

SIGA Technologies

TPOXX update

International expansion for oral TPOXX

SIGA Technologies announced that it has secured procurement orders for its oral treatment, TPOXX (tecovirimat), totaling c \$13m. The figure includes \$11m for initial procurement from two new international jurisdictions, one in Europe and one in Asia Pacific (APAC), and \$2m from an existing customer in the APAC region. The orders are significant as they diversify SIGA's revenues and represent the first response from the international community to stockpile oral TPOXX as a result of the ongoing global monkeypox outbreak. While it is unclear how the outbreak will progress, there is clear potential for it to serve as a catalyst for SIGA's business and provide further commercial opportunities. We will revisit our estimates following this recent news.

Year end	Revenue (\$m)	EBITDA* (\$m)	PBT* (\$m)	EPS* (\$)	P/E (x)	Net cash** (\$m)
12/20	125.0	88.6	81.5	0.81	16.2	117.9
12/21	133.7	89.7	89.1	0.91	14.4	103.1
12/22e	125.0	63.5	63.0	0.66	19.8	71.9
12/23e	121.3	60.5	60.0	0.66	19.8	94.9

Note: *EBITDA, PBT and EPS (diluted) are normalized, excluding exceptional items and other revenue and expenses. **Adjusted for special dividend in Q222e.

Lessons from the COVID-19 pandemic have heightened global levels of awareness and preparedness in the face of future outbreaks. These new attitudes to infectious diseases create opportunities in the market, as demonstrated by the latest \$13m order placed for SIGA's oral TPOXX in response to the monkeypox outbreak. With its new international clients, SIGA expects to recognise \$4m in revenue by the end of calendar H122 and the remaining \$7m in 2023. The \$2m order was recently fulfilled for its existing APAC customer. One of SIGA's new customers is of particular note as it is in the first EU country to place an order following the European Medicines Agency's [approval](#) of oral TPOXX in January 2022 in a broader indication of orthopoxvirus including smallpox, monkeypox and cowpox. It is SIGA's first entry into the European market and, with TPOXX priced at a premium for sale internationally, could provide a key opportunity for growth. The announcement is also significant as it provides SIGA with customer and regional diversification.

SIGA has had a recent run of inflections, having received [FDA approval](#) for its intravenous (IV) formulation of TPOXX, [approval](#) by Health Canada for oral TPOXX followed by a recent procurement contract awarded by the US Department of Defense worth c [\\$7.5m](#) (May 2022). Combined with oral TPOXX's better efficacy and safety profile versus its competition, these approvals position SIGA strongly in the current market.

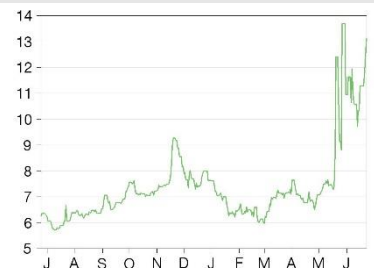
Pharma and biotech

24 June 2022

Price **\$13.1**
Market cap **\$951m**

Net cash (\$m) at 31 March 2022	153.3
Shares in issue (diluted)	72.6m
Free float	56%
Code	SIGA
Primary exchange	Nasdaq
Secondary exchange	N/A

Share price performance



Business description

SIGA Technologies is a commercial-stage health security company focused on the treatment of smallpox and other orthopoxviruses. It has contracts with both the US and Canadian governments for TPOXX, its treatment for smallpox, and is looking to expand internationally.

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