

SIGA Technologies

Commercial update

TPOXX chalks up another DoD contract win

Pharma and biotech

SIGA Technologies announced another contract win with the US Department of Defense (DoD), which is for the procurement of c \$9m in TPOXX. This is the third DoD contract win in roughly three years for a total of approximately \$28m and adds to the already robust H224 orderbook of c \$154m of outstanding TPOXX orders, following the July 2024 \$112.5m option exercise from the Biomedical Advanced Research and Development Authority (BARDA) for oral TPOXX. While delivery timeline details are yet to be disclosed, we expect this new DoD order to at least start being partially serviced in FY25. The DoD has also provided \$27m in R&D support to the post-exposure prophylaxis (PEP) development effort, for which the regulatory filing is planned within the next 12 months.

23 August 2024

Price **US\$9.34**

Market cap **US\$701m**

Net cash (US\$m) at 30 June 2024 106.9

Shares in issue 71.4m

Free float 56%

Code SIGA

Primary exchange Nasdaq

Secondary exchange N/A

Share price performance



Year end	Revenue (US\$m)	EBITDA* (US\$m)	PBT* (US\$m)	EPS* (US\$)	P/E (x)	Yield (%)
12/22	110.8	43.2	43.7	0.46	20.3	4.8
12/23	139.9	84.2	87.8	0.95	9.8	6.4
12/24e	160.5	86.2	92.5	1.01	9.3	7.5
12/25e	186.9	109.8	115.4	1.25	7.4	8.0

Note: *EBITDA, PBT and EPS (basic) are normalized, excluding amortization of acquired intangibles, exceptional items and share-based payments.

SIGA continues to execute on its growth plans, and the recent [BARDA](#) and [DoD contract](#) wins materially increase the company's orderbook. The company already has pending deliveries of IV TPOXX under the July 2023 (\$25m) and August 2022 (\$8.4m; noting that \$17.8m of the \$26m order was delivered in H124) orders, which comprise part of the c \$155m of outstanding TPOXX (oral and IV) orders to date. We expect the remaining August 2022 IV TPOXX order, as well as 80% of the BARDA (oral TPOXX) order, will be delivered in H224. Given the backlog, we expect delivery delays for this newly announced DoD order but estimate partial deliveries in FY25. This DoD order may represent potential upside to our current estimates although we await more clarity on the anticipated delivery timelines.

Looking ahead, we expect SIGA to continue to focus on securing a longer-term recurring contract with the US government, and await SIGA's response to an expected upcoming government request for proposal (refer to our prior update [note](#) for more details). We view the potential PEP label expansion as another growth lever, given its longer duration of treatment (28 days vs 14 days for TPOXX currently) and commensurate market opportunity. Management expects to file a supplementary new drug application (sNDA) within the next 12 months, which we view as a key upcoming catalyst. Note that the R&D efforts for the PEP label expansion have been backed substantially by the DoD (\$27m) and in our view a positive regulatory decision would translate to a potentially sizeable order.

The recent data from [PALM 007](#) (studying SIGA's tecovirimat in mpox) has weighed on the share price, but we expect an improvement in investor sentiment with the recent DoD contract win. We maintain that mpox continues to be an opportunity for SIGA on the heels of the WHO [declaration](#) of a global health emergency and highlight the meaningful benefit for patients treated early and those with severe disease in the PALM 007 study. We expect takeaways from PALM 007 to support design improvements in the remaining studies, including the registrational STOMP trial in the US, for which an sNDA may be filed in 2025, if the data are supportive.

Business description

SIGA Technologies is a commercial-stage pharmaceutical company focused on the treatment of smallpox and other infectious diseases. It has partnerships with governments and public health agencies in the US, Canada and Europe for TPOXX, its treatment for smallpox, and is expanding internationally.

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