



DXB | US Pharmaceutical Tariffs: No Impact

DXB.ASX | DIMERIX LIMITED | HEALTHCARE | BIOTECHNOLOGY

PRICE	TARGET PRICE	RECOMMENDATION
A\$0.32/sh	A\$1.65/sh	SPECULATIVE BUY
	(UNCHANGED)	(UNCHANGED)

Event

Last week, the Trump administration announced it would implement a 100% tariff on imported patented pharmaceutical products and ingredients (link [here](#) and [here](#)).

The tariffs are being implemented under Section 232 of the Trade Expansion Act of 1962, with the administration basing its case on the outcome of a national security investigation into the pharmaceutical supply chain launched more than a year ago.

Preferential tariff rates will apply to countries that have existing trade agreements with the US. Accordingly, pharmaceutical imports from the European Union, Japan, South Korea, Switzerland, and Liechtenstein will be subject to a 15% tariff, and imports from the United Kingdom will be subject to a 10% tariff.

The announcement includes several additional carve-outs. Companies that have entered into both onshoring agreements with the Department of Commerce and Most Favoured Nation (MFN) pricing agreements with the Department of Health and Human Services are exempt from tariffs until January 2029, after which they will face the full tariff. Additionally, companies with approved plans to onshore manufacturing (as determined by the Secretary of Commerce) will benefit from a reduced tariff rate of 20% for four years from the date of the order.

The administration is providing a transition period of 120 days for large companies and 180 days for small companies before tariffs take effect.

Impact

These new tariffs will have no impact on DXB. The company's lead asset, DMX-200, is currently manufactured in the United States and is therefore not subject to tariffs.

In any case, DXB's out-licensing model insulates it from changes in manufacturing costs. DXB earns royalties based on net sales of DMX-200; as a reminder, manufacturing costs are not deducted from net sales. Sales milestone payments are similarly tied to revenue thresholds rather than costs and are therefore also unaffected by changes in manufacturing costs.

As such, we have made no changes to our forecasts.

Action

We maintain our Speculative Buy Recommendation and \$1.65 Price Target. Our fully unrisks valuation is \$2.70.

Catalysts

Blinded Assessment (April) | FDA Feedback (2QCY26) | Interim Results (2QCY26)

Analyst

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Share Price	0.32	A\$/sh	
Price Target	1.65	A\$/sh	
Risked Valuation	1.65	A\$/sh	
Unrisks Valuation	2.70	A\$/sh	
Discount Rate	12.0%	%	
Shares on issue	612.8	m,dil	
Market Cap	196.1	A\$m	
Enterprise Value	157.7	A\$m	
Debt (inc. leases)	0.1	A\$m	
Cash (Dec'Q)	38.5	A\$m	
Unpaid capital	0.0	A\$m	
Key Metrics	25A	26F	27F
Revenue (A\$m)	5.9	18.3	68.7
EBITDA (A\$m)	-31.4	-9.7	57.2
EBIT (A\$m)	-31.7	-10.0	56.9
NPAT (A\$m)	-13.3	-10.0	56.9
Gross CF (A\$m)	37.3	50.9	182.1
Capex (A\$m)	0.0	0.0	0.0
Op. FCF (A\$m)	39.0	34.3	184.4
EPS (Ac)	-2.2	-1.7	9.5
Revenue Growth	-31%	209%	276%
PER (x)	na	na	3.4
EV/EBITDA (x)	na	na	2.8
EV/Revenue (x)	26.7	8.6	2.3
Net Cash*	68.2	102.5	286.7

Performance



Source: IRESS

Income Statement	25A	26F	27F	28F	Performance Ratios	25A	26F	27F	28F
Royalty Income	0.0	0.0	29.4	96.5	Growth				
Milestone Payments*	5.6	16.8	37.7	44.4	Revenue Growth (%)	-31%	209%	276%	105%
Other (inc. R&D)	0.3	1.5	1.5	0.0	EBITDA Growth (%)	85%	-69%	-688%	129%
Total Revenue	5.9	18.3	68.7	141.0	EBIT Growth (%)	86%	-69%	-671%	130%
(-) COGS	0.0	0.0	0.0	0.0	NPAT Growth (%)	-22%	-25%	-671%	89%
Gross Profit	5.9	18.3	68.7	141.0	Margin				
(-) R&D	-27.3	-22.5	-4.0	0.0	EBITDA Margin (%)	-532%	-53%	83%	93%
(-) SG&A	-5.0	-5.5	-7.5	-10.0	EBIT Margin (%)	-537%	-55%	83%	93%
(-) Other	-5.0	0.0	0.0	0.0	PBT Margin (%)	-537%	-55%	83%	93%
EBITDA	-31.4	-9.7	57.2	131.0	NPAT Margin (%)	-225%	-55%	83%	76%
(-) D&A	-0.2	-0.2	-0.2	-0.2	Effective Tax Rate (%)	58%	0%	0%	18%
EBIT	-31.7	-10.0	56.9	130.7	Liquidity				
(-) Net finance	0.0	0.0	0.0	0.0	Capex/depreciation (x)	0.1	0.1	0.1	0.1
(+/-) Other	0.0	0.0	0.0	0.0	Current ratio (x)	3.3	5.6	7.2	8.7
PBT	-31.7	-10.0	56.9	130.7	Quick ratio (x)	4.1	53.7	153.0	244.7
(-) Tax	18.4	0.0	0.0	-23.0	Receivable days	241	100	14	21
NPAT	-13.3	-10.0	56.9	107.7	Payable days	198	26	60	60
Cash Flow Statement	25A	26F	27F	28F	Risk Measures				
NPAT	-13.3	-10.0	56.9	107.7	Dividend Cover (x)	na	na	na	na
(+) D&A	0.2	0.2	0.2	0.2	Payout ratio (%)	na	na	na	na
(+) Upfront/Milestones	54.4	77.5	162.7	50.0	Net interest cover (x)	na	na	na	na
(-) leases	-0.1	-0.1	-0.1	-0.1	Net debt/equity (%)	Cash	Cash	Cash	Cash
(+/-) Non-cash Rev/Exp	-5.6	-16.8	-37.7	-44.4	Returns				
(+/-) Other	1.6	0.0	0.0	0.0	ROIC (%)	na	na	66%	54%
Gross Cash Flow	37.3	50.9	182.1	113.4	ROA (%)	na	na	18%	26%
(-) Capital expenditure	0.0	0.0	0.0	0.0	ROE (%)	na	na	94%	64%
(+/-) Working Capital	1.8	-16.6	2.3	-5.6	Share Data/Valuation	25A	26F	27F	28F
Operating Free Cash Flow	39.0	34.3	184.4	107.8	Share Data				
(-/+) Acquisition/Disp	0.0	0.0	0.0	0.0	Issued shares (m)	598.5	600.2	600.2	600.2
(+) Placement/Equity	7.5	0.0	0.0	0.0	Weighted ave shares (m)	574.4	599.3	600.2	600.2
(+/-) Other	-0.4	0.1	0.0	0.0	Fully diluted shares (m)	598.5	612.8	612.8	612.8
Net Cash Flow	46.1	34.4	184.4	107.8	Basic EPS (c)	-2.2	-1.7	9.5	17.9
BoP Net Cash / (Debt)	22.0	68.2	102.5	286.7	YoY change (%)	-29%	-25%	-671%	89%
(+/-) Net Cash Flow	46.1	34.4	184.4	107.8	Fully diluted EPS (c)	-2.2	-1.6	9.3	17.6
(+/-) Other	0.1	-0.1	-0.1	-0.1	YoY change (%)	-29%	-27%	-671%	89%
EOp Net Cash / (Debt)	68.2	102.5	286.7	394.4	Fully dil norm EPS (c)	-2.2	-1.7	9.5	17.9
Balance Sheet	25A	26F	27F	28F	YoY change (%)	-29%	-25%	-671%	89%
Cash	68.3	102.5	286.7	394.4	Dividend/share (c)	0.0	0.0	0.0	0.0
Receivables	3.9	5.0	2.5	7.9	Franking (%)	na	na	na	na
Total Current Assets	72.2	107.5	289.3	402.3	Gross cash flow/share (c)	6.2	8.5	30.3	18.9
ROUA	0.1	0.1	0.1	0.1	NBV/share (c)	2.2	0.6	10.1	28.0
Deferred tax asset	18.9	18.9	18.9	18.9	NTA/Share (c)	2.2	0.6	10.1	28.0
PP&E	0.0	0.0	0.0	0.1	Share Data				
Total Non Current Assets	19.0	19.0	19.0	19.0	PER (Basic) (x)	na	na	3.4	1.8
Total Assets	91.2	126.5	308.3	421.3	PER (Fully diluted) (x)	na	na	3.4	1.8
Payables	17.5	2.0	1.9	1.6	PER (Fully dil, norm) (x)	na	na	3.4	1.8
Borrowing	0.0	0.0	0.0	0.0	P/CFPS (x)	5.1	3.8	1.1	1.7
Leases	0.1	0.1	0.1	0.1	Price/NBV (x)	14.3	56.6	3.2	1.1
Contract Liability	4.2	16.8	37.7	44.4	Price/NTA (x)	14.3	56.6	3.2	1.1
Other	0.3	0.3	0.3	0.3	Dividend Yield (%)	0.0	0.0	0.0	0.0
Total Current Liabilities	22.2	19.2	40.0	46.5	EV/EBITDA (x)	na	na	2.8	1.2
Leases	0.0	0.0	0.0	0.0	EV/EBIT (x)	na	na	2.8	1.2
Contract Liability	55.6	103.8	207.9	206.8	EV/Revenue (x)	26.7	8.6	2.3	1.1
Other	0.1	0.1	0.1	0.1					
Total Non-current Liab.	55.6	103.9	207.9	206.8					
Total Liabilities	77.8	123.1	248.0	253.3					
Net Assets	13.4	3.4	60.3	168.0					
Issued Capital	90.9	90.9	90.9	90.9					
Reserves	4.9	4.9	4.9	4.9					
Retained Earnings	-82.4	-92.4	-35.5	72.2					
Total Equity	13.4	3.4	60.3	168.0					

*recognised over contract term

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Dimerix Limited (DXB.ASX) | Price A\$0.32 | Target price A\$1.65 | Recommendation Speculative Buy;

Price, target price and rating as at 07 April 2026 (not covered)*

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