

# SIGA Technologies

## WHO declares monkeypox a global emergency

Regulatory update

Pharma and biotech

On 23 July the World Health Organization (WHO) declared monkeypox a global health emergency (only the seventh since 2009). With the anticipated worldwide mobilization and stockpiling of therapeutics worldwide, we believe SIGA is well positioned to leverage this opportunity following recent broad-label approvals for oral TPOXX (tecovirimat) in the EU and UK. While the US government has been hesitant to declare the monkeypox outbreak a public health emergency (there are currently around 2,800 cases in the US), we see an opportunity for TPOXX to expand its label in North America (approved for smallpox), which, if successful, should provide upside to the company's commercial prospects. We maintain our estimates.

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	19.4	117.9
12/21	133.7	89.7	89.1	0.91	17.2	103.1
12/22e	125.0	63.5	63.0	0.66	23.8	71.9**
12/23e	121.3	60.5	60.0	0.66	23.8	94.9

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

With c 16,800 confirmed cases of monkeypox globally, the [WHO has declared monkeypox](#) a 'public health emergency of international concern (PHEIC)'. PHEIC is the organization's highest threat alarm for governments to mobilize resources and create awareness about the disease's transmission and effective vaccines/treatment. Monkeypox is the seventh disease to which the WHO has accorded this designation since 2009 (others include H1N1 swine flu, polio, Ebola (twice), Zika and COVID-19). Currently, two vaccines are approved for monkeypox in the US: Jynneos (Imvamune/Imvanex) and ACAM2000. The European Medicine Agency recently recommended the approval of Imvanex for monkeypox in the EU (approved for smallpox).

As a reminder, monkeypox is a viral disease spread by direct contact in a specific population ('mainly but not exclusively amongst men who have sex with men' according to the WHO). Historically restricted to West and Central Africa, the current outbreak has seen the highest cases in Europe, the US and Canada. According to the WHO, the disease can present with rash, fever and swollen lymph nodes and unfortunately, typically up to 6% of those ill with monkeypox may die, especially those in younger age groups.

SIGA's oral TPOXX is the only treatment approved for all orthopoxvirus pathogens, including monkeypox in both the UK ([July 2022](#)) and the EU ([January 2022](#)) and the recent WHO declaration may possibly lead to approval in the key US market. We expect demand for TPOXX to increase as countries stockpile the treatment. In recent months, a number of European countries, the US and Canada have announced plans to procure medicines (vaccines and treatments) to control monkeypox. We believe these moves fuelled the recent procurement orders for TPOXX from Canada, Europe and Asia Pacific ([see our previous report for more details](#)). While current numbers are concentrated geographically, there is potential for the WHO declaration to serve as a catalyst for SIGA's business and provide further commercial opportunities. We await further development before updating our estimates and valuation for the company.

26 July 2022

**Price** **\$15.7**  
**Market cap** **\$1.3bn**

Net cash (\$m) at 31 March 2022	153.3
Shares in issue (basic)	72.4m
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.

### Analysts

Soo Romanoff	+44 (0)20 3077 5700
Jyoti Prakash, CFA	+44 (0)20 3077 5700

[healthcare@edisongroup.com](mailto:healthcare@edisongroup.com)

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Frankfurt +49 (0)69 78 8076 960  
Schumannstrasse 34b  
60325 Frankfurt  
Germany

London +44 (0)20 3077 5700  
280 High Holborn  
London, WC1V 7EE  
United Kingdom

New York +1 646 653 7026  
1185 Avenue of the Americas  
3rd Floor, New York, NY 10036  
United States of America

Sydney +61 (0)2 8249 8342  
Level 4, Office 1205  
95 Pitt Street, Sydney  
NSW 2000, Australia