

SIGA Technologies

Procurement contract

Second contract win from the US DoD in 2022

Pharma and biotech

SIGA Technologies has announced a second procurement contract worth up to \$10.7m from the US Department of Defense (DoD) for the procurement of oral TPOXX, of which \$5.1m is targeted for delivery in 2022. This win follows a \$7.4m procurement contract from the DoD in May 2022. Amid the spate of new contract wins globally (including \$76m in international orders) for TPOXX, we expect the strong order momentum to continue as countries stockpile treatments due to the ongoing monkeypox outbreak. We maintain our valuation of \$19.80 per SIGA share.

3 October 2022

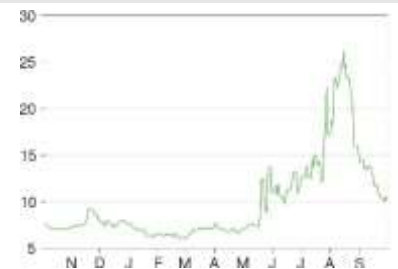
Price US\$9.98
Market cap US\$729m

Net cash (\$m) at 30 June 2022 114.5
Shares in issue 73.0m
Free float 56%
Code SIGA
Primary exchange NASDAQ
Secondary exchange N/A

Year end	Revenue (US\$m)	EBITDA* (US\$m)	PBT* (US\$m)	EPS* (US\$)	P/E (x)	Net cash (US\$m)
12/20	125.0	88.6	81.5	0.81	12.3	117.9
12/21	133.7	89.7	89.1	0.91	11.0	103.1
12/22e	125.0	63.5	63.0	0.66	15.2	71.8
12/23e	128.1	65.6	65.1	0.72	13.9	94.2

Note: *EBITDA, PBT and EPS (diluted) are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Share price performance



SIGA has received a [new procurement order worth up to \\$10.7m](#) from the US DoD for the supply of oral TPOXX (tecovirimat). Of the total, the company is targeting delivery of \$5.1m worth of oral TPOXX in 2022 while the remaining \$5.6m will be at the discretion of the DoD. This new contract follows an earlier contract worth \$7.4m from the DoD in [May 2022](#), and combining these two contracts, a total of \$12.5m of orders should materialise this year.

Business description

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

As we mentioned in [our previous note](#), FY22 continues to be a catalyst-rich year for SIGA with multiple contract wins in North America, European countries and Asia-Pacific. The latest US DoD contract provides another boost to SIGA's robust contract and sales pipeline, with the company reporting \$76m in international orders year-to-date for oral TPOXX from 12 customers across Canada, the EU and Asia-Pacific. Of this total contract value, c \$65m is expected to be delivered in 2022.

Analysts

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As a reminder, SIGA has an existing collaboration agreement worth \$26m with the US DoD for developing the post-exposure prophylaxis (PEP) indication for oral TPOXX. The DoD has formulated an Expanded Access Protocol for TPOXX so that it can be used as a PEP for DoD-affiliated personnel until FDA approval is received. We note that the PEP label expansion is an important catalyst for SIGA as it could potentially expand its addressable market due to the longer course of therapy (28 days, or twice the length of the current FDA-approved treatment label).

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With about 64k global cases and 23k cases in the United States, [monkeypox remains a growing concern for governments and health agencies](#). Amid rising cases in the United States, monkeypox was declared a [public health emergency on 4 August](#), and antivirals remain the first line in easing monkeypox symptoms. SIGA's antiviral product TPOXX is the leading therapeutic, originally designed to treat smallpox. In the United States, TPOXX was approved by the FDA for smallpox and is now available to treat monkeypox through the [Centers for Disease Control and Prevention's expanded access investigational new drug protocol](#). Currently, it is the only allowed therapy for all orthopoxvirus pathogens, including monkeypox, approved in both the UK (July 2022) and the EU (January 2022).

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