SIGA Technologies

A solid quarter for topline growth

Q225 results

Healthcare

12 August 2025

Q225 was a strong quarter for SIGA, supported by material topline traction, with deliveries of $79m of oral and IV TPOXX to the US strategic national stockpile (SNS), fully servicing the order book at the end of FY24. The company confirmed that $26m in exercised IV TPOXX options will be delivered in 2026, in line with our estimates. A key highlight for the period was the additional $27m of BARDA funding announced under the 19C contract (related to manufacturing and pediatric development), which we believe is further evidence of a sustained US government focus on bioterrorism preparedness and supports upcoming RFP discussions on TPOXX stockpiling (we model a new contract, effective FY26). We update our estimates to reflect the improved net cash position ($182.5m) offset by a more cautious stance on near-term sales in Europe, given the CHMP queries on mpox trial data. Our valuation is unchanged at $14.78/share.

Year end	Revenue ($m)	EBITDA ($m)	PBT ($m)	EPS ($)	DPS ($)	P/E (x)	Yield (%)
12/23	139.9	84.2	87.8	0.95	0.45	9.9	4.7
12/24	138.7	70.5	76.1	0.83	0.60	11.4	6.3
12/25e	105.3	43.1	48.7	0.52	0.60	18.3	6.3
12/26e	226.5	143.4	150.5	1.60	0.60	5.9	6.3

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

Deliveries to the US SNS drive Q2 performance

The Q2 product revenues of $79m included $53m of oral TPOXX and $26m of IV TPOXX deliveries to the SNS, substantially completing all orders under the 2018 19C contract. The only pending IV TPOXX order of $26m (option exercised in March 2025) will be delivered in FY26, in line with our estimates. Strong operating profitability ($45.7m) translated to an improvement in net cash to $182.5m, from $162.3m at end-Q125 (no debt). We are encouraged by the additional R&D funding from BARDA ($14m to support manufacturing activities and another $13m for the TPOXX pediatric program) and believe this strengthens SIGA's case with respect to the expected US government RFP. Accounting for an estimated six-month negotiation period following the RFP, we expect deliveries to commence from FY26.

Slight uncertainty in Europe following CHMP queries

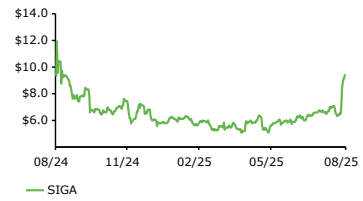
In late July, the European Committee for Medicinal Products for Human Use (CHMP) requested additional information on the mpox trial data, to reassess TPOXX's benefit-risk profile across all approved indications. While we do not expect this to affect the drug's long-term commercial opportunity in smallpox (given the extensive preclinical and clinical evidence base), we adopt a more conservative near-term stance on our previously estimated European orders in FY25 and FY26. Management reiterated that international orders remain inherently lumpy, although long-term potential remains.

Valuation: Unchanged at $14.78 per share

We adjust our estimates to reflect the Q225 performance, recent developments and the latest net cash position. Our valuation is unchanged at $1.06bn or $14.78/share.

Price	**$9.48**
Market cap	**$679m**
Net cash as of 30 June 2025	$182.5m
Shares in issue	71.6m
Code	SIGA
Primary exchange	NASDAQ
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	32.3	64.7	7.8
52-week high/low		$11.6	$4.5

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 expanding internationally.

Next events

Q325 results	November 2025
US government RFP discussions	H225 (expected)

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Review of Q225 results

Robust Q2 revenues driven by US SNS deliveries…

SIGA reported a strong Q225 topline, with total revenues of $81.1m, including $79.1m in product sales and $2.0m in R&D-related revenue. Product sales comprised $53.3m of oral TPOXX deliveries and $25.8m of IV TPOXX deliveries to the SNS. No international sales were booked in the quarter ($5.8m in Q125). The oral TPOXX revenues reflect completion of the remaining deliveries under the $112.5m BARDA option exercised in July 2024, while IV TPOXX revenue is likely linked to the fulfilment of the July 2023 order. Overall, the Q225 product revenues were nearly four times the Q224 figure of $20.7m (which included $17.6m of IV TPOXX deliveries to the SNS and another $3.1m of oral TPOXX international sales). We note, however, that period-on-period comparisons are not always meaningful for SIGA given the inherently lumpy nature of government procurement-driven sales.

R&D-related revenues grew by 76% y-o-y to $2.01m in Q225 (Q224: $1.1m) attributable to activities under the 19C BARDA contract. We believe the year-on-year growth was driven by increased R&D activities following the additional $27m in BARDA funding announced in Q225. Of this, $14m is earmarked for manufacturing activities over the next two to three years, while the other $13m is dedicated to the development of TPOXX for pediatric patients (weighing <13kg).

… driving healthy operating profitability

SIGA delivered a robust Q225 operating profit of $45.7m, representing a 57.7% operating margin on product sales, a sharp improvement from $1.1m in Q224 and a $2.3m loss in Q125. Cost of sales rose to $25.6m (vs $12.3m in Q224), including a $0.9m inventory write-off. Note that while oral TPOXX maintains a typical gross margin of 85%, the more complex manufacturing of IV TPOXX yields significantly lower margins (<40%). With IV TPOXX representing 32.6% of the Q225 product sales, the blended gross margin for the period stood at 67.7%, which in our view is still strong.

R&D expenses increased to $4.4m, higher than the run-rate in the past few quarters, which has averaged c $3m ($2.9m in Q224 and $3.5m in Q125). The company attributes this to higher vendor-related research and development, IT upgrades, employee compensation and regulatory consulting costs. With the pediatric study set to begin in the coming months, we expect the R&D spend to trend higher. SG&A expenses, on the other hand, stayed broadly flat on both a year-on-year basis and a quarter-on-quarter basis ($5.5m vs $5.5m in Q224 and $5.7m in Q125). Management notes that while expenses associated with international sales and marketing activity came down year-on-year (following the revision of the international distribution agreement with Meridian in March 2024), they were offset by higher compensation expenses.

Cash generation strengthens the balance sheet

Operating cash flow surged to $63.1m in Q2 (vs $6.0m in Q224), supported by strong profitability and working capital management. Period-end net cash stood at $182.5m, up from $162.3m in Q1, despite a $42.9m dividend payout during the quarter. We view SIGA as well-capitalized to support operations ahead of the anticipated RFP process, contract negotiations, and subsequent deliveries.

Estimate revisions reflect European sales caution

Based on the Q225 results and subsequent developments, we make certain changes to our FY25 and FY26 estimates. Following the $27m new R&D funding from BARDA, we raise our R&D-related revenue forecasts to $10.8m and $11.9m in FY25 and FY25, respectively, from $5.6m and $6.1m previously. Conversely, we trim our product sales estimates to $94.6m and $214.7m in FY25 and FY26 ($116.0m and $231.3m previously), incorporating greater near-term conservatism for European TPOXX sales given the ongoing CHMP referral process (discussed in more detail later). While we had previously estimated $25m and $28m in product sales in FY25 and FY26 from international markets (ex-Canada), we revise these figures down to $2.8m and $11.2m, respectively. However, our long-term outlook remains unchanged given TPOXX's extensive clinical dataset and BARDA's continued support (as a reminder, BARDA funded the initial R&D development for TPOXX prior to approval and also supported the PEP label expansion studies prior to the recent pediatric development contribution). We do not view the CHMP's action as a structural threat to longer-term demand but acknowledge potential near-term disruptions. We will continue to monitor the situation as it develops and will revisit our assumptions accordingly.

We also make minor modifications to our COGS and opex estimates, with the biggest change coming from SG&A expenses, which we revise downwards, in line with the H125 trend ($23.5m in FY25 vs $28.3m previously; $26.6m in FY26 vs $29.6m previously). Overall, we now estimate operating profit of $42.5m in FY25 ($54.8m previously) and $142.9m in FY26 (from $149.8m).

Upcoming catalysts and growth drivers

US RFP a significant near-term inflection point

We view the upcoming US request for proposal (RFP) for the next long-term supply contract to the SNS as the single most material near-term catalyst for SIGA. As noted previously, while recent policy uncertainties under the Trump administration (including NIH funding cuts) have created some investor apprehension, we believe that TPOXX stockpiling remains a non-discretionary element of US biothreat preparedness and is unlikely to be materially affected by fiscal austerity measures. The recent March 2025 exercise of the remaining IV TPOXX option as well as the additional $27m R&D award by BARDA in Q225 further underscore the US government's ongoing commitment towards national security and strengthen the case for a renewed, potentially longer-duration and recurring procurement agreement for TPOXX.

While the precise timing of the RFP remains undefined, SIGA has communicated that it is well positioned to engage with the US authorities once the process is initiated. As a frame of reference, management has highlighted that the negotiation process for the current 19C contract took about six months to complete. We maintain our assumption of deliveries under the new contract commencing in 2026.

BARDA funding derisks pediatric program

A key development during Q225 was the announcement of $13m of funding from BARDA to support clinical activity and the utility of TPOXX in pediatric patients weighing less than 13kg (c 4% of the US population). The program targets a liquid suspension formulation specifically designed for this weight group, with clinical trial material already manufactured. SIGA already conducted a Phase I clinical trial in 2023, which, due to the vulnerability of pediatric patients, was conducted in healthy adults (between 18 and 50 years of age), comparing two different liquid-dose formulations and the capsule formulation, with a seven-day washout period in between. The key objective of the study was to evaluate the pharmacokinetics of the formulation after a single dose compared to the approved capsule version.

For the upcoming clinical study, the design has been modified and will include a single-dose cross-over study evaluating a refined pediatric optimized formulation of TPOXX. The study will also assess the impact of meal types on drug absorption.

The investigational new drug application submission is targeted for H225 and management indicated that the BARDA funding should be sufficient to progress the program through regulatory filing.

In addition to the pediatric formulation, TPOXX's potential expansion into the post-exposure prophylaxis (PEP) setting remains a key future value driver for the company. As part of the Q225 earnings conference call, management reconfirmed that the Centers for Disease Control in on track to complete sample reanalysis in Q425, which would be followed by a regulatory filing by SIGA in 2026.

CHMP's referral procedure: A temporary headwind

On the Q225 conference call management disclosed that the CHMP commenced an Article 20 `referral` procedure in late July to reassess the benefit-risk ratio of TPOXX (tecovirimat) across all approved indications in the EU (including smallpox, mpox and other orthopox viruses). The review was triggered by interim data from three pivotal-stage trials (PALM007, STOMP and UNITY) assessing TPOXX as a treatment for mpox. The trials failed to meet the primary endpoint (time to complete lesion resolution), although certain subgroups in the PALM007 trial (patients diagnosed early and/or with serious disease) derived a measurable clinical benefit. As part of the referral procedure, the CHMP has issued a detailed list of questions, covering the mpox trial methodology, clinical relevance and translational value from non-clinical data. A full reassessment of non-clinical and clinical evidence will determine the benefit-risk profile for all authorized indications. SIGA is preparing responses supported by scientific data underpinning the original approval. Note that TPOXX was first approved in the US in 2018 as a treatment for smallpox and under a broader label (smallpox,

mpox, cowpox and vaccinnia complications) in the EU in 2022.

While short-term international sales disruptions (notably in Europe) are possible pending the CHMP's decision (expected by 31 May 2026), given the extensive preclinical and clinical data backing TPOXX's approval in smallpox, in our view the medium- to long-term prospects are intact and we remain optimistic on the situation returning to normal in the coming periods. Since smallpox was declared eradicated in 1980, TPOXX's approval for the indication is based on the Animal Rule, which allows the FDA to approve drugs when human efficacy trials are either unfeasible or unethical. The approval dossier comprised six separate animal efficacy studies (four in non-human primates and two in rabbits, designed to replicate smallpox in humans) as well as a human safety and pharmacokinetics study in healthy volunteers (n=360). The trial data demonstrated a robust safety profile in humans and significantly improved survival rates in animal models. Notably the FDA has clarified that the mpox trial outcomes do not invalidate expected efficacy in smallpox, given the difference in disease characteristics and treatment course. We also believe that ongoing development support from BARDA provides additional validation of the program in smallpox.

Despite the potential short-term headwinds, we maintain our optimistic medium-term stance on TPOXX's market opportunity, supported by its strong pre-clinical efficacy data in smallpox, continued US government backing (BARDA) and an already established international customer base (SIGA has delivered over $130m of international TPOXX orders to 30 countries since 2020, of which over $70m has been ex-Canada and led by Europe). While the regulatory review adds near-term uncertainty, we believe the strategic relevance of preparedness against biothreats should sustain demand in the long term.

Valuation

We value SIGA using the standard risk-adjusted net present value (rNPV) approach, forecasting each of its programs to the end of the patent life in each geography. Following the Q225 results, the key changes to our estimates relate to the near-term sales potential in Europe, which we have trimmed for FY25 and FY26 following the CHMP referral procedure. We keep our long-term estimates for TPOXX in Europe as well as other programs unchanged. The slight reduction in our implied enterprise value following these changes ($876m vs $894m in our last update) has been offset by the improved net cash position ($182.5m vs $162.3m previously). Overall, our valuation for SIGA remains unchanged at $1.06bn or $14.78/share. Exhibit 1 presents a breakdown of our valuation.

Exhibit 1: Risk-adjusted NPV of SIGA

Product/program	Main indication	Status	Probability of success	Approval/launch/ first contract year	Peak sales ($m)	rNPV ($m)
TPOXX (US base – Oral)	Treatment of smallpox	On market	100%	2018	114	299
TPOXX (Canada)	Treatment of smallpox	On market	100%	2020	13	34
TPOXX US IV and pediatric formulations	Treatment of smallpox	IV (approved May 2022), pediatric (being formulated)	50–100%	2022–27	31	29
TPOXX US PEP	Post-exposure prophylaxis following exposure to smallpox	Development	50%	2026	123	227
TPOXX EU, Japan, Korea, Australia	Treatment of smallpox	Approved	100%	2022	186	246
Commercialization of TPOXX, PEP in EMEA, Asia-Pacific	Treatment of mpox	Development	50%	2026	37	41
Total						**876**
Net cash (Q225) ($m)						182
Total firm value ($m)						**1,059**
Total basic shares (m) outstanding						71.6
Value per basic share ($)						**14.78**

Source: Edison Investment Research

Exhibit 2: Financial summary

$000s	2022	2023	2024	2025e	2026e
Year end 31 December	US GAAP	US GAAP	US GAAP	US GAAP	US GAAP
PROFIT & LOSS					
Revenue	**110,776**	**139,917**	**138,719**	**105,348**	**226,548**
Of which Product revenue	86,662	130,668	133,330	94,570	214,691
Of which R&D revenue	24,114	9,249	5,389	10,778	11,856
Cost of Sales	(10,433)	(17,825)	(31,289)	(25,750)	(42,201)
Gross Profit on product sales	**76,229**	**112,843**	**102,041**	**68,821**	**172,491**
Research & Development	(22,526)	(16,428)	(12,311)	(13,542)	(14,896)
General & Administrative	(35,117)	(22,043)	(25,136)	(23,530)	(26,573)
EBITDA	**43,218**	**84,159**	**70,522**	**43,066**	**143,416**
Operating profit (before amort. and excepts.)	**42,700**	**83,621**	**69,983**	**42,527**	**142,878**
Net Interest	1,032	4,156	6,087	6,216	7,659
Exceptionals	401	0	0	0	0
Profit Before Tax (norm)	**43,732**	**87,777**	**76,070**	**48,743**	**150,537**
Profit Before Tax (reported)	**44,133**	**87,777**	**76,070**	**48,743**	**150,537**
Tax	(10,228)	(19,708)	(16,856)	(11,698)	(36,129)
Profit After Tax (norm)	**33,504**	**68,069**	**59,214**	**37,045**	**114,408**
Profit After Tax (reported)	**33,905**	**68,069**	**59,214**	**37,045**	**114,408**
Average Number of Shares Outstanding (m)	72.9	71.4	71.3	71.5	71.6
EPS - normalized ($), basic	0.46	0.95	0.83	0.52	1.60
EPS - normalised fully diluted ($)	0.46	0.95	0.82	0.52	1.59
EPS - reported ($)	0.46	0.95	0.83	0.52	1.60
DPS - reported ($)	0.45	0.45	0.60	0.60	0.60
Gross Margin (%)	88.0	86.4	76.5	72.8	80.3
EBITDA Margin (%)	39.0	60.1	50.8	40.9	63.3
Operating Margin (before GW and except.) (%)	38.5	59.8	50.4	40.4	63.1
BALANCE SHEET					
Fixed Assets	**9,250**	**15,362**	**13,292**	**5,909**	**5,413**
Intangible Assets	898	898	898	898	898
Tangible Assets	1,848	1,332	1,298	802	306
Other	6,503	13,132	11,095	4,208	4,208
Current Assets	**185,786**	**238,991**	**231,045**	**236,136**	**301,544**
Stocks	39,273	64,218	49,564	34,695	36,429
Debtors	45,407	21,131	21,166	6,486	7,135
Cash	98,791	150,146	155,400	191,469	250,065
Other	2,316	3,496	4,915	3,486	7,914
Current Liabilities	**(21,518)**	**(54,118)**	**(25,332)**	**(25,318)**	**(15,145)**
Creditors	(3,355)	(1,456)	(1,340)	(1,327)	(1,484)
Short term borrowings	0	0	0	0	0
Other	(18,162)	(52,661)	(23,991)	(23,991)	(13,660)
Long Term Liabilities	**(3,358)**	**(3,376)**	**(3,201)**	**(3,201)**	**(3,201)**
Other long term liabilities	(3,358)	(3,376)	(3,201)	(3,201)	(3,201)
Net Assets	**170,160**	**196,859**	**215,805**	**213,526**	**288,611**
Minority Interests	0	0	0	0	0
Shareholder equity	**170,160**	**196,859**	**215,805**	**213,526**	**288,611**
CASH FLOW					
Operating Cash Flow	**41,611**	**94,799**	**48,762**	**79,075**	**101,602**
Capex	0	(22)	(42)	(42)	(42)
Acquisitions/disposals	0	0	0	0	0
Financing	0	0	0	0	0
Dividends	(32,940)	(32,135)	(42,665)	(42,964)	(42,964)
Other (including share buybacks)	(13,019)	(11,287)	(800)	0	0
Net Cash Flow	(4,348)	51,355	5,254	36,069	58,596
Opening net debt/(cash)	**(103,139)**	**(98,791)**	**(150,146)**	**(155,400)**	**(191,469)**
Exchange rate movements	0	0	0	0	0
Closing net debt/(cash)	**(98,791)**	**(150,146)**	**(155,400)**	**(191,469)**	**(250,065)**

Source: Company documents, Edison Investment Research

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