's confidence in the outlook, Directors declared a dividend of 2.5 cents per share, up from 1.8 cents per share the previous year.

Just to reiterate, 22% revenue growth, an increased dividend, and with a further increase in our R&D expenditure in FY27 – for which we make no apology. Your board is confident that AFT is in a strong position as we continue to pursue growth locally and globally.

Governance and sustainability

AFT remains committed to best-practice governance standards and to operating sustainably. Our sustainability framework is built around six priorities aligned with the United Nations Sustainable Development Goals.

We have detailed our performance against these standards in our Annual Report, but broadly we delivered on all the material environmental, social and governance targets that we set for the year.

Highlights include an expanded product reach, an engaged and committed work force and market leading waste minimisation efforts.

Shareholders should note one change to our reporting this year. Following the New Zealand Government's decision to raise the market-capitalisation threshold for climate reporting, AFT will no longer be classified as a Climate Reporting Entity and will not publish a standalone Climate-related Disclosure. We have however reported on our Climate Resilience in some detail – in Appendix 1 of our Annual Report.

I want to assure shareholders that this does not change our commitment to building a resilient business in a changing climate, or to managing emissions across our value chain. It is a practical choice to focus on the matters material to our business.

Board and people

Turning to Board matters, this year Marree Atkinson in accordance with NZX rules retires by rotation today and offers herself for re-election. As co-founder and Chief of Staff, Marree has been integral to AFT since its establishment in 1997 and remains invaluable to the Board. Her fellow directors support her re-election.

I also want to acknowledge our Chief Financial Officer, Malcolm Tubby, who retired in June. Malcolm has been with AFT since its earliest days and has been a key architect of the company's financial foundations as it has grown from a small New Zealand operation into a business selling into 87 countries, dual-listed on the NZX and ASX, and tracking towards $300 million in annual revenue.

On behalf of the Board, and I am sure all shareholders, I thank Malcolm for his professionalism, his integrity, and his contribution, and wish him a happy retirement.

We are meanwhile delighted to welcome Stuart Houliston as our new Chief Financial Officer. Stuart joins the company from Sanford, New Zealand's largest integrated fishing and aquaculture company. He brings financial expertise from both public markets and a career in professional services, which will strongly support the future strategy and growth of the business.

I should also note that the Company this morning announced to the market that I will retire as chair of AFT during the next 12 months. I will have served 12 years as your chair prior to the next Annual Shareholders Meeting, and I will not make myself available for re-election at that meeting.

I commenced as chair ahead of the Company's IPO and listing on the New Zealand and Australian stock exchanges at the end of 2015. And it has been an incredible journey. From revenue of $56m in FY15 to revenue of $254.7m in FY26 and forecasting $300m+ for FY27, with significant growth likely to continue in the years ahead.

I will remain as chair until a new chair has been appointed and have said that I will be available to assist with the transition.

I would like to thank Hartley and Marree for the opportunity to chair this unique organisation and I will remain very interested in the Company's ongoing progress.

Outlook

Looking ahead, we expect to extend our growth record in the current financial year, despite the uncertainties in the global trading environment. We remain confident of reaching the revenue target we set in 2024 of at least $300 million this financial year, and we expect operating profit of between $28 million and $32 million.

In closing, I wish to extend my thanks to my fellow Board members for their support and guidance. I would also like to thank our executive team, and the broader AFT team, whose efforts have made this record year possible — and as I have noted — stand among the very best in our industry.

Lastly, many thanks to you, our shareholders, for your continued confidence and support.

I will now invite Hartley to discuss our performance and prospects in greater detail.

Thank you.